



ASX Announcement

19 December 2014

ASX Code: COY

Issue of Convertible Note and Unlisted Options

Further to the announcement made on 12 December 2014, Coppermoly Limited (**Coppermoly** or **the Company**) advises that it has today issued 38,750,000 convertible notes to Jade Triumph International Limited (**Jade Triumph**) at an issue price of \$0.02 (**Convertible Notes**) to raise a total of \$775,000 (before costs).

Each Convertible Note is:

1. convertible into one new fully paid ordinary share in Coppermoly (**Share**) within 24 months of the issue (**Maturity Date**), at the Option of the holder, subject to such conversion not resulting in the holder breaching the Corporations Act 2001;
2. accrues interest at a rate of 7% per annum, repayable at maturity; and
3. may be repaid by Coppermoly at any time prior to the Maturity Date, subject to Coppermoly paying the holder a break fee equal to 5% of the repayment amount.

The Company has also issued 12,916,666 unlisted options to Jade Triumph to acquire Shares which are exercisable at any time prior to the Maturity Date at an exercise price of \$0.03 (3 cents) (**Attaching Options**), and subject to the holder only being entitled to exercise one Attaching Option for every three Convertible Notes that it elects to convert to Shares.

A further \$425,000 will be received with the issue of an additional 21,250,000 Convertible Notes and 7,083,333 Attaching Options, subject to shareholder approval.

Shareholder approval for the issue of the additional 21,250,000 Convertible Notes and 7,083,333 Attaching Options will be sought at a general meeting of the Company to be held by the end of February 2015.

An Appendix 3B in respect of the security issues is attached below.

On behalf of the Board.

Paul Schultz

Company Secretary

Coppermoly Ltd

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Bundall, Queensland 4217

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About Coppermoly

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

Rule 2.7, 3.10.3, 3.10.4, 3.10.5

Appendix 3B

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

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

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

Name of entity

Coppermoly Limited

ABN

54 126 490 855

We (the entity) give ASX the following information.

Part 1 - All issues

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

- | | | |
|---|---|---|
| 1 | +Class of +securities issued or to be issued | Fully paid ordinary shares in Coppermoly Ltd (Shares); |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | Maximum number of Shares that may be issued on:
(a) conversion of unlisted convertible notes: 38,750,000 and
(b) exercise of unlisted options: 12,916,666 |
| 3 | Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | (a) Shares to be issued on conversion of unlisted Convertible Notes issued on 19 December 2014. The Convertible Notes may be converted into Shares at any time at the request of the note-holder. The convertible notes have a nil conversion price and a maturity date of 19 December 2016; and
(b) Shares to be issued on exercise of unlisted options issued on 19 December 2014. The Options may be exercised into Shares at any time up to 19 December 2016. The exercise price is \$0.03 per option. |

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

<p>4 Do the ⁺securities rank equally in all respects from the ⁺issue date with an existing ⁺class of quoted ⁺securities?</p> <p>If the additional ⁺securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>Yes</p>
<p>5 Issue price or consideration</p>	<p>\$0.02 per Convertible Note, including one unlisted Option for every three Convertible Notes issued.</p>
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>To fund on-going working capital and the exploration on the Company's tenements located on New Britain Island, PNG.</p>
<p>6a Is the entity an ⁺eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h <i>in relation to the ⁺securities the subject of this Appendix 3B</i>, and comply with section 6i</p>	<p>Yes</p>
<p>6b The date the security holder resolution under rule 7.1A was passed</p>	<p>24 November 2014</p>
<p>6c Number of ⁺securities issued without security holder approval under rule 7.1</p>	<p>(a) 38,750,000 Convertible Notes and (b) <u>12,916,666</u> unlisted Options 51,666,666</p>
<p>6d Number of ⁺securities issued with security holder approval under rule 7.1A</p>	<p>NIL</p>

+ See chapter 19 for defined terms.

6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	NIL	
6f	Number of +securities issued under an exception in rule 7.2	NIL	
6g	If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.	Not applicable.	
6h	If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	Not applicable.	
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	Rule 7.1: 176,515 Rule 7.1A: 6,589,180	
7	+Issue dates <small>Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A. Cross reference: item 33 of Appendix 3B.</small>	19 December 2014	
8	Number and +class of all +securities quoted on ASX (including the +securities in section 2 if applicable)	383,729,449 3,373,008	+Class Fully paid ordinary shares Options: Exercise price \$0.05; Expiry 1 July 2015

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	Number	+Class
9	2,000,000	Options: Exercise price of \$0.05; Expiry 4 February 2016
	4,308,329	Options: Exercise price \$0.05; Expiry 1 July 2015
	38,750,000	Convertible Notes: Nil conversion price; Maturity 19 December 2016
	12,916,666	Options: Exercise price \$0.03; Expiry 19 December 2016

10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	No dividend distribution is envisaged in the near future
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Part 2 - Pro rata issue

11	Is security holder approval required?	
12	Is the issue renounceable or non-renounceable?	
13	Ratio in which the +securities will be offered	
14	+Class of +securities to which the offer relates	
15	+Record date to determine entitlements	
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	
17	Policy for deciding entitlements in relation to fractions	
18	Names of countries in which the entity has security holders who will not be sent new offer documents Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.	

+ See chapter 19 for defined terms.

19	Closing date for receipt of acceptances or renunciations	
20	Names of any underwriters	
21	Amount of any underwriting fee or commission	
22	Names of any brokers to the issue	
23	Fee or commission payable to the broker to the issue	
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	
25	If the issue is contingent on security holders' approval, the date of the meeting	
26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	
28	Date rights trading will begin (if applicable)	
29	Date rights trading will end (if applicable)	
30	How do security holders sell their entitlements <i>in full</i> through a broker?	
31	How do security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	
32	How do security holders dispose of their entitlements (except by sale through a broker)?	
33	+Issue date	

+ See chapter 19 for defined terms.

Part 3 - Quotation of securities

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

34 Type of +securities
(tick one)

(a) +Securities described in Part 1

(b) All other +securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35 If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders

36 If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over

37 A copy of any trust deed for the additional +securities

+ See chapter 19 for defined terms.

Entities that have ticked box 34(b)

38 Number of +securities for which +quotation is sought

39 +Class of +securities for which quotation is sought

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

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

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

41 Reason for request for quotation now

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

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

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

+ See chapter 19 for defined terms.

Quotation agreement

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

2 We warrant the following to ASX.

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

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

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

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

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



Sign here: _____ Date: 19 December 2014
(Director/Company secretary)

Print name: Paul Schultz

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+ See chapter 19 for defined terms.

Appendix 3B – Annexure 1

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

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

Part 1

Rule 7.1 – Issues exceeding 15% of capital													
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated													
Insert number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue	211,055,962												
Add the following: <ul style="list-style-type: none"> • Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2 • Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval • Number of partly paid +ordinary securities that became fully paid in that 12 month period <p><i>Note:</i></p> <ul style="list-style-type: none"> • <i>Include only ordinary securities here – other classes of equity securities cannot be added</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;"></td> <td style="width: 50%; text-align: right;">10,119,078 (May 2014)</td> </tr> <tr> <td></td> <td style="text-align: right;">52,737,609 (Dec 2013)</td> </tr> <tr> <td></td> <td style="text-align: right;">12,925,000 (Apr 2014)</td> </tr> <tr> <td></td> <td style="text-align: right;">1,000,000 (Aug 2014)</td> </tr> <tr> <td></td> <td style="text-align: right;">65,891,800 (Dec 2014)</td> </tr> <tr> <td></td> <td style="text-align: right;">NIL</td> </tr> </table>		10,119,078 (May 2014)		52,737,609 (Dec 2013)		12,925,000 (Apr 2014)		1,000,000 (Aug 2014)		65,891,800 (Dec 2014)		NIL
	10,119,078 (May 2014)												
	52,737,609 (Dec 2013)												
	12,925,000 (Apr 2014)												
	1,000,000 (Aug 2014)												
	65,891,800 (Dec 2014)												
	NIL												
Subtract the number of fully paid +ordinary securities cancelled during that 12 month period	NIL												
“A”	353,729,449												

+ See chapter 19 for defined terms.

Step 2: Calculate 15% of “A”	
“B”	0.15 <i>[Note: this value cannot be changed]</i>
Multiply “A” by 0.15	53,059,417
Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used	
<p>Insert number of +equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> • Under an exception in rule 7.2 • Under rule 7.1A • With security holder approval under rule 7.1 or rule 7.4 <p><i>Note:</i></p> <ul style="list-style-type: none"> • <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	1,216,236 (Dec 2014) 38,750,000 (Dec 2014) 12,916,666 (Dec 2014)
“C”	52,822,902
Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1	
“A” x 0.15 <i>Note: number must be same as shown in Step 2</i>	53,059,417
Subtract “C” <i>Note: number must be same as shown in Step 3</i>	52,822,902
Total [“A” x 0.15] – “C”	176,515 <i>[Note: this is the remaining placement capacity under rule 7.1]</i>

+ See chapter 19 for defined terms.

Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
“A” <i>Note: number must be same as shown in Step 1 of Part 1</i>	353,729,449
Step 2: Calculate 10% of “A”	
“D”	0.10 <i>Note: this value cannot be changed</i>
Multiply “A” by 0.10	35,372,944
Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used	
Insert number of +equity securities issued or agreed to be issued in that 12 month period under rule 7.1A Notes: <ul style="list-style-type: none"> • <i>This applies to equity securities – not just ordinary securities</i> • <i>Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	28,783,764 (Dec 2014)
“E”	28,783,764

+ See chapter 19 for defined terms.

Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A	
“A” x 0.10 <i>Note: number must be same as shown in Step 2</i>	35,372,944
Subtract “E” <i>Note: number must be same as shown in Step 3</i>	28,783,764
Total [“A” x 0.10] – “E”	6,589,180 <i>Note: this is the remaining placement capacity under rule 7.1A</i>

+ See chapter 19 for defined terms.