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ASX Announcement

17th March 2008

**SIMUKU ACCESS ROAD COMPLETED –
DRILLING TO RE-COMMENCE EARLY APRIL**

HIGHLIGHTS

- Access road construction has been completed for the Simuku Project.
- Camp construction is underway and to be completed by the end of March.
- Two diamond core drill rigs are available and drilling is planned to commence in the first week of April.
- Initial drill holes will focus at the northern end of the Simuku porphyry copper system to provide better knowledge of the depth extent of the system and the lateral extent of copper/molybdenum/gold mineralisation as defined in previous drill holes. A third drill rig is planned to be added to the program in May 2008.
- Results from two drill holes completed late last year to the south of the Horseshoe molybdenum zone intersected lower grade and erratic molybdenum. Recent air photographic studies by Coppermoly's technical adviser, Stan Yeaman, suggest these holes were not located along strike from Horseshoe as previously thought, but were peripheral to a possible silica breccia which is thought to host the molybdenum mineralisation. Further follow up drilling is planned.
- Road access to the Mt Nakru Project will become available in the near future. Initial exploration is expected to commence at Mt Nakru in April. The focus in the first instance will be on determining the extent of the previously defined gold mineralisation.

DRILLING PROGRAM - SIMUKU

Stage 1 of the Simuku drilling program envisages 17 holes, each 150 to 300m in length for a total meterage of approximately 5,000m. Several holes could be continued to 500m to test depth extent of the system, if warranted.

Drilling will commence at sites D and B (see plan map below), which are located near the best historical copper intersections in drill hole and trench. For example, hole D is located in Trench 4 which had 63m at 0.47% copper including 18m at 0.74% copper in quartz porphyry.

With the addition of a third drill rig, the Horseshoe molybdenum zone will be further targeted. In the interim several further trenches will be dug to more accurately define the surface extent of significant grade molybdenum mineralisation. Trenching will also be extended to other areas of the Simuku Project.

Aerial photography has been flown to provide detailed photo-grammatic, photo-geological and topographic data. Accurate topographic data is required before a resource estimate can be undertaken.

Mr W.S. Yeaman, Technical Advisor, commented as follows: “At Simuku the 1:10,000 photo geological study has indicated a probable ring fracture pattern in the intruded dacitic volcanics in the vicinity of Mt Tobarum where almost all drilling in past decades was concentrated. The photo interpretation indicates that the focus of the ring fracture pattern is also the approximate centre of the 1.4km-diameter aeromagnetic ‘donut’ which exhibits strongly anomalous copper in drainage samples. The western third of this feature is host to a distinct IP (dipole-dipole array) anomaly. The intrusive contact of well mineralised porphyry (0.6% to 0.7% Cu) can be seen in Trench 4. The photo-geological interpretation is therefore consistent with there being a large but untested mineralised and altered intrusive centred about 700m west of drill holes SMD1 and SMD”.

DRILL RESULTS FOR SMH015 AND SMH016

Drill holes SMH015 and SMH016 were completed in late 2007 (see ASX Release dated 31 January 2008) to test what was thought to be an extension to the molybdenum zone intersected in hole SMH014 (19m at 0.32% molybdenum). Unfortunately, these holes had relatively poor core recovery and thus may understate the molybdenum content. Hole SMH015 intersected anomalous copper of between 100ppm and 0.21% throughout and appears to have been drilled in rocks peripheral to the main mineralised zone. Hole SM016, which was terminated at depth of 123m encountered higher copper and molybdenum values but not of the order of those in SMD014. The hole is consistently mineralised with most values in the range of 0.05 to 0.1% copper and with a best interval of 10m at 0.17% copper from 106 to 116m downhole. Hole SMO016 had three zones of elevated molybdenum:

- 71 to 77m, 6m at 0.025% molybdenum (high of 0.055% molybdenum)
- 93 to 99m, 6m at 0.018% molybdenum
- 103 to 106m, 3m at 0.019% molybdenum

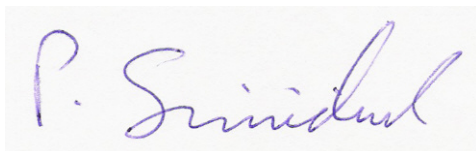
As mentioned above, these values may be understated due to poor core recovery and the fact that in such circumstances molybdenite tends to be “washed out”. In addition, hole SMD016 intersected a zone of higher zinc mineralisation, 99m to 103m, 4m at 1.36% zinc. These zinc results indicate that the structure drilled by these holes is probably part of the outer fringe of the porphyry copper system centred some 1000m to the north.

The results from holes SMH 15 and 16, as stated above, and including the zinc mineralisation, are interpreted to suggest that both these holes are peripheral to the main copper/molybdenum mineralisation.

Drill samples were half core, sawed on site and shipped to ALS-Chemex laboratories in Townsville for assay. The molybdenum results quoted are by pressed powder XRF.

For further information please contact:

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Peter Swiridiuk
MANAGING DIRECTOR

The information in this report that relates to Exploration Results is based on information compiled by Robert McNeil, who is Fellow of the Australian Institute of Mining and Metallurgy. Robert McNeil is employed by Macmin Silver Ltd and New Guinea Gold Corporation.

Robert McNeil 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’. Robert McNeil consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

**EL 1077 Simuku
Proposed Stage 1 Drilling**

B1 (Optional)

2 holes
planned
for
Nayam Ridge
Prospect

3 holes
planned
for
Magipmo
Prospect

