



**APPENDIX 4E PRELIMINARY FINAL RESULT**

The Board of Bougainville Copper Limited (ASX: BOC) announces the following preliminary results of the company for the year ended 31 December 2022, together with comparable results for the 12 months to 31 December 2021, including an update of significant events.

**Results**

For the year ended 31 December 2022, the Group recorded a loss of K6.9 million compared to a loss of K6.1 million in the previous year. Realised gains on sales of investments for the year of K3.9 million (K1.8 million gain for 2021) are not recorded in the income statement but are reported by a transfer directly to retained earnings in Shareholders funds.

The fair value of investments decreased by K22.7 million (compared to an increase of K12.9 million in the previous year) amid volatility in global share markets in 2022, influenced by rising inflation and interest rates, Covid-19 related supply chain disruptions, and the war in Ukraine.

Income from interest and dividends was however K4.0 million compared to K4.1 million in the previous year. During 2022 expenditure continued to be concentrated on tenure issues, stakeholder engagement and delivery of community support projects.

The Bougainville Copper Foundation (BCF) is a fully owned subsidiary of Bougainville Copper and its results have been consolidated with the Group.

<b>Financial Results</b>	<b>Consolidated</b>	
	<b>2022</b>	<b>2021</b>
<i>Income</i>	<b>K'000</b>	<b>K'000</b>
Interest and Dividends	4,033	4,058
	<hr/>	<hr/>
	4,033	4,058
Less: General and administration expenses	(10,750)	(9,967)
Exchange Gains (Loss)	(163)	(186)
	<hr/>	<hr/>
	(10,913)	(10,153)
	<hr/>	<hr/>
Net Profit / (loss) after tax	(6,880)	(6,095)
Average AUD\$/Kina exchange rate for the period	0.4020	0.3719
Equivalent net loss in AUD\$'000	\$ (2,766)	\$ (2,267)

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## **2022 DIVIDEND**

The Directors have not declared a dividend for 2022.

## **BORROWING**

There are no borrowings on which there is an obligation to repay at this time.

## **SIGNIFICANT EVENTS**

### **EL1 Tenure**

The board remains committed to taking all steps necessary to protect tenure and a decision by the Autonomous Bougainville Government (ABG) in January 2018 to refuse an extension of the Company's exploration licence (EL1) remains subject to a Judicial Review. Positive dialogue with the ABG to resolve licence tenure remains ongoing and as a result the Judicial Review proceedings have been adjourned until 10 July 2023.

### **Company Shareholdings**

The PNG National Government remains committed to transferring the Independent State of PNG's 36.4 per cent shareholding in Bougainville Copper to the ABG and the people of Bougainville. The transfer is yet to be finalised and Bougainville Copper has assisted the process where possible. The ABG and the people of Bougainville will hold 72.8% of BCL. The ABG has a stated-aim of redeveloping Panguna via a locally-owned company

### **Board Composition**

The Company is pleased to confirm the appointment of Maryanne Hasola to the board as an independent non-executive director on 24 February 2023. Ms Hasola, who hails from Bana District in Bougainville, has strong links with the Tailings landowners and is a well-regarded women's leader who brings to the role more than 23 years' experience in accounting and auditing, working with the Internal Revenue Commission of Papua New Guinea. Ms Hasola holds a Master of Commerce and Taxation from Curtin University of Technology, Western Australia and a Bachelor of Business Studies specialising in accounting from PNG's Divine Word University and is a member of the Certified Practising Accountants of Papua New Guinea (CPA PNG).

The board now has extremely strong Bougainvillean representation as it continues its transition from a caretaker role. Five of the seven directors, or 70% of the board will be Bougainvillean. Current board members Sir Rabbie Namaliu and Dame Carol Kidu have confirmed they will retire and not seek reappointment at the 2023 Annual General Meeting.

## **Stakeholder Engagement**

Bougainville Copper continues to enjoy strong relations with a range of key stakeholders in Bougainville, including agents recognised by the Land Titles Commission to represent the interests of block owners in the Panguna mine area, as well as more recently with ex-combatants. The ABG is in the process of drawing down its land powers and is drafting a new Lands Bill. The Company has made a submission to the ABG to promote the recognition of Nasioi custom, whereby land belongs to a person and not a clan and that original Land Titles Commission titles granted on this basis should be grandfathered and recognised into the future.

## **Community Support**

Bougainville Copper has also continued to provide sponsorship and support for various community activities in areas such as access to water, education, vocational training, sport, and culture. The Company sponsored Bougainville's leading soccer team Panguna Metals Football Club which reached the quarter finals of PNG's National Soccer League, as well as major community events, including the inaugural Tamatama Festival and the Siwai Cultural Festival.

## **Legacy Impact Assessment**

The Panguna Mine Legacy Impact Assessment was officially launched in December 2022 by Bougainville President Ishmael Toroama. The work will be conducted by major global consulting firm Tetra Tech Coffey International, in conjunction with specialist project management firm Tanorama Limited. The study is set to commence as early as March and will run for an estimated 18 months.

It will examine actual and potential environmental and human rights issues associated with the mine and provide recommendations for dealing with legacy issues.

The project is being predominantly funded by Rio Tinto which was the majority owner the mine during its years of operation, with support from Bougainville Copper as the mine's former operator.

Bougainville Copper is also a member of the multi-stakeholder oversight committee and has been contributing important baseline information.

## **STOCK EXCHANGE**

An Appendix 4E was lodged with the Australian Stock Exchange in accordance with official listing requirements.

## **AUDIT**

This release is based on accounts that are in the process of being audited.

## **ANNUAL GENERAL MEETING AND ANNUAL REPORT**

The Annual General Meeting of the company is scheduled to be held in Port Moresby on 4 May 2023.

The Annual Report and Notice of Meeting will be mailed to shareholders on or about 31 March 2023.

By order of the Board.



Mark Hitchcock  
**Company Secretary**

# Appendix 4E

## Preliminary final report

Name of entity

BOUGAINVILLE COPPER LIMITED

ABN or equivalent company  
reference

007 497 869

Half yearly  
(tick)

Preliminary  
final (tick)

Financial year ended ('current period')

31/12/2022

### For announcement to the market

K'000

Revenues from ordinary activities	Up	0.63 %	to	4,033
Loss from ordinary activities after tax attributable to members	Up	12.88 %	to	(6,880)
Loss for the period attributable to members	Up	12.88 %	to	(6,880)
<b>Dividends (distributions)</b>		Amount per security		Franked amount per security
Final dividend		Nil		Nil
Interim dividend				
Previous corresponding period		Nil		Nil
Record date for determining entitlements to the dividend.	N/A			

## **Report to Australian Stock Exchange**

The directors of Bougainville Copper Limited (BCL) announce the following Preliminary final results of the Company for the year ended 31 December 2022 together with comparable results for twelve months to 31 December 2021.

The Bougainville Copper Foundation Limited (BCF) is a fully owned subsidiary of BCL. The balance sheet of BCF is consolidated with BCL as at 31st December 2022 and comparatives for the previous year.

For the year ended 31 December 2022, the Group recorded a loss of K6.9 million compared to a loss of K6.1 million in the previous year. Realised gains on sales of investments for the year of K3.9 million (2021 K1.8 million gain) are not recorded in the income statement but are reported by a transfer directly to retained earnings in Shareholders funds.

The fair value of investments decreased by K22.7 million, compared to an increase of K12.9 million in the previous year, amid volatility in global share markets in 2022, influenced by rising inflation and interest rates, Covid-19 related supply chain disruptions, and the war in Ukraine.

During 2022 expenditure continued to be concentrated on tenure issues, stakeholder engagements and delivery of community support projects. Income from interest and dividends was K4.0 million compared to K4.1 million in the previous year.

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The project is being predominantly funded by Rio Tinto which was the majority owner the mine during its years of operation, with support from Bougainville Copper as the mine's former operator.

Bougainville Copper is also a member of the multi-stakeholder oversight committee and has been contributing important baseline information.

### Condensed statement of comprehensive income

	Consolidated current period - K'000	Consolidated Previous corresponding period – K'000
Revenues from ordinary activities	<b>4,033</b>	4,058
Expenses from ordinary activities	<b>(10,913)</b>	(10,153)
Impairment expense	-	-
Share of net profits (losses) of associates and joint venture entities	-	-
<b>Profit (loss) from before tax</b>	<b>(6,880)</b>	(6,095)
Income tax	-	-
<b>Net profit (loss)</b>	<b>(6,880)</b>	(6,095)
Net profit (loss) attributable to outside equity interests	-	-
<b>Net profit (loss) for the period attributable to members</b>	<b>(6,880)</b>	(6,095)
<b>Other comprehensive income</b>		
Increase (decrease) in fair value of Investments	<b>(22,726)</b>	12,907
Total other comprehensive income	<b>(22,726)</b>	12,907
<b>Total comprehensive income for the period</b>	<b>(29,606)</b>	6,812

<b>Earnings per security (EPS)</b>	Consolidated current period	Consolidated Previous corresponding Period
Basic EPS	(1.72) toea	(1.52) toea
Diluted EPS	(1.72) toea	(1.52) toea



## Notes to the condensed statement of comprehensive income

### Profit (loss) from ordinary activities attributable to members

	Consolidated current period – K'000	Consolidated Previous corresponding period - K'000
Profit (loss) from ordinary activities after tax	(6,880)	(6,095)
Less (plus) outside equity interests	-	-
<b>Profit (loss) from ordinary activities after tax, attributable to members</b>	<b>(6,880)</b>	<b>(6,095)</b>

### Revenue and expenses from ordinary activities

	Consolidated current period – K'000	Consolidated Previous corresponding period - K'000
Interest revenue	1	-
<i>Other relevant revenue -</i>		
Dividends	4,032	4,058
Other income	-	-
<i>Details of relevant expenses-</i>		
<i>General and administration expenses –</i>		
Related Party (reimbursement of expenses to related parties salaries, rent etc)	-	-
Other Administrative Expenses	10,750	9,967
Foreign exchange gains/(losses)	163	186
Provisions and accruals written back	-	-
Impairment expense	-	-

	Consolidated current period – K'000	Consolidated Previous corresponding period - K'000
Accumulated (losses) at the beginning of the financial period	(348,473)	(344,218)
Net profit (loss) attributable to members	(6,880)	(6,095)
Net transfers from (to) reserves	3,933	1,840
Net effect of changes in accounting policies	-	-
Dividends and other equity distributions paid or payable	-	-
<b>Accumulated (losses) at end of financial year</b>	<b>(351,420)</b>	<b>(348,473)</b>

### Intangible and extraordinary items

Nil

### Comparison of half year profits

*(Preliminary final report only)*

Profit (loss) from ordinary activities after tax attributable to members reported for the *1st* half year

Profit (loss) from ordinary activities after tax attributable to members for the *2nd* half year

Profit (loss) from ordinary activities after tax attributable to members for the full year

Consolidated current period - K'000	Consolidated Previous corresponding period - K'000
<b>(3,704)</b>	(3,320)
<b>(3,176)</b>	(2,775)
<b>(6,880)</b>	(6,095)

### Condensed statement of financial position

	Consolidated at end of current period K'000	Consolidated as in last annual report K'000
<b>Current assets</b>		
Cash	1,527	965
Receivables	1,619	1,323
Investments	8,000	8,500
<b>Total current assets</b>	<b>11,146</b>	<b>10,788</b>
<b>Non-current assets</b>		
Investments	96,075	126,115
Other property, plant and equipment (net)	912	1,146
Right-of-use-asset	464	872
Other receivables	829	829
<b>Total non-current assets</b>	<b>98,280</b>	<b>128,962</b>
<b>Total assets</b>	<b>109,426</b>	<b>139,750</b>
<b>Current liabilities</b>		
Provisions	1,767	1,835
Payables	1,439	1,732
Other-lease liability	421	527
<b>Total current liabilities</b>	<b>3,627</b>	<b>4,094</b>
<b>Non-current liabilities</b>		
Payables	194	194
Tax liabilities	6,759	6,759
Provisions	478	402
Other-lease liability	118	445
<b>Total non-current liabilities</b>	<b>7,549</b>	<b>7,800</b>
<b>Total liabilities</b>	<b>11,176</b>	<b>11,894</b>
<b>Net assets</b>	<b>98,250</b>	<b>127,856</b>
<b>Equity</b>		
Capital/contributed equity	401,063	401,063
Reserves	48,607	75,266
Accumulated losses	(351,420)	(348,473)
<b>Equity attributable to members of the parent entity</b>	<b>98,250</b>	<b>127,856</b>
Outside equity interests in controlled entities	-	-
<b>Total equity</b>	<b>98,250</b>	<b>127,856</b>

## Notes to the condensed statement of financial position

### Condensed Statement of Changes in Equity

	Contributed Equity K'000	Reserves K'000	Retained Profits K'000	Total K'000
<b>Balance at 31 December 2020</b>	<b>401,063</b>	<b>64,199</b>	<b>(344,218)</b>	<b>121,044</b>
Total comprehensive income for the period	-	5,656	(3,320)	2,336
Transfer to retained earnings on sale of investments	-	(956)	956	-
<b>Balance at 30 June 2021</b>	<b>401,063</b>	<b>68,899</b>	<b>(346,582)</b>	<b>123,380</b>
Total comprehensive income for the period	-	7,251	(2,775)	4,476
Transfer to retained earnings on sale of investments	-	(884)	884	-
<b>Balance at 31 December 2021</b>	<b>401,063</b>	<b>75,266</b>	<b>(348,473)</b>	<b>127,856</b>
Total comprehensive income for the period	-	(21,026)	(3,704)	(24,730)
Transfer to retained earnings on sale of investments	-	(2,027)	2,027	-
<b>Balance at 30 June 2022</b>	<b>401,063</b>	<b>52,213</b>	<b>(350,150)</b>	<b>103,126</b>
Total comprehensive income for the period	-	(1,700)	(3,176)	(4,876)
Transfer to retained earnings on sale of investments	-	(1,906)	1,906	-
<b>Balance at 31 December 2022</b>	<b>401,063</b>	<b>48,607</b>	<b>(351,420)</b>	<b>98,250</b>

### Exploration and evaluation expenditure capitalised

*(To be completed only by entities with mining interests if amounts are material. Include all expenditure incurred.)*

Nil

### Development properties

*(To be completed only by entities with mining interests if amounts are material)*

Nil

**Condensed statement of cash flows**

	Consolidated current period K'000	Consolidated Previous corresponding period - K'000
<b>Cash flows related to operating activities</b>		
Receipts from customers	-	-
Payments to suppliers and employees	(10,525)	(8,912)
Dividends received from associates	-	-
Other dividends received (net of dividends reinvested)	4,032	4,058
Interest and other items of similar nature received	1	-
Interest and other costs of finance paid	(59)	(59)
Income taxes paid	-	-
<b>Net operating cash flows</b>	<b>(6,551)</b>	<b>(4,913)</b>
<b>Cash flows related to investing activities</b>		
Payment for purchases of property, plant and equipment	(23)	(155)
Proceeds from disposal of investment assets	7,815	3,607
Payment for purchases of equity investments	-	-
Payment for acquisition of subsidiary, net of cash acquired	-	-
Loans to other entities	-	-
Loans repaid by other entities	-	-
Other (provide details if material)	-	-
<b>Net investing cash flows</b>	<b>7,792</b>	<b>3,452</b>
<b>Cash flows related to financing activities</b>		
Proceeds from issues of securities (shares, options, etc.)	-	-
Proceeds from borrowings	-	-
Repayment of borrowings	(558)	(546)
Dividends paid	-	-
Other	-	-
<b>Net financing cash flows</b>	<b>(558)</b>	<b>(546)</b>
<b>Net increase (decrease) in cash held</b>	<b>683</b>	<b>(2,007)</b>
Cash at beginning of period	965	3,057
Exchange rate adjustments on cash held	(121)	(85)
<b>Cash at end of period</b>	<b>1,527</b>	<b>965</b>

**Non-cash financing and investing activities**

Not applicable
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## Reconciliation of cash

Reconciliation of cash at the end of the period (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Consolidated current period K'000	Previous corresponding period - K'000
Cash on hand and at bank	1,527	965
Deposits at call	-	-
Bank overdraft	-	-
Other –Short term liquid investments	-	-
<b>Total cash at end of period</b>	<b>1,527</b>	<b>965</b>

## Other notes to the condensed financial statements

### Ratios

	Consolidated current period	Previous corresponding Period
<b>Profit before tax / revenue</b> Profit (loss) from ordinary activities before tax as a percentage of revenue	(170.61%)	(150.20%)
<b>Profit after tax / equity interests</b> Net profit (loss) from ordinary activities after tax attributable to members as a percentage of equity (similarly attributable) at the end of the period	(7.00%)	(4.77%)

## Earnings per security (EPS)

Consolidated current year **(1.72)** toea  
Consolidated Previous year **(1.52)** toea  
Diluted EPS is the same as Basic EPS

### NTA backing

	Consolidated current period	Previous corresponding Period
Net tangible asset backing per <sup>+</sup> ordinary security	K0.2450	K0.3188

## Discontinuing Operations

Not applicable

## Control gained over entities having material effect

Not applicable

## Loss of control of entities having material effect

Not applicable

## Dividends (in the case of a trust, distributions)

### Amount per security

		Amount per security	Franked amount per security at % tax	Amount per security of foreign source dividend
	<i>(Preliminary final report only)</i>			
	<b>Final dividend:</b> Current year	Nil	Nil	Nil
	Previous year	Nil	Nil	Nil
	<i>(Half yearly and preliminary final reports)</i>	Nil	Nil	Nil
	<b>Interim dividend:</b> Current year	Nil	Nil	Nil
	Previous year	Nil	Nil	Nil

### Total dividend (distribution) per security (interim *plus* final)

(Preliminary final report only)

<sup>+</sup>Ordinary securities

Preference <sup>+</sup>securities

	Current year	Previous year
<sup>+</sup> Ordinary securities	Nil	Nil
Preference <sup>+</sup> securities	Nil	Nil

### Half yearly report - interim dividend (distribution) on all securities or Preliminary final report - final dividend (distribution) on all securities

<sup>+</sup>Ordinary securities *(each class separately)*

Preference <sup>+</sup>securities *(each class separately)*

Other equity instruments *(each class separately)*

**Total**

	Current period K'000	Previous corresponding period - K'000
<sup>+</sup> Ordinary securities <i>(each class separately)</i>	Nil	Nil
Preference <sup>+</sup> securities <i>(each class separately)</i>	Nil	Nil
Other equity instruments <i>(each class separately)</i>	Nil	Nil
<b>Total</b>	<b>Nil</b>	<b>Nil</b>

### Details of aggregate share of profits (losses) of associates and joint venture entities

Not applicable

### Material interests in entities which are not controlled entities

Not applicable.

## Issued and quoted securities at end of current period

(Description must include rate of interest and any redemption or conversion rights together with prices and dates)

Category of <sup>+</sup> securities	Total number	Number quoted	Issue price per security (toea)	Amount paid up per security (toea)
<sup>+</sup> Ordinary securities	401,062,500	401,062,500	100	100
Changes during current period	-	-	-	-
(a) Increases through issues				
(b) Decreases through returns of capital, buybacks				

## Comments by Directors

### Basis of financial report preparation

Material factors affecting the revenues and expenses of the economic entity for the current period. In a half yearly report, provide explanatory comments about any seasonal or irregular factors affecting operations.

1. The Autonomous Bougainville Government (ABG) passed the Bougainville Mining Act 2015 (BMA) on 1 April 2015. This legislation may seek to challenge the Company's control of the mine assets and may reflect an expropriation of assets for the purpose of the Bougainville Copper Act.

The BMA converted the Special Mining Lease held by the company to an Exploration Licence (EL) for a period of two years from 8 September 2014, the date the Transitional Mining Act was created. In July 2016 the company applied to extend the EL. The ABG commenced processing the application in October 2017 and on 16 January 2018 issued a Notice of refusal to grant a renewal for the following reasons:

- The required majority consent of the landowners was not evident during the Mining Wardens hearing and shows BCL does not have the social licence to operate the mine.
- The reopening of the Panguna Mine is a divisive issue and has the potential to adversely affect the ABG's preparation for the conduct of the referendum given that it was BCL's past operation of Panguna Mine that ignited the Bougainville crisis which resulted in the loss of about 20,000 lives. Hence, it is in Bougainville's best interest to maintain peace and unity.

The company commenced an action in the National Court of Papua New Guinea seeking leave for a Judicial Review of the renewal application process. Leave was granted on 10 April 2018. A stay was granted against the ABG, from giving effect to or relying on the decision to refuse the application by BCL for extension of EL1.

Panguna Minerals Limited (PML), a company 50% owned by SMLOLA and 50% by Central Exploration Pty Ltd (a company 70% owned by RTG Mining Inc) was joined to the proceedings on 22 August 2018. BCL applied for leave to appeal the joinder decision. The leave to appeal was dismissed on 11 March 2019. The application for leave to appeal the joinder was then heard by a three-person bench of the Supreme court on 27 June 2019 and again refused on 6<sup>th</sup> February 2020. BCL noted that the difficulty of the question was reflected in the fact that the members of the three-person bench were split as to the proper outcome. PML will be a defendant to the proceeding, and its activities given due scrutiny.

BCL welcomes the certainty that the ruling brings and looks forward to the prosecution of its claims against the defendants, and remains confident of our tenement position and believe the court proceedings will uphold our rights.

The Judicial Review of the renewal application process has progressed and the next court date will be 10<sup>th</sup> July 2023, unless a prior agreement between the ABG and Bougainville Copper Limited.

Bougainville Copper Limited while adhering to the requirements of the Bougainville Mining Act 2015, also recognises and maintains the tenements in accordance with the PNG National legislation and the Bougainville Copper agreement.

The directors of the company are actively taking all possible steps to protect tenure in Bougainville.

2. On 24 November 2016, the Company acquired a subsidiary (Bougainville Copper Foundation Limited). The subsidiary holds an investment in an unlisted investment fund. The investment has a carrying value of K1.1 million.

Management has been provided with the investee's audited financial statements for the 31 December 2021 financial year in late December 2022. The Company has been unable to determine the fair value of the investment as at 31 December 2022 and accordingly continues to carry the value of the investment at K1.1 million.

Accordingly, the Company has been unable to determine the fair value of the investment at 31 December 2022 and accordingly whether the carrying value of the investment of K1.1 million is fairly stated.

A description of each event since the end of the current period which has had a material effect and which is not already reported elsewhere in this Appendix or in attachments, with financial effect quantified (if possible).

NIL

Franking credits available and prospects for paying fully or partly franked dividends for at least the next year.

NIL

Unless disclosed below, the accounting policies, estimation methods and measurement bases used in this report are the same as those used in the last annual report. Any changes in accounting policies, estimation methods and measure bases since the last annual report are disclosed as follows.

NIL

Revisions in estimates of amounts reported in previous interim periods. For half yearly reports the nature and amount of reviews in estimates of amounts reported in previous annual reports if those revision have a material effect in this half year.

NIL

Changes in contingent liabilities or assets. For half yearly reports, changes in contingent liabilities and contingent assets since the last annual report.

The company has made provision for statutory compensation for the 1990 year of operation, inclusive of interest. Payments commenced in February 2017 and 89.5% (89.1% 2021) had been paid up to 31 December 2022.

A further claim has been made from another mine affected landowner group. Discussions continue with the landowner group to determine the amount, if any, of statutory compensation that may be due have been put on hold until the Judicial Review of the non-renewal of EL1 is resolved. No provision has been made for any liability that may arise from this further claim.



## Additional disclosure for trusts

Not applicable

## Audit

This report is based on accounts which are in the process of being audited.

## Annual meeting

*(Preliminary final report only)*

The annual meeting will be held as follows:

Place

Port Moresby Papua New Guinea
4 May 2023
2.00 pm
31 March 2023

Date

Time

Approximate date the annual report will be available

## Compliance statement

- 1) This report has been prepared in accordance with Australian International Financial Reporting Standards (AIFRS), other AIFRS authoritative pronouncements and Urgent Issues Group Consensus Views or other standards acceptable to ASX.

Identify other standards used

International Financial Reporting Standards
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- 2) This report, and the accounts upon which the report is based, use the same accounting policies.
- 3) The directors are able to declare that the financial report comprising Appendix 4E to the Australian Stock Exchange for the year ended 31 December 2022:
- complies with International Financial Reporting Standards and the Australian Stock Exchange Listing Rules and
  - gives a true and fair view of the entity's financial position as at 31 December 2022 and of its performance, as represented by the results of its operations and its cash flows for the year ended on that date;

Except that the results for the company for the financial year 31 December 2022 and the financial position at the date were impacted by the following events of a material and unusual nature.

1. The Autonomous Bougainville Government passed the Bougainville Mining Act 2015 (BMA) on 1 April 2015. This legislation may seek to challenge the company's control of the mine assets and may reflect an expropriation of assets for the purpose of the Bougainville Copper Act.

The BMA converted the Special Mining Lease held by the company to an Exploration Licence (EL) for a period of two years from 8<sup>th</sup> September 2014, the date the Transitional Mining Act was created. In July 2016 the company applied to extend the EL. The ABG commenced the processing of the application in October 2017 and on 16 January 2018 issued a Notice of refusal to grant a renewal for the following reasons:

- The required majority consent of the landowners was not evident during the Mining Wardens hearing and shows BCL does not have the social licence to operate the mine.
- The reopening of the Panguna Mine is a divisive issue and has the potential to adversely affect the ABG's preparation for the conduct of the referendum given that it was BCL's past operation of Panguna Mine that ignited the Bougainville crisis which resulted in the loss of about 20,000 lives. Hence, it is in Bougainville's best interest to maintain peace and unity.

The company commenced an action in the National Court of Papua New Guinea seeking leave for a Judicial Review of the renewal application process. Leave was granted on 10<sup>th</sup> April 2018. A stay was granted against the ABG, from giving effect to or relying on the decision to refuse the application by BCL for extension of EL1.

Panguna Minerals Limited (PML), a company 50% owned by SMLOLA and 50% by Central Exploration Pty Ltd (a company 70% owned by RTG Mining Inc) was joined to the proceedings on 22<sup>nd</sup> August 2018. BCL applied for leave to appeal the joinder decision. The leave to appeal was dismissed on 11<sup>th</sup> March 2019. The application for leave to appeal the joinder was then heard by a three-person bench of the Supreme court on 27<sup>th</sup> June 2019 and again refused on 6<sup>th</sup> February 2020. BCL noted that the difficulty of the question was reflected in the fact that the members of the three-person bench were split as to the proper outcome. PML will be a defendant to the proceeding, and its activities given due scrutiny.

BCL welcomes the certainty that the ruling brings and looks forward to the prosecution of its claims against the defendants, and remains confident of our tenement position and believe the court proceedings will uphold our rights.

The Judicial Review of the renewal application process has progressed and the next court date will be 10<sup>th</sup> July 2023, unless a prior agreement between the ABG and Bougainville Copper Limited.

Bougainville Copper Limited while adhering to the requirements of the Bougainville Mining Act 2015, also recognises and maintains the tenements in accordance with the PNG National legislation and the Bougainville Copper agreement.

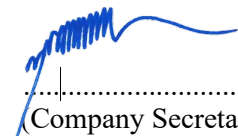
The directors of the company are actively taking all possible steps to protect tenure in Bougainville.

2. On 24 November 2016, the Company acquired a subsidiary (Bougainville Copper Foundation Limited). The subsidiary holds an investment in an unlisted investment fund. The investment has a carrying value of K1.1 million.

Management has been provided with the investee's audited financial statements for the 2021 financial year in late December 2022. The Company has been unable to determine the fair value of the investment as at 31 December 2022 and accordingly continues to carry the value of the investment at K1.1 million.

Accordingly, the Company has been unable to determine the fair value of the investment at 31 December 2022 and accordingly whether the carrying value of the investment of K1.1 million is fairly stated.

3. The entity has a formally constituted audit and risk committee.

Sign here:  ..... Date: 28 February 2023  
(Company Secretary)

Print name: **Mark Hitchcock**