

MEDIA COVERAGE



PAPUA NEW GUINEA – Nakru drilling starts

Monday, 27 June 2011

Diamond drilling is under way at Coppermoly's Nakru-1 copper-gold system to test the extent of mineralization. A diamond rig was mobilized to the site in early June while a camp has also been set up for the campaign.

Previous drilling results have demonstrated continuity of copper and gold mineralization to more than 500 metres in strike length and 300 metres depth. Historical drill hole intersections at the centre of the IP anomaly include 213.75 metres @ 0.92% copper and 0.33 grams/tonne gold from 74.45 metres depth.

The Nakru-4 prospect to the northwest of Nakru-1 is also being tested by Wacker drilling to test soil samples beneath volcanic ash within a 400 metre by 200 metre weak IP geophysical anomaly.

The Nakru project is on New Britain Island and within a four hour drive by 4WD vehicle from existing infrastructure at the provincial capital of Kimbe, which includes a deep water port which will be essential for future development.

More than Aus\$10 million has been spent by Barrick (PNG Exploration) on the management of exploration and drilling under an agreement which allows Barrick to spend Aus\$20 million to earn 72% of the three tenements at Nakru, Simuku and Talelumas.

In addition to the Simuku, Talelumas and Nakru tenements, which cover 75sqkm, two tenements named Powell and Fulleborn are under application on New Britain Island covering 1500sqkm. These two application areas are not part of the agreement with Barrick.

Meanwhile, drillhole planning is at an advanced stage within the Simuku porphyry copper system. Simuku is host to an inferred resource of 200 million tonnes grading 0.36% copper. A number of drill hole sites have been pegged and checked for ground safety requirements between the Misili prospect and 1km further north at the Nayam prospect.

At the Nayam prospect, within the area of the Simuku inferred resource, an historical drillhole intersected 282 metres grading 0.45% copper from 18 metres depth. In the opposite direction to the south-west, an historical hole intersected 93 metres grading 0.59% copper from 8 metres depth including 18 metres of 1.0% copper from 18 metres depth.

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In addition to the advanced Simuku deposit, the Kulu prospect has anomalous grades of copper in rock samples over an area of 800 metres by 600 metres. The geochemistry indicates a zonation effect of possibly indicating a larger porphyry copper system at depth.