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# Australian copper focus for CYU

Chinalco Yunnan Copper Resources Ltd (CYU) has offloaded assets in Chile and plans to abandon Laos to prioritise exploration in the copper-gold-rich region of Mt Isa, North Queensland.

The company is also continuing its campaign to find a project that is on the brink of becoming operational.

These ambitions were made clear in the company's quarterly report, which includes details of a \$2 million work programme at Mt Isa.

CYU managing director Paul Williams told **Paydirt** that now was the time for the company to distance itself from the pile of luckless (and penniless) explorers on the ASX and elevate its status among the mid-tier mining groups.

"I've been in the role for 12 months now and we have reached a point where we are trying to transition away from being an explorer here in Australia and also overseas. Our main goal is to acquire interests in projects close to operating, which we have full support from Chinalco for. We have been sorting through what we have in our portfolio and we have put the company into a position where we want to be – and that is in the mid-tier," Williams said.

"There is a general lack of interest for explorers in the market and for the last six or seven years as an explorer we haven't come up with anything. We have a market cap of \$10 million and for a small investment it could hit \$11 million, so really that's no man's land."

CYU remains in negotiations for potential near-term producing assets and is eager to act upon something soon.

"The focus is Australia. But if a good project came to us from outside Australia we would still seriously consider it," Williams said.

"We're hoping to use this [release of the quarterly report] as a springboard into a few acquisitions. In a difficult market we hope to differentiate ourselves from the junior exploration market and if we can land a good one [acquisition] the market will take notice.

"We're looking for game-changing acquisitions and we're at a crunch point with the market. We are done with that [exploration] and are more interested in companies nearing

operations. We are fortunate that we have a group like Chinalco supporting us financially, which allows us to go and grab something."

China Yunnan Copper (Australia) Investment and Development Co Ltd, a subsidiary of Chinalco, owns 47% of the issued shares in CYU.

Having such a shareholder on board allows CYU the freedom to operate on budgets that others in the junior space might consider excessive.

A \$2 million work programme for copper, gold and other mineral exploration in the Mt Isa region has been approved for 2014, with results from a seven-hole RC drilling programme (begun in April) testing mineralised extensions at Millennium, Blue Caesar and Jubilee (Mt Frosty JV) expected this month.

Eleven holes totalling 2,400m (varying in depths of 75-350m) are planned at Millennium this year while four RC holes under the principal shafts (Jubilee and Printy) have been proposed.

The company is working towards determining a pipeline of drill targets to hit in 2015/16.

"Two million dollars is the base case for this year but with only seven holes drilled, if we get some good results we are in a position to accelerate [drilling]," Williams said.

At the end of the March quarter, CYU had \$750,000, however by pulling out of Chile, where it had farm-ins with Rio Tinto plc and Codelco, and halting any further expenditure as it exits Laos, the company can focus its funds elsewhere.

However, in September 2013, Yunnan Copper Mineral Resources Exploration & Development Co Ltd (YEX) agreed to back the CYU and Altona Mining Ltd Roseby South JV.

CYU is the manager of the project in which YEX has committed to spend a majority portion of the \$4 million expenditure set over the next four years.

This year YEX will spend \$900,000 on EPMs 10883 and 11004, with CYU required to outlay at least another \$400,000 on the other four EPMs owned by Altona and its subsidiary Roseby Copper South Pty Ltd.

Should YEX remain interested in the Roseby South JV, a further \$600,000 will be spent on 10883 and 11004 next year.

– Mark Andrews



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Chinaico Yunnan has narrowed its exploration focus to the Mt Isa region