



BOUGAINVILLE
COPPER LIMITED

Notice to ASX - BOC

29 April 2021

**Annual General Meeting 29 April 2021
Bougainville Copper Limited**

The following was presented at the Annual General Meeting held in Port Moresby, Papua New Guinea, and broadcast online via the Lumi shareholder platform today.

This presentation has been posted on the Bougainville Copper website www.bcl.com.pg in the "Latest News" tab.

By order of the Board



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Company Secretary

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Chairman's Address

2021 Annual General Meeting

Bougainville Copper Limited (ASX:BOC)

29th April 2021

AGM Welcome

On behalf of the board and management, I welcome you to the 2021 Annual General Meeting (AGM) of Bougainville Copper Limited.

As Chairman the AGM provides me with an opportunity to make a statement regarding the affairs of the Company, including the latest financial results.

Copies of this statement are available here in the room and for those joining us online, it will also be made available on the ASX announcements platform, the Company web site and Facebook page.

Overview

Bougainville Copper, like many companies around the world, faced a constrained operating environment in 2020 due to the global Coronavirus pandemic.

While travel restrictions and other measures introduced in Papua New Guinea and Bougainville were limiting, the Company maintained an active local presence through the work of our engagement team.

Bougainville held general and presidential elections in 2020 with former revolutionary commander, peacemaker and cocoa farmer Ishmael Toroama elected President. For the first time two women have been appointed to cabinet, including community development advocate and activist Theonila Matbob as Minister for Education. In a notable achievement, she was elected in loro, an open seat contested by both men and women, which takes in part of the Panguna project area.

In January 2021, a byelection for the Bougainville regional seat in Papua New Guinea's national parliament was also held and won by former sports administrator and businessman Peter Tsiamalili Jr who is pro-development and advocates unity.

The sense of hope and optimism about Bougainville's future that followed the 2019 referendum in which 98 per cent voted for independence from PNG, appears to be sustained with the election of a new president and government who have been entrusted to negotiate the referendum's outcome with the national government. There is also greater focus on developing Bougainville's economy with mineral development a key area of consideration.



The PNG government and the Autonomous Bougainville Government (ABG) continue to hold equal shares in Bougainville Copper of 36.4 per cent, but the national government has undertaken to transfer its shares to the ABG for the benefit of the people of Bougainville.

In late 2020, mine-affected landowner associations passed a resolution that 17.4 per cent of the national government shareholding should be distributed among their nine associations. The share transfers are yet to occur and remains subject to an ongoing process.

The Company is pleased to have strengthened relationships with tenement customary landowners in 2020. This includes the Panguna Development Company Limited (PDCL) whose membership comprises tenement landowners, including block agents appointed by the Land Titles Commission. The PDCL has become a prominent voice and Bougainville Copper is supportive of its efforts to unify landowners and provide leadership on their behalf.

The PDCL along with eight of nine mine-affected landowner associations and chairs of three Panguna district community governments have taken steps to commence dialogue with the Toroama government about the future of the Panguna mine.

Notably, the group publicly expressed support for Bougainville Copper's involvement in this process given the majority ownership stake that Bougainville will have in the Company today. It also acknowledged that our Company continued to have a positive presence on Bougainville and was respectful and helpful in its dealings with local people.

Notwithstanding these gains, uncertainty continues regarding Bougainville Copper's project tenure rights. In April 2018, the Company was granted leave in the PNG National Court for a Judicial Review of the January 2018 decision by the Momis government to refuse an extension of Bougainville Copper's EL1 Exploration Licence (covering Special Mining Lease 1 at Panguna). The Company maintains the process was legally and procedurally flawed.

The courts granted a stay against the ABG from giving effect to or relying on its decision of refusal and therefore EL1 is deemed to continue until a determination by the court or any lawful reconsideration by the ABG. The Judicial Review is expected to proceed in 2021.

Bougainville Copper is resolute in taking all reasonable steps to protect project tenure in the interest of all shareholders. The Company remains committed to respectful and constructive engagement with the ABG in effort to find timely resolution, but also confident that our rights would be ultimately upheld through the Judicial Review process.

Financial Results

For the year ended 31st December 2020, the Group recorded a loss of K6.6 million compared to a loss of K8.6 million in the previous year. Expenditure continued to be concentrated on tenure issues, stakeholder engagement and small-scale community projects and activities. The Company has total consolidated net assets of K121 million with sufficient funds to cover planned recurrent expenditure in 2021 and remains debt free.

Bougainville Copper will not pay a dividend.

Liquid & Total Assets



As of 31st December 2019, the Company's liquid assets included K3.06 million in cash and equivalents and K118.4 million in Australian equity investments. The fair valuation of the Company's equity investments increased by K15.7 million with realised gains on sales of investments for the year of K8.9 million. Equities are only sold when necessary to fund ongoing Company operations.

The Board

There have been no changes to the composition of the Board of Directors in 2020. The Company is however continuing the process of identifying additional, suitably qualified Bougainvillean candidates for board positions. This is consistent with the board's orderly transition from a caretaker role.

Environmental and Social Issues

In September 2020, The Human Rights Law Centre in Australia filed a complaint with the Australian OECD National Contact Point (Aus NCP) against Rio Tinto, on behalf of 156 Bougainville community members, about environmental and social issues arising from Rio Tinto's historic interest in the Panguna mine, as the majority shareholder of Bougainville Copper during the operation of the mine site.

Rio Tinto has entered into discussions with those who have filed the complaint as well as with other relevant parties, including Bougainville Copper, the ABG and PNG government about possible ways forward regarding these issues. These ongoing discussions are encouraging.

Landowner Compensation

In February 2017, Bougainville Copper commenced payment of K14.6 million to 2,123 landowners in agreed compensation for the period March 1990 to March 1991. Since then, more than 98 per cent of payments have been made to individual landowners. K1.36 million in Social Inconvenience Compensation has been provided for the area covered by the previous SML. Discussions with landowners remain ongoing with regard to appropriate distribution of these payments.

Bougainville Copper Foundation

The Bougainville Copper Foundation (BCF) is a fully owned subsidiary of Bougainville Copper and operates as a 'not for profit Company' in supporting sponsorship for students. Due to the continued uncertainty surrounding project tenure, the BCF deferred the awarding of new scholarships for 2020 and 2021.

Governance

Bougainville Copper has governance reporting obligations to the Australian Securities Exchange (ASX). A statement on the Company's compliance with the ASX Corporate Governance Principles and Recommendations is contained in the Annual Report. The Company has also developed and complies with a comprehensive set of charters and policies.



Health and Safety

Bougainville Copper believes that a safe and healthy workforce is essential to the Company's success and sustainability and is committed to achieving zero harm. Work is only undertaken when it is deemed safe to do so. During 2020 for example the Company adapted to the challenges presented by the Coronavirus pandemic in the interests of staff and visitor safety by closing offices during the lockdown period and allowing staff to work remotely.

Community Engagement

Restrictions associated with the Coronavirus pandemic limited the scope of the Company's community interactions in 2020. Having a dedicated team in Bougainville however enabled meaningful engagement with government, customary landowners, community leaders and groups throughout the year.

The Company remained committed to providing community development and supported various local projects and activities, including water supply projects in the villages of Baiaruai and Mimi. Bougainville Copper also provided sponsorship for a number of other activities throughout the year in areas such as education, health, sport and culture.

Conclusion and Looking Ahead

Despite a challenging year, Bougainville Copper made gains in strengthening community relationships in Bougainville and building critical support among project area customary landowners.

The election of a new president and government and a new governor of the Autonomous Region of Bougainville, through the regional seat byelection, also gives cause for optimism that greater clarity and direction will be provided in the year ahead regarding Bougainville's plans for economic recovery.

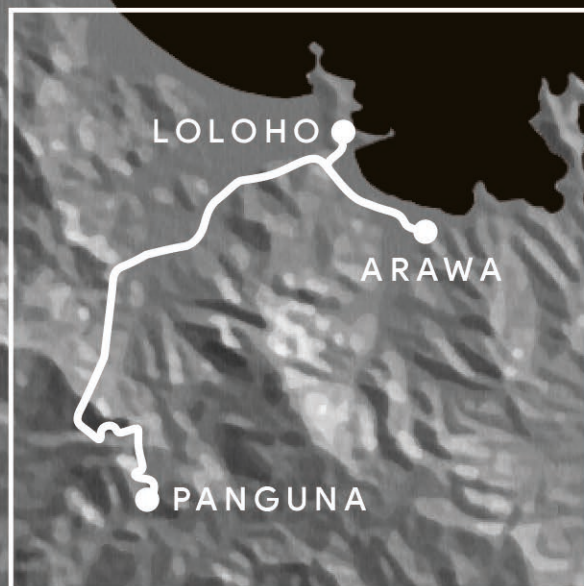
As a local company in which the people of Bougainville will have a majority ownership stake, we firmly believe Bougainville Copper is well-placed as a prospective redevelopment partner for the Panguna mine and this is something we will continue to strive for.

20 21

ANNUAL
GENERAL
MEETING



BOUGAINVILLE
COPPER LIMITED







Overview

- Bougainville Copper remained active in Bougainville despite COVID restrictions
- Bougainville held general and presidential elections in 2020 with former revolutionary commander Ishmael Toroama elected president
- 2 women appointed to cabinet for the first time
- Businessman Peter Tsimalili Jnr wins Bougainville regional seat in National Government
- One key ABG focus is to develop Bougainville's economy with mineral development a key area of consideration



Overview

- National Government and ABG continue to hold equal shares in Bougainville Copper of 36.4%
- Late 2020, mine-affected landowners passed a resolution that 17.4% of the National Government shareholding should be distributed among their 9 associations
- BCL retains strong levels of support, particularly with the Panguna Development Company Limited (PDCL)
- BCL remains best value development proposition
- Judicial Review ongoing



Financial Results

Year Ended December 31, 2020

- Consolidated loss of K6.6 million (2019: K8.6m)
- Total consolidated net assets K121m
- Company remains debt free
- BCL will not pay a dividend

Liquid & Total Assets

- ❑ Investments K118.4m (Australian listed equities)
- ❑ Cash and equivalents K3.06m
- ❑ Fair valuation of Company investments increased K15.7m
- ❑ Realised gains on sales of investments K8.9m



The Board

- The composition of the BCL board has remained unchanged since the last AGM
- Actively pursuing additional Bougainvillean appointments



Board members at the 2018 Annual General Meeting

Environmental and Social Issues

- In September 2020, The Human Rights Law Centre in Australia filed a complaint with the Australian OECD National Contact Point (Aus NCP) against Rio Tinto
- Rio Tinto has entered into discussions with those who have filed the complaint and other relevant parties
- Discussions are positive and continuing



Governance

- ASX compliance statement in Annual Report
- Company charters and policies can be found on web site
- Board reviews quality of risk assessments and mitigation actions
- BCL adheres to the highest ethical standards

Health and Safety

- Workplace safety essential to success and sustainability



Community Engagement



BCL supported a range of community activities and initiatives, including:

- **Water supply in Baiaruai and Mimi Village**
- **Women's sewing training in Ioro**
- **Vanilla Bean Farmer training**
- **Providing prizes for top performing students at Arawa Secondary School, EL01 Upper Primary School and Tonu Secondary school**



The Company also financed events such as:

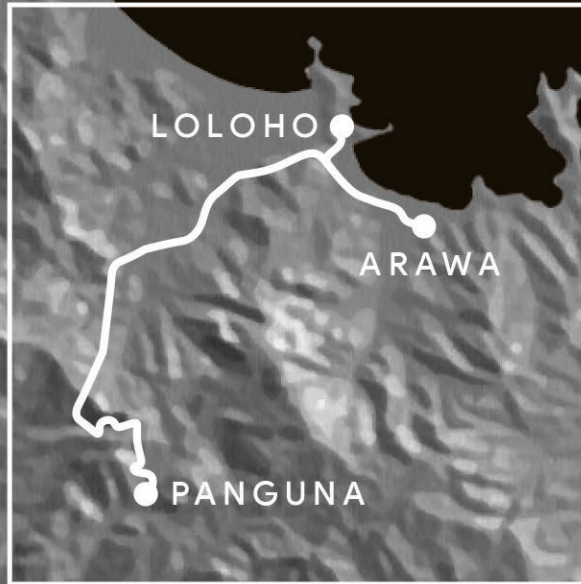
- **New Dawn FM coverage of Christmas Carols**

Conclusion & Looking Ahead

- Bougainville Copper made gains strengthening community relationships in Bougainville
- Critical support was built among project area customary landowners
- New ABG, President and Governor for AROB gives cause for optimism that greater clarity and direction will be provided
- Committed to promoting unity and contributing positively to Bougainville's future
- Continue to act in best interests of shareholders

Updates about BCL are reported to the ASX and can be found on our web site. Follow us on Facebook and LinkedIn @BougainvilleCopper

Questions



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