



## ASX/Media Announcement

25<sup>th</sup> November 2009

### **New Gold Project Farm-in Agreement with ActivEX Limited's Pentland Gold Project**

- **Walk up drilling of Intrusive Related Gold (IRG) targets.**
- **Norwood and Mt Remarkable drill ready.**
- **Significant gold, copper and molybdenum intersections.**
- **Untested IP anomalies in over 549 km<sup>2</sup> of tenure.**

China Yunnan Copper Australia Limited (**ASX: CYU "China Yunnan"**) announced today it has entered into a farm-in and joint venture agreement with ActivEX Limited (**ASX: AIV**) to explore ActivEX's Pentland Project for large tonnage, intrusive style gold mineralisation. The joint venture will lead to early drilling of the **Mt Remarkable** and **Norwood** prospects in the March Quarter of 2010.

#### **Joint Venture**

China Yunnan has agreed to farm-in to the Pentland Project area and can earn up to a 70% interest in the project area by spending \$3 million over the next 5 years in a two stage earn-in. In the first stage, China Yunnan can earn up to 51% of the project by spending \$1.25 million within 3 years including carrying out a drilling program at the Mt Remarkable and Norwood prospects which must commence in the March Quarter of 2010. If China Yunnan elects to continue, it can earn an additional 19% by spending a further \$1.75 million within 5 years from commencement. China Yunnan's minimum commitment to the project is the first year's expenditure commitment on the tenements, including the drilling program.

In addition, if China Yunnan elects to continue earning after the first year it will grant ActivEX one million unlisted options to acquire shares in China Yunnan exercisable at \$0.40 before December 2012.

#### **Pentland Project**

ActivEX's Pentland Project is located in the highly prospective north Queensland region, well known for high tonnage gold deposits and recent discoveries (**Figure 2**). It consists of three Exploration Permits (14332, 15055 and 15185) covering an aggregate 549 km<sup>2</sup> located 100 kilometres west of Charters Towers.

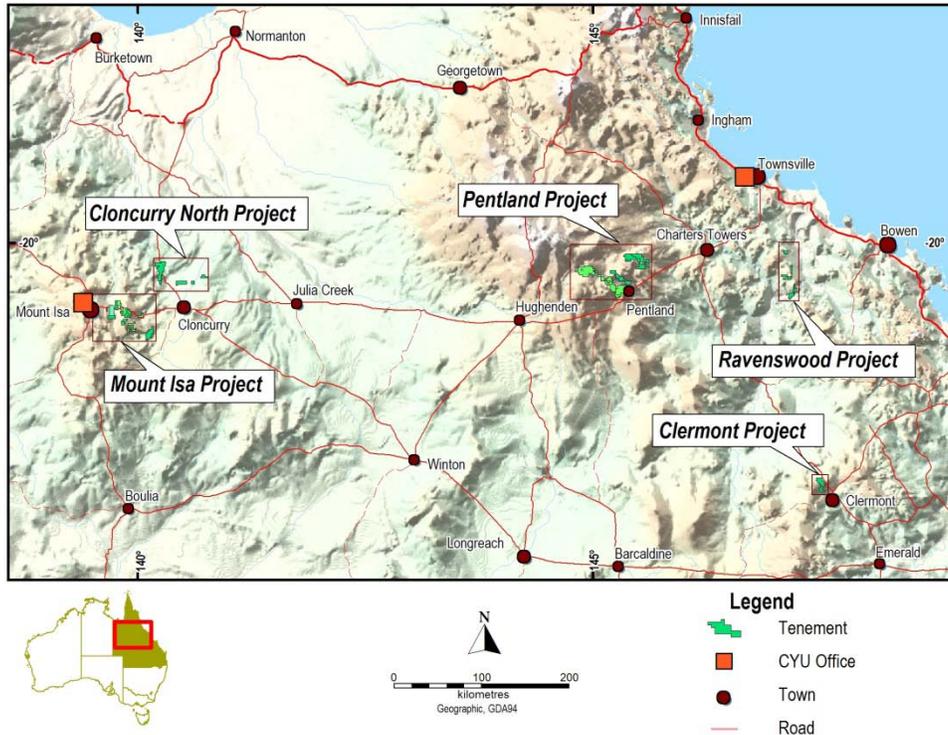


Figure 1. Project locations for CYU including Pentland and Mount Isa - Mary Kathleen Joint Ventures.

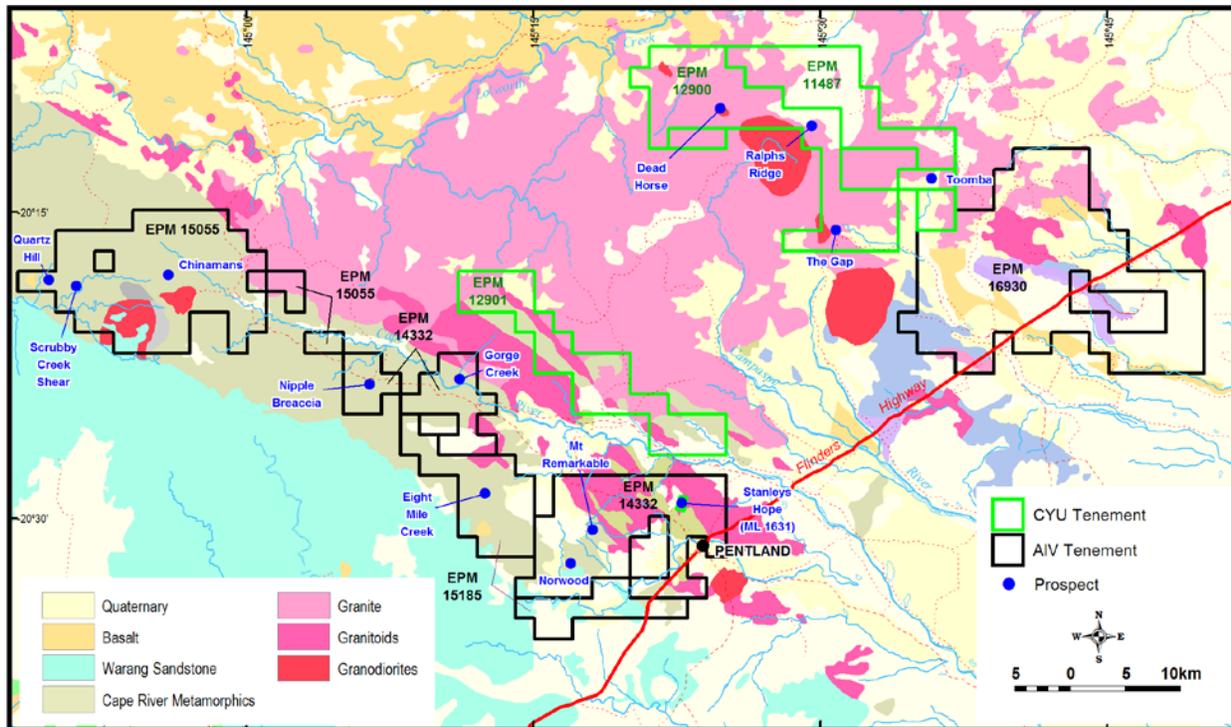


Figure 2. Location of AIV's JV tenure approximately 100 kilometres west of Charters Towers. Mt Remarkable and Norwood are defined porphyry gold targets and will be drilled within the March 2010 Quarter. EPM16930 is not included in the JV.

The principal prospects in the area are **Mt Remarkable** and **Norwood** which will be the targets for early drilling. In addition, there are numerous prospects that have had little exploration activity in the past and these will be developed during the proposed program to establish priorities for further drilling.

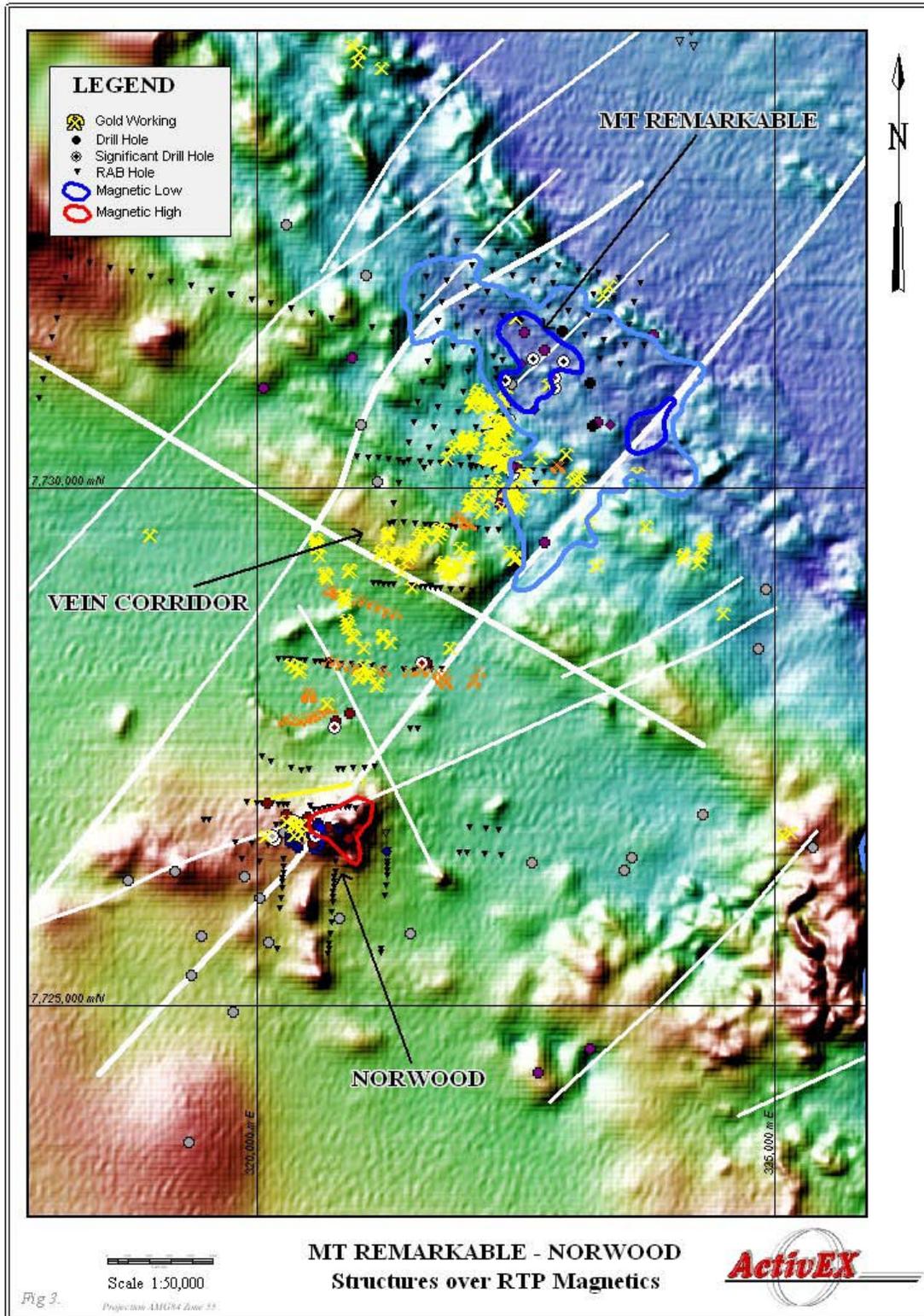
At **Mt Remarkable**, shallow drilling by previous explorers has encountered gold–copper–molybdenum mineralisation of porphyry style associated with an altered, de-magnetised zone within a strongly mineralised, north-east trending gold bearing structure. Work by ActivEX has identified a strong Induced Polarisation (electrical geophysics) anomaly close to the previously identified mineralisation but at a deeper level. The closest drill hole, from previous explorers, to the anomaly (DDH1) has intersected **47 metres of 0.92g/t gold** to 306 metres. **The target anomaly for drilling is 800 metres long and 400 metres wide and is strengthening at depth.**

The anomalous zone is interpreted to be caused by an increase in sulphide content associated with increased vein density as the zone is also characterised by increased resistivity. Other holes drilled around the anomaly (DDH3 and RED004) have intersected some encouraging gold–copper–molybdenum mineralised stockwork veins.

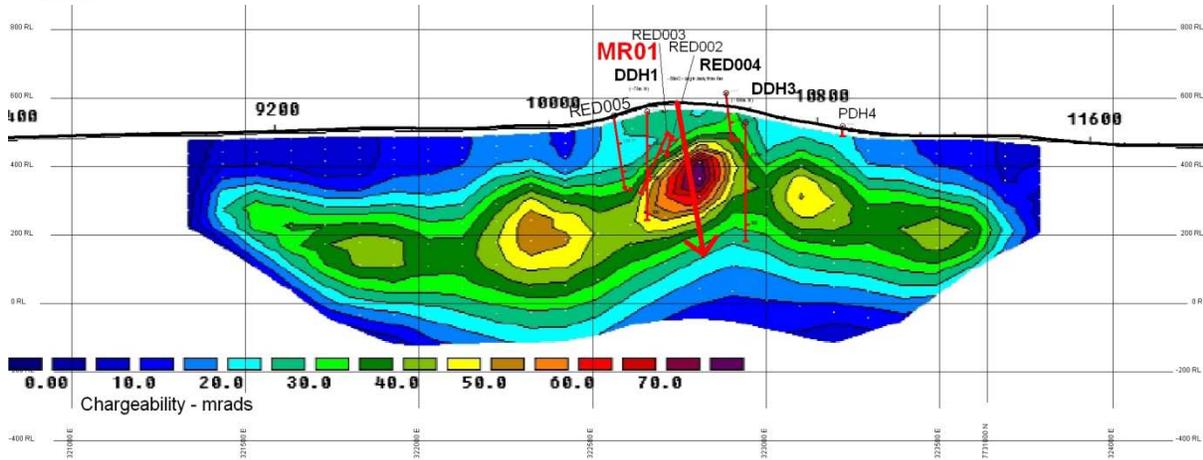
At **Norwood**, gold workings occur at surface, which were historically worked by the Chinese. Shallow drilling by previous explorers looking for oxide gold, intersected scattered gold mineralisation with better intersections of **18 metres of 0.98g/t gold** and **8 metres of 2.28g/t gold.**

ActivEX has identified IP anomalies surrounding a magnetic intrusive diorite (porphyry) which has associated low grade gold.

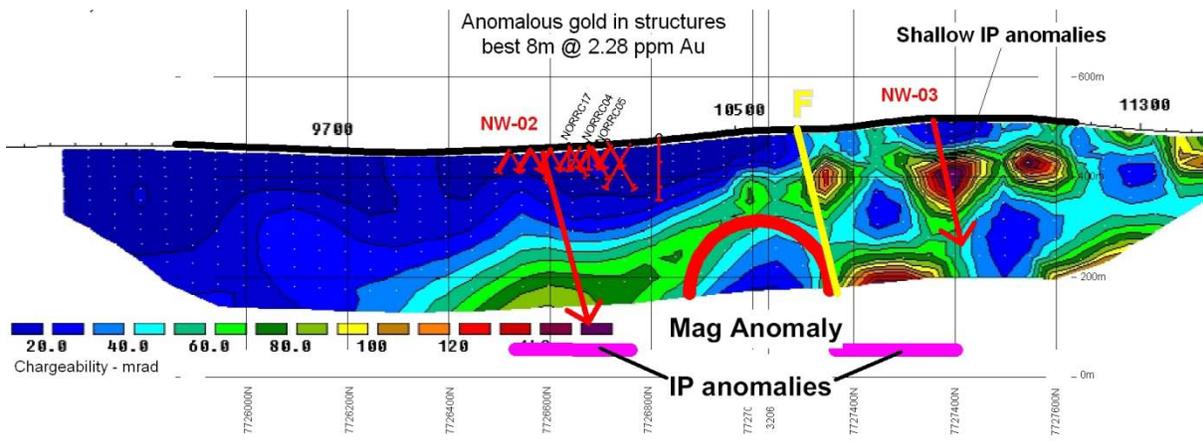
The IP anomalies targeted by proposed drill holes at Norwood are structurally controlled and occur over at least 800 metres of strike length. The southern targets are shallow dipping and appear to be stratabound within the Permian volcanics. These anomalies could reflect the presence of a volcanogenic massive sulphide zone or a high sulphidation epithermal replacement zone. The targets have broad similarities in age and style to the recent Mt Carlton epithermal discovery by Conquest Mining Limited.



**Figure 3. Magnetics depicting bullseye style Mt Remarkable and Norwood targets to be drilled. All target preparation work has been completed so the Pentland JV will commence with operational drilling.**



**Mt Remarkable IP Section showing chargeability anomaly, previous drilling and proposed drilling**



**Norwood IP Section showing chargeability anomalies, targets and proposed drilling**

China Yunnan’s Managing Director Jason Beckton said “The CYU team has experience in the discovery of large tonnage Intrusive Related Gold deposits in Chile (Caspiche), Slovakia (Biely Vrch) and Mexico (San Anton). This style is important as large systems can be defined with relatively few drill holes. We looks forward to applying this proven track record of success with our ActivEX partners to test Mt Remarkable and Norwood and to define similar systems such as the local examples of Mt Leyshon, Mt Wright and Kidston.

The Pentland JV also surrounds our recent Stanley’s Hope acquisition which is being prepared for drilling in the next few months. For CYU this is an important step in consolidating our gold ground position in north Queensland in a conscious strategy to focus on large tonnage style gold targets.”



## **About ActivEX**

ActivEX Limited (ASX: AIV) is a mineral explorer with a ground holding in the Cloncurry district searching for iron oxide-copper-gold deposits. The company has an existing joint venture at Boobyjan with Minotaur Exploration in which Mitsubishi Corporation and Mitsubishi Materials Corporation have an option to earn equity by funding drilling programs.

In W.A., ActivEX has exercised an option to purchase the Lake Chandler Potash Project defined by a granted mining lease. The company is proceeding to investigate both the deposit and optimal methods of extraction of the potash minerals and is in the final stages of a scoping study of the project to be completed before year end.

## **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 is targeting high quality copper, gold and uranium projects with eleven wholly owned Exploration Permit for Minerals (EPM's) in the Mt Isa Inlier, Ravenswood-Pentland Province and the Clermont Inlier in Queensland.

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or visit the website, [www.cycal.com.au](http://www.cycal.com.au)

### 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, The Australasian Institute of Mining and Metallurgy and 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.