



BOUGAINVILLE COPPER LIMITED

INCORPORATED IN PAPUA NEW GUINEA ARBN 007 497 869

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Press Release

8 April, 2013

Company Announcements Office
Australian Stock Exchange Limited

Dear Sir/Madam,

**Annual General Meeting – 8 April, 2013
Bougainville Copper**

The attached material will be presented at the Annual General meeting in Port Moresby, Papua New Guinea today.

This presentation will in due course be posted on the Bougainville Copper website
www.bougainvillecopper.com.pg

Yours faithfully,

Paul Coleman
Company Secretary



Chairman's Annual General Meeting Statement 2013

I will now present my report on the year 2012.

When we last met, I gave several reasons for optimism about the future of this company, and its vision for a return to profitable mining. As we meet today, reporting on the twelve months just passed, I believe our optimism continues to be justified, based on several positive developments that have emerged.

We are building momentum, and so are our development partners.

I will come to the detail later, but in short: there is;

- a re-assessed asset study that adds significantly to the size of our resource at Panguna
- an elected and firmly established structure representing our landowners, ready for the task of re-negotiating the terms of a future mining operation
- a very good relationship with the political leaders and the public servants of the Autonomous Bougainville Government
- a National Government that is supportive of Bougainville, and more active than ever before in enacting the terms of the Bougainville Peace Agreement, including the provision of significant funding
- and widespread support amongst the Bougainville community that mining is both necessary and desirable in the near future, and that BCL is the preferred operator.

Your company is responding to these positive developments, by maintaining close dialogue with all stakeholders, increasing the flow of information, and investing time and money into preparatory studies that will form the basis of bankable pre-feasibility and feasibility studies when the time is appropriate.

So the momentum continues to build, on all sides. I will go into more detail of these positive developments, after my report on other items of importance to the company and its shareholders that are recurrent, year on year.

Results

First a summary of the **results** as contained in the Annual Report

For the year ended December 31, 2012, a loss of K6.3 million was recorded, compared with a planned loss of K12.2 million. In comparison, the 2011 loss was K3.7 million.

Income from interest, and realised capital gains on the disposal of investments, were above budget, with administration and project costs being under budget. The tax dispute legal fees continue to be a drain on revenue.

Due to the loss recorded and the need to preserve cash for future development the company will not pay a dividend.

The company has sufficient funds to cover its recurrent expenditure under the current plan and is debt free.

Investments

BCL's liquid assets continue to be cash and Australian equities. The company's financial position is therefore linked to the performance of the Australian equities market, which is in a relatively strong position, both in the reporting period and going forward. It is intended to continue with the current investment strategy, for as long as the Investment Committee deems this to be the best option, or until such time as equities need to be sold to fund mine planning and development. It is expected that the size of the investment portfolio will be reduced as a result of the tax dispute, discussed in a moment, and will continue to reduce to meet future expenditure.

Importantly, the company has sufficient funds to carry it through to a pre-feasibility study in the medium term. The market has been kept aware of the company's wish to raise development funds as and when the need arises.

Taxation Dispute

The ongoing tax dispute with the Internal Revenue Commission of PNG has progressed a little, with the company lodging additional information. As I previously reported, an earlier court-initiated mediation did not come to a final agreement, but has taken us closer, I believe, to a negotiated outcome.

As has been reported in previous years, the company lodged formal objections to a reassessment by the Internal Revenue Commission of BCL's claims for losses due to the suspension of mining operations in 1989, and for depreciation of its remaining mine assets.

The company paid approximately K13 million to the IRC during the 2007 year (which is close to the claimed unpaid primary tax). A further K48.8 million was paid into court during the 2010 year under the terms of a court-sanctioned arrangement to place the IRC in possession of funds sufficient to pay all outstanding assessments, penalties and interest claimed by the IRC. This arrangement also ensures that those funds are available for return to BCL in the event that the company's challenges to the assessments are ultimately upheld by the courts. This money is invested and is bearing interest.

The principal and interest will be returned to the company should it prevail in the substantive tax appeal.

It is possible that further mediation will produce a settlement. If not, the company will rely upon the accounting and legal advice it has received and test the issues in court.

US Litigation

For a decade now I have been reporting on litigation involving a small group of Bougainvillean plaintiffs in the US Federal Court. The matter involves allegations over the way the mine was operated and matters that occurred on Bougainville after mining was suspended. BCL is not a party to the litigation. This action, which seeks to invite a foreign court to decide local matters sends a negative message about PNG and Bougainville and is not helpful in attracting investors. Rio Tinto has asked the US Supreme Court to decide on the question of jurisdiction, and that issue continues to be considered.

Governance

BCL has governance reporting obligations to the Australian Securities Exchange (ASX) and internally to Rio Tinto Limited. A statement on BCL's compliance with the ASX Corporate Governance Principles and Recommendations is contained in the Annual Report. In addition, BCL responds to the Rio Tinto Limited internal control questionnaire which incorporates Rio Tinto's comprehensive range of policies including safety, environment, financial management and many other risk management matters.

Safety

BCL is particularly safety conscious and has in place a comprehensive set of safety standards to ensure that it provides a safe working environment and that its employees and contractors comply with best practice safety procedures. BCL complies with the requirements of the Rio Tinto safety policy.

Risk Management

The full Board of BCL participates in facilitated risk analysis. The aim of these exercises is to identify risks and opportunities for the company and allocate responsibility for each to a member of the management team. The company has also undergone a number of audits to ensure compliance with its own policies and those of Rio Tinto.

Bougainville Copper Foundation

BCL is continuing to support the work of the Bougainville Copper Foundation. This is an independent, "not for profit", company that has been funded by BCL since its inception. This year, as in previous years, the Foundation has more than 100 Bougainville students on scholarships. It also undertakes "special projects" on an as-needs basis with the emphasis being on education, peace and good governance. The Foundation is proud of its achievements and those of its former scholars who are contributing to the development of Bougainville.

The company is also sponsoring the Don Vernon post graduate scholarship to Queensland University.

The present holder of the scholarship, Mr Chris Akop, is undertaking advanced studies in mineral processing, and by reports reaching me, has earned a good reputation within his academic community.

The scholarship honours Don Vernon who was a past Chairman of BCL and the founder of the Australia PNG Business Council. The scholarship should add to the considerable weight of knowledge currently possessed within the ranks of Papua New Guinea mining professionals, and we are proud of the initiative.

Order of Magnitude Study

And now, as I indicated earlier, I can report on some very positive events which have a bearing on this company and its progress towards a return to profitable mining.

I previously informed you of an Order of Magnitude Study, which is an exercise aimed at giving us guidance as to the most effective and profitable way to re-develop the Panguna property. We have now completed a new Order of Magnitude study, updated for a number of reasons:

Since the 2008 Order of Magnitude study, or OMS, was completed, metal prices and costs have changed, so the study has been updated.

The 2012 study also considered a wider range of development and production options, including higher mining and processing rates, alternative power, infrastructure and tailings options.

The study also considers the potential benefits of updating the historical resource underestimation.

A number of assumptions were made in conducting the study.

I emphasise the study has a degree of accuracy of + or – 30% and is not a substitute for the far more detailed bankable feasibility study that will be needed to support redevelopment. It is not intended to undertake that additional and costly work until an agreement that permits profitable re-development is agreed with landowners and governments.

The study indicates that to optimise returns a processing rate of 60 million tonnes of ore per annum is required. This is a similar annual rate to that achieved prior to mining being suspended. Expanding to 90 million tonnes per year was also evaluated and showed increased returns. The project is very dependent on copper and gold prices. Lower metal prices may still be economically viable but the cut-off grade would have to rise and the size of the resource would reduce, as would mine life.

The purpose of the study was to determine the technical and financial feasibility of redeveloping the Panguna operation. The study does not address landowner, community, ABG and PNG National Government issues and considerations. I repeat it is not a substitute for the far more detailed and expensive “bankable feasibility” study that will be required to raise finance for development. There are also complex tax, compensation and social issues that need to be resolved before development can proceed. Further studies will rely on site access. Shown here is also the standard Joint Ore Reserves Committee statement regarding the Mineral Resources presented with this presentation.

The key findings are that the project is potentially economically viable based on the key assumptions of mining up to 100 million tonnes per year and processing up to 60 million tonnes of ore per year. The resource used for this study could support a mine life of approximately 24 years. The capital cost is high at US\$5.2 billion but it has been assumed that most mine site facilities will need to be replaced. This will be reassessed once mine access is available.

As mentioned earlier the project is very dependent on robust long term metal prices.

Although the study is based on particular assumptions and infrastructure there are many choices and final decisions to be made. The study assumes a workforce of approximately 2500 direct employees. There will be many more indirect jobs created, as well as education, health, recreation, civil, commercial and mine training facilities. Fly in fly out and other residential options were assessed. Another high capital and recurrent expense is power. The study has selected coal fired power on a cost/environment trade off and recognised the potential for incremental hydropower.

These options will be given more detailed attention at the appropriate time and in consultation with Government regulators and landowners.

I will show later a possible timeline for development. In summary it would be expected to take at least six years to redevelop the mine once we have gained site access.

The conceptual open pit assessed involved mining an additional 2.2 billion tonnes that would be mined at 100 million tonnes per year based on a strip ratio of 0.5 to 1.0. This is a very low strip ratio made possible because past mining allows direct access to ore. Of the 100 million tonnes mined about 60 to 70 million tonnes will be ore grade. This quantity of ore could permit an average annual production of concentrate containing around 180,000 tonnes of copper and 580,000 ounces of gold.

This equates to production of 4.2Mt of copper and 13.9Moz of gold over 24 years.

There is the potential to economically recover molybdenum and to heap leach waste rock to recover additional copper.

There is also an expanded development case, which looked at processing 90 million tonnes per annum. In this case economies of scale reduce the site operating costs, and shorten the mine life by four years.

This model is also very dependent on robust long term metal prices.

A note on the resource and production estimates used in this study. During the period that Panguna was previously operating, the modelling underestimated copper production by approximately 5%.

Our 2012 study prepared an alternative model of the resource to account for this historical underestimation.

The impact of using this alternative model was to increase the amount of material potentially available to process, decrease the amount of mine waste rock to store, increase the potential mine life, and increase potential copper and gold production.

These assumptions can only be validated by additional drilling, when access is available.

BCL published a revised Mineral Resource Statement in February based on the results of the 2012 Order of Magnitude Study. This showed the impact of the revised metal prices, the more efficient processing plant and larger scale open pit mining operation, and resulted in a 70% increase in tonnage from the previous mineral resource. The resource estimate is based on historical company records. A JORC compliant resource estimate was reported to ASX earlier this year as shown.

This diagram shows a projected development timeline which will require an estimated 6-7 years and is dependent on an acceptable mining regime being agreed with Government and landowners. We need to note that this time line does not start today.

Some of the development timelines might be capable of overlapping somewhat, which could compress the time frame.

I mentioned earlier that the estimated total capital required is in the order of US\$5.2 billion. In arriving at this figure it needs to be remembered that access to site to determine the condition of facilities is not yet available, so the estimate is based on limited re-use of facilities. I have provided this table showing capital costing. These numbers are in millions of US Dollars.

The size of the final pit will depend largely on metal prices and the capacity of the plant and equipment to mine and process. The conceptual open pit is shown in this model. The waste dumps shown have a total capacity of around 600 million tonnes.

There are numerous tailings disposal options but the one adopted for this study was a conventional on-land paddock dam. An alternative on-land tailings storage option is to build a dam across the Jaba River in the area where historic tailings have accumulated. Modern technology now presents more options including the possibility of deep marine disposal. These options will be given more detailed attention at the appropriate time and in consultation with Government regulators and landowners.

That concludes this fairly detailed and technical account of the main findings of our Order of Magnitude Study.

Once again, the key findings are that the project is potentially economically viable, based on the key assumptions, at a processing rate of 60 million tonnes of ore per year and mining up to 100 million tonnes per year. The resource used for this study could support a mine life of approximately 24 years. The capital cost is high at US\$5.2 billion but it has been assumed that most mine site facilities will need to be replaced. This will be reassessed once mine access is available.

Significant Events

Now, significant events, beginning on Bougainville

There are many positive developments to report from the Autonomous Region of Bougainville during the year in review.

The relationship between President John Momis, his government, and the Board and management of BCL remains cordial and engaged, including the invitation for company representatives to make further visits, and establish an office at Arawa. President Momis maintains his support for the re-opening of the mine, and the momentum which has produced landowner elections and an increased focus on the re-start agenda is in considerable part due to the efforts of the President and members of his cabinet, together with the commendable efforts of an increasingly capable Bougainville public service, and the contribution of senior aid-funded advisors.

A series of Regional Forums is being held across Bougainville to allow all stakeholders to discuss the possible re-opening of the Panguna mine. Reports reaching BCL indicate strong support at the meetings that have so far been held. It is a priority of the Autonomous Bougainville Government to make sure that landowners, ex-combatants and the wider Bougainville community are all involved in the decision making process.

The ABG team has prepared a new Mining Policy, a comprehensive document which is now being discussed widely.

BCL management recently met with the Joint Panguna Negotiations Committee, including Landowners, representatives of the National Government and the ABG mining division. This was a significant event: the four major stakeholders around the table for the first time. The Committee was formed to facilitate preparations for a formal negotiation of a mining agreement for Panguna. This Committee will also be responsible for co-ordinating and approving various social and environmental studies.

Landowner Activities

The combined landowner groupings at Panguna have formed and activated the United Panguna Landowners Association, an umbrella association that will be the co-ordinating body on behalf of all the landowners responsible for future negotiations. One of its first achievements was an endorsement of the invitation to President Momis to visit Panguna, to be followed by an invitation to BCL senior management to also visit. Your company has agreed to participate in a series of bel kol ceremonies, which it is hoped will further assist the good relationship now demonstrated between

BCL and the landowners, and facilitate further access, remediation programs and other joint activities.

The umbrella organisation is working on an agenda of issues to bring to the table when negotiations for future operations begin, another positive development. Meetings between the various parties are active and ongoing.

The Bougainville Copper Agreement

To make things clear, the Bougainville Copper Agreement is an act of the PNG National Parliament, and as such can only be modified or repealed by the Parliament.

However, it is recognised by all stakeholders including BCL that the Agreement was drawn up in times and circumstances that differ from those prevailing today, and that significant changes need to be made to accommodate the views, rights and aspirations of all stakeholders including the landowners and the people of Bougainville.

There is widespread agreement today that Bougainville's economic future needs mining if it is to be able to fund services for the people from its own resources, as well as address future opportunities for economic and social development. However, as we have previously made clear, a re-commencement of mining at Panguna cannot take place unless all parties: the Landowners, the Autonomous Bougainville Government, the National Government of PNG, and BCL, are acting in close accord, now and into the future.

Funding and sovereign risk assurance for the project will require a united effort. There will need to be a fair and stable regulatory regime that gives investors the confidence needed to commit to a project that will cost in excess of US\$5 billion.

The company's contribution to this united effort includes the Order of Magnitude Study, which is in part a published document, and gives all stakeholders some information on which to base their positions.

The next technical work, a pre-feasibility study on reopening the mine, will be very expensive, so certainty is needed that a workable mining regime and conditions will be put in place before committing the funds. There will be some ongoing studies to provide information for negotiation of an agreement to mine at Panguna. Some of those studies will also be relevant to mine re-development.

Increasing the flow of information

Members of the company's management, together with experienced staff from Rio Tinto, participated in a facilitated public affairs seminar, which has resulted in a proposal for an expanded program of information exchange.

This includes listening to our various stakeholders as well as keeping them informed of our views and activities. The company's intention to open an office at Arawa, hopefully in the present year, will provide an important listening opportunity. Other recommendations of the draft public affairs strategy will be considered by the board for implementation.

There is another important public information strategy to which we are already committed.

In co-operation with the Autonomous Bougainville Government, and with the express support of President Momis, the Bougainville Copper Foundation and the ABG will jointly fund an expanded radio broadcasting capacity; to carry multiple broadcast programs to areas of the Region that currently receive little information.

High capacity transmitters will be installed at Arawa, Buin and Buka, receiving broadcasts from a satellite uplink, installed initially at Buka but able to be re-located at Arawa as and when the Autonomous Government moves its Headquarters back to Central Bougainville.

We believe that this initiative will greatly improve the flow of information, facilitate dialogue, and enable the majority of Bougainvilleans to make better-informed decisions as to their future.

It is not a BCL radio network, but rather a public facility, accessed by local broadcasters and the ABG.

Because it is on satellite, the messages can also be heard across Papua New Guinea, giving voice to the deliberations and discussions taking place on Bougainville.

Directors

There are changes to the Board of Directors of the company to be dealt with at this Annual General Meeting.

1. Election of Dame Carol Kidu as a member of the board.

Having been appointed by the board to fill a casual vacancy in April 2013, and in accordance with the company's constitution, Dame Carol Kidu now retires, and being eligible offers herself for election to the board as a director.

2. Retirement of Mr Jean-Sebastien Jacques.

Having been appointed by the Board as a director since the last annual general meeting, in accordance with the company's constitution, Mr Jean-Sebastien Jacques will retire at this meeting. Following his recently announced appointment as Chief Executive Copper for Rio Tinto, Mr Jacques has decided not to stand for election as a director at this annual general meeting. In his new position at the top of the Rio Tinto copper group, it is anticipated that Mr Jacques will continue to have a close interest in the future of Bougainville Copper.

3. Retirement of Mr Ian Williams.

In accordance with the company's constitution, Mr Ian Williams retires at this annual general meeting and does not seek to be re-elected as a member of the board of the company. Bougainville Copper Limited recognises the long and valuable service of Mr Williams to its deliberations, and thanks him for his contribution.

These matters will be put to the meeting shortly.

Conclusion

In conclusion, let me assure you that the vision to return to active exploration and profitable mining remains and, I am pleased to say, with the active support from local stakeholders to which I have earlier referred.

We face the coming year with enthusiasm for the tasks ahead, and anticipate good progress toward the vision of reopening the mine. We have many initiatives in place, we believe we are ready to go, we are engaged with the ABG and the Landowners, and we anticipate the implementation of several new activities in this coming year.

With our partners, we are building momentum.

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Bougainville Copper Limited
Welcome to the 2013 Annual General Meeting



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**Bougainville Copper Limited
Chairman's Report 2012**

"building momentum"



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Bougainville Copper Limited

- additional resources
- organised landowners
- good relationships
- widespread support



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2012 Results

Results

- Year ended December 31, 2012
 - Loss of K6.3 million (planned loss K12.2 million)
 - (2011 Loss K3.7 million)
 - Income and Gains above budget, costs under budget
 - Directors have not declared a dividend
 - Sufficient funds, debt free



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Investment Strategy

Investment Strategy

- Assets in cash and equities
 - linked to performance of ASX
 - intention to maintain current strategy
 - taxation dispute may reduce size of portfolio
 - sufficient to carry through to pre-feasibility



ASX
AUSTRALIAN SECURITIES EXCHANGE



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Taxation Dispute

Taxation dispute

- Company has lodged additional information
 - may be closer to a negotiated outcome
 - company has paid substantial court-sanctioned funds
 - funds available for return to BCL if successful
 - further negotiation is on foot



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US Litigation

Litigation in United States

- small group of Bougainvillean plaintiffs
 - BCL is not party to the litigation
 - allowing foreign courts to rule on PNG is bad precedent
 - Rio Tinto has asked US Supreme Court to rule on jurisdiction





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Governance

Governance

- BCL has reporting obligations to ASX and shareholders
 - report of compliance contained in Annual Report
 - BCL reports internally to Rio Tinto on compliance with policies including safety, environment, financial management, other risk management matters



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Safety

Safety

- BCL safety conscious
 - comprehensive set of safety standards
 - safe working environment for employees and contractors
 - compliance with best safety practice
 - compliance with Rio Tinto safety policy





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Risk Management

Risk Management

- BCL Board participates in risk analysis
 - identify risks and opportunities
 - allocate responsibility for risk management
 - regular risk audit process
 - compliance



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Bougainville Copper Foundation

Bougainville Copper Foundation

- Continued support for more than 20 years
 - not for profit, activities funded by BCL
 - more than 100 students on scholarships 2013
 - emphasis on education, peace and good governance
 - Don Vernon Scholarship
 - building knowledge base of PNG mining professionals





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2012 Order of Magnitude Study

Order of Magnitude Study

- Major exercise to increase knowledge
 - guidance
 - most effective alternative ways to re-develop Panguna
 - new study completed this year





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2012 Order of Magnitude Study

Purpose of Study

- Since 2008, metal prices and costs assumptions have changed
- Opportunity to assess wider range of development and production options including:
 - Higher mining and processing rates
 - Alternative power, tailings, infrastructure and accommodation options
- An alternate model to estimate the potential benefits today, of accounting for the historic resource underestimation





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2012 Order of Magnitude Study

Key Assumptions

- Accuracy \pm 30%
- Not a bankable, detailed feasibility study
- 60Mt/yr ore processing rate, possible expansion to 90Mt/yr
- Metal Prices based on Industry Analyst consensus with a \pm 10% range
- Lower metal prices may still be viable, resource would reduce, as would mine life



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2012 Order of Magnitude Study

Cautions

- Limited to technical and financial feasibility of Panguna operation
- Not landowner or Government issues
- Bankable feasibility study needed for finance
- Tax, compensation and social issues still to be considered
- Further studies will rely on site access

The information in this presentation regarding Panguna Mineral Resources was generated from the BCL press release to the ASX on 7/2/2013 which can be found in full at www.bcl.com.pg/latest-news/jorc-press-release/. The information regarding Mineral Resources is based on information compiled by Mr Perry Collier and Mr Gerald Clark who are members of the Australasian Institute of Mining and Metallurgy. Mr Collier is a full-time employee of Rio Tinto and Mr Clark is an independent geological consultant. Mr Collier and Mr Clark have experience which is relevant to the style of mineralisation and type of deposits under consideration and to the activity which they have undertaken to qualify as a competent person as defined in the 2004 edition of the 'Australasian Code for Reporting of Exploration Results, Minerals Resources and Ore Reserves'. Mr Collier and Mr Clark both consent to the inclusion in the press release of the matters based on their information in the form and context in which it appears.



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2012 Order of Magnitude Study

Key findings

- Base case economically viable
 - Mining up to 100Mt/yr
 - Processing 60Mt/yr
 - Operating for ~24 years
 - High capital cost of \$5.2B
 - Sensitive to metal prices





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2012 Order of Magnitude Study

Other considerations

- Workforce of 2,500.
- Social infrastructure envisaged includes education, health, recreational, civil, commercial and mine training facilities.
- Workforce accommodation allows for all people on shift to be accommodated in a camp with additional houses in Arawa.
- Power generation options assessed include coal or gas fired base load power stations
- Potential for incremental hydro power
- Ongoing consultation required with Landowners and Governments.





2012 Order of Magnitude Study

Base Case Development

- Envisaged at least 6 years required from gaining site access to commence production, excluding any approval delays.
- Mining 2.2Bt at a mining rate of 100 M/t per year
- 60 to 70 million tonnes ore grade
- Processing at 60Mt/yr could produce concentrate containing around 180,000 tonnes of copper and 580,000 oz of gold annually.
- This equates to production of 4.2Mt of copper and 13.9Moz of gold over 24 years.
- Potential for additional recoveries





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2012 Order of Magnitude Study

Expanded Development Case

- An expanded case was assessed processing 90Mt/yr.
- The economies of scale reduce the site operating costs.
- Shortens mine life by 4 years
- Also very dependent on robust metal prices





2012 Order of Magnitude Study

Alternative Resource Model

- During the Panguna operating period the resource model underestimated the copper production by approximately 5%.
- Alternative resource model to account for this underestimation.
- Increase the amount of material potentially available to process, decrease the amount of mine waste rock to store
- Increase the potential mine life and increase potential copper and gold production.
- Only validated by additional drilling.





2012 Order of Magnitude Study

2013 Resource

- Revised Mineral Resource statement in February, based on 2012 OMS
- Impact of the revised metal prices, higher throughput, more efficient processing plant and larger scale open-pit mining operation
- Resulted in a 70% increase in tonnage from the previous Mineral Resource.

Resources	Tonnes (Mt)	Cu (%)	Au (g/t)	Cu (Mt)	Au (Moz)
Measured	0			0	0
Indicated	1,538	0.30	0.33	4.6	16.1
Inferred	300	0.3	0.4	0.7	3.2
Total	1,838	0.30	0.34	5.3	19.3



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2013 Order of Magnitude Study Development Schedule

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
Pre-feasibility (24 months)	→						
Approvals (3 months)			▲				
Feasibility (12 months)			→				
Approvals (3 months)				▲			
Construction (33 months)				→			
Production							◆



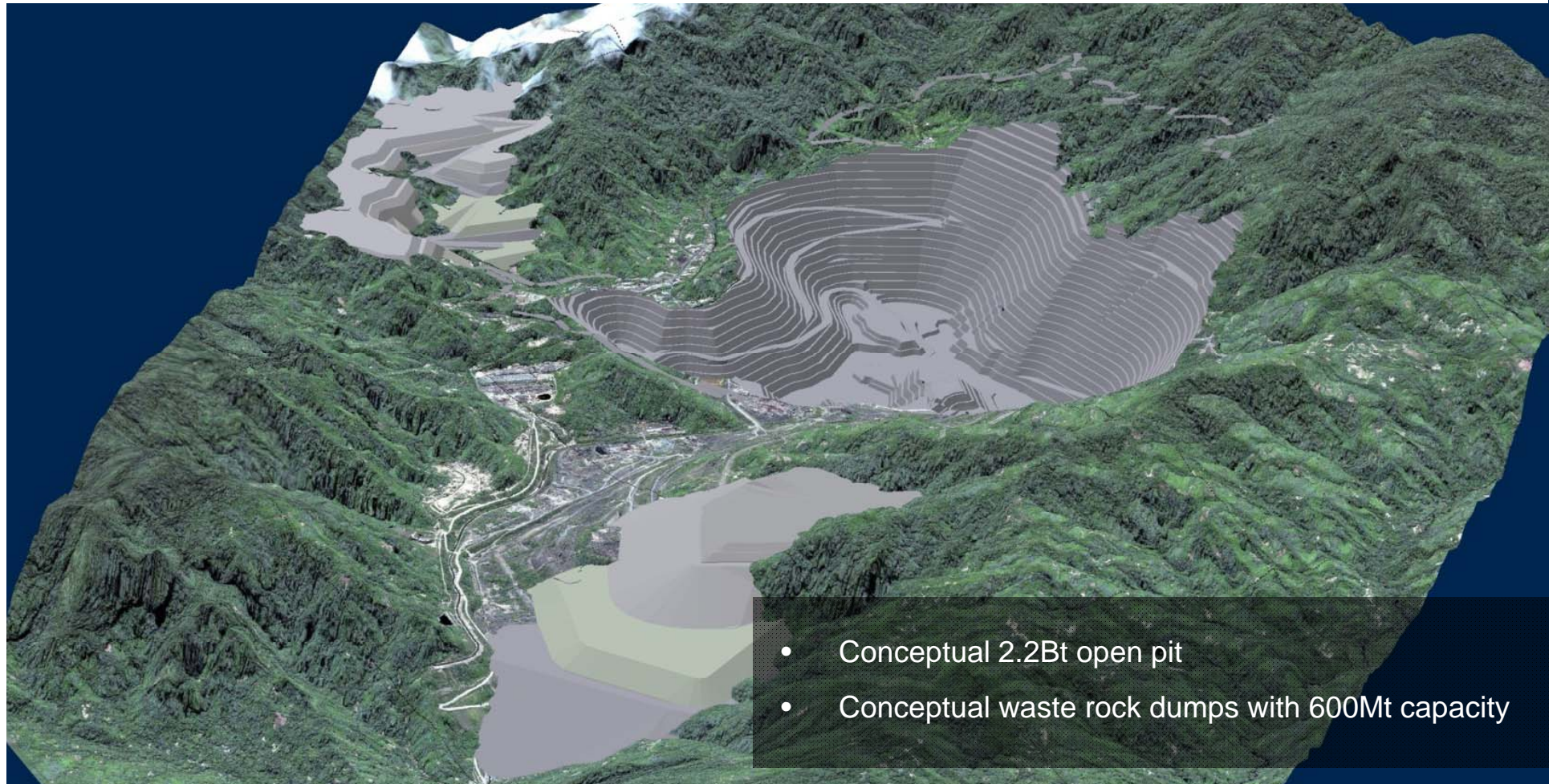
2013 Order of Magnitude Study Capital Costs

	60Mt/year	
Mining	535	
Processing	930	
Infrastructure	490	
Tailings	350	
Power	480	
Accommodation	490	
Social Infrastructure	200	
Engineering & Owner's costs	1,010	
Contingency	690	
Total costs	US\$M 5,175	



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2012 Order of Magnitude Study Pit and Waste Dumps

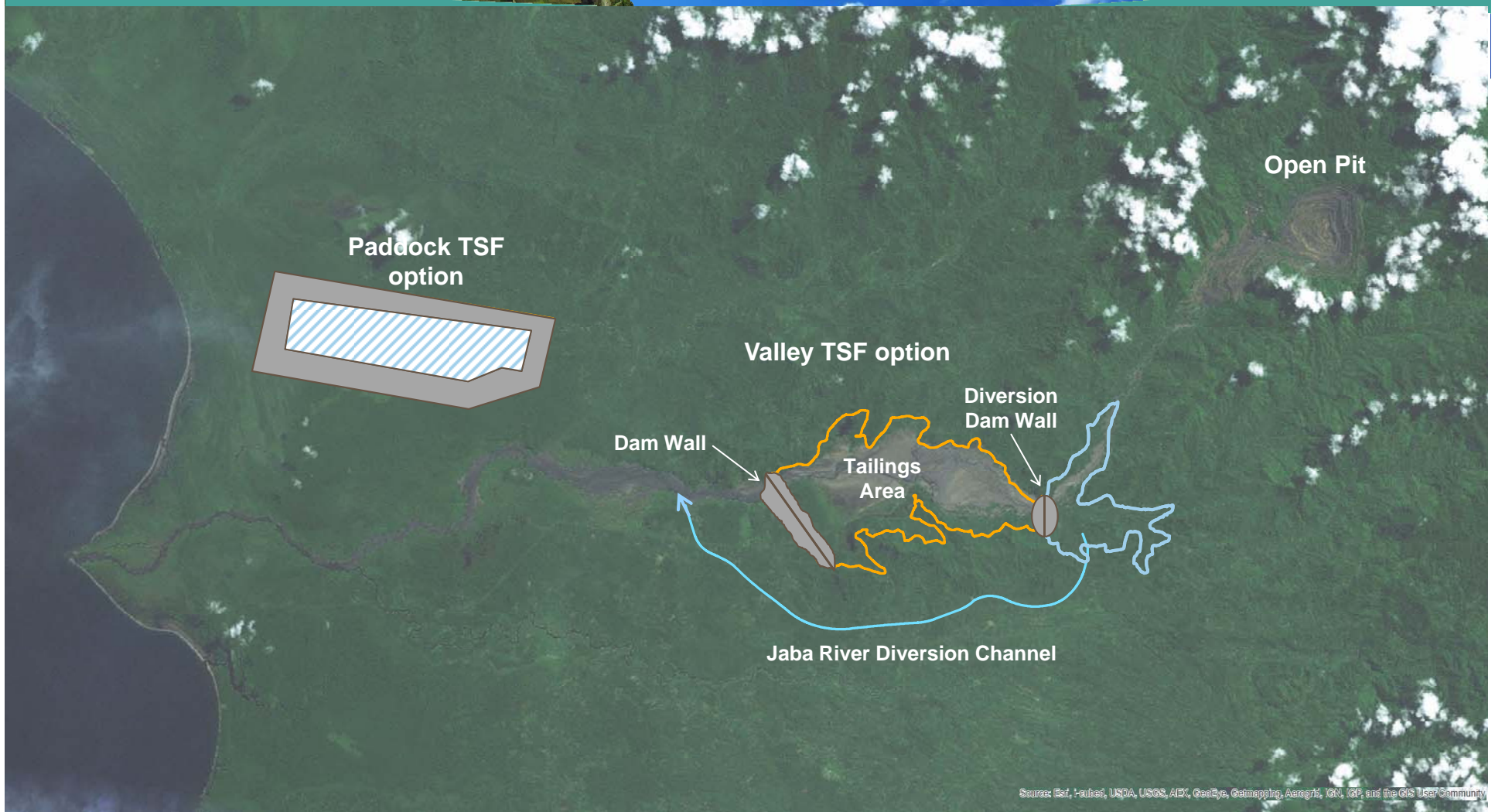


- Conceptual 2.2Bt open pit
- Conceptual waste rock dumps with 600Mt capacity



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2012 Order of Magnitude Study On land Tailings



Source: Esri, DeLorme, USDA, USGS, AEX, GeoEye, Geomapping, AerialGrid, IGN, GP, and the GIS User Community



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2012 Order of Magnitude Study

Key findings

- Base case potentially economically viable
 - Processes 60Mt/year
 - Mines up to 100Mt/year
 - Operates for ~24 years
 - High capital cost of \$5.2B
- Both cases sensitive to metal prices
- Pre-feasibility study required to prepare Ore Reserves





Significant Events

- Many positive developments on Bougainville
 - very positive relationship with President Momis
 - BCL invited to open office at Arawa
 - regional forums indicate strong support for reopening
 - ABG drafts new mining policy, BCL discussing
 - Ex-combatants, wider community consulted
 - Joint Panguna Negotiations Committee formed





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Landowner Structures

Landowner Activities

- Landowner committees activated
 - United Panguna Landowners Association formed
 - invitation to BCL to visit Panguna
 - company agrees to participate in “bel kol” ceremonies
 - facilitate access, remediation programs
 - meetings already underway with all parties.



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Bougainville Copper Agreement

Bougainville Copper Agreement

- BCA an Act of Parliament
 - recognised that times and circumstances have changed
 - all stakeholders must be in close accord for new BCA
 - fair and stable regulatory regime required for funding
 - Order of Magnitude Study a contribution to discussion
 - certainty needed for next commitment, pre-feasibility



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Increasing Information

Information Flow

- Increased exchange of views
 - BCL team proposes expanded information exchange
 - proposed Arawa office will have listening role
 - new satellite radio link across Bougainville, funded by ABG and BCF
 - flow of information, facilitate dialogue, enable better decision-making
 - a public facility, not a BCL voice





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Changes to the Board

Directors changing

- One change to be voted on
 - election of Dame Carol Kidu
 - retirement of Mr J-S Jacques
 - retirement of Mr Ian Williams



BOUGAINVILLE
COPPER LIMITED

2012 Chairman's Report

In Conclusion

- Vision remains to return to active mining
 - active support from stakeholders
 - closely engaged with ABG and Landowners
 - several new initiatives ready for this year
 - with our partners, we are building momentum



BOUGAINVILLE
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**Bougainville Copper Limited
Annual General Meeting**

“building momentum”