



## **ASX/Media Announcement – Mary Kathleen JV**

20 October 2011

### **Drill intercept of 109m @ 2.13% CuEq\* MKED009 - 491 to 600 metres: 109 metres @ 1.98 g/t Gold, 0.50% Copper, 482ppm Cobalt**

- **Significant copper, gold, cerium, cobalt, molybdenum and uranium over 109m has been confirmed in MKED009. The intercept includes an internal zone of high grade gold and uranium which is centred within broad and consistent copper, cobalt, molybdenum, cerium mineralisation. All assays for the highlighted elements are included.**
- **The above intercept includes the previously released, gold only assays, from 508m of 26m @ 7.76 g/t gold, now with 0.17% copper, 488ppm cobalt, 834ppm molybdenum, 288ppm cerium, 2,861ppm uranium. This includes a one metre intercept of 50,000ppm uranium and 2,253ppm Heavy REE+yttrium from 508m.**
- **High grade gold - uranium is apparent within the core of this broad copper - multi element mineralised system.**
- **Further results expected weekly from step out drilling on 100m x 100m pierce points.**

Chinalco Yunnan Copper Resources Limited (**CYU:ASX**) and Goldsearch Limited (**GSE:ASX**) are pleased to provide an update on the current diamond drill program at the Elaine prospect that forms part of the Mary Kathleen Joint Venture Project (**Figure 1**), Mt Isa, Queensland. CYU has a 70% interest in the Joint Venture and GSE 30%.

A diamond drilling program based on a 100m x 100m drillout continues. The holes are testing a modeled target zone of replacement style sulfide mineralization, the results of which will be used to calculate a maiden JORC inferred resource in early 2012.

To date four of fifteen planned diamond holes (**MKED009-MKED013**) have been completed in the program totaling 2,471.85m (**Table 1**). These holes have tested ~150m of the strike and open depth extension of the modeled EM target zone. Recent surface mapping has enhanced targeting of the interpreted Mary Kathleen shear and associated altered amphibolite units.

\* Cu equivalent calculations represent 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 allowances are made for 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. Long-term price assumptions and copper equivalent conversion factors are summarised below: **Cu equivalent formula = Cu (%) + (Co (ppm) x 0.0004) + (Au (g/t) x 0.7239)**

**Price assumptions – Cu (US\$3.3013/lb), Co (US\$14.5150/lb), Au (US\$1638.70/oz), Market prices as at 5pm 7/10/2011**



**Table 1:** Elaine diamond drillhole specifications – September / October 2011

Hole ID	East (m)	North (m)	RL (m)	Azimuth (AMG)	Dip (°)	Total Depth (m)
MKED009	398,128	7,699,506	418	10	-56	657.40
MKED010	398,127	7,699,505	418	7	-66	528.75
MKED011	398,058	7,699,621	391	3	-67	531.30
*MKED012	398,095	7,699,705	387	350	-66	14.8**
MKED013	398,095	7,699,705	387	350	-66	339.6
MKED014	398,155	7,699,725	394	1	-70	400***
						2471.85

DATUM UTM GDA94 Zone 54.

\*\* MKED012 Abandoned due to collar alignment issues.

\*\*\*MKED014 in progress at report date.

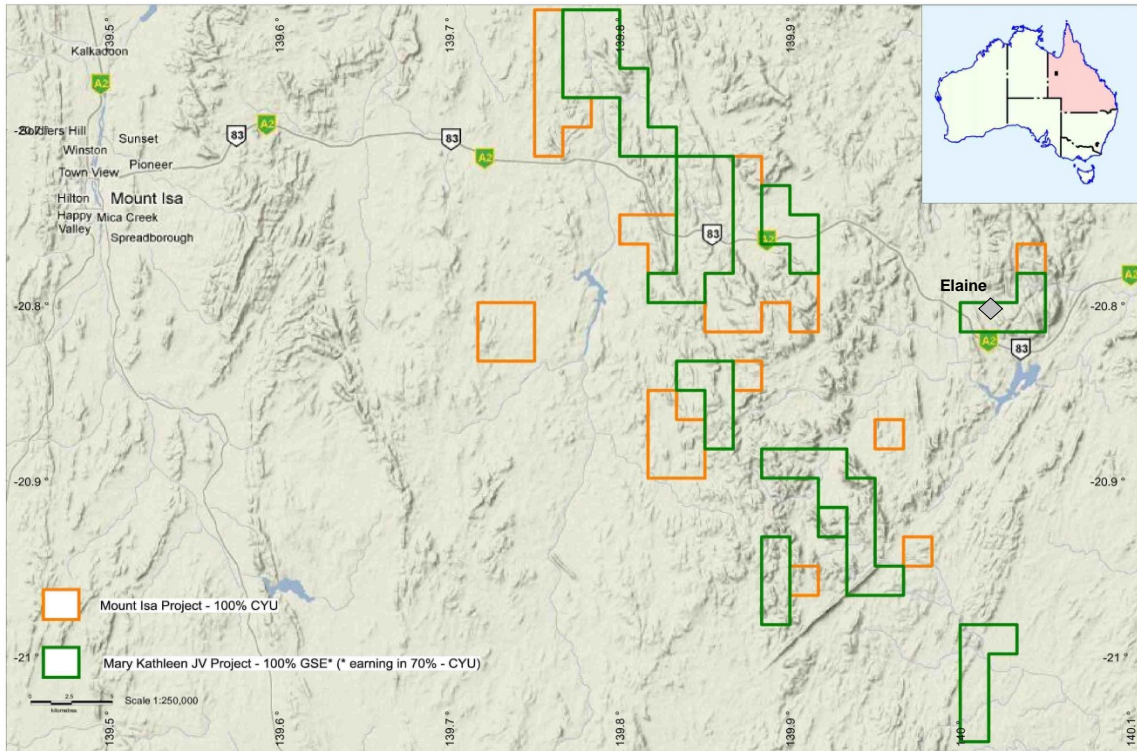
**Table 2:** Summary of significant copper-cobalt-gold intersections.

Hole ID	From (m)	To (m)	Width (m)	Cu (%)	Co (ppm)	Au (g/t)	CuEq*(%)
MKED009	48	51	3	0.39	215	0.03	0.51
MKED009	215	222	7	0.33	93	0.07	0.42
MKED009	334	342	8	0.05	454	0.46	0.58
MKED009	393	422	29	0.64	543	0.13	0.97
MKED009	429.00	451.00	22	0.53	230	0.19	0.77
MKED009	<b>491</b>	<b>600</b>	<b>109</b>	<b>0.50</b>	<b>482</b>	<b>1.98</b>	<b>2.13</b>
<i>including</i>	508	534	26	0.17	488	7.76	5.98
MKED010	<b>assays pending</b>						
MKED011	<b>assays pending</b>						
MKED013	<b>assays pending</b>						

CYU Managing Director Jason Beckton said, “We expect solid results for the remainder of the year and will aim to prove continuity of this gold core within the heart of the wide copper mineralised zone. A high grade gold, uranium and heavy REE core within already reasonable gold credits over hundreds of metres, suggests some kind of later remobilizing process, which has upgraded gold, uranium and HREEY in MKED009. Further drilling will evolve the current thinking with our current criteria being a no less than 100x100m step out until we find the limits of this significant new system.”

“It may be that the Elaine garnet hill in Figure 2 is a resistant unit with resultant pressure shadows on the currently drilled northern side and possibly on the southern side of the hill. We have not as yet tested the known copper gold occurrences on the southern side which may be also associated with the current LREE Uranium mineralization drilled by MKED001 to 003.”

“CYU is already collaborating with area experts EGRU – Economic Geology Research Unit - James Cook University in Townsville to understand this system mineralogy and apply this to growth drilling.”



**Figure 1. Tenement location plan of the Mary Kathleen Joint Venture Project with Goldsearch Limited. The Elaine prospect is located approximately 50 and 60km, respectively, east of Mount Isa.**

**Competent Person's Statement**

*The information regarding to the Exploration Activities on the Elaine Prospect (EPM 14022) 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.*

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**PLAN AND SECTION BELOW.**

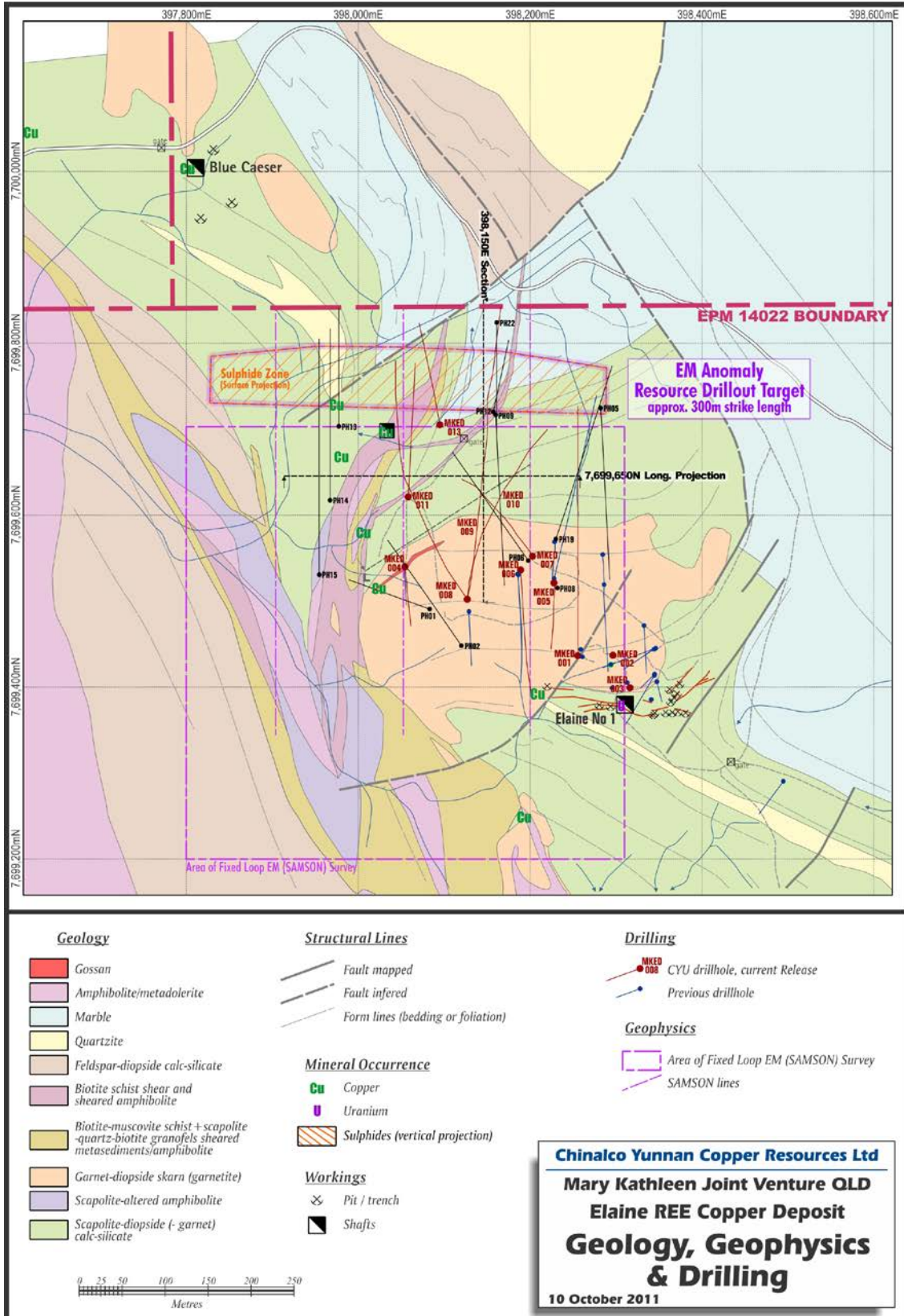


Figure 2. Drillhole location plan – the Elaine prospect, Mary Kathleen JV Project with Goldsearch Limited. Note the area of the EM anomaly suggesting a target area for resource drillout of at least 300m strike. Primary target appears to be altered and sheared amphibolite (metamorphic) units within the sediments.

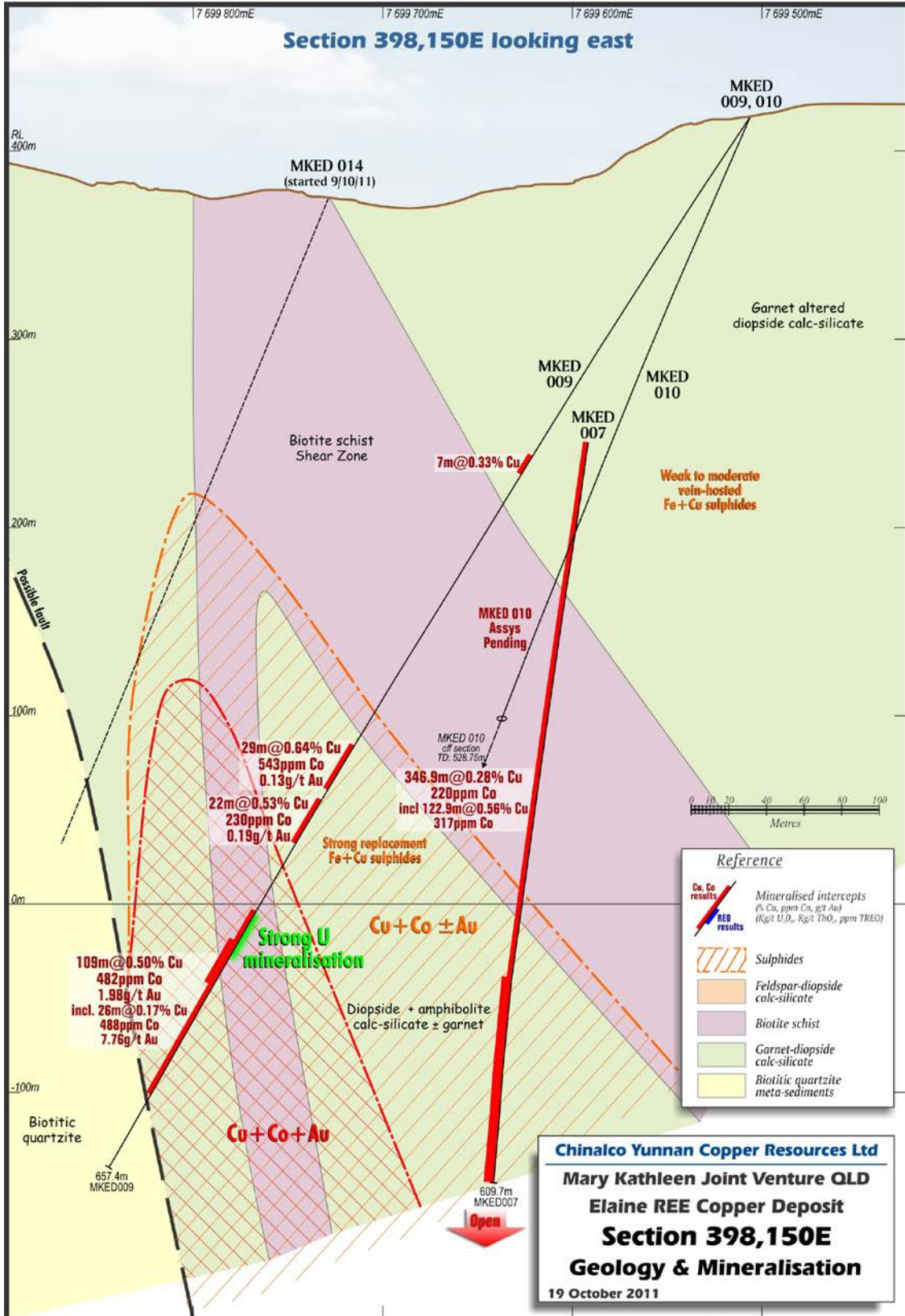


Figure 3: Elaine prospect - Section MKED009.