

China Yunnan Copper Australia Limited Has Solid Foundation and Encouraging Support to Rapidly Develop its Projects and Maximise their Potential

September 2007

China Yunnan Copper Australia Limited (CYCAL) is an Australian company focused on exploring for and developing minerals in Australia and overseas. The Company has access to a substantial amount of expertise in the mining industry that will significantly aid its development and contribute to its growth.

The Company has successfully closed its IPO offer of 16,000,000 shares at an issue price of 25 cents per share to raise \$4.0 million due to a large amount of interest from both China and Australia.

Dr. Mark Elliott, CYCAL's Managing Director, gladly found the time to speak with the Australian Investor and explain the Company's solid strategy for its future.

"We are an exploration company that is focusing on quality copper, gold and uranium projects located within known mineralised provinces," Dr. Elliott informed the Australian Investor.

CYCAL currently has eleven 100% owned Exploration Permit for Minerals (EPM's) tenements located in the Mt Isa Inlier, Ravenswood-Pentland Province and the Clermont Inlier in Queensland, Australia.

"Our initial focus will be on two projects that we are particularly excited about," Dr. Elliott told the Australian Investor, "the Cloncurry and Pentland projects."

The Cloncurry project is located in the Mt Isa Inlier and contains wide intercepts of low grade copper associated with feldspar, magnetite alteration similar to the nearby Xstrata's Ernest Henry Cu-Au deposit.

CYCAL's technical team has designed an aggressive exploration program with targets identified on both the Cloncurry and Pentland projects that will be ready for drilling within six months of listing.

"We plan to utilize the expertise of our team in combination with the latest, effective exploration techniques to maximise the potential for discovery," Dr. Elliott commented.

According to Dr. Elliott one of the key attributes of the Company is its strong relationship with its cornerstone investor, Yunnan Copper Industry (Group) Co. Ltd, China's third largest copper producer.

"We believe this is an invaluable relationship for us," Dr. Elliott told the Australian Investor, "They will enable CYCAL to have access to an extensive amount of expertise from its previous experience in exploration, mining, processing and refining. They will also provide a strong financial backing to assist future project development."



In addition to this key relationship, CYCAL's project in the Ravenswood area south-east of Charters Towers is the subject of a major farm-in agreement with Newmont Exploration Pty Ltd as operator and Sipa Gold Limited who are committed to spend up to \$2 million to earn a 70 per cent interest. The farm-in partners at their discretion can elect to increase their equity to 80 per cent by meeting all costs up to the bankable feasibility stage.

"We think that this reflects CYCAL's ability to attract quality joint venture partners," Dr. Elliott commented, "For such a major international mining group to be interested in this area is indicative of the inherent merit of the region and of the processes which we have employed in gathering our portfolio of properties."

Another key strength of the Company is its experienced board and team who will significantly contribute to the CYCAL's development and growth. The board includes:

- Mr. Norman Zillman (Non-Executive Co-Chairman);
- Dr. Shaolu Zou (Non-Executive Co-Chairman) Chairman of Yunnan Copper Industry
- Mr. Jason Beckton (Executive Director)
- Dr. Weiping Yu (Non Executive Director); Deputy General Manager of Yunnan Copper Industry
- Mr. Zewen Yang (Non Executive Director); General Manager of China Yunnan Copper (Australia) Investment and Development Co.
- Mr. Paul Marshall (Company Secretary and CFO)

"We believe that our team will make a significant difference," Dr. Elliott told the Australian Investor, "We are particularly glad to have Dr. Zou, Dr. Yu and Mr. Yang on board as it demonstrates the serious support Yunnan Copper Industry is contributing to CYCAL."

He concluded, "We already have \$3 million in the bank and with this IPO we are raising another \$4 million, which will give us around \$6.5 million after expenses with no debt. This will give us a solid base to get out there and aggressively pursue our targets to maximise the potential value for our shareholders."

September 2007

