

Bougainville Copper Limited

Incorporated in Papua New Guinea A.R.B.N. 007 497 869

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, and it is not possible to forecast a date for recommencement of operations. There have been no company employees on Bougainville Island since March, 1990.

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 K5.2 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 K1 086 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 K111 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 1996, the company had no employees.

Bougainville Copper Limited is owned 53.6% by CRA 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 3.00 pm on Tuesday, 29 April, 1997 at The Port Moresby Travelodge, Hunter St., Port Moresby, Papua New Guinea. A separate Notice of Meeting is enclosed. All shareholders are cordially invited to attend.

DIRECTORS

D. S. Karpin AM (Chairman)
J. J. Craig
P. G. F. Henderson AC
J. C. A. Leslie
R. B. Moaina
M. A. Moramoro OBE
(Managing Director)

SECRETARY

P. D. Coleman

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Statistical Summary

FINANCIAL	1996	1995	1994	1993	1992	1991	1990	1989	1988
Earnings (K million)									
Net sales revenue and other income*****	10.7	5.5	2.2	1.7	2.2	3.3	80.2	231.6	493.4
Operating and other expenses****	5.0	4.9	3.6	4.1	5.1	316.6	36.8	181.7	244.8
Depreciation*****	-	-	-	-	-	-	51.5	47.3	43.9
Earnings/(loss) before taxation and exchange gains	5.7	0.6	(1.4)	(2.4)	(2.9)	(313.3)	(8.1)	2.6	204.7
Exchange gains/(losses)	-	6.6	9.2	(0.3)	1.5	0.1	(0.5)	2.5	(2.9)
Earnings/(loss) before taxation	5.7	7.2	7.8	(2.7)	(1.4)	(313.2)	(8.6)	5.1	201.8
Income tax	-	-	-	-	-	-	6.0	25.7	70.0
Additional profits tax	-	-	-	-	-	-	-	-	23.2
Net earnings/(loss)	5.7	7.2	7.8	(2.7)	(1.4)	(313.2)	(14.6)	(20.6)	108.6
Dividends	-	-	-	-	-	-	-	-	108.3
Earnings/(losses) retained	5.7	7.2	7.8	(2.7)	(1.4)	(313.2)	(14.6)	(20.6)	0.3
Balance sheet (K million)									
Property, plant and equipment	200.6	200.7	200.7	200.8	201.4	201.5	545.9	595.8	570.0
Investments and loans	-	-	-	-	-	-	-	-	2.2
Current assets	85.4	76.0	65.6	56.2	56.8	56.5	64.7	59.5	250.1
Total assets	286.0	276.7	266.3	257.0	258.2	258.0	610.6	655.3	822.3
Shareholders' funds	254.5	248.8	241.6	233.8	236.4	237.9	551.1	565.6	586.2
Exchange fluctuation	-	-	-	-	-	-	-	-	0.2
Long term liabilities	6.8	6.8	6.8	6.8	6.8	6.8	47.7	46.9	23.7
Current liabilities	24.7	21.1	17.9	16.4	15.0	13.3	11.8	42.8	212.2
Funds employed	286.0	276.7	266.3	257.0	258.2	258.0	610.6	655.3	822.3
PRODUCTION/SALES									
Mined									
Ore and waste removed (millions of tonnes)	-	-	-	-	-	-	-	33.27	89.78
Ore milled (millions of tonnes)	-	-	-	-	-	-	-	18.52	47.69
Ore grade									
Copper (per cent)	-	-	-	-	-	-	-	0.44	0.41
Gold (grams/tonne)	-	-	-	-	-	-	-	0.50	0.41
Produced									
Concentrate (thousands of dry tonnes)	-	-	-	-	-	-	-	224.6	552.0
Contained copper (thousands of dry tonnes)	-	-	-	-	-	-	-	68.7	166.0
Concentrate grade									
Copper (per cent)	-	-	-	-	-	-	-	30.1	30.1
Gold (grams/tonne)	-	-	-	-	-	-	-	31.0	25.1
Silver (grams/tonne)	-	-	-	-	-	-	-	91.2	87.7
Shipped									
Total concentrate (thousands of dry tonnes)	-	-	-	-	-	-	-	250.8	570.8
Destination:									
Japan (per cent)	-	-	-	-	-	-	-	40.2	45.4
Other Asian (per cent)	-	-	-	-	-	-	-	34.3	23.4
Europe (per cent)	-	-	-	-	-	-	-	25.5	27.7
All Other (per cent)	-	-	-	-	-	-	-	0.0	3.5
Values									
Gross concentrate sales value (before treatment and refining charges, freight, etc.) (K million)	-	-	-	-	-	-	0.3	260.0	561.0
Contribution by:									
Copper (per cent)	-	-	-	-	-	-	61	68	68
Gold (per cent)	-	-	-	-	-	-	38	31	30
OTHER									
US\$/Kina exchange rate	0.76	0.79	1.01	1.02	1.04	1.05	1.05	1.17	1.16
Average metal prices									
LME copper (US\$/lb)	104.0	133.1	105.0	87.0	103.0	106.0	119.8	129.0	117.9
London gold market (US\$/oz)	387.0	384.5	384.0	360.0	344.0	362.2	382.8	381.0	436.8
Return on shareholders' funds (per cent)	2.2	2.9	3.2	-	-	-	-	-	18.5
Earnings per share*** (toea)	1.4	1.8	1.9	-	-	-	-	-	27.1
Dividends per fully paid share*** (par value K100) (toea)	-	-	-	-	-	-	-	-	27.0
Number of shares issued at end of year (millions)	401	401	401	401	401	401	401	401	401
Number of shareholders at end of year	18 452	18 452	18 765	19 189	19 851	19 982	20 532	21 287	21 966
Debt/equity ratio	-	-	-	-	-	-	-	-	.002/1
Work force at end of year									
Overseas	-	-	-	-	1	6	13	330	610
National	-	-	-	-	1	6	10	1 987	2 950

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