

**ASX Announcement**

**Date: 8<sup>th</sup> May 2012**

**ASX Code: COY**

**DRILLING COMMENCES AT ESK TROUGH**

Queensland-based copper explorer Coppermoly Limited (ASX: COY) (“the Company”) is pleased to announce the commencement of an approximately 1675-metre reverse circulation (RC) drilling programme on its farm-in venture at Esk Trough, Queensland (refer to Figure 1).

The drilling programme is designed to test for extensions to significant copper and gold grades near surface at the Kakapo and White Horse prospects within the Boobyjan tenement.

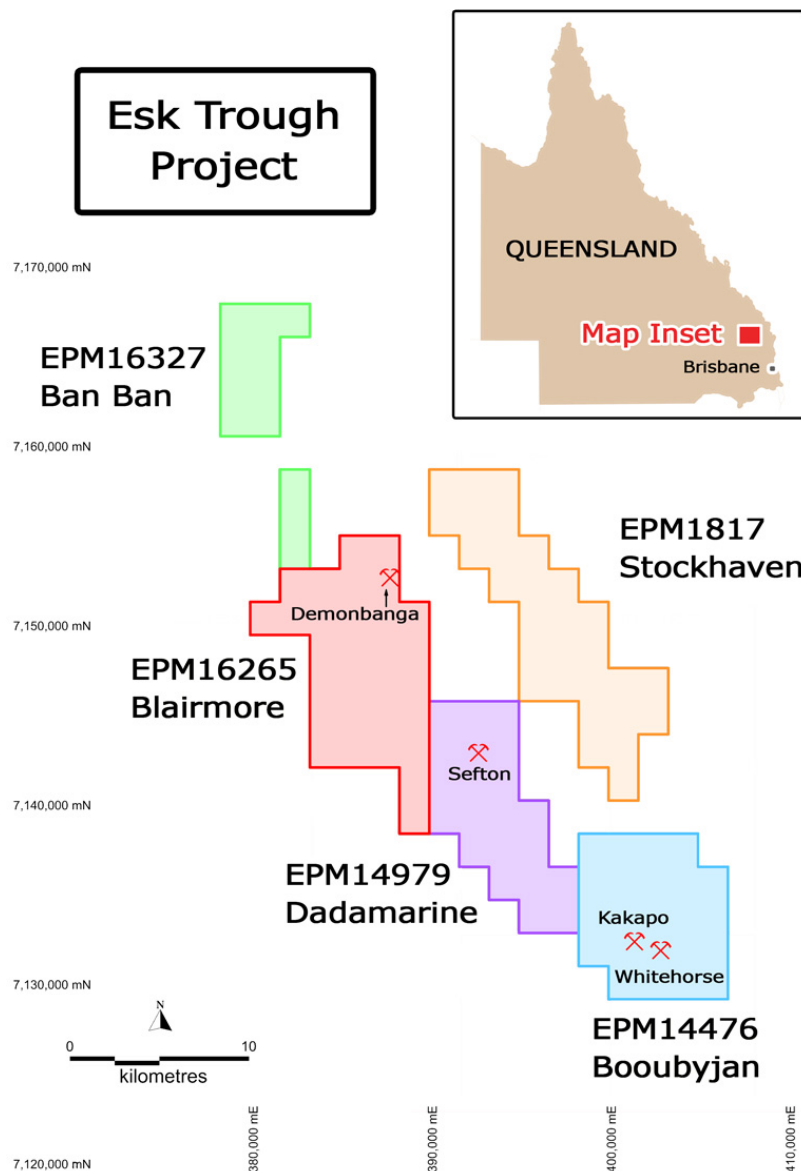


Figure 1: Location of the Esk Trough Project, Queensland

Coppermoly has a farm-in agreement with ActivEx Limited (ASX: AIV) at the highly prospective Esk Trough Project which consists of five exploration permits in south-east Queensland, a four-hour drive north-west of the state capital of Brisbane and 80km west of Gympie. AIV is managing the first stage of the exploration program. Coppermoly can earn a 51% interest in the project by spending \$3 million over three years and can further elect to advance its interest to 70%.

Significant known deposits within the Esk Trough area include:

- |                         |   |
|-------------------------|---|
| 1. Whitewash porphyry   | Resource: 242 Mt at 258ppm Mo, 0.12% Cu |
| 2. Oaky Creek porphyry  | Drilling: 48m at 0.23g/t Au & 0.2% Cu   |
| 3. Mt Perry mesothermal | Drilling: 36m at 0.8g/t Au              |
| 4. Mt Rawdon breccia    | Resource: 0.9Moz Au & 2.5Moz Ag         |
| 5. Coalstoun porphyry   | Resource: 85.6 Mt at 0.3% Cu            |
| 6. Barambah epithermal  | Drilling: 17m at 4.98g/t Au & 118g/t Ag |
| 7. Boobyjan porphyry    | Drilling: 88m at 0.47% Cu & 0.49 g/t Au |
| 8. Peenam porphyry      | Drillhole: 48m at 0.2 g/t Au & 0.22% Cu |
| 9. Anduramba porphyry   | Resource: 31.6Mt at 540ppmMo & 0.14% Cu |

Companies that have explored in the area have included Kennecott, Esso, CRAE, MIM, Cyprus, Poseidon and D'Aguilar Gold.

At the Kakapo prospect (refer to Figure 2), drilling will follow up on the extensions and continuity of historical drilling results, such as 88m grading 0.47% copper and 0.49 g/t gold in KAKD1 and 1.8m grading 2.12% copper in BRADS26 (refer to Table 1).

Table 1: Kakapo prospect historical drillhole intersections

Hole_Id	Interval	Copper (%)	Gold (g/t)	From (m)	To (m)
KAKP3 Depth=120m	22	0.26	0.29	62	84
	Including 8	0.49	0.67	62	70
KAKD2 Depth=186.4m	58	0.25	0.15	72	130
	Including 17	0.44	0.29	99	116
KAKD1 Depth=213.4m	88	0.47	0.49	38	126
	62	0.16	0.05	126	188
BRAPS29 Depth=133m	2	-	0.07	20	22
	2	0.08	-	26	28
BRAPD25 Depth=186m	38	0.33	0.4	63	101
	45	0.20	-	101	146
BRADS26 Depth=210m	1.8	2.12	0.72	40	41.8
ABJ017 Depth=348m	17	0.12	-	119	136
ABJ006 Depth=99m	11	0.10	0.03	6	17

The drilling programme at Kakapo follows the successful three-dimensional Induced Polarisation (3DIP) geophysical programme, completed in April, covering a 700m by 600m gold-in-soils anomaly. This survey identified particular zones where copper mineralisation occur, including within the near-surface 'blue' conductivity image which shows possible extensions of mineralisation (refer to Figure 3).

Copper mineralisation from drilling occurs above the pyritic alteration which becomes clearly evident in the 'green' chargeability image (refer to Figure 3).

Further analysis of the geophysical data will be undertaken once the additional drilling has been completed.

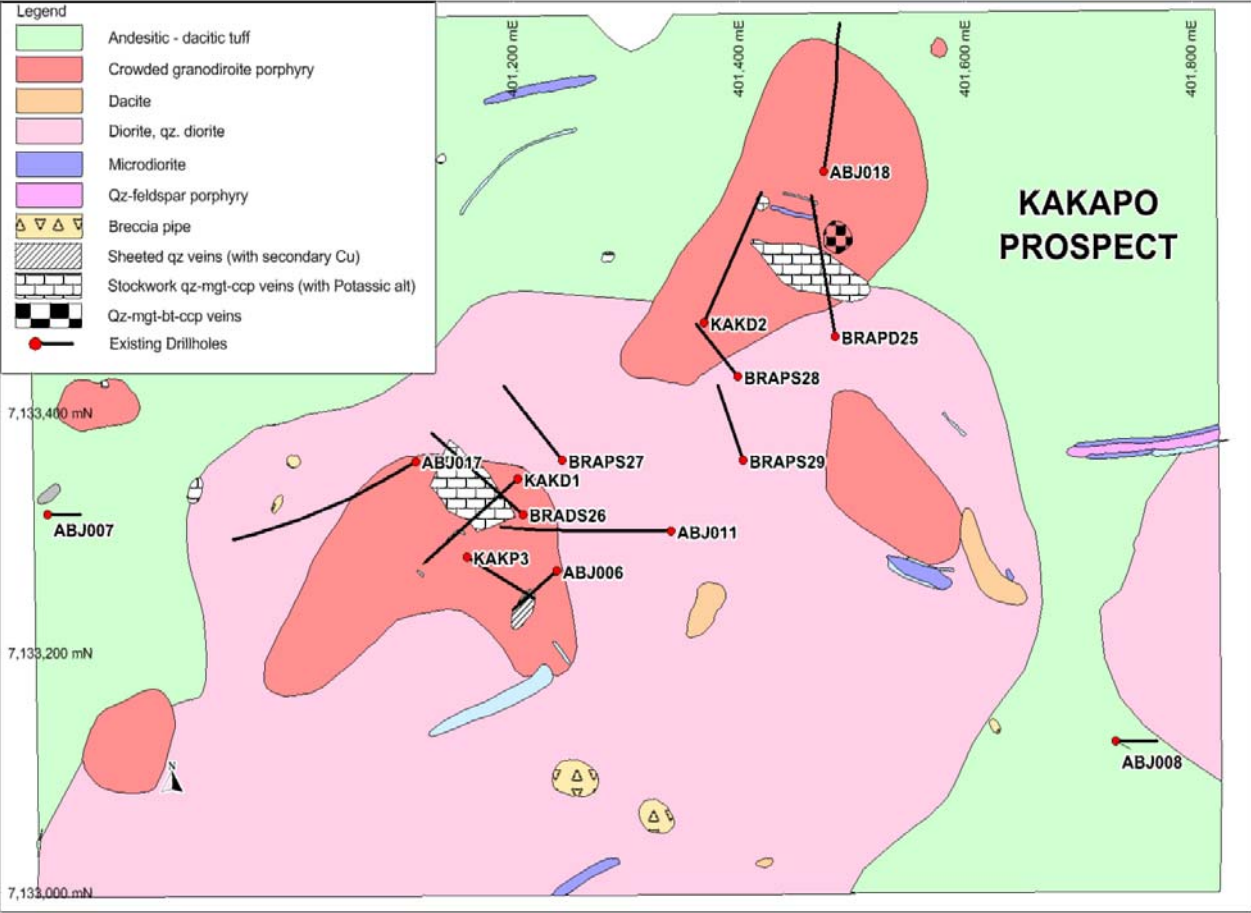


Figure 2: Kakapo prospect geology and historical drillholes

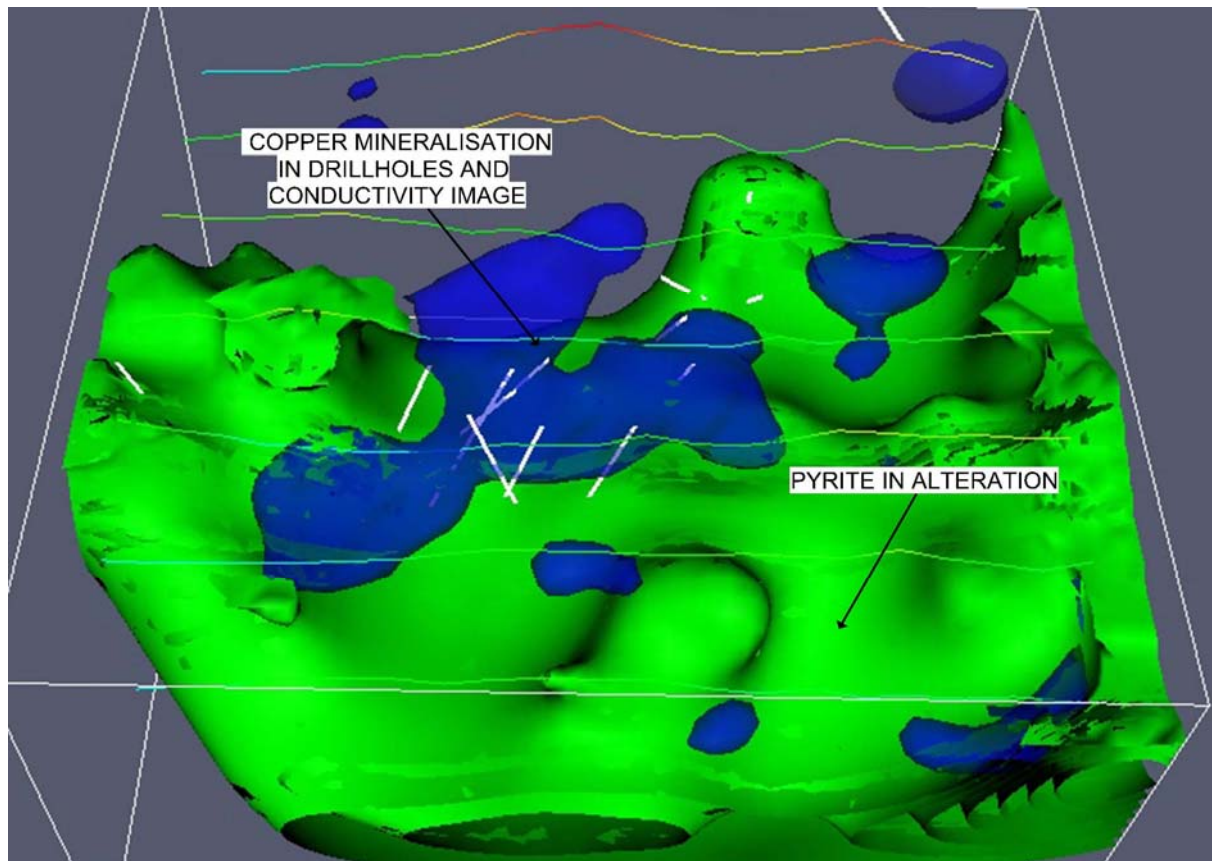


Figure 3: Kakapo 3D geophysical image showing historical drillhole locations (Blue shows conductivity image, Green shows chargeability image)

At the Whitehorse prospect, 2km east of Kakapo (refer to Figure 4), drilling will test for the upper 75m extents and continuity of copper mineralisation from nearby historical drillholes where results have included:

BRAPD12:

- 38m at 0.74% Cu and 0.13 g/t Au from 20m depth, including **10m at 1.87% Cu** and 0.14 g/t Au from 22m depth

BRAPS14:

- 44m at 0.43% Cu and 0.11 g/t Au from 22m, including **8m at 1.2% Cu** and 0.08 g/t Au from 36m depth

BRAPS15:

- **2m at 2.42% Cu** from 30m depth.

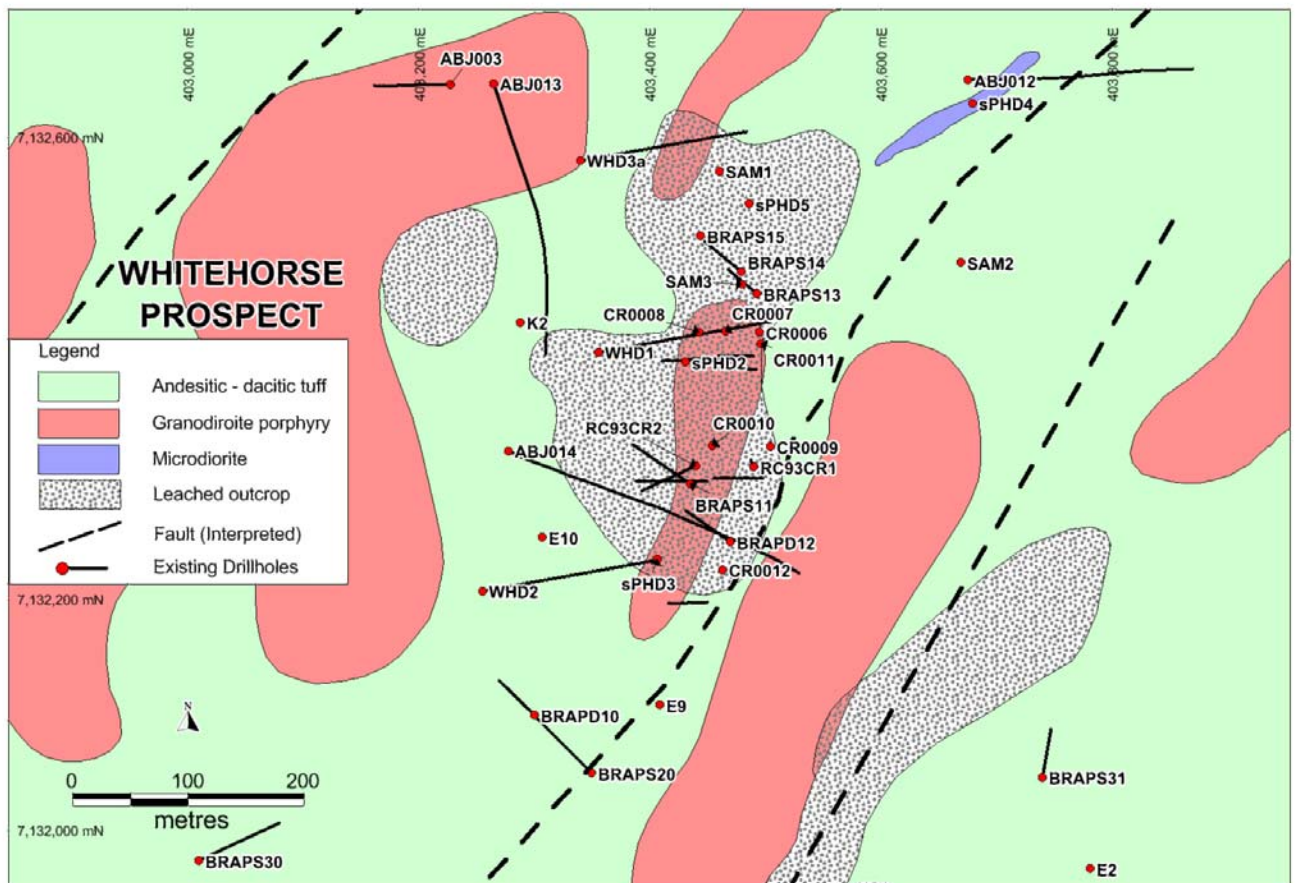


Figure 4: Whitehorse prospect geology and historical drillholes

A total of 14 holes for 1,675 metres across the two prospects commenced on 4 May 2012 and should be completed by June.

Results of the 3DIP surveys over the Sefton and Demonbanga prospects will be analysed during May.

### About Coppermoly

Queensland-based copper exploration company Coppermoly Limited (ASX: COY) is focused on exploring for and developing copper-gold deposits in Papua New Guinea and Queensland. It has three tenements, Simuku, Talumas and Nakru, on New Britain Island, Papua New Guinea and another three tenements nearby under application.

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. An analysis for a resource upgrade for Simuku and the possibility of a maiden Inferred Resource for the Nakru-1 project has commenced, with results expected in May.

Following Coppermoly's extensive exploration programs in 2008 and 2009, 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. An initial \$500,000 will be spent on geophysics and drilling during 2012 to determine if Coppermoly wishes to earn-in a percentage of the projects.

The main points of the Agreement are:

1. Minimum Exploration Expenditure of \$500,000 within 12 months.
2. Coppermoly may then elect to earn a 51% interest in the tenements by sole funding \$3 million (including the minimum expenditure) in three years to earn-in 51%.
3. Coppermoly may then elect to spend a further \$3 million to earn-in 70% over a further three-year period.
4. Once Coppermoly has achieved the second stage earn-in, the companies contribute on a pro-rata basis or ActivEX can elect to claw back a 10% interest (to 40%) by sole funding \$6 million on exploration expenditure within three years.

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](http://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 ( $[(\text{Sum of each total interval} \times \text{grade}) / \text{Total length of intersection}]$ ).
- Co-ordinates are given in UTM Zone 56, AGD84 Datum.
- Mineralised intersections are quoted as down hole widths.