

CHINA YUNNAN COPPER AUSTRALIA LTD

ASX/Media Announcement

18th June 2010

GOLD DRILL RESULTS SHALLOW EPITHERMAL GOLD – STANLEY’S HOPE

- 1,016 metres drilled in 2 diamond holes on granted mining lease ML1631, 100km west of Charters Towers, Queensland.
- CYU drilled SDH001 intercept of;
 - 14m @ 1.1 g/t gold and 1.5 g/t silver from 161m depth.
- Examples of historically drilled intercepts collated by CYU;
 - 15m @ 1.8 g/t gold from 111m depth.
 - 14m @ 2.4 g/t gold from 12m depth.
 - 8m @ 2.9 g/t gold from 56m depth.

Further results are tabulated in text below.

- After refinement of geological model, step out drilling planned to extend the identified structure principally along strike at shallow levels.
- Discovery of at least two phases of overprinted gold mineralisation. The earlier phase is mesothermal gold which is a high nugget style. The later overprinting style of mineralisation is epithermal gold, characterised by shallow iron sulphide hosted gold and deeper chalcedonic quartz sulphide.
- CYU focus for Australian operations remains short term pathway to cash flow and gold projects at shallow levels can provide this.
- Stanley’s Hope is a granted Mining Lease 100% owned by CYU. Plan of Operations approved by Queensland Government Department of Environment and Resource Management.
- Copper exploration focus is the Humito Porphyry project in Chile and Mount Dorothy in the Mount Isa district being prepared for drilling in the next quarter.

SHALLOW EPITHERMAL GOLD – STANLEY’S HOPE

China Yunnan Copper Australia Limited (ASX: CYU) today announces significant intercepts from the Stanleys Hope Gold Mining Lease (ML). CYU has completed drilling Stanley’s Hope ML in the Pentland District (**Figure 1, Table 1**). Drilling has confirmed the tenor of previous historic campaigns at depth and this will lead to a step out drilling program of the shallow gold zone (**Figure 2**).

Table 1: Stanley’s Hope Drillhole Locations

Hole ID	East*	North*	RL (m)	Azi (°)	Dip (°)	Depth (m)
SHD001	331,164	7,733,733	445	195	-60	518.4
SHD002	331,057	7,733,349	438	15	-60	497.6
						1,016.0

* Easting and Northing UTM MGA Zone 55 – GDA94.

Stanley’s Hope is located in north east Queensland, well known for Intrusive Related Gold/Copper styles (IRGS) and Mesothermal Charters Towers style of mineralisation.

The township of Pentland is located 5km south of the tenement area. The area is well serviced by road, rail, water and electricity infrastructure. The ML is held 100% by CYU and lies within Exploration Licences subject of our Pentland Joint Venture with ActivEx Ltd (AIV:ASX).

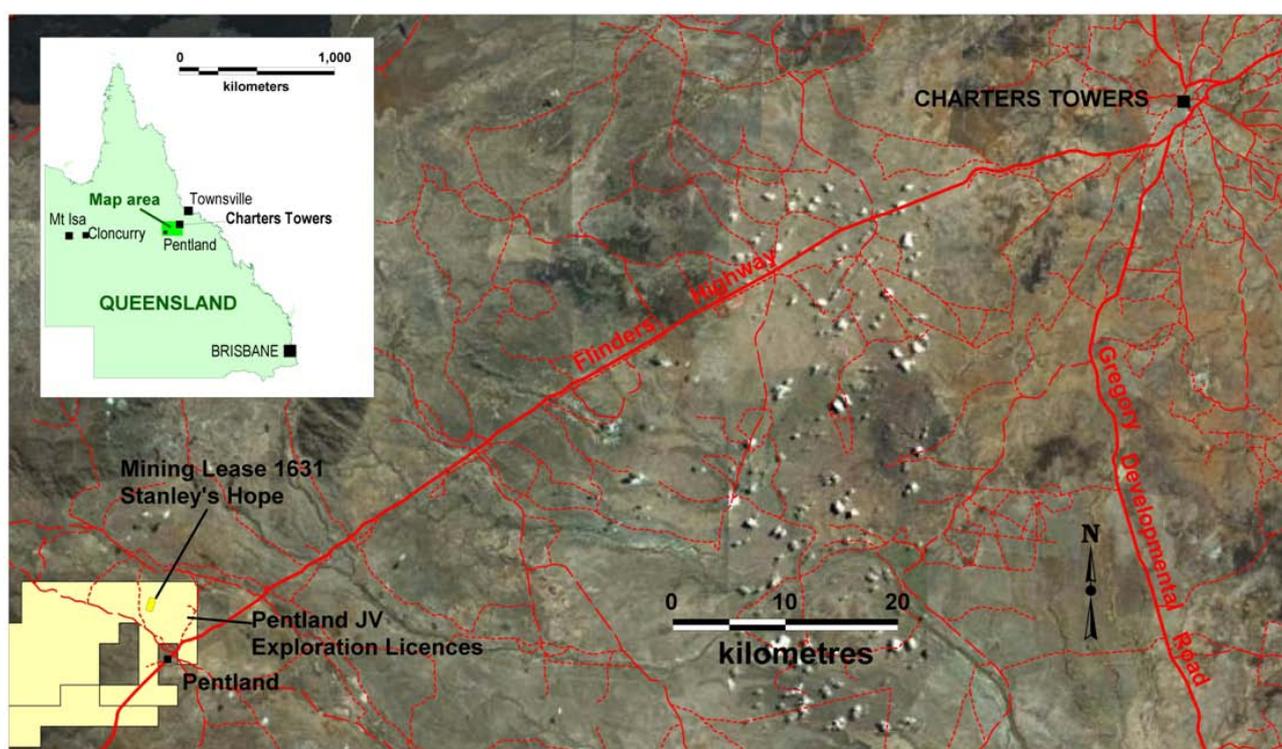


Figure 1. Stanley’s Hope Location Map.

Table 2: CYU Significant Drill Intersections – nominal 0.25g/t gold cut-off

Hole Id	From	To	Width	Au (g/t)	Comment
SHD001	8.00	12.00	4.00	0.43	
SHD001	29.00	30.00	1.00	0.33	
SHD001	47.00	48.00	1.00	0.60	
SHD001	95.00	98.00	3.00	0.48	
SHD001 including	161.00 172.00	175.00 174.00	14.00 2.00	1.13 5.30	1g/t Au cut-off
SHD001	178.00	179.00	1.00	0.26	
SHD001	259.00	260.00	1.00	1.10	
SHD001	487.00	493.00	6.00	0.53	
SHD002	24.00	25.00	1.00	0.39	
SHD002	60.00	61.00	1.00	0.28	
SHD002	86.00	87.00	1.00	0.84	
SHD002	158.00	161.00	3.00	3.00	1g/t Au cut-off
SHD002	176.00	178.00	2.00	2.06	
SHD002	196.00	197.00	1.00	0.90	
SHD002	234.00	235.00	1.00	1.29	
SHD002	270.00	271.00	1.00	0.38	
SHD002	287.00	289.00	2.00	1.70	
SHD002	314.00	317.00	3.00	0.62	
SHD002	350.00	351.00	1.00	1.82	
SHD002	377.00	378.00	1.00	0.50	
SHD002	414.00	415.00	1.00	0.35	
SHD002	417.00	419.00	2.00	0.33	
SHD002	461.00	462.00	1.00	0.79	
SHD002	469.00	470.00	1.00	0.28	
SHD002	475.00	476.00	1.00	0.35	
SHD002	483.00	485.00	2.00	0.47	

Gold mineralisation in the area is related to post-metamorphic intrusives thought to be of Permo-Carboniferous age which equates with the age of Mt Leyshon, Mt Wright and other significant gold bearing breccias of the region and the epithermal gold deposits at Pajingo, Wirrallee, Yandan and Mt Coolon.

Gold mineralisation at Stanley's Hope is hosted in granitic gneiss, and within and adjacent to rhyodacite dykes. Both zones contain chalcedonic quartz + sulphide veins and stringers with associated intense alteration (sericite + silica + clay + pyrite). Anomalous gold within these zones, as throughout the prospect, are associated with elevated silver.

Table 3: Significant Mineralisation drilled by previous explorers. Note only intercepts with the product of interval times grade is greater than 4 are included (denoted as Accumulation – ACCUM).

HOLE_ID	FROM	TO	AU g/t	ACCUM	Intercept
PD04	14	18.3	1.09	4.7	4.3m @ 1.09g/t Au
PD04	47.25	50.6	5.24	17.8	3.4m @ 5.24g/t Au
		5			
PPD01	12	14	5.87	11.7	2m @ 5.87g/t Au
PPD03	18	20	2.61	5.2	2m @ 2.61g/t Au
PPD04	18	20	4.49	9.0	2m @ 4.49g/t Au
PSAC317	60	62	2.27	4.5	2m @ 2.27g/t Au
PSRC335	21	23	5.74	11.5	2m @ 5.74g/t Au
PSRC335 including	22	23	10.64	10.6	1m @ 10.64g/t Au
PSRC344	24	32	2.06	16.5	8m @ 2.06g/t Au
PSRC344 including	27	30	3.24	9.7	3m @ 3.24g/t Au
PSRC344 including	28	29	4.34	4.3	1m @ 4.34g/t Au
PSRC344	111	126	1.77	26.6	15m @ 1.77g/t Au E.O.H.
PSRC344 including	112	114	3.44	6.9	2m @ 3.44g/t Au
PSRC344 including	113	114	4.39	4.4	1m @ 4.39g/t Au
PSRC344 including	117	124	2.1	14.7	7m @ 2.1g/t Au
PSRC349	145	153	0.80	6.4	8m @ 0.8g/t Au
SPD07	16	17	4.40	4.4	1m @ 4.4g/t Au
SPD11	12	26	2.38	33.3	14m @ 2.38g/t Au
SPD14	12	30	0.47	8.5	18m @ 0.47g/t Au
SPD14	56	64	2.96	23.7	8m @ 2.96g/t Au
SPD19	22	26	1.03	4.1	4m @ 1.03g/t Au

Alluvial, deep lead and hard rock hosted gold were discovered along the Cape River in 1867. Recorded production from the field was around 45,000 ounces (approximately 1,400kg), but true production was considerably more as there is no record of the amount extracted by the Chinese miners, who were almost as numerous as Europeans during the productive years of the field in the late 1800's. Recent exploration work has identified the epithermal veining in the immediate catchment area (at Stanley's Hope) which may account for the source of the historical alluvial production.

CYU is currently compiling the historical and current drilling data into a 3D model to be used in conjunction with prospect scale detailed mapping to re-evaluate these prospects.

Jason Beckton, MD of CYU said: “This shallow gold system is very exciting. After some mapping to differentiate between the two styles of mineralisation we have a situation of a covered open zone at depth and along strike. If the system trends off the mining lease, CYU are in JV with Activex Limited which owns the adjacent tenements so growth potential for this discovery is secure beyond the granted mining lease.”

“Defining a gold prospect on a granted mining lease at these shallow levels with significant grades is an excellent place for CYU to be in the current market. The CYU board has asked our technical team to complete the collation of the historic mapping and drilling, assisted by our recent drilling. Subsequently a step out drill program will be proposed.”

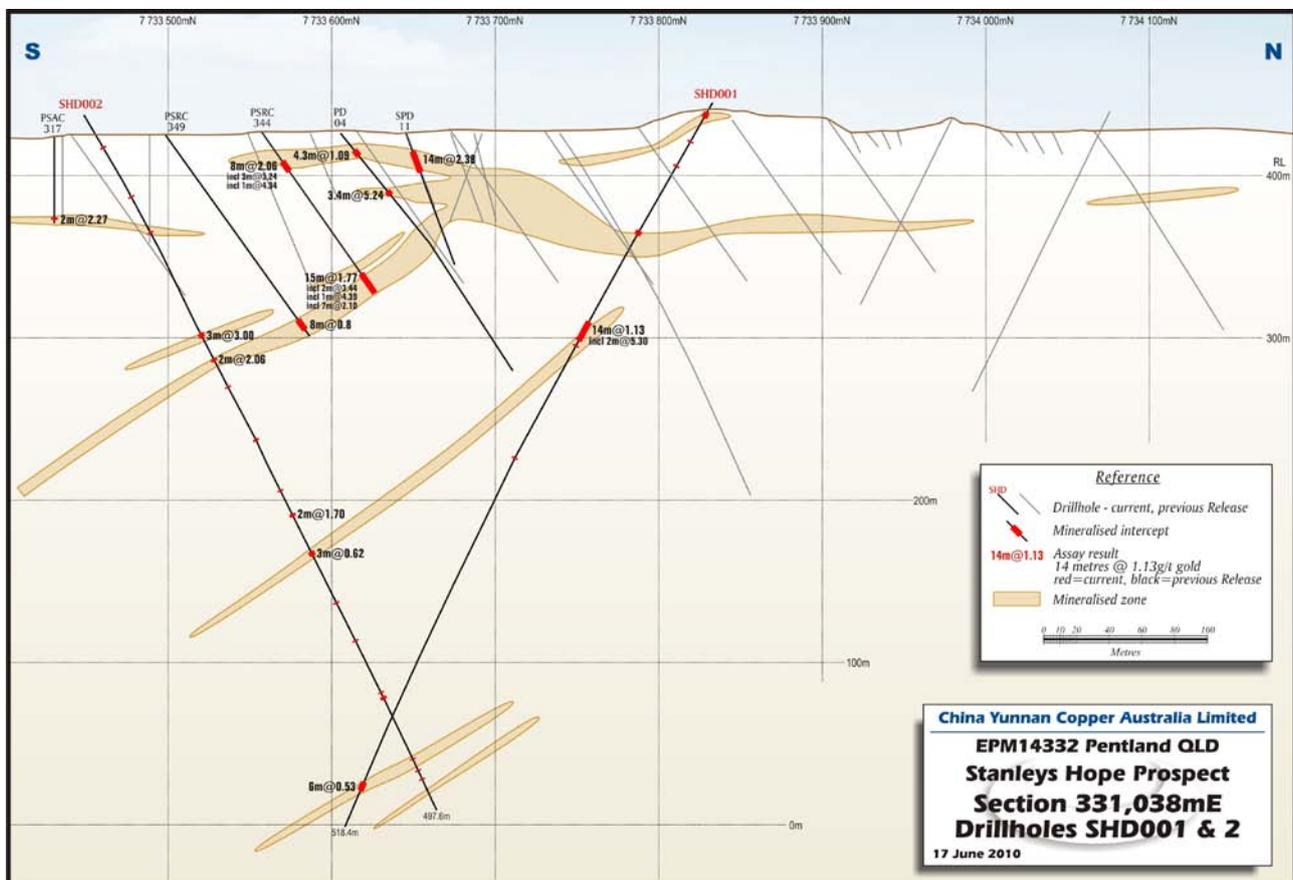


Figure 2: Section of SDH001 and SDH002. This interpretation will be revised after geological reinterpretation of previous drilling that is facilitated by the scout diamond drilling completed by CYU.

Competent Person's Statement

The information in this report that relates to the Stanleys Hope ML is based on information compiled by Jason Beckton, who is a Member of the Australian Institute of Geologists 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.

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 (YCI), is one of China's largest copper producers. YCI's largest shareholder is Chinalco.

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 Cordillera Porphyry Belt of Chile, Mt Isa Inlier, and Pentland Province in Queensland.

Other CYU activities include;

- July ground geophysical program at the Humito Copper Porphyry project in Chile.
- Drill preparation for three hole RC program at Mt Dorothy Copper, Mount Isa.
- Follow up mapping and Niton XRF sampling on the maiden resource estimate at Elaine Dorothy for Rare Earth Element and Uranium.
- Recently completed inferred maiden copper resource at the Gem prospect, Cloncurry.
- Memorandum of Understanding with CYU's cornerstone investor Yunnan Copper Industries (YCI) to undertake regional exploration and project generation work in Yunnan Province, China.

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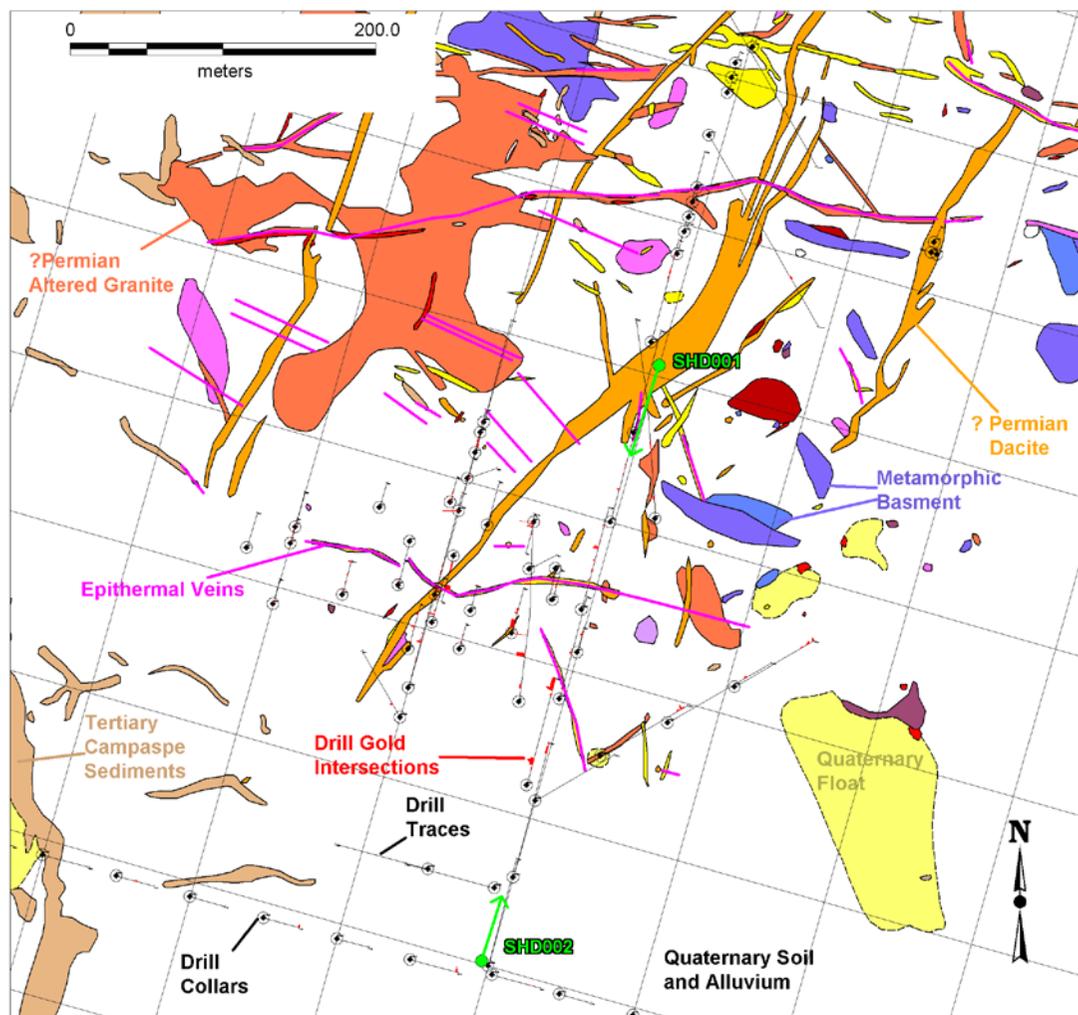


Figure 3: Geology Map and location of SDH001 and SDH002. This interpretation will be revised after geological reinterpretation of previous drilling that is facilitated by the scout diamond drilling completed by CYU.

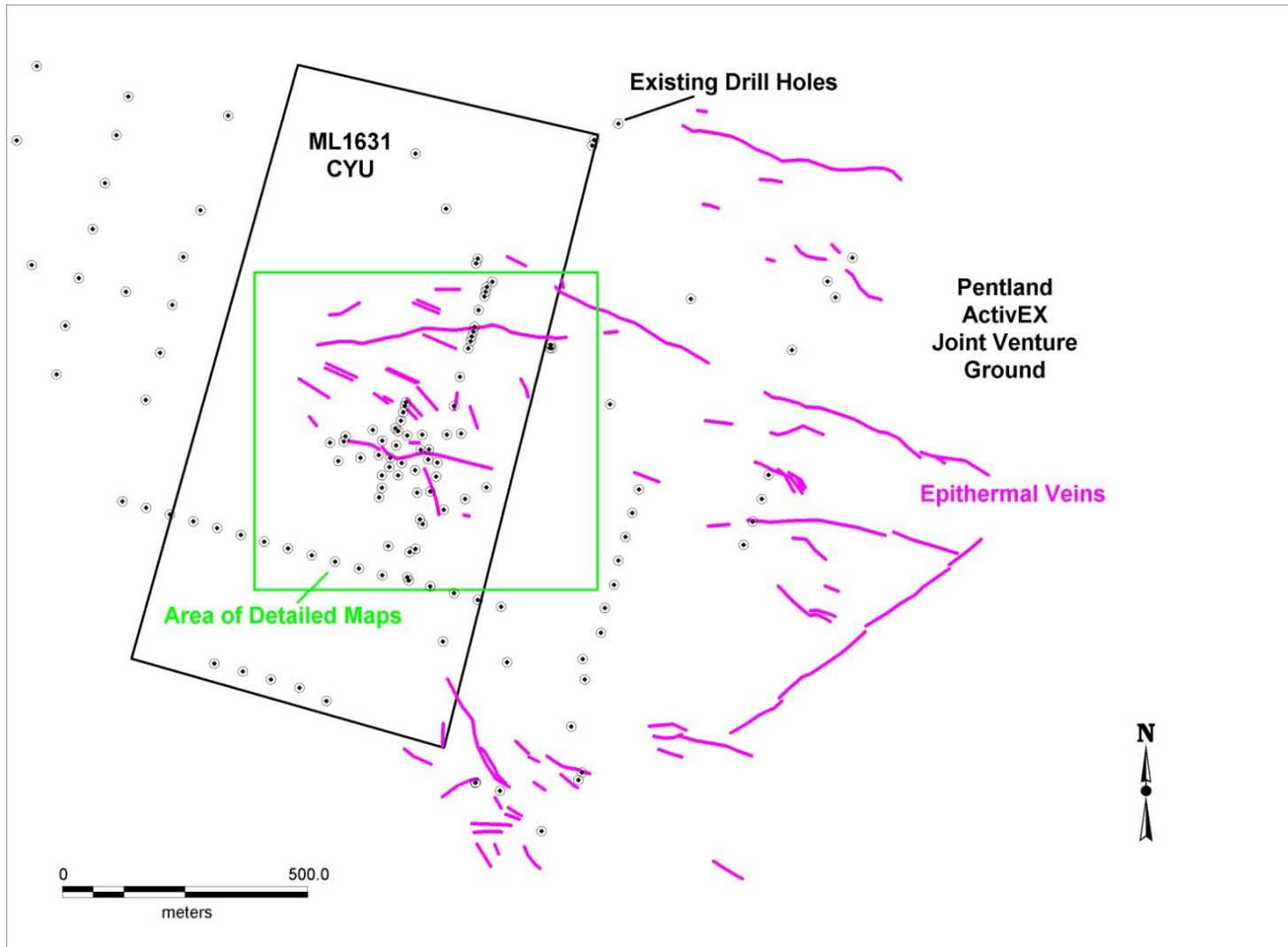


Figure 4. Diagram of epithermal veins which have not been systematically drilled out on either ML1631 nor the Pentland JV, both under CYU management.

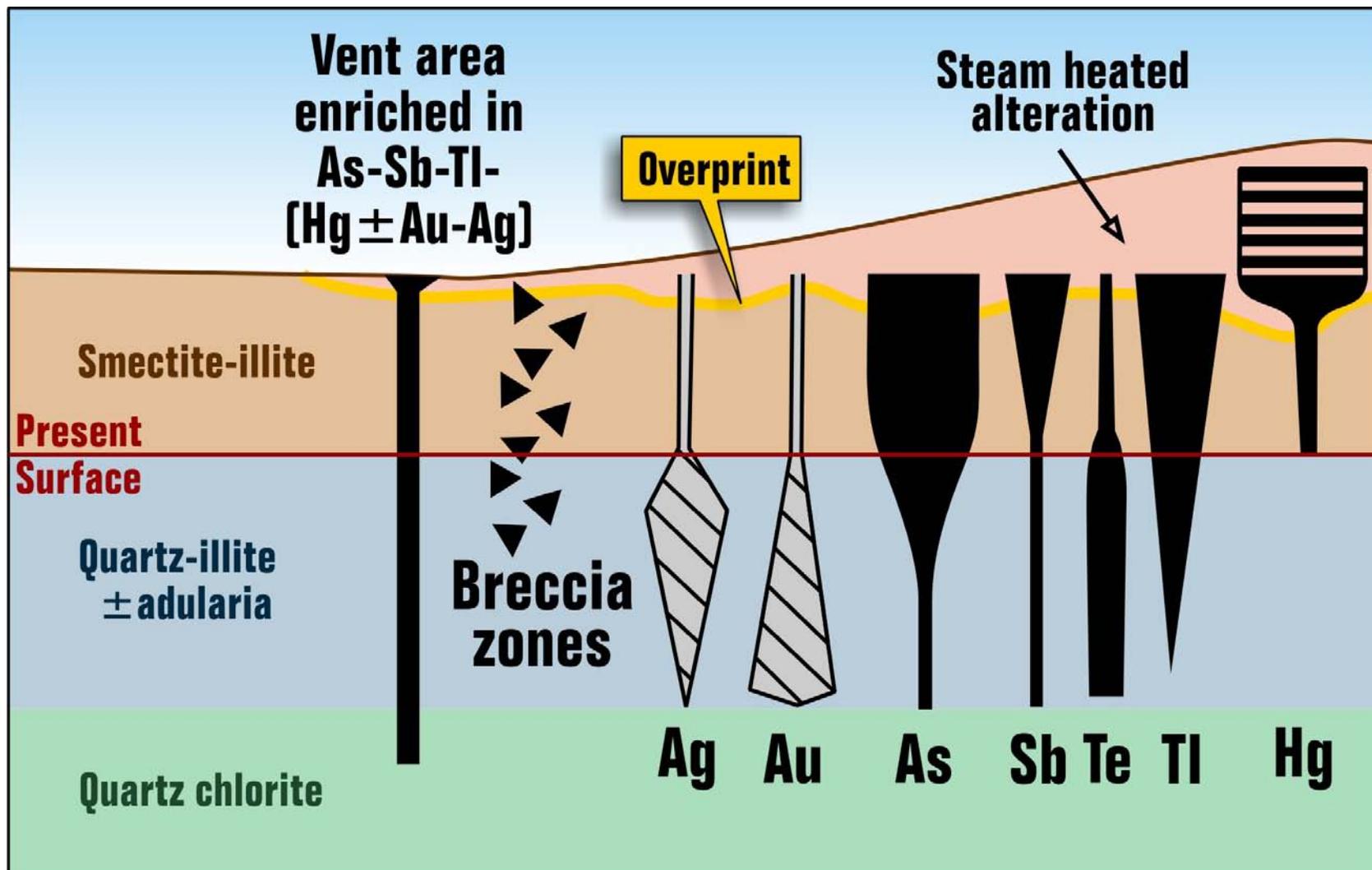


Figure 5: Schematic of Metal Zonation at Stanley's Hope. At the current level of erosion represented by the red line near surface we expect an increase in gold and silver grades with depth. As predicted by this diagram industry standard diagram for low sulphidation epithermals and associated alteration, Arsenic (As) and Antimony (Sb) are useful pathfinder elements.



Figure 6. Gold price for the last five years in US\$ terms. Gold preformed well during the recent economic downturn and represents an excellent commodity focus for CYU in Australia.