CHINALCO
YUNNAN COPPER

QUARTERLY REPORT
for the three months ending
30 September 2011

CHINALCO YUNNAN COPPER
RESOURCES
LIMITED

HIGHLIGHTS

AUSTRALIA - ELAINE COPPER GOLD COBALT LREO DISCOVERY

Drillhole MKED009 intercepts 109 metres @ 1.98g/t gold, 0.50% copper, 482ppm cobalt from 491 metres and drillhole MKED007 intercepts 122.9 metres grading 0.57% copper, 317ppm cobalt and 0.08ppm gold.

AUSTRALIA - MT DOROTHY COPPER-COBALT-HREE DISCOVERY

Drilling results confirm geophysical anomaly defined with copper, cobalt, heavy rare earth oxide and yttrium oxide credits

CHILE - Rio Tinto & XStrata JVs

CYU porphyry-copper tenancy under management now total 29,254 hectares.

LAOS - COPPER-POLYMETALLIC PROJECT

Geochemical survey locates two targets of 66 metres strike length grading ~0.92% copper and 54.8g/t silver, and 43 metres strike length grading ~1.06% copper and 99.1g/t silver.

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Jason Beckton, MD
27 October 2011

AUSTRALIA – Elaine & Mt Dorothy Discoveries

SUMMARY

Chinalco Yunnan Copper Resources discovered a substantial, new copper-gold-cobalt-light rare earth element (LREE) zone, the Elaine Prospect, with intersections including MKED009's 109 metres @ 1.98g/t gold, 0.50% copper, 482ppm cobalt from 491 metres and MKED007's 122.9 metres grading 0.57% copper, 317ppm cobalt and 0.08ppm gold. This is in addition to a separate new copper-cobalt-heavy rare earth element (HREE) discovery at Mount Dorothy made in 2010.

MARY KATHLEEN JOINT VENTURE, QLD (CYU 70% : GSE 30%)

CYU and Goldsearch are aggressively drilling two discoveries in the Mary Kathleen style uranium (U)-REE and Iron Oxide Copper Gold (IOCG) belt in the Mount Isa region of northwest Queensland.

ELAINE – A NEW DISCOVERY COPPER-GOLD-COBALT-LREO (LIGHT RARE EARTH).

From surface to at least 500m vertical, a new significant copper, gold, cerium, cobalt, molybdenum and uranium anomaly has been discovered on the north side of the Elaine Dorothy Hill where no drilling had occurred previously. The intercept includes an internal zone of high grade gold and uranium which is centered within broad and consistent copper, cobalt, molybdenum, cerium mineralisation. All assays for the highlighted elements are included.

The MKED009 intercept includes 26m @ 7.76g/t gold, 0.17% copper, 488ppm cobalt, 834ppm molybdenum, 288ppm cerium and 2861ppm uranium from 508 metres. This includes a one metre intercept of 50,000ppm uranium and 2,253ppm Heavy REE+yttrium.

High grade gold-uranium is apparent within the core of this broad copper - multi-element mineralised system.

Further results are expected regularly from the continuing step-out drilling on 100m x 100m pierce points. The holes are to test a modeled target panel, from surface to 400m vertical, of replacement-style sulphide mineralisation, the results of which will be used to calculate a maiden JORC inferred resource in early 2012.

To date, seven holes have been completed and ten more are planned before the end of the current wet season. Completed drilling on Elaine totals 4,061 metres (Table 2). These holes are part way through a 17 hole program to test at least 300 metre strike and 400 metre vertical depth from surface.

Diamond drillhole MKED004, completed in early 2011, was drilled as a twin to the historical percussion hole EP004 (total depth of 130 metres) targeting uranium mineralisation, located 200 metres northwest of the main U-REE prospect. Queensland Government

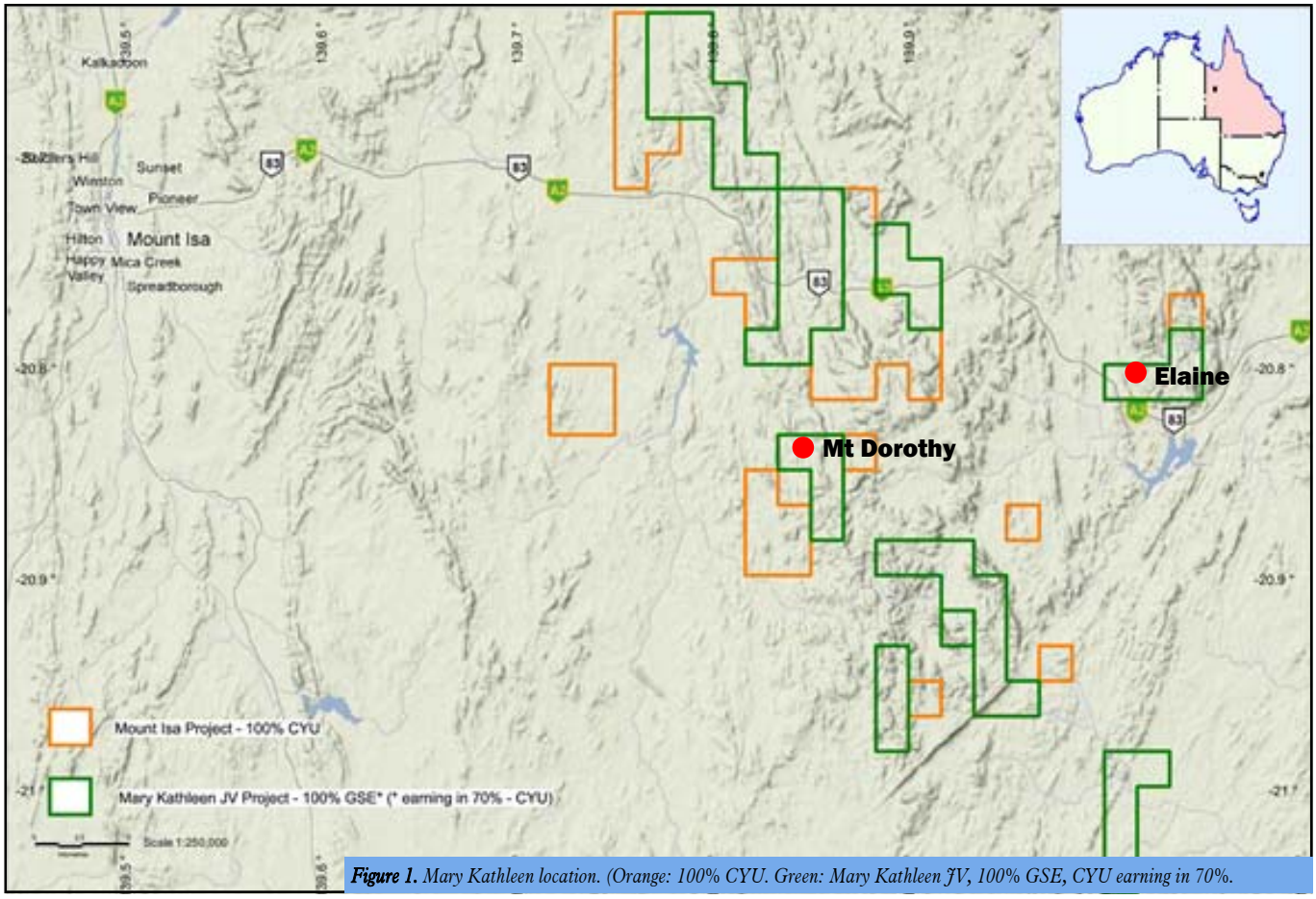


Figure 1. *Mary Kathleen location. (Orange: 100% CYU. Green: Mary Kathleen JV, 100% GSE, CYU earning in 70%.*

recorded drill logs for EP004 from 1981 had reported significant visual sulphide intersection of >42 metres averaging ~30% sulphides but the samples were not assayed for base metals.

MKED004 intersected significant copper-cobalt of 49 metres grading 0.44% copper and 283ppm cobalt from 25 metres depth confirming the visual intersection in EP004. This, in turn, resulted in holes from MKED007 all being planned to test and grow the new copper gold REE discovery and to focus less on the southern side of the Elaine hill which appears to be more U-REE occurrences.

As opposed to the Mount Dorothy REO mineralisation dominated by the HREE, the Elaine REO resource is dominated by the light rare elements (LREE) of cerium (Ce), lanthanum (La) and neodymium (Nd).

Drillholes MKED005 and MKED006 returned narrow zones of anomalous copper-cobalt and only one narrow zone of U-REE mineralisation (1 metre grading 0.10kg/t U_3O_8, 0.03kg/t ThO_2 and 844ppm TREO from 152 metres in MKED005).

However, MKED007, MKED008 and MKED009 drilled through significant widths of primary copper-cobalt sulphide (pyrite-pyrhhotite-chalcopyrite) mineralisation resulted in a new copper-cobalt discovery featuring gold, uranium and REE credits. It must be noted that holes MKED007 and MKED008 were terminated within visible sulphide mineralisation at the depth capacity of the drill machine (~600 metres); consequently the base of mineralisation was not defined in these two holes and remains open down-dip.

Table 1. Elaine Diamond Drillhole Specifications

Hole ID	East (m)	North (m)	RL (m)	Azimuth (°)	Dip (°)	Depth (m)
MKED004	398,054	7699542	405	177	-70	207.80
MKED005	398,228	7699521	444	177	-75	267.10
MKED006	398,189	7699536	450	177	-60	299.90
MKED007	398,203	7699552	451	319	-75	609.70
MKED008	398,127	7699502	319	319	-60	604.60
MKED009	398,128	7,699,506	418	10	-56	657.40
MKED010	398,127	7,699,505	418	7	-66	528.75
MKED011	398,058	7,699,621	391	3	-67	531.30
MKED012*	398,095	7,699,705	387	350	-66	14.8**
MKED013	398,095	7,699,705	387	350	-66	339.6
					Total:	**4061**

*** Hole 12 terminated due to hole direction issues.*
Datum in GDA94 Z54 UTM co-ordinates and Azimuth is True North

Table 1. *Elaine diamond drillhole specifications. Depending on final geometry of the Elaine Cu Au discovery, previous holes MKED001 to 003 may also be included in the future resource estimate.*

Assay highlights include:

MKED004
49.0m @ 0.44% copper & 283ppm cobalt from 25.0m;
25.0m @ 2,043ppm TREO & 0.07kg/t U_3O_8 from 69.0m;
13.0m @ 2,550ppm TREO & 0.09kg/t U_3O_8 from 149.0m;
including 7.0m @ 3,300ppm TREO & 0.13kg/t U_3O_8 from 151.0 metres.

MKED007
122.7m @ 0.55% copper, 317ppm cobalt & 0.08ppm gold from 487.0m;
9.0m @ 2,164ppm TREO, 0.04kg/t U_3O_8 & 0.11kg/t ThO_2 from 511.0 metres.

MKED008
188.0m @ 0.35% copper, 174ppm cobalt & 0.02ppm gold from 415m;
7.0m @ 2,061ppm TREO, 0.02kg/t U_3O_8 & 0.11kg/t ThO_2 from 226.0m;
108.0m @ 1,241ppm TREO, 0.02kg/t U_3O_8 & 0.08kg/t ThO_2

MKED009
109.0m @ 0.50% copper, 482ppm cobalt & 1.98ppm gold from 491m;
26m @ 7.76g/t gold, 0.17% copper, 488ppm cobalt, 834ppm molybdenum, 288ppm cerium, 2861ppm uranium from 508 metres.
This includes a one metre intercept of 50,000ppm uranium & 2253ppm Heavy REE+yttrium from 508 metres.

Table 2. Elaine 2010-2011 Diamond Drilling

Hole ID	From (m)	To (m)	Width (m)	Cu (%)	Co (ppm)	Au (ppm)
MKED004	0.0	15.0	15.0	0.33	162	0.06
	25.0	32.0	7.0	0.40	242	0.02
	36.0	71.0	35.0	0.52	335	0.06
	82.0	89.0	7.0	0.33	240	0.02
MKED005	29.0	39.0	10.0	0.26	119	<0.01
MKED006	79.0	86.0	7.0	0.21	171	0.02
	143.0	148.0	5.0	0.30	103	<0.01
MKED007	58.0	63.0	5.0	0.25	70	<0.01
	263.0	609.7	346.7	0.28	220	0.03
incl.	309.0	333.0	24.0	0.22	241	0.02
incl.	355.0	368.0	13.0	0.55	631	0.08
incl.	372.0	389.0	17.0	0.22	346	0.01
	487.0	609.7	122.7	0.55	317	0.03
incl.	489.0	501.0	12.0	0.60	598	0.05
incl.	504.0	523.0	19.0	0.49	147	0.09
	505.0	609.0	104.0	0.58	293	0.09
incl.	518.0	532.0	14.0	0.74	407	0.22
incl.	522.0	526.0	4.0	1.13	449	0.55
incl.	549.0	579.0	30.0	0.72	337	0.08
incl.	550.0	560.0	10.0	1.00	366	0.13
incl.	551.0	555.0	4.0	0.95	245	0.11
incl.	599.0	608.0	9.0	0.85	310	0.12
incl.	602.0	606.0	4.0	0.72	290	0.09
MKED008	168.0	177.0	9.0	0.25	163	<0.01
	217.0	224.0	7.0	0.35	231	0.03
	415.0	603.0	188.0	0.35	174	0.02
incl.	422.0	443.0	21.0	0.59	335	0.04
	422.0	436.0	14.0	0.75	258	0.05
incl.	425.0	428.0	3.0	1.01	225	0.02
	448.0	586.0	138.0	0.37	178	0.02
incl.	451.0	512.0	61.0	0.45	223	0.03
incl.	451.0	454.0	3.0	2.07	68	0.19
incl.	473.0	502.0	29.0	0.38	218	0.02
incl.	491.0	501.0	10.0	0.60	255	0.02
incl.	516.0	538.0	22.0	0.44	207	0.03
incl.	542.0	576.0	34.0	0.35	101	0.01
MKED009	48	51	3	0.39	215	0.03
	215	222	7	0.33	93	0.07
	334	342	8	0.05	454	0.46
	393	422	29	0.64	543	0.13
	429.00	451.00	22	0.53	230	0.19
	491	600	109	0.50	482	1.98
incl.	508	534	26	0.17	488	7.76
MKED010, MKED011, MKED012 & MKED013: Assays Pending						

Table 2. *Elaine Prospect 2010-2011 diamond drilling showing significant copper-cobalt assay intervals (using 0.2% Cu cut-off, minimum of 3m mining width and maximum 3m internal dilution).*

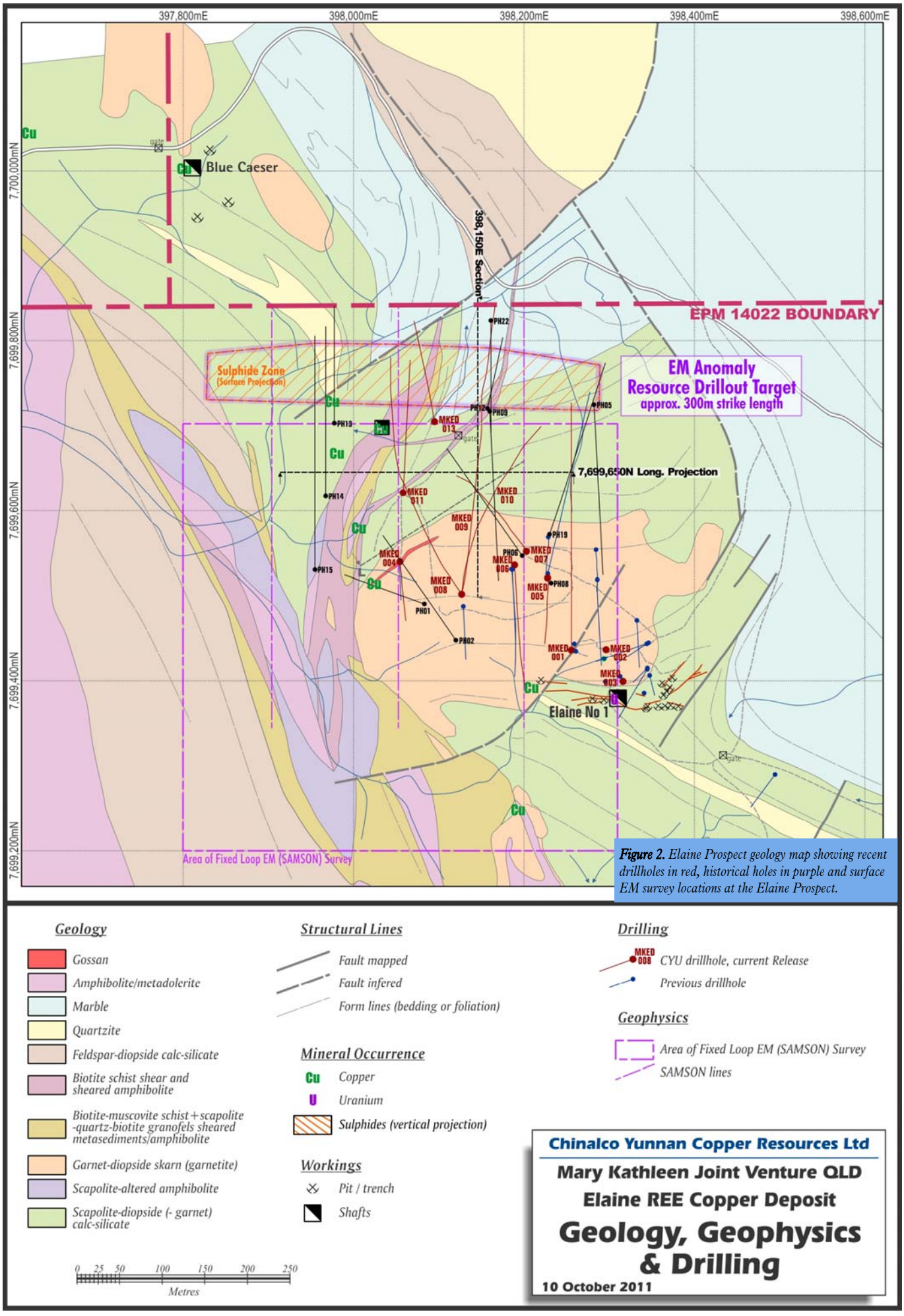
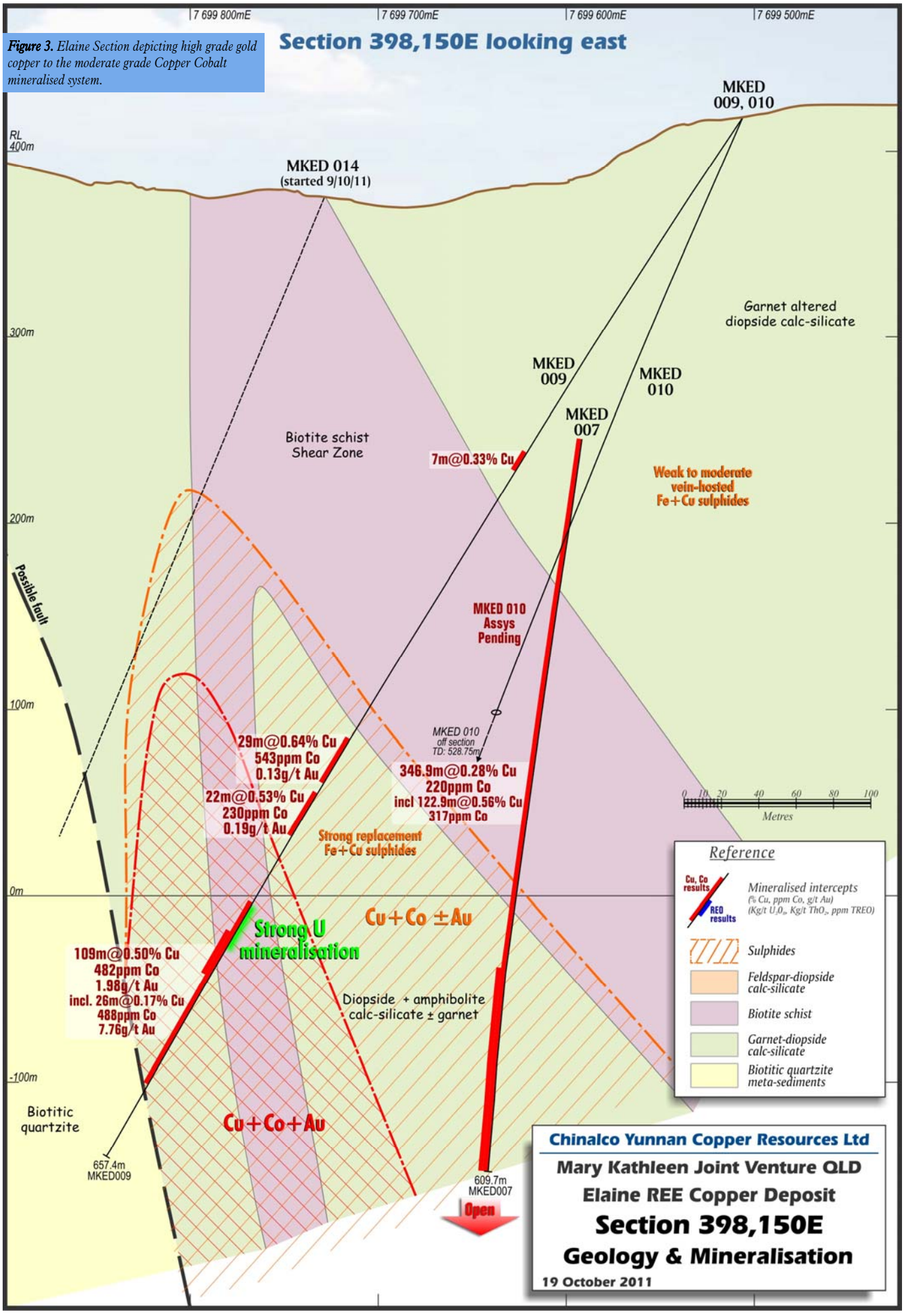


Figure 2. *Elaine Prospect geology map showing recent drillholes in red, historical holes in purple and surface EM survey locations at the Elaine Prospect.*

Figure 3. Elaine Section depicting high grade gold copper to the moderate grade Copper Cobalt mineralised system.



MOUNT DOROTHY COPPER-COBALT-HEAVY RARE EARTH (HREE)–YTTRIUM (Y) DISCOVERY

RC DRILLING CURRENTLY.

In the previous quarter, moderate to high grade copper-cobalt results with heavy rare earth oxide and yttrium oxide (HREO-Y_2O_3) credits were returned over significant intervals. Highlight results are:

MDD006
36m grading 1.14% copper and 198ppm cobalt including 9m grading 5.48% copper and 205ppm cobalt.

MDD011
16m grading 1.03% copper and 109ppm cobalt.

The best HREO result, reported as total rare earth oxide (TREO) predominately comprising the HREE of Dysprosium (Dy), Europium (Eu) and Holmium (Ho), was returned from:

MDD005
16m grading 1,864ppm TREO - Y2O3 from 71 metres.

In addition, significant precious metal values were returned from the bottom of MDD011 with individual assays of up to 157ppm silver and 0.29ppm gold.

Yttrium and REO mineralisation appear to be associated with the secondary copper-cobalt mineralisation and also, in part, with the mineralised Fe-oxide-quartz breccia. The updated interpretation based on the breccia textures, their mineralogy, petrology and geochemistry is that this ore zone is typical of Iron Oxide Copper Gold (IOGC) mineralisation.

Modelling of this survey data defined an approximately 700 metre long conductivity anomaly (Figure 4). This anomaly continues northeast under cover from, and appears to coalesce with, the Wee Wyeems (northeast trending) mineralised zone at its southern end.

A 17 hole, 2,500 metre RC drill program commenced at Mt Dorothy, 7 of which, totalling 1400 metres, are designed to test:

- Strong IP anomaly around Three Threes derived from the SAM survey,
- Strong northern SAM conductor (Target 2),
- NE strike extent of the proposed mineralised trend at Wee Wyeems,
- Zones of heavy core loss in MKED011.

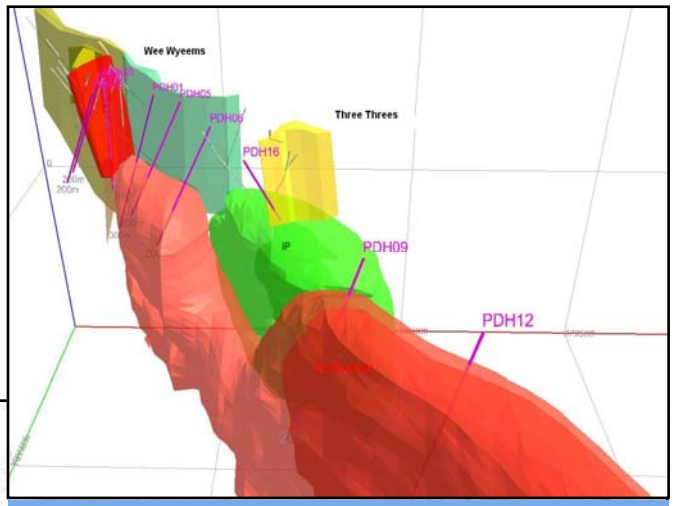


Figure 4. *Three dimensional model of the SAM geophysics looking southwest towards Wee Wyeems. The red plane at Wee Wyeems is the new copper-cobalt-HREE breccia zone. Proposed drillholes for 2011-2012 commenced at report date are shown in magenta.*

Cu-Au-Co-LREO mineralised drillcore from MKED003 on the Elaine discovery.

CHILE - Copper - Rio Tinto JV

CANDELABRO DRILL SITES PREPARED, RIGHT TO SITE IN 2011.

CYU has established a presence in the world's most competitive and productive copper belt, in northern Chile. With an office in Santiago, CYU has completed three Joint Ventures with Rio Tinto and one with Xstrata Copper in the 9 months since February 2011. All exploration initiatives are focused on large scale porphyry-copper exploration. In northern Chile, CYU's porphyry-copper ground under management now totals 29,254 hectares.

CANDELABRO (RIO TINTO 100%, CYU FARMING IN)

Road cleaning and grading was completed in October and a drill rig contracted for drilling to commence November 2011. As per Palmani and Caramasa, this system has had geological mapping, sampling and geophysical profiles completed to allow drill targeting. CYU will inform the market on commencement of drilling including target justification. The property area is 4,200 hectares.

CARAMASA

The Caramasa porphyry-copper and molybdenum prospect is located in the Palaeocene Porphyry Copper Belt of northern Chile, 80km north of BHP Billiton's Cerro Colorado mine of approximately 800Mt @ 0.7% copper. The area of the project is 9,300 hectares.

PALMANI

The Palmani porphyry-copper and molybdenum prospect is located in the Palaeocene Porphyry Copper Belt of northern Chile, 60km northeast of Arica, approximately 5km west of the Palaeocene-aged La Mancha porphyry copper system which was drilled by Rio Tinto in 1997 and 1998. Area of the project is 7,200 hectares.

HUMITO

A joint venture was signed with Xstrata to consolidate land holdings. This will enable drill targets to be prepared for early in 2012. Total ground now held for the Humito project covers 8,554 hectares granted or in process of being granted. Humito is to be drilled subsequent to more ground consolidation in the area after an RC program previously reported in the area a downgraded magnetic target near the main intrusive centre. New targets in the Xstrata tenure are currently being evaluated.

These targets represent potential, large, Palaeocene-age porphyry-copper, molybdenum and gold deposits similar to the Tier 1 porphyries of southern Peru.

Road cleaning to the Candelabro Prospect – October 2011.

Figure 5. *Location diagram of Palmani and Caramasa and existing property Humito.*

Looking toward the hills of the Humito Project, Chile.

LAOS - Jiuzhai Copper-Polymetallic Project

VERIFICATION OF GEOPHYSICAL ANOMALY IN JIUZHAI COPPER-POLYMETALLIC ORE PROJECT.

A Summary of the June to August Work Program

CYU has received shareholder approval to purchase 51% interest in Sanmu Mining Limited, a Chinese-registered Resource Company, to explore for and develop existing mineral deposits in Laos and China. CYU will invest A$2.8 million (in 3 stages over the 12 months) to acquire the 51% per cent interest.

Figure 6. Locations of copper-silver prospects to be drilled to JORC standards during 2011. All are within trucking distance of the Mohan Copper Silver Mine operated by Yunnan Copper Industries.

Previous Geological Work

There is no record of historical geological work in the tenement area. Malachite and azurite are clearly visible on the surface of once-molten waste from an old pit, remnant of a small-scale mining activity. Remnants of trenches and the old accumulated slag on the surface suggest there was an ore stack site. The total area is about 5700m^2.

From November to December in 2006, Yunnan Copper Exploration Company conducted a 1:10,000 scale geochemical survey in this area, over 10km^2. Two copper-lead-zinc anomalies were defined.

From January to February in 2007, Yunnan Copper Exploration Company conducted 1:25,000 scale geological mapping over a total of area is 107km^2.

In 2008, Yunnan Copper Exploration Company conducted a 310m pit survey. The survey was intended to provide an understandable geological basis for further exploration work and combined lead-zinc-silver-antimony-arsenic-copper anomalies were successfully delineated.

Current Work Program

A total of 8 trenches were completed in June to August in 2011 for 1274.58m^3 of excavation to verify the results of the geophysical survey.

As the primary ore body was not exposed in the trenches, 126 soil samples collected from the bottom of the trench were sent for quantitative spectral analysis (ICP).

60 soil samples were collected from 4 northern trenches. Results are : Copper: 29-881ppm, averaging 179ppm Cu;
Lead: 18-3128ppm, averaging 1657ppm Pb;
Zinc: 98-5000ppm, averaging 3182ppm Zn;
Silver: 0.11-7.9g/t, averaging 3.6g/t Ag.

66 soil samples were collected from 4 southern trenches. Results are: Copper: 2.8-322ppm, averaging 129ppm Cu;
Lead: 83-14016ppm, averaging 3847ppm Pb;
Zinc: 37-6306ppm, averaging 2465ppm Zn;
Silver: 0.1-30g/t, averaging 6.1g/t Ag.

Two copper mineralisation targets were found in the northeast of the survey area in dolomitic limestone.

Target No 1 is an area of silicification and a fracture zone about 2 to 3 metres wide. Mineralisation in the fracture zone is mainly malachite, azurite, a small amount of chalcocite and chalcopyrite. Average grade of samples is about 0.92% copper and 54.8g/t silver. The mineralised body, 66 metres long and 2 metres wide, is near the east-west extension and dipping south from the 23 metre surface exposure.

Target No. 2 is a 3 metre wide fracture zone dipping to the south. Speculated length is 43 metres with a grade of 1.06% copper and 99.1g/t silver. Visible copper mineralisation is malachite, azurite, a small amount of chalcocite and chalcopyrite.

A follow-up drilling program for late 20011 is being prepared to define resource potential in the covered terrain.

Corporate

BOARD OF DIRECTORS

Norm Zillman, Non-Exec Co-Chairman
Zhihua Yao, Non-Exec Co-Chairman
Jason Beckton, Managing Director
Zewen Yang, Executive Director

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ISSUED SHARE CAPITAL

Chinalco Yunnan Copper Resources Limited has 173.36 million ordinary shares currently on issue and 17.80 million options.

Quarterly Share Price Activity

Quarter	High	Low	Last
Jun 2008	$0.43	$0.19	$0.19
Sep 2008	$0.25	$0.12	$0.12
Dec 2008	$0.19	$0.07	$0.07
Mar 2009	$0.10	$0.07	$0.068
Jun 2009	$0.20	$0.16	$0.17
Sep 2009	$0.35	$0.16	$0.24
Dec 2009	$0.35	$0.17	$0.20
Mar 2010	$0.35	$0.205	$0.205
Jun 2010	$0.23	$0.091	$0.15
Sep 2010	$0.225	$0.091	$0.165
Dec 2010	$0.20	$0.15	$0.175
Mar 2011	$0.44	$0.18	$0.31
Jun 2011	$0.31	$0.18	$0.185
Sep 2011	**$0.26**	**$0.155**	**$0.155**

Competent Person's Statement

The information regarding Exploration Activities in this report that relates to the Mount Dorothy, Elaine and the Laos Projects is based on information compiled by Jason Beckton, who is a Member of the Australian Institute of Geologists and is Managing Director of Chinalco Yunnan Copper Resources Limited. Mr Beckton 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 Beckton consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Drilling at Mt Dorothy, Queensland, in October 2011