



**COPPERMOLY**  
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**Date: 26 June 2013**

**ASX Code: COY**

**ACQUISITION OF THE WEST NEW BRITAIN TENEMENTS, PLACEMENT AND FULLY UNDERWRITTEN ENTITLEMENT OFFER**

**Agreement signed to enable Coppermoly to acquire Barrick's interest in the West New Britain Project Exploration Licences – with staged payments over five years.**

**Fully underwritten 1-for-4 non-renounceable entitlement offer to be undertaken to raise approximately \$1.95 million at \$0.045 per share.**

**Funds to be used to make the first acquisition payment to Barrick and for Coppermoly to immediately recommence exploration on all of its exploration licences.**

Coppermoly Limited (**Coppermoly**) is pleased to advise that it has entered into a binding agreement with Barrick (PNG Exploration) Limited (**Barrick**) and Coppermoly's wholly owned subsidiary, Copper Quest PNG Limited (the **Re-Acquisition Agreement**), to acquire Barrick's interest in the tenements EL 1043, EL 1445 and EL 1077 located on New Britain Island, Papua New Guinea Island (**West New Britain Project**) (**Acquisition**).

The Acquisition is conditional upon Coppermoly raising \$2,000,000.00 on or before 14 August 2013 (**Conditions Date**) (which date may be extended by Coppermoly to 30 September 2013).

To fund the Acquisition, Coppermoly also advises that it has agreed to undertake a private placement to Jelsh Holdings Pty Ltd (**Underwriter**) for 3,700,000 new fully paid ordinary shares (**Shares**) to raise \$166,500.00 (at an issue price of \$0.045 per Share) (**Placement**).

In combination with the Placement, Coppermoly advises that it will be undertaking a fully underwritten pro-rata non-renounceable entitlement offer of 1 new Share for every 4 Shares held by Eligible Shareholders at the record date (**Offer**), to raise up to \$1,950,000.00 (before costs).

Shareholders will also be entitled to apply for Shares in excess of their entitlement under the Offer by subscribing for any shortfall from the Offer (**Shortfall Offer**).

Coppermoly's Managing Director, Maurice Gannon said "*This is a fantastic outcome for Coppermoly to reacquire 100% of the West New Britain Project and, importantly, regain immediate control of the exploration activity on the West New Britain Project. Barrick has spent well over \$20 million acquiring its interest in the West New Britain Project. For Coppermoly to reacquire 100% of the project for \$5,000,000.00 over 5 years is a significant achievement*".

Of the Offer, Chairman Tom Revy said: "*We are pleased to have been able to structure the Offer in a way that not only reflects the significant opportunity that the acquisition of Barrick's interest provides Coppermoly, but also to ensure that any existing shareholders who are not able to participate in the Offer, for whatever reason, are not diluted to the same extent as would be the case if the Offer was at a discount to the current market value*".

Further details regarding the Acquisition, Placement and Offer are contained below.

On behalf of the Board.

Maurice Gannon  
**Managing Director**

## Acquisition

The Re-Acquisition Agreement provides for the termination of the letter agreement dated 9 October 2009 between Coppermoly, Copper Quest and Barrick (**Letter Agreement**) and provides for the acquisition of Barrick's interest in the West New Britain Project in three stages as follows:

- (a) under the first stage, Copper Quest will acquire an additional 23% interest from Barrick for a purchase price of \$1,000,000.00 (**Initial Payment**);
- (b) under the second stage, Copper Quest will acquire an additional 21% interest from Barrick for a purchase price of \$1,000,000.00 on or before 31 July 2014; and
- (c) under the final stage, Copper Quest will acquire a final 28% interest from Barrick for a purchase price of \$3,000,000.00 on or before the earlier of:
  - A. 31 July 2018; or
  - B. the date that Coppermoly releases a feasibility study on any one or more of the exploration licenses to the ASX.

The other key terms of the Re-Acquisition Agreement include:

- (a) (**condition precedent**): with the exception of certain provisions, the Re-Acquisition Agreement is subject to, and conditional upon, Coppermoly successfully raising a minimum of \$2,000,000.00 (**Condition Precedent**) on or before 5.00pm on 14 August 2013 (**Conditions Date**).  
Coppermoly may extend the Conditions Date to a date that is not later than 5.00pm on 30 September 2013. However, if Coppermoly extends the Conditions Date and proceeds with the Acquisition, it will be required to pay Barrick interest on the Initial Payment at a rate of 8% per annum which shall accrue daily between 14 August 2013 and the payment of the Initial Payment;
- (b) (**termination of Letter Agreement**): the Letter Agreement will terminate with effect from the date that is 5 Business Days after the Condition Precedent has been waived or satisfied;
- (c) (**ongoing costs**): after completion of the first stage of the acquisition, Copper Quest will be solely responsible for all further exploration activity on the exploration licenses including paying all rates, rents, levies, charges, fees and any required expenditure and commitments applying to the exploration licenses; and
- (d) (**minimum expenditure commitment**): From the date of signing the Re-Acquisition Agreement, Coppermoly will be solely responsible for ensuring that the minimum expenditure requirements for the current tenement years are met (collectively Kina 720,000) and conducting various exploration activities to satisfy the work programs for the current tenement years on the tenements EL 1043, EL 1077 and EL 1445 before 7 December 2013, 28 November 2013 and 28 May 2014, respectively.

## Placement and Entitlement Offer

To fund the Acquisition, Coppermoly has agreed to undertake a private placement of 3,700,000 Shares to Jelsh Holdings Pty Ltd, being the Underwriter of the Offer, to raise \$166,500.00 (before costs).

Settlement of the Placement is expected to be completed by 27 June 2013.

Jelsh Holdings Pty Ltd has also agreed to fully underwrite the Offer to Eligible Shareholders to raise approximately \$1,950,000.00 (before costs).

Eligible Shareholders are Shareholders that are resident in Australia or New Zealand as at the record date for the Offer, being 7.00pm AEST on 9 July 2013.

The Shares issued pursuant to the Placement and the Offer will rank equally with all existing Shares on issue and Shares issued pursuant to the Placement will be entitled to participate in the Offer.

The Offer is non-renounceable, and Shareholders' entitlements under the Offer will not be tradable on the ASX or otherwise transferable.

Funds received from the Placement and Offer will be used to fund the first payment due to Barrick to acquire an additional 23% in the West New Britain Project, being \$1,000,000.00 and further exploration activity on the West New Britain Project and provide additional working capital.

Full details of the Offer, including the timetable and details for how to accept the Offer, will be set out in the Prospectus which the Company expects to lodge with ASIC and ASX later today.

Eligible Shareholders should read the Prospectus for the Offer for further details regarding the Offer as well as the risks involved in subscribing for Shares.

#### Overview of key terms of Underwriting Agreement

A summary of the key terms of the underwriting agreement with the Underwriter (**Underwriting Agreement**) are as follows:

- (a) (**placement**): the Underwriter will subscribe for the 3,700,000 Shares, by paying \$166,500.00 to Coppermoly within 2 business days of the conditions precedent to the Underwriting Agreement being satisfied. Those conditions precedent have been satisfied.
- (b) (**underwriting**): the Underwriter will underwrite the Offer by subscribing for any Shares not subscribed for under the Offer or Shortfall Offer.
- (c) (**payments to the Underwriter**): in consideration for the Underwriter agreeing to underwrite the Offer, Coppermoly will pay the Underwriter:
  - (i) an underwriting fee of \$125,000.00; and
  - (ii) for its expenses in relation to agreeing to underwrite the Offer, for an amount of \$25,000.00,which, subject to the issue of Shares not resulting in a breach of the ASX Listing Rules and the Corporations Act, Coppermoly may elect to satisfy, wholly or partly, by issuing Shares to the Underwriter (at an issue price of \$0.045 per Share).
- (d) (**termination by the Underwriter**): the Underwriter may terminate the Underwriting Agreement, on the occurrence of certain events, including Coppermoly being in default of a material obligation under the Underwriting Agreement or contravening certain provisions of the Underwriting Agreement which, in the reasonable opinion of the Underwriter, are likely to have a material adverse effect on the Offer or Coppermoly.
- (e) (**termination by Coppermoly**): Coppermoly may terminate the Underwriting Agreement, without cost or liability to the Underwriter, if:
  - (i) Coppermoly receives a takeover bid which includes a defeating condition to the effect that the Offer must not proceed and the board of Coppermoly forms the view that the takeover bid is a superior proposal to the Offer; or
  - (ii) Coppermoly withdraws the Offer before the Closing Date at Coppermoly's absolute discretion.
- (f) (**representations and warranties**): the Underwriting Agreement contains various representations and warranties and imposes various other obligations on Coppermoly that are usual in a transaction of this sort, including the requirement to file various documents with ASIC and ASX within prescribed timeframes.
- (g) (**indemnity**): subject to certain limitations and exceptions, Coppermoly has agreed to indemnify the Underwriter and certain other associated persons against any claim, loss, liability, cost or expense, that may be incurred or sustained in relation to the Placement or the Offer.

Further details regarding the terms of the Underwriting Agreement can be found in the Prospectus, which the Company expects to lodge with ASIC and ASX later today.

# Appendix 3B

## New issue announcement, application for quotation of additional securities and agreement

*Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.*

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

Coppermoly Limited

ABN

54 126 490 855

We (the entity) give ASX the following information.

### Part 1 - All issues

*You must complete the relevant sections (attach sheets if there is not enough space).*

- |   |   |                            |
|---|---|----------------------------|
| 1 | +Class of +securities issued or to be issued  | Fully paid ordinary shares |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued   | 43,770,765                 |
| 3 | Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | Fully paid ordinary shares |

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|   |  |
|---|--|
| <p>4 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?</p> <p>If the additional +securities do not rank equally, please state:</p> <ul style="list-style-type: none"> <li>• the date from which they do</li> <li>• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment</li> <li>• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment</li> </ul> | <p>Yes.</p>  |
| <p>5 Issue price or consideration</p>   | <p>\$0.045</p>   |
| <p>6 Purpose of the issue<br/>         (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>  | <p>Non-renounceable pro-rata offer (Rights Issue) on the basis of 1 new share for every 4 shares held on the record date.</p> <p>The funds raised from the issue will be used to acquire Barrick (PNG Exploration) Limited's interest in the West New Britain Project, as well as for corporate overheads and working capital.</p> |
| <p>6a Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i</p>   | <p>No</p>  |
| <p>6b The date the security holder resolution under rule 7.1A was passed</p>  | <p>Not applicable</p>  |
| <p>6c Number of +securities issued without security holder approval under rule 7.1</p>  | <p>Not applicable</p>  |

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+ See chapter 19 for defined terms.

|    |  |                               |                            |
|----|--|-------------------------------|----------------------------|
| 6d | Number of +securities issued with security holder approval under rule 7.1A   | Not applicable                |                            |
| 6e | Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)  | Not applicable                |                            |
| 6f | Number of +securities issued under an exception in rule 7.2  | Not applicable                |                            |
| 6g | If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.   | Not applicable                |                            |
| 6h | If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements   | Not applicable                |                            |
| 6i | Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements   | Not applicable                |                            |
| 7  | <p>+Issue dates</p> <p><small>Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A.</small></p> <p><small>Cross reference: item 33 of Appendix 3B.</small></p> | Expected to be 7 August 2013. |                            |
| 8  | Number and +class of all +securities quoted on ASX (including the +securities in section 2 if applicable)  | 218,853,581                   | Fully paid ordinary shares |

+ See chapter 19 for defined terms.

**Appendix 3B**  
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|    | Number  | +Class   |
|----|---|--|
| 9  | Number and +class of all +securities not quoted on ASX (including the +securities in section 2 if applicable) | 2,000,000<br><br>Exercise price \$0.05<br><br>Expiry 4 February 2016 |
| 10 | Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)            | No dividend distribution is envisaged in the near future             |

**Part 2 - Pro rata issue**

|    |  |  |
|----|--|--|
| 11 | Is security holder approval required?  | No   |
| 12 | Is the issue renounceable or non-renounceable?   | Non-renounceable                                       |
| 13 | Ratio in which the +securities will be offered   | 1 new share for every 4 shares held on the record date |
| 14 | +Class of +securities to which the offer relates   | Fully paid ordinary shares                             |
| 15 | +Record date to determine entitlements   | 9 July 2013  |
| 16 | Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?   | Yes  |
| 17 | Policy for deciding entitlements in relation to fractions  | Round up to the nearest whole share                    |
| 18 | Names of countries in which the entity has security holders who will not be sent new offer documents<br><br>Note: Security holders must be told how their entitlements are to be dealt with.<br><br>Cross reference: rule 7.7. | Any jurisdiction other than Australia and New Zealand  |

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+ See chapter 19 for defined terms.

|    |   |                                    |
|----|---|------------------------------------|
| 19 | Closing date for receipt of acceptances or renunciations  | 30 July 2013                       |
| 20 | Names of any underwriters   | Jelsh Holdings Pty Ltd             |
| 21 | Amount of any underwriting fee or commission  | \$125,000.00                       |
| 22 | Names of any brokers to the issue   | Not applicable                     |
| 23 | Fee or commission payable to the broker to the issue  | Not applicable                     |
| 24 | Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders  | Not applicable                     |
| 25 | If the issue is contingent on security holders' approval, the date of the meeting   | Not applicable                     |
| 26 | Date entitlement and acceptance form and offer documents will be sent to persons entitled   | 12 July 2013                       |
| 27 | If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders | Not applicable – no quoted options |
| 28 | Date rights trading will begin (if applicable)  | Not applicable                     |
| 29 | Date rights trading will end (if applicable)  | Not applicable                     |
| 30 | How do security holders sell their entitlements <i>in full</i> through a broker?  | Not applicable                     |

+ See chapter 19 for defined terms.

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- 31 How do security holders sell *part* of their entitlements through a broker and accept for the balance?
- 32 How do security holders dispose of their entitlements (except by sale through a broker)?
- 33 <sup>+</sup>Issue date

### Part 3 - Quotation of securities

*You need only complete this section if you are applying for quotation of securities*

- 34 Type of <sup>+</sup>securities  
(tick one)
- (a)  <sup>+</sup>Securities described in Part 1
- (b)  All other <sup>+</sup>securities  
Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

#### Entities that have ticked box 34(a)

#### Additional securities forming a new class of securities

*Tick to indicate you are providing the information or documents*

- 35  If the <sup>+</sup>securities are <sup>+</sup>equity securities, the names of the 20 largest holders of the additional <sup>+</sup>securities, and the number and percentage of additional <sup>+</sup>securities held by those holders
- 36  If the <sup>+</sup>securities are <sup>+</sup>equity securities, a distribution schedule of the additional <sup>+</sup>securities setting out the number of holders in the categories  
1 - 1,000  
1,001 - 5,000  
5,001 - 10,000  
10,001 - 100,000  
100,001 and over
- 37  A copy of any trust deed for the additional <sup>+</sup>securities

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<sup>+</sup> See chapter 19 for defined terms.

**Entities that have ticked box 34(b)**

38 Number of +securities for which +quotation is sought

39 +Class of +securities for which quotation is sought

40 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?

If the additional +securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

41 Reason for request for quotation now

Example: In the case of restricted securities, end of restriction period

(if issued upon conversion of another +security, clearly identify that other +security)

|  | Number | +Class |
|--|--------|--------|
| 42 Number and +class of all +securities quoted on ASX (including the +securities in clause 38) |        |        |

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**Quotation agreement**

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.



Sign here:..... Date: 26 June 2013  
(Director/Company secretary)

Print name: Maurice Gannon

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+ See chapter 19 for defined terms.

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## Appendix 3B – Annexure 1

### Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12 Amended 04/03/13

#### Part 1

| <b>Rule 7.1 – Issues exceeding 15% of capital</b>   |  |
|---|--|
| <b>Step 1: Calculate “A”, the base figure from which the placement capacity is calculated</b>   |  |
| <b>Insert</b> number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue   |  |
| <p><b>Add</b> the following:</p> <ul style="list-style-type: none"> <li>• Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2</li> <li>• Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval</li> <li>• Number of partly paid +ordinary securities that became fully paid in that 12 month period</li> </ul> <p><i>Note:</i></p> <ul style="list-style-type: none"> <li>• <i>Include only ordinary securities here – other classes of equity securities cannot be added</i></li> <li>• <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i></li> <li>• <i>It may be useful to set out issues of securities on different dates as separate line items</i></li> </ul> | The company did not seek shareholder approval at its AGM under ASX Listing Rule 7.1A |
| <b>Subtract</b> the number of fully paid +ordinary securities cancelled during that 12 month period   |  |
| <b>“A”</b>  |  |

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|   |  |
|---|--|
| <b>Step 2: Calculate 15% of “A”</b>   |  |
| “B”   | 0.15<br><i>[Note: this value cannot be changed]</i>                    |
| <b>Multiply</b> “A” by 0.15   |  |
| <b>Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used</b>  |  |
| <p><b>Insert</b> number of +equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> <li>• Under an exception in rule 7.2</li> <li>• Under rule 7.1A</li> <li>• With security holder approval under rule 7.1 or rule 7.4</li> </ul> <p><i>Note:</i></p> <ul style="list-style-type: none"> <li>• <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i></li> <li>• <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i></li> <li>• <i>It may be useful to set out issues of securities on different dates as separate line items</i></li> </ul> |  |
| “C”   |  |
| <b>Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1</b>   |  |
| “A” x 0.15<br><i>Note: number must be same as shown in Step 2</i>   |  |
| <b>Subtract</b> “C”<br><i>Note: number must be same as shown in Step 3</i>  |  |
| <b>Total</b> [“A” x 0.15] – “C”   | <i>[Note: this is the remaining placement capacity under rule 7.1]</i> |

+ See chapter 19 for defined terms.

## Part 2

| <b>Rule 7.1A – Additional placement capacity for eligible entities</b>   |   |
|--|---|
| <b>Step 1: Calculate “A”, the base figure from which the placement capacity is calculated</b>  |   |
| <b>“A”</b><br><br><i>Note: number must be same as shown in Step 1 of Part 1</i>  |   |
| <b>Step 2: Calculate 10% of “A”</b>  |   |
| <b>“D”</b>   | 0.10<br><br><i>Note: this value cannot be changed</i> |
| <b>Multiply “A” by 0.10</b>  |   |
| <b>Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used</b>  |   |
| <b>Insert</b> number of +equity securities issued or agreed to be issued in that 12 month period under rule 7.1A<br><br><b>Notes:</b> <ul style="list-style-type: none"> <li>• <i>This applies to equity securities – not just ordinary securities</i></li> <li>• <i>Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed</i></li> <li>• <i>Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained</i></li> <li>• <i>It may be useful to set out issues of securities on different dates as separate line items</i></li> </ul> |   |
| <b>“E”</b>   |   |

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|  |   |
|--|---|
| <b>Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A</b> |   |
| “A” x 0.10<br><i>Note: number must be same as shown in Step 2</i>                                      |   |
| <b>Subtract “E”</b><br><i>Note: number must be same as shown in Step 3</i>                             |   |
| <b>Total</b> [“A” x 0.10] – “E”  | <i>Note: this is the remaining placement capacity under rule 7.1A</i> |

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+ See chapter 19 for defined terms.