



## ASX Announcement

28 October 2016

ASX Code: **COY**

### DISPATCH OF NOTICE OF 2016 ANNUAL GENERAL MEETING

Coppermoly Ltd is pleased to advise that the Company's 2016 AGM will be held at its registered office at 10.30am (AEST) on Wednesday 30 November 2016.

The 2016 AGM Notice of Meeting and Proxy Form, attached below, are being sent to Shareholders today.

On behalf of the Board.

Paul Schultz  
**Company Secretary**  
**Coppermoly Ltd**  
Suite 1B, 91 Upton Street  
Bundall, Queensland 4217  
Email: [info@coppermoly.com.au](mailto:info@coppermoly.com.au)  
Telephone: +61 7 5510 3994

#### **About Coppermoly**

Coppermoly (COY) is an ASX listed junior exploration company which has been listed on the ASX since 2008. Coppermoly's mineral exploration activities are focused entirely on the island of New Britain in PNG where it holds five exploration licences. These licences cover copper, gold, silver, zinc, molybdenum and iron mineralisation. The five current tenements are **Mt Nakru, Simuku, Makmak, Powell** and **Wowonga**.

## **Notice of Annual General Meeting – Wednesday 30 November 2016**

Notice is hereby given that the Annual General Meeting of Coppermoly Limited (**Coppermoly or the Company**) will be held at the Company's registered office located in

**Suite 1B, 91 Upton Street, Bundall, Queensland**

**on**

**Wednesday 30 November 2016 at 10.30am (Queensland time)**

for the purpose of transacting the business set out in this Notice.

If you are unable to attend the meeting you are encouraged to complete and return the enclosed Proxy Form which allows you to appoint a proxy to vote on your behalf.

The completed Proxy Form must be received by the Company no later than 10.30am (Queensland time) on Monday 28 November 2016, being 48 hours before the commencement of the meeting.

### **ORDINARY BUSINESS**

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#### **Financial Report**

To receive the financial report of the Company and the reports of the Directors and of the Auditors for the financial year ended 30 June 2016.

*Note: There is no requirement for Shareholders to vote on the reports.*

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#### **RESOLUTION 1: Remuneration Report**

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“That for the purpose of section 250R(2) of the *Corporations Act 2001*, and for all other purposes, the Remuneration Report for the financial year ended 30 June 2016 as disclosed in the Company's 2016 Annual Report be adopted.”

*Note: This Resolution is advisory only and does not bind the Company or the Directors. However, if 25% or more votes that are cast on Resolution 1 are voted against the adoption of the Remuneration Report at two consecutive annual general meetings, Shareholders will be required to vote at that second annual general meeting on an additional resolution on whether another meeting should be held at which all of the Company's Directors, other than the Managing Director, must stand for re-election. Please refer to the attached Explanatory Notes for further information and voting exclusions.*

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#### **RESOLUTION 2: Re-election of Director – Mr Jincheng Yao**

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“That Mr Jincheng Yao, who retires as a Director of the Company by rotation in accordance with Article 16.1 of the Company's constitution, and being eligible, be re-elected as a Director of the Company.”

*Please refer to the attached Explanatory Notes for further information.*

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#### **RESOLUTION 3: Election of Director – Mr Lin Zule**

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“That Mr Lin Zule, who was appointed by the Directors since the last Annual General Meeting and retires as a Director of the Company in accordance with ASX Listing Rule 14.4 and Article 15.4 of the Company's constitution, and being eligible, be elected as a Director of the Company.”

*Please refer to the attached Explanatory Notes for further information.*

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## SPECIAL BUSINESS

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### **RESOLUTION 4: Approval of Additional 10% Share Placement Capacity**

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

"That for the purpose of ASX Listing Rule 7.1A, and for all other purposes, Shareholders approve the Company having the additional capacity to issue up to 10% of the issued capital of the Company (at the time of the issue), calculated in accordance with the formula set out in ASX Listing Rule 7.1A.2 and on the terms and conditions set out in the Explanatory Statement accompanying this notice."

*Note: At the date of this notice the Company has not approached any existing security holders in relation to the proposed 10% Additional Placement Capacity. Accordingly, no existing shareholder will be excluded from voting under the voting exclusion statement. Please refer to the attached Explanatory Notes for further information.*

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### **RESOLUTION 5: Ratification of Extension of Convertible Notes**

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

"That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, the extension of the maturity date for the 60,000,000 Convertibles Notes held by Jade Triumph, so that those Convertible Notes shall now mature on 19 December 2017, on the terms and conditions contained in the Explanatory Notes, be ratified."

*Note: The Company will disregard any votes cast by Jade Triumph and any Associates of Jade Triumph. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form, or the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.*

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### **Final Item of Business:**

To transact any other business that may be lawfully brought forward in accordance with the Constitution of the Company and the Act.

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Refer to the Explanatory Notes for further information on the proposed resolutions.

By order of the Board  
Mr Kevin Grice  
Director  
Dated: 19 October 2016

## **HOW TO VOTE**

### **ELIGIBILITY TO ATTEND AND VOTE**

You will be eligible to attend and vote at the meeting if you are registered as a holder of Shares at 6.00pm (Qld time) on Monday 28 November 2016.

### **VOTING METHODS**

You may vote by either attending the meeting in person or by proxy.

A Shareholder entitled to attend and vote at the AGM may appoint not more than two proxies to attend and vote as an alternative to attending the meeting in person.

A proxy need not be a Shareholder.

A proxy appointment may be authorised by a shareholder in any manner approved by Directors (subject to the Act) and as specified in this Notice of Meeting.

An instrument appointing a proxy must be in writing under the hand of the appointer or of the appointer's attorney duly authorised in writing or if the appointer is a corporation under its common seal or the hand of its duly authorised attorney.

Where more than one proxy is appointed each proxy must be appointed to represent a specified proportion of the Shareholders' voting rights and neither proxy may vote on a show of hands.

Any corporation which is a Shareholder may, by a resolution of its director(s), authorise any person it thinks fit to act as its representative at the AGM. That person acting in accordance with that authority until it is revoked by the corporation is entitled to exercise the same powers on behalf of that corporation as that corporation could exercise if it were a natural person who is a Shareholder.

Additionally, a Shareholder may appoint an attorney to act on its behalf, such appointment must be made by a duly executed power of attorney. An attorney must provide at the point of entry to the Meeting written evidence of their appointment (original or certified copy), their name and address and the identity of their appointer.

A proxy form and the authority, if any, under which it is signed or a copy of that authority certified as a true copy by statutory declaration must be completed and received at the office of Coppermoly Limited, as detailed below:

**BY MAIL:** Coppermoly Limited  
PO Box 6965  
Gold Coast Mail Centre  
Qld 9726 Australia

**BY FAX:** + 61 7 5510 3997

**BY EMAIL:** info@coppermoly.com.au

**IN PERSON:** Coppermoly Limited  
Suite 1B, 91 Upton Street  
Bundall Qld 4217 Australia

Proxy forms must be received **no later than 48 hours before the time for holding the meeting, i.e. before 10.30am (Queensland time) Monday 28 November 2016.**

### **NOTE**

Ordinary resolutions require that more than 50% of the votes cast, in person, by proxy, by representative or by attorney, are cast in favour of the resolution.

Special resolutions require that at least 75% of the votes are cast, in person, by proxy, by representative or by attorney, are cast in favour of the resolution.

All votes will be voted upon by a show of hands in the first instance. A poll may be demanded in accordance with the Company's constitution. Every shareholder who is present in person or by proxy will:

- On a show of hands: have one vote, or
- In a poll: have one vote for each share held by that person.

## EXPLANATORY NOTES

### Voting Exclusion Statement

In accordance with the ASX Listing Rules, the Company will disregard any votes cast by the following persons in respect of the noted Resolutions:

- **Resolution 1**

In accordance with section 250R of the Act a vote on Resolution 1 must not be cast (in any capacity) by or on behalf of:

- (a) A member of the Key Management Personnel whose remuneration details are included in the Remuneration Report; or
- (b) A Closely Related Party of such member.

However, a person described above may cast a vote on Resolution 1 as a proxy if the vote is not cast on behalf of a person described in subparagraphs (a) and (b) above and either:

- (c) The person does so as a proxy appointed by writing that specifies how the proxy is to vote on Resolution 1; or
- (d) The person is the Chair of the meeting and the appointment of the Chair of the meeting as proxy:
  - (i) does not specify the way the proxy is to vote on Resolution 1; and
  - (ii) authorises the Chair of the meeting to exercise the proxy even if Resolution 1 is connected directly or indirectly with the remuneration of the Key Management Personnel.

- **Resolution 4**

The Company will disregard any votes cast by a person, and any associate of that person, who may participate in the proposed issue and a person, including any associate of that person, who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed.

However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form, or the Chair the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

At the date of this notice the Company has not approached any existing security holders in relation to the proposed 10% Additional Placement Capacity. Accordingly, no existing shareholder will be excluded from voting under the voting exclusion statement.

- **Resolution 5**

The Company will disregard any votes cast by Jade Triumph and any Associates of Jade Triumph. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form, or the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

### Financial Report

The Act requires that the financial report be presented to the AGM. In addition, the Company's Constitution provides for such reports and statements to be received and considered at the AGM.

Apart from the matter involving the Remuneration Report, which is required to be voted upon, neither the Act nor the Company's Constitution requires a vote of Shareholders at the AGM on the financial report of the Company. Shareholders will be given ample opportunity to raise questions with respect to the financial report at the meeting.

### **RESOLUTION 1: Remuneration Report**

The Remuneration Report is set out on pages 10 to 13 in the Company's 2016 Annual Report which is also available on the Company's website at [www.coppermoly.com.au](http://www.coppermoly.com.au).

The Chair of the meeting will allow a reasonable opportunity for Shareholders to ask questions about, or make comments on, the Remuneration Report at the meeting.

The Chair of the meeting intends to vote undirected proxies in favour of Resolution 1 (Remuneration Report). Any undirected proxies held by Directors, (except the Chair of the meeting) or other Key Management Personnel or any of their Closely Related Parties will not be voted on Resolution 1 (Remuneration Report). If you choose to appoint a proxy you are encouraged to direct your proxy how to vote on Resolution 1 (Remuneration Report) by marking either "**For**", "**Against**" or "**Abstain**" on the proxy form for that item of business.

The Remuneration Report identifies Coppermoly Key Management Personnel for the financial year ended 30 June 2016. Their Closely Related Parties are defined in the Act and include certain of their family members, dependents and companies they control.

The Board will consider the outcome of the vote and comments made by Shareholders on the Remuneration Report at the meeting when reviewing the Company's remuneration policies.

Notes:

- The salaries and fees paid to Directors are modest and at or below industry levels.
- Each Director in office at 30 June 2016 had their directors' fees accrued in the Company's accounts but not paid since the latter of July 2014 or their date of appointment. This is an initiative of the Directors to aid the Company's cash flows.
- The Company plans to pay accrued directors' fees in an orderly manner once it has sufficient funds.
- There have been no options issued to Directors since November 2010. All options previously issued to Directors have now expired.

The Act requires ASX-listed companies to put an annual, non-binding resolution to Shareholders to adopt the Remuneration Report. In line with the legislation this vote will be advisory only and does not bind the Directors or the Company. If 25% or more votes that are cast on Resolution 1 are voted against the adoption of the Remuneration Report at two consecutive annual general meetings, Shareholders will be required to vote at that second annual general meeting on an additional resolution on whether another meeting should be held at which all of the Company's Directors, other than the Managing Director, must stand for re-election. The corresponding vote at the 2015 AGM recorded less than 25% against the adoption of the 2015 Remuneration Report.

The Board recommends Shareholders vote in favour of Resolution 1. The Chair of the meeting intends to vote undirected proxies in favour of Resolution 1. Key Management Personnel and their closely related parties are prohibited from voting on Resolution 1.

### **RESOLUTION 2: Re-election of Director – Mr Jincheng Yao**

Article 16.1 of the Constitution requires one third, or at least one, of the Directors retire at the AGM (excluding the managing director and any Director appointed to fill a casual vacancy who is yet to be ratified by a general meeting). Any Director retiring under article 16.1, if eligible, may seek re-election.

Mr Yao is retiring as Director of the Company at this AGM in accordance with Article 16.1 and, being eligible, seeks re-election.

Mr Yao, BComm and MBA, is a finance professional based in mainland China. He has held various senior executive roles in the Meijin Group and is currently Vice President and Director of Meijin Energy Group Limited. Mr Yao has experience across many aspects of mining and industry in both China and Australia.

Mr Yao has not served as a Director of any other publicly listed companies during the last three years.

The Directors (other than Mr Yao) unanimously recommend that Shareholders vote in favour of Resolution 2. The Chair of the meeting intends to vote undirected proxies in favour of Resolution 2.

**RESOLUTION 3: Election of Director –  
Mr Lin Zule**

Article 15.4 of the Constitution allows the Board to appoint at any time a person to be a Director but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

In accordance with Article 15.4 of the Constitution and ASX Listing Rule 14.4, any Director so appointed holds office only until the next following AGM and is then eligible for election.

Mr Yao was appointed as a Director on 11 April 2016 and in accordance with the Constitution and the ASX Listing Rules, is now seeking election.

Mr Lin holds a master's degree in finance, and is currently the CFO of Ever Leap parent company Shanxi Xierun Investment Limited. Mr Lin has more than 15 years of experience in financial management.

The Directors (other than Mr Lin) unanimously recommend that Shareholders vote in favour of Resolution 3. The Chair of the meeting intends to vote undirected proxies in favour of Resolution 3.

**RESOLUTION 4: Approval of Additional 10% Share Placement Capacity**

ASX Listing Rule 7.1 requires a company to obtain Shareholder approval for an issue of securities in the company if that issue will, when aggregated with all other issues during the previous 12 months, exceed 15% of the number of securities on issue at the commencement of that 12 month period.

In accordance with Listing Rule 7.1A, eligible entities may seek shareholder approval at their AGM to issue a further 10% of their issued share capital in addition to the 15% capacity set out in ASX Listing Rule 7.1 (**10% Share Placement Capacity**).

An eligible entity for the purpose of ASX Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. At the date of this Notice, the Company is an eligible entity.

Any issue of securities under ASX Listing Rule 7.1A:

- (a) must be in the same class as an existing quoted class of the Company's equity securities;
- (b) may be issued at a maximum of 25% discount to the current market price; and
- (c) must be calculated in accordance with the formula prescribed by ASX Listing Rule 7.1A.2.

Resolution 4 seeks Shareholder approval for the Company to have the ability to issue securities under the 10% Share Placement Capacity. The

approval of Resolution 4 will provide the Company with even greater flexibility to issue securities in addition to the 15% capacity set out in ASX Listing Rule 7.1 without a further requirement to obtain prior Shareholder approval.

Pursuant to and in accordance with Listing Rule 7.3A, the following information is provided for the purpose of obtaining shareholder approval for the 10% Share Placement Capacity:

(a) Minimum price

The minimum price at which securities may be issued under the 10% Share Placement Capacity is 75% of the VWAP of securities in the same class calculated over the 15 ASX trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price of the securities to be issued is agreed; or
- (ii) if they are not issued within 5 ASX trading days of the date in paragraph (a) (i), the date on which the securities are issued.

(b) Formula for calculating 10% Share Placement Capacity

ASX Listing Rule 7.1A.2 provides that eligible entities which have obtained shareholder approval at an Annual General Meeting may issue or agree to issue, during the 12 month period after the date of the AGM, a number of Equity Securities calculated in accordance with the following formula:

$$(A \times D) - E$$

**A** is the number of shares on issue 12 months before the date of issue or agreement:

- (i) plus the number of fully paid shares issued in the 12 months under an exception in Listing Rule 7.2;
- (ii) plus the number of partly paid shares that became fully paid in the 12 months;
- (iii) plus the number of fully paid shares issued in the 12 months with approval of holders of shares under Listing Rule 7.1 and 7.4. This does not include an issue of fully paid shares under the entity's 15% placement capacity without shareholder approval;
- (iv) less the number of fully paid shares cancelled in the 12 months.

Note that **A** has the same meaning in Listing Rule 7.1 when calculating an entity's 15% placement capacity.

**D** is 10%.

**RESOLUTION 4: Approval of Additional 10% Share Placement Capacity** (continued)

E is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of Shareholders under Listing Rule 7.1 or 7.4.

As required by the ASX Listing Rules, below is a hypothetical example of the potential dilution of Shareholders of the Company where the full 10% Share Placement Capacity is utilised, on the basis of three different assumed issue prices and numbers of equity securities on issue.

**Technical information required by Listing Rule 7.3A**

		Dilution when compared with the current issued share capital	Hypothetical issue price of shares issued under the 10% Share Placement Capacity		
			\$0.006 50% decrease in Issue Price	\$0.013 per share	\$0.026 100% increase in Issue Price
Issued share capital	Current issued share capital	10% dilution	76,048,447 shares	76,048,447 shares	76,048,447 shares
	760,484,473	Funds raised	\$456,291	\$988,630	\$1,977,260
	50% increase in issued share capital	10% dilution	114,072,671 shares	114,072,671 shares	114,072,671 shares
	1,140,726,710	Funds raised	\$684,436	\$1,482,945	\$2,965,889
	100% increase in issued share capital	10% dilution	152,096,894 shares	152,096,894 shares	152,096,894 shares
	1,520,968,946	Funds raised	\$912,581	\$1,977,260	\$3,954,519

Note: the table above has been prepared on the following assumptions:

1. The Issue Price of \$0.006 is based on the closing price of shares on 17 October 2016;
2. The current issued share capital has been calculated in accordance with the formula in Listing Rule 7.1A.2;
3. The Company issues the maximum number of securities available under the 10% Share Placement Capacity;
4. No options are exercised prior to the date of issue of any shares under the 10% Share Placement Capacity;
5. The table shows the effect of issues of the Company's equity securities under the 10% Share Placement Capacity, not under the Company's 15% placement capacity under Listing Rule 7.1; and
6. The table does not show an example of dilution that may occur to any particular Shareholder due to any placements under the 10% Share Placement Capacity.

## (c) Potential risk of economic and voting dilution

If this Resolution is approved by Shareholders and securities are issued under the 10% Share Placement Capacity, the interests of existing Shareholders who do not participate in the issue would be diluted.

Shareholders should note that in such circumstances, as with any time in the market, there is a risk that:

- (i) the market price for equity securities issued under the 10% Share Placement Capacity may be significantly lower on the issue date than on the date of the approval under ASX Listing Rule 7.1A; and
- (ii) the equity securities may be issued at a price that is at a discount to the market price for those

equity securities on the issue date, which may have an effect on the amount of funds raised by the issue of the equity securities.

## (d) Timing of potential issues

If Shareholders approve Resolution 4, securities may be issued under the 10% Share Placement Capacity during the period commencing on the date of the Meeting and ending on the first to occur of the following:

- (i) 12 months after the date of this Meeting; and
- (ii) the date of Shareholder approval for any transaction under Listing Rules 11.1.2 (significant change to the nature or scale of the Company's activities) or 11.2 (disposal of the Company's main undertaking).



**RESOLUTION 4: Approval of Additional 10% Share Placement Capacity** (continued)

The approval under Listing Rules 7.1A will cease to be valid in the event that holders of the Company's ordinary securities approve a transaction under Listing Rules 11.1.2 or 11.2.

(e) Purpose of potential issue

Shares may be issued under the 10% Share Placement Capacity for the following purposes:

(i) non-cash consideration for the acquisition of new resources assets and other investments or significant expenditure contracts. If this occurs, the Company will provide a valuation of the non-cash consideration in accordance with ASX Listing Rule 7.1A.3; or

(ii) cash consideration. If this occurs, the Company intends to use the funds raised to continue exploration and development of the Company's current exploration assets, cover general working capital requirements and/or, if appropriate, acquire new assets or investments.

The Company will comply with its disclosure obligations under ASX Listing Rules 7.1A.4 and 3.10.5A upon any issue of shares under the 10% Share Placement Capacity.

(f) Allocation policy under the 10% Share Placement Capacity

The Company's allocation policy will depend on the prevailing market conditions at the time of any proposed issue under the 10% Share Placement Capacity.

Potential allottees of securities under the 10% Share Placement Capacity will be determined on a case-by-case basis, having regard to factors which may include:

(i) the methods of raising funds which are available to the Company, including the time and market exposure associated with the various methods of raising capital applicable at the time of the raising;

(ii) the effect of any such issue on the control of the Company;

(iii) the financial situation of the Company; and

(iv) advice from corporate, financial, legal and/or broking advisers.

As at the date of this Notice, no placement under the 10% Share Placement Capacity has been scheduled, and so no allottees have been determined. Any allottees of a 10% Share Placement Capacity placement may however include, as well as any existing Shareholders, substantial Shareholders and/or new Shareholders who are not related parties or Associates of a related party of the Company.

(g) Prior shareholder approval

The Company sought and received Shareholder approval under Listing Rule 7.1A at the last AGM held on 23 November 2015.

A total of 710,673,365 equity securities, including shares and options, were issued in the 12 months preceding the date of this AGM. This represented 145.3% of the total number of equity securities on issue at the start of the 12 month period.

The above total includes 376,755,024 shares issued in the 12 months preceding the date of this AGM. This represented 98.2% of the total number of shares on issue at the start of the 12 month period.

**RESOLUTION 4: Approval of Additional 10% Share Placement Capacity** (continued)

The table below sets out specific details for each issue of equity securities that has taken place in the 12 month period preceding the date of this AGM.

Issue Date	Number Issued	Class Type	Names of persons who received securities or basis on which those persons were determined	Price per security	Discount to market	Cash received <sup>1</sup>	Non-cash consideration paid and current value
7/12/2015	1,755,024	Ordinary shares	Mr Michael Howard	\$0.02	Nil <sup>2</sup>	n/a	\$35,100
7/12/2015	585,008	Options <sup>3</sup>		Nil	n/a	n/a	n/a
28/1/2016	57,750,000	Ordinary shares	Ever Leap Services Ltd (ELS)	\$0.004	20%	\$231,000	n/a
11/4/2016	317,250,000	Ordinary shares		\$0.004	50% <sup>4</sup>	\$1,269,000	n/a
11/4/2016	250,000,000	Options <sup>5</sup>		\$0.004	n/a	\$1,000,000	n/a
11/4/2016	83,333,333	Options <sup>6</sup>		Nil	n/a	n/a	n/a
<b>Totals</b>	<b>710,673,365</b>					<b>\$2,500,000</b>	<b>\$35,100</b>

Notes:

- Up to 30 September 2016, 15% of the funds raised had been expended. The amount spent, and the remaining 85% of those funds have been/will be used to fund exploration activity and working capital purposes.
- The issue of Ordinary shares to Michael Howard were at a premium to the closing market price on the date of issue.
- The options issued to Michael Howard are unquoted. Each unquoted option is exercisable at any time prior to 3 December 2018 at an exercise price of \$0.03 and is exercisable into one new Share.
- As per the requirements of ASX Listing Rule 7.3A.6, the discount to market listed in the table is the discount to the closing market price on the date of issue. The discount to the closing market price on the date the issue price was agreed was 20%.
- The 250,000,000 options issued to ELS are unquoted (**Deferred Options**). Each Deferred Option was issued at an issue price of \$0.004 and is exercisable at any time between 1 February 2017 and 31 January 2020. Each Deferred Option is exercisable into one new Share with no exercise price.
- The 83,333,333 options issued to ELS are unquoted (**Attached Options**). Each Attached Option is exercisable at any time between 1 February 2017 and 31 January 2020 at an exercise price of \$0.008 and is exercisable into one new Share.

The Directors of the Company unanimously recommend Shareholders vote in favour of Resolution 4. The Chair of the meeting intends to vote all undirected proxies in favour of Resolution 4.

**RESOLUTION 5: Ratification of Extension of Convertible Notes**

On 12 December 2014, the Company entered into a placement and convertible note agreement with Jade Triumph, pursuant to which Jade Triumph agreed to subscribe for, and the Company agreed to issue to Jade Triumph:

- 30,000,000 Shares (**Placement Shares**); and
- 60,000,000 Convertible Notes, issued at an issue price of \$0.02 and having a maturity date of 19 December 2016 (**Maturity Date**) (**Convertible Notes**).

As the Company did not have sufficient Placement Capacity to issue all of the Placement Shares and Convertible Notes in reliance on ASX Listing Rules 7.1 and 7.1A, the Company obtained:

- ratification of the initial issue of 38,750,000 Convertible Notes; and
- approval of the subsequent issue of 21,250,000 Convertible Notes,

from Shareholders at a general meeting of Shareholders held on 4 March 2015.

As the Convertible Notes have not yet been exercised and were scheduled for repayment on 19 December 2016, Coppermoly has obtained agreement from Jade Triumph to extend the term of the Convertible Notes by an additional twelve (12) months, so that the new Maturity Date shall now be 19 December 2017. No other changes have been made to the terms of the Convertible Notes other than extending the Maturity Date by twelve months.

Accordingly, as Shareholder ratification and approval was previously obtained for the original issue of Convertible Notes, Resolution 5 seeks ratification of the extension of the Maturity Date by twelve months, so that the new Maturity Date shall now be 19 December 2017.

**ASX Listing Rule 7.4**

Broadly, ASX Listing Rules 7.1 and 7.1A (together) provide that, subject to certain exceptions, the prior approval of Shareholders is

**RESOLUTION 5: Ratification of Extension of Convertible Notes** (continued)

required in order to issue, or agree to issue, equity securities if the equity securities will, when aggregated with all other equity securities issued by the Company during the previous 12 months, exceed the number that is equal to 25% of the number of equity securities on issue on the date that was 12 months' prior to the date the equity securities were issued, or agreed to be issued (as applicable).

ASX Listing Rule 7.4 provides that an issue of equity securities made without the prior approval of Shareholders in accordance with ASX Listing Rules 7.1 and 7.1A, is treated as having been made with the approval of Shareholders if the issue did not breach the ASX Listing Rules at the time of issue and the Company's Shareholders subsequently ratify it.

As noted above, the issue of the Convertible Notes has previously been approved and ratified by Shareholders in March 2015. However, at the time of obtaining Shareholder approval/ratification, the Convertible Notes were due to mature on 19 December 2016. Accordingly, as the Company has varied the Maturity Date to extend the term of the Convertible Notes, the Company is now seeking ratification of that amendment.

If Resolution 5 is not passed, the Convertible Notes held by Jade Triumph will be required to be included when calculating the Company's 25% placement capacity contained in ASX Listing Rules 7.1 and 7.1A, reducing the Company's ability to raise further funds through the issue of equity securities in the future, without first obtaining Shareholder approval.

The following information is provided to assist Shareholders consider whether to approve Resolution 5:

<b>Number of securities</b>	60,000,000 Convertible Notes.
<b>Issue Price</b>	The Convertible Notes were issued at an issue price of \$0.02 (2 cents).
<b>Terms</b>	<p>The terms of the Convertible Notes that are the subject of Resolution 5 are as follows:</p> <p>(a) interest will accrue daily on all Convertible Notes that have not yet been repaid or converted into Shares from their date of issue at a rate of 7% per annum;</p> <p>(b) the full face value of all outstanding Convertible Notes and any interest thereon (<b>Amounts Owing</b>) will be repayable to Jade Triumph on 5.00pm on 19 December 2017 months (<b>Maturity Date</b>);</p> <p>(c) the Company may, at any time prior to the Maturity Date, elect to repay all or any part of the Amounts Owing (<b>Repayment Amount</b>) by making payment of such amount of the Amounts Owing that it wishes to repay and by giving written notice to the holder of the Convertible Notes Subscriber once payment had been made, a fee of an amount equal to 5% of the Repayment Amount;</p> <p>(d) the holder of the Convertible Notes (<b>Noteholder</b>) may, at any time prior to 5:00pm AEST on the Maturity Date, elect to convert all or any of the Convertible Notes into Shares (each Convertible Note being convertible into one Share), subject to such conversion:</p> <p>(i) not resulting in the Noteholder breaching the Corporations Act; or</p> <p>(ii) not being for an amount of less than \$50,000; and</p> <p>(e) the Convertible Notes do not confer any rights to attend, participate in or vote at Shareholders' meetings, any rights to dividends, and are not transferable unless the Company agrees in writing.</p>
<b>Name of Allottee</b>	The Convertible Notes were issued to Jade Triumph.
<b>Use of funds</b>	A total of \$1,200,000 was raised from the issue of the Convertible Notes, which was used for exploration and general working capital purposes.

The Directors of the Company, other than Mr Jincheng Yao, who is an Associate of Jade Triumph and has abstained from making any recommendation, unanimously recommend that Shareholders vote in favour of Resolution 5. The Chair of the EGM intends to vote undirected proxies in favour of Resolution 5.

## GLOSSARY

**\$** means the lawful currency of the Commonwealth of Australia.

**Act** means *Corporations Act 2001 (Commonwealth)*.

**AEST** means Australian Eastern Standard Time.

**Associate** has the meaning given to that term in the Corporations Act.

**AGM** means the Annual General Meeting to be held on Wednesday 30 November 2016.

**ASX** means ASX Limited.

**ASX Listing Rule(s)** means the listing rules of the ASX.

**Closely Related Party** of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the *Corporations Regulations 2001 (Commonwealth)*.

**Convertible Notes** means the unsecured convertible notes having the terms and conditions summarised in the section of the Explanatory Notes dealing with Resolution 5.

**Corporations Act** means the **Corporations Act 2001 (Commonwealth)**.

**Jade Triumph** means Jade Triumph International Limited.

**Key Management Personnel** has the same meaning as in Australian Accounting Standards and broadly includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of the Company.

**Notice** means the Notice of Annual General Meeting.

**Option** means an option to acquire a Share.

**Ordinary share** and **Share** means a fully paid ordinary share in the capital of Coppermoly that ranks equally with all existing shares on issue.

**Queensland time** or **Qld time** means Australian Eastern Standard Time.

**Remuneration Report** means the remuneration report which forms part of the Directors' Report on Coppermoly Limited for the financial year ended 30 June 2016 and which is set out in the 2016 Annual Report.

**Security** has the same meaning contained in ASX Listing Rule 19 "Interpretation and definitions".

**Voting Power** has the same meaning ascribed to that term in the Corporations Act.

**VWAP** means Volume Weighted Average Price of Coppermoly Ltd ordinary shares as quoted on the ASX.

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

**All Correspondence to:**

✉ **By Mail** Coppermoly Limited  
PO Box 6965  
Gold Coast Mail Centre QLD 9726  
Australia

📠 **By Fax:** +61 7 5510 3997

💻 **Email:** info@coppermoly.com.au

☎ **By Phone:** +61 7 5510 3994

## YOUR VOTE IS IMPORTANT

For your vote to be effective it must be recorded **before 10:30am (AEST) on Monday 28 November 2016.**

### TO VOTE BY COMPLETING THE PROXY FORM

#### STEP 1 APPOINTMENT OF PROXY

Indicate who you want to appoint as your Proxy.

If you wish to appoint the Chair of the Meeting as your proxy, mark the box. If you wish to appoint someone other than the Chair of the Meeting as your proxy please write the full name of that individual or body corporate. If you leave this section blank, or your named proxy does not attend the meeting, the Chair of the Meeting will be your proxy. A proxy need not be a security holder of the company. Do not write the name of the issuer company or the registered securityholder in the space.

#### Appointment of a Second Proxy

You are entitled to appoint up to two proxies to attend the meeting and vote. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by contacting the company's securities registry or you may copy this form.

To appoint a second proxy you must:

- complete two Proxy Forms. On each Proxy Form state the percentage of your voting rights or the number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- return both forms together in the same envelope.

#### STEP 2 VOTING DIRECTIONS TO YOUR PROXY

To direct your proxy how to vote, mark one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of securities are to be voted on any item by inserting the percentage or number that you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item for all your securities your vote on that item will be invalid.

#### Proxy which is a Body Corporate

Where a body corporate is appointed as your proxy, the representative of that body corporate attending the meeting must have provided an "Appointment of Corporate Representative" prior to admission. An Appointment of Corporate Representative form can be obtained from the company's securities registry.

#### STEP 3 SIGN THE FORM

The form **must** be signed as follows:

**Individual:** This form is to be signed by the securityholder.

**Joint Holding:** where the holding is in more than one name, all the securityholders should sign.

**Power of Attorney:** to sign under a Power of Attorney, you must have already lodged it with the registry. Alternatively, attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** this form must be signed by a Director jointly with either another Director or a Company Secretary. Where the company has a Sole Director who is also the Sole Company Secretary, this form should be signed by that person. **Please indicate the office held by signing in the appropriate place.**

#### STEP 4 LODGEMENT

Proxy forms (and any Power of Attorney under which it is signed) must be received no later than 48 hours before the commencement of the meeting, therefore by **10:30am (AEST) on Monday, 28 November 2016.** Any Proxy Form received after that time will not be valid for the scheduled meeting.

#### Proxy forms may be lodged:

📠 **By Fax** + 61 7 5510 3997

✉ **By Mail** Coppermoly Limited  
PO Box 6965  
Gold Coast Mail Centre QLD 9726 Australia

👤 **In Person** Coppermoly Limited  
Suite 1B, 91 Upton Street  
Bundall QLD 4217 Australia

💻 **Email** info@coppermoly.com.au

#### Attending the Meeting

If you wish to attend the meeting please bring this form with you to assist registration.

# Coppermoly Limited

ABN 54 126 490 855

## Your Address

This is your address as it appears on the company's share register. If this is incorrect, please mark the box with an "X" and make the correction in the space to the left. Securityholders sponsored by a broker should advise their broker of any changes. **Please note, you cannot change ownership of your securities using this form.**

## PROXY FORM

### STEP 1 APPOINT A PROXY

I/We being a member/s of **Coppermoly Limited** (Company) and entitled to attend and vote hereby appoint:

the **Chair of the Meeting (mark box)**

**OR** if you are **NOT** appointing the Chair of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered shareholder) you are appointing as your proxy below

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chair of the Meeting as my/our proxy at the Annual General Meeting of the Company to be held at **Suite 1B, 91 Upton Street, Bundall QLD on Wednesday, 30 November 2016 at 10:30am (AEST)** and at any adjournment of that meeting, to act on my/our behalf and to vote in accordance with the following directions or if no directions have been given, as the proxy sees fit.

Chair of the Meeting authorised to exercise undirected proxies on remuneration related matters: If I/we have appointed the Chair of the Meeting as my/our proxy or the Chair of the Meeting becomes my/our proxy by default and I/we have not directed my/our proxy how to vote in respect of Resolution 1, I/we expressly authorise the Chair of the Meeting to exercise my/our proxy in respect of this Resolution even though Resolution 1 is connected with the remuneration of a member of the key management personnel for the Company.

The Chair of the Meeting will vote all undirected proxies in favour of all Items of business (including Resolution 1). If you wish to appoint the Chair of the Meeting as your proxy with a direction to vote against, or to abstain from voting on an item, you must provide a direction by marking the 'Against' or 'Abstain' box opposite that resolution.

### STEP 2 VOTING DIRECTIONS

\* If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your vote will not be counted in calculating the required majority if a poll is called.

		For	Against	Abstain*
Resolution 1	To Adopt the Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-election of Director – Mr Jincheng Yao	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Election of Director – Mr Lin Zule	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Approval of Additional 10% Share Placement Capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Ratification of Extension of Convertible Notes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

### STEP 3 SIGNATURE OF SHAREHOLDERS

This form must be signed to enable your directions to be implemented.

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director / Company Secretary

Contact Name.....

Contact Daytime Telephone.....

Date / / 2016