

CHINALCO YUNNAN COPPER

RESOURCES

L I M I T E D

HIGHLIGHTS

AUSTRALIA - ELAINE COPPER COBALT LREE DISCOVERY

Broad copper-cobalt sulphide mineralization intersected in diamond drilling including 122m @ 0.57% copper and 317ppm cobalt from 487 metres for MKED007; MKED008 pending. Preliminary, over range (>500ppm) Light Rare Earth Element assays being re-assayed by more precise second assay method. Ongoing drilling is expected to continue to the end of the year. A small downhole electromagnetic geophysical program is currently underway at report date to refine the inferred resource drillout of this discovered bulk tonnage system.

AUSTRALIA - MT DOROTHY HREE DISCOVERY

~700 metre geophysical anomaly defined by 3D Inversion Gravity Modelling of SAM Data.

CHILE - RIO JV - PALMANI and CARAMASA

Targets drill ready. Environmental reports being completed to allow drilling, previously planned for July, to commence in September. Environmental audit for Caramasa scheduled for completion in early August.

CHILE - HUMITOS

Primary drill targets have been planned to target copper porphyry body interpreted at depth. Land owner negotiations are under way to allow drill access in September.

LAOS - COPPER-SILVER JV

Final independent reports have been received which, subject to independent audit, will allow presentation of this transaction to CYU shareholders at a date to be announced for an EGM to approve this significant event.

Copper-Cobalt-REE: Mt Isa, Mary Kathleen JV

Australian field activities concentrated on The Mary Kathleen Joint Venture Project. Drill campaigns and detailed 3D modelling undertaken has confirmed the discoveries of Heavy Rare Earth Elements (HREE), copper and cobalt mineralisation at Mount Dorothy and Light Rare Earth Elements (LREE), copper and cobalt mineralisation at Elaine. Follow-up diamond drilling at Elaine commenced during the quarter and is to continue until the end of the field season (Q4 2011).

During the quarter, Chinalco Yunnan Resources Limited (ASX: CYU) has fulfilled its earn-in to the Mary Kathleen Joint Venture with Goldsearch Limited (ASX: GSE) comprising EPM 14019, EPM 14022 and EPM 15257. CYU now has 70% equity in the Joint Venture.

MOUNT DOROTHY COPPER-HREE DISCOVERY

During the quarter, petrographic studies and detailed 3D inversion processing of the recently collected SAM geophysical data has defined a mineralised body at Mount Dorothy representing an Exploration Target* of between 25 to 50 million tonnes at a copper grade of between 0.6% and 1.5%, cobalt between 100 and 400ppm and HREE grades between 500 and 1500ppm.

The Exploration Target* is defined between 0 and 250 metres below surface, is principally zones of oxide and transitional (part oxide, part sulphides) mineralisation. The Company's current intention, if a sufficient and suitable resource is defined in this zone, is to continue to drill test extensions to build the size of the potential resource.

*NOTE: This Exploration Target is conceptual in nature and there has been insufficient exploration to define a Mineral Resource under the JORC Code and it is uncertain if further exploration will result in the determination of a Mineral Resource.

Independent geophysical consultants, Resource Potentials and Gap Geophysics, undertook 3D inversion (gravity) modelling of the SAM (Sub-audio magnetics) data collected last quarter. A ~700 metre, strong conductivity anomaly has been identified (Figure 2) trending south from a shallow (~10m) conductor in the north, **Anomaly 1**, to a deeper conductor, **Anomaly 2**, in the south near the Wee Wyeems area of recent CYU drilling success. Both Anomalies are sub-vertical and appear to be connected below surface. The SAM data was also transformed to provide an IP response and modelled to identify a strong chargeability anomaly (green in Figure 2) near the Three Threes area, coincident with the main NW trending breccia zone.

A drilling proposal has been approved for a 16 drillhole RC/DDH program totalling 2,500 metres (Figure 3). Four holes are testing the deeper extensions to the Wee Wyeems mineralisation and 11 holes are testing the shallower SAM conductors to the north on 4 lines with the last hole testing the equivalent IP response.

Heavy machinery access to the Mount Dorothy prospect was restricted until Q3 2011. Early attempts to commence drilling during the current quarter were abandoned with the bogging of support vehicles. The decision was made to commence drilling operations at the Elaine prospect until access could be secured for Mount Dorothy.

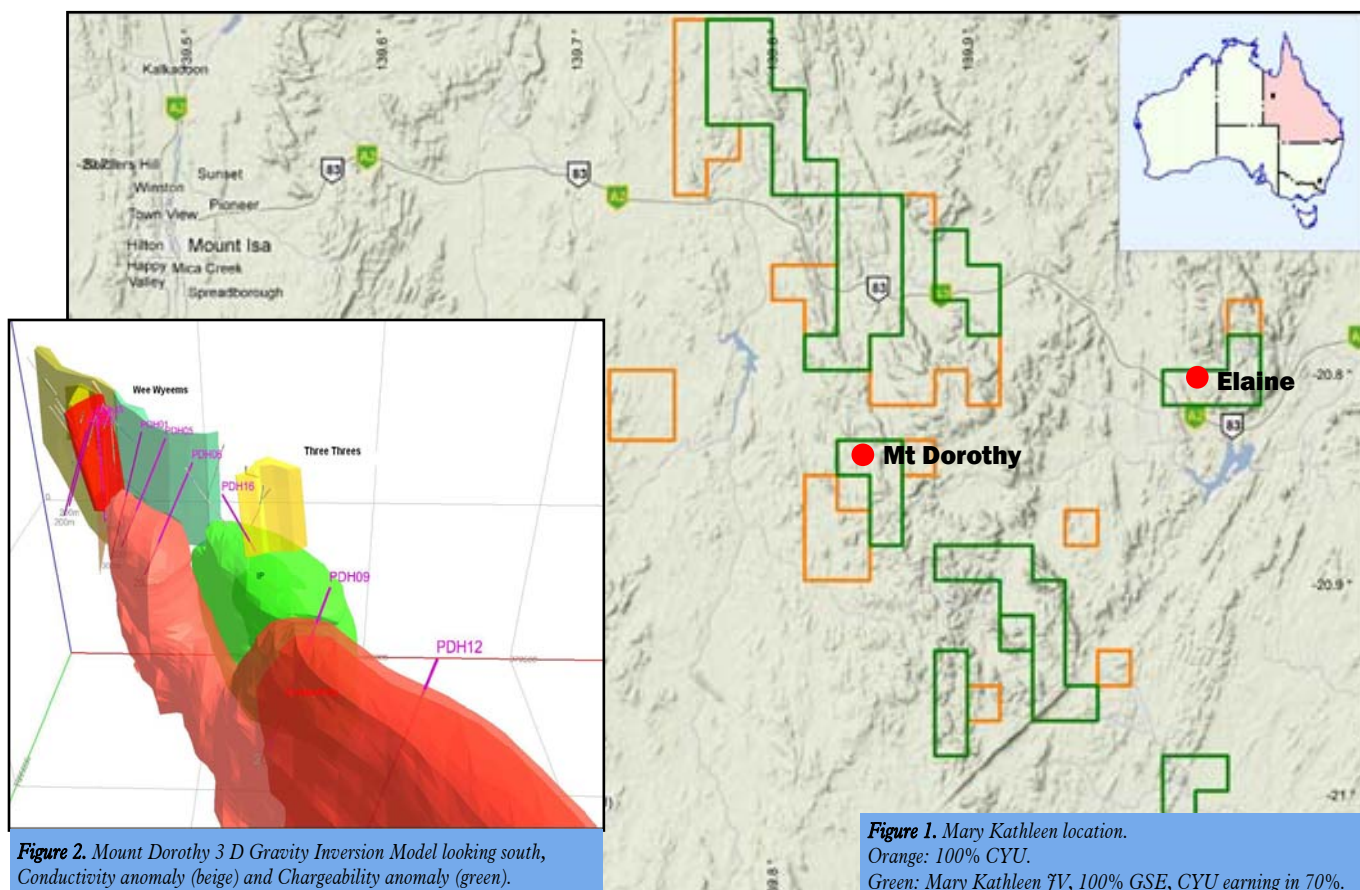
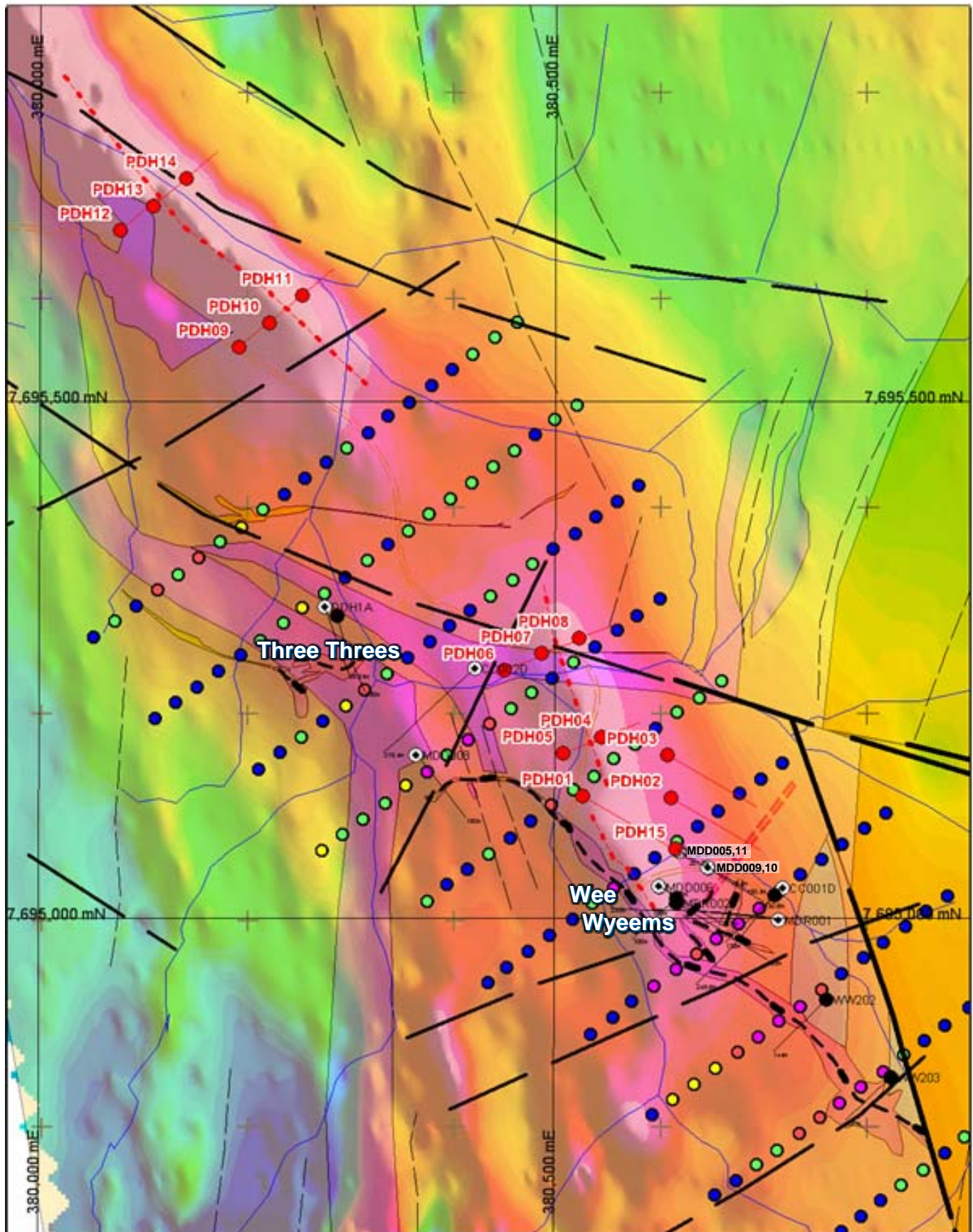


Figure 2. Mount Dorothy 3 D Gravity Inversion Model looking south, Conductivity anomaly (beige) and Chargeability anomaly (green).

Figure 1. Mary Kathleen location.

Orange: 100% CYU.

Green: Mary Kathleen JV, 100% GSE, CYU earning in 70%.



**MOUNT DOROTHY
PROPOSED RC DRILL HOLES
on Geology and SAM Conductivity
April 2011**

Figure 3. Mount Dorothy proposed drillholes.

ELAINE COPPER-COBALT-LREE DISCOVERY

Drilling operations commenced on the Elaine prospect during the current quarter. A total of ~1,780 metres in four diamond drillholes, MKED005 - MKED008, (see Table 1) were drilled for further testing of previously intersected copper sulphide, rare earth and other associated metal in MKED004 (Figures 4 and 5).

The Elaine prospect was previously considered only a REE Uranium prospect. CYU geologists determined historic drilling, (EP004) on the western side of the prospect had, in fact, encountered sulphides previously but this zone had not been adequately investigated. CYU drilled MKED004 at the end of 2010, testing this sulphide intersection which returned an intersection of 49m @ 0.44% copper, 283ppm cobalt from 25 metres.

The current follow-up drill program has resulted in a new, wide, sulphide copper cobalt zone being discovered. The last two holes, MKED007 and MKED008, were extended beyond their target depths of 300 metres and 350 metres respectively, upon encountering sulphide veining with visible copper sulphide mineralisation from 200 metres and 300 metres. Both holes are open as they were completed in disseminated sulphide due to the drill rig reaching drilling capacity of ~610 metres. Extensional drilling is to continue for the rest of the calendar year once the drill rig returns from the Mount Dorothy drill program. Some additional ground electrical geophysics will also be completed early next quarter to assist the drilling program.

Visible mineralisation (Photo 1) was reported on during the quarter with final copper assay results returned at quarter's end for MKED007 of **346 metres @ 0.28% copper and 220ppm cobalt from 263 metres with copper grade increasing with depth with 122 metres @ 0.56% copper and 319ppm cobalt from 487 metres, Open at Depth** (Figure 5).

Final assay results for all four holes are expected to be returned by the end of July 2011.

Table 1. Elaine Drill Location Data

Hole ID	East (m)	North (m)	RL (m)	Azimuth (°)	Dip (°)	Depth (m)
MKED005	398,228	7,699,521	444	177	-75	267.10
MKED006	398,189	7,699,536	450	177	-60	299.90
MKED007	398,203	7,699,552	451	319	-75	609.70
MKED008	398,127	7,699,502	418	319	-60	604.60

Datum in GDA94 Z54 UTM co-ordinates and Azimuth is True North



Photo 1: MKED008 ~504-505 metres: Disseminated pyrrhite + chalcopyrite + pyrite mineralisation in garnetite and diopside calc-silicate.

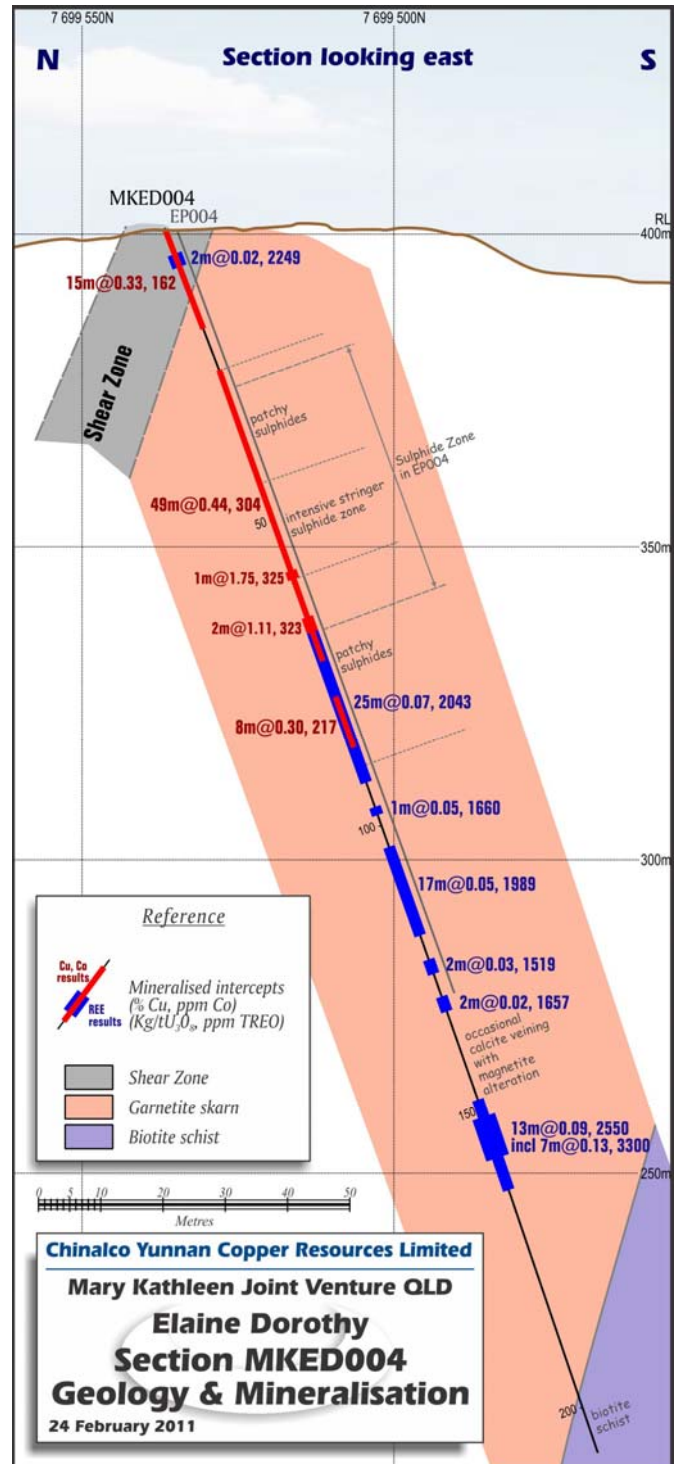
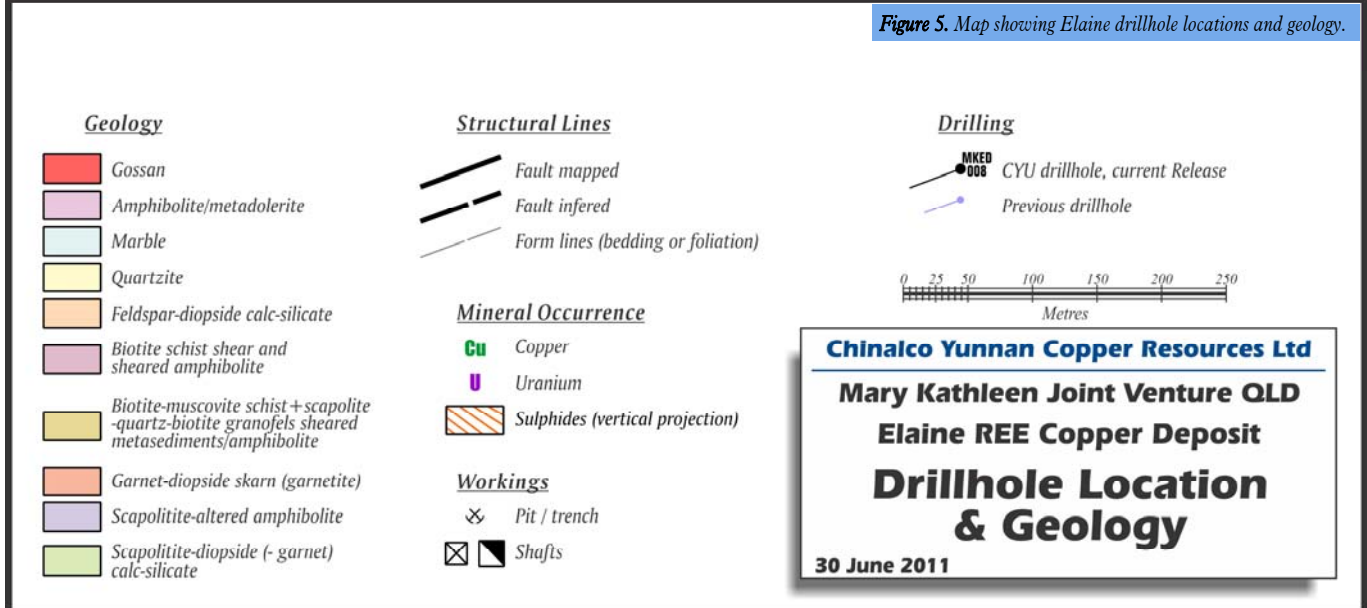


Figure 4. Section 398050mE - MKED004 & EP004. Red intercept depicts copper cobalt zone and blue is REE Uranium Zone.

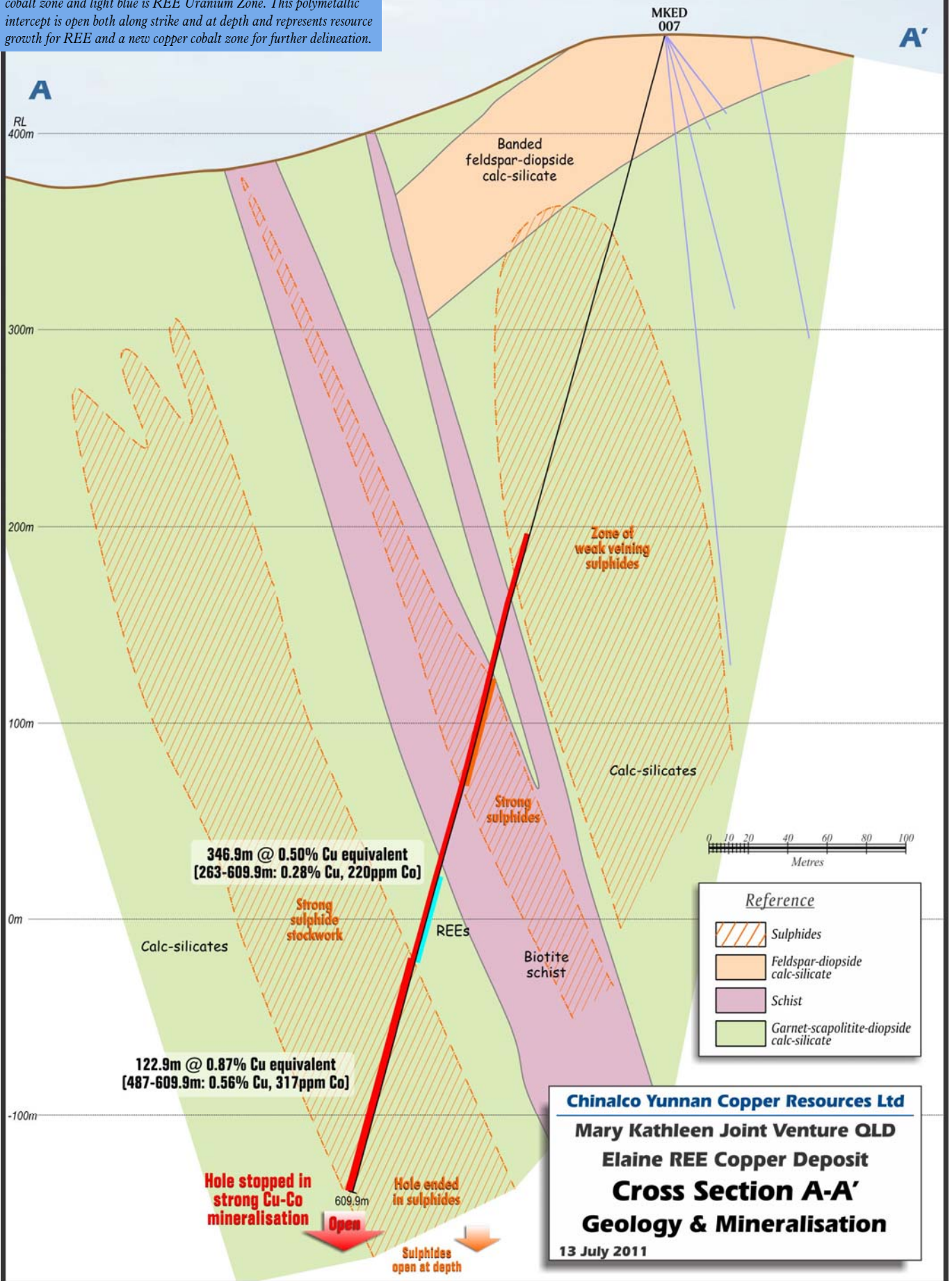


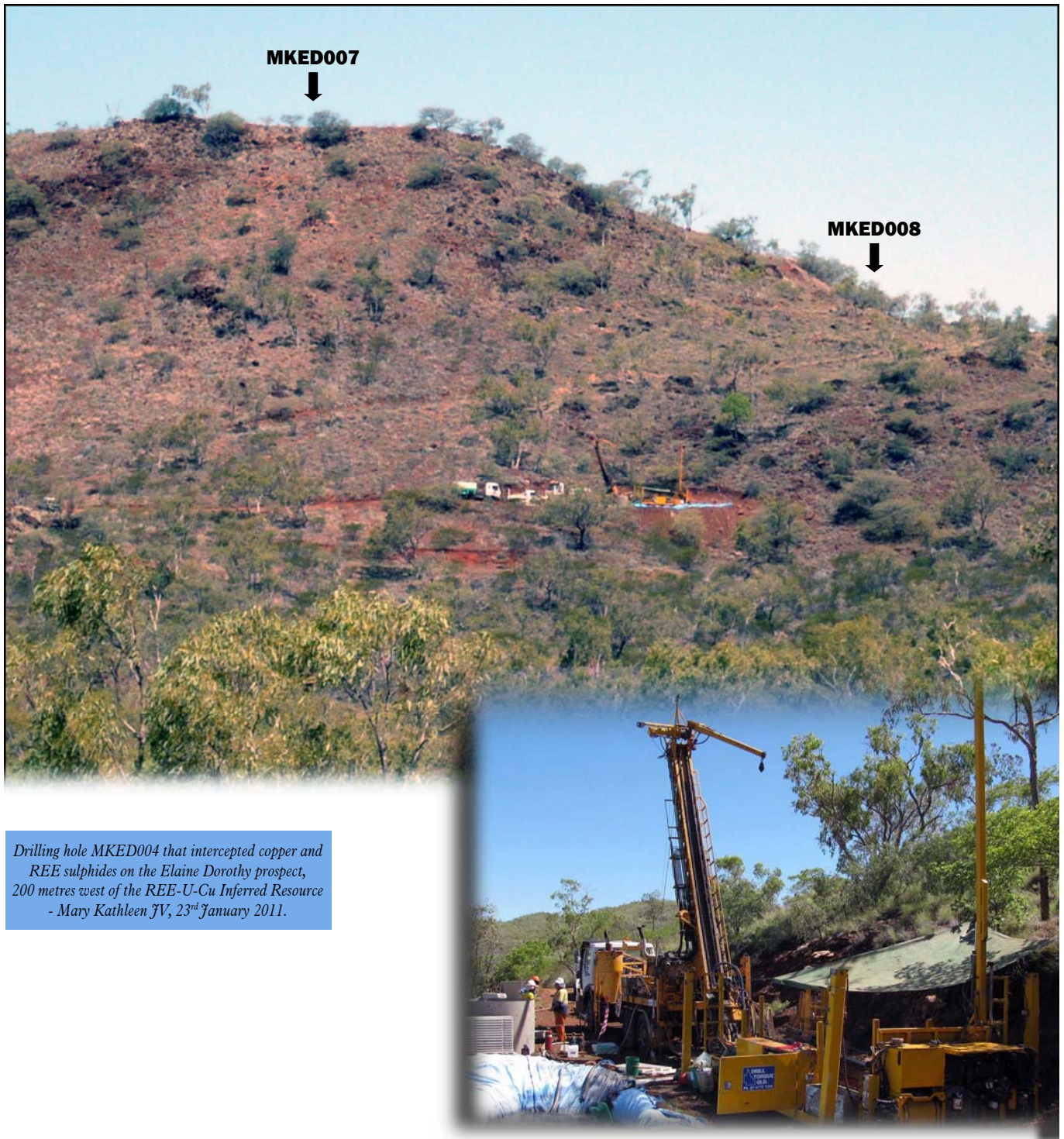
Figure 5. Map showing Elaine drillhole locations and geology.



Cross Section A-A', looking northeast

Figure 6. Section A- A' – MKED007. Red intercept depicts copper cobalt zone and light blue is REE Uranium Zone. This polymetallic intercept is open both along strike and at depth and represents resource growth for REE and a new copper cobalt zone for further delineation.





Drilling hole MKED004 that intercepted copper and REE sulphides on the Elaine Dorothy prospect, 200 metres west of the REE-U-Cu Inferred Resource - Mary Kathleen JV, 23rd January 2011.

Copper - Gold - Cloncurry North

During the quarter, regulatory requirements continued on the Letter of Intent ("LOI") between Chinalco Yunnan Copper Resources Ltd (CYU) and Yunnan Copper Mineral Resources Exploration and Development Co. Ltd. (YEX) signed in Kunming, China.

The LOI proposes that, subject to the related government and shareholder approvals, YEX will farm-in and subsequently obtain the opportunity of earning up to a 55% of the Cloncurry North and Waterford projects.

Under the agreement, CYU will grant YEX the exclusive right to earn at least 55% participating interest in the tenements, free of all encumbrances (Farm-in Interest) by incurring expenditure of A\$5,000,000 on the tenements over three (3) years, which is approved and confirmed by a Management Committee. YEX personnel, under CYU supervision, will participate in field operations in the Cloncurry district to test a series of targets including the previously-announced Gem deposit which remains open to the south.

Copper - Rio Tinto JV, CHILE

CYU FARM-IN TO HIGHLY PROSPECTIVE RIO TINTO COPPER EXPLORATION PROJECTS IN CHILE.

CYU operations at Palmani and Caramasa, in northern Chile, have consisted of field reconnaissance and preliminary environmental permitting to allow drilling in the next quarter. A drill rig has been contracted to complete a total of 3000 metres of diamond core at both properties. Humitos property is now lower priority although may be drilled in the current calendar year subject to agreements with neighbouring tenement holders.

CYU has established a small office in Santiago and will advance our current exploration properties as well as pursue acquisition opportunities with the support of the Chinalco Yunnan group.

The **Palmani** porphyry copper and molybdenum prospect is located in the Palaeocene Porphyry Copper Belt of Northern Chile, 60 kilometres northeast of Arica, approximately 5 kilometres west of the Palaeocene-aged La Mancha porphyry copper system drilled by Rio Tinto in 1997 and 1998. The Palmani prospect lies within the same belt of rocks that host the Cerro Colorado porphyry copper deposit and the Toquepala porphyry copper deposit in Southern Peru.

The **Caramasa** porphyry copper and molybdenum prospect is located in the Palaeocene Porphyry Copper Belt of Northern Chile (Region 1), 80 kilometres north of BHP Billiton's Cerro Colorado mine.



Night drilling on the Humitos project, Chile

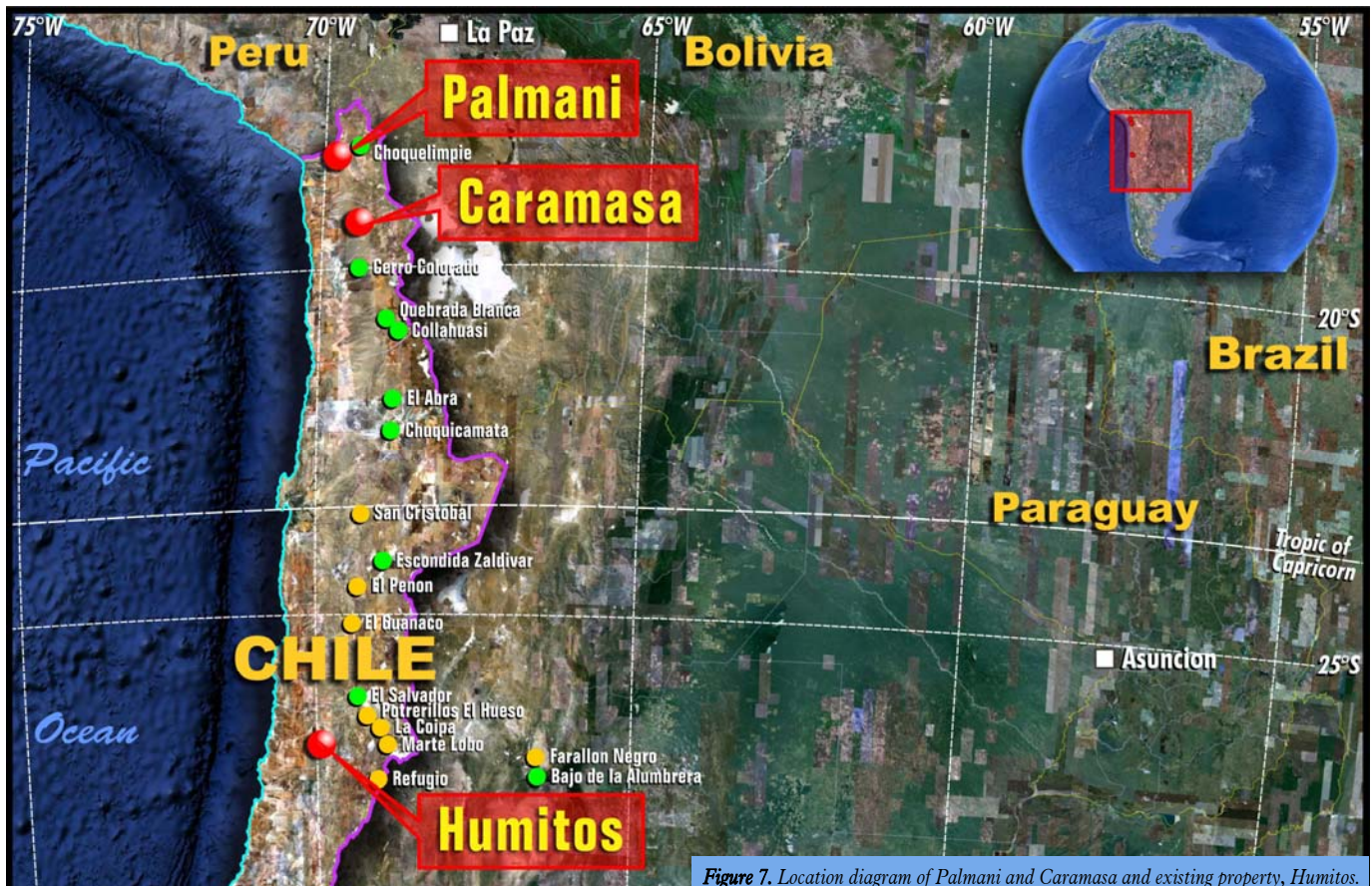


Figure 7. Location diagram of Palmani and Caramasa and existing property, Humitos.

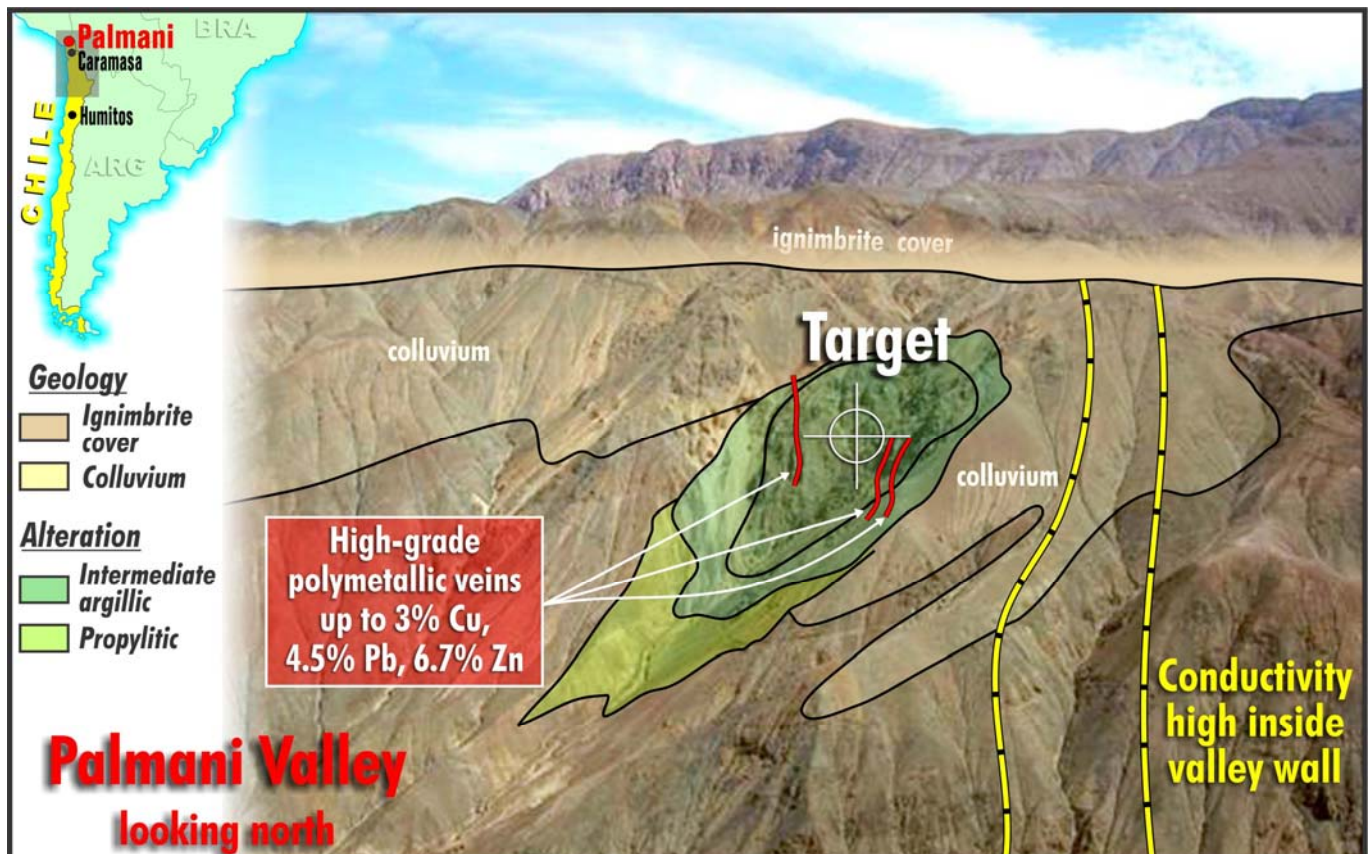


Figure 8: The Palmani target which will be tested by three diamond holes utilizing a man-portable diamond rig. Subject to approval of environmental permitting this program will now commence in the September quarter, not during July as previously planned.

Copper - Humitos, CHILE

The Humitos project is located ten kilometres south of PanAust's and Codelco's Inca de Oro project (259Mt @ 0.47% copper) in the Copiapo District, Region III, Chile.

Humitos is a classic example of a well preserved, high-level-porphyry system displaying normal porphyry alteration patterns including a silica cap. Soil sampling has indicated that the area is anomalous in elements including gold, arsenic, bismuth etc. indicating the presence of porphyry style mineralisation.

Last quarter, CYU completed its first phase: a nine hole, 1,906 metre, reverse circulation percussion drill program at the Humitos Copper Porphyry project.

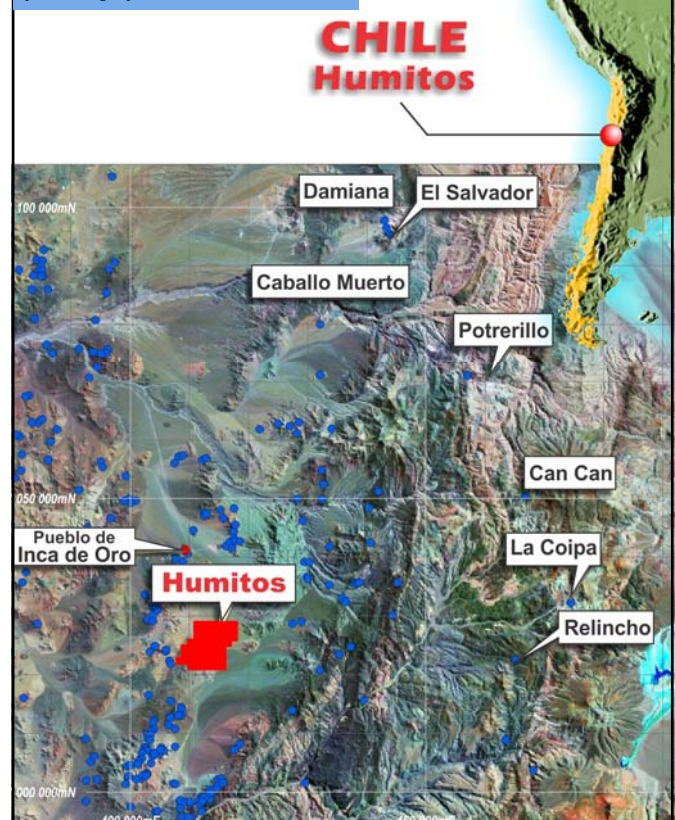
The holes were drilled to test shallow geophysical and geochemical anomalies in areas of alluvial cover, marginal to the area of altered outcrop.

The alteration assemblages seen in the drill chips suggest a peripheral porphyry environment in some of the drill holes (HUR001 and HUR009 especially), thus further drilling is planned to concentrate on the Humitos Hill area.

The Humitos property is now lower priority although may be drilled in the current calendar year subject to agreements with neighbouring tenement holders.

CYU has established a small office in Santiago and will advance our current exploration properties as well as pursue acquisition opportunities with the support of the Chinalco Yunnan group.

Figure 9: The Humitos project is a copper porphyry project located 90km north of Copiapo, approximately 10km to the south of the village of Inca de Oro.





Geologists in the field - Humitos project, Chile

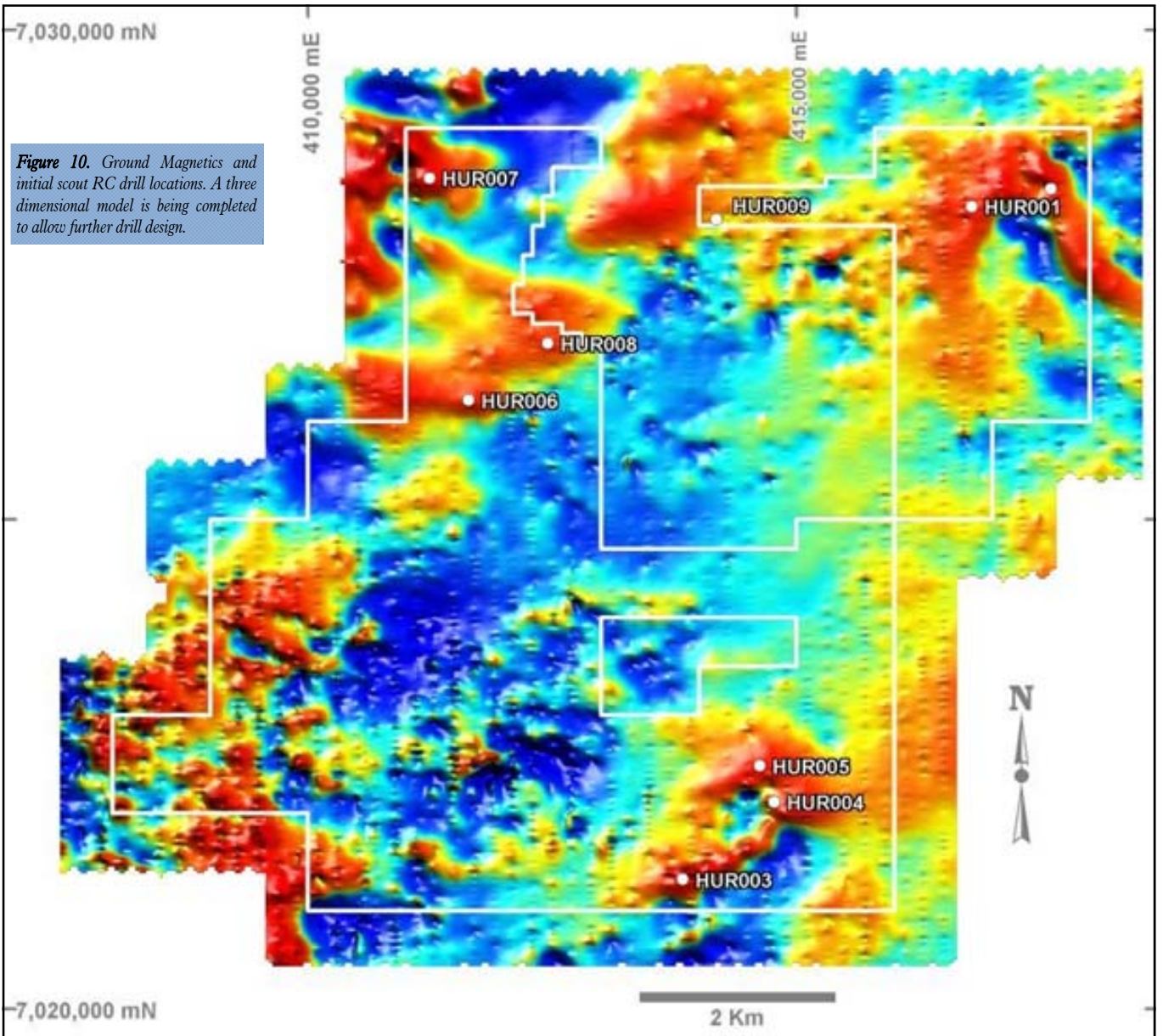


Figure 10. Ground Magnetics and initial scout RC drill locations. A three dimensional model is being completed to allow further drill design.

Copper - Silver - LAOS



During the quarter, CYU engaged an independent consultant, Mining Associates, to undertake the due diligence and asset valuation as part of the regulatory requirements to purchase 51% interest in Sanmu Mining Limited, a Chinese-registered Resource Company, to explore for and develop existing mineral deposits in Laos and Asia. Under the agreement, CYU will invest A\$2.8 million (in 3 equal stages over the 12 months following final approvals for the transaction) to acquire a 51% per cent interest in Yunnan Copper Sanmu Mining Limited, a Chinese-registered company holding near-development copper-silver projects in northern Laos within transport distance of existing processing centres in southern Yunnan Province, Peoples Republic of China, subject to regulatory and shareholder approvals.

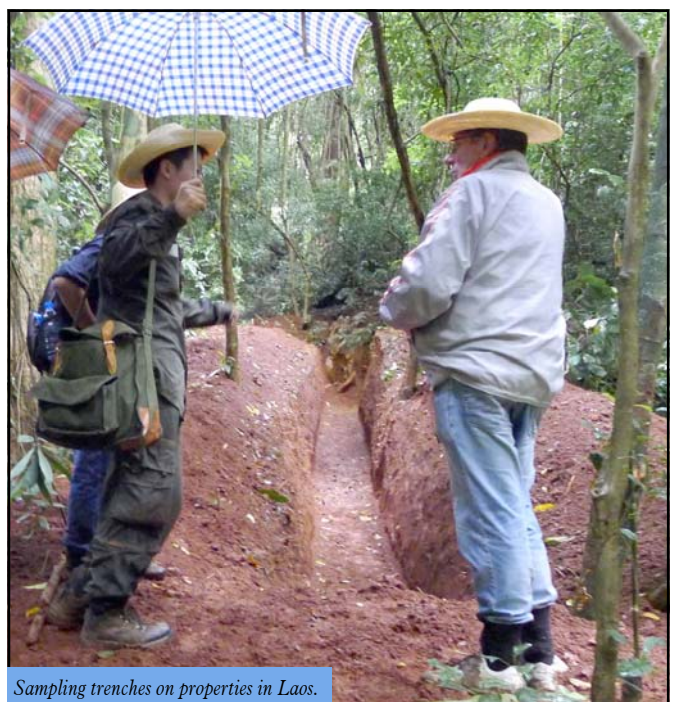
ZAMBIAN-STYLE COPPER DEPOSITS

Sanmu Mining Limited holds 100% of four properties in northern Laos, within the Mohan Development Zone (see Figure 11). The company is targeting Zambian-style sedimentary copper deposits with a grade of 1% copper and 150g/t silver. These grades are indicated from trench and underground sampling with drilling to be completed with invested funds during 2011. A feasibility study, to Australian government standards, will then be completed to allow possible mining operations to commence within the next two years.

In the short term, the existing Non-JORC resource suite, based on trenching and underground adits, will be grown through immediate drilling operated by the experienced Yunnan Copper Industries (YCI) team under supervision of the CYU-controlled Joint Venture committee. Geological mapping, geophysics and geochemical sampling have rendered project areas ready for expansionary drilling campaigns during 2011. Confirmatory drilling to allow full reporting to JORC standards will be undertaken. This study will be enhanced by growing the existing Chinese-certified reserve with planned drilling at depth beyond current underground workings used to control the base of the reserves.



Figure 11. Locations of copper silver prospects to be drilled to JORC standards during 2011. All are within trucking distance of the Mohan Copper Silver Mine operated by Yunnan Copper Industries.



Sampling trenches on properties in Laos.

Corporate

Board of Directors

Norm Zillman, Non-Exec Co-Chairman
Zihua Yao, Non-Exec Co-Chairman
Jason Beckton, Managing Director
Zewen Yang, Executive Director

Company Secretary

Paul Marshall

Further Information

Please contact:

Jason Beckton
Managing Director, CYU
0438 888 612

Website

www.cycal.com.au

Registered Office

China Yunnan Copper Limited
Level 5, 10 Market Street, Brisbane
QLD 4000 Australia
Phone: +61 (0)7 3212 6204
Fax: +61 (0)7 3212 6250

Exchange Listing

ASX : CYU

Share Registry

Link Market Services Limited
Level 12, 300 Queen Street,
Brisbane QLD 4000 Australia
Phone: 1300 554 474
Fax: (61 7) 3228 4999
www.linkmarketservices.com.au

Quarterly Share Price Activity

Quarter	High	Low	Last
Jun 2008	\$0.43	\$0.19	\$0.19
Sep 2008	\$0.25	\$0.12	\$0.12
Dec 2008	\$0.19	\$0.07	\$0.07
Mar 2009	\$0.10	\$0.07	\$0.068
Jun 2009	\$0.20	\$0.16	\$0.17
Sep 2009	\$0.35	\$0.16	\$0.24
Dec 2009	\$0.35	\$0.17	\$0.20
Mar 2010	\$0.35	\$0.205	\$0.205
Jun 2010	\$0.23	\$0.091	\$0.15
Sep 2010	\$0.225	\$0.091	\$0.165
Dec 2010	\$0.20	\$0.15	\$0.175
Mar 2011	\$0.44	\$0.18	\$0.31
Jun 2011	\$0.31	\$0.18	\$0.185

Issued Share Capital

Chinalco Yunnan Copper Resources Limited has 173.36 million ordinary shares currently on issue and 15.40 million options. During the quarter, the company completed a share placement that raised \$13.1 million with the issue of 54.7 million shares at 24 cents.

Competent Person's Statement

The information regarding to Exploration Activities in this report that relates to the Mount Dorothy (EPM 14019) prospect and the Elaine Inferred Resource is based on information compiled by Jason Beckton, who is a Member of the Australian Institute of Geologists and is 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.



From drillhole MKED008 at the Elaine copper cobalt LREE discovery, drillcore showing disseminated pyrrhotite + chalcopyrite + pyrite mineralisation in garnetite and diopside calc-silicate.