

## ELAINE PROJECT UPDATE

- **MKED019: 20m @ 0.75% Cu, 317ppm Co and 0.04g/t Au from 324m inc. 5m @ 1.22% Cu, 244ppm Co and 0.03g/t Au from 330m**
- **MKED021: 33m @ 0.60% Cu, 528ppm Co from 633m inc. 20m @ 0.71% Cu, 478ppm Co from 642m**
- **MKED019: 65m @ 2,188ppm TREO, 36ppm U<sub>3</sub>O<sub>8</sub>, 136ppm ThO<sub>2</sub> from 464m.**
- **Mineralization now intersected along strike and down dip from current resource definition area.**
- **Resource estimate due out by end of Q1 2012. The Elaine mineralization within and adjoining the host Mary Kathleen shear is open to the east and west.**

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

Drilling re-commenced at Elaine in January 2012 and to date a total of 2,277.28m in 5 drill holes have been completed (**Figure 2**). Drilling has consisted of a combination of extension of previous drill holes that terminated in mineralisation with a deeper penetrating rig and new drill holes stepping out to the northeast of the mineralised trend. Completed drill hole collar and survey information is provided in **Table 1**.

**Table 1:** Elaine 2012 Diamond Drill Program – Holes to date

HOLE ID	EAST*	NORTH*	RL (m)	AZIMUTH**	DIP	DEPTH
MKED021	398,498	7,699,639	397	295	-60	711.98
MKED022	398,496	7,699,645	397	312	-62	725.90
MKED007 <sup>(1) (2)</sup>	398,203	7,699,552	448	332	-75	164.30
MKED018 <sup>(1)</sup>	398,225	7,699,570	450	354	-60	123.30
MKED019 <sup>(1)</sup>	398,120	7,699,443	402	334	-69	551.80
						<b>2,277.28</b>

\* Datum is UTM MGA94 Zone 54    \*\* Azimuth is UTM Grid North (MGA94 Zone 54)

- (1) Extension of drill hole from previous depth: MKED007 from 609.7m – 774.0m, MKED018 from 630.3m – 753.3m, MKED019 from 679.1m – 819.3m.  
 (2) MKED007 currently drilling

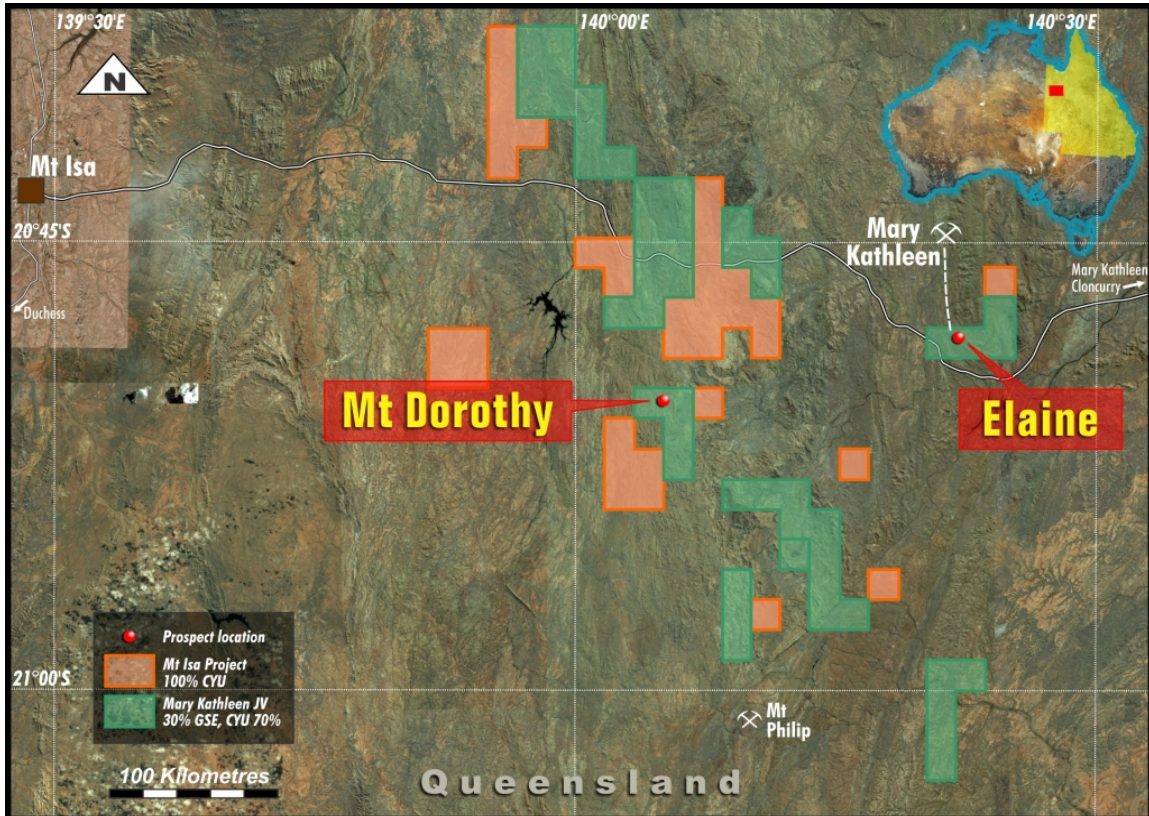


Figure 1. Tenement and prospect location plan of the Mary Kathleen Joint Venture Project. The Elaine prospect is located approximately 60km east of Mount Isa.

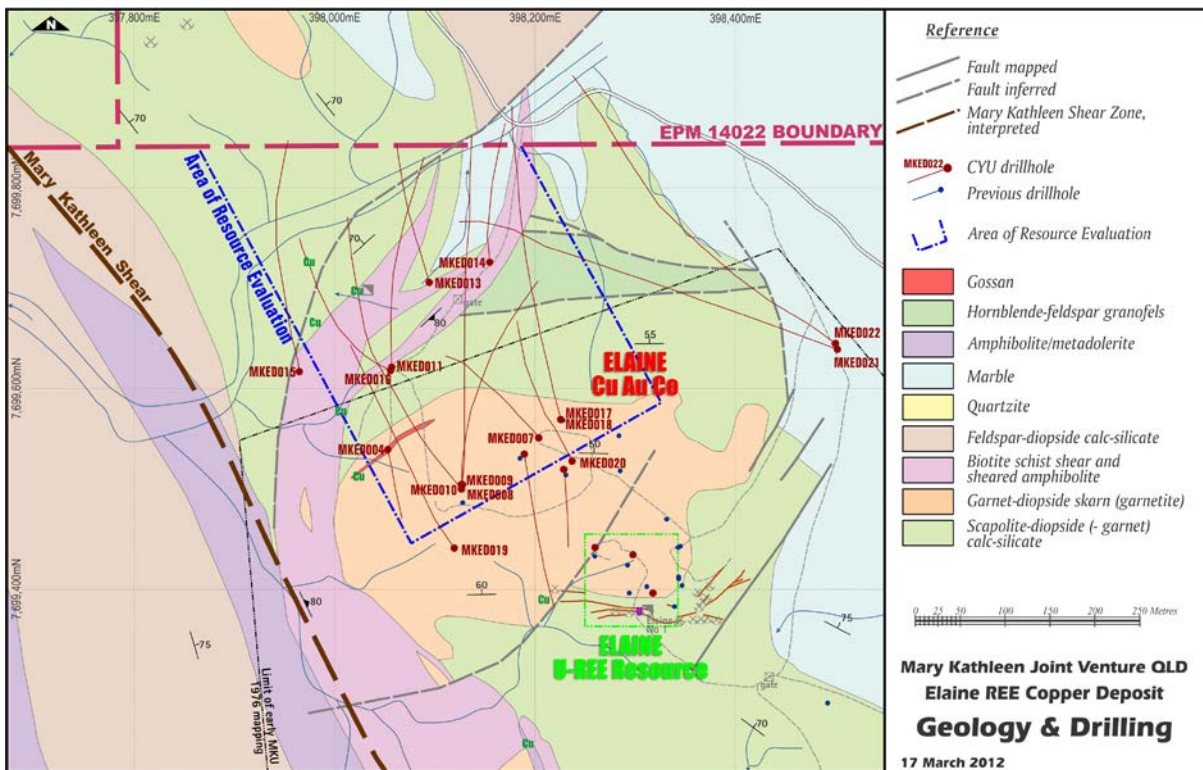


Figure 2. Simplified map showing north side of the Elaine garnet hill. Mineralisation is expected to continue down the western side and on the southern side of the hill and merge with the U-REO Resources where untested copper outcrops occur.



MKED019 was designed to test the western extension of the targeted sulphide anomaly. Drilling was suspended in December 2011 for MKED019 at 267.50m. The hole was initially re-entered and extended to 674.5m. Persistent visible mineralization was noted near the bottom of MKED019 and the hole was extended further to a final depth of 819.30m. MKED007 and MKED018 were also designed as extension to previous drilling to chase the open mineralization in MKED007 (**122.9m @ 0.56% Cu, 317ppm Co** from 487m OPEN) and test the eastern extension of the anomaly in MKED018. MKED021/MKED022 were also designed to target the eastern extension of the anomaly.

Final assays have been received for MKED019 to 679m and MKED020. Partial results have also been received for a zone of visible mineralization intersected in MKED021. Assays are pending for MKED007, MKED018 and MKED022. Several significant zones of copper mineralization have been intersected, highlighted by **34m @ 0.54% Cu, 258ppm Co, 0.02g/t Au, MKED019** from 322m down hole depth including **20m @ 0.75% Cu, 318ppm Co and 0.04g/t Au** from 324m down hole depth and **33m @ 0.60% Cu, 528ppm Co, MKED021** from 642m down hole depth including **20m @ 0.71% Cu, 478ppm Co** from 642m down hole depth.

**Table 2:** Elaine 2012 Diamond Drilling - Summary of significant copper-cobalt-gold intersections at a nominal 0.2% Cu cut-off with a max 3m internal dilution.

Hole ID	From (m)	To (m)	Width (m)	Au (g/t)	Co (ppm)	Cu (%)	CuEq (%)
MKED019	33	62	29	0.02	154	0.36	0.42
inc. (0.5%)	48	57	9	0.04	178	0.55	0.61
MKED019	307	317	10	0.01	291	0.24	0.35
MKED019	322	356	34	0.02	258	0.54	0.64
inc. (0.5%)	324	344	20	0.04	318	0.75	0.87
inc. (1%)	330	335	5	0.03	244	1.22	1.31
MKED019	668	673	5	0.05	132	0.38	0.43
MKED020	75	77	2	0.03	74.3	0.61	0.64
MKED021	633	666	33	A/P	528	0.60	0.80
inc. (1%)	635	636	1	A/P	305	2.57	2.68
inc. (0.5%)	642	662	20	A/P	478	0.71	0.89
MKED022	A/P = Assays Pending						

\* 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 summarized below: **Cu equivalent formula = Cu (%) + (Co (ppm) x 0.0004) + (Au (g/t) x 0.6279)**

Price assumptions – Cu (US\$3.8902/lb.), Co (US\$14.65/lb.), Au (US\$1675.1/oz.), Market prices as at 3pm EPST 13/03/2012

Significant intersections of total rare earth oxide (TREO), uranium and thorium mineralization have also been returned (Table 3), highlighted by **32m @ 2,447ppm TREO, 27ppm U<sub>3</sub>O<sub>8</sub>, 72ppm ThO<sub>2</sub>, MKED019** from 408m down hole depth, **65m @ 2,188ppm TREO, 36ppm U<sub>3</sub>O<sub>8</sub>, 136ppm ThO<sub>2</sub> MKED019** from 464m down hole depth and **0.5m @ 4,867ppm TREO, 12ppm U<sub>3</sub>O<sub>8</sub>, 15ppm ThO<sub>2</sub> MKED020 (OPEN)** from 474m down hole depth. MKED020 was suspended at the end of 2011 at 474.5m; extension of this drill hole is currently underway.

The uranium +/- rare earth mineralization is interpreted as a separate mineralizing event that overlaps the copper-cobalt-gold mineralization in places.

The light rare earth elements (LREE) of Cerium, Lanthanum and Neodymium comprise ~95% of the TREOs. Total rare earths calculations include Yttrium as well.





**Table 3:** Elaine 2012 Diamond Drilling - Summary of significant intersections based on a at a 1,500ppm TREO cut-off, max 3m internal dilution.

Hole ID	From (m)	To (m)	Width (m)	TREO* (ppm)	U <sub>3</sub> O <sub>8</sub> (ppm)	ThO <sub>2</sub> (ppm)	Comment
MKED019	276	288	12	1,691	43	238	
MKED019	408	440	32	2,447	27	72	
MKED019	444	458	14	1,904	25	83	
MKED019	<b>464</b>	<b>529</b>	<b>65</b>	<b>2,188</b>	<b>36</b>	<b>136</b>	
inc.	<b>478</b>	<b>482</b>	<b>4</b>	<b>5,405</b>	<b>57</b>	<b>286</b>	
inc.	<b>481</b>	<b>482</b>	<b>1</b>	<b>10,025</b>	<b>115</b>	<b>592</b>	
MKED019	541	550	9	3,338	80	390	
MKED019	571	586	15	2,494	23	59	
MKED019	636	640	4	3,602	154	462	
MKED019	648	655	7	2,681	14	43	
MKED020	409	410	2	2,425	83	20	<b>OPEN</b>
MKED020	419	420	2	2,518	50	23	<b>MKED020</b>
MKED020	<b>474</b>	<b>474.5</b>	<b>0.5</b>	<b>4,867</b>	<b>12</b>	<b>15</b>	<b>Extension underway</b>
MKED021	Assays Pending						
MKED022	Assays Pending						

MKED019 and MKED021 have both intersected mineralization along strike and at depth from the current Exploration Target area providing support of the mineralized body to be open in all directions.

CYU and GSE are undertaking a resource evaluation for completion by end Q1 2012. The resource estimation is based on a 345m x 500m area (Figure 2) and to 450m depth (**Table 4**) with the existing Elaine Inferred Uranium resource (83Kt @ 0.28kg/t U<sub>3</sub>O<sub>8</sub>, 3200ppm TREO) defined by MKED001-MKED003 not included.

**Table 4:** Elaine Resource Definition Diamond Drill Program – Holes drilled Nov 2010 - Jan 2012.

HOLE ID	EAST*	NORTH*	RL (m)	AZIMUTH**	DIP	DEPTH
MKED004	398,054	7,699,540	389	177	-70	208.0
MKED005	398,228	7,699,521	444	177	-75	267.0
MKED006	398,189	7,699,536	447	177	-60	300.0
MKED007	398,203	7,699,552	448	332	-75	610.0
MKED008	398,127	7,699,502	418	325.5	-60	605.0
MKED009	398128	7699506	418	010	-56	657.4
MKED010	398127	7699506	418	007	-66	528.8
MKED011	398058	7699621	391	003	-67	531.3
MKED012	398095	7699705	387	350	-66	14.8
MKED013	398095	7699705	387	350	-66	339.6
MKED014	398155	7699725	394	001	-70	420.5
MKED015	397967	7699617	377	358	-60	438.3
MKED016	398057	7699618	391	306	-75	642.4
MKED017	398225	7699570	450	354	-60	7.9
MKED018	398225	7699570	450	334	-69	630.3
MKED019	398120	7699443	402	334	-69	819.3
MKED020	398236	7699529	442	339	-70	474.5
* Datum is UTM MGA94 Zone 54 ** Azimuth is UTM Grid North (MGA94 Zone 54)						7,354.8m

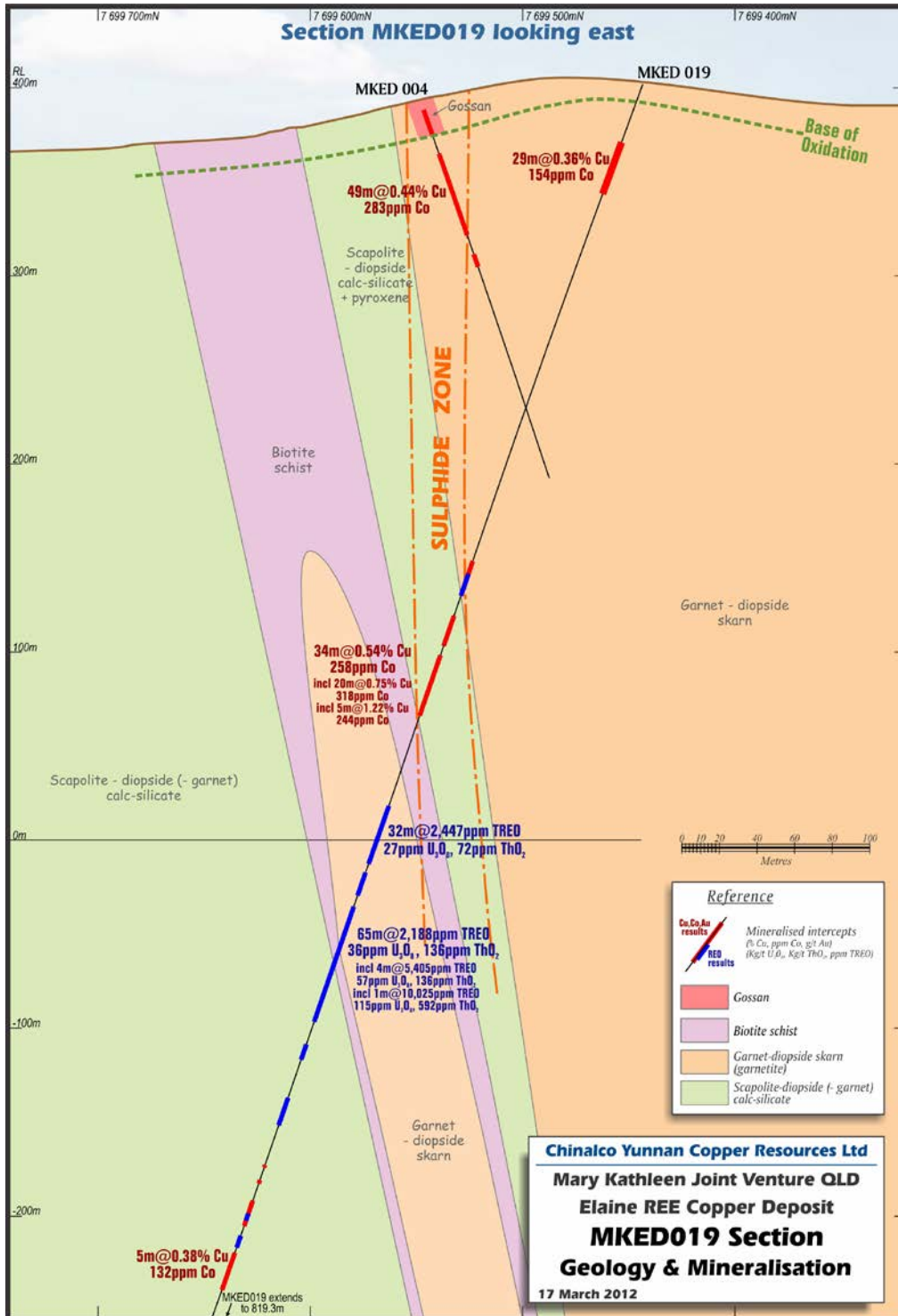


Figure 3. MKED004 and MKED009 confirming mineralisation continuing to surface. MKED019 completed for a final depth of 819.3m.

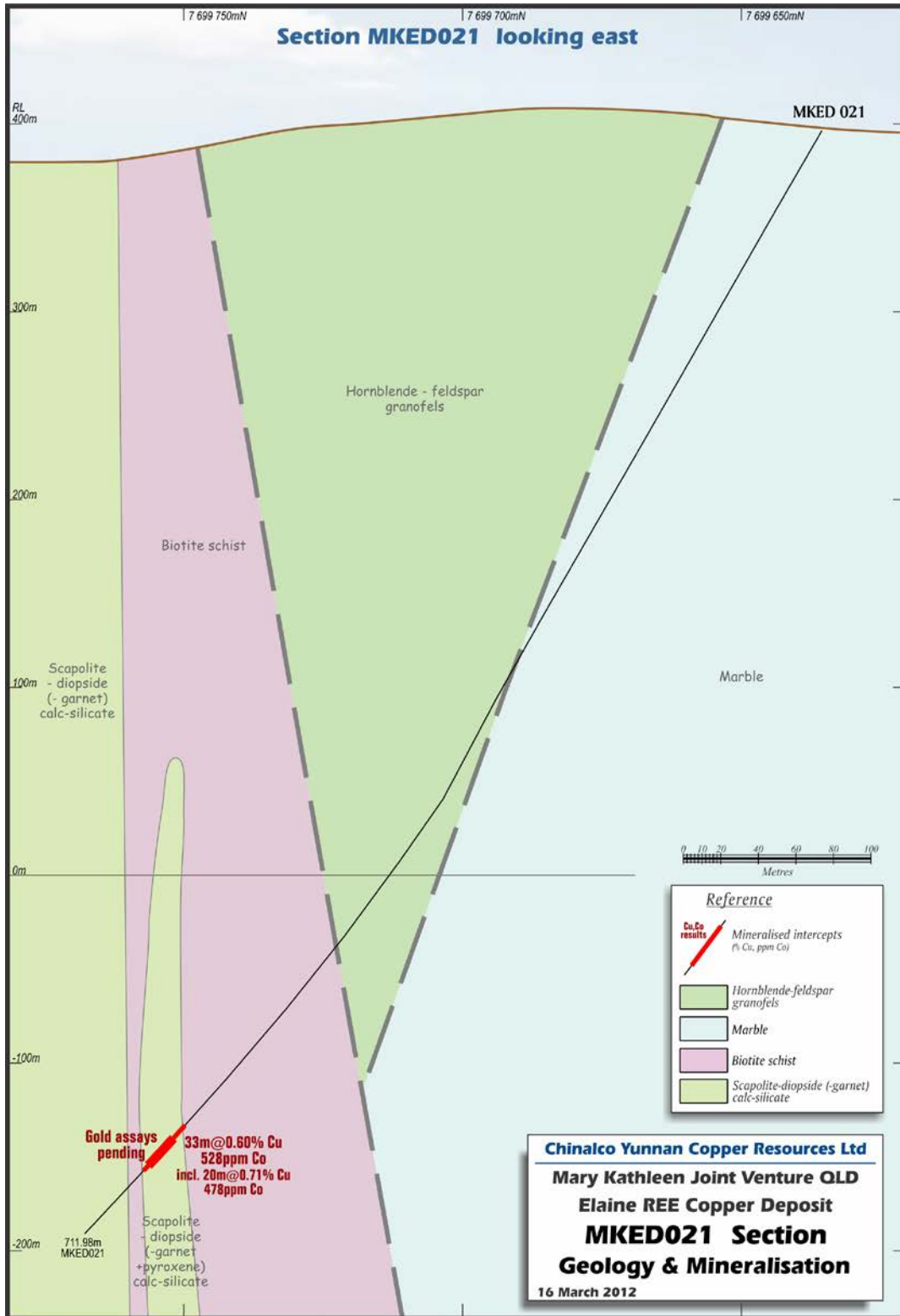


Figure 4. Mineralisation confirmed at depth and open to the northeast. Significant increase in cobalt assays returned from interval.

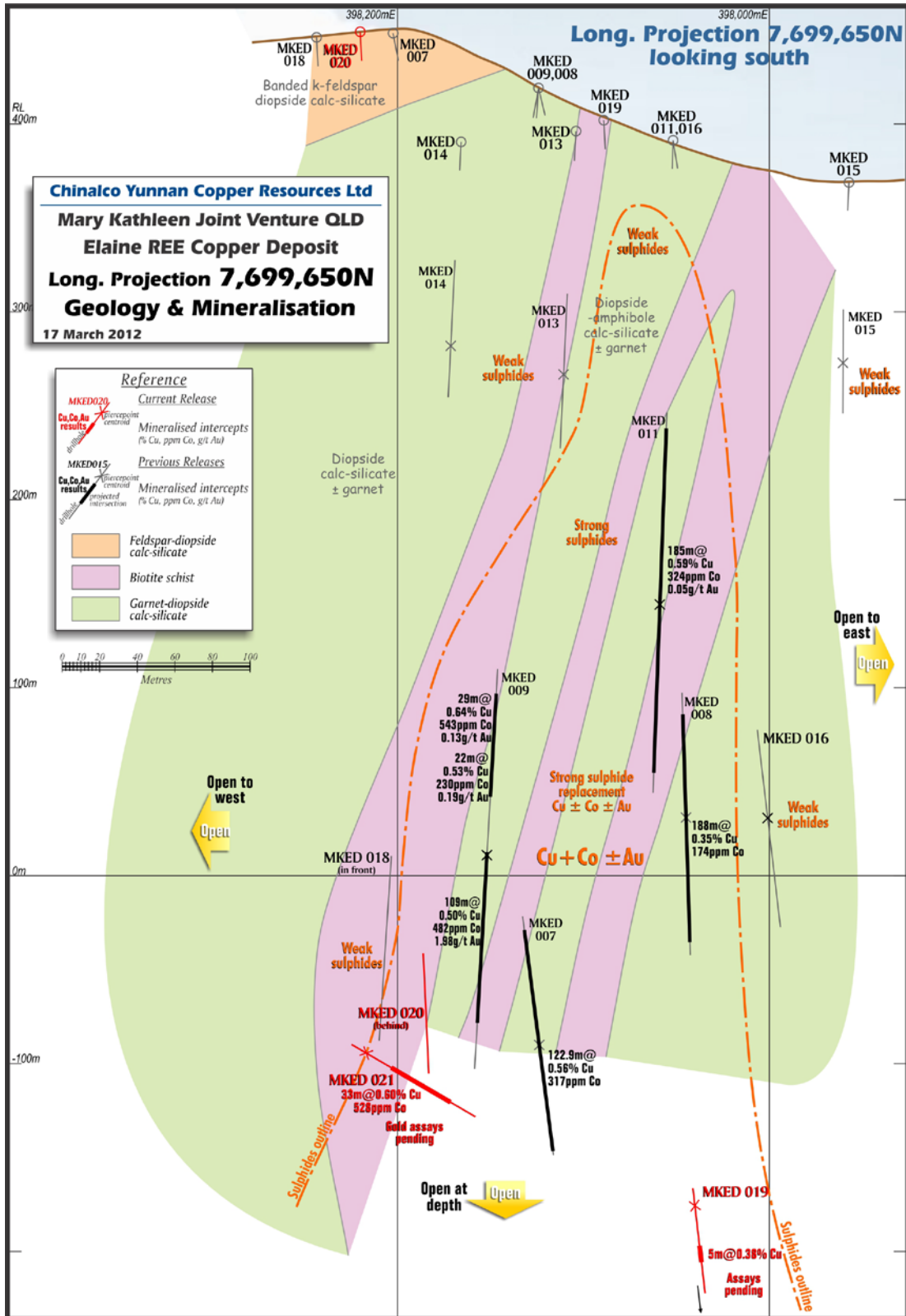


Figure 5. Long Projection 7,699,650N – Overall the shape of the Elaine discovery remains open to the west and east and at depth. A resource evaluation is being undertaken in Q1 2012.





**Photo 1:** MKED019, ~335 metres - *Phyrrhotite+pyrite+chalcopyrite* mineralisation. Assays returned for **interval = 1m @ 1.17% copper, 214ppm cobalt and 0.04 g/t gold (335m – 336m).**



**Photo 2:** MKED021, ~642.5 metres - *Fracture controlled phyrrhotite+pyrite+chalcopyrite* mineralisation. Assays returned for **interval = 1m @ 1.61% copper, 823ppm cobalt and gold assays pending (642m – 643m).**





## **CYU CHILE AND LAOS PROJECTS UPDATE**

### **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. **Drilling at Candelabro is near completion. Sample for first 300m of drill hole CAND005 submitted to ALS - Antofagasta with assays pending.** Track and pad construction has been completed at Caramasa, which will be drilled after Candelabro. Road permitting has been completed at Palmani, preparations underway for drill road and pad construction.

### **Laos**

Targeting results from the 2011 regional geochemical and geophysical surveys, Sanmu Mining (CYU is earning 51% equity) is currently undertaking the first phase of drilling at the Jiuzhai project and Xinzhai project, Northern Laos, respectively. The first hole at Jiuzhai project commenced in Dec 2011 and finished at a total depth of 240.74m. The second hole commenced in mid Feb 2012 and is expected to be completed by end of March. The drilling at Xinzhai project commenced in early Feb 2012 and finished at the depth of 376m. Several mineralized zones have been visually identified from this hole by a CYU senior geologist reviewing the drill program for CYU. All the core samples taken and sent to the Yunnan Nonferrous Metals Geology and Test Centre, Kunming, China. Assays results are pending.

### ***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.

### ***Competent Person's Statement***

*The information regarding the Exploration Activities on the Elaine Copper Prospect (EPM 14022) is based on information compiled by Mr Richard Hatcher, who is a Member of the Australian Institute of Geologists and is the Exploration Manager of Chinalco Yunnan Copper Resources 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.*

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