



## ASX/Media Announcement

15<sup>th</sup> August 2011:

### **Wide copper – cobalt - rare earth – gold zone confirmed at Elaine - Mary Kathleen JV with Goldsearch Limited.**

#### **Resource definition drilling planned to end of 2011**

- **188m @ 0.35% Cu, 174ppm Co, 0.02g/t Au, MKED008 from 415m depth**
- **108m @ 1,241ppm TREO, 0.02 kg/t U<sub>3</sub>O<sub>8</sub>, 0.08 kg/t ThO<sub>2</sub>, MKED008 from 313m depth**
- **122.7m @ 0.55% Cu, 317 ppm Co, 0.08g/t Au, MKED007 from 487m depth**  
 inc: **104m @ 0.58% Cu, 293ppm Co, 0.09g/t Au, MKED007 from 505m depth**  
 inc: **14m @ 0.74% Cu, 407ppm Co, 0.22g/t Au, MKED007 from 518m depth**  
 inc: **10m @ 1.00% Cu, 366ppm Co, 0.13g/t Au, MKED007 from 550m depth**
- **Elaine Drilling to restart end of August, continuing to end of 2011.**
- **Revised JORC compliant resource estimate, incorporating Elaine JORC inferred REE + uranium resource (83,000t @ 3,200 ppm TREO and 0.28 kg/t U<sub>3</sub>O<sub>8</sub>) and newly discovered copper+cobalt sulphide zone, expected by Q1 2012.**

Chinalco Yunnan Copper Resources (CYU) and Goldsearch Limited (GSE) have finalised results for the recently completed diamond drill program at the Elaine prospect that forms part of the Mary Kathleen Joint Venture Project (**Figure 1**) at Mt Isa, Queensland. GSE has a 30% interest in the Joint Venture and CYU holds 70%. Delineation drilling will commence in late August and continue to the end of the year to define the extent of this mineralised system to a JORC resource standard.

A total of 1,781.3 metres were drilled in four diamond drill holes (**Table 1** and **Figure 2**) during June to July 2011 to test an underexplored area of copper, rare earths, uranium and thorium geochemical anomalies.

**Table 1: Elaine Diamond Drill Collar Locations – June/July 2011**

Hole ID	East (m)	North (m)	RL (m)	Azi (AMG)	Dip (°)	Depth (m)
MKED005	398,228	7,699,521	444	177	-75	267.1
MKED006	398,189	7,699,536	450	177	-60	299.9
MKED007	398,203	7,699,552	451	332	-75	609.7
MKED008	398,127	7,699,502	427	325	-60	604.6
						1,781.3

\*DATUM = UTM GDA94 Zone 54

Following up from previously announced copper results for MKED007 of **346.70m @ 0.28% Cu, 220ppm Co, 0.03g/t Au** from 263m down hole depth (including **122.7m @ 0.56% Cu, 317 ppm Co, 0.08g/t Au** from 487m down hole depth), final assay results have been returned for the entire drill program.

Further broad zones of significant primary copper mineralisation have been returned, highlighted by **104m @ 0.58% Cu, 293 ppm Co, 0.09g/t Au** in MKED007 from 505m down hole depth which includes an elevated gold zone of **14m @ 0.74% Cu, 407ppm Co, 0.22g/t Au** in MKED007 from 518m down hole depth and **10m @ 1.00% Cu, 366ppm Co, 0.13g/t Au** in MKED007 from 550m down hole depth. MKED008 also returned a broad zone of copper mineralisation of **188m @ 0.35%**



**Cu, 174ppm Co, 0.02g/t Au** from 415m down hole depth. Summaries of significant copper-cobalt-gold intersections based on a nominal 0.2% Cu cutoff are tabulated in **Table 2** below.

**Table 2: Elaine – Summary Significant copper-cobalt-gold intersections at a nominal 0.2% Cu cut-off**

Hole ID	From (m)	To (m)	Width (m)	Cu (%)	Co (ppm)	Au (ppm)	CuEq* (%)
<b>MKED005</b>	29.00	39.00	10.00	0.26	119	-0.01	0.30
<i>including</i>	30.00	35.00	5.00	0.38	151	-0.01	0.44
<i>including</i>	31.00	32.00	1.00	0.99	80	-0.01	1.02
<b>MKED006</b>	79.00	86.00	7.00	0.21	171	0.02	0.29
<i>including</i>	82.00	86.00	4.00	0.25	148	0.02	0.32
<b>MKED006</b>	143.00	148.00	5.00	0.30	103	0.00	0.34
<i>including</i>	144.00	145.00	1.00	0.80	107	0.01	0.85
<b>MKED007</b>	58.00	63.00	5.00	0.25	70	-0.01	0.27
<b>MKED007</b>	<b>263.00</b>	<b>609.70</b>	<b>346.70</b>	<b>0.28</b>	<b>220</b>	<b>0.03</b>	<b>0.39</b>
<i>including</i>	309.00	333.00	24.00	0.22	241	0.02	0.33
	328.00	329.00	1.00	0.02	82	0.38	0.30
<i>including</i>	355.00	368.00	13.00	0.55	631	0.09	0.87
	359.00	360.00	1.00	0.61	1,240	0.11	1.20
	363.00	366.00	3.00	1.19	492	0.15	1.49
	367.00	368.00	1.00	0.41	1,060	0.06	0.89
<i>including</i>	372.00	389.00	17.00	0.22	346	0.01	0.37
<b>MKED007</b>	<b>487.00</b>	<b>609.70</b>	<b>122.70</b>	<b>0.55</b>	<b>317</b>	<b>0.08</b>	<b>0.73</b>
<i>including</i>	489.00	501.00	12.00	0.60	598	0.05	0.88
	491.00	493.00	2.00	0.39	1,913	0.04	1.22
<i>including</i>	504.00	523.00	19.00	0.49	147	0.09	0.61
	507.00	509.00	2.00	0.23	53	0.14	0.34
<b>MKED007</b>	<b>505.00</b>	<b>609.00</b>	<b>104.00</b>	<b>0.58</b>	<b>293</b>	<b>0.09</b>	<b>0.76</b>
<i>including</i>	511.00	512.00	1.00	2.29	274	0.38	2.65
<i>including</i>	518.00	532.00	14.00	0.74	407	0.22	1.05
	522.00	526.00	4.00	1.13	147	0.55	1.54
	525.00	526.00	1.00	1.26	353	1.84	2.58
	527.00	528.00	1.00	0.13	2,160	0.05	1.06
	529.00	531.00	2.00	1.52	416	0.08	1.74
<i>including</i>	543.00	545.00	2.00	2.69	90	0.21	2.86
<i>including</i>	549.00	579.00	30.00	0.72	337	0.08	0.91
	550.00	560.00	10.00	1.00	366	0.13	1.24
	551.00	555.00	4.00	0.95	245	0.11	1.12
<i>including</i>	599.00	608.00	9.00	0.85	310	0.12	1.06
	602.00	606.00	4.00	0.72	290	0.09	0.90
<b>MKED008</b>	168.00	177.00	9.00	0.25	163	0.00	0.32
	174.00	175.00	1.00	0.45	320	0.01	0.59
	175.00	176.00	1.00	0.71	474	0.01	0.91
<b>MKED008</b>	217.00	224.00	7.00	0.35	231	0.03	0.47
<b>MKED008</b>	<b>415.00</b>	<b>603.00</b>	<b>188.00</b>	<b>0.35</b>	<b>174</b>	<b>0.02</b>	<b>0.44</b>
<i>including</i>	422.00	443.00	21.00	0.59	335	0.04	0.76
	422.00	436.00	14.00	0.75	258	0.05	0.89
	425.00	428.00	3.00	1.01	225	0.02	1.12
	432.00	433.00	1.00	1.38	123	0.02	1.44
<b>MKED008</b>	<b>448.00</b>	<b>586.00</b>	<b>138.00</b>	<b>0.37</b>	<b>178</b>	<b>0.02</b>	<b>0.46</b>
<i>including</i>	451.00	512.00	61.00	0.45	223	0.03	0.56
	451.00	454.00	3.00	2.07	68	0.19	2.22
	469.00	470.00	1.00	1.17	1,105	0.18	1.75
<i>including</i>	473.00	502.00	29.00	0.38	218	0.02	0.48
	491.00	501.00	10.00	0.60	255	0.02	0.72
<i>including</i>	516.00	538.00	22.00	0.44	207	0.03	0.55
<i>including</i>	542.00	576.00	34.00	0.35	101	0.01	0.40

\* Cu equivalent calculations represent the total metal value for each metal, multiplied by the conversion factor, summed and expressed in equivalent copper percentage. These results are exploration results only and no allowances are made for recovery losses that may occur should mining eventually result. However it is the



company's opinion that elements considered here have a reasonable potential to be recovered. Long-term price assumptions and copper equivalent conversion factors are summarised below:

**Cu equivalent formula = Cu (%) + (Co (ppm) x 0.0004) + (Au (g/t) x 0.6391)**

**Price assumptions – Cu (US\$4.02/lb), Co (US\$16.78/lb), Au (US\$1760/oz), Current market prices: 9am 12/08/2011**

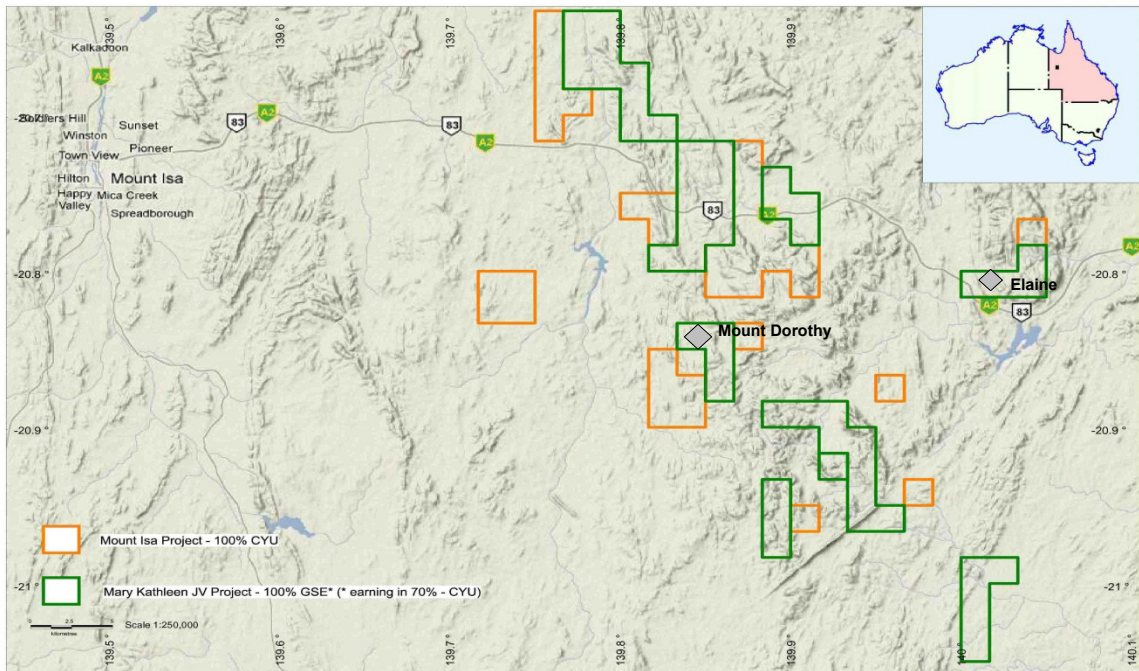
Assay results also returned significant rare earth oxide (REO) zones highlighted by **9m @ 2,164ppm TREO** in MKED007 from 511m down hole depth, **7m @ 2,061ppm TREO** in MKED008 from 226m down hole depth **including 1m @ 8,286ppm TREO** from 230m down hole depth and **108m @ 1,241ppm TREO** in MKED008 from 313m down hole depth. TREO are comprised ~95% LREO (light rare earth oxides) dominated by Cerium (CeO<sub>2</sub>), Lanthanum (La<sub>2</sub>O<sub>3</sub>) and Neodymium (Nd<sub>2</sub>O<sub>3</sub>).

**Table 3: Elaine – Summary Significant TREO-molybdenum-tungsten intersections at a nominal 1,000ppm TREO cut-off**

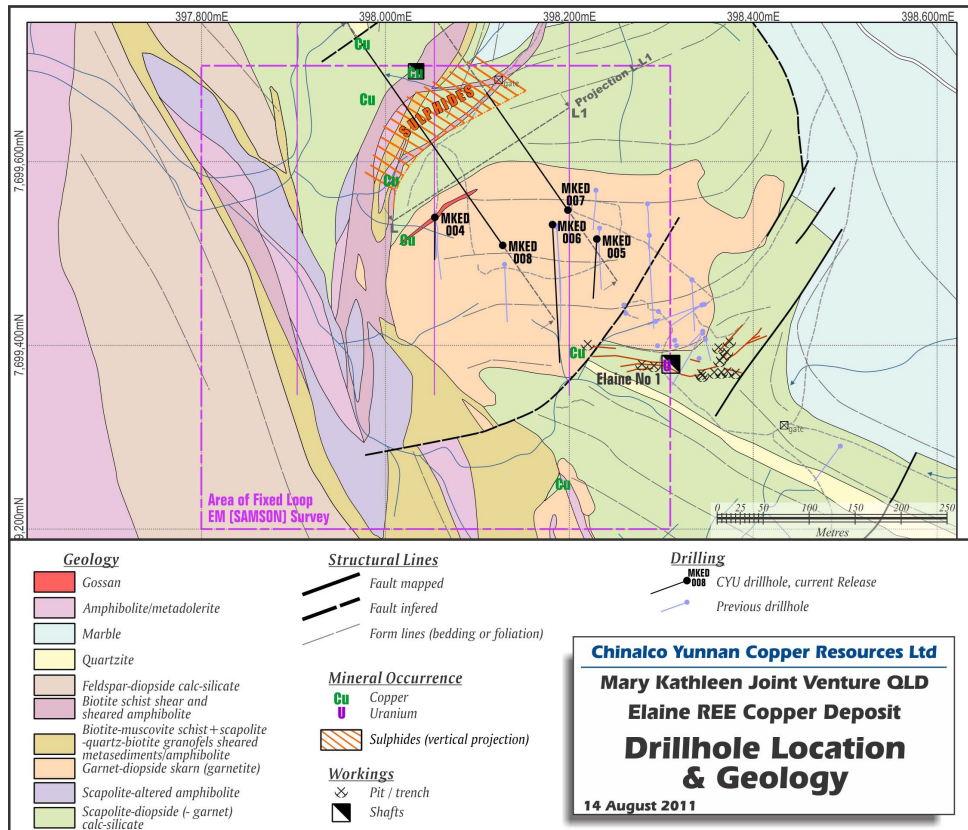
Hole ID	From (m)	To (m)	Width (m)	U <sub>3</sub> O <sub>8</sub> (kg/t)	ThO <sub>2</sub> (kg/t)	TREO (ppm)	Mo (%)
MKED005	152.00	153.00	1.00	<b>0.18</b>	0.03	844	
MKED005	195.00	213.00	18.00	0.00	0.01	50	0.02
MKED006	0.00	6.00	6.00	0.00	0.01	208	
<i>including</i>	4.00	5.00	1.00	0.00	0.01	181	
MKED006	61.00	63.00	2.00	0.01	0.02	1,761	
<i>including</i>	61.00	62.00	1.00	0.01	0.04	2,701	
MKED007	45.00	50.00	5.00	0.00	0.00	222	
<i>including</i>	46.00	47.00	1.00	0.00	0.01	212	
MKED007	448.00	449.00	1.00	0.09	0.34	1,866	
MKED007	477.00	478.00	1.00	0.03	0.45	4,388	
MKED007	511.00	520.00	9.00	0.04	0.11	2,164	
<i>including</i>	577.00	578.00	1.00	0.03	0.04	3,465	
MKED008	215.00	216.00	1.00	0.08	0.33	2,506	
MKED008	226.00	233.00	7.00	0.02	0.11	2,061	
<i>including</i>	230.00	231.00	1.00	0.02	0.48	8,286	
MKED008	313.00	421.00	108.00	0.02	0.08	1,241	
<i>including</i>	313.00	354.00	41.00	0.02	0.06	1,742	
	331.00	335.00	4.00	0.02	0.05	3,006	
	351.00	352.00	1.00	0.08	0.34	3,082	
	387.00	389.00	2.00	0.18	0.68	1,888	
MKED008	500.00	501.00	1.00	0.02	0.07	1,536	
MKED008	572.00	585.00	13.00	0.06	0.19	1,527	
<i>including</i>	577.00	578.00	1.00	0.14	0.50	3,461	
	582.00	584.00	2.00	0.15	0.48	3,359	

A small fixed loop EM (SAMSON) geophysical survey and DHEM (down hole EM) geophysical survey of MKED008 have been completed and final processing is being undertaken with early indication of a large +300m E-W striking body dipping steeply (-75°) to the south, open both directions and at depth. Based on the assay results and the geophysical surveys a new drilling program is being designed at a 100m x 100m drillout to achieve a comprehensive understanding of the tenement's resource potential. A drill rig has been confirmed to commence this drilling by 25 August 2011.

Drilling of two diamond holes for a total of 529 metres has also been concluded at the nearby Mt Dorothy prospect. This program entailed the testing of a large 3D conductivity anomaly. Both drillholes intersected oxidized breccia zones at targeted depths. Rare native copper and cuprite was visually identified along fracture surfaces, however no significant visual mineralisation was noted. The diamond core has been processed and sampled with all samples dispatched to ALS – Mt Isa. Results are pending.



**Figure 1.** Tenement location plan of the Mary Kathleen Joint Venture Project with Goldsearch Limited. The Mount Dorothy and Elaine Dorothy prospects are located approximately 50 and 60 kilometres, respectively, east of Mount Isa.



**Figure 2.** Drillhole location plan - the Elaine prospect, Mary Kathleen JV Project with Goldsearch Limited. Note the area of the EM anomaly suggesting a target area for resource drillout of at least 300 metres strike.



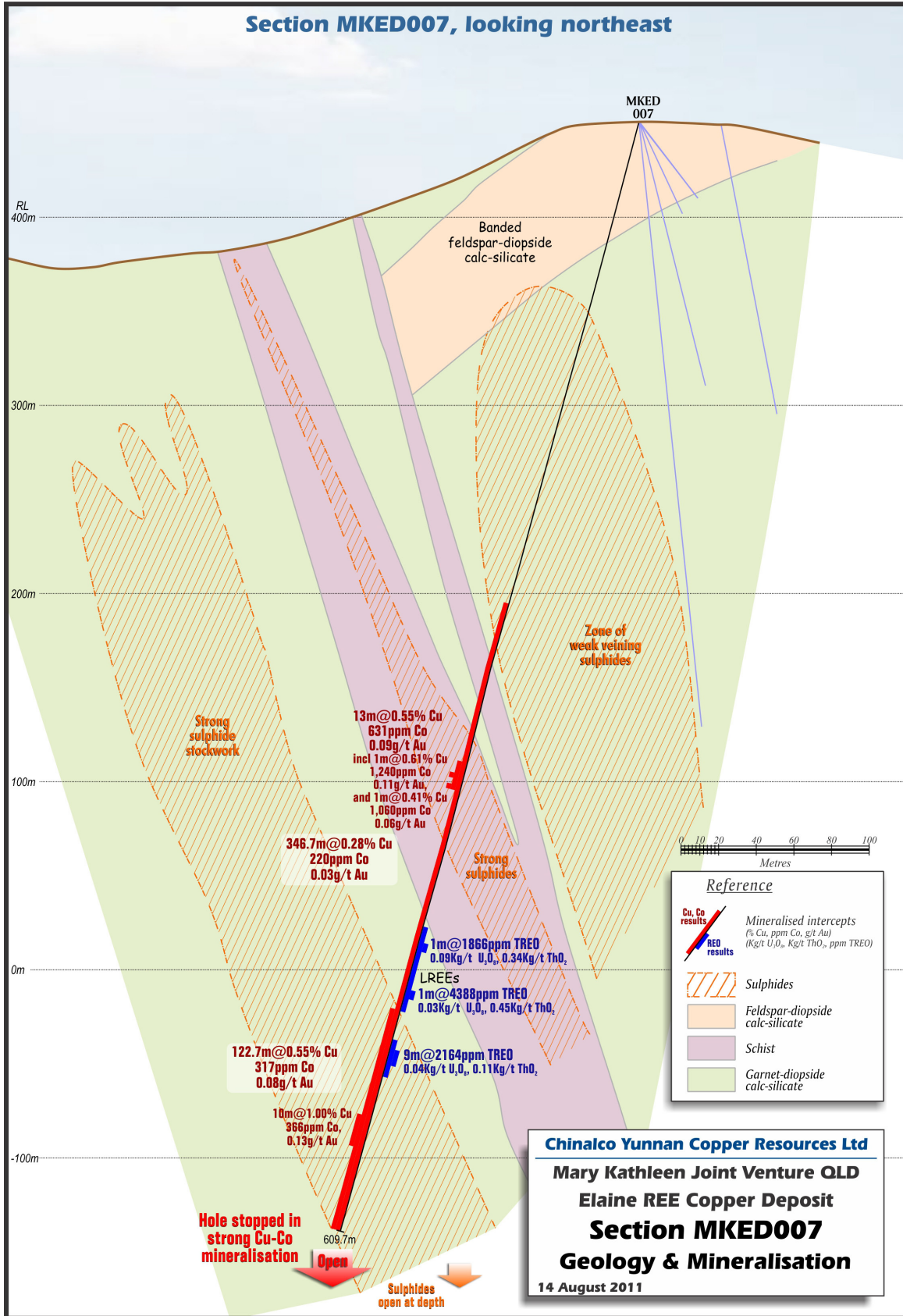


Figure 3: Elaine prospect - Section MKED007

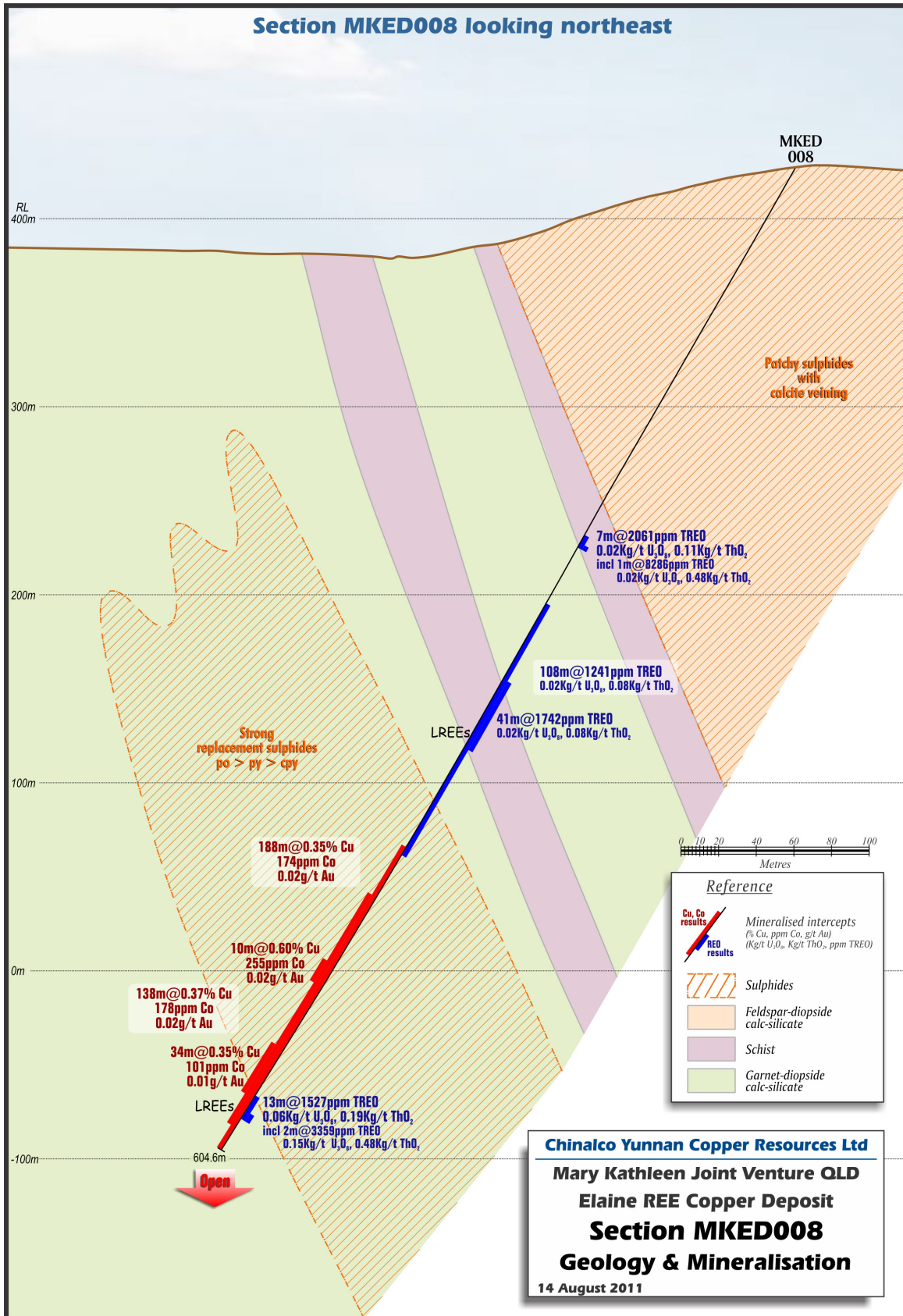


Figure 4: Elaine Prospect - Section MKED008



Competent Person's Statement

*The information regarding to the Elaine Inferred Resource (EPM 14022) and to Exploration Activities on the Elaine Copper Prospect (EPM 14022) and the Mount Dorothy Prospect (EPM 14019), is based on information compiled by Richard Hatcher, who is a Member of the Australian Institute of Geologists and is the Exploration Manager of Chinalco Yunnan Copper Resources Ltd. Mr Hatcher 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 Hatcher consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*

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