BOUGANVILLE COPPER LIMITED

Press Release

7 August 2014

BOUGAINVILLE COPPER LIMITED (BOC

The directors of Bougainville Copper Limited announce the following results of the company for the six months ended 30 June 2014 which have been independently reviewed together with comparable results for six months to 30 June 2013.

The result for the six months ended 30 June 2014 was a net loss of K5.6 million (AUD$2.3m) compared to a net profit of K1.1million (AUD$0.5m) for the corresponding period last year.

Financial Results

	2014	**2013**
	K'000	**K'000**
Exchange gains	536	-
Interest	425	350
Realised gain on disposal of investments	-	4,647
Dividends	1,621	1,879
	2,582	6,876
Less: General and administration expenses	8,143	4,851
Exchange losses	-	905
	8,143	5,756
Profit/(loss) before taxation	(5,561)	1,120
Income tax expense	-	-
Net profit/(loss)	(5,561)	1,120
Average A$/Kina exchange rate for period	0.4142	0.4673
Equivalent net loss in A$'000	(2,303)	523

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RECENT EVENTS OF SIGNIFICANCE.

The first half of 2014 has been notable for the continued engagement of stakeholders through formally constituted arrangements directed towards a potential re-start of the Panguna mine.

The Joint Supervisory Board met in Kokopo, East New Britain, on July 4. The JSB was established under the Bougainville Peace Agreement, to oversee the establishment of Bougainville autonomy and the referendum on Independence, as well as the transfer of powers including those relating to mining.

As reported to ASX on June 25th, 2014, a Draft Bougainville Mining (Transitional Arrangements) Bill circulated which, in its current form and if passed into law by the Bougainville Parliament, may adversely impact on the mining rights held by the Company, which include a Special Mining Lease, various other leases for mining purposes, and several Exploration Licences. The Company has not made any adjustments to its financial statements for any impacts that might arise should this Bill be enacted in its current or similar form.

Further meetings of the Joint Panguna Negotiation Co-ordination Committee have been held, facilitating preparations for formal mine redevelopment processes, and the scoping of baseline social, economic and environmental studies. This committee has high level representation from the Governments of PNG and Bougainville, as well as the landowners and BCL, with inputs from agencies including the United Nations Environment Program. The meeting on May 8th was the tenth meeting of the JPNCC.

Issues being addressed with the formally constituted United Panguna Mine Affected Landowner Association include Bel Kol reconciliation ceremonies, outstanding 1989/90 compensation payments, landowner relocation and resettlement, and skills training for future mining operations.

It is anticipated that the completion of the symbolic Bel Kol process will be followed by a formal invitation from the ABG, Landowners and Ex-Combatants to BCL, to re-establish an office on Bougainville.

Negotiations are continuing aimed at resolving the Taxation Dispute between BCL and the Internal Revenue Commission of PNG.

2014 DIVIDEND

The Directors have not declared a dividend in respect of the six months ended 30 June 2014.

BORROWING

No borrowings were outstanding at year-end.

STOCK EXCHANGE

The standard proforma Appendix 4D was lodged with the Australian Stock Exchange in accordance with official listing requirements.

By order of the Board.

Paul Coleman
Company Secretary
Bougainville Copper Limited

Rules 4.2.A.3

Appendix 4D

Half yearly report

Name of entity

BOUGAINVILLE COPPER LIMITED (BOC)

ABN or equivalent company reference	Half yearly *(tick)*	Preliminary final *(tick)*	Half year ended ('current period')
007 497 869	√		30/06/14

Results for announcement to the market

Extracts from this report for announcement to the market (see note 1). K'000

Revenues from ordinary activities *(item 1.1)*	down	56.7%	to	2,582
Profit (loss) from ordinary activities after tax attributable to members (*item 1.22*)		-		(5,561)
Profit (loss) from extraordinary items after tax attributable to members (*item 2.5)*	gain (loss) of	-		-
Net profit (loss) for the period attributable to members *(item 1.11)*		-		(5,561)

Dividends (distributions)	Amount per security	Franked amount per security
Final dividend *(Preliminary final report only - item 15.4)* Interim dividend *(Half yearly report only - item 15.6)*	Nil	Nil
Previous corresponding period *(Preliminary final report - item 15.5; half yearly report - item 15.7)*	Nil	Nil

+Record date for determining entitlements to the dividend,
(in the case of a trust, distribution) *(see item 15.2)*: 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 2013 annual financial report.

Condensed statement of comprehensive income

		Current period - K'000	Previous corresponding period - K'000
1.1	Revenues from ordinary activities *(see items 1.23 –1.25)*	2,582	5,971
1.2	Expenses from ordinary activities (*see items 1.26 & 1.27)*	8,143	4,851
1.3	Borrowing costs	-	-
1.4	Share of net profits (losses) of associates and joint venture entities (*see item 16.7*)	-	-
1.5	**Profit (loss) from ordinary activities before tax**	**(5,561)**	**1,120**
1.6	Income tax on ordinary activities *(see note 4)*	-	-
1.7	**Profit (loss) from ordinary activities after tax**	**(5,561)**	**1,120**
1.8	Profit (loss) from extraordinary items after tax (*see item 2.5*)	-	-
1.9	**Net profit (loss)**	**(5,561)**	**1,120**
1.10	Net profit (loss) attributable to outside +equity interests	-	-
1.11	**Net profit (loss) for the period attributable to members**	**(5,561)**	**1,120**
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) Initial adjustments from UIG transitional	-	-
1.15	Increase (decrease) in fair value of available-for-sale financial assets	4,160	(1,104)
1.16	Other comprehensive income for the period (items 1.12 to 1.15)	4,160	(1,104)
1.17	**Total comprehensive income for the period**	**(1,401)**	**16**

Earnings per security (EPS)		Current period	Previous corresponding Period
1.18	Basic EPS	(1.39) toea	0.28 toea
1.19	Diluted EPS	(1.39) toea	0.28 toea

Notes to the condensed statement of comprehensive income

Profit (loss) from ordinary activities attributable to members

		Current period – K'000	Previous corresponding period - K'000
1.20	Profit (loss) from ordinary activities after tax (*item 1.7*)	(5,561)	1,120
1.21	Less (plus) outside +equity interests	-	-
1.22	**Profit (loss) from ordinary activities after tax, attributable to members**	**(5,561)**	**1,120**

Revenue and expenses from ordinary activities

		Current period – K'000	Previous corresponding period - K'000
1.23	Revenue from sales or services	-	-
1.24	Interest revenue	425	350
1.25	Other relevant revenue-		
	Dividends received	1,621	1,879
	Gain on sale of investments	-	4,647
	Foreign exchange gain /(loss)	536	(905)
1.26	Details of relevant expenses-General and administration expenses		
	Related Party (reimbursement of expenses to related parties - salaries, rent etc)	3,060	2,246
	Other Administrative Expenses	5,083	2,605
1.27	Depreciation and amortisation excluding amortisation of intangibles *(see item 2.3)*	-	-
	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

		Current period – K'000	Previous corresponding period - K'000
1.30	Retained profits (accumulated losses) at the beginning of the financial period	(110,753)	(117,531)
1.31	Net profit (loss) attributable to members (*item 1.11*)	(5,561)	1,120
1.32	Net transfers from (to) reserves *(details if material)*	-	-
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**	**(116,314)**	**(116,411)**

Intangible and extraordinary items

		Current period			
		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)

		Current year - K'000	Previous year - K'000
3.1	Profit (loss) from ordinary activities after tax attributable to members reported for the *1st* half year (item 1.22 in the half yearly report)	(5,561)	1,120
3.2	Profit (loss) from ordinary activities after tax attributable to members for the *2nd* half year	-	5,658

Condensed balance sheet

		At end of current period K'000	As shown in last annual report K'000	As in last half yearly report K'000
	Current assets			
4.1	Cash	10,828	13,553	15,121
4.2	Receivables	70,195	69,950	70,182
4.3	Investments	-	-	-
4.4	Inventories	-	-	-
4.5	Tax assets	-	-	-
4.6	Other –Held-to-maturity financial assets	-	-	-
4.7	**Total current assets**	**81,023**	**83,503**	**85,303**
	Non-current assets			
4.8	Receivables	3,909	3,909	3,909
4.9	Investments (equity accounted)	-	-	-
4.10	Available-for-sale financial assets	109,556	105,396	83,633
4.11	Inventories	-	-	-
4.12	Exploration and evaluation expenditure capitalised *(see para .71 of AASB 1022)*	-	-	-
4.13	Development properties (+mining entities)	-	-	-
4.14	Other property, plant and equipment (net)	547,894	547,894	547,894
4.15	Intangibles (net)	-	-	-
4.16	Tax assets	-	-	-
4.17	Other –General Provision	(350,000)	(350,000)	(350,000)
4.18	**Total non-current assets**	**311,359**	**307,199**	**285,742**
4.19	**Total assets**	**392,382**	**390,702**	**371,045**
	Current liabilities			
4.20	Payables	6,801	3,720	3,019
4.21	Interest bearing liabilities	-	-	-
4.22	Tax liabilities	-	-	-
4.23	Provisions exc. tax liabilities	-	-	-
4.24	Other (provide details if material)	-	-	-
4.25	**Total current liabilities**	**6,801**	**3,720**	**3,019**
	Non-current liabilities			
4.26	Payables	4,517	4,517	4,517
4.27	Interest bearing liabilities	-	-	-
4.28	Tax liabilities	6,759	6,759	6,759
4.29	Provisions exc. tax liabilities	13,913	13,913	22,073
4.30	Other (provide details if material)	-	-	-
4.31	**Total non-current liabilities**	**25,189**	**25,189**	**33,349**

4.32	**Total liabilities**	**31,990**	**28,909**	**36,368**
4.33	**Net assets**	**360,392**	**361,793**	**334,677**

Condensed balance sheet continued

	Equity			
4.34	Capital/contributed equity	401,063	401,063	401,063
4.35	Reserves	75,643	71,483	50,025
4.36	Retained profits (accumulated losses)	(116,314)	(110,753)	(116,411)
4.37	**Equity attributable to members of the parent entity**	**360,392**	**361,793**	**334,677**
4.38	Outside +equity interests in controlled entities	-	-	-
4.39	**Total equity**	**360,392**	**361,793**	**334,677**

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

		Current period K'000	Previous corresponding period - K'000
	Cash flows related to operating activities		
7.1	Receipts from customers	-	-
7.2	Payments to suppliers and employees	(4,983)	(6,757)
7.3	Dividends received from associates	-	-
7.4	Other dividends received	1,621	1,879
7.5	Interest and other items of similar nature received	101	17
7.6	Interest and other costs of finance paid	-	-
7.7	Income taxes paid	-	-
7.8	Other (provide details if material)	-	-
7.9	**Net operating cash flows**	**(3,261)**	**(4,861)**
	Cash flows related to investing activities		
7.10	Payment for purchases of property, plant and equipment	-	-
7.11	Proceeds from sale of property, plant and equipment	-	-
7.12	Proceeds from available-for-sale-assets	-	19,500
7.13	Proceeds from held-to-maturity 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**	**-**	**19,500**
	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**	(3,261)	14,639
7.24	Cash at beginning of period *(see Reconciliation of cash)*	13,553	1,387
7.25	Exchange rate adjustments to item 7.25.	536	(905)
7.26	**Cash at end of period** *(see Reconciliation of cash)*	10,828	15,121

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.		Current period K'000	Previous corresponding period - K'000
8.1	Cash on hand and at bank	10,828	15,121
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)*	**10,828**	**15,121**

Other notes to the condensed financial statements

Ratios		Current period	Previous corresponding Period
9.1	**Profit before tax / revenue** Profit (loss) from ordinary activities before tax (*item 1.5*) as a percentage of revenue (*item 1.1*)	(215.3%)	18.8%
9.2	**Profit after tax / +equity interests** Net profit (loss) from ordinary activities after tax attributable to members (*item 1.11*) as a percentage of equity (similarly attributable) at the end of the period (*item 4.37*)	(1.54%)	0.33%

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.

Current year: (1.39) toea

Previous year: 0.28 toea

Diluted EPS is the same as Basic EPS

NTA backing *(see note 7)*	Current period Kina	Previous corresponding Period - Kina
11.1 Net tangible asset backing per +ordinary security	0.898	0.835

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? *(Preliminary final report only)*	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	*(Preliminary final report only)* **Final dividend:** Current year	Nil	Nil	Nil
15.5	Previous year	Nil	Nil	Nil
15.6	*(Half yearly and preliminary final reports)* **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 *(each class separately)*	-	-
15.11 Preference +securities *(each class separately)*	-	-
15.12 Other equity instruments *(each class separately)*	-	-
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':	Current period K'000	Previous corresponding period - 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*)	
17.1 Equity accounted associates and joint venture entities	Current period	Previous corresponding period	Current period K'000	Previous corresponding period - $K'000
	-	-	-	-
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 (see note 14) (toea)	Amount paid up per security (see note 14) (toea)
18.1	**Preference +securities** *(description)*	-	-	-	-
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	-	-
18.4	Changes during current period (a) Increases through issues (b) Decreases through returns of capital, buybacks	-	-	-	-
18.5	**+Convertible debt securities** (*description and conversion factor)*	-	-	-	-
18.6	Changes during current period (a) Increases through issues (b) Decreases through securities matured, converted	-	-	-	-
18.7	**Options** *(description and conversion factor)*	-	-	*Exercise price*	*Expiry date (if any)*
				-	-
18.8	Issued during current period	-	-	-	-
18.9	Exercised during current period	-	-	-	-
18.10	Expired during current period	-	-	-	-
18.11	**Debentures** *(description)*	-	-		
18.12	Changes during current period (a) Increases through issues	-	-		
	(b) Decreases through securities matured, converted	-	-		

18.13	**Unsecured notes** *(description)*	-	-
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.)

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 noted 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.

Refer Note 1(a) of the 2013 annual report.

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

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.

A draft Bougainville Mining (Transitional Arrangements) Bill (the bill) has been provided to the company which, in its current form and if passed by law, may adversely impact on the mining rights held by the company, including a special mining lease, various other leases for mining purposes and several exploration licences. The company has not made any adjustment to its financial statements for any impacts that might arise should this bill be enacted in its current or in a similar form.

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. Identify: • initial service charges • management fees • other fees	N/A

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 2011	401,063	72,094	(108,434)	364,723
21.2	Total comprehensive income for the period	-	(17,931)	(3,779)	(21,710)
21.3	Balance at 30 June 2011	401,063	54,163	(112,213)	343,013
21.4	Total comprehensive income for the period	-	(20,620)	106	(20,514)
21.5	Balance at 31 December 2011	401,063	33,543	(112,107)	322,499
21.6	Total comprehensive income for the period	-	(2,503)	(3,259)	(5,762)
21.7	Balance at 30 June 2012	401,063	31,040	(115,366)	316,737
21.8	Total comprehensive income for the period	-	20,089	(2,165)	17,924
21.9	Balance at 31 December 2012	401,063	51,129	(117,531)	334,661
21.10	Total comprehensive income for the period	-	(1,104)	1,120	16

21.11	Balance at 30 June 2013	401,063	50,025	(116,411)	334,677
21.12	Total comprehensive Income for the period	-	21,458	5,658	27,116
21.13	Balance at 31 December 2013	401,063	71,483	(110,753)	361,793
21.14	Total comprehensive Income for the period	-	4,160	(5,561)	(1,401)
21.15	Balance at 30 June 2014	401,063	75,643	(116,314)	360,392

Compliance statement

1 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 2014:

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 2014 and of its performance, as represented by the results of its operations and it's cash flows for the half year ended on that date;

except that the results of the company for the six months ended 30 June 2014 have been in the opinion of the directors, substantially affected by events of a material and unusual nature as noted in the annual report dated 31 December 2013. The accounts have been prepared with the inclusion of the company's mine assets at their 1 January 1991 book value, with a separate general provision of K350 million having been made in 1991 for the value of the indeterminate level of deterioration, damage and pilferage of assets which has occurred in the period since the withdrawal of company personnel from Bougainville in early 1990. While the directors have made this impairment provision in good faith based on the limited information available to them, it must be recognised that the actual extent of the necessary write-downs can only be established when access to the mine site by appropriate company representatives is again possible. Accordingly, the 1991 provision may eventually prove to be above or below the sum which is necessary to reflect these losses. The directors believe that in the absence of reliable information and the lack of a more suitable alternative, this is the only appropriate basis to use, despite the current cessation of operations.

4 A draft Bougainville Mining (Transitional Arrangements) Bill (the bill) has been provided to the company which, in its current form and if passed by law, may adversely impact on the mining rights held by the company, including a special mining lease, various other leases for mining purposes and several exploration licences. The company has not made any adjustment to its financial statements for any impacts that might arise should this bill be enacted in its current or in a similar form.

Independent Auditor's Review Report

to the Directors of Bougainville Cooper Limited

Report on the half-year condensed financial statements

We have reviewed the accompanying condensed financial statements of Bougainville Cooper Limited (the Company), which comprise the condensed balances sheet as at 30 June 2014, and the condensed statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year then ended, and other explanatory notes.

The half-year condensed financial statements do not contain all the disclosures required for the full financial statements under generally accepted accounting practice in Papua New Guinea. Reading these condensed financial statements, therefore, is not a substitute for reading the annual financial statements of the Company.

Directors' responsibility for the half-year condensed financial statements

The Directors are responsible for the preparation of these financial statements such that they present fairly the matters to which they relate in accordance with generally accepted accounting practice in Papua New Guinea and for such internal controls as the Directors determine are necessary to enable the preparation of half-year financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year condensed financial statements based on our review. We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' in order to state whether, on the basis of the procedures described, anything has come to our attention that makes us believe that the half-year financial statements do not present fairly the matters to which they relate. As the auditor of the Company, ISRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial statements.

A review of half-year financial statements consists of making enquiries, 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 disclaimer of conclusion

The financial statements of the Company for the half-year ended 30 June 2014 have been prepared with the inclusion of the Company's mine assets at their 31 December 1991 book value of K198 million. This book value is net of a separate impairment loss provision of K350 million having been made in 1991 for the value of the indeterminate level of deterioration, damage and pilferage of assets which has occurred in the period since the withdrawal of Company personnel from Bougainville in 1990. As explained in notes 1(b) and 1 (c) to the annual financial statements for the year ended 31 December 2013, there continues to be considerable uncertainty surrounding the future of the Panguna mine, and the extent of deterioration, damage and pilferage and ultimately control of the Company's assets on Bougainville. While the directors have made the impairment provision in good faith based on the limited information available to them, the actual extent of asset de-recognition and impairment

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adjustment can only be established when access to the mine site by appropriate company representatives is again possible or when a reliable market value for the Panguna mine assets can be determined.

In our view, providing for the probable impairment loss from deterioration, damage, pilferage or loss of control is the appropriate accounting treatment for the actual impairment or loss which will have occurred in the period from 1990 to 30 June 2014. However, as the actual extent of such impairment or loss cannot presently be established, the recoverable amount of the Company's assets on Bougainville is not capable of reliable measurement or estimation. Accordingly the impairment provision may eventually prove to be above or below the sum which is necessary to reflect this impairment and loss. In the absence of all the necessary information and explanations we require, and for the reasons set out above, we are unable to form a conclusion as to whether or not the impairment provision against the carrying amount of mine assets of K350 million is adequate or not and therefore whether the carrying value of the mine assets is reasonable stated. The mine assets are also not being depreciated, which is a departure from International Financial Reporting Standards.

The half-year condensed financial statements reflect a provision of K13.9 million for compensation for which the Company may be liable. The Company may have other compensation, mine rehabilitation and stabilisation obligations. For the same reasons as set out above in relation to mine assets, the Company's actual liability for these costs is subject to significant uncertainty, and we are unable to form a conclusion as to whether provisions are reasonable or not.

The values attributed to the mine assets and the liabilities for compensation, rehabilitation and stabilisation are significant or potentially significant to the half-year condensed financial statements and are of fundamental importance to the presentation of the half-year condensed financial statements. In view of the significance of these matters we are unable to form a conclusion as to whether or not the half-year condensed financial statements present fairly the financial position of the Company as at 30 June 2014 and its performance for the half-year ended on that date.

Disclaimer of conclusion
Based on our review, which is not an audit, because of the significance of the matters described in the basis for disclaimer of conclusion paragraphs above, we have not been able to obtain sufficient appropriate information to provide to provide a basis for a conclusion on the half-year condensed financial statements. Accordingly, we do not express a conclusion on the half-year condensed financial statements of the Company.

Report on other matters
We advise in relation to our review of the condensed financial statements for the half-year ended 30 June 2014:

1. nothing has come to our attention to suggest proper accounting records have not been kept by the Company

2. with the exception of the matters described above, we obtained all the information and explanations that we have required;

Independent Auditor's Review Report

Bougainville Copper Limited

3. we have no relationship with, or interests in, the Company other than in our capacities as auditor and tax advisors. These services have not impaired our independence as auditor of the Company.

Restriction on distribution or use

This report is made solely to the Directors of the Company, as a body. Our review work has been undertaken so that we might state to the Directors those matters which we are required to state to them in our review report and for no other purpose. We do not accept or assume responsibility to anyone other than the Directors of the Company, as a body, for our review work, for this report or for the conclusions we have formed.

PricewaterhouseCoopers

GE Burns
Engagement leader
Port Moresby

SC Beach
Partner
Registered under the Accountants Registration Act

8 August 2014