



COPPERMOLY Limited

A.B.N. 54 126 490 855

CONSOLIDATED INTERIM FINANCIAL REPORT HALF-YEAR ENDED 31 DECEMBER 2014

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This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2014 and any public announcements made by Coppermoly Ltd during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

Corporate Directory

Coppermoly Limited (ABN 54 126 490 855)

Directors

Mr Kevin Grice (Non-Executive Director)
Mr Wanfu Huang (Non-Executive Director)
Mr Jincheng Yao (Non-Executive Director)

Company Secretary

Mr Paul Schultz

Registered office

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Bundall, Queensland 4217
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Email: info@coppermoly.com.au
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DIRECTORS' REPORT

Your directors present their report on the consolidated entity consisting of Coppermoly Limited and the entity it controlled at the end of, or during, the half-year ended 31 December 2014.

DIRECTORS

The following persons were directors of Coppermoly Limited during the half-year and up to the date of this report:

Kevin Grice (appointed 15 July 2014)
Jincheng Yao (appointed 5 March 2015)
Wanfu Huang (appointed 11 March 2015)
Ben Faulkner (resigned 11 March 2015)
Michael Howard (resigned 11 March 2015)
Maurice Gannon (resigned 15 July 2014)

RESULTS AND DIVIDENDS

The consolidated entity loss after income tax for the half-year is \$431,727 (2013: \$386,425). There is no dividend paid or recommended.

REVIEW OF OPERATIONS

During the half-year, the Group:

- (i) Issued 66,891,800 shares (COY) to AurionGold Limited, the nominee of Barrick (PNG Exploration) Limited, taking the Company to a 72% interest in the Mt. Nakru, Simuku and Talelumas projects in Papua New Guinea.
- (ii) Issued 30,000,000 shares (COY), 38,750,000 convertible notes and 12,916,666 unlisted options.
- (iii) Funded ongoing exploration and evaluation work on its exploration tenements in Papua New Guinea.

EVENTS AFTER THE REPORTING PERIOD

The following resolutions were passed at an EGM, which was held on 4 March 2015:

- Approval was given to issue 21,250,000 Convertible Notes, to be issued at an issue price of \$0.02 per note (each note being convertible into one Share), which will raise \$425,000 and 7,083,333 Attaching Options (each exercisable into one Share at an exercise price of \$0.03 per Share) (refer note 5).
- Approval was given to issue 21,963,933 unlisted Options (each exercisable into one Share at an exercise price of \$0.03 per Share) to Barrick (or its nominee).

DIRECTORS' REPORT (Continued)

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* immediately follows this report.

This report is made in accordance with a resolution of the directors.

A handwritten signature in black ink, appearing to read 'K Grice', with a small dot at the end of the signature.

Kevin Grice
Director
Bundall, Qld
Dated: 13 March 2015

DECLARATION OF INDEPENDENCE BY A J WHYTE TO THE DIRECTORS OF COPPERMOLY LIMITED

As lead auditor for the review of Coppermoly Limited for the half-year ended 31 December 2014, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Coppermoly Limited and the entities it controlled during the period.



A J Whyte

Director

BDO Audit Pty Ltd

Brisbane, 13 March 2015

COPPERMOLY LIMITED & ITS CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

	Notes	Half – year	
		2014	2013
		\$	\$
Revenue		2,771	6,082
		2,771	6,082
Depreciation		(13,746)	(18,644)
Employee benefits expense		(273,289)	(193,811)
Exploration expenditure written-off		-	(4,438)
Insurances		(17,510)	(21,065)
Corporate compliance and shareholder relations		(79,467)	(73,279)
Office rental, communication and consumables		(22,181)	(35,092)
Net changes in fair value of financial liabilities at fair value through profit or loss		-	(24,000)
Finance costs		(15,051)	-
Other expenses		(13,254)	(22,178)
Profit / (loss) before income tax		(431,727)	(386,425)
Income tax (expense) / benefit		-	-
Net Profit / (loss) for the half-year		(431,727)	(386,425)
Other comprehensive income			
Items that may be reclassified to the profit or loss			
Exchange differences on translation of foreign operations		815,734	(641,009)
Income tax on items of other comprehensive income		-	-
Other comprehensive income for the half-year		815,734	(641,009)
Total comprehensive income for the half-year		384,007	(1,027,434)
		Cents	Cents
Basic and diluted earnings / (loss) per share		(0.15)	(0.19)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

COPPERMOLY LIMITED & ITS CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2014

	Notes	31-Dec-14 \$	30-Jun-14 \$
ASSETS			
Current Assets			
Cash and cash equivalents		453,221	90,522
Trade and other receivables		54,433	18,526
Total Current Assets		507,654	109,048
Non-Current Assets			
Receivables		24,351	22,912
Property, plant and equipment		91,641	107,738
Mineral exploration and evaluation assets	4	11,430,209	9,612,723
Total Non-Current Assets		11,546,201	9,743,373
Total Assets		12,053,855	9,852,421
LIABILITIES			
Current Liabilities			
Trade and other payables		217,959	285,819
Provisions		5,248	5,437
Total Current Liabilities		223,207	291,256
Non-Current Liabilities			
Borrowings	5	650,559	-
Provisions		9,618	37,350
Total Non-Current Liabilities		660,177	37,350
Total Liabilities		883,384	328,606
Net Assets		11,170,471	9,523,815
EQUITY			
Contributed equity	6	15,924,538	14,772,591
Reserves		3,282,360	2,355,924
Accumulated losses		(8,036,427)	(7,604,700)
Total Equity		11,170,471	9,523,815

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

COPPERMOLY LIMITED & ITS CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

	Contributed Equity \$	Accumulated Losses \$	Reserves \$	Total \$
Balance at 30 June 2014	14,772,591	(7,604,700)	2,355,924	9,523,815
Comprehensive income for the half-year				
Loss for the half-year	-	(431,727)	-	(431,727)
Foreign currency translation difference	-	-	815,734	815,734
Total Comprehensive Income	-	(431,727)	815,734	384,007
Transactions with owners in their capacity as owners				
Contributions of equity	1,169,593	-	-	1,169,593
Costs of share issue	(17,646)	-	-	(17,646)
Value of conversion rights on convertible notes	-	-	110,702	110,702
Total transactions with owners in their capacity as owners	1,151,947	-	110,702	1,262,649
Balance at 31 December 2014	15,924,538	(8,036,427)	3,282,360	11,170,471
Balance at 30 June 2013	12,351,657	(6,817,363)	3,254,886	8,789,180
Comprehensive income for the half-year				
Loss for the half-year	-	(386,425)	-	(386,425)
Foreign currency translation difference	-	-	(641,009)	(641,009)
Total Comprehensive Income	-	(386,425)	(641,009)	(1,027,434)
Transactions with owners in their capacity as owners				
Contributions of equity	2,462,593	-	-	2,462,593
Costs of share issue	(318,760)	-	-	(318,760)
Total transactions with owners in their capacity as owners	2,143,833	-	-	2,143,833
Balance at 31 December 2013	14,495,490	(7,203,788)	2,613,877	9,905,579

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

COPPERMOLY LIMITED & ITS CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

	Half-year	
	2014	2013
	\$	\$
Cash Flows from Operating Activities		
Cash receipts in the course of operations (incl. GST)	21,773	39,401
Interest received	1,714	6,082
Payments to suppliers and employees (incl. GST)	(500,419)	(421,384)
Net cash inflow (outflow) from operating activities	(476,932)	(375,901)
Cash Flows from Investing Activities		
Payments for purchase of prospects	-	(680,000)
Payments for exploration and evaluation activities	(169,180)	(369,070)
Security deposits paid	-	(8,141)
Payments for property, plant and equipment	(679)	(2,151)
Proceeds from sale of property, plant and equipment	82	-
Net cash (outflow) inflow from investing activities	(169,777)	(1,059,362)
Cash Flows from Financing Activities		
Proceeds from issues of shares and options	300,000	2,450,031
Cost of share and option issues	(95,542)	(343,989)
Proceeds from the issue of convertible notes	775,000	-
Cost of convertible note issue	(13,739)	-
Proceeds from borrowings	553,649	-
Repayment of borrowings	(511,460)	-
Net cash inflow (outflow) from financing activities	1,007,908	2,106,042
Net increase /(decrease) in cash and cash equivalents	361,199	670,779
Cash and cash equivalents at the beginning of the half-year	90,522	243,209
Exchange difference on cash	1,500	(2,808)
Cash and cash equivalents at the end of the half-year	453,221	911,180

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

COPPERMOLY LIMITED & ITS CONTROLLED ENTITIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

NOTE 1. BASIS OF PREPARATION OF HALF-YEAR REPORT

These general purpose financial statements for the interim half-year reporting period ended 31 December 2014 have been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. The Company is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

These interim financial statements do not include all the notes of the type normally included in annual financial statements and therefore cannot be expected to provide as full an understanding of the financial performance, financial position, financing and investing activities of the consolidated entity as the full financial statements. Accordingly, these half-year financial statements are to be read in conjunction with the annual report for the year ended 30 June 2014 and any public announcements made by Coppermoly Ltd during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for the current annual reporting period. The adoption of these new and revised Standards and Interpretations did not have any material financial impact on the amounts recognised in the financial statements of the Group for the current or prior periods.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the Company's 2014 Annual Financial Report for the financial year ended 30 June 2014, except as shown below:

Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

The fair value of the liability portion of convertible bonds, that do not include a derivative at fair value, is determined using a market interest rate for an equivalent non-convertible bond. This amount is recorded as a liability on an amortised cost basis until extinguished on conversion or maturity of the bonds. The remainder of the proceeds is allocated to the conversion option. This is recognised and included in shareholders' equity, net of income tax effects.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

COPPERMOLY LIMITED & ITS CONTROLLED ENTITIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

NOTE 1. BASIS OF PREPARATION OF HALF-YEAR REPORT (Continued)

Borrowing costs

Borrowing costs incurred for the construction of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed.

Material Uncertainty Regarding Going Concern

The Group incurred a net loss of \$431,727 for the half-year ended 31 December 2014. As at 31 December 2014 the Group has cash reserves of \$453,221, a net current asset surplus of \$284,447 and net assets of \$11,170,471. The company has not generated revenues from operations. The Group has a liability of \$650,559 (with a face value of \$775,000) for convertible notes. The Group has also committed to re-acquire Barrick (PNG Exploration) Limited's ("Barrick") interest in the tenements EL1043, EL1445 and EL1077 for a final payment of \$4,500,000 to be paid no later than six months after the commencement of commercial production at the West New Britain Project, in addition to its exploration commitments under its other licenses. Refer to note 4 for further details on the required payments to reacquire the tenements from Barrick.

The ability of the Group to continue as a going concern is principally dependent upon one or more of the following:

- the ability of the company to raise additional capital in the future; and
- the successful exploration and subsequent exploitation of the company's tenements.

These conditions give rise to material uncertainty which may cast significant doubt over the Group's ability to continue as a going concern.

The directors believe that the going concern basis of preparation is appropriate due to the following reasons:

- To date the Group has funded its activities through issuance of equity securities and it is expected that the Group will be able to fund its future activities through further issuances of equity securities; and
- The directors believe there is sufficient cash available for the Group to continue operating until it can raise sufficient further capital to fund its ongoing activities.

Should the Group be unable to continue as a going concern, it may be required to realise its assets and extinguish its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements.

This financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts or classification of liabilities and appropriate disclosures that may be necessary should the Group be unable to continue as a going concern.

NOTE 2. FAIR VALUE MEASUREMENTS

The carrying values of the Group's financial assets and financial liabilities approximate their fair values as at 31 December 2014.

NOTE 3. SEGMENT INFORMATION

Description of segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources. Operating segments are determined on the basis of financial information reported to the Board which is at the consolidated entity level. Accordingly, the consolidated entity is treated as one operating segment.

Therefore, management identifies the Group as having only one reportable segment. The financial results from this reportable segment are equivalent to the financial statements of the consolidated entity as a whole. There have been no changes in the operating segments during the period.

COPPERMOLY LIMITED & ITS CONTROLLED ENTITIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

NOTE 4. MINERAL EXPLORATION AND EVALUATION ASSETS

Papua New Guinea	31-Dec-14	31-Dec-13
	\$	\$
Balance at the beginning of the half-year	9,612,723	8,837,060
Expenditure during the half-year	1,007,412	1,117,654
Expenditure written-off during the half-year	-	(4,438)
Foreign currency exchange differences	810,074	(693,105)
Balance at the end of the half-year	<u>11,430,209</u>	<u>9,257,171</u>

The ultimate recoupment of costs carried forward for exploration and evaluation is dependent upon the successful development and commercial exploitation or sale of the respective areas of interest.

West New Britain Project Exploration Licenses

In October 2009 the Group signed a Letter Agreement with Barrick (PNG Exploration) Limited (**Barrick**) to sole fund \$20 million to earn up to 72% interest in Coppermoly Limited's tenements (Mt Nakru, Simuku and Talelumas) (**WNB Projects**) on the island of New Britain in Papua New Guinea. Barrick earned 72% equity in January 2012 and in May 2012 advised Coppermoly of its intention to divest its interest in the WNB Projects.

Reacquisition deed

The key terms of the renegotiated terms of the Re-acquisition Deed with Barrick as at the date of this report are as follows:

- On 8 October 2013 Coppermoly paid \$680,000 to acquire a further 23% interest in the WNB Projects, taking its interest to 51%;
- During the half-year ended 31 December 2014 the Group issued 66,891,800 shares to acquire a further 21% interest in the project taking its interest to 72%. The issue of shares was recognised at fair value at the date the Group obtained control of the 21% interest being \$0.013 per share; and
- The Group can acquire the remaining 28% interest in the West New Britain Project by making a payment of AUD \$4,500,000, payable no later than the date that is 6 months after the commencement of commercial production at the West New Britain Project.

**COPPERMOLY LIMITED & ITS CONTROLLED ENTITIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014**

NOTE 5. BORROWINGS

	31-Dec-14	30-Jun-14
	\$	\$
Convertible notes	650,559	-
	<u>650,559</u>	<u>-</u>

The terms of the convertible notes are as follows:

Issue Date:	19 December 2014
Maturity Date:	19 December 2016
Number of notes	38,750,000
Note Face Value:	\$775,000 (Initial Tranche)
Conversion Price:	Convertible into ordinary shares \$0.02 at the note holders option being 38,750,000 shares.

Repayment upon maturity: The outstanding principle amounts of the convertible notes (being the outstanding issue price of the convertible notes to the extent that they have not been converted) will be repaid by the Company. The notes have a term of 24 months.

The notes may be repaid by Coppermoly any time prior to the Maturity Date subject to Coppermoly paying the note holder a break fee equal to 5% of the repayment amount.

Coppermoly has also agreed to a subsequent issue of 21,250,000 Convertible Notes (to bring the total Convertible Notes issued to 60,000,000) to raise \$425,000, subject to Coppermoly first receiving Shareholder approval.

As at 31 December 2014 Shareholder approval had not been granted.

Unlisted Options In conjunction with the convertible notes the note holder was issued with 12,916,666 unlisted options to acquire shares at an exercise price of \$0.03 per option. The options will expire on 19 December 2016.

The note holder will also be issued with a further 7,083,333 options subject to receiving shareholder approval.

The options are exercisable at any time prior to the Maturity Date subject to the holder only being entitled to exercise 1 option for every 3 convertible notes it elects to convert to shares.

As at 31 December 2014 Shareholder approval had not been granted.

Interest The convertible notes bear interest at 7%. The effective interest rate is 15%.

	31-Dec-14	30-Jun-14
	\$	\$
The convertible notes are presented in the statement of financial position as follows:		
Face value of notes issued	775,000	-
Other equity securities – value of conversion feature and options issued	(110,702)	-
Cost of convertible note issue	(13,739)	-
Fair value of notes issued	<u>650,559</u>	<u>-</u>
Interest accrued	-	-
Repayment of convertible note	-	-
Convertible note liability	<u>650,559</u>	<u>-</u>

COPPERMOLY LIMITED & ITS CONTROLLED ENTITIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

NOTE 6. CONTRIBUTED EQUITY

	Half-year ended 31 December 2014 Number of Shares	Half-year ended 31 December 2013 Number of Shares	Half-year ended 31 December 2014 \$	Half-year ended 31 December 2013 \$
Opening Balance	286,837,649	175,082,816	14,772,591	12,351,657
Issues of ordinary shares during the half-year				
Non-Renounceable Rights Issue	-	35,973,146	-	1,618,791
Shares issued to AurionGold Limited	66,891,800	-	869,593	-
Private Placement	30,000,000	52,737,609	300,000	843,802
Less costs of raising capital			(17,646)	(318,760)
Contributed Equity	383,729,449	263,793,571	15,924,538	14,495,490

NOTE 6. CONTINGENCIES

(i) West New Britain Project

Refer to Note 4. The Group has completed an agreement to re-acquire Barrick's interests in the West New Britain Project. The following payment is outstanding as at 31 December 2014:

AUD \$4,500,000, payable no later than the date that is 6 months after the commencement of commercial production at the West New Britain Project.

(ii) There have been no further changes in contingent liabilities since the end of the previous annual reporting period (30 June 2014).

NOTE 7. DIVIDENDS

There was no dividend paid or recommended during the reporting period.

NOTE 8. EVENTS AFTER THE REPORTING PERIOD

The following resolutions were passed at an EGM, which was held on 4 March 2015:

- Approval was given to issue 21,250,000 Convertible Notes, to be issued at an issue price of \$0.02 per note (each note being convertible into one Share), which will raise \$425,000 and 7,083,333 Attaching Options (each exercisable into one Share at an exercise price of \$0.03 per Share) (refer note 5).
- Approval was given to issue 21,963,933 unlisted Options (each exercisable into one Share at an exercise price of \$0.03 per Share) to Barrick (or its nominee).

**COPPERMOLY LIMITED & ITS CONTROLLED ENTITIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014**

DIRECTORS' DECLARATION

In the directors' opinion:

- (a) the attached financial statements and notes set out on pages 5 to 13 are in accordance with the *Corporations Act 2001*, and:
 - (i) comply with Accounting Standard AASB 134 Interim Financial Reporting and the *Corporations Regulations 2001* and other mandatory professional reporting requirements;
 - (ii) give a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the half-year ended on that date; and
- (b) there are reasonable grounds to believe that Coppermoly Limited will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.

A handwritten signature in blue ink, appearing to read 'K Grice', with a small dot at the end of the signature.

Kevin Grice
Director
Bundall Qld
Dated: 13 March 2015

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Coppermoly Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Coppermoly Limited, which comprises the consolidated statement of financial position as at 31 December 2014, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Coppermoly Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Coppermoly Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Coppermoly Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*

Emphasis of matter

Without modifying our conclusion, we draw attention to Note 1 in the half-year financial report, which indicates that the ability of the consolidated entity to continue as a going concern is dependent upon the future successful raising of necessary funding through equity, successful exploration and subsequent exploitation of the consolidated entity's tenements, and/or sale of non-core assets. These conditions, along with other matters as set out in Note 1, indicate the existence of a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business.

BDO Audit Pty Ltd

BDO



A J Whyte

Director

Brisbane, 13 March 2015