COPPERMOLY Limited

A.B.N. 54 126 490 855

2018 ANNUAL REPORT

FOR THE YEAR ENDED 30 JUNE 2018

C O N T E N T S

DIRECTORS' REPORT

Your Directors present their report on the consolidated entity consisting of Coppermoly Ltd and the entities it controlled at the end of, or during, the year ended 30 June 2018.

DIRECTORS

The following individuals were Directors of Coppermoly Ltd during the whole of the financial year ended 30 June 2018, and up to the date of this report:

Mr Kevin Grice

Mr Jincheng Yao

Dr Wanfu Huang

Mr Zule Lin

Please see page 11 of the Directors' Report for further details on each director.

PRINCIPAL ACTIVITIES

The principal activities during the financial year of entities within the consolidated entity were exploration and evaluation of porphyry copper-molybdenum-gold projects in Papua New Guinea.

There were no significant changes in the principal activities during the year.

RESULTS AND DIVIDENDS

The consolidated entity loss from operating activities after income tax for the period was $627,966 (2017: $1,395,240). No dividend has been paid or recommended during the year ended 30 June 2018.

OPERATING & FINANCIAL REVIEW

Coppermoly Limited is an ASX-listed exploration company targeting porphyry style large scale-low grade projects prospective for copper, gold and molybdenum. The Company's projects are located on New Britain Island in Papua New Guinea (**PNG**).

Operational Review

During the year ended 30 June 2018 the Group's principal activity continued to be the exploration and development of its portfolio of copper-gold projects located in Papua New Guinea. As at 30 June 2018, the consolidated entity had interests in the following exploration licences, all of which are located in Papua New Guinea:

Project	Date first acquired	Location
EL 1043 Mt Nakru (48km²)	Jan 2008	West New Britain
EL 2379 Simuku (123km²)	Jan 2008	West New Britain
EL 2514 Makmak (269km²)	Sep 2017	West New Britain

Two of the exploration licences currently held by the Company, EL 1043 Mt Nakru and EL 2379 Simuku, are together known as the West New Britain Projects (**WNB Projects**).

The WNB Projects were previously subject to a farm-in agreement with Barrick (PD) Australia Ltd (**Barrick**), a subsidiary of Barrick Gold Corporation. The Company has a binding agreement to reacquire Barrick's remaining nominal 28% interest in the WNB Projects, completion of which will be effected on the payment of a further $4.5M to Barrick within 6 months after the commencement of commercial production at the WNB Projects. Barrick do not have to contribute any further costs to exploration or development of the projects nor are they entitled to any profits from the projects. See note 9 in the Notes to the Consolidated Financial Statements for more details.

Coppermoly's other tenement interest is an exploration licence on New Britain Island containing most of the ground previously covered by the old EL 2014 Makmak exploration licence as well as some new additional ground that adjoins the licence area to EL 1043 Mt Nakru. The exploration licence application was granted in September 2017 by the MRA as EL 2514, after a successful Warden's Hearing was held in August 2017.

In addition as at 30 June 2018 had submitted an application for a new Exploration Licence, ELA 2578 Kori River that covers ground that encloses the existing EL 2379 (Simuku) tenement and includes areas near the boundaries of EL 2379 that show encouraging signs for potential conductive and resistive anomalous zones.

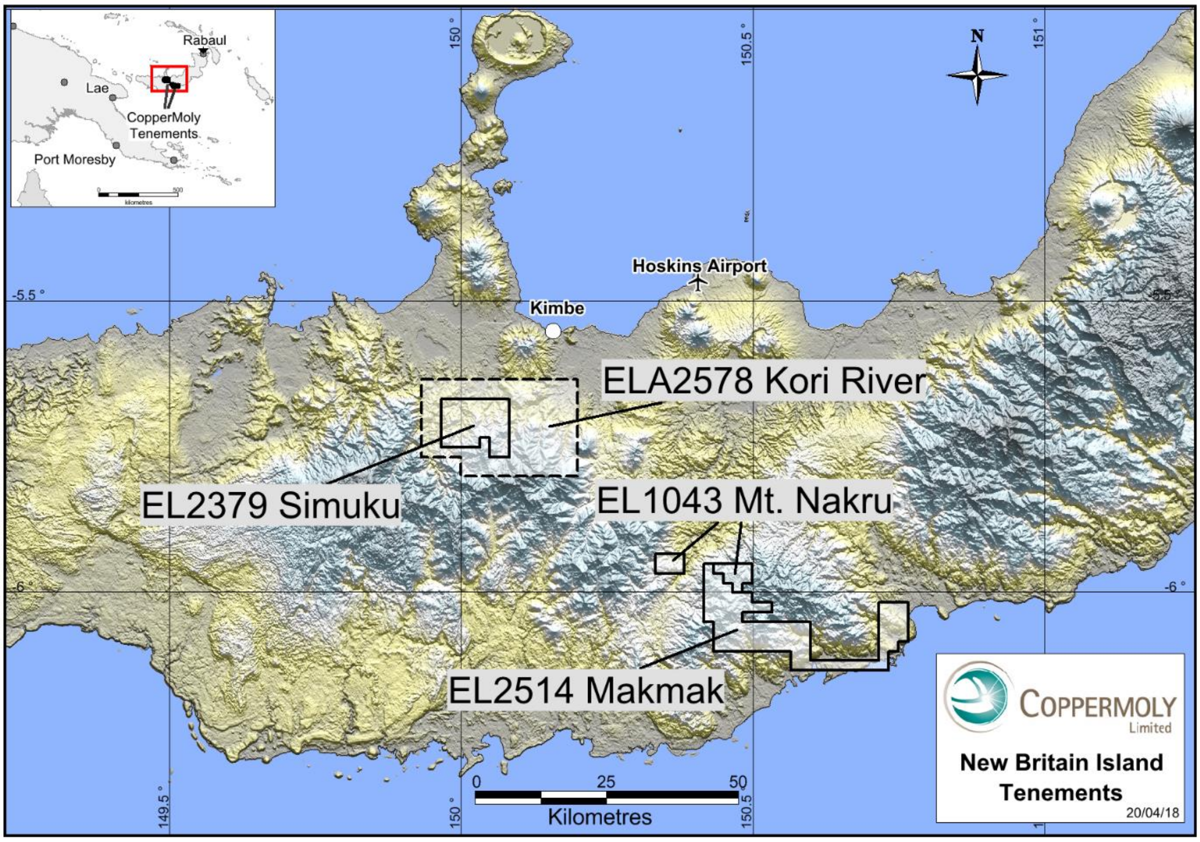

Figure 1: Coppermoly's Exploration Licences on New Britain at 30 June 2018

Project review

EL 1043 Mt Nakru

Drilling at Mt Nakru Copper-Gold project

In June 2017 the Company announced an updated JORC Mineral Resource Estimate for its Mt Nakru Copper-Gold Project (EL 1043). Independent mining consultancy Mining Associates Pty Ltd (**Mining Associates**) has estimated Inferred Mineral Resources in two deposits (Nakru 1 and Nakru 2) totalling approximately 29 million tonnes @ 0.92% Cu and 0.22 g/t Au using a cut-off grade of 0.3% Cu (Table 1).

Cut Off %Cu	Deposit	Tonnes	Cu (%)	Au (g/t)	Ag (g/t)	Cu (kt)	Au (koz)	Ag (oz)
> 0.2	Nakru 1	40,100,000	0.63	0.21	1.55	253	275	2001
	Nakru 2	9,800,000	0.67	0.04	2.49	66	11	784
	Total	49,900,000	0.64	0.18	1.74	319	286	2785
> 0.3	**Nakru 1**	**21,700,000**	**0.96**	**0.28**	**2.05**	**208**	**198**	**1432**
	Nakru 2	**7,400,000**	**0.80**	**0.04**	**2.82**	**59**	**10**	**672**
	Total	**29,100,000**	**0.92**	**0.22**	**2.25**	**267**	**208**	**2104**
> 0.5	Nakru 1	15,100,000	1.23	0.35	2.34	186	169	1138
	Nakru 2	3,100,000	1.39	0.06	4.43	43	6	441
	Total	18,200,000	1.26	0.30	2.70	229	175	1579

Table 1 Mt Nakru prospects Nakru 1 and Nakru 2 Inferred Copper resources[1]

[1] Refer ASX Announcement dated 22 June 2017. The Company is not aware of any new information that materially affects the information included in that announcement and that all material assumptions and technical parameters underpinning the estimates in the Resource Statement continue to apply and have not materially changed.

The Mt Nakru Cu-Au project comprises two known deposits, Nakru 1 and Nakru 2, which are 1.5 km apart (Figure 2).

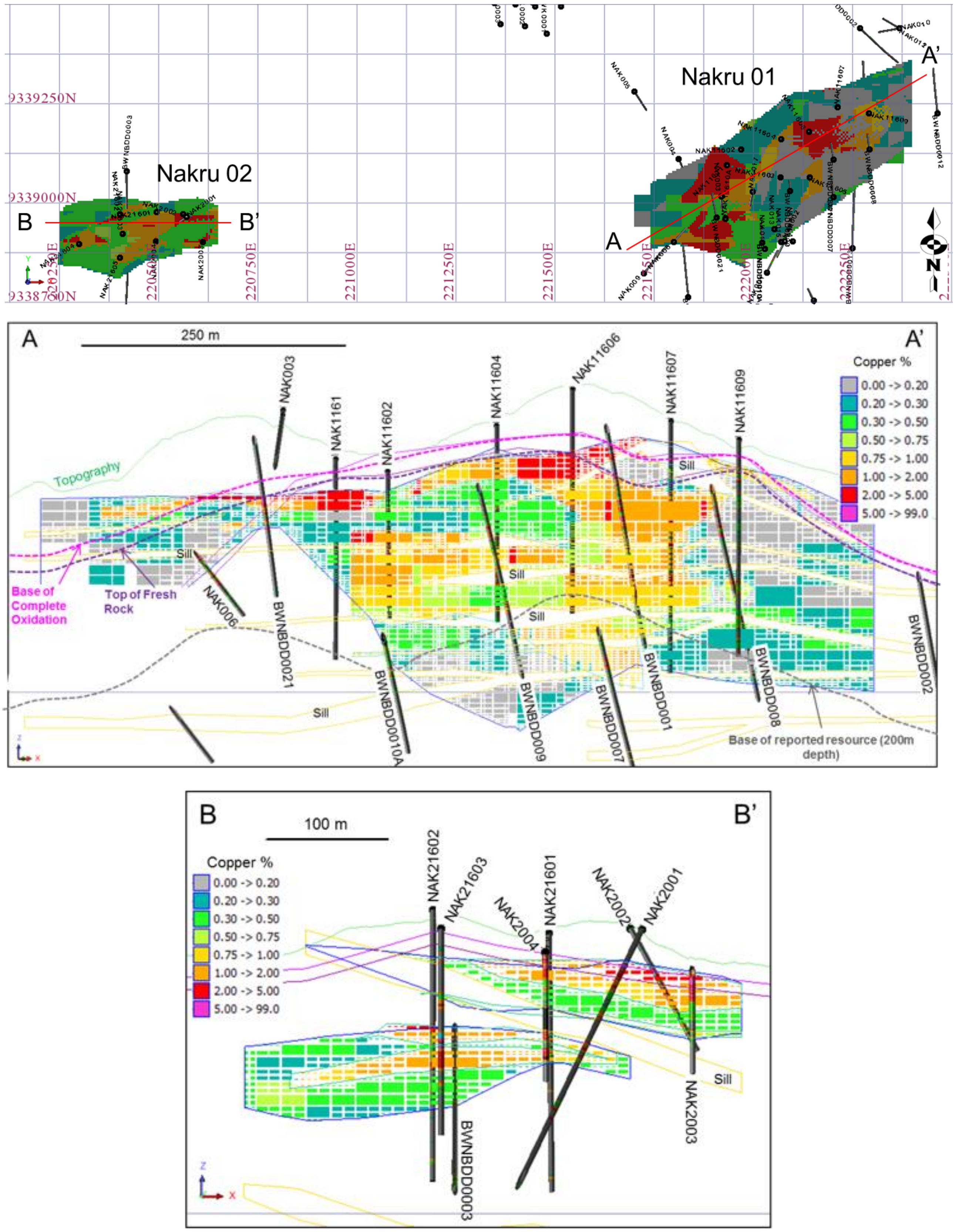

Figure 2 Plan of Nakru Project Showing Block Model Grades and Drillhole Locations (Location of long sections A-A' and B-B' also shown)

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 2), which should have a significant impact on the project's economics.

Inferred Mineral Resources are reported from blocks less than 200 m depth from surface topography, approximating the likely depth limit of an open pit.

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

Since in both deposits the higher grades are concentrated in the upper levels, and the shallow depth (over all <200m), an open-pit mine with conventional copper flotation processing is a foreseeable opportunity.

In June 2018, the Company finalised plans for the next stage of exploration at Mt Nakru and entered into contracts with service providers to conduct the program. Preparatory works for the program, including mobilisation of equipment and supplies and track preparation, were well advanced at 30 June 2018 and drilling commenced in the first week of September.

The program comprises in-fill and 50m step out extension drilling at Nakru 1 and has been designed in consultation with Mining Associates to upgrade the resource category and to advance the Company's knowledge of the economic potential of the ore bodies at Nakru.

Drilling will be undertaken using a combination of RC and diamond drilling. The program provides for a minimum of 10 drill holes for 1,600 metres (refer Figure 3) which may be extended dependent on ground conditions. The drill program will be conducted by international drilling contractor, Quest Exploration Drilling (QED). The Company anticipates that drilling will be conducted in the September quarter and that assay results and an updated JORC Mineral Resource Statement will be released prior to 31 December 2018.

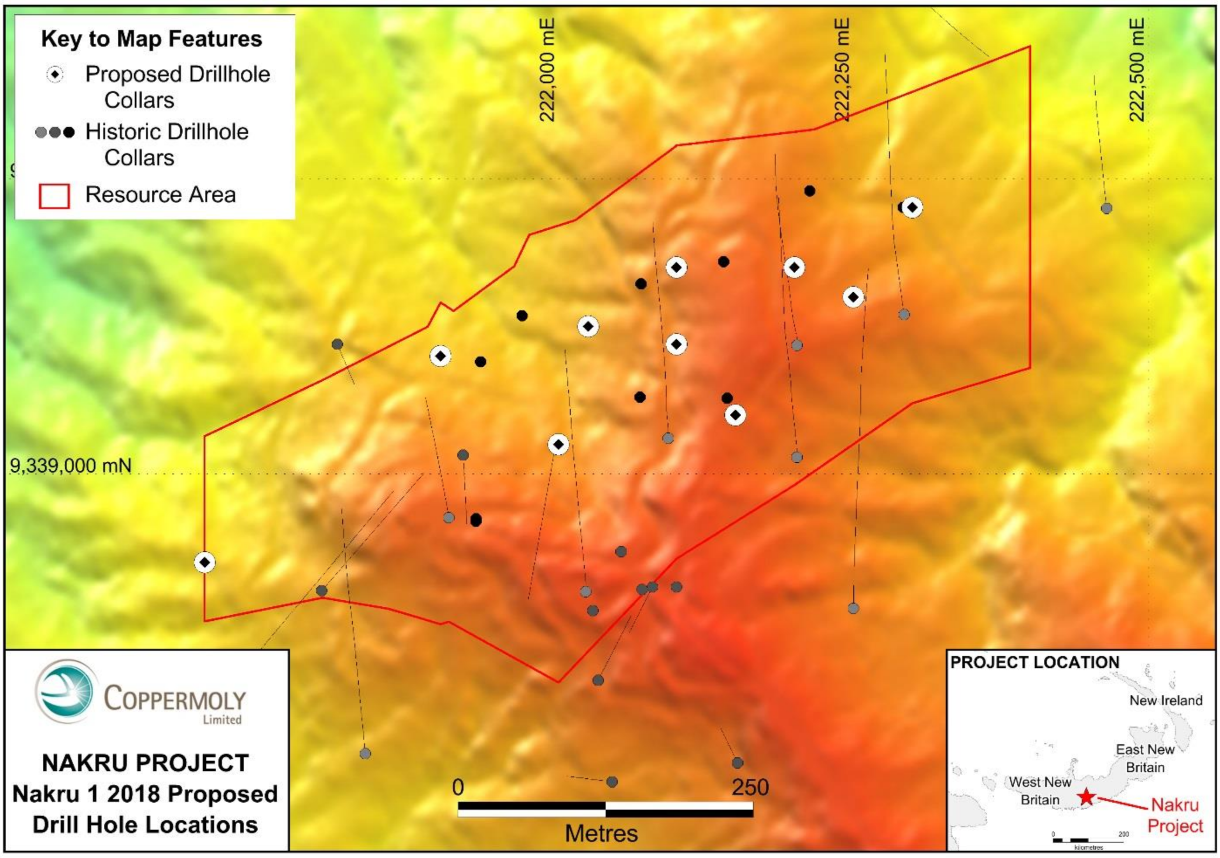

Figure 3– Location of proposed drillholes for Mt Nakru exploration drilling program

<u>EL 2379 Simuku</u>

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. Also, several historical geochemical and geophysical anomalies within the licence area have not yet been tested.

On 23 April 2018 Coppermoly announced that it had received the final assessment of the VTEM™ survey data collected at the Simuku Cu-Au exploration project in December 2017. The assessment was completed by experienced geophysical consultants, GeoDiscovery Group. GeoDiscovery's assessment included processing

3D inversions of the magnetic data from the VTEM survey and EMaxAir CDI compilation of the VTEM survey. GeoDiscovery's assessment has highlighted multiple anomalies of interest within, and also outside of, currently defined mineralised porphyry-style prospects in the Simuku licence area which Coppermoly believes warrant follow up with a combination of geochemical sampling and focussed geophysical (IP) surveys and analysis (Figure 4).

Highlights included:

1. The reprocessing and modelling of the EM data has removed most of the near surface effect of the water saturated and weathered jungle terrain and hence can highlight clear basement anomalies which are potentially indicators of mineralised systems. However, it is interpreted that surface conductive influence has largely saturated Target #1 and 2 in the lower elevation terrane in the north of the tenement.

2. The 3 highest ranked conductive anomalies lie in close proximity to and along strike to the main Simuku deposit within the centre of the tenement. This provides encouragement that the currently defined mineral system has greater potential for expansion (see anomalies #5, 7 and 9 on Figure 4 and section in Figure 5 and Figure 6).

3. For example, Target 5 is a weak to moderate conductive zone(s) coincident with Simuku circular magnetic expression and centred on a historical untested IP anomaly. It lies immediately west of drill-intersected mineralisation and only two existing drill-holes are located within the central zone. This new data has upgraded this area to be a prime target of interest for the next phase of exploration at Simuku.

4. Also, the highest ranked targets are predicted to be largely within 100m of the surface which makes them cost effective, accessible zones to test and develop.

5. The next tier of anomalies lie proximal and along strike to the known mineralised system at Kulu. With only a handful of historical holes drilled into this system, the new EM modelling provides encouragement that there is scope for extension of the known mineralised system (see anomalies #6 and 8 on Figure 4 and section in Figure 5).

6. The magnetic data processing and modelling has allowed for detailed structural map interpretation which compliments the high rank EM anomalies by showing the key structural setting to focus a mineralised system (Example in Figure 7).

7. As this VTEM survey covers the entire tenement this is the first time that clear geophysical anomalies have been found outside of the detailed historical geophysical focus on the Simuku system only (Figure 4).

8. It was observed that the historical geophysical data (Helimag and Gradient Array Induced Polarisation-GAIP) covering the Simuku deposit did not match well with the new VTEM data and therefore it was reprocessed and now shows a better match with the new EM data (Figure 7). This enhances the local geological interpretation for the Simuku mineralised system which provides greater confidence where to focus future exploration effort.

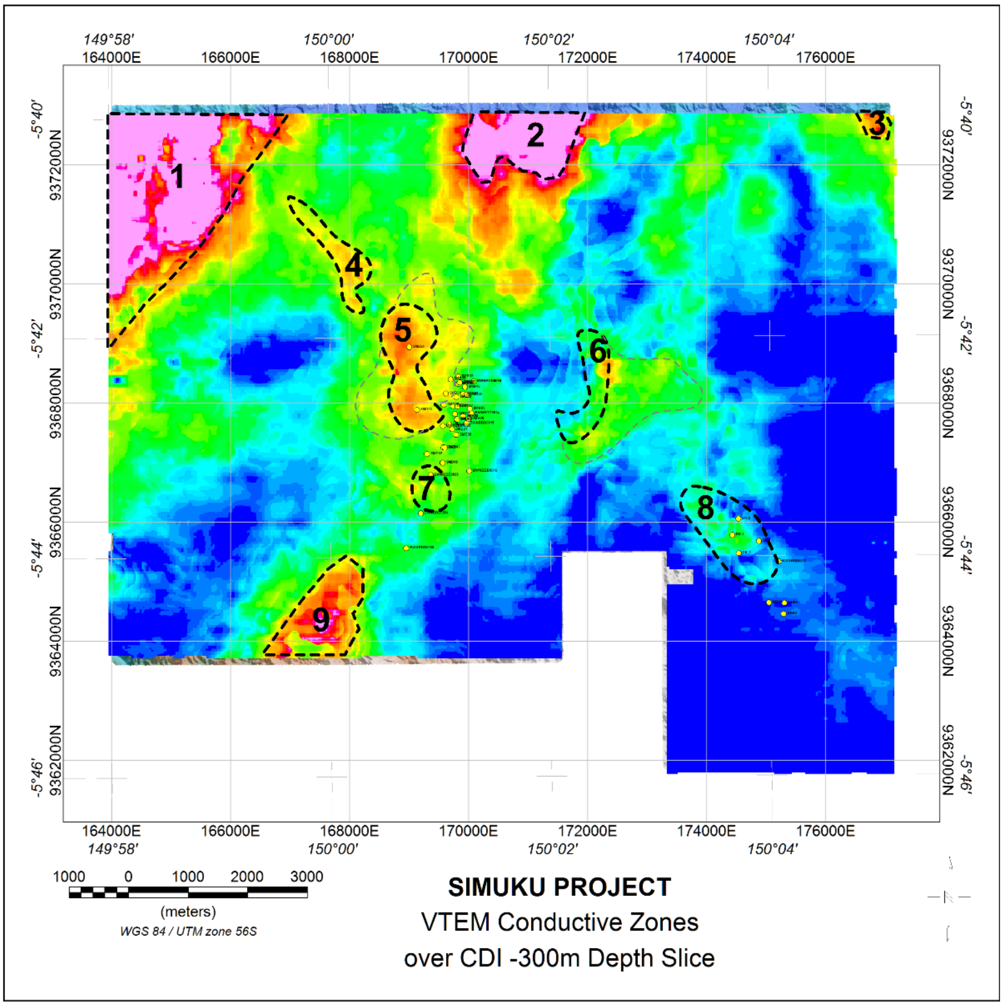

Figure 4: Target areas selected by Geodiscovery to follow up with geochemical sampling and several IP lines over the highest priority anomalies. Labelled yellow dots are historical drill holes; the main Simuku deposit is located in the centre of the image and Kulu prospect is mainly within Target 8.

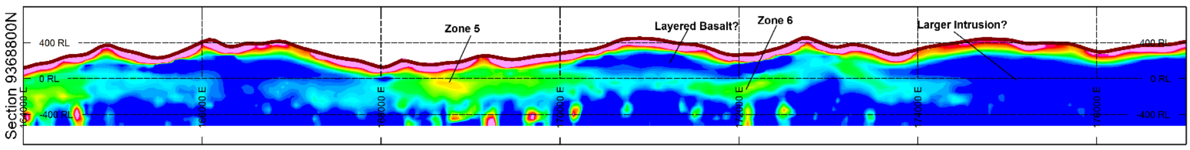

Figure 5: EW CDI Section @ 9368800N: Example of vertical extent of interpreted basalt layer and larger intrusions in relation to conductive zones 5 (Simuku) and 6.

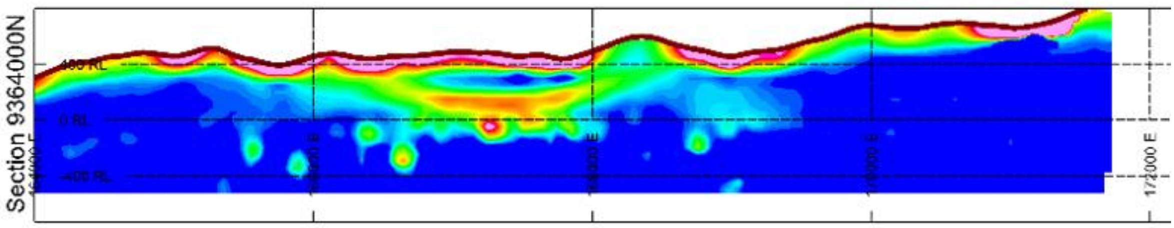

Figure 6: EW CDI Section @ 9364000N: Example of vertical extent of interpreted conductive zone 9 on the southern boundary of the tenement.

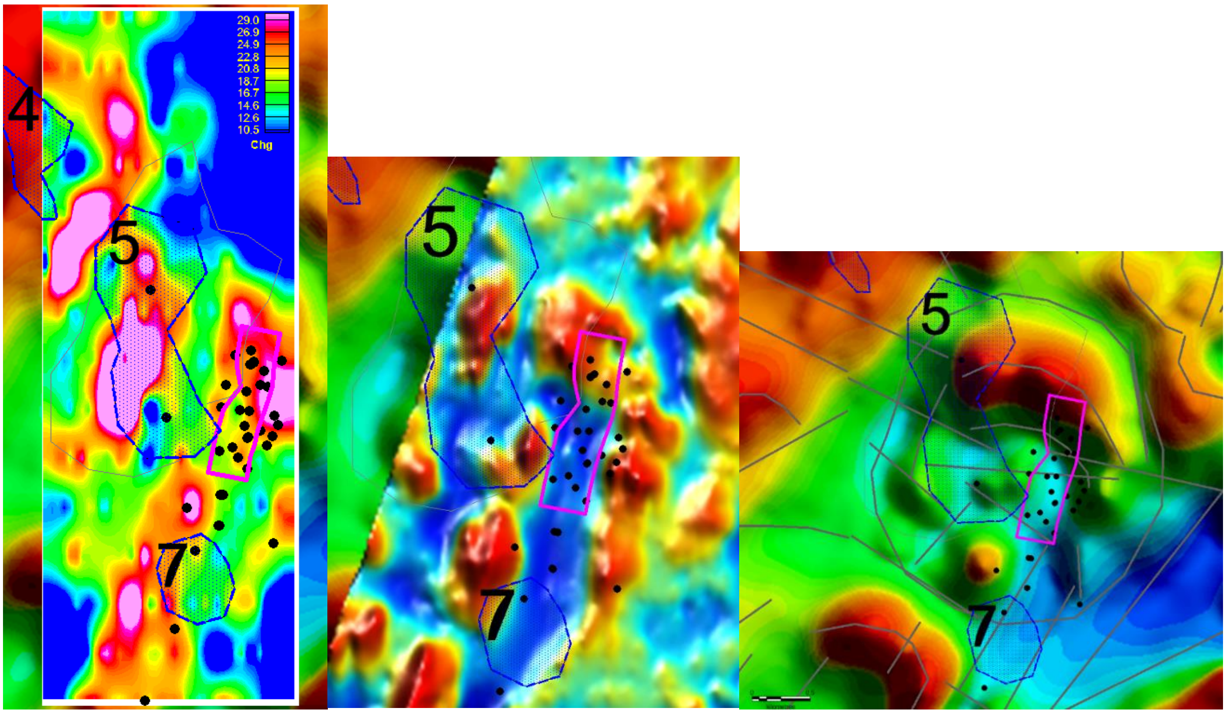

Figure 7: These images show geophysical survey data focussed on the Simuku prospect in the centre of the tenement. Historical drill holes are plotted as black dots. The pink outline depicts the location of the published 'inferred' resource for Simuku. The image on the left is the reprocessed historical 'Gradient Array Induced Polarisation' (GAIP) chargeability which has a strong correlation with the VTEM conductive anomaly (Target 5). The middle image is the 1997 Helimag data and the image on the right is the RTP image from the VTEM survey. The grey lines represent the structural interpretation of the various processed and modelled magnetic images from the VTEM survey. The main feature to note is the circular 'volcanic caldera' which is cross cut by predominantly WNW-ESE structures.

The Company is currently developing a proposal for a follow up ground IP geophysics survey on the highest ranked VTEM targets which will delineate greater detail to allow for identification of drill targets.

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. In the next quarter, a plan is proposed to conduct a follow up sampling program around the best results to delineate the extent of potential mineralisation and possibly find define a source zone.

Kori River (ELA 2578)

On 23 April 2018 Coppermoly announced that it had an application for a new Exploration Licence accepted by the PNG Mineral Resources Authority. The new application, ELA 2578 Kori River, covers ground that encloses the existing EL 2379 tenement and includes areas near some of the boundaries of EL 2379 that show encouraging signs for potential conductive and resistive anomalous zones.

A Warden's Hearing was conducted in early July. The next steps in the application process include technical assessment of the application by the MRA and Mining Advisory Council consideration before approval by the Mining Minister.

Financial Review

Profit or Loss

For the year ended 30 June 2018 the Group recorded an operating loss after tax of $627,966. The 55% reduction in the operating loss before tax was due principally to:

(a) A $701,966 reduction in exploration expenditure written off due to the prior period including significant write-offs in relation to capitalised exploration and evaluation expenditure on exploration licences that were not renewed.

(b) Revenue of $115,614 earned in the financial year ended 30 June 2018 representing the difference between the carrying amount of accrued director fees and the fair value of the Shares issued in settlement of those accrued directors fees.

Statement of Financial Position

Total assets increased by $2,386,085 over the year due primarily to

(a) an increase in cash and cash equivalents of $1,061,102 as a consequence of the capital raising proceeds received in October and December 2017;
(b) an increase in receivables of $205,978 due primarily to an advance payment for the Mt Nakru drilling program undertaken subsequent to 30 June 2018; and
(c) an increase of $1,091,977 in capitalised exploration and evaluation expenditure over the financial year.

Total liabilities reduced by $54,485 largely due primarily to a decrease in accrued Director's fees.

Total equity increased by $2,442,282 during the year due primarily to:

(a) A placement of 273,333,333 shares to Shenzen Beilite Jades Limited to raise $2,708,931 net of costs.
(b) The issue of 10,510,349 shares to Directors with a fair value of $147,145 as full payment for accrued Director fees totalling $262,759.
(c) A reduction in net equity due to the operating loss after tax of $627,966.
(d) Favourable movements in the foreign currency translation reserve totalling $125,282.

Cash Flows

As at 30 June 2018 the Group had $1,615,735 in cash and cash equivalents compared to $554,633 at 30 June 2017 with the increase being due to the placement of 273,333,333 shares to Shenzen Beilite Jades Limited to raise $2,708,931 net of costs

Corporate

Capital Raising and Debt Financing

In December 2017 the Company announced that it had obtained agreement from Jade Triumph International Limited to extend the maturity date for the Convertible Notes held by them for twelve months, extending their term so that the new maturity date is now 19 December 2018. Each Convertible Note is convertible, at the option of the holder, into one new fully paid ordinary share on or before the maturity date, unless repaid earlier, subject to such conversion not resulting in the holder breaching the Corporations Act 2001. There were no other changes to the Convertible Notes terms.

On 11 December 2017 the Company issued 10,510,349 fully paid ordinary Shares with a fair value of $147,415 to Directors in full satisfaction of accrued Director fees totalling $262,759 in accordance with shareholder approvals received at the Company's Annual General Meeting on 24 November 2017. The difference of $115,614 between the carrying amount of the accrued director fees and the fair value of the Shares issued in settlement of those accrued directors fees has been recognised as income in the consolidated statement of profit or loss.

On 30 October 2017 the Company announced that it had entered an agreement to undertake a private placement to raise approximately $2.87M before costs at an issue price of 1.05 cents per share. The Placement was made to new 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 consisted of two tranches, totalling approximately $2,870,000 (before costs). The two tranches were:

(a) an upfront placement of 164,072,670 new fully paid ordinary shares in Coppermoly ranking equally with existing shares on issue, 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 was subject to Coppermoly first obtaining Shareholder approval in accordance with ASX Listing Rules (**Conditional Placement**). The Conditional Placement was approved at a general meeting of Coppermoly Shareholders held on 20 December 2017.

Business strategies and prospects for future financial years

As is typical for a junior exploration company, the ability to raise funds in the future is a critical factor. The results from the Company's exploration activities will be a key determinant, along with the on-going support of its shareholders, in the success of raising funds. The general state and sentiment of the equity and commodities markets and the demand for exploration and development investments are also vital considerations. While the Company has no control over macro-economic factors they nevertheless define the broad setting in which the Company makes strategic decisions.

The Company's primary strategy is to actively explore and evaluate its exploration assets. The main focus of this exploration and evaluation is to efficiently and effectively assess the potential for advancing the Company's tenements. The current intention is for the Company's activities to remain geographically focused on the West New Britain region in PNG.

The Company's core objective is to increase shareholder wealth through sustained, active, value-adding exploration. Once the value of the Company's assets has been proven, the options for realising that value will be fully and carefully assessed.

Material business risks

The Company recognises that the management of risk is a critical component for Coppermoly achieving its purpose of delivering growth in shareholder value. The Company has a framework to identify, understand, and manage risks. The material business risks that could have an adverse impact on Coppermoly's business include exposure to economic, political, environmental and social sustainability risks. The nature of the material risks and, where appropriate, how such risks are managed is set out below. This list is neither exhaustive nor in order of importance.

Funding risk

There is no certainty that Coppermoly can raise additional capital, or that it will be able to do so on favourable terms. If Coppermoly is able to raise additional capital, it may be required to do so at a significant discount to the prevailing share price. If this occurs, this may significantly dilute existing Shareholders. If Coppermoly cannot raise additional capital through the issue of additional Securities, it may be forced to dispose of some or all of its interest in one of more of its assets. If Coppermoly is required to dispose of assets in those circumstances to a third party, such disposal could possibly be on unfavourable terms, including price. If Coppermoly is not able to raise additional funding in a timely manner through either the issue of additional Securities or the disposal of assets, it could also have a significant and detrimental effect on the financial position and viability of the Company. To reduce these risks as much as possible the Company is striving to find the balance between cost savings and maintaining resources to allow for future operations when needed.

Exploration Licence extension risk

Copper Quest PNG Limited, the Company's wholly owned subsidiary, is the legal holder of three Exploration Licences, with the following expiry dates:

Exploration Licences:

1. EL 1043 (Nakru) has been granted for a two year term ending on 7 December 2018. In September 2018, the Company lodged an application to extend the term of this Exploration Licence for a further 2 years to 7 December 2020;
2. EL 2379 (Simuku) has been granted for a two year term ending on 10 September 2019.;
3. EL 2514 (Makmak) has been granted for a two year term ending on 11 September 2019;

The process for Exploration Licence extensions requires the approval at a Warden's Hearing, followed by consideration and recommendation by the Mining Advisory Council and the final approval by the Papua New Guinean Minister of Mining. Shareholders should be aware that, pending extension, granted Exploration Licences remain in force until a determination is made.

There is a risk that extension of the Company's exploration licences will not be extended, or that the terms of the extension will not be favourable to Coppermoly.

Key sensitivities of Coppermoly's licences

The future success of Coppermoly is largely dependent on the success of the WNB Projects. The WNB Projects are subject to the following key sensitivities:

1. the delineation of sufficient copper/gold resources so as to result in the viable extraction and processing of copper/gold from the WNB Projects;
2. copper, gold and other relevant material commodity prices;
3. mining and processing costs of copper, gold and other ores;

4. the capital cost to construct any required processing plant and associated facilities or the cost of transporting any extracted materials to a third party's processing facility;
5. national/provincial/local governments' stakes that may be included in any subsequent development agreement; and
6. consent from the customary landowners or other parties for access to exploration licences.

There is also no guarantee that Coppermoly will be able to obtain all of the necessary approvals, permits, licences and consents required to develop its projects.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

In the opinion of the Directors there were no significant changes in the state of affairs of the consolidated entity that occurred during the financial year not otherwise disclosed in this report or the consolidated financial report.

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

No matter or circumstance has arisen since the end of the year that has significantly affected, or may significantly affect the Group's operations, the result of those operations or the Group's state of affairs.

ENVIRONMENTAL REGULATION

The consolidated entity is subject to significant environmental regulation in respect of its mineral exploration and mining activities.

The entity has exploration tenements in Papua New Guinea. The entity is not aware of any breach of environmental regulations during or since the end of the financial year.

INFORMATION ON DIRECTORS

Director and Experience	Special Responsibilities	Particulars of Directors' interest in shares and options of Coppermoly Ltd: Ordinary Shares	Listed Options
Kevin Grice			
Non-Executive Director since 15 July 2014. Age 69. Mr Grice, BComm CPA MAICD, is a successful finance executive with significant experience with listed and unlisted exploration companies and general management experience, including as acting Chief Executive and Chief Financial Officer of Renison Consolidated Mines NL (now Laneway Resources Ltd), Chief Financial Officer of ASX Listed Highlands Pacific Limited and various other roles with Ensham Resources, Century Gold Resources Pty Ltd and others. Mr Grice has not served as a Director of any other public listed companies during the last three years.	Member of Audit Committee.	2,075,600	Nil
Jincheng Yao			
Non-Executive Director since 5 March 2015. Age 45. Mr Yao, MBA and Bachelor of Commerce, is a finance professional based in mainland China. He has held various senior executive roles in the Meijin Group and is currently Vice President and Director of Meijin Energy Group Limited. Mr Yao has not served as a Director of any other public listed companies during the last three years.		33,318,356	Nil

INFORMATION ON DIRECTORS

Director and Experience	Special Responsibilities	Ordinary Shares	Listed Options
		Particulars of Directors' interest in shares and options of Coppermoly Ltd	
Wanfu Huang			
Non-Executive Director since 11 March 2015.	Member of Audit Committee.	59,793,188	Nil
Age 56. Dr Huang is a member of the Australian Institute of Geoscientists and holds a PhD, a MSc and a BSc. Dr Huang has more than 20 years' experience in the exploration industry. He has held numerous positions in the industry, covering base metals, gold, iron ore, coal and bauxite in Australia and overseas.			
Dr Huang has not served as a Director on any other public listed companies during the last three years.			
Zule Lin			
Non-Executive Director since 11 April 2016.		1,554,338	Nil
Age 38. Mr Lin holds a master's degree in finance, and is currently the Chief Financial Officer of Coppermoly investor Ever Leap Services Ltd parent company Shanxi Xierun Investment Limited. Mr Lin has more than 15 years of experience in financial management.			
Mr Lin has not served as a Director on any other public listed companies during the last three years.			

COMPANY SECRETARY – QUALIFICATIONS & EXPERIENCE

Stephen Kelly

Stephen Kelly is a qualified Australian Chartered Accountant. He has more than 25 years' international experience in the areas of external and internal audit, risk management and compliance, treasury and corporate finance across a range of industry sectors including mining, infrastructure, property development, and banking and finance. He has served as the Company Secretary and CFO for companies listed on the ASX, TSX and the London Stock Exchange.

Mr Kelly was appointed as Company Secretary and Chief Financial Officer on 22 May 2018. He is also a member of the Audit Committee.

Mr Paul Schultz served as the Company Secretary and Chief Financial Officer for the period 1 July 2017 to 22 May 2018.

DIRECTORS' MEETINGS

The number of meetings of the Company's Board of Directors and of each Board committee held during the year ended 30 June 2018, and the numbers of meetings attended by each Director were:

	Directors' Meetings		Audit Committee Meetings	
	A	B	A	B
Mr K Grice	5	5	2	2
Mr J Yao	0	5	*	*
Dr W Huang	5	5	1	2
Mr Z Lin	0	5	*	*

A = Number of meetings attended
B = Number of meetings held during the time the Director held office or was a member of the committee during the year
* = Not a member of the relevant committee

REMUNERATION REPORT (Audited)

(a) Principles used to determine the nature and amount of remuneration

The following people were the Directors, Executives and Key Management Personnel (**KMP**) of the Group during the period covered by this report:

Name	Position	Period Position Held
K. Grice	Non-Executive Director	15 July 2014 – Current
J. Yao	Non-Executive Director	5 March 2015 – Current
W. Huang	Non-Executive Director	11 March 2015 – Current
Z. Lin	Non-Executive Director	11 April 2016 – Current

Apart from the above there were no other executives of the Company and the Group during the current year.

The objective of the Group's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The Board ensures that Director and executive rewards satisfy the following key criteria for good reward governance practices:

- competitiveness and reasonableness
- acceptability to shareholders
- transparency
- capital management.

The Group has structured an executive remuneration framework that is market competitive and complementary to the reward strategy of the organisation. Remuneration consultants have not been engaged by the company.

Relationship between remuneration and Company performance

During the past year, the Group has generated losses because it is still involved in exploration and not production.

Overview of the Company's ordinary share price and other key metrics at year end for the last five years ended 30 June 2018:

	2014	2015	2016	2017	2018
Share price at year end	$0.016	$0.005	$0.008	$0.020	$0.008
Change in share price [1]	($0.018)	($0.011)	$0.003	$0.012	($0.012)
TSR – year on year [2]	(52.9%)	(68.8%)	60.0%	150.0%	(60.0%)
Loss for the year	$787,337	$798,960	$740,740	$1,395,240	$627,966
KMP remuneration	$384,640	$262,567	$132,658	$163,800	$163,800
Market Capitalisation at year end	$4.7M	$1.9M	$6.1M	$21.9M	$11M

1. The change in share price as measured by the share price at the end of the year from opening share price.
2. Total shareholder return (TSR) – measured as the percentage change in the share price over the year.

There were no dividends paid during the year ended 30 June 2018.

The link between remuneration, company performance and shareholder wealth generation is tenuous, particularly in the exploration and development stage of a minerals company.

Options issued to KMP have performance "premiums" factored into their exercise prices. The cash component of remuneration is kept relatively low. However there are no current options on issue to KMP.

Share prices are subject to the influence of international economic factors and market sentiment toward the sector and increases or decreases may occur quite independent of executive performance or remuneration.

Non-Executive Directors
Fees and payments to Non-Executive Directors reflect the responsibilities and the demands made on the Directors. Non-Executive Directors' fees and payments are reviewed periodically by the Board. The Board seeks to ensure Non-Executive Directors' fees and payments are appropriate and in line with the market.

Directors' fees
The current base remuneration was last reviewed in March 2014. Directors' fees are inclusive of committee fees.

Retirement allowances for Directors
The Company provides no retirement allowances for Non-Executive Directors under service contracts.

REMUNERATION REPORT (Audited) (continued)

Executive pay
The executive pay and reward framework can have three components:

- base pay and benefits
- long-term incentives through options, and
- other remuneration such as superannuation.

Base pay
This is structured as a total employment cost package which may be delivered as a mix of cash and prescribed non-financial benefits at the executive's discretion and subject to mutual agreement between the executive and the Company. No non-cash benefits were provided by the Company in the current or prior periods.

Executives are offered a competitive base pay that comprises the fixed component of pay and rewards. Base pay for senior executives is reviewed annually to ensure the executive's pay is competitive with the market. An executive's pay is also reviewed on promotion.

There are no guaranteed base pay increases fixed in any senior executive's contracts. Refer to section (b) for further details.

Benefits
Executives receive no benefits outside of the base pay, non-monetary benefits, options and superannuation disclosed in this report.

Retirement benefits
Other than the statutory superannuation contribution and superannuation paid by way of salary sacrifice, no retirement benefits are provided for executives.

Coppermoly Ltd Employee Incentive Option Plan

There are no Employee Options on issue as at the date of this report.

Coppermoly Ltd Directors' & Officers Option Plan

There are no Directors' & Officers Options on issue as at the date of this report.

The Company does not currently employ any executive Directors.

(b) Service Agreements

Remuneration and other terms of employment for the Executive Directors are formalised in service agreements. None of the Directors are eligible to participate in the Coppermoly Ltd Employee Incentive Option Plan. Other major provisions of the agreements relating to remuneration are set out below.

Non-Executive Directors are not eligible to receive any termination payments.

K. Grice, Non-Executive Director
- Base Salary, inclusive of superannuation, as at 30 June 2018 of $43,800 to be reviewed annually.

J. Yao, Non-Executive Director
- Base Salary as at 30 June 2018 of $40,000 to be reviewed annually.

W. Huang, Non-Executive Director
- Base Salary as at 30 June 2018 of $40,000 to be reviewed annually.

Z. Lin, Non-Executive Director
- Base Salary as at 30 June 2018 of $40,000 to be reviewed annually.

All Directors are required by the Company's Constitution to retire at the end of the third Annual General Meeting after their appointment and may offer themselves for reappointment.

Directors may give notice of resignation, effective at the time of receipt (which depends upon the means of delivery or transmission). Directors can be suspended from office by a majority of directors at a meeting of the Board called for that purpose.

(c) Details of remuneration

Details of the nature and amount of each element of the remuneration of each key management personnel of the Company and the consolidated entity for the years ended 30 June 2018 and 30 June 2017 are set out in the following tables:

REMUNERATION REPORT (Audited) (continued)

2018	Short-term employee benefits		Post-Employment Benefits	Long-term Benefits		Share-based payments		Proportion of remuneration that is performance based %
Name	Cash salary & fees $	Cash Bonus $	Super-annuation $	Long Service Leave $	Termination Benefits $	Options $	Total $	
Directors								
K. Grice [1]	40,000	-	3,800	-	-	-	43,800	-
J. Yao [2]	40,000	-	-	-	-	-	40,000	-
W. Huang [3]	40,000	-	-	-	-	-	40,000	-
Z. Lin [4]	40,000	-	-	-	-	-	40,000	-
Total	160,000	-	3,800	-	-	-	163,800	

2017	Short-term employee benefits		Post-Employment Benefits	Long-term Benefits		Share-based payments		Proportion of remuneration that is performance based %
Name	Cash salary and fees $	Cash Bonus $	Super-annuation $	Long Service Leave $	Termination Benefits $	Options $	Total $	
Directors								
K. Grice [1]	40,000	-	3,800	-	-	-	43,800	-
J. Yao [2]	40,000	-	-	-	-	-	40,000	-
W. Huang [3]	40,000	-	-	-	-	-	40,000	-
Z. Lin [4]	40,000	-	-	-	-	-	40,000	-
Total	160,000	-	3,800	-	-	-	163,800	

[1] Includes accrued & unpaid Directors fees of $40,000 for y/e 30 June 2018 and $10,000 for y/e 30 June 2017.
[2] Includes accrued & unpaid Directors fees of $40,000 for y/e 30 June 2018 and $10,000 for y/e 30 June 2017.
[3] Includes accrued & unpaid Directors fees of $40,000 for y/e 30 June 2018 and $10,000 for y/e 30 June 2017.
[4] Includes accrued & unpaid Directors fees of $40,000 for y/e 30 June 2018 and $10,000 for y/e 30 June 2017.

(d) Options and rights granted as remuneration

There were no options granted during the year ended 30 June 2018.

(e) Equity instruments issued on exercise of remuneration options

No equity instruments were issued during the period to KMP as a result of options exercised that had previously been granted as compensation.

(f) Additional disclosures relating to key management personnel

(i) Share holdings

The numbers of shares in the Company held during the financial year by key management personnel of the consolidated entity, including their personally related entities, is set out below.

2018 Name	Balance at the start of the year Number	Changes during the year Number	Balance at the end of the year Number
K. Grice [1]	-	2,075,600	2,075,600
J. Yao [2]	30,000,000	3,318,356	33,318,356
W. Huang [3]	56,501,133	3,292,055	59,793,188
Z. Lin	-	1,554,338	1,554,338

[1] *includes 2,345,600 shares issued and 270,000 shares sold*
[2] *includes 30,000,000 shares held by related parties*
[3] *includes 56,054,613 shares held by related parties*

REMUNERATION REPORT (Audited) (continued)

(ii) Option holdings

The numbers of options over ordinary shares in the Company held during the financial year by key management personnel of the consolidated entity, including their personally-related entities, is set out below.

2018 **Name**	**Balance at the start of the year**	**Exercised during the year**	**Expired during the year**	**Other changes during the year**	**Balance at the end of the year**	**Vested and exercisable at the end of the year**
	Number	**Number**	**Number**	**Number**	**Number**	**Number**
K. Grice	-	-	-	-	-	-
J. Yao	-	-	-	-	-	-
W. Huang	-	-	-	-	-	-
Z. Lin	-	-	-	-	-	-

(iii) Convertible notes

The numbers of convertible notes held during the financial year by key management personnel of the consolidated entity, including their personally related entities, is set out below.

2018 **Name**	**Balance at the start of the year**	**Changes during the year**	**Balance at the end of the year**
	Number	**Number**	**Number**
K. Grice	-	-	-
J. Yao [1]	60,000,000	-	60,000,000
W. Huang	-	-	-
Z. Lin	-	-	-

[1] Convertible notes issued to a related party - Jade Triumph International Limited

(iv) Other transactions with Directors and executives

There were no other transactions with Directors and executives.

END OF REMUNERATION REPORT (Audited)

SHARES UNDER OPTION

Unissued ordinary shares of Coppermoly Limited under option at the date of this report are as follows:

Options	**No. of Options 2018**
Unlisted Options exercisable at 3 cents, expiry 3 December 2018	585,008
	585,008

No option holder has any right under the options to participate in any other share issue of the company or any other entity.

SHARES ISSUED ON THE EXERCISE OF OPTIONS

No ordinary shares of Coppermoly Ltd were issued during the year ended 30 June 2018 on the exercise of options (2017: 333,333,333 shares issued on the exercise of options).

INDEMNIFICATION OF OFFICERS AND AUDITORS

During the financial year the consolidated entity paid insurance premiums in respect of Directors' and Officers' legal expenses and liability insurance. The policies prohibit disclosure of details of the policies or the premiums paid. The consolidated entity has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an Officer of the Company or any of its controlled entities against a liability incurred as such an Officer.

Other than the standard indemnities, the Company has not indemnified or insured the auditor.

NON-AUDIT SERVICES

The Company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company and/or the Consolidated Entity are important.

Details of the amounts paid or payable to the auditors (BDO Audit Pty Ltd and Sinton Spence Chartered Accountants) for audit and non-audit services provided during the year are set out below.

The Board of Directors has considered the position and, in accordance with the advice received from the Audit Committee, is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001.* The Directors are satisfied that the provision of non-audit services by the auditor, as set out below, did not compromise the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- All non-audit services have been reviewed by the Audit Committee to ensure they do not impact the impartiality and objectivity of the auditors;

- None of the services undermine the general principles relating to the auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants*.

NON-AUDIT SERVICES (continued)

	2018 $	2017 $
During the year the following fees were paid or payable for services provided by the auditors, their related practices and non-related audit firms.		
Assurance Services		
1. Audit Services – audit or review of financial statements		
BDO Audit Pty Ltd Australian firm:	29,175	27,163
Sinton Spence Chartered Accountants PNG firm:	4,886	6,267
Total remuneration for audit services	34,061	33,430
2. Other Assurance Services		
BDO Audit Pty Ltd Australian firm:	-	-
Sinton Spence Chartered Accountants PNG firm:	2,975	1,558
Total remuneration for other assurance services	2,975	1,558
Total remuneration for assurance services	37,036	34,988
Taxation Compliance Services		
BDO (QLD) Pty Ltd Australian firm:	8,215	6,500
Sinton Spence Chartered Accountants PNG firm:	533	414
Total remuneration for taxation services	8,748	6,914

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 19.

PROCEEDINGS ON BEHALF OF COMPANY

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the *Corporations Act 2001*.

This report is made in accordance with a resolution of the Directors.

Kevin Grice
Non-executive Director

Brisbane, Queensland
28 September 2018

CORPORATE GOVERNANCE

The Company's Corporate Governance Statement, prepared in accordance with the 3rd Edition of Corporate Governance Principles and Recommendations of the ASX Corporate Governance Council, can be found on the Coppermoly website at http://www.coppermoly.com.au/corporate/corporate.htm.

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Brisbane QLD 4000
GPO Box 457 Brisbane QLD 4001
Australia

DECLARATION OF INDEPENDENCE BY T R MANN TO THE DIRECTORS OF COPPERMOLY LIMITED

As lead auditor of Coppermoly Limited for the year ended 30 June 2018, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Coppermoly Limited and the entities it controlled during the period.

T R Mann
Director

BDO Audit Pty Ltd

Brisbane, 28 September 2018

CONTENTS

This financial report covers the consolidated entity consisting of Coppermoly Ltd and subsidiaries. The financial report is presented in the Australian dollar.

Coppermoly Ltd is a company limited by shares, incorporated and domiciled in Australia whose shares are publicly traded on the Australian Securities Exchange and Port Moresby Stock Exchange. Its registered office and principal place of business is:

Coppermoly Ltd
2/42 Morrow Street
Taringa Qld 4068

A description of the nature of the consolidated entity's operations and its principal activities is included in the Directors' Report on pages 2 to 18, both of which are not part of the financial report.

The financial report was authorised for issue by the Directors on 28 September 2018. The Directors have the power to amend and reissue the financial report.

Through the use of the internet, we have ensured that our corporate reporting is timely, complete, and available globally at minimum cost to the Company. All press releases, financial reports and other information are available on our website: www.coppermoly.com.au.

For queries in relation to our reporting please call +61 7 3217 7544 or e-mail info@coppermoly.com.au.

COPPERMOLY LTD & ITS CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2018

	Notes	2018 $	2017 $
Revenue and other income	5	124,433	23,361
		124,433	23,361
Depreciation		(7,421)	(6,626)
Employee benefits expense		(372,804)	(362,455)
Exploration expenditure written-off	9	(3,603)	(705,399)
Insurances		(34,636)	(40,056)
Corporate compliance and shareholder relations		(115,052)	(105,972)
Office rental, communication and consumables		(48,778)	(43,125)
Finance costs		(155,858)	(151,075)
Other expenses		(14,247)	(3,893)
Loss before income tax		(627,966)	(1,395,240)
Income tax (expense) / benefit	7	-	-
Net Loss for the year		(627,966)	(1,395,240)
Other comprehensive income			
Items that may be reclassified to the profit or loss			
Exchange differences on translation of foreign operations		125,282	(467,699)
Income tax on items of other comprehensive income		-	-
Other comprehensive income for the year		125,282	(467,699)
Total comprehensive income for the year		(502,684)	(1,862,939)
		Cents	**Cents**
Basic and diluted loss per share	19	(0.05)	(0.17)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

COPPERMOLY LTD & ITS CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2018

	Notes	2018 $	2017 $
ASSETS			
Current Assets			
Cash and cash equivalents	8	1,615,735	554,633
Trade and other receivables		235,228	29,250
Total Current Assets		1,850,963	583,883
Non-Current Assets			
Receivables		17,777	15,234
Property, plant and equipment		48,633	24,148
Mineral exploration and evaluation assets	9	12,744,134	11,652,157
Total Non-Current Assets		12,810,544	11,691,539
Total Assets		14,661,507	12,275,422
LIABILITIES			
Current Liabilities			
Trade and other payables	10	289,537	394,874
Provisions		29,500	39,477
Borrowings	11	1,446,853	1,386,024
Total Current Liabilities		1,765,890	1,820,375
Non-Current Liabilities			
Provisions		591	2,302
Total Non-Current Liabilities		591	2,302
Total Liabilities		1,766,481	1,822,677
Net Assets		12,895,026	10,452,745
EQUITY			
Contributed equity	12	21,921,429	19,065,353
Reserves	13	2,141,203	1,927,032
Accumulated losses		(11,167,606)	(10,539,640)
Total Equity		12,895,026	10,452,745

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

COPPERMOLY LTD & ITS CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2018

	Contributed Equity $	Accumulated Losses $	Reserves $	Total $
Balance at 30 June 2017	19,065,353	(10,539,640)	1,927,032	10,452,745
Comprehensive income for the year				
Loss for the year	-	(627,966)	-	(627,966)
Foreign currency translation difference	-	-	125,282	125,282
Total Comprehensive Income	-	(627,966)	125,282	(502,684)
Transactions with owners in their capacity as owners				
Contributions of equity	3,017,145	-	-	3,017,145
Costs of share issue	(161,069)	-	-	(161,069)
Value of conversion rights on convertible notes	-	-	88,889	88,889
Total transactions with owners In their capacity as owners	2,856,076	-	88,889	2,944,965
Balance at 30 June 2018	21,921,429	(11,167,606)	2,141,203	12,895,026
Balance at 30 June 2016	18,405,791	(9,144,400)	2,342,783	11,604,174
Comprehensive income for the year				
Loss for the year	-	(1,395,240)	-	(1,395,240)
Foreign currency translation difference	-	-	(467,699)	(467,699)
Total Comprehensive Income	-	(1,395,240)	(467,699)	(1,862,939)
Transactions with owners in their capacity as owners				
Contributions of equity	666,667	-	-	666,667
Costs of share issue	(7,105)	-	-	(7,105)
Value of conversion rights on convertible notes	-	-	51,948	51,948
Total transactions with owners In their capacity as owners	659,562	-	51,948	711,510
Balance at 30 June 2017	19,065,353	(10,539,640)	1,927,032	10,452,745

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

COPPERMOLY LTD & ITS CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2018

	Notes	2018 $	2017 $
Cash Flows from Operating Activities			
Cash receipts in the course of operations (incl. GST)		24,032	39,529
Interest received		9,095	20,549
Interest paid		(375)	(1,764)
Payments to suppliers and employees (incl. GST)		(482,745)	(424,502)
Net cash (outflow) from operating activities	21	(449,994)	(366,188)
Cash Flows From Investing Activities			
Payments for exploration and evaluation activities		(1,151,199)	(1,856,239)
Security deposits recovered / (paid)		(2,398)	9,235
Payments for property, plant and equipment		(31,612)	(13,234)
Net cash (outflow) from investing activities		(1,185,208)	(1,860,238)
Cash Flows From Financing Activities			
Proceeds from issues of shares and options		2,870,000	666,667
Cost of share and option issues		(168,173)	-
Proceeds from borrowings		-	23,156
Repayment of borrowings		(5,764)	(23,122)
Net cash inflow from financing activities		2,696,063	666,701
Net increase/(decrease) in cash and cash equivalents		1,060,861	(1,599,725)
Cash and cash equivalents at the beginning of the financial year		554,633	2,116,674
Exchange difference on cash		241	(2,317)
Cash and cash equivalents at the end of the financial year	8	1,615,735	554,633

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

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NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied throughout the period, unless otherwise stated.

The ultimate parent entity Coppermoly Ltd, is a public, listed company, incorporated and domiciled in Australia and having its registered address and principal place of business at 2/42 Morrow Street, Taringa, Queensland.

(a) Basis of preparation

This general purpose financial report has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, and the *Corporations Act 2001.* The consolidated entity is a for-profit entity for the purposes of preparing these financial statements.

Compliance with IFRS

Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the consolidated financial statements and notes of Coppermoly Ltd comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

This financial report comprises the consolidated financial statements and notes of Coppermoly Ltd and controlled entities.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Going concern

The Group incurred a net loss of $627,966 for the year ended 30 June 2018. As at 30 June 2018 the Group had cash reserves of $1,615,735, a working capital surplus of $85,073 and net assets of $12,895,026. The company has not generated revenues from operations. The Group has committed to re-acquire Barrick (PD) Australia Ltd's (**Barrick**) nominal 28% interest in tenements EL 1043 and EL 2379 for a final payment of $4,500,000 to be paid no later than six months after the commencement of commercial production at the West New Britain Project, in addition to its exploration commitments under its other licenses. Also refer to note 9 for further details on the required payments to reacquire the tenements from Barrick.

The ability of the Group to continue as a going concern is principally dependent upon one or more of the following:

- the ability of the company to raise additional capital in the future;
- the ability of the company to repay or renegotiate the expiry date of the outstanding convertible notes that are currently due to expire in December 2018;
- the successful exploration and subsequent exploitation or sale of the company's tenements.

These conditions give rise to material uncertainty which may cast significant doubt over the Group's ability to continue as a going concern.

The directors believe that the going concern basis of preparation is appropriate due to the following reasons:

- To date the Group has funded its activities through issuance of equity securities and it is expected that the Group will be able to fund its future activities through further issuances of equity securities;
- The company has commenced negotiations with the convertible note holders to extend the expiry date; and
- The directors believe there is sufficient cash available for the Group to continue operating until it can raise sufficient further capital to fund its ongoing activities.

Should the Group be unable to continue as a going concern, it may be required to realise its assets and extinguish its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements.

This financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts or classification of liabilities and appropriate disclosures that may be necessary should the Group be unable to continue as a going concern.

Critical accounting estimates

The preparation of financial statements in conformity with AIFRS requires the use of certain critical accounting estimates. It also requires Management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

Historical cost convention

The financial report has been prepared on an accruals basis under the historical cost convention.

(b) Principles of consolidation

Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Coppermoly Ltd ("company" or "parent entity") as at 30 June 2018 and the results of all subsidiaries for the period then ended. Coppermoly Ltd and its subsidiaries together are referred to in this financial report as the Group or the Group.

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of comprehensive income, statement of changes in equity and balance sheet respectively.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker has been identified as the Board which makes strategic decisions.

(d) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Australian dollars, which is Coppermoly Ltd's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

(iii) Group companies

The results and financial position of Copper Quest PNG Ltd which has a functional currency of PNG Kina are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the end of the reporting period;
- income and expenses for each statement of profit and loss and other comprehensive income presented are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or borrowings repaid a proportionate share of such exchange differences are reclassified to profit or loss as part of the gain or loss on sale, where applicable.

(e) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances and duties and taxes paid.

Interest income

Interest income is recognised on a time proportion basis using the effective interest method.

(f) Income tax

Current income tax expense is based on the profit before income tax adjusted for any non-tax deductible or non-assessable items between accounting profit and taxable income. Deferred tax assets and liabilities are recognised using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets or liabilities and their carrying amounts in the financial statements and unused tax losses.

Deferred tax assets and liabilities are recognised for all temporary differences, with certain limited exceptions, between carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases at the rate of income tax applicable to the period in which the benefit will be received or the liability will become payable. These differences are presently assessed at 27.7%.

Deferred tax assets are only brought to account if it is probable that future taxable amounts will be available to utilise those temporary differences and unused tax losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Impairment of non-financial assets

Non-financial Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

(h) Cash and cash equivalents

For statement of cash flows presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

(i) Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for doubtful debts.

Collectability of receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written-off. A provision for doubtful receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the profit or loss as part of other expenses.

(j) Financial assets

The Group classifies its financial assets in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, and available-for-sale financial assets. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification at initial recognition and re-evaluates this designation at each reporting date.

Financial assets are initially stated at fair value plus any directly attributable transaction costs (except for assets at fair value through the profit or loss for which transaction costs are expensed). Purchases and sales are recognised on trade date which is the date on which the Group commits to purchase or sell the asset. Accounting policies for each relevant category of financial assets subsequent to initial recognition are set out below.

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the end of the reporting period which are classified as non-current assets.

Loans and receivables are measured at amortised cost using effective interest method less any impairment losses.

(ii) Impairment

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired.

(k) Fair value

The nominal value less estimated credit adjustments of receivables and payables are assumed to approximate their fair values. Where applicable, the fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

The carrying values of financial assets and liabilities are assumed to approximate their fair values due to their short-term nature.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Property, plant and equipment

All property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the profit or loss during the financial period in which they are incurred.

Items of property, plant and equipment are depreciated over their estimated useful lives. The diminishing balance method is used. Assets are depreciated from the date of acquisition or, in respect of internally constructed assets, from the time an asset is completed and held ready for use. Estimates of useful lives are made at the time of acquisition and varied as required. Expected useful lives are: Plant and Equipment between 4 years and 7 years.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 1(g)).

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss.

(m) Trade and other payables

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(n) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

The fair value of the liability portion of convertible bonds, that do not include a derivative at fair value, is determined using a market interest rate for an equivalent non-convertible bond. This amount is recorded as a liability on an amortised cost basis until extinguished on conversion or maturity of the bonds. The remainder of the proceeds is allocated to the conversion option. This is recognised and included in shareholders' equity, net of income tax effects.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

(o) Provisions

Provisions are recognised when: the Group has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

(p) Employee benefits

(i) Wages and salaries, annual leave and sick leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(ii) Long service leave

The liability for employee benefits relating to long service leave represents the present value of the estimated future cash outflows to be made by the employer resulting from employees' services provided up to the balance date.

(iii) Share-based payments

Share-based compensation benefits can be provided to directors and employees.

The fair value at grant date is determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option.

The fair value of the options granted excludes the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. At the end of each reporting period, the entity revises its estimate of the number of options that are expected to vest. The employee benefit expense recognised each period takes into account the most recent estimate.

Upon the exercise of options, the balance of the share-based payments reserve relating to those options is transferred to share capital and the proceeds received, net of any directly attributable transaction costs, are credited to share capital.

(q) Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(r) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing the profit or loss attributable to equity holders of the company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the period.

(ii) Diluted earnings per share

Potential ordinary shares as a result of options outstanding at the end of the period are not dilutive and therefore have not been included in the calculation of diluted earnings per share.

(s) Mineral exploration and evaluation assets

Exploration and evaluation expenditure in relation to separate areas of interest for which rights of tenure are current is carried forward as an asset in the statement of financial position where it is expected that the expenditure will be recovered through the successful development and exploitation of an area of interest, or by its sale; or exploration activities are continuing in an area and activities have not reached a stage which permits a reasonable estimate of the existence or otherwise of economically recoverable reserves. Where a project or an area of interest has been abandoned, the expenditure incurred thereon is written off in the year in which the decision is made.

(t) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(u) Accounting standards issued but not yet effective

New standards, amendments to standards and interpretations that have been issued at the balance sheet date but are not yet effective for the financial year ended 30 June 2018 have not been applied in preparing these financial statements. The Directors have assessed the potential impact of these new standards, amendments to standards and interpretations and has concluded that their initial application will not have a material effect on the financial statements of the Group and the Company.

At the date of authorisation of these financial statements, the following standards, amendments to standards and interpretations that are relevant to the group and the company were issued but not effective:

- AASB 9 Financial Instruments (effective from 1 January 2018)
- AASB 15 Revenue from Contracts with Customers (effective from 1 January 2018)
- AASB 2016-5 Amendments to Australian Accounting Standards - Classification and Measurement of Share-based Payment Transactions (effective 1 January 2018)
- AASB 16 Leases (effective from 1 January 2019)

There are no other standards that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

(v) New Accounting Standards and Interpretations

The Group adopted all new Accounting Standards and Interpretations effective for the year ended 30 June 2018. There were no material impacts on the financial statements of the Group as a result of adopting these standards.

NOTE 2 FINANCIAL RISK MANAGEMENT

Risk management has focused on limiting debt to a level which could be extinguished by sale of assets or issue of securities if necessary.

The Group's activities expose it to a variety of financial risks; market risk (including interest rate risk and foreign exchange risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group.

(a) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the entity’s income or the value of its holdings of financial instruments.

The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimising the return.

The entity does not have any material exposure to market risk.

(i) Foreign exchange risk

Foreign exchange risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the entity’s functional currency.

The Group operates internationally and is exposed to foreign exchange risk arising from currency exposure in the PNG Kina.

The Group currently has no material foreign exchange risk, however such risk may arise in future when mine production begins and product may be sold internationally. The policy of the Group for managing foreign exchange risk is to continuously monitor exchange risk. It is the Group’s policy not to use hedging. As at reporting date the Group has not started production activity and accordingly has minimal exposure to this risk.

(ii) Interest rate risk

Refer to (d) below.

NOTE 2 FINANCIAL RISK MANAGEMENT (continued)

(b) Credit risk

Credit risk is the risk of financial loss to the entity if a customer or counterparty to a financial instrument fails to meet its contractual obligations to the entity.

The objective of the entity is to minimise risk of loss from credit risk exposure.

Credit risk arises principally from cash and cash equivalents.

The entity's maximum exposure to credit risk, without taking into account the value of any collateral or other security, in the event other parties fail to perform their obligations under financial instruments in relation to each class of recognised financial asset at reporting date is the carrying amount of those assets as indicated in the statement of financial position.

The Group has no significant concentrations of credit risk other than cash at bank and short-term deposits. No amounts owing to the Group are past due and none are impaired. The Group has all cash deposits with reputable banks such as Westpac.

(c) Liquidity risk

Liquidity risk is the risk that the entity will not be able to meet its financial obligations as they fall due.

The objective of managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when they fall due, under both normal and stressed conditions.

The entity has established a number of policies and processes for managing liquidity risk. These include:

- Continuously monitoring:
  - actual and daily cashflows and longer-term forecasted cashflows
  - the maturity profiles of financial assets and liabilities in order to match inflows and outflows
- Maintaining adequate reserves
- Monitoring liquidity ratios (working capital)

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities. Due to the lack of material revenue, the Group aims to maintain adequate reserves of liquidity. The Group's objective is to obtain maximum investment returns whilst maintaining maximum security.

The Group's practice is to maintain funds, other than those required for working capital, on term deposits with major financial institutions.

Other cash is held in an interest bearing bank account and funds are transferred to operating cheque accounts on the basis of forecast operating requirements.

Liquidity risk is measured using liquidity ratios such as working capital.

Summary quantitative data

	2018 $	2017 $
Current assets	1,850,963	583,883
Current liabilities	1,765,890	1,820,375
Surplus / (deficit)	85,073	(1,236,492)

NOTE 2 FINANCIAL RISK MANAGEMENT (continued)

(c) Liquidity risk (continued)

Maturity analysis

Financial liabilities have differing maturity profiles depending on the contractual term. The table shows the period in which recognised financial liabilities balance will be paid based on the remaining period to repayment date assuming contractual repayments are maintained. Contractual cashflows are at undiscounted values (including future interest expected to be paid). Accordingly these values may not agree to carrying amount.

	Carrying amount $	Contractual cashflow $	Within 1 year $	1-2 years $
2018				
Trade and other payables	289,537	289,537	289,537	-
Borrowings	1,446,853	1,528,094	1,528,094	-
2017				
Trade and other payables	394,874	394,874	394,874	-
Borrowings	1,386,024	1,444,094	1,444,094	-

(d) Interest rate risk

At the end of the reporting period the Group had the following financial assets and liabilities exposed to interest rate risk:

	2018 $	2017 $
Financial Assets		
Cash and cash equivalents	1,615,735	554,633
Trade and other receivables	-	-
	1,615,735	554,633
Financial Liabilities		
Trade and other payables	-	-
Borrowings	-	-
	-	-
Net exposure	1,615,735	554,633

Sensitivity Analysis
June 2018

		Interest Rate Risk - 1%		Interest Rate Risk + 1%	
	Carrying amount $	Profit $	Equity $	Profit $	Equity $
Financial Assets					
Cash and cash equivalents	1,615,735	(16,157)	(16,157)	16,157	16,157
Total increase / decrease	-	(16,157)	(16,157)	16,157	16,157

Cash and cash equivalents include deposits at call at floating and short-term interest rates.

Sensitivity Analysis
June 2017

		Interest Rate Risk - 1%		Interest Rate Risk + 1%	
	Carrying amount $	Profit $	Equity $	Profit $	Equity $
Financial Assets					
Cash and cash equivalents	554,633	(5,546)	(5,546)	5,546	5,546
Total increase / decrease	-	(5,546)	(5,546)	5,546	5,546

NOTE 2 FINANCIAL RISK MANAGEMENT (continued)

(d) Interest rate risk (continued)

Cash and cash equivalents include deposits at call at floating and short-term interest rates.

Interest rate risk arises principally for cash and cash equivalents. The Group's borrowings comprise fixed rate borrowings in the form of convertible notes and do not expose the Company to changes in market interest rates.

From time to time the Group has significant interest bearing assets, but they are as a result of the timing of equity raising and capital expenditure rather than a reliance on interest income. The Group's income and operating cash flows are not expected to be materially exposed to changes in market interest rates in the future. The policy of the Group is to continuously monitor interest rate risk exposures during the period balances are held and to alter the balance of fixed and floating rate deposits as considered appropriate.

(e) Foreign exchange risk

At the end of the reporting period the Group had the following exposure to foreign currencies:

	2018 Kina	2017 Kina
Financial Assets		
Cash and cash equivalents	49,921	40,351
Trade and other receivables	563,816	76,499
	613,737	116,850
Financial Liabilities		
Trade and other payables	100,570	53,747
	100,570	53,747
Net exposure	513,166	63,103

Sensitivity Analysis		**Foreign Exchange Risk**			
June 2018		**- 10%**		**+ 10%**	
	Carrying amount	**Profit**	**Equity**	**Profit**	**Equity**
	$	**$**	**$**	**$**	**$**
Financial Assets and Liabilities					
Net exposure – AUD	211,414	(21,141)	(21,141)	21,141	21,141

Sensitivity Analysis		**Foreign Exchange Risk**			
June 2017		**- 10%**		**+ 10%**	
	Carrying amount	**Profit**	**Equity**	**Profit**	**Equity**
	$	**$**	**$**	**$**	**$**
Financial Assets and Liabilities					
Net exposure - AUD	25,800	(2,580)	(2,580)	2,580	2,580

(f) Commodity price risk

As the Group is not currently engaged in mining and sale of commodities there is no exposure to this risk.

NOTE 3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The Group makes estimates and assumptions concerning the future when preparing the financial statements. The resulting accounting estimates will, by definition, seldom equal the related actual results. Information about key estimates, assumptions and judgements are described in the following notes:

Note 1(a) - going concern assessment
Note 9 - the assessment of the existence of facts and circumstances that may indicate an impairment of exploration and evaluation assets

Estimates and assumptions are reviewed on an ongoing basis.

NOTE 4 PARENT ENTITY INFORMATION

	2018 $	2017 $
ASSETS		
Current Assets	1,610,063	545,511
Non-Current Assets	13,009,295	11,815,431
Total Assets	14,619,358	12,360,942
LIABILITIES		
Current Liabilities	1,724,217	1,798,162
Non-Current Liabilities	114	2,072
Total Liabilities	1,724,331	1,800,234
Net Assets	12,895,027	10,560,708
EQUITY		
Contributed equity	21,921,430	19,065,353
Reserves		
- Unlisted options	40,000	40,000
- Share option reserve	3,050,768	2,961,879
Accumulated losses	(12,117,171)	(11,506,524)
Total Equity	12,895,027	10,560,708
Net Profit (Loss) for the year	(610,647)	(1,754,976)
Total comprehensive income for the year	(610,647)	(1,754,976)

The Company has committed to provide continued financial support to its subsidiary, Copper Quest PNG Ltd, and will not call loans owed by its subsidiary within the next 12 months. The Company has no other guarantees, contractual commitments for the acquisition of property, plant or equipment or contingencies as at 30 June 2018 and 2017.

NOTE 5 REVENUE AND OTHER INCOME

Revenue and other income comprises the following items:		
Interest income	8,819	19,214
Gain on settlement of accrued Director fees (refer Note 12(b))	115,614	-
Other income	-	4,147
	124,433	23,361

NOTE 6 EXPENSES

	2018 $	2017 $
Loss before income tax includes the following specific expenses:		
Depreciation	7,421	6,626
Exploration expenditure written-off	3,603	705,399
Net loss on disposal of property, plant and equipment	618	231
Rental expenses on operating leases – minimum lease payments	29,694	25,774
Defined contribution superannuation expense	33,883	20,357

NOTE 7 INCOME TAX

	2018 $	2017 $
(a) The prima facie tax on loss before income tax is reconciled to the income tax as follows:		
Loss before income tax expense	(627,966)	(1,395,240)
Tax at the Australian (and PNG) tax rate of 27.5% (2017: 30%)	(172,691)	(418,572)
Non-deductible expenses	42,758	44,793
Deferred tax assets not recognised	129,933	373,779
Income tax expense / (benefit)	-	-

(b) Recognised deferred tax assets

	2018 $	2017 $
Unused tax losses	-	287,135
Deductible temporary differences	4,096	156,658
	4,096	443,793

(c) Recognised deferred tax liabilities

	2018 $	2017 $
Assessable temporary differences	4,096	443,793
	4,096	443,793

(d) Unrecognised deferred tax assets

Deferred tax assets have not been recognised in the Statement of Financial Position for the following items:

	2018 $	2017 $
Unused tax losses for which no deferred tax asset has been recognised	8,341,237	9,702,542
Deductible temporary differences	399,092	-
	8,740,329	9,702,542
Potential benefit at 27.5% (2017: 30%)	2,403,590	2,910,763

There is no expiry date on the future deductibility of unused tax losses.
The Company has no franking credits.

NOTE 8 CURRENT ASSETS: CASH & CASH EQUIVALENTS

	2018 $	2017 $
Cash at bank and on hand	1,604,322	154,633
Cash on short-term deposit	11,413	400,000
	1,615,735	554,633

NOTE 9 MINERAL EXPLORATION AND EVALUATION ASSETS

	2018 $	2017 $
Papua New Guinea		
Balance at the beginning of the financial year	11,652,157	10,975,314
Expenditure capitalised during the year	1,006,878	1,797,369
Current year expenditure written-off during the year	(3,603)	(62,606)
Capitalised expenditure written-off during the year	-	(642,793)
Foreign currency exchange differences	88,702	(415,127)
Balance at the end of the financial year	12,744,134	11,652,157

The ultimate recoupment of costs carried forward for exploration and evaluation is dependent upon the successful development and commercial exploitation or sale of the respective areas of interest.

Coppermoly's wholly owned subsidiary, Copper Quest PNG Limited, is the legal holder of three Exploration Licences.

Exploration Licences:

- **EL 1043 Mt Nakru** has a two year term ending on 7 December 2018;
- **EL 2379 Simuku** has a two year term ending on 10 September 2019;
- **EL 2514 Makmak** has a two year term ending on 11 September 2019.

On 23 April 2018 Coppermoly announced that it had submitted an application for a new Exploration Licence. The new application, ELA 2578 Kori River, covers ground that encloses the existing EL 2379 tenement and includes areas near some of the boundaries of EL 2379 that show encouraging signs for potential conductive and resistive anomalous zones. A Warden's Hearing was held on 4 July 2018. The next steps in the application process include technical assessment by the MRA, Mining Advisory Council consideration before approval by the Mining Minister.

West New Britain Project Exploration Licences

In October 2009 the Group signed a Letter Agreement with Barrick to sole fund $20 million to earn up to 72% interest in Coppermoly Limited's tenements (Mt Nakru and Simuku) (**WNB Projects**) in Papua New Guinea. Barrick earned 72% equity in January 2012. In May 2012 Barrick advised Coppermoly of its intention to divest its interest in the WNB Projects. In July 2013 Coppermoly entered into an agreement with Barrick to re-acquire Barrick's interest in the WNB Projects on a staged basis to reacquire 100% ownership of these licences. Barrick still holds a nominal 28% interest in the WNB Projects.

Reacquisition Deed

The key remaining term of the Reacquisition Deed with Barrick is:

- The Group may acquire the remaining nominal 28% interest in the WNB Projects, which the Company has a binding agreement to acquire, by making a payment of AUD $4,500,000, payable no later than the date that is 6 months after the commencement of commercial production at the WNB Projects. Barrick do not have to contribute any further costs to exploration or development of the projects nor are they entitled to any profits from the projects.

NOTE 10 CURRENT LIABILITIES: TRADE AND OTHER PAYABLES

	2018 $	2017 $
Trade and other payables		
Unsecured:		
Trade creditors	46,836	24,594
Other creditors	242,701	370,280
	289,537	394,874

NOTE 11 BORROWINGS

	2018 $	2017 $
Borrowings		
Unsecured:		
Convertible notes (a)	1,158,113	1,175,520
Accrued interest	288,740	204,740
Other borrowings	-	5,764
	1,446,853	1,386,024

(a) Convertible notes

The terms of the convertible notes are as follows:

Re-issue Date:	19 December 2017
Maturity Date:	19 December 2018
Number of Notes	60,000,000
Note Face Value:	$1,200,000
Conversion Price:	Convertible into ordinary shares $0.02 at the note holder’s option being 60,000,000 shares.
Repayment upon maturity:	The outstanding principle amounts of the convertible notes (being the outstanding issue price of the convertible notes to the extent that they have not been converted) will be repaid by the Company. The terms of the notes were varied on 19 October 2016 to extend the Maturity Date to 19 December 2017. The terms of the notes were again varied on 31 October 2017 to further extend the Maturity Date to 19 December 2018. The notes may be repaid by Coppermoly any time prior to the Maturity Date subject to Coppermoly paying the note holder a break fee equal to 5% of the repayment amount.
Interest:	The convertible notes bear interest at 7%. The effective interest rate is 15%.

	2018 $	2017 $
The convertible notes are presented in the statement of financial position as follows:		
Face value of notes issued	1,200,000	1,200,000
Other equity securities – value of options issued	(283,103)	(194,214)
Cost of convertible notes issue	(13,739)	(13,739)
	903,158	992,047
Unwinding of equity portion - interest expense	254,955	183,473
Repayment of convertible notes	-	-
Convertible notes liability	1,158,113	1,175,520

NOTE 12 CONTRIBUTED EQUITY

	2018 Shares	2017 Shares	2018 $	2017 $
(a) Paid Up Capital				
Ordinary shares – fully paid – no par value	1,377,661,488	1,093,817,806	21,921,429	19,065,353

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and in a poll each share is entitled to one vote.

The Company does not have any authorised capital limit.

(b) Movements in ordinary share capital:

Date	Details	Number of Shares	Issue Price $	$
30 Jun 2016	Balance	760,484,473		18,405,791
30 Mar 2017	Private Placement[1]	250,000,000	0.000	-
30 Mar 2017	Private Placement[2]	83,333,333	0.008	666,667
	Less costs of raising capital	-		(7,105)
30 Jun 2017	Balance	1,093,817,806		19,065,353
30 Oct 2017	Shares issued to Shenzhen Beilite Jades Limited	164,072,670	0.0105	1,722,763
11 Dec 2017	Shares issued in lieu of directors fees[3]	10,510,349	0.0140	147,145
20 Dec 2017	Shares issued to Shenzhen Beilite Jades Limited	109,260,663	0.0105	1,147,237
	Less costs of raising capital	-		(161,069)
30 Jun 2018	Balance	1,377,661,488		21,921,429

[1] 250,000,000 Shares issued upon the exercise of Deferred Options, with no exercise price.

[2] 83,333,333 Shares issued upon the exercise of Attached Options, at an exercise price of $0.008 per Attached Option.

[3] The Shares issued in lieu of accrued directors fees comprised 10,510,349 shares issued on 11 December 2017 when the fair value of those shares was $147,415. These shares were issued in full satisfaction of accrued Director fees totalling $262,759. The difference of $115,614 between the carrying amount of the accrued directors fees and the fair value of the Shares issued in lieu of accrued directors fees has been recognised as income in the consolidated statement of profit or loss (refer Note 5).

(c) Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern. The capital structure of the Group consists of equity attributable to equity holders of the Parent comprising issued capital, reserves and retained earnings as disclosed in the statement of financial position.

The Group reviews the capital structure on an on-going basis with consideration to the cost of capital and the risks associated with each class of capital. The Group is not exposed to externally imposed capital requirements.

(d) Options	No. of Options 2018	No. of Options 2017
The number of unissued ordinary shares relating to options not exercised at year end:		
Unlisted Options over shares in the Parent Entity:		
- Exercisable at 3 cents, expire 3 December 2018	585,008	585,008
	585,008	585,008

NOTE 12 CONTRIBUTED EQUITY (continued)

(e) Option Issues

No options were issued during the financial years 2018 and 2017.

(f) Option Exercise

No options were exercised during the financial year (2017: 333,333,333).

(g) Option Expiry

No options expired during the financial year (2017: 41,963,932).

NOTE 13 RESERVES

	2018 $	2017 $
Share option reserve	3,090,768	3,001,879
Foreign currency translation reserve	(949,565)	(1,074,847)
	2,141,203	1,927,032
Movements:		
Share option reserve		
Balance at the beginning of the financial year	3,001,879	2,949,931
Convertible notes – value of conversion feature and options issued	88,889	51,948
Balance at the end of the financial year	3,090,768	3,001,879
Foreign Currency Translation Reserve		
Balance at the beginning of the financial year	(1,074,847)	(607,148)
Currency translation difference arising during the year	125,282	(467,699)
Balance at the end of the financial year	(949,565)	(1,074,847)

Nature and purpose of reserves

(i) Share Option Reserve

The share option reserve represents accumulation of option premium paid on issuing listed options, the value of expired options and the difference between the proceeds received from a convertible bond that does not have a derivative at fair value and the fair value of the liability on initial recognition.

(ii) Foreign Currency Translation Reserve

Exchange differences arising on translation of the foreign controlled entity are taken to the foreign currency translation reserve. The reserve is recognised in profit and loss when the net investment is disposed.

NOTE 14 COMMITMENTS

	2018 $	2017 $
(a) Exploration Expenditure Commitments		
In order to maintain rights of tenure to exploration tenements the Group is required to perform exploration work to meet the minimum expenditure requirements as specified by various governments.		
Commitments are not provided for in the accounts and are payable:		
Not later than 1 year	-	-
Later than 1 year but not later than 5 years	102,995	-
	102,995	-
All exploration expenditure spending commitments had been met as at 30 June 2018.		
(b) Other Operating Lease Commitments		
Future property rental agreements are not provided for in the financial statements and are payable:		
Not later than 1 year	62.430	36,555
Later than 1 year but not later than 5 years	43,229	22,488
	105,659	59,043
(c) Capital Commitments		
Payments required under the Barrick Reacquisition Deed [1]:		
Not later than 1 year	-	-
Later than 1 year but not later than 5 years	-	-
	-	-

1. Refer to note 9 and note 20 for details of Capital Commitments due to Barrick.

NOTE 15 SUBSEQUENT EVENTS

There have been no subsequent events after 30 June 2018.

NOTE 16 KEY MANAGEMENT PERSONNEL DISCLOSURES AND RELATED PARTY TRANSACTIONS

	2018 $	2017 $
Key management personnel compensation:		
Short-term employee benefits:		
Cash and accrued directors fees	160,000	160,000
Post-employment benefits	3,800	3,800
	163,800	163,800

As disclosed in Note 12(b), on 11 December 2017 the Company issued 10,510,349 fully paid ordinary Shares with a fair value of $147,415 to Directors in full satisfaction of accrued Director fees totalling $262,759 in accordance with shareholder approvals received at the Company's Annual General Meeting on 24 November 2017.

The difference of $115,614 between the carrying amount of the accrued director fees and the fair value of the Shares issued in settlement of those accrued directors fees has been recognised as income in the consolidated statement of profit or loss (refer Note 5).

Transactions with other related parties

During the year ended 30 June 2015 the Group issued convertible notes to Jade Triumph International Limited (**Jade Triumph**) an entity related to Jincheng Yao. The terms and conditions of the notes are included in Note 11 including details of the amounts provided, interest accrued and repayments made. As at 30 June 2018 the balance owed to Jade Triumph was $1,488,740 (30 June 2017 $1,404,740).

NOTE 17 SEGMENT INFORMATION

(a) Description of segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources. Operating segments are determined on the basis of financial information reported to the Board which is at the consolidated entity level. Accordingly, the consolidated entity is treated as one operating segment.

Therefore, management identifies the Group as having only one reportable segment. The financial results from this reportable segment are equivalent to the financial statements of the consolidated entity as a whole. There have been no changes in the operating segments during the year.

(b) Entity-wide disclosures

The Group's geographical information is as follows:

		Australia $	Papua New Guinea $
Non-current assets	2018	10,670	12,799,874
	2017	12,193	11,679,346

The Group operates primarily in mineral exploration locations in Papua New Guinea. The Group's headquarter office is in Australia.

The Group does not have any products/services it derives material revenue from except interest which is mainly from Australia.

NOTE 18 AUDITORS' REMUNERATION

	2018 $	2017 $
During the year the following fees were paid or payable for services provided by the auditor of the parent entity and the auditor of the subsidiary entity, their related practices and non-related audit firms.		
Assurance Services		
1. Audit Services – audit or review of financial statements		
BDO Audit Pty Ltd Australian firm:	29,175	27,163
Sinton Spence Chartered Accountants PNG firm:	4,886	6,267
Total remuneration for audit services	34,061	33,430
2. Other Assurance Services		
BDO Audit Pty Ltd Australian firm:	-	-
Sinton Spence Chartered Accountants PNG firm:	2,975	1,558
Total remuneration for other assurance services	2,975	1,558
Total remuneration for assurance services	37,036	34,988
Taxation Services		
BDO (QLD) Pty Ltd Australian firm:	8,215	6,500
Sinton Spence Chartered Accountant PNG firm:	533	414
Total remuneration for taxation services	8,748	6,914

NOTE 19 EARNINGS PER SHARE ("EPS")

	2018	2017
Basic and diluted earnings (losses) per share (cents per share)	(0.05)	(0.17)
Loss used in calculating basic and diluted earnings per share is the net loss for the year.	$627,966	$1,395,240
	No.	No.
Weighted average number of shares used in the calculation of the basic and diluted EPS	1,267,089,395	845,415,980
The number of potential ordinary shares relating to options not exercised at year end. These potential ordinary shares are not dilutive and, accordingly, were not used in calculating diluted EPS.	60,585,008	60,585,008

NOTE 20 CONTINGENCIES

(i) The Macmin Royalty

By an agreement dated 12 June 2002 between Macmin NL, Macmin (PNG) Limited and New Guinea Gold Corporation (NGG Canada), NGG Canada indirectly acquired all rights, title and interests held by Macmin NL in respect of EL 1043 (Mt Nakru) and EL 1077 (Simuku) through the purchase of all of the issued capital of Macmin (PNG) Limited (being a wholly owned subsidiary of Macmin NL). Note, on 11 September 2015 EL 2379 was granted by the PNG Mineral Resources Authority as a consolidated exploration licence combining EL 1077 Simuku and EL 1445 Talelumas.

Under the terms of the agreement NGG Canada granted a 1% net smelter return royalty (NSRR) in favour of Macmin NL payable in respect of all mineral products produced from the tenements upon being brought into production. The royalty may remain attached to the tenements and may become payable by the Group upon the tenements being brought into production. This would be subject to legal opinions and negotiations should such circumstances come to bear.

In November 2008, Macmin Silver Ltd (formerly Macmin NL) had been placed into administration. In October 2009, Macmin Silver Ltd emerged from voluntary administration; however the rights to the 1% net smelter royalty are now attributable to the Creditors' Trust of Macmin Silver Ltd.

Due to the number of variables involved it is not practicable to disclose an estimate of the financial effect related to this contingent liability.

(ii) The Reacquisition Deed with Barrick

The Group may acquire Barrick's remaining nominal 28% interest in the West New Britain Projects by making a payment of AUD $4,500,000, payable no later than the date that is 6 months after the commencement of commercial production at the West New Britain Projects.

NOTE 21 RECONCILIATION OF LOSS AFTER INCOME TAX TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2018 $	2017 $
Reconciliation of loss after income tax to net cash inflow from operating activities		
Profit / (loss) after income tax	(627,966)	(1,395,240)
- Gain on extinguishment of financial liability	(115,614)	-
- Impairment of exploration expenditure	3,603	705,399
- Loss/(gain) on disposal of fixed assets	618	231
- Depreciation expense	7,421	6,626
- Non-cash interest expense	155,482	149,311
- Net exchange differences	21	(105)
Change in operating assets and liabilities:		
- Payables and provisions	248,245	156,783
- Trade and other receivables	1,001	5,456
- Prepayments	(7,191)	5,351
Net cash inflow / (outflow) from operating activities	(449,994)	(366,188)

NOTE 22 SUBSIDIARIES

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiary in accordance with the accounting policy described in note 1(b):

Name of Entity	Country of Incorporation	Class of Shares	Equity Holding 2018 %	Equity Holding 2017 %
Copper Quest PNG Ltd	PNG	Ordinary	100	100

NOTE 23 NON-CASH FINANCING AND INVESTING ACTIVITIES

Activities during the 2018 financial year:

Shares were issued in satisfaction of accrued directors fees:

Date	Issued to	Number of Shares	Issue Price $[1]	$
11 Dec 2017	Mr Kevin Grice	2,345,600	0.014	32,838
11 Dec 2017	Mr Jincheng Yao	3,318,356	0.014	46,458
11 Dec 2017	Dr Wanfu Huang	3,292,055	0.014	46,089
11 Dec 2017	Mr Zule Lin	1,554,338	0.014	21,760
		10,510,349		147,145

As disclosed in Note 12(b), on 11 December 2017 the Company issued 10,510,349 fully paid ordinary Shares with a fair value of $147,415 to Directors in full satisfaction of accrued Director fees totalling $262,759 in accordance with shareholder approvals received at the Company's Annual General Meeting on 24 November 2017.

The difference of $115,614 between the carrying amount of the accrued director fees and the fair value of the Shares issued in settlement of those accrued directors fees has been recognised as income in the consolidated statement of profit or loss (refer Note 5).

There were no such activities during the 2017 financial year.

DIRECTORS' DECLARATION

In the Directors' opinion:

(a) the financial statements and notes set out on pages 21 to 44 are in accordance with the *Corporations Act 2001*, including:

   (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and

   (ii) giving a true and fair view of the consolidated entity's financial position as at 30 June 2018 and of its performance, as represented by the results of its operations, changes in equity and its cash flows, for the financial year ended on that date; and

   (iii) complying with International Financial Reporting Standards as disclosed in note 1; and

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and

(c) the audited Remuneration Report set out on pages 13 to 16 of the Directors' Report complies with section 300A of the *Corporations Act 2001*.

The Directors have been given the declarations by the Chief Executive Officer and Chief Financial Officer required by section 295A of the *Corporations Act 2001*.

This declaration is made in accordance with a resolution of the Directors.

Kevin Grice
Non-executive Director

Brisbane, Queensland
28 September 2018

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INDEPENDENT AUDITOR'S REPORT

To the members of Coppermoly Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Coppermoly Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2018, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

In our opinion the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

(i) Giving a true and fair view of the Group's financial position as at 30 June 2018 and of its financial performance for the year ended on that date; and

(ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 1 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the group's ability to continue as a going concern and therefore the group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Carrying value of mineral exploration and evaluation assets

Key audit matter	*How the matter was addressed in our audit*
Refer to note 9 in the financial report. The Group carries exploration and evaluation assets as at 30 June 2018 in relation to the application of the Group's accounting policy for exploration and evaluation assets. The recoverability of exploration and evaluation asset is a key audit matter due to: • The significance of the total balance; and • The level of procedures undertaken to evaluate management's application of the requirements of AASB 6 *Exploration for and Evaluation of Mineral Resources* ('AASB 6') in light of any indicators of impairment that may be present.	Our procedures included, but were not limited to the following: • Obtaining evidence that the Group has valid rights to explore in the areas represented by the capitalised exploration and evaluation expenditure by obtaining supporting documentation such as license agreements and also considering whether the Group maintains the tenements in good standing • Where licenses over areas of interest have expired or are due to expire in the next 12 months we further assessed the basis for continuing to carry the costs, including the status of renewals that had been lodged and obtaining evidence that the licenses remained in force until the renewal process is completed. • Making enquiries of management with respect to the status of ongoing exploration programs in the respective areas of interest and assessing the Group's cashflow budget for the level of budgeted spend on exploration projects and held discussions with directors of the Group as to their intentions and strategy.

	• Enquiring of management, reviewing ASX announcements and reviewing directors' minutes to ensure that the Group had not decided to discontinue activities in any applicable areas of interest and to assess whether there are any other facts or circumstances that existed to indicate impairment testing was required.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2018, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:

http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 13 to 16 of the directors' report for the year ended 30 June 2018.

In our opinion, the Remuneration Report of Coppermoly Limited, for the year ended 30 June 2018, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

BDO Audit Pty Ltd

BDO
TMann

T R Mann

Director

Brisbane, 28 September 2018

SHAREHOLDER INFORMATION

Information required by Australian Securities Exchange Limited and not shown elsewhere in this report is as follows:

STATEMENT OF QUOTED SECURITIES AS AT 21 SEPTEMBER 2018

a) Distribution of Shareholders

Size of Holding	**Number of Shareholders**
1 – 1,000	36
1,001 – 5,000	42
5,001 – 10,000	130
10,001 – 100,000	390
100,001 and over	163
	761

b) Number of holders of less than marketable parcels 520

c) Percentage holding of 20 largest holders 94.3%

d) There were three substantial shareholders listed in the Company's register as at 21 September 2018.

e) Twenty largest shareholders (as at 21 September 2018):

Shareholder name	**Shares held**	**% of total**
EVER LEAP SERVICES LIMITED	708,333,333	51.416%
SHENZHEN BEILITE JADES LIMITED	273,333,333	19.840%
BARRICK (PD) AUSTRALIA LIMITED	73,201,447	5.313%
JELSH HOLDINGS PTY LTD	56,054,613	4.069%
MR MA PIWU	52,737,609	3.828%
JADE TRIUMPH INTERNATIONAL LTD	30,000,000	2.178%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	24,572,894	1.784%
MR JOSEPH TULLIO	20,000,000	1.452%
MR HAO MA	10,835,790	0.787%
MR PETER JOHANNES POORT	10,000,000	0.726%
MR CHRISTOPHER IAN WALLIN & MS FIONA KAY MCLOUGHLIN & MRS SYLVIA FAY BHATIA <CHRIS WALLIN SUPER FUND A/C>	5,500,000	0.399%
HOLICARL PTY LIMITED <HUNTER GRAIN S/F A/C>	4,384,454	0.318%
MR DAVID THOMAS WHITE	4,289,632	0.311%
FCG NOMINEES PTY LTD	3,253,712	0.236%
NMC MINING CORPORATION	3,827,646	0.278%
DR WANFU HUANG	3,738,575	0.271%
MR DAVID LAWSON	3,606,936	0.262%
MR JINCHENG YAO	3,318,356	0.241%
MR GOPAL KRISHNA BOSE & MRS SHARMILA BOSE	3,000,000	0.218%
NATIONAL NOMINEES LIMITED	2,638,000	0.191%
EST MR JOHN DOUGLAS BENSEMAN	2,310,000	0.168%
Total	1,298,936,330	94.286%

STATEMENT OF UNQUOTED SECURITIES AS AT 21 SEPTEMBER 2018

The following unquoted securities are on issue:	**Quantity**
Convertible notes maturing on 19 December 2018	60,000,000
Options exercisable at 3 cents per share on or before 3 December 2018	585,008

SHAREHOLDER INFORMATION

DIRECTORS

Mr Kevin Grice
Mr Jincheng Yao
Dr Wanfu Huang
Mr Zule Lin

COMPANY SECRETARY

Mr Stephen Kelly

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BANKERS

Westpac Bank

STOCK EXCHANGE

Coppermoly Ltd is listed on the Australian Securities Exchange
and the Port Moresby Stock Exchange, Papua New Guinea