



ASX Announcement

Date: 5th October 2012

ASX Code: COY

**COPPERMOLY EXPLORATION TEAM MOBILISED TO THE
MAKMAK TENEMENT**

Coppermoly Limited (ASX:COY) (“Coppermoly”) is pleased to announce a preliminary field exploration programme has commenced on its 100% owned EL 2014 Makmak tenement on the south coast of New Britain Island, Papua New Guinea. The Makmak tenement is accessible via 4WD vehicle along logging tracks from Kimbe, the Provincial Capital of West New Britain, on the north coast of the island (refer to Figure 1).

A small exploration team has mobilised to the site to follow-up on historical samples collected near the beach at the Pulding prospect (refer to Figure 2), where copper sulphide (chalcopyrite) was recognised in rock samples (refer to Photo 1). These rock outcrop and float samples, collected in 2010, returned significant copper and molybdenum assay results shown in Table 1.

Figure 1: Location of EL2014 Makmak tenement on central New Britain Island

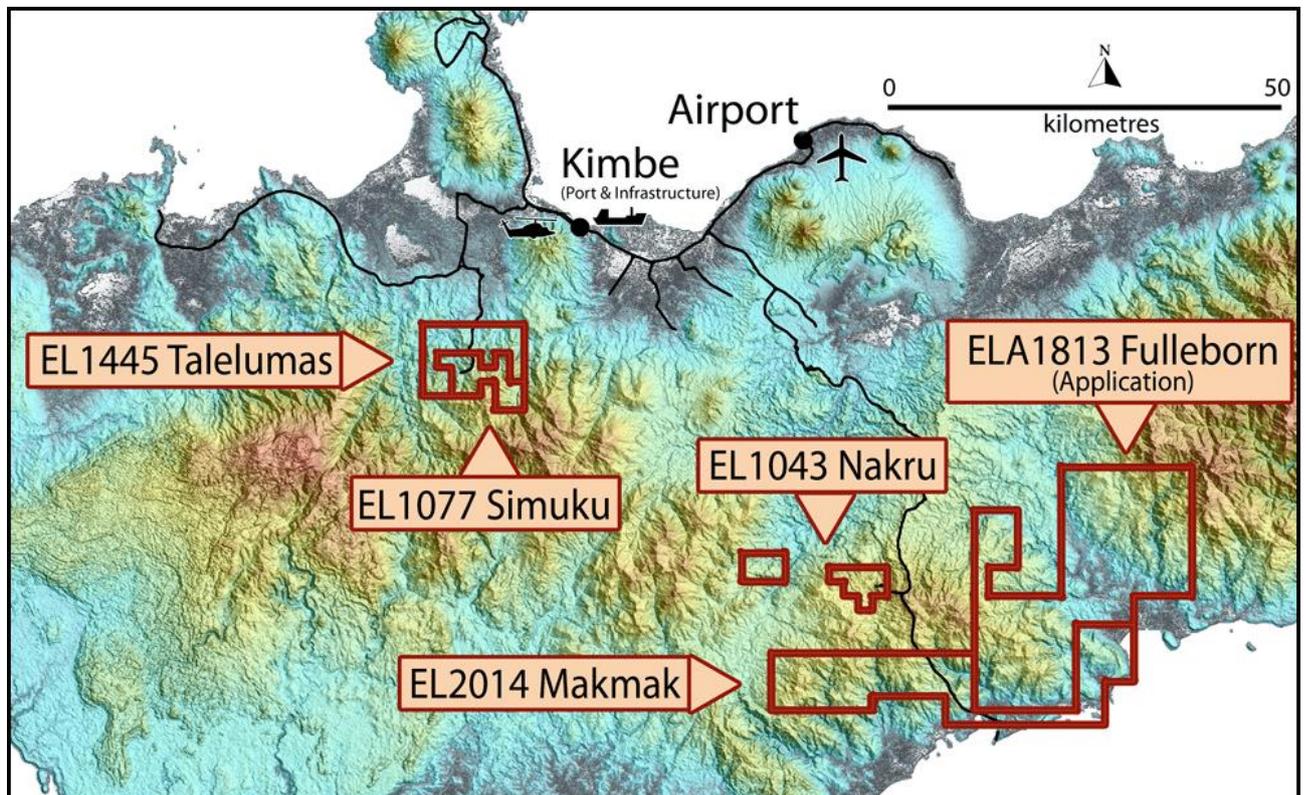


Photo 1: Mineralised rock sample taken from the Puldung prospect



Table 1: Assay results from rock samples near the Puldung prospect

Sample Number	Cu %	Mo (ppm)	Au (g/t)	Ag (g/t)	Rock type
108000	0.28	16	0.01	< 0.5	Sulphide-carbonate-tourmaline veining in altered granitoid
108001	1.18	113	0.01	1	Banded tourmaline-quartz-calcite sulphide (altered granitoid?)
108002	0.64	38	0.03	0.5	Tourmaline-quartz-calcite-sulphide altered silicate rock (altered granitoid?)
108003	0.02	2	0.01	< 0.5	Graphic pegmatoidal granite intrusive
108004	10.7	240	0.11	15.5	Quartz-sulphide-tourmaline silicate rock (granitoid?)
66000	2.91	344	0.07	4	
66001	0.04	67	0.01	< 0.2	
66002	0.03	5	< 0.01	0.2	
66003	0.65	187	< 0.01	1.1	

The current exploration program will involve rock, creek and soil sampling and geological mapping. The sampling will help identify the exact location of anomalous copper associated with a 5km diameter circular feature which may be host to a significant body of mineralisation at depth (refer to Figure 2).

A discrete airborne geophysical magnetic anomaly will also be inspected and sampled as it may be one possible source of mineralisation in the area (refer to Figure 3). The exploration programme will be completed in October with assay results expected in November 2012.

Figure 2: Puling prospect on SRTM topography image

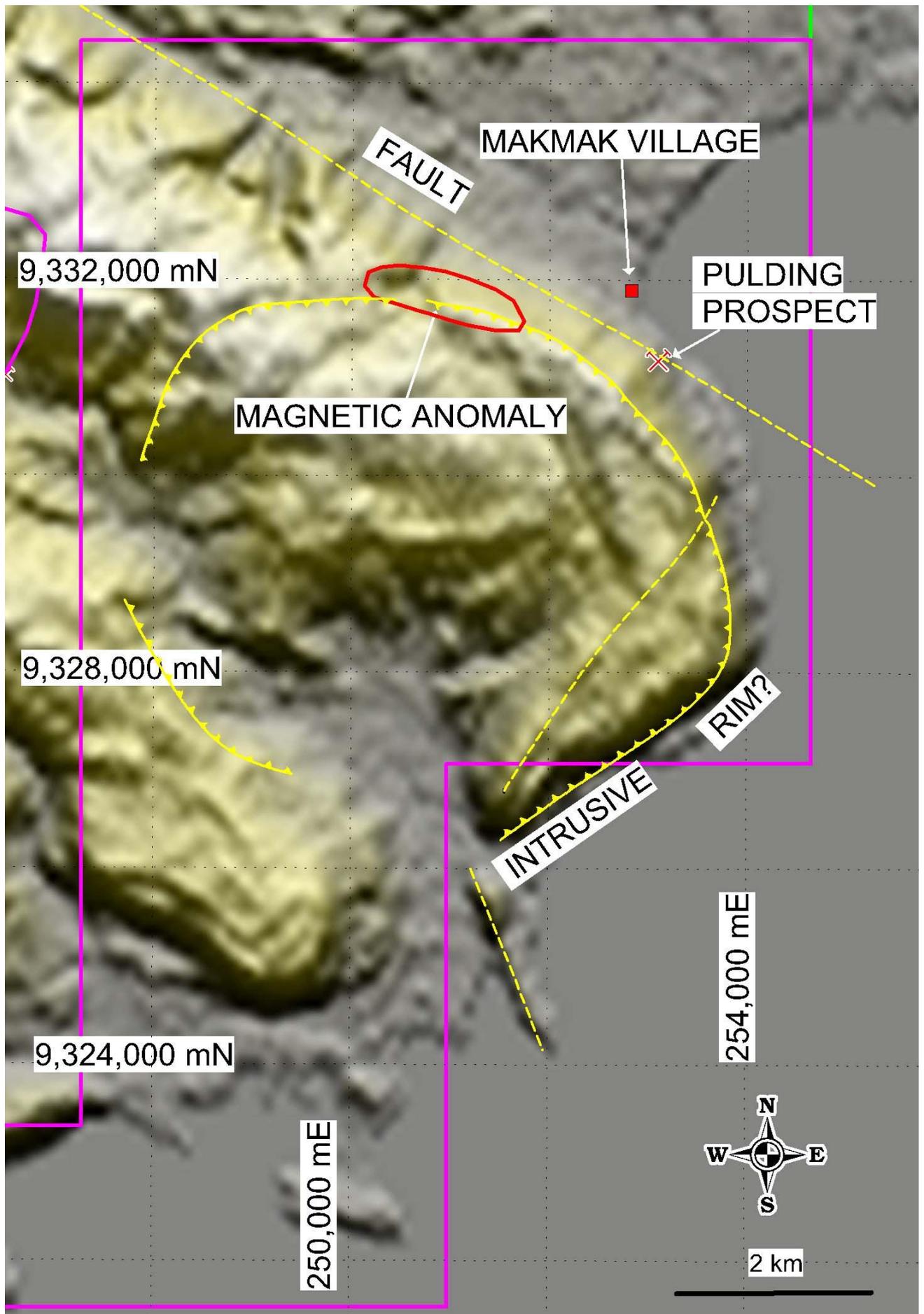
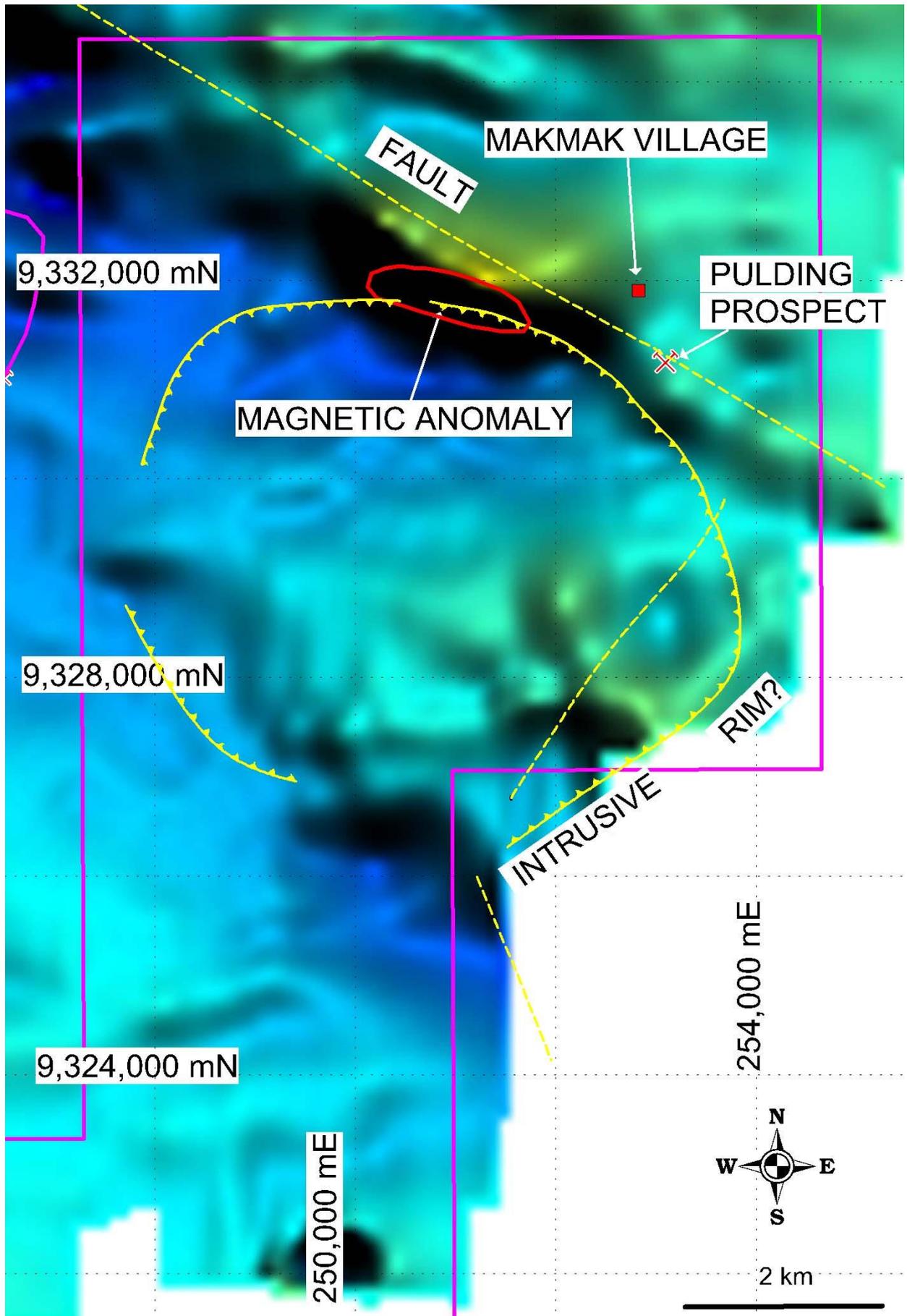


Figure 3: Pulding prospect on airborne geophysical magnetic image (TMI)



With the continued development of the nearby Nakru copper-gold systems, further exploration in the nearby Makmak tenement will help identify potential additional copper resources.

The Nakru-01 copper-gold deposit is located only 31km west-northwest of the Makmak area that is currently being explored.

In July 2012, Golder Associates calculated an Inferred Mineral Resource at Nakru-01 of:

- 38.4 Mt at 0.82% Cu.Eq (or 0.61% copper + 0.28 g/t gold + 1.80 g/t silver) using a cut-off grade of 0.2% Cu.
- 21.6 Mt at 1.10% Cu.Eq (or 0.81% copper + 0.39 g/t gold + 1.81 g/t silver) using a cut-off grade of 0.5% Cu.

In September 2012, a Conceptual Mining Study showed that the development of the Nakru-01 Inferred Mineral Resource could be cash flow positive within two years of commencement of production with a Net Present Value of US\$291 million (based on 100% ownership, copper price of \$3.34/lb, 10% discount factor and 90% mill recovery after royalties but before company tax). Only 27 diamond holes have been completed to date for 5,928m.

The Nakru-02 system occurs 1km west of Nakru-01 and has an Exploration Target of 70 to 80 million tonnes grading 0.7% to 0.9% Cu. Only three drill holes have been completed into Nakru-02 to-date for 1,052m.

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.

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 drilling which 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

About Coppermoly

Coppermoly is focused on exploring for and developing copper-gold deposits in Papua New Guinea. It has a 28% interest in its three tenements: Simuku, Talelumas and Nakru, on New Britain Island, Papua New Guinea. Since late 2009, Barrick (PNG Exploration) Limited has spent over A\$21.6 million on drilling and exploration to earn-in a 72% stake and will fund and conduct a \$2.21 million exploration program on the project during October to December 2012.

The Nakru-01 copper-gold system has an Inferred Mineral Resource of 38.4 million tonnes grading 0.82% copper equivalent containing 233,400 tonnes of copper, 11 tonnes of gold and 69 tonnes of silver.

The Simuku copper porphyry system 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 containing 700,000 tonnes of copper, 12,000 tonnes of molybdenum, 12 tonnes of gold and 391 tonnes of silver.

The Nakru and Simuku tenements are located on PNG's New Britain Island (refer to Figure 1) within a four and one hour drive, respectively, by 4WD vehicle from the Provincial Capital of Kimbe, which has services that are essential for the future development of Coppermoly's projects.

Coppermoly also has a 100% interest in 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 New Britain Island under application.

The information in this report that relates to Exploration Results and Inferred Mineral 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.
- Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability.
- The ASX requires a metallurgical recovery be specified for each metal. These are 87% for copper and 53% for gold.
- 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.
- The Conceptual Mining Study was completed by Mr David Swain, FAusIMM, Principal of Swain Engineers, Consulting Mining Engineers, at the request of Coppermoly Ltd.