





PERU COPPER INC.

Today's Agenda

- ✦ Introduction
- ✦ Market Overview
- ✦ Toromocho Project
- ✦ Value Perspectives
- ✦ Summary

Founders & Directors

J. David Lowell – Founder & Chairman

- ✠ Co-founded Arequipa Resources Ltd., acquired by Barrick for C\$1 billion +
- ✠ Managed Escondida, Zaldívar and San Cristóbal copper exploration projects
- ✠ Involved in the discovery of at least 10 other deposits over a 40 year career

Catherine McLeod-Seltzer – Founder & Director

- ✠ Co-founded Arequipa Resources Ltd.
- ✠ Over 15 years experience in mining finance, exploration and development including \$2 billion in corporate mining transactions and capital raising in excess of \$150 million

Independent Directors

Alan R. Hill – Former Executive Vice-President of Development of Barrick Gold Corp.

Carl L. Renzoni – Former Global Head of Mining Investment Banking at BMO Nesbitt Burns

George R. Ireland – General Partner in Ring Partners, LLC, a private investment partnership

Milton H. Ward – Former Chairman, President & CEO of Cyprus AMAX Minerals Inc.

Founders

Luis Baertl – Founder

- ✠ Vice-President BHP Billiton, a leader in the structuring and implementation of the Codelco/BHP Billiton JV “BioCOP”
- ✠ Internationally recognized in mining groups such as Milpo, The Luksic Group, SPCC, Buenaventura, Hochschild and COMSUR
- ✠ Wide-ranging career with Banco Continental Del Peru, Citicorp Citibank and the Chase Manhattan Bank

Geoff Loudon – Founder

- ✠ Founder and major shareholder of Niugini Mining, explorer and developer of gold and copper mines in Australia, Papua New Guinea and Chile
- ✠ Founding director of Lihir Gold Limited in Papua New Guinea
- ✠ Early geologist career with Placer Dome in porphyry copper and molybdenum mines in Canada and the Philippines

Management Team in Peru

Charles Preble – President and CEO

- ✧ Past President Southern Peru Copper Corp., Peru's largest copper company
- ✧ 34 years experience in Peru
- ✧ Worked closely with Peruvian governments
- ✧ Part of the management team that developed the Cuajone copper mine in Peru

Thomas J. Findley – Chief Financial Officer

- ✧ Past CFO of Southern Peru Copper
- ✧ Past Treasurer & Director of Project Development at ASARCO
- ✧ Over 28 years mining industry experience

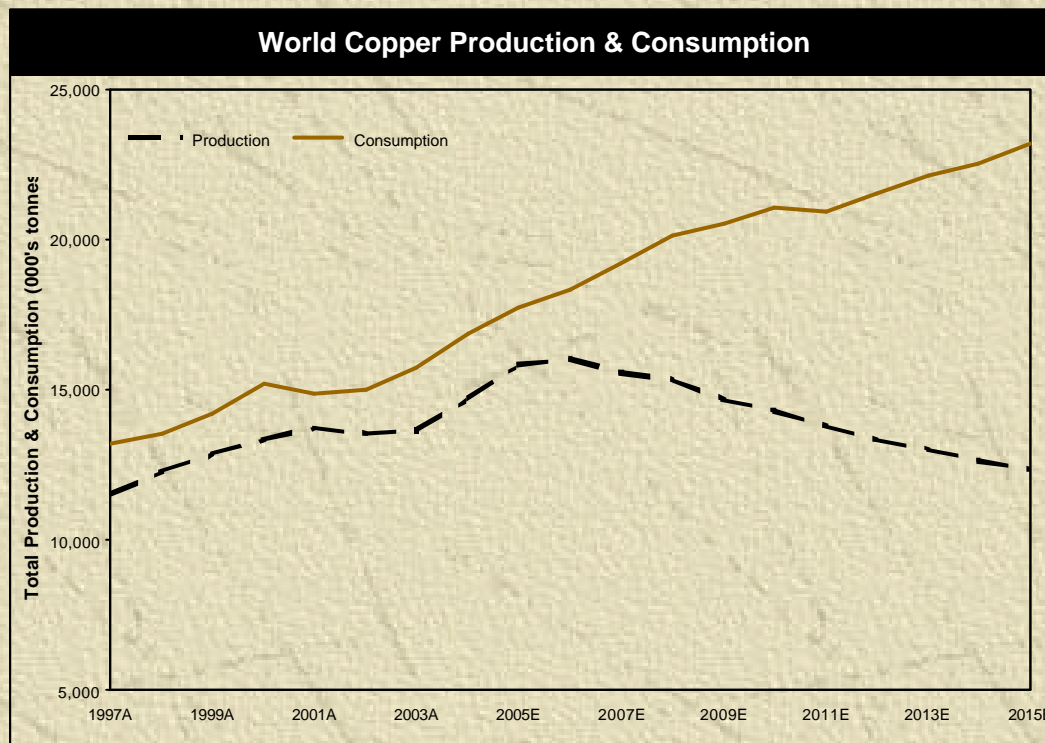
Angel Alvarez – Exploration Manager

- ✧ Past General Manager of Centromin & past Manager of Minera Peru
- ✧ Author of published reports on Toromocho
- ✧ Over 30 years exploration & management experience in Peru



Market Overview

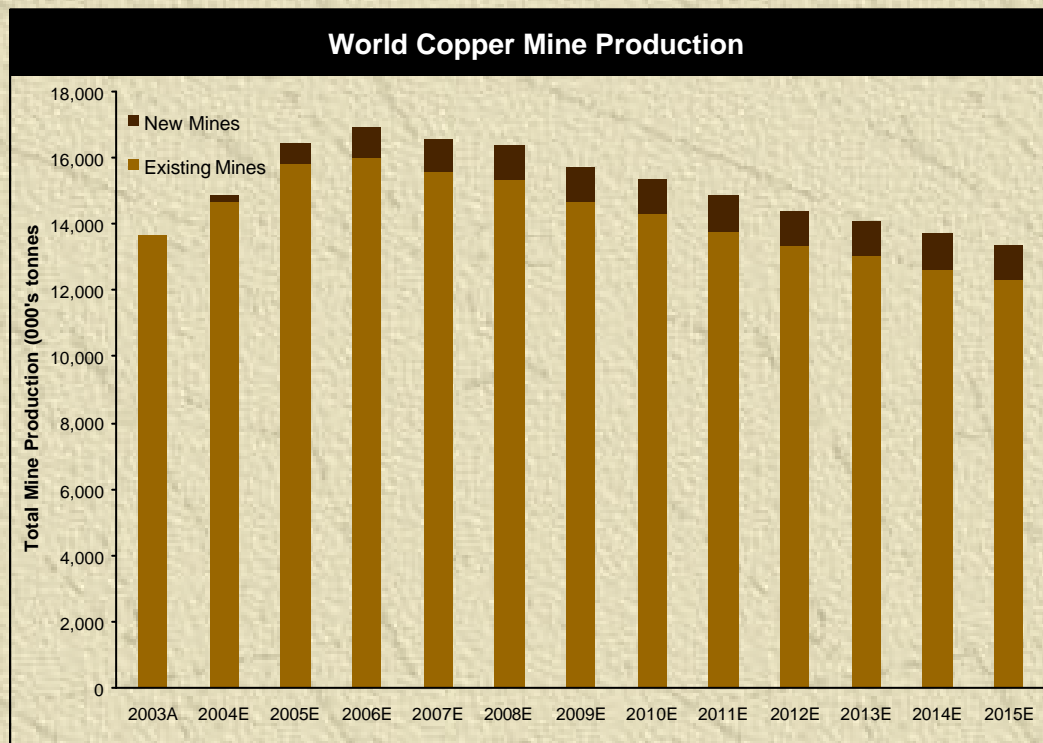
Positive Supply/Demand Fundamentals



Source: Brook Hunt, June 2004.

- ✠ World consumption to increase 4.1% per year until 2010
- ✠ Production expected to decline 0.5% per annum over same period

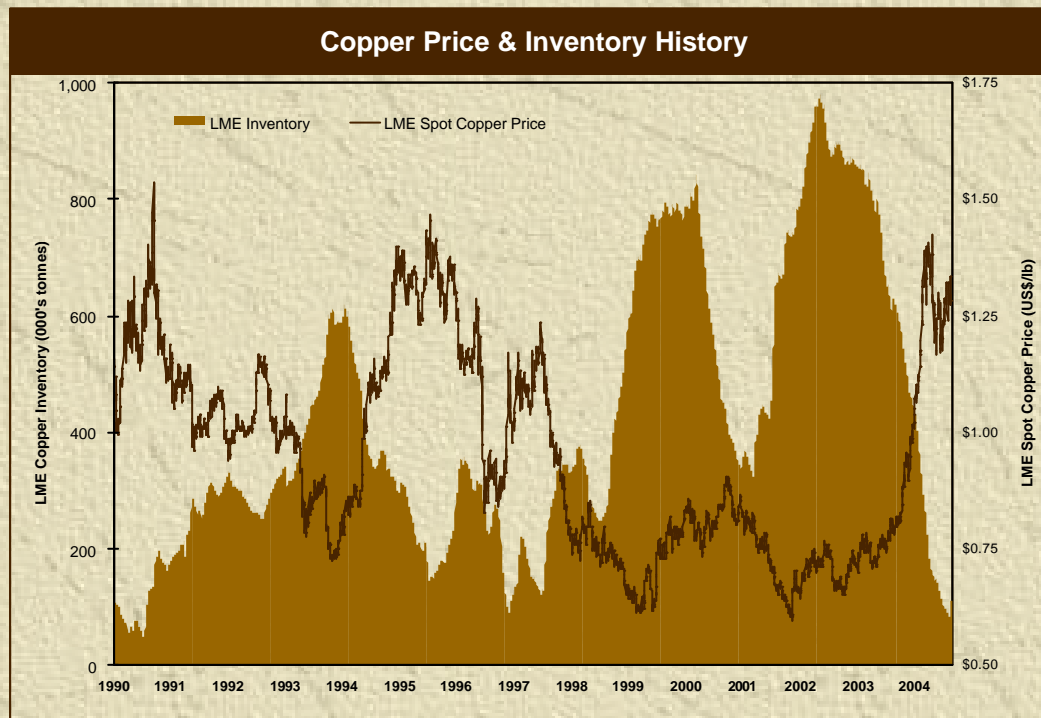
Limited New Production Coming Onstream



Source: Brook Hunt, June 2004.

- ✠ Reduced exploration during periods of low prices
- ✠ No new large mines
- ✠ Diminished grades at existing mines

Copper Prices & Inventories



Source: Bloomberg.

✚ Inventory levels remain low providing continued copper price strength

The Toromocho Deposit

- ✦ Part of the historic Morococha mining district in Peru
- ✦ Originally identified by Cerro de Pasco Corp., 20,000 m drilled
- ✦ Further exploration done by Centromin, 22,000 m drilled
- ✦ Peru Copper awarded privatization concession in 2003
- ✦ Intense drilling and metallurgical program underway, 44,000 m drilled by year-end 2004



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Peru

Toromocho

La Oroya Smelter

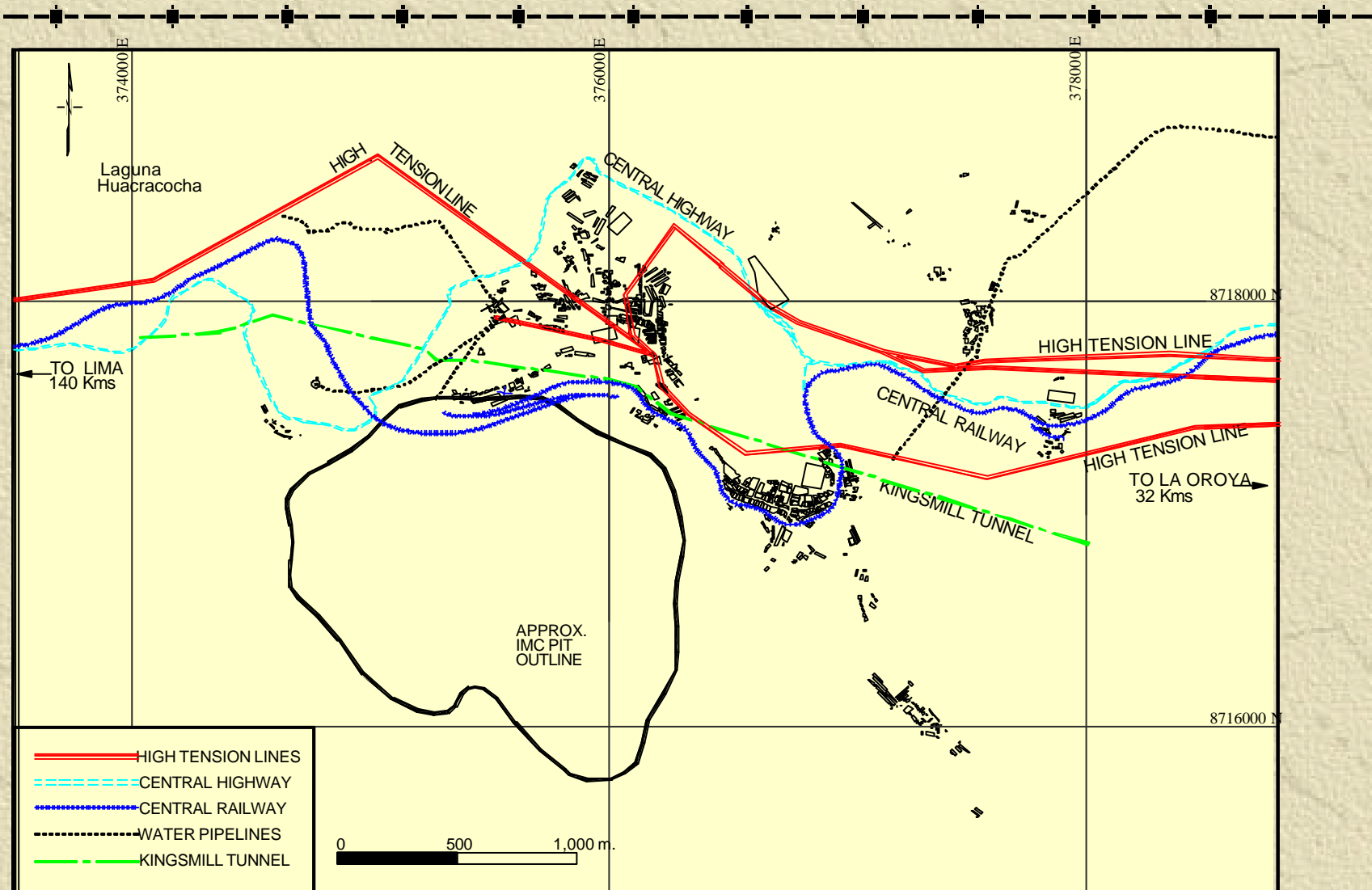


Toromocho is a Unique Copper Deposit



- ✧ 142km from Lima on paved road
- ✧ Water available
- ✧ Power accessible
- ✧ Morococha-skilled labour available
- ✧ Railroad in place
- ✧ La Oroya Smelter 32km away

Infrastructure - Morococha



Peru Copper Inc.



Option to Acquire 100% Toromocho



- ✦ 5,108 ha. Surface Rights – sufficient for plant, tailings disposal and other requirements
- ✦ 1,320 ha. Mineral Rights – sufficient for a large open pit copper mine
- ✦ US\$12 million investment required over 5 years, US\$4 million invested to date
- ✦ Bank Guarantees required over 5 years relating to expenditure requirements

Toromocho Includes Two Mineralized Areas



1. Independent Mining Consultants (IMC) Pit

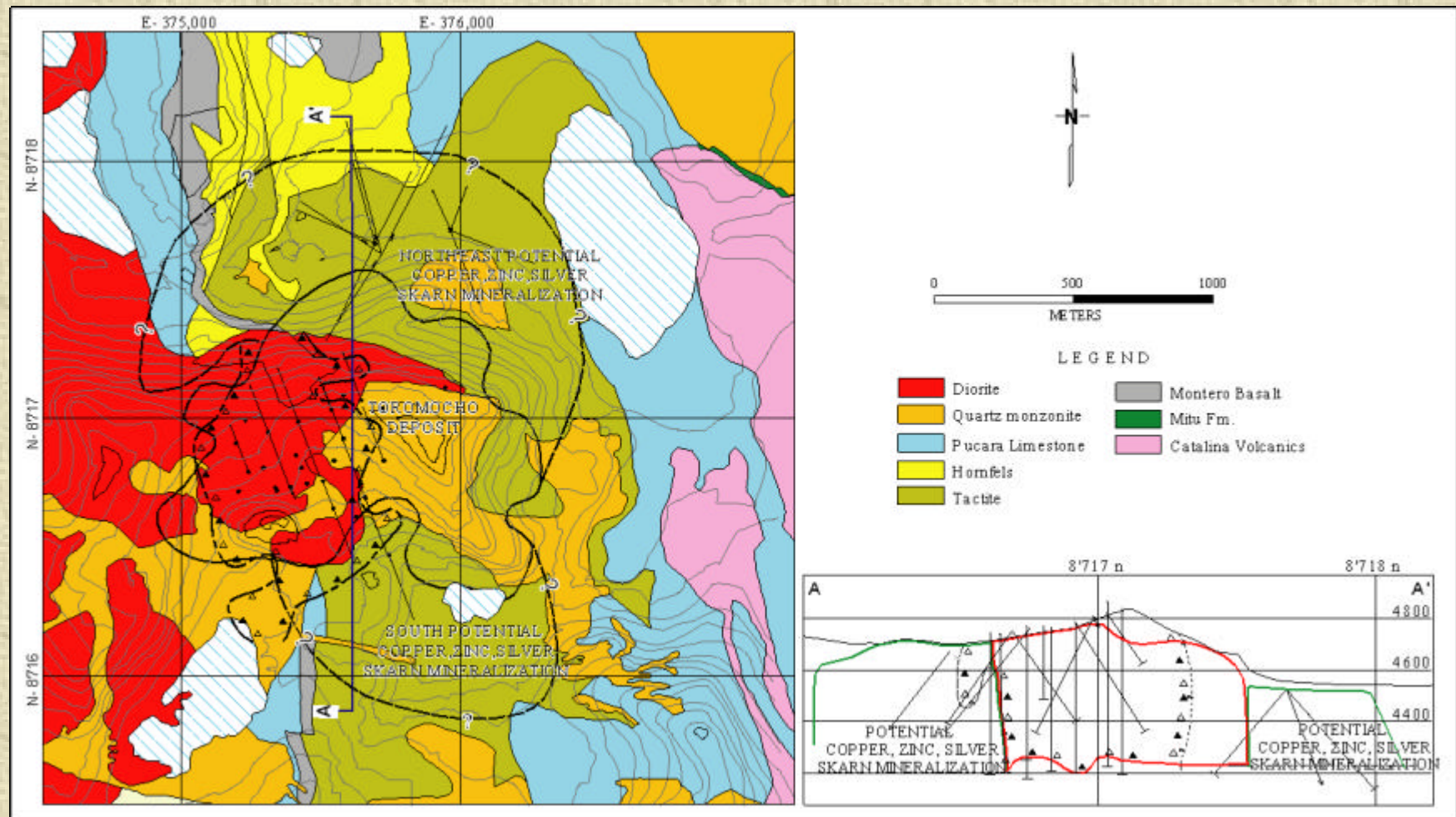
- ◆ 655 million tonnes @ 0.80% copper equivalent^(*)
- ◆ IMC Pit has significant upside potential open laterally and at depth

2. The Northeast Extension

- ◆ Possible large copper-zinc-silver skarn deposit

* Includes 0.61% copper and potential 0.20% copper credit from silver, molybdenum and gold

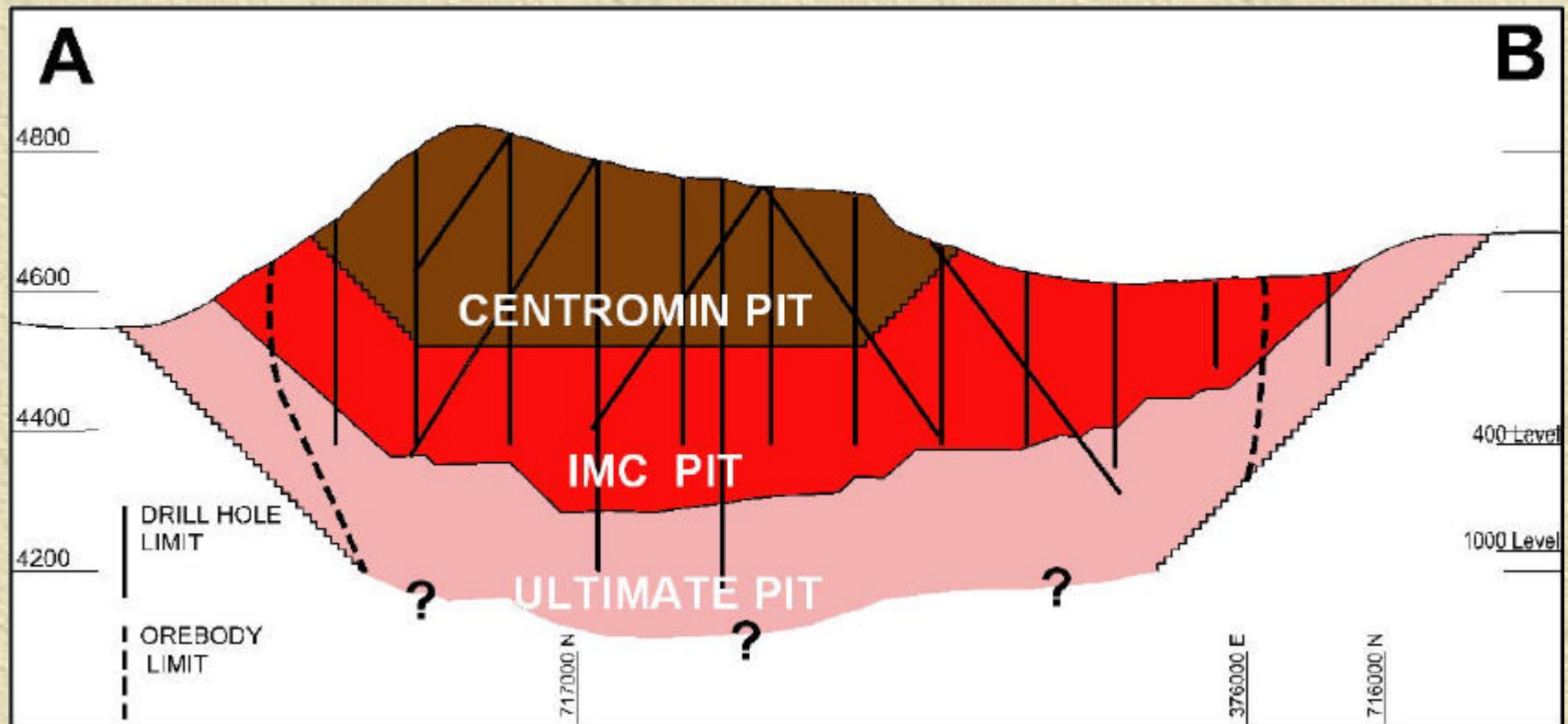
Toromocho Geology



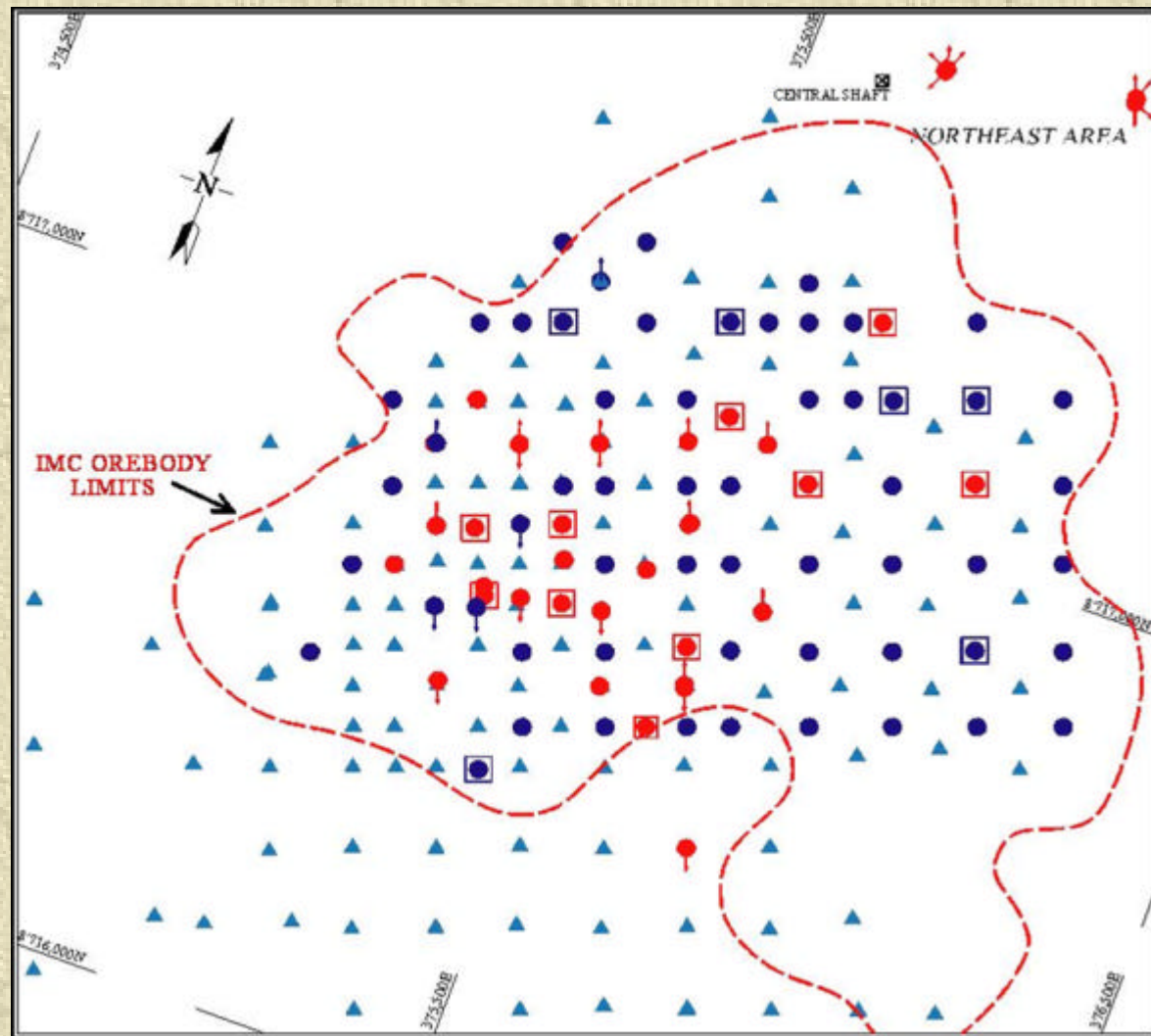
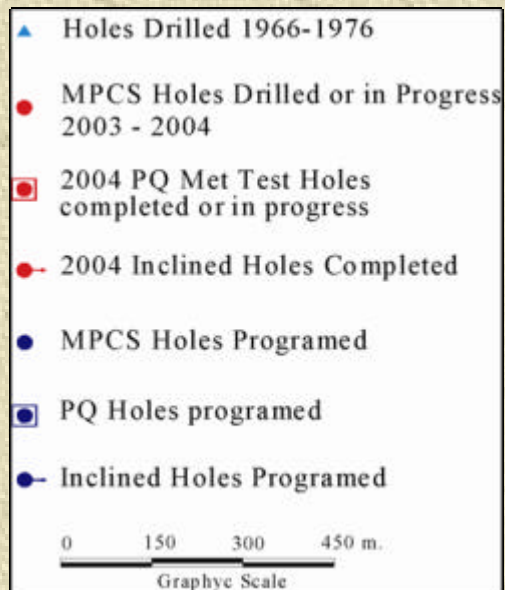
Toromocho



Initial Resource – IMC Pit Area



Diamond Drilling IMC Pit



Central Highway Between Lima & Toromocho



Ticlio Pass



** Ticlio Pass approximately 16,000 feet*

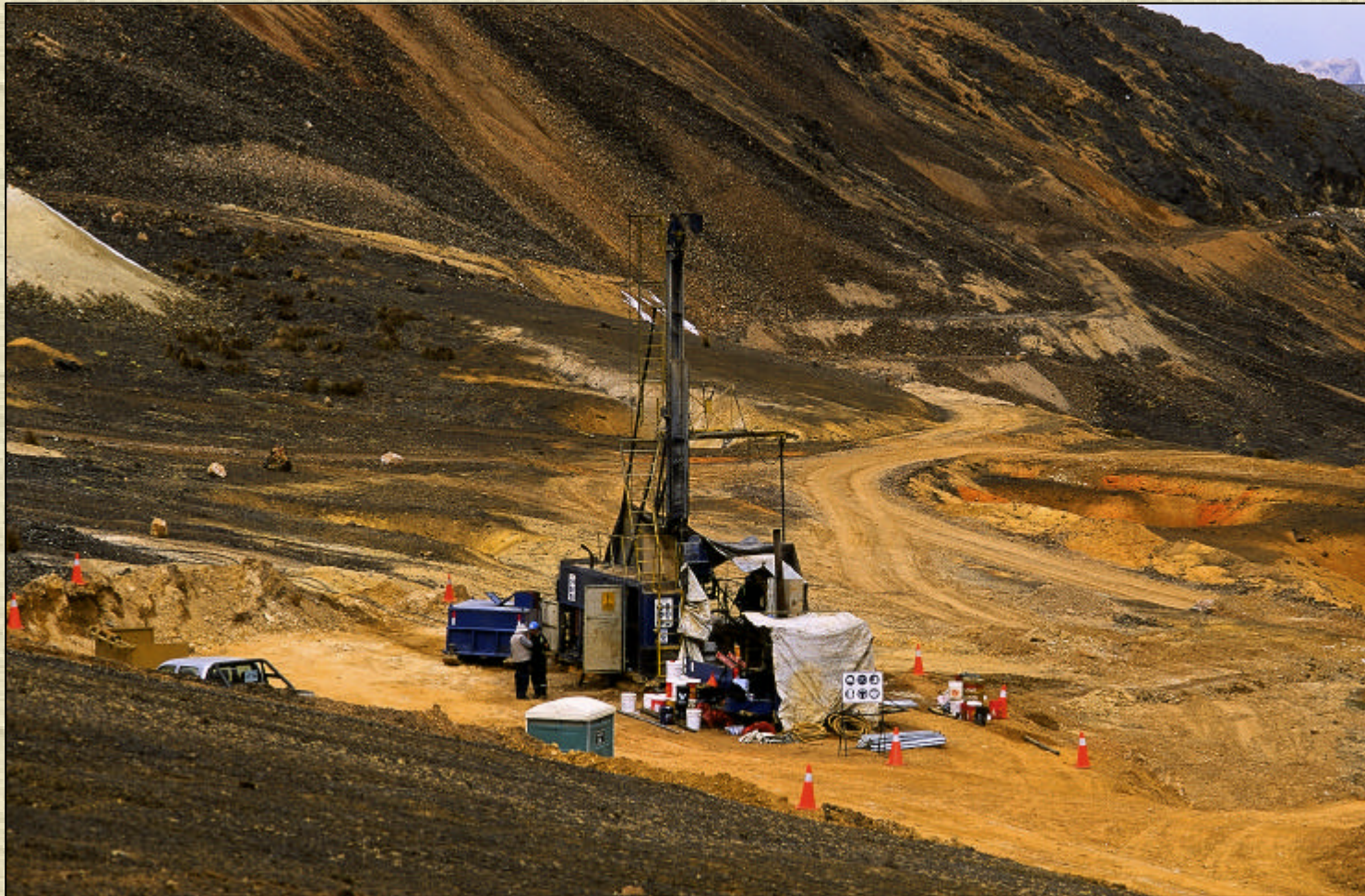
Toromocho Leached Capping Looking South



Toromocho View Looking North



Drilling IMC Orebody



Logging & Splitting Ore



Toromocho Project Metallurgy

- ✱ Metallurgical studies underway by Joe Keane & Metcon Labs in Tucson
- ✱ Initial plan is to use concentrate leaching to recover 50% of Cu as cathodes & 50% as traditional concentrates
- ✱ Similar hydrometallurgy is used at Mt. Gordon Australia, Sepon Laos, Erdenet Mongolia other locations

Scoping Study Complete

- ✦ Preliminary assessment of IMC Pit completed by Minerals Advisory Group in August, 2004
- ✦ NPV of approximately US\$330 million assuming milling & leach processing approach
 - ✦ After tax
 - ✦ \$0.90 Copper
 - ✦ 10% discount rate
- ✦ Cash cost of approximately US\$0.34 per pound

Toromocho Has Significant Upside Potential



✠ IMC Pit

- ◆ Final pit limit has not been determined
- ◆ Grade appears to increase at depth
- ◆ Historic drill results under-report copper content
- ◆ Active drill program underway

✠ Northeast Extension

- ◆ Possible skarn deposit with copper-zinc-silver present
- ◆ Drill program underway to define resource

12/31/06

	Primary Focus	Secondary Focus	
Drilling - IMC Pit Area	Primary Focus	Secondary Focus	
Drilling - Northeast Extension	Secondary Focus	Primary Focus	
Assaying	IMC Pit	NE Extension	
Metallurgical Testing	IMC Pit	NE Extension	
Prefeasibility / Feasibility Study			
Water Study			
Slope Stability Study			
Tailings Study			
Social Studies			
Environmental Studies			
Permitting			

Competitive Strengths

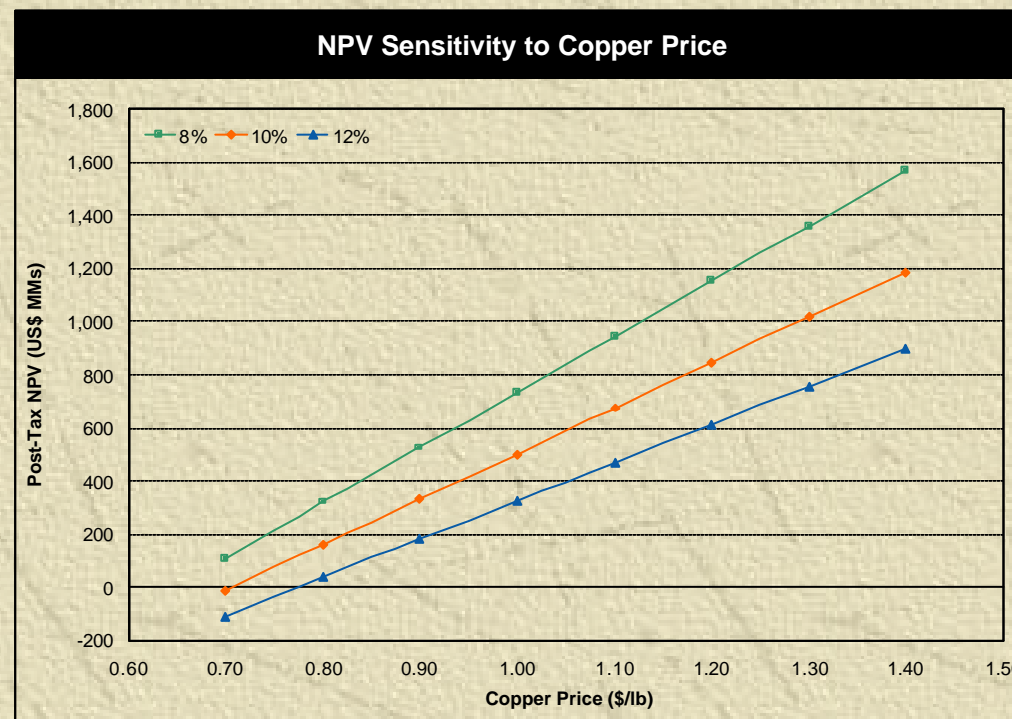
- ✦ World class undeveloped copper deposit
- ✦ Significant upside potential
- ✦ Potential low-cost producer
- ✦ Strong economics & high leverage



Value Perspectives

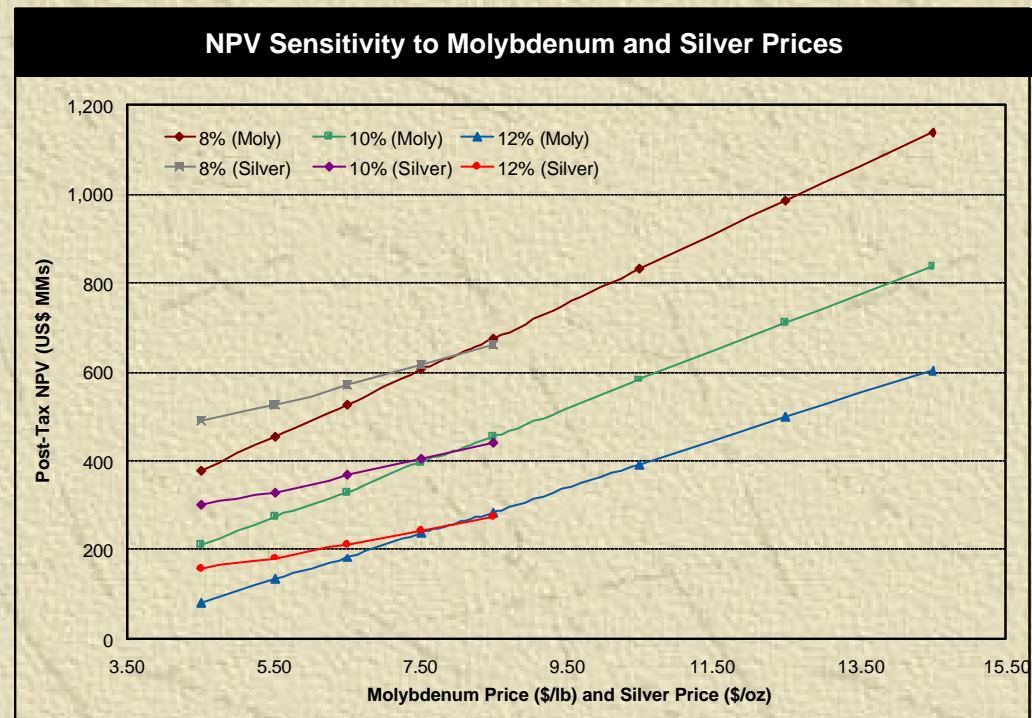
Overall Project Economics

✦ Based on US\$1.00 per pound copper price, Toromocho NPV increases by approximately US\$170 million



Source: MAG. Case 2 - Milling & leaching. US\$6.50/lb molybdenum price and US\$5.50/oz silver price.

Overall Project Economics



Source: MAG. Case 2 - Milling & leaching. US\$0.90 per pound copper price.



Summary

Project Summary

- 655 million tonnes @ 0.61% total Cu, incl. 293 million tonnes @ 0.80%
 - ◆ 8.8 billion Lbs of contained copper
- IMC pit open to depth and copper grades appear to increase
- NE Extension offers excellent opportunity to add tonnage in copper, silver & zinc
- Outstanding infrastructure already in place
- Advances in hydrometallurgy provide upside in processing Toromocho ore
- Toromocho represents an outstanding undeveloped copper project



Investment Highlights



- ✦ Pre-eminent founders and management team
- ✦ Strong copper market fundamentals
- ✦ World class copper project
- ✦ Significant exploration upside potential
- ✦ Located in mining friendly district
- ✦ Pure play copper investment with significant leverage and an attractive valuation

Toromocho
represents the best
undeveloped
copper project in
Peru today



PERU COPPER INC.