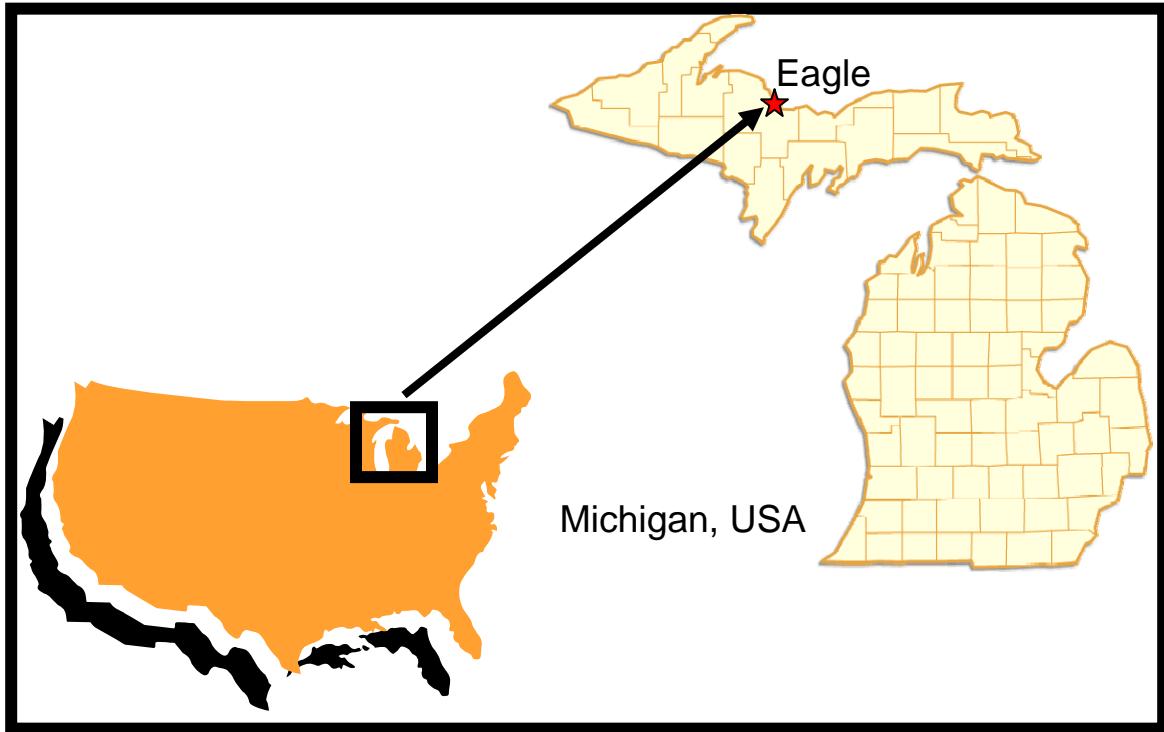


Kennecott Eagle Minerals

Figure 1.1 – General Location Map



About Kennecott's Eagle mine

Situated in Marquette County in the Upper Peninsula of Michigan, the Eagle mine is approximately 45 kilometers northwest of the city of Marquette and 20 kilometers south of the southern shore of Lake Superior as shown on figure 1.1. The project is situated on the Yellow Dog Plains, a sandy glacial outwash, at the head of the Salmon Trout and Yellow Dog rivers.

PROJECT DESCRIPTION

The Eagle deposit is a high-grade magmatic sulfide deposit containing nickel and copper mineralization and minor amounts of cobalt and PGMs. The economic minerals associated with this deposit are predominately pentlandite and chalcopyrite. When built, Eagle Mine will be the only primary nickel mine in the U.S., and is expected to produce 300 million pounds of nickel, 250 million pounds of copper and trace amounts of other minerals.

The mine's nickel and copper will be processed at the Humboldt mill located about 30 miles south of the Eagle project site. The mill was constructed in the late 1950s by Cleveland Cliffs as a 10,000 t/d iron ore concentrator which operated for about 20 years. In the 1980's the mill was purchased by Callahan Mining and converted to a flotation mill to treat some 2,000 t/d of gold ore from the nearby Ropes gold mine, full production of the mill ended in 1989. After 1989, Mineral Processing Corporation used the mill sporadically for batch dry grinding of materials such as alumina slag. In September 2008 Kennecott purchased the mill. Plans for demolition and construction are scheduled to occur in the summer of 2011.

Kennecott Eagle Minerals

How will the ore get from the mine to the mill?

Approved Kennecott permits identify the use of existing county and state roads for transporting ore from the mine site to the Humboldt mill. However, a company called Woodland Road LLC is proposing to construct a private multi-purpose road from US-41 on the south to Triple A Road on the north. The Woodland Road would provide access to key industrial/commercial locations in northwest Marquette County for mining, timber, and aggregate/rock suppliers/producers. The road would also be accessible to the public. Permits needed to construct the Woodland Road are pending. If the Woodland Road is permitted, it would be a possible alternative transportation route for the ore.

What infrastructure will be built on site?

The surface facilities required to support the mining operations will include an office building, truck wash, water treatment plant, treated water infiltration system and a covered storage area for temporary housing of development rock.

How big will the footprint of the mine be?

Kennecott proposes to develop a small underground mine to access the minerals. While Kennecott owns or leases approximately 1,600 acres, the Project's size and scope is relatively small at less than 120 acres. The actual mineral deposit is approximately six acres.

What is the land use of the immediate area surrounding the mine?

The land is used for timber harvesting and for recreational purposes. No permanent residences are located in the area, although a handful of seasonal recreational cabins are within a few miles of the mine site. Located to the southwest of Eagle is the McCormick Tract Wilderness Area. Access is via gravel roads that are operated and maintained by the Marquette County Road Commission.

What will happen to the area once all the minerals have been extracted?

The approximate 120 acres of surface area and the underground mine workings will be reclaimed at closure. All surface facilities will be removed and native vegetation will be used to promote enhancement of wildlife habitat. Final land use will be open green space and forested areas consistent with surrounding land uses.

Are you exploring in other areas in the region?

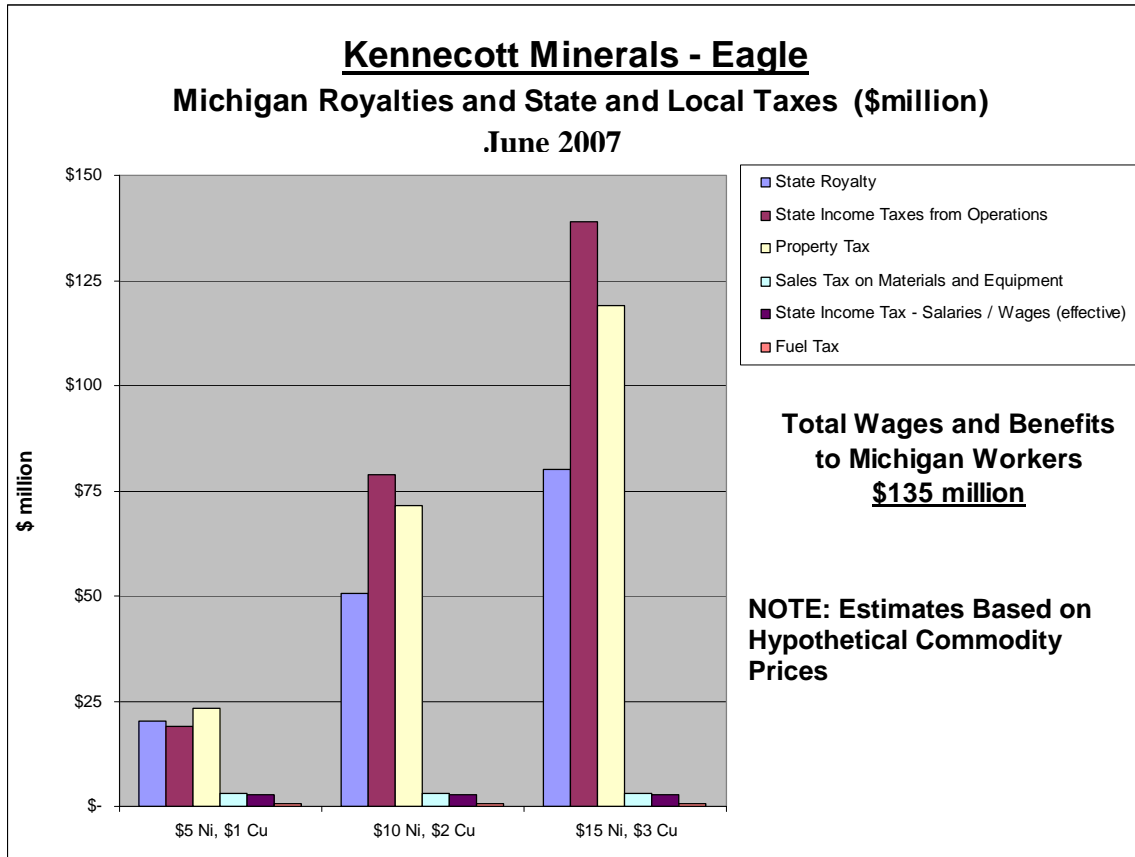
Kennecott is conducting ongoing exploration in Michigan and Minnesota. Results from these activities are preliminary and require further analysis.

PROJECT EXPENDITURES AND EMPLOYMENT

The capital investment of the Eagle Project, including the Humboldt mill, is estimated at more than \$350 million and will generate ~ \$100 million in local property taxes over the life of the operation. The estimated payroll will be in the \$21 million per year range, with average annual worker wages of \$85,000, including professional staff and benefits. Kennecott will also post an initial \$18 million environmental bond for the project and a \$5.2 million bond for the mill.

Kennecott Eagle Minerals

The Michigan Natural Resources Trust Fund, which receives revenues from oil, gas, and mineral production companies, is estimated to receive between \$30 to \$80 million (depending on Metals market pricing) as a result of the Eagle Project. The fund exists to secure and perpetuate outdoor resources, such as hunting, fishing, camping, and land preservation, on behalf of the people of the State of Michigan.



Schedule

All permits must be issued prior to construction. Once permits are issued a three year construction period will occur that includes the following major construction activities: the mine surface facilities, the mine underground, and the mill upgrade. If the proposed Woodland Road is permitted, that will also require construction.

Operation of the mine and other facilities is currently projected for seven to eight years once construction is complete. Upon completion of the operation, a two year post-mining reclamation period will occur.

How many jobs will the Project create?

During the construction phase (three years), approximately 400 workers will be required. Approximately 223 full-time positions will be created for the mine and the mill during the operations phase, as well as 30-35 contractors related to operations and hauling of the ore. Additional employees will be hired as needed.

Will local labor be employed at the Project?

Yes. Kennecott Eagle Minerals has set a target of 75% local hire and is prepared to provide the training required to safely perform work.

Kennecott Eagle Minerals

About Rio Tinto

Rio Tinto is a leading international mining group headquartered in the United Kingdom, combining Rio Tinto plc, a London and NYSE listed company, and Rio Tinto Limited, which is listed on the Australian Securities Exchange. Rio Tinto's business is finding, mining, and processing mineral resources. Major products are aluminum, copper, diamonds, energy (coal and uranium), gold, industrial minerals (borax, titanium dioxide, salt, talc) and iron ore. Activities span the world but are strongly represented in Australia and North America with significant businesses in South America, Asia, Europe and Southern Africa. www.riotinto.com

About Kennecott Eagle Minerals

A wholly owned subsidiary of Rio Tinto, Kennecott Eagle Minerals Company is the owner, developer, and future operator of Eagle Mine in western Marquette County of Michigan's Upper Peninsula (USA).

Other questions?

If so, please contact us.

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