



ABN 29 070 859 522

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

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

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COPPER RESOURCES
LTD**

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JUNE 2015 QUARTERLY ACTIVITIES REPORT

28 JULY 2015

Activities during the three months to 30 June 2015 included:

- Continued focus on acquisition and project opportunities designed to transform CYU into a mid-tier copper producer.
- Conducting a range of exploration activities across the Mount Isa tenure portfolio including:
 - Geophysical survey at Native Companion
 - Geochemical soil sampling (approximately 600 samples) across other areas of significant prospectivity
 - Mapping and other assessment of the Native Companion and Elaine South areas
- The geophysical survey at Native Companion commenced in June and is expected to be completed in July. To date, the survey has demonstrated:
 - A strong relationship between chargeability/conductivity anomalies and known areas of copper mineralisation at surface
 - A number of other previously-unknown anomalous targets, including potential blind targets at depth, and provided CYU's exploration team with some highly prospective drill targets
- Preparations are underway for a drilling program at Native Companion, scheduled to commence in week commencing 3 August 2015, focussing on several key targets
- Preparation of an integrated 3D model across CYU's Mount Isa tenure portfolio incorporating geological modelling, geochemical data, IP and magnetic modelling for the region.

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

Mount Isa Exploration Activities

The CYU Mount Isa exploration tenure package covers just under 750km², centred in an area 75km northeast of Mount Isa and 40km northwest of Cloncurry in north western Queensland (see Annexure A for a diagram of tenure holdings). The project area comprises a number of farm-in/joint venture agreements (Mount Isa Mines – a Glencore company, Altona/Roseby Copper South, Elementos and Goldsearch), together with tenure held directly by CYU.

CYU's Board has approved a \$1.8M budget for its 2015 Mount Isa exploration activities, after completion of a detailed project review by its exploration team earlier this year. A key criterion underpinning the project review is to identify exploration targets with the potential to host a resource base of at least one (1) million tonnes of copper and/or copper equivalent minerals.

The Roseby Trend – Native Companion

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

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. CYU holds tenure over the southern 25km extent of this belt. Even though the Native Companion area hosts very similar geology to the Cloncurry Project, it remains largely untested by modern exploration methods.

The Roseby Trend extends across four (4) CYU exploration tenements – with the Native Companion prospect falling within EPM 11611 (part of the Roseby South Joint Venture with Altona Mining). 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 Native Companion prospect comprises a 3.6km x 1.0km zone containing over 200 historic artisanal workings, elevated soil geochemistry and high grade copper and gold rock chip results. The Native Companion prospect 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.

Native Companion – IP Geophysical Survey

Following the completion of a detailed MMI (mobile metal ion) geochemical soil sampling survey and preliminary drilling in late 2014, CYU commenced an induced polarisation (IP) geophysical survey in June 2015. This survey technique involves the passing of electric current into the subsurface between two electrodes, to measure an induced potential field in the ground and calculate the chargeability and resistivity of the subsurface. In doing so, this technique may detect and map economic mineral deposits, in particular those associated with disseminated sulphides and massive sulphide mineralisation. One of the major strengths of IP is that the technique is capable of detecting disseminated sulphides which are generally not measurable with electro-magnetic systems. Target analogues within this region, such as Ernest Henry, Little Eva and Blackard are predominantly disseminated sulphide systems.

It is intended that the IP survey at Native Companion will enable mapping of the subsurface extent of the graphitic shale (a strong electrical conductor) which is often associated with mineralisation at Native Companion as well as the occurrence of disseminated sulphides within the resistive calc-silicates. The geometric configuration of the survey combined with the high-power transmitters deployed at Native Companion, allow for the detection of sulphides at up to 350m below surface.

The IP survey at Native Companion commenced in June and by the end of June 5 lines had been completed, totalling 33.2 line-km of 50m and 100m dipole-dipole surveying. The IP survey is expected to be completed this July and data from the survey will be collated and released to the market when finalised. Results to date (as illustrated in Annexures B and C) have already identified some excellent potential drill targets along the Native Companion mineralised trend. Key features of the IP survey can be summarised as follows:

- The existence of a strong relationship between historic workings, MMI geochemical anomalies and chargeable anomalies in the IP survey;
- Results of the IP survey have confirmed a strong relationship between known mineralisation and conductors (i.e. low resistivity anomalies);
- Mapping has indicated that mineralisation commonly occurs on the contact between graphitic shales and calc-silicates;
- In addition to the major N-S trending zone of mineralisation associated with Native Companion (as defined by the MMI survey), the IP survey has also defined a number of other anomalies to the west, associated with the Gullivers Gossan and Good Luck workings. These targets are also chargeable and conductive.

The IP survey results have generally aligned with surface workings and geochemical anomalies across the survey lines but a number of “blind” IP anomalies have also been recognised at depth that require follow up. Moving forward these IP targets will be used, in conjunction with geological and geochemical datasets, to develop future drilling programs, with the first such program scheduled to commence shortly.

Native Companion – Detailed Geological Model

Detailed geological mapping of the Native Companion area at 1:5000 scale also commenced in June 2015. The integration of the geological mapping along with the current IP survey work has also provided CYU with the opportunity to develop a comprehensive geological model of the region incorporating geological data, geochemical data, IP and magnetic modelling. This model will become an invaluable foundation for CYU's future exploration activities and assist in developing drill targets.

Other Mount Isa Exploration

CYU's Mount Isa-based exploration team completed the following additional exploration work during the June Quarter in relation to other areas within the overall tenure package:

Grid B / Wonder Valley (EPM 14365 – Altona JV)

A soil survey was completed at Grid B and Wonder Valley on EPM 14365. A total of 111 - 2mm soil samples were collected from Grid B and 360 -2mm soil sampled were collected from Wonder Valley. These samples are awaiting assay results before further activities are planned for this area.

Elaine South (EPM 14022)

Geological mapping of this prospect was undertaken in June. The Elaine South target is defined by a 1.0km x 0.5km magnetic anomaly south of Elaine Resource which remains poorly explored. Preliminary mapping of this area has revealed the following:

- 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.
- 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.

Mt Dorothy (EPM 14019)

A soil survey extension over this prospect was planned and completed. 131 soil samples were collected in June and are awaiting assay results before further work is planned.

Blue Caesar & Jubilee (EPM 14467)

Preliminary 3D geological modelling of Blue Caesar and Jubilee was completed in May 2015. 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 3-5m true thickness and remains open along strike and at depth. This modelling will assist in developing follow-up drilling.

Exploration Expenditure for June 2015 Quarter

Across CYU's various exploration projects, a total of \$421,834 of expenditure was incurred for the June 2015 Quarter, a summary of which is as follows:

- **Mary Kathleen JV** - \$42,703 on mostly tenure administration and geological consulting;
- **Mt Frosty JV** – \$17,491 on mostly geological consultants and landowner payments;
- **Elementos farm-in** – \$37,763 on geological consulting and landowner payments; and
- **Altona/Roseby Copper South farm-in** – \$323,877 on geological consulting, earthworks, landowner payments and geophysical survey program.

Corporate Update

Proposed Acquisition Activities

CYU 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 ongoing (but as yet incomplete) negotiations are continuing and will be announced to the market as and when they are concluded.

2015 Annual General Meeting

CYU held its first Annual General Meeting according to its new calendar year financial reporting method on 26 May 2015. All resolutions were approved by shareholders attending in person or by proxy.

Board Composition

Mr Zhihua Yao, Chairman
Mr Paul Williams, Managing Director
Mr Robert Yang, Executive Director
Mr Paul Marshall, Company Secretary

Financial Position

As at 30 June 2015, CYU had cash reserves of \$2.04m. Further details of CYU's financial activities during the June 2015 quarter are set out in the Appendix 5B Quarterly Cashflow Statement which accompanies this Report.

Share Information – June 2015 Quarter

Issued share capital of 473,027,475 ordinary shares and 4 million performance shares. Quarter high traded price of \$0.035 (3 June 2015) and low of \$0.013 (18 May 2015). Market capitalization – high \$16.556M, low \$6.149M. Average daily volume of shares traded – 132,676 shares (\$2,934 average daily volume value).

Top 10 shareholders of CYU as 30 June 2015:

Rank	Name	Number of Shares	%
1	China Yunnan Copper (Australia) Investment and Development Co Ltd	299,922,326	63.40
2	Mr Norman Zillman	10,200,000	2.16
3	Elliott Nominees Pty Ltd (Elliott Exploration Co S/F)	7,150,000	1.51
4	Kimbriki Nominees Pty Ltd (Kimbriki Hamilton SF A/C)	6,526,808	1.38
5	Citicorp Nominees Pty Limited	4,688,080	0.99
6	Premar Capital Nominees Pty Ltd	3,633,333	0.77
7	Mr Lawrence Chi-Yun Lee	3,069,988	0.65
8	UBS Wealth Management Australia Nominees P/L	2,708,514	0.57
9	Bannerblock Pty Ltd Super Fund	2,500,000	0.53
10	Yunnan & Hong Kong Metal Co Ltd	2,400,000	0.51
TOTAL		342,799,049	72.47

Other Details:

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On behalf of the Board

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About CYU

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

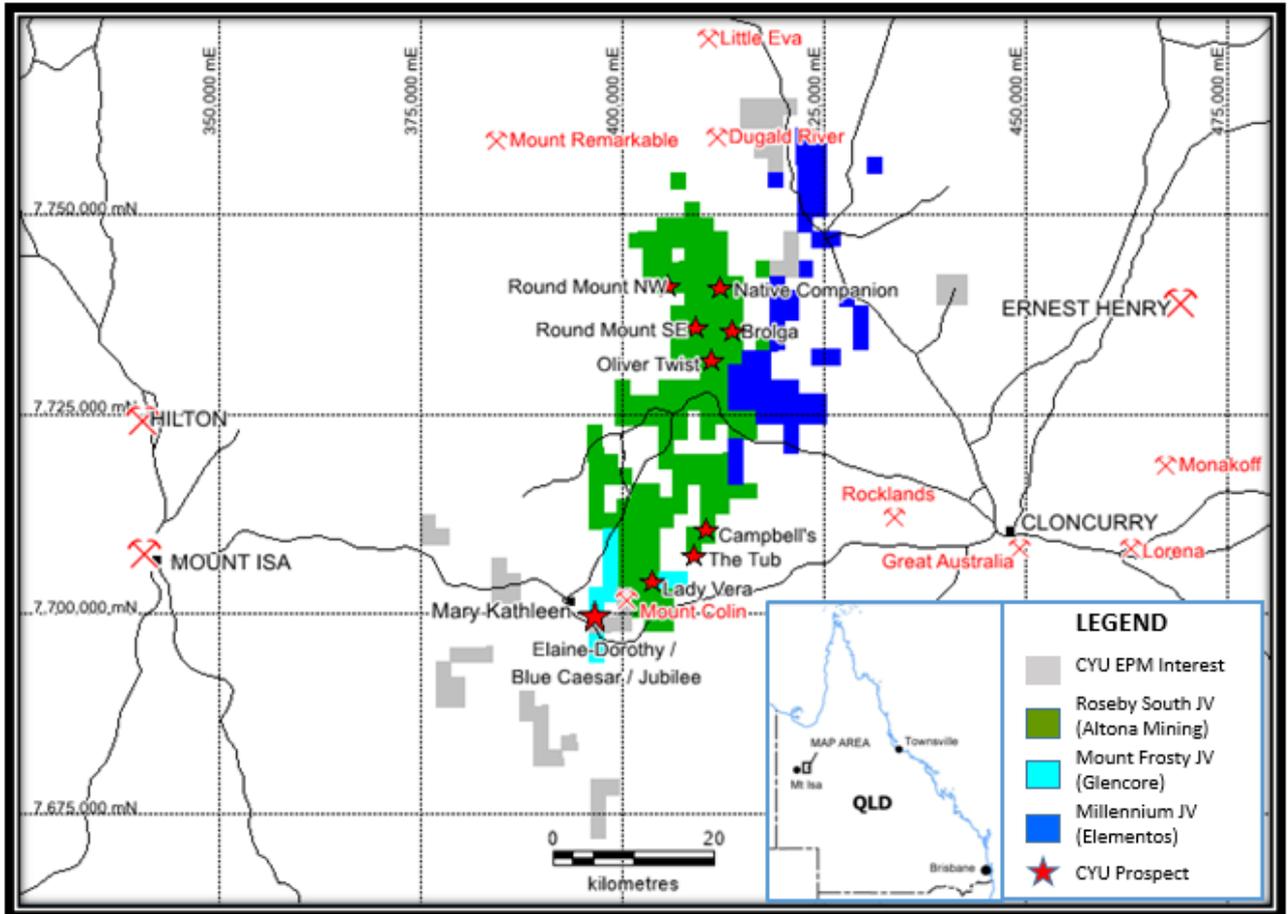
CYU's mining tenement interests as at 30 June 2015

Project/Location	Tenement Reference	CYU % Interest	Comment
AUSTRALIA			
Cloncurry North	EPM 12205	90	Refer Note 1
Mount Isa East	EPM 15248	80	Refer Note 2
Pentland	ML 1631	100	
Mary Kathleen JV	EPMs 14019, 14022	80	Refer Note 3
Mt Frosty	EPM 14467	51	Refer Note 4
Roseby South	EPMs 9056, 10833, 11004, 11611, 14365 and 14535	Nil – earning in	Refer Note 5
Millennium	EPMs 18402, 18773, 18793, 18982, 19014, 19036, MLs 2512, 2761, 2762, 7506,7507	Nil – earning in	Refer Note 6
LAOS			
	Xinzhai, Jiuzhai, Nadao, Modeng	51%	Refer Note 7

Notes:

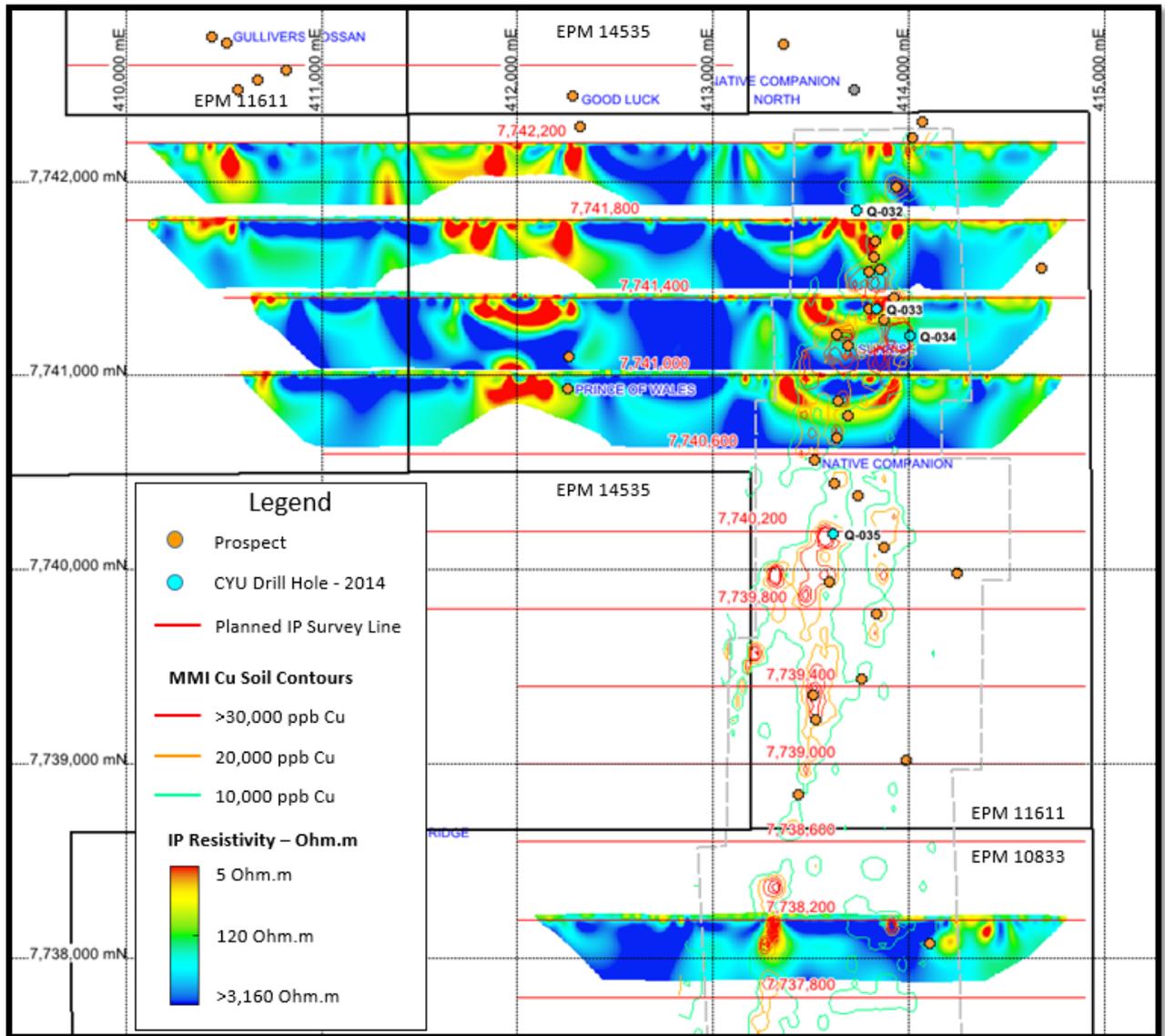
- 1. The other 10% is held by Yunnan Copper Mineral Resources Exploration & Development Co., Ltd (YEX).*
- 2. The other 20% is held by YEX. During the June 2015 Quarter, a decision was taken to relinquish this tenement and steps are being taken accordingly.*
- 3. The other 20% is currently held by Goldsearch Limited (GSE). CYU has the right to secure a 100% interest in these tenements, subject to a 1.5% net smelter royalty held by GSE.*
- 4. CYU farming-in up to a 75% interest from Mount Isa Mines Limited subject to Mount Isa Mines having a buy back right so as to retain a 51% interest, under agreement dated 3 February 2012. CYU completed earning the first stage 51% interest in Mt Frosty during the December 2014 Quarter. The Goldsearch net smelter royalty also applies in respect of any interest of CYU in this tenement.*
- 5. CYU farming-in up to a 70% interest from Altona Mining Ltd and Roseby Copper (South) Pty Ltd, under agreement dated 16 September 2013.*
- 6. CYU farming-in up to a 70% interest from Elementos Ltd and Element Minerals Australia Pty Ltd, under agreement dated 17 September 2013.*
- 7. Owned by 51% CYU subsidiary Yunnan Copper San Mu Mining Co. Ltd, and projects are being abandoned.*

ANNEXURE A (Location of CYU's Mount Isa Tenure Holdings)



ANNEXURE B

(IP Survey - Resistivity Results to 30 June 2015)



ANNEXURE C

(IP Survey - Chargeability Results to 30 June 2015)

