

ASX Announcement

24th February 2011

ASX Code: COY

**DRILLING RESULTS SHOW COPPER MINERALISATION OVER AT LEAST 500
METRES STRIKE LENGTH AT NAKRU-1**

Results from the remaining two drillholes completed at Nakru-1 demonstrate the continuity of copper and gold mineralisation to over 500 metres in strike length within a larger Induced Polarisation geophysical anomaly (Refer to Figure 1). Mineralisation is open to the east and at vertical depth, confirming the significant size potential of the system.

Diamond drill hole BWNBDD0010 returned copper mineralisation to 331.9 metres depth with intersections including 89.7 metres grading 0.69% copper and 0.19 g/t gold from 84.3 metres depth and 28.5 metres grading 0.73% copper and 0.25 g/t gold from 185.6 metres depth (Refer to Tables 1 and 2).

Drill hole BWNBDD0010 is approximately 200 metres west of BWNBDD0001 which had a previously reported intersection of 213.75 metres grading 0.92% copper and 0.33 g/t gold from 74.45 metres depth. Drillhole BWNBDD0009 occurs in between these two holes and intersected copper mineralisation to 341 metres depth with intercepts including 7.6 metres grading 1.14% copper from 85.7 metres depth (Refer to Table 3).

A cross-section through drillholes BWNBDD0001 and BWNBDD0007 shows the nature of copper mineralisation which becomes more continuous near the core of the mineralising system (Refer to Figure 2).

Over A\$9 million was spent by Barrick (PNG Exploration) Ltd ("Barrick") (a wholly owned subsidiary of Barrick Gold Corporation) in 2010 and plans are underway for further drilling in 2011. The Nakru project is within a four hour drive from existing infrastructure including a deep water port which will be essential for future development. An agreement between Barrick Gold Corporation and Coppermoly Ltd allows Barrick to spend A\$20 million to earn 72% of the tenements EL 1043 (Nakru), EL1077 (Simuku) and EL1445 (Talelumas).

A Three Dimensional Induced Polarisation (3D-IP) survey was recently completed by Barrick over prospects previously un-tested by drilling. Preliminary IP data over the Nakru-4 gold prospect returned a chargeability anomaly approximately 150 metres below surface. Recent rockchip sampling including a sample containing 1.2% copper within the area confirmed anomalous historical results (Refer to Figure 3). A chargeability anomaly was also detected over the Nakru-3 copper prospect.

Geochemical and geophysical anomalies led to the discovery of the Nakru-1 and Nakru-2 copper-gold-zinc systems. Further follow-up work is warranted to test other targets.

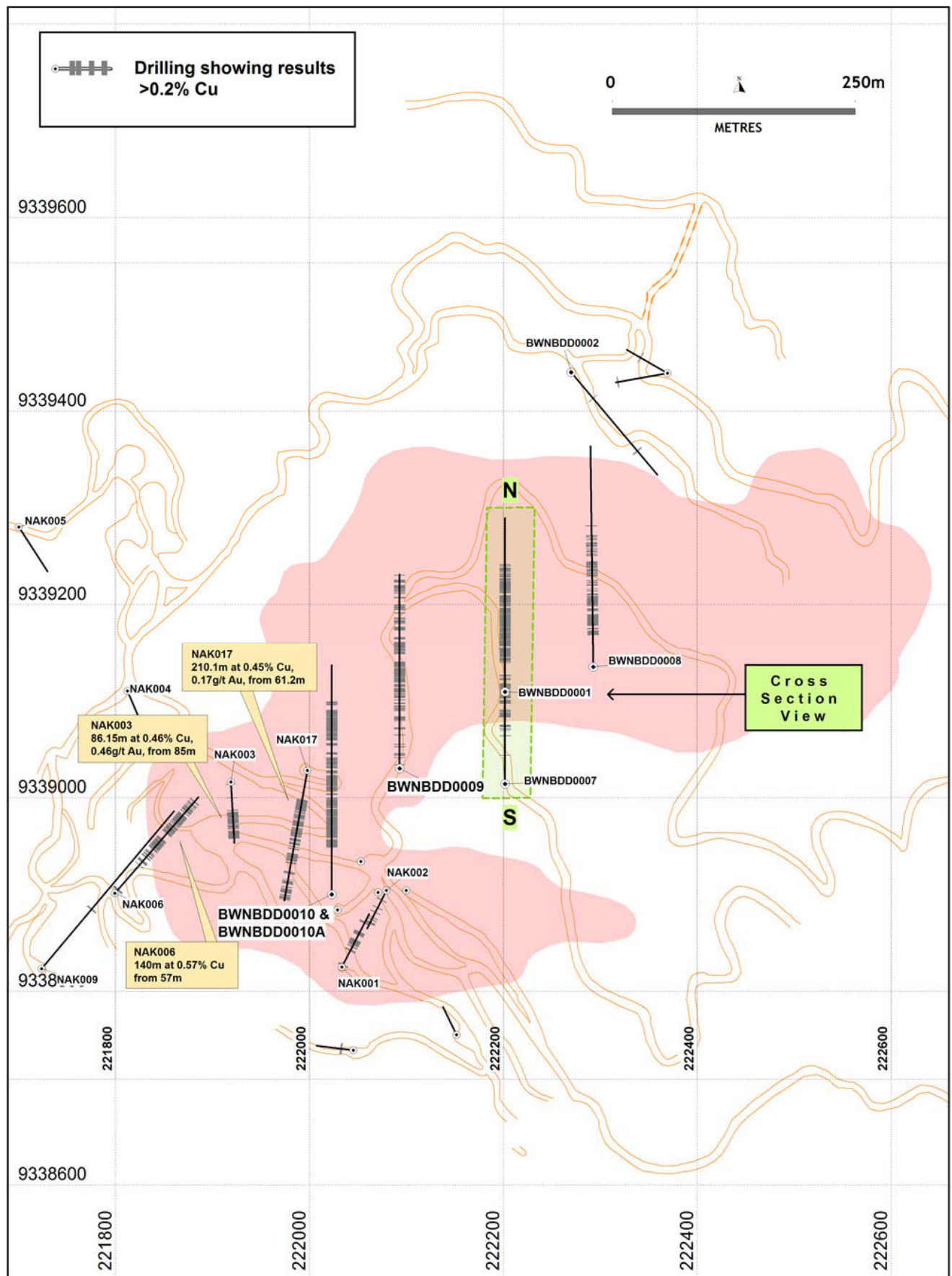


FIGURE 1: Nakru-1 Nominal Drill Trace with Outline of Geophysical Three Dimensional Induced Polarisation Anomaly at 100 metres Depth

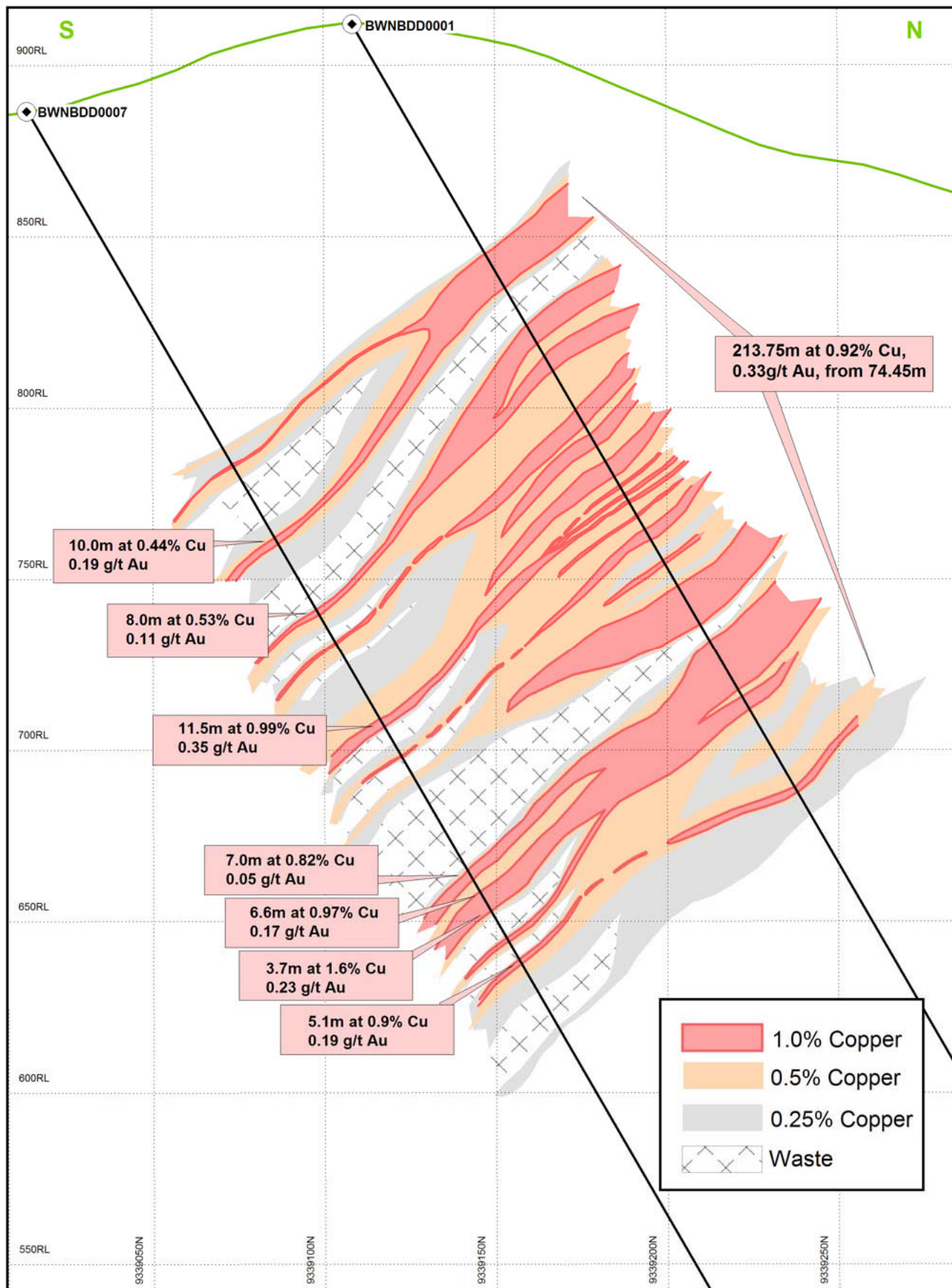


FIGURE 2: Mineralisation Cross-section of BWNBDD0009 and BWNBDD0007

Table 1: Mineralised Intercepts in diamond core hole BWNBDD0010

Mineralisation Type	Depth From (metres)	Depth To (metres)	Intercept Width (metres)	Copper (%)	Gold (g/t)	Cut-off
Oxide Gold	0	14.95	14.95	0.01	0.20	0.1 g/t Au
Oxide Gold	38.8	45	6.2	0.06	0.14	0.1 g/t Au
Oxide Gold	49	53	4	0.14	0.13	0.1 g/t Au
Oxide Gold	73	84.3	11.3	0.07	0.10	0.1 g/t Au
Sulphide Zone	84.3	174	89.7	0.69	0.19	0.2% Cu
Sulphide Zone	179	181.7	2.7	0.44	0.06	0.2% Cu
Sulphide Zone	185.6	214.1	28.5	0.73	0.25	0.2% Cu
Sulphide Zone	217.9	223.1	5.2	0.49	0.08	0.2% Cu
Sulphide Zone	226.5	247	20.5	0.38	0.22	0.2% Cu
Sulphide Zone	251.9	255.4	3.5	0.37	0.12	0.2% Cu
Sulphide Zone	267.9	272	4.1	0.34	0.08	0.2% Cu
Sulphide Zone	277	331.9	54.9	0.45	0.03	0.2% Cu

Table 2: Mineralised Intercepts in diamond core hole BWNBDD0010A (*From 294.8m depth)

Depth From (metres)	Depth To (metres)	Intercept Width (metres)	Copper (%)	Gold (g/t)	Cut-off
294.8	331	36.2	0.40	0.04	0.2% Cu
341.3	347	5.7	0.36	0.01	0.2% Cu

* Drillhole BWNBDD0010A was the result of an unintended deflection from BWNBDD0010.

Table 3: Mineralised Intercepts in diamond core hole BWNBDD0009

Depth From (metres)	Depth To (metres)	Intercept Width (metres)	Copper (%)	Gold (g/t)	Cut-off
23	24.8	1.8	0.34	0.04	0.2% Cu
38	44	6.0	0.2	0.00	0.2% Cu
71	73.9	2.9	0.28	0.00	0.2% Cu
85.7	93.3	7.6	1.14	0.05	0.2% Cu
104	113	9.0	0.44	0.08	0.2% Cu
116	118.5	2.5	1.11	0.03	0.2% Cu
127	151.9	24.9	0.57	0.09	0.2% Cu
154.8	192	37.2	0.54	0.28	0.2% Cu
206	229.1	23.1	0.58	0.31	0.2% Cu
234.1	237.9	3.8	0.70	0.09	0.2% Cu
250	256.2	6.2	0.97	1.00	0.2% Cu
262	273	11.0	0.23	0.16	0.2% Cu
280.4	282	1.6	0.24	0.04	0.2% Cu
286	296.7	10.7	0.34	0.11	0.2% Cu
308	310	2.0	0.54	0.04	0.2% Cu
316.1	332	15.9	0.31	0.03	0.2% Cu
336.4	341	4.6	0.45	0.08	0.2% Cu

Table 4: Drill Collar Table

Hole	Easting	Northing	Azimuth (deg)	Dip (deg)	Depth
BWNBDD0009	222093	9339030	0	-55	351
BWNBDD0010	222023	9338900	0	-60	341.9
BWNBDD0010A	222023	9338900	0	-60	412.8

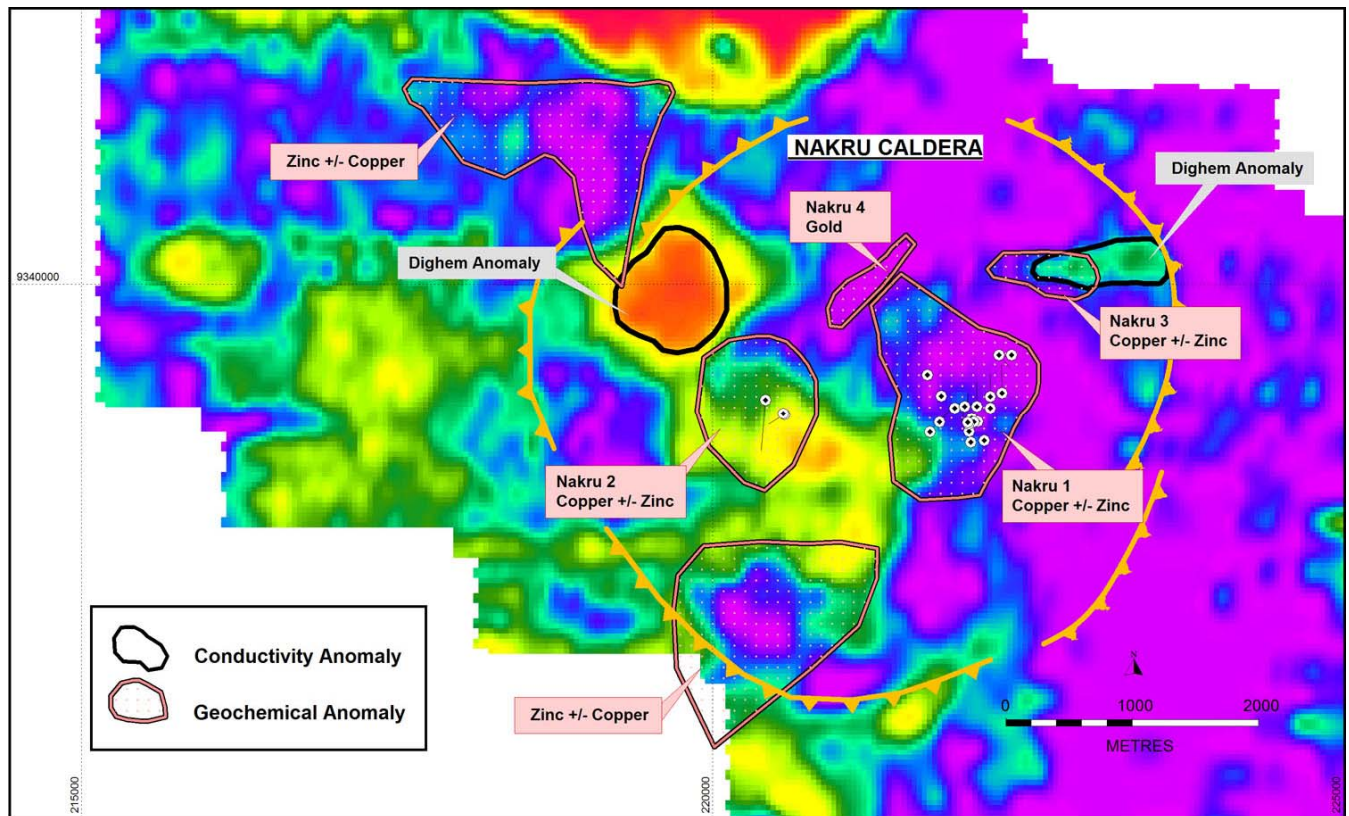


FIGURE 3: Historical Airborne Dighem Geophysical Image Showing Prospects and Targets

On behalf of the board,

P. Swiridiuk

Peter Swiridiuk
MANAGING DIRECTOR

For further information please contact Peter Swiridiuk 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:

- All stated intersections are weighted assay averages ($[\text{Sum of each total interval} \times \text{grade}] / \text{Total length of intersection}$).
- Drillhole samples from drillholes were transported to the camp site then to the town of Kimbe where they were logged, orientated and sampled between 1m and 2m intervals from core split by saw. The split samples are then freighted to Intertek in Lae (PNG) for sample preparation. Drillholes BWNBDD0010 and BWNBDD0010A were sent to ALS Townsville for preparation and analysis. 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 and ALS 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 and ALS laboratories have an ISO 17025 accreditation. Unused half core is stored in sheltered premises in the town of Kimbe.
- Quality control and quality assurance checks on sampling and assaying quality are satisfactory.
- BWNBDD (Barrick West New Britain Diamond Drillhole) Series Drill Core is PQ, HQ and NQ in size with core recovery predominantly greater than 90%.
- Map co-ordinates are given in UTM Zone 56, AGD66 Datum.
- Mineralised intersections are quoted as down hole widths.