

## MEDIA COVERAGE



### Forging ahead on New Britain copper

19 November 2010

**IMPRESSIVE** exploration acreage being developed in good company raises the bar in Papua New Guinea for Coppermoly. By Mark Mentiplay – *RESOURCESTOCKS*



Kimbe port is just 20km from Coppermoly's Simuku and Talelumas tenements



Coppermoly managing director Peter Swiridiuk in PNG.

Australia-based copper play Coppermoly has carved out significant strategic copper/gold/molybdenum holdings in the Papua New Guinea resources hotspot of New Britain Island, where prospective acreage with good access and infrastructure is becoming increasingly rare.

Coppermoly's achievements in New Britain have not gone unnoticed and the company was able to attract the attention of Barrick Gold.

Barrick is a major player, one of the most successful mining companies in the world and majority owner of the 25 million ounce Porgera gold mine in mainland PNG. It is now also funding Coppermoly's PNG exploration and has become a significant entry on the junior's share register.

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Barrick's eye was caught by Coppermoly's new copper system discoveries at Nakru, Simuku and Talelumas, on which it can spend up to \$A20 million on drilling for a 72% stake within eight years, \$3 million within the first two years.

Barrick has also taken a 4.6% shareholding in the company, making it Coppermoly's third largest shareholder.

Coppermoly managing director Peter Swiridiuk told *RESOURCESTOCKS* there had been a big infusion of investment in the New Britain region recently, an area that was "hotting up geologically, as is the rest of PNG".

Referring to the Barrick farm-in projects, Swiridiuk said, "with high grade copper results, some gold credits, excellent infrastructure, good road access, a nearby deep water port and a world class partner with an intimate knowledge of the region, it's hard to think of any new projects with these ingredients anywhere else in the world."

Barrick began drilling the Mt Nakru licence earlier this year, targeting the geophysical anomalies previously identified by Coppermoly's exploration and induced polarisation geophysics (3DIP) programs.

The most recent Nakru-1 diamond hole discovered a major copper mineralised system highlighted by a 190.85 metre high-grade intersection from 74.45m downhole depth grading 1.01% copper and 0.36 grams per tonne gold, including 7m of 2.37%, 5.3m of 1.87%, 22.25m of 1.47% and 24m of 1.35% copper.

Within this zone was also a 13.55m wide zone of secondary copper enrichment of 2.8% copper and 0.23gpt gold, including a 3m intersection of 7.51% copper. Coppermoly director Maurice Gannon said this first hole drilled by Barrick correlated very closely to the holes previously drilled by Coppermoly on the southwestern periphery of the major part of the IP anomaly.

A second diamond drill hole on the eastern flank of the anomaly is currently in progress to see how wide the feature is and assess tonnage potential.

It will be the 19th hole into the area. Nine kilometres of surface bulldozer trenching has also been carried out, yielding top results of 19m at 4.3% copper and 55m at 4.79 gp/t gold.

Two first-ever diamond drillholes by Coppermoly at the Nakru-2 sulfide copper system, 1.2km west of Nakru-1, returned intersections of 3-4% copper at 25m downhole depth.

The drillhole intersections included 27.7m at 1.9% copper, including 6.7m at 3.8% copper from 25m depth in a massive sulfide primary copper lens, and 73m at 0.96% copper at 31m depth.

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This lens is partly associated with an IP geophysical anomaly to be tested with deeper drillholes by Barrick after Nakru-1. Two more targets – Nakru-3 and 4 – have also been outlined historically.

Gannon said the close proximity of the two Nakru anomalies showed “there is plenty of upside for further exploration, so we expect much more from the Nakru story”.

His view is further underpinned by some of the earlier surface geochemistry from bulldozer trenches, including 19m at 4.3% copper, 4m at 6.6% copper and 55m at 4.79gpt gold.

“Mt Nakru has always been interesting, but it is fair to say that it has now officially advanced to being a truly exciting exploration prospect,” Gannon said.

Swiridiuk described the Mt Nakru terrain, which rises 200-800m, as hilly, but not hard to operate in, although the recent extended rainy season, from January to May this year, was the worst in 30 years.

Both prospects are only about four hours drive, or a 40 minute helicopter flight, from the island’s provincial capital and Coppermoly/Barrick’s base at the deepwater port of Kimbe.

Just 20km from Kimbe are Coppermoly’s Simuku and Talelumas tenements, also part of the Barrick agreement.

At Simuku, Coppermoly has already defined an inferred resource of 200Mt grading 0.47% copper equivalent, containing 700,000t of copper, 12,000t of molybdenum, 400,000oz gold and 13Moz of silver, using a cut-off grade of 0.3% copper equivalent.

This resource is based on a drilling program carried out by Coppermoly in just the northernmost third of what the company has dubbed the “copper envelope”, where an overlying secondary enrichment blanket of copper mineralisation occurred in 11 drillholes, including 16m at 1% copper. Surface trench results have included 14m at 1.03% copper and 0.26gpt gold, and 200m at 0.75% copper.

Swiridiuk is eyeing a 600Mt potential at Simuku, with diamond drilling currently aimed at helping to determine overall tonnage and size.

Talelumas surrounds Simuku to the north, the two licenses are contiguous and have already supplied some excellent surface geochemistry results, including 9.47gpt gold, 552gpt silver, 7.94% zinc and 7.06% lead at Isme Creek; and 1.07% copper and 109ppm molybdenum at Mt Misusu.

Gannon said following an analytical, interpretation and planning phase, Barrick now has exploration teams on the Simuku ground carrying out mapping and further geochemical



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sampling. Priority drill targets have been identified and drilling has commenced to test for additional tonnage within the copper envelope.

While Barrick is managing the ongoing exploration programs on Nakru and Simuku/Talelumas, Coppermoly has its own exploration base, drill rigs, heavy equipment and other plant and field equipment in Kimbe to maintain the exploration thrust begun soon after the company listed back in January 2008.

Gannon said the company had intensified its focus on New Britain applying for two copper/gold exploration licences covering 1500sq.km at Fulleborn, south of Nakru, and Powell in East New Britain.

To underline the region's burgeoning interest, Coppermoly's neighbours include recently formed \$60 million Frontier Resources/OK Tedi Mining joint venture, 170km northeast of Nakru abutting the Fulleborn exploration licence application.

About 230km northeast of Nakru is New Guinea Gold Corp's producing Sinivit Gold Project with 713,000t of indicated resources at 5.7gpt for 132,000oz gold and an inferred 340,000t at 3.2gpt for 35,000oz gold. New Guinea Gold is Coppermoly's largest single shareholder.



FINANCIAL & CORPORATE RELATIONS

Friday, 19 November 2010

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Demand for oil products in the US helped push prices up, though traders said that while macroeconomic issues continued to be at the forefront, the market was also responding to tightening fundamentals.

“Macroeconomic issues are the key to prices right now. Ireland could be bailed out, but the question is who is next? Spain, Portugal?” a Sydney-based broker said. He pointed out that the recent OECD report suggested the slow pace of US growth could slow the overall economic recovery. Oil prices are expected to remain volatile, with traders saying it would range between \$US80-88 per barrel.

Singapore’s Tapis crude closed at \$US93.09 last night, up from \$US92.79 on Wednesday.

Base metals faced a volatile week, plunging earlier in the week on growing fears that China will increase interest rates after the governor of China’s central bank voiced concerns about the country’s growing inflation.

LME metals were also hit by Europe’s inability to contain its sovereign debt crisis, with concerns debt-stricken Ireland won’t be able to pay the cost of a bailout of its banks. However, commodities overnight bounced back, with zinc the standout performer. Zinc for three-month delivery gained 3.5% to \$US2186 per tonne while copper added 2.9% to \$8425/t and nickel jumped 1.4% to \$21,850/t. Meanwhile, spot gold was trading today at \$1358.54 an ounce in afternoon trade.