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Bougainville Copper Limited

Annual Report 1992

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Notice of Meeting

The Annual General Meeting of Bougainville Copper Limited will be held at 12 noon on Thursday, 29 April, 1993 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. P. Togofo
D. C. Vernon

Secretary

A. G. Corren

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 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. 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 K104 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 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 1992, the company employed 2 people including one citizen of Papua New Guinea.

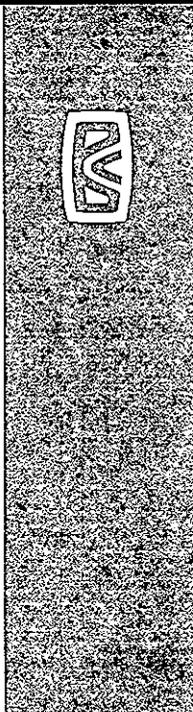
Bougainville Copper Limited is owned 53.6% by CRA Limited. The Papua New Guinea government owns 19.1% while the remaining 27.3% of the share capital is held by public shareholders.



- Mine remained closed.
- Pan-Bougainville peace meeting scheduled for February, then May, failed to eventuate.
- Restoration of services proceeding in north and south Bougainville.
- Much of central Bougainville, including Panguna remains under militant control.
- Net loss K1.4 million.
- Extent of deterioration and destruction of assets unknown.

Year in Brief

		1992	1991
Concentrate production	(tonnes)	-	-
Net sales revenue	(K'000)	-	-
Operating loss	(K'000)	(1 426)	(4 010)
Net loss and extraordinary items	(K'000)	(1 426)	(313 206)
Earnings per share	(toea)	-	-
Shareholders' funds	(K'000)	236 440	237 856
Depreciation and amortisation	(K'000)	-	-
Government royalties and taxation	(K'000)	-	-
Number of employees at 31 December		2	12



Chairman's Statement

Almost four years have elapsed since the Panguna mine last operated and it is my melancholy task as your newly elected chairman to report that it is still not possible for any company representatives to inspect, and assess damage to, the company's facilities. Photographs and reports from varied sources confirm widespread destruction of accommodation and infrastructure facilities, although major processing assets appear not to have been destroyed. However, the likely extent of deterioration and vandalism of plant and equipment is of major concern.

The company recorded a loss of K1.4 million. In 1991 an amount of K350 million was provided to recognise that, with the passage of time and the actions of militant elements on the island, deterioration of assets had undoubtedly taken place. As the actual extent of the necessary write-downs can only be established when access to the mine site by company representatives is again possible, no further provision has been made in 1992.

It is reiterated that even if conditions allow a resumption of operations, in due course a major write-down of mine assets will be required. Accordingly, the 1991 provision of K350 million may eventually prove to be above or below the sum which is necessary to reflect these losses.

Work has continued on recommissioning concepts and costs. Last year it was stated that resumption of production would take approximately two years from restoration of political stability, and that funding requirements could not be accurately forecast: these could, however be in the range of K300 million to K450 million. Provided the requisite criteria are achieved by the end of 1993, the directors are of the opinion that estimated timing and costs of resumption are valid. However, evaluations are also in progress on a number of alternative strategies for resumption of operations at Panguna to minimise the time required to re-establish

production, and to reduce and spread the total funding necessary.

Without political stability, which has not yet been achieved, it is not possible for BCL to return to Bougainville Island. The government now controls some 85% of the island and is progressively restoring services in areas other than central Bougainville, where militant activists continue to frustrate its efforts.

I welcome the appointment of Dr Moseley Moramoro as Executive Director of CRA Minerals (PNG) Pty. Limited, which continues to manage the affairs of the company, including regular contact with the Papua New Guinea government. Dr Moramoro succeeds Mr Ian Johnson, who was appointed a Group Executive of CRA Limited in January, 1993, but continues as a director of BCL.

I would like to pay tribute to Mr Don Carruthers, who was chairman of the company from July, 1986 until his retirement in November, 1992. His efforts and dedication over the most difficult years of the company's history were outstanding. I am pleased he remains a director of the company.

Finally, I wish to express particular appreciation to Mr Don Vernon, who will retire as a director at the conclusion of the Annual General Meeting in April. Mr Vernon has been associated with the Bougainville Copper project since 1966. He was Managing Director from 1975 to 1979 and Chairman from 1979 to 1986. His contribution to the company's history has been exceptional and his counsel will be missed. CRA has indicated that it intends to nominate Dr Moramoro to succeed Mr Vernon as a director of the company.

M. R. Rayner
Chairman

17 February, 1993



The Year in Review

Bougainville Crisis:

The Panguna mine has not operated since 15 May, 1989, due to the crisis in the North Solomons Province and activities of armed militants.

As previously reported, the activities of the company are being managed by a small team established in Port Moresby following the evacuation of all company personnel from Bougainville in early 1990.

The national government is progressively restoring its authority on Bougainville. It now controls some 85% of the island but the remaining militants remain in control of central Bougainville including Panguna.

There is now regular contact between representatives of the national government and the majority of the people of North Solomons Province, but political issues have not yet been resolved. Their resolution is required before recommissioning of the mine can be considered. Critical factors would then be government and community aspirations, the condition of production equipment and the effort required to rehabilitate it, recruitment of a work force and arrangement of the necessary finance.

Ore Reserves:

The recoverable proved ore reserves at the end of 1992 remain unchanged from 1989 and are estimated at 496 million tonnes of average grade 0.42% copper and 0.55 grams per tonne gold.

Recovery of this ore will require mining an additional amount of measured mineral resource estimated to be 520 million tonnes at 0.22% copper and 0.18 grams per tonne gold. This material is suitable for upgrading by screening, yielding an estimated 195 million tonnes of mill feed averaging 0.34% copper and 0.28 grams per tonne gold.

Accordingly, total available mill feed at the end of 1992 is estimated at 691 million tonnes averaging 0.40% copper and 0.47 grams per tonne gold.

Finance:

No borrowings were outstanding at year end and no lines of credit are in place.

Cash reserves at year end were K47.4 million. This amount does not include K5.0 million which may be required for landowners' compensation payments for 1990 to 1992. This is held in a separate interest bearing bank account and is reflected in the accounts of the company.

The condition of assets is not known. As explained in note 1. (a) to the accounts a provision of K350 million was made in 1991 for deterioration, damage or pilferage of mine assets. The accuracy of that provision cannot be established at this stage as lack of access to Bougainville still prevents a first-hand assessment of the nature or extent of those losses.

Proceeds of K0.3 million were realised on disposal of non-current assets.

Marketing:

Concentrate buyers have expressed interest in recommencing purchases of concentrates from BCL when it resumes operations at Panguna. While buyers continue to show a keen interest in developments on Bougainville it must be remembered that they have been forced to buy concentrate from other sources for the last four years and there is no guarantee that they will buy Bougainville concentrate in the future.

Personnel:

The total number of employees at the end of 1992 was 2 including 1 citizen of Papua New Guinea. The corresponding figures at the end of 1991 were 12 and 6.

The company continued its support to three Papua New Guinea citizens for tertiary studies in 1992, all of whom successfully completed their degrees.

I. R. Johnson
Director

17 February, 1993



Directors' Report

The directors of Bougainville Copper Limited present their report on the audited financial statements of the company for the year ended 31 December, 1992.

Review:

The Panguna mine has not operated since 15 May, 1989 due to the crisis in Bougainville and the activities of armed militants, and it has not been possible for company employees to return to the island since their withdrawal early in 1990.

Following withdrawal of employees from the island, a small management team was established in Port Moresby. This is now under the leadership of Dr Moseley Moramoro, the Executive Director of CRA Minerals (PNG) Pty. Limited. This group maintains close liaison with the government in relation to Bougainville matters.

Restoration of services is continuing in all areas of Bougainville other than the area centred around Panguna. It is not possible to estimate when a peaceful settlement will be achieved, to allow a return to normality on the island.

The re-opening of the mine is dependent on political stability being re-established on Bougainville. The company remains committed to re-opening the mine when conditions on the island permit it to do so, but the longer the mine remains inoperable, the greater will be the cost of restoration and resumption of operations. The company is monitoring progress through consultations with the government.

Directors:

The directors of Bougainville Copper Limited at the date of this report are:

M. R. Rayner (Chairman) Age 55 BSc (Hons) Thirty-one years with CRA Group. Appointed Managing Director Comalco 1978, and Chief Executive Officer 1979. CRA Group Executive since 1982. Appointed Chairman of BCL November, 1992. Also Finance Director CRA, Chairman Pasmenco, Deputy Chairman Comalco, and Director National Australia Bank.

D. S. Carruthers Age 62 BSc Joined CRA in 1955. Extensive exploration and operational mining experience. CRA Group Executive 1984-92 and a Director 1989-92. Retired from executive responsibilities with the CRA Group in October 1992, and as Chairman of BCL in November, 1992.

R. J. Cornelius Age 60 BMetE, MEngSc Joined CRA in 1958. Commenced BCL in 1982. General Manager - Concentrator until 1987. Managing Director 1987-90. Currently President CRA Japan.

J. J. Craig Age 44 FCA, Dipl Bus Stud Seventeen years with CRA Group including four years BCL. Currently Managing Director CRA Finance Limited.

P. G. F. Henderson AC Age 64 MA Oxon Joined Australian Department of Foreign Affairs 1951. Ambassador to the Philippines 1973-74. Deputy Secretary 1976-79. Secretary 1979-84. Retired Commonwealth Public Service 1985.

I. R. Johnson, Age 52 BSc(Hons) Joined CRA in 1970. Extensive exploration experience including Group Geologist of CRA Exploration. Managing Director of CRA Minerals, Papua New Guinea from February 1990 to December 1992. Appointed CRA Group Executive in January, 1993.

R. B. Moaina Age 43 BSc Chief Government Geologist, Geological Survey Division, PNG Department of Minerals and Energy since February 1986. Extensive experience in government administration of the mineral and petroleum industry.

M. P. Togolo Age 46 BEc (UPNG), MEc (Leeds), MA (Hawaii) Former Provincial Secretary with North Solomons Provincial Government. Extensive finance and administrative experience. Former General Manager Mineral Resources Development Company Pty Limited. Currently consulting for Kennecott/RTZ on the Lihir project.

D. C. Vernon Age 64 Dip Chem Eng Commenced CRA Group 1953 and Director of CRA 1979-86. Joined BCL in 1966; appointed General Manager 1973 and Managing Director 1975. Chairman of BCL from 1979 to July 1986. Patron of Australia-PNG Business Council.

Activities:

Bougainville Copper Limited has produced copper concentrate containing gold and silver from a mine at Panguna, North Solomons Province, Papua New Guinea, since 1972. Operations ceased, due to militant activity, in May 1989. The Company has no subsidiaries.

The company has effectively been inactive in 1992.

Net Earnings:

The net loss of Bougainville Copper Limited for 1992 was K1 425 628.

Taxation:

No future income tax benefits have been recognised in the accounts pending development of a clearer view of the timing of recommencement of operations.

Subsidiary:

Application was lodged with the Companies Registry, Hong Kong on 28 December, 1992 to have the company's subsidiary, BCL (Hong Kong) Limited struck off. BCL (Hong Kong) Limited had no assets or liabilities, did not operate in 1992 and paid no dividends.

Share Capital:

There was no change in the company's capital structure during the year.

Long Term Loans:

The company has no loans and no lines of credit are in place.

Dividends:

No dividends have been declared in respect of 1992.

The Year in Review:

The company has not operated during the year and a review of 1992 activities is set out in the section entitled "The Year in Review," in this annual report (page 4).

Auditors:

The retiring auditors, Coopers & Lybrand, being eligible, offer themselves for re-appointment.

Statutory Information:

In accordance with the provisions of Section 171 of the Companies Act (Chapter 146), the directors state that:

1. In their opinion, the results of the company's operations for the year have been materially affected by items of an abnormal character referred to above, details of which are mentioned in "The Year in Review" on page 4 in this annual report and in note 1. (a) to the accounts.

2. The directors are of the opinion that the net current assets would realise at least the value at which they are shown in the accounts.

3. Apart from the abnormal occurrences stated in paragraph 1 above no other circumstances have arisen which render adherence to the method of valuation of assets or liabilities misleading or inappropriate with the proviso that if operations are unable successfully to recommence a substantial write-down of asset values will be necessary.

4. No contingent liabilities have arisen since the balance date of the accounts, 31 December, 1992, until the date of this report, 17 February, 1993.

5. No contingent liabilities have become enforceable or are likely to become enforceable within twelve months from the date of this report which will materially affect the company in its ability to meet its obligations as and when they fall due. Attention is drawn to note 1. (a) in notes to the accounts concerning costs to be incurred in recommencing operations.

Additional Information:

The directors also state that:

1. There were significant changes in the state of affairs of the company during the year as set out in this annual report.

2. The results of the operations of the company during the financial year have been, in the opinion of the directors, substantially affected by events of a material and unusual nature as contained in this report, and as set out in the notes to the accounts.

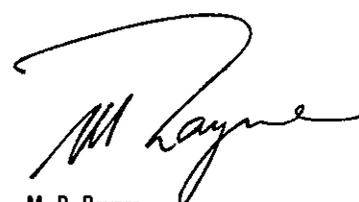
3. Except as reported in this annual report, there were no matters or circumstances which have arisen since the end of the financial year and which significantly affected or may significantly affect:

(i) the operations of the company
(ii) the results of those operations or
(iii) the state of affairs of the company in the financial year subsequent to 31 December, 1992.

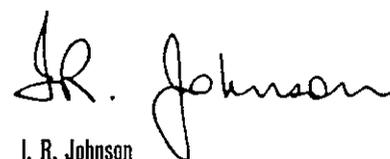
4. The directors do not have an interest in any contract or proposed contract with the company, are not parties to any material contract involving directors' interests, and are not in receipt of any loans or benefits other than the aggregate amount of emoluments received or due and receivable by directors shown in the accounts and the amount of fixed salary derived from the company or from a related corporation.

5. No options over shares of the company have been granted by the company during the financial year or since the end thereof; no shares of the company were issued during the year or have been issued since the end thereof by virtue of the exercise of any option granted by the company; and no options over shares of the company are outstanding at the date of this report.

Signed this 17th day of February, 1993 in accordance with a resolution of the directors of Bougainville Copper Limited.



M. R. Rayner
Chairman



I. R. Johnson
Director



Funds Statement

Bougainville Copper Limited year ended 31 December 1992	Bougainville Copper Limited		Consolidated
	1992	1991	1991
	K'000	K'000	K'000
Sources of Funds			
Loss from operations	(1 426)	(3 988)	(4 010)
Add items not using funds			
Loss/(Surplus) on disposal of non-current assets	(198)	1 332	1 332
Other items not using funds	7	418	213
Funds from operations	(1 617)	(2 238)	(2 465)
Proceeds on disposal of non-current assets	341	5 253	5 253
Total sources of funds:	(1 276)	3 015	2 788
Applications of Funds			
Acquiring non-current assets			
Property, plant and equipment	30	2 219	2 219
Long service leave payments	57	43	43
Total applications of funds:	87	2 262	2 262
Increase/(Decrease) in working capital for the year	(1 363)	753	526
Movements in working capital			
Bank balances and short term deposits	(1 976)	(144)	(276)
Other debtors	2 243	2 431	2 329
Creditors	(1 630)	(1 534)	(1 527)
Increase/(Decrease) in working capital for the year	(1 363)	753	526



Statement of Earnings

Bougainville Copper Limited year ended 31 December 1992	Notes	Bougainville Copper Limited		Consolidated
		1992 K'000	1991 K'000	1991 K'000
Income				
Interest		2 166	3 364	3 364
Costs and expenses				
General and administration expenses		5 122	7 417	7 439
Net exchange gain	5	1 530	65	65
Operating loss	2	(1 426)	(3 988)	(4 010)
Income tax	3	-	-	-
Operating loss after tax		(1 426)	(3 988)	(4 010)
Provision for deterioration, damage and pilferage to mine assets	4	-	(350 000)	(350 000)
Deferred income tax liability written back	4	-	40 804	40 804
Extraordinary items	4	-	(309 196)	(309 196)
Operating loss and extraordinary items	2	(1 426)	(313 184)	(313 206)
Retained earnings/(losses) brought forward		(194 473)	118 711	118 723
Retained losses carried forward		(195 899)	(194 473)	(194 483)

All amounts are expressed in Papua New Guinea kina. Rounding to the nearest thousand kina has been adopted. The notes commencing on page 10 form part of these accounts and are to be read in conjunction with them.



Balance Sheet

Bougainville Copper Limited at 31 December 1992		Bougainville Copper Limited		Consolidated
		1992	1991	1991
	Notes	K'000	K'000	K'000
Funds employed by the group:				
Shareholders' funds				
Paid up capital	12	401 063	401 063	401 063
Asset revaluation reserve	9	31 276	31 276	31 276
Retained losses		(195 899)	(194 473)	(194 483)
		236 440	237 866	237 856
Non-current liabilities				
Income tax	3	6 759	6 759	6 759
Provision for long service leave		25	75	75
		6 784	6 834	6 834
Current liabilities				
Creditors	7	12 634	11 004	11 006
Income tax		2 329	2 329	2 329
		14 963	13 333	13 335
Total funds		258 187	258 033	258 025
These funds are represented by:				
Non-current assets				
Mine assets	8	201 382	201 495	201 495
		201 382	201 495	201 495
Current assets				
Bank balances and short term deposits		47 369	49 345	49 347
Other debtors	10	9 436	7 193	7 183
		56 805	56 538	56 530
Total assets		258 187	258 033	258 025

Details of commitments and contingent liabilities and assets are shown in notes 11 and 14.

All amounts are expressed in Papua New Guinea kina. Rounding to the nearest thousand kina has been adopted.

The notes commencing on page 10 form part of these accounts and are to be read in conjunction with them.



Notes to Accounts

These notes form part of the 1992 accounts of Bougainville Copper Limited and should be read in conjunction with them.

1. (a) Basis of Preparation

Mine production was suspended on 15 May, 1989 because of attacks on employees. Following repeated instances of damage to mine facilities and the power line and further attacks on employees, it became necessary to evacuate all remaining company personnel from Bougainville early in 1990.

There continues to be considerable uncertainty surrounding the future of the Panguna mine. Since the withdrawal of company personnel from Bougainville was completed on 24 March, 1990, there has been no care and maintenance of the company's Panguna mine assets. It seems certain that considerable deterioration of the mine assets will have occurred in 1990, 1991 and 1992 because of this lack of care and maintenance, their exposure to the elements, and possible vandalism, pilferage and militant action. However, as access to the mine site has not been possible, the extent of the necessary write-downs is not capable of reliable measurement or estimation. At the same time, because the mine assets are not in use, normal depreciation charges, to reflect wear and tear from their utilisation in production, are not technically appropriate.

Nevertheless, with the passage of time, it is clear that a major write-down of mine assets will be required. To allow for this future write-down, the directors made a general provision in 1991 for deterioration, damage and pilferage of K350 million, with this sum being classified as an extraordinary item.

The exact quantum of this provision should not be viewed as a precise calculation reflecting an accurate estimate of the present value of losses or the likely costs of repair. Rather, the reduction in carrying value should be seen as a broad estimate of the total service potential likely to have been lost to the operation in respect of the whole inventory of mine assets carried in the books. While directors have made this provision in good faith based on the limited information available to them, it must be recognised that the actual extent of the necessary write-downs can only be established when access to the mine site by appropriate company representatives is again possible. Accordingly, the 1991 provision may eventually prove to be above or below the sum which is necessary to reflect these losses. The directors believe that in the absence of reliable information and the lack of a more suitable alternative, this is the only appropriate basis to use, despite the current cessation of operations.

Considerable future funding will be required to recommence operations, principally for the recruitment and training of the work force, restoration of facilities, recommissioning or replacement of mine assets and re-establishment of working capital. These funding requirements cannot be forecast accurately, but could be in the range of K300 to K450 million if access becomes available by early 1994. Expenditures will be brought to account when incurred, in accordance with generally accepted accounting principles. Some would be capitalised, but a significant proportion would be treated as expense. The source of this funding will be addressed at the appropriate time.

Since the preparation of the 1990 accounts and development of the estimate of cost of recommissioning during 1992 included in note 1. (a) to those accounts, further detailed reviews of recommissioning concepts and costs have been undertaken. The current estimates of funding requirements are based on these reviews and recognise that it is unlikely to be possible to resume production before 1995. Whilst they assume no major damage to the production facilities through vandalism or militant action, they do allow

for the increased level of deterioration likely because of the prolonged closure, and for anticipated vandalism to and pilferage from infrastructure and accommodation facilities.

The directors note that the economic viability of resumed operations would depend upon a number of factors which they cannot accurately predict at present, including the cost of recommissioning, likely future operating costs, government and community requirements, funding arrangements and the economic outlook at the time. However, subject to the economic viability the directors intend that, when conditions on Bougainville permit, the company will resume and continue operations, although it is not possible at present to determine when this might be achieved or the degree of damage and deterioration to assets which might have occurred during the period of suspension of operations.

1. (b) Accounting Policies

The principal accounting policies adopted in the preparation of the group accounts are stated to assist in a general understanding of the financial statements. It should be noted that the principal policies set out below are applicable only because of the basis of accounting adopted for the reasons set out above.

The policies generally comply with Australian Accounting Standards and conform in all material respects with the International Accounting Standards which have been adopted in Papua New Guinea. They are consistent with those adopted in the previous period unless otherwise stated.

Cost Convention:

The results of operations and the financial position of the company are accounted for under the historical cost convention, except that they reflect the revaluation in 1980 of certain major items of property, plant and equipment.

Depreciation and Amortisation:

During normal production operations, depreciation and amortisation are determined by dividing the written-down value of assets by their remaining useful life or the estimated remaining life of the mine whichever is lesser. Depreciation commences in the month following commissioning ready for use. However in 1991 no allowance for normal depreciation was included; rather, a general provision of K350 million was made for deterioration, damage or pilferage of mine assets although the accuracy of that provision cannot be proved, because the lack of access to Bougainville prevents a detailed assessment of the nature or the extent of those losses. In 1990, because of this factor, a normal charge for depreciation and amortisation of K51.5 million was made in the absence of any more realistic measure of those losses. In both 1991 and 1990, these charges were classified as extraordinary items. No depreciation charge or increase to the general provision has been made in 1992.

Employee Entitlements:

The amounts expected to be paid to employees for their pro-rata entitlements to long service, annual leave and sick leave, are accrued annually at current pay rates.

Exploration, Research and Development Expenditure:

Expenditure on exploration within the mining lease and on research and development is normally written off or provided for as incurred. No expenditure was incurred in 1992. Exploration has not been undertaken outside the mining lease.

Repairs and Maintenance:

Expenditure on repairs and maintenance during normal production is charged against income as incurred.

Valuation of Stocks and Stores:

During normal production operations stores are valued at weighted average cost, excluding transportation costs, less a provision for obsolete stores, while concentrate stocks are valued at the lower of direct production costs or net realisable value. Cost includes direct materials, services and overheads, but excludes depreciation and indirect overheads. In 1991 due to the uncertainty of the condition and value of stores, the remaining book value of K10 million was grouped with non-current mine assets against which a general provision of K350 million was made as referred to in note 1. (a).

Net Sales Revenue:

During normal operations, sales are recognised when the risk passes from the seller which is at the time when the concentrate enters the ship's hold. The final sales value can only be determined from weights, assays, prices and treatment charges applying after a shipment has arrived at its destination. Estimates based on world metal prices ruling up to year end are used for those shipments not due for final valuation until the following year. In addition, the estimated results of forward contracts existing at year end in relation to concentrates shipped are reflected in sales revenue. Variations in revenue arising from final pricing and out-turn adjustments are recognised in the following year. Unrealised gains and losses on forward metal sales, not related to shipments, are included in earnings. There has been no sales revenue since 1990.

Taxation:

Tax effect accounting procedures are followed. Any current liability for income tax is based on estimated taxable income for the year. The components of this taxable income can differ from those which make up the earnings before tax for the year and these differences are either permanent differences or timing differences. Permanent differences are disclosed in note 3. Timing differences arise because some items of revenue and expenditure are recognised for tax purposes during periods which differ from the periods in which they are included in earnings before tax. The tax effect of these timing differences is classified as either deferred income tax liability or future income tax benefit in the balance sheets. Future income tax benefits are not

recognised unless their realisation is virtually certain. Future income tax benefits therefore have not been recognised pending the development of a clearer view of the timing of recommencement of operations.

Foreign Currency:

Monetary assets and liabilities in foreign currencies are translated into Papua New Guinea currency at the rates of exchange ruling at balance date. All other overseas transactions are translated at the rates of exchange applying when they occurred. Exchange gains and losses on overseas borrowings are recognised as they occur to reflect the full effect of exchange rate movements. Other monetary gains and losses are also recognised as they occur. Gains and losses on hedges (excluding hedges relating to specific commitments) are included in earnings for the period during which the exchange rate movements occurred.

Subsidiary

The company now has no subsidiaries. BCL (Hong Kong) Limited, incorporated in Hong Kong, was used to arrange shipping contracts on behalf of the company and has not operated in 1992. Application was lodged with the Companies Registry, Hong Kong, on 28 December, 1992, to have the company struck off.

	Bougainville Copper Limited		Consolidated
	1992	1991	1991
	K'000	K'000	K'000

2. Earnings before taxation

Earnings before taxation have been determined after allowing for the following income and expense items:

Income:

Interest on short term deposits	2 166	3 364	3 364
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Expenses:

Provision for doubtful debts in respect of other debtors	214	225	225
Bad debts in respect of other debtors	-	50	50
Loss/(profit) on disposal of fixed assets	(198)	1 332	1 332
Directors' emoluments (Note 13)	39	36	36
Auditors' remuneration - auditing the accounts	8	10	11
- other services	14	1	1

(The auditors have received no other benefits)

3. Taxation

(a) The following reconciliation discloses the items which caused the charge for income tax in the statements of earnings to vary from the income tax prima facie payable on reported earnings:

Operating loss before taxation	(1 426)	(3 988)	(4 010)
Prima facie income tax @ 35%	(499)	(1 396)	(1 404)
Future income tax benefits not brought to account	499	1 396	1 404
Income tax expense	-	-	-
Extraordinary items before taxation	-	(350 000)	(350 000)
Prima facie income tax @ 35%	-	(122 500)	(122 500)
Permanent differences: - extraordinary item not deductible	-	38 870	38 870
Write back of prior year deferred tax liability	-	40 804	40 804
Future income tax benefits not brought to account:			
- extraordinary items	-	41 294	41 294
Adjustment relating to prior year	-	1 532	1 532
Income tax expense	-	-	-

(b) An agreement between the Independent State of Papua New Guinea and CRA Limited provides for the deferral of income tax payable in respect of the 1989 year until certain criteria have been met following successful recommencement of operations.

(c) Future income tax benefits not brought to account total K77 262 000 (1991 K76 763 000). This benefit for tax losses will only be obtained if:

- (i) the company derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the losses to be realised;
- (ii) the company continues to comply with the conditions for deductibility imposed by tax legislation; and
- (iii) no changes in tax legislation adversely affect the company in realising the benefit from the deductions for the losses.

	Bougainville		Consolidated
	Copper Limited		
	1992	1991	
	K'000	K'000	K'000

4. Extraordinary items

Mine assets provision (see notes 8 and 9)	-	350 000	350 000
Less income tax effect	-	(83 630)	(83 630)
	-	266 370	266 370
Deferred income tax liability written back	-	(40 804)	(40 804)
Future income tax benefits not brought to account	-	83 630	83 630
	-	309 196	309 196

As referred to in note 1. (a) to the accounts, it seems certain that considerable deterioration of the mine assets will have occurred. However, as access to the mine site has not been possible, the extent of the necessary write-downs is not capable of reliable measurement or estimation.

In 1991 a general provision was made for the indeterminate level of deterioration, damage and pilferage of the mine assets which might have occurred, and the deferred income tax liability previously provided has been written back as an extraordinary item. As referred to in note 1. (b) no normal depreciation charge has been made in these accounts due to the cessation of operations and the general provision for deterioration, damage and pilferage has not been increased in 1992.

5. Exchange Fluctuation

(a) The net exchange gain reflected in earnings arose from:

Overseas cash balances	1 521	52	52
Other	9	13	13
Net exchange gain	1 530	65	65

(b) Foreign currency amounts included in current assets and current liabilities that are not effectively hedged are:

Current assets: kina equivalent of US dollars	44 019	46 423	46 425
kina equivalent of Australian dollars	2 704	2 003	2 003
Current liabilities: kina equivalent of US dollars	4	658	660
kina equivalent of Australian dollars	221	457	457

No foreign currency amounts are included in non-current assets and non-current liabilities.

6. Loans

No long term loan facilities are in place.

7. Creditors

Landowners' compensation	4 998	2 696	2 696
Trade creditors	6 991	7 897	7 899
Other creditors	95	139	139
Related corporations	550	272	272
	12 634	11 004	11 006

Landowners' compensation is transferred each quarter into a separate interest bearing bank account and shown in the accounts of the company with an offset amount in Other Debtors (note 10.).

	Bougainville Copper Limited		Consolidated
	1992	1991	1991
	K'000	K'000	K'000

8. Mine Assets

(a) Mine development and buildings			
- at directors' 1980 valuation	292 206	292 300	292 300
Less accumulated depreciation	159 721	159 721	159 721
	132 485	132 579	132 579
- at cost	102 988	102 988	102 988
Less accumulated depreciation	38 664	38 664	38 664
	64 324	64 324	64 324
Net mine development and buildings	196 809	196 903	196 903
(b) Plant, machinery & equipment			
- at directors' 1980 valuation	245 177	245 177	245 177
Less accumulated depreciation	148 866	148 866	148 866
	96 311	96 311	96 311
- at cost	304 475	304 546	304 546
Less accumulated depreciation	104 703	104 728	104 728
	199 772	199 818	199 818
Net plant, machinery & equipment	296 083	296 129	296 129
(c) Mine property			
- at cost	62 121	62 121	62 121
Less accumulated amortisation	46 204	46 204	46 204
Net mine property	15 917	15 917	15 917
(d) Capitalised works in progress			
- at cost	32 570	32 543	32 543
Total property, plant & equipment			
- at cost or valuation	1 039 537	1 039 675	1 039 675
Less accumulated depreciation/amortisation	498 158	498 183	498 183
Net book value	541 379	541 492	541 492
Stores	10 003	10 003	10 003
Total mine assets	551 382	551 495	551 495
Less general provision for deterioration, damage and pilferage since the withdrawal of company personnel	350 000	350 000	350 000
Net value	201 382	201 495	201 495

The basis of valuation of these assets are set out in note 1. (b) of the accounts and attention is drawn to note 1. (a) titled "Basis of Preparation".

9. Asset Revaluation Reserve

Asset revaluation reserve	31 276	31 276	31 276
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In 1980 mine assets were revalued by K300 million. A majority of the reserve created by this revaluation was distributed to shareholders by way of bonus shares leaving a residual amount as shown in this note that has been carried forward. In 1991 a general provision for deterioration, damage and pilferage of K350 million was made for the reasons set out in note 1. (a). This provision does not represent a revaluation of mine assets and in accordance with generally accepted accounting principles no adjustment has been made to the residual asset revaluation reserve.

10. Other Debtors

Landowners' compensation on interest bearing deposit	4 998	2 696	2 696
Other debtors	5 237	5 082	5 072
Provision for doubtful debts	(799)	(585)	(585)
	9 436	7 193	7 183

	Bougainville Copper Limited		Consolidated
	1992	1991	1991
	K'000	K'000	K'000

11. Commitments

Operating lease commitments not reflected in the financial statements	21	779	779
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12. Capital

The authorised capital of K425 000 000 consists of 425 000 000 ordinary shares of one kina each. The issued capital of the company is 401 062 500 ordinary shares of one kina each, fully paid. No change in authorised or issued capital occurred during 1992.

	1992		1991	
	Company	Related Corporations	Company	Related Corporations
	K'000	K'000	K'000	K'000

13. Directors' Emoluments

The total of the emoluments received, or due and receivable (whether from the company or from related parties) by:

(a) Directors of the company engaged in the full time employment of the company or its related parties (including all bonuses and commissions received or receivable by them as employees), was	-	1 172	-	1 246
(b) Directors of the company not engaged in the full time employment of the company or its related parties	39	9	36	16

No commissions for subscribing for, or agreeing to procure subscriptions for any shares in or debentures of the company or any related corporations, were received or are due and receivable by any director.

14. Contingent Liabilities and Assets

Bougainville Copper Limited is contractually obliged to reimburse Shell Papua New Guinea Pty Limited for any retail sales tax payable by Shell on petroleum products sold to the company. A claim for retail sales tax amounting to approximately K4 663 000 has been lodged by the North Solomons Provincial government. However, the validity of the tax is being disputed by both Shell Papua New Guinea Pty Limited and the company.

The company has a lease commitment for office premises until 30 June 1995. The premises are currently occupied by a related corporation which is paying all costs. No loss is expected on the outstanding commitment of K450 000.

The directors do not expect the company to suffer any material loss as a result of the cancellation of purchase orders for either revenue or capital contracts.

15. Mining Tenements

The company holds 100% interest in leases: 1, B9, B6, B8, B7, B10, B3; and prospecting authorities: 1, 2, 3, 4, 5, 6, 7A and 7B on Bougainville Island.

16. Holding Company

The holding company is CRA Limited (incorporated in Australia).

17. Segmental Information

The company did not trade during the year. Its only assets represent the Panguna mine and associated facilities on Bougainville Island, Papua New Guinea and limited plant and equipment in storage in Australia.

18. Related Party Transactions

Transactions with directors are disclosed in note 13.

In 1992 the company paid fees of K93 215 to CRA Financial Services Limited for managing investment funds and K671 386 to CRA Minerals (PNG) Pty Limited for the provision of office space, staff and related services.

With the exception of the above the company did not enter into any other transactions with related parties.



Declarations

Statement by Directors

The accounts of the company have been prepared using the basis of valuation described in note 1 to the accounts. The directors believe that in the absence of reliable information and the lack of a more suitable alternative, this is the only appropriate basis to use, despite the current cessation of operations. The general provision made in 1991 may eventually prove to be above or below the sum which is necessary to reflect the actual losses which will have occurred. For these reasons the directors are unable to determine if the carrying value of the assets included in the accounts is properly stated.

Accordingly, the directors are unable to form an opinion whether or not the accompanying statement of earnings and funds statement give a true and fair view of the results of the business of the company for the period covered by the statements or that the accompanying balance sheet exhibits a true and fair view of the state of affairs of the company at the end of that period.

Signed at Port Moresby on this 17th day of February, 1993.

On behalf of the Board
M. R. RAYNER
Chairman
I. R. JOHNSON
Director

Declaration by Secretary

I, Andrew Genim Corren, Secretary of Bougainville Copper Limited, do solemnly and sincerely declare that for the reasons stated by the directors of the company in note 1 to the accounts, the accompanying balance sheet, statement of earnings, and funds statement of the company have been prepared on the basis described in that note and on this basis 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 (Chapter 317), conscientiously believing the statements contained herein to be true in every particular.

Declared at Port Moresby on this 17th day of February, 1993.

A. G. CORREN
Secretary
V. ANI
Commissioner for Oaths

Auditors' Report to the Members of Bougainville Copper Limited

1. We have audited the balance sheet, statement of earnings and the funds statement (the accounts) set out on pages 7 to 15 in accordance with generally accepted auditing standards.

2. These accounts have been prepared with the inclusion of the company's assets at their 1 January, 1991 book value, with a separate general provision of K350 million having been made in 1991 for the value of the indeterminate level of deterioration, damage and pilferage of mine assets which is expected to have occurred in the period since the withdrawal of company personnel from Bougainville in early 1990. As explained in note 1. (a) to the accounts, it is not possible, at present, to determine when the company will resume operations at the Panguna mine on Bougainville Island, or to measure or estimate reliably the extent of deterioration, damage and pilferage of mine assets.

3. While the directors have made this provision in good faith based on the limited information available to them, it must be recognised that the actual extent of the necessary write-downs can only be established when access to the mine site by appropriate company personnel is again possible.

4. In our opinion, providing for the probable loss from deterioration, damage or pilferage is the appropriate accounting treatment for the actual losses which will have occurred in the period to 31 December, 1992. However, as the actual extent of such losses can only be established after the company regains access to the mine site, we recognise that, at present, those losses are not capable of reliable measurement or estimation, either by directors or by us.

Accordingly the provision made by directors in 1991 may eventually prove to be above or below the sum which is necessary to reflect these losses.

5. If the company is ultimately unable to recommence operations successfully at the Panguna mine, in our opinion, the company's mine assets, as disclosed in the accounts, would need to be written off, less any amounts which may be recovered by sale or compensation.

6. In the absence of all the necessary information and explanations we require, (because both we and the directors have been unable to obtain access to Bougainville Island) and for the reasons set out above, we are unable to form an opinion as to whether or not the provision against the net book value of mine assets of K350 million is adequate or not. Accordingly we are unable to form an opinion as to whether or not the carrying value of the mine assets, as disclosed in these accounts, is properly stated.

7. These assets which represent 78% of the book value of total assets and 85% of the book value of net tangible assets are of fundamental importance to the presentation of the accounts. In view of the uncertainty over the quantum of the general provision that has been made against these assets, as set out above, we are unable to form an opinion as to whether or not the accounts give a true and fair view of the state of affairs of the company as at 31 December, 1992 and the results for the year ended on that date.

8. In our opinion, except that the records of mine assets may not be a reflection of the existence and value of those assets on Bougainville Island, the remaining accounting and other records, including registers, examined by us have been properly kept in accordance with the Companies Act (Chapter 146).

COOPERS & LYBRAND

by P. A. Atwood

Registered under the Accountants Registration Act (Chapter 89),

Port Moresby,

on this 17th day of February, 1993.



Corporate Information

Bougainville Copper Limited (Incorporated in Papua New Guinea)

Registered Office:

1st Floor, Mogoru Motu Building,
Champion Parade, Port Moresby,
Papua New Guinea.
Telephone 212044
Facsimile 213634

Principal Registered Office in Australia:

Bougainville Copper Limited
A.R.B.N. 007 497 869
Level 31, 55 Collins Street,
Melbourne, Vic. 3000.
Telephone: (03) 283 3333
Telex: AA30108 Facsimile: (03) 283 3707

Share Registers:

c/o KPMG Peat Marwick,
161 Collins Street,
Melbourne, Vic. 3000.
Telephone: (03) 288 5555.

Postal Address:

G.P.O. Box 2975EE Melbourne, Vic. 3001.

A.C.T.: c/o KPMG Peat Marwick,
80 Northbourne Avenue,
Canberra City 2601, A.C.T.

P.N.G.: P.O. Box 1274, Port Moresby,
Papua New Guinea.

Stock Exchange:

Listed with the Australian Stock Exchange Limited.

Auditors:

Coopers & Lybrand.

Bankers:

Commonwealth Bank of Australia.
Papua New Guinea Banking Corporation.

Solicitors:

Arthur Robinson & Hedderwicks, Gadens Ridgeway.

Twenty largest shareholders

The twenty largest shareholders as at 17 February, 1993 and the number of shares held by each were:

Name and Registered Address	Shares	% of issued shares
1 CRA Limited Melbourne Vic	210 788 514	52.56
2 The Independent State of Papua New Guinea	76 430 809	19.06
3 ANZ Nominees Limited Melbourne Vic	31 553 795	7.87
4 Citicorp Nominees Pty Limited Melbourne Vic	23 573 044	5.88
5 National Nominees Limited Melbourne Vic	5 578 301	1.39
6 Pandal Nominees Pty Limited Australia Square NSW	4 714 483	1.18
7 CRA Base Metals Pty Limited Melbourne Vic	4 099 452	1.02
8 Westpac Custodian Nominees Limited Sydney NSW	3 824 707	0.95
9 Bougainville Copper Foundation Port Moresby PNG	3 600 000	0.90
10 State Services & Statutory Authorities Superannuation Fund Board Port Moresby PNG	2 561 500	0.64
11 MLC Life Limited North Sydney NSW	2 373 200	0.60
12 Indosuez Nominees Pty Limited Melbourne Vic	1 054 974	0.26
13 Barclays Australia Custodian Services Limited Sydney NSW	853 590	0.21
14 City of Bradford Metropolitan Council Bradford UK	836 000	0.21
15 Lawrence Neville Lancelot Platt Kingsgrove NSW	800 000	0.20
16 Chase Manhattan Nominees Limited Sydney NSW	768 200	0.19
17 Fraser Nominees (Private) Limited Singapore	669 526	0.17
18 Franz Heinrich Rast Bulli NSW	612 986	0.15
19 State Superannuation Board of Victoria Sydney NSW	511 900	0.13
20 FAI General Insurance Company Ltd Sydney NSW	480 000	0.12
	<u>375 684 981</u>	<u>93.67</u>

Distribution of shares

As at 17 February, 1993.

The issued shares of the company were 401 062 500 fully paid one kina shares, each carrying one voting right. The number of shareholders was 19 851.

The distribution of holdings of the issued shares was:

		%
1- 1 000 shares	16 163	81.42
1 001- 5 000 shares	2 964	14.93
5 001-10 000 shares	418	2.11
10 001 shares and over	306	1.54
Total shareholders	<u>19 851</u>	<u>100.00</u>

There were 15 761 holdings of shares (79.40%) numbering less than 1,000 shares which do not form a marketable parcel.

93.67% of the total issued shares were held by or on behalf of the 20 largest shareholders.

The substantial shareholders were: CRA Limited and its wholly-owned subsidiary CRA Base Metals Pty. Limited - 214 887 966 shares (53.58%);

The RTZ Corporation PLC has an interest in the same shares through its wholly-owned subsidiaries' (Tinto Holdings Australia Pty. Limited, Melbourne Vic., R.T.Z. Australian Holdings Limited, RTZ Pacific Holdings Limited, and RTZ International Holdings Limited, all of London, UK) interests in CRA Limited and CRA Base Metals Pty. Limited; The Independent State of Papua New Guinea - 76 430 809 shares (19.06%).

Directors' interests

Directors' interests in the share capital of the company and its related companies as at 17 February, 1993 were:

D. S. Carruthers	3 828 CRA Shares
R. J. Cornelius	2 088 CRA shares 194 Comalco shares 22 500 CRA (A) options 1 000 CRA (B) options
J. J. Craig	22 500 CRA (A) options 1 000 CRA (B) options
P. G. F. Henderson, AC	No interests
I. R. Johnson	30 000 CRA (A) options 1 000 CRA (B) options
R. B. Moaina	No interests
M. R. Rayner	1 325 CRA shares 65 Comalco shares 50 000 CRA (A) options 1 000 CRA (B) options
M. P. Togolo	360 BCL shares
D. C. Vernon	No interests

Abbreviations:

BCL - Bougainville Copper Limited
CRA - CRA Limited
CRA (A) - Options to acquire CRA Shares allocated pursuant to the Senior Executive Share Plan 1990.
CRA (B) - Options to acquire CRA shares allocated pursuant to the CRA Group Employee Participation Scheme 1990.
Comalco - Comalco Limited



Statistical Summary

Financial	1992	1991	1990	1989	1988	1987
Earnings (K million)						
Net sales revenue and other income *****	2.2	3.3	80.2	231.6	493.4	415.4
Operating and other expenses****	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	(2.9)	(313.3)	(8.1)	2.6	204.7	138.5
Exchange gains/(losses)	1.5	0.1	(0.5)	2.5	(2.9)	5.7
Earnings/(loss) before taxation	(1.4)	(313.2)	(8.6)	5.1	201.8	144.2
Taxation	-	-	6.0	25.7	93.2	50.6
Net earnings/(loss)	(1.4)	(313.2)	(14.6)	(20.6)	108.6	93.6
Dividends	-	-	-	-	108.3	92.2
Earnings/(losses) retained	(1.4)	(313.2)	(14.6)	(20.6)	0.3	(1.8)
Balance sheet (K million)						
Property, plant and equipment	201.4	201.5	545.9	595.8	570.0	527.8
Investments and loans	-	-	-	-	2.2	0.7
Current assets	56.8	56.5	64.7	59.5	260.1	260.3
Total assets	258.2	258.0	610.6	655.3	822.3	788.8
Shareholders' funds	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	47.7	46.9	23.7	24.8
Current liabilities	15.0	13.3	11.8	42.8	212.2	177.7
Funds employed	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	1.04	1.05	1.05	1.17	1.16	1.10
Average metal prices						
LME copper (US\$/lb)	103.0	106.0	119.8	129.0	117.9	81.0
London gold market (US\$/oz)	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
Number of shareholders at end of year	19 851	19 982	20 532	21 287	21 966	22 650
Debt/equity ratio	-	-	-	-	.002/1	.004/1
Workforce 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 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.

1986	1985	1984	1983	1982	1981	1980	1979	1978	1977	1976	1975	1974	1973	1972*
342.7	317.6	310.9	392.9	283.2	296.4	338.7	343.1	225.1	205.3	208.9	193.1	292.6	252.4	95.9
223.7	221.5	234.8	228.1	207.2	210.8	174.8	144.1	125.0	126.8	117.5	107.2	92.5	81.8	53.3
47.3	47.6	46.5	47.0	44.2	43.3	43.8	40.7	40.4	36.2	31.1	29.6	28.5	24.8	14.5
71.7	48.5	29.6	117.8	31.8	42.3	120.1	158.3	59.7	42.3	60.3	56.3	171.6	145.8	28.1
2.3	(1.4)	(2.8)	(16.3)	(3.3)	1.1	2.6	3.5	10.3	(0.1)	1.3	2.3	9.5	12.9	(0.4)
74.0	47.1	26.8	101.5	28.5	43.4	122.7	161.8	70.0	42.2	61.6	58.6	181.1	158.7	27.7
28.7	19.0	15.2	46.9	17.3	20.6	51.2	77.9	22.0	13.7	20.3	12.4	66.5	0.3	-
45.3	28.1	11.6	54.6	11.2	22.8	71.5	83.9	48.0	28.5	41.3	46.2	114.6	158.4	27.7
44.1	28.1	16.0	52.1	10.0	20.1	80.2	106.9	40.1	21.4	26.7	26.7	73.5	81.4	11.0
1.2	-	(4.4)	2.5	1.2	2.7	(8.7)	(23.0)	7.9	7.1	14.6	19.5	41.1	77.0	16.7
550.1	558.5	576.2	594.9	622.8	611.2	610.8	325.4	340.1	352.2	350.4	346.0	352.2	371.7	378.7
0.7	0.2	0.2	0.3	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	-
190.1	160.4	152.9	185.3	155.9	148.7	148.4	201.0	125.8	137.1	136.0	129.5	205.6	130.4	73.9
740.9	719.1	729.3	780.5	778.8	760.0	759.3	526.5	466.0	489.4	486.5	475.6	557.9	502.2	452.6
587.7	586.5	586.5	590.9	588.4	587.2	584.5	294.5	317.5	309.7	302.5	287.9	268.4	227.4	146.7
(3.2)	(5.9)	(5.3)	(4.7)	1.5	1.5	5.1	5.4	9.0	14.6	9.0	11.5	19.1	39.5	24.2
48.1	52.4	52.5	51.6	125.6	80.1	25.7	36.2	42.1	53.3	101.7	106.8	121.1	127.5	204.0
108.3	86.1	95.6	142.7	70.2	91.2	144.0	190.4	97.4	111.8	73.3	69.4	149.3	107.8	77.7
740.9	719.1	729.3	780.5	778.8	760.0	759.3	526.5	466.0	489.4	486.5	475.6	557.9	502.2	452.6
79.16	73.62	74.4	81.00	76.22	77.56	79.76	75.97	79.05	70.79	58.54	56.40	56.00	56.65	46.75
47.89	50.07	46.52	47.73	41.74	37.53	37.62	36.17	38.12	34.11	31.21	31.08	30.14	29.14	21.89
0.42	0.42	0.42	0.46	0.47	0.51	0.46	0.55	0.60	0.61	0.64	0.64	0.70	0.73	0.76
0.48	0.42	0.48	0.55	0.60	0.59	0.50	0.75	0.82	0.90	0.87	0.80	1.02	1.03	0.77
586.6	581.8	542.3	636.9	598.6	576.4	510.4	584.7	658.6	615.6	596.8	596.0	640.8	650.2	438.1
178.6	175.0	164.4	183.2	170.0	165.4	146.8	170.8	198.6	182.3	176.5	172.5	184.1	182.9	124.0
30.5	30.1	30.3	28.8	28.4	28.7	28.8	29.2	30.2	29.6	29.6	28.9	28.7	28.1	28.3
27.9	24.7	28.9	28.3	29.3	29.2	27.5	33.7	35.5	36.3	33.9	30.5	32.0	31.6	27.3
85.9	79.3	81.9	74.4	72.1	73.5	72.2	76.3	79.8	77.0	76.1	71.0	72.3	69.0	69.3
589.4	560.0	550.8	636.1	599.6	596.2	494.4	586.5	640.9	614.8	605.8	587.0	665.8	625.2	434.4
43.2	44.1	51.9	47.0	46.6	49.8	54.5	56.0	51.0	54.8	42.3	42.7	51.5	54.8	48.1
15.4	15.7	12.3	11.0	6.6	3.3	4.1	3.7	3.2	1.6	1.7	1.7	0.0	0.0	0.0
41.4	40.2	35.8	42.0	45.1	45.4	41.4	40.3	42.0	39.9	46.5	53.8	41.9	37.8	49.4
0.0	0.0	0.0	0.0	1.7	1.5	0.0	0.0	3.8	3.7	9.5	1.8	6.6	7.4	2.5
417.9	381.3	373.4	454.6	343.6	355.2	386.3	407.0	294.5	266.3	260.3	219.4	307.4	270.8	118.8
54	61	53	52	51	54	51	60	64	66	74	69	74	83	83
44	37	45	46	47	44	46	37	34	32	24	29	25	16	16
1.03	1.00	1.11	1.19	1.35	1.48	1.50	1.41	1.42	1.27	1.26	1.31	1.43	1.42	1.19
62.3	64.3	62.4	71.9	67.1	79.0	99.2	89.8	61.9	59.3	63.6	55.9	93.3	80.9	48.6
367.9	317.3	360.8	423.5	375.6	459.9	614.7	304.7	193.5	147.8	124.8	160.9	158.7	97.3	58.2
7.7	4.8	2.0	9.3	1.9	3.9	16.3	27.4	15.3	9.3	14.0	16.6	46.2	84.1	18.9
11.3	7.0	2.9	13.6	2.8	5.7	17.8	20.9	12.0	7.1	10.3	11.5	28.6	39.5	6.9
11.0	7.0	4.0	13.0	2.5	5.0	20.0	26.7	10.0	5.3	6.7	6.7	18.3	20.0	2.7
401	401	401	401	401	401	401	267	267	267	267	267	267	267	260**
24 680	27 117	30 435	32 834	36 486	38 027	38 326	38 750	40 935	43 820	50 082	54 129	55 558	45 353	46 726
0.05/1	0.06/1	0.09/1	0.10/1	0.20/1	0.17/1	0.05/1	0.15/1	0.19/1	0.37/1	0.40/1	0.44/1	0.52/1	0.72/1	0.62/1
706	704	749	751	756	801	877	851	855	853	858	942	980	929	971
2 983	2 948	2 987	3 058	3 174	3 377	3 416	3 314	3 243	3 063	2 989	3 094	3 242	2 915	2 594



Distribution of the Benefits

	1992	K million 1991	1972-1992
PNG Government			
Corporate income tax*	-	-	586.8
Group tax (PAYE)	0.1	0.1	122.2
Customs duty	-	-	104.1
Miscellaneous	-	-	10.1
Dividends*	-	-	165.9
Dividend WHT*	-	-	96.5
	0.1	0.1	1085.6
NSP Government			
Royalties (95% to NSPG)	-	-	61.4
Non Renewable Resources Fund	-	-	1.8
Other taxes	-	-	12.0
	-	-	75.2
Landowners			
Royalties (5% to Landowners)	-	-	3.2
Compensation	1.8	1.2	24.5
	1.8	1.2	28.7
Non-Government Shareholders			
Dividends net of Dividend WHT*	-	-	576.7
Employees			
Wages (less PAYE)	0.3	0.3	575.5
Total	2.2	1.6	2341.7

Not included in the above table are the benefits received by the providers of goods and services to BCL. A company survey in 1989 revealed that there were approximately 200 Bougainville based business enterprises dependent largely upon BCL's operation. These enterprises employed in excess of 4,000 people prior to the mine closure.

*These amounts relate to the referable year (i.e. the year in which the amount became due) and hence the cash effect on the PNG economy has a delayed impact.