



Notice to ASX

11 February 2019

PROPOSED AMENDMENTS TO THE BOUGAINVILLE MINING ACT 2015

The Autonomous Bougainville Government (**ABG**) introduced three bills into parliament on 31st January 2019. If passed, there will be significant changes to Bougainville's mining laws.

The bill seeking to amend the *Bougainville Mining Act 2015* (**BMA**) would allow a recently formed company – Bougainville Advance Mining Limited, which appears to be registered in the British Virgin Islands, to be issued with a special mining licence with scope to grant the company large-scale mining leases **over all land** in Bougainville, without adherence to the robust requirements of the current BMA to protect the rights of landowners.

Bougainville introduced mining laws and regulations in 2015 designed to rebalance Bougainville's mineral rights after a lengthy period of stakeholder consultation. It is the view of the board of Bougainville Copper Ltd (ASX:BOC) that the BMA does not need to be changed and any new investor should be able to work within the existing legal framework.

The proposed amendments to the BMA are also at odds with the ABG's decision to place an indefinite moratorium over Panguna. The ABG had in fact maintained that there should be no discussions regarding mining activities at Panguna until after the referendum.

Bougainville Advanced Mining Limited will allegedly be 40 per cent owned by a newly-formed company Caballus Mining which is purportedly owned by Mr Jeffery McGlenn and other unknown foreign investors and sovereign states. Under the model proposed through amending the BMA, 60 per cent of Bougainville Advanced Mining Limited would be owed by the ABG and undefined Bougainvillean landowners.

We understand the mining bills will be the subject of a series of regional public hearings by Bougainville's legislation committee through to the end of February, with the committee's report to be tabled in March before the bills are further considered.

By Order of the Board

A handwritten signature in blue ink, appearing to read 'Mark Hitchcock'.

Mark Hitchcock
Company Secretary