

ASX/Media Announcement 13 June 2012

## **HIGH GRADE SHALLOW GOLD BISMUTH COPPER – ELAINE PROJECT**

Chinalco Yunnan Copper Resources (CYU) and Goldsearch Limited (GSE) are pleased to provide an update on the current extensional diamond drill program at the Elaine copper gold REE thorium prospect that forms part of the Mary Kathleen Joint Venture Project at Mt Isa, Queensland. CYU holds 70% and GSE holds 30% interests in the Mary Kathleen Joint Venture. Results from drillhole MKED026 have now been received.

Highlights from MKED026 (Figures 2 and 3) include:

- **MKED026: 26m @ 1.7g/t Au, 0.24% Bi, 213ppm Co & 0.27% Cu from 160m with a geological intercept of 9m @ 3.63g/t Au, 0.60% Bi, 413ppm Co, 0.47% Cu from 177m. Mineralisation is in scapolite biotite schist.**
- **MKED026: 13m @ 0.66% Cu, 477ppm Co & 0.17g/t Au from 146m**
- **Mineralisation has now been intersected near surface and up dip from the area that is being used for the initial JORC resource estimate. The Elaine mineralisation within and adjoining the regional Mary Kathleen shear is open to the east and west.**

MKED026 was drilled to test the up dip potential and postulated surface expression of the main mineralised body at Elaine highlighted by the significant gold intersection reported for **MKED009** of 109m @ 0.50% Cu, 482ppm Co and 1.98g/t Au from 491m, **including 26m @ 7.7 g/t Au**. This intersection is approximately 200m along strike and approximately 300m up dip from MKED009.



**An example of the high grade gold bismuth mineralization in the core of the Elaine copper cobalt REE Thorium deposit. Intercept is 11.5 g/t gold, 2.3% bismuth, 0.28% copper from 178 to 179m**

Significant broad (>15m) low-grade (>1,500ppm) intersections of total rare earth oxide (TREO = >90%Ce, La, Nd), uranium and thorium mineralisation have also been returned in MKED026. Spot intersections >250ppm U<sub>3</sub>O<sub>8</sub> are highlighted by **3m @ 4,961ppm TREO, 0.33 kg/t U<sub>3</sub>O<sub>8</sub>, 0.05 kg/t ThO<sub>2</sub>** from 63m, including **1m @ 10,173ppm TREO, 0.69kg/t U<sub>3</sub>O<sub>8</sub>, 0.08kg/t ThO<sub>2</sub>** from 64m.

MD Jason Beckton commented, "This shallow intercept resembles MKED009, 300 metres along strike and also part of Elaine, with a high grade gold core surrounded by copper mineralisation related to later phase Mary Kathleen style replacement mineralisation. In this case the unusual bismuth association suggests a fluid capable of mineralising a variety of metal associations. CYU continues to be encouraged by Elaine with this latest gold-bismuth intercept confirming a copper deposit with important gold REE thorium associated elements. The deposit is open along strike and at depth."



**Table 1:** Elaine 2012 Diamond Drilling - Summary of significant copper-cobalt-gold intersections, in drill hole MKED026, at a nominal 3m minimum width at a 0.1g/t Au lower cut, with max 3m internal dilution.

HOLE ID	From (m)	To (m)	Width (m)	Au (g/t)	Co (ppm)	Cu (%)	CuEq (%)
<b>MKED026</b>	108	112	4	0.16	142	0.46	0.65
<b>MKED026</b>	<b>146</b>	<b>186</b>	<b>40</b>	<b>1.16</b>	<b>295</b>	<b>0.39</b>	<b>1.48</b>
<b>inc</b>	<b>150</b>	<b>151</b>	<b>1</b>	<b>0.51</b>	<b>151</b>	<b>1.54</b>	<b>2.02</b>
<b>inc</b>	<b>160</b>	<b>164</b>	<b>4</b>	<b>2.45</b>	<b>89</b>	<b>0.14</b>	<b>2.18</b>
<b>inc</b>	<b>177</b>	<b>186</b>	<b>9</b>	<b>3.63</b>	<b>413</b>	<b>0.47</b>	<b>3.63</b>
<b>inc</b>	<b>185</b>	<b>186</b>	<b>1</b>	<b>10.65</b>	<b>120</b>	<b>0.61</b>	<b>9.34</b>

A JORC Resource Estimate for the Elaine project is due in June and will include results up to and including MKED023, with revisions to be made thereafter if warranted.

### **About Chinalco Yunnan Copper Resources**

Chinalco Yunnan Copper Resources Limited (CYU) explores and develops minerals in Australia, Chile and Laos. CYU is supported by cornerstone shareholder Yunnan Copper Industry (Group) Co Ltd (YCI); China's third largest copper producer. CYU acts as YCI's international investment arm and mining house.

### Competent Person's Statement

*The information regarding the Exploration Activities on the Elaine Copper Prospect (EPM 14022) is based on information compiled by Mr Richard Hatcher, who is a Member of the Australian Institute of Geologists and is the Exploration Manager of Chinalco Yunnan Copper Resources 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.*

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**Table 2:** Elaine 2012 Diamond Drill Program – current as of 7June 2012

HOLE ID	EAST*	NORTH*	RL (m)	AZIMUTH**	DIP	DEPTH
MKED026	398,057	7,699,621	399	310	-60	294.6

\*Datum is UTM MGA94 Zone 54      \*\* Azimuth is UTM Grid North (MGA94 Z54)

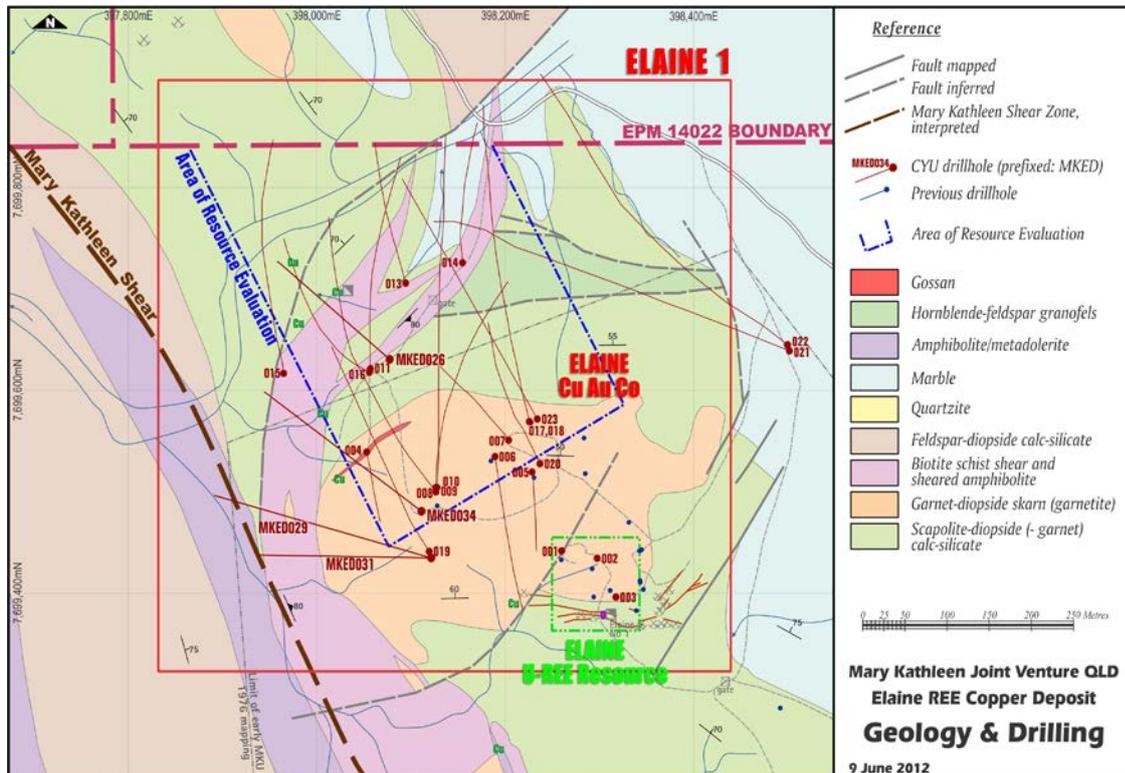
1 - Currently Drilling last hole in campaign (MKED032 and MKED033 abandoned hole – MKED034 redrill)

**Table 3:** Elaine 2012 Diamond Drilling – Summary of significant copper-cobalt-gold intersections, in drill hole MKED026, at a nominal 3m minimum width at a 0.2% Cu lower cut, with max 3m internal dilution.

HOLE ID	From (m)	To (m)	Width (m)	Au (g/t)	Co (ppm)	Cu (%)	CuEq (%)
MKED026	21	27	6	0.02	365	0.41	0.60
MKED026	39	44	5	0.01	159	0.26	0.34
<b>MKED026</b>	<b>86</b>	<b>133</b>	<b>47</b>	<b>0.06</b>	<b>170</b>	<b>0.43</b>	<b>0.56</b>
<b>Inc</b>	<b>86</b>	<b>105</b>	<b>19</b>	<b>0.07</b>	<b>159</b>	<b>0.51</b>	<b>0.64</b>
<b>Inc</b>	<b>117</b>	<b>122</b>	<b>5</b>	<b>0.07</b>	<b>292</b>	<b>0.62</b>	<b>0.82</b>
MKED026	146	159	13	0.17	477	0.66	1.03
<b>Inc</b>	150	152	2	0.48	114	1.37	1.81
MKED026	164	168	4	0.10	264	0.50	0.71
<b>MKED026</b>	<b>178</b>	<b>186</b>	<b>8</b>	<b>3.92</b>	<b>460</b>	<b>0.53</b>	<b>3.94</b>
<b>Inc</b>	<b>181</b>	<b>186</b>	<b>5</b>	<b>2.57</b>	<b>623</b>	<b>0.72</b>	<b>3.11</b>

\* Cu equivalent calculations represent the total metal value for each metal, multiplied by the conversion factor, summed and expressed in equivalent copper percentage. These results are exploration results only and no allowances are made for recovery losses that may occur should mining eventually result. However it is the company's opinion that elements considered here have a reasonable potential to be recovered. Long-term price assumptions and copper equivalent conversion factors are summarized below: **Cu equivalent formula = Cu (%) + (Co (ppm) x 0.0004) + (Au (g/t) x 0.6279)**

**Price assumptions – Cu (US\$3.8902/lb.), Co (US\$14.65/lb.), Au (US\$1675.1/oz.), Market prices as at 3pm EPST 13/03/2012**



**Figure 1.** Simplified map showing north side of the Elaine garnet hill. Mineralisation is expected to continue down the western side and on the southern side of the hill and merge with the U-REE resource where untested copper outcrops occur.

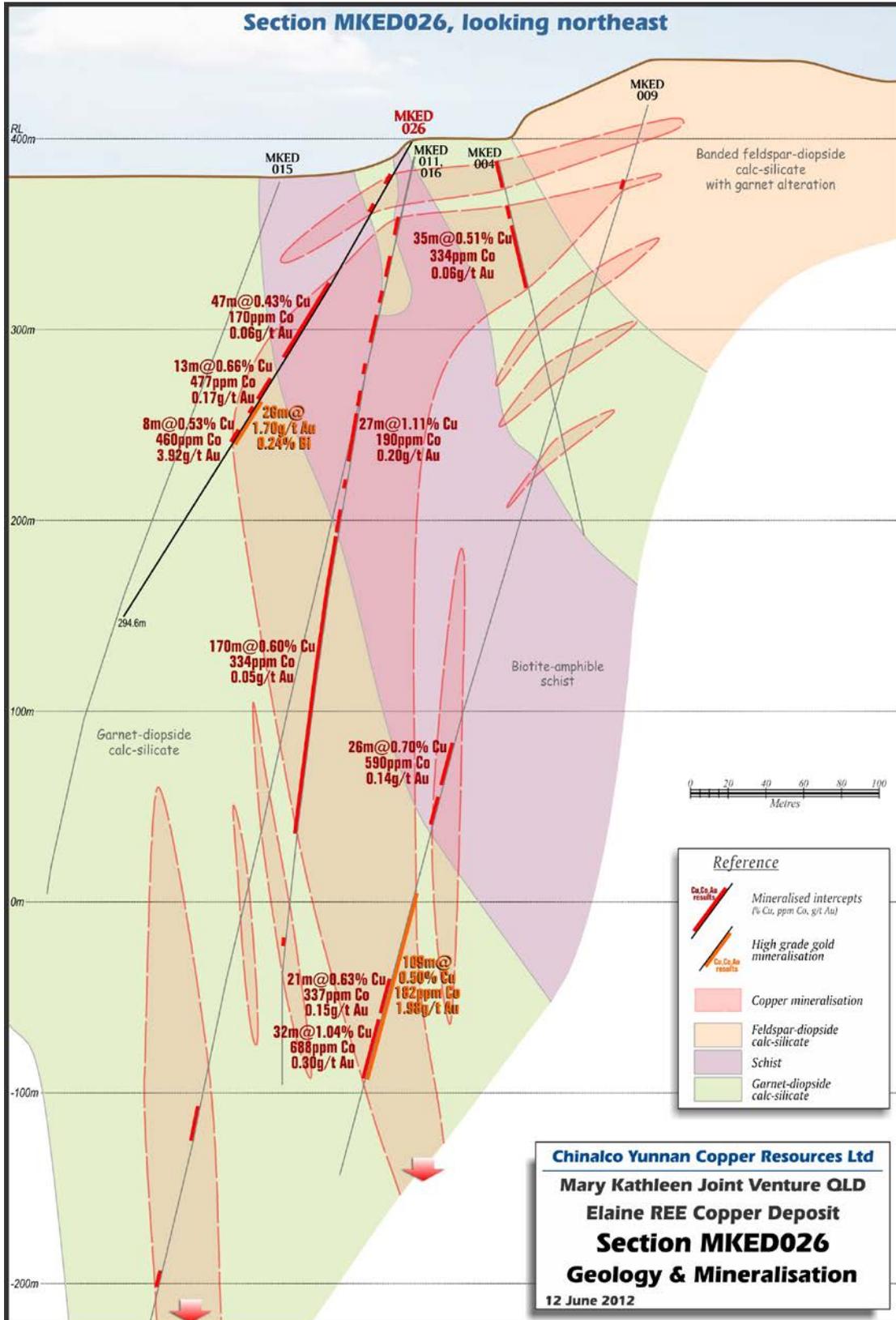


Figure 2. MKED026 drill section, demonstrating the strongly mineralised Elaine gold zone.

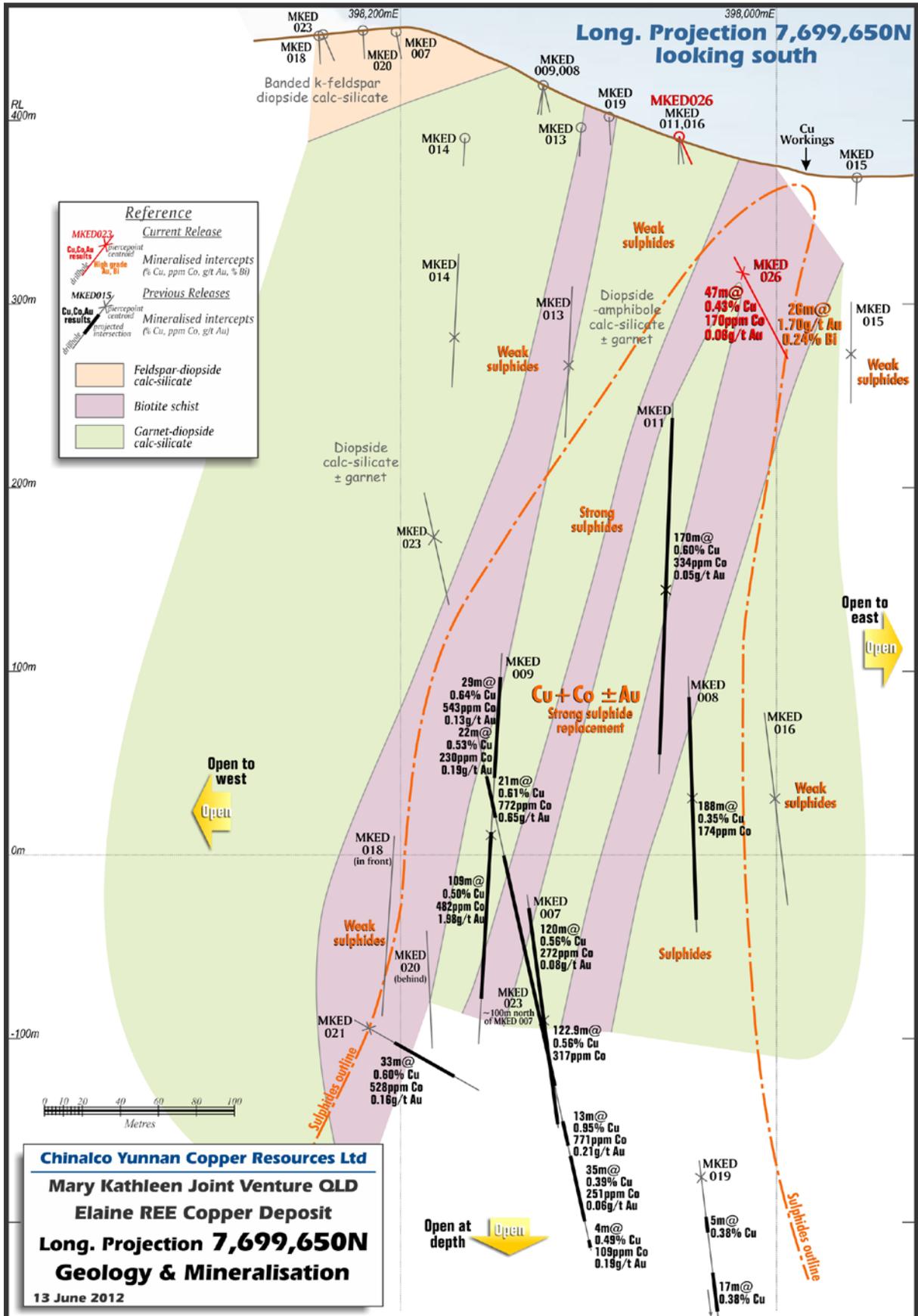


Figure 3. Long projection of the Elaine mineralisation, looking south. Intersection for MKED023 (located 100m north) is projected onto long projection.