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ASX Announcement

Date: 12 December 2014

ASX Code: COY

PLACEMENT AND CONVERTIBLE NOTE AGREEMENT

Coppermoly Limited (**Coppermoly**) is pleased to announce that it has entered into a placement and convertible note agreement with a new investor, Jade Triumph International Limited (**Jade Triumph**), to raise up to \$1.5M (**Agreement**).

The key features of the Agreement are as follows:

- (a) An upfront placement of 30,000,000 new fully paid ordinary shares in Coppermoly (**Shares**) at an issue price of \$0.01 (1 cent) per Share to raise \$300,000 (**Placement**); and
- (b) The issue of 60,000,000 convertible notes at an issue price of \$0.02 (**Convertible Notes**) to raise a total of \$1,200,000 (before costs), in two separate tranches, being:
 - i. an initial upfront issue of 38,750,000 Convertible Notes to raise \$775,000 (**Initial Tranche**); and
 - ii. a subsequent issue of 21,250,000 Convertible Notes to raise \$425,000, which is subject to Coppermoly first receiving Shareholder approval for that issue.
- (c) Each Convertible Note is:
 - i. convertible into one Share within 24 months of the issue of the Initial Tranche (**Maturity Date**), at the Option of the holder, subject to such conversion not resulting in the holder breaching the Corporations Act 2001;
 - ii. accrues interest a rate of 7% per annum, repayable at maturity; and
 - iii. 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.
- (d) The noteholder will also receive 19,999,999 unlisted options to acquire Shares (the issue of 7,083,333 of which will be subject to first obtaining Shareholder approval), which will be 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.
- (e) Following receipt of the Initial Tranche funds Jade Triumph may also nominate one individual for appointment to the Coppermoly board of directors.

The Placement will result in Jade Triumph having a relevant interest in approximately 9.4% of Coppermoly's shares.

The funds raised from the Placement and Convertible Notes will be used to fund exploration on the Company's tenements and other working capital requirements. This capital raising secures enough funding for the Company to recommence its exploration plans. The Company 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 targets on the Nakru tenement.

An internal review conducted in late July 2014 also produced a short list of regional targets as candidates for the Company's next field work, subject to a data review. These targets include Nakru 3, Nakru 4, Nakru 2 Northwest, Malolo Creek (all on the Nakru tenement), Mt Misusu (on the Talelumas tenement) and Puling (on the Makmak tenement). The extent of the exploration effort will depend on the availability of

funds after executing the exploration plans on Nakru 1 and Nakru 2 prospects. The prime objective is to use these funds to best add value to Coppermoly by exploration.

As stated at the Company's recent AGM it is the primary goal of all directors and employees of Coppermoly to realise the full value of its exploration assets and increase shareholder returns.

The Placement was made without shareholder approval using the Company's existing placement capacity under ASX Listing Rules 7.1 and 7.1A. The following information is provided as required by ASX Listing Rule 3.10.5A:

- a) Details of the dilution to the existing holders of ordinary securities caused by the issue:

Shareholders	Before Placement	After Placement
Shareholders not participating in Placement	100.00%	90.56%
Shareholder participating in Placement	0.00%	9.44%

- b) The shares were issued as a private placement in order to provide certainty that Coppermoly will have sufficient resources to fund working capital requirements until more funds are raised to fund further exploration on the Company's tenements and other working capital requirements. This placement is also a condition precedent of the recent variation to the Company's Reacquisition Agreement with Barrick (PNG Exploration) Ltd, as announced to the ASX on 1 December 2014.

Given the need for Coppermoly to have certainty regarding its funding, and in light of the limited participation of Shareholders in Coppermoly's most recent offer and shortfall offer in May 2014, the Shares were issued as a private placement rather than, or in addition to, a pro-rata issue. The Board considered that the additional cost and delay involved in implementing a pro-rata offer would not be in the best interests of Shareholders.

- c) The Placement was not underwritten
d) There were no fees or costs

An Appendix 3B (New issue announcement, application for quotation of additional securities and agreement) for the upfront placement of 30,000,000 New Shares is attached detailing the issue.

The First Tranche of the Convertible Notes will be issued without Shareholder approval using the Company's existing placement capacity under ASX Listing Rule 7.1. The second tranche of Convertible Notes will be subject to shareholder approval at a general meeting of the Company planned for January 2015.

On behalf of the Board.

Paul Schultz
Company Secretary
Coppermoly Ltd

Rule 2.7, 3.10.3, 3.10.4, 3.10.5

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

Coppermoly Limited

ABN

54 126 490 855

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|---|---|
| 1 | +Class of +securities issued or to be issued | Fully paid ordinary shares in the Company
(Shares) |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 30,000,000 Shares |
| 3 | Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | Fully paid ordinary shares |

+ See chapter 19 for defined terms.

4	Do the ⁺securities rank equally in all respects from the ⁺issue date with an existing ⁺class of quoted ⁺securities? If the additional ⁺securities do not rank equally, please state: • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment	Yes
5	Issue price or consideration	\$0.01 per Share
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	Funds raised from the issue of Shares will fund working capital requirements
6a	Is the entity an ⁺eligible entity that has obtained security holder approval under rule 7.1A? If Yes, complete sections 6b – 6h <i>in relation to the ⁺securities the subject of this Appendix 3B</i>, and comply with section 6i	Yes
6b	The date the security holder resolution under rule 7.1A was passed	24 November 2014
6c	Number of ⁺ securities issued without security holder approval under rule 7.1	1,216,236 Shares
6d	Number of ⁺ securities issued with security holder approval under rule 7.1A	28,783,764 Shares

⁺ See chapter 19 for defined terms.

6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	NIL	
6f	Number of +securities issued under an exception in rule 7.2	NIL	
6g	If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.	YES Date price agreed: 11 December 2014 Issue date: 12 December 2014 Issue price: \$0.01 (1 cent) 15 day VWAP: \$0.0081 (0.81 cents) VWAP provided by IRESS	
6h	If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	Not applicable	
6i	Calculate the entity’s remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	Rule 7.1: 41,959,411 Rule 7.1A: NIL	
7	+Issue dates Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A. Cross reference: item 33 of Appendix 3B.	12 December 2014	
8	Number and +class of all +securities quoted on ASX (including the +securities in section 2 if applicable)	Number 317,837,649 (including 30,000,000 additional shares) 3,373,008	+Class Fully paid ordinary shares Options: Exercise price \$0.05; Expiry 1 July 2015

+ See chapter 19 for defined terms.

	Number	+Class
9 Number and +class of all +securities not quoted on ASX (including the +securities in section 2 if applicable)	2,000,000	Options: Exercise price of \$0.05; Expiry 4 February 2016
	4,308,329	Options: Exercise price \$0.05; Expiry 1 July 2015
10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	No dividend distribution is envisaged in the near future	

Part 2 - Pro rata issue

11	Is security holder approval required?	
12	Is the issue renounceable or non-renounceable?	
13	Ratio in which the +securities will be offered	
14	+Class of +securities to which the offer relates	
15	+Record date to determine entitlements	
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	
17	Policy for deciding entitlements in relation to fractions	
18	Names of countries in which the entity has security holders who will not be sent new offer documents Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.	
19	Closing date for receipt of acceptances or renunciations	
20	Names of any underwriters	

+ See chapter 19 for defined terms.

21	Amount of any underwriting fee or commission	
22	Names of any brokers to the issue	
23	Fee or commission payable to the broker to the issue	
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	
25	If the issue is contingent on security holders' approval, the date of the meeting	
26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	
28	Date rights trading will begin (if applicable)	
29	Date rights trading will end (if applicable)	
30	How do security holders sell their entitlements <i>in full</i> through a broker?	
31	How do security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	
32	How do security holders dispose of their entitlements (except by sale through a broker)?	
33	⁺ Issue date	

+ See chapter 19 for defined terms.

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of ⁺securities
(tick one)

(a) ☒ ⁺Securities described in Part 1

(b) ☐ All other ⁺securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35 ☐ If the ⁺securities are ⁺equity securities, the names of the 20 largest holders of the additional ⁺securities, and the number and percentage of additional ⁺securities held by those holders

36 ☐ If the ⁺securities are ⁺equity securities, a distribution schedule of the additional ⁺securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over

37 ☐ A copy of any trust deed for the additional ⁺securities

⁺ See chapter 19 for defined terms.

Entities that have ticked box 34(b)

38	Number of +securities for which +quotation is sought					
39	+Class of +securities for which quotation is sought					
40	Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities? If the additional +securities do not rank equally, please state: • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment					
41	Reason for request for quotation now Example: In the case of restricted securities, end of restriction period (if issued upon conversion of another +security, clearly identify that other +security)					
42	Number and +class of all +securities quoted on ASX (including the +securities in clause 38)	<table border="1"> <thead> <tr> <th>Number</th> <th>+Class</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> </tr> </tbody> </table>	Number	+Class		
Number	+Class					

+ See chapter 19 for defined terms.

Quotation agreement

1. +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.
2. We warrant the following to ASX.
 - The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
 - There is no reason why those +securities should not be granted +quotation.
 - An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.
Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty
 - Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
 - If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.
3. We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
4. We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.



Sign here: _____
(Director/Company secretary)

Date: 12 December 2014

Print name: Paul Schultz

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+ See chapter 19 for defined terms.

Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12 Amended 04/03/13

Part 1

Rule 7.1 – Issues exceeding 15% of capital	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
Insert number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue	211,055,962
Add the following: - Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2 - Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval - Number of partly paid +ordinary securities that became fully paid in that 12 month period Note: - Include only ordinary securities here – other classes of equity securities cannot be added - Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed - It may be useful to set out issues of securities on different dates as separate line items	10,119,078 (May 2014) 52,737,609 (Dec 2013) 12,925,000 (Apr 2014) 1,000,000 (Aug 2014) NIL
Subtract the number of fully paid +ordinary securities cancelled during that 12 month period	NIL
“A”	287,837,649

+ See chapter 19 for defined terms.

Step 2: Calculate 15% of “A”	
“B”	0.15 <i>[Note: this value cannot be changed]</i>
Multiply “A” by 0.15	43,175,647
Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used	
Insert number of *equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued: • Under an exception in rule 7.2 • Under rule 7.1A • With security holder approval under rule 7.1 or rule 7.4 Note: • <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i>	1,216,236 (Dec 2014)
“C”	1,216,236
Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1	
“A” x 0.15 <i>Note: number must be same as shown in Step 2</i>	43,175,647
Subtract “C” <i>Note: number must be same as shown in Step 3</i>	1,216,236
Total [“A” x 0.15] – “C”	41,959,411 <i>[Note: this is the remaining placement capacity under rule 7.1]</i>

+ See chapter 19 for defined terms.

Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
“A” <i>Note: number must be same as shown in Step 1 of Part 1</i>	287,837,649
Step 2: Calculate 10% of “A”	
“D”	0.10 <i>Note: this value cannot be changed</i>
Multiply “A” by 0.10	28,783,764
Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used	
Insert number of +equity securities issued or agreed to be issued in that 12 month period under rule 7.1A Notes: • <i>This applies to equity securities – not just ordinary securities</i> • <i>Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i>	28,783,764 (Dec 2014)
“E”	28,783,764

+ See chapter 19 for defined terms.

Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A	
“A” x 0.10 <i>Note: number must be same as shown in Step 2</i>	28,783,764
Subtract “E” <i>Note: number must be same as shown in Step 3</i>	28,783,764
Total [“A” x 0.10] – “E”	NIL <i>Note: this is the remaining placement capacity under rule 7.1A</i>

+ See chapter 19 for defined terms.