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ASX Announcement

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ASX Code: COY

DRILLING COMMENCES AT SIMUKU

Coppermoly Limited (ASX:COY) ("Coppermoly") is pleased to announce the commencement of diamond core drilling on the Simuku copper-molybdenum porphyry system on New Britain Island, Papua New Guinea.

Drilling at the Nayam Prospect (refer to Figure 1) commenced in September and has now been completed to 314.9 metres depth (BWNBDD0019). A second hole has commenced at the Misile Prospect (BWNBDD0020).

Barrick (PNG Exploration) Ltd ("Barrick") has spent over \$22.4 million on Coppermoly's Simuku (EL1077), Nakru (EL1043) and Talelumas (EL1445) tenements and has now earned a 72% stake in these three tenements. Barrick are managing and funding the exploration and drilling on these tenements.

"Barrick have commenced drilling in order to maintain the tenements in good standing while they continue to pursue the divestment of their 72% stake in the project. Coppermoly has a right of first refusal over any offer that Barrick accepts. Our appointed advisors, Odyssey Capital Partners are sourcing cornerstone investors who could possibly help us exercise that right and regain 100% ownership of the tenements. This outcome would benefit our shareholders in that we could continue drilling to progress our projects to a stage of pre-feasibility", said Managing Director Peter Swiridiuk.

Throughout 2010 and 2011, Barrick drilled six holes at Simuku for an average depth of 700m - totalling 4,227m. The Simuku Project has an Inferred Resource of 200 million tonnes grading 0.36% copper + 61 ppm molybdenum + 0.06 g/t gold + 2 g/t silver. The drilling by Barrick has demonstrated continuity of mineralisation at over 500m depth beneath the resource.

Barrick has also completed twelve holes at the Nakru tenement for an average depth of 406m – totalling 4872.9m. The Nakru-01 deposit has an Inferred Resource of 38.4 million tonnes grading 0.61% copper + 0.29 g/t gold + 1.80 g/t silver + 13 ppm molybdenum + 19.29 ppm lead + 659 ppm zinc. Results from a Conceptual Mining Study showed that its development could be cash flow positive within two years of commencement of production. The upside is that mineralisation is yet to be closed off and further drilling will improve the resource and define tonnage of an upper blanket of higher grade copper enrichment.

With the completion of drilling at Simuku and planned drilling at Nakru in 2012, we expect to be able upgrade the resource estimates during the first quarter of 2013.

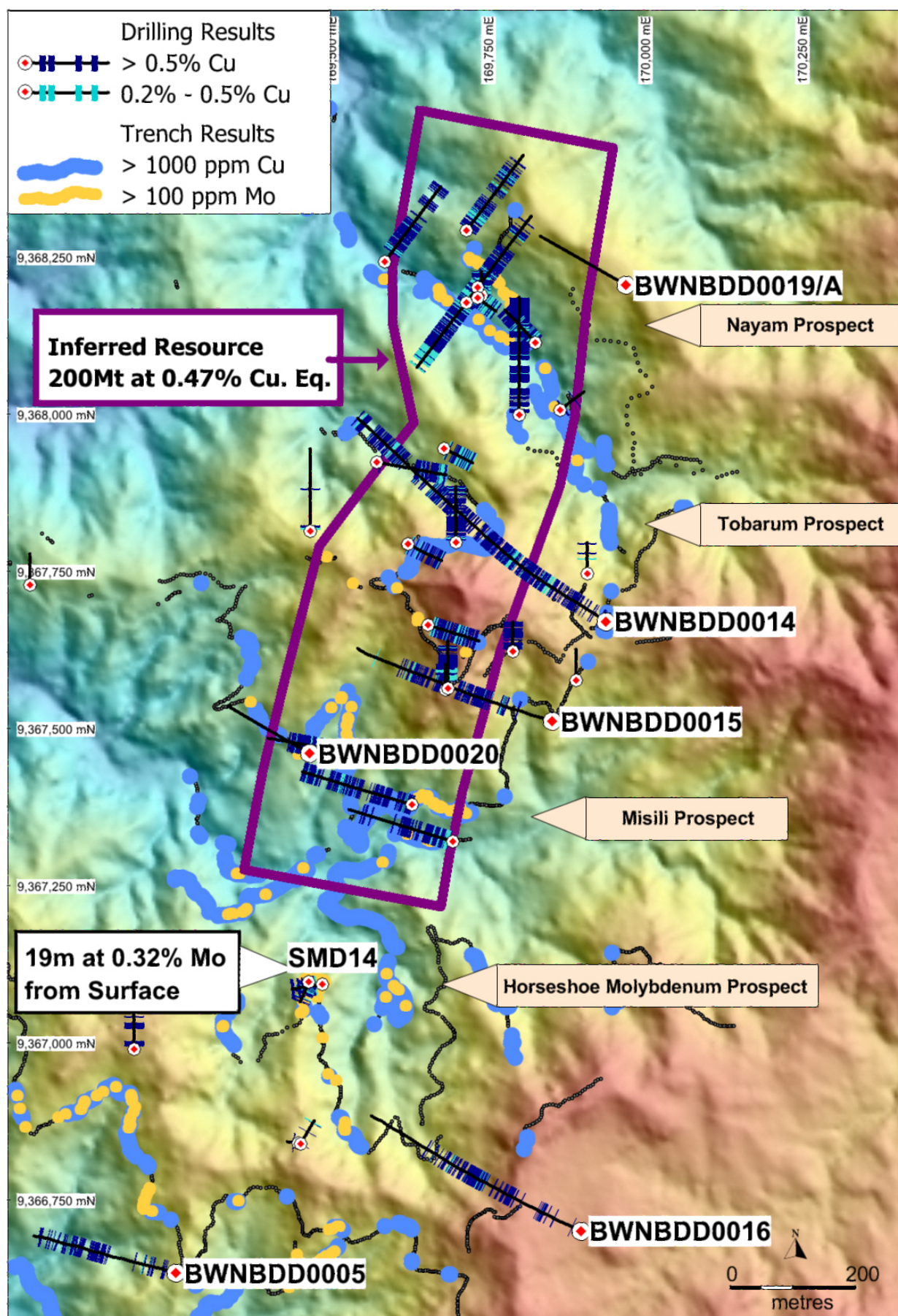


Figure 1: Simuku resource outline showing location of latest drillholes 19 and 20

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 two under application. These licences cover copper, gold and molybdenum mineralisation and resources. The four 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 to existing infrastructure including a hospital, grocery stores, chemist's, hardware supply outlets, mechanical shops and an operating deep water port at Kimbe, the Provincial capital of West New Britain (refer to Figure 2).

Exploration Licences EL1043 (Nakru), EL 1445 (Talelumas) and EL1077 (Simuku) are currently subject to an agreement with Barrick (PNG Exploration) Limited (72%) and Coppermoly (28%). Since 2009, Barrick, who are managing the exploration efforts, have spent over A\$22.4 million on drilling and exploration. The current \$2.21 million exploration program on these projects is designed to keep the tenements in good standing with regards to work commitments required by the Mineral Resources Authority in PNG.

In July 2012, independent consultants Golder Associates calculated 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, 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 with a Net Present Value of US\$291 million (based on 100% ownership, copper price of \$3.34/lb, 10% discount factor and 90% mill recovery after royalties but before company tax). Only 27 diamond holes have been completed to date for 5,928m.

Within EL1077 (Simuku), the Simuku porphyry copper system has an Inferred Resource of 200 million tonnes grading 0.36% copper, 61 ppm molybdenum 0.06 g/t gold and 2 g/t silver containing 700,000 tonnes of copper, 12,000 tonnes of molybdenum, 12 tonnes of gold and 391 tonnes of silver. A total of 10,248 metres have been drilled in 37 drillholes.

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

Within EL1445 (Talelumas), Barrick confirmed narrow discontinuous epithermal mineralisation restricted to structural zones. To date, Barrick have mapped seven creeks with 30 rock chip samples sent to the laboratory for analysis.

EL2014 (Makmak) was recently granted and is 100% held by Coppermoly covering 280 km². Rock, soil and stream sampling has recently been completed with assay results expected in late November.

Two other tenements are under application by Coppermoly 100% and include ELA1782 (Powell) and (ELA1813) Fulleborn which cover 1306 square kilometres.

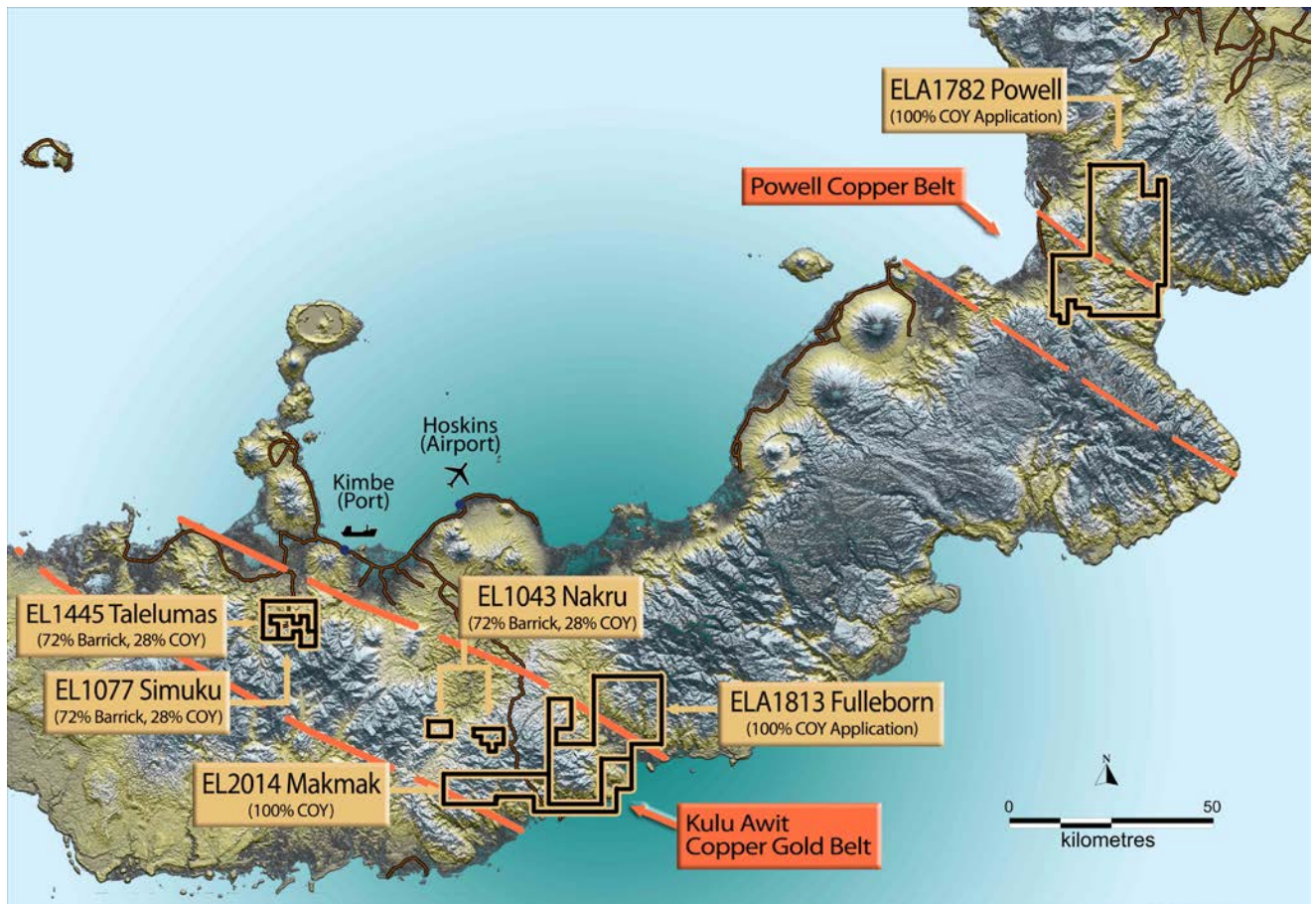


Figure 2: Location of Coppermoly projects on New Britain Island, PNG

On behalf of the board,

P. Swiridiuk

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 ($[\text{Sum of each total interval} \times \text{grade}] / \text{Total length of intersection}$).
- 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.
- 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 26th 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 for Nakru-01 was completed by Mr David Swain, FAusIMM, Principal of Swain Engineers, Consulting Mining Engineers, at the request of Coppermoly Ltd.
- The metallurgical results relate to samples and test work cited in ALS Ammtec Report A13543 and based on information compiled by Frank Trask (Member of the Australian Institute of Geoscientists No. 3325). Mr Trask is a consultant to Coppermoly Ltd and has sufficient experience relevant to the style of mineralisation, the type of deposits being considered, and the normal flotation methods being considered to qualify as a Competent Person as defined by the JORC Code, 2004 edition.