



COPPERMOLY
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ASX Announcement

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ASX Code: COY

IN-PRINCIPLE AGREEMENT

In November 2012, Barrick (PNG Exploration) Limited ('Barrick') and Coppermoly Limited ('Coppermoly' 'the Company') agreed to enter into exclusive negotiations to see if the parties could enter into a proposed transaction concerning the West New Britain Project tenements (Exploration Licence numbers 1077 Simuku, 1043 Nakru and 1445 Talelumas).

Barrick has agreed to extend the period of exclusivity for Coppermoly until 31 December 2012 to enable Coppermoly and interested third parties to finalise commercial terms. If Barrick is satisfied with the transaction arrangement, Barrick will extend exclusivity for a reasonable period of time to prepare formal sales documentation and achieve completion with Coppermoly.

Coppermoly is in discussions with a number of parties to complete the transaction and the Board favours a transaction which would involve the purchase and immediate sale of the tenements which would result in a net **cash surplus position to Coppermoly**.

The Board of Directors of Coppermoly believe that realising a cash value for the West New Britain Project tenements will position the Company for a sustainable future and enable it to capitalise upon its existing expertise, capabilities and facilities in the same proven, highly mineralised region.

Coppermoly intends to maintain its existing exploration base in Kimbe, the provincial capital of the West New Britain Province of Papua New Guinea and on successful completion of such a transaction will intensify and focus its exploration activities on the Makmak Exploration Licence (EL 2014).

The Makmak Licence is held 100% by Coppermoly and is located on the same geological trend as the West New Britain Project tenements – the Kula Awit Fold Belt. Exploration of the Makmak Exploration Licence to-date has generated a number of very exciting targets for further exploration, the first stage of which will be scheduled to commence in the first quarter of 2013.

On behalf of the board,

Maurice Gannon

DIRECTOR OF OPERATIONS / COMPANY SECRETARY / CFO

For further information please contact Peter Swiridiuk or Maurice Gannon on (07) 5592 1001 or visit www.coppermoly.com.au,