



ASX/Media Announcement

14th September 2009

New RC Drilling commences for Gem Prospect, Cloncurry North Project, NW Queensland

China Yunnan Copper Australia Limited (**ASX: CYU**) continues to explore at its Gem Prospect located within the Cloncurry North Project in Queensland.

Since reverse circulation (RC) and diamond drilling (DD) was completed in July 2009, CYU has been analysing the information and undertaking 1:2,500 prospect scale geological mapping over the prospect. Following the success and information generated from previous drilling campaigns (**including 38m @ 1.25% copper and 0.20 g/t gold from 33 m, GR003**), CYU has commenced a 5 hole, 650m RC drill programme (**Table 1**) to extend the strike extent of the northern workings.

Based on previously reported significant intersections from RC holes GR-001 (**21m @ 0.12% copper and 0.05g/t gold from 55m**) and GR-015 (**8m @ 0.89% copper and 0.25g/t gold from 183m**) this programme is designed to delineate the strike extent and geometry of the zone of mineralisation of these northern workings.

Table 1: Gem Proposed Drillhole Locations

Hole ID	East *	North *	RL (m)	Azi (°)	Dip (°)	Depth (m)
GRC - A	419,510	7,758,800	190	270	-60	120.00
GRC - B	419,435	7,758,840	190	90	-60	120.00
GRC - C	419,435	7,758,870	190	90	-60	120.00
GRC - D	419,500	7,758,870	190	270	-60	120.00
GRC - E	419,505	7,758,915	190	270	-60	120.00
						650.00

* Easting and Northing UTM MGA Zone 54 – GDA94.

Mineralisation remains open under cover which necessitated an orientation time-domain electromagnetic (TEM) ground geophysical survey completed in late July 2009. The survey comprised two lines of 500m length using a 100m moving loop configuration. Results from this survey, returned two moderate anomalies. A larger scale 1.2km by 700m TEM ground geophysical survey utilising a fixed loop configuration on 100m line spacing and 50m stations has been contracted to be undertaken in early to mid October 2009. It is believed that the use of a fixed loop configuration can overcome the surficial cover masking effect.

Results from the survey, in conjunction with all drilling results will assist in planning a more definitive extensional drilling programme leading to a maiden resource in 2010 at Gem.



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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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 Richard Hatcher, who is a Member of the Australian Institute of Geologists and is Exploration Manager of China Yunnan Copper Australia Ltd. Mr Hatcher 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 Hatcher consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

See Figure 1 to 3 below.

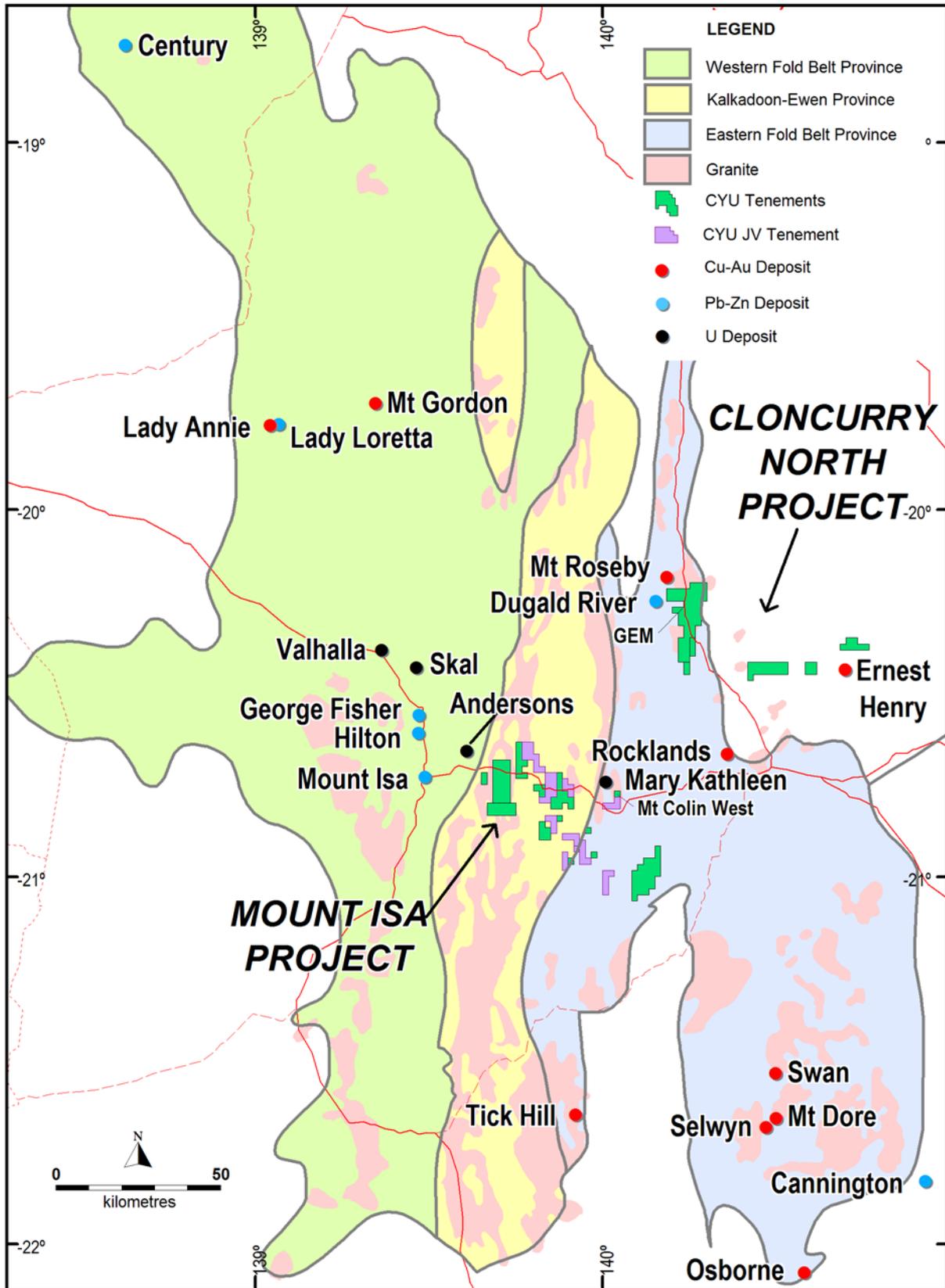


Figure 1. CYU project locations - Mt Isa and Cloncurry. The pink JV tenure is the recently signed Mary Kathleen Joint Venture with Goldsearch Limited.

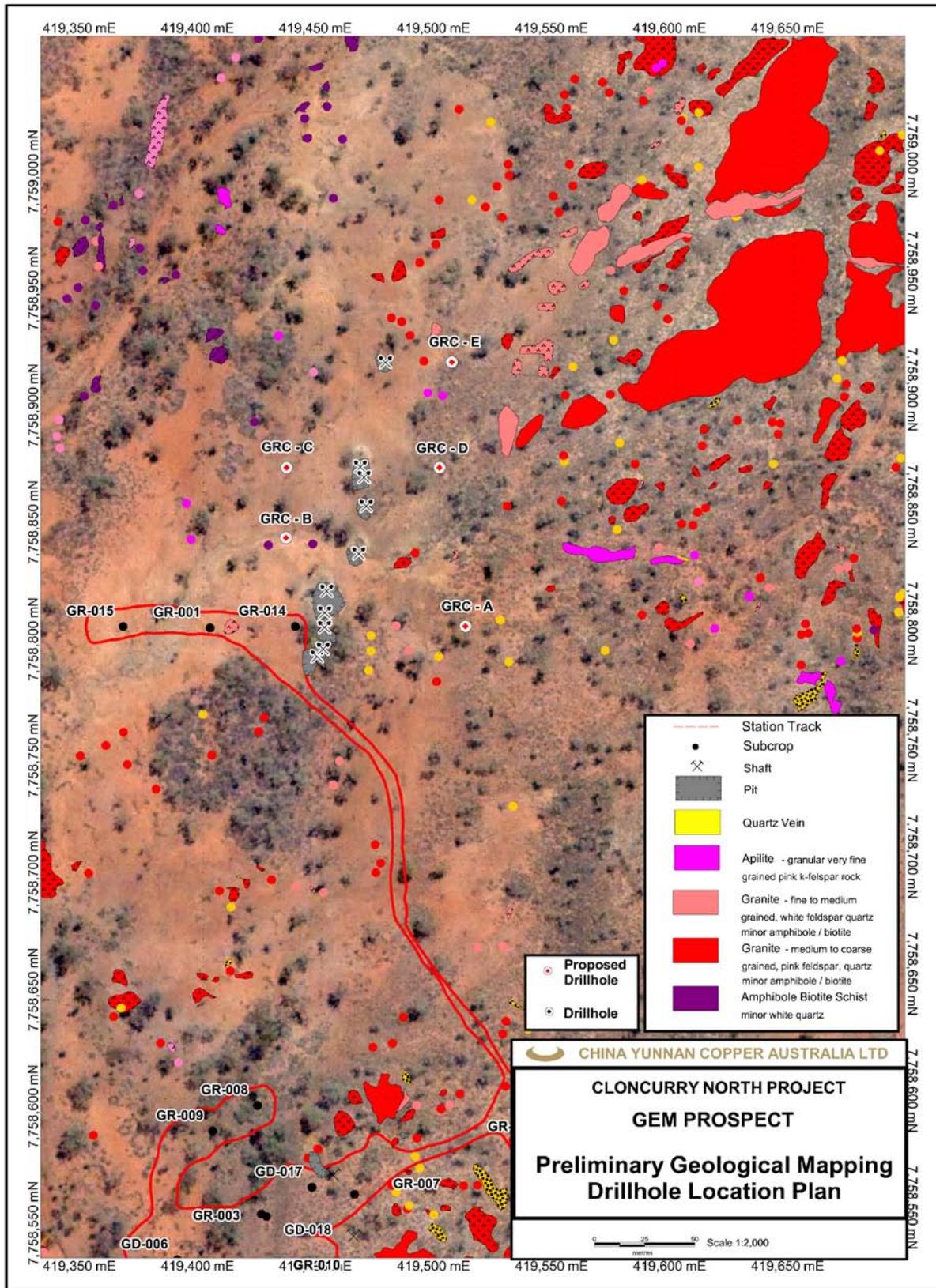


Figure 2. Gem – Planned Drillhole Location Map. The Aplite dykes are noted to contain disseminated copper, very unusual for the Mt Isa district.

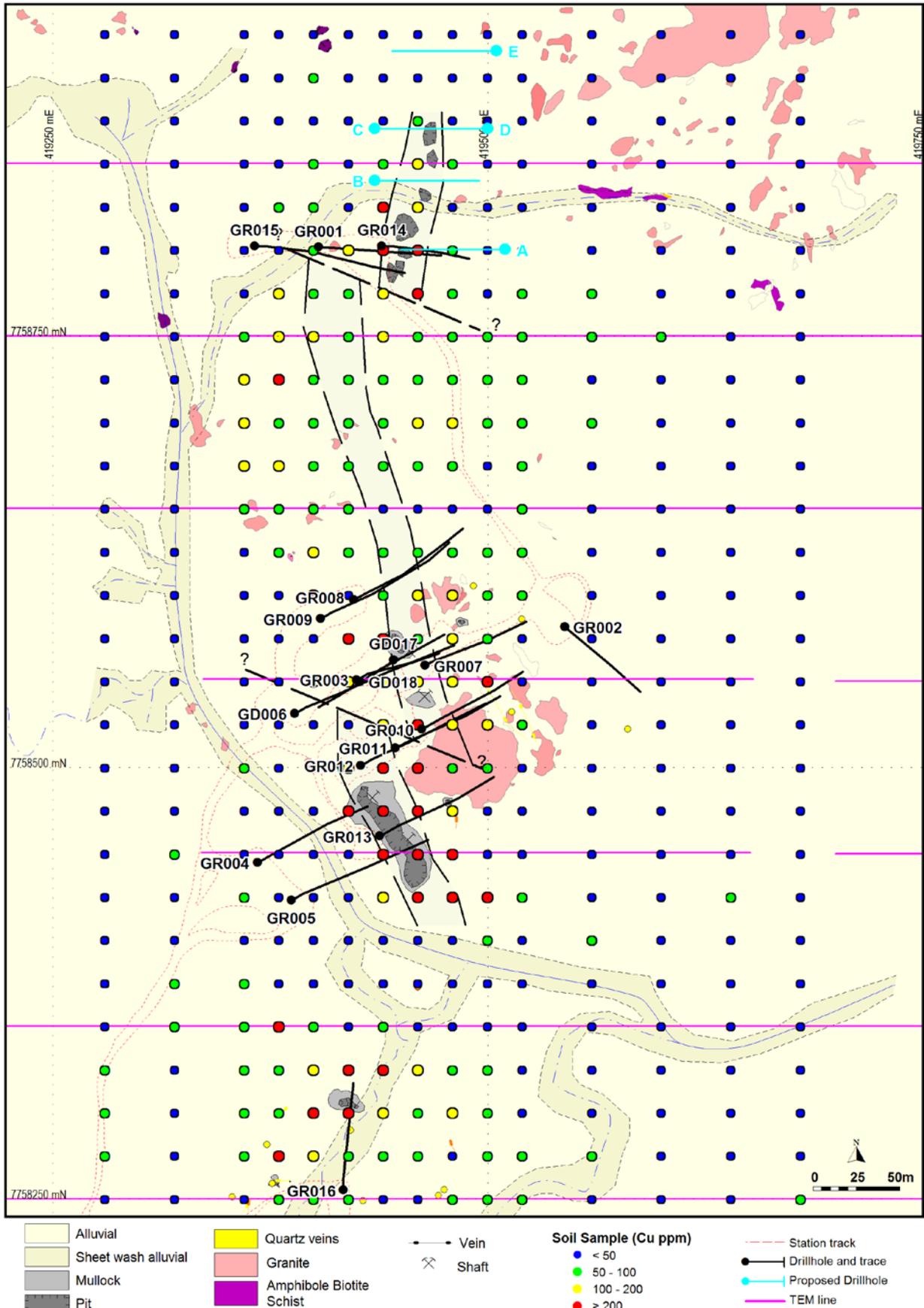


Figure 3: Gem - Current Drilling and Ground TEM geophysical survey