



BOUGAINVILLE COPPER LIMITED (BOC)

The directors of Bougainville Copper Limited announce the following results of the company for the six months ended 30 June 2020 together with comparable results for the six months to 30 June 2019. An update of recent events is also included. The results have been independently reviewed.

The result for the six months ended 30 June 2020 for the group was a net operating loss of K4.5 million (AUD\$2.0m) compared to net loss of K3.9 million (AUD\$1.61m) in the corresponding period last year.

The results of the Bougainville Copper Foundation Limited have been consolidated.

Financial Results	Consolidated 2020 K'000	Consolidated 2019 K'000
Income		
Interest	5	4
Dividends	1,538	2,921
	1,543	2,925
Less: General and administration expenses	5,564	6,313
Depreciation	520	525
Net Profit / (loss) after tax	(4,541)	(3,913)
 Average AUD\$/Kina exchange rate for the period	 0.4357	 0.4119
Equivalent net loss in AUD\$'000	\$ (1,978)	\$ (1,612)

Total expenditure in the first half of 2020 decreased compared to the corresponding period in 2019. This resulted in savings of K749,000. Stakeholder engagement, communications and media, and community projects were key areas where spending was reduced. This was in part a reflection of a restricted operating environment in PNG and Bougainville due to local restrictions associated with the global coronavirus pandemic.

Dividend income from the Company's investments in ASX listed shares reduced to K1.54 million compared to K2.92 million in 2019.

Investments of K21.7 million were realised during the period with the K8.9 million fair value gain accumulated in reserves transferred within equity to retained earnings. During the period K13.9 million was reinvested in ASX listed equities. The Company does not expect it will need to realise investments to fund operations until 2021.

The value of ASX listed investments reduced as the COVID-19 pandemic continues to affect world markets. We have observed an increase in the listed share values since 30 June 2020.

Events of Significance

Overview

Like many other companies, Bougainville Copper's activities in 2020 have been constrained due to the measures introduced in PNG and Bougainville in response to the global coronavirus pandemic.

The Company has also continued to take a respectful and deliberately low-key approach to its engagement, following Bougainville's historic referendum and as it conducts general and presidential elections. Polling commenced on 12 August and vote counting will commence 2 September. 440 candidates are contesting 40 seats in the House of Representatives and 25 candidates are standing for president. Numerous candidates have expressed support for mining and the Company will seek to work constructively with the new government and president regarding the Panguna project.

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) is expected to proceed in the PNG National Court in the last quarter of 2020.

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

Company Shareholdings

Following the referendum in December 2019, PNG Prime Minister James Marape, committed to transferring the Independent State of PNG's 36.4 per cent shareholding in the Company to the people of Bougainville. This transfer has yet to occur.

Mining Law Legislation

In late January 2019, the ABG introduced three bills to Bougainville's parliament that if passed would result in significant changes to local mining laws. The bills were met with widespread community opposition, including by landowners who felt their rights would be eroded if they were to pass. After deferring further consideration of the bills until after the referendum, they were reintroduced into parliament in March 2020 but failed to pass.

Community Engagement

Bougainville Copper has continued to maintain positive relations with the project area's customary landowners, including with the Panguna Development Company Limited (PDCL). The PDCL is a company 100 per cent owned and operated by landowners and its board of directions are registered agents for blocks in the project area. Bougainville Copper provides modest assistance to the PDCL during its establishment phase.

The Company has also continued to provide support for community projects and



activities although at reduced levels due to the restricted operating environment. Village Liaison Officers have remained engaged with local communities.

Bougainville Copper has been active in promoting community health information during the pandemic via its Facebook page which is an important source of local news.

The Company has also provided sponsorship for a weekly community health radio program which is an initiative of the Bougainville Health Department and New Dawn FM. The program commenced in February.

2020 Dividend

The Directors have not declared a dividend in respect of the six months ended 30 June 2020.

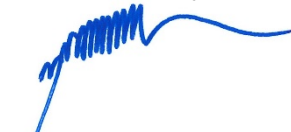
Borrowing

No borrowings were outstanding as of 30 June 2020.

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.

Authorised by 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 2020

Results for announcement to the market

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

K'000

R 000

Revenues from ordinary activities (<i>item 1.1</i>)	Decreased	47.2%	to	1,543
Profit (loss) from ordinary activities after tax attributable to members (<i>item 1.22</i>)	Increased	16.0 %	to	(4,541)
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	16.0%		(4,541)
Dividends (distributions)	Amount per security	Franked amount per security		
Final dividend (<i>Preliminary final report only - item 15.4</i>) 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 2019 annual financial report.

Condensed consolidated statement of comprehensive income

	Consolidated Current period K'000	Consolidated Previous corresponding period K'000
1.1 Revenues from ordinary activities (<i>see items 1.23 –1.25</i>)	1,543	2,925
1.2 Expenses from ordinary activities (<i>see items 1.26 & 1.27</i>)	6,084	6,838
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	(4,541)	(3,913)
1.6 Income tax on ordinary activities (<i>see note 4</i>)	-	-
1.7 Profit (loss) from ordinary activities after tax	(4,541)	(3,913)
1.8 Profit (loss) from extraordinary items after tax (<i>see item 2.5</i>)	-	-
1.9 Net profit (loss)	(4,541)	(3,913)
1.10 Net profit (loss) attributable to outside ⁺ equity interests	-	-
1.11 Net profit (loss) for the period attributable to members	(4,541)	(3,913)
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	-	-
1.15 Increase (decrease) in fair value of investments	(16,615)	5,409
1.16 Other comprehensive income for the period (items 1.12 to 1.15)	(16,615)	5,409
1.17 Total comprehensive income (loss) for the period	(21,156)	1,496

Earnings per security (EPS)

	Consolidated Current period	Consolidated Previous corresponding Period
1.18 Basic EPS	(1.13) toea	(0.98) toea
1.19 Diluted EPS	(1.13) toea	(0.98) toea

Notes to the condensed consolidated statement of comprehensive income

Profit (loss) from ordinary activities attributable to members	Consolidated Current period K'000	Consolidated Previous corresponding period K'000
1.20 Profit (loss) from ordinary activities after tax (<i>item 1.7</i>)	(4,541)	(3,913)
1.21 Less (plus) outside ⁺ equity interests	-	-
1.22 Profit (loss) from ordinary activities after tax, attributable to members	(4,541)	(3,913)

Revenue and expenses from ordinary Activities	Consolidated Current period K'000	Consolidated Previous corresponding period K'000
1.23 Revenue from sales or services	-	-
1.24 Interest revenue	5	4
1.25 Other relevant revenue- Dividends received	1,538	2,921
Foreign exchange gain /(loss)	-	-
1.26 Details of relevant expenses - General and administration expenses Other Administrative Expenses	5,564	6,313
1.27 Depreciation and amortisation excluding amortisation of intangibles (<i>see item 2.3</i>)	520	525
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	Consolidated Previous corresponding period K'000
1.30 Retained profits (accumulated losses) at the beginning of the financial period	(346,545)	(341,961)
1.31 Net profit (loss) attributable to members (<i>item 1.11</i>)	(4,541)	(3,913)
1.32 Net transfers from (to) reserves (<i>realised gains on sale of investments</i>)	8,894	1,428
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	(342,192)	(344,446)

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	Consolidated 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)	(4,541)	(3,913)
3.2	Profit (loss) from ordinary activities after tax attributable to members for the <i>2nd</i> half year	-	-

Condensed Consolidated Balance Sheet

		Consolidated at end of current period K'000	Consolidated as shown in last annual report K'000	Consolidated as in last half yearly report K'000
	Current assets			
4.1	Cash	4,955	1,634	731
4.2	Receivables	985	1,043	777
4.3	Investments	3,000	8,000	6,622
4.4	Inventories	-	-	-
4.5	Tax assets	-	-	-
4.6	Other –Held-to-maturity financial assets	-	-	-
4.7	Total current assets	8,940	10,677	8,130
	Non-current assets			
4.8	Receivables	829	829	829
4.9	Investments	90,018	109,434	104,145
4.10	Inventories	-	-	-
4.11	Exploration and evaluation expenditure capitalised	-	-	-
4.12	Development properties (+mining entities)	-	-	-
4.13	Other property, plant and equipment (net)	1,329	1,410	1,352
4.14	Right-of-use asset	1,104	1,665	1,515
4.15	Intangibles (net)	-	-	-
4.16	Tax assets	-	-	-
4.17	Other –General Provision	-	-	-
4.18	Total non-current assets	93,280	113,338	107,841
4.19	Total assets	102,220	124,015	115,971
	Current liabilities			
4.20	Payables	1,147	1,301	1,718
4.21	Interest bearing liabilities	-	-	-
4.22	Tax liabilities	-	-	-
4.23	Provisions exc. tax liabilities	1,856	1,827	1,933
4.24	Other- lease liability	507	737	404
4.25	Total current liabilities	3,510	3,865	4,055
	Non-current liabilities			
4.26	Payables	194	194	194
4.27	Interest bearing liabilities	-	-	-
4.28	Tax liabilities	6,759	6,759	6,759
4.29	Provisions for compensation	273	244	144
4.30	Other – Lease Liability	711	1,024	1,156
4.31	Total non-current liabilities	7,937	8,221	8,253
4.32	Total liabilities	11,447	12,086	12,308
4.33	Net assets	90,773	111,929	103,663

Condensed consolidated balance sheet continued

Equity		Consolidated at end of current period K'000	Consolidated as shown in last annual report K'000	Consolidated as in last half yearly report K'000
4.34	Capital/contributed equity	401,063	401,063	401,063
4.35	Reserves	31,902	57,411	47,046
4.36	Retained profits (accumulated losses)	(342,192)	(346,545)	(344,446)
4.37	Equity attributable to members of the parent entity	90,773	111,929	103,663
4.38	Outside ⁺ equity interests in controlled entities	-	-	-
4.39	Total equity	90,773	111,929	103,663
4.40	Preference capital included as part of 4.37			
		-	-	-

Notes to the condensed consolidated 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 consolidated statement of cash flows

	Consolidated Current period K'000	Consolidated Previous corresponding period K'000
Cash flows related to operating activities		
7.1 Receipts from customers	-	-
7.2 Payments to suppliers and employees	(4,761)	(5,922)
7.3 Dividends received from associates	-	-
7.4 Other dividends received	1,538	2,921
7.5 Interest and other items of similar nature received	5	4
7.6 Interest and other costs of finance paid	(39)	(61)
7.7 Income taxes paid	-	-
7.8 Receipts from settlement of taxation matters	-	-
7.9 Net operating cash flows	(3,257)	(3,058)
Cash flows related to investing activities		
7.10 Payment for purchases of property, plant and equipment	(98)	(562)
7.11 Proceeds from sale of property, plant and equipment	-	7
7.12 Proceeds from sale of investments	21,659	3,377
7.13 Purchase of investments	(13,858)	-
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	7,703	2,822
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 - Repayment of finance lease liabilities	(324)	(178)
7.22 Net financing cash flows	(324)	(178)
7.23 Net increase (decrease) in cash held	4,122	(414)
7.24 Cash at beginning of period (see Reconciliation of cash)	1,634	1,145
7.25 Exchange rate adjustments to item 7.25.	(801)	-
7.26 Cash at end of period (see Reconciliation of cash)	4,955	731

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	Consolidated Previous corresponding period K'000
8.1 Cash on hand and at bank	4,955	731
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)	4,955	731

Other notes to the condensed consolidated financial statements

Ratios	Consolidated Current period	Consolidated Previous corresponding Period
Profit before tax / revenue		
9.1 Profit (loss) from ordinary activities before tax (item 1.5) as a percentage of revenue (item 1.1)	(294.3%)	(133.8%)
Profit after tax / ⁺ equity interests		
9.2 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)	(5.0%)	(3.8%)

Earnings per security (EPS)

10. Details of basic and diluted EPS reported separately in accordance with paragraph 66 of IAS 33: *Earnings Per Share* are as follows.

Consolidated Current year: (1.13) toea
Consolidated Previous year: (0.98) toea
Diluted EPS is the same as Basic EPS

NTA backing

(see note 7)

	Consolidated Current period Kina	Consolidated Previous corresponding period Kina
11.1 Net tangible asset backing per ⁺ ordinary security	0.226	0.258

Discontinuing Operations

(Entities must report a description of any significant activities or events relating to discontinuing operations in accordance with paragraph 15A – 15B of IAS 34: *Interim Financial Reporting*, or, the details of discontinuing operations they have disclosed in their accounts in accordance with IFRS 5: *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 (<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 16A of IAS 34: 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 K'000	Consolidated 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)	
	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 (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	100	100
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 <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 *IFRS 8: Operation Segment* and for half year reports, *IAS 34: 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 *IAS 34: Interim Financial Reporting*. The comments do not take the place of the directors' report and statement 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 IAS 34: 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 consolidated financial statements" as defined in IAS 34: 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. Tenement EL1

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:

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 10th 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 22nd August 2018. BCL applied for leave to appeal the joinder decision. The leave to appeal was dismissed on 11th March 2019. The application for leave to appeal the joinder was then heard by a three-person bench of the Supreme court on 27th June 2019 and again refused on 6th February 2020, however BCL noted that the difficulty of the question was reflected in the fact that the members of the bench were split as to the proper outcome. PML will now definitely 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 will proceed the in the last quarter of 2020.

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 continue to take all possible steps to protect tenure in Bougainville.

2. Investment Unlisted Investment Fund

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 2018, and 2019 audited financial statements of the investee and the investee is unable to confirm the value of units held by the various investors.

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.

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 *IAS 34: Interim Financial Reporting*. Disclose changes in accounting policies in the preliminary final report in accordance with *IAS 8: 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.

The company has made provision for statutory compensation for the 1990 year of operation, inclusive of interest. Payments commenced in February 2017 and 88.9% has been paid up to 31 July 2020 (87.9% 31 July 2019).

A further claim has been made from another mine affected landowner group. Discussions with the land group to determine the amount, if any, of statutory compensation that may be due, have been put on hold until the judicial review as noted in 19.2.1 is resolved. 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 Consolidated 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 2018	401,063	60,165	(335,443)	125,785
21.2	Total comprehensive income for the period	-	(7,215)	(7,193)	(14,408)
21.3	Transfer to retained earnings on sale of investments	-	(2,569)	2,569	-
21.4	Balance at 30 June 2018	401,063	50,381	(340,067)	111,377
21.5	Total comprehensive income for the period	-	(5,762)	(3,448)	(9,210)
21.6	Transfer to retained earnings on sale of investments	-	(1,554)	1,554	-
21.5	Balance at 31 December 2018	401,063	43,065	(341,961)	102,167
21.6	Total comprehensive income for the period	-	5,409	(3,913)	(1,496)
21.7	Transfer to retained earnings on sale of investments	-	(1,428)	1,428	-
21.8	Balance at 30 June 2019	401,063	47,046	(344,446)	103,663
21.9	Total comprehensive income for the period	-	12,995	(4,729)	8,266
21.10	Transfer to retained earnings on sale of investments	-	(2,630)	2,630	-
21.9	Balance at 31 December 2019	401,063	57,411	(346,545)	111,929
21.10	Total comprehensive income for the period	-	(16,615)	(4,541)	(21,156)
21.11	Transfer to retained earnings on sale of investments	-	(8,894)	8,894	-
21.1	Balance at 30 June 2020	401,063	31,902	(342,192)	90,773

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 2020:
- 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 2020 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 interim consolidated balance sheet of Bougainville Copper Limited (the Company) and its subsidiary (the Group) as at 30 June 2020 and the related condensed interim consolidated 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 interim consolidated financial information in accordance with International Accounting Standard 34, 'Interim Financial Reporting'. Our responsibility is to express a conclusion on this condensed interim consolidated 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 with a carrying value of K1.1 million at 30 June 2020. Management has not been provided with audited financial statements of the investee at 30 June 2020 and there is currently no active market for the sale of units in the investment fund. As a result, we have been unable to satisfy ourselves as to the valuation of K1.1 million of the investments recognised at 30 June 2020.

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 interim consolidated financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34, 'Interim Financial Reporting'.

Emphasis of matter

Without qualifying our conclusion, 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.

PricewaterhouseCoopers,

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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 conclusion we have formed.

PricewaterhouseCoopers

PricewaterhouseCoopers

A handwritten signature in blue ink, appearing to read 'J Grasso'.

Jonathan Grasso
Engagement Leader

A handwritten signature in blue ink, appearing to read 'Alison Judd'.

Alison Judd
Partner
Registered under the Accountants Act 1996

Port Moresby
31 August 2020