

30 April 2019

ASX Code: **COY**

March 2019 Quarterly Activities Report

The following report details the operating and corporate activities of Coppermoly Ltd (**Coppermoly** or **the Company**) for the quarter ended 31 March 2019 and to the date of this report.

HIGHLIGHTS

Mt Nakru Resource Upgrade

- **Maiden Indicated Resource of 70kt contained Cu (grading 1%) and 64koz Au (grading 0.28g/t) from 7.03 Mt for the Mt Nakru Project**
- **Inferred plus Indicated Resource for contained Cu increased by 16% from the 2017 estimate to 309kt grading 0.75% from 41.4 Mt and contained Au increased by 44% from the 2017 estimate to 300koz grading 0.23 g/t.¹**
- **The report includes only the deposits within 200mtrs from surface. The Nakru 1 deposit is open to the north and south west down plunge. The Nakru 2 deposit is open in all directions.**
- **Higher grades are concentrated in the upper levels, and coupled with the overall shallow depth (<200m) an open-pit mine with conventional copper flotation processing is a foreseeable mining option.**

Simuku IP Survey

- **The Company signed a contract with Austhai Geophysical Consultants to conduct an IP survey of the Simuku exploration licence in the June quarter.**

Kori River Exploration Licence Granted

- **The Company's application for exploration licence EL2578 Kori River (EL2578) was approved by the Mineral Resources Authority.**
- **EL2578 includes areas near the boundary of the Simuku exploration licence that show encouraging conductive and resistive anomalous zones potentially extending into EL2578.**

Corporate Activity

- **Cash balance of \$2.223 million as at 31 March 2019.**

¹ Refer ASX Announcement dated 28 February 2019. The Company is not aware of any new information or data that materially affects the information included in that ASX announcement and confirms that all material assumptions and technical parameters underpinning the estimates in the that market announcement continue to apply and have not materially changed.

Exploration Activity

Mt Nakru (EL 1043)

In the December quarter, the Company completed an exploration drilling program comprising a combination of infill resource drilling and multiple step out exploration holes at the Nakru 1 ore body.

The program comprised in-fill and 50m step out extension drilling at Nakru 1 designed to upgrade the resource category. Drilling was undertaken using a combination of Reverse Circulation ("RC") and Diamond Drilling ("DD"), with 16 holes drilled for a total of 1,997.5 metres (refer Figure 1).

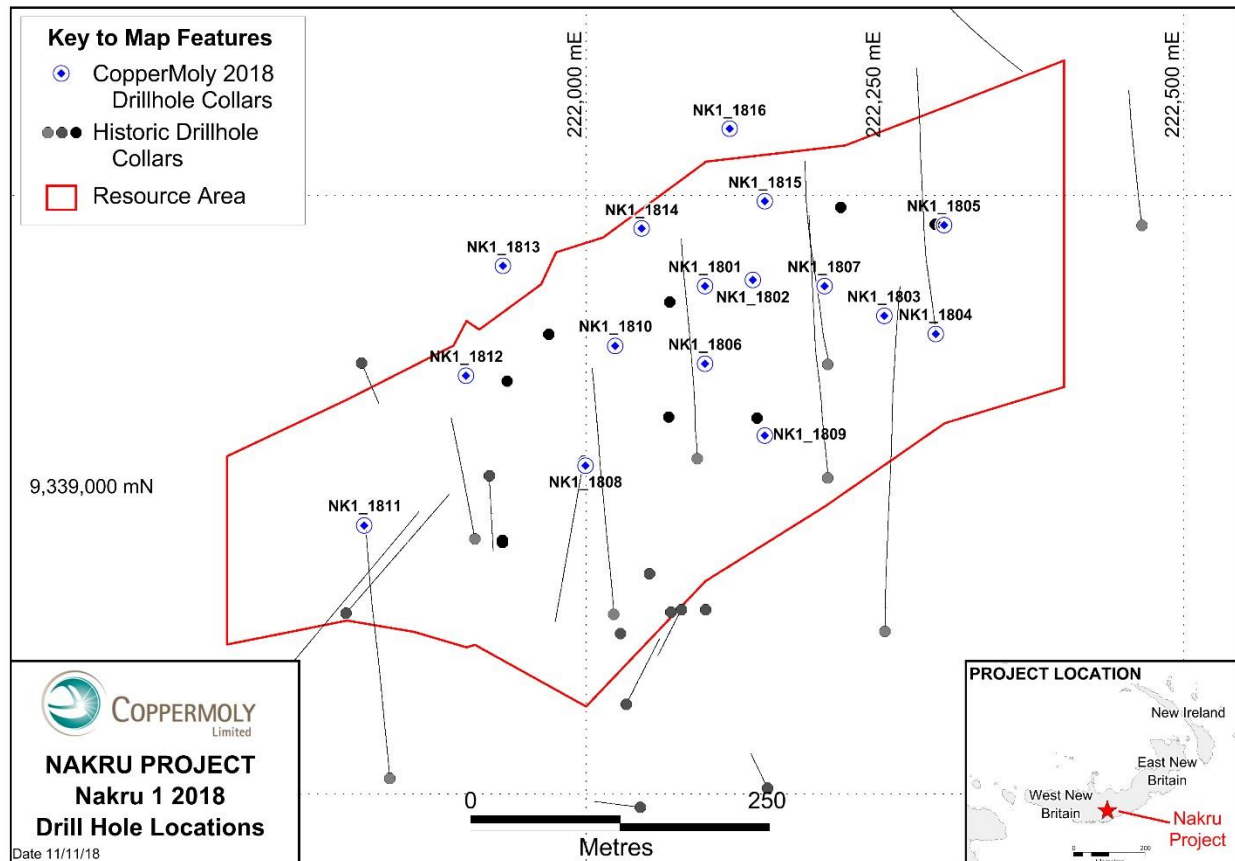


Figure 1 – Location of completed drill holes for Nakru 1 exploration drilling program

10 holes were undertaken for infill resource definition to upgrade the existing resource and 4 holes were step out exploratory holes to designed to test the extension of the existing resource area. In addition, 2 RC holes were drilled as twins of previous diamond holes to test the validity of the RC technique for resource definition work.

Independent consultants, Mining Associates, were engaged to prepare an updated JORC Mineral Resource Statement for the Mt Nakru project which was released during the March quarter.

The updated Resource Statement defined a maiden Indicated Resource Estimate and a 16% increase in the total Indicated and Inferred Mineral Resource at its flagship Mt Nakru Project located in West New Britain, Papua New Guinea.

The maiden Indicated Resource totals 7.03 Mt grading 1.00% Cu, 0.28 g/t Au and 1.81 g/t Ag for 70kt contained Cu, 64 koz Au and 409 Koz Ag.

The total Inferred plus Indicated Resource has been expanded to 41.39 Mt grading 0.75% Cu, 0.23 g/t Au and 1.59 g/t Ag for 309 kt Cu, 300 koz Au and 2,100 Koz Ag at a cut-off grade of 0.3% Cu.

A break-down of the mineral resources by category is given in Table 1.

Resource	Mineralised	Grade			Metal		
Category	Tonnes (millions)	Copper	Gold	Silver	Copper (kt)	Gold (koz)	Silver (koz)
Indicated	7.03	1.00	0.28	1.81	70	64	409
Inferred	34.36	0.69	0.21	1.55	239	237	1,707
Total	41.39	0.75	0.23	1.59	309	300	2,116

Table 1. Nakru Project Indicated and Inferred Mineral Resource Estimate, Feb 2019 (> 0.3% cu)

The Nakru Project Resource Estimate is reported to an approximate depth of 200 m below surface and above 0.3% copper (refer **Figure 2**).

Modelling by Mining Associates confirmed the presence of higher grade (>0.5% Cu) mineralisation lenses at shallow levels (refer to long sections of Nakru 1 and Nakru 2, **Figure 3**), which should be favourable for the project's economics.

Indicated and Inferred Mineral Resources are outlined in **Figure 4** and are reported from blocks less than 200 m depth from surface topography, approximating the likely depth limit of an open pit.

In both deposits the higher grades are concentrated in the upper levels and, coupled with the overall shallow depth (<200m), an open-pit mine with conventional copper flotation processing is a foreseeable mining option.

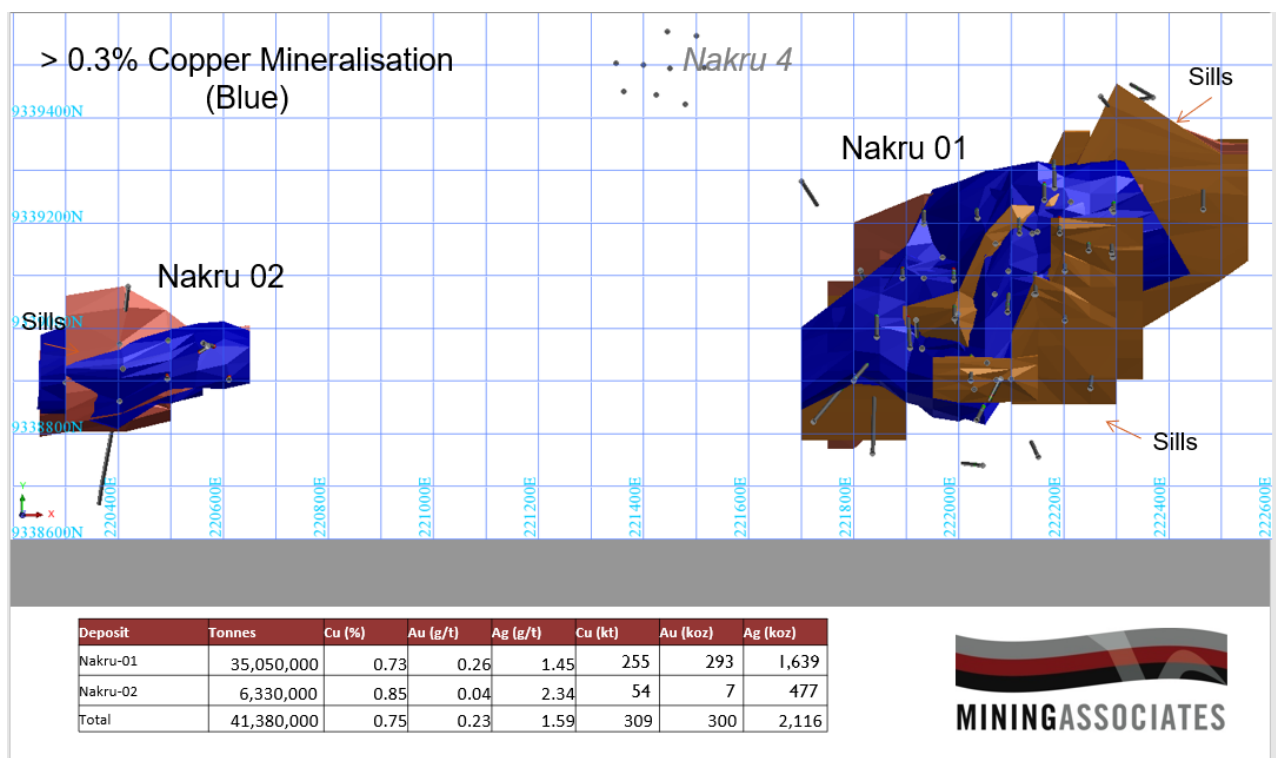
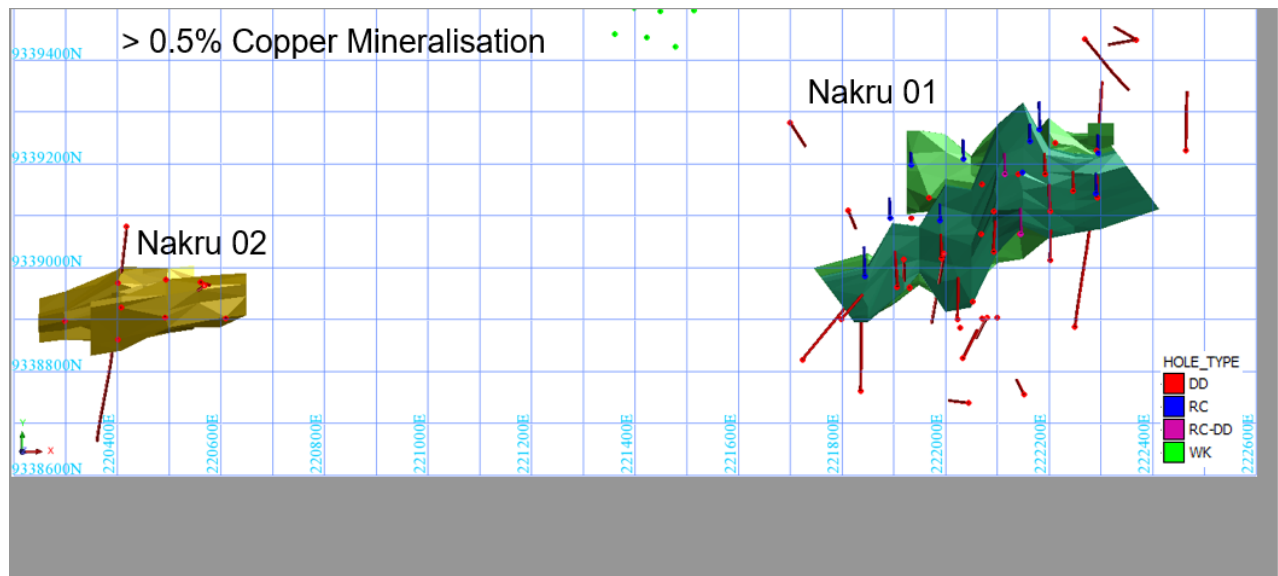


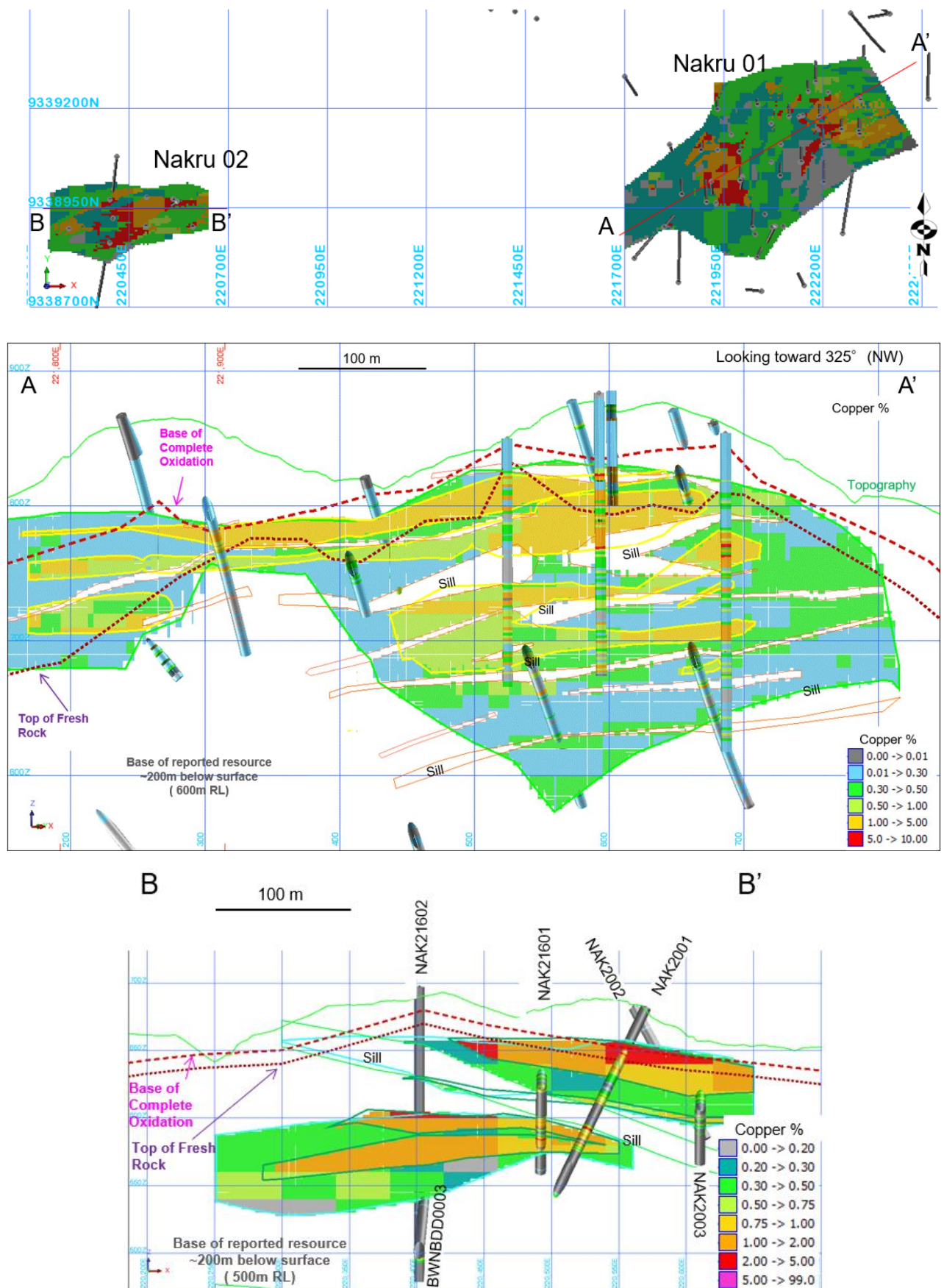
Fig. 2 Nakru Project Showing Block Model Grades and Drill hole Locations for 0.3% grade shells.



Cut Off %Cu	deposit	t	Cu (%)	Au (g/t)	Ag (g/t)	Cu (kt)	Au (koz)	Ag (koz)
> 0.5	Nakru 1	17,980,000	1.05	0.38	1.98	189.25	219.57	1143.31
	Nakru 2	3,250,000	1.38	0.05	3.67	44.95	5.39	383.40
Total		21,230,000	1.10	0.33	2.24	234.20	186.79	1026.97



Fig. 3 Nakru Project Showing Block Model Grades and Drill hole Locations for 0.5% grade shells.



**Fig. 4 Plan of Nakru Project Showing Block Model Grades and Drill hole Locations
(Location of long sections A-A' and B-B' also shown)**

The Nakru 1 Inferred Mineral Resource is open to the north and south west down plunge. The Nakru 2 Inferred Mineral Resource is the smaller deposit to date and is open in all directions.

The next phase of exploration activities will focus on continuing the development of Nakru 1 and extensions to Nakru 2 by drilling more step out holes.

Simuku (EL 2379)

The Simuku project area hosts both a large tonnage low grade porphyry style copper mineralisation zone and near surface higher grade secondary copper mineralisation. Both mineralisation zones have untested extensions.

The Company completed an airborne EM and magnetic survey covering the Simuku tenement in 2017. Independent geophysical modelling commissioned by the Company highlighted several significant EM anomalies. Following reinterpretation of magnetic data, a larger Simukou porphyry complex has become more evident.

The Company has signed a contract with Austhai Geophysical Consultants to conduct an IP survey of the Simuku exploration licence. The IP survey will follow up the highest ranked VTEM anomalies (refer ASX announcement dated 23 April 2018) to allow further verification of those anomalies in order to delineate drill targets.

The IP survey will be conducted in the June quarter.

Makmak (EL2514)

Makmak is a greenfields exploration tenement that lies proximal to the Nakru tenement. There are several sites within the tenement where rock chip and stream sediment samples have returned elevated copper and gold analysis.

Due to the focus on the Mt Nakru drilling program in the December quarter, no work was undertaken on the Makmak project during the quarter.

Kori River (ELA 2578)

During the quarter, Coppermoly Ltd received notification from the Mineral Resources Authority of Papua New Guinea that the Company's application for exploration licence EL2578 Kori River (EL2578) had been approved.

EL2578 comprises 116 sub-blocks, covering an area of approximately 315 km², that encloses the Company's existing Simuku exploration licence (refer figure 5). EL2578 includes areas near the boundary of the Simuku exploration licence that show encouraging conductive and resistive anomalous zones potentially extending into EL2578.

EL2578 is valid for an initial term of 2 years at which time the Company may apply for a further extension. The Company's minimum expenditure under the exploration is PGK50,000 per annum for the initial two-year term.

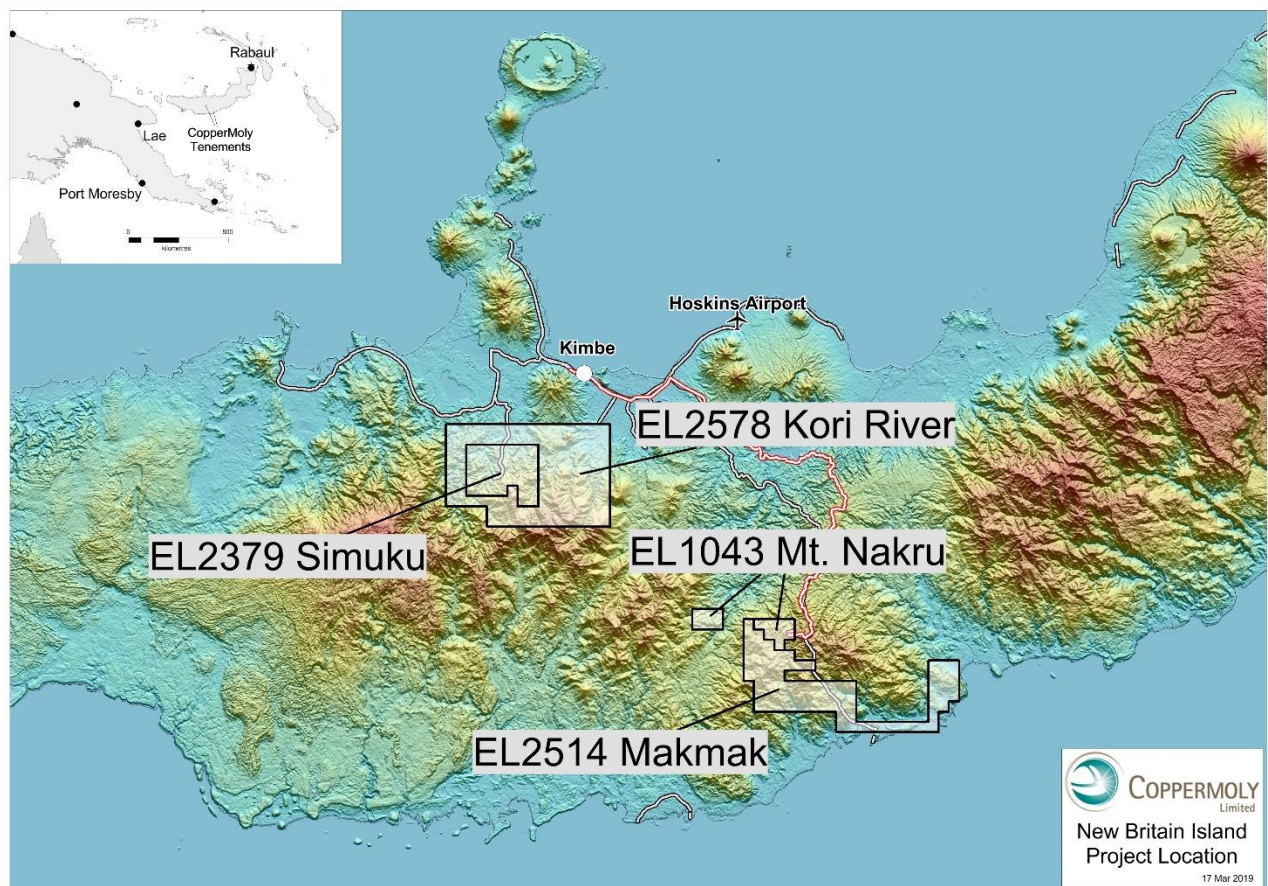


Figure 5 – Map showing locations of the Company’s exploration licences including the newly granted EL2578

Corporate Activity

As at 31 March 2019, the Company had cash and cash equivalents totalling \$A2.223M.

Exploration Portfolio at 31 March 2019

As at 31 March 2019, the Company had interests in the following mineral exploration tenements:

PROJECT	PERIOD ACQUIRED	AREA	LOCATION
EL 1043 Mt Nakru ^{*,^^}	Jan 2008	47km ²	West New Britain
EL 2379 Simuku [*]	Jan 2008	122km ²	West New Britain
EL 2514 Makmak	Sep 2017	269km ²	West New Britain
ELA 2578 Kori River	March 2019	396km ²	West New Britain

^{*} Two of the Company's exploration licences, EL 1043 Mt Nakru and EL 2379 Simuku, together known as the West New Britain Projects (**WNB Projects**), were previously subject to a farm-in agreement with Barrick (PD) Australia 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 affected 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 for exploration or development of the WNB Projects nor are they entitled to any profits from the projects.

^{^^} During the December 2018 Quarter the Company lodged a renewal application for the Mt Nakru tenement which expired on 7 December 2018 having reached the end of its statutory 2-year term. A Warden's Hearing was held, and the renewal process is proceeding in accordance with the established regulatory processes in PNG. The Company believes it has complied with all license conditions, including minimum expenditure requirements, and is not aware of any matters or circumstances that have arisen that would result in the Company's application for renewal of the exploration licences not being granted in the ordinary course of business.

Corporate Directory	
Coppermoly Limited (ABN 54 126 490 855)	
Non-Executive Directors	Registered office
Dr Wanfu Huang	Unit 2, 42 Morrow Street,
Mr Jincheng Yao	Taringa, Queensland 4068
Mr Kevin Grice	Telephone: +61 7 5510 3994
Mr Zule Lin	Facsimile: +61 7 5510 3997
Company Secretary	Email: info@coppermoly.com.au
Mr Stephen Kelly	Website: www.coppermoly.com.au

About Coppermoly

Coppermoly (COY) is an ASX listed junior exploration company which has been listed on the ASX since 2008. Coppermoly's head office is located in Brisbane, Australia and mineral exploration activities are focused entirely on the island of New Britain in PNG where it is exploring for copper, gold, silver, zinc, and molybdenum.

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, 01/05/13, 01/09/16

Name of entity

COPPERMOLY LIMITED

ABN

54 126 490 855

Quarter ended ("current quarter")

31 March 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(382)	(1,247)
(b) development	-	-
(c) production	-	-
(d) staff costs	(164)	(266)
(e) administration and corporate costs	(113)	(279)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	11	39
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other	-	-
1.9 Net cash from / (used in) operating activities	(648)	(1,753)

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Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) property, plant and equipment	(47)	(49)
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(47)	(49)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	2,417
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	(6)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-

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Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	-	2,411

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	2,929	1,616
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(648)	(1,753)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(47)	(49)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	2,411
4.5	Effect of movement in exchange rates on cash held	(11)	(2)
4.6	Cash and cash equivalents at end of period	2,223	2,223

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Mining exploration entity and oil and gas exploration entity quarterly report

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5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	2,223	2,929
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	2,223	2,929
6.	Payments to directors of the entity and their associates	Current quarter \$A'000	
6.1	Aggregate amount of payments to these parties included in item 1.2 Payment of Director fees	5	
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	Nil	
6.3	Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2		

7.	Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1	Aggregate amount of payments to these parties included in item 1.2	Nil
7.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	Nil
7.3	Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	
N/a		

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8. Financing facilities available

Add notes as necessary for an understanding of the position

Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
-	-
-	-
-	-

8.1 Loan facilities

8.2 Credit standby arrangements

8.3 Other (please specify)

8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.

N/a

9. Estimated cash outflows for next quarter

\$A'000

9.1 Exploration and evaluation

487

9.2 Development

-

9.3 Production

-

9.4 Staff costs

198

9.5 Administration and corporate costs

97

9.6 Other (provide details if material)

-

9.7 Total estimated cash outflows

782

10.	Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	N/a			
10.2	Interests in mining tenements and petroleum tenements acquired or increased	EL2578 Kori River	Direct ownership	NIL	100%

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

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Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.



Sign here:

Date: 30 April 2019

Company Secretary

Print name: Stephen Kelly

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. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, 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. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.