



ACN 126 490 855

**NOTICE OF ANNUAL GENERAL MEETING
EXPLANATORY MEMORANDUM
PROXY FORM**

Date of Meeting

Thursday, 28 November 2019

Time of Meeting

11.00 am (Brisbane time)

Place of Meeting

**Unit 2, 42 Morrow Street
Taringa QLD 4068**

This Notice of Meeting and Explanatory Memorandum should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that an Annual General Meeting (**Meeting**) of the Shareholders of Coppermoly Limited ACN 126 490 855 (**Company**) will be held on Thursday, 28 November 2019, commencing at 11.00am (Brisbane time) at **Unit 2, 42 Morrow Street, Taringa QLD 4068**. Registration will commence immediately prior to the Meeting.

An online version of the Company's 2019 Annual Report can be downloaded or viewed at www.coppermoly.com.au. The 2019 Annual Report has also been sent by post to those Shareholders who have previously elected to receive a hard copy.

This Notice of Meeting incorporates, and should be read together with, the Explanatory Memorandum and Proxy Form. Shareholders are specifically referred to the Glossary in the Explanatory Memorandum which contains definitions of capitalised terms used in both this Notice of Meeting and the Explanatory Memorandum.

ORDINARY BUSINESS

Receipt of financial statements and reports

To receive and consider the Directors' report, the Auditor's report and the financial statements of the Company for the financial year ended 30 June 2019.

Resolutions

1. Adoption of Remuneration Report (non-binding resolution)

To consider and if thought fit, pass, with or without amendment, the following Resolution as an ordinary Resolution under section 250R (2) of the Corporations Act:

"That the Remuneration Report for the financial year ended 30 June 2019 as set out in the Company's 2019 Annual Report be adopted."

Note: Under the Corporations Act, this Resolution is advisory only and does not bind the Directors or the Company. However, if 25% or more votes that are cast 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 Directors, other than the Managing Director, must stand for re- election. Please see the Explanatory Memorandum for further information.

Voting Exclusion: A vote on Resolution 1 must not be cast (in any capacity) by or on behalf of any of the following persons:

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

However, a person described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the person is appointed as a proxy by writing that specifies the way the proxy is to vote on the Resolution; or
- (b) the person is the Chair of the Meeting and the appointment of the Chair as proxy:
 - (i) does not specify the way the proxy is to vote on the Resolution; and

- (ii) expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company.

2. Re-election of Director, Mr Lin Zule

To consider and if thought fit, pass, with or without amendment, the following Resolution as an ordinary Resolution:

"That Mr Lin Zule, who retires as a Director of the Company pursuant to rule 15.4 of the Company's Constitution and being eligible and offering himself for re-election, be re-elected as a Director of the Company."

3. Re-election of Director, Mr Jincheng Yao

To consider and if thought fit, pass, with or without amendment, the following Resolution as an ordinary Resolution:

"That Mr Jincheng Yao, who retires as a Director of the Company pursuant to rule 15.4 of the Company's Constitution and being eligible and offering himself for re-election, be re-elected as a Director of the Company."

4. Election of Director, Mr Xuan Jian

To consider and if thought fit, pass, with or without amendment, the following Resolution as an ordinary Resolution:

"That, for the purpose of clause 9.2 of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Mr Xuan Jian, a Director who was appointed casually on 28 August 2019, retires, and being eligible, is re-elected as a Director."

5. Ratification of prior issue of Shares

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an ordinary Resolution:

"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 258,456,500 Shares to Shanghai Fuyuan Investment Co Limited on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of Shanghai Fuyuan Investment Co Limited or any associates of Shanghai Fuyuan Investment Co Limited. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by 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.

6. Ratification of prior issue of Shares

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an ordinary Resolution:

"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 145,714,158 Shares to Shanghai Fuyuan Investment Co Limited on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of Shanghai Fuyuan Investment Co Limited or any associates of Shanghai Fuyuan Investment Co Limited. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by 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.

SPECIAL BUSINESS

7. Approval of additional 10% placement capacity

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **special resolution**:

*“That, for the purposes of ASX Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities up to 10% of the issued capital of the Company (at the time of the issue) (**10% Placement Capacity**) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Memorandum.”*

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person (or those persons). However, the Company will not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by 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.

ATTENDANCE AND VOTING AT THE MEETING

Voting entitlement

In accordance with regulation 7.11.37 of the *Corporations Regulations 2001* (Cth), the Board has determined that Shareholders who are on the Company’s share register at 7.00pm (Brisbane time) on Tuesday, 26 November 2019 shall, for the purposes of the Meeting, be entitled to attend and vote at the Meeting.

If you are not the registered holder of a relevant Share at that time, you will not be entitled to vote at the Meeting.

Voting at the Meeting

Ordinary resolutions require the support of more than 50% of the votes cast. Special resolutions require the support of at least 75% of the votes cast. Resolution 7 is a Special Resolution; all other resolutions are ordinary resolutions.

The passing of each Resolution arising at this Meeting will be decided in the first instance by a show of hands. A poll may be demanded in accordance with the Company’s Constitution.

On a show of hands, every Shareholder who is present in person or by proxy, corporate representative or attorney, will have one vote. Upon a poll, every person who is present in person or by proxy, corporate representative or attorney, will have one vote for each Share held by that person.

Voting by proxy

A Shareholder who is entitled to attend and vote at this Meeting may appoint a proxy to attend and vote on the Shareholder’s behalf. A proxy need not be a Shareholder. If the Shareholder is entitled to cast two or more votes at the Meeting, the Shareholder may appoint two proxies and may specify the proportion or number of votes that each proxy is appointed to exercise.

A Proxy Form accompanies this Notice. To be valid, the Proxy Form must be received no later than 11.00 am (Brisbane time) on Tuesday, 26 November 2019, being 48 hours prior to the commencement of the Meeting.

To record a valid proxy vote, a Shareholder will need to take the following steps:

- (a) To vote online, follow the instructions on the Proxy Form

OR

(b) complete and lodge the Proxy Form at the share registry of the Company, Boardroom Pty Limited:

- (i) by post at the following address:
Boardroom Pty Limited
GPO Box 3993
SYDNEY NSW 2001

OR

- (ii) by hand at the following address:
Boardroom Pty Limited
Level 12, 225 George Street
SYDNEY NSW 2000

(c) complete and lodge the Proxy Form at the share registry of the Company, Boardroom Pty Limited by facsimile on + 61 2 9290 9655.

If you choose to appoint a proxy, you are encouraged to direct your proxy how to vote on each of the Resolutions by marking either **For**, **Against** or **Abstain** on the voting form for each item of business. As explained further below, your vote on Resolution 1 may not be counted if you do not direct your proxy how to vote.

Pursuant to section 250BB of the Corporations Act, an appointment of a proxy may specify the way the proxy is to vote on a particular Resolution and, if it does:

- (a) the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed);
- (b) if the proxy has 2 or more appointments that specify different ways to vote on the Resolution, the proxy must not vote on a show of hands;
- (c) if the proxy is the Chair of the meeting at which the Resolution is voted on, the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- (d) if the proxy is not the Chair, the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

Under section 250BC of the Corporations Act, if:

- (a) an appointment of a proxy specifies the way the proxy is to vote on a particular Resolution at a meeting of a company's members;
- (b) the appointed proxy is not the Chair of the meeting;
- (c) at the meeting, a poll is duly demanded on the Resolution; and
- (d) either of the following applies:
 - (i) the proxy is not recorded as attending the meeting;
 - (ii) the proxy does not vote on the resolution,

the Chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the Resolution at the meeting.

Undirected proxies

Please note that if the Chair of the Meeting is appointed as your proxy (or becomes your proxy by default), you expressly authorise the Chair to exercise your proxy on Resolution even though they may be connected directly or indirectly with the remuneration of a member of the Key Management Personnel of the Company, which includes the Chair. If you appoint the Chair as your proxy you can direct the Chair to vote for or against or abstain from voting on any of Resolutions by marking the appropriate box on the Proxy Form.

The Chair intends to vote undirected proxies in favour of each item of business.

Please also note that if you appoint a Director or a member of the Key Management Personnel (or their Closely Related Parties) as your proxy, in accordance with section 250R (5) of the Corporations Act you must direct your proxy how to vote on Resolution 1, otherwise your vote will not be counted. Follow

the instructions on the proxy form to direct your proxy how to vote.

Voting by corporate representative

A Shareholder or proxy that is a corporation and entitled to attend and vote at the Meeting may appoint an individual to act as its corporate representative.

Evidence of the appointment of a corporate representative must be in accordance with section 250D of the Corporations Act and be lodged with the Company before the Meeting or at the registration desk on the day of the Meeting.

Voting by attorney

A Shareholder entitled to attend and vote at the Meeting is entitled to appoint an attorney to attend and vote at the Meeting on the Shareholder's behalf.

An attorney need not be a holder of Shares.

An instrument conferring the power of attorney or a certified copy of the authority must be produced to the Company at least 24 hours prior to the commencement of the Meeting.

DATED 16 October 2019

**BY ORDER OF THE BOARD
COPPERMOLY LIMITED**

**STEPHEN KELLY
COMPANY SECRETARY**

EXPLANATORY MEMORANDUM

IMPORTANT NOTICE

This Explanatory Memorandum forms part of the Notice convening the Annual General Meeting of Shareholders of Coppermoly Limited to be held on 28 November 2019 at 11.00 am (Australian Eastern Standard time). This Explanatory Memorandum is to assist Shareholders in understanding the background to, and the legal and other implications of, the Notice and the reasons for the Resolutions proposed. Both documents should be read in their entirety and in conjunction with each other.

Other than the information set out in this Explanatory Memorandum, the Directors believe that there is no other information that could reasonably be required by Shareholders to consider the Resolutions.

If you are in doubt about what to do in relation to the Resolutions, you should consult your financial or other professional adviser.

Words or expressions used in the Notice of Meeting and in this Explanatory Memorandum are defined in the Glossary. Unless otherwise stated, all references to sums of money, '\$' and 'dollars' are references to Australian currency.

This Explanatory Memorandum is dated 16 October 2019.

BACKGROUND TO THE RESOLUTIONS

ORDINARY BUSINESS

Receipt of financial statements and reports

This item does not require voting by Shareholders. It is intended to provide an opportunity for Shareholders to raise questions on the financial statements and reports. The Company's auditor will be present at the Meeting and available to answer any questions.

In addition to asking questions at the Meeting, Shareholders may address written questions to the Chair of the Meeting about the management of the Company or to the Company's Auditor, BDO Audit Pty Ltd, if the question is relevant to:

- i. the content of the Auditor's report; or
- ii. the conduct of its audit of the financial statements to be considered at the Meeting.

Note: Under section 250PA(1) of the Corporations Act a Shareholder must submit the question to the Company no later than the fifth business day before the day on which the Annual General Meeting is held.

Written questions for BDO Audit Pty Ltd must be delivered by 21 November 2019 to the address listed on the Proxy Form attached to this Notice of Meeting.

Resolution 1 - Adoption of Remuneration Report (non-binding resolution)

1.1 Background

The Annual Report for the year ended 30 June 2019 contains a Remuneration Report that sets out the remuneration policy of the Company and the remuneration details for each Director and for each member of the Company's senior executive management team.

An electronic copy of the 2019 Annual Report is available to download or view on the Company's website at www.coppermoly.com.au. The 2019 Annual Report has also been sent by post to those Shareholders who have previously elected to receive a hard copy. In addition, the Company has also enabled online voting, details of which are explained on the Proxy Form.

The Corporations Act requires that a resolution to adopt the Remuneration Report be put to the vote of the Company. Shareholders should note that the vote on Resolution 1 is advisory only and, subject to the matters outlined below, will not bind the Company or the Directors. However, the Directors will take the outcome of the vote into consideration when reviewing the Company's remuneration policy.

1.2 Two strikes

If 25% or more of votes that are cast on this non-binding Resolution are voted against the adoption of the Remuneration Report at two consecutive annual general meetings, Shareholders will be required to vote at the second of these annual general meetings on a resolution (a **Spill Resolution**) that another meeting be held within 90 days (**Spill Meeting**), at which:

- (i) all of the Company's Directors (other than the Managing Director) cease to hold office immediately before the end of the Spill Meeting; and
- (ii) Resolutions to appoint persons to offices that will be vacated immediately before the end of the Spill Meeting will be put to the vote at the Spill Meeting.

The approval threshold for the Spill Resolution is 50% or more of votes that are cast on the Spill Resolution. At the 2018 Annual General Meeting, Shareholders voted in favour of the Remuneration Report.

1.3 Board Recommendation

As the Remuneration Report sets out the remuneration details for each Director, the Board does not wish to make a recommendation as to how Shareholders ought to vote on Resolution 1.

The Chair intends to vote undirected proxies in favour of Resolution 1.

Resolution 2 - Re-election of Director, Mr Lin Zule

2.1 Background

In accordance with ASX Listing Rule 14.4 and clause 16.1 of the Company's Constitution, a Director must not hold office without re-election past the third annual general meeting following the director's appointment, or 3 years, whichever is the longer. A Director who retires in accordance with these requirements is eligible for re-election.

Mr Zule was re-elected to the Board in 2016, accordingly Mr Zule must retire at the end of the Meeting and offers himself for re-election.

2.2 Qualifications

Mr Lin holds a masters 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.

2.3 Independence

Mr Lin is a Non-Executive Director and will be not be considered as an independent Director if re-elected, due to his relationship with Ever Leap, a substantial shareholder in the Company.

2.4 Board Recommendation

The Board (with Mr Lin abstaining) recommends that Shareholders vote **FOR** Resolution 2. The Chair intends to vote undirected proxies in favour of Resolution 2.

Resolution 3 - Re-election of Director, Mr Jincheng Yao

3.1 Background

In accordance with ASX Listing Rule 14.4 and clause 16.1 of the Company's Constitution, a Director must not hold office without re-election past the third annual general meeting following the director's appointment, or 3 years, whichever is the longer. A Director who retires in accordance with these requirements is eligible for re-election.

Mr Yao was re-elected to the Board in 2016, accordingly Mr Yao must retire at the end of the Meeting and offers himself for re-election.

3.2 Qualifications

Mr Yao has a Bachelor of Commerce and a Masters in Business Administration and 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 in both China and Australia. Mr Yao has not served as a Director of any other publicly listed companies during the last three years.

3.3 Independence

Mr Yao is a Non-Executive Director and will be not be considered as an independent Director if re-elected, due to his relationship with Shenzhen Beilite Jades Limited, a substantial shareholder in the Company.

3.4 Board Recommendation

The Board (with Mr Yao abstaining) recommends that Shareholders vote **FOR** Resolution 3. The Chair intends to vote undirected proxies in favour of Resolution 3.

Resolution 4 - Re-election of Director, Mr Xuan Jian

4.1 Background

The Constitution allows the Directors to appoint at any time a person to be a Director either to fill a casual vacancy or as an addition to the existing Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

Pursuant to the Constitution and ASX Listing Rule 14.4, any Director so appointed holds office only until the next following annual general meeting and is then eligible for re-election by Shareholders but shall not be considered in determining the Directors who are to retire by rotation (if any) at that meeting.

Mr Xuan Jian having been appointed a Director on 28 August 2019 pursuant to a resolution of Directors in accordance with Rule 15.1 the Constitution, will retire in accordance with the Constitution and ASX Listing Rule 14.4 and, being eligible, seeks re-election from Shareholders.

4.2 Qualifications

Mr Jian is a qualified geophysicist and property valuer and is a Chinese certified public accountant. Mr Jian has significant international experience in the resources and investment sectors.

4.3 Independence

If elected, the board considers Mr Jian will not be an independent director due to his relationship with Shanghai Fuyuan Investment Co Limited, a substantial shareholder in the Company.

4.4 Board recommendation

The Board (with Mr Jian abstaining) recommends that Shareholders vote **FOR** Resolution 4.

The Chair intends to vote undirected proxies in favour of Resolution 4.

Resolutions 5 to 7 - Resolutions relating to share capital

Resolutions 5 to 7 (inclusive) are Resolutions relating to the Company's share capital.

Table 1 below sets out the potential dilutionary impact of Resolutions 5 to 7 (inclusive) on the Share capital of the Company.

Table 1 – Potential Dilutionary Effect of Resolutions 5 to 7

Resolution Number	Description	Shares (number)	Shares (cumulative)	% (at issue)	% (after issue of all Shares per Resolution)	Convertible notes (number)	Options and Performance Shares (cumulative)	% (at issue)	% (fully diluted)	Total equities (number)	Total equities (cumulative)
5 and 6	Current issued capital (including Shares to be ratified pursuant to Resolutions 5 and 6)	2,127,213,989	2,127,213,989	100%	91%	60,000,000	60,000,000	100%	3%	2,187,213,989	2,187,213,989
7	Approval of additional 10% placement capacity under ASX Listing Rule 7.1A	212,721,399	2,339,935,388	9%	100%	-	60,000,000	0%	3%	212,721,399	2,399,935,388

The above tables reflect the maximum number of equity securities that may be issued by the Company if the relevant Resolution is approved and assuming that no other equity securities are issued by the Company.

Refer explanatory information for each of the Resolutions included in this Notice of Meeting for additional information.

Resolutions 5 and 6 – Ratification of prior issues of Shares

5.1 Background

On 31 July 2019, the Company issued a placement of 404,170,658 Shares at an issue price of \$0.015 per Share to Shanghai Fuyuan Investment Co Limited (“SFIL”).

258,456,500 Shares were issued pursuant to the Company’s capacity under ASX Listing Rule 7.1 and 145,714,158 Shares were issued pursuant to the Company’s capacity under ASX Listing Rule 7.1A which was approved by Shareholders at the annual general meeting held on 24 November 2018.

Resolutions 5 and 6 seek Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Shares.

5.2 Resolution 5 – ASX Listing Rule 7.1

ASX Listing Rule 7.1 prohibits the Company (subject to certain exceptions such as pro-rotta issues) from issuing or agreeing to issue equity securities (such as Shares and Options) representing more than 15% of the Company’s total issued securities, during a rolling 12-month period, without Shareholder approval (15% Threshold).

ASX Listing Rule 7.4 provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

5.3 Resolution 6 – ASX Listing Rule 7.1A

ASX Listing Rule 7.1A provides that in addition to issues permitted without prior shareholder approval under ASX Listing Rule 7.1, an entity that is eligible and obtains shareholder approval under ASX Listing Rule 7.1A may issue or agree to issue during the period for which the approval is valid a number of quoted equity securities which represents 10% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period as adjusted in accordance with the formula in ASX Listing Rule 7.1A.

Where an eligible entity obtains shareholder approval to increase its placement capacity under ASX Listing Rule 7.1A then any ordinary securities issued under that additional placement capacity:

- (a) will not be counted in variable “A” in the formula in ASX Listing Rule 7.1A; and
- (b) are counted in variable “E”,

until their issue has been ratified under ASX Listing Rule 7.4 (and provided that the previous issue did not breach ASX Listing Rule 7.1A) or 12 months has passed since their issue.

By ratifying the issue the subject of this Resolution, the base figure (ie variable “A”) in which the Company’s 15% and 10% annual placement capacities are calculated will be a higher number which in turn will allow a proportionately higher number of securities to be issued without prior Shareholder approval. Although, it is noted that the Company’s use of the 10% annual placement capacity following this Meeting remains conditional on Resolution 7 (refer section 12 of this Explanatory Memorandum) being passed by the requisite majority.

5.4 Technical information

In accordance with the requirements of Listing Rule 7.5, the following information is provided in relation to Resolutions 5 and 6:

- (a) 404,170,658 Shares were issued on the following basis:
 - (i) 258,456,500 Shares were issued pursuant to ASX Listing Rule 7.1; and
 - (ii) 145,714,158 Shares were issued pursuant to ASX Listing Rule 7.1A;
- (b) the issue price was \$0.015 per Share under both issuances of Shares the subject of Resolutions 5 and 6;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company and issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares were issued to SFIL, a sophisticated and exempt investor pursuant to section 708(8) of the Corporations Act. SFIL is not a related party of the Company; and
- (e) \$6,062,560 was raised under the placements under ASX Listing Rule 7.1 and ASX Listing Rule 7.1A. The funds raised will be utilised for the following purposes:
 - i. Further drilling at the Mt Nakru Cu-Au Project.
 - ii. Progressing geotechnical and environmental programs at Mt Nakru.
 - iii. Scoping / Pre-feasibility study for the Mt Nakru Cu-Au Project.
 - iv. Modelling and interpretation of newly acquired IP data at the Simuku Porphyry Cu Project.
 - v. Test drilling new targets at Simuku Porphyry Cu Project.
 - vi. Assessment of regional targets at the Mak Mak and Kori River Projects.
 - vii. General working capital purposes.

5.5 *Board Recommendation*

The Board recommends that Shareholders vote **FOR** Resolutions 5 and 6.

The Chair intends to vote undirected proxies in favour of Resolution 5 and 6.

Special Business

Resolution 7 - Approval of additional 10% placement capacity

3.1 General

ASX Listing Rule 7.1A provides that an Eligible Entity may seek Shareholder approval at its annual general meeting to allow it to issue Equity Securities up to 10% of its issued capital (**10% Placement Capacity**) without using the Company's 15% placement capacity under Listing Rule 7.1.

An eligible entity for the purposes of 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. The Company is an eligible entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of approximately \$17,017,712 as at 11 October 2019.

The Company is now seeking Shareholder approval by way of a special resolution to have the ability to issue Equity Securities under the 10% Placement Facility. Resolution 7 is a special resolution. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of Resolution 7 for it to be passed. The exact number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (see below).

The Company obtained Shareholder approval for additional placement capacity under Listing Rule 7.1A at its Annual General Meeting held on 24 November 2018.

3.2 ASX Listing Rule 7.1A

(a) Period

An approval under ASX Listing Rule 7.1A must be for a period commencing on the date of the Annual General Meeting at which the approval is obtained and expiring on the first to occur of the following:

- (i) the date that is 12 months after the date of the Annual General Meeting at which the approval is obtained; or
- (ii) the date of the approval by Shareholders of a transaction under ASX Listing Rule 11.1.2 or 11.2.

(b) Shareholder approval

The ability to issue Equity Securities under the 10% Placement Facility is subject to Shareholder approval by way of a special resolution at an Annual General Meeting.

(c) Equity Securities

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the Company.

The Company, as at the date of the Notice, has on issue 2 classes of Equity Securities, being Shares and Convertible Notes. Only the Company's Shares are quoted securities.

(d) Formula for calculating 10% Placement Capacity

Listing Rule 7.1A.2 provides that eligible entities that have obtained Shareholder approval at an AGM 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:

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

Where:

- A** is the number of Shares on issue 12 months before the date of issue or agreement:
- plus, the number of Shares issued in the previous 12 months under an exception in ASX Listing Rule 7.2;
 - plus, the number of partly paid shares that became fully paid in the previous 12 months;
 - plus, the number of Shares issued in the previous 12 months with approval of Shareholders of Shares under Listing Rules 7.1 and 7.4. This does not include an issue of fully paid ordinary shares under the entity's 15% placement capacity without Shareholder approval; and
 - less the number of Shares cancelled in the previous 12 months.
- D** is 10%.
- E** is the number of Equity Securities issued or agreed to be issued under ASX Listing Rule 7.1A.2 in the 12 months before the date of issue or agreement to issue that are not issued with the approval of holders of Ordinary Securities under ASX Listing Rule 7.1 or 7.4.

(e) Listing Rule 7.1 and Listing Rule 7.1A

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% placement capacity under Listing Rule 7.1.

At the date of this Notice, the Company has on issue 2,127,213,989 Shares. The Company therefore has a capacity to issue:

- (i) 319,082,098 Equity Securities under Listing Rule 7.1; and
- (ii) 212,721,399 Equity Securities under Listing Rule 7.1A.

The actual number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 3.2.1 (c) below).

3.2.1 Technical information required by ASX Listing Rule 7.1A

Pursuant to and in accordance with ASX Listing Rule 7.3A, the information below is provided in relation to this Resolution 7:

(a) Minimum Price

The minimum price at which the Equity Securities may be issued is 75% of the volume weighted average price of Equity Securities in that 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 at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 ASX trading days of the date in paragraph 4.2(a)(i) the date on which the Equity Securities are issued.

(b) Date of Issue

The Equity Securities may be issued under the 10% Placement Capacity commencing on the date of the Meeting and expiring on the first to occur of the following:

- (i) 12 months after the date of this Meeting; and
- (ii) the date of approval by Shareholders of any transaction under ASX Listing Rules 11.1.2 (a significant change to the nature or scale of the Company's activities) or 11.2 (disposal of the Company's main undertaking) (after which date, an approval under Listing Rule 7.1A ceases to be valid), (10% Placement Capacity Period).

(c) Risk of voting dilution

Any issue of Equity Securities under the 10% Placement Capacity will dilute the interests of Shareholders who do not receive any Shares under the issue.

If Resolution 7 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 10% Placement Capacity, the economic and voting dilution of existing Shares would be as shown in the table below.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in ASX Listing Rule 7.1A(2), on the basis of the current market price of Shares and the current number of Equity Securities on issue as at the date of this Notice.

The table also shows the voting dilution impact where the number of Shares on issue (variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 10% Placement Capacity.

Table 2 - Potential dilutionary impact of Resolution 7

Number of Shares on Issue (Variable 'A' in ASX Listing Rule 7.1A2)	Dilution			
	Issue Price (per Share)	\$0.004 (50% decrease in issue price)	\$0.008 (issue price)	\$0.01 (25% increase in issue price)
2,127,213,989 (Current Variable "A')	Shares issued - 10% voting dilution	212,721,399 Shares	212,721,399 Shares	212,721,399 Shares
	Funds Raised	\$850,886	\$1,701,171	\$2,127,214
3,190,820,984 (50% increase in Variable 'A')*	Shares issued - 10% voting dilution	319,082,098 Shares	319,082,098 Shares	319,082,098 Shares
	Funds Raised	\$1,276,328	\$2,552,657	\$3,190,821
4,254,427,978 (100% increase in Variable 'A')*	Shares issued - 10% voting dilution	425,442,798 Shares	425,442,798 Shares	425,442,798 Shares
	Funds Raised	\$1,701,771	\$3,403,542	\$4,254,428

*The number of Shares on issue (Variable A in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issue or scrip issued under a takeover offer) or that are issued with Shareholder approval under ASX Listing Rule 7.1.

The table above uses the following assumptions:

1. There are currently 2,127,213,989 Shares on issue as at the date of this Notice of Meeting.
2. The current issue price set out above is the closing price of the Shares on the ASX on 11th October 2019, being \$0.008.
3. The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity.
4. The Company has not previously issued any securities under Listing Rule 7.1A.
5. The issue of Equity Securities under the 10% Placement Capacity consists only of Shares. It is assumed that no Convertible Notes are exercised into Shares before the date of issue of the Equity Securities.
6. The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
7. This table does not set out any dilution pursuant to approvals under ASX Listing Rule 7.1.
8. The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
9. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Capacity, based on that Shareholder's holding at the date of the Meeting.

Shareholders should note that there is a risk that:

- (i) the market price for the Company's Shares may be significantly lower on the issue date than on the date of the Meeting; and
- (ii) the Shares may be issued at a price that is at a discount to the market price for those Shares on the date of issue.

(d) Purpose of Issue under 10% Placement Capacity

The Company may issue Equity Securities under the 10% Placement Capacity for the following purposes:

- (i) as cash consideration in which case the Company intends to use funds raised for exploration on the Company's exploration projects located in Papua New Guinea and for general working capital purposes; or
- (ii) as non-cash consideration for the acquisition of new resources assets and investments, in such circumstances the Company will provide a valuation of the non-cash consideration as required by ASX Listing Rule 7.1A.3.

The Company will comply with the disclosure obligations under ASX Listing Rules 7.1A.4 and 3.10.5A upon issue of any Equity Securities.

(e) Allocation under the 10% Placement Capacity

The Company's allocation policy for the issue of Equity Securities under the 10% Placement Capacity will be dependent on the prevailing market conditions at the time of the proposed placement(s).

The recipients of the Equity Securities to be issued under the 10% Placement Capacity have

not yet been determined. However, the recipients of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the recipients at the time of the issue under the 10% Placement Capacity, having regard to the following factors:

- (i) the purpose of the issue;
- (ii) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue or other offer where existing Shareholders may participate;
- (iii) the effect of the issue of the Equity Securities on the control of the Company;
- (iv) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;
- (v) prevailing market conditions; and
- (vi) advice from corporate, financial and broking advisers (if applicable).

Further, if the Company is successful in acquiring new resources, assets or investments, it is likely that the recipients under the 10% Placement Capacity will be vendors of the new resources, assets or investments.

(f) Previous Approval under ASX Listing Rule 7.1A and disclosure required by ASX Listing Rule 7.3A.6

The Company has previously obtained approval from Shareholders pursuant to ASX Listing Rule 7.1A at its Annual General Meeting held on 24 November 2018.

In accordance with ASX Listing Rule 7.3A.6, the Company makes the following disclosure:

- (i) In the 12 months preceding the date of the Annual General Meeting to be held on 28 November 2019, the Company has issued 145,714,158 equity securities representing 10.13 per cent of the Company's issued equity securities on issue on 28 November 2018 pursuant to the previous approval obtained under ASX Listing Rule 7.1A;
- (ii) The Company issued a further 603,838,443 Shares as set out in Table 3 during the 12-month period preceding the date of the Meeting
- (iii) The total Equity Securities issued by the Company during the 12-month period preceding the date of the Meeting as a percentage of the total diluted number of Equity Securities on issue in the Company at 28 November 2018 ss summarised in Table 3:

Table 3 – Issues of Equity Securities since 28 November 2018 as a % of fully diluted equity securities on issue as at 28 November 2018

Item	Quantity
Shares issued pursuant to Listing Rule 7.1A	145,714,158
Shares issued pursuant to Listing Rule 7.1	258,456,500
Shares issued pursuant to Listing Rule 7.2	345,381,843
Total Equity Securities issued in 12 months prior to the date of the Meeting	749,552,501
Total diluted equity securities on issue at 28 November 2018	1,438,246,496
Total Equity Securities issued in 12 months prior to the date of the Meeting as a percentage of total diluted equity securities on issue at 30 November 2017	52.12%

Table 4 provides further details of the issues of Equity Securities by the Company in the 12-month period preceding the date of the Meeting:

Table 4 – Issues of Equity Securities since 28 November 2018

Date	Quantity	Class	Recipients	Issue price and discount to Market Price	Form of consideration	Use of funds or intended use of funds for remaining consideration
2 January 2019	345,381,843	Fully paid ordinary shares	<p>Eligible shareholders pursuant to the 1 for 3 Entitlement Offer.</p> <p>This was a 0% discount to the market price of \$0.007 immediately prior to the issue.</p>	\$0.007 per Share	Cash	The funds raised were used to fund exploration activity on the Company's mineral exploration tenements in Papua New Guinea including completion of the Mt Nakru drill program and resource estimation, the IP survey undertaken at Simuku Project and for general working capital purposes.
31 July 2019	404,170,658	Fully paid ordinary shares	<p>Shanghai Fuyuan Investment Co Limited</p> <p>This was a 150% premium to the market price of \$0.006 immediately prior to the issue.</p>	\$0.015 per Share	Cash	<p>\$6,062,560 was raised under the placements under ASX Listing Rule 7.1 and ASX Listing Rule 7.1A. The funds raised will be utilised for the following purposes:</p> <ul style="list-style-type: none"> i. Further drilling at the Mt Nakru Cu-Au Project. ii. Progressing geotechnical and environmental programs at Mt Nakru. iii. Scoping / Pre-feasibility study for the Mt Nakru Cu-Au Project. iv. Modelling and interpretation of newly acquired IP data at the Simuku Porphyry Cu Project. v. Test drilling new targets at Simuku Porphyry Cu Project. vi. Assessment of regional targets at the Mak Mak and Kori River Projects. vii. General working capital purposes.

(g) Compliance with ASX Listing Rules 7.1A.4 and 3.10.5A

When the Company issues Equity Securities pursuant to the 10% Placement Capacity, it will give to ASX:

- (i) a list of the recipients of the Equity Securities and the number of Equity Securities allotted to each (not for release to the market), in accordance with ASX Listing Rule 7.1A.4; and
- (ii) the information required by ASX Listing Rule 3.10.5A for release to the market.

3.3 Voting Exclusion

A voting exclusion statement is included in this Notice. As at the date of this Notice, the Company has not invited any existing Shareholder to participate in an issue of Equity Securities under ASX Listing Rule 7.1A. Therefore, no existing Shareholders will be excluded from voting on Resolution 7.

3.4 Directors Recommendation

The Directors recommend that Shareholders vote in favour of Resolution 7.

The Chair intends to vote undirected proxies in favour of Resolution 7.

Glossary

In this Explanatory Memorandum and the Notice of Meeting:

AUD, \$, AU\$ are references to the Australian Dollar;

Annual General Meeting or **Meeting** means the annual general meeting of the Company to be convened by this Notice of Meeting (unless the context otherwise requires);

Associate(s) has the meaning given in the Corporations Act;

ASX means the Australian Securities Exchange or ASX Limited ACN 008 624 691;

Board means the board of Directors of the Company at the date of this Notice;

Chair means the chair of the Meeting;

Closely Related Party of a member of the Key Management Personnel for an entity, includes:

- i. a spouse or child of the member;
- ii. a child of the member's spouse;
- iii. a dependent of the member or of the member's spouse;
- iv. 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 dealings with the entity;
- v. a company the member controls; or
- vi. a person prescribed as such by the *Corporations Regulations 2001* (Cth);

Company means Coppermoly Limited ACN 118 619 042;

Constitution means the constitution of the Company in effect at the time of the Meeting;

Corporations Act means the *Corporations Act 2001* (Cth);

Directors means the directors of the Company being as at the date of this Notice of Meeting, being Kevin Grice, Jincheng Yao, Wanfu Huang, Zule Lin and Xuan Jian

Explanatory Memorandum means this explanatory memorandum that accompanies and forms part of the Notice of Meeting;

Financial Report means the 30 June 2019 financial report of the Company, a copy of which was lodged with ASX on 27 September 2019 under the announcement "Annual Financial Results";

Key Management Personnel means 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);

Listing Rules means the official Listing Rules of ASX;

Notice of Meeting means the notice of annual general meeting dated 16 October 2019 which this Explanatory Memorandum accompanies and in which the Resolutions are set out;

Proxy Form means a valid proxy form for this Annual General Meeting (unless the context otherwise requires);

Remuneration Report means the remuneration report of the Company for the year ended 30 June 2019 contained in the Financial Report;

Resolution or **Resolutions** means the resolutions referred to in the Notice of Meeting;

Share means a fully paid ordinary share in the Company;

Shareholder means a holder of Shares;

Spill Meeting has the meaning given in Resolution 1; and

Spill Resolution has the meaning given in Resolution 1.

All Correspondence to:

- ✉ **By Mail** Boardroom Pty Limited
GPO Box 3993
Sydney NSW 2001 Australia
- 📠 **By Fax:** +61 2 9290 9655
- 💻 **Online:** www.boardroomlimited.com.au
- ☎ **By Phone:** (within Australia) 1300 737 760
(outside Australia) +61 2 9290 9600

YOUR VOTE IS IMPORTANT

For your vote to be effective it must be recorded **before 11:00am (Brisbane Time) on Tuesday 26 November 2019.**

🖥 TO VOTE ONLINE

- STEP 1: VISIT** <https://www.votingonline.com.au/coyagm2019>
- STEP 2: Enter your Postcode OR Country of Residence (if outside Australia)**
- STEP 3: Enter your Voting Access Code (VAC):**

📱 BY SMARTPHONE



Scan QR Code using smartphone
QR Reader App

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 securityholder 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:

- (a) 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.
- (b) 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 **11:00am (Brisbane Time) on Tuesday, 26 November 2019.** Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy forms may be lodged using the enclosed Reply Paid Envelope or:

- 💻 **Online** <https://www.votingonline.com.au/coyagm2019>
- 📠 **By Fax** + 61 2 9290 9655
- ✉ **By Mail** Boardroom Pty Limited
GPO Box 3993,
Sydney NSW 2001 Australia
- 👤 **In Person** Boardroom Pty Limited
Level 12, 225 George Street,
Sydney NSW 2000 Australia

Attending the Meeting

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

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 securityholder) 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 **Unit 2, 42 Morrow Street, Taringa QLD 4068 on Thursday, 28 November 2019 at 11:00am (Brisbane Time)** 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 these 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 Resolution1). 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	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-election of Director, Mr Lin Zule	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Re-election of Director, Mr Jincheng Yao	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Election of Director, Mr Xuan Jian	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Ratification of prior issue of Shares – 258,456,500 Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Ratification of prior issue of Shares – 145,714,158 Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Approval of additional 10% placement capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

STEP 3 SIGNATURE OF SECURITYHOLDERS
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 / / 2019