ANNUAL REPORT

For the year ended 31 December 2015

CORPORATE DIRECTORY
Chinalco Yunnan Copper Resources Limited A.C.N 070 859 522

Board of Directors Zhihua Yao (Chairman) Paul Williams (Managing Director) Zewen Yang (Executive Director) **Company Secretary** Paul Marshall **ASX Code: CYU**	**Head Office** Suite 6, Level 11 320 Adelaide Street Brisbane QLD 4000 Telephone: 07 3041 1306 Email: admin@cycal.com.au Website: www.cycal.com.au
Auditors Ernst and Young Level 51 111 Eagle Street Brisbane QLD 4000 Telephone: 07 3011 3333 Fax: 07 3011 3100 Website: www.ey.com	**Share Registry** Link Market Services Limited Level 15 324 Queen Street Brisbane QLD 4000 Telephone: 1300 554 474 Facsimile: 02 9287 0303 Website: www.linkmarketservices.com.au

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COMPANY OVERVIEW AND STRATEGY

The principal activities of the Company and its controlled entities during the year comprised:

- Mineral exploration in the Mount Isa region of north-western Queensland; and
- Identification and assessment of project opportunities for acquisition – especially in the Democratic Republic of Congo, Africa (DRC),

in a manner consistent with the Business Plan adopted by the Board of CYU in April 2014. The CYU Board also adopted an exploration criterion of at least one million tonnes (1Mt) of contained copper (or copper equivalent minerals) for its future exploration activities.

There were no significant changes in the nature of CYU's principal activities during the year.

REVIEW OF OPERATIONS

Highlights in relation to CYU's project activity during the year are noted below.

Projects

Australian Projects

With the appointment in January 2015 of a new Exploration Manager, a complete review was undertaken of CYU's Mount Isa tenure holdings. As a result of that review, the CYU Board approved a work program and budget for the conduct of a $1.8M exploration program during 2015.

Mary Kathleen Joint Venture (CYU 100% subject to 1.5% Goldsearch NSR)

On 25 August 2009, CYU entered into a Farm-in and Joint Venture Agreement with Goldsearch Limited (GSE) to explore their Mary Kathleen Project (later renamed Mary Kathleen Joint Venture Project) comprising the granted EPMs 14019 and 14022 covering an area considered prospective for copper, gold, uranium and rare earth elements mineralisation within the Mount Isa Inlier of northwest Queensland. In June 2011 CYU advised GSE that it had met all its expenditure commitments of A$1.5M to earn a 70% equity. A 70:30 unincorporated joint venture between CYU and GSE was then used to continue exploration. In June 2014, GSE elected to dilute its joint venture participating interest by 10%, thereby adjusting the ownership structure to 80:20 as between CYU and GSE. Later in 2014, GSE advised the ASX in the latter part of 2014 of its intention to pursue a significant acquisition opportunity outside of the mining sector. As this activity is not consistent with mineral exploration in Mount Isa, GSE advised CYU of its intention to refrain from incurring any further expenditure in the Mary Kathleen Joint Venture, and has agreed with CYU to dilute its Joint Venture interest to a 1.75% net smelter royalty (NSR). Subject to that NSR, CYU will become the 100% holder of the tenure interests that fall within the Mary Kathleen JV portfolio namely, EPMs 14019, 14022 and 14467. EPM 14022 is the tenure where CYU's Elaine prospect is situated and EPM 14467 is the Mt Frosty prospect area.

Elaine

As previously announced the Company has established an Inferred JORC resource at Elaine. To date CYU has drilled a total of 13,089m in 33 diamond core holes and 1 percussion hole over six drill programs from 2009 to early 2013. The most recent program was designed to extend the resource of Elaine at depth and along strike. Models of the Elaine copper-gold resource, aeromagnetics, geophysics, and copper-gold soil domains, were the most important targeting parameter for the holes.

Geological mapping of the Elaine South prospect was carried out during 2015.

Mt Frosty Joint Venture (Glencore Xstrata 100%, CYU earning in)

On 3 February 2012, CYU entered into a Farm-in and Joint Venture Agreement with Mt Isa Mines Ltd to commence exploration activities on the Mt Frosty project which covers the Mary Kathleen Shear. Under the terms of the Mary Kathleen Joint Venture, CYU is obliged to incorporate GSE as a participant in the Mt Frosty Joint Venture. Under the terms of the Mt Frosty farm-in agreement, in order to secure an initial 51% interest in the underlying tenure (EPM 14467) the Mary Kathleen Joint Venture needed to incur exploration expenditure of at least $1.5m and to have drilled more than 3000m prior to February 2015.

CYU and Glencore's Mount Isa Mines reached agreement in October 2014 that the initial 51% Mt Frosty farm-in criteria had been satisfied and arrangements are being made to have the 51% interest in EPM 14467 transferred to CYU. A formal Joint Venture agreement is also in preparation.

The primary prospect opportunities within the Mt Frosty Joint Venture are Jubilee and Blue Caesar.

Jubilee/Blue Caesar

Limited work was conducted on these prospect areas during 2015, as CYU's exploration team was focussed elsewhere. Preliminary 3D geological modelling of these prospects was conducted and this work may be of assistance in developing follow-up drilling on these prospects.

Gravity Survey – Elaine and Mt Frosty Areas

During the September 2015 Quarter, CYU's exploration team finalised a gravity survey across parts of its tenure package that includes the Mt Frosty prospect, 57km east of Mount Isa. The survey results highlighted the presence of a substantial gravity anomaly in the southern part of the Mt Frosty tenure.

The detailed gravity survey comprised 197 measurement stations and defined a 1.8km x 0.8km 3-5mGal gravity anomaly located 3km southeast of the historic Mary Kathleen mine. The anomaly correlates very well with substantial skarn alteration mapped at surface and serves to highlight the persistence of this alteration at depth. In addition, ductile shear zones were mapped adjacent to this anomaly, a very similar structural setting to that seen at Mary Kathleen and CYU's Elaine and Blue Caesar prospects.

3D inversion of the gravity data has also highlighted that Elaine and Blue Caesar occur on a significant northwest-trending gravity feature, with the most substantial anomaly on this corridor lying beneath the base of drilling at Blue Caesar. Follow-up mapping and soil geochemical sampling would be required prior to conducting further drilling based on this gravity data.

Millennium

On 17 September 2013, CYU entered into an agreement to create a joint venture with Elementos Limited (ELT) to explore for copper, cobalt and gold and ultimately earn a majority interest in the Millennium Project. Millennium, situated near Cloncurry, included the following tenements:

- Mining Leases totalling 134 hectares; and
- Exploration Permits totalling 254 km^2.

In early November 2013, CYU commenced an initial exploration program involving the drilling of thirteen RC drillholes designed to validate historic drill results from the 1970's and early 1980's. As a result of this program CYU has identified a large mineralised system with a strike length of 1200m which is still open both to the north and south.

Limited exploration work was carried out on the Millennium prospect areas due to a focus on other activities in the Mount Isa region. During the December 2015 Quarter, agreement was reached with ELT to vary the joint venture agreement by removing certain EPMs that were considered to be low in prospectivity. As a result of this variation, the remaining joint venture tenure comprises the five "Federal" mining leases, which have been the subject of most of CYU's previous exploration focus.

Roseby Copper South

On 17 September 2013, CYU also entered into an agreement to create a joint venture with Altona Mining Limited (Altona) to explore for copper and gold and ultimately earn a majority interest in the Roseby South Project, near Mt Isa in Queensland. Roseby South comprises a package of eight Exploration Permits covering an area of 704km^2 situated near Cloncurry in the world-class Mount Isa Inlier in northwest Queensland.

Native Companion

The Native Companion/Brolga trend is characterised by numerous historic workings over a 5km strike parallel to the Rosebee Fault. The zone was previously RAB (rotary air blast drilled) by Altona on nominal 500m line spacing to identify discrete copper geochemical anomalies in excess of 1000m of strike length and 100m width. CYU completed infill sampling on 100m line spacing using mobile metal ion (MMI) technology that successfully reproduced and delineated these geochemical anomalies.

Based on the results of the IP geophysical survey at Native Companion earlier in 2015, CYU identified several highly prospective drill targets that were the subject of the combined RC (reverse circulation) and diamond drilling program conducted throughout August 2015. Eight (8) drill holes were completed ranging in depth from 144m to 450m, totalling 1991m of drilling. A multi-purpose drilling rig (with capacity to drill both RC and diamond holes) was contracted.

The rationale for this drilling program was a combination of the following features:

- Historic shafts and workings
- MMI anomalies from previous CYU soil geochemical surveys
- Strong results from Altona's rotary air blast (RAB) drilling program

- Strong IP anomalies
- Encouraging results from the CYU drilling program in late 2014.

Assay results were received for all the RC drilling – this comprises almost all of the completed drilling for the program, with the exception of two diamond tails which were drilled to complete the two deeper (>200m) drill holes.
Assay highlights from the Native Companion program were as follows:

RBNC001: 8m @ 0.22% Cu and 0.05g/t Au from 124m
RBNC002: 12m @ 0.73% Cu and 0.32g/t Au from 68m including
2m @ 1.92% Cu and 0.09g/t Au from 20m
RBNC003: 2m @ 0.54% Cu and 0.04g/t Au from 72m
RBNC004: 12m @ 0.42% Cu and 0.14g/t Au from 18m
RBNC005: 12m @ 0.40% Cu and 0.38g/t Au from 72m
RBNC006: 10m @ 0.44% Cu and 0.02g/t Au from 94m including
2m @ 1.08% Cu and 0.06g/t Au from 100m
RBNC008: 34m @ 0.75% Cu and 0.21g/t Au from 54m including
4m @ 1.86% Cu and 0.21g/t Au from 84m.

[Note – drill holes RBNC004 and 007 were drilled to depths of 443 and 450m respectively, targeting deep IP geophysical anomalies.]

The assay results demonstrated the existence of copper mineralisation across certain areas of the Native Companion prospect but the results were not in quantities or widths that were suggestive of a bulk tonnage ore body that would meet CYU's exploration target criteria of 1 million tonnes of copper and/or copper equivalent. It is evident from this drilling program however, that Native Companion is a large but structurally complex mineralised system which requires additional review and assessment.

Termination of Roseby South Joint Venture

In accordance with the terms of the earn-in joint venture with Altona, in order for CYU to complete its initial 30% earn-in right, a total of $2m expenditure had to be incurred by CYU by 16 September 2015. As at that date, CYU had incurred an amount of approximately $1,650,000. CYU took the approach that if there was sufficiently encouraging signs from the drilling at Native Companion, then steps may have been taken to accelerate the program in order to meet the initial earn-in right. As this did not occur, CYU sought to complete the initial eight drill holes and then approached Altona seeking a variation of the joint venture terms, to allow CYU to continue to earn an interest in the Roseby South tenure. Negotiations with Altona were unsuccessful and, as at 30 September 2015 CYU's interests in the Roseby South JV lapsed.

Cloncurry North

A detailed gravity survey was also conducted over the Moonlight prospect (situated within EPM 12205), located 45km northwest of Cloncurry, during September 2015. The survey highlighted a 2.4km x 0.5km +5mGal anomaly corresponding to the margin of the Naraku Granite. The anomaly is coincident with a moderate magnetic anomaly, suggesting that it may be the result of magnetite alteration associated with the emplacement of the Naraku Granite. Additional work needs to be completed interpreting the gravity results with geological reconnaissance to ascertain the source of the anomalism and the nature of the nearby copper occurrences.

Mount Isa East

In June 2013, CYU farmed out the Mount Isa East tenure to Yunnan Copper Mineral Resources Exploration & Development Co., Ltd (YEX), and under the terms of that Farm-in Agreement YEX could earn up to a 45% interest in the those tenures. As at the date of this report, YEX has earned a 20% interest in the Mt Isa East projects. Upon further review of this tenure area by CYU's exploration team, a decision was taken (during the December 2015 Quarter) to surrender this tenement.

Overseas Projects – DRC

The Democratic Republic of Congo (DRC) is the third largest country in Africa with a population of more than 70 million and covering a land area nearly two-thirds the size of the entire European Union. Nearly 3% of the world's estimated copper reserves are situated in the Katanga Region in the south-eastern corner of the DRC and copper provides the DRC's largest export earnings. More than 1 million tonnes of copper metal was produced in the DRC during 2014, making it the fifth largest producer in the world – surpassing Australia and Zambia. Estimated DRC production for 2015 is in the order of 1.5 million tonnes. As a consequence, CYU has identified the DRC as an excellent future source of substantial (and profitable) copper production activities.

During the latter months of 2015, CYU pursued various copper project opportunities in the DRC. CYU pursued a number of activities in the DRC in close co-ordination with its major shareholder Yunnan Copper Industry (Group) Co., Ltd (YCI). These activities are summarised below.

JCHX Strategic Co-Operation

On 22 October 2015, CYU announced the establishment of a strategic co-operation agreement with the Beijing-based JCHX Group. The primary intention of the agreement was for JCHX Group to participate with CYU in its proposed development and acquisition of copper opportunities in the DRC.

The JCHX-controlled JCHX Mining Management Co., Ltd was listed on the Shanghai Stock Exchange in June 2015 after the company successfully raised 1.633 billion RMB (A$360million). JCHX Mining Management Co has a long-established business relationship with CYU's largest shareholder, YCI.

The JCHX Group co-operation with CYU was intended to involve the initial provision of a total of A$4.5million of funding to CYU, future funding contributions towards DRC project opportunities, and mining construction services in the DRC. The founder and current Chairman of JCHX, Mr Wang Xiancheng, was also intended to join the CYU Board as a non-executive director.

SX-EW Copper Smelter

On 26 October 2015, CYU announced details of a proposed 10,000tpa SX-EW (solvent extraction – electro winning) copper smelter to be constructed and operated near the city of Kolwesi, in south-eastern DRC. YCI then sought approval from China Copper Corporation Limited (China Copper) and other necessary regulatory approvals in China to engage CYU to assume control of the feasibility study activities and ultimately to bring the project into full operation.

Other DRC Projects

CYU management also dedicated a significant amount of time and resources to the negotiation of an acquisition by CYU of a small-scale copper smelting facility in the DRC. Agreement on the acquisition terms was reached with the vendor and a term sheet was signed by the vendor. At the instruction of YCI, CYU refrained from signing this agreement pending China Copper approval for this transaction.

Chinalco Withdrawal

On 19 January 2016, CYU announced to the ASX that CYU had received confirmation from YCI, a 58% subsidiary of China Copper, (which in turn, is a 100% subsidiary of Chinalco) that China Copper would not approve CYU's proposed strategic alliance with JCHX Group. No reason was provided for that decision. As a result, the A$4.5M JCHX funding package for CYU (and all other proposed DRC activities – as outlined above) did not proceed in their intended form. YCI has also advised CYU that China Copper will not provide continued financial support in the future to CYU.

JCHX Share Placement

On 4 March 2016, CYU announced the signing of a share placement agreement with JCHX Group. The primary intention of the agreement is for JCHX Group to participate with CYU in its proposed development and acquisition of copper opportunities in the DRC.

JCHX Group, through a 100% subsidiary, Bienitial International Co., Ltd ("BIC") agreed to provide initial funding to CYU of an amount of $1,182,490, which is in the form of a share placement of 118,249,000 ordinary CYU shares at an issue price of A$0.01per share. The issue of shares to BIC was completed on 11 March 2016 and BIC now holds 19.9% of the total issued CYU shares.

Competent Person's Statement

The information relating to Exploration Results as outlined above is extracted a previous ASX Announcement, namely ASX announcement titled Mount Isa Update – Copper Mineralisation at Native Companion and Substantial Gravity Anomaly at Mt Frosty, dated 24 September 2015.

This report is available to view on the Company's website www.cycal.com.au. The report was issued in accordance with the 2012 Edition of the JORC Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

ANNUAL MINERAL RESOURCE STATEMENT

In accordance with ASX Listing Rule 5.21, the Company reviews and reports its Mineral Resources at least annually. The date of reporting is 31 December each year, to coincide with the Company's end of financial year balance date. If there are any material changes to its Mineral Resources over the course of the year, the Company is required to promptly report these changes.

Elaine Prospect

The Company has previously reported a maiden Inferred Resource for the Elaine prospect as follows:

Resource Classification	Tonnes	Cu %	Au g/t
Inferred	27.7Mt	0.53	0.08
Total Resource	**27.7Mt**	**0.53**	**0.08**

This Inferred Resource was calculated independently in 2012 by Mr Steven Ristorcelli, Principal Geologist with Mine Development Associates of Reno, Nevada, USA pursuant to the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (the "JORC Code") 2004 Edition and detailed in the Company's releases to the ASX on 29 June 2012 (and updated on 18 October 2012).

The Elaine Mineral Resource was last reported by the Company in October 2014. There has been no change to the Elaine Inferred Resource Statement reported in 2014. In completing the review for the period ended 31 December 2014, the historical resource factors were reviewed and found to be relevant and current. The Elaine Prospect has not been converted to an active operation yet and hence no material resource depletion has occurred for the review period.

Material Changes and Resource Statement Comparison

There have been no changes to the Mineral Resource during the review period from 1 January 2015 to 31 December 2015.

The information in this Annual Report that relates to Mineral Resources was prepared and first disclosed under the JORC Code 2004 Edition and has not been updated since to comply with the JORC Code 2012 Edition on the basis that the information has not materially changed since it was last reported. The Company is not aware of any new information or data that materially affects the information as previously released in 2012 and all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed.

Governance Arrangements and Internal Controls

The Company has ensured that the Mineral Resources quoted are subject to good governance arrangements and internal controls. The Mineral Resources reported were generated by suitably qualified personnel (who were employed or contracted by the Company at the time) that were experienced in best practices in modelling and estimation methods, and also in undertaking reviews of the quality and suitability of the underlying information used to determine the resource estimate.

Competent Person's Statement

This Mineral Resources Statement for the Elaine prospect has been approved by Mr Steven Ristorcelli, who is a Certified Professional Geologist with the American Institute of Professional Geologists, a "Recognised Overseas Professional Organisation". Mr Ristorcelli has sufficient experience to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Ristorcelli is a Principal Geologist with Mine Development Associates of Reno, Nevada, USA. Mr Ristorcelli has approved the Statement as a whole and consents to its inclusion in this Annual Report in the form and context in which it appears.

DIRECTORS AND OFFICERS

The following persons were directors of Chinalco Yunnan Copper Resources Limited ('CYU' or 'the Company') during the whole of the financial period and up to the date of this report, unless stated:

Mr Zhihua Yao (Appointed 23/12/2010)

Non-Executive Chairman, BSc, GradDip

Mr Zhihua Yao has been the Deputy General Manager of Chinalco Yunnan Copper Industry (Group) Co. Ltd (CYCI) since November 2010. He is responsible for exploration, M&A and project development of CYCI.

Mr Yao has over 30 years' experience in mining and exploration in China. He has worked in different positions, mainly in mining and exploration within CYCI. Mr Yao started his career as a mining technician at a copper mine for Yimeng Mining Co. Ltd, a major mining subsidiary of CYCI. In July 1998 he was appointed Vice General Manager of Yimeng Mining Co. Ltd, and was responsible for the company's planning, development, R&D, QC and construction.

From 2003 to 2010, Mr Yao was employed as the Director General of Mineral Resource Department and Vice Chief Engineer of CYCI. He was responsible for project generation, M&A, exploration and project development of the whole group.

In November 2010, Mr Yao was assigned to the post of Deputy General Manager of CYCI. Mr Yao has a Bachelor of Science with specialization in Mining Engineering and Post Graduate Diploma in Mining Management from Kunming University of Science and Technology, China. He has a PhD degree of mining engineering from China South University and recently secured official recognition from AusIMM to certify JORC resource and reserve statements, being one of only a handful of Chinese professionals to achieve this status.

Mr Paul Williams (Appointed 6/3/2013)

Managing Director, LLB, BA.

Mr Williams holds both Bachelor of Arts and Law Degrees from the University of Queensland and practised as a corporate and commercial lawyer with Brisbane legal firm Hopgood Ganim for 17 years. He ultimately became an equity partner of that firm before joining Eastern Corporation as their Chief Executive Officer in August 2004. In mid-2006 Mr Williams joined Mitsui Coal Holdings in the role of General Counsel, participating in the supervision of the coal mining interests and business development activities within the multinational Mitsui & Co group.

Mr Williams is well known in the Brisbane investment community as well as in Sydney and Melbourne and brings to the CYU Board a broad range of commercial and legal expertise – especially in the context of mining and exploration activities. He also has a strong focus on corporate governance and the importance of clear and open communication of corporate activity to the investment markets.

Mr Williams is a founding member of Equine Learning for Futures Inc., a charitable organization based in SE Queensland which provides horse-based workshops and programs for disadvantaged children and youths.

Mr Zewen Yang (Appointed 31/7/2007)

Executive Director, BA, MComm, MAICD

Mr Yang is the General Manager of China Yunnan Copper (Australia) Investment and Development Co. Limited based in Sydney.

Mr Yang has more than 20 years' experience in mineral resources trading and project investment areas in China and Australia. He has previously worked for China Non-Ferrous Metals Import and Export Company and has been with the Chinalco Yunnan Copper Industry (Group) Co. Limited since March 2004.

He has a Bachelor of Arts degree majoring in Economics and specialising in International Business from Sichuan University, China and a Masters degree of Commerce majoring in International Business from University of New South Wales.

Interests in the shares and options of the Company

As at the date of this report, the interests of the Directors in the shares and options of Chinalco Yunnan Copper Resources Limited are shown in the table below:

Director	Ordinary Shares	Class D Performance Shares
Zhihua Yao *	299,922,326	-
Paul Williams	350,000	2,000,000
Zewen Yang *	299,922,326	-

* Shares are held by China Yunnan Copper (Australia) Investment and Development Co Limited. Mr Yao and Mr Yang are executives in companies within the Chinalco Yunnan Copper Industry (Group) Co. Ltd who are the ultimate parent company of China Yunnan Copper (Australia) Investment and Development Co Limited who hold the 299,922,326 ordinary shares. Neither Mr Yao nor Mr Yang are in a position as individuals to vote the shares held.

COMPANY SECRETARY

Mr Paul Marshall was the Secretary of Chinalco Yunnan Copper Resources Limited throughout the period and until the date of this report.

Paul Marshall

Company Secretary and Chief Financial Officer, LLB, ACA

Paul Marshall is a Chartered Accountant. He holds a Bachelor of Law degree, and a post Graduate Diploma in Accounting and Finance. He has 30 years professional experience having worked for Ernst and Young for ten years, and subsequently twenty years spent in commercial roles as Company Secretary and CFO for a number of listed and unlisted companies mainly in the resources sector. He has extensive experience in all aspects of company financial reporting, corporate regulatory and governance areas, business acquisition and disposal due diligence, capital raising and company listings and company secretarial responsibilities.

PRINCIPAL ACTIVITIES

The principal activity of the Company and its controlled entities ('Consolidated Entity') during the period was mineral exploration. There were no significant changes in the nature of the Consolidated Entity's principal activity during the period.

DIVIDENDS PAID OR RECOMMENDED

There were no dividends paid or recommended during the period (2014: $nil).

FINANCIAL RESULTS

Capital structure
At 31 December 2015 the Company had 473,027,475 ordinary shares, and 2,000,000 Class D performance shares on issue.

Financial position
The net assets of the Consolidated Entity have decreased from $13,522,242 at 31 December 2014 to $4,350,345 at 31 December 2015. Included in the loss for the period was $7,929,624 of impairment relating to exploration assets.

During the period the Consolidated Entity has invested in the advancement of its exploration permits held. The Company's working capital, being current assets less current liabilities was in deficit by $136,483 at 31 December 2015.

Treasury policy
The Consolidated Entity does not have a formally established treasury function. The Board is responsible for managing the Consolidated Entity's currency risks and finance facilities. The Consolidated Entity does not currently undertake hedging of any kind.

Liquidity and funding

The Consolidated Entity incurred a net loss of $9,112,524 (6 months ended Dec 2014: $1,034,246) for the period ended 31 December 2015. Included in the loss for the period was $7,929,624 of impairment relating to exploration assets. As is typical of exploration companies which need to raise funding on an ongoing basis, CYU will have a funding requirement within the short term to continue exploration activities.

Based on one or more of the following:

- The subject share placement to JCHX on 11 March 2016 which raised $1,182,490;
- The success of future capital raisings;
- The potential to attract a farm-in partner to the projects; and
- The current portfolio of exploration assets held,

the Directors are confident of securing additional funds as and when necessary to meet the Consolidated Entity's obligations as and when they fall due.

Operating Results

<u>Revenue</u>
As an early stage exploration company, Chinalco Yunnan Copper Resources Limited does not generate any recurring income other than interest on its cash holdings.

<u>Expenses</u>
The Consolidated Entity's main expenses, excluding project impairments, are as follows:

	2015 $
Employment and consultancy expenses	657,424
Depreciation expense	42,014
Project generation and other exploration expenditure	368,267
Administration expenses	547,909
Total	1,615,614

<u>Comparison with Prior Year</u>
For the 12 months ended 31 December 2014, the loss for the Consolidated Entity after providing for income tax was $8,067,848.

After excluding the impact of the following non-recurring items:

- Impairment charges;
- Gain on deconsolidation of Yunnan Copper San Mu Mining Industry Co Ltd; and
- Discontinuance of operations in Chile,

the loss for the year ended December 2015 was $326,901 less than the loss for the year ended December 2014:

	2015 $	2014 $
Loss after income tax	(9,112,524)	(8,067,848)
<u>Adjustments for non-recurring items</u>		
Discontinued operations in Chile	-	1,745,014
Impaired projects	7,929,624	4,439,148
Gain on deconsolidation of Laos subsidiary	(373,885)	-
Adjusted Loss after income tax	(1,556,785)	(1,883,686)

This loss is in line with measures made by the Company to refocus its activities and reduce costs where possible. All else being equal, the Company expects operating costs to fall again 2016.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

The principal activities of the Company and its controlled entities during the year comprised:

- Mineral exploration in the Mt Isa region of north-western Queensland; and
- Identification and assessment of project opportunities for acquisition – especially in the Democratic Republic of Congo, Africa (DRC),

in a manner consistent with the Business Plan adopted by the Board of CYU in April 2014. The CYU Board also adopted an exploration criterion of at least one million tonnes (1Mt) of contained copper (or copper equivalent minerals) for its future exploration activities.

Withdrawal from Sanmu

On 1 January 2015, CYU relinquished all and any control of Yunnan Copper San Mu Mining Industry Co Ltd (Sanmu) to Yunnan Copper Industry (Group) Co Ltd (YCI).

All of the representative directors of CYU that were appointed to the Board of Sanmu were removed as directors earlier this year and, since 1 January 2015, YCI has controlled all activities and the direction of Sanmu, and its Laos subsidiaries at both an operational and corporate level.

CYU is not under any future obligation to contribute additional funds towards Sanmu as part of the dissolution process or for any other purpose.

There were no other significant changes in the nature of CYU's principal activities during the year.

AFTER BALANCE DATE EVENTS

Chinalco Withdrawal

On 19 January 2016, CYU announced to the ASX that CYU had received confirmation from YCI, a 58% subsidiary of China Copper Corporation Limited, (which in turn, is a 100% subsidiary of Chinalco) that China Copper would not approve CYU's proposed strategic alliance with JCHX Group. No reason was provided for that decision. As a result, the A$4.5M JCHX funding package for CYU (and all other proposed DRC activities – as outlined above) did not proceed in their intended form. YCI has also advised CYU that China Copper will not provide continued financial support in the future to CYU.

JCHX Share Placement

On 4 March 2016, CYU announced the signing of a share placement agreement with JCHX Group. The primary intention of the agreement is for JCHX Group to participate with CYU in its proposed development and acquisition of copper opportunities in the DRC.

JCHX Group, through a 100% subsidiary, Bienitial International Co., Ltd ("BIC") agreed to provide initial funding to CYU of an amount of $1,182,490, which is in the form of a share placement of 118,249,000 ordinary CYU shares at an issue price of A$0.01per share. The issue of shares to BIC was completed on 11 March 2016 and BIC now holds 19.9% of the total issued CYU shares.

There have been no other events since 31 December 2015 that impact upon the financial report.

FUTURE DEVELOPMENTS, PROSPECTS AND BUSINESS STRATEGIES

The growth strategy of CYU is based on two key foundations:

- Exploration and development of existing (and newly-acquired) tenure; and
- Acquisition of interests in projects that are either in production or close to production,

both of which are aimed at CYU having significant holdings in operating (and therefore cashflow-generating) projects within the next two years.

As a consequence, this growth strategy will be achieved by:

- Careful management of CYU treasury;
- Focus on high quality copper, gold and other mineral projects; and
- Maintenance of a strong exploration and evaluation team that has been carefully recruited. CYU is maintaining its technical resources in order to grow the business in the current environment of opportunity.

ENVIRONMENTAL ISSUES

The Company is subject to environmental regulation in relation to its exploration activities. There are no matters that have arisen in relation to environmental issues up to the date of this report.

REMUNERATION REPORT (AUDITED)

This report details the nature and amount of remuneration for Directors and Key Management Personnel of the Company.

Remuneration Policy

The performance of the Company depends upon the quality of its Directors and Executives. To prosper, the Company must attract, motivate and retain highly skilled Directors and Executives.

Remuneration Committee

The Board does not have a Remuneration and Nomination Committee. The full Board is responsible for determining and reviewing compensation arrangements for the Directors and the Executive team.

The Board assesses the appropriateness of the nature and amount of emoluments of such officers on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality Board and Executive team.

Such officers are given the opportunity to receive their base emolument in a variety of forms including cash and fringe benefits. It is intended that the manner of payments chosen will be optimal for the recipient without creating undue cost for the Company.

Remuneration structure

It is the Company’s objective to provide maximum stakeholder benefit from the retention of a high quality Board and Executive team by remunerating Directors and other Key Management Personnel fairly and appropriately with reference to relevant employment market conditions for similar companies.

To assist in achieving this objective, the Board considers the nature and amount of Executive Directors’ and Officers’ emoluments alongside the Company’s operational performance, specifically considering their success in:

- the identification of prospective tenements;
- subsequent design and execution of exploration programs;
- negotiating joint venture arrangements on terms favourable to the Company;
- investigating other potential acquisition opportunities and negotiating the completion of those acquisitions;
- expanding the level of mineral resources under the control of the company;
- carrying out exploration programs in a timely and cost effective manner; and
- liaising with stockbrokers, investment banks and market participants generally.

The expected outcomes of the remuneration structure are the retention and motivation of key Executives, the attraction of quality management to the Company and performance incentives which allow Executives to share the rewards of the success of the Company.

In accordance with best practice corporate governance, the structure of Non-Executive Director remuneration and Executive Officers and Senior Management remuneration is separate and distinct.

Non-Executive Director Remuneration

The Board seeks to set aggregate remuneration at a level which provides the Company with the ability to attract and retain Directors of the highest calibre, whilst incurring a cost which is acceptable to shareholders.

The Constitution of Chinalco Yunnan Copper Resources Limited and the ASX Listing Rules specify that the Non-Executive Directors are entitled to remuneration as determined by the Company in the Annual General Meeting to be apportioned among them in such manner as the Directors agree and, in default of agreement, equally. The maximum aggregate remuneration currently approved by shareholders for non-executive Directors’ fees is for a total of $250,000 per annum.

If a Non-Executive Director performs extra services, which in the opinion of the Directors are outside the scope of the ordinary duties of the Director, the Company may remunerate that Director by payment of a fixed sum determined by the Directors in addition to or instead of the remuneration referred to above. Non-Executive Directors are entitled to be paid travel and other expenses properly incurred by them in attending Director's or General Meetings of the Company or otherwise in connection with the business of the Company.

Executive Directors and Senior Management remuneration

The Company aims to reward the Executive Directors and Senior Management with a level and mix of remuneration commensurate with their position and responsibilities within the Company and so as to:

- reward Executives for company and individual performance against targets set by reference to appropriate benchmarks;
- align the interests of Executives with those of shareholders;
- link reward with the strategic goals and performance of the Company; and
- ensure total remuneration is competitive by market standards.

The remuneration of the Managing Director and Senior Management may from time to time be fixed by the Board. As noted above, the Board's policy is to align Executive objectives with shareholder and business objectives by providing a fixed remuneration component and offering long-term incentives. The level of fixed remuneration is set so as to provide a base level of remuneration which is both appropriate to the position and is competitive in the market.

Fixed remuneration is reviewed annually by the Board, and the process consists of a review of both the Company's operational performance and individual performance, relevant comparative remuneration in the market and where appropriate, external advice provided by executive remuneration consultants.

In relation to the payment of bonuses, options and other incentive payments, discretion is exercised by the Board, having regard to the overall performance of the Company and the performance of the individual.

Employment contracts

It is the Board's policy that employment agreements are entered into with all Directors, Executives and employees.

The current employment agreement with the Managing Director has a six month notice period and in the case of the Executive Directors and with the CFO, there is a three month notice period.

All other employment agreements have one month (or less) notice periods. No current employment contracts contain early termination clauses.

No retirement allowances for non-executive directors are paid.

Managing Director

The Managing Director, Mr Paul Williams is employed under an executive services contract entered into in March 2013. The contract has a three year period. Under the terms of the current contract Mr Williams' current remuneration package includes the following:

Base salary of $300,000 per annum, inclusive of superannuation;

Short term bonus of $50,000, payable upon the successful capital raising on the following terms:

- Minimum of $5,000,000 raised;
- Price no less than $0.20 per share;
- Capital raising completed by 31 December 2013.

These terms were not met and the bonus was not paid.

- 5,000,000 long term incentive performance shares, comprising 1,000,000 A, B and C Class shares and 2,000,000 D Class performance shares respectively.

  These performance shares are convertible into ordinary shares in the Company (on the basis of one ordinary share for each performance share) upon the occurrence of the following events:

- A Class shares – successful completion of a capital raising of at least $5M by the Company in 2013. These shares were issued on 6 December 2013 and subsequently lapsed on 31 December 2013 as the performance condition was not met;
- B Class shares – the 5 business day weighted average share price of the Company's shares on the ASX being at least 25c. These shares were issued on 6 December 2013 and subsequently lapsed on 6 December 2015 as the performance condition was not met;
- C Class shares - the 5 business day weighted average share price of the Company's shares on the ASX being at least 50c. These shares were issued on 6 December 2013 and subsequently lapsed on 6 December 2015 as the performance condition was not met; and
- D Class shares – the company achieving a positive EBITDA in respect of mining operations (either from current projects or a subsequently acquired project) for at least 3 consecutive months of operation. These shares were issued on 26 November 2014 and remain outstanding at 31 December 2015.

If any of the events applicable to the Class D shares do not occur within 3 years of issue the applicable tranche (or tranches) of performance shares will lapse.

<u>Executive Directors</u>

An Executive Director, Mr Zewen Yang, is employed under an executive services contract entered into in July 2008. The contract had a service term of three years and is currently being extended until a formal review is completed in 2016. Under the terms of the current contract Mr Yang's current remuneration package includes the following:

Base salary of $155,520.

Mr Yang is also able to earn a bonus as determined by the Board. The bonus will be determined by the Board of the Company at the end of each financial year. Payment of any or all of the Bonus will be at the sole discretion of the Company acting reasonably. In exercising its discretion and in determining whether, acting reasonably, all or part of the bonus is to be paid, the Board of the Company must consider matters including, but not limited to:-

Whether the Executive has met performance objectives to be agreed to by the Board of the Company and the Executive from time to time;

The performance of the Company's share price on ASX that may be attributed to the Executive's performance;

The Company's ability to secure relevant acquisitions to be made by the Company; and

The Company's financial performance for the preceding twelve (12) month period and specifically, whether the Company has successfully grown revenue;

<u>Company Secretary and CFO</u>

The Company Secretary and CFO, Mr Paul Marshall, is engaged on an on-going consultancy style agreement for the provision of services as company secretary and chief financial officer. Services are invoiced monthly based on services provided. The contract provides for a three month notice period.

(a) Details of Directors and other Key Management Personnel

Directors

- Zhihua Yao — Chairman (Non-executive)
- Paul Williams — Managing Director
- Zewen Yang — Executive Director

Key Management Personnel

- Paul Marshall — Company Secretary and CFO

(b) Remuneration of Directors and other Key Management Personnel

31 December 2015	Short Term			Post-Employment		Share-based Payments			
	Salary & Fees	Cash Bonus	Non-cash benefits	Superan-nuation	Retirement benefits	Options and performance shares	Total	Performance Related %	% consisting of equity instruments
Specified Directors									
Zhihua Yao	36,000	-	-	-	-	-	36,000	-	-
Paul Williams	273,973	-	-	26,027	-	-	300,000	-	-
Zewen Yang	155,520	-	-	-	-	-	155,520	-	-
Key Management Personnel									
Paul Marshall	52,000	-	-	-	-	-	52,000	-	-
	517,493	-	-	26,027	-	-	543,520	-	-

6 months ended 31 December 2014	Short Term			Post-Employment		Share-based Payments			
	Salary & Fees	Cash Bonus	Non-cash benefits	Superan-nuation	Retirement benefits	Options and performance shares	Total	Performance Related %	% consisting of equity instruments
Specified Directors									
Zhihua Yao	18,000	-	-	-	-	-	18,000	-	-
Paul Williams	148,200	-	-	14,079	-	7,500	169,779	-	4.42%
Zewen Yang	77,760	-	-	-	-	-	77,760	-	-
Key Management Personnel									
Paul Marshall	26,000	-	-	-	-	-	26,000	-	-
	269,960	-	-	14,079	-	7,500	291,539		

(1) The value of options and performance shares granted in the year is the fair value of the options and performance shares calculated at grant date using a binominal pricing model.

(c) Performance shares issued as part of remuneration for the period ended 31 December 2014

During the prior period, there were 2,000,000 Class D long term incentive performance shares issued to Mr Paul Williams.

These performance shares are convertible into ordinary shares in the Company (on the basis of one ordinary share for each performance share) upon the occurrence of the following events:

the Company achieving a positive EBITDA in respect of operations for a consecutive period of 3 months from an asset of the Company.

If this event does not occur before 26 November 2017, the performance shares will lapse.

Details on performance shares in the Company that were granted as compensation to Mr Paul Williams in the prior reporting period are as follows:

	Grant date	No. of shares	Fair value at grant date $	Total value of shares $	Expiry date	Conversion price $	% of performance shares converted
Performance Shares							
D Class	26/11/2014	2,000,000	0.0038	7,500	26/11/2017	NA	-

(d) Shares issued on exercise of remuneration options or performance shares

There were no shares issued on the exercise of compensation options or performance shares during the period

(e) Director and Key Management Personnel Equity Holdings

Director/Key Management Personnel share holdings (number of shares)

December 2015	Opening Balance	Granted as remuneration	On Exercise of Options	Purchased	Closing Balance
Directors					
Zhihua Yao*	299,922,326	-	-	-	299,922,326
Paul Williams	350,000	-	-	-	350,000
Zewen Yang*	299,922,326	-	-	-	299,922,326
Key Management Personnel					
Paul Marshall	1,500,002	-	-	-	1,500,002
Total	1,850,002	-	-	-	1,850,002

* Shares are held by China Yunnan Copper (Australia) Investment and Development Co Limited. Mr Yao and Mr Yang are executives in companies within the Chinalco Yunnan Copper Industry (Group) Co. Ltd who are the ultimate parent company of China Yunnan Copper (Australia) Investment and Development Co Limited who hold the 299,922,326 ordinary shares. Neither Mr Yao nor Mr Yang are in a position as individuals to vote the shares held.

Performance shares

	2015		
Paul Williams	**B Class**	**C Class**	**D Class**
Outstanding at beginning of period	1,000,000	1,000,000	2,000,000
Granted	-	-	-
Forfeited	(1,000,000)	(1,000,000)	-
Converted	-	-	-
Expired	-	-	-
Outstanding at period end	-	-	2,000,000
Convertible at period end	-	-	-

(f) Additional Information

The factors that are considered to affect shareholder return since over the last 5 financial periods are summarised below:

Measures	December 2015 $	6 months ended December 2014 $	June 2014 $	June 2013 $	June 2012 $
Share price at end of financial period	0.026	0.024	0.025	0.045	0.11
Market capitalisation at end of financial period ($M)	12.30	11.35	6.96	11.16	19.07
Loss for the financial period	3,079,955	1,034,246	11,331,155	7,808,248	2,894,339
Cash spend on exploration programs	1,431,528	1,004,867	2,630,260	3,673,171	5,300,693
Director and Key Management Personnel remuneration	543,520	291,539	675,296	677,786	757,562

Given that the remuneration is commercially reasonable, the link between remuneration, Company performance and shareholder wealth generation is tenuous, particularly in the exploration and development stage of a minerals company. Share prices are subject to the influence of international metal prices and market sentiment towards the sector and increases or decreases may occur independently of executive performance or remuneration.

The Company may issue options to provide an incentive for directors key management personnel which, it is believed, is in line with industry standards and practice and is also believed to align the interests of directors and key management personnel with those of the Company's shareholders.

End of Remuneration Report

OPTIONS

As at the date of this report there were no options on issue. During the period no shares were issued following the exercise of options.

INDEMNIFICATION AND INSURANCE OF DIRECTORS, OFFICERS AND AUDITOR

Each Director and the Secretary of the Company has the right of access to all relevant information.

The Company has insured all of the Directors of Chinalco Yunnan Copper Resources Limited. The contract of insurance prohibits the disclosure of the nature of the liabilities covered and amount of the premium paid. The Corporations Act does not require disclosure of the information in these circumstances.

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young during or since the financial year.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purposes of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company was not a party to any such proceedings during the period.

DIRECTORS' MEETINGS

The number of meetings of Directors (including meetings of committees of directors) held during the period and the number of meetings attended by each Director was as follows:

	Directors' Meetings	
	A	B
Zhihua Yao	2	2
Zewen Yang	2	2
Paul Williams	2	2

A – Number of meetings attended
B – Number of meetings held during the time the director held office during the period

NON-AUDIT SERVICES

The Company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company and/or the group are important.

No non-audit services were provided by the auditor of the parent entity, Ernst & Young and its related practices.

AUDITOR'S INDEPENDENCE DECLARATION

The Auditor's Independence Declaration forms part of the Directors' Report.

Signed in accordance with a resolution of the directors.

Paul Williams
Director
11 March 2016

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Auditor's Independence Declaration to the Directors of Chinalco Yunnan Copper Resources Limited

As lead auditor for the audit of Chinalco Yunnan Copper Resources Limited for the financial year ended 31 December 2015, I declare to the best of my knowledge and belief, there have been:

a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Chinalco Yunnan Copper Resources Limited and the entities it controlled during the financial year.

Ernst & Young

Andrew Carrick
Partner
11 March 2016

ADDITIONAL STOCK EXCHANGE INFORMATION

Additional information required by the Australian Stock Exchange Limited and not shown elsewhere in this report is as follows. The information is current as at 11 March 2016.

(a) Distribution of equity securities

CYU – Ordinary Fully Paid Shares

Range	Securities	No. of holders	%
100,001 and Over	565,838,016	255	17.76%
50,001 to 100,000	10,479,480	134	9.33%
10,001 to 50,000	11,947,272	451	31.41%
5,001 to 10,000	2,435,915	299	20.82%
1,001 to 5,000	540,418	168	11.70%
1 to 1,000	35,374	129	8.98%
Total	**591,276,475**	**1,436**	100.00%
Unmarketable Parcels	12,908,979	1,006	70.10%

(b) Twenty largest holders

Rank	Name	No. Shares	%
1	CHINA YUNNAN COPPER (AUSTRALIA) INVESTMENT AND DEVELOPMENT CO LTD #	299,922,326	50.725%
2	BIENITIAL INTERNATIONAL INDUSTRIAL CO., LTD #	118,249,000	19.999%
3	ELLIOTT NOMINEES PTY LTD	7,150,000	1.209%
4	MR NORMAN JOSEPH ZILLMAN	6,980,343	1.181%
5	KIMBRIKI NOMINEES PTY LTD	6,526,808	1.104%
6	CITICORP NOMINEES PTY LIMITED	4,688,080	0.793%
7	MR IANAKI SEMERDZIEV	4,341,495	0.734%
8	PREMAR CAPITAL NOMINEES PTY LIMITED	3,633,333	0.614%
9	MR LAWRENCE CHI-YUN LEE	3,069,988	0.519%
10	UBS WEALTH MANAGEMENT AUSTRALIA NOMINEES PTY LTD	2,708,514	0.458%
11	BANNERBLOCK PTY LTD	2,500,000	0.423%
12	J P MORGAN NOMINEES AUSTRALIA LIMITED	2,468,647	0.418%
13	YUNNAN & HONG KONG METAL CO. LTD	2,400,000	0.406%
14	JOIN VICTORY INVESTMENTS LIMITED	2,083,334	0.352%
15	MR JONATHAN PAUL KERSHAW MARSHALL	1,999,982	0.338%
16	MR JEFFREY HOWARD LATIMER & MRS JUDITH ANN LATIMER	1,950,000	0.330%
17	PACIFIC CAPITAL SECURITIES PTY LTD	1,725,997	0.292%
18	ROCK MASTER PTY LTD	1,700,000	0.288%
19	DEPOND AUSTRALIA PTY LIMITED	1,666,667	0.282%
20	MR GREGORY JOHN BURTON & MRS CATHERINE BEATRICE BURTON	1,650,000	0.279%
	Total	**477,414,514**	**80.74%**
	Balance of register	**113,861,961**	**19.26%**
	Grand total	**591,276,475**	**100.00**

 # - Substantial Shareholder

(c) Voting Rights

All fully paid ordinary shares carry one vote per share without restriction.

(d) Interests in Exploration Tenements

Chinalco Yunnan Copper Resources Limited held the following interests in mining and exploration tenements as at 31 December 2015:

Project/Location	Tenement Reference	CYU % Interest	Comment
AUSTRALIA			
Cloncurry North	EPM 12205	90	Refer Note 1
Pentland	ML 1631	100	
Mary Kathleen JV	EPMs 14019, 14022	80	Refer Note 2
Mt Frosty	EPM 14467	51	Refer Note 3
Millennium	MLs 2512, 2761, 2762, 7506,7507	Nil – earning in	Refer Note 4

Notes:

1. *The other 10% is held by Yunnan Copper Mineral Resources Exploration & Development Co., Ltd (YEX).*

2. *Goldsearch Ltd has advised CYU of its intention to refrain from incurring any further expenditure in the Mary Kathleen Joint Venture, and has agreed with CYU to dilute its Joint Venture interest to a 1.75% net smelter royalty (NSR). Subject to that NSR, CYU will become the 100% holder of these tenure interests.*

3. *CYU farming-in up to a 75% interest from Mount Isa Mines Limited subject to Mount Isa Mines having a buy back right so as to retain a 51% interest, under agreement dated 3 February 2012. CYU completed earning the first stage 51% interest in Mt Frosty during the December 2014 Quarter. The Goldsearch NSR also applies in respect of any interest of CYU in this tenement.*

4. *CYU farming-in up to a 70% interest from Elementos Ltd and Element Minerals Australia Pty Ltd, under agreement dated 17 September 2013.*

Consolidated Statement of Comprehensive Income
For the year ended 31 December 2015

	Note	12 months ended December 2015 $	6 months ended December 2014 $
Finance income	4	43,372	33,896
Other income		15,547	-
Employment and consultancy expenses		(657,424)	(462,555)
Depreciation expense		(42,104)	(17,723)
Impairment of exploration expenditure	13	(7,929,624)	-
Project generation and other exploration costs expensed		(368,267)	(186,776)
Administration expenses		(547,909)	(398,196)
Gain recognized on deconsolidation of subsidiary	2	373,885	-
Loss before income tax		(9,112,524)	(1,031,354)
Income tax expense	6	-	-
Loss for the period – continuing operations		(9,112,524)	(1,031,354)
Loss after income tax – discontinued operations	3	-	(2,892)
Loss after income tax		(9,112,524)	(1,034,246)
Other comprehensive income/(loss)			
Items that subsequently may be reclassified to profit or loss			
Foreign currency translation differences for foreign operations		(213,437)	(33,336)
Income tax		-	-
Other comprehensive income/(loss) for the period, net of tax		(213,437)	(33,336)
Total comprehensive loss		(9,325,961)	(1,067,582)
Loss after income tax attributable to:			
Owners of the Parent Entity		(9,325,961)	(961,453)
Non-Controlling Interest		-	(72,793)
		(9,325,961)	(1,034,246)
Total comprehensive income attributable to:			
Owners of the Parent Entity		(9,325,961)	(977,279)
Non-Controlling Interest		-	(90,303)
		(9,325,961)	(1,067,582)
		Cents	Cents
Earnings per share			
Basic and diluted loss per share - continuing operations	8	(1.93)	(0.25)
Basic and diluted loss per share	8	(1.93)	(0.25)

The Consolidated Statement of Comprehensive Income should be read in conjunction with the Notes to the Consolidated Financial Statements.

Consolidated Balance Sheet
As at 31 December 2015

		2015 $	2014 $
CURRENT ASSETS			
Cash and cash equivalents	9	156,882	3,171,216
Trade and other receivables	10	21,264	243,806
Other current assets	11	40,123	32,150
TOTAL CURRENT ASSETS		218,269	3,447,172
NON-CURRENT ASSETS			
Other receivables	10	20,257	33,255
Plant and equipment	12	66,571	222,582
Exploration expenditure	13	4,400,000	10,898,096
TOTAL NON-CURRENT ASSETS		4,486,828	11,153,933
TOTAL ASSETS		4,705,097	14,601,105
CURRENT LIABILITIES			
Trade and other payables	14	309,725	1,027,803
Employee benefit provisions	15	45,028	51,060
TOTAL CURRENT LIABILITIES		354,752	1,078,863
TOTAL LIABILITIES		354,752	1,078,863
NET ASSETS		**4,350,345**	**13,522,242**
EQUITY			
Share capital	16	39,492,960	39,492,960
Reserves	17	389,457	602,894
Accumulated losses		(35,532,072)	(26,419,548)
TOTAL EQUITY ATTRIBUTABLE TO THE OWNERS OF THE PARENT ENTITY		4,350,345	13,676,306
Non-controlling interest		-	(154,064)
TOTAL EQUITY		**4,350,345**	**13,522,242**

The Consolidated Balance Sheet should be read in conjunction with the Notes to the Consolidated Financial Statements.

Consolidated Statement of Changes in Equity
For the year ended 31 December 2015

Consolidated Entity	Share Capital $	Reserves $	Accumulated Losses $	Total Parent Equity $	Non-Controlling Interest $	Total Equity $
Balance at 1 July 2014	33,748,445	611,220	(25,458,095)	8,901,570	(63,763)	8,837,807
Transactions with owners in their capacity as owners						
Issue of share capital	5,834,849	-	-	5,834,849	-	5,834,849
Share issue costs	(90,334)	-	-	(90,334)	-	(90,334)
Share-based payment expense	-	7,500	-	7,500	-	7,500
Comprehensive income						
Loss after income tax	-	-	(961,453)	(961,453)	(72,793)	(1,034,246)
Other comprehensive income	-	(15,826)	-	(15,826)	(17,508)	(33,334)
Balance at 31 December 2014	39,492,960	602,894	(26,419,548)	13,676,306	(154,064)	13,522,242
Balance at 1 January 2015	39,492,960	602,894	(26,419,548)	13,676,306	(154,064)	13,522,242
Transactions with owners in their capacity as owners						
Issue of share capital	-	-	-	-	-	-
Share issue costs	-	-	-	-	-	-
Comprehensive income						
Loss after income tax	-	-	(9,112,524)	(9,112,524)	-	(9,112,524)
Other comprehensive income	-	(213,437)	-	(213,437)	-	(213,437)
Deconsolidation of subsidiary						
De-recognition of Non-Controlling Interest	-	-	-	-	154,064	154,064
Balance at 31 December 2015	39,492,960	389,457	(35,532,072)	4,350,345	-	4,350,345

The Consolidated Statement of Changes in Equity should be read in conjunction with the Notes to the Consolidated Financial Statements.

Consolidated Cash Flow Statement
For the year ended 31 December 2015

	Note	12 months ended December 2015 $	6 months ended December 2014 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(1,573,997)	(884,793)
Interest received		73,541	3,727
Other income received		15,547	-
Operating cash flows from discontinued operations		-	19,743
Net cash used in operating activities	19	(1,484,909)	(861,323)
CASH FLOWS FROM INVESTING ACTIVITIES			
Security deposit refunds/(payments)		13,000	10,240
Payments for property, plant & equipment		(40,586)	(109,882)
Proceeds from the disposal of plant & equipment		9,091	-
Payments for exploration and evaluation		(1,431,528)	(1,004,867)
Net outflow of cash on deconsolidation of subsidiary	2	(79,402)	-
Net cash used in investing activities		(1,529,425)	(1,104,509)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		-	5,834,849
Capital raising costs paid		-	(90,334)
Repayment of related party loan		-	(1,000,000)
Net cash provided by financing activities		-	4,744,515
Net increase/(decrease) in cash and cash equivalents		(3,014,334)	2,778,683
Net foreign exchange differences		-	(7,038)
Cash and cash equivalents at the beginning of the period		3,171,216	399,571
Cash and cash equivalents at the end of the period	9	156,882	3,171,216

The Consolidated Cash Flow Statement should be read in conjunction with the Notes to the Consolidated Financial Statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Introduction

This financial report covers the Consolidated Entity of Chinalco Yunnan Copper Resources Limited (the "Company") and its controlled entities (together referred to as the "Consolidated Entity"). Chinalco Yunnan Copper Resources Limited is a listed public company, incorporated and domiciled in Australia. The Consolidated Entity is a for-profit entity for the purpose of preparing the financial statements.

The following is a summary of the material accounting policies adopted by the Consolidated Entity in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

Operations and principal activities
The principal activity of the Consolidated Entity is mineral exploration.

Currency
The financial report is presented in Australian dollars, which is the functional currency of the Company, and is rounded to the nearest one dollar.

Authorisation of financial report
The financial report was authorised for issue on 11 March 2016.

Basis of preparation

This general purpose financial report has been prepared in accordance with Australian Accounting Standards, and the Corporations Act 2001.

Compliance with IFRS
The consolidated financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards (AASBs) adopted by the Australian Accounting Standards Board (AASB) and the Corporation Act 2001. The consolidated financial statements comply with International Financial Reporting Standards (IFRSs) adopted by the International Accounting Standards Board (IASB).

Historical cost convention
The financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. No fair value adjustments were required in the current or prior period.

Critical accounting estimates and judgements
The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Consolidated Entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed below.

Going Concern
The Consolidated Entity incurred a net loss of $9,112,524 (2014: $1,034,246) for the period ended 31 December 2015 and as is typical of exploration companies which need to raise funding on an ongoing basis, has a requirement within the short term to continue exploration activities.

The ability of the Consolidated Entity to maintain continuity of normal business activities and to pay its debts as and when they fall due is dependent on its ability to successfully raise additional capital and/or successful exploration and subsequent exploitation of areas of interest through sale or development (including by way of joint venture funding).

On 4 March 2016, CYU announced the signing of a share placement agreement with JCHX Group. The primary intention of the agreement is for JCHX Group to participate with CYU in its proposed development and acquisition of copper opportunities in the DRC.

JCHX Group, through a 100% subsidiary, Bienitial International Co., Ltd ("BIC") agreed to provide initial funding to CYU of an amount of $1,182,490, which is in the form of a share placement of 118,249,000 ordinary CYU shares at an issue price of A$0.01per share. The issue of shares to BIC was completed on 11 March 2016 and BIC now holds 19.9% of the total issued CYU shares.

Based on the success of previous capital raisings, the potential to attract farm-in partners for projects and funding received from the JCHX Group share placement, the Directors have prepared the financial statements on a going concern basis, which contemplates the continuity of normal business activities and the realisation of assets and discharge of liabilities in the ordinary course of business.

The Directors are confident of securing funds as and when necessary to meet the Consolidated Entity's obligations as and when they fall due.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Consolidated Entity's ability to continue as a going concern and therefore, the Consolidated Entity may be unable to realise its assets and discharge its liabilities in the normal course of business.

No adjustment have been made to the financial statements relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the Consolidated Entity not be able to continue as a going concern.

Critical accounting estimates and judgments

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on historical experiences and the best available current information on current trends and economic data, obtained both externally and within the Consolidated Entity. These estimates and judgements made assume a reasonable expectation of future events but actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision effects only that period or in the period and future periods if the revision affects both current and future periods.

Key estimates – impairment
The Consolidated Entity assesses impairment at each reporting date by evaluating conditions specific to the Consolidated Entity that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined.

Key judgements – exploration & evaluation expenditure
The Consolidated Entity performs regular reviews on each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest. These reviews are based on detailed surveys and analysis of drilling results performed to balance date.

Accounting policies

(a) Principles of consolidation

Subsidiaries are all entities (including structured entities) over which the Consolidated Entity has control. The Consolidated Entity controls an entity when the Consolidated Entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Consolidated Entity. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Consolidated Entity.

Intercompany transactions, balances and unrealised gains on transactions between Consolidated Entity companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Consolidated Entity.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated income statement, statement of comprehensive income, statement of changes in equity and balance sheet respectively.

(b) Income Tax

The income tax expense for the period comprises current income tax expense and deferred tax expense. Current income tax expense charged to profit or loss is the tax payable on taxable income. Current tax liabilities are measured at the amounts expected to be paid to the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the period as well unused tax losses. Deferred tax is calculated at the tax rates expected to apply to the period when the asset is realised or liability is settled. Current and deferred tax is recognised in the statement of comprehensive income except where it relates to items that may be recognised directly in equity, in which case the deferred tax is adjusted directly against equity. Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which deductible temporary differences can be utilised. Future income tax benefits in relation to tax losses are not brought to account unless it is probable the benefit will be utilised

The amount of benefits brought to account or which may be used in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the Consolidated Entity will derive sufficient future assessable income to enable the benefit to be utilised and comply with the conditions of deductibility imposed by the law.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Plant and Equipment

Plant and equipment is measured at cost less accumulated depreciation and any impairment losses. At each reporting date, the Consolidated Entity reviews the carrying values of its plant and equipment to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less cost of disposal and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future consolidated benefits associated with the item will flow to the Consolidated Entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Depreciation
The depreciable amount of all fixed assets is depreciated over their useful life to the Consolidated Entity on a straight line basis commencing from the time the asset is held ready for use. The depreciation rates used for each class of asset is:

Class of Fixed Asset	Depreciation Rate
Plant and equipment	14 – 33%
Motor Vehicles	13%
Computers and Office Equipment	25%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance date. Gains and losses on disposal are determined by comparing proceeds with the carrying amount of the asset at the time of disposal. These gains or losses are included in the statement of comprehensive income.

(d) Exploration Evaluation and Development Expenditure

Exploration, evaluation and development expenditure incurred is accumulated in respect of each identifiable area of interest. Such expenditures comprise net direct costs and an appropriate portion of related overhead expenditure but do not include overheads or administration expenditure not having a specific nexus with a particular area of interest. Exploration costs are capitalised only when the Consolidated Entity has either a granted tenement in its name or an interest through a joint venture arrangement.

Costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or sale of the respective area of interest or where activities in the area have not yet reached a stage which permits reasonable assessment of the existence of economically recoverable reserves and active or significant operations in relation to the area are continuing.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves. Accumulated cost in relation to an abandoned area are written off in full against profit in the period in which the decision to abandon the area is made. A regular review has been undertaken on each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Restoration and rehabilitation
Costs of site restoration and environmental clean-up costs, are provided for in the accounting period when the related disturbance occurs, based on the net present value of estimated future costs.

(e) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but the legal ownership is not transferred to the Consolidated Entity, are classified as finance leases. Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease finance costs for the period. Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Financial Instruments

Recognition and initial measurement
Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement
Finance instruments are subsequently measured at fair value, amortised cost using the effective interest rate method, or cost.

Amortised cost is the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense item in profit or loss.

(i) Financial assets at fair value through profit or loss

Financial assets are classified as "fair value through profit or loss" when they are held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a Company of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Loans and receivables are included in current assets, where they are expected to mature within 12 months after the end of the reporting period.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Company's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

Held-to-maturity investments are included in non-current assets where they are expected to mature within 12 months after the end of the reporting period. All other investments are classified as current assets.

(iv) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either not suitable to be classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

They are subsequently measured at fair value with changes in such fair value (i.e. gains or losses) recognised in other comprehensive income (except for impairment losses and foreign exchange gains and losses). When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

Available-for-sale financial assets are included in non-current assets where they are expected to be sold within 12 months after the end of the reporting period. All other financial assets are classified as current assets.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(v) Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

Impairment
At the end of each reporting period, the Company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether impairment has arisen. Impairment losses are recognised in profit or loss. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

Financial guarantees
Where material, financial guarantees issued that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due are recognised as a financial liability at fair value on initial recognition.

The guarantee is subsequently measured at the higher of the best estimate of the obligation and the amount initially recognised less, when appropriate, cumulative amortisation in accordance with AASB 118: Revenue. Where the entity gives guarantees in exchange for a fee, revenue is recognised under AASB 118.

The fair value of financial guarantee contracts has been assessed using a probability-weighted discounted cash flow approach. The probability has been based on:

– the likelihood of the guaranteed party defaulting in a period;
– the proportion of the exposure that is not expected to be recovered due to the guaranteed party defaulting; and
– the maximum loss exposed if the guaranteed party were to default.

Derecognition
Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are discharged, cancelled or expired. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

Available-for-sale financial assets are considered impaired when there has been a significant or prolonged decline in value below initial cost. Subsequent increments in value are recognised directly in the available-for-sale reserve.

(g) Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Trade receivables are generally due for settlement within 30 days.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off by reducing the carrying amount directly. A provision for impairment of trade receivables is raised when there is objective evidence that the consolidated entity will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments (more than 60 days overdue) are considered indicators that the trade receivable may be impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

Other receivables are recognised at amortised cost, less any provision for impairment.

(h) Impairment of assets

At each reporting date, the Consolidated Entity reviews non-financial assets for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less cost of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Employee benefits

Provision is made for the Consolidated Entity's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs.

Employee benefits payable later than one year have been measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

(j) Share-based payments

Equity-settled and cash-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the consolidated entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

(k) Provisions

Provisions are recognised when the Consolidated Entity has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of consolidated benefits will result and that outflow can be reliably measured.

(l) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and bank overdrafts.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) Revenue

Revenue is recognised when it is probable that the economic benefit will flow to the consolidated entity and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

Interest
Interest income is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

(n) Goods & Services Tax

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances GST is recognised as part of the acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of financing and investing activities, which are disclosed as operating cash flows.

(o) Foreign currency

Functional and presentation currency
The functional currency of each of the entities within the consolidated group is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

Transaction and balances
Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated into the relevant functional currency at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the statement of comprehensive income, except where deferred in equity as a qualifying cash flow or net investment hedge. Exchange differences arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity, otherwise the exchange difference is recognised in the statement of comprehensive income.

Subsidiary companies
The financial results and position of foreign operations whose functional currency is different from the Consolidated Entity's presentation currency are translated as follows:

- assets and liabilities are translated at period-end exchange rates prevailing at that reporting date;
- income and expenses are translated at average exchange rates for the period; and

Exchange differences arising on translation of foreign operations are transferred directly to the Consolidated Entity's foreign currency translation reserve in the balance sheet. These differences are recognised in the statement of comprehensive income in the period in which the operation is disposed.

***(p)* Share capital**

Issued and paid up capital is recognised at the fair value of the consideration received by the Consolidated Entity. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

(q) Earnings per share

The Consolidated Entity presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(r) Payables and accruals

A liability is recorded for goods and services received prior to balance date, whether invoiced to the Consolidated Entity or not. Trade payables are normally settled within 30 days.

(s) Joint Arrangements

The Consolidated Entity is party to joint arrangements that involve the joint control and the joint ownership of exploration assets.

These joint arrangements do not involve the establishment of a corporation, partnership or other entity, or a financial structure that is separate from the joint venture party themselves. Each joint venture party has control over its share of future economic benefits through its share of the jointly controlled asset.

In respect of its interest in jointly controlled assets, the Consolidated Entity has recognised in the financial statements:

- its share of the jointly controlled assets, classified according to the nature of the assets;
- any liabilities that it has incurred;
- its share of any liabilities incurred jointly with the other joint venture partners in relation to the joint venture;
- any income from the sale or use of its share of the output of the joint venture, together with its share of any expenses incurred by the joint venture; and
- any expenses that it has incurred in respect of its interest in the joint venture.

Because the assets, liabilities, income and expenses are recognised in the financial statements of the Consolidated Entity, no adjustments or other consolidation procedures are required in respect of these items in the consolidated financial statements.

(t) Discontinued operations

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the income statement.

(u) Comparative figures

When required by accounting standards comparative figures have been adjusted to conform to changes in presentation for the current financial period. Comparative figures have also been changed where classifications of income and expenditure items have been altered from the prior year as a result of a review by directors. The new classifications have been made to reflect a more accurate view of the Consolidated Entity's operations.

The current financial year of the Company is the 12 month period 1 January 2015 to 31 December 2015.

The comparative figures are for the period 1 July 2014 to 31 December 2014. As such, the amounts presented in this financial report are not entirely comparable.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(v) New accounting standards and interpretations

The Consolidated Entity adopted the following new Accounting Standard and Interpretations during the period:

Reference	Title	Application date of standard	Application date for CYU
AASB 2013-9	*Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments* The Standard contains three main parts and makes amendments to a number of Standards and Interpretations. Part A of AASB 2013-9 makes consequential amendments arising from the issuance of AASB CF 2013-1. Part B makes amendments to particular Australian Accounting Standards to delete references to AASB 1031 and also makes minor editorial amendments to various other standards. Part C makes amendments to a number of Australian Accounting Standards, including incorporating Chapter 6 *Hedge Accounting* into AASB 9 *Financial Instruments*.	1 January 2015	1 January 2015
AASB 2014-1 Part A -Annual Improvements 2010–2012 Cycle	AASB 2014-1 Part A: This standard sets out amendments to Australian Accounting Standards arising from the issuance by the International Accounting Standards Board (IASB) of International Financial Reporting Standards (IFRSs) *Annual Improvements to IFRSs 2010–2012 Cycle* and *Annual Improvements to IFRSs 2011–2013 Cycle.* Annual Improvements to IFRSs 2010–2012 Cycle addresses the following items: ► AASB 2 - Clarifies the definition of 'vesting conditions' and 'market condition' and introduces the definition of 'performance condition' and 'service condition'. ► AASB 3 - Clarifies the classification requirements for contingent consideration in a business combination by removing all references to AASB 137. ► AASB 8 - Requires entities to disclose factors used to identify the entity's reportable segments when operating segments have been aggregated. An entity is also required to provide a reconciliation of total reportable segment assets to the entity's total assets. ► AASB 116 & AASB 138 - Clarifies that the determination of accumulated depreciation does not depend on the selection of the valuation technique and that it is calculated as the difference between the gross and net carrying amounts. ► AASB 124 - Defines a management entity providing KMP services as a related party of the reporting entity. The amendments added an exemption from the detailed disclosure requirements in paragraph 17 of AASB 124 *Related Party Disclosures* for KMP services provided by a management entity. Payments made to a management entity in respect of KMP services should be separately disclosed.	1 July 2014	1 January 2015
AASB 2014-1 Part A -Annual Improvements 2011–2013 Cycle	Annual Improvements to IFRSs 2011–2013 Cycle addresses the following items: ► AASB 13 - Clarifies that the portfolio exception in paragraph 52 of AASB 13 applies to all contracts within the scope of AASB 139 or AASB 9, regardless of whether they meet the definitions of financial assets or financial liabilities as defined in AASB 132.	1 July 2014	1 January 2015

The adoption of these standards did not have an impact on the Group's financial position, financial performance or disclosures.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(v) New Standards and Interpretations Not Yet Adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2015 reporting periods. The Consolidated Entity has decided against early adoption of these standards. The Consolidated Entity's assessment of the impact of these new standards and interpretations is set out below:

Reference	Title	Summary
AASB 9	*Financial Instruments*	AASB 9 (December 2014) is a new standard which replaces AASB 139. This new version supersedes AASB 9 issued in December 2009 (as amended) and AASB 9 (issued in December 2010) and includes a model for classification and measurement, a single, forward-looking 'expected loss' impairment model and a substantially-reformed approach to hedge accounting. AASB 9 is effective for annual periods beginning on or after 1 January 2018. However, the Standard is available for early adoption. The own credit changes can be early adopted in isolation without otherwise changing the accounting for financial instruments. ***Classification and measurement*** AASB 9 includes requirements for a simpler approach for classification and measurement of financial assets compared with the requirements of AASB 139. There are also some changes made in relation to financial liabilities. The main changes are described below. ***Financial assets*** a. Financial assets that are debt instruments will be classified based on (1) the objective of the entity's business model for managing the financial assets; (2) the characteristics of the contractual cash flows. b. Allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument. c. Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases. ***Financial liabilities*** Changes introduced by AASB 9 in respect of financial liabilities are limited to the measurement of liabilities designated at fair value through profit or loss (FVPL) using the fair value option. Where the fair value option is used for financial liabilities, the change in fair value is to be accounted for as follows: ► The change attributable to changes in credit risk are presented in other comprehensive income (OCI) ► The remaining change is presented in profit or loss AASB 9 also removes the volatility in profit or loss that was caused by changes in the credit risk of liabilities elected to be measured at fair value. This change in accounting means that gains or losses attributable to changes in the entity's own credit risk would be recognised in OCI. These amounts recognised in OCI are not recycled to profit or loss if the liability is ever repurchased at a discount. **Impairment** The final version of AASB 9 introduces a new expected-loss impairment model that will require more timely recognition of expected credit losses. Specifically, the new Standard requires entities to account for expected credit losses from when financial instruments are first recognised and to recognise full lifetime expected losses on a more timely basis.

Reference	Title	Summary
		Hedge accounting Amendments to AASB 9 (December 2009 & 2010 editions and AASB 2013-9) issued in December 2013 included the new hedge accounting requirements, including changes to hedge effectiveness testing, treatment of hedging costs, risk components that can be hedged and disclosures. Consequential amendments were also made to other standards as a result of AASB 9, introduced by AASB 2009-11 and superseded by AASB 2010-7, AASB 2010-10 and AASB 2014-1 – Part E. AASB 2014-7 incorporates the consequential amendments arising from the issuance of AASB 9 in Dec 2014. AASB 2014-8 limits the application of the existing versions of AASB 9 (AASB 9 (December 2009) and AASB 9 (December 2010)) from 1 February 2015 and applies to annual reporting periods beginning on after **1 January 2015**.
AASB 2014-3	Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations [AASB 1 & AASB 11]	AASB 2014-3 amends AASB 11 *Joint Arrangements* to provide guidance on the accounting for acquisitions of interests in joint operations in which the activity constitutes a business. The amendments require: (a) the acquirer of an interest in a joint operation in which the activity constitutes a business, as defined in AASB 3 *Business Combinations*, to apply all of the principles on business combinations accounting in AASB 3 and other Australian Accounting Standards except for those principles that conflict with the guidance in AASB 11 (b) the acquirer to disclose the information required by AASB 3 and other Australian Accounting Standards for business combinations This Standard also makes an editorial correction to AASB 11.
AASB 2014-4	**Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to AASB 116 and AASB 138)**	**AASB 116 *Property Plant and Equipment* and AASB 138 *Intangible Assets*** both establish the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset. The IASB has clarified that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. The amendment also clarified that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. This presumption, however, can be rebutted in certain limited circumstances.
AASB 1057	Application of Australian Accounting Standards	This Standard lists the application paragraphs for each other Standard (and Interpretation), grouped where they are the same. Accordingly, paragraphs 5 and 22 respectively specify the application paragraphs for Standards and Interpretations in general. Differing application paragraphs are set out for individual Standards and Interpretations or grouped where possible. The application paragraphs do not affect requirements in other Standards that specify that certain paragraphs apply only to certain types of entities.
AASB 2014-9	Amendments to Australian Accounting Standards – Equity Method in Separate Financial Statements	AASB 2014-9 amends AASB 127 *Separate Financial Statements*, and consequentially amends AASB 1 *First-time Adoption of Australian Accounting Standards* and AASB 128 *Investments in Associates and Joint Ventures*, to allow entities to use the equity method of accounting for investments in subsidiaries, joint ventures and associates in their separate financial statements. AASB 2014-9 also makes editorial corrections to AASB 127. AASB 2014-9 applies to annual reporting periods beginning on or after 1 January 2016. Early adoption permitted.

Reference	Title	Summary
AASB 2014-10	Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	AASB 2014-10 amends AASB 10 C*onsolidated Financial Statements* and AASB 128 to address an inconsistency between the requirements in AASB 10 and those in AASB 128 (August 2011), in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require: (a) a full gain or loss to be recognised when a transaction involves a business (whether it is housed in a subsidiary or not) (b) a partial gain or loss to be recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. AASB 2014-10 also makes an editorial correction to AASB 10 AASB 2014-10 applies to annual reporting periods beginning on or after 1 January 2016. Early adoption permitted.
AASB 2015-1	Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012–2014 Cycle	The subjects of the principal amendments to the Standards are set out below: AASB 5 *Non-current Assets Held for Sale and Discontinued Operations:* • Changes in methods of disposal – where an entity reclassifies an asset (or disposal group) directly from being held for distribution to being held for sale (or visa versa), an entity shall not follow the guidance in paragraphs 27–29 to account for this change. AASB 7 *Financial Instruments: Disclosures:* • Servicing contracts - clarifies how an entity should apply the guidance in paragraph 42C of AASB 7 to a servicing contract to decide whether a servicing contract is 'continuing involvement' for the purposes of applying the disclosure requirements in paragraphs 42E–42H of AASB 7. • Applicability of the amendments to AASB 7 to condensed interim financial statements - clarify that the additional disclosure required by the amendments to AASB 7 *Disclosure–Offsetting Financial Assets and Financial Liabilities* is not specifically required for all interim periods. However, the additional disclosure is required to be given in condensed interim financial statements that are prepared in accordance with AASB 134 *Interim Financial Reporting* when its inclusion would be required by the requirements of AASB 134. AASB 119 *Employee Benefits*: • Discount rate: regional market issue - clarifies that the high quality corporate bonds used to estimate the discount rate for post-employment benefit obligations should be denominated in the same currency as the liability. Further it clarifies that the depth of the market for high quality corporate bonds should be assessed at the currency level. AASB 134 *Interim Financial Reporting:* • Disclosure of information 'elsewhere in the interim financial report' - amends AASB 134 to clarify the meaning of disclosure of information 'elsewhere in the interim financial report' and to require the inclusion of a cross-reference from the interim financial statements to the location of this information.
AASB 2015-2	Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101	The Standard makes amendments to AASB 101 *Presentation of Financial Statements* arising from the IASB's Disclosure Initiative project. The amendments are designed to further encourage companies to apply professional judgment in determining what information to disclose in the financial statements. For example, the amendments make clear that materiality applies to the whole of financial statements and that the inclusion of immaterial information can inhibit the usefulness of financial disclosures. The amendments also clarify that companies should use professional judgment in determining where and in what order information is presented in the financial disclosures.

Reference	Title	Summary
AASB 2015-3	Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 *Materiality*	The Standard completes the AASB's project to remove Australian guidance on materiality from Australian Accounting Standards.
IFRS 16	Leases	The key features of IFRS 16 are as follows: **Lessee accounting** • Lessees are required to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. • A lessee measures right-of-use assets similarly to other non-financial assets and lease liabilities similarly to other financial liabilities. • Assets and liabilities arising from a lease are initially measured on a present value basis. The measurement includes non-cancellable lease payments (including inflation-linked payments), and also includes payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend the lease, or not to exercise an option to terminate the lease. • IFRS 16 contains disclosure requirements for lessees. **Lessor accounting** • IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently. • IFRS 16 also requires enhanced disclosures to be provided by lessors that will improve information disclosed about a lessor's risk exposure, particularly to residual value risk. IFRS 16 supersedes: (a) IAS 17 Leases; (b) IFRIC 4 Determining whether an Arrangement contains a Lease; (c) SIC-15 Operating Leases—Incentives; and (d) SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The new standard will be effective for annual periods beginning on or after 1 January 2019. Early application is permitted, provided the new revenue standard, IFRS 15 Revenue from Contracts with Customers, has been applied, or is applied at the same date as IFRS 16.

The adoption of these standards is not expected to have a material impact on the Group's financial assets or financial position, financial performance or disclosures.

NOTE 2 BUSINESS COMBINATIONS – DECONSOLIDATION OF SANMU

On 1 January 2015, CYU relinquished all and any control of Yunnan Copper San Mu Mining Industry Co Ltd (Sanmu) to Yunnan Copper Industry (Group) Co Ltd (YCI).

All of the representative directors of CYU that were appointed to the Board of Sanmu were removed as directors earlier this year and, since 1 January 2015, YCI has controlled all activities and the direction of Sanmu, and its Laos subsidiaries at both an operational and corporate level.

CYU is not under any future obligation to contribute additional funds towards Sanmu as part of the dissolution process or for any other purpose.

Based on the above, CYU was deemed to have lost control of on 1 January 2015, and the Company's investment was reclassified to an *Investment accounted for using the equity method* on that date.

Details of the net assets deconsolidated on loss of control

	1 January 2015 $
Fair value of Sanmu's net assets/(liabilities)	
Cash and cash equivalents	79,402
Trade and other receivables	117,172
Plant and equipment	152,648
Trade and other payables	(663,639)
Sanmu's net (liabilities)	(314,417)
Less 49% non-controlling interests	154,064
Parent entity's interest in net liabilities deconsolidated	(160,353)
Foreign currency reserve transferred to income statement on deconsolidation	(213,532)
(Gain) recognized on deconsolidation of subsidiary to owners of the Parent Entity	(373,885)

Cash flow impact of deconsolidation

As a result of the deconsolidation of Sanmu, CYU derecognized $79,402 in cash and cash equivalents in its Balance Sheet. This impact is shown as an outflow of cash in Cash Flow Statement under the category *Cash Flows from Investing Activities.*

Reclassification of investment

CYU's 51% equity interest Sanmu was reclassified to an *Investment accounted for using the equity method* on 1 January 2015.

Sanmu had a net asset deficiency of $314,417 on that date. CYU's share of that deficiency was $160,353. At the time of the loss of control and consistent with Sanmu's net asset deficiency, the fair value of the equity accounted investment was determined to be $Nil. As CYU is not under any future obligation to contribute additional funds towards Sanmu, it has not recorded its interest in Sanmu's loss for the period ended 31 December 2015.

NOTE 3 DISCONTINUED OPERATIONS

During the prior year, CYU took steps to withdraw from the remainder of its exploration portfolio in Chile. These steps included:

- As a result of the disappointing results from the Sulfato drilling program conducted late in 2013, CYU notified Codelco of its intention to withdraw from this farm-in agreement. Arrangements were made with Codelco in early 2014 to cease CYU's participation in this project.

- In the case of Palmani (the subject of a farm-in agreement with Rio Tinto Chile), CYU assessed different funding options to conduct the first stage of an exploration drilling program. Due to the mountainous terrain around the Palmani project, initial estimates for such a program were over $1.5m due not only to the need for deep (and expensive) diamond drilling, but also the creation of access roads and related facilities. CYU had been seeking ways of funding this program from sources other than its own cash resources, but no feasible means was identified. As a consequence CYU withdrew from the Palmani farm-in.

- The CYU Board resolved to cease further activities at Humitos and not incur any further financial commitments with that project. In June 2014, CYU was successful in securing sale agreements for the disposal of its remaining Humitos project interests. The Humitos tenures were separated into two packages for the purposes of the sale and sold to two separate groups – one package being sold for approximately US$45,500 to Solar Reserve and the other package to Minera Inmet Chile S.A for US $50,000. Financial close on both of these transactions occurred in July 2014.

CYU is now in the process of winding up the Chilean entity.

At a result of the above the Chilean operations were classified as a discontinued operation on 30 June 2014 and the Humitos project was reclassified as a non-current asset held for sale.

	12 months ended December 2015 $	6 months ended December 2014 $
NOTE 4 FINANCE INCOME		
Interest income	43,372	33,896
NOTE 5 EXPENSES		
<u>Loss before income tax includes the following specific expenses:</u>		
Superannuation expense	31,319	23,713
Rental expense from operating leases	146,808	106,115

	12 months ended December 2015 $	6 months ended December 2014 $

NOTE 6 INCOME TAX EXPENSE

A reconciliation of income tax expense/(benefit) applicable to accounting profit before income tax at the statutory income tax rate to income tax expense at the Consolidated Entity's effective income tax rate for the periods ended 31 December 2015 and 31 December 2014 is as follows:

	12 months ended December 2015 $	6 months ended December 2014 $
Accounting loss before income tax	(9,112,524)	(1,034,246)
Tax at the Australian tax rate of 30%	(2,733,757)	(310,274)
Adjustment of overseas losses taxed at different rates	970	7,717
Non-deductible expenses	82,283	45,880
Deductions arising from capital raising expenses	(40,139)	(26,277)
Deferred tax assets not bought to account	2,690,643	282,954
Income tax expense	-	-
Unrecognised temporary differences and tax losses		
Tax losses	24,038,921	29,900,256

The temporary differences and tax losses do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Consolidated Entity can utilise these benefits.

	12 months ended December 2015 $	6 months ended December 2014 $
Recognised temporary differences and tax losses		
Deferred tax assets and liabilities are attributable to the following:		
Exploration expenditure	(1,320,000)	(1,774,080)
Provisions	13,508	15,318
Other	394	(5,333)
Tax losses carried forward	1,306,098	1,764,095
Net deferred tax liability/(asset)	-	-

NOTE 7 AUDITORS' REMUNERATION

	12 months ended December 2015 $	6 months ended December 2014 $
Remuneration paid for:		
Auditing and reviewing the financial report		
- Ernst & Young	43,000	-
- KPMG	-	30,000
	43,000	30,000

	12 months ended December 2015 $	6 months ended December 2014 $
NOTE 8 EARNINGS PER SHARE		
Continuing losses used to calculate basic and dilutive EPS	(9,112,524)	(1,031,354)
Total losses used to calculate basic and dilutive EPS	(9,112,524)	(1,034,246)
	2015	**2014**
	Number	**Number**
Weighted average number of ordinary shares outstanding during the period	473,027,475	406,739,013
Weighted average number of dilutive options outstanding	-	-
Weighted average number of ordinary shares outstanding during the period used in calculating EPS and dilutive EPS	473,027,475	406,739,013

	2015 $	2014 $
NOTE 9 CASH & CASH EQUIVALENTS		
Cash on hand and at bank	115,853	132,047
Cash on deposit	41,029	3,039,169
	156,882	3,171,216
NOTE 10 TRADE & OTHER RECEIVABLES		
CURRENT		
Other receivables	21,264	243,806
NON-CURRENT		
Security bonds	20,257	33,255
NOTE 11 OTHER CURRENT ASSETS		
Prepayments	40,123	32,150

	2015 $	2014 $
NOTE 12 PLANT & EQUIPMENT		
Plant and equipment		
At cost	123,268	275,917
Accumulated depreciation	(120,592)	(117,729)
	2,676	158,188
Motor Vehicles		
At cost	136,944	166,534
Accumulated depreciation	(105,264)	(107,313)
	31,680	59,221
Computers and office equipment		
At cost	165,166	124,581
Accumulated depreciation	(132,951)	(119,408)
	32,215	5,173
Total plant and equipment	66,571	222,582

Movements in carrying amounts

	Plant and equipment $	Motor vehicles $	Computers and office equipment $	Total $
Balance at 1 July 2014	66,868	43,972	7,974	118,814
Additions	84,882	25,000	-	109,882
Foreign exchange movements	11,609	-	-	11,609
Depreciation expense	(5,171)	(9,751)	(2,801)	(17,723)
Balance at 31 December 2014	158,188	59,221	5,173	222,582
Balance at 1 January 2015	158,188	59,221	5,173	222,582
Additions	-	-	40,585	40,585
Disposals	-	(1,844)	-	(1,844)
Deconsolidation of subsidiary (see Note 2)	(152,648)	-	-	(152,648)
Depreciation expense	(2,864)	(25,697)	(13,543)	(42,104)
Balance at 31 December 2015	2,676	31,680	32,215	66,571

	2015 $	2014 $

NOTE 13 EXPLORATION EXPENDITURE

	2015 $	2014 $
Exploration expenditure capitalised		
Opening balance	10,898,096	9,969,708
Net current period expenditure	1,431,528	928,388
Impairment of exploration expenditure	(7,929,624)	-
	4,400,000	10,898,096

Recoverability of the carrying amount of exploration assets is dependent on the successful development and commercial exploitation of areas of interest, and the sale of minerals or the sale of the respective areas of interest.

<u>Impairment of exploration expenditure</u>

Recoverability of the carrying amount of exploration assets is dependent on the successful development and commercial exploitation of areas of interest, and the sale of minerals or the sale of the respective areas of interest.

During the year, the Consolidated Entity decided to discontinue exploration activities on a number of tenements due to:

- Funding constraints and/or low prospectivity; or
- Withdrawal from the Roseby South Joint Venture with Altona Mining Limited.

As a consequence of the discontinuation of exploration activities, the full carrying amount of exploration expenditure assets associated with these tenements of $6,416,977 was impaired to $nil.

In addition, the Consolidated Entity performed an impairment assessment of its remaining areas of interest being the Mt Frosty Joint Venture and Mary Kathleen Joint Venture. Based on this assessment, the Consolidated Entity reduced the combined carrying amount of these areas of interest to $4,400,000. This reduction in value represented an additional impairment of $1,512,647. The combined fair value of the Mt Frosty Joint Venture and Mary Kathleen Joint Venture was estimated based on, amongst other things, an enterprise value of the Consolidated Entity implied by the JCHX share placement announced on 4 March 2016.

Based on the above, the cumulative impairment charge for the year is $7,929,624.

EPM 18402	84,918	-
EPM 18773	29,433	-
EPM 18793	33,941	-
EPM 19014	27,575	-
EPM 19036	31,028	-
EPM 18982	28,080	-
EPM 9056	35,013	-
EPM 10833	327,659	-
EPM 11004	137,423	-
EPM 14535	292,911	-
EPM 14365	176,965	-
EPM 11611	692,109	-
EPM 12205	2,707,669	-
EPM 14022	1,512,647	-
EPM 14019	1,258,490	-
ML 2512	23,630	-
ML 2761	437,272	-
ML 2762	21,176	-
ML 7506	26,395	-
ML 7507	45,290	-
	7,929,624	-

	2015 $	2014 $
NOTE 14 TRADE & OTHER PAYABLES		
Trade payables	58,325	317,456
Other payables and accrued expenses	65,925	546,561
Payable to directors	185,475	163,786
	309,725	1,027,803
NOTE 15 EMPLOYEE BENEFITS PROVISIONS		
Employee benefits	45,028	51,060
NOTE 16 SHARE CAPITAL		
Fully paid ordinary shares	39,492,960	33,748,445

Ordinary Shares

	December 2015 $	December 2014 $	December 2015 Number	December 2014 Number
At the beginning of the period	39,492,960	33,748,445	473,027,475	278,532,524
Rights issue (1)	-	5,834,849	-	194,494,951
Share issue expenses	-	(90,334)	-	-
At reporting date	39,492,960	39,492,960	473,027,475	473,027,475

(1) December 2014: A total of 194,494,951 shares were issued during the period through a rights issue at 3 cents per share.

Ordinary shares participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held. At shareholders meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

	2015	2014
	$	$
NOTE 17 RESERVES		
Share based payment reserve	559,903	559,903
Foreign currency translation reserve	(170,356)	248,144
	389,547	808,047
Share based payment reserve movements during the period		
Opening balance	559,903	552,403
Share based payments	-	7,500
Closing balance	559,903	559,903
Foreign currency translation reserve movements during the period		
Opening balance	248,144	281,480
Foreign currency reserves derecognised on deconsolidation	(418,500)	-
Foreign exchange differences	-	(33,336)
Closing balance	(170,356)	248,144
Total reserves attributable to:		
Owners of the Parent Entity	389,547	602,894
Non-Controlling Interest	-	205,153
	389,547	808,047

Share based payment reserve
The share based payments reserve is used to record the value of share based payments provided to directors and employees as part of their remuneration.

Foreign currency translation reserve
The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries.

NOTE 18 DIVIDENDS & FRANKING CREDITS

There were no dividends paid or recommended during the period. There are no franking credits available to the shareholders of the Company.

NOTE 19 CASH FLOW INFORMATION

Reconciliation of cash flows used in operations with loss after income tax

	12 months ended December 2015 $	6 months ended December 2014 $
Loss after income tax	(9,112,524)	(1,034,246)
Non-cash items in loss after income tax		
Depreciation	42,104	17,723
Share based payments expense	-	7,500
Impairment of exploration expenditure	7,929,624	-
Gain recognized on deconsolidation of subsidiary	(373,885)	-
Loss/(gain) on disposal of plant and equipment	(7,250)	-
Movements in assets and liabilities		
Other receivables	105,370	129,780
Other assets	(7,973)	(25,015)
Trade payables and accruals	(54,343)	32,950
Provisions	(6,032)	9,985
Cash flow from operations	(1,484,909)	(861,323)

Reconciliation of cash

Cash at the end of the financial period as shown in the statements of cash flows is reconciled to items in the balance sheet as follows:

	12 months ended December 2015 $	6 months ended December 2014 $
Cash and cash equivalents	156,882	3,171,216

NOTE 20 SHARE BASED PAYMENTS

Performance Shares

During prior years 4,000,000 Class B, C and D long term incentive performance shares were issued to Mr Paul Williams.

These performance shares are convertible into ordinary shares in the Company (on the basis of one ordinary share for each performance share) upon the occurrence of the following events:

- B Class shares – the 5 business day weighted average share price of the Company's shares on the ASX being at least 25c. These shares subsequently lapsed on 29 November 2015 as the performance condition was not met.
- C Class shares - the 5 business day weighted average share price of the Company's shares on the ASX being at least 50c. These shares subsequently lapsed on 29 November 2015 as the performance condition was not met.
- D Class shares - the Company achieving a positive EBITDA in respect of operations for a consecutive period of 3 months from an asset of the Company.

Movements in performance shares

	B Class	C Class	D Class
Outstanding at beginning of period	1,000,000	1,000,000	2,000,000
Granted	-	-	-
Forfeited	(1,000,000)	(1,000,000)	-
Converted	-	-	-
Expired	-	-	-
Outstanding at period-end	-	-	2,000,000
Convertible at period-end	-	-	-

Details of performance shares as at period end

	Grant date	No. of shares	Fair value at grant date $	Total value of shares $	Expiry date	Conversion price $	% of performance shares converted
Performance Shares							
D Class	26/11/2014	2,000,000	0.0038	7,500	26/11/2017	NA	-

No performance shares were converted to ordinary shares during the period.

The D Class performance shares outstanding at 31 December 2015 have a remaining life of 1.92 years. Included under Employee Benefits Expense in the Statement of comprehensive income is $Nil (December 2014: $7,500) that relates to these performance shares.

The value of performance shares is the fair value calculated at grant date using a binominal pricing model. The following table lists the inputs to the model:

Inputs	D Class
Grant Date	26/11/2014
Underlying Share Price	0.025
Time to Maturity (Yrs.)	3
Nominal value of D Class share	0.025
Non-market performance condition	Company achieving a positive EBITDA in respect of operations for a consecutive period of 3 months from an asset of the Company
Assessed probability of achieving non-market performance condition	15%
Fair value at grant date	0.0038

NOTE 21 RELATED PARTY AND KEY MANAGEMENT PERSONNEL

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Parent entity

The parent entity, holding 63.4% is China Yunnan Copper (Australia) Investment and Development Co Limited which is incorporated in Australia.

Key management personnel compensation

Key management personnel comprise directors and other persons having authority and responsibility for planning, directing and controlling the activities of the Consolidated Entity.

	12 months ended December 2015 $	6 months ended December 2014 $
Summary		
Short-term employee benefits	517,493	269,960
Post-employment benefits	26,027	14,079
Share-based payments	-	7,500
	543,520	291,539

Detailed remuneration disclosures are provided in the remuneration report on pages 14 to 19.

Amounts owed to Key Management Personnel

$185,475 is owed to Directors for unpaid director fees (December 2014: $163,786). These amounts are at call and do not bear interest.

NOTE 22 JOINT VENTURES

Millennium Project Joint Venture

In September 2013, CYU entered into an agreement create a joint venture with Elementos Limited (ELT) to explore for copper, cobalt and gold and ultimately earn a majority interest in the Millennium Project. Millennium, situated near Cloncurry in the world-class Mount Isa Inlier in north-west Queensland, included the following tenements:

- Mining Leases totalling 134 hectares;
- Exploration Permits totalling 254 km^2; and
- Exploration Permit applications (including areas that involve contested applications) totalling 74 km^2.

The terms of the earn-in joint venture between CYU and ELT are:

- CYU will make a payment of a $100,000 cash option fee for the exclusive right to explore the properties subject to the joint venture;
- CYU will have the right to earn 51% of the project by investing $1.2 million over 3 years; and
- CYU may increase its interest by a further 19% of the project, by investing an additional $1.3 million over a further 2 years.

Once CYU earns its 70% interest, each party can either contribute or dilute according to an agreed formula and work program. If either party achieves a 90% interest in the project, the 10% interest immediately converts to a 1% net smelter royalty.

During the December 2015 Quarter, agreement was reached with ELT to vary the joint venture agreement by removing certain EPMs that were considered to be low in prospectivity. As a result of this variation, the remaining joint venture tenure comprises the five “Federal” Mining Leases, which have been the subject of most of CYU’s previous exploration focus.

NOTE 22 JOINT VENTURES (continued)

Mount Isa East

CYU entered into a Farm-in Agreement with YEX in June 2013, whereby CYU granted YEX the exclusive right to earn at least a 45% participating interest in the Mount Isa East tenements, free of all encumbrances, by incurring expenditure of A$800,000 on the tenements. Having earned a 20% interest in these tenements, YEX issued a notice to CYU advising of its intention to withdraw from the farm-in arrangements, and remain with its 20% holding. Upon further review of this tenure area by CYU's exploration team, a decision was taken (during the December 2015 Quarter) to surrender this tenement.

Mary Kathleen

On 25 August 2009, CYU entered into a Farm-in and Joint Venture Agreement with Goldsearch Limited (GSE) to explore their Mary Kathleen Project (later renamed Mary Kathleen Joint Venture Project) comprising the granted EPMs 14019 and 14022 covering an area considered prospective for copper, gold, uranium and rare earth elements mineralisation within the Mount Isa Inlier of northwest Queensland. In June 2011 CYU advised GSE that it had met all its expenditure commitments of A$1.5M to earn a 70% equity. A 70:30 joint venture between CYU and GSE was then incorporated to continue exploration. In June 2014, GSE elected to dilute its joint venture participating interest by 10%, thereby adjusting the ownership structure to 80:20 as between CYU and GSE. Later in 2014, GSE advised the ASX in the latter part of 2014 of its intention to pursue a significant acquisition opportunity outside of the mining sector. As this activity is not consistent with mineral exploration in Mt Isa, GSE advised CYU of its intention to refrain from incurring any further expenditure in the Mary Kathleen Joint Venture, and has agreed with CYU to dilute its Joint Venture interest to a 1.75% net smelter royalty (NSR). Subject to that NSR, CYU will become the 100% holder of the tenure interests that fall within the Mary Kathleen JV portfolio namely, EPMs 14019, 14022 and 14467. EPM 14022 is the tenure where CYU's Elaine prospect is situated and EPM 14467 is the Mt Frosty prospect area.

Mt Frosty

On 3 February 2012, the Company signed a binding agreement with Glencore's Mount Isa Mines Limited (MIM) to farm-in to the Mt Frosty project (EPM 14467) covering the Mary Kathleen Shear Zone, in far north west Queensland.

The key components of the agreement are:

- Total expenditures (over six years) of $4.5 million to earn a 75% interest.
- CYU can earn up to 51% of the project by spending $1.5 million within three years including 1,500m of drilling per annum.
- CYU can earn an additional 24% by spending a further $3 million within three years.
- MIM retains a right to buy back 26% of the project (to give MIM 51% and CYU 49%) by paying 3 times the expenditure contributed by CYU in the stage two period.

CYU and MIM reached agreement in October 2014 that the initial 51% Mt Frosty farm-in criteria had been satisfied and arrangements are being made to have the 51% interest in EPM 14467 transferred to CYU. A formal Joint Venture agreement is also in preparation.

Roseby South Joint Venture

In September 2013, CYU entered into an agreement to create a joint venture with Altona Mining Limited (Altona) to explore for copper and gold and ultimately earn a majority interest in the Roseby South Project, near Mount Isa in Queensland.

In accordance with the terms of the joint venture with Altona, in order for CYU to complete its initial 30% earn-in right, a total of $2m expenditure had to be incurred by CYU by 16 September 2015. As at that date, CYU had incurred an amount of approximately $1,650,000. CYU took the approach that if there was sufficiently encouraging signs from the drilling at the Native Companion prospect, then steps may have been taken to accelerate the program in order to meet the initial earn-in right. As this did not occur, CYU sought to complete the initial eight drill holes and then approached Altona seeking a variation of the joint venture terms, to allow CYU to continue to earn an interest in the Roseby South tenure. Negotiations with Altona were unsuccessful and, as at 30 September 2015 CYU's interests in the Roseby South JV lapsed.

Share of Commitments and Contingencies relating to the Joint Ventures

The Consolidated Entity's share of minimum committed expenditure resulting from the above joint venture arrangements for future periods is $511,263. This amount is due to expended in the coming financial years.

The Consolidated Entity has no share in any contingent assets, contingent liabilities or guarantees resulting from the above joint venture arrangements.

NOTE 23 FINANCIAL RISK MANAGEMENT

The Consolidated Entity's financial instruments consist mainly of deposits with banks and accounts receivable and payable. The main risk arising from the financial instruments is foreign exchange risk.

There have been no substantive changes in the Consolidated Entity's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

The Board has overall responsibility for the determination of the Consolidated Entity's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for day to day management of these risks to the Managing Director and the Chief Financial Officer. The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Consolidated Entity's competitiveness and flexibility. Further details regarding these policies are set out below:

(a) Credit Risk

Credit risk is the risk that the other party to a financial instrument will fail to discharge their obligation resulting in the Consolidated Entity incurring a financial loss. This usually occurs when debtors fail to settle their obligations owing to the Consolidated Entity.

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements. There is no collateral held as security at 31 December 2015.

Credit risk is reviewed regularly by the Board. It arises from exposure to customers as well as through deposits with financial institutions.

The Consolidated Entity does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the Consolidated Entity.

The credit quality of cash and cash equivalents is considered strong. The counterparty to these financial assets are large financial institutions with strong credit ratings.

Maximum exposure to credit risk

	2015 $	2014 $
Non-trade receivables	21,264	243,806
Security deposits	20,257	33,255
Cash and cash equivalents	156,882	3,171,216
	198,403	3,448,277

Ageing of receivables and security deposits

Not past due	41,521	277,061
Past due 0-90 days	-	-
Past due >90 days	-	-
Impaired	-	-
	41,521	277,061

NOTE 23 FINANCIAL RISK MANAGEMENT (continued)

(b) Liquidity risk

Liquidity risk is the risk that the Consolidated Entity may encounter difficulties raising funds to meet financial obligations as they fall due.

Liquidity risk is reviewed regularly by the Board.

The Consolidated Entity manages liquidity risk by monitoring forecast cash flows and ensuring that adequate cash resources are maintained. The Consolidated Entity did not have any financing facilities available at balance date.

The table below reflects the contractual maturity of fixed and floating rate financial liabilities. Cash flows for financial liabilities without fixed amount or timing are based on the conditions existing at 31 December 2015. The amounts disclosed represent undiscounted cash flows.

The remaining contractual maturities of the financial liabilities are:

	2015 $	2014 $
Less than one year		
Trade and other payables	309,725	1,027,803
Advance from related party	-	-
	309,725	1,027,803

(c) Market Risk

Market risk arises from the use of interest bearing, tradeable and foreign currency financial instruments. It is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates (interest rate risk), foreign exchange rates (currency risk) or other market factors (other price risk).

Interest rate risk

Interest rate risk is managed by constant monitoring of interest rates. The Consolidated Entity's interest rate exposure under financial instruments is minimal. The Consolidated Entity has no interest bearing financial liabilities subject to variable interest rates, and the majority of its cash holdings are fixed rate deposits.

Interest rates over the 12 month period were analysed and a sensitivity determined to show the effect on profit and equity after tax if the interest rates at reporting date had been 100 basis points higher or lower, with all other variables held constant. This level of sensitivity was considered reasonable given the current level of both short-term and long-term Australian interest rates. The following sensitivity analysis is based on the interest rate risk exposures in existence at the balance sheet date, namely variable rate cash holdings.

At 31 December 2014, if interest rates had moved, as illustrated in the table below, with all other variables held constant, post-tax profit and equity would have been affected as follows:

Judgments of reasonably possible movements:	Post Tax Profit Higher/(Lower) 2015 $	2014 $	Equity Higher/(Lower) 2015 $	2014 $
+1.00% (100 basis points)	1,568	31,712	1,568	31,712
-1.00% (100 basis points)	(1,568)	(31,712)	(1,568)	(31,712)

NOTE 23 FINANCIAL RISK MANAGEMENT (continued)

Foreign Currency Risk

Foreign currency risk arises as a result of having assets/cash flows denominated in a currency other than the home currency in which they are reported. At 31 December 2015, the Consolidated Entity had the following exposure to foreign currency:

	2015 Foreign Currency	2014 Foreign Currency	2015 AUD	2014 AUD
Financial Assets:				
Cash and cash equivalents	RMB -	RMB 397,541	-	79,402
Cash and cash equivalents	CLP 9,823,553	CLP 13,845,343	19,008	28,020
Trade and other receivables	RMB -	RMB 586,647	-	117,172
Financial Liabilities:				
Trade and other payables	RMB -	RMB 3,322,649	-	663,640

Exchange rates over the 12 month period were analysed and a sensitivity determined to show the effect on profit and equity after tax if the exchange rates at reporting date had been 10% basis higher or lower, with all other variables held constant. The following sensitivity analysis is based on the foreign currency risk exposures in existence at the balance sheet date:

Judgments of reasonably possible movements:	Post Tax Profit Higher/(Lower)		Equity Higher/(Lower)	
	2015 $	2014 $	2015 $	2014 $
+10.00%	(1,901)	(43,905)	(1,901)	(43,905)
-10.00%	1,901	43,905	1,901	43,905

(d) Capital Risk Management

When managing capital, the director's objective is to ensure the entity continues as a going concern and to maintain a structure that ensures the lowest cost of capital available and to ensure adequate capital is available for exploration and evaluation of tenements. In order to maintain or adjust the capital structure, the Consolidated Entity may seek to issue new shares.

Consistent with other exploration companies, the Consolidated Entity monitors capital on the basis of forecast exploration and development expenditure required to reach a stage which permits a reasonable assessment of the existence or otherwise of an economically recoverable reserve. The Consolidated Entity has no minimum capital requirements.

The Consolidated Entity has yet to establish a formal policy for raising capital through debt instruments. The directors will introduce such a policy when it becomes prudent for the Consolidated Entity to consider raising funds through debt.

(e) Net Fair Values

The net fair values of financial assets and liabilities approximate their carrying value. No financial assets or liabilities are readily traded on organised markets in standardised form. The aggregate net fair values and carrying amounts of financial assets and liabilities are disclosed in the balance sheet and in the notes to the financial statements.

NOTE 24 CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There are no contingent liabilities or contingent assets at 31 December 2015 (31 December 2014: Nil).

NOTE 25 COMMITMENTS

	2015	2014
	$	$
Operating leases		
Minimum lease payments:		
Payable within one year	113,880	57,701
Payable between one year and five years	5,500	-
Total contracted at balance date	119,380	57,701

The minimum future payments above relate to non-cancellable operating leases for offices and accommodation.

Future exploration

The Consolidated Entity has certain obligations to expend minimum amounts on exploration in tenement areas. These obligations may be varied from time to time and are expected to be fulfilled in the normal course of operations of the Consolidated Entity.

	2015	2014
	$	$
Exploration obligations to be undertaken:		
Payable within one year	1,437,159	1,782,168
Payable between one year and five years	2,006,000	2,554,684
	3,443,159	4,336,852

To keep tenements in good standing, work programs should meet certain minimum expenditure requirements. If the minimum expenditure requirements are not met, the Company has the option to negotiate new terms or relinquish the tenements or to meet expenditure requirements by joint venture or farm in agreements.

NOTE 26 SEGMENT REPORTING

Reportable Segments

The Consolidated Entity has identified its operating segment based on internal reports that are reviewed and used by the executive team in assessing performance and determining the allocation of resources. The Consolidated Entity does not yet have any products or services from which it derives an income.

For the current period, management currently identifies the Consolidated Entity as having only one reportable segment, being exploration for minerals in Australia. The financial results from this segment are equivalent to the financial statements of the consolidated entity. All assets are located in Australia. Refer to Note 2 for details on the withdrawal from the Laos and Chile segments.

In the prior period, management identified the Consolidated Entity as having three reportable segments, being exploration for minerals in:

- Chile
- Laos
- Australia

Segment Revenues and Results – Prior Year

31 December 2014	Laos $	Chile $	Australia $	Consolidated $
Revenue:				
Interest income	-	-	33,896	33,896
Expenses:				
Interest expense	-	-	-	-
Other expenses	(148,559)	(2,892)	(916,691)	(1,068,142)
Segment result	(148,559)	(2,892)	(882,795)	(1,034,246)
Income tax	-	-	-	-
Net Loss	(148,559)	(2,892)	(882,795)	(1,034,246)
Non-cash items included in loss above:				
Depreciation and amortisation	1,874	-	15,849	17,723
Share based payments	-	-	7,500	7,500
Impairment of exploration expenditure	-	-	-	-
Assets:				
Segment assets	349,222	28,020	14,223,863	14,601,105
Unallocated corporate assets	-	-	-	-
Consolidated Total Assets	349,222	28,020	14,223,863	14,601,105
Liabilities:				
Segment liabilities	663,636	-	415,227	1,078,863
Unallocated corporate liabilities	-	-	-	-
Consolidated Total Liabilities	663,636	-	415,227	1,078,863
Segment acquisitions:				
Acquisition of property, plant and equipment	84,882	-	25,000	109,882
Capitalised exploration expenditure	-	-	928,388	928,388
Details on non-current assets:				
Trade and other receivables	-	-	33,255	33,255
Plant and equipment	152,648	-	69,934	222,582
Exploration expenditure	-	-	10,898,096	10,898,096

NOTE 27 EVENTS AFTER BALANCE SHEET DATE

Chinalco Withdrawal

On 19 January 2016, CYU announced to the ASX that CYU had received confirmation from YCI, a 58% subsidiary of China Copper Corporation Limited, (which in turn, is a 100% subsidiary of Chinalco) that China Copper would not approve CYU's proposed strategic alliance with JCHX Group. No reason was provided for that decision. As a result, the A$4.5M JCHX funding package for CYU (and all other proposed DRC activities – as outlined above) did not proceed in their intended form. YCI has also advised CYU that China Copper will not provide continued financial support in the future to CYU.

JCHX Share Placement

On 4 March 2016, CYU announced the signing of a share placement agreement with JCHX Group. The primary intention of the agreement is for JCHX Group to participate with CYU in its proposed development and acquisition of copper opportunities in the DRC.

JCHX Group, through a 100% subsidiary, Bienitial International Co., Ltd ("BIC") agreed to provide initial funding to CYU of an amount of $1,182,490, which is in the form of a share placement of 118,249,000 ordinary CYU shares at an issue price of A$0.01per share. The issue of shares to BIC was completed on 11 March 2016 and BIC now holds 19.9% of the total issued CYU shares.

There have been no other events since 31 December 2015 that impact upon the financial report.

NOTE 28 PARENT ENTITY INFORMATION

The Parent Entity of the Consolidated Entity is Chinalco Yunnan Copper Resources Limited.

	2015 $	2014 $
Parent Entity Financial Information		
Current assets	199,261	3,222,576
Non-current assets	4,487,420	11,029,801
Total assets	4,686,681	14,252,377
Current liabilities	354,759	415,227
Non-current liabilities	-	-
Total liabilities	354,759	415,227
Net assets	4,331,922	13,837,150
Share capital	39,492,960	39,492,960
Share based payment reserve	559,903	559,903
Accumulated losses	(35,720,941)	(26,215,713)
Total equity	4,331,922	13,837,150
Loss after income tax	(9,505,228)	(882,798)
Other comprehensive income	-	-
Total comprehensive loss	(9,505,228)	(882,798)

NOTE 28 PARENT ENTITY INFORMATION (continued)

Controlled Entities of the Parent Entity

	Percentage Owned		
	2015	2014	
	%	%	Country of Incorporation
China Yunnan Copper Australia Chile Limitada	100%	100%	Chile
Yunnan Copper San Mu Mining Industry Co Ltd	-	51%	China

On 1 January 2015 Yunnan Copper San Mu Mining Industry Co Ltd was deconsolidated. Refer to note 2.

Commitments, Contingencies and Guarantees of the Parent Entity

The minimum committed expenditure for future periods of the Parent Entity is the same as those for the Consolidated Entity.

The Parent Entity has no contingent assets, contingent liabilities or guarantees at balance date.

DIRECTORS' DECLARATION

In the Directors opinion:

(a) the attached consolidated financial statements and notes that are set out on pages 24 to 59 and the remuneration report set out on pages 14 to 19 in the Directors' Report are in accordance with the Corporations Act 2001 and other mandatory professional reporting requirements, including:

   (i) complying with Australian Accounting Standards and the Corporations Regulations 2001; and
   (ii) giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2015 and of its performance for the financial period ended on that date; and

(b) the financial statements also comply with International Financial Reporting Standards as disclosed in Note 1 to the consolidated financial statements; and

(c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

The directors have been given the declarations by the chief executive officer and chief financial officer required by section 295A of the Corporations Act 2001.

This declaration is made in accordance with a resolution of directors.

Paul Williams
Director

11 March 2016

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Independent auditor's report to the members of Chinalco Yunnan Copper Resources Limited

Report on the financial report

We have audited the accompanying financial report of Chinalco Yunnan Copper Resources Limited, which comprises the consolidated balance sheet as at 31 December 2015, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal controls as the directors determine are necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the directors' report.

Opinion

In our opinion:

a. the financial report of Chinalco Yunnan Copper Resources Limited is in accordance with the *Corporations Act 2001*, including:

   i giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and of its performance for the year ended on that date; and

   ii complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

b. the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1.

Material Uncertainty Regarding Continuation as a Going Concern

Without qualifying our opinion, we draw attention to Note 1 in the financial report which describes the principal conditions that raise doubt about the entity's ability to continue as a going concern. As a result of these matters, there is significant uncertainty whether the entity will continue as a going concern, and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report. The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the entity not continue as a going concern.

Report on the remuneration report

We have audited the Remuneration Report included in the directors' report for the year ended 31 December 2015. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of Chinalco Yunnan Copper Resources Limited for the year ended 31 December 2015, complies with section 300A of the *Corporations Act 2001*.

Ernst & Young

Ernst & Young

Andrew Carrick
Partner
Brisbane
11 March 2016