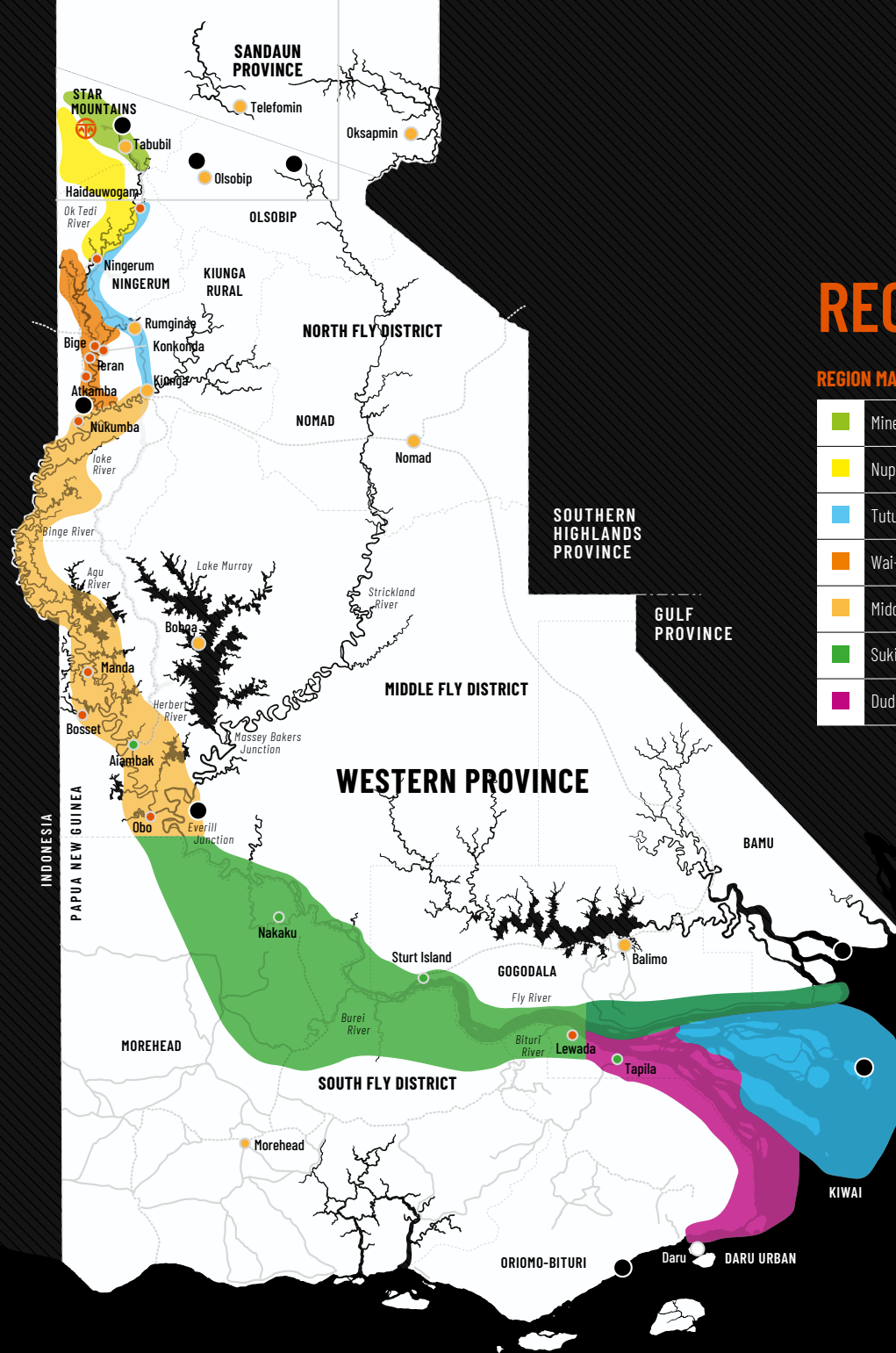


ANNUAL REVIEW 2021

OUR MINE





REGIONAL MAP

REGION MAP KEY

	Mine Area
	Nupmo
	Tutuwe
	Wai-Tri & Alice River
	Middle Fly
	Suki Fly Gogo
	Dudi - South Bank

	Manawete - North Bank
	Kiwaba
	International Border
	Provincial Border
	District Boundary
	Local Level Government Boundary
	Main Highway (Tabubil - Mill)

	Provincial Road
	Proposed Road
	Major OTML Environmental Monitoring Stations
	Sub District
	OTDF Field Base
	Mine Project Site
	Existing Representative Monitoring Sites



ARAFURA SEA

THE OK TEDI VISION IS:

TO BE THE LEADING
PNG MINING COMPANY
SETTING THE BENCHMARK
ACROSS ALL ASPECTS OF
BUSINESS IN PNG.

COVER IMAGE — ROBERT TAPLEYOK — WASTE MANAGEMENT OFFICER.

"An important part of my job at Ok Tedi is to manage industrial, municipal (general waste), putrescible waste, chemical and hydrocarbon waste including hospital or biohazardous waste. It is important to ensure these wastes are disposed of correctly so that we minimise the impact on the environment."

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HIGHLIGHTS

ECONOMIC

- > Contributed **3.4%** of PNG's GDP
- > **PGK 376 M** profit after tax
- > **PGK 450 M** dividend paid
- > Provided **USD 675 M** foreign currency into PNG market

SAFETY & OCCUPATIONAL HEALTH

- > The Total Recordable Injury Frequency Rate was **0.54**
- > Lost time injuries: **1**

SOCIAL

- > Total awarded contracts to PNG companies **PGK 651 M**
- > Contributed **PGK 35 M** to Tax Credit Scheme infrastructure projects
- > Procured **39%** of the total value of goods and **77%** of service contracts from PNG businesses
- > Responded to **96%** of community complaints and grievances

PEOPLE

- > **98%** of the workforce is of Papua New Guinean origin
- > **25%** from the Western Province and preferred area
- > **12%** female workforce
- > Workforce of **2,577**, including 88 trainees
- > Invested **PGK 127.9 M** on education and training of graduates, apprentices, trade trainees and school and university scholarships

ENVIRONMENTAL

- > Mine invested **PGK 161.8 M** in environmental mitigation programs
- > New 400 Mt engineered waste rock dump **approved** by OTML Board for construction

SINCE THE START OF MINING OPERATIONS IN 1984, OTML HAS PRODUCED:

5.09 MILLION TONNES **COPPER**

PKG **12.7** BILLION
> **DIVIDENDS**
TO PNG SHAREHOLDERS

PKG **450** MILLION
> **TAX CREDIT SCHEME**
(1997-2021)

15.6 MILLION OUNCES **GOLD**

PKG **811** MILLION
> **CMCA PAYMENT**
(2001 - 2021)

PKG **9.8** BILLION
> **TAXES/DUTIES**

35.8 MILLION OUNCES **SILVER**

PKG **1.4** BILLION
> **COMPENSATION**

PKG **4.5** BILLION
> **ROYALTIES**

To learn more about OTML and this annual review, visit: www.oktedi.com
or contact: corporate-social-responsibility@oktedi.com



OUR MINE OUR PRIDE OUR FUTURE

100% PNG OWNED COMPANY.
COMMITTED TO “NOBODY GETS HURT”.

EDWINA NICODIMAS – GRADUATE TRAINEE 2ND YEAR.

“As a graduate mining engineer, not only am I being trained in my field of study, but I have also had the opportunity to undergo other training such as learning how to operate a HT793 truck, design drill and blast patterns, and plan mine operations in accordance with mine plans and standards.”

OK TEDI
MINING
EDWINA NICODIMAS

MINING — EXCAVATORS LOAD BLASTED ROCK CONTAINING COPPER, GOLD AND SILVER INTO HAUL TRUCKS THAT TRANSPORT THE ORE TO THE PROCESSING PLANT TO EXTRACT THE VALUABLE METALS.



COMPANY PROFILE

Ok Tedi Mining Limited (OTML, or the Company) is proudly a 100% owned Papua New Guinea (PNG) company which has been mining copper, gold and silver at Mt Fubilan open pit operations for over 38 years.

OTML operates in a remote part of Western Province, with the registered office and senior management team located in Tabubil. Support operations are based in Tabubil, Kiunga Port and Bige. OTML also has a representative office in Port Moresby and a marketing logistics office in Brisbane, Australia.

Benefits from the mine are directed to Western Province communities, specifically the Mine Villages, Community Mine Continuation Agreement (CMCA) communities, the Fly River Provincial Government (FRPG) and the Independent State of PNG. Success is measured by safety performance, financial performance, social development indicators and the management and mitigation of environmental impacts.

REPORT BOUNDARY

This Annual Review relates to the material activities of the Ok Tedi mining operations comprising the mining and processing of ore from the Mt Fubilan deposit, the transportation of slurry concentrates to Kiunga and shipping the dried concentrate to a silo vessel in Port Moresby for export. This report does not cover the copper concentrate product after transfer from the Company's silo vessel onto export vessels.

This Annual Review covers the 2021 calendar year with 2020 comparatives (where available), and also includes forward looking information for 2022. Historical data can be found on the Ok Tedi website (<https://oktedi.com/>) in previous Annual Reviews.

The 2021 Annual Review has been split into two volumes, the Main Report and the Financial Statements (including assurance and GRI reporting). Both e-copies are available on the website, and printed copies are available from OTML.

The Financial Statements have been prepared in accordance with the PNG Companies Act of 1997, the International Financial Reporting Standards (IFRS) and other generally accepted PNG accounting practices. External auditor, PricewaterhouseCoopers (PwC) has verified the financial statements, and these are included in this report.

The Global Reporting Initiative (GRI) Standards guidelines have been used to guide the disclosure of non-financial material information. The GRI reporting has been selectively verified externally by Materiality Counts Pty Ltd and the verification statement is included in the Financial Statements.

OTML's performance data is presented in the metric system. Unless otherwise stated, all monetary amounts are quoted in PGK (Papua New Guinea Kina) and/or USD (United States Dollars).

CHANGES AND/OR RESTATEMENTS FOR THE 2020 ANNUAL REVIEW

If erroneous data or information was published in the 2020 Annual Review, then acknowledgement of the error/s is mentioned and rectified in this Annual Review.

In the 2020 AR, the percentage of service contractors from PNG businesses was reported as 49%. In 2021, we are changing reporting to capture the percentage of the total value of service contracts from PNG businesses. The 2020 corrected number according to this measure was 92%.









THE OK TEDI VISION IS:

TO BE THE LEADING PNG MINING COMPANY SETTING THE BENCHMARK ACROSS ALL ASPECTS OF BUSINESS IN PNG.

OTML has been operating successfully in PNG for over 38 years extracting copper, gold and silver from the Mt Fubilan open pit.

Our goal is that “nobody gets hurt, operating as one integrated team from Pit to Port; a high-performance organisation with employees proud to be part of a successful PNG-owned company”.

The Ok Tedi Values that guide expected behaviours of all people in our Company are:

-  **SAFETY, ENVIRONMENT** – we care about our employees’, business partners’ and our communities’ well-being.
-  **INTEGRITY** – we expect honesty, trust, fairness, and respect.
-  **ACCOUNTABILITY** – we own our jobs; we meet our commitments.
-  **PERFORMANCE** – we give our best every day and seek to continuously improve.
-  **TEAMWORK** – our goals are common, our successes shared.
-  **SUSTAINABILITY** – we use what we need and conserve what we can.

GRAHAM MARTIN – SUPERINTENDENT MINE OPERATIONS.

“Ensuring safety compliances are adhered to so that people work safely to achieve the daily, weekly and monthly targets is one of my key responsibilities.”



VISION & VALUES

CHAIRMAN & MD/CEO REPORT

The Company experienced a challenging year with the COVID-19 pandemic causing production losses and adding substantial cost. Despite this the Company remained profitable, debt free, and made an annual dividend payment of PGK 450 million (M).

A fire in the processing facility in December 2020 caused one of the processing circuits to be out of production for all of January 2021 and the other circuit to be down for one week. This reduced annual production by approximately 5%, with the cost of repairs approximating PGK 20 M.

The most significant challenge in 2021 was the impact of COVID-19. From the start of the pandemic our key priority has been to protect the health and wellbeing of our workforce, town residents and communities whilst minimising disruption to operations.

A total of 4,300 positive COVID-19 cases were recorded from 141,500 tests conducted across the workforce and the public during the year. A rapid increase in positive cases detected in March 2021 resulted in a 2-week suspension of operations. Production was impacted by ongoing labour shortages due to isolation and our strict quarantine control requirements. The suspension had a direct impact on 2021 revenue, as well as additional labour costs associated with funding wages for people in isolation or quarantine. This resulted in a direct cost associated with COVID-19 management protocols at PGK 155 M.

The COVID-19 vaccine rollout programme commenced in May, with approximately 50% of the workforce fully vaccinated by year end reducing the risk of serious illness or loss of life.

We were however saddened by the loss of a number of employees, business partners, and community members during the year due to COVID-19, and pass on our condolences to their friends and families.

On a more positive note, despite the distraction caused by COVID-19, we were able to improve our safety performance with the exception of one Lost Time Injury (LTI), and make further progress in achieving our goal of 'Nobody Gets Hurt'.

Our Total Recordable Injury Frequency Rate (TRIFR) of 0.54 fell by 14% compared to 2020. The Company has a safety record that compares favourably internationally across the mining industry. Publicly available safety data on the ICMM website (www.icmm.com/en-gb/research/health-safety/benchmarking-2020-safety-data) provides useful context regarding the OTML's strong safety record.

However, we have more to do as we recorded one lost time injury (resulting in a Lost Time Injury Frequency Rate of 0.07) and eight total recordable injuries. We will increase our focus on improving our safety culture and systems in our efforts to have no injuries.

In August 2021 the OTML Board approved an updated strategic business plan that included an extension of mine life from 2029 to 2032. This extension was the culmination of several years of detailed strategic planning work and will see the Company generate an additional PGK 10 billion of revenue to the benefit of stakeholders.

The extension of mine life, and delivery of value, is premised on the timely implementation of several strategic imperative projects costing approximately PGK 1,779 M (USD 507 M) over the next two years. These include; the removal of 20 million tonne (Mt) of debris from the Centre Pit to access high grade ore from 2023, the construction of a 400 Mt Engineered Waste Rock Dump to enable a larger pit shell and potential option of in-pit waste rock disposal, and the major refurbishment and upgrade of aging processing facilities.

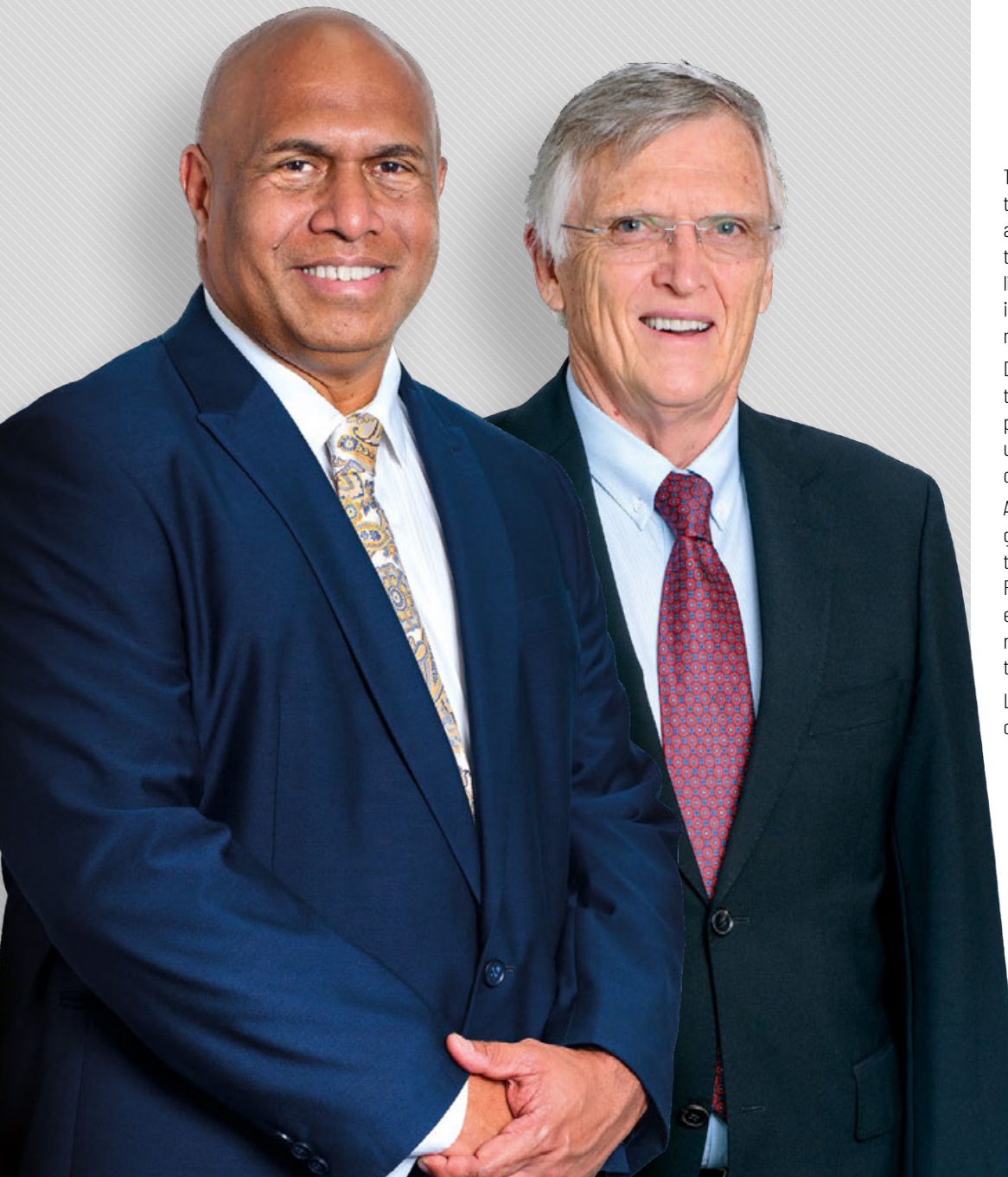
Another area where the Company will continue to invest is in our people. Our focus has been on developing our national leaders to take on senior management roles with the aim to nationalise all these roles over the next four years. This year we appointed a number of national staff into senior positions, which included the Deputy General Manager Processing and the first female national Safety Manager.

During 2020 the Jacob Weiss training centre was reinvigorated and renamed in honour of former long serving director, the late Dr Jacob Weiss CMG. This facility serves to aid the upskilling and development of our workforce which, along with improving our gender diversity, are key elements of our vision for OTML.

As part of Local & Regional Suppliers program to maximise value for PNG, we have made significant progress following the establishment of umbrella companies representing the interests of mine villages, impacted communities, and the province. The intent is to develop companies with an operational capability and financial resilience that will exist beyond Ok Tedi. We are also looking to support initiatives that broaden the industry base beyond mining such as the WestAgro project that can provide long term work and income.

This has created the avenue to increase contract opportunities and achieve our 2025 target of at least 60% of the annual contract value being made available to our Local & Regional suppliers. Our community and social programs –through the Ok Tedi Development Foundation –were affected by the COVID-19 control measures, however the team did well to achieve 77% of their targets planned for the year.

Copper production was 21% lower than the previous year primarily due to a 26% fall in the copper grade of ore processed. Gold production was similarly lower than the previous year with a 25% fall attributable to a 32% reduction in gold grade and impacts associated with the process plant fire and COVID-19.



This was foreshadowed in last year's annual report where the Company advised that metal grades in 2021 would be approximately 30% lower than the previous year while the Company transitioned to new high grade ore sources liberated by the Crusher Replacement Project commissioned in December 2020. Labour shortages also contributed to mine production being 15% lower than planned.

Despite the lower production, revenue was within 6% of the previous year. This was primarily due to the copper price strengthening in 2021. The gold price was largely unchanged. Total operating costs in 2021 were PGK 190 M or 7% higher than the previous year.

As a result, the 2021 profit after tax was PGK 376 M, generating PGK 331 M of free cashflow. This enabled the Company to pay a PGK 450 M dividend, retain PGK 251 M of cash reserves and have no debt at year end. In addition, OTML contributed USD 675 M in foreign reserves to the domestic market providing some relief to the huge demand for foreign currency.

Looking forward, the next 12 months will see OTML complete the transition from current lower grade ore to high grade ore sources. While we had hoped this transition would start to be evident by the final quarter of 2022 the impact of COVID on material movement in the mine over the last 15 months has pushed this into 2023.

Adding to mine life, delivering strong operating results, and doing so safely, is a team effort. The Company extends its appreciation to management, our employees, business partners and communities for their ongoing efforts and contribution.

The Board and Management wish to acknowledge our former Chairman, Sir Moi Avei who has retired after seven years. Sir Moi has overseen the continual improvement, extension and strong financial contribution to PNG and Western Province communities. We wish him well in his future endeavours.

We welcome Dr Roger Higgins, a Board member since 2014 and a former Managing Director, who was officially appointed as Chairman of the Board in January 2022.

The new year will no doubt bring its share of challenges, however we are confident with the strong **One Team, Wan Pasin** spirit, the workforce will overcome any adversities and deliver to our Communities, our Province, and our Country.

Equally pleasing is the progress towards our Vision 2025 which is **"To be the leading PNG Mining Company setting the benchmark across all aspects of business in PNG."**

The key themes behind the Vision are maximising value for PNG and building a strong foundation for sustainability.

In closing, we would like to acknowledge the efforts of our front-line workers at the Hospital, Business Continuity, Asset Protection, Infrastructure Support, Bige, Kiunga and Port Moresby Operations to implement the COVID-19 Control Measures. Your commitment and support have contributed to minimising the impact of COVID-19. Thank you.

MUSJE WERROR — MD & CEO

DR ROGER HIGGINS — OTML BOARD CHAIRMAN

GOVERNANCE

OTML is an unlisted majority PNG State Owned Enterprise operating in accordance with the PNG Companies Act (1997). The Company is committed to maintaining robust corporate governance practices.

OK TEDI BOARD OF DIRECTORS

The Board of Directors (the Board) is primarily responsible for the governance of OTML and operates in accordance with the Company's constitution and applicable legislation.

Board members are nominated by shareholders in accordance with the provisions of the Company's Constitution. The appointment of the Chairman is in accordance with Company Constitution. The Board has three standing committees; Safety Health Environment and Community, Audit and Risk, and Appointment and Remuneration.

The profile of each board member and description of each Committee function can be found on the OTML website, www.oktedi.com/about-us/board-of-directors.

The composition of the Ok Tedi Board of Directors as of 31 December 2021 is shown in the table below.

YEAR 2021				
BOARD MEMBER	POSITION	STATUS	DATE APPOINTED	COMMITTEE FUNCTION
Dr Roger Higgins	Chairman	Independent Director nominated by State of PNG	09-Dec-21	Chairman - Safety, Health and Environment and Community
Mr Cameron Clark	Company Secretary		1-Dec-13	General Manager – Commercial, Chief Financial Officer
Mr Augustine Mano	Non-executive Director	Independent Director	23-Aug-18	Chairman – Audit and Risk
Mr Robert Alphonse Kaiyun	Non-executive Director	Independent Director nominated by pooled interest of Western Province Entities	23-Aug-18	Member – Safety, Health and Environment and Community
Mr Bonny Ninai	Non-executive Director	Chair of Kumul Minerals Ok Tedi Limited	10-Dec-21	
Ms Nellie James	Non-executive Director	Chair of the Kumul Minerals Holdings Limited	10-Dec-21	
Dr. John Kuwimb	Non-executive Director	Managing Director Kumul Minerals Holdings Limited	10-Dec-21	
Mr Musje Werror	CEO and MD	Ex-Officio	1-Jun-20	Member - Appointment and Remuneration; Safety, Health Environment and Community

The former Chairman, Sir Moi Avei, departed the role on 26/08/2021.

Other Board members who also departed included the late Mr Glen Kuri (11/04/2021), and Mr Byron Chan (16/01/2022).

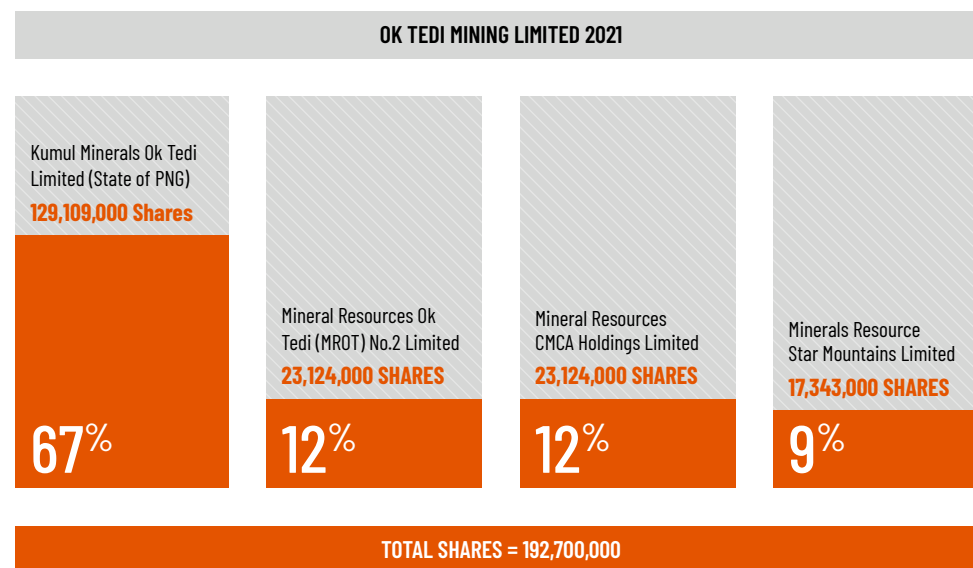
BOARD MAIN ISSUES

During 2021, the Board met on seven occasions and the Standing Committees met two times as per the Charter to consider the following issues:

- approval of key economic assumptions used for planning purposes;
- approval of the 2021 Strategic Business Plan; Three Year Plan (2022 to 2024) and the 2022 Annual Budget;
- approval of updated policies and guidelines;
- review of strategic projects progress;
- review and approval of matters exceeding the delegated authority of management;
- review of operating and business performance against plan; and
- distribution of dividends to shareholders.

SHAREHOLDER STRUCTURE

The shareholding structure for OTML at 31 December 2021 is shown below with Kumul Minerals Ok Tedi Ltd (State of PNG) holding 67% and Western Province entities 33%.



CODE OF CONDUCT AND BUSINESS ETHICS

The Code of Conduct and Business Ethics (the Code) provides guidance to directors, employees and stakeholders on adhering to the highest standards of business conduct and compliance with the law and best practise. The Code covers the use of the Company's resources and information, fraud, confidentiality and proprietary information, conflict of interest, gifts and entertainment, outside directorships, financial inducements and political contributions.

EXTERNAL STANDARDS, INITIATIVES AND GUIDELINES

The Company benchmarks its performance against the following PNG and international standards, initiatives and guidelines:

- PNG Companies Act, 1997;
- PNG Mining Act;
- PNG Mining (Safety) Act and Regulations;
- Environment Regime, Ninth Supplemental Agreement of the Ok Tedi Mining Act;
- International Financial Reporting Standards (IFRS); AS/NZS ISO31000:2009, Risk Management, Principles and Guidelines;
- OHSAS 18001:2007, the International Safety Management Standard;
- ISO 14001:2004, the International Standard for Environmental Management Systems; and
- The Global Reporting Initiative (GRI) Standards Sustainability Reporting Framework and Guidelines;

The Company complied with its various licences and permits during 2021.

RISK MANAGEMENT AND THE PRECAUTIONARY APPROACH

OTML uses a risk-based approach to guide the Company through the identification of major hazards and risks in the workplace and from external sources that could impact on the business.

Enterprise Risk Management is used when evaluating economic, environmental or social aspects of mining projects and major changes to the business. Significant risks are addressed through the annual strategic business plan.

The Board reviews significant business risks with the assistance of established standing committees. The precautionary principle is applied where there may be a lack of evidence to assist in the development of appropriate management plans.

REPORTING

This Annual Review provides a comprehensive overview of the Company's activities and financial outcomes. The financial statutory accounts of the report are audited by PWC PNG against the IFRS and other generally accepted accounting practices in PNG.

The non-financial reporting aspects of the Annual Review have been developed using the GRI Standards Core reporting guidance. The specific Disclosure on Management Approach and indicator summary is located in the back of the Financial Statement and the content has been partially verified against the GRI requirements by Materiality Counts Pty Ltd.

AUDITING

INSURANCE AUDIT

In April 2021, the International Mining Industry Underwriters (IMIU) completed the annual audit (remotely due COVID-19 considerations). Ok Tedi has continued to implement recommendations from previous audits and maintained a better than average commercial attractiveness to insurers. The 2021 IMIU audit has ranked Ok Tedi operations in the 'Low Risk' zone consistent with previous years.

FINANCIAL AUDIT

The financial statements of the Company for the year ending 31 December 2021 have been audited by PWC PNG and its Independent Auditor's Report is included in the Financial Statement.

OTML OPERATES THE LONGEST OPERATING
OPEN-PIT COPPER, GOLD AND SILVER MINE
IN PNG AND HAS PRODUCED **MORE THAN
5.09 Mt OF COPPER, 15.6 Moz OF GOLD AND
35.8 Moz OF SILVER** SINCE THE START OF
OPERATIONS IN 1984.

JOYCE KALAMA — MINE MAINTENANCE.

*"I am part of a team that ensures all our shovels, trucks and
equipment function properly and safely before they are used."*



MATERIALITY

OTML has prepared the 2021 Annual Review in accordance with the GRI Sustainability Core '100' Standards and selected reporting against the '200-400' Standards and the Mining and Metals Supplement to address OTML's material topics.

OTML has used a broad principled prioritisation to identify the material issues through strategic reviews, internal risk registers, major hazard reviews and the collation of information from internal and external sources. There is interconnectivity with the risks to people, environment, business operations and services.

OTML's sphere of influence has a broad reach across Western Province and also at a National level. OTML undertakes regular formal and informal consultation with the various stakeholder groups.

ISSUE	KEY STAKEHOLDERS CONCERNED	ISSUE DESCRIPTION	GRI STANDARD	ANNUAL REVIEW SECTION
Delivery of the Strategic Business Plan	OTML, Government, Communities and Suppliers	Meet planned mining and processing production rates, balanced with management of safety, technical, environmental, social and operational challenges.	Economic 200	Business Review and Outlook
Waste rock, tailings and pyrite management	OTML, Communities and Government	Waste rock and tailings impacting the riverine system. Remain compliant with Environment Regime.	Environment 300	Environment
Nobody Gets Hurt	OTML, Employees, Contractors and Government	Achieving zero harm to employees and contractors. This has included COVID-19.	OHS 403	Safety
Community development projects and consultation	OTML, Government and Communities	CMCA community agreements rely on OTML, OTDF and TCS social development and infrastructure project delivery.	Social and Economic 102/40, 201, 203-1, 203-2	Social Responsibility and OTDF AR
Peoples' ability to execute operations strategy and plans	OTML, Employees, Government and Contractors	Skilled competent people are required to deliver OTML's strategy and plans.	People 201, 404-2	People

SAFETY

OTML has implemented a safety system which addresses the major business hazards, measures both lag and lead indicators and promotes behavioural safety. In 2021, there was one lost time injury (LTI), resulting in a lost time injury frequency rate (LTIFR) of 0.07.

In 2021, we appointed the first national female Safety Manager. Her appointment triggered a review of the previous five year Safety Plan which transitioned into the new Safety Plan for the next three years.

The Plan consists of four pillars: Behavioural Safety, Risk Management, Workplace Hygiene and Standards & Systems. While 2021 was dominated by the management of COVID-19, work progressed in each of these areas to provide a platform for improved safety performance in 2022.

SAFETY PERFORMANCE

OTML reports against the industry standard lagging indicators for LTIFR, Total Recordable Injury Frequency Rate (TRIFR) and Significant Incident Frequency Rate (SIFR) for combined employees and contractors.

In 2021, there was one seriously injured worker (LTI) and 10 significant incidents. The TRIFR of 0.54 was a 14% improvement on 2020 (0.63). There were seven restricted or medical treatment injuries.

The graph on page 16 shows the trend in safety indicators for each rate category over the past two years for combined OTML employees and contractors.

LEADING INDICATORS

The iLead system sets and monitors compliance by all levels of management against a defined expectation of safety activities including Inspections, Hazard Identifications and Observations and Interactions (O&Is) each month.

BEHAVIOR BASED SAFETY

OTML applies a behaviour-based safety program known as Advanced Safety Awareness & Behavioural Coaching which provides one-on-one coaching to all personnel. The purpose is to encourage employees to think differently about safety and their own personnel behaviours in order to improve safety performance. A change in provider allowed for a re-vitalisation of the Coaching Program to commence in 2022.

In June, OTML participated in what is normally the National Mine Safety Week, re-branded for 2021 as the Ok Tedi Safety Week due to COVID-19 restrictions preventing national coordination. During this week both employees and business partners participate in a range of activities aimed at raising safety awareness and performance. This year the theme was 'Back to Basics' to re-focus on the basic principles and tools of good safety management.

In the last quarter of the year OTML launched the '90 Day Finish Strong Campaign', which is designed to focus employees on safety and performance to end the year well. In 2021, the focus was on the six OTML Values – Safety & Environment, Integrity, Accountability, Teamwork, Performance and Sustainability. As part of the challenge there were many company-wide and departmental events, competitions, awareness topics and activities to promote safety and wellbeing in the context of high performance.

SAFETY TRAINING CAPABILITY

The graphs on page 17 show the numbers of employees and hours worked for safety training courses presented in 2021 compared to those in 2020. There was a significant increase in general safety and refresher training in the Mining and Processing areas.

HEALTH & WELLNESS

The Company completed employment medicals (pre and periodical) for 2,269 candidates and employees in 2021 as part of its Wellness and Fitness for Work program.

The Company applies a zero-tolerance policy for alcohol and drugs. In 2021, there were 248,025 blood alcohol tests of employees and contractors with only eight positive results. There were also 6,317 illicit drug tests with only three positive results.

OTML funds and manages (through Diwai Pharmaceutical Limited) the Tabubil hospital and local clinics which provide medical services to employees, contractors and the general community. The hospital staff also managed COVID-19 related testing and management of positive cases.

In 2021, hospital pathology staff identified 38 positive cases of Tuberculosis (TB), including one OTML employee and five contractors. Malaria testing identified 523 positive cases from over 3,351 tests, including 118 OTML employees. Screening for Dengue identified four positive cases from 286 persons tested, with none being employees.

The Employee Assistance Program provides personal and confidential counselling to employees on any matters affecting their wellbeing.





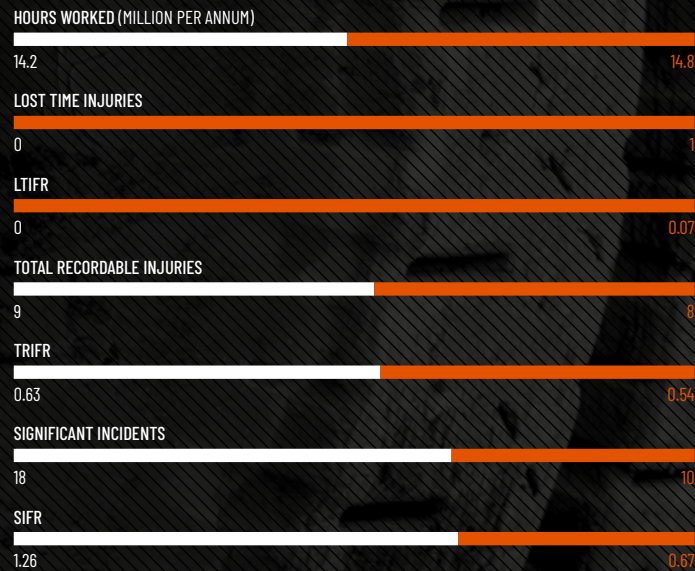
OTML'S SAFETY MANAGEMENT SYSTEM IS ALIGNED WITH OHSAS 18001. A SYSTEMATIC RISK-BASED APPROACH IS APPLIED TO IDENTIFY POTENTIALLY FATAL OR LIFE CHANGING HAZARDS AND RISKS.

THERESA MIRIA — SECURITY OFFICER - ASSET PROTECTION DEPARTMENT.

"I enjoy my role as a 'keeper' of peace by ensuring OTML's rules and regulations are adhered to so that we have a safe workforce, community and operations."

SAFETY (CONTINUED)

SAFETY INDICATORS 2020 / 2021



Note: Significant Incidents include High Potential Incidents, excluding production loss events.

LEADING INDICATORS 2020 / 2021



Note: Combines activities for both OTML and contractor employees.



PATRICK IBITALI — SENIOR RELIABILITY ENGINEER, MINE MAINTENANCE.

"One of my primary tasks is Equipment Failure Analysis. This involves collecting data and downloading logged events from the Electronic Control Modules (ECMs) to help identify and trace failure modes and prevent failure or defects in our fleet."

SECURITY

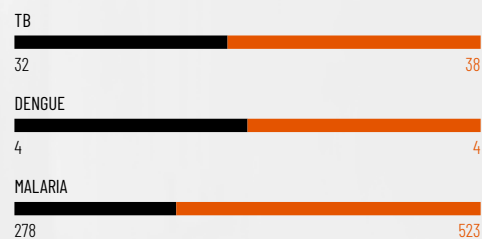
Security is managed by OTML's Asset Protection Department (APD), supported by contracted (unarmed) security guards and the Royal PNG Constabulary (RPNGC). APD and partners comply with the United Nations Voluntary Principles of Human Rights. The annual training was postponed in 2021 due to COVID-19 travel restrictions.

APD also provide emergency response through well-equipped and trained first responders.

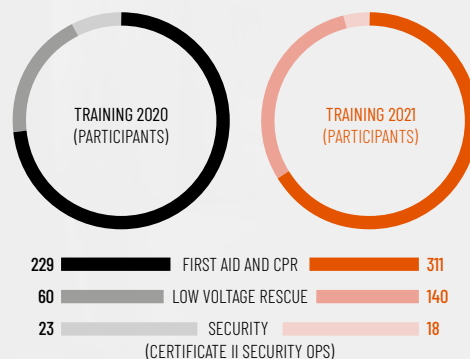
Key improvements during the year included the upgrading of CCTV monitoring and the donation of two refurbished 10-seater land cruisers to Tabubil Police.

Onsite training continued as shown, however external training and annual mines competition was postponed due to COVID-19.

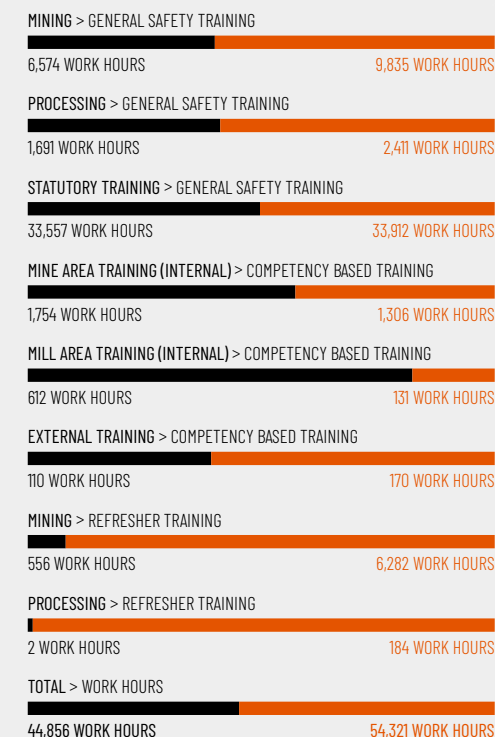
CASES REPORTED AT TABUBIL HOSPITAL 2020 / 2021



SECURITY TRAINING 2020 / 2021



SAFETY TRAINING COURSE 2020 / 2021



BUSINESS REVIEW AND OUTLOOK

In 2021 the OTML Board approved an updated Strategic Business Plan that saw mine life extend by three years from 2029 to 2032.

BACKGROUND

OTML operates the longest running open-pit copper, gold and silver mine in PNG and has produced more than 5.09 Mt of copper, 15.6 Moz of gold and 35.8 Moz of silver since the start of operations in 1984.

The Company is 100% PNG owned, with Kumul Minerals Holdings Limited holding 67% of OTML's shares and three entities – representing the people of the Western Province – collectively holding the remaining 33%.

OTML's operations are centred on the Mt Fubilan deposit located in the Star Mountains of the Western Province. As of 31 December 2021 the Mineral Reserves, reported in accordance with the Joint Ore Reserves Committee (JORC) code, were 262 Mt at 0.67% copper and 0.78 grams per tonne (g/t) gold.

The deposit is mined as a large open pit with ore processed in a flotation processing plant using conventional technology to recover copper, gold and silver into a saleable concentrate. Copper concentrate is piped 156 kilometres (km) south to port facilities at Kiunga, dried in a filter plant, shipped down the Fly River using purpose-built vessels to a silo and storage vessel in Port Moresby, before being exported to overseas customers using commercial shipping services. Export sales are denominated in US Dollars making Ok Tedi an important source of foreign currency for the PNG economy.

The mine is serviced by the township of Tabubil, located 20 km to the southeast of the mine and it is here that the Company maintains its registered office.

In 2021 the OTML Board approved an updated Strategic Business Plan that saw mine life extend by three years from 2029 to 2032. This follows the mine life extension of three years announced in the previous year. This resulted in 15% value uplift (using a discounted cash flow basis of valuation) adding to the 19% improvement reported the previous year. The Company spent PGK 57 M on exploration in 2021 to further extend the mine life.

PRODUCTION

The graphs on page 21 compare 2021 production to the previous year.

Copper production was 21% lower than the previous year primarily due to a 26% fall in the copper grade of ore processed.

This reduction was in line with expectations outlined in last year's annual review where the Company advised that metal grades in 2021 would be approximately 30% lower than the previous year as the Company transitioned to new high grade ore sources made accessible by the PGK 800 M crusher replacement project commissioned in December 2020.

Gold production was similarly lower than the previous year with a 25% fall attributable to a 32% reduction in gold grade and the processing plant fire and COVID-19 related impacts.

The impact of lower grades on metal production was partially offset by an increase in ore milled of 8%, however this improvement was lower than internal expectations due to the following two reasons.

The first was the residual impact of a fire that occurred on 20 December 2020 on a cable tray underneath the Flotation Motor Control Centre (MCC) at the process plant. The fire caused damage to electrical and communications cables and some parts of the MCC which resulted in a total plant outage that extended into January 2021.

The second was the continued impact of the COVID-19 pandemic which caused a suspension of operations (which reduced mill operating time) and labour shortages that impacted compliance to mine plans to the detriment of operating throughput rates.

While total material movement increased by 2% (to 95.3 Mt), the ongoing constraint of labour shortages meant that a return to more normal production levels (such as the 105.7 Mt in 2019) was delayed and caused the period of transition to the new higher grade ore sources to be extended.

THE THREE-YEAR PERIOD BETWEEN 2022 AND 2024 WILL SEE OK TEDI COMPLETE THE TRANSITION TO HIGHER GRADE ORE SOURCES, AND IN SO DOING DRIVE IMPROVED PRODUCTION AND COMMERCIAL OUTCOMES.

LLOYD KILA — SUPERINTENDENT – MINE PRODUCTION ENGINEERING, MINING OPERATIONS.

"I am the Superintendent, Mine Production Engineering within the Mining Operations Department of OTML. I lead a team of highly qualified production engineers who provide daily operational support and guidance to the mining team."



BUSINESS REVIEW AND OUTLOOK (CONTINUED)

FINANCIAL

OTML generated PGK 3.5 billion (USD 1.1 billion) in total sales revenue in 2021. This was 6% lower than the previous year with more than 3.3% of the fall attributable to a reduction in revaluation gains (being the pricing adjustment between the date of delivery and the date of finalisation).

While the fall in copper and gold production reduced sales by 26% and 29% respectively, this was largely offset by a strengthening copper price. In 2021 the average realised price for copper was USD 4.28/lb, which was 56% higher than the previous year. The average gold price received in 2021 (USD 1,801/oz) was 2% higher than 2020.

Total operating costs in 2021 were PGK 2.9 billion, which was 7% higher (an increase of PGK 190 M) than the previous year. Costs in 2021 included PGK 155 M of “other expenses” directly associated with the Company’s response to the managing the COVID-19 pandemic. COVID management protocols also resulted in higher labour costs.

As a result, the 2021 profit after tax was PGK 376 M, with cash generated from operations (net of capital expenditure and lease payments) of PGK 331 M. This enabled the Company to pay a PGK 450 M dividend, retain PGK 251 M of cash reserves and have no debt at year end.

PRODUCTION & COMMERCIAL OUTLOOK

The three-year period between 2022 and 2024 will see Ok Tedi complete the transition to higher grade ore sources, which will result in improved production and commercial outcomes. This transition will benefit from an increase in mine production in 2022 compared to 2021 as COVID related labour constraints subside.

Following the completion of the Crusher Replacement Project in the final quarter of 2020, mining of the East Wall area of the pit commenced and enabled future access to deeper higher-grade ore. This will continue in 2022 and consequently, grades will remain modest before steadily improving in 2023 and beyond.

As a result, copper production is expected to increase by more than 20% in 2022, and a further 20% or more in each of the two years thereafter (reflecting the higher grades).

This will generate free cash of at least PGK 500 M, PGK 750 M, and PGK 1.3 billion in the 2022, 2023 and 2024 years respectively. These values are subject to fluctuation in metal prices and taking USD 1.1 billion into account the investment of more than PGK 800 M in the Process Asset Renewal (PAR) project approved by the Board in 2021. This investment serves to underwrite plant reliability following the extensions in mine life totalling six years approved by the Board in the previous two years.

In the shorter term, the immediate 2022 outlook is for a modest first half of production where the Company will carefully manage cashflow and liquidity whilst closely monitoring the potential risk associated with the pandemic. The second half of the year is expected to see production strengthen with a corresponding increase in profitability and cash generation.

THE 2021 PROFIT AFTER TAX WAS PGK 376 M, WITH CASH GENERATED FROM OPERATIONS (NET OF CAPITAL EXPENDITURE AND LEASE PAYMENTS) OF PGK 331 M. **THIS ENABLED THE COMPANY TO PAY A PGK 450 M DIVIDEND, RETAIN PGK 251 M OF CASH RESERVES AND HAVE NO DEBT AT YEAR END.**

**ANNEMARIE AME — TRAINEE
APPRENTICE – WORKSHOP 1.**

"I am grateful for all the learning I have attained from OTML's Apprenticeship Program and I am excited about the future when I complete this program and become a certified tradesperson in Automotive Electrical."

OPERATIONS PARAMETER 2020 / 2021



GEOLOGY

In 2021, OTML exploration activities concentrated on near mine targets within SML1. Due to COVID-19 travel restrictions all regional exploration programs were put on hold. A diamond drilling program completed 14 holes into the New York breccia and other breccia targets between Wellington and Townsville. The drilling confirmed an increase in mineralisation at both targets.

A soil sampling program was also conducted north of Sulphide Creek in areas previously not tested by geochemical sampling. This program will be completed in early 2022 and covers an area referred to as the Wellington Corridor.






OTML continues its resource definition drilling within the Fubilan mine area and on advanced prospects within SML1 to replace mined reserves and improve resource confidence.

MINERAL RESOURCE AND ORE RESERVE

In February 2022, a revised Mt Fubilan Mineral Resource and Ore Reserve as of 31 December 2021 was presented to the OTML Board. Comparing the 2021 estimate with the previous estimate, the changes report a 12% increase in the total Mineral Resource tonnes from 438 Mt to 489 Mt, a decrease in the copper grade by 0.05 % and decrease in the gold grade by 0.08 grams per tonne (g/t). The total Proven and Probable Ore Reserves over the same period increased by 25% from 210 Mt to 262 Mt, with a 0.03% decrease in the copper grade and 0.3 g/t decrease in the gold grade.

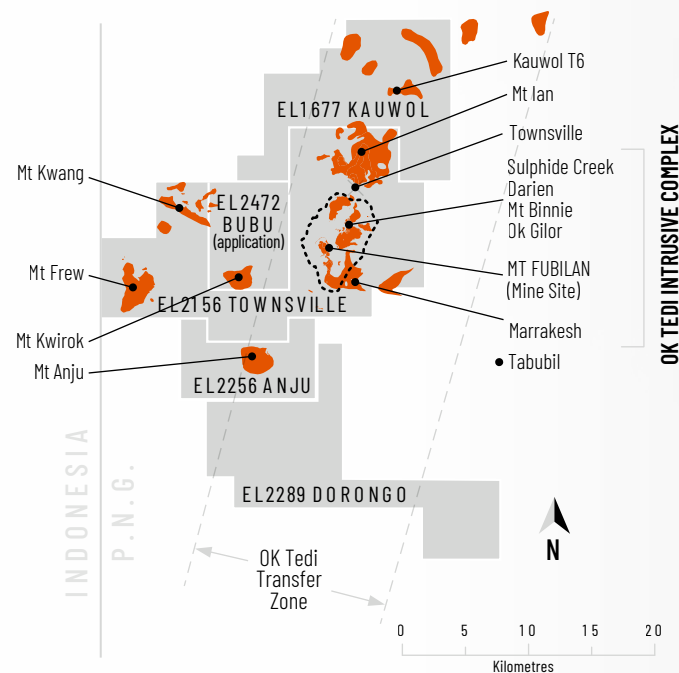
The Mineral Resource and Ore Reserve reflects the outcome of strategic planning work completed in 2021. These outcomes include an increase in the Ore Reserve by the inclusion of an Engineered Waste Rock and In-pit Dumps.

OTML EXPLORATION NEAR MINE TENEMENTS

-  Special Mining Lease
-  OTML Exploration Licence
-  Intrusive Rocks
-  International boundary
-  SML1

PAPUA NEW GUINEA

Location



THE MINERAL RESOURCE AND ORE RESERVE REFLECTS THE OUTCOME OF STRATEGIC PLANNING WORK COMPLETED IN 2021.

BEJAMIN PENI — SENIOR EXPLORATION GEOLOGIST – GEOLOGY & EXPLORATION DEPARTMENT.

Mr Peni undertaking geological core logging on diamond drill core from the Wellington Skarn prospect. Geological diamond-drill core logging is an important data gathering function that assists geologists in the understanding and modelling of an orebody for potential mining in the future.



REGIONAL EXPLORATION PROJECT PIPELINE



QUINTON KLUKI – SUPERINTENDENT – METALLURGICAL SUPPORT, PROCESS TECHNICAL SERVICES.

"I am accountable for the quality control, metallurgical performance and process optimisation of the Concentrator (Plant) operations."



GEOLOGY (CONTINUED)

MT FUBILAN MINERAL RESOURCE AND ORE RESERVE AS AT 31ST DECEMBER 2021

MINERAL RESOURCE				ORE RESERVE				CONVERSION
CATEGORY	TONNAGE (Mt)	CU (%)	AU (g/t)	CATEGORY	TONNAGE (Mt)	CU (%)	AU (g/t)	RESERVE / RESOURCE RATIO
Measured	126	0.59	0.70	Proven	69	0.85	0.98	55%
Indicated	352	0.48	0.58	Probable	193	0.61	0.73	55%
Inferred	11	0.46	0.52	-	-	-	-	-
TOTAL	489	0.51	0.61	TOTAL	262	0.67	0.78	54%

MT FUBILAN MINERAL RESOURCE AND ORE RESERVE AS AT 31ST DECEMBER 2020

MINERAL RESOURCE				ORE RESERVE				CONVERSION
CATEGORY	TONNAGE (Mt)	CU (%)	AU (g/t)	CATEGORY	TONNAGE (Mt)	CU (%)	AU (g/t)	RESERVE / RESOURCE RATIO
Measured	113	0.45	0.48	Proven	65	0.53	0.58	58%
Indicated	266	0.61	0.76	Probable	145	0.78	0.94	55%
Inferred	59	0.54	0.80	-	-	-	-	-
TOTAL	438	0.56	0.69	TOTAL	210	0.70	0.83	48%

The Townsville Mineral Resource of 2018 has not changed for 2021 as shown below.

TOWNSVILLE MINERAL RESOURCE AS AT 31ST DECEMBER 2021

MINERAL RESOURCE			
CATEGORY	TONNAGE (Mt)	AU (g/t)	AU (Moz)
Measured	-	-	-
Indicated	2.4	4.1	0.3
Inferred	17.0	4.3	2.3
TOTAL	19.0	4.3	2.6

NEAR-MINE EXPLORATION TARGETS

Within SML1, drilling focused on the New York breccia and other breccia targets in an area between Wellington and Townsville, now referred to as Gilor Corridor.

A total of 14,136m of diamond drilling was completed. Most drilling was within the New York breccia, but targets were also tested in the Wellington and Gilor areas.

A soil sampling program was also conducted north of Sulphide Creek in areas previously not tested by geochemical sampling. This program will be completed in early 2022 and covers an area referred to as the Wellington Corridor.

NEW YORK BRECCIA

Two high-capacity diamond rigs capable of drilling to 1,500 m were deployed in New York to test the deeper zones of the breccia pipe. Drilling of the New York breccia target accounted for over 80% of the total metres drilled for the year. Drilling is expected to be reduced in Q1 of 2022.

WELLINGTON

Additional drilling at Wellington increased the known skarn tonnage and grades from infill or extensional drilling. New structural targets were also identified at depth which appear to have a controlling effect on copper and gold grades. These new structural zones are currently being tested and this new target has been termed "Wellington Deep".

GILOR BRECCIA

Drilling of the Gilor breccia target was undertaken in 2021 with two holes completed. Drilling conditions were extremely difficult and planned depths to the breccia target could not be achieved. Hole collars have been moved and additional holes will be drilled.

REGIONAL EXPLORATION

Regional exploration activities are planned to resume in 2022 with regional mapping, sampling and drilling programs. Scout drilling is planned at five prospects within EL's 1677, 2156 and 2472. Mapping and sampling programs are planned for EL 1677 (T6/T7 and Mt Ian North prospects), the Wangla, Maximus, TVL breccia, and Betep prospects on EL2156, Mt Kwirok on EL2256, Mt Anju on EL2472 and the Mt Trisha prospect on EL2289.

JACOB SENEVENG — LABORATORY TECHNICIAN.

"As a lab technician, I am responsible for ensuring that the diamond-drilled core is pulverized or milled before it is sent to the chemistry lab for analysis."



PEOPLE

OTML values its employees and has implemented programs to develop integrated team capabilities leading to improved culture and performance. This includes personal and career development within Ok Tedi.

At year end, OTML directly employed 2,577 people with PNG citizens representing 98% of the workforce with 25% from the Western Province and Preferred Area. The 2021 employee demographics have remained constant, though increased, compared to 2020, and there have been no seasonal variations in employment numbers.

COVID-19 RESPONSE

Given the continuing risk of COVID-19, a Business Continuity Department was formed in 2020 to manage the on-going effort to control the virus. FIFO employees have been moved to a even time roster to reduce the frequency of travel between operational sites and home. Various Entry Point Centres have been established to manage incoming personnel for quarantine and testing prior to entering accommodation and resuming work. Hygiene practices such social distancing, face masks, hand washing and disinfecting of work and common areas were also stringently enforced. These measures remained in place throughout the majority of 2021.

In March, OTML suspended operations during a spike of COVID-19 but was soon able to reopen following the controls outlined by OTML's COVID-19 Management Plan, as well as those of the PNG Government's National Isolation Strategy (including the commencement of a mass testing program).

In May, OTML launched its mass vaccination program, urging all of its employees, contractors and residents of surrounding communities to get vaccinated. OTML also actively worked to spread vaccine awareness and released material to tackle common stigmas and vaccine misinformation.





WE AIM TO PROMOTE PAPUA NEW GUINEANS INTO SENIOR ROLES AND INCREASE FEMALE PARTICIPATION IN THE WORKFORCE.

LEFT — **SHIRLEY FRISU** — MOTOR VEHICLE MECHANIC.

"I deal with heavy equipment parts. It is dirty work for a lady, but I love every bit of my job. It is satisfying to know that I am responsible for the upkeep of equipment and ensuring they are functioning well."

RIGHT — **MARTIN WITNE** — HEAVY EQUIPMENT FITTER.

"I am a Heavy Equipment Fitter (HEF) maintenance technician at the Workshop One in Tabubil primarily responsible for trucks, buses, forklifts, loaders, cranes, tankers, and trailers. I love my job and have been with OTML for 13 years."

PEOPLE (CONTINUED)

PEOPLE STRATEGY

Our People strategy aims to create a high-performance culture, further promote Papua New Guineans into senior roles, increase female participation in the workforce and leadership, all supported by consistent and sustainable systems for our people performance. The strategy has four key pillars.

Creating the culture for high performance	<ul style="list-style-type: none"> • OTML Values • One Team – Wan Pasin
Maximising the opportunities for PNG National leaders	<ul style="list-style-type: none"> • All Manager positions filled by PNG Nationals by end of 2023 • All executive leadership team positions filled by PNG Nationals by end 2025
Increasing gender diversity	<ul style="list-style-type: none"> • 20% female employees by end 2025 • 25% of leadership positions filled by females by 2025
Supporting high performance through effective systems	<ul style="list-style-type: none"> • Integrated, accessible, embedded and sustainable systems • Policies to support strategic objectives

THE DESIRED CULTURE

The Pasin Ok Tedi Team, a group of opinion leaders and influencers from across the business, continued to develop and implement initiatives aimed at awareness of the behaviours which support our Values and drive our “One Team, Wan Pasin”. A culture survey completed early in 2021 indicated an employee engagement rating of 89% which was an encouraging result against an Australian benchmark of 71%.

LEADERSHIP DEVELOPMENT

We have focussed on developing our national leaders to take on senior management roles with the aim to nationalise all these roles over the next four years.

In 2021, we commenced the Leadership Development Program 2 (LDP2) focusing on senior superintendents and managers. The 12-month program is the next step beyond our LDP1 and is aimed at developing leadership and management skills for current roles and in preparation for taking on more senior roles. Thirty employees participated in this initial program.

WORKFORCE CAPABILITY

The revitalisation of the Ok Tedi Training Centre as the “Dr. Jacob Weiss CMG Training Centre”, continues to focus on the development of our apprentices, preferred area development trainees and graduates as well as providing skills gap training for our maintenance and operating teams.

Training was severely impact by COVID-19 restrictions during the year including preventing the 2021 intake of trainees. Adapting to the situation, this has resulted in the installation of technology to facilitate remote training delivery. This has opened up options for future remote training.

DIVERSITY AND INCLUSION

In 2020 OTML re-affirmed its commitment to gender diversity through the adoption of a new Diversity and Inclusion Policy and an Anti-Discrimination and Harassment Standard to underpin the positive work largely driven through the Ok Tedi Women’s Network (OWN). This commitment was carried through 2021.

Female employees currently represent 12% of the workforce, with a target to increase this to 20% by 2025. OTML has also committed to increase female employees in leadership positions. OWN was established to raise awareness of the interests and challenges of female employees, provide a network of development and support and to provide feedback to executive leaders on opportunities to improve our diversity and inclusion.

PEOPLE SYSTEMS

The upgrade of online people systems continued with the implementation of the Employee Central module of SAP Success Factors. This complements the previously implemented recruitment and onboarding modules and enhances the possibilities through cloud-based functionality, connectivity and access. Further modules are planned for next year to enhance people processes.

IN MAY, OTML LAUNCHED ITS MASS VACCINATION PROGRAM, URGING ALL OF ITS EMPLOYEES, CONTRACTORS AND RESIDENTS OF SURROUNDING COMMUNITIES TO GET VACCINATED.

DANIEL WAHAWE — MEDICAL LABORATORY SCIENTIST WITH TABUBIL HOSPITAL.

"I work with the Diwai Pharmaceuticals Limited, managers of the Tabubil Hospital, to provide our clinical teams with diagnostics services for Hematology, Medical Microbiology, Biochemistry, Blood Bank, Immunology and Polymerized Chain Reaction (PCR) for Coronavirus."



PEOPLE (CONTINUED)

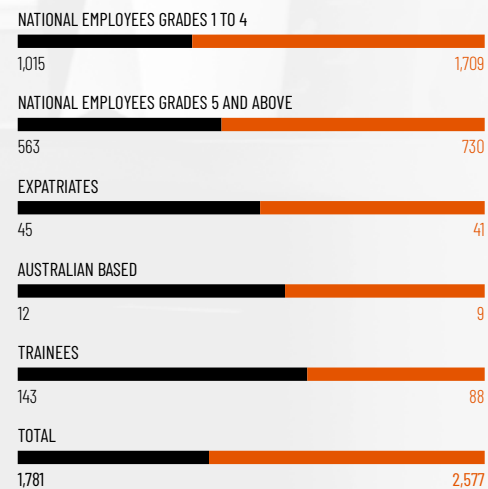
At year end, OTML directly employed **2,577 people** with PNG citizens representing **98%** of the workforce with **25%** from the Western Province and preferred area.



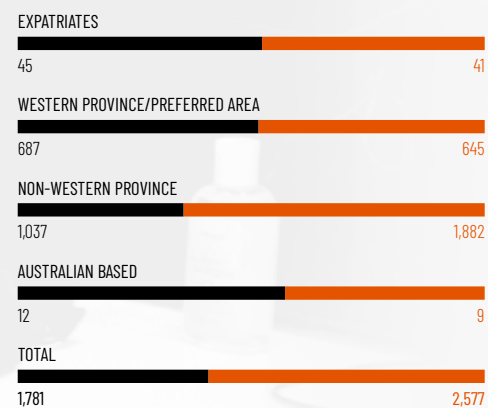
INALI KURUMBI — MINE PLANNING ENGINEER – MINING OPERATIONS.

"I am part of the Long-term Mine Planning Team, which reports to the Mine Technical Services Department. My team and I are responsible for ensuring the mine's long-term plans are updated annually and are in line with the OTML's annual strategic plans and deliverables."

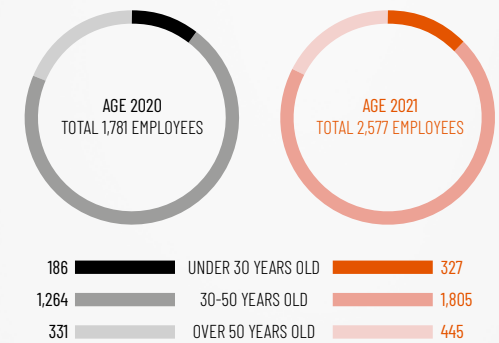
EMPLOYEES BY CATEGORY 2020 / 2021



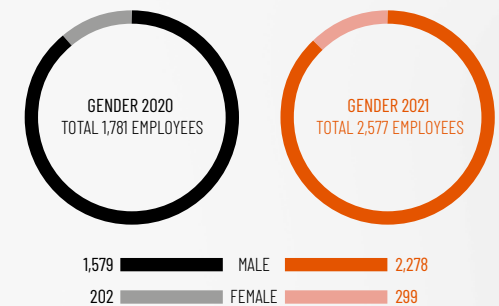
EMPLOYEES BY ORIGIN 2020 / 2021



EMPLOYEES BY AGE



EMPLOYEES BY GENDER



ENVIRONMENT

OTML monitors the downstream environment and provides quarterly performance reports to government and stakeholders.

OTML continues to progress the comprehensive environmental monitoring program governed by the Ok Tedi Agreement and is also undertaking quarterly reporting against the Ok Tedi Environmental Management Act (OTEMA) 102 license conditions.

In 2021 Ok Tedi spent over PGK 161.8 M on environmental mitigation programs. These programs have reduced the impact of sedimentation in upper Fly River and stabilised water quality.

COMPLIANCE MONITORING

OTML measures the effectiveness of its environmental controls by monitoring for compliance against six key environmental values:

- downstream drinking water quality;
- availability of aquatic resources such as fish and edible aquatic flora to meet community requirements;
- safe edibility of these aquatic resources;
- availability of terrestrial resources such as dry land on which to establish gardens, hunt and gather firewood and meet community requirements;
- safe use of these terrestrial resources such as for crops and natural forest resources, included in the normal dietary intake of the local community; and
- navigability of the main Ok Tedi and Fly River channels by commercial and village craft.

These values are measured as part of compliance monitoring of the Environmental Regime as part of the Ninth Supplemental Agreement of the Ok Tedi Mining Act. They are monitored along the 1,000 km long riverine system that stretches from the mine to the Fly River delta. Compliance monitoring was undertaken in 2021 for the key environmental values, with the exception of navigability of the main Ok Tedi and Fly River channels. This was due to the impact of COVID-19 restrictions on vessel availability. This monitoring will be undertaken in 2022.

In 2021, OTML recorded a non-compliance relating to an exceedance of net acid producing potential (NAPP) of tailings discharged to the river system. In addition, river navigability monitoring required by the Environmental Regime could not be undertaken due to COVID-19 restrictions impacting vessel availability, also effectively constituting a non-compliance.

OK TEDI ENVIRONMENTAL MANAGEMENT ACT

The new Ok Tedi Environmental Management Act (OTEMA) was passed by the PNG Parliament in February 2019 and certified in February 2020 for gazettal. The certified OTEMA gave effect to Section 13 of the Act relating to Ok Tedi Permit "Permit" as of 13 February 2020, the date of the Act being certified. In 2021, OTML prepared quarterly reports for January – March, April – June, July – September and October – December against the conditions and submitting to CEPA.

TAILINGS AND WASTE ROCK MANAGEMENT

Due to steep terrain and high rainfall, the region is geologically unstable, resulting in the mine permit allowing placement of treated tailings and waste rock into the upper river valleys. The riverine discharge of tailings and waste rock management continues to be the most significant long-term environmental risk for OTML.

In 2021, 16.3 Mt of treated tailings was discharged into the upper reaches of the Ok Tedi River and 66.6 Mt of waste rock was discharged to failing dumps to the north and south of the mine.

To reduce the impacts of tailings on the environment, OTML separates sulphides (pyrite) from the tailings before being discharged. The pyrite concentrate produced is piped 125 km to storage pits on the West Bank at Bige, where it is permanently stored underwater and then covered with non-acid forming sands dredged from the river.

In 2021, the Board approved the construction of a 400 Mt engineered waste rock dump (EWRD) near the mine at Sulphide Creek. The EWRD is designed to store future waste rock in a geotechnical stable facility. This will reduce the sediment loadings to the riverine system from future mine developments. In 2021, weekly water quality sampling was established as part of baseline monitoring at Sulphide Creek and Pratts Crossing as part of the baseline monitoring for the EWRD. An Environmental Management Plan has been developed and implemented.

IN 2021, OK TEDI SPENT OVER PGK 161.8 MILLION ON ENVIRONMENTAL MITIGATION PROGRAMS. THESE PROGRAMS HAVE REDUCED THE IMPACT OF SEDIMENTATION IN THE UPPER FLY RIVER AND STABILISED WATER QUALITY.

WAISRUKE GRU — REVEGETATION OFFICER .

"I love plants and spending time in the nursery preparing soil and seedlings, watching them sprout before they are transplanted onto engineered stockpiles at Bige."

ENVIRONMENT (CONTINUED)

ENERGY TYPE (CONSUMPTION) 2020 / 2021

TOTAL ENERGY USED (FOSSIL + RENEWABLES) (PETAJoule (PJ))	
4.39	5.35
TOTAL ENERGY (FOSSIL) (PJ)	
3.22	4.09
TOTAL RENEWABLE ENERGY (PJ)	
1.17	1.26
ENERGY USED FOR TRANSPORTATION (SHIPS, PLANES, VEHICLES) (PJ)	
2.82	3.02

ENVIRONMENTAL MANAGEMENT PERFORMANCE 2020 / 2021

ENVIRONMENTAL INDUCTION (NUMBER OF OTML AND CONTRACT EMPLOYEES)	
1,754	2,216
ENVIRONMENTAL ACTION PLAN (% COMPLETED)	
78	95
INCIDENTS LEVEL 3+ (MEDIUM, MAJOR OR CATASTROPHIC)	
0	0

WATER MANAGEMENT 2020 / 2021

TOTAL WATER USED ('000 M³)	
50,379	51,479
FRESHWATER ('000 M³ OF TOTAL)	
11,353	5,085
RECYCLED WATER ('000 M³ OF TOTAL)	
39,026	46,394
FRESHWATER INTENSITY INDEX (M³/t CONTAINED COPPER)	
113	78

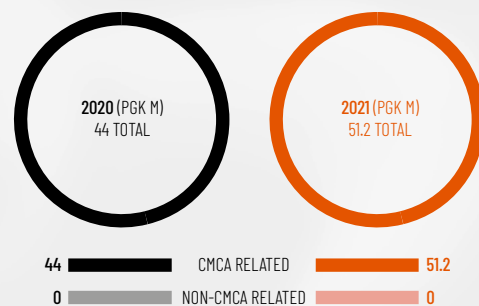
THE COMPANY HAS DEVELOPED AN INTEGRATED **WASTE MANAGEMENT PROGRAM** THAT IS ACTIVELY COLLECTING AND SORTING MATERIALS THAT CAN BE RECYCLED TO REDUCE LANDFILL.

NATHANIEL DASYAL — SUPERINTENDENT - WASTE MANAGEMENT DEPARTMENT.

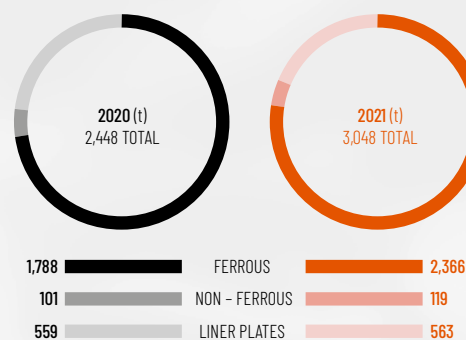
"I assist my manager to oversee waste management services so that we actively collect and sort materials to recycle and reduce landfill. That is an important part of our integrated waste management program."



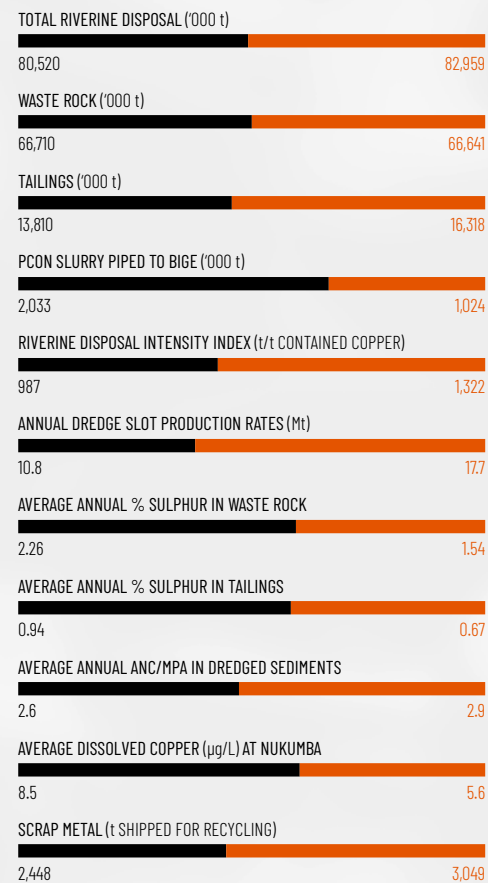
ENVIRONMENTAL COMPENSATION



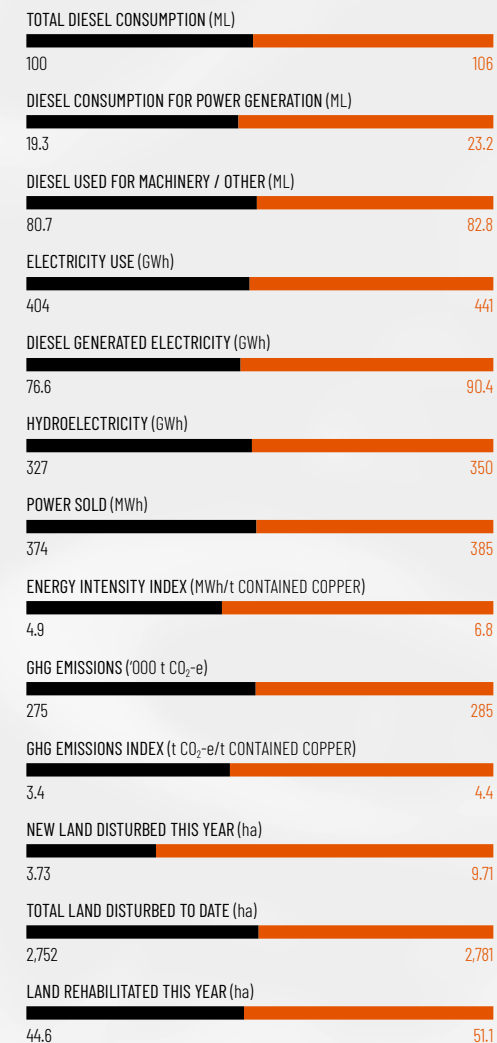
SCRAP METAL SHIPPED FOR RECYCLING



WASTE MANAGEMENT 2020 / 2021



ENERGY AND GREENHOUSE GAS PRODUCTION 2020 / 2021



ENVIRONMENT (CONTINUED)

ALTERNATE ANC TESTING PROGRAM

Measurement of the acid neutralising capacity (ANC) forms part of the requirements of permit conditions for the Ok Tedi mine, which stipulates that waste rock stored in failing waste rock dumps should have a net acid producing potential (NAPP) below - 150 kg H₂SO₄/t averaged over a quarter. The standard ANC test is a reliable method however, it is time consuming and less suitable for rapid testing of high sample numbers. OTML invited EGi consultants to investigate if other reliable methods were available for ANC measurement.

The program identified that Total Carbon (TC) measurements provided the most efficacious method for determining ANC. Where waste rock is largely devoid of organic carbon, as is the case at Ok Tedi, TC can be used to determine the carbonate content and hence estimate the ANC. Validation test work has involved blasthole sample splits for total sulphur, total carbon, and ANC using the standard modified Sobek method. The results show that TC can be used as an analogue test, is accurate, and laboratory fast turnaround can be achieved on site.

BIODIVERSITY IMPACTS

The long-term discharge of mine waste to the upstream river system has resulted in sediment deposition along the river. During high or long rainfall events in the upper catchment an increase in the duration and frequency of overbank floodplain inundation is observed in the lower Ok Tedi and Middle Fly Rivers. Satellite imagery and physical observations have recently shown that the flood pulsing from the floodplain has now been reduced due to river bed aggradation and consistently raised water levels. Since the 1997/98 El Niño event, the elevated river bank levees have acted as a hydraulic dam holding water on the floodplain. This has impacted on vegetation and also fish biodiversity.

SAGO PALM MAPPING

In 2021, OTML documented the changes to the levels of sago palm (*Metroxylon sagu*), an important food source, within the Lower Ok Tedi, Upper Fly and Middle Fly catchments and associated floodplains and the extent of those changes. Sago extent is derived from georeferenced aerial imagery acquired in 1982 as a pre-mine baseline and from recent (2015 and 2019) high-resolution satellite imagery. The changes indicate a 37% decrease compared to 1982 baseline data. Investigations included an assessment of sago palm distribution within the catchment alongside impacts due to the changing inundation depth and frequency evident within the Ok Tedi and Fly River floodplains following drought and flooding events. Studies have shown that semi-cultivated sago palm have become established in the drier tributary backwater zones close to the villages.

YUK CREEK – CASCADE FALLS.



FISH MONITORING

OTML long-term fish catch data show declines in riverine fish catch over time at the three riverine compliance sampling sites on the Fly River (i.e. Kuambit/Erekta, Bosset and Ogwa), with minimal declines at adjacent floodplain sites. Declines at riverine sites have previously been attributed to mine impacts, either due to habitat loss from elevated suspended sediment and bed aggradation or chronic toxicity from metals (note: the dissolved copper concentrations have been declining in the river system due to lower ore grades, improved metal recovery at the processing plant, and the PCon separating plant).

Recent fish diversity sampling from 48 sites located in the riverine and floodplain sites in the middle and lower Fly, and the lower Strickland River indicate a similar number (140) of species in the total system compared to previous monitoring. The sampling indicated there has been migration of species out of the main rivers into the floodplain and oxbow lakes. Following the 1997/1998 El Niño event, the floodplain remains wet and rarely dries out, offering an alternative habitat for fish. As a result, cycling of nutrients and carbon in all forms (including fish biomass) back into the river is reduced, except in extreme drought conditions. The implications for river ecology will require further studies to determine the river-floodplain interactions and implications for the river ecology.

ENVIRONMENTAL PERFORMANCE

OTML is committed to improving environmental performance across all aspects of the Company's operations and has prepared the 2021 data tables and previous year data for comparison. The annual average %sulphur in final tailings discharge was 0.63% which was 33% lower than in 2020, due to lower sulphur in the ore grades. The average annual acid neutralising capacity (ANC)/maximum potential acidity (MPA) ratio in dredged sediments at Bige was 2.9, 45% higher than the compliance minimum of 2.0, indicating excess alkalinity.

WATER USAGE

Recycled water (46 Mm³), comprised 90% of the water used in the processing plant.

ENERGY CONSUMPTION

Open cut mining and the processing of copper ores is energy intensive. OTML's energy intensity index (MWh/t contained copper) increased from 4.9 in 2020 to 6.8 in 2021. The increase was due to lower copper grades, and reduction in total tonnes (65,000) of copper produced.

Fuel contributes significantly to the Company's greenhouse gas (GHG) emissions. Total GHG emissions in 2021 were 285 Kt carbon dioxide equivalents (CO₂-e), representing a 3.6% increase from 2020 emissions.

The total amount of electricity used during 2021 was 441 Gigawatt hours (GWh) compared to 404 GWh in 2020, with 350 MWh being produced from hydroelectric generation. Hydroelectric power is used in preference over high cost thermal power. The hydroelectric power provided 79% of OTML's requirement through the Ok Menga and Yuk Creek hydroelectric generation stations.

LAND DISTURBANCE AND REHABILITATION

In 2021, 9.7 ha of new land was disturbed as part of the extension of Bige stockpile area and geological exploration activities. The total cumulative disturbance at all operational sites is 2,781 ha.

During 2021, 51 ha of Bige stockpiles were rehabilitated using a mixture of tree and grass species. Rehabilitation methodology involves auguring oversize holes into the substrate, filling with woodchip and soil and planting native seedlings.

EFA MONITORING

In 2021, OTML completed its fourth year of implementing Ecosystem Function Analysis (EFA) long-term monitoring program designed to evaluate success of rehabilitating sand-tailing stockpiles along the Ok Tedi River in Bige. OTML rehabilitation crews collected data along 25 transects located on the east-bank and west-bank sand-tailing stockpiles at Bige including nine new transects established in 2021.

EFA scores from the 2020 reporting period were calculated for each transect. Scores from all transects within a site were averaged to generate site-level scores. Transect-level scores ranged between 160.8 (WB Swale 2020, transect 50) and 349.6 (WB Swale 2017, transect 22). Overall the monitoring has shown that revegetation is growing well and on a growth and species diversity trajectory similar to control sites.

MINE CLOSURE PLANNING

OTML is required to prepare an updated Mine Closure Plan, Mine Area Rehabilitation Plan and Social Economic Review every three years and lodge with the PNG Government.

In 2019 the Company submitted an updated estimate of the mine closure cost of USD 204 M pending approval. The Mine Closure Plan was prepared by Sustainable Mining Strategies Pty Ltd in coordination with the Company Business Strategy team. The Company will be preparing an updated Mine Closure Plan in 2022.

ENVIRONMENTAL INCIDENTS AND COMPENSATION

Annual compensation payments were made to the nine CMCA regions, as direct reparation for use of riverine tailings discharge. In 2021, compensation payments totalled PGK 51.2 M. There were no serious environmental spills or incidents in 2021.

WASTE MANAGEMENT

The Company has developed an integrated waste management program that is actively collecting and sorting materials that can be recycled to reduce landfill. Metal recycling data is presented on page 37 graphs.

SOCIAL RESPONSIBILITY

OTML paid over PGK 2,217 M to local communities and the PNG economy.

OTML operates in a manner that balances economic and social impacts and respects the rights and culture of impacted communities. The Company has a number of government and community agreements including the Community Mine Continuation Agreement (CMCA) which is underpinned by transparent dialogue with communities through regular consultation and trust meetings. This follows the principles of Free and Prior Informed Consent.

The delivery and management of social responsibility programs is achieved through the Ok Tedi Development Foundation (OTDF), a separate not-for-profit entity, funded directly by OTML. OTDF prioritises building capacity and developing self-sufficiency through enhancing economic livelihood programs.

OTML provides significant direct and indirect economic benefits for Papua New Guinea and Western Province through taxes, dividends, royalties and compensation. The Company is the largest operating business in the Province providing employment and training, national and local business opportunities and economic programs.

COMMUNITY MINE CONTINUATION AGREEMENT

OTML facilitates a formal CMCA with communities across eight CMCA regions and six mine villages representing the 158 communities. The agreement outlines the annual compensation, investment and development payments for affected communities, and is reviewed and updated regularly. Each of the eight CMCA regions has an established trust, trustees and elected representatives from both genders. The six mine villages have development committees comprising representation from men, women, youth, and church groups.

Payments to CMCA beneficiaries are calculated according to the population of the respective regions and are paid directly into family accounts. In 2021 the total payment was PGK 75.3 M. The OTML Community Relations Department conducts population updates every two years for the eight CMCA regions and an annual update for the mine villages.

COMMUNITY CONSULTATION

OTML Community Relations (CR) organises regular formal and informal community engagement events and meetings. CR runs an annual community communication and consultation meetings in all 158 villages however, due to the COVID-19 restrictions, teams could only visit 53 villages. In addition, the Leaders & Stakeholders meeting could not be conducted, because of restrictions. Unfortunately, most communities missed out on important information from OTML and other stakeholders.

In 2021, OTML also launched 'Radio Fly', a FM Radio station used as a communication medium to keep both local workforce and communities informed about the mine operations and community issues (particularly when regular communications were disrupted by COVID-19). Upgrades to Radio Fly are planned in 2022, including additional transmitters and online streaming, to broaden the audience reach.

COMPLAINTS AND GRIEVANCES MANAGEMENT SYSTEM

OTML has a comprehensive on-line Complaints and Grievance Management System (CGMS) which meets the grievance mechanism tool guidelines of the United Nations and International Finance Corporation for Resource Sector development.

OTML was still under the COVID-19 restrictions, meaning that the CR office did not open for the full 12 months. In 2021 a total of 230 complaints or grievances were registered in the system and of these, 10 have not yet been closed out.

The highest number of registered complaints was under the "Compensation Category" and the mine villages region raised the highest number of complaints.

SIGNIFICANT DISPUTES RELATING TO LAND USE OR CUSTOMARY RIGHTS

In 2021, a total of eight land related disputes were ongoing (either open or dormant), with correspondences in the form of letters from Clan Chairman, Lawyers, and other interested parties.

Two of these cases were instigated by one plaintiff, including one relating to tribe compensation for water usage and another seeking damages for the clearing of vegetation. Three cases are currently dormant, all of which are legal cases pertaining to ownership claims against OTML for land ownership payments. A further two cases are dormant at this stage but may be further pursued by the plaintiffs. The final claim is being monitored and is pending court decision, with OTML not a party in the proceedings.



OTML PROVIDES SIGNIFICANT DIRECT AND INDIRECT ECONOMIC BENEFITS FOR PAPUA NEW GUINEA AND WESTERN PROVINCE.

BRIAN YAPI — COMMUNITY LEADER.

"The mine villages and surrounding communities are privileged to have a company that continues to assist us through the provision of health and education services, business and employment opportunities, and infrastructure development."

SOCIAL RESPONSIBILITY (CONTINUED)

OK TEDI DEVELOPMENT FOUNDATION

OTDF was established in 2001 under the Ok Tedi Mine Continuation (Ninth Supplemental) Agreement Act as a tax-free entity. OTDF's vision is to improve self-sustainability and improve the quality of life of all Western Province communities. Project and program funding for the OTDF is primarily provided by OTML, the CMCA Trusts, Mine Village Development Funds, the Alice River Trust, the OTML Tax Credit Scheme (TCS) and the Western Province Peoples Dividend Trust Fund (WPPDTF).

The focus of the OTDF is to deliver programs in five key sectors including; Local and Regional Development, Education, Health, Infrastructure and Community and Social Development.

Detailed information on community program delivery for 2021 can be found in the OTDF Annual Report and on the OTDF website: www.otdfpng.org.

ECONOMIC CONTRIBUTION

OTML provides significant funds towards socio-economic development, both directly through services provided and infrastructure, and indirectly through the facilitation of community access to services and infrastructure.

OTML's economic contribution to PNG and the Western Province is through the following payments:

- royalties from metal sales;
- employee salaries;
- capital and operating expenditure to suppliers of goods and services in PNG;
- payments under the various land and community agreements;
- various business taxes, including company payroll, goods and services and the TCS;
- donations and investments in community development programs; and
- investments in local and regional infrastructure, including roads, bridges, jetties, hospitals and schools.

Payments into the PNG economy in 2021 were approximately PGK 1,158 M, which was similar to 2020 (PGK 1,228 M). A dividend payment of PGK 450 M was paid to shareholders.

TCS expenditure was PGK 35 M compared to 2020 expenditure of PGK 39.6 M. Goods purchased in PNG decreased to PGK 408 M, compared to PGK 459 M in 2020. There was a decrease in PNG contractor payments of PGK 651 M compared to 2020 expenditure of PGK 992.5 M. These decreases are attributed to completion of the Crusher Replacement Project.

OTML also provided COVID-19 related aid to its surrounding communities, committing PGK 20 M to hospitals and vaccine rollout, and donating supplies (including oxygen cylinders, face shields and more) to Goroka Hospital in October.

	CONTRIBUTION TO LOCAL COMMUNITIES AND THE PNG ECONOMY			
	PGK (M) 2020	PGK (M) 2021	USD (M) 2020	USD (M) 2021
Taxes and levies paid to PNG Government	203.6	198.6	58.0	56.6
Dividend paid	550	450	156.8	136.8
ROYALTY PAYMENT				
Western Provincial Government	34.0	30.5	9.7	8.7
Landowners	30.1	30.5	8.6	8.7
Less: Royalty tax (IRC)	(1.6)	(1.5)	(0.46)	(0.43)
subtotal	62.5	62.4	17.8	17.8
TAX CREDIT SCHEME				
- Health	0	0	0	0
- Education	11.3	1.6	3.2	0.46
- Roads, bridges, airport	28.2	31.5	8	9
- Utilities	0.07	1.9	0.02	0.54
subtotal	39.6	35	11.2	10
LOCAL BUSINESS				
Goods purchased in PNG	459	408.2	131	116.3
PNG contractors	993	651	283	185.4
Local training costs	5.9	6.2	1.7	1.8
Salaries and wages	356.1	405.5	103	115.6
TOTAL	2,670	2,217	763	640

ROYALTY PAYMENTS

In 2021, OTML paid PGK 59.5 M in royalties based on net revenues derived from copper and gold production.

TAX CREDIT SCHEME

The Tax Credit Scheme (TCS) was established by the PNG National Government in 1996 to deliver infrastructure and development projects to the Provinces in which Mineral Resources companies operate.

Since its establishment, the TCS has provided significant project funding (PGK 449.8 M) to the Western and Sandaun Provinces. In 2021, the OTML's TCS project commitment was PGK 35 M.

This funding services numerous projects and included the completion of the Lower Ok Tedi footbridge in September, providing six villages along the river with increased access to Tabubil and its services.

In the final quarter of 2021, 25 projects were approved and registered under the Tax Credit Scheme. Thirteen projects have been completed and are pending completion certificates and reports to the Department of National Planning and the Internal Revenue Commission.

NO.	DESCRIPTIONS	QUANTITY
1	Projects at implementation/execution stage	8
2	Completed projects pending completion certificates	13
3	DNPM approved projects but yet to start	4
Total Projects Approved & Registered under OTML		25

COMPENSATION PAYMENTS

OTML makes annual lease payments for land associated with the mine and its infrastructure. General compensation payments to CMCA communities include, mine and landowner projects, environmental projects and other compensation.

CMCA PAYMENTS

The CMCA provides annual funding to affected villages in the eight Trust Regions and the six mine villages. The funding includes reparation for the mining induced impacts on the receiving environment. Village Planning Committees (VPC) identify and prioritise sustainable development projects for Trust funding. OTDF provides support in project scoping, design, tenders and project construction supervision.

Amidst the global COVID-19 crisis, OTML through Community Relations Department successfully delivered the CMCA Census project in 2021 at a cost of PGK 3.5 M.

The population data from the 2021 census refreshes the previous census data gathered in 2017 and it will be used for the next two years to pay compensation payments to the 152 impacted villages under the CMCA.

The data is also shared with OTDF to assist them in the planning and delivery of projects to the CMCA communities and mine villages.

The graphs on page 45 show a comparison of the 2017 census data against the 2021 data. There is a population increase of 7.6% compared to 2017. Annual population growth rate was 1.9%.

The CMCA compensation is paid in the third quarter annually by OTML. The CR Department manages more than 20,000 bank accounts for the CMCA beneficiaries.

In 2021, PGK 45.6 M was distributed to the various groups and trusts.

NATIONAL IDENTITY PROJECT

The National Identity (NID) Project is PNG Government's initiative to register all its citizens. OTML took the initiative to partner with the Civil & Identity Registry (CIR) Department of PNG to sign an MOU in 2018 to fund and deliver the NID Project to the people of Western Province living in the CMCA villages.

Since 2018, Community Relations Officers together with the NID Officers and the support of stakeholders (and the funding from OTML) delivered this vital government service freely to the CMCA communities, Mine Villages, Government workers, non-Government workers, OTML Employees & their dependents, OTML Contractor Personnel, and the General Public.

At the end of 2021, a cumulative sum of 83,283 people have been registered, and the combined total of 65,808 NID Cards and Birth Certificates have been issued to the people under this project. The NID Project is planned to end in 2022.

SOCIAL RESPONSIBILITY (CONTINUED)

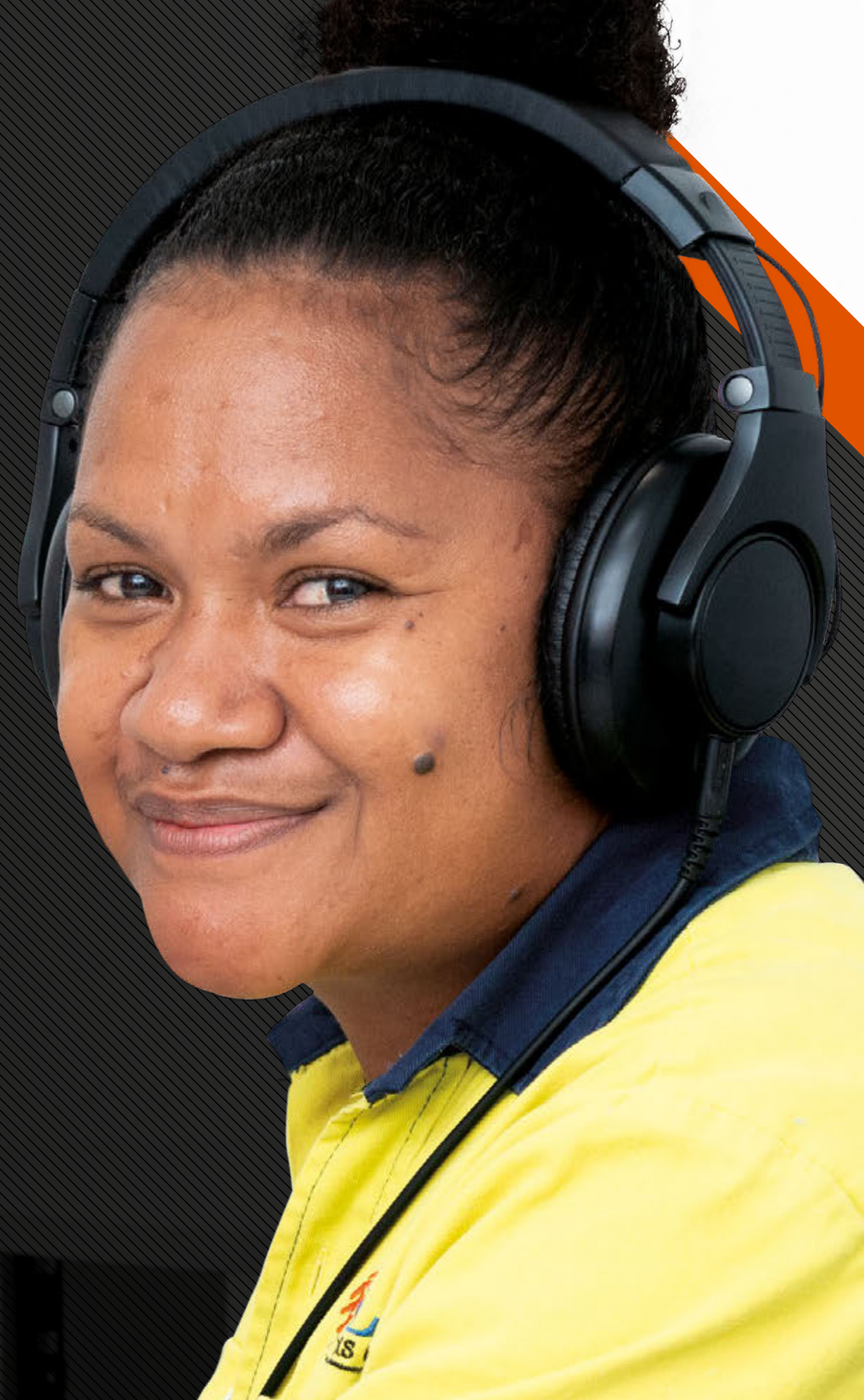
OTML FUNDS AND MANAGES THE TABUBIL HOSPITAL AND LOCAL CLINICS WHICH PROVIDE MEDICAL SERVICES TO EMPLOYEES, CONTRACTORS AND THE GENERAL COMMUNITY.

OTDF SOURCE OF INCOME

2020 PGK(M)	2021 PGK(M)
OTML	
21.9	21.7
VILLAGE TRUST FUNDS	
2.5	0
CMCA TRUST	
6.9	8.2
WOMEN & CHILDREN TRUST	
2.6	0
CSIRO	
0	0.1
FODE PROGRAM	
0	0.5
INCENTIVE FUND	
0	2.2
TOTAL	32.7

TCS BUDGETS & YTD EXPENDITURE

BUDGET PGK(M)	EXPENDITURE TO DATE PGK(M)
KIUNGA WATER SUPPLY	
18.6	18.8
KIUNGA SEWERAGE TREATMENT PLANT	
36.8	25.8
OKSAPMIN HIGH SCHOOL DEVELOPMENT	
36.3	42.7
TABUBIL TELEFOMIN ROAD	
75.0	38.3
TABUBIL TELEFOMIN ROAD JUNCTION TO OLSOBIP ROAD	
34.4	10.6
LOWER OK TEDI FOOTBRIDGE SUSPENSION	
14.9	0
TABUBIL POLICE BARRACKS SINGLE QUARTERS	
3.5	0
TABUBIL PRIMARY SCHOOL ABLUTION BLOCKS	
0.25	0
TABUBIL KIUNGA HIGHWAY SEALING & UPGRADE ROAD	
54.4	0.6
TOTALS	134.8

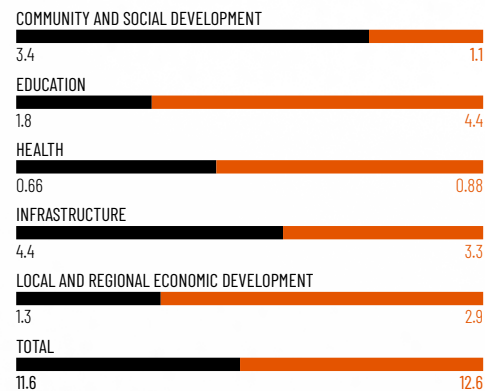


IMMACULATE FOIMAE — PUBLIC RELATIONS OFFICER.

"It is satisfying to hear from Radio Fly listeners that our radio programs benefit them one way or the other. Radio has wider coverage reaching the masses and can be a powerful tool for development. An informed population is a population that makes wise choices. This is what I love about my job."

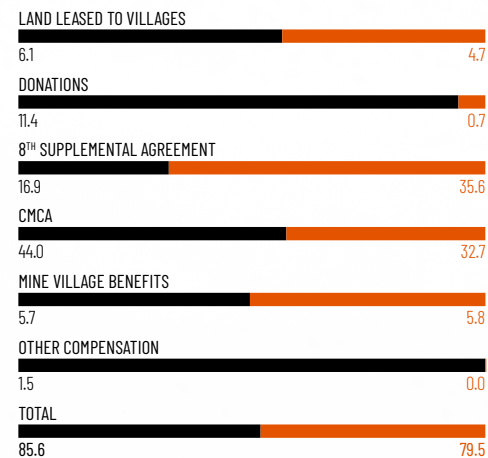
PROGRAM EXPENDITURE BY SECTOR

2020 PGK(M) 2021 PGK(M)



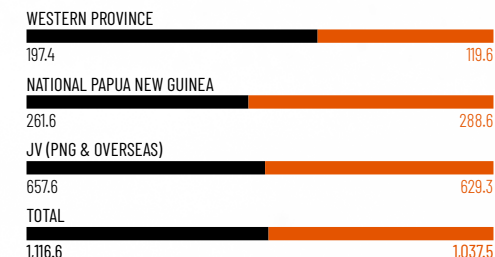
PAYMENT CATEGORY

2020 PGK(M) 2021 PGK(M)



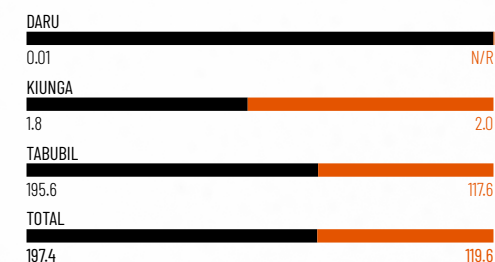
BREAKDOWN OF PURCHASES OF GOODS BY LOCATION

2020 PGK(M) 2021 PGK(M)

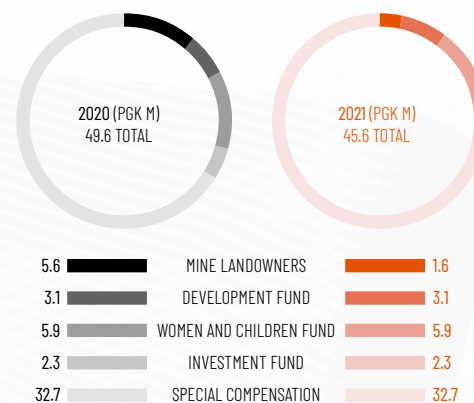


BREAKDOWN OF PURCHASES OF GOODS IN WESTERN PROVINCE

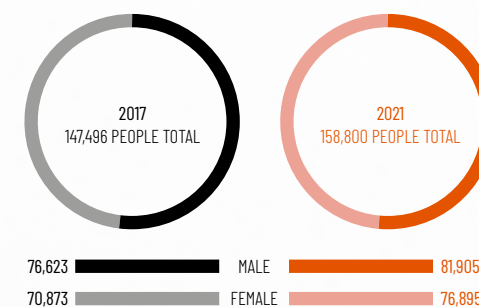
2020 PGK(M) 2021 PGK(M)



GROUPS AND TRUSTS 2020 PGK(M) 2021 PGK(M)



PEOPLE BENEFITING UNDER CMCA 2020 2021



SOCIAL RESPONSIBILITY (CONTINUED)

WESTAGRO FLAGSHIP PROGRAM

Through its first full year of operations (2021), the WestAgro Flagship Program has facilitated the implementation of various projects designed in line with the Western Provincial Governments 5-year (2018-2022) provincial development pillar to support agribusiness and enabling infrastructure. For further information on the projects below, refer to the 2021 OTDF Annual Report (www.otdfpng.org).

'FLY VANILLA'

Fly Vanilla is a PGK 42.9 M project that expects to buy green and dried vanilla beans from North and Middle Fly District farmers. Fly Vanilla is concurrently supporting community awareness and research and development to ensure the participation and success of local smallholder farmers in both North and Middle Fly villages. Technical and agronomical support to smallholder farmers will begin with distributing 100 vines to model farmers from the first half of 2022.

'KAVIANANGA RICE PROJECT'

The Kaviananga rice project completed planting three PNG varieties across upland and lowland trial sites. In conjunction with Innovative Agro Industries, the Project Director has made continual capital procurement revisions to mitigate supply chain delays that had become worse than anticipated in the second half of 2021. With relatively short lead times from the availability of project funding at the start of the year, this has resulted in the supply of added items out of Australia and Port Moresby. Pleasingly, by year-end the project was operating under budget, having spent PGK 2.2 million.

'FLY COCOA'

Later in the year, the OTDF Board of Directors also met to discuss the launch of 'Fly Cocoa'. At the core of this venture is the establishment of an Agro-industrial Center at Suki that will process and export three premium grade cocoa products grown from a 500 ha nucleus estate, and smallholder plantations to be supported across the region. The Board consequently approved the business plan for implementation from 2022 along with a 20% shareholding commitment with the financial backing of OTML.

'MT FUBILAN AGRO INDUSTRIAL CENTER'

The Mt. Fubilan Agro Industrial Centre is now a well-established modern poultry agribusiness, a commercially successful model project for the Ok Tedi mine village people. The farm has continued to produce the highest quality fresh eggs to local suppliers. The farm provides direct and indirect employment opportunities for the people of the Star Mountains and substitutes the importation of eggs into the province.

Despite the impacts of COVID-19 restricting the wider distribution of eggs, the farm continued to meet the demands of major client, Fubilan Catering Services. Throughout 2021 the farm sold 2.65 million eggs, reaching a total annual turnover of PGK 2.5 M (marginally below the 2020 turnover of PGK 2.8 M) with an operational profit of PGK 433,879.

VAVINE ZAVIA — RICE FARMER.

Kaviananga-Obo, Middel Fly District.





LOCAL BUSINESS SUPPLY CHAIN

OTML has a policy to preferentially source PNG manufactured goods and service providers where they are competitively priced and meet quality standards. The PNG supply chain includes multinational companies that are represented in PNG and many have offices in the Western Province. Small to medium businesses that have pre-qualified and established management systems are preferred suppliers.

In 2021, the total value of services contracts sourced from PNG suppliers was PGK 651.1 M, or 77% of all contracts.

The breakdown of goods purchased by source included PGK 119.6 M generated from within the Western Province.

FINANCE

In 2021, the Company recorded a consolidated profit (after tax) of PGK 376 M (USD 106 M).

ECONOMIC CONTRIBUTION

OTML's financial performance for 2021 included a gross sales revenue of PGK 3,469 M with a consolidated after-tax profit of PGK 376 M.

The Company generated PGK 332 M of cash and declared dividends totalling PGK 450 M.

OTML is a significant generator of foreign currency. In 2021 the Company sold USD 675 M into the PNG foreign exchange market.

The financial statements have been externally audited by PricewaterhouseCoopers PNG. During 2021, there was no direct financial assistance in the form of tax subsidies, royalty relief, grants or financial incentives received by the Company from the PNG Government.

SALES AND MARKETING

OTML produces a copper-gold-silver concentrate product which is sold to customers in Japan, Philippines, Germany, South Korea and India, with these formal offtake agreements representing approximately 80% of expected annual production. The balance of product is sold to the spot market as circumstances dictate.

OTML's commitment to meeting customer requirements occurs across the value chain, with operations and logistics teams working together to reliably deliver a marketable concentrate parcel. Customer concentrate specifications are blended at OTML's Kiunga facility, before being shipped to the silo vessel, the Kumul Arrow, in Port Moresby harbour. Product is then exported to customers by our commercial export shipping partners.

The following table summarises the gross revenue generated from these sales.

	SALES REVENUE BY COMMODITY (M)			
	2021 PGK	2020 PGK	2021 USD	2020 USD
Copper	2,068	1,702	589	492
Gold	1,302	1,754	371	508
Silver	41	70	126	20
Finalisation - Gains / (-Losses)	58	182	17	52
Total sales revenue	3,469	3,708	1,103	1,072

EXPORT SALES	2021	2020
Concentrate (t)	265,088	355,035
Contained copper (t)	64,034	86,144
Contained gold (oz)	208,334	295,828
Contained silver (oz)	537,056	1,257,073

METAL PRICES

A comparison of the average 2020 to 2021 metal prices realised by OTML is shown below. The 2021 copper price was 56% higher than in 2020 and the gold price was 2% higher.

YEAR	COPPER (USD/lb)	GOLD (USD/oz)
2021	4.28	1,801
2020	2.74	1,765

FINANCIAL PERFORMANCE SUMMARY

In 2021, the Company recorded a consolidated profit (after tax) of PGK 376 M (USD 106 M). This enabled PGK 1,028 M of cash to be generated from operating activities which was used to fund PGK 209 M of taxes, interest and lease payments, PGK 162 M in approved capital expenditure, PGK 327 M in mine development (waste stripping) and PGK 450 M in dividends.

A consolidated cash balance of PGK 251 M (USD 72 M) was held as at 31 December 2021, which was PGK 85 M lower than the previous year but adequate to remain within board approved liquidity guidelines.



THE COMPANY IS COMFORTABLY SOLVENT
WITH CURRENT ASSETS EXCEEDING CURRENT
LIABILITIES BY PGK 1.0 BILLION AND A
CONSISTENT RECORD OF PROFITABILITY.

CAROLYN MANAHAVE — MANAGER, CONTRACTS & LEGAL.

"My role centers around risks and governance in which we identify, monitor, and manage major legal risks and provide commercial, legal, and dispute resolution support and associated advice. We also monitor and uphold appropriate levels of governance, risk management and compliance in contractor selection and management."

FINANCE (CONTINUED)

CONSOLIDATED INCOME STATEMENT AND BALANCE SHEET

RESULTS: INCOME STATEMENT				
	2021 (PGK M)	2020 (PGK M)	2021 (USD M)	2020 (USD M)
Gross revenue	3,469	3,708	989	1,072
	(91)	(131)	(26)	(38)
Sales revenue	3,378	3,577	963	1,034
Other operating income	12	18	4	5
Marketing costs	(151)	(292)	(35)	(84)
Cash operating costs	(2,092)	(1,845)	(598)	(535)
Exploration	(57)	(46)	(16)	(13)
Depreciation and amortisation	(492)	(510)	(140)	(147)
Profit from operations	598	1,033	170	298
Net finance costs	(57)	(13)	(16)	(4)
Profit from ordinary activities before tax	541	1,019	154	294
Income tax expense	(165)	(294)	(47)	(85)
Net profit for the year	376	725	107	209

DISCUSSION OF INCOME STATEMENT

REVENUE

Total gross revenue in 2021 was PGK 3,469 M, which was 6% lower than 2020 with a fall in copper and gold production of 20% and 25% respectively largely offset by a strengthening copper price.

In 2021 the average realised price for copper was USD 4.28/lb, which was 56% higher than the previous year. The average gold price received in 2021 (USD \$1,801/oz) was 2% higher than 2020.

TOTAL GROSS REVENUE	
YEAR	PGK (M)
2021	3,469
2020	3,708

Marketing costs (including freight and royalties) was PGK 151 M, which was lower than the previous year with a reduction in shipped volumes partly offset by higher export freight charges.

CASH OPERATING COSTS

Cash operating costs in 2021 were PGK 2.095 billion, which was 13% or PGK 247 M higher than the previous year. This was primarily a result of direct cost associated with managing the pandemic of PGK 155 M, along with additional labour and contractor costs associated with COVID-19 protocols approximating PGK 70 M.

PROFITABILITY

The company generated a consolidated after-tax profit of PGK 376 M which was PGK 349 M lower than 2020. This reflected the after-tax impact of the PGK 239 M fall in revenue and the additional PGK 247 M of cash operating costs.

PROFITABILITY (COMPANY)		
PGK (M)	2021	2020
Profit Before Tax	541	1,019
Tax Expense	(165)	(294)
Profit After Tax	376	725

CONSOLIDATED BALANCE SHEET

RESULTS: BALANCE SHEET				
	2021 (PGK M)	2020 (PGK M)	2021 (USD M)	2020 (USD M)
ASSETS				
Cash and cash equivalents	251	335	72	96
Trade and other receivables	338	336	96	96
Inventories	1,068	937	304	267
Prepayments & other current assets	62	51	18	14
Income tax refund	0	0	0	0
Total current assets	1,719	1,659	490	473
Financial assurance fund	895	906	255	258
Property, plant and equipment	4,152	4,108	1,184	1,171
Restoration and rehabilitation	54	77	15	22
Total non-current assets	5,119	5,091	1,459	1,451
LIABILITIES				
Trade and other payables	401	219	115	63
Borrowings	0	0	0	0
Provisions	225	244	64	70
Income tax payable	68	58	19	16
Total current liabilities	694	521	198	149
Restoration and rehabilitation	810	817	231	233
Provisions	1,094	1,098	312	313
Total non-current liabilities	1,904	1,915	543	546
Net assets	4,240	4,312	1,208	1,229
EQUITY				
Share capital	195	195	234	234
Reserves	0	0	(698)	(698)
Retained earning	4,045	4,119	1,672	1,693
Total equity	4,240	4,314	1,208	1,229

DISCUSSION OF BALANCE SHEET

OTML retains a strong balance sheet with total assets exceeding total liabilities by PGK 4.2 billion. The Company is comfortably solvent with current assets exceeding current liabilities by PGK 1.0 billion and a consistent record of profitability.

CASH AND BORROWINGS

Cash on hand at the end of 2021 was PGK 251 M, with no borrowings. This was PGK 85 M lower the previous year primarily reflecting the difference between cash generated in 2021 and the dividends paid.

The Company invested PGK 162 M in plant and equipment, PGK 327 M in deferred waste mining during the year.

RECEIVABLES

Trade and other receivables were PGK 338 M as at 31 December 2021. This was generally in line with the previous year (PGK 336 M) and included a GST receivable from the IRC of PGK 155 M, which is presently being recovered by way of offset against corporate tax payable.

INVENTORY

Inventories on hand at 31 December 2021 were PGK 1,068 M, which was 14% higher than the previous year (PGK 937 M). This increase is primarily a result of converting vendor held stock relating to mine components to OTML held inventory and in so doing reducing operational risk, and enabling a significant improvement in commercial terms.

NON-CURRENT ASSETS

The Financial Assurance Fund is maintained to fund estimated mine closure obligations. The value of the fund decreased from PGK 906 M at the end of 2020 to PGK 895 M as at 31 December 2021 as a result of portfolio losses during the year.

Property, Plant and Equipment increased by PGK 45 M during the year to PGK 4,152 M and included the part capitalisation of strategic projects in progress.

TRADE AND OTHER PAYABLES

Trade and other payables at the end of 2021 were PGK 401 M. This was PGK 182 M higher than the previous year (PGK 219 M) and mainly due to recording receipts from a customer as a liability until such time as all sale obligations are met by OTML.

NON-CURRENT LIABILITIES

Non-current liabilities at 31 December 2021 were PGK 1,904 M, and primarily include the provision for mine closure costs (PGK 810 M), leased liabilities reported in accordance with IFRS 16 (PGK 500 M), and a provision for deferred income tax liability of PGK 569 M, which reflects the timing difference between depreciation for accounting and taxation purposes.

EQUITY

While retained earnings benefited from a net profit after tax of PGK 376 M dividend distributions of PGK 450 M resulted in a reduction in total shareholder's equity from PGK 4.3 billion to PGK 4.2 billion.

ABBREVIATIONS

/	Per
%	Percent
AIC	Agro Industrial Centre
ANC	Acid Neutralising Capacity
APD	Asset Protection Department
ARD	Acid Rock Drainage
AS	Australian Standards
ASA	Advanced Safety Awareness
Au	Gold
CEO	Chief Executive Officer
CEPA	Conservation Environment Protection Authority
CGMS	Complaints and Grievance Management System
CMCA	Community Mine Continuation Agreement
CO₂-e	Carbon dioxide equivalent
CR	Community Relations
CRP	Crusher Replacement Project
Cu	Copper
dmt	Dry metric tonnes
EFA	Ecosystem Function Analysis
EITI	Extractive Industries Transparency Initiative
EL	Exploration Lease
EWRD	Engineered Waste Rock Dump
FIFO	Fly-in Fly-out
FRPG	Fly River Provincial Government
g/t	Grams per tonne

GDP	Gross Domestic Product
GHG	Greenhouse Gas
GRI	Global Reporting Initiative
GWh	Gigawatt hour
ha	Hectare
H₂SO₄	Sulphuric Acid
ICMM	International Council of Mining and Metals
ID	Identification
IFRS	International Financial Reporting Standards
ISO	International Organisation for Standardization
IMIU	International Mining Industry Underwriters
IRC	Internal Revenue Centre
JORC	Joint Ore Reserves Committee
kg	Kilogram
km	Kilometre
km²	Square kilometre
Koz	Thousand ounces
Kt	Thousand tonnes
lb	Pound
LDP	Leadership Development Program
LTI	Lost Time Injury
LTIFR	Lost Time Injury Frequency Rate
m	Metre
M	Million
Mm³	Million cubic metres

m³	Cubic metres
m³/t	Cubic metres per tonne
MCC	Motor Control Centre
MD	Managing Director
ML	Megalitres
ml	Millilitres
MOU	Memorandum of Understanding
Moz	Million ounces
MPA	Maximum Potential Acidity
Mt	Million tonnes
Mtpa	Million tonnes per annum
MWh	Megawatt hour
MWTP	Mine Waste Tailings Project
NAPP	Net Acid Production Potential
NID	National Identification
NZS	New Zealand Standards
OHSAS	Occupational Health and Safety Assessment Series
O&I	Observations and Interactions
ORWB	Off River Water Bodies
OTDF	Ok Tedi Development Foundation Limited
OTEMA	Ok Tedi Environmental Management Act
OTML	Ok Tedi Mining Limited
OWN	OTML Women's Network
oz	Ounces
pa	Per annum

PCon	Pyrite concentrate
PGK	Papua New Guinea Kina
PJ	Petajoule
PNG	Papua New Guinea
PNGSDP	PNG Sustainable Development Program
ppm	Parts per million
PwC	PriceWaterhouseCoopers
RPNGC	Royal PNG Constabulary
RWI	Restricted Work Injury
SAG	Semi Autogenous Grinding
SDGs	Sustainable Development Goals
SHEC	Safety, Health, Environment and Community
SIFR	Significant Injury Frequency Rate
SML1	Special Mining Lease One
t	tonnes
TB	Tuberculosis
TC	Total Carbon
TCS	Tax Credit Scheme
TRIFR	Total Recordable Injury Frequency Rate
UN	United Nations
µg/L	Microgram per litre
USD	United States Dollar
VPC	Village Planning Committee
WPPDTF	Western Province Peoples Dividend Trust Fund
WRD	Waste Rock Dump

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CAUTIONARY STATEMENT REGARDING FORWARD LOOKING INFORMATION

Certain information contained in this Annual Review 2021, including any information as to the Company's strategy, projects, plans, future financial or operating performance and other statements that express management's expectations or estimates of future performance, constitute "forward-looking statements". All statements, other than statements of historical fact, are forward-looking statements. The words "aim", "believe", "expect", "will", "should", "anticipate", "contemplate", "target", "plan", "project", "continue", "budget", "may", "intend", "estimate" and similar expressions identify forward-looking statements. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by management, are inherently subject to significant business, economic and competitive uncertainties and contingencies. The Company cautions the reader that such forward-looking statements involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of the Company, that may cause the actual financial results, performance or achievements of the Company to be materially different from the Company's estimated future results, performance or achievements expressed or implied by those forward-looking statements and the forward-looking statements are not guarantees of future performance. These risks, uncertainties and other factors include, but are not limited to the impact of global liquidity and credit availability on the timing of cash flows and the values of assets and liabilities based on projected future cash flows, changes in the worldwide price of gold, copper or certain other commodities (such as silver, fuel and electricity), possible variations of ore grade or recovery rates, failure of plant equipment or processes to operate as anticipated, ability to profitably produce and transport the Company's product, demand for the Company's product, fluctuations in foreign currency markets, risks arising from holding derivative instruments ability to successfully complete announced transactions and integrate acquired assets, legislative, political or economic developments in the jurisdictions in which the Company carries on business including increases in taxes, operating or technical difficulties in connection with mining or development activities, employee relations, availability and costs associated with mining inputs and labour, the speculative nature of exploration and development, including the risks of obtaining necessary licenses and permits and diminishing quantities or grades of reserves, changes in costs and estimates associated with the Company's projects and the risks involved in the exploration, development and mining business. There can be no assurance that forward-looking statements and information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers are cautioned not to place undue reliance on forward-looking statements and information due to inherent uncertainty. All forward looking statements and information made herein are qualified by this cautionary statement and speak only as at the date of issue of this Annual Review 2021. The Company disclaims any intention or obligation to publicly update, revise or review any forward-looking statements whether as a result of new information, future events or otherwise, except as required by applicable laws or regulations.

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OWNED BY THE STATE,
WESTERN PROVINCE, AND
MINE ASSOCIATED COMMUNITIES



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