



BOUGAINVILLE
COPPER LIMITED

Notice to ASX

31 March 2023

2022 Annual Report

Attached is the 2022 Annual Report for Bougainville Copper Limited [ASX:BOC] which contains the full financial statements and Audit Report for the year ended 2022.

Also attached is the annual appendix 4G statement - Key to Disclosures Corporate Governance Council Principles and Recommendations, which reflects the contents of the Corporate Governance Statement detailed in the Annual Report on pages 12 to 18.

The Annual General Meeting of Bougainville Copper will be held at 1.30 pm on Thursday, 4th May 2023 at the Grand Papua Hotel, Mary Street, Port Moresby, Papua New Guinea. A webcast will be available for shareholders to access the meeting and vote. Details of the webcast link will be included in the notice of meeting. All shareholders are cordially invited to attend the Annual General Meeting.

By order of the Board.

A blue handwritten signature, likely of Mark Hitchcock, written over a blue line.

Mark Hitchcock
Company Secretary

Telephone: (675) 309 2800

Postal Address: P O Box 1274, Port Moresby, Papua New Guinea

Registered Office: Level 5, BSP Haus, Harbour City, Lot 2 on Allotment 34, Section 44, Granville, Port Moresby, NCD

Incorporated in Papua New Guinea A.R.B.N 007 497 869



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ANNUAL
REPORT



BOUGAINVILLE
COPPER LIMITED



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BACKGROUND

From 1972 until 1989 when operations were suspended, Bougainville Copper Limited (Bougainville Copper or the Company), operated a large open pit mine and processing facility at Panguna on Bougainville Island in the North Solomons Province of Papua New Guinea (PNG) producing copper concentrate containing significant quantities of gold and silver. On the 15th May 1989 production was brought to a halt by militant activity.

In the 17 years prior to 1989, the mine produced concentrate containing three million tonnes of copper, 306 tonnes of gold and 784 tonnes of silver. The production had a value of K5.2 billion which represented approximately 44 per cent of Papua New Guinea's total exports over that period. Contributions to the National Government in the form of taxes, duties and dividends were approximately 17 per cent of internally generated Papua New Guinean Government revenue during that time.

A total of K1.1 billion was contributed to the National Government, which represented 62 per cent of the net cash generated by the project between 1972-1989. In addition, payments to the then North Solomons Provincial Government and Panguna landowners, together with provisions made since 1990, amounted to K114 million. Further, Bougainville Copper's presence in the North Solomons Province had promoted the development of significant local business enterprises, to provide goods and services required for the mining operation and for the residents of the province.

Bougainville Copper trained some 12,000 employees, including approximately 1,000 completing full trade apprenticeships and some 400 completing graduate and post-graduate studies that resulted in considerable progress in the localisation of the Company's workforce, and significantly added to the number of skilled workers elsewhere in Papua New Guinea.

In 2012 the Autonomous Bougainville Government (ABG), landowners and Bougainville Copper commenced discussions regarding the future redevelopment of the Panguna mine.

The ABG passed the Bougainville Mining Act 2015. This legislation undermined the Company's pre-existing tenure and control of the mine assets. Under the Bougainville Mining Act, the Special Mining Lease (SML) and Lease(s) for Mining Purposes, held by Bougainville Copper, were replaced by a two-year Exploration Licence (EL1) over the area of the SML.

The Company applied for an extension of EL1 which the ABG refused in early 2018. Bougainville Copper commenced legal proceedings in the PNG National Court and has been granted leave to seek a Judicial Review of the renewal application process. Constructive dialogue with the ABG to resolve licence tenure remains ongoing and the Judicial Review proceedings have been adjourned until 10 July 2023.

From 2016, the ABG and PNG Government have both held equal shares in Bougainville Copper of 36.4 per cent making it a majority PNG owned company. In 2019, the National Government committed to transfer its shareholding to the ABG and the people of Bougainville. This transfer is expected imminently, and will result in Bougainville holding a 72.8 per cent share in Bougainville Copper. The remaining 27.2 per cent is held by public and institutional investors.

Bougainville Copper established offices in Buka and Arawa in 2017 and now has 13 full time employees in Bougainville engaging with local stakeholders and delivering small-scale community projects.

NOTICE OF MEETING

The Annual General Meeting of Bougainville Copper.

When

1.30pm on Thursday, 4th May 2023

Where

Grand Papua Hotel,
Mary Street,
Port Moresby,
Papua New Guinea.

A webcast will be available for shareholders to access the meeting and vote. Details of the webcast link will be included in the notice of meeting. All shareholders are cordially invited to attend the Annual General Meeting.

DIRECTORS

Sir Melchior Pesa Togolo (Chairman)
Sir Rabbie Langanai Namaliu
Dame Carol Anne Kidu
Sir Moi Avei
Peter Maxwell Graham
David Miringtoro Osikore
James Rutana
Kearnneth Nanei
Maryanne Hasola

SECRETARY

Mark Wallace Hitchcock

BOUGAINVILLE COPPER ONLINE

Information about Bougainville Copper is available on our web site and Facebook page
www.bcl.com.pg
www.facebook.com/BougainvilleCopper
www.linkedin.com/company/bougainville-copper-limited

The Annual Report and other information can be downloaded from the web site.



THE YEAR IN BRIEF

Bougainville Copper remained focused on community engagement in Bougainville during 2022 and committed to taking all necessary steps to protect tenure regarding the Panguna project.

The Company continues to enjoy strong relations with stakeholders, including Land Titles Commission recognised agents who represent project area block owners as well as more recently with ex-combatants. Dialogue with the ABG remains cordial and constructive.

The Company has further strengthened its Bougainvillean board representation with the recent appointment of Maryanne Hasola.

The provision of sponsorship and support for various community activities across education, vocational training, sport, and culture was a continuing priority throughout the year.

NOTABLE EVENTS AND ACTIVITIES IN BOUGAINVILLE

DURING 2022

| | |
|---|---|
| 17th July | Reconciliation ceremony involving local clans held at Panguna mine as part of the Guava Mass Reconciliation Program. |
| 10th-11th August | The Company sponsors the inaugural Tamatama cultural festival in Arawa. |
| 12th-13th August | The Company sponsors the annual Siwai Cultural Festival in South Bougainville. |
| 30th August | Commemorations marking 21st anniversary of the Bougainville Peace Agreement. |
| 17th September | The Company sponsors inaugural Panguna District Amateur Boxing Association Tournament. |
| 21st-23rd September | Bougainville Mona Festival with sponsorship from the Company. |
| 4th October | Announcement of principal sponsorship for Panguna Metals Football Club for National Soccer League campaign. |
| 5th October | The Company assists Siwai District Teacher's 'International Teacher's Day celebrations. |
| 11th October | The Company provides laptops as leadership awards for head boy and girl students at Tonu Secondary School. |
| 3rd November | The Company assists with a rice mill for Dew Farmers Cooperative Society. |
| 17th November | The Company provides a laptop for the Hujtena Secondary School science dux award. |
| 5th December | The Company provides laptops for science and social science dux recipients at Arawa Secondary School. |
| 6th December | Assist the Central Bougainville Veterans Association to update member records. |
| 8th December | Official launch of the Panguna Mine Legacy Impact Assessment. |
| 19th - 23rd December | Company sponsors trophies, cash prizes and sporting equipment for Panguna District Youth Association Christmas Tournament at Manetai. |

DURING 2023

| | |
|---|--|
| 9th-11th January | The Company supports Panguna Development Company Ltd in the provision of pig husbandry, poultry and vanilla training for local landowners. |
| 30th January to 2nd February | The Company provides books and logistical support for the University of Papua New Guinea Bougainville Students Association book drive. |
| 13th February | Judicial Review proceedings regarding EL1 adjourned until 10 July 2023. |
| 23rd February | Appointment of Maryanne Hasola to the Bougainville Copper board. |
| 3rd March | The Company provides boxing equipment for the Konampai Boxing Association in Arawa. |

| SUMMARY OF RESULTS | | CONSOLIDATED | | PARENT | |
|-------------------------------|------------|--------------|---------|---------|---------|
| | | 2022 | 2021 | 2022 | 2021 |
| Investment and other income | (K'000) | 4,033 | 4,058 | 3,713 | 3,992 |
| Operating loss after tax | (K'000) | (6,880) | (6,095) | (7,197) | (6,158) |
| Earnings per share | (toea) | (1.7) | (1.5) | (1.8) | (1.5) |
| Shareholders' funds | (K'000) | 98,250 | 127,856 | 97,628 | 127,551 |
| Return on shareholders' funds | (per cent) | (7.0) | (4.8) | (7.4) | (4.8) |

EL1 TENURE

The directors remain committed to taking all necessary steps to protect Company tenure. The decision by the Autonomous Bougainville Government in January 2018 to refuse an extension of the Company's Exploration Licence (EL1) remains subject to Judicial Review proceedings in the PNG National Court. Constructive dialogue has been also occurring with the ABG in efforts to resolve the tenure issue and this remains ongoing. As a result, the Judicial Review proceedings have been adjourned until 10 July 2023.

LEGACY IMPACT ASSESSMENT

The Panguna Mine Legacy Impact Assessment was officially launched in December 2022 by Bougainville President Ishmael Toroama. The work is being conducted by global consulting firm Tetra Tech Coffey International and is expected to take 18 months. The Assessment will examine actual and potential environmental and human rights impacts associated with the mine and provide recommendations for addressing issues identified.

The project is being predominantly funded by Rio Tinto as the majority owner of the mine during its operation, with support from Bougainville Copper as the mine's former operator. Bougainville Copper is a member of the multi-stakeholder committee that has oversight of the project. The Company has also been providing important baseline information. A field campaign was expected to commence in late March where a large amount of social and environmental data will be collected across the impact area.

BOUGAINVILLE DIRECTORS

The Board's Bougainvillean representation was further strengthened by the appointment of Maryanne Hasola in February 2023. Ms Hasola hails from Bana District in Bougainville, has strong links with landowners from the project area and is a highly-regarded women's leader. She brings to the role more than 23 years' experience in accounting and auditing, working with the Internal Revenue Commission of Papua New Guinea.

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. Following this, five of the seven directors or 70 per cent of the board will be Bougainvillean as the board continues its transition from a caretaker role.

SHAREHOLDING

The Papua New Guinea national government remains committed to transferring the state's 36.4 per cent shareholding in Bougainville Copper to the Autonomous Bougainville Government and the people of Bougainville. The transfer is imminent and once this has occurred the ABG and people of Bougainville will hold a 72.8 per cent stake in the Company. Significantly, this will for the first time see Bougainville Copper as a company majority-owned by Bougainville and its people.

LANDOWNERS

Bougainville Copper maintains strong relationships with project area landowners, including agents recognised by the PNG Land Titles Commission to represent the interests of block owners in the Panguna project area. The Company also continues to support the Panguna Development Company Ltd (PDCL), a landowner company established to promote economic opportunities for its members. Landowners and the ABG remain committed to the redevelopment of Panguna led by a Bougainville owned company. During 2022, Bougainville Copper also built stronger relations with ex-combatants.

COMMUNITY SUPPORT

Bougainville Copper has continued its program of support and sponsorship for various community activities within Bougainville in areas such as education, vocational training, sport, and culture. The Company for example sponsored Bougainville's leading soccer team Panguna Metals Football Club which reached the quarter finals of PNG's National Soccer League and sponsored three major cultural festivals during 2022 in northern, central, and southern Bougainville.

Bougainville Copper also proudly supports the University of Papua New Guinea Bougainville Students Association and provided sponsorship for a recent book drive, including the provision of 1,539 books which were distributed to primary schools in Bougainville. The Company continues to provide strong support for education by sponsoring major awards for four main secondary schools in North, Central and South Bougainville

The Company has also provided support for rice, vanilla, poultry, and pig farming in recognition of the importance of agriculture to Bougainville's development and has supported projects to provide access to clean water in villages.

CHAIRMAN'S STATEMENT AND THE YEAR IN REVIEW

OVERVIEW

The redevelopment of the Panguna mine has been a consistent feature of Bougainville's narrative around economic development during 2022. There is also mutual agreement among the Autonomous Bougainville Government (ABG) and landowners that the project should be led by a locally-owned (Bougainvillean) company. In this context, we have maintained through our advocacy that Bougainville Copper remains very well-placed to support these aims.

In emphasising the local credentials of Bougainville Copper, the PNG national government's commitment to transfer its 36.4 per cent share in the Company to the ABG and people of Bougainville is most significant. Once the transfer is finalised, it will mean that for the first time in its 55-year history, Bougainville Copper will be majority owned by Bougainvilleans with a 72.8 per cent share in the Company. This does not include several thousand small Bougainvillean shareholders. The finalisation of the share transfer appears imminent.

This strong local identity is something we as a Company have proudly embraced and actively promote in our community engagement. While we are by no means a large team most of our employees and contractors are Bougainvillean and we have made a concerted effort to ensure that as our Board transitions from its caretaker role, so that director representation adequately reflects our local identity.

In February, we were pleased to appoint Maryanne Hasola, who hails from Bana district in Bougainville, to the Board, bringing to five the number of Bougainvillean directors following the appointments last year of James Rutana and Kearneth Nanei as well as David Osikore and myself prior to their appointments. I would like to take this opportunity to thank my fellow directors and friends Sir Rabbie Namaliu and Dame Carol Kidu for their outstanding service to Bougainville Copper. They have both confirmed their retirements and will not be seeking reelection at the Annual General Meeting.

The Company's long-term prospects with respect to the Panguna project are of course dependant on project tenure and on this issue the Board remains committed to taking all steps necessary to protect our rights. In January 2018, the ABG made a decision to refuse an extension of the Company's exploration licence (EL1) and we have always maintained that the renewal application process had been unduly influenced by third parties with competing interests for mineral rights in Bougainville.

The ABG's decision still remains subject to Judicial Review proceedings in the PNG National Court. Notwithstanding, the Company has continued its dialogue with the ABG in a bid to resolve the tenure issue. As a result of this constructive engagement, the court has adjourned the Judicial Review proceedings until 10 July 2023. A resolution to the tenure issue outside the court is something the Company would welcome, and we will continue to engage in good faith with the aim of achieving this. It is however important to note that the Company's EL1 tenure is deemed to continue until the matter is resolved, as per the stay order of the court.

As the restrictions associated with the coronavirus pandemic have eased, the Company has been better placed to continue its program of community engagement and support in Bougainville during 2022.

Through the tireless work of our local project team, we have continued to enjoy strong relations with all relevant stakeholders, including project area landowners and agents recognised by the Land Titles Commission to represent the interests of Panguna area block owners. Pleasingly, during the year we have also been able to build closer relations with ex-combatants who are another important group. As alluded to earlier, we have maintained constructive relations with the ABG, including ministers, other members of parliament and departmental officers, including those from the Department of Mineral and Energy Resources.

The Company also welcomes the progress being made in relation to the Panguna Mine Legacy Impact Assessment with field work due to commence in late March. It will examine actual and potential environmental and human right impacts associated with the mine and provide recommendations for addressing issues identified. The project is being predominantly funded by Rio Tinto as the mine's former majority owner, with support from Bougainville Copper as the previous operator. The Assessment, led by major global consulting firm Tetra Tech Coffey International is expected to take around 18 months. Bougainville Copper is a member of the multi-stakeholder oversight committee and has provided important baseline information to support the project.

Maintaining a supportive presence in Bougainville is integral to continuing to build trust and a sense of dependability. In this respect, the Company has continued its program of community support providing relatively modest, yet meaningful assistance for various activities in the project area related to vocational training, agriculture, education, sport, and culture. We fully recognise the need for capacity building in Bougainville at all levels and this for example explains the support we provide for local farmers or in backing water supply projects for communities.

Throughout 2022, the ABG has continued its formal negotiations with the PNG national government about the result of Bougainville's 2019 referendum where 98 per cent voted in support of independence for Bougainville. They have agreed on a process for determining a political outcome between 2025 and 2027. As a result, the ABG is actively exploring projects and initiatives that will help support financial self-sufficiency. Against this backdrop Panguna's redevelopment has been described as the most viable large-scale project.

RESULTS

In 2022 Company expenditure continued to be concentrated on tenure issues, stakeholder engagement and support for community projects.

For the year ended 31st December 2022, the Group recorded a loss of K6.9 million compared to a loss of K6.1 million the previous year.

The Company has total consolidated net assets of K98 million compared to K128 million the previous year. The Company has sufficient funds to cover planned recurrent expenditure in 2023 and Bougainville Copper remains debt free.

Bougainville Copper will not pay a dividend.

FINANCIAL ASSETS

Bougainville Copper's financial assets are cash and Australian equities. Interest and dividends from these assets continue to partially fund the Company's activities. Income from interest and dividends was K4.0 million compared to K4.1 million the previous year.

The fair valuation of the Company's investments decreased by K22.7 million for 2022 compared to an increase of K12.9 million the previous year. There were realised gains on sales of investments for the year of K3.9 million. The Company's investments in Australian listed securities decreased amid the volatility in global share markets in 2022, influenced by rising inflation, rising interest rates, Covid-19 related supply chain disruptions, and the war in Ukraine.

Equities will only be sold when necessary to fund ongoing Company operations.

BOUGAINVILLE COPPER FOUNDATION

The Bougainville Copper Foundation (BCF) is a fully owned subsidiary of Bougainville Copper and its results have been consolidated with the Group. The BCF is a non-profit company and has in the past supported student scholarships. Again, due to tenure uncertainty, the BCF deferred awarding scholarships in 2022.

BOARD

Maryanne Hasola was appointed to the Board as an independent non-executive director on 24 February 2023 and brings more than 23 years' experience in accounting and auditing working for the Internal Revenue Commission of Papua New Guinea. During this period, she has served as a company assessor, tax audit manager and director of policy and advice. Originally from Bana District in Bougainville, Ms Hasola brings to five the number of Bougainvillian directors on the Board. Ms Hasola is a member of the Certified Practising Accountants of Papua New Guinea (CPA PNG) and holds a Master of Commerce and Taxation and a Bachelor of Business Studies.

Sir Rabbie Namaliu and Dame Carol Kidu who have served on the Board since 2011 and 2012 respectively have announced their retirements and will not seek re-election at the Annual General Meeting.

GOVERNANCE AND RISK MANAGEMENT

Bougainville Copper has governance reporting obligations to the Australian Securities Exchange (ASX). A statement on the Company's compliance with the ASX Corporate Governance Principles and Recommendations is contained within this report. The Company has also developed and complies with a comprehensive set of charters and policies. These are available on the Bougainville Copper web site.

The Board and the Audit and Risk Committee reviews the quality of risk assessments and monitors the actions arising to mitigate risk. Bougainville Copper places uncompromising priority on hazard identification, risk assessment and risk management. Company management undertakes regular risk assessments to identify both risks and opportunities facing the Company. The Company also has a Remuneration and Nomination Committee.

SAFETY

Bougainville Copper believes a safe and healthy workforce is essential to the Company's success and sustainability and is committed to achieving zero harm. It is essential that work is only undertaken when deemed safe to do so. The Company for instance employs a stringent travel approval process. It is also committed to ongoing health and safety training of its staff and contractors.

ENVIRONMENTAL AND SOCIAL ISSUES

The Panguna Mine Legacy Impact Assessment will identify and assess actual and potential environmental and human rights impacts associated with the mine and develop recommendations for addressing them. It is the result of an agreement reached by Rio Tinto the former majority owner of the Panguna mine and residents of mine-affected communities. The Assessment was launched in December 2022 by ABG President Ishmael Toroama and field work, including extensive data collection regarding environmental and social issues is due to commence in late March 2023. The Assessment work is being led by major global consulting firm Tetra Tech Coffey International, in conjunction with project manager Tanorama Limited. The Assessment is expected to take 18 months. The project is being predominantly funded by Rio Tinto with some support from Bougainville Copper as the mine's former operator. Bougainville Copper is a member of the multi-stakeholder oversight committee and has contributed baseline information.

COMMUNITY SUPPORT

Providing community support remained an important priority for the Company in 2022. This program helps to build trust among stakeholders and provides a lifeline for worthy projects and activities that may otherwise not be possible. Some of the notable areas of support in 2022, included providing sponsorship for three major cultural festivals in Bougainville (Tamatama, Siwai and Mona) where Bougainville Copper had a strong visible presence. The Company also supported various popular sports at grass roots level, including soccer, boxing and darts and again sponsored awards for academic excellence among students. Bougainville Copper also continues to support vocational training and agricultural industry development and backs village water supply projects.

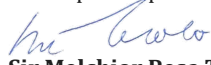
MEDIA AND COMMUNICATIONS

Bougainville Copper continues to engage with local and international media as required and keeps the market informed with regular disclosures and statements published on both the ASX and Company web sites. The Company has remained active in social media and the Bougainville Facebook and LinkedIn pages have 15,000 regular followers. Social media is a popular source of local news and information for people in Bougainville and PNG.

IN CONCLUSION AND THE YEAR AHEAD

Following the disruptions associated with the coronavirus pandemic in recent years, 2022 provided some semblance of a return to normal for Bougainville Copper with respect to our engagement. Through our work with stakeholders in Bougainville it seems clear that the Company is well-regarded among local people, and we are focused on building further from this platform of support.

We are encouraged that the ABG and landowners remain unified regarding the objective of redeveloping the Panguna mine in the foreseeable future. Given the strong ownership stake the ABG and people of Bougainville have in the Company, the established presence we have on the ground and the extensive project knowledge we possess, the board and executive will continue to promote Bougainville Copper Limited as the logical development partner for this critical project.


Sir Melchior Pesa Togolo
Executive Chairman

31st March 2023

DIRECTORS' REPORT

THE DIRECTORS OF BOUGAINVILLE COPPER PRESENT THEIR REPORT ON THE AUDITED FINANCIAL STATEMENTS OF THE COMPANY FOR THE YEAR ENDED 31ST DECEMBER 2022.

THE CURRENT DIRECTORS OF BOUGAINVILLE COPPER AT PRESENT ARE:

Sir Melchior Pesa Togolo CBE Kt

Appointed a Director from 20th October 2017 and as Chairman 21st February 2018.

Sir Melchior held several senior positions with Bougainville's former North Solomons Provincial Government between 1978 and 1990 including the role of Provincial Secretary. Sir Melchior has over thirty years' experience in the minerals sector. He served on the Bougainville Copper Board as an alternate member (1978-1981) and as a full Board Member between 1990 and 1993. Prior to that he was the head of corporate affairs at Placer Dome Niugini Limited. Since 2006 he has served as PNG Country Manager with Nautilus Minerals Inc. Sir Melchior serves on Boards both in PNG and overseas, including the Boards of Credit Corporation (PNG) Ltd, Panamex Holdings (Singapore) Pte Ltd, Heritage Park Hotel in Honiara and Loloata Island Resort. He has previously served on the Boards of a number of leading PNG companies, including Westpac Bank PNG Limited, NASFUND and Oil Search. Sir Melchior was a founding member of the Business Council of Papua New Guinea and was Deputy President and President for a total of six years. In 2004 he was awarded Commander of the British Empire for services to industry and commerce in PNG, and in June 2018 he was awarded a Knighthood for Services to Economic Development particularly in mining and petroleum.

Sir Rabbie Langanai Namaliu GCL CSM KCMG

Appointed a Director from 2nd March 2011.

Sir Rabbie served as Prime Minister of Papua New Guinea between 1988 and 1992 and was a former Speaker of the PNG National Parliament between 1994 and 1997. Sir Rabbie first served as Foreign Affairs and Trade Minister from 1982 to 1984 and again as Minister for Foreign Affairs and Immigration from 2002 to 2006, and then Minister for Treasury between 2006 and 2007. Sir Rabbie served as Minister for Primary Industry 1984 to 1985, Senior Minister for State and Tourism 1998 and Petroleum and Energy 1998 to 1999. Sir Rabbie has been Chairman and Non-Executive Director of Kramer Ausenco for over ten years, was the former Chairman of the Kina Group and Kina Bank and is the Chairman and Non-Executive Director of Kina Asset Management Limited. Other directorships include: Non-Executive Director of Yandera Mining Limited, a subsidiary of Era Resources (formerly Marengo Mining), Non-Executive Director of the Post Courier and a member of PNG Sustainable Development Program Ltd. Sir Rabbie was the former Chairman of the RH Foundation and has been the PNG Patron and Director of YWAM Medical Ships since 2012, a member of the Australia Pacific Security College Advisory Board based at the Crawford School of Public Policy at the Australian National University (ANU) in Canberra, Australia and is a member of the PNG Institute of Directors and Chairman and Patron of several other charitable organisations.

Dame Carol Anne Kidu AO, Dr (Hon) DBE

Appointed a Director from 9th August 2012.

Dame Carol retired from the Papua New Guinea Parliament in 2012 after fifteen years in politics including a period as Opposition Leader. Dame Carol was the Minister for Community Development for nine years and focused on legislative and policy reform for social development. Dame Carol has been awarded six honorary doctorates (UNRE-Rabaul, UPNG, Queensland University, Deakin University, James Cook University and UNITECH Lae). She is the Founder and Patron of the Business and Professional Women's Club, the Sir Buri Kidu Heart Institute, and the Ginigoada Foundation. Dame Carol was a Director of MiBank PNG. Dame Carol was appointed an Officer of the Order of Australia (AO) in the February 2023 Australia Day Honours for distinguished service to human rights, to community development, and to international relations. Since retirement from politics, she has been developing the Tutu Beach Retreat and Library/Learning Centre as a family social enterprise.

Sir Moi Avei KBE

Appointed a Director from 12th September 2016.

Sir Moi is a senior statesman of Papua New Guinea and former parliamentarian. He was Deputy Prime Minister from 2004 to 2006 and held ministerial portfolios including Higher Education, National Planning, Bougainville Affairs and Petroleum and Energy. Sir Moi had an active role in the 2001 Bougainville Peace agreement. Sir Moi was Chairman of OK Tedi Mining Ltd from 2015-2021. He is the Chairman of Pacific International Hospital and PNG Water Limited. He is also a Director of LABA (SPI) Logistics Limited, SPI Joint Venture Limited and Turra Holdings Ltd, a joint venture with Laba Holdings. He is Chairman of several other landowner companies.

Peter Maxwell Graham CBE

Appointed a Director from 20th October 2017.

Mr Graham served as Managing Director of the ExxonMobil PNG Limited from 2009 to 2015 leading the development of the PNG LNG Project and has over forty years' international experience in senior technical and business leadership positions in the minerals, oil and gas sectors. He was Chairman and Independent Director of Kumul Minerals Holdings Limited from 2016 to 2020. From 2015 to 2020 he was Managing Director and Chief Executive Officer of OK Tedi Mining Limited. Mr Graham is Chairman of PNG Sustainable Development Program Limited. He has served as Vice President of PNG Chamber of Mines and Petroleum from 2009 to 2011 and is Chairman of the Port Moresby General Hospital. In 2013 he was awarded Commander of the British Empire for services to the oil and gas industry and for leadership in Community Development in PNG.

David Miringoro Osikore

Appointed Director from 23rd August 2019.

Mr Osikore brings thirty years' experience in the exploration and mining industries in both Papua New Guinea and Australia having held positions with various exploration and mining companies, including Placer Dome Group of companies, Ingold, Renison Goldfields Limited, Porgera Joint Venture, Misima Mines, Placer PNG Explorations, Aurora Gold, Abelle Limited, Morobe Consolidated Goldfields, Harmony PNG and Pacific Niugini Minerals Limited as well as Bougainville Copper Ltd. He was one of the founding directors of Pantoro Limited and served on its board from 2008 to 2016.

James Rutana

Appointed Director from 25th November 2021.

Mr Rutana is a well-respected Bougainvillean businessman and entrepreneur from North Nasioi, Kieta who has studied microeconomics and international commodity trading in London. He is committed to Bougainville's economic development particularly in sustainable agriculture, and has operated several successful local businesses. Mr Rutana is considered a pioneer in cocoa farming and exporting in PNG and Bougainville. He was instrumental in the establishment of the PNG Cocoa Board and served as founding chairman, as well as the establishment of the PNG Cocoa and Coconut Research Institute, where he served as chairman for ten years. Mr Rutana was appointed a Commissioner of the Bougainville Constitutional Commission and was involved in the drafting of the Bougainville Constitution in 2002 during that important phase in the establishment of the Autonomous Bougainville Government. Mr Rutana is a director of Bougainville Advance Holdings Limited and Bougainville Advance Holding Trust.

Kearnneth Nanei

Appointed Director from 25th November 2021.

Mr Nanei is a highly regarded legal professional graduating from the University of Papua New Guinea. He commenced his career in private practice before his appointment as Secretary and Principal Legal Adviser for the Autonomous Bougainville Government (ABG) Department of Justice and Legal Services in 2010. Mr Nanei had extensive involvement in the development of the Bougainville Mining Act 2015. He has also advised the government on autonomy arrangements and preparations and is a current member of the ABG and PNG national government Joint Supervisory Body technical team, the Bougainville Referendum Committee and the Bougainville Mining Advisory Council. He is also a director of Bougainville Minerals Limited, Bougainville Public Investment Corporation and the Arawa School of Nursing.

Maryanne Hasola

Appointed Director from 24th February 2023.

Ms Hasola is a highly regarded women's leader employed by the Internal Revenue Commission of Papua New Guinea having served in senior positions, including company assessor, manager of tax audit director of policy and advice. Ms Hasola has links with the landowners from the lower tailings area of the Panguna mine. 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).

FINANCIAL SUMMARY

For the year ended 31st December 2022, the Company recorded a consolidated loss of K6.9 million compared to K6.1 million in 2021. Expenditure was concentrated on tenure issues, stakeholder engagements, and delivery of small community projects. The net assets of the group total K98.3 million compared to K127.9 in 2021.

ACTIVITIES

Bougainville Copper produced copper concentrate containing gold and silver from a mine at Panguna in Central Bougainville, Papua New Guinea, from 1972 until operations were suspended due to militant activity in May 1989. The Company now derives investment income, and is conducting activities in Bougainville in relation to the Exploration Licence it holds over the previous Panguna Special Mining Lease area. The Company has a fully owned subsidiary, Bougainville Copper Foundation Limited (BCF) which was acquired in November 2016.

NET EARNINGS

The net consolidated loss of Bougainville Copper for 2022 was K6.9 million (2021: K6.1 million).

TAXATION

No future income tax benefits have been recognised in the accounts.

SHARE CAPITAL

There was no change in the Company's capital structure during the year.

LONG TERM LOANS

The Company has no loans and no long-term lines of credit are in place.

DIVIDENDS

The Directors have not declared a dividend for 2022.

ACCOUNTING POLICIES

The following standards, amendments and interpretations to existing standards became applicable for the first time during the accounting period ended 31 December 2022:

- A number of narrow-scope amendments to IFRS 3 Business Combinations, IAS 16 Property Plant and equipment, IAS 37 provisions, contingent assets and liabilities, and some annual improvements on IFRS 1 first time adoption of IFRS, IFRS 9 financial instruments, IAS 41 agriculture and IFRS 16 leases (effective 1.1.22).
- Amendment to IFRS 16, 'Leases' – Covid-19 related rent concessions (effective 1.4.21).
- IFRIC Agenda Decision - Lessor forgiveness of lease payments (IFRS 9 and IFRS 16), finalised in October 2022.

The above changes did not have any material impact on the company.

DIRECTORS' REPORT CONTINUED

INTERESTS REGISTER

There were no transactions recorded in the Interests register during the year, other than the Directors' interests in the shares of the Company as shown in the adjacent column.

AUDITORS

The retiring auditors, PricewaterhouseCoopers, being eligible, offer themselves for re-appointment. Details of amounts paid to the auditors for audit and other services are shown in note 3 to the financial statements.

REMUNERATION OF EMPLOYEES

The Company has a Remuneration and Nomination Committee. An Annual Performance Review of employees was conducted March 2023. The outcome of those reviews and recommendations regarding salary reviews is reported to the Remuneration and Nomination Committee. Each employee was provided feedback on their performance. The Company has 19 full time employees.

REMUNERATION OF DIRECTORS

The amount of Directors' remuneration, including the value of benefits, received during the year is shown in note 14 to the financial statements.

DONATIONS

Bougainville Copper Limited does not make political donations. Due to the continued uncertainty surrounding project tenure, the Bougainville Copper Foundation deferred awarding new scholarships for 2022. Bougainville Copper Limited provides funding and administrative support to the Foundation.

ENVIRONMENT

Mining operations of the Company were suspended in 1989. The Company was unable to perform care and maintenance or closure rehabilitation at that time. The Company is not aware of any liability being incurred under any environmental legislation.

An agreement has been reached between the Company's previous majority owner at the time of the mine's operation, Rio Tinto; and mine-affected communities to conduct a Panguna Mine Legacy Impact Assessment. The Impact Assessment will be mostly funded by Rio Tinto with Bougainville Copper agreeing to contribute and is due to commence in late March 2023.

The Company is committed to Environmental, Social, Governance (ESG) principles and is also committed to positive social engagement in Bougainville, including programs that promote sustainable communities, in areas such as water infrastructure development, and sport and culture.

Bougainville Copper strongly adheres to accepted principles of good governance and has a comprehensive set of corporate governance policies.

DIRECTORS' INTERESTS

Directors' interests in the share capital of the Company and its related companies as at 20th March 2023 were:

| | |
|---|--------------|
| Sir Melchior P Togolo Shares – Bougainville Copper Limited | 360 |
| Sir Rabbie L Namaliu Shares – Bougainville Copper Limited | 1,000 |
| Dame Carol A Kidu | No interests |
| Sir Moi Avei | No interests |
| Peter M Graham | No interests |
| David M Osikore Shares – Bougainville Copper Limited | 5,000 |
| Kearnneth Nanei | No Interests |
| James Neddy Rutana Shares – Bougainville Copper Limited | 234 |
| Maryanne Hasola | No Interests |

ADDITIONAL INFORMATION

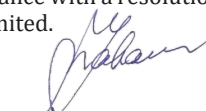
The Directors also state that:

1. There were no significant changes in the state of affairs of the Company during the year except as noted below.
2. The results of the Company during the financial year have not been, in the opinion of the Directors, substantially affected by events of a material and unusual nature other than contained in this report.
3. Events subsequent to balance date.
There is, at the date of this report, no other matter or circumstance that has arisen since 31st December 2022 that has significantly affected, or may significantly affect:
(i) the Company's operations in future financial years;
(ii) the results of those operations in future financial years; or
(iii) the Company's state of affairs in future financial years.
4. No Director has an interest in any contract or proposed contract with the Company, nor is any Director party to any material contract involving Directors' interests, or in receipt of any loans or benefits other than the aggregate amount of emoluments received or due and receivable by Directors shown in the accounts and the amount of fixed salary derived from the Company or from a related corporation.
5. No options over shares of the Company have been granted by the Company during the financial year or since the end thereof; no shares of the Company were issued during the year or have been issued since the end thereof by virtue of the exercise of any option granted by the Company; and no options over shares of the Company are outstanding at the date of this report.

Signed on 31st March 2023 in accordance with a resolution of the Directors of Bougainville Copper Limited.



Sir Melchior P Togolo
Chairman



Peter Graham
Director

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.

The 31 December 2022 Mineral Resource is unchanged from the 31 December 2021 Mineral Resource. Technical studies supporting the statement are unchanged and remain current. The potential economic viability of the project has been confirmed by a recent evaluation update (November 2019).

BCL lodged an application for a 5-year extension of EL1 with the Autonomous Bougainville Government Department of Mineral and Energy Resources (ABG- DoMER) in July 2016. In January 2018 BCL received a notice from ABG-DoMER of a decision to refuse the grant of BCL's application for extension of EL1. In April 2018, BCL was granted leave in the PNG National Court to seek a Judicial Review of the renewal application process. The grant of leave operates as a stay of the decision to not extend the term of EL1, pending final determination of the Judicial Review. As the application remains unresolved, the exploration licence is deemed to continue until a determination by the court or reconsideration by the ABG.

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

The Bougainville Mining Act 2015 states that until a decision is made on an exploration licence extension application, the term of the exploration licence is deemed to be extended. As a result, EL1 remains extant.

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, 2021 | | | | | AS AT DECEMBER 31, 2022 | | | | |
|--------------|-------------------------|--------------|----------------|------------|-------------|-------------------------|--------------|----------------|------------|-------------|
| | 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 Daniel Hastings and Mr Gerald Clark who are members of the Australasian Institute of Mining and Metallurgy. Mr Hastings is an independent geological consultant and Mr Clark is an independent geological consultant. Mr Hastings 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 Hastings 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.

CORPORATE GOVERNANCE STATEMENT

For the year ended 31st December 2022

This Corporate Governance Statement (CGS) is provided by the Directors of Bougainville Copper Limited, a company incorporated in Papua New Guinea A.R.B.N. 007 497 869 (Company) (ASX: BOC) pursuant to ASX Listing Rule 4.10.3 and reports against the ASX Corporate Governance Council's 'Corporate Governance Principles and Recommendations' 4th Edition, including the eight principles and 35 specific recommendations included therein (Recommendations). This CGS was approved by a resolution of the Board of the Company dated 31st March 2023 and is effective as at 31st March 2023 and is in addition to and supplements the Company's Appendix 4G lodged with the ASX. The following describes how the Company complies with the eight principles of the Recommendations.

PRINCIPLE 1

LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

The Company has adopted a Board Charter (available at www.bcl.com.pg/charters-important-documents/), which underpins the strategic guidance and effective management oversight provided by the Board. The Board Charter discloses specific responsibilities and functions of the Board and provides for the division of responsibility between the Board and management by formal delegation and a system of Board reserved powers. The Company is an independently managed Papua New Guinean company with its key management comprising of a General Manager/ Company Secretary and a Community Relations Consultant engaged under a consultancy services agreement. The Company has two Senior Project Officers, of which one is permanently based in Bougainville, and a Government Relations Manager who is also based in Bougainville. The Company has scaled its operations to manage delivery of community projects in the mine affected area. The Chairman of the Board also acts as the Managing Director. The General Manager reports directly to the Chairman of the Board acting in the role of Managing Director.

The Board reviews the Board Charter on an annual basis. The roles and responsibilities of the Board, the Company's chairman, directors and management are outlined in various sections of this CGS and in the Company's Board Charter.

The Board is responsible for setting and reviewing the strategy and business plans of the Company, and for monitoring the performance of the Company against these plans. The directors also monitor compliance with policies prescribed by the Board in areas such as code of conduct, workplace health and safety, environment, business integrity, internal control and risk management. These policies are designed to ensure that the Company complies with the regulatory requirements governing its operations. Without intending to limit this general role of the Board, the specific functions and responsibilities of the Board include those matters particularised in the Company's Board Charter. Management is separately responsible for the ongoing management of the Company in accordance with the strategy and business plans approved by the Board, as outlined in the Company's Board Charter. While the Company is transitioning to a more active operational status the position of Managing Director is fulfilled by the Chairman of the Board.

In carrying out its responsibilities and powers, the Board at all times recognises its overriding responsibility to act honestly, fairly, diligently and in accordance with the law in serving the interests of the Company's shareholders and all other stakeholders.

The Company undertakes such checks as it considers appropriate in order to verify a person's character, experience, education and background prior to their appointment or re-appointment as a director, or putting them forward to shareholders as a candidate for election or re-election as a director.

The Company has a Remuneration and Nomination Committee. The Remuneration and Nomination Committee reviews director competencies, Board succession planning and director selection and nominations, which are all carried out in accordance with the Remuneration and Nomination Committee Charter. The Remuneration and Nomination Committee Charter is available at www.bcl.com.pg/charters-important-documents/.

The members of the Remuneration and Nomination Committee are Sir Rabbie Namaliu (Chairman), Dame Carol Kidu, Sir Moi Avei, Sir Melchior Togolo and Kearneth Nanei. The Company Secretary is available to attend meetings. Members of the Remuneration and Nomination Committee display strong business acumen.

The Company provides shareholders with all material information in its possession relevant to its decision on whether to elect or re-elect a director as part of the information circular for each annual general meeting of the Company.

Prior to the nomination of a prospective director for election or re-election, the Board obtains from the prospective candidate:

- details of other commitments of the candidate and an indication of time involved; and
- an acknowledgement to the Company that the candidate will have sufficient time to fulfil the responsibilities as a director.

When a candidate stands for election or re-election as a director, the following information is provided to shareholders on the Company's website and in the Directors Report within the Company's 2022 Annual Report at pages 8 and 9 to enable shareholders to make an informed decision in relation to that vote:

- biographical details, including relevant qualifications and experience and the skills the candidate will bring to the Board;
- details of any other material directorships currently held by the candidate;
- details of any relationship between the candidate and the Company, and the candidate and the directors of the Company;
- if the candidate is standing for re-election the term of office currently served by the director; and
- any other particulars required by law.

At the time of joining the Company, directors and senior executives are provided with and enter into written agreements setting out the terms of their appointment.

- (i) Directors – are provided with and enter into letters of appointment outlining their duties and responsibilities.
- (ii) Senior Executives – The Company retains the services of management under contracts of employment and a consultant under a consultancy services agreement.

The Company Secretary is accountable directly to the Board through the Chairman of the Board. Responsibilities of the Company Secretary include providing advice and support to the Board and its committees, managing the day-to-day governance of the Company and assisting with all matters to do with the proper functioning of the Board. The Company Secretary's role includes the responsibility for governance, administrative and legislative matters including ensuring that the Board's processes, procedures and policies are run efficiently and effectively. The Company Secretary has a direct line of communication with each director. The appointment of the Company Secretary is approved by resolution of the Board.

The Board has adopted a Diversity and Inclusion Policy (available at www.bcl.com.pg/company-policies/), which outlines the Company's commitment to ensuring a diverse mix of talent and skills amongst its directors, officers and employees to enhance the Company's financial performance.

The Board recognises the importance of diversity to corporate success and considers diversity when appointing people to the Board or contracting their services. The Diversity and Inclusion Policy details the Board's commitment to engaging directors, contracting management and employees with the best mix of qualifications, skills and experience to develop a cohesive team to achieve business success regardless of gender, age or cultural background.

Given the size of the Board, the limited operational status of the Company and the challenging labour market in Papua New Guinea, the Board considers that it is not practical to set measurable objectives for achieving gender diversity as recommended by Recommendation 1.5(c) (1). Furthermore, whilst gender diversity is important, the priority for the Company when recruiting is the diversity of experience, background and nationality. As the Company's operations develop, it will consider adopting and setting measurable objectives for achieving gender diversity.

1. In terms of the representation of women in the organisation, the Company has two female directors, Dame Carol Kidu and Maryanne Hasola. Of the nineteen (19) full time employees four (4) are female.
2. The Company is not a 'relevant employer' under the Workplace Gender Equality Act 2012 (Cth) because it is not a registered higher education provider or an employer of 100 or more employees in Australia.

The Company was not part of the S&P/ASX 300 Index at the commencement of the reporting period.

The Board has a practice of annual self-assessment. The process of evaluation and self-assessment takes the form of a questionnaire completed by each of the directors. Following collation, the results and the adequacy and appropriateness of the self-assessment process are considered and discussed by the directors at the next Board meeting, and follow-up actions are determined.

The Chairman of the Board is responsible for performing the collation and review of individual directors' responses and presents the results to the Board for discussion and action. In 2022, the Board performed its annual evaluation in accordance with the process described above, which:

- considered the performance of the directors and the Board and the adequacy of the Board's structures and processes, including the Board Charter;
- considered goals and objectives of the Board for the upcoming year; and
- considered whether any improvements or changes to the Board structures and processes, including the Board Charter, Audit and Risk Committee Charter, and Remuneration and Nomination Committee Charter were necessary or desirable.

The last review of self-assessment by the Board was concluded in February 2023.

The senior executives of the Company have employment contracts or consultancy service agreements that clearly set out the roles and responsibilities, and the Company's expectations in terms of performance. The Chairman of the Board in the capacity as Managing Director conducts an annual performance review of the senior executives in accordance to the documented expectations and prepares a report on the outcome of those reviews and recommendations regarding salary reviews, to the Remuneration and Nomination Committee. Each senior executive is provided with feedback on their performance and if required a development plan is agreed to support and align the ongoing contribution of that senior executive to the needs of the business. Performance reviews for the senior executives were conducted during the reporting period in accordance with the process described above.

PRINCIPLE 2

STRUCTURE THE BOARD TO BE EFFECTIVE AND ADD VALUE

The Remuneration and Nomination Committee reviews Board succession planning and oversees the selection, appointment and re-appointment of directors to the Board, in accordance with the Remuneration and Nomination Committee Charter. Where appointments are for senior executives, the Remuneration and Nomination Committee will make recommendations to the Board.

The Remuneration and Nomination Committee has adopted a formal charter which sets out the role and terms of reference of the Remuneration and Nomination Committee and the charter is reviewed regularly. The Remuneration and Nomination Committee Charter is available at www.bcl.com.pg/charters-important-documents/.

The Remuneration and Nomination Committee held four scheduled meetings in 2022, and the attendance details of the 2022 meeting of the Remuneration and Nomination Committee are set out in the following table on the next page.

CORPORATE GOVERNANCE STATEMENT CONTINUED

| DIRECTOR | MEETINGS ATTENDED | MEETINGS WHILST IN OFFICE |
|---|-------------------|---------------------------|
| Sir Rabbie L Namaliu (Committee Chairman) | Three | Four |
| Dame Carol A Kidu | Four | Four |
| Sir Moi Avei | Four | Four |
| Sir Melchior Togolo | Four | Four |
| Kearnneth Nanei | Three | Four |

The Board determines the procedure for the selection and appointment of new directors and the re-election of incumbents in accordance with the Company's Constitution and having regard to the ability of the individual to contribute to the ongoing effectiveness of the Board, to exercise sound business judgement, to commit the necessary time to fulfil the requirements of the role effectively and to contribute to the development of the strategic direction of the Company.

Qualification for Board membership is related to the mix of skills and knowledge that the Board considers will best serve the interests of the Company and all of its shareholders. The Board seeks a mix of skills suitable for a Papua New Guinea, Bougainville based resources company. The mix of skills comprised in the current Board, and that the Board would look to maintain, and build on, includes:

- mining and production industry expertise;
- expertise in management and governance;
- high level of business acumen;
- technical expertise;
- ability to think and plan strategically;
- relevant team oriented behavioural characteristics (such as effective communicators and listeners); and
- Papua New Guinea and Bougainville cultural, community, social and political knowledge and expertise.

The mix of skills of the current Board is set out in the Directors' Report on pages 8 and 9.

The Board consists of nine directors, of which Sir Rabbie Namaliu, Dame Carol Kidu, Sir Moi Avei, Peter Graham, David Osikore and Maryanne Hasola are independent non-executive directors. Sir Melchior Togolo is the Chairman and Managing Director. James Rutana and Kearnneth Nanei were nominated by their shareholder, the Autonomous Bougainville Government.

Each of the six independent directors are not in any other relationship with the Company which would affect their independent status, nor involved in the management of the Company and are not substantial shareholders of the Company.

The directors were appointed to the Board as follows:

| | |
|-----------------------------|---------------------------------|
| Sir Melchior Pesa Togolo | 20 th October 2017 |
| Sir Rabbie Langanai Namaliu | 2 nd March 2011 |
| Dame Carol Anne Kidu | 9 th August 2012 |
| Sir Moi Avei | 12 th September 2016 |
| Mr Peter Maxwell Graham | 20 th October 2017 |
| Mr David Miringtoro Osikore | 23 rd August 2019 |
| Mr James Rutana | 25 th November 2021 |
| Mr Kearnneth Nanei | 25 th November 2021 |
| Maryanne Hasola | 24 th February 2023 |

Directors appointed by the Board are required by the Company's Constitution to submit themselves for election for a further three years, by shareholders at the Annual General Meeting following their appointment.

Directors are subject to retirement by rotation at least every three years in accordance with the Company's Constitution, but may offer themselves for re-election anytime in the ensuing three years. There is no share ownership qualification for appointment as a director.

Six of the nine directors are independent non-executive directors. For the purposes of determining a director's independence, the Board considers the following factors:

- whether within the last three years the director or a close family member is or has been employed in an executive capacity or part of the executive management of the Company or any of its child entities (if applicable);
- whether the director receives performance-based remuneration (including options or performance rights) from, or participates in an employee incentive scheme of the Company;
- whether within the last three years the director or a close family member has a material contractual relationship with the Company or any of its child entities (if applicable) other than as a director, the director's cross directorships or significant links with or involvement in other companies;
- whether within the last three years the director or a close family member has had, either directly or indirectly and whether as principal, employee or consultant, a material (more than 2% of the Company's or the counterparty's consolidated gross revenue per annum) business relationship with the Company or any of its child entities (if applicable), whether as an auditor, professional adviser, supplier or customer, or associated with someone with such a relationship;
- the director's length of service on the Board; and
- whether within the last three years the director or a close family member is, represents, or is, or has been an officer or employee of, or professional adviser to a substantial holder.

All directors are required to, and do, bring independent judgment to bear on Board decisions and act in accordance with their statutory duties of good faith and proper purpose, and in the interests of all shareholders.

Any contracts which may exist or be entered into from time to time in the ordinary course of business between the Company and any company in which a director has declared an interest will be reviewed for materiality to both the Company and the other party to the contract.

All related party transactions, have been determined by the independent directors to be in the best interest of the Company.

The directors can seek independent professional advice, at the Company's expense, in furtherance of their duties. The Board has adopted a procedure for directors wishing to seek such advice to do so by arrangement with the Company Secretary.

Sir Melchior Togolo is the Chairman and Managing Director. The Board considers that its existing practices in having the Chairman fulfil the role of Managing Director is satisfactory to allow the Company to properly fulfil its responsibilities effectively and is appropriate given the size of the Board, the Company's current ownership structure and the limited operational status of the Company's operations. The Board will continue to monitor and review the Managing Director role and will appoint a CEO where operationally desirable and strategically appropriate.

Directors receive formal appointment letters setting out, amongst other things, the expectations of their appointment. Incoming directors receive an induction to ensure they have a working knowledge of the Company, the political climate of the region in which its assets are situated, its culture and values and the metal mining industry. All directors are expected to maintain the skills required to effectively discharge their obligations to the Company and are provided with resources to help develop and maintain their skills and knowledge. Directors are encouraged to pursue and participate in appropriate continuing education and professional development opportunities so as to develop and maintain the skills and knowledge needed to perform their role as directors effectively.

Directors are provided with Board papers prepared by management prior to each Board meeting. These papers include an update from Company management, financial information and other strategy and risk management related documents. The directors also receive ongoing briefings on developments in laws, regulations and accounting standards.

PRINCIPLE 3

ACT LAWFULLY, ETHICALLY AND RESPONSIBLY

The Company values are outlined in the Company's Code of Conduct which acts as a meaningful statement of the way the Company and individuals do business. The Core values are:

- acting with integrity and honesty;
- continuously pursuing high performance;
- working effectively together; and
- caring about people.

The Code of Conduct applies to all directors, officers, employees, consultants and contractors and is available online at www.bcl.com.pg/Company-Policies/ and a copy of each policy, and charter is available in the investors page on the Company's website www.bcl.com.pg.

The Code of Conduct promotes business practices to maintain the Company's integrity and reflects the Company's commitment to ethical and responsible decision making. It is a meaningful statement of the Company's core values and is promoted as such across the Company and reinforced by proper training and proportionate disciplinary action if it is breached. The Company's directors, senior executives, employees, consultants and contractors are required to comply with this policy when dealing with each other, shareholders, customers and the broader community. All consultants and contractors are required to maintain high standards of ethical behaviour in the execution of their duties and comply with all applicable laws and regulations in Papua New Guinea and in every other country in which the Company engages in business.

Other policies, codes and charters adopted by the Company which provide a framework for decisions and actions in relation to ethical conduct in employment include:

- Audit and Risk Committee Charter;
- Remuneration and Nomination Committee Charter; and
- Business Integrity Policy.

The Company has established a system for reporting violations of the Code of Conduct. Reports are prepared in writing to the Company Secretary.

The Company has a whistleblower policy (Tok Out) which is available online at www.bcl.com.pg/Company-Policies/.

The Company is committed to fostering a culture of trust in an environment that encourages reporting of misconduct and unethical behaviour and providing protection to those who speak out. The policy encourages employees to speak up about any unlawful, unethical or irresponsible behaviour within the organisation and applies to employees, suppliers of goods and services, directors and officers and relatives of the individuals listed. The policy provides protection to anyone that raises concerns under the policy through confidentiality, and protection from retaliation. There is an established system for reporting the number, type and jurisdiction of concerns raised under the whistleblower (Tok Out) policy. If concerns are raised summaries are provided to the Audit and Risk Committee on a no names basis.

The Company has an anti-bribery and corruption policy which can be found in Part 4(b) of the Company's Code of Conduct which is available online at www.bcl.com.pg/Company-Policies/. Violations of the Code of Conduct are reported in writing to the Company Secretary.

CORPORATE GOVERNANCE STATEMENT CONTINUED

PRINCIPLE 4

SAFEGUARD INTEGRITY IN CORPORATE REPORTS

The Company has an Audit and Risk Committee, which is appointed by the Board and is comprised of five directors. The Audit and Risk Committee provides the transparency, focus and independent judgement needed to oversee the Company's corporate reporting process. The present members of the Audit and Risk Committee are, Managing Director Sir Melchior Togolo, three independent non-executive directors, Peter Graham (Committee Chairman) and Sir Moi Avei, David Osikore and James Rutana. The Company Secretary and external auditors are available to attend meetings. All members of the Audit and Risk Committee are financially literate.

The Company considers that more than half of the Audit and Risk Committee are independent directors and that this is satisfactory to allow the Audit and Risk Committee to properly fulfil its responsibilities effectively and is appropriate given the Company's current ownership structure and the limited operational status of the Company's operations. The Company will continue to monitor and review the Audit and Risk Committee's membership and will appoint committee members where operationally desirable and strategically appropriate.

The Audit and Risk Committee has adopted a formal charter which sets out the role and terms of reference of the Audit and Risk Committee and is reviewed regularly. The Audit and Risk Committee Charter is available at www.bcl.com.pg/charters-important-documents/, and includes information on the requirements for selecting an external auditor.

The qualifications and experience of the committee members is outlined in the Directors' Report on pages 8 and 9.

The Audit and Risk Committee provides a formal structure for reviewing the Company's financial statements, accounting policies, control systems, risk management practices, taxation issues, and for liaison with the external auditors. The Audit and Risk Committee also reviews the adequacy of external audit arrangements on an annual basis.

The Audit and Risk Committee advises the Board of any matters that might have a significant impact on the financial condition of the Company and has the authority to investigate any matters within the terms of reference, while having full access to the information and resources of the Company to fulfil its function. Related party transactions are considered by the Audit and Risk Committee. The Audit and Risk Committee reviews compliance with the Papua New Guinea Companies Act 1997, Corporations Act 2001 (Cth), where appropriate, and the requirements of the ASX and other regulatory requirements.

The Audit and Risk Committee held four scheduled meetings in 2022, and attendance details of the 2022 meetings of the Audit and Risk Committee are set out in the adjacent table.

| DIRECTOR | MEETINGS ATTENDED | MEETINGS WHILST IN OFFICE |
|---------------------------|-------------------|---------------------------|
| Peter M Graham (Chairman) | Four | Four |
| Sir Moi Avei | Four | Four |
| Sir Melchior P Togolo | Four | Four |
| David Osikore | Three | Four |
| James Rutana | Three | Four |

Any work conducted by the external auditor, other than the statutory audit, is approved by the Audit and Risk Committee.

As a foreign registered company in Australia, the Company is not required to comply with section 295A of the Corporations Act 2001 (Cth) with respect to declarations in relation to financial statements by the CEO and CFO. However, the Board ensures that it receives the appropriate declarations and assurances including a declaration from the Chairman of the Board and the Company Secretary that accounts have been reviewed and, in their opinion:

- the financial records of the Company for the financial year ended 31 December 2022 have been properly maintained; and
- the financial statements for the financial year ended 31 December 2022 comply with the appropriate accounting standards; and
- the financial statements and notes give a true and fair view of the financial position and performance of the Company and are based on a sound system of risk management and internal control.

The annual and interim financial statements are audited or reviewed by the Company's external auditor prior to release to the market.

PRINCIPLE 5

MAKE TIMELY AND BALANCED DISCLOSURE

The Company makes full and immediate disclosure of material information to its shareholders and the market in accordance with its disclosure obligations under the ASX Listing Rules. In particular, to ensure that trading in its securities takes place in an informed market, the Company has adopted a Disclosure and Communications Policy, which is designed to ensure compliance with the ASX Listing Rules on continuous disclosure and to ensure accountability at a senior executive level for compliance and factual presentation of the Company's financial position. Established reporting systems are in place to ensure compliance with ASX requirements. The Disclosure and Communications Policy is available at www.bcl.com.pg/company-policies/.

Material market announcements are approved by the board at regular board meetings scheduled to coincide with ASX filing timetable requirements. Other material market announcements are circulated to the board via email.

Results presentations and transcripts of the Chairman's address at annual general meetings are released on the ASX Market Announcements Platform as soon as practically possible after the conclusion of the general meeting. Other presentations to new or substantive shareholders or investor analysts are released on the ASX Market Announcements Platform prior to the presentation. Any video presentations are linked via the company's Facebook page as soon as practically possible after the conclusion of the presentation. Refer to: <https://www.facebook.com/BougainvilleCopper>.

PRINCIPLE 6

RESPECT THE RIGHTS OF SECURITY HOLDERS

The Company recognises the importance of effective communication with shareholders and the general investment community. Apart from the Company's compliance with its continuous disclosure obligations, the Company keeps investors informed of its corporate governance, financial performance, strategy and prospects via releases to the market via the ASX, the Company's website www.bcl.com.pg, information mailed and emailed to shareholders and general meetings of the Company. The information provided is balanced and understandable.

This communications program gives shareholders ready access to information and is contained within the Company's policies titled "Code of Conduct Policy" and "Disclosure and Communications Policy". The policies are available on the Company's website at <http://www.bcl.com.pg/company-policies/>.

The communications program includes an investor relations program to facilitate two-way communication with investors. The Company allows shareholders to send communications electronically to the Company via the Company website www.bcl.com.pg/contact/, emails to info@bcl.com.pg and to its security registry as detailed on www.bcl.com.pg/share-registrar.

The Company also encourages shareholders to attend the Company's annual general meeting and to ask questions of the Board and the auditor and/or to submit questions in writing in advance. At each annual general meeting the Board also ensures that:

- a representative of the Company's auditor is in attendance to respond directly to questions on audit related matters;
- information about the current developments is provided at the meeting, to make it easy for shareholders to participate and ask questions; and
- the chairman of the Board of directors presents an Address to the Annual General Meeting of current developments.

All substantive resolutions at a meeting of security holders are conducted by poll.

Shareholders may also communicate via Facebook and by telephone. Additionally, details of ASX announcements and Company reports are made available via the Company's website and are distributed to interested parties via email if requested.

The Company's share registry also engages with shareholders electronically. Shareholders can contact the Company's registrar, Computershare Investor Services Pty Ltd, to access their personal information and shareholdings. Contact details are on the Company's website. The share registrar also distributes statutory documents to shareholders such as annual reports and financial statements.

PRINCIPLE 7

RECOGNISE AND MANAGE RISK

The Company combines the Risk Committee function with the Audit and Risk Committee responsibilities. Please refer to *Principal 4 Safeguard Integrity of Corporate Reporting* for information regarding the composition and operation of the Audit and Risk Committee.

The Company has in place policies and procedures, including a risk identification and management framework (described below), which are continually being developed and updated to help manage material business risks. These policies and procedures have been adopted by the Board, with primary oversight by the Audit and Risk Committee, to ensure that potential business risks are identified and appropriate action is taken. The responsibility for undertaking and assessing risk management and internal control effectiveness is delegated to the Board with primary oversight from the Audit and Risk Committee. The Audit and Risk Committee Charter is available on the Company website www.bcl.com.pg/charters-important-documents/.

A summary of the Company's risk identification and management policies are set out below:

- the Company benefits from a Risk Management Policy, formally adopted by the Board, which can be accessed at www.bcl.com.pg/company-policies/, as well as practices on risk management and corporate assurance developed to manage the Company's business activities;
- the Audit and Risk Committee receives at least biannually a report from management to identify and review all of the business risks facing the Company. The Audit and Risk Committee report the findings to the Board;
- management provides an annual certificate of compliance to the Board and provides periodic reports and information confirming the status and effectiveness of the plans, controls, policies and procedures implemented to manage business risks. The Chairman of the Board and the Company Secretary endorse the certificate;
- Board approval is required before capital expenditure and revenue commitments exceed certain approved levels as outlined in the Authority Levels and Internal Controls Policy which is available at www.bcl.com.pg/company-policies/;
- the Company has in place a regulatory compliance program;
- safety, health, community and environmental policies are in place, with appropriate management systems which recognise the Company's commitment to achieving high standards of performance in all its activities in these areas; and

CORPORATE GOVERNANCE STATEMENT CONTINUED

- a formal risk analysis involving senior management is facilitated at least annually which includes consultants specialising in risk management. The Company's risk register is updated and outcomes are reviewed by the Audit and Risk Committee and the Board.

Management provides reports to the Board (through the Audit and Risk Committee) relating to the effectiveness of the internal controls and the management of material business risk. In addition, the Board monitors the Company's material business risks on an ongoing basis.

The Company does not maintain an internal audit function. The Company has limited operations and is of a size that does not warrant an internal audit function. The Audit and Risk Committee regularly review the level of segregation particularly in relation to processes and procedures concerning matters such as payment authorisations and limits of authority and awareness and compliance with the Authority Levels and Internal Controls Policy. The Board and the Audit and Risk Committee maintains oversight of organisational risks including financial risks. The Audit and Risk Committee is responsible for reviewing and improving the Company's risk management framework and internal control processes.

The Company, as an inactive mining production Company, faces risks in its activities, including economic, regulatory, environmental and social sustainability risks, which may materially impact the Company's ability to create or preserve value for shareholders over the short, medium or long term. The Company manages these risks by having in place a number of risk identification and management policies as well as a Communities Policy, which are all available at www.bcl.com.pg/company-policies/.

PRINCIPLE 8

REMUNERATE FAIRLY AND RESPONSIBLY

The Company does not have a separate remuneration committee as recommended by the Recommendations, but does combine the function within the Remuneration and Nomination Committee's responsibilities. Please refer to *Principle 2 Structure the Board to be effective and add value*, for information regarding composition and operation of the Remuneration and Nomination Committee.

The maximum limit for directors' remuneration is determined by shareholders in a general meeting. Within that limit the remuneration of directors is generally determined by the Board after taking into account data on market remuneration levels. At the 2009 Annual General Meeting, the shareholders approved an increase in non-executive directors' fees to A\$55,000, non-executive chairman fees to A\$110,000 and an additional A\$10,000 per annum for directors that are members of a Board committee. Directors are not entitled to retirement benefits.

The Company's nineteen (19) full time employees remuneration is governed by a Remuneration Policy, available at www.bcl.com.pg/company-policies/.

The Company has adopted a Rules for Dealing in BCL Securities Policy, which reinforces the prohibition against insider trading to all directors of the Company. The Rules for Dealing in BCL Securities Policy require that for all dealings in the Company's securities:

- directors and employees must advise the Chairman of the Board in writing, and receive approval in writing from the Chairman of the Board, if they intend to purchase or sell securities in the Company. In regard to their own dealings, the Chairman of the Board is required to notify the chairman of the Audit and Risk Committee; and
- no dealings in securities of the Company may take place in the period from the end of any relevant financial period to the trading day following announcement of the Company's annual results or half year results.

The Rules for Dealing in BCL Securities Policy is available at www.bcl.com.pg/company-policies/.

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STATEMENTS OF COMPREHENSIVE INCOME

Bougainville Copper Limited for the year ended 31st December 2022

| | | CONSOLIDATED 2022 K'000 | CONSOLIDATED 2021 K'000 | PARENT 2022 K'000 | PARENT 2021 K'000 |
|--|--------|-------------------------------|-------------------------------|-------------------------|-------------------------|
| | NOTES | | | | |
| Income | | | | | |
| Interest | | 1 | - | 1 | - |
| Dividends | | 4,032 | 4,058 | 3,712 | 3,992 |
| | | 4,033 | 4,058 | 3,713 | 3,992 |
| Cost and expenses | | | | | |
| Operating expenses | 3 | (10,691) | (9,908) | (10,688) | (9,905) |
| Exchange loss | 6 | (163) | (186) | (163) | (186) |
| | | (10,854) | (10,094) | (10,851) | (10,091) |
| Finance costs | 12 (b) | (59) | (59) | (59) | (59) |
| Loss before tax | | (6,880) | (6,095) | (7,197) | (6,158) |
| Income tax | 5 | - | - | - | - |
| Loss after tax | | (6,880) | (6,095) | (7,197) | (6,158) |
| Other comprehensive income | | | | | |
| Items that may not be subsequently reclassified to profit or loss (no tax effect): | | | | | |
| Changes in fair value of equity investments | 13 | (22,726) | 12,907 | (22,726) | 12,907 |
| Total other comprehensive income | | (22,726) | 12,907 | (22,726) | 12,907 |
| Total comprehensive income for the year | | (29,606) | 6,812 | (29,923) | 6,749 |
| Basic and diluted earnings per share (toea) | | (1.72) | (1.52) | | |

STATEMENTS OF CHANGES IN EQUITY

Bougainville Copper Limited for the year ended 31st December 2022

| | SHARE CAPITAL | FAIR VALUE RESERVE | ACCUMULATED LOSSES | TOTAL |
|---|------------------|-----------------------|-----------------------|----------|
| CONSOLIDATED | K'000 | K'000 | K'000 | K'000 |
| Brought forward at 01.01.21 | 401,063 | 64,199 | (344,218) | 121,044 |
| Loss for the year | - | - | (6,095) | (6,095) |
| Other comprehensive income for the year | - | 12,907 | - | 12,907 |
| Transfer of gain on disposal of equity investments at fair value through other comprehensive income to retained earnings. | - | (1,840) | 1,840 | - |
| Balance at 31.12.21 | 401,063 | 75,266 | (348,473) | 127,856 |
| Loss for the year | - | - | (6,880) | (6,880) |
| Other comprehensive income for the year | - | (22,726) | - | (22,726) |
| Transfer of gain on disposal of equity investments at fair value through other comprehensive income to retained earnings. | - | (3,933) | 3,933 | - |
| Balance at 31.12.22 | 401,063 | 48,607 | (351,420) | 98,250 |

| | SHARE CAPITAL | FAIR VALUE RESERVE | ACCUMULATED LOSSES | TOTAL |
|---|------------------|-----------------------|-----------------------|----------|
| PARENT | K'000 | K'000 | K'000 | K'000 |
| Brought forward at 01.01.21 | 401,063 | 64,199 | (344,460) | 120,802 |
| Loss for the year | - | - | (6,158) | (6,158) |
| Other comprehensive income for the year | - | 12,907 | - | 12,907 |
| Transfer of gain on disposal of equity investments at fair value through other comprehensive income to retained earnings. | - | (1,840) | 1,840 | - |
| Balance at 31.12.21 | 401,063 | 75,266 | (348,778) | 127,551 |
| Loss for the year | - | - | (7,197) | (7,197) |
| Other comprehensive income for the year | - | (22,726) | - | (22,726) |
| Transfer of gain on disposal of equity investments at fair value through other comprehensive income to retained earnings. | - | (3,933) | 3,933 | - |
| Balance at 31.12.22 | 401,063 | 48,607 | (352,042) | 97,628 |

All amounts are expressed in Papua New Guinea Kina. Rounding to the nearest thousand Kina has been adopted. The notes on pages 24 to 39 form part of these accounts and are to be read in conjunction with them.

BALANCE SHEETS

Bougainville Copper Limited at 31st December 2022

| | | CONSOLIDATED | CONSOLIDATED | PARENT | PARENT |
|--|--------|----------------|----------------|----------------|----------------|
| | | 2022 | 2021 | 2022 | 2021 |
| | NOTES | K'000 | K'000 | K'000 | K'000 |
| FUNDS EMPLOYED: | | | | | |
| Shareholders' funds | | | | | |
| Share capital | 11 | 401,063 | 401,063 | 401,063 | 401,063 |
| Fair value reserve | 13 | 48,607 | 75,266 | 48,607 | 75,266 |
| Accumulated losses | | (351,420) | (348,473) | (352,042) | (348,778) |
| | | 98,250 | 127,856 | 97,628 | 127,551 |
| Non-current liabilities | | | | | |
| Provisions | 7 (d) | 478 | 402 | 478 | 402 |
| Other payables | 7 (b) | 194 | 194 | 194 | 194 |
| Income tax | 5 (b) | 6,759 | 6,759 | 6,759 | 6,759 |
| Lease Liability | 12 | 118 | 445 | 118 | 445 |
| | | 7,549 | 7,800 | 7,549 | 7,800 |
| Current liabilities | | | | | |
| Provisions | 7 (c) | 1,767 | 1,835 | 1,767 | 1,835 |
| Trade payables | 7 (a) | 1,438 | 1,732 | 1,438 | 1,732 |
| Lease Liability | 12 | 421 | 527 | 421 | 527 |
| | | 3,626 | 4,094 | 3,626 | 4,094 |
| Total liabilities | | 11,175 | 11,894 | 11,175 | 11,894 |
| Total funds | | 109,425 | 139,750 | 108,803 | 139,445 |
| THESE FUNDS ARE REPRESENTED BY: | | | | | |
| Non-current assets | | | | | |
| Investments | 4 | 96,074 | 126,115 | 94,974 | 125,015 |
| Mine assets | 8 | - | - | - | - |
| Plant and Equipment | 9 | 912 | 1,146 | 912 | 1,146 |
| Right of use assets | 12 | 464 | 872 | 464 | 872 |
| Other receivables | 10 (b) | 829 | 829 | 1,632 | 1,690 |
| | | 98,279 | 128,962 | 97,982 | 128,723 |
| Current assets | | | | | |
| Cash and cash equivalents | | 1,527 | 965 | 1,202 | 899 |
| Other receivables | 10 (a) | 1,619 | 1,323 | 1,619 | 1,323 |
| Investments | 4 | 8,000 | 8,500 | 8,000 | 8,500 |
| | | 11,146 | 10,788 | 10,821 | 10,722 |
| Total assets | | 109,425 | 139,750 | 108,803 | 139,445 |

For, and on behalf of, the Board.



Sir Melchior P Togolo (Chairman)
31st March 2023



Peter M Graham (Director)

STATEMENTS OF CASH FLOWS

Bougainville Copper Limited for the year ended 31st December 2022

| | CONSOLIDATED 2022 K'000 | CONSOLIDATED 2021 K'000 | PARENT 2022 K'000 | PARENT 2021 K'000 |
|--|-------------------------------|-------------------------------|-------------------------|-------------------------|
| Cash flows related to operating activities | | | | |
| Payments to suppliers | (10,524) | (8,900) | (10,521) | (8,893) |
| Interest received | 1 | - | 1 | - |
| Interest and finance costs | (59) | (59) | (59) | (59) |
| Dividends received | 4,032 | 4,058 | 3,712 | 3,992 |
| Net operating cash out flows | (6,550) | (4,901) | (6,867) | (4,960) |
| Cash flows related to investing activities | | | | |
| Purchases of plant and equipment | (23) | (168) | (23) | (168) |
| Proceeds from sales of plant and equipment | - | - | - | - |
| Subsidiary Loan account movement | - | - | 58 | (3) |
| Sale of investment assets | 7,815 | 3,608 | 7,815 | 3,608 |
| Purchases of investment assets | - | - | - | - |
| Net investing cash in flows | 7,792 | 3,440 | 7,850 | 3,437 |
| Cash flows related to financing activities | | | | |
| Repayment of lease liabilities | (559) | (546) | (559) | (546) |
| Net financing cash out flows | (559) | (546) | (559) | (546) |
| Net increase/ (decrease) in cash and cash equivalents | 683 | (2,007) | 424 | (2,069) |
| Cash and cash equivalents at beginning of year | 965 | 3,057 | 899 | 3,053 |
| Effect of exchange rate changes on cash and cash equivalents | (121) | (85) | (121) | (85) |
| Cash and cash equivalents at end of year | 1,527 | 965 | 1,202 | 899 |

All amounts are expressed in Papua New Guinea Kina. Rounding to the nearest thousand Kina has been adopted. The notes on pages 24 to 39 form part of these accounts and are to be read in conjunction with them.

NOTES TO ACCOUNTS

The principal accounting policies applied in the preparation of these financial statements are set out below. Accounting policies relevant to mining operations are not presented due to mining operations having ceased in 1989. These policies have been consistently applied to all years presented, unless otherwise stated.

These financial statements were authorised for issue in accordance with a Directors' resolution on 31st March 2023.

1. (A) BASIS OF PREPARATION

The financial statements of Bougainville Copper have been prepared in accordance with International Financial Reporting Standards (IFRS) and the PNG Companies Act 1997. The financial statements have been prepared under the historical cost convention except for equity investments which are carried at fair value through other comprehensive income.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2.

New standards, amendments and interpretations to existing standards that have been adopted by the Company during the year and those that have not been adopted are disclosed in 1. (D) and 1. (E).

1. (B) ACCOUNTING POLICIES

PRINCIPLES OF CONSOLIDATION

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity, and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the group.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated, unless the transaction provided evidence of an impairment of the transferred asset. Accounting policies of the subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

MINE ASSETS

Mine assets were originally stated at cost or Directors valuation and subsequently depreciated and amortised at rates considered appropriate by the Company.

The Company ceased depreciating the mine assets from 1991 onwards. Subsequent impairment losses were recognised where the carrying value of the mine assets exceeded their recoverable amounts.

PLANT AND EQUIPMENT

The cost of purchased plant and equipment is the value of the consideration given to acquire the assets and the value of other directly attributable costs which have been incurred in bringing the assets to the location and condition necessary for their intended service. Plant and equipment are stated at cost less accumulated depreciation. Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the asset will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced item is derecognised. All other repairs and maintenance are charged against income during the reporting period in which they are incurred.

Gains and losses on disposals are determined by comparing proceeds with carrying amounts and are included in operating profit.

Depreciation is charged on a straight-line basis, so as to write-off the cost of the property and equipment to their residual value over their expected economic useful lives. The estimated economic lives are as follows:

| | |
|--------------------------------|------------|
| Leasehold improvements | 3 years |
| Motor vehicles | 2-4 years |
| Office furniture and equipment | 2-10 years |

TAXATION

The income tax expense or revenue for the period, is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax base of assets and liabilities, and their carrying amounts in the financial statements.

Deferred tax assets are recognised for deductible temporary differences, and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities, and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset, and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

FOREIGN CURRENCY TRANSLATION

(i) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in PNG Kina, which is the Company's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the dates of transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and translation at year end exchange rates of monetary assets and liabilities determined in foreign currencies are recognised in determining profit.

PROVISIONS

Provision for compensation is recognised when the Company has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

FINANCIAL ASSETS

Management determines the classification of its financial assets at initial recognition. The classification depends on the purpose for which the financial assets were acquired. The company classifies its financial assets as investments, cash and cash equivalents and other assets.

CLASSIFICATION AND SUBSEQUENT MEASUREMENT

The Company classifies its financial assets as follows:

(i) Equity instruments

Equity instruments that meet the definition of equity from the issuer's perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets. Examples of equity instruments include basic ordinary shares.

The Company's management has elected, at initial recognition, to irrevocably designate an equity investment through other comprehensive income. When this election is used, fair value gains and losses are recognised in Other Comprehensive Income (OCI) and are not subsequently reclassified to profit or loss, including on disposal. Impairment losses (and reversal of impairment losses) are not reported separately from other changes in fair value. When investments are held for purposes other than for trading the Company's policy is to designate equity investments as Fair Value through Other Comprehensive Income (FVOCI). Dividends, when representing a return on such investments, continue to be recognised in profit or loss as other income when the Company's right to receive payments is established.

(ii) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, deposits held at call with banks, and bank deposits and treasury bills with original maturities of three months or less.

(iii) Other receivables - at amortised cost

Other receivables are recognised initially at fair value, less provision for impairment. They are presented as current assets unless collection is not expected for more than twelve months after the reporting date.

The company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all receivable balances. In determining the expected credit loss allowance required, the historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the debtors to settle the receivables.

Other receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan and failure to make contractual payments for a period of greater than 120 days past due. Impairment losses on other receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

FINANCIAL LIABILITIES

The Company's financial liabilities at balance sheet date consist of financial liabilities at amortised cost.

(i) Classification

Financial liabilities that are not classified as at fair value through profit or loss fall into this category and are measured at amortised cost.

(ii) Recognition and measurement

Financial liabilities are measured at amortised cost using the effective interest method. Financial liabilities are derecognised when extinguished.

IMPAIRMENT OF OTHER ASSETS

Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash generating units). Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

REVENUE RECOGNITION

Interest income is recognised on a time-proportion basis using the effective interest method.

Dividend income is recognised when the right to receive payment is established.

1. (C) ROUNDING OF AMOUNTS

All amounts have been rounded off to the nearest K'000, unless otherwise stated.

NOTES TO ACCOUNTS CONTINUED

1. (D) STANDARDS, AMENDMENTS AND INTERPRETATIONS EFFECTIVE IN THE YEAR ENDED 31ST DECEMBER 2022

The following standards, amendments and interpretations to existing standards became applicable for the first time during the accounting period ended 31 December 2022.

- A number of narrow-scope amendments to IFRS 3, IAS 16, IAS 37 and some annual improvements on IFRS 1, IFRS 9, IAS 41 and IFRS 16 (effective 1.1.22).
 - Amendments to IFRS 3, 'Business combinations' update a reference in IFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations.
 - Amendments to IAS 16, 'Property, plant and equipment' prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognise such sales proceeds and related cost in profit or loss.
 - Amendments to IAS 37, 'Provisions, contingent liabilities and contingent assets' specify which costs a company includes when assessing whether a contract will be loss-making.
 - Annual improvements make minor amendments to IFRS 1, 'First-time Adoption of IFRS', IFRS 9, 'Financial instruments', IAS 41, 'Agriculture' and the Illustrative Examples accompanying IFRS 16, 'Leases'.
- Amendment to IFRS 16, 'Leases' – Covid-19 related rent concessions (effective 1.4.21). On 31 March 2021, the IASB published an additional amendment to extend the date of the practical expedient from 30 June 2021 to 30 June 2022.
- IFRIC Agenda Decision - Lessor forgiveness of lease payments (IFRS 9 and IFRS 16). In October 2022 the IASB finalised the IFRIC agenda decision on lessor forgiveness of lease payments. The agenda decision addresses the accounting from the perspective of the lessor, and in particular:
 - how the expected credit loss ('ECL') model in IFRS 9 should be applied to the operating lease receivable when the lessor expects to forgive payments due from the lessee under the lease contract before the rent concession is granted.
 - whether to apply the derecognition requirements in IFRS 9 or the lease modification requirements in IFRS 16 when accounting for the rent concession.

The above changes did not have any material impact on the company.

1. (E) STANDARDS, AMENDMENTS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31ST DECEMBER 2022 OR ADOPTED EARLY

The following standards, amendments and interpretations to existing standards have been published and are mandatory for the entity's accounting periods beginning on or after 1st January 2023 or later periods, but the entity has not early adopted them:

- Narrow scope amendments to IAS 1, Practice statement 2 and IAS 8 (effective 1.1.23). The amendments aim to improve accounting policy disclosures and to help users of the financial statements to distinguish between changes in accounting estimates and changes in accounting policies.
- Amendment to IAS 12 – Deferred tax related to assets and liabilities arising from a single transaction (effective 1.1.23). These amendments require companies to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences.
- Amendment to IFRS 16 - Leases on sale and leaseback (effective 1.1.24). These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.
- Amendment to IAS 1 - Non current liabilities with covenants (effective 1.1.24). These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. They also add new disclosure requirements in relation to covenants.
- IFRS 17 'Insurance contracts' (effective 1.1.23) replaces IFRS 4. IFRS 17 will fundamentally change the accounting by all entities that issue insurance contracts and investment contracts with discretionary participation features.

These changes are not expected to have any material impact on the company.

1. (F) EARNINGS PER SHARE

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares.
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

1. (G) CONTRIBUTED EQUITY

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as deduction, net of tax, from the proceeds.

1. (H) SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The board has been identified as being the chief operating decision maker.

1.(I) LEASES AND RIGHT-OF-USE ASSETS

Right-of-use assets and lease liabilities arising from lease contracts are initially measured on a present value basis. Lease liabilities include the present value of all fixed payments (less any lease incentives receivable), variable lease payments that are based on an index or rate, any amounts expected to be paid under residual value guarantees, the exercise price of any purchase options that are reasonably certain to be exercised and any payments for terminating a lease if the lease term reflects the exercise of that termination option. The lease payments are discounted using the discount rate implicit in the lease, if that rate can be determined, or the company's incremental borrowing rate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to interest expense so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Payments associated with short term leases of 12 months or less and leases of low value assets (less than PGK equivalent of USD5,000) are recognised as an expense on a straight-line basis. Variable lease payments that are not based on an index or rate are recognised as an expense as incurred.

Right-of-use assets are initially measured at cost, comprising the amount on initial recognition of the lease liability plus any lease payments made before commencement of the lease, any initial direct costs and the estimated costs of any restoration required upon completion of the lease contract. Right-of-use assets are subsequently measured at cost less depreciation and any impairment. Right-of-use assets are depreciated on a straight-line basis over the shorter of the term of the lease and the asset's useful life, unless there is a purchase option which is reasonably certain of being exercised, in which case the asset will be depreciated over its useful life.

2. CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

Mine assets

Mine production was suspended on 15th May 1989 because of attacks on employees. Following repeated instances of damage to mine facilities, the power supply lines and further attacks on employees, it became necessary to evacuate all remaining Company personnel from Bougainville in early 1990. Since the withdrawal of Company personnel from Bougainville, which was completed on 24th March 1990, there has been no care and maintenance of the Company's assets. Considerable deterioration of the assets has occurred in the intervening period, because of this lack of care and maintenance, their exposure to the elements, vandalism, pilferage and militant action.

With the passage of time, it became clear that a major write-down of assets from their pre-closure levels would be required. To allow for this future write-down, the board recorded an impairment loss in 1991 for deterioration, damage and pilferage of K350 million, with this sum being classified as an extraordinary item.

During 2014, the Autonomous Bougainville Government (ABG) passed the Bougainville Mining (Transitional Arrangement) Act 2014 (Transitional Act) which was replaced by the Bougainville Mining Act 2015 on 1st April 2015 (The Act). This legislation undermined the Company's pre-existing tenure and control of mine assets. In 2014 the Board impaired in full the carrying value of the mine assets. K167 million was charged against income and reversed K31 million in the revaluation reserve.

The Act converted the Special Mining Lease held by the Company to an Exploration Licence (EL1) for a period of two years from the date of the Transitional Act. In July 2016 the Company applied to extend EL1. The ABG commenced processing the application in October 2017 and on 16th January 2018 issued a Notice of Refusal to grant the renewal of the application for the following reasons:

1. The required majority consent of the landowners was not evident during the Mining Wardens hearing and shows Bougainville Copper does not have the social licence to operate the mine.
2. 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 Bougainville Copper'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 10th April 2018. A restraining order was granted against the defendants, the ABG, from giving effect to or relying on the decision to refuse the application by Bougainville Copper for extension of EL1.

Panguna Minerals Limited (PML), a company 50 per cent owned by SMLOLA and 50 per cent by Central Exploration Pty Ltd (a company 70 per cent owned by RTG Mining Inc), was joined to the proceedings on 22nd August 2018. An application by Bougainville Copper for leave to appeal the joinder decision was dismissed on 11th March 2019. The application for leave to appeal the joinder was then heard by a three-person bench of the Supreme Court on 27th June 2019 and again refused on 6th February 2020. Bougainville Copper noted 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 now be a defendant to the proceeding, and its activities will be given due scrutiny.

Bougainville Copper 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 the Company's rights. The Judicial Review has progressed and the next court date will be 10th July 2023, unless a prior agreement is reached between the ABG and Bougainville Copper Limited.

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

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

NOTES TO ACCOUNTS CONTINUED

| 3. OPERATING EXPENSES | CONSOLIDATED | | PARENT | |
|--|---------------|--------------|---------------|--------------|
| | 2022 | 2021 | 2022 | 2021 |
| | K'000 | K'000 | K'000 | K'000 |
| Remuneration of directors (note 14) | 2,136 | 2,214 | 2,136 | 2,214 |
| Board meetings | 74 | 18 | 74 | 18 |
| Auditors' remuneration | | | | |
| - annual report and financial statements audit | 128 | 122 | 128 | 122 |
| - half year review | 39 | 37 | 39 | 37 |
| - taxation and consulting services | 5 | 5 | 5 | 5 |
| Share registry costs | 405 | 500 | 405 | 500 |
| Insurance | 167 | 174 | 167 | 174 |
| Legal fees | 443 | 446 | 443 | 446 |
| Document cataloguing | 24 | 44 | 24 | 44 |
| Order of magnitude costs | 7 | 57 | 7 | 57 |
| Social, technical and environmental studies | 980 | 710 | 980 | 710 |
| Community projects | 465 | 438 | 465 | 438 |
| Communication and media costs | 358 | 414 | 358 | 414 |
| Education scholarships | 3 | 3 | - | - |
| Corporate subscriptions | 78 | 69 | 78 | 69 |
| Administrative costs | 3,326 | 2,858 | 3,326 | 2,858 |
| Depreciation right of use assets | 534 | 493 | 534 | 493 |
| Depreciation on administration assets | 256 | 275 | 256 | 275 |
| Other operating expenses | 1,263 | 1,031 | 1,263 | 1,031 |
| | 10,691 | 9,908 | 10,688 | 9,905 |

4. INVESTMENTS

| At fair value | CONSOLIDATED | CONSOLIDATED | PARENT | PARENT |
|---|-----------------|--------------|-----------------|---------|
| | 2022 | 2021 | 2022 | 2021 |
| | K'000 | K'000 | K'000 | K'000 |
| Opening balance | 134,615 | 125,316 | 133,515 | 124,216 |
| Increase (decrease) in fair value recognised through other comprehensive income | (22,726) | 12,907 | (22,726) | 12,907 |
| Disposal of investments | (7,815) | (3,608) | (7,815) | (3,608) |
| Additions to investments | - | - | - | - |
| Acquisition of subsidiary | - | - | - | - |
| Closing balance | 104,074 | 134,615 | 102,974 | 133,515 |
| Original cost when purchased | | | | |
| Opening cost balance | 59,349 | 61,117 | 58,249 | 60,017 |
| Disposal of investments | (3,882) | (1,768) | (3,882) | (1,768) |
| Additions to investments | - | - | - | - |
| Acquisition of subsidiary | - | - | - | - |
| | 55,467 | 59,349 | 54,367 | 58,249 |
| Fair value reserve year end balance | 48,607 | 75,266 | 48,607 | 75,266 |
| Closing fair value balance | 104,074 | 134,615 | 102,974 | 133,515 |
| Investments are classified as follows: | | | | |
| Current | 8,000 | 8,500 | 8,000 | 8,500 |
| Non-current | 96,074 | 126,115 | 94,974 | 125,015 |
| | 104,074 | 134,615 | 102,974 | 133,515 |

Investment assets held by the Company consist of ASX listed shares, and therefore have no fixed maturity date or coupon rate.

| Listed Securities | CONSOLIDATED | CONSOLIDATED | PARENT | PARENT |
|--|----------------|--------------|----------------|---------|
| | 2022 | 2021 | 2022 | 2021 |
| | K'000 | K'000 | K'000 | K'000 |
| Argo Investments Ltd (ARG) | 27,218 | 36,003 | 27,218 | 36,003 |
| Australian Foundation Investment Company Ltd (AFI) | 75,756 | 97,512 | 75,756 | 97,512 |
| | 102,974 | 133,515 | 102,974 | 133,515 |

The fair value of financial instruments traded in active markets is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are categorised as level 1 within the fair value hierarchy.

NOTES TO ACCOUNTS CONTINUED

4. INVESTMENTS - CONTINUED

On disposal of these equity investments, any related balance within the Fair value, through other comprehensive income reserve, is reclassified to retained earnings. During 2022, the group sold part of its shares in Argo Investments Limited and Australian Foundation Investment Company Ltd as part of its trading activities to realise profit and to fund day to day operations. The shares sold had a fair value of PGK7,815,173 and the group realised a gain of PGK3,933,419 which had already been included in Other Comprehensive Income. This gain has been transferred to retained earnings.

The investment held by the subsidiary represents an investment in unlisted units held in the Pacific Balanced Fund and is classified as level 3 within the fair value hierarchy due to the use of unobservable inputs.

| | CONSOLIDATED 2022 K'000 | CONSOLIDATED 2021 K'000 | PARENT 2022 K'000 | PARENT 2021 K'000 |
|----------------------------|-------------------------------|-------------------------------|-------------------------|-------------------------|
| Unlisted Securities | | | | |
| Pacific Balanced Fund | 1,100 | 1,100 | - | - |
| | 1,100 | 1,100 | - | - |

The financial statements of the Pacific Balanced Fund or similar data for the 2022 Financial Year were not available to allow for the management to determine the fair valuation at balance date. The units are not traded on a secondary market. The carrying amount as disclosed above was determined based on an historic buy-back price of K2.75 per unit.

| | CONSOLIDATED 2022 K'000 | CONSOLIDATED 2021 K'000 | PARENT 2022 K'000 | PARENT 2021 K'000 |
|---------------------|-------------------------------|-------------------------------|-------------------------|-------------------------|
| Listed Securities | 102,974 | 133,515 | 102,974 | 133,515 |
| Unlisted Securities | 1,100 | 1,100 | - | - |
| | 104,074 | 134,615 | 102,974 | 133,515 |

5. TAXATION

(a) The following reconciliation discloses the items which caused the charge for income tax in the income statement to vary from the income tax prima facie payable on reported earnings:

| | CONSOLIDATED 2022 K'000 | CONSOLIDATED 2021 K'000 | PARENT 2022 K'000 | PARENT 2021 K'000 |
|--|-------------------------------|-------------------------------|-------------------------|-------------------------|
| Operating profit/(loss) before taxation | (6,880) | (6,095) | (7,197) | (6,158) |
| Prima facie income tax @ 30 per cent | (2,064) | (1,829) | (2,159) | (1,847) |
| Tax effect of amounts which are not deductible (taxable) in calculating taxable income | 76 | 75 | 76 | 75 |
| Potential tax benefit not recognised | 1,988 | 1,754 | 2,083 | 1,772 |
| Income tax expense/(credit) | - | - | - | - |

(b) An agreement between the Independent State of Papua New Guinea, the previous majority shareholder of Bougainville Copper Ltd, Rio Tinto, and Bougainville Copper Limited provides for the deferral of income tax payable of K6,759,000 in respect of the 1989 year, until certain criteria have been met following successful recommencement of operations.

(c) The future income tax benefit relating to tax losses has not been brought to account because their realisation is not probable.

Available tax losses carried forward amount to K106,513,708 (2021: K99,570,866).

6. EXCHANGE FLUCTUATION

| | CONSOLIDATED 2022 K'000 | CONSOLIDATED 2021 K'000 | PARENT 2022 K'000 | PARENT 2021 K'000 |
|---|-------------------------------|-------------------------------|-------------------------|-------------------------|
| (a) Exchange gain/(loss) reflected in earnings arising from financial assets: | (163) | (186) | (163) | (186) |
| Gain/(loss) | (163) | (186) | (163) | (186) |
| (b) Foreign currency amounts included in current assets, non-current assets, current liabilities and non-current liabilities that are not effectively hedged are: | | | | |
| Current assets | 8,391 | 8,665 | 8,391 | 8,665 |
| Non-current assets | 94,974 | 125,015 | 94,974 | 125,015 |
| Current liabilities | 272 | 362 | 272 | 362 |
| Kina equivalent of Australian dollars | | | | |

7. LIABILITIES

| | CONSOLIDATED 2022 K'000 | CONSOLIDATED 2021 K'000 | PARENT 2022 K'000 | PARENT 2021 K'000 |
|--|-------------------------------|-------------------------------|-------------------------|-------------------------|
| Trade Payables | | | | |
| (a) Current | | | | |
| Trade creditors | 1,438 | 1,732 | 1,438 | 1,732 |
| (b) Non current | | | | |
| Other payables | 194 | 194 | 194 | 194 |
| Provisions (excluding impairment) | | | | |
| (c) Current | | | | |
| Compensation* | 1,525 | 1,585 | 1,525 | 1,585 |
| Employee entitlements | 242 | 250 | 242 | 250 |
| | 1,767 | 1,835 | 1,767 | 1,835 |
| (d) Non Current | | | | |
| Employee entitlements | 368 | 292 | 368 | 292 |
| Make good provision - premises lease | 110 | 110 | 110 | 110 |
| | 478 | 402 | 478 | 402 |

NOTES TO ACCOUNTS CONTINUED

7. LIABILITIES - CONTINUED

| | COMPENSATION | EMPLOYEE ENTITLEMENTS | MAKE GOOD PROVISION PREMISES LEASE |
|---------------------------------------|--------------|-----------------------|------------------------------------|
| (e) Movements in provisions | K'000 | K'000 | K'000 |
| Opening balance | 1,585 | 542 | 110 |
| Provisions recognised during the year | - | 259 | - |
| Amounts used during year | (60) | (191) | - |
| Closing balance | 1,525 | 610 | 110 |

* Bougainville Copper was defendant to an action commenced in the National Court by two plaintiffs seeking declarations that they are the lawful representatives of the mine site and the tailings disposal area Landowners and that the Mining Warden is the proper Judicial Officer to determine what, if any, compensation is due to Landowners for the period since the suspension of mining operations. A deed of release was executed by the two plaintiffs agreeing to the payment of statutory compensation for the 1990 year of operation including interest. The Company made a provision in its accounts to cover the Landowner compensation. The proceedings in the National Court were concluded when a Notice of Discontinuance was filed and endorsed in the Buka National Court on 9th June 2016 and served on each plaintiff. The Company has provided for March 1990 to March 1991 compensation to Landowner groups affected by the Company's former mine operations, based on known obligations. The Company has classified the provisions as current as compensation payments commenced in February 2017 and work remains ongoing to resolve the remaining unpaid balance.

8. MINE ASSETS

The company has previously capitalised mine assets of:

| | K'000 |
|-------------------------------|------------------|
| Mine development and building | 395,153 |
| Plant machinery and equipment | 549,663 |
| Mine property | 62,121 |
| Capitalised work in progress | 29,112 |
| Total | 1,036,049 |

Mine assets were fully depreciated or impaired in previous financial years.

During 2014, the Autonomous Bougainville Government passed the Bougainville Mining (Transitional Arrangement) Act 2014 (Transitional Act) which was replaced on 1st April 2015 by the Bougainville Mining Act 2015 (The Act). This legislation undermined the Company's pre-existing tenure and control of mine assets.

The Act converted the Special Mining Lease held by the Company to an Exploration Licence (EL1) for a period of two years from the date of the Transitional Act. In July 2016 the Company applied to extend EL1. The ABG commenced processing the application in October 2017 and on 16th January 2018 issued a Notice of Refusal to grant the renewal of the application. The Company commenced legal proceedings in the PNG National Court and was granted leave on 10th April 2018 for a Judicial Review of the renewal application process. A restraining order was granted against the ABG, from giving effect to or relying on the decision to refuse the extension of EL1. So long as the restraining order is in place and, until a determination is made on that decision-making process, Bougainville Copper holds rights over EL1. The Judicial Review proceedings remain ongoing.

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.

9. PLANT AND EQUIPMENT

| CONSOLIDATED AND PARENT | LEASEHOLD ASSETS | MOTOR VEHICLES | OFFICE FURNITURE AND EQUIPMENT | CONSTRUCTION IN PROGRESS | TOTAL |
|---|------------------|----------------|--------------------------------|--------------------------|--------------|
| | K'000 | K'000 | K'000 | K'000 | K'000 |
| At 31st December 2021 | | | | | |
| Cost | 1,831 | 315 | 938 | 321 | 3,405 |
| Accumulated depreciation | (1,463) | (304) | (492) | - | (2,259) |
| Net book value | 368 | 11 | 446 | 321 | 1,146 |
| Year ended 31st December 2022 | | | | | |
| Opening net book amount | 368 | 11 | 446 | 321 | 1,146 |
| Additions | - | - | 23 | - | 23 |
| Transfers | - | - | - | - | - |
| Disposals | - | - | (1) | - | (1) |
| Depreciation charge | (135) | (11) | (110) | - | (256) |
| Closing net book value | 233 | - | 358 | 321 | 912 |

| | | | | | |
|---|------------|----------|------------|------------|------------|
| At 31st December 2022 | | | | | |
| Cost | 1,831 | 315 | 952 | 321 | 3,419 |
| Accumulated depreciation | (1,598) | (315) | (594) | - | (2,507) |
| Net book value | 233 | - | 358 | 321 | 912 |

10. OTHER RECEIVABLES

| | CONSOLIDATED 2022 K'000 | CONSOLIDATED 2021 K'000 | PARENT 2022 K'000 | PARENT 2021 K'000 |
|-------------------------------------|-------------------------------|-------------------------------|-------------------------|-------------------------|
| (a) Current | | | | |
| Sundry receivables | 40 | 11 | 40 | 11 |
| Deposits and bonds | 88 | 95 | 88 | 95 |
| Prepayments | 141 | 144 | 141 | 144 |
| Goods and services tax receivable | 1,350 | 1,073 | 1,350 | 1,073 |
| | 1,619 | 1,323 | 1,619 | 1,323 |
| (b) Non Current | | | | |
| Withholding tax receivable | 829 | 829 | 511 | 511 |
| Related party receivables (Note 18) | - | - | 1,121 | 1,179 |
| | 829 | 829 | 1,632 | 1,690 |

Withholding tax receivable will be offset against future tax payable.

NOTES TO ACCOUNTS CONTINUED

11. ORDINARY SHARES

The issued capital of the Company is 401,062,500 ordinary shares fully paid. No change in issued capital occurred during 2022.

12. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

Bougainville Copper recognises lease liabilities in accordance to IFRS 16. Lease liabilities are measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate of 7.5%.

| | CONSOLIDATED 2022 K'000 | CONSOLIDATED 2021 K'000 | PARENT 2022 K'000 | PARENT 2021 K'000 |
|--|-------------------------------|-------------------------------|-------------------------|-------------------------|
| Amounts recognised in the balance sheet | | | | |
| (a) Right-of-use-assets | | | | |
| Properties as at 1 st January | 872 | 808 | 872 | 808 |
| Additions | 91 | 614 | 91 | 614 |
| Remeasurements | 35 | (57) | 35 | (57) |
| Disposals | - | - | - | - |
| Depreciation charges | (534) | (493) | (534) | (493) |
| Closing net book value 31 st December | 464 | 872 | 464 | 872 |
| (b) Lease liabilities | | | | |
| Lease liabilities as at 1 January | 972 | 961 | 972 | 961 |
| Additions | 91 | 614 | 91 | 614 |
| Remeasurements | 35 | (57) | 35 | (57) |
| Disposals | - | - | - | - |
| Payments | (618) | (605) | (618) | (605) |
| Interest | 59 | 59 | 59 | 59 |
| Closing balance 31 st December | 539 | 972 | 539 | 972 |
| Lease Liabilities are classified as follows: | | | | |
| Current | 421 | 527 | 421 | 527 |
| Non-current | 118 | 445 | 118 | 445 |
| Total | 539 | 972 | 539 | 972 |
| Minimum lease payments: | | | | |
| Not later than 1 year | 431 | 578 | 431 | 578 |
| Later than 1 year and not later than 5 years | 130 | 463 | 130 | 463 |
| Later than 5 years | - | - | - | - |
| Total | 561 | 1,041 | 561 | 1,041 |
| Less: Unexpired finance charges | (22) | (69) | (22) | (69) |
| Total | 539 | 972 | 539 | 972 |

12. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES - CONTINUED

Present value of lease liabilities:

| | | | | |
|--|------------|------------|------------|------------|
| Not later than 1 year | 421 | 527 | 421 | 527 |
| Later than 1 year and not later than 5 years | 118 | 445 | 118 | 445 |
| Later than 5 years | - | - | - | - |
| Total | 539 | 972 | 539 | 972 |

Amounts recognised in statement of comprehensive income

| | | | | |
|---|-----|-----|-----|-----|
| Depreciation charge right-of-use assets | 534 | 493 | 534 | 493 |
| Interest expense | 59 | 59 | 59 | 59 |
| Expense relating to short term leases (included in administrative costs) | 230 | 176 | 230 | 176 |
| Expense relating to leases of low values not recognised as a liability (included in administrative costs) | 61 | 38 | 61 | 38 |

Accounting for leasing activities as Lessee

Bougainville Copper leases offices and houses for its employees. Rental contracts are typically made for fixed periods of one (1) to three (3) years but may have extension options as described in (ii) below. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by Bougainville Copper. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payments that are based on an index or a rate
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received, and
- any initial direct costs.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

(i) Variable lease payments

Bougainville Copper does not have any property leases that contain variable payment terms that are linked to sales generated from other operations.

(ii) Extension and termination options

Extension and termination options are included in a number of property leases. These terms are used to maximise operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by Bougainville Copper and not by the respective lessor.

(iii) Residual value guarantees

Bougainville Copper does not provide residual value guarantees in relation to its leases.

NOTES TO ACCOUNTS CONTINUED

| 13. FAIR VALUE RESERVE | CONSOLIDATED | CONSOLIDATED | PARENT | PARENT |
|--|--------------|--------------|----------|---------|
| | 2022 | 2021 | 2022 | 2021 |
| | K'000 | K'000 | K'000 | K'000 |
| Fair value reserve | 48,607 | 75,266 | 48,607 | 75,266 |
| This reserve records movements for Investment assets to fair value. Refer note 1 (b) and note 19(g) for calculations for 'fair value'. | | | | |
| Opening balance | 75,266 | 64,199 | 75,266 | 64,199 |
| Movement | (22,726) | 12,907 | (22,726) | 12,907 |
| Fair value realised through disposal | (3,933) | (1,840) | (3,933) | (1,840) |
| Net movement | (26,659) | 11,067 | (26,659) | 11,067 |
| Closing balance | 48,607 | 75,266 | 48,607 | 75,266 |

14. REMUNERATION OF DIRECTORS

Directors' remuneration, including the value of benefits, received during the year was as follows:

| | CONSOLIDATED | CONSOLIDATED | PARENT | PARENT |
|------------------------------------|--------------|--------------|--------|--------|
| | 2022 | 2021 | 2022 | 2021 |
| | K'000 | K'000 | K'000 | K'000 |
| Sir Melchior P Togolo ¹ | 729 | 1,089 | 729 | 1,089 |
| Sir Rabbie L Namaliu ² | 163 | 174 | 163 | 174 |
| Dame Carol A Kidu ² | 163 | 174 | 163 | 174 |
| Sir Moi Avei ³ | 211 | 302 | 211 | 302 |
| Peter M Graham ⁴ | 163 | 174 | 163 | 174 |
| David M Osikore ⁵ | 330 | 279 | 330 | 279 |
| Kearnneth Nanei ⁶ | 171 | 7 | 171 | 7 |
| James Rutana ⁷ | 206 | 15 | 206 | 15 |
| | 2,136 | 2,214 | 2,136 | 2,214 |

¹ Short term benefits paid as Chairman K277,000, Audit and Risk Committee fee of K25,000, Remuneration and Nomination Committee fees of K25,000 and K402,000 as Managing Director, (2021 - Chairman K294,000, Audit and Risk Committee K27,000, Remuneration and Nomination Committee K27,000 and Managing Director K741,000).

² Short term benefits paid to the Directors comprise of a Base Director fee of K138,000 and Remuneration and Nomination Committee fees of K25,000, (2021 - Director K147,000 and Remuneration and Nomination Committee K27,000).

³ Short term benefits paid to Sir Moi Avei comprised of a Base Director fee of K138,000, Audit and Risk Committee fee of K25,000, Remuneration and Nomination Committee fees of K25,000 and an additional contract for Government discussions of K23,000 (2021 - Director K147,000, Audit and Risk Committee K27,000, Remuneration and Nomination Committee K27,000 and additional contract fees K101,000).

⁴ Short term benefits paid to the Directors comprise of a Base Director Fee of K138,000 and Audit and Risk Committee fees of K25,000, (2021 - Director K147,000 and Audit and Risk Committee K27,000)

⁵ Short term benefits paid to David Osikore comprised of a Base Director fee of K138,000, Audit and Risk Committee fees of K25,000 and additional fees for landowner and Government discussions K167,000. (2021 - Director K147,000, Audit and Risk Committee K27,000 and Landowner and Governmental discussions K105,000).

⁶ Short term benefits paid to Kearnneth Nanei comprise of a Base Director fee of K138,000, Remuneration and Nomination Committee fees of K25,000 and backpay of 2021 Base Director Fee K8,000. (2021 - Base Director fee from 25th November 2021, K7,000).

⁷ Short term benefits paid to James Rutana comprise of a Base Director fee of K138,000 and Audit and Risk Committee fees of K25,000 and additional fees for landowner and Government discussions K43,000. (2021 - Base Director fee from 25th November 2021, K15,000).

No other long-term benefits, post-employment benefits, termination benefits or share based payments are payable to the Directors.

15. CONTINGENT LIABILITIES AND ASSETS

A claim has been made from another mine affected Landowner group for statutory compensation for the 1990 year of operation. Discussions remain ongoing with the Landowner group to determine the amount, if any, of statutory compensation that may be due. No provision has been made for any liability that may arise from this further claim.

16. MINING TENEMENTS

Under the Mining Act of the Independent State of Papua New Guinea, the Company holds leases: SML1, LMP B9, B6, B8, B7, B2, B10, B3; and prospecting authorities: Exploration Licenses 1, 2, 3, 4, 5, 6, 7A and 7B on Bougainville Island.

During 2014, the Autonomous Bougainville Government (ABG) passed the Bougainville Mining (Transitional Arrangement) Act 2014 (Transitional Act) which was replaced by the Bougainville Mining Act 2015 (The Act) on 1st April 2015. This legislation undermined the Company's pre-existing tenure and control of mine assets.

The Act converted the Special Mining Lease held by the Company to an Exploration Licence (EL1) for a period of two years from the date of the Transitional Act. In July 2016 the Company applied to extend the EL1. The ABG commenced processing the application in October 2017 and on 16th January 2018 issued a Notice of Refusal to grant the renewal of the application for the following reasons:

1. The required majority consent of the landowners was not evident during the Mining Wardens hearing and shows Bougainville Copper does not have the social licence to operate the mine.
2. 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 Bougainville Copper'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 10th April 2018. A restraining order was granted against the defendants, the ABG, from giving effect to or relying on the decision to refuse the application by Bougainville Copper 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 22nd August 2018. Bougainville Copper applied for leave to appeal the joinder decision. The leave to appeal was dismissed on 11th March 2019. The application for leave to appeal the joinder was then heard by a three-person bench of the Supreme court on 27th June 2019 and again refused on 6th February 2020. Bougainville Copper noted that the difficulty of the question was reflected in the fact that the members of the bench were split as to the proper outcome. PML will now be a defendant to the proceeding, and its activities will be given due scrutiny.

Bougainville Copper 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 the Company's rights. The Judicial Review has progressed and the next court date will be 10th July 2023, unless a prior agreement is reached 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.

17. SEGMENTAL INFORMATION

The Company carried on investment activities during the year. Its assets are primarily cash and equities listed on the Australian Securities Exchange.

18. RELATED PARTY TRANSACTIONS

Transactions with Directors are disclosed in note 14.

The Company acquired 100 per cent of the issued share capital of Bougainville Copper Foundation (BCF) Limited on 24th November 2016. BCF has limited liquid assets and its activities are supported by the parent company loan account.

The following amounts remained outstanding and receivable at the balance date:

| | CONSOLIDATED | CONSOLIDATED | PARENT | PARENT |
|--------------------------------|--------------|--------------|--------|--------|
| | 2022 | 2021 | 2022 | 2021 |
| | K'000 | K'000 | K'000 | K'000 |
| Bougainville Copper Foundation | - | - | 1,121 | 1,179 |

The receivable balance in the books of the parent entity relates to financial support provided to Bougainville Copper Foundation by the parent. With the exception of the above the Company did not enter into any other transactions with related parties. The amount has been individually assessed as recoverable.

NOTES TO ACCOUNTS CONTINUED

19. FINANCIAL INSTRUMENTS

The Company's financial instruments include cash and cash equivalents, equity investments, receivables and accounts payable. The Company uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of foreign exchange, price and interest rate risks in respect of investment portfolios to determine market risk. The Company holds the following financial assets and liabilities:

| | CONSOLIDATED | CONSOLIDATED | PARENT | PARENT |
|---------------------------|---------------------|--------------|---------------|---------|
| | 2022 | 2021 | 2022 | 2021 |
| | K'000 | K'000 | K'000 | K'000 |
| Cash and cash equivalents | 1,527 | 965 | 1,202 | 899 |
| Other receivables | 2,448 | 2,152 | 3,251 | 3,013 |
| Investments | 104,074 | 134,615 | 102,974 | 133,515 |
| Trade payables | (1,438) | (1,732) | (1,438) | (1,732) |
| Other payables | (194) | (194) | (194) | (194) |

(a) Financial risk management

Bougainville Copper's activities expose it to a variety of financial risks, including the effects of changes in market prices, foreign currency exchange rates and interest rates. The Company monitors these financial risks and seeks to minimize the potential adverse effects on the financial performance of the Company. The Company does not use any derivative financial instruments to hedge these exposures.

(b) Foreign exchange risk

Bougainville Copper undertakes transactions denominated in foreign currencies from time to time and resulting from these activities, exposures in foreign currencies arise. It is not the Company's policy to hedge these foreign currency risks. Details of exchange fluctuations and foreign currency amounts are shown in note 6.

With all other variables held constant, Bougainville Copper's exposure to this risk is measured by sensitivity analysis, as follows:

| | CONSOLIDATED | CONSOLIDATED | PARENT | PARENT |
|--|---------------------|--------------|---------------|---------|
| | 2022 | 2021 | 2022 | 2021 |
| | K'000 | K'000 | K'000 | K'000 |
| Investments | | | | |
| Carrying amount at the balance date (excluding BCF investment) | 102,974 | 133,515 | 102,974 | 133,515 |
| Change in carrying amount of 'investments' and fair value reserve: | | | | |
| Had PNG Kina weakened by 10 per cent against the Australian dollar: | | | | |
| Increase in carrying amount and fair value reserve by: | 11,442 | 14,835 | 11,442 | 14,835 |
| Had PNG Kina appreciated by 10 per cent against the Australian dollar: | | | | |
| Decrease in carrying amount and fair value reserve by: | 9,361 | 12,138 | 9,361 | 12,138 |

(c) Price risk

A large proportion of the Company's assets are held in share "Listed Investment Companies" (see note 4) listed on the Australian Securities Exchange. The value of these shares is subject to market conditions and the fluctuation in AUD / PGK exchange rate. With all other variables held constant, Bougainville Copper's exposure to this risk is measured by sensitivity analysis, as follows:

| | CONSOLIDATED | CONSOLIDATED | PARENT | PARENT |
|--|---------------------|--------------|---------------|---------|
| | 2022 | 2021 | 2022 | 2021 |
| | K'000 | K'000 | K'000 | K'000 |
| Investments | | | | |
| Carrying amount at the balance date | 102,974 | 133,515 | 102,974 | 133,515 |
| Change in carrying amount of 'investments' and fair value reserve: | | | | |
| Had the share price increased by 10 per cent: | | | | |
| Increase in carrying amount and fair value reserve by: | 10,297 | 13,352 | 10,297 | 13,352 |
| Had the share price decreased by 10 per cent: | | | | |
| Decrease in carrying amount and fair value reserve by: | 10,297 | 13,352 | 10,297 | 13,352 |

19. FINANCIAL INSTRUMENTS - CONTINUED

(d) Interest rate risk

Bougainville Copper does not hold financial assets at variable rates, which would expose the Company to cash flow interest rate risk.

(e) Credit risk

Bougainville Copper has no significant concentrations of net credit risk. The Company manages the credit risk of cash and cash equivalents held with banks and financial institutions by maintaining deposits with more than one bank or financial institutions. The minimum credit rating for the banks or financial institutions is B+. The Company does not have trade receivable balance due to its non-operational state and the expected credit loss on other receivable balances is assessed to be insignificant.

(f) Liquidity risk

Bougainville Copper aims to prudently manage liquidity risk by maintaining sufficient cash and other liquid assets or the availability of funding through uncommitted credit facilities. The Company currently has no available credit facilities.

(g) Fair value estimation

Bougainville Copper is not in a position to determine the fair values of its previous mining operations payables due to the significant uncertainties arising from the suspension of mining operations. The face value of bank balances and short term liquid investments are assumed to approximate their fair values. Equity investments are carried at their fair value, being market price.

(h) Capital risk management

Bougainville Copper's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of any dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

20. REMUNERATION OF EMPLOYEES

The number of employees whose remuneration and other benefits was within the specified bands are as follows:

REMUNERATION - CONSOLIDATED AND PARENT

| K'000 | 2022 | 2021 |
|---------|------|------|
| 100-110 | 1 | 1 |
| 120-130 | 1 | 2 |
| 130-140 | 1 | - |
| 150-160 | - | 1 |
| 160-170 | 1 | - |
| 180-190 | 1 | - |
| 960-970 | 1 | - |
| 980-990 | - | 1 |

Remuneration received by key management personnel in connection with management of the Group during the year in whole numbers was K968,881 (2021: K986,876).

21. EVENTS OCCURRING SUBSEQUENT TO BALANCE DATE

There is, at the date of this report, no matter or circumstance that has arisen since 31st December 2022 that has significantly affected, or may significantly affect:

- (a) the company's operations in future financial years;
- (b) the results of those operations in future financial years; or
- (c) the company's state of affairs in future financial years.


DIRECTORS' DECLARATION

DIRECTORS' DECLARATION BOUGAINVILLE COPPER LIMITED

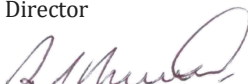
In the Directors' opinion

- (a) the financial statements and notes set out on pages 20 to 39 are in accordance with the PNG Companies Act 1997, including:
- (i) complying with Accounting Standards, the Companies Act 1997 and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the Company's and Group's financial positions as at 31st December 2022 and of their performance, as represented by the results of its operations and its cash flows, for the financial year ended on that date; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.


This declaration is made in accordance with a resolution of the directors.



Sir Melchior P Togolo
Director




Sir Rabbie L Namaliu
Director



Dame Carol A Kidu
Director




Sir Moi Avei
Director



Peter M Graham
Director



David M Osikore
Director



Kearnneth Nanei
Director



James Rutana
Director



Maryanne Hasola
Director

Signed on 31st March 2023

Independent auditor's report

To the shareholders of Bougainville Copper Limited

Report on the audit of the financial statements of the Company and the Group

Our qualified opinion

We have audited the financial statements of Bougainville Copper Limited (the Company), which comprise the balance sheets as at 31 December 2022, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, and the notes to the financial statements which include a summary of significant accounting policies and other explanatory information for both the Company and the Group. The Group comprises the Company and the entities it controlled at 31 December 2022 or from time to time during the financial year.

In our opinion, except for the possible effects of the matter described in the *Basis for qualified opinion* section of our report, the accompanying financial statements:

- comply with International Financial Reporting Standards and other generally accepted accounting practice in Papua New Guinea; and
- give a true and fair view of the financial position of the Company and the Group as at 31 December 2022, and their financial performance and cash flows for the year then ended.

Basis for qualified opinion

Qualification

The Company's subsidiary holds an investment in an unlisted investment fund with a carrying value of K1.1 million at 31 December 2022. Management has not been provided with audited financial statements of the investee at 31 December 2022 and there is currently no active market for the sale of units in the investment fund. As a result, we have been unable to satisfy ourselves as to the valuation of K1.1 million of the investments recognised in the consolidated balance sheet at 31 December 2022.

Our audit

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Independence

We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants (IESBA Code)*, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Our firm carries out other services for the Group in the areas of taxation and other non-audit services. The provision of these other services has not impaired our independence as auditor of the Company and the Group.

Our audit approach

An audit is designed to provide reasonable assurance about whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the management structure of the Company and the Group, their accounting processes and controls and the industries in which they operate.



| Materiality | Audit scope | Key audit matters |
|--|---|--|
| <ul style="list-style-type: none"> For the purpose of our audit of the Group we used overall group materiality of approximately 1% of the Group's net assets. We applied this threshold, together with qualitative considerations, to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements on the financial statements as a whole. We chose Group net assets because, in our view, it is the metric against which the performance and position of the Group is most commonly measured and is a generally accepted benchmark. We selected 1% based on our professional judgement noting that it is also within the range of commonly acceptable related thresholds. | <ul style="list-style-type: none"> We (PwC Papua New Guinea) conducted audit work over the Company and subsidiary which comprise the Group consolidation. The Company and subsidiary comprising the Group are incorporated and operating in Papua New Guinea and audited by PwC Papua New Guinea. Our audit focused on where the directors made subjective judgements; for example, significant accounting estimates involving assumptions and inherently uncertain future events. | <ul style="list-style-type: none"> Amongst other relevant topics, we communicated the matter referred to in the <i>Basis for qualified opinion</i> section and the following key audit matter to the Audit and Risk Committee: <ul style="list-style-type: none"> Accounting for / disclosure of impact of the implementation of the Bougainville Mining Act 2015. The matter is further described in the <i>Key audit matter</i> section of our report. |

Key audit matter

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the current period. The key audit matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Basis for qualified opinion* section, we have determined the matter described below to be a key matter to be communicated in our report. Further, commentary on the outcomes of the particular audit procedures is made in that context.



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| Key audit matter | How our audit addressed the key matter |
|--|---|
| <p>Accounting for / disclosure of impact of the implementation of the Bougainville Mining Act 2015</p> <p>(Refer to notes 2, 8 and 16 of the financial statements)</p> <p>Legislation passed in 2014 and 2015 by the Autonomous Bougainville Government (ABG) has challenged the Company's control of the Panguna mine assets.</p> <p>The Special Mining Lease held by the Company was converted to an exploration licence. In January 2018 the Company's application to renew the exploration licence was refused by the ABG. The Company commenced an action in the National Court of Papua New Guinea and was granted leave in April 2018 for a Judicial Review of the renewal application process.</p> <p>These events continue uncertainty around the future of exploration and mining operations at the Panguna mine and surroundings which impacts accounting for mine assets and related disclosures.</p> | <p>Our consideration and testing of the uncertainty of future exploration and mining operations has included assessing:</p> <ul style="list-style-type: none"> • if the mine assets remain fully depreciated or impaired, consistent with the accounting treatment in the prior financial year. • correspondence and information the Company has issued and received in relation to assessment of the impact of the relevant legislation, and compliance with the relevant legislation. • the adequacy of financial statement disclosures in relation to the matter. |

Information other than the financial statements and auditor's report

The directors are responsible for the annual report which includes other information. Our opinion on the financial statements does not cover the other information included in the annual report and we do not express any form of assurance conclusion on the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial statements

The directors are responsible, on behalf of the company, for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards and other generally accepted accounting practice in Papua New Guinea and the Companies Act 1997 and for such internal control as the directors determine is necessary to enable the preparation of financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.



Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulations preclude public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

The Companies Act 1997 requires that in carrying out our audit we consider and report on the following matters. We confirm in relation to our audit of the financial statements for the year ended 31 December 2022:

- With the exception of the matter described in the *Basis for qualified opinion* section, we have obtained all the information and explanations that we have required;
- In our opinion, proper accounting records have been kept by the Company as far as appears from an examination of those records.

Who we report to

This report is made solely to the Company's shareholders, as a body, in accordance with the Companies Act 1997. Our audit work has been undertaken so that we might state to the Company's shareholders those matters which we are required to state to them in an auditor's report and for no other purpose. We do not accept or assume responsibility to anyone other than the Company and the Company's shareholders, as a body, for our audit work, for this report or for the opinions we have formed.

A handwritten signature in blue ink that reads 'PricewaterhouseCoopers'.

PricewaterhouseCoopers

A handwritten signature in blue ink that reads 'Jonathan Grasso'.

Jonathan Grasso
Partner
Registered under the Accountants Act 1996

Port Moresby
31 March 2023

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CORPORATE INFORMATION

Bougainville Copper Limited

(Incorporated in Papua New Guinea 1-1895)

Registered office:

5th Floor, BSP Haus,
Harbour City, Konedobu,
Port Moresby, Papua New Guinea
Telephone: + (675) 309 2800
Postal Address: P O Box 1274, Port Moresby, Papua New Guinea
Email: info@bcl.com.pg
Facebook: www.facebook.com/BougainvilleCopper
LinkedIn: www.linkedin.com/company/bougainville-copper-limited
Web site: www.bcl.com.pg

Principal registered office in Australia:

Bougainville Copper Limited
A.R.B.N. 007 497 869
Level 11, 307 Queen Street, Brisbane, QLD 4001
Telephone: + (61) 7 3218 3900
Facsimile: + (61) 7 3218 3901
Postal Address GPO Box 2268, Brisbane QLD 4001, Australia

Share register:

Computershare Investor Services Pty Limited
Yarra Falls
452 Johnston Street Abbotsford
VIC 3067 Australia.
Telephone: 1300 850 505 (in Australia)
+ (61) 3 9415 4000 (outside Australia)
Facsimile: + (61) 3 9743 2500
Postal Address: GPO Box 2975 Melbourne, VIC 3001
E-mail: web.queries@computershare.com.au
Web site: www.computershare.com

Stock exchanges:

Listed with the Australian Securities Exchange Limited (ASX: BOC)

Auditors:

PricewaterhouseCoopers
P O Box 484
Port Moresby, Papua New Guinea

Bankers:

Commonwealth Bank of Australia
Bank South Pacific

Solicitors:

Dentons

Whistle Blower Contacts:

Telephone: +675 1808225 (180 TALK)
E-mail: tokout@bcl.com.pg

CORPORATE INFORMATION CONTINUED

TWENTY LARGEST SHAREHOLDERS

The twenty largest shareholders as at 20th March 2023 and the number of shares held by each were:

| NAME AND REGISTERED ADDRESS | SHARES | % OF ISSUED SHARES |
|---|-------------|--------------------|
| 1. BOUGAINVILLE MINERALS LTD BUKA, AUTONOMOUS REGION OF, BOUGAINVILLE, PAPUA NEW GUINEA | 146,175,449 | 36.45 |
| 2. THE INDEPENDENT STATE OF PAPUA NEW GUINEA PO WARDS STRIP, WAIGANI PAPUA NEW GUINEA | 76,430,809 | 19.06 |
| 3. EDA MINERALS LIMITED PORT MORESBY, NATIONAL CAPITAL DISTRICT, PAPUA NEW GUINEA | 69,744,640 | 17.39 |
| 4. BNP PARIBAS NOMINEES PTY LTD ACF CLEARSTREAM ROYAL EXCHANGE, NSW, AUSTRALIA | 54,825,899 | 13.67 |
| 5. BNP PARIBAS NOMS PTY LTD <DRP> ROYAL EXCHANGE, NSW, AUSTRALIA | 7,006,354 | 1.75 |
| 6. HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED SYDNEY, NSW, AUSTRALIA | 4,800,930 | 1.20 |
| 7. CITICORP NOMINEES PTY LIMITED MELBOURNE, VIC, AUSTRALIA | 3,623,134 | 0.90 |
| 8. NATIONAL NOMINEES LIMITED MELBOURNE, VIC, AUSTRALIA | 1,899,010 | 0.47 |
| 9. BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP> ROYAL EXCHANGE, NSW, AUSTRALIA | 1,592,040 | 0.40 |
| 10. MRS TEW HUA CAMERON WOODLANDS, WA, AUSTRALIA | 1,559,500 | 0.39 |
| 11. KLAUS KUETTNER BERLIN, GERMANY | 1,151,799 | 0.29 |
| 12. FRANCISROSE PTY LTD <RASTYS SUPER FUND A/C> SHELL COVE, NSW, AUSTRALIA | 600,000 | 0.15 |
| 13. MR TREVOR RONALD RUGG COFFS HARBOUR, NSW, AUSTRALIA | 600,000 | 0.15 |
| 14. EVEREST ASTROLOGY PTY LTD <EVELYNS S/F A/C> HUONBROOK, NSW, AUSTRALIA | 566,668 | 0.14 |
| 15. ANLYN'S INVESTMENTS PTY LTD <ANLYNS SUPER FUND A/C> BULLI, NSW, AUSTRALIA | 566,666 | 0.14 |
| 16. DR RICHARD SALLIE NEDLANDS, WA, AUSTRALIA | 565,858 | 0.14 |
| 17. MR GERNOT GUNTHER PROCHASKA NORTH RYDE, NSW, AUSTRALIA | 550,000 | 0.14 |
| 18. DEEP VALLEY PTY LIMITED <ISTRIA FAMILY A/C> SAMFORD, QLD, AUSTRALIA | 380,336 | 0.09 |
| 19. HFA ADMINISTRATION PTY LTD <HFA ADMIN SUPER FUND A/C> SYDNEY, NSW, AUSTRALIA | 377,373 | 0.09 |
| 20. MR ANTHONY PATRICK CAHILL ASCOT VALE, VIC, AUSTRALIA, | 370,000 | 0.09 |
| | 373,386,465 | 93.10 |

DISTRIBUTION OF SHARES

As of 20th March 2023, the issued shares of the Company were 401,062,500 fully paid shares, each carrying one voting right. The number of shareholders was 14,773. (2022, 14,817)

The distribution of holdings of the issued shares was:

| | TOTAL HOLDERS | SHARE UNIT | % UNITS |
|---------------------------|--------------------------|--------------------|--------------------|
| 1 - 1,000 shares | 12,384 | 2,368,107 | 0.59 |
| 1,001 - 5,000 shares | 1,613 | 3,886,651 | 0.97 |
| 5,001 - 10,000 shares | 355 | 2,812,454 | 0.70 |
| 10,001 - 100,000 Shares | 363 | 11,337,682 | 2.83 |
| 100,001 shares and over | 58 | 380,657,606 | 94.91 |
| Total shareholders | 14,773 | 401,062,500 | 100.00 |

There were 12,914 holdings of shares, 87.42 per cent of holders which do not form a marketable parcel. (2022, 80.21 per cent)

93.10 per cent of the total issued shares were held by or on behalf of the twenty largest shareholders. (2022, 93.17 per cent)

The substantial shareholders were:

The Autonomous Bougainville Government holds 146,175,449 shares through Bougainville Minerals Ltd, 36.4 per cent.

The Independent State of Papua New Guinea with 76,430,809 shares held in their own name and 69,744,640 held by Eda Minerals Limited, totaling 36.4 per cent. The Papua New Guinea Prime Minister James Marape has committed to transfer the shares held by the national government to the Autonomous Bougainville Government and for the benefit of the people of Bougainville. This is yet to occur.

APPLICABLE JURISDICTION

The Company is incorporated in Papua New Guinea and is not generally subject to Australian Corporations Law including, in particular, Chapter 6 of the Australian Corporation Law dealing with the acquisition of shares (including substantial shareholdings and take-overs), but is instead subject to the provisions of the Papua New Guinea Companies Act 1997 and the Securities Commission Act 2015.

DISTRIBUTION OF THE BENEFITS

| Bougainville Copper Limited year ended 31st December 2022 | 2022 | K MILLION 1972-2021 |
|---|-------|------------------------|
| PNG Government | | |
| Corporate income tax * | - | 541.2 |
| Additional profits tax * | - | 72.6 |
| Group tax (PAYE) | 2.2 | 131.3 |
| Customs duty | - | 104.1 |
| Miscellaneous | - | 14.5 |
| Dividends * | - | 167.4 |
| Dividend WHT * | - | 97.6 |
| Good and Services tax Refundable or offset | (0.3) | (1.7) |
| | 1.9 | 1,127.0 |
| North Solomons Provincial Government | | |
| Royalties (95% to NSPG) | - | 61.4 |
| Non Renewable Resources Fund | - | 1.8 |
| Other taxes | - | 12.0 |
| | - | 75.2 |
| Landowners | | |
| Royalties (5% to Landowners) | - | 3.2 |
| Compensation | 0.1 | 48.0 |
| | 0.1 | 51.2 |
| Non-Government Shareholders | | |
| Dividends net of Dividend WHT* | - | 582.1 |
| Employees | | |
| Wages (less PAYE) | 1.5 | 581.6 |
| Total | 3.5 | 2,417.1 |

Not included in the above table are the benefits received by the providers of goods and services to Bougainville Copper Limited. A Company survey in 1989 revealed that there were approximately 200 Bougainville based business enterprises dependent largely upon Bougainville Copper Limited's operation. These enterprises employed in excess of 4,000 people prior to the suspension of mining operations.

*These amounts relate to the referable year (i.e. the year in which the amount became due) and hence the cash effect on the PNG economy has a delayed impact.

NOTES

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Appendix 4G

Key to Disclosures Corporate Governance Council Principles and Recommendations

Name of entity

BOUGAINVILLE COPPER LIMITED

ABN/ARBN

ARBN 00 497 869

Financial year ended:

31 DECEMBER 2022

Our corporate governance statement¹ for the period above can be found at:²

- These pages of our annual report: Pages 12 to 18
- This URL on our website: <http://www.bcl.com.pg/charters-important-documents/>

The Corporate Governance Statement is accurate and up to date as at 31 March 2023 and has been approved by the board.

The annexure includes a key to where our corporate governance disclosures can be located.³

Date: 31 March 2023

Name of authorised officer authorising lodgement: Mark Hitchcock, Company Secretary

¹ "Corporate governance statement" is defined in Listing Rule 19.12 to mean the statement referred to in Listing Rule 4.10.3 which discloses the extent to which an entity has followed the recommendations set by the ASX Corporate Governance Council during a particular reporting period.

Listing Rule 4.10.3 requires an entity that is included in the official list as an ASX Listing to include in its annual report either a corporate governance statement that meets the requirements of that rule or the URL of the page on its website where such a statement is located. The corporate governance statement must disclose the extent to which the entity has followed the recommendations set by the ASX Corporate Governance Council during the reporting period. If the entity has not followed a recommendation for any part of the reporting period, its corporate governance statement must separately identify that recommendation and the period during which it was not followed and state its reasons for not following the recommendation and what (if any) alternative governance practices it adopted in lieu of the recommendation during that period.

Under Listing Rule 4.7.4, if an entity chooses to include its corporate governance statement on its website rather than in its annual report, it must lodge a copy of the corporate governance statement with ASX at the same time as it lodges its annual report with ASX. The corporate governance statement must be current as at the effective date specified in that statement for the purposes of Listing Rule 4.10.3.

Under Listing Rule 4.7.3, an entity must also lodge with ASX a completed Appendix 4G at the same time as it lodges its annual report with ASX. The Appendix 4G serves a dual purpose. It acts as a key designed to assist readers to locate the governance disclosures made by a listed entity under Listing Rule 4.10.3 and under the ASX Corporate Governance Council's recommendations. It also acts as a verification tool for listed entities to confirm that they have met the disclosure requirements of Listing Rule 4.10.3.

The Appendix 4G is not a substitute for, and is not to be confused with, the entity's corporate governance statement. They serve different purposes and an entity must produce each of them separately.

² Tick whichever option is correct and then complete the page number(s) of the annual report, or the URL of the web page, where your corporate governance statement can be found. You can, if you wish, delete the option which is not applicable.

³ Throughout this form, where you are given two or more options to select, you can, if you wish, delete any option which is not applicable and just retain the option that is applicable. If you select an option that includes "OR" at the end of the selection and you delete the other options, you can also, if you wish, delete the "OR" at the end of the selection.

See notes 4 and 5 below for further instructions on how to complete this form.

ANNEXURE – KEY TO CORPORATE GOVERNANCE DISCLOSURES

| Corporate Governance Council recommendation | | Where a box below is ticked, ⁴ we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement: | Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵ |
|---|---|--|--|
| PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT | | | |
| 1.1 | A listed entity should have and disclose a board charter setting out: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management. | <input checked="" type="checkbox"/> and we have disclosed a copy of our board charter at: www.bcl.com.pg/charters-important-documents/..... | <input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable |
| 1.2 | A listed entity should: (a) undertake appropriate checks before appointing a director or senior executive or putting someone forward for election as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director. | <input checked="" type="checkbox"/> | <input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable |
| 1.3 | A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment. | <input checked="" type="checkbox"/> | <input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable |
| 1.4 | The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board. | <input checked="" type="checkbox"/> | <input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable |

⁴ Tick the box in this column only if you have followed the relevant recommendation **in full** for the **whole** of the period above. Where the recommendation has a disclosure obligation attached, you must insert the location where that disclosure has been made, where indicated by the line with "*insert location*" underneath. If the disclosure in question has been made in your corporate governance statement, you need only insert "our corporate governance statement". If the disclosure has been made in your annual report, you should insert the page number(s) of your annual report (eg "pages 10-12 of our annual report"). If the disclosure has been made on your website, you should insert the URL of the web page where the disclosure has been made or can be accessed (eg "www.entityname.com.au/corporate-governance/charters/").

⁵ If you have followed all of the Council's recommendations **in full** for the **whole** of the period above, you can, if you wish, delete this column from the form and re-format it.

Key to Disclosures Corporate Governance Council Principles and Recommendations

| Corporate Governance Council recommendation | | Where a box below is ticked, ⁴ we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement: | Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵ |
|---|--|---|--|
| 1.5 | <p>A listed entity should:</p> <p>(a) have and disclose a diversity policy;</p> <p>(b) through its board or a committee of the board set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally; and</p> <p>(c) disclose in relation to each reporting period:</p> <p>(1) the measurable objectives set for that period to achieve gender diversity;</p> <p>(2) the entity's progress towards achieving those objectives; and</p> <p>(3) either:</p> <p>(A) the respective proportions of men and women on the board, in senior executive positions and across the whole workforce (including how the entity has defined "senior executive" for these purposes); or</p> <p>(B) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.</p> <p>If the entity was in the S&P / ASX 300 Index at the commencement of the reporting period, the measurable objective for achieving gender diversity in the composition of its board should be to have not less than 30% of its directors of each gender within a specified period.</p> | <p><input type="checkbox"/> and we have disclosed a copy of our diversity policy at: www.bcl.com.pg/company-policies/.....</p> <p>and we have disclosed the information referred to in paragraph (c) at: set out in our Corporate Governance Statement.....</p> <p>and if we were included in the S&P / ASX 300 Index at the commencement of the reporting period our measurable objective for achieving gender diversity in the composition of its board of not less than 30% of its directors of each gender within a specified period.</p> | <p><input checked="" type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p> |
| 1.6 | <p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</p> | <p><input checked="" type="checkbox"/> and we have disclosed the evaluation process referred to in paragraph (a) at: set out in our Corporate Governance Statement</p> <p>and whether a performance evaluation was undertaken for the reporting period in accordance with that process at: set out in our Corporate Governance Statement</p> | <p><input type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p> |

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|---|---|--|---|
| 1.7 | <p>A listed entity should:</p> <p>(a) have and disclose a process for evaluating the performance of its senior executives at least once every reporting period; and</p> <p>(b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</p> | <p><input checked="" type="checkbox"/> and we have disclosed the evaluation process referred to in paragraph (a) at: set out in our Corporate Governance Statement</p> <p>and whether a performance evaluation was undertaken for the reporting period in accordance with that process at: set out in our Corporate Governance Statement</p> | <p><input type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p> |

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|--|--|---|---|
| PRINCIPLE 2 - STRUCTURE THE BOARD TO BE EFFECTIVE AND ADD VALUE | | | |
| 2.1 | <p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p> | <p><input checked="" type="checkbox"/> [If the entity complies with paragraph (a):] and we have disclosed a copy of the charter of the committee at: www.bcl.com.pg/charters-important-documents/</p> <p>and the information referred to in paragraphs (4) and (5) at: set out in our Corporate Governance Statement</p> <p>[If the entity complies with paragraph (b):] and we have disclosed the fact that we do not have a nomination committee and the processes we employ to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively at: N/A</p> | <p><input type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p> |
| 2.2 | <p>A listed entity should have and disclose a board skills matrix setting out the mix of skills that the board currently has or is looking to achieve in its membership.</p> | <p><input checked="" type="checkbox"/> and we have disclosed our board skills matrix at: set out in our Corporate Governance Statement</p> | <p><input type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p> |

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|---|--|---|---|
| 2.3 | A listed entity should disclose: (a) the names of the directors considered by the board to be independent directors; (b) if a director has an interest, position, affiliation or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position or relationship in question and an explanation of why the board is of that opinion; and (c) the length of service of each director. | <input checked="" type="checkbox"/> and we have disclosed the names of the directors considered by the board to be independent directors at: set out in our Corporate Governance Statement and, where applicable, the information referred to in paragraph (b) at: set out in our Corporate Governance Statement and the length of service of each director at: set out in our Corporate Governance Statement | <input type="checkbox"/> set out in our Corporate Governance Statement |
| 2.4 | A majority of the board of a listed entity should be independent directors. | <input checked="" type="checkbox"/> | <input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable |
| 2.5 | The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity. | <input type="checkbox"/> | <input checked="" type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable |
| 2.6 | A listed entity should have a program for inducting new directors and for periodically reviewing whether there is a need for existing directors to undertake professional development to maintain the skills and knowledge needed to perform their role as directors effectively. | <input checked="" type="checkbox"/> | <input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable |

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|---|---|--|--|
| PRINCIPLE 3 – INSTIL A CULTURE OF ACTING LAWFULLY, ETHICALLY AND RESPONSIBLY | | | |
| 3.1 | A listed entity should articulate and disclose its values. | <input checked="" type="checkbox"/> and we have disclosed our values at: set out in our Corporate Governance Statement | <input type="checkbox"/> set out in our Corporate Governance Statement |
| 3.2 | A listed entity should: (a) have and disclose a code of conduct for its directors, senior executives and employees; and (b) ensure that the board or a committee of the board is informed of any material breaches of that code by a director or senior executive; and (2) any other material breaches of that code that call into question the culture of the organisation. | <input checked="" type="checkbox"/> and we have disclosed our code of conduct at: www.bcl.com.pg/Company-Policies/ | <input type="checkbox"/> set out in our Corporate Governance Statement |
| 3.3 | A listed entity should: (a) have and disclose a whistleblower policy; and (b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy. | <input checked="" type="checkbox"/> and we have disclosed our whistleblower policy at: www.bcl.com.pg/Company-Policies/ | <input type="checkbox"/> set out in our Corporate Governance Statement |
| 3.4 | A listed entity should: (a) have and disclose an anti-bribery and corruption policy; and (b) ensure that the board or committee of the board is informed of any material breaches of that policy. | <input checked="" type="checkbox"/> and we have disclosed our anti-bribery and corruption policy at: www.bcl.com.pg/Company-Policies/ | <input type="checkbox"/> set out in our Corporate Governance Statement |

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|---|--|--|---|
| PRINCIPLE 4 – SAFEGUARD THE INTEGRITY OF CORPORATE REPORTS | | | |
| 4.1 | <p>The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, who is not the chair of the board,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the relevant qualifications and experience of the members of the committee; and</p> <p>(5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p> | <p><input checked="" type="checkbox"/></p> <p><i>[If the entity complies with paragraph (a):]</i> and we have disclosed a copy of the charter of the committee at: www.bcl.com.pg/charters-important-documents/.....</p> <p>and the information referred to in paragraphs (4) and (5) at: set out in our Corporate Governance Statement</p> <p><i>[If the entity complies with paragraph (b):]</i> and we have disclosed the fact that we do not have an audit committee and the processes we employ that independently verify and safeguard the integrity of our corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner at: N/A.....</p> | <p><input type="checkbox"/> set out in our Corporate Governance Statement</p> |
| 4.2 | <p>The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p> | <p><input checked="" type="checkbox"/></p> | <p><input type="checkbox"/> set out in our Corporate Governance Statement</p> |
| 4.3 | <p>A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.</p> | <p><input checked="" type="checkbox"/></p> | <p><input type="checkbox"/> set out in our Corporate Governance Statement</p> |

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|---|---|---|--|
| PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE | | | |
| 5.1 | A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1. | <input checked="" type="checkbox"/> and we have disclosed our continuous disclosure compliance policy at: www.bcl.com.pg/company-policies/..... | <input type="checkbox"/> set out in our Corporate Governance Statement |
| 5.2 | A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made. | <input checked="" type="checkbox"/> | <input type="checkbox"/> set out in our Corporate Governance Statement |
| 5.3 | A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation. | <input checked="" type="checkbox"/> | <input type="checkbox"/> set out in our Corporate Governance Statement |
| PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS | | | |
| 6.1 | A listed entity should provide information about itself and its governance to investors via its website. | <input checked="" type="checkbox"/> and we have disclosed information about us and our governance on our website at: www.bcl.com.pg | <input type="checkbox"/> set out in our Corporate Governance Statement |
| 6.2 | A listed entity should have an investor relations program that facilitates effective two-way communication with investors. | <input checked="" type="checkbox"/> | <input type="checkbox"/> set out in our Corporate Governance Statement |
| 6.3 | A listed entity should disclose how it facilitates and encourages participation at meetings of security holders. | <input checked="" type="checkbox"/> and we have disclosed how we facilitate and encourage participation at meetings of security holders at: set out in our Corporate Governance Statement | <input type="checkbox"/> set out in our Corporate Governance Statement |
| 6.4 | A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands. | <input checked="" type="checkbox"/> | <input type="checkbox"/> set out in our Corporate Governance Statement |
| 6.5 | A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically. | <input checked="" type="checkbox"/> | <input type="checkbox"/> set out in our Corporate Governance Statement |

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|--|--|---|---|
| PRINCIPLE 7 – RECOGNISE AND MANAGE RISK | | | |
| 7.1 | <p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p> | <p><input checked="" type="checkbox"/></p> <p><i>[If the entity complies with paragraph (a):]</i> and we have disclosed a copy of the charter of the committee at: www.bcl.com.pg/charters-important-documents/.....</p> <p>and the information referred to in paragraphs (4) and (5) at: set out in our Corporate Governance Statement</p> <p><i>[If the entity complies with paragraph (b):]</i> and we have disclosed the fact that we do not have a risk committee or committees that satisfy (a) and the processes we employ for overseeing our risk management framework at: N/A.....</p> | <p><input type="checkbox"/> set out in our Corporate Governance Statement</p> |
| 7.2 | <p>The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and that the entity is operating with due regard to the risk appetite set by the board; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p> | <p><input checked="" type="checkbox"/></p> <p>and we have disclosed whether a review of the entity's risk management framework was undertaken during the reporting period at: set out in our Corporate Governance Statement</p> | <p><input type="checkbox"/> set out in our Corporate Governance Statement</p> |

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| Corporate Governance Council recommendation | | Where a box below is ticked, ⁴ we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement: | Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵ |
|---|---|--|--|
| 7.3 | <p>A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its governance, risk management and internal control processes.</p> | <p><i>[If the entity complies with paragraph (a):]</i></p> <p>and we have disclosed how our internal audit function is structured and what role it performs at: N/A.....</p> <p><input checked="" type="checkbox"/></p> <p><i>[If the entity complies with paragraph (b):]</i></p> <p>and we have disclosed the fact that we do not have an internal audit function and the processes we employ for evaluating and continually improving the effectiveness of our risk management and internal control processes at: set out in our Corporate Governance Statement</p> | <p><input type="checkbox"/> set out in our Corporate Governance Statement</p> |
| 7.4 | <p>A listed entity should disclose whether it has any material exposure to environmental or social risks and, if it does, how it manages or intends to manage those risks.</p> | <p><input checked="" type="checkbox"/></p> <p>and we have disclosed whether we have any material exposure to environmental and social risks at: set out in our Corporate Governance Statement.....</p> <p>and, if we do, how we manage or intend to manage those risks at: set out in our Corporate Governance Statement.....</p> | <p><input type="checkbox"/> set out in our Corporate Governance Statement</p> |

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| Corporate Governance Council recommendation | Where a box below is ticked, ⁴ we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement: | Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵ | |
|--|--|---|--|
| PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY | | | |
| 8.1 | <p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p> | <p><input checked="" type="checkbox"/></p> <p><i>[If the entity complies with paragraph (a):]</i> and we have disclosed a copy of the charter of the committee at: www.bcl.com.pg/charters-important-documents/.....</p> <p>and the information referred to in paragraphs (4) and (5) at: set out in our Corporate Governance Statement</p> <p><i>[If the entity complies with paragraph (b):]</i> and we have disclosed the fact that we do not have a remuneration committee and the processes we employ for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive: N/A.....</p> | <p><input type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p> |
| 8.2 | <p>A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.</p> | <p><input checked="" type="checkbox"/></p> <p>and we have disclosed separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives at: www.bcl.com.pg/company-policies/.....</p> | <p><input type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p> |
| 8.3 | <p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p> | <p><input checked="" type="checkbox"/></p> <p>and we have disclosed our policy on this issue or a summary of it at: www.bcl.com.pg/company-policies/.....</p> | <p><input type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we do not have an equity-based remuneration scheme and this recommendation is therefore not applicable OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p> |

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| ADDITIONAL RECOMMENDATIONS THAT APPLY ONLY IN CERTAIN CASES | | | |
| 9.1 | A listed entity with a director who does not speak the language in which board or security holder meetings are held or key corporate documents are written should disclose the processes it has in place to ensure the director understands and can contribute to the discussions at those meetings and understands and can discharge their obligations in relation to those documents. | <input checked="" type="checkbox"/> and we have disclosed information about the processes in place at: N/A | <input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we do not have a director in this position and this recommendation is therefore not applicable OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable |
| 9.2 | A listed entity established outside Australia should ensure that meetings of security holders are held at a reasonable place and time. | <input checked="" type="checkbox"/> | <input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are established in Australia and this recommendation is therefore not applicable OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable |
| 9.3 | A listed entity established outside Australia, and an externally managed listed entity that has an AGM, should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit. | <input checked="" type="checkbox"/> | <input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are established in Australia and not an externally managed listed entity and this recommendation is therefore not applicable <input type="checkbox"/> we are an externally managed entity that does not hold an AGM and this recommendation is therefore not applicable |
| ADDITIONAL DISCLOSURES APPLICABLE TO EXTERNALLY MANAGED LISTED ENTITIES | | | |
| - | <i>Alternative to Recommendation 1.1 for externally managed listed entities:</i> The responsible entity of an externally managed listed entity should disclose: (a) the arrangements between the responsible entity and the listed entity for managing the affairs of the listed entity; and (b) the role and responsibility of the board of the responsible entity for overseeing those arrangements. | <input type="checkbox"/> and we have disclosed the information referred to in paragraphs (a) and (b) at: N/A..... | <input type="checkbox"/> set out in our Corporate Governance Statement |

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|---|---|--|--|
| - | <p><i>Alternative to Recommendations 8.1, 8.2 and 8.3 for externally managed listed entities:</i></p> <p>An externally managed listed entity should clearly disclose the terms governing the remuneration of the manager.</p> | <p><input type="checkbox"/></p> <p>and we have disclosed the terms governing our remuneration as manager of the entity at:</p> <p>.....</p> | <p><input type="checkbox"/> set out in our Corporate Governance Statement</p> |

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