



Chinalco Yunnan Copper Resources

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Jul 28th 2015

Chinalco Yunnan Copper edges closer to drilling at Native Companion

Chinalco Yunnan Copper Resources (ASX:CYU) will soon complete a geological survey at its Native Companion project in northwestern Queensland and is planning to start drilling of key targets in early August.

The survey has already demonstrated a strong relationship between chargeability/conductivity anomalies and known areas of copper mineralisation at surface.

It has also identified a number of previously-unknown anomalous targets, including potential blind targets at depth, providing the company with some highly prospective drill targets.

Chinalco has approved a \$1.8 million budget for 2015 exploration activities at its Mount Isa exploration tenure package, which covers just under 750 square kilometres.

This followed a detailed project review to identify exploration targets with the potential to host a resource base of at least one million tonnes of copper and/or copper equivalent minerals.

It is preparing an integrated 3D model across its tenure incorporating geological modelling, geochemical data, IP and magnetic modelling for the region as well as carrying out geochemical soil sampling across areas of significant prospectivity.

Native Companion

The Native Companion copper-gold prospect, situated within the Roseby Trend, is the primary exploration target within the company's exploration portfolio area for 2015.

It covers the southern 25 kilometre extent of a regionally significant north-south trending belt of copper mineralisation that hosts Altona Mining's (ASX:AOH) Cloncurry Project in the North.

Cloncurry Project has a Resource of 286.6 million tonnes grading 0.57% copper and 0.04g/t gold for 1,647,000 tonnes of copper and 409,000 ounces of gold.

Despite hosting very similar geology to Cloncurry, the Native Companion area remains largely untested by modern exploration methods.

The Native Companion prospect comprises a 3.6 kilometre by 1 kilometre zone containing over 200 historic artisanal workings, elevated soil geochemistry and high grade copper and gold rock chip results.

It is partially overlain by shallow depths of transported alluvial cover with only sporadic outcropping exposure. The existence of this cover material has previously limited the understanding of subsurface geology and structure.

Chinalco commenced an induced polarisation geophysical survey in June 2015 to detect and map economic mineral deposits, in particular those associated with disseminated sulphides and massive sulphide mineralisation.

This is expected to be completed this month.

Price: A\$0.02

Market Cap: A\$9.461M

1 Year Share Price Graph



Share Information

Code: CYU

Listing: ASX

Sector: General Mining

Website: www.cycal.com.au

Company Synopsis:

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

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Targets identified will be combined with geological and geochemical datasets, to develop future drilling programs.

Detailed geological mapping of the Native Companion area at 1:5000 scale also commenced in June 2015.

Other Mount Isa Exploration

Chinalco has also completed a soil survey at Grid B and Wonder Valley on EPM 14365.

A total of 111 soil samples were collected from Grid B and 360 samples were collected from Wonder Valley. These samples are awaiting assay results before further activities are planned for this area.

The company has also undertaken geological mapping of the Elaine South prospect, which is defined by a 1 kilometre by 0.5 kilometre magnetic anomaly south of the Elaine Resource which remains poorly explored.

Preliminary mapping of this area has revealed:

- The area is dominated by an extensive sequence of altered metasediments including calc-silicates, schists, black shale and marble of the Corella Formation. Localised garnetite occurs to the north of the prospect and the area has been intruded by dolerite intrusives;
- The area hosts extensive zones of silica-feldspar-pyroxene+/-amphibole+/-epidote+/-magnetite alteration, particularly closely associated with the magnetic anomaly; and
- Minor copper mineralisation has been identified associated with small historic workings in association with calcite veining.

A small soil sampling program is planned to be completed over this prospect in the second half of 2015.

It has also completed a soil survey extension over the Mt Dorothy Prospect with assays awaited while preliminary 3D geological modelling has been completed over Blue Caesar and Jubilee.

Modelling of the Blue Caesar area confirms that the garnetite alteration has a strong spatial relationship with the mineralisation and is likely to be a controlling factor in its deposition.

This relationship will be used to guide step-out drilling on the resource.

Modelling of the Jubilee area has demonstrated that the mineralised envelope is typically 3-5 metres true thickness and remains open along strike and at depth. This modelling will assist in developing follow-up drilling.

Corporate Activity

Chinalco continues to pursue certain acquisition and project opportunities that are consistent with its objective of becoming a mid-tier copper producer.

Due diligence reviews and negotiations are continuing.

Analysis

Chinalco Yunnan Copper will soon have a better understanding of its Native Companion prospect with drilling expected to start in the first week of August.

Native Companion offers the best opportunity for an economic discovery given its location on the same mineralised corridor as Altona's Cloncurry Project.

Other exploration in the Mount Isa region provides further newsflow for the company.

Chinalco had \$2 million in cash as at 30th June 2015.

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