



COPPERMOLY
Limited

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ASX Announcement

26th June 2013

ASX Code: COY

LODGEMENT OF PROSPECTUS

Coppermoly Limited has lodged a prospectus with ASIC for a fully underwritten 1-for-4 Non-renounceable Entitlements Issue at \$0.045 per share to raise approximately \$1.95 million. The record date is 9 July 2013 and the issue will close 30 July 2013.

The funds raised by the issue will be used to make the first payment to acquire Barrick (PNG Exploration) Limited's interest in the West New Britain Project, as well as for corporate overheads and working capital.

On behalf of the Board,

Maurice Gannon
Managing Director

COPPERMOLY LIMITED

ACN 126 490 855

Entitlement Offer Prospectus

For a non-renounceable entitlement offer of one New Share for every four Shares registered as being held by Eligible Shareholders at the Record Date at an issue price of \$0.045 per New Share to raise up to approximately \$1,950,000.00 (**Offer**).

The Offer is fully underwritten by Jelsh Holdings Pty Ltd (**Underwriter**). Refer to section 8.2 for details regarding the terms of the Underwriting Agreement.

IMPORTANT NOTICE

This document is important and should be read in its entirety. If after reading this Prospectus you have any questions about the Shares being offered under this Prospectus or any other matter, then you should consult your stockbroker, accountant or other professional adviser.

The Shares offered by this Prospectus should be considered as a highly speculative investment.

1. Important Notices

This Prospectus is dated 26 June 2013 and was lodged with ASIC on that date. ASIC and its officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No person is authorised to give information or to make any representation in connection with this Prospectus, which is not contained in the Prospectus. Any information or representation not so contained may not be relied on as having been authorised by Coppermoly in connection with this Prospectus.

It is important that investors read this Prospectus in its entirety and seek professional advice where necessary. The Shares the subject of this Prospectus should be considered highly speculative.

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. In making the representations contained in this Prospectus, regard has been had to the fact that Coppermoly is a disclosing entity for the purposes of the Corporations Act and that certain matters may reasonably be expected to be known to investors and professional advisers whom they may consult.

Electronic prospectus

Shareholders can obtain a copy of this Prospectus from the Coppermoly website at www.coppermoly.com.au. The electronic version of this Prospectus on the Coppermoly website will not include an Application Form. Shareholders will only be entitled to accept their Entitlements under the Offer and subscribe for Shares in accordance with the instructions in the personalised Application Form which accompanies a paper copy of this Prospectus.

Financial forecasts

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of Coppermoly are inherently uncertain. Accordingly, any forecast or projection would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

Privacy Act

If you complete an Application Form, you will be providing personal information to Coppermoly (directly or via Coppermoly's share registry). Coppermoly collects, holds and will use that information to assess your application, service your needs as a holder of Shares and facilitate the distribution of payments and corporate communications to you as a Shareholder.

The information may also be used and disclosed to persons inspecting Coppermoly's register, bidders for your Shares in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and Coppermoly's share registry.

You can access, correct and update the personal information that we hold about you. Please contact Coppermoly or its share registry if you wish to do so at the relevant contact numbers set out in this Prospectus.

Capitalised terms used in this Prospectus have the same meaning as those given in the Glossary contained in section 11 of this Prospectus.

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3. Timetable

Announcement of Offer and Appendix 3B and Prospectus lodged with ASX and ASIC	Wednesday, 26 June 2013
Notice sent to Eligible and Ineligible Shareholders regarding Offer	Monday, 1 July 2013
Shares quoted on an 'ex-rights' basis	Wednesday, 3 July 2013
Record Date for determining Entitlements under the Offer	Tuesday, 9 July 2013 (7pm AEST)
Prospectus and Application Form dispatched to Eligible Shareholders	Friday, 12 July 2013
Closing date for Applications under the Offer and Shortfall Offer	Tuesday, 30 July 2013
Expected commencement of trading on a deferred settlement basis on ASX	Wednesday, 31 July 2013
Latest date for advising ASX of under-subscriptions for the Offer	Friday, 2 August 2013
Holding statements dispatched to Shareholders	Wednesday, 7 August 2013
Normal trading of Shares re-commences	Thursday, 8 August 2013

Subject to the ASX Listing Rules and the Corporations Act, the Directors reserve the right to vary these dates.

4. Chairman's Letter

Dear Shareholder,

The Board is pleased to offer all Eligible Shareholders¹ the opportunity to acquire one New Share for every four existing Shares held as at the Record Date at an issue price of \$0.045 per New Share, which, if fully subscribed, will raise up to approximately \$1,950,000.00 (**Offer**) (before expenses).

Eligible Shareholders are also entitled to subscribe for any New Shares that are not taken up by other Shareholders in accordance with the Offer (**Shortfall Offer**).

As you are aware, Coppermoly's key assets are located on the island of New Britain in Papua New Guinea, where it holds four exploration licences and an additional three exploration licence applications.

Three of the exploration licences, EL 1077, EL 1045 and EL 1445 (the **West New Britain Project**), were the subject of a Letter Agreement with Barrick (PNG Exploration) Limited (**Barrick**), under which Barrick held a 72% interest in the West New Britain Project after spending over \$24 million in exploration and drilling activity (**Joint Venture**).

Since late 2011, Barrick has been seeking to divest its interest in the West New Britain Project and the Joint Venture, and Coppermoly is pleased to advise that it has reached agreement with Barrick to re-acquire 100% of the West New Britain Project in three stages (**Re-Acquisition Agreement**).

The purpose of the Offer is to raise sufficient capital to fund the first payment due to Barrick to acquire an additional 23% in the West New Britain Project, being \$1,000,000.00, which will result in Coppermoly holding a 51% beneficial interest in the West New Britain Project and regaining control and responsibility for exploration. Proceeds raised of the Offer will also be used to fund further exploration activity on the West New Britain Project and Coppermoly's other exploration licences. Further details regarding the Re-Acquisition Agreement are contained in section 8 of this Prospectus.

This Offer has been supplemented by an initial private placement to Jelsh Holdings Pty Ltd, which will raise up to approximately \$166,500.00 (before expenses). Jelsh Holdings Pty Ltd has also agreed to fully underwrite the Offer.

The Board is pleased to have been able to structure the capital raising at a premium to the current market price so as to reflect 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 Coppermoly's current share price.

The Board thanks all Shareholders for their continuing support for Coppermoly and recommends the Offer.

Yours sincerely,



Mr Tom Revy
Non-Executive Chairman

¹ Being Shareholders registered on the Record Date as being resident in Australia or New Zealand, or such other jurisdiction as the Board considers that it would be unreasonable to not extend the Offer to having regard the local securities law of the jurisdiction in which the Shareholder is resident.

5. Details of the offer

5.1 The Offer

The Offer is made as a non-renounceable entitlement issue of one New Share for every four Shares held as at the Record Date, being Monday 8 July 2013, at an issue price of \$0.045 per New Share.

Fractional entitlements will be rounded up to the nearest whole number.

Based on the capital structure of Coppermoly as at the date of this Prospectus and assuming all Entitlements are accepted, a maximum of 43,770,765 Shares will be issued pursuant to this Prospectus to raise up to approximately \$1,950,000.00.

All of the Shares issued in accordance with this Prospectus will rank equally with the existing Shares on issue as at the date of this Prospectus. Further details regarding the rights and liabilities attaching to Coppermoly's Shares are contained in section 9 of this Prospectus.

The purpose of the Offer and the intended use of funds raised are set out in section 5.4 of this Prospectus.

No Shares will be issued pursuant to this Prospectus after the date that is 13 months after the date of this Prospectus.

5.2 Shortfall Offer

In addition to the Offer, Eligible Shareholders may apply to receive any New Shares not taken up under the Offer by participating in the Shortfall Offer.

The issue price for Shortfall Shares offered under the Shortfall Offer is the same as the Offer, being \$0.045.

Eligible Shareholders who wish to apply for Shortfall Shares can complete the appropriate boxes on the Application Form accompanying this Prospectus and return it together with a cheque for the value of those Shortfall Shares applied for (at \$0.045 per Shortfall Share) to the Share Registry.

Shares will only be offered under the Shortfall Offer if the Offer is undersubscribed and will only be issued to the extent necessary to make up any shortfall in subscriptions received under the Offer.

In the event that there are insufficient Shortfall Shares to satisfy all applications received under the Shortfall Offer, subject to the Director's discretion to refuse to accept an application if, as a result of issuing Shortfall Shares to the Applicant, a person's voting power in Coppermoly could exceed 20%, Applicants will be allocated the lesser of:

- (a) the number of Shortfall Shares applied for; and
- (b) the number of Shortfall Shares applied for scaled on a pro rata basis according to all Shortfall Offer Applicants' respective shareholdings in Coppermoly as at the Closing Date for the Offer.

The Directors reserve the right to reject any application for Shortfall Shares or to allot a lesser number of Shortfall Shares than applied for or not to proceed with issuing the Shortfall Shares or any part thereof.

If the number of Shortfall Shares issued to an Applicant is less than the number applied for in an Application Form, surplus application money received will be refunded to the Applicant in full as soon as practicable after the closing date of the Shortfall Offer. No interest will be paid on any application money refunded to Applicants.

The Directors reserve the right to place the Shortfall Shares at their discretion at any time within three months after the close of the Offer.

5.3 Minimum subscription

There is no minimum subscription for the Offer as the Offer is fully underwritten by the Underwriter.

In the event that the Underwriting Agreement is terminated for any reason, including without limitation, failure to satisfy a condition or the occurrence of a termination event, Coppermoly will not proceed with the Offer. If the Company does not proceed with the Offer, any application money received by Coppermoly will be refunded to Applicants (without interest).

5.4 Purpose of the Offer

The purpose of the Offer is to raise up to approximately \$1,950,000.00.

The funds raised under the Offer will be applied to:

- (a) make the first payment due to Barrick under the Re-Acquisition Agreement;
- (b) undertake further exploration and development activity on the West New Britain Project and Coppermoly's other exploration licences; and
- (c) general working capital expenses, including upgrading operating plant and equipment.

More specifically, it is anticipated that the proceeds of the Offer will be allocated as follows:

Purpose	Amount (\$)
First Payment due to Barrick under the Re-Acquisition Agreement	\$1,000,000.00
Exploration activity on Coppermoly's exploration licences	\$400,000.00
General working capital expenses, including upgrading operating plant and equipment	\$337,829.00
Expenses of the Offer	\$212,171.00
Total	\$1,950,000.00

Where Coppermoly satisfies the Underwriting Fee and Underwriter's Expenses through the issue of Shares, Coppermoly will apply additional proceeds of the Offer to exploration activity and general working capital expenses.

Refer to section 5.10 of this Prospectus for further details relating to the estimated expenses of the Offer.

On completion of the Offer, the Board believes that Coppermoly will have sufficient working capital to achieve its short term objectives of acquiring an additional 23% interest in the West New Britain Project and recommencing exploration on the West New Britain Project under Coppermoly's direct management.

The above table is a statement of current intentions as at the date of this Prospectus. As with any budget, intervening events (including additional requirements arising from exploration and other activities) and new circumstances have the potential to affect the manner in which the funds are ultimately applied, which the Board reserves the right to do so.

5.5 Underwriting Arrangements

The Offer is fully underwritten by Jelsh Holdings Pty Ltd, who has also received 3,700,000 Shares under the Placement.

The Shares issued to the Underwriter in accordance with the Placement will be eligible to participate in the Offer. The Underwriter will receive a fee of \$125,000.00 which may be payable in Shares, at Coppermoly's election, at an issue price of \$0.045 for their services.

Please refer to section 8.2 of this Prospectus for details of the terms of the Underwriting Agreement.

5.6 Effect of the Offer

The principal effect of the Offer, assuming that the Offer is fully subscribed and that no Options are exercised or Convertible Notes are converted into Shares prior to the Record Date, will be to:

- (a) increase the cash reserves by up to \$1,757,513 (after deducting the estimated expenses of the Offer) immediately after completion of the Offer; and
- (b) increase the number of Shares on issue from 171,382,816 at the date of this Prospectus to 218,853,581 Shares.

It is important to note that the current intention of the Directors is, to the extent that it can do so in compliance with the Corporations Act and the ASX Listing Rules, to satisfy the Underwriting Fee and Underwriter's Expenses by issuing Shares to the Underwriter (at an issue price of \$0.045 per Share).

Accordingly, in the event that Coppermoly wholly satisfies the Underwriting Fee and Underwriter's Expenses by issuing Shares to the Underwriter, and assuming that the Offer is fully subscribed and that no Options or Convertible Notes are exercised prior to the Record Date, the principal effect of the Offer will be to:

- (a) increase the cash reserves by up to \$1,907,513 (after deducting the estimated expenses of the Offer) immediately after completion of the Offer; and
- (b) increase the number of Shares on issue from 171,382,816 at the date of this Prospectus to 222,186,914 Shares.

Further details regarding the Underwriting Agreement can be found in section 8.2 of this Prospectus.

5.7 Effect on capital structure

The effect of the Offer on Coppermoly's capital structure, assuming that the Offer is fully subscribed and no Options are exercised or Convertible Notes are converted into Shares prior to the Record Date, is set out below:

Shares

Number	
Shares on issue prior to the Placement	171,382,816
Shares on issue after the Placement	175,082,816
Maximum New Shares offered pursuant to the Offer	43,770,765
Total Shares on issues after completion of the Offer	218,853,581

Options

Number	
Options currently on issue	2,000,000
Options offered pursuant to the Offer	nil
Total Options on issue after completion of the Offer	2,000,000

As at 26 June 2013, the following persons have a relevant interest in 5% or more of the Shares on issue as set out below:

Shareholder	Shares	%
NEMI Northern Energy and Mining Inc.	15,990,333	9.330
National Nominees Limited	9,705,704	5.663

If the Offer is fully subscribed and National Nominees Limited subscribes for all of its Entitlement under the Offer, there will be no change to National Nominees Limited's relevant interest.

As NEMI Northern Energy Mining Inc. (**NEMI**) is not an Eligible Shareholder, it will only be entitled to subscribe for shares via its registered holding with ABN AMRO Clearing Sydney Pty Ltd (**Custodian Account**). Accordingly, if NEMI transfers the Shares that are registered as being held by it directly to its Custodian Account, and fully subscribes for all of its Entitlement, there will be no change to its relevant interest.

If NEMI does not transfer the Shares that are registered as being held by it directly to its Custodian Account, its relevant interest may be diluted if it does not receive Shortfall Shares under the Shortfall Offer via its Custodian Account.

If the parties set out above do not participate in the Offer, their interest will be diluted.

5.8 Effect on Underwriter's Voting Power

As at the date of this Prospectus, the Underwriter has a voting power of 0.53% as a result of 910,000 Shares that are registered in the name of one of its associates.

Jelsh Holdings Pty Ltd, as underwriter of the Offer, may increase its voting power in Coppermoly depending on the extent to which Shareholders accept their Entitlements and the extent of any applications received under the Shortfall Offer.

The table below sets out the number of Shares and voting power that the Underwriter may have after the completion of the Offer and Shortfall Offer under several scenarios²:

Shortfall	Shares held	Voting Power
0% acceptance of all Entitlements under Offer ³	48,380,765	21.70%
25% acceptance of all Entitlements under Offer	38,590,574	17.23%
50% acceptance of all Entitlements under Offer	27,647,883	12.23%
75% acceptance of all Entitlements under Offer	16,705,191	7.23%
100% acceptance of all Entitlements under Offer	5,762,500	2.23%

In consideration for the Underwriter agreeing to underwrite the Offer, the Underwriter will also receive:

- (a) an underwriting fee of \$125,000.00 (**Underwriting Fee**); and
- (b) a payment of \$25,000.00 for the Underwriter's expenses in relation to agreeing to underwrite the Offer (**Underwriter's Expenses**),

which Coppermoly may elect to satisfy by issuing Shares (at an issue price of \$0.045 per Share).

The table below sets out the number of Shares and voting power that the Underwriter may obtain in the event that Coppermoly elects to satisfy the Underwriting Fee and Underwriter's Expenses in Shares based on the table set out above:

Shortfall, Underwriting Fee and Underwriter's Expenses	Shares held	Voting Power
0% acceptance of all Entitlements under Offer ⁴	48,380,765	21.70%
25% acceptance of all Entitlements under Offer	41,923,907	18.47%
50% acceptance of all Entitlements under Offer	30,981,216	13.55%
75% acceptance of all Entitlements under Offer	20,038,525	8.62%
100% acceptance of all Entitlements under Offer	9,095,833	3.7%

Each of the tables set out in this section 5.8 assume that the Underwriter does not increase its voting power between the date of this Prospectus and the Record Date for the Offer. If the

² This table does not include any Shares that may be issued to the Underwriter in satisfaction of the Underwriting Fee or Underwriter's Expenses.

³ This example is provided on the assumption that Maurice Gannon and Ben Faulkner accept their respective Entitlements under the Offer in full, which, as at the date of this Prospectus, they intend to do.

⁴ This example is provided on the assumption that Maurice Gannon and Mr Faulkner accept their respective Entitlements under the Offer in full, which, as at the date of this Prospectus, they intend to do.

Underwriter increases its voting power by, either directly or indirectly via one of its associates, buying additional Shares on market or otherwise, its voting power in Coppermoly may be greater than that set out above.

5.9 Interests of Directors

The relevant interest of each of the Directors as at the date of this Prospectus, together with their respective Entitlements under the Offer, is set out in the table below:

Director	Shares	New Shares under Offer
Mr Tom Revy and his associated entities	Nil	Nil
Dr. Geoffrey Booth and his associated entities	Nil	Nil
Mr Maurice Gannon and his associated entities	908,457	227,114
Mr Ben Faulkner and his associated entities	2,743,180	685,795
Mr Shawn Uldridge and his associated entities	2,630,180	657,545

The Board recommends that all Shareholders take up their Entitlement and advises that Mr Maurice Gannon and Mr Ben Faulkner, intend to take up their respective Entitlements under the Offer. No statement is made concerning the exercise of the Shares held by Mr Ben Faulkner's associated entities.

5.10 Expenses of the offer

The total expenses of the Offer and Shortfall Offer are estimated to be approximately \$212,171.00 (excluding GST), which are expected to be applied towards the items set out in the table below:

Expense	Amount (\$)
ASIC fees	\$2,171.00
ASX fees	\$7,000.00
Advisors fees	\$45,000.00
Printing and distribution	\$8,000.00
Underwriter's Expenses	\$25,000.00
Underwriting Fee	\$125,000.00
Total	\$212,171.00

It is important to note that the current intention of the Directors is, to the extent that it can do so in compliance with the Corporations Act and the ASX Listing Rules, to satisfy the Underwriting Fee and Underwriter's Expenses by issuing Shares to the Underwriter (at an issue price of \$0.045 per Share).

Further details regarding the Underwriting Agreement can be found in section 8.2 of this Prospectus.

5.11 Overseas shareholders

The Offer and Shortfall Offer does not, and is not intended to, constitute an offer or invitation in any place or jurisdiction in which, or to any person to whom, it would be unlawful to make such an offer or to issue this Prospectus.

It is not practicable for Coppermoly to comply with the securities laws of all overseas jurisdictions in which Shareholders are resident having regard to the number of overseas Shareholders and the number and value of Shares these Shareholders would be offered and the cost of complying with the regulatory requirements in each relevant jurisdiction.

Accordingly, the Offer and Shortfall Offer is not being extended, and no Shares will be issued, to Shareholders with a registered address that is outside Australia or New Zealand, unless the Board is satisfied, in its sole discretion, that it would not be unlawful under the local laws of the country in which the Shareholder is resident to offer Shares.

The Offer is being made in New Zealand pursuant to the Securities Act (Overseas Companies) Exemption Notice 2013.

Shareholders that are resident in Australia or New Zealand holding Shares on behalf of persons who are resident overseas are responsible for ensuring that taking up any Entitlement under the Offer and Shortfall Offer does not breach regulations in the relevant overseas jurisdiction. The return of a duly completed Application Form will be taken by Coppermoly to constitute a representation that there has been no breach of those regulations.

6. Risks

6.1 Introduction

The Shares offered under this Prospectus are considered highly speculative. An investment in Coppermoly is not risk free and the Directors strongly recommend that potential investors consider the risk factors described below, together with information contained elsewhere in this Prospectus, and consult their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

In addition to the specific risks that relate directly to Coppermoly, there are also other general risks, many of which are largely beyond the control of Coppermoly and the Directors, that investors should consider. The risks identified in this section, or other risk factors, may have a material impact on the financial performance of Coppermoly and the market price of any Shares issued pursuant to this Prospectus.

The following is not intended to be an exhaustive list of the risk factors to which Coppermoly is exposed.

6.2 Company specific

(a) Barrick re-acquisition agreement risk

The Re-Acquisition Agreement requires that Coppermoly make the following payments to Barrick in order to acquire Barrick's interest in the West New Britain Project:

- (1) \$1,000,000.00, to acquire an additional 23% interest;
- (2) \$1,000,000.00 by 31 July 2013, to acquire an additional 21% interest; and
- (3) \$3,000,000.00 by the earlier of:
 - (A) 31 July 2018; or
 - (B) the date that Coppermoly releases a feasibility study on any one or more of the Tenements to the ASX,

to acquire a further 28% interest.

Coppermoly is seeking to raise up to approximately \$1,950,000.00, before expenses, under the Offer, which will be used to make the first payment due to Barrick under the Re-Acquisition Agreement and to conduct exploration activity on the West New Britain Project.

However, there is no certainty that Coppermoly will have sufficient funds to meet the second and third payments due to Barrick under the Re-Acquisition Agreement.

If this occurs, Coppermoly will have less than 100% of the West New Britain Project and may be required to divest some of or all of its interest in the West New Britain Project to meet the third payment due to Barrick.

If Coppermoly cannot meet any of the payments due to Barrick, Barrick may bring proceedings against Coppermoly for failure to pay.

(b) Key sensitivities of the West New Britain Project

The future success of Coppermoly is dependent on the success of the West New Britain Project as well as Coppermoly's other copper/gold exploration licences. The West New Britain Project and Coppermoly's other licences are subject to the following key sensitivities:

- (1) the delineation of sufficient copper/gold reserves so as to result in the viable extraction and processing of copper/gold from the West New Britain Project;
- (2) copper and gold prices;
- (3) processing costs of copper and gold; and
- (4) the capital cost to construct any required processing plant and associated facilities or the cost of transporting any extracted materials to a third party's processing facility.

There is also no guarantee that Coppermoly will be able to obtain all of the necessary approvals, permits, licences and consents required to develop the West New Britain Project.

(c) Exploration Licence Grant / Renewal Risk

Coppermoly's wholly owned subsidiary, Copper Quest, is the legal holder of four exploration licences and three exploration licence applications, including the following:

- (1) Exploration Licence Applications:
 - (A) ELA1813 (Fulleborn);
 - (B) ELA1782 (Powell); and
 - (C) ELA 2272 (Wowonga),
- (2) Exploration Licences:
 - (A) ELA2014 (Makmak);
 - (B) ELA1043 (Nakru);
 - (C) ELA1077 (Simuku); and
 - (D) ELA1445 (Taleumas).

Exploration Licence Applications

There is a risk that one or more of the applications for an exploration licence will not be granted or, if they are granted, are not granted on favourable terms. In this regard it is noted that the Fulleborn exploration license application is contested by another applicant.

Exploration Licences

The exploration licences have the following expiry dates:

- (1) ELA2014 (Makmak) was granted for a two year term ending on 14 May 2014;
- (2) ELA1077 (Simuku) was granted for a two year term ending on 28 November 2013;
- (3) ELA1445 (Taleumas) was granted for a two year term ending on 28 May 2012; and
- (4) ELA1043 (Nakru) was granted for a two year term ending on 12 December 2012.

Copper Quest has applied to renew both the Taleumas and Nakru exploration licences.

No date has yet been set for a Warden's Hearing to consider the renewal of the Nakru exploration license. The application to renew Taleumas exploration license has been considered and passed at a Warden's Hearing and will need to be considered by the Mining Advisory Council.

There is a risk that one or more of the exploration licences will not be renewed, or that the terms of the renewal are not favourable to Copper Quest.

This may have a significant adverse impact on the performance of Coppermoly and the Shares.

(d) Risks associated with operation in Papua New Guinea

Coppermoly's exploration licenses are located in Papua New Guinea.

Possible sovereign risks associated with operating in Papua New Guinea include, without limitation, changes in mining legislation, changes to royalty arrangements, changes to taxation rates and concessions and changes in the ability to enforce legal rights. Any of these factors may adversely affect the financial performance of Coppermoly and the market price of its Shares.

No assurance can be given as to the future stability of Papua New Guinea or any other country in which Coppermoly may, in the future, have an interest.

Any of these factors may have a significant adverse effect on the value of any Shares issued.

(e) Sole Risk

The Acquisition of Barrick's interest is subject to raising \$2,000,000.00 (**Condition Precedent**) on or before 5.00pm on 14 August 2013.

In accordance with the terms of the Re-Acquisition Agreement, the Letter Agreement and the Joint Venture with Barrick will be terminated and Coppermoly will assume responsibility for all work commitments and other liabilities attributable to the West

New Britain Project, despite only having a 51% beneficial interest in the West New Britain Project, from the satisfaction or waiver of the Conditions Precedent.

There is a risk that Coppermoly will not be able to meet the work commitments, which may result in one or more of the West New Britain Project exploration licences being forfeited.

Similarly, a claim may be made against Coppermoly, as the legal holder of the exploration licences, for, among other things, any breach of any environmental laws, health and safety requirements and/or any applicable land access / compensation arrangements.

In this circumstance, Coppermoly would be solely responsible for meeting the cost of such claims.

(f) Future funding requirements

Coppermoly's capital requirements depend on numerous factors.

Coppermoly will require further financing in order to progress the West New Britain Project, and its other exploration licences. For the foreseeable future, it is expected that this funding will be from equity financing.

Any equity financing undertaken will dilute existing Shareholders.

There is also no guarantee that Coppermoly will be able to secure any additional funding or be able to secure funding on terms that are favourable to Coppermoly.

This may require that Coppermoly reduce the scope of its operations or, if necessary, dispose of some of its interest in one or more of its assets to a third party.

Similarly, while debt financing is unlikely to be available to Coppermoly for the foreseeable future, any debt financing, if available, may involve restrictions on financing and operating activities.

6.3 Industry specific risk

(a) Exploration and mining regulatory risk

The business of exploration, project development and mining involves many risks.

Exploration is a high risk activity that requires large amounts of expenditure over extended periods of time. There can be no guarantee that planned exploration and evaluation programs will lead to positive exploration and evaluation results or the delineation of a commercial deposit or, further, a commercial mining operation.

The future exploration activities of Coppermoly may be affected by a range of factors including geological conditions, limitations on activities due to seasonal weather patterns, unanticipated operational and technical difficulties, industrial and environmental accidents and land access issues, changing government regulations and many other factors beyond the control of Coppermoly.

Each of these may have a significant adverse effect on the future performance of Coppermoly and the market price of its Shares.

(b) Resource estimates

Resource estimates are expressions of judgement based on knowledge, experience and industry practice. While these estimates may be appropriate when made, they change significantly when new information or techniques become available.

There are risks associated with such estimates. Resource estimates are necessarily imprecise and depend to some extent on interpretations, which may prove to be inaccurate and require adjustment. Adjustments to resource estimates could affect Coppermoly's future plans and ultimately its financial performance and value.

(c) Joint venture parties, agents and contractors

There is a risk of financial failure or default by a participant in any joint venture to which Coppermoly may become a party or the insolvency or managerial failure by any of the contractors used by Coppermoly in any of its activities or the insolvency or other managerial failure by any of the other service providers used by Coppermoly for any activity.

(d) Environmental

The operations and proposed activities of Coppermoly are subject to laws and regulations concerning the environment. As with most exploration projects and mining operations, Coppermoly's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. It is Coppermoly's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.

Events, such as unpredictable rainfall or bushfires may impact on Coppermoly's ongoing compliance with environmental legislation, regulations and licences. Significant liabilities could be imposed on Coppermoly for damages, clean-up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous operations or non-compliance with environmental laws or regulations.

(e) Operations

The operations of Coppermoly may be affected by various factors, including failure to locate or identify mineral deposits, adverse outcomes from project development studies, failure to achieve predicted grades in exploration and mining, operational and technical difficulties encountered in mining, difficulties in constructing, commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, adverse weather conditions, industrial and environmental accidents, industrial disputes and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.

No assurances can be given that Coppermoly will achieve commercial viability through the successful exploration and/or mining of its tenement interests. Until Coppermoly is able to realise value from its projects, it is likely to incur ongoing operating losses.

6.4 General risks

(a) Economic

General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on Coppermoly's exploration, development and production activities, as well as on its ability to fund those activities.

(b) Market conditions

Share market conditions may affect the value of Coppermoly's quoted securities regardless of Coppermoly's operating performance. Share market conditions are affected by many factors such as:

- (1) general economic outlook;
- (2) commodity prices;
- (3) introduction of tax reform or other new legislation;
- (4) interest rates and inflation rates;
- (5) changes in investor sentiment toward particular market sectors;
- (6) the demand for, and supply of, capital; and
- (7) terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for securities in general and resource exploration securities in particular. Neither Coppermoly nor the Directors warrant the future performance of Coppermoly or any return on an investment in Coppermoly.

(c) Taxation

The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in Coppermoly are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally.

To the maximum extent permitted by law, Coppermoly, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for Shares under this Prospectus.

(d) Regulatory risks

Coppermoly's exploration and development activities are subject to extensive laws and regulations relating to numerous matters including resource licence consent, conditions including environmental compliance and rehabilitation, taxation, employee relations, health and worker safety, waste disposal, protection of the environment, native title and heritage matters, protection of endangered and protected species and other matters. Coppermoly requires permits from regulatory authorities to authorise Coppermoly's operations. These permits relate to exploration, development, production and rehabilitation activities.

Obtaining necessary permits can be a time consuming process and there is a risk that Company will not obtain these permits on acceptable terms, in a timely manner or at all. The costs and delays associated with obtaining necessary permits and complying with these permits and applicable laws and regulations could materially delay or restrict Coppermoly from proceeding with the development of a project or the operation or development of a mine. Any failure to comply with applicable laws and regulations or permits, even if inadvertent, could result in material fines, penalties or other liabilities. In extreme cases, failure could result in suspension of Coppermoly's activities or forfeiture of one or more of the Coppermoly's exploration licences.

(e) Government policy changes

Adverse changes in government policies or legislation may affect ownership of mineral interests, taxation, royalties, land access, labour relations, and mining and exploration activities of Coppermoly. It is possible that the current system of exploration and mine permitting in Papua New Guinea may change, resulting in impairment of rights and possibly expropriation of Coppermoly's properties without adequate compensation.

(f) Foreign exchange rate risk

Coppermoly's revenue and expenditure are and will be taken into account in Australian dollars. Most of the Company's operating and exploration expenses are incurred in PNG Kina. Copper is sold throughout the world based principally on a US dollar price. Therefore Coppermoly is exposed to fluctuations and volatility in the USD/AUD and PNG/ AUD exchange rates and the USD copper price. Movements in these exchange rates and/or the USD copper price may adversely or beneficially affect Coppermoly's results or operations and cash flows.

(g) Reliance on key personnel

The responsibility of overseeing the day-to-day operations and the strategic management of Coppermoly depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on Coppermoly if one or more of these employees cease their employment.

6.5 Speculative investment

The above list of risk factors ought not to be taken as exhaustive of the risks faced by Coppermoly or by investors in Coppermoly. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of Coppermoly and the value of the Shares offered under this Prospectus.

Therefore, the Shares to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares.

Potential investors should consider that the investment in Coppermoly is speculative and should consult their professional advisers before deciding whether to apply for any Shares pursuant to this Prospectus.

7. Acceptance of Offer and Shortfall Offer

7.1 Acceptance of Offer

Your acceptance of the Offer must be made on the Application Form accompanying this Prospectus. Your acceptance must not exceed your Entitlement as shown on that form. If it does, your acceptance will be deemed to be for your maximum Entitlement.

You may participate in the Offer as follows:

- (a) if you wish to accept your full Entitlement:
 - (1) complete the Application Form; and
 - (2) attach your cheque, drawn on an Australian bank or bank draft made payable in Australian currency, for the amount indicated on the Application Form. If you are paying via BPAY® please refer to section 7.5; or
- (b) if you only wish to accept part of your Entitlement:
 - (1) fill in the number of Shares you wish to accept in the space provided on the Application Form; and
 - (2) attach your cheque, drawn on an Australian bank or bank draft made payable in Australian currency, for the appropriate application monies (at \$0.045 per New Share). If you are paying via BPAY® please refer to section 7.5; or
- (c) if you do not wish to accept any part of your Entitlement, you are not obliged to do anything.

7.2 Application for Shortfall Shares

If you wish to apply for Shares in excess of your Entitlement by applying for Shortfall Shares, you may do so in accordance with the instructions referred to the Application Form. Please read the instructions carefully. Any Shortfall Shares applied for in excess of your Entitlement will be issued from the excess of any New Shares not applied for under the Offer (if any) and there is no guarantee that you will receive all or any of the amount of the Shortfall Shares applied for under the Shortfall Offer.

For payment by cheque/bank draft, please refer to section 7.4. If you are paying via BPAY® please refer to section 7.5.

7.3 Allocation of Shortfall Shares

Subject to the Directors retaining discretion to refuse to accept applications where the Directors consider that the effect of issuing Shortfall Shares to the Applicant will result in the Applicant's, or another person's, voting power in Coppermoly exceeding 20%, Applicants under the Shortfall Offer will be allocated the lesser of:

- (a) the number of additional Shortfall Shares applied for by the Applicant; and
- (b) if the number of Shortfall Shares available for subscription is less than the aggregate number of Shortfall Shares applied for by unsatisfied Applicants, the number of Shortfall 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 Offer.

Any Shortfall Shares remaining after completion of the steps outlined above will be issued to the Underwriter.

7.4 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".

Your completed Application Form and cheque must reach Coppermoly's share registry no later than 3.00 AEST on the Closing Date (by post) at:

Boardroom Pty Limited
GPO Box 3993
SYDNEY NSW 2001

7.5 Payment by BPAY®

For Payment by BPAY®, please follow the instructions on the Application Form. You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions. Please note that should you choose to pay by BPAY®:

- (a) you do not need to submit the Application Form but are taken to have made the declarations on that Application Form; and
- (b) if you do not pay for your Entitlement in full, you are deemed to have taken up your Entitlement in respect of such whole number of New Shares which is covered in full by your application monies.

It is your responsibility to ensure that your BPAY® payment is received by the Share Registry by no later than 3.00pm (AEST) on the Closing Date. You should be aware that your financial institution may implement cut-off times with regards to electronic payment and you should therefore take this into consideration when making payment.

Any application monies received for more than your final allocation or New Shares (only where the amount is \$1.00 or greater) will be refunded. No interest will be paid on any application monies received or refunded.

The Offer is non-renounceable. Accordingly, Shareholders may not sell or transfer all or part of their Entitlement.

7.6 Enquiries concerning your Entitlement

If you have any queries concerning your Entitlement please contact Boardroom Pty Limited on telephone +61 2 9290 9600.

8. Re-Acquisition Agreement and Underwriting Agreement

8.1 Re-Acquisition Agreement

Coppermoly, Copper Quest and Barrick are party to a Letter Agreement in relation to the West New Britain Project.

The Re-Acquisition Agreement terminates the Letter Agreement and provides for the acquisition of Barrick's interest in the West New Britain Project by Coppermoly.

The key terms of the Re-Acquisition Agreement are as follows:

- (a) **(three stage acquisition)**: the acquisition of Barrick's interest will occur in three stages, as follows:
- (1) 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**);
 - (2) 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
 - (3) 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 West New Britain Project licences to ASX;
- (b) **(condition precedent)**: the Re-Acquisition Agreement is subject to, and conditional upon, Coppermoly successfully raising a minimum of \$2,00,000.00 (**Conditions 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 (accruing daily between 14 August 2013 and the payment of the Initial Payment);
- (c) **(ongoing costs)**: after completion of the first stage of the acquisition, Copper Quest will be responsible for all exploration activity on the exploration licences including paying all rates, rents, levies, charges, fees and any required expenditure and commitments applying to the exploration licences;
- (d) **(expenditure commitments and work programmes)**: Coppermoly will be responsible for ensuring that the expenditure and work commitments for the exploration licences for the current tenement years are satisfied. Coppermoly considers that it can satisfy the required expenditure commitments by drilling 2 further holes prior to 31 December 2013 and undertaking other mapping and sampling programs;
- (e) **(indemnity)**: Copper Quest shall indemnify, and keep indemnified, for so long as Barrick has a beneficial interest in the exploration licences, Barrick against any loss or

liability that may arise from any activity undertaken by Copper Quest (or any of its agents, contractors, sub-contractors, consultants, officers or employees) on the exploration licences following the completion of the first stage of the acquisition; and

- (f) **(nationalisation)**: Coppermoly and Barrick have agreed that if, at any time prior to the date that Coppermoly acquires 100% of the West New Britain Project, the government of Papua New Guinea elects to acquire a participating interest in the exploration licences, then Barrick and Coppermoly will each contribute proportional percentages of their then current beneficial interest.

8.2 Underwriting Agreement

Coppermoly has entered into an agreement with Jelsh Holdings Pty Ltd (**Underwriter**), who has agreed to:

- (a) subscribe for 3,700,000 Shares at an issue price of \$0.045 per Share (**Placement Shares**); and
- (b) subscribe for any Shares offered under the Offer (**Offered Shares**) and not subscribed for under the Offer or Shortfall Offer.

The key terms of the Underwriting Agreement are as follows:

- (a) **(placement)**: the Underwriter will subscribe for the Placement 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 Offered Shares not subscribed for under the Offer or Shortfall Offer within 5 business days of being notified of the number of Offered Shares for which applications have not been received, and may enter into sub-underwriting arrangements with such persons as approved by Coppermoly.
- (c) **(payments to the Underwriter)**: in consideration for the Underwriter agreeing to underwrite the Offer, Coppermoly will pay the Underwriter:
- (1) an underwriting fee of \$125,000.00; and
 - (2) 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, if in the reasonable opinion of the Underwriter, any one or more of the following events exists or occurs:
- (1) Coppermoly is in default of any material obligation in the Underwriting Agreement or breaches any warranty, representation or undertaking given under the Underwriting Agreement, which:
 - (A) is incapable of remedy or is not remedied by the date valid Applications are required to be lodged; and

- (B) in the reasonable opinion of the Underwriter has, or is likely to have, a material adverse effect on the Offer or Coppermoly;
- (2) Coppermoly contravenes any of the following, which in the reasonable opinion of the Underwriter has a material adverse effect on the Offer or Coppermoly, relating to:
 - (A) any law, regulation, authorisation, ruling, consent judgment, order or decree of any government agency;
 - (B) its constitution or another constituent document;
 - (C) an encumbrance or document which is binding on Coppermoly or its subsidiary or an asset of Coppermoly or a subsidiary;
 - (3) there is an outbreak of new hostilities or a state of war, whether declared or not, or an escalation of hostilities already in existence, in certain specified jurisdictions, which, in the reasonable opinion of the Underwriter, has or is likely to have a material and adverse effect on the Offer;
 - (4) Coppermoly or Copper Quest assigns, novates, varies, alters, amends, waives any rights under or terminates Re-Acquisition Agreement or agrees to do so without the prior written consent of the Underwriter;
 - (5) the notice issued pursuant to s 708A(5)(e)(i) of the Corporations Act or of the like nature is or becomes defective (as defined in section 708A(10) of the Corporations Act);
 - (6) in relation to any documents associated with the Offer and sent to Shareholders, including this Prospectus (**Offer Documents**):
 - (A) any adverse new circumstance arises or becomes known which, if known at the time of issue of any of the Offer Documents, would have been included in the Offer Documents;
 - (B) any Offer Document is or becomes false, misleading or deceptive (including by way of omission) (having regard to the provisions under Part 6D.2 of the Corporations Act);
 - (C) any Offer Document does not contain all information required to comply with all applicable laws;
 - (7) subject to certain qualifications and exceptions, a regulatory body commences any investigation, intervention, action, proceedings in relation to Coppermoly, Copper Quest, the Offer or the Underwriting Agreement or any transaction contemplated by it;
 - (8) Coppermoly withdraws the Offer or the invitations to apply for Offered Shares under the Offer Documents;
 - (9) a certificate or notice is not furnished when required to be furnished by Coppermoly under the Underwriting Agreement or a statement in that certificate is, in any material respect, untrue incorrect or misleading or deceptive;
 - (10) any event specified in the Underwriting Agreement or the Offer Documents is delayed for more than three (3) business days without the prior written approval of the Underwriter;
 - (11) Coppermoly ceases to be admitted to the official list of ASX or trading in Shares on the financial market operated by ASX is suspended (other than

with the prior written consent of the Underwriter), or the Shares cease to be officially quoted pursuant to the ASX Listing Rules;

- (12) ASX does not approve the granting of official quotation to the Offered Shares (subject only to conditions acceptable to the Underwriter, acting reasonably) by 5:00pm on the business day immediately preceding the Offered Shares are allotted or if granted, any such approval is subsequently withdrawn, qualified (other than by conditions acceptable to the Underwriter, acting reasonably) or withheld (or ASX indicates to Coppermoly or the Underwriter that any such approval is likely to be withdrawn, qualified or withheld);
 - (13) Coppermoly or a Subsidiary is or becomes Insolvent, or any act occurs or any omission is made which may result in Coppermoly or Copper Quest becoming insolvent;
 - (14) an event occurs which is a matter materially adverse to investors in Offered Shares and which would have been required by the Corporations Act to be included in the Offer Documents had the event arisen before the Offer Documents were given to ASX.
- (e) **(termination by Coppermoly):** Coppermoly may terminate the Underwriting Agreement, without cost or liability to the Underwriter, if prior to Closing Date:
- (1) 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
 - (2) 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 Offer and the Placement, including as a result of:
- (1) a breach by Coppermoly of this Agreement;
 - (2) a false or misleading or deceptive statement in any of the Offer Documents; and
 - (3) any regulatory investigation or intervention in relation to this Agreement or any transaction contemplated by it, including, without limitation, any investigation, action or proceedings by ASIC or the Takeovers Panel.

9. Rights and liabilities attaching to Shares

Shares issued pursuant to the Offer and Shortfall Offer will have the same rights and liabilities as Coppermoly's existing Shares on issue as at the date of this Prospectus. The full details of the rights attaching to Shares are set out in the Constitution, a copy of which may be inspected at Coppermoly's registered office. A summary of the rights and liabilities attaching to the Shares is set out below.

9.1 Voting rights

At a general meeting every Shareholder present in person by proxy, attorney or representative has one vote on a show of hands and every Shareholder present in person or by proxy, attorney or representative has one vote for each Share on a poll.

9.2 Dividends

Dividends are declared by the Directors at their discretion and are paid to Shareholders according to their rights and interest in the profits at the time of entitlement to the dividend.

9.3 Transfer of Shares

Generally, the Directors will not refuse to register a transfer unless the ASX Settlement Operating Rules or the ASX Listing Rules permit it to do so, or the transfer would result in a contravention of law, the transfer would result in more than three persons being registered as joint holders or Coppermoly has a lien on the Shares.

9.4 Future increases in capital

The allotment or issue of any Shares of Coppermoly is under the control of the Directors who may, subject to the Corporations Act and the ASX Listing Rules, allot or otherwise dispose of them on such conditions as they see fit.

9.5 Variation of rights

The rights and privileges attaching to Shares can be altered by a special resolution of Shareholders or the written consent of three fourths of Shareholders. A special resolution is a resolution passed by a majority of not less than 75% of those present and voting.

9.6 Rights on winding up

In the event of a winding up of Coppermoly:

- (a) any surplus will be divided among the Shareholders in the proportion that the amount paid up on the Shares bears to the total amount paid up on all Shares of Coppermoly on issue; and
- (b) surplus assets in kind may, with the sanction of a special resolution, be divided among Shareholders in such proportion as the liquidator may determine.

9.7 Shareholder liability

As the Shares issued will be fully paid shares, they will not be subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

9.8 Constitution

The Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

10. Additional information

10.1 Allotment

Shares issued pursuant to the Offer will be allotted in accordance with ASX Listing Rules and timetable set out in this Prospectus.

Shares issued pursuant to the Shortfall Offer will be allotted on a progressive basis. Where the number of Shares issued is less than the number applied for, or where no allotment is made, surplus application money will be refunded without any interest to the Applicant as soon as practicable after the closing date of the Offer.

Pending the allotment and issue of Shares or payment of refunds pursuant to this Prospectus, all application money will be held by Coppermoly in trust for the Applicants in a separate bank account as required by the Corporations Act. Coppermoly, will, however, be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest.

Holding statements for Shares issued pursuant to the Offer will be mailed in accordance with ASX Listing Rules and timetable set out at the commencement of this Prospectus and for Shares issued under the Shortfall Offer as soon as practicable after their issue.

10.2 ASX listing

Application for Quotation of the Shares offered pursuant to this Prospectus will be made to ASX within seven days of the date of this Prospectus. If ASX does not grant Quotation of the Shares offered pursuant to this Prospectus before the expiration of three months after the date of this Prospectus (or such period as varied by ASIC), Coppermoly will not issue any Shares and will repay all application money for the Shares within the time prescribed under the Corporations Act, without interest.

The fact that ASX may grant Quotation of the Shares offered pursuant to this Prospectus is not to be taken in any way as an indication of the merits of Coppermoly or the Shares offered for subscription.

10.3 Litigation

As at the date of this Prospectus, Coppermoly is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against Coppermoly.

10.4 Continuous disclosure obligations

Coppermoly is a “disclosing entity” (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all ASX listed companies, Coppermoly is required to immediately disclose to the market any information that a reasonable person would expect to have a material effect on the price or the value of Coppermoly’s securities.

This Prospectus is a “transaction specific prospectus”. In general terms a “transaction specific prospectus” is only required to contain information in relation to the effect of the issue of securities on a company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

As such, this Prospectus should be read in conjunction with the publicly available information in relation to Coppermoly which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to Coppermoly before making a decision whether or not to invest.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

Coppermoly, as a disclosing entity under the Corporations Act, advises that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with ASIC in relation to Coppermoly (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
 - (1) the annual financial report most recently lodged by Coppermoly with ASIC;
 - (2) any half-year financial report lodged by Coppermoly with ASIC after the lodgement of the annual financial report referred to in (1) and before the lodgement of this Prospectus with ASIC; and
 - (3) any documents lodged by Coppermoly with ASX under the continuous disclosure reporting requirements from 26 September 2012 to the date of this Prospectus.

Copies of all documents lodged with ASIC in relation to Coppermoly can be inspected at the registered office of Coppermoly during normal office hours.

Details of documents lodged by Coppermoly with ASX since the date of lodgement of Coppermoly's latest annual financial report and before the lodgement of this Prospectus with ASIC are set out in the table below.

Date	Description of announcement
26/09/2012	Annual Report to shareholders
01/10/2012	Ceasing to be a substantial holder
02/10/2012	Corporate Governance Statement
05/10/2012	Exploration Begins at Makmak
05/10/2012	Notice of Annual General Meeting/Proxy Form
09/10/2012	Quarterly Cashflow Report
11/10/2012	Change of Director's Interest Notice
12/10/2012	Quarterly Activities Report
25/10/2012	Drilling Commences at Simuku

Date	Description of announcement
01/11/2012	Results at Makmak show IOCG Potential
07/11/2012	Trading Halt
08/11/2012	Exclusivity Agreement with Barrick
12/11/2012	Annual General Meeting Presentation
12/11/2012	Chairman's Address to Shareholders
14/11/2012	Director Resignation
14/11/2012	Director Resignation
15/11/2012	Results of Annual General Meeting
16/11/2012	Drill Ready Geophysical Targets at Makmak
21/11/2012	Change of Director's Interest Notice
21/11/2012	Appendix 3B
22/11/2012	Correction - Change of Director's Interest Notice
05/12/2012	In-Principle Agreement Update
06/12/2012	Massive Iron in Makmak Samples
06/12/2012	Appendix 3B
06/12/2012	Change of Director's Interest Notice
06/12/2012	Change of Director's Interest Notice
06/12/2012	Change of Director's Interest Notice
06/12/2012	Change of Director's Interest Notice
13/12/2012	Drilling Commences at Nakru
07/01/2013	Assay Results Confirm IOCG Potential at Makmak
09/01/2013	Placement
10/01/2013	Cleansing Statement
15/01/2013	Drilling Completed by Barrick
18/01/2013	Notice Received to Remove and Appoint Directors
18/01/2013	Changes to the Board of Directors
22/01/2013	AVA: Investment in Coppermoly Ltd
22/01/2013	Convertible Note Deeds
23/01/2013	Quarterly Cashflow Report
23/01/2013	Quarterly Activities Report
24/01/2013	New Investors - Specialist Expertise and Financial Backing
25/01/2013	Initial Director's Interest Notice
25/01/2013	Final Director's Interest Notice
29/01/2013	Further High Iron Assay Results on Makmak Samples

Date	Description of announcement
31/01/2013	Managing Director Appointment
31/01/2013	Section 249D Notice
04/02/2013	Applications Received For Private Placements
05/02/2013	Binding Cash Offer Received for West New Britain Project
06/02/2013	Notice of Extraordinary General Meeting
07/02/2013	Confirmation and Clarification of Announcements
11/02/2013	Appendix 3B Allotment of New Shares & Options
14/02/2013	Further High Grade Mineralisation Intersected at Nakru
14/02/2013	Further High Grade Mineralisation Intersected at Nakru
14/02/2013	Cleansing Statement
04/03/2013	Cancellation of EGM and Section 249D Notice
07/03/2013	Notice of Extraordinary General Meeting
12/03/2013	Half Year Accounts
20/03/2013	Engagement of Dr Peter Crowhurst
10/04/2013	Results of Meeting
11/04/2013	Next Phase of Exploration Begins at Makmak
29/04/2013	March Quarterly & Cash Flow Report
20/05/2013	Appointment of New Chairman
20/05/2013	Initial Director's Interest Notice
24/05/2013	Changes to Substantial Shareholders
05/06/2013	WNB 3D Fly-Through Presentation
19/06/2013	Changes to Substantial Shareholders

ASX maintains files containing publicly available information for all listed companies. Coppermoly's file is available for inspection at ASX during normal office hours.

The announcements are also available through Coppermoly's website www.coppermoly.com.au.

10.5 Market price of Shares

Coppermoly is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX.

The highest, lowest and last market sale prices of the Shares on ASX during the three months immediately preceding the date of lodgement of this Prospectus with ASIC and the respective dates of those sales were:

	Date	Price
Lowest Price	9,14, 16 and 20 May 2013	2.8 cents
Highest Price	28 May 2013	3.6 cents

10.6 Director interests

Other than as set out in this Prospectus, no Director or proposed Director holds, or has held within the two years preceding lodgement of this Prospectus with ASIC, any interest in:

- (a) the formation or promotion of Coppermoly;
- (b) any property acquired or proposed to be acquired by Coppermoly in connection with:
 - (1) its formation or promotion; or
 - (2) the Offer or the Shortfall Offer; or
- (c) the Offer or the Shortfall Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director or proposed Director:

- (a) as an inducement to become, or to qualify as, a Director; or
- (b) for services provided in connection with:
 - (1) the formation or promotion of Coppermoly; or
 - (2) the Offer or the Shortfall Offer.

The remuneration of an executive Director is decided by the Board, without the affected executive Director participating in that decision-making process. The total maximum remuneration of non-executive Directors is initially set by the Constitution and subsequent variation with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to Coppermoly of the respective contributions by each non-executive Director.

A Director may be paid fees or other amounts (ie non-cash performance incentives such as Options, subject to any necessary Shareholder approval) as the other Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. In addition, Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

Details of the remuneration paid and payable to each Director of Coppermoly are set out in Coppermoly's 2012 annual financial report. A copy of Coppermoly's 2012 annual financial report can be accessed on Coppermoly's website or on ASX webpage for Coppermoly (ASX Code: COY).

10.7 Interests of experts and advisers

Other than as set out below or elsewhere in this Prospectus, no:

- (a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- (b) promoter of Coppermoly; or
- (c) underwriter to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

holds, or has held within the 2 years preceding lodgement of this Prospectus with ASIC, any interest in:

- (a) the formation or promotion of Coppermoly;
- (b) any property acquired or proposed to be acquired by Coppermoly in connection with:
 - (1) its formation or promotion; or
 - (2) the Offer or the Shortfall Offer.

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

- (3) the formation or promotion of Coppermoly; or
- (4) the Offer or the Shortfall Offer.

Piper Alderman has acted as Australian legal advisors to Coppermoly in relation to the Offer and Shortfall Offer. Coppermoly has agreed to pay Piper Alderman \$35,000.00 (excluding GST and disbursements) for these services. Piper Alderman may receive additional amounts for other professional services performed for Coppermoly in accordance with its usual practise. Piper Alderman has made no statement included in this Prospectus or on which a statement in this Prospectus is based.

Aird & Berlis LLP has acted as Canadian legal advisers to Coppermoly in relation to the Offer and Shortfall Offer. Coppermoly estimates that it will pay Aird & Berlis LLP \$10,000.00 (excluding GST and disbursements) for these services. Aird & Berlis LLP has made no statement included in this Prospectus or on which a statement in this Prospectus is based.

Jelsh Holdings Pty Ltd has acted as the underwriter of the Offer. Jelsh Holdings Pty Ltd will receive an underwriting fee of \$125,000.00. The Underwriter will also be reimbursed for its expenses in relation to the Offer for an amount of \$25,000.00. Subject to not breaching the Corporations Act or the Listing Rules, Coppermoly may elect to satisfy the underwriting fee and the expenses by issuing Shares (at an issue price of \$0.045 per Share). The Underwriter has made no statement included in this Prospectus or on which a statement in this Prospectus is based.

10.8 Consents

Each of the persons referred to in this section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this section; and
- (b) to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this section.

Piper Alderman has given its written consent to being named as Australian legal advisors to Coppermoly in this Prospectus. Piper Alderman has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

Aird & Berlis LLP has given its written consent to being named as Canadian legal advisors to Coppermoly in this Prospectus. Aird & Berlis LLP has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

Jelsh Holdings Pty Ltd has given its written consent to being named as the underwriter of the Offer in this Prospectus. Jelsh Holdings Pty Ltd has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

Boardroom Pty Ltd has given its written consent to being named as Coppermoly's share registrar in this Prospectus. Boardroom Pty Ltd has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

10.9 Clearing House Electronic Sub Register System (CHES) and Issuer Sponsorship

Coppermoly will not be issuing share certificates. Coppermoly is a participant in CHES, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHES will be issuer sponsored by Coppermoly. Because the sub registers are electronic, ownership of securities can be transferred without having to rely upon paper documentation.

Electronic registers mean that Coppermoly will not be issuing certificates to investors. Instead, investors will be provided with a statement (similar to a bank account statement) that sets out the number of Shares allotted to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHES and issuer sponsorship.

Further monthly statements will be provided to holders if there have been any changes in their security holding in Coppermoly during the preceding month.

10.10 Enquiries

Any questions concerning the Offer should be directed to Coppermoly's share registry on 1300 737 760 (within Australia) or (+61) 2 9290 9600 (outside Australia).

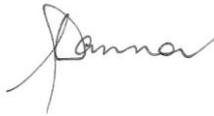
10.11 Other Material Information

To the best of the Directors' knowledge and belief, this Prospectus contains all information that investors and their professional advisers would reasonably require to make an informed assessment of the effect of the issue on Coppermoly and the rights and liabilities attaching to the Shares offered pursuant to this Prospectus.

10.12 Authorisation

This Prospectus is issued by Coppermoly.

The lodgement of this Prospectus with ASIC was consented to by every director of Coppermoly.

A handwritten signature in black ink, appearing to read 'Maurice Gannon', written over a horizontal line.

Maurice Gannon

Managing Director

11. Glossary

\$	means the lawful currency of the Commonwealth of Australia.
AEST	means Australian Eastern Standard Time.
Applicant	means an Eligible Shareholder who applies for New Shares pursuant to the Offer or an Eligible Shareholder who applies for Shortfall Shares pursuant to the Shortfall Offer.
Application Form	means an entitlement and acceptance form in the form accompanying a paper copy of this Prospectus, pursuant to which Eligible Shareholders may apply for New Shares and Shortfall Shares.
ASIC	means the Australian Securities and Investments Commission.
ASX	means ASX Limited ACN 008 624 691 or the financial market operated by it (as the context requires).
ASX Listing Rules	means the listing rules of ASX.
ASX Settlement Operating Rules	means the settlement rules of the securities clearing house which operates CHESS.
Barrick	means Barrick (PNG Exploration) Limited.
Board	means the board of Directors unless the context indicates otherwise.
Business Day	means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day and any other day that ASX declares is not a business day.
CHESS	means the ASX's clearing house electronic subregister system.
Closing Date	means the date specified in the timetable set out at the commencement of this Prospectus (unless extended).
Constitution	means the constitution of Coppermoly as at the date of this Prospectus.
Convertible Notes	means the convertible notes issued to Aviva Corporation Limited and Mitchell River Group Pty Ltd (each a Noteholder) on or about 22 January 2013, which have an aggregate face value of \$250,000.00 and which are convertible into Shares at the election of the Noteholder at an issue price of 3.3 cents per Share.
Copper Quest	means Copper Quest PNG Limited, being a wholly owned subsidiary of Coppermoly.
Coppermoly	means Coppermoly Limited ACN 126 490 855.
Corporations Act	means the <i>Corporations Act 2001 (Cth)</i> .
Directors	means the directors of Coppermoly as at the date of this Prospectus.

EL	means an exploration licence as that term is defined in the Mining Act.
ELA	means an exploration licence application as that term is defined in the Mining Act.
Eligible Shareholder	means a Shareholder at the Record Date that is not an Ineligible Shareholder.
Entitlement	means the entitlement of an Eligible Shareholder pursuant to the Offer.
Ineligible Shareholder	means a Shareholder with an address outside of Australia or New Zealand, unless Coppermoly is satisfied that the offer of New Shares under this Prospectus will not be unlawful under the local laws of the country in which the Shareholder is resident either unconditionally or after compliance with such conditions as the Board, in its sole discretion, considers are reasonable in the circumstances.
Joint Venture	means the unincorporated Joint Venture between Coppermoly, Barrick and Copper Quest in relation to the West New Britain Project, formed in accordance with the Letter Agreement.
K	means kina, the lawful currency of Papua New Guinea.
Letter Agreement	means the letter agreement dated 9 October 2009 between Barrick, Copper Quest and Coppermoly.
Mineral Resources Authority	means the statutory authority in Papua New Guinea to promote, manage and regulate the mining industry.
Mining Act	means the Mining Act 1992.
Mining Advisory Council	means the regulatory body in Papua New Guinea which makes recommendations to the minister of the Mineral Resources Authority in relation to grants and renewal of licences and related issues.
New Share	means any Shares to be issued pursuant to the Offer.
Offer	means the non-renounceable entitlement offer contained in this Prospectus.
Offer Documents	means each of the documents associated with the Offer and sent to shareholders of Coppermoly, including without limitation to a prospectus prepared in accordance with under Part 6D.2 of the Corporations Act.
Option	means an option to acquire a Share.
Placement	means the private placement of 3,700,000 Shares to be made to the Underwriter in accordance with the Underwriting Agreement.
Prospectus	means this prospectus, as supplemented or amended from time to time in accordance with the Corporations Act.
Quotation	means official quotation of the Shares on ASX.
Re-Acquisition	means the acquisition agreement between Copper Quest , Coppermoly

Agreement	and Barrick dated 25 June 2013, as described in section 8.1.
Record Date	means the date specified in the timetable set out at the commencement of this Prospectus.
Share	means a fully paid ordinary share in the capital of Coppermoly.
Share Registry	means Boardroom Pty Limited ACN 003 209 836.
Shareholder	means a holder of a Share.
Shortfall	means any New Shares not applied for under the Offer (if any).
Shortfall Offer	means the offer to acquire any New Shares not applied for under the Offer on the terms and conditions set out in section 5.2 of this Prospectus.
Shortfall Shares	means the Shares offered pursuant to the Shortfall Offer.
Underwriter	means Jelsh Holdings Pty Ltd ACN 164 414 493.
Underwriter's Expenses	means the sum of \$25,000.00 payable to the Underwriter in relation to the Underwriting Agreement, which, subject to certain conditions, Coppermoly may elect to satisfy by issuing Shares to the Underwriter (at an issue price of \$0.045 per Share).
Underwriting Agreement	means the placement and underwriting agreement between Coppermoly and the Underwriter dated 25 June 2013.
Underwriting Fee	means the fee of \$125,000.00 payable to the Underwriter in accordance with the Underwriting Agreement, which, subject to certain conditions, Coppermoly may elect to satisfy by issuing Shares to the Underwriter (at an issue price of \$0.045 per Share).
Warden	means an officer of the department appointed under the Mining Act.
Warden's Hearing	has the meaning given to that term under section 108 of the Mining Act.
West New Britain Project	means, together, EL 1043, EL 1445 and EL 1077.

12. Corporate Directory

Directors

Mr Tom Revy (Non-Executive Chairman)

Mr Maurice Gannon (Managing Director)

Dr Geoffrey Booth (Non-Executive Director)

Mr Ben Faulkner (Non-Executive Director)

Mr Shawn Uldridge (Non-Executive Director)

Registered office

Level 1, 94 Bundall Road,
Bundall, Queensland 4217

Telephone: 07 5592 1001

Facsimile: 07 5592 1011

Email: info@coppermoly.com.au

Website: www.coppermoly.com.au

Company secretary

Mr Maurice Gannon

Underwriter

Jelsh Holdings Pty Ltd

Share Registry

Boardroom Pty Limited

Telephone: 02 9290 9600

Facsimile: 02 9279 0664

Lawyers

Piper Alderman

Level 36, Riverside Centre, 123 Eagle Street

Brisbane QLD 4000