

ASX/Media Announcement

14 March 2013

Chinalco Yunnan Copper Resources Ltd (ASX: CYU)

Project Updates – Mt Isa and Chile

- **Blue Caesar prospect selected as the next area to be drilled within the Mary Kathleen Shear Zone– commencing early April 2013**
- **Promising initial metallurgical test results from the Q4 2012 Elaine program – final results available by the end of March 2013**
- **Geophysics at Humito (Chile) completed and drill targets identified**

Chinalco Yunnan Copper Resources Ltd is actively assessing its tenements, drilling programs and field operations at its Australian and Chilean projects.

Australia – Mary Kathleen Joint Venture and Mt Frosty Project

CYU is focusing on defining and developing a commercial copper and gold project in the highly prospective region east of Mt Isa in north-western Queensland.

Field activities have continued to concentrate on the 12km long regional mineralised structure known as the Mary Kathleen Shear Zone (MKSZ). This zone contains the historic Mary Kathleen uranium mine and CYU's 27.7Mt copper-gold discovery at Elaine. Within the portfolio of CYU project interests in the Mt Isa/Cloncurry region this is the area of primary focus of CYU exploration. (*Refer Annexure A for a diagram of CYU's tenure holdings in the Mt Isa/Cloncurry region*).

As part of the resource upgrade and diamond core drilling program in Q4 2012 at the Elaine project, CYU has undertaken metallurgical scoping study testwork on diamond core selected from the main ore zone of the resource. Testwork is being undertaken at ALS Metallurgy Laboratory (Adelaide) with final reportable results expected by late March/early April 2013. The scoping testwork is primarily looking at the standard grind size and recovery studies for the copper and gold products.

Field activities over recent weeks have included prospect scale geological mapping, prospect geophysics and surface geochemistry centred on the Blue Caesar prospect. Blue Caesar is situated approximately 400m north-west of the Elaine project, along strike of the MKSZ. Strong co-incident geochemical and geophysical anomalies overlying a similar geological setting to Elaine have already been defined. Utilising the exploration model and techniques developed for Elaine, CYU has identified a number of drillhole targets and drilling is expected to commence early April 2013.

Blue Caesar will be the second prospect along the MKSZ to be explored as part of a series of potential "trap" sites that CYU is targeting in its efforts to define a resource base of 1,000,000 tonnes of fine copper. (*Refer Annexure B for a diagram of the location of the Blue Caesar prospect area*).

(Note – The Mary Kathleen Joint Venture is an agreement between CYU (70%) and Goldsearch Limited (30%). Mt Frosty is the subject of a farm-in agreement with Xstrata Mt Isa, whereby CYU and Goldsearch can earn (in the same 70/30 proportion) up to a 75% interest in the Mt Frosty tenement).

Chile – Humito and Sulfato Projects

Field activities have commenced in Chile with geophysical programs being undertaken at both Humito and Sulfato projects.

A deep penetrating 3-dimensional IP/MT geophysical program is nearing completion at the Humito project. The program is due for completion by the end of this week with final processing of data to be completed by the end of March 2013. This data will be used to target a deep-sitting (>500m) porphyry mineralised zone, with drilling expected to commence in early Q2 2013.

Following completion of the geophysical program at Humito, the crew will be mobilised to the Sulfato project to commence a deep penetrating 3-dimensional IP/MT geophysical program in that area. Results of that program should be available by the end of April 2013.

Other than some rehabilitation work relating to drill programs recently conducted at Candelabro and Caramasa, and general data analysis, no other field activities are currently being conducted in Chile.

(Note – CYU is the 100% owner of the Humito project, which includes an area covered by an acquisition agreement with Xstrata Chile allowing CYU to acquire a 100% interest in that area, subject to a 3% net smelter royalty. The Sulfato project is the subject of a farm-in agreement with Codelco, whereby CYU can earn a 51% interest in this area).

CYU Project Review

As previously advised, a review of the Company's projects has been completed. This review will be considered at a Board meeting scheduled for 23 March 2013 and the adopted recommendations will be promptly reported to the market.

On behalf of the Board

Paul Williams
Managing Director
paul.williams@cycal.com.au
+61 419 762 487

About CYU

Chinalco Yunnan Copper Resources Ltd ("CYU" or "Company") is a resource exploration and development company with project interests in the Mt Isa region of north Queensland, Chile and northern Laos.

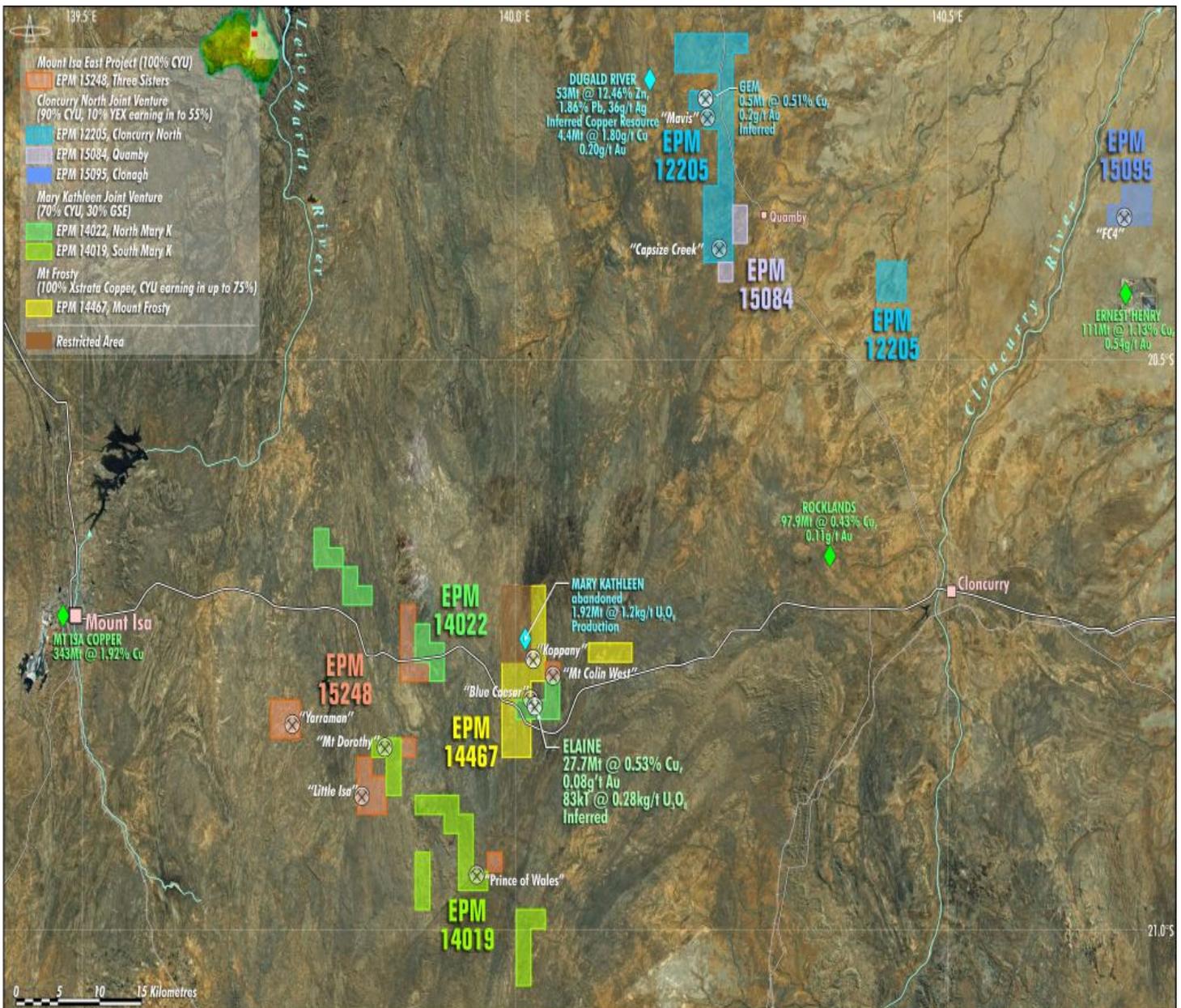
CYU's largest shareholder is China Yunnan Copper (Australia) Investment and Development Co Ltd ("CYC"), owning 43% of the total issued shares in CYU. CYC is a wholly-owned subsidiary of Kunming-based Yunnan Copper Industry (Group) Co Ltd, which is the third largest producer of smelted copper product in China. In turn, Yunnan Copper Group is a subsidiary of Aluminium Corporation of China (Chinalco) which is the largest producer of aluminium product in China and the second largest world-wide.

CYU has offices in Brisbane and in Santiago. The Company is listed on the ASX under the symbol "CYU".

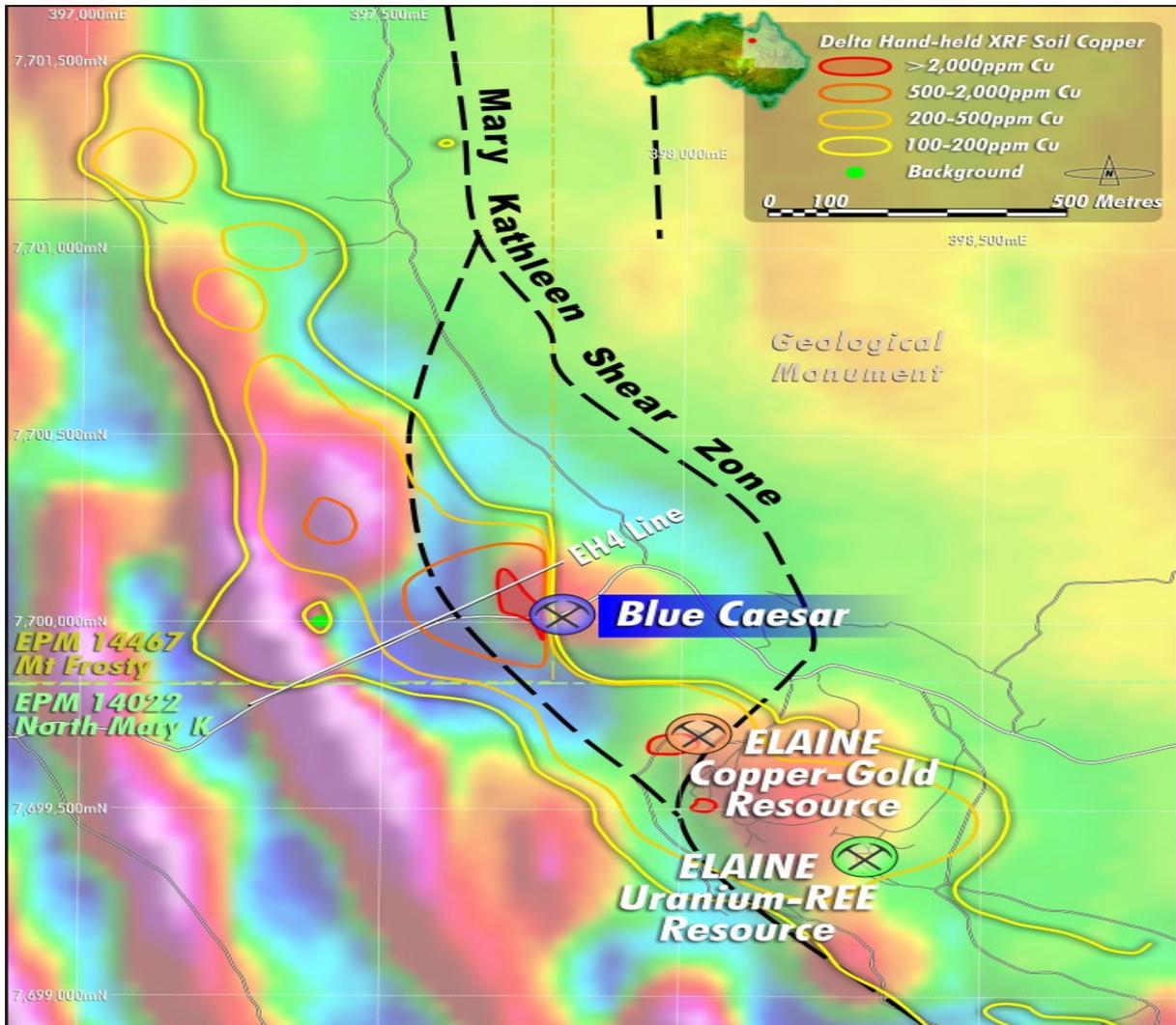
Competent Person's Statement

The information in this report that relates to Exploration Results for all prospects and the Inferred JORC Resources for both the Elaine copper+gold and uranium+rare earth element prospects is based on information compiled by Richard Hatcher, who is a Member of the Australian Institute of Geologists, and is an Executive Director of CYU. Mr. Hatcher has sufficient experience relevant to the styles of mineralisation and type of deposits 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.

Annexure A – CYU tenement holdings at Mt Isa/Cloncurry



Annexure B – Blue Caesar Location overlying airborne magnetics image



Situated 400m to the northwest of the Elaine copper-gold resource, the Blue Caesar prospect is characterized by strong copper in soil geochemical anomalies (contours) and lying adjacent or on the margin of prominent magnetic high anomalies (red background).