28 July 2022 ASX Code: **COY**

June 2022 Quarterly Activities Report

The following report details the operating and corporate activities of Coppermoly Ltd (**Coppermoly** or **the Company**) for the quarter ended 30 June 2022**.**

SUMMARY

- **With the easing of COVID related travel restrictions, Coppermoly is preparing for the resumption of its exploration programs.**
- **Coppermoly is well capitalised with cash reserves of $2.05 million as of 30 June 2022.**

Exploration Projects

The Company explores for copper, gold and zinc deposits across the north Queensland, Australia and New Britain, Paupu New Guniea.

Papua New Guinea Exploration Projects

The Company holds 5 tenements, with two advanced copper gold projects, Mt Nakru and Simuku, on the New Britain Island.

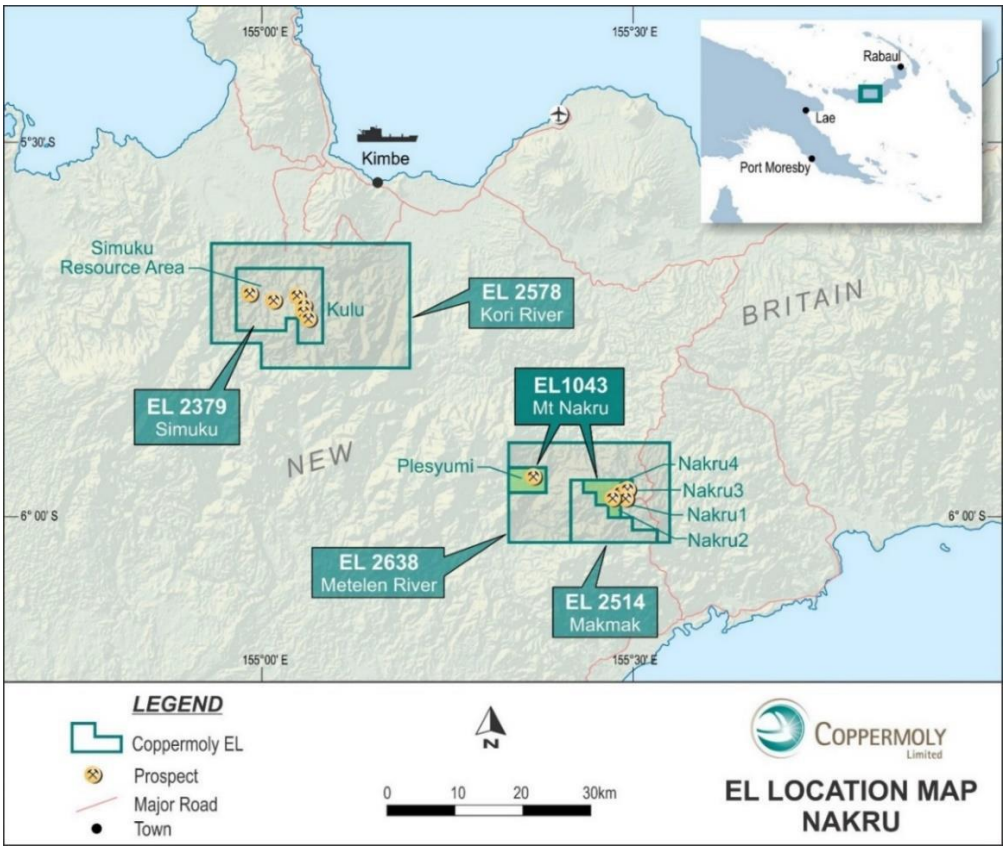

Figure 1 – Location of Coppermoly's tenements in PNG

The Company has continued to maintain its existing PNG infrastructure (personnel, access roads and exploration camps) and has focused on maintaining good relations with landowners and local communities. With the easing of COVID restrictions that commenced during the March quarter, the Company is preparing for the recommencement of its exploration programs.

Mt Nakru (EL 1043) - PNG

The Mt Nakru Cu-Au project (EL 1043) comprises two known deposits, Nakru 1 and Nakru 2, which are 1.5km apart. The Mt Nakru Project hosts Mineral Resources, classified in accordance with JORC (2012), which were estimated by Mining Associates in February 2019 and are summarised in Table 1.[1]

Table 1. Nakru Project Indicated and Inferred Mineral Resource Estimate, Feb 2019 (> 0.3% Cu)[1]

Resource Category	Mineralised Tonnes (millions)	Grade			Metal		
		Copper %	Gold g/t	Silver g/t	Copper (kt)	Gold (koz)	Silver (koz)
Indicated	7.03	1.00	0.28	1.81	70	64	409
Inferred	34.36	0.69	0.21	1.55	239	237	1,707
Total	**41.39**	**0.75**	**0.23**	**1.59**	**309**	**300**	**2,116**

[1] *See Coppermoly ASX Announcement 28 February 2019. The Company is not aware of any new information or data that materially affects the information included in the referenced ASX announcement and confirms that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.*

High- grade copper-zinc mineralisation zones were reported at surface by trenching at the Nakru 2 North-West and Nakru 3 Prospects (Figure 2, ASX announcement on 4 December 2019).

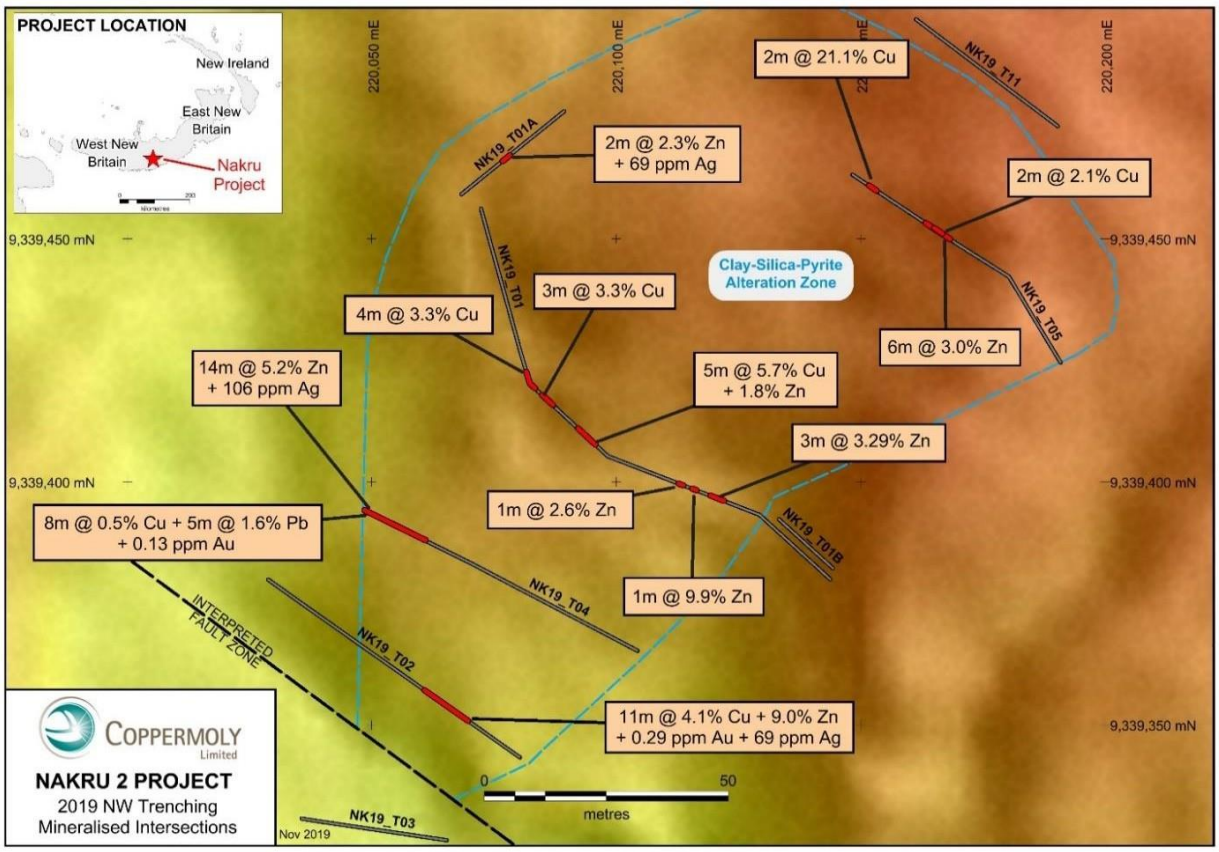

Figure 2 - Clay-silica-pyrite alteration zone with massive sulphur mineralisation veins exposed along surface trenching at the Nakru 2 North-West Prospect

A planned exploration drilling program at Mt Nakru to define the strike length and depth extent of the currently exposed massive and disseminated sulphides has been deferred pending the lifting of COVID-19 related restrictions on travel between Australia and Papua New Guinea.

Simuku (EL 2379) - *PNG*

The Simuku Project comprises Exploration Licence 2379 on the island of New Britain in Papua New Guinea (Figure 3). Mineralisation at Simuku is copper-molybdenum-gold porphyry style associated with the Simuku-Kulu Intrusive Complex, which is Upper Oligocene in age. Three and potentially four porphyry copper-molybdenum-gold prospects, spaced along a 3 to 4 km, north to northeast trending zone, have been recognised on the Simuku Project.

Table 2 details the Simuku Mineral Resource, which was reported 0n 4 March 2020 at a 0.2% copper cut off.

Table 2 - Simuku Mineral Resource Statement[2]

Category	Mt	Cu %	Au g/t	Ag ppm	Mo ppm	Cut-Off
Inferred	373.6	0.31	0.05	2.1	59	0.2% Cu

[2] *See Coppermoly ASX Announcement 4 March 2020 for full details of the Simuku Mineral Resource Estimate. The Company is not aware of any new information or data that materially affects the information included in the referenced ASX announcement and confirms that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed*

Coppermoly's exploration strategy is to investigate areas adjacent to the Simuku Mineral Resource for similar styles of mineralisation to expand the overall Mineral Resource. Recent geophysical studies completed by the Company have outlined target areas near the Simuku Mineral Resource for follow up exploration.

Mak Mak (EL2514) - *PNG*

Mak Mak is a greenfield exploration tenement that lies proximal to the Nakru tenement. There are several sites within the tenement where rock chip and stream sediment samples have returned elevated copper and gold.

No significant exploration activity was undertaken on the Mak project during the quarter.

Kori River (EL2578) - *PNG*

EL2578 comprises 116 sub-blocks, covering an area of approximately 315 km2, that encloses the Company's existing Simuku exploration licence (Figure 3). EL2578 includes areas near the boundary of the Simuku exploration licence that show encouraging signs for potential conductive and resistive anomalous zones.

No significant exploration activity was undertaken on EL2578 during the quarter.

Metelen River (EL2638) - *PNG*

Metelen River occupies an area of 246km^2 and is located adjacent to the Company's existing Mt Nakru and Mak exploration licences.

Ongoing data compilation, but no fieldwork was undertaken on EL2638 during the quarter.

Exploration Projects in Australia

During the prior quarter, the Queensland Department of Natural Resources, Mines and Energy ("DNR"). granted exploration licence EPM 27836 (Mount Tracey Project) to the Company. Thus the Company holds substantial prospective ground for copper gold mineralisation in the Eastern Succession, Mount Isa Inlier, northwest Queensland.

EPM 27836 (Mount Tracey Project)

EPM27836 covers an area of approximately 294 km^2 , and lies immediately to the south of the previously granted EPM27835 (Fox Creek Project), which comprises an area of approximately 320 km^2.

The Queensland Mineral database records numerous Cu-Au occurrences within the Eastern Succession. The most significant occurrences include Ernest Henry (167 Mt @ 1.1% Cu; 0.54 g/t Au), Eloise (3.2 Mt @5.8% Cu; 1.5g/t Au; 19g.t Ag), Osborne (11.2 Mt @ 3.51% Cu; 1.49 g/t Au), Mt Elliot (3.3 Mt @ 3.6% Cu; 1.8 g/t Au), Starra (6.9 Mt @ 1.65% Cu; 4.8 g/t Au) (Figure 3).

Extensive research on mineralisation model and implication in exploring for those Cu-Au deposits highlighted several key elements: (1) contact zones across major stratigraphic packages such as the Corella/Staveley Formation and Soldiers Cap Group; (2) the district scale basement structure such as the Cloncurry Fault; (3) presence of mafic intrusives / extrusives; (4) spatial proximity to significant granitoids such as the Williams-Naraku Granite.

The Cloncurry Fault is a significant structural zone in the Eastern Succession, striking north-westerly over 150 km in length and extending continuously to at least 20km depth. This fault is broadly associated with a major lithological contact, separating cover sequence units in the Soldiers Cap and Corella/Staveley Formation. It is spatially associated with a series of plutons such as the Saxby Granite and Squirrel Hills Granite. It is recognised to have been a major fluid channel over a significant period of time. Numerous Cu-Au occurrences occur along this fault zone (Figure 4).

EPM27835, contains a significant portion of the Cloncurry Fault (Figure 4).

The tenement area is deemed highly prospective for base metal and gold mineralisation with geological resemblances to the Eloise Cu-Au and Starra Cu-Au deposits.

There are numerous historic copper workings in the tenement area. Three of those areas, are Mount Kalkadoon Cu-Au Zone, Lorna Miss Hit Cu-Au Zone and Fox Extension Cu-Au Zone. Preliminary modelling of historic data warrants further exploration on those zones (Figure 4).

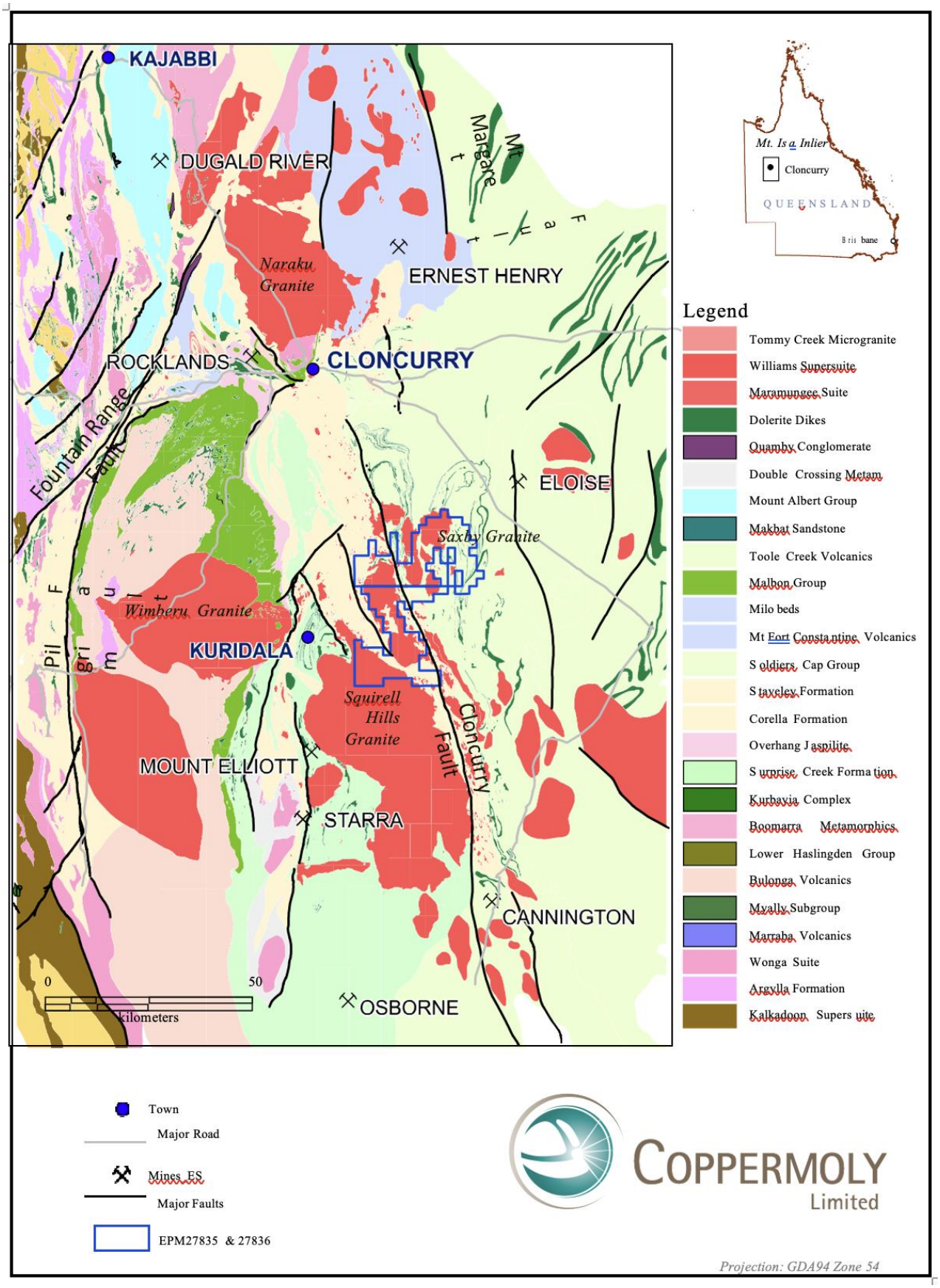

Figure 3 - Tenement location in the Eastern Succession, Mt Isa Inlier, Northwest Queensland showing significant copper, gold and zinc deposits in the region. (Map compiled after Qld's Mines Department database - NWQ Geology 2011)

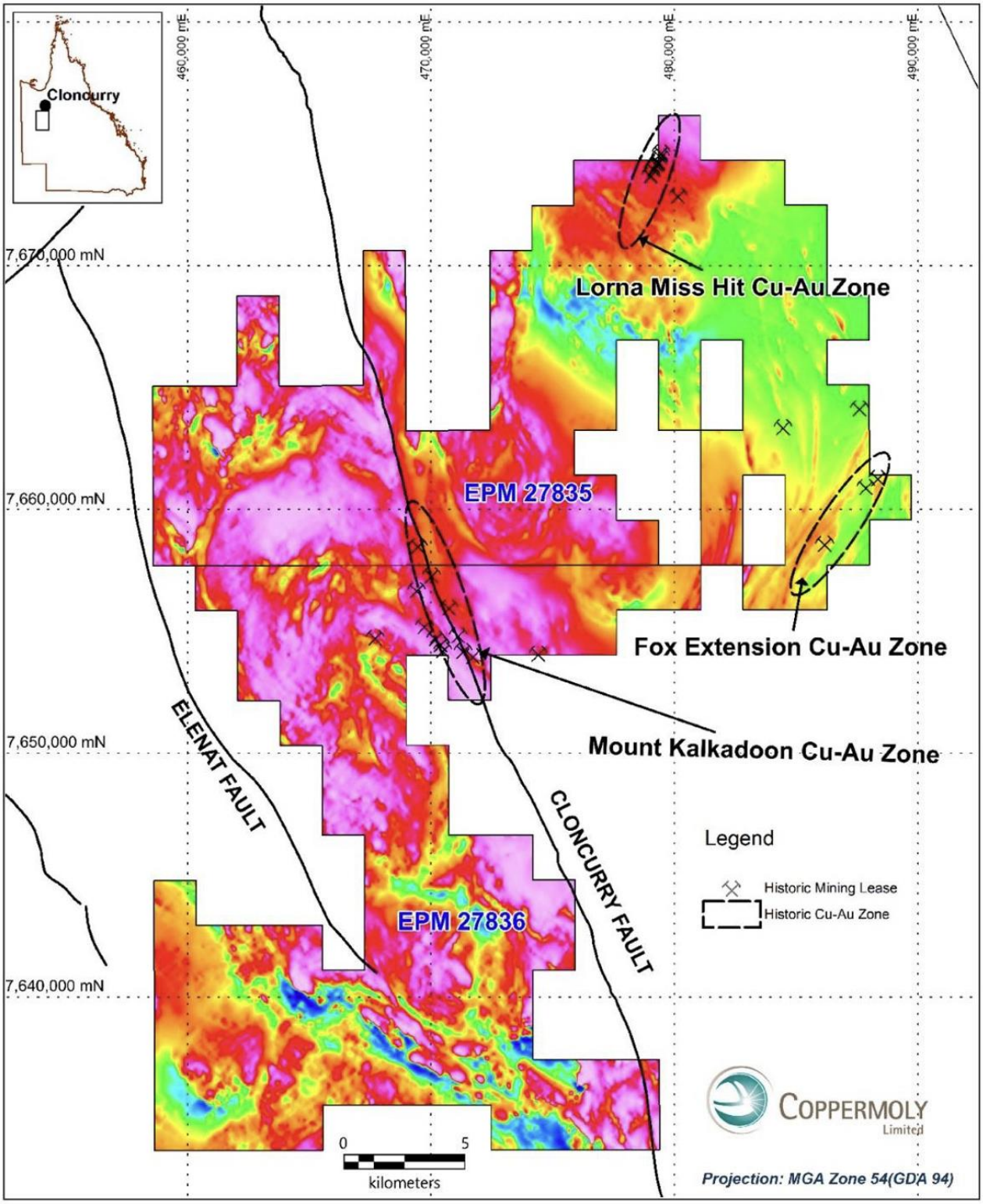

Figure 4 - Granted tenements (Fox Creek Project and Mount Tracey Project) over total magnetic Image (TMI) showing historic Copper mines zones and major fault zones. (Magnetic data clipped from Mine Department Database NWQ_TMI 2011)

Corporate Activity

As of 30 June 2022, the Company had cash reserves of $2.05 million.

During the quarter the Company made payments totaling $41,250 to related parties or their associates. These payments represented remuneration, including superannuation, paid to the Managing Director.

Outlook

Queensland Projects

The granted tenements, EPM27835 and EPM27836, contains a significant portion of the Cloncurry Fault (Figure 2). The tenement area hosts numerous historic copper workings, such as the Mount Kalkadoon Cu-Au Zone, Lorna Miss Hit Cu-Au Zone and Fox Extension Cu-Au Zone.

A geological and geophysical interpretation of those three zones is currently underway, and the first phase of ground mapping will commence when the accessibility to the area is improved shortly.

PNG Projects

With the easing of COVID restrictions now, the Company did some ground assessment in preparing for the recommencement of its exploration programs in the June quarter. The Company is panning field programs after the settlement of PNG's National Election in July/August 2022.

The company remains well funded to resume exploration activities on its Papua New Guinea projects when circumstances allow.

Exploration Portfolio on 30 June 2022

As of 30 June 2022, the Company had interests in the following mineral exploration tenements:

PROJECT	EXPIRY DATE	AREA	LOCATION
Granted Exploration Licences – Papua New Guinea			
EL 1043 Mt Nakru*	7 December 2022	47km²	West New Britain
EL 2379 Simuku*	10 September 2021^^	122km²	West New Britain
EL 2514 Mak Mak@	11 September 2021^^	61km²	West New Britain
EL 2578 Kori River@	24 February 2021^^	396km²	West New Britain
EL 2638 Metelen River@	17 May 2022	246km²	West New Britain
Granted Exploration Licences – Australia			
EPM27835 Fox Creek@	4 October 2026	320km²	Queensland
EPM27836 Mount Tracey@	7 March 2027	294km²	Queensland

* *Two of the Company's exploration licences, EL 1043 Mt Nakru and EL 2379 Simuku, together known as the West New Britain Projects (**WNB Projects**), were previously subject to a farm-in agreement with Barrick (PD) Australia Ltd (**Barrick**), a subsidiary of Barrick Gold Corporation. Barrick earned a 72% interest in the WNB Projects by spending more than $20 million on exploration. In July 2013 Coppermoly entered into an agreement with Barrick to reacquire 100% ownership of the WNB Projects' licences on a staged basis. Barrick still holds a nominal 28% interest in the WNB Projects, which the Company has a binding agreement to acquire, completion of which will be affected on the payment of a further $4.5 million to Barrick within 6 months following the commencement of commercial production at the WNB Projects. Barrick do not have to contribute any further costs for exploration or development of the WNB Projects nor are they entitled to any profits from the projects.*

@ *Other than EL 1043 and EL 2379, the Company holds, or has applied for, a 100% ownership interest in the mineral exploration tenements.*

^^*As at the date of this Quarterly Report the Company has submitted renewal applications for these tenements for a further two year period commencing on the expiry date of the previous term as set out in the above table. The renewal application is proceeding in accordance with the regulatory processes prescribed by the PNG Mining Act. The Company believes it has complied with all licence conditions, including minimum expenditure requirements, and is not aware of any matters or circumstances that have arisen that would result in the Company's application for renewal of the exploration licence not being granted in the ordinary course of business.*

Authorised by the Managing Director of Coppermoly Limited.

For further information please contact

Dr Wanfu Huang

Managing Director

wfhuang@coppermoly.com.au

Corporate Directory **Coppermoly Limited** (ABN 54 126 490 855)	
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Company Secretary Mr Craig McPherson	Email: info@coppermoly.com.au Website: www.coppermoly.com.au

About Coppermoly

Coppermoly (COY) is an ASX listed junior exploration company which has been listed on the ASX since 2008. Coppermoly's head office is in Brisbane, Australia and mineral exploration activities are focused entirely on the island of New Britain in PNG where it is exploring for copper, gold, silver, zinc, and molybdenum.

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity	
COPPERMOLY LIMITED	
ABN	**Quarter ended ("current quarter")**
54 126 490 855	30 JUNE 2022

	Consolidated statement of cash flows	**Current quarter $A'000**	**Year to date (12 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	-	-
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(72)	(299)
	(e) administration and corporate costs	(100)	(354)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	-
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	-	-
1.9	**Net cash from / (used in) operating activities**	**(172)**	**(653)**

Consolidated statement of cash flows		Current quarter $A'000	Year to date (12 months) $A'000
2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	(1)
	(d) exploration & evaluation	67	(684)
	(e) investments	-	-
	(f) other non-current assets	-	-
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other	-	-
2.6	**Net cash from / (used in) investing activities**	**67**	**(685)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	**Net cash from / (used in) financing activities**	**-**	**-**

Consolidated statement of cash flows		Current quarter $A'000	Year to date (12 months) $A'000
4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	2,154	3,392
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(172)	(653)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	67	(685)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	5	-
4.6	**Cash and cash equivalents at end of period**	**2,054**	**2,054**

5.	**Reconciliation of cash and cash equivalents** at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter $A'000	Previous quarter $A'000
5.1	Bank balances	2,054	2,154
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**2,054**	**2,154**

6.	**Payments to related parties of the entity and their associates**	Current quarter $A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	41
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	**Total financing facilities**	-	-

7.5	**Unused financing facilities available at quarter end**	-

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (item 1.9)	(172)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	67
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(105)
8.4	Cash and cash equivalents at quarter end (item 4.6)	2,054
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	2,054
8.7	**Estimated quarters of funding available (item 8.6 divided by item 8.3)**	19.56

Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.

8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:

8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: Not applicable

8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: Not applicable

8.8.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
Answer: Not applicable	
Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.	

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Date: 28 July 2022.....

Authorised by: The Board of Directors
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.