

**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**

29<sup>th</sup> April 2013

ASX Code: COY

**MARCH 2013 Quarterly Report****HIGHLIGHTS**

- ✓ Change of Managing Director
- ✓ Shareholders support the current Board in Extraordinary General Meeting
- ✓ Makmak tenement rock sampling results and petrology shows copper and iron mineralisation
- ✓ Makmak geophysical modelling provides exploration targets
- ✓ Makmak next phase of exploration underway
- ✓ Negotiations regarding Barrick's divestment of its interests in the West New Britain Project continuing.

Queensland-based explorer Coppermoly Limited (ASX: COY) is pleased to report its activities at the Company's projects on New British Island, Papua New Guinea (PNG) for the quarter ending 31 March 2013.

**JUNE QUARTER PLANS**

Following the recently completed small private placement, the issue of convertible notes and the successful preliminary exploration programme at the Makmak tenement, additional mapping, rock sampling, trenching will be undertaken ahead of planning for geophysics and a drilling programme.

Negotiations are continuing with Barrick (PNG Exploration) Ltd ("Barrick") regarding their 72% interest in the West New Britain project.

**ABOUT COPPERMOLY**

Coppermoly is an exploration company which is focussed entirely on the island of New Britain in Papua New Guinea where it holds four exploration licences and an additional three under application. These licences cover copper, gold, silver, zinc, molybdenum and iron mineralisation. The four current tenements at Simuku, Talelumas, Nakru and Makmak cover 450 square kilometres.

These projects occur within the Kulu-Awit copper-gold belt and are accessible by 4WD vehicle and close to existing infrastructure including an advanced, operating deep water port, hardware supplies, machinery services and heavy industry suppliers, a hospital, grocery stores, chemist etc. at Kimbe, the Provincial capital of West New Britain (Figure 1).

After listing on the ASX in 2008, Coppermoly completed an extensive drilling and exploration programme within the Simuku (EL 1077), surrounding Talelumas (EL 1445) and Nakru (EL1045) tenements. As a result of the drilling, Coppermoly defined its maiden Inferred Resource at the Simuku porphyry copper system of:

- 200 million tonnes grading 0.47% Cu.Eq\*\* (or 0.36% copper + 61 ppm molybdenum + 0.06 g/t gold + 2 g/t silver), using a cut-off grade of 0.2% Cu.Eq\*\*.

Since the signing of a Letter Agreement with Barrick in October 2009, Barrick has spent over \$24.6 million managing the exploration and drilling on these three properties. As a result of this additional drilling at Nakru, Coppermoly was able to construct a geological model for Naku-01. In July 2012, independent

consultants Golder Associates estimated an Inferred Mineral Resource for the Nakru-01 deposit (within EL1043 - Nakru) of

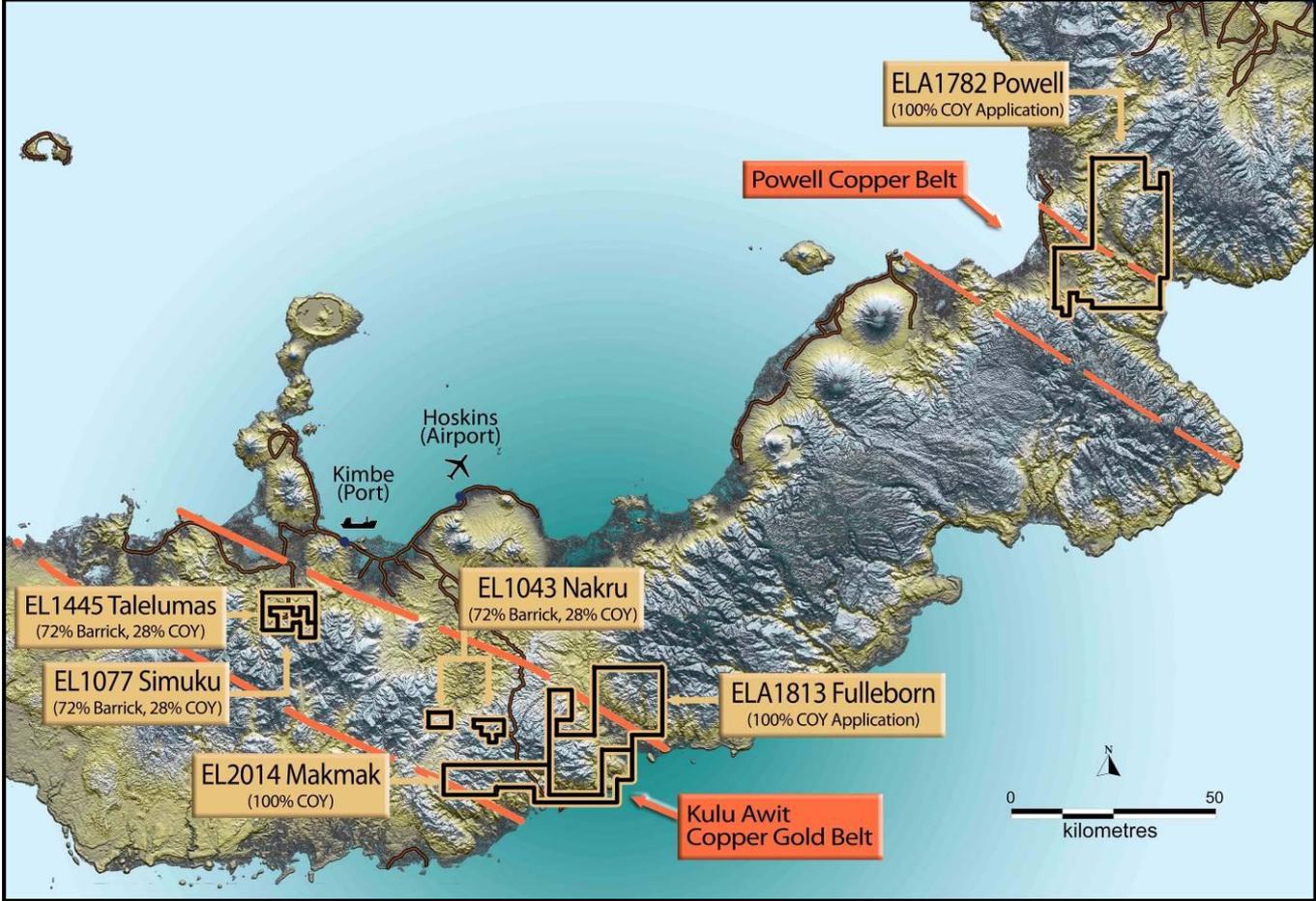
- 38.4 Mt at 0.82% copper equivalent\* (or 0.61% copper + 0.28 g/t gold + 1.80 g/t silver), using a cut-off grade of 0.2% copper.

In September 2012, results from a Conceptual Mining Study showed that the development of the Nakru-01 Inferred Mineral Resource could be cash flow positive within two years of commencement of production.

Barrick completed their drilling and exploration on the West New Britain project and will continue to seek divestment of their interest in these tenements. Barrick's primary reason for divesting is that the target did not prove to be of a size to be of economic consequence to Barrick.

EL2014 (Makmak) was granted on the 14<sup>th</sup> May 2012 for a period of 2 years and is 100% held by Coppermoly covering 280 km<sup>2</sup>. Two other tenements are under application by Coppermoly 100% and include ELA1782 (Powell) and ELA1813 (Fulleborn) which combined cover 1306 square kilometres.

Figure 1: Location of Coppermoly projects on New Britain island



## SIMUKU PROJECT (EL 1077) – 28% Coppermoly

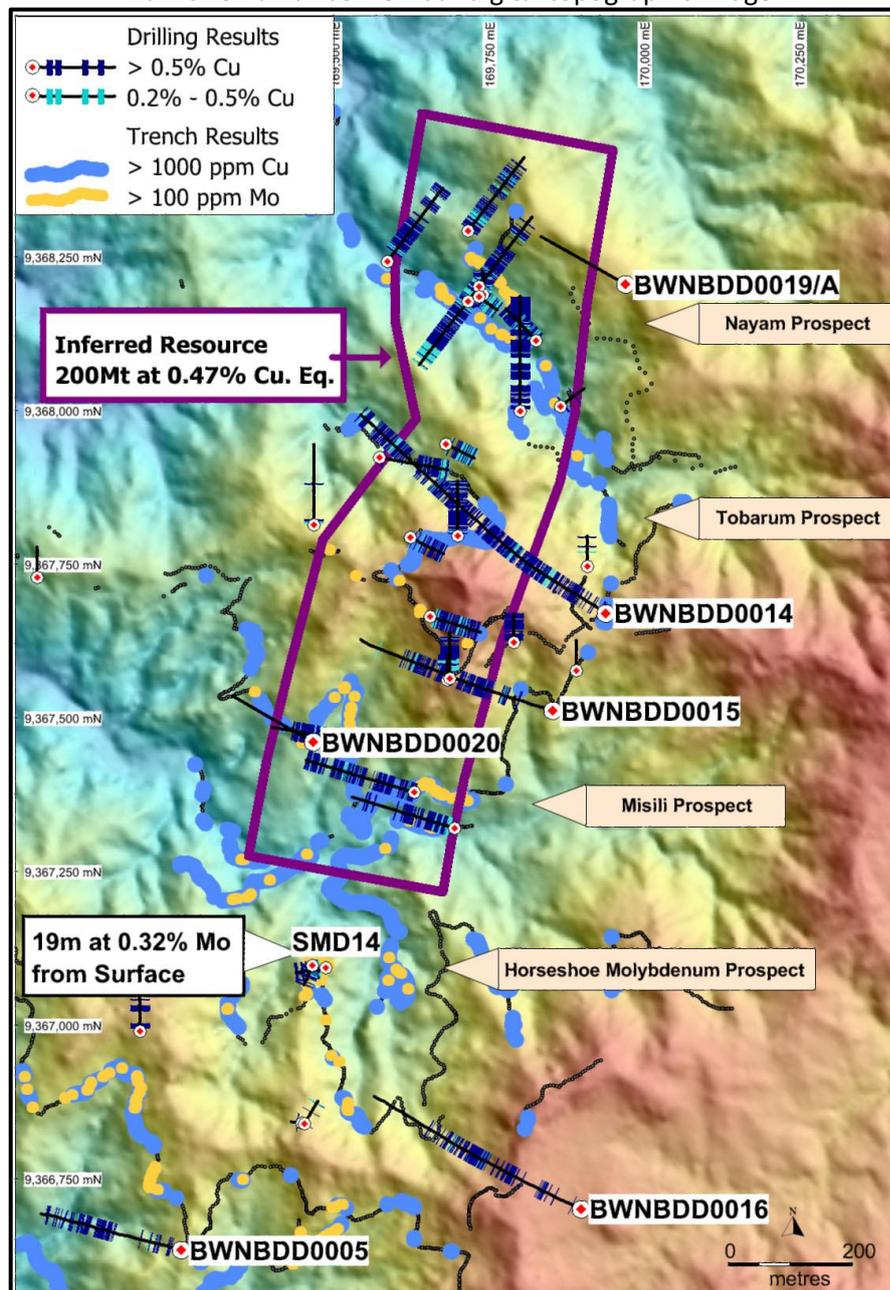
Barrick commenced drilling at the Nayam Prospect in September 2012. A second hole at the Misile Prospect was completed to 288 metres depth. Results for these two drillholes were reported in the ASX Announcement dated 15<sup>th</sup> January 2013.

BWNBDD0019 intersected a narrow porphyry unit. Results from BWNBDD0020 extended the supergene copper mineralisation to the south and southwest.

During 2010 and 2011, Barrick drilled six holes at the Simuku porphyry system for an average depth of 700m - totalling 4,227m. Including 16 historical drill holes, 15 drill holes completed by Coppermoly and 8 drill holes completed by Barrick, a total of 39 drillholes have been completed within the Simuku porphyry system for a total of 10,851 metres. Barrick also completed one drillhole at the Kulu copper prospect for 617.2 metres.

EL 1077 was granted renewal by the Mineral Resources Authority for an additional two years to 28<sup>th</sup> November 2013.

Figure 2: Simuku resource outline showing the latest drillholes BWNBDD0019/A and 20 completed by Barrick on an airborne Lidar digital topographic image



**TALELUMAS PROJECT – 28% Coppermoly**

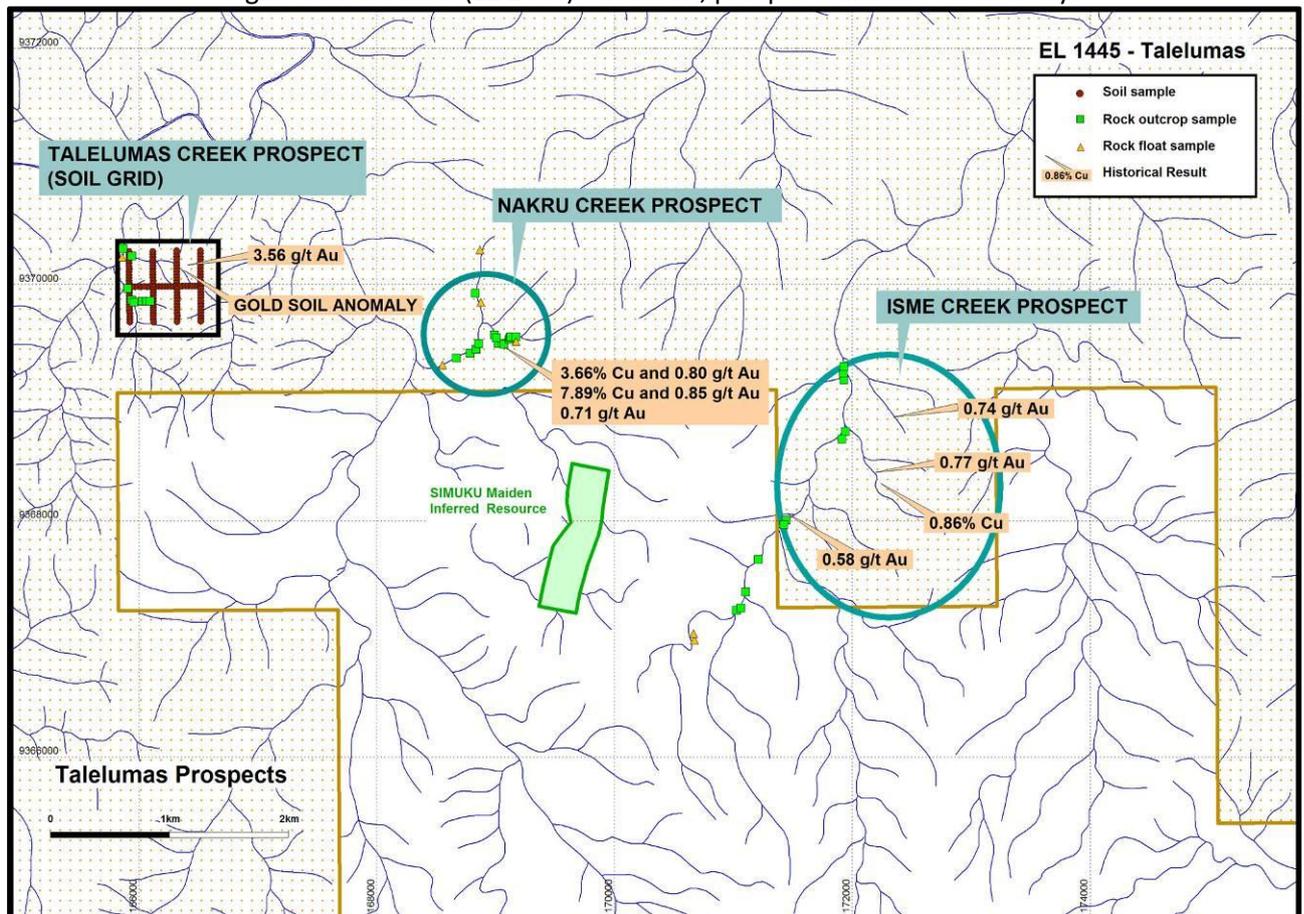
Barrick recently completed field work at the Mt. Misusu (Nakru Creek prospect in Figure 3) and the Talelumas prospects.

Reconnaissance mapping at the Talelumas prospect (within EL1077) confirmed the presence of thin epithermal style veining but did not locate significant mineralisation.

The Mt. Misusu Prospect (within EL1445) is underlain by volcanics, mainly andesites with minor basalts and volcanoclastics, with associated intrusives, including micro-diorite porphyry, feldspar porphyry, hornblende-feldspar porphyry and diorite units.

Stockwork veining was mapped with the micro-diorite porphyry units exhibiting the highest density with 40-70veins/metre at 10-20% volume and the feldspar porphyry units contain 5-15veins/metre at 5% volume. Laminated quartz-magnetite veins are the most common vein and are cross-cut by later porphyry B-veins. Chlorite-sericite alteration is associated with the micro-diorite porphyry and phyllic alteration is associated with the feldspar porphyry. Phyllic alteration is strongest at higher relative elevations and is widespread in the central ridge area. Propylitic alteration is spatially associated with the volcanics. Chalcopyrite, up to 0.5%, occurs in veins and as disseminations in the chlorite-sericite altered micro-diorite porphyry with up to 0.7% pyrite.

Figure 3: Talelumas (EL 1445) tenement, prospects and historical assays

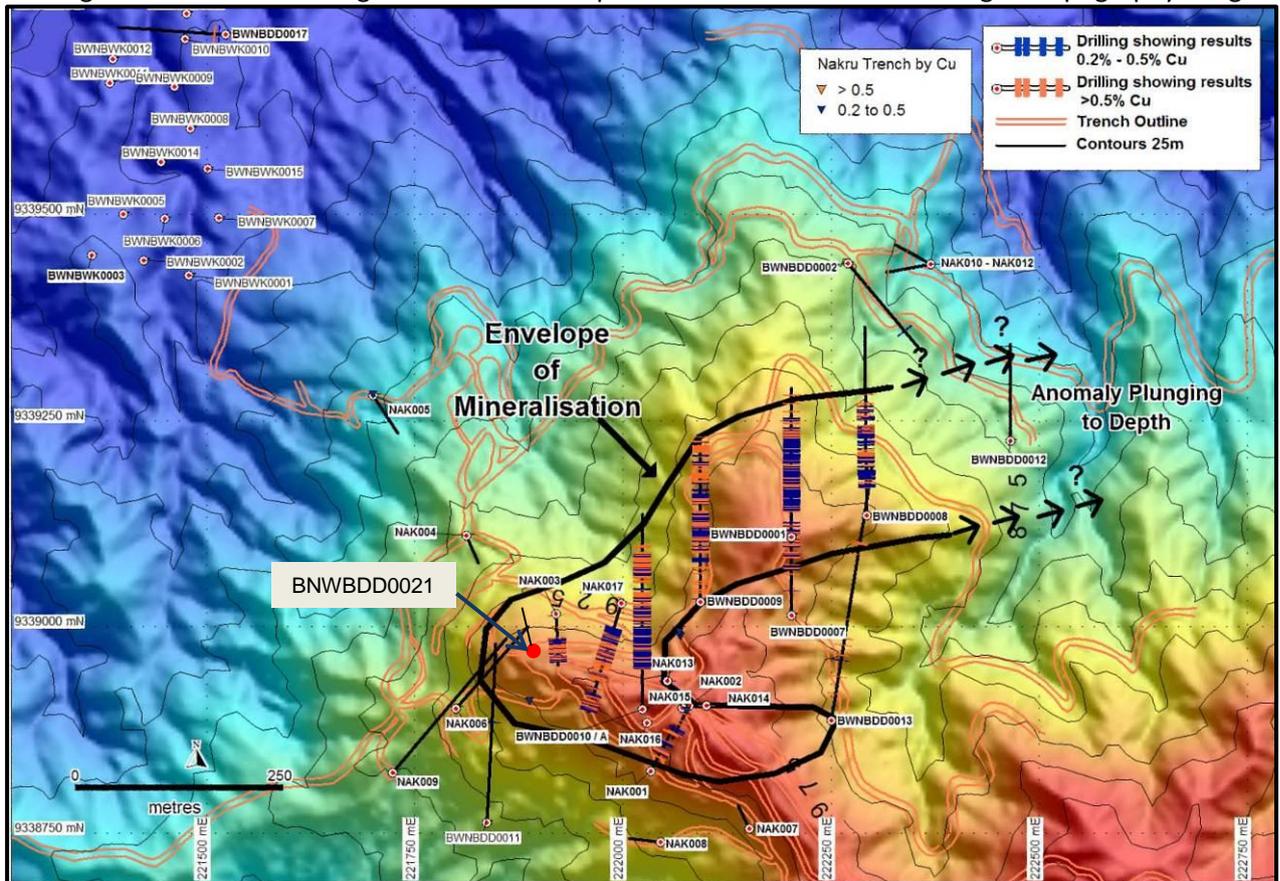


## NAKRU PROJECT (EL 1043) – 28% Coppermoly

During 2010 and 2011, Barrick drilled twelve diamond core holes within the Nakru tenement for an average depth of 406m – totalling 4872.9m. During December 2012, Barrick completed one drillhole (BWNBDD0021) at Nakru-01 for 220 metres (Table 1). The hole was designed to extend the known mineralisation intersected in NAK003 (Figure 4) and intersected polymict breccia with cross-cutting andesite dykes to the end of hole. Results were reported in the ASX Announcement dated 15<sup>th</sup> January 2013 and 14<sup>th</sup> February 2013.

At the Nakru-01 copper-gold breccia system, a total of 28 drillholes totalling 6148.4 metres have been completed.

Figure 4: Nakru-01 drilling results and envelope of mineralisation on LiDAR digital topography image



**MAKMAK PROJECT (EL 2014) – 100% Coppermoly**

EL 2014 was granted by the PNG Minister for Mining to the 14<sup>th</sup> May 2014. The tenement covers 280 square kilometres (Figure 5) and is accessible using 4WD vehicles from West New Britain’s provincial capital, Kimbe.

During the fourth quarter of 2012, a small exploration team collected 32 rock samples and 290 soil samples. Results were reported in previous quarterly report and high copper and iron assay results were reported in ASX Announcements dated 7<sup>th</sup> January 2013 and 29<sup>th</sup> January 2013.

Table 4: Wara Creek iron ore prospect rock float sample results

Sample Number	Fe %	P ppm	S ppm	As ppm	V ppm	Ti ppm	Cr ppm	Cu ppm	Mo ppm	Al %	U ppm	Description
5003	67.7	57	65	4	200	1441	25	Nil	1.2	1.23	0.20	Iron oxide breccia
5010	57	374	461	13	79	1671	25	101	3.4	0.47	0.18	Iron oxide breccia
5011	70.9	172	Nil	7	74	573	7	67	1.6	0.23	0.16	Iron oxide breccia
5013	71.8	83	88	5	14	549	7	Nil	0.5	0.22	0.12	Iron oxide breccia

Figure 5: Makmak targets on airborne geophysical magnetics image (TMI)

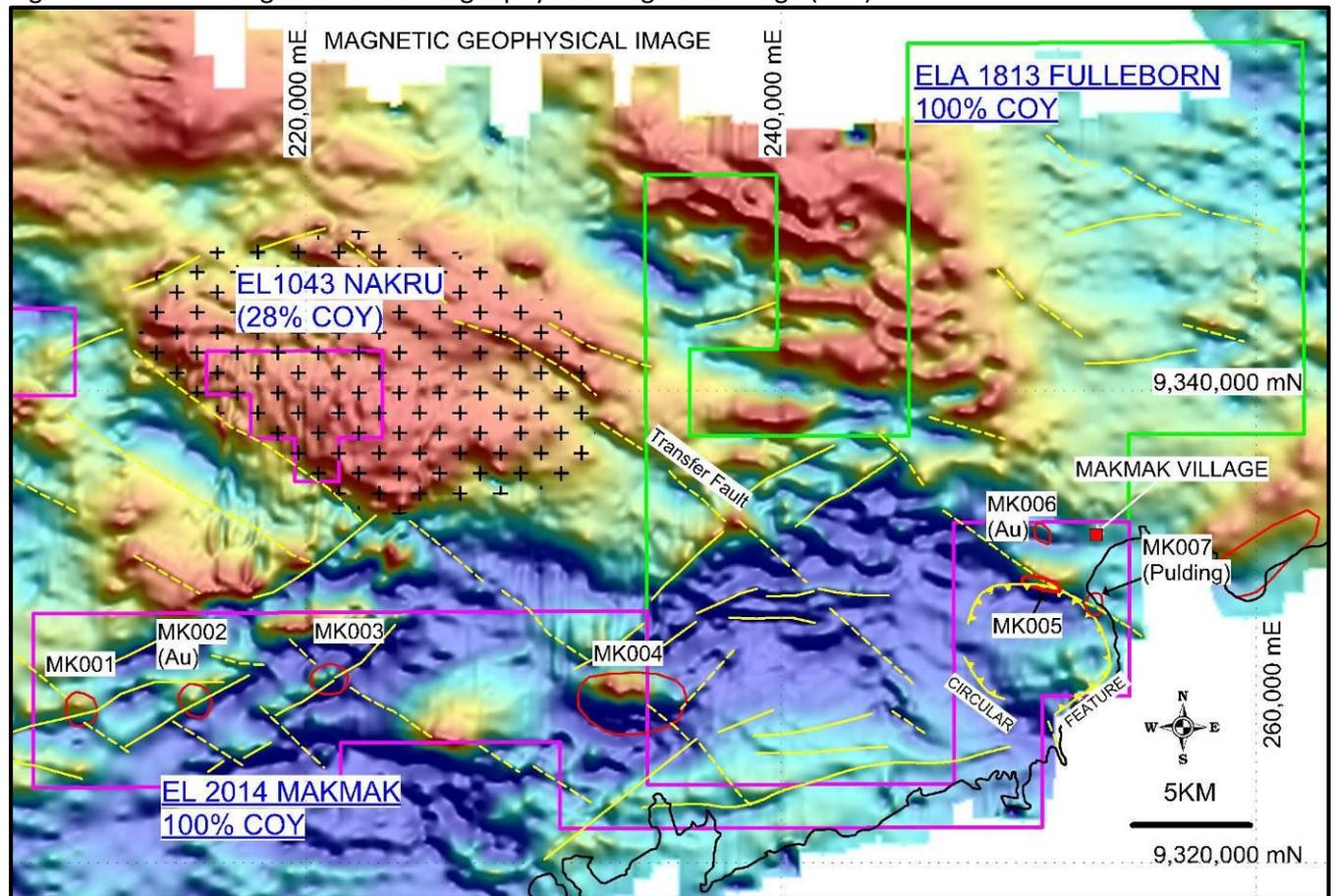
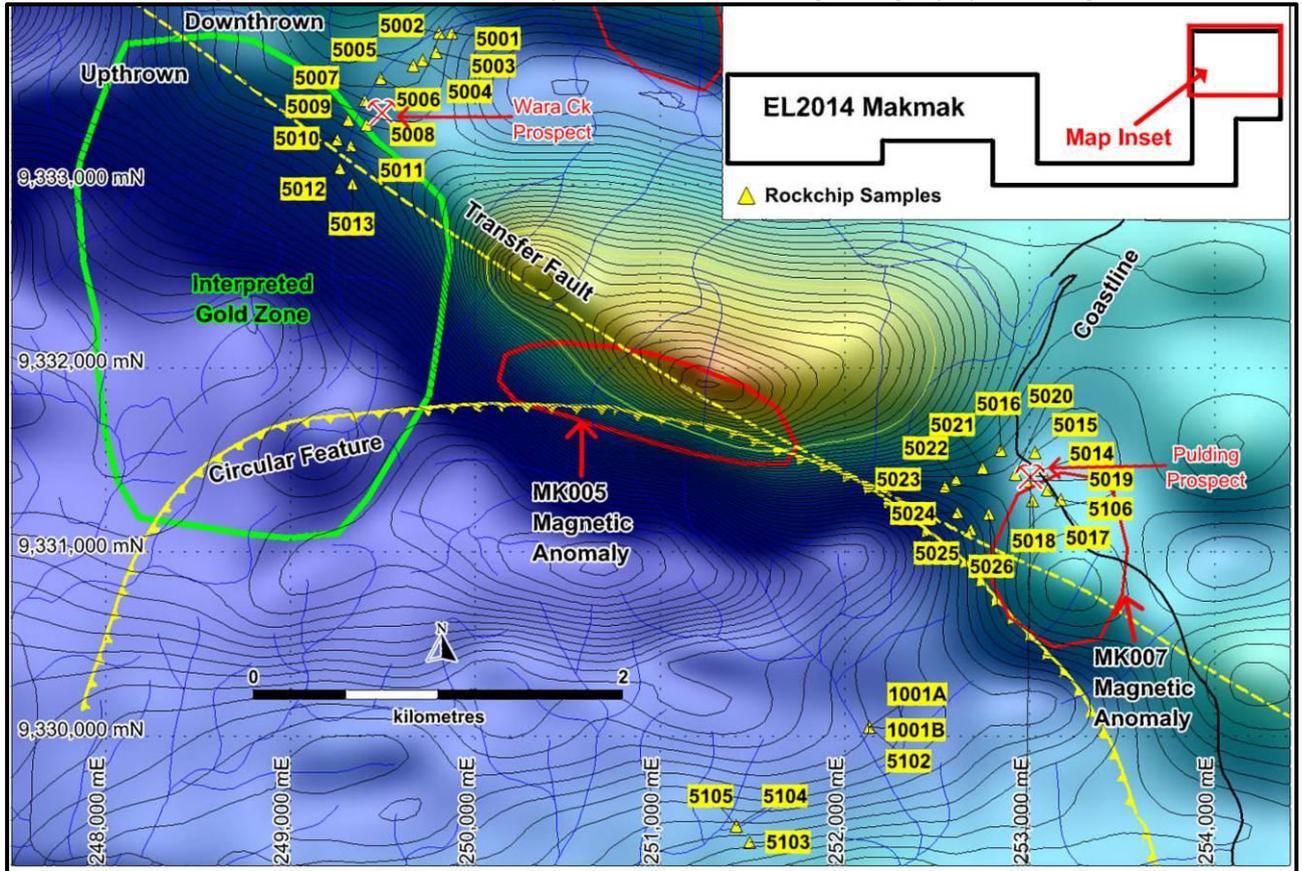


Figure 6: Location of rock samples with airborne magnetic geophysical image



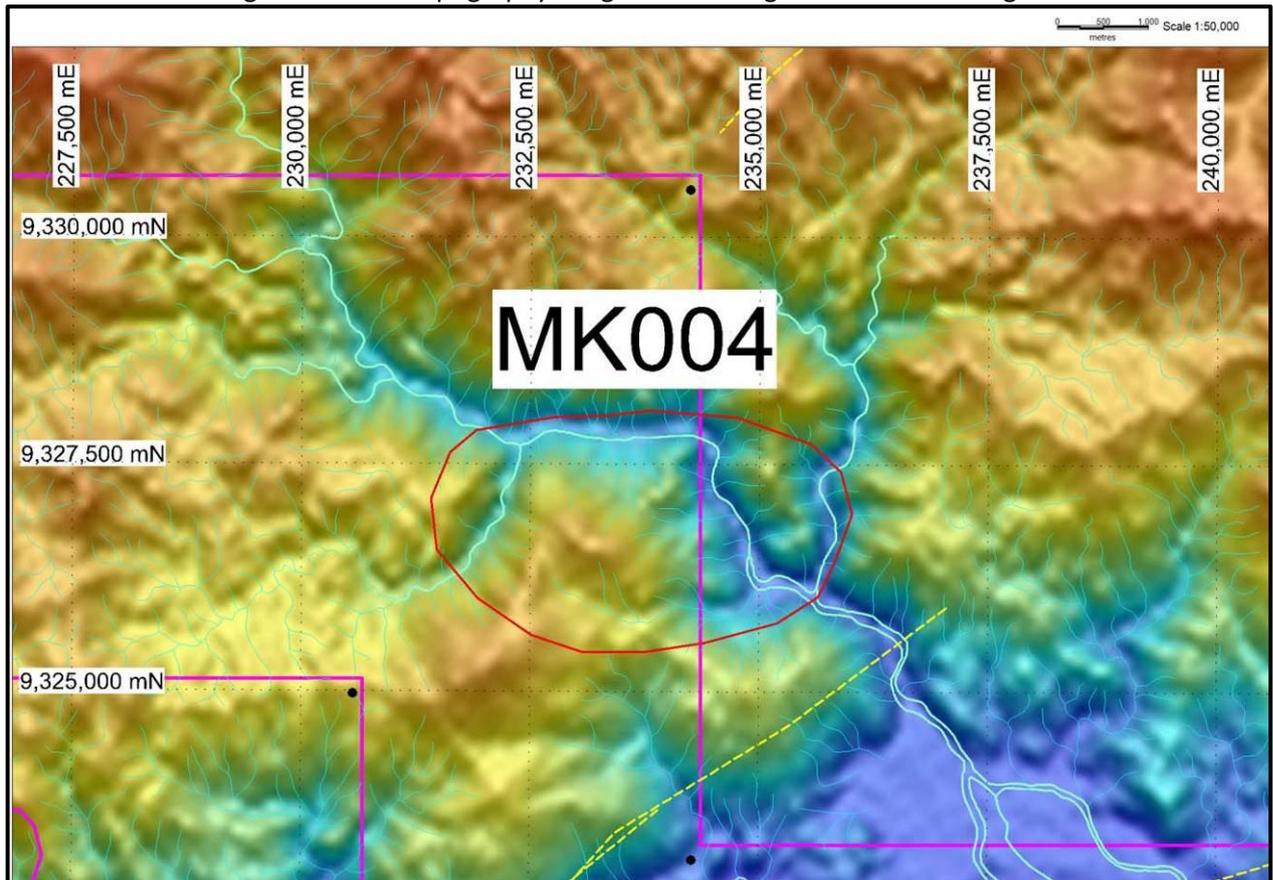
### Magnetic Modelling

Seven magnetic geophysical targets in the Makmak tenement (MK001 to MK007) occur on interpreted geological transfer structures and are considered favorable conduits for the emplacement of mineralisation (Figure 5). Geophysical modelling of MK004 and MK005 magnetic targets suggests they are caused by large amounts of magnetic material which require drill testing.

### MK004 Target

Modelled dimensions of the magnetic body causing this anomaly are 2800m (East-West) by 1600m (North-South) with a thickness of 1200m and magnetic susceptibility of 0.133 SI (Figure 7). The magnetic model occurs beneath a topographic expression where preferential erosion has produced a circular feature surrounding less weatherable magnetic material (Figure 9).

Figure 7: SRTM topography image and drainage at the MK004 target



#### MK005 Target

Modelled dimensions of the magnetic body underlying this anomaly are 2560m (East-West) by 1270m (North-South) with a thickness of 430m and magnetic susceptibility of 0.166 SI (Figure 6).

Rock samples collected near this target identified copper, gold and molybdenum mineralisation associated with tourmaline veining and albite alteration.

#### Proposed Work Program, 2<sup>nd</sup> Quarter 2013

Further field work will follow up the aeromagnetic modelling of anomalies MK005 and MK004, the interesting Cu/Mo grades at the Pulding copper prospect and very high Fe grades in samples from Wara Creek in the vicinity of MK005.

#### Pulding prospect

With fresh primary chalcopyrite in mineralised rocks exposed at surface the current program is trenching to bedrock and sampling.

#### MK005 Aeromag anomaly

High grade magnetite/martite(hematite) breccia samples were collected in Wara Creek. The current program is sampling and mapping for similar mineralisation in the creeks between Wara Creek and Pulding, and the surrounding area.

#### MK004 Aeromagnetic anomaly

There is no record of any previous work on this strong and large aeromagnetic anomaly. It will be physically prospected, mapped and sampled.

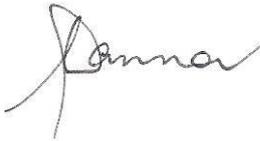
## **CORPORATE:**

In January 2013:

- Mr. Peter Swiridiuk resigned as Managing Director;
- Dr. Geoff Booth was appointed as a Non-Executive Director; and
- Mr. Maurice Gannon was appointed as Managing Director.

In April 2013, following an Extraordinary General Meeting requisitioned under section 249D of the Corporations Act the current Directors were retained by a majority vote of shareholders.

On behalf of the board,

A handwritten signature in black ink, appearing to read 'Maurice Gannon', written in a cursive style.

Maurice Gannon  
**MANAGING DIRECTOR**

## **Competent Person Statement**

---

The information in this report that relates to Exploration Results and Mineral Resources is based on information compiled by Dr. Geoff Booth BSc, MSc, Ph.D, who is a Fellow and Chartered Professional (CP) of the Australasian Institute of Mining and Metallurgy ("AusIMM") and is bound by and follows the Institute's codes and recommended practices. Dr. Booth is the Chairman of Coppermoly Limited. He has sufficient experience which is relevant to the styles of mineralisation and types of deposits under consideration and to the activities being 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". Dr. Booth consents to the inclusion in this 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 ( $[\text{Sum of each total interval} \times \text{grade}] / \text{Total length of intersection}$ ).
- 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.
- 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  $(\text{Cu} + (6764.1 \times \text{Au}) + (113 \times \text{Ag}))$
- \* 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. These are 87% for copper and 53% for gold.
- \*\*Copper equivalent values for Simuku have been calculated as  $(\text{Cu} + (7.6 \times \text{Mo}) + (7818 \times \text{Au}) + (101.3 \times \text{Ag}))$ .
- 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.
- The resource statement for Nakru-01 has been compiled by Golder Associates in accordance with the guidelines defined by the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore reserves (The JORC Code). Golder Associates has verified the data disclosed. The key assumptions, parameters and methods used to estimate the minerals resources are set out in the 'Nakru Copper-Gold Deposit – Mineral Resource Statement' in a release dated 26<sup>th</sup> July 2012. 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.
- The Conceptual Mining Study was completed by Mr David Swain, FAusIMM, Principal of Swain Engineers, Consulting Mining Engineers, at the request of Coppermoly Ltd.
- All samples collected from the Makmak tenement have been transported to Kimbe and sent by courier to ITS (PNG) Limited laboratories in Lae for preparation and analysis. All work is performed in accordance with the Intertek Minerals Standard Terms and Conditions of work <http://www.intertek.com>. The laboratory is ISO17025:2005 accredited.
- Mr Stan Yeaman is a Fellow of the AusIMM and has a world-wide experience of metalliferous mineral exploration extending over almost five decades. Mr Yeaman is a consultant to Coppermoly and has sufficient experience which is relevant to the style of mineralisation being considered. Mr Yeaman consents to the inclusion of statements made in this report.
- Float samples are loose rocks collected on the surface which may have been transported some distance from their original source.