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ASX Announcement

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ASX Code: COY

FIELD PREPARATIONS UNDERWAY FOR DRILLING

Field activities are currently underway in preparation for a drilling programme expected to begin in the second quarter of 2011.

Over A\$9 million was spent by Barrick (PNG Exploration) Ltd ("Barrick") (a wholly owned subsidiary of Barrick Gold Corporation) in 2010. Exploration is being managed and carried out by Barrick under an agreement with Coppermoly Ltd which allows Barrick to spend A\$20 million to earn 72% of the tenements EL 1043 (Nakru), EL1077 (Simuku) and EL1445 (Talelumas) over eight years. Coppermoly Ltd retains 100% ownership until earn-in is complete.

The Simuku project is on New Britain Island in Papua New Guinea and within a one hour drive by 4WD vehicle from existing infrastructure, including a deep water port which will be essential for future development. It hosts an Inferred Resource (pre-Barrick) of 200 million tonnes grading 0.36% copper containing 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).

Reconnaissance mapping by Barrick in 2010 helped define structural information which has assisted drillhole planning (refer to Figure 1). The majority of structures are dipping towards east-southeast with other directions of south-southeast and northeast.

The Kulu prospect is 5.5 kilometres southeast of the Simuku Resource (refer to Figure 2) and rockchip sampling from the 2010 work programme confirmed anomalous grades of copper over an area of 800 metres by 600 metres (refer to Figure 3).

Over 200 rockchip samples taken during November 2010 had average grades of 0.11% Copper ranging from 123 to 6890 ppm. These results are consistent with historical surface sampling and drilling results.

"We look forward to a continued exploration and drilling programme this year which will continue to improve the value of the projects."

Additional sampling outside of the Simuku Inferred Resource will help develop the mineral potential of additional prospects which were historically explored by different companies and may well hold the key to finding additional resources in our tenements." Commented Managing Director, Peter Swiridiuk.

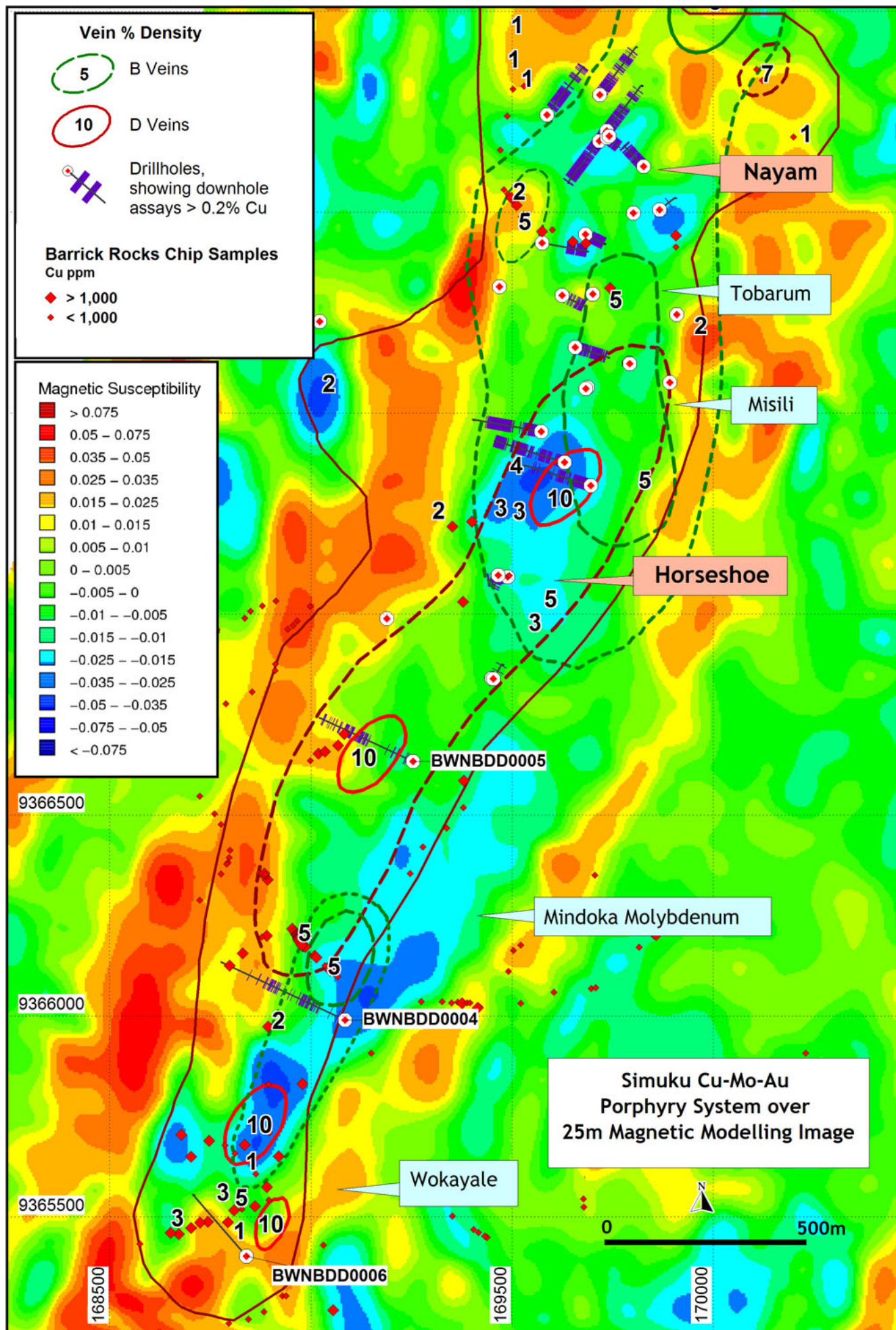


FIGURE 1: Simuku Vein Density Contours

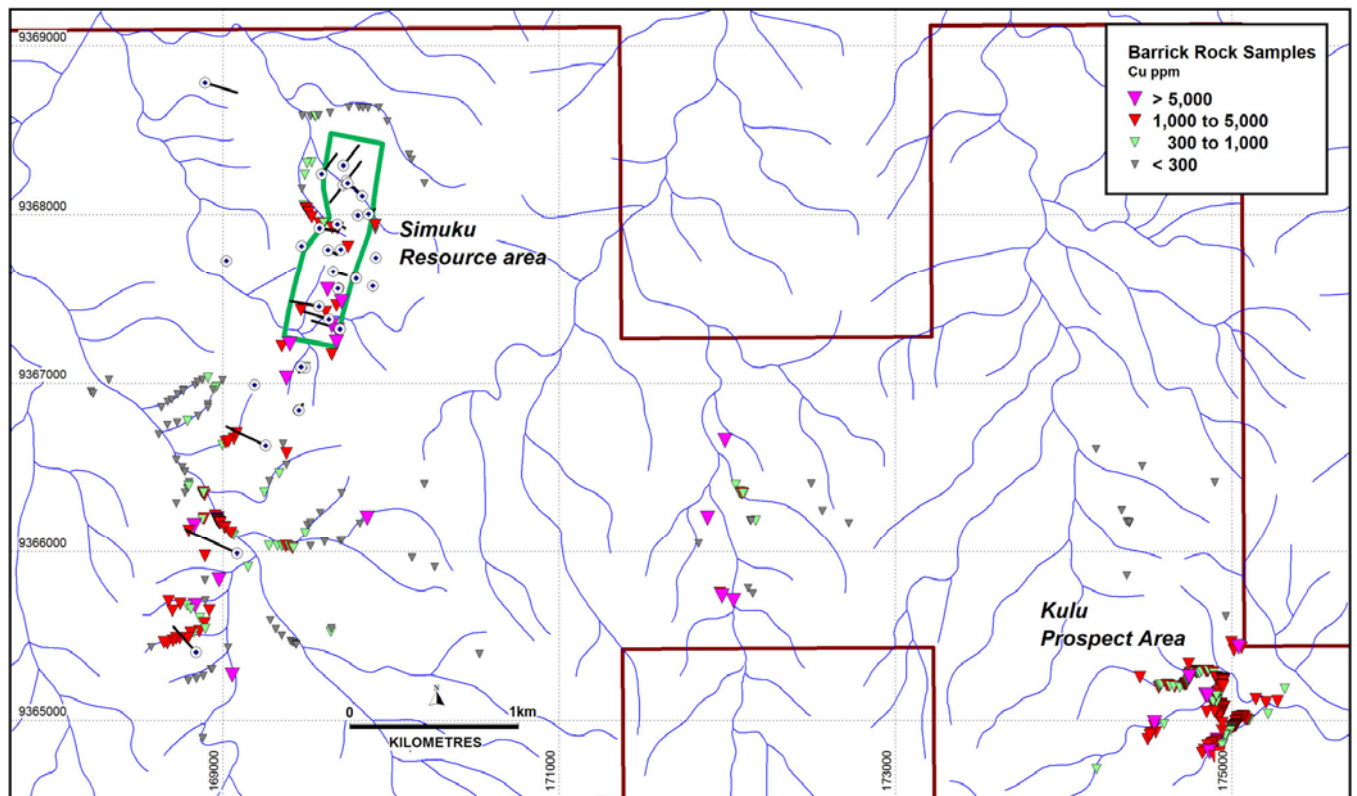


FIGURE 2: Simuku Tenement Showing Prospects and Rock Sampling Results

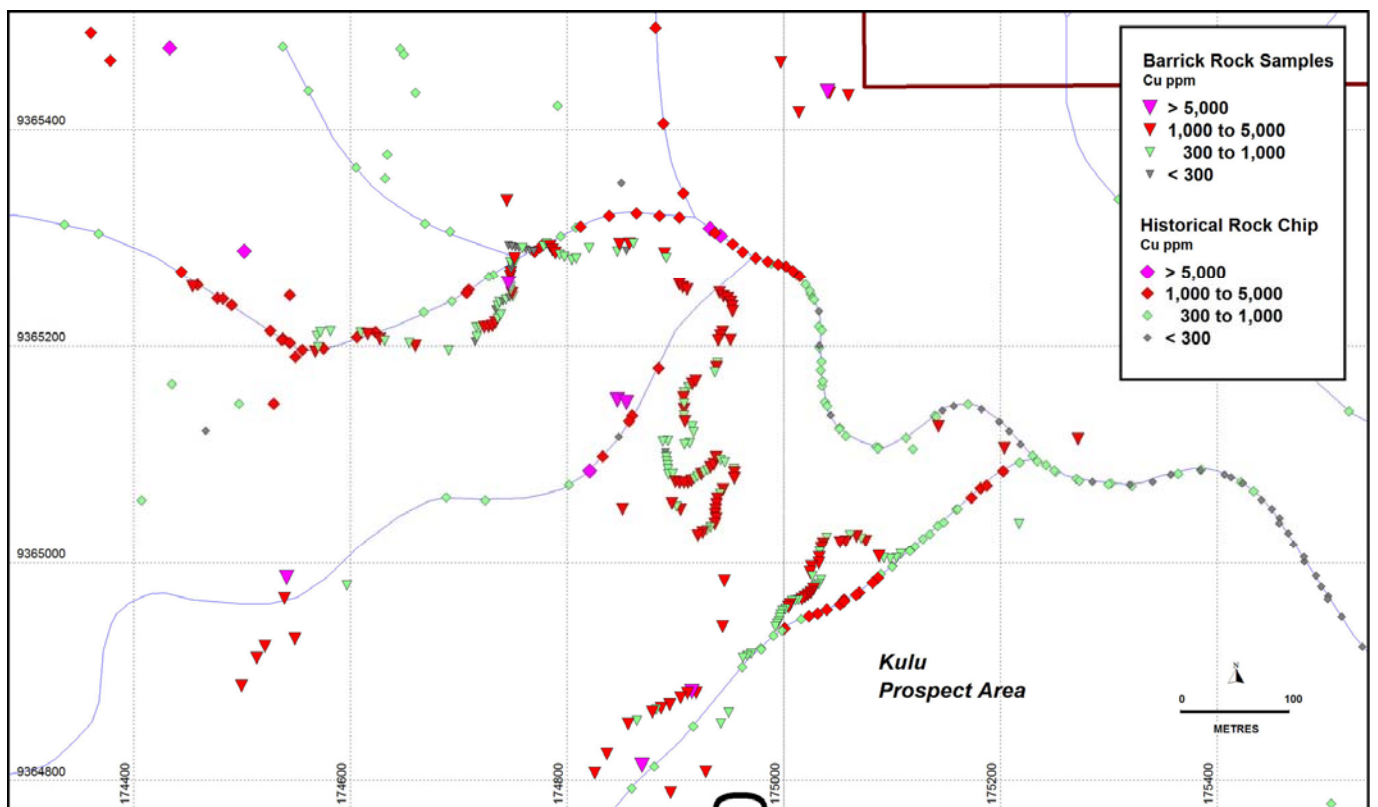


FIGURE 3: Kulu Prospect Rock Chip Sampling Results

On behalf of the board,



Peter Swiridiuk
MANAGING DIRECTOR

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

The information in this report that relates to Exploration Results and is based on information compiled by Peter Swiridiuk, who is a Member of the Australian Institute of Geoscientists. Peter Swiridiuk is a consultant to Coppermoly Ltd and employed by Aimex Geophysics. Peter Swiridiuk 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'. Peter Swiridiuk consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Notes:

- Rock samples were transported to the camp site then to the town of Kimbe then freighted to Intertek in Lae (PNG) for sample preparation. Samples are dried to 106 degrees C and crushed to < 2 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 0.5% are re-assayed. Intertek laboratories have an ISO 17025 accreditation.
- Quality control and quality assurance checks on sampling and assaying quality are satisfactory.
- Co-ordinates are given in UTM Zone 56, AGD66 Datum.

Kc/ps012.11