



MARCH 2017 QUARTERLY ACTIVITIES REPORT

26 April 2017

CYU is a resource exploration and development company seeking to become a mid-tier copper/gold producer.

Activities during the three months to 31 March 2017 included:

- **Completed the First Stage of the agreement with Hammer Metals for the sale of CYU's existing Mount Isa exploration tenements.**
- **Ongoing assessment of copper, gold and other base metal project opportunities in Australia, the Democratic Republic of Congo (DRC) and other regions.**
- **Closure of the CYU office facilities in Mount Isa.**
- **Limited exploration activity across the Mount Isa tenure portfolio as part of the Hammer Metals sale arrangements.**
- **Proposed adoption of new company name "AuKing Mining Limited", subject to shareholder approval at the 25 May 2017 Annual General Meeting.**

Issued Capital:

886,914,837
Ordinary shares

2,000,000
Performance shares

Directors:

Dr Huaisheng Peng
Chairman
Paul Williams
Managing Director
Zewen (Robert) Yang
Executive Director
Qinghai Wang
Non-Executive Director

Company Secretary:

Paul Marshall

CHINALCO YUNNAN COPPER RESOURCES LTD

Suite 6, Level 11,
320 Adelaide Street
BRISBANE Q 4000
Ph: +61 7 3041 1306
Email: admin@cycal.com.au

Contact

Paul Williams
Managing Director
paul.williams@cycal.com.au
Mobile: +61 419 762 487

The Board of Chinalco Yunnan Copper Resources Ltd (ASX:CYU) continues to focus on transforming the Company into a substantial mid-tier mining group, with a primary focus on acquiring and developing near-term copper, gold and other base metal production activities (both locally and overseas).

The activities of CYU during the three months to 31 March 2017 were as follows:

Sale of Mount Isa Tenements

On 15 December 2016 CYU announced that it had entered into an agreement with Hammer Metals Ltd (ASX Code - HMX) relating to that company's acquisition of all of CYU's existing mining tenement holdings in the Mount Isa region.

These tenement holdings comprise CYU's 100% interest in EPMs 12205, 14019 and 14022, together with a 51% joint venture interest in EPM 14467 (under the Mt Frosty Joint Venture with Mount Isa Mines Ltd – a Glencore Group company). All mining information, data, core samples and other materials relating to these mining tenements are also be sold to HMX.

The first stage of HMX sale was completed on 27 March 2017. Under this first stage completion, CYU transferred its interests in EPMs 12205, 14019 and 14022 and received 1,250,000 ordinary shares in HMX. Those shares are held by CYU in a voluntary escrow commitment until November 2017.

Completion of the second (and final) stage of the HMX sale is expected to occur shortly after consent is secured from Mount Isa Mines in respect of the proposed transfer of the 51% interest in EPM 14467 and there is agreement to certain changes requested by HMX to the existing Mt Frosty Joint Venture agreement. CYU will receive a further 250,000 HMX shares which will be held in voluntary escrow on the same conditions as the first stage of shares, until November 2017.

Mount Isa Exploration Activities

During the Quarter, CYU management was focussed almost entirely on the assessment of other copper and gold project opportunities and the proposed sale of its Mount Isa tenements to HMX. As a consequence, no exploration activities were conducted for the three months to 31 March 2017. The Mount Isa office premises of CYU were also closed in February 2017.

Exploration Expenditure for March 2017 Quarter

Across CYU's various exploration projects, a total of \$5,800 of expenditure was incurred for the March 2017 Quarter, a summary of which is as follows:

- ***Mary Kathleen JV*** - \$1,400 on tenure admin fees;
- ***Mt Frosty JV*** – \$3,500 on tenure admin fees;
- ***Cloncurry North (EPM 12205)*** – \$900 on tenure admin fees.

Corporate Update

Proposed Acquisition Activities

The CYU Board is working closely with JCHX Group in the ongoing assessment and acquisition of new project opportunities – not just limited to copper projects but also gold and other base metals. The CYU Board continues to hold a view that the current resources market conditions remain suitable for business development and acquisition activities. Further news about these activities will be made available to the market as soon as possible.

2017 Annual General Meeting

The CYU AGM for 2017 will be held at the offices of Hopgood Ganim, Level 7, Waterfront Place, 1 Eagle Street, Brisbane on Thursday 25 May 2017 at 9.30am. Both the Chairman of CYU (Dr Huaisheng Peng) and non-executive director (Mr Qinghai Wang) will be attending the AGM.

Proposed Change of Name

At the AGM, under Resolution No 5, CYU will be seeking approval from shareholders to change the name of the Company to “AuKing Mining Ltd”. Resolution No 5 is a special resolution – thereby requiring a 75% majority of those shareholders who vote to approve the name change. This name change was considered appropriate since Chinalco/Yunnan Copper Group is no longer the Company’s largest shareholder and also reflects the intention of the Board that the Company is conducting mining operations in the near-term future. If this resolution is approved at the AGM, the Company’s new ASX Code will be “AKN” and logo will be as below:



Board Composition

Dr Huaisheng Peng, Chairman
Mr Paul Williams, Managing Director
Mr Robert Yang, Executive Director
Mr Qinghai Wang, Non-Executive Director
Mr Paul Marshall, Company Secretary

Financial Position

As at 31 March 2017, CYU had cash reserves of \$1.891M. These funds will provide more than sufficient funding to enable CYU to carry out project assessment review and transaction activities for the foreseeable future. In the event of CYU securing a project opportunity, additional funding will likely be required. Details of these requirements will be provided to shareholders and the market at the first available opportunity.

Further details of CYU’s financial activities during the March 2017 quarter are set out in the Appendix 5B Quarterly Cashflow Statement which accompanies this Report.

Top 10 shareholders of CYU as 31 March 2017:

Rank	Name	Number of Shares	%
1	Bienitial International Industrial Co Ltd #	349,018,230	39.35
2	China Yunnan Copper (Australia) Investment and Development Co Ltd #	299,922,326	33.82
3	Mr Paul Williams & Ms Jill Strachan <Paul R Williams Super A/C>	10,357,173	1.17
4	Mr Peter Tighe & Mrs Patricia Tighe <The Peter Tighe S/F A/C>	9,033,333	1.02
5	Mr Barry Edward Tanton & Mrs Elizabeth Mary Tanton	7,500,000	0.85
6	Elliott Nominees Pty Ltd	7,150,000	0.81
7	Mr Norman Joseph Zillman	6,980,343	0.79
8	Citicorp Nominees Pty Limited	6,422,556	0.72
9	Mr Ianaki Semerdziew	5,750,000	0.65
10	Mr Mark Tkocz	5,100,000	0.58
TOTAL		707,233,961	0.80

Denotes Substantial Shareholder

Share Information – March 2017 Quarter

Issued share capital of 886,914,837 ordinary shares and 2 million performance shares.

Quarter high traded price of \$0.008 (1 & 25 January 2017, 21, 22 & 23 March 2017) and low of \$0.005 (16 February 2017).

Market capitalization – high \$7.095M, low \$4.435M.

Average daily volume of shares traded – 115,371 shares (\$797 average daily volume value).

Other Details:

Head Office

Level 4, Suite 11
320 Adelaide Street
Brisbane Q 4000
Phone: +61 7 3041 1306
Website: www.cycal.com.au

Share Registry

Link Market Services Limited
Level 12, 300 Queen Street
Brisbane Q 4000
Phone: 1300 554 474

On behalf of the Board

Paul Williams
Managing Director
paul.williams@cycal.com.au
+61 419 762 487

CYU's mining tenement interests as at 31 March 2017

Project/Location	Tenement Reference	CYU % Interest	Comment
AUSTRALIA			
Cloncurry North	EPM 12205	0	Refer Note 1
Pentland	ML 1631	100	
Mary Kathleen JV	EPMs 14019, 14022	0	Refer Note 2
Mt Frosty	EPM 14467	51	Refer Note 3

Notes:

1. *This EPM interest was sold during the Quarter under the sale agreement with Hammer Metals Ltd.*
2. *These EPM interests were sold during the Quarter under the sale agreement with Hammer Metals Ltd.*
3. *Pursuant to the sale agreement with Hammer Metals Ltd, this EPM interest is to be sold.*