



GoldSEARCH

ASX/Media Announcement

14th July 2011

Drilling Discovers New Wide Copper Cobalt Rare Earth Element Zone at Elaine in Mary Kathleen JV with Goldsearch Limited.

- **122.9m @ 0.87 % Cu equivalent*(0.56% Cu, 317ppm Co), MKED007 from 487m depth.**
- **Within 346.9m @ 0.50% Cu equivalent* (0.28 % Cu and 220ppm Co) from 263m depth.**
- **Hole finished in copper sulphide mineralisation at 609.9m.**
- **MKED007 copper and cobalt assays reported. Final Rare Earth Element (REE) results pending with reassaying of higher grade zones underway.**
- **MKED008 copper REE and cobalt results pending.**

Chinalco Yunnan Copper Resources (CYU) and Goldsearch Limited (GSE) are pleased to announce significant initial results from a new sulphide zone discovered at the Elaine prospect. Elaine forms part of their Mary Kathleen Joint Venture. GSE has a 30% interest in the Joint Venture and CYU holds 70%.

A total of four diamond drill holes (MKED005 – MKED008) were drilled to further test the area for copper sulphide, rare earths and other elements including thorium. A total of 1,781.60 meters were drilled during this program. Significant results from MKED007 have been returned;

Table 1. MKED007 preliminary copper cobalt results

Interval Metres	Length Metres	Copper (%)	Cobalt (ppm)	Copper Equivalent*(%)
263 to 609.9	346	0.28	220	0.50
487 to 609.9	122	0.56	319	0.87

*Copper equivalent calculations represents the total metal value for each metal, multiplied by the conversion factor, summed and expressed in equivalent copper percentage. These results are exploration results only and no allowance is made from recovery losses that may occur should mining eventually result. However it is the company's opinion that elements considered here have a reasonable potential to be recovered. Prices and conversion factors are summarized below;

Copper Equivalent Formula = $Cu \% + Co (ppm) \times 0.0008^*$
Price Assumptions – Cu (US\$1.60/lb), Co (US\$16/lb)

*Conversion Factor 0008 = $(Co 16/Cu 1.60)/10000$ in order to convert ppm Cobalt to % Cobalt.

Elaine was previously considered only a REE Uranium prospect. CYU geologists determined historic drilling on the Western side of the prospect had in fact encountered sulphides previously but this zone had not been previously investigated. A series of holes since has resulted in a new wide sulphide copper cobalt zone discovery with extensional drilling to continue for the rest of the calendar year. Some additional ground electrical geophysics will also be completed to assist this drilling program.

Drilling has commenced on the nearby Mt Dorothy tenement. This program initially entails two diamond drill holes which will total around 500 meters of drilling. A 2,000 metre RC drill program is also planned at Mount Dorothy with a rig to be contracted at report date. Assay results from the Mt Dorothy drilling program are anticipated in mid August 2011. Mt Dorothy also forms part of the Mary Kathleen Joint Venture with Goldsearch Limited.

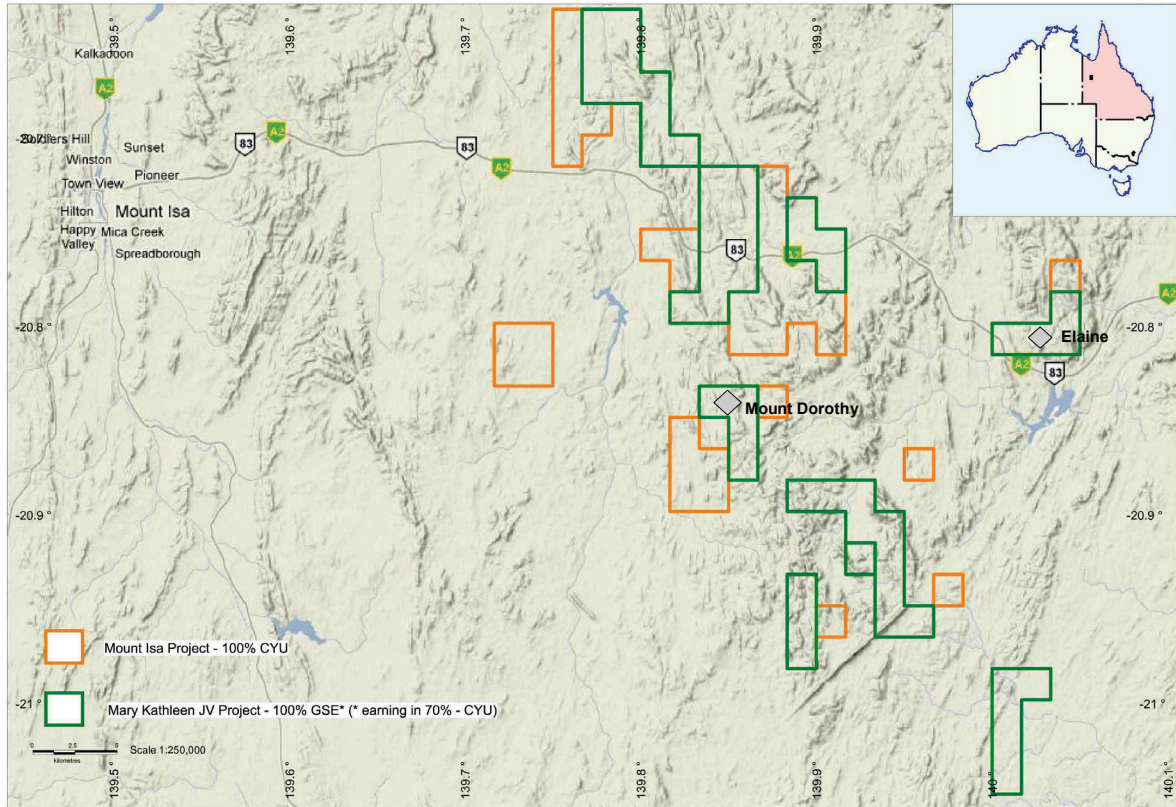


Figure 1. Tenement location plan of the Mary Kathleen Joint Venture Project with Goldsearch Limited. The Mount Dorothy and Elaine prospects are located approximately 50 and 60 kilometres, respectively, east of Mount Isa.

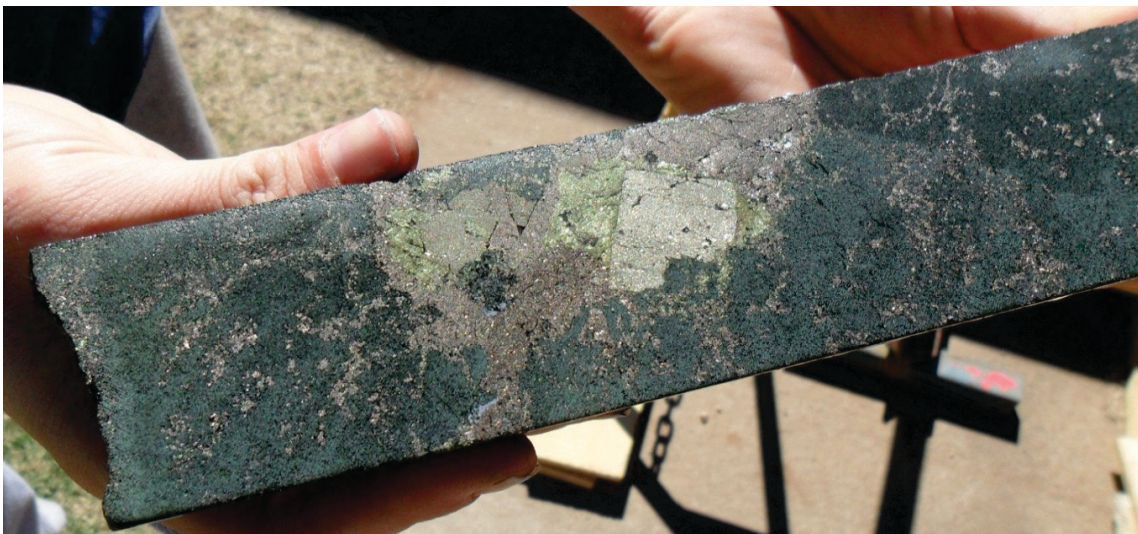


Plate 1. MKED008. Disseminated – pyrrhotite – pyrite and chalcopyrite 504 metres. Assays pending fro MKED008.

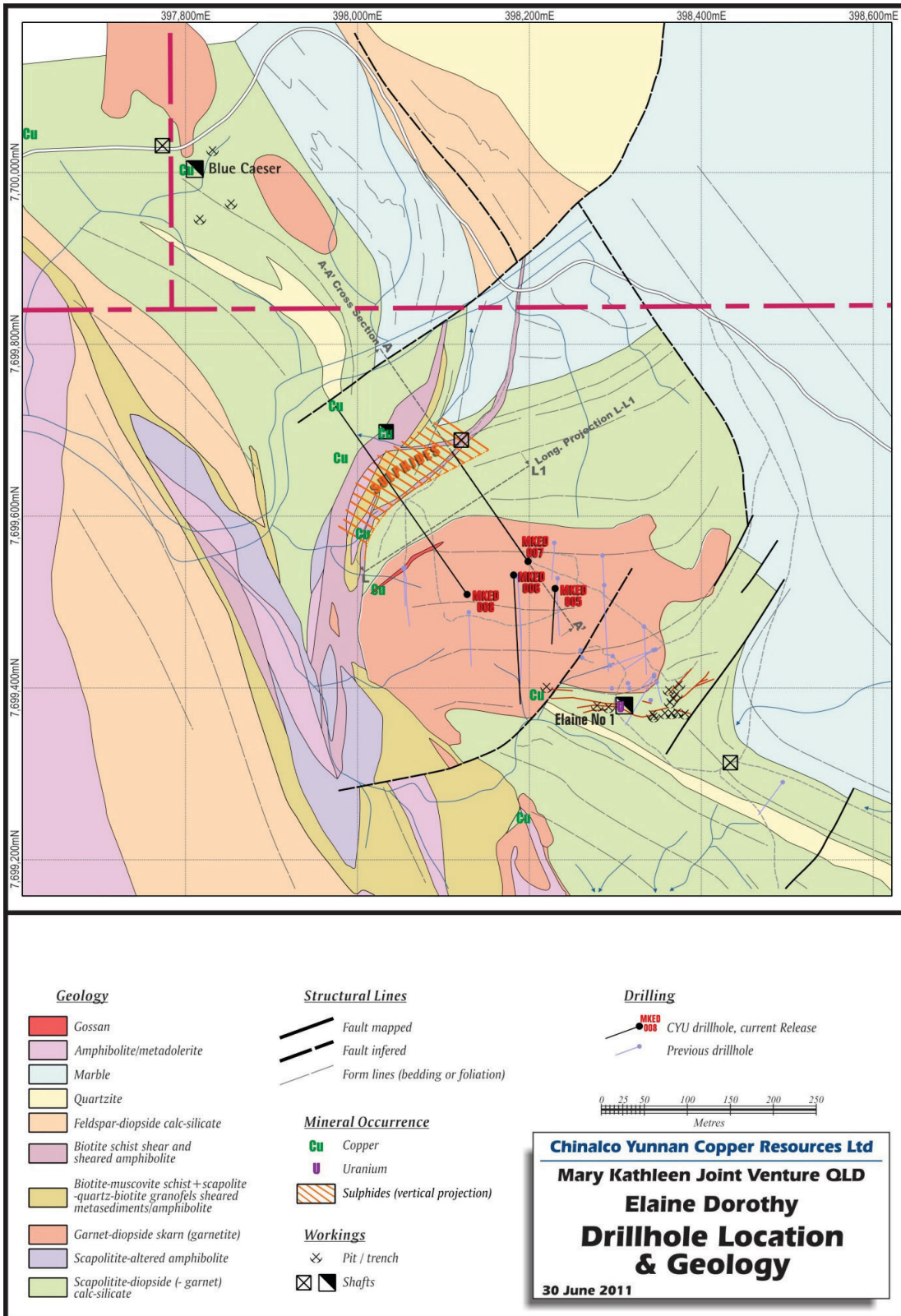


Figure 2. Prospect and drillhole location plan for the Elaine prospect of the Mary Kathleen Joint Venture Project with Goldsearch Limited. Further drilling will explore the extents of the new sulphide zone.

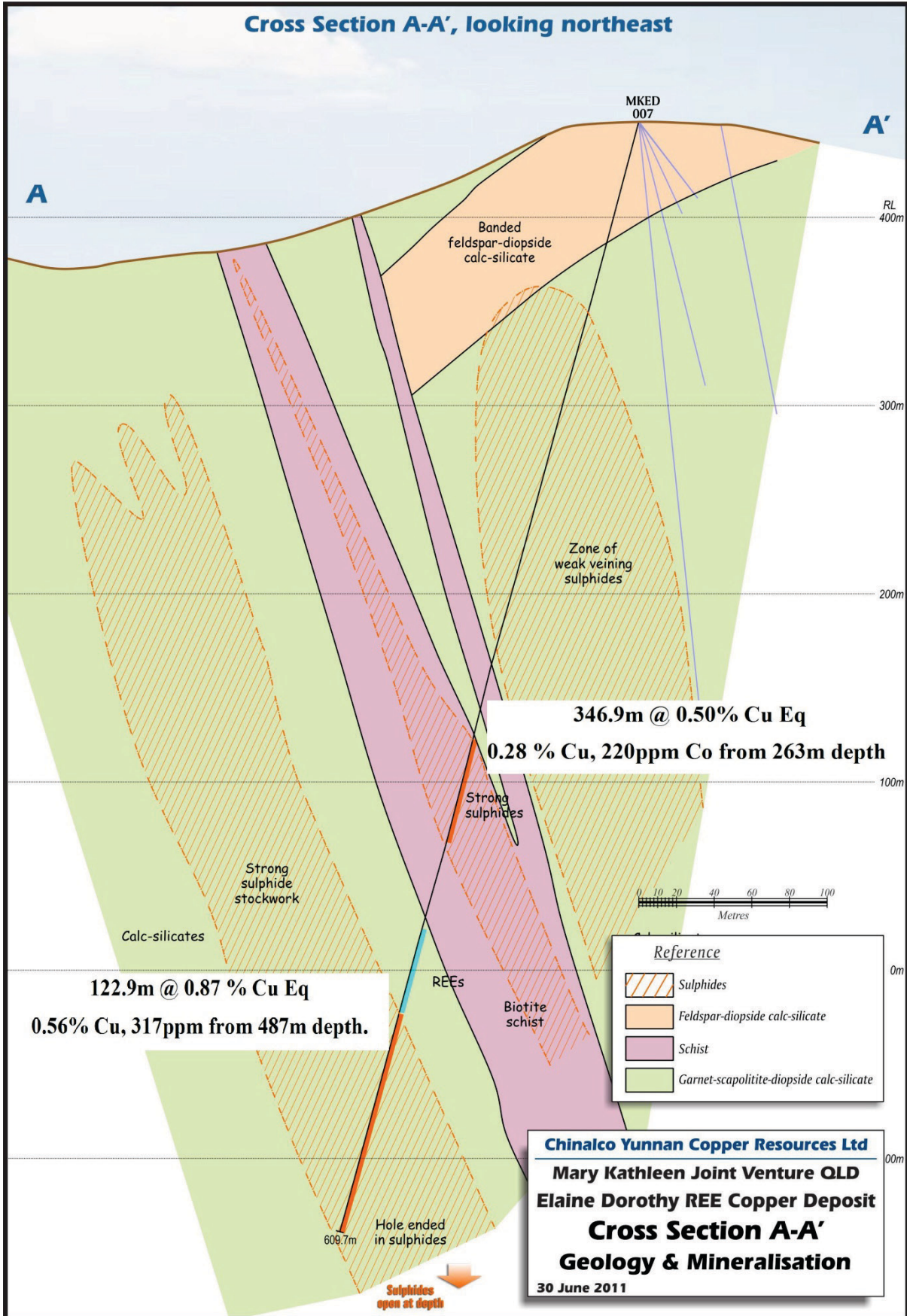


Figure 3.. MKED007 section. MKED008 also is open at depth and sulphide zones will be reported in due course. Rare Earth Assays are pending.



Competent Person's Statement

The information regarding to Exploration Activities in this report that relates to the Elaine (EPM 14022) and Mount Dorothy (EPM 14019) prospects, is based on information compiled by 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.

Other initiatives:

Australia – Drill rig has moved to Mount Dorothy and drilling has commenced.

Chile – Environmental permitting to allow drilling of Palmani and Caramasa in JV with Rio Tinto in September 2011.

Laos – Independent valuation to be completed shortly to allow EGM and commencement of drilling in September.

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