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QUARTERLY ACTIVITY REPORT – March 2012

30th April 2012

ASX Code: COY

HIGHLIGHTS

- ✓ **Geophysical three dimensional induced polarisation surveying completed at the Esk Trough copper-gold project in Queensland**
- ✓ **Reverse circulation drill rig currently being mobilised to commence drilling at Esk Trough to test near surface copper-gold mineralisation**
- ✓ **Independent consultants Golder Associates reviewing drilling results with a view to increasing the existing Inferred resource at Simuku Project, PNG and complete a maiden Inferred resource for the Nakru-1 copper-gold project, PNG**
- ✓ **Drilling by Barrick intersected significant molybdenum mineralisation at the Simuku Horseshoe prospect to more than 600 metres depth**
- ✓ **Drilling at the Kulu prospect, 6km east of Simuku, intersected copper mineralisation from 93m to 442m depth including:**
 - **27m grading 0.29% Cu.Eq* from 143m depth**
 - **2m of 0.15% copper and 286 ppm molybdenum from 440m depth**

Queensland-based copper explorer Coppermoly Limited (ASX:COY) is pleased to report its activities on the Company's copper-gold projects on New Britain Island, Papua New Guinea and south-east Queensland for the quarter ending 31 March 2012.

1. About Coppermoly

Coppermoly is focused on exploring for and developing copper-gold deposits. It has three tenements, Simuku, Nakru-1 and Talelumas, on New Britain Island, Papua New Guinea and another three tenements nearby under application. The Simuku Project has an Inferred Mineral Resource of 200 million tonnes at 0.47% copper equivalent*, and a maiden Inferred Resource for the Nakru-1 Project is expected in May 2012.

Both the Simuku and Nakru projects are within a four-hour drive from the provincial capital of Kimbe, which has businesses, roads, shops, electricity and a deep water port (refer to Photo 1) that supports the region's growing oil palm industry. These local services are essential for the future development of the projects.

Barrick (PNG Exploration), a wholly-owned subsidiary of Barrick Gold Corporation, has notified Coppermoly Limited that it has met a \$20 million expenditure commitment under the farm-in agreement on Coppermoly's tenements on New

Britain Island which include Simuku (EL1077), Nakru (EL1043) and Talelumas (EL1445) (refer to Figure 1). Therefore Barrick has now earned a 72% stake in these three projects. A joint venture for the exploration of the tenements is expected to be formed during May-June 2012.

Coppermoly will retain a 28% interest in all tenements and its cash contribution until the completion of a feasibility study will be delayed until the commencement of production and will be repaid from Coppermoly's share of any future production revenue. Barrick has demobilised all drilling equipment and personnel pending a review of the projects and proposed metallurgical test work.

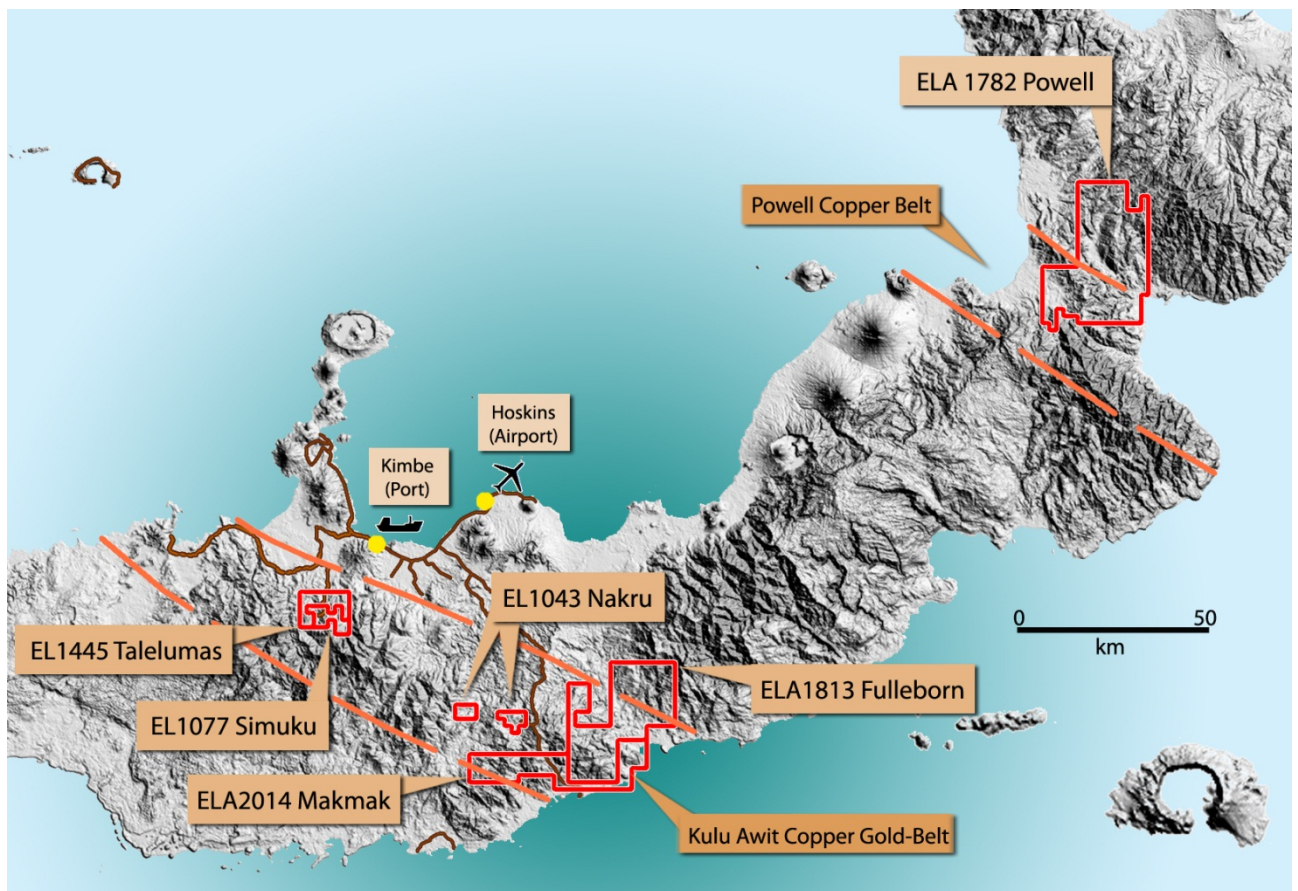


FIGURE 1: Location of Coppermoly projects on New Britain Island, PNG



PHOTO 1: Aerial view of the deep water port at the provincial capital of Kimbe, New Britain Island

In addition, Coppermoly has signed an agreement to earn up to 70% on the Esk Trough copper-gold projects in south-east Queensland by spending \$6 million in exploration over six years from October 2011. An initial \$500,000 will be spent on geophysics and drilling during 2012 to determine if Coppermoly wishes to earn-in a percentage of the projects.

Drilling is expected to commence at Esk Trough in May to determine the geometry of historical intersection of copper and gold. The project has excellent potential for a higher grade copper and gold resource near surface within a four-hour drive north of an international port at the state capital of Brisbane.

2. Simuku Project

The Simuku project is within a one-hour drive by 4WD vehicle from existing infrastructure at the provincial capital of Kimbe, Papua New Guinea. Porphyry-style copper-molybdenum-(silver) mineralisation is discontinuously present over an area of about 4.5km by 1.0 to 2.2km. It is host to an Inferred Resource of 200 million tonnes grading 0.47% copper equivalent (using a 0.30% copper equivalent* cut-off) or a higher grade Inferred Mineral Resource of 80 million tonnes grading 0.60% copper equivalent* (using a 0.5% copper equivalent* cut-off). It contains 700,000 tonnes of copper, 12,000 tonnes of molybdenum, 12 tonnes of gold and 391 tonnes of silver (or 1.5 billion pounds of copper, 26 million pounds of molybdenum, 0.4 million ounces of gold and 13 million ounces of silver). A total of 10,248 metres has been drilled in 37 diamond holes to date.

Assay results reported in February from drillhole BWNBDD0016 at the Simuku Horseshoe molybdenum prospect (refer to Figure 2) showed copper and

molybdenum mineralisation to more than 600 metres depth, including 97m grading 0.42% copper equivalent* (0.31% copper, 112 ppm molybdenum and 3.36 g/t silver).

Approximately 250m northeast of BWNBDD0016, historical drillhole SMD14 intersected 14m grading 4,192 ppm molybdenum from surface.

These results demonstrated the continuity of molybdenum and copper mineralisation to depth, beneath mineralised samples from surface bulldozer trenching. During 2010 and 2011, farm-in partner Barrick (PNG Exploration), a wholly-owned subsidiary of Barrick Gold Corporation, drilled six holes at Simuku for an average depth of 700m (total 4,227m) and these have shown continuity of mineralisation to depth throughout the large 3,500m long by 600m wide envelope of copper mineralisation.

Significant results from diamond drillhole BWNBDD0016 include (refer to Table 1):

- **97m grading 0.42% Cu.Eq* from 391m depth including;
29m grading 0.60% Cu.Eq* from 413m depth**
- **10m grading 421 ppm Mo from 539m depth**
- **6m grading 0.64% Cu and 619ppm Mo from 553m depth**
- **3m grading 1,246 ppm Mo from 795m depth**

Mineralisation was intersected within breccia, quartz and feldspar porphyry units within predominantly phyllic alteration.

Independent consultants Golder Associates are currently reviewing the drilling results of the Barrick holes BWNBDD0014, 15 and 16 completed in 2011, with a view to updating the existing Inferred Resource (refer to Figure 3).

Drillhole BWNBDD0014 was drilled beneath the Inferred resource to 1,004.9 metres depth and intersected copper mineralisation through to the end of the hole, significantly increasing the size potential of the resource.

Further south at the Misili Prospect, BWNBDD0015 was terminated at 686.4m to test the deeper parts of the resource beneath the Tobarum prospect. Highlights include 24m grading 0.75% copper from 292m. Molybdenum intersections including 47m grading 234ppm and 0.32% copper from 451m depth.

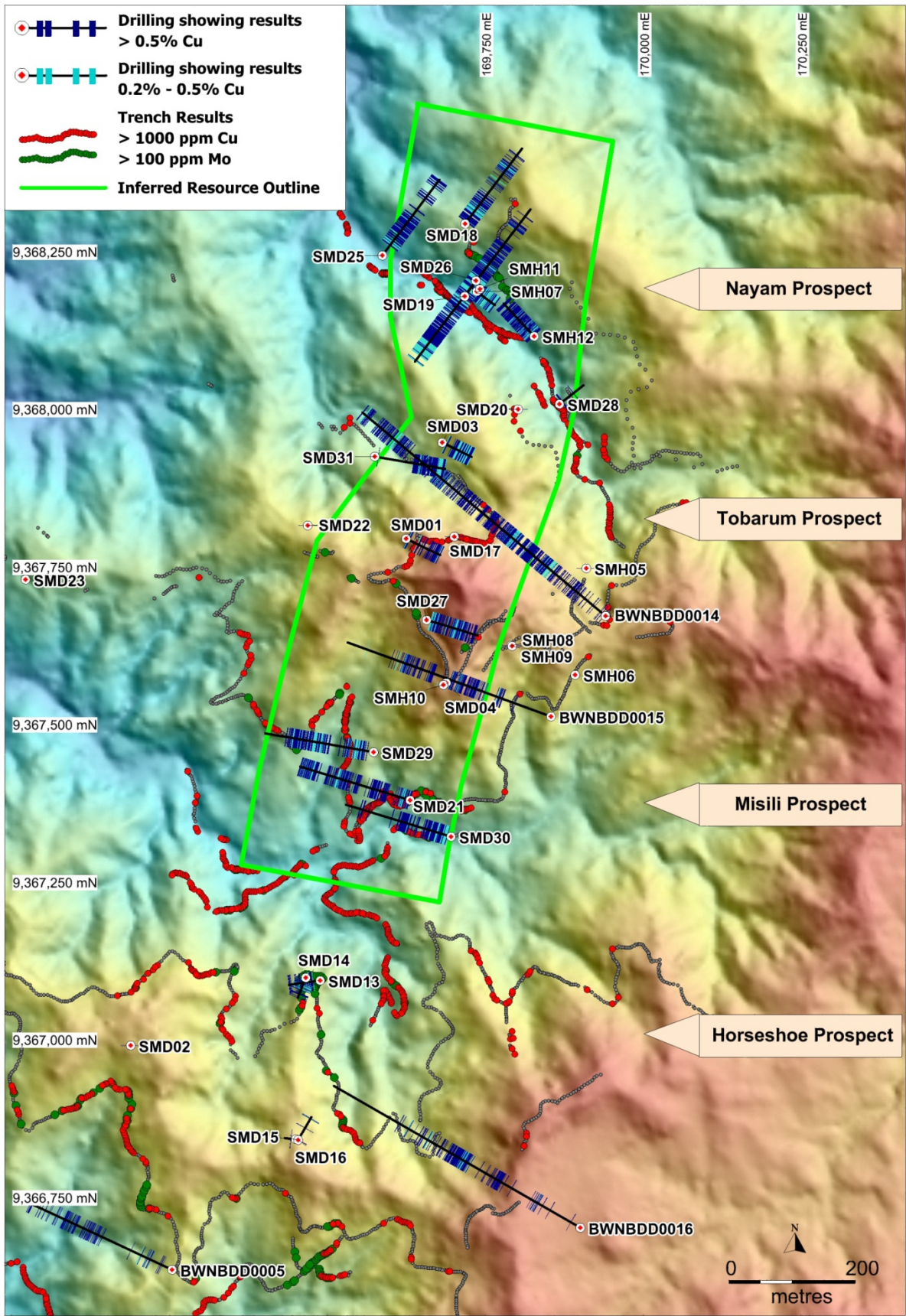


Figure 2: Location of drillholes and trench results on a topographic Lidar image

Table 1: BWNBDD0016 Significant Intercepts

Hole Id.	Width (m)	Cu.Eq %	Cu %	Mo ppm	Au g/t	Ag g/t	From (m)	To (m)	Cut-off (Cu.Eq*)
BWNBDD0016 (Horseshoe)	698	0.19	0.13	54	0.02	1.57	100	798	Nil
	Including								
Volcanics	19	0.29	0.24	22	0.03	2.11	148	167	0.2%
Hornblende	4	0.26	0.16	5	0.03	5.98	246	250	0.2%
Porphyry	3	0.25	0.19	13	0.02	2.73	277	280	0.2%
	28	0.31	0.26	30	0.02	2.45	286	314	0.2%
	12	0.28	0.20	80	0.02	2.40	318	330	0.2%
	8	0.22	0.16	44	0.03	2.38	338	346	0.2%
	4	0.22	0.08	191	0.05	1.70	359	363	0.2%
	7	0.31	0.18	175	0.04	2.66	365	372	0.2%
	97	0.42	0.31	112	0.04	3.36	391	488	0.2%
	Including								
	29	0.60	0.48	93	0.04	4.73	413	442	0.2%
	5	0.31	0.23	53	0.04	2.58	506	511	0.2%
	3	0.35	0.22	111	0.06	4.03	528	531	0.2%
	10	0.39	0.19	421	0.02	1.67	539	547	0.2%
	6	0.98	0.64	619	0.05	5.55	553	559	0.2%
	11	0.24	0.21	22	0.03	0.99	571	582	0.2%
	2	0.36	0.27	79	0.03	2.55	587	589	0.2%
	7	0.40	0.26	36	0.06	6.76	623	630	0.2%
	2	0.30	0.16	104	0.05	4.85	652	654	0.2%
	3	0.57	0.03	124	0.03	2.57	795	798	0.2%
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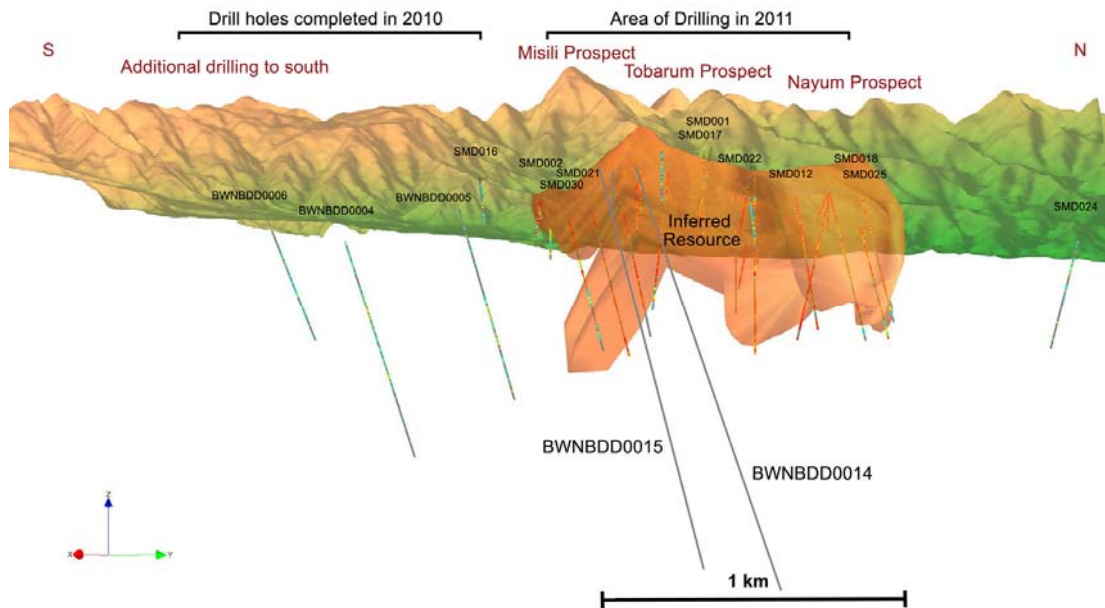


FIGURE 3: Simuku topography and drillholes looking west

4. Nakru-1 Prospect

The Nakru-1 copper-gold system is the most advanced prospect within the Nakru tenement with 27 diamond drillholes completed for 5,928.4m. During 2010, a diamond drillhole through the centre of a previously untested geophysical chargeability anomaly intersected 213.75m grading 0.92% copper and 0.33 g/t gold from 74.45m.

Nakru-1 has an exploration target of 50 to 60Mt grading 0.7 to 0.9% copper within the bounds of the existing drillholes. Further drilling is required to determine the extent of copper and gold mineralisation (refer to Figure 4).

Independent consultants Golder Associates are currently reviewing the drilling results with a view to obtaining a maiden Inferred Resource estimate. Results are expected in May 2012. A conceptual mining study by Coppermoly is currently being considered to help determine the viability of the project with existing drilling data.

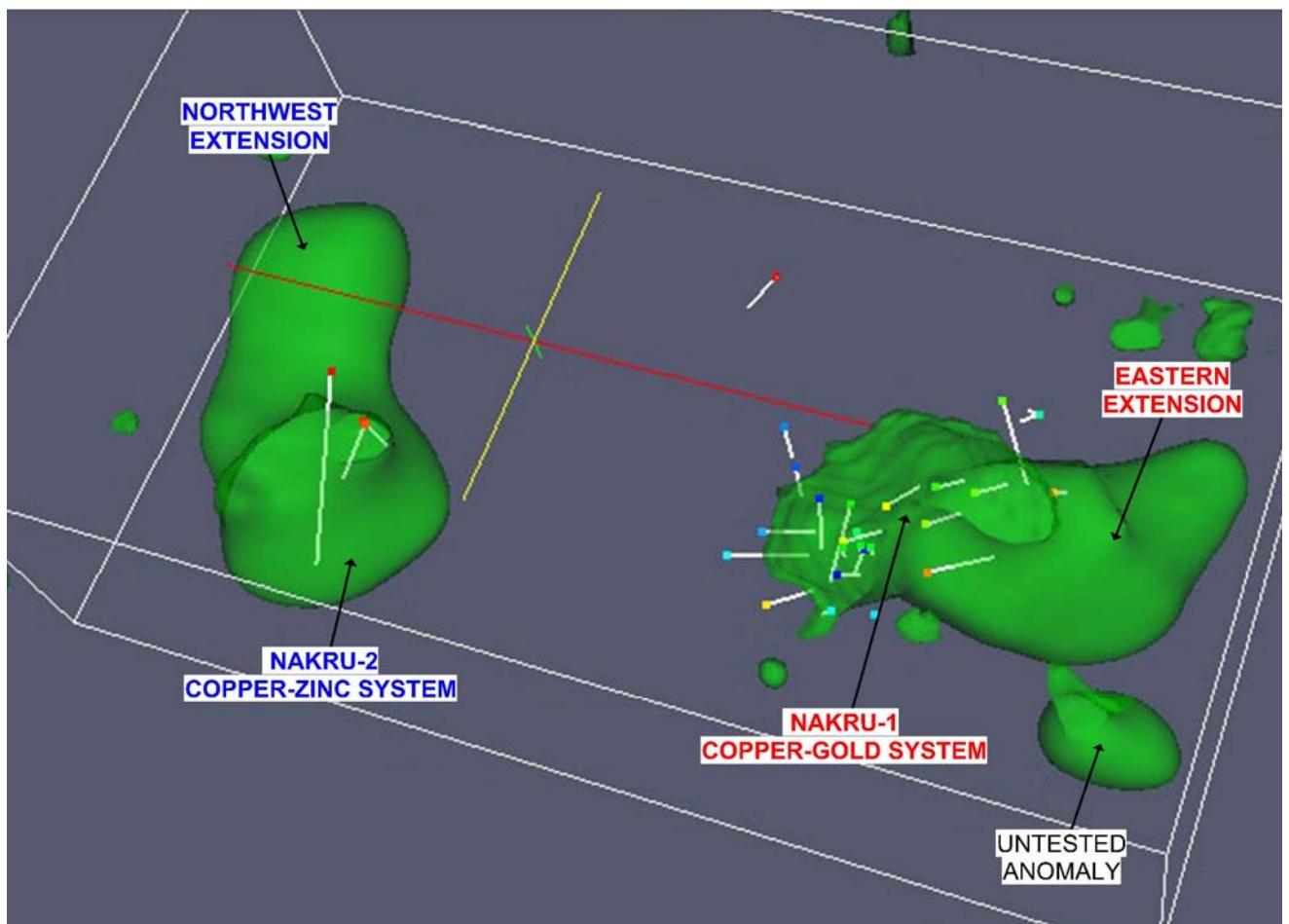


FIGURE 4: Three-dimensional image – chargeability/sulphides looking northwest

5. Esk Trough

Coppermoly has a farm-in agreement at the copper-gold Esk Trough Project in south-east Queensland, a four-hour drive north-west of the state capital of Brisbane. Coppermoly can earn a 51% interest by spending \$3 million over three years and can further elect to advance its interest to 70%.

Three dimensional induced polarisation (3DIP) ground geophysical surveys have been completed at three prospect locations. Data is currently being processed and will be interpreted during May 2012 in order to define additional targets for mineralisation.

Coppermoly has utilised a 3DIP geophysical technique to review sub-surface geology and possible areas of copper mineralisation. This geophysical technique was successfully applied to Coppermoly's Nakru project in 2008. The results at Nakru showed sub-surface IP anomalies correlating with copper and gold mineralisation. The first drill hole into the centre of the Nakru-1 3DIP anomaly intersected 213.7m grading 0.92% copper and 0.33 g/t gold with an upper blanket of secondary enrichment of 13m grading 2.8% copper.

The Kakapo prospect within the Boobyjan tenement at Esk Trough (refer to Figure 5) has significant historical drilling results including 88m grading 0.47% copper and 0.49 g/t gold in KAKD1 and 1.8m grading 2.12% copper in BRADS26 (refer to Table 3).

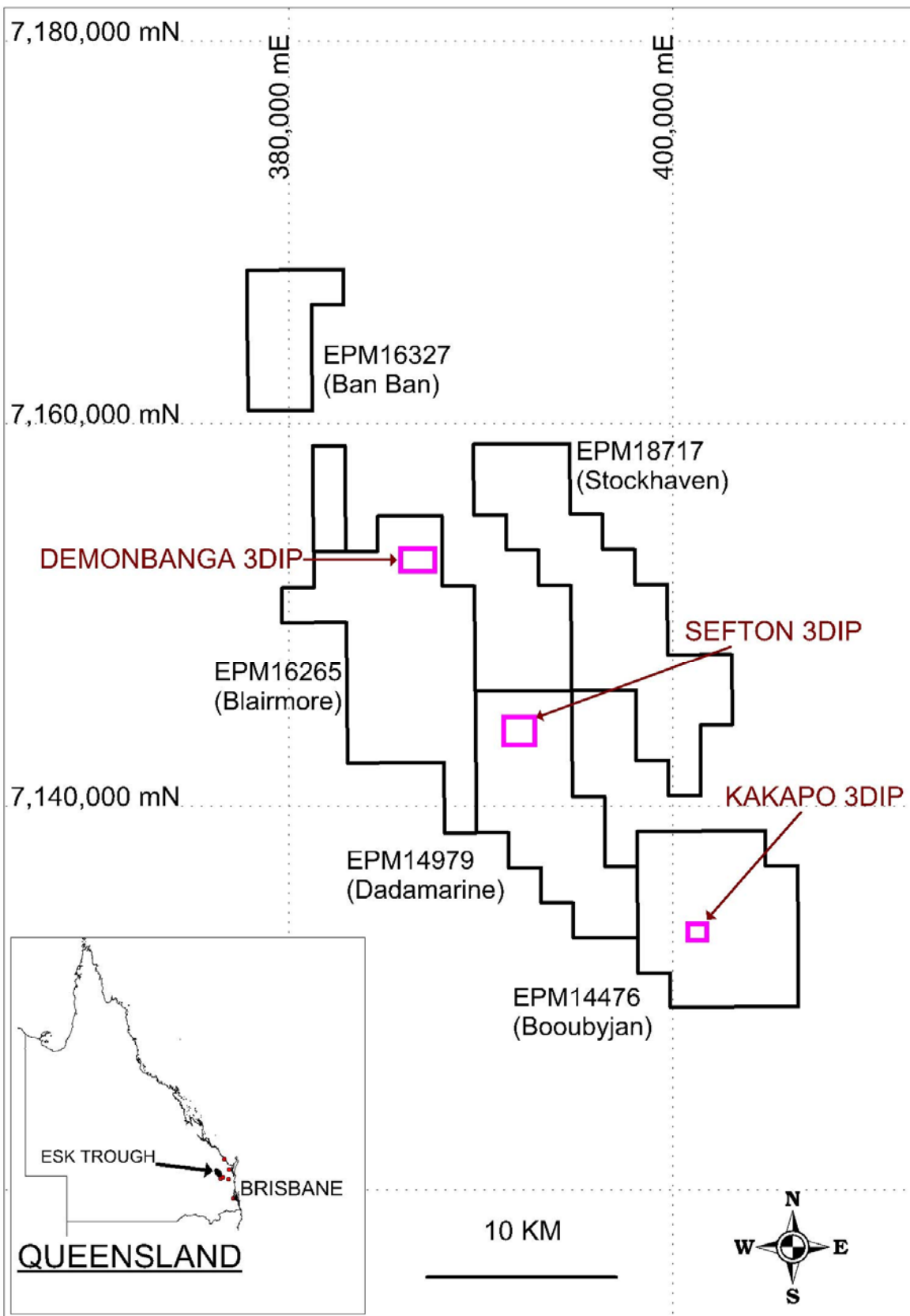


Figure 5: Location Plan of Esk Trough Project, Queensland

Table 3: Kakapo prospect significant drillhole intersections

Hole_Id	Interval	Copper (%)	Gold (g/t)	From (m)	To (m)
KAKP3 Depth=120m	22	0.26	0.29	62	84
	Including 8	0.49	0.67	62	70
KAKD2 Depth=186.4m	58	0.25	0.15	72	130
	Including 17	0.44	0.29	99	116
KAKD1 Depth=213.4m	88	0.47	0.49	38	126
	62	0.16	0.05	126	188
BRAPS29 Depth=133m	2	-	0.07	20	22
	2	0.08	-	26	28
BRAPD25 Depth=186m	38	0.33	0.4	63	101
	45	0.20	-	101	146
BRADS26 Depth=210m	1.8	2.12	0.72	40	41.8
ABJ017 Depth=348m	17	0.12	-	119	136
ABJ006 Depth=99m	11	0.10	0.03	6	17

Copper mineralisation intersected from drilling is predominantly coincident with a conductivity anomaly detected in the 3DIP survey. These results have helped map out the potential extent of sub-surface copper mineralisation at Kakapo (refer to Figure 5).

An 1800m reverse circulation (RC) drilling programme is scheduled to commence in early May 2012. The drilling will test for copper tonnage potential near surface at the Kakapo prospect (refer to Figure 6).

Drilling will also test for the upper 75m extents of copper mineralisation at the White Horse prospect within the Boobyjan tenement to expand on historical drilling results including:

- 38m at 0.74% Cu and 0.13 g/t Au from 20m depth, including **10m at 1.87% Cu** and 0.14 g/t Au from 22m depth.
- 44m at 0.43% Cu and 0.11 g/t Au from 22m, including **8m at 1.2% Cu** and 0.08 g/t Au from 36m depth.
- **2m at 2.42% Cu** from 30m depth

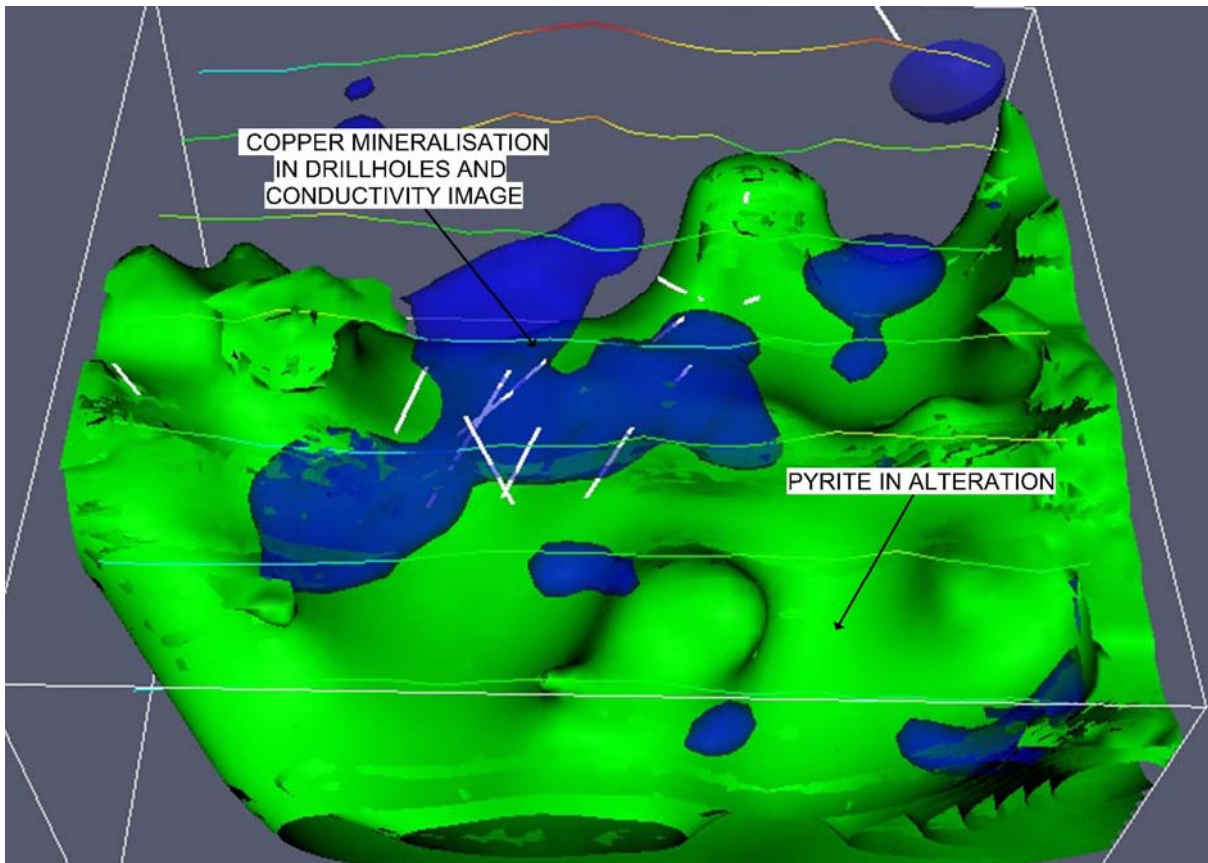


Figure 6: Kakapo Copper Mineralisation in 3DIP conductivity image

During the June quarter, the Esk Trough project will be reviewed for copper and gold mineralisation extents with ground geophysical surveying results and an RC drilling programme.

* see notes

On behalf of the board,

Peter Swiridiuk
MANAGING DIRECTOR

The information in this report that relates to Exploration Results and Inferred Resources is based on information compiled by Peter Swiridiuk, who is a Member of the Australian Institute of Geoscientists. Peter Swiridiuk is a consultant to Coppermoly Ltd and is employed by Aimex Geophysics. Peter Swiridiuk has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for

Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Peter Swiridiuk consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Notes:

- All stated intersections are weighted assay averages ($[\text{Sum of each total interval} \times \text{grade}] / \text{Total length of intersection}$).
- Drillhole samples from drillholes were transported to the camp site then to the town of Kimbe where they were logged, orientated and sampled between 1m and 2m intervals from core split by saw. The split samples were then freighted to either Intertek in Lae (PNG) for sample preparation. Samples were dried to 106 degrees C and crushed to < 2 mm. Samples greater than 2kg were rifle split down to 1.5kg and pulverised to 75 microns. The final 300g sized pulp samples were then sent to Intertek laboratories in Jakarta for geochemical analysis. Intertek analysed for gold using a 50g Fire Assay with Atomic Absorption Spectroscopy finish. Other elements were assayed with ICPAES Finish. Copper values greater than 0.5% were re-assayed. Intertek laboratories have an ISO 17025 accreditation. Unused half core is stored in sheltered premises in the town of Kimbe.
- Quality control and quality assurance checks on sampling and assaying quality were satisfactory.
- BWNBDD (Barrick West New Britain Diamond Drillhole) Series Drill Core is PQ, HQ and NQ in size with core recovery predominantly greater than 93%.
- Co-ordinates are given in UTM Zone 56, AGD66 Datum.
- Mineralised intersections are quoted as down hole widths.
- Mineralisation at Simuku consists of copper, molybdenum, gold and silver.
- Copper equivalent values have been calculated as $(\text{Cu} + (7.6 \times \text{Mo}) + (7818 \times \text{Au}) + (101.3 \times \text{Ag}))$
- The copper equivalent values for intersections are quoted in addition to individual metal values, as they provide the most meaningful comparisons between different drill holes and trenches. The copper equivalent value will vary with the metal price.
- Copper Equivalent* is the contained copper, molybdenum, gold and silver that are converted to an equal amount of pure copper and summed (based on assays of mineralised rock and actual metal prices). It is used to allow interpretation of the possible theoretical 'value' of mineralised rock, without consideration of the ultimate extractability of any of the metals.
- Island Arc related porphyry copper – molybdenum - gold – silver deposits such as Simuku typically recover those metals subject to prevailing metal prices and metallurgical characteristics.
- The ASX requires a metallurgical recovery be specified for each metal, however, no test work has ever been undertaken at Simuku and recoveries can only be assumed to be typical for Island Arc porphyry copper – molybdenum –gold –silver deposits.
- It is the Company's opinion that each of the elements included in the metal equivalents calculation has reasonable potential to be recovered if the project proceeds to mining.