



B
ougainville
Copper
Limited

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, together with provisions made since 1990, amount to K107 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 1994, 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, 5 April, 1995 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

G. D. Klingner (Chairman)
P. G. F. Henderson, A.C.
I. R. Johnson
R. B. Moaina
M. A. Moramoro, O.B.E.
W. T. Palmer (Managing Director)

Secretary

B. P. Bartholomaeus

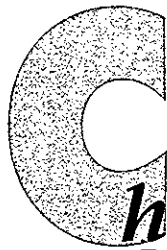
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Year in Brief

- Mine remained closed.
- Restoration of services proceeding in most areas of Bougainville other than central.
- Regular air services re-established to Arawa and other major centres.
- Panguna mine area reported as being deserted with militants withdrawing to adjacent central Bougainville area.
- Exchange gain of K9.2 million following devaluation and the floating of the kina.
- Net profit K7.8 million.
- Access to Panguna mine is still not possible.
- Extent of deterioration and destruction of assets unknown.

		1994	1993
Concentrate production	(tonnes)	-	-
Net sales revenue	(K'000)	-	-
Operating profit/(loss)	(K'000)	7 842	(2 658)
Earnings per share	(toea)	-	-
Shareholders' funds	(K'000)	241 624	233 782
Depreciation and amortisation	(K'000)	-	-
Government royalties and taxation	(K'000)	-	-
Number of employees at 31 December		-	-



Chairman's Statement

In my first report as your new chairman, I would have hoped to report a significant change in the conditions that have existed on Bougainville since the closure of the Panguna mine almost six years ago. Unfortunately, while there are some positive aspects to report, it is still not possible for company representatives to return to Bougainville to assess the extent of the damage to, and deterioration of, the mine and equipment. The Panguna mine is reported as being deserted. The largest single area in Bougainville that is not under government control is in central Bougainville, the area around the mine. In the last year, there have been no further reports of damage to major plant and equipment items, but it is certain continued deterioration of the assets will have occurred.

The company recorded a profit of K7.8 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 1994.

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 this loss in value.

Work has continued on recommissioning concepts and costs. Evaluations have been done on 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.

In all the studies and evaluations of recommissioning options, it has been essential to recognise that, because of the sudden evacuation from the island in March

1990, it was not possible to mothball properly the assets or to undertake preparations for prolonged closure. Moreover, the highly trained work force which existed at that time has since been dispersed throughout Papua New Guinea and elsewhere. Considerable time and cost would be required to reassemble and train a new work force to the levels of skill necessary to operate such a large and complex mine.

The studies indicate that following a return of company personnel to the island, initial production could be re-established within some 18 months of a decision to re-open the mine. Output would be built up progressively to the full rate of pre-closure production over a period which would depend upon the condition of the mine and infrastructure facilities and the international market conditions of the time.

The total cost of returning the mine to full production had been previously estimated at the upper end of K300-K450 million, spread over a number of years. Following the change in kina values relative to other currencies after its floating by the government late in 1994, and an allowance for inflated prices, the revised range is now estimated at the upper end of K350-500 million, spread over a number of years.

The national government arranged a peace conference on Bougainville in October, 1994. Although the government was disappointed that the militant leaders did not attend, subsequently there has been a steady stream of leaders emerging and participating in formulating peace arrangements with the authorities, culminating in the signing of the Mirigini Charter in November, 1994. It was reported in early February that provincial authorities, Council of Chiefs and interim authorities had helped to restore educational facilities and services to 90% of the island. This included opening Arawa High School and four community schools in the vicinity of the township.

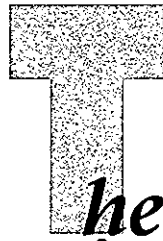
The remaining 10% is in central Bougainville around the Panguna mine, where the majority of the population is yet to come under government influence.

The Prime Minister, Sir Julius Chan, has announced the formation of a task force, in line with the provisions of the Mirigini Charter, to streamline and improve the administration on Bougainville. He expects the task force to improve the restoration programme. In addition, work is progressing well towards the establishment of the Bougainville Transitional Government as provided for under the Mirigini Charter. The directors welcome these initiatives and look forward to their successful implementation and their effective extension into the central Bougainville area. It remains impossible to predict when these measures will encompass the whole of Bougainville.

In November last year, Mr Mark Rayner and Mr Don Carruthers resigned from the Board because of other business commitments. Both have contributed greatly as directors and chairmen of the company. Mr Rayner succeeded Mr Carruthers as chairman in November 1992 having been appointed as a director in August 1989. Mr Carruthers was chairman of the company from July, 1986 until his retirement in November, 1992 and a director for two years after that. On behalf of the board, I thank Mark and Don for their dedicated service and contributions and wish them well for the future.

I welcome the appointment of Mr Terry Palmer as Managing Director from 1 January, 1995. Mr Palmer, whose details are shown on page 5, brings a great depth of knowledge and experience to the Board.

G. D. Klingner Chairman, 14 February, 1995



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. All company personnel were evacuated from Bougainville early in 1990, as the crisis worsened. The activities of the company are being managed on a contracted services basis by a small team of CRA Minerals (PNG) Pty Limited staff established in Port Moresby.

The national government is progressively restoring its authority on Bougainville. The proposed establishment of the Bougainville Transitional Government is a positive move. The restoration of educational facilities and services to 90% of the island shows some return to normality. The other 10%, the area surrounding the Panguna mine, remains a problem.

With regular air services to Bougainville re-established and a continuing commitment of various chiefs and interim authorities to achieving a peaceful resolution to the crisis, the last few months have shown some progress. There is still some militant activity which prevents a political resolution of the crisis. This is necessary before recommissioning of the mine can be considered. Critical factors would then include government and community aspirations, the condition of production equipment and the effort required to rehabilitate it, recruitment and training of the work force and arrangement of the finance.

Ore Reserves:

The recoverable proved ore reserves at the end of 1994 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 1994 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 K51.8 million. In addition an amount of K8.9 million which may be required for landowners' compensation payments for the period 1990 through 1994 has been set aside. This is held in a separate interest bearing 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 and pilferage. The accuracy of that provision cannot be established at this stage as lack of access to Bougainville by

company representatives still prevents a first-hand assessment of the nature or extent of that loss of value. Under these circumstances, directors consider that any further review of the provision at this time would be arbitrary.

Proceeds of K0.2 million were realised on disposal of non-current assets.

Marketing:

BCL has maintained regular contact with its principal customers since the closure of the mine. Company representatives recently visited concentrate buyers in Japan and Korea who have confirmed their interest in recommencing purchases of concentrates from BCL when it resumes operations at Panguna. While these 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 six years and there is no guarantee that they will buy Bougainville concentrate in the future. Nevertheless, the company is encouraged by their continuing interest.

Personnel:

The company has no employees. The affairs of the company are managed by CRA Minerals (PNG) Pty Limited. Regular contact is maintained with the Papua New Guinea government.

W. T. Palmer
Managing Director, 14 February, 1995

D irector's Report

The directors of Bougainville Copper Limited present their report on the audited financial statements of the company for the year ended 31 December, 1994.

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 mine since their withdrawal early in 1990. Following withdrawal of employees from the island, a small management team was established in Port Moresby. This team has now been incorporated into CRA Minerals (PNG) Pty Limited, a wholly owned subsidiary of CRA Limited. Dr Moseley Moramoro, the Managing Director of CRA Minerals (PNG) is also a director of Bougainville Copper Limited and 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 on Panguna. It is not possible to estimate when this will extend to the whole island.

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 watching developments closely.

Directors:

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

G. D. Klingner (Chairman) Age 51 BSc (Hons) PhD Joined CRA in 1966.

Extensive experience in exploration, new projects, construction and operations with the CRA Group. Appointed Group Executive CRA in May 1994 responsible for Energy and Gold. Also Chairman Coal & Allied Industries Limited. Appointed Chairman Bougainville Copper Limited November, 1994.

P. G. F. Henderson AC Age 66 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 54 BSc (Hons) Joined CRA in 1970. Extensive exploration experience including Group Geologist of CRA Exploration. Managing Director of CRA Minerals (PNG) Pty Limited, Papua New Guinea from February, 1990 to December, 1992. Appointed CRA Group Executive in January, 1993.

R. B. Moaina Age 45 BSc Chief Government Geologist, Geological Survey Division, PNG Department of Minerals and Energy from February, 1986 until appointed Secretary in November, 1993. Extensive experience in government administration of the mineral and petroleum industry.

M. A. Moramoro OBE Age 42 BCom, MSc Former Vice Chancellor, PNG University of Technology 1983-90. Joined CRA Minerals (PNG) Pty Limited 1990 - General Manager Corporate Relations. Appointed Executive Director January, 1993 and Managing Director January, 1995.

W. T. Palmer (Managing Director) Age 54 BE (Hons) Joined CRA in 1968. Extensive underground and open pit mining experience. Managing Director Comalco Rolled Products 1987-1991. Managing Director Operations Hamersley Iron Pty Limited 1991-1994. Appointed Managing Director Bougainville Copper Limited January, 1995.

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 1994.

Net Earnings:

The net profit of Bougainville Copper Limited for 1994 was K7 842 260.

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.

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 1994.

The Year in Review:

The company has not operated during the year and a review of 1994 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 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 from their pre-closure levels will be necessary.
4. No contingent liabilities have arisen since the balance date of the accounts, 31 December, 1994 until the date of this report, 14 February, 1995.

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:

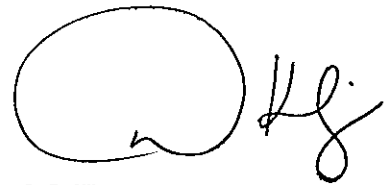
The directors also state that:

1. There were no 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, 1994.
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.

6. While the company remains inactive the directors do not believe it necessary to have an audit committee of the Board of Directors.

Signed this 14th day of February, 1995 in accordance with a resolution of the directors of Bougainville Copper Limited.



G. D. Klingner
Chairman



W. T. Palmer
Managing Director

Statement of Cash Flows

Bougainville Copper Limited
year ended 31 December, 1994

	1994 K'000	1993 K'000
Cash flows from operating activities		
Payments to suppliers	(4 091)	(5 003)
Interest received	2 143	1 640
Net operating cash flows	(1 948)	(3 363)
Cash flows from investing activities		
Purchase of equipment	(4)	-
Proceeds from sales of property, plant and equipment	194	605
Net investing cash flows	190	605
Net increase/(decrease) in cash held		
Net cash flow	(1 758)	(2 758)
Cash at beginning of year	44 319	47 369
Effect of exchange rate changes on cash held	9 209	(292)
Cash at end of year	51 770	44 319

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.

Statement of Earnings

Bougainville Copper Limited
year ended 31 December, 1994

	Notes	1994 K'000	1993 K'000
Income			
Interest		2 252	1 745
Costs and expenses			
General and administration expenses		(3 619)	(4 111)
Net exchange gain/(loss)	4	9 209	(292)
Operating profit/(loss)	2	7 842	(2 658)
Income tax	3	-	-
Operating profit/(loss) after tax		7 842	(2 658)
Retained losses brought forward		(198 557)	(195 899)
Retained losses carried forward		(190 715)	(198 557)

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.

B alance Sheet

Bougainville Copper Limited
at 31 December, 1994

	Notes	1994 K'000	1993 K'000
Funds employed:			
Shareholders' funds			
Paid up capital	10	401 063	401 063
Asset revaluation reserve	8	31 276	31 276
Retained losses		(190 715)	(198 557)
		241 624	233 782
Non-current liabilities			
Income tax	3	6 759	6 759
Current liabilities			
Creditors	6	15 564	14 126
Income tax		2 329	2 329
		17 893	16 455
Total funds		266 276	256 996
These funds are represented by:			
Non-current assets			
Mine assets	7	200 682	200 777
Current assets			
Bank balances and short term deposits		51 770	44 319
Other debtors	9	13 824	11 900
		65 594	56 219
Total assets		266 276	256 996

Details of contingent liabilities and assets are shown in note 12.

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.

N otes to Accounts

These notes form part of the 1994 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 assets. It seems certain that considerable deterioration of the assets will have occurred in the intervening period, 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 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 assets from their pre-closure levels 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 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 would be required to recommence operations, principally for the recruitment and training of the work force, restoration of facilities, recommissioning or replacement of assets and re-establishment of working capital.

Since 1993, further detailed reviews of recommissioning concepts and costs were undertaken. The studies indicated initial production could be re-established within some 18 months from the achievement of the requisite conditions for a return to the island. Output would be built up progressively to the full rate of pre-closure production over a period which would depend upon the condition of the mine and the infrastructure facilities and the international market conditions of the time. The total cost of returning the mine to full production had been estimated to be at the upper end of the previously reported range of K300-K450 million, spread over a number of years. Following the change in kina values relative to other currencies after its floating by the government late in 1994, and an allowance for inflated prices, the revised range is now estimated at the upper end of K350-500 million, spread over a number of years. Whilst these estimates assume no major damage to production facilities through vandalism or militant action, they do allow for the increased level of deterioration likely because of the prolonged closure, and for vandalism to and pilferage from infrastructure and accommodation facilities.

Expenditures would 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 would be addressed at the appropriate time. 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. 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 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 the 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 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 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 1994. The Directors consider that any further review of the general provision at this time would be completely arbitrary because of the continuing lack of access to the mine.

Employee Entitlements:

During normal operations 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 1994. 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 sheet. 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.

Bougainville Copper Limited
year ended 31 December, 1994

	1994	1993
	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	2 252	1 745
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Expenses:

Provision for doubtful debts in respect of other debtors	272	241
Profit on disposal of fixed assets	94	-
Directors' emoluments (Note 11)	24	60
Auditors' remuneration - auditing the accounts	7	8
- other services	2	5

(The auditors have received no other benefits)

Bougainville Copper Limited
year ended 31 December, 1994

	1994 K'000	1993 K'000
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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 profit/(loss) before taxation	7 842	(2 658)
Prima facie income tax @ 35%	2 745	(930)
Future income tax benefits not brought to account	(2 745)	930
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 K75 447 000 (1993 K78 192 000). 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.

4. Exchange Fluctuation

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

Overseas cash balances	9 209	(292)
Net exchange gain	9 209	(292)

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

Current assets: kina equivalent of US dollars	47 515	39 307
kina equivalent of Australian dollars	2 809	3 423
Current liabilities: kina equivalent of US dollars	-	-
kina equivalent of Australian dollars	39	573

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

5. Loans

No long term loan facilities are in place.

6. Creditors

Landowners' compensation	8 919	7 123
Trade creditors	6 580	6 934
Other creditors	26	26
Related corporations	39	43
	15 564	14 126

Landowners' compensation for which the company may be liable 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 9).

Bougainville Copper Limited
year ended 31 December, 1994

	1994 K'000	1993 K'000
7. Mine Assets		
(a) Mine development and buildings		
- at directors' 1980 valuation	292 165	292 206
Less accumulated depreciation	159 721	159 721
	132 444	132 485
- at cost	102 988	102 988
Less accumulated depreciation	38 664	38 664
	64 324	64 324
Net mine development and buildings	196 768	196 809
(b) Plant, machinery & equipment		
- at directors' 1980 valuation	245 177	245 177
Less accumulated depreciation	148 866	148 866
	96 311	96 311
- at cost	304 480	304 475
Less accumulated depreciation	104 703	104 703
	199 777	199 772
Net plant, machinery & equipment	296 088	296 083
(c) Mine property		
- at cost	62 121	62 121
Less accumulated amortisation	46 204	46 204
Net mine property	15 917	15 917
(d) Capitalised works in progress		
- at cost	31 906	31 965
Total property, plant & equipment		
- at cost or valuation	1 038 837	1 038 932
Less accumulated depreciation/amortisation	498 158	498 158
Net book value	540 679	540 774
Stores	10 003	10 003
Total mine assets	550 682	550 777
Less general provision for deterioration, damage and pilferage since the withdrawal of company personnel	350 000	350 000
Net value	200 682	200 777

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".

8. Asset Revaluation Reserve

Asset revaluation reserve	31 276	31 276
---------------------------	--------	--------

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.

9. Other Debtors

Landowners' compensation on interest bearing deposit	8 919	7 123
Other debtors	6 195	5 795
Provision for doubtful debts	(1 290)	(1 018)
	13 824	11 900

Landowners' compensation for which the company may be liable is transferred each quarter into a separate interest bearing bank account and shown in the accounts of the company with an offset amount in Creditors (note 6).

Bougainville Copper Limited
year ended 31 December, 1994

10. 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 1994.

1994		1993	
Company	Related Corporations	Company	Related Corporations
K'000	K'000	K'000	K'000

11. 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	-	739	-	956
(b) Directors of the company not engaged in the full-time employment of the company or its related parties	24	38	60	48

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.

12. 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 K90 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.

13. Mining Tenements

The company holds 100% interest in leases: 1, B9, B6, B8, B7, B2, B10, B3; and prospecting authorities: 1, 2, 3, 4, 5, 6, 7A and 7B on Bougainville Island.

14. Holding Company

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

15. 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.

16. Related Party Transactions

Transactions with directors are disclosed in note 11.

In 1994 the company paid fees of K88 909 to CRA Financial Services Limited for managing investment funds and K557 541 to CRA Minerals (PNG) Pty Limited for the provision of office space, staff and related services and K57 534 to Minenco Pty Limited for engineering studies.

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

D eclarations

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 loss in value, 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 statement of cash flows 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 14th day of February, 1995.

On behalf of the Board

G. D. KLINGNER

Chairman

W. T. PALMER

Managing Director

Declaration by Secretary

I, Brian Phillip Bartholomaeus, 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 statement of cash flows 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 14th day of February, 1995.

B. P. BARTHOLOMAEUS

Secretary

V. ANI

Commissioner for Oaths

Auditors' Report to the Members of Bougainville Copper Limited

Scope

1. We have audited the financial statements of Bougainville Copper Limited for the financial year ended 31 December, 1994 as set out on pages 7 to 15. The company's directors are responsible for the preparation and presentation of the financial statements and the information they contain.

We have conducted an independent audit of these financial statements in order to express an opinion on them to the members of the company.

2. Our audit has been conducted in accordance with International Standards on Auditing to provide reasonable assurance as to whether the financial statements are free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial statements, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial statements are presented fairly in accordance with Accounting Standards adopted for use in Papua New Guinea and Papua New Guinea statutory requirements so as to present a view which is consistent with our understanding of the company's financial position and the results of its operations.

3. The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion

4. 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 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 assets.

5. 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.

6. 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, 1994. 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.

7. 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.

8. 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.

9. These assets which represent 75% of the book value of total assets and 83% 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, 1994 and the results for the year ended on that date.

10. 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).

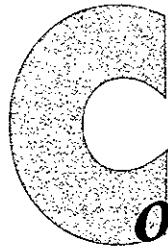
COOPERS & LYBRAND

by M. J. Cain

Registered under the Accountants Registration Act (Chapter 89)

Port Moresby,

on this 14th day of February, 1995.



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 33, 55 Collins Street, Melbourne, Vic. 3000
Telephone: (03) 283 3333
Facsimile: (03) 283 3707

Share Registers:

c/o KPMG Registrars Pty Ltd
Level 1, 161 Collins Street, Melbourne, Vic. 3000.
Telephone: (03) 288 5533
Facsimile: (03) 288 6237

Postal Address:

GPO 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.: PO Box 1274, Port Moresby,
Papua New Guinea

Stock Exchanges:

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 14 February, 1995 and the number of shares held by each were:

Name and Registered Address	Shares	% of issued shares
1 CRA Limited Melbourne Vic	214 887 966	53.58
2 The Independent State of Papua New Guinea	76 430 809	19.06
3 ANZ Nominees Limited Melbourne Vic	32 032 186	7.99
4 Citicorp Nominees Pty Limited Melbourne Vic	22 637 307	5.64
5 Westpac Custodian Nominees Limited Sydney NSW	7 850 158	1.96
6 National Nominees Limited Melbourne Vic	7 763 670	1.94
7 Bougainville Copper Foundation Port Moresby PNG	3 600 000	0.90
8 MLC Life Limited North Sydney NSW	3 325 307	0.83
9 State Services & Statutory Authorities Superannuation Fund Board Port Moresby PNG	2 561 500	0.64
10 State Authorities Superannuation Board Sydney NSW	2 080 300	0.52
11 BT Custodians Ltd Sydney NSW	1 839 637	0.46
12 Barclays Australia Custodian Services Limited Sydney NSW	1 203 788	0.30
13 James West Auckland NZ	916 200	0.23
14 Lawrence Neville Lancelot Platt Kingsgrove NSW	800 000	0.20
15 Franz Heinrich Rast Bulli NSW	612 986	0.15
16 Victoria Superannuation Board Melbourne Vic	511 900	0.13
17 Westpac Custodian Nominees Limited Sydney NSW	511 000	0.13
18 Chase Manhattan Nominees Limited Sydney NSW	474 700	0.12
19 Ernfold Holdings Pty Ltd Carss Park NSW	411 600	0.10
20 Victoria Workcover Authority Melbourne Vic	379 600	0.09
	<u>380 830 614</u>	<u>94.97</u>

Distribution of shares

As at 14 February, 1995: 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 18 765.

The distribution of holdings of the issued shares was:

	Number of shares	%
1- 1 000 shares	15 483	82.51
1 001- 5 000 shares	2 692	14.34
5 001- 10 000 shares	343	1.83
10 001- shares and over	247	1.32
Total shareholders	<u>18 765</u>	<u>100.00</u>

There were 13 125 holdings of shares (69.9%) numbering less than 500 shares which do not form a marketable parcel.

94.97% of the total issued shares were held by or on behalf of the largest 20 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., RTZ 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 14 February, 1995 were:

P. G. F. Henderson, AC	No interests
I. R. Johnson	No interests
R. B. Moaina	No interests
G. D. Klingner	30 000 CRA (A) options 1 000 CRA (B) options 800 CRA shares
M. A. Moramoro	No interests
W. T. Palmer	No interests

Abbreviations:

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.
CRA - CRA Limited

Statistical Summary

Financial	1994	1993	1992	1991	1990	1989	1988
Earnings (K million)							
Net sales revenue and other income *****	2.2	1.7	2.2	3.3	80.2	231.6	493.4
Operating and other expenses ****	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	(1.4)	(2.4)	(2.9)	(313.3)	(8.1)	2.6	204.7
Exchange gains/(losses)	9.2	(0.3)	1.5	0.1	(0.5)	2.5	(2.9)
Earnings/(loss) before taxation	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)	7.8	(2.7)	(1.4)	(313.2)	(14.6)	(20.6)	108.6
Dividends	-	-	-	-	-	-	108.3
Earnings/(losses) retained	7.8	(2.7)	(1.4)	(313.2)	(14.6)	(20.6)	0.3
Balance sheet (K million)							
Property, plant and equipment	200.7	200.8	201.4	201.5	545.9	595.8	570.0
Investments and loans	-	-	-	-	-	-	2.2
Current assets	65.6	56.2	56.8	56.5	64.7	59.5	250.1
Total assets	266.3	257.0	258.2	258.0	610.6	655.3	822.3
Shareholders' funds	241.6	233.8	236.4	237.9	551.1	585.6	586.2
Exchange fluctuation	-	-	-	-	-	-	0.2
Long term liabilities	6.8	6.8	6.8	6.8	47.7	46.9	23.7
Current liabilities	17.9	16.4	15.0	13.3	11.8	42.8	212.2
Funds employed	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	1.01	1.02	1.04	1.05	1.05	1.17	1.16
Average metal prices							
LME copper (US\$/lb)	105.0	87.0	103.0	106.0	119.8	129.0	117.9
London gold market (US\$/oz)	384.0	360.0	344.0	362.2	382.8	381.0	436.8
Return on shareholders' funds (per cent)	-	-	-	-	-	-	18.5
Earnings per share*** (toea)	-	-	-	-	-	-	27.1
Dividends per fully paid share*** (par value K1.00) (toea)	-	-	-	-	-	-	27.0
Number of shares issued at end of year (millions)	401	401	401	401	401	401	401
Number of shareholders at end of year	18765	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

1987	1986	1985	1984	1983	1982	1981	1980	1979	1978	1977	1976	1975	1974	1973	1972*
415.4	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
227.5	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
49.4	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
138.5	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
5.7	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)
144.2	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
50.6	28.7	19.0	15.2	46.9	17.3	20.6	39.6	57.5	22.0	13.7	20.3	12.4	49.1	0.3	-
-	-	-	-	-	-	-	11.6	20.4	-	-	-	-	17.4	-	-
93.6	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
92.2	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
(1.8)	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
527.8	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	0.7	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	-
280.3	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
788.8	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
586.0	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
0.3	(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
24.8	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
177.7	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
788.8	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
83.53	79.16	73.62	74.40	81.00	76.22	77.56	79.76	75.97	79.05	70.79	58.54	56.40	56.00	56.65	46.75
48.20	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
0.41	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
0.43	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
585.5	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
178.2	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
30.4	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
25.8	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
86.4	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
587.6	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
32.6	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
33.5	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
33.9	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	0.0	1.7	1.5	0.0	0.0	3.8	3.7	9.5	1.8	6.6	7.4	2.5
489.4	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
60	54	61	53	52	51	54	51	60	64	66	74	69	74	83	83
38	44	37	45	46	47	44	46	37	34	32	24	29	25	16	16
1.10	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
81.0	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
446.7	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
16.0	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
23.3	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
23.0	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	401	267	267	267	267	267	267	267	260**
22 650	24 680	27 117	30 435	32 834	36 486	38 027	38 326	38 760	40 935	43 820	50 082	54 129	55 558	45 353	46 726
.004/1	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
699	706	704	749	751	756	801	877	851	855	853	858	942	980	929	971
3 025	2 993	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

***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.

Distribution of the Benefits

	1994	K million 1993	1972-1994
PNG Government			
Corporate income tax*	-	-	514.2
Additional profits tax*	-	-	72.6
Group tax (PAYE)	-	-	122.2
Customs duty	-	-	104.1
Miscellaneous	-	-	10.1
Dividends*	-	-	165.9
Dividend WHT*	-	-	96.5
	-	-	1 085.6
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	1.6	1.6	28.7
	1.6	1.6	31.9
Non-Government Shareholders			
Dividends net of Dividend WHT*	-	-	576.7
Employees			
Wages (less PAYE)	-	0.1	575.6
Total	1.6	1.7	2 345.0

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.