

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 3.1 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 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 amount to K106 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 1993, 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 12 noon on Wednesday, 13 April, 1994 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

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

Secretary

B. P. Bartholomaeus

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Statistical Summary

Financial	1993	1992	1991	1990	1989	1988	1987
Earnings (K million)							
Net sales revenue and other income *****	1.7	2.2	3.3	80.2	231.6	493.4	415.4
Operating and other expenses*****	4.1	5.1	316.6	36.8	181.7	244.8	227.5
Depreciation*****	-	-	-	51.5	47.3	43.9	49.4
Earnings/(loss) before taxation and exchange gains	(2.4)	(2.9)	(313.3)	(8.1)	2.6	204.7	138.5
Exchange gains/(losses)	(0.3)	1.5	0.1	(0.5)	2.5	(2.9)	5.7
Earnings/(loss) before taxation	(2.7)	(1.4)	(313.2)	(8.6)	5.1	201.8	144.2
Taxation	-	-	-	6.0	25.7	93.2	50.6
Net earnings/(loss)	(2.7)	(1.4)	(313.2)	(14.6)	(20.6)	108.6	93.6
Dividends	-	-	-	-	-	108.3	92.2
Earnings/(losses) retained	(2.7)	(1.4)	(313.2)	(14.6)	(20.6)	0.3	(1.8)
Balance sheet (K million)							
Property, plant and equipment	200.8	201.4	201.5	545.9	595.8	570.0	527.8
Investments and loans	-	-	-	-	-	2.2	0.7
Current assets	56.2	56.8	56.5	64.7	59.5	250.1	260.3
Total assets	257.0	258.2	258.0	610.6	655.3	822.3	788.8
Shareholders' funds	233.8	236.4	237.9	551.1	565.6	586.2	586.0
Exchange fluctuation	-	-	-	-	-	0.2	0.3
Long term liabilities	6.8	6.8	6.8	47.7	46.9	23.7	24.8
Current liabilities	16.4	15.0	13.3	11.8	42.8	212.2	177.7
Funds employed	257.0	258.2	258.0	610.6	655.3	822.3	788.8
Production/Sales							
Mined							
Ore and waste removed (millions of tonnes)	-	-	-	-	33.27	89.78	83.53
Ore milled (millions of tonnes)	-	-	-	-	18.52	47.69	48.20
Ore grade							
Copper (per cent)	-	-	-	-	0.44	0.41	0.41
Gold (grams/tonne)	-	-	-	-	0.50	0.41	0.43
Produced							
Concentrate (thousands of dry tonnes)	-	-	-	-	224.6	552.0	585.5
Contained copper (thousands of dry tonnes)	-	-	-	-	68.7	166.0	178.2
Concentrate grade							
Copper (per cent)	-	-	-	-	30.1	30.1	30.4
Gold (grams/tonne)	-	-	-	-	31.0	25.1	25.8
Silver (grams/tonne)	-	-	-	-	91.2	87.7	86.4
Shipped							
Total concentrate (thousands of dry tonnes)	-	-	-	-	250.8	570.8	567.6
Destination:							
Japan (per cent)	-	-	-	-	40.2	45.4	32.6
Other Asian (per cent)	-	-	-	-	34.3	23.4	33.5
Europe (per cent)	-	-	-	-	25.5	27.7	33.9
All Other (per cent)	-	-	-	-	0.0	3.5	0.0
Values							
Gross concentrate sales value (before treatment and refining charges, freight, etc.) (K million)	-	-	-	0.3	260.0	561.0	489.4
Contribution by:							
Copper (per cent)	-	-	-	61	68	68	60
Gold (per cent)	-	-	-	38	31	30	38
Other							
US\$/Kina exchange rate	1.02	1.04	1.05	1.05	1.17	1.16	1.10
Average metal prices							
LME copper (US\$/lb)	87.0	103.0	106.0	119.8	129.0	117.9	81.0
London gold market (US\$/oz)	360.0	344.0	362.2	382.8	381.0	436.8	446.7
Return on shareholders' funds (per cent)	-	-	-	-	-	18.5	16.0
Earnings per share*** (toea)	-	-	-	-	-	27.1	23.3
Dividends per fully paid share*** (par value K1.00) (toea)	-	-	-	-	-	27.0	23.0
Number of shares issued at end of year (millions)	401	401	401	401	401	401	401
Number of shareholders at end of year	19 189	19 851	19 982	20 532	21 287	21 966	22 650
Debt/equity ratio	-	-	-	-	-	.002/1	.004/1
Work force at end of year							
Overseas	-	1	6	13	330	610	699
National	-	1	6	10	1 987	2 950	3 025

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