

ABN 27 099 098 192

CYU is a resource exploration and development company with a primary focus on project interests in the Mt Isa region of north Queensland.

Issued Capital:

278,532,524 Ordinary shares

2,000,000 Performance shares

2,800,000 Unlisted options

Directors:

Zhihua Yao Chairman Paul Williams Managing Director Zewen (Robert) Yang Executive Director

Company Secretary:

Paul Marshall

CHINALCO YUNNAN COPPER RESOURCES LTD

Suite 4, Level 8, 320 Adelaide Street BRISBANE Q 4000 Ph: +61 7 3211 9013 Email: <u>admin@cycal.com.au</u>

Contact

Paul Williams Managing Director paul.williams@cycal.com.au Mobile: +61 419 762 487

SIGNIFICANT NEW COPPER/GOLD DISCOVERY AT JUBILEE and EXCELLENT RESULTS ACROSS FOUR PROSPECTS IN MT ISA REGION

5 June 2014

- Intersection of a significant zone of high grade primary copper sulphide and gold mineralisation at Jubilee highlighted by <u>4m @ 4.29% Cu, 1.17 g/t Au</u> from 80m depth, including 1m @ 10.7% Cu, 1.37 g/t <u>Au</u>
- Further confirmation of the existence of a potentially large zone of mineralisation at Millenium – identifying a broad and strong anomalous zone of 50-60m with intersections including <u>5m @ 0.98% Cu, 0.5g/t Au and 5 g/t Ag</u>
- Validation of the CYU model at Blue Caesar that primary copper sulphide mineralisation extends to the north of previous drilling, with intersections including <u>4m @ 1% Cu</u>
- Reconnaissance rock chip assays up to <u>20% Cu</u>, <u>1.7g/t Au and 3.2g/t Ag</u> at the King Solomon project
- Initial April/May 2014 exploration drilling program completed on time and under budget.

The Board of Chinalco Yunnan Copper Resources Ltd (ASX:CYU) is pleased to present the latest excellent results from recent activities across its project areas in the Mt Isa region.

These results include the significant new copper/gold discovery at Jubilee and the further confirmation of a potentially large mineralised system at Millenium. Further exploration in these key target areas will be conducted in the next few months.

<u>Jubilee</u>

The Jubilee prospect is approximately 900m to the west of CYU's Blue Caesar Prospect and 5.5km south of the historic Mary Kathleen uranium mine. (See Annexure B for location details of Jubilee and Blue Caesar). Jubilee was the subject of mining in the 1920s and 1970s. The Jubilee prospect is part of the Mt Frosty Joint Venture (see table below for details of tenure and existing JV agreements) and consists of a north-trending linear zone of historic workings, presumably shear-controlled, that is mapped by a 1km long copper-insoil anomaly.

Two holes were drilled under the historic Jubilee mine shaft as part of CYU's recent seven hole RC (reverse circulation) exploration drilling program. The drilling targeted the down-dip extension of the historic workings.

Drillhole Q-019 intersected copper sulphide mineralisation occurring from 36m down hole depth and hole Q-020 intersected copper sulphide mineralisation from 78m down hole depth. Final analytical results from drillholes Q-019 and Q-020 have now been received and are highlighted by:

Q-019	6m @ 1.01% Cu and 0.9 g/t Au from 40m including:
	2m @ 2.42% Cu and 2.96 g/t Au
Q-020	11m @ 1.76% Cu and 0.44 g/t Au from 78m including:
	<u>4m @ 4.29% Cu and 1.17 g/t Au</u> and
	<u>1m @ 10.7% Cu and 1.37 g/t Au</u>

The assays indicate mineralisation over at least a 10m wide zone which is comparable to early drilling results at the Barbara deposit to the north. Clearly these outstanding early results at Jubilee warrant further exploration drilling by CYU over the coming months to test the depth and strike extent of this newly identified mineralized lode.

<u>Millenium</u>

The Millenium prospect is CYU's principal drill target for 2014. Shallow RC drilling in late 2013 identified broad zones (up to 90m wide) of low-grade mineralisation carrying 5-10m wide lodes of higher grade mineralisation within a westerly-dipping structural zone.

CYU's recent drilling program included four RC holes (Q-014 to Q-017) targeting the mineralisation both along strike and down dip. The depth of these holes ranged from 180m to 320m. Unfortunately Q-017 was terminated above the target zone due to drilling rig problems. Follow up diamond drilling is planned for later in the year.

Final analytical results from these drillholes have further reinforced the interpretation that the Millenium prospect may hold a large mineralized body. Highlights of the assay results are:

Q-014	13m @ 0.53% Cu, 0.30% Co, 0.24 g/t Au and 3 g/t Ag from 104m including:
	5m @ 0.98% Cu, 0.29% Co, 0.5 g/t Au and 5 g/t Ag
Q-015	21m @ 0.35% Cu, 0.13% Co, including:
	8m @ 0.58% Cu, 0.11% Co and
	3m @0.47% Cu, 0.27% Co
Q-016	5m @ 0.35% Cu, 0.1 g/t Au

Of particular interest is the presence of a broad zone (up to 60m in Q-014 and at least 20m in hole Q-016) characterised by geochemical anomalism in a range of metallic elements - Ag, As, Cu, Ni, U, Zn, Ce, Au, Co, La. This geochemical signature is interpreted as reflecting the presence of deep crustal or mantle fluids which have migrated along the Pilgrim Fault and which may form economic mineralization in the right geological environment.

More deep drilling along strike and down-dip will be undertaken at Millenium by CYU later in the year.

Blue Caesar

Also forming part of the Mt Frosty Joint Venture, CYU's drilling at Blue Caesar in 2013 made three potentially economic intersections of chalcopyrite-rich mineralisation at shallow depths. Analysis of the drill data suggests a south-plunging, easterly dipping structural zone is the host to the mineralisation. Mapping and rock chip sampling conducted by CYU and Blue Caesar late in 2013 showed the potential for the strike of mineralisation to extend for 1000m. Drillhole Q-018 was designed to test the up-plunge extent of the Blue Caesar mineralisation to the north.

Analytical results for hole Q-018 validated CYU's interpretation of a northern extension to the strike of chalcopyrite-pyrrhotite mineralisation discovered in 2013, highlighted by the following assays:

Q-018 4m @ 1% Cu from 16m

2m @ 0.95% Cu from 59m (forming part of a broader 27m zone @ 0.26% Cu)

Further drillhole targets will be identified by CYU's exploration team following a ground magnetic survey in June 2014.

King Solomon

This project forms part of the Mary Kathleen Joint Venture between CYU and Goldsearch Ltd (70:30) and has not been the subject of any significant exploration activity in recent times. Situated 35km east of Mount Isa and 3km north of the Barkly Highway, King Solomon lies on the western margin of the Corella Formation. (See Annexure D for location of this project).

Reconnaissance rock chip sampling from this area has returned strong copper and gold anomalies, which warrants further investigation. Some of the assay results for the King Solomon samples included:

Sample 411839	4.8% Cu, 1.7g/t Au and 3.2 g/t Ag
Sample 411843	20.9% Cu and 0.16 g/t Au
Sample 411844	9.6% Cu and 0.18 g/t Au

These encouraging early-stage exploration results have set the scene for a drilling program possibly later in the year.

CYU Managing Director, Paul Williams, noted that in circumstances where investor sentiment was focussed on companies that are delivering quality exploration results, it was pleasing that this latest exploration program exceeded expectations with the significant Jubilee discovery and confirmation of extended mineralisation at Millenium and Blue Caesar. "These results reinforce the CYU Board's belief that commercial ore bodies exist within our Mt Isa project portfolio and certainly justifies follow up exploration in the coming months."

On behalf of the Board

Paul Williams Managing Director paul.williams@cycal.com.au +61 419 762 487

About CYU

Chinalco Yunnan Copper Resources Ltd (CYU) is a resource exploration and development company with project interests in the Mt Isa region of north Queensland. CYU's largest shareholder is China Yunnan Copper (Australia) Investment and Development Co Ltd ("CYC"), owning 47% of the total issued shares in CYU. CYC is a wholly-owned subsidiary of Kunming-based Yunnan Copper Industry (Group) Co Ltd, which is the third largest producer of smelted copper product in China. In turn, Yunnan Copper Group 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. CYU has offices in Brisbane, and Mt Isa. The Company is listed on the ASX under the symbol "CYU".

Competent Person's Statement

The information regarding exploration activities and information set out in this ASX Release is based on information compiled by Mr Trevor Leahey, a Competent Person, who is CYU's Exploration Manager, a Chartered Professional Geologist and a Member of the Australasian Institute of Mining and Metallurgy. Mr Leahey has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity that is being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr. Leahey consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

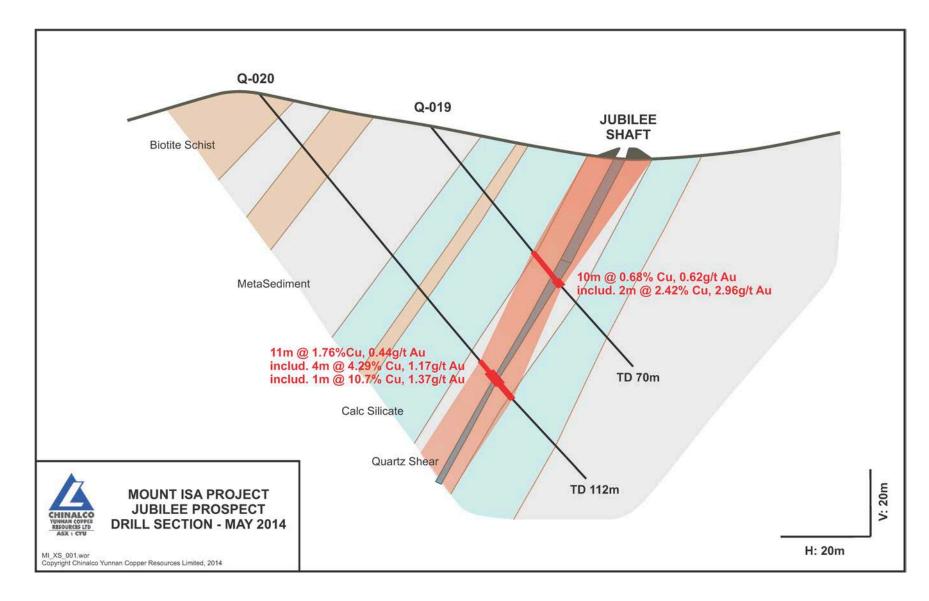
Project/Location	Tenement Reference	CYU % Interest	Comment
AUSTRALIA			
Cloncurry North	EPM 12205	90	Refer Note 1
Mt Isa East	EPM 15248	80	Refer Note 2
Pentland	ML 1631	100	
Mary Kathleen JV	EPMs 14019, 14022	70	Refer Note 3
Mt Frosty	EPM 14467	Nil – earning in	Refer Note 4
Roseby South	EPMs 9056, 10833, 11004, 11611, 14365 and 14535	Nil – earning in	Refer Note 5
Millenium	EPMs 18402, 18773, 18793, 18982, 19014, 19036, MLs 2512, 2761, 2762, 7506,7507	Nil – earning in	Refer Note 6
CHILE			
Humitos	Tenements H1-H7 and H9-H17, Copiapo District	100%	Refer Note 7
Palmani	Tenement MAIPU 1-22, Arica District	Nil- earning in	Refer Note 8
Sulfato	Tenements QUET 11, 1:40 and CHOJ 23, Pozo Almonte	Nil- earning in	Refer Note 9
LAOS	Xinzhai, Jiuzhai, Nadao, Modeng	51%	Refer Note10

(CYU's current mining tenement interests)

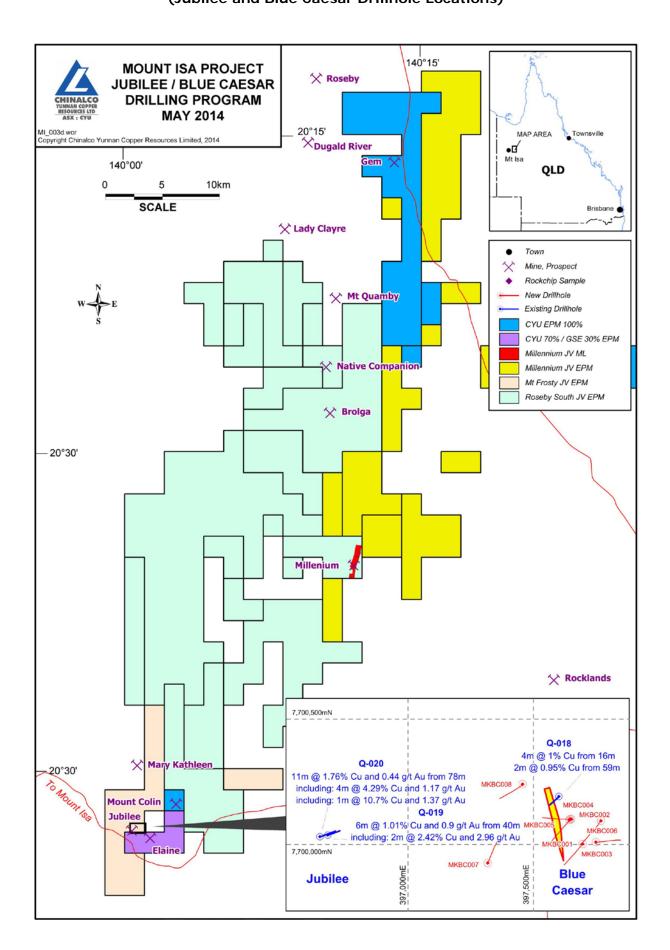
Notes:

- 1. The other 10% is held by Yunnan Copper Mineral Resources Exploration & Development Co., Ltd (YEX)
- 2. The other 20% is held by YEX
- 3. The other 30% is held by Goldsearch Limited, pursuant to agreement dated 11 August 2009
- 4. CYU and Goldsearch farming-in (on 70:30 basis) up to a 75% interest from Mount Isa Mines Limited subject to Mount Isa Mines having a buy back right so as to retain a 51% interest, under agreement dated 3 February 2012
- 5. CYU farming-in up to a 70% interest from Altona Mining Ltd and Roseby Copper (South) Pty Ltd, under agreement dated 16 September 2013
- 6. CYU farming-in up to a 70% interest from Elementos Ltd and Element Minerals Australia Pty Ltd, under agreement dated 17 September 2013
- 7. Owned by 100% CYU subsidiary Humitos Pty Ltd. No additional funds will be directed to this project. These tenures will eventually lapse unless a suitable commercial arrangement can be secured.
- 8. China Yunnan Copper Australia Limitada, a 100% CYU subsidiary (CYU Chile) was farming-in up to a 60% interest from Rio Tinto, but has now withdrawn
- 9. CYU Chile was farming-in up to a 51% interest from a subsidiary of Chile's Codelco, but has now withdrawn
- 10. Owned by 51% CYU subsidiary Yunnan Copper San Mu Mining Co. Ltd, and projects will be abandoned unless a suitable commercial arrangement can be secured.

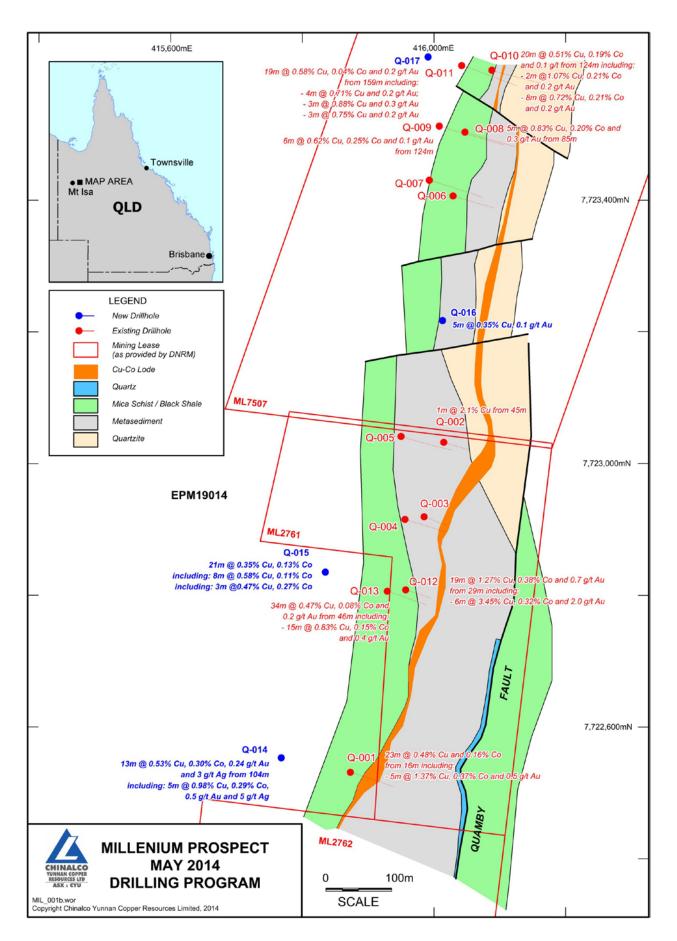
ANNEXURE A (Jubilee Prospect Drillhole Intersections)



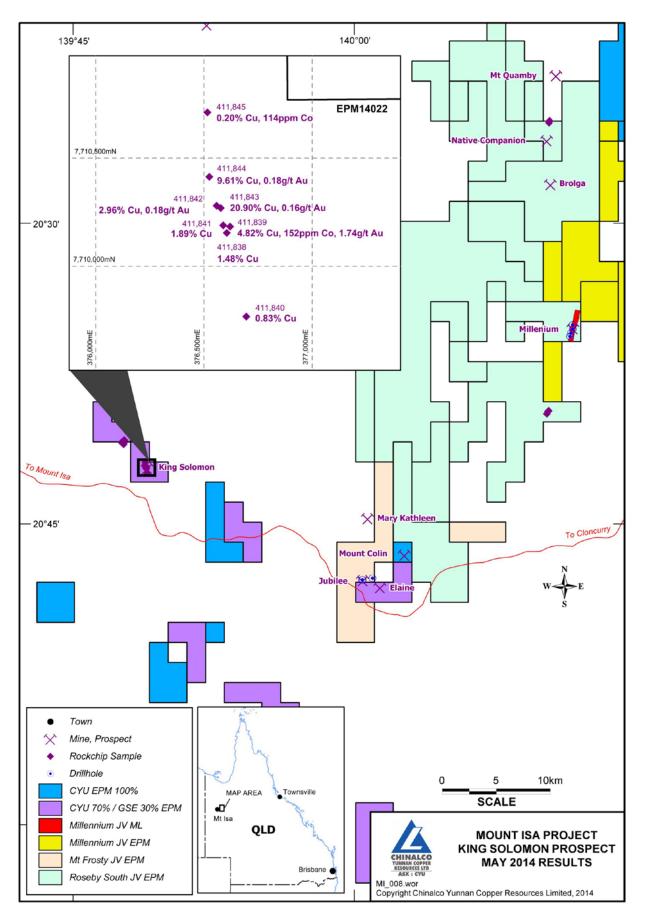
ANNEXURE B (Jubilee and Blue Caesar Drillhole Locations)



ANNEXURE C (Millenium Prospect Drillhole Locations)



ANNEXURE D (King Solomon Prospect Rock Chip Samples Location)



JORC CODE, 2012 EDITION – TABLE 1 – RC DRILLING – MILLENIUM / BLUE CAESAR/ JUBILEE – MAY 2014

Section 1 Sampling Techniques and Data

Criteria **JORC Code explanation** Commentary Nature and quality of sampling (eg cut channels, reverse circulation drilling was used to obtain 1 m samples random chips, or specific specialised industry standard from which 1 kg was pulverised to produce a primary pulp measurement tools appropriate to the minerals under from which ICP (ALS MEICP-41) and fire assay (ALS AA25) investigation, such as down hole gamma sondes, or analyses were completed handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. Sampling techniques Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information. Drill type (eg core, reverse circulation, open-hole Reverse Circulation drilling using 51/2" face sampling bit; Drilling techniques hammer, rotary air blast, auger, Bangka, sonic, etc) Schram 610 with 1100cfm @ 600psi air. and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc). • Method of recording and assessing core and chip Sample recoveries noted on Log sheet sample recoveries and results assessed. Sample collected in cyclone prior to riffle splitting using Drill sample Measures taken to maximise sample recovery and triple-deck splitter recovery ensure representative nature of the samples. No obvious relationship between sample recovery and grade Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material. Whether core and chip samples have been Washed chip samples logged on site using qualitative and geologically and geotechnically logged to a level of descriptive terminology. detail to support appropriate Mineral Resource Logging estimation, mining studies and metallurgical studies. Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. The total length and percentage of the relevant intersections logged. If core, whether cut or sawn and whether quarter, half Riffle splitting of dry samples or all core taken. Sub-sampling techniques and Sample preparation methods appropriate to exploration If non-core, whether riffled, tube sampled, rotary split, drilling etc and whether sampled wet or dry. Field Duplicate samples taken; sample preparation For all sample types, the nature, quality and appropriateness of the sample preparation technique. Quality control procedures adopted for all subsampling stages to maximise representivity of samples. Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/secondhalf sampling. Whether sample sizes are appropriate to the grain size of the material being sampled.

JORC Code explanation	Commentary
 The nature, quality and appropriateness of the assaying and laboratory procedures used and w the technique is considered partial or total. For geophysical tools, spectrometers, handheld instruments, etc, the parameters used in determ the analysis including instrument make and moor reading times, calibrations factors applied and th derivation, etc. Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laborator checks) and whether acceptable levels of accural lack of bias) and precision have been established 	 pulverizing of 1kg to 85% < 75µm. Pulps are analyzed by using method code ME-ICP41, a 34 element determination using an aqua-regia digestion with ICP-AES determination and by fire assay for gold using a 30g charge (method code AA-25) GBM® Standards are inserted in the sample sequence at the rate of 1 per hole. Y acy (ie
 The verification of significant intersections by eit independent or alternative company personnel. The use of twinned holes. Documentation of primary data, data entry procedata verification, data storage (physical and elector) protocols. Discuss any adjustment to assay data. 	 Laboratory CSV files are merged with drillhole data files using unique sample numbers as the key. No adjustments made to assay data
 Accuracy and quality of surveys used to locate of holes (collar and down-hole surveys), trenches, workings and other locations used in Mineral Reestimation. Specification of the grid system used. Quality and adequacy of topographic control. 	 mine UTM projection GDA94 Zone 54 Topographic control from handheld GPS survey using local differential control.
 Data spacing for reporting of Exploration Results Whether the data spacing and distribution is suft to establish the degree of geological and grade continuity appropriate for the Mineral Resource of Ore Reserve estimation procedure(s) and classifications applied. Whether sample compositing has been applied. 	ficient and 100m toe spacing.Too early for resource estimation
Whether the orientation of sampling achieves unbiased sampling of possible structures and th extent to which this is known, considering the de type. If the relationship between the drilling orientation the orientation of key mineralised structures is considered to have introduced a sampling bias, should be assessed and reported if material.	eposit method.
• The measures taken to ensure sample security.	 Samples are hand delivered by CYU staff to the ALS laboratory in Mount Isa
The results of any audits or reviews of sampling techniques and data.	Internal review of methodology is undertaken regularly by senior company personnel.

Section 2 Reporting of Exploration Results

Criteria	JORC Code explanation			Com	mentar	у		
Mineral tenement and land tenure status	Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	agreer Mines • There	nents with A Ltd.	ect consists (Ntona Mining vn impedime	g Ltd, El	ementos L	td and Mo	unt Isa
Exploration done by other	Acknowledgment and appraisal of exploration by other parties.	ongoir	ng exploratio		-			
Geology	Deposit type, geological setting and style of mineralisation.	Fault. Fault v Quam Minera have r locatic Kalma • The B chalco	The Quamb which is a m by-Malbon s alization is b nigrated aloo ns include (n Deposit. lue Caesar r pyrite-pyrthe ubilee miner	eralization o by Fault is th ajor crustal s sub-province elieved to be ng this sutur CYU's Elaine nineralizatio otite within s alization is lo	e northe suture so s of the e related e. Othe e Deposi n occurs karn alto	ern extensi eparating t Mount Isa I to deep c r deposits it and Mt D s as a shal eration.	ion of the I the Wonga craton. rrustal fluic in compar Dockerell M llow dippin	Pilgrim a and ls that rable fining's g zone of
•	A summary of all information material to the understanding of the exploration results	Name	East	North	RL	Collar Az	Collar Dip	Total Depth
	including a tabulation of the following information for all Material drill holes:	Q-014	415768	7722553	242	100	50	183
	 easting and northing of the drill hole collar 	Q-015	415835	7722835	250	101	60	322
	 elevation or RL (Reduced Level – elevation above sea level in metres) of the 	Q-016	416013	7723217	242	100	61	190
5	drill hole collar o dip and azimuth of the hole	Q-017	415991	7723617	243	100	75	320
Information	 down hole length and interception depth 	Q-018	397602	7700191	384	241	59	106
• Iforr	If the exclusion of this information is justified	Q-019	396680	7700037	356	75	60	70
Drill hole In	on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.	Q-020	396649	7700031	364	74	60	112
Data aggregation methods	In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated. Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. The assumptions used for any reporting of metal equivalent values should be clearly stated.	 Summary intersections are length weighted averages of assay data using nominal 1000ppmCu or 500ppmCo cut-offs as appropriate. 						
Relationship between mineralisation	These relationships are particularly important in the reporting of Exploration Results. If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').		alization. Dr	nt drilling to f illholes are b				

Criteria	JORC Code explanation	Commentary							
Diagrams	 Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views. 	Included in discussion							
•	Exploration Results is not practicable, representative reporting of both low and high	HoleID	From	То	Length (m)	Cu %	Co %	Au g/t	
	grades and/or widths should be practiced to avoid misleading reporting of Exploration	Q-014	83	127	44	0.30	0.13	0.08	
	Results.	including	104	117	13	0.53	0.30	0.24	
		Q-015	158	179	21	0.35	0.13	0.10	
		including	165	173	8	0.58	0.11	0.13	
		and	175	178	3	0.47	0.27	0.08	
		Q-016	34	48	14	0.16	0.04	0.05	
		including	43	48	5	0.35	0.06	0.11	
	Q-017 terminated above target due to drilling problems								
		Q-018	16	20	4	1.00	-	-	
D		and	52	79	27	0.28	-	-	
ortin		including	59	61	2	0.95	-	-	
repo		Q-019	36	46	10	0.68	-	0.63	
ced		including	44	46	2	2.42	-	2.97	
Balanced reporting		Q-020	77	88	11	1.76	-	0.45	
Ba		including	80	84	4	4.29	-	1.17	
Other substantive exploration data	 Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances. 		al mapping						
Further work	 The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling). Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive. 	• Phase 3 2014.	drilling alo	ng strike	e and down-	dip is pl	anned fo	or later in	