



ASX Announcement

Date: 14 October 2014

ASX Code: COY

BENEFICIAL CHANGE TO REACQUISITION AGREEMENT

Highlights:

- Barrick agrees to convert residual amount of second purchase price of \$1,317,836 to shares (**Consideration Shares**) (subject to satisfaction of conditions precedent);
- Consideration Shares to be subject to 36 month escrow period;
- Final payment deferred until after first commercial production.

Coppermoly Limited (**Coppermoly or the Company**) is pleased to announce that it has renegotiated a favourable arrangement with Barrick (PNG Exploration) Ltd (**Barrick**) which revises the terms of its agreement for the acquisition of Barrick's remaining interest in the three Exploration Licences, EL1043 – Nakru, EL 1077 – Simuku and EL 1445 – Talelumas (**West New Britain Project**) situated on New Britain Island in PNG (**Reacquisition Agreement**).

The deferred balance of the second payment due to Barrick under the revised agreement is \$1,317,836 (**Deferred Amount**) and is payable in whole or part by issuing fully paid ordinary shares in Coppermoly (**Shares**) to Barrick or its nominee. This payment was due on 30 November 2014 (**Deferred Payment Date**).

Coppermoly and Barrick have now agreed to further amend the Reacquisition Agreement which provides a more beneficial outcome to Coppermoly.

The new agreement is conditional on Coppermoly raising at least \$1.5 million through the issue of equity securities and repaying the unsecured loan it received from Jelsh Holding Pty Ltd in July 2014. These conditions can only be waived by Barrick. The latest agreement also includes changes to the following items in the agreement:

1. Previously the share issue price for the Deferred Amount was at a 10% discount to the VWAP of Coppermoly's Shares over the 30 days preceding the Deferred Payment Date which is now 5 December 2014. The share issue price for the Deferred Amount will now be the same as the share issue price for the second tranche of the \$1.5 million capital raising mentioned above as a condition to the new agreement;
2. The Shares issued to Barrick, or its nominee, will be subject to an escrow period of 36 months from the Deferred Payment Date, which shall prohibit the disposal, or any other transfer, of the Shares unless such disposal occurs pursuant to the acceptance of a takeover bid from a third party for all of the Shares in Coppermoly or a merger by way of a scheme of arrangement; and

3. In the event that Coppermoly does not satisfy the Deferred Amount in full by the Deferred Payment Date Coppermoly may, within 10 Business Days after the Deferred Payment Date, satisfy the remaining Deferred Amount (**Residual Amount**) by granting Barrick an irrevocable option to call for the issue of such number of further Shares as is equal to the Residual Amount divided by the Issue Price (**Call Option**) (with no exercise price payable on the exercise of the Call Option), provided that Coppermoly not be required to issue any Shares on the exercise of the Call Option, unless such issue will not cause:
 - Barrick's and any of its associate's voting power in Coppermoly to increase to more than 20% and
 - Coppermoly to breach the ASX Listing Rules.

The final payment under the Reacquisition Agreement, when Coppermoly will acquire the final 28% interest from Barrick, taking Coppermoly to 100% interest in the West New Britain Project, is now deferred until 6 months after the commencement of commercial production at the West New Britain Project. As a concession to Barrick for allowing this extension the final payment amount is now \$4.5 million.

On behalf of the Board.

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About Coppermoly

Coppermoly's mineral exploration activities are focused entirely on the island of New Britain in Papua New Guinea where it holds six exploration licences. These licences cover copper, gold, silver, zinc, molybdenum and iron mineralisation. The tenements are Nakru, Simuku, Talelumas, Makmak, Powell and Wowonga.