



ABN 27 099 098 192

CYU is a resource exploration and development company with a primary focus on project interests in the Mt Isa region of north Queensland.

**Issued Capital:**

473,027,475  
Ordinary shares

2,000,000  
Performance shares

**Directors:**

Zhihua Yao  
*Chairman*  
Paul Williams  
*Managing Director*  
Zewen (Robert) Yang  
*Executive Director*

**Company Secretary:**

Paul Marshall

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## OUTSTANDING COPPER AND GOLD RESULTS FROM MT ISA DRILLING PROGRAM

15 October 2014

*Note – this release follows on from the preliminary results announced on 2 October 2014. All assay results from the current program have now been received and are reported in full, below*

- Significant intersections of high grade primary copper sulphide and gold mineralisation from CYU's Phase 2 drilling program at Jubilee including:
  - 10m @ 3.37% Cu and 2.28g/t Au from 107m depth, including 6m @ 5.34% Cu and 3.72g/t Au (Drill hole Q-029)
  - 9m @ 2.8% Cu and 1.44g/t Au from 73m depth, including 1m @ 7.32% Cu and 1.53g/t Au, 1m @ 10% Cu and 4m @ 3.01g/t Au (Drill hole Q-028)
  - 7m @ 1.25% Cu and 0.81g/t Au from 65m depth, including 3m @ 3.63% Cu and 1.49 g/t Au (Drill hole Q-025)
  - 7m @ 1.3% Cu and 0.22g/t Au from 120m depth, including 1m @ 7.15% Cu and 1.21 g/t Au (Drill hole Q-027)
- All nine (9) RC drill holes at Jubilee have intersected significant copper and gold mineralisation – confirming potential extension of a mineralised zone along the length of strike (both to the north and the south) as well as at depth
- This latest drilling program was completed on time and significantly under budget (actual cost \$178k versus \$275k budget)
- A follow-up drilling program at Jubilee is to be carried out in November with the intention of testing the length and depth of the mineralisation at Jubilee

The Board of Chinalco Yunnan Copper Resources Ltd (ASX:CYU) is pleased with the excellent progress of its Mt Isa-based exploration team. Having earlier this year identified the significant potential of the Jubilee prospect, these latest results confirm high potential and pave the way for additional exploration work before the end of 2014.

## **Phase 2 Exploration Program at Jubilee**

CYU's Mt Isa-based exploration team has completed work on the Phase 2 exploration drilling program at Jubilee and Blue Caesar. All assay results from the drilling have been received by CYU and the results confirm significant intersections of high grade primary copper sulphide and gold mineralisation at Jubilee.

(The Jubilee prospect forms part of CYU's Mt Frosty farm-in/joint venture with Glencore's Mount Isa Mines, which in turn is part of the Mary Kathleen Joint Venture with Goldsearch Ltd (ASX: GSE) in which CYU has an 80% participating interest.)

The Jubilee prospect is located approximately 900m west of CYU's Blue Caesar prospect and 5.5km south of the historic Mary Kathleen uranium mine. The prospect consists of a north-trending linear zone of historic shear-controlled workings that is mapped by a strong copper anomaly. The target is a Barbara or Mount Colin style shear deposit with steeply plunging lodes of economic grade copper mineralisation.

After the successful drilling at Jubilee in May this year, the Phase 2 program of 9 additional reverse circulation (RC) drill holes was intended to extend the zone definition over the 500m strike length of the historic workings and to test at 50m and 100m down dip. The drilling was also designed to define the near-surface extent of mineralisation and to identify possible plunge directions of high grade shoots that can be targeted in later drilling programs.

All nine drill holes at Jubilee intersected significant mineralised zones, highlighted by the following initial results:

- Q-023: 10m @ 0.38% Cu and 0.26 g/t Au from 39m including 1m @ 1.35% Cu and 1.43 g/t Au**
- Q-024: 7m @ 1.25% Cu and 0.68 g/t Au from 102m including 3m @ 2.01% Cu and 0.52 g/t Au**
- Q-025: 7m @ 1.25% Cu and 0.94 g/t Au from 65m including 3m @ 3.63% Cu and 1.49 g/t Au**
- Q-026: 6m @ 0.44% Cu and 0.17 g/t Au from 111m including 3m @ 0.95% Cu and 0.27 g/t Au**
- Q-027: 7m @ 1.3% Cu and 0.22 g/t Au from 120m including 1m @ 7.15% Cu 1.21 g/t Au**
- Q-028: 9m @ 2.8% Cu and 1.44 g/t Au from 73m including 2m @ 4.84% Cu and 1.21 g/t Au and 3m @ 4.94% Cu and 3.29 g/t Au**
- Q-029: 10m @ 3.37% Cu and 2.28 g/t Au from 107m including 6m @ 5.34% Cu and 3.72 g/t Au (which includes 3m @ 8.83% Cu and 4m @ 5.33 g/t Au)**
- Q-030: 4m @ 1.2% Cu and 0.38 g/t Au from 91m including 2m @ 2.16% Cu and 0.67 g/t Au**
- Q-031: 5m @ 0.2% Cu and 0.04 g/t Au from 131m and 6m @ 0.41% Cu and 0.14 g/t Au from 138m**

Now that all of the assay results have been received from the laboratory, it is clear that there exists a high grade copper/gold mineralised zone at Jubilee that is still not closed either at depth or along the line of strike. CYU's Mt Isa-based exploration team is already preparing details of a follow-up drilling program at Jubilee slated to commence early November 2014. Particular interest with the follow-up program will be paid to the definition of high grade copper/gold around the interpreted fault (see figure in Annexure C). Further drilling will include a focus around drill holes such as Q-029 (10m @ 3.37% Cu and 2.28g/t Au).

### **Phase 2 Exploration Program at Blue Caesar**

As advised previously, the Phase 2 drilling at Jubilee included a proposal to drill three (3) holes at the nearby Blue Caesar prospect. These holes were designed to test the mineralisation 100m down dip of the May 2014 drilling and 100m down dip of the 2013 drilling. Unfortunately the results at Blue Caesar were disappointing, and can be summarised as follows:

- Drill hole Q-021 (BC1) – only small traces of primary copper mineralisation was observed at the top of this hole and drilling was terminated at 145m depth.
- Drill hole Q-022 (BC2) - intersected the upper zones of low grade mineralization seen in drill holes MKBC001,003, and 006 (from the 2013 drilling program) but failed to intersect the high grade mineralization in the interpreted target zone. Results achieved at this drill hole were highlighted by:

**5m @ 0.41% Cu and 0.01g/t Au from 5m and  
44m @ 0.28% Cu and 0.01g/t Au from 31m**

- Proposed Drill hole BC3 - this hole was proposed to be drilled at depth underneath Q-021. However, as there was no significant mineralisation identified within drill hole Q-021, the decision was taken not to drill at this location.

Based on the above results, there is very little additional data to be obtained in relation to the Blue Caesar prospect and CYU's exploration team do not propose to undertake further drilling at this prospect.

### **Mt Frosty Farm-In Arrangements**

The Blue Caesar and Jubilee prospects form part of CYU's Mt Frosty farm-in/joint venture with Glencore's Mount Isa Mines, which in turn is part of the Mary Kathleen Joint Venture with Goldsearch Ltd (ASX: GSE) in which CYU has an 80% participating interest. Under the terms of the Mt Frosty farm-in, 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 believes that both farm-in criteria have been satisfied and has advised Glencore's Mount Isa Mines accordingly.

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CYU Managing Director, Paul Williams, said that the results from this latest drilling program at Jubilee are excellent: “As we reported to the market on 2 October 2014, CYU has followed up the successful results from the Jubilee program earlier this year with results that confirm the existence of significant high grade copper and gold mineralisation that is neither closed off along the north-south length of strike nor at depth. We look forward to the opportunity to go back into the Jubilee area for more (deeper) drilling in November.”

On behalf of the Board

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### **About CYU**

Chinalco Yunnan Copper Resources Ltd (CYU) is a resource exploration and development company with project interests in the Mt Isa region of north Queensland.

CYU's largest shareholder is China Yunnan Copper (Australia) Investment and Development Co Ltd (“CYC”), owning 64.7% of the total issued shares in CYU. CYC is a wholly-owned subsidiary of Kunming-based Yunnan Copper Industry (Group) Co Ltd, which is the third largest producer of smelted copper product in China. In turn, Yunnan Copper Group is a subsidiary of Aluminium Corporation of China (Chinalco) which is the largest producer of aluminium product in China and the second largest world-wide.

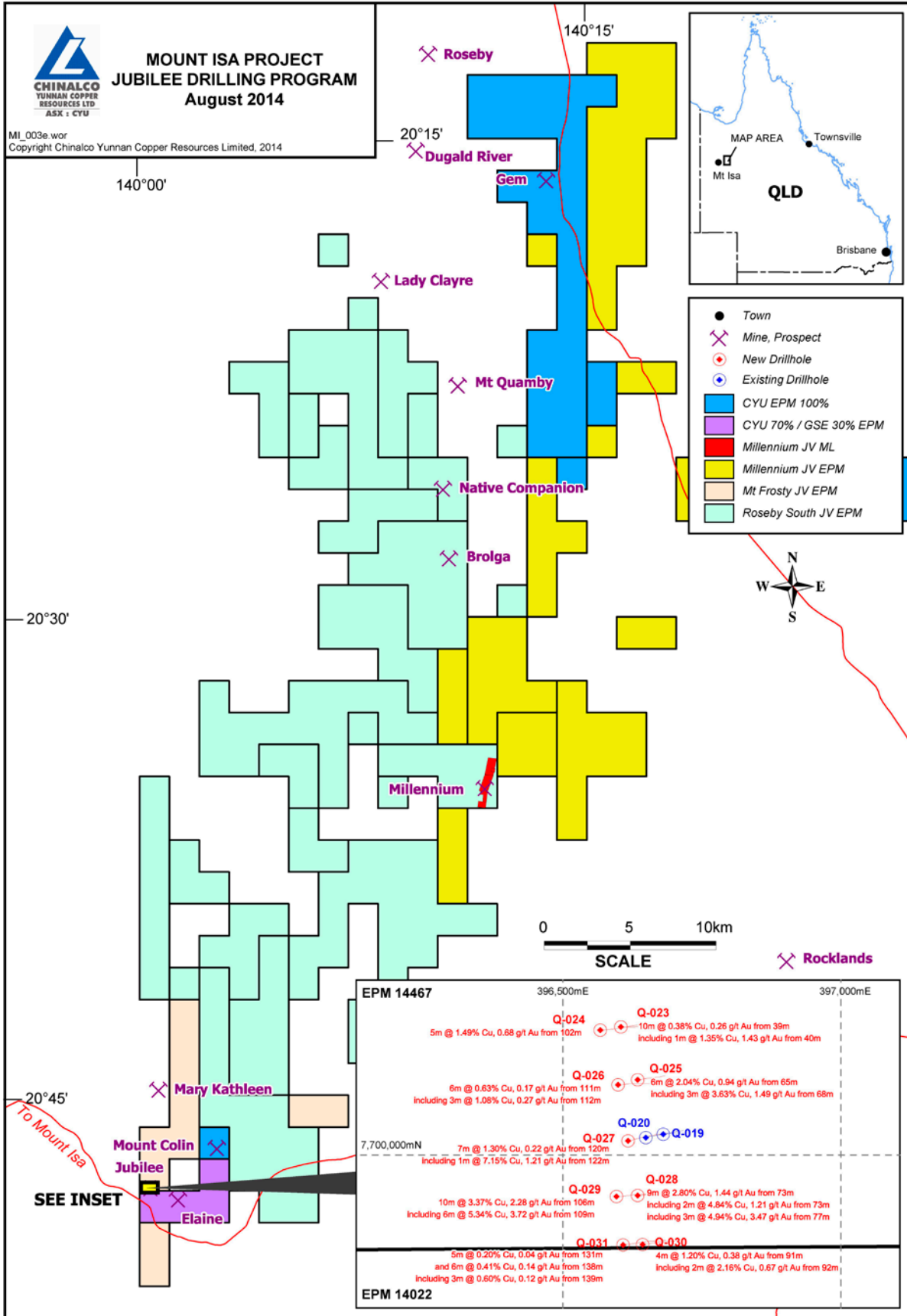
CYU has offices in Brisbane, and Mt Isa. The Company is listed on the ASX under the symbol “CYU”.

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

*The information regarding exploration activities and information set out in this ASX Release is based on information compiled by Mr Trevor Leahey, a Competent Person, who is CYU's Exploration Manager and a Member of the Australasian Institute of Mining and Metallurgy. Mr Leahey has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity that is being undertaken 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. Leahey consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*

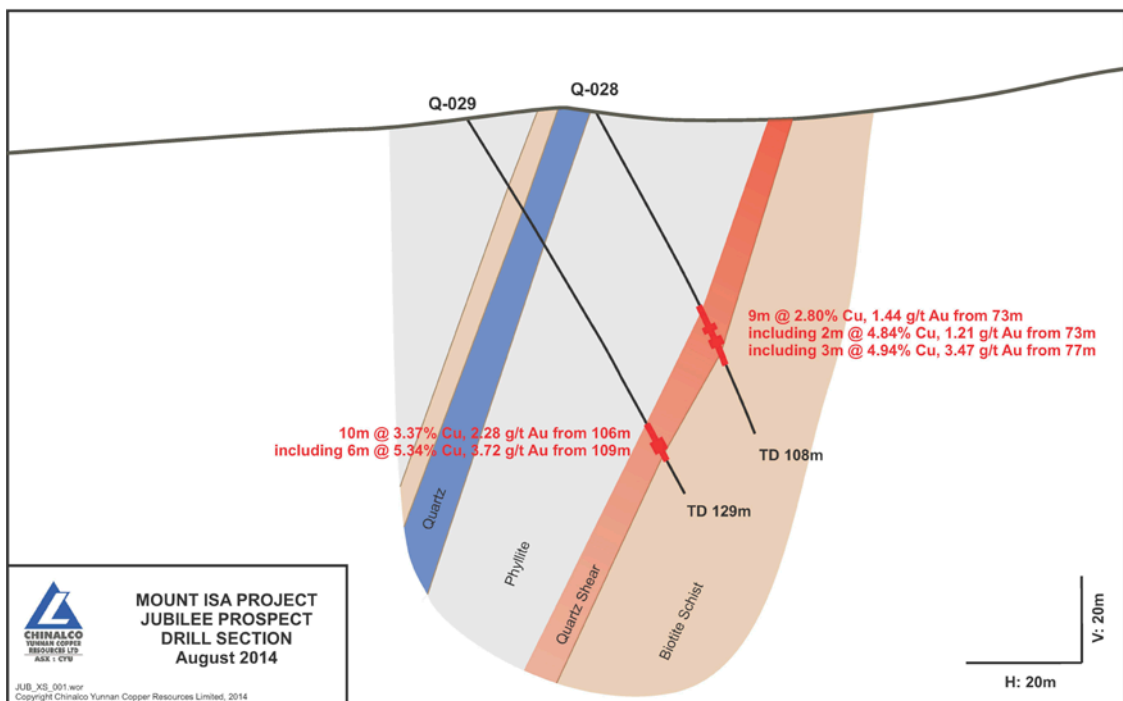
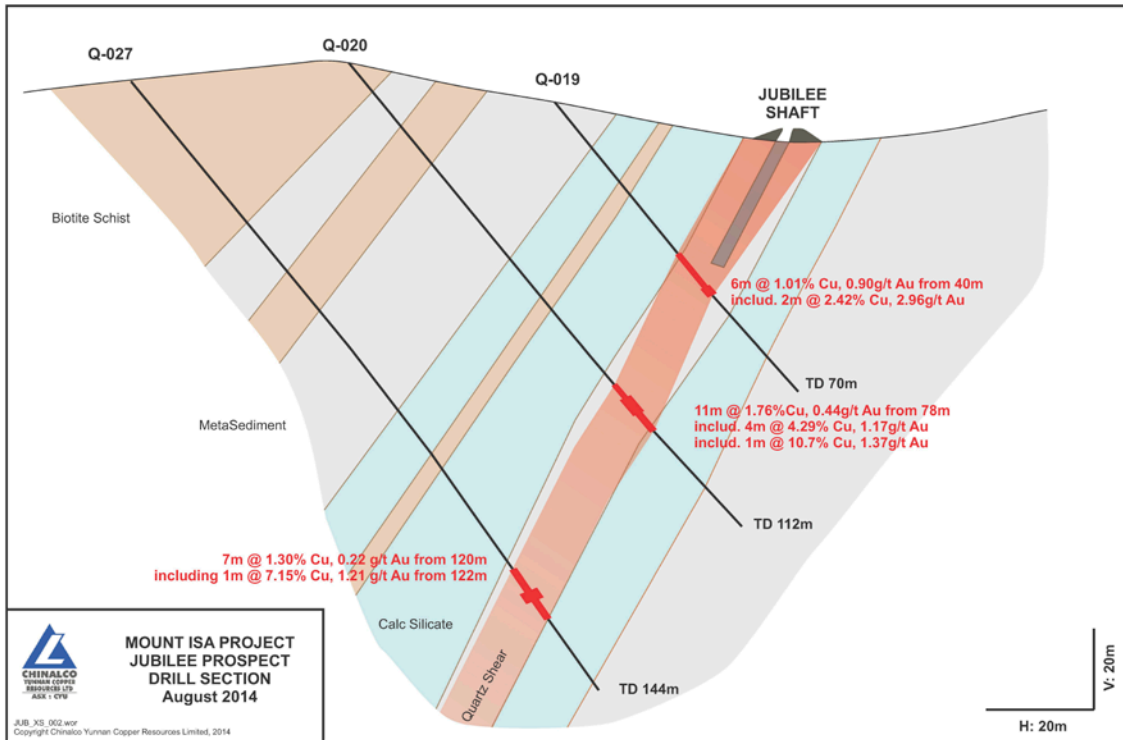
## ANNEXURE A

(Location of Jubilee drill holes and initial assay results)



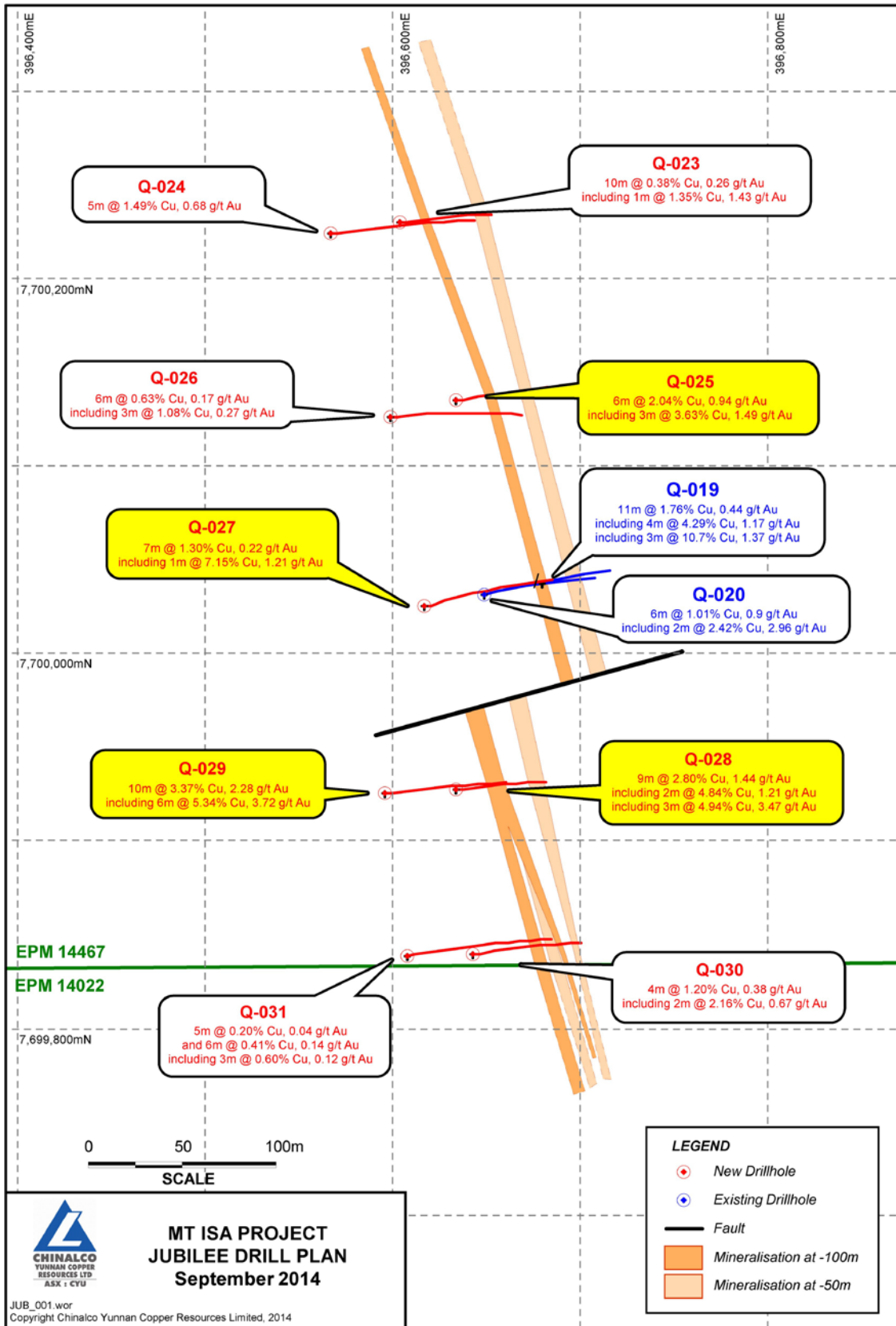
## ANNEXURE B

(High grade drill hole cross-sections at Jubilee)



## ANNEXURE C

(Projection of Jubilee mineralisation from surface)



# JORC Code, 2012 Edition – Table 1 – RC DRILLING – BLUE CAESAR/ JUBILEE – SEPTEMBER 2014

## Section 1 Sampling Techniques and Data

	JORC Code explanation	Commentary
Criteria		
Sampling techniques	<ul style="list-style-type: none"> <li>Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.</li> <li>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</li> <li>Aspects of the determination of mineralisation that are Material to the Public Report.</li> <li>In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.</li> </ul>	<ul style="list-style-type: none"> <li>reverse circulation drilling was used to obtain 1 m samples from which 1 kg was pulverised to produce a primary pulp from which ICP (ALS MEICP-41) and fire assay (ALS AA25) analyses were completed</li> </ul>
Drilling techniques	<ul style="list-style-type: none"> <li>Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).</li> </ul>	<ul style="list-style-type: none"> <li>Reverse Circulation drilling using face sampling bit; Schram 610 with 1100cfm @450psi air.</li> </ul>
Drill sample recovery	<ul style="list-style-type: none"> <li>Method of recording and assessing core and chip sample recoveries and results assessed.</li> <li>Measures taken to maximise sample recovery and ensure representative nature of the samples.</li> <li>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</li> </ul>	<ul style="list-style-type: none"> <li>Sample recoveries noted on Log sheet</li> <li>Sample collected in cyclone prior to riffle splitting using triple-deck splitter</li> <li>No obvious relationship between sample recovery and grade</li> </ul>
Logging	<ul style="list-style-type: none"> <li>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</li> <li>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</li> <li>The total length and percentage of the relevant intersections logged.</li> </ul>	<ul style="list-style-type: none"> <li>Washed chip samples logged on site using qualitative and descriptive terminology.</li> </ul>
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> <li>If core, whether cut or sawn and whether quarter, half or all core taken.</li> <li>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</li> <li>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</li> <li>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</li> <li>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</li> <li>Whether sample sizes are appropriate to the grain size of the material being sampled.</li> </ul>	<ul style="list-style-type: none"> <li>Riffle splitting of dry samples</li> <li>Sample preparation methods appropriate to exploration drilling</li> <li>Field Duplicate samples taken;</li> </ul>



	JORC Code explanation	Commentary
Criteria		
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> <li>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</li> <li>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</li> <li>Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.</li> </ul>	<ul style="list-style-type: none"> <li>Samples are hand delivered to the ALS laboratory in Mt Isa for sample preparation of fine crush, riffle split and pulverizing of 1kg to 85% &lt; 75µm.</li> <li>Pulps are analyzed by using method code ME-ICP41, a 34 element determination using an aqua-regia digestion with ICP-AES determination and by fire assay for gold using a 30g charge (method code AA-25)</li> <li>GBM® Standards are inserted in the sample sequence at the rate of 1 in 20 samples.</li> </ul>
Verification of sampling and assaying	<ul style="list-style-type: none"> <li>The verification of significant intersections by either independent or alternative company personnel.</li> <li>The use of twinned holes.</li> <li>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</li> <li>Discuss any adjustment to assay data.</li> </ul>	<ul style="list-style-type: none"> <li>No independent verification required at this stage</li> <li>Laboratory CSV files are merged with drillhole data files using unique sample numbers as the key.</li> <li>No adjustments made to assay data</li> </ul>
Location of data points	<ul style="list-style-type: none"> <li>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</li> <li>Specification of the grid system used.</li> <li>Quality and adequacy of topographic control.</li> </ul>	<ul style="list-style-type: none"> <li>Drillholes are located using handheld GPS receivers.</li> <li>UTM projection GDA94 Zone 54</li> <li>Topographic control from handheld GPS survey using local differential control.</li> </ul>
Data spacing and distribution	<ul style="list-style-type: none"> <li>Data spacing for reporting of Exploration Results.</li> <li>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</li> <li>Whether sample compositing has been applied.</li> </ul>	<ul style="list-style-type: none"> <li>Phase 2 exploration drilling at nominal 100m section spacing and 100m toe spacing.</li> <li>Too early for resource estimation</li> <li>No compositing has been applied.</li> </ul>
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> <li>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</li> <li>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</li> </ul>	<ul style="list-style-type: none"> <li>Drill sections are transverse to the strike of the outcrop.</li> <li>No bias is believed to be introduced by the sampling method.</li> </ul>
Sample security	<ul style="list-style-type: none"> <li>The measures taken to ensure sample security.</li> </ul>	<ul style="list-style-type: none"> <li>Samples are hand delivered by CYU staff to the ALS laboratory in Mount Isa</li> </ul>
Audits or reviews	<ul style="list-style-type: none"> <li>The results of any audits or reviews of sampling techniques and data.</li> </ul>	<ul style="list-style-type: none"> <li>Internal review of methodology is undertaken regularly by senior company personnel.</li> </ul>

## Section 2 Reporting of Exploration Results

	JORC Code explanation	Commentary
<b>Criteria</b>		
Mineral tenement and land tenure status	<ul style="list-style-type: none"> <li>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</li> <li>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</li> </ul>	<ul style="list-style-type: none"> <li>The Quamby Project consists of +1,000km<sup>2</sup> under Earn-In agreements with Altona Mining Ltd, Elementos Ltd and Mount Isa Mines Ltd.</li> <li>There are no known impediments to exploration in the current area of operations.</li> </ul>
Exploration done by other parties	<ul style="list-style-type: none"> <li>Acknowledgment and appraisal of exploration by other parties.</li> </ul>	<ul style="list-style-type: none"> <li>The RC drill programs were designed as further tests of CYU's ongoing exploration program.</li> </ul>
Geology	<ul style="list-style-type: none"> <li>Deposit type, geological setting and style of mineralisation.</li> </ul>	<ul style="list-style-type: none"> <li>The Blue Caesar mineralization occurs as a shallow dipping zone chalcopyrite-pyrrhotite within skarn alteration.</li> <li>The Jubilee mineralization is localized within a north trending quartz shear.</li> </ul>
Drill hole Information	<ul style="list-style-type: none"> <li>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: <ul style="list-style-type: none"> <li>easting and northing of the drill hole collar</li> <li>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</li> <li>dip and azimuth of the hole</li> <li>down hole length and interception depth</li> <li>hole length.</li> </ul> </li> <li>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</li> </ul>	see Collar Table below
Data aggregation methods	<ul style="list-style-type: none"> <li>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.</li> <li>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</li> <li>The assumptions used for any reporting of metal equivalent values should be clearly stated.</li> </ul>	<ul style="list-style-type: none"> <li>Summary intersections are length weighted averages of assay data using nominal 1000ppmCu cutoffs.</li> </ul>
Relationship between mineralisation widths and intercept	<ul style="list-style-type: none"> <li>These relationships are particularly important in the reporting of Exploration Results.</li> <li>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</li> <li>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').</li> </ul>	<ul style="list-style-type: none"> <li>Drillholes are believed to be transverse to mineral trends and almost perpendicular to dip</li> </ul>
Diagrams	<ul style="list-style-type: none"> <li>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</li> </ul>	<ul style="list-style-type: none"> <li>See report content</li> </ul>

	JORC Code explanation	Commentary
<b>Criteria</b>		
Balanced reporting	<ul style="list-style-type: none"> <li>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</li> </ul>	see report content
Other substantive exploration data	<ul style="list-style-type: none"> <li>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</li> </ul>	<ul style="list-style-type: none"> <li></li> </ul>
Further work	<ul style="list-style-type: none"> <li>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</li> <li>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</li> </ul>	<ul style="list-style-type: none"> <li>Follow-up drilling along strike and down-dip is planned for later in 2014.</li> </ul>

### Drillhole Collar Data

Name	East	North	RL	Collar Az	Collar Dip	Total Depth	Prospect
Q-021	397682	7700221	377	260	-70	145	BC
Q-022	397766	7700113	394	260	-80	162	BC
Q-023	396604	7700230	399	80	-60	90	JUB
Q-024	396567	7700224	397	80	-60	144	JUB
Q-025	396634	7700135	407	80	-60	90	JUB
Q-026	396599	7700126	405	80	-60	138	JUB
Q-027	396617	7700025	402	80	-60	144	JUB
Q-028	396634	7699927	394	79	-60	108	JUB
Q-029	396596	7699925	391	80	-60	129	JUB
Q-030	396643	7699839	392	79	-60	108	JUB
Q-031	396608	7699838	391	78	-60	174	JUB