



## ELAINE JV PROJECT UPDATE

- **Second diamond drill rig to accelerate drilling**
- **The Elaine mineralisation within and adjoining the host Mary Kathleen shear is open to the east and west.**

### OTHER CYU PROJECTS UPDATE

- **Drill rigs mobilised to site in Laos and Chile, commencement of drilling on CYU projects imminent.**

Chinalco Yunnan Copper Resources (CYU) and Goldsearch Limited (GSE) are pleased to provide an update on the current delineation diamond drill program at the Elaine prospect that forms part of the Mary Kathleen Joint Venture Project (**Figure 1**) at Mt Isa, Queensland. CYU hold 70%, GSE hold 30% interests in the Mary Kathleen Joint Venture.

To date ten of fifteen planned diamond drill holes (**MKED009-MKED018**) have been completed, a second drill rig has been mobilised to site and drilling is currently underway on MKED019 and MKED020. This drilling has tested ~250m x 300m of the strike and open depth extension of the modelled EM target zone. Completed drillhole collar and survey information is provided in **Table 1**.

**Table 1:** Elaine Phase IV Diamond Drill Program – Holes to date

HOLE ID	EAST*	NORTH*	RL (m)	AZIMUTH**	DIP	DEPTH
MKED009	398128	7699506	418	010	-56	657.40
MKED010	398127	7699506	418	007	-66	528.75
MKED011	398058	7699621	391	003	-67	531.30
MKED012	398095	7699705	387	350	-66	14.80
MKED013	398095	7699705	387	350	-66	339.60
MKED014	398155	7699725	394	001	-70	420.50
MKED015	397967	7699617	377	358	-60	438.30
MKED016	398057	7699618	391	306	-75	642.40
MKED017	398225	7699570	450	354	-60	7.90
MKED018	398225	7699570	450	334	-69	630.30
MKED019	398120	7699443	402	334	-69	Drilling
MKED020	398236	7699529	442	339	-70	Drilling
						4,211.25

\* Datum is UTM MGA94 Zone 54    \*\* Azimuth is UTM Grid North (MGA94 Zone 54)

Final assay results have been returned for MKED013 to MKED015 (**Table 2**). Assays are still pending for MKED016 to MKED018.

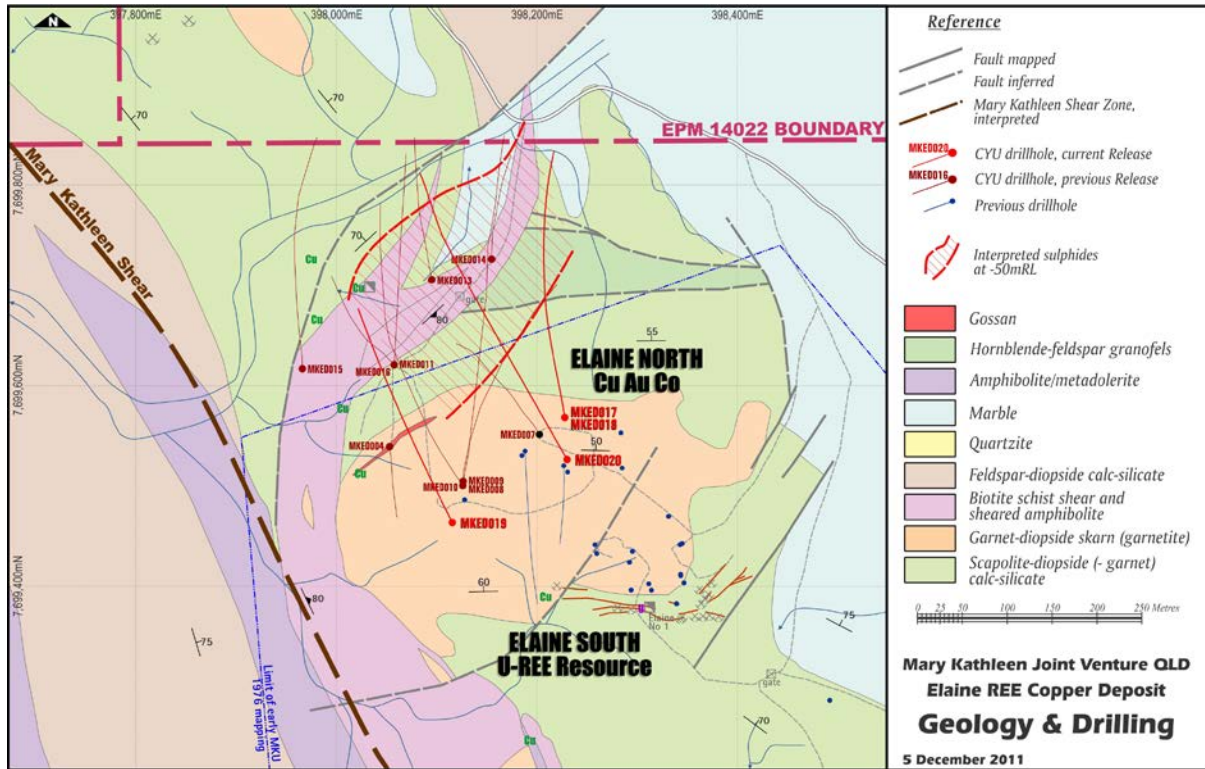


Figure 1. Simplified map showing north side of the Elaine garnet hill. Mineralisation is expected to continue down the western side and on the southern side of the hill and merge with the U-REO Resources where untested copper outcrops occur.

Holes MKED013 to MKED15 were designed to test the northern and northwesterly extent of the EM body. Several narrow significant zones of copper mineralisation have been intersected, highlighted by **2m @ 0.27% Cu, 322ppm Co, 0.18g/t Au, MKED014** from 378m down hole depth and **4m @ 0.37% Cu, 746ppm Co, 0.04g/t Au, MKED015** from 125m down hole depth.

**Table 2:** Phase 4 Elaine Diamond Drilling - Summary of significant copper-cobalt-gold intersections at a nominal 0.2% Cu cut-off with a max 3m internal dilution.

Hole ID	From (m)	To (m)	Width (m)	Cu (%)	Co (ppm)	Au (g/t)	CuEq (%)
MKED013	205	206	1	0.32	96	0.09	0.42
MKED014	78	79	1	0.20	1,485	0.01	0.79
MKED014	361	362	1	0.43	570	0.20	0.80
MKED014	373	374	1	0.22	391	0.06	0.41
MKED014	378	380	2	0.27	322	0.18	0.52
MKED015	113	114	1	0.28	106	0.01	0.33
MKED015	125	129	4	0.37	746	0.04	0.69
MKED015	180	181	1	0.39	75	0.03	0.44
MKED015	208	209	1	0.21	21	0.01	0.23
MKED015	258	259	1	0.43	54	0.05	0.48
MKED015	423	424	1	0.23	77	0.02	0.27

\* Cu equivalent calculations represent the total metal value for each metal, multiplied by the conversion factor, summed and expressed in equivalent copper percentage. These results are exploration results only and no allowances are made for recovery losses that may occur should mining eventually result. However it is the company's opinion that elements considered here have a reasonable potential to be recovered. Long-term price assumptions and copper equivalent conversion factors are summarised below: **Cu equivalent formula = Cu (%) + (Co (ppm) x 0.0004) + (Au (g/t) x 0.7123)**

Price assumptions – Cu (US\$3.60/lb), Co (US\$14.10/lb), Au (US\$1758.33/oz), Market prices as at 5pm AEST 4/11/2011

In addition further elevated zones of gold, cobalt, uranium and molybdenum mineralisation were also intersected in all MKED013 to MKED015, highlighted by **4m @ 0.12g/t Au, 438ppm Co, 0.13% Cu, 0.12kg/t U<sub>3</sub>O<sub>8</sub>, 104ppm Mo, MKED014** from 369m down hole depth. The uranium +/- rare earth mineralisation is interpreted as a separate mineralising event that overlaps the copper-cobalt-gold mineralisation in places.

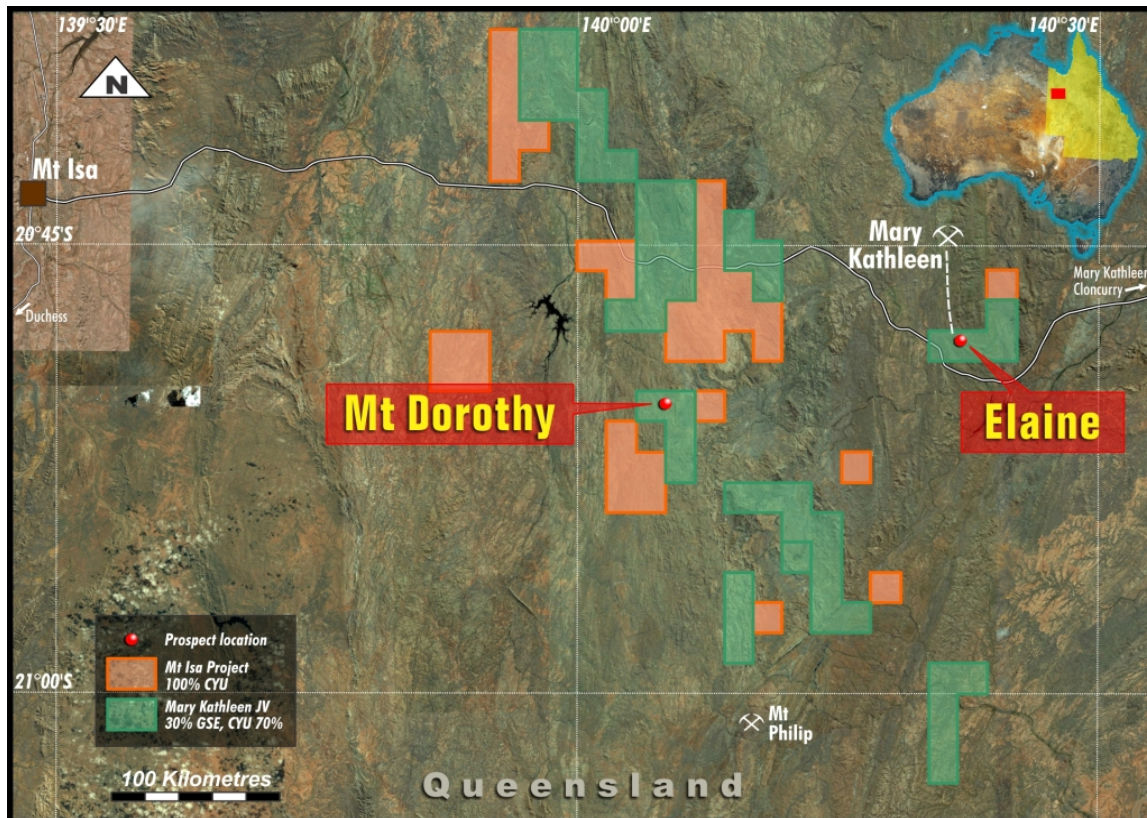
**Table 3:** Phase 4 Elaine Diamond Drilling - Summary of significant intersections based on a at a 0.1g/t Au cut-off.

Hole ID	From (m)	To (m)	Width (m)	Au (g/t)	Co (ppm)	Cu (%)	CuEq (%)	U <sub>3</sub> O <sub>8</sub> (kg/t)	Mo (ppm)
MKED013	183	185	2	0.63	47	0.01	0.47	0.01	20
MKED014	369	373	4	0.12	438	0.13	0.38	0.12	104
MKED015	77	81	4	0.13	51	0.01	0.11	0.25	151
MKED015	85	94	9	0.16	62	0.05	0.19	0.07	8

MKED013 to MKED015 have provided significant information on the geometry of the mineralised body and have effectively closed the northern boundary of mineralisation before the tenement boundary.

Recently conducted surface mapping has enhanced targeting of the interpreted Mary Kathleen shear and associated altered amphibolite units. Of the remaining drillholes MKED016 and MKED019 have been designed to test additional extension of the anomaly to the west, while MKED017/018 and MKED020 are testing to the east.

Drilling is expected to continue to the 19<sup>th</sup> of December as the end of the field season 2011. All completed drillholes at this date will be used for a JORC inferred resource estimate expected to be completed within Q1 2012. Both diamond drill rigs have been secured for the 2012 field season to recommence when weather permitting access.



**Figure 2.** Tenement and prospect location plan of the Mary Kathleen Joint Venture Project. The Elaine prospect is located approximately 60km east of Mount Isa.

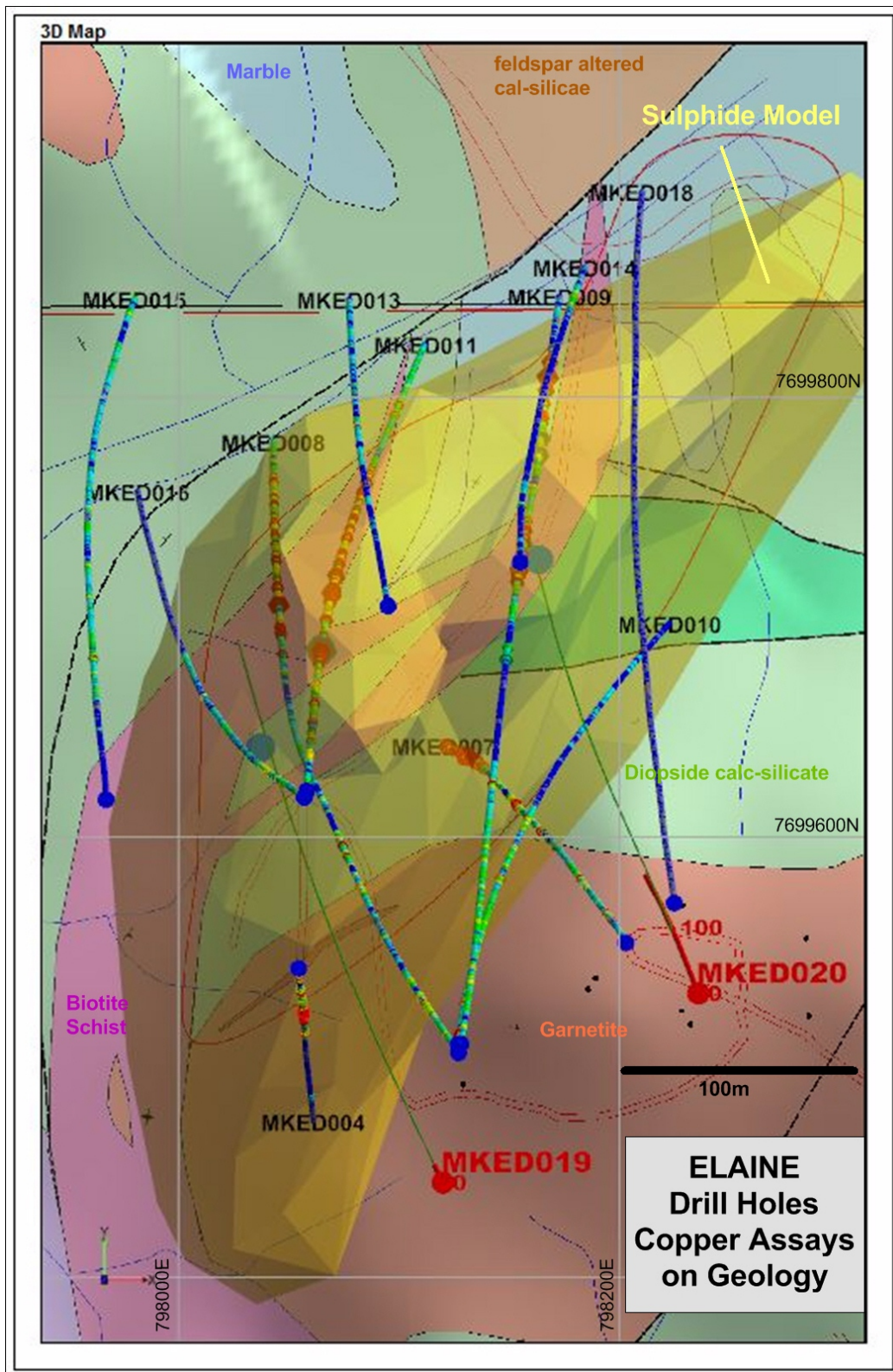


Figure 3. 3D Plan including early model of mineralisation (>0.2% Cu) and planned holes. Overall the shape of the Elaine discovery remains open to the west and east and at depth. MKED019 – MKED020 are to be drilled in the coming weeks. The system remains open with current dimensions averaging 200m true thickness, 400m depth and strike length of 500m.

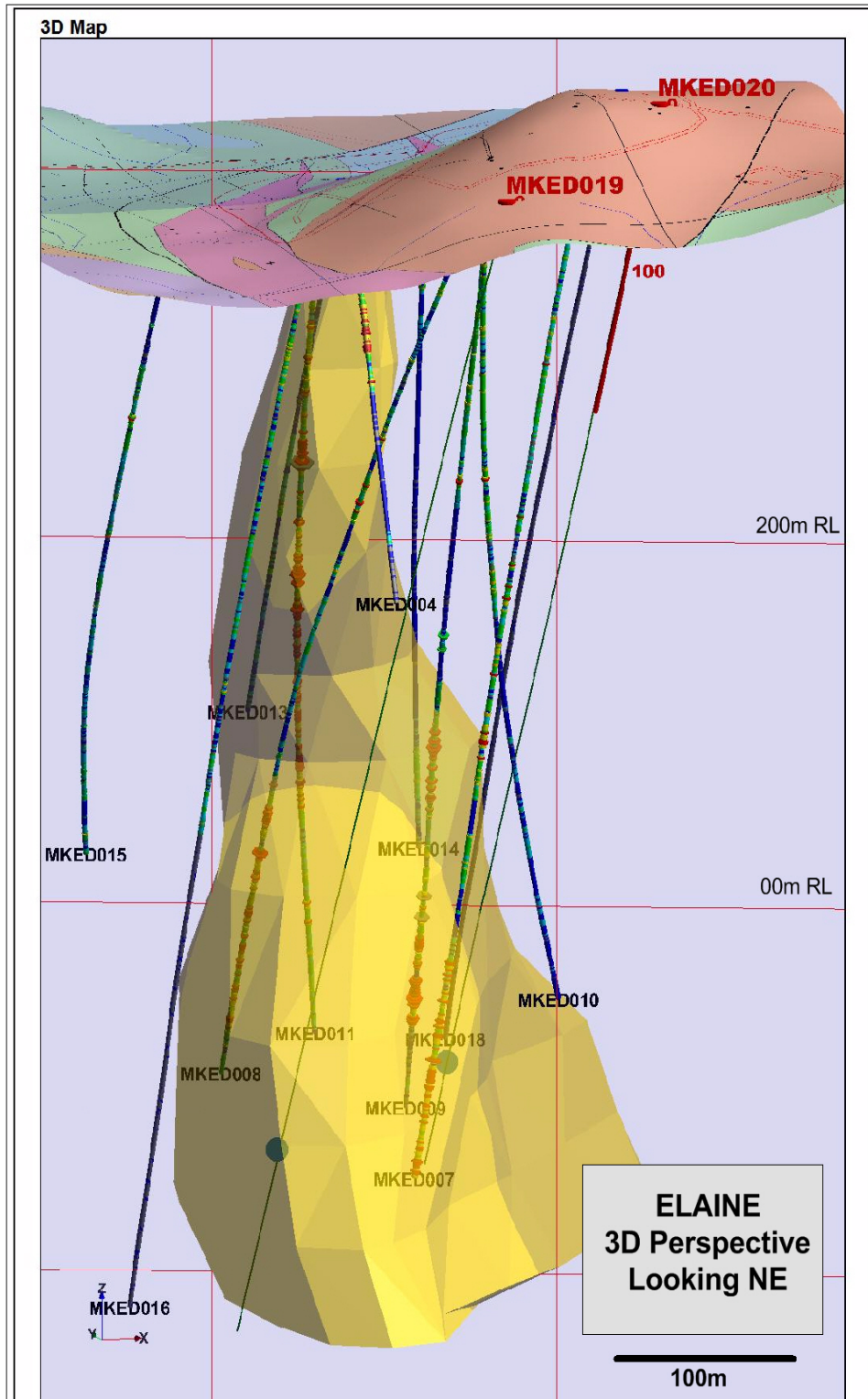


Figure 4. Mineralisation is interpreted > 300 metres thick at depth and completely open. CYU has sourced a larger drill rig as drillholes such as MKED007, have had to stop drilling while still in mineralisation. MKED007 and other holes stopped in mineralisation are planned to be extended.

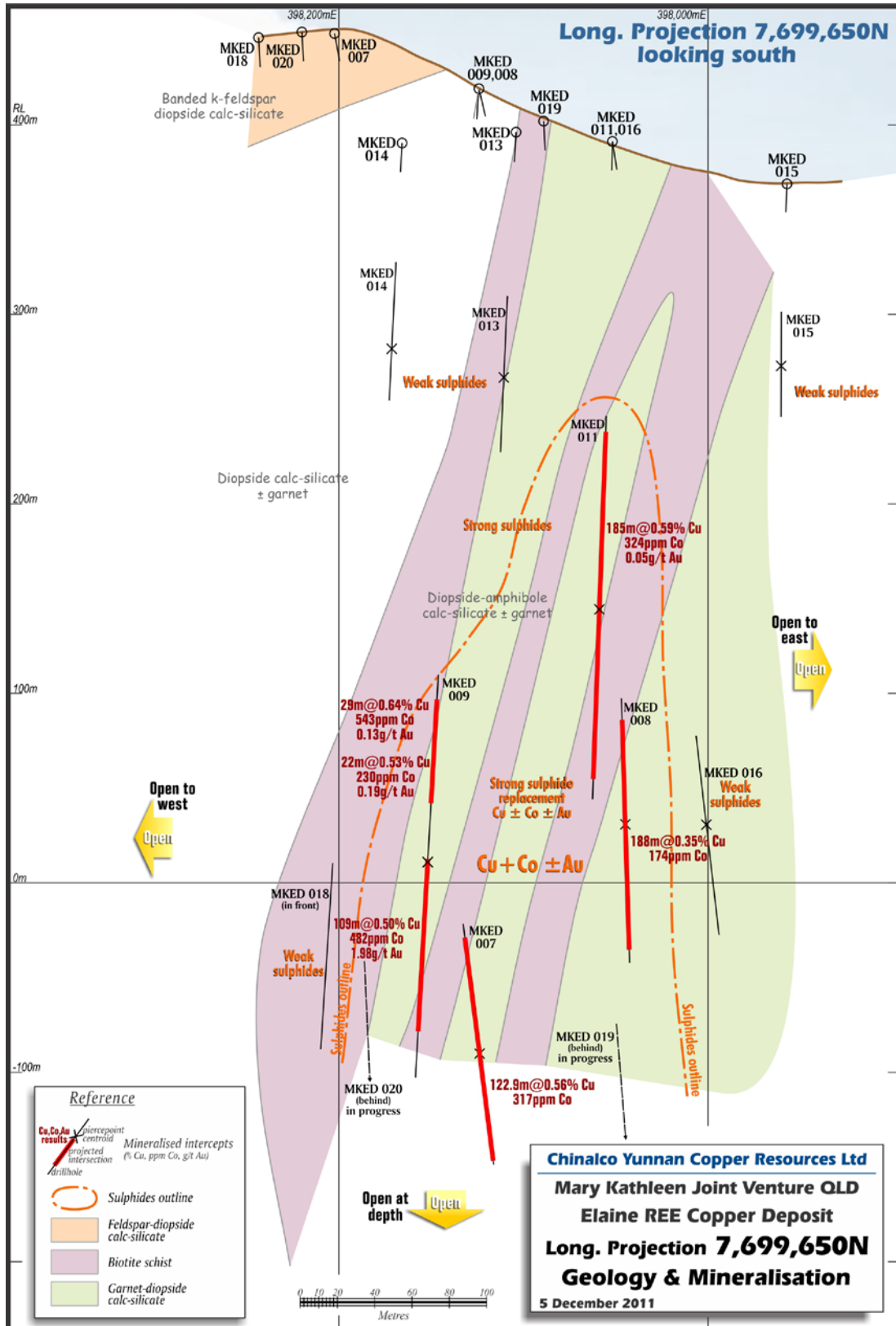


Figure 5. Long Projection 7,699,650N – Current mineralisation is open. An inferred JORC resource will be undertaken in the Q1 2012.



## **CYU CHILE AND LAOS PROJECTS UPDATE**

### **Chile**

Copper is targeted at the Rio Tinto joint ventures in Chile at the Candelabro, Caramasa and Palmani porphyry properties. Surface mapping, sampling and geophysical surveys indicate these targets are highly prospective. Another CYU Chile project is the Humitos Copper Porphyry in the Copiapo District of north Chile. **Drilling at Candelabro is to commence imminently with drill rig on-site and final preparations underway.** Caramasa and Palmani are in permitting phases with Caramasa earthworks expected to commence within a fortnight.

### **Laos**

CYU has received the first geochemical results from trenching with two prospective zones identified. Drilling is being planned to test these zones in the current quarter. **Drilling at Jiuzhai is to commence imminently with the man portable drill rig currently being assembled on-site.** The corporate exploration target is 80 - 100 million tonnes at a grade of 0.9% -1.0% copper and 120g/t - 150 g/t silver. Short term processing of copper-silver ore bodies is also a project objective in Laos, subsequent to resource drilling.

### ***About Chinalco Yunnan Copper Resources***

Chinalco Yunnan Copper Resources Limited (CYU) explores and develops minerals in Australia, Chile and Laos. CYU is supported by cornerstone shareholder Yunnan Copper Industry (Group) Co Ltd (YCI); China's third largest copper producer. CYU acts as YCI's international investment arm and mining house.

### ***Competent Person's Statement***

*The information regarding the Exploration Activities on the Elaine Copper Prospect (EPM 14022) is based on information compiled by Mr Richard Hatcher, who is a Member of the Australian Institute of Geologists and is the Exploration Manager of Chinalco Yunnan Copper Resources 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.*

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