



# Bougainville Copper Limited

A N N U A L R E P O R T 2 0 0 1

## THE COMPANY

From 1972 until 1989 Bougainville Copper Limited operated a large open pit mine and processing facility at Panguna on Bougainville Island in the North Solomons Province of Papua New Guinea producing copper concentrate containing significant quantities of gold and silver. On 15 May, 1989 production was brought to a halt by militant activity.

Since inception until cessation of operations on 15 May, 1989 the mine had produced concentrate containing 3 million tonnes of copper, 306 tonnes of gold and 784 tonnes of silver. The production had a value of K 5.2 billion which represented approximately 44% of Papua New Guinea's exports through that period. Contributions to the National Government in the form of taxes, duties and dividends were approximately 17% of internally generated Papua New Guinea Government revenue over that period.

A total of K1086 million has been contributed to the National Government which represents 62% of the net cash generated by the project. In addition, payments to the North Solomons Provincial Government and Panguna landowners, together with provisions made since 1990, amount to K114 million. Further, the company's presence in the North Solomons Province had promoted the development of significant local business enterprises to provide goods and services required for the mining operation and for the residents of the province.

Company training programs for some 12 000 employees, including approximately 1 000 completing full trade apprenticeships and some 400 completing graduate and post graduate studies, had previously resulted in considerable progress in the localisation of the company's employees and also added significantly to the number of skilled workers elsewhere in the country's work-force. At the end of 2001, the company had no employees. The activities of the company are being managed on a contracted services basis by a small team of Rio Tinto Minerals (PNG) Limited staff based in Port Moresby.

Since the mine closed the company has retained, in good standing, its mine lease and other leases on Bougainville. Two years ago the company announced

a change in strategic direction. Rather than maintain readiness to redevelop the mine the company announced its desire to dispose of the Bougainville assets. It has also started to develop a portfolio of cash and equities, including investments in PNG projects. Bougainville Copper Limited has let the Government know it is ready to discuss disposal of the Bougainville assets when Bougainville leaders and Government consider it appropriate.

Bougainville Copper Limited is owned 53.6% by Rio Tinto Limited. The Papua New Guinea Government owns 19.1% while the remaining 27.3% of the share capital is held by public shareholders.

## NOTICE OF MEETING

The Annual General Meeting of Bougainville Copper Limited will be held at 10.00 am on Tuesday 9 April, 2002 at the Crown Plaza, Hunter Street, Port Moresby, Papua New Guinea.

A separate Notice of Meeting is enclosed.

All shareholders are cordially invited to attend.

## DIRECTORS

B. L. Cusack (Chairman)  
B. R. Alexander  
K. Aua  
D. H. McLellan  
M. A. Moramoro OBE  
P. R. Taylor

## SECRETARY

P. D. Coleman

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**THE YEAR IN BRIEF**

- \* *Mine remained closed.*
- \* *Access to Panguna mine still not possible.*
- \* *Extent of deterioration and destruction of assets unknown.*
- \* *Slow progress on restoration of services to mainland Bougainville.*
- \* *Studies undertaken on alternative investments.*
- \* *Net profit K 8.4 million.*
- \* *Substantial reduction in income due to declining PNG interest rates.*
- \* *Investments in Lihir and top 50 ASX listed companies undertaken.*

		2001	2000
Concentrate production	(tonnes)	-	-
Net sales revenue	(K'000)	-	-
Interest earned	(K'000)	12 961	19 581
Operating profit	(K'000)	8 411	15 794
Earnings per share	(toea)	2.10	3.93
Shareholders' funds	(K'000)	301 751	293 340
Return on shareholders' funds	(per cent)	2.8	5.4
Depreciation and amortisation	(K'000)	-	-
Government royalties and taxation	(K'000)	-	-
Number of employees at 31 December		-	-

## CHAIRMAN'S STATEMENT

I congratulate those who have worked so hard to reach a political settlement to the Bougainville unrest. The challenge ahead is to complete the arms disposal process and ensure a peaceful and prosperous future for the people of Bougainville.

I believe that the company made many worthwhile contributions to Bougainville and PNG however the unfortunate events commencing with attacks on mine property and staff is now part of a history that makes it difficult for some parties to accept the company's continued presence on the island. I believe it is in the best interests of shareholders and Bougainville if we work together with the National Government to find a mutually acceptable exit for the company. We have indicated our readiness to discuss the matter when the Government and Bougainville leaders believe the time is right.

Last year I announced the company would look at investment opportunities in PNG and elsewhere. A number of projects, current and planned, in PNG were reviewed. The company does not have staff of its own. Since mine closure it has been administered under an agreement with Rio Tinto Services Limited. This agreement is financially favourable to the company because there is no

management fee but rather cost recovery. Through this, the company has access to a wide range of experts it simply could not afford as its own staff. It means however the company does not have the capacity to manage projects without a costly and difficult recruitment drive and although it has good cash reserves they are insufficient to undertake a major stand alone resource project. With this in mind it has decided to seek to develop a portfolio of cash and equities, including investments in PNG projects.

As a result, the company will reposition itself as an investment company.

I am pleased to advise your directors have declared a dividend of 2 toea per share approximately equivalent to the net profit for the year.

After 35 years with Rio Tinto and its predecessors I retired from the Group at the end of 2001. I have continued with the company from that time as non-executive chairman.

I, along with Bruce Alexander, retire as a director at this meeting and offer ourselves for re-election. If re-elected I hope to continue in the role of non-executive chairman. I certainly support the re-election of Mr Alexander as a director.



**B. L. Cusack**

Chairman

4 February, 2002

## THE YEAR IN REVIEW

### GENERAL

Settlement of the political impasse on Bougainville now seems achievable with the National Government agreeing to support greater autonomy for the province. Detail of what this will mean for the future of mineral exploration and mining, particularly the Panguna ore body, is unclear. Irrespective of any accord between the National Government and Bougainville leaders, landowners in the immediate mine area have yet to indicate their position on the future of the mine. In short the pleasing developments in terms of reconciliation and development on Bougainville have not changed the situation for the company. Panguna is still off limits and the prognosis for reopening the mine remains poor.

The Chairman advised members at last year's AGM that the company intended to dispose of its mine assets when circumstances permit. The company seeks to reach agreement with all relevant parties on the terms of its withdrawal. It is hoped that will be possible once the issue of 'autonomous' government is settled.

The company is conscious of the need to monitor mine area safety and provide remediation when needed. A comprehensive assessment has been possible in areas where safe access is available but access is still not possible at the mine site. It is understood that even independent aid agencies have been refused access to the mine site to undertake studies on safety.

The Chairman has advised of his retirement as an executive of Rio Tinto Limited. This means the major shareholder Rio Tinto Limited, has only one of its executives on the Board. The transition to a predominately independent Board and a rise in directors fees during the year has necessitated an increase in the amount permitted to be paid to directors as fees. A motion recommending that the total of fees payable to directors be an amount in aggregate not exceeding A\$200 000 is included on the agenda. Neither the Government nominated director or a director who is an executive of Rio Tinto Limited receives directors' fees.

### LITIGATION

The company is defendant to an action commenced in the National Court by two plaintiffs seeking declarations that they are the lawful representatives of mine site and tailings disposal area landowners and that the Mining Warden is the proper judicial officer to determine what, if any, compensation is due to landowners for the period since the mine closed. The company has made a provision in its accounts to cover an award of landowner compensation.

Separately a group of 21 Bougainvilleans are plaintiffs in an action commenced in the United States District Court against the company's largest shareholder Rio Tinto Limited and Rio Tinto plc. The action relates to alleged wrongful conduct by the defendants up to and since closure of the mine. The defendants have denied the allegations and pledged to defend the matter. The defendants have indicated the matter may take many years to resolve but at this stage does not involve the company in any legal expense.

**FINANCE**

Members were advised last year that the company would investigate investments in equities. This type of investment is intended to diversify away from cash only investments. Although the company has done well from the relatively high interest rates available in PNG over recent years a combination of falling interest rates and a depreciating kina has made investment in equities more attractive. The first such investment was made in Lihir Gold Limited shares and was followed by investment in the top 50 index of companies listed on the Australian Stock Exchange. The Board will continue to review the mix of cash and equities. However, the company's ability to purchase shares offshore is limited as it requires Central Bank approval.

In the year covered by this report the main source of income was interest from cash investments in PNG. As predicted in last year's annual report, interest rates in 2001 were lower last year than the previous year and that means net income is also lower (by K 6.6 million) and expenses were higher due to the devaluation of the kina. The company still managed a total net profit of K 8.4 million. This compares to a net profit last year of K 15.8 million.

**COMING YEAR**

The company will continue a strategy of investing in listed equities as well as retaining cash investments.

**Peter Taylor**

Managing Director

4 February, 2002

## DIRECTORS' REPORT

The directors of Bougainville Copper Limited present their report on the audited financial statements of the company for year ended 31 December, 2001.

### REVIEW:

The Panguna mine has not operated since 15 May, 1989 due to the crisis on Bougainville and the activities of armed militants, and it has not been possible for company employees to return to the mine since their withdrawal early in 1990.

Following withdrawal of employees from the island, a small management team was established in Port Moresby. This team has now been incorporated into Rio Tinto Minerals (PNG) Limited (RTM), a wholly owned subsidiary of Rio Tinto Limited. The company has a service agreement with RTM.

Restoration of services is continuing in all areas of Bougainville other than the area centred on Panguna. It is not possible to estimate when these services will extend to the whole island.

The company operated this year, as it has since the mine closed, as an investment rather than a mining company. The strategy to diversify investments into equities has commenced. The Government has also been made aware of the company's decision to exit Bougainville and its willingness to move in this direction.

### DIRECTORS:

The directors of Bougainville Copper Limited at the date of this report are:

#### **B. L. Cusack (Chairman)**

Age 59 B Eng (Hons) M Eng Sci (Hons)

Extensive experience within the Rio Tinto Group since 1966 including Managing Director of Dampier Salt, Hismelt and Hamersley Iron. Recently retired Managing Director of Rio Tinto Australia. Chairman of Coal and Allied Industries Limited and Chairman of ERA Pty Limited. Appointed director of Bougainville Copper Limited August, 1997.

#### **B. R. Alexander**

Age 59 FAIB FAICD

Forty years with Westpac Banking Corporation including five years as Chief Executive, Pacific Regional Banking and Chairman, Westpac Bank (PNG) Limited (1994-1999). Former President Australia PNG Business Council. Former Chairman, AESOP Business Volunteers, Chairman Hunter Olive Co-operative Limited. Appointed director of Bougainville Copper Limited May, 1999.

#### **K. Aua**

Age 46 Bec

Former First Assistant Secretary, Department of Foreign Affairs & Trade. Managerial roles in the private sector until joining the Department of Mining and Petroleum as Deputy Secretary in 1994. Appointed Secretary, Department of Mining in 1998. Appointed director of Bougainville Copper Limited October, 1998.

#### **D. H. McLellan**

Age 66

Extensive experience of commercial business in Papua New Guinea as former Managing Director of Burns Philp (PNG) Ltd. Former President of PNG Employers Federation. Former Chairman of Australian Executive Overseas Program Ltd. Appointed director of Bougainville Copper Limited July, 1998.

#### **M. A. Moramoro OBE**

Age 49 B Com MSc

Former Vice Chancellor, PNG University of Technology 1983 -90. Joined CRA Minerals (PNG) Pty Limited 1990 - General Manager Corporate Relations. Appointed Executive Director January, 1993 and Managing Director January, 1995. Resigned from Rio Tinto Minerals (PNG) Limited April, 1997 to join Chevron Niugini Limited. A member of the Boards of Westpac Bank (PNG) Limited, SP Holdings Limited, National Provident Fund and Highlands Pacific Limited. President of PNG Chamber of Mines and Petroleum. Appointed director of Bougainville Copper Limited April, 1993.

#### **P. R. Taylor**

Age 55 BA BSc LLB LLM

Lawyer formerly in private practice. Within the Rio Tinto Group formerly Company Secretary Bougainville Copper Limited, General Manager Commercial CRA Exploration Pty Limited, CRA Projects and General Corporate Counsel CRA Services Limited. Appointed director of Bougainville Copper Limited April, 1997 and Managing Director March, 2000.

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**ACTIVITIES:**

Bougainville Copper Limited has produced copper concentrate containing gold and silver from a mine at Panguna, Bougainville, Papua New Guinea, from 1972 until operations were suspended due to militant activity in May, 1989. The company has no subsidiaries.

**NET EARNINGS:**

The net profit of Bougainville Copper Limited for 2001 was K 8 410 999 (2000 K 15 793 988).

**TAXATION:**

No future income tax benefits have been recognised in the accounts.

**SHARE CAPITAL:**

There was no change in the company's capital structure during the year.

**LONG TERM LOANS:**

The company has no loans and no lines of credit are in place.

**DIVIDENDS:**

The directors have declared a dividend of 2 toea per share, approximately equal to the total profit for 2001.

**ACCOUNTING POLICIES:**

There have been no changes made in the company's accounting policies during 2001.

**MEETINGS OF DIRECTORS:**

There were four full meetings of the company's directors held during the year ended 31 December, 2001, and the numbers of meetings attended by each director were:

B. L. Cusack .....	4
B. R. Alexander .....	4
K. Aua .....	3
D. S. Karpin (resigned 30 April 2001) .....	2
D. H. McLellan .....	4
M. A. Moramoro .....	4
P. R. Taylor .....	4

**DIRECTORS' INTERESTS:**

Directors' interests in the share capital of the company and its related companies as at 4 February, 2002 were:

B. L. Cusack	150 Bougainville Copper Limited shares 6 235 Rio Tinto Limited shares 19 677 Rio Tinto Limited options 19 528 conditional ordinary shares in a related body corporate
P. R. Taylor	600 Rio Tinto Limited shares 959 Rio Tinto Limited options
B. R. Alexander	No interests
K. Aua	No interests
D. H. McLellan	No interests
M. A. Moramoro	No interests



**INTEREST'S REGISTER:**

There were no transactions recorded in the Interest's Register during the year, other than the directors' interests in the shares of the company as shown above.

**AUDITORS:**

The retiring auditors, PricewaterhouseCoopers, being eligible, offer themselves for re-appointment. Details of amounts paid to the auditors for audit and other services are shown in note 2 to the financial statements.

**REMUNERATION OF EMPLOYEES:**

The company had no employees during the year.

**REMUNERATION OF DIRECTORS:**

The amount of directors' remuneration, including the value of benefits, received during the year is shown in note 11 to the financial statements.

**DONATIONS:**

The company did not make any donations during the year.

**ENVIRONMENT:**

Mining operations of the company ceased in 1989 and it has been denied access to its mine site because of the civil disorder since that year. The company is not aware of any liability being incurred under any environmental legislation.

**ADDITIONAL INFORMATION:**

The directors also state that:

1. There were no significant changes in the state of affairs of the company during the year.

2. The results of the company during the financial year have been, in the opinion of the directors, substantially affected by events of a material and unusual nature as contained in this report, and as set out in the notes to the accounts.

3. Except as reported in this annual report, no matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect:

- (i) the operations of the company
- (ii) the results of those operations or
- (iii) the state of affairs of the company in the financial year subsequent to 31 December, 2001.

4. The directors do not have an interest in any contract or proposed contract with the company, are not parties to any material contract involving directors' interests, and are not in receipt of any loans or benefits other than the aggregate amount of emoluments received or due and receivable by directors shown in the accounts and the amount of fixed salary derived from the company or from a related corporation.

5. No options over shares of the company have been granted by the company during the financial year or since the end thereof; no shares of the company were issued

during the year or have been issued since the end thereof by virtue of the exercise of any option granted by the company; and no options over shares of the company are outstanding at the date of this report.

6. The company has an audit committee. Members of the audit committee are B. R. Alexander, D. H. McLellan and M. A. Moramoro.

7. In the exercise of their duties as your directors, the Bougainville Copper Limited Board is committed to observing the highest standards of corporate governance and ethical standards. The Board has the responsibility to set the strategic direction of the company, review the financial performance, monitor achievement against objectives, review the management of business risk and report to the shareholders.

8. There is currently one director who is a full-time employee of the Rio Tinto Group and five independent non-executive directors (one of whom is the Papua New Guinea government's representative). The Board seeks to maintain an appropriate blend of qualifications, skills and experience of directors commensurate with the size and activities of the company. The Board elects the Managing Director whilst one-third of all other directors, in accordance with the company's Constitution, retire at every annual general meeting, and may be eligible for re-election. The Chairman has the responsibility for overseeing the nomination of all directors and for the review of the Board's membership, in conjunction with all the Board members.

9. The directors shall be paid out of funds of the company by way of remuneration for their services as directors such sum (not exceeding in aggregate A\$100,000 per annum) as the directors may from time to time determine.

10. The company is committed to the management of risks to protect the environment, company assets, earnings and reputation.

11. In exercising their duties as directors, the Board and individual members of it can seek independent professional advice at the company's expense. Requests for the provision of such advice are directed to the Chairman.

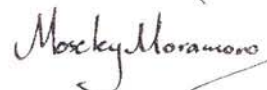
12. The company follows a continuous disclosure policy, making announcements to the Australian Stock Exchange when it becomes aware of information which might materially affect the price of its shares.

Signed this 4th day of February, 2002 in accordance with a resolution of the directors of Bougainville Copper Limited.

P. R. Taylor Managing Director



M. A. Moramoro Director



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## STATEMENT OF EARNINGS

<i>Bougainville Copper Limited year ended 31 December, 2001</i>		2001	2000
	Notes	K'000	K'000
<b>Income</b>			
Interest		12 961	19 581
Net exchange gain	5	20	34
		<u>12 981</u>	<u>19 615</u>
<b>Costs and Expenses</b>			
General and administration expenses	2	(4 570)	(3 821)
<b>Operating Profit</b>			
Income Tax	4	-	-
		<u>8 411</u>	<u>15 794</u>
<b>Operating Profit After Tax</b>			
Earnings per share (toea)		<u>2.10</u>	<u>3.93</u>

## MOVEMENTS IN EQUITY

	Paid up Capital K'000	Asset revaluation reserve K'000	Accumulated losses K'000	Total K'000
Brought forward at 01.01.00	401 063	31 276	(154 793)	277 546
Operating profit - 2000	-	-	15 794	15 794
Balance at 31.12.00	401 063	31 276	(138 999)	293 340
Operating profit - 2001	-	-	8 411	8 411
	<u>401 063</u>	<u>31 276</u>	<u>(130 588)</u>	<u>301 751</u>

All amounts are expressed in Papua New Guinea kina. Rounding to the nearest thousand kina has been adopted. The notes commencing on page 12 form part of these accounts and are to be read in conjunction with them.

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**BALANCE SHEET**

<i>Bougainville Copper Limited year ended 31 December, 2001</i>	Notes	2001 K'000	2000 K'000
<b>FUNDS EMPLOYED:</b>			
<b>Shareholders' Funds</b>			
Paid up capital	10	401 063	401 063
Asset revaluation reserve	8	31 276	31 276
Accumulated losses		(130 588)	(138 999)
		<b>301 751</b>	<b>293 340</b>
<b>NON - CURRENT LIABILITIES</b>			
Provisions	6(b)	22 073	22 073
Other creditors	6(b)	4 522	4 522
Income tax	4	6 759	6 759
		<b>33 354</b>	<b>33 354</b>
<b>CURRENT LIABILITIES</b>			
Creditors	6(a)	1 298	2 222
<b>TOTAL FUNDS</b>		<b>336 403</b>	<b>328 916</b>
<b>THESE FUNDS ARE REPRESENTED BY:</b>			
<b>NON - CURRENT ASSETS</b>			
Investments	3	3 115	-
Other debtors	9(b)	3 909	3 909
Mine assets	7	197 894	197 906
		<b>204 918</b>	<b>201 815</b>
<b>CURRENT ASSETS</b>			
Bank balances		87 647	82 971
Short term liquid investments		38 110	38 397
Other debtors	9(a)	5 728	5 733
		<b>131 485</b>	<b>127 101</b>
<b>TOTAL ASSETS</b>		<b>336 403</b>	<b>328 916</b>

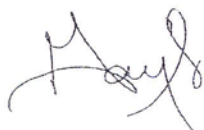
*Details of contingent liabilities and assets are shown in note 12.  
All amounts are expressed in Papua New Guinea kina.  
Rounding to the nearest thousand kina has been adopted.  
The notes commencing on page 12 form part of these accounts  
and are to be read in conjunction with them.*

## STATEMENT OF CASH FLOWS

<i>Bougainville Copper Limited year ended 31 December, 2001</i>	2001 K'000	2000 K'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Payments to suppliers	(5 495)	(2 566)
Interest received	12 967	16 970
Net Operating Cash Flows	7 472	14 404
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Payments for purchase of shares in non-related entities	(3 115)	-
Proceeds from sales of property, plant and equipment	12	-
Net investing cash flows	(3 103)	-
<b>NET INCREASE / (DECREASE) IN CASH HELD</b>		
Net cash flow	4 369	14 404
Cash at beginning of year	121 368	106 930
Effect of exchange rate changes on cash held	20	34
Cash at end of year	125 757	121 368
<b>CASH COMPRISES</b>		
Bank balances	87 647	82 971
Short term liquid investments	38 110	38 397
	125 757	121 368

*All amounts are expressed in Papua New Guinea kina.  
Rounding to the nearest thousand kina has been adopted.  
The notes commencing on page 12 form part of these  
accounts and are to be read in conjunction with them.*

For, and on behalf of, the Board.



**P. R. Taylor**  
Managing Director



**M. A. Moramoro**  
Director

4 February 2002

## NOTES TO ACCOUNTS

*These notes form part of the 2001 accounts of Bougainville Copper Limited and should be read in conjunction with them.*

### 1. (a) BASIS OF PREPARATION

Mine production was suspended on 15 May, 1989 because of attacks on employees. Following repeated instances of damage to mine facilities and the power line and further attacks on employees, it became necessary to evacuate all remaining company personnel from Bougainville early in 1990.

There continues to be considerable uncertainty surrounding the future of the Panguna mine. Since the withdrawal of company personnel from Bougainville was completed on 24 March, 1990, there has been no care and maintenance of the company's assets. Considerable deterioration of the assets has occurred in the intervening period, because of this lack of care and maintenance, their exposure to the elements, vandalism, pilferage and militant action. However, as access to the mine site has not been possible, the extent of the necessary write-downs is not capable of reliable measurement or estimation. At the same time, because the assets are not in use, normal depreciation charges, to reflect wear and tear from their utilisation in production, are not technically appropriate.

Nevertheless, with the passage of time, it is clear that a major write-down of assets from their pre-closure levels will be required. To allow for this future write-down, the directors made a general provision in 1991 for deterioration, damage and pilferage of K350 million, with this sum being classified as an extraordinary item.

The exact quantum of this provision should not be viewed as a precise calculation reflecting an accurate estimate of the present value of losses or likely costs of repair. Rather, the reduction in carrying value should be seen as a broad estimate of the total service potential likely to have been lost to the operation in respect of the whole inventory of assets carried in the books.

While directors have made this provision in good faith based on the limited information available to them, it must be recognised that the actual extent of the necessary write-downs can only be established when access to the mine site by appropriate company representatives is again possible. Accordingly, the 1991 provision may eventually prove to be above or below the sum which is necessary to reflect these losses. The directors believe that in the absence of reliable information and the lack of a more suitable alternative, this is the only appropriate basis to use, despite the current cessation of operations.

### 1. (b) ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the accounts are stated to assist in a general understanding of the financial statements. It should be noted that the principal policies set out below are applicable only because of the basis of accounting adopted for the reasons set out above. Accounting policies relevant to mining operations are not presented.

The policies generally comply with Australian Accounting Standards and conform in all material respects with the International Accounting Standards which have been adopted as Financial Reporting Standards, in Papua New Guinea. They are consistent with those adopted in the previous period unless otherwise stated.

#### COST CONVENTION:

The results of operations and the financial position of the company are accounted for under the historical cost convention, except that they reflect the revaluation in 1980 of certain major items of property, plant and equipment.

#### DEPRECIATION AND AMORTISATION:

Following cessation of mining activities, in 1991 a general provision of K350 million was made for deterioration, damage or pilferage of company assets on Bougainville. The accuracy of that provision cannot be proved, because the lack of access to Bougainville prevents a detailed assessment of the nature or extent of those losses. No depreciation charge or increase to the general provision has been made since 1991. The directors consider that any further review of the general provision at this time would be completely arbitrary because of the continuing lack of access to the mine.

#### TAXATION:

Tax effect accounting procedures are followed. Any current liability for income tax is based on estimated taxable income for the year. The components of this taxable income can differ from those which make up the earnings before tax for the year and these differences are either permanent differences or temporary differences. Permanent differences are disclosed in note 4. Temporary differences arise because the tax base of some assets and liabilities is different from their accounts carrying value. The tax effect of these temporary differences is classified as either deferred income tax liability or future income tax benefit in the balance sheet. Future income tax benefits are not recognised unless their realisation is probable. Future income tax benefits therefore have not been recognised pending the development of a clearer view of the timing of recommencement of operations.

**FOREIGN CURRENCY:**

Monetary assets and liabilities in foreign currencies are translated into Papua New Guinea currency at the rates of exchange ruling at balance date. All other overseas transactions are translated at the rate of exchange applying when they occurred. Exchange gains and losses on overseas borrowings are recognised as they occur to reflect the full effect of exchange rate movements. Other monetary gains and losses are also recognised as they occur. Gains and losses on hedges (excluding hedges relating to specific commitments) are included in earnings for the period during which the exchange rate movements occurred.

**PROVISIONS:**

Provision is made for compensation, rehabilitation and stabilisation for which the company may be liable as a consequence of cessation of operations. The amount previously shown as a liability for landowners' compensation has been classified as a provision. Bank balances previously shown under Other Debtors in respect of this liability have been classified as part of Bank Balances.

**INVESTMENTS:**

At 1 January 2001 the company adopted IAS 39 and classified its investments in marketable securities (shares in other corporations) as 'available for sale'. Investments intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, are classified as available-for-sale; these are included in non-current assets unless management has the express intention of holding the investments for less than 12 months from the balance sheet date or unless they will need to be sold to raise operating capital, in which case they are included in current assets. Management determines the appropriate classification of its investments at the time of the purchase and re-evaluates such designation on a regular basis.

All purchases and sales of investments are recognized on the trade date, which is the date that the company commits to purchase or sell the asset. Cost of purchase includes transaction costs. Available-for-sale investments are subsequently carried at fair value. Realised and unrealized gains and losses arising from changes in the fair value of available-for-sale investments are included in the income statement in the period in which they arise.

*Bougainville Copper Limited year ended 31 December, 2001*

	2001 K'000	2000 K'000
<b>2. GENERAL AND ADMINISTRATIVE EXPENSES</b>		
Remuneration of Directors (Note 11)	189	128
Auditors' remuneration - auditing the accounts	21	21
- other services	73	32
(The auditors have received no other benefits)		
Insurance	1 297	834
Management fees - related party (Note 16)	1 653	1 400
Other general and administrative expenses	1 337	1 406
	4 570	3 821
<b>3. INVESTMENTS</b>		
Non-current		
Shares in other corporations -at cost	3 115	-
	3 115	-

<i>Bougainville Copper Limited year ended 31 December, 2001</i>	<b>2001</b>	2000
	<b>K'000</b>	K'000

**4. TAXATION**

- (a) The following reconciliation discloses the items which caused the charge for income tax in the statements of earnings to vary from the income tax prima facie payable on reported earnings:

Operating profit before taxation	<b>8 411</b>	15 794
Prima facie income tax @ 35%	<b>2 944</b>	5 528
Future tax benefit now recognised	<b>(2 944)</b>	(5 528)
Income tax expense	-	-

- (b) An agreement between the Independent State of Papua New Guinea and Rio Tinto Limited provides for the deferral of income tax payable in respect of the 1989 year until certain criteria have been met following successful recommencement of operations.

- (c) The future income tax benefit relating to tax losses has not been brought to account because their realisation is not probable.

Available tax losses carried forward amount to K 110 394 489 (2000 K 129 091 214).

**5. EXCHANGE FLUCTUATION**

- (a) The net exchange gain reflected in earnings arose from:

Overseas cash balances	<b>20</b>	34
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- (b) Foreign currency amounts included in current assets and current liabilities that are not effectively hedged are:

Current assets: kina equivalent of US dollars	-	7
kina equivalent of Australian dollars	<b>189</b>	519
Current liabilities: kina equivalent of US dollars	-	-
kina equivalent of Australian dollars	<b>453</b>	1 380

No foreign currency amounts are included in non-current assets and non-current liabilities.

**6. LIABILITIES**

## Creditors

- (a)
- Current**

Provision for care and maintenance	<b>830</b>	830
Trade creditors	<b>288</b>	1 242
Related corporations	<b>180</b>	150
	<b>1 298</b>	2 222

- (b)
- Non-current**

Other creditors	<b>4 522</b>	4 522
-----------------	--------------	-------

*Creditors that have been carried forward since the mine closure have been classified as non-current liabilities, as the directors consider they are unlikely to be settled within the following year. Aged creditors that are no longer considered payable have been written back.*

Provision for compensation, rehabilitation and stabilisation	<b>22 073</b>	22 073
--	---------------	--------

The company has a provision for compensation, rehabilitation and stabilisation for which it may be liable as a consequence of cessation of operations.

The directors consider that the provision held of K22.07 million is adequate to cover claims for which the company may be liable.

<i>Bougainville Copper Limited year ended 31 December, 2001</i>	2001 K'000	2000 K'000
<b>7. MINE ASSETS</b>		
(a) Mine development and buildings.		
- at directors' 1980 valuation	292 165	292 165
Less accumulated depreciation	159 721	159 721
	<u>132 444</u>	<u>132 444</u>
- at cost	102 988	102 988
Less accumulated depreciation	38 664	38 664
	<u>64 324</u>	<u>64 324</u>
Net mine development and buildings	<u>196 768</u>	<u>196 768</u>
(b) Plant, machinery & equipment		
- at directors' 1980 valuation	245 177	245 177
Less accumulated depreciation	148 866	148 866
	<u>96 311</u>	<u>96 311</u>
- at cost	304 486	304 486
Less accumulated depreciation	104 703	104 703
	<u>199 783</u>	<u>199 783</u>
Net plant, machinery & equipment	<u>296 094</u>	<u>296 094</u>
(c) Mine property		
- at cost	62 121	62 121
Less accumulated amortisation	46 204	46 204
Net mine property	<u>15 917</u>	<u>15 917</u>
(d) Capitalised works in progress		
- at cost	29 112	29 124
Total property, plant & equipment		
- at cost or valuation	<u>1 036 049</u>	<u>1 036 061</u>
Less accumulated depreciation/amortisation	<u>498 158</u>	<u>498 158</u>
Net book value	537 891	537 903
Stores	10 003	10 003
Total mine assets	547 894	547 906
Less general provision for deterioration, damage and pilferage since the withdrawal of company personnel	350 000	350 000
Net book value	<u>197 894</u>	<u>197 906</u>
Reconciliation of Movement in Net Book Value.		
Net Book Value at beginning of year	197 906	197 906
Additions	-	-
Disposals	12	-
Net Book Value at end of year	<u>197 894</u>	<u>197 906</u>

*The basis of valuation of these assets are set out in note 1.(b) of the accounts and attention is drawn to note 1.(a) titled "Basis of Preparation". Due to the loss of complete historical information following the closure of the mine it is not possible to reliably estimate the carrying amount that would have been included had mine assets been carried at original cost less accumulated depreciation.*



## BOUGAINVILLE COPPER LIMITED ANNUAL REPORT

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<i>Bougainville Copper Limited year ended 31 December, 2001</i>	<b>2001</b>	2000
	<b>K'000</b>	K'000

**8. ASSET REVALUATION RESERVE**

Asset revaluation reserve	<b>31 276</b>	31 276
---------------------------	---------------	--------

In 1980 mine assets were revalued by K300 million. A majority of the reserve created by this revaluation was distributed to shareholders by way of bonus shares leaving a residual amount as shown in this note that has been carried forward.

**9. OTHER DEBTORS****(a) Current**

Interest receivable	1 323	1 328
Withholding tax receivable	4 405	4 405
	<b>5 728</b>	5 733

**(b) Non-current**

Other debtors	7 136	7 136
Provision for doubtful debts	(3 227)	(3 227)
	<b>3 909</b>	3 909

*Debtors that have been carried forward since the mine closure have been classified as non-current assets, as the directors consider they are unlikely to be settled within the following year. A significant proportion of these other debtors are receivable from State owned entities, and are considered subject to offset on settlement against amounts owing to other State owned entities included in other creditors [Note 6 (b)]. Aged debtors that are no longer considered collectable have been written off.*

**10. CAPITAL**

The issued capital of the company is 401 062 500 ordinary shares, fully paid. No change in issued capital occurred during 2001.

**11. REMUNERATION OF DIRECTORS**

Directors' remuneration, including the value of benefits, received during the year is as follows:

B. L. Cusack	-	-
B. R. Alexander	46	32
K. Aua	-	-
D. S. Karpin	51	32
D. H. McLellan	46	32
M. A. Moramoro	46	32
P. R. Taylor	-	-

**12. CONTINGENT LIABILITIES AND ASSETS**

Bougainville Copper Limited is defendant to an action commenced in the National Court by two plaintiffs seeking declarations that they are the lawful representatives of the mine site and the tailings disposal area landowners and that the Mining Warden is the proper judicial officer to determine what, if any, compensation is due to landowners for the period since the mine closed. The company has made a provision in its accounts to cover an award of landowner compensation.

The directors do not expect the company to suffer any material loss as a result of the cancellation of purchase orders for either revenue or capital contracts.

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*Bougainville Copper Limited year ended 31 December, 2001*

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**13. MINING TENEMENTS**

The company holds 100% interest in leases: 1, B9, B6, B8, B7, B2, B10, B3; and prospecting authorities: 1, 2, 3, 4, 5, 6, 7A and 7B on Bougainville Island.

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**14. HOLDING COMPANY**

The holding company is Rio Tinto Limited (incorporated in Australia).

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**15. SEGMENTAL INFORMATION**

The company carried on investment activities during the year. Its assets are the Panguna mine and associated facilities on Bougainville Island, Papua New Guinea, cash and equities listed on the Australian Stock Exchange.

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**16. RELATED PARTY TRANSACTIONS**

Transactions with directors are disclosed in note 11.

In 2001 the company paid fees of K 134 967 (2000 K 112 129) to Rio Tinto Services Limited for managing investment funds and K 1 652 803 (2000 K 1 399 644) to Rio Tinto Minerals (PNG) Limited for the provision of office space, staff and related services.

With the exception of the above the company did not enter into any other transactions with related parties.

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**17. FINANCIAL INSTRUMENTS**

The company's financial instruments include cash and cash equivalents, equity investments, receivables and accounts payable.

**(a) Financial Risk Management**

The company's activities expose it to a variety of financial risks, including the effects of changes in market prices, foreign currency exchange rates and interest rates. The company monitors these financial risks and seeks to minimize the potential adverse effects on the financial performance of the company. The company does not use any derivative financial instruments to hedge these exposures.

**(b) Foreign exchange risk**

The company undertakes transactions denominated in foreign currencies from time to time and resulting from these activities, exposures in foreign currencies arise. It is not the company's policy to hedge these foreign currency risks. Details of exchange fluctuations and foreign currency amounts are shown in note 5.

**(c) Credit Risk**

The company has no significant concentrations of net credit risk.

**(d) Liquidity Risk**

The company aims to prudently manage liquidity risk by maintaining sufficient cash and other liquid assets or the availability of funding through uncommitted credit facilities.

**(e) Fair Value Estimation**

The company is not in a position to determine the fair values of its receivables and payables due to the significant uncertainties arising from the closure of the mine. The face value of bank balances and short term liquid investments are assumed to approximate their fair values. Equity investments are carried at their fair value, being market price.

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## INDEPENDENT AUDIT REPORT

*Independent Audit Report to the Members of Bougainville Copper Limited*

### Scope

We have audited the financial statements of Bougainville Copper Limited for the financial year ended 31 December 2001 as set out on pages 9 to 17.

These financial statements are the responsibility of the company's directors. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with International Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. These procedures have been undertaken to form an opinion whether, in all material respects, the financial statements comply with generally accepted accounting practice, which includes International Accounting Standards and Statements of Accounting Standards issued by the PNG Institute of Accountants, and statutory requirements in Papua New Guinea, so as to present a view which is consistent with our understanding of the company's financial position, the results of its operations and its cash flows. We believe that our audit provides a reasonable basis for our opinion.

Our firm provides taxation services to the company.

### Qualified Audit Opinion

These accounts have been prepared with the inclusion of the company's assets at their 1 January, 1991 book value, with a separate general provision of K350 million having been made in 1991 for the value of the indeterminate level of deterioration, damage and pilferage of assets which is expected to have occurred in the period since the withdrawal of company personnel from Bougainville in early 1990. As explained in note 1.(a) to the accounts, there continues to be considerable uncertainty surrounding the future of the Panguna mine and the extent of deterioration, damage and pilferage of the company's assets on Bougainville.

While the directors have made this provision in good faith based on the limited information available to them, it must be recognised that the actual extent of the necessary write-downs can only be established when access to the mine site by appropriate company representatives is again possible.

In our opinion, providing for the probable loss from deterioration, damage or pilferage is the appropriate accounting treatment for the actual losses which will have occurred in the period to 31 December, 2001. However, as the actual extent of such losses can only be established after the company regains access to the mine site, we recognise that, at present, those losses are not capable of reliable measurement or estimation, either by directors or by us. Accordingly the provision made by directors in 1991 may eventually prove to be above or below the sum which is necessary to reflect these losses.

In the absence of all the necessary information and explanations we require, (because both we and the directors have been unable to obtain access to Bougainville Island) and for the reasons set out above, we are unable to form an opinion as to whether or not the provision against the net book value of mine assets of K350 million is adequate or not. Accordingly we are unable to form an opinion as to whether or not the carrying value of the mine assets, as disclosed in these accounts, is properly stated.

These assets which represent 59% of the book value of total assets and 66% of the book value of net tangible assets are of fundamental importance to the presentation of the accounts. In view of the uncertainty of the quantum of the general provision that has been made against these assets, as set out above, we are unable to form an opinion as to whether or not the accounts give a true and fair view of the state of affairs of the company as at 31 December, 2001 and the results for the year ended on that date.

In our opinion, except that the records of mine assets may not be a reflection of the existence and value of those assets on Bougainville Island, proper accounting records have been kept by the company as far as appears from our examination of those records.

### PricewaterhouseCoopers

by S.C. Beach

Registered under the Accountants Registration Act (1996)  
Port Moresby,

on this 4th day of February 2002.

**CORPORATE INFORMATION****BOUGAINVILLE COPPER LIMITED**

(Incorporated in Papua New Guinea)

**Registered Office:**

6th Floor, Pacific Place,  
Cnr Champion Parade & Musgrave Street, Port  
Moresby Papua New Guinea  
Telephone: 309 2800 Facsimile: 321 3634

**Principal Registered Office in Australia:**

Bougainville Copper Limited A.R.B.N. 007 497 869  
Level 33, 55 Collins Street, Melbourne, VIC. 3000.  
Telephone: (03) 9283 3333 Facsimile: (03) 9283 3707

**Share Registers:**

c/o Deloitte Touche Tohmatsu  
12th Floor, Deloitte Tower,  
Douglas Street, Port Moresby Papua New Guinea  
Telephone: 308 7000 Facsimile: 308 7001

**Postal Address:**

PO Box 1275 Port Moresby.

**c/o Computershare**

Registry Services Pty Ltd  
Level 12, 565 Bourke Street, Melbourne, VIC. 3000.  
Telephone: (03) 9611 5711 Facsimile: (03) 9611 5710

**Postal Address:**

GPO Box 2975EE Melbourne, VIC. 3001.

**Stock Exchanges:**

Listed with the Australian Stock Exchange Limited.

**Auditors:**

PricewaterhouseCoopers  
PO Box 484 Port Moresby Papua New Guinea

**Bankers:**

Commonwealth Bank of Australia  
Papua New Guinea Banking Corporation

**Solicitors:**

Allens, Arthur Robinson  
Gadens Lawyers

**TWENTY LARGEST SHAREHOLDERS**

The twenty largest shareholders as at 4 February, 2002  
and the number of shares held by each were:

Name and Registered Address	Shares	% of Issued Shares
1 Rio Tinto Limited Melbourne VIC	214 887 966	53.58
2 The Independent State of Papua New Guinea	76 430 809	19.06
3 ANZ Nominees Limited Melbourne VIC	28 926 822	7.21
4 Citicorp Nominees Pty Limited Melbourne VIC	23 440 241	5.84
5 Westpac Custodian Nominees Limited Sydney NSW	6 582 937	1.64
6 Chase Manhattan Nominees Limited Sydney NSW	5 549 731	1.38
7 Bougainville Copper Foundation Port Moresby PNG	3 600 000	0.90
8 Public Officers Superannuation Fund Board Port Moresby PNG	2 561 500	0.64
9 National Nominees Limited Melbourne VIC	1 640 721	0.42
10 Franz Heinrich Rast Bulli NSW	1 557 440	0.40
11 James West Brisbane QLD	1 529 511	0.38
12 Hong Kong Toys Limited Cook Islands	1 000 000	0.25
13 Carstock Nominees Pty Limited Melbourne VIC	850 000	0.21
14 Deep Investments Pty Limited Pymble NSW	619 343	0.15
15 Mr David Cliffe Kingsford NSW	600 000	0.15
16 Mr Geok Loo Goh Singapore	400 000	0.10
17 Mr Donald Ranaweera MBE Columbo Sri Lanka	400 000	0.10
18 Deep Valley Pty Limited Virginia QLD	377 000	0.09
19 Dr Thomas John Beresford Wheelers Hill VIC 3150	370 190	0.09
20 Merrill Lynch (Australia) Nominees Pty Ltd Melbourne VIC 3000	322 763	0.08
	<u>371 646 974</u>	<u>92.67</u>

**CORPORATE INFORMATION****DISTRIBUTION OF SHARES**

As at 4 February 2002: The issued shares of the company were 401 062 500 fully paid one kina shares, each carrying one voting right.

The number of shareholders was 16 812.

The distribution of holdings of the issued shares was:

1 - 1 000 shares	13 732	81.68
1 001 - 5 000 shares	2 153	12.81
5 001 - 10 000 shares	473	2.81
10 001 - shares and over	454	2.70
<b>Total Shareholders</b>	<u>16 812</u>	<u>100.00</u>

There were 15 442 holdings of shares (91.85%) which do not form a marketable parcel.

92.67% of the total issued shares were held by or on behalf of the twenty largest shareholders.

The substantial shareholders were:

Rio Tinto Limited and its wholly-owned subsidiary Rio Tinto Base Metals Pty Limited 214 887 966 shares (53.58%); Rio Tinto plc has an interest in the same shares through its wholly-owned subsidiaries' (Tinto Holdings Australia Pty Limited, Melbourne Vic; Rio Tinto Australian Holdings Limited, Rio Tinto Pacific Holdings Limited and Rio Tinto International Holdings Limited, all of London, UK) interests in Rio Tinto Limited and Rio Tinto Base Metals Pty Limited; The Independent State of Papua New Guinea - 76 430 809 shares (19.06%).

**APPLICABLE JURISDICTION**

The company is incorporated in Papua New Guinea and is not generally subject to Australian Corporations Law including, in particular, Chapter 6 of the Australian Corporations Law dealing with the acquisition of shares (including substantial shareholdings and take-overs), but is instead subject to the provisions of the Papua New Guinea Companies Act 1997 and Securities Act 1998.

**DISTRIBUTION OF THE BENEFITS***Bougainville Copper Limited year ended 31 December, 2001***K million**

	<b>2001</b>	<b>1972-2001</b>
<b>PNG GOVERNMENT</b>		
Corporate income tax*	-	514.2
Additional profits tax*	-	72.6
Group tax (PAYE)	-	122.2
Customs duty	-	104.1
Miscellaneous	-	10.1
Dividends*	-	165.9
Dividends WHT*	-	96.5
	-	1 085.6
<b>NSP GOVERNMENT</b>		
Royalties (95% to NSPG)	-	61.4
Non Renewable Resources Fund	-	1.8
Other taxes	-	12.0
	-	75.2
<b>LANDOWNERS</b>		
Royalties (5% to Landowners)	-	3.2
Compensation	-	35.0
	-	38.2
<b>NON-GOVERNMENT SHAREHOLDERS</b>		
Dividends net of dividend WHT*	-	576.7
<b>EMPLOYEES</b>		
Wages (less PAYE)	-	575.6
<b>TOTAL</b>	-	2 351.3

*Not included in the above table are the benefits received by the providers of goods and services to Bougainville Copper Limited. A company survey in 1989 revealed that there were approximately 200 Bougainville based business enterprises dependent largely upon Bougainville Copper Limited's operation. These enterprises employed in excess of 4,000 people prior to the mine closure.*

*\* These amounts relate to the referable year (i.e. the year in which the amount became due) and hence the cash effect on the PNG economy has a delayed impact.*

## BOUGAINVILLE COPPER LIMITED ANNUAL REPORT

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## Statistical Summary

FINANCIAL	2001	2000	1999	1998	1997	1996	1995	1994	1993	1992	1991	1990
<b>Earnings (K million)</b>												
Net sales revenue and other income*****	13.0	19.6	18.3	12.4	6.1	10.7	5.5	2.2	1.7	2.2	3.3	80.2
Operating and other expenses****	4.6	3.8	4.8	5.2	4.8	5.0	4.9	3.6	4.1	5.1	316.6	36.8
Depreciation*****	-	-	-	-	-	-	-	-	-	-	-	51.5
Earnings/(loss) before taxation and exchange gains	8.4	15.8	13.5	7.2	1.4	5.7	0.6	(1.4)	(2.4)	(2.9)	(313.3)	(8.1)
Exchange gains/(losses)	-	-	0.4	0.5	-	-	6.6	9.2	(0.3)	1.5	0.1	(0.5)
Earnings/(loss) before taxation	8.4	15.8	13.9	7.7	1.4	5.7	7.2	7.8	(2.7)	(1.4)	(313.2)	(8.6)
Income tax	-	-	-	-	-	-	-	-	-	-	-	6.0
Additional profits tax	-	-	-	-	-	-	-	-	-	-	-	-
Net earnings/(loss)	8.4	15.8	13.9	7.7	1.4	5.7	7.2	7.8	(2.7)	(1.4)	(313.2)	(14.6)
Dividends	-	-	-	-	-	-	-	-	-	-	-	-
Earnings/(losses) retained	8.4	15.8	13.9	7.7	1.4	5.7	7.2	7.8	(2.7)	(1.4)	(313.2)	(14.6)
<b>Balance Sheet (K million)</b>												
Property, plant & equipment	197.9	197.9	197.9	198.6	200.1	200.6	200.7	200.7	200.8	201.4	201.5	545.9
Investments and loans	3.1	-	-	-	-	-	-	-	-	-	-	-
Current and other non-current assets	135.4	131.0	114.4	100.7	87.7	85.4	76.0	65.6	56.2	56.8	56.5	64.7
Total assets	336.4	328.9	312.3	299.3	287.8	286.0	276.7	266.3	257.0	258.2	258.0	610.6
Shareholders' funds	301.8	293.3	277.5	263.6	255.9	254.5	248.8	241.6	233.8	236.4	237.9	551.1
Exchange fluctuation	-	-	-	-	-	-	-	-	-	-	-	-
Long term liabilities	33.4	33.4	33.5	35.3	6.8	6.8	6.8	6.8	6.8	6.8	6.8	47.7
Current liabilities	1.2	2.2	1.3	0.4	25.1	24.7	21.1	17.9	16.4	15.0	13.3	11.8
Funds employed	336.4	328.9	312.3	299.3	287.8	286.0	276.7	266.3	257.0	258.2	258.0	610.6
<b>PRODUCTION / SALES</b>												
<b>Mined</b>												
Ore and waste removed (millions of tonnes)	-	-	-	-	-	-	-	-	-	-	-	-
Ore milled (millions of tonnes)	-	-	-	-	-	-	-	-	-	-	-	-
<b>Ore grade</b>												
Copper (per cent)	-	-	-	-	-	-	-	-	-	-	-	-
Gold (grams/tonne)	-	-	-	-	-	-	-	-	-	-	-	-
<b>Produced</b>												
Concentrate (thousands of dry tonnes)	-	-	-	-	-	-	-	-	-	-	-	-
Contained copper (thousands of dry tonnes)	-	-	-	-	-	-	-	-	-	-	-	-
<b>Concentrate grade</b>												
Copper (per cent)	-	-	-	-	-	-	-	-	-	-	-	-
Gold (grams/tonne)	-	-	-	-	-	-	-	-	-	-	-	-
Silver (grams/tonne)	-	-	-	-	-	-	-	-	-	-	-	-
<b>Shipped</b>												
Total concentrate (thousands of dry tonnes)	-	-	-	-	-	-	-	-	-	-	-	-
<b>Destination:</b>												
Japan (per cent)	-	-	-	-	-	-	-	-	-	-	-	-
Other Asian (per cent)	-	-	-	-	-	-	-	-	-	-	-	-
Europe (per cent)	-	-	-	-	-	-	-	-	-	-	-	-
All other (per cent)	-	-	-	-	-	-	-	-	-	-	-	-
<b>Values</b>												
Gross concentrate sales value (before treatment and refining charges, freight, etc.) (K million)	-	-	-	-	-	-	-	-	-	-	-	0.3
<b>Contribution by:</b>												
Copper (per cent)	-	-	-	-	-	-	-	-	-	-	-	61
Gold (per cent)	-	-	-	-	-	-	-	-	-	-	-	38
<b>OTHER</b>												
US\$/Kina exchange rate	0.26	0.36	0.39	0.48	0.69	0.76	0.79	1.01	1.02	1.04	1.05	1.05
<b>Average metal prices</b>												
LME copper (US\$/lb)	66.2	82.1	71.4	75.2	105.6	104.0	133.1	105.0	87.0	103.0	106.0	119.8
London gold market (US\$/oz)	276.5	280.0	280.0	294.0	335.3	387.0	384.5	384.0	360.0	344.0	362.2	382.8
Return on shareholders' funds (per cent)	2.8	5.4	5.0	2.9	0.5	2.2	2.9	3.2	-	-	-	-
Earnings per share*** (toea)	2.10	3.93	3.5	1.9	0.3	1.4	1.8	1.9	-	-	-	-
Dividends per fully paid share*** (par value K1.00) (toea)	-	-	-	-	-	-	-	-	-	-	-	-
Number of shares issued at end of year (millions)	401	401	401	401	401	401	401	401	401	401	401	401
Number of shareholders at end of year	16 812	17 021	17 260	18 183	18 182	18 041	18 452	18 765	19 189	19 851	19 982	20 532
Debt/equity ratio	-	-	-	-	-	-	-	-	-	-	-	-
<b>Workforce at end of year</b>												
Overseas	-	-	-	-	-	-	-	-	-	1	6	13
National	-	-	-	-	-	-	-	-	-	1	6	10

Notes: Bonus dividends of 4.0 and 6.7 toea per fully paid share were made in 1979 and 1980 respectively and have been included in dividend figures for those years.

\*Full year figures; but commercial production commenced 1 April, 1972

\*\*1972 figure is for Bougainville Mining Limited

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1989	1988	1987	1986	1985	1984	1983	1982	1981	1980	1979	1978	1977	1976	1975	1974	1973	1972*
1.6	493.4	415.4	342.7	317.6	310.9	392.9	283.2	296.4	338.7	343.1	225.1	205.3	208.9	193.1	292.6	252.4	95.9
1.7	244.8	227.5	223.7	221.5	234.8	228.1	207.2	210.8	174.8	144.1	125.0	126.8	117.5	107.2	92.5	81.8	53.3
7.3	43.9	49.4	47.3	47.6	46.5	47.0	44.2	43.3	43.8	40.7	40.4	36.2	31.1	29.6	28.5	24.8	14.5
2.6	204.7	138.5	71.7	48.5	29.6	117.8	31.8	42.3	120.1	158.3	59.7	42.3	60.3	56.3	171.6	145.8	28.1
2.5	(2.9)	2.6	2.3	(1.4)	(2.8)	(16.3)	(3.3)	1.1	2.6	3.5	10.3	(0.1)	1.3	2.3	9.5	12.9	(0.4)
5.1	201.8	141.1	74.0	47.1	26.8	101.5	28.5	43.4	122.7	161.8	70.0	42.2	61.6	58.6	181.1	158.7	27.7
5.7	70.0	50.6	28.7	19.0	15.2	46.9	17.3	20.6	39.6	57.5	22.0	13.7	20.3	12.4	49.1	0.3	-
-	23.2	-	-	-	-	-	-	-	11.6	20.4	-	-	-	-	17.4	-	-
0.6	108.6	90.5	45.3	28.1	11.6	54.6	11.2	22.8	71.5	83.9	48.0	28.5	41.3	46.2	114.6	158.4	27.7
-	108.3	92.2	44.1	28.1	16.0	52.1	10.0	20.1	80.2	106.9	40.1	21.4	26.7	26.7	73.5	81.4	11.0
0.6	0.3	(1.7)	1.2	-	(4.4)	2.5	1.2	2.7	(8.7)	(23.0)	7.9	7.1	14.6	19.5	41.1	77.0	16.7
5.8	570.0	527.8	550.1	558.5	576.2	594.9	622.8	611.2	610.8	325.4	340.1	352.2	350.4	346.0	352.2	371.7	378.7
-	2.2	0.7	0.7	0.2	0.2	0.3	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	-
9.5	250.1	260.3	190.1	160.4	152.9	185.3	155.9	148.7	148.4	201.0	125.8	137.1	136.0	129.5	205.6	130.4	73.9
5.3	822.3	788.8	740.9	719.1	729.3	780.5	778.8	760.0	759.3	526.5	466.0	489.4	486.5	475.6	557.9	502.2	452.6
5.6	86.2	586.0	587.7	586.5	586.5	590.9	588.4	587.2	584.5	294.5	317.5	309.7	302.5	287.9	268.4	227.4	146.7
-	0.2	0.3	(3.2)	(5.9)	(5.3)	(4.7)	(5.4)	1.5	5.1	5.4	9.0	14.6	9.0	11.5	19.1	39.5	24.2
6.9	23.7	24.8	48.1	52.4	52.5	51.6	125.6	80.1	25.7	36.2	42.1	53.3	101.7	106.8	121.1	127.5	204.0
2.8	212.2	177.7	108.3	86.1	95.6	142.7	70.2	91.2	144.0	190.4	97.4	111.8	73.3	69.4	149.3	107.8	77.7
5.3	72.3	788.8	740.9	719.1	729.3	780.5	778.8	760.0	759.3	526.5	466.0	489.4	486.5	475.6	557.9	502.2	452.6
3.27	89.78	83.53	79.16	73.62	74.40	81.00	76.22	77.56	79.76	75.97	79.05	70.79	58.54	56.40	56.00	56.65	46.75
8.52	47.69	48.20	47.89	50.07	46.52	47.73	41.74	37.53	37.62	36.17	38.12	34.11	31.21	31.08	30.14	29.14	21.89
0.44	0.41	0.41	0.42	0.42	0.42	0.46	0.47	0.51	0.46	0.55	0.60	0.61	0.64	0.64	0.70	0.73	0.76
0.50	0.41	0.43	0.48	0.42	0.48	0.55	0.60	0.59	0.50	0.75	0.82	0.90	0.87	0.80	1.02	1.03	0.77
4.6	552.0	585.5	586.6	581.8	542.3	636.9	598.6	576.4	510.4	584.7	658.6	615.6	596.8	596.0	640.8	650.2	438.1
8.7	166.0	178.2	178.6	175.0	164.4	183.2	170.0	165.4	146.8	170.8	198.6	182.3	176.5	172.5	184.1	182.9	124.0
0.1	30.1	30.4	30.5	30.1	30.3	28.8	28.4	28.7	28.8	29.2	30.2	29.6	29.6	28.9	28.7	28.1	28.3
1.0	25.1	25.8	27.9	24.7	28.9	28.3	29.3	29.2	27.5	33.7	35.5	36.3	33.9	30.5	32.0	31.6	27.3
1.2	87.7	86.4	85.9	79.3	81.9	74.4	72.1	73.5	72.2	76.3	79.8	77.0	76.1	71.0	72.3	69.0	69.3
0.8	570.8	567.6	589.4	560.0	550.8	636.1	599.6	596.2	494.4	586.5	640.9	614.8	605.8	587.0	665.8	625.2	434.4
0.2	45.4	32.6	43.2	44.1	51.9	47.0	46.6	49.8	54.5	56.0	51.0	54.8	42.3	42.7	51.5	54.8	48.1
4.3	23.4	33.5	15.4	15.7	12.3	11.0	6.6	3.3	4.1	3.7	3.2	1.6	1.7	1.7	0.0	0.0	0.0
5.5	27.7	33.9	41.4	40.2	35.8	42.0	45.1	45.4	41.4	40.3	42.0	39.9	46.5	53.8	41.9	37.8	49.4
0.0	3.5	0.0	0.0	0.0	0.0	0.0	1.7	1.5	0.0	0.0	3.8	3.7	9.5	1.8	6.6	7.4	2.5
0.0	561.0	489.4	417.9	381.3	373.4	454.6	343.6	355.2	386.3	407.0	294.5	266.3	260.3	219.4	307.4	270.8	118.8
68	68	60	54	61	53	52	51	54	51	60	64	66	74	69	74	83	83
31	30	38	44	37	45	46	47	44	46	37	34	32	24	29	25	16	16
.17	1.16	1.10	1.03	1.00	1.11	1.19	1.35	1.48	1.50	1.41	1.42	1.27	1.26	1.31	1.43	1.42	1.19
9.0	117.9	81.0	62.3	64.3	62.4	71.9	67.1	79.0	99.2	89.8	61.9	59.3	63.6	55.9	93.3	80.9	48.6
1.0	436.8	446.7	367.9	317.3	360.8	423.5	375.6	459.9	614.7	304.7	193.5	147.8	124.8	160.9	158.7	97.3	58.2
-	18.5	15.4	7.7	4.8	2.0	9.3	1.9	3.9	12.2	28.5	15.1	9.2	13.7	16.0	42.7	69.7	18.9
-	27.1	22.6	11.3	7.0	2.9	13.6	2.8	5.7	17.8	20.9	12.0	7.1	10.3	11.5	28.6	39.5	6.9
-	27.0	23.0	11.0	7.0	4.0	13.0	2.5	5.0	20.0	26.7	10.0	5.3	6.7	6.7	18.3	20.0	2.7
401	401	401	401	401	401	401	401	401	401	267	267	267	267	267	267	267	260**
287	21 966	22 650	24 680	27 117	30 435	32 834	36 486	38 027	38 326	38 750	40 935	43 820	50 082	54 129	55 558	45 353	46 726
-	.002/1	.004/1	.005/1	.006/1	.009/1	.010/1	.020/1	.017/1	.005/1	.015/1	.019/1	.037/1	.040/1	.044/1	.052/1	.072/1	.062/1
0	610	699	706	704	749	751	756	801	877	851	855	853	858	942	980	929	971
7	2 950	3 025	2 993	2 948	2 987	3 058	3 174	3 377	3 416	3 314	3 243	3 063	2 989	3 094	3 242	2 915	2 594

\*\*\*1972 to 1979 figures are after adjustment for the 1980 capital reconstruction

\*\*\*\*1989, 1990 and 1991 include extraordinary items of K26.1 million, K28.7 million and K309.2 million respectively

\*\*\*\*\*1990 includes extraordinary items of K76.3 million for insurance litigation settlement and K51.5 million for depreciation.



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