



BOUGAINVILLE COPPER LIMITED

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Press Release

29 September, 2011

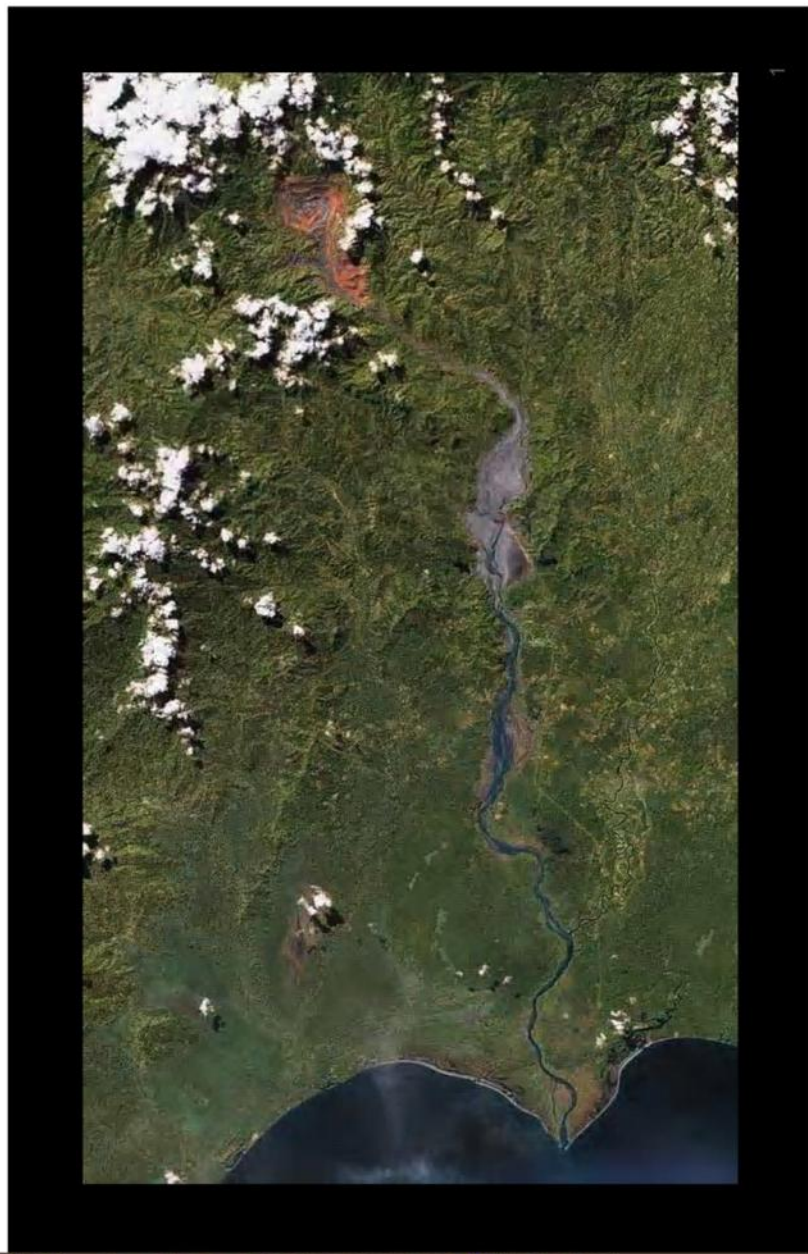
UPDATE PRESENTAION

Attached is a presentation prepared by the Chairman for the shareholders.

Paul Coleman
Company Secretary

Located on 6th Floor, Pacific Place, Cnr Musgrave St. & Champion Pde, Port Moresby, Papua New Guinea

BOUGAINVILLE COPPER LIMITED 2011 Update

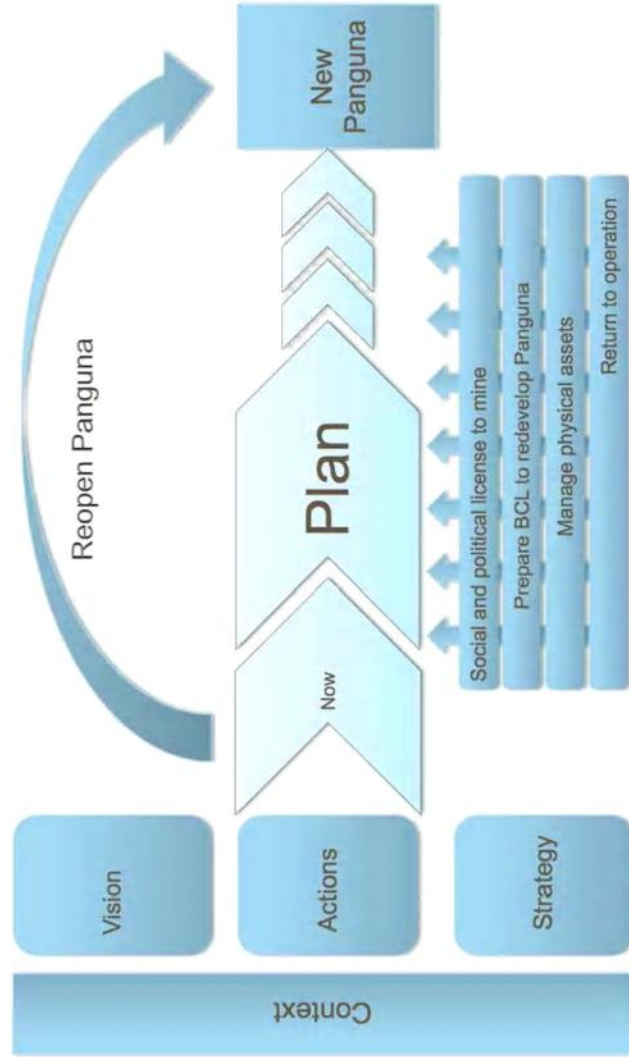


Agenda

- Context
- The New Panguna
- Vision
- Strategy
- Risks and opportunities
- Path to redevelopment

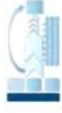


Planning Process





Context



- Landowner support for reopening the mine is increasing;
- Militants are becoming more amenable to re-opening but are being replaced by outside parties with vested business interests opposed to reopening the mine;
- The current ABG and PNG governments are supportive but the political situation remains fluid;
- Reopening the mine and ABG economic independence are intertwined;
- Media attention is increasing;
- The project value has increased because of improved metal prices and scarcity of new copper supply.



The New Panguna



1. A direct partnership with Bougainville
2. Development and benefits focused on Bougainville
3. Bougainvillean awareness and training

Vision

Reopen the Panguna Mine

The conditions required to achieve this are:

- Bougainville community and government support;
- Law and order re-established on Bougainville;
- Historic compensation and legal issues resolved;
- Certainty in regulatory and fiscal mining regimes;
- The ABG and PNG governments' positions clarified with respect to BCL equity and administration of mining law;
- Long term mining lease;
- Mining Development Contract negotiated; and,
- A mining operation acceptable to stakeholders negotiated.



Strategy



Achieve social and political license to operate.

- Engage with stakeholders to gain endorsement for redevelopment, resolve historic issues and negotiate a satisfactory MDC

Maintain the company

- Ensure BCL remains solvent, implement appropriate health and safety systems, manage risk, enhance the corporate image and manage the Mining Lease extension.

Manage physical assets

- Achieve safe access to the mining assets, survey the condition of the assets, update environmental baseline studies and determine remediation requirements.

Return to operation

- Determine the optimal development option acceptable to stakeholders, plan how to implement and ensure BCL has the resources to implement.





Risks and Opportunities

(1/4)

Achieve social and political license to reopen the Panguna Mine

Risks

•Delay

- Landowners unable to form associations
- Militants and other vested parties delay access
- Site safety program delayed
- National election slows progress
- Relationship between ABG and PNG government slows progress
- Law and order in central Bougainville deteriorates
- Delay to social mapping and awareness surveys

•Third party interference

Opportunities

- ABG champions project and facilitates early access.
- Accelerated BCL and BCF social initiatives around the mine affected area.
- Government census in 2011 will provide initial social mapping data.



Risks and Opportunities

2/4

Prepare BCL to redevelop Panguna

Risks

- Experienced staff leave company
- Major shareholder doesn't support.
- Tax case loss could cost company 25% of cash
- US litigation impacts development commitment
- Mining Lease is not extended for long enough period
- Change in mineral ownership and land tenure

Opportunities

- Further enhance BCL reputation.
- Improved PNG/Bougainville risk profile.



Risks and Opportunities

3/4

Manage physical assets

Risks

- Mercury pollution from artisanal alluvial miners.
- Not being able to peacefully remove artisanal alluvial miners.
- Personnel injured at site.

Opportunities

- Goodwill generated from tailings remediation as requested by ABG
- Study recovery of alluvial gold from tailings as part of tailings remediation
- Regulate mining of alluvial gold for the benefit of landowners



Risks and Opportunities

(4/4)

Return to operation

Risks

- No acceptable tailings disposal method agreed
- Access to site denied because of third party vested interests
- Project value over estimated
- Copper and gold prices don't support redevelopment

Opportunities

- Project value improves
 - Grade underestimated
 - Capex overestimated
 - Fast track development schedule
 - More economical power sources such as hydro or geothermal.
 - Potential re-use of infrastructure
- New technology



Path to achieve the Vision

