



ASX/Media Announcement

3rd February 2010

Purchase Agreement for Uranium Project Waterford, North Queensland

Key Points

- EPM contains more than 15 km strike length of historically drill defined redox front with anomalous uranium analyses.
- North west Queensland location and 100% owned.
- 100 sub blocks totaling 317 km².

China Yunnan Copper Australia Limited (**ASX: CYU**) today announced it has entered into a purchase agreement with Carpentaria Exploration Ltd (**ASX: CAP**) for Exploration Lease EPM16393 in north west Queensland (Figure 1).

Upon completion of a 30 day due diligence period, CYU will be the 100% owner of the property for a consideration of \$20,000. Due diligence will include completion of transfer documentation to the satisfaction of the Department of Employment, Economic Development and Innovation (DEEDI) of the Queensland Government.

CYU believes that the paleochannel uranium target (Figure 2) can be tested by airborne electromagnetics and at the same time it has a similar target, Malakoff, to test on its 100% owned Cloncurry North Project. This will occur during the 2010 calendar year, subject to aircraft availability.

EPM 16393 is located in northwest Queensland, approximately 200 kilometres south of Cloncurry. The application covers Mesozoic Eromanga Basin strata which have been previously explored for uranium. Prior reconnaissance exploration drilling within the EPM located a definitive redox front in a sandstone aquifer which has returned anomalous geochemistry including an XRF geochemical analysis of 2 metres @ 140 ppm uranium (165 ppm U₃O₈). The EPM covers at least 15 kilometres strike length of drill-hole interpreted sandstone redox front (grey-bed to red-bed transition).

This initiative continues a period of low cost, high value acquisitions by CYU. In the past four months CYU has executed two joint ventures, one outright property purchase and signed a Memorandum of Understanding.

Since listing CYU has refined its 100% holdings to 800 km² kilometres from 2000 km² on IPO in late 2007. Including the recent deal flow from August 2009, current total tenure either under management in JV or 100% owned is now 1856 km², a land holding well within the operational capabilities of the CYU team.

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 has goals of resource definition and development for its three target commodities Copper, Gold and Uranium and to achieve this is targeting high quality copper, gold and uranium projects in the Mt Isa Inlier, Ravenswood-Pentland Province and the Clermont Inlier in Queensland. CYU also is also farming into to the Mary Kathleen Project in Mt Isa with Goldsearch Limited and the Pentland Gold Project with ActivEX limited. CYU has recently signed a Memorandum of understanding for Project generation in Yunnan Province, China with cornerstone investor YCI.

Cash Position

As at 31 December 2009, the Company had approximately \$4.1 million cash and no debt.

For further information please contact;

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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 Jason Beckton, who is a Member of the Australian Institute of Geologists and Australasian Institute of Mining and Metallurgy is Managing Director of China Yunnan Copper Australia Ltd. Mr Beckton 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 Beckton consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

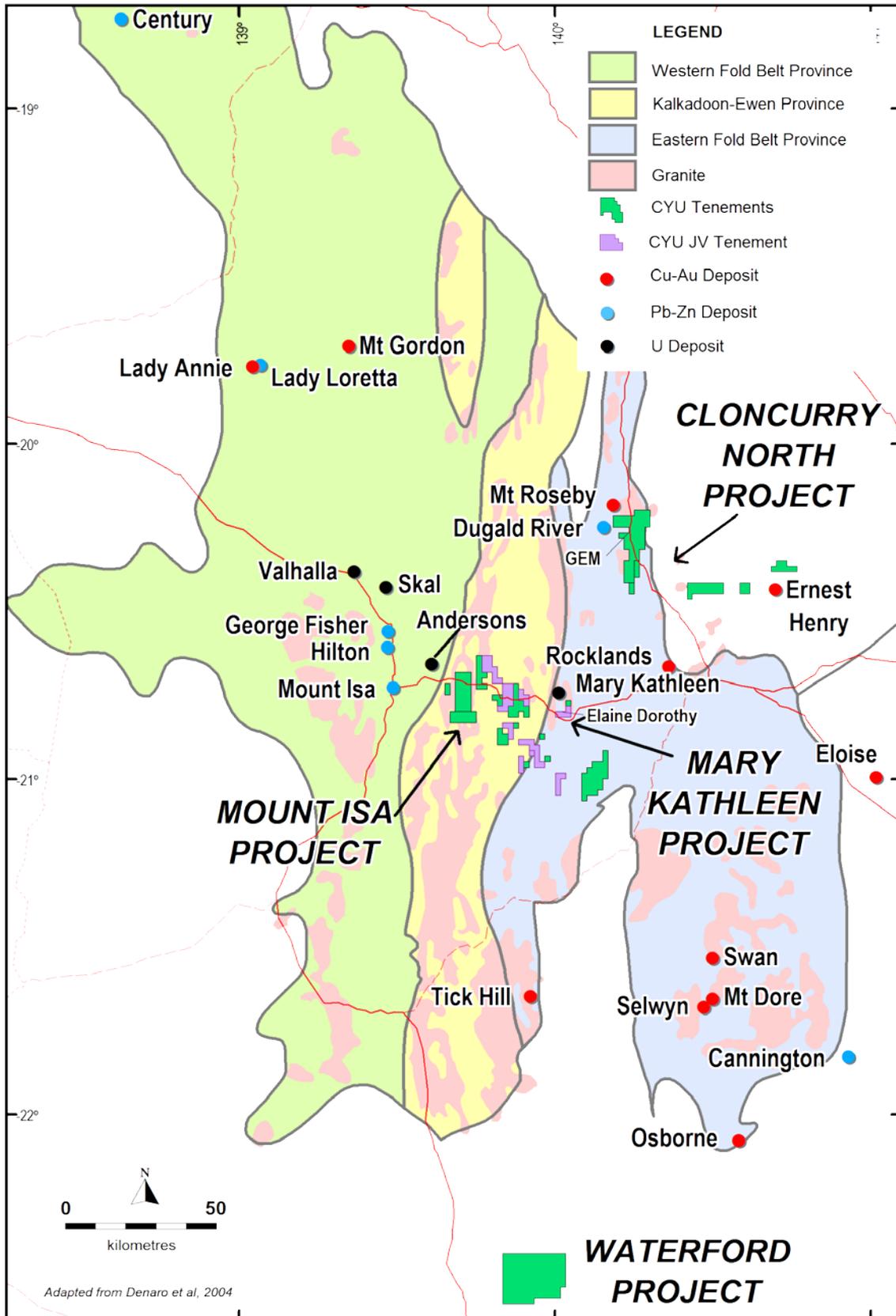


Figure 1. Waterford Uranium Project is located within the same district as CYU's Mt Isa and Cloncurry North projects.

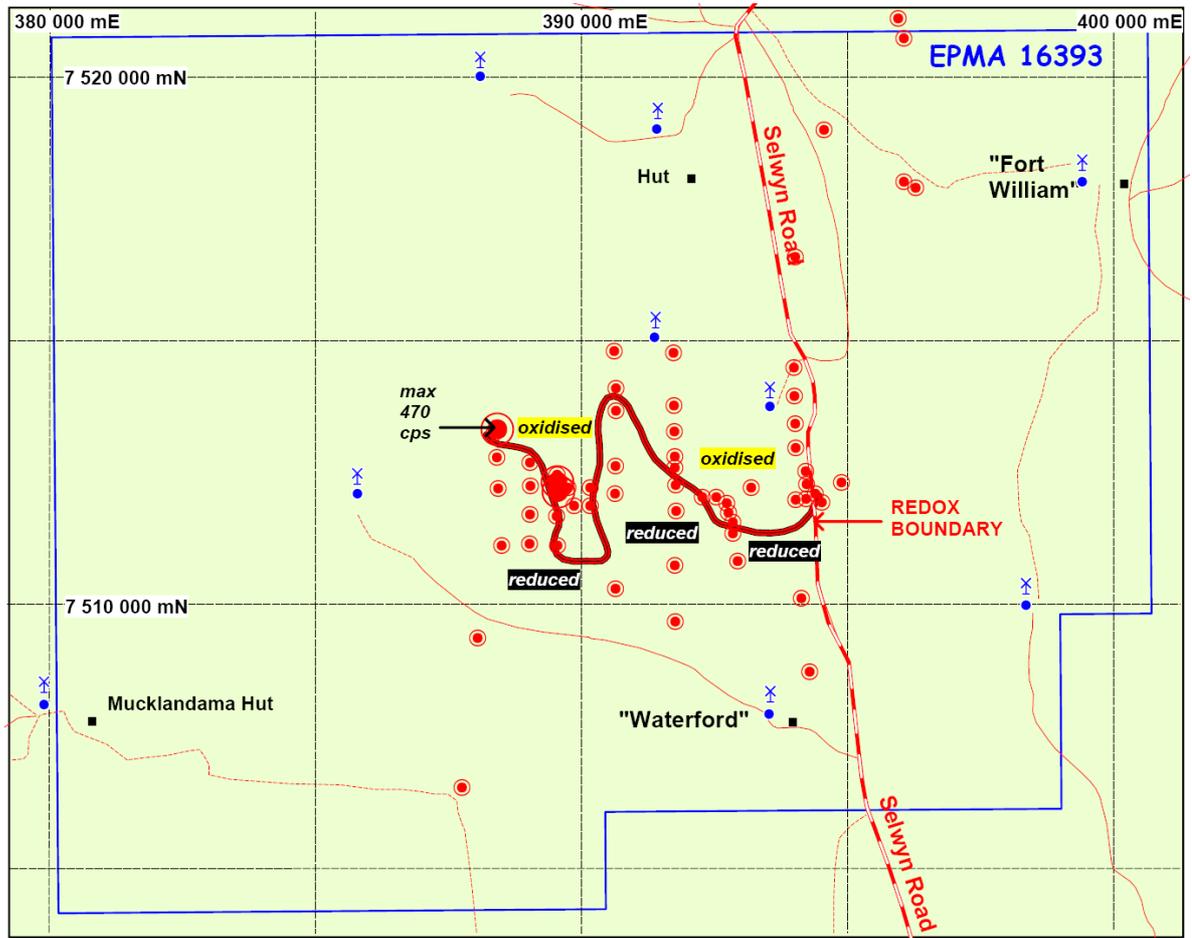


Figure 2. Waterford Prospect. Note that the EPM is granted.