

**COPPER MINES OF TASMANIA PTY LIMITED**

**A.B.N. 36 065 339 835**

**GENERAL PURPOSE FINANCIAL REPORT**

**FOR THE YEAR ENDED 31 MARCH 2012**

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**COPPER MINES OF TASMANIA PTY LIMITED**  
**DIRECTORS' REPORT**

The directors of Copper Mines of Tasmania Pty Limited submit herewith the annual financial report of the company for the financial year ended 31 March 2012. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

The names and particulars of the directors of the company during or since the end of the financial year are:

**DIRECTORS**

Mr. Robert Tracy  
Mr. DD Jalan  
Mr. Jeyakumar Janakaraj  
Mr. Vinod Bhandawat

The above named directors held office for whole of the financial year.

**PRINCIPAL ACTIVITIES**

The consolidated entity's principal continuing activities during the financial year consisted of:

- (a) Mining, processing and sale of copper concentrate, and
- (b) Exploration for copper and other base metals at Mt. Lyell, Tasmania
- (c) The processing of gold and copper in Fujariah, United Arab Emirates.

**DIVIDENDS**

In respect of the financial year ended 31 March 2012, a fully franked dividend of \$ 25.5 million was declared and a fully franked dividend of \$25.5 million was paid. (2011: \$198 million fully franked dividend was Paid).

**REVIEW OF OPERATIONS**

A summary of revenues and results is set out below:

	Consolidated		Company	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Revenue from operating activities	614,750	467,936	189,931	186,929
Other revenue	1,688	1,391	930	1,525
Total revenue	616,438	469,327	190,861	188,454
Operating profit for the financial year after income tax	34,908	47,746	36,687	49,378

Comments on the operations and the results of those operations are set out below:

**OPERATING RESULTS**

**Copper Mines of Tasmania Pty Ltd:**

A total of 2,067,407 tonnes of ore were mined and 2,065,352 tonnes at 1.18% copper grade were processed to produce 85,339 dry metric tonnes of copper concentrate at 26.49% copper during the year ended 31 March 2012. The total copper content in the concentrate is 22,607 tonnes (previous year 22,929 tonnes). The production is lower primarily due to a 23 days part mine stoppage due a rock fall event and the mining contractor's inability to meet contractual obligation.

The average copper price realisation for the year was USD 8,505 per tonne, which was lower than the previous year ended 31 March 2011 annual average of USD 8,779. The average Australian to United States of America dollar cross currency conversion rate of AUD 1.0448 during the year compared to AUD 0.948 in the prior year, had a negative impact on the revenues of the company.

**COPPER MINES OF TASMANIA PTY LIMITED**  
**DIRECTORS' REPORT**

**OPERATING RESULTS (CONTINUED)**

The entity has not entered into any hedging program during the year (2011: No hedging).

**Fujairah Gold FZE:**

A total of 46,813.61 tonnes of Cathode (RM) and NIL tonnes of Dore (RM) were procured during the year and 49,799.64 tonnes of Cathode and Nil tonnes of Dore were consumed during the year. Average gold content was NIL and silver NIL in Dore. Total Production during the year was -Copper Rod- 48,876.48 tonnes, Gold-NIL tonnes and Silver- NIL tonnes.

The average gold price realisation for the year was Zero, silver \$42.61 per Oz by sale of opening stock and Copper- \$ 8392.38

There is no foreign currency impact as AED/USD pegged at 3.6675

The Establishment uses commodity future contracts to manage its exposure to commodity price movements. Future contracts with nominal values of US\$ 173 million (2011: US\$ 0.97 million) have fixed payments on settlement dates. At 31 March 2012, the fair value of future contracts is positive AED 8.1 million (AUD\$2.1m) which has been taken to the income statement for the year ended 31 March 2012.

**LIQUIDITY AND FUNDING**

Considering the current market situations and high demand from China and India, we anticipate that the operations will generate a positive cash flow over the remainder of the known mine life.

Subsidiary's Copper Rod business and precious metal refinery is also expected to generate positive cash flow based on expected volume.

**RISK MANAGEMENT**

The Copper mine entered the frame contract for the sale of copper concentrates with Sterlite Industries (India) Limited in 2009-10 for a future four years. Terms are negotiable on an annual basis. The company also periodically reviews the commodity hedging as a means to secure the sales realization.

Subsidiary uses derivatives to manage its exposure to commodity price movements and certain transactions denominated in foreign currencies. This is done within approved policy parameters.

**CHANGES IN STATE OF AFFAIRS**

There were no significant changes in the consolidated entity's state of affairs during the financial year.

**SUBSEQUENT EVENTS**

There has not been any matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years except that in a the board meeting on 19<sup>th</sup> Mar 2012, the Board passed a resolution to convert the Fujairah Loan of USD 8.6 Mio (USD 8.2 Mio plus interest til 31<sup>st</sup> Mar 12) to equity effective from 1<sup>st</sup> Apr 2012 and as a result Fujairah FZE will issue 316,100 equity shares @ AED 100 each.

**FUTURE DEVELOPMENTS**

There were no likely developments in the consolidated entity's operations that were not finalised at the date of this report.

**COPPER MINES OF TASMANIA PTY LIMITED**  
**DIRECTORS' REPORT**

**ENVIRONMENTAL REGULATION**

The consolidated entity is subject to environmental regulations and operates under licence. The consolidated entity is guided by the Environment Management and Pollution Control Act, 1994. The land use permit conditions are contained in the Environment Protection Notice (EPN) No. 308/2. The Environmental Management Plan was completed in March 1998 and together with the Act and EPN, is the basis for the management of all environmental aspects of the mining leases. The consolidated entity has been relieved of any environmental obligation in relation to any contamination, pollutants or pollution caused by past operations prior to acquisition of the consolidated entity by Monte Cello BV (i.e. prior to 1 April 1999).

During the financial year there were no major breaches of license conditions. Internal environmental audits were conducted during the financial year.

**INDEMNIFICATION OF OFFICERS AND AUDITORS**

During the year the holding company has paid premiums to insure the directors of the company, the company secretary and other executive officers of the company against a liability incurred as such a director, company secretary or other executive officer to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The company has not otherwise, during or since the financial year, indemnified or agreed to indemnify an officer or auditor of the company against a liability incurred as such an officer or auditor.

**ROUNDING OF AMOUNTS**

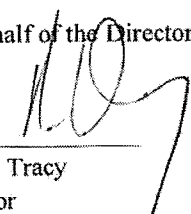
The company is of a kind referred to in Class Order 98/0100, dated 10 July 1998, and in accordance with that Class Order amounts in the directors' report and the financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

**AUDITOR'S INDEPENDENCE DECLARATION**

The auditor's independence declaration is included on page 4 of the financial report.

Signed in accordance with a resolution of the directors and made pursuant to S298 (2) of the Corporations Act 2001.

On behalf of the Directors

  
\_\_\_\_\_  
Robert Tracy  
Director  
Sydney

Date: 20 April 2012

The Board of Directors  
Copper Mines of Tasmania Pty Limited  
C/o Henry Davis York  
44 Martin Place  
SYDNEY NSW 2000

20 April 2012

Dear Board Members

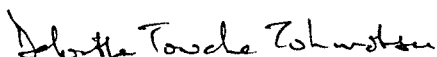
### **Copper Mines of Tasmania Pty Limited**

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Copper Mines of Tasmania Pty Limited.

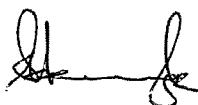
As lead audit partner for the audit of the financial statements of Copper Mines of Tasmania Pty Limited for the financial year ended 31 March 2012, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely



DELOITTE TOUCHE TOHMATSU



**Steven Hernyk**  
Partner  
Chartered Accountants

## **Independent Auditor's Report to the members of Copper Mines of Tasmania Pty Ltd**

We have audited the accompanying financial report of Copper Mines of Tasmania Pty Ltd, which comprises the statement of financial position as at 31 March 2012, the income statement, the statement of comprehensive income, the statement of cash flows and the statement of changes in equity for the year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity, comprising the company and the entities it controlled at the year's end or from time to time during the financial year as set out on pages 7 to 42.

### *Directors' Responsibility for the Financial Report*

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 2, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with International Financial Reporting Standards.

### *Auditor's Responsibility*

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control, relevant to the entity's preparation of the financial report that gives a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

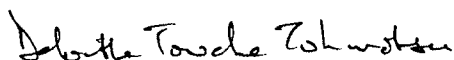
*Auditor's Independence Declaration*

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Copper Mines of Tasmania Pty Ltd, would be in the same terms if given to the directors as at the time of this auditor's report.

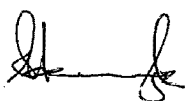
*Opinion*

In our opinion:

- (a) the financial report of Copper Mines of Tasmania Pty Ltd is in accordance with the *Corporations Act 2001*, including:
  - (i) giving a true and fair view of the company's and consolidated entity's financial position as at 31 March 2012 and of its performance for the year ended on that date; and
  - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- (b) the financial statements also comply with International Financial Reporting Standards as disclosed in Note 2.



DELOITTE TOUCHE TOHMATSU



Steven Heryk  
Partner  
Chartered Accountants  
Launceston, 20 April 2012

**COPPER MINES OF TASMANIA PTY LIMITED  
DIRECTORS DECLARATION**

The directors declare that :

- i. in the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable;
- ii. in the directors' opinion the attached financial statements are in compliance with International Financial Reporting Standards, as stated in note 2 to the financial statements;
- iii. in the directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the company and the consolidated entity.

Signed in accordance with a resolution of directors made pursuant to S295 (5) of the Corporations Act 2001.

On behalf of the Directors

Director

Robert Tracy

Sydney

Dated:

20 April 2012



**COPPER MINES OF TASMANIA PTY LIMITED**

**INCOME STATEMENT  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2012**

	Notes	Consolidated		Company	
		2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
<b>Revenue</b>	3	616,438	469,327	190,861	188,454
Changes in inventories of finished goods and work in progress		(12,980)	16,456	(2,820)	3,768
Raw materials and consumables used		(421,410)	(299,071)	(11,856)	(8,482)
Employee benefits expense		(14,374)	(13,290)	(12,715)	(11,750)
Depreciation and amortisation expense		(7,216)	(8,977)	(6,297)	(8,156)
Mining and milling costs		(81,880)	(72,023)	(81,880)	(72,023)
Selling and distribution costs		(18,069)	(15,894)	(15,522)	(15,224)
Finance costs	5	(1,564)	(2,078)	420	(994)
Other expenses		<u>(8,344)</u>	<u>(5,899)</u>	<u>(7,811)</u>	<u>(5,410)</u>
<b>Profit before income tax</b>		<b>50,601</b>	<b>68,551</b>	<b>52,380</b>	<b>70,183</b>
Income tax expense	6	<u>(15,693)</u>	<u>(20,805)</u>	<u>(15,693)</u>	<u>(20,805)</u>
<b>Profit for the year</b>		<b><u>34,908</u></b>	<b><u>47,746</u></b>	<b><u>36,687</u></b>	<b><u>49,378</u></b>

*Notes to the financial statements are included on pages 13 to 42*

**COPPER MINES OF TASMANIA PTY LIMITED**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2012**

	Notes	Consolidated		Company	
		2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
<b>Profit for the year</b>		34,908	47,746	36,687	49,378
<b>Other comprehensive income</b>					
Foreign currency translation:					
Exchange differences arising on translation of foreign operation during the year		(49)	(475)	-	-
Other comprehensive income for the period		(49)	(475)	-	-
<b>Total comprehensive income during the year</b>		<u>34,859</u>	<u>47,271</u>	<u>36,687</u>	<u>49,378</u>

*Notes to the financial statements are included on pages 13 to 42*

**COPPER MINES OF TASMANIA PTY LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2012**

	Notes	Consolidated		Company	
		2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
<b>Current assets</b>					
Cash and cash equivalents		19,504	5,632	18,330	4,456
Trade and other receivables	7	52,504	83,473	24,903	63,956
Inventories	8	27,360	62,901	7,876	11,475
Other	9	1,432	2,152	1,389	2,101
Deferred tax assets	6	309	1,058	309	1,058
Other financial assets	10	2,162	523	-	8,158
<b>Total current assets</b>		<b>103,271</b>	<b>155,739</b>	<b>52,807</b>	<b>91,204</b>
<b>Non current assets</b>					
Investment in Subsidiary	10	-	-	14,523	14,523
Other financial assets	10	-	-	8,308	-
Property, plant and equipment	11	42,167	31,736	22,644	14,763
<b>Total non current assets</b>		<b>42,167</b>	<b>31,736</b>	<b>45,475</b>	<b>29,286</b>
<b>Total assets</b>		<b>145,438</b>	<b>187,475</b>	<b>98,282</b>	<b>120,490</b>
<b>Current liabilities</b>					
Trade and other payables	12	18,355	64,179	14,130	14,359
Current tax liabilities	6	5,112	6,835	5,112	6,835
Provisions	14	1,477	1,404	1,453	1,348
Borrowings	15	50,375	57,421	-	34,671
<b>Total current liabilities</b>		<b>75,319</b>	<b>129,839</b>	<b>20,695</b>	<b>57,213</b>
<b>Non current liabilities</b>					
Provisions	14	12,606	9,438	12,606	9,438
<b>Total non current liabilities</b>		<b>12,606</b>	<b>9,438</b>	<b>12,606</b>	<b>9,438</b>
<b>Total liabilities</b>		<b>87,925</b>	<b>139,277</b>	<b>33,301</b>	<b>66,651</b>
<b>Net assets</b>		<b>57,513</b>	<b>48,198</b>	<b>64,981</b>	<b>53,839</b>
<b>Equity</b>					
Issued capital (2 shares of AUD 1 each)	16	-	-	-	-
Retained earnings	17	57,513	48,198	64,981	53,839
<b>Total equity</b>		<b>57,513</b>	<b>48,198</b>	<b>64,981</b>	<b>53,839</b>

*Notes to the financial statements are included on pages 13 to 42*

**COPPER MINES OF TASMANIA PTY LIMITED**  
**STATEMENT OF CASH FLOWS**  
**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2012**

	Notes	Consolidated		Company	
		2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
<b>Cash flows from operating activities</b>					
Profit before taxation		50,601	68,551	52,380	70,183
<b>Adjustments to reconcile net income to net cash</b>					
Depreciation expenses		7,216	8,977	6,297	8,156
Foreign exchange loss		(1,517)	2,625	(1,543)	2,432
Interest Income		(672)	(1,020)	(672)	(1,020)
Interest Expense		2,386	1,153	411	359
		<u>58,014</u>	<u>80,286</u>	<u>56,873</u>	<u>80,110</u>
<b>Changes in assets and liabilities :</b>					
Decrease/(increase) in trade and other receivables		30,928	(43,744)	40,652	(24,350)
Decrease/(increase) in inventories		35,541	(39,266)	3,599	(3,550)
Decrease/(increase) in other current and non-current assets		774	(1,914)	767	(1,863)
Increase/(decrease) in trade payables and provisions		(45,853)	32,850	(347)	1,824
Increase in other current and non-current liabilities		73	(511)	222	(531)
		<u>79,477</u>	<u>27,701</u>	<u>101,766</u>	<u>51,640</u>
<b>Cash generated from operations</b>					
Interest received		467	1,020	467	1,020
Interest and other costs of finance paid		(2,021)	(803)	(19)	(9)
Income tax paid		(16,705)	(24,258)	(16,705)	(24,258)
		<u>61,218</u>	<u>3,660</u>	<u>85,509</u>	<u>28,393</u>
<b>Net cash provided by operating activities</b>					
<b>Cash flows from investing activities</b>					
Purchases of property, plant and equipment		(15,080)	(8,718)	(11,516)	(7,458)
Advance to related parties (Fujairah Gold FZE)		-	-	-	(3,080)
Purchase from fixed deposits more than 3 months		-	(107,210)	-	(107,210)
Proceeds from fixed deposits more than 3 months		-	111,511	-	111,511
Proceeds from Konkola Copper Mines Pty Ltd		94	164,603	94	164,603
Foreign exchange gain/(loss) on translation foreign subsidiary		227	72	-	-
		<u>(14,759)</u>	<u>160,258</u>	<u>(11,422)</u>	<u>158,366</u>
<b>Net cash provided by / (used in) investing activities</b>					
<b>Cash flows from financing activities</b>					
Proceeds of borrowings		27,626	22,995	-	246
Repayment of borrowings		(34,670)	-	(34,670)	-
Payment of dividend		(25,543)	(198,000)	(25,543)	(198,000)
		<u>(32,587)</u>	<u>(175,005)</u>	<u>(60,213)</u>	<u>(197,754)</u>
<b>Net cash used in financing activities</b>					
Realised gain/(loss) changes on cash and cash equivalents		-	-	-	-
		<u>13,872</u>	<u>(11,087)</u>	<u>13,874</u>	<u>(10,995)</u>
<b>Net decrease in cash and cash equivalents</b>					
		<u>5,632</u>	<u>16,719</u>	<u>4,456</u>	<u>15,450</u>
<b>Cash and cash equivalent at the beginning of the financial year</b>					
Effect of exchange rate changes on the balance of cash held in foreign currencies		-	-	-	-
		<u>19,504</u>	<u>5,632</u>	<u>18,330</u>	<u>4,456</u>
<b>Cash and cash equivalents at the end of the financial year</b>	26(a)				

Notes to the financial statements are included on pages 13 to 42

**COPPER MINES OF TASMANIA PTY LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**AS AT 31 MARCH 2012**

**Consolidated:**

	Fully paid ordinary shares \$'000	Foreign currency translation reserve \$'000	Retained earnings \$'000	Total attributable to owners of the parent \$'000	Total \$'000
<b>Balance at 1 April 2010</b>	-	(4,283)	203,210	198,927	198,927
Profit for the period	-	-	47,746	47,746	47,746
Other comprehensive income for the year	-	(475)	-	(475)	(475)
Total comprehensive income for the year	-	(475)	47,746	47,271	47,271
Dividend paid during the year	-	-	(198,000)	(198,000)	(198,000)
<b>Balance at 31 March 2011</b>	-	(4,758)	52,956	48,198	48,198
Profit for the period	-	-	34,908	34,908	34,908
Other comprehensive income for the year	-	(49)	-	(49)	(49)
Total comprehensive income for the year	-	(49)	34,908	34,859	34,859
Dividend paid during the year	-	-	(25,543)	(25,543)	(25,543)
<b>Balance at 31 March 2012</b>	-	(4,807)	62,321	57,513	57,513

**Company:**

	Fully paid ordinary shares \$'000	Foreign currency translation reserve \$'000	Retained earnings \$'000	Total attributable to owners of the parent \$'000	Total \$'000
<b>Balance at 1 April 2010</b>	-	-	202,459	202,459	202,459
Profit for the period	-	-	49,378	49,378	49,378
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	-	-	49,378	49,378	49,378
Dividend paid during the year	-	-	(198,000)	(198,000)	(198,000)
<b>Balance at 31 March 2011</b>	-	-	53,837	53,837	53,837
Profit for the period	-	-	36,687	36,687	36,687
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	-	-	36,687	36,687	36,687
Dividend paid during the year	-	-	(25,543)	(25,543)	(25,543)
<b>Balance at 31 March 2012</b>	-	-	64,981	64,981	64,981

*Notes to the financial statements are included on pages 13 to 42*

## COPPER MINES OF TASMANIA PTY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2012

#### 1. New and revised Accounting Standards

In the current year, the Consolidated Entity and the Company have adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for annual reporting periods beginning on or after 1 January 2011. The adoption of the following new and revised Standards and Interpretations has not resulted in any significant changes to the company's and the Group's accounting policies or affected amounts reported for the current or prior years.

- AASB 124 'Related Party Disclosures' (revised), AASB 2009-12 'Amendments to Australian Accounting Standards'
- AASB 2009-10 'Amendments to Australian Accounting Standards – Classification of Rights Issues'
- AASB Interpretation 19 'Extinguishing Financial Liabilities with Equity Instruments'
- AASB 2010-4 'Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project'

#### *Standards issued but not yet effective*

Initial application of the following Standards and Interpretations are not expected to have material impact on the financial report of the Consolidated Entity or the Company:

- AASB 9 'Financial Instruments' (revised), AASB 2010-7, AASB 2009-11 - Effective for reporting periods beginning on or after 1 January 2013.
- AASB 10 Consolidated Financial Statements – Effective for reporting period being on or after 1 January 2013
- AASB 12 Disclosure of Interests in Other Entities – Effective for reporting period being on or after 1 January 2013
- AASB 127 Separate Financial Statements – Effective for reporting period being on or after 1 January 2013
- AASB 13 Fair Value Measurement, AASB 2011-8 – Effective for reporting period being on or after 1 January 2013
- AASB 119 Employee Benefits, AASB 2011-10, AASB 2011-11 – Effective for reporting period being on or after 1 January 2013
- AASB 2011-7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements standards – Effective for reporting period being on or after 1 January 2013
- AASB 2011-9 Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income – Effective for reporting period being on or after 1 July 2012
- 
- AASB 2010-6 'Amendments to Australian Accounting Standards – Disclosures on Transfers of Financial Assets' – Effective for reporting periods beginning on or after 1 July 2011.
- AASB 2010-8 'Amendments to Australian Accounting Standards – Deferred Tax: Recovery of Underlying Assets' – Effective for reporting periods beginning on or after 1 January 2012.

At the date of authorisation of the financial statements, the following IASB Standards and IFRIC Interpretations we also in issue but not yet effective, although Australian equivalent Standards and interpretations have not yet been adopted:

- Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32)
- Disclosures – Offsetting Financial Assets and Financial Liabilities (Amendments to IFRS 7)

#### 2. Significant accounting policies

##### **Statement of compliance**

The financial report is a general purpose financial report which has been prepared in accordance with the Corporations Act 2001, Australian Accounting Standards and Interpretations, and complies with other requirements of the law. The financial report includes the separate financial statements of the company and the consolidated financial statements of the Group. Accounting Standards include Australian equivalents to International Financial Reporting Standards ('A-IFRS'). Compliance with A-IFRS ensures that the financial statements and notes of the entity comply with International Financial Reporting Standards ('IFRS').

The financial statements were authorised for issue by the directors on 20 April 2012.

## COPPER MINES OF TASMANIA PTY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2012

#### 2. Significant accounting policies (continued)

##### **Basis of preparation**

The financial report has been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The company is a company of the kind referred to in ASIC Class Order 98/0100, dated 10 July 1998, and in accordance with that Class Order amounts in the financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

##### **Critical accounting judgements**

###### *Rehabilitation provision*

The provision for rehabilitation costs represents the present value of the director's best estimate of the future sacrifice of economic benefits that will require rehabilitating the leasehold property. The director's estimates are based on estimates provided by environmental consultants in July 2011. Company has reengaged the same environmental consultant to update estimates and discussion with government for approving on the closure plan has been revived. Further, the company has engaged mine planning consultant for working on design and feasibility to extend the life of mine. Necessary adjustment in rehabilitation provision would be made after considering complete information on timing and scope of the closure requirement.

###### *Useful lives of property, plant and equipment:*

As described in note 2 (i), the Group reviews the estimated useful lives of property, plant and equipment at the end of each annual reporting period. During the financial year, The directors have determined that the useful life of certain items of property, plant and equipment be 3 years in line with the expected mine life.

**The following significant accounting policies have been adopted in the preparation and presentation of the financial report:**

##### **(a) Basis of consolidation**

The consolidated financial statements incorporate the financial statements of the Company and entities (including special purpose entities) controlled by the Company (its subsidiaries) (referred to as 'the Group' in these financial statements). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Income and expense of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation. Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. When assets of the subsidiary are carried at revalued amounts or fair values and the related cumulative gain or loss has been recognised in other comprehensive income and accumulated in equity, the amounts previously recognised in other comprehensive income and accumulated in equity are accounted for as if the Company had directly disposed of the relevant assets (i.e. reclassified to profit or loss or transferred directly to retained earnings as specified by applicable Standards). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under AASB 139 'Financial Instruments: Recognition and Measurement' or, when applicable, the cost on initial recognition of an investment in an associate or jointly controlled entity.

## COPPER MINES OF TASMANIA PTY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2012

#### 2. Significant accounting policies (continued)

##### (b) Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value which is calculated as the sum of the acquisition-date fair values of assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity instruments issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with AASB 112 'Income Taxes' and AASB 119 'Employee Benefits' respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with AASB 2 'Share-based Payment' at the acquisition date; and
- assets (or disposal groups) that are classified as held for sale in accordance with AASB 5 'Noncurrent Assets Held for Sale and Discontinued Operations' are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another Standard.

Where the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or liability is remeasured at subsequent reporting dates in accordance with AASB 139, or AASB 137 'Provisions, Contingent Liabilities and Contingent Assets', as appropriate, with the corresponding gain or loss being recognised in profit or loss.

Where a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group attains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.



**COPPER MINES OF TASMANIA PTY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2012**

**2. Significant accounting policies (continued)**

Business combinations that took place prior to 1 July 2009 were accounted for in accordance with the previous version of AASB 3.

Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard. If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Company reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see below), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

The measurement period is the period from the date of acquisition to the date the Company obtains complete information about facts and circumstances that existed as of the acquisition date – and is subject to a maximum of one year.

**(c) Income tax**

Current tax

Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or tax loss for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by reporting date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

Deferred tax

Deferred tax is accounted for using the comprehensive balance sheet liability method. Temporary differences are differences between the tax base of an asset or liability and its carrying amount in the balance sheet. The tax base of an asset or liability is the amount attributed to that asset or liability for tax purposes.

In principle, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised. However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities (other than as a result of a business combination) which affects neither taxable income nor accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates and joint ventures except where the Group is able to control the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with these investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period(s) when the asset and liability giving rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the group to settle its current tax assets and liabilities on a net basis.

## COPPER MINES OF TASMANIA PTY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2012

#### 2. Significant accounting policies (continued)

##### Current and deferred tax for the period

Current and deferred tax is recognised as an expense or income in the income statement, except when it relates to items credited or debited directly to equity, in which case the deferred tax is also recognised directly in equity.

##### (d) **Foreign currency**

The individual financial statements of each group entity are presented in its functional currency being the currency of primary economic environment in which the entity operates. For the purpose of the consolidated financial statements, the results and financial position of each entity are expressed in Australian dollars, which is the functional currency of Copper Mines of Tasmania Pty Ltd and the presentation currency for the consolidated financial statements.

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Nonmonetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- exchange differences on transactions entered into in order to hedge certain foreign currency risks; and
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into Australian dollars using exchange rates prevailing at the end of the reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (attributed to noncontrolling interests as appropriate).

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, loss of joint control over a jointly controlled entity that includes a foreign operation, or loss of significant influence over an associate that includes a foreign operation), all of the accumulated exchange differences in respect of that operation attributable to the Group are reclassified to profit or loss.

In the case of a partial disposal that does not result in the Group losing control over a subsidiary that includes a foreign operation, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. reductions in the Group's ownership interests in associates or jointly controlled entities that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

Goodwill and fair value adjustments on identifiable assets and liabilities acquired arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in equity.

##### (e) **Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for commodity hedge losses, and estimated customer returns, stock rotation, price protect, rebates and other similar allowances.

## COPPER MINES OF TASMANIA PTY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2012

#### Sale of goods

Revenue from the sale of goods is recognised when the following conditions are satisfied:

- the group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the group retains neither the continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably
- it is probable that the economic benefits associated with the transaction will flow to the entity; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

#### Interest revenue

Interest revenue is accrued on a time basis, by reference to the principal outstanding at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to the asset's net carrying amount.

#### **(f) Inventories**

##### *(i) Ore and concentrate*

Inventories of mined ore, concentrate and work in process are physically measured or estimated and valued at the lower of cost and net realisable value.

Cost includes direct materials, labour and transportation expenditure in getting such inventories to their existing location and condition, together with an appropriate portion of fixed and variable overhead expenditure, based on weighted average costs incurred during the period in which such inventories were produced.

Net realisable value is the amount estimated to be obtained from sale of the item of inventory in the normal course of business, less any anticipated costs to be incurred prior to its sale.

To the extent to which more than one finished product is obtained from the mineral resource ("joint products") all joint production costs are apportioned between the resulting finished products by reference to their estimated net realisable value at the point where those joint products become physically separated.

##### *(ii) Stores and consumables*

Inventories of consumable supplies and spare parts expected to be used in production are valued at weighted average cost. Obsolete or damaged inventories are valued at net realisable value through the recognition of an impairment write down. A regular and ongoing review is undertaken to establish the extent of surplus items, and an impairment write down is made for any potential loss on their disposal.

## COPPER MINES OF TASMANIA PTY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2012

#### 2. Significant accounting policies (continued)

##### (g) Impairment of long-lived assets excluding goodwill

At each reporting date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash generating units or otherwise they are allocated to the smallest group of cash generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the reversal of the impairment loss is treated as a revaluation increase.

##### (h) Project exploration, evaluation and development expenditure

Exploration and evaluation expenditures in relation to each separate area of interest are recognised as an exploration and evaluation asset in the year which they are incurred where the following conditions are satisfied:

- (i) The rights to tenure of the area of interest are current; and
- (ii) The exploration and evaluation expenditures are expected to be recouped through successful development and exploration of the area of interest, or alternatively, by its sale.

Expenditure incurred during exploration and the early stages of evaluation of new areas of interest within the development area are written off as incurred.

Exploration and evaluation assets are initially measured at cost and include acquisition of rights to explore, studies, exploratory drilling, trenching and sampling and associated activities and an allocation of depreciation and amortisation of assets used in exploration and evaluation activities. General and administrative costs are only in the measurement of exploration and evaluation costs where they are related directly to operational in a particular area of interest.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. The recoverable amount of the exploration and evaluation asset (or the cash-generating units to which it has been allocated, being no larger than the relevant area of interest) is estimated to determine the extent of impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset increases to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years.

Where a decision is made to proceed with development in respect of a particular area of interest, the relevant exploration and evaluation asset is tested for impairment and the balance is then reclassified to "development". Development expenditure is recognised at cost less accumulated amortisation and any impairment losses. Where commercial production in an area of interest has commenced, the associated costs, are amortised over the estimated economic life of the mine on a units-of-production basis. Where it is decided to abandon an area of interest, costs carried forward in respect of that area are written off in full in the year in which the decision was taken. Changes in factors such as estimates of proved and probable reserves that affect unit-of-production calculations are dealt with on a prospective basis.

## COPPER MINES OF TASMANIA PTY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2012

#### 2. Significant accounting policies (continued)

##### (i) Property, plant and equipment

Land, buildings, plant and equipment, mine development and equipment under finance lease are stated at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the item. In the event that settlement of all or part of the purchase consideration is deferred, cost is determined by discounting the amounts payable in the future to their present value as at the date of acquisition. Where items of plant and equipment have separately identifiable components, which are subject to regular replacement, those components are assigned useful lives distinct from the item of plant and equipment to which they relate.

Depreciation is provided on all property, plant and equipment, mine development including freehold buildings but excluding land. Depreciation is calculated on a straight line basis so as to write off the net cost or other revalued amount of each asset over its expected useful life, or over remaining life of the mine if shorter, to its estimated residual value. Leasehold improvements are depreciated over the period of the lease or the estimated residual life, whichever is the shorter, using the straight line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period, with the effect of any changes recognised on a prospective basis.

Major spares purchased specifically for particular plant are capitalised and depreciated on the same basis as the plant to which they relate. The company's plant requires overhaul on a regular basis. This is managed as part of an ongoing major cyclical maintenance program. The costs of this maintenance are charged as expenses as incurred, except where they relate to the replacement of a component of an asset, in which case the costs are capitalised and depreciated. Other routine operating maintenance, repair costs and minor renewals are also charged as expenses as incurred.

##### (j) Leased assets

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the leased asset to the lessee. All other leases are classified as operating leases.

##### Group as lessee

Assets held under finance leases are initially recognised at their fair value or, if lower, at amounts equal to the present value of the minimum lease payments, each determined at the inception of the lease. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs. Contingent rentals are recognised as an expense in the period, which they are incurred.

Finance leased assets are amortised on a straight-line basis over the term of the asset.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

##### (k) Employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave when it is probable that settlement will be required and they are capable of being measured reliably.

Liabilities recognised in respect of employee benefits expected to be settled within 12 months, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Liabilities recognised in respect of employee benefits which are not expected to be settled within 12 months are measured at the present value of the estimated future cash outflows to be made by the company in respect of services provided by employees up to reporting date.

##### Defined contribution plans

Contributions to defined contribution superannuation plans are expensed when incurred.

## COPPER MINES OF TASMANIA PTY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2012

#### 2. Significant accounting policies (continued)

##### (l) Provision for restoration and rehabilitation

A provision for restoration and rehabilitation is recognised when there is a present obligation as a result of exploration, development and production activities undertaken, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the provision can be measured reliably. The estimated future obligations include the costs of removing facilities and restoring the affected areas.

The provision for future restoration costs is the best estimate of the present value of the expenditure required to settle the restoration obligation at the reporting date. Future restoration costs are reviewed annually and any changes in the estimate are reflected in the present value of the restoration provision at each reporting date.

The initial estimate of the restoration and rehabilitation provision relating to exploration, development and production facilities is capitalised at the start of each project into the cost of the related asset and is charged to the income statement as depreciation on the same basis as the related asset, unless the present obligation arises from the production of inventory in the period, in which case the amount is included in the cost of production for the period.

Changes in the estimate of the provision for restoration and rehabilitation are treated in the same manner, except that the unwinding of the effect of discounting on the provision is recognised as a finance cost rather than being capitalised into the cost of the related asset.

Costs for restoration of subsequent site damage which is caused on an ongoing basis during production are provided for at their net present values and charged to the profit and loss account as extraction progresses. Where the costs of site restoration are not anticipated to be material, they are expensed as incurred.

##### (m) Borrowing costs

All borrowing costs are recognised as expenses in the period in which they are incurred.

##### (n) Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalent are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value.

##### (o) Derivative financial instruments

The Group enters into a variety of derivative financial instruments to manage its exposure to foreign exchange, interest rate and commodity price risks, including forward contracts, options, swap contracts. Further details of derivative financial instruments are disclosed in note 24 to the financial statements. The company does not hold nor issue derivative financial instruments for speculative purposes.

Derivative financial instruments are initially recorded at their fair value on the date the derivative transaction is entered and are subsequently re-measured at their fair value at each reporting date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event, the timing of the recognition in profit or loss depends on the nature of the hedge relationship. The company designates certain derivatives as either hedges of the fair value of recognised assets or liabilities or firm commitments (fair value hedges), or hedges of highly probable forecast transactions or hedges of foreign currency risk of firm commitments (cash flow hedges). The fair value of hedging commitments is classified as a non-current asset or a non-current liability if the remaining maturity of the hedge relationship is more than 12 months and as a current asset or a current liability if the remaining maturity of the hedge relationship is less than 12 months.

Derivatives that are not designated into an effective hedge relationship are classified as current assets or current liabilities.

## COPPER MINES OF TASMANIA PTY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2012

#### 2. Significant accounting policies (continued)

##### (o) Derivative financial instruments (cont'd)

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised, or no longer qualifies for hedge accounting. At that time, any cumulative gain or loss on the hedging instrument recognised in equity is kept in equity until the forecast transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in equity is transferred to net profit or loss for the year.

##### Embedded derivatives

Derivatives embedded in other financial instruments or other host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of host contracts and the host contracts are not measured at fair value with changes in fair value recognised in profit or loss.

##### Hedge accounting

The company designates certain hedging instruments, which include derivatives, embedded derivatives and non-derivatives in respect of foreign currency risk as either fair value hedges or cash flow hedges.

##### (p) Financial assets

Investments are recognised and derecognised on trade date where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the time frame established by the market concerned, and are initially measured at fair value, net of transaction costs.

Subsequent to initial recognition, investments in subsidiaries are measured at cost in the company's financial statements.

Other financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss', 'held-to-maturity' investments, 'available-for-sale' financial assets, and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. Currently the company only has financial assets within the loans and receivables category.

##### Effective interest rate method

The effective interest rate method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, where appropriate, a shorter period. Income is recognised on an effective interest rate method for debt instruments other than those financial assets 'at fair value through profit or loss'.

##### Loans and receivables

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less impairment.

Interest is recognised by applying the effective interest rate.

##### Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

## COPPER MINES OF TASMANIA PTY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2012

#### 2. Significant accounting policies (continued)

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

On derecognition of a financial asset other than in its entirety (e.g. when the Group retains an option to repurchase part of a transferred asset or retains a residual interest that does not result in the retention of substantially all the risks and rewards of ownership and the Group retains control), the Group allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

#### Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that as a result of one or more events that occurred after the initial recognition of the financial asset the estimated future cash flows of the investment have been impacted. For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account. When a trade receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of an amount written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previous recognised impairment loss is reversed through profit or loss to the extent that the carrying amount at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

#### (q) Financial Instruments issued by the Group and Financial Liabilities

##### Debt and equity instruments

Debt and equity instruments are classified as either liabilities or as equity in accordance with the substance of the contractual arrangement.

##### Financial liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities.

##### Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss are initially measured at fair value with any resultant gain or loss recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability.

##### Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.



**COPPER MINES OF TASMANIA PTY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2012**

**2. Significant accounting policies (continued)**

**(r) Goods and services tax**

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

- i. where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- ii. for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

**COPPER MINES OF TASMANIA PTY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
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**3. Revenue**

	Consolidated		Company	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Analysis of the Group's revenue for the year, from both continuing and discontinued operations, is as follows:				
Revenue from the sale of goods	615,198	476,418	190,379	195,411
Foreign exchange realization gain/(loss)	(448)	(8,482)	(448)	(8,482)
	614,750	467,936	189,931	186,929
<b>Revenue from other activities</b>				
Interest				
- Bank deposits	449	806	449	806
-Others loans and receivables	223	247	223	474
Royalties	12	17	12	17
Other	1,004	321	246	228
	1,688	1,391	930	1,525
<b>Revenue from ordinary activities</b>	616,438	469,327	190,861	188,454

**4. Profit for the year**

**(a) Other expenses**

Profit for the year includes the following expenses

Cost of sales	(557,057)	(389,719)	(132,604)	(109,121)
Depreciation of non-current assets				
Buildings	(91)	(99)	(32)	(44)
Plant and equipment	(3,305)	(3,190)	(2,445)	(2,423)
	(3,396)	(3,289)	(2,477)	(2,467)
Amortisation of non-current assets				
Rehabilitation assets	-	-	-	-
Mine development	(3,820)	(5,689)	(3,820)	(5,689)
	(3,820)	(5,689)	(3,820)	(5,689)
<b>Total Depreciation and amortisation</b>	(7,216)	(8,977)	(6,297)	(8,156)
Employee benefit expense:				
Defined contribution plan	(1,234)	(1,153)	(1,227)	(1,148)
Operating lease rental expenses:				
Minimum lease payments	(459)	(335)	(449)	(335)

**COPPER MINES OF TASMANIA PTY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2012**

5. Finance costs	Consolidated		Company	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Interest and finance charges paid / payable	(2,062)	(998)	(104)	(107)
Foreign exchange gain/(loss)	804	(730)	830	(537)
Unwinding of discount on non current borrowings and rehabilitation provision	(306)	(350)	(306)	(350)
	<u>(1,564)</u>	<u>(2,078)</u>	<u>420</u>	<u>(994)</u>

**6. Income taxes**

**(a) Income tax recognised in profit or loss**

Tax expense comprises:

Current tax expense	15,520	22,836	15,520	22,836
Adjustment recognised in the current year in relation to the current tax of prior years	(576)	(1,316)	(576)	(1,316)
Adjustment recognised in the current year in relation to the deferred tax of prior years	536	(127)	536	(127)
Deferred tax expense relating to the origination and reversal of temporary differences	213	(1,636)	213	(1,636)
(Over)/under provision of income tax in previous year	-	1,048	-	1,048
Total tax expense	<u>15,693</u>	<u>20,805</u>	<u>15,693</u>	<u>20,805</u>
Attributable to:				
Continuing operations	<u>15,693</u>	<u>20,805</u>	<u>15,693</u>	<u>20,805</u>

The prima facie income tax expense on pre-tax accounting profit from operations reconciles to the income tax expense in the financial statements as follows:

Profit from continuing operations	<u>50,601</u>	<u>68,551</u>	<u>52,380</u>	<u>70,183</u>
Income tax expense calculated at 30%	15,180	20,565	15,714	21,055
Non-deductible expenses	19	18	19	18
Provisions and other	-	490	-	-
Non-deductible foreign loss	534			
Over provision of income tax in previous year	(40)	(268)	(40)	(268)
	<u>15,693</u>	<u>20,805</u>	<u>15,693</u>	<u>20,805</u>

The tax rate used in the above reconciliation is the corporate tax rate of 30% payable by Australian corporate entities on taxable profits under Australian tax law. There has been no change in the corporate tax rate when compared with the previous reporting period.

**Tax consolidation:**

**Relevance of tax consolidation to the Group**

The Company and its Associate Australian resident entity have formed a Multiple Entry Consolidated Group with effect from 1<sup>st</sup> April 2007 and are therefore taxed as single entity from that date. The head entity within the tax-consolidated group is Copper Mines of Tasmania Pty Ltd. The members of the tax-consolidated group are Copper Mines of Tasmania

**COPPER MINES OF TASMANIA PTY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
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Pty Ltd and Thalanga Copper Mines Pty Ltd.

**6. Income taxes (cont'd)**

**Nature of funding arrangements and tax sharing agreements**

Entities within the tax-consolidated group have entered into a tax funding arrangement and a tax-sharing agreement with the head entity. Under the terms of the tax funding arrangement, Copper Mines of Tasmania Pty Ltd and each of the entities in the tax-consolidated group has agreed to pay a tax equivalent payment to from the head entity, based on the current tax liability or current tax asset of the entity. Such amounts are reflected in amounts receivable or payable to other entities in the tax-consolidated group.

The tax sharing agreement entered into between members of the tax-consolidated group provides for the determination of the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations or if any entity should leave the tax-consolidated group. The effect of the tax sharing agreement is that each member's liability for tax payable by the tax-consolidated group is limited to the head entity under the tax funding agreement.

	Consolidated		Company	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
<b>(b) Income tax recognised directly in equity</b>				
Translation of foreign operations	-	-	-	-
 <b>(c) Current tax liabilities</b>				
Income tax payable				
Copper Mines of Tasmania Pty Ltd	5,249	6,690	5,249	6,690
Thalanga Copper Mines Pty Ltd	(137)	145	(137)	145
<b>Total income tax payable</b>	<u>5,112</u>	<u>6,835</u>	<u>5,112</u>	<u>6,835</u>

**(d) Deferred tax**

Deferred tax assets/(liabilities) arise from the following

2012	Consolidated & Company (*)		
	Opening balance \$'000	Charged to income \$'000	Closing balance \$'000
<b>Temporary differences</b>			
Trade and other receivables	-	-	-
Property plant and equipment	(1,062)	(1327)	(2389)
Insurance claim	(44)	(337)	(381)
Loans to associates	-	-	-
Cash and deposits	-	-	-
Inventories	(1,645)	234	(1,411)
Payables	32	19	51
Accruals	22	3	25
Loan to subsidiary	341	16	357
Receivable	178	(339)	(161)
Provisions	3,236	982	4,218
	<u>1,058</u>	<u>(749)</u>	<u>309</u>

Presented in the balance sheet as follows:

**COPPER MINES OF TASMANIA PTY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2012**

Deferred Tax Asset	<u><u>309</u></u>
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**6. Income taxes (cont'd)**

2011	Consolidated & Company (*)		
	Opening balance	Charged to income	Closing balance
	\$'000	\$'000	\$'000
Trade and other receivables	(525)	525	-
Property plant and equipment	(689)	(373)	(1,062)
Insurance claim	(532)	488	(44)
Loans to associates	(420)	420	-
Cash and deposits	(20)	20	-
Inventories	(1,590)	(55)	(1,645)
Payables	32	0	32
Accruals	30	(8)	22
Loan to subsidiary		341	341
Receivable		178	178
Provisions	3,136	100	3,236
	<u>(578)</u>	<u>1,636</u>	<u>1,058</u>

Presented in the balance sheet as follows:

Deferred tax asset	<u><u>1,058</u></u>
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\* Consolidated & standalone company tax statements are same since subsidiary company operate in zero corporate taxation regime in Fujairah, UAE.

**7. Trade and other receivables**

	Consolidated		Company	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Trade receivables (i)	47,732	80,543	23,071	61,157
Other receivables	4,772	2,930	1,832	2,799
	<u>52,504</u>	<u>83,473</u>	<u>24,903</u>	<u>63,956</u>

(i) Average credit period is 30 days and no interest is charged.  
No allowance has been made for estimated irrecoverable trade receivable amounts due to past experience.

**8. Inventories**

Stores and consumables at cost	7,638	7,208	7,062	6,711
Write down to net realizable value	(2,357)	(1,227)	(2,357)	(1,227)
Work in progress at cost (ore)	15,560	37,848	382	415
Finished goods at cost (concentrate)	6,519	19,072	2,789	5,576
	<u>27,360</u>	<u>62,901</u>	<u>7,876</u>	<u>11,475</u>

**9. Other assets**

Prepayments	1,432	2,152	1,389	2,101
	<u>1,432</u>	<u>2,152</u>	<u>1,389</u>	<u>2,101</u>

**COPPER MINES OF TASMANIA PTY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2012**

10. Other financial assets	Consolidated		Company	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
<u>Non current</u>				
Investment in subsidiary (note 23) at cost	-	-	14,523	14,523
Loan to subsidiary at amortised costs	-	-	8,308	-
	<hr/>	<hr/>	<hr/>	<hr/>
	-	-	22,831	14,523-
<u>Current</u>				
Foreign Currency Forward Contract at fair value	-	523	-	-
Commodity Forward Contract at fair value (1)	2,162			
Loan to subsidiary at amortised cost	-	-	-	8,158
	<hr/>	<hr/>	<hr/>	<hr/>
	2,162	523	-	8,158
<b>Disclosed in the financial statements as:</b>				
Current other financial assets	2,162	523	-	8,158
Non current financial assets			8,308	
Non-current- Investment in Subsidiary	-	-	14,523	14,523
	<hr/>	<hr/>	<hr/>	<hr/>
	2,162	523	22,831	22,681

Future contracts with nominal values of US\$ 173 million (2011: US\$ 0.97 million) have fixed payments on settlement dates. At 31 March 2012, the fair value of future contracts is positive AED 8.1 million (AUD\$2.1m) which has been taken to the income statement for the year ended 31 March 2012.

**COPPER MINES OF TASMANIA PTY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2012**

**11. Property, plant and equipment**

**Consolidated**

	Freehold land and Buildings at cost  \$'000	Mine reserve and development at cost  \$'000	Plant and equipment at cost  \$'000	Capital work in progress  \$'000	Rehabilitation assets  \$'000	Total  \$'000
<b>Gross carrying amount</b>						
<b>Balance as at 1 April 2010</b>	847	40,733	62,324	17,182	4,915	126,001
Additions	1,292	-	11,230	(3,537)	(266)	8,719
Transfers	-	5,797	2,752	(8,549)	-	-
Forex on opening bal.	(48)	-	(535)	(1,210)	-	(1,793)
<b>Balance at 1 April 2011</b>	2,091	46,530	75,771	3,886	4,649	132,927
Additions	70	5,480	7,135	2,389	2,661	17,735
Forex on opening bal.	(9)	-	(83)	-	-	(92)
<b>Balance at 31 March 2012</b>	2,152	52,010	82,823	6,275	7,310	150,570
<b>Accumulated depreciation</b>						
<b>Balance at 1 April 2010</b>	200	38,969	48,436	-	4,730	92,335
Depreciation expense	99	5,689	3,270	-	(81)	8,977
Forex on opening bal.	(8)	-	(113)	-	-	(121)
<b>Balance at 1 April 2011</b>	291	44,658	51,593	-	4,649	101,191
Depreciation expense	91	3,820	3,400	-	(101)	7,210
Forex on opening bal.	(1)	-	3	-	-	2
<b>Balance at 31 March 2012</b>	381	48,478	54,996	-	4,548	108,403
<b>Net book value</b>						
As at 31 March 2011	1,800	1,872	24,178	3,886	-	31,736
As at 31 March 2012	1,771	3,532	27,827	6,275	2,762	42,167

**COPPER MINES OF TASMANIA PTY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
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**Company**

	Freehold land and Buildings at cost \$'000	Mine reserve and development at cost \$'000	Plant and equipment at cost \$'000	Capital work in progress \$'000	Rehabilitation assets \$'000	Total \$'000
<b>Gross carrying amount</b>						
<b>Balance as at 1 April 2010</b>	354	40,733	56,802	4,691	4,915	107,495
Additions	-	-	-	7,723	(266)	7,457
Transfers	-	5,797	2,752	(8,549)	-	-
<b>Balance at 1 April 2011</b>	354	46,530	59,554	3,865	4,649	114,952
Additions	-	5,480	6,787	(750)	2,661	14,177
<b>Balance at 31 March 2012</b>	354	52,010	66,341	3,115	7,310	129,129
<b>Accumulated depreciation</b>						
<b>Balance at 1 April 2010</b>	184	38,969	48,150	-	4,730	92,033
Depreciation expense	44	5,689	2,504	-	(81)	8,156
<b>Balance at 1 April 2011</b>	228	44,658	50,654	-	4,649	100,189
Depreciation expense	32	3,820	2,547	-	(101)	6,297
<b>Balance at 31 March 2012</b>	260	48,478	53,201	-	4,548	106,487
<b>Net book value</b>						
As at 31 March 2011	126	1,872	8,900	3,865	-	14,763
As at 31 March 2012	94	3,532	13,140	3,115	2,763	22,644

Aggregated depreciation and amortisation allocated during the year is recognised as an expense and disclosed in note 4 to the financial statements.

The following useful lives have been used in the calculation of depreciation and amortisation and depreciation is based on shorter of life of mine or useful life of assets as below :

Assets	Consolidated	Company
Buildings	20 years	20 years
Plant and equipment	2 – 10 years	2 – 10 years
Equipment under finance lease	2 – 5 years	2 – 5 years
Mine reserve and development	4 years	4 years
Rehabilitation assets	4 years	4 years

(N.B. 4 years from 1 April 2011. Remaining mine life at balance date estimated to be 3 years)



**COPPER MINES OF TASMANIA PTY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2012**

**12. Trade and other payables**

	Consolidated		Company	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Trade payables (i)	18,319	63,183	14,130	14,359
Other payables	36	996	-	-
	<u>18,355</u>	<u>64,179</u>	<u>14,130</u>	<u>14,359</u>

(i) The average credit period for purchase of goods and services is 30 days and no interest is paid. The company has financial risk management policies in place to ensure that all payables are paid within the credit time frame.

**13. Other financial liabilities**

**Derivatives:**

Derivatives that are designated and effective as hedging instruments carried at fair value:

Current

Commodity hedge contracts at fair value

-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

**14. Provisions**

Current

Employee benefits (i)

1,477	1,404	1,453	1,348
<u>1,477</u>	<u>1,404</u>	<u>1,453</u>	<u>1,348</u>

Non-current

Employee benefits

1,282	1,081	1,282	1,081
<u>11,324</u>	<u>8,357</u>	<u>11,324</u>	<u>8,357</u>

Provision for rehabilitation (ii)

11,324	8,357	11,324	8,357
<u>12,606</u>	<u>9,438</u>	<u>12,606</u>	<u>9,438</u>

**Rehabilitation provision movement:**

Balance at beginning of financial year

8,357	8,273	8,357	8,273
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Additional provision recognised

2,866	-	2,866	-
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Unwinding of discount and effect of changes in the discount rate

101	84	101	84
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Balance at end of financial year

<u>11,324</u>	<u>8,357</u>	<u>11,324</u>	<u>8,357</u>
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(i) The current provision for employee benefits includes \$1,453 thousand of annual leave (2011: \$1,404 thousand)

(ii) The provision for rehabilitation costs represents the present value of the director's best estimate of the futures sacrifice of economic benefits that will require to rehabilitate the leasehold property.

**COPPER MINES OF TASMANIA PTY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2012**

**15. Borrowings**

	Consolidated		Company	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
<u>Current</u>				
<b>Unsecured - at amortised Cost</b>				
Loans from related party	-	34,671	-	34,671
Loan from Standard Chartered Bank(i)	50,375	22,750	-	-
	<u>50,375</u>	<u>57,421</u>	<u>-</u>	<u>34,671</u>

(i) Fujairah Gold has a working capital limit of \$50,375,000 with Standard Chartered Bank.

**16. Issued capital**

2 fully paid ordinary shares (2011: 2)	-	-	-	-
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Changes relating to the then Corporations Law abolished the authorised capital and par value concept in relation to share capital from 1 July 1998. Therefore the company does not have a limited amount of authorised capital and issued shares do not have a par value.

Ordinary shares entitle the holder to participate in dividends and proceeds on winding up of the company in proportion to the numbers of and amounts paid on the shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

**17. Retained earnings**

Balance at the beginning of the financial year	48,197	198,927	53,837	202,460
Net profit for the year	34,908	47,746	36,687	49,378
Foreign currency translation reserve (note 18)	(49)	(475)	-	-
Dividends provided for or paid (note 19)	(25,543)	(198,000)	(25,543)	(198,000)
Balance at end of financial year	<u>57,513</u>	<u>48,198</u>	<u>64,981</u>	<u>53,838</u>

**18. Reserves**

**Foreign currency translation reserve**

Balance at beginning of financial year	(475)	(4283)	-	-
Translation of foreign operations	426	3,808	-	-
Deferred tax arising from translation	-	-	-	-
Balance at end of financial year	<u>(49)</u>	<u>(475)</u>	<u>-</u>	<u>-</u>

Exchange differences relating to the translation from the functional currencies of the Group's foreign controlled entities into Australian dollars are brought to account by entries made directly to the foreign currency translation reserve.

**COPPER MINES OF TASMANIA PTY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
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19. Dividend	2012		2011	
	per share in \$'000	Total \$'000	per share in \$'000	Total \$'000
<b>Unrecognised amounts</b>				
<u>Fully paid ordinary shares</u>				
Final dividend Proposed:				
Fully franked at a 30% tax rate	-	-	-	-

During the financial year, the directors have declared a fully franked final dividend of \$ 12.75 million per share. (2011: \$14 million per share). The company has declared a \$25.5 million fully franked dividend during the year. (2011- 28 million declared, additional dividends up to total of 170 million paid during 2011 were declared in 2010)

	Company	
	2012 \$'000	2011 \$'000
Adjusted franking account balance	30,871	40,154
Impact on franking account balance of dividends not recognised	-	-
Income tax consequences of unrecognised dividends	-	-

20. Key management personnel remuneration	Consolidated		Company	
	2012 \$	2011 \$	2012 \$	2011 \$

**Details of key management personnel**

The directors and other members of key management personnel of the company and the group during the year were:

- Mr. Jeyakumar Janakaraj (Director)
- Mr Robert Tracy (Director)
- Mr. Vinod Bhandawat (Director)
- Mr. DD Jalan (Director)
- Mr Scot Clyde (General Manager)
- Fujairah Gold:**
- Mr Agnivesh Agarwal (Chairman)
- Mr Tarundeep Arora (Chief Executive Officer)
- Mr Lalit Singhvi (CEO-Left the Group during the year)

The aggregate compensation made to directors and other members of key management personnel of the company and the group is set out below:

Short-term employee benefits	950,449	814,974	342,849	337,559
Post-employment benefits	53,909	54,967	41,142	40,500
	<u>1,004,358</u>	<u>869,941</u>	<u>383,991</u>	<u>378,059</u>

**21. Remuneration of auditors**

**Auditor of the company**

Audit of the financial report	134,530	119,945	134,530	119,945
<b>Other Auditor</b>	-	-	-	-
Audit of financial report	31,983	20,093	-	-
	<u>166,513</u>	<u>140,038</u>	<u>134,530</u>	<u>119,945</u>

The auditor of the company is Deloitte Touche Tohmatsu

**COPPER MINES OF TASMANIA PTY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
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**22. Commitments for expenditure**

	Consolidated		Company	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
<b>Lease commitments</b>				
Commitments in relation to leases contracted for at the reporting date but not recognised as liabilities, payable:				
Within one year	331	59	253	59
Later than one year but not later than 2 years	590	1	247	1
Later than 2 years but not later than 5 years	664	-	107	-
	<u>1,585</u>	<u>60</u>	<u>607</u>	<u>60</u>
Representing:				
Non-cancellable operating leases	<u>1,585</u>	<u>60</u>	<u>607</u>	<u>60</u>

**23. Ownership interest**

	Principal activity	Country of incorporation	2012 %	2011 %
<b>Parent entity</b>				
Copper Mines of Tasmania Pty Limited	Copper Mining	Australia		
<b>Subsidiary</b>				
Fujairah Gold FZE	Manufacturing, Refinery & Trading of Precious Metals and Copper Products.	United Arab Emirates	100	100

**24. Financial instruments**

**Categories of financial instruments (Consolidated)**

	Mar-2012	Mar-2011	Apr-2010
<b>Financial assets</b>			
Cash and bank balances (including cash and bank balances in a disposal group held for sale)	19,504	5,632	21,019
Derivative instruments in designated hedge accounting relationships	2,162	523	(653)
Loans and receivables (including trade receivables balance in a disposal group held for sale)	52,504	83,473	41,548
<b>Financial liabilities</b>			
Amortised cost – trade payables and loans	68,729	121,600	65,425

**COPPER MINES OF TASMANIA PTY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2012**

**24. Financial instruments (Contd.)**

**(a) Financial risk management objectives**

The Group's treasury function provides services to the business, co-ordinate access to domestic and international financial markets, and manages the financial risks relating to the operations of the group.

The group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes. The use of financial derivatives is governed by the group's policies approved by the board of directors, which provide written principles on the use of financial derivatives.

The group's activities expose it primarily to the financial risks of changes in commodity prices. The group has previously entered into a variety of derivative financial instruments to manage its exposure to this commodity price risk however no forward contracts to hedge the commodity price risk were entered into during the current financial year.

**(b) Capital risk management**

The capital structure of the group consists of cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital and retained earnings as disclosed in notes 16 and 17. The board reviews the capital structure on a semi-annual basis. As part of this review the board considers the cost of capital and the risks associated with each class of capital.

**(c) Significant accounting policies**

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 2 to the financial statements.

**(d) Foreign currency risk management**

The group undertakes certain transactions denominated in foreign currencies, hence exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilising forward foreign exchange contracts and currency swap agreements.

**Foreign currency sensitivity analysis**

**The Group is mainly exposed to US Dollars (USD).**

The following table details the Group's sensitivity to a 10% increase and 10% decrease in the Australian Dollar against the relevant foreign currencies. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. The sensitivity analysis includes Investments in Foreign Currency, as well as receivables and payables in Foreign Currency within the Group where the denomination of the loan is in a currency other than the currency of the lender or the borrower. A positive number indicates an increase in profit or loss and other equity where the Australian Dollar strengthens against the respective currency. For a weakening of the Australian Dollar against the respective currency there would be an equal and opposite impact on the profit and other equity, and the balances below would be negative

	USD Impact – 10% appreciation in AUD				USD Impact – 10% Depreciation in AUD			
	Consolidated		Company		Consolidated		Company	
	2012	2011	2012	2011	2012	2011	2012	2011
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Profit or loss	(2,266)	(5,750)	(2,266)	(5,750)	2,770	7,028	2,770	7,028

This is mainly attributable to USD Investments and receivables at year end

**(e) Forward commodity contracts**

The group has entered into contracts to supply concentrate to customers in India.

**COPPER MINES OF TASMANIA PTY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2012**

**24. Financial instruments (Contd.)**

**(f) Interest rate risk management**

The Group's exposure to interest rate risk and the effective weighted average interest rate by maturity periods is set out in the table below. For interest rates applicable to each class of asset or liability refer to individual notes to the financial statements.

Exposures arise predominantly from assets and liabilities bearing variable interest rates as the Group intends to hold fixed rate assets and liabilities to maturity.

**Interest rate sensitivity analysis**

The sensitivity analyses below have been determined based on the exposure to interest rates for both derivative and non-derivative instruments at the reporting date and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period. A 50 basis point (0.5%) increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the possible change in interest rates.

At reporting date, if interest rates had been 50 basis points (0.5%) higher or lower and all other variables were held constant, the Group's:

Net profit would increase by \$27 thousand and decrease by \$27 thousand (2011: increase by \$8 thousand and decrease by \$8 thousand).

The Group's sensitivity to interest rates has decreased during the current period mainly due to reduction in Investments.

**Liquidity and interest rate risk tables**

Ultimate responsibility for liquidity risk management rests with the board of directors, who has built an appropriate liquidity risk management framework for the management of the group's short, medium, and long-term funding and liquidity management requirements. The group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The following tables detail the Group's remaining contractual maturity for its non-derivative financial assets and liabilities with agreed repayment periods and expected maturity of financial assets. The tables have been drawn up based on the undiscounted cash flows of financial assets and liabilities based on the earliest date on which the Group can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are at floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Group may be required to pay.

<b>Consolidated</b>							
<b>2012</b>	<b>Weighted average interest rate</b>	<b>Less than 1 Month \$ '000</b>	<b>1 -3 Months \$ '000</b>	<b>3 mnth to 1 year \$ '000</b>	<b>Over 1 year to 5 years \$ '000</b>	<b>more than 5 years \$ '000</b>	<b>Total \$ '000</b>
<b>Financial assets</b>							
Cash and cash equivalents	4.68%	19,504	-	-	-	-	19,504
Trade and other receivables	0%	52,504	-	-	-	-	52,504
Prepayment	0%	1,432	-	-	-	-	1,432
Other financial assets	0%	2,162	-	-	-	-	2,162
		75,602	-	-	-	-	75,602
<b>Financial liabilities</b>							
Trade and other payables	0%	18,355	-	-	-	-	18,355
Other Loans	3 Month LIBOR +1.6%	-	50,375	-	-	-	50,375
		18,355	50,375	-	-	-	68,730
<b>Net financial assets / (liabilities)</b>		57,247	(50,375)	-	-	-	6,872

**COPPER MINES OF TASMANIA PTY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2012**

**Consolidated**

2011	Weighted average interest rate	Less than 1 Month \$ '000	1 -3 Months \$ '000	3 mnth to 1 year \$ '000	Over 1 year to 5 years \$ '000	more than 5 years \$ '000	Total \$ '000
<b>Financial assets</b>							
Cash and cash equivalents	5.00%	5,632	-	-	-	-	5,632
Trade and other receivables	0%	83,473	-	-	-	-	83,473
Other	0%	2,152	-	-	-	-	2,152
		<u>91,257</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>91,257</u>
<b>Financial liabilities</b>							
Trade and other payables	0%	64,179	-	-	-	-	64,179
Loans from related parties	0%	-	-	-	34,671	-	34,671
Other Loans	3 Month LIBOR +1.8%	-	-	-	22,750	-	22,750
		<u>64,179</u>	<u>-</u>	<u>-</u>	<u>57,421</u>	<u>-</u>	<u>121,600</u>
<b>Net financial assets / (liabilities)</b>		<u>27,078</u>	<u>-</u>	<u>-</u>	<u>(57,421)</u>	<u>-</u>	<u>(30,343)</u>

**Company**

2012	Weighted average interest rate	Less than 1 Month \$ '000	1 -3 Months \$ '000	3 mnth to 1 year \$ '000	Over 1 year to 5 years \$ '000	more than 5 years \$ '000	Total \$ '000
<b>Financial assets</b>							
Cash and cash equivalents	4.66%	18,330	-	-	-	-	18,330
Loans to related parties	2.53%	-	-	-	-	8,308	8,308
Trade and other receivables	0%	24,903	-	-	-	-	24,903
Other	0%	1,389	-	-	-	-	1,389
		<u>44,622</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,308</u>	<u>52,930</u>
<b>Financial liabilities</b>							
Trade and other payables	0%	14,130	-	-	-	-	14,130
Loans from related parties	0%	-	-	-	-	-	-
Other Loans	0%	-	-	-	-	-	-
		<u>14,130</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,130</u>
<b>Net financial assets / (liabilities)</b>		<u>30,492</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,308</u>	<u>38,800</u>

**COPPER MINES OF TASMANIA PTY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2012**

**24. Financial instruments (cont'd)**

	Company						
2011	Weighted average interest rate	Less than 1 Month \$ '000	1 -3 Months \$ '000	3 mnth to 1 year \$ '000	Over 1 year to 5 years \$ '000	more than 5 years \$ '000	Total \$ '000
<b>Financial assets</b>							
Cash and cash equivalents	2.99%	4,456	-	-	-	-	4,456
Loans to related parties	2.45%	-	-	-	-	8,158	8,158
Trade and other receivables	0%	63,956	-	-	-	-	63,956
Other	0%	2,101	-	-	-	-	2,101
		70,513	-	-	-	8,158	78,671
<b>Financial liabilities</b>							
Trade and other payables	0%	14,359	-	-	-	-	14,359
Loans from related parties	0%	-	-	-	-	34,671	34,671
Other Loans	0%	-	-	-	-	-	-
		14,359	-	-	-	34,671	49,030
<b>Net financial assets / (liabilities)</b>		56,154	-	-	-	(26,513)	29,641

**(g) Net fair value of financial instruments**

The net fair value of cash and cash equivalents and non-interest bearing monetary financial assets and financial liabilities approximates their carrying amounts.

The net fair value of other monetary financial assets and financial liabilities is based upon market prices where a market exists or by discounting the expected future cash flows by the current interest rates for assets and liabilities with similar risk profiles.

The directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the financial statements approximates their fair values in accordance with the accounting policies disclosed in note 2 to the financial report.

**(h) Credit risk management**

Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in financial loss to the group. The group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss through defaults. The group's exposure to and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the board annually.

The carrying amount of financial assets recorded in the financial statements, net of any allowances for losses, represents the company's maximum exposure to credit risk, without taking into account the value of any collateral obtained.



**COPPER MINES OF TASMANIA PTY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2012**

**25. Related party transactions**

**(a) Transactions with key management personnel**

(i) Key management personnel remuneration

Key management personnel compensation details are disclosed in note 20 to the financial statements.

(ii) Other payments to key management personnel

A director, Mr Robert Tracy, is a partner in the firm of Henry Davis York, Lawyers. Henry Davis York has provided legal services to the group during the period on normal commercial terms and conditions.

Aggregate amounts of each of the above types of other transactions with directors and their director-related entities:

	2012	2011	2012	2011
	\$	\$	\$	\$
Legal advice from Henry Davis York	138,246	1,118,516	138,246	1,118,516

Aggregate amounts payable to directors and their director-related entities at balance date:

Legal advice from Henry Davis York	-	-	-	-
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**25. Related party transactions (cont'd)**

**(b) Transactions with other related parties**

Other related parties include:

- Thalanga Copper Mines Pty Limited
- Sterlite Industries (India) Limited
- Konkola Copper Mines Plc
- Fujairah FZE Pty Ltd

During the financial year, the following material transactions occurred between the company and its other related parties.

(i) Copper Mines of Tasmania Pty Limited repaid the sum of \$35,289,541 from Thalanga Copper Mines Pty Limited. This transaction was at arms length except that there was no interest charged on the loan (Balance on 31 March 2012: \$618,938 owed from Thalanga Copper Mines Pty Limited to Copper Mines of Tasmania Pty Limited).

(ii) During the 2009-10 financial period Copper Mines of Tasmania Pty Limited renewed the long term sales contract to supply copper concentrate to its parent Sterlite Industries (India) Limited. Sales revenue recognised during the year ended 31 March 2012 under this contract was approximately \$190,378,289 (31 March 2011: \$195,410,778).

(iii) Copper Mines of Tasmania Pty Limited paid/payable a management fee of NIL (31 March 2011: \$1,181,193) to Sterlite Industries (India) Limited.

(iv) Copper Mines of Tasmania Pty Limited accounted share-based liability of \$180,392 towards employees (31 March 2011: \$214,637).

(v) CMT has given Loan to Fujairah during previous years USD 8,223,976. During the year CMT has debited Interest of A\$204,665 to Fujairah FZE at rate of 2%+6M Libor on date of Loan. In the board meeting of 19<sup>th</sup> Mar 2012, CMT Board has passed resolution to convert Fujairah Loan of USD 8.6 Mio (USD 8.2 Mio plus Interest till 31<sup>st</sup> Mar 12) to Equity effective from 1<sup>st</sup> Apr 2012 and as a result of it Fujairah FZE will issue 316,100 Equity shares @ AED 100 Each.

**COPPER MINES OF TASMANIA PTY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2012**

**25. Related party transactions (cont'd)**

The following balances arising from material transactions between the group and its other related parties are outstanding at reporting date:

	Consolidated		Company	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Trade receivables from Sterlite Industries (India) Limited	23,071	62,453	23,071	62,453
Trade receivables from Sterlite Technologies, India	815	469	-	-
Reimbursement receivable from Konkola Copper Mines Plc	59	94	-	94
Amount Payable to Konkola Copper Mines Plc	(37)	-	-	-
Amount Payable to Sterlite Industries (India) Limited	(3,140)	(48,825)	-	-
Amount Payable to Vedanta Resources Plc, UK	-	(71)	-	-
Loans owed (to)/from Thalanga Copper Mines Pty Limited	619	(34,671)	619	(34,671)
Loan to Fujairah	-	-	8,308	8,158
Tax receivable/(payables) for Thalanga Copper Mines Pty Limited	(22)	145	(22)	145

**(c) Parent entities**

The parent entity is Monte Cello Corporation BV (incorporated in the Netherlands) that owns 100% of the issued ordinary shares of Copper Mines of Tasmania Pty Limited.

The ultimate parent entity is Vedanta Resources Plc (incorporated in United Kingdom) that indirectly owns 61.10 % of the issued ordinary shares of Monte Cello Corporation BV. Sterlite Industries (India) Limited is the parent entity of Monte Cello Corporation BV.

**(d) Equity interests in related parties**

A detail of the percentage of ordinary shares held in the subsidiary is disclosed in note 23 to the financial statements.

**26. Notes to the statement of cash flows**

**(a) Reconciliation of cash and cash equivalents**

For the purposes of the statement of cash flows, cash and cash equivalents includes cash on hand and in banks and investments in money market instruments with maturity dates less than 3 months, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the financial year as shown in the cash flow statement is reconciled to the related items in the balance sheet as follows:

	Consolidated		Company	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Cash and cash equivalents	19,504	5,632	18,330	4,456
Less deposits with maturity dates greater than three months	-	-	-	-
Cash and cash equivalents for the statement of cash flows	<u>19,504</u>	<u>5,632</u>	<u>18,330</u>	<u>4,456</u>

**27. Economic dependency**

The CMT depends for a major volume of revenue on Sterlite Industries (India) Limited. During the period ended 31 March 2012, approximately 100% (31 March 2011– 100%) of the CMT's operating revenue was sourced from Sterlite Industries (India) Limited.

## COPPER MINES OF TASMANIA PTY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2012

#### 28. Events after the reporting period

There has not been any matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years except that in a the board meeting on 19<sup>th</sup> Mar 2012, the Board passed a resolution to convert the Fujairah Loan of USD 8.6 Mio (USD 8.2 Mio plus interest til 31<sup>st</sup> Mar 12) to equity effective from 1<sup>st</sup> Apr 2012 and as a result Fujairah FZE will issue 316,100 equity shares @ AED 100 each.

#### 29. Commitments and contingent liabilities

	Consolidated		Company	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Capital Commitment (1)	3,016	-	500	-
Bank Guarantee (2)	6,213	6,426	5,000	5,000
	<u>9,229</u>	<u>6,426</u>	<u>5,500</u>	<u>5,000</u>

(1). Fujairah FZE has made Commitments for purchase of property, plant and equipment amounting AED 8,698,061 (AUD 2,318,247) and Issued Letters of credit for plant and equipment purchases amounting AED 747,479 (AUD 199,221). In addition to that CMT has made purchase commitment for various Capital Projects and an amount of AUD 499,973 is outstanding in these orders as on 31<sup>st</sup> Mar 2012.

(2) CMT has issued BG of 5 Mio in favour of Minister for Economic Development, Energy and Resources and Fujairah has issued BG of AED 4 Mio (AUD1,066K) in Favour of Dubai Custom and AED 550K (AUD 147K) to Fujairah Custom.

#### 30. General information

##### COMPANY PARTICULARS

Copper Mines of Tasmania Pty Limited is a company limited by shares incorporated and domiciled in Australia. The company's registered office and its principal place of business are as follows:

**Registered office:**

C/o Henry Davis York  
44 Martin Place  
Sydney, New South Wales

**Principal place of business:**

Copper Mines of Tasmania Pty Limited  
Private Bag 1  
Queenstown, Tasmania