

29 April 2016

ASX Code: **COY**

March 2016 Quarterly Activity Report

The following report details the operating and corporate activities of Coppermoly Ltd (**Coppermoly** or **the Company**) for the quarter ended 31 March 2016 and to the date of this report.

Summary for the Quarter Ended 31 March 2016

- Issue of Securities to Ever Leap Services Ltd (**Ever Leap**)
- Exploration Activity
- Renewal applications for EL 2014 Makmak and EL 2272 Wowonga

Issue of Securities to Ever Leap

On 30 March 2016 the Company held a general meeting of its shareholders. The purpose of the meeting was to seek shareholder approval for the issue of new Securities to investor Ever Leap (**Conditional Placement**). The meeting also voted on a resolution to ratify the issue of fully paid ordinary shares in the Company (**Shares**) to Ever Leap in January 2016. Both resolutions were passed with large majorities from shareholders who voted.

Ever Leap is a purposely established project company, which is a wholly owned subsidiary of Shanxi Xierun Investment Limited (**Shanxi Xierun**). Shanxi Xierun is a diversified private investment company, with significant interests in various civil engineering and infrastructure projects in the Peoples Republic of China and Bauxite mines in the Shanxi region.

On 11 April 2016 a total of approximately \$2.269M was raised from the Conditional Placement and after the issue Ever Leap holds a total of 375M Shares in Coppermoly (49.3% of issued Shares); 250M 'Deferred options' exercisable into Shares any time between 1 February 2017 and 31 January 2020 with no exercise price; and 83.33M 'Attached options' exercisable into Shares any time between 1 February 2017 and 31 January 2020 with an exercise price of \$0.008.

This capital raising will allow the Company to get back on the ground in PNG and direct its efforts on its major projects with the prime purpose of increasing the value of the Company's assets. Coppermoly will concentrate its immediate efforts on the most advanced project, the Mt Nakru tenement, which includes the Nakru 1 and adjacent Nakru 2 prospects where drilling in 2014 intersected high grade near-surface copper mineralisation. The exploration effort will also be expanded to other prospective areas on the Nakru tenement, Simuku and the Company's other tenements as resources allow.

Ever Leap has confirmed that it supports the current management and strategy of Coppermoly and has no intention to change Coppermoly's current business strategy, financial management, or employee arrangements. The purpose of making the investment is to help the company progress its exploration program in order to further evaluate the economic potential of its copper-gold projects.

Representatives from Shanxi Xierun plan to travel to New Britain in the coming months to familiarise themselves with the Companies main properties. The Shanxi Xierun representatives will also assess the potential to apply their considerable engineering and mining expertise to the further development of the properties.

Exploration Activity

During the March 2016 quarter the Company performed several field visits to continue good relations with local landowners, do maintenance work on the tenements and collect some mineral samples for library and other studies. The Company also maintained at its operations base in Kimbe.

The Company also held productive meetings in Kimbe with landowners from some of the Company's tenements maintaining good relationships with all landowners.

Renewal of EL 2014 Makmak and EL 2272 Wowonga

Renewal applications for EL 2014 Makmak and EL 2272 Wowonga have been accepted by the PNG Mineral Resource Authority (MRA). Warden hearings are set down for July 2016 for each tenement.

The company is not aware of any information that would indicate the tenements will not be renewed.

Current Exploration Portfolio

The Company's current exploration portfolio, all on New Britain Island, Papua New Guinea (PNG), consists of the following tenements:

PROJECT	PERIOD ACQUIRED	LOCATION
EL 1043 Mt Nakru (47km ²)*	Jan 2008	West New Britain
EL 2379 Simuku (122km ²)*	Jan 2008	West New Britain
EL 2014 Makmak (255km ²)	May 2012	East New Britain
EL 1782 Powell (378km ²)	Sep 2013	East New Britain
EL 2272 Wowonga (31km ²)	Feb 2014	East New Britain

* Two of the Company's exploration licences, EL 1043 Mt Nakru and EL 2379 Simuku, (EL 2379 Simuku is a newly consolidated exploration licence combining EL 1077 Simuku and EL 1445 Talelumas), together known as the West New Britain Projects (**WNB Projects**) were previously subject to a farm-in agreement with Barrick (PD) Australia Ltd (**Barrick**), a subsidiary of Barrick Gold Corporation. Barrick earned a 72% interest in the WNB Projects by spending more than \$20 million on exploration. In July 2013 Coppermoly entered into an agreement with Barrick to reacquire 100% ownership of the WNB Projects' licences on a staged basis. Barrick still holds a nominal 28% interest in the WNB Projects, which the Company has a binding agreement to acquire, completion of which will be effected on the payment of a further \$4.5 million to Barrick within 6 months following the commencement of commercial production at the WNB Projects. Barrick do not have to contribute any further costs for exploration or development of the WNB Projects nor are they entitled to any profits from the projects.

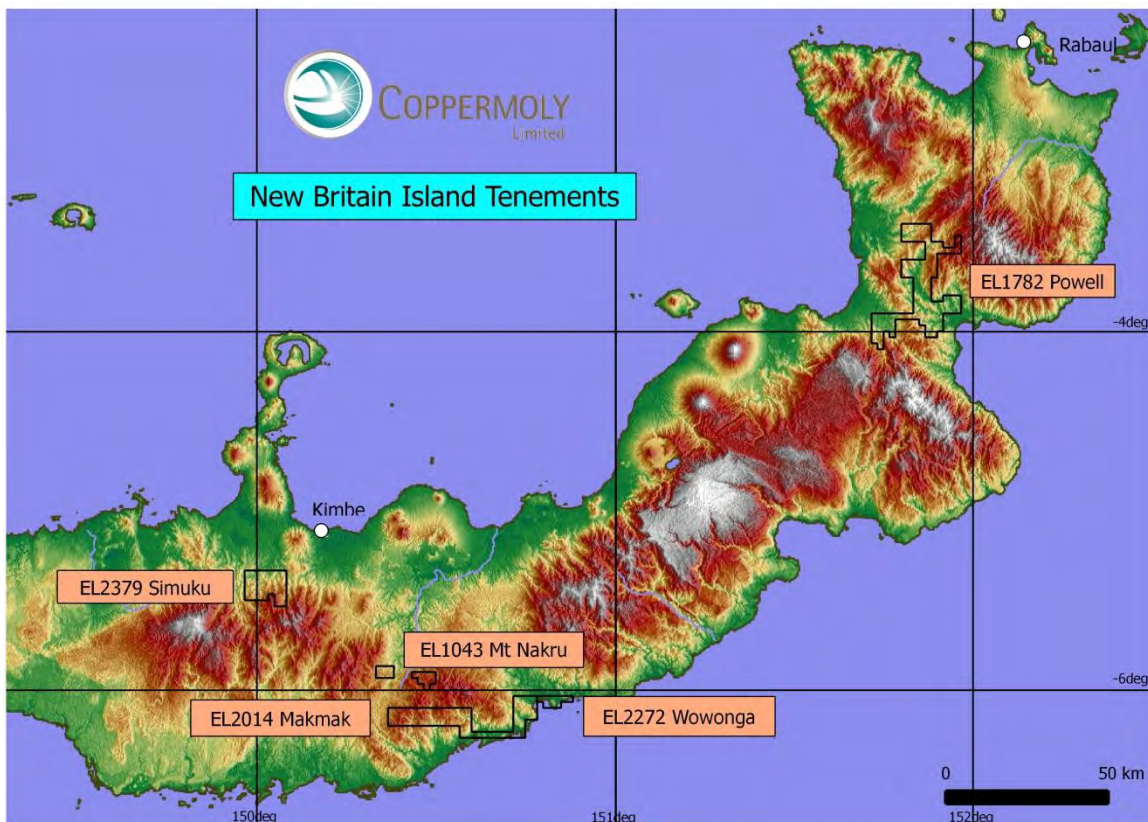


Figure 1: Coppermoly's Exploration Licences on New Britain Island

Competent Person Statement

The information in this report that relates to Exploration Results is based on information compiled by Mr Mike Erceg, who is a Member of the Australasian Institute of Geoscientists. Mr Erceg has sufficient experience which is relevant to the style of mineralisation under consideration and to the activities undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Erceg is a contracted consultant to Coppermoly through labour hire company Rock People Solutions Pty Ltd and consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Corporate Directory	
Coppermoly Limited (ABN 54 126 490 855)	
Directors	Registered office
Dr Wanfu Huang (Non-Executive Director)	Suite 1B, 91 Upton Street,
Mr Jincheng Yao (Non-Executive Director)	Bundall, Queensland 4217
Mr Kevin Grice (Non-Executive Director)	Telephone: +61 7 5510 3994
Mr Zule Lin (Non-Executive Director)	Facsimile: +61 7 5510 3997
Company Secretary	Email: info@coppermoly.com.au
Mr Paul Schultz	Website: www.coppermoly.com.au

About Coppermoly

Coppermoly (COY) has been listed on the ASX since 2008. Coppermoly's mineral exploration activities are focused entirely on the island of New Britain in PNG where it holds five exploration licences. These licences cover copper, gold, silver, zinc, molybdenum and iron mineralisation. The five current tenements are **Mt Nakru**, **Simuku** (a newly consolidated licence combining old EL 1077 Simuku and EL 1445 Talelumas), **Makmak**, **Powell** and **Wowonga**.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/2013

Name of entity

COPPERMOLY LIMITED

ABN

54 126 490 855

Quarter ended ("current quarter")

31 March 2016

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (9 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	1	1
1.2 Payments for		
(a) exploration & evaluation	(99)	(266)
(b) development	-	-
(c) production	-	-
(d) administration	(89)	(325)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	-	2
1.5 Interest and other costs of finance paid	-	(2)
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
Net Operating Cash Flows	(187)	(590)
Cash flows related to investing activities		
1.8 Payment for purchase of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.9 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	(3)
Net Investing Cash Flows	-	(3)
1.13 Total operating and investing cash flows (carried forward)	(187)	(593)

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(187)	(593)
Cash flows related to financing activities			
1.14	Proceeds from issue of shares, options, etc.	231	231
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	57
1.17	Repayment of borrowings	(17)	(51)
1.18	Dividends paid	-	-
1.19	Other (provide details if material) Capital raising costs	(26)	(27)
Net financing cash flows		188	210
Net increase (decrease) in cash held		1	(383)
1.20	Cash at beginning of quarter/year to date	104	488
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	105	105

Payments to directors of the entity, associates of the directors, related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	1
1.24	Aggregate amount of loans to the parties included in item 1.10	

1.25 Explanation necessary for an understanding of the transactions

Directors' fees.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows.

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2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest.

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+ See chapter 19 for defined terms.

Mining exploration entity and oil and gas exploration entity quarterly report

Financing facilities available

Add notes as necessary for an understanding of the position

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities		
3.2 Credit standby arrangements		

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	200
4.2 Development	-
4.3 Production	-
4.4 Administration	150
Total	350

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	105	104
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	105	104

Changes in interests in mining tenements and petroleum tenements

Tenement Reference	Nature of Interest (note(2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed		
6.2	Interests in mining tenements and petroleum tenements acquired or increased		

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity and oil and gas exploration entity quarterly report
Issued and quoted securities at end of current quarter


Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference +securities (description)	Nil	Nil		
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs redemptions				
7.3 +Ordinary securities	443,234,473	443,234,473		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	57,750,000	57,750,000	0.4 cents	0.4 cents
7.5 +Convertible debt securities (description)	60,000,000 (7%, 19.12.16)	Nil	2 cents	2 cents
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options (description and conversion factor)	19,999,999 21,963,933 585,008	Nil Nil Nil	<i>Exercise price</i> 3 cents 3 cents 3 cents	<i>Expiry date</i> 19-Dec-16 25-Mar-17 03-Dec-18
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.1 Expired/cancelled during quarter	2,000,000	Nil	5 cents	04-Feb-16
7.11 Debentures (totals only)				
7.12 Unsecured notes (totals only)				

+ See chapter 19 for defined terms.

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does / ~~does not~~* (*delete one*) give a true and fair view of the matters disclosed.

Sign here:  Date: April 29, 2016
 (Director/Company Secretary)

Print name: Paul Schultz

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. Any entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements and petroleum tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement or petroleum tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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