



COPPERMOLY
Limited

ADDRESS

PO Box 6965
Gold Coast Mail Centre
Qld 9726 Australia

ABN 54 126 490 855

PHONE

+61(07) 5592 1001

FAX

+61 (07) 5592 1011

EMAIL

info@coppermoly.com.au

WEBSITE

www.coppermoly.com.au

**ASX
Announcement**

Date: 26th July 2012

ASX Code: COY

**MAIDEN RESOURCE AT NAKRU-01 DELIVERS 38.4 MILLION
TONNES GRADING 0.82% COPPER EQUIVALENT***

Queensland-based copper explorer Coppermoly Limited (ASX:COY) (“Coppermoly”) is pleased to announce a Maiden Inferred Mineral Resource on its Nakru-01 copper-gold-silver project on New Britain Island, Papua New Guinea (“PNG”).

HIGHLIGHTS

- A Maiden Inferred Mineral Resource was estimated for the Nakru-01 copper deposit by independent consultants Golder Associates. Using a 0.2% copper cut-off, the deposit contains **38.4 million tonnes grading 0.82% copper equivalent*** (or 0.61% copper + 0.28g/t gold + 1.80 g/t silver).
- Using a 0.5% copper cut-off the deposit contains **21.6 million tonnes grading 1.10% copper equivalent*** (or 0.81% copper + 0.39 g/t gold + 1.81 g/t silver).
- The Nakru-01 Volcanogenic Massive Sulphide (VMS) copper deposit **contains 233,400 tonnes of copper, 11 tonnes of gold and 69 tonnes of silver** (or 514 million pounds of copper, 350,000 ounces of gold and 2 million ounces of silver).
- Through further drilling there is great potential to increase the tonnage of the resource. The geophysical response and exploration results received to date indicate that further drilling is required to determine the confines of overall mineralisation, as well as define the extent of the upper oxide zone and secondary copper enrichment blanket beneath.
- A Conceptual Mining Study (CMS) is currently being undertaken to evaluate the basic economic potential of the Nakru-01 deposit in its present form. The CMS is expected to be completed in August.
- The milestone marks the second Maiden Inferred Mineral Resource on New Britain Island, after the Company announced in 2009 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 at the Simuku Project.

“With the exploration completed by Coppermoly and Barrick over the past four and a half years, we have achieved resources at Nakru and Simuku with a total copper inventory of over two billion pounds of contained copper,” Coppermoly Managing Director Peter Swiridiuk said.

“We expect further drilling to improve the size of the Nakru-01 resource as well as define the size of upper copper enrichment. With Nakru-02 next door requiring a similar amount of drilling, there is certainly much more copper yet to be found.

“Copper prices have remained over US\$3/lb for the past year and with continued urbanisation in China, the price is projected to remain buoyant well into 2013.”

The Nakru-1 copper-gold system is the most advanced prospect within the Nakru tenement (refer to Figure 1). Drilling results through an overlying ‘blanket’ of secondary copper enrichment in BWNBDD0001 include:

- 13.55 metres grading 2.8% copper and 0.23 g/t gold from 74.45 metres
- Intersected Barren Dyke at 89 metres depth
- 22.23 metres grading 1.47% copper and 0.13 g/t gold from 98.75m.

In hole BWNBDD0008, on the eastern edge of the geophysical anomaly (refer to Figure 2), an epithermal gold vein was intersected with:

- 23.5m grading 1.30% copper and 2.38 g/t gold from 87.3 metres depth, including
- 1m grading 4.6% copper, 42 g/t gold and 2840 ppm tellurium from 99 metres depth.

Additional drilling will assist in defining the extent of gold and tellurium credits which may become a significant to the overall mineralisation.

Since 2012, Joint Venture partner Barrick (PNG Exploration) (“Barrick”) Limited have spent over A\$21.6 million on drilling and exploration. Barrick will fund and conduct a \$2.21 million exploration program on these projects during the second half of the 2012 calendar year.

The drilling will be aimed at targeting the higher grade secondary enrichment zones at Nakru-1 and Simuku. Barrick have submitted drill samples to Intertek laboratories to help determine the proportion of acid soluble copper in the supergene blanket.

In 2009 Coppermoly announced a Maiden Inferred Mineral Resource at its Simuku project with 200 million tonnes grading 0.36% copper, 61 ppm molybdenum, 0.06 g/t gold and 2 g/t silver. An upgrade of the Simuku Inferred Resource will now be undertaken once additional drilling has been completed in 2012.

The Simuku porphyry copper Deposit 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 ounces of molybdenum, 400,000 ounces of gold and 13 million ounces of silver).

Both the Simuku and Nakru-1 Deposits are located on PNG’s New Britain Island (refer to Figure 1). The projects are within a four-hour drive by 4WD vehicle from the provincial capital of Kimbe, which has businesses, roads, shops, electricity and a deep water port (refer to Photo 1) that supports the region’s growing oil palm industry. These local services are essential for the future development of Coppermoly’s projects.

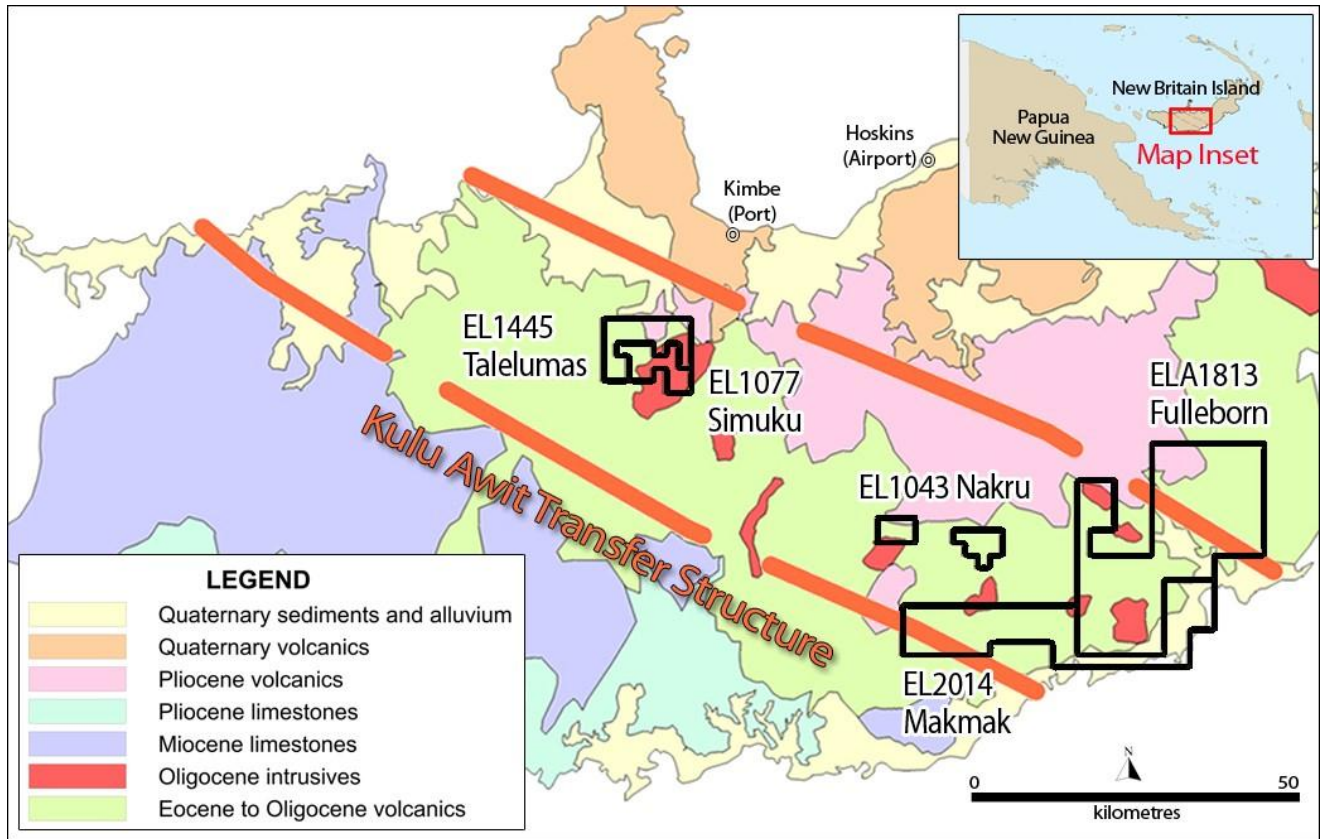


FIGURE 1: Location of Coppermoly projects on New Britain Island



PHOTO 1: Aerial view of the deep water port at the provincial capital of Kimbe

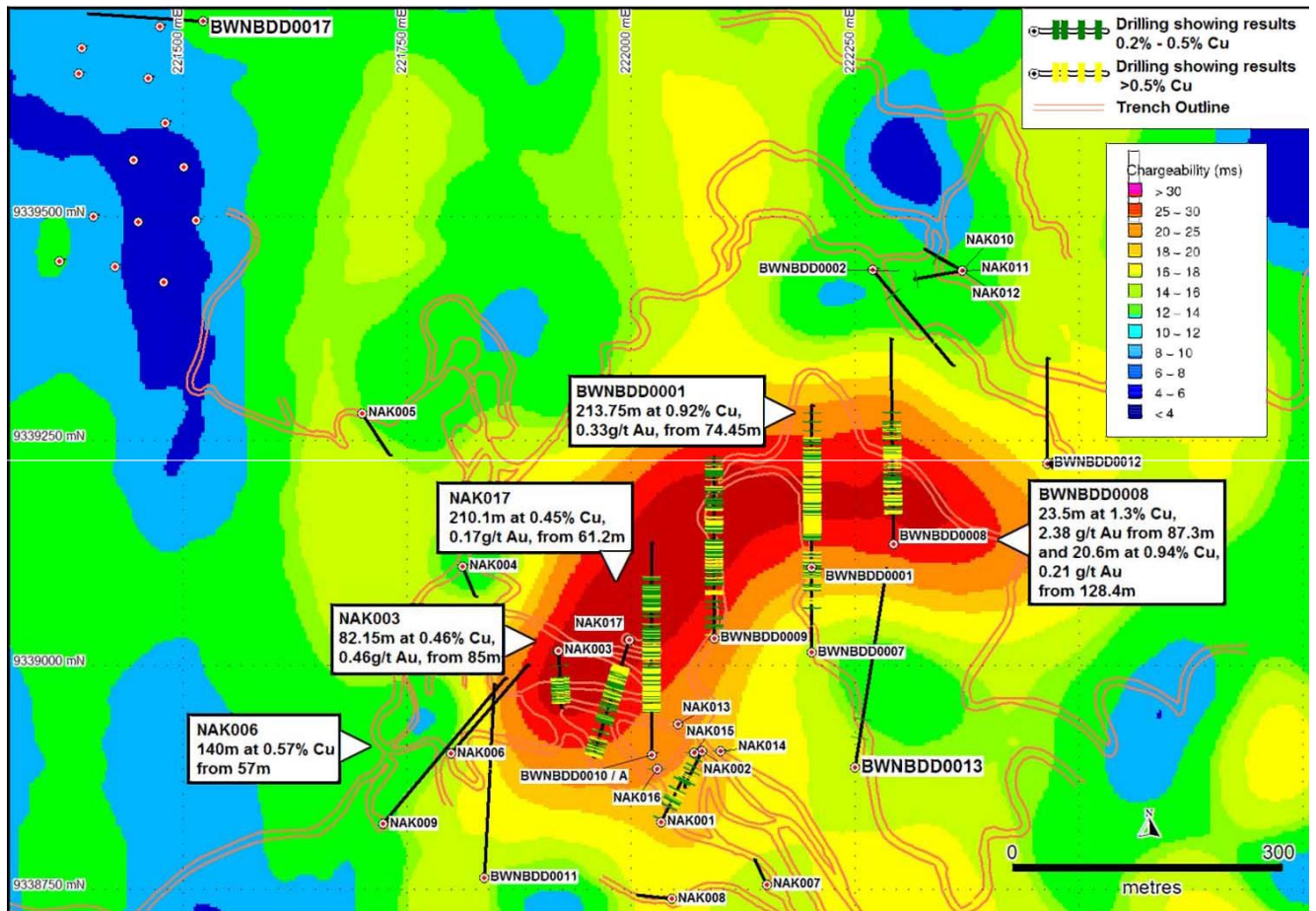


FIGURE 2: Nakru-1 geophysical anomaly and drill holes

About Coppermoly

Queensland-based copper exploration company Coppermoly Limited (ASX: COY) is focused on exploring for and developing copper-gold deposits. It has a 28% interest in its three tenements: Simuku, Talelumas and Nakru, on New Britain Island, Papua New Guinea.

Coppermoly also has a 100% interest on the recently granted EL2014 Makmak tenement (refer to Figure 1) which covers 280 square kilometres near the Nakru project. It also has an additional two tenements on the island, under application.

In addition to its projects in PNG, Coppermoly has signed an agreement to earn up to 70% on the Esk Trough copper-gold projects in southeast Queensland ("Agreement"). At the White Horse prospect, drilling intersected 17 metres grading 1.4% copper. Eight other drillholes intersected significant near-surface copper enrichment within a 3km by 1.5km porphyry system, similar in size to that at our Simuku copper project in Papua New Guinea.

The Exploration Target of secondary enriched copper at White Horse is 10 to 15 Million Tonnes Grading 0.6 to 0.9% copper.

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 which has intersected the mineralisation. 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

The geographic location and near surface enrichment of copper mineralisation bode well for a potential low-cost, heap leach operation should sufficient resources be found.

The main points of the Esk Trough 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 will now consider all results during August 2012 and determine if it will elect to earn 51% equity in these projects.

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 ($[\text{Sum of each total interval} \times \text{grade}] / \text{Total length of intersection}$).
- 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 Nakru-01 consists of copper, gold and silver.
- * Copper equivalent values have been calculated as $(\text{Cu} + (6764.1 \times \text{Au}) + (113 \times \text{Ag}))$
- * Copper Equivalent is the contained copper, 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.
- The ASX requires a metallurgical recovery be specified for each metal. Metallurgical testwork is currently being undertaken by Barrick from Nakru-01 drilling samples.

- 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.
- Drillhole samples from drillholes in PNG 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.
- Golder Associates has verified the data disclosed and approves the contents of this ASX release. The key assumptions, parameters and methods used to estimate the minerals resources are set out in the 'Nakru Copper-Gold Deposit – Mineral Resource Statement' at the end of this release. The estimate of mineral resources is not materially affected by any known environmental, permitting, legal, title, taxation or political issues. Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability.

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Peter Swiridiuk
Coppermoly Limited
PO Box 7996
Gold Coast Mail Centre
BUNDALL QLD 9726

NAKRU COPPER-GOLD DEPOSIT - MINERAL RESOURCE STATEMENT

Dear Peter

The July 2012 Nakru resource statement reports the mineral resources for the Nakru copper-gold deposit located centrally on the Island of New Britain, Papua New Guinea.

The Nakru deposit is a volcanogenic massive sulfide (VMS) style of mineralisation hosted by a rhyolitic “flow dome” complex of lithologies intersected by non-mineralised dykes (Figure 1).

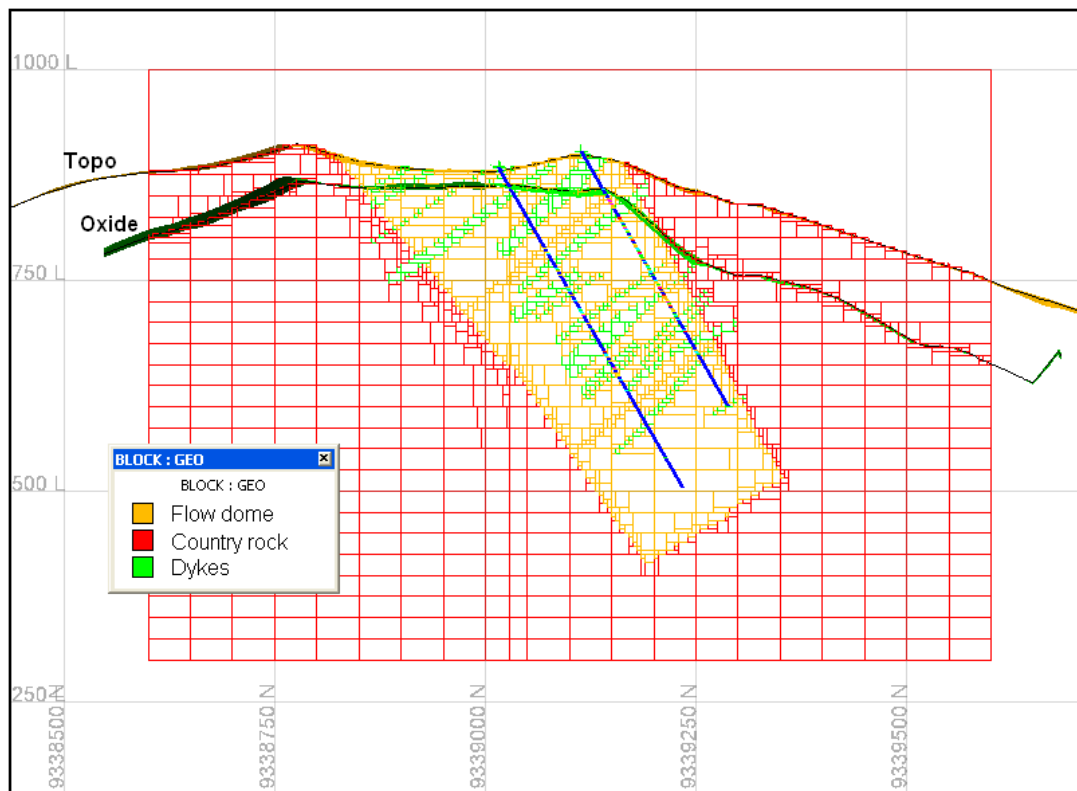


Figure 1: Cross-section through Nakru at 222 190 mE (Looking West) Showing Geological and Weathering Domains

Golder interpreted a central zone of higher copper grades (Figure 2), separating the flow dome into three mineralisation domains; the upper low-grade zone, the central high-grade zone and the lower low-grade zone. The central high-grade zone could be the result of supergene copper enrichment, however additional drilling is required to better define this domain.



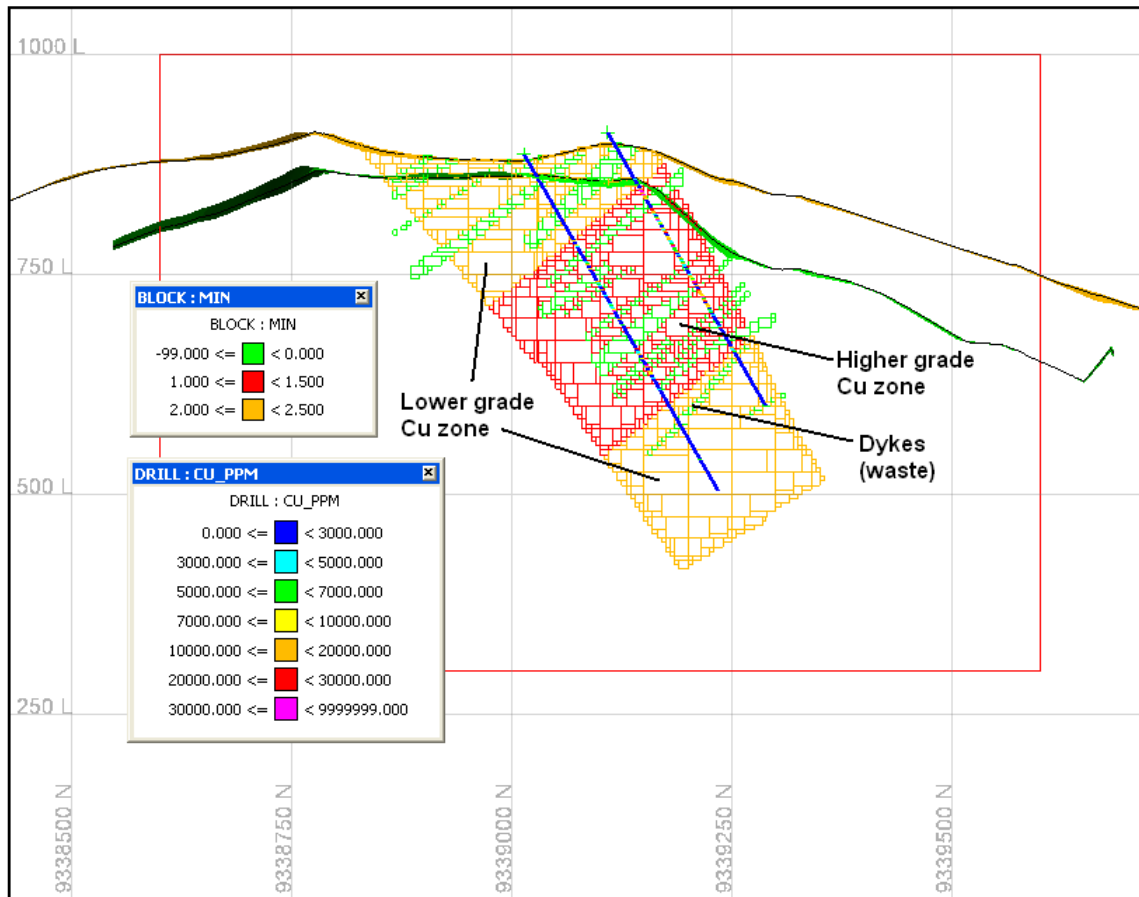


Figure 2: Cross-section through Nakru at 222 190 mE (Looking West) Showing Mineralisation Domains

The resource model is based on the geological database as at 3 October 2011. The geological interpretation was undertaken by Denis O'Neill with assistance in creating a digital version by Kylie Ringuet, both of Coppermoly Limited. Digital geology modelling, block model construction and grade estimation were undertaken by Golder Associates Pty Ltd using Golder proprietary and Vulcan™ software.

The geological interpretation was based on data from 27 diamond drill holes totalling 5 932 m, containing 4 949 assayed intervals. The geological model extends 960 m along strike northeast to southwest and covers the average 400 m width of the mineralisation (Figure 3).

Golder identified a depletion zone associated with the weathering horizon. However, because the oxide boundary is poorly defined, the estimation of the oxide material is of low reliability. Golder recommends better definition of the oxide boundary and associated depletion zone in the next resource update.

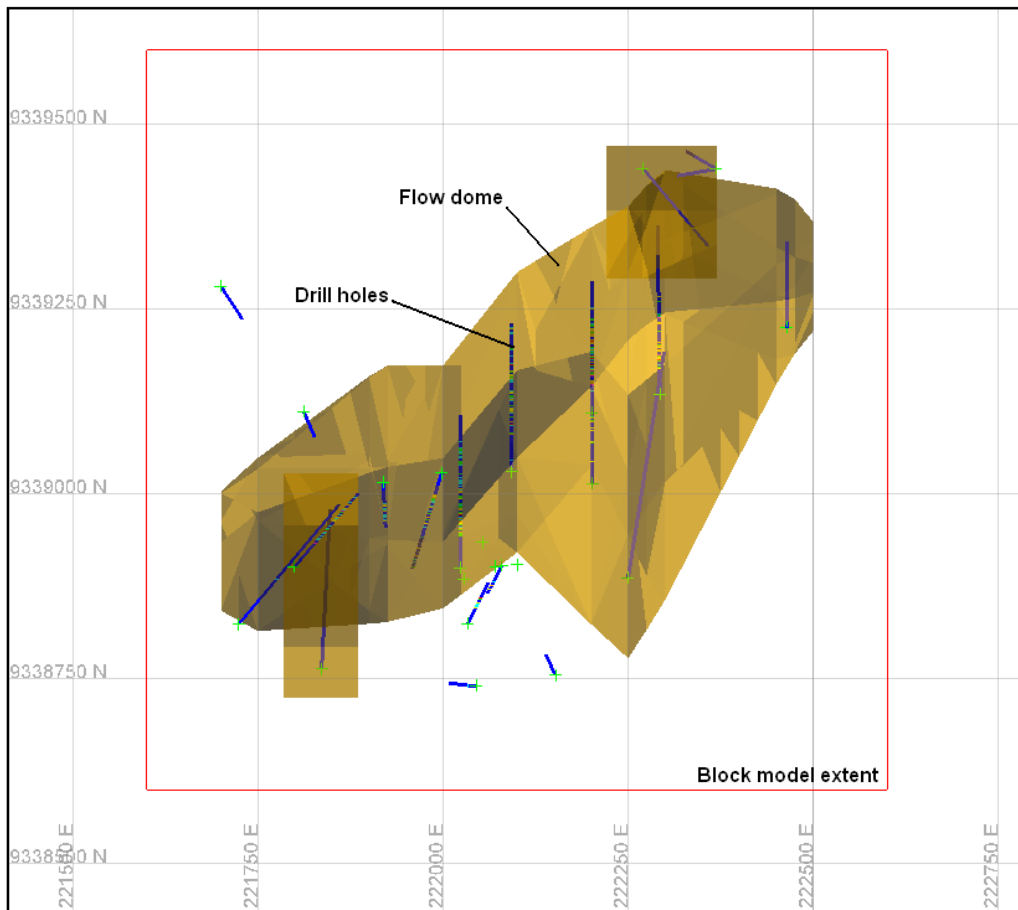


Figure 3: Plan View of Nakru Showing Geological Interpretation, Drill Hole Locations and Block Model Extent

Sample data was composited to one metre intervals and flagged by the geological and weathering domains. A combination of Ordinary Kriging (OK) and Inverse Distance Squared (ID^2) was used to estimate grades within the geological and weathering domains. Resources were estimated separately for copper (Cu), molybdenum (Mo), gold (Au), silver (Ag), lead (Pb) and zinc (Zn) mineralisation.

Nakru has been classified as an Inferred Resource based on data density, data quality and confidence in the geological interpretation and estimation. Only the mineralised high and low-grade zones within the flow dome complex have been classified as Inferred.

Density Assignment

In situ density was assigned to the block model based on 12 density determinations of mineralised drill core from three diamond drill holes (BWNBDD0007, BWNBDD0008 and BWNBDD0010A). All of the density measurements were completed by JK Tech Pty Ltd (JK Tech, 2011). Six determinations were completed using the water immersion method. The remaining three determinations were completed using the Helium Pycnometer method.

The average of all the determinations is 2.82 t/m^3 . Golder considers this value acceptable for the fresh material at Nakru but too high for the oxide material. Based on Golder experience with similar deposits a density of 2.20 t/m^3 was used for all the oxide material.

Mineral Resource Statement

Table 1, Table 2 and Table 3 summarise the mineral resources for Nakru using 0.20%, 0.30% and 0.50% Cu cut-off grades respectively.

Table 1: Mineral Resources for Nakru using a 0.20% Cu Cut-Off Grade

Weathering	Min. Zone	MTonnes	Cu %	Cu ppm	Au ppm	Ag ppm	Mo ppm	Pb ppm	Zn ppm	Density (t/m ³)
Oxide	High-grade	4.11	0.69	6 886	0.135	2.643	30	21.89	1 462	2.20
	Low-grade	0.00	-	-	-	-	-	-	-	-
Total Oxide		4.11	0.69	6 886	0.135	2.643	30	21.89	1 462	2.20
Fresh	High-grade	32.83	0.61	6 141	0.309	1.718	12	19.59	579	2.82
	Low-grade	1.45	0.24	2 354	0.023	1.325	7	5.15	214	2.82
Total fresh		34.29	0.60	5 981	0.297	1.701	11	18.98	563	2.82
Total		38.40	0.61	6 077	0.280	1.802	13	19.29	659	2.75

Table 2: Mineral Resources for Nakru using a 0.30% Cu Cut-Off Grade

Weathering	Min. Zone	MTonnes	Cu %	Cu ppm	Au ppm	Ag ppm	Mo ppm	Pb ppm	Zn ppm	Density (t/m ³)
Oxide	High-grade	3.75	0.73	7 282	0.134	2.597	29	21.16	1 339	2.20
	Low-grade	0.00	-	-	-	-	-	-	-	-
Total Oxide		3.75	0.73	7 282	0.134	2.597	29	21.16	1 339	2.20
Fresh	High-grade	27.83	0.68	6 803	0.347	1.755	12	19.61	606	2.82
	Low-grade	0.01	0.34	3 419	0.040	1.288	3	5.64	174	2.82
Total fresh		27.84	0.68	6 801	0.347	1.755	12	19.60	606	2.82
Total		31.60	0.69	6 858	0.322	1.855	14	19.79	693	2.75

Table 3: Mineral Resources for Nakru using a 0.50% Cu Cut-Off Grade

Weathering	Min. Zone	MTonnes	Cu %	Cu ppm	Au ppm	Ag ppm	Mo ppm	Pb ppm	Zn ppm	Density (t/m³)
Oxide	High-grade	1.90	0.01	10 082	0.113	2.598	21	19.41	867	2.20
	Low-grade	0.00	-	-	-	-	-	-	-	-
Total Oxide		1.90	0.01	10 082	0.113	2.598	21	19.41	867	2.20
Fresh	High-grade	19.65	0.80	7 955	0.411	1.733	12	20.32	609	2.82
	Low-grade	0.00	-	-	-	-	-	-	-	-
Total fresh		19.65	0.80	7 955	0.411	1.733	12	20.32	609	2.82
Total		21.56	0.81	8 143	0.385	1.809	13	20.24	632	2.77

Compliance with the JORC Code Assessment Criteria

This mineral resource statement has been compiled in accordance with the guidelines defined in the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code, 2004 Edition).

Stephen Godfrey is a member of the Australasian Institute of Mining and Metallurgy. Stephen has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity undertaken 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 (The JORC Code, 2004 Edition).

References

JK Tech, 2011, *Comminution Testing - Barrick Australia Limited*, JK Tech Pty Ltd, December 2011.

Regards

GOLDER ASSOCIATES PTY LTD

Andrea Snare
Senior Resource Geologist

Stephen Godfrey
Associate - Principal Resource Geologist

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