

BOUGAINVILLE COPPER LIMITED (BOC)

The directors of Bougainville Copper Limited announce the following results of the company for the six months ended 30 June 2017 together with comparable results for the six months to 30 June 2016, along with a summary of significant events. The results have been independently reviewed.

The result for the six months ended 30 June 2017 for the group was a net operating loss of K4.2 million (AUD\$1.73m*) compared to net loss of the parent of K3.7 million (AUD\$1.68m*) in the corresponding period last year.

The company acquired a fully owned subsidiary when it purchased 100% of Bougainville Copper Foundation Limited (BCF) in November 2016. The results for BCF have been consolidated in the current six month period. Consolidated expenses include K880,000 paid in the current period by BCF.

Financial Results	Consolidated	Parent
	2017	2016
	K'000	K'000
Income		
Exchange gains	9	21
Interest	21	77
Dividends	2,195	1,888
	<hr/>	<hr/>
	2,225	1,986
Less: General and administration expenses	6,233	5,733
Depreciation	204	-
Net Profit / (loss) after tax	<hr/>	<hr/>
	(4,212)	(3,747)
Average AUD\$/Kina exchange rate for the period	0.4101	0.4476
Equivalent net loss in AUD\$'000	(1,727)	(1,677)

Recent Events of Significance

The first half of 2017 has seen Bougainville Copper Limited make significant progress as an independently managed company of Papua New Guinea (PNG). This has been underpinned by increased levels of engagement with key stakeholders, including the Autonomous Bougainville Government (ABG), the national government of PNG, and landowners.

The company has also established a full-time presence in Bougainville and as a notable milestone held its first Directors' meeting in 27 years in Bougainville at Buka on 3 August 2017. The presence of the Board and management was enthusiastically received by both the ABG and representatives of the landowners associations. The ABG confirmed to Bougainville Copper Limited the importance of opening the new Panguna project, and with Bougainville Copper Limited as the developer.

*Note: The translation to Australian dollars is at the average AUS\$/Kina exchange rate for each six month period

- **Staged Development Plan**

The company's approach is being guided by a comprehensive four-staged redevelopment plan for the Panguna mine which was presented to the ABG, national government and landowners in February 2017.

Through the support of both governments and landowners, strong progress continues to be made under the first stage of the plan (stage zero) which centres on addressing the early challenges or impediments for the project to advance to its next stage (stage one).

Securing the agreement of both governments to work together to advance the Panguna project is a key outcome of stage zero. As a result, in April 2017 both governments agreed to consider the formation of a project Joint Steering Committee on which they will be represented along with landowners, the company and other key stakeholders.

Community engagement is ongoing and is being intensified.

- **Bougainville Office established**

As the company expands its operations in Bougainville it has established a full-time presence in Bougainville. It has opened an office in Buka and has appointed a Bougainville based manager who oversees the local team.

- **1990 Statutory Compensation payments progressed**

Following a comprehensive community awareness-raising and verification process, the company, working with the ABG, also made excellent progress towards settling historical compensation payments with landowners in central Bougainville during the first half of 2017. Payments to individual land holders are 90% complete.

- **EL1 Tenure**

The company has applied for the renewal of its EL1 (exploration licence), that covers the Panguna mine area, as required under the *Bougainville Mining Act 2015*.

The company received written acknowledgment from the ABG Department of Mineral and Energy Resources dated 10 January 2017, that "Bougainville Copper Limited has applied for the renewal of its exploration license number 01 satisfying exploration license renewal application obligations as per *Section 109 extension of term of exploration license of Bougainville Mining Act 2015*".

The processing of the renewal application by the ABG is still ongoing and the Company is actively monitoring progress.

Under Section 101(3) of the Act, "the term of the licence is taken to have been extended until the application is either granted or refused".



2017 Dividend

The Directors have not declared a dividend in respect of the six months ended 30 June 2017.

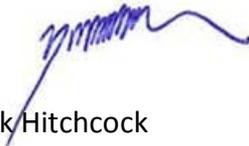
Borrowing

No borrowings were outstanding at mid-year end.

Stock Exchange

The standard Appendix 4D half yearly report and Independent Auditors Review Report is attached in accordance with the Australian Stock Exchange official listing requirements.

By Order of the Board



Mark Hitchcock
Company Secretary



Appendix 4D

Half yearly report

Name of entity

BOUGAINVILLE COPPER LIMITED (BOC)

ABN or equivalent company
reference

007 497 869

Half yearly
(tick)Preliminary
final (tick)

Half year ended ('current period')

30 June 2017

Results for announcement to the market

Extracts from this report for announcement to the market (see note 1).

K'000

Revenues from ordinary activities (<i>item 1.1</i>)	Increased	12.0 %	to	2,225
Profit (loss) from ordinary activities after tax attributable to members (<i>item 1.22</i>)	Increased	12.4 %	to	(4,212)
Profit (loss) from extraordinary items after tax attributable to members (<i>item 2.5</i>)	gain (loss) of	-	-	-
Net profit (loss) for the period attributable to members (<i>item 1.11</i>)	Increased	12.4 %	to	(4,212)
Dividends (distributions)	Amount per security	Franked amount per security		
Final dividend (<i>Preliminary final report only - item 15.4</i>)	Nil	Nil		
Interim dividend (<i>Half yearly report only - item 15.6</i>)	Nil	Nil		
Previous corresponding period (<i>Preliminary final report - item 15.5; half yearly report - item 15.7</i>)	Nil	Nil		
+Record date for determining entitlements to the dividend, (in the case of a trust, distribution) (<i>see item 15.2</i>)	N/A			
Brief explanation of any of the figures reported above and short details of any bonus or cash issue or other item(s) of importance not previously released to the market: Nil				

This is a half yearly report and should be read in conjunction with the 2016 annual financial report.

Condensed statement of comprehensive income

	Consolidated Current period K'000	Parent Previous corresponding period K'000
1.1 Revenues from ordinary activities (<i>see items 1.23 –1.25</i>)	2,225	1,986
1.2 Expenses from ordinary activities (<i>see items 1.26 & 1.27</i>)	6,437	5,733
1.3 Borrowing costs	-	-
1.4 Share of net profits (losses) of associates and joint venture entities (<i>see item 16.7</i>)	-	-
1.5 Profit (loss) from ordinary activities before tax	(4,212)	(3,747)
1.6 Income tax on ordinary activities (<i>see note 4</i>)	-	-
1.7 Profit (loss) from ordinary activities after tax	(4,212)	(3,747)
1.8 Profit (loss) from extraordinary items after tax (<i>see item 2.5</i>)	-	-
1.9 Net profit (loss)	(4,212)	(3,747)
1.10 Net profit (loss) attributable to outside ⁺ equity interests	-	-
1.11 Net profit (loss) for the period attributable to members	(4,212)	(3,747)
Other comprehensive income		
1.12 Increase (decrease) in revaluation reserves	-	-
1.13 Net exchange differences recognised in equity	-	-
1.14 Other revenue, expense and initial adjustments recognised directly in equity (attach details)	-	-
1.15 Increase (decrease) in fair value of available-for-sale financial assets	9,515	(812)
1.16 Other comprehensive income for the period (items 1.12 to 1.15)	9,515	(812)
1.17 Total comprehensive income for the period	5,303	(2,935)

Earnings per security (EPS)	Consolidated Current period	Parent Previous corresponding Period
1.18 Basic EPS	(1.05) toea	(0.93) toea
1.19 Diluted EPS	(1.05) toea	(0.93) toea

Notes to the condensed statement of comprehensive income

Profit (loss) from ordinary activities attributable to members	Consolidated Current period K'000	Parent Previous corresponding period K'000
1.20 Profit (loss) from ordinary activities after tax (<i>item 1.7</i>)	(4,212)	(3,747)
1.21 Less (plus) outside ⁺ equity interests	-	-
1.22 Profit (loss) from ordinary activities after tax, attributable to members	(4,212)	(3,747)

Revenue and expenses from ordinary Activities	Consolidated Current period K'000	Parent Previous corresponding period K'000
1.23 Revenue from sales or services	-	-
1.24 Interest revenue	21	77
1.25 Other relevant revenue-		
Dividends received	2,195	1,888
Gain on sale of investments	-	-
Foreign exchange gain /(loss)	9	21
1.26 Details of relevant expenses-General and administration expenses		
Related Party (reimbursement of expenses to related parties - salaries, rent etc)	-	2,102
Other Administrative Expenses	6,233	3,631
1.27 Depreciation and amortisation excluding amortisation of intangibles (<i>see item 2.3</i>)	204	-
Capitalised outlays		
1.28 Interest costs capitalised in asset values	-	-
1.29 Outlays capitalised in intangibles (unless arising from an ⁺ acquisition of a business)	-	-

Retained profits	Consolidated Current period K'000	Parent Previous corresponding period K'000
1.30 Retained profits (accumulated losses) at the beginning of the financial period	(328,142)	(324,355)
1.31 Net profit (loss) attributable to members (<i>item 1.11</i>)	(4,212)	(3,747)
1.32 Net transfers from (to) reserves (<i>details if material</i>)	-	-
1.33 Net effect of changes in accounting policies	-	-
1.34 Dividends and other equity distributions paid or payable	-	-
1.35 Retained profits (accumulated losses) at end of financial period	(332,354)	(328,102)

Intangible and extraordinary items

		<i>Current period</i>			
		Before tax K'000 (a)	Related tax K'000 (b)	Related outside +equity interests K'000 (c)	Amount (after tax) attributable to members K'000 (d)
2.1	Amortisation of goodwill	Nil	Nil	Nil	Nil
2.2	Amortisation of other intangibles	Nil	Nil	Nil	Nil
2.3	Total amortisation of intangibles	Nil	Nil	Nil	Nil
2.4	Extraordinary items (details)	Nil	Nil	Nil	Nil
2.5	Total extraordinary items	Nil	Nil	Nil	Nil

Comparison of half year profits
(Preliminary final report only)

		Consolidated Current year K'000	Parent Previous year K'000
3.1	Profit (loss) from ordinary activities after tax attributable to members reported for the <i>1st</i> half year (item 1.22 in the half yearly report)	(4,212)	(3,747)
3.2	Profit (loss) from ordinary activities after tax attributable to members for the <i>2nd</i> half year	-	-

Condensed Balance Sheet

	Consolidated at end of current period K'000	Consolidated as shown in last annual report K'000	Parent as in last half yearly report K'000
Current assets			
4.1	5,912	19,283	25,203
4.2	308	282	69
4.3	-	-	-
4.4	-	-	-
4.5	-	-	-
4.6	-	-	-
4.7	6,220	19,565	25,272
Non-current assets			
4.8	829	826	498
4.9	-	-	-
4.10	123,992	114,477	111,023
4.11	-	-	-
4.12	-	-	-
4.13	-	-	-
4.14	1,190	1,265	-
4.15	-	-	-
4.16	-	-	-
4.17	-	-	-
4.18	126,011	116,568	111,521
4.19	132,231	136,133	136,793
Current liabilities			
4.20	432	774	2,801
4.21	-	-	-
4.22	-	-	-
4.23	6,005	14,759	-
4.24	-	-	-
4.25	6,437	15,533	2,801
Non-current liabilities			
4.26	194	305	306
4.27	-	-	-
4.28	6,759	6,759	6,759
4.29	131	129	14,527
4.30	-	-	-
4.31	7,084	7,193	21,592
4.32	13,521	22,726	24,393
4.33	118,710	113,407	112,400

Condensed balance sheet continued

Equity	Consolidated at end of current period K'000	Consolidated as shown in last annual report K'000	Parent as in last half yearly report K'000
4.34 Capital/contributed equity	401,063	401,063	401,063
4.35 Reserves	50,001	40,486	39,439
4.36 Retained profits (accumulated losses)	(332,354)	(328,142)	(328,102)
4.37 Equity attributable to members of the parent entity	118,710	113,407	112,400
4.38 Outside ⁺ equity interests in controlled entities	-	-	-
4.39 Total equity	118,710	113,407	112,400
4.40 Preference capital included as part of 4.37	-	-	-

Notes to the condensed balance sheet

Exploration and evaluation expenditure capitalised

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

	Current period K'000	Previous corresponding period - K'000
5.1 Opening balance	-	-
5.2 Expenditure incurred during current period	-	-
5.3 Expenditure written off during current period	-	-
5.4 Acquisitions, disposals, revaluation increments, etc.	-	-
5.5 Expenditure transferred to Development Properties	-	-
5.6 Closing balance as shown in the balance sheet (item 4.12)	Nil	Nil

Development properties

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

	Current period K'000	Previous corresponding period - K'000
6.1 Opening balance	-	-
6.2 Expenditure incurred during current period	-	-
6.3 Expenditure transferred from exploration and evaluation	-	-
6.4 Expenditure written off during current period	-	-
6.5 Acquisitions, disposals, revaluation increments, etc.	-	-
6.6 Expenditure transferred to mine properties	-	-
6.7 Closing balance as shown in the balance sheet (item 4.13)	Nil	Nil

Condensed statement of cash flows

	Consolidated Current period K'000	Parent Previous corresponding period K'000
Cash flows related to operating activities		
7.1	Receipts from customers	-
7.2	Payments to suppliers and employees	(15,452)
7.3	Dividends received from associates	-
7.4	Other dividends received	2,195
7.5	Interest and other items of similar nature received	19
7.6	Interest and other costs of finance paid	-
7.7	Income taxes paid	-
7.8	Receipts from settlement of taxation matters	-
7.9	Net operating cash flows	(13,238)
Cash flows related to investing activities		
7.10	Payment for purchases of property, plant and equipment	(142)
7.11	Proceeds from sale of property, plant and equipment	-
7.12	Proceeds from available-for-sale-assets	-
7.13	Purchase of available-for-sale financial assets	-
7.14	Disputed tax payments	-
7.15	Loans repaid by other entities	-
7.16	Payment to held-to-maturity financial assets	-
7.17	Net investing cash flows	(142)
Cash flows related to financing activities		
7.18	Proceeds from issues of ⁺ securities (shares, options, etc.)	-
7.19	Proceeds from borrowings	-
7.20	Repayment of borrowings	-
7.21	Other (provide details if material)	-
7.22	Net financing cash flows	-
7.23	Net increase (decrease) in cash held	(13,380)
7.24	Cash at beginning of period (see Reconciliation of cash)	19,283
7.25	Exchange rate adjustments to item 7.25.	9
7.26	Cash at end of period (see Reconciliation of cash)	5,912
		25,203

Non-cash financing and investing activities

Details of financing and investing transactions which have had a material effect on assets and liabilities but did not involve cash flows are as follows. (*If an amount is quantified, show comparative amount.*)

Nil

Reconciliation of cash

Reconciliation of cash at the end of the period (as shown in the statement of cash flows) to the related items in the accounts is as follows.	Consolidated Current period K'000	Parent Previous corresponding period K'000
8.1 Cash on hand and at bank	5,912	25,203
8.2 Deposits at call	-	-
8.3 Bank overdraft	-	-
8.4 Other –Short term liquid investments	-	-
8.5 Total cash at end of period (item 7.26)	5,912	25,203

Other notes to the condensed financial statements

Ratios	Consolidated Current period	Previous corresponding Period
9.1 Profit before tax / revenue Profit (loss) from ordinary activities before tax (<i>item 1.5</i>) as a percentage of revenue (<i>item 1.1</i>)	(189.3%)	(188.7%)
9.2 Profit after tax / +equity interests Net profit (loss) from ordinary activities after tax attributable to members (<i>item 1.11</i>) as a percentage of equity (similarly attributable) at the end of the period (<i>item 4.37</i>)	(3.5%)	(3.3%)

Earnings per security (EPS)

10. Details of basic and diluted EPS reported separately in accordance with paragraph 9 and 18 of AASB 1027: *Earnings Per Share* are as follows.

<p>Consolidated Current year: (1.05) toea Parent Previous year: (0.93) toea Diluted EPS is the same as Basic EPS</p>
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NTA backing <i>(see note 7)</i>	Consolidated Current period Kina	Parent Previous corresponding period Kina
11.1 Net tangible asset backing per ⁺ ordinary security	0.296	0.280

Discontinuing Operations

(Entities must report a description of any significant activities or events relating to discontinuing operations in accordance with paragraph 7.5 (g) of AASB 1029: Interim Financial Reporting, or, the details of discontinuing operations they have disclosed in their accounts in accordance with AASB 1042: Discontinuing Operations (see note 17).)

- 12.1 Discontinuing Operations

Nil

Control gained over entities having material effect

13.1 Name of entity (or group of entities)	Nil
13.2 Profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) since the date in the current period on which control was ⁺ acquired	N/A
13.3 Date from which such profit has been calculated	N/A
13.4 Profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) for the whole of the previous corresponding period	N/A

Loss of control of entities having material effect

14.1	Name of entity (or group of entities)	Nil
14.2	Profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) for the current period to the date of loss of control	N/A
14.3	Date to which the profit (loss) in item 14.2 has been calculated	N/A
14.4	Profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) while controlled during the whole of the previous corresponding period	N/A
14.5	Contribution to profit (loss) from ordinary activities and extraordinary items from sale of interest leading to loss of control	N/A

Dividends (in the case of a trust, distributions)

15.1	Date the dividend (distribution) is payable	N/A
15.2	⁺ Record date to determine entitlements to the dividend (distribution) (ie, on the basis of proper instruments of transfer received by 5.00 pm if ⁺ securities are not ⁺ CHESS approved, or security holding balances established by 5.00 pm or such later time permitted by SCH Business Rules if ⁺ securities are ⁺ CHESS approved)	N/A
15.3	If it is a final dividend, has it been declared? (<i>Preliminary final report only</i>)	N/A

Amount per security

		Amount per security	Franked amount per security at % tax (see note 4)	Amount per security of foreign source dividend
15.4	<i>(Preliminary final report only)</i> Final dividend: Current year	Nil	Nil	Nil
15.5	Previous year	Nil	Nil	Nil
15.6	<i>(Half yearly and preliminary final reports)</i> Interim dividend: Current year	Nil	Nil	Nil
15.7	Previous year	Nil	Nil	Nil

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

(Preliminary final report only)

	Current year	Previous year
15.8 +Ordinary securities	Nil	Nil
15.9 Preference +securities	Nil	Nil

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

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

The +dividend or distribution plans shown below are in operation.

N/A

The last date(s) for receipt of election notices for the +dividend or distribution plans

N/A

Any other disclosures in relation to dividends (distributions). (*For half yearly reports, provide details in accordance with paragraph 7.5(d) of AASB 1029 Interim Financial Reporting*)

Nil

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

Group's share of associates' and joint venture entities':	Consolidated Current period	Parent Previous corresponding period
	K'000	K'000
16.1 Profit (loss) from ordinary activities before tax	-	-
16.2 Income tax on ordinary activities	-	-
16.3 Profit (loss) from ordinary activities after tax	-	-
16.4 Extraordinary items net of tax	-	-
16.5 Net profit (loss)	-	-
16.6 Adjustments	-	-
16.7 Share of net profit (loss) of associates and joint venture entities	Nil	Nil

Material interests in entities which are not controlled entities

The economic entity has an interest (that is material to it) in the following entities. (If the interest was acquired or disposed of during either the current or previous corresponding period, indicate date of acquisition ("from dd/mm/yy") or disposal ("to dd/mm/yy").)

Name of entity	Percentage of ownership interest held at end of period or date of disposal		Contribution to net profit (loss) (item 1.9)	
	Current period	Previous corresponding period	Current period K'000	Previous corresponding period - \$K'000
17.1 Equity accounted associates and joint venture entities	-	-	-	-
17.2 Total	-	-	-	-
17.3 Other material interests	-	-	-	-
17.4 Total	Nil	Nil	Nil	Nil

Issued and quoted securities at end of current period

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

Category of +securities	Total number	Number quoted	Issue price per security (toea)	Amount paid up per security (toea)
18.1 Preference +securities <i>(description)</i>	-	-	-	-
18.2 Changes during current period (a) Increases through issues (b) Decreases through returns of capital, buybacks, redemptions	-	-	-	-
18.3 +Ordinary securities	401,062,500	401,062,500	100	100
18.4 Changes during current period (a) Increases through issues (b) Decreases through returns of capital, buybacks	-	-	-	-
18.5 +Convertible debt securities <i>(description and conversion factor)</i>	-	-	-	-
18.6 Changes during current period (a) Increases through issues (b) Decreases through securities matured, converted	-	-	-	-
18.7 Options <i>(description and conversion factor)</i>	-	-	<i>Exercise price</i>	<i>Expiry date (if any)</i>
			-	-
18.8 Issued during current period	-	-	-	-
18.9 Exercised during current period	-	-	-	-
18.10 Expired during current period	-	-	-	-
18.11 Debentures <i>(description)</i>	-	-		
18.12 Changes during current period (a) Increases through issues	-	-		
(b) Decreases through securities matured, converted	-	-		

18.13 Unsecured notes <i>(description)</i>	-	-
18.14 Changes during current period	-	-
(a) Increases through issues	-	-
(b) Decreases through securities matured, converted	-	-

Segment reporting

(Information on the business and geographical segments of the entity must be reported for the current period in accordance with AASB 114: *Segment Reporting* and for half year reports, AASB 134: *Interim Financial Reporting*. Because entities employ different structures a pro forma cannot be provided. Segment information in the layout employed in the entity's ⁺accounts should be reported separately and attached to this report.)

Bougainville Copper Limited operates in one segment only.

Comments by directors

(Comments on the following matters are required by ASX or, in relation to the half yearly report, by AASB 134: *Interim Financial Reporting*. The comments do not take the place of the directors' report and statement (as required by the Corporations Act) and may be incorporated into the directors' report and statement. For both half yearly and preliminary final reports, if there are no comments in a section, state NIL. If there is insufficient space to comment, attach notes to this report.)

Nil

Basis of financial report preparation

19.1 *This is a half yearly report, it is a general purpose financial report prepared in accordance with the listing rules and AASB 134: Interim Financial Reporting. It should be read in conjunction with the last annual report and any announcements to the market made by the entity during the period. The financial statements in this report are "condensed financial statements" as defined in the AASB 134: Interim Financial Reporting. This report does not include all the notes of the type normally included in an annual financial report.*

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

1. During 2014, the Autonomous Bougainville Government passed the Bougainville Mining (Transitional Arrangement) Act 2014 (Transitional Act) which was replaced by the Bougainville Mining Act 2015 (The Act) on 1 April 2015. This legislation seeks to challenge the company's control of the mine assets and may reflect an expropriation of assets for the purpose of the Bougainville Copper Act.

The Act converted the Special Mining Lease held by the company to an Exploration Licence (EL) for a period of two years from the date of the Transitional Act. In July 2016 the company applied to extend the EL. The ABG has acknowledged receipt of the renewal application and the company has satisfied renewal obligations according to the act. At 30 June 2017 the ABG had not concluded the review.

Under the provisions of the act the EL is taken to be extended until the application is either granted or refused.

In July 2016 the ABG issued a notice to show cause to the company due to the transfer of shares by Rio Tinto during the initial two year period of the EL. The company responded to the show cause notice indicating the transfer was unrelated to any actions of the company. The directors are of the opinion the notice to show cause has been resolved by a significant portion of ownership being taken over by the ABG as a result of the transfer of shares.

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

The directors of the company continue to take all possible steps to protect and optimise tenure in Bougainville.

2. On 24 November 2016, the Company acquired a subsidiary (Bougainville Copper Foundation Limited). The consolidated results for the six months to 30 June 2017 include K880,500 of operational expenses of the subsidiary. The corresponding period comparatives to 30 June 2016 do not include the acquisition of BCF.
3. The subsidiary holds an investment in an unlisted investment fund. The investment is classified as an available-for sale asset at a fair value of K1.1 million.

Management have not been provided with the 2016 audited financial statements of the investee and the investee is unable to confirm the number and value of units held by the various investors.

Accordingly, the Company has been unable to determine whether the fair value of the investment of K1.1 million is fairly stated.

The report on review of interim financial information is qualified in relation to 3.

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

Nil

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

Nil

19.5 Unless disclosed below, the accounting policies, estimation methods and measurement bases used in this report are the same as those used in the last annual report. Any changes in accounting policies, estimation methods and measurement bases since the last annual report are disclosed as follows. (Disclose changes and differences in the half yearly report in accordance with *AASB 134: Interim Financial Reporting*. Disclose changes in accounting policies in the preliminary final report in accordance with *AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors*.)

Nil – Same as those used in the last Annual Report

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

Nil

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

The company has made provision for statutory compensation for the 1990 year of operation, inclusive of interest. Payments commenced in February 2017. A further claim has been made from another mine affected landowner group. The company is currently in discussions to determine if any statutory compensation is due. No provision has been made for any liability that may arise from this further claim.

Additional disclosure for trusts

20.1 Number of units held by the management company or responsible entity or their related parties.

N/A

20.2 A statement of the fees and commissions payable to the management company or responsible entity.

N/A

Identify:

- initial service charges
- management fees
- other fees

Condensed Statement of Changes in Equity

		Contributed Equity K'000	Reserves K'000	Accumulated losses K'000	Total K'000
21.1	Balance at 1 January 2014	401,063	71,483	(110,753)	361,793
21.2	Total comprehensive income for the period	-	4,160	(5,561)	(1,401)
21.3	Balance at 30 June 2014	401,063	75,643	(116,314)	360,392
21.4	Total comprehensive income for the period	-	(38,811)	(170,178)	(208,989)
21.5	Balance at 31 December 2014	401,063	36,832	(286,492)	151,403
21.6	Total comprehensive income for the period	-	(676)	(34,039)	(34,715)
21.7	Balance at 30 June 2015	401,063	36,156	(320,531)	116,688
21.8	Total comprehensive income for the period	-	2,471	(3,824)	(1,353)
21.9	Balance at 31 December 2015	401,063	38,627	(324,355)	115,335
21.6	Total comprehensive income for the period	-	812	(3,747)	(2,935)
21.7	Balance at 30 June 2016	401,063	39,439	(328,102)	112,400
21.8	Total comprehensive income for the period	-	1,047	(40)	1,007
21.9	Balance at 31 December 2016	401,063	40,486	(328,142)	113,407
21.6	Total comprehensive income for the period	-	9,515	(4,212)	5,303
21.7	Balance at 30 June 2017	401,063	50,001	(332,354)	118,710

Compliance statement

- 3 This report has been prepared in accordance with AASB Standards, other AASB authoritative pronouncements and Urgent Issues Group Consensus Views or other standards acceptable to ASX and International Accounting Standard 34: Interim Financial Reporting.

Identify other standards used

International Financial Reporting Standards

- 2 This report, and the accounts upon which the report is based, use the same accounting policies.
- 3 The directors are able to declare that the financial report comprising Appendix 4D to the Australian Stock Exchange for the half year ended 30 June 2017:
- a.) complies with International Accounting Standard IAS 34: Interim Financial Reporting, and the Australian Stock Exchange Listing Rules relating to half yearly financial reports, and
 - b.) gives a true and fair view of the entity's financial position as at 30 June 2017 and of its performance, as represented by the results of its operations and its cash flows for the half year ended on that date;



Report on review of interim financial information to the Directors of Bougainville Copper Limited

Introduction

We have reviewed the accompanying condensed consolidated interim balance sheet of Bougainville Copper Limited (the Company) and its subsidiaries (the Group) as at 30 June 2017 and the related condensed consolidated interim statements of comprehensive income, changes in equity and cash flows for the six month period then ended and notes, comprising a summary of significant accounting policies and other explanatory notes. The Directors are responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with International Accounting Standard 34, 'Interim Financial Reporting'. Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, 'Review of interim financial information performed by the independent auditor of the entity'. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for qualified conclusion

The Group holds an investment in an unlisted investment fund classified as an available-for sale asset with a carrying value of K1.1 million. Management has not been provided with the latest audited financial statements of the investee and the investee is unable to confirm the number and value of units held by the various investors. As a result, we have been unable to satisfy ourselves as to the valuation of K1.1 million of the available-for-sale assets recognised at 30 June 2017.

Qualified conclusion

Based on our review, with the exception of the matter described in the preceding paragraph, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34, 'Interim financial reporting'.

PricewaterhouseCoopers

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Report on review of interim financial information
Bougainville Copper Limited

Emphasis of matter

We draw attention to Section 19.2 of Appendix 4D which describes the continued significant uncertainty surrounding the future of the Panguna mine and related assets particularly in relation to the Company's rights to those assets. The mine assets were fully depreciated or impaired in previous financial years. Our conclusion is not qualified in respect of this matter.

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

PricewaterhouseCoopers

A handwritten signature in blue ink, appearing to be 'CH'.

Christopher Hansor
Partner
Registered under the Accountants Act 1996

Port Moresby
7 August 2017