

**31 October 2017**

ASX Code: **COY**

### **September 2017 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 2017 and to the date of this report.

#### **Summary for the Quarter Ended 30 September 2017**

- Exploration Activity
  - Exploration Manager appointment
  - Simuku VTEM
  - Nakru next stage
- Current Exploration Portfolio
  - Makmak licence grant
- Corporate Activity
  - \$2.87M Placement Agreement
  - 2017 AGM

#### **Exploration Activity**

##### **Exploration Manager Appointment**

On 30 October 2017 Coppermoly announced the appointment of Dr Peter Crowhurst as the Company's full time Exploration Manager. Peter has previously been employed as a Senior and Principal Geologist for Nautilus Minerals for 7 years. Other technical roles have included engagement as Senior Project Geologist with Teck Cominco focussing on Cu-Au porphyry mineralisation in the Asia region, including PNG, six years as a Research Scientist at CSIRO, independent consulting roles on many commodities including gold, copper, iron sands, lithium and petroleum. As a consultant Peter has previously worked with Coppermoly in 2013 and as a structural geologist with Highlands Pacific. Peter's PhD subject was structure and tectonics in northern PNG with a focus on the Frieda River Copper Project.

The Company welcomes Dr Crowhurst and is excited to have such an industry leading geologist with exceptional geological and PNG exploration expertise on the team.

##### **Simuku**

During the quarter Coppermoly also announced it has signed an agreement with Perth based contractor UTS Geophysics (**UTS**) to carry out a helicopter-borne geophysical survey at one of the Company's exploration projects, the Simuku EL 2379 exploration licence area (**Simuku**). The Simuku Cu-Au project area hosts both a large tonnage low grade porphyry style Copper mineralisation and near surface higher grade secondary Copper mineralisation. Both mineralisation zones have untested extensions. A number of geochemical anomalies within the licence area have not yet been tested.

The agreement provides for a helicopter-borne geophysical survey using UTS's Versatile Time-Domain Electromagnetic (VTEM™) geophysical system. The VTEM™ Plus system is excellent for locating discrete conductive anomalies as well as mapping lateral and vertical variations in resistivity.

The VTEM™ survey will investigate the mineral potential over the Simuku licence area. The proposed survey will be approximately 928 line-kilometres (line spacing at 150m) over all of the existing EL 2379 licence area. The program is scheduled for November this year.

## Nakru

The Company is also in the planning stage for the next drilling program on the Company's Mt Nakru EL 1043 Cu-Au project (Nakru) where an updated JORC Inferred Mineral Resource was estimated by Mining Associates in June 2017. The Nakru Inferred resource totals 29Mt at 0.92% Cu & 0.22 g/t Au using a cut-off grade of 0.3% Cu across two Cu-Au deposits at Nakru 1 & Nakru 2 for a combined total of 267kt of Cu and 208koz of Au (2Moz of Ag). The next stage drilling program at Nakru will focus on seeking to upgrade the resource category while defining the size of deposits at Nakru 1 and Nakru 2.

Since both deposits have higher grades concentrated in the upper levels, and the shallow depth (over all less than 200m), an open-pit mine with conventional copper flotation processing is a likely option.

Please refer to the ASX Announcement released on 22 June 2017 for details of the Inferred Mineral Resource Estimate update as well as ASX Announcements released 16 March, 19 April and 27 April 2017 for full details of the most recent drilling at Nakru, including all relevant assay results. The Company is not aware of any new information or data that materially affects the information included in these announcements and all the material assumptions and technical parameters underpinning the Inferred Mineral Resource Estimate in the ASX Announcement released on 22 June 2017 continue to apply and have not materially changed.

## Current Exploration Portfolio

The Company's current exploration licences, all located on New Britain Island, PNG:

PROJECT	PERIOD ACQUIRED	AREA	LOCATION
EL 1043 Mt Nakru*	Jan 2008	47km <sup>2</sup>	West New Britain
EL 2379 Simuku*	Jan 2008	122km <sup>2</sup>	West New Britain
EL 2514 Makmak	Sep 2017	269km <sup>2</sup>	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 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 for exploration or development of the WNB Projects nor are they entitled to any profits from the projects.

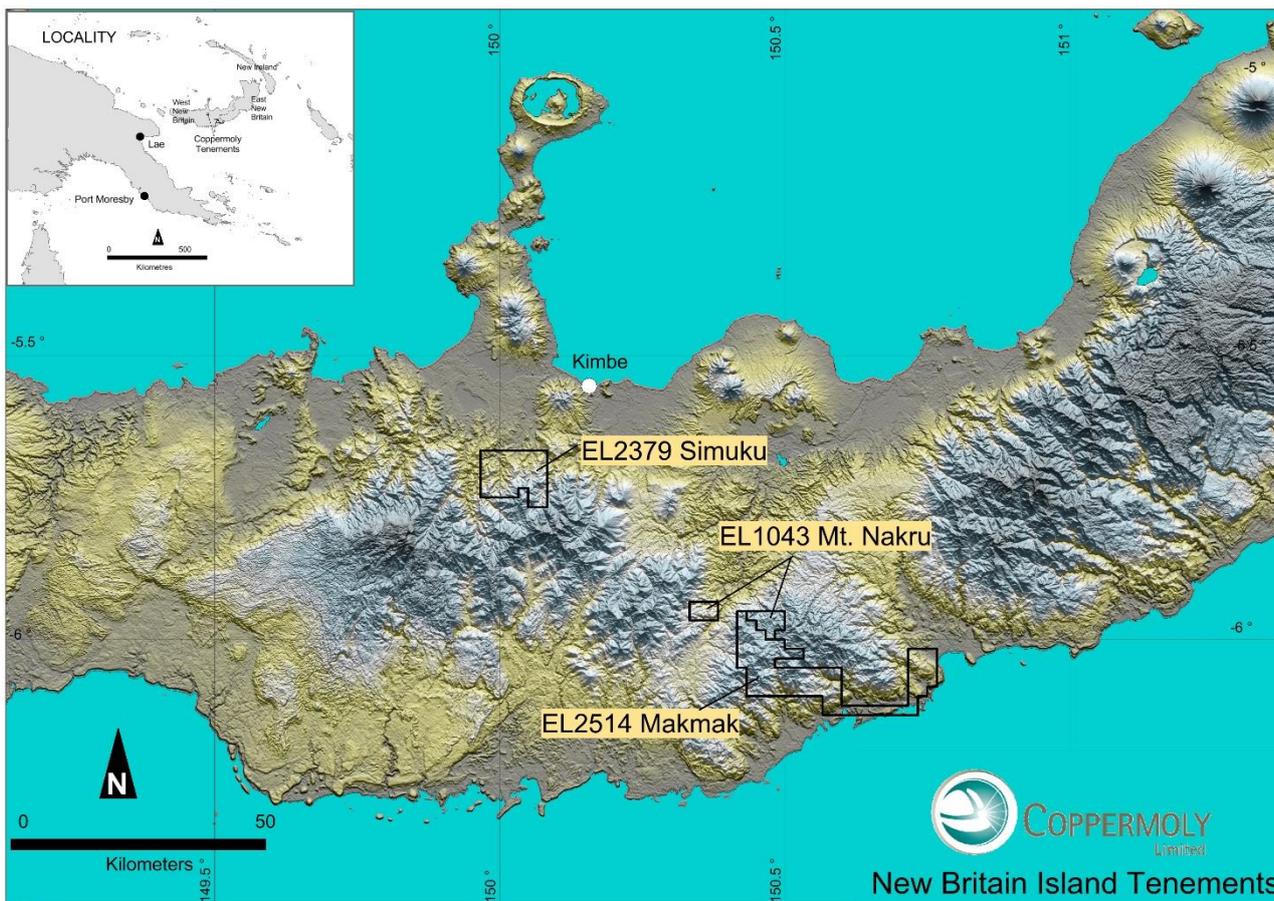
## **New Makmak Exploration Licence Granted**

In December 2016 Coppermoly applied to PNG Mineral Resources Authority for a new Exploration Licence over most of the ground covered by the previously held EL 2014 exploration licence as well as some new additional ground that adjoins the Mt Nakru Exploration Licence EL 1043. The new Makmak licence was granted by the MRA in September 2017 as EL 2514.

Previously the main area of focus on the Makmak tenement was the Pulding prospect. Past sampling and prominent aeromagnetic anomalies show a prospective SSE-NNW trending lineament which will be targeted for further evaluation.

## **Powell Exploration Licence**

EL 1782 Powell was relinquished in September 2017. The decision to drop the tenement was made to allow the Company to concentrate on its leading exploration projects Mt Nakru & Simuku, along with newly granted EL 2514 Makmak.



Map 1: Coppermoly's current exploration licences on New Britain Island

## Corporate Activity

### Placement

On 30 October 2017 the Company announced that it has entered an agreement to undertake a private placement to raise approximately \$2.87M before costs at an issue price of \$0.0105 (1.05 cents) per share (**Placement**).

The Placement has been made to one investor, Shenzhen Beilite Jades Limited (**Beilite**). Beilite is a diversified private investment company specialising in precious metals, metal products, and high value jades. Beilite has also invested in several gold projects in Southeast Asia.

The Placement comprises a two stage placement arrangement, which will result in Coppermoly raising a total of approximately \$2,870,000 (before costs), comprising:

- (a) an upfront placement of 164,072,670 new fully paid ordinary shares in Coppermoly ranking equally with existing shares on issue (**Shares**), issued at 1.05 cents per Share (**Initial Placement**). The Initial Placement was completed on 30 October 2017 and resulted in Coppermoly raising \$1,722,763 (before costs); and
- (b) a subsequent issue of 109,260,663 Shares, at an issue price of 1.05 cents per Share to raise \$1,147,237 (before costs), which is subject to Coppermoly first obtaining Shareholder approval in accordance with ASX Listing Rules (**Conditional Placement**).

A general meeting will be called soon to seek Shareholder approval for the Conditional Placement and to refresh the Company's placement capacity under ASX Listing Rule 7.1.

The Initial Placement used the Company's existing placement capacity under ASX Listing Rule 7 and resulted in Beilite acquiring a relevant interest in 13.04% of Coppermoly's Shares. If approved by

Shareholders the issue of the Shares pursuant to the Conditional Placement will result in Beilite having a relevant interest in 19.99% of Coppermoly's Shares.

The funds raised from the Placement will be used to fund planned exploration activity on the Company's tenements, and working capital requirements.

### **Coppermoly Ltd 2017 AGM**

The Company's 2017 AGM will be held at its registered office at 10.30am (AEST) on Friday 24 November 2017. The 2017 AGM Notice of Meeting and Proxy Form was sent to Shareholders on 26 October 2017.

<b><u>Corporate Directory</u></b>	
<b>Coppermoly Limited</b> (ABN 54 126 490 855)	
<b>Directors</b>	<b>Registered office</b>
Dr Wanfu Huang (Non-Executive Director)	Suite 1B, 91 Upton Street,
Mr Jincheng Yao (Non-Executive Director)	Bundall, Queensland 4217
Mr Kevin Grice (Non-Executive Director)	Telephone: +61 7 5510 3994
Mr Zule Lin (Non-Executive Director)	Facsimile: +61 7 5510 3997
<b>Company Secretary</b>	Email: <a href="mailto:info@coppermoly.com.au">info@coppermoly.com.au</a>
Mr Paul Schultz CPA	Website: <a href="http://www.coppermoly.com.au">www.coppermoly.com.au</a>

### **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 on the Gold Coast, 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.