

## **ASX Release**

17 September 2013

### **Chinalco Yunnan Copper Resources Ltd (ASX: CYU)**

#### **ROSEBY SOUTH COPPER GOLD PROJECT JOINT VENTURE**

- **8 permits over 704km<sup>2</sup> contiguous with CYU existing holdings near Mt Isa**
- **JV with Altona Mining with ultimate majority interest earn-in**
- **CYU focus to aggressively explore Cloncurry region and expand holdings**

Yunnan Copper Resources Limited (CYU) has entered into a binding term sheet to create a joint venture with Altona Mining Limited (Altona) to explore for copper and gold and ultimately earn a majority interest in the Roseby South Project, near Mt Isa in Queensland.

Roseby South comprises a package of eight Exploration Permits covering an area of 704km<sup>2</sup> situated near Cloncurry in the world-class Mt Isa Inlier in north-west Queensland. Set out in Annexure A is a diagram showing the location of the Roseby South tenures, as they relate to CYU's other project interests in the region. As can be seen, the Roseby South tenure package substantially expands CYU's existing tenure holdings in the region and, more importantly is largely contiguous with CYU's existing tenure.

The terms of the earn-in joint venture between CYU and Altona are:

- The term of the earn-in is 5 years;
- CYU must spend at least \$1m on exploration at Roseby South during the next 2 years;
- CYU has the right to earn a 30% interest upon the expenditure of \$2m (inclusive of the \$1m noted above);
- CYU has the right to earn a further 30% of the project by investing an additional \$2 million; and
- At any time CYU may elect to sole fund exploration and feasibility studies on a proposed mining development. By incurring all costs up to completion of a positive bankable standard feasibility study and to the point of a decision to mine being made by the parties, CYU shall be entitled to earn a further 10% interest in the Roseby South tenures (taking its total interest to 70%).

Once CYU earns its 60% interest, (and subject to CYU making an election to sole fund a feasibility study to go to 70%), an unincorporated joint venture will be formed between CYU and Altona with each party then obliged to contribute to ongoing project development or dilute according to an agreed formula and work program.

Roseby South is situated near Cloncurry in the world-class Mt Isa Inlier, a significant gold and base metal producing region, host to major copper/gold and lead/silver/zinc deposits. The district has established mining, processing and transportation infrastructure in close proximity to the regional centres of Mt Isa and Cloncurry.

The essential ingredients for any economic mineral discovery are “source” rocks, “trap” rocks and “fluid pathways”. Structure, especially deep penetrating structures, provide two of these – the fluid pathways and the trap environments. The Roseby South tenure package provides access to three major, deep-crustal faults - the northern extension of the Pilgrim / Fountain Range Fault, the Cameron Fault and the Wonga Fault. In addition the connecting structures between these faults include the Mary Kathleen and Roseby Faults, both of which are hosts to significant ore deposits. Numerous mineral occurrences (principally for copper - as is reflected in the area’s mining and exploration history) occur throughout the area in linear trends, generally associated with major faults.

The Roseby South tenure package is also well positioned to use existing infrastructure – roads, power, water, being located mid-way between Mount Isa and Cloncurry and straddling the country between the Barkly Highway and the Quamby Development Road.

Anomalous copper and gold geochemistry, compiled from historic exploration (soil and stream sediment surveys), identify the northern portion of the Altona package (Companion/Brolga) and the Federal area as immediate priority targets.

CYU Managing Director, Paul Williams, said that the Roseby South joint venture was an important step for the Company as it is consistent with the stated corporate objective of gaining a strong presence in the Mt Isa region. “The Roseby South tenure covers a very large area of highly prospective ground that needs to be explored. Using the significant data package that Altona has already compiled, CYU is well placed to commence exploration programs across this area almost immediately”.

On behalf of the Board

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#### **About CYU**

Chinalco Yunnan Copper Resources Ltd (“CYU” or “Company”) is a resource exploration and development company with project interests in the Mt Isa region of north Queensland, Chile and northern Laos.

CYU’s largest shareholder is China Yunnan Copper (Australia) Investment and Development Co Ltd (“CYC”), owning 43% 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, Mount Isa and in Santiago. The Company is listed on the ASX under the symbol “CYU”.

#### **Competent Person’s Statement**

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

## Annexure A (Location of Roseby South Tenures)

