Bougainville re-start offers hope in tough times.

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It would be at least four years, and possibly six, before mining could be re-started on Bougainville, but there would be substantial benefits to the people of Bougainville well ahead of those dates if a general consensus in favour of mining were achieved, and forward programs implemented, Bougainville Copper Limited says.

Given the present world economic downturn, BCL believes that the people of the Autonomous Bougainville Region and the wider PNG economy could find an easier passage through tough times if bilateral issues including the drawdown of mining powers and the re-negotiation of the Bougainville Copper Agreement were given impetus and early resolution, the company says.

An Order of Magnitude study recently completed by BCL shows that there is potentially more copper and gold still to be mined at Panguna than has previously been produced, and that a re-started operation could have a mine life of seventeen years or more, on re-stated terms of viability and benefit sharing.

Before mining re-started, studies to audit safety, environment and existing assets would be needed to support a bankable feasibility proposal, and these surveys in themselves would generate early economic activity in the region.

Speaking at the annual general meeting of Bougainville Copper Limited in Port Moresby this week, chairman Peter Taylor said no further commitment to feasibility studies could be made by the company until a general consensus in favour of mining was achieved, although the company at all times stood ready to return to the island to make safety and environmental checks.

Mr Taylor told shareholders that engagement with landowners and Government is "frequent and positive".

"Relations between all parties continue to improve.

"It is encouraging that support for mine redevelopment is on the increase," he said.

Mr Taylor said in his presentation to the AGM that restoration of peace and good order was an essential pre-requisite to any on-ground studies, and would also give the company the opportunity to present Bougainville to the global community as a good place to invest money.

Access to Bougainville by BCL staff and contractors has not been possible at any time since the forced closure of the mine in 1990, but it is believed that new president James Tanis would like to see this happen.

The Order of Magnitude study reveals that mining of the known remaining resource on Bougainville would be most efficiently done at a mining rate of 50 million tonnes per year, about the same size as the previous operation, and that this would entail an investment of US$3.8 billion.

Mr Taylor said presumptions of viability were based on robust metal prices into the future.

In its previous operating phase, from 1972 to 1990, the Bougainville mine was one of the largest operations of its kind in the world, producing approximately 3 million tonnes of copper and 9 million ounces of gold.

Seven further exploration tenements held by BCL adjacent to Panguna offer additional potential for continued mining.