



# BOUGAINVILLE COPPER LIMITED

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## Press Release

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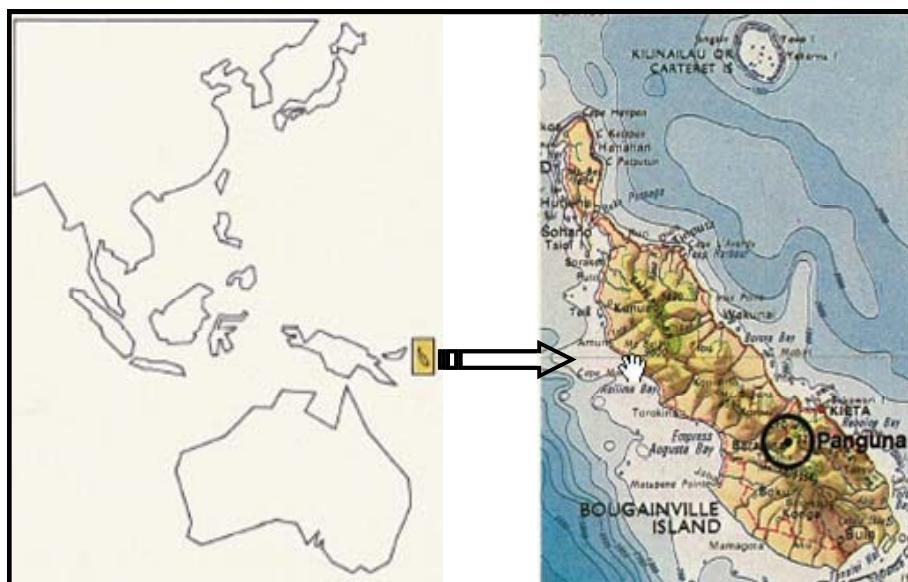
11 February 2009

### **BOUGAINVILLE COPPER LIMITED ANNOUNCES A MINERAL RESOURCE OF OVER 1 BILLION TONNES AT PANGUNA**

Bougainville Copper Limited has completed an order of magnitude study to evaluate the technical and financial requirements to re-develop the Panguna Mine. This study indicates there is sufficient potential for a viable operation to report a Mineral Resource statement.

#### **Introduction**

Bougainville Copper Limited (BCL) is owned by Rio Tinto (53.58%) and the government of Papua and New Guinea (19.06%) with the remaining 27.36% publicly owned. Panguna is a large porphyry copper-gold deposit located on Bougainville, Papua New Guinea. BCL operated the Panguna open pit mine from 1972 until 1989 when operations were suspended due to militant attacks on company personnel and operations.



The operation comprised an open pit mine and an adjacent ore processing facility producing copper-gold concentrate for export from the port of Anewa Bay. The site was operated as fully residential with staff accommodated at Panguna and the township of Arawa.

In 1988 total material mined from the open pit was 90 million tonnes, comprising 33 million tonnes of direct feed ore (DFO), 35 million tonnes of pre-concentration screening material (PCS) and 22 million tonnes of waste. PCS was material mined to access the DFO amenable to beneficiation by screening; the fines were upgraded sufficiently for economic processing and the coarse material was sent to waste. The open pit was kept drained by an adit from the bottom of the pit. The concentrator was processing 48 million tonnes of ore (DFO and PCS fines) per year and produced concentrates containing 166 thousand tonnes of copper and 445 thousand ounces of gold. BCL has had no access to the site since operations were suspended in 1989.

During the 18 years of operation some 3 million tonnes of copper and 9.3 million ounces of gold were produced in concentrates from 675million tonnes of ore milled.

At the time of closure, BCL quoted an ore reserve of 496 Mt @ 0.42% Cu and 0.55 g/t Au and additional material amenable for upgrading by screening that, combined, provide mill feed of 691Mt @ 0.40% Cu and 0.47g/t Au.

### **Order of Magnitude Study(OoM)**

Redevelopment of Panguna evaluated in the recent OoM study completed in November 2008 envisaged similar mining, processing and concentrate export facilities to the earlier operation.

### **Mineral resource**

An updated mineral resource has been estimated using geological, mine planning and production data archived in 1989. The archived data sets have been reviewed and validated by Rio Tinto and ex BCL staff during 2008. No additional data was collected as part of this study. The geological block model is based on data from 253 diamond holes drilled on a 122m by 122m grid, with some wider spaced holes on the periphery. Life of project blast hole assay data was also used for validation studies. During the operating period the geological block model underestimated the copper production by approximately 5%. This low bias has been principally attributed to the drill hole spacing being too wide to sufficiently sample narrow high grade zones within the orebody, and to material lost during the diamond drilling process. Although bias has been identified, no upgrade has been applied to the resource at this stage until further sampling studies are available.

Mineralisation within the block model has been segregated based on cut off grade and rock type parameters into DFO and PCS process ore types, and evaluated against mining and processing scenarios to determine a new potential economic pit shell.

Material above cut-off within the pit shell defined by 122m spaced drilling was classified as Indicated, and material within the pit shell defined by wider spaced drilling was classified as Inferred.

No Measured material was defined due to the unresolved low bias identified in the block model during the validation studies.

	Tonnes (M)	Cu (%)	Au (g/t)	Cu (Mt)	Au (Moz)
Measured Resource	0	0.00	0.00	0	0
Indicated Resource	1000	0.33	0.37	3.3	11.9
Inferred Resource	64	0.28	0.41	0.2	0.8
<b>Total Resource</b>	<b>1064</b>	<b>0.33</b>	<b>0.37</b>	<b>3.5</b>	<b>12.7</b>

### CP Statement

*The information in this press release that relates to Mineral Resources is based on information compiled by Perry Collier and Gerald Clark who are members of the Australasian Institute of Mining and Metallurgy. Perry Collier is a full-time employee of Rio Tinto Limited and has 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'. Gerald Clark is an external consultant and has 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'. Perry Collier and Gerald Clark consent to the inclusion in the press release of the matters based on their information in the form and context in which it appears.*

*As required by the Australian Stock Exchange, the information presented here contains details of other mineralisation that has a reasonable prospect of being economically extracted in the future but which is not yet classified as Proved or Probable Reserves. This material is defined as Mineral Resources under the JORC Code. Estimates of such material are based largely on geological information with only preliminary consideration of mining, economic and other factors. While in the judgement of the Competent Person there are realistic expectations that all or part of the Mineral Resources will eventually become Proved or Probable Reserves, there is no guarantee that this will occur as the result depends on further technical and economic studies and prevailing economic conditions in the future.*

By Order of the Board



Paul Coleman  
Company Secretary