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ASX Announcement

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DRILLING & EXPLORATION ACTIVITIES UPDATE - SIMUKU PROJECT

SUMMARY

- 216 drilling and trenching samples despatched for assay.
- 2600m of trenching and access tracks completed.
- Third drill rig on-site with another expected in June.

Coppermoly Limited is pleased to announce that at Simuku, hole SMD017 (Site D, Figure 1) has been completed to 177.3m with core dispatched to the laboratory along with trench samples.

Hole SMD019 (Site B) was drilled to 37.6m depth to date and SMD020 (Site C) is being drilled by the recently arrived third rig and is currently at 80m depth.

SMD018 – (Site C) was prematurely terminated at 7m depth due to ground conditions.

It is expected a fourth drill rig will be on-site in June to ensure continuous drilling with minimum disruption from mechanical breakdowns.

A total length of 2200m of trenching/access has been completed to the Magipmo site and 400m of trenching has been completed at Nayam.

The company has also refocused its management team with Doug Hutchison resuming the role of Technical Director. His previous duties as Chief Operating Officer will now be shared between Exploration Manager (Trevor Smith) and the Managing Director, Peter Swiridiuk.

DRILL CORE DESCRIPTION

SMD017 (169716e, 9367804n, vertical, 177.3m depth) has been completed at Tobarum Hill. Observations confirm that we are in a mineralised porphyry system.

Conrad Palaulo, Supervising Geologist for Coppermoly Limited, described the core as follows:

“Some preliminary comments made from the first 50m saw that there are episodic structural events with mineral association as indicated by the crosscutting structures. Oxidation from the surface extends to 10m (0-10m) with weakly leached argillic clay + haematite- quartz+/-pyrite. Structures within the top 30m are stained by bluish/green (malachite and/or antlerite/brochanite). No acid as yet to determine if it is malachite or brochantite/antlerite but it is secondary copper.

Mineralisation is such that the top 10m (0-10m) is oxidised and weakly leached. The next 20m (11-30m) appear to be of quartz – magnetite-pyrite+/-haematite fractures and bluish green fractures. Beyond 30m is primary sulphide especially pyrite–chalcopyrite+/-galena/sphalerite-/pinkish veins. Chalcopyrites are also in vein as well as disseminates but the latter is common especially where there is silica flooding.

This vertical hole makes it obvious to recognise three crosscutting structures so far. Two are steep to core axis but dipping in opposite directions while the third is shallow to almost flat lying. It appears that the earlier dipping structures are associated with quartz-magnetite-haematite, which is cut by the shallow quartz-stockwork veins. The latter structure is steeply dipping and offsets the earlier ones and is associated with carbonate+/- basemetal-chalcopryite. In places the earlier steeply dipping structure is remobilised as indicated by chalcopryite appearing as in fills in the quartz-haematite-magnetite veins/structure."

TARGET AREA DESCRIPTIONS

Doug Hutchison, Technical Director for Coppermoly Limited, described a review of the Nayam, West Tobarum and Magipmo target areas as follows:

"The high copper values from previous Placer sampling in Nayam Creek are hosted by strongly silicified quartz porphyry, which outcrops along the creek. The porphyry is overlain by strongly leached to partially oxidised quartz-sericite/clay altered volcanics, exposed in the trenches above Nayam.

Surface scree near the West Tobarum magnetic anomaly (approximately the centre of the "big porphyry" target) consists of magnetic propylitically altered mafic volcanics.

A brief one-day examination of north and central Magipmo indicates widespread silica flooding, a relatively low sulphide content and pyrite much greater than chalcopryite. Creek exposures are mostly volcanics with local feldspar and feldspar-quartz porphyry.

Magipmo may represent a higher level in the porphyry system and is perhaps down faulted relative to Tobarum/Nayam."

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.

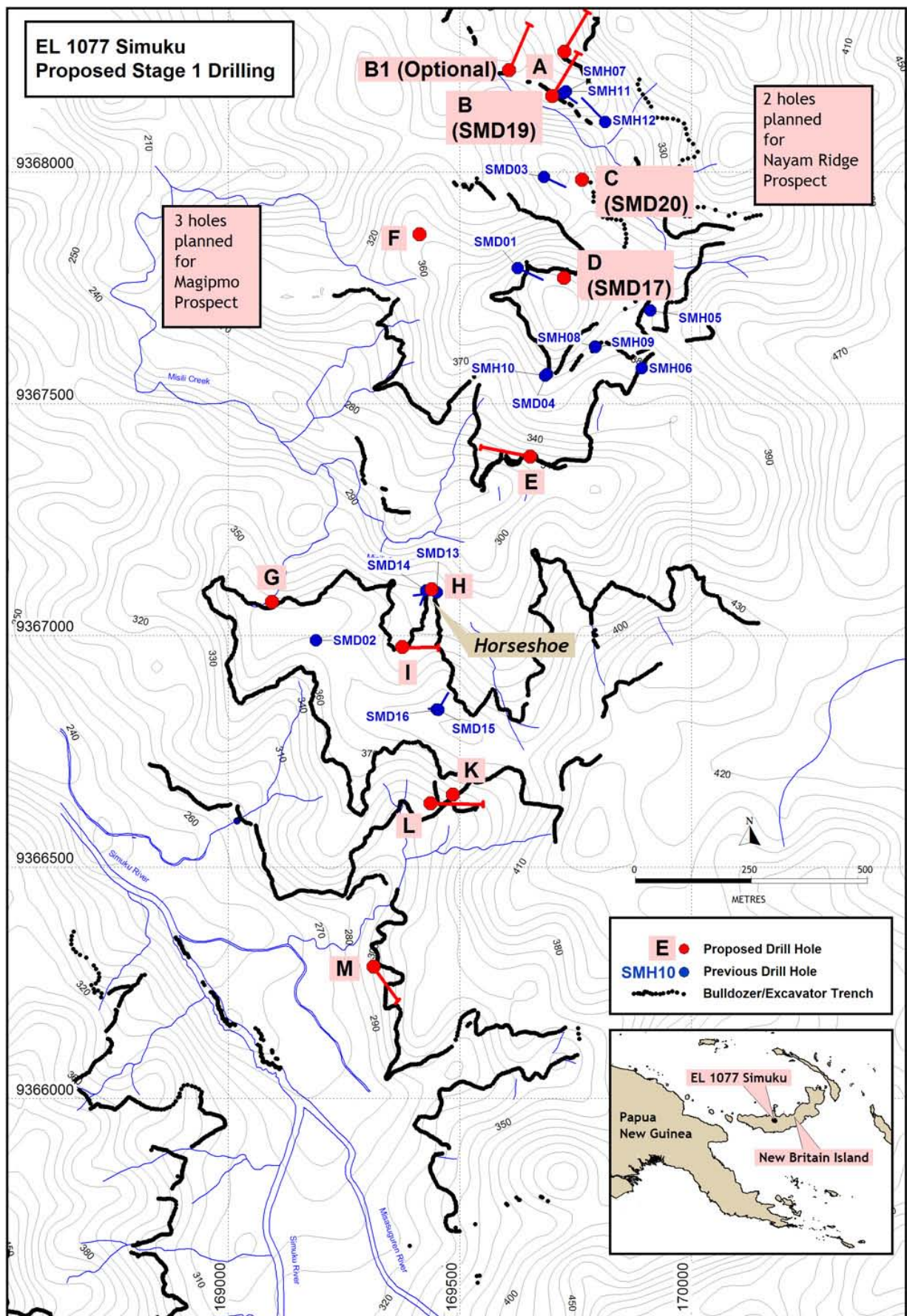


FIGURE 1