

ASX Announcement

Date: 16th March 2012

ASX Code: COY

DRILLING INTERSECTS MINERALISATION AT COPPERMOLY'S KULU PROSPECT

Queensland-based copper explorer Coppermoly Limited (ASX: COY) ("the Company") is pleased to report results from a drilling program in the Kulu prospect area at its Simuku tenement in Papua New Guinea (refer to Figure 1).

Drillhole BWNBDD0018 was completed to 617.2m depth at the South Kulu prospect, which is 6km east-southeast of the Simuku Project within the Kulu batholith. The Kulu, Miwayuen and Rapisme prospects were explored in the 1960's, 70's and 80's by CRA, BHP and Esso as porphyry copper targets. Historical drilling by CRA and BHP intersected primary copper mineralisation grading less than 0.2% copper.

Barrick (PNG Exploration), a wholly-owned subsidiary of Barrick Gold Corporation, is Coppermoly's farm-in partner on three PNG projects, including Simuku. The recent hole by Barrick at South Kulu targeted a strongly fractured dioritic intrusive which consistently returned more than 0.2% copper and 20 to 50ppm molybdenum from channel rock chip sampling. The target zone has at least a 500m strike length delineated from 2010 and 2011 mapping by Barrick.

Assay results (refer to Table 1) show copper mineralisation from 93m to 442m depth including:

- 27m grading 0.29% copper equivalent* from 143m depth;
- 2m of 0.15% copper and 286 ppm molybdenum from 440m depth.

Mineralisation was intersected within diorite, feldspar porphyry and intrusive breccia (refer to Figure 2 and Table 1). Results demonstrate significant areas of copper and molybdenum mineralisation throughout the Simuku tenement.

BWNBDD0018 is the last remaining hole completed to date by Barrick. Drilling equipment, personnel and field equipment have been demobilised from the field sites. Barrick is continuing a low level economic scoping study on both the Simuku and Nakru projects. A low level presence is being maintained at its office in Kimbe.

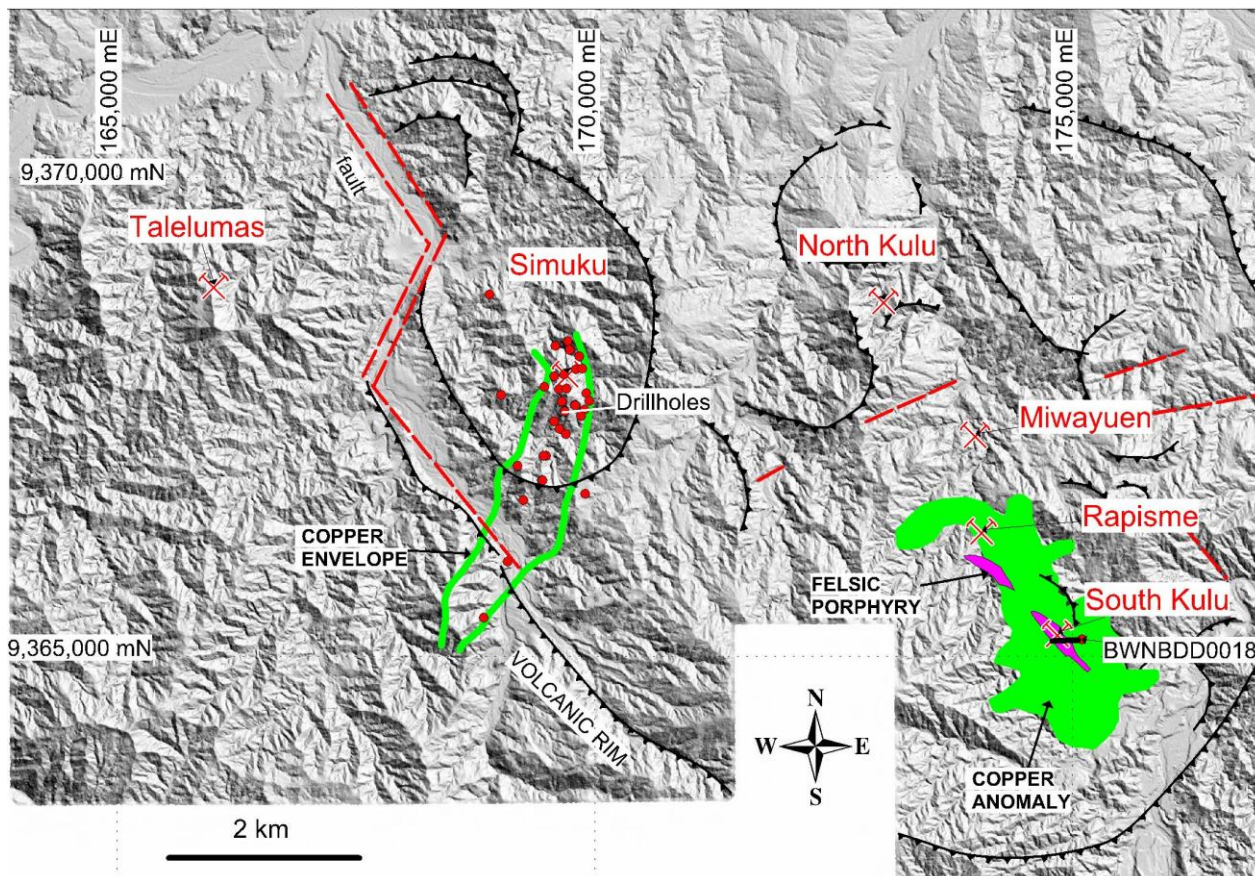


Figure 1: Location of prospects and structure on topographic Lidar image

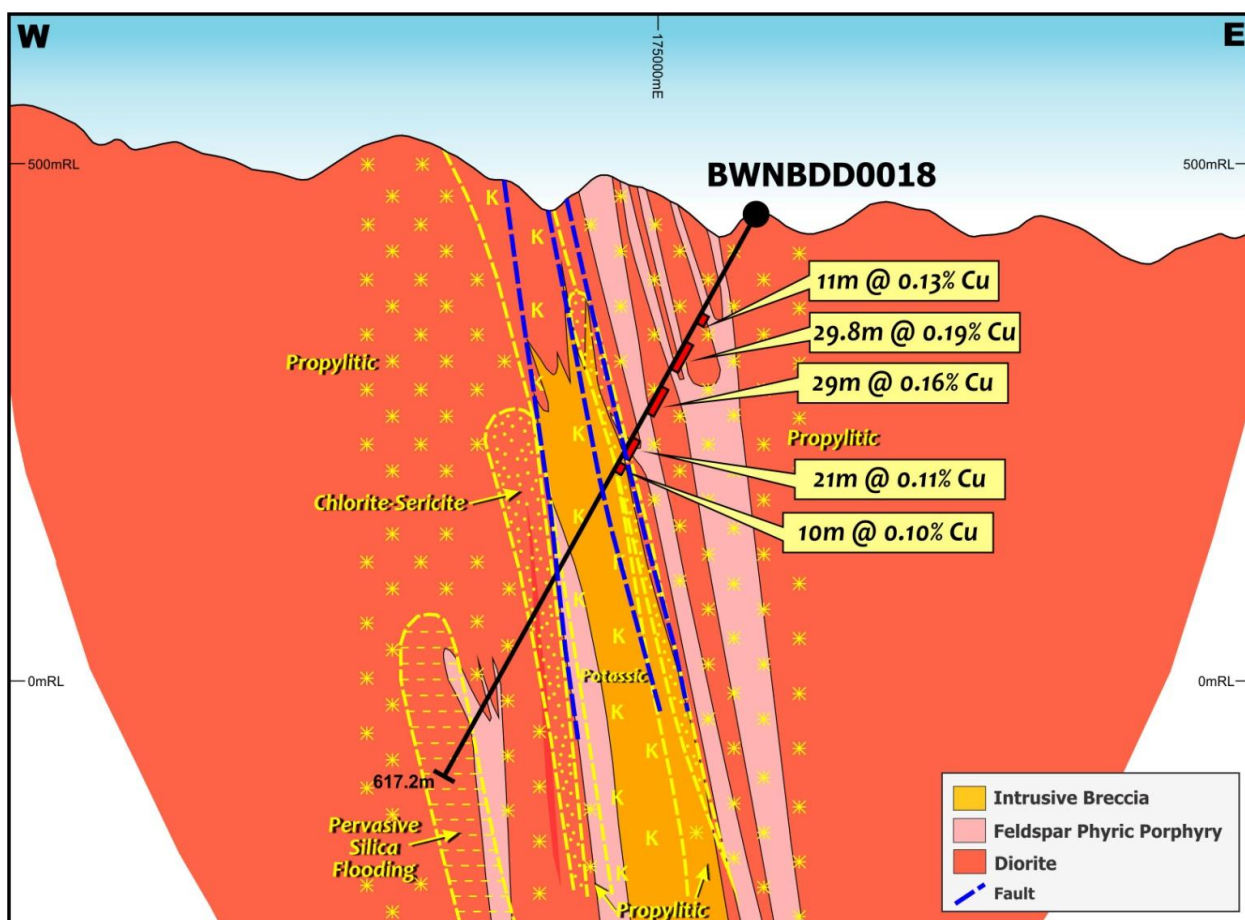


Figure 2: Cross-section of BWNBDD0018 showing select copper intersections
(Courtesy of Barrick PNG Exploration)

Location: 175095e, 9365182n, azimuth 271.1° TN, dip 61.6°, depth 617.2m)

Table 1: BWNBDD0018 (Kulu prospect) Significant Intercepts (cut-off 0.1% Cu.Eq)

Geology	Width (m)	Cu.Eq* %	Cu %	Mo ppm	Au g/t	Ag g/t	From (m)	To (m)
Diorite	7	0.16	0.10	26	0.05	1.4	93	100
Diorite	2	0.30	0.28	2	0.02	0.65	108	110
Diorite	2	0.14	0.26	0	0.01	0.01	112	114
Diorite	2	0.15	0.14	3	0.01	0	117	119
Diorite	4	0.23	0.20	20	0.01	1.29	124.5	128
Diorite/porphyry	27	0.29	0.21	19	0.07	1.95	143	170
Diorite	27	0.19	0.17	19	0.01	0.44	190	217
Diorite	5	0.12	0.11	8	0.01	0.62	242	247
Diorite/porphyry	9	0.16	0.14	14	0.01	0.75	252	261
Breccia	2	0.16	0.12	32	0.01	1.0	263	265
Breccia	5	0.17	0.15	22	0.02	0.42	276	281
Breccia	4	0.10	0.08	9	0.02	0.38	286	290
Breccia	6	0.13	0.10	21	0.01	0.72	304	310
Breccia	3	0.16	0.14	3	0.02	0.83	319	322
Breccia	2	0.20	0.17	13	0.01	1.05	351	353
Porphyry	2	0.27	0.15	286	0	0.25	440	442

About Coppermoly

Queensland-based copper exploration company Coppermoly Limited (ASX: COY) is focused on exploring for and developing copper-gold deposits. It has three tenements, Simuku, Nakru and Talelumas, on New Britain Island, Papua New Guinea and another three tenements nearby under application at Powell, Makmak and Fulleborn (refer to Figure 3).

The Simuku Project has an Inferred Mineral Resource of 200 million tonnes grading 0.36% copper, 61 ppm molybdenum, 0.06 g/t gold and 2 g/t silver. A resource upgrade for Simuku and a maiden Inferred Resource for the Nakru-1 project is expected in the second quarter of 2012.

Barrick (PNG Exploration) has spent more than \$20 million on Coppermoly's Simuku (EL1077), Nakru (EL1043) and Talelumas (EL1445) tenements and has now earned a 72% stake in these three projects. A joint venture for the exploration of the tenements will now be formed.

Coppermoly has signed an agreement to earn up to 70% on the Esk Trough copper-gold projects in southeast Queensland by spending \$6 million in exploration over the next six years. An initial \$500,000 will be spent on geophysics and drilling during 2012.

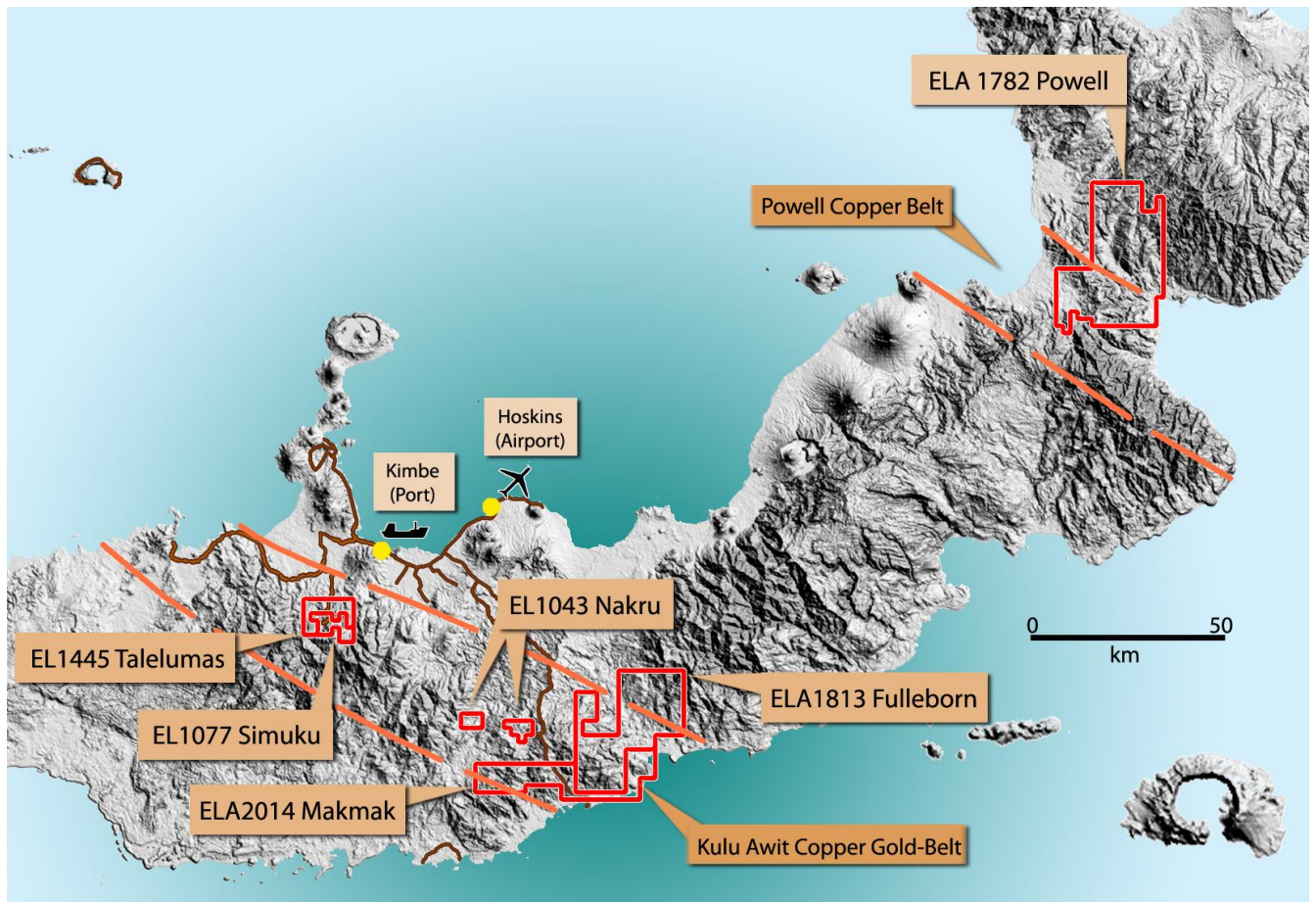


Figure 3: Location of Coppermoly projects on New Britain Island, PNG

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 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 Ltd 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 $(\text{Cu} + (4.1 \times \text{Mo}) + (6909 \times \text{Au}) + (122.2 \times \text{Ag}))$.
- 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 and Kulu 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.