
























ANNUAL REVIEW

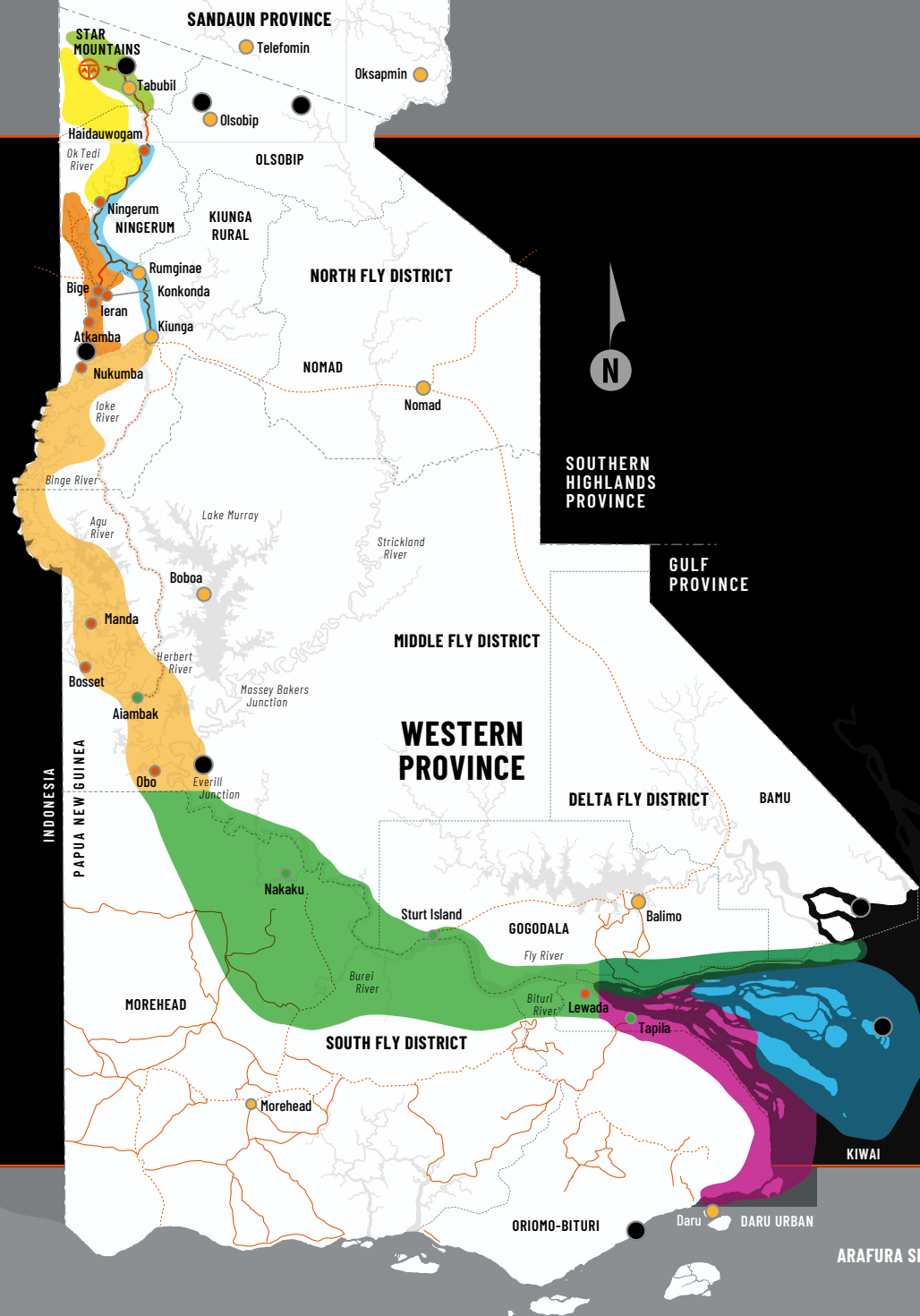
2022



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:

We operate with excellence, maximising the value of our mineral resource in an environmentally responsible way, to deliver sustainable economic and social benefits to our communities and the people of PNG.

CONTENTS

Highlights	2
Company Profile	4
Vision and Values	6
Chairman & CEO Reports	8
Governance	10
Materiality	12
Safety	14
Business Review and Outlook	18
Geology	22
People	26
Environment	30
Social Responsibility	36
Finance	44
Abbreviations	48
Contacts and Acknowledgements	Inside Back Cover

HIGHLIGHTS & CHALLENGES

ECONOMIC

- > Contributed **3.6%** of PNG's GDP
- > **PGK 303 M** (USD 84 M) profit after tax
- > **PGK 300 M** (USD 86 M) dividend paid
- > Provided foreign currency into PNG market

PEOPLE

- > **98%** of the workforce is of Papua New Guinean origin
- > **29%** from the Western Province and Preferred Area
- > **13%** female workforce
- > **67%** of PNG based Manager positions were filled by PNG Nationals
- > Workforce of **2,828** persons
- > Invested **PGK 140 M** (1981-2022) on education and training of graduates, apprentices, trade trainees and school and university scholarships

SOCIAL

- > Payments into the PNG economy were approximately **PGK 2,749 M**
- > Total awarded contracts to PNG companies **PGK 510 M**
- > Contributed **PGK 67 M** to Tax Credit Scheme infrastructure projects
- > Procured **41%** of the total value of goods and **86%** of service contracts from PNG businesses

ENVIRONMENTAL

- > Mine invested **PGK 226 M** in environmental mitigation programs
- > Partial non-compliances regarding flow data and sludge from sewage treatment plant

SAFETY & OCCUPATIONAL HEALTH

- > The Total Recordable Injury Frequency Rate was **0.88**
- > Lost time injuries: **3**

**OUR
MINE
OUR
PRIDE
OUR
FUTURE**



To learn more about OTML and this annual review, visit: www.oktedi.com
or contact: corporatesocialresponsibility@oktedi.com

**100% PNG OWNED BY THE
STATE AND LANDOWNERS**
**COMMITTED TO
"NOBODY GETS HURT"**

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

||| **5.17** MILLION TONNES COPPER

||||| **15.9** MILLION OUNCES GOLD

||||||||| **36.4** MILLION OUNCES SILVER

13

PGK BILLION

DIVIDENDS
TO PNG SHAREHOLDERS

515

PGK MILLION

TAX CREDIT SCHEME
(1997-2022)

972

PGK MILLION

CMCA PAYMENTS
(2001 - 2021)

10.2

PGK BILLION

TAXES/DUTIES

1.5

PGK BILLION

COMPENSATION

1.3

PGK BILLION

ROYALTIES

COMPANY PROFILE

Ok Tedi Mining Limited (OTML, or the Company) is a proudly 100% owned Papua New Guinea (PNG) company which has been mining copper, gold and silver at Mt Fubilan open pit operations for over 39 years.

OTML operates in a remote part of Western Province, with a 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 the shipping to the transfer vessel in Port Moresby. 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 2022 calendar year with 2021 comparatives (where available), and also includes forward looking information for 2023. Historical data can be found on the Ok Tedi website (<https://oktedi.com/>) in previous Annual Reviews.

The 2022 Annual Review is presented in two volumes, the Main Report and the Financial Statements (including assurance and Global Reporting Initiative (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 and these comply with the International Financial Reporting Standards (IFRS) and other generally accepted PNG accounting practices. External auditor, PriceWaterhouseCoopers (PwC) has verified the financial statement, and these are included in this report.

The 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 this report.

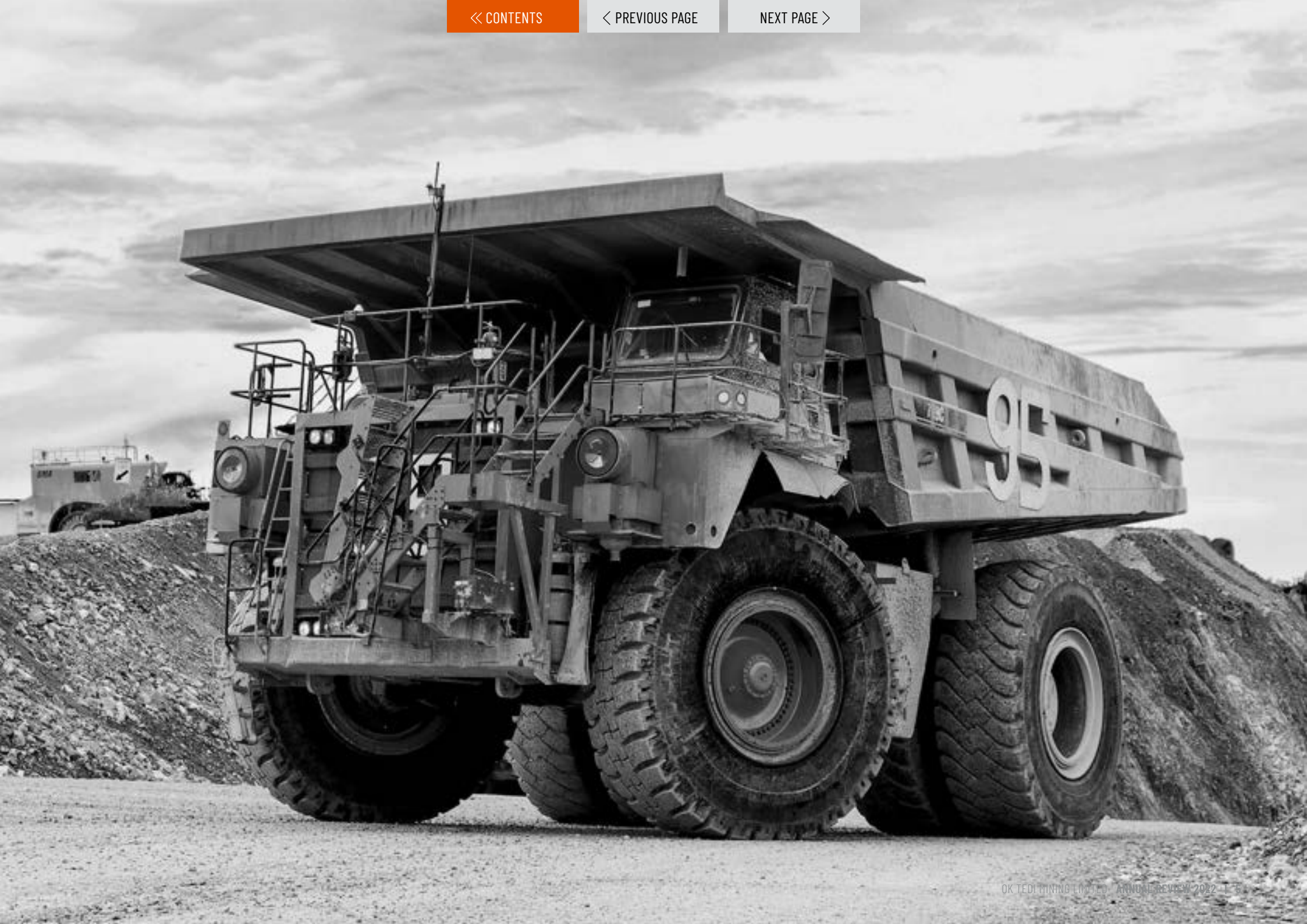
OTML's performance data is presented in the metric system. Unless otherwise stated, all monetary amounts are quoted in PGK (Papua New Guinea Kina) and/or USD (United States Dollars).

CHANGES AND/OR RESTATEMENTS FOR THE 2021 ANNUAL REVIEW

If erroneous data or information was published in 2021 Annual Review, then acknowledgement of the error/s is mentioned and rectified in the current Annual Review.

In the 2021 Annual Report on page 2, under heading, "OTML has produced", the units should be PGK, not PKG as shown. The royalties' number of PKG 4.5 billion, should be PGK 1.28 billion. The CMCA payments number of PKG 811 million (M) should be PGK 922 M.

Image: A CAT 793F haul truck at Ok Tedi.



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 by working to ensure nobody gets hurt and to manage our impact on our environment.



INTEGRITY

We expect honesty, fairness and respect. We do not lie, cheat or steal.



ACCOUNTABILITY

We take personal responsibility for meeting our commitments.



PERFORMANCE

We give our best everyday and seek to continuously improve.



TEAMWORK

We support each other to achieve our common goals. We are One Team, Wan Pasin.



SUSTAINABILITY

We do not waste the resources available to us. We use only what we need and conserve what we can.



Image: Manager Mining Operations Fergus Hart showing OTML Chairman Jeffrey Innes where mining is being conducted at the Fubilan pit while General Manager Mining Derrick Kelly (obscured) looks on.

THE OK TEDI VISION IS:

We operate with excellence, maximising the value of our mineral resource in an environmentally responsible way, to deliver sustainable economic and social benefits to our communities and the people of PNG.

OTML HAS BEEN OPERATING SUCCESSFULLY IN PNG FOR OVER 39 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”**.

CHAIRMAN REPORT

I am pleased to present this report to shareholders on the 2022 year having been appointed Chairman in January 2023.

The 2022 year was a challenging one for the Company with safety performance not meeting internal expectations, and costs impacted by escalating oil prices. During the year there were three lost time injuries (LTI) and 17 total recordable injuries recorded which equated to a Lost Time Injury Frequency Rate (LTIFR) of 0.15 and a Total Recordable Injury Rate (TRIFR) was 0.88. Whilst favourable in an international mining context (see ICMM website www.icmm.com/website/publications/pdfs/health-and-safety/2022/benchmarking-safety-data-2021), this outcome was disappointing compared to the 2021 safety performance where there was one lost time injury and eight total recordable injuries.

A key initiative to meet our goal of no injuries is coaching safe behaviours and attitudes. Such a program yielded step change improvement in 2018 and 2019 before being curtailed during the COVID-19 pandemic. The program was reinvigorated in the second half of 2022 with an extended focus to reach business partners where more than 80% of injuries are incurred.

Costs in 2022 were heavily impacted by a spike in oil prices that occurred during the year and influenced by global turmoil. Price, and relatively low levels of hydro power generation resulting from low rainfall in key catchment areas, resulted in the Company spending PGK 240 M more than the previous year on fuel and oil supplies which represented an increase of more than 90%.

Despite these challenges the Company was able to increase copper and gold production by 13% and 17% respectively and generate a profit after tax of PGK 301 M (2021: PGK 376 M) and fund a PGK 300 M dividend distribution to shareholders (2021: PGK 450 M).

In August 2022, the OTML Board approved an updated strategic business plan that included an extension of mine life from 2032 to 2033. This extension was primarily due to delays in mining due to COVID-19 disruptions.

A high priority of the Board is progressing options to further extend the mine life that takes into account not only the commercial value of Ok Tedi but also recognises the significant social benefit generated to our key stakeholders. We look forward to reporting progress in the future.

AS WE LOOK AHEAD, THE COMPANY
EXTENDS ITS APPRECIATION TO
MANAGEMENT, OUR EMPLOYEES,
BUSINESS PARTNERS AND
COMMUNITIES FOR THEIR ONGOING
EFFORTS AND CONTRIBUTION IN
2022 AND LOOKS FORWARD TO
YOUR CONTINUED SUPPORT.



Another area of priority is continuing to invest in our people. Ok Tedi operates with high levels of local labour with more than 98% of employees being PNG Nationals. And we are proud of that. The Board remains committed to developing our national leaders to progressively take on senior management roles.

Therefore, I am particularly pleased that in April 2023 the Company announced the appointment of Mr Kedi Ilimbit as the Managing Director (MD) & Chief Executive Officer (CEO). Kedi, who was previously the Deputy CEO, was appointed after a thorough international search and commences the new role with a deep understanding of the Ok Tedi operation and business.

As discussed previously, priorities of the Board and Management are to extend mine life and continue developing national talent. The short to medium term focus is on successfully completing the transition to higher grade ore sources liberated by the Crusher Replacement Project (CRP) completed in 2021.

Whilst this transition was extended by the impact of the pandemic and will continue throughout 2023, the Company is pleased to report that mine production has returned to pre pandemic levels which is driving the required mine and phase development.

The Board also continues to invest in renewal of the processing facility to cater for an extended mine life with the Processing Asset Renewal project progressing well ahead of anticipated completion in early 2025.

In early 2023 the management team revisited our vision and values and updated them. Our new vision is 'We operate with excellence, maximising the value of our mineral resource in an environmentally responsible way, to deliver sustainable economic and social benefits to our communities and the people of PNG'. The company is committed to further developing our social and sustainability systems in order to implement sustainable programs. An overview of our program delivery can be found in the environmental and social responsibility sections of this Review.

As we look ahead, the Company extends its appreciation to management, our employees, business partners and communities for their ongoing efforts and contribution in 2022 and looks forward to your continued support.

Management and the Board wish to acknowledge former Chairman, Dr Roger Higgins who in January 2023 left the Board after a tenure of nine years, with the last two as Chairman. We also acknowledge former MD and CEO Mr. Musje Werror who in late 2022 departed after a long employment history with Ok Tedi Mining. Musje commenced as a graduate and held many roles during a career spanning over 35 years before proudly becoming the first Papuan New Guinean to lead Ok Tedi. We wish both Roger and Musje well and thank them for their significant contributions.

As we move forward into 2023 it is likely the new year will bring its share of challenges, however I am confident that as a team, the Ok Tedi workforce will deliver to our Communities, our Province, and our Country.

A handwritten signature in cursive script that reads "Jeffrey Innes".

MR JEFFREY INNES
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 8 March 2023 when statutory accounts were finalised are shown in the table below.

YEAR 2022				
BOARD MEMBER	POSITION	STATUS	DATE APPOINTED	COMMITTEE FUNCTION
Jeffrey Innes	Chairman	Director nominated by Kumul Minerals (Ok Tedi) Limited	18 January 2023	Chairman – Appointments & Remuneration
Augustine Mano	Non-executive Director	Director nominated by pooled interest of Western Province Entities.	23 August 2018	Chairman – Audit and Risk
Robert Alphonse Kaiyun	Non-executive Director	Director nominated by pooled interest of Western Province Entities.	23 August 2018	Member – Safety, Health and Environment and Community
Bonny Ninai	Non-executive Director	Director nominated by Kumul Minerals (Ok Tedi) Limited.	10 December 2021	Chairman – Safety, Health and Environment and Community
Dr Ila Temu	Non-executive Director	Director nominated by Kumul Minerals (Ok Tedi) Limited.	18 January 2023	Member – Appointments & Remuneration
Sarimu Kanu	Non-executive Director	Director nominated by Kumul Minerals (Ok Tedi) Limited	18 January 2023	Member – Appointments & Remuneration
Cameron Clark	Company Secretary		1 December 2013	General Manager – Commercial, Chief Financial Officer

Board members who departed since the last report are Dr John Kuwimb (01/12/2022), Mr. Musje Werror (01/12/2022), Ms Nellie James (18/01/2023) and former Chairman, Dr Roger Higgins (18/01/2023).

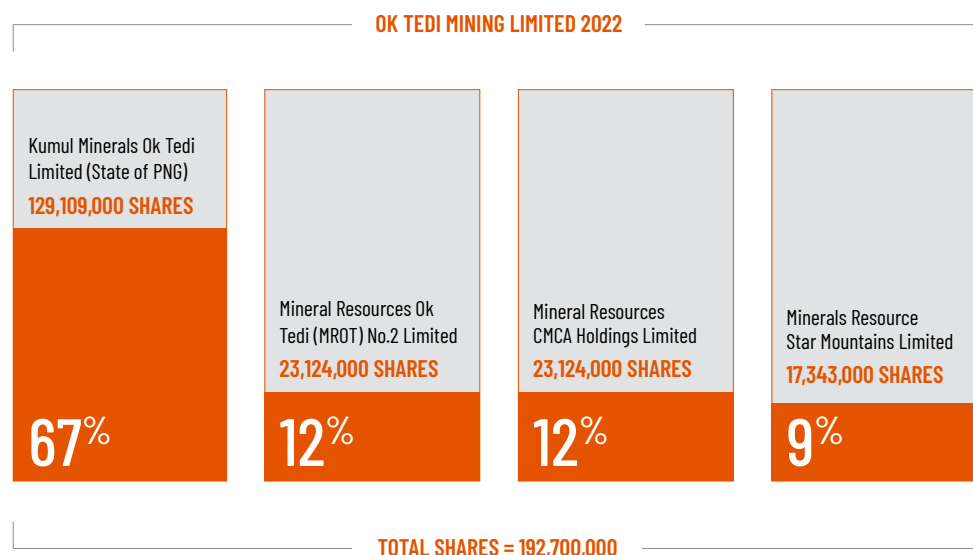
BOARD MAIN ISSUES

During 2022, the Board and standing committees met on seven occasions to consider the following issues:

- approval of key economic assumptions used for planning purposes;
- approval of the 2022 Strategic Business Plan; Three Year Plan (2022 to 2024) and the 2023 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 profits to shareholders.

SHAREHOLDER STRUCTURE

The shareholding structure for OTML at 31 December 2022 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 practice. 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;
- Mining Act 1992;
- Mining (Safety) Act 1977 and Regulations;
- IFRS; AS/NZS ISO31000:2009, Risk Management, Principles and Guidelines;
- Occupational Health and Safety Assessment Series ISO18001:2007, the International Safety Management Standard;
- ISO14001:2004, the International Standard for Environmental Management Systems; and
- GRI Universal Standards Sustainability Reporting Framework and Guidelines;

The Company complied with its various licences and permits during 2022.

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 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 February 2023, The International Mining Industry Underwriters (IMIU) completed OTML desktop annual operational risk external audit. Ok Tedi has continued to implement recommendations from previous audits and maintained a better than average commercial attractiveness to insurers. The 2023 IMIU audit has ranked Ok Tedi operations in the 'Low Risk' zone.

FINANCIAL AUDIT

The financial statements of the Company for the year ending 31 December 2022 have been audited by PwC PNG and its Independent Auditor's Report is included in the Financial Statement.

MATERIALITY

OTML has prepared the 2022 Annual Review with reference to GRI Universal Standards '1-3', Topic Standards '200-400' and the Mining and Metals Supplement to address OTML's material topics.

OTML recognises development of the GRI Sector Standard for Mining currently is in draft. Once finalised and approved OTML will commence reporting in the future against the Sector Standard for Mining.

OTML has used a broad principled prioritisation to identify the material topics (GRI Universal Standard 3) 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 201-204	Business Review and Outlook
Nobody Gets Hurt	OTML, Employees, Contractors and Government	Achieving zero harm to employees and contractors. This has included COVID-19 management.	OHS 403	Safety
Waste rock, tailings and pyrite management	OTML, Communities and Government	Waste rock and tailings impacting the riverine system. To remain compliant with Environment Regime.	Environment 301-308	Environment
Community development projects and consultation	OTML, Government and Communities	CMCA community agreements rely on OTML, Ok Tedi Development Foundation (OTDF) and Tax Credit Scheme (TCS) social development and infrastructure project delivery.	Social and Economic 2, 201, 203	Social Responsibility and OTDF AR
Peoples' ability to execute operations strategy and plans	OTML, Employees, Government and Communities	Skilled competent people are required to deliver OTML's strategy and plans.	People 201, 404	People

Image: Logistics Manager Captain Karo Yama at the Tabubil Airport hangar.



SAFETY

OTML has implemented a safety system which addresses the major business hazards, measures both lag and lead indicators and promotes behavioural safety. In 2022, there were three LTI, resulting in a LTIFR of 0.15.

The reset of the Safety Plan was developed to align and support the company's 2025 Safety Vision, which is measured by the goal of having the lowest TRIFR, a high performance safety culture and zero fatalities.

The revised three Year Plan consists of four main functions or pillars: Behavioural safety, Risk management, Standards & systems and Workplace hygiene.

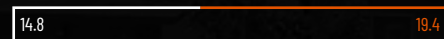
The focus in 2022 (first year of the three year plan) was to re-enforce the foundations with re-setting the Safety Plan, re-structure of the Safety team, finalise and socialise Safety standards and procedures, re-establish behavioural programs and Occupational hygiene program with focus on engaging our business partners.



Image: OTML Broadcast Officer Augustine Kinna undergoing firefighting training in Tabubil.

SAFETY INDICATORS 2021 / 2022

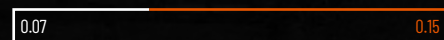
HOURS WORKED (MILLION PER ANNUM)



LOST TIME INJURIES



LTIFR



TOTAL RECORDABLE INJURIES



TRIFR



SIGNIFICANT INCIDENTS



SIFR

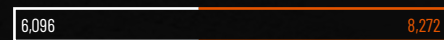


LEADING INDICATORS 2021 / 2022

INSPECTIONS



HAZARD ID

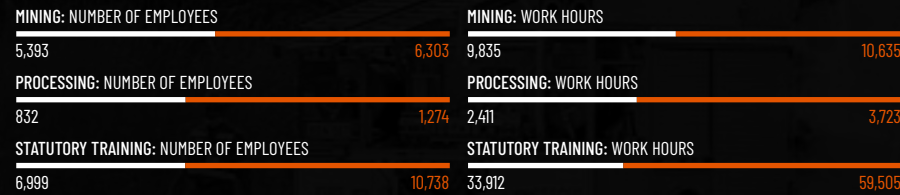


OBSERVATIONS AND INTERACTIONS



SAFETY TRAINING COURSE 2021 / 2022

GENERAL SAFETY TRAINING



COMPETENCY BASED TRAINING



REFRESHER TRAINING



TOTAL: NUMBER OF EMPLOYEES TOTAL: WORK HOURS



POSITIVE CASES REPORTED AT TABUBIL HOSPITAL 2021 / 2022



MALARIA



TRAINING 2021 / 2022



FIRST AID AND CPR (PARTICIPANTS)



LOW VOLTAGE RESCUE (PARTICIPANTS)



Note for Safety Indicators graphs: Significant Incidents include High Potential Incidents, excluding production loss events.

Note for Leading Indicators graphs: Combines activities for both OTML and contractor employees.

* (includes basic firefighting for other Departments)

SAFETY (CONTINUED)

Key deliverables under each function/pillar in 2022 included:

- Re-establishment of the Advance Safety Awareness & Behavioural Program (ASA&B) aimed to increase safety awareness and change mindsets to reduce the behaviours that cause workplace injuries and incidents.
- Re-establishment of the business partners safety forum. The forum was re-established this year with the aim to provide an opportunity for OTML and business partners to collectively discuss and share ideas to improve our safety performance and achieve our Vision of becoming the safest mine in PNG.
- Roll out of the iLEAD program to business partners across site with the aim to have visible felt leadership of our business partners out on the shop floor through the safety activities required to be completed on a bi-monthly basis.
- ICAM Investigation training conducted during the year to establish a pool of competent investigators to maintain current skills. Fourteen lead investigators and eight basic investigators were trained to conduct investigations.
- Re-establishment of the Occupational workplace hygiene program. An action plan developed to ensure occupational risks are identified and managed at the workplace.
- In collaboration with the OK Tedi Way project, safety systems were reviewed for fit for purpose, user friendly and linked to other business systems and safety dashboards set up for easy access to safety information.

SAFETY PERFORMANCE

OTML reports against the industry standard lagging indicators for LTIFR, TRIFR and significant incident frequency rate (SIFR) for combined employees and contractors.

In 2022, there were three LTIs and 23 significant incidents. The three LTIs comprised of injuries sustained in two separate vehicle rollover incidents and a serious eye injury sustained in the processing plant.

The total recordable injuries of 17 was an increase on 2021(8). There were 14 restricted or medical treatment injuries mainly to hands, fingers, shoulders and arms. The incident causes included employees performing tasks and displaying at risk behaviors such as non-compliance to procedures, inadequate risk assessments, taking shortcuts and incorrect personal protective equipment.

LEADING INDICATORS

The iLead program sets and monitors compliance by all levels of management against a defined expectation of safety activities including inspections, hazard identifications and observations and interactions each month.

The decrease in the number of inspections from 2021 to 2022 was due to the shortfall in Business Partner inspections. This is being addressed in 2023 with an OTML safety team member working with contractor groups to meet target inspections.

BEHAVIOUR BASED SAFETY

OTML applies a behaviour-based safety program known as ASA&B coaching program, which provides one-on-one coaching to all personnel. The purpose is to encourage employees to think differently about safety and their own personal behaviours in order to improve safety performance. A change in provider allowed for a revitalisation of the coaching program.

The revised Level 1 coaching program focuses on five key elements - the individual's behaviour, attitude, risk tolerance, motivation and stress management. It is believed that these factors have a direct link to incidents caused by human error, thus the coaching emphasis is on increasing the individual's personal safety awareness in these areas to reduce human error caused incidents.

In April, OTML participated in what is normally the National Mine Safety Week (NMSW), re-branded for 2022 as the OK Tedi Safety Week due to COVID 19 restrictions preventing national coordination. During this week both employees and business partners participated in a range of activities aimed at raising safety awareness and performance.

Theme for the NMSW for 2022 was "Fit for Work". The program commenced with a fun run event on Day 1 to open the week. A total of 924 participants took part including teams from Port Moresby, Kiunga, Bige and Tabubil. The theme was observed throughout the week with Fit for Work pre-start and toolbox talk topics, parallel activities, competitions, sports & school programs, and business partner sponsored initiatives. Topics covered included Fatigue, Drug and Alcohol, Safety Psychology, Mental Health and Health & Hygiene.

In addition, the newly established NMSW Steering Committee had members visit and partake in activities at our other operations including; Kiunga, Bige, KM59 and Port Moresby office.

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 at year end.

The theme for the '90 Day Finish Strong' campaign for 2022 was to refocus on the 2022 'Plan on a Page', identify areas or key performance indicators (KPIs) lagging against target and implement strategies to improve the KPIs in the last quarter. Good participation from all workgroups, resulted in improved safety and less incidents.

SAFETY TRAINING CAPABILITY

The charts show the number of employees and hours worked for safety training courses presented in 2022 compared to those in 2021. There was a significant increase in safety training with 87,764 hours in 2022 compared to 54,231 hours in 2021.

HEALTH & WELLNESS

The Company completed employment medicals (pre and periodical) for 4,195 employees and contractors in 2022 as part of its Wellness and Fitness for Duty program.

The Company applies a zero-tolerance policy for alcohol and drugs. In 2022, there were 358,458 breath alcohol tests of employees and contractors with 35 positive results. There were also 4,975 illicit drug tests with only three positive results.

OTML funds and manages the Tabubil hospital and local clinics which provide medical services to employees, contractors and the general community.

In 2022, hospital pathology staff identified 30 positive cases of tuberculosis (TB), including 17 OTML employee and 13 contractors. Malaria testing identified 434 positive cases, including 154 OTML employees.

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

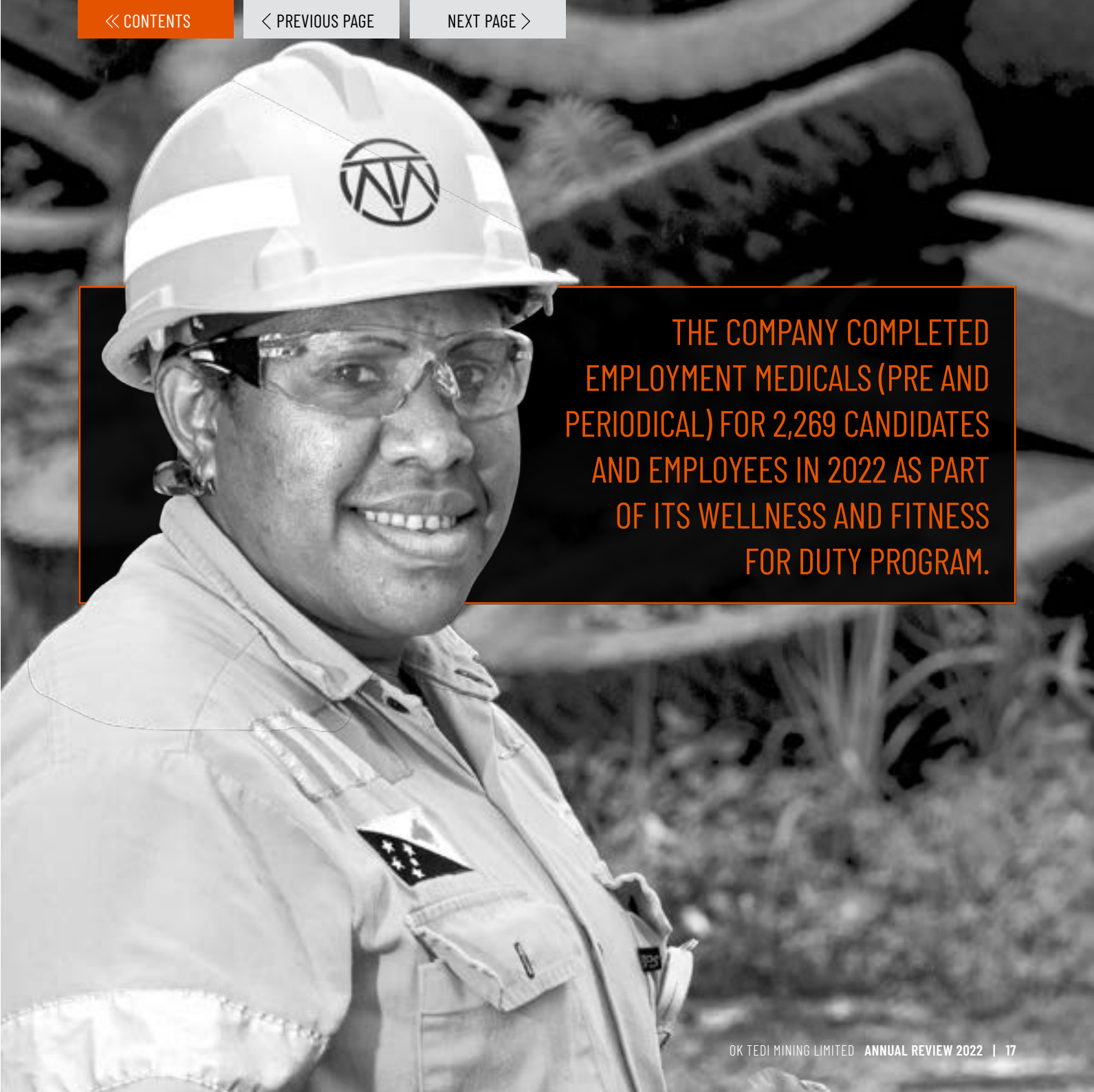
SECURITY

Security is managed by OTML's Asset Protection Department (APD), supported by contracted (unarmed) security guards, the Royal PNG Constabulary, Provincial Police and Mobile Squad personnel. APD and partners comply with the United Nations Voluntary Principles of Human Rights.

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

Onsite training in 2022 continued with 9,278 hours compared to 3,220 in 2021. However external training and the annual Papua New Mines competition was postponed due to COVID-19.

Image: Purchasing Officer Susan Freddy.



**THE COMPANY COMPLETED
EMPLOYMENT MEDICALS (PRE AND
PERIODICAL) FOR 2,269 CANDIDATES
AND EMPLOYEES IN 2022 AS PART
OF ITS WELLNESS AND FITNESS
FOR DUTY PROGRAM.**

BUSINESS REVIEW AND OUTLOOK

In 2022 the OTML Board approved an updated Strategic Business Plan that saw mine life extend to 2033. The OTML Board is actively progressing options to extend mine life further.

BACKGROUND

OTML operates the longest running open-pit copper, gold and silver mine in PNG and has produced more than 5.2 million tonnes (Mt) of copper, 15.9 million ounces (Moz) of gold and 36 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 2022, the Mineral Reserves, reported in accordance with the Joint Ore Reserves Committee code, were 236 Mt at 0.72% copper and 0.85 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 and gold into a saleable concentrate. Copper concentrate is piped 156 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 USD 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 2022 the OTML Board approved an updated Strategic Business Plan that saw mine life extend to 2033. The OTML Board is actively progressing options to extend mine life further.

Image: Ore being loaded at Ok Tedi.





BUSINESS REVIEW AND OUTLOOK (CONTINUED)

PRODUCTION

Copper production was 13% higher than the previous year primarily due to an increase of 11% in ore milled, with the previous year impacted by residual fire damage in late 2020.

Gold production was 17% higher than the previous year attributable to higher head grade and increased processing throughput.

Mine production (total material movement) increased by 10% to 104.7 Mt in 2022 with pandemic related labour shortages experienced in the previous year largely addressed. Production levels are now back in line with pre pandemic 2019 levels.

FINANCIAL

OTML generated PGK 3.6 billion in gross sales revenue in 2022. This was 5% higher than the previous year with 12% higher production partially offset by a fall in copper price which fell by 8% (from USD 4.28/lb to USD 3.94/lb).

Total operating costs in 2022 were PGK 3.0 billion, which was 6% higher (an increase of PGK 175 M) than the previous year. The main driver of higher costs was an increase in fuel and oil costs of PGK 240 M. This was partially offset by lower pandemic related costs.

As a result, the 2022 profit after tax was PGK 301 M, which was PGK 75 M lower than the previous year.

The Company generated PGK 506 M of cash from operating activities, applied PGK 155 M to leases used in operations, generating a net of PGK 351 M from operations and distributing PGK 300 M to shareholders as a dividend.

The Company invested PGK 709 M in waste stripping future ore sources and capital projects. Investment was partially funded by an increase in borrowings of PGK 525 M. Net cash held reduced by PGK 144 M.

PRODUCTION & COMMERCIAL OUTLOOK

The three-year period between 2023 and 2025 will see Ok Tedi complete the transition to higher grade ore sources liberated by the investment in replacing the old crusher and mine workshop in 2021 to enable access to the East Wall of the Fubilan pit.

The transition will benefit from an increase in mine production to pre COVID-19 levels approximating 105 Mt per annum (Mtpa) now that pandemic related labour constraints have been removed.

Copper grade will progressively improve from recent years (circa 0.44% in 2021 and 2022) to approximately 0.55% in 2023 and 2024, before increasing to circa 0.65% (which approximates the reserve grade) in 2025 and beyond and result in improved production and commercial outcomes.

Copper production is expected to increase by more than 20% (compared to 2022) in 2023, marginally improve in 2024, and increase a further 20% in 2025.

This will generate free cash of at least PGK 500 M, PGK 600 M, and PGK 1.3 billion in 2023, 2024, and 2025 respectively (subject to fluctuation in metal prices).

**MINE PRODUCTION
(TOTAL MATERIAL
MOVEMENT) INCREASED
BY 9.9% TO 104.7 Mt
IN 2022 WITH
PANDEMIC RELATED
LABOUR SHORTAGES
EXPERIENCED IN
THE PREVIOUS YEAR
LARGELY ADDRESSED.**

Image: Mine Surveyor Jacob Dau.

**OPERATIONS PARAMETER 2021 / 2022**

TOTAL MATERIAL MOVED (Mt)	95.3	104.7	10% (YOY)
ORE MILLED (Mt)	17.6	18.7	11% (YOY)
COPPER GRADE (%)	0.43	0.45	3% (YOY)
COPPER RECOVERY (%)	85.8	86.9	1% (YOY)
GOLD GRADE (g/t)	0.57	0.62	8% (YOY)
GOLD RECOVERY (%)	65.2	66.7	2% (YOY)
CONCENTRATE PRODUCED (Kt)	272	295	9% (YOY)
COPPER PRODUCED (Kt)	65	73	13% (YOY)
GOLD PRODUCED (Koz)	212	248	17% (YOY)

GEOLOGY

In 2022, OTML exploration concentrated on near mine targets within SML1 (New York Breccia, Wellington, Gilor 10 and Komgubip) as well as reconnaissance drilling on EL 2156 at Mt Frew and Mt Kwang.

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

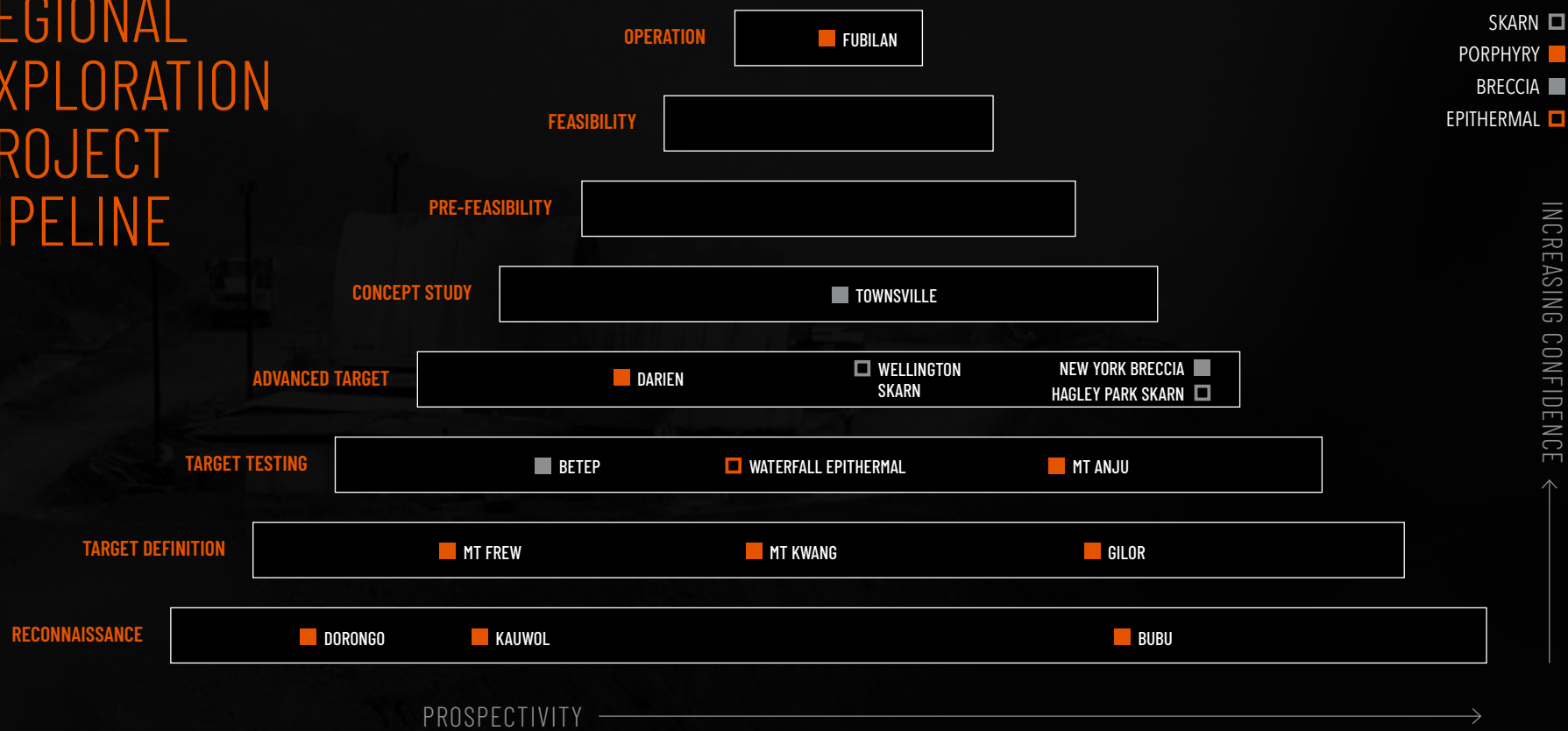
In March 2022, a revised Mt Fubilan Mineral Resource and Ore Reserve as of 31 December 2022 was presented to the OTML Board. Comparing the 2022 estimate with the previous estimate, the changes report a 17% decrease in the total Mineral Resource tonnes from 489 Mt to 419 Mt, an increase in the copper grade by 0.07% and an increase in the gold grade by 0.09 grams per tonne (g/t). The total Proven and Probable Ore Reserves over the same period decreased by 11% from 262 Mt to 236 Mt, with a 0.05% increase in the copper grade and 0.07 g/t decrease in the gold grade.

The Mineral Resource and Ore Reserve reflects the outcome of strategic planning work completed in 2022.

Image: The Vancouver area of the Ok Tedi mine.



REGIONAL EXPLORATION PROJECT PIPELINE



GEOLOGY (CONTINUED)

MT FUBILAN MINERAL RESOURCE AND ORE RESERVE AS AT 31ST DECEMBER 2022

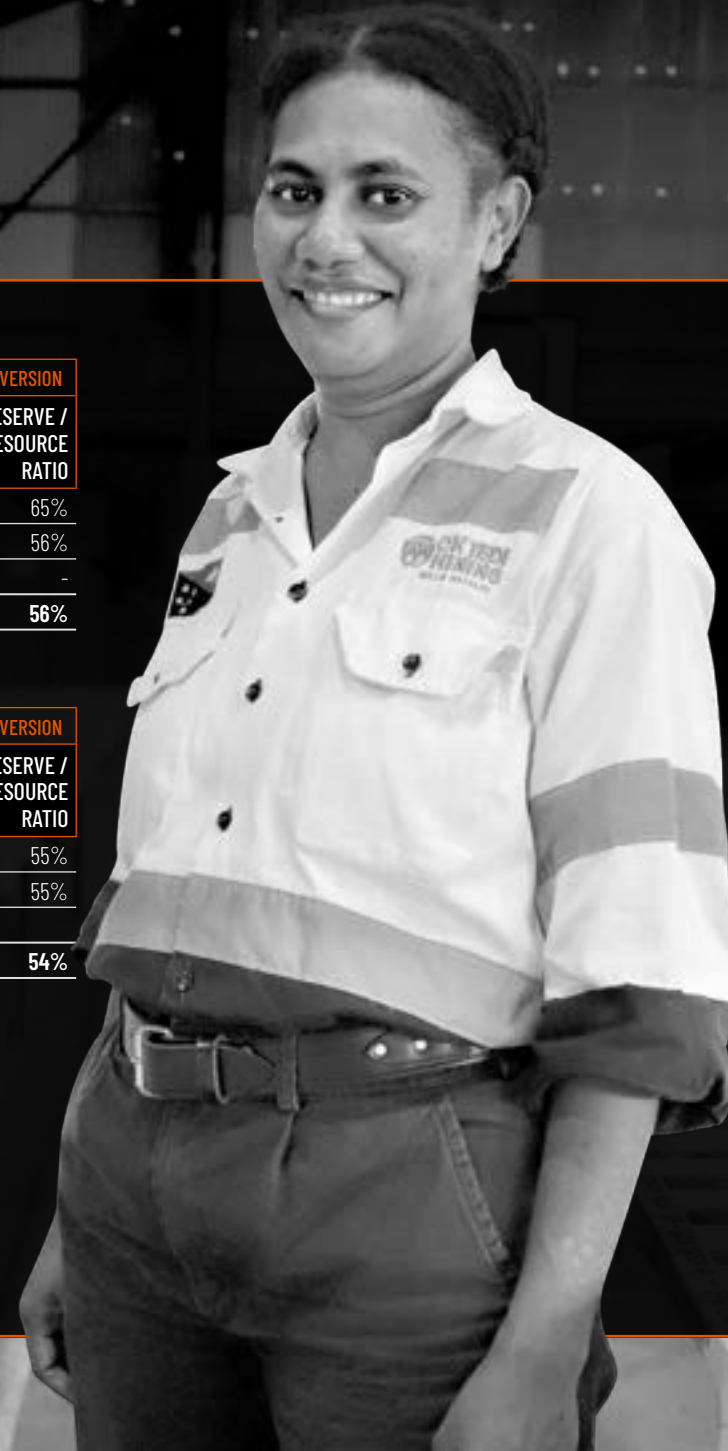
MINERAL RESOURCE				ORE RESERVE				CONVERSION
CATEGORY	TONNAGE (Mt)	Cu (%)	Au (g/t)	CATEGORY	TONNAGE (Mt)	Cu (%)	AU (g/t)	RESERVE / RESOURCE RATIO
Measured	105	0.70	0.82		68	0.87	1.01	65%
Indicated	301	0.54	0.66		168	0.66	0.79	56%
Inferred	13	0.52	0.68		-	-	-	-
TOTAL	419	0.58	0.70		236	0.72	0.85	56%

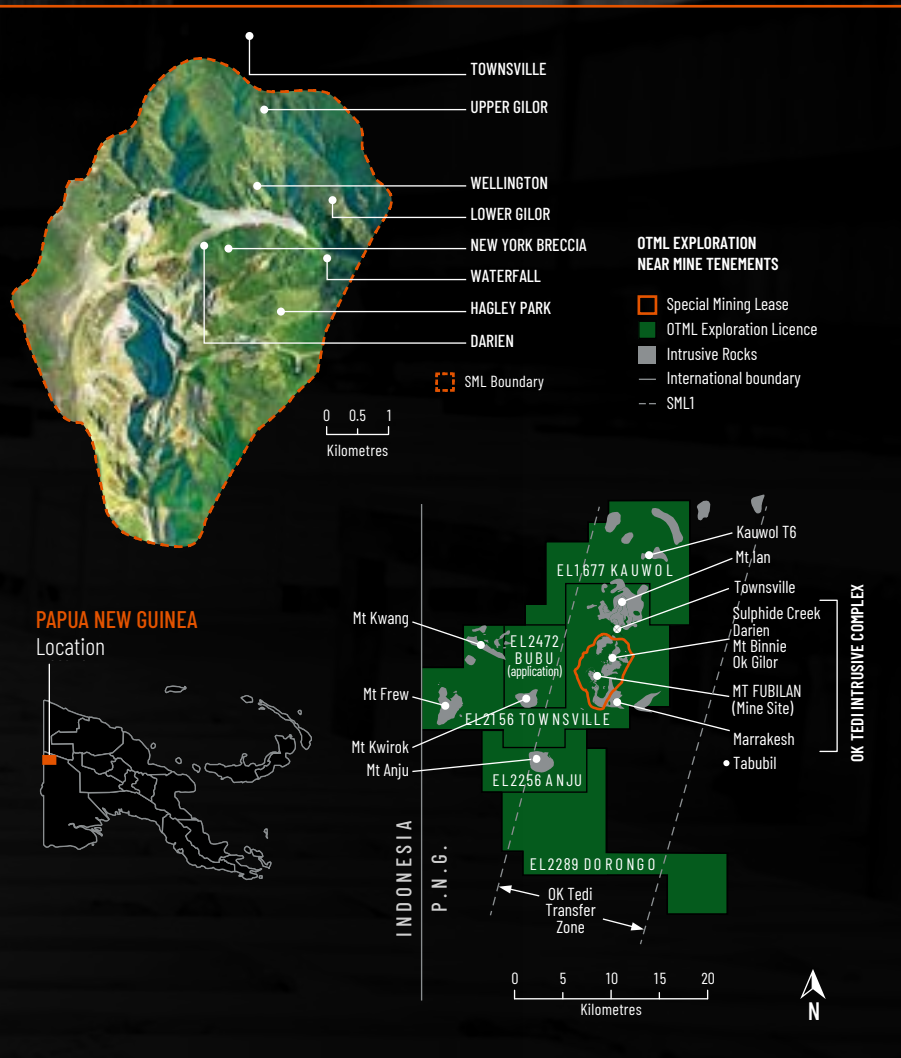
MT FUBILAN MINERAL RESOURCE AND ORE RESERVE AS AT 31ST DECEMBER 2021

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		262	0.67	0.78	54%

TOWNSVILLE MINERAL RESOURCE AS AT 31ST DECEMBER 2022

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, exploration activities focused on completing the drill program on the New York Breccia, drill testing the Gilor Breccia, a program of resource drilling at Wellington, and drilling at the Komgubip prospect East of Wellington.

A total of 29 holes were completed on SML1 for an aggregate of 13,513 metres (m).

NEW YORK BRECCIA

The resource drilling program at New York was completed by the end of Q1 2022. The revised resource estimate for the New York Breccia was completed by AMC consultants. The results are below our strategic benchmarks for a feasible prospect for now, but it still has the potential for more resource drilling in the future.

WELLINGTON

A program of resource definition drilling commenced targeting the Wellington Skarn. A total of 20 holes were completed by the end of the year and drilling will continue into 2023. A new resource estimate is expected to be completed by the end of Q4 2023 for incorporation into the Life of Mine Plan.

GILOR BRECCIA

Three holes were drilled to test the Gilor 10 Breccia target. No significant mineralisation was intersected and no additional work is considered warranted in this area.

KOMGUBIP

Three holes were drilled at the Komgubip Prospect located about 1 km East of Wellington. All holes intersected gold mineralisation with the best result of 47.4 m at 1.84 g/t gold from 258.3 m in SCK 121 and 8.2 m at 6.24 g/t gold from 289.8 m in SCK 125. A program of step-out drilling to extend the strike extent of this structure is planned for late 2023.

Image: Superintendent Mineral Technical Services Nellie Irima at the Geneva core shed.

OTHER SML1 TARGETS

The geochemical soil sampling program on the northern side of Sulphide Creek was completed with a number of anomalous areas identified which will be followed up with field programs in 2023.

Work for 2023 on SML1 will focus on targets along the Wellington Corridor (Wellington to Komgubip). The resource drilling for the Wellington Skarn will be completed and a new resource estimate calculated. The Wellington Deeps drilling will be escalated and a near surface magnetite skarn breccia to the northwest of Wellington will be drill tested. A program of mapping along the Wellington Corridor will commence following up on geochemical anomalies from the recent soil sampling program.

REGIONAL EXPLORATION

Scout drilling was completed on the Seltem Prospect, Mt Frew and Mt Kwang in the western part of EL 2156. Three holes were drilled at the Seltem Prospect (1,120 m) and two holes at Mt Kwang (499 m).

Drilling at Seltem targeted a geochemical anomaly and zones of extensive phyllic alteration. Low levels of gold mineralisation were intersected with 37 m at 0.19 g/t gold from 249 m in FRE001 and 34 m at 0.13 g/t gold from 145 m in FRE002.

Two holes were completed at Mt Kwang which is located North of Mt Frew. Disseminated pyritic mineralisation was intersected in both holes but assay results are still pending.

Work planned for 2023 will include mapping and drill targeting North of the existing Townsville resource areas.

PEOPLE

To be the leading mining company, OTML needs an integrated, high performing workforce. People initiatives are targeted at developing the necessary skills, the right culture and the diverse and inclusive environment required for high performance.

COVID-19 RESPONSE

COVID-19 was particularly disruptive in 2020 -2021 and Ok Tedi was able to put in place management procedures to minimise outbreaks to employees and contractors. A further wave was experienced from early January 2022 which was brought under control by early March with minimal disruption to operations. The remainder of 2022 remained relatively COVID-19 free.

AT YEAR END, OTML DIRECTLY EMPLOYED 2,828 PEOPLE WITH PNG CITIZENS REPRESENTING 98.44% OF THE WORKFORCE WITH 28.99% FROM THE WESTERN PROVINCE. FEMALES OCCUPY 12.80% OF THE WORKFORCE AND 66.67% OF PNG BASED MANAGER POSITIONS WERE FILLED BY PNG NATIONAL STAFF. THE 2022 EMPLOYEE DEMOGRAPHICS HAVE REMAINED CONSTANT, ALTHOUGH INCREASED, COMPARED TO 2021, AND THERE HAVE BEEN NO SEASONAL VARIATIONS IN EMPLOYMENT NUMBERS.

Image: Mine Maintenance Manager Mek Kelly.



EMPLOYEES BY CATEGORY 2021 / 2022

NATIONAL EMPLOYEES GRADES 1 TO 4

1,709	1,886
-------	-------

NATIONAL EMPLOYEES GRADES 5 AND ABOVE

730	803
-----	-----

EXPATRIATES

41	33
----	----

AUSTRALIAN BASED

9	11
---	----

TRAINEES

88	95
----	----

EMPLOYEES BY GENDER 2021 / 2022

MALE

2,278	2,466
-------	-------

FEMALE

299	362
-----	-----

EMPLOYEES BY ORIGIN 2021 / 2022

EXPATRIATES

41	33
----	----

WESTERN PROVINCE/PREFERRED AREA

645	820
-----	-----

NON-WESTERN PROVINCE

1,882	1,844
-------	-------

AUSTRALIAN BASED

9	11
---	----

EMPLOYEES BY AGE 2021 / 2022

UNDER 30

327	272
-----	-----

30-50

1,805	2,052
-------	-------

OVER 50

445	504
-----	-----

TOTAL EMPLOYEES

2,577

2,828

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.

KEY PILLARS	SYSTEMS AND TARGETS	PROGRESS
Creating the culture for high performance	<ul style="list-style-type: none"> OTML Values One Team – Wan Pasin 	A further culture survey was completed at the end of 2022.
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 	<ul style="list-style-type: none"> 66.67% of PNG based Manager positions were filled by PNG Nationals, and 36.36% of the Executive Leadership Team were PNG Nationals, with 18.18% of positions vacant as at year end.
Increasing Gender Diversity	<ul style="list-style-type: none"> 20% female employees by end of 2025 25% of leadership positions occupied by females 	<ul style="list-style-type: none"> 12.80% of the workforce were females, and 14.58% of leadership roles were filled by females as at year end.
Supporting high performance through effective systems	<ul style="list-style-type: none"> Integrated, accessible, embedded and sustainable systems Policies to support strategic objectives 	<ul style="list-style-type: none"> The on-line facilitated Performance Management System went live in 2022. Greater access was provided to people data for all leaders through the live HR scorecard available on MS Teams

HIGH PERFORMANCE CULTURE

During 2021 and into 2022, each department implemented specific actions arising from the previous employee survey. A further survey was conducted at the end of 2022 to gauge progress.

While still under analysis at the time of writing of this report, the survey showed that OTML remains an employer of choice with good engagement and values, however, there are opportunities for improvement in some cultural factors related to behaviour which can undermine employee engagement.

The Pasin Ok Tedi Team, a group of opinion leaders and influencers from across the business, was re-vitalized in 2022 with new membership, structure and plans. The Team remains a key factor to develop and implement initiatives aimed at awareness of the behaviours which support our Values, promote engagement and drive our “One Team, Wan Pasin” approach.

LEADERSHIP DEVELOPMENT

We continue to focus on developing our national leaders to take on senior management roles with the aim to nationalise all these roles over the next three years. A further cohort for 2022 enrolled in the Leadership Development Program 2 (LDP2) targeted at 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-seven employees are participating in this program scheduled for completion in 2023.

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. In 2022 the graduate intake was 30 new staff.

DIVERSITY AND INCLUSION

OTML remains committed to increasing gender diversity with the target of 20% of the workforce being females and 25% of leadership positions filled by females by the end of 2025.

The Ok Tedi Women’s Network continues to be a driving force to provide awareness and advocacy for women’s issues as well as providing a support network for the success of female employees.

In 2021, OTML introduced a new development program, RISE, targeted at developing female employees to ensure a continuing talent pipeline of women. There were 44 graduates of the RISE program in 2022.

Associated with the employee culture survey, a needs analysis was conducted at the end of 2022 focused on challenges and trends relating to diversity, equity and inclusion. This will inform the on-going strategy to be further developed in 2023.

PEOPLE SYSTEMS

The upgrade of online people systems continued with the implementation of the Performance Management module of SAP Success Factors. This complements the previously implemented People modules by facilitating the identification of annual goals and tracking progress for the annual performance review conducted at year's end. The system allows the tracking of completion of mid-year and final reviews and facilitates consistent information for the annual remuneration review process.

Access for leaders to People related data continued to be enhanced through the HR Scorecard available on the MS Teams site.

A new Industrial Agreement was negotiated in 2022 to take effect from 1st January 2023 and settle employment conditions for the next five years.

WE CONTINUE TO FOCUS ON DEVELOPING OUR NATIONAL LEADERS TO TAKE ON SENIOR MANAGEMENT ROLES WITH THE AIM TO NATIONALISE ALL THESE ROLES OVER THE NEXT THREE YEARS.

Image: Safety Systems and Data Coordinator Lin Sabuin.

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.

OK Tedi spent PGK 226 M on environmental mitigation programs. These programs include environmental mitigation at the mine and processing plant and dredging of sediments down river to reduce the impact of sedimentation in the upper Fly River.

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,
- navigability of the main Ok Tedi and Fly River channels by commercial and village craft.

Image: Planning Engineer with Bige Technical Services David Bosuk with Streetman Niai of Lotic Bige Ltd at Bige Rehabilitation Nursery.

THE COMPANY HAS DEVELOPED AN INTEGRATED WASTE MANAGEMENT PROGRAM THAT IS ACTIVELY COLLECTING AND SORTING MATERIALS THAT CAN BE RECYCLED TO REDUCE LANDFILL. FERROUS WASTE WAS SIGNIFICANTLY LOWER THAN IN 2021, DUE TO COMPLETION AND REMOVAL OF THE DISMANTLED FORMER CRUSHER AND CONVEYING CIRCUIT.



ENVIRONMENT (CONTINUED)

These values are measured as part of compliance monitoring of the Environmental Regime in accordance with 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 completed in 2022. Field benthic sediment sampling in Port Moresby and Umuda to monitor the effect of transshipping activities on seabed was undertaken in January 2023 due to unavailability of the scheduled support vessel (MV Collins Survey) in November/December 2022.

For all of 2022, OTML recorded partial non-compliances relating to flow data and sludge from Wangbin sewage treatment plant (STP) not captured and managed in accordance with Permit. The plan to upgrade the STP facility in 2022 was rescheduled to 2023. OTML also submitted an Environment Permit amendment application to PNG Conservation and Environmental Protection Authority (CEPA) to discontinue algal and bacterial toxicity (Condition 7c) monitoring in the catchment. This analysis was previously undertaken in Australia, however the laboratory has advised it has withdrawn this testing method. No substitute laboratory has been identified.

OK TEDI ENVIRONMENTAL MANAGEMENT ACT

The OTEMA, Section 13 was passed by the PNG Parliament in February 2019 and certified. In 2022, OTML prepared the four quarterly reports against the conditions and submitted to CEPA. The Annual report for 2021 was submitted to CEPA in June 2022.

Image: The new Tyre Pyrolysis Plant that was commissioned in Tabubil in January 2022.

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 2022, 17.2 Mt of treated tailings were discharged into the upper reaches of the Ok Tedi River, and 64.5 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 had 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 which will reduce the sediment loadings to the riverine system from future mine developments. Towards the end of 2021, the design phase of the dump was completed, with implementation of early pioneering and drainage works commencing in 2022. Although not a requirement, an Environment Management Plan has been developed for the EWRD Project and is currently being finalised.

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. Ongoing monitoring continued in 2022. This can have impacts on vegetation and also fish biodiversity.



SAGO PALM MAPPING

OTML documented changes to sago palm (*Metroxylon sagu*), within the Lower Ok Tedi, Upper Fly and Middle Fly catchments and associated floodplain and the extent of those changes. Ground truthing work and additional work is re-scheduled for 2023.

FISH MONITORING

OTML long-term fish catch data show declines in riverine fish catch over time at the three riverine compliance sampling sites (i.e. Kuambit/Erekta, Bosset and Ogwa), with minimal declines at adjacent floodplain sites. Declines at riverine sites have always 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).

The key fish community parameters monitored are abundance, the biomass and species diversity and all three parameters are in declining trend. Barramundi fish are the major biomass, however it has severely declined due to factors including:

- Asian demand for air bladder increasing local fishing pressure.
- Reduced floodplain drying due to bed aggradation in the river.

Further monitoring is required to understand the changes in Barramundi population in riverine catch in the Fly River.

Fish diversity surveys conducted five yearly throughout the freshwater reaches of the Fly River system since 2005 have identified a total of 140 species comprising of 132 native and eight exotic species. A recent survey in 2018 has confirmed the importance of several refuge areas that continue to support populations of a range of species in decline or with reduced sightings in the middle Fly area in the main Fly River channel and off river water bodies.

ENVIRONMENTAL PERFORMANCE

OTML is committed to improving environmental performance across all aspects of the Company's operations and has prepared the 2022 data tables and previous year data for comparison. The annual average % sulphur in final tailings discharge was 0.64% which was a 1.6% increase compared to 2021. The average annual acid neutralising capacity (ANC)/ maximum potential acidity (MPA) ratio in dredged sediments at Bige was 3.7, 85% higher than the compliance minimum of 2.0, indicating a sufficient alkalinity and neutralising capacity.

In 2022 there was a 18.55% increase in PCon slurry piped to Bige from the processing plant compared to 2021. The increase is due to higher tonnes processed and improved sulphur recovery in the plant. The Riverine disposal intensity index decreased by 15.80% in 2022 compared to 2021. The decrease is due to higher annual copper production (12.08%) in 2022, with similar year on year tonnages of waste discharged to the river. The average annual % sulphur in waste rock decreased from 1.54% in 2021 to 0.94% in 2022, due to mining of areas with lower grade sulphur ore and waste rock.

The total riverine disposal includes waste rock and tailings. The total volume (81,613 kt) reduced by 1.6% compared to 2021. There was lower waste rock but increased tailings volume (17,161 kt) in 2022 compared to 2021 (16,318 kt). The dredge at Bige removed 17.3 Mt of fine sediment in 2022 compared to 17.7 Mt in 2021. The average dissolved copper ($\mu\text{g/L}$) in river waters at Nukumba monitoring location was 6.1 $\mu\text{g/L}$, 8.9% higher than the 2021 average concentration of 5.6 $\mu\text{g/L}$. The increase could be due to higher processing plant head grade of 0.45% Cu in 2022 vs 2021 grade of 0.43% Cu.

WATER USAGE

Recycled water (42 Mm³), comprised 79% of the water used in the processing plant and was lower than the 46 Mm³ used in 2021.

ENERGY CONSUMPTION

Open cut mining and the processing of copper ores is energy intensive. OTML's energy intensity index (MWh/t contained copper) decreased from 6.8 in 2021 to 6.3 in 2022.

Fuel contributes significantly to the Company's greenhouse gas (GHG) emissions. Total GHG emissions in 2022 were 335 Kt carbon dioxide equivalents (CO₂-e), representing a 17.4% increase from 2021 emissions.

The total amount of electricity used during 2022 was 460 Gigawatt hours (GWh) compared to 441 GWh in 2021, with 311 MWh being produced from hydroelectric generation. Hydroelectric power is used in preference over higher cost thermal power. The hydroelectric power provided 68% of OTML's requirement through the Ok Menga and Yuk Creek hydroelectric generation stations.

LAND DISTURBANCE AND REHABILITATION

In 2022, 2.26 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 areas is 2,783 ha.

During 2022, 55 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.

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. The current mine life was extended in 2022, from 2032 to 2033.

In 2022, OTML and EMM Consulting Pty Ltd completed the tri-annual mine closure updates and these were lodged with the PNG Government for review and subsequent approval.

ENVIRONMENTAL INCIDENTS AND COMPENSATION

Annual compensation payments were made to the nine CMCA regions, as direct reparation for use of riverine tailings discharge. In 2022, compensation payments totalled PGK 67.6 M. This was because of additional non-CMCA related compensation payments made for Dablan Creek pipeline bush clearance and environment disturbances caused by road diversions.

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. Ferrous waste was significantly lower than in 2021, due to completion and removal of the dismantled former crusher and conveying circuit.

In 2022, the Waste Management department commissioned a new tyre pyrolysis plant which was built by an Australian company specialising in pyrolysis. Ok Tedi produces about 1,500 tonnes of waste tyres per year. The plant will produce fuel oil from old tyres by decomposing (not burning) the tyres. Apart from the fuel oil that is produced, the other two products include wire and char. The char can be used as fertiliser while the wires are recycled as scrap steel. The fuel oil can be used as a substitute for diesel.

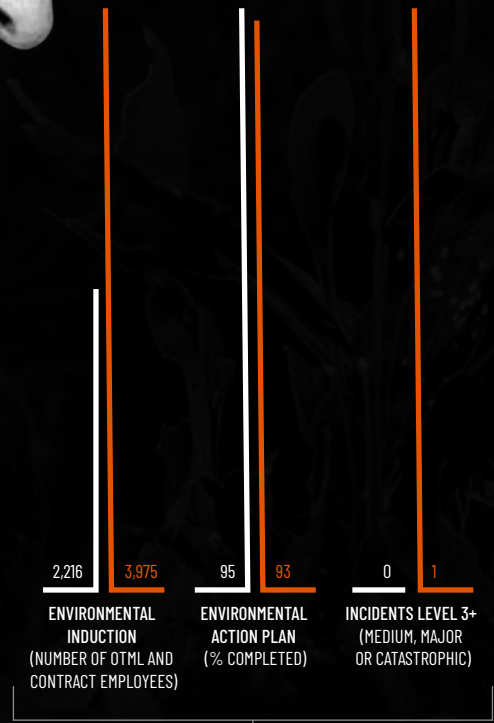
ENVIRONMENT (CONTINUED)

OTML IS COMMITTED TO IMPROVING ENVIRONMENTAL PERFORMANCE ACROSS ALL ASPECTS OF THE COMPANY'S OPERATIONS.

SCRAP METAL SHIPPED FOR RECYCLING 2021 / 2022

FERROUS (t)	
2,366	765
NON-FERROUS (t)	
119	1,848
LINER PLATES (t)	
563	1,848

2021 TOTAL (t)	2022 TOTAL (t)
3,048	2,803



ENVIRONMENTAL MANAGEMENT PERFORMANCE 2021 / 2022

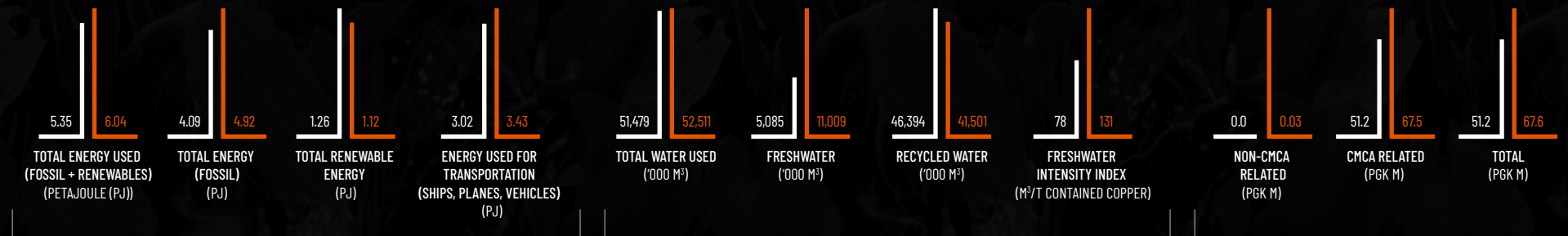
ENERGY AND GREENHOUSE GAS PRODUCTION 2021 / 2022

TOTAL DIESEL CONSUMPTION (ML)	106	124
DIESEL CONSUMPTION FOR POWER GENERATION (ML)	23.2	38.5
DIESEL USED FOR MACHINERY / OTHER (ML)	82.8	85.9

ELECTRICITY USE (GWh)	441	460
DIESEL GENERATED ELECTRICITY (GWh)	90.4	149.1
HYDROELECTRICITY (GWh)	350	311.1

POWER SOLD (MWh)	385	432
ENERGY INTENSITY INDEX (MWh/t CONTAINED COPPER)	6.8	6.3
GHG EMISSIONS ('000 t CO ₂ e)	285	335

GHG EMISSIONS INDEX (t CO ₂ -e/t CONTAINED COPPER)	4.4	10.5
NEW LAND DISTURBED THIS YEAR (ha)	9.71	2.26
TOTAL LAND DISTURBED TO DATE (ha)	2,781	2,783
LAND REHABILITATED THIS YEAR (ha)	51.1	55



ENERGY TYPE (CONSUMPTION) 2021 / 2022

WATER MANAGEMENT 2021 / 2022

ENVIRONMENTAL COMPENSATION 2021 / 2022

WASTE MANAGEMENT 2021 / 2022

TOTAL RIVERINE DISPOSAL ('000 t)	82,959	81,613
WASTE ROCK ('000 t)	66,641	64,453
TAILINGS ('000 t)	16,318	17,161

PCON SLURRY PIPED TO BIGE ('000 t)	1,024	1,214
RIVERINE DISPOSAL INTENSITY INDEX (t/t contained copper in concentrate)	1,322	1,113
ANNUAL DREDGE SLOT PRODUCTION RATES (Mt)	17.7	17.3

AVERAGE ANNUAL SULPHUR IN WASTE ROCK (%)	1.54	0.94
AVERAGE ANNUAL SULPHUR IN TAILINGS (%)	0.63	0.64
AVERAGE ANNUAL ANC/MPA IN DREDGED SEDIMENTS	2.9	3.7

AVERAGE DISSOLVED COPPER AT NUKUMBA (µg/L)	5.6	6.1
SCRAP METAL (t shipped for recycling)	3,049	2,466

Image: Korin Kelly of Lotic Bige Ltd at the Bige Rehabilitation Nursery.

SOCIAL RESPONSIBILITY

OTML operates in a manner that balances economic and social impacts and respects the rights and culture of impacted communities. OTML paid over PGK 2,776 M to local communities and the PNG economy.

The company has a number of government and community agreements including the CMCA which is underpinned by transparent dialogue with communities through regular consultation and trust meetings. This dialogue is consistent with the principles of Free and Prior Informed Consent.

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


COMMUNITY MINE CONTINUATION AGREEMENT

OTML facilitates a formal CMCA with communities across nine 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 nine 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 2022 the total payment was PGK 49.6 M. The OTML CR Department conducts population updates every two years for the eight CMCA regions and an annual update for the mine villages.

Image: Mellissa Henry Zumoi of Aiambak in the Middle Fly.





OTML PROVIDES SIGNIFICANT DIRECT AND INDIRECT ECONOMIC BENEFITS FOR PNG 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.

SOCIAL RESPONSIBILITY (CONTINUED)

COMMUNITY CONSULTATION

OTML Community Relations (CR) organises regular formal and informal community engagement events and meetings. CR conducts annual community communication and consultation meetings in all 158 villages. Each year, some villages can unfortunately not be visited, due to logistical challenges and out of respect to villages cultural obligations.

In 2021, OTML launched 'Radio Fly', which continued throughout 2022. The project is an FM Radio station used as an alternative communication medium to keep both local workforce and communities informed about the mine operations and community issues. This was particularly useful when regular communications were disrupted by COVID-19.

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.

A total of 261 complaints were registered in the system however, there were many more complaints and issues that officers dealt with at the counter, resolved and were not registered. Of these, 245 complaints were closed and 16 remained open pending resolution.

The highest number of registered complaints (171) was under the "Compensation & Payments" category.

SIGNIFICANT DISPUTES RELATING TO LAND USE OR CUSTOMARY RIGHTS

In 2022, 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.

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. 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. 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 TCS and the Western Province Peoples Dividend Trust Fund (WPPDTF).

Detailed information on community program delivery for 2022 can be found in the OTDF Annual Report and on the OTDF website: www.otdfpng.org.



OTDF'S VISION IS TO IMPROVE SELF-SUSTAINABILITY AND IMPROVE THE QUALITY OF LIFE OF ALL WESTERN PROVINCE COMMUNITIES.

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
- investments in local and regional infrastructure, including roads, bridges, jetties, hospitals and schools

Payments into the PNG economy in 2022 were approximately PGK 2,776 M, which was 9.19% lower than 2021 (PGK 3,057 M). A dividend payment of PGK 300 M was paid to shareholders.

TCS expenditure was PGK 65.56 M compared to 2021 expenditure of PGK 35 M. Goods purchased in PNG increased to PGK 540.3 M, compared to PGK 408 M in 2021. There was a decrease in PNG contractor payments of PGK 988 M compared to 2021 expenditure of PGK 1,251 M. These decreases are attributed to completion of the CRP.

Image: A local villager being assisted from a medevac operation which Ok Tedi regularly conducts into rural areas of Western Province, and the Telefomin district of Sandaun Province.

	PGK (M)	
	2021	2022
Taxes and levies paid to PNG Government	233	251.8*
Dividend paid	450	300*
CMCA	49.7	49.63
Compensation	79.5	61.09
SUBTOTAL	812	662.52
ROYALTY PAYMENT		
Western Provincial Government	30.5	33.0*
Landowners	30.5	33.0*
Less: Royalty tax (IRC)	(1.5)	(1.7)*
SUBTOTAL	62.4	64.3*
TAX CREDIT SCHEME		
Education	1.6	8.07
Roads, bridges, airport	31.5	57.23
Utilities	1.9	0.29
SUBTOTAL	35	65.58
LOCAL BUSINESS		
Goods purchased in PNG	408	540.3*
PNG contract payments	1,251	988*
Local training costs	6.2	5.6*
Salaries and wages	422	450.01
SUBTOTAL	2,087	1,983.91
TOTAL	3,057	2,776.32

* Data not available to two decimal places

SOCIAL RESPONSIBILITY (CONTINUED)

ROYALTY PAYMENTS

In 2022, OTML paid PGK 65.56 M in royalties based on net revenues derived from copper and gold production to Western Provincial Government and Landowners.

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. The Company is able to apply through the Department of Finance for up to 2% of Assessable Income for the year to be targeted towards Provincial infrastructure projects.

Since its establishment, the TCS has provided significant project funding (PGK 551 M) to the Western and Sandaun Provinces. In 2022, the OTML's TCS project commitment was PGK 72.8 M.

In the final quarter of 2022, 24 projects were approved and registered under the TCS. 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	6
2	Completed projects pending completion certificates	13
3	DNPM approved projects but yet to start	5
TOTAL PROJECTS APPROVED & REGISTERED UNDER OTML		24

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.

In 2022, compensation payments totalled PGK 61 M that was PGK 1.01 M lower than 2021 due to restated 8th supplementary agreement payments made in 2021. Yearly compensation payments fluctuate depending on budgets and community assistance requests.

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 identify and prioritise sustainable development projects for Trust funding. OTDF provides support in project scoping, design, tenders and project construction supervision.

Due to COVID-19 restrictions, OTML was unable to complete work on the 2022 CMCA Census project, therefore, 2021 data was used. The population data from the 2021 census was used to pay compensation payments to the 152 impacted villages under the CMCA.

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

In 2022, PGK 49.6 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 Department of PNG to sign a memorandum of understanding (MOU) in 2018 to fund and deliver the NID Project to the people of Western Province living in the CMCA corridor.

Since 2018, CR Officers together with the NID Officers and funding from OTML, delivered this vital government service free to the CMCA communities, Mine Villages, Government and non-Government workers, OTML employees, contractors and their dependents.

At the end of 2022, 84,530 people were registered, and the combined total of 75,739 NID cards and birth certificates have been issued.

The OTML NID Project office closed in December 2022 with an official transfer and commissioning of office functions to the North Fly District Administration in January, 2023.

OK TEDI DEVELOPMENT FOUNDATION PROJECTS

FISHERIES OPPORTUNITIES

In collaboration with the Australian Commonwealth Scientific Industrial Research Organisation, OTDF developed a business model for small-scale fisheries in Fly River communities. The project focuses on women's projects in mud crab collection and tilapia fish. A workshop engaged a range of stakeholders from government, private sector representatives including the community and development organisations. The project was jointly funded by the Australia Centre for International Agriculture Research and aims to consider appropriate enterprise and resource management models for women to maximise income and encourage sustainable fishing.

WESTAGRO FLAGSHIP PROGRAM

In its second year of operations, the WestAgro Flagship Program has facilitated the implementation of various projects. Flagship projects Agro-Industrial Centre and Kiunga Vanilla Project are near completing construction, while the Mount Fubilan poultry project continues to remain profitable.

KAVIANANGA RICE PROJECT

The Kaviananga rice project expanded in 2022 with more than 2,000 rice growers including Middle Fly Women and Children Association participating in trials as part of the PGK 3.8 M incentive grant. The successful trial using eight different varieties of rice, five imported and three local were grown using upland and lowland planting techniques. The initiative was supported by OTDF, OTML, Australian Department of Foreign Affairs and Trade, Innovative Agriculture Industry and the Kaviananga Community.

WATER, SANITISATION AND HYGIENE (WaSH) PROGRAM

In 2022, OTDF launched the Water, Sanitation & Hygiene (WaSH) program, aimed at promoting health and hygiene conditions in the region. The program involved conducting 15 awareness campaigns and training focussed on washing hands, menstrual hygiene, water treatment and storage in communities and selected schools in four districts. A total of 2,015 females and 347 males participated in the training with schools incorporating key messages from the program into the Pikinini Sports program.

FOOD SECURITY PROGRAM

OTDF launched a five year food security program in South Fly communities aimed at helping local farmers grow rice, cassava and selected vegetables and promote long-term sustainability of agricultural activities in the area. Over ten ha (10.5 ha) of land was cultivated resulting in three tons of food harvested in 2022. Results indicated farmers were able to access resources and infrastructure needed to improve cropping yields.

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 2022, the total value of services contracts paid to PNG suppliers was PGK 988 M, or 61% of all contracts.

The breakdown of goods purchased in Papua New Guinea was PGK 513.6 M or 38% of total expenditure. This was a major increase compared to 2021 due to increase in fuel purchases. Total expenditure was PGK 1,334.6 M.

Local Western Province purchases are now under service purchase orders through the umbrella company, hence the lower total direct purchases in 2022 compared to 2021.

Image: Miglasim local Rodrick Roddy in his traditional attire at the opening of the new Tabubil Police Barracks funded under the OTML TCS program that was opened in 2022.



SOCIAL RESPONSIBILITY (CONTINUED)

PAYMENT CATEGORY 2021 / 2022

LAND LEASED TO VILLAGES (PGK M)	4.7	3.1*
DONATIONS (PGK M)	0.7	0.3*
8 TH SUPPLEMENTAL AGREEMENT (PGK M)	18.2	19.1*
CMCA (PGK M)	32.7	32.73
MINE VILLAGE BENEFITS (PGK M)	5.8	5.83
OTHER COMPENSATION (PGK M)	0	0.03
TOTAL (PGK M)	62.1	61.09

GROUPS AND TRUSTS 2021 / 2022

MINE LANDOWNERS (PGK M)	1.6	5.83
DEVELOPMENT FUND (PGK M)	3.1	3.07
WOMEN AND CHILDREN FUND (PGK M)	5.9	5.72
INVESTMENT FUND (PGK M)	2.3	2.28
SPECIAL COMPENSATION (PGK M)	32.7	32.73
TOTAL (PGK M)	46.6	49.63

* Data not available to two decimal places.

PURCHASES OF GOODS BY LOCATION 2021 / 2022

WESTERN PROVINCE (PGK M)	119.6	26.71
NATIONAL PAPUA NEW GUINEA (PGK M)	288.6	513.60
JV (PNG & OVERSEAS) (PGK M)	629.3	794.29
TOTAL (PGK M)	1,037.5	1,334.60
LOCAL PURCHASES IN WESTERN PROVINCE 2021 / 2022		
KIUNGA (PGK M)	2.0	1.95
TABUBIL (PGK M)	117.6	24.76
TOTAL (PGK M)	119.6	26.71

The following major projects are currently approved and/or under construction. The budget and expenditure in 2022 are shown in the TCS project table.

TCS BUDGETS & YTD EXPENDITURE BUDGET PGK (M) / EXPENDITURE TO DATE PGK (M)

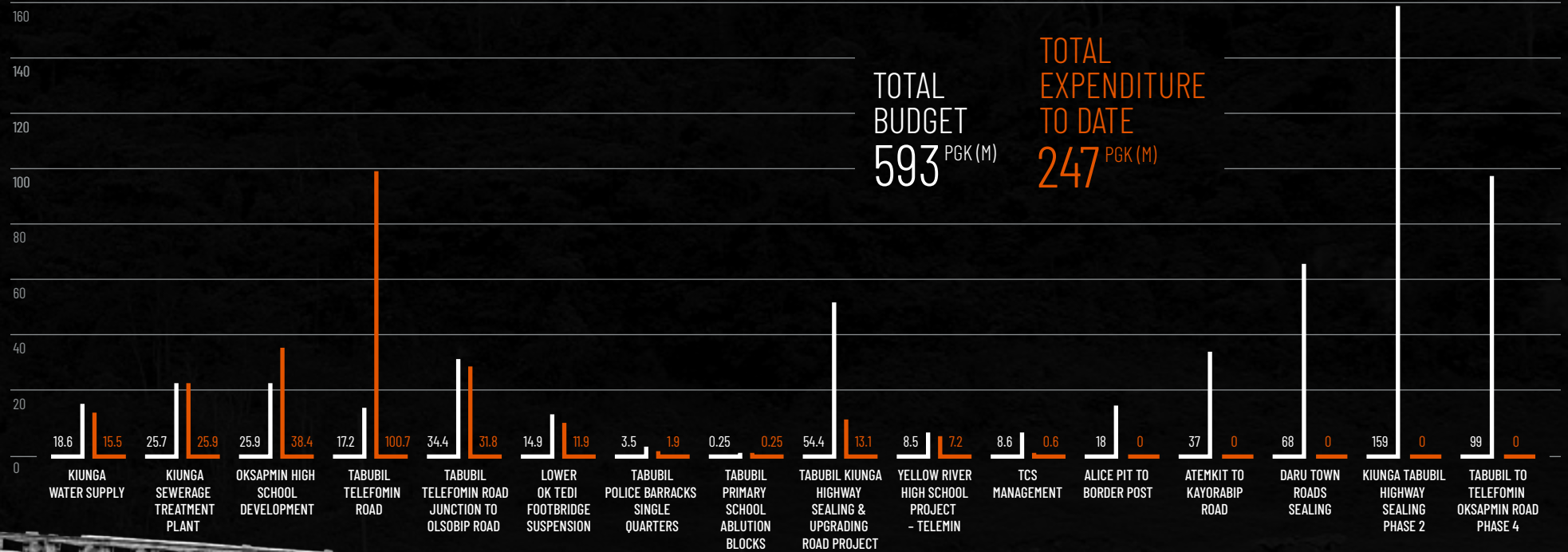


Image: The new Lower Ok Tedi footbridge that was funded under the OTML TCS and opened in 2021.



FINANCE

In 2022, the Company recorded a consolidated profit (after tax) of PGK 301 M.

ECONOMIC CONTRIBUTION

OTML's financial performance for 2022 included gross sales revenue of PGK 3,638 M generating a consolidated after tax profit of PGK 301 M and enabling a dividend distribution of PGK 300 M to shareholders.

OTML is a significant generator of foreign currency. In 2022 the Company sold in excess of USD 670 M into the PNG foreign exchange market.

The financial statements have been externally audited by PwC PNG. During 2022, 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.



Image: Mine Operations team meeting before work commences.



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 959 M AND A CONSISTENT RECORD OF PROFITABILITY.

FINANCE (CONTINUED)

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

	SALES REVENUE BY COMMODITY (M)			
	2022 PGK	2021 PGK	2022 USD	2021 USD
Copper	2,144	2,068	609	589
Gold	1,505	1,302	428	370
Silver	37	41	11	12
Finalisation Gains / (Losses)	(47)	58	(13)	17
TOTAL GROSS REVENUE	3,638	3,469	1,001	962

EXPORT SALES	2022	2021
Concentrate (t)	290,782	265,088
Contained copper (t)	72,090	64,034
Contained gold (oz)	246,278	208,334
Contained silver (oz)	546,948	537,056

METAL PRICES

A comparison of the average 2021 to 2022 metal prices realised by OTML is shown below. The 2022 copper price was 8% lower than in 2021 and the gold price was 1% lower.

	2022	2021
Copper (USD/lb)	3.94	4.28
Gold (USD/oz)	1,789	1,801

FINANCIAL PERFORMANCE SUMMARY

In 2022, the Company recorded a consolidated profit (after tax) of PGK 301 M.

The Company generated PGK 506 M of cash from operating activities, applied PGK 155 M to leases used in operations, and generated a net of PGK 351 M from operations. PGK 300 M was distributed to shareholders as a dividend.

The Company invested PGK 709 M in waste stripping future ore sources and capital projects. Investment was partially funded by an increase in borrowings of PGK 525 M.

A consolidated cash balance of PGK 107 M was held as at 31 December 2022, which was PGK 144 M lower than the previous year.

CONSOLIDATED INCOME STATEMENT AND BALANCE SHEET

	CONSOLIDATED	
	2022 K'000	2021 K'000
CONTINUING OPERATIONS		
OPERATING REVENUE:		
Sales Revenue	3,524,833	3,378,579
Other operating income/ (expenses), net	35,022	1,336
TOTAL OPERATING REVENUE	3,489,811	3,379,915
Mining costs	754,495	616,700
Processing costs	776,355	644,294
General and administrative costs	756,494	831,087
Depreciation and amortisation	445,046	492,121
Exploration costs	49,767	57,015
Marketing costs	184,927	151,428
TOTAL OPERATING COSTS	2,967,084	2,792,645
PROFIT FROM OPERATING ACTIVITIES	522,727	587,270
Finance income	11,747	7,197
Finance costs	81,920	53,088
PROFIT BEFORE INCOME TAX	452,554	541,379
Income tax expense	151,283	165,240
NET PROFIT FOR THE YEAR	301,271	376,139

DISCUSSION OF INCOME STATEMENT

REVENUE

Total sales revenue in 2022 was PGK 3,525 M, which was 4% higher than 2021 due to an increase in copper and gold production of 12% and 17% respectively and offset by a lower metal prices.

TOTAL GROSS REVENUE	
YEAR	PGK (M)
2022	3,525
2021	3,379

OPERATING COSTS

Operating costs in 2022 were PGK 3.0 billion, which was 6% or PGK 175 M higher than the previous year. This was primarily a result of an increase in fuel & oil costs of PGK 240 M largely absorbed into mining and processing costs and resulting from higher prices and lower hydro power generation.

Marketing costs increase represents an increase in shipped volumes along with the spike in export freight charges incurred during the middle of 2022.

PROFITABILITY

The company generated a consolidated after-tax profit of PGK 301 M which was PGK 75 M lower than 2021 and reflected the after-tax impact of higher sales revenue PGK 146 M offset by additional PGK 175 M of operating costs and increase in finance costs associated with borrowings (PGK 28 M).

PROFITABILITY (COMPANY)		
PGK (M)	2022	2021
Profit Before Tax	453	541
Tax Expense	(151)	(165)
PROFIT AFTER TAX	301	376

CONSOLIDATED BALANCE SHEET

RESULTS: BALANCE SHEET	2022 (PGK M)	2021 (PGK M)	2022 (USD M)	2021 (USD M)
ASSETS				
Cash and cash equivalents	107	251	30	72
Trade and other receivables	406	338	115	96
Inventories	1,119	1,068	317	304
Prepayments & Other Current Assets	181	62	51	18
Income Tax refund	29	0	8	0
TOTAL CURRENT ASSETS	1,841	1,719	523	490
Financial assurance fund	848	895	241	255
Property, plant, equipment and mine development	4,688	4,152	1,332	1,183
Restoration and rehabilitation	0	54	0	15
TOTAL NON-CURRENT ASSETS	5,559	5,119	1,579	1,459
LIABILITIES				
Trade and other payables	347	401	98	114
Borrowings	273	0	78	0
Provisions	263	225	75	64
Income Tax Payable	0	68	0	19
TOTAL CURRENT LIABILITIES	883	694	251	198
Restoration and rehabilitation	610	810	173	231
Bank Loan and facilities	257	0	73	0
Provisions	1,411	1,094	401	312
TOTAL NON-CURRENT LIABILITIES	2,277	1,904	647	543
NET ASSETS	4,241	4,240	1,205	1,208
EQUITY				
Share capital	195	195	234	234
Foreign Currency Reserves	0	0	(702)	(698)
Retained earning	4,046	4,045	1,672	1,672
TOTAL EQUITY	4,241	4,240	1,205	1,208

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 959 M and a consistent record of profitability.

CASH AND BORROWINGS

Cash on hand at the end of 2022 was PGK 107 M. This was PGK 104 M lower the previous year with funds utilised to partially fund investment in waste stripping future ore sources (PGK 370 M) and capital projects (PGK 339 M).

RECEIVABLES

Trade and other receivables were PGK 406 M as at 31 December 2022. This was higher than the previous year (PGK 338 M) and due to production and sales timing differences.

INVENTORY

Inventories on hand which includes ore and product inventories at 31 December 2022 were PGK 1,119 M, which was 5% higher than the previous year (PGK 1,067 M). This increase is primarily due to additional product in circuit and the higher price of fuel inventory on hand.

NON-CURRENT ASSETS

The Financial Assurance Fund is maintained to fund estimated mine closure obligations. The value of the fund decreased from PGK 895 M at the end of 2021 to PGK 848 M at 31 December 2022, due to portfolio losses associated with reduced value of bond holdings (driven by interest rate increases) during the year.

Property, Plant and Equipment increased by PGK 536 M during the year to PGK 4,688 M and included the part capitalisation of strategic projects in progress.

TRADE AND OTHER PAYABLES

Trade and other payables at the end of 2022 were PGK 347 M. This was PGK 54 M lower than the previous year (PGK 401 M).

NON-CURRENT LIABILITIES

Non-current liabilities at 31 December 2022 were PGK 2,277 M, and primarily include the provision for mine closure costs (PGK 610 M), leased liabilities reported in accordance with IFRS 16 (PGK 697 M), and a provision for deferred income tax liability of PGK 714 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 301 M, dividend distributions of PGK 300 M resulted in total shareholder's equity remaining steady at PGK 4.2 billion.

ABBREVIATIONS

/	Per	GHG	Greenhouse Gas	MD	Managing Director	PNG	Papua New Guinea
%	Percent	GRI	Global Reporting Initiative	ML	Megalitres	POAP	Plan on a page
ANC	Acid Neutralising Capacity	GWh	Gigawatt hour	MOU	Memorandum of Understanding	PwC	PriceWaterhouseCoopers
APD	Asset Protection Department	ha	Hectare	Moz	Million ounces	SIFR	Significant Injury Frequency Rate
AS	Australian Standard	IFRS	International Financial Reporting Standards	MPA	Maximum Potential Acidity	SML1	Special Mining Lease One New York Breccia, Wellington, Gilor 10 and Komgubip
ASA&B	Advanced Safety Awareness & Behavioural	IMIU	International Mining Industry Underwriters	MROT	Mineral Resources OK Tedi	STP	Sewage treatment plant
Au	Gold	ISO	International Organisation for Standardization	Mt	Million tonnes	t	tonnes
CEO	Chief Executive Officer	km	Kilometre	Mtpa	Million tonnes per annum	TB	Tuberculosis
CEPA	Conservation Environment Protection Authority	Koz	Thousand ounces	MWh	Megawatt hour	TCS	Tax Credit Scheme
CGMS	Complaints and Grievance Management System	KPI	Key Performance Indicator	NID	National Identity	TRIFR	Total Recordable Injury Frequency Rate
CMCA	Community Mine Continuation Agreement	Kt	Thousand tonnes	NMSW	National Mine Safety Week	USD	United States Dollar
CO₂-e	Carbon dioxide equivalent	lb	Pound	NZS	New Zealand Standards	µg/L	Microgram per litre
CR	Community Relations	LDP	Leadership Development Program	OTDF	Ok Tedi Development Foundation Limited	WaSH	Water, Sanitisation and Hygiene
CRP	Crusher Replacement Project	LTI	Lost Time Injury	OTEMA	Ok Tedi Environmental Management Act	WPPDTF	Western Province Peoples Dividend Trust Fund
Cu	Copper	LTIFR	Lost Time Injury Frequency Rate	OTML	Ok Tedi Mining Limited		
EWRD	Engineered Waste Rock Dump	M	Million	oz	Ounces		
FRPG	Fly River Provincial Government	Mm³	Million cubic metres	PCon	Pyrite concentrate		
g/t	Grams per tonne	m³	Cubic metres	PGK	Papua New Guinea Kina		
GDP	Gross Domestic Product	m³/t	Cubic metres per tonne	PJ	Petajoule		

CONTACTS AND ACKNOWLEDGEMENTS

BANK OF SOUTH PACIFIC LIMITED

PO Box 13
Dakon Road
Tabubil, Western Province
Papua New Guinea

ANZ BANKING GROUP LIMITED

ANZ Building, Harbour City
Poreporena Freeway, Konedobu
Port Moresby, NCD
Papua New Guinea

EXTERNAL AUDITOR/TAX CONSULTANT

PRICEWATERHOUSECOOPERS

PwC Haus, Level 6
Harbour City, Konedobu, Port Moresby
PO Box 484
Port Moresby, NCD
Papua New Guinea
T: +675 321 1500, F: +675 321 1428, www.pwc.com/pg

LAWYERS

ALLENS LINKLATERS

Level 8
Delloite Haus,
McGregor Street
Port Moresby, NCD
Papua New Guinea

CORRS CHAMBER WESTGARTH

Level 2, MRDC Haus
Cnr Musgrave Street and Champion Parade
Port Moresby, NCD
Papua New Guinea
Tel +675 303 9800

OK TEDI MINING LIMITED

PO Box 1
Dakon Road, Tabubil
Western Province
Papua New Guinea
Phone: +675 649 3000 or
T: +675 649 3311 Fax: +675 649 9199

OK TEDI MINING LIMITED

PO Box 93
Hoawaginai Drive, Kiunga
Western Province
Papua New Guinea
Phone: +675 649 3720 Fax: +675 649 1046

OK TEDI MINING LIMITED

PO Box 506
MRDC Haus, level 6
Musgrave Street & Champion Street
Port Moresby, NCD
Papua New Guinea
Phone: +675 321 3522
Fax: +675 320 1308

OK TEDI AUSTRALIA LIMITED

PO Box 535
Hamilton Central QLD 4007
936 Nudgee Road
Northgate, Queensland
Australia
Phone: +61 7 3363 9900
Fax: +61 7 3363 9999

OK TEDI DEVELOPMENT FOUNDATION LIMITED

PO Box 21
Hoawaginai Drive, Kiunga
Western Province
Papua New Guinea
Phone: +675 649 5446
Fax: +675 649 1320

OK TEDI POWER LIMITED

PO Box 93
Hoawaginai Drive, Kiunga
Western Province
Papua New Guinea
Phone: +675 649 3786
Fax: +675 649 1320

WWW.OKTEDI.COM

This 2022 Annual Review has been printed on environmentally friendly paper stocks. The cover and text have been printed on HannoArt, which is FSC certified. Containing fibre sourced only from responsible forestry practices, this sheet is ISO 14001 EMS accredited and is totally chlorine free.

ACKNOWLEDGEMENTS

Production and Publishing: nous.com.au
Report Management: EMM Consulting Pty Ltd
Images on pages: OTML, Richard Dellman & Lynton Crabb

CAUTIONARY STATEMENT REGARDING FORWARD LOOKING INFORMATION

Certain information contained in this Annual Review 2022, 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 2022. 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.

100% PAPUA NEW GUINEAN,
OWNED BY THE STATE,
WESTERN PROVINCE, AND
MINE ASSOCIATED COMMUNITIES



www.oktedi.com

OK TEDI MINING LIMITED

Head Office
Phone: +675 649 3000

1 Dakon Road,
Tabubil,
Western Province,
Papua New Guinea