



BOUGAINVILLE COPPER LIMITED

INCORPORATED IN PAPUA NEW GUINEA ARBN 007 497 869

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Press Release

29 April 2010

Company Announcements Office
Australian Stock Exchange Limited

Dear Sir/Madam,

**Annual General Meeting – 29 April 2010
Bougainville Copper**

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

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

Yours faithfully,

Paul Coleman
Company Secretary



**CHAIRMANS ANNUAL GENERAL MEETING ADDRESS
CROWNE PLAZA PORT MORESBY THURSDAY 29 APRIL 2010**

Good morning Ladies and Gentlemen, and welcome to this 43rd Annual General Meeting of Bougainville Copper Limited, reporting on the 2009 year.

I would like to address

- the results
- the ongoing issue of taxation
- other developments and activities affecting your company since we last met.
- the way forward

Let me say at the outset that an event which is likely to be of significance to the company in the present year is taking place as we speak, which is the election of a new President and Members of the House of Representatives in the Autonomous Region of Bougainville.

The incoming President and his government will be in charge for a five year term, which is the period during which the mine should be re-opened if it is to take advantage of the present upturn in metal prices.

We understand that the election is being conducted in an orderly and committed manner, and the company looks forward to working with those Bougainvillean's who are elected, with positions to be declared in early June.

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

Results

Now to a summary of the 2009 results, as contained in the Annual Report.

For the year ended 31 December 2009, the net profit was K8.7 million (AUD\$4.3 million) compared with a loss of K4.8 million (AUD\$2.3 million) the previous year.

In addition there was an unrealised K63.6 million capital gain which together with the net profit equates to a 24.6 per cent increase in shareholder funds.

The higher net profit this year is attributable to realised gains on the sale of investments and exchange gains.

BCL's liquid assets continue to be cash and Australian equities. The weak Australian equity market in the previous reporting period resulted in an adverse impact on both the value of investments and returns realised.

It is pleasing to report that despite the global financial crisis the company was able to maintain its portfolio save for modest sales for operating purposes and is now benefiting from the recent strong growth in the ASX 200.

It is intended to continue with the current investment strategy until such time as equities need to be sold to fund mine planning and development.

It is expected that income for 2010 should be similar to last year. Operating expenses in this reporting period were in line with those of the previous year.

The company has sufficient funds to cover its recurrent expenditure under the current plan.

Due to the relatively modest profit and the need to preserve cash for future development the company will not pay a dividend.

Now to Taxation

The issues regarding the taxation dispute between Bougainville Copper Limited and the Internal Revenue Commission have been fully laid out in previous reports to shareholders, and are addressed again in the 2009 Annual Report.

However, legal costs arising from the matter continue to be a drain on revenue, and so I will briefly address it again.

As you will be aware, mining operations were suspended in 1989 resulting in considerable losses to the company and these losses continue to mount.

In line with normal practice the company offset those losses against revenue as well as claiming depreciation of its remaining mine assets.

Despite this approach being accepted by the Internal Revenue Commission every year since the suspension of mining operations a targeted IRC audit resulted in reassessments being issued.

The basis for the reassessment is that the company has no assets that can be depreciated.

BCL has taken expert legal and accounting advice and based on that advice lodged formal objections to the amended assessments. The company has paid approximately K13 million to the IRC which is close to the claimed unpaid primary tax.

By far the largest part of the claim is for penalties and interest and these claimed amounts have not been paid and are subject to ongoing court proceedings.

BCL believes that the imposition of such penalties is unconstitutional and not in accordance with law.

BCL's substantive tax appeals against the assessments and other amounts claimed is waiting completion of discovery and fixing a trial date.

Other Developments

I would now like to comment on our Strategy, and Developments in 2009 and up to the present.

Throughout 2009 the company has maintained its strategic plan which has as its main objective a return to profitable mining on Bougainville, for the benefit of all stakeholders.

Although it has not yet been possible for company representatives to spend time on Bougainville to assess the state of the company's assets, and to conduct audits relating to safety and the environment, there have been several significant developments.

An important step to a closer engagement between the Bougainville Government and BCL occurred last year when the President James Tanis issued a formal invitation to the company to send a representative to Bougainville.

The company accepted the invitation and the Company Secretary undertook a two-day courtesy visit during which he met the President, Ministers and senior administrators.

The meetings were cordial and resulted in broad agreement on a range of subjects the Government and the company need to jointly explore.

It is recognised on all sides that peace and good order are pre-requisites to any return of company representatives or contractors to conduct safety and environment audits and rehabilitation. These programs would in themselves provide early economic and social benefits to landowners and the wider population. These are key issues for the company which will assist where appropriate. The company looks forward to further positive dialogue with the incoming President and Cabinet.

Understandably, the election process is pre-occupying most Bougainvillean's at this time, but under the President, most of 2009 was marked by an acceleration of the reconciliation and weapons disposal processes.

Progress was also made in the drawdown of powers to Bougainville under the Constitution.

As an interested party, your company continues to be in dialogue with the Government of Papua New Guinea at a high level, and has made clear to both the National Government and the Autonomous Bougainville Government its willingness to conduct remedial work on Bougainville in regard to safety and the environment as soon as it is appropriate to do so.

Issues that are of importance between the two Governments include the drawdown of mining powers to Bougainville, the re-negotiation of the Bougainville Copper Agreement and the World Bank capacity building program.

The company suggests that all of these issues should be given impetus, to provide Bougainville with the opportunity to benefit from a resumption of activity leading to full scale mining, and particularly in the light of the present upturn in the global mining and metals cycle.

Although a formal review of the Bougainville Copper Agreement has not started, there is ongoing dialogue between the National Government and the Bougainville Government about the future of the Panguna ore body and government responsibility for mining.

There is increasing acknowledgement among stakeholders that Bougainville's economic future needs mining if it is to be able to fund even basic services from its own resources let alone create the infrastructure needed for broader based economic development.

If the Panguna mine is to reopen the Bougainville Copper Agreement and related legislation need to be amended to accommodate changed circumstances and provide certainty for all concerned.

There is also general agreement that negotiations are needed even if there is not yet agreement on the agenda and process. Landowners' representation at any negotiations is critical but there is still work to be done on landowner reconciliation and the formation of a united landowner representative body.

The process is underway to hold elections among landowners to form a new combined landowner group that will provide a united voice at the negotiating table.

The company will need the support of the landowners as well as the incoming president and cabinet.

Funding and sovereign risk assurance for the project will require a united effort.

There will need to be a fair and stable mining regime that gives investors the confidence needed to commit to a project that will cost in the order of US\$3 billion.

The World Bank initiative aimed at helping Bougainville develop capacity to manage its mining sector continues and there is a good chance the transfer of mining powers to Bougainville will occur this year. That is an important step because as matters currently stand there is an expectation of transition but no certainty.

Hopefully the new Bougainville mining regime will be largely consistent with the National model to assist with a smooth transition from old regime to the new.

The Bougainville Copper Agreement is National Government legislation and needs to be accommodated in any new mining regime for Bougainville.

So these things are all related.

Although I believe it is important to take the time to get the new mining regime right it is also necessary for all parties to drive the process as hard as possible so the current promising signs for improved world economic growth are not missed.

It is remarkable that the global outlook for mineral resources has rebounded so quickly from the gloom I reported last year. What has happened illustrates just how susceptible the industry is to outside forces. Bougainville, and indeed this company, do not have the luxury of choosing economic cycles and need to take opportunities as they arise.

So although there are issues critical to your company's way forward which depend upon outcomes beyond our control, the outlook for 2010 remains positive.

The improved world economic demand for minerals has put the company's largest shareholder, Rio Tinto Limited, into a new growth phase.

A recent senior management change at Rio Tinto has resulted in Andrew Harding being appointed head of the global copper portfolio. Andrew knows PNG and in my talks with him he has recognised the opportunity at BCL and its vision to reopen the Panguna mine in a manner consistent with the Bougainville Peace Agreement.

This endorsement is very welcome and is encouraging given management's enthusiasm to study a mine restart once the peace process has been resolved.

Rio Tinto will be of great assistance to BCL in providing world class technical expertise and mine development experience.

There has been no further technical work carried out since the "order of magnitude" exercise and the exploration study I detailed last year.

However I remind you that our studies indicate that there is in fact more gold, silver and copper in the ground at Panguna than has previously been extracted.

Further BCL tenements adjacent to the Panguna mining lease are maintained in good order, and await exploration.

In the five years or so that it will take to undertake feasibility studies, permitting, capital raising and equipment procurement necessary for a restart of mining, global metal prices might stay at levels close to those prevailing today.

If mining powers can be drawn down by Bougainville without undue delay, BCL believes that the Bougainville Copper Agreement, while its terms are being re-negotiated, can facilitate a return to mining at Panguna and the early generation of benefits to all stakeholders. BCL stands ready to play its role in this approach.

The Way Forward

The next step, a pre-feasibility study on reopening the mine, is a very expensive exercise that won't be started until there is greater certainty that the Government and landowners support redevelopment.

I hope that during the year certainty will come and the Board will approve the next phase of restart studies.

The vision to return to active exploration and profitable mining remains but requires strong support from local stakeholders.

The Board and management team are committed to the vision.

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 funded scholarships for more than 100 Bougainville students.

It also undertakes "special projects" on a 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.

It is pleasing that the global economic slowdown appears to be over and that the mineral sector is making a rapid and strong recovery. Broad support for the return of your company to Bougainville is being sought, and I believe, gradually being achieved.

I look forward to working with the incoming President and Cabinet of the autonomous Bougainville Government.

I hope the election process continues to run smoothly and allows everyone to go on with the important task of rebuilding Bougainville.

By the time the President is elected the mine area landowners should have formed a new landowner association and elected their representatives.

Once both these matters are finalised negotiations with the company over the future of the Panguna ore body can start formally.

This should be a year of great opportunity for BCL and Bougainville.

Thank you again for your attendance and your attention. Further details are available in the Annual Report and on our website.

I now welcome your questions on any matters raised. .

Peter Taylor
Chairman

Attachments/ slide presentation



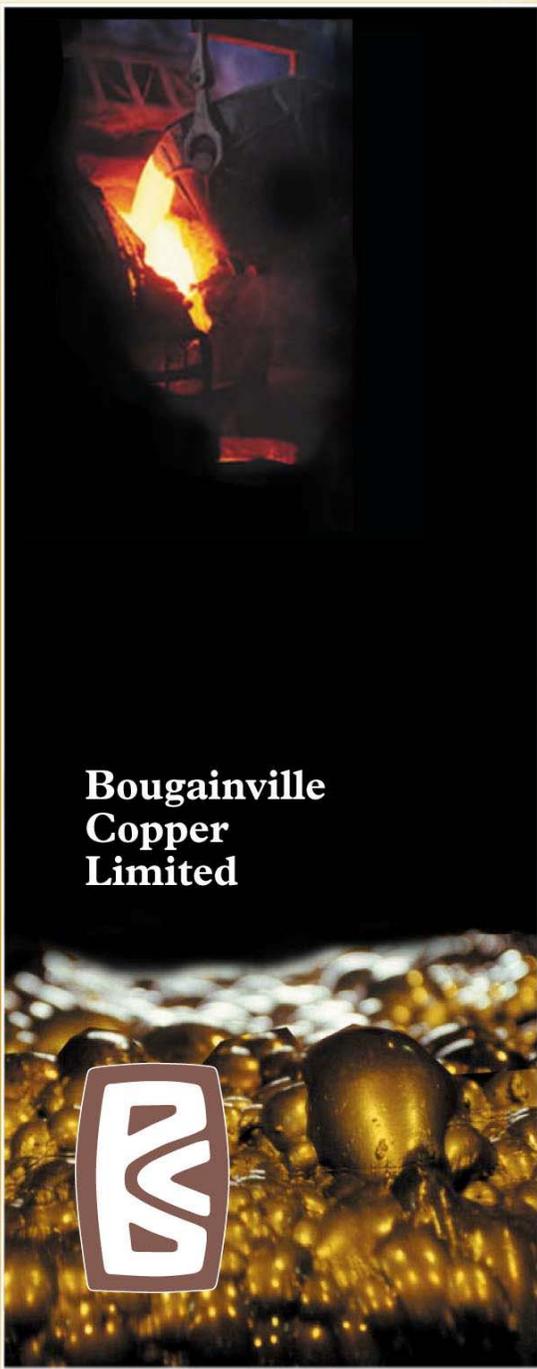
**Bougainville
Copper
Limited**



Bougainville Copper Limited

43rd Annual General Meeting

Chairman's Report



Agenda

- **the results**
- **taxation**
- **developments and activities**
- **the way forward**



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**New President and Government
Voting between May 7 and May 21
Writs returned June 4**

	342,2
8	610,306
32	799,947
365	(183,015)
(395)	104,876
6,598	726,4
15,558	77,2
336,269	
277,718	181,429
366,250	32
366,250	3

**Bougainville
Copper
Limited**



Results

**Net Profit K8.7 million
(2008 –K4.8 million)**

**Shareholder funds
up 24.6%**

Results

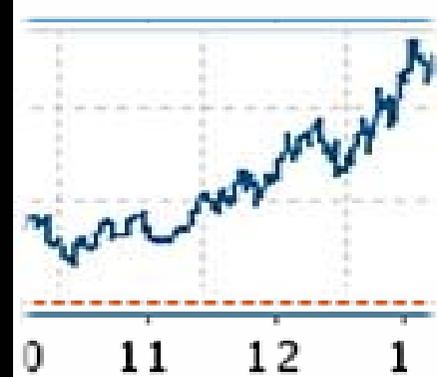
**Strong growth in
ASX 200**

**Operating expenses
normal**

Sufficient funds

No debt

S&P/ASX 200



ASX

AUSTRALIAN SECURITIES EXCHANGE

**Bougainville
Copper
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Taxation

Losses incurred in 1989

**Offset losses against
revenue**

depreciate assets

IRC reassessment

**Paid K13 million,
appealing reassessment**

Strategy and Development

A return to profitable
mining

invitation to visit
Bougainville

meetings with ABG
ministers



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Strategy and Development

**peace and good order
required**

**safety and environmental
audits**

**early economic benefits
for Bougainvilleans**



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Bougainville Matters

election

drawdown of powers

**weapons disposal
and reconciliation**





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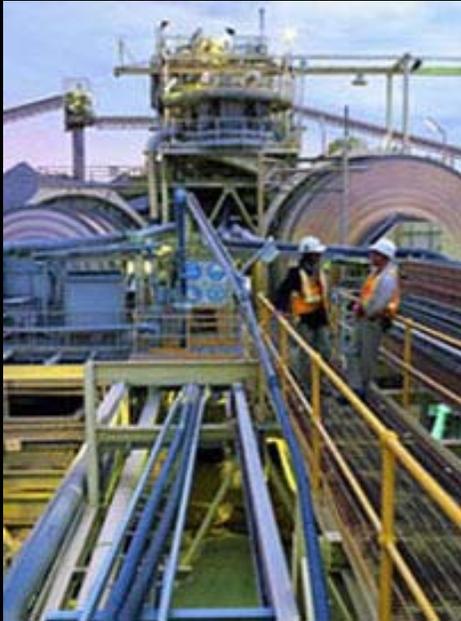
Bougainville Matters

**National government
continuing dialogue**

bougainville copper agreement

world bank capacity building





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Bougainville Copper Agreement

ongoing dialogue

**review to reflect changed
circumstances**

provide certainty

Bougainville Copper Agreement

landowners represented

landowner elections

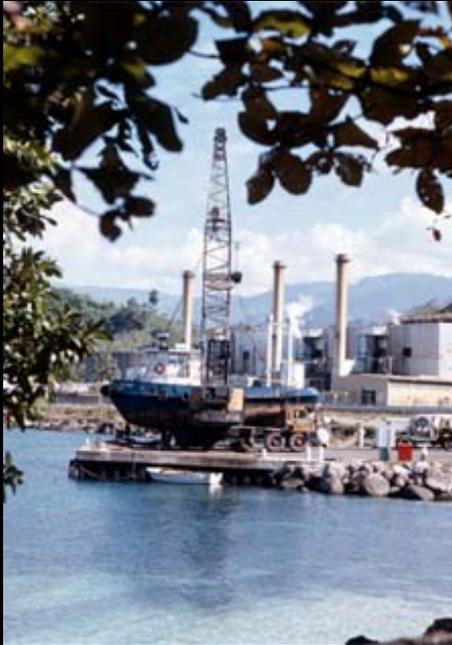
united effort required

US\$3 billion to be raised



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Bougainville opportunity

**World Bank capacity
building**

**drawdown of mining
powers**

**global mineral outlook
rebounding**

**opportunities need to be
taken**

Outlook

2010 outlook positive

Rio Tinto in new growth phase

copper in demand

Rio ready to provide assistance



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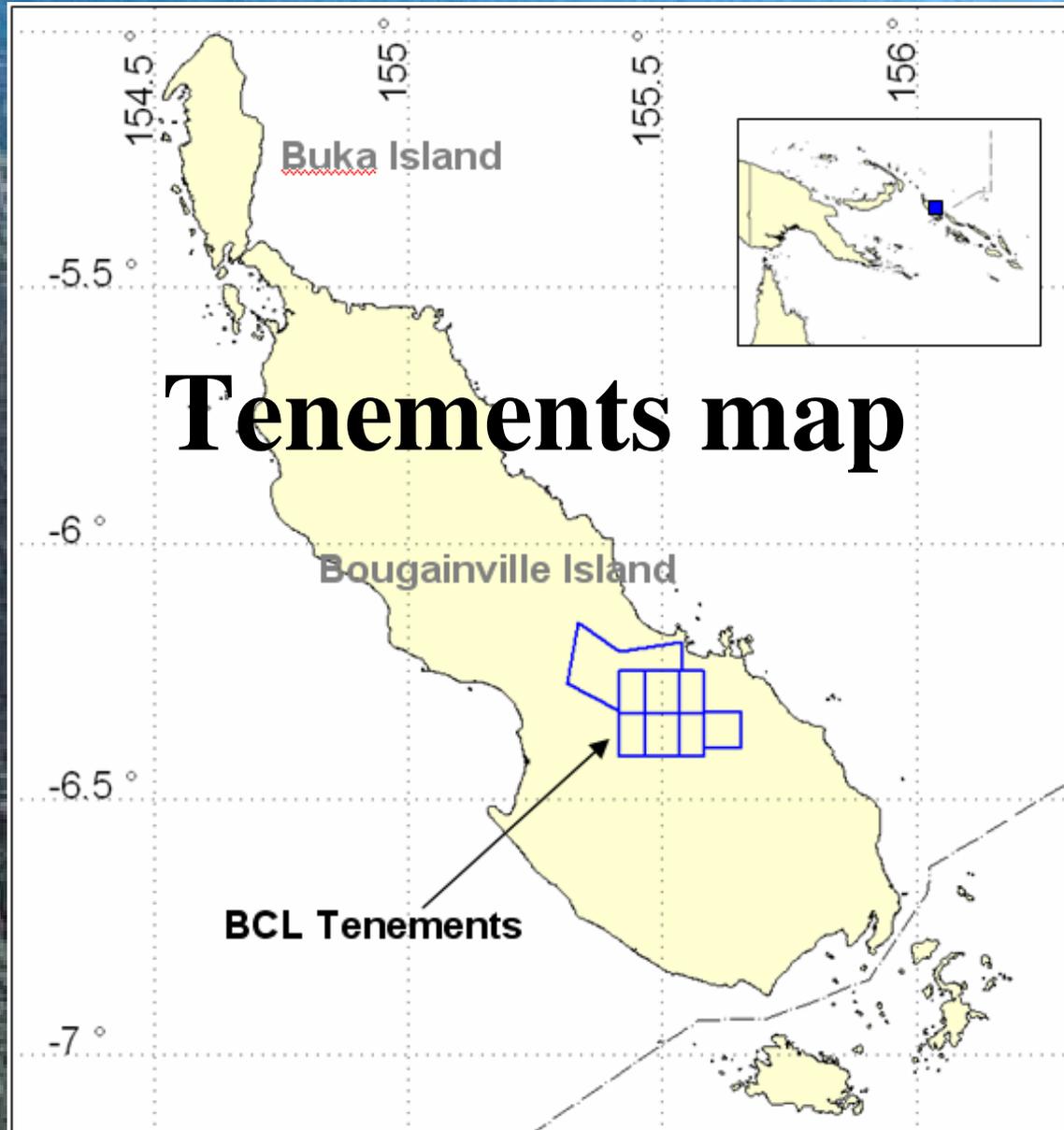
**Bougainville
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Outlook

**Order of Magnitude
study**

**more gold and copper
still in ground**



Next steps

next step pre-feasibility study

possible to commence re-start process...

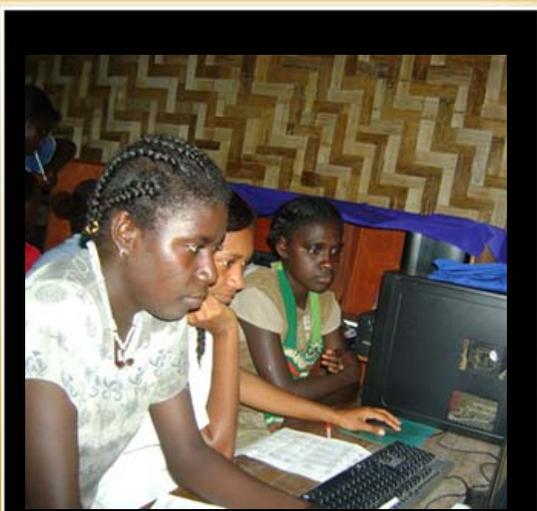
...while BCA is re-negotiated

early benefits to all stakeholders



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**Bougainville
Copper
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Bougainville Copper Foundation

Supported by BCL

**school materials tertiary
study assistance 100 plus**

**graduates with
beneficial skills**

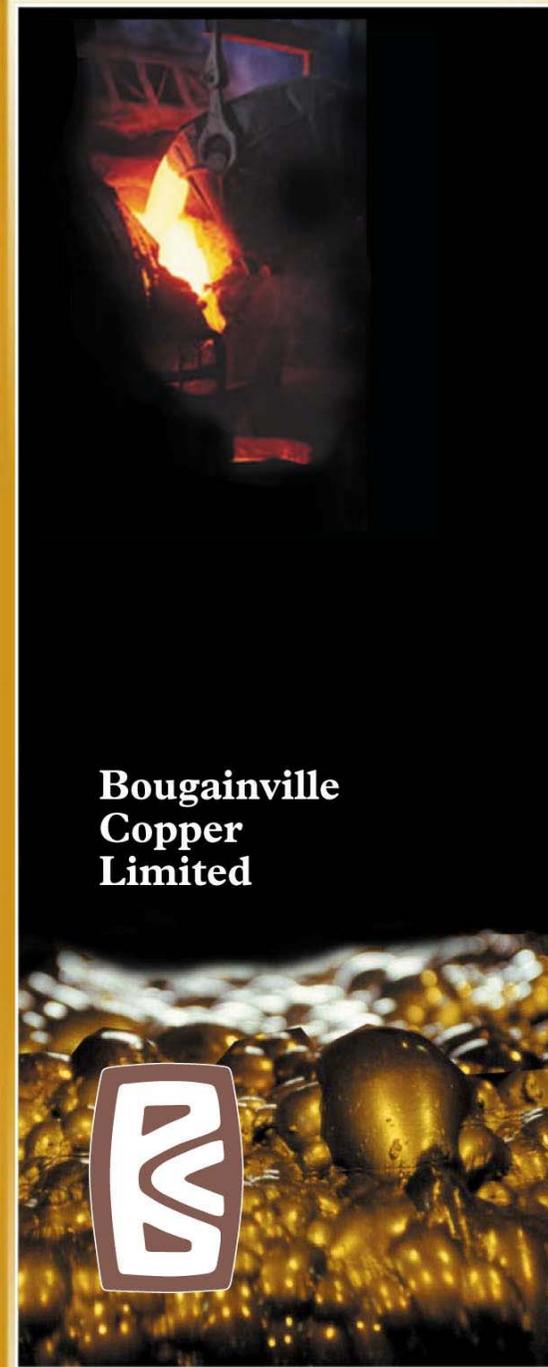
Opportunities

mineral sector recovering

work with incoming
president

new landowner
representatives

a year of opportunity
for all





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43rd Annual General Meeting

Chairman's Report