



ASX/Media Announcement

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CHINA YUNNAN COPPER AUSTRALIA LIMITED (CYU) provides the opportunity to listen to an audio broadcast with **Jason Beckton, Managing Director** in a presentation titled "**Project Update**".

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RADIO INTERVIEW WITH JASON BECKTON, MANAGING DIRECTOR, CHINA YUNNAN COPPER AUSTRALIA CONDUCTED ON FRIDAY, 25 MARCH 2011

Q1 Hello and welcome to Boardroomradio. I'm speaking with Jason Beckton who's the Managing Director of China Yunnan Copper Australia. Jason, thanks for your time and good to speak with you.

A1 Thank you, James.

Q2 Now, it's been a busy period for the Company. You've had a number of updates released to the market. We'll start with the significant results that did come out of Mount Dorothy. Can you touch on the results from your latest drill program and touch on the significant outcomes from it?

A2 Well, the key hole there, to get right into the result – the key hole is hole 11 which, at depth, returned basically 17 metres at a percent and, on another part of the hole, slightly at a deeper level, returned five metres at 3 per cent copper in sulphides, and that's important because, above that, we didn't get such good copper numbers, you know, under half a per cent. So what we're seeing is the zone in the sulphide – and this is getting out of the oxide zone down in the supergene sulphide zone – is getting a wider and higher grade in the copper. Cobalt is there as well above 100 ppm generally in the zones. But also importantly, as per our January 6 announcement, we are getting Yttrium Heavy Rare Earth element zones over 1000 parts per million, including six metres at 1045 ppm at depth, and so we know – we're confirming now that we have a copper Rare Earth element and also, interestingly with this hole, for the first time we're coming into silver at depth, at more than two ounces of silver over a few metres here and there. So we're starting to get a traffic jam, if you like, of valuable elements within the breccia at depth and along strike. So what will happen now and the implication is that we're past the discovery stage really. Now we move into definition and growth stage of RC drilling when we can get in there because, obviously, it's still raining, though we managed to sneak in there in January and do these holes. But I think, realistically, we'll be setting up a Blitzkrieg-style RC drill-out in early May, potentially late April.

Q3 Now, Jason, if we can just take a shift away from Australia, I did have a look through your presentation the Company recently presented. Can you touch on your Laos Projects and, I guess, the significance and the timing of the work you're doing there?

A3 This initiative has been going inside the Company for about, I guess, eight or nine months where, due to a long-term relationship with the Chinalco Yunnan Group, we've built trust to a point where they're backing a near-term production asset into us. These four prospects, as we mentioned, are in Laos – in northern Laos with the border with China – which, as per the presentation we released, is within what's known as the Mohan Economic Development Zone, which is effectively an initiative by the government of China to develop their southern neighbour, particularly the northern provinces which, in the past, have been somewhat left behind. And in the short term, within five years, there will be a highway/railway link from Kunming in the north in China right through to Singapore via Bangkok. So the Projects are located in an ideal area, if you like, in terms of a transport hub. The style of the Projects that have been backed into us in this transaction, which is due to be approved by shareholders, I would add at the EGM at a date to be announced in the next quarter – the style of these Projects are Zambian copper silver hosted within a sediment. So what that means for the lay person is that these are known deposit styles. There's nothing unusual or new about them, apart from the fact that we've now got control of them – well, after the AGM we'll have control of them – and they'll be operated by the Chinese under our supervision, so there's no need for us to recruit a new army of people. And, effectively, we're in a process where we want to turn these Chinese resources into a JORC standard so that it allows reporting of the resources, and that involves drilling in the current year. So, operationally, Richard Hatcher, our Exploration Manager, is there next week to kick off that and approve that process and then,



after the EGM in the future, we'll be authorised to start the path towards getting these development projects up and running.

Q4 **Okay. Well, it sounds like an exciting initiative and one to follow as well. Speaking about some new projects, you started doing some work at your Humitos Prospect over in Chile. You got some initial results back. It didn't look like an exceptionally high grade to start off with but definitely something to follow up on?**

A4 Yeah. Certainly the style of deposit we're testing at Humitos, and obviously there's project generation elsewhere going on in Chile right now – the style of mineralisation doesn't lend itself to being discovered within the first nine drill holes. For example, I was involved, as you know, in the Caspiche discovery, and that was hole 13. But, really, what we've done there is set up the 3D geology, if you like, now. Our Chief Geologist is there next week completing the 3D alteration model. We're going to do a little bit more geophysics and clean up some internal tenements as well in terms of acquiring them. We will be drilling Humitos again this field season, and when I say that I mean this winter. Investors should, as we've flagged earlier, look for increase corporate activity in Chile. To that extent I'm based there now for a short time to see that out, and it's a very exciting company-maker initiative as per Queensland whereas, obviously, the Laos initiative is important in terms of short-term cash flow. So I guess, James, to sum up, we have a two-pronged effort under way after three years of work. It's to keep the company-maker exploration work going, particularly in Mount Isa, which has moved beyond discovery now, and Chile, which is still pre-discovery, in line with an initiative led largely by Executive Director Robert Yang who's leading the effort in Laos. So it is an exciting time for the Company. Shareholders should look for solid news on all three fronts in the coming months.

Q5 **I appreciate you taking the time to give us a comprehensive update on the activities that you're undertaking. It looks like it's going to be a busy year ahead, and we look forward to following the progress that you make as you go along.**

A5 Thank you, James, and thanks for the opportunity to give everyone a summary of where we're at.

INTERVIEW CONCLUDED

Competent Person's Statement

The information regarding to Exploration Activities in this report that relates to the Mount Dorothy (EPM 14019) prospect is based on information compiled by Jason Beckton, who is a Member of the Australian Institute of Geologists and is the 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.