

WMC RESOURCES LTD  
Form 20-F  
May 24, 2005  
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# SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, DC 20549

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## FORM 20-F

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(Mark One)

**REGISTRATION STATEMENT PURSUANT TO SECTION 12(b)**

**OR (g) OF THE SECURITIES EXCHANGE ACT OF 1934**

OR

**ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2004

OR

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

Commission file number: 1-31554

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# WMC RESOURCES LTD

Australian Business Number 76 004 184 598

(Exact name of Registrant as specified in its charter)

COMMONWEALTH OF AUSTRALIA

(Jurisdiction of incorporation or organization)

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Level 16, IBM Centre, 60 City Road, Southbank, Victoria 3006, Australia

(Address of principal executive offices)

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Securities registered or to be registered pursuant to Section 12(b) of the Act.

<u>Title of each Class</u>	<u>Name of each exchange on which registered</u>
Ordinary Shares(1)	New York Stock Exchange
American Depositary Shares(2)	New York Stock Exchange

Securities registered or to be registered pursuant to Section 12(g) of the Act.

None

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act.

None

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Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the Annual Report.

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**Shares outstanding:**

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Fully Paid Ordinary Shares:

1,172,145,832

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes:  No:

Indicate by check mark which financial statement item the registrant has elected to follow.

Item 17

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(1) Not for trading but only in connection with the listing of the American Depositary Shares.

(2) Evidenced by American Depositary Receipts, each American Depositary Share representing four fully paid Ordinary Shares.

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In this Annual Report, the terms we, our, us, WMC Resources and WMC Resources Group refer to WMC Resources Ltd together with its subsidiaries.

### **THE DEMERGER**

On December 11, 2002, Alumina Limited (formerly known as WMC Limited) demerged its interest in the Alcoa World Alumina and Chemicals venture from its copper/uranium, nickel and fertilizer businesses and exploration and development interests. The demerger was effected through an Australian court-approved scheme of arrangement and associated capital reduction and dividend distribution. As a result of the demerger, Alumina Limited continues to hold its interest in AWAC, and WMC Resources now holds the nickel, copper/uranium and fertilizer businesses and exploration and development interests previously held within the WMC Limited group.

We were admitted to the official list of the Australian Stock Exchange and our shares are quoted on the stock market conducted by the Australian Stock Exchange. Our shares are also listed on the New York Stock Exchange in the form of American Depositary Receipts, or ADRs.

### **FORWARD-LOOKING STATEMENTS**

This Annual Report contains forward-looking statements, including statements regarding (i) estimated reserves, (ii) certain plans, strategies and objectives of management, (iii) scheduled closure of certain operations or facilities, (iv) scheduled refurbishment, repair, maintenance, reconstruction and recommissioning activities, (v) anticipated production or construction commencement dates, (vi) expected costs or production output, (vii) the anticipated productive lives of projects and mines and (viii) the anticipated prices and market dynamics of commodities produced. These forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond our control, which may cause actual results to differ materially from those expressed in the statements contained in this Annual Report.

For example, future revenues from operations, projects or mines described in this Annual Report will be based in part on the market price of the minerals or metals produced, which may vary significantly from current levels. These variations, if materially adverse, may impact the timing or feasibility of the development of a particular project or the expansion of certain facilities or mines. Other factors that may affect the actual construction or production commencement dates, costs or production output and anticipated lives of operations, mines or facilities include:

our ability to profitably produce and transport the minerals or metals extracted to applicable markets;

the impact of foreign currency exchange rates on the market prices of the minerals or metals we produce; and

activities of governmental authorities in certain countries where our projects, facilities or mines are being explored or developed, including increases in taxes, changes in environmental and other regulations, and political uncertainty.

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We can give no assurances that the estimated reserve figures, the scheduled closure of such operations or facilities, actual production or commencement dates, cost or production output, or anticipated lives of the projects, mines and facilities discussed herein will not differ materially from the statements contained in this Annual Report.

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**DEFINITIONS**

ADR means an American Depositary Receipt evidencing one or more ADSs.

ADS means an American Depositary Share.

ASX means the Australian Stock Exchange.

AWAC means Alcoa World Alumina and Chemicals.

Cash Flow Hedge means a contract which hedges an exposure to changes in cash flows from an expected future transaction related to a forecast purchase or sale or an existing asset or liability.

Combined Financial Statements are the financial statements of WMC Limited when they incorporated both Alumina Limited and WMC Resources Ltd, prior to demerger.

Commissioned means the bringing into operation of plant and/or equipment at a rate approximating its design capacity.

Consolidated means the consolidation of entities controlled by us. Unincorporated joint ventures are consolidated on a proportionate basis.

Counterparty Credit Risk means the risk of financial loss arising out of holding a particular contract or portfolio of contracts as a result of one or more parties to the relevant contract(s) failing to fulfill its financial obligations under the contract.

Currency Forward means an agreement to exchange a specified amount of one currency for another at a future date at a certain rate.

DAP means di-ammonium phosphate.

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Decline means a downwards sloping tunnel providing road access from the surface to underground mine operations.

Demerger means the demerger of WMC Limited's interest in AWAC from its other operating businesses pursuant to an Australian scheme of arrangement and associated capital reduction and dividend distribution.

Depositary means The Bank of New York Company, Inc., 101 Barclay Street, New York, NY 10286.

Derivative means an instrument or product whose value changes with changes in one or more underlying market variables, such as equity or commodity prices, interest rates or foreign exchange rates. Basic derivatives include, forwards, futures, swaps, options, warrants and convertible bonds.

Dilution means the incorporation of waste rock with the ore during the mining process resulting in lower grade.

Fair Value means, in the context of commodity, currency and interest rate hedging, the current market value (mark-to-market) of financial positions.

Fair Value Hedge means a contract which hedges an exposure to the change in fair value of a recognized asset, liability or an unrecognized firm commitment (or a part thereof) attributable to a particular risk.

Foreign Currency Hedge means a contract which hedges the foreign exchange exposure of:

an unrecognized firm commitment (fair value hedge);

an available for sale security (fair value hedge);

a forecast transaction (cash flow hedge); or

a net investment in a foreign operation .

Grass Roots Exploration is exploration undertaken at new sites not related to existing operations (also known as green fields exploration).



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Hedge means to reduce risk by entering into transactions that reduce exposure to market fluctuations. A hedge is also the term for the transactions made to effect this reduction.

Hedge Accounting means the practice of deferring accounting recognition of gains and losses on financial market hedges until the corresponding gain or loss of the underlying exposure is recognized.

Hi-Fert Pty Ltd a joint venture entity among WMC Resources, AWB Limited and Elders Limited for marketing and distribution of fertilizer.

HSRA means the Australian/US dollar Hedge Settlement Rate quoted on Reuters Screen HSRA.

Indenture means the agreement between the Government of South Australia and WMC (Olympic Dam Corporation) Pty Ltd.

Interest Rate Swap means an agreement to exchange net future cash flows. Interest rate swaps most commonly change the basis on which liabilities are paid on a specified principal. They are also used to transform the interest basis of assets. In its most common form, the fixed-floating swap, one counterparty pays a fixed rate and the other pays a floating rate based on a reference rate, such as LIBOR. There is no exchange of principal the interest rate payments are made on a notional amount.

LME means the London Metal Exchange.

MAP means mono-ammonium phosphate.

Marking-to-Market means to calculate the value of a financial instrument (or portfolio of such instruments) based on the current market rates or prices of the underlying instrument.

Mineral is a naturally occurring element or chemical compound.

Mineralization is a concentration of a valuable mineral or minerals.

Nickel Matte is the output of a nickel smelter, being predominantly nickel sulphides plus some impurities. This is typically fed to a refinery for nickel metal production. Matte can be sold as a commercial product in its own right.

NYSE means the New York Stock Exchange.

Open-cut or Open-pit means a mine at the earth's surface as distinct from an underground mine.

Option means a contract that gives the purchaser the right, but not the obligation, to buy or sell an underlying security or instrument at a certain price (the exercise, or strike price) on or before an agreed date (the exercise period). For this right, the purchaser pays a premium to the seller. The seller (writer) of an option has a duty to buy or sell at the strike price, should the purchaser exercise his right.

Ore means a naturally occurring solid resource (often rock) from which a mineral or minerals can be extracted.

Ore Reserve means that part of a mineral deposit which could be economically mined and legally extracted or produced at the time of the reserve determination. Ore reserve estimates in this Annual Report include adjustments for dilution and mine recovery loss during the mining process but do not include adjustments for metallurgical recovery. These ore reserves comply with those prescribed by the United States Securities and Exchange Commission's Industry Guide 7.

Probable Ore Reserves means reserves for which quantity and grade and/or quality are computed from information similar to that used for proven ore reserves, but the sites for inspection, sampling and measurement are farther apart or are otherwise less adequately spaced. The degree of assurance, although lower than that for proven ore reserves, is high enough to assume continuity between points of observation.

Proven Ore Reserves means reserves for which (a) the quantity is computed from dimensions revealed in outcrops, trenches, workings or drill holes; the grade and/or quality are computed from the results of detailed sampling and (b) the sites for inspection, sampling and measurement are spaced so closely and the geologic character is so well defined that size, shape, depth and mineral content of reserves are well-established.

SCH means a transfer of securities on the Clearing House Electronic Subregister System operated by ASX Settlement and Transfer Corporation Pty Ltd.

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SEC means the US Securities and Exchange Commission.

Stoping means the extraction of ore in an underground mine, leaving behind a void.

Sulphides means a compound of metal elements and sulphur.

Tailings are the residue remaining after extraction of the valuable components from ore.

WA Mining Act 1978 refers to legislation passed by the Government of the State of Western Australia with which all mining operations in that State must comply.

WMC Limited refers to the parent entity of WMC Resources prior to the demerger on December 11, 2002. WMC Limited changed its name to Alumina Limited in connection with the demerger.

WMC Resources means WMC Resources Ltd together with its subsidiaries. Unless indicated otherwise, references to WMC Resources prior to the effective date of the demerger are to the assets and businesses of WMC Limited that WMC Resources owned immediately upon effectiveness of the demerger.

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**WEIGHTS AND MEASURES**

1 troy ounce	=	31.103 grams
1 kilogram	=	32.15 troy ounces
1 kilogram	=	2.205 pounds
1 tonne	=	1,000 kilograms
1 tonne	=	2,205 pounds
1 gram per tonne	=	0.0292 troy ounces per (short) ton
1 kilometer	=	0.6214 miles

Gold recovered is reported in troy ounces (expressed as ounces in this Annual Report), the customary market unit, whereas ore production and grades are quoted in metric units, that is tonnes and grams per tonne.

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**IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISERS**

**ITEM 1. IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISERS**

**A. Directors and Senior Management**

Not applicable.

**B. Advisers**

Not applicable.

**C. Auditors**

Not applicable.

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**OFFER STATISTICS AND EXPECTED TIMETABLE**

**ITEM 2. OFFER STATISTICS AND EXPECTED TIMETABLE**

**A. Offer Statistics**

Not applicable.

**B. Method and Expected Timetable**

Not applicable.

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**Table of Contents****KEY INFORMATION****ITEM 3. KEY INFORMATION****A. Selected Financial Data**

The selected financial data appearing below as at December 31, 2004 and 2003 and for the years ended December 31, 2004, 2003 and 2002 are set forth in Australian dollars (except as otherwise indicated), and are extracted, in relevant part, from our audited Consolidated Financial Statements which appear elsewhere herein. The selected financial data appearing below as at December 31, 2002, 2001 and 2000 and for the years ended December 31, 2001 and 2000 are extracted, in relevant part, from audited Combined Financial Statements. As discussed in Note 1 to the Consolidated Financial Statements, the financial statements for 2002, 2001 and 2000 herein reflect the statements of financial performance and statements of financial position as if we were a separate entity for all periods presented. The historical financial information may not be indicative of our future performance and does not reflect what our financial position and results of operations would have been had we operated as a separate, stand-alone entity during the periods presented. These Consolidated Financial Statements have been prepared in accordance with accounting principles generally accepted in Australia ( Australian GAAP ), which differ in certain respects from accounting principles generally accepted in the United States of America ( US GAAP ). Note 47 to the Consolidated Financial Statements provides an explanation of these differences as they affect us and reconciliations from Australian GAAP to US GAAP of net income, comprehensive income, certain balance sheet items, shareholders' equity and cashflows.

Our net income under Australian GAAP was A\$1,326.9 million for the year ended December 31, 2004 (compared to A\$245.6 million for the year ended December 31, 2003). Under US GAAP, we would have reported a net profit of A\$752.3 million for the year ended December 31, 2004 (compared to net profit of A\$685.6 million for the year ended December 31, 2003). Comprehensive income under US GAAP for the year ended December 31, 2004 was a profit of A\$733.4 million (for the year ended December 31, 2003 a profit of A\$1,373.9 million was reported). Our Consolidated Financial Statements are prepared in accordance with Australian GAAP. The principal differences between Australian GAAP and US GAAP that affect our net income and comprehensive income, as well as our shareholders' equity, relate to the treatment of the following items:

- (i) recognition of tax losses;
- (ii) revenue from insurance proceeds;
- (iii) pension funds;
- (iv) exploration expenditure;
- (v) start-up costs;
- (vi) recognition of profit on real estate disposal;
- (vii) deferral of cost of option payments;
- (viii) fair value of accounting for derivatives;

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- (ix) amortization of mine development and deferred post-production waste removal costs;
- (x) transfers of net assets and exchange of shares between entities under common control; and
- (xi) accounting for asset retirement obligations.

The principal differences that affect the Consolidated Statement of Cash Flows are that under US GAAP, bank overdrafts are not considered to be part of net cash equivalents, and expenditure incurred on post-production waste removal cost would be classified as part of cashflows from operating activities, rather than investing activities.



**Table of Contents****KEY INFORMATION**

The following selected financial data should be read in conjunction with, and is qualified in its entirety by reference to, the Consolidated Financial Statements, including the Notes thereto.

**SELECTED FINANCIAL DATA UNDER AUSTRALIAN GAAP**

	Year Ended December 31,  2004	Year Ended December 31,  2003	Year Ended December 31,  2002	Year Ended December 31,  2001	Year Ended December 31,  2000
	(A\$ million, except where indicated)				
Net Sales Revenue from Continuing Operations	3,828.4	3,001.3	2,487.2	2,364.1	2,666.0
Income/(Loss) from Continuing Operations:	1,326.9	239.1	(14.7)	(157.5)	327.2
Income from Operations (before tax)	1,007.8	247.9	1.8	49.7	568.6
Net Income	1,326.9	245.6	23.0	126.0	399.9
Comprehensive Income	1,323.9	248.8	26.1	111.9	380.7
Net Income per Share (A\$/share) <sup>(1)</sup>	1.15	0.22	0.02	0.11	0.35
Net Income/(Loss) from Continuing Operations per Ordinary Share (A\$/share) <sup>(1)</sup>	1.15	0.21	(0.01)	(0.14)	0.29
Diluted Net Income/(Loss) from Continuing Operations per Ordinary Share (A\$/share) <sup>(2)</sup>	1.14	0.21	(0.01)	(0.14)	0.29
Dividends paid (A\$/share)	0.23				
Dividends paid (US\$/share) <sup>(3)</sup>	0.16				
	At	At	At	At	At
	December 31, 2004	December 31, 2003	December 31, 2002	December 31, 2001	December 31, 2000
	(A\$ million, except where indicated)				
Total assets	8,163.1	7,560.2	7,348.1	8,242.9	8,597.0
Long-term obligations	2,374.5	2,712.9	1,709.1	3,476.3	4,304.2
Net assets	5,109.1	3,949.7	3,606.6	3,220.3	3,123.8
Shareholders' equity	5,109.1	3,949.7	3,606.6	3,220.3	3,123.8
	Millions of shares				
Number of shares	1,172.1	1,150.1	1,128.4	1,108.8	1,098.0

<sup>(1)</sup> The number of our shares used in the 2002 basic net income per share calculation was determined on the basis of the weighted average number of outstanding WMC Limited shares for the 11 months to November 30, 2002 (the effective demerger date for accounting purposes) and the actual number of WMC Resources shares for the month of December 2002. For prior periods, the number of our shares used in the basic net income per share calculation was determined on the basis of the weighted average number of outstanding WMC Limited shares for the periods indicated, as in the demerger each WMC Limited shareholder received one of our shares for each share in WMC Limited it held. Refer also to Notes 1(y) and 6 to the Consolidated Financial Statements.

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- (2) The number of our shares used in the 2002 diluted net income per share calculation was determined on the basis of the weighted average of the number of outstanding WMC Limited shares for the 11 months to November 30, 2002 (the effective demerger date for accounting purposes) and the actual number of WMC Resources shares for the month of December 2002. For prior periods, the number of our shares used in the diluted net income per share calculation was determined on the basis of the weighted average of the number of outstanding WMC Limited shares for the periods indicated, including potential shares from the conversion of partly paid shares and options into shares of WMC Limited. Refer also to Notes 1(y) and 6 to the Consolidated Financial Statements.
- (3) Translated to US\$ as follows:
- dividend of A\$0.06 payable on April 15, 2004 was translated at the daily exchange rate on that date of US\$0.7367.
  - dividend of A\$0.17 payable on September 22, 2004 was translated at the daily exchange rate on that date of US\$0.7048.

**Table of Contents****KEY INFORMATION****SELECTED FINANCIAL DATA UNDER US GAAP**

	Year Ended December 31, 2004	Year Ended December 31, 2003 As Restated <sup>5</sup>	Year Ended December 31, 2002	Year Ended December 31, 2001	Year Ended December 31, 2000
	(A\$ million, except where indicated)				
Net Sales Revenue	3,810.4	3,019.3	2,487.2	2,364.1	2,666.0
Income/(Loss) from Continuing Operations:	752.3	664.9	(160.8)	(231.5)	241.6
Net Income/(Loss)	752.3	685.6	(109.5)	37.7	307.6
Comprehensive Income/(Loss)	733.4	1,373.9	86.2	(804.7)	288.4
Net Income/(Loss) from Continuing Operations per Ordinary Share (A\$/share) <sup>(1)(2)</sup>	0.65	0.59	(0.14)	(0.21)	0.21
Diluted Net Income/(Loss) from Continuing Operations per Ordinary Share (A\$/share) <sup>(3)</sup>	0.65	0.60	(0.14)	(0.21)	0.21
Dividends paid (A\$/share)	0.23				
Dividends paid (US\$/share) <sup>(4)</sup>	0.16				
	At December 31, 2004	At December 31, 2003 As Restated <sup>5</sup>	At December 31, 2002 As Restated <sup>6</sup>	At December 31, 2001	At December 31, 2000
	(A\$ million, except where indicated)				
Total assets	7,042.3	6,823.7	6,537.8	6,691.4	8,368.2
Long-term obligations	2,374.5	2,712.9	1,709.1	3,476.3	4,304.2
Net assets	4,507.5	3,938.6	2,470.4	2,068.8	2,888.9
Shareholders equity	4,507.5	3,938.6	2,470.4	2,068.8	2,888.9
	Millions of shares				
Number of Shares	1,172.1				