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ASX Announcement

26th October 2011 **ASX Code: COY**

TECHNICAL REPORT – QUARTER ENDED 30 SEPTEMBER 2011

HIGHLIGHTS

- **Copper mineralisation intersected to over 1,000 metres depth has demonstrated a significant increase in tonnage potential at Simuku.**
- **The second diamond hole at Simuku during 2011 was completed to 686.4 metres Depth. Assays are pending.**
- **Drill pad preparation has begun at the Rapili/Rapisme Prospect at Kulu.**
- **Drillhole BWNBDD0013 tested the Nakru-1 Geophysical Induced Polarisation anomaly at depth, intersecting volcaniclastic breccia with quartz, pyrite and copper sulphides.**
- **Drillhole BWNBDD0017 completed to test the coincident Induced Polarisation geophysical anomaly and gold-copper wacker drilling bedrock geochemistry.**
- **Coppermoly signs an Agreement to farm-in to copper-gold projects in South-East Queensland, Australia.**

1. SIMUKU PROJECT

Drillhole BWNBDD0014 was completed to 1,004.9 metres depth beneath the Inferred Resource to test the deeper parts of Simuku porphyry system (refer to Figures 1 and 2). The drillhole intersected copper mineralisation through to the end of the hole, significantly increasing the size potential of the current Inferred Resource of 200 million tonnes grading 0.36% copper, 61 ppm molybdenum, 0.06 g/t gold and 2 g/t silver.

Assay results include (Refer to Table 1):

- **16 metres grading 0.54% copper from 202 metres depth**
- **43 metres grading 0.54% copper from 224 metres depth**
- **70 metres grading 0.42% copper from 359 metres depth**
- **44 metres grading 0.39% copper from 659 metres depth**
- **4.1 metres grading 0.74% copper from 993.1 metres depth**

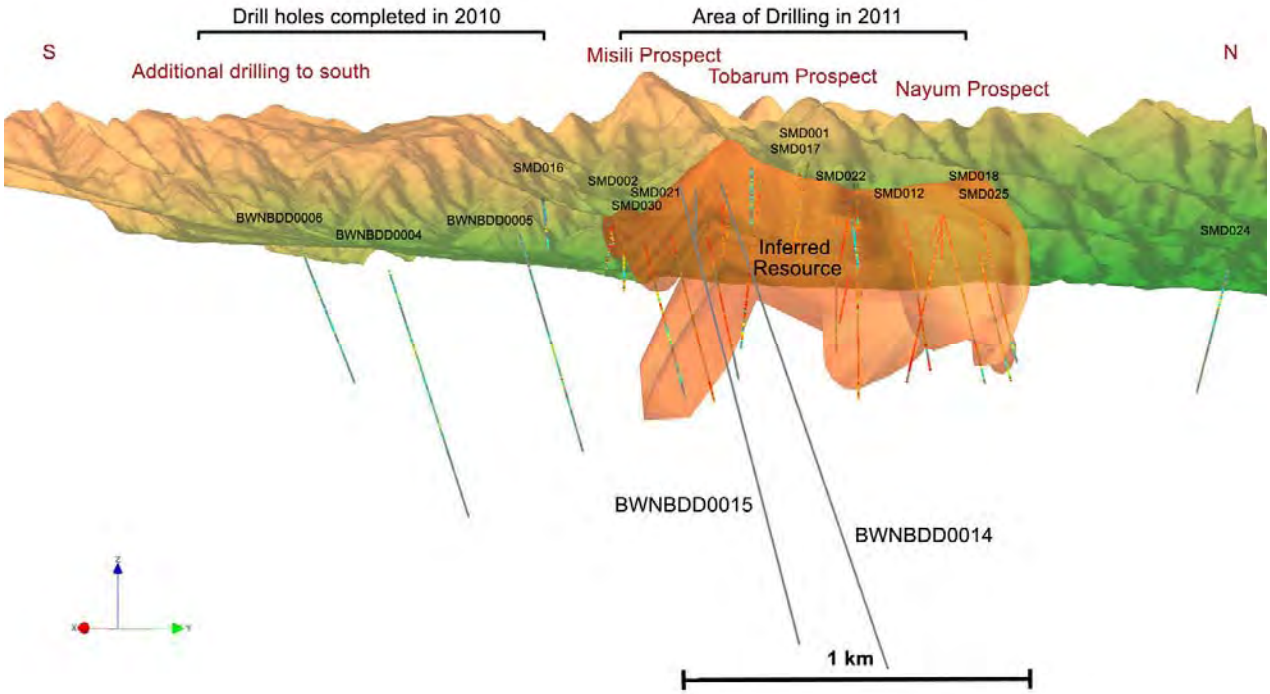


FIGURE 1: Simuku Inferred Resource Model, Topography and Drillholes Looking West

BWNBDD0014 intersected primary copper sulphide mineralisation with more sulphide noted within structures and stockwork intensity throughout the entire hole (refer to Photo 1).

PHOTO 1: High grade veining in drillcore from BWNBDD0014 at 264.2 metres depth assaying 4.2% copper over one metre

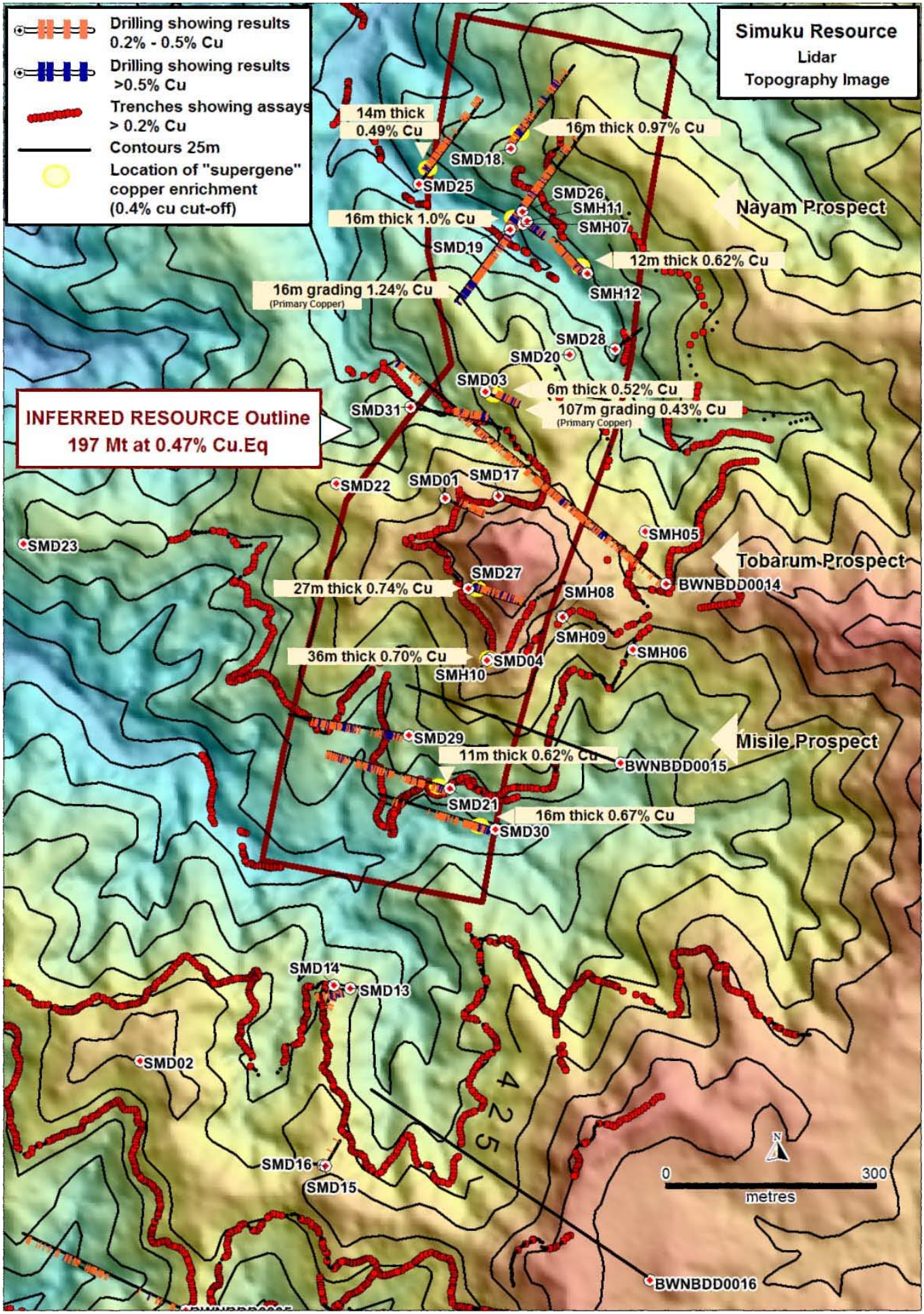


FIGURE 2: Lidar Topography Image Showing Drillhole Locations and Results

BWNBDD0014 also intersected mineralised skarn (refer to Photo2) and phyllic altered intrusive consisting of hornblende rich porphyry and quartz feldspar porphyry and feldspar porphyry (Refer to Photo 3).

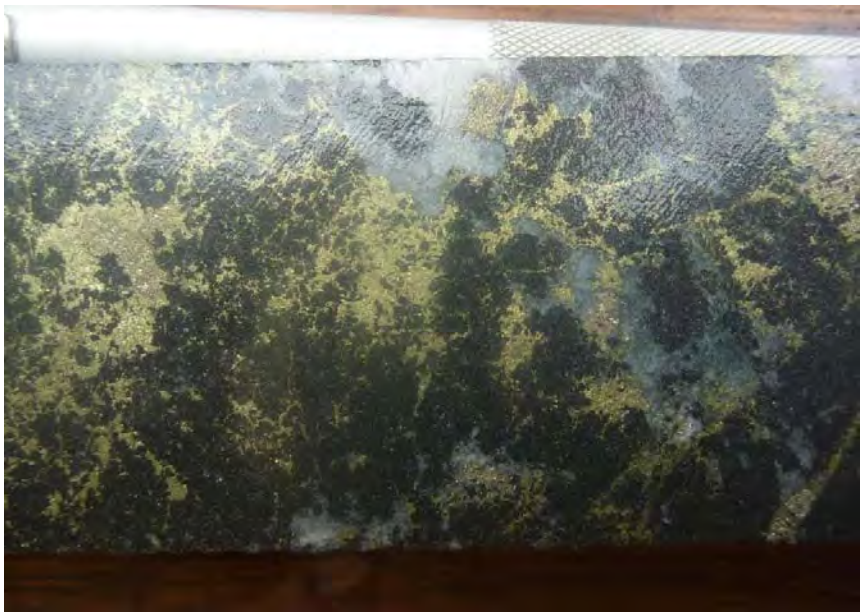


PHOTO 2: Massive Magnetite Skarn with Copper and Iron Sulphides at 755m metres depth assaying 2 metres grading 2.1% Copper and 1.36 g/t Gold

PHOTO 3: Quartz Feldspar Porphyry with veins of Chalcopyrite and Molybdenite at 923.8 metres

Geological Summary of Drillhole BWNBDD0014

Copper mineralisation is limited to chalcopyrite as fine disseminations. In limited narrow segments, chalcopyrite occurs in breccia matrix infill. Generally the hole intersected a phyllic altered zone with a number of breccia. The better mineralised quartz bearing porphyry intrusions display quartz+sericite+albite with a chalcopyrite:pyrite ratio > 1.

Molybdenite occurs as minute grains, fracture infill and narrow veinlets. The phyllic zone is coincident with the regional airborne magnetic low zone and airborne radiometric potassium anomaly within the envelope of surface mineralisation.

Variably mineralised skarn bodies between 658-712 metres, 729-732 metres, 756-765 metres and 858-876 metres produce magnetic anomalies detected from airborne magnetic survey data on the western side of the Simuku envelope of mineralisation, where the hole was terminated into andesite wallrocks.

Table 1: Drillhole Intercepts (Cut-off 0.2% Cu)

Hole Id.	From (m)	To (m)	Width (m)	Cu %	Mo ppm	Au g/t	Ag g/t
BWNBDD0014	51.3	54	2.7	0.29	0	0.06	4.00
(Tobarum)	104	107	3	0.17	0	0.03	1.63
	123	138	15	0.22	4	0.04	1.83
	143	145	2	0.28	9	0.03	2.85
	154	156	2	0.24	7	0.02	1.95
	171	173	2	0.37	10	0.04	3.6
	186	192.2	6.2	0.22	7	0.02	1.38
	202	**218**	**16**	**0.54**	**17**	**0.04**	**4.37**
Including							
	215	**218**	**3**	**1.79**	**29**	**0.07**	**9.63**
	224	**267**	**43**	**0.54**	**18**	**0.06**	**3.63**
	278	289	11	0.26	33	0.03	2.47
	294	330.9	36.9	0.36	23	0.07	3.61
	335	348	13	0.36	26	0.02	2.03
	359	**429**	**70**	**0.42**	**76**	**0.03**	**2.91**
	439	451	12	0.21	91	0.04	2.64
	458	482	24	0.31	50	0.05	4.27
	501	512	11	0.26	161	0.03	3.30
	531	534	3	0.21	74	0.03	3.40
	538	543	5	0.21	116	0.02	2.42
	548	551	3	0.27	68	0.04	2.07
	555	565	10	0.29	90	0.04	2.84
	570	589	19	0.25	178	0.04	2.74
	607	610	3	0.21	176	0.03	1.70
	614	619	5	0.23	53	0.03	1.78
	630	637	7	0.20	90	0.03	1.31
	643	648	5	0.21	67	0.01	2.54
	659	**703**	**44**	**0.39**	**56**	**0.05**	**1.58**
Including							
	694	**696**	**2**	**0.90**	**74**	**0.09**	**2.65**
	721	724	3	0.22	62	0.02	1.37
	728	731	3	0.20	46	0.03	1.07
	754	756	2	2.08	8	1.36	9.25
	758	760	2	0.27	65	0.11	1.79
	Pending 804 to 904						
	904	913	9	0.28	75	0.23	9.69
	918	943.8	25.8	0.27	117	0.03	2.33
	971	993.1	22.1	0.32	93	0.05	4.00
including							
	989	**993.1**	**4.1**	**0.74**	**33**	**0.17**	**9.98**
	1001.66	1004	2.34	0.29	70	0.08	5.57

NB: Assay results between 804 metres and 904 metres depth are pending

Table 2: Drill Collar Table (Datum AGD66, Zone 56)

Hole	Prospect	Easting	Northing	Azimuth (deg)	Dip (deg)	Depth (metres)
BWNBDD0014	Tobarum	169940	9367670	310	-60	1004.9
BWNBDD0015	Tobarum/Misili	169854	9367511	288	-60	686.4

Drillhole BWNBDD0015 (refer to Figure 2 and Table 2) has recently been completed to 686.4 metres depth to test the deeper parts of the Tobarum prospect beneath the area of the Inferred Resource area.

Summary observations for BWNBDD0015 include:

- The hole intersected hornblende rich porphyry in the upper 450 metres with chlorite-sericite alteration.
- A post-mineralisation hydrothermal breccia was intersected between 215 and 279 metres depth. It contains angular clasts of hornblende rich porphyry, feldspar porphyry and quartz porphyry. Clasts containing early porphyry veins with disseminated chalcopyrite are observed within the breccia.
- Quartz feldspar and quartz porphyry dykes are encountered between 442 and 550 metres depth with associated albite alteration flooding with vein density typically <1 vol%. Chalcopyrite occurs as fine disseminations.
- Molybdenite occurs as specks, fracture in-fill, millimetre wide stringer veins. Sphalerite as fracture infill and vein selvages is observed within the phyllic overprint.
- Weakly mineralised skarn bodies were intersected between 580 to 598 metres, 634 to 637 metres and 644 to 684 metres. Disseminated pyrite is more abundant than chalcopyrite.
- The hole was terminated within phyllic altered hornblende rich porphyry with weak pyrite>chalcopyrite as vein selvages and fine grained disseminations.

Diamond drillhole BWNBDD0016 is currently in progress to test north-northeast trending quartz bearing porphyries beneath the “Horseshoe” molybdenum prospect. Last reported depth was 145.7 metres intersecting volcanics to 145 metres.

Diamond drilling and drillpad construction (Refer to Photo 4) is continuing within both the Nakru and Simuku tenements (refer to Figure 3). The Simuku project is located on New Britain Island in Papua New Guinea and within a one hour drive by 4WD vehicle from existing infrastructure at the provincial capital of Kimbe, which includes a deep water port which will be essential for future development.

An agreement was signed in October 2009 with Barrick (PNG Exploration) Ltd (“Barrick”) (a wholly owned subsidiary of Barrick Gold Corporation), whereby exploration is to be managed and carried out by Barrick. The agreement allows them to spend A$20 million to earn 72% of the three tenements EL 1043 (Nakru), EL1077 (Simuku) and EL1445 (Talelumas) covering 170 square kilometres. Within the first two years of the agreement, over A$17 million has been spent.

Coppermoly has an additional three tenements under application on New Britain Island covering 1,586 square kilometres which are not part of any agreement with Barrick.

Photo 4: Drillpad Construction

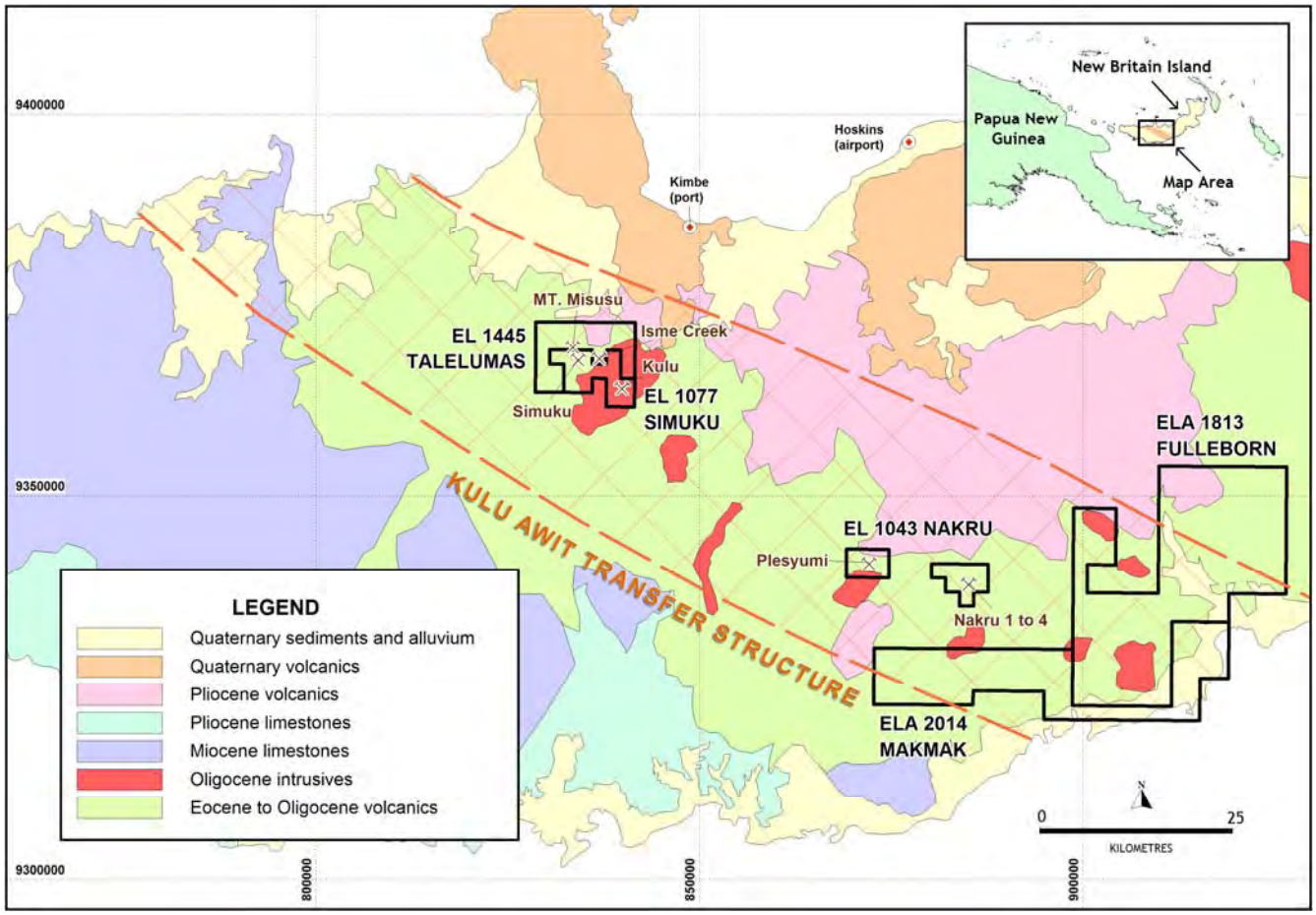


FIGURE 3: Location of Coppermoly Tenements on New Britain Island

2. KULU PROJECT (Kulu, Miwayuen, Rapisme, North Kulu)

Field mapping of the North Kulu area, northwest of the Miwayuen prospect (refer to Figure 4), was undertaken in July to help revise Esso's historical geology and alteration maps from the early 80's. The creeks which were mapped were covered by 179 mapping points over 1.4 km^2.

Esso's geologic map and concept of a diorite porphyry plug with radiating dykes was found to be valid. Bleached diorite porphyries were across ridges to form the plug. Comparable to mapping by Esso, the plug is intruding the andesite/volcaniclastic package, reported as part of the Eocene Baining Volcanics. Equigranular leucocratic to melanocratic diorite/quartz diorite are minor.

Areas with quartz and/or sulphide veining and their relative density (total vein/m) are less compared with those mapped further south in Miwayuen. Relatively denser veining was observed in, or around, some of the porphyry plug or dykes margins.

The overall magnetic susceptibility average of 16 SI is only half that at Miwayuen (average 30 SI) and is probably a reflection of North Kulu having a more extensive phyllic/sericitic alteration zone and limited propylitic/chloritic altered volcanics and diorites which typically have higher readings.

In addition, 27 rock channel samples were collected in Miwayuen Creek, where abundant quartz+magnetite+pyrite veins with trace to weak chalcopyrite (<0.5vol%) were previously mapped hosted in porphyritic feldspar diorite porphyry.

Drill pad clearing has commenced in the southern part of the Kulu area at the Rapilli/Rapisme prospect.

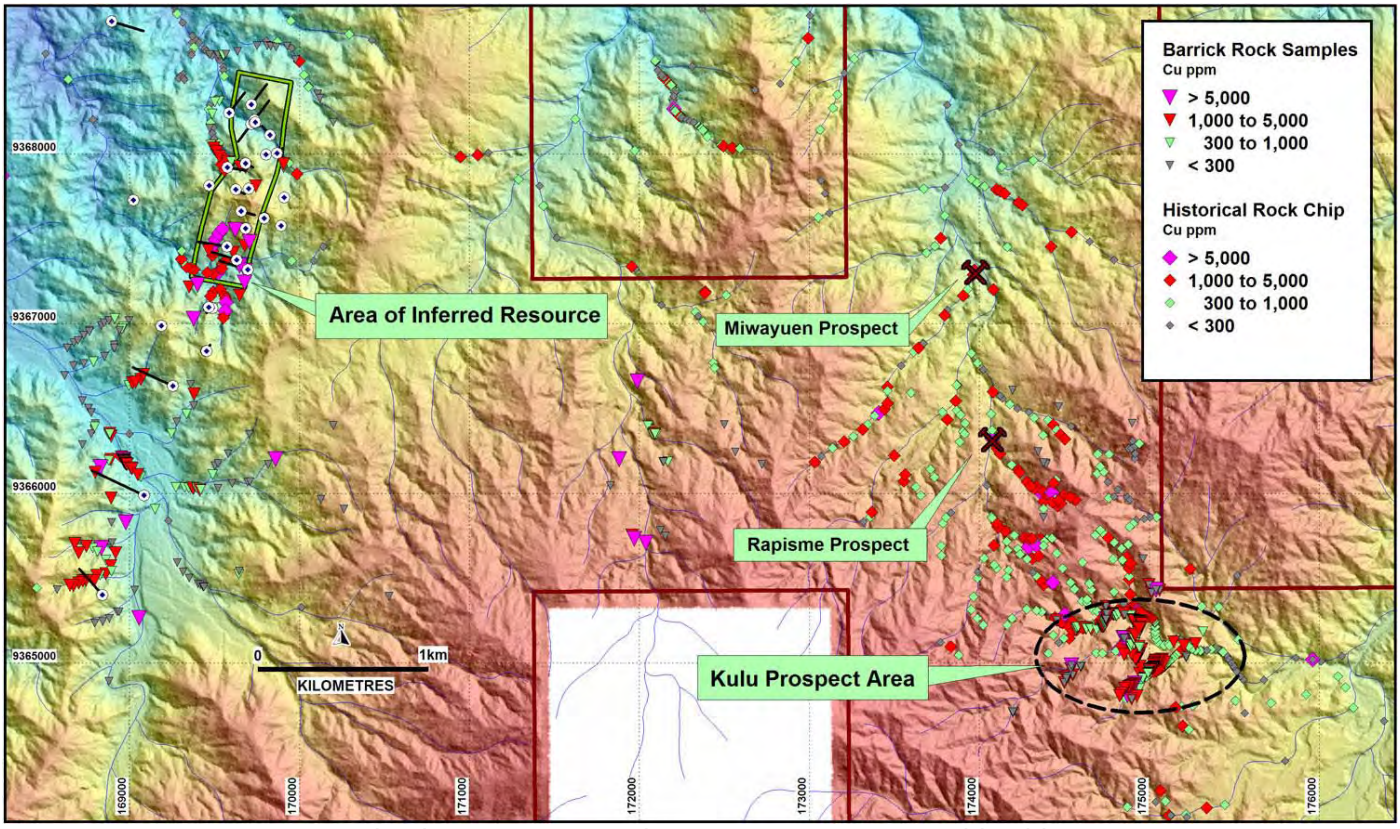


FIGURE 4: Simuku Tenement and Prospects on Topographic Lidar Image

3. NAKRU PROJECT

The Mt.Nakru tenement (refer to Figure 3) is host to number of discrete massive sulphide and breccia related copper-gold-zinc systems. Drilling is currently underway to test for tonnage potential at the Nakru-1 prospect where 26 drillholes have been completed for 5,928.4 metres.

Within the bounds of existing mineralised drillholes, there is an Exploration Target (see notes) of 50 to 60 million tonnes of 0.7 to 0.9% copper. The chargeability geophysical anomaly (red image) is interpreted to represent copper mineralisation as shown with existing drillhole results (refer to Figure 5). The anomaly plunges at depth to over 400 metres to the east from the last drillhole BWNBDD0008. This represents a significant portion of the anomaly remaining to be drill tested.

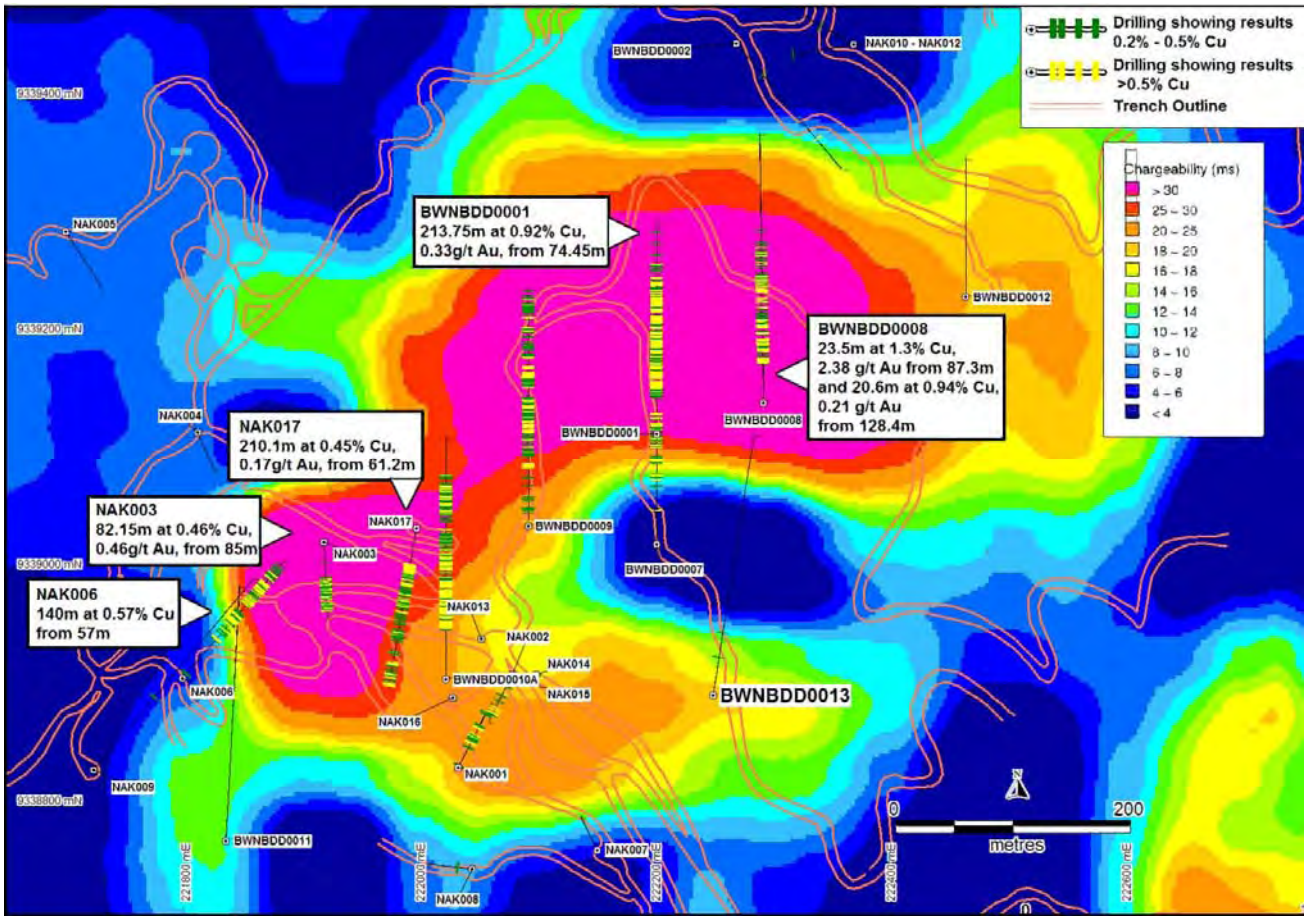


FIGURE 5: Nakru-1 Geophysical image (100m depth) showing chargeability (red areas > 25 ms) interpreted to be associated with primary copper mineralisation

BWNBDD0013 tested a portion of the chargeability anomaly at depth (refer to Figure 5) and intersected mainly volcaniclastic breccia. Chlorite-sericite alteration is dominant to 360 metres depth. Below 360 metres, dark green chlorite alteration is well developed. Quartz and pyrite and chalcopyrite veins (1-3 vol%) occur from 326 to 510 metres depth with increased veining (6%) from 444 to 510 metres depth hosted predominantly by rhyolite.

The resistivity geophysical image at 100 metres depth (refer to Figure 6) shows areas of low resistivity (i.e. conductivity) interpreted to be associated with drillhole intersections of secondary copper enrichment including 13.55 metres grading 2.8% copper from 75 metres depth in drillhole BWNBDD0001. Drillhole BWNBDD0008 intersected 23.5 metres grading 1.3% copper and 2.38 g/t gold from 87.3 metres depth. The nearer surface copper enrichment layer represents a separate higher grade copper target to the footwall stringer zone of primary grade copper beneath.

The Nakru-1 intersections of copper occur within the higher topographic areas (refer to Figure 7) which are interpreted to represent a rhyolite dome. The copper and gold mineralisation at the Nakru-1 and Nakru-2 deposits are within a four hours 4WD from an existing deep water port currently utilised to transport palm oil to south-east Asia. The deep water port and existing infrastructure within the provincial capital of Kimbe are essential to the future development of the project.

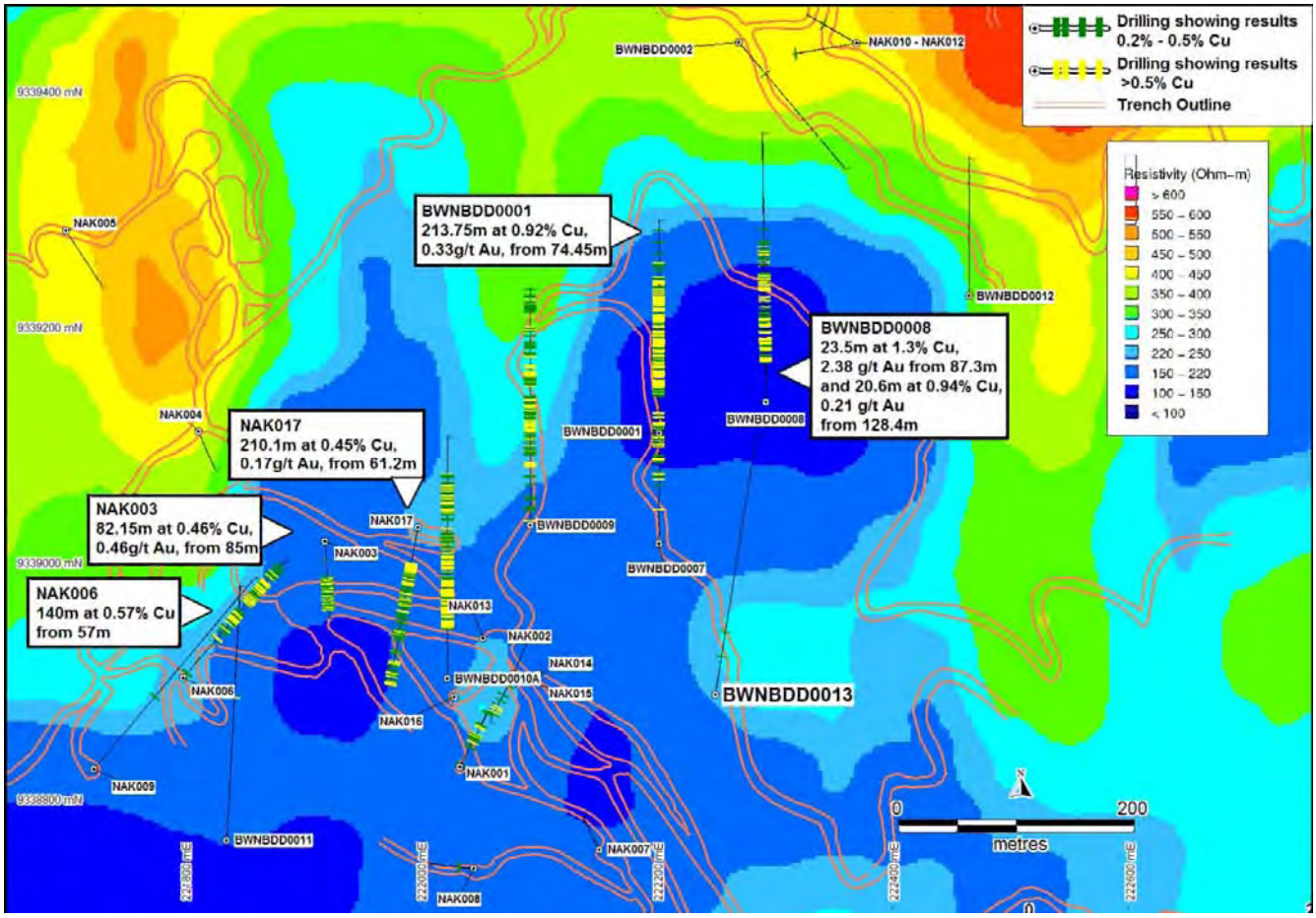


FIGURE 6: Nakru-1 Geophysical image (100m depth) showing conductivity (blue areas) interpreted to be associated with secondary copper enrichment

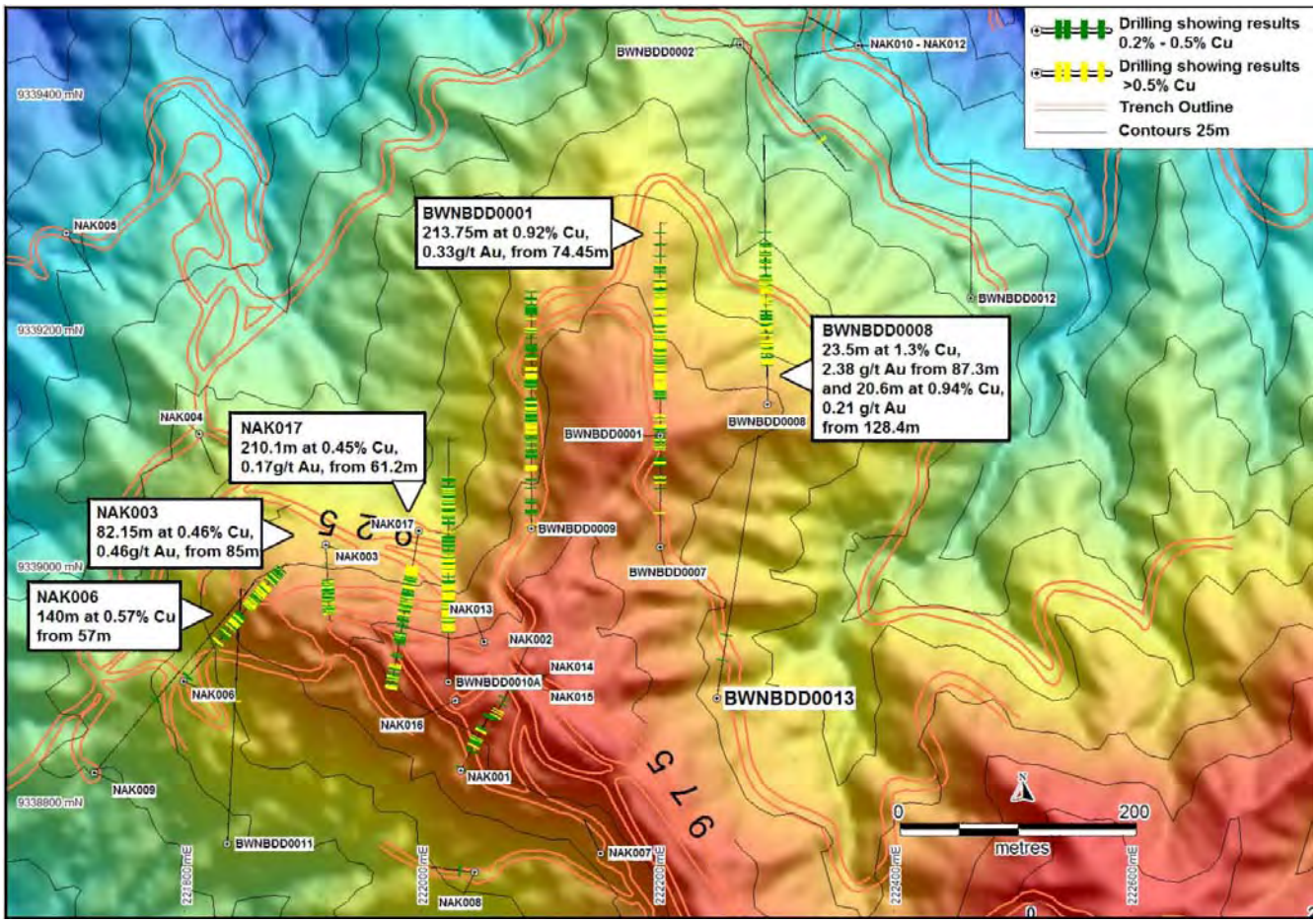


FIGURE 7: Nakru-1 Lidar image showing copper mineralisation within a topographically higher (red colour) Rhyolite Dome

At the Nakru-4 prospect (refer to Figure 8), diamond drillhole BWNBDD0017 tested the coincident low intensity Induced Polarisation geophysical anomaly and gold-copper bedrock geochemistry outlined by Wacker drilling. The hole intersected moderately quartz+sericite±chlorite altered rhyolite.

Hyaloclastite breccia occurs between 80 and 90 metres depth. A 2mm veinlet of iron-rich Sphalerite (±chalcopyrite) was observed at 124.7 metres depth and disseminated Sphalerite-chalcopyrite occurs at 77 metres depth.

From the surface to 9 metres depth occurs a soil horizon. Thereafter to 31.4 metres depth is an oxidised colluvial breccia. Some clasts in the breccia contain quartz veining and rare disseminated copper sulphides. Secondary copper enrichment is poorly developed as disseminations between 9 and 29.9 metres depth. Assay results are pending.

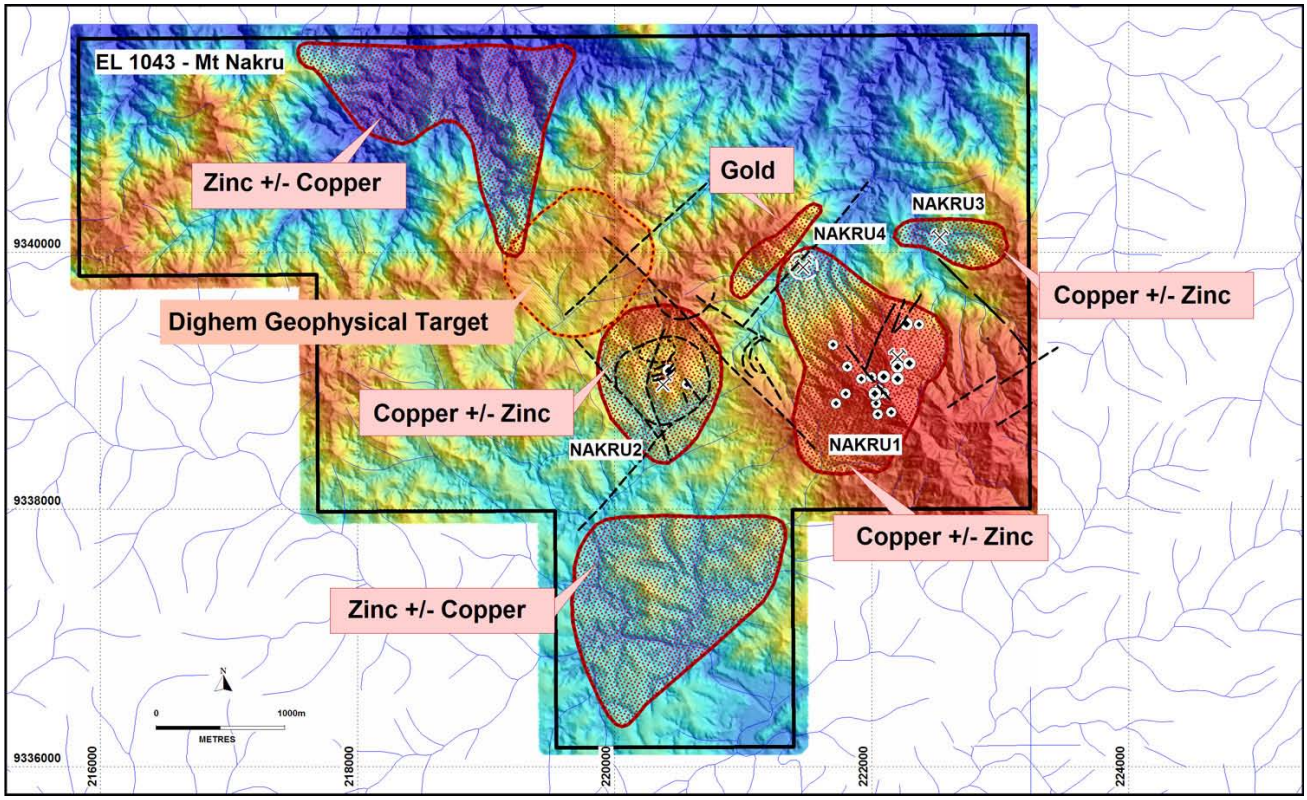


FIGURE 8: Topographic Image with Surface Geochemical Targets

4. ESK TROUGH PROJECT

Coppermoly Limited has signed an agreement with ActivEX Limited (ASX: AIV) to farm-in to the Esk Trough Project in South East Queensland (refer to Figure 9). Coppermoly can earn a 51% interest and can further elect to advance its interest to 70%.

The Esk Trough Project has advanced exploration prospects which will be drill tested over the next twelve months. Although Coppermoly has its three current tenements being drill tested, its three tenement applications can take years to get granted. The Esk Trough projects will ensure that Coppermoly investors will continue to gain exposure to the development of advanced copper-gold projects in the near to medium term.

The Esk Trough project has significant drill hole intersections, is accessible by roads and track and is close to existing infrastructure.

Terms of the agreement provide for Coppermoly to farm-in to the joint venture area by sole funding exploration spending of $3M over three years to earn a 51% interest with a minimum expenditure commitment of $0.5M in the first year.

Once Coppermoly has completed the first stage earn-in it can elect to continue sole funding the exploration program and by spending an additional $3M it can earn a cumulative 70% interest in the area. If and when Coppermoly has earned the 70%, ActivEX can elect to claw back a 10% interest (i.e. to 40%) by sole funding $6M of exploration expenditure. The joint venturers will contribute on a pro-rata basis if either Company discontinues sole funding.

The program in the first twelve months will be focused upon drill testing prospects that have already been identified by a combination of surface geochemistry, geophysics and historical drilling results.

At the Kakapo prospect within the Booubyjan tenement, an intersection of 88m grading 0.47% copper and 0.49 g/t gold was obtained at 38 metres depth in a reverse circulation (RC) drilling programme. It will be critical to test this intercept by diamond drilling to provide repeatable assay grades and reliable geological indicators (i.e. mineralisation and geometry) for porphyry copper-gold mineralisation. Additional drilling targets also exist at nearby prospects - Hines, Kiwi, White Horse, and Bath (refer to Figure 10).

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

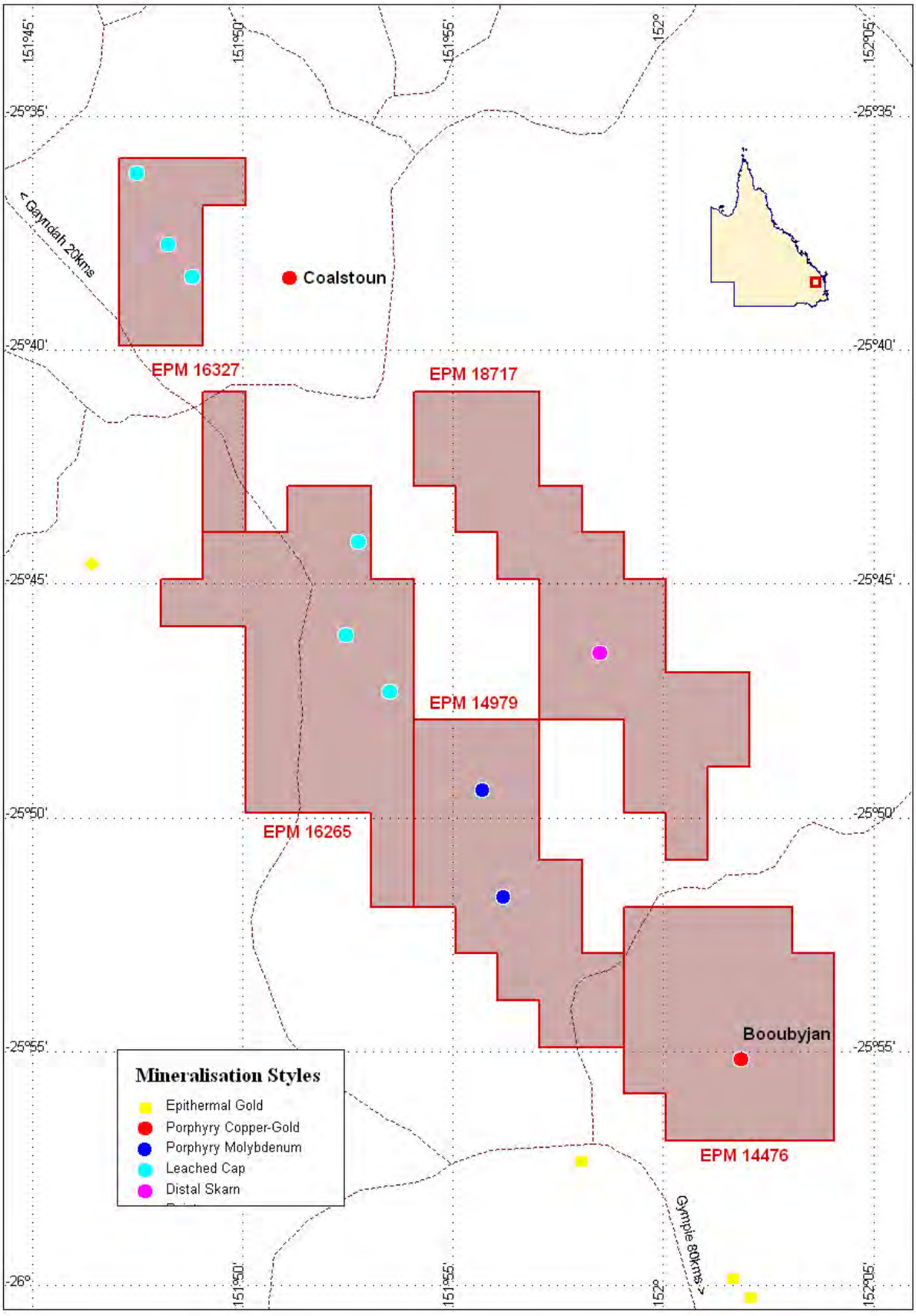


Figure 9: Location Plan of Esk Trough Project, South East Queensland

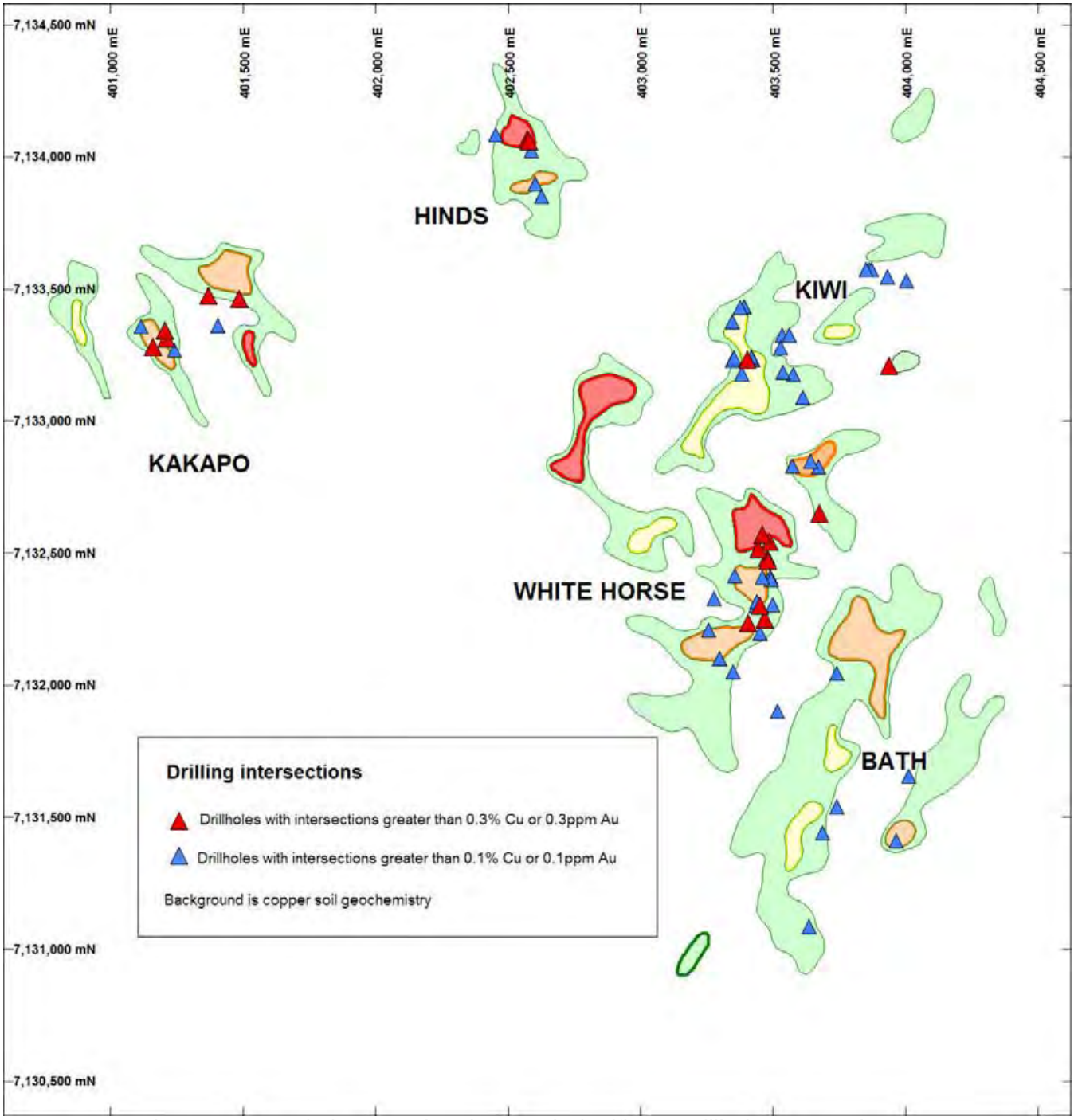
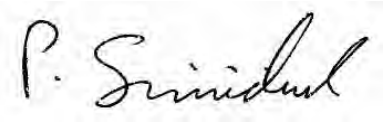


Figure 10: Booubyjan Geochemistry and Significant Drillhole Intersections

On behalf of the board,



Peter Swiridiuk
MANAGING DIRECTOR

For further information please contact Peter Swiridiuk or Maurice Gannon on (07) 5592 1001 or visit www.coppermoly.com.au,

The information in this report that relates to Exploration Results 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 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 ([Sum of each total interval x grade] / Total length of intersection).
- Drillhole samples from drillholes completed by Barrick 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 are then freighted to either Intertek in Lae (PNG) for sample preparation. Samples are dried to 106 degrees C and crushed to < 2 mm. Samples greater than 2kg are rifle split down to 1.5kg and pulverised to 75 microns. The final 300g sized pulp samples are then sent to Intertek laboratories in Jakarta for geochemical analysis. Intertek analyse for gold using a 50g Fire Assay with Atomic Absorption Spectroscopy finish. Other elements are assayed with ICPAES Finish. Copper values greater than 0.5% are 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 are satisfactory.
- BWNBDD (Barrick West New Britain Diamond Drillhole) Series Drill Core is PQ, HQ and NQ in size with core recovery predominantly greater than 90%.
- Co-ordinates are given in UTM Zone 56, AGD66 Datum.
- Mineralised intersections are quoted as down hole widths.
- In accordance with Clause 18 of The JORC Code the reference to 'Exploration Target' in terms of target size and type should not be taken as an estimate of Mineral Resources or Ore Reserves. The statement referring to quantity and grade of the exploration target is based upon exploration results to-date including extensive drilling which has intersected the mineralization. The potential quantity and grade is conceptual in nature. There has been insufficient exploration to define a Mineral Resource and it is uncertain if further exploration will result in the definition of a Mineral Resource