

23 October 2015

ASX Code: COY

September 2015 Quarterly Activity Report

The following report details the operating and corporate activities of Coppermoly Ltd (**Coppermoly** or **the Company**) for the quarter ended 30 September 2015 and to the date of this report.

SUMMARY FOR THE QUARTER ENDED 30 SEPTEMBER 2015

- Meeting with landowners from EL 1043 Mt Nakru, EL 2014 Makmak and EL 2272 Wowonga discussing possible coexistence of alluvial mining leases, logging concessions and exploration licences.
- A visit to the Powell exploration licence (EL 1782) was undertaken to evaluate access and to liaise with landowners ahead of a warden's hearing in October.
- An application to consolidate EL 1077 Simuku and EL 1445 Talelumas has been approved by the PNG Mineral Resources Authority.

EXPLORATION ACTIVITY

During the September 2015 quarter the Company performed both field and office maintenance work on its tenements, cultivated its relationships with local landowners on the Company's tenements and maintained its basic operations in Kimbe.

Meeting with Mt Nakru, Makmak and Wowonga landowners

Landowners from Mt Nakru, Makmak and Wowonga conveyed some concern about the coexistence of alluvial mining leases, timber concessions and explorations licences on their land. The company's in country manager, Mr Peter Ainge, attended a meeting and assured the landowners that all three operations could coexist simultaneously, that the interests were different and would not have any detrimental impact on Coppermoly's future plans.

Visit to Powell

Peter Ainge also travelled to the Powell area (EL 1782) in September 2015 ahead of a warden's hearing scheduled for October. Access was from the Kerevat-Baining-Pomio road which passes through the centre of the tenement giving good road access. The trip was successful in contacting various landowner groups at several villages. A meeting was also held with the Government Station Manager at the Tol Government Station.

Consolidation of EL 1077 Simuku and EL 1445 Talelumas

As the Simuku prospect extends over both the Simuku and Talelumas exploration licences, Coppermoly decided to make application to consolidate the two licences. The new exploration licence covers exactly the same land, and has the same landowners, as the antecedent tenements but reduces the administration and compliance requirements for the licence. The new consolidated exploration licence was granted as EL 2379 on 11 September 2015.

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 (758km 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 PNG Exploration 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 to exploration or development of the WNB Projects nor are they entitled to any profits from the projects.

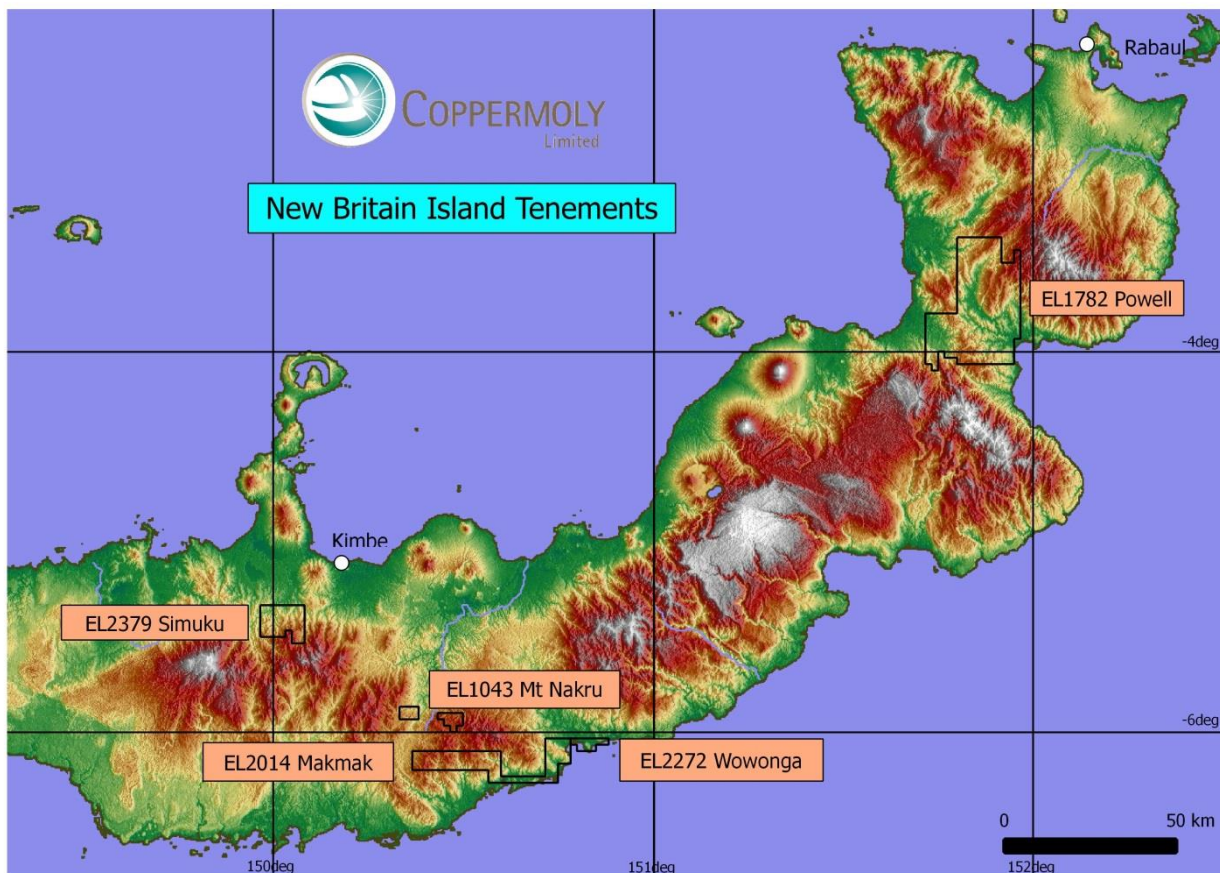


Figure 1: Coppermoly's Exploration Licences on New Britain

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 ACTIVITY

Expiration of options

The following listed and unlisted options expired at 5.00pm on Wednesday 1 July 2015:

- 3,373,008 listed options with an exercise price of \$0.05 each (ASX code: COYO); and
- 4,308,329 unlisted options with an exercise price of \$0.05 each.

Annual Report and AGM

During the quarter the Company also released its 2015 Annual Report. The Company's 2015 Annual General Meeting will be held on Monday 23 November 2014 at its registered office at Suite 1B 91 Upton Street, Bundall Queensland. The 2015 Annual Report and the AGM Notice of Meeting are both available on the Company's website.

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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Facsimile: +61 7 5510 3997

Email: info@coppermoly.com.au

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 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")

30 September 2015

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (3 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for		
(a) exploration & evaluation	(76)	(76)
(b) development	-	-
(c) production	-	-
(d) administration	(93)	(93)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	1	1
1.5 Interest and other costs of finance paid	(1)	(1)
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
Net Operating Cash Flows	(169)	(169)
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)	(3)
Net Investing Cash Flows	(3)	(3)
1.13 Total operating and investing cash flows (carried forward)	(172)	(172)

+ 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)	(172)	(172)
Cash flows related to financing activities			
1.14	Proceeds from issue of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	(17)	(17)
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	(1)	(1)
Net financing cash flows		(18)	(18)
Net increase (decrease) in cash held		(190)	(190)
1.20	Cash at beginning of quarter/year to date	488	488
1.21	Exchange rate adjustments to item 1.20	2	2
1.22	Cash at end of quarter	300	300

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	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	300	488
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	300	488

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				
7.7 Options (description and conversion factor)	2,000,000 19,999,999 21,963,933	Nil Nil Nil	<i>Exercise price</i> 5 cents 3 cents 3 cents	<i>Expiry date</i> 04-Feb-16 19-Dec-16 25-Mar-17
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.1 Expired/cancelled during quarter	4,308,329 3,373,008	Nil 3,373,008	5 cents 5 cents	01-Jul-15 01-Jul-15
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: October 23, 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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