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## **ASX Announcement**

**31<sup>st</sup> October 2008**

**ASX Code: COY**

### **QUARTERLY REPORT - 30<sup>th</sup> SEPTEMBER 2008**

#### **HIGHLIGHTS**

- Coppermoly Limited has applied to list on the Port Moresby Stock Exchange in Papua New Guinea (PNG).
- Gold and copper mineralisation coincides with large geophysical anomalies at Nakru.
- Drilling intersected semi-massive copper sulphides at Nakru-1 and Nakru-2 Prospects.
- Drilling completed at Simuku with initial resource calculation underway.

#### **1.0 CORPORATE**

The Company has submitted an application to the Listing Manager for a compliance listing on the Port Moresby Stock Exchange (POMSOX). A POMSOX listing, which is expected to be approved in mid November 2008, will allow Coppermoly Limited to establish trading of the Company's securities in PNG and will provide a greater exposure to investors for potential future capital raisings through PNG institutions and fund managers.

#### **2.0 PROJECT SUMMARY**

Coppermoly Limited holds title to three Exploration Licences EL 1077 (Simuku), EL 1043 (Mt.Nakru) and EL 1445 (Talelumas) located on the Island of New Britain, PNG (Figure 1), which contain three separate copper-gold-molybdenum systems.

The Company's objective is to increase the value of existing assets by initially defining a JORC resource in at least one of its projects. Stage 1 drilling and trenching programmes are nearing completion and results are currently being compiled and analysed. All of the project sites have good access to infrastructure including roads, an airfield and a deep water port.

Topography at the projects is moderate at between 300m and 800m above sea level, enabling relatively easy conditions for on-site development and logistics. No population centres occur within the Licences and good landowner relations exist. Access to Simuku from the provincial capital of Kimbe takes one hour using 4WD vehicle via a logging road north of the property.

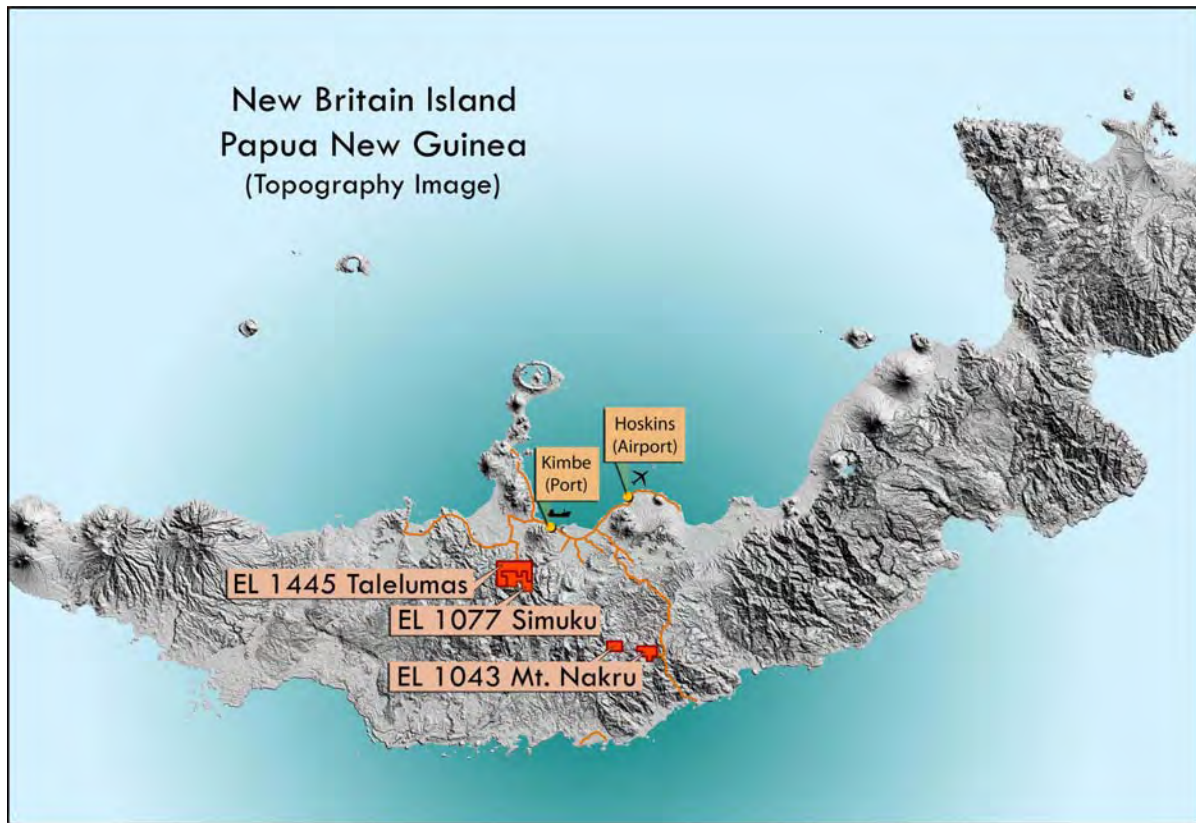


Figure 1: Coppermoly Projects on New Britain Island

At Simuku (Figure 2), up to four drill rigs have been operating and over 4,000m of drilling completed in fifteen holes. We are currently completing the last drillhole and aim to complete an initial resource estimate early in 2009. Trenching will be completed in October with geological mapping and trench sampling to continue in November to help define the extent of copper and molybdenum mineralisation at surface and to build a geological framework.

Drilling results are available for nine holes at Simuku and significant intersections of copper have expanded the area of known mineralisation at the Tobarum and Nayam prospect areas. A total of 31 drillholes have been drilled to date since 1983 for a total of over 6,000m. Together with the trenching results, the drill core assay results will be used to define a resource as well as develop other target areas to increase the extent of the known mineralisation.

At Mt Nakru (Figure 2), one drill rig is presently operating with over 600m already drilled in seven holes this year. We have completed six holes into the Nakru-1 prospect and are currently drilling the first drillhole into the Nakru-2 diatreme/volcanic breccia prospect.

At the Nakru-1 prospect, the drilling completed this year together with previous drilling totals to over 2,000m in eighteen holes. Together with over 2,100m of trenching completed this year, this information will help define the limits of gold mineralisation at surface and copper/gold mineralisation at depth.

The three dimensional ground geophysical induced polarisation (I.P.) survey over Nakru-1 and Nakru-2 copper-gold-molybdenum systems indicates potential for significant tonnage of mineralisation at depth. The survey generated two chargeability anomalies (Figure 4), interpreted to be related to copper sulphide mineralisation with depth extents of over 300m.

At Nakru-2 the first drill hole is underway to test the geophysical chargeability anomaly within the diatreme/hydrothermal breccia and is currently at about 170m depth.

At Nakru-1, two historical drillholes intersected the region of the geophysical anomaly at depth giving 11.2m at 0.95% copper and 2.55 g/t gold and 21m at 1.10% copper. The recently completed drill hole (NAK017A) also intersected the I.P. anomaly at depth and obtained significant zones of visible copper mineralisation.

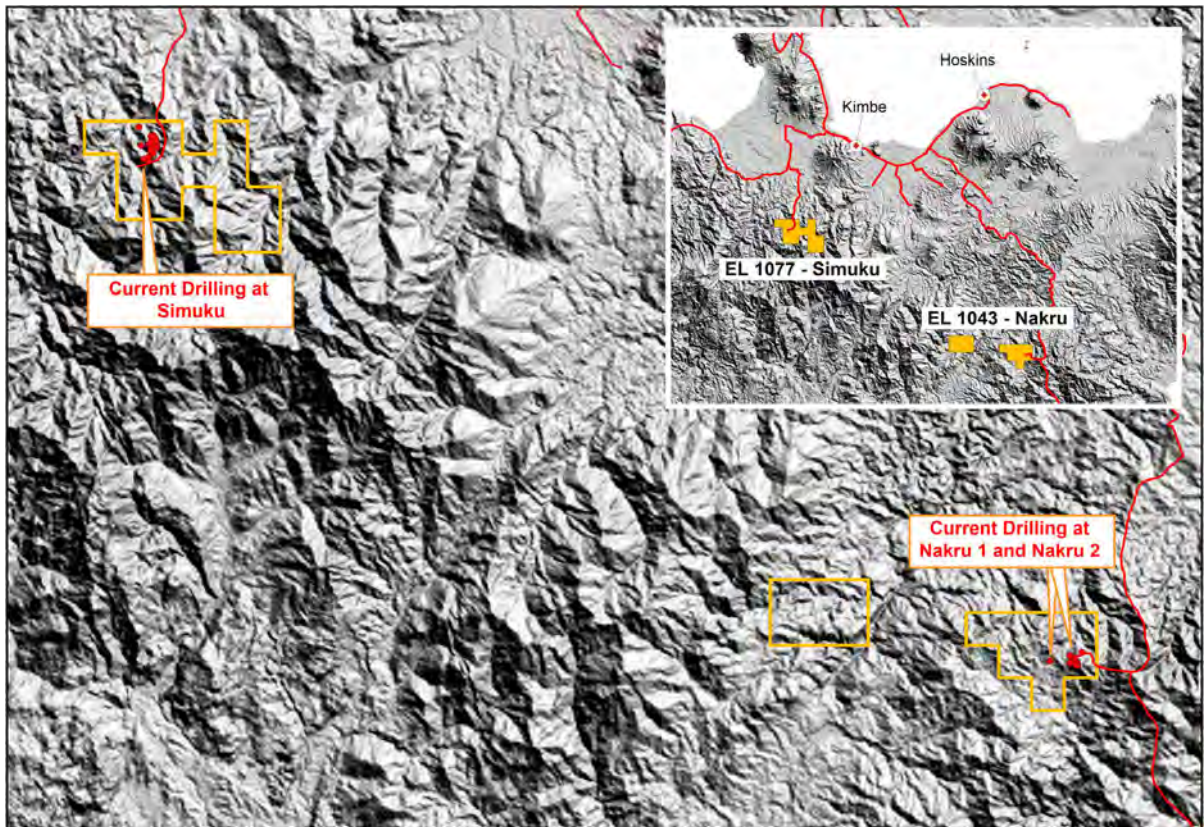


Figure 2: Location of 2008 Drilling at Nakru and Simuku

### 3.0 EXPLORATION AT MT.NAKRU (EL 1043)

The Mt. Nakru tenement EL 1043 encloses a large copper-gold (molybdenum) system located at Nakru-1 and a breccia-hosted gold-copper-molybdenum at the Nakru-2 prospect (Figure 2).

Track access has been upgraded to 4WD status at Nakru 1. Over 2,100m of trenching has been completed in re-opened historical trenches A, B, C and E and new trenches D and F (Figure 3). These have been mapped and sampled for gold, copper, molybdenum and tellurium in order to define the limits of gold mineralisation at surface.

Six drillholes at Nakru-1 have been completed and drilling is currently underway at the Nakru-2 prospect (Table 1) for a total of 668 metres so far this year.

Hole	Prospect	Easting	Northing	Azimuth (degrees)	Dip (degrees)	Depth
NAK013	Nakru-1	222062	9338936	0	-90	33.8
NAK014	Nakru-1	222073	9338900	0	-90	54.6
NAK015	Nakru-1	222101	9338906	0	-90	55.4
NAK016	Nakru-1	222029	9338884	0	-90	51.4
NAK017	Nakru-1	222009	9339018	190	-60	30.2
NAK017A	Nakru-1	222009	9339000	190	-60	272.6
NAK02-001	Nakru-2	220617	9338942	237	-60	Currently at 170m

Table 1: Nakru Drill Hole Summary for 2008 (Datum AGD66, zone 56)



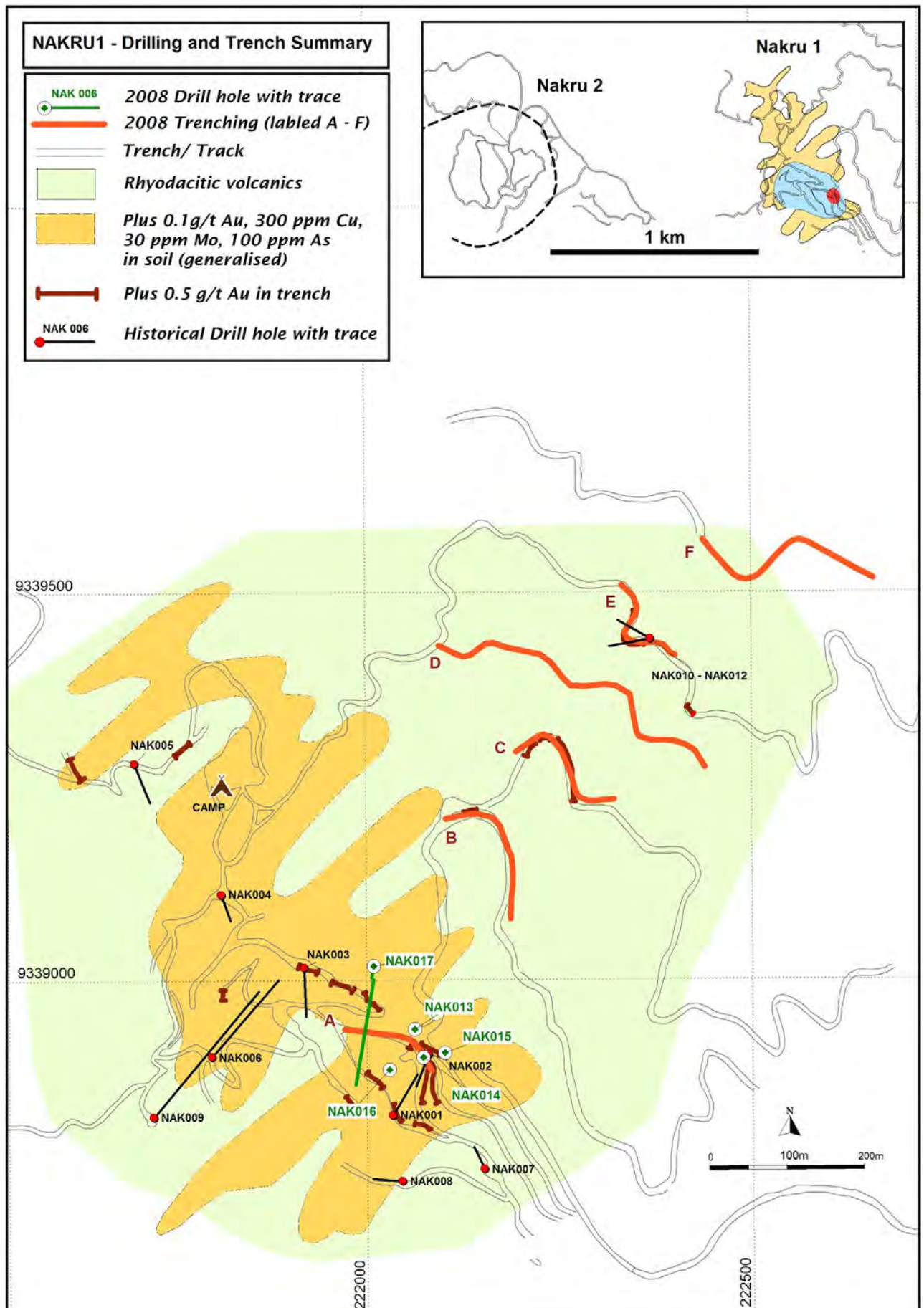


Figure 3: Nakru-1 Drilling and Trenching

A three dimensional ground geophysical I.P survey over Nakru-1 and Nakru-2 copper-gold-molybdenum systems indicates potential for significant tonnage of mineralisation at depth.

Nakru-1 and Nakru-2 represent two different mineralised systems that are 1.5km apart, both extending to over 300m depth (Figure 4). This has been confirmed through the geophysical survey chargeability responses.

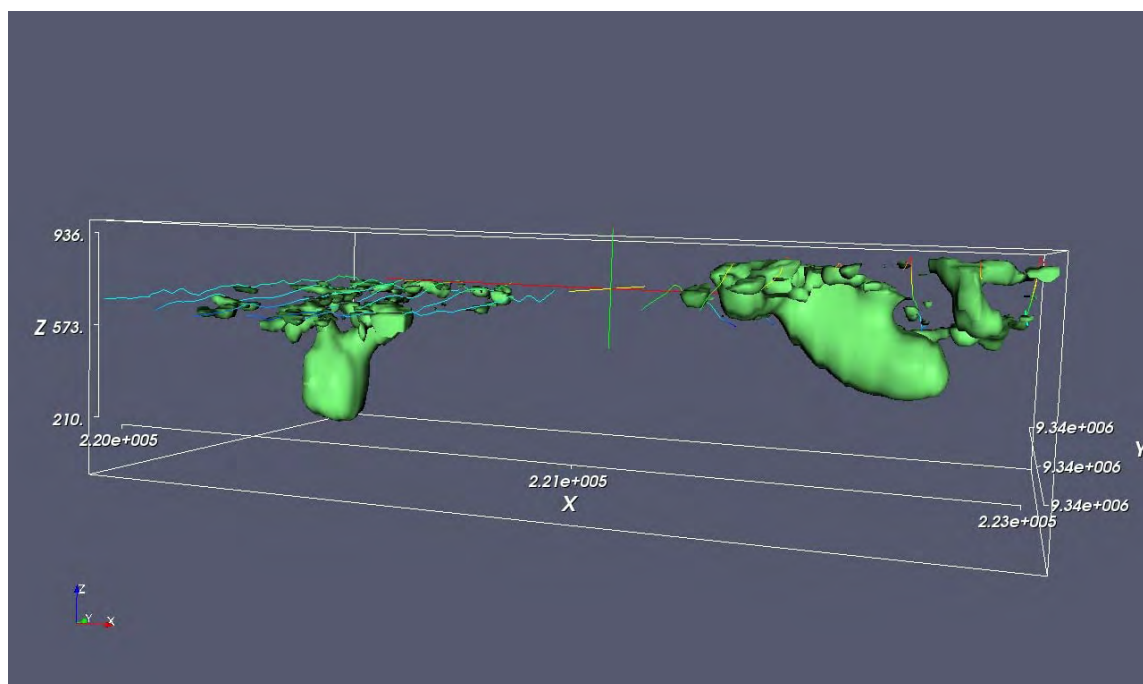


Figure 4: Nakru Three Dimensional Chargeability

#### **Nakru-1 Prospect:**

Nakru 1 is the most advanced of four known prospects within the tenement and has potential to host a large copper-gold deposit. Deep auger soil sampling, more than 12km of hand and bulldozer trenching and eighteen drill holes (totalling 1,997.8 metres) have been completed. Of these, over 2100m of trenching and six holes totalling 498.5 metres have been completed by Coppermoly Limited this year.

Highlights of the historical trenching and drilling programmes at Nakru 1 include:

Trench intercepts of:

- 95m @ 2.88g/t gold
- 42m @ 2.7g/t gold
- 51m @ 2.2g/t gold
- 25m @ 1.43% copper
- 4m @ 6.6% copper

Drill Intercepts of:

- 94m @ 0.43% copper, 0.46g/t gold
- 205m @ 0.40% copper, including 74m @ 0.78% copper
- 54m @ 0.18g/t gold

Historical auger soil sampling has outlined an irregular combined gold-copper-molybdenum-arsenic soil anomaly with approximate dimensions of 800m x 200-300m trending north-northwest (Figure 3).



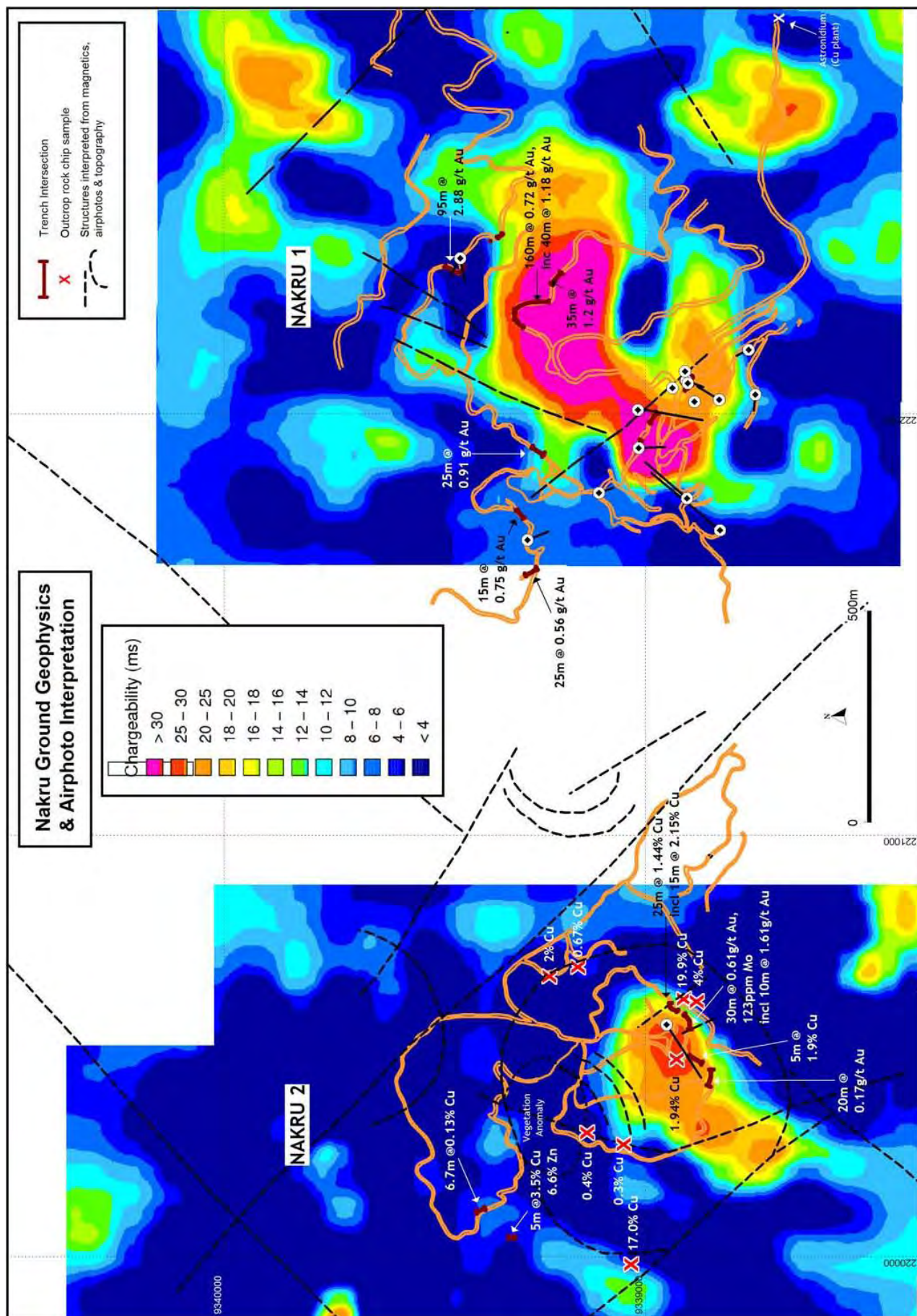


Figure 5: Nakru Chargeability Image at 100m Depth

The recently completed geophysical survey indicates a significantly sized and intense chargeability anomaly (Figure 5) occurring at surface to the south-west and extending to become a larger anomaly to the north-east with dimensions of 600m by 200m and plunging to the east.

The south-western part of the Nakru-1 chargeability anomaly has been tested by two historical drillholes (NAK003 and NAK006) and partially tested by the recently completed NAK017A drillhole (Figure 4). The larger and more intense anomaly to the north-east is yet to be tested by drilling.

NAK003 intersected:

- 94m at 0.46 g/t gold and 0.43% copper (from 91 to 185m) including 11.2m at 2.55 g/t gold and 0.95% copper.
- Silver values of up to 21 g/t over 1.9m were also intersected.

NAK006 (Q74D6) intersected:

- 74m at 0.78% copper (from 93 to 167m) including 21m at 1.10% copper (from 146 to 167m).

NAK017A, drilled to 272.6m intersected semi-massive copper sulphides (chalcopyrite-CuFeS<sub>2</sub>) at between 61 and 255 metres (Photo 2). Niton XRF measurements\*\* on the core indicated up to 2% copper, 9% zinc in quartz veined breccia. Copper mineralisation lies beneath an upper breccia unit with mineralisation mainly related to quartz-limonite matrix-fill. Three historical holes into the breccia unit intersected more than 1.0g/t gold. This breccia blanket was tested by four shallow drillholes (NAK013 to NAK016) for which assay results are awaited.

The significant gold and copper mineralisation in the historical drill holes (NAK003 and NAK006) occur where they have intersected the chargeability anomaly at depth. This provides encouragement that the geophysical anomalies are related to mineralisation. The un-tested north-east chargeability anomaly at Nakru-1 provides for the potential of significant tonnage of gold and copper.

A circular conductivity anomaly (Figure 6) from the geophysical survey is associated with the un-tested north-eastern chargeability anomaly, which extends to more than 300m depth. The conductivity responses are interpreted to represent semi-massive copper and iron related sulphides. The Company keenly awaits the laboratory assay results from NAK017A.



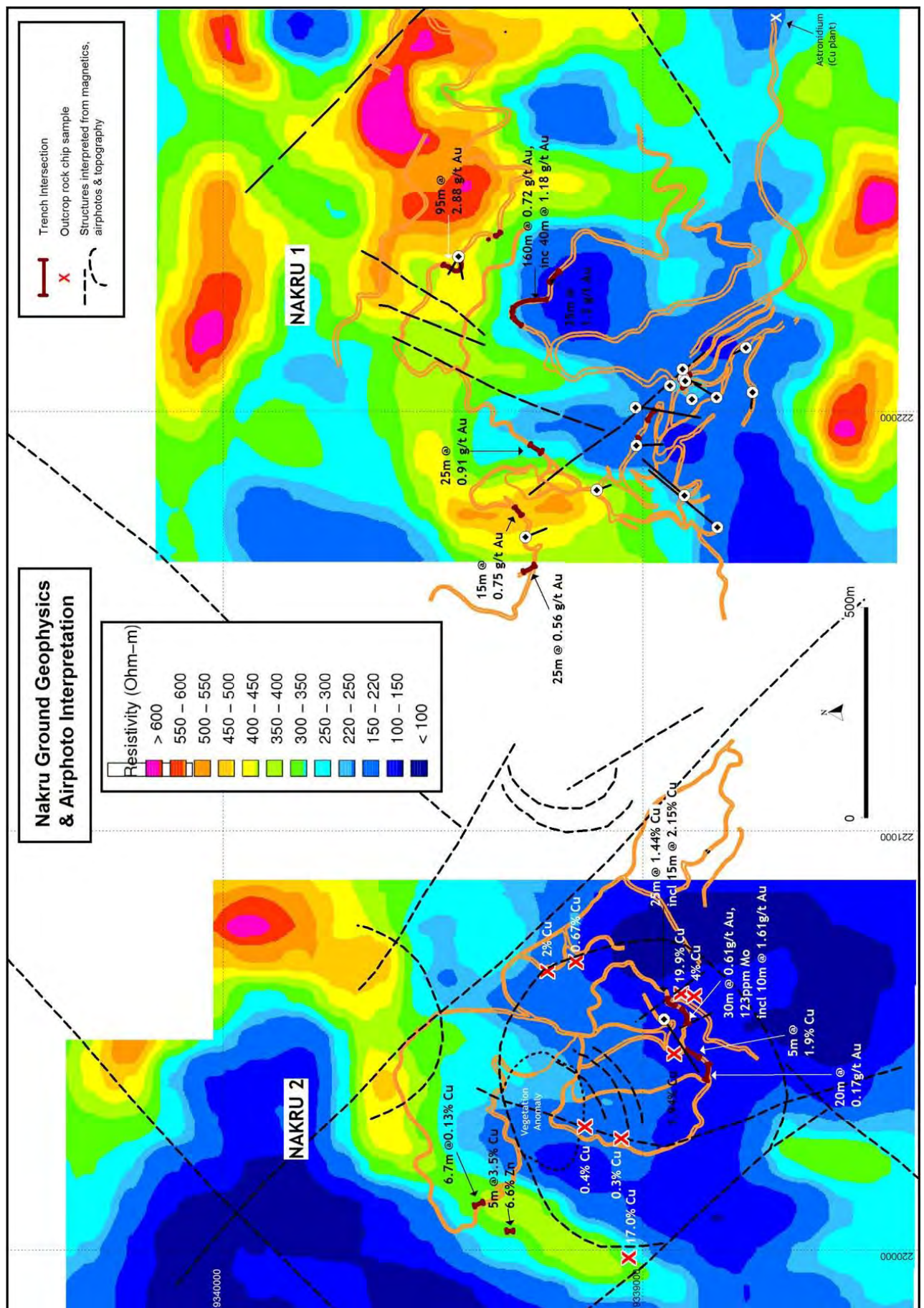


Figure 6: Nakru Resistivity Image at 100m Depth





Photo 2: Copper and Iron Sulphides in Drill Core (NAK17A)

#### **Nakru-2 Prospect:**

The first drill hole is underway to test the geophysical chargeability anomaly (Figure 5) within the diatreme/hydrothermal breccia and is currently at about 170m depth (Table 1). A second drill hole is planned from the same drill pad to target the historical trench intersection of 25m at 1.44% copper, 10m at 1.16 g/t gold and 155 ppm molybdenum. A rock chip sample also graded 19.9% copper near this trench intersection.

A soil sampling programme has been completed along the geophysical survey lines. The samples will be analysed using the Niton-XRF\*\* unit and results plotted as contours. The survey results are expected to help determine the near surface suite of base metal mineralisation and assist in targeting future drillholes.

Nakru-2 appears to be polymetallic copper+gold+zinc+/- (molybdenum) target area coincident with a circular structural feature, about 700m in diameter, visible on air photos.

The first drill hole (NAK02-001) has intersected two narrow zones (<1m) of semi-massive silica-sulphide breccia, separated by a 0.7m un-mineralised volcanic unit, at about 30m.

The semi-massive breccia has approximately 50% sulphides and up to approximately 12% chalcopyrite. Niton XRF\*\* field measurements on the drill core gave the following approximate grades:

Main breccia: 4.6% to 10% copper, 2.2% zinc (average of several readings)

Black clast: 3.8% copper, 23% zinc (average of several readings)

The silica-sulphide breccia intersected between 31.6 and 83 metres and again from 101 metres is a highly siliceous breccia with a high sulphide content of up to 25%, including up to 8% chalcopyrite (Photo 3).



Photo 3: Sulphide Rich Matrix Fill Mineralisation in Silica Breccia (NAK02-001)



#### 4.0 EXPLORATION AT SIMUKU (EL 1077)

Porphyry style copper-molybdenum-gold mineralisation is discontinuously present over an area of about 4.5km by 1.0 to 2.2km. Including both historical work and exploration in 2008, more than 28km of bulldozer trenching and over 6,000 metres of drilling in 31 holes have defined a 3,500m by 650m anomalous copper envelope with inner anomalous molybdenum envelope (Figure 7).

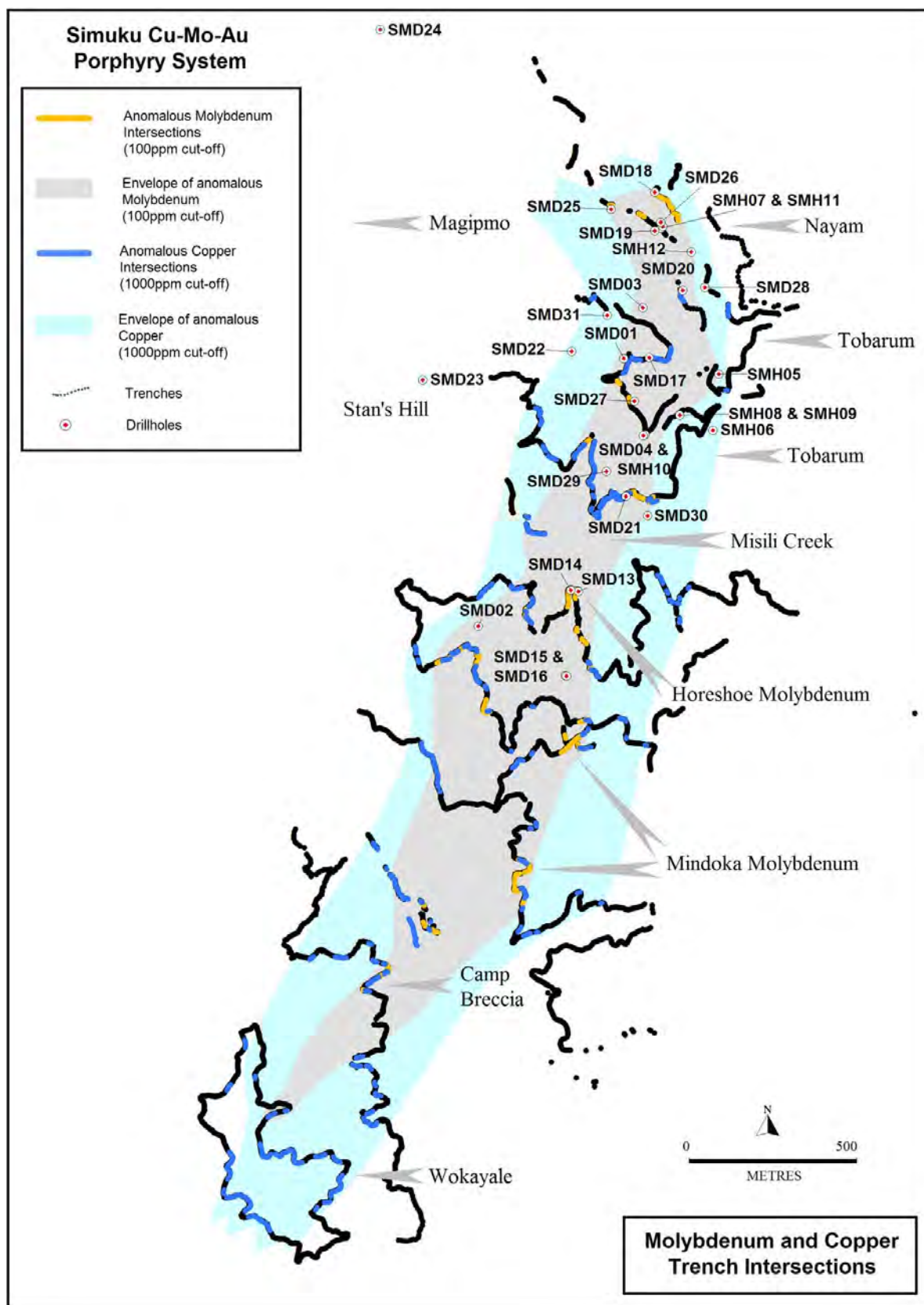


Figure 7: Simuku Copper and Molybdenum Mineralisation

The prospect areas of Nayam, Tobarum, Magipmo, Misili, Mindoka and Wokayale have been defined by extensive surface trenching. All drilling to date has been at Nayam, Tobarum and Misile. Of the fifteen drill holes drilled this year (Table 2), assays have been received from the first nine holes (SMD17 to SMD25).

Hole	Prospect	Easting	Northing	Azimuth (deg)	Dip (deg)	Depth
SMD17	Tobarum [Site D]	169701	9367796	0	-90	177.3m
SMD18	Nayam [Site A]	169718	9368292	30	-60	299m
SMD19	Nayam [Site B]	169734	9368202	30	-60	346.1m
SMD20	Tobarum [Site C]	169802	9367998	0	-90	375.9m
SMD21	Tobarum [Site E]	169631	9367378	280	-60	364.8m
SMD22	West Tobarum [Site F]	169469	9367814	0	-90	261.4m
SMD23	Stan's Hill	169022	9367728	0	-90	100.4m
SMD24	Magipmo North	168895	9368782	100	-50	307.4m
SMD25	Nayam [Site B1]	169587	9368242	30	-60	300m
SMD26	Nayam [Site B2]	169735	9368202	210	-60	321m
SMD27	Tobarum	169657	9367664	100	-75	325.8m
SMD28	Nayam [Site B3]	169867	9368006	45	-60	97.3
SMD29	Tobarum	169573	9367454	280	-60	348.2m
SMD30	Misile/Horseshoe	169696	9367320	280	-60	344.2m
SMD31	Tobarum Creek	169575	9367923	100	-60	Currently at 194m

Table 2: Simuku 2008 Drill Collar Table (Datum AGD66, zone 56)

The 2008 drilling programme at Nayam and Tobarum prospect areas have provided significant copper intersections which extend the known area of mineralisation. At Nayam, copper mineralisation is open to the west with results from SMD25 intersecting 14m at 0.71% copper equivalent\*.

Drill hole SMD21 (Tobarum) ended in 0.51% copper equivalent\*, indicating continued copper potential at depth. This also extends the area of significant mineralisation as SMD21 is over 800m south of SMD18 (Nayam) which intersected 32m at 0.87% copper equivalent\* at 42m depth. At SMD30 (Tobarum), copper sulphide is visible and molybdenum values of > 0.2% were measured with the Niton XRF\*\* hand analyser, indicating a potential extension of the Horseshoe molybdenum zone (Figure 8 and 9).

Coppermoly has drilled over 4,000 metres in fifteen drill holes. The last hole (SMD31) will be completed in October. Trenching will also be completed in October with mapping and core logging continuing to November.

Assay results received from three holes at Nayam and four holes at Tobarum all indicate significant intersections of 0.36% to 1.0% copper. Two drill holes (SMD23 and SMD24) outside the envelope (Figure 7) intersected lower grades of copper. The results from the first nine of fifteen holes indicate that an initial resource calculation can be made within the northern part of the copper envelope.

## **NAYAM PROSPECT**

Five drill holes and over 600 metres of trenching have now been completed at the Nayam prospect this year. Assay results have been received for holes SMD18, SMD19 and SMD25 with results still pending for SMD26 and SMD28 (Figure 8 and 9). Geological and geochemical sections are being created with the view of generating a geological model for resource calculation.

At SMD26 drilling toward the southwest of Nayam, quartz feldspar porphyry was drilled throughout the hole with copper sulphides (chalcopyrite) of 1-2% disseminated throughout (Photo 4).



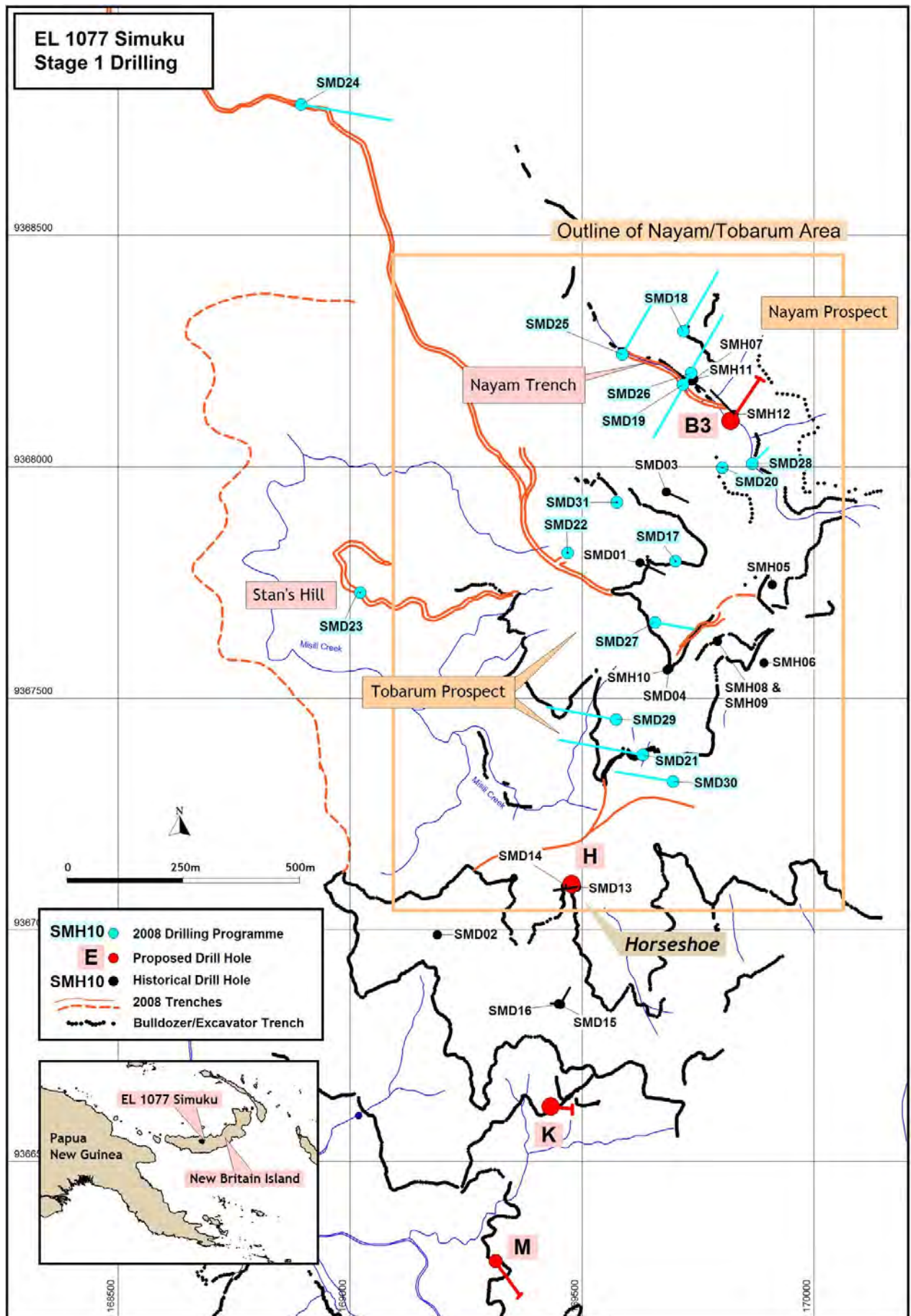


Figure 8: Simuku Existing and Proposed Drillholes

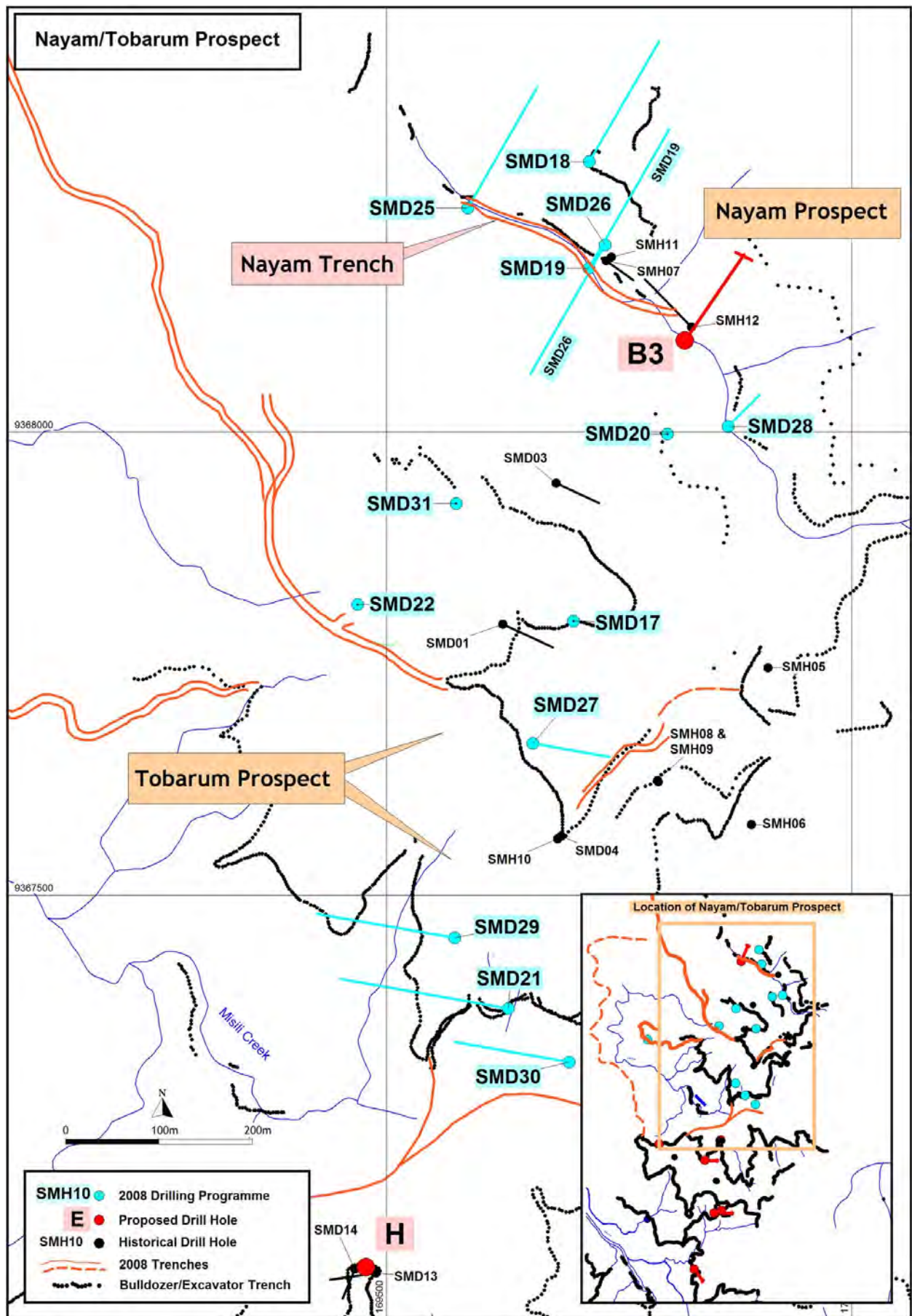


Figure 9: Nayam Prospect Area Drillholes





Photo 4: Drill Core from SMD026 (48mm diameter)

## SMD18

SMD18 (Figure 8 and 9) targeted copper mineralisation beneath a leached cap with haematite in a trench and angled across a structural trend. Mineralisation of up to **32m at 0.87% copper equivalent\*** (Table 3) occurs within quartz porphyry and a pyritic zone. Core recoveries in this hole were generally greater than 90%.

From (m)	To (m)	Width (m)	Cu %	Mo ppm	Au g/t	Ag g/t	Cu.Eq %
0	115	<b>115</b>	0.39	84	0.07	1.7	<b>0.50</b>
Including							
42	74	<b>32</b>	0.71	136	0.08	1.3	<b>0.87</b>
152	172	<b>20</b>	0.24	63	0.05	1.2	<b>0.32</b>
185	238	<b>53</b>	0.34	31	0.05	2.7	<b>0.41</b>
255	258	<b>3</b>	0.17	13	0.07	2.3	<b>0.23</b>
264	273	<b>9</b>	0.19	5	0.03	0.7	<b>0.21</b>

Table 3: SMD18 Results (0.2% Cu.Eq\* cut-off)

## SMD19

Drill hole SMD19 (Figure 8 and 9) targeted copper mineralisation within an intrusive structure that was identified in historical drill holes:

- SMH07 - 63m at 0.52% copper, 65 ppm molybdenum, 0.12g/t gold, 2.1g/t silver (0.64 % copper equivalent\*) from surface; and
- SMH11 - 77m at 0.49% copper, 85 ppm molybdenum, 0.11g/t gold, 2.0 g/t silver (0.62 % copper equivalent\*) from surface.

Drilled to the northeast, mineralisation in SMD19 occurs as pyrite and chalcopyrite disseminated in quartz feldspar porphyry with an intersection from near surface of **93m at 0.69% copper equivalent\***. (Table 4). Core recoveries greater than 93%.

From (m)	To (m)	Width (m)	Cu %	Mo ppm	Au g/t	Ag g/t	Cu.Eq %
8	101	<b>93</b>	0.59	68	0.07	2.5	<b>0.69</b>
Including							
18	36	<b>18</b>	1.0	140	0.11	4.4	<b>1.2</b>
103	133	<b>30</b>	0.37	142	0.07	1.8	<b>0.53</b>
135	174	<b>39</b>	0.32	62	0.05	1.4	<b>0.40</b>
179	209	<b>30</b>	0.30	12	0.06	1.6	<b>0.34</b>
264	288	<b>24</b>	0.36	27	0.06	1.7	<b>0.42</b>
315	319	<b>4</b>	0.21	24	0.02	1.2	<b>0.25</b>

Table 4: SMD19 Results (0.2% Cu.Eq\* cut-off)

## SMD25

This drill hole in Nayam Creek (Figure 9) targeted an historical trench intersection of 14m at 1.03% copper and 0.26 g/t gold. Results (Table 5) indicate significant mineralisation open to the west of the prospect.

From (m)	To (m)	Width (m)	Cu %	Mo ppm	Au g/t	Ag g/t	Cu.Eq %
39	161	122	0.33	83	0.04	1.3	0.43
Including 41	55	14	0.49	219	0.04	1.9	0.71
179	199	20	0.18	10	0.14	3.4	0.26
225	253	28	0.20	23	0.04	1.1	0.24
271	300	29	0.24	20	0.03	1.3	0.28

Table 5: SMD25 Results (0.2% Cu.Eq\* cut-off)

## TOBARUM PROSPECT

Results from four drill holes at the Tobarum prospect (refer to Figure 8 and 9) indicate a 700 metre long north-northeast trending zone of copper mineralisation of up to 0.46% copper equivalent\*. These results, together with those still pending from SMD27 and SMD29, will be analysed for their usefulness in a resource calculation.

## SMD17

Copper mineralisation (Table 6) in drill hole SMD17 (Figure 9) occurs as disseminated chalcopyrite within a matrix of quartz feldspar porphyry. Core recoveries were generally good at greater than 93%.

From (m)	To (m)	Width (m)	Cu %	Mo ppm	Au g/t	Ag g/t	Cu.Eq %
7	20	13	0.37	22	0.07	3.5	0.44
27	80	53	0.27	15	0.05	1.6	0.31
88	98	10	0.29	28	0.07	1.0	0.34
113	115	2	0.20	12	0.05	1.0	0.24
124	155	31	0.20	51	0.07	2.0	0.29
162	164	2	0.41	47	0.06	1.3	0.48
167	177.3	10.3	0.26	26	0.04	2.2	0.31

Table 6: SMD17 Tobarum Assay Results (0.2% Cu.Eq\* cut-off)

## SMD20

This hole was drilled to test the extensions of copper mineralisation within interpreted intrusive rock in the lower part of historical drill hole SMD03 (Figure 9), which intersected:

- 50.2m at 0.5% copper, 40 ppm molybdenum, 0.06 g/t gold and 2.5 g/t silver (0.57% copper equivalent\*) from 100m to 150.2m.

Copper mineralisation SMD20 (Table 7) occurs disseminated within a matrix of quartz feldspar porphyry. Core recoveries were generally good at greater than 96%. The copper grade improves with depth as illustrated by the intersection of 125.9m of 0.36% copper, 74ppm molybdenum, 0.06 g/t gold and 1.4 g/t silver (0.45% copper equivalent\*) from 250m to 375.9m.

From (m)	To (m)	Width (m)	Cu %	Mo ppm	Au g/t	Ag g/t	Cu.Eq %
8	19	11	0.24	24	0.05	1.9	0.29
26	42	16	0.18	31	0.04	1.1	0.23
50	61	11	0.20	108	0.16	4.7	0.38
68	85	17	0.26	49	0.03	1.7	0.32
103	159	56	0.22	38	0.04	1.9	0.28
174	233	59	0.26	23	0.05	4.2	0.32
250	375.9	125.9	0.36	74	0.06	1.4	0.46

Table 7: SMD20 Tobarum Assay Results (0.2% Cu.Eq\* cut-off)



## SMD21

SMD21 (Figure 9) was drilled to test 39m at 0.49% copper trench intersection. Copper mineralisation in this hole (Table 8) occurs within quartz feldspar porphyry. Core recoveries were generally good at greater than 96%.

From (m)	To (m)	Width (m)	Cu %	Mo ppm	Au g/t	Ag g/t	Cu.Eq %
0	44	<b>44</b>	0.38	26	0.11	2.5	<b>0.46</b>
73	92	<b>19</b>	0.26	15	0.06	1.3	<b>0.30</b>
98	133	<b>35</b>	0.27	18	0.08	1.1	<b>0.33</b>
166	183	<b>17</b>	0.26	32	0.12	1.3	<b>0.34</b>
194	239	<b>45</b>	0.37	86	0.08	1.0	<b>0.48</b>
250	258	<b>8</b>	0.26	67	0.06	0.8	<b>0.34</b>
269	277	<b>8</b>	0.31	105	0.04	1.9	<b>0.43</b>
299	302	<b>3</b>	0.22	16	0.03	2.0	<b>0.26</b>
308	364.8	<b>56.8</b>	0.40	76	0.05	2.8	<b>0.51</b>

Table 8: SMD21 Tobarum Assay Results (0.2% Cu.Eq\* cut-off)

## OUTSIDE COPPER ENVELOPE

SMD22 (Figure 9) to the west of the Tobarum prospect occurs on the western edge of the copper envelope (Figure 7) and was drilled to test copper in historical soil samples (100 to 680 ppm) over an interpreted magnetic intrusive. Minor intervals of copper were intersected (Table 9).

From (m)	To (m)	Width (m)	Cu %	Mo ppm	Au g/t	Ag g/t	Cu.Eq %
5	18	<b>13</b>	0.38	47	0.08	2.5	<b>0.47</b>
223	229	<b>6</b>	0.12	25	0.18	2.8	<b>0.23</b>

Table 9: SMD22 West Tobarum Assay Results (0.2% Cu.Eq\* cut-off)

Two other holes drilled outside of the copper envelope to test a broader conceptual porphyry system produced the following intersections (Table 10 and 11).

From (m)	To (m)	Width (m)	Cu %	Mo ppm	Au g/t	Ag g/t	Cu.Eq %
87	91	<b>4</b>	0.02	1	0.34	8.4	<b>0.21</b>

Table 10: SMD23 Stan's Hill Assay Results (0.2% Cu.Eq\* cut-off)

From (m)	To (m)	Width (m)	Cu %	Mo ppm	Au g/t	Ag g/t	Cu.Eq %
62	66	<b>4</b>	0.22	7	0.04	1.1	<b>0.24</b>
74	106	<b>32</b>	0.20	16	0.03	1.1	<b>0.23</b>
142	150	<b>8</b>	0.16	39	0.15	1.6	<b>0.26</b>

Table 11: SMD24 Magipmo North Assay Results (0.2% Cu.Eq\* cut-off)

## Copper Equivalent\*

The mineralisation at Simuku consists of copper, molybdenum, gold and silver. The copper equivalent\* is calculated as follows:

Metal (assay results)				Metal Price 15 July 2008		Factors		Value Calculation	Metal value US\$
A				B		C			
1	Copper	Cu	ppm	3.80	US\$/lb	453.59	ppm/lb	1A x (1B/1C) =	M
2	Molybdenum	Mo	ppm	33.60	US\$/lb	453.59	ppm/lb	2A x (2B/2C) =	N
3	Gold	Au	g/t	946.00	US\$/oz	31.103	g/oz	3A x (3B/3C) =	O
4	Silver	Ag	g/t	18.28	US\$/oz	31.103	g/oz	4A x (4B/4C) =	P
Sum of metal values								S	M+N+O+P
Metal equivalent in Copper ppm								Cu.Eq	S / 1B x 1C

Notes:

- The copper equivalent\* values for intersections, in addition to individual metal values, are quoted, as they provide the most meaningful comparisons between different drill holes and trenches. As metal prices change the copper equivalent\* value will change. During 2008, the copper equivalent\* calculations continue to use metal prices as of 15 July 2008 so as to remain consistent with all releases to the shareholder.
- \*Copper Equivalent (Cu.Eq) is the contained copper, gold, silver and molybdenum 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.
- Copper Equivalent\* herein is based upon metal prices of US\$3.80/lb Cu, US\$946/oz Au, US\$33.60/lb Mo (57% MoO<sub>3</sub> conc.) and US\$18.28/oz Ag (15 July 2008). The formula used is as shown on page 1.
- Island Arc related porphyry copper – gold – molybdenum deposits such as Simuku typically recover contained Cu, Au, Mo and Ag (subject to metallurgical characteristics and prevailing metal prices).
- The ASX requires a metallurgical recovery be specified for each metal, however, no testwork has ever been undertaken at Simuku and recoveries can only be assumed to be typical for Island Arc porphyry copper – gold – molybdenum – silver deposits.
- It is the Company's opinion that each of the elements included in the metal equivalents calculation has good potential to be recovered if the project proceeds to mining.
- Drilling samples were transported to the camp site, logged, photographed and sampled at 1 metre intervals from core split by saw. The split samples are then transported to the town of Kimbe where they are air freighted to Intertek in Lae (PNG) for sample preparation. Samples are dried to 106 degrees C and crushed to 2-3 mm. Samples greater than 2kg are rifle split down to 1.5kg and pulverised to 75 microns. The final 300g sized pulp samples are then sent to Intertek laboratories in Jakarta for geochemical analysis. Intertek analyse for gold using a 50g Fire Assay with Atomic Absorption Spectroscopy finish. Other elements are assayed with ICPAES Finish. Copper values greater than 1000ppm are re-assayed using a multi acid digest (hydrochloric, nitric, perchloric and hydrofluoric acid) to leach out the copper with an ICP finish. Molybdenum samples greater than 100ppm were check assayed using X-Ray diffraction. Intertek laboratories have an ISO 17025 accreditation.

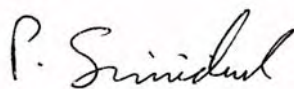
#### Niton XRF\*\*

The Niton XRF unit is a Company owned portable analyzer of elements which utilizes an x-ray fluorescence tube to take fast measurements over a pin-point area. It is used by Coppermoly Limited employees to take readings on drill core, rock outcrop and soil samples. The readings cannot be used to conclude actual grades, nor are they verified by an independent laboratory. The results are used to provide information as to the potential content of some minerals within the rock. For more information, visit [www.niton.com](http://www.niton.com).

For a complete review of Coppermoly Limited please refer to [www.coppermoly.com.au](http://www.coppermoly.com.au).

#### For further information please contact:

Peter Swiridiuk, Managing Director Coppermoly Limited. Phone (07) 5592 1001  
Bernadette Sukkar, Associate Director, Novus Capital Limited. Phone (02) 9375 0114



Peter Swiridiuk  
**MANAGING DIRECTOR**

The information in this report that relates to Exploration Results is based on information compiled by Peter Swiridiuk, who is a Member of the Australian Institute of Geoscientists. Peter Swiridiuk is employed by Coppermoly Ltd.

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.



# Appendix 5B

## Mining exploration entity quarterly report

Name of entity

**COPPERMOLY LIMITED**

ACN OR ARBN

**095 684 389**

Quarter ended ("current quarter")

**30 September 2008**

### Consolidated statement of cash flows

		Current quarter	Year To Date*
		\$A'000	\$A'000
<b>Cash flows related to operating activities</b>			
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration and evaluation	(1,741)	(1,741)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(404)	(404)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	97	97
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other - Expenditure reimbursable by others	(45)	(45)
<b>Net Operating Cash Flows</b>		<b>(2,093)</b>	<b>(2,093)</b>
<b>Cash flows related to investing activities</b>			
1.8	Payment for purchase of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	(206)	(206)
1.9	Proceeds from sale of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other - Mines Dept deposits	(2)	(2)
<b>Net Investing Cash Flows</b>		<b>(208)</b>	<b>(208)</b>
1.13	Total operating and investing cash flows (carried forward)	<b>(2,301)</b>	<b>(2,301)</b>

1.13	Total operating and investing cash flows (brought forward)	(2,301)	(2,301)
<b>Cash flows related to financing activities</b>			
1.14	Proceeds from issue of shares, options, etc.	13	13
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other - Proceeds from subscription money held pending issue of shares	-	-
<b>Net financing cash flows</b>		13	13
<b>Net increase (decrease) in cash held</b>		(2,288)	(2,288)
1.20	Cash at beginning of quarter/year to date	5,446	5,446
1.21	Exchange rate adjustments to 1.20	19	19
1.22	<b>Cash at end of quarter</b>	<b>\$3,177</b>	<b>\$3,177</b>

**Payments to directors of the entity and associates of the directors**  
**Payments to related entities of the entity and associates of the related entities**

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	94
1.24	Aggregate amount of payments to the parties included in item 1.10	Nil
1.25	Explanation necessary for an understanding of the transactions	
	Directors: salaries and consulting fees	

**Non-cash financing and investing activities**

- 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows.

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- 2.2 Details of outlays made by other entities to establish or increase their shares in projects in which the reporting entity has an interest.

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**Financing facilities available***Add notes as necessary for an understanding of the position*

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities		
3.2 Credit standby arrangements		

**Estimated cash outflows for next quarter**

	\$A'000
4.1 Exploration and evaluation	960
4.2 Development	-
<b>Total</b>	960

**Reconciliation of cash**

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	502	833
5.2 Deposits at call		
5.3 Bank overdraft		
5.4 Other : fixed term deposits	2,675	4,613
<b>Total: cash at end of quarter</b> (item 1.22)	3,177	5,446

**Changes in interests in mining tenements**

	Tenement Reference	Nature of Interest (note(2))	Interest at beginning of Quarter	Interest at end of Quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed			
6.2	Interests in mining tenements acquired or increased			

## Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 <b>Preference +securities</b> (description)	Nil	Nil		
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs redemptions				
7.3 <b>+Ordinary securities</b>	82,015,288	34,015,288		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5 <b>+Convertible debt securities</b> (description)	Nil	Nil		
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 <b>Options</b> (description and conversion factor)	4,000,000 700,000 1,700,000 2,000,955 20,503,822	20,503,822	Exercise price 30 cents 30 cents 25 cents 30 cents 30 cents	Expiry date 22-Oct-10 22-Oct-10 13-Mar-11 30-Apr-11 30-Apr-11
7.8 Issued during quarter	2,589,437	2,589,437	30 cents	30-Apr-11
7.9 Exercised during quarter				
7.10 Expired/cancelled during quarter				
7.11 <b>Debentures</b> (totals only)	Nil	Nil		
7.12 <b>Unsecured notes</b> (totals only)	Nil	Nil		



## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Law or other standards acceptable to ASX (see note 4)
- 2 This statement does / ~~does not~~\* (*delete one*) give a true and fair view of the matters disclosed.



Sign here: ..... Date: October 31, 2008  
(~~Director~~/Company Secretary)

Print name: Maurice Gannon

## Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. Any entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and Quoted Securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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