



**COMPANY PROFILE**

**PAPUA NEW GUINEA**

**COPPERMOLY**

# NEW BRITAIN OFFERS FRESH FRONTIERS

A partnership with a major player has positioned this multi-element explorer for almost certain near-term growth.

**S**ECOND HALF 2010 produced plenty of fine drill results for New Britain explorer Coppermoly, however, 2011 heralds the most intense period for exploration figures and hence accelerated profile growth, since the company's listing three years ago.

Results from multiple holes within two large mineralised copper-gold systems are due through to the end of February. This underpins Coppermoly's blueprint since the \$8 million initial public offering it forged out of New Guinea Gold Corp's New Britain assets.

One system, within Coppermoly's Simuku project, also boasts significant molybdenum.

The company's Nakru project hosts at least two discrete and sizeable mineralised areas constituting the first higher-grade copper system found on New Britain.

A third holding, Talelumas, initially represented a northern and western buffer around Simuku, but its geochemistry appears analogous to Nakru mineralisation.

"Talelumas in itself has quite interesting geochemistry," Coppermoly managing director Peter Swiridiuk told *RESOURCESTOCKS*.

"Additional [Talelumas] geological mapping and sampling could determine

either an extension to Simuku or perhaps unearth another Nakru."

Drilling expenses in New Britain can be formidable, particularly to the depths these systems appear to extend.

Notwithstanding, Coppermoly was hardly caught wondering how best to advance its three initial projects – Nakru, Simuku and Talelumas.

The company's board represented decades of regional mining and project development experience. It wasted no time ensuring Coppermoly's holdings offered a clear and appealing prospect to would-be partners.

Management also was careful to explain the potential benefits to multiple local landowners, developing close relationships through employment opportunities and community support.

Using its own wholly owned heavy equipment and vehicles, Coppermoly initially poured \$6 million into Simuku, defining a 200 million tonnes at 0.47% copper equivalent resource.

Further funds were spent on geophysics and drilling to come up with a previously undefined copper target within the Nakru project.

With these results, company presentations drew initial expression of interest from a number of potential farm-in partners.

During 2009, as Coppermoly advanced talks with a number of these, Barrick – by then winding down another PNG JV – became particularly keen.

Within two weeks of formalising its interest, Barrick and Coppermoly completed a deal whereby Barrick could earn 72% of the three projects through a \$20 million exploration spend.

Barrick's intent was initially to determine the potential to triple Coppermoly's Simuku resource and advance the higher-grade Nakru targets.

After spending one third of its committed exploration budget and producing a flurry of results over the past eight months, Barrick shows no sign of waning interest.

Pending results, even more intensive drilling is set to resume at the end of the wet season, possibly as early as March.

Even if Barrick walked from the 170 square kilometres holding, Coppermoly can see no disadvantage.

"Our rigs are capable of drilling holes to more than 300m depth, so we could still further develop the higher grade, nearer surface mineralisation," Swiridiuk offered.

"We have not had to issue new stock to raise capital to do the deeper drilling, but now have more geological information through the Barrick drilling.

"If Barrick decided it wanted to pull out, we would then retain 100 per cent of what has now become a significant new find.

"We would do more drilling to define a near surface resource of higher grade and when the time came to develop, we could look for another partner.

**"We anticipate our arrangement with Barrick will take us through to feasibility and hopefully a large project development within five years."**

**PETER SWIRIDIUK**  
COPPERMOLY





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"But at the moment, we anticipate our arrangement with Barrick will take us through to feasibility and hopefully a large project development within five years."

Swiridiuk said Barrick would drill more of Nakru this year to further define tonnage potential and additional targets at Nakru-1 and Nakru-2, as well as drill test other prospects.

"We have a 3% - 4% copper lens at Nakru-2 near the surface, so regardless of any market conditions, this will remain a viable target for further drill testing," Swiridiuk explained.

Nakru-2 is a copper-zinc breccia/Volcanogenic Hosted Massive Sulfide system located one kilometre west of the Nakru-1 copper-gold system.

Nakru-1, meanwhile, is host to semi-massive and massive copper sulfides with gold credits related to a large Induced Polarisation geophysical anomaly, with nearer surface secondary copper enrichment.

Barrick's first Nakru-1 drill hole into the centre of the geophysics returned 213.75m at 0.92% Cu and 0.33g/t Au from 74.45m, including 13.55m at 2.8% Cu; and 22.25m at 1.47% Cu. Latest Nakru-1 results extend known mineralisation at least 100m to the east and south and include 23m at 1.3% Cu & 2.83g/t Au from 87.3m; and 1m at 42g/t Au and 4.6% Cu.

During 2011 Barrick expects to define other targets at Nakru from additional 3D Induced Polarisation surveys. These were recently completed across several historical geochemical and airborne geophysical conductivity anomalies.

Nakru's attractions in no way discount the potential of Simuku for either partner.

With a lower grade, the current Simuku copper equivalent resource offers a much larger tonnage. Broken down, Simuku's maiden inferred resource represents 700,000t copper, 12,000t molybdenum, 400,000oz gold and 13Moz silver.

Moreover, Simuku lies just one hour's drive from a deepwater port and airport near the provincial capital, Kimbe.

Nakru is four hours by road, but most of this is a weather-proof route, positioning both projects well in regards to established infrastructure.

In addition to Simuku and Nakru, surface sampling of a Talelumas gold prospect has returned 9.47g/t Au, 552g/t Ag, 0.15% Cu, 7.94% Zn and 7.05% Pb.



While Barrick further investigates the attractions of Nakru, Simuku and Talelumas, Coppermoly plans to start work within its Powell and Fulleborn application areas. Those cover another 1500sq.km of highly prospective territory.

Coppermoly has not joint-ventured this ground. Even so it is unlikely to strike difficulty should results align with historical assays grading up to 10.7% copper and 15.5g/t gold from rock sampling of the copper belts the tenements cover.

The company anticipates having Powell in hand by mid-year. Powell hosts copper and gold prospects and is located on land adjoining the substantial Ok Tedi copper operation.

Fulleborn sports visible copper mineralisation and is expected to be granted by year's end.

Once granted, Coppermoly will contract geologists to carry out initial field assessments.

"With Coppermoly's existing base of operations at Kimbe, reconnaissance exploration could be undertaken quite quickly and efficiently," Swiridiuk said.

While Coppermoly does not decri the value in any of its current holdings, the company would never rule out opportunities. In New Britain, the tenement coverage is quite extensive, so any venture there would likely be a partnership.

However, given the right value, new regions are never out of the question, Swiridiuk maintains.

"We've held brief discussions with others regarding possible new projects," he said. "We'd still look within Papua New Guinea, but we also have the scope to look elsewhere." - Susan Bower

Coppermoly's projects have access by all-weather roads to a deepwater port at the provincial capital Kimbe.

## COPPERMOLY AT A GLANCE



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### MARKET CAPITALISATION

\$A17.39 million (at press time)

### QUOTED SHARES ON ISSUE

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### MAJOR SHAREHOLDERS

New Guinea Gold Corp 15.1%  
Vangold Resources Ltd 10%  
AurionGold Ltd (Barrick Gold Corp) 4.5%  
National Nominees 4.28%  
Yeaman 4.10%