



**ASX Announcement**

25<sup>th</sup> July 2008

ASX Code: COY

**DRILLING AND TRENCHING RESULTS AT SIMUKU GIVE BEST RESULTS TO DATE**

The initial drilling and trenching program at Simuku have given the best results to date, including all historical work.

- SMD19 using a 0.2% copper equivalent\* cut-off (see below for explanation), intersected 93m from 8m depth of 0.59% copper, 68ppm molybdenum, 0.07g/t gold and 2.5g/t silver (0.69% copper equivalent\* – see below for explanation). Awaiting results from 122 to 346.1m depth.
- An excavator trench, between former hole SMH12 and SMD19 intersected 117m at 0.61% copper, 86ppm molybdenum, 0.10g/t gold and 2.6g/t silver (0.74% copper equivalent\*).

Peter Swiridiuk, Managing Director, commented *“these results are encouraging, particularly so early in the resource definitive program. Hole SMH12, at one end of the Nayam trench, which was previously drilled by Macmin (PNG) Ltd (now New Guinea Gold Ltd) also encountered significant mineralisation with intersections such as 91.3m from 0 to 91.3m at 0.43% copper, 81ppm molybdenum, 0.06g/t gold (0.52% copper equivalent\*)*. In addition, hole SMD19 was drilled to a depth of 346.1m and assays are still pending for the hole below 122m”.

**Copper Equivalent\***

The mineralisation at Simuku consists of copper, molybdenum, gold and silver. Copper is predominant in the holes reported in this release but in one previous hole, molybdenum predominated – SMD14 intersected 19m at 0.32% molybdenum and 0.1% copper. In a possible mining operation it is likely that copper, molybdenum, gold and silver will all be recovered and management consider that using a copper equivalent\* cut-off of 0.2% provides the best way to present and to compare drill hole data. The copper equivalent\* is calculated as follows:

Metal (assay results)				Metal Price		Factors		Value	Metal value
A				15 July 2008		C		Calculation	US\$
1	Copper	Cu	ppm	3.80	US\$/lb	453.59	ppm/lb	1A x (1B/1C)	M
2	Molybdenum	Mo	ppm	33.60	US\$/lb	453.59	ppm/lb	2A x (2B/2C)	N
3	Gold	Au	g/t	946.00	US\$/oz	31.103	g/oz	3A x (3B/3C)	O
4	Silver	Ag	g/t	18.28	US\$/oz	31.103	g/oz	4A x (4B/4C)	P
Sum of metal values								S	M+N+O+P
<b>Metal equivalent in Copper ppm</b>								<b>Cu.Eq</b>	<b>S / 1B x 1C</b>

Metal equivalent Cu.Eq has been calculated using metal prices as of 15 July 2008

The copper equivalent\* values for intersections, in addition to individual metal values, are quoted, as they provide the most meaningful comparisons between different drill holes and trenches. Management cautions, however, that as metal prices change the copper equivalent\* value will change.

No metallurgical test work has been completed on mineralisation from Simuku but the mineralisation from Simuku is similar to Island Arc porphyry copper-gold-molybdenum systems in the Southwest Pacific and recoveries similar to those at existing mines could be expected.

### NAYAM PROSPECT DRILLING AND TRENCHING RESULTS:

**SMD19 [Site B] (Figures 1 and 2):** 169734e 9368202n, Dip -60° at 30° TN, Depth = 346.1m

This hole targeted copper mineralisation within intrusive in drill holes:

- SMH07 63m at 0.52% copper, 65 ppm molybdenum, 0.12g/t gold, 2.1g/t silver (0.64 % copper equivalent\*) from surface; and
- SMH11 77m at 0.49% copper, 85 ppm molybdenum, 0.11g/t gold, 2.0 g/t silver (0.62 % copper equivalent\*) from surface.

In SMD19, molybdenite can be seen in the core samples and mostly confined to structures. Pyrite and chalcopyrite occur disseminated in quartz feldspar porphyry mapped at surface and throughout the drill hole in a pyritic zone beneath weathered leached material in Nayam trench (see Tables 1 and 2 below).

The drilling and trenching results are encouraging with significant mineralisation in Nayam trench which is open at both ends (Figure 2). Core recoveries were greater than 93%.

From (m)	To (m)	Width (m)	Cu %	Mo ppm	Au g/t	Ag g/t	Cu.Eq %
8	101	93	0.59	68	0.07	2.5	0.69
Including							
18	36	18	1.0	140	0.11	4.4	1.2
103	122 <sup>#</sup>	19	0.37	76	0.07	1.6	0.48

<sup>#</sup> NB: 224.1m of results are pending between 122m and 346.1m

**Table 1: SMD19 Assay Results**

From (m)	To (m)	Width (m)	Cu %	Mo ppm	Au g/t	Ag g/t	Cu.Eq %
0	117	117	0.61	86	0.10	2.6	0.74

**Table 2: Nayam Trench Results**

### TOBARUM PROSPECT DRILLING RESULTS:

**SMD17 [Site D] (Figures 1 and 2):** 169701e 9367796n, Vertical, Depth = 177.3m

This hole was drilled to test below significant copper results intersected in Trench 4 which had results of 63m at 0.47% copper, including 18m at 0.74% copper in exposed quartz porphyry.

Copper mineralisation in drill hole SMD17 (see Table 3 below) occurs as disseminated chalcopyrite within a matrix of quartz feldspar porphyry. Core recoveries were generally good at greater than 93%.

From (m)	To (m)	Width (m)	Cu %	Mo ppm	Au g/t	Ag g/t	Cu.Eq %
7	20	13	0.37	22	0.07	3.5	0.44
27	80	53	0.27	15	0.05	1.6	0.31
88	98	10	0.29	28	0.07	1.0	0.34
113	115	2	0.20	12	0.05	1.0	0.24
124	155	31	0.20	51	0.07	2.0	0.29
162	164	2	0.41	47	0.06	1.3	0.48
167	177.3	10.3	0.26	26	0.04	2.2	0.31

**Table 3: SMD17 Assay Results**

**SMD20 [Site C] (Figures 1 and 2):** 169802e 9367998n, Vertical, Depth = 375.9m

This hole was drilled to test the extensions of copper mineralisation within interpreted intrusive rock in the lower part of historical drill hole SMD03, which intersected:

- 50.2m at 0.5% copper, 40 ppm molybdenum, 0.06 g/t gold and 2.5 g/t silver (0.57% copper equivalent\*) from 100m to 150.2m.

Copper mineralisation in drill hole SMD20 (see Table 4 below) occurs disseminated within a matrix of quartz feldspar porphyry. Core recoveries were generally good at greater than 96%.

From (m)	To (m)	Width (m)	Cu %	Mo ppm	Au g/t	Ag g/t	Cu.Eq %
8	19	11	0.24	24	0.05	1.9	0.29
26	42	16	0.18	31	0.04	1.1	0.23
50	61	11	0.20	108	0.16	4.7	0.38
68	85	17	0.26	49	0.03	1.7	0.32
103	159	56	0.22	38	0.04	1.9	0.28
174	233	59	0.26	23	0.05	4.2	0.32
250	375.9	125.9	0.36	74	0.06	1.4	0.46

**Table 4: SMD20 Assay Results**

The grade in drill hole SMD20 is improving at depth as illustrated by the intersection of 125.9m of 0.36% copper, 74ppm molybdenum, 0.06 g/t gold and 1.4 g/t silver (0.45% copper equivalent\*) from 250m to 375.9m.

Additional holes currently being drilled are summarised below (refer to Figure 1):

Hole	Prospect	Easting	Northing	Azimuth (degrees)	Dip (degrees)	Current Depth
SMD18 [Site A]	Nayam	169718	9368292	30	-60	299m
SMD21 [Site E]	Tobarum	169631	9367378	280	-60	366m
SMD22 [Site F]	West Tobarum	169469	9367814	vertical	-90	Currently at 204.9m
SMD23	Stan's Hill	169022	9367728	vertical	-90	Currently at 65m

Notes:

1. Co-ordinates are in Datum AGD66, Zone 56
2. Intersections are calculated on the basis of a cut-off of 0.2% Cu.Eq.

Currently awaiting Assays from holes SMD18 and SMD21.

### Laboratory and Sampling Procedures

Drilling samples were transported to the camp site, logged, photographed and sampled at 1 metre intervals from core split by saw. The split samples are then transported to the town of Kimbe where they are air freighted to Intertek in Lae (PNG) for sample preparation. Samples are dried to 106 degrees C and crushed to 2-3 mm. Samples greater than 2kg are rifle split down to 1.5kg and pulverised to 75 microns. The final 300g sized pulp samples are then sent to Intertek laboratories in Jakarta for geochemical analysis. Intertek analyse for gold using a 50g Fire Assay with Atomic Absorption Spectroscopy finish. Other elements are assayed with ICPAES Finish. Copper values greater than 1000ppm are re-assayed using a multi acid digest (hydrochloric, nitric, perchloric and hydrofluoric acid) to leach out the copper with an ICP finish. Molybdenum samples greater than 100ppm were check assayed using X-Ray diffraction. Intertek laboratories have an ISO 17025 accreditation.

**For further information please contact:**

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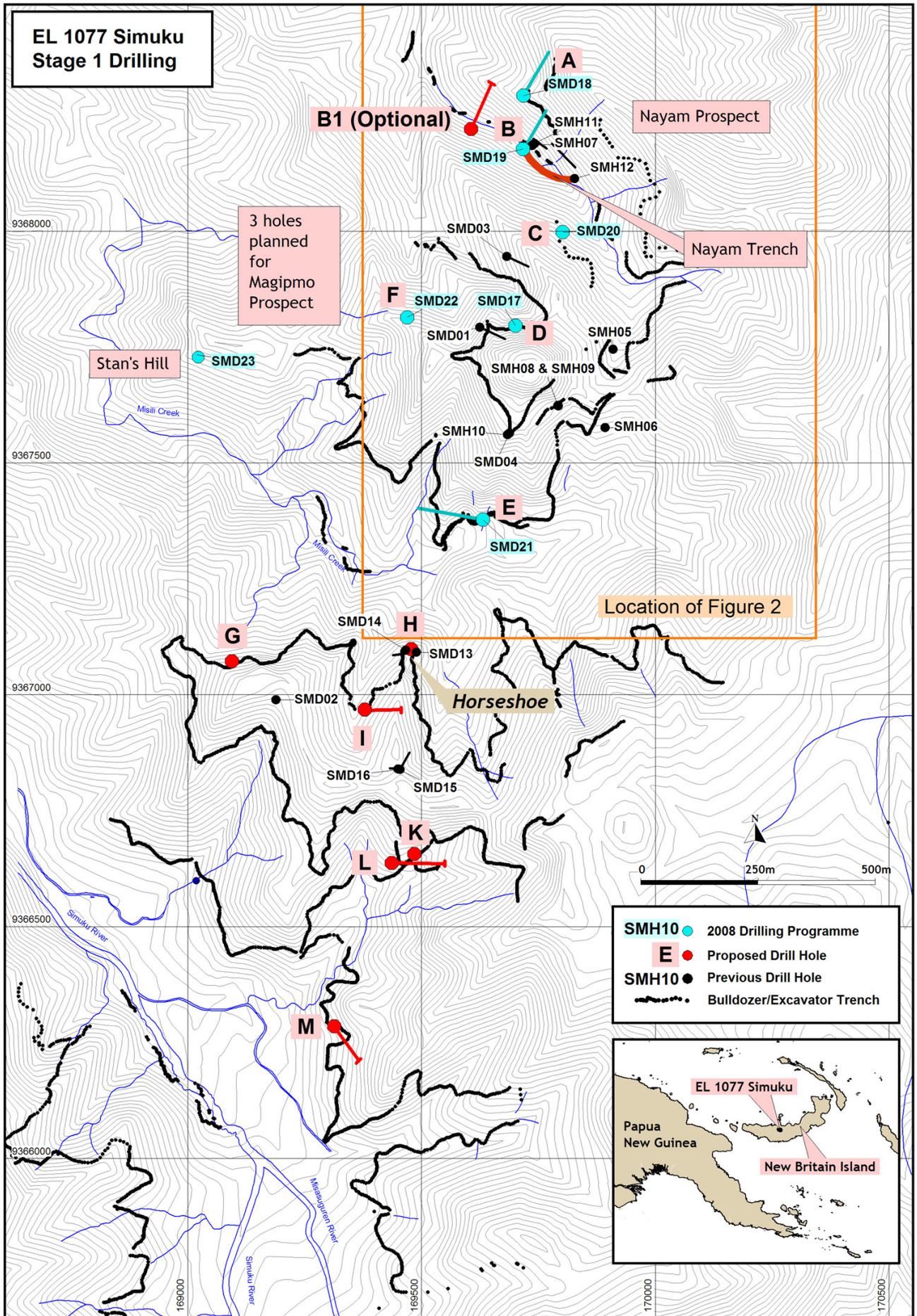
Peter Swiridiuk  
**MANAGING DIRECTOR**

The information in this report that relates to Exploration Results is based on information compiled by Peter Swiridiuk, who is a Member of the Australian Institute of Geoscientists. Peter Swiridiuk is employed by Coppermoly Ltd.

Peter Swiridiuk has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as a Competent Persons as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Peter Swiridiuk consents to the inclusion in the report of the matters based on their information in the form and context in which it appears.

Notes:

- \*Copper Equivalent is the contained copper, gold, silver and molybdenum that are converted to an equal amount of pure copper and summed (based on assays of mineralised rock and actual metal prices). It is used to allow interpretation of the possible theoretical 'value' of mineralised rock, without consideration of the ultimate extractability of any of the metals.
- Copper Equivalent\* herein is based upon metal prices of US\$3.80/lb Cu, US\$946/oz Au, US\$33.60/lb Mo (57% MoO<sub>3</sub> conc.) and US\$18.28/oz Ag (15 July 2008). The formula used is as shown on page 1.
- Island Arc related porphyry copper – gold – molybdenum deposits such as Simuku typically recover contained Cu, Au, Mo and Ag (subject to metallurgical characteristics and prevailing metal prices).
- The ASX requires a metallurgical recovery be specified for each metal, however, no testwork has ever been undertaken at Simuku and recoveries can only be assumed to be typical for Island Arc porphyry copper – gold – molybdenum – silver deposits.
- It is the Company's opinion that each of the elements included in the metal equivalents calculation has good potential to be recovered if the project proceeds to mining.



**FIGURE 1**

