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ASX Announcement

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MT NAKRU PROJECT – EXPLORATION COMMENCES

HIGHLIGHTS

- Road access into Mt Nakru project near completion.
- Review of Nakru 1 and 2 Prospects has been completed and detailed work programmes compiled for both prospects.
- Drilling and trenching to commence in June; and
- Geophysical surveys to be initiated.

Coppermoly Limited is pleased to report that access into the Mt Nakru project has begun with the last 5km of the 55km access road into the campsite being re-opened.

Following a detailed review of the area (Figure 1), work programmes for Nakru 1 and Nakru 2 Prospects have been finalised and are scheduled to commence early next month.

The **Nakru 1** work programme will involve upgrading track access, and reopen, map, and sample selected intervals of old trenches to confirm the location of historical gold intersections. New trenches will be mapped and sampled for gold, copper, molybdenum and tellurium in order to define the limits of mineralisation.

A minimum of 4 x 50m deep holes (Figure 2: Sites 1 – 4) will be drilled to confirm the presence of a vent and test the extents of gold mineralisation. At least two deeper holes will test gold fissure targets at depth (Figure 2: Sites 5 and 6). A minimum of 2 x 300m holes will test the porphyry target at Sites 7 and 8.

Geophysical I.P. surveying is also being planned over some of these areas to help define drilling targets.

The **Nakru 2** work programme will involve re-opening, sampling and mapping of all previous trenches, re-interpreting creek geology and re-sampling creek exposures to develop a geological interpretation in light of a potential breccia pipe model. Geophysical I.P. surveys over the circular feature are planned to help develop drilling targets.

“The Mt Nakru copper-gold system in Central New Britain is a large acid-intermediate, volcanic-intrusive complex that has potential for breccia-hosted gold deposits and porphyry-style copper-gold deposits. Four separate prospects have been identified with significant copper and gold values found in outcrop, trench or drill samples at each prospect, along with significant silver, molybdenum and zinc grades.” said Peter Swiridiuk, Managing Director of Coppermoly Limited.

Mr. Swiridiuk added *“The Mount Nakru project is well supported by its landowners, who will also be contracted by Coppermoly Limited to work on the Mt Nakru project.”*

Mt Nakru Project Overview

The Mt Nakru project is well located, near the town of Kimbe and close to essential infrastructure including roads, an airfield and a deep water port.

The project is comprised of two systems namely, Mt Nakru and Plesyumi. The Mt Nakru system includes four defined prospects, Nakru 1 to Nakru 4.

These systems are located within the well-mineralised Kulu-Awit Corridor, which trends west-northwest through Central New Britain and contains other systems including Kulu (copper-gold), and Simuku (copper-gold).

Nakru 1 Prospect:

Nakru 1 is the most advanced of the four prospects and has potential to host a large copper-gold deposit. Deep auger soil sampling, more than 10km of hand and bulldozer trenching and twelve drill holes (totalling 1,499m) have been completed. Highlights of the historical trenching and drilling programmes at Nakru 1 (Figures 1 and 2) include:

Trench intercepts (sample intervals) 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

Two styles of mineralisation have been recognised:

- (a) breccia-hosted polymetallic copper-gold-molybdenum mineralisation in the area tested by historical trenching and drilling; and
- (b) blind porphyry copper-gold+/-molybdenum mineralisation associated with an inferred sub-surface intrusion in the area extending east and southeast from the trenched area.

Trench intersections (Figure 2) indicate grades in the breccia-hosted mineralisation of approximately **0.1 - 3.0g/t** gold. However, values in individual breccia clasts of up to **37.0g/t** gold have been reported, indicating potential for high grade gold mineralisation at depth within the feeder vent(s). The average grades of mineralised intervals in the underlying volcanic complex are in the range **0.3 - 0.7%** copper with up to 0.5g/t gold over significant widths.

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 2).

Nine holes totalling 1290m have been drilled by previous explorers at Nakru 1, four of which, NAK 001, 002 and 003 and Q74D6, intersected significant mineralisation (Table 1).

Table 1: Nakru 1 Drilling Summary

Hole No	Intercept (m)	Interval (m)	Cu %	Au g/t	Geology
NAK 001	5.6	0.0 – 5.6	0.20	1.90	Breccia Volcanic Complex
	52.0	32.0 – 84.0	0.38	<0.10	
NAK 002	6.0	0.0 – 6.0	0.032	1.20	Breccia Breccia Volcanic complex
	16.0	6.0 – 2.0	0.062	0.36	
	20.0	22.0 – 42.0	0.11	0.11	
	24.0	62.0 – 87.0	0.23	<0.10	
NAK 003	6.5	0.0 – 6.5	0.14	1.33	Breccia Volcanic Complex
	94.0	91.0 – 185.0	0.43	0.46	
	incl 11.2		0.95	2.55	
Q74D6	205.0	0.0 – 205.0	0.40	<0.10	Breccia + volcanic
	incl 16.0	57.0 – 73.0	0.67	0.14	
	& 74.0	93.0 – 167.0	0.78	<0.10	Volcanic Complex
	incl 21.0	146.0 – 167.0	1.10	<0.10	

Nakru 2 Prospect:

At Nakru 2 Prospect (Figure 1), soil sampling, hand trenching and bulldozer trenching has been completed. Nakru 2 appears to be polymetallic copper+gold+zinc+/--(molybdenum) target with copper being the predominant metal. The mineralised area is coincident with a circular structural feature, about 700m in diameter, visible on air photos.

Nakru 3 Prospect:

Nakru 3 Prospect is located approximately 1.7km north of Nakru 1. Reconnaissance rock chip sampling has located values of 5.2g/t gold in a silicified shear zone carrying pyrite and magnetite; up to 2.7% copper in outcropping altered breccia; and 4.9% zinc, 498g/t silver in creek float.

Nakru 4 Prospect:

At Nakru 4 Prospect, which is located about 1.2km northwest of Nakru 1, deep Wacker drilling beneath the young ash cover, which is up to 15.2m thick, defined a semi-coherent anomaly which has dimensions of about 600m x 200-400m. Highlights from the Wacker soil sampling are shown in Table 2.

Table 2: Nakru 4 Prospect: Wacker Drilling Highlights

WIDTH	Au (av) g/t	As (av) ppm	Cu (av) ppm	Au (peak) g/t	As (peak) ppm	Cu (peak) ppm
100m	0.21	73	395	0.62	202	896
incl 50m	0.40	132	365	0.62	202	896
50m	0.20	11	216	0.21	11	251
25m	0.1	21	156	0.21	-	-
50m	0.12	5	124	0.21	5	126

Plesyumi Copper-Gold System

The Plesyumi porphyry copper-gold system is located within the Mt Nakru tenement 14km west-northwest of Mt Nakru. Plesyumi was discovered in 1968 and extensively explored, including 21 drill holes, in the early 1970's. Drilling has identified the local development of a leached cap, and the presence of chalcocite, covellite, cuprite and native copper indicates minor supergene alteration.

At least four centres of mineralisation have been defined within a northeast-trending, elongated zone measuring 4km x 1km. The system has been tested by 21 drill holes totalling 3123m. The best drill intersections were **44m @ 0.85% copper**.

Other drill highlights include:

- 33m @ 0.42% copper, including 10m @ 0.65% copper
- 110m @ 0.31% copper
- 152m @ 0.25% copper
- 101m @ 0.2% copper
- 192m @ 0.15% copper

Further evaluation of the Nakru 3, 4 and Plesyumi prospects is currently being undertaken, after which a work programme will be developed.

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 Peter Swiridiuk and Doug Hutchison, who are Members of the Australian Institute of Mining and Metallurgy. Peter Swiridiuk and Doug Hutchison are employed by Coppermoly Ltd.

Peter Swiridiuk and Doug Hutchison have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as a Competent Persons as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Peter Swiridiuk and Doug Hutchison consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.

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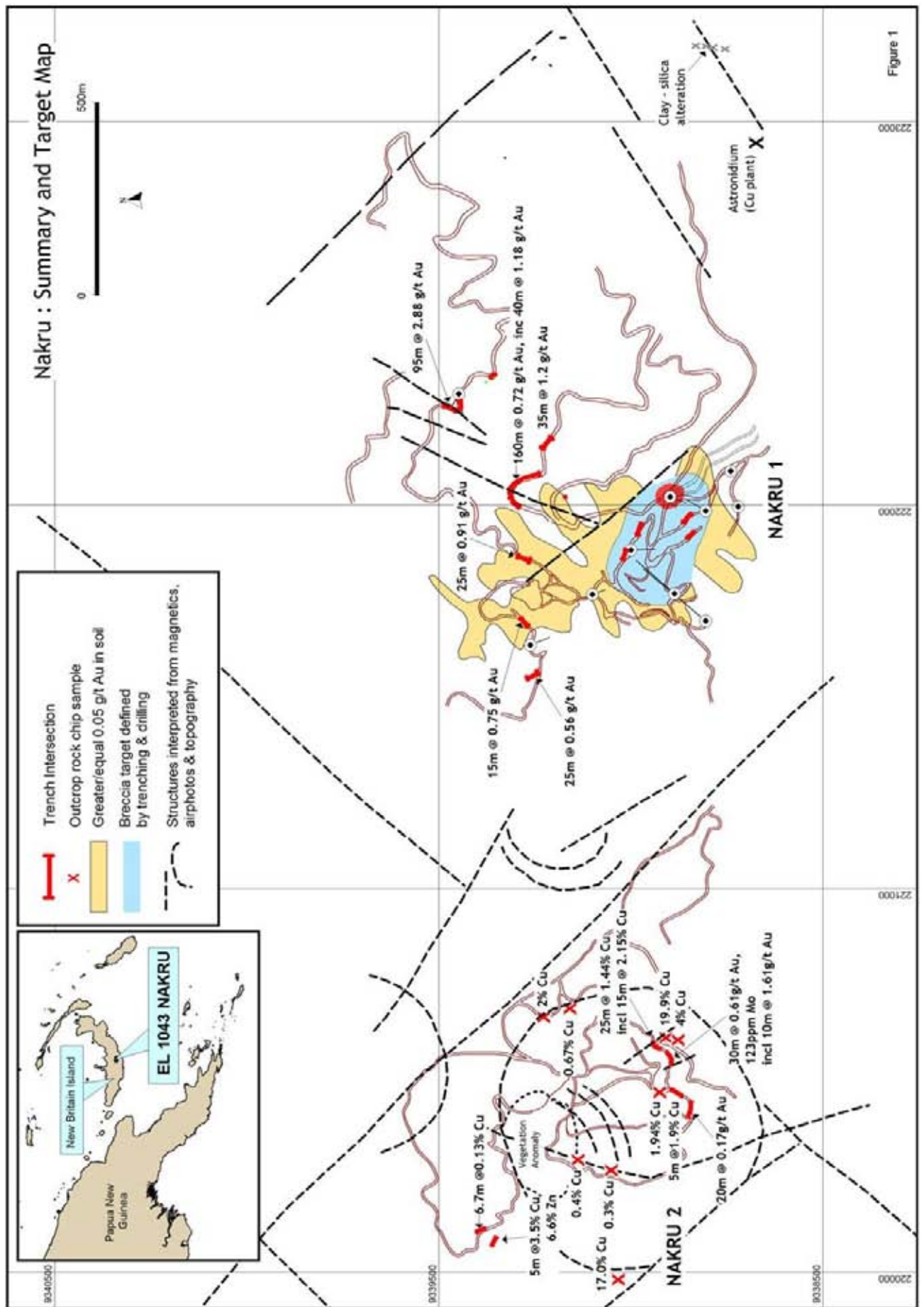


Figure 1

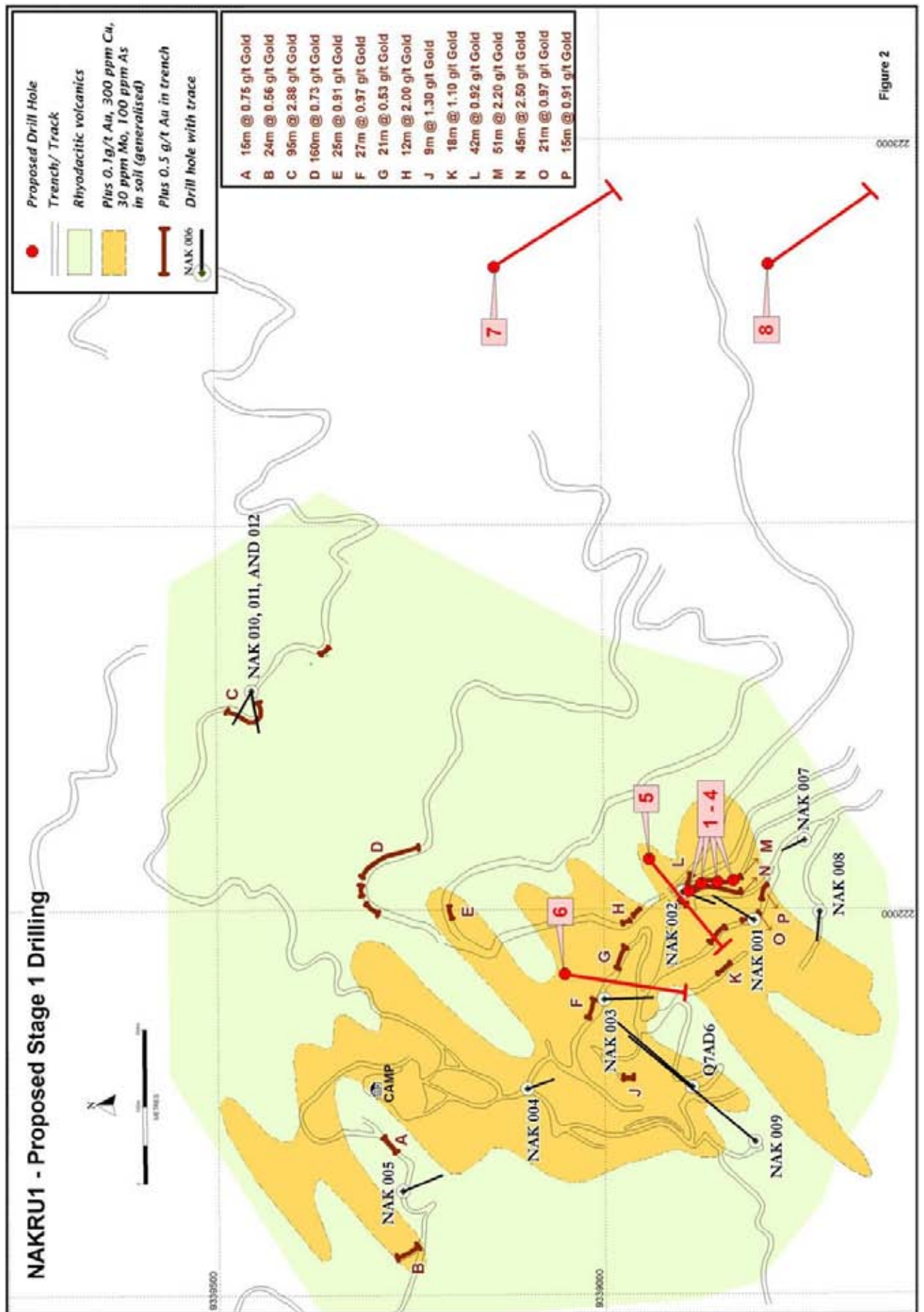


Figure 2