

30 April 2015

ASX Code: COY

March 2015 Quarterly Activity Report

The following report details the operating and corporate activities of Coppermoly Limited (**Coppermoly** or **the Company**) for the quarter ended 31 March 2015 and to the date of this report.

SUMMARY

- Further High Copper Grades in Nakru Surface Samples
- Changes to the Coppermoly Board
- Further Funds raised from the Issue of Convertible Notes
- Extraordinary General Meeting of Shareholders
- Issue of Unlisted Options to Barrick

EXPLORATION ACTIVITY

Further High Copper Grades in Nakru Surface Samples

Exploration field activities were limited in the quarter due to the wet season. Field work was focused on extending the footprint of the Nakru prospect to the north.

Fifteen (15) rock float (talus debris) samples were collected at the Nakru 2 Northwest and Nakru 4 prospects located approximately 500m to 1000m northwest from known mineralisation at Nakru 2 and Nakru 1 prospects in February (Figure 1).

The sample coordinates and copper, gold, silver, zinc and molybdenum assay results include:

Sample Number	Copper (Cu) (%)	Gold (Au) (ppm)	Silver (Ag) (ppm)	Zinc (Zn) (ppm)	Moly (Mo) (ppm)	Northing (AMG66)	Easting (AMG66)
NK2-0011	>2	0.450	46.8	>2%	240	9339201	220116
NK2-0012	>2	0.365	181.7	3511	327	9339104	219994
NK2-0013	>2	0.414	119.0	1944	602	9339310	220116
NK4-0014	>2	0.353	17.7	115	48	9339992	221540
NK4-0015	0.17	0.039	0.8	21	16	9340064	221700
NK4-0016	>2	0.695	6.6	50	76	9340056	221745
NK4-0017	0.99	0.138	3.7	36	31	9339766	221382
NK4-0018	0.06	0.039	0.2	164	6	9339787	221425
NK4-0019	1.02	0.070	2.3	94	7	9339762	221388
NK4-0020	>2	0.660	7.5	45	43	9339776	221362
NK4-0021	0.48	0.075	0.9	39	17	9339789	221886
NK4-0022	0.83	0.106	2.1	38	30	9339808	221398
NK4-0023	1.20	0.168	2.1	58	14	9339795	221404
NK4-0024	1.17	0.088	1.9	29	24	9339805	221428
NK4-0025	0.78	0.227	1.6	58	45	9339886	221563

The three (3) samples from Nakru 2 Northwest (NK2-0011 to NK2-0013) each assayed >2%Cu and together with highly anomalous Au, Ag, Zn and Mo confirm previously reported high grade float samples in this area (see ASX announcement on 20 January 2014). The samples may indicate a new parallel mineralised zone north west of Nakru 2.

Six (6) of the twelve (12) float samples (NK4-014 to NK14-025) collected from the Nakru 4 prospect assayed greater than 1% copper with two greater than 2% copper. The samples may indicate a new parallel mineralised zone to north of the Nakru 1 prospect.

The assay results are preliminary with final results expected in early May. Samples with copper assays greater than 2% (>2%) are being reanalysed at Intertek Genalysis Townsville using an ore grade method.

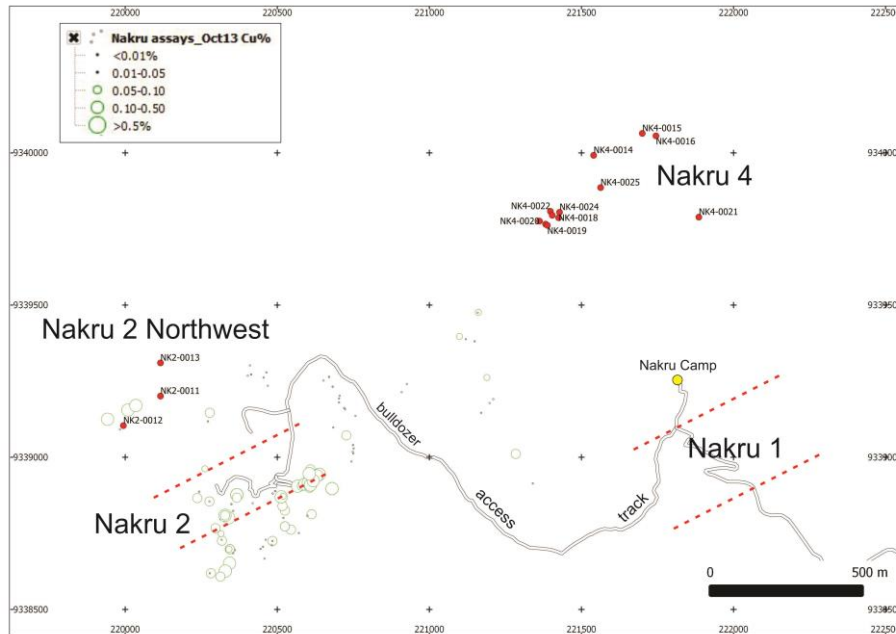


Figure 1: Nakru project location map. Surface rock samples from the March 2015 programme are illustrated. Samples from the October 2014 programme are also shown.

The samples were collected in the field by Peter Ainge (company geologist and Coppermoly PNG Country Manager) and air-freighted to Lae Papua New Guinea for preparation and gold assaying at Intertek Laboratories. Intertek Lae then air-freighted the pulps to Intertek Genalysis Laboratories in Townsville Australia for multi-element analysis.

All of the samples with elevated copper contain sulphides with little or no oxidation. The dominant sulphides are pyrite and secondary chalcocite with some chalcopyrite (Figure 2). The float samples are considered to have a local provenance as the topography is relatively subdued limiting downslope movement and the samples are relatively unoxidised suggesting recent exhumation. The sulphide mineralisation is associated with strongly developed silica + sericite + clay altered rhy-dacite breccias. Similar rocks host mineralisation at Nakru 1 and Nakru 2 prospects.



Figure 2: Silica + clay + pyrite + chalcocite altered volcanic from Nakru 4 prospect

The results of the samples further extend the potential of the Nakru prospect to host a significant copper and gold deposit. Coppermoly is planning a detailed surface mapping and sampling programme to determine the full extent of the mineralised system at Nakru.

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

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

PROJECT	EFFECTIVE OWNERSHIP
EL 1043 Mt Nakru (47km ²)	72% Copper Quest PNG Ltd
EL 1077 Simuku (47km ²)	72% Copper Quest PNG Ltd
EL 1445 Talelumas (75km ²)	72% Copper Quest PNG Ltd
EL 1782 Powell (758km ²)	100% Copper Quest PNG Ltd
EL 2014 Makmak (280.1km ²)	100% Copper Quest PNG Ltd
EL 2272 Wowonga (30.7km ²)	100% Copper Quest PNG Ltd

- *Copper Quest PNG Ltd is a 100% owned subsidiary of Coppermoly Ltd*



Figure 3: Coppermoly's Exploration Licences on New Britain

CORPORATE ACTIVITY

Changes to the Coppermoly Board

Mr Jincheng Yao was appointed as a Non-Executive Director to the Board of Coppermoly on 5 March 2015. Mr Yao is a finance professional based in mainland China. He has held various senior executive roles in the Meijin Group and is currently VP and Director of Meijin Energy Group Limited. He brings his extensive commercial and financial expertise to the Board of Coppermoly. Mr Yao holds a MBA and a Bachelor of Commerce and has experience across many aspects of mining and industry in both China and Australia.

Meijin Energy Group was founded in 1981. It is based in Qingxu County, Shanxi Province, China. The group recorded assets of 20 billion RMB (AUD\$2.92 billion) in 2010 and ranks in 15th place in the top enterprises of Shanxi Province. It was also chosen as “National township enterprise” for delivering the best economic benefits to its community and enjoys an AAA rating with the banking community.

Dr Wanfu Huang was appointed as a Non-Executive Director to the Board of Coppermoly on 11 March 2015. Dr Huang has more than 20 years of experience in the exploration industry. He has held numerous positions in the industry, covering base metals, gold, iron ore, coal and bauxite in Australia and overseas. Dr Huang is a member of the Australian Institute of Geoscientists and holds a PhD, a MSc and a BSc.

Following the appointments of Mr Yao and Dr Huang, and in a smooth transition, Non-Executive Directors Mr Ben Faulkner and Mr Mike Howard also resigned on 11 March 2015. The Board thanks Mike and Ben for their support of Coppermoly over the period of their directorships in what has been a difficult market for junior exploration companies.

Further Funds raised from the Issue of Convertible Notes

On 26 March 2015 Coppermoly issued a further 21,250,000 convertible notes to Jade Triumph International Limited (**Jade Triumph**) at an issue price of \$0.02 (2 cents) (**Convertible Notes**) to raise a total of \$425,000.

Each Convertible Note is:

1. convertible into one new fully paid ordinary share in Coppermoly (**Share**) up to 19 December 2016 (**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 7,083,333 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.

Further details about the securities issued to Jade Triumph can be found in the Company’s ASX announcement of 19 December 2014.

The issue of the above Convertible Notes and Attaching Options was approved by Coppermoly Shareholders at the Extraordinary General Meeting held on 4 March 2015. Following the above issues Jade Triumph holds a total of 60,000,000 Convertible Notes and 19,999,999 Attaching Options, as well as 30,000,000 Shares in Coppermoly.

Extraordinary General Meeting of Shareholders

An Extraordinary General Meeting of shareholders was held on 4 March 2015 (**EGM**) to seek shareholders' ratification of the previous issue of securities and approval for issues of Convertible Notes and Unlisted Options. All resolutions were passed with substantial majorities. The effects of these shareholder approvals were to:

- (i) renew the Company's capacities to issue new securities under Listing Rule 7.1 and 7.1 (A);
- (ii) raise a further \$425,000 from the issue of another tranche of Convertible Notes and Attaching Option to Jade Triumph as detailed above; and
- (iii) issue 21,963,933 unlisted Options to Barrick (PD) Australia Limited, nominee of Barrick (PNG Exploration) Limited (**Barrick**).

Issue of Unlisted Options to Barrick

The unlisted Options mentioned in (iii) above were issued on 26 March 2015 to Barrick. Each Unlisted Option is exercisable into one Share at any time prior to 25 March 2017 at an exercise price of \$0.03 (3 cents) (**Options**).

The Options were issued for no consideration in return for Barrick agreeing to waive the Condition Precedent to amending the Reacquisition Agreement between Coppermoly and Barrick.

Further details about the Unlisted Options issued to Barrick can be found in the Company's ASX announcement of 19 December 2014 and the Notice of Meeting for the EGM sent to Shareholders on 30 January 2015.

Corporate Directory

Coppermoly Limited (ABN 54 126 490 855)

Directors

Dr Wanfu Huang (Non-Executive Director)

Mr Jincheng Yao (Non-Executive Director)

Mr Kevin Grice (Non-Executive Director)

Company Secretary

Mr Paul Schultz

Registered office

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Website: www.coppermoly.com.au

About Coppermoly

Coppermoly's mineral exploration activities are focused entirely on the island of New Britain in PNG where it holds six exploration licences. These licences cover copper, gold, silver, zinc, molybdenum and iron mineralisation. The six current tenements are Nakru, Simuku, 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 2015

Consolidated statement of cash flows

	Current quarter	Year to date (9 months)
	\$A'000	\$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for		
(a) exploration & evaluation	(81)	(250)
(b) development	-	-
(c) production	-	-
(d) administration	(97)	(563)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	2	4
1.5 Interest and other costs of finance paid	(1)	(16)
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
Net Operating Cash Flows	(177)	(825)
Cash flows related to investing activities		
1.8 Payment for purchase of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	(1)
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)	-	-
Net Investing Cash Flows	-	(1)
1.13 Total operating and investing cash flows (carried forward)	(177)	(826)

+ 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)	(177)	(826)
Cash flows related to financing activities			
1.14	Proceeds from issue of shares, options, etc.	-	300
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	554
1.17	Repayment of borrowings	(17)	(528)
1.18	Dividends paid	-	-
1.19	Other (provide details if material)		
	Convertible Notes	416	1,191
	Capital raising costs	-	(109)
	Net financing cash flows	399	1,408
	Net increase (decrease) in cash held	222	582
1.20	Cash at beginning of quarter/year to date	453	91
1.21	Exchange rate adjustments to item 1.20	3	5
1.22	Cash at end of quarter	678	678

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	4
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.

During the quarter the Company issued (i) 21,250,000 convertible notes and 7,083,333 unlisted options to Jade Triumph International Ltd. Each convertible note is convertible into one fully paid ordinary share in Coppermoly Limited (**Share**) at any time prior to 19 December 2016 and & each unlisted option is exercisable into one Share prior to 19 December 2016 at an exercise price of \$0.03; & (ii) 21,963,933 unlisted options to Barrick (PD) Australia Limited. Each unlisted option is exercisable into one Share prior to 25 March 2017 at an exercise price of \$0.03.

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.

+ 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	100
4.2 Development	-
4.3 Production	-
4.4 Administration	100
Total	200

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	678	453
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	678	453

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

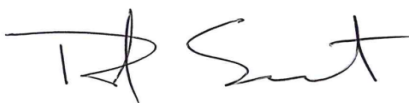
Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	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	383,729,449	383,729,449		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
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	21,250,000 (7%, 19.12.16)	Nil	2 cents	2 cents
7.7 Options (description and conversion factor)	4,308,329	Nil	<i>Exercise price</i> 5 cents	<i>Expiry date</i> 01-Jul-15
	3,373,008	3,373,008	5 cents	01-Jul-15
	2,000,000	Nil	5 cents	04-Feb-16
	19,999,999	Nil	3 cents	19-Dec-16
	21,963,933	Nil	3 cents	25-Mar-17
7.8 Issued during quarter	7,083,333	Nil	3 cents	19-Dec-16
	21,963,933	Nil	3 cents	25-Mar-17
7.9 Exercised during quarter				
7.1 Expired/cancelled during quarter				
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 30, 2015
 (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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+ See chapter 19 for defined terms.