



ABN 27 099 098 192

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

**Issued Capital:**

473,027,475  
Ordinary shares

4,000,000  
Performance shares

**Directors:**

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

**Company Secretary:**

Paul Marshall

**CHINALCO YUNNAN  
COPPER RESOURCES  
LTD**

Suite 4, Level 8,  
320 Adelaide Street  
BRISBANE Q 4000  
Ph: +61 7 3211 9013  
Email: [admin@cycal.com.au](mailto:admin@cycal.com.au)

**Contact**

Paul Williams  
Managing Director  
[paul.williams@cycal.com.au](mailto:paul.williams@cycal.com.au)  
Mobile: +61 419 762 487

## 2015 MOUNT ISA EXPLORATION ACTIVITIES – PRIORITY ON LARGE- SCALE TARGETS

23 April 2015

### Summary

- CYU appointed two former senior Xstrata/Mount Isa Mines geologists in early 2015 – they were initially tasked to undertake a thorough review of CYU’s exploration portfolio in Mount Isa and to develop program priorities for 2015.
- A central component of the review was a CYU exploration strategy to identify projects with potential to establish at least one (1) million tonnes (Mt) contained copper (and/or copper equivalent)
- The review is now complete and CYU’s Board has approved a \$1.8 million exploration program for 2015, which proposes activities on the following highly prospective areas:
  - The Roseby Trend – a 25km long, north-south trending zone of extensive copper-gold anomalism that is continuous with Altona Mining’s Roseby Project to the north. This trend hosts the Native Companion and Brolga prospects.
  - Elaine/Blue Caesar/Jubilee – CYU already has a defined inferred JORC resource at Elaine Dorothy of 27.7Mt @ 0.53% Cu and 0.08 g/t Au within a large alteration system that is likely to join with Blue Caesar (500m northwest of Elaine)
  - Other Iron Oxide Copper-Gold Targets - the technical review has also highlighted the potential for significant iron oxide copper gold (IOCG) mineralisation within CYU’s exploration portfolio.
- CYU’s 2015 exploration program comprises a combination of drilling, IP surveys, magnetic modelling and geological mapping across the 850km<sup>2</sup> tenure.

The Board of Chinalco Yunnan Copper Resources Ltd (ASX:CYU) continues to focus on transforming the Company into a substantial mid-tier mining group, with a primary exploration focus in the Mount Isa region and the ongoing pursuit of project acquisition opportunities currently under review and negotiation – both locally and overseas.

## **2015 Mount Isa Exploration Program**

CYU's Board has approved its 2015 Mount Isa exploration activities, after completion of a detailed project review conducted by its recently-appointed Exploration Manager, David A-Izzeddin and Senior Geologist Dr Tom Evans. Both Mr A-Izzeddin and Dr Evans were previously employed in Xstrata Copper's Mount Isa operations and have extensive knowledge of the prospects within CYU's exploration tenure portfolio.

***CYU's key criterion underpinning the project review is to identify exploration targets with the potential of establishing a resource base of at least one (1) million tonnes of copper and/or copper equivalent minerals ("the one million tonne criterion").***

CYU has adopted this criterion in recognition that shareholders (and the wider investment community) have a very high expectation that exploration dollars are focussed on areas of maximum potential. A significant component of CYU exploration activities in recent times has been to identify and recognise near surface mineralisation across a very wide target area using techniques such as geochemical soil sampling and MMI (mobile metal ion) analysis. In addition, the exploration drilling has produced some high grade copper, gold and other mineralisation results. However, it became apparent from the project review that in order to meet CYU's one million tonne criterion, the primary focus of activities (and exploration spend) must be on large alteration systems that exist within the CYU tenure portfolio. Accordingly, there has been a re-prioritisation of exploration targets and proposed activities.

There are a number of mineralised systems in the Eastern Succession of the Mount Isa Inlier that host over 1Mt of copper. These include Glencore's Ernest Henry mine that has an established resource of 1.8Mt copper and Altona Mining's Cloncurry Project that hosts 1.6Mt copper. CYU has a number of prospects with similar characteristics to both the Ernest Henry and Cloncurry projects and these deposits are considered by CYU to be an appropriate benchmark to apply for its exploration activities in the Mount Isa/Cloncurry region of northwest Queensland.

The CYU Mount Isa exploration portfolio covers approximately 850km<sup>2</sup>, centred in an area 75km northeast of Mount Isa and 40km west to northwest of Cloncurry, in northwestern Queensland (See Annexure A).

The CYU exploration portfolio area comprises a number of farm-in agreements (Mount Isa Mines – a Glencore company, Altona Mining/Roseby Copper South, Elementos and Goldsearch), together with tenure directly held by CYU.

The \$1.8 million exploration program for 2015 will consist of a range of prospect delineation activities including further drilling, induced polarisation (IP) geophysics surveys, extensive surface geochemical surveying, magnetic modelling and geological mapping.

A summary of the areas of particular interest in the 2015 exploration program is set out below.

## **The Roseby Trend**

This regionally significant north-south trending belt of copper mineralisation extends over 50km. The northern half of this belt hosts Altona Mining's Cloncurry Project which has a current JORC resource of 286.6Mt @ 0.57% Cu and 0.04 g/t Au for 1,647,000 tonnes of copper and 409,000 oz of gold (*Source: Altona Mining Quarterly Report March 2015 ASX – 21 April, 2015*). CYU holds tenure over the southern 25km extent of this belt, while comprising very similar geology to the Cloncurry Project, remains largely untested by modern exploration methods.

The Roseby Trend extends across four (4) CYU exploration tenements – comprising EPMs 10833, 11611 and 14535 (all Roseby South Joint Venture) and EPM 18973 (Millennium Joint Venture). Copper mineralisation along the Roseby Trend has already been defined by historic prospects and workings, elevated rock chip samples and soil geochemistry along a structural corridor that is 0.5-1.0km wide. The copper mineralisation is typically associated with sulphides from shallow depths and, in contrast to the Cloncurry Project mineralisation, only minor native copper has been noted and the copper mineralisation is often associated with significant gold mineralisation.

The main prospects to be tested by CYU's exploration team include Native Companion, Brolga, Cameron Crossing and Hobby. Of these, the primary targets for 2015 are:

Native Companion – a 3.6km zone of historic workings, elevated soil geochemistry and rock chip results and was the subject of an initial drilling program by CYU late in 2014. Four of the CYU drill holes in late 2014 reported intersections including:

- **Q034: 26m @ 0.68% Cu & 0.25 g/t Au (63-89m depth) including 15m @ 1.15% Cu and 0.41 g/t Au**

In addition, several copper-gold rock chip sample results (from historic programs) have reported substantial copper-gold results that may warrant future drill testing, including the following:

- **22.26% Cu**
- **26.9% Cu, 2.86g/t Au, 7.2g/t Ag and 883ppm Mo**
- **10.8% Cu & 1.63 g/t Au**
- **10.1% Cu & 13.5 g/t Au**
- **6.22% Cu & 5.06 g/t Au**
- **4.16% Cu & 2.55 g/t Au**
- **1.27% Cu & 4.32 g/t Au**
- **1.23% Cu & 8.81 g/t Au**

The Native Companion prospect is partially covered with transported sediments with only sporadic outcropping exposure. This prospect remains substantially under-evaluated. A re-interpretation of the available mapping and geochemistry indicates that the area is host to a series of mineralised shear zones with higher grades being developed where the shear zones intersect reactive rock-types. CYU's planned exploration activities will comprise detailed geological mapping and an IP survey to develop targets that will then be followed up by drill testing during the year.

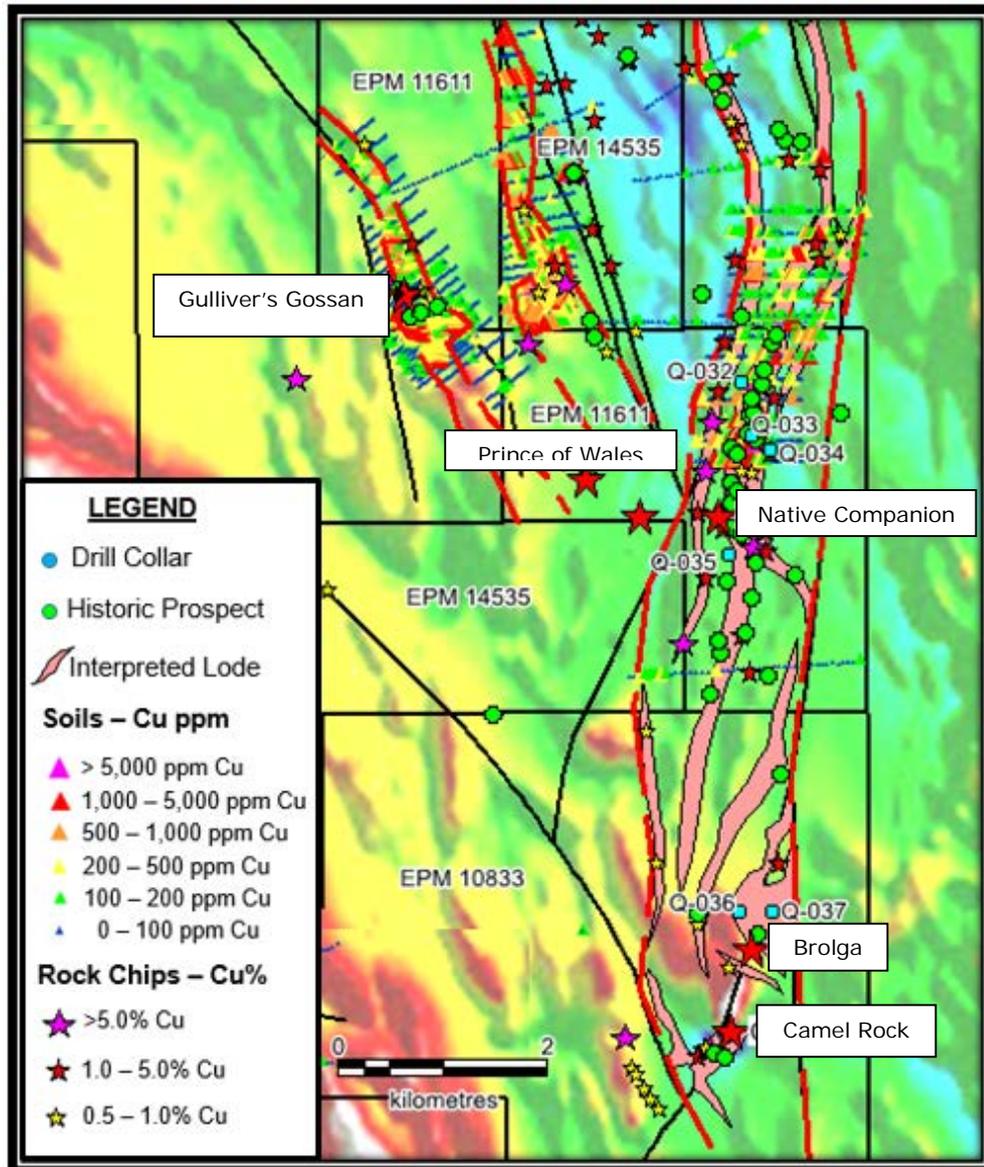


Figure 1: Native Companion-Brolga area with historic prospects and workings, rock chip and soil geochemistry, and interpreted mineralised lode structures overlain on TMI magnetic image.

Brolga-Camel Rock – a 2.3km zone of historic workings and rock chip results up to 30.0% Cu and 1.12g/t Au. The MMI soil survey conducted by CYU in 2014 defined a series of mineralised zones within the Roseby Corridor including a 1.4km x 0.7km Cu-Au anomaly that was subsequently the subject of an initial two hole drilling program by CYU late in 2014. Reported drill intersections included:

- Q-037: 18m @ 0.37% Cu including 8m @ 0.69% Cu.

A number of mineralised structures have been located in the area and follow-up investigations are required. CYU's planned exploration activities will comprise detailed geological mapping and an IP survey to develop targets that will then be followed up by drill testing later in the year.

**Elaine/Blue Caesar/Jubilee**

The Elaine prospect has already been the subject of over 13,000m of drilling by CYU since 2009. In September 2012, CYU announced a maiden inferred JORC resource at Elaine of **27.7Mt @ 0.53% Cu and 0.08 g/t Au**. The Elaine prospect is part of a large alteration system that has been mapped over 10km on EPM 14467 and 14022. The current resource has only been tested over a 400m strike length and remains open at depth and may potentially join up with the Blue Caesar prospect, located 500m to the northwest of Elaine.

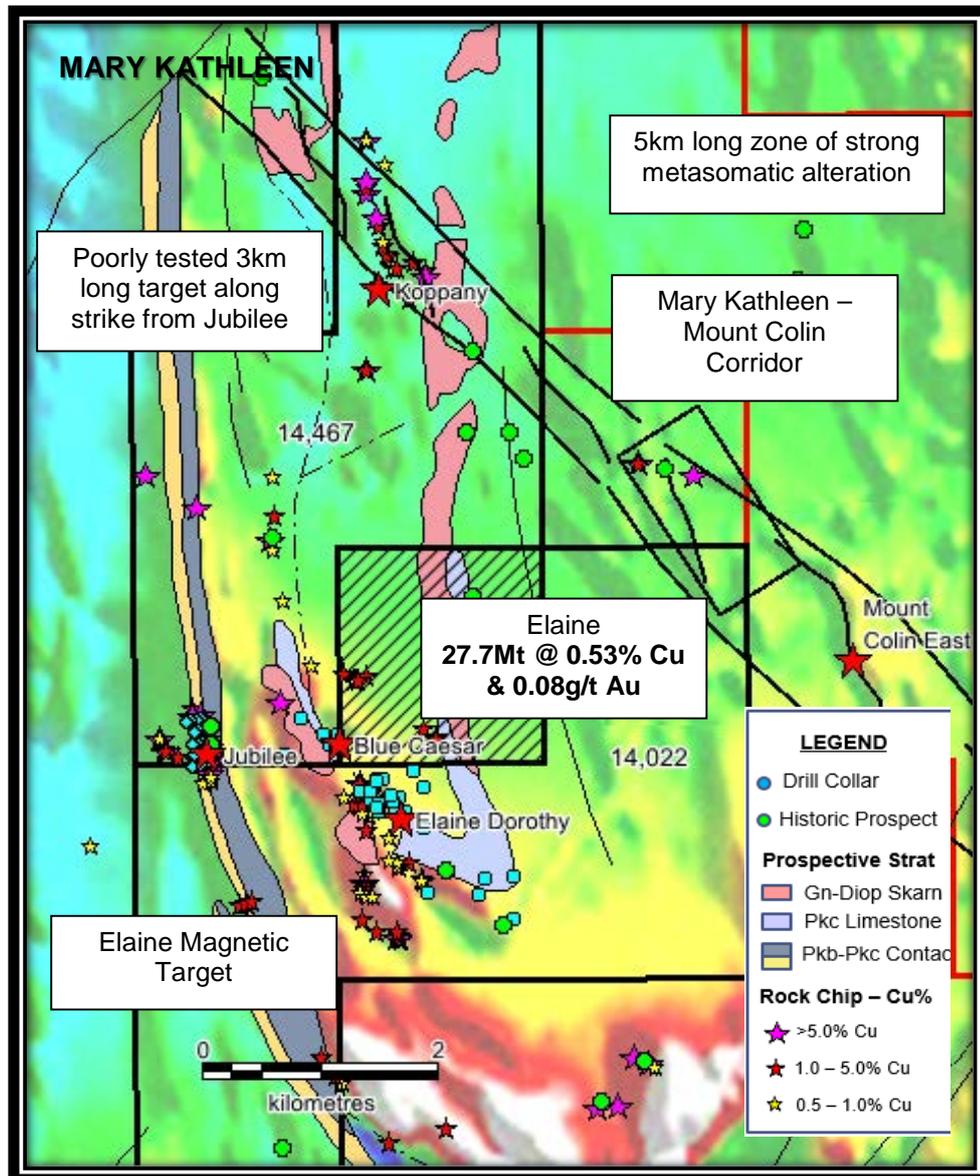


Figure 2: The Elaine-Blue Caesar-Jubilee area with historic prospects and workings, rock chip and soil geochemistry overlain on TMI magnetic image. The figure also depicts areas of mapped skarn alteration (associated with the Elaine-Blue Caesar mineralisation) as well as the Ballara Quartzite (Pkb)-Corella Formation (Pkc) contact that hosts the Jubilee mineralisation.

There also exists a 1.0km x 0.5km magnetic anomaly to the south of Elaine that remains virtually unexplored. Rock chip samples from earlier programs in this area include:

- 7.52% Cu & 6.40 g/t Au
- 5.34% Cu & 0.83 g/t Au
- 5.02% Cu & 1.85 g/t Au
- 4.88% Cu & 1.87 g/t Au

CYU's exploration team proposes to carry out a range of activities designed to identify drill targets for later in the year – such activities to include mapping, drill hole re-logging, magnetic modelling, and 3D geological modelling.

During 2014 CYU directed considerable focus on the Jubilee prospect, which is only 900m west of Blue Caesar and 5.5km south of the historic Mary Kathleen uranium mine. As reported previously, the results of the Jubilee exploration programs to date have already defined a strong copper-gold mineralised zone over a 500m strike length. There still remains a 3.2km north-south zone of Ballara Quartzite/Corella Formation to the north of the current Jubilee prospect that requires further exploration and assessment. Reconnaissance mapping and geochemistry soil sampling activities are planned for this prospect during the course of 2015. Should the mineralisation be established to continue further to the north, there is potential for the Jubilee area to provide a complementary/satellite source of mineralised ore to a primary future mining operation at Elaine.

### **Iron Oxide Copper-Gold Potential**

The recently completed technical review has also highlighted the potential for the CYU tenement package in northwest Queensland to host significant iron oxide copper gold (IOCG) mineralisation. A number of substantial IOCG deposits have been recognised in the Eastern Succession – Mount Isa Inlier including Glencore's Ernest Henry and Mount Margaret projects and Altona Mining's Little Eva project. These deposits have the size potential to meet CYU's exploration criterion (ie > 1Mt of contained copper or copper equivalent).

A number of prospects have been recognised within the CYU portfolio that exhibit many of the ingredients typical in IOCG deposits. These include:

- Sodic-calcic and potassic alteration;
- Regional scale faulting;
- Strong magnetic signatures; and
- Elevated copper and gold results in soil and rock chip results.

Featured prospects in this region include:

Oliver Twist (EPM 14535) – a 3.3km x 500m strong magnetic anomaly with a sinusoidal shape. Rock chip samples in the area from earlier activities include results of **14.00% Cu & 2.0 g/t Au**.

Round Mount NW & SE (EPM 10833) – further strong magnetic anomalies along a 5km strike length. Rock chip samples in the area from earlier activities include results of **3.42% Cu & 0.75 g/t Au**.

Campbell's Prospect (EPM 14365) – located on the margin of a large 600m x 400m magnetic anomaly with rock chip samples from earlier activities up to **3.58% Cu and 0.12 g/t Au**.

The Tub (EPM 14365) – a 1,600m x 1,100m strong magnetic anomaly with rock chip samples from earlier activities up to **2.28% Cu and 0.25 g/t Au**.

A large number of these prospects are associated with magnetic complexes contained within CYU's exploration tenement holdings and remain poorly tested by modern

exploration methods or drilling. These prospects all remain early stage exploration targets and will be evaluated in 2015 as part of this year's exploration campaign. Reconnaissance mapping and geochemical soil sampling activities are planned for these prospects during the course of 2015.

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CYU Managing Director, Paul Williams, said CYU's criteria of pursuing exploration targets with the potential of establishing at least one million tonnes of copper and/or copper equivalent minerals has created a renewed (and important) focus for the Mount Isa-based exploration team. "The investment market now has little tolerance for exploration expenditure that does not deliver results. The project review conducted by the highly-experienced former Xstrata/MIM geologists who have joined the CYU team has highlighted the significant potential within CYU's Mount Isa exploration portfolio. The CYU Board is really looking forward to its 2015 exploration activities and the results that will follow."

On behalf of the Board

Paul Williams  
Managing Director  
[paul.williams@cycal.com.au](mailto:paul.williams@cycal.com.au)  
+61 419 762 487

#### **About CYU**

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

CYU's largest shareholder is China Yunnan Copper (Australia) Investment and Development Co Ltd ("CYC"), owning 63.4% of the total issued shares in CYU. CYC is a wholly-owned subsidiary of Kunming-based Yunnan Copper Industry (Group) Co Ltd, which is the third largest producer of smelted copper product in China. In turn, Yunnan Copper Group is a subsidiary of Aluminium Corporation of China (Chinalco) which is the largest producer of aluminium product in China and the second largest world-wide. CYU has offices in Brisbane, and Mt Isa. The Company is listed on the ASX under the symbol "CYU".

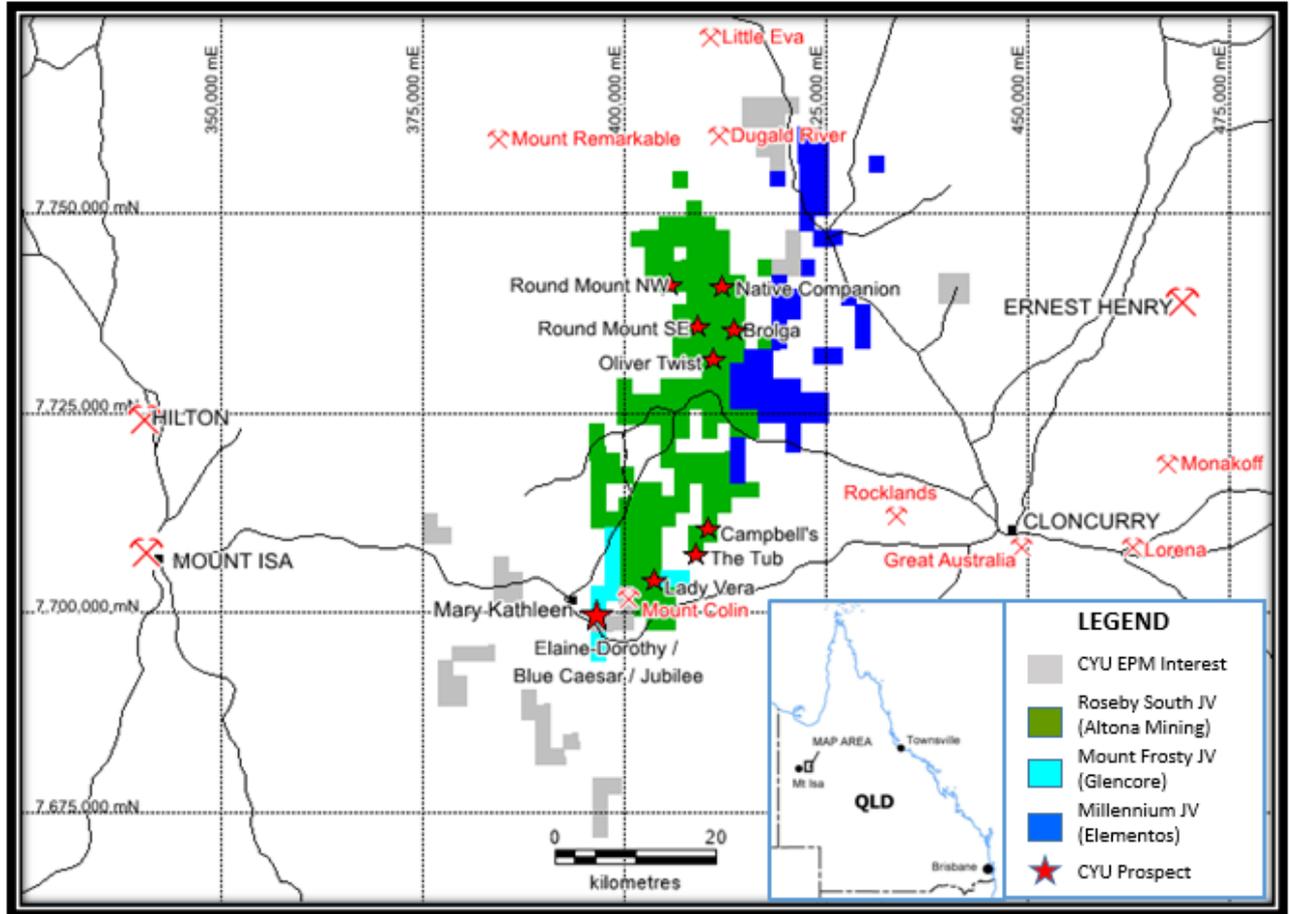
#### **Competent Person's Statement**

*The information regarding exploration activities and information set out in this ASX Release is based on information compiled by Mr David A-Izzeddin, a Competent Person, who is CYU's Exploration Manager and a Member of the Australian Institute of Geoscientists. Mr A-Izzeddin has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity that is being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr A-Izzeddin consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*

*This Mineral Resources Statement for the Elaine prospect as outlined above is extracted from a previous ASX announcement titled Elaine Project Resource Upgrade, dated 18 October 2012.*

*When used, the term "copper equivalent" refers to copper in concentrate produced, or planned to be produced. It does not refer to metal contained within insitu resources, reserves or drill results. The copper equivalent grade is calculated by factoring the copper grade by resource from all metals (NSR) being copper, zinc, gold and silver.*

ANNEXURE A  
(CYU's Mt Isa Tenement Location)



# JORC Code, 2012 Edition – Table 1

## Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> <li>• <i>Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.</i></li> <li>• <i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i></li> <li>• <i>Aspects of the determination of mineralisation that are Material to the Public Report.</i></li> <li>• <i>In cases where ‘industry standard’ work has been done this would be relatively simple (eg ‘reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay’). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Diamond core and reverse circulation drilling was used to obtain 1 m samples from which 1 kg was pulverised to produce a primary pulp from which ICP (ALS MEICP-41) and fire assay (ALS AA25) analyses were completed. Sampling was carried out under CYU’s protocols and QAQC procedures</li> <li>• Rock chip samples relate to historical data not collected by CYU. Samples were collected in the 1970’s and 1980’s by companies including CRA Exploration Pty Ltd, Roebuck Resources NL, Carpentaria Exploration Company Pty Ltd, Clifford Minerals Ltd, Menzies Gold NL, Delta Gold Exploration Pty Ltd, Pimex Pty Ltd and Pancontinental Mining Limited. The quality of the analysis and sampling is uncertain although there is no reason to doubt the quality.</li> <li>• Soil samples relate to historical data not collected by CYU. Samples were collected in the 1970’s and 1990’s by companies including CRA Exploration Pty Ltd and MIM Exploration Pty Ltd. The quality of the analysis and sampling is uncertain although there is no reason to doubt the quality.</li> </ul>
Drilling techniques	<ul style="list-style-type: none"> <li>• <i>Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).</i></li> </ul>	<ul style="list-style-type: none"> <li>• Diamond core drilling at NQ diameter, standard tube, using an RD750 truck-mounted rig, HD900 track-mounted rig and a Universal DR33. Drill core was oriented using the Ace system.</li> <li>• Reverse Circulation drilling using 5 ¼” face sampling bit; Schramm 610 with 1100cfm @ 450psi air.</li> </ul>
Drill sample recovery	<ul style="list-style-type: none"> <li>• <i>Method of recording and assessing core and chip sample recoveries and results assessed.</i></li> <li>• <i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i></li> <li>• <i>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Core recovery is measured using standard procedures by orientating core and measuring between core markers and comparing with downhole depths by the drillers</li> <li>• Sample recoveries for RC drilling noted on Log sheet based on visual estimates as well as sample weight compared to theoretical weight and checking sample loss through outside return and sampling equipment</li> <li>• Reverse Circulation holes are collared with a well-fitting stuffing box, material to outside return minimised. Drilling is undertaken using auxiliary compressors and boosters to keep hole dry and lift the sample to the sampling equipment. Cyclone and sampling equipment is checked regularly and cleaned. Hole is flushed at end of each sample and end of rod.</li> <li>• No obvious relationship between sample recovery and grade</li> </ul>
Logging	<ul style="list-style-type: none"> <li>• <i>Whether core and chip samples have been geologically and geotechnically logged to a</i></li> </ul>	<ul style="list-style-type: none"> <li>• Logging is carried out by a geologist, using CYU logging system which has been</li> </ul>

Criteria	JORC Code explanation	Commentary
	<p><i>level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</i></p> <ul style="list-style-type: none"> <li>• <i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i></li> <li>• <i>The total length and percentage of the relevant intersections logged.</i></li> </ul>	<p>developed to accurately reflect the geology of the area and mineralisation styles.</p> <ul style="list-style-type: none"> <li>• Washed chip samples are logged on site using qualitative and descriptive terminology.</li> <li>• Reverse Circulation logging is both qualitative and quantitative in nature and captures downhole depth, colour, lithology, texture, alteration, sulphide type, sulphide percentage, structure.</li> <li>• Core logging also captures RQD, Recovery and orientated structures. Magnetic susceptibility also collected. Drill core is photographed.</li> <li>• All drill holes are logged in full</li> </ul>
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> <li>• <i>If core, whether cut or sawn and whether quarter, half or all core taken.</i></li> <li>• <i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i></li> <li>• <i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i></li> <li>• <i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i></li> <li>• <i>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</i></li> <li>• <i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Diamond drill core split with diamond saw and half core sampled on 1m intervals</li> <li>• Riffle splitting of dry RC samples</li> <li>• Certified standards are included 1 in 40 samples</li> <li>• Subsets of sample pulps sent to SGS for external lab checks</li> <li>• Sample preparation methods appropriate to exploration drilling</li> </ul>
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> <li>• <i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i></li> <li>• <i>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i></li> <li>• <i>Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Samples are hand delivered to the ALS laboratory in Mount Isa for sample preparation of fine crush, riffle split and pulverizing of 1kg to 85% &lt; 75µm.</li> <li>• Pulps are analysed by using method code ME-ICP41, a 34 element determination using an aqua-regia digestion with ICP-AES determination and by fire assay for gold using a 30g charge (method code AA-25)</li> <li>• GBM® Standards are inserted in the sample sequence at the rate of 1 in 20 samples.</li> </ul>
Verification of sampling and assaying	<ul style="list-style-type: none"> <li>• <i>The verification of significant intersections by either independent or alternative company personnel.</i></li> <li>• <i>The use of twinned holes.</i></li> <li>• <i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i></li> <li>• <i>Discuss any adjustment to assay data.</i></li> </ul>	<ul style="list-style-type: none"> <li>• No independent verification required at this stage</li> <li>• Laboratory CSV files are merged with drill hole data files using unique sample numbers as the key.</li> <li>• No adjustments made to assay data</li> </ul>
Location of data points	<ul style="list-style-type: none"> <li>• <i>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i></li> <li>• <i>Specification of the grid system used.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Drill holes are located using handheld GPS receivers.</li> <li>• UTM projection GDA94 Zone 54</li> <li>• Topographic control from handheld GPS survey using local differential control.</li> </ul>

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> <li>• <i>Quality and adequacy of topographic control.</i></li> </ul>	
<i>Data spacing and distribution</i>	<ul style="list-style-type: none"> <li>• <i>Data spacing for reporting of Exploration Results.</i></li> <li>• <i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i></li> <li>• <i>Whether sample compositing has been applied.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Elaine Dorothy exploration drilling was completed on 80m to 40m sections. Data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for a Mineral Resource. Sample intervals are composited to 5m lengths.</li> <li>• Jubilee and Blue Caesar exploration drilling at nominal 100m section spacing and 100m toe spacing. Too early for resource estimation. No compositing has been applied.</li> <li>• Initial drill testing of surface geochemistry at Native Companion and Brolga. Too early for resource estimation. No compositing has been applied.</li> </ul>
<i>Orientation of data in relation to geological structure</i>	<ul style="list-style-type: none"> <li>• <i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i></li> <li>• <i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Drill sections are transverse to the strike of the outcrop.</li> <li>• No bias is believed to be introduced by the sampling method.</li> </ul>
<i>Sample security</i>	<ul style="list-style-type: none"> <li>• <i>The measures taken to ensure sample security.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Samples are hand delivered by CYU staff to the ALS laboratory in Mount Isa</li> </ul>
<i>Audits or reviews</i>	<ul style="list-style-type: none"> <li>• <i>The results of any audits or reviews of sampling techniques and data.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Internal review of methodology is undertaken regularly by senior company personnel.</li> </ul>

## Section 2 Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
<i>Mineral tenement and land tenure status</i>	<ul style="list-style-type: none"> <li>• <i>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</i></li> <li>• <i>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</i></li> </ul>	<ul style="list-style-type: none"> <li>• The Quamby Project consists of +860km<sup>2</sup> under Earn-In agreements with Altona Mining Ltd, Elementos Ltd and Mount Isa Mines Ltd.</li> <li>• There are no known impediments to exploration in the current area of operations.</li> </ul>
<i>Exploration done by other parties</i>	<ul style="list-style-type: none"> <li>• <i>Acknowledgment and appraisal of exploration by other parties.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Surface soil and rock chip sampling shown in the attached figures was conducted in the 1970's, 1980's and 1990's by companies including CRA Exploration Pty Ltd, Roebuck Resources NL, Carpentaria Exploration Company Pty Ltd, Clifford Minerals Ltd, Menzies Gold NL, Delta Gold Exploration Pty Ltd,</li> </ul>

Criteria	JORC Code explanation	Commentary
		<p>Pimex Pty Ltd and Pancontinental Mining Limited.</p> <ul style="list-style-type: none"> <li>• Regional airborne magnetic survey flown by Mount Isa Mines Pty Ltd in 1992</li> <li>• Mount Isa Mines Pty Ltd completed a percussion drilling program at Native Companion in 1963 including 46 holes for 2,623 feet (799 metres) with the deepest holes being 93 feet deep (i.e. 28 metres). Drilling was completed on a local grid and accurate location of drill collars has not been determined</li> <li>• Elaine was previously drill tested by various companies including Mineral Ventures Ltd (11 diamond drill holes for 738 metres) in 1955, Mary Kathleen Uranium Ltd 7 diamond holes and 12 reverse circulation holes for 3,107 metres) in the late 1970's and early 1980's and Goldsearch (7 reverse circulation holes for 959m) in 2006.</li> </ul>
<p><i>Geology</i></p>	<ul style="list-style-type: none"> <li>• <i>Deposit type, geological setting and style of mineralisation.</i></li> </ul>	<ul style="list-style-type: none"> <li>• The Elaine Dorothy and Blue Caesar mineralisation is shear-hosted copper-gold-rare earth mineralisation within an extensive zone of skarn alteration.</li> <li>• The Jubilee mineralisation is localised within a north trending quartz shear.</li> <li>• Native Companion and Brolga mineralisation occurs as metasomatic replacement in structurally controlled zones related to major regional structures. The closest example of this style of mineralisation is the Roseby Deposit, located north of Native Companion.</li> <li>• The Oliver Twist, Round Mount NW &amp; SE, The Tub and Campbell's prospect are hosted in red rock-magnetite altered calc-silicates of the Corella Formation associated with major shear zones. The mineralisation style is Iron-Oxide Copper Gold (IOCG). The closest example of this style is the Ernest Henry Deposit to the north of Cloncurry.</li> </ul>
<p><i>Drill hole Information</i></p>	<ul style="list-style-type: none"> <li>• <i>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:</i> <ul style="list-style-type: none"> <li>○ <i>easting and northing of the drill hole collar</i></li> <li>○ <i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i></li> <li>○ <i>dip and azimuth of the hole</i></li> <li>○ <i>down hole length and interception depth</i></li> <li>○ <i>hole length.</i></li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• See Collar Table below</li> </ul>

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> <li>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</li> </ul>	
Data aggregation methods	<ul style="list-style-type: none"> <li>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.</li> <li>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</li> <li>The assumptions used for any reporting of metal equivalent values should be clearly stated.</li> </ul>	<ul style="list-style-type: none"> <li>Summary intersections are length weighted averages of assay data using nominal 1000ppm Cu cut offs.</li> </ul>
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> <li>These relationships are particularly important in the reporting of Exploration Results.</li> <li>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</li> <li>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').</li> </ul>	<ul style="list-style-type: none"> <li>The Elaine Dorothy mineralisation strikes at 30° azimuth with a steep southeast dip. Drill holes have typically been drilled towards the northwest and north, generally at 60-75° to intersect the mineralisation at 30-50°</li> <li>Drill holes testing the Blue Caesar, Jubilee, Native Companion and Brolga are believed to be transverse to mineral trends and almost perpendicular to dip</li> </ul>
Diagrams	<ul style="list-style-type: none"> <li>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</li> </ul>	<ul style="list-style-type: none"> <li>Refer to the release.</li> </ul>
Balanced reporting	<ul style="list-style-type: none"> <li>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</li> </ul>	<ul style="list-style-type: none"> <li>All holes which have been drilled at the relevant prospects are shown on the attached figures.</li> <li>All compiled rock chip sampling is shown on the attached figures and significant results are highlighted.</li> <li>Similarly soil sampling undertaken at Elaine Dorothy, Blue Caesar, Jubilee, Native Companion and Brolga are shown in their entirety.</li> </ul>
Other substantive exploration data	<ul style="list-style-type: none"> <li>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</li> </ul>	<ul style="list-style-type: none"> <li>Refer to the release.</li> </ul>

Criteria	JORC Code explanation	Commentary
<i>Further work</i>	<ul style="list-style-type: none"> <li>• <i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i></li> <li>• <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Soil sampling of the southern portion of the Native Companion-Brolga trend, extensions to the Jubilee and Elaine-Dorothy trend and various IOCG targets.</li> <li>• IP geophysical survey for Native Companion-Brolga area</li> <li>• Follow-up drilling for Native Companion, Brolga, Elaine-Dorothy and Blue Caesar is planned for 2015.</li> </ul>

## Drill Hole Collar Data

<i>Hole ID</i>	<i>Prospect</i>	<i>East (GDA94 Zone 54)</i>	<i>North (GDA94 Zone 54)</i>	<i>RL</i>	<i>Collar Azi (GDA94 Zone 54)</i>	<i>Collar Dip</i>	<i>Total Depth (m)</i>
ED001	Elaine	398341.6	7699385.6	425.6	0	-90	61.00
ED002	Elaine	398313.0	7699405.0	417.7	0	-90	68.00
ED003	Elaine	398294.0	7699426.0	417.0	0	-90	106.00
ED004	Elaine	398295.5	7699399.0	414.7	0	-90	39.00
ED005	Elaine	398348.0	7699406.0	426.7	166	-60	49.00
ED006	Elaine	398922.0	7698912.2	415.3	205	-60	64.00
ED007	Elaine	398903.2	7698919.2	415.2	205	-60	35.00
ED008	Elaine	399027.5	7698811.2	419.8	205	-60	72.00
ED009	Elaine	399142.2	7698508.5	451.6	205	-60	46.00
ED010	Elaine	399259.0	7698535.9	433.3	205	-60	76.00
ED011	Elaine	398261.0	7699435.0	415.0	0	-90	122.00
ED012	Elaine	398286.2	7699519.0	442.8	177	-73	272.50
ED013	Elaine	398332.5	7699471.4	430.9	177	-70	166.00
ED014	Elaine	398232.0	7699515.0	444.0	177	-75	212.00
ED015	Elaine	398899.4	7698962.7	422.7	205	-56	160.00
ED016	Elaine	398186.0	7699530.6	448.1	177	-49	187.40
ED017	Elaine	398185.9	7699530.8	448.5	177	-75	274.90
ED018	Elaine	398228.7	7699569.1	449.0	177	-84	322.50
EP001	Elaine	398128.7	7699488.0	417.6	177	-70	184.00
EP002	Elaine	398956.4	7698729.3	459.9	0	-90	100.00
EP003	Elaine	398933.8	7698648.3	447.7	25	-60	140.00
EP004	Elaine	398053.4	7699539.3	388.7	177	-70	130.00
EP005	Elaine	399294.7	7698550.7	432.3	205	-65	146.00
EP006	Elaine	399025.2	7698625.6	452.5	0	-90	100.00
EP007	Elaine	399057.6	7698512.9	446.1	231	-70	122.00
EP008	Elaine	399102.0	7698638.5	448.0	205	-80	100.00
EP009	Elaine	398955.2	7698790.4	445.8	0	-90	100.00
EP010	Elaine	398692.1	7698932.8	432.1	0	-90	110.00
EP011	Elaine	399019.7	7698863.0	414.9	205	-60	120.00
EP012	Elaine	398946.6	7698963.2	405.3	205	-60	160.00
MKBC001	Blue Caesar	397696.0	7700002.0	383.0	221	-60	216.36
MKBC002	Blue Caesar	397644.0	7700097.0	381.0	216	-60	234.34
MKBC003	Blue Caesar	397749.0	7700009.0	380.0	85	-60	200.29
MKBC004	Blue Caesar	397651.0	7700100.0	0.0	0	-90	197.80
MKBC005	Blue Caesar	397646.0	7700102.0	0.0	265	-60	225.31
MKBC006	Blue Caesar	397769.0	7700094.0	402.0	221	-60	258.12
MKBC007	Blue Caesar	397318.0	7699926.0	370.0	22	-60	189.22
MKBC008	Blue Caesar	397457.0	7700240.0	384.0	221	-60	213.36

<i>Hole ID</i>	<i>Prospect</i>	<i>East (GDA94 Zone 54)</i>	<i>North (GDA94 Zone 54)</i>	<i>RL</i>	<i>Collar Azi (GDA94 Zone 54)</i>	<i>Collar Dip</i>	<i>Total Depth (m)</i>
MKED001	Elaine	398259.1	7699443.8	416.5	0	-90	133.69
MKED002	Elaine	398296.3	7699436.8	417.7	0	-90	125.60
MKED003	Elaine	398315.7	7699399.3	418.9	0	-90	75.60
MKED004	Elaine	398054.3	7699540.1	388.4	177	-70	207.80
MKED005	Elaine	398228.3	7699522.1	444.8	177	-75	267.10
MKED006	Elaine	398189.9	7699536.6	449.1	177	-60	299.90
MKED007	Elaine	398201.9	7699551.0	450.0	332	-75	825.90
MKED008	Elaine	398127.0	7699502.0	418.0	325.5	-60	604.60
MKED009	Elaine	398122.9	7699506.3	417.9	10	-56	657.40
MKED010	Elaine	398122.6	7699504.7	417.8	7	-66	528.75
MKED011	Elaine	398055.2	7699622.2	388.3	3	-67	531.30
MKED012	Elaine	398095.0	7699705.0	387.0	350	-66	14.80
MKED013	Elaine	398096.1	7699707.5	385.3	350	-66	339.60
MKED014	Elaine	398149.1	7699719.2	384.9	1	-70	420.50
MKED015	Elaine	397965.3	7699618.9	370.6	358	-60	438.30
MKED016	Elaine	398055.3	7699618.1	388.2	306	-75	762.40
MKED017	Elaine	398225.0	7699570.0	450.0	354	-60	7.90
MKED018	Elaine	398227.6	7699572.8	449.3	354	-60	735.30
MKED019	Elaine	398119.6	7699444.8	408.6	334	-69	822.70
MKED020	Elaine	398235.2	7699530.8	445.3	338	-70	474.50
MKED021	Elaine	398499.7	7699638.1	389.7	295	-60	711.80
MKED022	Elaine	398491.4	7699650.8	390.2	312	-62	725.90
MKED023	Elaine	398225.3	7699571.0	449.3	328	-73	891.70
MKED024	Elaine 2	399012.1	7698873.6	423.0	205	-60	150.60
MKED025	Elaine 3	399262.8	7698526.8	441.0	0	-90	114.80
MKED026	Elaine	398055.7	7699618.4	388.3	310	-60	294.60
MKED027	Elaine 2	398962.0	7698719.0	465.0	0	-90	114.60
MKED028	Elaine	398695.0	7698938.0	446.0	180	-60	156.40
MKED029	Elaine	398122.5	7699440.1	408.9	285	-70	633.80
MKED030	Elaine	399265.0	7698884.0	466.0	236	-60	189.40
MKED031	Elaine	398121.3	7699438.8	408.9	270.5	-50	329.80
MKED032	Elaine	398105.0	7699475.3	411.7	290	-65	16.80
MKED033	Elaine	398105.5	7699475.1	411.7	290	-65	18.50
MKED034	Elaine	398107.1	7699475.2	411.7	305	-65	432.30
MKED035	Elaine 2	398537.0	7698740.0	404.0	296	-60	169.20
MKED036	Elaine	398095.0	7699705.0	385.0	6	-90	896.98
MKRC001	Elaine	398344.7	7699413.4	426.7	210	-60	132.00
MKRC002	Elaine	398344.9	7699414.9	426.6	226	-80	138.00
MKRC003	Elaine	398346.2	7699444.9	427.9	250	-60	132.00

<i>Hole ID</i>	<i>Prospect</i>	<i>East (GDA94 Zone 54)</i>	<i>North (GDA94 Zone 54)</i>	<i>RL</i>	<i>Collar Azi (GDA94 Zone 54)</i>	<i>Collar Dip</i>	<i>Total Depth (m)</i>
MKRC004	Elaine	398344.3	7699443.9	427.0	236	-70	126.00
MKRC005	Elaine	398493.8	7699290.5	403.3	216	-60	96.00
MKRC029	Elaine	398284.8	7699554.0	447.6	179.4	-80	300.00
MKWBO01	Elaine	398415.3	7699779.0	386.1	0	-90	35.00
Q-018	Blue Caesar	397602.0	7700191.0	384.0	237	-59.05	106.00
Q-019	Jubilee	396680.0	7700037.0	356.0	71	-60.36	70.00
Q-020	Jubilee	396649.0	7700031.0	364.0	70	-60.12	112.00
Q-021	Blue Caesar	397682.0	7700221.0	377.0	256	-70	145.00
Q-022	Blue Caesar	397766.0	7700113.0	394.0	256	-80	162.00
Q-023	Jubilee	396604.0	7700230.0	375.0	76	-60	90.00
Q-024	Jubilee	396567.0	7700224.0	359.0	76	-60	144.00
Q-025	Jubilee	396634.0	7700135.0	370.0	76	-60	90.00
Q-026	Jubilee	396599.0	7700126.0	366.0	76	-60	138.00
Q-027	Jubilee	396617.0	7700025.0	358.0	76	-60	144.00
Q-028	Jubilee	396634.0	7699927.0	366.0	75	-60	108.00
Q-029	Jubilee	396596.0	7699925.0	363.0	76	-60	129.00
Q-030	Jubilee	396643.0	7699839.0	348.0	75	-60	108.00
Q-031	Jubilee	396608.0	7699838.0	348.0	74	-60	174.00
Q-032	Native Companion	413730.0	7741854.0	202.0	86	-60	106.00
Q-033	Native Companion	413833.0	7741344.0	201.0	276	-60	90.00
Q-034	Native Companion	414003.0	7741204.0	210.0	271	-60	102.00
Q-035	Native Companion	413615.0	7740188.0	211.0	259	-60	138.00
Q-036	Brolga	413700.0	7736748.0	227.0	87	-60	102.00
Q-037	Brolga	414034.0	7736754.0	233.0	86	-60	96.00
Q-038	Jubilee	396479.0	7700209.0	351.0	76	-60	180.00
Q-039	Jubilee	396575.0	7700019.0	361.0	76	-60	276.00
Q-040	Jubilee	396575.0	7700019.0	361.0	76	-60	204.00
Q-041	Jubilee	396536.0	7700016.0	347.0	76	-65	318.00
Q-042	Jubilee	396564.0	7699835.0	349.0	76	-60	270.00
Q-043	Jubilee	396533.0	7699822.0	354.0	77	-57	354.00
Q-044	Jubilee	396562.0	7699920.0	343.0	77	-60	204.00
Q-045	Jubilee	396561.0	7700120.0	373.0	78	-55	172.00