

Bougainville Copper Limited

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.

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 K52 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 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 workforce. At the end of 1999, 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.

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 11.00 am on Wednesday, 3 May, 2000 at the Parkroyal, 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. S. Karpin AM
D. H. McLellan
M. A. Moramoro OBE
P. R. Taylor

SECRETARY

P. D. Coleman

CONTENTS

Introduction	1
The Year in Brief	2
Chairman's Statement	3
The Year in Review	4
Directors' Report & Financial Statements	5-15
Independent Audit Report	16
Corporate Information	17
Statistical Summary	18-19
Distribution of Benefits	20