



# Big future for copper

David Haselhurst listens to a glowing report

**A**T LAST MONTH'S DIGGERS AND Dealers' talkfest in Kalgoorlie the boss of Canada's Ivanhoe Mines, Robert Friedland, astounded many with his predictions on future demand for copper. He pointed out that the world had mined 585 million tonnes of copper metal between 1910 and 2008 – but forecast it would need to extract another 600 million tonnes in the next 20 years, assuming 3% global economic growth.

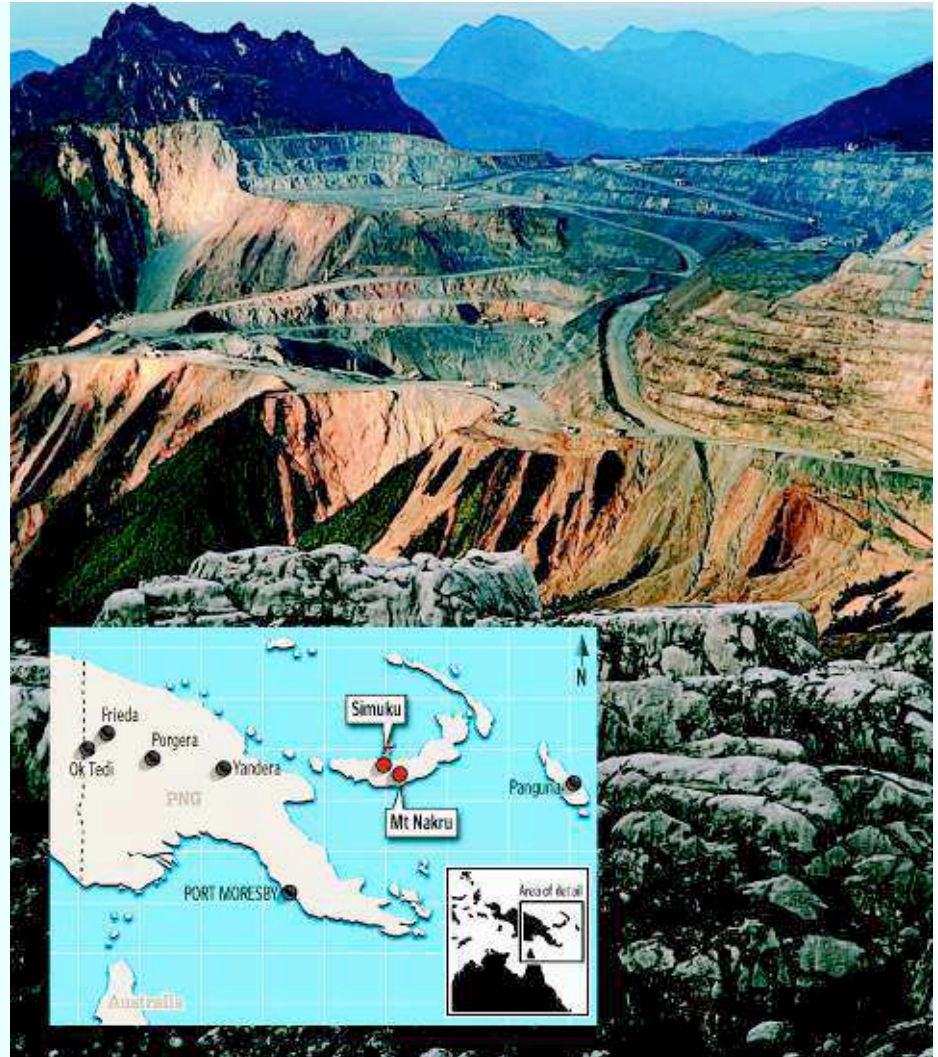
"Those of us in the business have no idea where this metal is actually going to come from," he was quoted as saying, at the same time spruiking the potential of Ivanhoe's 66% interest in the vast Oyu Tolgoi gold-copper prospect in Mongolia's Gobi Desert.

That should cheer shareholders in a collection of locally listed copper prospectors, particularly with a strengthening copper price approaching \$US3.40 a pound on the COMEX market in New York in mid-August, for September delivery.

Following a personal view that low-priced shares offer superior leverage to any good news in the pipeline, we've added 20,000 Coppermoly (COY) shares to the magazine-only portfolio at 14.5¢ for a total outlay of \$2900 plus brokerage.

We've been profitably in and out of this stock before. The Speculator, in his Eureka Report weekly column, bought 40,000 Coppermoly on September 22 last year at 6.5¢ and sold out at year's end for 13¢ – almost doubling his money.

At that time the company had been beaver away on the Papua New Guinea island of New Britain to declare it had identified an initial resource of 200 million tonnes of 0.47% copper equivalent on its 90%-owned Simuku project. Contained metal within the stated resource equalled



700,000 tonnes of copper, 12,000 tonnes of molybdenum, 400,000 ounces of gold and 13 million ounces of silver.

Managing director and geophysicist Peter Swiridiuk declared then that the resource was located in just one-third of the so-far identified copper system within Coppermoly's areas.

Late last year the company attracted the attention of North America mining giant Barrick Gold, which is now pledged to spend \$20 million on exploration to earn a 72% interest in three exploration licences covering the Simuku project (EL1077), Mount Nakru (EL1043) and Taleumas (EL1445). The projects remain in Coppermoly's sole ownership until the full \$20 million is spent.

Barrick will fund drilling to expand the resource at Simuku, which is just 20km

from the developed port of Kimbe on a made road in terrain that is just 300 to 500 metres above sea level.

Adjoining that project is the grassroots Taleumas project area where outcrop rock-chip sampling from the Isme Creek prospect has returned assays of up to 9.47 grams/tonne gold, 7.94% zinc 552g/t of silver plus copper and lead.

The Mount Nakru project area has identified a major copper mineralised system within two prospects, based initially on induced polarisation surveys. The best drill hole reported in July at Nakru-1 yielded 198.85 metres grading 1.01% copper and 0.36g/t gold. Initial drilling at the adjacent Nakru-2 had drill intersections yielding 3-4% copper from a depth of 25 metres.

With 137.2 million issued shares at 14.5¢, Coppermoly carries a market capitalisa-



tion of \$19.89 million and remaining cash at June 30 of \$2.17 million. With Barrick now funding the bulk of exploration, including leasing two of Coppermoly's company-owned diamond drills, the junior company has cut its monthly "burn rate" of expenditure to around \$40,000. Barrick has spent an estimated \$2 million since it began work on the ground in May.

Although Coppermoly's equity in the joint venture will fall to just 28% if Barrick exercises its option, Barrick will now be free to investigate other attractive options in New Britain over which it has lodged exploration licences for 2ELs covering 1500 square kilometres.

Coppermoly's project areas lie along a minerals-rich geological feature that extends from the old Panguna mine in Bougainville (944 million tonnes of 0.48% copper and 0.56g/t gold) in the east through New Britain and under the Bismark Sea through New Guinea in the west, which also embraces Barrick Gold's Porgera mine.

Another low-priced ASX-listed prospector operating in this setting is Marengo

**MONEY MAGAZINE EXCLUSIVE**

COMPANY	CODE	ISSUE BOUGHT	NUMBER BOUGHT	BOUGHT AT	PRICE NOW	VALUE	CHANGE
Galaxy Resources	GXY	April 09	20,000	\$0.31	\$1.10	\$22,000	+253.7%
Ausdrill	ASL	May 09	20,000	\$1.03	\$1.75	\$35,000	+69.7%
FlexiGroup	FXL	June 09	20,000	\$0.75	\$1.195	\$23,900	+59.1%
BC Iron	BCI	July 09	20,000	\$1.30	\$1.64	\$32,800	+26.1%
Service Stream	SSM	Sept 09	20,000	\$0.395	\$0.29	\$5800	-26.8%
Globe Metals & Mining	GBE	Oct 09	20,000	\$0.32	\$0.18	\$3600	-43.9%
Quickstep Holdings	QHL	February	20,000	\$0.525	\$0.36	\$7200	-31.6%
Troy Resources	TRY	March	5000	\$1.97	\$2.61	\$13,050	+32.2%
Vmoto	VMT	April	50,000	\$0.12	\$0.12	\$6000	-0.3%
Trafford Resources	TRF	May	20,000	\$0.78	\$0.51	\$10,200	-34.7%
Andean Resources	AND	June	3000	\$3.50	\$4.27	\$12,810	+21.8%
Catalpa Resources	CAH	August	10,000	\$1.50	\$1.56	\$15,600	+3.9%
Coppermoly	COY	September	20,000	\$0.145	\$0.135	\$2700	-7.5%
Total value						\$190,660	
At the bank						\$6500	
Portfolio change						+31.4%	

Share price as at close on 13-Aug-10; commission included. Cash at bank includes profits from sale of Customers shares in May issue.

Mining (MGO), which in mid-August raised \$21.4 million in a placement to Canadian shareholders of 240 million shares at 9¢. Issued capital now stands at 738.81 million shares which, at 9¢, means a market capitalisation of \$66.5 million. Following

the placement, remaining cash stands at \$28 million with a definitive feasibility study due before the end of the year on the development of its Yandera copper-molybdenum-gold project in the Madang Province of PNG.