



BOUGAINVILLE COPPER LIMITED

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Press Release

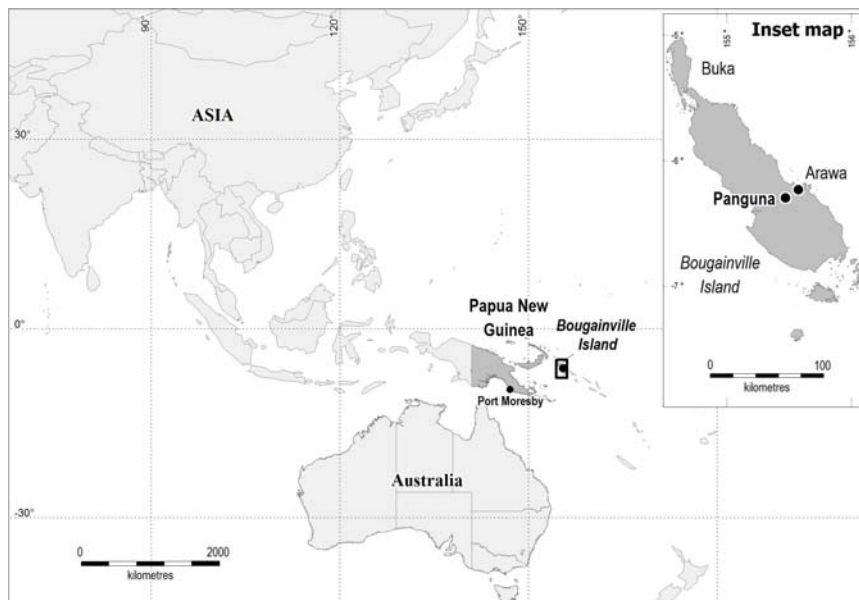
7 February, 2013

BOUGAINVILLE COPPER ANNOUNCES A SIGNIFICANT INCREASE IN ITS RESOURCE BASE

Bougainville Copper Limited is currently completing a revised order of magnitude study (OMS) that evaluates the technical and financial requirements to redevelop the Panguna Mine. This study informed an updated Mineral Resource statement.

Introduction

Bougainville Copper Limited (BCL) is owned by Rio Tinto (53.83 per cent) and the Government of Papua New Guinea (19.06 per cent) with the remaining 27.11 per cent publicly owned. Panguna is a large porphyry copper-gold deposit located on Bougainville Island, Papua New Guinea. BCL operated the Panguna open pit mine from 1972 until 1989 when mining was 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 nearby port of Anewa Bay. The site was operated as fully residential with staff accommodated at Panguna and the coastal township of Arawa.

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

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 amenable to beneficiation by screening; the fines upgraded sufficiently for economic processing and the coarse material was sent to waste. The PCS cut-off grade varied by lithology. The open pit was kept drained by an adit from the bottom of the pit. The concentrator processed 48 million tonnes of ore (DFO and PCS fines) a year and produced concentrates containing 166,000 tonnes of copper and 445,000 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 675 million tonnes of ore milled.

At the time of closure, BCL quoted an Ore Reserve of 496 million tonnes grading 0.42 per cent copper and 0.55 grams per tonne gold and additional material amenable for upgrading by screening that, combined, would provide mill feed of 691 million tonnes grading 0.40 per cent copper and 0.47 grams per tonne gold.

In 2009 BCL published a mineral resource statement supported by an OMS that indicated Panguna redevelopment was a viable option based on a similar scale mining, processing and concentrate export facilities to the earlier operation. The 2009 resource estimate comprised 1,064 million tonnes grading 0.33 per cent copper and 0.37 grams per tonne gold that contained 3.5 million tonnes of copper and 12.7 million ounces of gold.

2012 Order of Magnitude Study

In 2012, BCL revised the OMS with current metal price and cost estimates, and revised the scale and options for a potential development including consideration of a higher throughput more efficient ore processing plant and larger scale open-pit mining. The OMS base case considered mining rates of up to 100 million tonnes a year and processing DFO and PCS fines at 60 million tonnes a year. The resource estimate based on this OMS resulted in a 70 per cent increase in tonnage to 1.8 billion tonnes, a 50 per cent increase in contained metal to over five million tonnes of copper and 19 million ounces of gold and highlights the significance of the Panguna mineral resource. Assumptions used in the OMS can only be validated through further studies once safe access to the ground is made possible.

BCL Managing Director Peter Taylor said, "Although we are only at the Order of Magnitude stage of project study, the revised resource estimate supports consideration of a number of potential development options. BCL continues to work with stakeholders on exploring ways in which the project may be advanced."

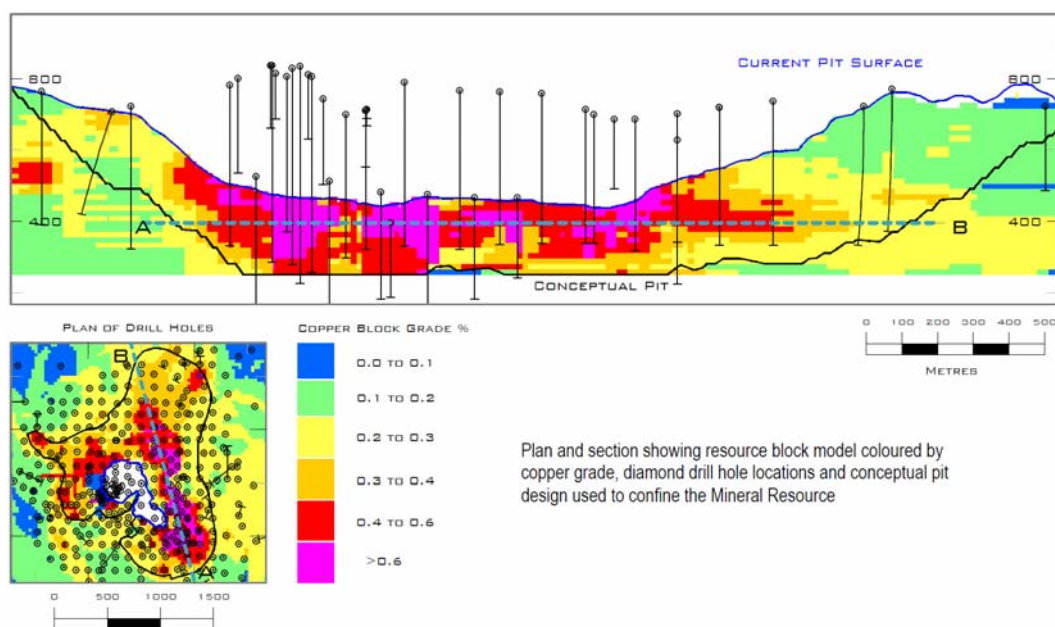
Resource statement

In 2012, Bougainville Copper prepared an OMS to evaluate the technical and financial viability of re-opening the Panguna mine. As part of the OMS a revised Mineral Resource was estimated in accordance with the JORC code (2004). The 2012 Mineral Resource was estimated using geological, mine planning and production data archived in 1989. The archived data sets (including 80,778m of diamond drilling,

4700m of underground sampling and production blast hole sampling) were reviewed and validated by Rio Tinto and ex Bougainville Copper staff.

During the operating period the geological block model underestimated the copper production by approximately five per cent. This low bias was principally attributed to the drill spacing being too wide to sufficiently sample relatively narrow high grade zones within the orebody, and to material lost during the diamond drilling process. Although the bias had been identified, at this stage no upgrade has been applied to the remaining resource. No additional geological data was collected from the deposit as part of the 2012 OMS, although potential remediation, re-development, mining and processing assumptions were all updated.

The updated 2012 Mineral Resource is quoted as DFO above a 0.24 per cent copper cut off grade and PCS above cut off grades of 0.16 per cent to 0.20 per cent copper (dependent on lithology) within a confining conceptual pit design based on conventional truck and shovel mining and a potential 60 million tonnes a year processing rate.



Panguna Mineral Resource Update

	As at December 31 2011					As at December 31 2012				
	Tonnes (Mt)	Cu grade (%)	Au grade (g/t)	Cu (Mt)	Au (Moz)	Tonnes (Mt)	Cu grade (%)	Au grade (g/t)	Cu (Mt)	Au (Moz)
Resources										
Measured	0	0.00	0.00	0	0	0	0.00	0.00	0	0
Indicated	1,000	0.33	0.37	3.3	11.9	1,538	0.30	0.33	4.6	16.1
Inferred	64	0.28	0.41	0.2	0.8	300	0.3	0.4	0.7	3.2
Total	1,064	0.33	0.37	3.5	12.7	1,838	0.30	0.34	5.3	19.3

A fact sheet outlining additional technical assumptions supporting this resource statement can be found on the BCL web site at: www.bougainvillecopper.com.pg

Competent person statement

The information presented in this release relates to Mineral Resources determined for the Panguna project, and contains details of mineralisation that has a reasonable prospect of being economically extracted in the future, but which is not yet classified as Proved or Probable Ore Reserves. This material is defined as a Mineral Resource under the JORC code (2004). 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 Ore 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.

The information in this statement that relates to 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.

By Order of the Board



Paul Coleman
Company Secretary