ASX/Media Announcement

13th January 2010

Near Surface Uranium Mineralisation Intersected at the Elaine Dorothy Prospect

- **High grade uranium and rare earth element (REE) mineralisation intersected in MKED003 of 3 metres @ 1.32kg/t uranium oxide (U_3O_8), 1.17% cerium (Ce) and 0.59% lanthanum (La) from 27.50 metres.**
- **Significant copper and molybdenum mineralisation intersected.**

China Yunnan Copper Australia Limited **(ASX:CYU)** announced today encouraging results from its limited diamond drill programme at the Elaine Dorothy uranium target, Mary Kathleen Joint Venture, Northwest Properties, Queensland. The Northwest Properties are comprised of CYU's 100% owned Cloncurry North Project and Mount Isa Project and the **Mary Kathleen Joint Venture** area (joint venture partner Goldsearch Limited **(ASX: GSE)** (**Figure 1**).

In late 2009 CYU completed drilling three HQ diamond holes totalling 344 metres as part of a HQ diamond twin drill programme of historic holes at the Elaine Dorothy uranium exploration target, one of the Mary Kathleen Joint Venture prospects considered prospective for uranium and rare earth elements (REE) mineralisation (**Figures 1 and 2**). Due to the late timing of the drill program in 2009, the final two deeper diamond holes were unable to be completed before the end of the field season. These holes are planned to be drilled after target refinement in early 2010.

Hole ID	Twin ID	E (GDA 94)	N (GDA94)	Azi (MAG)	Dip	Depth (m)
MKED001	**ED011**	398,260	7,699,448	0	-90	133.69
MKED002	**ED003**	398,298	7,699,439	0	-90	125.00
MKED003	**ED002**	398,315	7,699,401	0	-90	75.33
						334.02

Table 1. *Drill hole collar locations completed by CYU in November 2009.*

To date all core has been processed and sampling prioritised into radioactive and non-radioactive zones identified using a hand held scintillometer. Samples were submitted to ALS – Mount Isa for assaying. Final results have been returned for all the radioactive zones and results are still pending for some of the non-radioactive zones. Significant intersections are summarised below:

Hole ID	From (m)	To (m)	Width (m)	U_3O_8 (kg/t)	Ce (%)	La (%)	Cu (%)	Comment
MKED001	40.5	41.5	1.0	<0.01	0.01	<0.01	0.43	
MKED001	**74.0**	**75.0**	**1.0**	**0.20**	**0.47**	**0.25**	**<0.01**	
MKED001	**84.5**	**85.5**	**1.0**	**0.15**	**0.15**	**0.08**	**0.02**	
MKED002	0.0	57.0	57.0	**Assays Pending**				
MKED002	64.0	69.0	5.0	**Assays Pending**				
MKED002	**74.0**	**75.0**	**1.0**	**0.36**	**0.31**	**0.16**	**0.02**	
MKED002	**82.0**	**83.5**	**1.5**	**0.17**	**0.38**	**0.21**	**<0.01**	
MKED002	85.0	125.0	40.0	**Assays Pending**				
MKED003	0.0	24.0	24.0	**Assays Pending**				
MKED003 **including**	**27.5** **28.5**	**30.5** **29.5**	**3.0** **1.0**	**1.32** **2.85**	**1.17** **1.67**	**0.59** **0.81**	**<0.01** **<0.01**	
MKED003	**33.5**	**34.5**	**1.0**	**0.41**	**0.45**	**0.24**	**<0.01**	
MKED003	36.0	42.0	6.0	**Assays Pending**				
MKED003	**44.0**	**45.5**	**1.5**	**0.27**	**0.32**	**0.17**	**<0.01**	
MKED003	**54.5**	**56.5**	**2.0**	**0.34**	**0.28**	**0.14**	**0.01**	
MKED003	65.0	70.0	5.0	**Assays Pending**				
MKED003	72.0	73.0	1.0	<0.01	<0.01	<0.01	0.62	**2m @ 964ppm Mo from 71m**
MKED003	74.0	75.3	1.3	**Assays Pending**				

Table 2. Summary of significant intersection from the Elaine Dorothy drilling program at a nominal 0.15kg/t U_3O_8 cut-off and a 0.40% copper (Cu) cut-off for MKED-001 and MKED-003 where no uranium mineralisation intersected. Note should be made of MKED-003 bottom of hole results of >0.6% Cu and ~0.10% molybdenum (Mo). Historic holes were note assayed either for REE or Cu. The assay techniques used were ME-MS61 a four acid 'near total' digestion and fire assay AA25 (Atomic Absorption finish) for gold.

All holes intersected significant mineralisation with MKED003 returning the better intersection. MKED003 located near a surface prospecting pit returned a near surface high grade intersection of **3 metres @ 1.32kg/t U_3O_8, 1.17% Ce and 0.59% La** from 27.5 metres down hole depth including a higher grade zone of **1m @ 2.85kg/t U_3O_8, 1.67% Ce and 0.81% La** from 28.5 metres down hole depth. At the base of MKED003 a zone of intense potassic alteration (71.71 metres to 73.38 metres) with massive pyrite, patchy chalcopyrite and molybdenite mineralisation was intersected. This zone returned an intersection of **1 metre @ 0.62% Cu and 1,740ppm Mo** from 72 metres down hole depth.
Comparing with previously drilled historic holes (ED series) to date (refer Figure 2);

3m @ 1.32kg/t U3O8 in MKED003 is equivalent to the 2.3m @ 2.62kg/t U3O8 in ED002.

9.5m @ 0.09kg/t U3O8 in MKED002 is equivalent to 9.2m @ 0.31kg/t U3O8 in ED003.

11.5m @ 0.07kg/t U3O8 in MKED001 is equivalent to 6.9m @ 0.49kg/t in ED011.

The intersections are slightly broader and significantly lower grade in the new holes but broadly confirm the zones of mineralisation identified in previous drill campaigns in the 1980's and 1950's. It is unclear if the differences in grade between the old and new holes are due to some bias in the assay results or due to the erratic and discontinuous nature of the mineralisation.

All holes (historic and new) are diamond core. Core recoveries were above 98% in the ore zones. Core logging has identified that uranium mineralisation is associated with the scapolite – diopside calc-silicate with varying degrees of garnet alteration.

Copper mineralisation has been observed in the core as both patchy chalcopyrite within calcite veining and disseminated chalcopyrite within the calc-silicates, and is usually associated with pyrite ± pyrrhotite mineralisation above the uranium-rich zones except in MKED003 where it was observed below. Field investigations have identified a number of surface copper occurrences in the vicinity of Elaine Dorothy which are planned to be followed up.

Photo 1: *MKED003, 28.0 to 29.4 metres - Strong disseminated allanite-uraninite bands +calcite+pyrite in a diopside calc-silicate.*

Competent Person's Statement

The information in this report that relates to Exploration Results is based on information compiled by Arnold van der Heyden, who is a Member of the Australasian Institute of Mining and Metallurgy, is a Consulting Geologist for Hellman and Schofield Pty Ltd. Mr van der Heyden 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 van der Heyden consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to Exploration Results is based on information compiled by Richard Hatcher, who is a Member of the Australian Institute of Geologists and is fulltime Exploration Manager of China Yunnan Copper Australia 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.

About CYU

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 has goals of resource definition and development for its three target commodities Copper, Gold and Uranium and to achieve this is targeting high quality copper, gold and uranium projects in the Mt Isa Inlier, Ravenswood-Pentland Province and the Clermont Inlier in Queensland. CYU also is also farming into to the Mary Kathleen Project in Mt Isa with Goldsearch Limited and the Pentland Gold Project with ActivEX limited. CYU has recently signed a Memorandum of understanding for Project generation in Yunnan Province, China with cornerstone investor YCI.

For further information please contact;

Mr Jason Beckton
Managing Director
CYU
0438 888 612

Kevin Kartun
Account Director
Financial & Corporate Relations
(02) 8264 1003

or visit the website, **www.cycal.com.au**

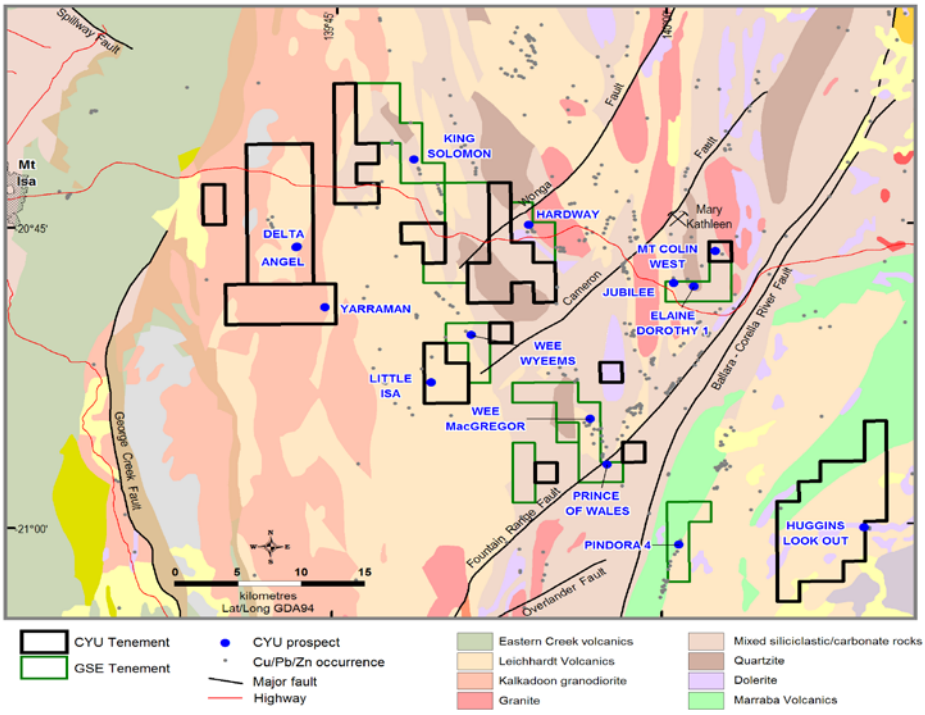

Figure 1. Elaine Dorothy is approximately 5 kilometres south of the previously mined Mary Kathleen deposit. Mary Kathleen was worked as a Uranium mine, yielding 9.2 million tonnes at a grade of 1.20 kg/t U_3O_8 and 3% Rare Earth Elements (REE).

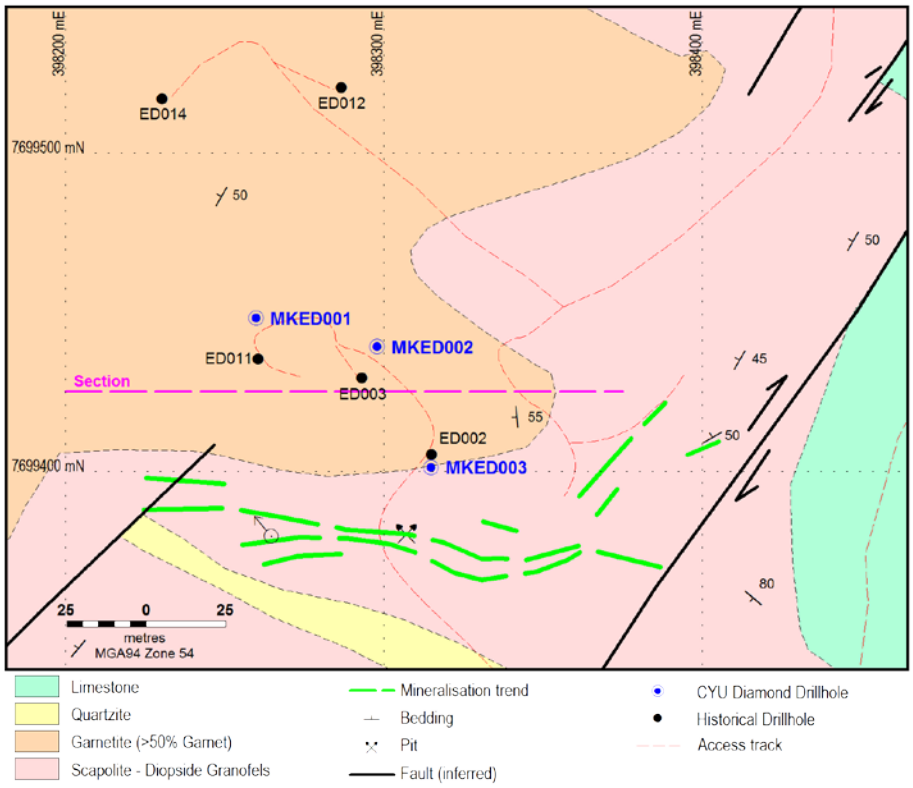

Figure 2. Drillhole Location Plan.

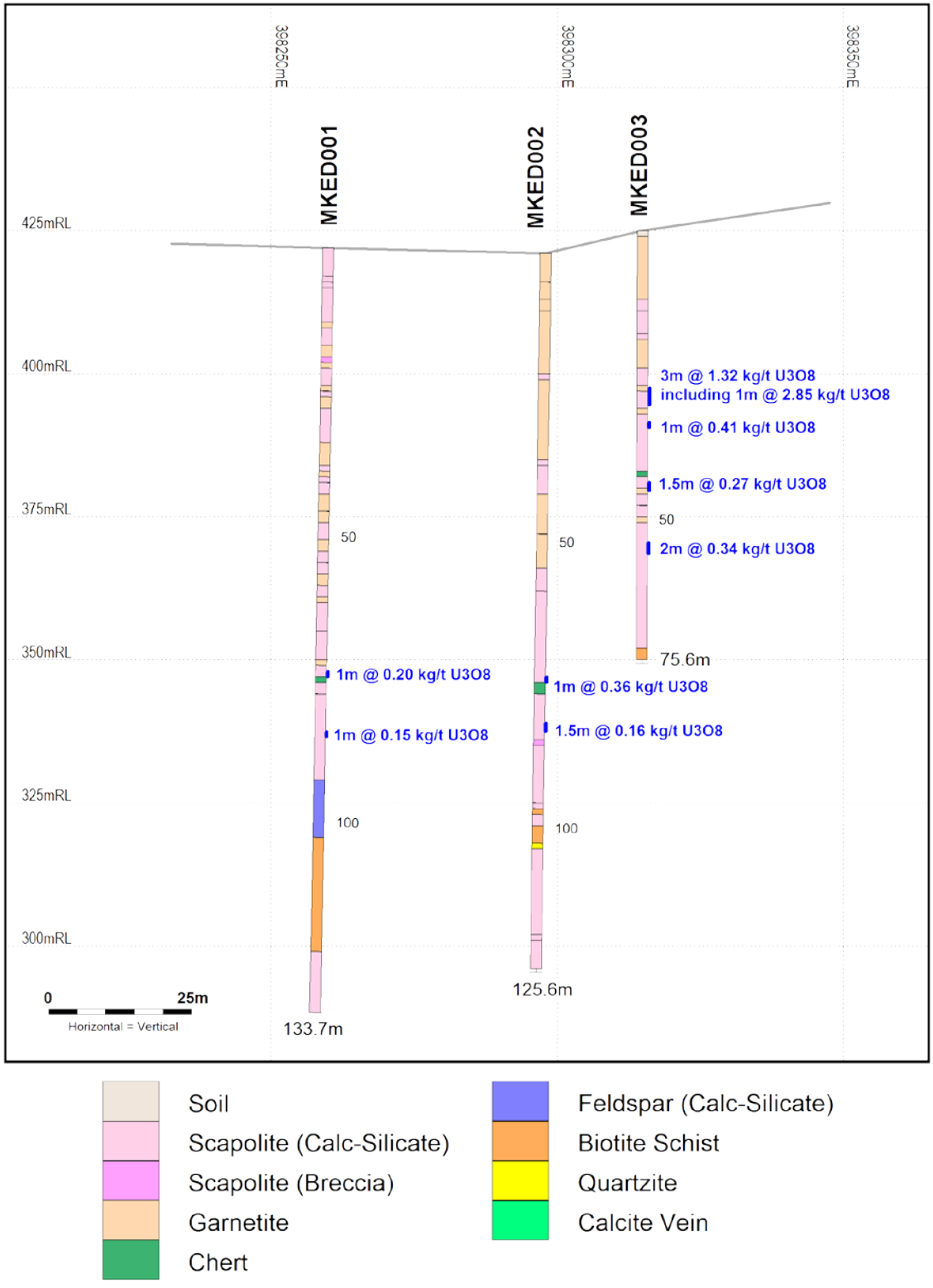

Figure 3. Section indicating mineralisation at relatively shallow levels. Surface mapping and refined geological interpretation is to be completed to allow planning of further extensional drilling.