



ASX/Media Announcement

19th August 2010

SIGNIFICANT COPPER-COBALT SULPHIDE MINERALISATION INTERSECTED AT THE MOUNT DOROTHY PROSPECT

- Significant copper-cobalt sulphide mineralisation assays returned from the recently completed Mount Dorothy RC drill program, include:
 - MDR002: 35m @ 1.52% copper, 397ppm cobalt from 17m
inc. 22m @ 2.03% copper, 591ppm cobalt from 17m
- High grade intersection in MDR002 forms part of a lower grade mixed oxide-sulphide mineralised zone of:
 - 89m @ 0.74% copper, 190ppm cobalt from 17m
- Additional significant cobalt mineralisation intersected include:
 - MDR002: 7m @ 1,449ppm cobalt, 2.55% copper from 18m
 - MDR003: 10m @ 411ppm cobalt, 0.04% copper from 81m
 - MDR004: 28m @ 385ppm cobalt, 0.12% copper from 35m
8m @ 315ppm cobalt, 0.02% copper from 122m (OPEN)
- Mineralisation remains open at depth and along strike.

China Yunnan Copper Australia Limited (**ASX: CYU**) today announces the results from its recently completed 586 metre RC drill programme in four holes (**Table 1**) testing a >500 metre zone of surficial copper mineralisation between the Wee Wyeems and Three Threes prospects (collectively referred to as "**Mount Dorothy**"), part of the Mary Kathleen Joint Venture with Goldsearch Limited (**ASX: GSE**), in the Mt Isa district, Northwest Queensland (**Figure 1 and 2**).

Traditionally, the Mount Dorothy prospect has been referred to by the names of its two outcropping lodes: 'Three Threes' and 'Wee Wyeems'. The copper mineralisation occurs in these two outcrops as

malachite staining on gossans in fault quartz breccias and as disseminations in adjacent sheared porphyry. The mineralisation appears to be controlled by a northwest striking fault.

Hole ID	East*	North*	RL	Azi**	Dip	Depth
MDR001	380,720	7,694,999	449	278	-60	193
MDR002	380,623	7,695,016	449	119	-60	163
MDR003	380,621	7,695,021	447	224	-60	100
MDR004	380,293	7,695,296	429	160	-60	130

* Datum GDA94 zone 54

** UTM Grid Azimuth

Table 1: Mount Dorothy Prospect drill collar locations

The mineralised zone, as defined by a >200ppm copper soil geochemical anomaly, was partially tested, concentrating on the Wee Wyeems area by five drill holes in the 1990's returning a best intercept of **110m @ 0.57% Cu from 22m** in drill hole WW201 including **26m @ 1.05% Cu from 106m (Open at Depth)**.

3D interpretation undertaken by CYU suggested that WW201 may have been drilled down dip within a northeast trending mineralised zone. Potential still exists for significant mineralisation to be intersected at depth associated with brecciation extending from Wee Wyeems to Three Threes.

MDR001 and MDR002 were drilled as a pair of scissor holes testing for the potential northeast trending mineralised zone. MDR001 intersected patchy zones of oxide copper mineralisation ("oxide"), predominately as native copper and minor malachite, with the best intersections returned of **32m @ 0.18% copper, 44ppm cobalt** from 122m and **12m @ 0.19% copper, 301ppm cobalt** from 181m (**Open at Depth**). MDR002 intersected a broad zone of oxide and primary sulphide mineralisation ("primary"), as pyrite+chalcopyrite+/-chalcocite, of **89m @ 0.74% copper, 190ppm cobalt** from 17m. Within this zone two shallow high grade primary sulphide intersections of **22m @ 2.03% copper, 591ppm cobalt** from 17m and **6m @ 1.27% copper, 81ppm cobalt** from 46m were returned. All mineralisation from 52m to the end of the hole is predominately oxide (**Figure 3**). MDR003 was drilled on the same drill pad as MDR002 but on an orientation to test the prominent mineralised northwest trending gossanous quartz breccia structure. MDR003 intersected patchy oxide and primary mineralisation with the best intersection of **11m @ 0.30% copper, 116ppm cobalt** from 59m (oxide) returned.

MDR004 was drilled to test under the historic shallow underground workings at the Three Threes area. Historically this outcrop has only been tested by a single shallow diamond core hole (DDH1) drilled in the mid 1950's. MDR004 also intersected patchy primary mineralisation with minor oxide mineralisation. Best intersection returned was **7m @ 0.28% copper, 509ppm cobalt** from 56m (primary).

A summary of all significant intersection from this drill program can be found below in **Table 2**.

HOLE ID	FROM (m)	TO (m)	WIDTH (m)	Cu (%)	Co (ppm)	Comment
MDR001	35	36	1.00	0.14	63	
MDR001	43	50	7.00	0.16	23	
MDR001	54	55	1.00	0.13	62	
MDR001	61	73	12.00	0.19	32	
MDR001	79	81	2.00	0.12	36	
MDR001	87	88	1.00	0.10	39	
MDR001	107	110	3.00	0.22	60	
MDR001	114	115	1.00	0.13	40	
MDR001	122	154	32.00	0.18	44	
MDR001	Including 137	138	1.00	0.87	35	0.50% Copper cutoff
MDR001	158	164	6.00	0.12	57	
MDR001	181	193	12.00	0.19	301	OPEN AT DEPTH

HOLE ID	FROM (m)	TO (m)	WIDTH (m)	Cu (%)	Co (ppm)	Comment
MDR002	17	106	89.00	0.74	190	main sulphide zone 0.50% Copper cutoff
including	17	39	35.00	1.52	397	
including	17	39	22.00	2.03	591	
Including	46	52	6.00	1.27	81	
MDR002	119	120	1.00	0.10	16	
MDR002	123	124	1.00	0.10	9	
MDR002	126	128	2.00	0.11	26	
MDR002	130	131	1.00	0.11	21	
MDR002	134	135	1.00	0.15	24	
MDR002	139	154	15.00	0.28	32	0.50% Copper cutoff
Including	142	144	2.00	0.79	77	
MDR003	45	47	2.00	0.32	232	
MDR003	59	70	11.00	0.30	116	
MDR003	83	84	1.00	0.18	1,390	
MDR004	44	45	1.00	0.10	526	
MDR004	48	49	1.00	0.36	562	
MDR004	52	53	1.00	0.28	334	
MDR004	56	63	7.00	0.28	509	
MDR004	69	70	1.00	0.12	293	
MDR004	79	80	1.00	0.15	294	
MDR004	83	84	1.00	0.12	67	
MDR004	96	97	1.00	0.24	46	
MDR004	111	112	1.00	0.18	37	

Table 2: Summary of significant intersections for Mount Dorothy RC drill program - July 2010, using a nominal 0.10% copper cutoff w/- max 3m internal dilution. All depths are reported in downhole depths.

Significant broad anomalous cobalt intersections were also returned from assays in all four holes with a peak value of 2,100ppm cobalt. MDR002 returned the best intersection of **19m @ 674ppm cobalt, 2.31% copper** from 17m including **7m @ 1,449ppm cobalt, and 2.55% copper** from 18m, at a 500ppm cobalt cut-off. MDR003 and MDR004 returned the two broadest intersections of **34m @ 214ppm cobalt, 0.09% copper** from 62m and **52m @ 278ppm cobalt, 0.08% copper** from 28m respectively. MDR004 remains open with **8m @ 315ppm cobalt, 0.02% copper** from 122m (**Open at depth**) with the last sample returning 857ppm cobalt and 0.03% copper.

A summary of all significant intersection from this drill program can be found below in **Table 3**.

HOLE ID	FROM (m)	TO (m)	WIDTH (m)	Co (ppm)	Cu (%)	Comment
MDR001	56	57	1.00	106	0.09	
MDR001	83	84	1.00	103	0.09	
MDR001	90	91	1.00	128	0.08	
MDR001	109	112	3.00	101	0.11	
MDR001	153	155	2.00	105	0.10	
MDR001	157	158	1.00	113	0.07	
MDR001	166	193	27.00	223	0.09	OPEN AT DEPTH
Including	187	188	1.00	1,600	0.93	
MDR002	17	36	19.00	674	2.31	500ppm Co cutoff
including	18	25	7.00	1,449	2.55	
MDR002	55	56	1.00	110	0.28	
MDR002	71	72	1.00	110	0.09	
MDR002	111	113	2.00	113	0.08	
MDR003	6	7	1.00	106	0.05	
MDR003	15	22	7.00	136	0.02	
MDR003	27	56	29.00	185	0.05	200ppm Co cutoff
including	32	48	16.00	262	0.06	
MDR003	62	96	34.00	214	0.09	200ppm Co cutoff 500ppm Co cutoff
including	81	91	10.00	411	0.04	
including	82	84	2.00	1,166	0.13	

HOLE ID	FROM (m)	TO (m)	WIDTH (m)	Co (ppm)	Cu (%)	Comment
MDR004	1	4	3.00	110	0.01	
MDR004	28	80	52.00	278	0.08	
including	35	63	28.00	385	0.12	200ppm Co cutoff
MDR004	122	130	8.00	315	0.02	OPEN AT DEPTH
including	126	130	4.00	512	0.02	200ppm Co cutoff
including	129	130	1.00	857	0.03	500ppm Co cutoff

Table 3: Summary of significant cobalt intersections for the Mount Dorothy RC drill program - July 2010, using a nominal 100ppm cobalt cutoff w/- max 3m internal dilution. All depths are reported in downhole depths.

CYU is currently compiling all the new drill data into the existing 3D model for re-interpretation and planning of a second phase of drilling, targeting depth and strike potential along the Mount Dorothy northwest and northeast structures. A number of untested Sirotem anomalies identified during a 1990's ground geophysical survey will also be re-evaluated for drill targeting.

Competent Person's Statement

The information in this report that relates to the Mount Dorothy prospect (EPM 14019) is based on information compiled by Richard Hatcher, who is a Member of the Australian Institute of Geologists and is Exploration Manager of China Yunnan Copper Australia Ltd. Mr Hatcher has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results and Mineral Resources". Mr Hatcher consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

About CYU

CYU is an Australian company formed to explore for and develop minerals in Australia and overseas. Cornerstone investor, Yunnan Copper Industry (Group) Co Ltd (YCI), is one of China's largest copper producers. YCI's largest shareholder is Chinalco.

CYU has goals of resource definition and development for its three target commodities copper, gold and uranium and to achieve this is targeting high quality copper, gold and uranium projects in the Cordillera Porphyry Belt of Chile, Mt Isa Inlier, and Pentland Province in Queensland.

Other current CYU activities include;

- Data compilation and drillhole targeting from recently completed ground geophysical, geochemical and mapping programs at the Humito Copper Porphyry project in Chile.
- Data compilation and three dimensional model of recently completed diamond drilling at Stanley's Hope Gold, Pentland.
- Compilation of follow up mapping and Niton XRF sampling on the Rare Earth Element Uranium project at Elaine Dorothy.
- Project review under a Memorandum of Understanding with CYU's cornerstone investor Yunnan Copper Industries (YCI) to undertake regional exploration and project generation work in Yunnan Province and Laos, China.

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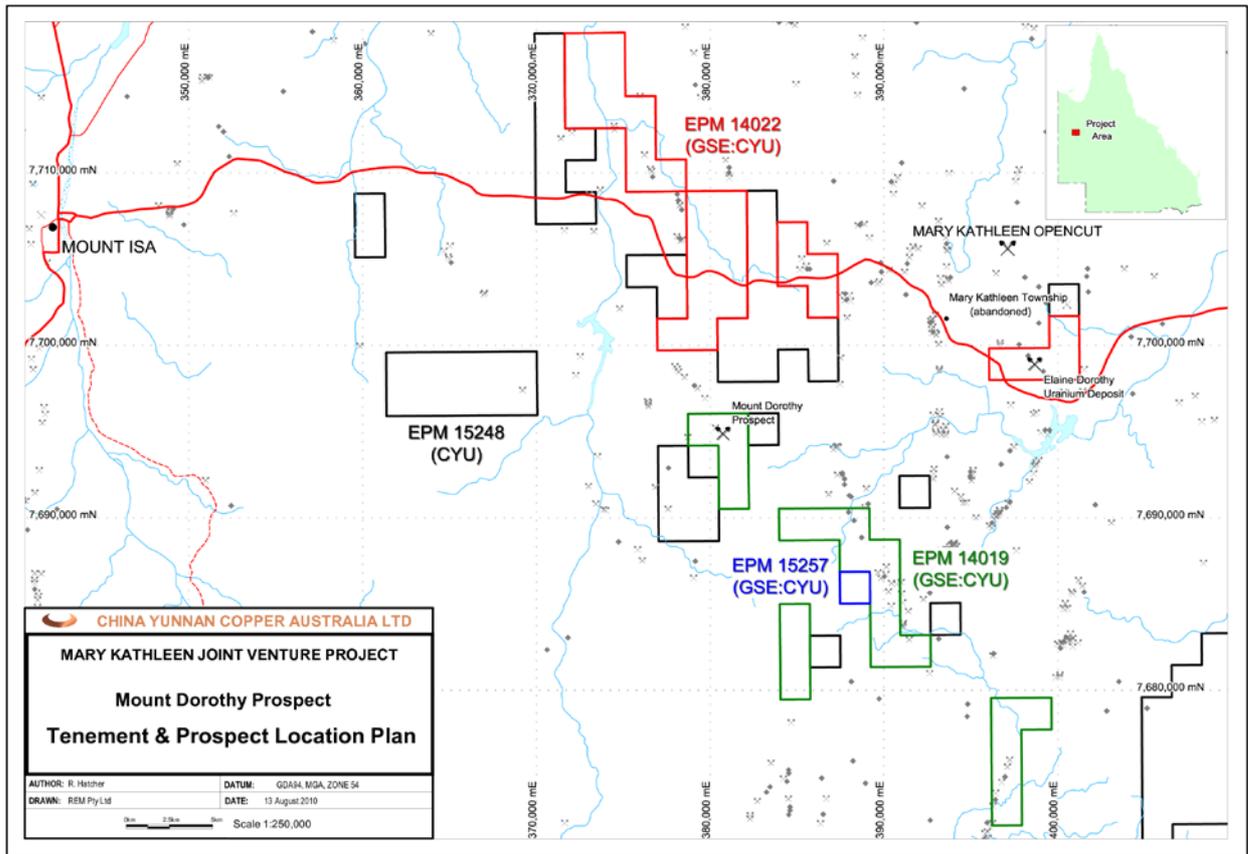


Figure 1: Mt Dorothy is located 50 kilometres southeast of Mount Isa.

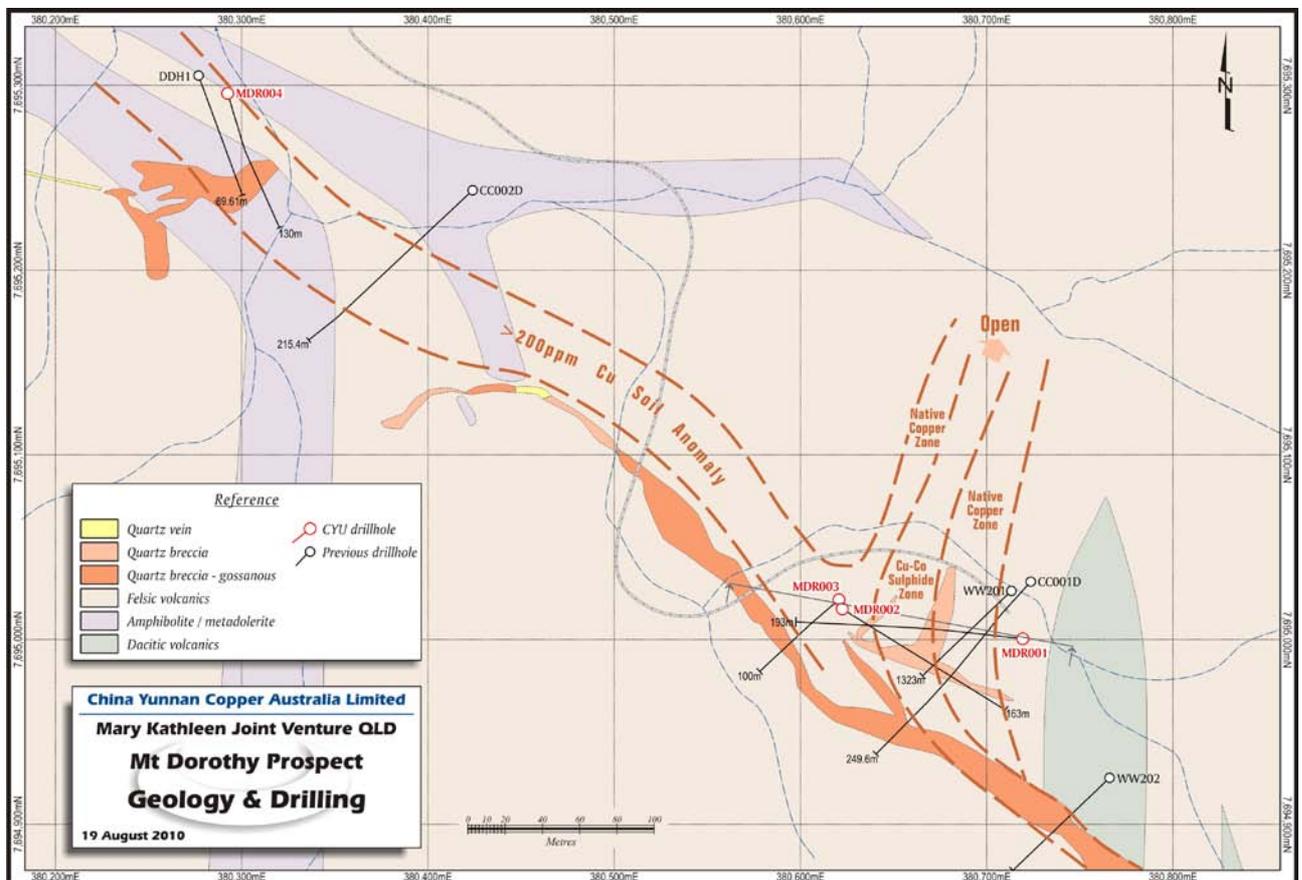


Figure 2: Mary Kathleen JV: EPM 14019 – Drillhole Location Map with interpreted > 500m surficial mineralised zones.



Figure 3: Mary Kathleen JV: EPM 14019 – Section A-A' looking north-northeast highlighting the broad copper mineralisation intersected in MDR001 and MDR002.



Plate 1: Mary Kathleen JV: EPM 14019 –RC Drill Rig drilling MRD001, looking south. Outcrop in the background is the surface expression of gossanous quartz breccia outcrop extending for >500m strike length.



Plate 2: Mary Kathleen JV: EPM 14019 – MDR002 shallow visible primary sulphide mineralisation in RC drill chips. The interval 20m – 25m returned assays of 5m @ 3.15% copper, 1,473ppm cobalt.



Plate 3: *Mary Kathleen JV: EPM 14019 –Three Threes Outcrop. Massive malachite staining on gossanous quartz breccia outcrop. Reconnaissance Niton XRF readings at this outcrop in Sept 2009 returned readings up to 6.44% copper and 12,398ppm cobalt.*