COPPERMOLY Limited

2014

Annual Report

CONTENTS

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 2014.

DIRECTORS

The following persons were Directors of Coppermoly Ltd during the whole of the financial year and up to the date of this report unless otherwise stated:

B. Faulkner

M. Howard was appointed as a Director on 4 December 2013.

K. Grice was appointed as a Director on 15 July 2014.

S. Uldridge resigned as a Director on 14 August 2013.

G. Booth retired as a Director on 13 November 2013.

T. Revy resigned as a Director and Chairman on 11 March 2014.

N. Streltsova was appointed as a Director on 1 October 2013 and resigned on 11 March 2014.

M.J. Gannon was appointed as Interim Chairman on 11 March 2014 and resigned as Managing Director and Interim Chairman on 15 July 2014.

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 $787,337 (2013: $1,000,406). No dividend has been paid or recommended during the year ended 30 June 2014.

OPERATING & FINANCIAL REVIEW

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

Operational Review

Historically, three of the Company's Exploration Licences, EL 1043 Mt Nakru, EL 1077 Simuku and EL 1445 Talelumas (WNB Projects) have been subject to a farm-in agreement with Barrick (PNG Exploration) Ltd (Barrick), a subsidiary of Barrick Gold Corporation. Barrick earned a 72% interest in the three licences by spending more than $20 million on exploration in the period from 2009 to 2012. In May 2012 Barrick advised Coppermoly of its intention to divest its interest in the WNB Projects. Currently, Coppermoly is reacquiring 100% ownership of these licences through a three stage, $5million payment to Barrick, to be completed over a five year period (see note 12 in the Notes to the Consolidated Financial Statements below for more details).

Coppermoly also has 100% ownership of three other tenements located on New Britain Island, including EL 2014 Makmak, where early exploration is focused on the Pulding and Wara Creek prospects as well as two prominent aeromagnetic anomalies; EL 1782 Powell in East New Britain; and EL 2272 Wowonga which is located adjacent to the Makmak tenement.

The Company's core objective is to ensure that the full value of all of its assets are realised over time.

Consolidated entity's mineral tenements as at the date of the Directors' Report (Figure 1):

Project	Effective Ownership	Date first acquired	Location
EL 1043 Mt Nakru (47km²)	72% Copper Quest PNG Ltd	Jan 2008	New Britain PNG
EL 1077 Simuku (47km²)	72% Copper Quest PNG Ltd	Jan 2008	New Britain PNG
EL 1445 Talelumas (75km²)	72% Copper Quest PNG Ltd	May 2008	New Britain PNG
EL 2014 Makmak (280.1km²)	100% Copper Quest PNG Ltd	May 2012	New Britain PNG
EL 1782 Powell (758km²)	100% Copper Quest PNG Ltd	Sep 2013	New Britain PNG
EL 2272 Wowonga (30.7km²)	100% Copper Quest PNG Ltd	Feb 2014	New Britain PNG

- *Copper Quest PNG Ltd is a 100% owned subsidiary of Coppermoly Ltd*

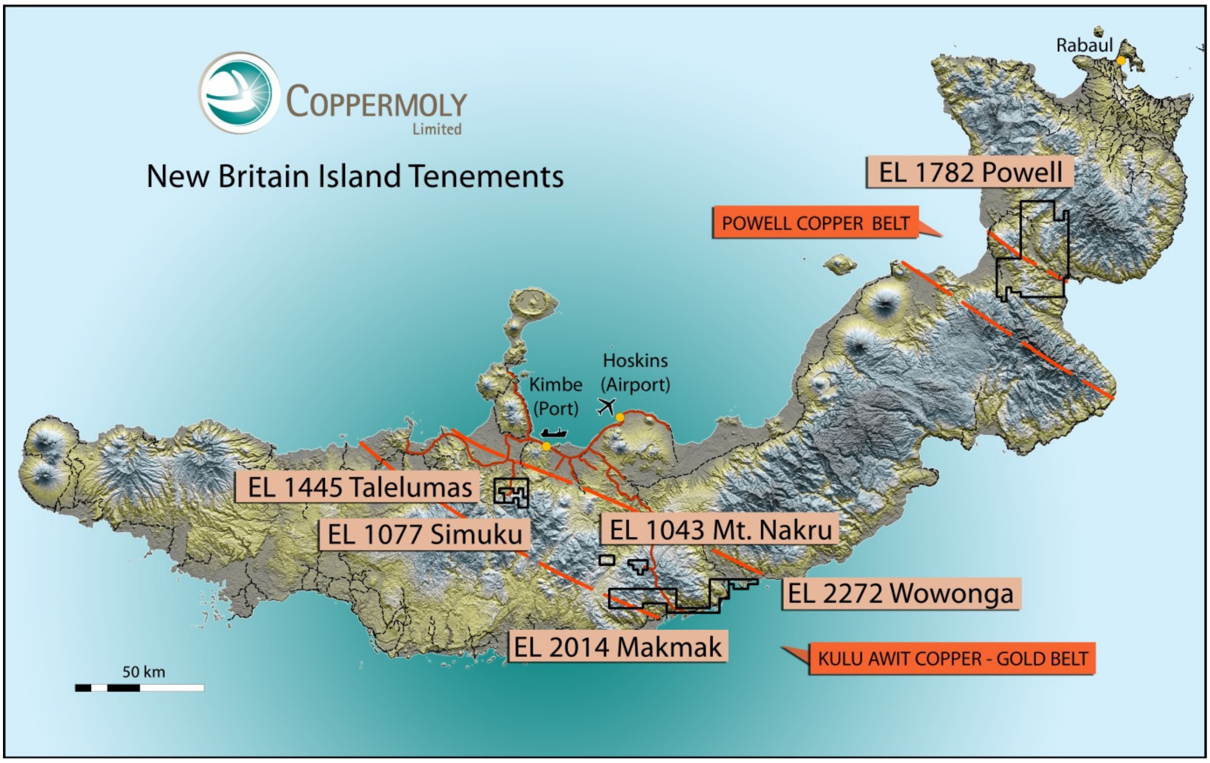

Figure 1: Coppermoly's Exploration Licences on New Britain

Project review

<u>EL 1043 Mt Nakru (72% Coppermoly, 28% Barrick)</u>

A surface rock chip sampling programme at Nakru-2 in late 2013 indicated that high-grade mineralisation, up to 24% copper, occurred over an extensive area with a likely strike length in excess of 800m. This area coincides with a broad Induced Polarisation (IP) chargeability anomaly (Figure 2).

Coppermoly collected 125 rock chip and float samples, which were dispatched for preparation and assaying at SGS (PNG) and further assaying by SGS (Australia).

Nine samples yielded between 1.88% and 24% copper; 12 graded between 0.5% and 1.0% copper and molybdenum grades of between 200ppm to 750ppm were also recorded. All the samples with elevated copper are sulphidic, with the dominant sulphides being pyrite, chalcopyrite and secondary chalcocite. These characteristics are indicative of a secondary enriched copper zone overlying primary mineralisation.

A drill program was completed at Nakru-2 in May 2014. The two new core holes (NAK2003 and NAK2004) (Figure 2) were located 100m apart and drilled from the south testing for a gently south-dipping pumice breccia unit. A similarly orientated pumice breccia unit is host to mineralisation at Nakru-1. The drill results (Table 1) support the model of a near-surface, sub-horizontal mineralised envelope up to 100m thick. In addition the chalcopyrite dominated primary zone is capped by a zone of secondary copper enrichment dominated by chalcocite.

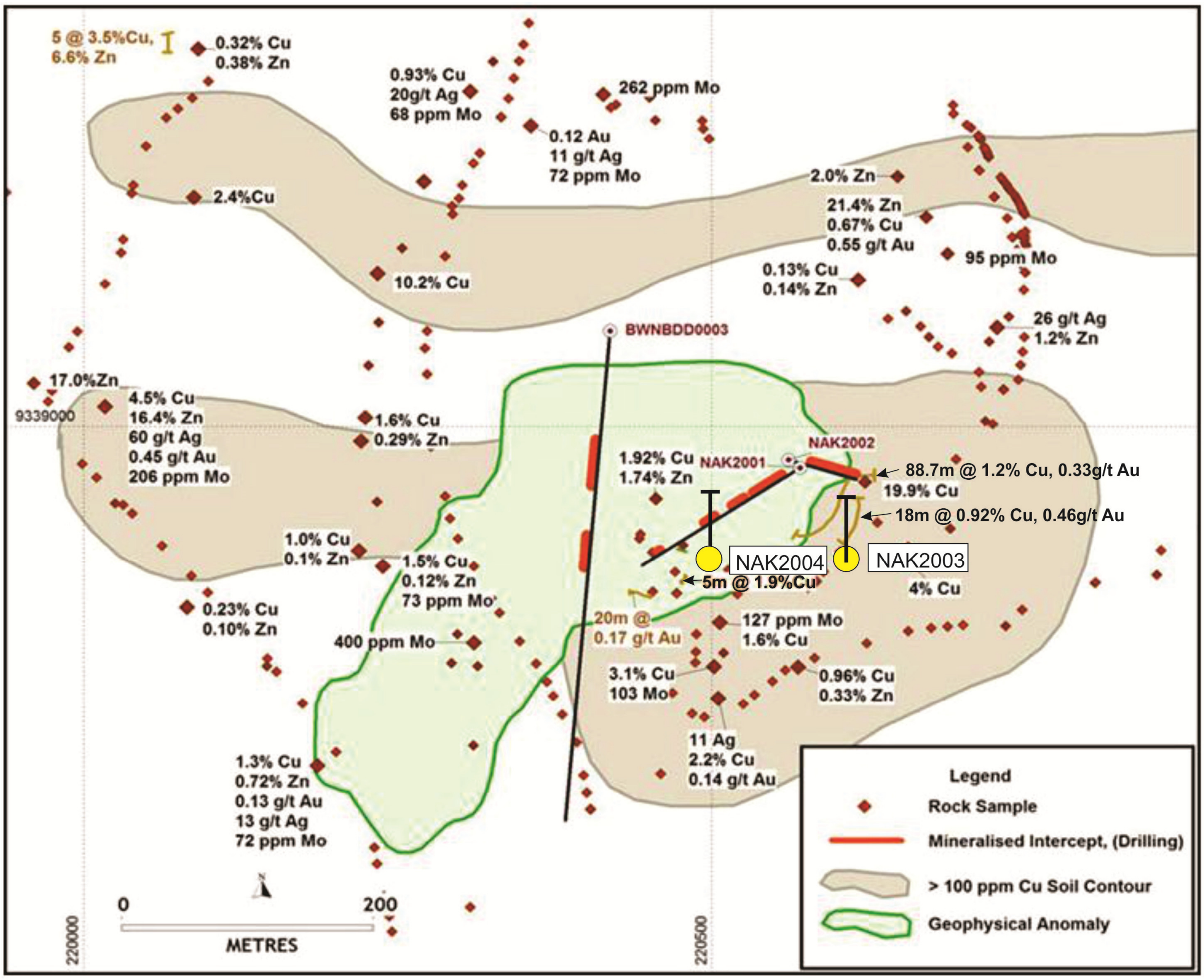

Figure 2: Drill plan Nakru-2 showing location of recent drill holes NAK2003 and NAK2004 and the previous three drill holes drilled by Coppermoly and Barrick.

Hole	from (m)	to (m)	interval (m)	Cu (%)	Au (g/t)	Ag (g/t)
NAK2003	5	68	63	**1.01**	0.10	4
Including						
	7	30	23	**2.05**	0.22	9
NAK2004	1	51.5	50.5	0.79	<0.1	<3
And	72	105	33	0.81	<0.1	<3
Including						
	5	23	18	**1.33**	0.13	4
	74	81	7	**1.09**	<0.1	<3
	89	97	8	**1.40**	<0.1	4

Table 1: Significant drill intervals (weighted average grade) at 0.1%Cu and 1.0%Cu cutoff

Hole	Easting	Northing	RL(m)	Azimuth (T)	Dip	Depth(m)
NAK2003	220602	9338896	665	000	-60°	99.5
NAK2004	220502	9338913	684	000	-60°	123.6

Table 2: Drill hole locations (AGD66 Zone 56)

EL 1077 Simuku and EL 1445 Talelumas (72% Coppermoly, 28% Barrick)

Two 100 metre deep diamond drill holes were completed on the Company's Simuku tenement in December 2013. The holes were required in order to satisfy the work program approved by the Mineral Resources Authority to maintain the tenement in good standing. The holes were drilled on a structure east of the known mineralised zone. Both holes intersected propylitically altered andesite. The results obtained have further confirmed our geological understanding of the Simuku system.

Activity on the Company's Talelumas tenement since Barrick's decision to divest has focused on a review of Barrick's exploration activities. This review has also included interviews with ex-Barrick personnel. The prime area of focus of Barrick within EL1445 was the Misusu prospect. Barrick undertook a programme of mapping, rock chip and stream sediment sampling.

Rock chip results were encouraging. The highest Au value was 0.208ppm Au with 311ppm Cu and 3ppm Mo. The highest Cu value was 13200ppm Cu. Approximately 50% of samples returned Cu values greater than 1000ppm Cu.

Copper and gold mineralisation is associated with porphyritic intrusions and quartz vein stockworks.

EL 2014 Makmak (100% Coppermoly)

Assay results from a surface sampling program were obtained during the year. Two key sites Pulding Copper prospect & Wara Creek Iron prospect as well as two prominent aeromagnetic anomalies were re-assessed.

In 2010, a total of 9 rock chip and float samples were analysed from the Pulding prospect. A single sample reporting 10.7% Cu was received, with two additional samples reporting >1% Cu. In 2012, a further 14 rock samples from this area were analysed with four reporting between 1.3 and 1.9% Cu and up to 503 ppm Mo. In late 2012, an additional 32 rock chip samples were collected from eastern sections of the tenement, from which encouraging geochemical and petrological reports were generated.

Pulding Prospect: The objective of the 2013 sampling was to further test the extent of local surface mineralisation. A total of 81 prospective samples (18 rock chip +/- float and 63 soil samples) were collected over a strike kilometre to the south of earlier samples. Float samples returned the best results with two samples reporting >1% Cu and five additional samples seen to exceed 0.1% Cu. No anomalous Au, Ag or Mo results were observed, while the highest Cu assay reported in soil was 387 ppm. From this survey, a prospective SSE - NNW trending lineament has been targeted for ongoing evaluation using aeromagnetic data and detailed geological mapping.

Wara Creek: Previously, the Wara Creek area has provided a series of rock chip samples with assays in excess of 50% Fe to a maximum of 72%. A prospective source was interpreted to lie upstream of these samples, associated with a prominent magnetic high. The 2013 exploration program concentrated on this area and in particular the Avit River basin from which 28 float, rock chip and stream sediment samples were collected. Whereas several float rock samples yielded high Fe contents (33.35 - 38.6%) highly anomalous Fe assays were not reproducible nor was any anomalous precious or base metal observed. Source outcrop for these highly ferruginous samples has yet to be located.

EL 1782 Powell (100% Coppermoly)

During the year Coppermoly's long-standing tenement application for EL 1782, located in the East New Britain Province of PNG (refer to Figure 1), was granted by the PNG Minister for Mining.

The Powell tenement covers 758 square kilometres and is located on the Powell Copper Belt which is a north-west trending fault structure. The Powell belt is very similar to the Kulu-Awit structure which contains the Company's advanced and highly prospective licences in West New Britain.

The grant of the Powell exploration licence significantly expands the Company's New Britain land position in a new copper belt and introduces new exploration potential where existing expertise and facilities can be utilised.

EL 2272 Wowonga (100% Coppermoly)

Coppermoly also had its application for EL 2272 granted during the year by the PNG Minister for Mining.

Wowonga is a small, greenfield Exploration Licence located on the south coast of West New Britain which adjoins Coppermoly's Makmak exploration licence. The Company applied for the ground when evaluating the aeromagnetics for Makmak after noticing an unusually pronounced anomaly on this coastal promontory.

Coppermoly believes that it warrants closer examination given the exceptional results that have been obtained on other tenements on the same regional trend.

Financial Review

Profit or Loss

Costs for the year ended 30 June 2014 were approximately $350,400, or 31%, less than last year's total costs. This was primarily a result of approximately $164,400 less in legal costs expensed, no exploration expenditure written off in the current year, a difference of approximately $115,000 and approximately $142,600 less in consulting fees in the current year (Peter Swiridiuk, the Company's former Managing Director, was paid consulting fees through a related entity). There were also cost savings/reductions in audit and accounting fees, share registry fees, insurance and depreciation. This was offset by employee benefits increasing in the current year by approximately $111,700 due mostly to the employment of a full time Company Secretary and CFO and the increase in non-executive directors' fees during the year.

Statement of Financial Position

Total assets increased over the year due to the increase in the capitalised values of mineral exploration and evaluation assets. The increase of approximately $560,000 was made up of the $680,000 paid to Barrick for the first payment under the reacquisition agreement, approximately $433,600 spent on capitalised exploration and offset by movements in asset values due to currency variances.

Total liabilities decreased by approximately $174,600 primarily due to the repayment of convertible notes in January 2014 offset by a slight relative increase in trade and other creditors at the end of the year.

Total equity increased during the year due to net capital raised being approximately $734,600 more than the total comprehensive loss for the year.

Cash Flows

Excluding the one off research and development income tax refund received in 2013, cash used in operations during the year was down by approximately $47,600 compared to the prior year, an improvement of 6.2% and largely due to lower legal and consulting fees paid in the current year.

Cash invested into exploration was higher than the prior year principally due to the drill programmes on our Nakru and Simuku tenements during the year. Cash used for investing activities also included the $680,000 paid to Barrick to reacquire 23% of the WNB Projects.

Cash from financing activities was approximately $1,414,600 more than the prior year. Net funds raised from the issue of securities during the year totalled approximately $1,906,400 more then the equivalent amount from last year but was offset by the repayment of convertible notes of $250,000 the funds of which were received in 2013.

As at 30 June 2014 Coppermoly had $90,522 in cash and cash equivalents. On 16 July 2014 Coppermoly received a $500,000 short term loan from its major shareholder, Jelsh Holdings Pty Ltd.

Capital Raising

There were four main capital raising events during the current year:

a) a fully underwritten one-for-four (1:4) non-renounceable pro-rata entitlement offer to shareholders to raise up to approximately $2 million, before costs and expenses, at an offer price of $0.045 per share. This was subsequently reduced to $1.6 million as the number of shares held by eligible shareholders changed.

   The entitlement offer was subject to consideration by the Takeover's Panel and a subsequent Sale Offer was made to eligible shareholders to avail them of an opportunity to acquire shares from the Underwriter. The Sale Offer was finalised in early September 2013.

   The funds raised from the offer were used for the first payment for the reacquisition of Barrick's interest in the WNB Projects, restoring Coppermoly to a 51% controlling interest in the tenements. The funds raised were also used to fund further exploration on the PNG tenements and for working capital;

b) on 31 December 2013 the Company issued shares by way of a private placement raising approximately $840,000. The funds raised from the placement were used to fund further exploration on the PNG tenements and for working capital;

c) on 15 April 2014 the Company completed another private placement raising $258,500. Participants in the placement also received one unquoted option to acquire one share for every three shares received in accordance with the placement. The options are exercisable at any time prior to 1 July 2015 at an exercise price of $0.05. The funds raised from the placement were used to fund working capital;

d) on 23 May 2014 Coppermoly completed a one-for-one (1:1) non-renounceable pro-rata entitlement offer to shareholders raising approximately $202,300 before costs. Participants in the entitlement offer also received one quoted option to acquire one share for every three shares taken up in the entitlement offer. The options are exercisable at any time prior to 1 July 2015 at an exercise price of $0.05. The funds raised from the placement were used to fund working capital;

Business strategies and prospects for future financial years

As in previous years, the ability to raise funds is a critical factor. In this context, the success of the Company's exploration activities is the primary determinant, backed-up by the on-going support of its shareholders. The general state and sentiments of the equity and commodities markets and their appetite for exploration and development investments are also vital considerations. Whilst macro-economic factors are externally imposed they nevertheless define the broad context in which strategic decisions are made.

The Company's core strategy is to wholly own and to actively explore its exploration assets. The reacquisition agreement has established a clear pathway for this strategy. The intention is for the Company's activities to remain very geographically focused on New Britain Island.

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.

Corporate

Board Changes

The size of Company's Board of Directors, along with the location of the directors, changed significantly in the past year. The board now consists of three directors, all located on the east coast of Australia.

The Board now comprises Mr Ben Faulkner, Mr Michael Howard and Mr Kevin Grice.

M. Howard was appointed as a Director on 4 December 2013.

K. Grice was appointed as a Director on 15 July 2014.

Competent Person Statement

The information in this report that relates to Exploration Results is based on information compiled by Mr Mike Erceg, who is a Member of the Australasian Institute of Geoscientists. Mr Erceg has sufficient experience which is relevant to the style of mineralisation under consideration and to the activities undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Erceg consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

NOTES:

- All stated intersections are weighted assay averages ([Sum of each total interval x grade] / Total length of intersection).
- Quality control and quality assurance checks on sampling and assaying quality were satisfactory.
- Co-ordinates are given in UTM Zone 56, AGD66 Datum.

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

Election to Issue Shares under Amended Barrick Reacquisition Agreement

On 31 July 2014 Coppermoly elected to partly satisfy the second payment due to Barrick under its reacquisition agreement (**Second Purchase Price**) by issuing 1,000,000 fully paid ordinary shares in Coppermoly (**Shares**) to Barrick (or its nominee) (**First Election**). The shares were issued on 15 August 2014.

The issue price of the Shares issued under the First Election was $0.014, being a 10% discount to the VWAP of Coppermoly's Shares over the 30 calendar days preceding the date of the First Election.

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

Coppermoly acquired an additional 21% interest from Barrick after the issue of the Shares under the First Election, taking Coppermoly to a 72% interest in the West New Britain Project.

Loan Agreement

In July 2014 the Group entered into a bridging loan with its major shareholder, Jelsh Holdings Pty Ltd, for the sum of $500,000 (**Bridging Loan**).

The Bridging Loan has been provided on an unsecured basis and provides Coppermoly with additional interim financing which is intended to be used for general working capital purposes.

The Bridging Loan is repayable by Coppermoly on or before 16 December 2014 and attracts interest of 6.5% per annum (subject to additional default interest applying in the event of non-repayment), and may be repaid early by Coppermoly without penalty or additional fees.

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
Ben Faulkner			
Non-Executive Director since 6 December 2011. Age 31. BBus Banking Finance DipFS. Mr Faulkner holds a Bachelor of Business (Banking and Finance) from Monash University and a Professional Diploma in Stockbroking. He is a member of the Stockbrokers Association of Australia (SAA) and the Australian Financial Markets Association (AFMA). Mr Faulkner has not served as a Director of any other public listed companies during the last three years.	Member of Audit Committee.	5,929,810	914,393
Michael Howard			
Non-Executive Director since 4 December 2013. Age 63. BEng. Mr Howard is a mining engineer with extensive experience across many aspects of the mining and minerals industry from exploration through to operations. He has worked in Australia, PNG and much of Asia and the subcontinent. More recently he has worked in an advisory capacity to mining companies and investors and as a non-executive director to some junior mining companies. Mr Howard has served as a Non-Executive Director of Meridian Minerals Limited in the last three years. He has not served as a Director on any other public listed companies during the last three years.	Member of Planning & Operations Committee. Member of Risk Management Committee.	Nil	Nil
Kevin Grice			
Non-Executive Director since 15 July 2014. Age 65. Mr Kevin 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.	Nil	Nil
Maurice Gannon *(resigned 15 July 2014).*			
Interim Chairman 11 March 2014 to 15 July 2014. Managing Director 24 January 2013 to 15 July 2014. Executive Director 12 February 2010 to 15 July 2014. Alternate Director 1 October 2009 to 16 November 2011. Age 57. BSc, GAICD FCIS FCSA AFAIM MAusIMM. Mr. Gannon holds a Bachelor of Science Degree, a Graduate Diploma in Applied Corporate Governance and a Business Management Certificate. He has more than twenty five years' experience in business and financial management and a professional background in earth and environmental sciences. Mr Gannon is a Graduate Member of the Australian Institute of Company Directors, a Fellow of the Chartered Institute of Secretaries, a Fellow of Chartered Secretaries Australia, an Associate Fellow of the Australian Institute of Management and a member of the Australasian Institute of Mining and Metallurgy. Mr Gannon has not served as a Director of any other public listed companies during the last three years.		2,473,144	406,357

COMPANY SECRETARY – QUALIFICATIONS & EXPERIENCE

Paul Schultz

CPA AGIA B.Bus GDipACG. Mr Schultz has over twenty years' experience in business administration and statutory reporting. He has a professional background in commercial accounting and public practice. He is also a graduate and associate member of the Governance Institute of Australia.

Mr Schultz has been the Chief Financial Officer of Coppermoly Ltd since 8 July 2013 and was appointed as Company Secretary on 3 February 2014.

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 2014, and the numbers of meetings attended by each Director were:

	Directors' Meetings		Audit Committee Meetings		Planning & Operations and Risk Management Committee Meetings	
	A	B	A	B	A	B
Mr B. Faulkner	10	11	2	2	*	*
Mr M. Howard	8	8	*	*	*	*
Mr M.J. Gannon (resigned 15 July 2014)	11	11	2	2	2	2
Mr T. Revy (resigned 11 March 2014)	5	5	*	*	*	*
Dr N. Streltsova (appointed 1 October 2013 and resigned 11 March 2014)	3	3	*	*	1	1
Dr G. Booth (retired 13 November 2013)	1	2	*	*	*	*
Mr S. Uldridge (resigned 14 August 2013)	1	1	*	*	*	*

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
B. Faulkner	Non-Executive Director	6 December 2011 – Current
M. Howard	Non- Executive Director	4 December 2013 – Current
M.J. Gannon	Company Secretary Executive Director Managing Director Interim Chairman	30 July 2008 – 3 February 2014 12 February 2010 – 15 July 2014 24 January 2013 – 15 July 2014 11 March 2014 – 15 July 2014
T. Revy	Non-Executive Chairman	17 May 2013 – 11 March 2014
N. Streltsova	Non-Executive Director	1 October 2013 – 11 March 2014
G. Booth	Non-Executive Director and Chairman Non-Executive Director	18 January 2013 – 16 May 2013 17 May 2013 – 13 November 2013
S. Uldridge	Non-Executive Director	30 July 2012 – 14 August 2013

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

REMUNERATION REPORT (Audited) (continued)

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.

Details of market price movements in the Company's ordinary share price for the current year and last four years ended 30 June 2014:

	2010	2011	2012	2013	2014
Share price at year end	$0.086	$0.094	$0.027	$0.034	$0.016
Change in share price [1]	$0.031	$0.008	($0.067)	$0.007	($0.018)
TSR – year on year [2]	56.4%	9.3%	(71.3 %)	25.9%	(52.9%)
Loss for the year	$2,099,504	$1,291,652	$1,476,601	$1,000,406	$787,337
KMP remuneration	$1,106,272	$873,024	$377,023	$356,050	$384,640

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 2014.

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

Any options issued to KMP (of which there are none at present) have performance "premiums" factored into their exercise prices. The cash component of remuneration is kept relatively low.

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 demands which are made on, and the responsibilities of 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.

Executive pay
The executive pay and reward framework has three components:

- base pay and benefits
- long-term incentives through options (see note 22 to the Financial Statements), 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.

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.

REMUNERATION REPORT (Audited) (continued)

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. Information on the Coppermoly Ltd Employee Incentive Option Plan is set out in Note 21. Directors, including Executive Directors, may not participate in the Employee Incentive Option Plan.

Employee options are not performance related except to the extent that they are awarded at the discretion of the Board in recognition of performance. In the interest of encouraging employee retention, options issued under the Plan vest one year after the date of issue. Therefore, allocation of options under the Plan is subject to the Board's assessment of individual performance and vesting of the options to the employee requires a further twelve months of satisfactory performance subsequent to the date of issue. Options may be forfeited at the discretion of the Board if an individual's performance is considered unsatisfactory or employment ceases.

The Coppermoly Ltd Employee Incentive Option Plan rules contain a restriction on removing the 'at risk' aspect of the options granted to employees. Participants in the Coppermoly Ltd Employee Incentive Option Plan may not enter into derivative transactions with third parties in regard to the options. The Plan does not include any limitation of risk for the option holders. All employees who are issued options under the Plan are given a full copy of the Plan rules.

Coppermoly Ltd Directors' & Officers Option Plan
There are no Directors' & Officers Options on issue as at the date of this report. Options issued to Directors and Officers are subject to the Terms and Conditions of The Directors' & Officers Option Plan and vest at the date of issue. The rules of the Plan preclude the granting of a security interest over the options. Therefore, the participants cannot use the options for any form of mortgage, loan or any other third party interest of any nature. Options issued under the Plan to-date have had significant premiums factored into their exercise prices in order to establish explicit performance criteria. Substantial share price appreciation was required in order for the options to obtain a realisable value. If a Director ceases to hold office, either as a result of suspension or vacation of office, their options are forfeitable, at the discretion of the remaining directors.

The Group has no Board policy in relation to the Directors and Officers limiting their exposure to risk from the share-based compensation granted to them.

(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.

In circumstances where the employment of an Executive Director is terminated without cause six months' salary is payable in lieu of notice. Non-Executive Directors are not eligible to receive any termination payments.

B. Faulkner, Non-Executive Director
- Base Salary, as at 30 June 2014 of $43,700 to be reviewed annually.

M. Howard, Non-Executive Director
- Base Salary, as at 30 June 2014 of $43,700 to be reviewed annually.

M. Gannon, Managing Director / Interim Chairman
- Base salary, inclusive of superannuation, as at 30 June 2014 of $204,844 to be reviewed annually.
- Notice period of six months.

T. Revy, Non-Executive Chairman
- Base Salary of $54,625 reviewed annually.

N. Streltsova, Non-Executive Director
- Base Salary of $43,700 reviewed annually.

S. Uldridge, Non-Executive Director
- Base Salary of $21,850 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.

REMUNERATION REPORT (Audited) (continued)

(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 2014 and 30 June 2013 are set out in the following tables:

2014	Short-term employee benefits		Post-Employment Benefits	Long-term Benefits		Share-based payments		Proportion of remuneration that is performance based %	% of Value of remuneration that consists of options %
Name	Cash salary & fees	Cash Bonus	Super-annuation	Long Service Leave	Termination Benefits	Options	Total		
	$	$	$	$	$	$	$		
Directors									
M. Gannon	228,881	-	21,172	-	-	-	250,053	-	-
B. Faulkner	35,000	-	3,238	-	-	-	38,238	-	-
M. Howard	23,333	-	2,158	-	-	-	25,491	-	-
T. Revy [1] (1 Jul 2013 – 11 Mar 2014)	34,812	-	3,220	-	-	-	38,032	-	-
N. Streltsova [2] (1 Oct 2013 – 11 Mar 2014)	17,850	-	1,651	-	-	-	19,501	-	-
G. Booth [3] (1 Jul 2013 – 13 Nov 2013)	9,778	-	904	-	-	-	10,682	-	-
S. Uldridge [4] (1 Jul 2013 – 14 Aug 2013)	2,419	-	224	-	-	-	2,643	-	-
Total	352,073	-	32,567	-	-	-	384,640		

2013	Short-term employee benefits		Post-Employment Benefits	Long-term Benefits		Share-based payments		Proportion of remuneration that is performance based %	% of Value of remuneration that consists of options %
Name	Cash salary and fees	Cash Bonus	Super-annuation	Long Service Leave	Termination Benefits	Options	Total		
	$	$	$	$	$	$	$		
Directors									
M. Gannon	166,937	-	15,024	-	-	-	181,961	-	-
T. Revy (from 17 May 2013)	6,160	-	554	-	-	-	6,714	-	-
G. Booth (from 18 January 2013)	9,086	-	818	-	-	-	9,904	-	-
B. Faulkner	20,000	-	1,800	-	-	-	21,800	-	-
S. Uldridge (from 30 July 2012)	18,333	-	1,650	-	-	-	19,983	-	-
P. Swiridiuk (1 Jul 2012 – 18 Jan 2013)	56,063	-	-	-	44,625	-	100,688	-	-
D. Brynelsen (1 Jul 2012 – 14 Nov 2012)	7,500	-	-	-	-	-	7,500	-	-
C. Iewago (1 Jul 2012 – 13 Nov 2012)	7,500	-	-	-	-	-	7,500	-	-
Total	291,579	-	19,846	-	44,625	-	356,050		

1. T. Revy resigned as a Director effective 11 March 2014.
2. N. Streltsova resigned as a Director effective 11 March 2014.
3. G. Booth retired as a Director effective 13 November 2013.
4. S. Uldridge resigned as a Director effective 14 August 2013.

REMUNERATION REPORT (Audited) (continued)

(d) Share-based Compensation

Options

Options are granted to Directors and Officers under conditions of the Directors and Officers Option Plan approved by the Shareholders at the 2009 and 2010 Annual General Meetings. Options are granted to other KMP under the Coppermoly Ltd Employee Incentive Option Plan which was approved by the Directors on 17 October 2007. Employee options are not performance related except to the extent that they are issued at the discretion of the Board in recognition of performance. Any options issued to employees under the Employee Incentive Option Plan vest to the employee only when they have achieved one continuous year of service to the entity. If the employee leaves, regardless of whether the options have vested or not, the options may be forfeited at the discretion of the Directors.

The terms of the Coppermoly Ltd Employee Incentive Option Plan are outlined in note 21 to the Financial Statements.

Options are granted under the Plan for no consideration. Options are granted for between 2-5 year periods.

There have been no grant of options affecting remuneration in the previous, this or future reporting periods.

Options granted under the Plans carry no dividend or voting rights.

When exercisable, each option is convertible into one ordinary share of Coppermoly Ltd. Further information on the options is set out in note 21 to the Financial Statements.

No options over ordinary shares were granted, vested, forfeited or expired to a director or key management personnel during the year.

The assessed fair value at grant date of options granted to the individuals is allocated equally over the period from grant date to vesting date, and the amount is included in the remuneration tables in section (c) above. Fair values at grant date are determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, 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.

(e) Options and rights granted as remuneration

There were no options granted during the year ended 30 June 2014.

(f) 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.

(g) Additional disclosures relating to KMP

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

(i) Share holdings

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

2014 Name	Balance at the start of the year Number	Received during the year on the exercise of options Number	Other changes during the year[1] Number	Balance at the end of the year Number
Directors of Coppermoly Ltd				
B. Faulkner	3,243,180	-	2,686,630	5,929,810
M. Howard	-	-	-	-
M. Gannon	908,457	-	1,564,687	2,473,144
T. Revy#	-	-	-	-
G. Booth#	-	-	-	-
S. Uldridge#	2,630,180	-	(2,630,180)	-
N. Streltsova*#	-	-	1,300,180	1,300,180

[1] *Other changes during the year were:*

- *M. Gannon – purchase of shares*
- *B. Faulkner – purchase and sale of shares*
- *S. Uldridge – sale of shares*
- *N. Streltsova – purchase of shares*

** includes 1,300,180 shares held by related parties*

 # Ceased as director/key management personnel

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, are set out below.

2014 **Name**	**Balance at the start of the year**	**Granted during the year as compensation**	**Exercised during the year**	**Expired during the year**	**Other changes during the year[1]**	**Balance at the end of the year**	**Vested and exercisable at the end of the year**
	Number	**Number**	**Number**	**Number**	**Number**	**Number**	**Number**
Directors of Coppermoly Ltd							
B. Faulkner	-	-	-	-	914,393	914,393	914,393
M. Howard	-	-	-	-	-	-	-
M. Gannon	-	-	-	-	406,357	406,357	406,357
T. Revy[#]	-	-	-	-	-	-	-
N. Streltsova[#]	-	-	-	-	-	-	-
G. Booth[#]	-	-	-	-	-	-	-
S. Uldridge[#]	-	-	-	-	-	-	-

[1]Options are listed options attached to rights acquired in the Company's May 2014 entitlements issue. The options expire on 1 July 2015

[#]Ceased as director/key management personnel during the year

(iii) Other transactions with Directors and executives

There were no other transactions with Directors and executives.

END OF REMUNERATION REPORT (Audited)

LOANS TO DIRECTORS AND EXECUTIVES

No loans have been made to Directors of Coppermoly Ltd or the executives of the consolidated entity, including their personally-related entities.

SHARES ISSUED TO DIRECTORS

No ordinary shares of Coppermoly Ltd were granted during or since the end of the financial year to any of the Directors of the Company and consolidated entity as part of their remuneration.

SHARE OPTIONS GRANTED TO DIRECTORS

No options over unissued ordinary shares of Coppermoly Ltd were granted during or since the end of the financial year to any of the Directors of the Company and consolidated entity as part of their remuneration.

SHARES UNDER OPTION

There are no unissued ordinary shares of Coppermoly Ltd under option at the date of this report.

SHARES ISSUED ON THE EXERCISE OF OPTIONS

No ordinary shares of Coppermoly Ltd were issued during the year ended 30 June 2014 on the exercise of options. No shares have been issued from the exercise of options since that date.

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.

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)

	2014 $	2013 $
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 financial statements		
BDO Audit Pty Ltd Australian firm:	37,947	53,012
Sinton Spence Chartered Accountants PNG firm:	6,629	6,552
Total remuneration for audit services	44,576	59,564
2. Other Assurance Services		
BDO Audit Pty Ltd Australian firm:	-	8,500
Sinton Spence Chartered Accountants PNG firm:	3,043	874
Total remuneration for other assurance services	3,043	9,374
Total remuneration for assurance services	47,619	68,938
Taxation Compliance Services		
BDO (QLD) Pty Ltd Australian firm:	3,013	13,725
Sinton Spence Chartered Accountants PNG firm:	780	771
Total remuneration for taxation services	3,793	14,496

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 18.

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.

Michael Howard
Non-executive Director

Bundall, Queensland
26 September 2014

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Fax: +61 7 3221 9227
www.bdo.com.au

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Brisbane QLD 4000,
GPO Box 457 Brisbane QLD 4001
Australia

DECLARATION OF INDEPENDENCE BY ALBERT LOOTS TO THE DIRECTORS OF COPPERMOLY LIMITED

As lead auditor of Coppermoly Limited for the year ended 30 June 2014, 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.

A S Loots
Director

BDO Audit Pty Ltd

Brisbane, 26 September 2014

CORPORATE GOVERNANCE STATEMENT

For the year ended 30 June 2014

In accordance with the Australian Securities Exchange Corporate Governance Council's recommendations the Corporate Governance Statement must contain certain specific information and also report on the Company's adoption of the Council's best practice recommendations on an exception basis, whereby disclosure is required of any recommendations that have not been adopted by the Company, together with the reasons why they have not been adopted. The Corporate Governance Council's best practice recommendations are as follows:

1. Lay solid foundations for Management and oversight.
2. Structure the Board to add value.
3. Promote ethical and responsible decision-making.
4. Safeguard integrity in financial reporting.
5. Make timely and balanced disclosure.
6. Respect the rights of shareholders.
7. Recognise and manage risk.
8. Remunerate fairly and responsibly.

This statement outlines the main Corporate Governance practices that were in place throughout the period, unless otherwise stated.

PRINCIPLE 1: LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

The Board of Directors is accountable to shareholders for the performance of Coppermoly Ltd.

In carrying out its responsibilities the Board undertakes to serve the interests of shareholders, employees and the broader community honestly, fairly, diligently and in accordance with applicable laws.

The respective roles of the Board and Senior Executives are clearly defined.

The Board's responsibilities encompass the following:

1. set the strategic direction of the Group and monitor Management's implementation of that strategy;

2. select and appoint and, if appropriate, remove from office, the Company Secretary and Chief Executive Officer. Determine his/her conditions of service and monitor his/her performance against established objectives;

3. ratify the appointment and, if appropriate, the removal from office of the Chief Financial Officer;

4. monitor financial outcomes and the integrity of reporting; in particular approve annual budgets and longer-term strategic and business plans;

5. set specific limits of authority for Management to commit to new expenditure, enter contracts or acquire businesses without prior Board approval;

6. ensure that effective audit, risk management and compliance systems are in place to protect the Company's assets and to minimise the possibility of the Company operating beyond legal requirements or beyond acceptable risk parameters;

7. monitor compliance with regulatory requirements, including continuous disclosure, and ethical standards;

8. review, on a regular basis, Senior Management succession planning and development; and

9. ensure effective and timely reporting to Shareholders.

The Board delegates to the Chief Executive Officer responsibility for implementing the strategic direction and for managing the day-to-day operations of the Group. The Chief Executive Officer consults with the Chairman, in the first place, on matters which are sensitive, extraordinary or of a strategic nature.

The Board acknowledges that it is responsible for the overall internal control framework. The system is based upon procedures, policies and guidelines and organisation structures that seek to provide an appropriate division of responsibility and the careful selection and training of qualified personnel.

The Board, particularly through the Planning and Operations and Risk Management Committee, sets the strategic direction of the Company with Management and monitors Management's implementation of strategy.

The Planning and Operations and Risk Management Committee consist of the Managing Director, one Non-executive director with a technical background and the Exploration Manager. It meets prior to each Board Meeting (generally at least once every three months). The Committee evaluates past and proposed exploration activities, strategies and results, administration and capital expenditures.

Minutes of the Planning and Operations Committee meetings are copied to the Board.

PRINCIPLE 2: STRUCTURE THE BOARD TO ADD VALUE

Composition of the Board

The full Board determines the Board size and composition, subject to limits imposed by the Company's Constitution. The Constitution provides for a minimum of three Directors and a maximum of ten. Given the Company's background, nature and size of its business and the current stage of its development, the Board is comprised of three Directors, two of whom are Non-Executive. The Board believes that this is both appropriate and acceptable at this stage for the Company's development.

Succession planning for the Board is reviewed regularly by the full Board. In considering potential new Directors to commend to shareholders, the Board seeks to identify candidates with appropriate skills and experience to contribute to effective direction of the Company, who can exercise an independent and informed judgment on matters which come to the Board, and who are free of any business or other relationship that may interfere materially with the exercise of that independent judgment.

The Chairman and Deputy Chairman, if applicable, are elected by the full Board.

Role of Chairman

The Chairman presides over Board and General Meetings of the Company. He has the task of making sure the Board is well informed and effective; that the Directors, individually and as a group, have the opportunity to air differences, explore ideas and generate the collective views and wisdom necessary for the proper operation of the Board and the Company.

The Chairman is responsible for ensuring that the meetings are conducted competently and ethically and is expected to provide effective leadership in formulating the strategic direction for the Group.

He must ensure that General Meetings, too, are conducted efficiently and that shareholders have adequate opportunity to air their views and obtain answers to their queries.

Among the Chairman's other responsibilities are:

1. To see that new Board members are well briefed and have access to information on all aspects of the Company's operations;
2. To be the Board's representative in dealings with Management ensuring that its views are communicated clearly and accurately;
3. To act as the primary counsellor to the Chief Executive Officer; and
4. To represent the views of the Board to the public, governments, etc. on appropriate occasions.

Board Meetings

The Board meets formally at least 4 times a year (in addition to General Meetings of shareholders) and whenever necessary to deal with urgent matters which might arise between scheduled meetings.

Senior members of Management may be requested to attend Board Meetings to present reports on, or seek approvals within, their areas of responsibility. In certain circumstances, Board members may (a) request that aspects of a meeting be held 'in camera' and non-directors will be requested to leave the meeting or (b) agree to hold a separate meeting involving Directors only or Non-Executive Directors only. Non-Executive Directors may meet without the Managing Director when discussing matters pertaining to his performance, salary review, succession planning or other personal matters.

Directors' Independence

The Board reviews annually the independence of Directors having regard to ASX Corporate Governance Council Recommendation 2.1.

Independent Professional Advice

Each Director has the right to seek independent professional advice at the consolidated entity's expense.

Board Performance

The Company uses internal processes to review Board performance. An annual review is completed in relation to the composition and skills mix of the Directors of the Company. Due to the changes to the board no performance review was conducted during the reporting period.

PRINCIPLE 3: PROMOTE ETHICAL AND RESPONSIBLE DECISION MAKING

All Directors, senior executives and other employees are expected to act lawfully, in a professional manner and with the utmost integrity and objectivity in their dealings with shareholders, customers, suppliers, advisors and regulators, competitors, the community and each other in each country where the consolidated entity operates.

The Company has established a Corporate Code of Conduct which is available at www.coppermoly.com.au or by contacting the registered office.

Diversity Policy

The Company has established a Diversity Policy which encourages the bringing together of people of different gender, age, ethnicity and cultural backgrounds who possess a diverse range of experiences and perspectives. The Company's principle activities are carried out in a foreign country with unique cultural and traditional heritage. In PNG the Company employs an entirely PNG National workforce.

The proportion of women employees in the Company, women in senior executive positions and women on the board during the year ended 30 June 2014:

Gender	Total	Senior Management	Board
Female	6	1	1
Male	11	1	6
%Female	35.3%	50.0%	14.3%

The Diversity Policy is available at www.coppermoly.com.au or by contacting the registered office.

PRINCIPLE 4: SAFEGUARD INTEGRITY IN FINANCIAL REPORTING

The Company's CEO and Chief Financial Officer report in writing to the Board that:

- the consolidated financial statements of the Company and its controlled entities for each half and full year present a true and fair view, in all material aspects, of the Company's financial condition and operational results and are in accordance with accounting standards;
- the above statement is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board; and
- the Company's risk management and internal compliance and control framework is operating efficiently and effectively in all material respects.

Audit Committee

An Audit Committee has been established and is documented in a Charter which is approved by the Board of Directors and is available at www.coppermoly.com.au or by contacting the registered office. In accordance with this Charter, all members of the Committee must be Directors, executives of the Company or qualified consultants. The role of the Committee is to advise on the establishment and maintenance of a framework of internal control and appropriate ethical standards for the management of the consolidated entity.

The members of the Audit Committee during the year were Messrs M. Gannon, (Chairman and Director), B. Faulkner (Director) and P. Schultz (CFO). Information on the qualifications of the Directors on the Audit Committee and attendance at Audit Committee meetings are contained in the Directors' Report.

The Audit Committee meets at least twice a year with the Company's External Auditor required to be in attendance.

PRINCIPLE 5: MAKE TIMELY AND BALANCED DISCLOSURE

Continuous Disclosure to ASX

The Company's Continuous Disclosure Policy is available at www.coppermoly.com.au or by contacting the registered office.

The Continuous Disclosure Policy requires all executives and Directors to inform the Managing Director or, in his absence, the Company Secretary of any potentially material information as soon as practicable after they become aware of that information.

PRINCIPLE 6: RESPECT THE RIGHTS OF SHAREHOLDERS

The Company's policy regarding Communication with Shareholders is available at www.coppermoly.com.au or by contacting the registered office.

The Board of Directors aims to ensure that the shareholders are informed of all major developments affecting the consolidated entity's state of affairs.

All announcements and reports submitted to ASX are posted on the Company's website www.coppermoly.com.au.

The Company maintains an investor database to distribute significant announcements by email.

The Company's practice is to invite the auditor to attend the Annual General Meeting and be available to answer shareholder questions about the conduct of the audit and the preparation and content of the auditor's report.

PRINCIPLE 7: RECOGNISE AND MANAGE RISK

A Risk Management Committee has been established. The members of the Committee during the year were M. Gannon (Director), M. Erceg (Exploration Manager), N. Streltsova (Director from 1 Oct 2013 to 11 Mar 2014) and G. Booth (Director to 13 Nov 2013). The Committee meets (at least four times a year) at the same time as the Planning and Operations and Risk Management Committee. The Risk Management Committee reports directly to the Board.

The Company has a Risk Management Policy which is available at www.coppermoly.com.au or by contacting the registered office.

PRINCIPLE 8: REMUNERATE FAIRLY AND RESPONSIBLY

The Board considers that the Company is not currently of a size to justify the formation of a separate Remuneration Committee, therefore the Board as a whole, serves as a Remuneration Committee. The Company's Remuneration Policy is available at www.coppermoly.com.au or by contacting the registered office.

The broad Remuneration Policy is to ensure that remuneration properly reflects the relevant person's duties and responsibilities, and that the remuneration is competitive in attracting, retaining and motivating people of the highest quality. The Board believes that the best way to achieve this objective is to provide Executive Directors and executives with a remuneration package consisting of fixed components and incentives that reflect the person's responsibilities, duties and personal performance.

The remuneration of Non-Executive Directors is determined by the Board as a whole having regard to the level of fees paid to Non-Executive Directors by other companies of similar size in the industry.

The aggregate amount payable to the Company's Non-Executive Directors must not exceed the maximum annual amount approved by the Company's shareholders.

Details of the Company's remuneration policies are contained in the Directors' Report.

CORPORATE GOVERNANCE STATEMENT

ADOPTION OF ASX CORPORATE GOVERNANCE RECOMMENDATIONS

The Company has adopted the ASX Corporate Governance Principles and Recommendations for the whole period, as outlined in the Corporate Governance Statement, with the following exceptions:

Composition of the Board
Council Principle 2: Structure the Board to add value

Council Recommendation 2.2: The Chair should be an independent director:

Managing Director M.J. Gannon was appointed as Interim Chairman on 11 March 2014 and resigned as Managing Director and Interim Chairman on 15 July 2014. He was appointed Interim Chairman while a search for an independent Chair was conducted. The position of Chair has not yet been filled as at the date of this Annual Report.

Council Recommendation 2.4: The Board should establish a nomination committee.

The Board considers that the Company is not currently of a size to justify the formation of a separate Nomination Committee, therefore the Board as a whole, serves as a Nomination Committee. The Company's Policy and Procedure for Nomination and Appointment of Directors is available at www.coppermoly.com.au or by contacting the registered office.

Where necessary, the Nomination Committee seeks advice of external advisors in connection with the suitability of applicants for Board membership.

Integrity of Financial Reporting
Council Principle 4: Safeguard integrity in financial reporting.

Council Recommendation 4.2: Structure the audit committee so that it consists of:

- only Non-Executive Directors;
- a majority of Independent Directors;
- an independent chairperson, who is not chairperson of the Board;
- at least three members.

During the reporting period the Audit Committee included one Executive Director and the CFO. Due to the size and nature of the Company it has not been possible to meet all the recommendations.

Remuneration
Council Principle 8: Remunerate fairly and responsibly

Council Recommendation 8.3: Clearly distinguish the structure of Non-Executive Directors' remuneration from that of Executive Directors and Senior Executives.

The Non-Executive Directors should not receive options or bonus payments.

No Directors currently hold any options however some Non-Executive Directors (none of whom currently remain as Directors) were issued options on 1 December 2009 and 22 November 2010, in accordance with the Directors & Officers Option Plan as approved by shareholders at the 2009 and 2010 Annual General Meetings.

The Directors' & Officers' Option Plan is designed to require the achievement of substantial share price "hurdles" for the options to be of value. Directors' & Officers' options are, therefore, incentive based and will only attain a value in the context of generation of significant benefits to all shareholders.

The Board is of the view that all Directors have the potential to influence strategic direction and achievements of the Company for the benefit of shareholders and believe that the granting of options to Non-Executive Directors is an appropriate method to potentially supplement Non-Executive Directors' cash remuneration and to provide incentive without further use of cash while the Company is reliant upon shareholder funds to operate.

CONTENTS

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

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
Level 1
91 Upton Street
Bundall Qld 4217

A description of the nature of the consolidated entity's operations and its principal activities is included in the in the Directors' Report on pages 2 to 17, both of which are not part of the financial report.

The financial report was authorised for issue by the Directors on 26 September 2014. 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 5592 1001 or e-mail info@coppermoly.com.au.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2014

	Notes	2014 $	2013 $
Revenue	5	9,382	20,761
		9,382	20,761
Depreciation		(36,689)	(55,792)
Employee benefits expense		(443,347)	(331,642)
Exploration expenditure written-off	6, 12	-	(114,971)
Insurances		(37,421)	(47,214)
Corporate compliance and shareholder relations		(161,757)	(161,479)
Office rental, communication and consumables		(62,870)	(54,835)
Net changes in fair value of financial liabilities at fair value through profit or loss		(24,000)	(16,000)
Other expenses		(30,635)	(365,225)
Loss before income tax		(787,337)	(1,126,397)
Research and development income tax refund	7	-	125,991
Net Loss for the year		(787,337)	(1,000,406)
Other comprehensive income			
Items that may be reclassified to the profit or loss			
Exchange differences on translation of foreign operations		(898,962)	30,602
Income tax on items of other comprehensive income		-	-
Other comprehensive income for the year		(898,962)	30,602
Total comprehensive income for the year		(1,686,299)	(969,804)
		Cents	**Cents**
Basic and diluted loss per share	24	(0.33)	(0.61)

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 2014

	Notes	2014 $	2013 $
ASSETS			
Current Assets			
Cash and cash equivalents	8	90,522	243,209
Trade and other receivables	9	18,526	43,583
Total Current Assets		109,048	286,792
Non-Current Assets			
Receivables	10	22,912	16,142
Property, plant and equipment	11	107,738	152,352
Mineral exploration and evaluation assets	12	9,612,723	8,837,060
Total Non-Current Assets		9,743,373	9,005,554
Total Assets		9,852,421	9,292,346
LIABILITIES			
Current Liabilities			
Trade and other payables	13	285,819	214,478
Convertible notes	13	-	226,000
Provisions	14	5,437	44,549
Total Current Liabilities		291,256	485,027
Non-Current Liabilities			
Provisions	15	37,350	18,139
Total Non-Current Liabilities		37,350	18,139
Total Liabilities		328,606	503,166
Net Assets		9,523,815	8,789,180
EQUITY			
Contributed equity	16	14,772,591	12,351,657
Reserves	17	2,355,924	3,254,886
Accumulated losses		(7,604,700)	(6,817,363)
Total Equity		9,523,815	8,789,180

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 2014

	Contributed Equity $	Accumulated Losses $	Share-Based Payments Reserve $	Share Option Reserve $	Foreign Currency Translation Reserve $	Total $
Balance at 30 June 2013	**12,351,657**	**(6,817,363)**	**-**	**2,807,665**	**447,221**	**8,789,180**
Comprehensive income for the year						
Loss for the year	-	(787,337)	-	-	-	(787,337)
Foreign currency translation difference	-	-	-	-	(898,962)	(898,962)
Total Comprehensive Income	-	(787,337)	-	-	(898,962)	(1,686,299)
Transactions with owners in their capacity as owners						
Contributions of equity	2,923,475	-	-	-	-	2,923,475
Costs of share issue	(502,541)	-	-	-	-	(502,541)
Share option expired	-	-	-	-	-	-
Total transactions with owners In their capacity as owners	2,420,934	-	-	-	-	2,420,934
Balance at 30 June 2014	14,772,591	(7,604,700)	-	2,807,665	(451,741)	9,523,815
Balance at 30 June 2012	**11,812,576**	**(5,816,957)**	**1,349,411**	**1,418,254**	**416,619**	**9,179,903**
Comprehensive income for the year						
Loss for the year	-	(1,000,406)	-	-	-	(1,000,406)
Foreign currency translation difference	-	-	-	-	30,602	30,602
Total Comprehensive Income	**-**	**(1,000,406)**	-	**-**	**30,602**	**(969,804)**
Transactions with owners in their capacity as owners						
Contributions of equity	605,984	-	-	40,000	-	645,984
Costs of share issue	(66,903)	-	-	-	-	(66,903)
Share option expired	-	-	(1,349,411)	1,349,411	-	-
Total transactions with owners In their capacity as owners	**539,081**	**-**	**(1,349,411)**	**1,389,411**	**-**	**579,081**
Balance at 30 June 2013	**12,351,657**	**(6,817,363)**	**-**	**2,807,665**	**447,221**	**8,789,180**

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 2014

	Notes	2014 $	2013 $
Cash Flows from Operating Activities			
Cash receipts in the course of operations (incl. GST)		73,742	94,554
Interest received		9,382	15,748
Research and development income tax refund received		-	125,991
Payments to suppliers and employees (incl. GST)		(805,059)	(879,783)
Net cash inflow (outflow) from operating activities	26	(721,935)	(643,490)
Cash Flows From Investing Activities			
Payment for purchase of prospects		(680,000)	-
Payments for exploration and evaluation activities		(948,717)	(668,570)
Security deposits recovered / (paid)		(8,095)	(2,799)
Payments for property, plant and equipment		(5,878)	(848)
Net cash inflow (outflow) from investing activities		(1,642,690)	(672,217)
Cash Flows From Financing Activities			
Proceeds from issues of shares and options		2,923,475	566,500
Cost of share and option issues		(467,375)	(16,818)
Proceeds from the issue of convertible notes		-	250,000
Repayment of convertible notes		(250,000)	-
Proceeds from borrowings		24,609	-
Repayment of borrowings		(16,439)	-
Net cash inflow (outflow) from financing activities		2,214,270	799,682
Net increase/(decrease) in cash and cash equivalents		(150,355)	(516,025)
Cash and cash equivalents at the beginning of the financial year		243,209	759,259
Exchange difference on cash		(2,332)	(25)
Cash and cash equivalents at the end of the financial year	8	90,522	243,209

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 Level 1, 91 Upton St, Bundall, 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).

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 $787,337 for the year ended 30 June 2014. As at 30 June 2014 the Group had cash reserves of $90,522, a working capital deficit of $182,208 and net assets of $9,523,815. The company has not generated revenues from operations. The Group has committed to re-acquire Barrick (PNG Exploration) Ltd's ("Barrick") interest in the tenements EL1043, EL1445 and EL1077 for a total amount of $5,000,000 in staged payments over the period ending in 2018 in addition to its exploration commitments under its other licences. Refer note 12 for further details on the required payments to reacquire the tenements from Barrick.

The Group also renegotiated with Barrick to allow the Group to repay all or part of the second payment due by issuing fully paid ordinary shares in Coppermoly Ltd and deferring the bulk of this payment until 30 November 2014.

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; and
- the successful exploration and subsequent exploitation 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; 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 2014 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 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 30%.

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 assets

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) Convertible notes

Convertible notes are recognised initially at fair value and attributable transaction costs are recognised in profit or loss when incurred. Subsequent to initial recognition any changes in fair value at each balance date are recognised in profit or loss.

(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.

(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 are provided to directors and employees. Information relating to share-based payments is set out in note 21.

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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(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) Accounting standards issued not yet effective

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2014 reporting periods. The Group has decided against early adoption of these standards. The Group's assessment of the impact of these new standards and interpretations is set out below:

AASB 9 Financial Instruments

This standard and its consequential amendments are currently applicable to annual reporting periods beginning on or after 1 January 2017. This standard introduces new classification and measurement models for financial assets, using a single approach to determine whether a financial asset is measured at amortised cost or fair value. To be classified and measured at amortised cost, assets must satisfy the business model test for managing the financial assets and have certain contractual cash flow characteristics. All other financial instrument assets are to be classified and measured at fair value. This standard allows an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading) in other comprehensive income, with dividends as a return on these investments being recognised in profit or loss. In addition, those equity instruments measured at fair value through other comprehensive income would no longer have to apply any impairment requirements nor would there be any 'recycling' of gains or losses through profit or loss on disposal. The accounting for financial liabilities continues to be classified and measured in accordance with AASB 139, with one exception, being that the portion of a change of fair value relating to the entity's own credit risk is to be presented in other comprehensive income unless it would create an accounting mismatch. The Group does not expect any material impacts when the standard is adopted.

(u) 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)

(v) New and amended standards and interpretations

The Group adopted the following new Accounting Standard and Interpretations during the year:

- AASB 10 Consolidated Financial Statements, AASB 11 Joint Arrangements, AASB 12 Disclosure of Interests in Other Entities, AASB 128 Investments in Associates and Joint Ventures, AASB 127 Separate Financial Statements and AASB 2011-7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards;
- AASB 2012-10 Amendments to Australian Accounting Standards – Transition Guidance and other Amendments which provides an exemption from the requirement to disclose the impact of the change in accounting policy on the current period;
- AASB 13 Fair Value Measurement and AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13;
- AASB 119 Employee Benefits (September 2011) and AASB 2011-10 Amendments to Australian Accounting Standards arising from AASB 119 (September 2011)
- AASB 2012-5 Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle, and; and
- AASB 2012-2 Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities.

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 and Bankwest.

(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

	2014 $	2013 $
Current assets	109,048	286,792
Current liabilities	291,256	485,027
Surplus / (deficit)	(182,208)	(198,235)

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 $
2014				
Trade and other payables	285,819	285,819	285,819	-
Convertible notes	-	-	-	-
2013				
Trade and other payables	214,478	214,478	214,478	-
Convertible notes	226,000	250,000	250,000	-

(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:

	2014 $	2013 $
Financial Assets		
Cash and cash equivalents	90,522	243,209
Trade and other receivables	-	-
	90,522	243,209
Financial Liabilities		
Trade and other payables	-	-
Convertible notes	-	-
	-	-
Net exposure	90,522	243,209

Sensitivity Analysis		Interest Rate Risk		Interest Rate Risk	
June 2014		- 1%		+ 1%	
	Carrying amount	Profit	Equity	Profit	Equity
	$	$	$	$	$
Financial Assets					
Cash and cash equivalents	90,522	(905)	(905)	905	905
Total increase / decrease	-	(905)	(905)	905	905

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

Sensitivity Analysis		Interest Rate Risk		Interest Rate Risk	
June 2013		- 1%		+ 1%	
	Carrying amount	Profit	Equity	Profit	Equity
	$	$	$	$	$
Financial Assets					
Cash and cash equivalents	243,209	(2,432)	(2,432)	2,432	2,432
Total increase / decrease	-	(2,432)	(2,432)	2,432	2,432

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.

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:

	2014 Kina	2013 Kina
Financial Assets		
Cash and cash equivalents	40,986	47,638
Trade and other receivables	45,768	47,263
	86,755	94,901
Financial Liabilities		
Trade and other payables	131,432	51,836
	131,432	51,836
Net exposure	(44,678)	43,065

Sensitivity Analysis		**Foreign Exchange Risk**			
June 2014		**- 10%**		**+ 10%**	
	Carrying amount	**Profit**	**Equity**	**Profit**	**Equity**
	$	**$**	**$**	**$**	**$**
Financial Assets and Liabilities					
Net exposure	(19,079)	1,908	1,908	(1,908)	(1,908)

Sensitivity Analysis		**Foreign Exchange Risk**			
June 2013		**- 10%**		**+ 10%**	
	Carrying amount	**Profit**	**Equity**	**Profit**	**Equity**
	$	**$**	**$**	**$**	**$**
Financial Assets and Liabilities					
Net exposure	20,473	(2,047)	(2,047)	2,047	2,047

(f) Fair value measurements

AASB 7 *Financial Instruments: Disclosures* requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

(i) quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
(ii) inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (level 2); and
(iii) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

NOTE 2 FINANCIAL RISK MANAGEMENT (continued)

(f) Fair value measurements (continued)

Level 3 Investments: Inputs for the asset or liability that are not based on observable market data (unobservable inputs)

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for the convertible notes.

Valuation techniques such as discounted cash flow analysis, are used to determine fair value for the Convertible Notes. Changing one or more of the inputs to reasonably possible alternative assumptions would not change fair value significantly.

Total realised and unrealised losses for the period included in profit and loss that relate to financial liabilities held at fair value through profit or loss at the end of the reporting period were $24,000 (2013: $16,000). The convertible notes were initially recognized at $210,000. Total realised and unrealised losses for the period included in profit and loss that relate to financial liabilities held at fair value through profit or loss at the end of the reporting period were $24,000 (2013: $16,000), resulting in a closing value of $250,000 that was then repaid in full prior to 30 June 2014.

There were no transfers between the fair value measurement hierarchy levels during the 2013 or 2014 financial years. In 2014 $24,000 was recognised in profit or loss as a fair value movement relating to the convertible notes classified as at fair value through profit or loss.

Net Fair Values

The net fair values of financial assets and liabilities approximate their carrying value. No financial assets or liabilities are readily traded on organised markets in standardised form.

(g) 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 12 - 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

	2014 $	2013 $
ASSETS		
Current Assets	89,082	255,177
Non-Current Assets	9,706,552	9,011,431
Total Assets	9,795,634	9,266,608
LIABILITIES		
Current Liabilities	234,655	459,390
Non-Current Liabilities	37,163	18,038
Total Liabilities	271,818	477,428
Net Assets	9,523,816	8,789,180
EQUITY		
Contributed equity	14,772,591	12,351,657
Reserves		
- Unlisted options	40,000	40,000
- Share option reserve	2,767,665	2,767,665
Accumulated losses	(8,056,440)	(6,370,142)
Total Equity	9,523,816	8,789,180
Net Profit (Loss) for the year	(1,686,299)	(1,180,433)
Total comprehensive income for the year	(1,686,299)	(1,180,433)

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, commitments and contingencies as at 30 June 2014 and 2013.

NOTE 5 REVENUE

	2014	2013
Interest income – unrelated parties	9,382	11,724
Other – rental income	-	9,037
	9,382	20,761

NOTE 6 EXPENSES

Loss before income tax includes the following specific expenses:

	2014	2013
Depreciation	36,689	55,792
Current year exploration expenditure written-off	-	65,261
Capitalised exploration expenditure written-off	-	49,710
	-	114,971
Net loss on disposal of property, plant and equipment	85	7,504
Rental expenses on operating leases – minimum lease payments	26,293	31,150
Defined contribution superannuation expense	52,957	32,995

NOTE 7 INCOME TAX

	2014	2013
	$	$
(a) The prima facie tax on loss before income tax is reconciled to the income tax as follows:		
Loss before income tax expense	(787,337)	(1,126,397)
Tax at the Australian (and PNG) tax rate of 30%	(236,201)	(337,919)
Non-deductible expenses	7,200	-
Deferred tax assets not recognised	(799,223)	303,682
Temporary differences on deferred tax assets recognised in equity	(51,962)	(81,727)
Research and Development Tax Concession refund	-	(125,991)
Prior year over/under provision	1,080,186	115,964
Income tax expense / (benefit)	-	(125,991)

(b) Unrecognised deferred tax assets

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

	2014	2013
Unused tax losses for which no deferred tax asset has been recognised	11,241,373	13,901,830
Deductible temporary differences	(884,007)	(1,209,700)
Potential benefit at gross	10,357,367	12,692,130
Potential benefit at 30% (2013: 30%)	3,107,210	3,807,639

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

	2014	2013
Cash at bank and on hand	90,522	243,209
	90,522	243,209

NOTE 9 CURRENT ASSETS: TRADE AND OTHER RECEIVABLES

	2014	2013
Other receivables	2,463	7,891
Prepayments	16,063	35,692
	18,526	43,583

NOTE 10 NON-CURRENT ASSETS: RECEIVABLES

	2014	2013
Deposits – tenements and premises	22,912	16,142
	22,912	16,142

NOTE 11 NON-CURRENT ASSETS: PROPERTY, PLANT AND EQUIPMENT

	2014	2013
	$	$
Plant and Equipment		
Plant and equipment at cost	510,149	557,155
Less accumulated depreciation	(402,411)	(404,803)
	107,738	152,352

Reconciliation
Reconciliation of the carrying amount of property, plant and equipment at the beginning and end of the financial year is set out below:

	2014	2013
Carrying amount at the beginning of the financial year	152,352	216,410
Additions	5,921	864
Disposals	(85)	(7,805)
Depreciation expense	(36,689)	(55,792)
Foreign currency exchange differences	(13,761)	(1,325)
Carrying amount at the end of the financial year	107,738	152,352

NOTE 12 MINERAL EXPLORATION AND EVALUATION ASSETS

	2014	2013
Papua New Guinea		
Balance at the beginning of the financial year	8,837,060	8,308,716
Capitalised exploration expenditure	1,674,578	561,090
Capitalised exploration expenditure written-off	-	(49,710)
Foreign currency exchange differences	(898,915)	16,964
Balance at the end of the financial year	9,612,723	8,837,060

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.

West New Britain Project Exploration Licences

In October 2009 the Group signed a Letter Agreement with Barrick (PNG Exploration) Limited (**Barrick**) to sole fund $20 million to earn up to 72% interest in Coppermoly Limited's tenements (Mt Nakru, Simuku and Talelumas) (**WNB Projects**) on the island of New Britain in Papua New Guinea. Barrick earned 72% equity in January 2012 and in May 2012 advised Coppermoly of its intention to divest its interest in the WNB Projects. Total expenditure by Barrick (PNG Exploration) Limited to 30 June 2014 was approximately $25,500,000 (2013: $25,500,000).

Reacquisition deed

On 25 June 2013 Coppermoly completed a Reacquisition Deed with Barrick which enables Coppermoly to reacquire Barrick's 72% by making the following payments:

(i) AUD$1,000,000 on 14 August 2013 to acquire 23%, taking Coppermoly to 51% (Barrick 49%). This payment can be extended to 30 September 2013 (with nominal interest being payable during the period of the extension);
(ii) AUD$1,000,000 on 31 July 2014 to acquire a further 21%, taking Coppermoly to 72% (Barrick 28%); and
(iii) AUD$3,000,000 payable upon the announcement of feasibility or by 31 July 2018, whichever occurs earlier, taking Coppermoly to 100%.

It was a condition precedent of the Reacquisition Agreement, which could only be waived by Coppermoly, that Coppermoly successfully raise $2 million by 14 August 2013. On 13 August 2013 the Company gave notice to Barrick extending the 'Conditions Date' for the reacquisition agreement to 30 September 2013 per the terms of the agreement.

On 9 September 2013 Coppermoly completed an Entitlement Offer and raised $1,454,428 net of costs. In September 2013 Barrick agreed to vary the original agreement to change the first payment from $1M to $680,000 payable 10-15 business days after 30 September 2013 and the second payment from $1M to $1.332M including $11,836 of interest from extending the payment of the first payment to 30 September 2013. On 8 October 2013 Coppermoly made the varied first payment of $680,000 to Barrick and regained 23% interest of the WNB Projects taking its interest to 51%.

On 23 June 2014 Barrick again agreed to vary the original agreement to change the terms for the second payment now due under the Reacquisition Agreement. The new terms allow Coppermoly to issue shares to Barrick, either in part or whole, as satisfaction of the 2nd payment, subject to certain conditions. The June 2014 variation also allows Coppermoly to defer any residual of the second payment not satisfied within 10-15 days of 31 July 2014 until 30 November 2014. The residual payment can also be satisfied wholly or partly by issuing shares, subject to certain conditions.

On 31 July 2014 Coppermoly elected to issue 1 million shares to Barrick in part satisfaction of the second payment due under the Reacquisition Agreement. This left a residual of $1,317,836 to be settled in shares and/or cash by 30 November 2014. Coppermoly issued the 1 million shares on 15 August 2014 and acquired an additional 21% interest from Barrick, taking Coppermoly to a 72% interest in the West New Britain Projects.

NOTE 12 MINERAL EXPLORATION AND EVALUATION ASSETS (continued)

Australia	**2014 $**	**2013 $**
Balance at the beginning of the financial year	-	-
Expenditure during the year	-	62,526
Expenditure written off	-	(62,526)
Balance at the end of the financial year	-	-

The Esk Trough Farm-In Agreement has been terminated in August 2012. All exploration expenditure for Esk Trough has been written-off because having met the minimum expenditure requirements of the agreement with ActivEX Limited, Coppermoly resolved not to proceed with the farm-in to the Esk Trough Project.

NOTE 13 CURRENT LIABILITIES: TRADE AND OTHER PAYABLES AND CONVERTIBLE NOTES

	2014 $	**2013 $**
Trade and other payables		
Unsecured:		
Trade creditors	145,145	19,314
Other creditors	140,674	195,164
	285,819	214,478
Convertible Notes		
Unsecured:		
Convertible notes	-	226,000
	-	226,000

The terms of the convertible notes are as follows:

Issue Date:	22 January 2013
Maturity Date:	21 January 2014
Note Face Value:	Two convertible notes each with a face value of $125,000.
Conversion Price:	Convertible into ordinary shares at the lower of the issue price of the first rights issue undertaken after the exercise of the Deed or $0.033 cents per share.
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.
Unlisted Options	In conjunction with the convertible notes each noteholder was issued with 1,000,000 unlisted options to acquire shares at an exercise price of $0.05 per option. The options will expire on 4 February 2016. The unlisted options were valued at $40,000 on issue date. They have been valued using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, 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.
Interest	The convertible notes are interest free.

The convertible notes are presented in the balance sheet as follows:

Face value of notes issued	226,000	250,000
Other equity securities – value of options issued	-	(40,000)
	226,000	210,000
Fair value movement of convertible note liability	24,000	16,000
Repayment of convertible note	(250,000)	-
Convertible note liability	-	226,000

NOTE 14 CURRENT LIABILITIES: PROVISIONS

	2014 $	2013 $
Annual Leave	5,437	44,549
	5,437	44,549

NOTE 15 NON-CURRENT LIABILITIES: PROVISIONS

	2014 $	2013 $
Long Service Leave	37,350	18,139
	37,350	18,139

NOTE 16 CONTRIBUTED EQUITY

	2014 Shares	2013 Shares	2014 $	2013 $
a) Paid Up Capital				
Ordinary shares – fully paid – no par value	286,837,649	175,082,816	14,772,591	12,351,657

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 2012	Balance	159,499,525		11,812,576
21 Nov 2012	Shares issued in lieu of salary [1]	363,620	0.035	12,688
4 Dec 2012	Shares issued in lieu of salary, directors fees and consulting fees [1]	724,217	0.037	26,796
9 Jan 2013	Private Placement	4,545,454	0.033	150,000
8 Feb 2013	Private Placement	6,250,000	0.040	250,000
27 Jun 2013	Private Placement	3,700,000	0.045	166,500
	Less costs of raising capital			(66,903)
30 Jun 2013	Balance	175,082,816		12,351,657
26 Aug 2013	Non-renounceable Rights Issue	630,815	0.045	28,387
26 Aug 2013	Non-renounceable Rights Issue issued to Underwriter	35,342,331	0.045	1,590,404
31 Dec 2013	Private Placement	52,737,609	0.016	843,802
15 Apr 2014	Private Placement	12,925,000	0.020	258,500
27 May 2014	Non-renounceable Rights Issue	10,119,078	0.020	202,382
	Less costs of raising capital			(502,541)
		286,837,649		14,772,591

[1] Shares issued in lieu of salary, directors fees and consulting fees:

Date	Name	Number of Shares	Issue Price $	$
21 Nov 2012	M Gannon	363,620	*0.035*	12,688
4 Dec 2012	M Gannon	93,587	*0.037*	3,462
4 Dec 2012	B Faulkner	180,180	*0.037*	6,667
4 Dec 2012	S Uldridge	180,180	*0.037*	6,667
4 Dec 2012	P Swiridiuk	270,270	*0.037*	10,000

NOTE 16 CONTRIBUTED EQUITY (continued)

(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 2014	No. of Options 2013
The number of unissued ordinary shares relating to options not exercised at year end:		
Over shares in the Parent Entity:		
Unlisted Options exercisable at 5 cents, expiry 4 February 2016	2,000,000	2,000,000
Unlisted Options exercisable at 5 cents, expiry 1 July 2015	4,308,329	-
Listed Options exercisable at 5 cents, expiry 1 July 2015	3,373,008	-
	9,681,337	2,000,000

(e) Option Issues

Date	Details	Number of Options	Exercise Price	Expiry Date
2014	Unlisted Options	4,308,329	$0.05	1 Jul 2015
	Listed Options	3,373,008	$0.05	1 Jul 2015
2013	Unlisted Options	2,000,000	$0.05	4 Feb 2016

(f) Option Exercise

No options were exercised during the financial years 2013 and 2014.

(g) Option Expiry

No listed options expired during the financial years 2013 and 2014.
No unlisted Employee and Directors' options expired during the financial year (2013: 13,975,000).

NOTE 17 RESERVES

Refer to Statement of Changes in Equity for amounts in Reserves

Nature and purpose of reserves

(i) Share-based payments reserve

The share-based payments reserve is used to recognise the fair value of options granted as part of remuneration but not exercised. Refer note 21.

(ii) Share Option Reserve

The share option reserve represents accumulation of option premium paid on issuing listed options and the value of expired options.

During the financial year:
- 4,308,329 unlisted options were issued pursuant to private placements.
- 3,373,008 listed options were issued pursuant to a non-renounceable rights issue.

(iii) 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 of.

NOTE 18 COMMITMENTS

	2014 $	2013 $
(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	36,400	103,003
Later than 1 year but not later than 5 years	359,400	-
	395,800	103,003
(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	37,490	15,213
Later than 1 year but not later than 5 years	11,116	-
	48,606	15,213
(c) Capital Commitments		
Payments required under the Barrick Re-acquisition Agreement [1]:		
Not later than 1 year	1,331,836	1,000,000
Later than 1 year but not later than 5 years	3,000,000	1,000,000
	4,331,836	2,000,000

1. Refer to note 12 for details of Capital Commitments due to Barrick.

NOTE 19 SUBSEQUENT EVENTS

Election to Issue Shares under Amended Barrick Reacquisition Agreement

On 31 July 2014 Coppermoly elected to partly satisfy the second payment due to Barrick under its reacquisition agreement (**Second Purchase Price**) by issuing 1,000,000 fully paid ordinary shares in Coppermoly (**Shares**) to Barrick (or its nominee) (**First Election**). The shares were issued on 15 August 2014.

The issue price of the Shares issued under the First Election was $0.014, being a 10% discount to the VWAP of Coppermoly's Shares over the 30 calendar days preceding the date of the First Election.

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

On 15 August 2014 Coppermoly acquired an additional 21% interest from Barrick after the issue of the Shares issued under the First Election, taking Coppermoly to a 72% interest in the West New Britain Project.

Loan Agreement

In July 2014 the Group entered into a bridging loan with its major shareholder, Jelsh Holdings Pty Ltd, for the sum of $500,000 (**Bridging Loan**).

The Bridging Loan has been provided on an unsecured basis and provides Coppermoly with additional interim financing which is intended to be used for general working capital purposes.

The Bridging Loan is repayable by Coppermoly on or before 16 December 2014 and attracts interest of 6.5% per annum (subject to additional default interest applying in the event of non-repayment), and may be repaid early by Coppermoly without penalty or additional fees.

NOTE 20 KEY MANAGEMENT PERSONNEL DISCLOSURES

	2014 $	2013 $
Key management personnel compensation:		
Short-term employee benefits:		
Cash and accrued salary / directors fees	352,073	291,579
Post-employment benefits	32,567	19,846
Termination benefits	-	44,625
	384,640	356,050

NOTE 21 SHARE-BASED PAYMENTS

(a) Coppermoly Ltd Employee Incentive Option Plan

Under the plan the Directors of the Company ("Directors") may issue options to subscribe for shares in the Company to current part time or full time employees of the Company or of an Associated Body Corporate. However, no options are to be issued to Directors of the Company pursuant to the Plan.

Each option entitles the holder to subscribe for one fully paid ordinary share in the capital of the Company.

The options are exercisable from one year after the date of issue until the expiry date. The options shall expire at 5.00 p.m. eastern standard time, on the date determined by the Directors at the time of issue ("expiry date"). Options may only be exercised in multiples of 5,000, unless exercising all the holder's remaining options. Any options not exercised by the expiry date shall lapse.

The exercise price of each option will be 110% of the average of the market closing price for Company ordinary shares over the 5 business days prior to the day on which options are issued (rounded up to the nearest full cent) or a greater price determined by the Directors. The amount calculated by that average is to be advised to employees at the time of issue of the options.

Exercise of the options is affected by delivery of a Notice of Exercise to the registered office of the Company together with payment of the exercise price of the options. Shares will be issued pursuant to the exercise of the options not more than 14 days after receipt by the Company from the option holder of the Notice and the exercise price in respect of the options.

NOTE 21 SHARE-BASED PAYMENTS (continued)

(a) Coppermoly Ltd Employee Incentive Option Plan (continued)

Options may not be exercised if the effect of such exercise and subsequent allotment of shares would be to create a holding of less than a marketable parcel of ordinary shares unless the allottee is already a shareholder of the Company at the time of exercise.

Options are not transferable. Application will not be made to Australian Securities Exchange Limited ("ASX") for their Official Quotation.

All shares issued upon exercise of the options and payment of the exercise price will rank pari passu in all respects with the Company's then existing ordinary fully paid shares. The Company will apply for Official Quotation by ASX Limited of all shares issued upon exercise of the options.

There are no participating rights or entitlements inherent in the options and the options will not be entitled to participate in new issues of capital offered to shareholders during the currency of the options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the books closing date will be at least 7 business days after the issue is announced.

This will give optionholders the opportunity to exercise their options prior to the date for determining entitlements to participate in any such issue.

In the event of any reconstruction, including a consolidation, sub-division, reduction or return of the issued capital of the Company prior to the expiry date, the number of options to which each holder is entitled or the exercise price of the options or both will be reconstructed as appropriate in a manner which is in accordance with the Listing Rules then applying and which will not result in any benefits being conferred on optionholders which are not conferred on shareholders, subject to such provisions with respect to the rounding of entitlements as may be sanctioned by the meeting of shareholders approving the reconstruction of capital, but in all other respects the terms of exercise of the options will remain unchanged.
If an optionholder under this Plan ceases to be substantially involved with the Company, the Directors, at their discretion may cancel all or part of the holder's options obtained under this plan after giving the holder 60 days' notice of their intention to do so.

Set out below are summaries of options granted under the plan:

Grant Date	Expiry Date	Exercise Price	Balance at start of the year	Granted during the year	Exercised during the year	Forfeited during the year	Expired during the year	Balance at end of the year	Exercisable at end of the year
			Number	Number	Number	Number	Number	Number	Number
2014									
N/A	N/A	N/A	-	-	-	-	-	-	-
		Total	-	-	-	-	-	-	-
Weighted average exercise price			-	-	-	-	-	-	-
2013									
05 Oct 2009	05 Oct 2012	$0.10	475,000	-	-	(150,000)	(325,000)	-	-
		Total	475,000	-	-	(150,000)	(325,000)	-	-
Weighted average exercise price			$0.10	-	-	$0.10	$0.10	-	-

Weighted average remaining contractual life: 0 months from 1 July 2014 (0 months from 1 July 2013).

All options granted to employees on 5 October 2009 vested on 5 October 2010.

No shares were issued as a result of the exercise of options by employees during the year ended 30 June 2014.

(b) Coppermoly Ltd Directors' & Officers' Options Plan

Each Option issued under the plan entitles a Holder to subscribe for one Share at the Exercise Price.

The Options are exercisable at any time during the Exercise Period.

Options may be exercised by the Holder delivering to the registered office of the Company:

(i) a Notice of Exercise signed by the Holder;
(ii) the Certificate for those Options; and
(iii) a cheque payable to the Company (or another form of payment acceptable to the Company) in the amount of the product of the number of Options then being exercised by the Holder and the Exercise Price.

NOTE 21 SHARE-BASED PAYMENTS (continued)

(b) Coppermoly Ltd Directors' & Officers' Options Plan (continued)

A Holder may only exercise Options in multiples of 50,000 Options, unless the Holder exercises all Options covered by a Certificate able to be exercised by him or her at that time.

The exercise by a Holder of only some of the Options held by the Holder does not affect the Holder's right to exercise at a later date other Options held by the Holder.

Within 10 Business Days of receiving a Notice of Exercise, the Company must issue the Exercised Option Shares to the Holder and do or cause to be done any other act or thing that is necessary to issue the Exercised Option Shares to the Holder.

The Company is not obliged to issue Exercised Option Shares on exercise of Options until any cheque received in payment of the Exercise Price has been honoured on presentation.

If a Holder submits a Notice of Exercise in respect of only part of the Options covered by a Certificate, the Company must issue a Certificate stating the remaining number of Options held by the Holder.

The Shares issued on the exercise of the Option will rank equally in all respects as from the date of issue of those Shares with all existing ordinary shares in the capital of the Company.

If a Holder fails to exercise any Options registered in the Holder's name before 5.00 pm on the Expiry Date, those Options that the Holder has not exercised lapse and all rights of the Holder in respect of those Options cease.

If the Shares are listed on ASX, the Company will apply for quotation of the Exercised Option Shares in accordance with the Listing Rules.

There are no participating rights or entitlements inherent in the Options and they will not be entitled to participate in any new issue to shareholders of the Company during the currency of the Options.

If a Holder ceases to hold office as a Director of the Company, the Directors, at their discretion may cancel all or part of the Holder's Options by giving the Holder 30 days' notice in writing of the cancellation. Any unexercised Options will be cancelled at the expiry of that 30 days' notice.

If there is any reorganisation of the capital of the Company including, without limitation, a consolidation or subdivision of any of the issued capital of the Company, or a pro rata bonus issue of Shares the Options must be reorganised in the way required under the Listing Rules.

The rights of the Holder may be changed to comply with the Listing Rules applying to a reorganisation of capital at the time of the reorganisation.

Set out below are summaries of options granted to Directors and Officers:

Coppermoly Ltd Directors' & Officers' Options

Grant Date	Expiry Date	Exercise Price	Balance at start of the year Number	Granted during the year Number	Exercised during the year Number	Forfeited during the year Number	Expired during the year Number	Balance at end of the year Number	Exercisable at end of year Number
2014									
N/A	N/A	N/A	-	-	-	-	-	-	-
		Total	-	-	-	-	-	-	-
Weighted average exercise price			-	-	-	-	-	-	-
2013									
01 Dec 2009	01 Dec 2012	$0.19	3,500,000	-	-	-	(3,500,000)	-	-
01 Dec 2009	01 Dec 2012	$0.23	3,500,000	-	-	-	(3,500,000)	-	-
22 Nov 2010	01 Dec 2012	$0.19	6,500,000	-	-	-	(6,500,000)	-	-
		Total	13,500,000	-	-	-	(13,500,000)	-	-
Weighted average exercise price			$0.20	-	-	-	$0.20	-	-

Weighted average remaining contractual life: 0 months from 1 July 2014 (0 months from 1 July 2013).

All options granted to Directors and Officers as at 30 June 2014 vested at the grant date.

No shares were issued as a result of the exercise of options by Directors or Officers during the year ended 30 June 2014.

NOTE 21 SHARE-BASED PAYMENTS (continued)

(c) Expenses arising from share-based payment transactions

There were no expenses arising from share-based payment transactions during the period in profit or loss or capital raising costs (2013: Nil).

(d) Fair value

Fair values at grant date are 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, expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option.

No options were granted in 2013 or 2014.

NOTE 22 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	2014	23,080	9,720,293
	2013	26,573	8,978,981

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 23 AUDITORS' REMUNERATION

	2014 $	2013 $
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:	37,947	53,012
Sinton Spence Chartered Accountants PNG firm:	6,629	6,552
Total remuneration for audit services	44,576	59,564
2. Other Assurance Services		
BDO Audit Pty Ltd Australian firm:	-	8,500
Sinton Spence Chartered Accountants PNG firm:	3,043	874
Total remuneration for other assurance services	3,043	9,374
Total remuneration for assurance services	47,619	68,938
Taxation Services		
BDO (QLD) Pty Ltd Australian firm:	3,013	13,725
Sinton Spence Chartered Accountant PNG firm:	780	771
Total remuneration for taxation services	3,793	14,496

NOTE 24 EARNINGS PER SHARE ("EPS")

	2014	2013
Basic and diluted earnings (losses) per share (cents per share)	(0.33)	(0.61)
Loss used in calculating basic and diluted earnings per share is the net loss for the year.	$787,337	$1,000,406
	No.	No.
Weighted average number of shares used in the calculation of the basic and diluted EPS	235,431,765	164,778,973
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.	9,681,337	2,000,000

NOTE 25 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 EL1043 (Nakru) and EL1077 (Simuku) through the purchase of all of the issued capital of Macmin (PNG) Limited (being a wholly owned subsidiary of Macmin NL).

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.

NOTE 26 RECONCILIATION OF LOSS AFTER INCOME TAX TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2014 $	2013 $
Reconciliation of loss after income tax to net cash inflow from operating activities		
Profit / (loss) after income tax	(787,337)	(1,000,406)
- Impairment of exploration expenditure	-	114,971
- Loss/(gain) on disposal of fixed assets	85	7,504
- Depreciation expense	36,689	55,792
- Non-cash employee benefits expense – shares issued in lieu of salary, directors fees and consulting fee	-	39,484
- Net exchange differences	(358)	(353)
Change in operating assets and liabilities:		
- Payables and provisions	6,482	127,820
- Trade and other receivables	1,954	12,889
- Prepayments	20,549	(1,191)
Net cash inflow / (outflow) from operating activities	(721,935)	(643,490)

NOTE 27 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 2014 %	Equity Holding 2013 %
Copper Quest PNG Ltd	PNG	Ordinary	100	100

NOTE 28 NON-CASH FINANCING AND INVESTING ACTIVITIES

There were no such activities during the 2014 financial year (2013: $79,484)

Shares issued in lieu of salary, directors fees and consulting fees:

Date	Name	Number of Shares	Issue Price $	$
21 Nov 2012	Shares issued in lieu of salary	363,620	0.035	12,688
4 Dec 2012	Shares issued in lieu of salary, directors fees and consulting fees	724,217	0.037	26,796
		1,087,837		39,484

On 22 January 2013 the Company issued the following unlisted options in conjunction with the convertible notes issued on the same day:

Issued to	Number of Options	Exercise Price	Expiry Date	Black-Scholes Valuation
Mitchell River Group Pty Ltd	1,000,000	$0.05	4 Feb 2016	$ 20,000
Aviva Corporation Limited	1,000,000	$0.05	4 Feb 2016	$ 20,000
	2,000,000			$ 40,000

DIRECTORS' DECLARATION

In the Directors' opinion:

(a) the financial statements and notes set out on pages 29 to 52 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 2014 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 10 to 15 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.

Michael Howard
Non-executive Director

Bundall, Queensland
26 September 2014

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INDEPENDENT AUDITOR'S REPORT

To the members of Coppermoly Limited

Report on the Financial Report

We have audited the accompanying financial report of Coppermoly Limited, which comprises the consolidated statement of financial position as at 30 June 2014, 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, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility 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 Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Coppermoly Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion:

(a) the financial report of Coppermoly Limited is in accordance with the *Corporations Act 2001*, including:

   (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2014 and of its performance for the year ended on that date; and

   (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

(b) the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1.

Emphasis of matter

Without modifying our opinion, we draw attention to Note 1 in the financial report, which indicates that the ability of the consolidated entity to continue as a going concern is dependent upon the future successful raising of necessary funding through equity, successful exploration and subsequent exploitation of the consolidated entity's tenements, and/or sale of non-core assets. These conditions, along with other matters as set out in Note 1, indicate the existence of a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 10 to 15 of the directors' report for the year ended 30 June 2014. 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.

Opinion

In our opinion, the Remuneration Report of Coppermoly Limited for the year ended 30 June 2014 complies with section 300A of the *Corporations Act 2001*.

BDO Audit Pty Ltd

BDO

A S Loots

Director

Brisbane, 26 September 2014

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 17 SEPTEMBER 2014

a) Distribution of Shareholders

Size of Holding	**Number of Shareholders**	**Number of Optionholders**
1 – 1,000	27	1
1,001 – 5,000	52	18
5,001 – 10,000	149	10
10,001 – 100,000	466	22
100,001 and over	187	6
	881	**57**

b) Number of holders of less than marketable parcels	541	51
c) Percentage holding of 20 largest holders	70.416%	94.113%

d) There are two substantial shareholders listed in the Company's register as at 17 September 2014.

e) Twenty largest shareholders and optionholders (as at 17 September 2014):

COY Shareholders

Name	**Quantity**	**% of Total Holding**
JELSH HOLDINGS PTY LTD	56,054,613	19.474
MR MA PIWU	52,737,609	18.322
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	13,027,242	4.526
NATIONAL NOMINEES LIMITED	12,510,404	4.346
MR PETER JOHANNES POORT	10,000,000	3.474
MR HARDIP SINGH <HARDIP SUBSCRIPTION ACCOUNT>	7,466,296	2.594
AURIONGOLD LIMITED	7,309,647	2.540
MR BEN MICHAEL FAULKNER	5,929,810	2.060
MR CHRISTOPHER WALLIN & MS FIONA WALLIN <CHRIS WALLIN SUPERFUND A/C>	5,500,000	1.911
HOLICARL PTY LTD <HUNTER GRAIN PL SF A/C>	4,545,454	1.579
MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LIMITED	3,827,646	1.330
MR DAVID LAWSON	3,606,936	1.253
MR JOHN DOUGLAS BENSEMAN	3,000,000	1.042
RYLET PTY LTD	3,000,000	1.042
J P MORGAN NOMINEES AUSTRALIA LIMITED	2,675,100	0.929
GEORGE S HARRIS SUPERANNUATION PTY LTD <GEORGE HARRIS PER S/F A/C>	2,500,000	0.869
MR MAURICE GANNON	2,473,144	0.859
LJR CONSTRUCTIONS PTY LTD	2,360,000	0.820
MR MARK ANDREW LINNEY <THE M A LINNEY FAMILY A/C>	2,159,616	0.750
MR GOPAL KRISHNA BOSE & MRS SHARMILA BOSE	2,000,000	0.695
TOTAL	202,683,517	70.416

COY Optionholders

Name	Quantity	% of Total Holding
MR BEN MICHAEL FAULKNER	914,393	27.109
NATIONAL NOMINEES LIMITED	696,666	20.654
MR MAURICE GANNON	406,357	12.047
GEORGE S HARRIS SUPERANNUATION PTY LTD <GEORGE HARRIS PER S/F A/C>	333,333	9.882
MR RICHARD COONEY	220,000	6.522
GAGE RESOURCES PTY LTD <THE CRAIGHEAD S/F A/C>	116,372	3.450
BOLIGREEN PTY LTD	83,333	2.471
DATA ACCOUNTING WORKS PTY LTD <CANSDELL FAMILY A/C>	75,000	2.224
TONY SUTHERLAND PTY LTD <SUTHERLAND FAMILY RET/F A/C>	50,000	1.482
DELTONE PTY LTD <DELTONE P/L SUPER FUND A/C>	50,000	1.482
MR BARRY MAXWELL QUAYLE	33,333	0.988
RUDKIN FAMILY SUPER PTY LTD <THE RUDKIN SUPER FUND A/C>	33,333	0.988
MR PAUL DESMOND SCHULTZ	33,333	0.988
MS MARGARET SU-PING FONG <FONG SUPER FUND A/C>	26,666	0.791
MR KENNETH DOOCHEW	22,333	0.662
MR WILLIAM CUMINES	20,000	0.593
MR WOLFRAM PACHER & MRS JULIE PACHER <PACHER SUPER FUND A/C>	16,666	0.494
LEA FOX PTY LTD <LEA FOX SUPER FUND A/C>	16,666	0.494
MR WILLIAM HARVEY MYLES & MRS CORRINA MYLES	13,333	0.395
SARATOGA CORPORATION PTY LTD	13,333	0.395
TOTAL	3,174,450	94.113

f) Voting Rights

Registered holders of ordinary shares in the capital of the Company may attend and vote at general meetings of the Company in person or by proxy and may exercise one vote for each share held. Every person present at a general meeting as an ordinary shareholder shall have one vote on a show of hands.

STATEMENT OF UNQUOTED SECURITIES (OPTIONS) AS AT 17 SEPTEMBER 2014

There are on issue the following unquoted securities:-	**Quantity**
Options exercisable at 5 cents per share on or before 4 February 2016	2,000,000
Options exercisable at 5 cents per share on or before 1 July 2015	4,308,329

DIRECTORS

Ben Faulkner
Michael Howard
Kevin Grice

COMPANY SECRETARY

Paul Schultz

HEAD OFFICE & REGISTERED OFFICE

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SHARE REGISTRY

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AUDITORS

BDO Audit Pty Ltd
Level 10
12 Creek Street
Brisbane Qld 4000

BANKERS

Westpac Bank

STOCK EXCHANGE

Coppermoly Ltd is listed on the Australian Stock Exchange (the home branch is Brisbane) and the Port Moresby Stock Exchange, Papua New Guinea.

SCHEDULE OF TENEMENTS AS AT 26 *SEPTEMBER 2014*

PROJECT		EFFECTIVE OWNERSHIP
EL 1043	Mt Nakru (47km^2)	72% Copper Quest PNG Ltd
EL 1077	Simuku (47km^2)	72% Copper Quest PNG Ltd
EL 1445	Talelumas (75km^2)	72% Copper Quest PNG Ltd
EL 2014	Makmak (280.1km^2)	100% Copper Quest PNG Ltd
EL 1782	Powell (758km^2)	100% Copper Quest PNG Ltd
EL 2272	Wowonga (30.7km^2)	100% Copper Quest PNG Ltd

- *Copper Quest PNG Ltd is a 100% owned subsidiary of Coppermoly Ltd*