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ASX Announcement

30th July 2010

ASX Code: COY

TECHNICAL REPORT – QUARTER ENDED 30 JUNE 2010

HIGHLIGHTS

- **Major copper mineralised system demonstrated by drilling results from the Nakru-1 copper – gold breccia system, with 190.85m grading 1.01% copper + 0.36 g/t gold including:**
 - 13.55m of 2.8% copper + 0.23g/t gold in secondary mineralisation from 74.45m
 - 10.75m barren interval
 - Assay results pending from 272.3m to the end of the hole at 361.1m
- **Second drillhole into the Nakru-1 system currently underway to test the eastern extent of the geophysical anomaly.**
- **The main body of the 3D – Induced Polarisation anomaly at nearby Nakru-2 Prospect has a drill pad in construction in readiness for drill testing. Previous drill results intersected 27.7m of 1.90% copper including 6.7m of 3.8% copper from 30.3m depth.**
- **Drilling at the Simuku porphyry copper system is currently underway to test for mineralisation in the southern portion of the system.**
- **The projects are located close to essential infrastructure including roads, an airfield and an operating deep water port at the provincial capital of Kimbe.**

1.0 NAKRU PROJECT

The **Nakru-1 prospect** occurs within EL 1043 and possesses a strong and sizeable Three Dimensional Induced Polarisation (3DIP) anomaly associated with anomalous copper from drilling and surface bulldozer trenching results. Four historical drillholes tested the south-western portion of the 3DIP anomaly which initially showed an association of the geophysics with copper mineralisation.

The most recent drillhole BWNBDD0001 (refer to Figure 1) was drilled by a Barrick Gold Corporation subsidiary 'Barrick' under an agreement with Coppermoly Ltd. The agreement allows Barrick to spend A\$20 million to earn 72% of EL 1043 (Nakru), EL1077 (Simuku) and EL1445 (Talelumas). Coppermoly Ltd retains 100% ownership until earn-in is complete.

The diamond core hole very successfully demonstrated significant grades and thicknesses of copper and gold mineralisation (cut-off grade of 0.2% copper), as noted in Table 1.

Table 1: Mineralised Intercepts in diamond core hole BWNBDD0001

Mineralisation Style	Depth From (metres)	Intercept Width (metres)	Copper (%)	Gold (g/t)
Secondary	74.45	13.55	2.80	0.23
Including	76.00	3.00	7.51	0.57
Primary/Secondary	98.75	166.55	0.93	0.40
Including	98.75	22.25	1.47	0.13
and	147.20	5.3	1.87	0.33
and	194.00	7	2.37	1.29
and	206	24	1.35	1.03

Diamond drillhole BWNBDD0001 was terminated at 361.1m depth due to poor ground conditions. The hole is 200m east-northeast of drillhole NAK017 (refer to Figure 2), which intersected 210.1 metres grading 0.45% copper (including 8.8m grading 1.95% copper from 61.2m depth) on the southwest margin of the 3D – Induced Polarisation anomaly.

The second hole BWNBDD0002 is currently underway with a planned depth of 700m. This hole is designed to test the eastern flank of the Induced Polarisation anomaly (refer to Figure 2).

A recent earthquake on the south coast of New Britain Island caused some delay to the work programme. Geotechnical inspections have been carried out to ensure a safe working environment at the project sites. Drilling has now re-commenced.

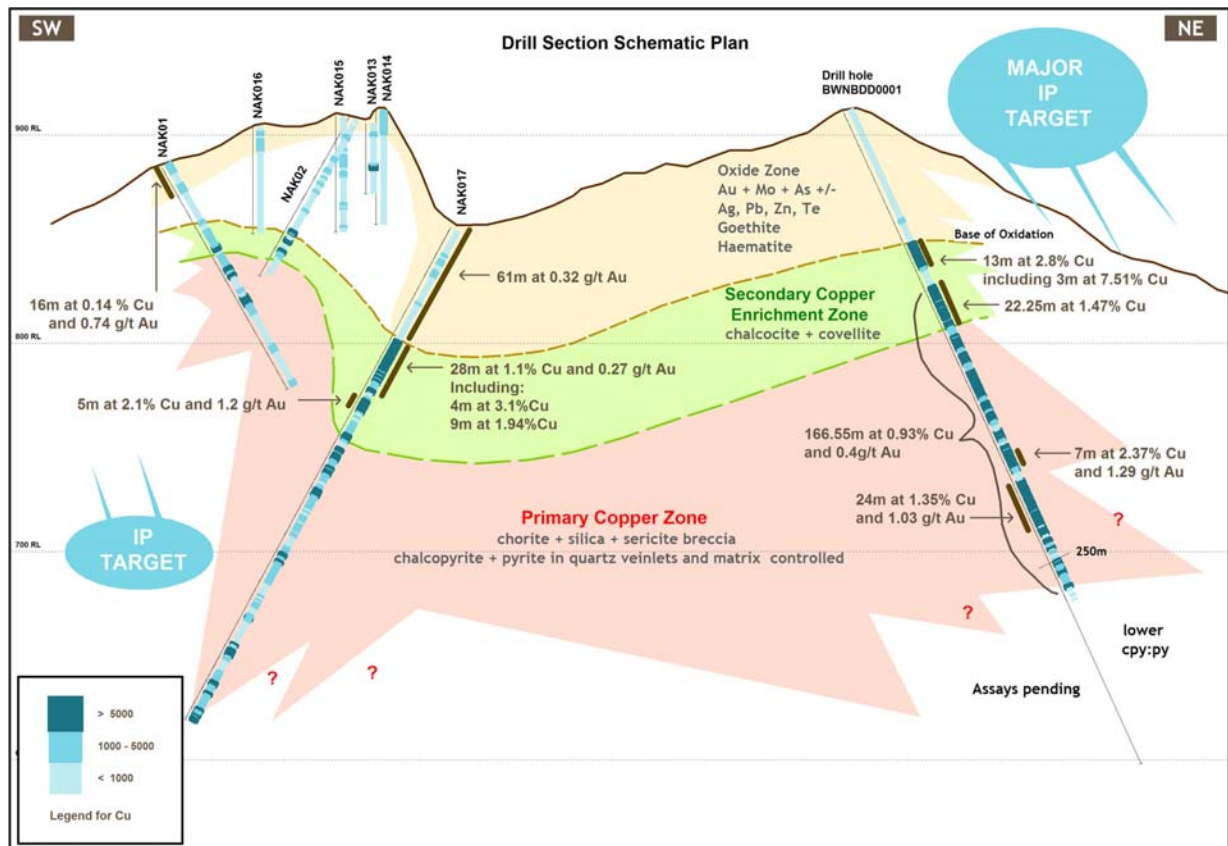


FIGURE 1: Cross Section Showing Zones of Mineralisation

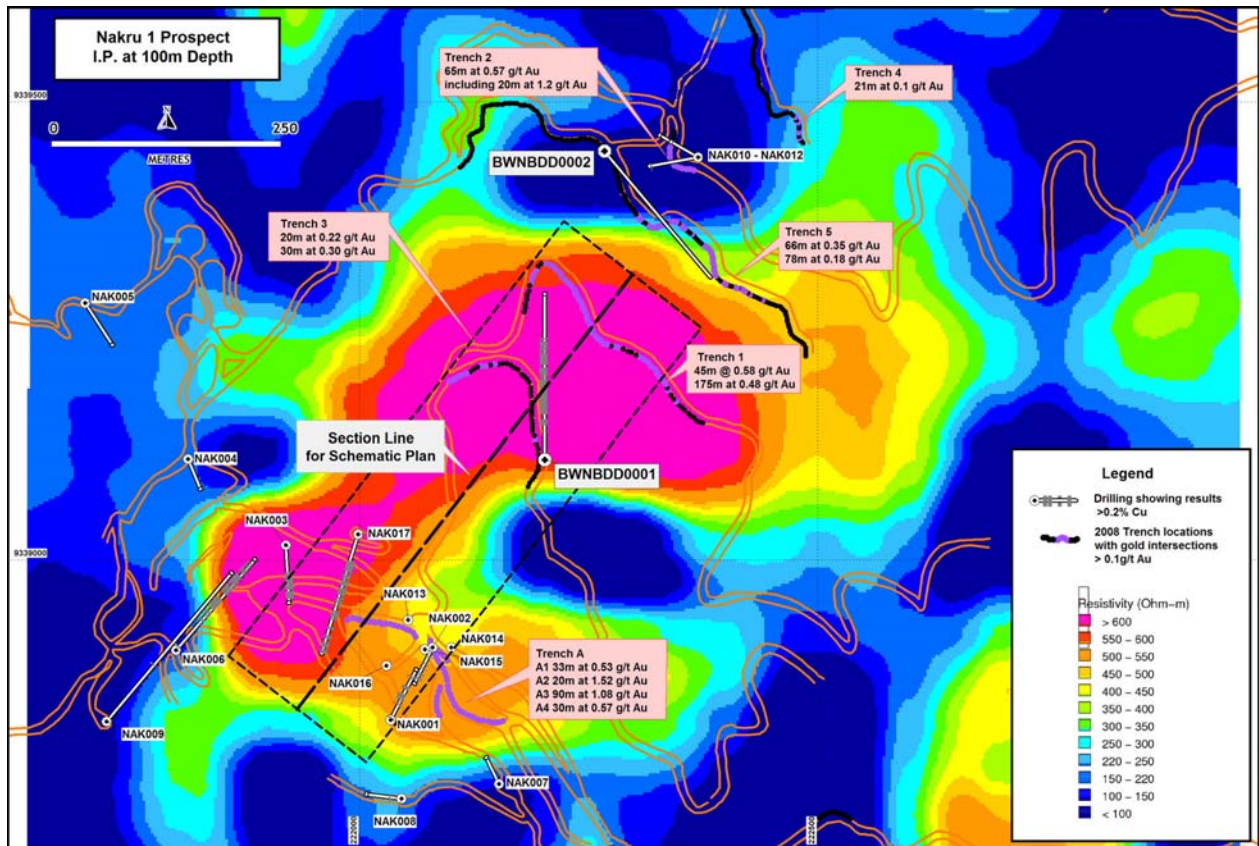


FIGURE 2: Geophysical Anomaly with Drillholes and Surface Trench Results

NAKRU PETROGRAPHY STUDY

A petrographic study (Mason Geoscience Pty Ltd) undertaken by Barrick on drill core rock samples has provided further information of a geological nature about the Nakru Copper-Gold System.

The primary rock types are confirmed as volcanoclastic breccias and acid igneous rock of broadly rhyolitic composition. The volcanoclastic breccias were deposited as non-layered non-sorted breccia composed of abundant lithic fragments and minor crystal fragments in fine-grained matrix. It appears that the lithic fragments are almost entirely derived from the rhyolitic rocks.

Brittle fracturing and invasion by hydrothermal fluids has affected all rocks. Veining and alteration occurred in three principal stages; an early non-mineralised stage (V1); followed by a mineralised stage with two vein forming sub stages (V2a, V2b) and a latest part mineralisation stage (V3).

Copper bearing massive sulphide encountered in the two Coppermoly drill holes at Nakru-2 is considered to have formed as a fine grained massive sulphide deposit of exhalative sedimentary origin. The sulphides (pyrite > chalcopyrite >> sphalerite) with minor others (sericite = quartz) are inferred to have been deposited on the ocean floor by sudden cooling of mineralising hydrothermal fluid mixed with seawater.

Mason reports that a low sulphidation epithermal environment is inferred for the Nakru mineralising system. This is supported by the sulphidic base-metals mineralisation, variable quartz textures within veins and association with felsic volcanogenic rocks including rhyolite and volcanoclastic breccias. It is possible that the inferred massive sulphide zone (Nakru-2) represents a sea floor exhalative expression of the deeper epithermal system, an interpretation supported by the comparable metal budgets (Fe > Cu >> Zn) of both parts of the system (refer to Figure 3).

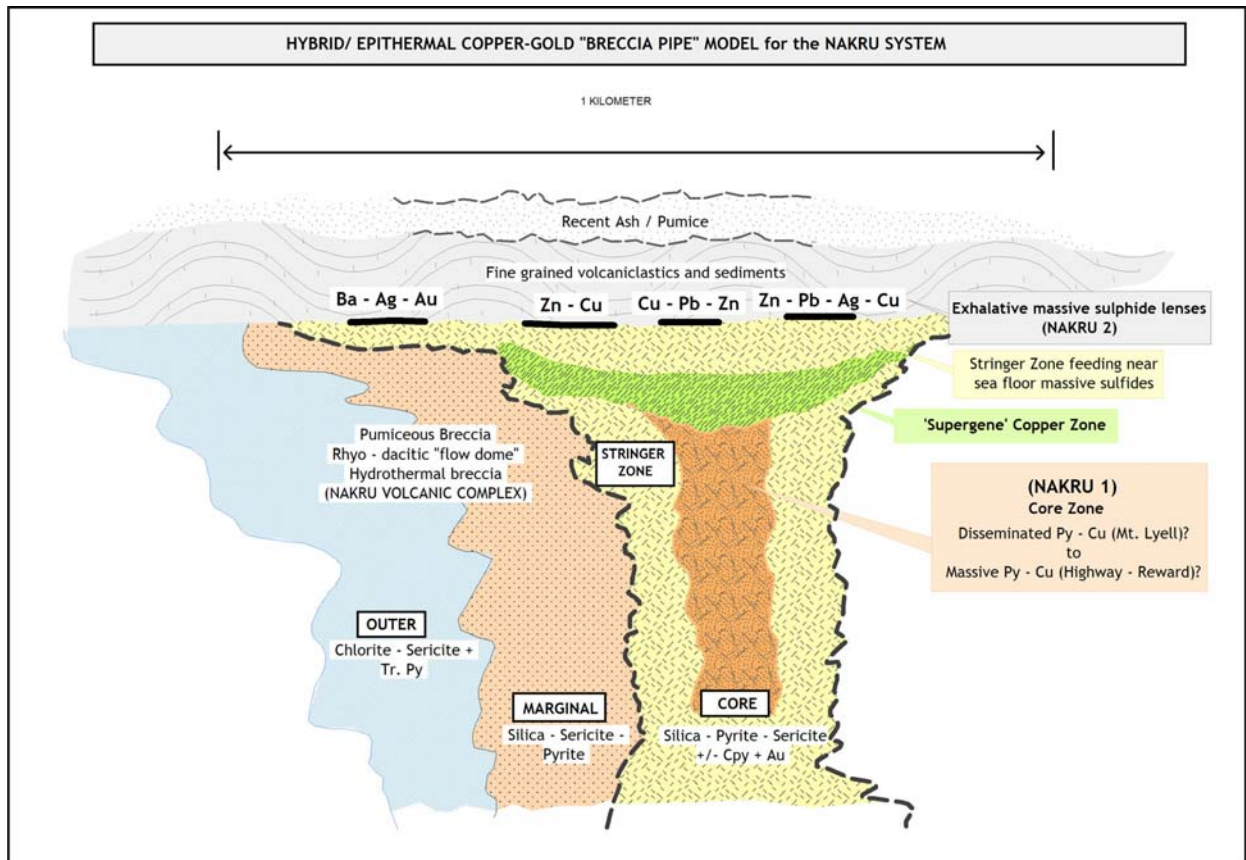


FIGURE 3: Nakru-1 Geological Model (interpretation by Coppermoly Ltd)

The **Nakru-2 polymetallic system** is interpreted to be a 700 metre diameter hydrothermal breccia or VHMS system. The associated 3DIP anomaly indicates potential for a significant tonnage of copper sulphide mineralisation.

The first ever drillhole into this system was completed by Coppermoly (NAK2-001) and it intersected 51.7 metres grading 1.21% copper (with minor zinc, gold and silver), associated with the 19 metres grading 4.3% copper along surface trenching. The second drillhole (NAK2-002) intersected 73 metres grading 0.96% copper, including 7 metres grading 3.36% copper (with minor zinc, gold and silver). At 100 metres depth, NAK2-001 intersected 51.7 metres grading 1.21%. Copper mineralisation has been intersected to over 200m metres depth within the geophysical anomaly, which remains largely untested by drilling.

In light of the recent discovery of significant copper mineralisation at Nakru-1, the exploration potential of other prospects within the tenement become significant (refer to Figure 4).

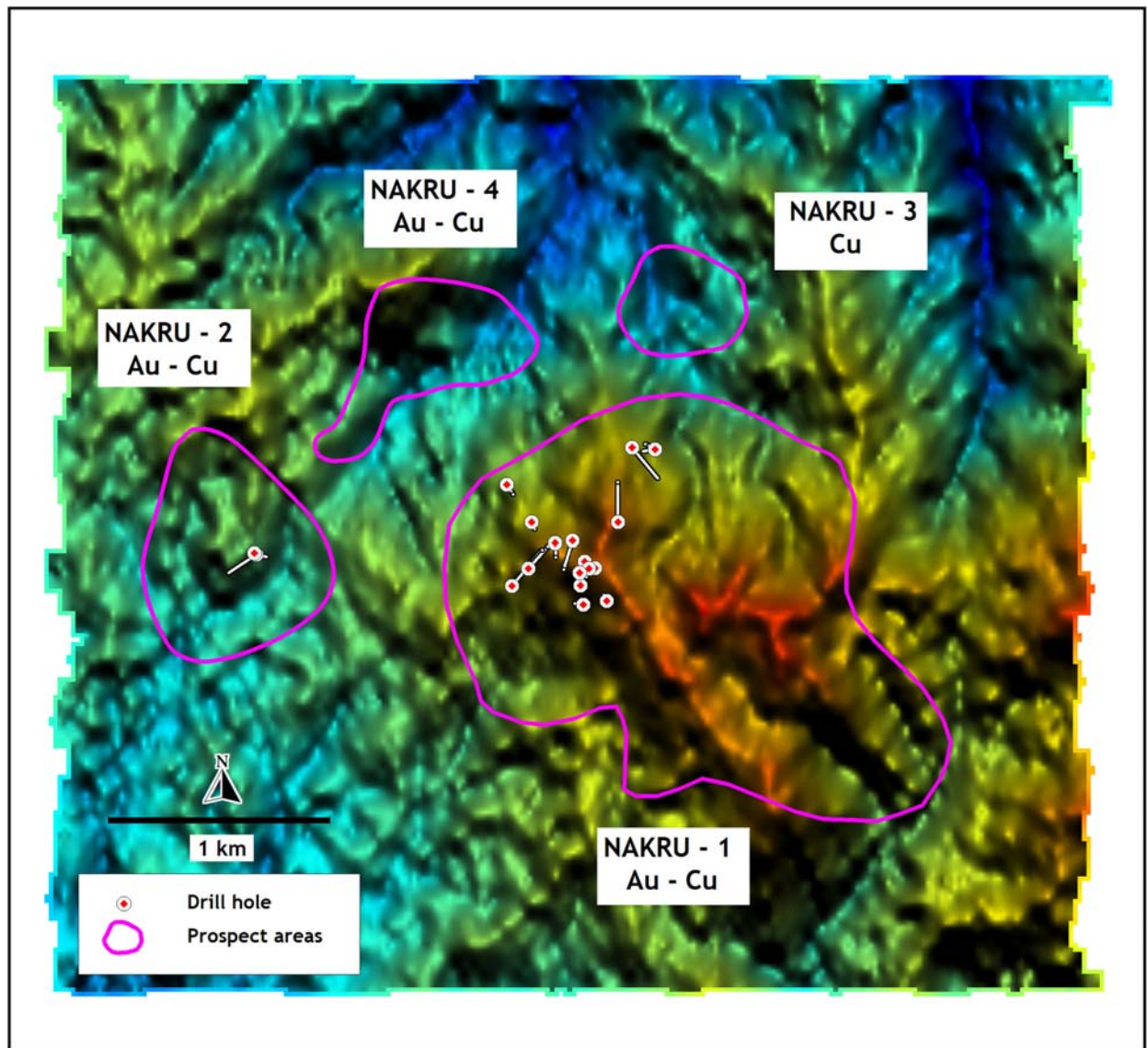


FIGURE 4: Nakru Topography Image and Air Photo Interpretation

3.0 SIMUKU TARGET DELINEATION DRILLING COMMENCES

Barrick (PNG Exploration) Ltd (Barrick) has commenced a target delineation programme on Coppermoly's Simuku porphyry copper system. A camp has been set-up near the drilling site with a geological crew currently exploring the southern part of the Simuku system (refer to Figure 1).

Major exploration programs have historically been completed at Simuku where 6,021 metres of drilling in 31 diamond drillholes and 28 kilometres of bulldozer surface trenching have defined a 3,500 metre by 650 metre copper envelope of mineralisation. A maiden Inferred Resource has been estimated at 200 million tonnes of 0.47% copper equivalent* within one-third of the known area of surface mineralisation.

The first Barrick diamond drillhole (azimuth of 295 degrees and dip of -60 degrees) has a planned depth of 600 metres. The hole will test for additional tonnage potential of the Simuku system to the south of the existing Inferred Resource (refer to Figure 5).

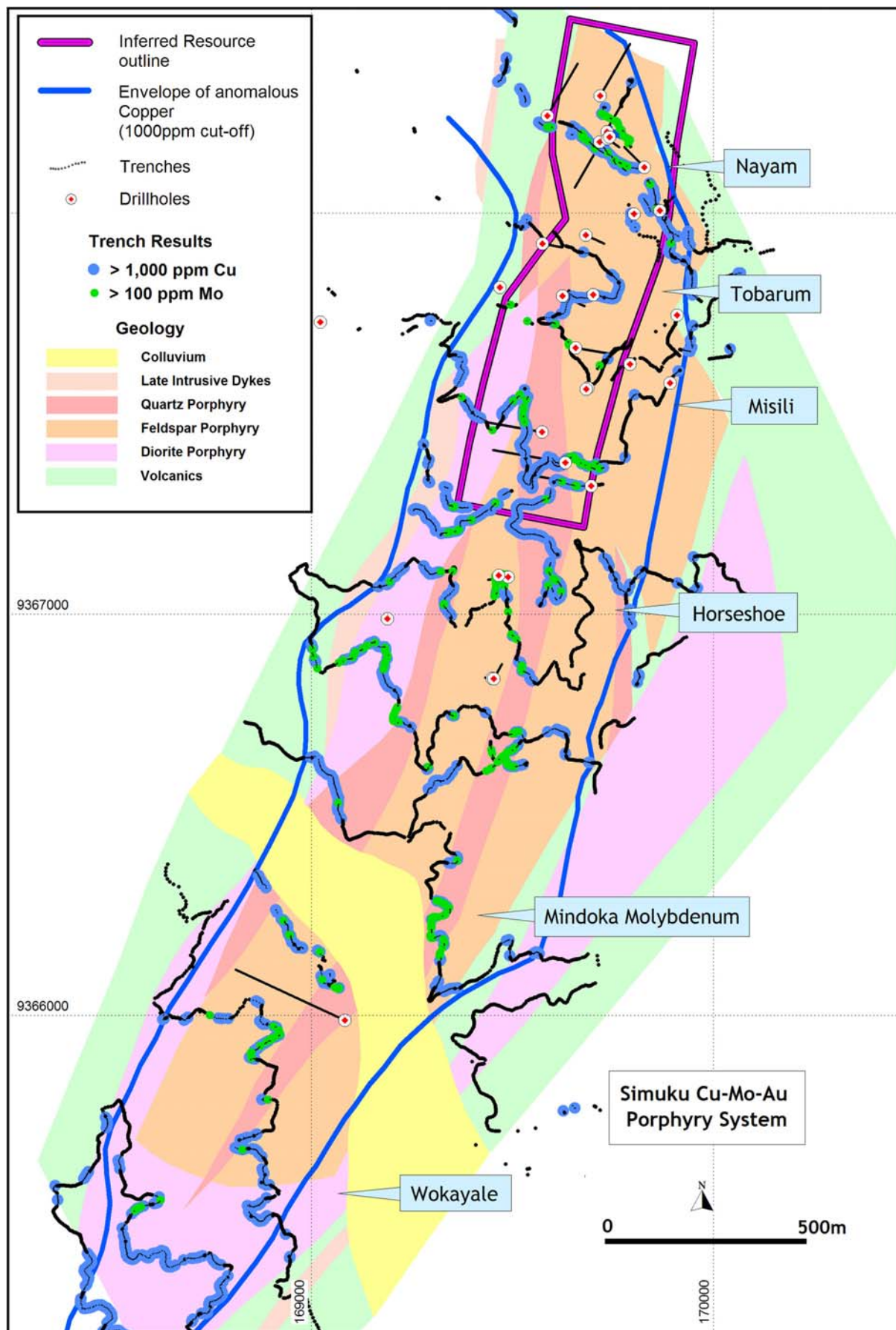


FIGURE 5: Simuku Envelope of Copper and Molybdenum Mineralisation

About Coppermoly Ltd

Shares on Issue: 137 million

Total Listed Options: 46 million

Total Unlisted Options: 13 million

Market Capitalisation: \$19 million

Cash on hand: \$2 million

Directors

Peter McNeil – Non Exec. Chairman

Peter Swiridiuk – Managing Director

Maurice Gannon – Executive

Bob McNeil – Non Executive

Ces Iewago – Non Executive

Dal Brynelsen – Non Executive

Company Secretary

Maurice Gannon

Management

Denis O'Neill – Consulting Geologist

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On behalf of the board,



Peter Swiridiuk
MANAGING DIRECTOR

The information in this report that relates to Exploration Results and 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 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:

- *Copper Equivalent
Mineralisation at Simuku consists of copper, molybdenum, gold and silver. Copper equivalent* is calculated as follows:

Metal (assay results)				Metal Price 9 Dec 2008		Factors		Value Calculation	Metal value US\$
A				B		C			
1	Copper	Cu	ppm	1.44	US\$/lb	453.59	ppm/lb	1A x (1B/1C) =	M
2	Molybdenum	Mo	ppm	11.00	US\$/lb	453.59	ppm/lb	2A x (2B/2C) =	N
3	Gold	Au	g/t	772.00	US\$/oz	31.103	g/oz	3A x (3B/3C) =	O
4	Silver	Ag	g/t	10.00	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

- The copper equivalent* values for intersections are quoted in addition to individual metal values, as they provide the most meaningful comparisons between different drill holes and trenches. The copper equivalent value will vary with the metal prices.
- All stated intersections are weighted assay averages ((Sum of each total interval x grade) / Total length of intersection) with a cut-off of 0.1 g/t gold or 0.2% copper.
- Copper Equivalent* (Cu.Eq*) is the contained copper, molybdenum, gold and silver and 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.
- Island Arc related porphyry copper – molybdenum - gold – silver deposits such as Simuku typically recover those metals subject to prevailing metal prices and metallurgical characteristics.
- 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 -molybdenum–gold–silver deposits.
- 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.
- The reported mineral resource estimate has been rounded to appropriate significant figures.
- Drillhole samples from drillholes were transported to the camp site, logged, orientated and sampled between 1m and 2 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. Unused half core is stored on site before being transported to the town of Kimbe for permanent storage.
- Drillhole BWNBDD0001 Drill Core is PQ, HQ and NQ in size with core recovery predominantly 100%.
- Drillhole co-ordinates are given in UTM Zone 56, AGD66 Datum.
- Mineralised intersections are quoted as downhole widths.

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