



## **ASX/Media Announcement**

**12 April 2010**

CHINA YUNNAN COPPER AUSTRALIA LIMITED (CYU) provides the opportunity to view an interview with Jason Beckton, Managing Director China Yunnan Copper recorded at the Australia Symposium Roadshow on 24 March 2010.

The interview can be viewed via the company website at [www.cycal.com.au](http://www.cycal.com.au)

A copy of the transcript is provided below.

Jason Beckton  
Managing Director - CYU



## ABN Newswire- Symposium Events Interview - Transcript

The presentation details are as follows:

- **China Yunnan Copper Australia Symposium Roadshow Highlights - Jason Beckton, Managing Director**
- **Tue, 24th Mar 2010 6pm AEST**
- **A transcript of the broadcast is included below**

**Brian Carlton:** This is Brian Carlton for ABN Newswire. I'm back at Sydney's Bowlers Club of New South Wales for another Symposium Resources Road Show, one of the presenting companies - China Yunnan copper or CYU as the ASX listing. CYU has goals of the resource definition as development for three target commodities high quality copper gold and uranium predominately in Queensland. Its managing director Jason Beckton is a geologist with more than seventeen years of experience in exploration project, development production and management in Australia, Mexico and more recently was manager in Chile for Exeter Resource Corporation leading the team responsible for a commercial discovery which ongoing drilling has revealed an inferred estimate of 12.65 million gold equivalent ounces. Jason Beckton, welcome to ABN Newswire.

**Jason Beckton:** Thank you Brian, thanks for your time.

**Brian Carlton :** You've got a very large Chinese backer, how did that come about?

**Jason Beckton:** Well, what's happening is in boom markets, particularly Chinese state owned enterprises are looking to emulate the success of Vale of moving offshore. The best way to do that, this is a good tick for the Australian Stock Exchange, is they want to get involved with public listed transparent companies who are involved in exploration, but it was also timing, we were ready to list in mid 2007 and the Yunnan group have been in Australia for five years searching for the right vehicle to be involved with, and so I've come back to Australia to head that up and its not unique you do see it in other groups with cornerstone investments. The good thing about these guys is they are miners and processors with annual revenues of over 6 billion dollars US, so they're interested in keeping it all going.

**Brian Carlton:** And there is no problem in the relationship of the Chinese given the different culture and the different language?

**Jason Beckton:** I mean I've worked with a lot of cultures in my career as you alluded to in the intro, and the key thing about these guys is that they are mining businessmen, so of course there are cultural differences but

they are usually interesting differences, but when it comes down to it, they are commercial copper operators just like us.

**Brian Carlton** : Now the parent company Yunnan Copper Industry Group had an amazing year last year, can you just throw some of the numbers around?

**Jason Beckton**: Well, some of their production stats are getting towards well over half a million tonnes of copper produced, their annual revenues are up and down between four and six billion US per annum.

**Brian Carlton** : So that makes then what? The third largest Copper in China?

**Jason Beckton**: Third largest copper producer in China. They are a provincial copper company mainly in Yunnan although they also have projects in Sichuan and Laos and a smelter in Zambia in Africa, so they are already an international company, but key for CYU our company is that they previously haven't been investing in the exploration sphere.

**Brian Carlton** : So they obviously see you as a pretty good deal

**Jason Beckton**: Well, I think the key point is we were a relatively small investment, obviously high risk, because we were an exploration company. Although we'll talk about how we've gone beyond that now, but they're keen to get involved from the ground up from an early stage as an investor, but also involved in management etc.

**Brian Carlton** : As a result of this, CYU is going massively into Queensland. What are the highlights there?

**Jason Beckton**: Well, Queensland is important because what we're looking for is copper gold uranium and you've got to have the right rocks, and we've got a solid team. The company floated of an original self company called Mt Stewart Gold on 2000 square kilometres. We've refined that, turned the ground over. We've dropped 60% of our ground but also added back 60% through a refinement process. It's a normal exploration process of ranking and hitting targets and the results are starting to bear fruit.

**Brian Carlton** : And what are you operations in China itself?

**Jason Beckton**: In China, we have a memorandum of understanding with the Yunnan Copper Group who have frankly too many projects to deal with for their team and they have an exploration division similar to ours who are keen for us to be involved and they know we have had discovery success particularly in Latin America and Europe, so they want to be involved with. If you like, that will be a two way relationship which I know

the Australian government is very keen on where we see share holders being exposed to more advance assets than we see here in Australia and in Yunnan.

**Brian Carlton :** Your ties in Chile haven't evaporated either you've obviously got a love for the place but your still working there still operating there?

**Jason Beckton:** Yeah although I emphasise its not geo-tourism, Chile is one of the best places to look for copper in the world. They are the dominant copper producer. Obviously I speak the language, we can operate there. Our exploration manager also speaks the language. We know what we're doing and as a result we went through a two year process of reviewing projects not only in Chile but in Australia and China and the recent Humitos Porphyry Copper purchase is the result of that hard work.

**Brian Carlton :** More broadly, where do you see resources going in the next twelve to twenty four months? I'm reading some very bullish assessments of what is likely to happen with the Chinese economy, particularly the demand for resources from Australia. You're obviously very confident that will ride out the little ripple, we've had for the past couple of years and it will kick back in boom wise.

**Jason Beckton:** Well crystal-balling in terms of prices in metals is notoriously difficult.

**Brian Carlton:** Always difficult I understand, but just very generally, over a couple year period, you'll have to see and upward trend.

**Jason Beckton:** Well there's a structural shortage of good copper deposits and this is why we haven't rushed out and acquired low quality assets. So it all gets back to quality and the key point is that no one is really doing significant greenfield exploration any more. Everyone is only explore around their mine, so all we're seeing out there is peripheral addition of capacity in terms of copper recourses. That's not talking about gold and uranium which is a separate issue. So there is a critical supply problem and therefore prices will be affected by that in the future, I think.

**Brian Carlton:** Let's talk about gold. It went completely ballistic during the global meltdown. As the global economy starts to pick up again, do you see the price coming off a bit?

**Jason Beckton:** Well, I don't know which parts of the global, you see it coming back, but there is certainly a lot of softness out there in currencies, whether its Euros or the Aussie dollar. I'm not an expert in this here, but I can say that gold basically was a fairly linear trend through the bust and the boom which is unusual and all I know about gold being a development geologist and production geologist in the past is that it's easy to find

relatively to copper and easier to mine relatively to copper, so business wise, it is lower risk.

**Brian Carlton:** Let's talk uranium for a second. There's about 44 odd power reactors coming online around the world, the demand for uranium globally will increase significantly. Do you see any relaxation of the regulations here in Australia in terms of a variability to not only mine it but to export?

**Jason Beckton:** Well, certainly uranium is a political issue and I represent shareholders not voters, but I can say that uranium is a critic path of clean green future and it's also very important for medicines etc. Nuclear medicines Manuka heights here in Sydney saves people's lives. So I'm a big fan of the industry. Obviously, I've seen the way the Canadians have grown their industry while ours have stagnated and that's obviously a source of frustration. However, I think there are some good people working on trying to come up with practical national solution rather than a state based choppiness we have at the moment.

**Brian Carlton:** This is something I can talk to you for hours, but we're not going to have that much time. What was the essence of your presentation today? What the two or three key points you're trying to get across to those with some cash that you'd like to put into your company.

**Jason Beckton:** Well, as I say to people, we floated with zero resources and we're about to graduate beyond that to announce two resources in the short term, one in the uranium rare earth element front and one in the copper front, so the key point was value add. We're going from zero prospects to discovery to announcing resources and as every mining investor knows the best way to add value is discovery and coming up with resources not necessarily acquisitions although that can be important, so the key point was discovery and normal increase in value of the company as a result.

**Brian Carlton:** Do you see any ongoing problems more broadly with some of the bottlenecks we had during the resources boom prior to the bust there were infrastructure bottlenecks all over the country ports particularly, is that likely to be an issue for you or do you think there will be a more integrated plan to effectively improve the infrastructure to get rid of the bottlenecks because it is having an impact on the nations productivity?

**Jason Beckton:** It is certainly, although we're in the base metals and precious metal game and they're by definition not bulk commodities. It's only the bulk commodity guys, like coal and iron that really get hurt by bottlenecks. When it comes to a goldmine, the physical volume of the material produced minimal and copper is not much more, so we're into the



high value, small volume assets and they are generally not affected by infrastructure problems like that. So certainly we're supportive of initiative to free up bottlenecks but it doesn't material effect our industry.

**Brian Carlton:** Now you've got some interesting gems in Cloncurry in Queensland, what's happening there?

**Jason Beckton:** Well we've got what's known as a virgin discovery, so we've found a copper deposit that we've named Gem or it was named Gem by the government earlier and this is going to be drilled out and named as a resource. It's very important to go from something that was a surface occurrence but mainly covered by only 4 metres and that will come out as an inferred resource initially and we'll grow that in a transparent way with continued drilling. Its only 900 meters from the bitumen, its only 4 km from the water pipeline to the Xstrata operations so the logistics are a snap and it's an excellent little discovery. We'll keep building on it.

**Brian Carlton:** Jason Beckton from China Yunnan Copper Australia, thank you for joining us!

**Jason Beckton:** Thank you Brian.

INTERVIEW CONCLUDED

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