



COPPERMOLY
Limited

23 August 2013

ASX Code: COY

DESPATCH OF LETTER OF OFFER AND TIMETABLE FOR SALE OFFER

Further to the announcement by Coppermoly Limited (ASX: COY) (**Coppermoly**) on 21 August 2013, Coppermoly advises that it has today despatched the attached Letter of Offer to Eligible Shareholders (being Shareholders on the Record Date for the Offer and Shortfall Offer who were registered as having an address in Australia or New Zealand).

Eligible Shareholders are advised that the Closing Date for the Sale Offer is 5:00pm AEST on Friday, 6 September 2013, and that applications for Sale Shares must be received in accordance with the instructions contained in the Letter of Offer by 5.00pm AEST on that date.

A timetable for the Sale Offer that includes the other key dates for the Sale Offer is included below:

Record Date for determining Entitlements under the Sale Offer	Tuesday, 9 July 2013 (7pm AEST)
Announcement to ASX regarding subscriptions under original Offer and Shortfall Offer and Sale Offer	Wednesday, 21 August 2013
Letter of Offer dispatched to Eligible Shareholders	Friday, 23 August 2013
Closing Date for Applications under Sale Offer	Friday, 6 September 2013
Expected commencement of trading on a deferred settlement basis on ASX	Monday, 9 September 2013
Latest date for advising ASX of under-subscriptions for the Sale Offer	Wednesday, 11 September 2013
Shares transferred to applicants under Offer, Shortfall Offer and Sale Offer	Friday, 13 September 2013
Latest date for advising ASX of any scale back of applications for the Offer, Shortfall Offer and Sale Offer, the scale back methodology and the number of Shares retained by Jelsh Holdings Pty Ltd	Friday 13 September 2013
Normal trading of Shares re-commences	Monday, 16 September 2013
Holding statements dispatched to Applicants	Monday, 16 September 2013

Maurice Gannon
Managing Director

23 August 2013

Dear Shareholder,

Letter of Offer

As you may be aware from recent ASX announcements, an application was made to the Takeovers Panel by one of Coppermoly Limited's (**Coppermoly's**) shareholders in respect of the Offer and Shortfall Offer previously announced by Coppermoly, which closed on 30 July 2013.

As a result of that application, the Takeovers Panel has made orders that, among other things, require that:

- (a) the underwriter of the Offer, Jelsh Holdings Pty Ltd (**Underwriter**), subscribe for all of the Shares not subscribed for under the Offer or Shortfall Offer prior to 30 July 2013 (**Sale Shares**);
- (b) Coppermoly offer, on behalf of the Underwriter, Eligible Shareholders the opportunity to acquire the Sale Shares from the Underwriter on the terms contained in this Letter of Offer; and
- (c) additional disclosure be provided to Eligible Shareholders (see Sections 6 and 7 below), (**Panel's Orders**).

Therefore, in accordance with the Panel's Orders, this Letter of Offer provides Eligible Shareholders with the opportunity to acquire, from the Underwriter, the Sale Shares that will be acquired by the Underwriter in accordance with the terms of the Underwriting Agreement and the Panel's Orders (**Sale Offer**), on substantively the same terms as the Offer and Shortfall Offer by submitting an application to Coppermoly by 5.00pm AEST on Friday, 6 September 2013 (**Sale Offer Closing Date**), as set out further below.

The effect of the Panel's Orders is that any applications received for Sale Shares will be treated as if they had been made under the original Offer and Shortfall Offer.

Accordingly, if Eligible Shareholders wish to:

- (a) take up their Entitlement under the Offer, and have not yet done so; and/ or
- (b) acquire additional Shares,

they may apply for Sale Shares by completing and returning the enclosed entitlement and application form (**New Application Form**) to the address specified in that application form, or by paying the application money via BPAY® in accordance with the instructions contained in the New Application Form, by the Sale Offer Closing Date.

If you have previously lodged an Application Form for the Offer and/ or Shortfall Offer, you are not required to do anything further unless you wish to apply for additional Shares in accordance with this Letter of Offer.

Yours sincerely,



Tom Revy
Non-executive Chairman

This Letter of Offer should be read together with the Original Prospectus and the Supplementary Prospectus issued by Coppermoly for the offer of fully paid ordinary shares in Coppermoly and the announcements released to the ASX by Coppermoly since 26 June 2013. You should be aware of the various risks arising from an investment in Coppermoly, including those contained in Section 6 of the Original Prospectus, and that an investment in Coppermoly is speculative.

1. Important Information

This Letter of Offer is made in accordance with the Panel's Orders and should be read in conjunction with the prospectus dated 26 June 2013 (**Original Prospectus**) and the supplementary prospectus dated 11 July 2013 (**Supplementary Prospectus**) issued by Coppermoly (together, the **Prospectus**), together with the various announcements released to the ASX by Coppermoly since 26 June 2013 (**Announcements**), and invites Eligible Shareholders to acquire Sale Shares from the Underwriter on the terms contained in this Letter of Offer.

Capitalised terms used, but not defined, in this Letter of Offer have the same meaning as ascribed to them in the Original Prospectus.

This is an important document that should be read, in conjunction with the Original Prospectus, the Supplementary Prospectus and the Announcements, in its entirety. Specifically, Eligible Shareholders should be aware of the various risks arising from an investment in Coppermoly, including those contained in Section 6 of the Original Prospectus, and that an investment in Coppermoly is speculative. If you do not understand it, you should consult your professional advisor.

2. Sale Offer

In accordance with the Panel's Orders, this Letter of Offer invites Eligible Shareholders:

- (a) who did not take-up their Entitlement under the Offer, to acquire one Sale Share for every four Shares held as at the Record Date at an issue price of \$0.045 per Sale Share; and
- (b) to acquire any additional Sale Shares that are not taken up by other Eligible Shareholders at an issue price of \$0.045 per Sale Share,

in accordance with the instructions contained in Sections 3 and 4 of this Letter of Offer by 5.00pm AEST on the Sale Offer Closing Date, being Friday, 6 September 2013.

Following receipt of an application for Sale Shares in accordance with this Letter of Offer, Coppermoly will procure that the Sale Shares to be acquired by the applicant are transferred from the Underwriter to the applicant, such that the effect of the Sale Offer will be the same as if the Eligible Shareholder had applied for Shares under the original Offer and Shortfall Offer.

In addition to the Sale Offer Closing Date, the other key dates relating to the Sale Offer are as follows:

Record Date for determining Entitlements under the Offer	Tuesday, 9 July 2013 (7pm AEST)
Announcement to ASX regarding subscriptions under original Offer and Shortfall Offer and Sale Offer	Wednesday, 21 August 2013
Letter of Offer dispatched to Eligible Shareholders	Friday, 23 August 2013
Closing Date for Applications under Sale Offer	Friday, 6 September 2013
Expected commencement of trading on a deferred settlement basis on ASX	Monday, 9 September 2013

This Letter of Offer should be read together with the Original Prospectus and the Supplementary Prospectus issued by Coppermoly for the offer of fully paid ordinary shares in Coppermoly and the announcements released to the ASX by Coppermoly since 26 June 2013. You should be aware of the various risks arising from an investment in Coppermoly, including those contained in Section 6 of the Original Prospectus, and that an investment in Coppermoly is speculative.

Latest date for advising ASX of under-subscriptions for the Sale Offer	Wednesday, 11 September 2013
Shares transferred to applicants under Offer, Shortfall Offer and Sale Offer	Friday, 13 September 2013
Latest date for advising ASX of any scale back of applications for the Offer, Shortfall Offer and Sale Offer, the scale back methodology and the number of Shares retained by Jelsh	Friday 13 September 2013
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3. Application for Entitlement Amount

Eligible Shareholders who did not subscribe for their full Entitlement under the Offer may acquire Sale Shares as follows:

- (a) if they wish to acquire the full amount of their Entitlement, by:
 - (1) completing the New Application Form; and
 - (2) attaching a cheque, drawn on an Australian bank or bank draft made payable in Australian currency, for the amount indicated on the New Application Form. If paying via BPAY® please refer to Section 5 of this Letter of Offer; or
- (b) if they only wish to acquire part of the amount of their Entitlement, by:
 - (1) filling in the number of Sale Shares they wish to acquire in the space provided on the New Application Form; and
 - (2) attaching a cheque, drawn on an Australian bank or bank draft made payable in Australian currency, for the appropriate application monies (at \$0.045 per Sale Share). If paying via BPAY® please refer to Section 5 of this Letter of Offer.

If you have previously subscribed for your full Entitlement under the Offer, you will not be entitled to acquire the amount of your Entitlement under the Sale Offer but will still be entitled to acquire additional Sale Shares in accordance with Section 4 of this Letter of Offer.

Any application for your Entitlement amount of Sale Shares must not exceed your Entitlement as shown in the New Application Form. If it does, that application will be deemed to be for your maximum Entitlement.

4. Applications for additional Sale Shares

Eligible Shareholders, other than a member of the Jelsh Group (as defined below), may also apply for additional Sale Shares in excess of the amount of their Entitlement by applying for additional Sale Shares in accordance with the instructions contained in the New Application Form.

Eligible Shareholders may acquire additional Sale Shares irrespective of whether they have previously subscribed for Shortfall Shares. However, if you have previously subscribed for

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Shortfall Shares, you should be aware that any application for Sale Shares shall be in addition to the number of Shortfall Shares that you have previously applied for.

Any Sale Shares applied for in excess of the amount of your Entitlement will be issued from the excess of any Sale Shares not applied for by other Eligible Shareholders (if any) and there is no guarantee that you will receive all or any of the amount of the Sale Shares applied for in excess of your Entitlement.

Subject to the limitations contained in the Corporations Act, Eligible Shareholders who apply for Sale Shares in excess of the amount of their Entitlement will be allocated the lesser of:

- (a) the number of additional Sale Shares applied for; and
- (b) if the number of additional Sale Shares available for subscription is less than the aggregate number of additional Sale Shares applied for by all unsatisfied applicants, the number of additional Sale Shares applied for scaled on a pro rata basis according to all unsatisfied applicants' respective shareholdings in Coppermoly as at the Closing Date for the original Offer.

If, after completing the allocation process referred to immediately above, there are any remaining Sale Shares, that allocation process will be repeated in rounds until all applications for Sale Shares have been satisfied in full or there are no further Sale Shares.

Any Sale Shares remaining after completion of the steps outlined above will be retained by the Underwriter.

For the purpose of this Letter of Offer, the Jelsh Group shall mean, together, Jelsh Holdings Pty Ltd, WXH Holdings Pty Ltd, WXH Holdings Limited, Wanfu Huang and Xiaoyi Shen.

5. Payment

Eligible Shareholders may pay the relevant application money for any Sale Shares applied for pursuant to this Letter of Offer as outlined below.

Payment by cheque/bank draft

All cheques must be drawn on an Australian bank cheque or bank draft made payable in Australian currency to "**Coppermoly Limited – Issue A/C**" and crossed "Not Negotiable".

The completed New Application Form and cheque must be received by Coppermoly's Share Registry no later than 5.00pm AEST on the Sale Offer Closing Date (by post) at:

Boardroom Pty Limited
GPO Box 3993
SYDNEY NSW 2001

Payment by BPAY®

For payment by BPAY®, please follow the instructions contained in the New Application Form. Applicants can only pay via BPAY® if they are the holder of an account with an Australian financial institution that supports BPAY® transactions. Please note that should an Eligible Shareholder choose to pay by BPAY®:

- (a) they do not need to submit the New Application Form but are taken to have made the declarations on that New Application Form; and

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- (b) if they do not pay for the amount of their Entitlement in full, they are deemed to have applied for the amount of their Entitlement in respect of such whole number of New Shares which is covered in full by their application monies.

It is the Eligible Shareholder's responsibility to ensure that its BPAY® payment is received by Coppermoly's Share Registry by no later than 5.00pm (AEST) on the Sale Offer Closing Date. Eligible Shareholders should be aware that their financial institution may implement cut-off times with regards to electronic payment and they should therefore take this into consideration when making payment.

Any application monies received for more than their final allocation of Sale Shares (only where the amount is \$1.00 or greater) will be refunded to applicants within 5 Business Days of the allotment procedures for the Sale Offer being completed. No interest will be paid on any application monies received or refunded.

If Eligible Shareholders have any queries concerning their Entitlement or this Letter of Offer please contact Coppermoly's Share Registry on telephone 1300 737 760 within Australia and +61 2 9290 9600 from outside Australia.

6. Outcome of the Original Offer and Shortfall Offer

Applications were received for a total of 630,815 Shares under the original Offer and Shortfall Offer. As a consequence, the total number of Sale Shares offered to Eligible Shareholders under this Letter of Offer is 35,342,331.

As a result, if no applications are received for Sale Shares in accordance with this Letter of Offer, the Underwriter and its associates will have a relevant interest in 56,487,913 Shares (of a total issued capital of 211,055,962), giving them a voting power of 26.76%.

Mr Ben Faulkner, a director of Coppermoly, who had intended to take up his full Entitlement under the Offer, was unfortunately unable to do so due to his own personal financial circumstances. Mr Faulkner has advised Coppermoly that, for these same reasons, he will not be acquiring Sale Shares pursuant to this Letter of Offer.

Mr Maurice Gannon, a director of Coppermoly, subscribed for his full Entitlement under the Offer and has confirmed to Coppermoly that he does not intend to acquire Sale Shares pursuant to this Letter of Offer.

7. Additional information regarding Underwriter's identity and intentions

The Underwriter has advised Coppermoly that, as at 19 August 2013, it:

- (a) had approximately \$2,300,000 in cash, which it intends to use to satisfy its obligations to subscribe for the Sale Shares in accordance with the Underwriting Agreement; and
- (b) intends to support the current management and Board in its continued exploration activity on Coppermoly's tenements located on New Britain island.

The Underwriter has also advised Coppermoly that it intends to exercise its right under the Underwriting Agreement to appoint Dr. Wanfu Huang as a director of Coppermoly in the event that it and its associates acquire at least 15% of Coppermoly's issued share capital.

Dr. Huang is an experienced geologist based in Brisbane, Australia, who has previously held senior positions with various entities, including BHP Billiton. Dr. Huang also has extensive experience in base metals and coal.

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Dr. Huang is also a director of the Underwriter's sole shareholder, WXH Holdings Limited (**WXH**). WXH is a private company that is registered in Hong Kong and in which Dr. Huang's wife, Xiaoyi Shen, is the sole shareholder. Dr. Huang is not a director of any publically listed companies.

The Underwriter was incorporated as a subsidiary of WXH for the purpose of underwriting the Offer, which the Underwriter considered to be an excellent opportunity to invest in Coppermoly due to the prospective nature of Coppermoly's projects.

8. ASX announcements

The Prospectus was prepared as a transaction-specific prospectus which has a specified limited content for the continuously quoted Shares. As the Shares are continuously quoted, the market has all the information necessary to reach an informed view about the relevant Shares based on disclosures made by Coppermoly to the market about its activities, financial standard and prospects up to the date of the Prospectus. It is important to note that Coppermoly has since released a number of announcements to the ASX and, as such, Eligible Shareholders should review all of those announcements on the ASX's website so that they can reach an informed view about the Shares.

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