

## MEDIA COVERAGE



### **Coppermoly joins with Barrick in PNG**

Monday, 12 October 2009

SHARES in Papua New Guinea-focused explorer Coppermoly nearly doubled this morning after the company said it has signed a letter agreement with mining giant Barrick Gold Corporation for a farm-in and joint venture deal, which could be worth up to \$A20 million.

Barrick can earn up to a 72% interest in Coppermoly's three projects on New Britain Island by spending up to \$20 million.

Under the deal, Barrick is obligated to spend \$3 million within the first two years, while the full \$20 million must be spent within eight years.

Once Barrick has earned 72%, Coppermoly can choose to fund its 28% share of costs from 50% of its share of the revenue once the projects are in production.

The letter agreement is conditional on Barrick completing due diligence, which must occur before November 8.

Once the conditions of the letter agreement are satisfied, Barrick will subscribe for 6.3 million Coppermoly shares at 9c per share for \$567,868, representing 5% of the company.

Coppermoly said it would have around \$2.8 million in cash following the transaction.

The three projects are Mt Nakru, Talelumas and Simuku, which has an inferred mineral resource estimate of 200 million tonnes grading 0.47% copper equivalent containing 700,000t of copper, 12,000t of molybdenum, 400,000 ounces of gold and 13 million ounces of silver, using a cut-off grade of 0.3% copper.

Shares in Coppermoly reached as high as 19c this morning, but were last trading 38% or 4c up to 14.5c.