



Bougainville Copper Limited – The Company

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

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 re-commencement 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 3.1 million tonnes of copper, 306 tonnes of gold and 783 tonnes of silver. The production had a value of K5.1 billion which represented approximately 44% of Papua New Guinea's exports over that period. During this time contributions to the government in the form of dividends, taxes and royalties totalled K1 078 million which represented approximately 17% of internally generated Papua New Guinea government revenue. 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 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 1991, the company employed 12 people, of whom 6 were citizens of Papua New Guinea, and continues to support 3 citizens of Papua New Guinea in tertiary studies.

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

Notice of Meeting

The Annual General Meeting of Bougainville Copper Limited will be held at 4.30 p.m. on Monday, 13 April, 1992 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.

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Directors

D. S. Carruthers (Chairman)
R. J. Cornelius
J. J. Craig
P. G. F. Henderson, A.C.
I. R. Johnson
R. B. Moaina
M. R. Rayner
M. P. Togolo
D. C. Vernon

(Secretary)

M. S. Koiri



Statistical Summary

	1991	1990	1989	1988	1987	1986	1985
Financial							
Earnings (K million)							
Net sales revenue and other income*****	3.3	80.2	231.6	493.4	415.4	342.7	317.6
Operating and other expenses****	316.6	36.8	181.7	244.8	227.5	223.7	221.5
Depreciation*****	—	51.5	47.3	43.9	49.4	47.3	47.6
Earnings/(loss) before taxation and exchange gains	(313.3)	(8.1)	2.6	204.7	138.5	71.7	48.5
Exchange gains/(losses)	0.1	(0.5)	2.5	(2.9)	5.7	2.3	(1.4)
Earnings/(loss) before taxation	(313.2)	(8.6)	5.1	201.8	144.2	74.0	47.1
Taxation	—	6.0	25.7	93.2	50.6	28.7	19.0
Net earnings/(loss)	(313.2)	(14.6)	(20.6)	108.6	93.6	45.3	28.1
Dividends	—	—	—	108.3	92.2	44.1	28.1
Earnings retained	(313.2)	(14.6)	(20.6)	0.3	(1.8)	1.2	—
Balance sheet (K million)							
Property, plant and equipment	201.5	545.9	595.8	570.0	527.8	550.1	558.5
Investments and loans	—	—	—	2.2	0.7	0.7	0.2
Current assets	56.5	64.7	59.5	250.1	260.3	190.1	160.4
Total assets	258.0	610.6	655.3	822.3	788.8	740.9	719.1
Shareholders' funds	237.9	551.1	565.6	586.2	586.0	587.7	586.5
Exchange fluctuation	—	—	—	0.2	0.3	(3.2)	(5.9)
Long-term liabilities	6.8	47.7	46.9	23.7	24.8	48.1	52.4
Current liabilities	13.3	11.8	42.8	212.2	177.7	108.3	86.1
Funds employed	258.0	610.6	655.3	822.3	788.8	740.9	719.1
Production/Sales							
Mined							
Ore and waste removed (millions of tonnes)	—	—	33.27	89.78	83.53	79.16	73.62
Ore milled (millions of tonnes)	—	—	18.52	47.69	48.20	47.89	50.07
Ore grade							
Copper (per cent)	—	—	0.44	0.41	0.41	0.42	0.42
Gold (grams/tonne)	—	—	0.50	0.41	0.43	0.48	0.42
Produced							
Concentrate (thousands of dry tonnes)	—	—	224.6	552.0	585.5	586.6	581.8
Contained copper (thousands of dry tonnes)	—	—	68.7	166.0	178.2	178.6	175.0
Concentrate grade							
Copper (per cent)	—	—	30.1	30.1	30.4	30.5	30.1
Gold (grams/tonne)	—	—	31.0	25.1	25.8	27.9	24.7
Silver (grams/tonne)	—	—	91.2	87.7	86.4	85.9	79.3
Shipped							
Total concentrate (thousands of dry tonnes)	—	—	250.8	570.8	567.6	589.4	560.0
Destination:							
Japan (per cent)	—	—	40.2	45.4	32.6	43.2	44.1
Other Asian (per cent)	—	—	34.3	23.4	33.5	15.4	15.7
Europe (per cent)	—	—	25.5	27.7	33.9	41.4	40.2
All Other (per cent)	—	—	0.0	3.5	0.0	0.0	0.0
Values							
Gross concentrate sales value (before treatment and refining charges, freight, etc.) (K million)	—	0.3	260.0	561.0	489.4	417.9	381.3
Contribution by:							
Copper (per cent)	—	61	68	68	60	54	61
Gold (per cent)	—	38	31	30	38	44	37
Other							
US\$/Kina exchange rate	1.05	1.05	1.17	1.16	1.10	1.03	1.00
Average metal prices							
LME copper (US\$/lb)	106.0	119.8	129.0	117.9	81.0	62.3	64.3
London gold market (US\$/oz)	362.2	382.8	381.0	436.8	446.7	367.9	317.3
Return on shareholders' funds (per cent)	—	—	—	18.5	16.0	7.7	4.8
Earnings per share*** (toea)	—	—	—	27.1	23.3	11.3	7.0
Dividends per fully paid share*** (par value K1.00) (toea)	—	—	—	27.0	23.0	11.0	7.0
Number of shares issued at end of year (millions)	401	401	401	401	401	401	401
Number of shareholders at end of year	19 982	20 532	21 287	21 966	22 650	24 680	27 117
Debt/equity ratio	—	—	—	.002/1	.004/1	0.05/1	0.06/1
Work force at end of year							
Overseas	6	13	330	610	699	706	704
National	6	10	1 987	2 950	3 025	2 993	2 948

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 the dividend figures for those years.

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

** 1972 figure is for Bougainville Mining Limited

*** 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