

ASX/Media Announcement

5<sup>th</sup> June 2012

# CHILE COPPER PORPHYRY DRILLING RETURNS POSITIVE VISUAL RESULTS

- Third hole at Candelabro Project, in Joint Venture with Rio Tinto Chile, CAND0007 intersects significant visual copper mineralisation.
- CAND0007 identified an interval of high relative percentage of copper, zinc and molybdenum sulphides from depth 25-150m.

Chinalco Yunnan Copper Resources Limited (**ASX:CYU**) is pleased to provide an update on drilling on the Candelabro Rio Tinto Chile Joint Venture in northern Chile.

Recent diamond core observed while drilling (CAND0007) beneath an outcropping of hydrothermal breccia, suggests significant mineralisation has been located. The previous intersected intrusive, along with the newly identified abundant sulphide zone, allows further definition of alteration and zones of along strike mineralisation.

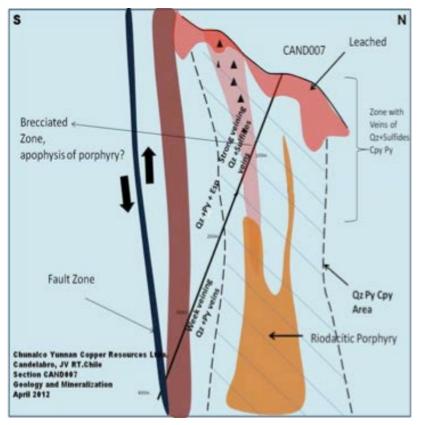


Figure 1. CAND0007 the most encouraging visual results thus far in three years of exploration at Candelabro.

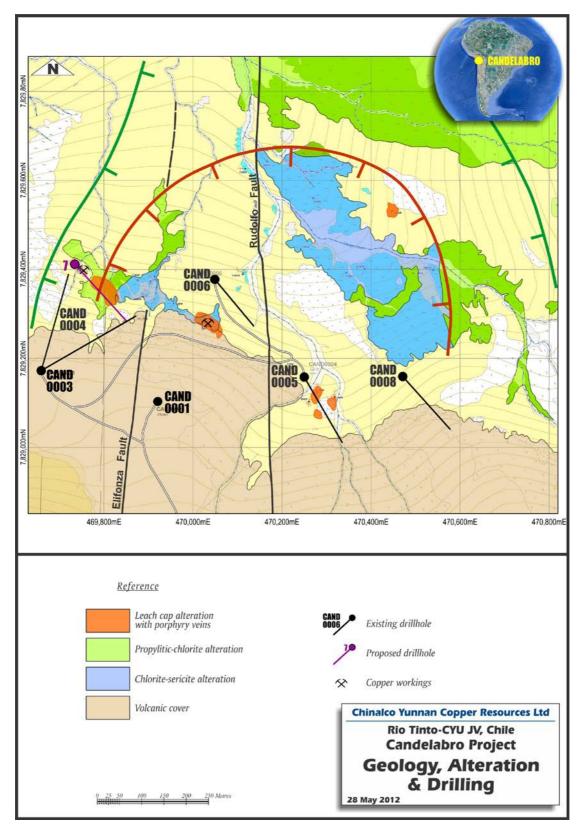
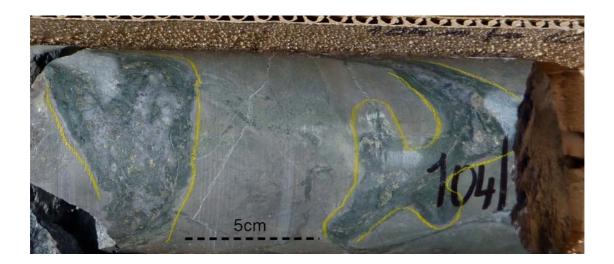
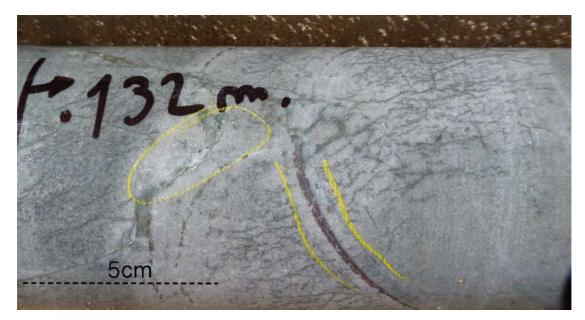


Figure 2. Candelabro section indicates porphyry related mineralisation which has been intercepted from 27m. Assays results for CAND0006 and 0007 have an estimated 8 week results turnaround from the laboratory.





Figures 3A & B. Mineralisation indicates a significant porphyry style copper stockwork vein system mapped along strike by Rio Tinto and confirmed by CYU drilling. Copper and Zinc sulphides (red) suggest CYU has drilled the inner halo of the system.

MD Jason Beckton commented, "Current field work and new mapping by the new CYU Chilean team has discovered porphyry outcropping at surface and exposing what is encouraging leached cap texture. The current campaign will end with the drilling of CAND0008 which is currently underway. We will then move to Caramasa to drill that project while planning for the second round of drilling to build on the success of our initial drilling at Candelabro."

Lab results have now been received for the entire first hole CAND0005 which has no economic mineralisation but strong alteration. The results from drill holes CAND0006 and CAND0007 should be received in June/July.

Important progress has also been made at other two Rio Tinto JV projects. At the Caramasa project, 100km north from Candelabro, track and pad construction has been completed, which will enable it to be drilled after Candelabro is finished in June. At the Palmani project, road permitting is now completed.

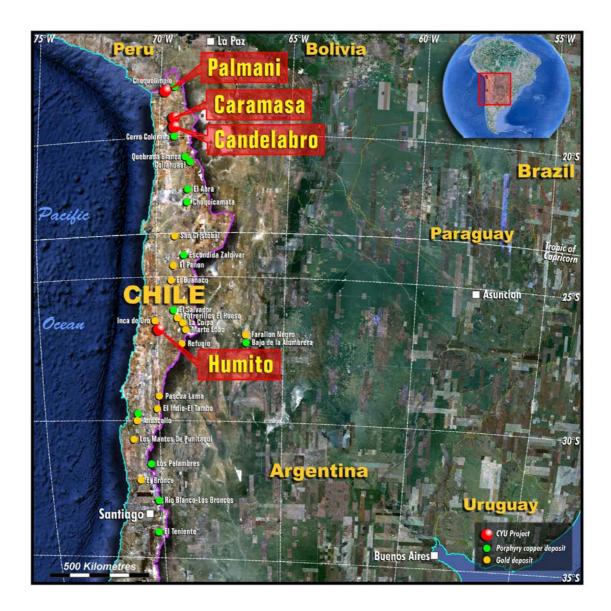


Figure 4. Candelabro is located in northern Chile, 60km to the north of the BHP operation of Cerro Colorado. Next target to be drilled while CYU awaits assay confirmation of Candelabro, is Caramasa.

# 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.

### <u>Australia</u>

CYU is currently drilling the **Elaine Copper-Cobalt-Gold-LREE-Th** discovery within Mary Kathleen JV tenements near Mount Isa. CYU has earned 70% from the Mary Kathleen project working with joint venture partner Goldsearch Limited. A resource estimate is underway to define the extent of this exciting new discovery in Queensland. Elaine 2 and 3, 1 kilometre along strike is being tested for repeat systems with results imminent.

# <u>Laos</u>

The first phase of exploration program at the Jiuzhai Zn-Pb-Ag project and Xinzhai Cu-Ag project has been completed (including mapping, geochemical, geophysical and diamond drilling programs), Northern Laos (Sanmu Mining - CYU is earning 51% equity), All samples have been prepared and delivered to Yunnan Nonferrous Metals Geology and Test Centre, Kunming, China. Partial assay results have been returned from the Test Centre. All the data and results to date are currently being compiled and reviewed.

#### Competent Person's Statement

The information regarding the Exploration Activities on the Candelabro Prospect is based on information compiled by Mr Jason Beckton, who is a Member of the Australian Institute of Geologists and is the Managing Director of Chinalco Yunnan Copper Resources Ltd. Mr Beckton 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 Beckton 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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