



**COPPERMOLY**  
Limited

ABN 54 126 490 855

## **NOTICE OF ANNUAL GENERAL MEETING**

Notice is hereby given that the Annual General Meeting (**AGM**) of Coppermoly Ltd (**Company**) will be held at their offices at Level 1, 94 Bundall Road, Bundall, Queensland on Wednesday 18<sup>th</sup> November 2009 at 1.00pm (AEST).

### **ITEMS OF BUSINESS**

#### **Ordinary business**

#### **Financial Report and Directors' and Auditor's Reports**

To receive and consider the financial report of the Company and the reports of the Directors and of the Auditors for the financial year ended 30 June 2009.

#### **Resolution 1: Re-Election of Director – Mr Ces Iewago**

To consider, and if thought fit, to pass the following resolution as an ordinary resolution:

“That, Mr Ces Iewago, who was appointed and retires as a Director of the Company in accordance with Article 15.4 of the Company's constitution and, being eligible, is re-elected as a director of the Company.”

#### **Resolution 2: Re-Election of Director – Mr Dal Brynelsen**

To consider, and if thought fit, to pass the following resolution as an ordinary resolution:

“That, Mr Dal Brynelsen, who retires by rotation in accordance with rule 16.1 of the Company's constitution and being eligible, is re-elected as a director of the Company.”

#### **Resolution 3: Adoption of the remuneration report**

To consider, and if thought fit, to pass the following in accordance with section 250R(2) of the *Corporations Act 2001* (Cth):

“That, the remuneration report for the financial year ended 30 June 2009 as disclosed in the Company's Annual Report be adopted.”

*NB: This resolution shall be determined as if it were an ordinary (majority) resolution, but in accordance with section 250R(3) of the Corporations Act 2001 (Cth), the vote is advisory only and does not bind the Directors of the Company.*

#### **Resolution 4: Change of Auditor**

To consider, and if thought fit, to pass the following resolution as an ordinary resolution:

“That BDO Kendalls Audit & Assurance (QLD) Pty Ltd be appointed auditor of the Company.”

A notice of nomination of BDO Kendalls Audit & Assurance (QLD) Pty Ltd as auditor of the Company is enclosed (Annexure A) with this notice in accordance with Section 328B(3) of the Corporations Act 2001.

Without limitation, Section 327B of the Corporations Act is relevant to this resolution.

#### **Special Business**

#### **Resolution 5: Approval of Directors & Officers Option Plan**

To consider and, if thought fit, pass the following as an ordinary resolution:

“That, for the purposes of ASX Listing Rule 7.2 (Exception 9) and for all other purposes, approval is given for the establishment of the Coppermoly Directors & Officers Option Plan (**Option Plan**) on the terms and conditions summarised in the accompanying Explanatory Statement, and the grant of options from time to time under the Option Plan as an exception to ASX Listing Rule 7.1.”

#### **Resolution 6: Approval for the Issue of Options to Directors**

To consider and, if thought fit, pass the following as an ordinary resolution:

“That, for the purposes of ASX Listing Rule 10.14 and for all other purposes, and subject to the passing of Resolution 5, approval is given for the grant of a total of 7 million options over shares to the current Directors (including Maurice Gannon as an alternate Director) of the Company on the terms described in the accompanying Explanatory Statement and in accordance with the Option Plan.”

#### **Resolution 7: Ratification of the Issue of Options**

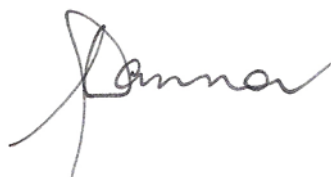
To consider and, if thought fit, pass the following as an ordinary resolution:

“That, for the purposes of ASX Listing Rule 7.4, and for all other purposes, the prior issue of 378,812 options to Novus Capital Limited as part of a broker’s commission paid to Novus Capital Limited for placing shortfall securities under the Rights Issue Prospectus dated 4 August 2009 on the terms set out in the accompanying Explanatory Statement be ratified.”

#### **Final Item of Business:**

To transact any other business that may be lawfully brought forward in accordance with the Constitution of the Company and the *Corporations Act 2001* (Cth).

By order of the Board  
Dated: 16 October 2009



M. Gannon  
**Company Secretary**

## Eligibility to Attend and Vote at Meeting

The Board has determined that a shareholder's voting entitlement at the AGM will be taken to be the entitlement of the person shown in the register of members at 7.00pm (Sydney time) on 16 November 2009.

You may vote by attending the meeting in person or by proxy (see below).

Ordinary resolutions require the support of more than 50% of those shareholders voting in person, by proxy, by representative or by attorney. Special resolutions require the support of at least 75% of those shareholders voting in person, by proxy, by representative or by attorney. There are no special resolutions proposed at this AGM.

Every question raised at this AGM will be decided in the first instance by a show of hands. A poll may be demanded in accordance with the Company's constitution.

On a show of hands, every shareholder who is present in person or by single proxy, representative or attorney, will have one vote. Upon a poll, every person who is present in person or by proxy, representative or attorney, will have one vote for each share held by that person.

## Notes

- (i) A shareholder entitled to attend and vote at the AGM may appoint not more than two proxies to attend and vote instead of such shareholder.
- (ii) A proxy appointment may be authorised by a shareholder in any manner approved by Directors (subject to the Act) and as specified in this notice of meeting.
- (iii) An instrument appointing a proxy must be in writing under the hand of the appointer or of the appointer's attorney duly authorised in writing; or if the appointer is a corporation under its common seal or the hand of its duly authorised attorney.
- (iv) Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the shareholders' voting rights and neither proxy may vote on a show of hands.
- (v) A proxy need not be a shareholder of the Company.
- (vi) Any corporation which is a shareholder of the Company by a resolution of its directors may authorise any person it thinks fit to act as its representative at the AGM, that person acting in accordance with that authority (until it is revoked by the corporation), is entitled to exercise the same powers on behalf of that corporation as that corporation could exercise if it were a nature person who was a shareholder of the Company.
- (vii) A proxy form and the authority (if any) under which it is signed or a copy of that authority certified as a true copy by statutory declaration must be returned to the Secretary, at the registered office or forwarded to P.O. Box 6965, Gold Coast Mail Centre, Queensland 9726, Australia.
- (viii) Proxy forms must be received not less than 48 hours before the time for holding the meeting.

## Voting Exclusion Statement

In accordance with the ASX Listing rules, the Company will disregard any votes cast by the following persons in respect of the noted Resolutions:

- Resolution 5 (Approval of Directors & Officers Option Plan) by any Director of the Company and their associates;
- Resolution 6 (Approval for the issue of options to Directors) by any Director of the Company and their associates;
- Resolution 7 (Ratification of the issue of options) by Novus Capital Limited and any associate of Novus Capital Limited.

However, the Company does not need to disregard votes:

- by such a person as proxy for another person who is entitled to vote and the vote is cast in accordance with the directions on the proxy form; or
- if the vote is cast by the person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

## EXPLANATORY STATEMENT TO MEMBERS

This Explanatory Statement forms part of the Notice of Meeting and should be read with the Notice of Meeting.

### Financial Report and Directors' and Auditor's Reports

The *Corporations Act 2001* (Cth) (**Act**) requires that the report of the Directors, the report of the auditor and the financial reports be presented to the AGM. In addition the Company's constitution provides for such reports and statements to be received and considered at the AGM. Apart from the matters involving remuneration which are required to be voted upon, neither the Act nor the Company's constitution requires a vote of shareholders at the AGM on such reports or statements, however shareholders will be given ample opportunity to raise questions with respect to these reports and statements at the meeting.

### Resolution 1: Re-Election of Director – Mr Ces Iewago

Article 15.4 of the Company's constitution provides that the Directors have power at any time and from time to time to appoint any person as a Director either to fill a casual vacancy or as an addition to the Directors. Any Director so appointed will retire at the next following general meeting of the Company and will then be eligible for re-election.

Mr Iewago was appointed on 1 November 2008. The Company's 2008 AGM was held on 19 November 2008 and consequently there was not enough time to seek approval for Mr Iewago's appointment under Article 15.4 at that AGM.

Ces Iewago, BACom, MBA, FAICD holds a Master of Business Administration, is a Fellow of the Australian Institute of Company Directors, and has over 20 years experience in business banking, financial services and investments sectors in Papua New Guinea. Mr Iewago previously served as Managing Director of Public Officers Superannuation Fund. He was Country Director and General Manager of Investment Bank, Merrill Lynch in Papua New Guinea (1997 to 2000), and was responsible for its corporate and retail business. He also held the position of Deputy Managing Director of Papua New Guinea's first Merchant Bank, Resources & Investment Finance Ltd (1990 to 1996) responsible for Marketing, Corporate Business and Portfolio Management. He is a director of New Guinea Gold Corporation and a number of Papua New Guinea companies.

The Directors, with Mr Iewago abstaining, recommend the reappointment of Mr Iewago to the Board.

### Resolution 2: Re-Election of Director – Mr Dal Brynelsen

Article 16.1 of the Company's constitution provides that one-third of the Company's Directors (excluding Directors appointed under Article 15.4 or Article 19.3 and the Managing Director) will retire from office and be eligible for re-election each year.

In accordance with Article 16.1 and the Corporations Act, Mr Dal Brynelsen retires as Director by rotation and, being eligible, offers himself for re-election.

Dal Brynelsen holds a Diploma in Urban Land Economics from the University of British Columbia and is a licensed real estate broker of the Real Estate Council of British Columbia. Mr Brynelsen has over 30 years of experience in the mining industry, including the discovery, financing and bringing into production of two gold mines in Canada. He is a founding Director of Griffin Mining NPL, being the first Western company to build a mine in China in 100 years, Griffin operates a zinc mine and has approximately 400 employees. Mr Brynelsen is also Director, President & CEO of Vangold Resources Ltd (TSX) and Director of International Beryllium Corp. (TSX), and International Silver Ridge Inc (TSX).

The Directors, with Mr Dal Brynelsen abstaining, recommend the reappointment of Mr Dal Brynelsen to the Board.

### **Resolution 3: Adoption of the Remuneration Report**

The remuneration report is set out on pages 16 to 21 of the Coppermoly 2009 Annual Report (**Remuneration Report**). It is also available on the Company's website [www.coppermoly.com.au](http://www.coppermoly.com.au).

The Act requires listed companies to put an annual non-binding resolution to shareholders to adopt the Remuneration Report. In line with the legislation, this vote will be advisory only, and does not bind the Directors or the Company. However, the Board will take the discussion at the meeting into consideration when determining the Company's remuneration policy. The Directors believe remuneration as per the report is modest and is at or below industry levels.

The Remuneration Report sets out the remuneration policy for the Company and:

- reports and explains the remuneration arrangements in place for Directors and senior management;
- explains Board policies in relation to the nature and value of remuneration paid to Directors and senior managers; and
- discusses the relation between Board policies and the Company's performance.

A reasonable opportunity will be provided for discussion of the Remuneration Report at the AGM.

The Directors unanimously recommend shareholders approve the adoption of the Remuneration Report.

### **Resolution 4: Change of Auditor**

As a result of an internal restructure of the accounting firm that currently provides audit services to the Company, BDO Kendalls (QLD) (the partnership currently appointed as auditor of the Company) needs to resign as auditor effective from the date of the Annual General Meeting (AGM). BDO Kendalls Audit & Assurance (QLD) Pty Ltd (an Authorised Audit Company) needs to be approved for appointment as the replacement auditor at the AGM. A copy of the Notice of Nomination of BDO Kendalls Audit & Assurance (QLD) Pty Ltd as auditor is attached.

The members are asked to vote on the appointment of BDO Kendalls Audit & Assurance (QLD) Pty Ltd as auditor effective at the AGM.

### **Resolution 5: Approval of Directors & Officers Option Plan**

This Resolution seeks shareholder approval to establish and maintain the Coppermoly Limited Directors & Officers Option Plan (**Option Plan**) to provide ongoing incentives to Directors and officers of the Company.

It is intended that the Option Plan will sit alongside the Employee Incentive Option Plan which was established before the Company was listed, a summary of which was set out in the Company's initial public offering prospectus dated 25 October 2007 (**Prospectus**). The Employee Incentive Option Plan permits the Directors to issue options to eligible employees (excluding Directors).

If the Resolution is passed, the Option Plan will enable the Company to issue options to Directors and officers of the Company (**D&O Options**) and to issue shares to those Directors and officers if they choose to exercise their D&O Options. In the case of a Director, no D&O Options may be issued to the Director without express shareholder approval of the number and terms of the D&O Options.

#### **ASX Listing Rule 7.1**

ASX Listing Rule 7.1 limits the number of equity securities which a listed company may issue in any 12-month period without shareholder approval. This limit is, generally speaking, no more than 15% of the total number of equity securities on issue at the date of issue.

An exception to ASX Listing Rule 7.1 is ASX Listing Rule 7.2, Exception 9, which provides that ASX Listing Rule 7.1 does not apply to an issue under an employee incentive scheme if, within the three years before the date of issue, shareholders have approved the issue as an exception to ASX Listing Rule 7.1.

Shareholder approval is sought to establish the Option Plan to enable the Company to subsequently grant the D&O Options (excluding any made to Directors or other relevant related parties) under the Option Plan without having to obtain shareholder approval each time the Company wishes to issue securities which

exceed the 15% limit contained in ASX Listing Rule 7.1 and do not otherwise fall within one of the nominated ASX Listing Rule exemptions.

No securities have been issued under the Option Plan as at the date of this Explanatory Statement.

The Option Plan is intended to attract and retain Directors and officers, motivate Directors and officers to improve the Company's performance and align the interests of Directors and officers with those of the Company and its shareholders.

The Directors unanimously recommend shareholders vote in favour of this Resolution.

A summary of the Option Plan is set out in the following table:

Key provision	Explanation
<b>Eligibility criteria</b>	The Option Plan is open to eligible Directors and officers of the Company ( <b>Eligible Participants</b> ).
<b>Grant of options</b>	<p>All options are offered to Eligible Participants for no consideration.</p> <p>An offer made under the Option Plan must be in writing and specify, amongst other things:</p> <ul style="list-style-type: none"> <li>• the number of options for which the Eligible Participant may apply;</li> <li>• the period within which the options may be exercised and any conditions to be satisfied before they can be exercised;</li> <li>• the option expiry date;</li> <li>• consideration (if any) for the issue of the options to the Eligible Participant; and</li> <li>• the exercise price of the options, as determined by the Board in its absolute discretion.</li> </ul>
<b>Exercise</b>	The options may be exercised (subject to any conditions that must be satisfied before they can be exercised), by the Eligible Participant giving a signed notice ( <b>Notice of Exercise of Options</b> ) to the Company and paying the exercise price in full. On exercise the Company will issue the Eligible Participant with the relevant number of ordinary shares and apply for official quotation of those.
<b>Lapse</b>	The options will lapse on the earlier of the date specified by the Board in the offer or on the happening of any one or more of the events specified in the Option Plan rules, including termination of employment or resignation, or within 12 months of redundancy, death or total and permanent disablement.
<b>Rights of Eligible Participants</b>	Once the shares are allotted after the options have been exercised, the Eligible Participant will hold the shares free of restrictions and the shares will rank equally with all other ordinary shares on issue. The shares will rank for dividends declared on or after the date of issue but will carry no right to receive any dividend before the date of issue.
<b>Change to Company's capital</b>	<p>If the Company undergoes a reorganisation or reconstruction of the issued capital of the Company or any other such change, the number of underlying securities or the exercise price or both will be correspondingly changed to the extent necessary to comply with the ASX Listing Rules applying to that change at that time. In all other respects the terms for the exercise of the options remain unchanged.</p> <p>In the event of any pro rata bonus or cash issues of securities by the Company, the number of shares over which an option exists and the exercise price will be adjusted in the manner specified in ASX Listing Rule 6.22 and in writing to the Eligible Participant.</p> <p>In the event of a change of control, the Board will have discretion to deal with the options, including allowing accelerated vesting or the issue of options in the substituted corporation (if applicable).</p>

Key provision	Explanation
<b>Participation in new issues</b>	<p>Eligible Participants are not entitled to participate in any new issue to existing shareholders in the Company unless they have become entitled to exercise their options under the Option Plan and exercise their options before the record date for the determination of entitlements to the new issue of securities and participate as a result of being shareholders.</p> <p>The Company must give Eligible Participants, in accordance with the ASX Listing Rules as applicable, notice of any new issues of securities before the record date for determining entitlements to the new issue.</p>
<b>Dealing with options</b>	<p>Except as set out below, an Eligible Participant must not dispose of or grant a security interest over or otherwise deal with an option or an interest in an option, and the security interest or disposal or dealing is not recognised in any manner by the company. .</p> <p>Options may be transferred, by an instrument of transfer, in the following circumstances only:</p> <ul style="list-style-type: none"> <li>(a) a transfer constituting the necessary transfer documents following an acceptance of an offer made under an off-market bid relating to options;</li> <li>(b) a transfer to a bidder on the sale of the options under Division 3 of Part 6A.1 of the Corporations Act;</li> <li>(c) a transfer to a 100% holder on the sale of the options under Division 2 of Part 6A.2 of the Corporations Act;</li> <li>(d) a transfer under Part 6A.3 of the Corporations Act to a person entitled to acquire the options under section 661A or 664A of the Corporations Act; or</li> <li>(e) a transfer approved by the Board in those circumstances as may be determined by the Board.</li> </ul>
<b>Termination and amendment</b>	<p>The Option Plan may be terminated or suspended or amended (except where the amendment reduces the rights of the holders of options unless required by law) at any time by the Board.</p>
<b>Administration</b>	<p>The Option Plan is administered by the Board, which has an absolute discretion to determine appropriate procedures for its administration and resolve questions of fact or interpretation and formulate special terms and conditions (subject to the ASX Listing Rules) in addition to those set out in the Option Plan.</p>

## Resolution 6: Approval for the issue of options to Directors

Subject to the approval of Resolution 5, the Company proposes to issue options to each Director of the Company pursuant to the Option Plan. The total number of options proposed to be issued to Directors is 7,000,000 (in the proportions as described below) (**New Options**).

The approval to Resolution 5 permits the Company to issue options under the Option Plan to Eligible Participants during the period of three years from the date of this AGM without obtaining any further member approval. However, pursuant to ASX Listing Rule 10.14 and Chapter 2E of the Act, specific member approval will still be required for any issue under the Option Plan to Directors or other 'related parties' as defined in the Listing Rules and the Act. Therefore, shareholder approval to this Resolution, pursuant to ASX Listing Rule 10.14 and section 208 of the Act, is required before the grant of the New Options can proceed.

As disclosed in the Prospectus, the following current Directors held options (**Old Options**) on the following terms in the Company immediately prior to lodgement of the Prospectus with ASIC:

Director	Number of Old Options held	Terms
Robert McNeil	1,000,000	Exercise price: \$0.30, Expiry date: 3 years after issue; subject to escrow in accordance with the Listing Rules.
Peter Swiridiuk	1,000,000	Exercise price: \$0.30, Expiry date: 3 years after issue; subject to escrow in accordance with the Listing Rules.
Dal Brynelsen	500,000	Exercise price: \$0.30, Expiry date: 3 years after issue; subject to escrow in accordance with the Listing Rules.
Peter McNeil	500,000	Exercise price: \$0.30, Expiry date: 3 years after issue; subject to escrow in accordance with the Listing Rules.

The Board has determined that given the present market conditions, there should be no increase in directors' fees. This combined with the fact that the exercise price for the Old Options is so high and literally 'out-of-the-money', has prompted the Board to determine that the Directors should be issued with New Options as a means to incentivise them and compensate for there being no increase in directors' fees for the second consecutive year.

### ASX Listing Rule requirements

The Company provides the following information in accordance with Listing Rule 10.15. Approval is sought for the grant of the New Options on the terms set out below:

Director	Number of New Options to be issued	Terms
Robert McNeil	500,000	vesting on the date of issue, exercisable on or before the date that is 3 years from the relevant vesting date at an exercise price which is 125% of the 5 day Volume Weighted Average Share Price ( <b>VWAP</b> ) for 9 November 2009 and 13 November 2009 (inclusive).
	500,000	vesting on the date of issue, exercisable on or before the date that is 3 years from the relevant vesting date at an exercise price which is 150% of the 5 day VWAP for 9 November 2009 and 13 November 2009 (inclusive).
Peter Swiridiuk	750,000	vesting on the date of issue, exercisable on or before the date that is 3 years from the relevant vesting date at an exercise price which is 125% of the 5 day VWAP for 9 November 2009 and 13 November 2009 (inclusive).
	750,000	vesting on the date of issue, exercisable on or before the date that is 3 years from the relevant vesting date at an exercise price which is 150% of the 5 day VWAP for 9 November 2009 and 13 November 2009 (inclusive).
Dal Brynelsen	500,000	vesting on the date of issue, exercisable on or before the date that is 3 years from the relevant vesting date at an exercise price which is 125% of the 5 day VWAP for 9 November 2009 and 13 November 2009 (inclusive).
	500,000	vesting on the date of issue, exercisable on or before the date that is 3 years from the relevant vesting date at an exercise price which is 150% of the 5 day VWAP for 9 November 2009 and 13 November 2009 (inclusive).



Director	Number of New Options to be issued	Terms
Peter McNeil	750,000	vesting on the date of issue, exercisable on or before the date that is 3 years from the relevant vesting date at an exercise price which is 125% of the 5 day VWAP for 9 November 2009 and 13 November 2009 (inclusive).
	750,000	vesting on the date of issue, exercisable on or before the date that is 3 years from the relevant vesting date at an exercise price which is 150% of the 5 day VWAP for 9 November 2009 and 13 November 2009 (inclusive).
Ces Iewago	500,000	vesting on the date of issue, exercisable on or before the date that is 3 years from the relevant vesting date at an exercise price which is 125% of the 5 day VWAP for 9 November 2009 and 13 November 2009 (inclusive).
	500,000	vesting on the date of issue, exercisable on or before the date that is 3 years from the relevant vesting date at an exercise price which is 150% of the 5 day VWAP for 9 November 2009 and 13 November 2009 (inclusive).
Maurice Gannon	500,000	vesting on the date of issue, exercisable on or before the date that is 3 years from the relevant vesting date at an exercise price which is 125% of the 5 day VWAP for 9 November 2009 and 13 November 2009 (inclusive).
	500,000	vesting on the date of issue, exercisable on or before the date that is 3 years from the relevant vesting date at an exercise price which is 150% of the 5 day VWAP for 9 November 2009 and 13 November 2009 (inclusive).

The names of all Directors or associates of Directors entitled to participate in the Option Plan whom it is planned the New Options will be issued to are:

- Robert McNeil;
- Peter Swiridiuk;
- Dal Brynelsen;
- Peter McNeil;
- Ces Iewago; and
- Maurice Gannon (as Alternate Director to Robert McNeil per Company announcement dated 1 October 2009).

The issue of the New Options is contingent upon shareholder approval to this Resolution. The issue will be made as soon as possible following approval but in any event within 12 months from the date of the AGM.

There is no intention for the Company to grant a loan in relation to the New Options or acquisition of shares under the New Options.

Consistent with Listing Rule 10.15.4, no other person, being a person referred to in Listing Rule 10.14 has received securities under the Option Plan.

As noted above, a total of 7,000,000 New Options are proposed to be issued to the Directors.

The New Options will be granted under and subject to the terms of the Option Plan, approval for which is sought under Resolution 5.

### Chapter 2E Corporation Act requirements

Chapter 2E of the Act regulates the provision of financial benefits to related parties by a public company. The issue of the New Options contemplated by this Resolution 6 constitutes the provision of a financial benefit to related parties. Section 229 of the Act includes, as an example of a financial benefit, the issuing of securities or the granting of an option to a related party.

A “related party” is widely defined under the Corporations Act, and includes Directors of the Company.

A “financial benefit” is construed widely and in determining whether a financial benefit is being given, section 229 of the Act requires that any consideration that is given or may be given for the benefit is disregarded, even if the consideration is adequate. It is necessary to look at the economic and commercial substance and the effect of the transaction in determining the financial benefit.

Chapter 2E of the Act prohibits the Company from giving a financial benefit to a related party of the Company unless either:

- a) the giving of the financial benefits falls within one of the exceptions to the provisions; or
- b) prior shareholder approval is obtained to the giving of the financial benefit.

**Information requirements**

For the purposes of Chapter 2E, the Directors are clearly related parties of the Company.

For the purposes of Section 219 of the Act, the following additional information is provided to shareholders to enable them to assess the merits of this Resolution.

*The Related Party to whom the proposed resolutions would permit the benefit to be given*

Robert McNeil, Peter Swiridiuk, Dal Brynelsen, Peter McNeil and Ces Iewago as Directors, and Maurice Gannon as alternate Director, are related parties to whom the proposed resolutions would permit the benefit to be given.

*The nature of the financial benefit*

The nature of the proposed financial benefit to be given is the grant of New Options to each of the Directors set out above under the heading “ASX Listing Rule requirements” of this Explanatory Statement.

The Company currently has on issue 123,022,932 shares and 48,137,506 options to acquire shares. On the assumption that all of the existing options held by non-related parties are not exercised, the relevant interests of the Directors are set out in the table below. Using the same assumption and further assuming:

- the Directors Old Options are not exercised;
- the Directors exercise the New Options to be issued under this Resolution 6; and
- no more shares are issued by the Company and no options are exercised,

**(Assumptions)**, the relevant interests of the Directors in shares before and after the transactions described in this Notice of Meeting are set out in the table below:

‘related party’	Current No. of shares held	Current % of shares Held	Current No. of Old Options held	No. of New Options to be issued pursuant to Resolution 6	No. of shares on issue (based on Assumptions)	% of shares on issue (based on Assumptions)
<b>Robert McNeil</b>	1,181,000	.0096%	1,000,000	1,000,000	2,181,000	.0177%
<b>Peter Swiridiuk</b>	320,000	.0026%	1,000,000	1,500,000	1,820,000	.0148%
<b>Dal Brynelsen</b>	1,450,000	.0118%	500,000	1,000,000	2,450,000	.0199%
<b>Peter McNeil</b>	15,000	.0001%	500,000	1,500,000	1,515,000	.0123%
<b>Ces Iewago</b>	390,000	.0032%	-	1,000,000	1,390,000	.0113%
<b>Maurice Gannon</b>	500,000	.0041%	-	1,000,000	1,500,000	.0122%

*Dilution of non-related party shareholders*

If the New Options to be issued under this Resolution 6 are exercised (but assuming that the Old Options held by the Directors are not exercised), the Company’s issued share capital will increase by 7,000,000 shares representing 5.72% of the issued share capital of the Company on a fully diluted basis, diluting the shareholders by a corresponding amount.

The market price for shares during the term of the New Options would normally determine whether or not the New Options are exercised. If, at any time, any of the New Options are exercised and the shares are trading on ASX at a price that is higher than the exercise price of the New Options, there may be a perceived cost to the Company.

### Directors' recommendations

The Directors decline to make a recommendation to non-associated shareholders in relation to Resolution 6 because they have a material personal interest in the outcome of the Resolution in that they will receive New Options if the resolution is passed.

*Other information that is reasonably required by members to make a decision and that is known to the Company or any of its Directors*

It is a requirement of ASIC that a dollar value be placed on the New Options to be issued to the Directors.

The Black Scholes option price calculation method has been used as a valuation model in the current circumstances where the New Options cannot be readily valued by some other means.

The key assumptions used in this calculation are that:

- 3,500,000 New Options will vest on the date of issue and are exercisable on or before the date that is 3 years from the relevant vesting date at an exercise price per New Option which is 125% of the 5 day VWAP for 9 November 2009 and 13 November 2009 (inclusive); and
- 3,500,000 New Options will vest on the date of issue and are exercisable on or before the date that is 3 years from the relevant vesting date at an exercise price per New Option which is 150% of the 5 day VWAP for 9 November 2009 and 13 November 2009 (inclusive);
- the price volatility of the Shares since the company listed on the Australian Stock Exchange is 444%;
- no discount has been allowed notwithstanding their unlisted status; and
- the average current risk free interest rate is 5.75% over 3 years and 6.50% over 4 years.

On this basis, assuming the 5 day VWAP for 9 November 2009 and 13 November 2009 (inclusive) is \$0.10 the implied "value" being received by each of the Directors is \$0.0775 per New Option for the options. Therefore the implied value being received by each of the Directors for the New Options is as follows:

Director	Implied Value
Robert McNeil	\$77,500
Peter Swiridiuk	\$116,250
Dal Brynelsen	\$77,500
Peter McNeil	\$116,250
Ces Iewago	\$77,500
Maurice Gannon	\$77,500

If the New Options the subject of Resolution 6 are all exercised, assuming exercise prices of \$0.125 for the 125% VWAP options and \$0.150 for the 150% VWAP options, the Company will receive \$962,500.

The relevant Directors' current salaries per annum (including superannuation), or consulting fees and the total financial benefit to be received by them when added to the implied "value" to be received by each of the Directors as a result of the grant of the New Options the subject of Resolution 6 is as follows:

Director	Fees p.a. (\$)	Implied Value of Options to be issued (\$)	Total value of remuneration & Options(\$)
Robert McNeil	\$21,800	\$77,500	\$99,300
Peter Swiridiuk	\$150,000	\$116,250	\$266,250
Dal Brynelsen	\$20,000	\$77,500	\$97,500
Peter McNeil	\$43,600	\$116,250	\$159,850

Director	Fees p.a. (\$)	Implied Value of Options to be issued (\$)	Total value of remuneration & Options(\$)
Ces Iewago	\$20,000	\$77,500	\$97,500
Maurice Gannon	\$125,350	\$77,500	\$202,850

Other than as set out above, the Directors do not receive any other emoluments from the Company.

There is no GST or stamp duty payable by the Company in respect of the issue of the New Options. The Company is not aware of any adverse tax consequences as a result of the issue.

#### *Trading history*

The Company was admitted to the official of ASX Limited on 25 January 2008. During that period, the shares have traded between \$0.01 per share (lowest) and \$0.19 per share (highest). The latest trading price available at the time of preparing this Notice of Meeting was \$0.088 per share on 28 September 2009.

There is a potential benefit that accrues to each Director if the market trading price of the shares issued following exercise of the New Options exceeds the exercise price. This benefit would accrue on the sale of the shares for an amount in excess of the exercise price.

### **Resolution 7: Ratification of options**

Listing Rule 7.1 provides that (subject to certain exceptions, none of which are relevant here) prior approval of shareholders is required for an issue of securities if the securities will, when aggregated with the securities issued by the Company during the previous 12 months, exceed 15 % of the number of the shares at the commencement of that 12 month period.

The allotment and issue of securities detailed in this Resolution did not exceed the 15% threshold for the purpose of Listing Rule 7.1. Listing Rule 7.4 provides that where a company subsequently approves an issue of securities, the issue will be treated as having been made with the approval for the purpose of Listing Rule 7.1, thereby replenishing that company's 15% capacity and enabling it to issue further securities up to that limit. The Company seeks approval of the issue to preserve its ability to issue shares under the 15% limit in Listing Rule 7.1 throughout the coming 12 months.

The purpose of this Resolution is for shareholder to approve, pursuant to Listing Rule 7.4, those security issues which occurred during the 12 months before the date of this meeting which count toward the Company's 15% limit under Listing Rule 7.1.

In accordance with Listing Rule 7.5, shareholders are advised of the following particulars in relation to the allotment and issue:

Date	Issued to	Number of Securities Issued		Terms of Securities	Price Securities Issued	Gross Amount Raised	Use of funds
		Shares	Options				
28 Sep 2009	Novus Capital Limited.	-	428,906	Listed 7 cent options expiry 1 December 2011	Nil. Issued as part of Broker's Commission for placing shortfall from Rights Issue Prospectus dated 4 August 2009.	Nil	N/A

The Board recommends that shareholders vote in favour of approving the issue of securities under this resolution.

**COPY OF SHAREHOLDER NOMINATION OF NEW AUDITOR**

2 Village High Road  
Benowa Qld 4217

22 September 2009

Mr Maurice Gannon  
Company Secretary  
Coppermoly Ltd  
PO Box 6965  
GOLD COAST MAIL CENTRE QLD 9726

Dear Mr Gannon

The undersigned being a member of Coppermoly Ltd hereby nominates BDO Kendalls Audit & Assurance (Qld) Pty Ltd for appointment as auditor of the company at the forthcoming annual general meeting.

Yours sincerely



R.D. McNeil

# PROXY FORM

Coppermoly Ltd

A.B.N. 54 126 490 855

Address 1
Address 2
Address 3
Address 4
Address 5
Address 6

I/we as above being a member of Coppermoly Ltd hereby appoint

Name of Proxy (1)

--	--

failing whom, or if no person is named, the Chairman of the meeting as my/our proxy to attend and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit), and to act generally on my/our behalf at the Annual General Meeting of Coppermoly Ltd to be held at their offices at Level 1, 94 Bundall Road, Bundall, Queensland on Wednesday 18<sup>th</sup> November 2009 at 1.00pm (AEST), and any other day to which the meeting is adjourned or postponed.

### Voting instructions

The Chairman intends to vote undirected proxies for each resolution. If the Chairman is appointed as your proxy, or may be appointed by default and you do not wish to direct your proxy how to vote as your proxy in respect of a resolution, please place a mark in the box. By marking this box, you acknowledge that the Chairman may exercise your proxy even if he has an interest in the outcome of the resolutions and that votes cast by the Chairman, other than as proxy holder, will be disregarded because of that interest. If you do not mark this box, and you have not directed your proxy how to vote, the Chairman will not cast your votes on the resolution and your votes will not be counted in calculating the required majority if a poll is called on the resolution.

--

My proxy is authorised to exercise (2) all / \_\_\_\_\_ my voting rights.

I direct that my proxy vote in the following manner:-

Ordinary Resolutions		For	Against	Abstain*	
No. 1	Re-Election of Director – Mr Ces Iewago				
No. 2	Re-Election of Director – Mr Dal Brynelsen				
No. 3	Adoption of the Remuneration Report				
No. 4	Change of Auditor				
No. 5	Approval of Directors & Officers Option Plan				
No. 6	Approval for the Issue of Options to Directors				
No. 7	Ratification of Options				

\* If you mark the Abstain box for a particular item, you are directing your proxy **not** to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

Signature: (3)

--

Date:

--

### IMPORTANT

Please complete this form where indicated and return to the Company Secretary, at the registered office or forward to P.O. Box 6965, Gold Coast Mail Centre, Queensland 9726, Australia. Proxy forms must be received **not less than 48 hours** before the time for holding the meeting.

#### Notes:

- (1) Insert name of proxy. The proxy must be a natural person.
- (2) A member is entitled to appoint 1 or 2 proxies to attend and vote at the meeting. If you appoint a second proxy you must delete the word "all" and insert the proportion of your voting rights given to the proxy in this form. An additional proxy form for the other proxy will be supplied on request.
- (3) All joint holders of shares must sign this form. A corporation must sign in accordance with its Constitution.
- (4) The proxy form (and the original or a certified copy of any power of attorney under which it is signed) must be received by the Company not later than Monday 16th November 2009 at 1.00pm (AEST).