



COPPERMOLY
Limited

ADDRESS

PO Box 7996
Gold Coast Mail Centre
Qld 9726 Australia

ABN 54 126 490 855

PHONE

+61(07) 5592 2274

FAX

+61 (07) 5592 2275

EMAIL

info@coppermoly.com.au

WEBSITE

www.coppermoly.com.au

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COPPERMOLY LISTS ON ASX AND TO COMMENCE RESOURCE DEFINITION DRILLING

Molybdenite intersected in two drill holes

Coppermoly Limited, which lists on the Australian Securities Exchange today, has completed two drill holes intended to extend the known molybdenum mineralisation at its Simuku Project on New Britain island, Papua New Guinea. Molybdenite (a mineral which contains molybdenum) was intersected in both holes and assays are expected in approximately four weeks. Further details of the drilling are provided in this release.

The company will commence resource definition drilling at both the Simuku and Mt Nakru copper/gold/molybdenum projects with the main objective of defining resources within 18 months.

Peter Swiridui, Managing Director commented: *"We have two drill rigs immediately available to start drilling once upgraded and extended camp facilities are in place. Two excavators and two bulldozers are being scheduled to assist in drill road preparation, trenching and access and by mid-year, we expect to have four drills operating."*

Coppermoly's management team has extensive experience in Papua New Guinea. Bob McNeil, Chairman, was previously General Manager for Esso in Papua New Guinea in the 1980's, and Doug Hutchison, Chief Operating Officer, has more than 30 years experience in Melanesia, including Papua New Guinea." Mr Swiridui added.

Chairman Bob McNeil, who is also Chairman and CEO of the company's largest shareholder, New Guinea Gold Corporation, which is listed on the Toronto Venture Exchange, (TSX-V:NGG) said Coppermoly was fortunate to have the benefit of considerable early exploration. *"These are very exciting projects. Extensive preparatory and exploration work, totalling in excess of AUD\$20 million in today's dollars, has been completed by past explorers including Esso and New Guinea Gold Corporation. With today's higher metal prices compared to that of the 1990's and \$8.0 million cash in the bank, Coppermoly is in an excellent position to develop these projects with the aim of developing at least one of the porphyry deposits to pre-feasibility stage within 18 to 24 months."*

Coppermoly's projects have several compelling advantages:

- **Location** – excellent location with road/track access, close to infrastructure including port and jet airport, and relatively easy tailing disposal. This will ultimately lead to lower exploration costs, lower capital requirements for development and lower mine operating costs.
- **The extensive exploration already completed includes over 40 kms of bulldozer/excavator trenching and more than 50 drill holes.** This drilling and trenching suggests the systems are very large – with alteration over more than 10 sq kms at each project – and likely to contain widespread copper and gold mineralisation comparable to other porphyry copper systems in Papua New Guinea.

- **The two projects have separate gold and/or molybdenum potential which may be amenable to early development. At Mt Nakru, trench results included 35m at 7.26g/t gold and 42m at 2.70g/t gold including 3.0m at 16.8g/t gold. At Simuku, trench results include 78m at 0.133% molybdenum and drill results 19m at 0.32% molybdenum and 0.10% copper.”**

The geological potential of the properties is illustrated by the drill and trench results listed below.

| <u>Simuku Project</u> | <u>Mt Nakru Project</u> |
|---|---|
| <p><u>Trench Results</u></p> <p>78m at 0.133% molybdenum (including 15m at 0.25% molybdenum) 70m at 0.40% copper 14m at 0.26 g/t gold and 1.03% copper</p> <p><u>Drill Hole Results</u></p> <p>63m at 0.52% copper and 0.12g/t gold 77m at 0.49% copper and 0.11g/t gold 58m at 0.53% copper and 0.10g/t gold 19m at 0.32% molybdenum and 0.10% copper (including 7m at 0.60% molybdenum)</p> | <p><u>Trench Results</u></p> <p>245m at 0.80 g/t gold 45m at 2.50 g/t gold 25m at 1.43% copper 25m at 1.06% copper 4.0m at 6.6% copper 95m at 2.88 g/t gold (including 35 m at 7.26 g/t gold) 42m at 2.70g/t gold (including 3.00 m at 16.80 g/t gold)</p> <p><u>Drill Hole Results</u></p> <p>94m at 0.43% copper and 0.46g/t gold 74m at 0.78% copper, including 21m of 1.10% copper.</p> |

Papua New Guinea has one of the worlds most dynamic tectonic zones that offer the potential of very large mineral deposits that typically continue at depth.

All drill and trench information is available at www.coppermoly.com.au or www.newquineagold.ca

Simuku Molybdenum Drill Core Description – Holes SMH015 and SMH016

Two drill holes have been completed in the Misile Hill – Horseshoe area at the Simuku Project. Both holes were located at 169456E/936791N. SMH015 was drilled on an azimuth of 270°M, inclination of -70° to a depth of 50.8m. Hole SMH016 was drilled at an azimuth of 023°M, inclination of -60° to a depth of 123.1m. These holes are approximately 250m south of the SMH014 which intersected 19m from surface of 0.32% molybdenum.

Conrad Palaulo, Supervising Geologist for Coppermoly Limited, described the core as follows: *“The first 20m (0-20m) of hole SMH015 consists of strongly oxidised fractured brecciated argillic over phyllic altered dacite porphyry with pyrite, chalcocite, molybdenite and hematite disseminates. Silicified clasts have hematite quartz stock-work veining.*

From 20m to 35m, the core consists of silicified phyllic altered dacite to feldspar dacite porphyry with fine hairline pyrite and quartz veinlets with chalcopyrite, molybdenite +/- chalcocite crystals associating along the veinlets mostly as dissemination. Within this zone are narrow sheared fault zones consisting of puggy gray clay plus sulphides and quartz plus feldspar dacite porphyry clasts with fine disseminated molybdenite and pyrite (5-10%) with chalcopyrite/pyrite/molybdenite veins. The geology is similar to that logged for SMH014 (100m) drilled 250m to the North.

In hole SMH016 the first 15m (0-15m) consists of strongly oxidised, argillic altered, brecciated to friable silicified fragments of dacite porphyry with oxidized clay and sandy material comprising quartz, chalcocite, hematite, minor jarosite, +/- pyrite.

From 15m through to 25.80m is argillic over phyllic altered, brecciated friable dacite porphyry fragments and clasts with oxidized clay, brecciated intervals of dacite porphyry in parts. The interval comprises of pyrite mostly in disseminated form, chalcocite, molybdenite, limonite (hematite) staining with minor quartz hematite stockwork along the brecciated units in this interval. Oxidation is generally strong from top of the hole down to the contact where it is mostly fracture controlled at 25m.

The entire hole is brecciated with angular – sub-angular quartz-dacite porphyry fragments within clast –clay supported matrix. Sulphide mineralisation is mostly pyrite in a disseminated form +/- chalcocite molybdenite (1-2%). Below the oxidation zone (0-25m) is strong to moderately silicified with quartz stock work/veinlets +/- chalcocite +/- molybdenite +/-chalcopyrite. Epithermal textured quartz is present in places as fracture fills. Chalcocite content decreases from this interval mostly in disseminated form, after 50m and gradually diminishes. Molybdenite generally appears as disseminates.”

For further information please contact

Bob McNeil, Chairman Coppermoly Limited,
(07) 5592 2274, or
Brian Mahoney, FCR (Financial & Corporate Relations)
(02) 8264 1002 or
Bernadette Sukkar (Associate Director) Novus Capital Limited,
(02) 9375 0114.

The information in this report that relates to Exploration Results is based on information compiled by Bob McNeil, who is Fellow of the Australian Institute of Mining and Metallurgy. Bob McNeil is employed by Macmin Silver Ltd and New Guinea Gold Corporation.

Bob McNeil has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the ‘Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves’. Bob McNeil consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.



R.D.McNeil
CHAIRMAN
Coppermoly Limited