



FINAL REPORT FOR EPM 11982 – EXPEDITION PASS

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CONTENTS

1.0 Introduction	3
2.0 Location and Access.....	3
3.0 Tenure.....	3
4.0 Regional Geological Setting.....	5
5.0 Native Title.....	7
6.0 Previous exploration.....	7
7.0 Work completed	14
8.0 References	14

LIST OF FIGURES

Figure 1. Location of EPM 11982.....	5
Figure 2. EPM 11982 Regional Geology (after Geological Survey of Queensland).	6
Figure 3 EPM11982_rock_chips_map.....	9
Figure 4 EPM11982_streams_map	10
Figure 5 EPM11982_soils_map	11

LIST OF TABLES

Table 1. Tenement Details.....	4
Table 2. EPM11982 Sub-blocks held 30 th March, 2009 to 29 th March, 2010.....	4
Table 3 Anomalous rock samples at Eight Mile (values in PPM).....	12

LIST OF APPENDICES

Appendix 1 EPM11982 rock sampling 2007	
Appendix 2 EPM11982 stream_sampling 2007	
Appendix 3 EPM11982 rock sampling	
Appendix 4 EPM11982 stream sampling	
Appendix 5 EPM11982 Soil sampling	

1.0 INTRODUCTION

This report provides details of exploration conducted by China Yunnan Copper Australia Ltd (CYU) on EPM11982 (Expedition Pass) from 26/09/2008 to 30/03/2010, when the tenure was surrendered.

The tenement is located 25 km east of Ravenswood and is prospective for gold and gold/copper mineralisation. Exploration was targeted towards discovering large breccia hosted or stockwork style gold deposits associated with tensional tectonics and Permo-Carboniferous hydrothermal systems.

EPM 11982 was originally managed by Newmont under the conditions agreed to in the Strathalbyn Farm-in Agreement by China Yunnan Copper Australia Ltd, Sipa Gold Limited, Sipa Resources Limited, and Newmont Exploration Pty Ltd. Management of EPM 11982 was returned to CYU in September 2008.

CYU proposed a voluntary surrender of EPM 11982 in March 2010. This proposal was accepted by the DME.

2.0 LOCATION AND ACCESS

EPM 11982 is located in the Leichardt Range in North Queensland 25km east of Ravenswood or 65km south-south-west of Ayr. The EPM is located on the Bowen (SF55-3) 1: 250 000 topographic sheet. Access to the northern portion is from Ayr via the sealed Ayr-Dalbeg Road to Millaroo, the unsealed road to Swans Lagoon Research Station and then via station tracks. Access to the southern part is from Ravenswood, south along the sealed Burdekin Falls Dam Road to the Rangeview Station and Glenroy Station turn-offs and then via station tracks. The station tracks are suitable for dry weather access only. The area is generally rugged with restricted vehicle access. Figure 1 illustrates the location of EPM 11982.

3.0 TENURE

EPM11982, originally consisting of 46 sub-blocks was granted on 30th March 2005 for a period of two years. It was managed by Newmont Exploration Pty Ltd under the

conditions agreed to in the Strathalbyn Farm-in Agreement by China Yunnan Copper Australia Ltd, Sipa Gold Limited, Sipa Resources Limited, and Newmont Exploration Pty Ltd. This agreement was signed on 5th November 2006.

Management was returned to China Yunnan Copper Australia Limited after Newmont dropped EPM 11982 from the agreement on the 26th of September, 2008. CYU fully surrendered the tenure in March 2010. Table 1 lists the tenement details.

Tenement	EPM 11982
Grant Date	30/03/2005
Expiry Date	29/03/2010
Number of sub-blocks in final year of tenure	23
Dropped from JV	26/09/2008
Surrender Date	29/03/2010

Table 1. Tenement Details.

EPM 11982, comprised 23 sub-blocks in the final year of tenure. These are listed in Table 2 and their locations illustrated on Figure 1.

BIM	BLOCK	SUB-BLOCKS
Cler	183	G, M, N, R, S, W, X
Cler	254	K
Cler	255	A, B, F, L, Q, V
Cler	326	O, P, Q, R, T, U
Cler	327	A, F, L
Total 23 sub blocks		

Table 2. EPM11982 Sub-blocks held 30th March, 2009 to 29th March, 2010.

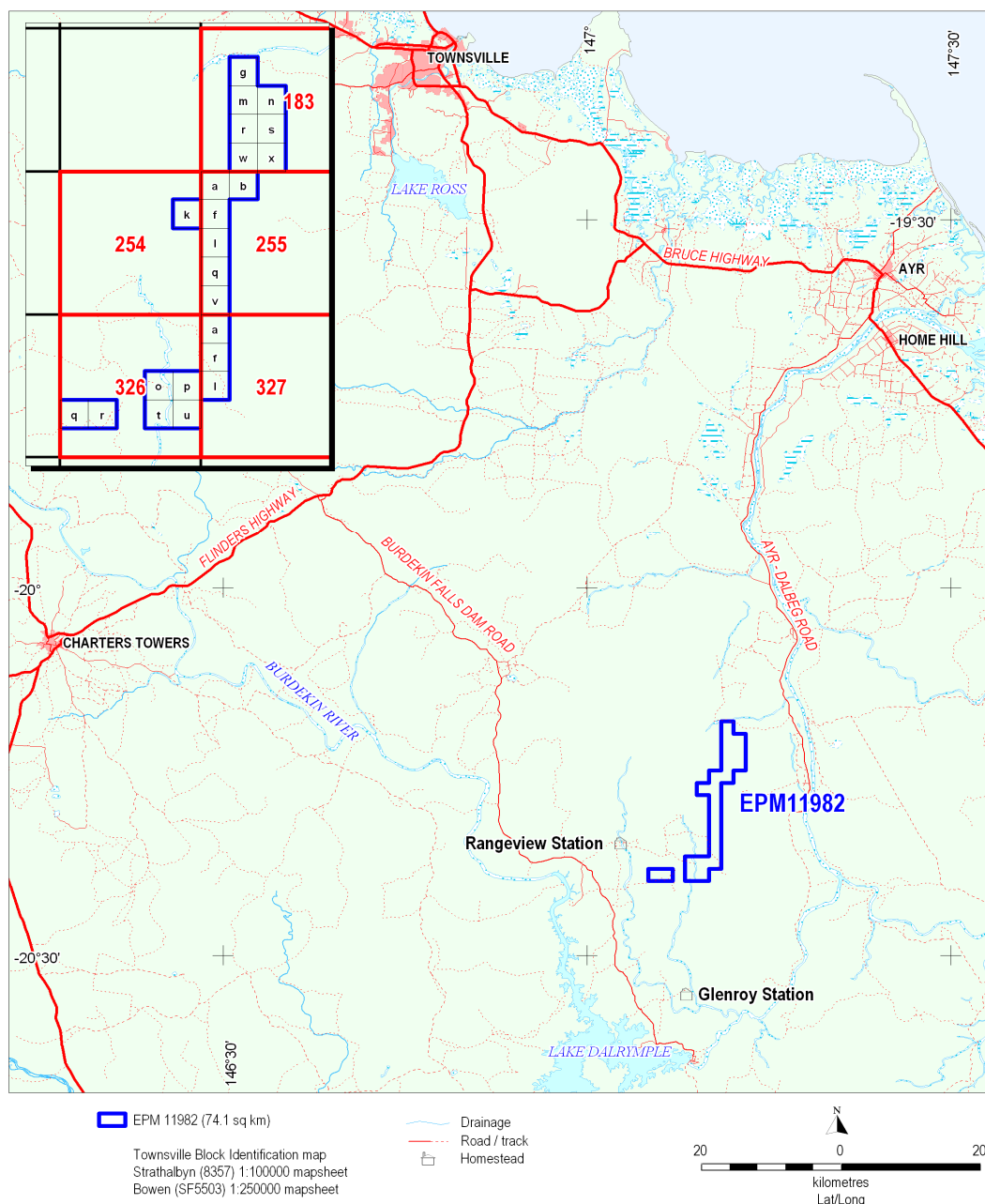


Figure 1. Location of EPM 11982

4.0 REGIONAL GEOLOGICAL SETTING

Figure 2 illustrates the geology of the tenement area. The oldest rocks in the tenement comprise of Cambro-Ordovician rhyolites of the Mt Windsor Volcanics (EOsw) (Figure 3). Ordovician sandstones, siltstones and shales of the Rollston Range Formation (Osr) occur stratigraphically above. Upper Silurian to Lower Devonian granodiorites and adamellites of the Ravenswood Batholith intrude these rocks.

During the Devonian volcanic and sedimentary sequences deposited include the felsic to intermediate volcanoclastic Stones Creek Volcanics (Dcs) and sedimentary sandstones and mudstones of the Ukalunda Beds (Dk). All have been intruded by granitic rocks of the Carboniferous and Permian Kennedy Igneous Province Suite (Cpg,Cg,Cga). Associated with these intrusions are the thick continental ignimbrite sequences of the Bulgonunna Volcanics (Cubx) and Star of Hope Formation (Clsx) and show not only overlaying of the granite substrate but also hornfelsing of the volcanic rocks against later granitic intrusions. Late Carboniferous to Permian intrusives form more discrete stocks and ring fracture controlled complexes with emplacement often controlled by NE-SW lineaments (Cran, J. 2009).

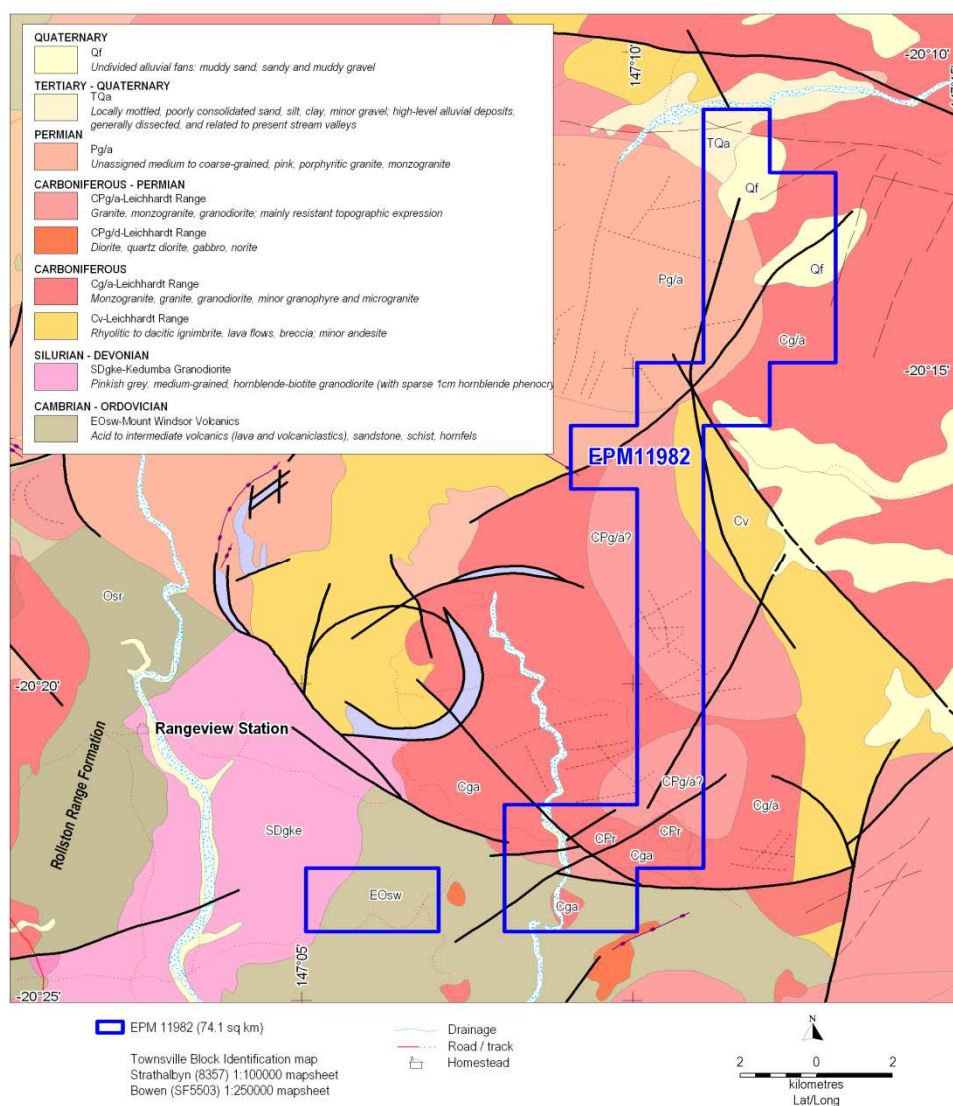


Figure 2. EPM 11982 Regional Geology (after Geological Survey of Queensland).

5.0 NATIVE TITLE

A Native Title agreement in the form of a joint ILUA (Indigenous Land Use Agreement) is current over EPM11982. The Native Title Groups consists of the Birri People on whose behalf the registered native title claimants have lodged native title claim – Birri People QG6244/98 (QC98/12) and the Kudjala People on whose behalf the registered native title claimants have lodged native title claim – Kudjala People #2 Q6001/01 (QC01/1).

6.0 PREVIOUS EXPLORATION

Numerous companies have explored the Strathalbyn area over a period of 40 years. The area has extensive outcrop exposure in rugged mountainous terrain and as such access has always been difficult. Most exploration has been limited to geochemical surveys including stream sediments (BLEG and pan concentrates), rockchipping, minor soil, and rare costeaning and drilling. Some of the main exploration areas within the current report's tenement boundaries have been summarised below.

1971 – Trans Australian Exploration Pty Ltd

Trans Australian Exploration explored the Tablelands area in the eastern region of the Rangeview Ring Fracture with extensive stream sediment, soil and rock chip sampling. An area anomalous in Cu, Zn, W and Mo was subsequently mapped and explored by magnetic and IP surveys followed by 9 percussion holes. Only trace amounts of base metals were found within altered rocks. Sample analysis for all exploration did not include gold.

1977-1978 Carpentaria Exploration Company Pty Ltd

Carpentaria Exploration investigated areas of anomalous base metals at various locations within the Mt Windsor Volcanics south of the Rangeview Ring Fracture. They located several gossans and/or base metal shows of limited aerial extent as outcrop and as float from Stuart Pocket, Mt Glenroy, Six Mile Creek and Gold Creek. Minor Au anomalism was associated with some of the samples. All results were considered unfavourable for the location of an economic mineral deposit.

1980-1981 Otter Exploration

Otter Exploration carried out photogeological interpretations of the Rangeview area followed by stream sediment and rockchip sampling. Otter examined areas anomalous in Cu on the eastern side of the Rangeview Ring Fracture discovered by Carpentaria Exploration. Otter found anomalous Pb (to 3230ppm) and Zn (to 8100ppm) in rockchips.

1983 Utah Development Company

Utah Development Company explored the Rangeview Ring Fracture area for volcanogenic base and precious metal mineralisation testing previously explored geochemical anomalies with ground geophysical surveys (magnetic and IP) at Browns grid and later tested the interpretations with 4 core holes for 289.2m with disappointing results. Extensive geological mapping was also carried out.

1983 - Duval Mining

Duval Mining explored the Mt Windsor Volcanics for Au, Mo, W mineralised systems in “porphyry style intrusive and sub volcanic bonanza lodes” settings. Work at Glenroy Creek/Stuart Pocket and Kid Creek and Mt Glenroy describe occurrences of gold in narrow, erratic quartz stockwork lodes at Stuart Pocket and gold and tungsten quartz lode mineralisation at Kid Creek. A source for anomalous Au and W in heavy mineral concentrate samples at Mt Glenroy could not be ascertained. All prospects (including historically worked prospects of Breakfast Creek and Gold Creek) were considered to be limited in size potential.

1985-1988 – Ardgold Pty Ltd

BLEG stream sediment, pan concentrates rock chip samples and soil traverses in the upper tributaries of Millaroo Creek around The Lionel Diggings. Several Au anomalies were recorded. No follow up by geophysics or drilling.

1987-1989 – Pan Australian Mining Ltd

Pan Australian Mining Ltd Exploration of the Rangeview Ring Fracture area conducted aerial photography with geological interpretation followed by BCL stream sediment sampling. Follow up stream sediment and rockchip sampling was taken over anomalous areas for no significant results. Minor Pb and Ag in rockchip sample 1005 within an iron manganese stained gossan with altered granite.

1989-1990 - Austwhim Resources NL

Austwhim Resources NL carried out extensive stream sediment sampling in the Lionel Diggings area. This was followed up with base of slope and some ridgeline soil traverses at anomalous drainages south of the Lionel. A stream sediment sampling highlighted the Lionel Diggings (198ppb.) The next highest at 25.2ppb was confirmed by a 33.6ppb soil anomaly on a ridge between two anomalous drainages. After traversing the ground where anomalies were noted and finding only microgranite with rare thin quartz veining the entire prospect was downgraded.

2005 – 2008 Mt Stewart Gold Ltd, Sipa Gold Limited, Sipa Resources Limited, and Newmont Exploration Pty Ltd

Sipa Gold and Mt Stewart Gold compiled an extensive literature collection in the form of open-file reports and Excel catalogues. Fieldwork carried out by Sipa Gold included regional stream sediment sampling (using Newmont BLEG-A analysis), regional rockchip sampling of outcrop and stream rock float and soil sampling. See Figures 3 and 4 and appendices 1 and 2.

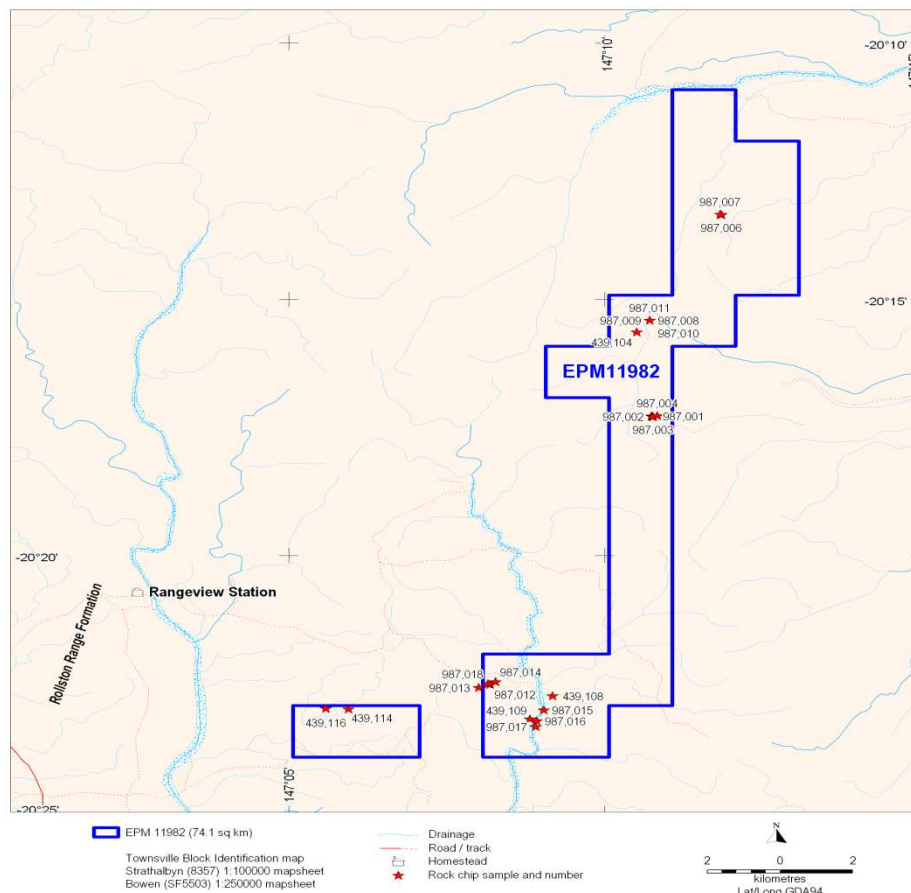


Figure 3. EPM11982_rock_chips_map

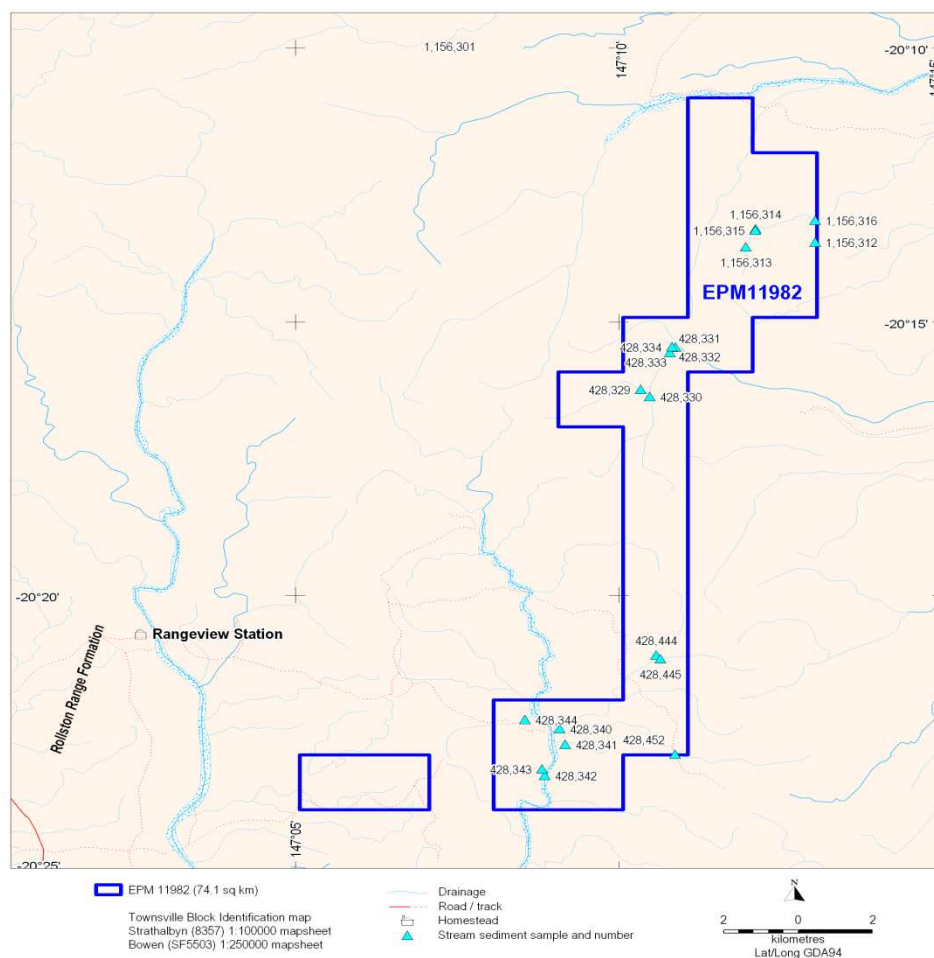


Figure 4. EPM11982_streams_map

After completion of the fieldwork, management of EPM11982 was handed to Newmont Exploration Pty Ltd under the conditions agreed to in the Strathalbyn Farm-in Agreement (Mt Stewart Gold Ltd, Sipa Gold Limited, Sipa Resources Limited, and Newmont Exploration Pty Ltd) signed on the 5th November 2006. Newmont spent the early part of 2007 analysing the field data (open file and current) and negotiating land access with pastoralist landowners and traditional owners in preparation for the 2007 field work.

Newmont Exploration carried out exploration by following up areas of Au or other element anomalism (particularly in stream sediment sampling) defined by Sipa Gold's field work of the previous year. This work mainly constituted field reconnaissance; follow up details stream sediment sampling with Newmont Bleg A analysis and rockchip sampling within the areas of interest.

All stream sediment samples were collected as 0.5kg samples of overbank fine fraction material passing through an 80# sieve and sent for Bleg-A analysis at the Newmont laboratory in Welshpool (Perth) Western Australia.

A total of 25 soil (989201-989225), 11 rockchip (987001-987011) and 5 stream sediment (1156312-1156316) samples were collected in the Eight Mile Creek area (see Figures 3, 4 and 5 and appendices 3, 4 and 5). Soil sampling was done as one trial line in an area in the upper reaches of Eight Mile Creek in the southern portion of a pocket surrounded on all sides by steep granite ranges. The soil line traversed east-west across the valley.

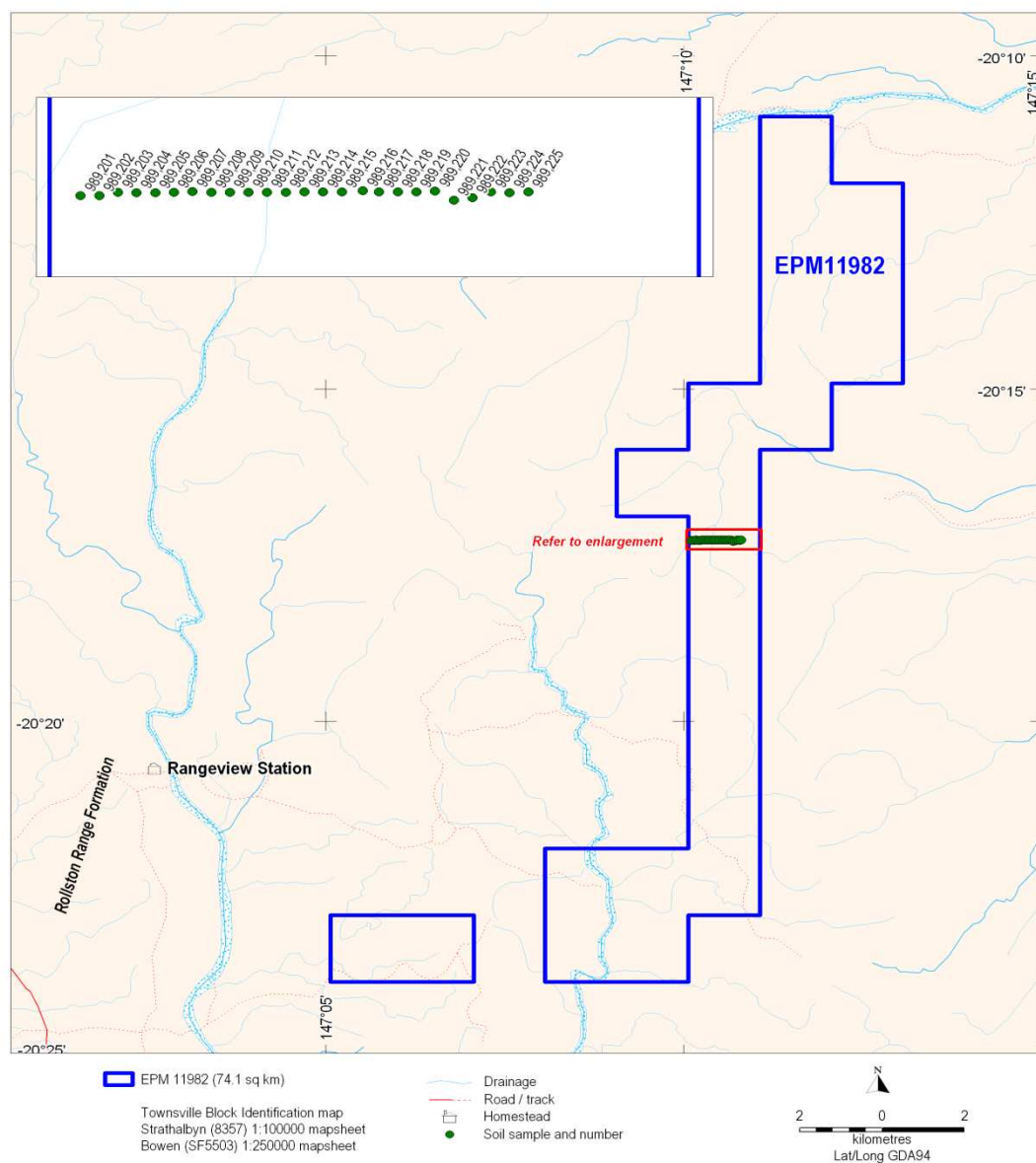


Figure 5. EPM11982_soils_map

At the eastern end it traversed up to the top of a main range forming ridge. Soil samples taken comprised B-horizon granitic soil from 10 to 40cm depth. This area has been explored previously from 1968-1971 by Trans Australian Exploration for base metals and tungsten. They identified a potential broad zone of phyllic alteration however none of the soil samples from this exploration were analysed for Au. Stream sediments taken downstream of the area by Sipa Gold in 2006 (samples 428329-428334) showed anomalism in Bi, U, Mo and Au up to 1.82ppm (428332). Results returned for the soil samples. No anomalous Au or multi elements were returned. Bismuth appears to show a trend of increased values (up to 9.2ppm) to the east end of the line. This may reflect changes in geology where the west half of the line lies within Permian granite and rhyolites and the eastern half within Ordovician granites with the furthest east samples within Carboniferous volcanics. At this eastern end of the line at the top of the ridge, 200 vertical metres above the valley four rock-chips of hematite (ex-sulphide) spotted quartz veins were sampled (987001-987004). Multi-elements show strong anomalism in Bi, W, Sb, Pb, Zn and Hg (tabled below).

Sample	Au	Ag	As	Sb	Hg	Cu	Pb	Zn	Mo	Bi	W
987001	0.011	40	98	342	0.9	90	3360	306	29.7	214	13.1
987002	0.009	6.4	319	77.2	8.7	54	1490	23400	122	105	194
987003	-0.01	6.2	20	8.1	10.7	33	1040	161	5.1	67.4	254

Table 3. Anomalous rock samples at Eight Mile (values in PPM).

5km north of Eight Mile Creek 5 BLEG samples were collected 4-6km upstream of a 5.5ppb Au BLEG anomaly to the east. Results from the BLEG A sampling showed no anomalous values with highest Au at 1.06ppb and a high Ag of 18.2ppb which in an area of limited drainage area for each sample warranted no further investigation. Two rock-chip samples (987006-987007) of quartz veining and a breccia like rock were taken in a small drainage within this area. The latter was probably weathered re-cemented creek rubble but directly below the sample was some in-situ quartz veins in weathered granite. These samples showed no significant results.

In the central part of the map samples of quartz vein creek float and outcrop material were taken upstream of BLEG samples with Bi, U, and Mo anomalism. In a small tributary branching NW from Eight Mile Creek four rock chip samples (987008-987011) of stream float and insitu quartz veining were collected. The insitu veining shows moderately anomalous Sb from 9.4-17.1 ppb. Other elements show no significant anomalism.

The area lies to the SE of the Rangeview ring fracture and is dominated by Carboniferous and Permo-Carboniferous granites. In the far south of the tenement granites are fault bounded against older volcanics of the Cambro- Ordovician Mt Windsor Volcanics. The Rangeview has historically been an area of intense stream sediment sampling. Many companies including Battle Mountain, RGC, Hunter Resources, Pancontinental and Poseidon have explored the area mainly with stream and rockchip sampling. Sipa Gold have sampled this area by BLEG A stream sediment sampling in 2006 with some drainages of <10sq km showing weak Au (to 2.42ppb), high Ag (264ppb) and Cd (350ppb) anomalism. Rock-chips of altered pink granite show high Pb, Zn anomalism.

A reconnaissance visit in 2007 to the southern part of EPM11982 was completed to inspect Sipa's anomalous drainages. Seven isolated rock chip samples (987012-987018) collected include outcropping quartz tension veins, ferruginous quartz gabbro and magnetic leuco gabbro. Also a single felsic volcanic silica matrix breccia from creek float was sampled. The only significant assays returned were from the ferruginous quartz gabbro (987013) which assayed at 1790ppm Zn and 174ppm Bi. All Au assays showed no significant results.

Newmont concluded from previous sampling that in the Eight Mile area, three rockchip samples of haematitic quartz stringer veins in sericite altered granite show highly anomalous Zn, Pb, As, Bi, Sb, Hg, Mo and W. These samples occur in high range country 3.5km from the nearest access track and 11.5km WSW of Eight Mile homestead. The Granite is part of the same Ordovician batholith that hosts the Lionel Diggings. It is in close contact with Carboniferous granite and Carboniferous ignimbrites of the Rangeview volcanic suite, which cap the SE trending range at this

location. Newmont concluded that this area may have low tonnage potential for low grade porphyry style Mo \pm base metal mineralisation.

Aeromagnetic data was reprocessed by Newmont to give an analytical signal image. Interpretation of the geophysical image was carried out to locate possible analogies to the Mt Leyshon intrusion related style of mineralisation but the interpretation failed to generate targets of interest for Newmont for drilling. Therefore, Newmont conducted no further exploration on this tenement. They dropped EPM 11982 from the Farm-in Agreement on the 26th of September, 2008.

7.0 WORK COMPLETED

After the termination of the Farm-in agreement in late 2008, CYU completed a review of previous data. An internal report summarising the tenement situation, upcoming statutory commitments, exploration history and results was completed. Also, preliminary field excursions were carried out with sites of interest visited. CYU proposed a voluntary surrender of EPM 11982 in March 2010. This proposal was accepted by the DME.

8.0 REFERENCES

Meader, D., 2007. East Ravenswood (Strathalbyn) Project Annual report for the period 30 March 2006 to 29 March 2007 incorporating EPM11602, EPM11982 and EPM15057. Newmont Report No. 33420

Meader, D., 2008. East Ravenswood (Strathalbyn) Project Annual report for the period 30 March 2007 to 29 March 2008 incorporating EPM 11602, EPM11982 and EPM15057. Newmont Report No. 33504