

## ASX/Media Announcement

28<sup>th</sup> January 2010

### **Improved assaying technique confirms significant rare earth element (REE) mineralisation at Elaine-Dorothy uranium-REE target**

- **Significant intercept returned in MKED-003 – 3.5 metres @ 1.60kg/t (1,600 ppm) uranium oxide (U<sub>3</sub>O<sub>8</sub>), 3.81% total rare earth oxide (TREO) from 27.50 metres, inc. 1m @ 3.99kg/t U<sub>3</sub>O<sub>8</sub>, 7.56% TREO from 28.50 metres**
- **Previously reported high grade uranium and REE mineralisation intersected in MKED003 of 3 metres @ 1.32kg/t U<sub>3</sub>O<sub>8</sub>, 1.17% cerium (Ce) and 0.59% lanthanum (La) from 27.50 metres, inc. 1m @ 2.85kg/t U<sub>3</sub>O<sub>8</sub>, 1.67% Ce and 0.81% La from 28.50 metres**

China Yunnan Copper Australia Limited (**ASX: CYU**) today announced follow up results for the uranium and rare earth mineralisation from the previously reported (**ASX Announcement: 13 January 2010**) encouraging results from its limited diamond drill programme at the Elaine Dorothy uranium-REE target, Mary Kathleen Joint Venture, Northwest Properties, Queensland. The Northwest Properties are comprised of CYU's 100% owned Cloncurry North Project and Mount Isa Project and the **Mary Kathleen Joint Venture** area (joint venture partner Goldsearch Limited (**ASX: GSE**)) (**Figure 1**).

The previously reported results were based on sample assays returned by assay laboratory ALS – Mount Isa utilising a first pass assaying technique of ME-MS61 a four acid 'near total' digestion. This method while utilising four acids (nitric, perchloric, hydrofluoric and hydrochloric acids) to digest the samples is termed 'near total' as most minerals will be dissolved but depending on the sample matrix not all elements are quantitatively extracted. On receipt of the finalised data certificate a certificate comment was included that read ME-MS61: REE's may not be totally soluble using this method. As a result of the 15 rare earth elements only two cerium and lanthanum were reported. From these results significant uranium and rare earth mineralisation was returned that included a near surface high grade intersection of **3 metres @ 1.32kg/t U<sub>3</sub>O<sub>8</sub>, 1.17% Ce and 0.59% La** from 27.5 metres down hole depth in hole MKED-003 including a higher grade zone of **1 metre @ 2.85kg/t U<sub>3</sub>O<sub>8</sub>, 1.67% Ce and 0.81% La** from 28.5 metres down hole depth.

Discussions were held with ALS – Mount Isa and independent resource consultants Hellman & Schofield to follow up on the rare earth mineralisation. From these discussions the radioactive mineralised zones as identified by hand held scintillometer readings and analytical data were selectively sampled to be analysed for uranium and rare earth mineralisation by assaying technique ME-MS82, a complete Rare Earth Package that analyses for 14 rare earth elements as well as uranium (U), thorium (Th) and yttrium (Y). This technique utilises a stronger dissolution procedure to separate the elements from the bulk matter. This is achieved by a lithium metaborate fusion prior to dissolution in the acids.

Final results have been returned for these samples with significant increase in uranium and rare earth mineralisation identified, most notably **3.5 metres @ 1.60kg/t U<sub>3</sub>O<sub>8</sub>, 3.81% TREO** from 27.5 metres down hole depth in hole MKED-003 including a higher grade zone of **1 metre @ 3.99kg/t U<sub>3</sub>O<sub>8</sub>, 7.56% TREO** from 28.5 metres down hole depth. As with reporting of uranium results in U<sub>3</sub>O<sub>8</sub> the rare earth elements are required to be converted to their oxide form by the application of a constant conversion factor for that element (**Appendix 1**). As a result the REE's are separated into light rare earth's (LREE's (La – Gd)) and heavy rare earth's (HREE's (Tb- Lu)), converted to their rare earth oxides (REO) and are added together to provide TREO. In addition yttrium has also been included in the TREO calculation. A comparison of the two assay techniques with resulting significant intersections are summarised below in **Table 1 and 2 respectively**:

Hole ID	From (m)	To (m)	Width (m)	U <sub>3</sub> O <sub>8</sub> (kg/t)	TREO (%)	Comment
MKED-001	74.0	75.5	1.5	0.19	1.55	
MKED-001	79.0	80.0	1.0	0.06	0.37	
MKED-001	84.5	86.0	1.5	0.15	0.43	
MKED-002	58.5	60.0	1.5	0.02	1.07	
MKED-002	62.0	63.0	1.0	0.16	0.62	
MKED-002	74.0	75.0	1.0	0.42	0.76	
MKED-002	82.0	84.0	2.0	0.15	0.79	
MKED-003	27.5	31.0	3.5	1.60	3.81	inc. 1m @ 3.99kg/t U <sub>3</sub> O <sub>8</sub> , 7.56% TREO from 28.50m
MKED-003	33.5	34.5	1.0	0.44	1.15	
MKED-003	44.0	45.5	1.5	0.34	1.15	
MKED-003	49.5	50.5	1.0	0.12	0.34	
MKED-003	54.0	56.5	2.5	0.32	0.67	
MKED-003	60.5	61.0	0.5	0.06	0.33	

**Table 1.** Summary of significant intersection (**ME-MS82 technique**) from the Elaine Dorothy drilling program at a nominal 0.30% TREO cut-off. Historic holes were not assayed for REE. Note that weighted averages are applied to mixed length intervals to ensure no over representation of narrow high grade intercepts. For reference the mined out Mary Kathleen Mine yielded 9.2 million tonnes at a grade of 1.20 kg/t U<sub>3</sub>O<sub>8</sub> and 3% REE.

Hole ID	From (m)	To (m)	Width (m)	U <sub>3</sub> O <sub>8</sub> (kg/t)	Ce (%)	La (%)	Comment
MKED001	74.0	75.0	1.0	0.20	0.47	0.25	

MKED001	84.5	85.5	1.0	0.15	0.15	0.08	
MKED002	74.0	75.0	1.0	0.36	0.31	0.16	
MKED002	82.0	83.5	1.5	0.17	0.38	0.21	
MKED003	27.5	30.5	3.0	1.32	1.17	0.59	inc. 1m @ 2.85kg/t U <sub>3</sub> O <sub>8</sub> , 1.67% Ce and 0.81% La from 28.50m
MKED003	33.5	34.5	1.0	0.41	0.45	0.24	
MKED003	44.0	45.5	1.5	0.27	0.32	0.17	
MKED003	54.5	56.5	2.0	0.34	0.28	0.14	

**Table 2.** Summary of previously reported significant intersection (**ME-MS61 technique**) from the Elaine Dorothy drilling program at a nominal 0.15 kg/t U<sub>3</sub>O<sub>8</sub> cut-off. Note that weighted averages are applied to mixed length intervals to ensure no over representation of narrow high grade intercepts.

In late 2009 CYU completed drilling three HQ diamond holes totaling 344 metres (**Table 3**) as part of a HQ diamond twin drill programme of historic holes at the Elaine Dorothy uranium exploration target, one of the Mary Kathleen Joint Venture prospects considered prospective for uranium and REE mineralisation (**Figure 2**).

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

**Table 3.** Drill hole collar locations completed by CYU in November 2009.

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

#### Competent Person's Statement

The information in this report that relates to Exploration Results is based on information compiled by Arnold van der Heyden, who is a Member of the Australasian Institute of Mining and Metallurgy, is a Consulting Geologist for Hellman and Schofield Pty Ltd. Mr van der Heyden has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results and Mineral Resources". Mr van der Heyden consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to Exploration Results is based on information compiled by Richard Hatcher, who is a Member of the Australian Institute of Geologists and is fulltime Exploration Manager of China Yunnan Copper Australia Ltd. Mr Hatcher has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results and Mineral Resources.". Mr Hatcher consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.



## About CYU

CYU is an Australian company formed to explore for and develop minerals in Australia and overseas. Cornerstone investor, Yunnan Copper Industry (Group) Co Ltd, is one of China's largest copper producers.

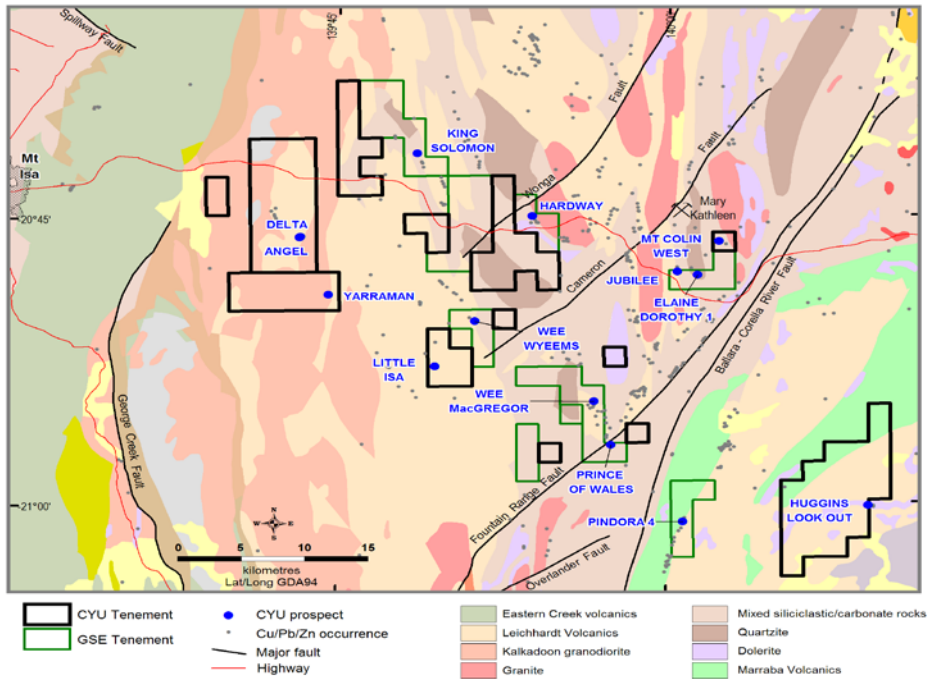
CYU has goals of resource definition and development for its three target commodities Copper, Gold and Uranium and to achieve this is targeting high quality copper, gold and uranium projects in the Mt Isa Inlier, Ravenswood-Pentland Province and the Clermont Inlier in Queensland. CYU also is also farming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

For further information please contact;

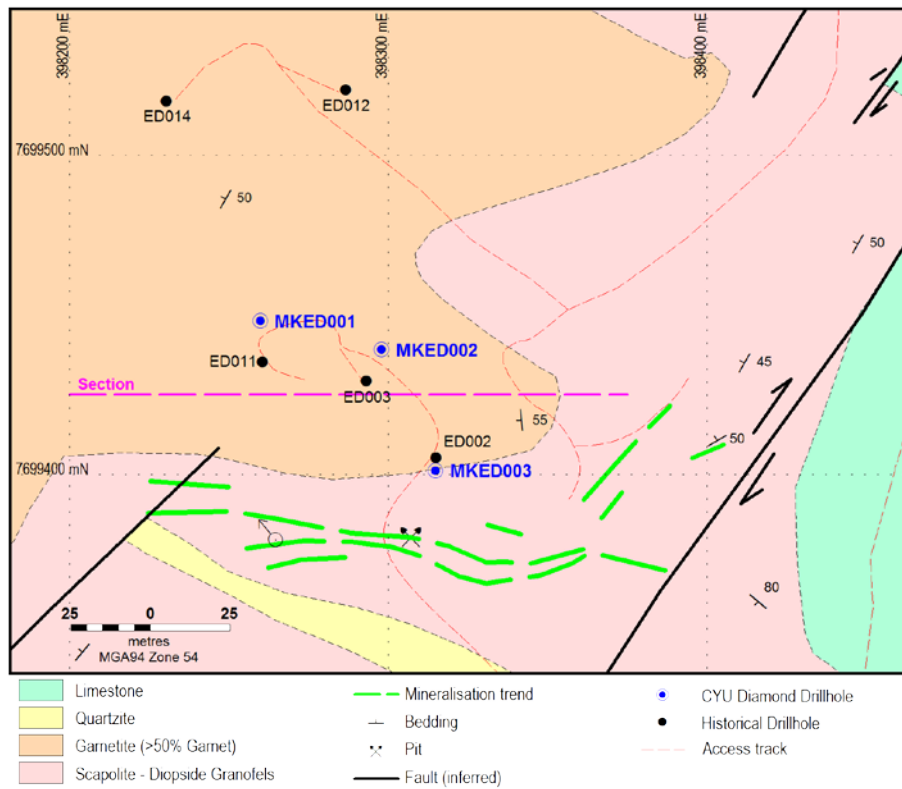
Mr Jason Beckton  
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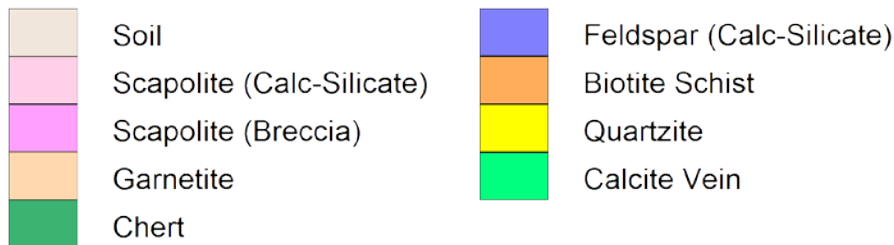
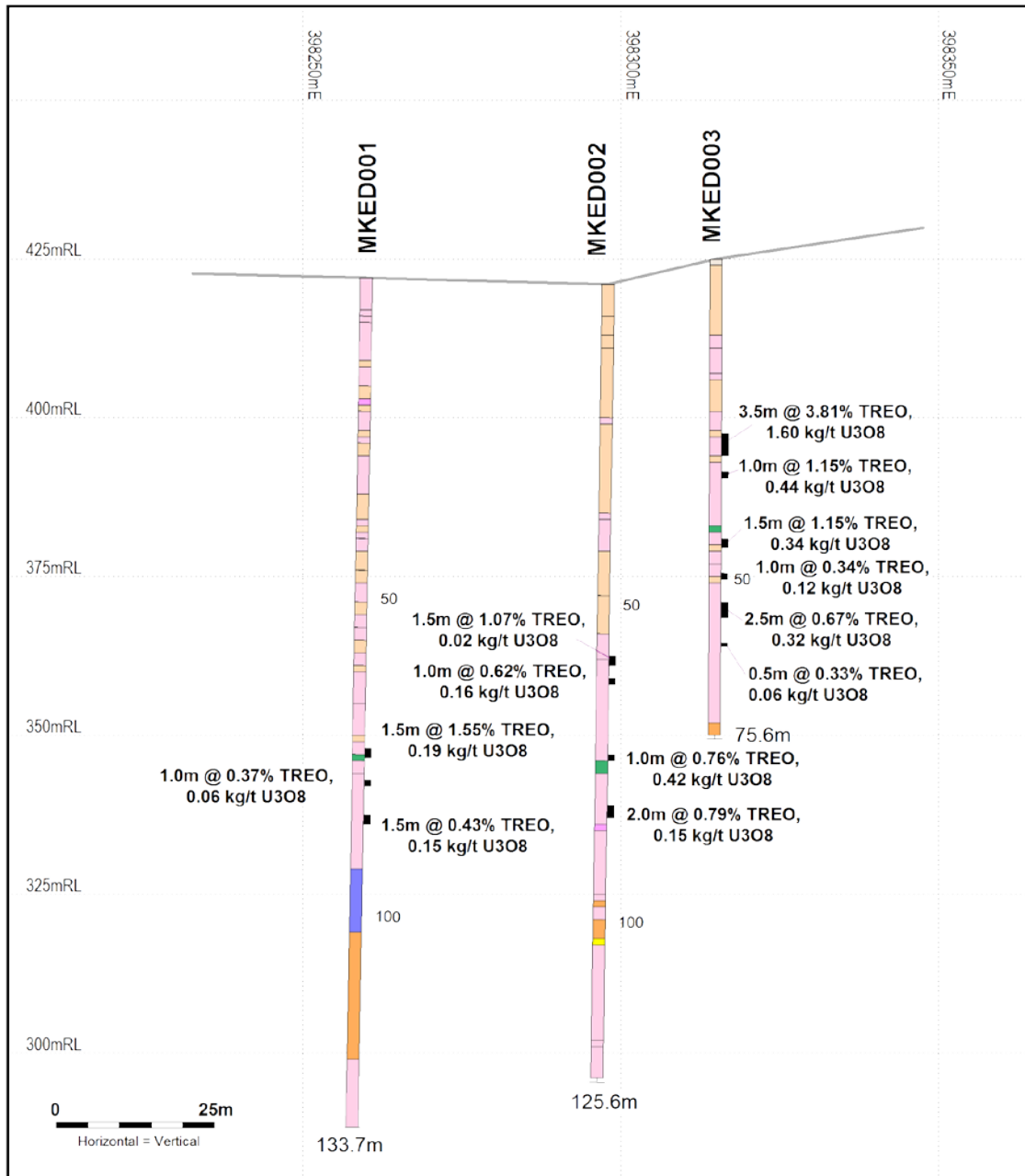
or visit the website, [www.cycal.com.au](http://www.cycal.com.au)



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



**Figure 2.** Drillhole Location Plan.



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

## APPENDIX A

Rare earth element to Rare earth oxide conversion factors

Group	Element	Symbol	Oxide	Conversion Factor
<b>LREE</b>	<b>Lanthanum</b>	<b>La</b>	La <sub>2</sub> O <sub>3</sub>	1.173
	<b>Cerium</b>	<b>Ce</b>	CeO <sub>2</sub>	1.228
	<b>Praseodymium</b>	<b>Pr</b>	Pr <sub>6</sub> O <sub>11</sub>	1.208
	<b>Neodymium</b>	<b>Nd</b>	Nd <sub>2</sub> O <sub>3</sub>	1.166
	<b>Promethium</b>	<b>Pm</b>	No natural stable isotope	
	<b>Samarium</b>	<b>Sm</b>	Sm <sub>2</sub> O <sub>3</sub>	1.160
	<b>Europium</b>	<b>Eu</b>	Eu <sub>2</sub> O <sub>3</sub>	1.158
	<b>Gadolinium</b>	<b>Gd</b>	Gd <sub>2</sub> O <sub>3</sub>	1.153
<b>HREE</b>	<b>Terbium</b>	<b>Tb</b>	Tb <sub>4</sub> O <sub>7</sub>	1.176
	<b>Dysprosium</b>	<b>Dy</b>	Dy <sub>2</sub> O <sub>3</sub>	1.148
	<b>Holmium</b>	<b>Ho</b>	Ho <sub>2</sub> O <sub>3</sub>	1.146
	<b>Erbium</b>	<b>Er</b>	Er <sub>2</sub> O <sub>3</sub>	1.143
	<b>Thulium</b>	<b>Tm</b>	Tm <sub>2</sub> O <sub>3</sub>	1.142
	<b>Ytterbium</b>	<b>Yb</b>	Yb <sub>2</sub> O <sub>3</sub>	1.139
	<b>Lutetium</b>	<b>Lu</b>	Lu <sub>2</sub> O <sub>3</sub>	1.137
	<b>Yttrium</b>	<b>Y</b>	Y <sub>2</sub> O <sub>3</sub>	1.270