



## ASX/Media Announcement

13th October 2011

### **CYU OPTION TO ACQUIRE XSTRATA COPPER'S HUMITO PORPHYRY EXPLORATION PROJECT**

China Yunnan Copper Australia Chile Limitada, a Chilean subsidiary of **Chinalco Yunnan Copper Resources Limited (ASX code CYU)** has signed an agreement with Xstrata Copper subsidiary, Xstrata Norte Exploraciones y Servicios Limitada (Xstrata) for an option to acquire an early stage copper porphyry exploration property Humito, of 1,202 hectares, located in Northern Chile

The Humito porphyry copper and molybdenum prospect is located in the Palaeocene Porphyry Copper Belt of Northern Chile (Atacama Region), 60km north of the town of Copiapo and is contiguous with CYU's 100% owned Humito Property. CYU undertook an initial nine hole, 1,906 metre reverse circulation percussion drill programme of the CYU owned Humito Property in early 2011. This agreement will enable a follow up program to be undertaken on targets that exist on both the existing CYU tenement and the Xstrata tenement areas.

#### **Key components of the Humito Xstrata Agreement are:**

- Year 1: Minimum expenditure commitment US\$100,000 and 500m drilling.
- Year 2: Minimum expenditure commitment US\$150,000 and 1,500m drilling.
- Year 3: Minimum expenditure commitment US\$200,000 and 3,000m drilling.
- Year 4: Minimum expenditure commitment US\$250,000 and 4,000m drilling.
- Year 5: Minimum expenditure commitment US\$500,000 and 5,000m drilling.

CYU will acquire 100% of the project after the completion of the program noted above with Xstrata retaining a 3% Net Smelter Royalty.

Any drilling depths and expenditures that exceed the required minimum within a certain period can be attributed towards the following period. CYU have the capacity to withdraw from the agreement after the Year 1 commitment has been met.

Jason Beckton, Managing Director of CYU, said:

"The Agreement with the contiguous Xstrata Copper properties allows the existing CYU Humito properties to be advanced as a greenfields porphyry play that is drill ready with proposals in place to test the intrusive centre. We aim to drill this property after completing initial drill programs on our Candelabro, Caramasa and Palmani targets further north in Chile. CYU now has an exciting pipeline of porphyry copper targets to be drilled in Chile in 2011 and 2012."



The Humitos Project can be serviced from northern capital Copiapo and is close to the Pan Aust and Codelco property, Inca de Oro.

## **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), which is China's third largest copper producer. CYU acts as YCI's international investment arm and mining house.

### **Australia**

CYU is currently drilling the Elaine Copper REE Cobalt Gold discovery within Mary Kathleen JV tenements near Mount Isa and covers over 1,000km<sup>2</sup> in a pedigree mining area. CYU has earned 70% from the Mary Kathleen project working with joint venture partner Goldsearch Limited (GSE).

### **Chile**

Copper is targeted at the Rio Tinto joint ventures in Chile at the Candelabro, Caramasa and Palmani porphyry properties. Surface mapping, sampling and geophysical surveys indicate that this target is highly prospective. Earthworks have commenced on the Candelabro property to allow drilling in the next few weeks. Another CYU Chile project is the Humitos Copper Porphyry in the Copiapo District of northern Chile a portion of which is in Joint Venture with Xstrata Copper.

### **Laos**

CYU is proposing a transaction to acquire 51% of China-based company Sanmu Mining, subject to obtaining shareholder approval at an EGM to be held on 21 October. Sanmu holds 100% of four properties in northern Laos. The corporate target is 100 million tonnes at a grade of 1% copper and 150 g/t silver. Short term processing of copper silver orebodies is a project objective in Laos, subsequent to satisfactory resource drilling.

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