

## **China Yunnan Copper Australia Limited ACN 070 859 522**

### **Notice of Extraordinary General Meeting and Explanatory Memorandum**

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Date of Meeting: Friday 13 May 2011

Time of Meeting: 9am (Brisbane time)

Place of Meeting: Boardroom A, HopgoodGanim Lawyers  
Level 8, Waterfront Place  
1 Eagle Street, Brisbane QLD 4000

This Notice of Extraordinary General Meeting should be read in its entirety. If shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.

# Notice of Extraordinary General Meeting

Notice is given that an Extraordinary General Meeting of shareholders of **China Yunnan Copper Australia Limited ACN 070 859 522 (Company)** will be held at the offices of HopgoodGanim Lawyers on Friday 13 May 2011 at 9am (Brisbane time).

## Agenda

### Ordinary business

#### Resolution 1 - Ratification of Previous Issue of Shares

To consider and, if thought fit, pass the following Ordinary Resolution, without amendment:

*“That in accordance with the provisions of ASX Listing Rule 7.4 and for all other purposes, the Shareholders ratify the previous issue of 8,900,000 fully paid ordinary shares in the Company (**Previous Shares**) for a consideration of \$2,136,000 (representing an issue price of \$0.24 per Previous Share).*”

#### Voting exclusion statement

The Company will disregard any votes cast on this Resolution by:

- any person who participated in the issue of the Previous Shares; and
- any associate of such a person.

However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

#### Resolution 2 - Authority to Issue Placement Shares

To consider and, if thought fit, pass the following Ordinary Resolution, without amendment:

*“That in accordance with the provisions of ASX Listing Rule 7.1 and for all other purposes, the Company be authorised to issue up to 43,295,775 fully paid ordinary shares (**Placement Shares**) at an issue price of \$0.24 to clients of Patersons Securities Limited (**Placees**) on the terms and conditions as contained in this Notice of Meeting and attached Explanatory Memorandum.”*

# Notice of Extraordinary General Meeting

## **Voting exclusion statement**

The Company will disregard any votes cast on this Resolution by:

- any Placee; and
- any associate of such a person.

However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

## **Resolution 3 - Authority to Issue Shares to Norman Zillman**

To consider and, if thought fit, pass the following Ordinary Resolution, without amendment:

*“That, subject to Resolution 2 being approved by Shareholders, in accordance with ASX Listing Rule 10.11 and for all other purposes, the Company be authorised to issue up to 2,500,000 Shares at an issue price of \$0.24 each to Norman Zillman, being a Director of the Company, or his nominee/s and otherwise on the terms and conditions described in the Explanatory Memorandum.”*

If approval is given to issue shares to Norman Zillman under ASX Listing Rule 10.11, the Company is not required to obtain approval under ASX Listing Rule 7.1.

## **Voting exclusion statement**

The Company will disregard any votes cast on this Resolution by:

- Norman Zillman (or his nominee/s); and
- any associate of Norman Zillman (or his nominee/s).

However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

## **Special business**

### **Resolution 4 - Approval of Change of Name to Chinalco Yunnan Copper Resources Ltd**

To consider and, if thought fit, pass the following Special Resolution, without amendment:

*“That in accordance with Part 2B of the Corporations Act 2001 (Cth) and for all other purposes, the Company be authorised to change its name to Chinalco Yunnan Copper Resources Ltd.”*

# Notice of Extraordinary General Meeting

## **General business**

To consider any other business as may be lawfully put forward in accordance with the Constitution of the Company.

## **BY ORDER OF THE BOARD**

Paul Marshall  
Company Secretary  
12 April 2011

# Explanatory Memorandum

## 1. Introduction

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This Explanatory Memorandum is provided to shareholders of **China Yunnan Copper Australia Limited ACN 070 859 522 (Company)** to explain the resolutions to be put to Shareholders at the Extraordinary General Meeting to be held at HopgoodGanim Lawyers on Friday 13 May 2011 commencing at 9am (Brisbane time).

The Directors recommend shareholders read the accompanying Notice of Meeting and this Explanatory Memorandum in full before making any decision in relation to the resolutions.

Terms used in this Explanatory Memorandum are defined in Section 2.

### **ORDINARY RESOLUTIONS**

#### **Resolution 1 - Ratification of Previous Issue of Shares**

##### **Introduction**

The Company is seeking Shareholder ratification under Listing Rule 7.4 of the previous issue of 8,900,000 fully paid ordinary shares in the Company (**Previous Shares**) for a consideration of \$2,136,000 (representing an issue price of \$0.24 per Previous Share).

##### **Regulatory Requirements**

###### ***ASX Listing Rule 7.4***

ASX Listing Rule 7.1 prohibits a company, except in certain cases, from issuing new equity securities equivalent in number to more than 15% of its capital in any 12 month period without the prior approval of its shareholders. Equity securities issued with shareholder approval under ASX Listing Rule 7.1 do not count towards the 15% limit.

ASX Listing Rule 7.4 provides that an issue of equity securities made without prior approval under ASX Listing Rule 7.1 can be treated as having been made with that approval if shareholders subsequently ratify it. If this resolution is approved this would have the effect of refreshing the Company's ability to issue up to a further 15% of its capital during the next 12 months without the need to obtain further shareholder approval.

For the purposes of ASX Listing Rule 7.5, the Company advises as follows:

###### **(a) Number of Shares**

The number of Shares issued was 8,900,000 fully paid ordinary shares.

###### **(b) Price at which the Shares were issued**

The Shares were issued for an issue price of \$0.24 each.

###### **(c) Terms of Shares**

The Shares were issued on the same terms and conditions as the other fully paid ordinary shares of the Company on issue.

#### **(d) Allottees of the Shares and the basis on which the allottees were determined**

The Shares were issued to clients of Patersons Securities Limited.

#### **(e) Intended use of funds**

Funds raised by the Company will be used for drill-out programs on the Company's copper, cobalt, yttrium and heavy rare earth elements discoveries in Queensland, for exploration drilling in Chile and to (subject to receiving shareholder approval at a meeting to be held shortly) fund a recently announced joint venture with cornerstone investor Yunnan Copper Industry (Group) Co. Ltd to undertake exploration work on copper-silver deposits in Laos.

The Directors recommend that you vote in favour of this Ordinary Resolution.

### **Resolution 2 - Authority to Issue Placement Shares**

#### **Introduction**

Resolution 2 seeks Shareholder authorisation to issue of up to 43,295,775 new ordinary shares ("Placement Shares") at an issue price per Placement Share of \$0.24 to clients of Patersons Securities Limited, who are sophisticated or professional investors that fall within one or more of the classes of exemptions specified in section 708 of the Corporations Act.

#### **Regulatory Requirements**

##### ***ASX Listing Rule 7.1***

ASX Listing Rule 7.1 prohibits a company, except in certain cases, from issuing new equity securities equivalent in number to more than 15% of its capital in any 12 month period without the prior approval of its shareholders. Equity securities issued with shareholder approval under ASX Listing Rule 7.1 do not count towards the 15% limit.

If this resolution is approved this would have the effect of refreshing the Company's ability to issue up to a further 15% of its capital during the next 12 months without the need to obtain further shareholder approval.

For the purposes of ASX Listing Rule 7.3, the Company advises as follows:

#### **(a) Number of Shares to be issued**

The maximum number of Shares to be issued is 43,295,775 fully paid ordinary shares.

#### **(b) Date by which the Shares will be issued**

The Company intends to issue the Placement Shares as soon as practicable after the Meeting and in any event no later than three (3) months from the date of the Meeting.

#### **(c) Issue price of the Shares**

The Shares are being issued for \$0.24 per Share.

#### **(d) Terms of the Shares**

The rights attaching to the Shares are identical in all respects to the existing ordinary shares on issue in the Company.

**(e) Allottees of the Shares and the basis on which the allottees will be identified and selected**

The Placement Shares will be issued to clients of Patersons Securities Limited.

**(f) Intended use of the funds raised**

Funds raised by the Company will be used for drill-out programs on the Company's copper, cobalt, yttrium and heavy rare earth elements discoveries in Queensland, for exploration drilling in Chile and to (subject to receiving shareholder approval at a meeting to be held shortly) fund a recently announced joint venture with cornerstone investor Yunnan Copper Industry (Group) Co. Ltd to undertake exploration work on copper-silver deposits in Laos.

The Directors recommend that you vote in favour of this Ordinary Resolution.

**Resolution 3 - Authority to Issue Shares to Norman Zillman**

**Introduction**

Resolution 3 seeks Shareholder approval for the issue of up to 2,500,000 Shares to Norman Zillman (or his nominee/s) at an issue price of \$0.24 per Share.

Mr Zillman proposes to participate in the proposed issue of Shares by the Company on the same terms as the issue contemplated by Resolution 2 above.

Approval for the issue of the Shares is sought in accordance with the provisions of Listing Rule 10.11 of the ASX Listing Rules. If approval is given under Listing Rule 10.11, approval will not be required under Listing Rule 7.1.

**Regulatory Requirements**

***ASX Listing Rule 10.11***

ASX Listing Rule 10.11 requires an entity to obtain the approval of shareholders to an issue of securities to a related party. Norman Zillman, being a Director of the Company, is a related party. Accordingly, because the issue of the Shares will result in the Company issuing securities to a related party, approval under Listing Rule 10.11 is required.

For the purposes of Listing Rule 10.13, the Company advises as follows:

**(a) Name of the person**

Mr Norman Zillman, a Director of the Company.

**(b) Maximum number of Shares to be issued to the person**

The maximum number of Shares to be issued to Mr Zillman is 2,500,000 Shares.

**(c) Date by which the Shares will be issued**

The Company intends to issue the Shares as soon as practicable following the Meeting and in any event no later than one (1) month from the date of the Meeting.

**(d) Issue price and terms of the Shares**

The Shares are being issued for \$0.24 per Share. The rights attaching to the Shares are identical in all respects to the existing ordinary shares on issue in the Company.

### **(e) Intended use of the funds raised**

Funds raised by the Company will be used for drill-out programs on the Company's copper, cobalt, yttrium and heavy rare earth elements discoveries in Queensland, for exploration drilling in Chile and to (subject to receiving shareholder approval at a meeting to be held shortly) fund a recently announced joint venture with cornerstone investor Yunnan Copper Industry (Group) Co. Ltd to undertake exploration work on copper-silver deposits in Laos.

## **SPECIAL RESOLUTIONS**

### **Resolution 4 - Approval of Change of Name to Chinalco Yunnan Copper Resources Ltd**

#### **Introduction**

Chinalco and subsidiary Yunnan Copper Industry (Group) Co. Ltd (**YCI**), have agreed for the Company to change its name to Chinalco Yunnan Copper Resources Ltd. Resolution 4 seeks Shareholder approval for this name change.

CYU is the only listed exploration company in which Chinalco has a major interest. The name change reflects the increased relationship between CYU and the Chinalco group as well as the growing geographic diversification of CYU's activities.

#### **Regulatory Requirements**

##### ***Part 2B of the Corporations Act***

Part 2B of the Corporations Act provides that if a company wants to change its name, it must pass a Special Resolution adopting the new name. Accordingly, Resolution 4 seeks Shareholder approval for the Company to change its name to Chinalco Yunnan Copper Resources Ltd.

The Directors recommend that you vote in favour of Resolution 4.

## **2. Interpretation**

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**ASX** means the Australian Securities Exchange.

**ASIC** means the Australian Securities and Investment Commission

**Company** or **CYU** means China Yunnan Copper Australia Limited ACN 070 859 522.

**Corporations Act** means the *Corporations Act 2001* (Cth) as amended from time to time.

**Directors** means the board of directors of the Company from time to time.

**Explanatory Memorandum** means this explanatory memorandum accompanying this Notice.

**Extraordinary General Meeting** or **Meeting** means the extraordinary general meeting of shareholders of the Company convened by the Directors and detailed in the Notice of Meeting, or any adjournment thereof.

**Listing Rules** means the listing rules of the ASX.

**Notice of Meeting** or **Notice** means the notice of meeting giving notice to shareholders of the Extraordinary General Meeting, accompanying this Explanatory Memorandum.



**Ordinary Resolution** means a resolution passed by at least 50% of the votes at a general meeting of shareholders.

**Shareholder** means a shareholder of the Company.

**Shares** means fully paid ordinary shares in the capital of the Company.

**Special Resolution** means a resolution passed by at least 75% of the votes at a general meeting of shareholders.

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*Any inquiries in relation to the Resolutions or the Explanatory Memorandum should be directed to Paul Marshall (Company Secretary):*

*Level 5, 10 Market Street, Brisbane QLD 4000  
+61 7 3212 9212*

# Explanatory Memorandum

## Proxies and representatives

Shareholders are entitled to appoint a proxy to attend and vote on their behalf. Where a shareholder is entitled to cast two or more votes at the meeting, they may appoint two proxies. Where more than one proxy is appointed, each proxy may be appointed to represent a specific proportion or number of votes the shareholder may exercise. If the appointment does not specify the proportion or number of votes each proxy may exercise, each proxy may exercise half of the votes. The proxy may, but need not, be a shareholder of the Company.

Shareholders who are a body corporate are able to appoint representatives to attend and vote at the meeting under Section 250D of the *Corporations Act 2001* (Cth).

The proxy form must be signed by the shareholder or his/her attorney duly authorised in writing or, if the shareholder is a corporation, in a manner permitted by the *Corporations Act*.

The proxy form (and the power of attorney or other authority, if any, under which the proxy form is signed) or a copy or facsimile which appears on its face to be an authentic copy of the proxy form (and the power of attorney or other authority) must be **deposited at, posted to, or sent by facsimile transmission to the address listed below** not less than 48 hours before the time for holding the meeting, or adjourned meeting as the case may be, at which the individual named in the proxy form proposes to vote.

**China Yunnan Copper Australia Limited**  
**GPO Box 216, Brisbane QLD 4001**  
**Facsimile No:+61 7 3212 6250**

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission. A form of the certificate may be obtained from the Company's share registry.

A proxy form is attached to this Notice.

## Voting entitlement

For the purposes of determining voting entitlements at the Meeting, shares will be taken to be held by the persons who are registered as holding the shares at 7.00pm (Sydney time) on 11 May 2011. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

## Signing instructions

You must sign the proxy form as follows in the spaces provided:

- |                    |   |
|--------------------|---|
| Individual:        | Where the holding is in one name, the holder must sign.   |
| Joint Holding:     | Where the holding is in more than one name, all of the security holders should sign.  |
| Power of Attorney: | To sign under Power of Attorney, you must have already lodged this document with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.                    |
| Companies:         | Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the <i>Corporations Act 2001</i> ) does not have a Company Secretary, a Sole Director can also sign alone. |

Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary.

Please indicate the office held by signing in the appropriate place.

# Proxy Form

I / We \_\_\_\_\_

of: \_\_\_\_\_

being shareholder(s) of China Yunnan Copper Australia Limited ("Company")

hereby appoint: \_\_\_\_\_

of: \_\_\_\_\_

of failing him/her: \_\_\_\_\_

of: \_\_\_\_\_

or failing him/her the Chairman as my/our proxy to vote for me/us and on my/our behalf at the extraordinary general meeting of the Company to be held at the offices of HopgoodGanim Lawyers, on Friday 13 May 2011 at 9am and at any adjournment thereof in respect of all of my/our shares in the Company unless otherwise specified below.

If you wish to indicate how your proxy is to vote, please tick the appropriate places below.

If the Chairman is appointed as your proxy, or may be appointed by default, and if you do **not** wish to direct your proxy how to vote as your proxy in respect of a resolution, please place a mark in this box:

By marking this box, you acknowledge that the Chairman may exercise your proxy even if he has an interest in the outcome of the resolution and that votes cast by the Chairman other than as proxy holder will be disregarded because of that interest.

If you do not mark the box, and you have not directed your proxy how to vote, the Chairman will not cast your votes on the resolution and your votes will not be counted in calculating the required majority if a poll is called on the resolution.

The Chairman advises that it is his intention to vote in favour of all resolutions in respect of any undirected proxies which may be granted in favour of the Chairman.

If two proxies are appointed, the proportion of voting rights this proxy is authorised to exercise is [        ]%. (An additional proxy form will be supplied by the Company on request.)

If you wish to appoint the proxy to exercise voting power over only some of your shares, the number of shares in respect of which this proxy is to operate is ..... shares (Note: proxy will be over all shares if left blank)

If no directions are given, the Proxy may vote as the Proxy thinks fit or may abstain. By signing this appointment you acknowledge that the Proxy (whether voting in accordance with your directions or voting in their discretion under an undirected Proxy) may exercise your proxy even if he/she has an interest in the outcome of the resolution and even if votes cast by him/her other than as proxy holder will be disregarded because of that interest.

I/we direct my/our proxy to vote as indicated below:

Resolution	For	Against	Abstain
1. Ratification of Previous Issue of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Authority to Issue Placement Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Authority to Issue Shares to Norman Zillman	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Approval of Change of Name to Chinalco Yunnan Copper Resources Ltd	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Individual or Security holder 1**

**Sole Director and sole Company Secretary (If appointed)**

**Security holder 2**

**Director**

**Security holder 3**

**Director/Company Secretary**

\_\_\_\_\_  
**Contact Name**

\_\_\_\_\_  
**Contact daytime telephone**

\_\_\_\_\_  
**Date**