

ASX/MEDIA ANNOUNCEMENT

1st October 2008

HIGH GRADE GOLD VALUES CONFIRMED IN PENTLAND PROJECT

- **Over minimum 500m strike length from surface sampling**
- **Drilling due to commence in October**

Key Points

- **Total of 36 collected samples average 7.2 g/t gold.**
- **Follow-up sampling has confirmed the presence of high-grade polymetallic mineralization in the historic Toomba workings.**
- **A newly completed IP geophysical survey has identified coincident anomalies which will be developed into drill targets.**
- **Intention to drill the Toomba Prospect during October.**

China Yunnan Copper Australia Limited (**ASX:CYU**) today announced that follow-up sampling over the Toomba Prospect has confirmed the presence of high grade gold and significant base metal grades reported previously. A geophysical survey has generated coincident anomalies that indicate the potential for mineralisation to be found at depth.

The Toomba Prospect of the Pentland Project was identified from reconnaissance mapping, sampling and data collation of previously collected samples. The sampling and mapping program is continuing and drill targets are being generated in preparation for drilling planned for October.

Pentland Project – EPM 11487, EPM 12900, EPM 12901

Mapping and sampling of the historic Toomba workings (**Refer Figure 2**) has confirmed the greater than one ounce gold values and strong base metal anomalies in spoil reported historically. Peak values include 44g/t gold, 128 g/t silver, 6570 ppm copper, 3.41% lead and 4.8% zinc.

Sampling of the previously unrecognised Central Zone has confirmed the potential for further poorly exposed or blind targets within the prospect.

Sample Number	Easting GDA94_55	Northing GDA94_55	Au ppm	Ag ppm	Cu ppm	Pb ppm	Zn ppm
378001	353300	7763145	44	14.4	539	3390	2590
378002	353299	7763144	3.05	38.8	2380	1.03%	1.20%
378003	353303	7763148	14.5	56.9	4470	1.11%	4260
378004	353300	7763150	10.1	11.2	29	3720	5420
378005	353306	7763155	8.18	12.3	669	2880	3080
378006	353306	7763151	23.5	33.6	265	1.15%	2.26%
378019	353330	7763192	1.27	22.1	5710	5210	950
378020	353328	7763191	12.05	30.4	57	6870	2.33%
378021	353332	7763190	1.27	27.9	4200	4520	64
378022	353330	7763190	41.5	29.7	110	1.41%	3070
378023	353329	7763193	21.3	46.2	6570	3.41%	3.17%
378024	353332	7763193	1.42	20.5	2740	4660	1380
378025	353331	7763225	2	1.1	15	288	61
378026	353330	7763225	0.28	1.3	48	440	175
378027	353337	7763236	15.15	37	739	5110	6890
378028	353334	7763242	20.4	25.2	4430	2590	4.80%
378029	353367	7763311	1.17	2.2	41	669	118
378030	353367	7763311	0.33	1.1	30	194	221
378031	353365	7763304	0.27	0.2	57	132	480
378032	353373	7763342	0.75	14.5	20	494	18
378033	353370	7763345	1.53	71.8	1560	1.43%	6530
378034	353375	7763342	0.89	85.9	4350	1.64%	2.18%
378035	353377	7763369	2.22	2.1	19	215	47
378036	353403	7763432	3.64	128	1010	2.36%	2.06%
378037	353271	7763052	2.41	38.3	86	1.12%	2190
378038	353271	7763052	0.69	1.3	7	372	60

Table 1: Results from sampling over the Old Toomba Workings.

	Sample Number	Easting GDA94_55	Northing GDA94_55	Au ppm	Ag ppm	Cu ppm	Pb ppm	Zn ppm
Central	378007	353613	7763161	3.17	21.6	114	1540	111
	378008	353614	7763161	3.01	19.5	88	775	202
	378009	353614	7763160	0.29	2.6	45	145	10
	378010	353616	7763156	0.09	5.5	31	16	9
	378011	353623	7763185	0.16	0.7	8	353	7
	378012	353609	7763142	0.06	0.9	56	179	52
	378013	353596	7763116	0.39	0.8	21	53	10
	378014	353582	7763087	8.03	3.6	49	298	39
	378015	353581	7763089	0.65	0.2	31	891	25
	378016	353613	7763115	9.65	2	11	469	35

Table 2: Results from sampling over the Central Zone.

This poorly exposed and previously unworked structure shows significant evidence of mineralisation. Highest gold values are in sulphidic vein material.

A geophysical (IP) survey over the prospect has not only identified multiple linear anomalies coincident with the known structures, but also well defined, broad anomalies at depth in the SW and near surface in the east of the grid that reinforces the potential for larger, bulk volume targets at depth

The Toomba Prospect comprises four parallel NNE vein structures and zones of veinlets up to 400m long within an area 1km by 750m. These mostly occur within an outlier of the Amarra Granite within the Grasstree Leucogranite. The southern edge of the prospect is overlain by the Tertiary Campaspe sediments.

Recent sampling over the Toomba Prospect (**Tables 1 & 2 above**) in the east of EPM 12900 has been successful in replicating the strongly anomalous gold and base metal values reported by previous companies. Sampling was carried out on veins in outcrop and on material found in the mullock heaps around the historic mine workings.

The recent IP geophysical survey generated three distinct classes of anomalies over Toomba. A group of NW trending planar anomalies appear to correspond to the regional tectonic fabric, as seen clearly in aeromagnetic surveys. Weaker, high-angle, planar anomalies are coincident with the known vein structures, especially the Old Toomba Workings. A group of broad anomalies occur at 150 to 200m depth in the SW and nearer surface in the east. These may represent

larger, disseminated or breccia-hosted mineralisation at depth.

The Toomba Prospect comprises a series of four NNE trending vein structures over an area of 1km by 750m. Three groups of old workings are reported in the area: Toomba, Toomba East and Lady Barrington. The main mineralisation takes the form of coarse-grained banded quartz – sulphide veins with abundant iron oxides hosted within a sericite altered granite.

CYU has identified multiple shallow pits and shafts along a 500m strike length on the eastern side of Toomba (**Figure 2 below**). Previous records show that sampling in this area has returned gold values of up to 37.5g/t with 5,267ppm lead, 22,800ppm zinc and 1,483ppm copper.

Planned Exploration

Toomba

A drill rig has been contracted to start drilling in Toomba in mid October. Currently a 2000m program of reverse circulation holes is planned to test both the known high grade gold structures from surface and the geophysical anomalies to a depth of approximately 200m. In addition, results are pending from a close-spaced soil-sampling program testing for blind, near-surface mineralised structures.

About CYU

CYU listed on the ASX on 29 October 2007 by issuing 16,000,000 25c shares to raise \$4 million. CYU is an Australian company formed to explore for and develop minerals in Australia and overseas. Cornerstone investor, Yunnan Copper Industry (Group) Co Ltd, is one of China's largest copper producers. CYU is targeting high quality copper, gold and uranium projects with eleven wholly owned Exploration Permit for Minerals (EPM's) in the Mt Isa Inlier, Ravenswood-Pentland Province and the Clermont Inlier in Queensland.

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The information in this report that relates to Exploration Results is based on information compiled by Jason Beckton, who is a Member of the Australian Institute of Geologists and a Member of the Australasian Institute of Mining and Metallurgy, and is the Managing Director of China Yunnan Copper Australia Ltd. Mr Beckton 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 Beckton consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

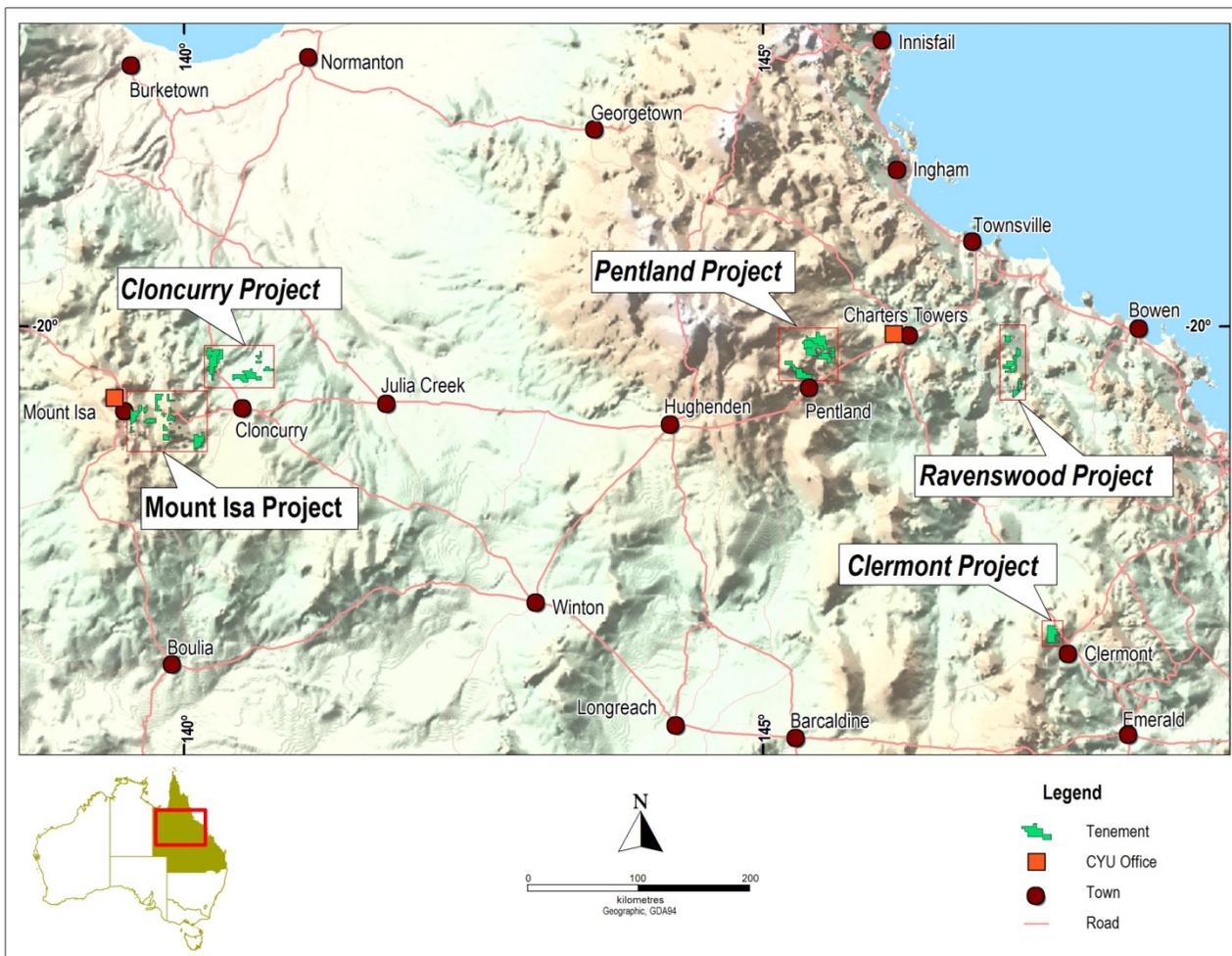


Figure 1. Current CYU project locations. The Toomba Prospect is within the Pentland Project.

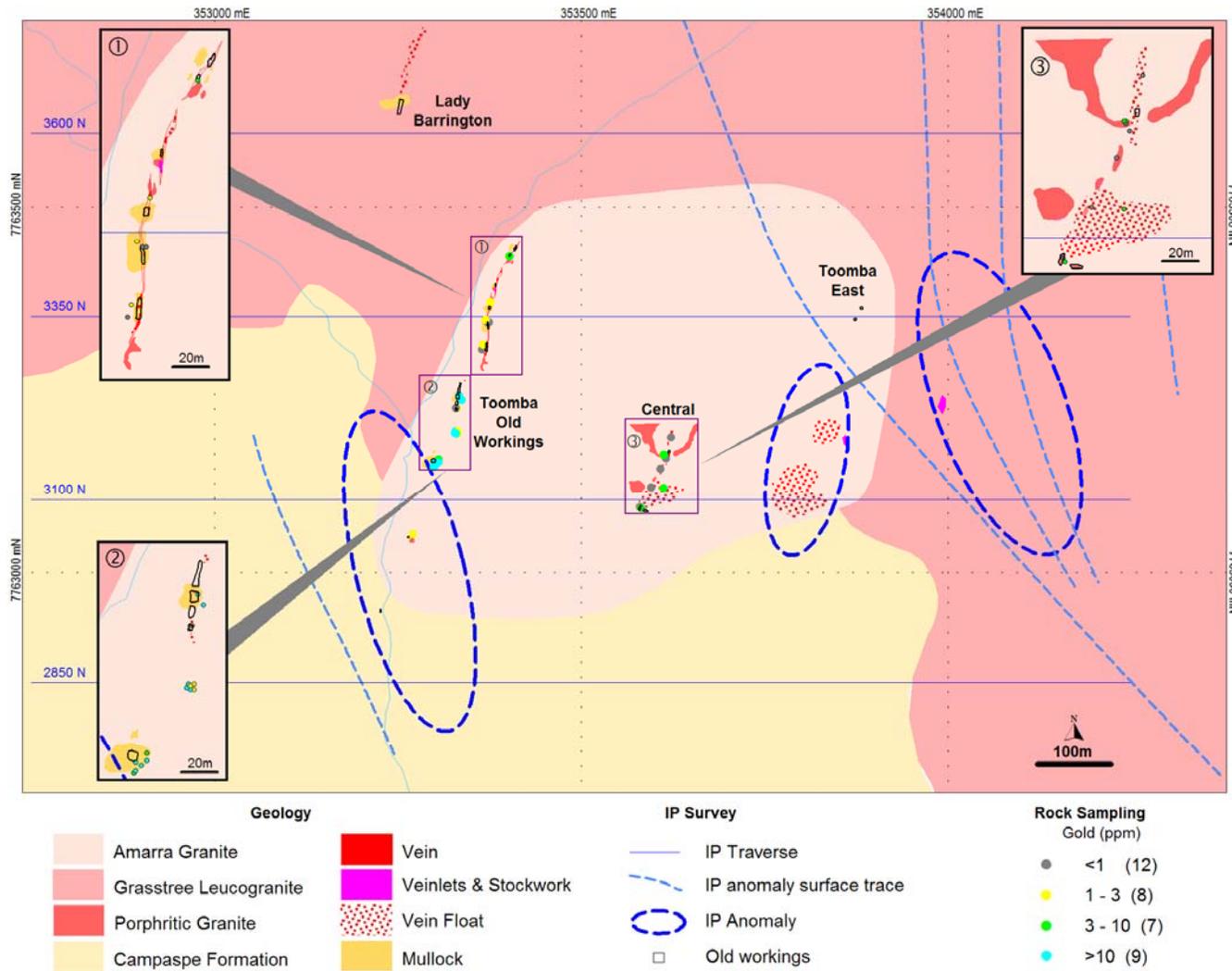


Figure 2: Toomba Prospect - detailed mapping is underway and drilling is due to commence mid October.