



JV option after Simuku resource



Drilling at the Nakru-2 prospect has defined high-grade copper zones



Getting rigs around on the island of New Britain, Papua New Guinea can be hard work

Coppermoly Ltd was to announce a maiden resource for its Simuku copper-molybdenum project in Papua New Guinea in April, following its first extensive drill-out.

The resource, covering a third of the large porphyry mineralisation footprint, was expected to confirm Simuku as a sizeable system. Consequently, Coppermoly was assessing its options for the project (including potential JV arrangements), in order to gain the capital to develop it further.

Drilling hit the Nayam and Misili prospects and the 1km of ground between them. Covering 4,194m with 15 diamond holes, the programme, in addition to historic drill results, confirmed copper mineralisation to a depth of 364m.

Better results included 282m @ 0.45% copper, 64 ppm molybdenum, 0.07 g/t gold and 2 g/t silver (0.58% copper equivalent) from 18m at Nayam; and 46m @ 0.46% copper, 51 ppm molybdenum, 0.08 g/t gold and 2.6 g/t silver (0.59% copper equivalent) at Misili.

A concurrent trenching programme extended the area of known mineralisation by 1km to 4.5km.

Managing director Peter Swiridiuk said assay results were in line with the Simuku exploration target of 300-500mt @ 0.4-0.5% copper. He expected grade to be on par and tonnage for the first third of the known mineralised area to be between 100-200mt.

Such scale means Simuku is already becoming too big for Coppermoly, which listed in January 2008, to develop independently.

"This is a big system – its footprint is larger than (Marengo Mining Ltd's PNG copper-molybdenum project) Yandera's. It would take at least five years to develop, and another \$20 million to expand on what we know with further drilling."

The explorer spent most of the \$5 million or so it listed with on the drilling programme at Simuku, as well as at nearby copper-gold

project Mt Nakru. Swiridiuk said the junior's intention had been to develop its foundations assets to the point of attracting interest from potential partners, which it was now doing.

Drilling at the Nakru-1 and Nakru-2 prospects has succeeded in identifying copper sulphide zones grading above 1.4% copper, including intersections such as 27.7m @ 1.9% copper and 73m @ 0.96% copper (including 26m @ 1.65% copper) from the first two drill-holes at Nakru-2.

Meanwhile, Simuku appears to contain important upside value on several fronts. Trenching between Misili and the Horseshoe prospect indicated mineralisation continued south of the initial resource estimate area. Swiridiuk said Horseshoe could represent a standalone molybdenum prospect in its own right.

"It wouldn't take much more drilling to develop a significant resource there."

There is other standalone potential at Simuku, with several gold prospects yet to be

tested by Simuku but which hosted historic grades of up to 5 g/t gold.

A drilling programme at the prospects is planned for next month. Swiridiuk said the results of that would contribute to a decision about Simuku's future development, whether as a JV or independently after a capital raising.

Given the size of the polymetallic footprint at Simuku, and its location, Swiridiuk was confident of the project's appeal to prospective partners.

"Simuku is a major mineralised system on the doorstep of a port, a major town and a potential geothermal energy source, so the vital infrastructure is already in place for future development."

Coppermoly is also listed on the Port Moresby Stock Exchange, joining the local bourse in December last year.

– Andrew Pascoe



Coppermoly's recent drilling included a hit of 282m @ 0.45% copper and 64 ppm moly