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ASX Announcement

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GEOPHYSICAL SURVEY REVEALS QLD SULPHIDE TARGET FOR DRILLING

Queensland-based copper explorer Coppermoly Limited (ASX: COY) ("the Company") is pleased to announce successful completion of a three dimensional Induced Polarisation (3DIP) geophysical programme at the Sefton, Kakapo and Demonbanga prospects on its farm-in venture at Esk Trough, Queensland (refer to Figure 1). Results from the Sefton prospect reveal a significant anomaly to be drill tested.

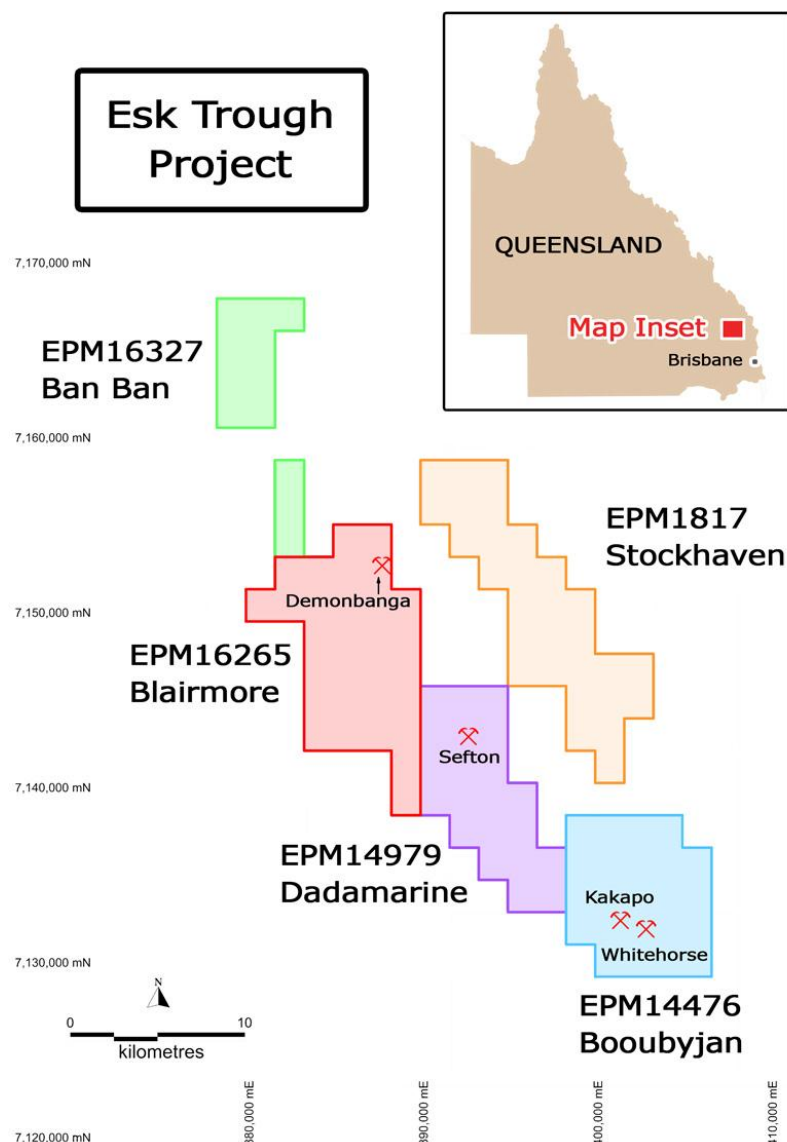


Figure 1: Location of the Esk Trough Project

The Esk Trough region, north-west of Brisbane, is home to a number of significant multi-element mineral deposits including (refer to Figure 2):

- | | |
|------------------------|---|
| 1. Whitewash porphyry | Resource: 242Mt at 258ppm Mo, 0.12% Cu |
| 2. Mt Rawdon breccia | Resource: 0.9Moz Au & 2.5Moz Ag |
| 3. Coalstoun porphyry | Resource: 85.6 Mt at 0.3% Cu |
| 4. Barambah epithermal | Drilling: 17m at 4.98g/t Au & 118g/t Ag |
| 5. Booubyjan porphyry | Drilling: 88m at 0.47% Cu & 0.49 g/t Au |
| 6. Anduramba porphyry | Resource: 31.6Mt at 540ppmMo & 0.14% Cu |

The Esk Trough Project is located within a major transfer structure where increasing occurrences of mineralising events, such as the Booubyjan copper-gold porphyry and Sefton molybdenum porphyry, have been identified.

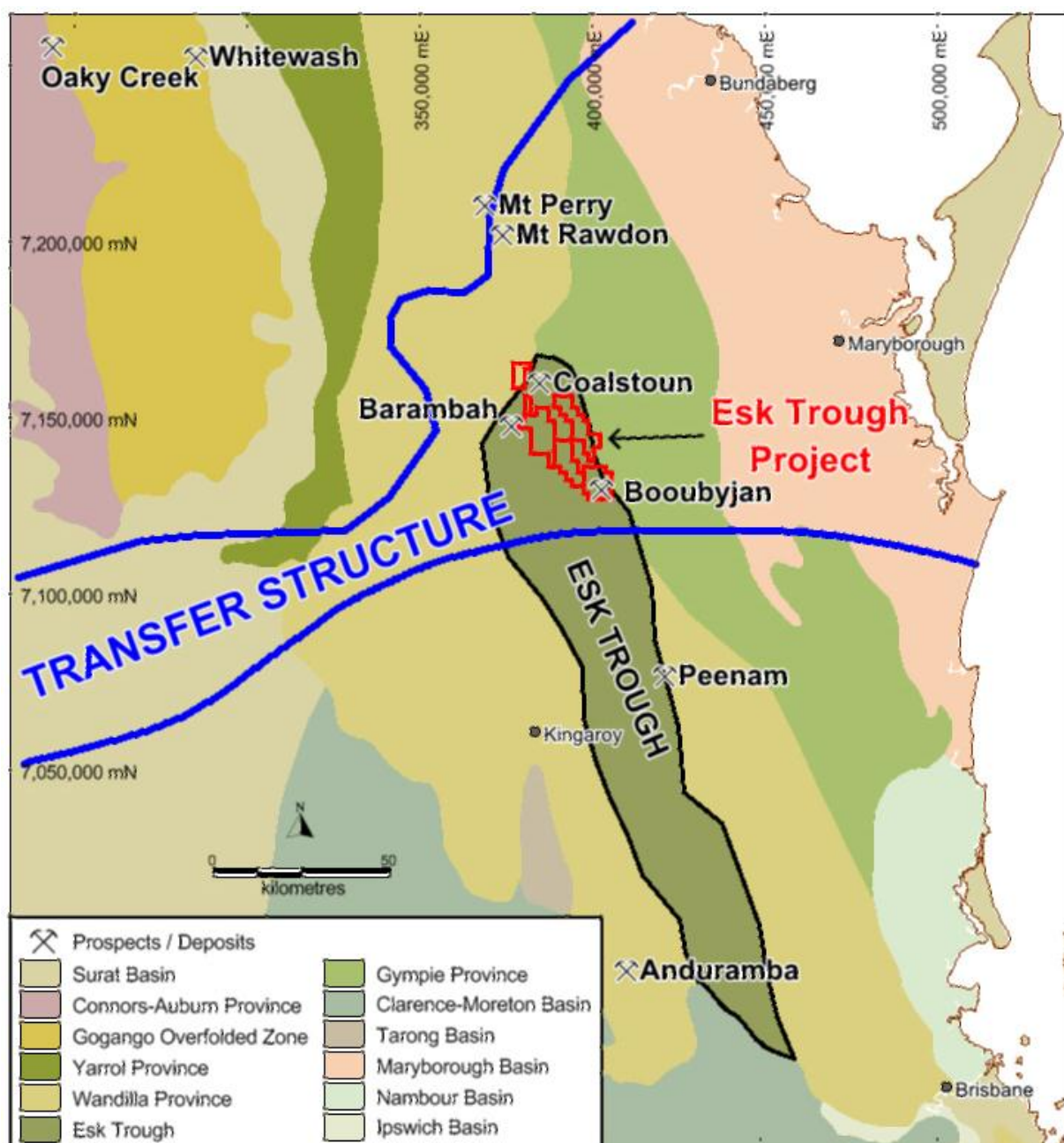


Figure 2: Esk Trough regional geology

A large geophysical anomaly has been identified very close to the Sefton Prospect identified by previous explorers. The recent 3DIP geophysical survey undertaken by Coppermoly and project manager ActivEx Limited (ASX: AIV) shows a 300m x 500m, intense chargeability anomaly and sulphide target on the northern margin of the survey boundary (refer to Figure 3).

The anomaly is open to the north and will be drill tested (refer to Photo 1) immediately following completion of the drilling currently underway at the Whitehorse and Kakapo copper-gold prospects at Esk Trough (refer to Figure 1).

The geophysical IP/sulphide target (refer to Figures 4 and 5) is interpreted to be related to iron, and possibly copper sulphides, and molybdenum emanating from a porphyry intrusive at depth beneath a thin layer of gravels. A 1300m by 400m copper-in-soils anomaly that occurs partly coincident with and south of the sulphide target likely represents transported mineralisation in a near surface layer of gravels.

The Sefton prospect within EPM14979 represents a porphyry molybdenum deposit only 6km east of the Burnett Highway. It has historical drillhole assays of 3 metres grading 1250ppm molybdenum from 100 metres depth (SEF008) from drilling completed by Jimbilly Pty Ltd. Jimbilly drilled to a maximum depth of only 130m with most holes less than 50m deep. Subsequent drilling (ASH001) into an historical single line dipole-dipole IP geophysical anomaly intersected alteration accompanied in part by thin molybdenum-bearing quartz veins (refer to Figure 3).

Historical drilling did not test the significant geophysical target that the recent 3DIP survey has detected. Conductivity targets (refer to Figure 6) which extend to depth are additional targets which Coppermoly and ActivEx may drill test in future.

The 3DIP geophysical results from the Demonbanga and Kakapo prospects are currently being interpreted. The drilling at Whitehorse and Kakapo prospects is due to be complete by early June and Coppermoly expects results from this programme before the end of June.

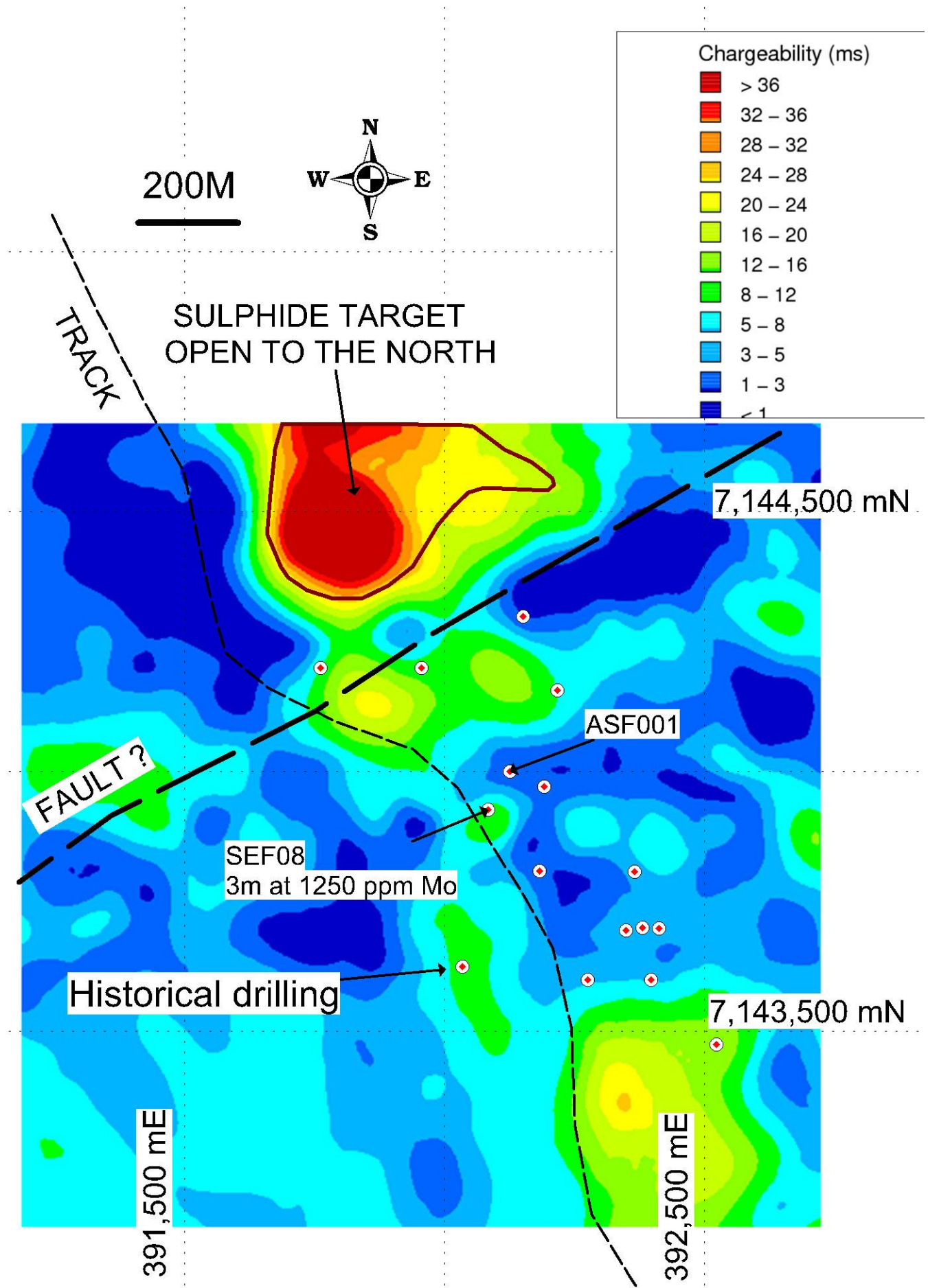


Figure 3: Sefton geology and 3DIP results at 150 metres depth

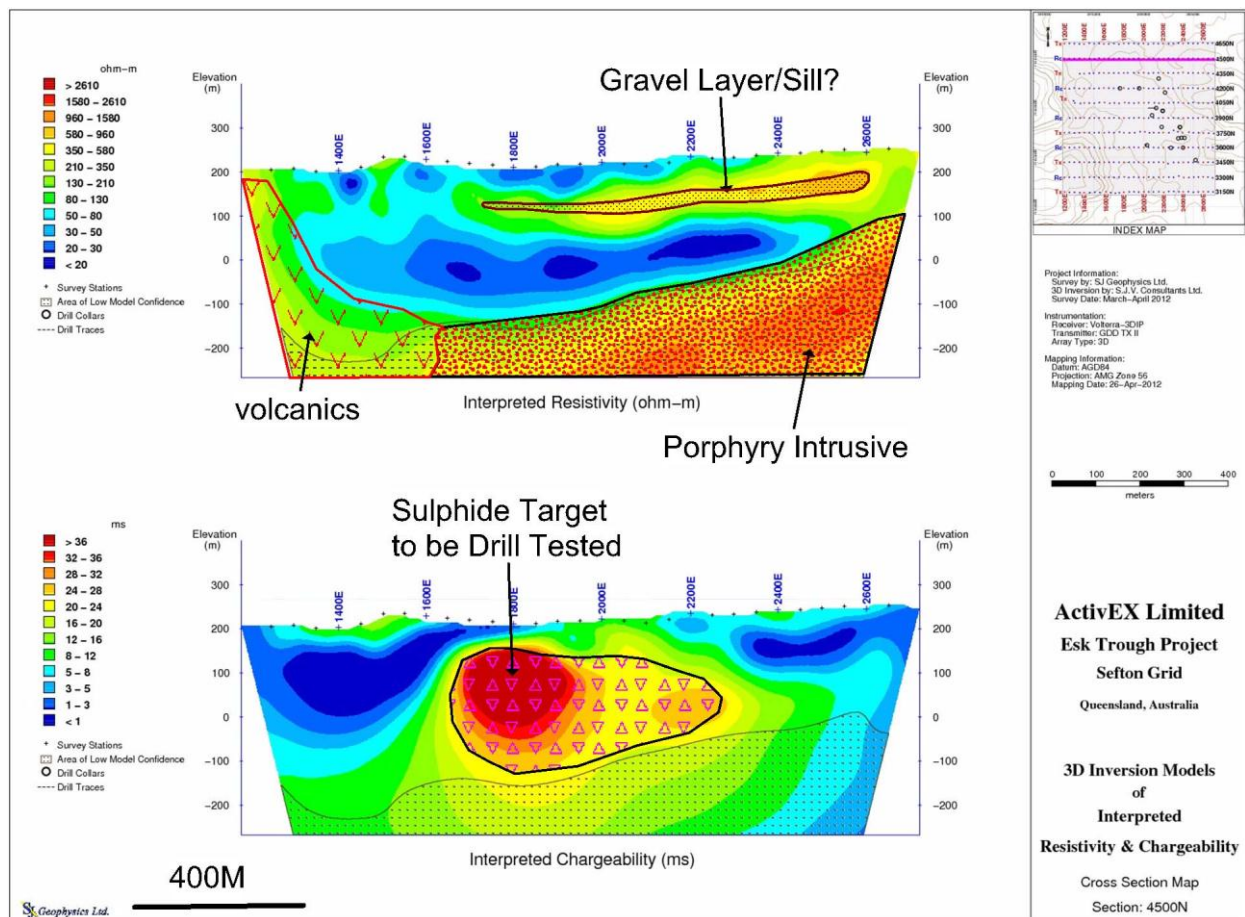


Figure 4: Sefton 3DIP results and interpretation along Line 4500N

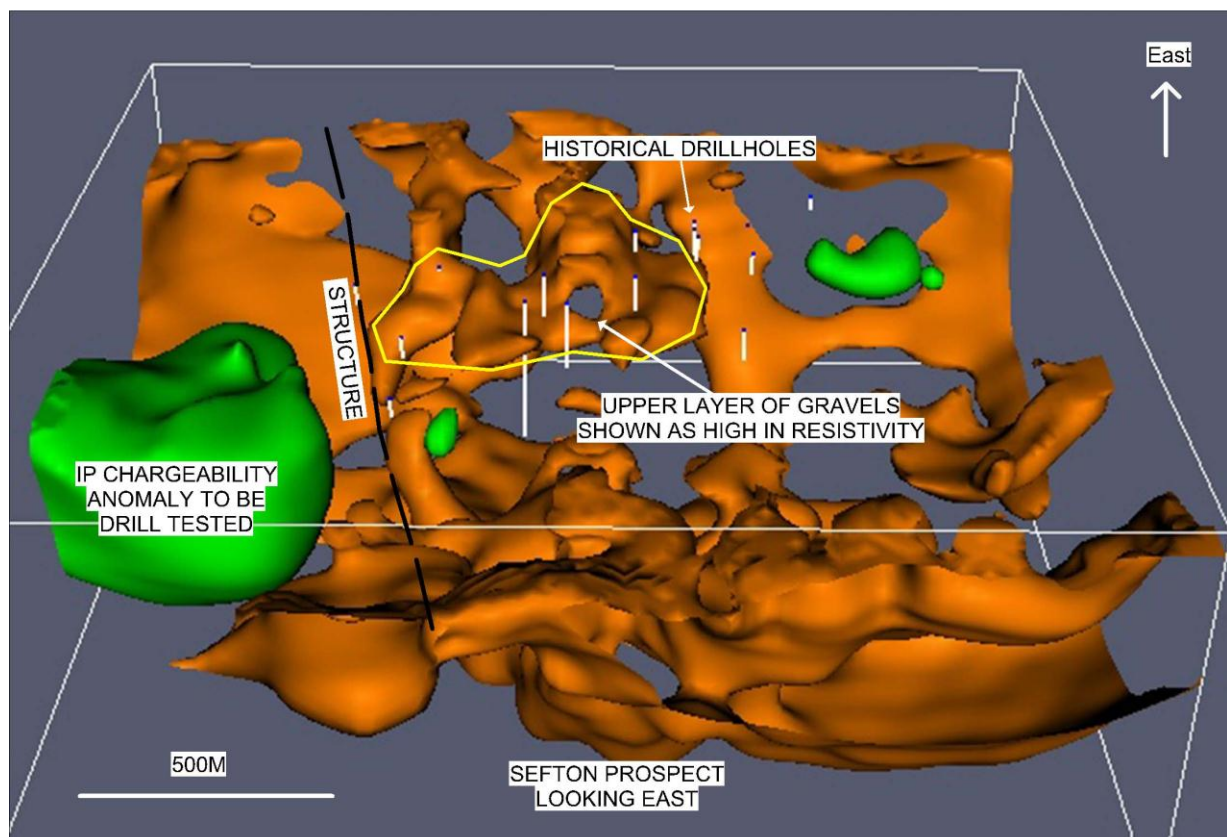


Figure 5: Sefton 3DIP geophysical results looking west (Green=chargeability 20 ms; Brown=resistivity 800 Ω .m)

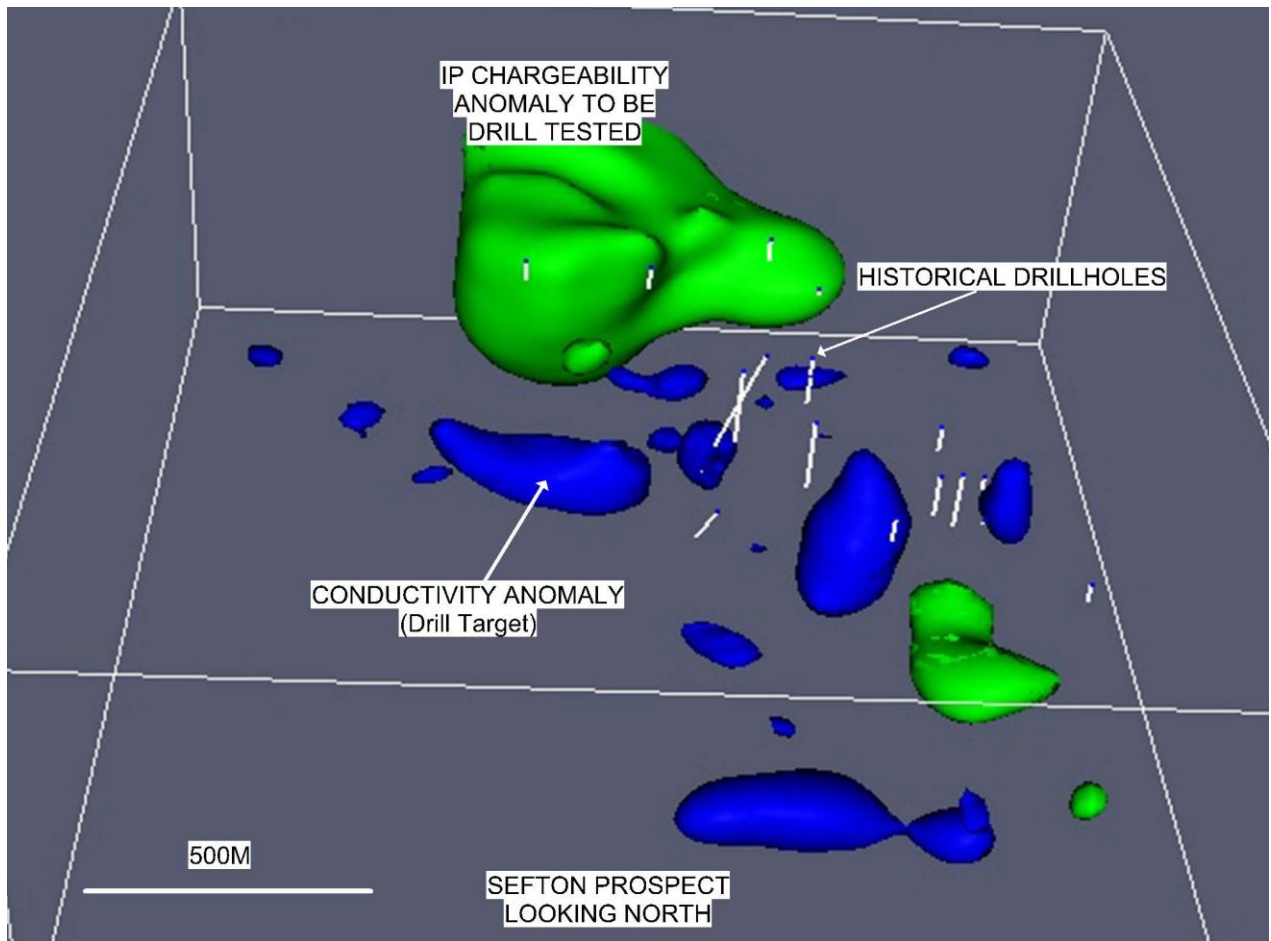


Figure 6: Sefton 3DIP geophysical results looking north (Green=chargeability 20 ms; Blue=conductivity 0.15 S/m)

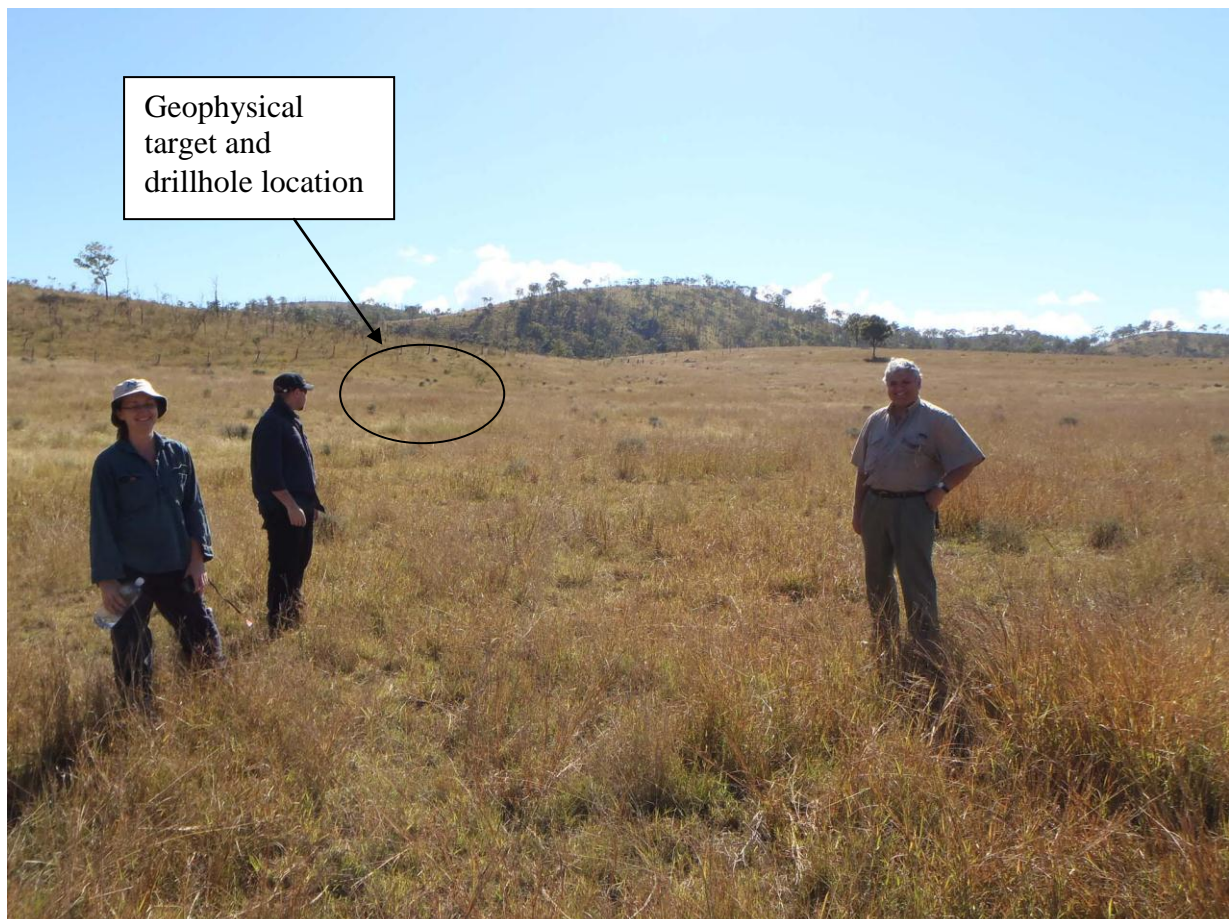


Photo 1: Topography of the Sefton project and location of the geophysical target

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.

Coppermoly has a farm-in agreement with ActivEx Limited (ASX: AIV) at the Esk Trough Project. This 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.

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.

Coppermoly also has three tenements, Simuku, Talelumas 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 an estimation of a maiden Inferred Resource for the Nakru-1 project has commenced. Delays in generating the geological interpretation now have results expected in June.

Following Coppermoly's extensive exploration programs in 2008 and 2009, Barrick (PNG Exploration) spent more than \$20 million on the Simuku (EL1077), Nakru (EL1043) and Talelumas (EL1445) tenements and has now earned a 72% stake in these three projects. It is expected that a joint venture will now be formed and further drilling to begin in the second half of 2012.

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