



ADDRESS
PO Box 6965
Gold Coast Mail Centre
Qld 9726 Australia

ABN 54 126 490 855

PHONE
+61 (07) 5592 1001
FAX
+61 (07) 5592 1011
EMAIL
info@coppermoly.com.au
WEBSITE
www.coppermoly.com.au

ASX Announcement

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FURTHER DRILLING WARRANTED AT SIMUKU TO PROGRESS TO FEASIBILITY

COMPLETION OF CONCEPTUAL MINING STUDY

A Conceptual Mining Study (CMS) has been completed for Coppermoly's 90% owned Simuku porphyry copper-gold-molybdenum project. The project is located one hour's drive from the provincial capital of Kimbe on New Britain Island, Papua New Guinea (PNG). Kimbe has an operating deep water port and access to daily flights to Brisbane and Sydney via the PNG capital of Port Moresby (refer to Figure 1).

The CMS was completed to assist in the planning of future exploration and development at Simuku. It shows that further drilling is warranted at Simuku in order to estimate a resource associated with near surface secondary copper enrichment in an upper supergene blanket, prior to commencement of a feasibility study. Once a resource of supergene mineralisation is established and a feasibility study completed, the Simuku project has the potential to become an open pit copper-molybdenum-gold mine.

Over the next two years, exploration will focus on further drilling to increase the existing mineral resource and estimate a separate near surface resource of higher grade secondary copper. This will help lead to a feasibility study which will improve the level of confidence of the cost estimates used in the CMS. The costings used in the CMS are based on general industry figures and assumptions listed below under Basic Assumptions.

Key Results:

- An open pit encompassing 196.6 million tonnes for a 10 year mine life;
- A mining rate of 20 million tonnes per annum (Mtpa);
- At a copper commodity price of US\$2.50/lb and a power cost of US\$0.25/kWhr, the project demonstrates a positive cash flow in year 3;
- An open pit and mobile crusher will optimise haulage distance and reduce fuel costs;
- Mine design is relatively simple with 15 metre high benches;
- Estimated capital costs of US\$671 million;
- Operating costs at 20 Mtpa of US\$12.09/tonne of ore.

Body of Mineralisation used for the CMS:

The CMS is a conceptual study and it should not be assumed that the results of this study relate to any Mineral Resource Statement issued for Simuku. The conceptual mineralisation used for the mining and processing taken as the basis for the study includes:

1. 0.30% Cu.Eq* cut-off: 196.6 million tonnes grading 0.47% copper equivalent
2. 0.50% Cu.Eq* cut-off: 78.9 million tonnes grading 0.58% copper equivalent

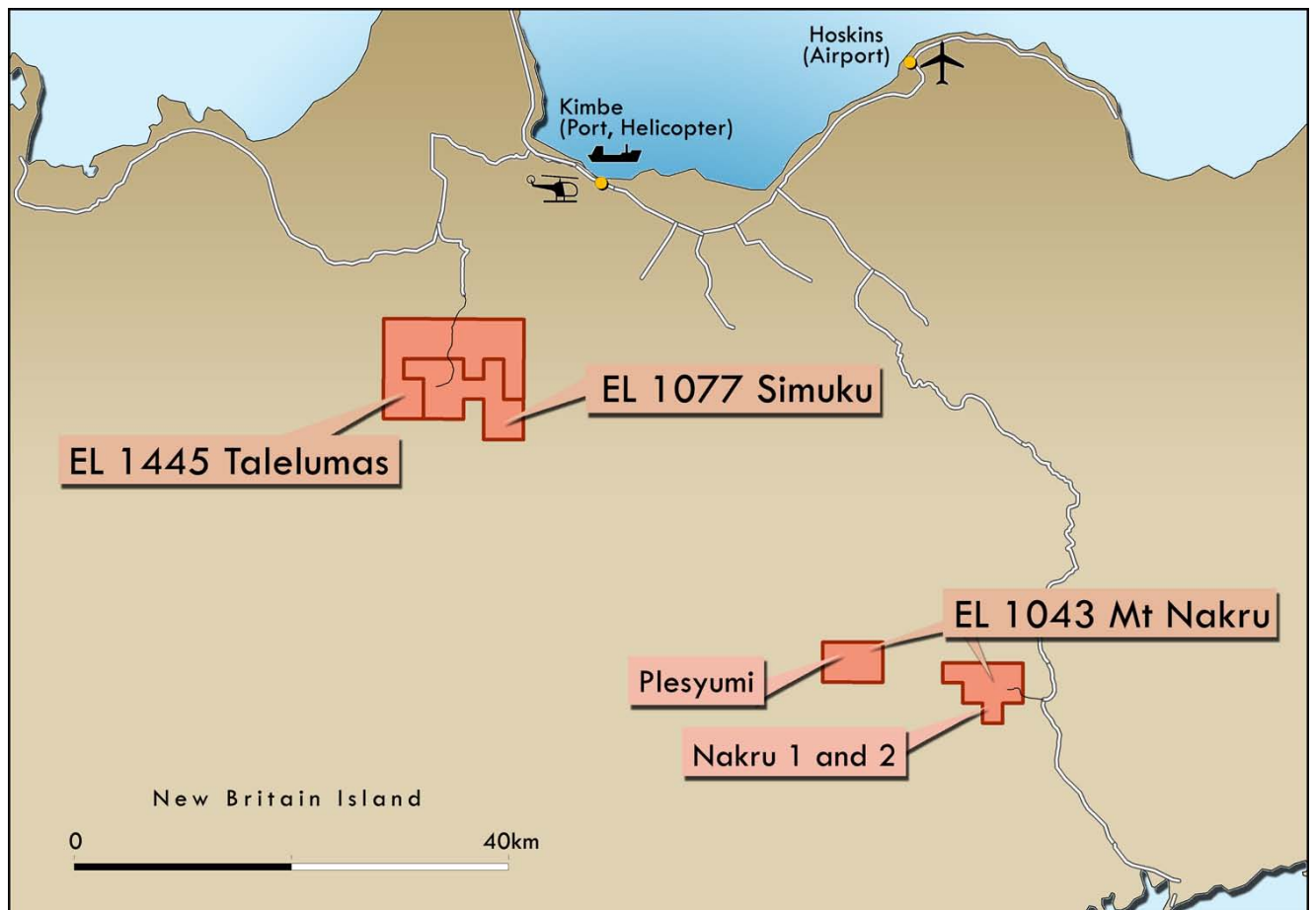


Figure 1: Coppermoly Projects on New Britain Island

Production rates:

Table 1 shows the year of commencement of profitability during the life of the conceptual mining project for different commodity prices at a net present value (NPV) of 10%. Several production rates have been reviewed and it was found that payback at a process rate of 20Mtpa was acceptable. Power consumption is estimated at about 70MWhr for crushing, grinding and processing in the plant described in the CMS. Estimated power consumption includes provision for supply to workshops at the mine and process plant, amenities and township.

However, in PNG, all diesel fuel supplied to mining operations includes full excise duty, and we are advised that wholesale fuel price is of the order of US\$1.0/litre. As a result, power generation cost is about \$0.25/kWhr.

Table 1: Years to Profitability at 20Mtpa & Power Cost US\$0.25/kWhr

Copper Price US\$/lb	Number of Years of Commencement of Profitability	
	Reagents US\$0.9/t	Fuel Costs US\$1.0/l
1.5	No Profit	
2.0	10	
2.5	3	
3.0	2	

Tonnes and grades for each year of operation have been calculated (refer to Table 2). Year 1 includes a 7 million tonne body of mineralisation near surface grading 0.83% copper for the first year of production. Near surface secondary copper enrichment has been encountered in drillholes (refer to Figure 2) where there is an Exploration Target[#] of 10 to 20 million tonnes grading 0.7% to 0.8% copper.

Table 2:

Cut-off % Cu.Eq	Year	Mtpa	Cu.Eq* %
0.30	1	20	0.56
0.30	2 - 10	20	0.47

In general, an open pit benefits from downhill hauls for removal of ore and waste for most of the mine life. A mobile crusher will reduce haul distance for ore haulage above 200 metres relative level (RL). From below 200 metres RL the reduced loaded uphill haul will significantly reduce fuel costs.

Estimated Capital Costs:

The Capital Estimate of US\$671 million includes

- Process plant
- Wharf and shiploader at Kimbe
- Workshops for mine and plant
- Surfaced access road to Kimbe
- Primary crusher and trunk conveyor from mine to plant
- Mine establishment including roads and culverts for all haul roads
- Housing and office facilities
- Warehousing, tankage amenities etc.

Capital expenditure is reduced by acquisition of mining equipment, power generation plant and the concentrate haulage fleet using bank loan facilities.

Capital Expenditure for Mining Equipment	US\$95 million
Capital Expenditure for Road Haulage Equipment	US\$2 million
Capital Expenditure for Power Generation	US\$45 million

An investigation into the hydro-electric and/or geothermal potential of New Britain may be included in a Feasibility Study as there are significant rivers available which flow from high ground in the centre of the island and thermal areas near the north coast.

The harbour port facility at Kimbe will comprise a wharf and shiploader. Negotiations will need to be made with the Kimbe Harbour Authority to access an existing wharf. A budget of US\$14.5 million is allocated for townsite preparation.

Concentrate will be dried in the exhaust from the power station, moved and discharged onto a conveyor belt and transported to the shiploader on the jetty and loaded onto the ship. Tailings disposal occurs about 12 kilometres from the plant in a tailings dam.

Financial Analysis Cost Parameters:

Royalty to PNG	% Gross Revenue	2.0%
Reagent Cost	US\$/t	0.90
Diesel Fuel	US\$/litre	1.00
Electrical Power		
Diesel	US\$/kWhr	0.25
New Process (Equivalent Cost)	US\$/kWhr	0.06
Total Electrical Demand	MW/hr estimated	70MW
Waste mineralisation Ratio		0.85 : 1

Basic Assumptions

- A density value of 2.65 t/m³ based on a similar projects at Yandera, PNG.
- Sterilisation drilling has not yet been completed for waste dumps. A number of valleys are available within 2 to 4 kilometres of the proposed open pit perimeter.
- No metallurgical testing has been completed at this early stage. Results from the Kodu deposit have been used in this study with an assumed 87% recovery of copper.
- PNG fuel cost of USD\$1.0/litre as an average over time
- Clean water is available for the plant from local creeks
- Continuity of mineralisation is maintained between benches at 50 metre intervals
- There is no indication of recovery of molybdenum, gold or silver.

The CMS was completed by Mr David Swain, FAusIMM, Principal of Swain Engineers, Consulting Mining Engineers, at the request of Coppermoly Ltd.

Simuku Inferred Resource

An Inferred Mineral Resource has been estimated containing 200 million tonnes grading 0.47% copper equivalent* (using a 0.30% copper equivalent* cut-off). The Resource has been prepared in accordance with the Guidelines of the JORC Code. Using a higher cut-off value of 0.5% copper equivalent* there exists a higher grade Inferred Mineral Resource of 80 million tonnes grading 0.6% copper equivalent* (0.44% copper, 76 ppm Molybdenum, 0.07 g/t gold and 2 g/t silver).

The Simuku porphyry copper deposit, as presently defined, contains 700,000 tonnes of copper, 12,000 tonnes of molybdenum, 12 tonnes of gold and 391 tonnes of silver (or 1.5 billion pounds of copper, 26 million pounds of molybdenum, 0.4 million ounces of gold and 13 million ounces of silver).

A near surface supergene blanket of secondary copper enrichment has been encountered in at least eleven drillholes summarised below using a 0.4% copper cut-off (refer to Figure 2).

Nayam Prospect:

- SMH12: 12m thick 0.62% copper at 21m depth
- SMD18: 16m thick 0.97% copper and 174ppm molybdenum at 36m depth
- SMD19: 16m thick 1.0% copper and 140ppm molybdenum at 16m depth
- SMD25: 14m thick 0.49% copper and 215ppm molybdenum from 36m depth
- SMD26: 21m thick 0.62% copper from 16m depth

Tobarum Prospect:

- SMD03: 6m thick 0.52% copper at 16m depth
- SMD04: 38m thick 0.64% copper at 28m depth
- SMH10: 36m thick 0.70% copper at 30m depth
- SMD27: 27m thick 0.74% copper at 23m depth

Misile Prospect:

- SMD21: 11m thick 0.62% copper from 16m depth
- SMD30: 16m thick 0.67% copper and 126ppm molybdenum at 11m depth

The Inferred Resource and supergene mineralisation is based upon results from only one-third of the area of known surface copper mineralisation determined from bulldozer trenching. There is scope for a significant increase in tonnage potential of copper.

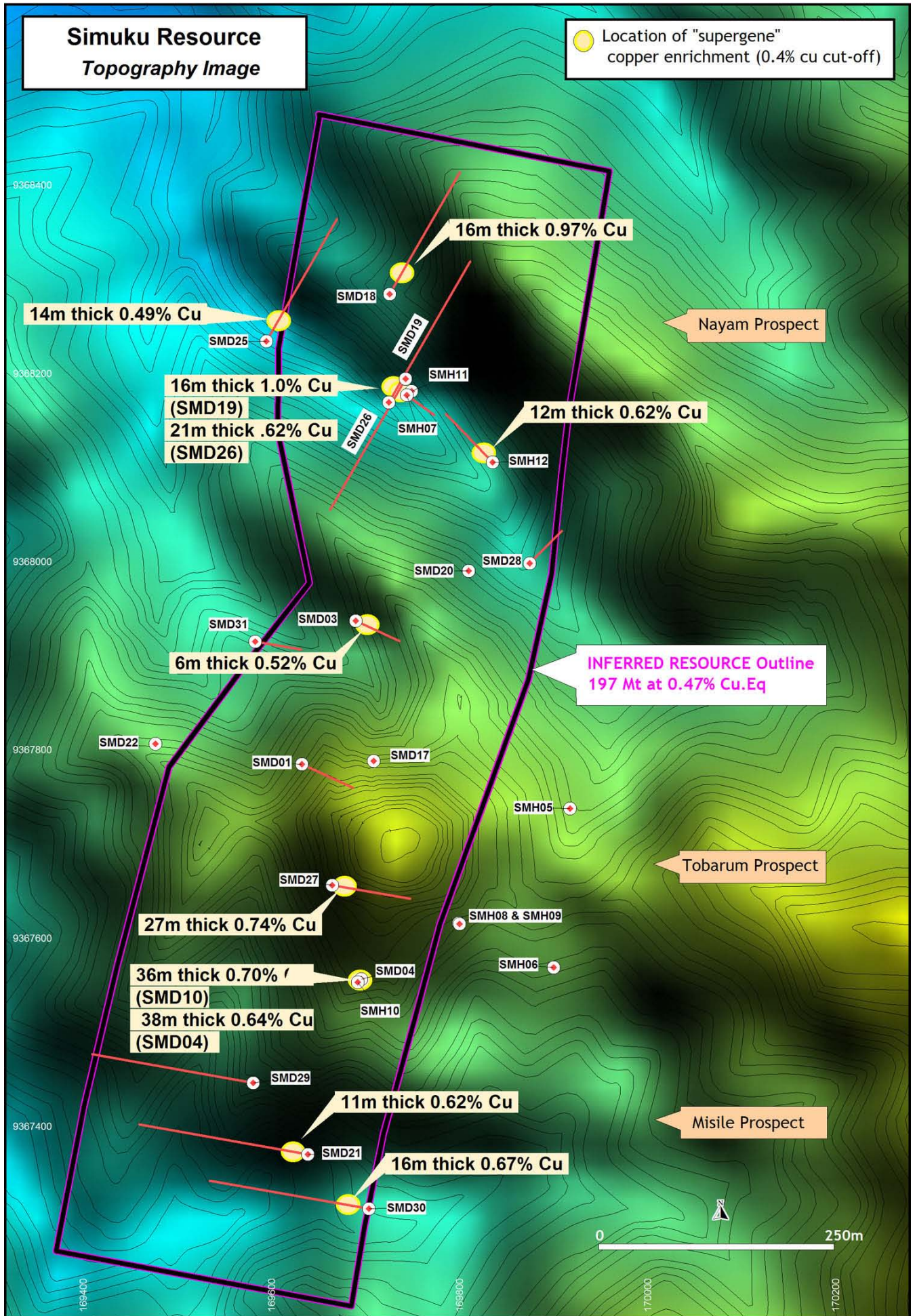


Figure 2: Simuku Resource Outline and Supergene Copper Intersections

On behalf of the board,



Peter Swiridiuk
MANAGING DIRECTOR

For further information please contact Peter Swiridiuk on (07) 5592 1001 or visit www.coppermoly.com.au,

Kc/ps028.09

Notes:

Mineralisation at Simuku consists of copper, molybdenum, gold and silver. Copper equivalent* is calculated as follows:

Metal (assay results)				Metal Price 9 Dec 2008		Factors		Value Calculation	Metal value US\$
A				B		C			
1	Copper	Cu	ppm	1.44	US\$/lb	453.59	ppm/lb	1A x (1B/1C) =	M
2	Molybdenum	Mo	ppm	11.00	US\$/lb	453.59	ppm/lb	2A x (2B/2C) =	N
3	Gold	Au	g/t	772.00	US\$/oz	31.103	g/oz	3A x (3B/3C) =	O
4	Silver	Ag	g/t	10.00	US\$/oz	31.103	g/oz	4A x (4B/4C) =	P
Sum of metal values								S	M+N+O+P
Metal equivalent in Copper ppm								Cu. Eq	S / 1B x 1C

- The copper equivalent* values for intersections are quoted in addition to individual metal values, as they provide the most meaningful comparisons between different drill holes and trenches. The copper equivalent value will vary with the metal prices.
- All stated intersections are weighted assay averages ((Sum of each total interval x grade) / Total length of intersection) with a cut-off of 0.1 g/t gold or 0.2% copper.
- Copper Equivalent* (Cu.Eq*) is the contained copper, molybdenum, gold and silver and 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.
- Island Arc related porphyry copper – molybdenum - gold – silver deposits such as Simuku typically recover those metals subject to prevailing metal prices and metallurgical characteristics.
- 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 – molybdenum –gold –silver deposits.
- It is the Company's opinion that each of the elements included in the metal equivalents calculation has reasonable potential to be recovered if the project proceeds to mining.
- An Exploration Target[#], or present potential quantity and grade is conceptual in nature and there has been insufficient exploration to define a Mineral Resource, and it is uncertain if further exploration will result in the determination of a mineral Resource.
- Drilling samples were transported to the camp site, logged, photographed and sampled at 2 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.
- Quality control and quality assurance checks on sampling and assaying quality are satisfactory.
- The reported mineral resource estimate has been rounded to appropriate significant figures.
- The section of this report relating to the Simuku Resource Estimate was prepared from Coppermoly information by Mr Jack Drzymulski of New Guinea Gold Corporation. Mr Jack Drzymulski is a Member of the Australian Institute of Mining and Metallurgy and has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity undertaken 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 (The JORC Code, 2004 Edition). Mr Jack Drzymulski consents to the inclusion in this announcement of the matters based on this information, in the form and context it appears.
- The information in this report that relates to Exploration Results and resource estimate was compiled under the supervision of Peter Swiridiuk, who is a Member of the Australian Institute of Geoscientists and Robert D. McNeil, who is a Fellow of the Australian Institute of Mining and Metallurgy. Peter Swiridiuk is Managing Director and consultant to Coppermoly Ltd and is an employee of Aimex Geophysics. Robert D. McNeil is a non-executive director of Coppermoly Ltd and Chairman of New Guinea Gold Corporation. Peter Swiridiuk and Robert D. McNeil have 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 Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (The JORC Code, 2004 Edition). Peter Swiridiuk and Robert D. McNeil consent to the inclusion in the report of the matters based on his information in the form and context in which it appears.