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Coppermoly inks \$6M Esk Trough deal

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Coppermoly has signed an agreement with Activex which could earn it up to a 70% stake in the Esk Trough project in southeast Queensland, if it spends up to \$A6 million on exploration.

The farm-in agreement is for five of Activex's exploration permits, 80 kilometres west of Gympie, which include Boobyjan, Dadmarine, Balirmore, BanBan and Stockhaven.

The agreement for the 356-square kilometre area states Coppermoly will farm-in to the joint venture area by spending \$3 million over three years to earn an initial 51% interest.

Activex said Coppermoly would spend a minimum of \$500,000 in the first year of the agreement.

Once Coppermoly has completed the first stage earn-in, it can elect to continue to fund the exploration on its own by spending an additional \$3 million to increase its stake to 70%.

Activex has the option to claw back a 10% interest by solely funding \$6 million in exploration expenditure.

It said the joint venturers would contribute on a pro rata basis if either party discontinued sole funding.

The first 12 months of exploration would be focused on drill testing prospects already identified by a combination of surface geochemistry, geophysics and historical drilling results, Coppermoly said.

Activex managing director Doug Young said the company's work in the past had intersected some wide zones of copper-gold mineralisation including 290 metres of 0.13% copper and the prospects had a high gold content, as shown at the Kakapo prospect.

Young said drilling at the Kakapo revealed ore grade intersections of 88m at 0.47% copper and 0.49 grams per tonne gold had been made.

Coppermoly will be testing the intercept with diamond drilling to provide repeatable assay grades and reliable geological indicators for porphyry copper-gold mineralisation.

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Should diamond drilling be successful, more geophysical and geochemical surveys will be applied to prospects on the other tenements, Coppermoly says.

Activex had a joint venture with Minotaur Exploration over the farm-in area, which was terminated late last year.

Shares in Activex were unchanged at 3c, while Coppermoly shares were unchanged at 6.2c.