20 January 2014 **ASX Code: COY**

ASX Announcement

EXCEPTIONALLY HIGH COPPER GRADES IN NAKRU-02 SURFACE SAMPLES

Mineral explorer Coppermoly Limited (ASX / POMSOX : COY) is pleased to announce exceptionally high grade copper assays from rock chip and float samples collected over the Nakru-02 prospect on the Company's Nakru exploration licence (EL 1043) on New Britain Island in Papua New Guinea (PNG):

Rock chip samples collected from mineralised outcrops:

Sample Number	Copper (%)	Northing	Easting
NK2-1028	24	9338946	220605
NK2-1013	5.15	9338897	220680
NK2-1023	3.4	9338870	220513
Nk2-1027	1.88	9338923	220618

Rock chip samples were taken at 3 to 5 metre intervals from outcrops

Float samples:

Sample Number	Copper (%)	Northing	Easting
NK2-1120	20.6	9339125	219942
NK2-1121	11.2	9339155	220009
NK2-1009	6.68	9338944	220638
NK2-1010	5.9	9338939	220630
NK2-1003	2.31	9338905	220567

Float samples are, by definition, not in-situ but are considered strongly representative when there is similar rock type in nearby outcrop.

Sample Number	Gold (g/t)	Northing	Easting
NK2-1032	2.69	9339381	221149
NK2-1031	2.62	9339381	221149
NK2-1025	1.08	9338900	220606

"These assay results, which include some of the highest copper assays ever obtained on New Britain Island, are just the highlights of a very successful sampling program that very strongly supports our strategy of targeting the Nakru-02 prospect for its potential to rapidly enhance shareholder value." Managing Director Maurice Gannon said.

We have a drill rig already at our New Britain exploration base and will mobilise it to the area during the current quarter. This is being given top priority. We've been planning the drilling program in anticipation of receiving these assay results. They've exceeded our expectations.

The Nakru project is rapidly becoming recognized as the premium prospect in an area that is shaping-up as a new mineral province."

Coppermoly collected one hundred and twenty five rock chip and float samples which were dispatched for preparation and assaying at SGS (PNG) and further assaying by SGS (Australia).

Nine samples yielded between 1.88% – 24% copper; twelve samples graded between 0.5% – 1.0% copper and molybdenum highs of between 200ppm to 750ppm were also recorded. All the samples with elevated copper are sulphidic with little or no oxidation. The dominant sulphides are pyrite and chalcopyrite with some secondary chalcocite. These characteristics are indicative of primary mineralisation.

The rock chip sample that assayed 24% copper was collected approximately 100 metres east-south-east from the collar locations of two diamond drillholes that Coppermoly completed in 2008 (**Tables 1 and 2**) and is a strongly silicified felsic breccia developing into semi-massive sulphide. These characteristics are also recognised as favourable for mineralisation.

The float samples that assayed at 20.6% copper and 11.2% copper are semi-massive sulphides (***Photo 1***) closely related to the semi-massive sulphides that were intercepted between 30 – 45 meters depth in both of the diamond drillholes completed by Coppermoly in 2008 (**Tables 1 & 2 and *Photos 2 & 3***). The two float samples were collected approximately 400 - 500 meters north-west from the locations of the two drillholes and are also similar to the sample that assayed 24%.

More than half of the samples collected also contained gold, five assayed greater than 0.5 grams per tonne and a further three assayed greater than 1 gram per tonne.

Table 1: NAKRU-2 DRILLING RESULTS

Drillhole Locations (datum AGD66, zone 56)

Hole	Easting	Northing	Azimuth (degrees)	Dip (degrees)	Depth (m)	RL
NAK02-001	220570	9338965	237	-60	299.8	700
NAK02-002	220561	9338972	107	-60	112.7	700

Table 2: Drillhole Intersections

Hole	From (m)	To (m)	Width (m)	Au g/t	Cu %	Ag g/t	Zn %	Cut-Off (Cu%)
NAK02-01	30.3	84	**54**	0.10	1.22			0.2
	Including:							
	30.3	38	**8**	0.19	3.80			2.7
	102	124	**22**	0.03	0.83			0.2
	158	168	**10**	0.02	0.53			0.2
	174	177	**3**	0.02	1.41			0.2
	262	264	**2**	0.02	0.37			0.2
NAK02-02	36	109	**73**	0.07	0.96			0.2
	Including:							
	37	45	**8**	0.25	3.18			1.8

Photo 1: Semi-massive-sulphides grading up to 24% Cu

Photo 2: Semi-massive-sulphides in Coppermoly's first Nakru-02 drill hole in 2008 (Nak2-01)

Photo 3: Semi-massive-sulphides in Coppermoly's second Nakru-02 drill hole in2008(Nak2-02

A series of mafic volcanogenic samples were also collected towards the northern and north-eastern parts of semi-circular feature that broadly 'defines' the Nakru-02 prospect. These samples are baked and strongly burnt which is indicative of the rocks originating from a boiling environment (hydrothermal or magmatic liquid). This is the type of evidence that indicates geological processes that can drive mineralisation events. The samples have returned Cu assays between 0.5% – 0.8% copper.

Further details, following mapping, analysis and interpretation of the assay results from the field sampling program will be completed and announced before 31 January.

Coppermoly is currently planning a diamond drilling program at the Nakru-02 prospect to further test these results. A diamond drilling rig will be mobilised to Nakru-02 in the current quarter.

On behalf of the board,

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.

Competent Person Statement

The information in this report that relates to Exploration Results is based on information compiled by Mr. Mike Erceg, who is 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	• *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.*	• Rock chips sampled at 3 to 5 metre intervals from outcrops. • Float samples from areas nearby outcrops.
Drilling techniques	• *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).*	• No drilling is reported
Drill sample recovery	• *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.*	• No drilling is reported
Logging	• *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 studies.*	• No drilling is reported

Criteria	JORC Code explanation	Commentary
	• *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *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.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• All samples were dried and dispatched to SGS Laboratories in Lae where they where they were prepared for assay. • The elements silver, arsenic, copper and molybdenum were assayed using the ICP-OES after DIG41Q (aqua regia digest followed by the use of ICP instrumentation) • Where copper exceeded the upper detection limit AAS41Q was used. • Gold was assayed using FAA505 (fire assay)
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *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.* • *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.*	• The assay methods are industry standard for the precious and base metals of interest. • SGS applies a rigorous Quality Management System.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• No drilling is reported. • There were no adjustments to assay data.
Location of data points	• *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.*	• No drilling is reported.
Data spacing	• *Data spacing for reporting of Exploration Results.*	• No drilling is reported.

Criteria	JORC Code explanation	Commentary
and distribution	• *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.*	• The sampling program was focused upon an area that is considered highly prospective with the objective of defining potential future drilling targets.
Orientation of data in relation to geological structure	• *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.*	• No drilling is reported. • The sampling program was focused upon an area that is considered highly prospective with the objective of defining potential future drilling targets.
Sample security	• *The measures taken to ensure sample security.*	• Samples were stored securely at the Company's exploration base, dispatched by courier and then managed internally by the assay laboratory.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• n/a

Section 2 Reporting of Exploration Results

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

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *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.* • *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.*	• The sampling program focused upon a particular prospect within the Company's Nakru Exploration Licence (EL1043) which is currently held 51% Coppermoly Limited and 49% Barrrick (PNG Exploration) Limited. An agreement is in-place which entitles Coppermoly to reacquire 100% ownership by mid-2018. • EL1043 is in good standing and subject to a current (routine) renewal application.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• The Nakru licence has been explored by a number of companies, most recently Barrick under an exploration agreement with Coppermoly.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The Nakru EL has characteristics of both VMS style and breccia style mineralization.
Drill hole	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information*	• No drilling is reported.

Criteria	JORC Code explanation	Commentary
Information	*for all Material drill holes:* ○ *easting and northing of the drill hole collar* ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* ○ *dip and azimuth of the hole* ○ *down hole length and interception depth* ○ *hole length.* • *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.*	
Data aggregation methods	• *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.* • *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.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• n/a
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• n/a
Diagrams	• *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.*	• n/a
Balanced reporting	• *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.*	• This report provides significant assays from the sampling program. Detailed assessment and evaluation will be conducted and reported.
Other substantive exploration	• *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,*	• There is no material exploration data that has not been previously reported.

Criteria	JORC Code explanation	Commentary
data	*groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Full assessment of the assay results and previous exploration results is current and a targeted drilling program for the Nakru-02 prospect is planned.

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