

# Ok Tedi Mining Limited

## Sustainable Growth Extension & Energy Transition

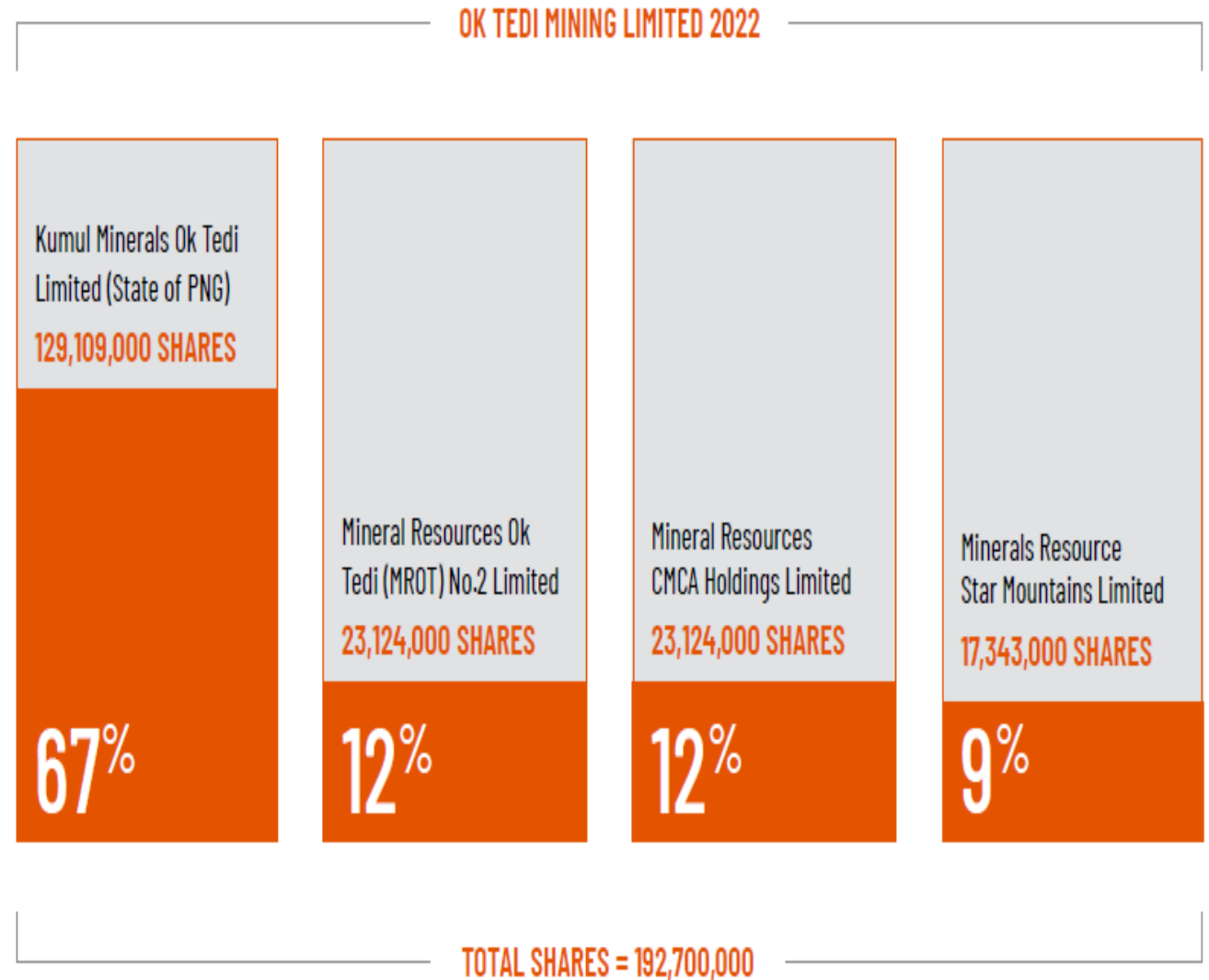
Mining & Petroleum Investment Conference - 12 December 2023





# OVERVIEW

- 100% PNG owned company
- Operational Sites: Mine/Fubilan, Mill/Folomian, Tabubil, Bige, Kiunga, Port Moresby & Brisbane
- Since the commencement of operations in 1984, the mine has produced more than 5.3Mt of copper, 16.2Moz of gold and 37.0 Moz of silver.
- Annual Production:
  - 100 - 110Mt Total Material Mined
  - 20 - 24Mt ore processed
  - 400 – 450kt of copper concentrate produced containing Cu, Au & Ag
  - Shipped to Japan, Korea, Philippines, Germany, India, China and Australia
- Annual Revenue US\$1 billion
- Annual Profit US\$200 million
- Life of Mine 2050
- Greater than 98% PNG permanent workforce (2,750)



# VISION

## Vision

## What it Means for Us

We operate with excellence ...

Our ambition is to deliver superior performance, day-in and day-out, in everything we do from safety to operations and all the support functions in between.

This is how we create value and ensure that OTML delivers on its commitments.

Maximising the value of our mineral resource ...

Our Mt Fubilan resource has a finite life. Our mine planning and execution must be done in such a way that we extract the most value from it.

In an environmentally responsible way ...

We must manage our interaction with our surroundings to effectively balance the impact from our operations, the effect on the livelihoods of those that depend on the natural environment and the ability of that environment to recover over time.

We must always comply with our environmental permits.

To deliver sustainable economic and social benefits to our communities and the people of PNG.

As a proud 100% PNG owned company, we are focussed on delivering benefits to all our stakeholders.

We must generate profits so that our shareholders (all the people of PNG) can benefit from the dividends we pay.

We look for ways to create sustainable local business opportunities for our surrounding communities.

Through the Ok Tedi Development Foundation and the Government Tax Credit Scheme we facilitate infrastructure development in the Communities.

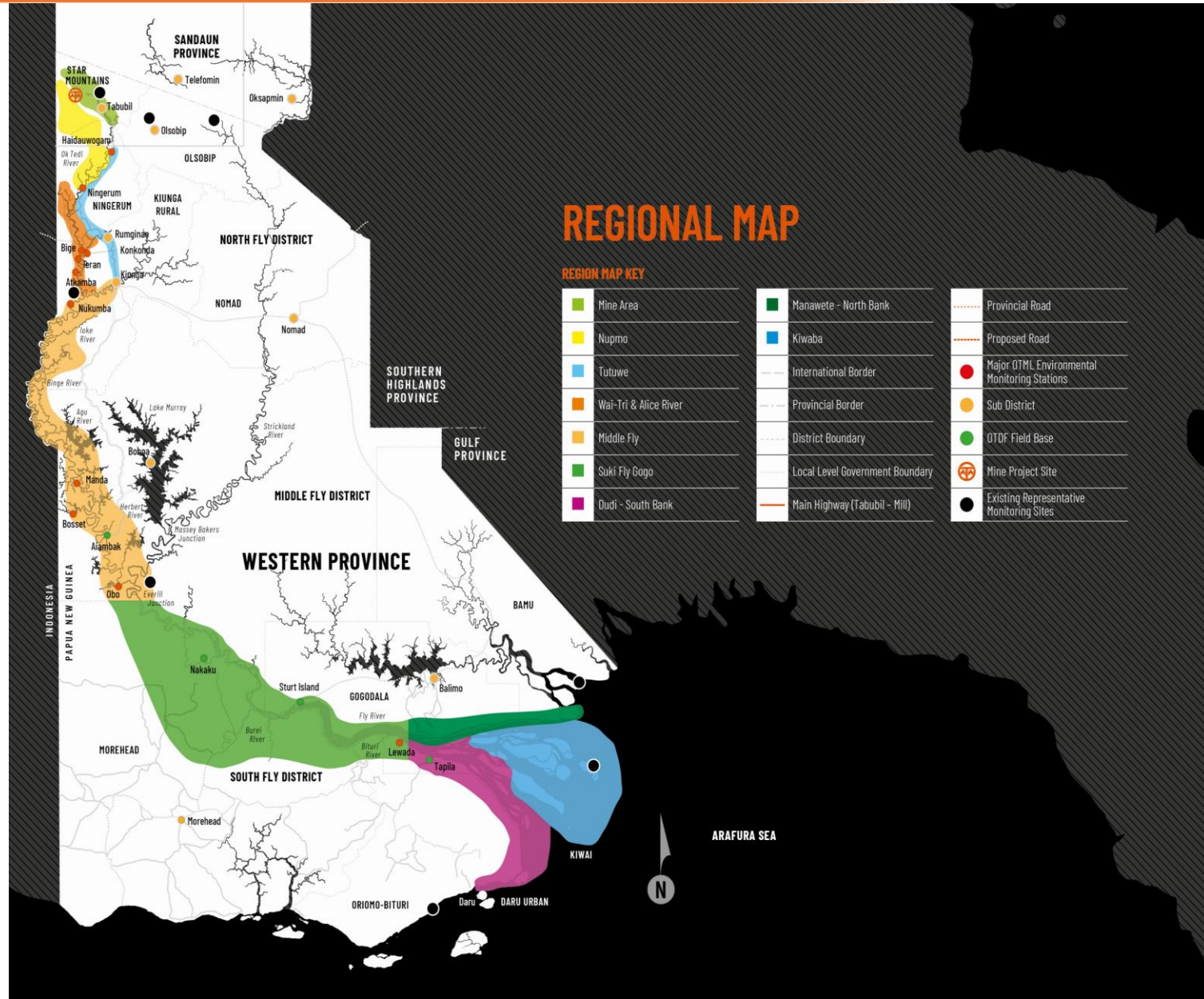
# VALUES

Value	What it Means for Us
<b>Safety &amp; Environment</b>	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.
<b>Integrity</b>	We expect honesty, fairness and respect. We do not lie, cheat or steal.
<b>Accountability</b>	We take personal responsibility for meeting our commitments.
<b>Teamwork</b>	We support each other to achieve our common goals. We are One Team, Wan Pasin.
<b>Performance</b>	We give our best everyday and seek to continuously improve.
<b>Sustainability</b>	We do not waste the resources available to us. We use only what we need and conserve what we can.



# OUR FOOT PRINT

- **Impact Area**
  - 20% of Western Province land mass (19,040 km<sup>2</sup>)
- **Nine CMCA regions**
  - Mine to the Fly Delta (800km)
- **Affected Communities**
  - 158 CMCA villages
  - Population:
    - 6 Mine Villages – 5,000
    - 152 CMCA Villages – 150,000



# 2022 HIGHLIGHTS & CHALLENGES

## 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**





# 2022 HIGHLIGHTS & CHALLENGES

**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



# 2023 HIGHLIGHTS & CHALLENGES

- New OTML Board & MD/CEO in place
- Restore, Reset and Reinvigorated Business
  - Organisation Redesigned
  - Senior Leadership Team restructured
  - New Vision developed and rolled-out
  - Improved Stakeholder engagement
  - Strategic (Long Term) Business Plan re-developed aligned to the Vision
  - Board approved option for mine life to 2050
  - Focus on business improvement, cost efficiencies & liquidity
- Implementation of TCS Projects, aligned to National Government Strategy

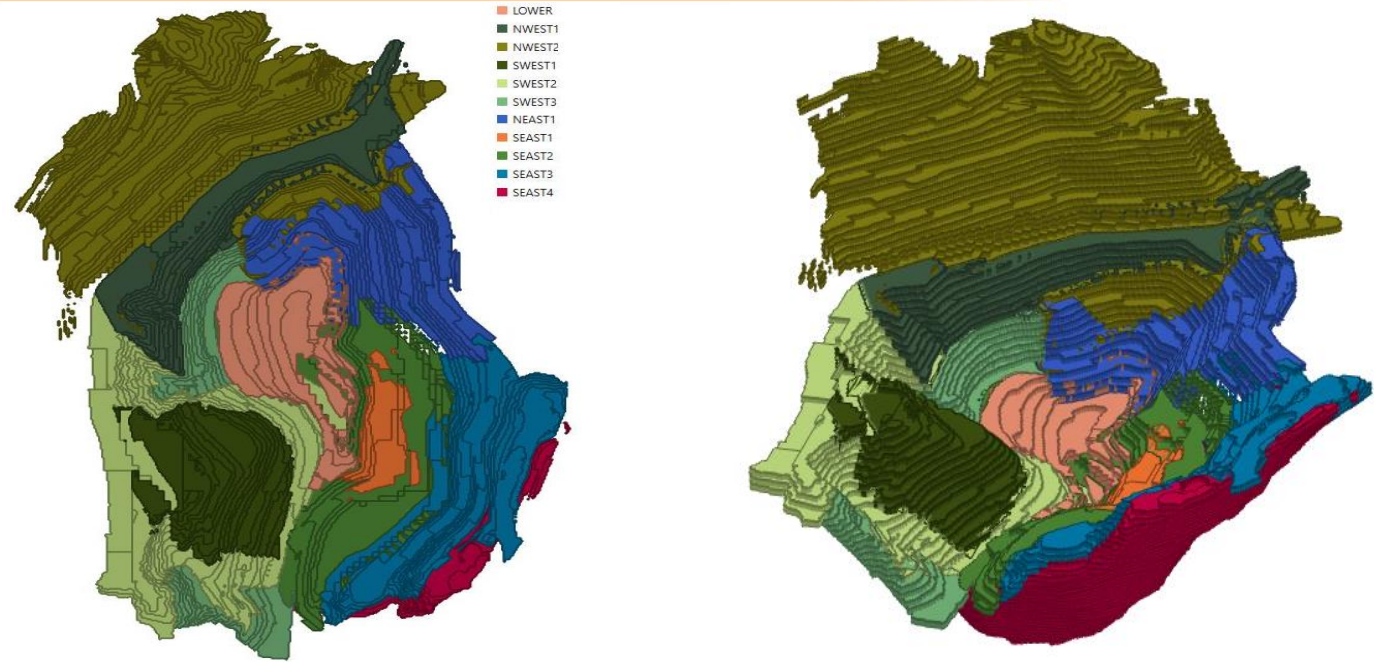




# 2023 STRATEGIC BUSINESS PLAN AND BEYOND

## 2023 Base Case

- LOM extended further 17 years to 2050
  - East Wall Cut Back
  - Engineered Waste Rock Dump #2
  - Tails Storage Facility (TSF)
  - No Underground
- Continue exploration in near mine targets
- Cash Flow – US\$7.5 Billion
- NPV – US\$ 2.7 Billion
- Over US\$ 8.0 Billion (K30 Billion) in Social Benefits





# SUSTAINABLE GROWTH 2050 & ENERGY TRANSITION

## Strategic Projects Enablers

- East Wall Cut Back
  - Cleaner Safer Haul Truck Re-fleeting
- Engineered Waste Rock Dumps (EWRD)
  - 400mt mine waste storage
  - Cleaner Safer Haul Truck Fleet
- Tailings Storage Facility (TSF)
  - 400-500mt
  - Pipeline
- Support Infrastructure Renewal (SIR)
  - Cleaner Safer Power Generation
  - Energy Efficiency Housing & Accommodation
  - Cleaner Safer Transportation





# ENVIRONMENT, SOCIAL & GOVERNANCE – Bige Operations

## Regulation

- Environmental Regime
- OTEMA & Ok Tedi Permit (pending gazettal)

## Programs

- Limestone milling (-30 NAPP)
- Limestone addition in waste rocks (-150 NAPP)
- Tailings Processing Plant (<1%S)
- Dredging (10Mm<sup>3</sup>/annum)
- Rehabilitation (1,000ha)
- Post Closure Monitoring Program





# ENVIRONMENT, SOCIAL & GOVERNANCE – 2<sup>nd</sup> Engineered Waste Rock Dump

## 2023 Base Case

- SBP 2023 PFS capacity >300 Mt
- Overall PFS Budget estimate ~USD 200 M
- Complete Feasibility Study 2024
- Multi stage construction
- Commence initial waste placement in 2028
- Exit strategy identified in case erosion rates are unacceptably high





# ENVIRONMENT, SOCIAL & GOVERNANCE – Tailings Storage Facility

## Capacity

- Between 400-500mt

## Site

- LMP, Permittable & Regulatory compliance

## Environment

- Water quality met
- ESG & Coppermark compliances

## EIS – Initial work on

- Ok Birum, Others

## Cost

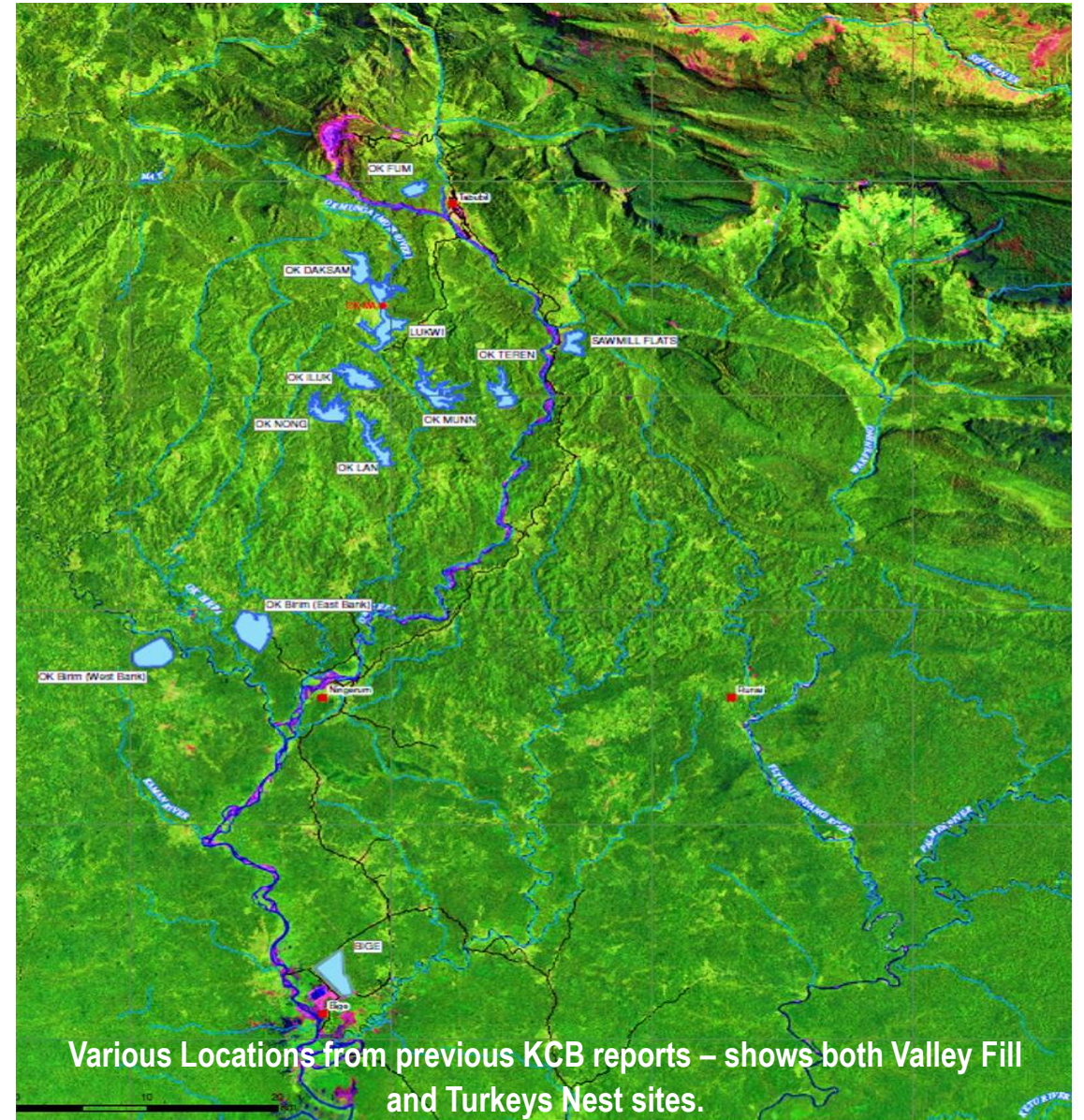
- Starter Dam US\$400 to US\$600M

## Design Standards / Guidelines

- ANCOLD, ICOLD, GISTM, CDA

## Closure

- Future Purpose incorporated in design

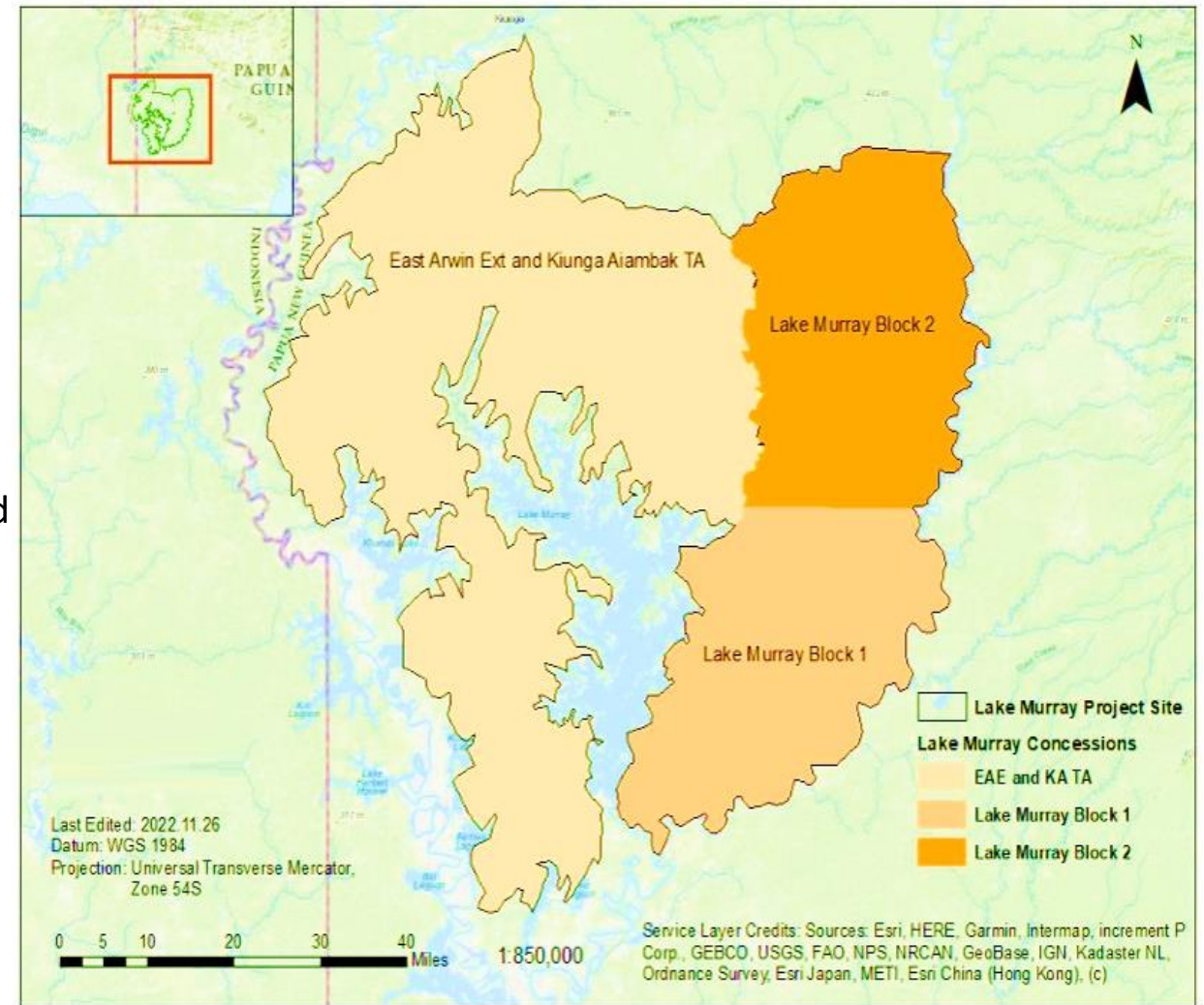




# ENVIRONMENT, SOCIAL & GOVERNANCE – Carbon Offset Credits

## Carbon Offset Credits

- OTML Carbon Offset Credits from Western Province REDD+ Project
- Project Area – Middle Fly (CMCA)
- Rainforest Project Management Limited granted project development for WP REDD+ Project
- Tasman Environmental Markets (TEM) Asia Pacific Pty Ltd
- Develop and Operate Project
- Sell Carbon Offset Credits
- OTML Supporting CMCA communities through OTDF
- Supports “The Copper Mark” accreditation





# ENVIRONMENT, SOCIAL & GOVERNANCE – Clean Power Generation

## Hydro Upgrade & Optimisation

Ok Menga/Yuk Creek - operational reliability, efficiencies and upgrades

## Thermal Upgrade & Optimisation

TPS, Bige and Kiunga - operational reliability, efficiencies, upgrades and replacement strategy

## Operating & Maintenance Strategy

Control and automation, maximise hydro generation, spinning reserve, load shedding, power factor, reticulation, life of asset management, TPS O&M, training and development

## Demand Reduction

Plant thickener optimisation, mine tunnel water, mothball non-essential, etc

## Alternative Generation

Stanley, Hela or other s– 15-20MW, timing ??, de-risk catastrophic event

Peak Power Demand  
65MW

Hydro Generation  
Installed: 58.5MW

Thermal Generation  
Installed: 60MW

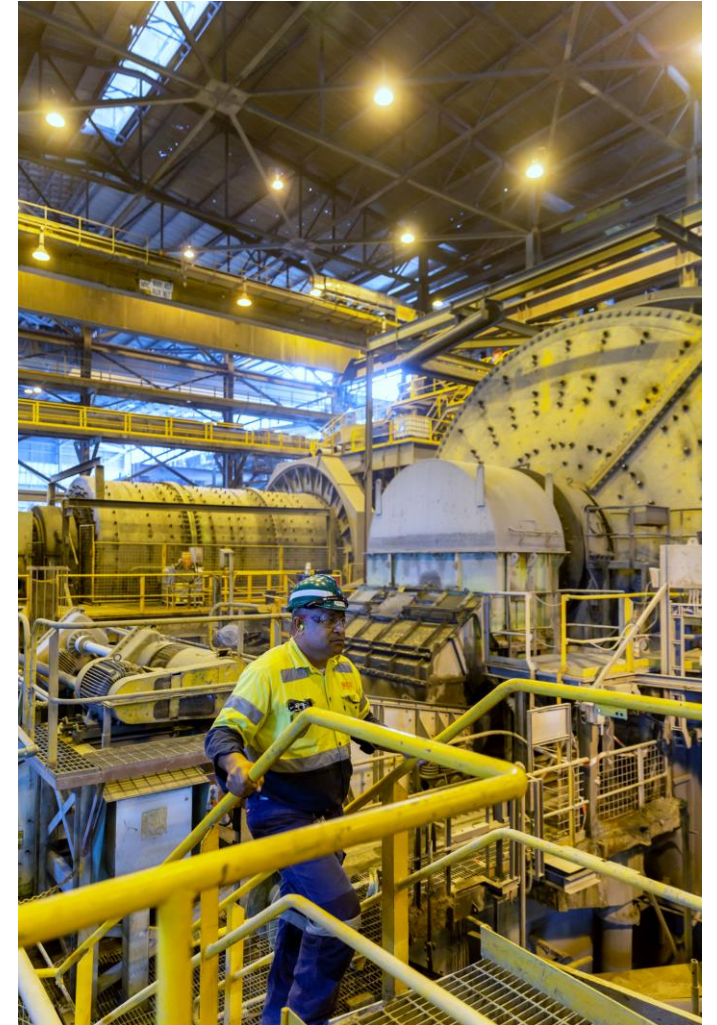
Gas Generation  
Require: 15-20MW

Solar Generation  
Require: ~2MW



# OTML MOVING FORWARD

- OTML remains an important asset for all our stakeholders:
  - Employees
  - Business Partners
  - Communities
  - Shareholders (the people of PNG)
- We need to:
  - Focus on delivering what we say we will and managing costs, so that we remain successful
  - Do it safely
  - Look for opportunities to assist our stakeholders to grow sustainably
  - Generate funds to declare a dividend to our shareholders
- We have a clear statement of our purpose (ie. Our Vision) so that we are all aligned and working together
- We have also put in place an organization structure that supports our Sustainable Growth 2050 plans







**Our Mine - Our Pride - Our Future**

