



ASX/Media Announcement

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CYU FARM-IN TO THIRD RIO TINTO COPPER PORPHYRY EXPLORATION PROJECT IN CHILE.

China Yunnan Copper Australia Chile Limitada a Chilean subsidiary of **Chinalco Yunnan Copper Resources Limited (ASX code CYU)** has signed a new earn-in with option to joint venture agreement with Rio Tinto Mining and Exploration Chile (Rio Tinto Exploration) covering the copper porphyry exploration property Candelabro, in northern Chile.

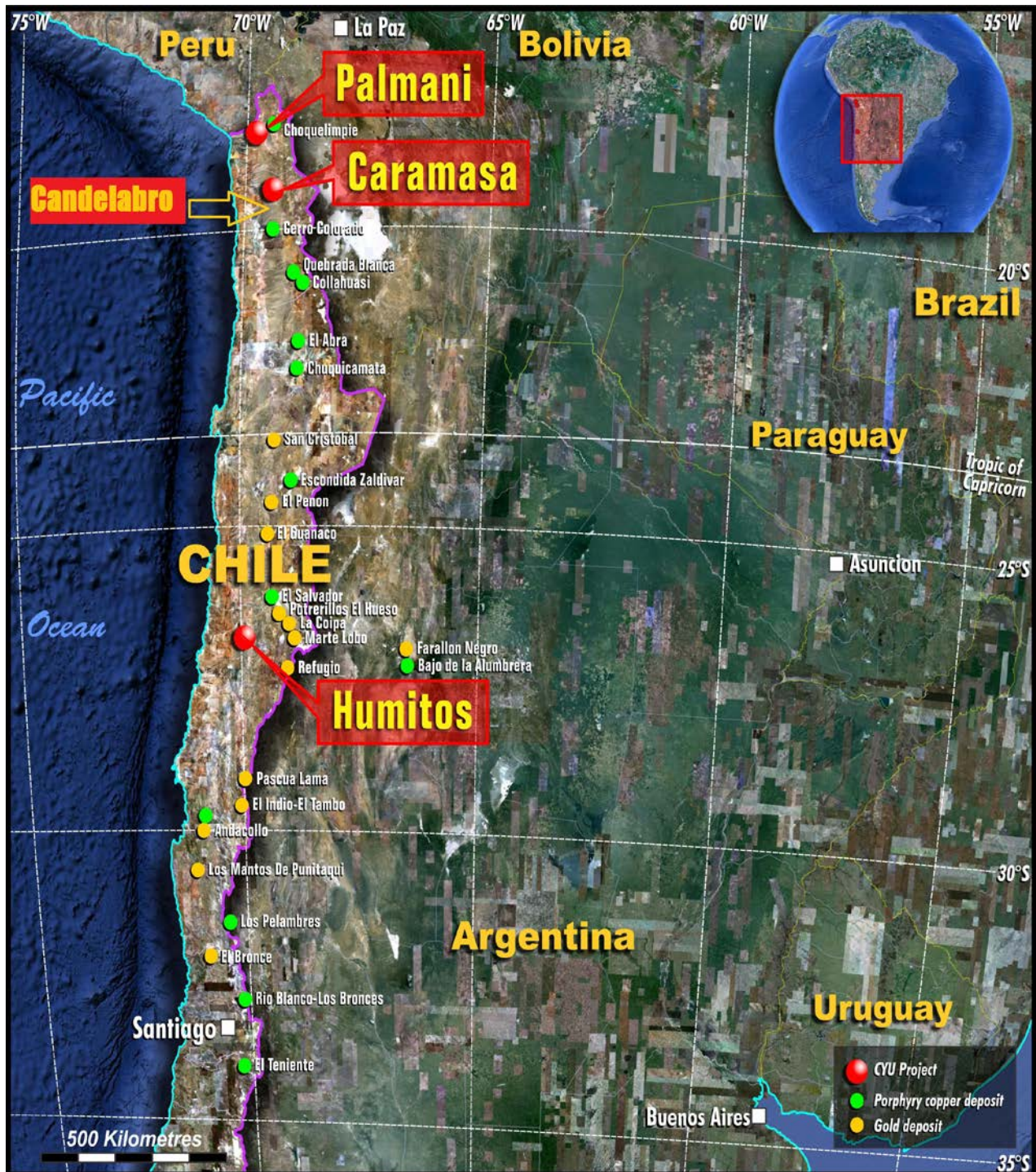
The Candelabro porphyry copper and molybdenum prospect is located in the Palaeocene Porphyry Copper Belt of Northern Chile (Region 1), 60km north of BHP Billiton's Cerro Colorado mine.

The generation of the Candelabro target is the result of successful greenfields exploration by Rio Tinto and represents a potential large Palaeocene age porphyry copper, molybdenum and gold deposit.

The Candelabro property of 4,200 hectares, was identified in 2007 using metallogenic data and Landsat imagery. Quartz vein stock work is evident over an area of 900m x 400m. Combined with geophysical and geochemical anomalies, immediate drill targets have been identified for a 1,500m drill program in 2011.

Jason Beckton, Managing Director of CYU, said:

“The Candelabro prospect is an advanced property that is drill ready with proposals in place to test the intrusive centre. This will result in this property being drilled prior to our other Rio Tinto farm-in projects in Chile, Caramasa and Palmani, which are in the process of completing environmental permitting. We are firmly entrenched in the world’s best copper jurisdiction and are well progressed towards our stated objective of drilling porphyry copper targets.”



Candelabro Project can be serviced from northern capital Iquique as per Caramasa and Palmani. In terms of drill sequence it is likely Candelabro will be the next project CYU drilled in Chile followed by Caramasa.

Key components of the Candelabro Earn-In are:

Minimum expenditure commitment for first year US\$250,000. Total expenditure of US\$8 Million including 5,000 metres of drilling to earn a 40% interest. After exercise of the first option Rio Tinto to have 90 days to elect to resume management of the project or grant a second option of a further 3 years with expenditure of US\$15 million for China Yunnan to gain a further 20% (60% total).

If CYU exercise the first option for 40% and Rio Tinto decides to take over management and remain at 60% then a joint venture company will be formed and each party will have to contribute its share of expenditure according to its equity share. Only if one party does not contribute it will be diluted.

About Chinalco Yunnan Copper Resources

Chinalco Yunnan Copper Resources Limited (CYU) explores and develops minerals in Australia, Chile and Laos. CYU is supported by cornerstone shareholder Yunnan Copper Industry (Group) Co Ltd (YCI); China's third largest copper producer. CYU acts as YCI's international investment arm and mining house.

Australia

CYU is currently drilling the Elaine Copper REE Cobalt Gold discovery within Mary Kathleen JV tenements near Mount Isa and cover over 1,000km² in a pedigree mining area. CYU has earned 70% from the Mary Kathleen project working with joint venture partner GoldSearch Limited (GSE).

Chile

Copper is targeted at the Rio Tinto joint ventures in Chile at the Candelabro, Caramasa and Palmani porphyry properties. Surface mapping, sampling and geophysical surveys indicate these targets are highly prospective. Another CYU Chile project is the Humitos Copper Porphyry in the Copiapo District of north Chile. Humitos comprises undrilled targets including an untested supergene horizon in the most prolific copper belt in the world, the Chilean Cordillera.

Laos

CYU is proposing a transaction to own 51% of China-based company Sanmu Mining, subject to obtaining shareholder approval - the notice of which is to be sent to shareholders shortly. Sanmu holds 100% of four properties in northern Laos. The corporate target is 100 million tonnes at a grade of 1% copper and 150 g/t silver. Short term processing of copper silver orebodies is also a project objective in Laos, subsequent to resource drilling.

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