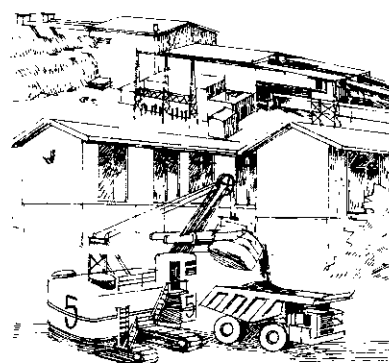
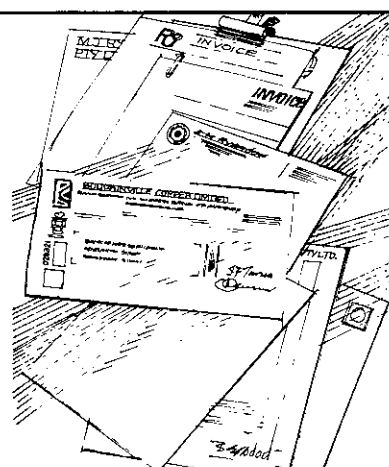


## SIMPLIFIED BALANCE SHEET

WHAT WE OWN (ASSETS)	\$ Million
MINE LEASES, TREATMENT PLANT, HOUSING, POWER STATION, PORT FACILITIES, ETC.	352.3
COPPER CONCENTRATE IN STORAGE AWAITING SHIPMENT AND STORES ON HAND	24.4
MONEY HELD BY BANKS ON DEPOSIT AND IN CASH	129.7
AMOUNTS OWED TO YOUR COMPANY MAINLY FOR COPPER CONCENTRATES RECENTLY SHIPPED	51.5
	557.9



LESS WHAT WE OWE (LIABILITIES)	
LONG TERM LOAN BORROWINGS TO BE REPAID AFTER 1975	121.1
SHORT TERM OVERDRAFT	5.0
LOAN BORROWINGS TO BE REPAID DURING 1975	18.3
AMOUNTS OWING TO SUPPLIERS AND OTHERS FOR GOODS AND SERVICES	12.6
MONEY SET ASIDE FOR PAYMENT OF DIVIDENDS TO THE COMPANY'S SHAREHOLDERS	46.8
MONEY SET ASIDE FOR PAYMENT OF INCOME TAX	66.6
	270.4



<b>AMOUNT REMAINING</b>	287.5
THIS AMOUNT (\$287.5 MILLION) IS RETAINED TO FINANCE OPERATIONS OF THE BUSINESS AND REPRESENTS:	
CONTRIBUTIONS BY THE COMPANY'S SHAREHOLDERS	133.7
PROFITS WHICH DIRECTORS CURRENTLY INTEND TO RETAIN IN THE BUSINESS	134.7
THE GAIN (BASED ON PRESENT EXCHANGE RATES AND NOT YET REALISED) ON FUTURE UNITED STATES LOAN REPAYMENTS. THIS GAIN RESULTS FROM THE INCREASE IN THE VALUE OF THE AUSTRALIAN DOLLAR COMPARED WITH THE UNITED STATES DOLLAR	19.1

## BALANCE SHEETS

AT 31ST DECEMBER, 1974

	NOTES	CONSOLIDATED		BOUGAINVILLE COPPER LIMITED	
		1974 \$000	1973 \$000	1974 \$000	1973 \$000
<b>CAPITAL AND RESERVES</b>					
CAPITAL	9				
Authorised		<u>135 000</u>	135 000	<u>135 000</u>	135 000
Paid up		<u>133 688</u>	133 688	<u>133 688</u>	133 688
REVENUE RESERVES	10				
Unappropriated Earnings		<u>134 746</u>	93 689	<u>134 736</u>	93 689
Total Capital and Reserves		<u>268 434</u>	227 377	<u>268 424</u>	227 377
<b>EXCHANGE FLUCTUATION</b>	11	<u>19 078</u>	39 512	<u>19 078</u>	39 512
<b>LIABILITIES</b>					
MATURING LATER THAN ONE YEAR:					
Loans	12	<u>121 122</u>	127 368	<u>121 122</u>	127 368
Provisions	13	<u>746</u>	177	<u>746</u>	177
		<u>121 868</u>	127 545	<u>121 868</u>	127 545
CURRENT					
Bank Overdraft		<u>4 976</u>	2 681	<u>4 976</u>	2 681
Loan Instalments	12	<u>18 316</u>	36 785	<u>18 316</u>	36 785
Creditors	14	<u>11 859</u>	14 669	<u>11 858</u>	14 669
Income Tax		<u>66 571</u>	143	<u>66 470</u>	—
Dividend payable		<u>46 791</u>	53 475	<u>46 791</u>	53 475
		<u>148 513</u>	107 753	<u>148 411</u>	107 610
Contingent and Commitments	20	—	—	—	—
<b>TOTAL FUNDS</b>		<u>557 893</u>	502 187	<u>557 781</u>	502 044
These Funds are represented by:					
<b>ASSETS</b>					
PROPERTY, PLANT AND EQUIPMENT	15	<u>352 225</u>	371 665	<u>352 225</u>	371 665
INVESTMENTS	16	<u>83</u>	83	<u>83</u>	83
CURRENT					
Cash and bank balances		<u>342</u>	68	<u>341</u>	65
Short term deposits and loans		<u>129 333</u>	68 018	<u>129 223</u>	67 878
Debtors	17	<u>51 500</u>	45 351	<u>51 499</u>	45 351
Stocks and Stores	18	<u>24 410</u>	17 002	<u>24 410</u>	17 002
		<u>205 585</u>	130 439	<u>205 473</u>	130 296
<b>TOTAL ASSETS</b>		<u>557 893</u>	502 187	<u>557 781</u>	502 044

The notes attached hereto form part of these accounts and are to be read in conjunction herewith.

	CONSOLIDATED		BOUGAINVILLE COPPER LIMITED	
	1974	1973	1974	1973
	\$000	\$000	\$000	\$000
<b>16. INVESTMENTS</b>				
RELATED COMPANIES — shares not listed on a Stock Exchange				
at cost				
Subsidiary Company	—	—	—	—
Other	38	38	38	38
	38	38	38	38
OTHER COMPANIES — shares not listed on a Stock Exchange				
at cost	45	45	45	45
	83	83	83	83

Bougainville Mining Limited, incorporated in the Australian Capital Territory and having an issued capital of 200 ordinary shares of 50 cents each fully paid, is a wholly owned subsidiary of Bougainville Copper Limited. The contribution made by Bougainville Mining Limited to 1974 consolidated net earnings was \$4 350 (1973 nil).

<b>17. DEBTORS</b>				
Related Companies:				
Subsidiary Company	—	—	—	1
Other	1 279	1 134	1 279	1 134
Trade debtors	45 763	42 383	45 763	42 383
Other debtors and payments in advance	4 484	1 873	4 483	1 872
Less provision for doubtful debts	26	39	26	39
	4 458	1 834	4 457	1 833
	51 500	45 351	51 499	45 351
<b>18. STOCKS AND STORES</b>				
Unshipped Concentrate	465	2 504	465	2 504
Other Stocks and Stores	23 945	14 498	23 945	14 498
	24 410	17 002	24 410	17 002

	1974		1973	
	Company	Related	Company	Related
	\$000	\$000	\$000	\$000
<b>19. DIRECTORS' EMOLUMENTS</b>				
The total of emoluments received or due and receivable (whether from the Company or from a related corporation) by:—				
(a)				
Directors of the Company engaged in the full-time employment of the Company or its related corporations (including all bonuses and commissions received or receivable by them as employees, but not including the amount received or receivable by them by way of fixed salary as employees) was	—	—	—	6
and				
(b)				
Other Directors of the Company was	4	—	4	—
<b>20. COMMITMENTS FOR CAPITAL EXPENDITURE AND CONTINGENT LIABILITIES</b>				
The approximate commitments for the purchase of land, buildings, plant and equipment not reflected in the Balance Sheet amount to \$5 501 000 (1973 \$3 410 000)				
The Company has contingent obligations attaching to the terms of:				
(a) the Credit Agreement dated 28th July, 1969 (as amended),				
and,				
(b) the Amending Agreement as referred to in the Mining (Bougainville Copper Agreement) (Amendment) Act 1974, however no circumstance has yet arisen to suggest that an enforceable claim has or is likely to arise in respect of these obligations.				
Except for the foregoing neither the Company nor its subsidiary, Bougainville Mining Limited, has contingent liabilities which are material in nature and/or amount.				
<b>21. ULTIMATE HOLDING COMPANY</b>				
The ultimate holding Company is The Rio Tinto-Zinc Corporation Limited (incorporated in England).				

## DECLARATIONS

### STATEMENT BY DIRECTORS

In the opinion of the Directors of Bougainville Copper Limited the accompanying statement of earnings is drawn up so as to give a true and fair view of the results of the business of the Company for the period covered by the statement and the accompanying balance sheet is drawn up so as to exhibit a true and fair view of the state of affairs of the Company at the end of that period.

Signed at Panguna this 6th day of February, 1975.

On behalf of the Board

F. F. ESPIE, R. W. BALLMER

Directors

### DECLARATION BY SECRETARY

I, John Campbell Rennie, Secretary of Bougainville Copper Limited, do solemnly and sincerely declare that the accompanying balance sheet and statement of earnings of the Company are, to the best of my knowledge and belief correct.

And I make this solemn declaration by virtue of the Oaths, Affirmations and Statutory Declarations Act 1962, as amended to date, conscientiously believing the statements contained herein to be true in every particular.

Declared at Panguna this 6th day of February, 1975.

J. C. RENNIE

Secretary

Before me:

MARY R. SMITH

Justice of the Peace

### REPORT OF THE AUDITORS TO THE MEMBERS

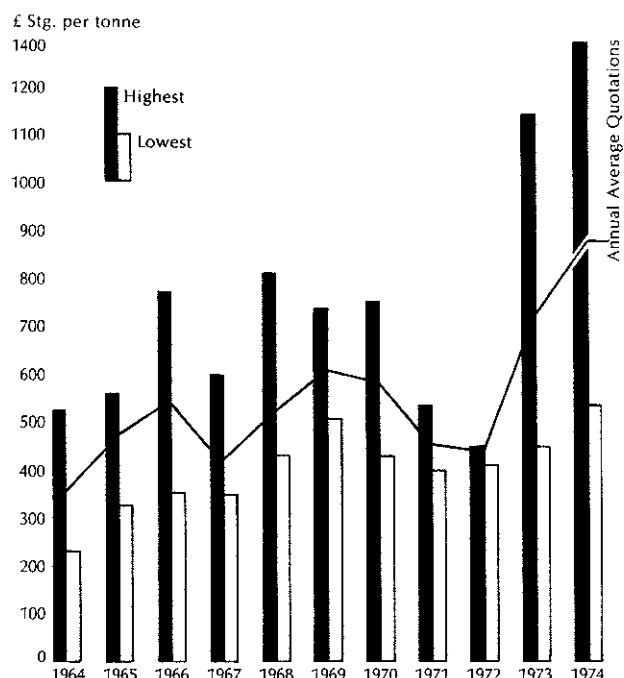
In our opinion, the balance sheets and statements of earnings set out on pages 10 to 16 are properly drawn up in accordance with the provisions of the Companies Act 1963, as amended to date, so as to give a true and fair view of the state of affairs and the profits of the Company and of the Group. The accounting and other records, including registers, of the Company examined by us have, in our opinion, been properly kept in accordance with the provisions of the Act.

COOPERS & LYBRAND

Chartered Accountants

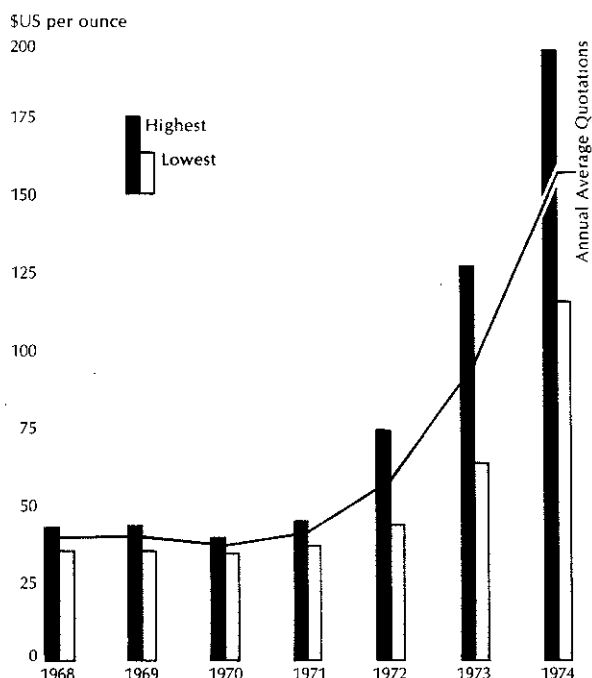
MELBOURNE. 10th February, 1975

#### COPPER METAL PRICES 1964-1974



Annual Range and Annual Average Quotation of Official London Metal Exchange Daily Cash Copper Wirebar Quotations.  
(Source: London Metal Exchange.)

#### GOLD PRICES 1968-1974



Annual Range and Annual Average of Mean Price for Fine Gold on London Gold Market.  
(Source: Sharps Pixley and Company Limited, London.)