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ASX Announcement

5 August 2014

ASX Code: COY

Election to Issue Shares under Amended Barrick Reacquisition Agreement

Coppermoly Limited (**Coppermoly**) refers to the announcement on 23 June 2014 that it had reached agreement with Barrick (PNG Exploration) Ltd (**Barrick**) to amend the terms of its agreement for the acquisition of Barrick's interests in the three Exploration Licences, EL1043 – Nakru, EL 1077 – Simuku and EL 1445 – Talelumas (**Reacquisition Agreement**).

Coppermoly now advises that it has elected to partly satisfy the second payment due to Barrick (**Second Purchase Price**) by issuing 1,000,000 fully paid ordinary shares in Coppermoly (**Shares**) to Barrick (or its nominee) (**First Election**).

An Appendix 3B will be released to the ASX once the allotment procedures have been finalised.

The Shares issued under the First Election will be issued under Coppermoly's existing ASX Listing Rules 7.1 and 7.1A capacity. Shareholder approval for the Shares issued will be sought at the next general meeting of the Company but no later than the Company's AGM scheduled for mid November 2014.

The issue price of the Shares issued under the First Election will be \$0.014, being a 10% discount to the VWAP of Coppermoly's Shares over the 30 calendar days preceding the date of the First Election (rounded down to the nearest one tenth of a cent).

Since Coppermoly has elected to satisfy some but not all of the Second Purchase Price in Shares the remaining portion of the Second Purchase Price, being \$1,317,836 (the **Deferred Purchase Price**) will be deferred until 30 November 2014.

Provided that Coppermoly obtains Shareholder approval for the issue of the Shares issued under the First Election, Coppermoly may also elect to satisfy the Deferred Purchase Price wholly or partly in Shares, providing that any issue of Shares will not cause Barrick or any of its associates' voting power in Coppermoly to increase to more than 20% and any issue complies with ASX Listing Rules. (**Second Election**).

After the issue of the Shares issued under the First Election Coppermoly will acquire an additional 21% interest from Barrick, taking Coppermoly to a 72% interest in the three Exploration Licences (EL1043 – Nakru, EL 1077 – Simuku and EL 1445 – Talelumas).

The final payment under the Reacquisition Agreement, when Coppermoly will acquire the final 28% interest from Barrick, taking Coppermoly to a 100% interest in the three Exploration Licences, requires payment 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.

On behalf of the Board



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- Paul Schultz
- Company Secretary

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 focus on copper, gold, silver, zinc, molybdenum and iron mineralisation. The tenements are Nakru, Simuku, Talelumas, Makmak, Powell and Wowonga.