



BOUGAINVILLE COPPER LIMITED

INCORPORATED IN PAPUA NEW GUINEA ARBN 007 497 869

P.O.BOX 1274, PORT MORESBY, PAPUA NEW GUINEA

TEL: (675) 321 2044 FAX: (675) 321 3634

Competent Person's Consent Form
Pursuant to the requirements of ASX Listing Rule 5.6 and clause 9 of the 2012 JORC Code
(Written Consent Statement)

Report Description

Bougainville Copper Limited Annual Report

Bougainville Copper Limited

Panguna

14 March 2018

Date of Report

Statement 1

I, **James Anthony Pocoe** confirm that I am the Competent Person for the Report and:

- I have read and understood the requirements of the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves ("2012 JORC Code").
- I am a Competent Person as defined by the 2012 JORC Code, having five years' experience which is relevant the style of mineralisation and type of deposit described in the Report, and to the activity for which I am accepting responsibility.
- I am a Member of The Australasian Institute of Mining and Metallurgy or the Australian Institute of Geoscientists or a 'Recognised Professional Organisation' (RPO) included in a list promulgated by ASX from time to time.
- I have reviewed the Report to which this Consent Statement applies.
- I am a full time employee of James Pocoe Consulting Pty Ltd and have on behalf of Bougainville Copper Limited prepared the documentation on which the Report is based.
- I have disclosed to the reporting company the full nature of the relationship between myself and the company, including any issue that could be perceived by investors as a conflict of interest.
- I verify that the report is based on and fairly and accurately reflects in the form and context in which it appears, the information in my supporting documentation relating to **Mineral Resources** for the annual period ended **31 December 2017**.

Consent 1

I consent to the release of the Report and this Consent Statement by the directors of Bougainville Copper Limited.



14 March 2018

Signature of Competent Person
Australasian Institute of Mining and Metallurgy
Professional Membership

204247
Membership Number



Signature of Witness

ima sitio
BPTBAVE.
Witness name and Address

Statement 2

I, **Gerald Clark** confirm that I am the Competent Person for the Report and:

- I have read and understood the requirements of the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves ("2012 JORC Code").
- I am a Competent Person as defined by the 2012 JORC Code, having five years' experience which is relevant the style of mineralisation and type of deposit described in the Report, and to the activity for which I am accepting responsibility.
- I am a Member or Fellow of The Australasian Institute of Mining and Metallurgy or the Australian Institute of Geoscientists or a 'Recognised Professional Organisation' (RPO) included in a list promulgated by ASX from time to time.
- I have reviewed the Report to which this Consent Statement applies.
- I am a consultant working for Gerald Clark – Consultant Geologist and have on behalf of Bougainville Copper Limited prepared the documentation on which the Report is based.
- I have disclosed to the reporting company the full nature of the relationship between myself and the company, including any issue that could be perceived by investors as a conflict of interest.
- I verify that the report is based on and fairly and accurately reflects in the form and context in which it appears, the information in my supporting documentation relating to **Mineral Resources** for the annual period ended **31 December 2017**.

Consent 2

I consent to the release of the Report and this Consent Statement by the directors of Bougainville Copper Limited.

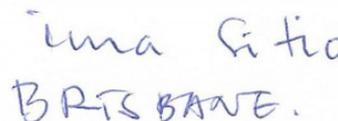


Signature of Competent Person
Australasian Institute of Mining and Metallurgy
Professional Membership

14 March 2018
102687
Membership Number



Signature of Witness



Witness name and Address

Mineral Resource statement

In 2012, Bougainville Copper Limited (BCL) prepared an OMS (order of magnitude study) to evaluate the technical and financial viability of re-opening the Panguna mine. As part of the OMS a revised Mineral Resource was reported in accordance with the JORC code (2012). The 2012 Mineral Resource was estimated using geological, mine planning and production data archived in 1989. The archived data sets (including 80,778m of diamond drilling, 4,700m of underground sampling and production blast hole sampling) were reviewed and validated in 2012 by Rio Tinto and ex-BCL staff.

During the operating period the geological block model underestimated the copper production by approximately five per cent. This low bias was principally attributed to the drill spacing being too wide to sufficiently sample relatively narrow high grade zones within the ore body, and to material lost during the diamond drilling process. Although the bias has been identified, at this stage no upgrade has been applied to the remaining Mineral Resource. No additional geological data was collected from the deposit as part of the 2012 OMS, although potential remediation, redevelopment, mining and processing assumptions were updated.

Following confirmation of land tenure and economic viability of the project, the 31 December 2017 Mineral Resource is unchanged from the 31 December 2016 Mineral Resource. Technical studies supporting the statement are unchanged and remain current. An updated JORC Table 1 fact sheet outlining additional or revised technical and financial assumptions supporting this Mineral Resource statement can be found on the company web site at www.bcl.com.pg.

The Mineral Resource is reported as DFO (direct feed ore) above a 0.24 per cent copper cut off grade and PCS (pre-concentrate screening) above cut off grades of 0.16 per cent to 0.20 per cent copper within a confining conceptual pit design based on conventional truck and shovel mining operations at 100 million tonnes per year and a potential 60 million tonnes per year processing rate.

Panguna Mineral Resources

	As at December 31 2016					As at December 31 2017				
	Tonnes (Mt)	Cu grade (%)	Au grade (g/t)	Cu (Mt)	Au (Moz)	Tonnes (Mt)	Cu grade (%)	Au grade (g/t)	Cu (Mt)	Au (Moz)
Measured	0	-	-	-	-	0	-	-	-	-
Indicated	1,538	0.30	0.33	4.6	16.1	1,538	0.30	0.33	4.6	16.1
Inferred	300	0.3	0.4	0.7	3.2	300	0.3	0.4	0.7	3.2
Total	1,838	0.30	0.34	5.3	19.3	1,838	0.30	0.34	5.3	19.3

Competent person statement

The information presented in this release relates to Mineral Resources determined for the Panguna project and contains details of mineralisation that has a reasonable prospect of being economically extracted in the future, but which is not yet classified as Proved or Probable Ore Reserves. This material is defined as a Mineral Resource under the JORC code (2012). Estimates of such material are based largely on geological information with only preliminary consideration of mining, economic and other factors. While in the judgement of the Competent Person there are realistic expectations that all or part of the Mineral Resources will eventually become Proved or Probable Ore Reserves, there is no guarantee that this will occur as the result depends on further technical and economic studies, prevailing economic conditions in the future, and legal and social considerations.

The information in this statement that relates to Mineral Resources is based on information compiled by Mr James Pocoe and Mr Gerald Clark who are members of the Australasian Institute of Mining and Metallurgy. Mr Pocoe is an independent geological consultant and Mr Clark is an independent geological consultant. Mr Pocoe and Mr Clark have experience which is relevant to the style of mineralisation and type of deposits under consideration and to the activity which they have undertaken to qualify as a competent person as defined in the 2012 edition of the 'Australasian Code for Reporting of Exploration Results, Minerals Resources and Ore Reserves'. Mr Pocoe and Mr Clark both consent to the inclusion in the press release of the matters based on their information in the form and context in which it appears.

Bougainville Copper Ltd - Panguna Table 1

The following table provides a summary of important assessment and reporting criteria used at Bougainville Copper Ltd - Panguna for the reporting of Mineral Resources in accordance with the Table 1 checklist in *The Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code, 2012 Edition)*. Criteria in each section apply to all preceding and succeeding sections.

SECTION 1 SAMPLING TECHNIQUES AND DATA

Criteria	Commentary
Sampling techniques	<ul style="list-style-type: none">No fundamental Mineral Resource data has been collected from the deposit since the suspension of operations in 1989.Whole core samples of nominal length 3 m were taken for analysis.
Drilling techniques	<ul style="list-style-type: none">PQ, HQ, NQ and minor BQ diamond core, mix of standard and triple-tube coring.
Drill sample recovery	<ul style="list-style-type: none">Some sample recovery data recovered from data archives, assessment of available data completed. No recovery-grade relationship has been identified, but a sampling bias (towards under-estimation) due to loss of fines has been documented (described below).Triple-tube drilling and improved mud systems were utilised to combat loss of fines.
Logging	<ul style="list-style-type: none">Detailed logging sample by sample (3 m intervals).Core photos taken but not recovered from data archives.
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none">Whole core submitted for assay.Sample preparation procedures were developed for BCL by sampling expert.Duplicate core samples (riffle-split sample of whole-core crushed to 90% passing -3mm) taken at a rate of 1 in 10 samples for check assaying and checking sample preparation.
Quality of assay data and laboratory tests	<ul style="list-style-type: none">All primary assaying completed in an on-site laboratory. Copper assay determined by aqua regia digest and atomic absorption spectrometry. Gold determined by aqua regia/ methyl isobutyl ketone digest and atomic absorption spectrometry.Assay quality assurance and control (QAQC) techniques applied during the initial Mineral Resource definition program mainly consisted of internal and external check assaying and comparisons with bulk underground samples.Limited documentation pertaining to QAQC techniques and results from 1970 recovered from data archives. Documentary evidence suggests that check assaying continued to be used to verify results throughout drilling campaigns.
Verification of sampling and assaying	<ul style="list-style-type: none">Duplicate core samples taken at a rate of 1 in 10 samples for check assaying and checking sample preparation.Internal and external check assaying used to verify assays.Holes twinned in the oxide and transition zone mainly to test for sulphide oxidation rate in response to lower than expected flotation recovery.No twinned holes were drilled specifically to assess grade repeatability and continuity. There are several instances where two or more holes intersected in the course of drilling.Reconciliation of blast hole and metallurgical plant data with the Reserve

	<p>model, indicated that the copper and gold drill hole samples database is biased towards under-estimation in several key domains due to a combination of the following:</p> <ul style="list-style-type: none"> ○ mineralisation loss during core loss ○ core loss (minor) ○ vertical drill holes failing to intersect sufficient sub-vertical mineralised fractures and veins ○ drill hole spacing too wide ○ variable diamond drill hole core size.
Location of data points	<ul style="list-style-type: none"> ● Drill hole collars surveyed using a theodolite. Early exploration holes down-hole surveyed by Tropari directional surveying instrument and acid etching. ● BCL holes down-hole surveyed by Tropari and multi-shot down-hole camera. ● Detailed satellite digital elevation model generated over project area as part of the 2012 Order of Magnitude Study.
Data spacing and distribution	<ul style="list-style-type: none"> ● Diamond drilling was completed on a regular 122 m x 122 m grid – combined with 17 years of production history, sufficient to define Indicated and Inferred Mineral Resources. ● Initial diamond core drilling of the 0.3 per cent copper contour comprised 253 holes for 80,778 m. This phase of drilling was completed in 1969 prior to commencement of mining in 1972. Adits, crosscuts and rises totalling 4,700 m were excavated. Approximately 3,700 m of these underground excavations were pre-drilled and sampled. Further in-pit and extension drilling was carried out up to the cessation of operations in 1989. ● Sampling interval usually 3 m unless there was a change of core size, poor recovery, or retention of core for records. ● A representative 3m sample was retained every 60 m. ● A 0.1 m bulk density sample collected approximately every 10 m. ● Approximately 0.5 kilogram per m of core sampled for metallurgical testing.
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> ● Drilling is predominantly vertical and mineralisation has a sub-vertical component. The copper and gold drill hole samples database is biased towards underestimation due in part to vertical drill holes failing to intersect sufficient sub-vertical mineralised fractures and veins.
Sample security	<ul style="list-style-type: none"> ● All primary assaying completed in an on-site laboratory.
Audits or reviews	<ul style="list-style-type: none"> ● Sampling techniques and data were verified during 2008 Order of Magnitude study. ● The data were reviewed and validated in 2012 by Rio Tinto and ex-BCL staff.

SECTION 2 REPORTING OF EXPLORATION RESULTS

Criteria	Commentary
Mineral tenement and land tenure status	<ul style="list-style-type: none">• The Bougainville Mining Act 2015 (Mining Act) came into force on 1 April 2015. Under the Mining Act, BCL is deemed to have held an exploration licence (EL01) over the area of the Panguna mine Special Mining Lease (SML) as at 8 September 2014 for a period of two years. Pursuant to the Mining Act 2015, BCL lodged an application for a 5-year extension of EL01 with the Autonomous Bougainville Government Department of Mineral and Energy Resources (ABG-DOMER). The ABG commenced the processing of the application in October 2017.• The 2016 Notice to Show Cause from the ABG-DOMER in relation to the share transfer of the major shareholder has been resolved.• On 16 January 2018 Bougainville Copper Limited (BCL) received a notice from ABG-DOMER Mining Registrar regarding the decision of the Bougainville Executive Council to refuse grant of BCL's application for extension of the exploration licence EL01.• BCL has commenced an action in the National Court of Papua New Guinea seeking leave for a Judicial Review of the renewal application process.• The application for leave was adjourned to the 5 April 2018. An interim restraining order was granted against the defendants, the ABG, from giving effect to or relying on the decision to refuse the application by BCL for extension of EL01. That restraining order also returns to court on 5 April 2018 and its continuation will depend on whether leave is granted by the PNG National Court to proceed to judicially review the decision by the Mining Registrar.• BCL's legal advice is that, so long as the interim restraining order is in place and, until a determination is made on that decision-making process, BCL still holds rights over EL01.• On 23 January 2018, the ABG gave notice of its decision to impose a mining reservation (moratorium) over the Panguna mining area for an indefinite period. The public have been invited to comment on the ABG's decision to impose a reservation by 26 March 2018. BCL intends to make a submission.• The leadership of the SML landowner association remains unresolved and continues to be the subject of further National Court hearings and mediation. The Landowner leadership and associated disunity has been a major factor influencing the ABG decision not to renew the EL and impose a moratorium over the EL area.• 308 of the 367 block holders representing the vast majority of land covering EL01 have expressed in writing that the Panguna mine be redeveloped and that they support BCL as the developer. The landowners through the Court mediation are seeking a fresh election to resolve the leadership dispute and are making representations to the ABG on the next steps for the Panguna mine.• BCL continues to engage with the ABG in a positive manner and in good faith to advance the objective of redeveloping the Panguna mine for the benefit of Bougainville and its people.

Exploration done by other parties	<ul style="list-style-type: none"> • CRA Exploration was granted authority to prospect over an area including the Panguna deposit in 1963. • Initial diamond core drilling of the 0.3 per cent copper contour at an approximate spacing of 122 m (400 feet) and comprised 253 holes for 80,778 m. This phase of drilling was completed in 1969 prior to commencement of mining in 1972.
Geology	<ul style="list-style-type: none"> • The Panguna orebody is a porphyry copper/gold deposit in Miocene andesites and Pliocene intrusive rocks. The major host rock is Panguna Andesite and has been intruded by diorites and granodiorites. The mineralisation occurs primarily in two forms, (1) vein infill or coating, associated with fracture and joint planes, and (2) dissemination in the rock.
Drill hole Information	<ul style="list-style-type: none"> • The Mineral Resource estimate is based on geological, mine planning and production data archived in 1989. The fundamental data used to generate the Mineral Resource estimate has been recovered from BCL archives. • The data sets (including diamond drilling, underground sampling and production blast hole sampling) were reviewed and validated by Rio Tinto and ex-BCL staff. • Diamond drilling on regular 122 m x 122 m grid with some infill holes in areas of complex geology.
Data aggregation methods	<ul style="list-style-type: none"> • The DDH cores were logged and assayed in 3 m lengths. The nominal 3 m assays were composited to 15 m bench equivalents by rock type. As most drill holes are vertical the majority of composites were equivalent to a down-hole composite. Minor rock types were grouped with the five major ones, depending on their similarity and statistical distribution. • The 15m composites were used for geostatistical analysis and kriging.
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> • Reconciliation of blast hole and metallurgical plant data with the Reserve model indicates that the copper and gold drill hole composite database is biased towards under-estimation in several key domains due to a combination of the following: <ul style="list-style-type: none"> ○ mineralisation loss during coring ○ core loss (minor) ○ vertical drill holes failing to intersect sufficient sub-vertical mineralised fractures and veins ○ drill hole spacing too wide ○ variable diamond drill hole core size
Diagrams	<ul style="list-style-type: none"> • Not applicable - no Exploration Results being reported.
Balanced reporting	<ul style="list-style-type: none"> • Not applicable - no Exploration Results being reported.
Other substantive exploration data	<ul style="list-style-type: none"> • The diamond drill sample grades used for the initial evaluation were validated by bulk sampling of adits and associated rises totalling 4,700 m.
Further work	<ul style="list-style-type: none"> • Further work pending access to the Panguna site.

SECTION 3 ESTIMATION AND REPORTING OF MINERAL RESOURCES

Criteria	Commentary
Database integrity	<ul style="list-style-type: none"> Mineral Resource model recovered directly from data archives and imported into modern mining software.
Site visits	<ul style="list-style-type: none"> No site visits by Competent Persons undertaken since mine closure (1989). Mr G Clark (ex-BCL Geology Manager at Panguna Mine) is a JORC Competent Person for the reporting of the Mineral Resource.
Geological interpretation	<ul style="list-style-type: none"> High confidence geological interpretation, well understood geology (multiple journal publications, 17 years of production history) Geology model was accurately transferred to the Mineral Resource model Grade continuity controlled by geological units. Geological control used in grade estimation. Original section/plan interpretations not recovered, geological assessment based on coded model geology only.
Dimensions	<ul style="list-style-type: none"> The approximate plan dimensions of the Mineral Resource are 2 km x 3 km, with mineralisation occurring from surface (existing open pit void) and extending down over 450 m below surface.
Estimation and modelling techniques	<ul style="list-style-type: none"> The Mineral Resource model used for reporting has not been updated since the suspension of operations in 1989. The Mineral Resource model recovered from archives utilised domain-based geostatistics (Ordinary Kriging) introduced in 1981 with assistance and on-going review from contemporary geostatistical experts, and further developed throughout the operating period with ongoing geological interpretation and data analysis. Low-grade molybdenum mineralisation was modelled and assessed as part of the 2008 Order of Magnitude Study.
Moisture	<ul style="list-style-type: none"> Tonnages are estimated on a dry basis.
Cut-off parameters	<ul style="list-style-type: none"> Based on 60 Mtpa ore processing capacity, cut-off grades for direct feed and pre-concentration and screening ore were calculated by applying recovery, cost and BCL long-term price assumptions (reviewed February 2018). Costs were estimated using industry data derived from similar operations and the cut-off grade assumptions remain valid after applying broker consensus metal prices.
Mining factors or assumptions	<ul style="list-style-type: none"> The Mineral Resource estimate is based on the evaluation of the Mineral Resource model recovered from data archives against a conceptual design to extend the existing open pit mining void. The conceptual open pit mine design was prepared based on conventional open pit mining techniques and a range of power generation and tailings storage options. Financial viability of the conceptual pit design used to constrain the Mineral Resource estimate has been demonstrated using appropriate cost and technical assumptions, most recently reviewed in February 2018.
Metallurgical factors or assumptions	<ul style="list-style-type: none"> The Panguna processing plant operated successfully from 1972 to 1989. Historically both direct feed and pre-concentration and screening ore were processed. The 2012 Order of Magnitude Study assumed any existing processing

	<p>equipment was not suitable for re-use and allowed for a completely new plant.</p> <ul style="list-style-type: none"> • Ore processing throughput and recovery parameters were estimated for the 2012 Order of Magnitude Study based on historic performance and potential improvements available using current technologies and practices.
Environmental factors or assumptions	<ul style="list-style-type: none"> • Panguna is an historical mine site with existing open pit void, non-rehabilitated waste dumps, tailings disposal and infrastructure sites. • BCL has not had site access to assess remediation and rehabilitation requirements but the 2012 Order of Magnitude Study includes expenditure allowances to undertake this work.
Bulk density	<ul style="list-style-type: none"> • The Mineral Resource model recovered from data archives did not include density data. Historical bulk density values determined by standard water displacement methods were applied to the Resource model by rock type. These figures were ratified by Mr G Clark (ex-BCL Geology Manager) and are consistent with the primary ore bulk density of 2.51 t/m³ from the 1969 feasibility study.
Classification	<ul style="list-style-type: none"> • Measured Mineral Resources- Despite 17 years of historical production, no Measured Mineral Resource is defined due to uncertainty in the Mineral Resource model evidenced by comparisons with grade control data, historical production reconciliation and other technical documentation. • Indicated Mineral Resources- Indicated Mineral Resource material is defined within the volume intersected by the nominal 122 m x 122 m drilling grid and within the designed pit shell. • Inferred Mineral Resources- All other material outside the volume intersected by the nominal 122 m x 122 m drilling grid and within the designed pit shell is classified as Inferred Mineral Resource.
Audits or reviews	<ul style="list-style-type: none"> • An independent estimate produced as part of the 2012 Order of Magnitude Study was reconciled with the contained metal of the 2012 Mineral Resource estimate to within 5 per cent. • An independent estimate completed for Rio Tinto in 2015, using alternate geological interpretation and estimation process to that of the 2012 and historic estimates, reconciled in global terms to within -4% of grade, 5% of tonnage and 1% of contained Cu metal.
Discussion of relative accuracy/ confidence	<ul style="list-style-type: none"> • The definition of Indicated and Inferred Mineral Resources only is appropriate for the level of study and the geological confidence supported by the nominal 122 m x 122 m drilling grid.