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ASX Announcement

2nd June 2011 **ASX Code: COY**

DRILLING COMMENCES AT NAKRU

A diamond drilling rig has been mobilised to the Nakru-1 copper-gold system to test the extent of mineralisation. A camp has been set up and equipment and personnel mobilised to site in readiness for the drilling campaign.

Previous drilling results have demonstrated continuity of copper and gold mineralisation to over 500 metres in strike length and 300 metres depth. Mineralisation is open to the east and south-west within a larger Induced Polarisation (I.P.) geophysical anomaly (refer to Figure 1). Historical drill hole intersections at the centre of the I.P. anomaly include 213.75 metres grading 0.92% copper and 0.33 g/t gold from 74.45 metres depth.

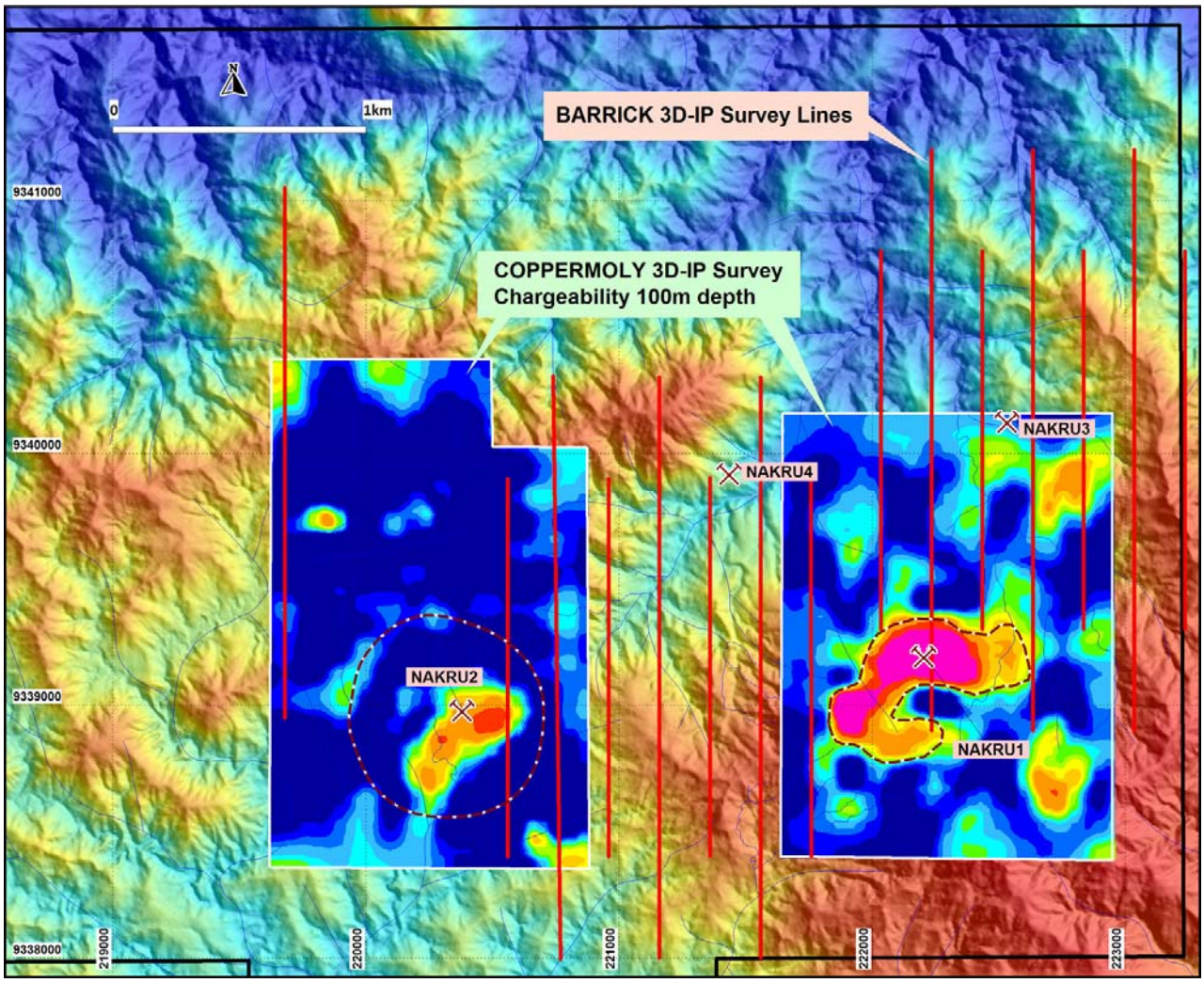

FIGURE 1: Location of Nakru Prospects

The Nakru-4 prospect, 1 km northwest of Nakru-1 is being tested by Wacker drilling to test soil samples beneath volcanic ash within a 400 metre by 200 metre weak I.P. geophysical anomaly (refer to Figure 2).

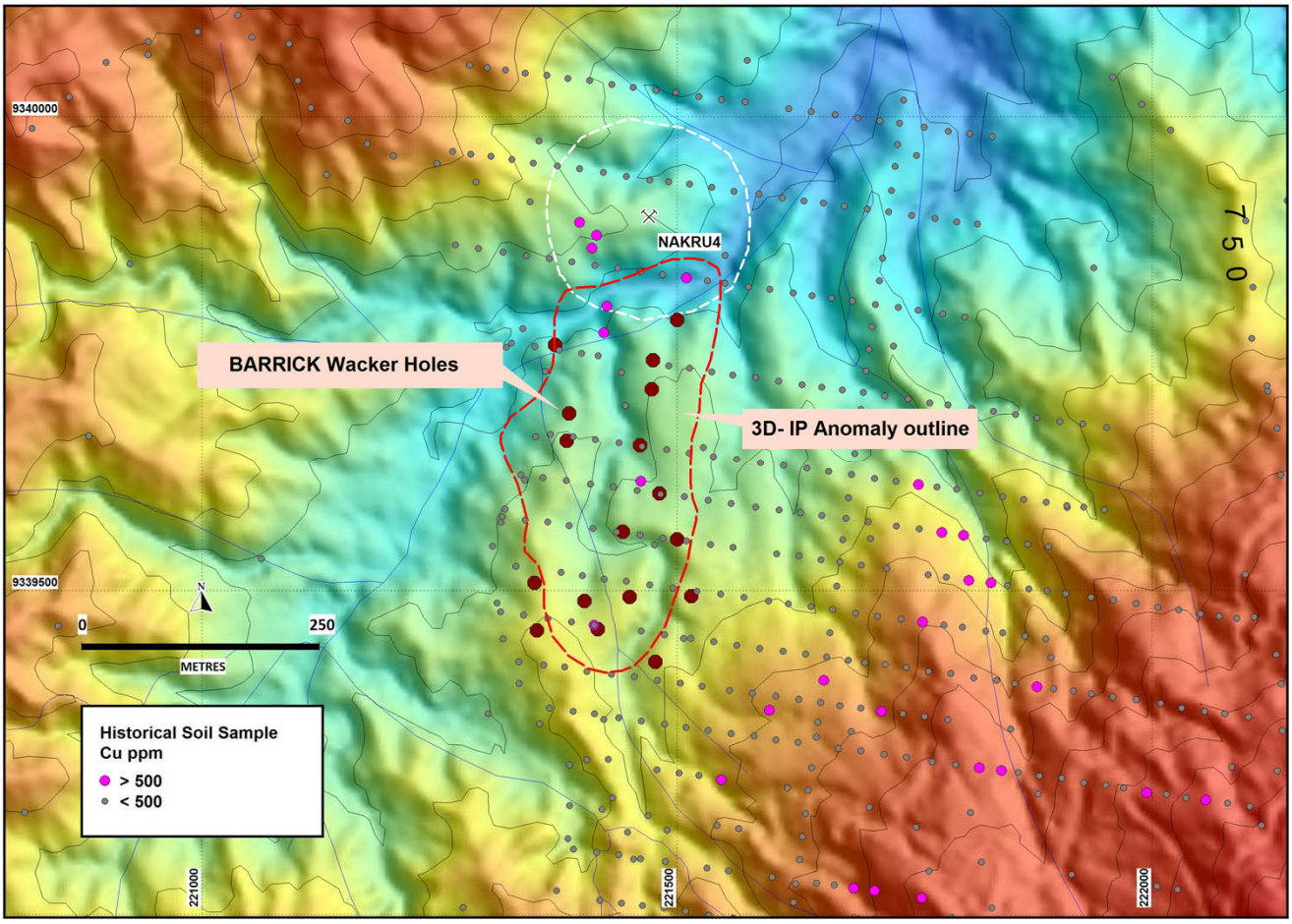

FIGURE 2: Location of Nakru-4 Prospect

It was a combination of surface geochemistry and ground geophysics that led to the discovery of the Nakru cluster of diatreme breccia related copper-gold-zinc-silver mineralised systems. The recently completed I.P. survey by Barrick in 2010 (refer to Figure 1) is currently being merged with the survey completed by Coppermoly in 2008. Results are pending.

The Nakru project is located on New Britain Island in Papua New Guinea and within a four 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 (refer to Figure 3).

Over A$10 million has been spent by Barrick (PNG Exploration) Ltd (“Barrick”) (a wholly owned subsidiary of Barrick Gold Corporation) on drilling and exploration since late 2009. Exploration is being managed and carried out by Barrick under an agreement with Coppermoly Ltd which allows Barrick to spend A$20 million to earn 72% of the tenements EL 1043 (Nakru), EL1077 (Simuku) and EL1445 (Talelumas) over eight years. Coppermoly Ltd retains 100% ownership until earn-in is complete.

In addition to the Simuku, Talelumas and Nakru tenements, which cover a total of 75 square kilometres, two tenements named Powell and Fulleborn are currently under application on New Britain Island covering 1500 square kilometres. These two application areas are not part of the agreement with Barrick.

ELA 1782 (Powell) covers 762 square kilometres and contains copper and gold prospects which include rock chip samples of 20 g/t and 10 g/t. Warden’s hearings have been completed and it is expected the tenement will be granted in 2011. ELA 1813 (Fulleborn) covers 738 square kilometres to the south and east of the Nakru project on the south-eastern extent of the Kulu-Awit copper belt. The tenement contains a number of airborne geophysical and geochemical anomalies. Rock sample assay results include 10.7%, 2.91% and 1.1% copper.

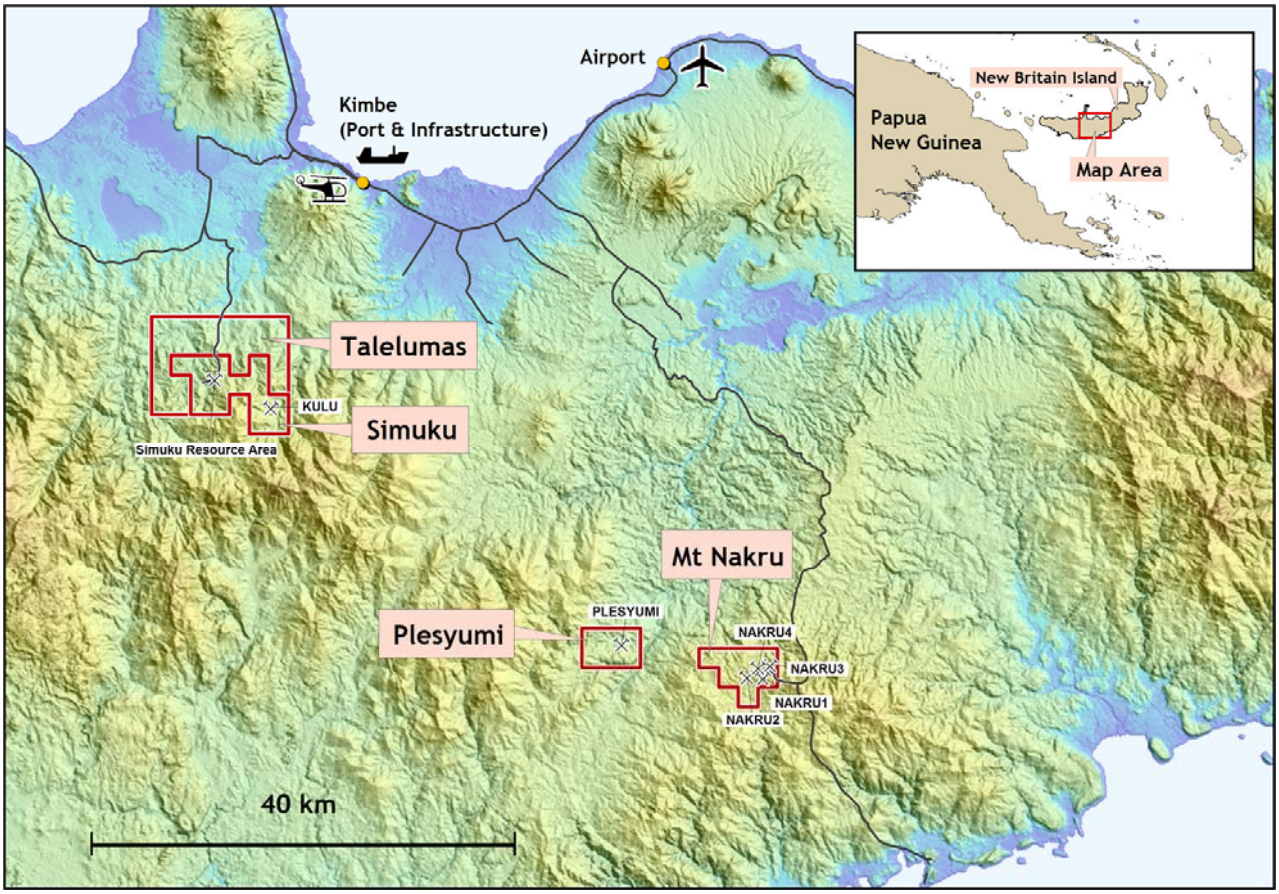

FIGURE 3: Location of the Nakru Project

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 and 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:

- Drill core was initially logged at camp. Drill core and rock samples were transported to the camp site then to the Barrick base in the town of Kimbe then freighted to Intertek Laboratory Services in Lae (PNG) for sample preparation. Sample preparation involved drying the samples to 105^0 C, crushing in a jaw crusher to with 95% of the sample passing <2mm, rifle splitting and pulverising to 95% passing < 75µm. Analytical pulps were then shipped to Intertek Laboratory Services in Jakarta (Indonesia) for geochemical analysis. Gold was analysed by 50g Fire Assay with Atomic Absorption Spectroscopy finish (gravimetric finish for samples with gold > 5 g/t). Multi-element analysis was done by multi acid digestion (HCL,HNO3,HClO4/HF) ICP. Copper values greater than 0.5% were re-assayed with AAS finish. Intertek laboratories have an ISO 17025 accreditation.
- Quality control and quality assurance checks on sampling and assaying quality are satisfactory.
- Co-ordinates are given in UTM Zone 56, AGD66 Datum.

Kc/ps019.11