



Prospectus

Chinalco Yunnan Copper Resources Ltd ABN 29 070 859 522

A non-renounceable entitlement offer to Eligible Shareholders of One (1) New Share at \$0.006 each for every Two (2) Shares held to raise approximately \$1.77 million before costs of the Offer

The Offer is partially underwritten by Bienital International Industrial Co., Ltd up to \$1,384,615.38, or approximately 230,769,230 New Shares and Managing Director, Paul Williams, up to \$100,000 or approximately 16,666,667 New Shares.

This is an important document and requires your immediate attention.

The New Shares offered by this document should be considered speculative.

This document should be read in its entirety. If after reading this document you have any questions about the Offer or the New Shares then you should consult your stockbroker, accountant or other professional adviser.

Your Entitlement and Acceptance Form and Application Monies must be received by the Share Registry no later than 5:00pm (Sydney time) on 14 October 2016. Please refer to the timetable set out in this Prospectus for the important dates.

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Offer statistics

Number of New Shares to be issued	295,638,237
Offer Price	\$0.006

Timetable for important dates

Announcement of the Offer	Prior to the commencement of trading on 20 September 2016
Prospectus lodged with ASIC and ASX together with Appendix 3B	20 September 2016
Notice sent to Eligible Shareholders with information on the Offer	21 September 2016
Shares commence trading on an "ex" basis ("ex" date)	22 September 2016
Record Date to determine Entitlements under the Offer	26 September 2016 (7:00pm Sydney time)
Prospectus and Entitlement and Acceptance Forms dispatched to Eligible Shareholders and announced to the market	29 September 2016
Opening Date of Offer	29 September 2016
Closing Date of Offer	14 October 2016 (5:00pm Sydney time)
New Shares quoted on a deferred settlement basis	17 October 2016
Notification of undersubscriptions to ASX	19 October 2016
Expected date of issue of New Shares applied for under the Offer and any Shortfall	21 October 2016
Deferred settlement trading ends	21 October 2016
Expected date for commencement of normal trading of New Shares issued under the Offer on the ASX	24 October 2016
Expected date of dispatch of transaction confirmation statements	24 October 2016

These dates are indicative only and subject to change. Chinalco Yunnan Copper Resources Limited (**CYU** or **Company**) reserves the right, subject to the Corporations Act and the Listing Rules, to change any date including to extend the Closing Date of the Offer, to close the Offer early, to accept late acceptances either generally or in particular cases, or to withdraw or reduce the size of the Offer without notice. Any extension of the Closing Date will have a consequential effect on the issue date of New Shares. If the Offer is withdrawn, Application Monies will be returned without interest.

Important notices

This Prospectus is dated 20 September 2016 and was lodged with ASIC on the same date. Neither ASIC nor ASX takes any responsibility as to the contents of this Prospectus. No securities will be issued on the basis of this Prospectus any later than 13 months after the date of issue of this Prospectus.

This Prospectus contains an offer to Eligible Shareholders of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with Section 713 of the Corporations Act.

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No person is authorised to give any information or to make any representation in connection with the Offer that is not contained in this Prospectus. Any information or representation not contained in this Prospectus may not be relied upon as having been authorised by CYU in connection with the Offer. Neither CYU nor any other person warrants the future performance of CYU or any return on any investment made under this Prospectus, except as required by law and then, only to the extent so required.

Foreign Shareholders

The Offer is made only to those Eligible Shareholders with registered addresses in Australia and New Zealand and only those Eligible Shareholders will be offered New Shares. In making this Offer to Eligible Shareholders in New Zealand, the Company is relying on the Securities Act (Overseas Companies) Exemption Notice 2013 (New Zealand), by virtue of which this Prospectus is not required to be registered in New Zealand.

The Company has not investigated the regulatory requirements that may prevail in any country in which the Company's Shareholders may reside outside of Australia and New Zealand. The distribution of this Prospectus in jurisdictions outside Australia and New Zealand may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe those restrictions. It is the responsibility of overseas Applicants to ensure compliance with all laws of any country relevant to their acceptance of the Offer. Any failure to comply with restrictions might constitute a violation of applicable securities laws.

The Offer may only be accepted by Eligible Shareholders and does not constitute an offer in any place in which or to any person to whom, it would be unlawful to make such an offer.

CYU has decided that it is unreasonable to make an Offer to Shareholders with registered addresses outside Australia and New Zealand having regard to the number of Shareholders in those places, the number and value of the New Shares they would be offered and the cost of complying with the legal and regulatory requirements in those places. Accordingly, the Offer is not being extended to, and does not qualify for distribution or sale by, and no New Shares will be issued to Shareholders having registered addresses outside Australia and New Zealand.

How to accept Entitlement to New Shares

Entitlements to New Shares can be accepted in full or in part by completing and returning the Entitlement and Acceptance Form which is accompanying this Prospectus or making payment of Acceptance Money by BPAY® in accordance with the instructions set out in this Prospectus and in the Entitlement and Acceptance Form.

This Prospectus is available in electronic form on the Internet at www.cycal.com.au. If you wish to obtain a free copy of this Prospectus, please contact the Company on 1300 733 154 (within Australia) and +61 1300 733 154 (from outside Australia).

Terms Used

A number of terms and abbreviations used in this Prospectus have defined meanings, which are explained in the definitions and glossary in Section 9.

Money as expressed in this Prospectus is in Australian dollars unless otherwise indicated.

Forward looking statements

Certain statements in this Prospectus constitute forward looking statements. Forward-looking statements include those containing such words as 'anticipate', 'estimate', 'should', 'will', 'expects', 'plans' or similar expressions. Investors should note that these statements are inherently subject to uncertainties in that they may be affected by a variety of known and unknown risks, variables and other factors which could cause actual values or results, performance or achievements to differ

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materially from anticipated results, implied values, performance or achievements expressed, projected or implied in the statements. These risks, variables and factors include, but are not limited to, the matters described in Section 7. The Company gives no assurance that the anticipated results, performance or achievements expressed or implied in those forward-looking statements will be achieved.

Warning

No person named in this Prospectus, nor any other person, guarantees the performance of CYU, the repayment of capital or the payment of a return on the New Shares. Please read this document carefully before you make a decision to invest. An investment in the Company has specific risks which you should consider before making a decision to invest.

The information in this Prospectus does not constitute a securities recommendation or financial product advice. In preparing this Prospectus, CYU has not taken into account the investment objectives, financial situation or particular needs of any particular person. Accordingly, before acting on this Prospectus, you should assess whether a further investment in CYU would be appropriate in light of your own circumstances.

Privacy

The privacy obligations and policy relating to this Prospectus are contained in the privacy disclosure statement in Section 8.

Contact details

If you are an Eligible Shareholder and have any questions in relation to the Offer, please contact your stockbroker or professional adviser. If you have any questions in relation to the Shares upon which your Entitlement has been calculated, or how to complete the Entitlement and Acceptance Form or take up your Entitlement, you may contact CYU's Share Registry on 1300 733 154 (within Australia) or +61 1300 733 154 (outside Australia) between 8:30am and 5:30pm (Sydney time) Monday to Friday.

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Letter from the Chairman

20 September 2016

Dear CYU Shareholder

On behalf of the Directors of CYU, we are pleased to invite all Eligible Shareholders to participate in a non-renounceable entitlement offer, as described in this Prospectus.

Each Eligible Shareholder is being offered the right to acquire additional fully paid ordinary shares in the Company (**New Shares**) at \$0.006 per New Share to raise approximately \$1.77 million before costs (**Offer**). The number of New Shares to which you are entitled is specified in the enclosed Entitlement and Acceptance Form. In addition to the Entitlement, Shareholders are also able to apply for additional New Shares if they wish to do so.

The focus of CYU management continues to be the acquisition of project interests in Africa (Democratic Republic of Congo in particular), but has also more recently been examining Australian-based gold exploration and mining projects. Whilst CYU does not have any particular transactions to disclose, management consider it likely that an opportunity will be secured over the next few months, having regard to the number of opportunities that have been and continue to be considered.

The purpose of the Offer is to seek to raise approximately \$1.77 million in additional funds. These funds are intended to be utilised primarily towards costs such as:

- due diligence in respect of opportunities CYU is looking to pursue and related expenses;
- project-related acquisition costs and fees that may be payable upon securing an opportunity, depending on the nature of the acquisition terms that are negotiated;
- administration costs; and
- general working capital.

Depending on the acquisition transaction that is ultimately secured by CYU, it is likely that additional funding will be required. The nature and scale of any additional fundraising by CYU will be disclosed as part of any new acquisition announcement. Further details are set out in Section 1.6 of this Prospectus.

The Shareholders of CYU who may participate in the Offer are those who have a registered address in Australia or New Zealand and who hold Shares in CYU at 7:00pm (Sydney time) on 26 September 2016. Under the Offer, CYU aims to raise approximately \$1.77 million from the issue of 295,638,237 New Shares at an issue price of \$0.006 per New Share.

The Offer is partially underwritten by the Company's second-largest Shareholder, Bienital International Industrial Co., Ltd (**BIC**). The partial underwriting means that the receipt of the funds sought under the Offer can be guaranteed up to \$1,384,615.38 and the Company will be able to implement its planned activities. The Company will pay BIC a nominal fee of \$1.00 in relation to the underwriting provided.

In addition, CYU's Managing Director, Paul Williams (**Williams**), has entered an underwriting agreement for an amount up to \$100,000. The Company will pay Williams a nominal fee of \$1.00 in relation to the underwriting provided.

If there is a Shortfall in the applications received from Eligible Shareholders, Eligible Shareholders who subscribe for their full Entitlement will also have the opportunity to apply for additional New Shares in the Shortfall at the same price of \$0.006 each. There is no guarantee of the number of New Shares issued under a Shortfall (if any) that will be available to Eligible Shareholders and the allocation of those New Shares amongst Applicants will be at the discretion of the Board of Directors of CYU in accordance with the policy described in Section 3.4 of this Prospectus.

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To participate in the Offer, you will need to complete the Entitlement and Acceptance Form and return it with the required Application Monies, or make an application via BPAY®, so that it is received by CYU's Share Registry by 5:00pm (Sydney time) on 14 October 2016 and otherwise in accordance with the instructions contained on the Form. Further details of how you may accept the Offer are also set out in Section 3.4 of this Prospectus.

Investing in New Shares in CYU involves risk. There are a number of factors, both specific to CYU and of a general nature, which may affect the future operating and financial performance of CYU and the value of your investment in CYU.

You should carefully read Section 7 of this Prospectus, which sets out in more detail some of the risks associated with an investment in New Shares. If you are unsure about subscribing for New Shares, you should first seek advice from your stockbroker, accountant, or financial or other professional adviser.

Further information about the Offer and your Entitlement to participate in the Offer is set out in this Prospectus, which you should read in its entirety before deciding whether to participate in the Offer.

On behalf of the Directors, we thank you for your continued support of CYU and encourage you to carefully consider this investment opportunity.

Yours faithfully

A handwritten signature in black ink, appearing to be 'Yao Zhihua', written in a cursive style.

Mr Zhihua Yao
Chairman

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1. Investment overview

The information set out in this Section is not intended to be comprehensive and should be read in conjunction with the full text of this Prospectus.

1.1 The Offer

This Prospectus is for the non-renounceable entitlement offer of One (1) New Share at \$0.006 each for every Two (2) Shares held by Eligible Shareholders at 7:00pm (Sydney time) on the Record Date of 26 September 2016 (**Offer**).

Only those Eligible Shareholders with registered addresses in Australia or New Zealand are entitled to participate in the Offer and, accordingly, only those Eligible Shareholders will be entitled to subscribe for New Shares.

On the same date as announcing the Offer, the Company applied to the ASX for the New Shares to be granted Official Quotation on the ASX.

The Directors may at any time decide to withdraw this Prospectus and the Offer of New Shares made under this Prospectus, in which case the Company will return all Application Monies (without interest) within 28 days of giving notice of such withdrawal.

1.2 New Share terms

Upon issue, each New Share will rank equally with all existing Shares then on issue. A summary of the rights and liabilities attaching to the New Shares is set out in Section 8.4.

1.3 How Eligible Shareholders can apply under the Offer

The number of New Shares to which an Eligible Shareholder is entitled and the total amount an Eligible Shareholder would have to pay if they choose to take up all of their rights to subscribe for New Shares is shown on the Entitlement and Acceptance Form accompanying this Prospectus. This Prospectus is for the information of Eligible Shareholders who are entitled and may wish to apply for the New Shares. Fractional entitlements will be rounded up to the nearest whole number.

Entitlements to New Shares can be accepted in full or in part by completing and returning the Entitlement and Acceptance Form which accompanies this Prospectus in accordance with the instructions set out below and in the Entitlement and Acceptance Form, or by making an application payment via BPAY®.

Application Monies for the New Shares must be received by the Company at its Share Registry by 5:00pm (Sydney time) on the Closing Date of 14 October 2016. Please refer to the timetable for the important dates of the Offer. For further details of how to take up your Entitlement and apply under the Offer, please refer to Section 3.

1.4 Additional New Shares

New Shares that are not acquired by Eligible Shareholders under the Offer will be placed in a pool of shares referred to as Additional New Shares. Eligible Shareholders who have accepted their Entitlement in full may apply for Additional New Shares, in addition to their Entitlement, at the Offer Price. Directors of CYU (and any other related parties of CYU) are not permitted to apply for Additional New Shares but may take up their Entitlement, if any, and/or participate as an underwriter as disclosed in this Prospectus.

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In the event that there is a Shortfall in subscriptions under the Offer, the Directors reserve the right, as contemplated within the Listing Rules and subject to the terms of the Underwriting Agreements, to allocate any Shortfall of New Shares in their discretion and in consultation with the Underwriters (which may include to subscribe for Additional New Shares) so as to ensure a maximum amount of funds is raised. They will do so in a manner which will ensure that no Shareholder will, as a consequence of taking up their Entitlement or being placed with any Shortfall, hold a relevant interest in more than 19.99% of all of the Shares in CYU after completion of the Offer (except as contemplated by the Underwriting Agreements).

Shareholders should be aware that to the extent that they do not accept their Entitlements in full, a Shortfall will arise and all or part of any Shortfall may be placed by the Company, in consultation with the Underwriters, to other parties, in which case their interest in the Company may be significantly diluted (see Section 6.3 for further details). Further, the Offer is not being extended to Shareholders with registered addresses outside of Australia and New Zealand and the holdings of those Shareholders in the Company will be diluted by the Offer.

Acceptance of Entitlements or the placement of any Shortfall may also result in existing Shareholders or new investors significantly increasing their interest in the Company or obtaining a substantial interest in the Company.

Applications for Additional New Shares can be made by completing the Additional New Shares section of the Entitlement and Acceptance Form, in accordance with the instructions on the form, and including the subscription price for these Additional New Shares with the payment for your Entitlement.

There is no guarantee that Eligible Shareholders will be successful in being allotted any of the Additional New Shares that they may apply for. The Company may reject any application for Additional New Shares or allocate fewer New Shares than applied for by subscribers for Additional New Shares. For further details regarding Additional New Shares and the Company's allocation policy for any Shortfall, please refer to Sections 2.4 and 3.4.

1.5 Directors' intentions in respect of Entitlements

As at the date of this Prospectus, some of the Directors of CYU have either a direct or indirect interest in Shares. Set out below is a table summarising the Entitlement of each Director (based on their current holding) and how they intend to treat their Entitlements.

Director	Shares	Entitlement	Intentions
Mr Zhihua Yao	299,922,326 ¹	149,961,163 ¹	Refer to Section 1.8
Mr Paul Williams	320,000	160,000	Refer to Section 1.8
Mr Zewen Yang	299,922,326 ¹	149,961,163 ¹	Refer to Section 1.8
Mr Xiancheng Wang	118,249,000 ²	-	Refer to Section 1.8

Note 1: Mr Yao and Mr Yang are executives within Yunnan Copper Industry (Group) Co. Ltd, which is the ultimate parent company of China Yunnan Copper (Australia) Investment and Development Co. Ltd (CYC). CYC holds 299,922,326 Shares – please refer to Section 1.8 below for further details regarding CYC's shareholding and intentions with respect to its Entitlement under the Offer.

Note 2: Mr Wang is the Chairman of JCHX Group. He and his family control JCHX Group and Bienital International Industrial Co., Ltd (BIC). BIC holds 118,249,000 Shares – please refer to Section 1.8 below for further details regarding BIC's shareholding. As BIC is not a resident of Australia or New Zealand, it is not entitled to participate in the Offer other than through the BIC Underwriting Agreement. The alternate director, Mr Qinghai Wang, holds the same interest in Shares as Mr Xiancheng Wang.

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1.6 Purpose of the Offer and use of funds

The funds raised under the Offer (after payment of expenses in connection with the Offer) will be used as follows:

Proposed use of funds	Minimum Subscription \$ (m)	Minimum Subscription %	Maximum Subscription \$ (m)	Maximum Subscription %
Due diligence in respect of opportunities CYU is looking to pursue and related expenses* (estimate only)	\$515,000	34.7%	\$640,000	36.2%
Initial project acquisition expenses upon securing an opportunity (estimate only)	\$420,000	28.3%	\$530,000	29.9%
Corporate and working capital	\$499,615	33.7%	\$550,000	31.1%
Costs of the Offer	\$50,000	3.3%	\$50,000	2.8%
Total	\$1,484,615	100.0%	\$1,770,000	100.0%

* The focus of CYU management continues to be the acquisition of project interests. Whilst CYU does not have any particular transactions to disclose, management consider it likely that an opportunity will be secured over the next few months, having regard to the number of opportunities that have been and continue to be considered.

In the event that circumstances change, business opportunities vary from expected, or other beneficial opportunities arise, the Directors reserve the right to vary the proposed use of funds to maximise the benefit to Shareholders.

1.7 Underwriting and potential effects on control

The Offer is partially underwritten up to \$1,384,615.38, representing approximately 230,769,230 New Shares by BIC. Details of the Underwriting Agreement with BIC (**BIC Underwriting Agreement**) are contained in Section 8.10 of this Prospectus. BIC currently has an interest in 118,249,000 Shares on issue (representing a 19.99% interest). BIC has agreed to subscribe for any Shortfall in the Offer up to a maximum of 230,769,230 New Shares in accordance with the BIC Underwriting Agreement. BIC is not a Shareholder resident in Australia or New Zealand and is therefore not entitled to participate in the Offer, other than through the BIC Underwriting Agreement.

The Offer is also partially underwritten up to \$100,000, representing 16,666,667 New Shares by CYU's Managing Director, Paul Williams. Details of the Underwriting Agreement with Mr Williams (**Williams Underwriting Agreement**) are contained in Section 8.10 of this Prospectus. The commitment under the Williams Underwriting Agreement will include Mr Williams' Entitlement under the Offer. Mr Williams currently has an interest in 320,000 Shares and 2,000,000 performance shares on issue and an Entitlement to 160,000 New Shares under the Offer. Williams has also agreed, on a best endeavours basis, to identify recipients for the balance of any Shortfall which may not be the subject of applications for Additional New Shares.

As announced on 19 January 2016, CYC (which has an Entitlement to 149,961,163 New Shares under the Offer) has advised CYU that it does not intend to provide future financial

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support to CYU and as a result, is not expected to subscribe for any New Shares. Consequently, if the Offer is fully subscribed and CYC does not accept any of its Entitlement, CYC's shareholding in the Company will reduce from 50.72% to 33.8%.

For further information regarding the potential effect of the Offer on control of CYU, please refer to Section 6.

1.8 FIRB approval

FIRB approval is not required in relation to any of the changes in the holdings of CYU's substantial shareholders that are likely to occur on completion of the Offer.

1.9 Investment highlights

The focus of CYU management continues to be the acquisition of project interests in Africa (Democratic Republic of Congo in particular), but has also more recently been examining Australian-based gold exploration and mining projects. Whilst CYU does not have any particular transactions to disclose, management consider it likely that an opportunity will be secured in over the next few months, having regard to the number of opportunities that have been and continue to be considered.

Please refer to Section 4 for further details.

1.10 Risk factors

Investing in the Company involves risk. There are factors, both specific to the Company and of a general nature, which may affect the future operating and financial performance of the Company. Some of these factors can be mitigated by appropriate commercial action. However, many are outside the control of the Company, dependent on the policies adopted and approaches taken by regulatory authorities, or cannot otherwise be mitigated. If you are unsure about subscribing for New Shares, you should first seek advice from your stockbroker, accountant, financial or other professional adviser.

The following sets out a summary of some of the key risks relevant to the Company and its operations (further details are contained in Section 7):

Risk	Details
Regulatory risk and government policy	The availability and rights to explore, as well as industry profitability generally, can be affected by changes in government policy that are beyond the control of CYU. The relevant government departments in the countries in which CYU may have interests do conduct reviews from time to time of policies in connection with the granting and administration of mining tenements. At present CYU is not aware of any proposed changes to policy that would affect its tenements.
Operational risks and costs	Prosperity for CYU will depend largely upon an efficient and successful implementation of all the aspects of exploration, developments, business activities and management of commercial factors. Exploration has been and will continue to be hampered on occasions by unforeseen weather events, accidents, unforeseen cost changes, environmental considerations, natural events and other incidents beyond the control of CYU.
Business risks	There are risks inherent in doing business, such as unexpected changes in regulatory requirements, trade

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	<p>barriers, longer payment cycles, problems in collecting accounts receivable, network and infrastructure issues and potentially adverse tax consequences, any of which could adversely impact on the success of CYU's operations.</p>
Contractual and joint venture risk	<p>CYU's ability to efficiently conduct its operations in a number of respects depends upon a third party product and service providers and contracts which have, in some circumstances, been entered into by CYU in this regard. As in any contractual relationship the ability for CYU to ultimately receive benefits from these contracts are dependent upon the relevant third party complying with its contractual obligations.</p> <p>To the extent that such third parties default in their obligations, it may be necessary for CYU to enforce its rights under any of the contracts and pursue legal action. Such legal action may be costly and no guarantee can be given by CYU that a legal remedy will ultimately be granted on appropriate terms.</p> <p>The Company may wish to develop its projects or future projects through joint venture arrangements, while some of the Company's projects are already the subject of joint venture arrangements. Any joint ventures entered into by, or interests in joint ventures assigned to the Company, could be affected by the failure or default of any of the joint venture participants.</p>
Tenements	<p>A failure to adhere to the requirements to exceed certain levels of expenditure on concessions and tenements held by CYU in various jurisdictions may make certain concessions and tenements subject to possible forfeiture. All granted concessions and tenements are currently in good standing and, in accordance with normal industry practice. CYU surrenders some or all un-prospective parts of its concessions and tenements at the appropriate time so as to manage its minimum expenditure obligations and to retain the capacity to apply for additional prospective areas.</p> <p>Applications for new concessions and tenements are never certain to be granted but CYU knows of no reason why any of its concession and tenement applications should not be granted in due course.</p>
Feasibility and development risks	<p>Given the early stage of the Company's projects, there will be a complex, multidisciplinary process to be undertaken to complete a feasibility study to support any development proposal. There is a risk that the feasibility study and associated technical works will not achieve the results expected. There is also a risk that even if a positive feasibility study is produced, the project may not be successfully developed for commercial or financial reasons.</p>
Additional requirements for capital	<p>Depending on the outcome of the Company's exploration programs and acquisition plans, the Company may require further financing in addition to amounts raised under this Prospectus. Any additional equity financing will dilute shareholdings and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as</p>

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	<p>needed, it may be required to reduce the scope of its operations and scale back its exploration programs. In addition, the Company's ability to continue as a going concern may be diminished.</p> <p>There is no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company and such circumstances will adversely affect the Company.</p>
Foreign jurisdiction risk	<p>The Company may be subject to political, economic and other uncertainties, including but not limited to changes in mining and exploration policies or the personnel administering them, nationalisation or expropriation of property, cancellation or modification of contractual rights, foreign exchange restrictions, currency exchange rate fluctuation, royalty and tax increases and other risks arising out of foreign government sovereignty over the areas in which the Company's operations are conducted.</p> <p>Changes in laws and regulations in foreign jurisdictions may have a significant effect on the Company's exploration operations, especially changes to environmental, mining, grant or renewal of concessions and taxation.</p> <p>As noted above, the focus of CYU management continues to be the acquisition of project interests in Africa (Democratic Republic of Congo in particular). The political conditions in jurisdictions such as the Democratic Republic of Congo are not as stable as Australia. Potential risk to the Company's activities may arise if there are changes to the political, legal and fiscal systems which might affect the ownership and operation of the Company's foreign interests. This may also include changes in exchange control regulations, expropriation of mining rights, changes in government and in legislative and regulatory regimes.</p>
Contractors	<p>The Company is dependent on contractors and suppliers to supply vital services to its operations. The Company is therefore exposed to the possibility of adverse developments in the business environments of its contractors and suppliers. Any disruption to services or supply may have an adverse effect on the financial performance of the Company.</p>
Reliance on key personnel	<p>In formulating its exploration programs, the Company relies to a significant extent upon the experience and expertise of the Directors and management. Although information concerning the Company's tenements has been chronicled, the loss of one or more of these key personnel may adversely affect the Company's prospects of pursuing its exploration programmes within the timeframes and within the cost structure currently envisaged.</p> <p>Although the key personnel have a considerable amount of experience and have previously been successful in their pursuits of important prospecting discoveries, there is no guarantee or assurance that they will be successful in their objectives pursuant to this Company.</p>
Employees	<p>The ability of the Company to achieve its objectives depends on being able to retain certain key employees, skilled operators and tradespeople. Whilst the Company</p>

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	has entered into employment contracts with key employees, the retention of their services cannot be guaranteed. The loss of key employees or skilled operators and tradespeople could significantly affect the performance of the Company's operations.
Native Title risk	The <i>Native Title Act 1993</i> (Cth) recognises certain rights of indigenous Australians over land where those rights have not been extinguished. These rights, where they exist, may impact on the ability of the Company to carry out exploration and in future, mining activities, or obtain exploration or mining licences in Australia. In applying for licences over crown land, the Company must observe the provisions of Native Title legislation.
Investment speculative	Potential investors should consider that an investment in the Company is highly speculative and should consult their professional advisers before deciding whether to apply for New Shares.

In addition, there are a number of general risks that are common to all investments in shares and are not specific to the business model and operations of the Company. Further details regarding risks which may affect the Company in the future are set out in Section 7.

The New Shares offered under this Prospectus carry no guarantee of profitability, dividends, return of capital or the price at which they may trade on ASX. The past performance of the Company should not necessarily be considered a guide to their future performance.

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2. Details of the Offer

2.1 Offer to Eligible Shareholders

The Directors of CYU have approved a non-renounceable entitlement offer of 295,638,237 New Shares at \$0.006 per New Share to raise approximately \$1.77 million (before costs of the Offer). Eligible Shareholders of CYU are entitled to subscribe for One (1) New Share for every Two (2) Shares held. Only those Eligible Shareholders shown on the share register at 7:00pm (Sydney time) on the Record Date of 26 September 2016 will be entitled to participate in the Offer.

CYU has applied to the ASX for the New Shares to be granted Official Quotation on the ASX. ASX Participating Organisations (as defined in the ASX Business Rules) cannot deal in the New Shares either as principal or agent until Official Quotation is granted.

2.2 Eligible Shareholders

The Offer is open to Eligible Shareholders, that is Shareholders who are registered as at 7:00pm (Sydney time) on the Record Date of 26 September 2016 with addresses in Australia and New Zealand.

Eligible Shareholders do not include Shareholders with registered addresses outside Australia and New Zealand.

2.3 Entitlement

As an Eligible Shareholder, your Entitlement will be based on a pro-rata ratio of One (1) New Share for every Two (2) Shares held as at the Record Date. In total, up to 295,638,237 New Shares will be issued pursuant to the Offer. In calculating the Entitlement, fractional entitlements to New Shares determined in respect of each holding will be rounded up to the nearest whole number of New Shares. The Offer Price for New Shares will be \$0.006 per New Share.

Shareholders who take up their Entitlements in full will not have their percentage shareholding in CYU diluted as a result of the Offer. The percentage shareholding in CYU of Shareholders who do not take up all of their Entitlements and of Shareholders with registered addresses outside Australia and New Zealand will be diluted.

Your Entitlement is non-renounceable, which means it cannot be sold. For further details of how to take up your Entitlement and apply under the Offer, please refer to Section 3.

2.4 Additional New Shares

New Shares that are not acquired by Eligible Shareholders under the Offer will be placed in a pool of shares referred to as Additional New Shares.

Eligible Shareholders who have accepted their Entitlement in full may apply for Additional New Shares, in addition to their Entitlement, at the Offer Price. Directors of CYU (and any other related parties of CYU) are not permitted to apply for Additional New Shares but may take up their Entitlement, if any, and/or participate as an underwriter as disclosed in this Prospectus.

In the event that there is a Shortfall in subscriptions under the Offer, the Directors reserve the right, as contemplated within the Listing Rules and subject to the terms of the Underwriting Agreements, to allocate any Shortfall of New Shares in their discretion in consultation with the Underwriters (which may include to subscribers for Additional New Shares) so as to ensure a maximum amount of funds is raised. They will do so in a manner which will ensure that no Shareholder will, as a consequence of taking up their Entitlement or being placed with any Shortfall, hold a relevant interest in more than 19.99% of all of the Shares in CYU after

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completion of the Offer (except as contemplated by the BIC Underwriting Agreement and the Williams Underwriting Agreement).

Applications for Additional New Shares can be made by completing the Additional New Shares section of the Entitlement and Acceptance Form, in accordance with the instructions on the form, and including the consideration for these Additional New Shares with the payment for your Entitlement.

There is no guarantee that Eligible Shareholders will be successful in being allotted any of the Additional New Shares that they may apply for. The Company may reject any application for Additional New Shares or allocate fewer New Shares than applied for by subscribers for Additional New Shares.

For further details regarding Additional New Shares and the Company's allocation policy for any Shortfall, please refer to Section 3.4.

2.5 Closing Date of the Offer

Applications under the Offer must be received at the Company's Share Registry by no later than 5:00pm (Sydney time) on the Closing Date of 14 October 2016.

CYU reserves the right, subject to the Corporations Act, the Listing Rules and any requirements of the ASX, to accept late applications or, without notice, extend the Closing Date for the Offer. If the Closing Date is varied, subsequent dates may also be varied accordingly. Unless CYU decides to accept late applications or extend the Closing Date for the Offer, applications received after 5:00pm (Sydney time) on the Closing Date will be rejected and Application Monies will be refunded without interest.

2.6 Underwriting

The Offer is partially underwritten by BIC up to \$1,384,615.38 and Williams up to \$100,000, representing approximately 83.7% of the New Shares available under the Offer. Williams has also agreed, on a best endeavours basis, to identify recipients for the balance of any Shortfall. Details of the BIC Underwriting Agreement and the Williams Underwriting Agreement are contained in Section 8.10 of this Prospectus. BIC currently has an interest in 118,249,000 Shares on issue (representing 19.99% interest) and has agreed to subscribe for any Shortfall in the Offer up to a maximum of 230,769,230 New Shares in accordance with the BIC Underwriting Agreement. BIC is not a resident of Australia or New Zealand and is therefore not entitled to participate in the Offer, other than through the BIC Underwriting Agreement

Williams currently has an interest in 320,000 Shares on issue and has agreed to subscribe for a Shortfall in the Offer up to a maximum of 16,666,667 New Shares in accordance with the Williams Underwriting Agreement. The commitment under the Williams Underwriting Agreement will include Mr Williams' Entitlement under the Offer. Further details of the appointment of the Underwriters are set out in Section 8.10.

2.7 Minimum application

All applications must be for a whole number of New Shares. There is no minimum application under the Offer for Eligible Shareholders.

2.8 Allotment and allocation

CYU will proceed to allocate New Shares to successful Applicants under the Offer as soon as possible after the Closing Date and receiving ASX permission for Official Quotation of the New Shares.

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The issue of New Shares under the Offer is expected to occur on 21 October 2016. From this date, Applicants may call the Company's Share Registry to seek confirmation of this allocation.

In respect of Additional New Shares, the allocation policy is set out in Sections 2.4 and 3.4.

Successful Applicants will be notified in writing of the number of New Shares allocated to them as soon as possible following the allocation being made. It is the responsibility of Applicants to confirm the number of New Shares allocated to them prior to trading in New Shares.

Applicants who sell New Shares before they receive notice of the number of New Shares allocated to them do so at their own risk. No New Shares will be allotted or issued on the basis of this Prospectus later than 13 months after the date of issue of this Prospectus.

2.9 Important dates

Announcement of the Offer	Prior to the commencement of trading on 20 September 2016
Prospectus lodged with ASIC and ASX together with Appendix 3B	20 September 2016
Notice sent to Eligible Shareholders with information on the Offer	21 September 2016
Shares commence trading on an "ex" basis ("ex" date)	22 September 2016
Record Date to determine Entitlements under the Offer	26 September 2016 (7:00pm Sydney time)
Prospectus and Entitlement and Acceptance Forms dispatched to Eligible Shareholders and announced to the market	29 September 2016
Opening Date of Offer	29 September 2016
Closing Date of Offer	14 October 2016 (5:00pm Sydney time)
New Shares quoted on a deferred settlement basis	17 October 2016
Notification of undersubscriptions to ASX	19 October 2016
Expected date of issue of New Shares applied for under the Offer and any Shortfall	21 October 2016
Deferred settlement trading ends	21 October 2016
Expected date for commencement of normal trading of New Shares issued under the Offer on the ASX	24 October 2016
Expected date of dispatch of transaction confirmation statements	24 October 2016

These dates are indicative only and subject to change. CYU reserves the right, subject to the Corporations Act and the Listing Rules, to change any date including to extend the Closing Date of the Offer, to close the Offer early, to accept late acceptances either generally or in particular cases, or to withdraw or reduce the size of the Offer without notice. Any extension of the Closing Date will have a consequential effect on the issue date of New Shares. If the Offer is withdrawn, Application Monies will be returned without interest.

2.10 ASX listing

CYU has applied for the listing and quotation of the New Shares on the ASX.

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Should the New Shares under the Offer not be granted Official Quotation on the ASX within 3 months after the date of this Prospectus, none of the New Shares under this Prospectus will be issued and all Application Monies will be refunded without interest to Applicants within the time prescribed by the Corporations Act.

2.11 Transaction confirmation statements

Each successful Applicant under the Offer will be provided with a transaction confirmation statement which sets out the number of New Shares issued to that Applicant under the Offer, and other information required by the Corporations Act.

Transaction confirmation statements for the New Shares issued under the Offer are expected to be dispatched on 24 October 2016. It is the responsibility of Applicants to be sure of their respective holdings of New Shares prior to trading in them. Applicants who sell Shares before they receive their transaction confirmation statements will do so at their own risk.

2.12 No rights trading

Entitlements pursuant to the Offer are non-renounceable and accordingly will not be traded on the ASX.

2.13 CHES

CYU will apply to the ASX Settlement Pty Ltd for the New Shares to participate in the Clearing House Electronic Subregister System (**CHES**). After allotment of the New Shares, those who are issuer sponsored holders will receive an issuer sponsored statement and those who are CHES holders will receive an allotment advice. The CHES statements, which are similar in style to bank account statements, will set out the number of New Shares allotted to each successful Applicant pursuant to this Prospectus. The statement will also advise holders of their Holder Identification Number. Further statements will be provided to holders which reflect any changes in their holding in CYU during a particular month.

2.14 Options

The Company currently has no unlisted options on issue. As a consequence, there is no need to consider the participation rights of optionholders in relation to the Offer.

2.15 Foreign Shareholders

CYU has not made investigations as to the regulatory requirements that may prevail in the countries, outside of Australia and New Zealand, in which CYU's Shareholders reside.

CYU has decided that it is unreasonable to make offers under this Prospectus to Shareholders with registered addresses outside Australia and New Zealand having regard to the small number of these Shareholders, the small number and value of the New Shares these Shareholders would be offered and the cost of complying with the legal and regulatory requirements in the relevant overseas jurisdictions. Accordingly, the Offer is not being extended to, and does not qualify for distribution or sale by, and no New Shares will be issued to Shareholders having registered addresses outside Australia and New Zealand.

This Prospectus does not constitute an offer of New Shares in any place outside Australia and New Zealand in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus. Where the Prospectus has been dispatched to Shareholders domiciled in a place outside Australia and New Zealand, the Prospectus is provided for information purposes only. No Entitlement and Acceptance Forms will be sent to these foreign Shareholders. The distribution of this Prospectus and the accompanying Entitlement and Acceptance Form in jurisdictions outside Australia and New Zealand may be restricted by law and persons who come into possession of this Prospectus and the accompanying Form should

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seek advice on and observe those restrictions. Any failure to comply with those restrictions may constitute a violation of applicable securities laws.

In particular, this Prospectus does not constitute an offer for sale of New Shares or any rights to a security into the United States or to U.S. persons (as defined for the purposes of the U.S. Securities Act 1933). The New Shares and rights have not been, and will not be, registered under the U.S. Securities Act 1933 and must not be offered or sold within the United States or to U.S. persons unless they are registered under the US Securities Act 1933 or exemption from the registration required under the U.S. Securities Act 1933 is available.

By lodging a completed Entitlement and Acceptance Form, the Applicant is taken to have warranted to and for the benefit of CYU that it is able to participate in the Offer without breaching any law or regulation in the Applicant's jurisdiction.

In making this Offer to Eligible Shareholders in New Zealand, the Company is relying on the Securities Act (Overseas Companies) Exemption Notice 2013 (New Zealand), by virtue of which this Prospectus is not required to be registered in New Zealand.

2.16 **Notice to nominees and custodians**

Nominees and custodians may not distribute any part of this document in the United States or in any other country outside of Australia and New Zealand, except to beneficial Shareholders in another country (other than the United States) where the Company may determine it is lawful and practical to make the Offer. Any person in the United States with a holding through a nominee may not participate in the Offer.

2.17 **FIRB approval**

FIRB approval is not required in relation to any of the changes in the holdings of CYU's substantial shareholders that are likely to occur on completion of the Offer.

2.18 **Electronic Prospectus**

An electronic version of this Prospectus is available online at www.cycal.com.au.

The Entitlement and Acceptance Form may only be distributed together with a complete and unaltered copy of the Prospectus. CYU will not accept a completed Entitlement and Acceptance Form if it has reason to believe that the investor has not received a complete paper copy or electronic copy of the Prospectus or if it has reason to believe that the Entitlement and Acceptance Form or electronic copy of the Prospectus has been altered or tampered with in any way.

While CYU believes it is extremely unlikely that in the Offer period the electronic version of the Prospectus will be tampered with or altered in any way, CYU cannot give any absolute assurance that it will not be the case. Any investor in doubt concerning the validity or integrity of an electronic copy of the Prospectus should immediately request a paper copy of the Prospectus directly from CYU or the Share Registry.

2.19 **Excluded Information**

The Company is not aware of any Excluded Information at the time of announcing this Offer. The Company continues to monitor, and seeks to identify, opportunities with respect to its assets which may enhance Shareholder value. In this regard, the Company from time to time may undertake an assessment of acquisition opportunities for projects that are either in production or near to commencing production – this involves the conduct of detailed technical and financial due diligence. The Company will keep the market up to date with respect to such enquiries or discussions in accordance with its obligations under the Corporations Act and the Listing Rules.

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3. How Eligible Shareholders can apply under the Offer

This Section does not apply to Shareholders with registered addresses outside Australia and New Zealand.

3.1 How to apply under the Offer

The number of New Shares which you are entitled to subscribe for under the Offer is shown on the accompanying Entitlement and Acceptance Form. You may:

- (a) take up all of your Entitlement and subscribe for all of the New Shares to which you are entitled;
- (b) take up all of your Entitlement and subscribe for all of the New Shares to which you are entitled, and apply for Additional New Shares in the Shortfall, if there is one;
- (c) take up some of your Entitlement and allow the balance to lapse; or
- (d) not take up any of your Entitlement and allow it to lapse.

3.2 Taking up some or all of your Entitlement

Pay by cheque

If you wish to take up some or all of your Entitlement and pay for the New Shares by cheque, you should complete the accompanying Entitlement and Acceptance Form (for all of the New Shares offered to you or such lesser number you wish to accept) in accordance with the instructions set out on the form.

Completed forms should be forwarded, together with your cheque for the amount due in respect of the number of New Shares you have accepted (being that number multiplied by \$ 0.006), in the enclosed reply paid envelope (New Zealand Shareholders will need to affix the appropriate postage) so that it is received by CYU's Share Registry no later than 5:00pm (Sydney time) on the Closing Date of 14 October 2016 by returning the form and payment to:

By delivery

Chinalco Yunnan Copper Resources Ltd
C/- Link Market Services Limited
1A Homebush Bay Drive
Rhodes NSW 2138, Australia

By post

Chinalco Yunnan Copper Resources Ltd
C/- Link Market Services Limited
GPO 3560
Sydney NSW 2001, Australia

Cheques must be for payment in Australian currency and drawn on an Australian financial institution or an Australian branch of a foreign financial institution. Cheques should be made payable to "Chinalco Yunnan Copper Resources Ltd" and crossed "Not Negotiable". Do not send cash. Receipts for payment will not be forwarded to Shareholders who subscribe for New Shares.

You should ensure that sufficient funds are held in the relevant accounts to cover the Application Monies. If the amount of your cheque for the Application Monies is insufficient to pay in full for the number of whole New Shares you have applied for in your Entitlement and Acceptance Form, you will be taken to have applied for such lower number of New Shares as your cleared Application Monies will pay for (and to have that number of New Shares on your

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Entitlement and Acceptance Form). Alternatively, your Application will be rejected. If your cheque does not clear due to insufficient funds in your account, your Application will be rejected.

Your completed Entitlement and Acceptance Form, once sent to CYU's Share Registry, cannot be withdrawn.

Entitlement and Acceptance Forms will **not** be accepted at CYU's registered office.

Pay by BPAY®

Alternatively, you may wish to make payment through the BPAY® facility. Payment by BPAY® should be made in accordance with the instructions set out on the Entitlement and Acceptance Form using the reference number shown on the form and must be received by 5:00pm (Sydney time) on the Closing Date of 14 October 2016, keeping in mind that payments made by BPAY may take one or more Business Days to clear. The reference number is used to identify your holding.

If you have multiple holdings, you will also have multiple reference numbers. You must use the reference number shown on each Entitlement and Acceptance Form to pay for each holding separately.

If you make your payment by BPAY® you do not need to complete and return the Entitlement and Acceptance Form. Your BPAY® payment cannot be withdrawn.

3.3 **Applying for Additional New Shares from any Shortfall**

Pay by cheque

If you wish to take up all of your Entitlement and apply for any New Shares remaining upon any Shortfall, you should complete the accompanying Entitlement and Acceptance Form for all of the New Shares offered to you in accordance with the instructions set out on the form, and also fill in the number of Additional New Shares you wish to apply for in the space provided on the form.

Completed forms should be forwarded, together with your cheque for the amount due in respect of the number of New Shares you have accepted and applied for (being that number multiplied by \$0.006) in accordance with the instructions on the form. Your completed Entitlement and Acceptance Form, once sent to CYU's Share Registry, cannot be withdrawn.

Pay by BPAY®

Alternatively, you may wish to make payment through the BPAY® facility. In that case follow the instructions for payment by BPAY® set out on the Entitlement and Acceptance Form as noted in Section 3.2 above.

If you make your payment by BPAY® you do not need to complete and return the Entitlement and Acceptance Form. Your BPAY® payment cannot be withdrawn.

3.4 **Additional New Shares and allocation policy for Shortfall**

New Shares from any Shortfall will only be allocated and issued if all Eligible Shareholders do not apply for their full Entitlements and the Offer is consequently undersubscribed. New Shares that are not acquired by Eligible Shareholders under the Offer will be placed in a pool of shares referred to as Additional New Shares.

Allocation of any Additional New Shares will be at the discretion of the Board of Directors of CYU (or their delegate for this purpose) in accordance with the following policy:

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- (a) The Directors reserve the right, as contemplated within the Listing Rules and subject to the terms of the BIC Underwriting Agreement and the Williams Underwriting Agreement, to allocate any Shortfall of New Shares in their discretion in consultation with the Underwriters (which may include to subscribers for Additional New Shares) so as to ensure a maximum amount of funds is raised. They will do so in a manner which will ensure that no Shareholder will, as a consequence of taking up their Entitlement or being placed with any Shortfall, hold a relevant interest in more than 19.99% of all of the Shares in CYU after completion of the Offer (except as contemplated by the BIC Underwriting Agreement and Williams Underwriting Agreement).
- (b) If CYU receives applications from Eligible Shareholders for Additional New Shares that would not result in the Offer being oversubscribed, CYU will, subject to the other terms of this policy, allocate those Additional New Shares to the Eligible Shareholders who applied for them.
- (c) If CYU receives applications for Additional New Shares that would result in the Offer being oversubscribed, CYU will not accept such oversubscriptions and will reject or scale back applications in a manner that the Board determines will result in the Eligible Shareholders who applied for the Additional New Shares being allocated the number of Additional New Shares that best approximates a pro rata allocation of the Additional New Shares by reference to their respective Shareholdings on the Record Date, provided that any such allocation will be in the ultimate discretion of the Board and provided that no Eligible Shareholders are to be allocated more Additional New Shares than they applied for.
- (d) Additional New Shares will be issued at the same time as all other New Shares are issued under the Offer.
- (e) CYU will not allocate or issue any additional New Shares from a Shortfall where it is aware that to do so would result in a breach of the Corporations Act, the Listing Rules or any other relevant legislation or law. Eligible Shareholders wishing to apply for Additional New Shares must consider whether the issue of the Additional New Shares applied for would breach the Corporations Act or the Listing Rules having regard to their own circumstances.
- (f) Directors of CYU (and any other related parties of CYU) are not permitted to apply for Additional New Shares but may take up their Entitlement, if any, and/or participate as an underwriter as disclosed in this Prospectus.
- (g) If CYU does not receive applications for all of the Additional New Shares on any Shortfall, the Directors of CYU (or their delegate for this purpose) reserve the right if there are still Additional New Shares that have not been applied for to place or otherwise issue them at their discretion (but at not less than the price under the Offer).

There is no guarantee that Eligible Shareholders will be successful in being allotted any of the Additional New Shares that they may apply for. The Company may reject any application for Additional New Shares or allocate fewer New Shares than applied for by subscribers for Additional New Shares.

3.5 Return of surplus Application Monies

Application Monies received but not applied towards subscriptions for Additional New Shares on a Shortfall will be refunded by cheque as soon as reasonably practicable following the allocation of the Additional New Shares. No interest will be paid on Application Monies held and returned.

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3.6 Acceptance

Receipt of your payment will constitute acceptance in accordance with, and your agreement to, the terms of the Offer, including those set out in this Prospectus.

The amount payable on acceptance will not vary during the period of the Offer and no further amount is payable on allotment. Application Monies will be held in trust in a subscription account until allotment of the New Shares. The subscription account will be established and kept by CYU on behalf of the Applicants. Any interest earned on the Application Monies will be retained by CYU irrespective of whether allotment takes place.

You should note that CYU is not required to issue any New Shares to a person accepting the Offer under this Prospectus unless:

- (a) the Share Registry receives a completed Entitlement and Acceptance Form and a cheque for the full amount due in respect of the New Shares by 5:00pm (Sydney time) on the Closing Date of 14 October 2016, and there are sufficient funds in the account on which the cheque is drawn so that the cheque clears in favour of CYU when it is first presented for payment; or
- (b) payment is received via the BPAY® facility for the relevant number of New Shares by 5:00pm (Sydney time) on the Closing Date of 14 October 2016.

3.7 Allow Entitlement to lapse

The Entitlement to which you are entitled may be valuable. If you decide not to take up some or all of your Entitlement, the Entitlement not taken up will lapse.

If you do not wish to exercise any of your Entitlement, you are not required to do anything. In that case, your Entitlement will lapse without any benefit to you. If you do nothing, then the New Shares representing your Entitlement may be issued to the Underwriter or other third parties in placing any Shortfall.

You should also note that, if you do not take up your Entitlement, then although you will continue to own the same number of Shares, your percentage shareholding in the Company will decrease.

3.8 Additional information

Payment will only be accepted in Australian currency and cheques and BPAY® payments must be drawn on an Australian bank, credit union or building society.

No stamp duty, brokerage or handling fees are payable by the Applicant for New Shares offered by this Prospectus.

3.9 Binding effect of Entitlement and Acceptance Form

A completed and lodged Entitlement and Acceptance Form, or a payment made through BPAY, constitutes a binding offer to acquire New Shares on the terms and conditions set out in this Prospectus and, once lodged or paid, cannot be withdrawn. If the Entitlement and Acceptance Form is not completed correctly it may still be treated as a valid application for New Shares. The Directors' decision whether to treat an acceptance as valid and how to construe, amend or complete the Entitlement and Acceptance Form is final.

By completing and returning your personalised Entitlement and Acceptance Form with the requisite Application Monies or making a payment by BPAY, you will also be deemed to have acknowledged, represented and warranted on behalf of each person on whose account you are acting that:

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- (a) you are an Eligible Shareholder and are not in the United States and are not a person (including nominees or custodians) acting for the account or benefit of a person in the United States and are not otherwise a person to whom it would be illegal to make an offer or issue New Shares under the Offer;
- (b) you acknowledge that the New Shares have not been, and will not be, registered under the US Securities Act or under the laws of any other jurisdiction outside of Australia and New Zealand; and
- (c) you have not and will not send any materials relating to the Offer to any person in the United States or to any person (including nominees or custodians) acting for the account or benefit of a person in the United States.

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4. Company overview

4.1 Update

The focus of CYU management continues to be the acquisition of project interests in Africa (Democratic Republic of Congo in particular), but has also more recently been examining Australian-based gold exploration and mining projects. Whilst CYU does not have any particular transactions to disclose, management consider it likely that an opportunity will be secured in over the next few months, having regard to the number of opportunities that have been and continue to be considered.

The purpose of this non-renounceable offer is to seek to raise approximately \$1.77 million in additional funds. These funds are intended to be utilised primarily towards costs such as:

- due diligence in respect of opportunities CYU is looking to pursue and related expenses;
- project-related acquisition costs and fees that may be payable upon securing an opportunity, depending on the nature of the acquisition terms that are negotiated;
- administration costs; and
- general working capital.

Depending on any acquisition transaction that is ultimately negotiated by CYU, it is likely that additional funding will be required. The nature and scale of any additional fundraising by CYU will be disclosed as part of any new acquisition announcement.

The Company's remaining Mount Isa exploration tenures have been on care and maintenance for most of the year, as the CYU Board reviews the ongoing participation in the Mount Isa region. It is likely that a final decision about these interests will be made at or about the same time as the new acquisition opportunities are secured.

4.2 Directors and management

Members of the Board of Directors have significant public company experience in resource companies, and a track-record of identifying exploration opportunities, raising capital, and developing mining operations.

The management team has extensive collective experience and expertise in the exploration, evaluation, feasibility studies, financing, development and operation of mineral projects.

The current Board does not have any independent directors. The position of each director and as to whether or not they are considered to be independent is set out below. The Board believe that the individuals on the Board can and do make quality and independent judgments in the best interest of the Company and other stakeholders notwithstanding that they are not independent directors in accordance with the criteria set out in the ASX Corporate Governance Principles and Recommendations.

Mr Zhihua Yao

Non-Executive Chairman, BSc, GradDip

Mr 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 YCI.

Mr Yao has over 29 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

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YCI. 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 has 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

Managing Director, BA LLB

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 HopgoodGanim Lawyers 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 Zewen Yang

Executive Director, BA, MComm, MAICD

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 CYCI 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 the University of New South Wales.

Mr Xiancheng Wang

Non-Executive Director

Mr Xiancheng Wang was born in August 1958 in China. He is of Chinese nationality with no permanent residence abroad. He holds a university diploma in engineering and now has a senior engineering qualification in China. He is the Chairman of JCHX Group Co., Ltd and JCHX Mining Management Co., Ltd.

Mr Wang served as a General Manager of JCHX Group Co., Ltd from December 1997 to May 2000. From March 1999 to now he served as the Chairman of the Company. From October 2010 to May 2011, Mr Wang served as the Chairman and General Manager of JCHX Mining Management Co., Ltd. From May 2011 to December 2014, he served as Chairman and President of JCHX Mining Management Co., Ltd.

Mr Wang is also involved in some activities with various social organizations and holds different titles in the organizations such as Adjunct Professor of Central South University and Beijing University of Science and Technology; specialist of Expert Committee of China Association of Work Safety Expert Group; member of leadership team of "Large scale ultra-deep metal mining safety key technology research projects" of State Administration of Work

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Safety; Vice president of China Association of Productivity; Vice President of Zambia and China Chamber of Commerce; Vice President of Beijing and Zhejiang Chamber of Commerce; and Academician (Mining) of World Productivity Academy.

[Note - Mr Qinghai Wang has been appointed as an Alternate Director for Mr Xiancheng Wang].

Mr Paul Marshall

Company Secretary and Chief Financial Officer, LLB, ACA

Paul Marshall is a Chartered Accountant. He holds a Bachelor of Laws degree, and a post Graduate Diploma in Accounting and Finance. He has 30 years in the accountancy profession having worked for Ernst and Young for 10 years, and subsequently 20 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.

Mr David A-Izzeddin

Exploration Manager, B App Sc (App Geol), B Sc (Hons)

David A-Izzeddin is a geologist with over 25 years' experience in exploration, project assessment, feasibility studies, mine development and business development across a broad range of commodities including gold, base metals, iron, uranium, phosphate and bauxite. David has worked in Australia, Asia-Pacific, Europe, North and South America and has extensive experience working in the Mount Isa Inlier.

He has operated in a number of operational and management roles and played a major role in the discovery and development of a number of ore deposits in Australia, Fiji and Serbia. David has also coordinated project generation activities for Xstrata Copper and has been directly involved in the successful negotiation of project acquisitions and joint venture agreements within Australia and internationally. Since leaving Glencore Xstrata in 2012 David has been running a successful consulting company, assisting private and public mining companies and private equity funds.

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5. Effect of Offer on the Company

5.1 Financial position

To illustrate the effect of the Offer on the Company, the pro-forma consolidated balance sheet has been prepared based on the reviewed Balance Sheet as at 30 June 2016.

The accounting policies adopted in preparation of the pro-forma consolidated balance sheet are consistent with the policies adopted and as described in the Company's financial statements for the half-year ended 30 June 2016.

The significant effects of the Offer (assuming the Offer is fully subscribed) will be to:

- (a) increase cash reserves by approximately \$1,720,000 (after cash expenses of the Offer which are estimated to be \$50,000); and
- (b) increase the number of Shares by 295,638,237 to 886,914,712, assuming a \$0.006 per New Share Offer Price.

If an Eligible Shareholder does not take up their Entitlement in full it will result in their percentage holding in the Company being diluted by the Offer.

The financial information has been prepared by management and adopted by the Board. The Board is responsible for the inclusion of all financial information in the Prospectus.

The historical and pro-forma financial information has been prepared in accordance with the measurement and recognition criteria of Australian Accounting Standards and the Company's significant accounting policies. The historical and pro-forma financial information is presented in an abbreviated form insofar as it does not include all the disclosures and notes required in an annual financial report prepared in accordance with Australian Accounting Standards and the Corporations Act.

5.2 Historical financial information

The historical financial information for the Company set out below comprises the review Balance Sheet as at 30 June 2016.

The historical financial information has been extracted from the reviewed financial statements of CYU for the 6 month period ended 30 June 2016. The Company is an exploration company, exploring for copper, gold and associated minerals. During the period from incorporation to 30 June 2016, the Company has not earned any revenue from operations and therefore presentation of the Statement of Comprehensive Income and Statement of Cash Flows is not considered relevant.

5.3 Pro-forma financial information

The pro-forma financial information for the Company set out below comprises the unaudited Pro-Forma Balance Sheet as at 30 June 2016.

The unaudited Pro-Forma Statements of Financial Position has been derived from the reviewed Balance Sheet as at 30 June 2016 adjusted for the following transactions as if they had occurred at 30 June 2016 (pro-forma transactions):

- (a) the issue of 295,638,237 ordinary Shares pursuant to a rights issue at an issue price of \$0.006 per Share to raise approximately \$1.77 million before costs (showing the position for both maximum subscription and minimum subscription); and

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- (b) total costs expected to be incurred in connection with the preparation of this Prospectus of approximately \$50,000.

All New Shares issued pursuant to this Prospectus will be issued as fully paid.

5.4 CYU's historical and pro-forma financial information

Statement of Financial Position	Audited Historical Financial Information 30 June 2016 \$	Pro-Forma Financial Information 30 June 2016 (Minimum Subscription) \$	Pro-Forma Financial Information 30 June 2016 (Maximum Subscription) \$
Current assets			
Cash and cash equivalents	965,071	2,399,686 ¹	2,688,900 ³
Trade and other receivables	12,464	12,464	12,464
Other current assets	9,939	9,939	9,939
Total current assets	987,474	2,422,089	2,711,303
Non-current assets			
Other receivables	20,257	20,257	20,257
Available for sale financial assets	35,000	35,000	35,000
Plant and equipment	37,505	37,505	37,505
Exploration expenditure	4,400,000	4,400,000	4,400,000
Total non-current assets	4,492,762	4,492,762	4,492,762
Total assets	5,480,236	6,914,851	7,204,065
Current liabilities			
Trade and other payables	256,623	256,623	256,623
Provisions	38,538	38,538	38,538
Total current liabilities	295,161	295,161	295,161
Total liabilities	295,161	295,161	295,161
Net assets	5,185,075	6,619,690	6,908,904
Equity			
Issued capital	40,670,035	42,104,650 ²	42,393,864 ⁴
Reserves	394,457	394,457	394,457
Accumulated losses	(35,879,417)	(35,879,417)	(35,879,417)
Total equity	5,185,075	6,619,690	6,908,904

¹ \$1,484,615 share capital raised less issue costs of \$50,000; net funds raised \$1,434,615.

² \$1,434,615 cash raised after issue costs.

³ \$1,773,829 share capital raised less issue costs of \$50,000; net funds raised \$1,723,829.

⁴ \$1,773,829 cash raised after issue costs.

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6. Control issues arising from the Offer

6.1 Present position

As at the date of this Prospectus, the Company's largest shareholder is CYC, which currently holds 299,922,326 Shares, representing 50.72% of the Shares on issue prior to the date of this Prospectus. The Company's second-largest shareholder, BIC, currently holds 118,249,000 Shares, representing 19.99% of the Shares on issue prior to the date of this Prospectus. BIC has agreed to partially underwrite the Offer to an amount of \$1,384,615.38 or approximately 230,769,230 New Shares.

6.2 Capital structure

Assuming full subscription under the Offer, the share capital structure of CYU immediately following the Offer (assuming the Offer is fully subscribed) will be as follows:

	Shares
Shares on issue at the date of the Prospectus	591,276,475
Maximum number of New Shares to be issued under the Prospectus	295,638,237
Total	886,914,712

As at the date of this Prospectus, the Company has no options on issue.

6.3 Potential effect of the Offer on control

The Offer is a pro-rata offer so that if all Eligible Shareholders take up their Entitlements, the voting power of all Eligible Shareholders will remain the same. In that event, there will be no actual or potential effect or consequences arising from the Offer on the control of CYU.

However, the proportional shareholdings of Shareholders who are not resident in Australia or New Zealand may be diluted as those Shareholders are not entitled to participate in the Offer. Additionally, if an Eligible Shareholder does not take up their Entitlement in full, there may be a dilutionary effect on that Shareholder's proportional shareholdings.

The Offer is partially underwritten by BIC and Williams. Details of the BIC Underwriting Agreement and the Williams Underwriting Agreement are contained in Section 8.10 of this Prospectus.

As announced on 19 January 2016, CYC (which has an Entitlement to 149,961,163 New Shares under the Offer) has previously advised CYU that it does not intend to provide future financial support to CYU and as a result, is not expected to subscribe for any of the New Shares. Consequently, if the Offer is fully subscribed and CYC does not accept any of its entitlement, CYC's shareholding in the Company will reduce from 50.72% to 33.8%.

Depending on the take up of the Offer by Eligible Shareholders, the shareholding percentage of BIC in the Company may increase from 19.99% to a maximum, as a result of the Offer, of 41.61%.

The following tables set out the voting power in the Company's Shares for CYC and BIC under various scenarios of take-up.

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Scenario 1 – 100% take up

Under Scenario 1, all Eligible Shareholders take up their Entitlements under the Offer and the Offer is fully subscribed. In this case, CYC's existing interest in the Company will be reduced as follows:

Scenario 1 – Offer fully subscribed	Total for Company	CYC holding – CYC not acquiring its Entitlement	
		Number of Shares	Voting power
Shares on issue pre-Offer	591,276,475	299,922,326	50.72%
New Shares issued pursuant to the Offer	295,638,237	Nil	
Total post-Offer	886,914,712	299,922,326	33.8%

Further under Scenario 1, all Eligible Shareholders take up their Entitlements under the Offer and BIC only acquires any New Shares that would have otherwise been allocated to foreign shareholders who are not residents of Australia or New Zealand. In this case, BIC's existing interest in the Company will be increased as follows:

Scenario 1 – Offer fully subscribed	Total for Company	BIC holding assuming minimum Offer Shortfall under the BIC Underwriting Agreement	
		Number of Shares	Voting power
Shares on issue pre-Offer	591,276,475	118,249,000	19.99%
New Shares issued pursuant to the Offer	295,638,237	63,057,666 ^{1, 2}	
Total post-Offer	886,914,712	181,306,666	20.44%

Note 1 Under the BIC Underwriting Agreement, BIC will subscribe for the number of New Shares which would have otherwise been allocated to foreign shareholders who are not residents of Australia or New Zealand, being 63,057,666 New Shares.

Note 2 CYC (which has an Entitlement to 149,961,163 New Shares under the Offer) is not expected to subscribe for any of these the New Shares. If that is the case, BIC would be allocated these New Shares under the BIC Underwriting Agreement, which would increase their holding to 331,267,829 Shares, representing approximately 37.4% (assuming the Maximum Subscription is raised).

Scenario 2 – 0% take up

Under Scenario 2, no subscriptions are received from Eligible Shareholders, nor are the Directors able to place any of the Additional New Shares:

Scenario 2 – No subscriptions received for Offer other than BIC and Williams as Underwriters	Total for Company	BIC holding – BIC acquires its maximum Offer Shortfall pursuant to BIC Underwriting Agreement	
		Number of Shares	Voting power
Shares on issue pre-Offer	591,276,475	118,249,000	19.99%
New Shares issued pursuant to the Offer	247,435,897	230,769,230	
Total post-Offer	838,712,372	349,018,230	41.61%

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The Directors understand that, should BIC's holding increase upon completion of the Offer, its present intentions are to procure that the Company will:

- (a) generally continue the business of the Company;
- (b) not make any material changes to the business of the Company; and
- (c) continue the employment of the Company's present employees.

The Directors do not expect that the potential effects on control outlined above will result in any material change to the Company's current objectives and proposed actions.

6.4 **Takeovers provisions**

The Company understands that BIC intends to rely on the "underwriting of fundraising" exception to Section 606 of the Corporations Act (which prohibits certain acquisitions of relevant interests in a company's voting shares) in the event that its voting power in the Company increases as outlined above.

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7. Risk factors

7.1 Introduction

There are risks which may impact on the operating and financial performance of the Company and, therefore, on the value of the New Shares offered under this Prospectus. Some of these risks can be mitigated by the Company's systems and internal controls, but many are outside of the control of the Company and the Board. There can be no guarantee that the Company will achieve its stated objectives or that any forward-looking statements will eventuate. An investment in a business with limited operating history, such as CYU, is considered highly speculative and an investor could lose most or all of any investment. There are also general risks associated with any investment in shares.

More specifically, the risks are that:

- (a) the price at which the Applicant is able to sell the New Shares is less than the price paid due to changes in market circumstances;
- (b) the Applicant is unable to sell the New Shares;
- (c) the Company is placed in receivership or liquidation making it reasonably foreseeable that Shareholders could receive none, or only some of their initial investment; and
- (d) the Company fails to generate sufficient profit in order to pay dividends.

In the event of insolvency, the holders of fully paid ordinary Shares would not normally be liable to pay money to any person. An exception could occur where a distribution, such as a dividend, has been made to Shareholders in circumstances where the Company was unable at that time to meet the solvency test set out in the Corporations Act. In that case, a liquidator may call for a return of such distributions.

Potential investors should therefore carefully consider all associated risks before applying for New Shares under this Prospectus and should consider their personal circumstances (including financial and taxation issues) and seek advice from their stockbroker, accountant, solicitor or other professional advisers before deciding whether to invest.

A number of material risk factors which may adversely affect the Company and the value of the New Shares offered under this Prospectus are set out in this Section. This is not an exhaustive list and there may be other factors which have an adverse effect on the Company and the value of the Shares offered under this Prospectus.

7.2 Key risks specific to an investment in the Company

(a) Regulatory risk and government policy

The availability and rights to explore, as well as industry profitability generally, can be affected by changes in government policy that are beyond the control of CYU.

The relevant government departments in the countries in which CYU may have interests do conduct reviews from time to time of policies in connection with the granting and administration of mining tenements. At present CYU is not aware of any proposed changes to policy that would affect its tenements.

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(b) **Operational risks and costs**

Prosperity for CYU will depend largely upon an efficient and successful implementation of all the aspects of exploration, developments, business activities and management of commercial factors.

Exploration has been and will continue to be hampered on occasions by unforeseen weather events, accidents, unforeseen cost changes, environmental considerations, natural events and other incidents beyond the control of CYU.

By its nature, the business of exploration is a highly speculative endeavour and involves significant risks. The Company's performance depends on the successful exploration and/or acquisition of resources or reserves, competent operational management and efficient financial management. Further, the nature of exploration can sometimes result in industrial accidents and other incidents beyond the control of the Company.

There can be no assurances that the Company's exploration programs described in this Prospectus or those relating to any projects or tenements that the Company may acquire in the future, will result in the discovery of a significant mineral target. Even if a significant target is identified, there is no guarantee that it will be viable for economic exploitation.

Ultimate success depends on the discovery and delineation of economically recoverable mineral resources, establishment of efficient exploration operations, obtaining necessary titles and access to projects, as well as government and other regulatory approvals.

The exploration and mining activities of the Company may be affected by a number of factors, including but not limited to geological conditions, seasonal weather patterns, technical difficulties and failures, continued availability of the necessary technical equipment, plant and appropriately skilled and experienced technicians, adverse changes in government policy or legislation and access to the required level of funding.

(c) **Business risks**

There are risks inherent in doing business, such as unexpected changes in regulatory requirements, trade barriers, longer payment cycles, problems in collecting accounts receivable, network and infrastructure issues and potentially adverse tax consequences, any of which could adversely impact on the success of CYU's operations.

(d) **Contractual and joint venture risk**

CYU's ability to efficiently conduct its operations in a number of respects depends upon a third party product and service providers and contracts which have, in some circumstances, been entered into by CYU in this regard. As in any contractual relationship the ability for CYU to ultimately receive benefits from these contracts are dependent upon the relevant third party complying with its contractual obligations.

To the extent that such third parties default in their obligations, it may be necessary for CYU to enforce its rights under any of the contracts and pursue legal action. Such legal action may be costly and no guarantee can be given by CYU that a legal remedy will ultimately be granted on appropriate terms.

The Company may wish to develop its projects or future projects through joint venture arrangements, while some of the Company's projects are already the subject of joint venture arrangements. Any joint ventures entered into by, or interests in joint ventures

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assigned to the Company, could be affected by the failure or default of any of the joint venture participants.

(e) **Tenements**

A failure to adhere to the requirements to exceed certain levels of expenditure on concessions and tenements held by CYU in various jurisdictions may make certain concessions and tenements subject to possible forfeiture. All granted concessions and tenements are currently in good standing and, in accordance with normal industry practice. CYU surrenders some or all un-prospective parts of its concessions and tenements at the appropriate time so as to manage its minimum expenditure obligations and to retain the capacity to apply for additional prospective areas.

Applications for new concessions and tenements are never certain to be granted but CYU knows of no reason why any of its concession and tenement applications should not be granted in due course.

(f) **Feasibility and development risks**

Given the early stage of the Company's projects, there will be a complex, multidisciplinary process to be undertaken to complete a feasibility study to support any development proposal. There is a risk that the feasibility study and associated technical works will not achieve the results expected. There is also a risk that even if a positive feasibility study is produced, the project may not be successfully developed for commercial or financial reasons.

(g) **Acquisition risk**

As previously been noted, the Company intends to acquire a project (or an interest in a project). The focus of CYU management continues to be the acquisition of project interests in Africa (Democratic Republic of Congo in particular), but has also more recently been examining Australian-based gold exploration and mining projects. Whilst CYU does not have any particular transactions to disclose, management consider it likely that an opportunity will be secured in over the next few months, having regard to the number of opportunities that have been and continue to be considered. There can be no guarantee that any project ultimately identified and acquired by CYU (in whole or in part) will be able to be successfully or profitably exploited by CYU.

(h) **Additional requirements for capital**

The Company's capital requirements depend on numerous factors. Depending on the outcome of the Company's exploration programs and acquisition plans, the Company may require further financing in addition to amounts raised under this Prospectus. Any additional equity financing will dilute shareholdings and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its exploration programs. In addition, the Company's ability to continue as a going concern may be diminished.

There is no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company and such circumstances will adversely affect the Company.

(i) **Foreign jurisdiction risk**

As the Company intends to acquire project interests in foreign jurisdictions, the Company will be subject to various political, economic and other uncertainties. These may include but are not limited to changes in mining and exploration policies or the

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personnel administering them, nationalisation or expropriation of property, cancellation or modification of contractual rights, foreign exchange restrictions, currency exchange rate fluctuation, royalty and tax increases and other risks arising out of foreign government sovereignty over the areas in which the Company's operations are conducted.

Changes in laws and regulations in foreign jurisdictions may have a significant effect on the Company's exploration operations, especially changes that relate to environmental, mining, grant or renewal of concessions and taxation.

The Company's projects may be subject to the risks associated in operating in a foreign country. These risks may include economic, social or political instability or change, hyperinflation, currency non-convertibility or instability and changes of law affecting foreign ownership, government participation, taxation, working conditions, exchange control, exploration licensing, export duties, repatriation of income or return of capital, environmental protection, mine safety or labour regulations that require the employment of local staff or contractors or require other benefits to be provided to local residents.

The Company may also be hindered or prevented from enforcing its rights with respect to a governmental instrumentality because of the doctrine of sovereign immunity. Any future material adverse changes in government policies, conditions or legislation in the countries in which the Company operates that affect foreign ownership, mineral exploration, development or mining activities, may affect the viability and profitability of the Company. The legal systems operating in the countries in which the Company operates may be less developed than more established countries, which may result in risks such as:

- (1) difficulties in obtaining effective legal redress in the courts, whether in respect of a breach of law or regulation, or in an ownership dispute;
- (2) a higher degree of discretion on the part of governmental agencies;
- (3) the lack of political or administrative guidance on implementing applicable rules and regulations including, particularly in relation to local taxation and property rights;
- (4) inconsistencies or conflicts between and within various laws, regulations, decrees, orders and resolutions; and
- (5) the relative inexperience of the judiciary and courts in resolving a disputed matter.

The commitment by local business people, government officials and agencies and the judicial system to abide by legal requirements and negotiated agreements may be more uncertain, creating particular concerns with respect to licences and legal contacts. These may be susceptible to revision or cancellation and legal redress may be uncertain or delayed. There can be no assurance that joint ventures, options, tenement acquisition agreements, licences, licence applications or other legal arrangements will not be adversely affected by the actions of the government authorities, officials or others and the effectiveness of and enforcement of such arrangements cannot be assured.

The political conditions under which the Company may operate are potentially not as stable as Australia. Potential risk to the Company's activities may arise if there are changes to the political, legal and fiscal systems which might affect the ownership and operation of the Company's foreign interests. This may also include changes in

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exchange control regulations, expropriation of mining rights, changes in government and in legislative and regulatory regimes.

(j) **Contractors**

The Company is dependent on contractors and suppliers to supply vital services to its operations. The Company is therefore exposed to the possibility of adverse developments in the business environments of its contractors and suppliers. Any disruption to services or supply may have an adverse effect on the financial performance of the Company.

(k) **Reliance on key personnel**

In formulating its exploration programs, the Company relies to a significant extent upon the experience and expertise of the Directors and management.

These persons possess knowledge of many of the Company's tenements through extensive personal experience of prospecting in those areas.

Although information concerning the Company's tenements has been chronicled, the loss of one or more of these key personnel may adversely affect the Company's prospects of pursuing its exploration programmes within the timeframes and within the cost structure currently envisaged.

Although the key personnel have a considerable amount of experience and have previously been successful in their pursuits of important prospecting discoveries, there is no guarantee or assurance that they will be successful in their objectives pursuant to this Company.

(l) **Employees**

The ability of the Company to achieve its objectives depends on being able to retain certain key employees, skilled operators and tradespeople. Whilst the Company has entered into employment contracts with key employees, the retention of their services cannot be guaranteed. The loss of key employees or skilled operators and tradespeople could significantly affect the performance of the Company's operations.

(m) **Native Title risk**

The *Native Title Act 1993* (Cth) recognises certain rights of indigenous Australians over land where those rights have not been extinguished. These rights, where they exist, may impact on the ability of the Company to carry out exploration and in future, mining activities, or obtain exploration or mining licences in Australia. In applying for licences over crown land, the Company must observe the provisions of Native Title legislation.

In carrying out exploration and/or mining operations, the Company must observe Native Title legislation (where applicable), Aboriginal heritage legislation and heritage legislation which protects sites and objects of significance and these may delay or impact adversely on the Company's operations in Australia.

7.3 General risks

(a) **Share market investments**

The New Shares are to be quoted on the ASX, where their price may rise or fall in relation to the Offer Price. The New Shares carry no guarantee in respect of profitability, dividends or return of capital, or the price at which they may trade on the ASX. The value of the Shares will be subject to the ASX market and hence a range of

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factors outside of the control of the Company and the Directors and officers of the Company. Such factors include the demand for and availability of Shares, movements in domestic and international interest rates and inflation rates, economic conditions and general economic outlook, exchange rates, fluctuations in the Australian and international share markets, taxation, government and monetary policies and demand and supply for capital. Returns from an investment in the New Shares offered under this Prospectus may also depend on general share market conditions, as well as the performance of the Company. Investors who decide to sell their New Shares may not receive the entire amount of their original investment. There can be no guarantee that an active market in the Shares will develop or that the price of the New Shares will increase.

(b) **General economic conditions**

Factors such as inflation, currency fluctuations, interest rates, supply and demand, industrial disruption, government policy and legislation have an impact on operating costs, commodity prices, and the parameters in which the Company operates. Factors that may be beyond the control of the Company include:

- (1) general economic conditions in Australia and its trading partners and, in particular, inflation rates, interest rates, exchange rates, commodity supply and demand factors;
- (2) financial failure or default by a participant in any of the joint ventures or other contractual relationship to which the Company is, or may become, a party;
- (3) insolvency or other managerial failure by any of the contractors used by the Company in its activities; and
- (4) industrial disputes.

These as well as other conditions can affect the Company's future revenues and profitability and the price of its securities.

(c) **Industrial risk**

Industrial disruptions, work stoppages and accidents in the course of the Company's operations could result in losses and delays, which may adversely affect profitability.

(d) **Management actions**

The Directors will, to the best of their knowledge, experience and ability (in conjunction with management) endeavour to anticipate, identify and manage the risks inherent in the activities of the Company, but without assuming any personal liability for same, with the aim of eliminating, avoiding and mitigating the impact of risks on the performance of the Company and its securities.

(e) **Government policy and legislative changes**

Capacity to explore and mine, as well as industry profitability generally, can be affected by changes in government policy that are beyond the control of the Company and which may materially adversely affect the Company and the value of its securities.

(f) **Taxation**

In all places where the Company has (or proposes to have) operations, in addition to the normal level of income tax imposed on all industries, the Company may be required to pay government royalties, indirect taxes, goods and services tax and other

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imposts which generally relate to revenue or cash flows. Industry profitability can be affected by changes in government taxation policies.

It is possible future policy and legislative changes will adversely affect the mining industry and participants in it, including the Company.

(g) **Commodity price risks**

The Company's prospects and Share price will be influenced by the price obtained from time to time for the commodities targeted in its exploration programs. Commodity prices fluctuate and are affected by factors including the relationship between global supply and demand for minerals, forward selling by producers, costs of production and general global economic conditions.

Commodity prices are also affected by the outlook for inflation, interest rates, currency exchange rates and supply and demand factors. These factors may have an adverse effect on the Company's exploration and any subsequent development and production activities, as well as its ability to fund its future activities.

(h) **Foreign exchange**

Foreign exchange rates fluctuate over time. Fluctuating exchange rates have a direct effect on the Company's operating costs and cash flows expressed in Australian dollars. The Company does not currently have any formal currency hedging in place, which means that adverse changes to foreign exchange rates may have an adverse effect on the Company and its business.

(i) **Environmental risks**

The Company's projects are subject to laws and regulations in relation to environmental matters. As a result, there is the risk that the Company may incur liability under these laws and regulations. The Company proposes to comply with applicable laws and regulations and conduct its programs in a responsible manner with regard to the environment.

7.4 **Speculative nature of investment**

The above list of risk factors is not to be taken as exhaustive of the risks faced by the Company or by Shareholders in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the New Shares offered under this Prospectus.

Accordingly, the New Shares to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns, returns of capital or market value at any time. Shareholders should consider that an investment in the Company is highly speculative and should consult their professional advisers before deciding whether to take up their Entitlement.

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8. Additional information

8.1 Transaction specific Prospectus

CYU is a disclosing entity and therefore subject to regular reporting and disclosure obligations under the Corporations Act. Under those obligations, CYU is obliged to comply with all applicable continuous disclosure and reporting requirements in the Listing Rules.

This Prospectus is issued under Section 713 of the Corporations Act. This section enables disclosing entities to issue a prospectus in relation to securities in a class of securities which has been quoted by ASX at all times during the three months before the date of the Prospectus or options to acquire such securities. Apart from formal matters, this Prospectus needs only to contain information relating to the terms and conditions of the Offer, the effect of the Offer on the Company and the rights and liabilities attaching to the New Shares.

Copies of the documents lodged by CYU with ASIC may be obtained from, or inspected at an office of ASIC.

The Company will provide a copy of any of the following documents, free of charge, to any person who asks for a copy of the document before the Closing Date in relation to this Prospectus:

- (a) the financial report for the Company for the half-year ended 30 June 2016; and
- (b) any other financial statements lodged in relation to CYU with ASIC and any continuous disclosure notices given by CYU to ASX, in the period starting immediately after lodgement of the annual financial report for the Company for the year ended 31 December 2015 and ending on the date of lodgement of this Prospectus with ASIC.

8.2 ASX announcements

The ASX announcements that the Company has made since 14 March 2016 (being the date of lodgement of the annual financial report for the Company for the year ended 31 December 2015) are set out below:

Date	Announcement
14/03/2016	Corporate Governance Statement
14/03/2016	Appendix 4G
15/03/2016	Becoming a substantial holder
16/03/2016	Appointment of Director and Alternate Director
16/03/2016	Initial Director's Interest Notice
16/03/2016	Initial Director's Interest Notice
19/04/2016	Quarterly Activities Report
19/04/2016	Quarterly Cashflow Report
26/04/2016	Notice of Annual General Meeting/Proxy Form
04/05/2016	HMX: Millennium Tenement Acquisition
04/05/2016	Termination of Millennium Joint Venture
04/05/2016	ELT: Elementos Focused on Tin Mine Development

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Date	Announcement
25/05/2016	Results of Meeting
25/07/2016	Quarterly Activities Report
25/07/2016	Quarterly Cashflow Report
01/08/2016	Half Year Accounts

8.3 Share prices

The highest and lowest prices of Shares in the Company on the ASX during the six month period before the date of this Prospectus are set out below:

	Price	Dates
Highest	1.0 cents	17 May 2016
Lowest	0.4 cents	23, 24, 27 and 29 June 2016, 6 and 7 September 2016

The Offer Price of \$0.006 represents a discount of 9% to the six month VWAP of \$0.0066 and a 6.25% discount to the VWAP of \$0.0064 from 1 July 2016 up to 19 September 2016 being the last trading day before lodgement of this Prospectus.

8.4 Rights and liabilities attaching to New Shares

There is only one class of Share on issue in the Company, being fully paid ordinary Shares. The rights and liabilities attaching to Shares are:

- (a) set out in the Constitution of the Company; and
- (b) in certain circumstances, regulated by the Corporations Act, the Listing Rules, the ASX Settlement Operating Rules (formerly the ASTC Settlement Rules) and the general law.

The following is a broad summary of the rights and liabilities attaching to all Shares including New Shares. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders.

Voting

At a general meeting of the Company on a show of hands, every member present in person, or by proxy, attorney or representative has one vote and upon a poll, every member present in person, or by proxy, attorney or representative has one vote for every Share held by them.

Dividends

The New Shares will rank equally with all other issued Shares in the capital of the Company and will participate in dividends out of profits earned by the Company from time to time. Subject to the rights of holders of Shares of any special preferential or qualified rights attaching thereto, the profits of the Company are divisible amongst the holders of Shares in proportion to the Shares held by them irrespective of the amount paid up or credited as paid up thereon. The Directors may from time to time pay to Shareholders such interim dividends as in their judgement the position of the Company justifies.

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Winding up

Upon paying the application monies, Shareholders will have no further liability to make payments to the Company in the event of the Company being wound up pursuant to the provisions of the Corporations Act.

Transfer of securities

Generally, the Shares and options in the Company will be freely transferable, subject to satisfying the usual requirements of security transfers on the ASX.

The Directors may decline to register any transfer of Shares but only where permitted to do so under its Constitution, the ASX Settlement Operating Rules or the Listing Rules.

Sale of non-marketable holdings

The Company may take steps in respect of non-marketable holdings of Shares in the Company to effect an orderly sale of those Shares in the event that holders do not take steps to retain their holdings.

The Company may only take steps to eliminate non-marketable holdings in accordance with the Constitution and the Listing Rules.

Full details of the rights and liabilities attaching to Shares are set out in the Company's Constitution, a copy of which can be inspected, free of charge, at the Company's registered office during normal business hours.

8.5 **Corporate governance**

The Company reports on its compliance with the recommendations made by the Corporate Governance Principles and Recommendations in its annual report. Where the Company's corporate governance practices do not correlate with the practices recommended by the ASX Corporate Governance Council, the Company is working towards compliance, however it does not consider that all practices are appropriate for the Company due to the size and scale of the Company's operations.

8.6 **Directors' interests**

The nature and extent of the interest (if any) that any of the Directors of the Company holds, or held at any time during the last two years in:

- (a) the formation or promotion of the Company;
- (b) property acquired or to be acquired by the company in connection with:
 - (1) its formation or promotion; or
 - (2) the Offer; or
- (c) the Offer,

is set out below or elsewhere in this Prospectus.

Other than as set out below or elsewhere in this Prospectus, no one has paid or agreed to pay any amount, and no one has given or agreed to give any benefit to any director or proposed director:

- (a) to induce them to become, or to qualify as, a Director of the Company; or

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(b) for services provided by a Director in connection with:

- (1) the formation or promotion of the Company; or
- (2) the Offer.

Set out below are details of the interest of the Directors in the securities of the Company immediately prior to lodgement of the Prospectus with ASIC. Interest includes those securities held directly and indirectly. The table does not take into account any New Shares the Directors may acquire under the Offer.

Director	Number of Shares
Mr Zhihua Yao	299,922,326 ¹
Mr Paul Williams	320,000 ²
Mr Zewen Yang	299,932,326 ¹
Mr Xiancheng Wang	118,249,000 ³

Note 1: Mr Yao and Mr Yang are executives within Yunnan Copper Industry (Group) Co. Ltd, which is the ultimate parent company of CYC. CYC holds the 299,922,326 Shares.

Note 2: Pursuant to existing remuneration arrangements, Mr Williams currently holds 2,000,000 performance shares in addition to his holding of Shares. Further details of the rights attaching to these performance shares can be found in the ASX announcement pertaining to Mr Williams' appointment as Managing Director which was made on 1 February 2013.

Note 3: Mr Wang is the Chairman of JCHX Group. He and his family control JCHX Group and Bienital International Industrial Co., Ltd which is a substantial shareholder of CYU. BIC holds the 118,249,000 Shares.

8.7 Directors' fees

Set out below is the remuneration paid to the current Directors of the Company and their associated entities for the past two years.

1 January 2014 – 31 December 2014

Director	Salary/fees	Options and performance shares	Superannuation	Total
Mr Zhihua Yao	\$36,000	Nil	Nil	\$36,000
Mr Paul Williams	\$273,973	\$7,500	\$26,027	\$307,500
Mr Zewen Yang	\$155,520	Nil	Nil	\$155,520

1 January 2015 – 31 December 2015

Director	Salary/fees	Options and performance shares	Superannuation	Total
Mr Zhihua Yao	\$36,000	Nil	Nil	\$36,000
Mr Paul Williams	\$273,973	Nil	\$26,027	\$300,000
Mr Zewen Yang	\$155,520	Nil	Nil	\$155,520

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8.8 Substantial holders

The following are details of those Shareholders who held more than 5% of the Shares on issue prior to the date of this Prospectus:

Substantial holder	Number of Shares	%
China Yunnan Copper (Australia) Investment and Development Co. Ltd	299,922,326	50.72%
Bienitial International Industrial Co., Ltd	118,249,000	19.99%

Please refer to Section 6 for further details of the effect of the Offer on the control of the Company. As at the date of this Prospectus, there are no other Shareholders who hold more than 5% of the Shares on issue.

8.9 Related party transactions

From time to time the Company may be party to transactions with related parties including:

- (a) employment and service arrangements;
- (b) underwriting agreements; and
- (c) payment of Directors' fees.

The Company believes that it has made appropriate disclosure of past related party transactions and other than any further disclosure specifically set out below or made elsewhere in this Prospectus does not intend to make any further disclosure of such transactions which transactions will have either proceeded on an "arm's length" basis, reasonable remuneration basis or been approved by Shareholders in general meeting.

The Company discloses the following transactions with related parties which have either proceeded on an "arm's length" or reasonable remuneration basis. The transactions are:

- (a) proposed capital issues to Directors or interests associated with Directors;
- (b) employment agreements with related parties; and
- (c) payment of Directors' fees to non-executive Directors.

8.10 Underwriting Agreements

- (a) *BIC Underwriting Agreement*

The Company has entered into the BIC Underwriting Agreement with BIC. Pursuant to the BIC Underwriting Agreement, BIC has agreed to partially underwrite the Shortfall of up to 230,769,230 New Shares, representing \$1,384,615.38 or 78% of the Offer.

The Company will pay BIC a nominal fee of \$1.00 in connection with BIC's agreement to partially underwrite the Offer. BIC is not entitled to terminate the Underwriting Agreement for any reason.

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The Company and BIC may consider applications for Additional New Shares and the Company may accept any application for Additional Shares as agreed by the Company and BIC.

The Company and BIC agree that should the Company introduce a third party who wishes to take up Shortfall Shares (**Third Party Investor**), then the Company shall be entitled to issue to the Third Party Investor that number of Shortfall Shares as agreed by the Company and BIC in accordance with the BIC Underwriting Agreement, the Corporations Act and Listing Rules.

By way of explanation, of the 295,638,237 New Shares to be offered under this Prospectus, Shareholders who are not entitled to participate (as they are not Eligible Shareholders) would have been entitled to subscribe for 63,057,666 New Shares. These New Shares will automatically form part of the Shortfall and will therefore automatically be allocated to BIC under the BIC Underwriting Agreement.

(b) *Williams Underwriting Agreement*

The Company has entered into the Williams Underwriting Agreement with Williams. Pursuant to the Williams Underwriting Agreement, Williams has agreed to partially underwrite the Shortfall of up to 16,666,667 New Shares, representing \$100,000 or about 5.6% of the Offer. New Shares issued under the Williams Underwriting Agreement may be issued to Williams, an entity controlled by Williams or third parties introduced by Williams. Williams has also agreed, on a best endeavours basis, to identify recipients for the balance of any Shortfall (in the sum of approximately \$285,000). The Company will pay Williams a nominal fee of \$1.00 in connection with Williams' agreement to partially underwrite the Offer. Williams is not entitled to terminate the Underwriting Agreement for any reason.

The Company and Williams may consider applications for Additional New Shares and the Company may accept any application for Additional Shares as agreed by the Company and Williams.

The Company and Williams agree that should the Company introduce a Third Party Investor who wishes to take up Shortfall Shares, then the Company shall be entitled to issue to the Third Party Investor that number of Shortfall Shares as agreed by the Company and Williams in accordance with the Williams Underwriting Agreement, the Corporations Act and Listing Rules.

Williams current holding in the Company is 0.05%. If Williams subscribes for the full allocation of 16,666,667 New Shares under the Williams Underwriting Agreement and his Entitlement, Williams holding will increase to approximately 2% (assuming only the Minimum Subscription of \$1,484,615 is raised).

8.11 **Interests of experts and advisers**

This Section applies to persons named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus, promoters of the Company and stockbrokers or arrangers (but not sub-underwriters) to the Offer (collectively **Prescribed Persons**).

Other than as set out below or elsewhere in this Prospectus, no Prescribed Person has, or has had in the last two years, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired in connection with the formation or promotion of the Company or the Offer; or
- (c) the Offer of New Shares under this Prospectus.

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Other than that as set out below or elsewhere in this Prospectus, no benefit has been given or agreed to be given to any Prescribed Person for services provided by a Prescribed Person in connection with the:

- (a) formation or promotion of the Company; or
- (b) Offer of New Shares under this Prospectus.

HopgoodGanim Lawyers is acting as solicitors to the Offer and have performed work in relation to the Prospectus. In doing so, HopgoodGanim Lawyers has placed reasonable reliance upon information provided to them by the Company. HopgoodGanim Lawyers does not make any statement in this Prospectus. In respect of this work, the Company estimates that it will pay approximately \$25,000 (excluding disbursements and GST) to HopgoodGanim Lawyers. Further amounts may be paid to HopgoodGanim Lawyers in accordance with its normal time based charges.

Link Market Services Limited is acting as Share Registry to the Offer and has performed work in relation to the Prospectus. In doing so, Link Market Services Limited has placed reasonable reliance upon information provided to it by the Company. Link Market Services Limited does not make any statement in this Prospectus. In respect of this work, the Company estimates that it will pay approximately \$25,000 (excluding disbursements and GST) to Link Market Services Limited.

8.12 Limitation on foreign ownership

The only limitations under Australian law on the rights of non-Australian residents to hold or vote the Shares of an Australian company are in the *Foreign Acquisitions and Takeovers Act 1975* (Cth) (**FATA**). The FATA regulates acquisitions giving rise to ownership of substantial amounts of a company's shares. Foreign persons whom are controlled by a foreign government may also be subject to further requirements under the FATA.

The FATA prohibits:

- (a) any natural person not ordinarily resident in Australia; or
- (b) any corporation in which either a natural person not ordinarily resident in Australia or a foreign corporation (as defined in the FATA) holds a controlling interest; or
- (c) two or more such persons or corporations,

from acquiring or entering into an agreement to acquire an interests in an existing Australian corporation if after the acquisition such person or corporation would hold a substantial interest in a corporation, or where two or more persons or corporations would hold an aggregate substantial interest (defined below), without first applying in the prescribed form for approval by the Australian Treasurer and receiving such approval or receiving no response in the 40 days after such application was made.

Acquisitions of interests may include the acquisition of shares, options or any other instrument which may be converted to shares, as well as any other type of arrangement which results in control of the corporation.

A holder will be deemed to hold a substantial interest in a corporation if the holder alone or together with any associates (as defined in the FATA) is in a position to control not less than 20% of the voting power in the corporation or holds interests in not less than 20% of the issued shares in that corporation. Two or more holders hold an aggregate substantial interest in a corporation if they, together with any associates (as so defined), are in a position to control not less than 40% of the voting power in that corporation or hold not less than 40% of the issued

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Shares in that corporation. The Constitution of the Company contains no limitations on a non-resident's right to hold or vote the Company's Shares.

8.13 Subsequent events

There has not arisen, at the date of this Prospectus any item, transaction or event of a material or unusual nature not already disclosed in this Prospectus which is likely, in the opinion of the Directors of the Company to affect substantially:

- (a) the operations of the Company,
- (b) the results of those operations; or
- (c) the state of affairs of the Company.

8.14 Taxation

It is the responsibility of all Applicants to satisfy themselves of the particular taxation treatment that applies to them by consulting their own professional tax advisers before investing in the New Shares. Taxation consequences will depend on particular circumstances.

Neither the Company nor any of its officers accept any liability or responsibility in respect of the taxation consequences of the matters referred to above or any other taxation consequences connected with an investment in the New Shares in the Company or dealing with an Entitlement under the Offer.

8.15 Litigation

The Company is not engaged in any litigation which has or would be likely to have a material adverse effect on either the Company or its business.

8.16 Privacy

By submitting an Entitlement and Acceptance Form for New Shares you are providing to the Company personal information about yourself. If you do not provide complete and accurate personal information, your application may not be able to be processed.

The Company maintains the register of members of the Company through Link Market Services Limited, an external service provider. The Company requires Link Market Services Limited to comply with the National Privacy Principles with performing these services. The Company's register is required under the Corporations Act to contain certain personal information about you such as your name and address and number of shares and options held. In addition, the Company collects personal information from members such as, but not limited to, contact details, bank accounts and membership details and tax file numbers.

This information is used to carry out registry functions such as payment of dividends, sending annual and half yearly reports, notices of meetings, newsletters and notifications to the Australian Taxation Office. In addition, contact information will be used from time to time to inform members of new initiatives concerning the Company.

The Company understands how important it is to keep your personal information private. The Company will only disclose personal information we have about you:

- (a) when you agree to the disclosure;
- (b) when used for the purposes for which it was collected;
- (c) when disclosure is required or authorised by law;

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- (d) to other members in the CYU group of companies;
- (e) to your broker; or
- (f) to external service suppliers who supply services in connection with the administration of the Company's register such as mailing houses and printers, Australia Post and financial institutions.

You have the right to access, update and correct your personal information held by the Company and Link Market Services Limited, except in limited circumstances. If you wish to access, update or correct your personal information held by Link Market Services Limited or by the Company please contact our respective offices.

If you have any questions concerning how the Company handles your personal information, please contact the Company.

8.17 Expenses of the Offer

All expenses connected with the Offer are being borne by the Company. Total expenses of the Offer are estimated to be in the order of \$50,000 (excluding disbursements and GST).

8.18 Consents and disclaimers

Link Market Services Limited has given and has not withdrawn its consent to be named in this Prospectus as the Share Registry of the Company in the form and context in which it is named. It takes no responsibility for any part of the Prospectus other than the references to its name.

Bienitial International Industrial Co., Ltd has given and has not withdrawn its consent to be named in this Prospectus as an Underwriter to the Offer in the form and context in which it is named. It takes no responsibility for any part of the Prospectus other than references to its name.

Paul Williams has given and has not withdrawn his consent to be named in this Prospectus as an Underwriter to the Offer in the form and context in which it is named. He takes no responsibility for any part of the Prospectus other than references to its name.

HopgoodGanim Lawyers has given and has not withdrawn its consent to be named in this Prospectus as solicitors to the Offer in the form and context in which it is named. It takes no responsibility for any part of the Prospectus other than references to its name.

8.19 Directors' statement

This Prospectus is issued by Chinalco Yunnan Copper Resources Ltd. Each Director has consented to the lodgement of the Prospectus with ASIC.

Signed on the date of this Prospectus on behalf of Chinalco Yunnan Copper Resources Ltd by



Paul Williams
Managing Director
20 September 2016

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9. Definitions and glossary

Terms and abbreviations used in this Prospectus have the following meanings:

Additional New Shares	Those New Shares which Eligible Shareholders may apply for under this Prospectus in excess of their Entitlement, in the event that there is a Shortfall
Application Monies	The Offer Price multiplied by the number of New Shares applied for
Applicant	A person who submits an Entitlement and Application Form
ASIC	Australian Securities and Investments Commission
ASX	ASX Limited ABN 98 008 624 691 or the Australian Securities Exchange (as applicable)
ASX Settlement	ASX Settlement Pty Ltd
ASX Settlement Operating Rules	The official settlement operating rules of the ASX
BIC	Bienital International Industrial Co., Ltd
BIC Underwriting Agreement	The underwriting agreement between the Company and BIC, summarised in Section 8.10
Board	The Board of Directors of the Company
Business Day	A day, other than a Saturday or Sunday, on which banks are open for general banking business in Brisbane
Closing Date	The date by which valid acceptances must be received by the Share Registry being 5:00pm (Sydney time) on 14 October 2016 or such other date determined by the Board
Company or CYU	Chinalco Yunnan Copper Resources Ltd ACN 070 859 522
Constitution	The Constitution of the Company
Corporate Governance Principles and Recommendations	Corporate Governance Principles and Recommendations 3 rd Edition released by the ASX Corporate Governance Council in March 2014 (as amended)
Corporations Act	<i>Corporations Act 2001</i> (Cth)
CYC	China Yunnan Copper (Australia) Investment and Development Co. Ltd ACN 110 345 750
Directors	The Directors of the Company from time to time
Eligible Shareholder	A Shareholder of the Company who holds Shares in the Company on the Record Date and has been determined by the Company to be eligible to participate in the Offer. For on-market trades, only those Shareholders who hold Shares on the Record Date that acquired Shares prior to the "ex date" will be considered Eligible Shareholders.
Entitlement and Acceptance Form or Form	An entitlement and acceptance form in the form accompanying this Prospectus
Entitlement	The entitlement to accept New Shares under this Prospectus
Excluded Information	Information which is excluded from a continuous disclosure notice required by the Listing Rules that would otherwise require disclosure pursuant to Section 713(5) of the Corporations Act

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Listing Rules	The official listing rules of the ASX
Maximum Subscription	The maximum amount to be raised under the Offer, being \$1,773,829
Minimum Subscription	The minimum amount to be raised under the Offer, being \$1,484,315
New Shares	The Shares offered under this Prospectus
Offer	The offer and issue of New Shares in accordance with this Prospectus
Offer Price	\$0.006 for each New Share applied for
Official List	The official list of entities that ASX has admitted and not removed
Official Quotation	Quotation on the Official List
Opening Date	29 September 2016
Prospectus	This Prospectus as modified or varied by any supplementary prospectus made by the Company and lodged with ASIC from time to time and any electronic copy of this prospectus and supplementary prospectus
Record Date	7:00pm (Sydney time) on 26 September 2016
Share Registry	Link Market Services Limited ACN 083 214 537
Shares	The ordinary shares on issue in the Company from time to time
Shareholders	The holders of Shares from time to time
Shortfall	Those New Shares for which the Entitlement lapses
Underwriters	BIC and Williams.
Underwriting Agreements	The BIC Underwriting Agreement and Williams Underwriting Agreement
VWAP	Volume weighted average price of Shares
Williams	Mr Paul Williams, Managing Director of the Company
Williams Underwriting Agreement	The underwriting agreement between the Company and Williams, summarised in Section 8.10

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Corporate Directory

Directors and Company Secretary	Administration Office
Mr Zhihua Yao (Chairman) Mr Paul Williams (Managing Director) Mr Robert Yang (Executive Director) Mr Xiancheng Wang (Non-executive Director) Mr Qinghai Wang (Alternate Director) Mr Paul Marshall (Company Secretary)	Chinalco Yunnan Copper Resources Ltd Level 11, 320 Adelaide Street Brisbane QLD 4000 Tel: +61 7 3041 1306 www.cycal.com.au
Registered Office	Share Registry
Chinalco Yunnan Copper Resources Ltd C/- HopgoodGanim Level 8, Waterfront Place 1 Eagle Street Brisbane QLD 4000	Link Market Services Limited Level 15, 324 Queen Street Brisbane QLD 4000 Tel: 1300 657 159 www.linkmarketservices.com.au
Solicitors to the Offer	Underwriters
HopgoodGanim Lawyers Level 8, Waterfront Place 1 Eagle Street Brisbane QLD 4000 Tel: +61 7 3024 0000 Fax: +61 7 3024 0300 www.hopgoodganim.com.au	Bienitial International Industrial Co., Ltd and Mr Paul Williams C/- Level 11, 320 Adelaide Street Brisbane QLD 4000 Tel: + 61 7 3041 1306