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ASX Announcement

31st January 2012

ASX Code: COY

ACTIVITIES REPORT – QUARTER ENDED 31 DECEMBER 2011

HIGHLIGHTS

- **Coppermoly to form a joint venture with Barrick and retain a 28% interest in three tenements at Nakru, Simuku and Talelumas projects in PNG with cash contributions delayed until the completion of feasibility**
- **Drilling at the Simuku copper-molybdenum-silver porphyry system shows 1001.9 metres of 0.24% copper and 60ppm molybdenum**
- **Golder Associates appointed to upgrade the Inferred resource at Simuku and estimate a maiden Inferred Resource at Nakru-1**
- **First ever drillhole into the Nakru-4 System intersects copper and gold mineralisation**
- **Geophysical survey at the Esk Trough Project in south-east Queensland planned to begin in February.**

1. ABOUT COPPERMOLY

Queensland-based copper exploration company Coppermoly Limited (ASX: COY) is focused on exploring for and developing copper-gold deposits. It has two projects, Simuku and Nakru-1, 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 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 Coppermoly's projects.

Barrick (PNG Exploration), a wholly-owned subsidiary of Barrick Gold Corporation, has notified Coppermoly Limited that it has met the \$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). Therefore Barrick has now earned a 72% stake in these three projects. In accordance with the agreement a joint venture for the exploration of the tenements will now be formed.

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.



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

2. SIMUKU PROJECT (EL1077)

The Simuku project is within a one-hour drive by 4WD vehicle from existing infrastructure at the provincial capital of Kimbe. 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. Since the maiden Inferred Resource was announced in 2009, an additional six diamond holes for 4227m were completed. Two diamond drillholes to more than 500m beneath the Inferred Resource will be reviewed with a view to a resource upgrade (refer to Figure 2).

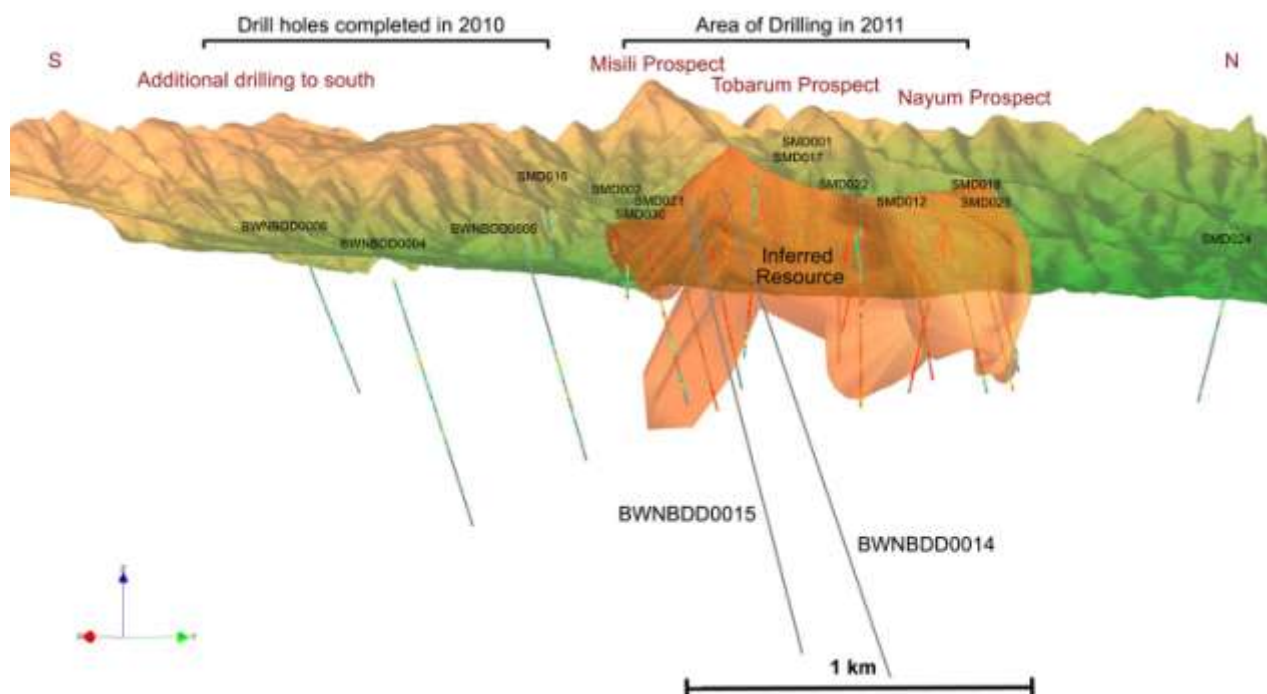


FIGURE 2: Simuku topography and drillholes looking west

Assay results for BWNBDD0014 show 1,001.9 metres grading 0.24% copper, 60ppm molybdenum and 2.38 g/t silver beneath the Tobarum Prospect. The mineralisation extends to more than 500m below the existing Inferred Resource. Significant results include 16m grading 0.54% copper from 202m depth and 43m grading 0.54% copper from 224m (refer to Table 1).

Further south at the Misili Prospect, BWNBDD0015 was terminated at 686.4m. Highlights include 24m grading 0.75% copper from 292m (refer to Table 2). The copper mineralisation is predominantly within quartz feldspar porphyry and breccia units. Molybdenum intersections including 47m grading 234ppm and 0.32% copper from 451m demonstrates that zones of molybdenum extend from surface trenching to more than 430m deep.

A third deep drillhole BWNBDD0016 beneath the Horseshoe molybdenum prospect was completed to 900m (refer to Table 3). Assays are pending.

Table 1: BWNBDD0014 Significant Drillhole Intercepts (Cut-off 0.2% Cu)

Hole Id.	From (m)	To (m)	Width (m)	Cu %	Mo ppm	Au g/t	Ag g/t
	3	1004.9	1001.9	0.24	60	0.04	2.38
Including							
	51.3	54	2.7	0.29	0	0.06	4.00
	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
	224	267	3	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
	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
	809	811	2	0.31	224	0.01	6.15
	818	871	53	0.40	154	0.05	1.84
	875	885	10	0.36	46	0.06	2.00
	890	913	23	0.27	102	0.11	5.16
	918	943.8	25.8	0.27	117	0.03	2.33
	971	993.1	22.1	0.32	93	0.05	4.00
	1001.66	1004	2.34	0.29	70	0.08	5.57

Table 2: BWNBDD0015 Significant Drillhole Intercepts (Cut-off 0.2% Cu)

Hole Id.	From (m)	To (m)	Width (m)	Cu%	Mo ppm	Au g/t	Au g/t
	163	546	383	0.22	74	0.01	1.85
	221	225	4	0.37	38	0.04	4.2
	231	284	53	0.26	34	0.02	2.44
	292	316	24	0.75	78	0.03	6.2
	323	340	17	0.28	41	0.01	1.95
	394	408	14	0.31	147	0.02	2.18
	432	441	9	0.21	106	0.01	1.28
	451	498	47	0.32	234	0.01	2.57

Table 3: Drill Collar Table (Datum AGD66, Zone 56)

Hole	Prospect	Easting	Northing	Azimuth (deg)	Dip (deg)	Depth
BWNBDD0014	Tobarum	169940	9367670	310	-60	1004.9
BWNBDD0015	Misili	169854	9367511	288	-60	686.4
BWNBDD0016	Horseshoe	169940	9367670	300	-60	900

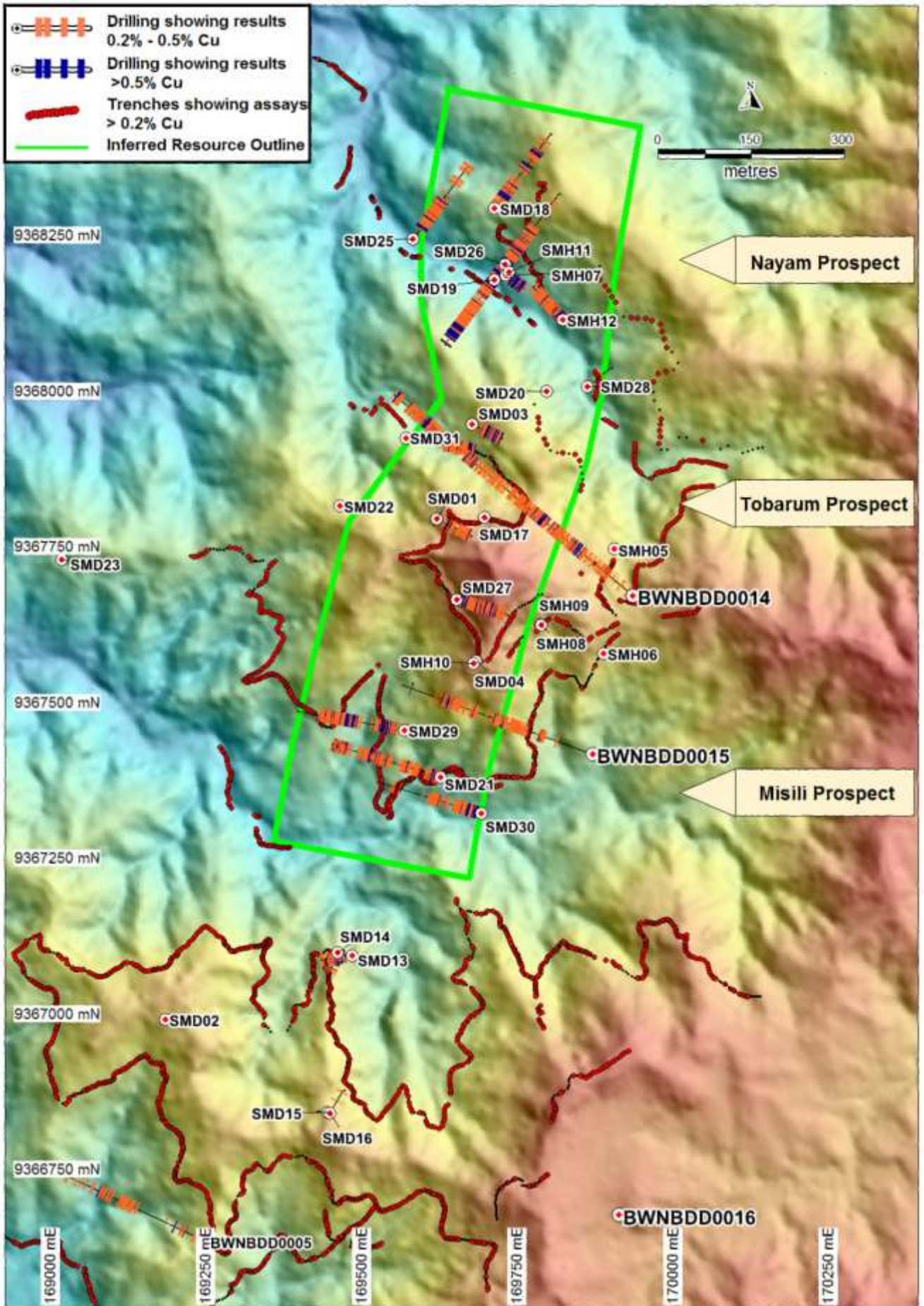


FIGURE 3: Simuku topography showing drilling results

3. KULU PROJECT (EL1077)

Drilling at BWNBDD0018 has been completed to 617.2m in the Kulu prospect area. Assay results are pending. The drill hole (refer to Table 4) tested the strongly fractured dioritic intrusive which consistently returned more than 0.2% copper and 20 to greater than 50ppm Molybdenum from channel rock chip sampling. The target zone has at least a 500m strike length delineated from 2010 and 2011 mapping by Barrick.

Table 4: Drill Collar Table (Datum AGD66, Zone 56)

Hole	Prospect	Easting	Northing	Azimuth (deg)	Dip (deg)	Depth
BWNBDD0018	Kulu	175095	9365182	271.1	-61.6	617.2

Creek mapping covered a total of 1.4 km² with 179 mapping points and approximately 130 hand specimen samples. About 34 samples were sent for analysis including an additional 10 from the Miwayuen prospect. In addition, eight samples were sent for petrography to help verify geology; geochemistry and prospectivity of the Kulu area (refer to Figure 4 and Photo 2).

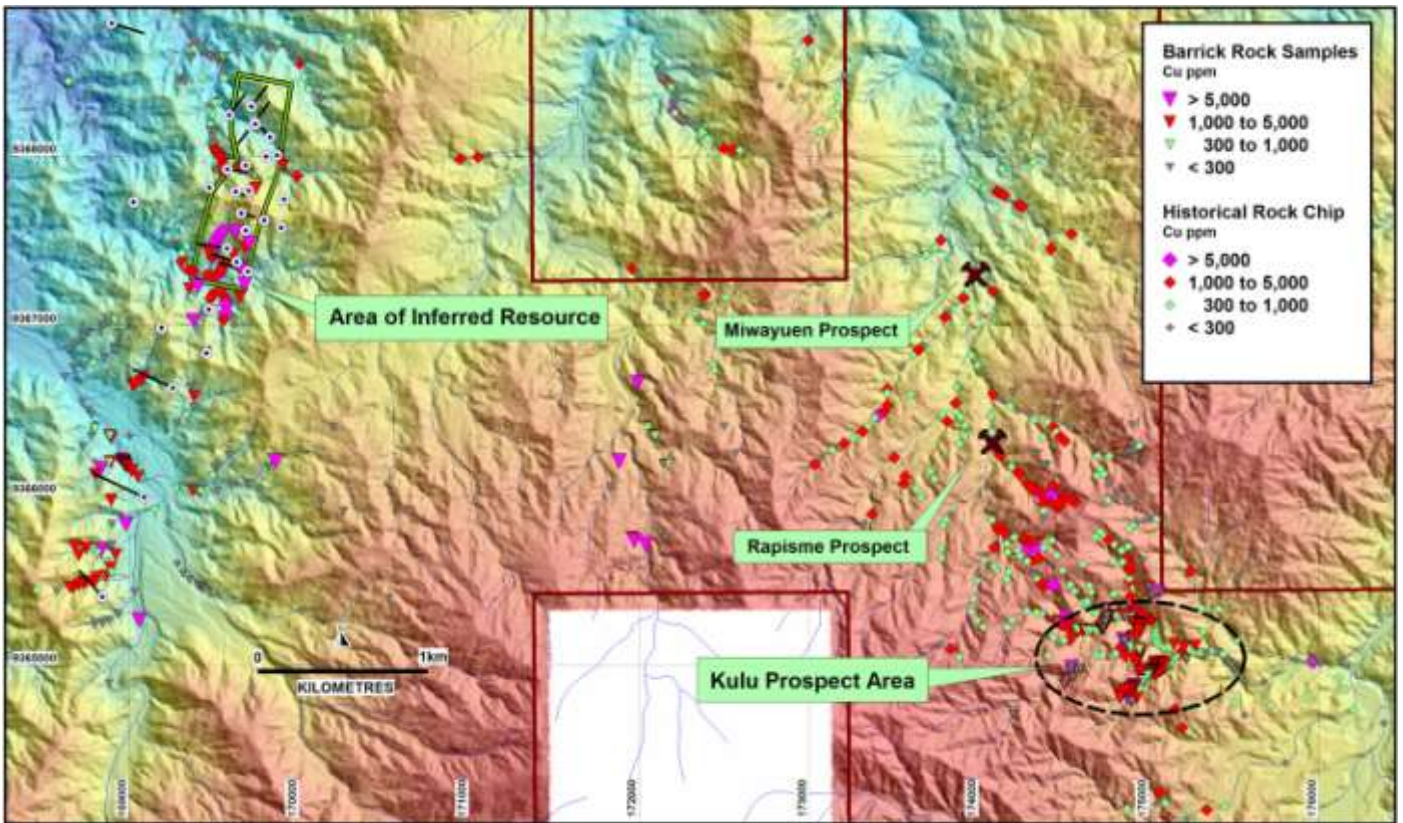


FIGURE 4: Simuku tenement and prospects on topographic lidar image



Photo 2: Copper oxides at Kulu

4. NAKRU PROJECT (EL 1043)

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 an 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 (refer to Figure 5). Further drilling is required to determine the extent of copper and gold mineralisation. Golder Associates have been appointed to review all drillhole data to provide a resource estimate by the second quarter 2012.

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 mineralisation. 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.

Drilling results through an overlying 'blanket' of secondary copper enrichment include:

- 13.55m grading 2.8% copper and 0.23 g/t gold from 74.45m depth
- Barren dyke at 89m
- 22.23m grading 1.47% copper and 0.13 g/t gold from 98.75m.

Secondary enrichment has been intersected in four drillholes and further drill testing will help define its tonnage and grade. In hole BWNBDD0008, an epithermal gold vein was intersected with 23.5m grading 1.30% copper and 2.38 g/t gold, including one metre of 4.6% copper, 42 g/t gold and 2840ppm tellurium.

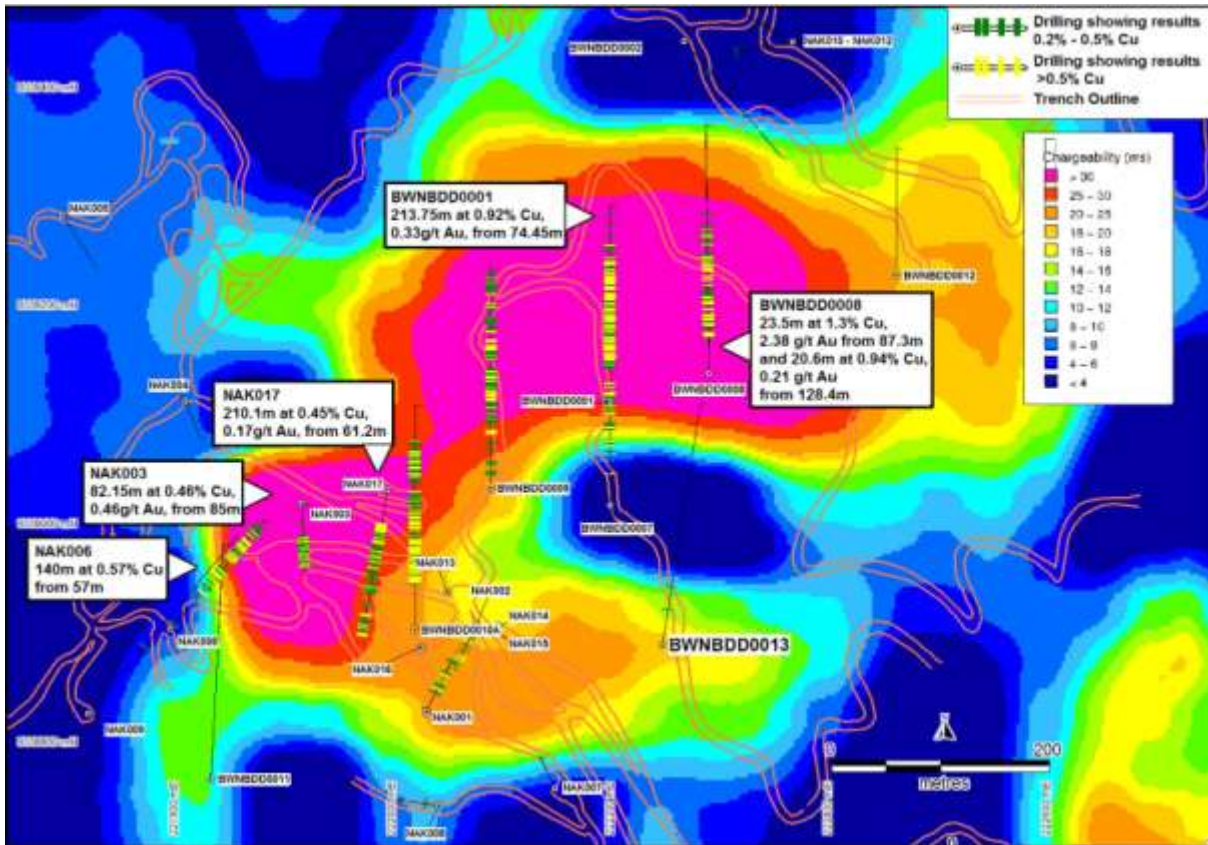


FIGURE 5: Nakru-1 Geophysical image (100m depth) showing chargeability (red areas > 25m) interpreted to be associated with primary copper mineralisation

The last hole drilled completed at Nakru-1 (BWNBDD0013) intersected a number of intervals of copper and gold mineralisation (refer to Table 5) into the “outer” and “marginal” zones of the “breccia pipe” model (refer to Figure 6).

Additional drilling will be required to test for tonnage potential along the ‘eastern extension’ of the Induced Polarisation geophysical anomaly, which plunges at depth (refer to Figure 7).

Table 5: Significant Intersections from BWNBDD0013 (cut-off 0.1 g/t Au or 0.2% Cu)

Interval (m)	Gold (g/t)	Copper %	From (m)	To (m)	Description
1	Nil	0.31	108	102	Breccia
2	0.07	0.48	147	149	Breccia
6.1	0.28	0.13	183	189.1	Breccia
1	0.01	0.22	408	409	Breccia, Rhyolite
5	0.01	0.23	433	438	Breccia, Rhyolite

Table 6: Drill Collar Table (Datum AGD66, Zone 56)

Hole	Prospect	Easting	Northing	Azimuth (deg)	Dip (deg)	Depth
BWNBDD0013	NAKRU-1	222250	9338886	9	-60	623
BWNBDD0017	NAKRU-4	221523	9339718	273.8	-61.6	271.9

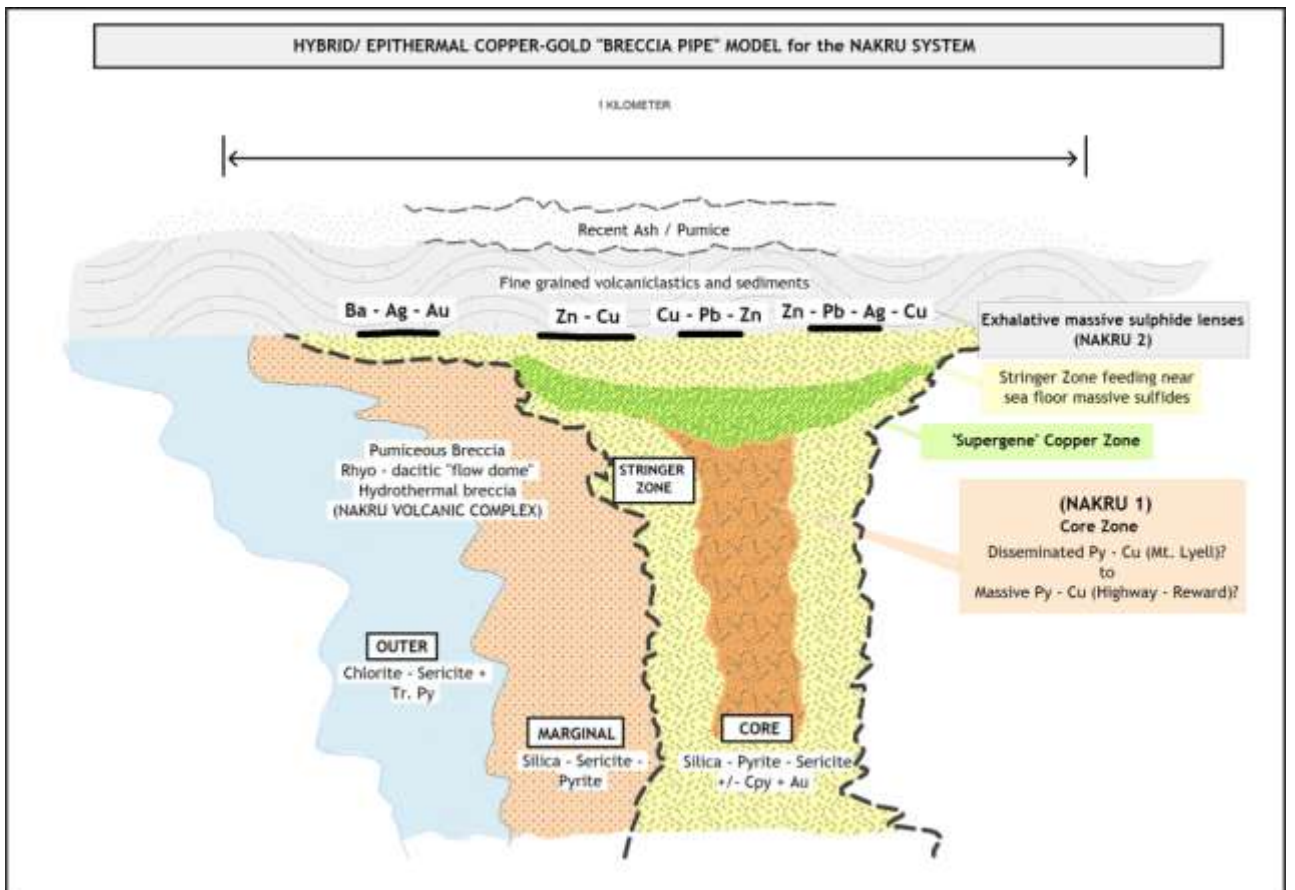


FIGURE 6: Nakru model of mineralisation

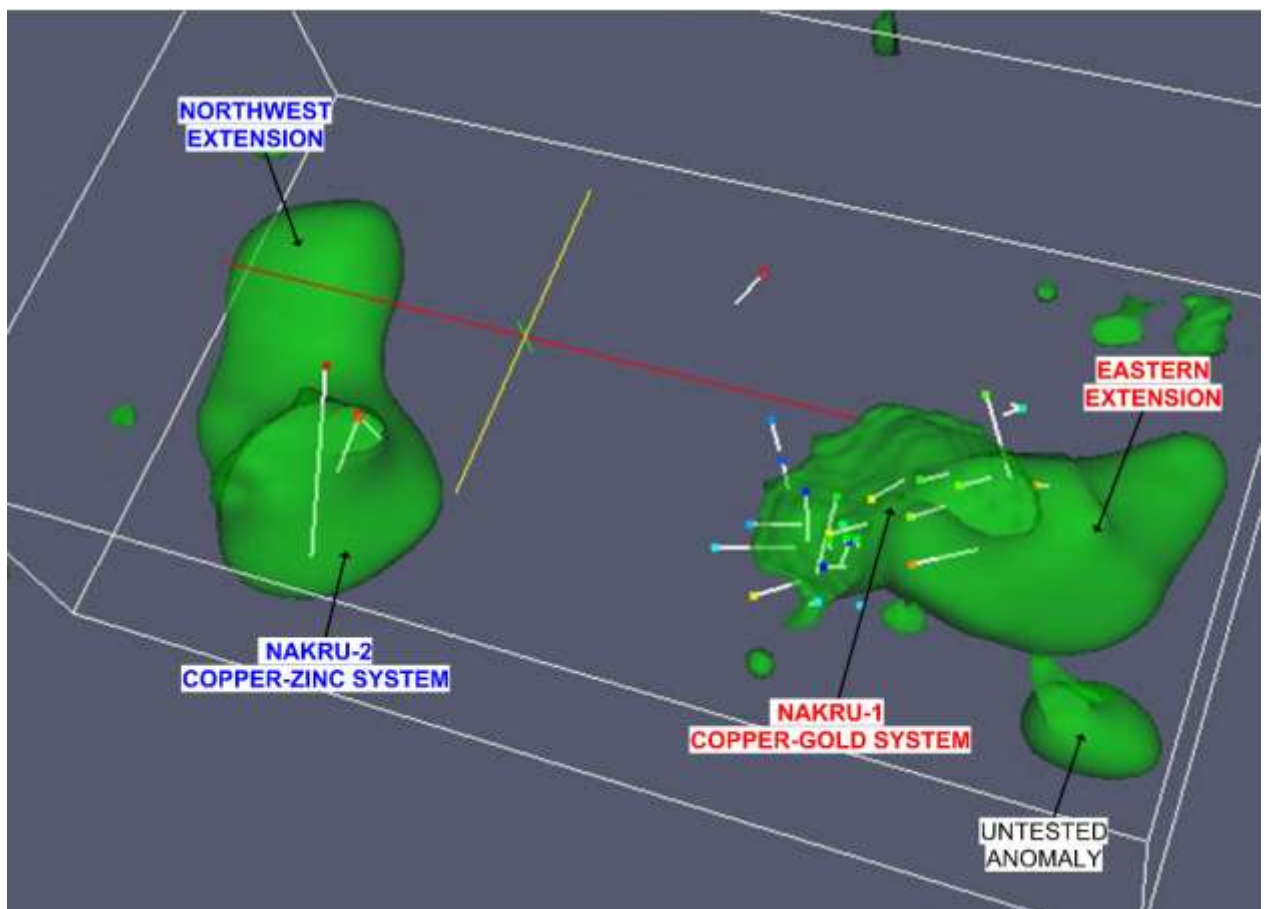


FIGURE 7: Three-dimensional image – chargeability/sulphides looking northwest

Nakru-4 Prospect

The Nakru-4 prospect is within the northern extent of a 600-metre by 1400-metre historical gold-in-soil anomaly which extends from the south-western portion of the Nakru-1 copper-gold system.

Seventeen Wacker or auger soil sampling drillholes at between 5m and 10m deep were completed in April 2011 in an attempt to sample bedrock beneath volcanic ash and soil cover (refer to Figure 9). Results indicate anomalous gold and copper associated with altered bedrock and rhyolite breccia in nine of the holes (refer to Table 7).

The first ever diamond drillhole BWNBDD0017 (refer to Figure 8) intersected 22m grading 0.21 g/t gold and 0.15% copper from 9m. This includes a 1m interval of 1.54 g/t gold and 1.17% copper. The hole is 800m northwest of the Nakru-1 prospect and was completed to a depth of 271.9m to test for anomalous gold and copper mineralisation from the Wacker sampling, gold in surface rock samples and a slightly anomalous ground geophysical chargeability anomaly.

Results confirm the presence of widespread copper and gold mineralisation at depth which warrants further drilling to test for tonnage potential.

The Nakru-1, 2, 3 and 4 prospects occur as a cluster of copper-gold-zinc breccia related mineralisation. The Nakru-1 system exhibits an overprinting of epithermal gold, while both the Nakru-1 and Nakru-2 systems show characteristics similar to volcanogenic massive sulphide deposits (refer to Figure 8). Further drilling will be required to define the extent of mineralisation within these four prospect areas as well as test the other geophysical and geochemical targets.

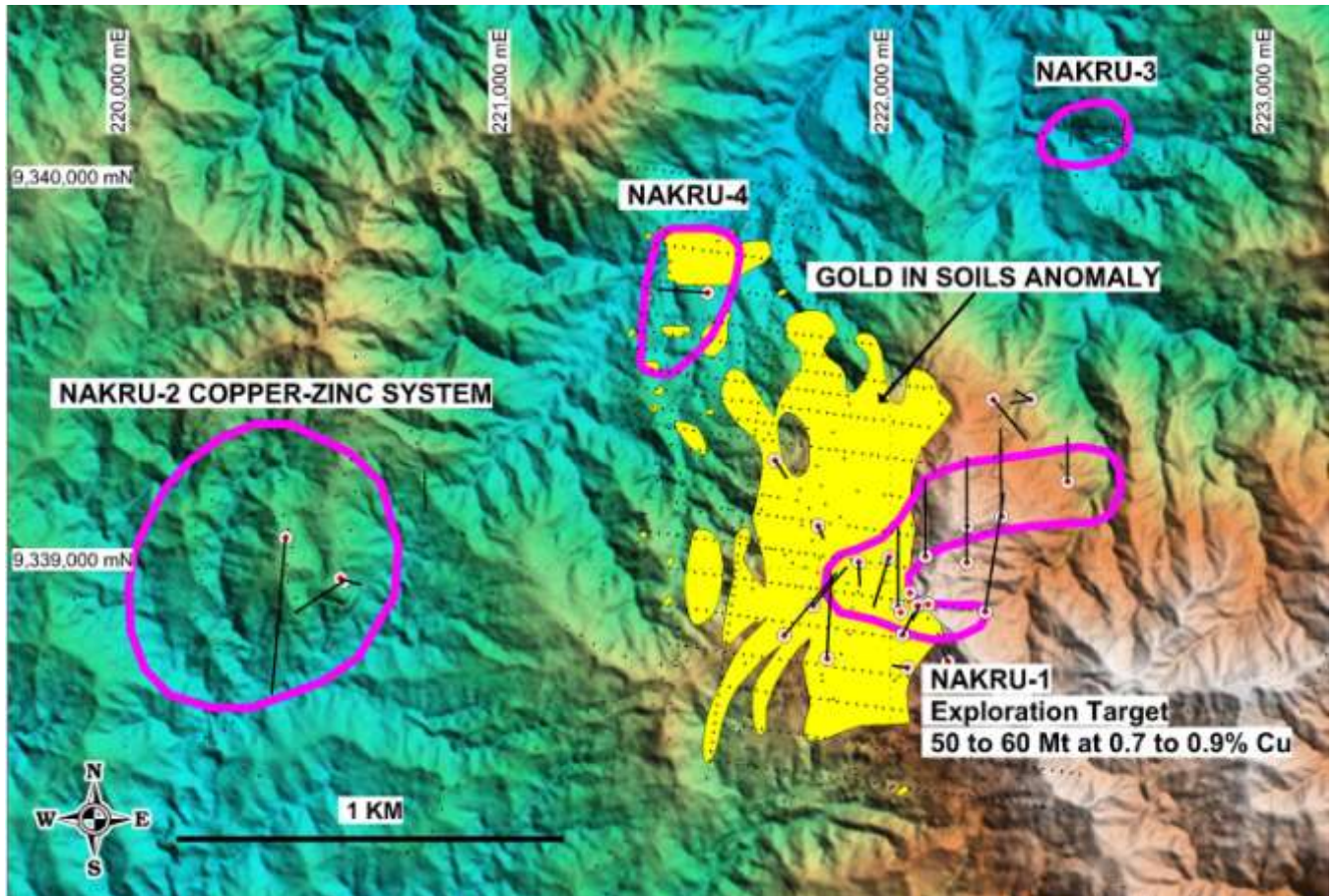


Figure 8: Nakru prospects on topographic image



Figure 9: Nakru-4 drillholes on topographic image

Table 7: Significant results from Wacker samples (cut-off 0.05 g/t Au and 500 ppm Cu)

HOLE_ID	DEPTH FROM	DEPTH TO	Gold (g/t)	Copper (ppm)	Tellurium (ppm)	Description
BWNBWK0001	4.6	5.5	0.272	657	8.32	weathered bedrock, reddish brown in colour
BWNBWK0006	4.1	5	0.083	660	11.5	weathered haematite bedrock
BWNBWK0006	5	6	0.025	502	3.4	weathered haematite bedrock
BWNBWK0008	7	8	0.062	371	13.05	sericite and hematite alteration
BWNBWK0008	8	9	0.743	474	42.9	possibly brecciated rhyolite
BWNBWK0009	2	3	0.055	80.1	2.13	volcanic ash
BWNBWK0009	7	8	0.221	1215	49.1	sericite, quartz and hematite
BWNBWK0012	8	9	0.155	612	24	hematite, sericite altered rhyolite breccia
BWNBWK0012	9	10	0.189	690	21.4	hematite, sericite altered rhyolite breccia
BWNBWK0013	4.4	5	0.166	2050	10.45	pyrite and chalcocite lens, rhyolite breccia
BWNBWK0013	5	6	0.157	754	13.45	clay and sericite altered rhyolite breccia
BWNBWK0013	6	7	0.042	653	9.91	clay and sericite altered rhyolite breccia
BWNBWK0013	7	8	0.019	507	3.71	hematite, highly weathered rock
BWNBWK0013	8	9	0.166	611	14	rhyolite-breccia, pyrite observed
BWNBWK0014	7	8	0.299	704	24.3	weathered bedrock with hematite staining
BWNBWK0016	5.9	6.1	0.244	1190	34	weathered bedrock, sericite and hematite
BWNBWK0016	6.1	7	0.086	1080	12.4	weathered bedrock, sericite and hematite
BWNBWK0016	7	8	0.241	694	26.7	weathered bedrock, sericite and hematite

BWNBWK0016	8	9	0.198	699	16.1	weathered bedrock, sericite and hematite
BWNBWK0016	9	10	0.204	1150	19	brecciated rhyolite
BWNBWK0017	0	1	0.058	202	7.53	volcanic ash
BWNBWK0017	1	2	0.189	603	23	soil

5. 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), 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%.

The Esk Trough Project has advanced exploration prospects to be drill tested with 2000 to 3000 metres of RC drilling, expected to begin in April. Ground geophysical Three Dimensional Induced Polarisation surveys are expected to begin in February. The project has significant historical drill hole intersections which are accessible by roads and track from existing infrastructure towns within a half-hour drive by 4WD vehicle (refer to Figure 10).

Historical drilling results within the Boobyjan Tenement at Esk Trough includes:

Kakapo Prospect:

- 88m at 0.47% Cu and 0.49 g/t Au from 38m
- 1.8m at 2.12% Cu and 0.72 g/t Au from 40m

Hinds Prospect:

- 37.5m at 0.48% Cu and 0.66 g/t Au from 4.5m

Kiwi Prospect:

- **4m at 1.11% Cu** and 1.06 g/t Au from 26m

Bath Prospect:

- 53m at 0.14% Cu and 0.3 g/t Au from 72m

White Horse Prospect:

- 38m at 0.74% Cu and 0.13 g/t Au from 20m, including
- **10m at 1.87% Cu** and 0.14 g/t Au from 22m
- 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
- **2m at 2.42% Cu** from 30m

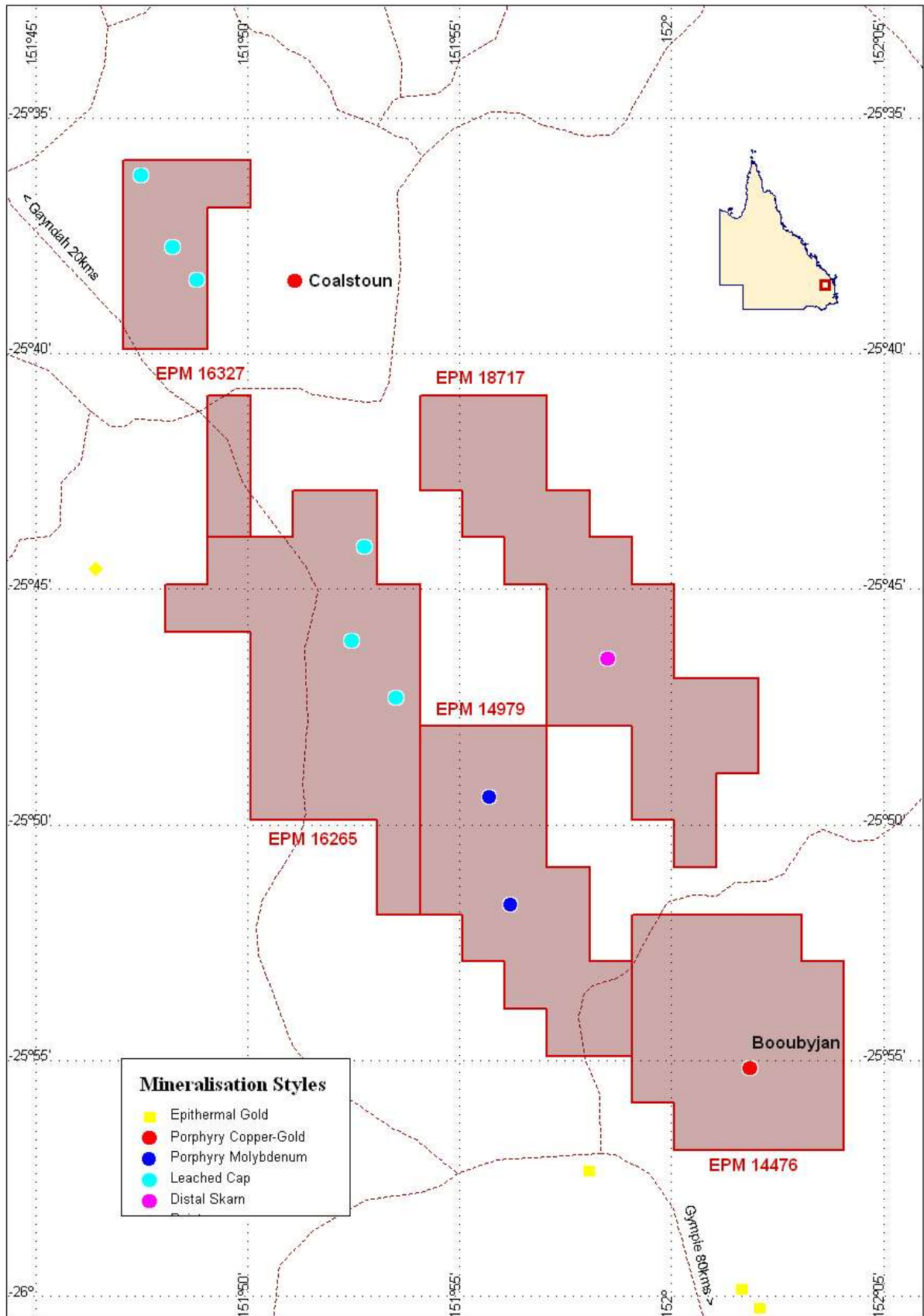



Figure 10: Location plan of sk Trough Project, south-east Queensland

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.