



Chinalco Yunnan Copper Resources

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Chinalco Yunnan Copper primed for drilling at Native Companion

Chinalco Yunnan Copper Resources (ASX:CYU) expects to start drilling in mid-late July at its Native Companion project in north western Queensland where it is looking for a 1 million tonne (plus) copper equivalent deposit.

Preliminary results from its geophysical survey demonstrated a strong relationship between chargeability / conductivity anomalies and known areas of copper mineralisation at surface.

The survey also identified a number of other previously-unknown anomalous targets, including potential blind targets at depth.

It is currently seeking tenders for the drilling program.

Native Companion hosts extensive historic workings and geochemical anomalism over a 3.6 kilometre by 1 kilometre area and has potential to host significant copper-gold mineralisation.

Adding interest, the project is located in the Roseby Trend mineralised corridor that unearthed Altona Mining's (ASX:AOH) Cloncurry Project with a resource base of 286.6 million tonnes grading 0.57% copper and 0.04g/t gold for 1,647,000 tonnes and 409,000 ounces of gold.

Chinalco is supported by shareholder China Yunnan Copper (Australia) Investment & Development, a wholly owned subsidiary of Kunming-based Yunnan Copper Industry (Group) Co Ltd, the third largest producer of smelted copper product in China.

Yunnan Copper Group itself is a subsidiary of Aluminium Corporation of China (Chinalco) which is the largest producer of aluminium product in China and the second largest world-wide.

Paul Williams, managing director, said:

"It is apparent from the early results we are receiving from the IP survey that there is already a strong correlation between known surface workings and other visual evidence of copper mineralisation on the one hand and the chargeability/conductivity anomalies.

"This systematic exploration approach is generating high-quality exploration targets for future drilling. While we must remain cautious until all the IP survey results are received, there is a growing confidence that Native Companion presents CYU with a good chance of identifying an economic deposit in the near-term."

Drilling is currently expected to consist of 20 reverse circulation holes drilled to a depth of circa 200 metres.

IP Geophysical Survey

In early June 2015, CYU commenced an induced polarisation geophysical survey of 20 lines of dipole-dipole totalling 67 line-kilometres.

This survey is intended to delineate sulphide mineralisation associated with the known soil geochemical anomalies

Price: A\$0.021

Market Cap: A\$9.934M

1 Year Share Price Graph



Share Information

Code: CYU

Listing: ASX

Sector: General Mining

Website: www.cycal.com.au

Company Synopsis:

Chinalco Yunnan Copper Resources (ASX:CYU) is a resource exploration and development company with project interests in the Mount Isa region of north Queensland.

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Excellent progress has been made so far with the survey and preliminary results have been received for the first three lines surveyed.

These include:

- Demonstrating a strong relationship between historic workings, MMI geochemical anomalies and chargeable anomalies in the IP survey;
- Confirming a strong relationship between known mineralisation and conductors (i.e. low resistivity anomalies);
- Mapping has indicated that mineralisation commonly occurs on the contact between graphitic shales and calc-silicates;
- In addition to the major north-south trending zone of mineralisation associated with Native Companion (as defined by the MMI survey), the IP survey has also defined a number of anomalies to the west, associated with the Gullivers Gossan and Good Luck workings. These targets are also chargeable and conductive; and
- A short preliminary line was completed on 7,738,200mN and has reported a more subdued IP response than the northern lines (i.e. 7,742,200mN and 7,741,800mN).

The IP survey results are lining up with surface workings and geochemical anomalies on the first three consecutive lines and a full report will be released on completion of the survey.

Final results are scheduled by the end of July though the company expects to have more than two thirds of the data available and therefore be able to identify initial drill holes.

Analysis

Chinalco Yunnan Copper is progressing towards drilling for copper at its Native Companion project with data from the current geological survey expected to identify initial drill holes.

The project presents the best opportunity for the company to make an economic discovery given its location in the Roseby Trend mineralised corridor, which hosts Altona Mining's Cloncurry Project with 1,647,000 tonnes of copper and 409,000 ounces of gold in the north.

Highlighting this potential, Altona last week signed a framework agreement with Sichuan Railway Investment Group (SRIG) that will see the Chinese company contributing US\$214 million in cash to the Cloncurry project.

Chinalco expects initial drilling results from Native Companion to be available by mid-August.

The company continues to tantalise with pursuit of project acquisition opportunities currently under review and negotiation both locally and overseas, providing upside that is not factored into the current share price of \$0.021.

It had \$2.6 million in cash as at 31st March 2015.

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