COPPERMOLY Limited

ADDRESS
PO Box 6965
Gold Coast Mail Centre
Qld 9726 Australia

ABN 54 126 490 855

PHONE
+61 (07) 5510 3994
FAX
+61 (07) 5510 3997
EMAIL
info@coppermoly.com.au
WEBSITE
www.coppermoly.com.au

ASX Announcement

22 June 2017 **ASX Code: COY**

UPDATED INFERRED MINERAL RESOURCE ESTIMATE FOR MT NAKRU COPPER GOLD PROJECT CONFIRMS OPEN PIT MINING POTENTIAL

Coppermoly Ltd (**Coppermoly** or **the Company**) is pleased to announce an updated JORC Mineral Resource Estimate for its Mt Nakru Copper-Gold Project in Papua New Guinea. The updated Mineral Resource follows the successful drilling program completed by Coppermoly in March 2017. Independent mining consultancy Mining Associates Pty Ltd (**Mining Associates**) has estimated Inferred Mineral Resources in two deposits (Nakru 1 and Nakru 2) totalling approximately 29 million tonnes @ 0.92% Cu and 0.22 g/t Au using a cut-off grade of 0.3% Cu (Table 1).

Cut Off %Cu	Deposit	Tonnes	Cu (%)	Au (g/t)	Ag (g/t)	Cu (kt)	Au (koz)	Ag (oz)
> 0.2	Nakru 1	40,100,000	0.63	0.21	1.55	253	275	2001
	Nakru 2	9,800,000	0.67	0.04	2.49	66	11	784
	Total	49,900,000	0.64	0.18	1.74	319	286	2785
> 0.3	**Nakru 1**	**21,700,000**	**0.96**	**0.28**	**2.05**	**208**	**198**	**1432**
	Nakru 2	**7,400,000**	**0.80**	**0.04**	**2.82**	**59**	**10**	**672**
	Total	**29,100,000**	**0.92**	**0.22**	**2.25**	**267**	**208**	**2104**
> 0.5	Nakru 1	15,100,000	1.23	0.35	2.34	186	169	1138
	Nakru 2	3,100,000	1.39	0.06	4.43	43	6	441
	Total	18,200,000	1.26	0.30	2.70	229	175	1579

Table 1. Mt Nakru prospects Nakru 1 and Nakru 2 Inferred Copper resources

The Mt Nakru Cu-Au project (EL 1043) comprises two known deposits, Nakru 1 and Nakru 2, which are 1.5 km apart (Fig. 1).

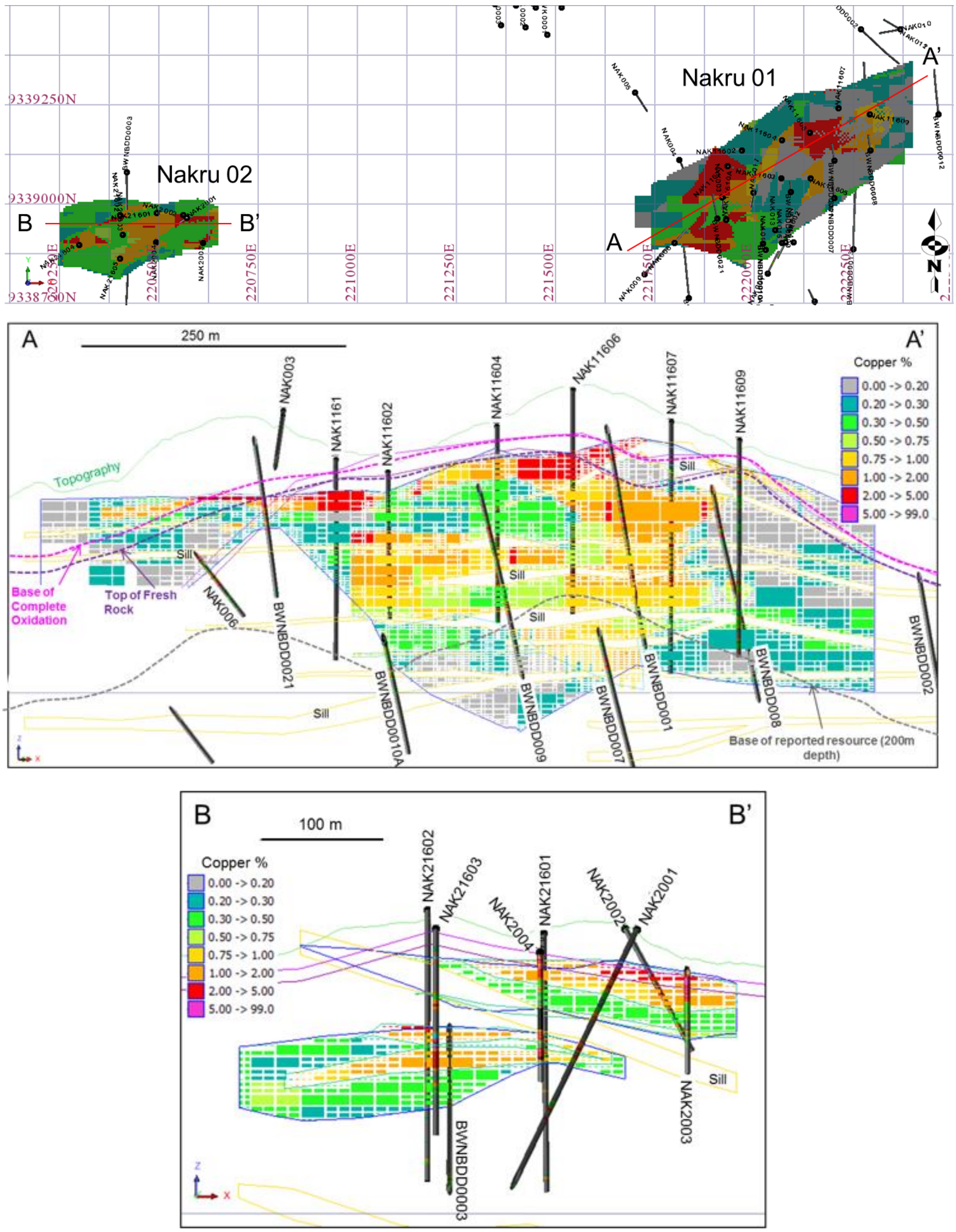

Fig. 1 Plan of Nakru Project Showing Block Model Grades and Drillhole Locations
(Location of long sections A-A' and B-B' also shown)

Modelling by Mining Associates confirmed the presence of higher grade (>0.5% Cu) mineralisation lenses at shallow levels (refer to long sections of Nakru 1 and Nakru 2, Figure 1), which should have a significant impact on the project's economics.

Inferred Mineral Resources are reported from blocks less than 200 m depth from surface topography, approximating the likely depth limit of an open pit.

The Nakru 1 Inferred Mineral Resource is open to the south west down plunge. The Nakru 2 Inferred Mineral Resource is the smaller deposit to date, and is open in all directions.

Due to the fact that in both deposits the higher grades are concentrated in the upper levels, and the shallow depth (over all <200m), an open-pit mine with conventional copper flotation processing is a foreseeable.

Coppermoly Director, Dr Wanfu Huang said:

"*Our recent drilling program and this modelling work confirms there is great potential for increasing the Cu-Au Inferred Mineral Resource at the Mt Nakru Project. Importantly, the modelling work indicates that there is 18.2Mt of Inferred Mineral Resources at average 1.26% Cu and 0.30 g/t Au at Nakru 1 and Nakru 2 if the cutoff grade is uplifted to 0.5% Cu, which may greatly improve the economic viability of this project.*

***We expect further drilling to expand the size and quality of the deposits at Mt Nakru since both prospects are open on multiple sides.*"**

The next phase of exploration activities will focus on seeking to upgrade the resource category while defining the size of Nakru 1 and Nakru 2 in particular.

Details

Inferred Mineral Resources being reported for the Nakru 1 and Nakru 2 prospects on the Mt Nakru Cu-Au project (EL 1043) were estimated by Mining Associates in June 2017.

Geological Interpretation

Local geology at Nakru is dominated by a rhyolitic 'flow-dome' complex that overlies Upper Eocene to Upper Oligocene age andesitic and basaltic volcanics. A thin blanket (2-8 m) of Pleistocene to Recent tephra covers the local area. Copper-gold mineralisation occurs within two main centres, Nakru-01 and Nakru-02, and is marked by surface geochemical anomalies and strong chargeability highs in induced polarisation data. Most mineralisation is veinlet and disseminated style hosted by strongly quartz-sericite altered volcanic breccias, with some thin bands of massive sulphide. Sills of andesitic to dacitic composition cross-cut mineralisation and vary in thickness from less than 1 m to 10 m.

Deposits are interpreted to have formed at relative shallow levels in a submarine sub-volcanic environment. Based on the textural features and geochemistry, the deposits appear to have most affinities with a volcanic-hosted massive sulphide (VHMS) style of mineralisation. Although true massive sulphide intersections are rare (only thin bands found in Nakru 2), the level of emplacement, alteration assemblage and association with volcanic breccias is suggestive of the 'stringer' or stockwork vein zone that typically underlies seafloor massive sulphide deposits.

Sampling and Drilling

Coppermoly have conducted exploration on the property since 2008 and the work completed is summarised in Table 2.

Years	Operator	Tasks	Results
2008	Coppermoly	• 3D IP survey at Nakru 1 and Nakru 2 • 5 diamond core holes for 880m (Nakru 1 and Nakru 2)	Delineation of chargeability highs at Nakru 1 and Nakru 2. High grade copper intercepts at Nakru 2.
2010-2012	Barrick JV with Coppermoly (exploration carried out by Barrick (PNG Exploration) Ltd, a wholly owned subsidiary of Barrick Gold Corp (**Barrick**))	• 3D IP survey • 12 diamond core holes for 4821m • Mapping and surface geochemistry • LiDAR airborne topographic survey	Continued definition of Nakru 1 and Nakru 2 mineralisation.
2012-2017	Coppermoly	• 16 diamond core holes for 3338m.	Continued definition of Nakru 1 and Nakru 2 mineralisation.

All drilling on the Mt Nakru Copper-Gold Project has been completed by diamond core methods using HQ diameter equipment, with some near-surface material drilled using PQ. Drill hole collars were located using a handheld GPS with a horizontal accuracy of ±3 m. Collar elevations were corrected by Mining Associates using LiDAR topographic survey data, which was assumed to be more accurate than handheld GPS elevation measurements. Drill hole collars were spaced between 60 m and 100 m apart on sections, with differing orientations for different drill programs.

Downhole surveying of Barrick and Coppermoly drill holes used a Reflex electronic multishot tool.

Drill holes were logged on site at an exploration camp near the drilling locations. RQD and core recovery, lithology, alteration, and mineralisation were recorded.

All core was photographed wet and dry prior to sampling. Angled Barrick drill holes were oriented using the EzyMark core orientation tool and the orientations of contacts, veins and discontinuities were recorded. Core logging was recorded on paper logging sheets and the information transferred into an Excel spreadsheet for each drill hole.

Average core recovery for Barrick and Coppermoly drilling was 93%. Core recovery within mineralisation (>0.2% Cu) averaged 94%.

Drill core was sampled on nominal 1 m intervals for Barrick drill holes and 2 m intervals for Coppermoly drill holes. Sample lengths were adjusted to account for major geological contacts. Sample intervals were marked on the core and recorded in a paper copy sample ledger. All core was cut in half using a diamond-impregnated circular saw blade.

No bulk density measurements were made on site prior to May 2017. 12 samples from Barrick drill holes at Nakru 1 submitted for comminution testing were also measured for density using water immersion and pychnometer. Coppermoly undertook density measurements on drill core stored on site. 168 samples were measured for density, using water displacement and water immersion techniques on small pieces (generally less than 10 cm) of half drill core. Samples were selected from oxide, supergene, intermediate and primary sulphide zones.

Sample Analysis

Samples were analysed at Intertek Laboratories in Lae. Sample preparation procedures were as follows:

- Dry and crush sample to 2 mm
- Split and pulverise 1.5-2.0 kg to 75 micron

Analysis used a 4-acid digest (near-total) and ICP-OES analysis for silver and base metals. Elements reporting above the upper limits (eg 1% for copper) were re-digested and re-analysed by ICP-OES. Gold was analysed using a 50 g Fire Assay charge with AAS finish.

Estimation Methodology

The following approach was undertaken by Mining Associates based on the observation that mineralisation at Nakru is a large diffuse deposit. Higher-grade copper mineralisation is generally co-incident with sills. Previous reports have called the dacitic intrusions dykes, the current interpretation has the intrusions sub parallel to stratigraphy and are therefore referred to as sills.

A broad 0.2% copper domain was generated to represent the low grade extents of the mineralization and within this shell a smaller 0.5% copper domain was created. A 3D block model was created to cover the area of interest. Copper, gold and silver were estimated using ordinary kriging. Copper is of primary economic interest, gold has a minor economic impact and silver is not considered to have a significant economic impact.

Cut-off grade

The cost of mining potential ore and waste was consolidated against potential ore tonnes. An assumed reserve conversion rate of 80% with a strip ratio (waste:ore) of 2.0 was applied to the Mineral Resource. Assumed total mining and processing operating costs per tonne of potential ore used were $13.07. Assumed capital cost was $40 million, which was included in the total cost per tonne of potential ore. Commodity prices used for Cu, Au and Ag were derived from averages for the last 5 years and recovery factors for Cu and Au were taken from preliminary metallurgical testwork undertaken in 2011. Using these assumptions, a cut-off grade of 0.3% Cu is considered to provide reasonable prospects for economic extraction.

Mineral Resources are reported only from blocks less than 200 m depth from surface topography, approximating the likely depth limit of an open pit. The average cumulative copper grade decreases with depth: at Nakru 1, the bulk of the contained copper metal lies above an RL of 675 m (150-200 m depth), and at Nakru 2 most copper metal lies above an RL of 550 m (150 m depth).

Mining and Metallurgy

Mining and processing is assumed to be an open cut mine with conventional copper flotation processing associated with deposits of this type and size. Three fresh ore samples (43 kg, 23 kg and 49 kg) of drill core were subjected to Modified Comminution Testing, Bond Ball Index Testing, SG Measurements and Chemical Assay. The test work, analysis and reporting by JK Tech was completed on 8 December 2011. Modified commination test results showed average drop weight test equivalent parameters of A 53.8, b 0.6 and A*b 30.9. The bond work index classified the three samples as hard (14-20kWh/t).

ALS Ammtec carried out metallurgical testwork on a single composite of mineralised samples from Nakru 1 in 2012. The composite tested had a head grade of 0.4% Cu, 0.33 ppm Au and 1.07 ppm Ag. Testwork comprised Rougher Flotation, Cleaner Flotation and Locked Cycle Flotation using a grind size of 80% passing 0.106 mm. Metal recoveries from the Locked Cycle Flotation test were 87% for copper and 53% for gold, with no significant penalty elements in the tested sample.

Please refer to the most recent ASX Quarterly Report released on 28 April 2017 and ASX Announcements released on 16 March, 19 April and 27 April 2017 for full details of the recent drilling, including all relevant assay results.

On behalf of the Board.

Paul Schultz
Company Secretary
Coppermoly Ltd

About Coppermoly

Coppermoly (COY) is an ASX listed junior exploration company which has been listed on the ASX since 2008. Coppermoly's head office is located on the Gold Coast, Australia and its mineral exploration activities are focused entirely on the island of New Britain in PNG where it is exploring for copper, gold, silver, zinc, and molybdenum.

Competent Person Statement

The information in this announcement is based on, and fairly represents, a Report compiled by Mr Ian Taylor. Mr Taylor is a Member of The Australasian Institute of Mining and Metallurgy and is employed by Mining Associates Pty Ltd. Mr Taylor 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 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Taylor consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in the original ASX Announcements that relate to Exploration Results is based on information compiled by Mr John Donald Macansh, who is a Fellow of the Australasian Institute of Mining and Metallurgy. Mr Macansh has sufficient experience which is relevant to the style of mineralisation under consideration and to the activities undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Macansh is a contracted consultant to Coppermoly and consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcements continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

Forward Looking Statements

This release may include forward-looking statements, which may be identified by words such as "expects", "orebodies", "believes", "projects", "plans", and similar expressions. These forward-looking statements are based on Coppermoly's expectations and beliefs concerning future events. Forward looking statements are necessarily subject to risks, uncertainties and other factors, many of which are outside the control of Coppermoly, which could cause actual results to differ materially from such statements. There can be no assurance that forward-looking statements will prove to be correct. Coppermoly makes no undertaking to subsequently update or revise the forward-looking statements made in this release, to reflect the circumstances or events after the date of that release.

15 JORC CODE, 2012 EDITION – TABLE 1

Notes on data relating to the Nakru Project Resource Estimate. Data provided by Coppermoly Ltd and verified by Mining Associates.

15.1 SECTION 1 SAMPLING TECHNIQUES AND DATA

(Criteria in this section apply to all succeeding sections).

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• *Drill core was sampled on site* • *All drill samples were dispatched for assay* • *Diamond core drilling was used to obtain nominal 1 m (Barrick drill holes) or 2 m (Coppermoly drill holes) samples of half core, with sample intervals adjusted to geological contacts where necessary.* • *No field duplicate samples were collected during any of the drill programs, so an assessment of sample representivity cannot be undertaken.*
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• *Diamond core drilling, standard tube HQ (63.5mm diameter), with some PQ diameter at top of holes*
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• *Core recovery was determined by direct measurement of the length of recovered core within each core run.* • *Core recovery averaged 93% overall, and 94% within mineralised zones* • *The relationship between recovery and grade was assessed by plotting recovery against the grade of samples collected. No relationship exists between core recovery and grade of copper or gold.*

Criteria	JORC Code explanation	Commentary
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• *All core has been geologically logged, with details of lithology, alteration, weathering and mineralisation recorded in a manner considered by the Competent Person to be adequate for the purposes of Mineral Resource Estimation.* • *Discrepancies in lithological and mineralisation logging were noted in some drill holes and the lack of confidence in logging is reflected in the Inferred resource classification.* • *Geotechnical logging is restricted to RQD measurements on recovered core.* • *Core logging was both qualitative and quantitative depending on the property being assessed* • *All core was photographed wet and dry prior to cutting*
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• *Sub-samples were collected by sawing 1m or 2m of HQ core in half using a diamond-impregnated circular saw blade.* • *All samples were crushed, pulverised and split prior to assaying at Intertek Laboratories in Lae and Townsville. Sample preparation procedures were not observed by the Competent Person and could not be verified.* • *No field duplicates/second-half sampling of core has occurred.* • *Sample preparation techniques are considered appropriate for the style of mineralisation being assessed.* • *Sample sizes are considered appropriate to the grain size and style of material being sampled: copper mineralisation is generally distributed fairly homogeneously throughout the core at the scale of sampling.*

Criteria	JORC Code explanation	Commentary
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• *Base metal analysis used a 4-acid digest with ICP-OES finish. Analyses returning above detection limit results were re-digested and re-analysed by ICP-OES. Gold analysis used a 50g charge for Fire Assay with AAS finish. Both techniques are considered to provide total assays for metal content.* • *Standards and blanks for copper and gold, sourced from Geostats Pty Ltd and OREAS Ltd were inserted into sample batches by Coppermoly geologists at a rate of 1 standard and 1 blank every 20 routine samples.* • *Acceptable levels of accuracy have been established by the analysis of standards, and no contamination was detected by analysis of blanks.* • *Precision levels have not been assessed.* • *Intertek Laboratories maintain a rigorous Quality Management System.*
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• *Significant intersections have not been validated by independent personnel. Higher copper grades are confirmed visually by reference to mineral abundance logging.* • *No twin holes have been used.* • *Primary sampling data is recorded on paper log sheets and transferred to a spreadsheet and then to a central relational database (MS Access). Assay results are obtained electronically from the assay laboratory, uploaded to the database and matched with the appropriate sample intervals using a database query.* • *No adjustments have been made to any assay data.*
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• *Collar locations were surveyed using hand-held GPS with a horizontal accuracy of ±3m and a vertical accuracy ±9-12m.* • *Exploration uses coordinates in Australian Geodetic Datum 1966 (AGS66), zone 56.* • *Topographic control is very good and is provided by a LiDAR survey flown in 2010. Drill collar elevations have been corrected from their GPS coordinates to match the LiDAR surveyed surface.* • *Downhole surveys were taken using an electronic multi-shot tool using the wireline drilling system*

Criteria	JORC Code explanation	Commentary
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• *Drill holes collars are spaced between 60 m and 100 m apart on sections, with differing orientations for different drill programs.* • *The drill spacing is considered appropriate to establish grade and geological continuity for the estimation of Mineral Resources.*
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• *Drill hole orientations are varied depending on drilling program.* • *No sampling bias is considered to be introduced by drill hole orientation*
Sample security	• *The measures taken to ensure sample security.*	• *Samples were placed in numbered calico bags and loaded onto pallets for shipment to the assay laboratory in Lae.* • *Prior to shipment all samples were stored in the Company's secure exploration base in Kimbe, New Britain.*
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• *No audits or reviews of sampling techniques and data has occurred*

15.2 SECTION 2 REPORTING OF EXPLORATION RESULTS

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• *The drilling program is focused upon a particular prospect within the Company's Nakru Exploration Licence (EL1043) which is currently held 51% Coppermoly Limited and 49% Barrrick (PNG Exploration) Limited. An agreement is in-place which entitles Coppermoly to reacquire 100% ownership by mid-2018.* • *EL1043 is in good standing*
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• *The Nakru 1 and Nakru 2 deposits have been explored by several companies prior to Coppermoly's acquisition in 2008. Work completed included mapping, surface sampling, trenching, ground geophysics and drilling.* • *8 diamond drill holes were completed at Nakru 1 by City Resources and BHP from 1984-1989.*
Geology	• *Deposit type, geological setting and style of mineralisation.*	• *Mineralisation is hosted by volcanic breccias and flow banded rhyolite that are part of the Nakru Intrusive Complex. The complex is an Eocene to Oligocene age rhyolite flow dome that occurs within a regional succession of dominantly mafic to intermediate volcanic rocks.* • *Cu-Au mineralisation occurs as veins, disseminations and semi-massive sulphides (pyrite-chalcopyrite) within silica-flooded and sericite-altered host rocks. Minor thin bands of massive sulphide are present at Nakru 2* • *Post-mineralisation intrusives, which appear to be sill-like in geometry, cut copper-gold mineralisation but also appear to follow similar structures to those that control mineralisation.* • *Weathering has resulted in an upper, oxidised and leached zone with a variably developed zone of supergene enrichment marked by the presence of chalcocite as the dominant copper mineral.* • *Deposit style is considered to be related to volcanic-hosted massive sulphide, although breccia-style mineralisation associated with an intrusive source is also possible.*

Criteria	JORC Code explanation	Commentary
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* • *easting and northing of the drill hole collar* • *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* • *dip and azimuth of the hole* • *down hole length and interception depth* • *hole length.* • *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	• *Detailed summaries of individual drill hole results have been published in previous ASX releases by Coppermoly.* • *Individual drill hole results are not considered relevant to reporting of a Mineral Resource Estimate and are not repeated here.*
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• *This information is not appropriate to reporting of a Mineral Resource Estimate*
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• *This information is not appropriate to reporting of a Mineral Resource Estimate*
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• *Drill hole collar location maps and representative cross sections are included in the body of the report*
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• *This information is not appropriate to reporting of a Mineral Resource Estimate*

Criteria	JORC Code explanation	Commentary
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• *Surface mapping, geochemical sampling and geophysics (2DIP, 3DIP, magnetics, DIGHEM) have been carried out on the project, and results incorporated into the geological model used to constrain the Mineral Resource Estimate.* • *Metallurgical testwork (lock cycle flotation) was carried out on one composite sample from Nakru 1 and indicated a copper recovery of 87% and gold recover of 53%*
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• *This information will be made available when results of this Mineral Resource Estimate are more closely examined by the Company.*

15.3 SECTION 3 ESTIMATION AND REPORTING OF MINERAL RESOURCES

(Criteria listed in section 1, and where relevant in section 2, also apply to this section.)

Criteria	JORC Code explanation	Commentary
Database integrity	• *Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.* • *Data validation procedures used.*	• *Random checks of original logging sheets and assay data were carried out, comparing inputs to data in the database provided.* • *Basic database validation checks were run, including checks for missing intervals, overlapping intervals and hole depth mis-matches* • *No material errors were found during validation checks*
Site visits	• *Comment on any site visits undertaken by the Competent Person and the outcome of those visits.* • *If no site visits have been undertaken indicate why this is the case.*	• *No site visit has been undertaken by the competent person. No exploration activities are currently taking place.*
Geological interpretation	• *Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.* • *Nature of the data used and of any assumptions made.* • *The effect, if any, of alternative interpretations on Mineral Resource estimation.* • *The use of geology in guiding and controlling Mineral Resource estimation.* • *The factors affecting continuity both of grade and geology.*	• *Geological interpretation was driven largely by discussions with Coppermoly staff, limited available mapping data, correlation of drill hole intercepts and reports by earlier explorers.* • *The Competent Person has relied upon geological logging of drill holes, particularly in the interpretation of post-mineral intrusives.* • *Controls on the extents of mineralisation are not clear, in particular the role of any bounding structures that may exist.* • *Alternative interpretations of the extents of mineralisation will affect volumes and therefore tonnages.*
Dimensions	• *The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.*	• *Nakru 1 is approximately 750 m long and 250 m wide in plan view, striking ENE. Mineralisation extends from 20m to 350m below surface.* • *Nakru 2 is approximately 400 m long, 200 m wide in plan view, striking east-west. Mineralisation extends from 5m to 250m below surface, occurring as three stacked lenses.*

Criteria	JORC Code explanation	Commentary
Estimation and modelling techniques	• *The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.* • *The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.* • *The assumptions made regarding recovery of by-products.* • *Estimation of deleterious elements or other non-grade variables of economic significance (eg sulphur for acid mine drainage characterisation).* • *In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.* • *Any assumptions behind modelling of selective mining units.* • *Any assumptions about correlation between variables.* • *Description of how the geological interpretation was used to control the resource estimates.* • *Discussion of basis for using or not using grade cutting or capping.* • *The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.*	• *Ordinary Kriging was used to obtain estimates.* • *Grade domains were defined by raw copper assays, with low grade from 0.2% to 0.5%, and high grade >0.5% in both Nakru 1 and Nakru 2. Domains were interpreted on serial 100 m cross sections and projected no more than half the drill spacing in any direction.* • *Estimation was constrained within grade domains, which were treated as hard boundaries.* • *Raw assays were composited to 4 m downhole lengths to provide informing samples for the resource estimate* • *Resource estimation used a block size of 40 m x 40 m x 20 m (x,y,z) with sub-blocking to 5 m x 5 m x 2.5 m (x,y,z) to ensure wireframe volumes were accurately honoured, particularly the thin post mineralisation sills. The block size reflects approximately half the average sample spacing.* • *Search ellipse orientations and axis ratios are based on the general dip and strike of the mineralisation.* • *No assumptions were made regarding selective mining units* • *Resource estimation was undertaken in Geovia Surpac 6.7.4 software.* • *Grade capping was applied to composites to reduce the influence of outlier grade values on the estimate.* • *In addition to copper and gold, silver; iron, sulphur, lead, zinc and molybdenum were also estimated.* • *Nearest neighbour and inverse distance methods were used as checks for Ordinary Kriging. A previous estimate for Nakru 1 was also compared with this estimate.* • *Estimates were validated by visual comparison of blocks and drill hole data on section, and global and local bias (swath plot) checks*
Moisture	• *Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.*	• *Tonnages are estimated on a dry basis*
Cut-off parameters	• *The basis of the adopted cut-off grade(s) or quality parameters applied.*	• *The cut-off grade of 0.3% Cu was derived from assumptions made regarding likely mining and processing costs from an open pit mine and using 5-year trailing average commodity prices for Cu and Au. Details are given in the body of this report*

Criteria	JORC Code explanation	Commentary
Mining factors or assumptions	• *Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.*	• *An open pit mining method has been assumed.* • *Mineral Resources are reported above a depth of 200 m below natural topographic surface to approximate the depth limit of an open pit.*
Metallurgical factors or assumptions	• *The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.*	• *Testwork on one primary mineralisation composite from Nakru 1 demonstrated reasonable recoveries of both copper (87%) and gold (53%) via flotation.*
Environmental factors or assumptions	• *Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.*	• *A previous Scoping Study considered deep-sea tailings disposal via pipeline to the coast.* • *The Competent Person is not aware of any environmental factors that might hinder development of the project*

Criteria	JORC Code explanation	Commentary
Bulk density	• *Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.* • *The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit.* • *Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.*	• *Bulk density measurements were made on half core samples of 5-10cm in length using water immersion and water displacement methods.* • *Density measurements were also made on 12 primary mineralisation samples submitted for metallurgical (grindability) testwork, using water immersion and helium pychnometer.* • *Samples were selected from several different drill holes and over a range of different material types: oxide, supergene, transition and primary.* • *Samples were collected from mineralised and unmineralised rock.* • *Bulk densities in the Mineral Resource model were assigned to domains depending on oxidation state; 2.4 Oxide, 2.7 transitional, 2.8 host rock and sills, 3.0 high grade mineralisation.*
Classification	• *The basis for the classification of the Mineral Resources into varying confidence categories.* • *Whether appropriate account has been taken of all relevant factors (ie relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).* • *Whether the result appropriately reflects the Competent Person's view of the deposit.*	• *Mineral Resources are classified based on sample spacing, the level of confidence in the geological model and the quality and number of assay and density data.* • *All relevant factors have been taken into account* • *The classification of resources as Inferred confidence appropriately reflects the Competent Person's view of the deposit.*
Audits or reviews	• *The results of any audits or reviews of Mineral Resource estimates.*	• *There have been no audits or reviews of Mineral Resource Estimates*
Discussion of relative accuracy/ confidence	• *Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate.* • *The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.* • *These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.*	• *The relative accuracy and confidence of the estimate is reflected by the Inferred classification given to the entire resource. Changes in geological interpretation could affect the accuracy and confidence of the resource.* • *This mineral resource statement relates to global estimates of tonnes and grade. The resource model is not considered suitable for detailed mine planning purposes, but would be suitable as the basis for a scoping study with minor additional drilling to define some indicated mineralisation.*

15.4 SECTION 4 ESTIMATION AND REPORTING OF ORE RESERVES

Section not applicable to this report