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Coppermoly reports Barrick drilling boosts tonnage potential at Simuku copper resource

Tuesday, September 20, 2011

By Jeff Coote

Coppermoly (ASX: COY) has reported that joint venture partner Barrick Gold Corporation's (NYSE: ABX, TSE: ABX) drilling at the Simuku tenement in Papua New Guinea has significantly increased the tonnage potential of the resource.

Barrick's latest drillhole intersected primary copper sulphide mineralisation through to the end of the hole. Assay results include:

- 16 metres grading 0.54% copper from 202 metres;
- 43 metres grading 0.54% copper from 224 metres; and
- 70 metres grading 0.42% copper from 359 metres.

The Simuku porphyry copper system currently hosts an Inferred Resource of 200 million tonnes grading 0.36% copper, 61 parts per million (ppm) molybdenum, 0.06 grams per tonne (g/t) gold and 2 g/t silver.

The mineralisation intersected to over 1000 metres in diamond drilling beneath the Resource shows the very large nature of this copper deposit.

Significantly, the Resource is within a one hour drive from existing infrastructure, including a deep water port which will be essential for future development.

The ongoing drilling program by Barrick continues to improve the value of Coppermoly's mineral assets. A second deep drillhole is currently underway about 400 metres further south to test the deeper parts of the Tobarum prospect beneath the Inferred Resource area.

Disseminated sulphides have been intersected so far to over 450 metres depth.

Peter Swiridiuk, Coppermoly's managing director, told Proactive Investors today "the drilling should be nearing completion so assays are a month away.

"Once the third hole at Nayam has been completed we will review the data with a Resource Geologist to see if we can upgrade its size and grade.

"Barrick are planning to continue drilling the three deep holes at Simuku, holes at three Nakru prospects and possibly some hole at the Kulu prospect. The results from the drilling will determine Barrick's next step.

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"The Nakru systems require additional drilling to define an Inferred Resource at Nakru-1 and Nakru-2. Barrick are concentrating more on defining tonnage potential. The Nakru-1 secondary enrichment layer and Nakru-2 massive sulphides near surface will likely see them go into feasibility before Simuku.

"Meanwhile we are pushing to get tenements granted in PNG and are looking quite closely at projects in Queensland to ensure we have active projects and news flow throughout 2012."

Barrick manages and carries out the exploration under an agreement with Coppermoly where Barrick will spend A\$20 million to earn a 72% stake in the Nakru, Simuku and Talelumas tenements over eight years.

Barrick's wholly-owned subsidiary, Barrick PNG Exploration, has already spent over A\$10 million on drilling and exploration on the joint venture since late 2009.

Coppermoly retains full ownership until the earn-in with Barrick is complete. The company believes its arrangement with Barrick will take it through to feasibility and a large project development within five years.

During the Barrick 2010 diamond drilling campaign, broad copper mineralisation was intersected in three drillholes located up to 1.4 kilometres south of the area of the Inferred Resource.

Diamond drilling and drillpad construction is continuing within both the Nakru and Simuku tenements. Within the first one and a half years of the agreement, over A\$13 million has been spent.