ASX Announcement

Date: 25 October 2013 **ASX Code: COY**

September 2013 Quarterly Report

Queensland-based mineral explorer Coppermoly Limited (ASX: COY) is pleased to report its activities on the Company's projects in New British Island, Papua New Guinea (PNG) for the quarter ending 30 September 2013.

SUMMARY

- Majority ownership of three advanced exploration licences on New Britain Island in Papua New Guinea (PNG) restored.
- Terms for reacquisition of the exploration licences renegotiated.
- First payment for the reacqusition completed.
- Fully-underwritten 1 for 4 non-renounceable entitlement offer and subsequent sale offer completed at $0.045 per share.
- Sampling program commenced at Nakru-02.
- Assay results received from surface sampling at Makmak EL2014.
- Powell exploration licence granted on New Britain Island.
- Dr Natalia Streltsova joins the Coppermoly Board.
- Mr Michael Erceg engaged on contract as Exploration Manager.

DECEMBER QUARTER PLANS

- Satisfaction of licence requirements by:
    - Completion and analysis of assays of samples collected from recent Nakru02 surface sampling program.
    - Completion of two drill holes on the Simuku exploration licence.
- Planning for the future drilling of the Nakru02 prospect and other high priority exploration targets on the Company's suite of exploration licences.

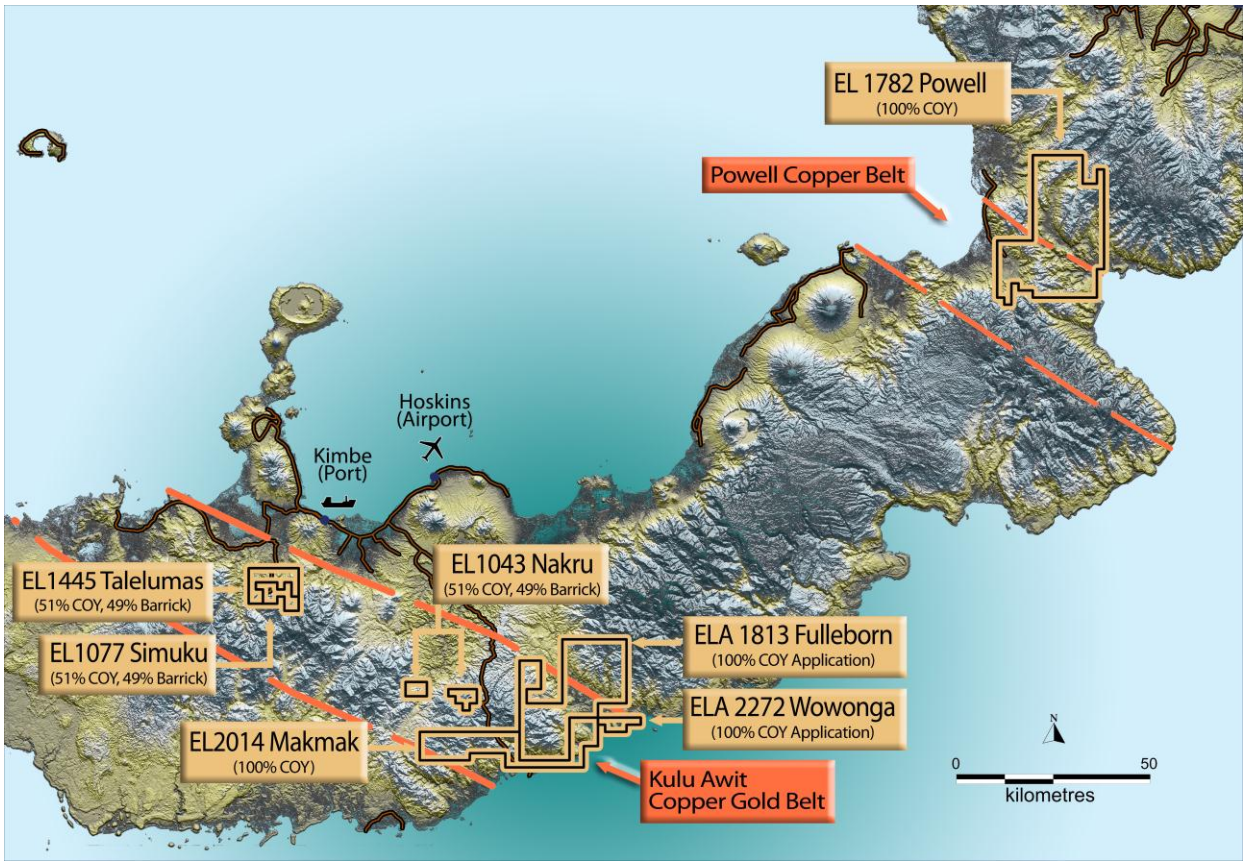


Figure 1: Coppermoly's Exploration Licences on New Britain Island

EXPLORATION ACTIVITIES

Nakru tenement (51% Coppermoly, 49% Barrick)

A float and rock chip sampling program focused on the Nakru-02 prospect was recently completed as a precursor for a new drilling program which is currently in planning. Nakru-02 is considered a high priority exploration target because previous surface sampling and drilling has resulted in a number of significant intersections of high copper grades.

Previous exploration results at Nakru-02 have included:

- A bulldozer trench interval of **88.7 metres grading 1.2% copper** including **19 metres grading 4.3% copper** within oxidised breccia
- A historical rock chip from the same trench graded 19% copper
- Another trench intersected **18 metres grading 0.92% copper** within silicified crackle breccia
- Coppermoly's first ever drillhole (NAK02-01) into the Nakru-02 system in 2008 intersected **51.7 metres grading 1.21% copper** including **27.7 metres grading 1.90%** and **6.7 metres grading 3.8% copper**.
- Coppermoly's second drill hole (NAK02-02) at the Nakru-02 system in 2008 intersected **26 metres grading 1.65% copper** within **73 metres grading 0.96% copper**
- These two holes were associated with the high-grade copper intersection in the trenches
- The Nakru-02 prospect is also characterised by a large 3D Induced Polarisation anomaly
- A third drillhole (BWNBDD0003) in 2010 tested the centre of this geophysical anomaly and intersected **two zones of visible copper mineralisation** at 142 metres depth and 268.5 metres depth and a **64 metre intersection grading 0.59% copper** from 141 metres depth including **10.2 metres grading 1.59% copper**. A separate lower intersection 4.9 metres wide from 290.1 metres deep graded 13.6% zinc, 0.85% copper and 24.03 g/t silver. This intersection, amongst others, represents the polymetallic mineralisation found in numerous surface rock samples over an area of 800 metres in diameter.

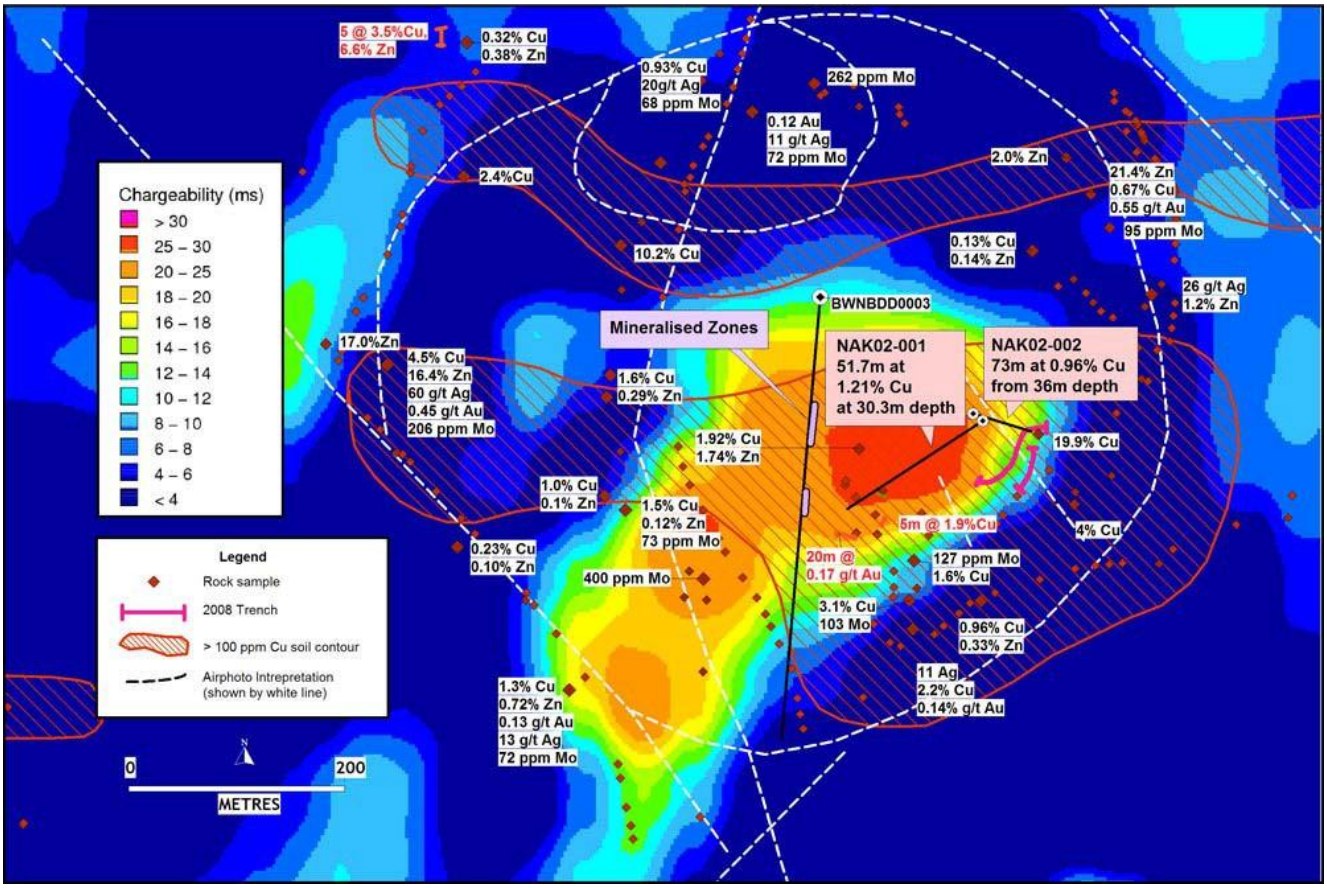


FIGURE 2: Nakru-2 Select Surface Samples with Chargeability Image at 100m Depth

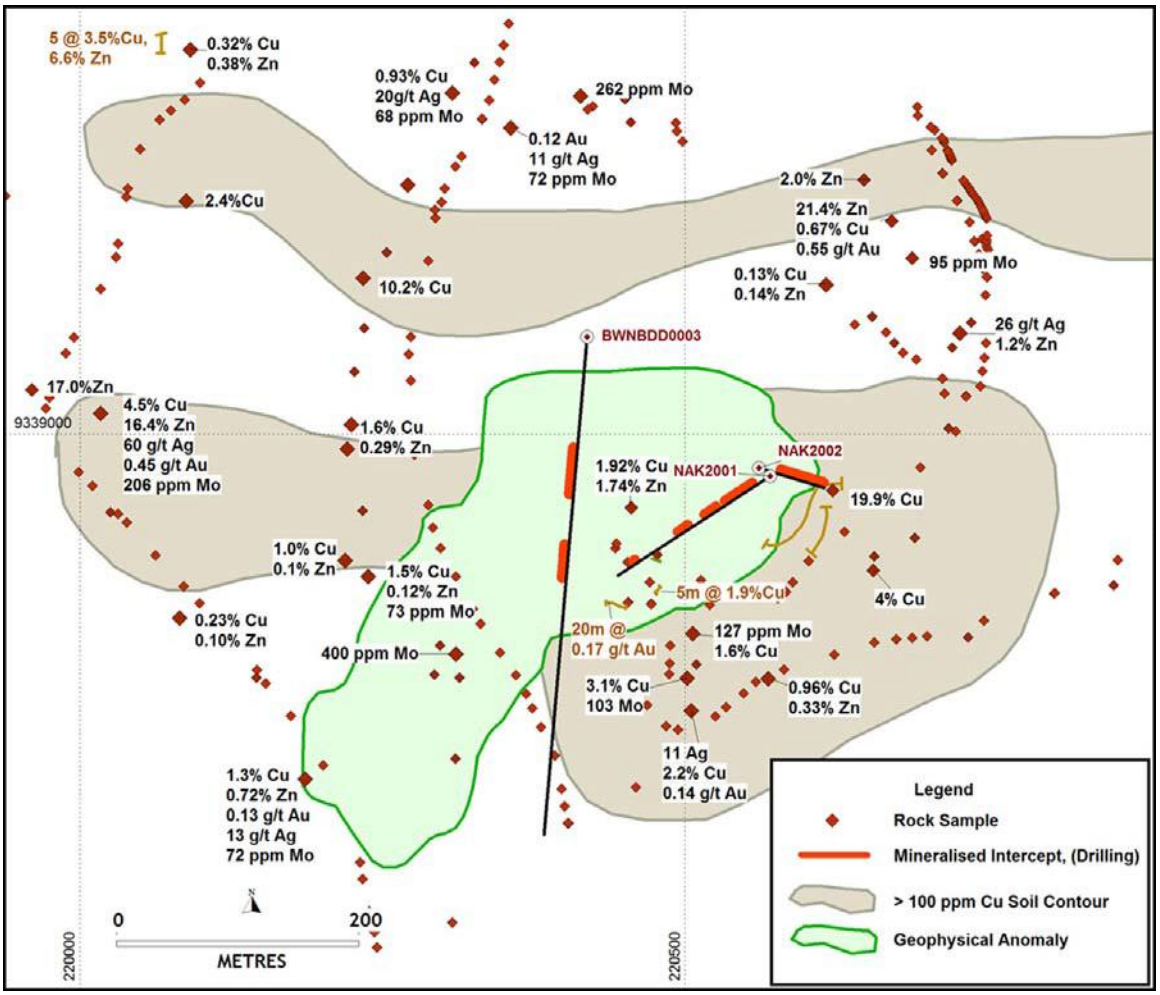


FIGURE 3: Nakru-2 Select Surface Samples with Mineralised Drillhole Intercepts

Makmak tenement (100% Coppermoly)

Assay results from a surface sampling program were obtained during the quarter. Two key sites Pulding Copper prospect & Wara Creek Iron Prospects (Figure 4 & 5) as well as two prominent aeromagnetic anomalies (MK004 & MK005) were re-assessed.

In 2010, a total of 9 rock chip and float samples were analysed from the Pulding prospect (Figure 4). A single sample reporting 10.7% Cu was observed, with two additional samples reporting >1% Cu. In 2012, a further 14 rock samples from this area were analysed with four reporting between 1.3 - 1.9% Cu and up to 503 ppm Mo. In late 2012, an additional 32 rock chip samples were collected from eastern sections of the tenement, from which encouraging geochemical as well as petrological reports were generated.

Pulding Prospect: The objective of the 2013 sampling was to further test the extent of local surface mineralisation. A total of 81 prospective samples (18 rock chip +/- float and 63 soil samples) were collected over a strike kilometre to the south of earlier samples (Figure 5). Float samples returned the best results with two samples (MAK-F5057 and MAK-F5058) reporting >1% Cu and five additional samples seen to exceed 0.1% Cu. No anomalous Au, Ag or Mo results were observed, while the highest Cu assay reported in soil was 387 ppm. From this survey, a prospective SSE - NNW trending lineament has been targeted for ongoing evaluation using aeromagnetic data and detailed geological mapping to test for further live, mineralised structures.

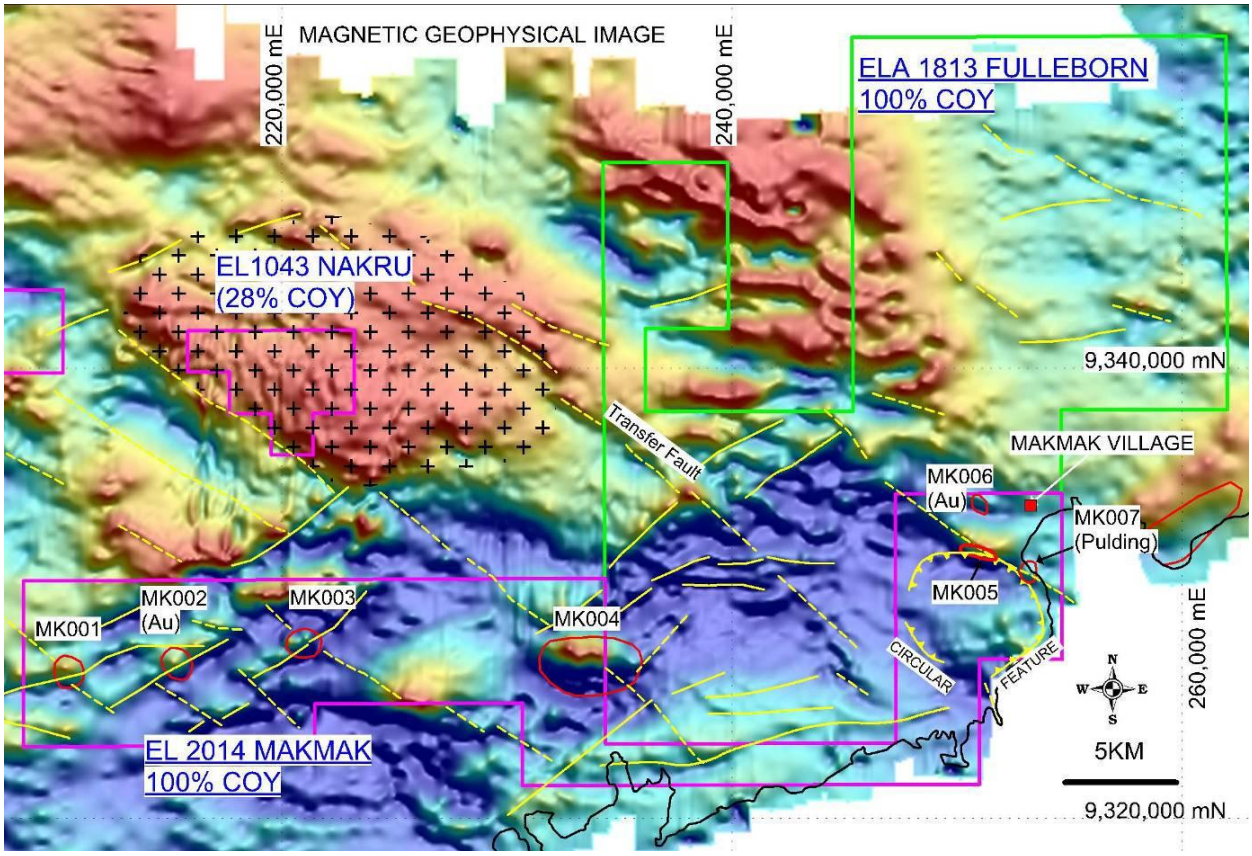


Figure 4. Location of Makmak EL2014. Note magnetic anomalies MK001 to MK007 are highlighted. Pulding Prospect:

Wara Creek: Previously, the Wara Creek area (Figure 5) has provided a series (4) of rock chip samples with assays in excess of 50% Fe to a maximum of 72%. A prospective source was interpreted to lie upstream of these samples, associated with a prominent magnetic high. The 2013 exploration program concentrated on this area and in particular the Avit River basin from which 28 float, rock chip and stream sediment samples were collected. Whereas several float rock samples yielded high Fe contents (33.35 - 38.6%) highly anomalous Fe assays were not reproducible nor was any anomalous precious or base metal observed. Source outcrop for these highly ferruginous samples has yet to be located.

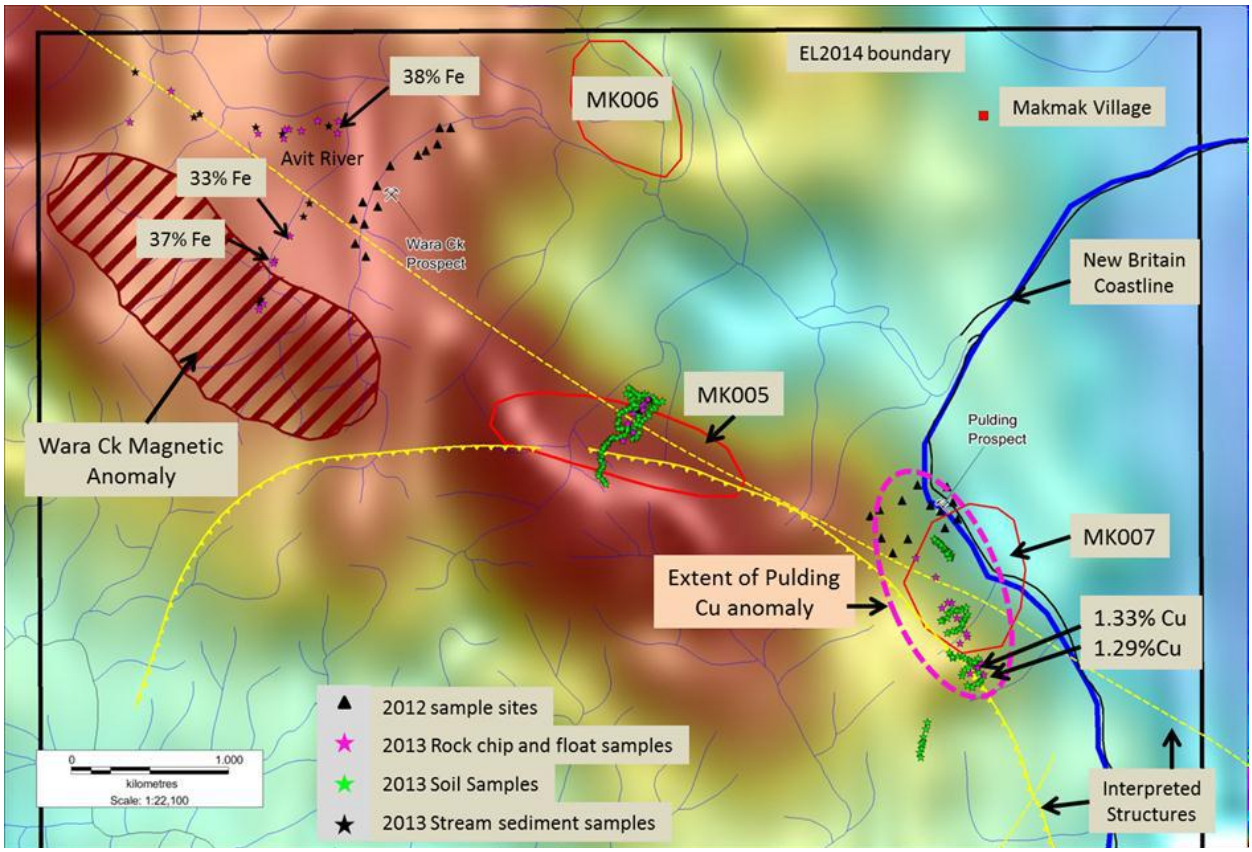


Figure 5. Location of 2013 sampling within the NE corner of Makmak EL2014. Background image is the RTP magnetic image overlain by local drainage.

MK004 Magnetic Anomaly: Follow-up sampling included the collection of five additional rock chip samples from which no significant assays were returned.

MK005 Magnetic Anomaly: A detailed soil and rock chip sampling program was conducted across this prominent magnetic anomaly, comprising 90 soil samples, 8 rock samples and 4 stream sediments. In general, geochemical response was subdued with Cu peaking at 221 ppm. These results suggest that MK005 area remains broadly unprospective with surface mapping identifying a diorite intrusion as the likely source of the local magnetic anomaly.

Powell Exploration Licence (100% Coppermoly)

In early October Coppermoly announced long standing tenement application ELA 1782 Powell located in the East New Britain Province in Papua New Guinea, (refer to Figure 1) has been granted by the PNG Minister for Mining for a period of two years.

The Powell tenement covers 763 square kilometres and is located on the Powell Copper Belt which is a north-west trending fault structure which is very similar to the Kulu-Awit structure which contains the Company's advanced and highly prospective licences and applications in West New Britain.

The grant of the Powell Exploration Licence expands the Company's New Britain land position significantly in a new copper belt and introduces new exploration potential where existing expertise and facilities can be applied, without also adopting substantial additional expenditure commitments in the short-term.

REACQUISITION DEAL FROM BARRICK

In the June quarter, Coppermoly entered into an agreement with Barrick (PNG Exploration) Limited (Barrick) to re-acquire Barrick's interest in the Nakru, Simuku and Telelumas tenements (EL 1043 EL 1077 and EL 1445) located on New Britain Island, Papua New Guinea Island (West New Britain Project).

In early October Coppermoly announced it had reached an agreement with Barrick to amend the terms of the Re-Acquisition Agreement, so as to defer, until August 2014, part of the initial payment due to Barrick by:

a) reducing the initial payment due to Barrick, from approximately $1,011, 000 (including interest) to an amount of $680,000; and

b) increasing the second payment due to Barrick in August 2014, from $1,000,000 to approximately $1,331,000.

The Re-Acquisition Agreement, as varied as per (a) and (b) above, provides for the acquisition of Barrick's interest in the West New Britain Project in three stages as follows:

- under the first stage, Copper Quest will acquire an additional 23% interest from Barrick, taking Copper Quest immediately to a 51% interest, for a purchase price of $680,000.00 (Initial Payment);
- under the second stage, Copper Quest will acquire an additional 21% interest from Barrick, taking Copper Quest to a 72% interest, for a purchase price of $1,331,000.00 payable in August 2014; and
- under the final stage, Copper Quest will acquire the final 28% interest from Barrick, taking Copper Quest to a 100% interest, for a purchase price of $3,000,000.00 on or before the earlier of:
    - August 2018; and
    - the date that Coppermoly releases a feasibility study on any one or more of the exploration licences to the ASX.

The initial payment was made to Barrick in October 2013 thereby immediately restoring Coppermoly to a majority interest in the three exploration licences.

CORPORATE

Board and Management Changes

- Dr Natalia Streltsova was appointed Non-Executive Director on 1 October 2013.

Dr Natalia Streltsova, MSc (Chemical Engineering), PhD, GAICD, has over 25 years' experience in the minerals industry of which the last 15 years have been spent in various leadership and technical roles with major mining houses including Vale SA (formerly CVRD), BHP Billiton and WMC Resources Limited. Most recently, she held the position of Director for Technical Development at Vale, leading the Global Technical Development team, which worked with Global Exploration to deliver a pipeline of growth projects for Vale.

- Mr Michael Erceg has been employed on a contractual basis as Exploration Manager.

For the past four and a half years Mr Erceg has served as Principal Geologist (Cadia East Mine) and Regional Exploration Manager - Pacific with Newcrest Mining. Over the preceding 28 years he was employed by companies including Amoco Minerals, Cyprus Minerals, Elders Resources, Plutonic Resources, Chase Minerals, Sino Gold and Straits Resources.

Mr Erceg holds a Master of Science (Geology) and is a Member and Federal Councillor of the Australian Institute of Geoscientists. He brings a great depth of experience in the exploration, discovery and development of copper, gold and Cu-Au porphyry resources in the Pacific region, particularly in Papua New Guinea.

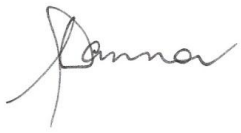
- Mr Shawn Uldridge resigned as Non-Executive Director of Coppermoly Limited, with effect from 14 August 2013. Mr Uldridge was a Non-Executive Director of the Company since 30 July 2012.

- Dr Geoffrey W Booth advised the Company of his intention to retire as Non-Executive Director of Coppermoly Limited with effect from the close of the Company's Annual General Meeting on 13 November 2013.

Capital Raising

A fully-underwritten 1 for 4 pro-rata non-renounceable entitlement offer and subsequent sale offer was completed. Coppermoly raised a total of approximately $1.4 million, net of costs. This has enabled the company to make the initial payment to Barrick thereby reacquiring a majority ownership and management of the company's key assets. It has also enabled the company to fund the recommencement of exploration on the tenements and working capital.

On behalf of the board,



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About Coppermoly

Coppermoly is an exploration company focused entirely on the island of New Britain in Papua New Guinea (PNG) where it holds five exploration licences and an additional two under application. These licences cover copper, gold, silver, zinc, molybdenum and iron mineralisation. The five current tenements are Simuku, Talelumas, Nakru, Makmak. The two tenement applications are Wowonga and Fulleborn.

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 activity which he is undertaking 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 consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.