ASX/Media Announcement

23rd July 2009

FURTHER DRILL RESULTS EXTEND GEM PROSPECT – A NEW COPPER-GOLD DISCOVERY

Key Points

- **Encouraging results have been received from the Gem discovery, with reverse circulation and diamond drilling extending the mineralised strike length to 500 metres. The target is a new style of copper mineralisation within the Naraku Granite, Cloncurry.**

- **Reverse circulation drilling results include:**

  GR-012 - 3m @ 2.36% copper and 0.40 g/t gold from 51m

  GR-013 - 1m @ 2.53% copper and 0.24 g/t gold from 31m

  GR-013 - 1m @ 1.60% copper and 9.98 g/t gold from 31m

  GR-015 - 6m @ 1.10% copper and 0.28g/t gold from 185m

- **Previously reported Hole GR-003;**

  GR-003 - 38m @ 1.25% copper and 0.20g/t gold from 33m.

- **Mineralised zones consist a series of sub-parallel quartz - pyrite - chalcopyrite – pyrrhotite - magnetite vein sets and shears.**

- **Additional assay results are awaited.**

- **Ground TEM (time domain electromagnetic) geophysical survey completed. Combined with drilling information, results to be used in planning further extensional drilling.**

China Yunnan Copper Australia Limited **(ASX:CYU)** today announced further encouraging results from its follow up exploration reverse circulation (RC) and diamond drilling programme at the Gem Prospect on its Cloncurry North Project (**Figure 1**).

A total of ten RC drillholes totalling 1,641m and three diamond core holes totalling 417.6m (**Figure 2**) were completed in July 2009 (**Table 1**). CYU considers these results very important in terms of discovering a significant iron oxide-copper-gold (IOCG) system. Mineralisation remains open down dip and along strike. All samples have been submitted to the laboratory. Diamond results are expected to be received in the coming weeks.

TYPE	HOLE ID	EAST*	NORTH*	RL (m)	Dip (°)	AZM (Grid)	DEPTH (m)
DD	GD-006	419389	7758531	194	-60	060	198.50
RC	GR-007	419464	7758559	192	-60	060	148.00
RC	GR-008	419423	7758597	192	-60	060	196.00
RC	GR-009	419404	7758586	191	-60	060	202.00
RC	GR-010	419462	7758522	191	-60	060	148.00
RC	GR-011	419447	7758511	189	-60	060	148.00
RC	GR-012	419427	7758501	190	-60	060	202.00
RC	GR-013	419438	7758460	190	-60	060	154.00
RC	GR-014	419439	7758802	193	-60	090	100.00
RC	GR-015	419366	7758802	190	-60	090	202.00
RC	GR-016	419417	7758255	191	-60	360	141.00
DD	GD-017	419446	7758562	194	-60	240	105.00
DD	GD-018	419414	7758258	193	-60	060	114.05

Table 1: Gem Prospect RC and Diamond drill collar location. * Easting and Northing UTM MGA Zone 54 – GDA94. RC (Reverse Circulation percussion drilling), DD (core drilling).

The Gem Prospect is considered to consist of a series of sub-parallel mineralised zones trending northwest. Early interpretation has defined three trends, namely, West Zone, Central Zone and East Zone**. These zones consist of a series of sub-parallel quartz-pyrite-chalcopyrite-pyrrhotite-magnetite vein sets and shears.** Numerous old workings are observed on the surface of the prospect with an overall strike length greater than 650m. Results have been returned for all the RC drilling to date, while diamond core has been geologically logged, cut, sampled and assays are still pending **(Table 2)**.

The East Zone, initially tested by GR-001 returned a low grade near surface copper intersection of 21m @ 0.12% copper and 0.05g/t gold from 55m down hole depth. This intersection was targeted by two follow up RC holes, GR-014 and GR-015**.** GR-015 drilled below this intersection returned 8m @ 0.89% copper, 0.25g/t gold from 183m down hole depth including a higher grade zone of **6m @ 1.10% copper, 0.28g/t gold**

from 185m down hole depth.

HOLE TYPE	HOLE ID	From	To	Interval	Cu (%)	Au (g/t)	Zn (%)
RC	**GR-001***	42.00	43.00	1.00	0.13	<0.01	
	GR-001*	**55.00**	**76.00**	**21.00**	**0.12**	**0.05**	
	including	**55.00**	**57.00**	**2.00**	**0.19**	**0.08**	
	including	**61.00**	**66.00**	**5.00**	**0.16**	**0.05**	
	including	**68.00**	**69.00**	**1.00**	**0.12**	**0.02**	
	including	**73.00**	**76.00**	**3.00**	**0.20**	**0.10**	
RC	**GR-002***	**No Significant Results**					
RC	**GR-003***	**33.00**	**71.00**	**38.00**	**1.25**	**0.20**	
	including	**45.00**	**67.00**	**22.00**	**1.96**	**0.29**	
RC	**GR-004***	59.00	60.00	1.00	0.12	0.02	
	GR-004*	80.00	81.00	1.00	0.47	0.27	
	GR-004*	141.00	142.00	1.00	0.18	0.02	
RC	**GR-005***	39.00	40.00	1.00	0.11	<0.01	
Diamond	**GD-006**	**Assay Pending**					
RC	**GR-007**	44.00	45.00	1.00	0.18	0.01	
	GR-007	50.00	51.00	1.00	0.21	0.01	
RC	**GR-008**	20.00	22.00	2.00	0.34	0.06	
	GR-008	**27.00**	**33.00**	**6.00**	**0.46**	**0.05**	
	including	**30.00**	**32.00**	**2.00**	**0.49**	**0.07**	**1.06**
	GR-008	72.00	73.00	1.00	0.16	0.16	
	GR-008	86.00	87.00	1.00	0.19	0.09	
	GR-008	138.00	139.00	1.00	0.21	<0.01	
	GR-008	150.00	151.00	1.00	0.12	0.05	
	GR-008	179.00	180.00	1.00	0.14	0.05	
RC	**GR-009**	**1.00**	**5.00**	**4.00**	**1.16**	**0.12**	
	including	**1.00**	**3.00**	**2.00**	**2.07**	**0.21**	
	GR-009	30.00	31.00	1.00	0.12	0.01	
	GR-009	35.00	36.00	1.00	0.28	0.05	
	GR-009	**100.00**	**108.00**	**8.00**	**0.28**	**0.12**	
	including	**105.00**	**106.00**	**1.00**	**1.54**	**0.56**	
	GR-009	145.00	146.00	1.00	0.20	0.06	
	GR-009	149.00	150.00	1.00	0.35	0.29	
RC	**GR-010**	15.00	17.00	2.00	0.45	<0.01	
	GR-010	28.00	29.00	1.00	0.14	0.01	
	GR-010	36.00	38.00	2.00	0.39	0.03	
	GR-010	**48.00**	**53.00**	**5.00**	**0.18**	**0.07**	
	GR-010	67.00	68.00	1.00	0.11	0.04	
RC	**GR-011**	5.00	7.00	2.00	0.15	0.01	
	GR-011	**16.00**	**24.00**	**8.00**	**0.16**	**0.13**	
	including	**18.00**	**19.00**	**1.00**	**0.30**	**0.69**	
RC	**GR-012**	25.00	26.00	1.00	0.35	0.01	
	GR-012	30.00	31.00	1.00	0.14	0.06	
	GR-012	**51.00**	**54.00**	**3.00**	**2.36**	**0.40**	
	including	**51.00**	**53.00**	**2.00**	**3.42**	**0.57**	
	GR-012	58.00	60.00	2.00	0.18	0.05	
	GR-012	64.00	67.00	3.00	0.27	0.02	
	GR-012	91.00	92.00	1.00	0.13	0.11	

HOLE TYPE	HOLE ID	From	To	Interval	Cu (%)	Au (g/t)	Zn (%)
RC	**GR-013**	**0.00**	**7.00**	**7.00**	**0.36**	**0.07**	
	GR-013	11.00	12.00	1.00	0.43	0.24	
	GR-013	**26.00**	**42.00**	**16.00**	**0.38**	**0.69**	
	including	**31.00**	**32.00**	**1.00**	**2.53**	**0.24**	
	including	**37.00**	**38.00**	**1.00**	**1.60**	**9.98**	
	GR-013	58.00	59.00	1.00	0.15	0.03	
RC	**GR-014**	24.00	26.00	2.00	0.18	0.01	
	GR-014	29.00	30.00	1.00	0.40	<0.01	
	GR-014	34.00	35.00	1.00	0.21	<0.01	
RC	**GR-015**	**168.00**	**170.00**	**2.00**	**1.04**	**0.36**	
	including	**168.00**	**169.00**	**1.00**	**1.97**	**0.69**	
	GR-015	**183.00**	**191.00**	**8.00**	**0.89**	**0.25**	
	including	**185.00**	**191.00**	**6.00**	**1.10**	**0.28**	
	including	**188.00**	**190.00**	**2.00**	**2.35**	**0.62**	
RC	**GR-016**	**No Significant Results**					
Diamond	**GD-017**	**Assay Pending**					
Diamond	**GD-018**	**Assay Pending**					

Table 2: Gem Prospect Significant Drill Results at a 0.10% copper lower cut. *Indicates previously reported.

Previously, GR-003 reported a near surface copper-gold intersection of **38m @ 1.25 % copper and 0.20 g/t gold** from 33m down hole depth including a high grade interval of **22m @ 1.96% copper and 0.29 g/t gold**. While assays are pending for the diamond holes, geological logging, structural and geotechnical measurements have identified the mineralisation being hosted within a steeply dipping sheared zone with internal north west dipping tensional vein sets.

GR-008 and GR-009 to the northwest returned low grade mineralized zones of 6m @ 0.46% copper, 0.05g/t gold from 27m down hole depth and 8m @ 0.28% copper, 0.12g/t gold from 100m down hole depth respectively. To the southeast GR-011 and GR-012 also returned mineralized zones of 8m @ 0.16% copper, 0.13g/t gold from 16m down hole depth and **3m @ 2.36% Cu, 0.40g/t Au** from 51m down hole depth respectively.

GR-013 was collared at the main workings and along strike from GR-005 to follow up the west mineralized zone that was not properly tested in the first round of drilling. A near surface intersection was returned of 16m @ 0.38% copper, 0.69g/t gold from 26m down hole depth including two high grade zones of **1m @ 2.53% copper, 0.24g/t gold** from 31m down hole depth and **1m @ 1.60% copper, 9.98g/t gold** from 37m down hole depth.

Drilling to date has identified that mineralisation remains open at depth and along strike to the northwest and southeast. The host rock is defined as the Naraku Granite which is believed to be responsible for IOCG mineralisation in the district. Most of the prospect is covered by alluvium and minimal outcrop is observed.

To assist in planning the next stage of drilling a time-domain electromagnetic (TEM) ground geophysical survey was completed on the 22nd July. The survey comprised two lines of 500m length using a 100m moving loop configuration. 50m loop moves with 25m moves over the target area were completed. Results from this survey, in conjunction with geological interpretation, will assist in planning a third round of drilling at Gem. Future drilling will **determine the extent of this new, shallow copper gold mineralised system.**

About CYU

CYU is an Australian company formed to explore for and develop minerals in Australia and overseas. Cornerstone investor, Yunnan Copper Industry (Group) Co Ltd, is one of China's largest copper producers. CYU is targeting high quality copper, gold and uranium projects with eleven wholly owned Exploration Permit for Minerals (EPM's) in the Mt Isa Inlier, Ravenswood-Pentland Province and the Clermont Inlier in Queensland.

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Competent Person's Statement

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

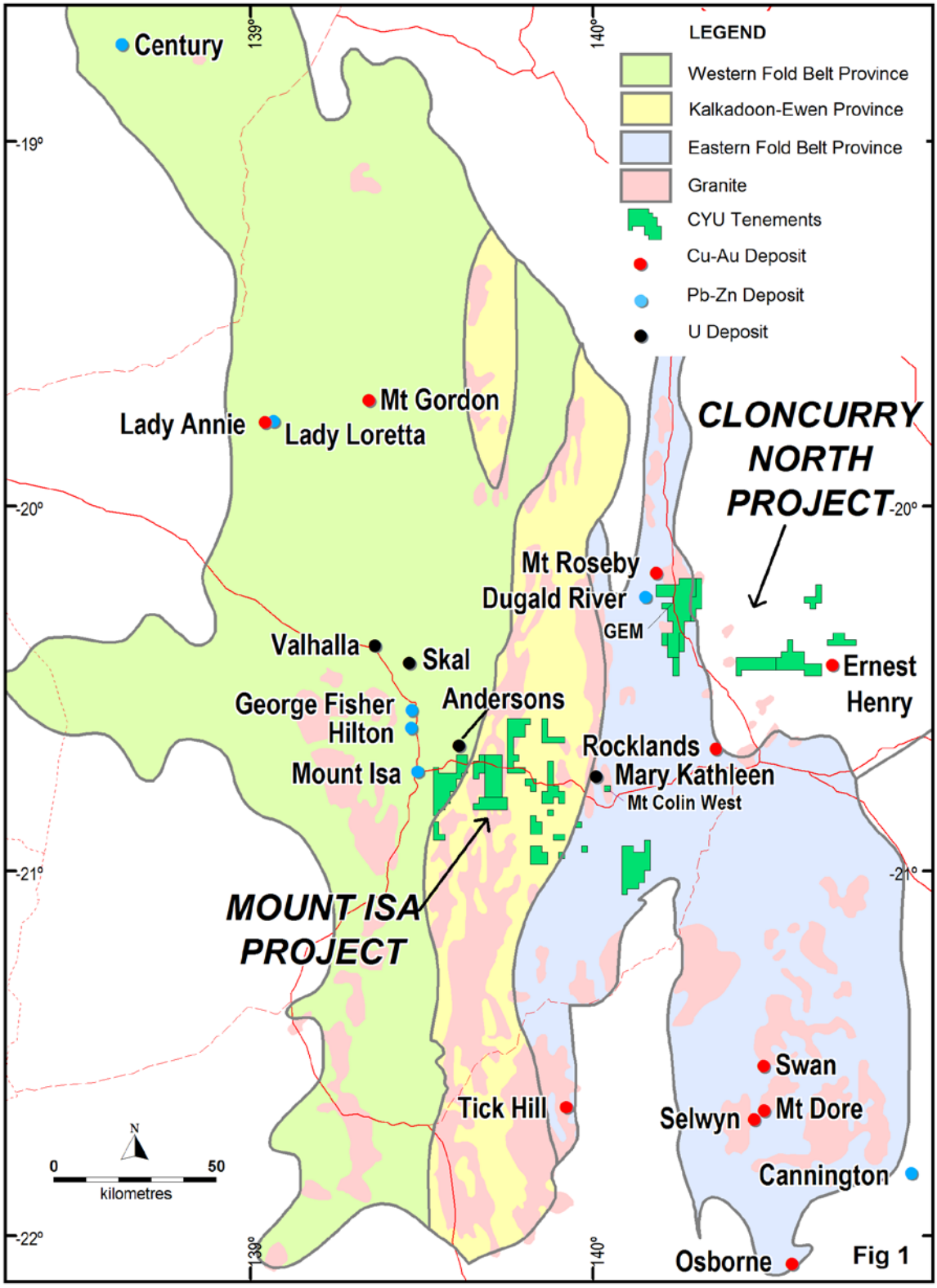

Figure 1. CYU project locations - Mt Isa and Cloncurry.

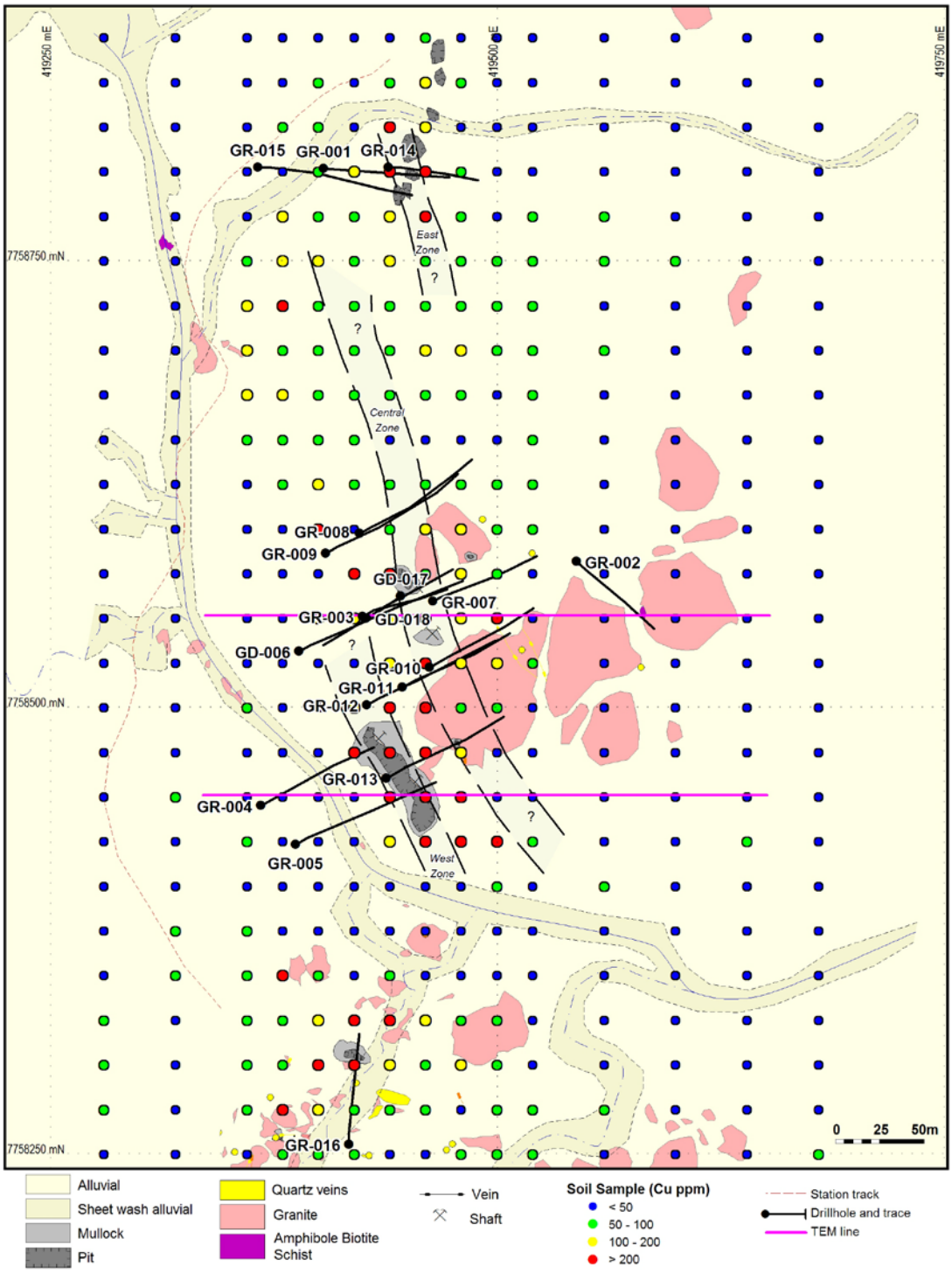

Figure 2. Gem interpretive prospect scale map. Sectional and three dimensional interpretation is ongoing and will be reported when further assay information is received from core samples. Gem remains open along strike to the north and south and at depth.

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