COPPERMOLY Limited

ADDRESS
PO Box 6965
Gold Coast Mail Centre
Qld 9726 Australia

ABN 54 126 490 855

PHONE
+61(07) 5592 1001
FAX
+61 (07) 5592 1011
EMAIL
info@coppermoly.com.au
WEBSITE
www.coppermoly.com.au

ASX Announcement

31st July 2012 **ASX Code: COY**

JUNE 2012 Quarterly Report

HIGHLIGHTS

- Maiden Inferred resource announced at Nakru-01 of **38.4million tonnes @ 0.82% copper equivalent*** (using a 0.2% copper cut-off). A conceptual mining study on the deposit is expected to be completed in August.
- Barrick (PNG Exploration) Limited will fund and conduct a further $2.21m exploration program for the West New Britain projects in PNG. The 2012 exploration program will include drilling aimed at targeting the higher grade secondary copper enrichment zones at Nakru-01 and Simuku. This drilling will keep the tenements in good standing while Barrick seek to divest their 72% interest in tenements EL1043 (Nakru), EL 1445 (Talelumas) and EL 1077 (Simuku).
- Granting of Makmak tenement (EL 2014) on New Britain Island 100% to Coppermoly
- Completion of a nine-hole 654-metre reverse circulation (RC) drilling program which intersected a copper enrichment blanket at the White Horse prospect. Results revealed significant zones of shallow oxide and secondary copper mineralisation in all holes drilled including:
    - 17m grading 1.4% Cu from 32m depth
    - 30m grading 0.53% Cu from 1m depth
    - 15m grading 1.09% Cu from 29m depth
- Appointment of Shawn Uldridge as Non-Executive Director who has twelve years' financial market experience and co-founded William Shaw Securities in 2006.

Queensland-based explorer Coppermoly Limited (ASX: COY) is pleased to report its activities at the Company's copper-gold projects on New British Island, Papua New Guinea (PNG) and south-east Queensland for the quarter ending 30 June 2012.

1. ABOUT COPPERMOLY

Coppermoly Limited is focussed on exploring for and developing copper–gold-molybdenum deposits. It has a 28% interest in three tenements: Simuku, Talelumas and Nakru covering 170 square kilometres on New Britain Island, PNG. Our project portfolio also includes the Makmak tenement which covers 280.1 square kilometres and two other tenements nearby under application (refer to Figure 1).

Further drilling will be conducted on the projects during 2012 by our Joint Venture partner Barrick (PNG Exploration) Limited ("Barrick"), a subsidiary of Barrick Gold Corporation, the world's largest gold producer.

Our projects fit within our corporate strategy of exploring for versatile metals close to existing infrastructure. To date we have an inventory of over 2 billion pounds of contained copper in two deposits, with much more yet to be discovered from additional drilling.

At the Esk Trough farm-in project in Queensland, recent RC drilling intersected 17 metres of 1.4% copper within a blanket of secondary copper enrichment. The presence of copper in all holes drilled demonstrates that the supergene copper blanket occurs over a wide area of the mineralising system.

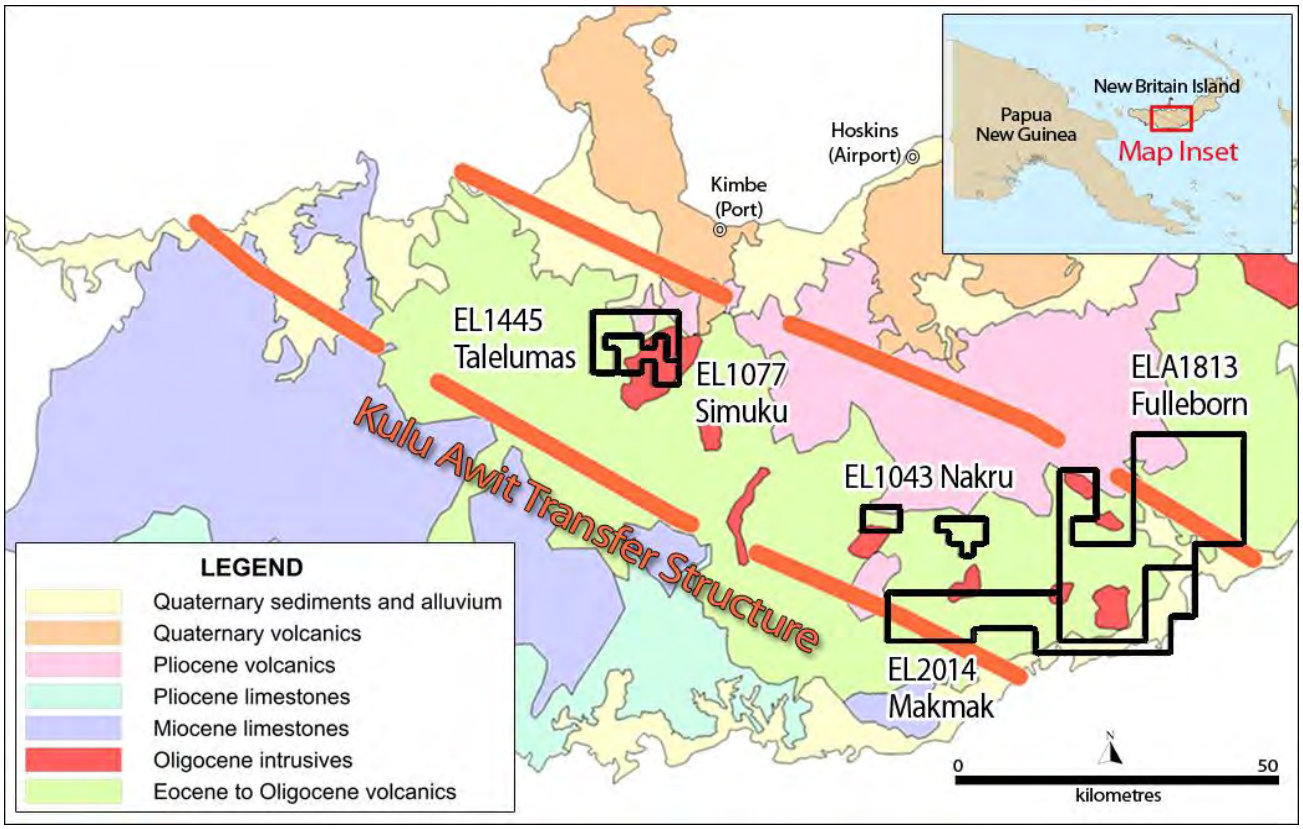


Figure 1: Location of Coppermoly projects on the Kulu-Awit structure

2. NAKRU PROJECT (EL 1043)

The Nakru tenement (EL1043) is located on PNG's New Britain Island (refer to Figure 1) and is within a four-hour drive by 4WD vehicle from the provincial capital of Kimbe. 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 by joint venture partner Barrick, through the centre of an untested geophysical chargeability anomaly (refer to Figure 2), intersected 213.75m grading 0.92% copper and 0.33 g/t gold from 74.45m. In July 2012 the company released a maiden Inferred mineral resource at the Nakru-01 copper-gold-silver project by independent consultants Golder Associates who estimated an Inferred resource of **38.4 million tonnes grading 0.82% copper equivalent*** (or 0.61% copper + 0.28g/t gold + 1.80 g/t silver) using a 0.2% Cu cut-off.

When using a 0.5% copper cut-off the deposit contains **21.6 million tonnes grading 1.10% copper equivalent*** (or 0.81% copper + 0.39 g/t gold + 1.81 g/t silver).

The Nakru-01 Volcanogenic Massive Sulphide (VMS) copper deposit contains 233,400 tonnes of copper, 11 tonnes of gold and 69 tonnes of silver (or 514 million pounds of copper, 350,000 ounces of gold and 2 million ounces of silver).

Through further drilling there remains great potential to increase the tonnage of the resource. The geophysical response and exploration results received to date indicate that further drilling is required to

determine the confines of overall mineralisation, as well as define the extent of the upper oxide zone and secondary copper enrichment blanket beneath.

A Conceptual Mining Study (CMS) is currently being undertaken by Swain Engineers to evaluate the basic economic potential of the Nakru-01 deposit in its present form. The study is expected to be completed in August.

The Nakru-01 resource milestone marks the second maiden inferred mineral resource on New Britain Island, after the inferred mineral resource of 200 million tonnes grading 0.36% copper, 61 ppm molybdenum, 0.06 g/t gold and 2 g/t silver at the Simuku Project.

Over the past four and a half years, exploration completed by Coppermoly and Barrick has achieved resources at Simuku and Nakru with a total inventory of over two billion pounds of contained copper.

Further drilling is expected to improve the size of the Nakru-01 resource as well as define the size of upper copper enrichment. The adjacent Nakru-02 prospect also requires a similar amount of drilling, highlighting the extent of copper still to be discovered (refer to Figure 3).

Drilling results through an overlying 'blanket' of secondary copper enrichment in BWNBDD0001 include:

- 13.55 metres grading 2.8% copper and 0.23 g/t gold from 74.45 metres depth
- Intersected barren dyke at 89 metres depth
- 22.23 metres grading 1.47% copper and 0.13 g/t gold from 98.75 metres depth

On the eastern edge of the geophysical anomaly (refer to Figure 2), high tellurium and gold credits were intersected which will need follow-up drilling. Results from drillhole BWNBDD0008 include:

- 23.5m grading 1.30% copper and 2.38 g/t gold from 87.3 metres depth, including
- 1m grading 4.6% copper, 42 g/t gold and 2840ppm tellurium.

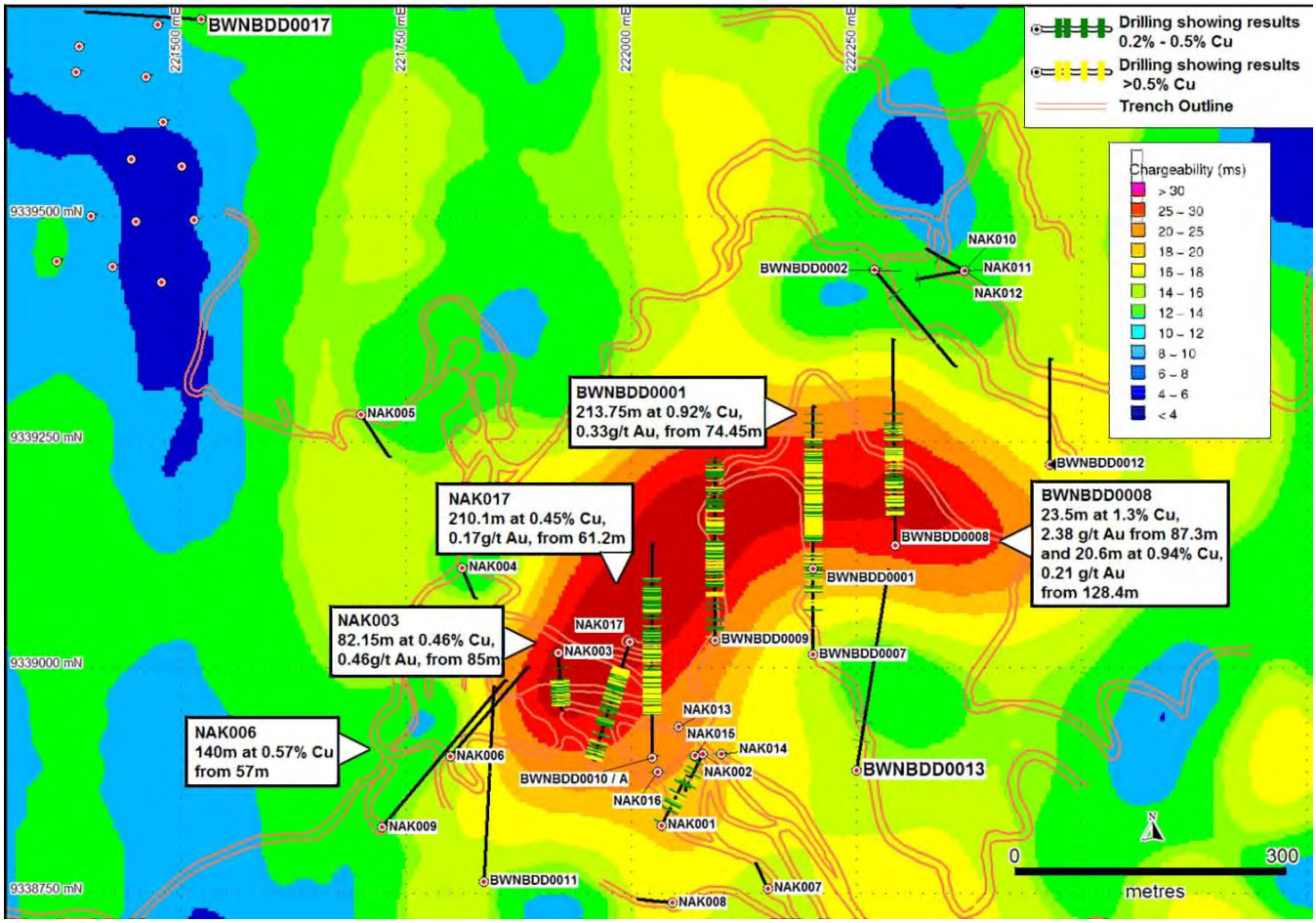


Figure 2: Nakru-1 geophysical anomaly and drill holes

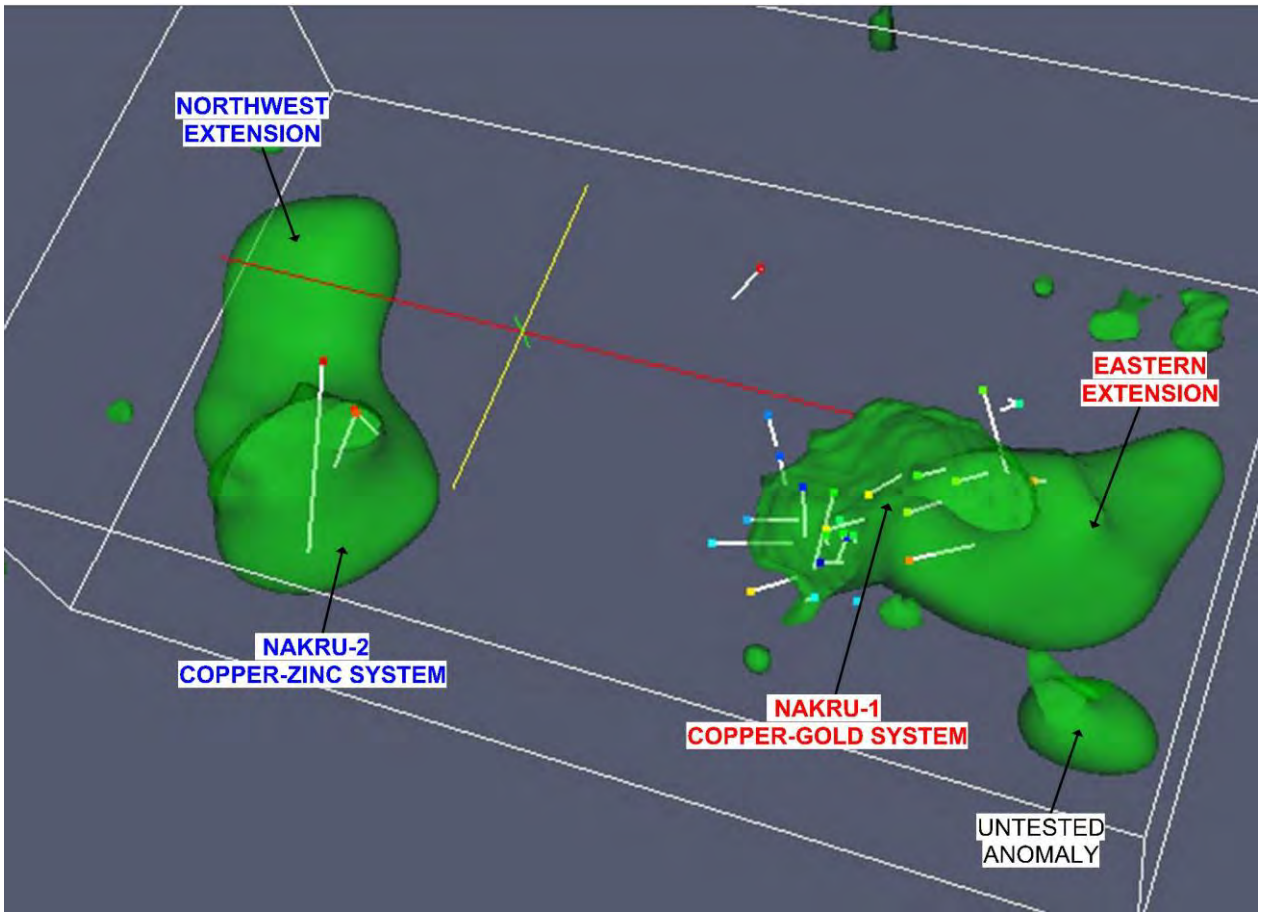


Figure 3: Nakru three-dimensional geophysical image of chargeability

3. SIMUKU PROJECT (EL 1077)

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 0.36% copper, 61 ppm molybdenum, 0.06 g/t gold and 2 g/t silver at the Simuku Project. 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 (BWNBDD0014 & 15) to more than 500m beneath the Inferred Resource (refer to Figure 4) are being reviewed by Golder associates with a view to a resource upgrade once additional drilling results are at hand in the fourth quarter on 2102.

No exploration activity was completed throughout the quarter.

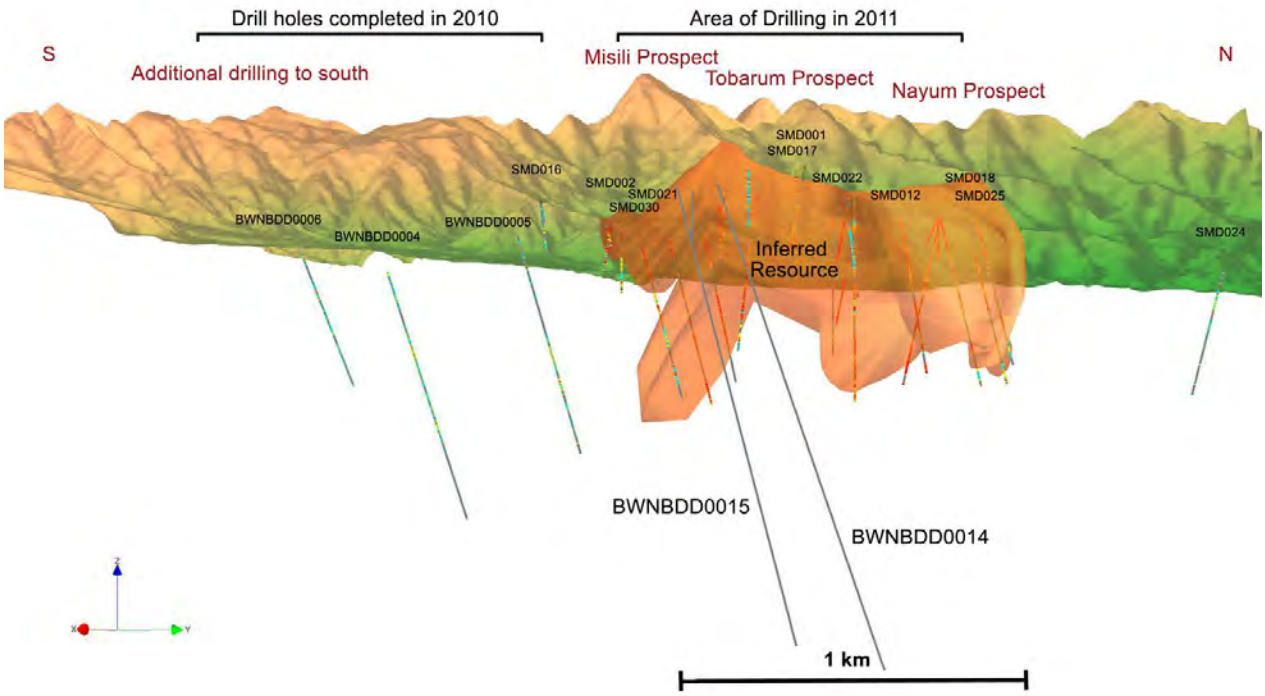


Figure 4: Simuku topography, resource and drillholes looking west

4. Barrick (PNG Exploration) Limited Update

Since 2012, Joint Venture partner Barrick has spent over A$21.6 million on drilling and exploration at the projects on New Britain Island. Barrick announced during the quarter that it will fund and conduct a $2.21 million exploration program on these projects during the second half of the 2012 calendar year to keep the tenements in good standing with regards to work commitments required by the Mineral Resources Authority in PNG.

The drilling will test the higher grade secondary enrichment zones at Nakru-01 and Simuku. Barrick has submitted drill samples to Intertek laboratories to help determine the proportion of acid soluble copper in the supergene blanket.

Throughout the quarter, Barrick commenced a process to engage with market participants for the purpose of divesting (or selling its asset) its 72% interest in tenements Nakru, Talelumas and Simuku. Barrick committed the aforementioned $2.21m despite the divestment process.

5. Granting of the Makmak Tenement (EL 2014), PNG

The long standing tenement application ELA 2014 Makmak on the south coast of New Britain Island, Papua New Guinea, (refer to Figure 1) has been granted by the PNG Minister for Mining for a period of two years. The tenement covers 280 square kilometres and is 9km south of the Company's Nakru tenement and is wholly owned 100% by Coppermoly.

In 2010, Coppermoly collected surface rock float samples at the 'Pulding' prospect, which returned **10.7% Cu & 15.5g/t Ag, 1.18% Cu, 0.64% Cu, 2.91% Cu and 0.65% Cu**. These samples are within granitoid type rocks associated with a geophysical magnetic intrusive target in the eastern section of the tenement (refer to Figure 5). The project is accessible via 4WD from New Britain Island's provincial capital, Kimbe.

The Makmak tenement is located on the south-eastern extent of the highly prospective Kulu Awit Transfer structure (refer to Figure 1) which is host to a number of projects including the Mt.Penck gold-silver system (which returned 131m @ 2.36g/t Au from drilling), Simuku porphyry copper-gold-molybdenum-silver deposit, Plesyumi porphyry copper deposit and the Nakru VMS/breccia deposits.

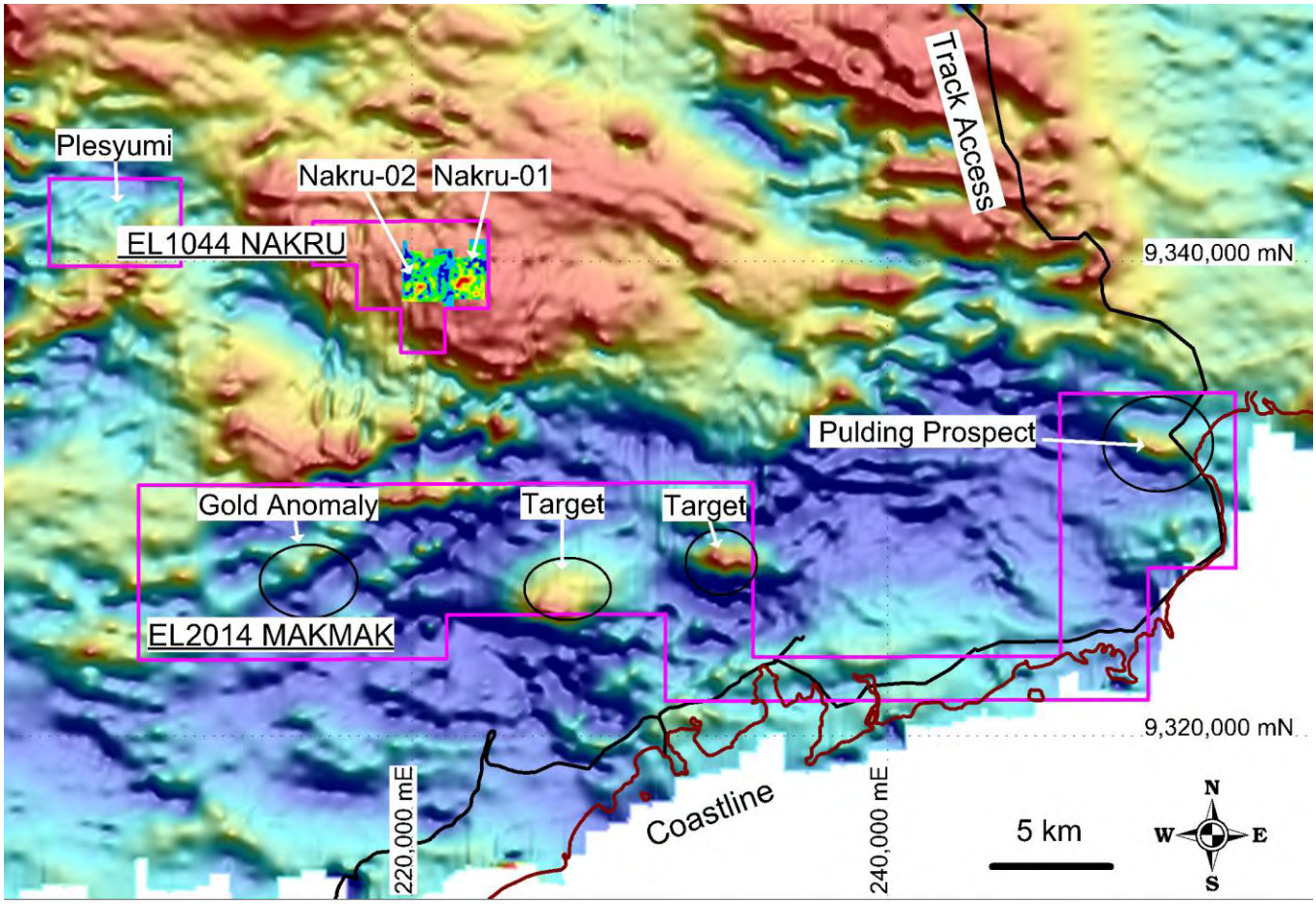


Figure 5: Makmak prospects on geophysical magnetics image

6. 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 6), 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 project is located at the intersection of a major transfer structure and flat dipping subduction zone, host to copper-gold-molybdenum deposits (refer to Figure 7).

Coppermoly's RC drilling of the White Horse copper-gold porphyry prospect included a program of nine hole (654m) program testing for extensions of historical copper and gold grades near surface. Results demonstrated significant zones of shallow oxide and secondary copper mineralisation in all holes drilled. Highlights include (refer tables 1 and 2):

- **92m @ 0.36% copper from 29m**
  - **including 15m @ 1.09% copper from 29m**
- **30m @ 0.53% copper from 1m**
  - **including 5m @ 1.58% copper from 26m**
- **28m @ 0.96% copper from 29m**
  - **including 17m @ 1.4% from 32m**
- **13m @ 1.0 % copper from 27m**

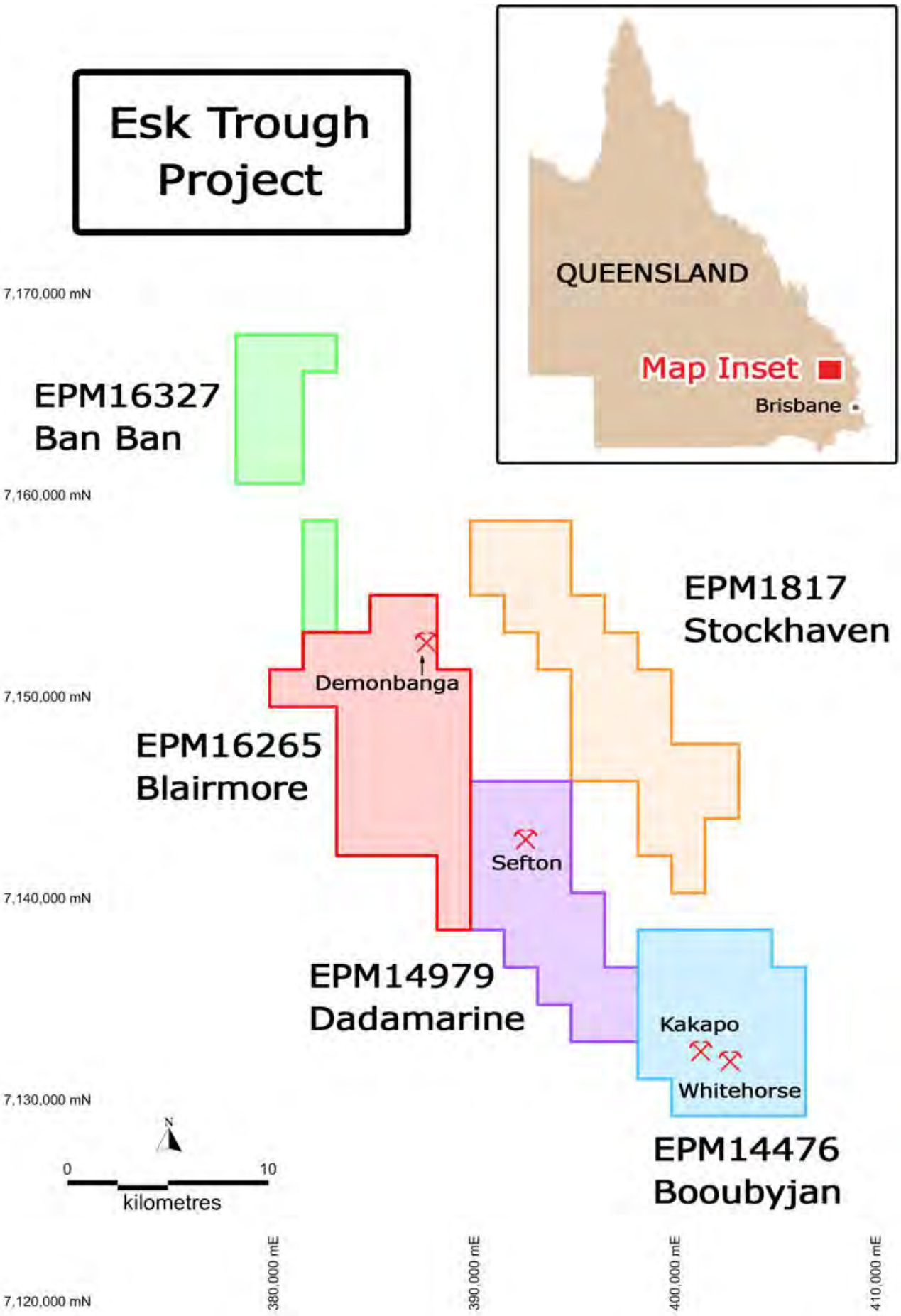


Figure 6: Location plan of Esk Trough Project, south-east Queensland

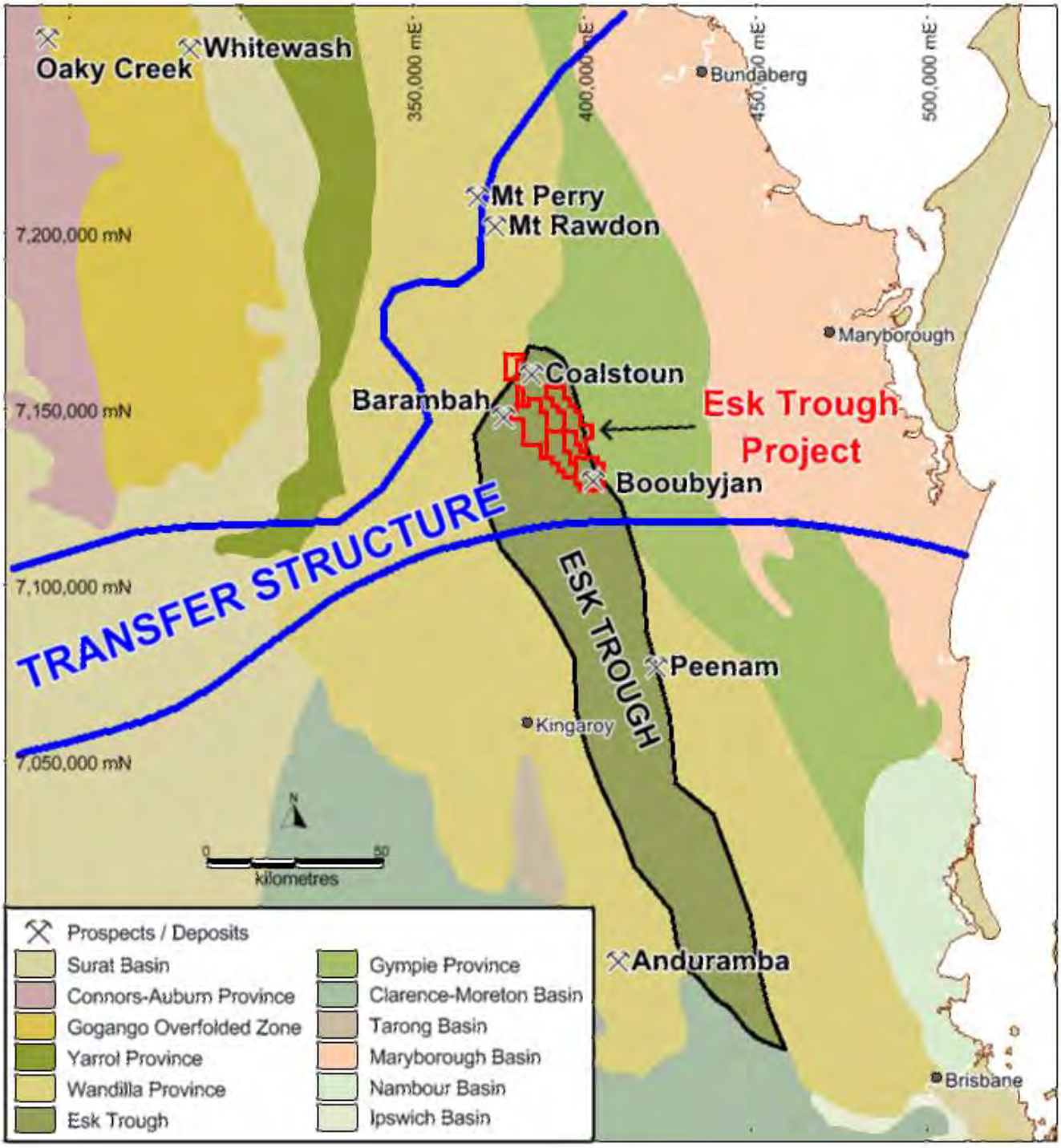


Figure 7: Esk Trough regional geology

The drill results from White Horse demonstrate the presence of significant near-surface copper mineralisation. The supergene (enrichment) processes occur over a wide area of the 3km x 1.5km primary porphyry copper system (refer to Figure 8).

Only a very small area of this project was drill tested by Coppermoly with significant areas of “leached cap” and anomalous copper geochemistry largely untested. The geographic location of the project, tenor of mineralisation and near-surface occurrence are all factors which bode well for a potential low-cost, heap leach operation should sufficient resources be found.

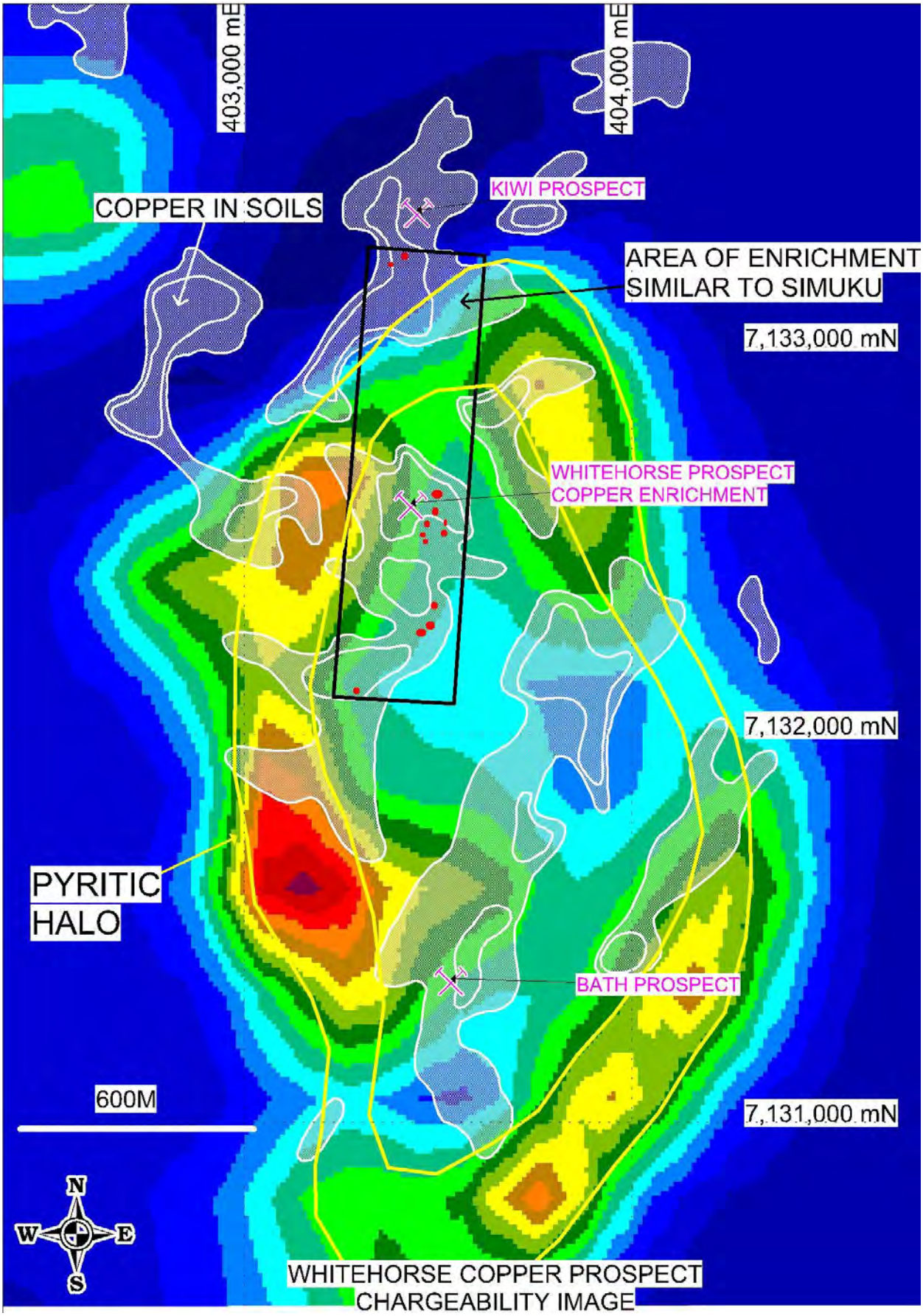


Figure 8: White Horse chargeability image showing the 'pyritic halo' which outlines the Whitehorse porphyry copper system and the historic copper-in-soil geochemistry

Table 1: Significant intersections from White Horse drilling in 2012 (refer to Figure 10)

Hole No.	Interval (downhole metres)	Width	Cu (%)	Au (g/t)	Cu cut-off
ABJ019	1-31m	30	0.20	0.06	0.1%
	incl: 11-26m	15	0.24	0.07	0.2%
ABJ020 (hole abandoned at 103m)	20-103m (EOH)	83	0.37	0.09	0.1%
	incl: 21-47m	26	0.85	0.06	0.2%
	incl: 21-44m	23	0.91	0.06	0.5%
	57-68m	11	0.24	0.14	0.2%
ABJ021 (hole abandoned at 91m)	29-91m (EOH)	62	0.53	0.09	0.1%
	incl: 29-57m	28	0.96	0.09	0.2%
	incl: 32-49m	17	1.40	0.09	0.5%
ABJ022	34-44m	10	0.69	0.03	0.1%
	incl: 34-43m	9	0.76	0.03	0.2%
	incl: 35-43m	8	0.82	0.03	0.5%
ABJ023	29-121m (EOH)	92	0.36	0.06	0.1%
	incl: 29-44m	15	1.09	0.03	0.2%
	incl: 29-43m	14	1.15	0.03	0.5%
	52-87m	35	0.24	0.07	0.2%
ABJ024	27-40m	13	0.26	0.01	0.1%
	incl: 36-40m	4	0.51	0.00	0.2%
	incl: 37-39m	2	0.69	0.02	0.5%
ABJ025	27-40m	13	1.00	0.03	0.2%
	incl: 28-37m	9	1.30	0.04	0.5%
	51-73m	22	0.29	0.06	0.1%
	incl: 52-63m	11	0.33	0.09	0.2%
	incl: 52-55m	3	0.52	0.16	0.5%
ABJ026 (hole abandoned at 55m)	1-28m	27	0.32	0.06	0.1%
	incl: 1-27m	26	0.33	0.06	0.2%
	incl: 7-8m	1	0.54	0.07	0.5%
	incl: 21-22m	1	0.54	0.06	0.5%
	46-55m (EOH)	9	0.18	0.03	0.1%
ABJ027	1-32m	31	0.51	0.03	0.1%
	incl: 1-31m	30	0.53	0.04	0.2%
	incl: 26-31m	5	1.58	0.00	0.5%

Table 2: Whitehorse prospect drill hole locations (AGD84, Zone 56)

Hole_Id	Easting (m)	Northing (m)	Depth (m)	RL (m)	Azimuth (Degrees)	Dip (Degrees)
ABJ019	403514	7132351	55	331	270	60
ABJ020	403497	7132279	103	287	270	60
ABJ021	403482	7132514	91	300	270	60
ABJ022	403536	7132519	61	281	270	60
ABJ023	403490	7132542	121	297	270	60
ABJ024	403539	7132545	61	343	270	60
ABJ025	403513	7132575	73	285	270	60
ABJ026	403467	7132618	55	301	270	60
ABJ027	403504	7132620	34	271	270	60

Figure 9 shows a typical cross section through the White Horse mineralised zone with intersections in drillholes ABJ21 and ABJ22. The section shows the copper '**depletion zone**' overlying a sub-horizontal copper blanket of **'secondary enrichment zone'** of 0.5% to 2.0% copper. The '**primary zone'** of copper mineralisation lies beneath with 0.1% to 0.25% copper.

The priority Exploration Target is the **'secondary enrichment zone'** with its higher grades near surface providing a more easily developed target for resource definition.

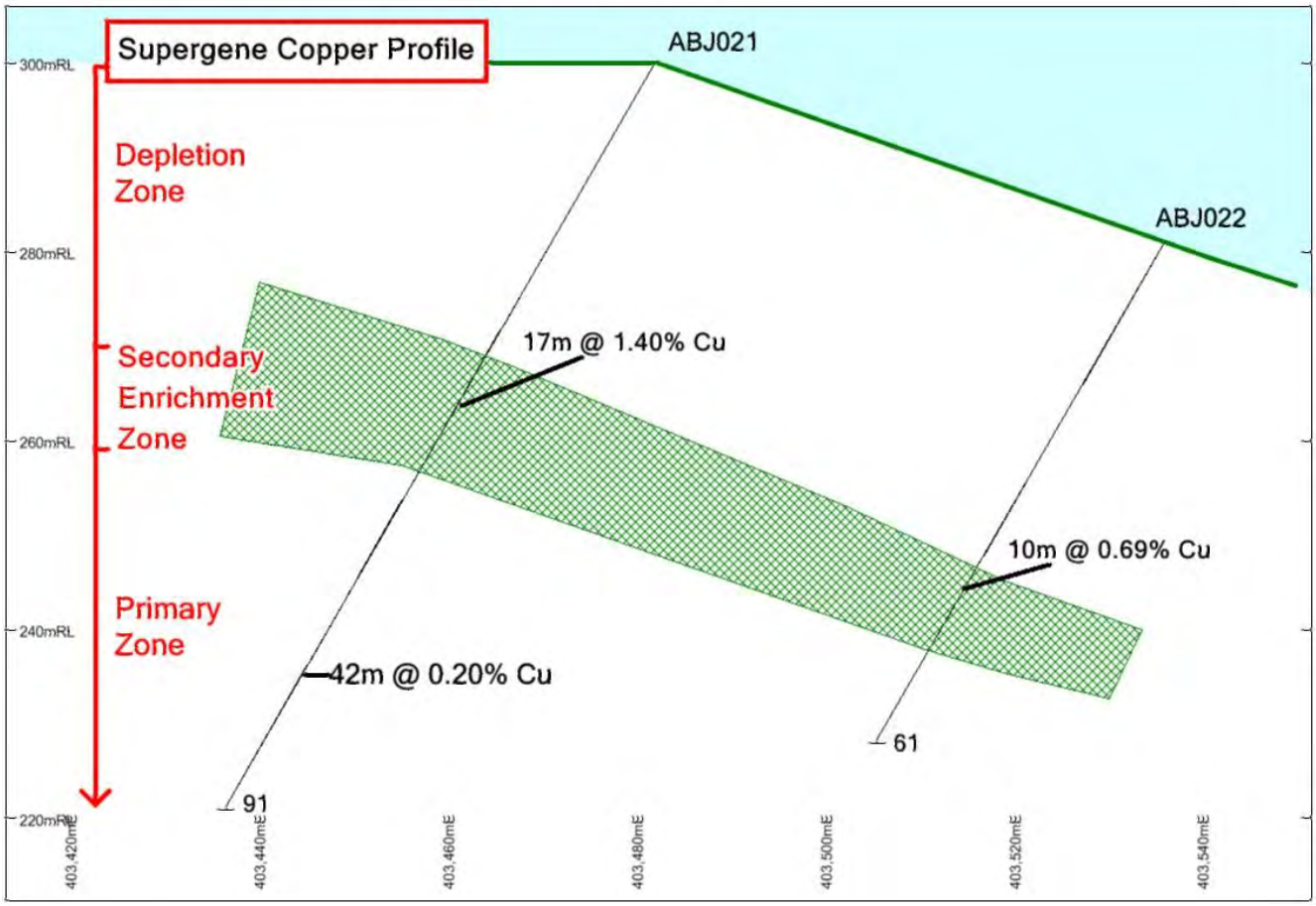
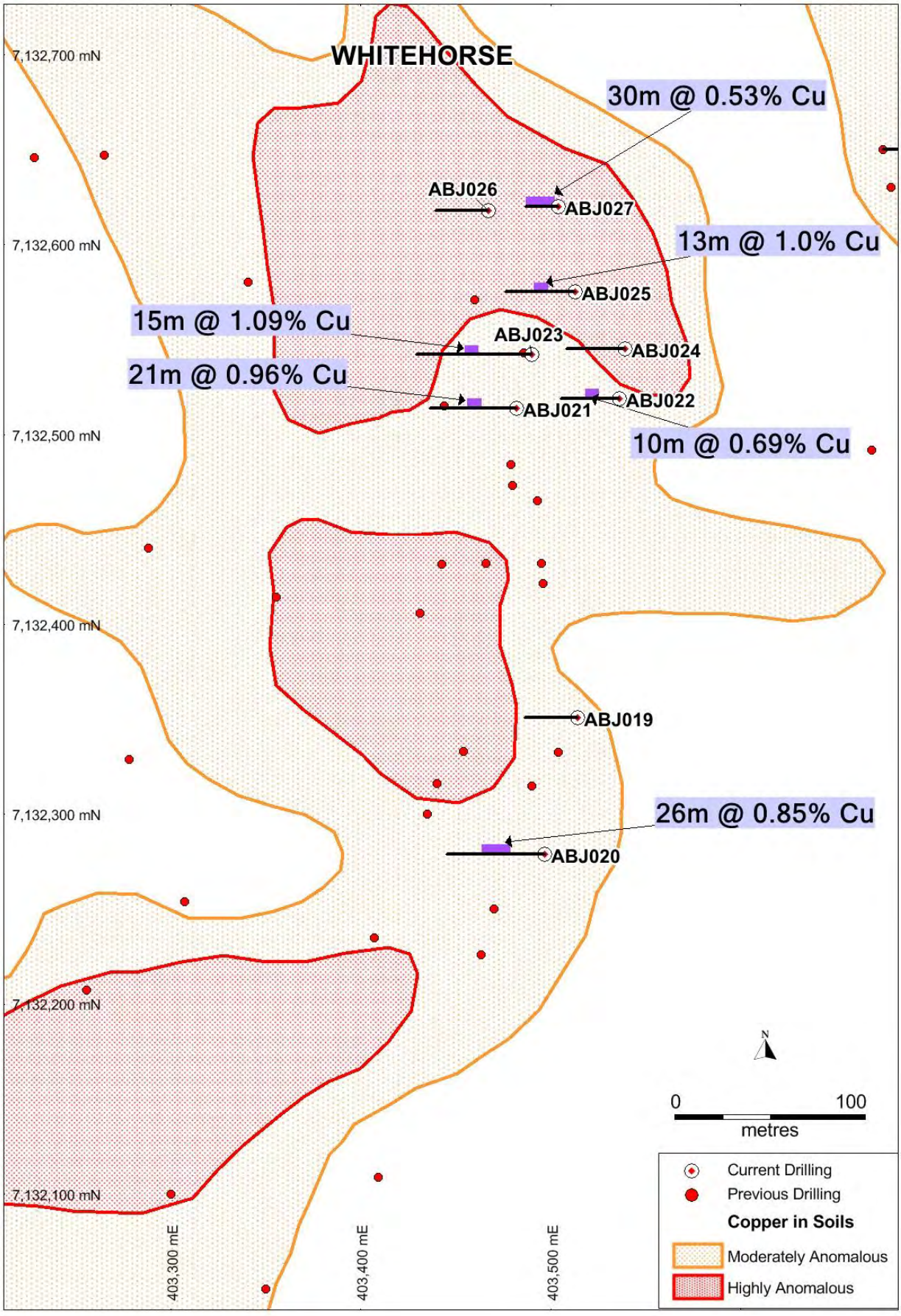


Figure 9: Supergene copper profile



Fi

Figure 10: Whitehorse Prospect drill hole location plan showing Coppermoly drill holes with selected assay sections over soil geochemistry

The Kakapo prospect within the Booubyjan tenement (refer to Figure 6) has significant historical drilling results including 88m grading 0.47% copper and 0.49 g/t.

The present drilling program was focussed on determining geometry of mineralisation intersected from historical results. The results from the five hole (953m) RC drill program at Kakapo (refer to Table 3 and 4) include:

- ABJ029 8 metres @ 0.20% copper, 0.04g/t gold from 40 metres
- ABJ029 2 metres @ 0.12% copper, 1.02g/t gold from 53 metres includes 0.48% zinc
- ABJ030 10 metres @ 0.23% copper, 0.20g/t gold from 20 metres
- ABJ030 3 metres @ 0.35% copper, 0.14g/t gold from 38 metres
- ABJ030 16 metres @ 0.32% copper, 0.40g/t gold from 105 metres

Coppermoly received the results of a three dimension Induced Polarisation (3DIP) geophysical program at the Sefton, Kakapo and Demonbanga prospects in May. As a result of the geophysical survey the Sefton prospect revealed a significant anomaly that warranted drill testing. An RC hole was drilled at the Sefton prospect which resulted two metres of slightly elevated silver and zinc at 87m depth. Elevated levels of iron sulphide (pyrite) throughout the drill hole infer the presence of the IP anomaly, which may form part of an overall larger mineralising system.

Table 3: Drilling intersections from 2012 Kakapo and Sefton drilling

Hole No.	Interval (m)	Width (m)	Cu (%)	Au (g/t)	Cu cut-off
ABJ028	109-114m	5	0.14	0.05	0.1%
ABJ029	0-67m	67	0.15	0.06	0.1%
	incl: 40-48m	8	0.20	0.04	0.2%
	80-121m	41	0.15	0.03	0.1%
ABJ030	11-42m	31	0.19	0.13	0.1%
	incl: 20-30m	10	0.23	0.20	0.2%
	and: 38-41m	3	0.35	0.14	0.2%
	105-121m	16	0.32	0.40	0.2%
	201-208m	7	0.20	0.03	0.1%
ABJ031	39-47m	8	0.17	0.08	0.1%
	53-59m	6	0.11	0.12	0.1%
ABJ032	16-19m	3	0.11	0.04	0.1%
ASF005	No significant Assays				

At Kakapo, broad low grade zones of mineralisation were intersected in holes ABJ029 and 030 with narrower zones intersected in all other holes. The mineralisation consists of chalcopyrite ($CuFeS_2$), associated with patchy magnetite –chlorite dominant propylitic alteration and minor potassic alteration. Minor coarse sulphide veining with anomalous gold values occur over narrow intervals, such as ABJ029 - 53-55m, with sphalerite (0.48% zinc) the dominant base metal sulphide.

Table 4: Kakapo and Sefton drill hole locations

Hole_ID	Easting	Northing	RL (m)	Total Depth (m)	Grid Azimuth (degrees)	Dip (degrees)
ABJ028	401180	7133294	201	127	230	-55.6
ABJ029	401166	7133357	262	163	230	-61.2
ABJ030	401464	7133573	302	223	190	-60.0
ABJ031	401396	7133526	274	193	25	-56.2
ABJ032	401205	7133349	261	247	230	-76.7
ASF005	301755	7144496	208	199	080	-70.0

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 ([Sum of each total interval x grade] / Total length of intersection).
- 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 from PNG projects are given in UTM Zone 56, AGD66 datum.
- Co-ordinates from Queensland projects are given in UTM Zone 56, AGD84 datum
- Reverse Circulation drillhole samples from the Esk Trough project were bagged and chips logged and sampled between 1m intervals. The split samples were then road freighted to ALS in Brisbane for sample preparation and analysis.
- Mineralised intersections are quoted as down hole widths.
- Mineralisation at Nakru-01 consists of copper, gold and silver.
- * Copper equivalent values have been calculated as (Cu + (6764.1 x Au) + (113 x Ag))
- * Copper Equivalent is the contained copper, 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.
- The ASX requires a metallurgical recovery be specified for each metal. Metallurgical testwork is currently being undertaken by Barrick from Nakru-01 drilling samples.
- 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.
- Drillhole samples from drillholes in PNG 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.
- Golder Associates has verified the data disclosed and approves the contents of this ASX release. The key assumptions, parameters and methods used to estimate the minerals resources are set out in the 'Nakru Copper-Gold Deposit – Mineral Resource Statement' at the end of this release. The estimate of mineral resources is not materially affected by any known environmental, permitting, legal, title, taxation or political issues. Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability.