

ASX/Media Announcement

15th July 2010

MOUNT DOROTHY DRILLING COMMENCEMENT

- 480 metres in three reverse circulation (RC) holes to be drilled commencing July 19th to test a 500 metre zone of copper mineralisation between the Wee Wyeems and Three Threes prospects (collectively referred to as "Mount Dorothy"), part of the Mary Kathleen Joint Venture with Goldsearch Limited (ASX: GSE), in the Mt Isa district, Northwest Queensland.
- The mineralised zone, concentrating on the Wee Wyeems prospect, was partially tested by five drill holes in the 1990's and returned a best intercept of 110m @ 0.57% Cu from 22m in drill hole WW201 including 26m @ 1.05% Cu from 106m (Open at Depth).

China Yunnan Copper Australia Limited (ASX: CYU) today announces the commencement of a 480 metre RC drill programme in three holes (**Table 1**) to test a 500 metre zone of copper mineralisation between and including the Wee Wyeems and Three Threes prospects ("**Mount Dorothy**") in the Mt Isa district, northwest Queensland (**Figure 1 and 2**).

Hole ID	East*	North*	RL	Azi**	Dip	Depth
PDH01	380628	7695021	456	100	-60	150
PDH02B	380721	7694983	457	278	-60	180
PDH07	380291	7695294	435	160	-60	150

^{*} Datum GDA94 zone 54

Table 1. Proposed drill hole Collar Locations

Mount Dorothy – Previous and CYU 2010 Exploration

Between 1990 and 1993 MIMEX undertook a regional stream sediment sampling campaign of the Mount Isa district. Anomalous copper results lead to a soil (178 samples on 100 x 25m centres) and rock-chip (43 samples at ~15-20m intervals) sampling program over the Mt Dorothy prospect, returning values ranging from 200ppm to 3.1% copper defining a 500 metre long mineralised zone, all the MIMEX rock chip samples reported anomalous copper values of >240ppm copper. The copper mineralisation identified occurs in ferruginous quartz breccias as fracture coatings of native copper and oxides such as malachite and azurite.

^{**} UTM Grid Azimuth



The Mt Dorothy mineralised zone was initially tested by MIMEX with three RC drillholes (WW201 to WW203) at the Wee Wyeems prospect to a maximum depth of 144 metres. All holes intersected oxidised felsic volcanics and breccias with visible copper mineralisation reported as copper oxides and native copper occurring in fractures and narrow veins. Pyrite and trace chalcopyrite were also reported in the quartz breccias and wall rocks. This drill program returned a best intercept of 110m @ 0.57% Cu from 22m (Open) in drill hole WW201 with several high grade intercepts including 26m @ 1.05% Cu from 106m (Open at Depth). Two follow up RC/diamond tailed drillholes (CC001D & CC002D) were subsequently drilled with only minor significant mineralisation intersected. A summary of significant intercepts is given in **Table 2**. No significant work has been undertaken on the prospect since the MIMEX drilling.

Туре	Hole_ID	mFrom	mTo	Width	Cu_%	Comments		
RC	WW201	22.00	132.00	110.00	0.57	OPEN AT DEPTH		
	including	56.00	64.00	8.00	1.92	0.5% Cu cut-off		
	including	84.00	90.00	6.00	1.21	0.5% Cu cut-off		
	including	106.00	132.00	26.00	1.05	0.5% Cu cut-off (OPEN)		
	WW202	0.00	2.00	2.00	0.12			
RC	WW202	64.00	78.00	14.00	0.28			
	including	68.00	72.00	4.00	0.63	0.5% Cu cut-off		
RC	WW203	58.00	88.00	30.00	0.47			
	including	66.00	78.00	12.00	0.94	0.5% Cu cut-off		
RC	CC001	58.00	64.00	6.00	0.69			
No recovery 101m - 109m, change precollar to diamond tail								
DD	CC001D	109.00	110.00	1.00	0.13			
DD	CC001D	113.00	114.00	1.00	0.18			
DD	CC001D	118.00	119.00	1.00	0.19			
DD	CC001D	126.00	128.00	2.00	0.18			
DD	CC001D	157.00	158.00	1.00	0.25			
DD	CC001D	166.00	167.00	1.00	0.04			
DD	CC001D	193.00	194.00	1.00	0.42			
DD	CC001D	200.00	201.00	1.00	0.32			
DD	CC001D	204.00	205.00	1.00	0.27			
RC	CC002	22.00	26.00	4.00	0.15			
DD	CC002D	107.00	108.00	1.00	0.13			
DD	CC002D	182.70	183.30	0.60	0.27	OPEN AT DEPTH		

Table 2. Mount Dorothy MIMEX intersections 1993 using a nominal 0.1% copper cut-off

Recently completed prospect scale mapping, rock-chip sampling and geological 3D interpretation by CYU, was undertaken with the principal aim explaining the lack of continuity in copper grades between WW201 and CC001D and to place, the mineralised breccias drilled by previous workers, into a geological context as no detailed mapping has been reported since MIM's work in 1957. Preliminary indications suggest that WW201 may have been drilled down dip within a northeast trending mineralised zone and potential remains for significant mineralisation to be intersected at depth associated with brecciation extending from Wee Wyeems to Three Threes that has been inadequately tested by one hole.

The currently proposed drill program has been designed to test the surface mineralisation geometry and depth potential. Depending on encouraging drill results an additional five holes have also been proposed to test the prospect. Full results from this drilling program are expected be reported in early to mid August 2010.



Competent Person's Statement

The information in this report that relates to 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 Exploration Manager of China Yunnan Copper Australia 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.

About CYU

CYU is an Australian company formed to explore for and develop minerals in Australia and overseas. Cornerstone investor, Yunnan Copper Industry (Group) Co Ltd (YCI), is one of China's largest copper producers. YCI's largest shareholder is Chinalco.

CYU has goals of resource definition and development for its three target commodities copper, gold and uranium and to achieve this is targeting high quality copper, gold and uranium projects in the Cordillera Porphyry Belt of Chile, Mt Isa Inlier, and Pentland Province in Queensland.

Other current CYU activities include;

- July ground geophysical geochemical and mapping programs at the Humito Copper Porphyry project in Chile.
- Data compilation and three dimensional model of recently completed diamond drilling at Stanley's Hope Gold, Pentland.
- Compilation of follow up mapping and Niton XRF sampling on the Rare Earth Element Uranium project at Elaine Dorothy.
- Project review under a Memorandum of Understanding with CYU's cornerstone investor Yunnan Copper Industries (YCI) to undertake regional exploration and project generation work in Yunnan Province and Laos, China.

For further information please contact;

Mr Jason Beckton Managing Director CYU 0438 888 612 Richard Hatcher Exploration Manager CYU 0400 720 792

or visit the website, www.cycal.com.au



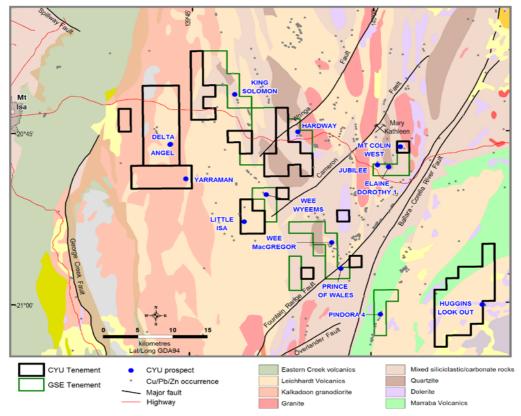


Figure 1. The Wee Wyeems and Three Threes prospects are collectively called 'Mt Dorothy' in this regional map identified by the Wee Wyeems location name. Mt Dorothy is located 50 kilometres southeast of Mount Isa.

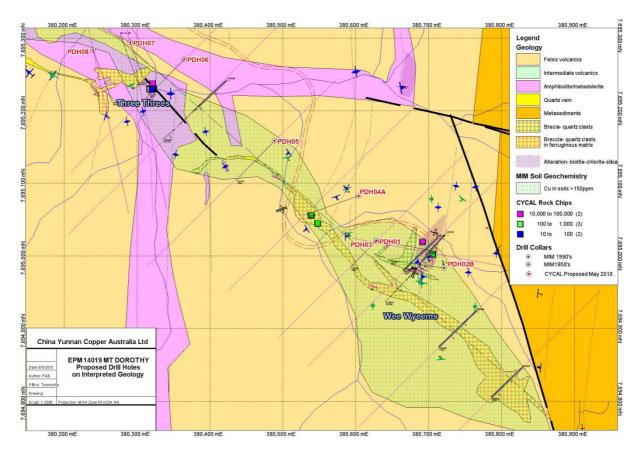


Figure 2. Mary Kathleen JV: EPM 14019 – Proposed Drillhole Location Map with location of previous MIMEX and current CYU sample locations (drilling of the additional proposed holes will be result dependent).