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ASX Announcement

Date: 10 April 2014

ASX Code: COY

Coppermoly intersects copper mineralisation at NAKRU-2

Coppermoly Limited (ASX: COY) is pleased to announce that it **appears to** have intersected **copper mineralisation in two reconnaissance diamond core drill holes completed at its Nakru-2 prospect** in West New Britain, Papua New Guinea. This is **based upon visual inspection by experienced geologists. Assay results are awaited.**

The Nakru-2 prospect is located 1km west of Coppermoly's Nakru-1 prospect which has a reported JORC 2004 Inferred Resource of 38 million tonnes @ 0.61% Cu and 0.28g/t Au.

(Refer to Coppermoly Limited ASX Announcement dated 26 July 2012. This information was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not been materially changed since it was last reported. This mineral resource statement was compiled by Golder Associates Pty Ltd 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 was, at the time, Associate – Principal Resource Geologist for Golder Associates Pty Ltd, and 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).

The two new diamond core holes (**NAK2003 and NAK2004**) (**Figures 2 and 3**) are located 100m apart and drilled from the south, testing for a gently south-dipping pumice breccia unit. A similarly orientated pumice breccia unit is the preferential host to mineralisation at Nakru-1.

Managing Director, Mr. Maurice Gannon said:

“Although we have not yet received assay results from these two holes it is very exciting to have indications of continuous mineralisation starting virtually from surface. These early results also appear to confirm the model of the mineralisation that we’ve been working with.

“The preliminary results complement the surface sampling that we completed during the last quarter of 2013 and add considerable weight to the theory that the mineralisation of the Nakru system is potentially extensive and high-grade.

“We will have the assay results shortly, and from there, we will evaluate and plan our next steps very carefully to make sure that we get the best possible productivity and value-adding results when we put shareholders’ funds to work.”

Only three drill holes have been previously drilled at Nakru-2 (**Figure 1**):

- Two diamond core holes drilled by Coppermoly in 2009 intersected strong chalcopyrite mineralisation with a best interval of 51.7m @ 1.21% Cu including 27.7m @ 1.90% Cu in drill hole NAK2001. (Refer to Coppermoly Limited ASX Announcement dated 10 February 2009)*.
- In 2010, Barrick (PNG Exploration) Limited drilled a deep hole from the north that intersected 64m @ 0.59%Cu. (Refer to Coppermoly Limited ASX Announcement dated 26 November 2010)*.

* This information was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not been materially changed since it was last reported. The information in both of the abovementioned reports was compiled by Peter Swiridiuk who, at the time, was a consultant to Coppermoly Ltd and employed by Aimex Geophysics and is a Member of the Australian Institute of Geoscientists and has sufficient experience which is relevant to the style of mineralization and type of deposit under consideration and the activity which he is undertaking to qualify as a Competent Person as defined in the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code, 2004 Edition((The JORC Code, 2004 Edition).

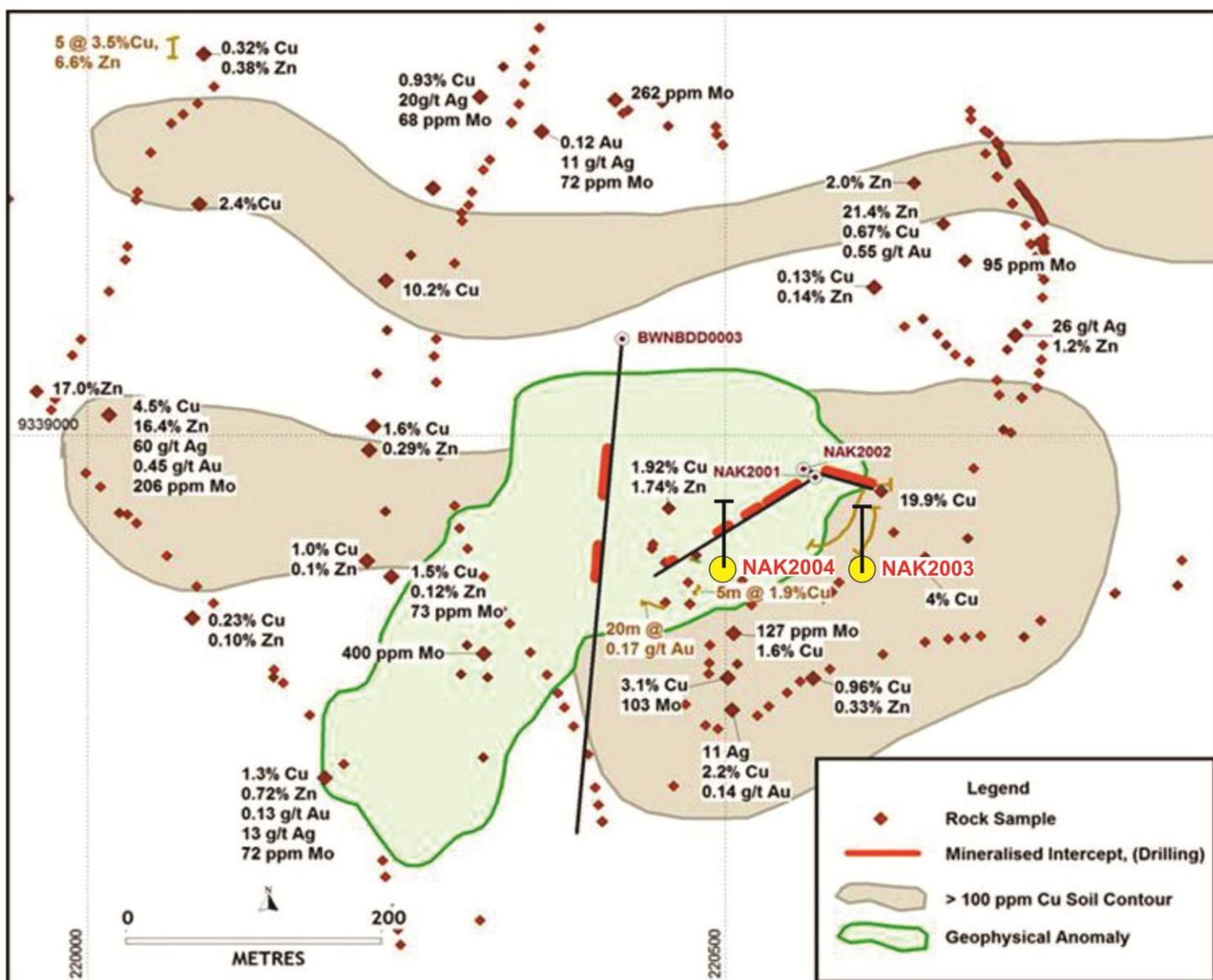


Figure 1: Drill plan Nakru-2 showing location of recent drill holes NAK2003 and NAK2004 and the previous three holes drilled by Coppermoly and Barrick

Both of the diamond core holes drilled at Nakru-2 during March 2014 have intersected coarse disseminated copper mineralisation as secondary chalcocite and primary chalcopyrite from near surface to depths in excess of 100m. The mineralisation is hosted within the targeted pumice breccia unit which is strongly quartz-sericite-pyrite altered (**Photo 1**).

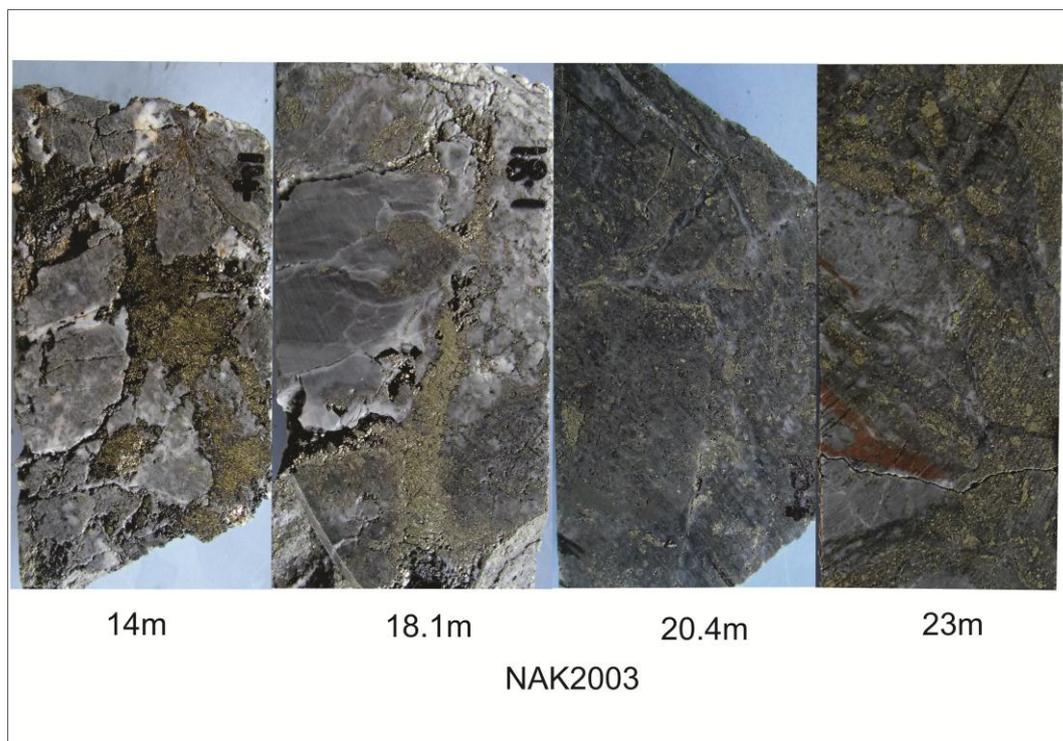


Photo 1: Strongly mineralised drill core from NAK2003 showing chalcocite (black), chalcopyrite (yellow) and pyrite (pale yellow)

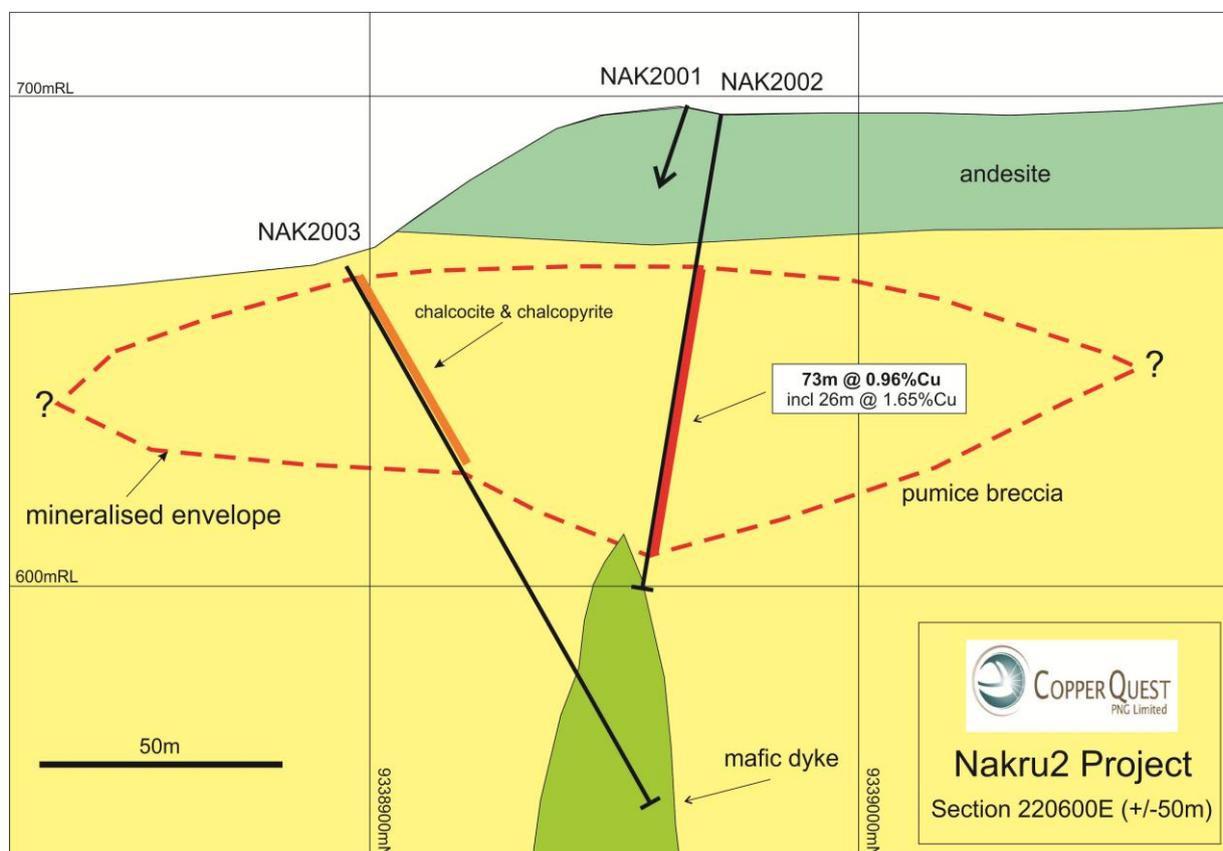


Figure 2: New drillhole NAK2003 [collar coordinates 220602mE 9338896mN 665RL (AGD66) azimuth:353M, dip -60°, total depth 90.5m - Drill section 220600E (and NAK2002 drilled in 2008)

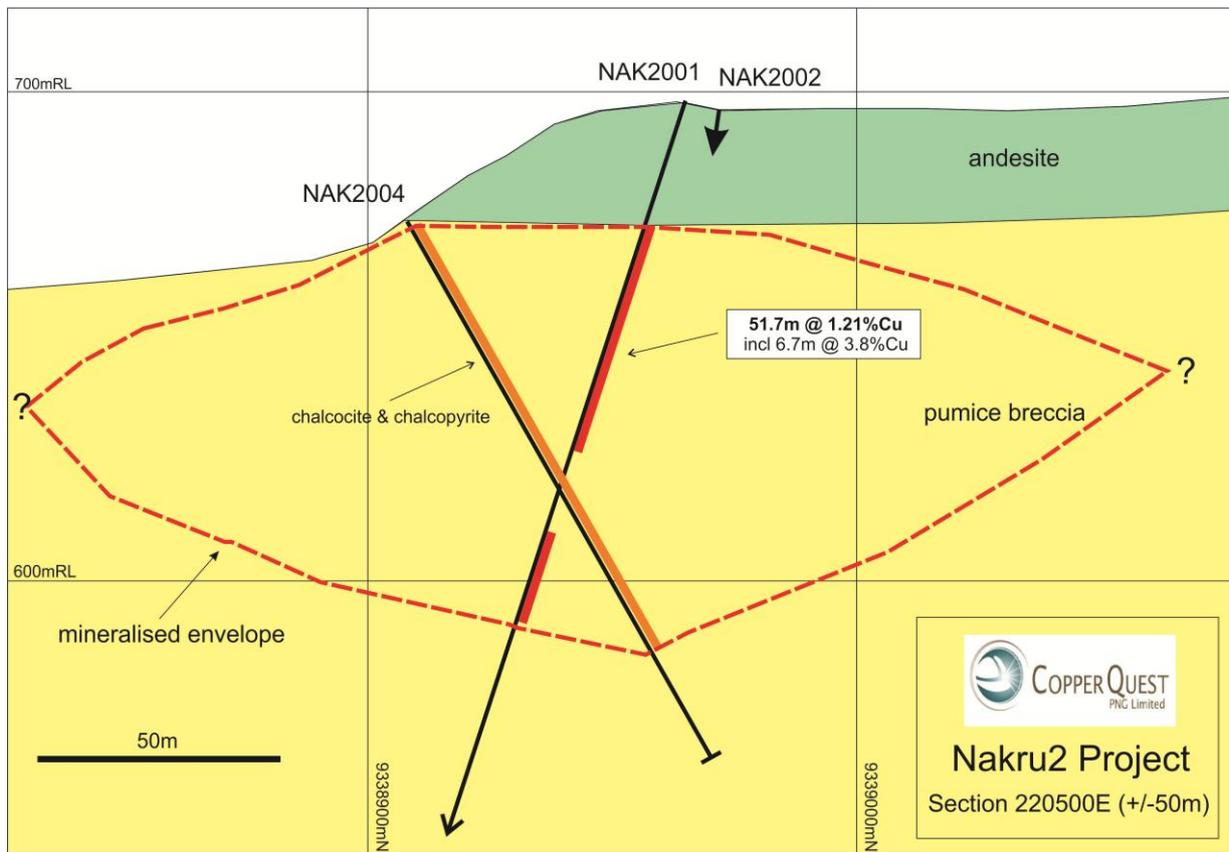


Figure 3: New drillhole NAK2004 [collar coordinates 220502mE 9338913mN 684RL (AGD66), azimuth:353M, dip -60°, total depth 123.6m - Drill section 220500E (and NAK2001 drilled in 2008)

Drill core samples have been transported to Coppermoly's compound in Kimbe, West New Britain, logged and sampled, and are being despatched to SGS Laboratories in Lae for preparation and analysis, the results of which are expected to be available in late April.

A surface rock chip sampling programme at Nakru-2 in late 2013 indicated that high-grade mineralisation, up to 24% copper, occurred over an extensive area with a strike length in excess of 800m. This area coincides with a broad Induced Polarisation (IP) chargeability anomaly.

The surface sampling results combined with the preliminary results of the current drilling supports the potential for a large zone of high-grade copper mineralisation at Nakru-2.

The Company has decided to curtail the current reconnaissance drilling programme with a view to the relocation of the drill camp from Nakru-1 to Nakru-2, upgrading the camp and commencing a programme that will focus upon resource definition using faster and more suitable drilling equipment.

Maurice Gannon
Managing Director
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About Coppermoly

Coppermoly's mineral exploration activities are focused entirely on the island of New Britain in PNG where it holds five exploration licences and an additional two under application. These licences cover copper, gold, silver, zinc, molybdenum and iron mineralisation. The five current tenements are Simuku, Talelumas, Nakru, Makmak and Powell. The two tenement applications are Wowonga and Fulleborn.

For more information, visit our website www.coppermoly.com.au

Competent Person Statement

The information in this report that relates to exploration results is based on information prepared by Mr. Mike Erceg, who is an employee of Coppermoly Limited and a Member of the Australasian Institute of Geoscientists. Mr. Erceg has sufficient experience which is relevant to the style of mineralisation under consideration and to the activities undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr. Erceg consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

JORC Code, 2012 Edition – Table 1 report template

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. Aspects of the determination of mineralisation that are Material to the Public Report. In cases where ‘industry standard’ work has been done this would be relatively simple (eg ‘reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay’). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information. 	<ul style="list-style-type: none"> Drill core has been logged and sampled. Samples are expected to be dispatched for assay this week. Drill core has been halved, logged and sampled at 1metre intervals. Samples will be prepared for assay by SGS Laboratories in Lae, PNG. Some assays (gold) will be conducted by SGS Laboratories in Townsville, Australia.
Drilling techniques	<ul style="list-style-type: none"> Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc). 	<ul style="list-style-type: none"> Diamond core drilling, HQ (63.5mm diameter)
Drill sample recovery	<ul style="list-style-type: none"> Method of recording and assessing core and chip sample recoveries and results assessed. Measures taken to maximise sample recovery and ensure representative nature of the samples. Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material. 	<ul style="list-style-type: none"> Core recovery was excellent.
Logging	<ul style="list-style-type: none"> Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical 	<ul style="list-style-type: none"> Preliminary logging of the drill core has been carried out and is described in the announcement.

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> <i>studies.</i> <i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i> <i>The total length and percentage of the relevant intersections logged.</i> 	<ul style="list-style-type: none"> Systematic and detailed geological and structural logging will be completed at a later date. The two drill holes referred to in this announcement were visually inspected, recording data related to lithology, weathering, alteration, mineralisation, veining and structure.
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> <i>If core, whether cut or sawn and whether quarter, half or all core taken.</i> <i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i> <i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i> <i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i> <i>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</i> <i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i> 	<ul style="list-style-type: none"> Diamond core samples will be taken as half core samples. Detailed discussion of sampling techniques, sample preparation and Quality Control will be documented when the assay results become available and are announced. All samples will be dried and dispatched to SGS Laboratories in Lae where they were prepared for assay.
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> <i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i> <i>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i> <i>Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.</i> 	<ul style="list-style-type: none"> The quality of assay data and laboratory procedures will be documented when the assay results become available for announcement. The assay methods will be industry standard for the precious and base metals of interest. Blanks and Standards for base metals and gold, purchased from Geostats Pty Ltd in Western Australia are included amongst the samples to be submitted to SGS SGS applies a rigorous Quality Management System.
Verification of sampling and assaying	<ul style="list-style-type: none"> <i>The verification of significant intersections by either independent or alternative company personnel.</i> <i>The use of twinned holes.</i> <i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i> <i>Discuss any adjustment to assay data.</i> 	<ul style="list-style-type: none"> Verification of sampling and assay procedures will be documented when the assay results become available and are announced.

Criteria	JORC Code explanation	Commentary
<i>Location of data points</i>	<ul style="list-style-type: none"> • Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. • Specification of the grid system used. • Quality and adequacy of topographic control. 	<ul style="list-style-type: none"> • The collar coordinates of the two drill holes, positioned by hand held GPS, are given in the announcement. • Down hole surveys are taken by electronic multishot inside casings and drill strings by using the wireline system.
<i>Data spacing and distribution</i>	<ul style="list-style-type: none"> • Data spacing for reporting of Exploration Results. • Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. • Whether sample compositing has been applied. 	<ul style="list-style-type: none"> • Samples of half core for assaying will be taken at 1m intervals in both drill holes. • Both holes appear to be highly mineralised, the position of the holes, relative to other previous holes in the mineralised zone is informative in terms of geological and grade continuity.
<i>Orientation of data in relation to geological structure</i>	<ul style="list-style-type: none"> • Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. • If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material. 	<ul style="list-style-type: none"> • The two holes were carefully positioned and drilled to test an mineralised zone that had been identified by detailed geochemistry and geophysical sampling, measurements and interpretation.
<i>Sample security</i>	<ul style="list-style-type: none"> • The measures taken to ensure sample security. 	<ul style="list-style-type: none"> • Sample bags will be tagged and logged and freighted to SGS laboratories in Lae. • In the interim drill core is stored securely at the Company's exploration base in Kimbe in West New Britain.
<i>Audits or reviews</i>	<ul style="list-style-type: none"> • The results of any audits or reviews of sampling techniques and data. 	<ul style="list-style-type: none"> • Further details regarding audits or reviews of sampling techniques and data will be made when assays are available and announced.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
<i>Mineral tenement and land tenure</i>	<ul style="list-style-type: none"> • Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. 	<ul style="list-style-type: none"> • The drilling program is focused upon a particular prospect within the Company's Nakru Exploration Licence (EL1043) which is currently held 51% Coppermoly Limited and 49% Barrick (PNG Exploration) Limited. An agreement is in-place which entitles Coppermoly to reacquire 100% ownership by mid-2018.

Criteria	JORC Code explanation	Commentary
<i>status</i>	<ul style="list-style-type: none"> <i>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</i> 	<ul style="list-style-type: none"> EL1043 is in good standing and subject to a current (routine) renewal application.
<i>Exploration done by other parties</i>	<ul style="list-style-type: none"> <i>Acknowledgment and appraisal of exploration by other parties.</i> 	<ul style="list-style-type: none"> The Nakru licence has been explored by a number of companies, most recently Barrick under an exploration agreement with Coppermoly.
<i>Geology</i>	<ul style="list-style-type: none"> <i>Deposit type, geological setting and style of mineralisation.</i> 	<ul style="list-style-type: none"> The Nakru EL has characteristics of both VMS style and breccia style mineralization.
<i>Drill hole Information</i>	<ul style="list-style-type: none"> <i>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:</i> <ul style="list-style-type: none"> <i>easting and northing of the drill hole collar</i> <i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i> <i>dip and azimuth of the hole</i> <i>down hole length and interception depth</i> <i>hole length.</i> <i>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</i> 	<ul style="list-style-type: none"> The drill hole collar information is included in the announcement. No down hole survey data available yet. If applicable, down hole interception depths will be released when assays are known.
<i>Data aggregation methods</i>	<ul style="list-style-type: none"> <i>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.</i> <i>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</i> <i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i> 	<ul style="list-style-type: none"> If applicable, data averaging and aggregation techniques and assumptions used for reporting results will be released when assays are available and released.
<i>Relationship between mineralisation widths and</i>	<ul style="list-style-type: none"> <i>These relationships are particularly important in the reporting of Exploration Results.</i> <i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i> <i>If it is not known and only the down hole lengths are reported, there</i> 	<ul style="list-style-type: none"> This information will be made available when assays are known and announced.

Criteria	JORC Code explanation	Commentary
<i>intercept lengths</i>	<i>should be a clear statement to this effect (eg 'down hole length, true width not known').</i>	
<i>Diagrams</i>	<ul style="list-style-type: none"> <i>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</i> 	<ul style="list-style-type: none"> This information will be made available when assays are known and announced.
<i>Balanced reporting</i>	<ul style="list-style-type: none"> <i>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</i> 	<ul style="list-style-type: none"> This information will be made available when assays are known and announced.
<i>Other substantive exploration data</i>	<ul style="list-style-type: none"> <i>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i> 	<ul style="list-style-type: none"> This information will be made available when assays are known and released. There is no material exploration data that has not been previously reported.
<i>Further work</i>	<ul style="list-style-type: none"> <i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i> <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i> 	<ul style="list-style-type: none"> This information will be made available when assays are known and announced.

Sections 3 to 5 are not applicable to the results reported.