



APPENDIX 4E PRELIMINARY FINAL RESULT

The Board of Bougainville Copper Limited (ASX: BOC) announce the following preliminary final results of the company for the year ended 31 December 2021, together with comparable results for the 12 months to 31 December 2020, including a summary of significant events.

Results

For the year ended 31 December 2021, the Group recorded a loss of K6.1 million compared to a loss of K6.6 million in the previous year. Realised gains on sales of investments for the year of K1.8 million are not recorded in the income statement but are reported by a transfer directly to retained earnings in Shareholders funds.

The fair value of investments increased by K12.9 million compared to an increase of K15.7 million in the previous year.

During 2021 expenditure continued to be concentrated on tenure issues, stakeholder engagements and delivery of small community projects. Income from interest and dividends was K4.1 million compared to K3.7 million in the previous year.

Financial Results	Consolidated 2021 K'000	Consolidated 2020 K'000
Income		
Interest and Dividends	4,058	3,733
	4,058	3,733
Less: General and administration expenses	(9,967)	(9,735)
Exchange Gains (Loss)	(186)	(565)
	(10,153)	(10,300)
Net Profit / (loss) after tax	(6,095)	(6,567)
Average AUD\$/Kina exchange rate for the period	0.3719	0.4148
Equivalent net loss in AUD\$'000	\$ (2,267)	\$ (2,724)

2021 DIVIDEND

The Directors have not declared a dividend for 2021.

BORROWING

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

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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



<https://www.facebook.com/BougainvilleCopper>

SIGNIFICANT EVENTS

Mine Opening Resolution

Subsequent to year end, landowners from the Panguna mine area and the ABG have reached a joint resolution to reopen the Panguna mine. This occurred during a three-day Panguna Dialogue Chief Summit in early February 2022.

The joint resolution was signed by clan chiefs and representatives from the five major clans of the Panguna area, including the Basikang, Kurabang, Bakoringu, Barapang and Mantaa clans. The resolution to reopen the mine is consistent with previous resolutions supported by customary landowners in other forums.

The ABG, through its Department of Mineral and Energy Resources and other relevant departments, will work together with the landowner groups to facilitate a process towards the reopening of the mine.

While no decisions have been taken regarding a proponent, Bougainville Copper will continue to constructively engage with landowners and the ABG in support of their aims.

Legacy Impact Assessment

Bougainville Copper supports an agreement reached by Rio Tinto and residents of mine-affected communities to identify and assess legacy issues linked to the Panguna mine.

The Panguna Mine Legacy Impact Assessment will identify and assess actual and potential environmental and human rights impacts and develop recommendations for addressing them.

During the mine's past operation Bougainville Copper Limited was majority-owned by Rio Tinto. A multi-stakeholder committee, of which Bougainville Copper is one of 16 members, was established in conjunction with the ABG to oversee the legacy assessment.

The oversight committee has conducted its first meeting and has endorsed a process to identify a suitably qualified firm to carry out the technical impact assessment work. A contractor is expected to be appointed in April 2022.

The work will be mostly funded by Rio Tinto. Bougainville Copper has agreed to contribute provided the final methodology is endorsed by the stakeholder committee, the work can be completed safely, and an appropriate funding mechanism is agreed.

EL1 Tenure

The Judicial Review of the decision by the Autonomous Bougainville Government (ABG) to refuse an extension of the Company's Exploration Licence (EL1) should proceed in the PNG National Court during 2022.

The directors remain committed to taking all steps to protect tenure. The exploration licence is deemed to continue until the matter is determined by the court.

Board Appointments

Bougainville Copper announced the appointment of Mr James Rutana and Mr Kearnneth Nanei to the company's board of directors, on 29th 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.

Mr Rutana was appointed a Commissioner of the Bougainville Constitutional Commission and was involved in the drafting of the Bougainville Constitution in 2002 during a critical phase in the establishment of the Autonomous Bougainville Government.

Kearnneth 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 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.

Shareholding

The PNG national government remains committed to transferring the state's 36.4 per cent shareholding in Bougainville Copper to the people of Bougainville. Mine-affected landowners have requested that 17.4 per cent of this should be distributed to their Associations. The share transfer process is continuing.

Community support

The Coronavirus has continued to present challenges within our operating environment however, Bougainville Copper has maintained an active presence in Bougainville through the work of our project and village liaison officers.

The company continues to support community projects and initiatives in areas such as water infrastructure, education and training, sports and cultural activities.

STOCK EXCHANGE

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

AUDIT

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

ANNUAL GENERAL MEETING AND ANNUAL REPORT

The Annual General Meeting of the company is scheduled to be held in Port Moresby on 28 April 2022.

The Annual Report and Notice of Meeting will be mailed to shareholders on or about 31 March 2022.

By order of the Board.



Mark Hitchcock
Company Secretary

Appendix 4E

Preliminary final report

Name of entity

BOUGAINVILLE COPPER LIMITED

ABN or equivalent company
reference

007 497 869

Half yearly
(tick)

Preliminary
final (tick)

Financial year ended ('current period')

31/12/2021

For announcement to the market

K'000

Revenues from ordinary activities	Up	8.71 %	to	4,058
Loss from ordinary activities after tax attributable to members	Down	7.18 %	to	(6,095)
Loss for the period attributable to members	Down	7.18 %	to	(6,095)
Dividends (distributions)		Amount per security		Franked amount per security
Final dividend		Nil		Nil
Interim dividend		Nil		Nil
Previous corresponding period		Nil		Nil
Record date for determining entitlements to the dividend.	N/A			

Report to Australian Stock Exchange

The directors of Bougainville Copper Limited (BCL) announce the following Preliminary final results of the Company for the year ended 31 December 2021 together with comparable results for twelve months to 31 December 2020.

The Bougainville Copper Foundation Limited (BCF) is a fully owned subsidiary of BCL. The balance sheet of BCF is consolidated with BCL as at 31st December 2021 and comparatives for the previous year.

For the year ended 31 December 2021, the Group recorded a loss of K6.1 million compared to a loss of K6.6 million in the previous year. Realised gains on sales of investments for the year of K1.8 million are not recorded in the income statement but are reported by a transfer directly to retained earnings in Shareholders funds.

The fair value of investments increased by K12.9 million compared to an increase of K15.7 million in the previous year.

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The joint resolution was signed by clan chiefs and representatives from the five major clans of the Panguna area, including the Basikang, Kurabang, Bakoringu, Barapang and Mantaa clans. The resolution to reopen the mine is consistent with previous resolutions supported by customary landowners in other forums.

The ABG, through its Department of Mineral and Energy Resources and other relevant departments, will work together with the landowner groups to facilitate a process towards the reopening of the mine.

While no decisions have been taken regarding a proponent, Bougainville Copper will continue to constructively engage with landowners and the ABG in support of their aims.

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The oversight committee has conducted its first meeting and has endorsed a process to identify a suitably qualified firm to carry out the technical impact assessment work. A contractor is expected to be appointed in April 2022.

The work will be mostly funded by Rio Tinto. Bougainville Copper has agreed to contribute provided the final methodology is endorsed by the stakeholder committee, the work can be completed safely, and an appropriate funding mechanism is agreed.

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Condensed statement of comprehensive income

	Consolidated current period - K'000	Consolidated Previous corresponding period – K'000
Revenues from ordinary activities	4,058	3,733
Expenses from ordinary activities	(10,153)	(10,300)
Impairment expense	-	-
Share of net profits (losses) of associates and joint venture entities	-	-
Profit (loss) from before tax	(6,095)	(6,567)
Income tax	-	-
Net profit (loss)	(6,095)	(6,567)
Net profit (loss) attributable to outside equity interests	-	-
Net profit (loss) for the period attributable to members	(6,095)	(6,567)
Other comprehensive income		
Increase (decrease) in fair value of Investments	12,907	15,682
Total other comprehensive income	12,907	15,682
Total comprehensive income for the period	6,812	9,115

Earnings per security (EPS)	Consolidated current period	Consolidated Previous corresponding Period
Basic EPS	(1.52) toea	(1.64) toea
Diluted EPS	(1.52) toea	(1.64) toea

Notes to the condensed statement of comprehensive income

Profit (loss) from ordinary activities attributable to members

	Consolidated current period – K'000	Consolidated Previous corresponding period - K'000
Profit (loss) from ordinary activities after tax	(6,095)	(6,567)
Less (plus) outside equity interests	-	-
Profit (loss) from ordinary activities after tax, attributable to members	(6,095)	(6,567)

Revenue and expenses from ordinary activities

	Consolidated current period – K'000	Consolidated Previous corresponding period - K'000
Interest revenue	-	6
<i>Other relevant revenue -</i>		
Dividends	4,058	3,727
Other income	-	-
<i>Details of relevant expenses-</i>		
<i>General and administration expenses –</i>		
Related Party (reimbursement of expenses to related parties salaries, rent etc)	-	-
Other Administrative Expenses	9,967	9,735
Foreign exchange gains/(losses)	186	565
Provisions and accruals written back	-	-
Impairment expense	-	-

	Consolidated current period – K'000	Consolidated Previous corresponding period - K'000
Accumulated (losses) at the beginning of the financial period	(344,218)	(346,545)
Net profit (loss) attributable to members	(6,095)	(6,567)
Net transfers from (to) reserves	1,840	8,894
Net effect of changes in accounting policies	-	-
Dividends and other equity distributions paid or payable	-	-
Accumulated (losses) at end of financial year	(348,473)	(344,218)

Intangible and extraordinary items

Nil

Comparison of half year profits

(Preliminary final report only)

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

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

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

Consolidated current period - K'000	Consolidated Previous corresponding period - K'000
(3,320)	(4,541)
(2,775)	(2,026)
(6,095)	(6,567)

Condensed statement of financial position

	Consolidated at end of current period K'000	Consolidated as in last annual report K'000
Current assets		
Cash	965	3,057
Receivables	1,323	1,359
Investments	8,500	7,000
Total current assets	10,788	11,416
Non-current assets		
Investments	126,115	118,316
Other property, plant and equipment (net)	1,146	1,265
Right-of-use-asset	872	808
Other receivables	829	829
Total non-current assets	128,962	121,218
Total assets	139,750	132,634
Current liabilities		
Provisions	1,835	1,878
Payables	1,732	1,453
Other-lease liability	527	453
Total current liabilities	4,094	3,784
Non-current liabilities		
Payables	194	194
Tax liabilities	6,759	6,759
Provisions	402	345
Other-lease liability	445	508
Total non-current liabilities	7,800	7,806
Total liabilities	11,894	11,590
Net assets	127,856	121,044
Equity		
Capital/contributed equity	401,063	401,063
Reserves	75,266	64,199
Accumulated losses	(348,473)	(344,218)
Equity attributable to members of the parent entity	127,856	121,044
Outside ⁺ equity interests in controlled entities	-	-
Total equity	127,856	121,044

Notes to the condensed statement of financial position

Condensed Statement of Changes in Equity

	Contributed Equity K'000	Reserves K'000	Retained Profits K'000	Total K'000
Balance at 31 December 2019	401,063	57,411	(346,545)	111,929
Total comprehensive income for the period	-	(16,615)	(4,541)	(21,156)
Transfer to retained earnings on sale of investments	-	(8,894)	8,894	-
Balance at 30 June 2020	401,063	31,902	(342,192)	90,7733
Total comprehensive income for the period	-	32,297	(2,026)	30,271
Transfer to retained earnings on sale of investments	-	-	-	-
Balance at 31 December 2020	401,063	64,199	(344,218)	121,044
Total comprehensive income for the period	-	5,656	(3,320)	2,336
Transfer to retained earnings on sale of investments	-	(956)	956	-
Balance at 30 June 2021	401,063	68,899	(346,582)	123,380
Total comprehensive income for the period	-	7,251	(2,775)	4,476
Transfer to retained earnings on sale of investments	-	(884)	884	-
Balance at 31 December 2021	401,063	75,266	(348,473)	127,856

Exploration and evaluation expenditure capitalised

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

Nil

Development properties

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

Nil

Condensed statement of cash flows

	Consolidated current period K'000	Consolidated Previous corresponding period - K'000
Cash flows related to operating activities		
Receipts from customers	-	-
Payments to suppliers and employees	(8,912)	(8,712)
Dividends received from associates	-	-
Other dividends received (net of dividends reinvested)	4,058	3,727
Interest and other items of similar nature received	-	6
Interest and other costs of finance paid	(59)	(79)
Income taxes paid	-	-
Net operating cash flows	(4,913)	(5,058)
Cash flows related to investing activities		
Payment for purchases of property, plant and equipment	(155)	(220)
Proceeds from disposal of investment assets	3,607	21,659
Payment for purchases of equity investments	-	(13,859)
Payment for Acquisition of subsidiary, net of cash acquired	-	-
Loans to other entities	-	-
Loans repaid by other entities	-	-
Other (provide details if material)	-	-
Net investing cash flows	3,452	7,580
Cash flows related to financing activities		
Proceeds from issues of securities (shares, options, etc.)	-	-
Proceeds from borrowings	-	-
Repayment of borrowings	(546)	(581)
Dividends paid	-	-
Other	-	-
Net financing cash flows	(546)	(581)
Net increase (decrease) in cash held	(2,007)	1,941
Cash at beginning of period	3,057	1,634
Exchange rate adjustments on cash held	(85)	(518)
Cash at end of period	965	3,057

Non-cash financing and investing activities

Not applicable

Reconciliation of cash

Reconciliation of cash at the end of the period (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Consolidated current period K'000	Previous corresponding period - K'000
Cash on hand and at bank	965	3,057
Deposits at call	-	-
Bank overdraft	-	-
Other –Short term liquid investments	-	-
Total cash at end of period	965	3,057

Other notes to the condensed financial statements

Ratios

	Consolidated current period	Previous corresponding Period
Profit before tax / revenue		
Profit (loss) from ordinary activities before tax as a percentage of revenue	(150.20%)	(175.92%)
Profit after tax / equity interests		
Net profit (loss) from ordinary activities after tax attributable to members as a percentage of equity (similarly attributable) at the end of the period	(4.77%)	(5.43%)

Earnings per security (EPS)

Consolidated current year **(1.52)** toea
Consolidated Previous year **(1.64)** toea
Diluted EPS is the same as Basic EPS

NTA backing

	Consolidated current period	Previous corresponding Period
Net tangible asset backing per ⁺ ordinary security	K0.3188	K0.3018

Discontinuing Operations

Not applicable

Control gained over entities having material effect

Not applicable

Loss of control of entities having material effect

Not applicable

Dividends (in the case of a trust, distributions)

Amount per security

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

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

(Preliminary final report only)

	Current year	Previous year
+Ordinary securities	Nil	Nil
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
+Ordinary securities <i>(each class separately)</i>	Nil	Nil
Preference + securities <i>(each class separately)</i>	Nil	Nil
Other equity instruments <i>(each class separately)</i>	Nil	Nil
Total	Nil	Nil

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

Not applicable

Material interests in entities which are not controlled entities

Not applicable.

Issued and quoted securities at end of current period

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

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

Comments by Directors

Basis of financial report preparation

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

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

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

1. The required majority consent of the landowners was not evident during the Mining Wardens hearing and shows BCL does not have the social licence to operate the mine.
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 BCL's past operation of Panguna Mine that ignited the Bougainville crisis which resulted in the loss of about 20,000 lives. Hence, it is in Bougainville's best interest to maintain peace and unity.

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

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

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

The Judicial Review of the renewal application process has progressed and will be heard in 2022.

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

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

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

Management have not been provided with the investee's audited financial statements for the 2018 to 2021 financial years.

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

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

NIL

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

NIL

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

NIL

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

NIL

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

The company has made provision for statutory compensation for the 1990 year of operation, inclusive of interest. Payments commenced in February 2017 and 89.1% (89.1% 2020) had been paid up to 31 December 2021.

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

Additional disclosure for trusts

Not applicable

Audit

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

Annual meeting

(Preliminary final report only)

The annual meeting will be held as follows:

Place	Port Moresby Papua New Guinea
Date	28 April 2022
Time	2.00 pm
Approximate date the ⁺ annual report will be available	31 March 2022

Compliance statement

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

Identify other standards used

International Financial Reporting Standards

- 2) This report, and the accounts upon which the report is based, use the same accounting policies.
- 3) The directors are able to declare that the financial report comprising Appendix 4E to the Australian Stock Exchange for the year ended 31 December 2021:
- complies with International Financial Reporting Standards and the Australian Stock Exchange Listing Rules and
 - gives a true and fair view of the entity's financial position as at 31 December 2021 and of its performance, as represented by the results of its operations and its cash flows for the year ended on that date;

Except that the results for the company for the financial year 31 December 2021 and the financial position at the date were impacted by the following events of a material and unusual nature.

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

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

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

Management have not been provided with the investee's audited financial statements for the 2018 to 2021 financial years.

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

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

Sign here:

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(Company Secretary)

Date: 28 February 2022

Print name: **Mark Hitchcock**