



BOUGAINVILLE COPPER LIMITED

11 July 2014

Mr Kobe Li
Senior Adviser,
Listing and Compliance (Melbourne)
Australian Securities Exchange
Level 4, Rialto North Tower
525 Collins Street
Melbourne VIC 3000

Bougainville Copper Limited ("BOC")

Appendix 3Y – Change of Director's Interest Notice

We refer to your letter dated 9 July 2014 relating to the lodgement of an Appendix 3Y in respect of Mr Peter Robert Taylor.

The subject of the Appendix 3Y is Rio Tinto Limited securities (RT Shares) held by Mr Taylor, which is a relevant interest under the Corporations Act 2001, by virtue of Rio Tinto Limited being a related body corporate of BOC (the latter is 53.83% owned by Rio Tinto Limited). Mr Taylor is neither a director of Rio Tinto Limited nor key management personnel.

The transaction which occurred on 26 May 2014 was an off-market transfer of 9,500 RT Shares from Mr Taylor's direct holding to his superannuation fund, the Taylor Superannuation Fund, an indirectly held interest. Rio Tinto Limited was not in a close period at the time of the off-market share transfer and Mr Taylor sought and was provided with clearance to deal under the "Rules for Dealing in Rio Tinto securities".

We will respond to your specific questions, but comment initially that in fact we do not believe there was a strict legal requirement to file Appendix 3Y. This is because it is arguable on these facts that there was no change to a notifiable interest for the purpose of listing rule 3.19A.2 as all that occurred was an alteration in the manner in which the 9,500 RT Shares were held (i.e. a movement to Mr Taylor's superannuation fund).

ASX recognises this position in Guidance Note 22, specifically on page 13, under the first issue by stating that:

"For the purpose of listing rule 3.19A, the relevant interest of the director has not changed, although the way it is held/the nature of the interest has. Technically, while the relevant interests have not

changed (ie, the director still has the same control over the securities whether they are held by [one controlled entity or another]) there is no strict requirement to formally lodge an Appendix 3Y”.

Guidance Note 22 further states that for completeness it would be preferable to lodge an Appendix 3Y and our current practice is to lodge Appendix 3Y notifications in such circumstances for completeness.

The responses to the specific questions raised in your letter are as follows:

1. Why the Appendix 3Y was lodged late:

Noting the comments above as to whether the Appendix was legally required to be lodged, Mr Taylor was not issued with a confirmation from the Share Registry upon completion of the off-market share transfer in a timely manner, causing the delay in lodgement of the Appendix 3Y.

2. What arrangements does BOC have in place with its directors to ensure that it is able to meet its disclosure obligations under listing rule 3.19A:

Directors of BOC are required to notify the Company Secretary of BOC immediately of any change to their notifiable interests. Notification of dealings in BOC securities and those of Rio Tinto Limited is a standing agenda item at BOC Board meetings. BOC has arrangements with Rio Tinto Limited in respect of BOC directors who are Rio Tinto Limited employees. Rio Tinto Limited advises BOC of the date of any Rio Tinto Limited dividend reinvestment plan, executive share plan award and share dealing permissions.

3. If the current arrangements are inadequate or not being enforced, what additional steps does the Company intend to take to ensure compliance with listing rule 3.19B:

The current arrangements are considered adequate. In similar circumstances going forward BOC does not intend to file an Appendix 3Y, however, will provide such details in the subsequent notice relating to a change to a notifiable interest of the relevant director.

If you have any further queries regarding this matter, please do not hesitate to contact me on +61 0417 513 479.

Yours sincerely



Paul Coleman
Company Secretary
Bougainville Copper Limited



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9 July 2014

Mr Paul Coleman
Company Secretary
Bougainville Copper Limited

By Email

Dear Paul,

Bougainville Copper Limited (the "Company")

We refer to the following;

1. The Appendix 3Y lodged by the Company with ASX on 9 July 2014 for Mr Peter Robert Taylor;
2. Listing rule 3.19A which requires an entity to tell ASX the following:
 - 3.19A.1 *The notifiable interests of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) at the following times.*
 - *On the date that the entity is admitted to the official list.*
 - *On the date that a director is appointed.**The entity must complete Appendix 3X and give it to ASX no more than 5 business days after the entity's admission or a director's appointment.*
 - 3.19A.2 *A change to a notifiable interest of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) including whether the change occurred during a closed period where prior written clearance was required and, if so, whether prior written clearance was provided. The entity must complete Appendix 3Y and give it to ASX no more than 5 business days after the change occurs.*
 - 3.19A.3 *The notifiable interests of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) at the date that the director ceases to be a director. The entity must complete Appendix 3Z and give it to ASX no more than 5 business days after the director ceases to be a director.*
3. Listing rule 3.19B which states as follows.

An entity must make such arrangements as are necessary with a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) to ensure that the director discloses to the entity all the information required by the entity to give ASX completed Appendices 3X, 3Y and 3Z within the time period allowed by listing rule 3.19.A. The entity must enforce the arrangements with the director.



4. The Companies Update dated 27 June 2008, reminding listed entities of their obligation to notify ASX within 5 business days of the notifiable interests in securities held by each director and outlining the action that ASX would take in relation to breaches of listings rules 3.19A and 3.19B.

The Appendix 3Y indicates that changes in Mr Taylor's notifiable interest occurred on 26 May 2014. It appears that the Notice should have been lodged with ASX by 2 June 2014. Consequently, the Company may be in breach of listing rules 3.19A and/or 3.19B. It also appears the director concerned may have breached section 205G of the Corporations Act.

Please note that ASX is required to record details of breaches of the listing rules by listed companies for its reporting requirements.

ASX reminds the Company of its contract with ASX to comply with the listing rules. In the circumstances ASX considers that it is appropriate that the Company make necessary arrangements to ensure there is not a reoccurrence of a breach of the listing rules.

Having regard to listing rules 3.19A and 3.19B and Guidance Note 22: "Director Disclosure of Interests and Transactions in Securities - Obligations of Listed Entities", we ask that you answer each of the following questions:

1. Please explain why the Appendix was lodged late.
2. What arrangements does the Company have in place with its directors to ensure that it is able to meet its disclosure obligations under listing rule 3.19A?
3. If the current arrangements are inadequate or not being enforced, what additional steps does the Company intend to take to ensure compliance with listing rule 3.19B?

Your response should be sent to me by e-mail at Zheng.Li@asx.com.au or by facsimile on facsimile number (03) 9614 0303. It should not be sent to the Company Announcements Office.

A response is requested as soon as possible and, in any event, not later than half an hour before the start of trading (i.e. before 9.30 a.m. E.S.T.) on Monday, 14 July 2014.

Under listing rule 18.7A, a copy of this query and your response will be released to the market, so your response should be in a form suitable for release and should separately address each of the questions asked. If you have any queries or concerns, please contact me immediately.

Yours sincerely

Sent electronically without signature

Kobe Li
Senior Adviser, Listings Compliance (Melbourne)