

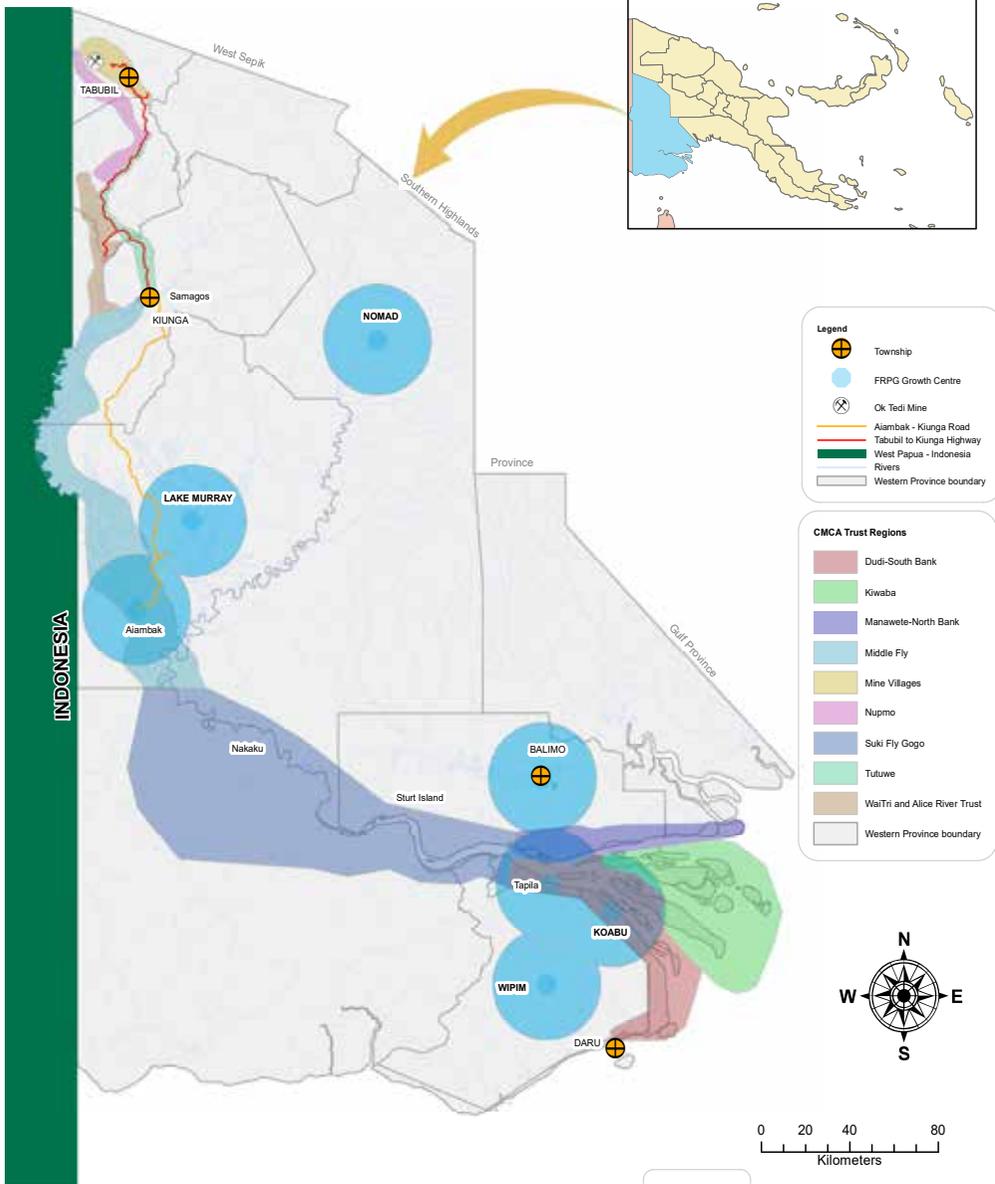


2020

ANNUAL REPORT

Delivering with Innovation

Our communities and where we operate



158
Villages across the
CMCA corridor



8 CMCA Trusts & 6 Mine Villages



7
Operating offices



51
Dedicated staff



*Mother and child from
Atkamba village, North
Fly*

*Cover:
Waliyama women &
children, South Fly*

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BOARD AND EXECUTIVE TEAM GOVERNANCE

Experienced Board & Executive Management Team providing leadership for OTDF servicing the CMCA communities

Board includes OTML, State and Provincial Government representation, as well as Associate Directors representing women & youth and each of the North, Middle and South Fly Districts



Directors

- Mr Musje Werror, Chairman, OTML
- Mr George Kauli - proxy for Mr Harry Kore, Director, Department of Minerals Policy & Geohazards Management (unavailable)
- Mr Kuam Sanewai, Director, OTML
- Mr Robert Kaiyun, Director, Western Provincial Administration

Associate Directors

- Mrs Noni Dukumun, Associate Director Women and Children
- Mr Lucas Maino, Associate Director, North Fly
- Mr Richard Zumoi, Associate Director, Middle Fly
- Mr Aniba Samo, Associate Director, South Fly

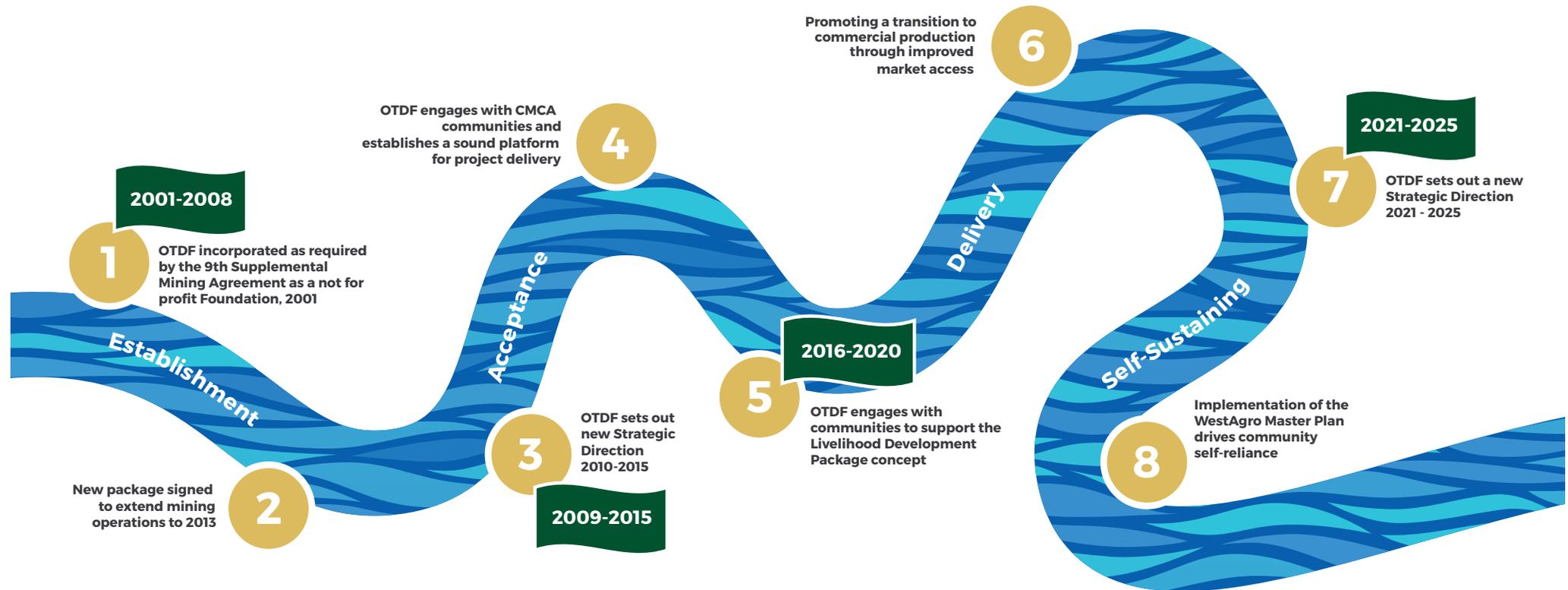
Executive Management Team

- Mr Havini Vira, Chief Executive Officer
- Eric Kuman, Executive Manager Program Services (unavailable)
- Mr Renagi Koiro, Executive Manager Corporate Services (unavailable)
- Mr Ian Middleton, OTDF Advisor
- Mr Michael Apollo, Former Executive Manager Corporate Services

Journey and Vision

Improve self-sustainability and quality of life of Western Province communities

2021 – 2025 Theme: Empowering our communities for a better future.



Ok Tedi Development Foundation (OTDF) was established under Clause 6 of the Mining [Ok Tedi Mine Continuation (Ninth Supplemental) Agreement] Act 2001.

The four key Principles of the OTDF Strategic Direction 2021 – 2025 that underpin all of OTDF’s strategic engagement with stakeholders and guide day to day operations, are:

- effective and efficient implementation of development programs in priority sectors;
- strengthened partnerships;
- open and transparent communications; and
- appropriate and accountable financial and operational support systems.

OUR VALUES



Integrity
we respect others and work to strengthen mutual trust



Safety & Health
we care about our employees, partners, communities, and the environment



Sustainability
we empower our communities and organisations to operate independently



Accountability
we are responsible for our actions and transparent in our activities



Collaboration
we strive for greater cooperation within our foundation and with our external partners



Inclusiveness
we consider the marginalized and vulnerable members of our communities

Way Forward 2021 - 2025 Strategic Business Plan

In 2020 OTDF focused on developing the baseline and setting the targets and guiding statements of the 2021 – 2025 OTDF Strategic Business Plan (SBP). A key priority was ensuring programs leverage past learnings to empower the communities to be self-sustaining after 2025. Key priorities include:

- Properly managing Trust Investments by developing ways to fund social, economic and community development post-mine
- Supporting Women and Children’s programs, whilst empowering programs to operate independently post-mine
- Empowering Trust and Women’s investments to operate independently post-mine
- Supporting community-driven initiatives
- Embedding monitoring and evaluation (M&E) in all areas of OTDF’s operations
- Focusing on delivering projects that can contribute to PNG’s commitment to United Nation’s (UN) Sustainable Development Goals (SDGs)
- Prioritising stakeholder aspirations, maintaining clear communication and transparency, and managing expectations
- Maintaining the safety and wellbeing of all staff, communities, and partners
- Transitioning to commercially driven agribusiness (WestAgro) to generate sustainable, long-term household income post mine

FROM THE CHAIRMAN



Welcome to the 2020 Annual Report which showcases the work the Foundation has completed this year. It was significant that 2020 was the 10th Anniversary of the Foundation, and we welcomed the Governor General and his wife to Western Province during these celebrations.

The year was one of transition, with the departure of former CEO Ian Middleton, and Havini Vira taking over this important role. The new management team used their past experiences to create an updated five-year Strategic Business Plan. The plan captures CMCA communities' aspirations recorded during the 2019 communication patrols. It also considers the Western Provincial Governments "New Way Forward" Plan, as well as OTML priorities.

Safety remains a priority, with OTDF recording 2.2 million hours Lost Time Injury (LTI) free in 2020. This was a significant achievement given the operating environment and nature of business.

The onset of a world pandemic affected project delivery and community interaction significantly in 2020. COVID-19 forced OTDF to develop improved ways of operating to continue program delivery. Overall, OTDF delivered 60% of projects and programs against planned targets, a drop from 71% in 2019.

A significant milestone was the groundbreaking of the Kiunga Agro-Industrial Center to signify the commencement of

WestAgro. The community was able to see this project start ground breaking works. Agribusiness is a key pillar in the Western Provincial Government's Development Plan. WestAgro has the potential to create sustainable income earning opportunities for those willing to work hard. Construction is expected to commence in the second quarter of 2021.

Prudent management and governance of Trust funds for the CMCA communities remains a focus. Trust investments continue to provide good returns with a total PGK 64 million (M) earned from PGK 110 M invested in 2012. All audits by OTDF external auditors continue to achieve unqualified financial accounts.

The theme for the next five years is 'empowering our communities for a better future'. All OTDF programs will ensure strategies are established to strengthen community ownership and sustainability beyond mine closure. I look forward to OTDF implementing the new strategic plan with increased stakeholder interaction and community participation.

I take this opportunity to thank outgoing and founding CEO, Ian Middleton for his tireless effort in establishing the organisation. His work establishes a strong foundation for the future and in his new advisory role, this contribution continues. Ian takes on the new challenge of establishing WestAgro for the people of Western Province.

Musje Werror
Board Chairman

FROM THE CHIEF EXECUTIVE OFFICER



OTDF has evolved from an OTML department, to a key community development partner. This was highlighted throughout 2020 with OTDF supporting CMCA Trusts to deliver much needed supplies for PNG-Indonesia border villages that were locked down under COVID-19 measures. This was a challenge for OTDF to deliver goods safely as the global pandemic impacted on people's lives and our operations.

OTDF completed an updated Strategic Business Plan (SBP) to guide operations from 2021 to 2025, focusing on empowering CMCA entities and communities to operate independently of OTDF. Some programs will be transitioned to government and other long-term stakeholders. This requires improvements in efficiency and operations excellence, so partners are able to deliver a quality program. The 2021 – 2025 SBP outlines the programs in partnership with our communities and is critical as we approach mine-closure.

As part of the SBP implementation, baseline data was completed to establish the starting point for future years. The baseline will underpin target settings and tracking as OTDF transitions to reporting against selected United Nation's SDGs. We look forward to contributing to the PNG Government's SDGs reporting from 2021 onwards.

The COVID-19 global pandemic did affect the delivery of programs. Overall, OTDF

delivered 60% of program targets and 38% of Trust projects. New methods of operating within COVID-19 management protocols were necessary to ensure OTDF could continue working without compromising safety.

The year ended on a high with the launch of the Kiunga Agro-Industrial Center as part of the WestAgro project, heralding the commencement of an OTML legacy project in transitioning communities from mine dependency to more sustainable agribusiness income streams. OTDF will be involved in delivering this project with construction commencing in 2021.

I also take this opportunity to thank our former CEO, Ian Middleton for his commitment over the last 10 years setting up this great Foundation. I look forward to supporting him in the delivery of WestAgro.

As the new person at the helm, this year has been challenging. However, I have a good team of experienced and passionate Papua New Guineans who are committed to our CMCA communities. The team has contributed to the SBP and we look forward to successfully implementing it. I am grateful for OTML's unwavering support, and the welcomed increase in collaboration with government, private sector, and donor stakeholders.

God bless,

Havini Vira
CEO

2020 OVERVIEW

Empowering our communities for a better future



1 Community Learning Centre built

86,500



Rubber seedlings planted



1 Road upgrade



PGK 6.6 Million return on Trust investments



7 Women and Youth capacity building training



1 Family house built



1,095 Students for FODE and Adult Matriculation



438 Student sponsorships

over 500



Community members consulted

23

CMCA villages visited



8



Adult Literacy teachers training

38



Projects successfully delivered

SUSTAINABLE DEVELOPMENT GOALS

In recognition of PNG's commitment to the 2030 Sustainable Development Goals (SDGs) Agenda, OTDF will commence reporting against five key SDGs. This initiative will support our Partner, the Provincial Government in providing SDG reporting for key indicators for Western Province.

Over the next 5 years (2021-2025), OTDF will measure and compare changes against the SDG targets collected 2020's baseline data. Through the monitoring and reporting of SDG goals and targets, we hope to demonstrate OTDF's contribution and Western Province progress towards implementing the 2030 Sustainable Development Goals.

OTDF has adopted PNG's localised SDG indicators, with a focus on the local context of CMCA communities, aligned with the 2030 National Development Strategy and the Western Provincial Development Plan (2017 - 2022).

2020 Baseline Indicator	2025 Target	OTDF Projects	SDG Goals
Average daily income			
 <p>1.74 PGK/Day</p>	6.74 PGK/Day	<ul style="list-style-type: none"> WestAgro Rubber development programs Rice development program Eaglewood development program Women's SME Star Mountain poultry project South Fly fisheries Food security 	 
Volume of farming production/labour			
 <p>Rice - 85 kg Rubber - 88 kg</p>	<p>Rice - 128 kg Rubber - 132 kg</p>	<ul style="list-style-type: none"> WestAgro Rubber development program Rice development program Eaglewood development program South Fly fisheries Food security 	
Agricultural area under production			
 <p>166 hectares (ha)</p>	249 ha	<ul style="list-style-type: none"> WestAgro Rubber development program Rice development program Eaglewood development program Food security 	
Non-formal education – youth			
 <p>Average enrollment 1,390 pupils Average completion 292</p>	<p>Average enrollment 3,890 Average completion 1,292</p>	<ul style="list-style-type: none"> Trust, Priority Area of Development (PAD), and maritime cadet sponsorship/scholarship programs Flexible and Long-Distance Education (FODE) program Adult Matriculation program 	

2020 Baseline Indicator	2025 Target	OTDF Projects	SDG Goals
Non-formal education – adults			
 <p>2,000 adults trained</p>	<p>4,500 adults trained</p>	<ul style="list-style-type: none"> • Flexible and Long Distance Education (FODE) and Adult Matriculation programs • Adult literacy program • Personal viability and life skills • Financial literacy training • Community learning centre buildings 	
Proportion of population with access to clean, safe drinking water			
 <p>34% CMCA population</p>	<p>100% CMCA population</p>	<ul style="list-style-type: none"> • South Fly water catchment project • Kawok water supply project • Kiunga town water supply improvement project • WaSH program 	
Proportion with access to safe toilets			
 <p>34% CMCA population</p>	<p>100% CMCA population</p>	<ul style="list-style-type: none"> • South Fly water Catchment project • Kawok water supply project • Kiunga town water supply improvement project • WaSH program 	
Funds committed to public-private and civil society partnerships			
 <p>2% (PGK 0.4M)</p>	<p>10% (PGK 2M)</p>	<ul style="list-style-type: none"> • All programs • OTDF partnerships • Private and public donors • CMCA Trusts 	

CORPORATE & SUPPORT SERVICES

An experienced team facilitating over 10 years of sustainable community projects, including Human Resource, Occupational Health & Safety, Information Services and Finance functions



OTDF & OTML Kiunga team with new Strategic Business Plan 2021-2025 during its launch

Corporate services

Serving a range of culturally and socially diverse communities from the mountains to the coast can be a challenging task. But with a delivery team dedicated to facilitating the corporate functions of the organisation and the CMCA communities, we have developed a proven service delivery model.

Finance and Administration Services

Finance Administration ensures financial records are accurately maintained and reports are readily available to management, development partners, Trustees, and other stakeholders as per OTDF Finance Policies & Procedures. The team supports the implementation of projects and programs through the Accounts Payable, Accounts Receivable, Payroll, and Reporting Compliance functions.

Information Services

The Information Services team ensure all IT systems and communications are running smoothly and provide specialised applications for the community field teams.

Media & Communication

OTDF is committed to listening and communicating information to all our stakeholders, especially our CMCA communities along the Fly River. The Media and Communications team were able to fulfill over 60% of planned activities, despite the COVID-19 pandemic outbreak. The team produced 12 Fly Breeze newsletters, coordinated media releases, and communications.

Human Resources

The Human Resources (HR) team is responsible for recruiting new personnel, identifying training needs, facilitating training programs, and ensuring competency development within a safe and dynamic work environment. The HR team were crucial in 2020, providing support to our staff through COVID-19, and conducting wellbeing checks to ensure staff and families remained safe and healthy when working from home.

Staff numbers by departments		Gender		Locals
		Male	Female	
Executive Management	5	4	1	0
Corporate Services Division	20	13	7	5
Program Services Division	20	15	5	5
TOTAL WORKFORCE	45	32	13	10

2020 Training & Development	No. of Staff
External Training	2
Internal Training	0
Professional Certification	1
Total Training	3

Occupational Health & Safety

Mandatory occupational health and safety (OHS) training for all our staff continued in 2020. OTDF has adopted the OTML risk-based system to manage the operational risks for field and office work. It was another safe year for our staff achieving over 2.2 million-man hours Lost time injury (LTI) free since 2010.

The team continued taking proactive safety measures, including daily prestart meetings, safety 'Kibung' (meetings) fortnightly, workplace inspections, and job safety analysis coupled with 'Take 5s' and inductions. Training continued with various courses offered for staff and contractors.

Wellness activities involving staff and families continued with awareness talks. Physical workouts and organized sports were paused due to COVID-19 in 2020. Staff medical checks are planned for 2021.

	2019	2020
<i>Safety Pre-Start Meetings</i>	225	163
<i>Safety Kibung</i>	24	10
<i>JSA</i>	32	3
<i>JSO</i>	30	3
<i>Take 5</i>	617	25
<i>Near miss reports</i>	12	1
<i>Hazard Reporting</i>	164	0



Staying Safe in 2020



New COVID-19 control measures ensured that no OTDF staff or family tested positive to the virus in 2020. We were also able to distribute COVID-19 awareness information amongst our CMCA communities, through the field bases.

OTDF management took immediate action during the early stages of the COVID-19 pandemic in PNG. Administrative controls were quickly created and approved to reduce the risk of exposure. These precautions were implemented by the OTDF COVID-19 committee including:

- standard operating procedures that followed OTML measures, reflecting National SOE Controller and National Department of Health guidelines;
- training for employees surrounding the spread of the virus in the areas they work in;
- reviewing work processes to assess potential exposure to risks; and
- shutting down operations where necessary.

"We are committed to preserving the health of the communities in which we live and work, and the safety precautions we have adopted to respond to the COVID-19 pandemic apply to everyone equally." - Havini Vira, CEO

2020 Overview



Operations support



Oksampmin high school building materials being prepared for air lifting to project site

This year has been challenging for the Program Service Operations Department. Most programs and projects were suspended or delayed due to COVID-19 to minimize the spread of the virus.

Regional Development

In 2020, we continued to support eight CMCA Trusts and six mine villages, delivering a total of PGK 600,729 worth of projects. The team was able to meet with 328 people in villages, conducted 102 project inspections, and paid PGK 45,000 towards ten of the Waitri CMCA Trust villages affected by COVID-19 pandemic restrictions. These activities were all completed with zero incidents and accidents.

Procurement, Logistics, Asset Management

The Procurement, Logistics and Asset Management (PLAM) team supports OTDF programs and field base coordination teams. PLAM also facilitates the procurement and delivery of projects approved by the eight CMCA Trusts. Operating in potentially hazardous working environments, the PLAM team continued to prioritise safety and recorded zero accidents or incidents in 2020. COVID-19 impacted annual targets with reduced purchase orders generated, planned maintenance activities further delayed, along with project materials delivery.

2020 Overview



104
Containers of project materials moved



76
Regional project deliveries made



64
Maintenance requests attended & closed



146
Service orders completed

TRUST ADMINISTRATION

Managing the development and investment funds for the 8 CMCA Trusts and their subsidiary companies consistent with the 2001 CMCA Agreements.



OTDF is a unique organisation that delivers projects to mine impacted communities and manages development funds paid by OTML annually to the 8 Trusts as directed by the CMCA Agreements.

This year was challenging for both the organisation and local communities. Despite setbacks, our team coordinated essential training facilitated by the Institute of Business and Bankers management (IBBM) for all new local trustees that were appointed in late 2019.

Training courses included 'Accounting for Non-Accountants' and 'Essential Directorship', mandatory for new local Trustees during quarterly meetings. The training was

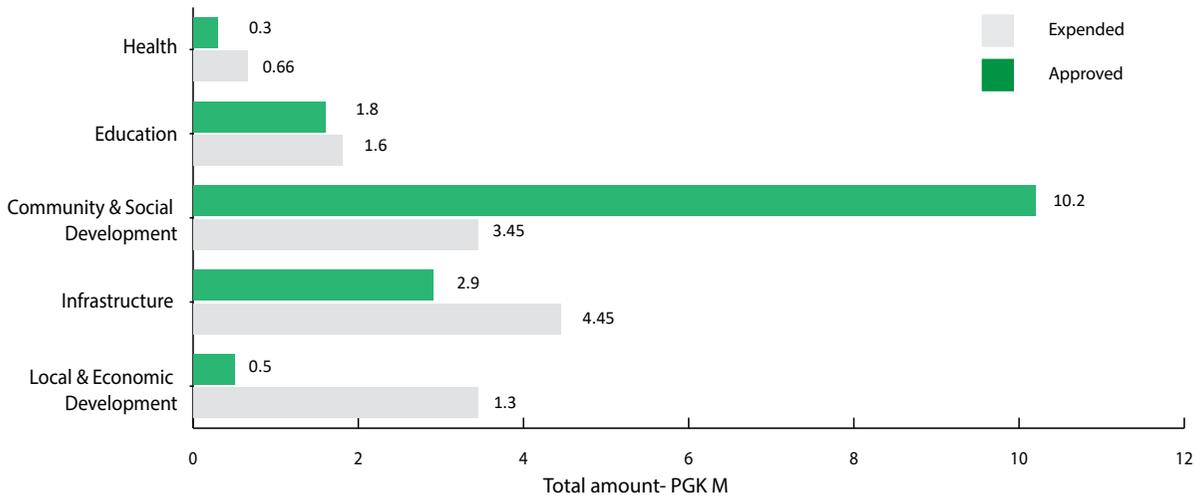
conducted to prepare trustees with basic skills to engage with financial reports and make informed decisions regarding community nominated projects.

Despite Covid-19 restrictions that affected our operations, some project site visits were possible for nominated projects. Women and children funds were also utilized to coordinate medical referrals from rural health centres to urban clinics.

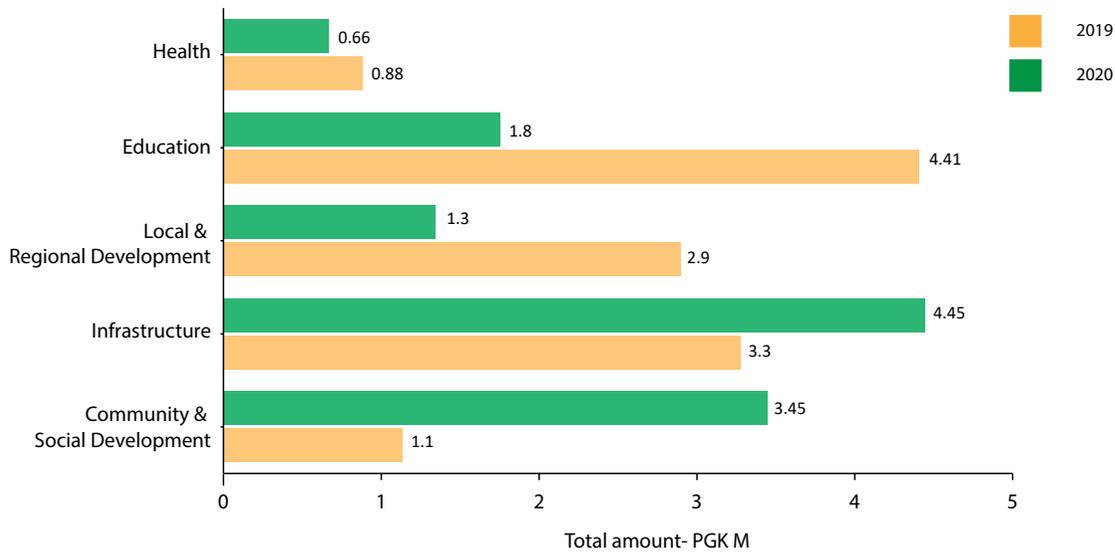


Twin otter in Telefomin, West Sepik

Trust funding approved vs expenditure 2020



Trust funding expenditure - 2019 vs 2020



2020 Overview



40

Local Trustees trained on;

- Accounting for non-accountants
- Directorship course



PGK 1.6 M

Spent to deliver services



38

Projects delivered

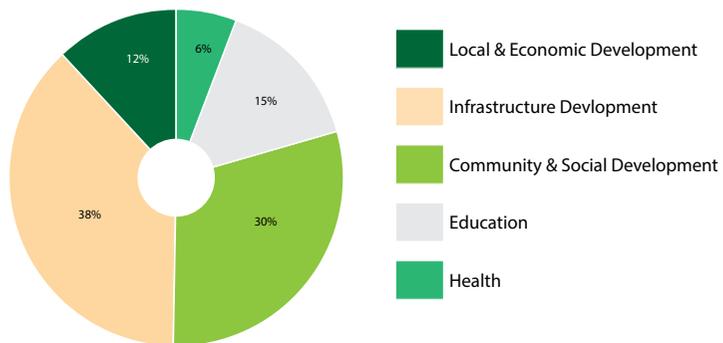


200

projects approved

2020 Trust Expenditure

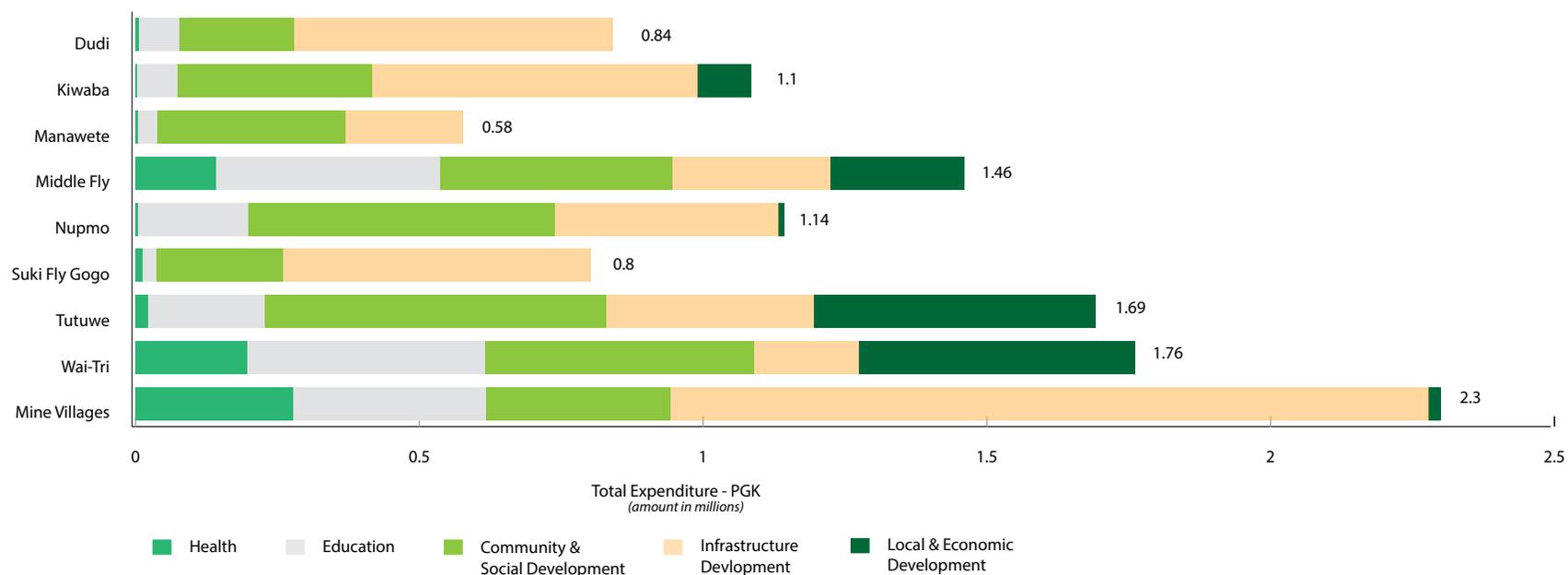
Overall expenditure by sector



Overall expenditure by Trust



Individual Trust expenditure by sector



Trust Investment Returns

Asset	Investment START DATE Per Lease	Payback END DATE Realising Original Capital Cost	Payback Period To Realise Capital Cost (In Years)	Investment Cost (PGK)	Current Annual Payback (PGK)	Total Capital Cost Recovered Following Payback Period (PGK)	Years of Current Lease Agreements	Additional Return Value (PGK)	Income Generated For Year Ended 31/12/2020 (PGK)	Income Generated As at 31/12/2020 (PGK)	Projected Return on Investment as at 31/12/20 (PGK)
VESSELS											
Passenger Ferry			0	6,407,359	0	6,407,359	0	0	0	0	0.00%
Cargo Ship	1-Jan-13	1-Aug-22	9.6	18,832,092	1,965,986	18,832,092	15	10,657,699	1,965,986	15,891,720	56.59%
Research Vessel	1-Jul-12	1-Jan-22	9.6	5,451,797	569,028	5,451,797	15	3,083,625	569,028	4,884,157	56.56%
Total - Vessels				30,691,248		30,691,248		13,741,323	2,535,014	20,775,878	44.77%
AIRCRAFTS											
Twin Otter P2-IRM	1-Jan-13	1-Apr-23	10.3	17,382,881	1,692,034	17,382,881	15	7,997,636	1,692,034	14,033,591	46.01%
Twin Otter P2-IRN	1-Jan-13	1-Apr-23	10.3	16,539,850	1,609,232	16,539,850	Sold-Aug2018	15,136,394	0	31,676,244	91.51%
Total - Aircrafts				33,922,731		33,922,731		23,134,030	1,692,034	45,709,836	68.20%
PROPERTIES											
Office Complex	1-Jan-14	1-May-23	9.4	8,000,000	852,754	8,000,000	15	4,791,311	852,754	5,969,278	59.89%
Housing Estate	1-Feb-15	1-Jul-26	11.5	8,547,839	743,311	8,547,839	15	2,601,825	743,311	4,459,866	30.44%
Cassowary Hotel	1-Jul-18	1-Dec-27	9.5	22,966,423	2,415,000	22,966,423	20	25,333,577	805,000	2,012,500	110.31%
Total - Properties				39,514,262		39,514,262		32,726,713	2,401,065	12,441,644	82.82%
TOTAL				104,128,241		104,128,241		69,602,067	6,628,114	78,927,358	66.84%



Team doing site visit and assessment for new community housing project, North Fly

LIVELIHOOD DEVELOPMENT SECTOR



Driving an aspirational step change from subsistence to commercial farming, WestAgro can develop long-term sustainable Agribusiness in Western Province



Women singing group at Dewara village, South Fly



Rice fields in Kaviananga, Middle Fly

Rubber development program

In 2019 an independent review was undertaken by IAI. The review team spent a week visiting rubber growing sites and interviewing stakeholders.

A report was prepared that highlighted global issues of oversupply and high freight costs of rubber. Several suggestions were made to improve industry productivity, marketing options and cost reduction. These findings will be reviewed and implemented where possible with existing rubber growers.

RubberDevelopment

Rubber extraction and distribution in 2020

Middle Fly – Aiambak Rubber Nursery

- 135 ha
- 60,854 points planted

South Fly – Suki Fly Gogo Rubber Nursery

- 29 ha
- 13,146 points planted

South Fly – Tapilla Rubber Nursery

- 28 ha
- 12,596 points planted

Suki Fly Rubber extraction and distribution updates

Work commenced in October at the Suki Fly Rubber Nursery, beginning with maintenance of the nursery and fire break re-construction. Counts revealed that there were 11,797 points available for distribution. The field team also visited communities within the Suki area to inform them on the commencement of the extraction and distribution (E&D) program. Most communities expressed interest in the project and will begin land preparation and clearing, after which the field team will conduct site visits, land surveys, and line and peg the area. Communities

visited were Pukaduka 1, Pukaduka 2, Eniyawa, Riti, Aewe, Kiru and Kautru. Community interest to plant is increasing as more people become aware the rubber E&D programs have commenced.

Eaglewood development

Project updates were presented regarding the Eaglewood Development, and farmers were paid cash for their harvest. A total of 44 individuals received cash payment of PGK 5,600 from Pukaduka 1 village in the Suki Fly Gogo Region.

Rice program

Suki Fly communities have successfully grown and harvested rice but had problems milling their crops. A new rice milling machine at Nakaku field base was serviced, offering a solution to those farmers who are unable to mill their harvest. Vincent Kurmai, a rice farmer from Pukaduka 1 was the first to utilise the machine, milling nearly 100 kilograms (kg) of rice. News travelled quickly throughout the community and other rice growers from Sapuka travelled in to mill their rice at the field base. In 10 days, nearly a half tonne had been milled, before the machine had mechanical problems. OTDF plan to repair or replace the mini rice mill to support our farmers.

In two weeks, rice sales have enabled local growers to earn money and access a readily available food supply, addressing both food security and income opportunities. Rice has proven to be an ideal crop that can be successfully grown.

OTDF successfully applied for funding of PGK 3.8 M from PNG Incentive Fund for the next phase of the rice project which will commence in 2021.



Vanilla vines at Samagos AIC nursery, North Fly

Despite the challenges of 2020, the WestAgro program has progressed well over the year, especially with the implementation of the Kiunga Agro-Industrial Centre (AIC).

The WestAgro Master plan was developed in partnership with Innovative Agro Industry (IAI) and the Fly River Provincial Government (FRPG). The plan includes the development of a vanilla nursery, smallholder vanilla, and maize trials, and the formation of WestAgro Holdings Ltd (WAH) to drive agribusiness development across the Province.

WAH completed a trial planting of 2 blocks of 50 vanilla vines, just 17 km north of Kiunga along the highway to Tabubil. Results have been encouraging, and success will potentially enable more than 10,000 rubber block owners to plant vanilla vines and venture seamlessly into double cropping.

Going forward, agribusiness and AIC projects will be strategically located across the Province, beginning with the Mount Fubilan poultry project in Tabubil, down to Kiunga in the North Fly with a focus on vanilla, Kaviananga in the Middle Fly with growing rice, and Suki in the South Fly with a focus on cocoa.

A 13 ha subdivision of State land at Samagos, and a 779 ha subdivision at Suki was approved by the Western Province Administration and certified by the Surveyor General. The land has been permanently pegged, and a valuation was conducted for the formal transfer of Title to WestAgro Holdings, with consequent long-term leases to the respective commodity companies.

2020 Overview



PGK 3.8 M
For rice project



87,000
Points of rubber distributed



194 ha
of rubber planted



2
Impact project approvals

Community Profile



Mt Fubilan poultry farm, North Fly

Mount Fubilan AIC poultry farm

The Mount Fubilan Agro-Industrial Centre (AIC) is a modern agribusiness, established to produce table eggs for local businesses and broiler birds to support the food security needs of the Mine Village people. The AIC provides commercial local poultry production that can replace imported products, creating direct and indirect employment opportunities for nearby residents and local farmers.

The farm reached maximum egg producing capacity in April 2020. During 2020 the farm sold three million eggs and 1,500 broilers reaching a total annual turnover of PGK 2,817,488 with an operational profit of PGK 336,217, more than double that of 2019 (PGK 149,673).

Management has demonstrated the viability of the project, especially around cost control and implement pandemic induced policy changes. The AIC has maintained its Hazard Analysis and Critical Control Points (HACCP) approved status. AIC expects to reach maximum operating profitability in 2021 and looks forward to potential expansion into commercial broiler production and supporting increased local maize production to supplement rising feed costs.



OTML Managing Director and CEO Musje Werror presenting WestAgro holdings with a cheque for PGK 6 M

Kiunga Agro-Industrial Centre Ground breaking

Developments in 2020 culminated in a ceremony at Samagos to commemorate the groundbreaking of the Kiunga AIC on the 29th October. The event was a milestone occasion at which heartfelt speeches were delivered, including the keynote address by Western Province Governor, the Hon. Taboi Awi Yoto, reflecting on newfound opportunities for Nomad vanilla farmers. The ceremony also featured the symbolic planting of trees by various community, state, and OTDF leaders to mark the event.

Funding commitments were made by OTML (6 PGK M), IAI (8.58 PGK M) and the Open Member for North Fly District, the Hon. James Donald (1.15 PGK M), totaling 15.73 PGK M. Additional pledges were made by MRDC and the Nupmo & Tutuwe Women's Associations.

The Kiunga AIC will initially focus on commercial vanilla production through a nucleus estate and smallholder farmer model that is expected to process 20 metric tonnes (mt) of vanilla beans, with a projected return of

18 PGK M per annum at full operating capacity. The nucleus estate site will include state of the art curing and processing facilities, 2 ha of highly intensive grow-out facilities, a modern nursery, solar power generation, and associated support infrastructure. International procurement and civil works began in December 2020, and groundworks are expected to begin in March 2021.

By the year's end WAH Ltd, and Fly Vanilla Ltd had both conducted two board meetings and executed all agreements to enable funding through an internal Western Province only shareholding structure, and to begin construction of the Kiunga AIC. WAH will offer 4,290 shares at PGK 10,000 per share in Fly Vanilla Ltd. The company will move into full production in 2021 and anticipates a first annual dividend payment within 6 years.

EDUCATION SECTOR



Improving CMCA access to quality education services, improved teacher education and training, and improved management in line with the Western Province and National Education Plans is the primary driver for improving skills and livelihoods in the CMCA region



Engineer cadet, Tady Roy receiving his maritime Certificate of Competency (COC) from OTDF CEO and Team Leader education services

Community education program

Flexible Open and Distance Education (FODE)

CMCA communities place a high value on education, as it offers a pathway for children to become skilled and obtain employment in the formal sector, reducing poverty, illiteracy, and improving sustainable livelihoods. In community surveys, education and health are priority community issues. The OTDF education program provides quality, accessible education whilst encouraging and promoting equal gender participation.

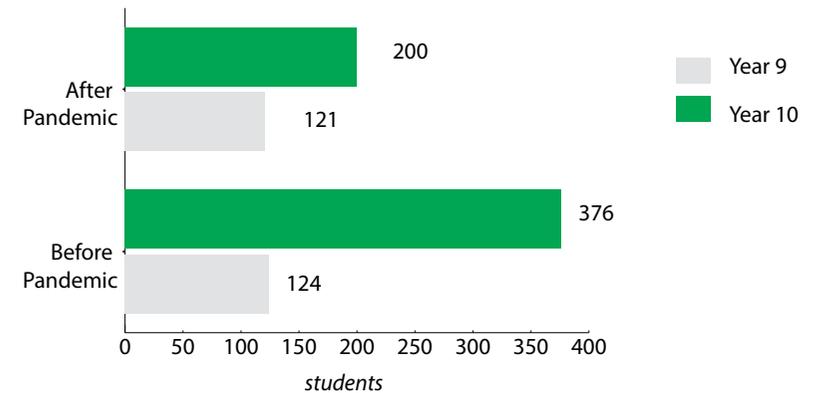
The FODE and Adult Matriculation programs started the 2020 academic year on a high note but were significantly affected by COVID-19 in the first semester of the year. Due to the pandemic, no visits were undertaken to Satellite Study Centres (SSC). The most significantly affected were the Middle and the South Fly SSCs. OTDF had to postpone examinations, including the Grade 10 exam which will be taken in 2021. Only the North Fly Grade 10 exams were able to go ahead, reducing the number of registrations from 500 to 321 students. After additional withdrawals and requests to postpone exams to 2021, a total of 161 students sat their Grade 10 exam.

Adult Matriculation program

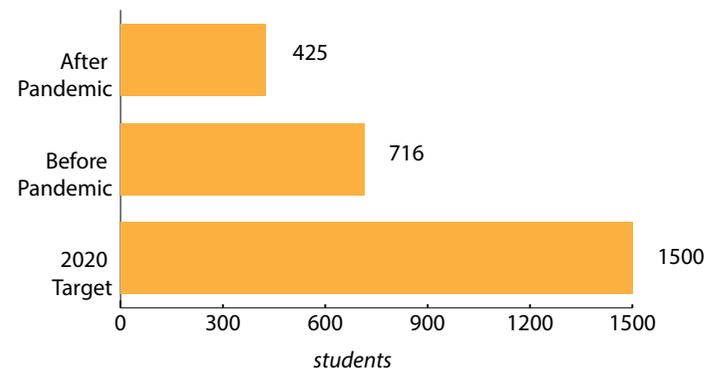
The Grade 11 and 12 Adult Matriculation Program has been facilitated by OTDF in partnership with the PNG University of Technology. The program sits outside the national high school system and enables Grade 10 students who do not qualify for a national high school position (due to limited places and academic cut offs), to continue their education. The program also serves as a pathway for Grade 12 and mature age students to graduate and apply for tertiary education positions.

The 2020 academic year saw 716 students register for the Adult Matriculation Program in the first semester, across our 11 SSCs in three regions; North, Middle and South Fly. Unfortunately, students were affected by COVID-19 restrictions. Second semester registrations were suspended, and first semester students were deferred to undertake their studies in the second semester. Exams for Middle and South Fly Students were suspended and further deferred to 2021. The 425 students of North Fly were able to complete the semester, 309 of which are enrolled in Grade 12, and 116 in Grade 11 with 64% of the students being male and 36% female.

2020 FODE student registration



2020 Matriculation student registration



Community education support - scholarships



St. Montfort Primary school

The Scholarship program funded by CMCA Trusts, Mine Villages and OTML PAD aims to provide further learning opportunities for men and women from the Western Province communities to continue their education through distance learning, technical colleges, and universities. Higher education has enabled graduates to engage in formal employment throughout Western Province and PNG. In 2020, the demand for scholarship positions increased due to raised program awareness amongst parents, students, and stakeholders. However,

there was a slight decrease in scholarship positions due to more stringent selection criteria being adopted with scholarships only awarded to students achieving a minimum 2.5 Grade Point Average. There is much support from parents and stakeholders to see the program continue.

A total of 427 students were sponsored in 2020 with 23% graduating successfully, and no students withdrew from studies.

2020 Overview



Student sponsorships for Preferred Area of Development (PAD) & Trust scholarship



Graduated with tertiary qualification



Students enrolled in FODE and Adult Matriculation



Students sat FODE and Adult Matriculation examinations

Education infrastructure



St. Gabriel Secondary school Principal and OTML CEO testing out the E-Library systems during launching. Official handover of the project was completed on the 22 August 2020

E-Library project

The E-library project is an 'internet in a box' service, with millions of documents electronically available to remote areas with limited or zero internet accessibility. The E-Library includes videos, podcast, books, and literature all available to students via wi-fi on android phones, tablets, or on the local network via computer labs.

Education has the potential to contribute to socioeconomic progress and eradicate poverty in PNG. In recent years, major progress has been made towards increasing access to education through improved infrastructure and curriculum.

Despite the development of major education infrastructure including school buildings, libraries and laboratories, information access has been somewhat overlooked in the

past. The CMCA Women's Association identified information access as a key area of need in schools across CMCA and the Western Province. With unanimous support from the association, E-library systems were established across 6 high schools and secondary schools utilizing funding from their CMCA Trust.

The Project was initiated by the Community Development Team, funded by the Woman's Association, and delivered by the OTDF Information and Communications Technology (ICT) team at a total cost of PGK 300,000. The project includes an E-library server, workstations in the computer lab (virtual terminals), a local area network (LAN) system, and a wireless network (WAN).

2020 Overview



3,000+
Students benefit
from E-library project



PGK300
Thousand spent on
E-library project



3
Districts covered by
the E-library project

INFRASTRUCTURE SECTOR



Infrastructure delivery is an enabler for communities to gain easier access to regional centers and government services and to get produce to market. This includes the OTML Tax Credit Scheme which has funded major infrastructure projects across the Western Province



OTML Tax Credit Scheme Projects

Since 2012, OTDF has been responsible for the delivery of OTML's Tax Credit Scheme (TCS) projects. At present, OTDF is funding three TCS infrastructure projects, the Oksapmin High School Development Project, Kiunga Water Supply Upgrade (KWSU) Project, and the Kiunga Sewerage Treatment Plant (STP) Project. In 2021 all new TCS projects will be managed by OTML.

The progress of the Kiunga water supply and sewerage projects were both delayed due to COVID-19 related restrictions and remain in progress. Over 5 months of work was lost during the lockdowns in 2020. However, some progress was made in the 4th quarter with the construction of a concrete slab for the STP, and installation of additional bore pumps for the KWSU. The testing and commission phase of the project is anticipated to be completed in the second quarter of 2021. The overall expenditure for the KWSU Project is PGK 18.8 M, and PGK 23.7 M for the Kiunga STP project. Discussions with Water PNG Ltd for the handover of infrastructure stalled due to COVID-19 but will continue in 2021.

Fortunately, construction at Oksapmin High School proceeded without interruption, primarily due to its remoteness. All major building construction works were completed in the 3rd quarter of 2020. The installation of solar power systems, and the construction of the water supply system commenced in the 4th quarter and will continue into the 1st quarter of 2021. The overall expenditure for the Oksapmin High School Project is PGK 39.35 M.

CMCA Infrastructure Projects

Most of the current CMCA infrastructure projects were placed on hold this year as OTDF went through two COVID-19 lockdowns. Despite these setbacks, 2020 saw the completion of two Community Learning Centres (CLC), Awin-Tamaro CLC and Atkamba CLC, and the maintenance of the Ikenai Catholic Church. Construction of two additional CLCs are currently in progress in the Nupmo Trust region.

Three road projects commenced late this year and will continue into 2021. The road projects include the Tewire road development, the Ieran road maintenance, and the Demesuke road maintenance.

The Kawok water supply project also commenced late this year, which included the construction of a water catchment building with six 9,000-liter water tanks. The project is anticipated to provide a safe source of water for drinking to a population of 300 people.

2020 Overview



2
TCS projects successfully delivered and closed



PGK 106 M
spent to deliver services



3
CMCA projects approved and delivered

SOCIAL, ECONOMIC & COMMUNITY DEVELOPMENT SECTOR



Increasing the participation of community members, especially women and youth, in planning, decision making and implementation of community development priorities



Listening to community concerns during communications patrol, North Fly

Economic Development Program



OTDF team with Nima-Ara Women's association executives at the newly built Community Learning Center

The role of the Business Development Team is to ensure that economic projects and business investments initiated under OTDF are sustainable and economically enduring in the long term.

Working through the challenges of the COVID-19 pandemic whilst maintaining management over local investment companies and delivering new projects was a huge task in 2020. Restrictions affected most of our anticipated delivery programs and schedules.

Existing and new projects included:

- National Development Bank (NDB) Loan programs (SME);
- North Fly - Tutuwe Tene Limited securing contacts with LOTIC Bige Ltd (LBL) Bige

- operations;
- Middle Fly - Zibo Zonga Fishing Company Limited, Lambiobo Investment Limited (in progress); and
- South Fly - Kiwaba Enterprise Limited (in progress).

Local Trust companies managed by OTDF

North Fly	6
Middle Fly	3
South Fly	1

Audit of the CMCA Women Associations

A 2020 highlight was the OTDF audit, which was successfully completed. A total of four Women's Associations in the North Fly and Middle Fly areas were audited, with financial reports from 2012 to 2018 assessed by an external auditor.

This exercise aimed to prepare CMCA Associations for future development, capacity building and greater financial management in 2021, and going forward.

Training offers economic opportunities to local mothers

Mothers from Ningrum Tamaro and Nupmo villages learn lifelong skills in Small Scale Baking training.

Spokeswoman for the 26 participants, Esther Smerewai made a small presentation of half the weekly takings to the Tutuwe Women's Association and a local Church of their choice.

"We made a total of K700, and decided as a group to show appreciation to our guarantors Tutuwe Women's Association, by giving half of the takings made, while the other half would go to help the local SDA Church."

Esther and her fellow village women are the first to raise funds to donate to the local SDA Church opposite the CLC.

Esther said: "I have baked 'damper' so many times using different measurements to bake. Today I am proud to say I can use proper measurements to bake cookies, pizza, French bread, buns, cakes and doughnuts explaining with a slight giggle: "they sold faster than my previous baking recipes."



Women & youth participants of the baking training getting hands on

Social and Community Development Program

The Social and Community Development programs aim to increase the participation of community members (including women and youth) in the planning, decision making, and delivery of community development priorities. The programs focus on the following OTDF priority areas, health, education, infrastructure, community and social development, and local and economic development.

In 2020, the revised CMCA Women and Children (W&C) Action Plan (2019-2023) continued to be relevant, tying in with the Western Province's Development Plans, National Medium-Term Development Plans (ii and iii) and the United Nations Sustainable Development Goals.

Community Learning Centres

In July 2020, the construction of another CLC in Awin-Tamaro for women, children, and youth of the upper Tutuwe sub-region makes five completed CLCs in the Wai-Tri and Tutuwe Trust regions. The CLCs will be centrally located near more than 30 communities in the North Fly region. A highlight for the Central and Lower Ok Tedi villages was the leadership training held at the Bige CLC, with 11 community leaders in attendance.

Essential life skills training was conducted in the local CLCs, including baking, financial literacy, and adult literacy, within the first few months of operations. New programs will include tourism and hospitality, sewing, and carpentry and joinery classes in the next five-year implementation period.

A total of 22 CLCs have been approved for construction in Middle and South Fly, anticipated to be rolled out in 2021.

CMCA Women Associations

The eight CMCA Women Associations, and the Ok Tedi Mine Village Women Association attended the Investment Promotion Authority (IPA) Statutory Compliance workshop in March and October 2020. The Association Executives, Public Officers and OTDF Officers attended the workshop which was facilitated by a Senior Legal Officer from IPA.

The Wai-Tri Nima-Ara Women's Association distributed a total of 2,500 face masks, 36 cartons of soap, and 36 cartons of disinfectant to 10 schools to assist those affected by the COVID-19 pandemic. The schools included 6 in the Upper Wai Tri and 4 schools in Kiunga town.

Community & Social Development

Eleven Executives of Nima-Ara Women's Association and Tutuwe-Ara Association (including their Public Officer) attended a week-long workshop on Participatory Planning.

The South Fly CMCA Women's Association Office in Daru was successfully established, and the lease agreement was signed in October 2020.

Women's Association	Participants
Mine Villages	4
Nupmo	5
Tutuwe Ara	5
Nima Ara	5
Middle Fly	5
Suki Fly Gogo	4
Manawete	5
Dudi	4
Kiwaba	5

2020 Overview



OTDF delivers family house



Maureen was born in 1996 as a healthy baby girl to a loving mother, Amkari Wesley from Minibon village, in the Ningerum local-level government area (LLG).

A few months after delivery, Maureen experienced severe polio like symptoms, including skin irritation and muscle paralysis. Amkari noticed the physical changes her daughter was experiencing and was greatly concerned for Maureen's long-term health and wellbeing.

Due the remoteness of the village and the limited accessibility of health services, Maureen grew up with the illness and today lives with limited mobility.

Amkari and her daughter, Maureen, now aged 24, were the proud recipients of a new home. The family had been living in a house, built

with bush materials by Amkari's eldest son, for the past six years. Amkari has three girls and five boys. As single mother, Amkari explains it has been challenging raising eight children, especially given the additional care needed by Maureen. But although caring for her daughter has been demanding, as a parent, Amkari's love for her child has helped her give Maureen the best life possible.

Regarding their new home, Amkari stated, "I am so emotional, my daughter can rest well in a decent new home, we cannot ask for more. This house will cater for my child to spend her life smoothly for years to come".

The housing project was approved in March 2018; completed at the end of 2019 at the cost of PGK 27,000 and handed over in 2020.

Newly built home for Maureen and her mother Amkari of Ningerum, North Fly

Community Profile

Health support program saves lives

Rubina Peter from the Middle Fly region of Western province was flown into Kiunga Airport on the OTML Twin Otter recently due to birth complications she experienced after being admitted to the Obo Sub Health Centre on Sunday the 12th of January 2020. Rubina was experiencing severe pains associated with her twin pregnancy. Due to poor state of the Sub Health Centre and lack of expertise, she was referred for immediate medical evacuation to Rumginae via Kiunga. Swift intervention by OTDF Executive Management Team saw the plane which normally lands at the Aiambak airstrip diverted to Obo and Rubina was promptly flown to Kiunga.

Rubina was met by the OTDF Community Development team in Kiunga who assisted transferring her to the Rumginae hospital. At the hospital she successfully delivered her baby girls under the close care of the Rumginae Health Centre staff and medical professionals. Dr Pondikou, who assisted the successful delivery of the twins, stated "I really want to thank OTDF for giving people a chance of survival, especially those medevac patients, and hope this partnership grows so we save more lives effectively. This is an epic story that I hope these twin girls will hear about one day," said a smiling and satisfied doctor.

The medivac program is sponsored by the CMCA Women's Associations under their Women and Children's funds. Charlotte Matthews, president of the Middle Fly Women's Association, described the program, explaining "we have seen our women folks and children dying from curable disease and we made this bold

decision to allocate PGK 100,000 every year to support the medivac program".

A grateful Rubina thanked all the partners and medical staff for the support and is thankful that both her babies are healthy and well. She has experienced no illness or birth related complications despite her challenging delivery, and appears healthy, feeding and looking after her twin babies well.

A shy mother, Rubina expressed, "they are a blessing and I thank God they are healthy and well. Thank you to all who have helped my babies and me".



Above: Rubina with her beautiful daughters

Right: A recipient of the Medical evacuation program being transported from the plane to a vehicle to be treated at the hospital



PARTNERSHIPS



Embracing the delivery of sustainable development for communities can only be achieved through strong partnerships, these must involve collaboration with Government, communities and businesses



OTDF CEO signing partnership MOU with Department of Provincial & Local Level Government Affairs for Rural Service Delivery Project (RSDP)

OTDF has embraced the delivery of sustainable development for its communities, and this can only be achieved through strong partnerships. This will always involve collaboration with various partners between the private and public sectors, especially the Local Level and Provincial Governments.

North Fly District Buys Vanilla Shares



North Fly MP (2nd from right) presenting cheque of PGK 1.15 M with WestAgro chairman (2nd from left)

OTDF has developed partnerships with both Government and private sectors. Working closely with likeminded partners to facilitate change for the long-term development of Western Province has been a key focus area for OTDF.

With the official launch of the Samagos AIC under WestAgro, North Fly MP, Honorable James Donald, announced that the North Fly District Development Authority had authorised a commitment of PGK 1.15 M to purchase shares in Fly Vanilla Ltd. The PGK 1.15 M will be distributed amongst all 115 wards in the North Fly. Donald explained that “each ward will have a share of PGK

10,000 in the project”. The benefits will extend throughout the broader North Fly district, beyond just the villages in the CMCA corridor. The Government, in partnership with WestAgro, has prioritised the establishment of sustainable vanilla agribusiness to support long-term development and growth in the region beyond mine closure. Families willing to work their land are encouraged to participate - strengthening our vision, and supporting the community in staying healthy, educated and with money in their pockets.

Our Partners

A successful sustainable development agenda requires partnerships between governments, the private sector and civil society. These inclusive partnerships are based upon principles and values, a shared vision and goals that place people and the planet at the centre, are needed at the local, regional and national level.

OTDF’s key partners include communities and their formal structures including Village Planning Committees, CMCA Trust Boards, Women’s Associations, CMCA Syndicate and Advisory Committee and OTDF Board Associate Directors.

This has been integrated into the core business and can be seen through the following actions:

- engaging in public-private partnerships;
- transparency on payments to communities and stakeholders;
- build and share data collection and analysis;
- facilitate trust and active communication with governments, communities and development partners to strengthen coordination between economic and social initiatives; and
- transfer of new technologies to host communities and stakeholders.

Project Partners



Community Partners

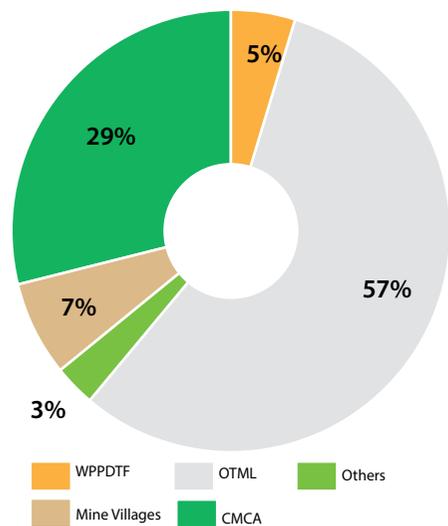


FINANCIALS

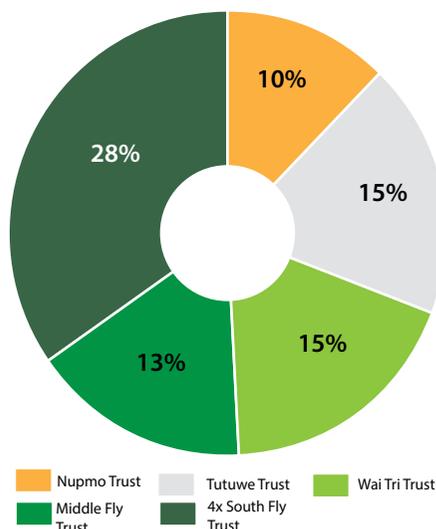
Providing effective and efficient financial services, key monthly financial reports to the management and stakeholders and to facilitate annual independent audits, while ensuring strengthened internal controls



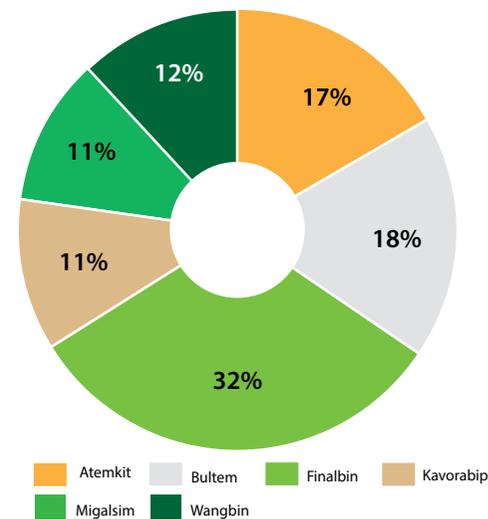
TOTAL PROGRAM EXPENDITURE
PGK 11.9 million



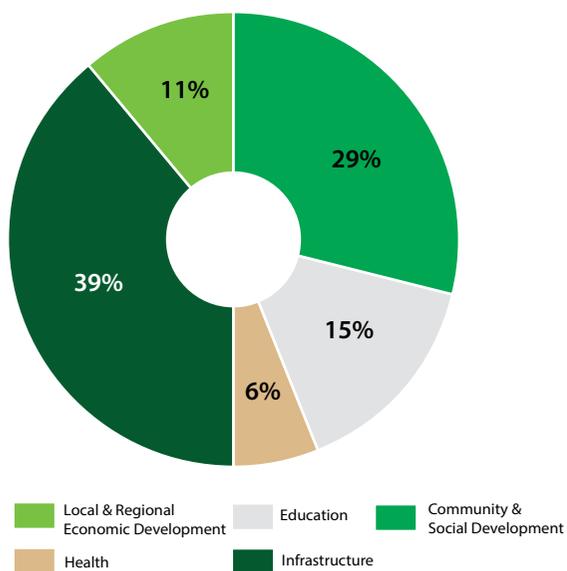
TOTAL CMCA TRUST FUNDS EXPENDED
PGK 9.4 million



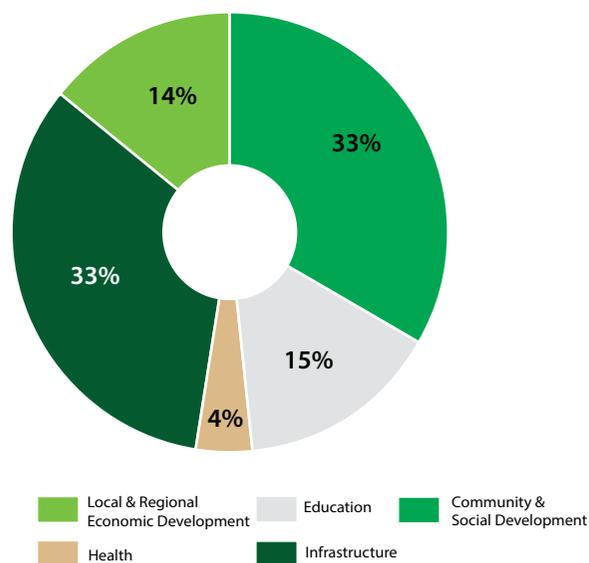
TOTAL MINE VILLAGE FUNDS EXPENDED
PGK 2.3 million



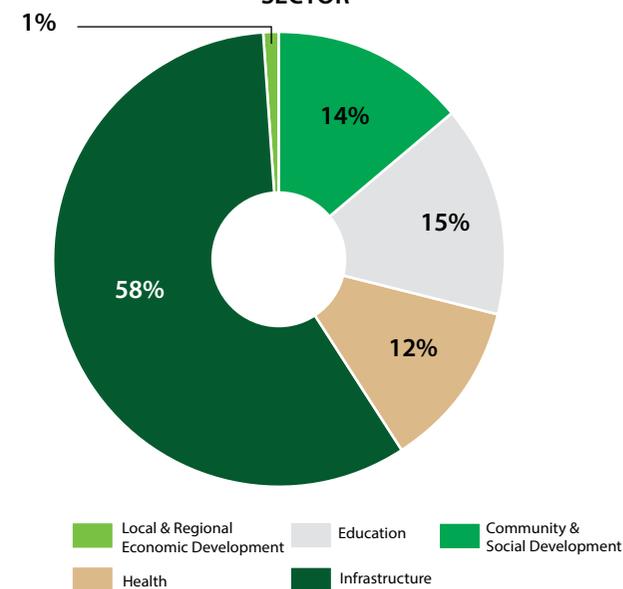
PROGRAM EXPENDITURE BY SECTOR



CMCA TRUST FUNDS EXPENDED BY SECTOR



MINE VILLAGE FUNDS EXPENDED BY SECTOR





Independent auditor's report

To the shareholders of Ok Tedi Development Foundation Limited

Report on the audit of the financial statements

Our opinion

We have audited the financial statements of Ok Tedi Development Foundation Limited (the Company), which comprise the statement of financial position as at 31 December 2020 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes to the financial statements which include a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements:

- comply with International Financial Reporting Standards and other generally accepted accounting practice in Papua New Guinea; and
- give a true and fair view of the financial position of the Company as at 31 December 2020, and its financial performance and cash flows for the year then ended.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Other than in our capacity as auditor we have no relationship with, or interests in, the Company.

Information other than the financial statements and auditor's report

The directors are responsible for the annual report which includes other information. Our opinion on the financial statements does not cover the other information included in the annual report and we do not and will not express any form of assurance conclusion on the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial statements

The directors are responsible, on behalf of the Company, for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards and other generally accepted accounting practice in Papua New Guinea and the Companies Act 1997, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.



In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant findings, including any significant deficiencies in internal control that we identify during our audit.



Report on other legal and regulatory requirements

The Companies Act 1997 requires that in carrying out our audit we consider and report on the following matters. We confirm in relation to our audit of the financial statements for the year ended 31 December 2020:

- We have obtained all the information and explanations that we have required;
- In our opinion, proper accounting records have been kept by the Company as far as appears from an examination of those records.

Who we report to

This report is made solely to the Company's shareholders, as a body, in accordance with the Companies Act 1997. Our audit work has been undertaken so that we might state to the Company's shareholders those matters which we are required to state to them in an auditor's report and for no other purpose. We do not accept or assume responsibility to anyone other than the Company and the Company's shareholders, as a body, for our audit work, for this report or for the opinions we have formed.

PricewaterhouseCoopers.

PricewaterhouseCoopers

Grant Burns
Partner
Engagement leader

Port Moresby
23 February 2021

Alison Judd
Partner
Registered under the Accountants Act 1996

OK TEDI DEVELOPMENT FOUNDATION LIMITED **ANNUAL REPORT OF THE DIRECTORS TO THE SHAREHOLDERS** **For the Year Ended 31 December 2020**

The Directors have pleasure in submitting the financial statements of the Company for the year ended 31 December 2020.

Principal Activities

The Company's principal activity is to pursue the promotion of sustainable social improvement and economic activity in the Western Province and Telefomin District in the Sandaun Province for the wellbeing of persons resident in these provinces.

Financial Results

The foundation made a profit/(loss) of PGK Nil (2019: PGK Nil) for the year ended 31 December 2020.

The Company is a not-for-profit foundation and all project and operating expenses are fully covered from grants, OTML contributions and other donor funding. The accompanying financial statements for the year ended 31 December 2020 are, in the opinion of the Directors, drawn up so as to give a true and fair view of the state of affairs of the Foundation and of its results and cash flows for the year.

Directors

The directors as at the balance date were:

Mr Musje Werror	– appointed 30 November 2010
Mr Kuam Sanewai	– appointed 22 March 2016
Mr Harry Kore	– appointed 07 August 2017
Mr Robert Kaiyun	– appointed 20 February 2018

The Company Secretary as at the balance date was:

Mr Renagi Koiro

Disclosures

Ok Tedi Development Foundation Limited (OTDF) is a Papua New Guinea incorporated company with its registered office situated at 1 Dakon Road, Tabubil, Western Province. OTDF was established pursuant to the Mining (Ok Tedi Mine Continuation (Ninth Supplemental) Agreement) Act 2001 ("the Ninth Supplemental Agreement").

OTDF share capital comprises 4 shares: One share was transferred to PNG Sustainable Development Program Limited (PNGSDP) on 20 February 2009. At the OTDF Statutory Board Meeting #43 on 20 February 2018, PNGSDP gave written notice of their formal withdrawal as a shareholder and that PNGSDP would relinquish any further representation following that meeting.

The Board subsequently resolved to accept the return of the PNGSDP share and its consequent return to OTML. Before mine closure and after consultation with the Department of Mining and the Department of National Planning and Monitoring, OTML is under an obligation to transfer its shares to reputable organisations engaged in development activities in PNG consistent with the objectives of OTDF. If OTML does not transfer these shares prior to mine closure, OTDF must be wound up.

Other Disclosures

The Board has received the agreement of all Shareholders for the annual report not to include the disclosures required by section 212 (1) (f), (g) and (j), of the Companies Act 1997.

Signed for and on behalf of the Board on 22 February 2021.

.....
Musje Werror – Director

.....
Robert Kaiyun – Director

OK TEDI DEVELOPMENT FOUNDATION LIMITED
STATEMENT OF COMPREHENSIVE INCOME
For the Year Ended 31 December 2020

	Note	2020 Kina	2019 Kina
Income			
Interest received		462	748
Contributions from OTML	12	22,046,358	22,352,942
Province and CMCA grants recognised as income	10	15,097,327	15,531,319
Other income & recoveries		60,090	29,196
Total income		37,204,237	37,914,205
Less: Expenses			
Operating expenses	5	(19,621,656)	(19,791,434)
Province and CMCA grant expenditure	10	(15,097,327)	(15,531,319)
Lease interest expense	9	(830,447)	(898,278)
Depreciation	8	(1,615,460)	(1,667,997)
Foreign exchange gain (net)		(15,495)	(1,438)
Bank charges		(23,852)	(23,739)
Total expenses		(37,204,237)	(37,914,205)
Net profit before tax		-	-
Income tax		-	-
Net profit after tax		-	-
Other comprehensive income		-	-
Net profit for the year		-	-

OK TEDI DEVELOPMENT FOUNDATION LIMITED
STATEMENT OF FINANCIAL POSITION
As at 31 December 2020

	Note	2020 Kina	2019 Kina
CURRENT ASSETS:			
Cash and cash equivalents	6	17,823,666	19,092,261
Receivables	7	5,365,140	3,157,405
Total Current Assets		23,188,806	22,249,666
NON CURRENT ASSETS			
Property, Plant and Equipment	8	11,380,900	12,670,843
Total Assets		34,569,706	34,920,509
CURRENT LIABILITIES:			
Payables	9	9,913,311	7,553,060
Project Funds Payable	10	15,537,866	17,276,174
Total Current Liabilities		25,451,177	24,829,234
NON CURRENT LIABILITIES			
Leases	9	9,118,525	10,091,271
Total liabilities		34,569,702	34,920,505
Net Assets		4	4
SHAREHOLDERS' EQUITY:			
Share Capital	11	4	4
Retained Earnings		-	-
Total Shareholders' Equity		4	4

For, and on behalf of the Board


Musje Werror – Director


Robert Alphonse – Director

23 February 2021
Date

This statement is to be read in conjunction with the accompanying notes.

This statement is to be read in conjunction with the accompanying notes.

OK TEDI DEVELOPMENT FOUNDATION LIMITED
STATEMENT OF CASH FLOWS
For the Year Ended 31 December 2020

	2020 Kina	2019 Kina
CASH FLOW FROM OPERATING ACTIVITIES:		
Interest received	462	748
Project grants	13,359,019	14,567,506
OTML contribution	20,366,726	21,409,407
Project expenditure and operating costs	(33,014,440)	(37,039,512)
Lease interest payments	(830,447)	(898,278)
Net cash used in Operating Activities	(118,680)	(1,960,129)
CASH FLOW FROM INVESTING ACTIVITIES:		
Proceeds from/purchase of short-term deposits	-	4,908,195
Purchase of property, plant and equipment	8 (325,517)	(314,155)
Proceeds from sales of fixed assets	148,347	-
Net cash used in Investing Activities	(177,170)	4,594,040
CASH FLOW FROM FINANCING ACTIVITIES:		
Lease payments (Principal)	(972,745)	(904,915)
Net cash used in Financing Activities	(972,745)	(904,915)
Net increase/(decrease) in cash	(1,268,595)	1,728,996
Cash and cash equivalents at beginning of the year	19,092,261	17,363,265
CASH AND CASH EQUIVALENTS AT END OF THE YEAR (Note 6)	17,823,666	19,092,261

This statement is to be read in conjunction with the accompanying notes.

OK TEDI DEVELOPMENT FOUNDATION LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the Year Ended 31 December 2020

7. RECEIVABLES

	2020 Kina	2019 Kina
Ok Tedi Mining Limited	-	-
Other receivables	5,365,140	3,157,405
Total Receivables	5,365,140	3,157,405

Based on management assessment, there are no receivables that are impaired at year end.

8. PROPERTY, PLANT AND EQUIPMENT

	Buildings Kina	Office Equip & Support Kina	Motor Vehicle Kina	Leased Asset Kina	Work In Progress Kina	Total Kina
2020						
Opening Cost 1 Jan 2020	584,171	1,725,055	1,242,249	12,799,377	257,507	16,608,359
Accumulated depreciation	(314,875)	(1,326,388)	(1,016,315)	(1,279,938)	-	(3,937,516)
Opening NBV 1 Jan 2020	269,296	398,667	225,934	11,519,439	257,507	12,670,843
Additions	-	-	-	-	325,517	325,517
Transfer	-	7,554	217,697	-	(225,251)	-
Disposal	-	-	(148,347)	-	-	(148,347)
Depreciation disposal	-	-	148,347	-	-	148,347
Depreciation charges	(87,830)	(133,383)	(114,310)	(1,279,937)	-	(1,615,460)
Closing NBV 31 Dec 2020	181,466	272,838	329,321	10,239,502	357,773	11,380,900
2019						
Closing Cost 31 Dec 2020	584,171	1,732,609	1,311,599	12,799,377	357,773	16,785,529
Accumulated depreciation	(402,705)	(1,459,771)	(982,278)	(2,559,875)	-	(5,404,629)
Closing NBV 31 Dec 2020	181,466	272,838	329,321	10,239,502	357,773	11,380,900
2019						
Opening Cost 1 Jan 2019	569,920	1,665,027	1,242,249	-	17,631	3,494,827
Accumulated depreciation	(221,473)	(1,148,332)	(899,714)	-	-	(2,269,519)
Opening NBV 1 Jan 2019	348,447	516,695	342,535	-	17,631	1,225,308
Additions	-	-	-	-	314,155	314,155
Adjustment – IFRS 16	-	-	-	12,799,377	-	12,799,377
Transfer	14,251	60,028	-	-	(74,279)	-
Disposal	-	-	-	-	-	-
Depreciation disposal	-	-	-	-	-	-
Depreciation charges	(93,402)	(178,056)	(116,601)	(1,279,938)	-	(1,667,997)
Closing NBV 31 Dec 2019	269,296	398,667	225,934	11,519,439	257,507	12,670,843
Closing Cost 31 Dec 2019	584,171	1,725,055	1,242,249	12,799,377	257,507	16,608,359
Accumulated depreciation	(314,875)	(1,326,388)	(1,016,315)	(1,279,938)	-	(3,937,516)
Closing NBV 31 Dec 2019	269,296	398,667	225,934	11,519,439	257,507	12,670,843

ABBREVIATIONS AND ACKNOWLEDGEMENT

AIC	Agro-Industrial Centre	STP	Sewerage Treatment Plant
BD	Business Development	TCS	Tax Credit Scheme
CEO	Chief Executive Officer	UNSDGs	United Nations Sustainable Development Goals
CLC	Community Learning Centres		
CMCA	Community Mine Continuation Agreement	UPNG	University of PNG
COVID-19	Coronavirus Disease 2019	W&C	Women and Children
FODE	Flexible Open & Distance Education	WAN	Wireless Network
FRPG	Fly River Provincial Government	WHO	World Health Organisation
Ha	Hectares		
IAI	Innovative Agro Industry		
IBBM	Institute of Business and Bankers Management		
ICT	Information and Communications Technology		
IPA	Investment Promotion Authority		
Kg	Kilograms		
KWSU	Kiunga Water Supply Upgrade		
l	Liter		
LAN	Local Area Network		
LBL	LOTIC Bige Limited		
LLG	Local-Level Government Area		
Ltd	Limited		
LTI	Lost Time Injury		
M&E	Monitoring and Evaluation		
MAC	Mining Advisory Council		
MRA	Mineral Resources Authority		
MRCMCAH	Mineral Resources CMCA Holdings Ltd		
MRDC	Mineral Resources Development Company		
MROT#2	Mineral Resources Ok Tedi No. 2 Ltd		
MRSM	Mineral Resources Star Mountain Ltd		
Mt	Metric Tonnes		
NDB	National Development Bank		
NDoH	National Department of Health		
OHS	Occupational Health and Safety		
OTDF	Ok Tedi Development Foundation		
OTML	Ok Tedi Mining Limited		
PAD	Preferred Area of Development		
PLAM	Procurement, Logistics and Asset Management		
PNG	Papua New Guinea		
Pty Ltd	Propriety Limited		
SDA	Seventh-Day Adventist		
SDGs	Sustainable Development Goals		
SMP	Star Mountain Plaza Ltd		
SSC	Satellite Study Centre		

Acknowledgement

Lynton Crabb

Note:

Most of the photos used in this report were before the COVID-19 pandemic and as a result no masks were worn.

GENERAL INFORMATION				
POPULATION	Total Western Province (Source 2011 National Census)	201,351	CMCA (Source OTML Census 2017)	147,700
GOVERNMENT ADMINISTRATIVE STRUCTURES	Fly River Provincial Government Administrative Centre - Kiunga	Districts - 3 (North Fly; Middle Fly; South Fly)	LLGs - 14	Wards - 283
VILLAGES	CMCA	152		
	Mine	6		
	Total	158		
CMCA TRUST REGIONS (see also map)	Total - 8	North Fly - 3 Plus 6 Mine Villages	Middle Fly - 1	South Fly - 4
CMCA MODEL VILLAGES (Dec 2016)	North Fly - 14	Middle Fly - 9	South Fly - 16	
BASELINE DATA SOURCES FOR RESULTS MONITORING AND EVALUATION	PNG National Statistics Office (2011 National Census and other intercensal data)	2011 & 2018 CMCA Village Profiles OTDF project specific Feasibility Studies and Evaluations OTDF GIS (spatial data)	PNG National Department of Health	PNG National Department of Education
OTDF HEADQUARTERS & FIELD BASES (see also map)	Headquarters - Kiunga Field Bases - Tabubil; Samagos Agriculture Centre & Research Station; Aiambak, Obo, Sturt Island jetty site; Nakaku; Tapila			
PROVINCIAL GOVERNMENT GROWTH CENTRES (see also map)	Nomad; Lake Murray; Aiambak; Balimo; Tapila; Koabu; Wipim			
BASIS OF THE ECONOMY	Western Province - 5 Year Provincial Development Plan: 2013-2017			
OTDF SECTORS	Health; Education; Local and Regional Economic Development; Infrastructure; Social and Community Development			
GOVT ELECTIONS	National - 2017	Local Level - 2019		

CORPORATE INFORMATION					
DIRECTORS (Dec 2020)	Number allowed - 8 Number - 4		OTDF FORMATION	1 April 2002	Investment Promotion Authority
			INDEPENDENT FROM OTML	1 March 2010	
			COMPANY REVIEWS	2013 & 2019	Deloitte Touche Tohmatsu & ABV
OTDF SHARES	Number Issued - 4 OTML - 4		CONSTITUTION	Number - vabyA0407204486v1 665088743 Date - 19 July 2012	Not for profit
CMCA SYNDICATE & ADVISORY COMMITTEE	Members - 11		TAX STATUS	Payments or Contributions to the Foundation	Tax deductible
PERMANENT STAFF (Dec 2020)	Total	45		Value Added Tax	Zero percent
	Female	13			
	Male	32			
2020 ANNUAL EXPENDITURE	PGK22 million from OTML		OK TEDI MINE LIFE EXTENSION DATE	2026 (OTML 2019 Strategic Business Plan)	

