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ASX Announcement

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**COPPERMOLY TO FORM A JOINT VENTURE WITH BARRICK
ON ITS THREE TENEMENTS IN PAPUA NEW GUINEA**

“Barrick has notified Coppermoly Limited that they have met the \$20 million expenditure commitment under the farm-in agreement on Coppermoly’s tenements on New Britain Island (Simuku, Nakru and Talelumas).

Therefore Barrick have now earned a 72% stake in each of the tenements.

In accordance with the farm-in agreement a joint venture for the further exploration and evaluation and, if warranted, the development, of the tenements will now be formed.

Coppermoly does not have to contribute funds until a feasibility study has been finalised.

Coppermoly will retain a 28% interest in the three tenements and its cash contribution up to the completion of a feasibility study will be delayed until the commencement of production, and will be repaid from Coppermoly’s share of any future production revenue.

The large copper and gold projects within the tenements are located within a four hour drive from existing infrastructure, including a deep water port at the provincial capital of Kimbe. The proximity of this infrastructure enhances the potential for any future development.

The joint venture will provide significant upside to Coppermoly shareholders through the retention of a substantial interest in these advanced projects.

Coppermoly also expects to be able to undertake exploration in its own right on the new areas that Coppermoly currently has under application on New Britain Island as tenements over those areas are granted during 2012” commented Managing Director Peter Swiridiuk.

About the Projects subject to the Joint Venture:

The **Simuku** Project, which includes the Simuku and the Talelumas Exploration Licences, is within a one hour drive by 4WD vehicle from the provincial capital of Kimbe on New Britain Island (refer to Figure 1). Kimbe is accessible by daily flights from the capital of PNG, Port Moresby.

A total of 10,248 metres has been drilled in 37 diamond holes. Porphyry style copper-molybdenum-(gold) mineralisation is discontinuously present over an area of about 4.5km by 1.0km. Over 28km of bulldozer trenching have defined a 3,500 metres by 650 metres anomalous envelope of copper mineralisation.

It is host to an Inferred Resource of 200 million tonnes grading 0.47% copper equivalent (using a 0.30% copper equivalent* cut-off), which includes an Inferred Resource of 80 million tonnes grading 0.60% copper equivalent** (using a 0.5% copper equivalent** cut-off). It 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).

***Re "Copper Equivalent" – see notes on the final page.*

During 2011, three diamond holes were completed up to 500 metres below the Inferred Resource. Once assay results have been received for the last drill hole BWNBDD0016, it will be determined if the existing Inferred Resource can be upgraded.

The **Nakru** Project is within a four hour drive by 4WD vehicle from the provincial capital of Kimbe on New Britain Island (refer to Figure 1). Copper, gold and zinc mineralisation has been intersected by drilling at the Nakru-1, 2 and 4 prospects with a total of 31 diamond drillholes for 7,253 metres.

The Nakru-1 copper-gold system is the most advanced prospect within the Nakru tenement with 27 diamond drillholes completed for 5,928.4 metres. In 2010, a diamond drillhole through the centre of a geophysical chargeability anomaly intersected 213.75 metres grading 0.92% copper and 0.33 g/t gold from 74.45 metres depth. With subsequent drilling of the western portion of the anomaly, Nakru-1 has an Exploration Target* of 50 to 60 Mt grading 0.7 to 0.9% copper within the bounds of the existing drillholes.

**In accordance with Clause 18 of The JORC Code, the reference to 'Exploration Target' in terms of target size and type should not be taken as an estimate of Mineral Resources or Ore Reserves. The statement referring to quantity and grade of the exploration target is based upon exploration results to-date, including extensive drilling that has intersected the mineralization. The potential quantity and grade is conceptual in nature. There has been insufficient exploration to define a Mineral Resource and it is uncertain if further exploration will result in the definition of a Mineral Resource.*

Further drilling is required to determine the extent of mineralisation at both the Nakru-1, Nakru-2 and other geochemical and geophysical targets.

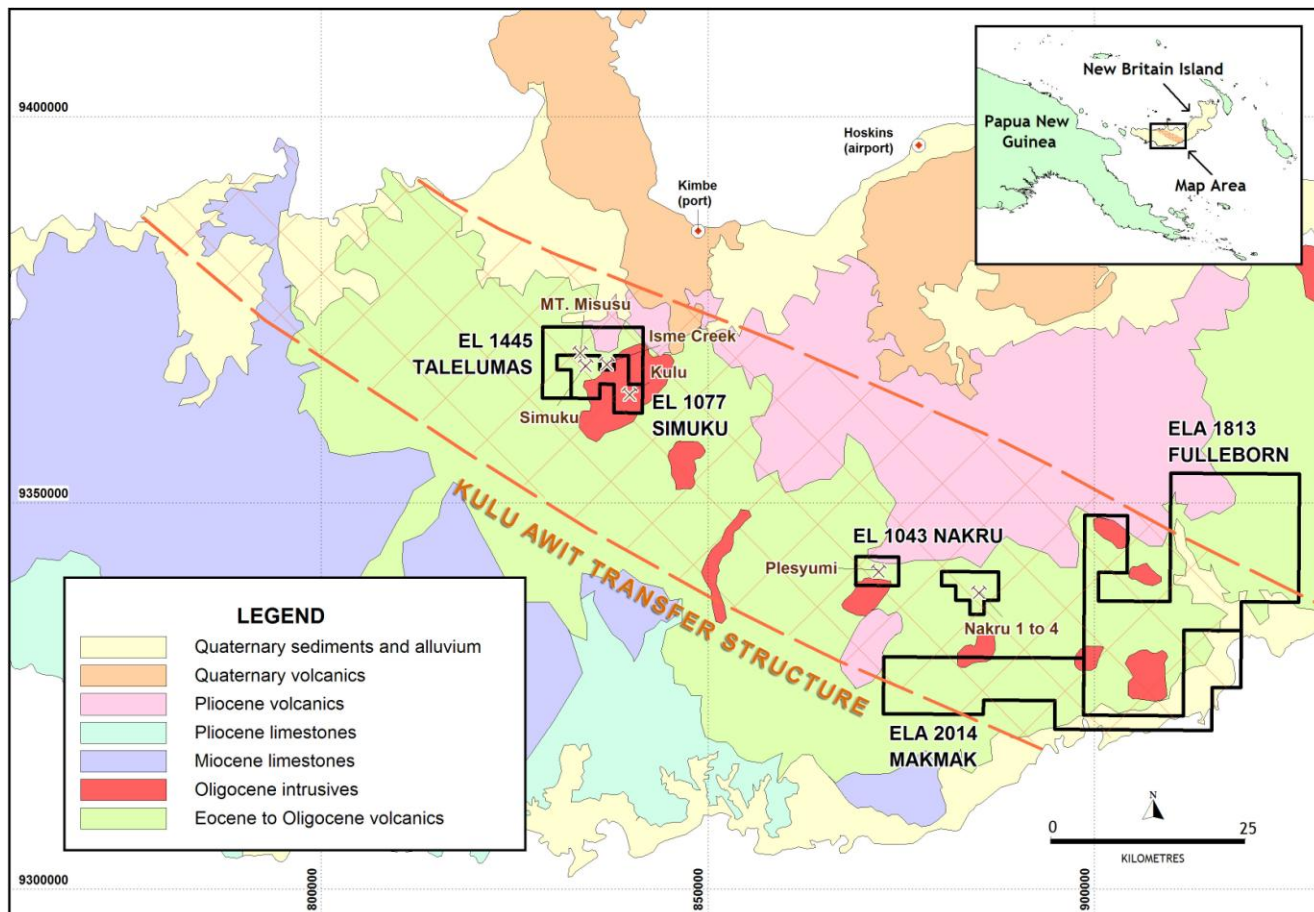


FIGURE 1: Location of Coppermoly Projects on the Kulu Awit Copper Belt

On behalf of the board,

P. Swiridiuk

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 Inferred Resources 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 Limited and is 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 were then freighted to either Intertek in Lae (PNG) for sample preparation. Samples were dried to 106 degrees C and crushed to < 2 mm. Samples greater than 2kg were rifle split down to 1.5kg and pulverised to 75 microns. The final 300g sized pulp samples were then sent to Intertek laboratories in Jakarta for geochemical analysis. Intertek analysed for gold using a 50g Fire Assay with Atomic Absorption Spectroscopy finish. Other elements were assayed with ICPAES Finish. Copper values greater than 0.5% were re-assayed. Intertek 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 were satisfactory.
- BWNBDD (Barrick West New Britain Diamond Drillhole) Series Drill Core is PQ, HQ and NQ in size with core recovery predominantly greater than 93%.
- Co-ordinates are given in UTM Zone 56, AGD66 Datum.
- Mineralised intersections are quoted as down hole widths.
- Mineralisation at Simuku consists of copper, molybdenum, gold and silver.
- ** Copper equivalent values have been calculated as $(\text{Cu} + (7.6 \times \text{Mo}) + (7818 \times \text{Au}) + (101.3 \times \text{Ag}))$.
- ** 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 price.
- ** Copper Equivalent is the contained copper, molybdenum, gold and silver 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.