

UPDATE ON ISSUES DISCUSSED AT THE KENNECOTT
2008 COMMUNITY ADVISORY MEETING

Salt Lake Valley

Purpose of Meeting

Rio Tinto's Kennecott Utah Copper and Kennecott Land held the first joint community advisory meeting on Oct. 17th at the new Rio Tinto Regional Center at Daybreak in South Jordan, Utah. The purpose of the meeting was to bring together and update community groups set up to advise Kennecott Utah Copper and Kennecott Land.

We are committed to rigorous, long-term business planning, and seeking feedback from the community is a crucial part of this effort. At the community advisory meeting, we shared our plans and vision for the next several years. Following the presentation, community stakeholders met in four groups to provide feedback to Rio Tinto in these areas:

- **Mine life extension.** This group discussed the pros and cons of Rio Tinto extending the life of the Bingham Canyon Mine for another 30 years as well as the pros and cons of the mine closing prior to 2036.
- **Economic contribution.** This group was asked to comment on how Rio Tinto contributes to the economy of the Salt Lake area and Utah, as well as whether this contribution is a net positive or negative for the community.
- **Environmental protection.** After hearing a review of the companies' environmental remediation efforts in the larger meeting, this group was asked if we are doing as much as we can for the environment and where we can improve.
- **Purpose of minerals.** Given the ubiquitous need for minerals and metals, group members were asked to comment on what their lives would be like without them, and about how important it is for people to understand the link between basic minerals and modern life.

Core Issues and Responses

The following issues, questions and concerns were raised during the four breakout sessions. You told us you wanted to know more about our exploration for new mineral resources and plans for eventual closure of mining facilities. You asked us to take a business and community leadership role in the in the areas of energy efficiency, climate change and sustainable development. You also asked about several other specific issues. Here are our responses to your comments and questions.

Exploration for new mineral resources

Questions/concerns:

- Why is Rio Tinto exploring for minerals in Rose Canyon and Yellow Fork Canyon?
- What happens if mineral resources are found in these canyons?

Response by Kennecott:

Mineral exploration and mining activities have taken place in the Oquirrh Mountains for more than 150 years. We continue this today by exploring to the south and west of the Bingham Canyon Mine. The Bingham Canyon Mine is one of the most productive ore bodies in the world and supplies 13 percent of the nation's copper needs. Because of this, our geologists believe there is a good chance that additional, significant ore bodies may be located nearby.

In one of the areas we're exploring, the Rose Canyon Ranch, Salt Lake County owns the surface land, while the federal government owns the subsurface mineral rights. Kennecott has filed claims to explore the subsurface mineral estate with the U.S. Bureau of Land Management.

Since our recent stakeholder meeting, Rio Tinto Exploration and Salt Lake County have agreed to a phased approach to exploration in Rose Canyon that recognizes both parties' property interests. The first phase allows us to proceed with "casual use" exploration activities involving minimal land disruption while protecting the County's interest in the land as open space. Under the terms of the agreement, any exploration activities beyond the first phase will be jointly discussed and agreed upon by us and the County.

During the first phase, casual use activities will occur in 2008 and 2009, and will consist of geophysical surveys, collecting rock and soil samples, and geological mapping. The geophysical surveys will have minimal impact to the land surface. To provide accurate underground geophysical information, the clearing of brush and vegetation may be necessary and will be done only with hand tools to properly position survey lines.

If the geophysical information indicates we should explore further, the second phase of the agreement allows for exploratory drilling in a manner agreed upon by Rio Tinto and the County and with the least amount of land disturbance.

If a high-quality mineral target does exist, it can take many years to bring a potential ore deposit into production as a mine. Many factors are involved in the process to develop a mine, including thorough social, economic and environmental studies, and a transparent and rigorous permitting process.

Even after years of study, there is no guarantee that a surface or underground mine ultimately would be built. If a mine were to be developed, Rio Tinto and Salt Lake County would negotiate access to the site or an equitable land purchase or trade. Additionally, we would reach out and discuss any proposal with the communities that could be affected before we began mine development.

Energy and climate change

Questions/concerns:

- What are you doing to both minimize energy use and to find new and renewable energy sources?
- How are you working to limit greenhouse gas emissions and positively affect climate change concerns?

Response by Kennecott:

Mining and ore processing are energy-intensive. We own and operate a coal-fired power plant to supply our mining and processing needs. We have a permit with the Utah Division of Air Quality that allows the plant to operate for eight months each year; it does not operate during winter months when pollution-trapping inversions are common. Power needs during the winter and other peak periods throughout the year are met by the Rocky Mountain Power grid.

We are in the process of evaluating additional power generation options to meet growing electrical requirements associated with a mine life extension. Current evaluations include the addition of combined heat and power systems at two facilities, integration of supplemental renewable energy resources, clean coal retrofit opportunities at the existing power plant, and possible expansion of generation capacity using combined cycle gas turbines to meet future electrical load increases.

Consistent with our sustainable development principles, we are committed to continual improvement in energy efficiency across the business, and improving how we use energy is a top business priority. We are achieving this directive by accurately metering our use of energy, managing peak loads, completing a variety of improvement projects such as improving motor and pump efficiency, lighting upgrades, haul truck idle reduction, using biodiesel in blasting, and improving the efficiency of ore crushing and floatation operations. As part of a state effort with Rocky Mountain Power and the Salt Lake Chamber, we are also working to ensure that businesses and consumers have access to an adequate supply of reasonably priced energy.

In addition, we are a leader in ensuring that our new buildings meet LEED (Leadership in Energy and Environmental Design) standards for use of recycled materials, increased use of daylight, reduced water and energy consumption, and innovative design. Five of our buildings are LEED certified, including the Rio Tinto Regional Center (certified LEED Platinum). All homes built at Daybreak are Energy Start ® rated.

With regard to climate change, we are an active member of the Climate Registry, a regional greenhouse gas (GHG) reporting system; the U.S. Climate Action Partnership, which is seeking a practical federal cap-and-trade program; and, we are monitoring developments in the Western Climate Initiative, a group of western U.S. states and Canadian provinces working to develop a regional cap-and-trade program. Rio Tinto favors a federal cap-and-trade program.

Like other Rio Tinto business units, we are actively working to reduce our emissions per ton of product produced (in our case, copper cathode). In 2003, Rio Tinto set aggressive, 5-year GHG emission intensity and energy efficiency targets for each business unit. While specific numeric targets will not be achieved by the end of the target cycle in 2008, substantial progress has been made by embedding energy improvement efforts across Kennecott. Management against these 5-year targets has led to the successful implementation of more than 50 energy improvement projects and an operational energy management program. We are also aggressively seeking efficient energy sources that will further diversify our overall energy supply. Aggressive, new 2008-2011 energy efficiency targets and 2008-2013 GHG emission intensity targets have been developed to help further advance our efforts. Our challenge in 2009 will be to further embed energy management strategies, advance efforts to integrate efficient sources of energy, and continue to actively manage our GHG emissions.

Kennecott Utah Copper closure planning

Questions/concerns:

- What happens when the Bingham Canyon Mine closes? Is there a plan?
- What will happen to the company's 93,000 acres of land after mining has come to an end?

Response by Kennecott:

While we are actively researching how to extend the life of the Bingham Canyon Mine to 2036 or even longer, we must also continually plan for eventual closure of the mine. Closure planning is required by law and it is

something that Rio Tinto requires at all of our facilities. Planning for closure, while still mining, makes economic sense and decreases the potential environmental impact and facilitates the eventual reuse of the land. We have a closure plan in place and it can be viewed at the offices of the Utah Division of Oil, Gas and Mining in downtown Salt Lake City.

It is our practice to consult with communities on mine closure and future use of the land. Over the past 20 years, for example, we've worked closely with the U.S. Environmental Protection Agency, the Utah Department of Environmental Quality, and the Utah Department of Natural Resources, local agencies and members of the public to close and reclaim a number of historic mining facilities on our properties. These have included obsolete refineries, concentrators, pipelines and tailings impoundments.

As for future uses of the company's large landholdings on the western side of the Salt Lake Valley, we have already begun to convert some non-mining lands to other uses. The biggest example of this is the 4,126-acre Daybreak community in South Jordan, where development is projected to be for another 20 years. While our main focus is on extending the life of the Bingham Canyon Mine and exploring for other mining opportunities, we are carefully studying other future land development possibilities.

In the long run, when mining activities do wind down, we expect some land development will follow where appropriate. That said, we need to be clear that some of the more visible vestiges of our mining operations, such as waste rock and the Bingham Mine pit will not look much different than they do now. In fact, the Bingham Canyon pit is listed on the National Register of Historic Places and cannot be significantly changed. We will manage these sites over the long term as described in our closure plan.

Because the subject of closure is complicated, we want to ensure that anyone can get the information they need. You can find the following documents online by February, 2009:

- [Rio Tinto's Closure Standard](http://www.riotinto.com/documents/ClosureStandard.pdf)
(www.riotinto.com/documents/ClosureStandard.pdf)
- Kennecott Utah Copper Corporation's closure plan Q&A

Other Issues and Responses

In addition to the concerns discussed above, you also asked a number of other questions during the community forum. Here is a summary of those, along with brief responses.

Sustainable Development

- **Comment:** “Rio Tinto has a great deal of experience with sustainable development. How can you share this knowledge with others?”

Response by Kennecott: At Rio Tinto, sustainable development is integral to our daily operations and to the social and financial investment our stakeholders and surrounding communities have made in us. We believe sustainable development means improving our business through the economic prosperity, environmental stewardship and social well-being initiatives that are the cornerstones of our present and future success. Part of this long-term journey is about sharing our knowledge and experiences as well as the challenges we face in sustainable development with outside organizations such as the International Council on Mining and Metals and the Global Mining Initiative.

On a local level, we work closely with Envision Utah, the Salt Lake Chamber, colleges, museums and universities and state, county and municipal governments. Our current media campaign titled, “We’re part of something bigger” describes our commitment to sustainable development in Utah. Rio Tinto’s business strategies and daily practices show a long-term commitment to environmental stewardship, community outreach and economic success. We report our progress in these areas every year because meeting the needs of today’s generation without compromising the needs of future generations is critical to maintaining a healthy business and a healthy community. The 2008 report will be available online in March 2009.

Mine Life Extension

- **Question:** “What kind of environmental impacts could occur with the extension of the mine’s life?”

Response by Kennecott: Extending the life of the Bingham Canyon Mine will result in additional land disturbance in order to support the added years of production. This activity will be subject to Utah mining and reclamation laws and standards which require disturbed land to be left in safe and stable conditions. Extending mining and waste rock placement in historically disturbed areas provides an opportunity to apply modern reclamation techniques to historic disturbances.

The state of Utah has a broad system of environmental regulations designed to minimize the environmental impacts of future mining activities including the Clean Air Act, Clean Water Act and the Utah Groundwater Discharge Permit Program. Additionally, Rio Tinto has extensive internal environmental and closure requirements that would apply to the mine life extension. The requirements of these programs

include application of modern pollution controls, environmental impact analysis, extensive air, water and groundwater monitoring and reporting, enforceable emission and discharge limits, the phase-in of newer and cleaner truck engines and fuels, and all permitting actions are subject to public review and comment.

As previously discussed, Rio Tinto has a solid record of planning for and resolving environmental issues. In fact, over the past 15 years, Rio Tinto has spent more than \$400 million to clean up previous environmental impacts, such as groundwater contamination and reclamation of previous mining lands. Much of that work occurred around the Bingham Canyon Mine specifically to forestall potential environmental impacts of future mining activities. More information on our cleanup activities, a 2008 report can be found online at www.kennecott.com.

Future of Rio Tinto

- **Comment and question:** “Rio Tinto is viewed as having high ethics and has cleaned up waste left by other companies in the past. If another company were to replace Rio Tinto, would it have the same commitment?”

Response by Kennecott: We simply can’t speculate about what might happen in the future, but it is a fact that many mining companies around the world, including Rio Tinto, have embraced the principles of sustainable development as global concern about environmental issues has grown. This is essential to gaining and maintaining community support for our business.

Economic Contribution

- **Comment:** “Rio Tinto creates jobs and has a dramatic multiplier effect on the economy. The company contributes greatly, both directly and indirectly, to the financial and social well-being of our community, but sometimes this contribution is taken for granted.”

Response by Kennecott: The economic impact of Kennecott Utah Copper in 2007 was more than \$750 million in wages, purchases and tax payments. More than 12,000 Utah jobs are directly and indirectly created by the company. In these difficult economic times, we’re proud to be able to make that kind of investment in the state of Utah.

Kennecott Land’s expenditures for 2007 totaled approximately \$95 million, the majority of which went to the local economy. This includes salaries, taxes, and the purchasing of goods and services.

In adherence to Rio Tinto’s procurement policies, we buy local when possible from businesses that share our commitment to sustainable

development. We believe in free and fair competition and in supporting neighbors who exhibit good business practices.

Purpose of Minerals

- **Comment:** “People take minerals, metals and the modern life they provide for granted. That’s not likely to change, but Rio Tinto can do more to raise awareness about the value of minerals to our lives and to our economy.”

Response by Kennecott: We agree and are taking steps to do just that through things like the “From Ore to More” video, presentations to community groups, elementary and secondary school education programs, the Bingham Canyon Mine Visitor Center, outreach efforts through the Utah Museum of Natural History, and our sponsorship of Rio Tinto Stadium, the new home of the Real Salt Lake Major League Soccer team. We view it as part of community obligation to keep the public informed about who we are and what we do.

UPDATE ON ISSUES DISCUSSED AT THE KENNECOTT
2008 COMMUNITY ADVISORY MEETING

Salt Lake Valley

Purpose of Meeting

Rio Tinto's Kennecott Utah Copper and Kennecott Land held the first joint community advisory meeting on Oct. 17th at the new Rio Tinto Regional Center at Daybreak in South Jordan, Utah. The purpose of the meeting was to bring together and update community groups set up to advise Kennecott Utah Copper and Kennecott Land.

We are committed to rigorous, long-term business planning, and seeking feedback from the community is a crucial part of this effort. At the community advisory meeting, we shared our plans and vision for the next several years. Following the presentation, community stakeholders met in four groups to provide feedback to Rio Tinto in these areas:

- **Mine life extension.** This group discussed the pros and cons of Rio Tinto extending the life of the Bingham Canyon Mine for another 30 years as well as the pros and cons of the mine closing prior to 2036.
- **Economic contribution.** This group was asked to comment on how Rio Tinto contributes to the economy of the Salt Lake area and Utah, as well as whether this contribution is a net positive or negative for the community.
- **Environmental protection.** After hearing a review of the companies' environmental remediation efforts in the larger meeting, this group was asked if we are doing as much as we can for the environment and where we can improve.
- **Purpose of minerals.** Given the ubiquitous need for minerals and metals, group members were asked to comment on what their lives would be like without them, and about how important it is for people to understand the link between basic minerals and modern life.

Core Issues and Responses

The following issues, questions and concerns were raised during the four breakout sessions. You told us you wanted to know more about our exploration for new mineral resources and plans for eventual closure of mining facilities. You asked us to take a business and community leadership role in the in the areas of energy efficiency, climate change and sustainable development. You also asked about several other specific issues. Here are our responses to your comments and questions.

Exploration for new mineral resources

Questions/concerns:

- Why is Rio Tinto exploring for minerals in Rose Canyon and Yellow Fork Canyon?
- What happens if mineral resources are found in these canyons?

Response by Kennecott:

Mineral exploration and mining activities have taken place in the Oquirrh Mountains for more than 150 years. We continue this today by exploring to the south and west of the Bingham Canyon Mine. The Bingham Canyon Mine is one of the most productive ore bodies in the world and supplies 13 percent of the nation's copper needs. Because of this, our geologists believe there is a good chance that additional, significant ore bodies may be located nearby.

In one of the areas we're exploring, the Rose Canyon Ranch, Salt Lake County owns the surface land, while the federal government owns the subsurface mineral rights. Kennecott has filed claims to explore the subsurface mineral estate with the U.S. Bureau of Land Management.

Since our recent stakeholder meeting, Rio Tinto Exploration and Salt Lake County have agreed to a phased approach to exploration in Rose Canyon that recognizes both parties' property interests. The first phase allows us to proceed with "casual use" exploration activities involving minimal land disruption while protecting the County's interest in the land as open space. Under the terms of the agreement, any exploration activities beyond the first phase will be jointly discussed and agreed upon by us and the County.

During the first phase, casual use activities will occur in 2008 and 2009, and will consist of geophysical surveys, collecting rock and soil samples, and geological mapping. The geophysical surveys will have minimal impact to the land surface. To provide accurate underground geophysical information, the clearing of brush and vegetation may be necessary and will be done only with hand tools to properly position survey lines.

If the geophysical information indicates we should explore further, the second phase of the agreement allows for exploratory drilling in a manner agreed upon by Rio Tinto and the County and with the least amount of land disturbance.

If a high-quality mineral target does exist, it can take many years to bring a potential ore deposit into production as a mine. Many factors are involved in the process to develop a mine, including thorough social, economic and environmental studies, and a transparent and rigorous permitting process.

Even after years of study, there is no guarantee that a surface or underground mine ultimately would be built. If a mine were to be developed, Rio Tinto and Salt Lake County would negotiate access to the site or an equitable land purchase or trade. Additionally, we would reach out and discuss any proposal with the communities that could be affected before we began mine development.

Energy and climate change

Questions/concerns:

- What are you doing to both minimize energy use and to find new and renewable energy sources?
- How are you working to limit greenhouse gas emissions and positively affect climate change concerns?

Response by Kennecott:

Mining and ore processing are energy-intensive. We own and operate a coal-fired power plant to supply our mining and processing needs. We have a permit with the Utah Division of Air Quality that allows the plant to operate for eight months each year; it does not operate during winter months when pollution-trapping inversions are common. Power needs during the winter and other peak periods throughout the year are met by the Rocky Mountain Power grid.

We are in the process of evaluating additional power generation options to meet growing electrical requirements associated with a mine life extension. Current evaluations include the addition of combined heat and power systems at two facilities, integration of supplemental renewable energy resources, clean coal retrofit opportunities at the existing power plant, and possible expansion of generation capacity using combined cycle gas turbines to meet future electrical load increases.

Consistent with our sustainable development principles, we are committed to continual improvement in energy efficiency across the business, and improving how we use energy is a top business priority. We are achieving this directive by accurately metering our use of energy, managing peak loads, completing a variety of improvement projects such as improving motor and pump efficiency, lighting upgrades, haul truck idle reduction, using biodiesel in blasting, and improving the efficiency of ore crushing and floatation operations. As part of a state effort with Rocky Mountain Power and the Salt Lake Chamber, we are also working to ensure that businesses and consumers have access to an adequate supply of reasonably priced energy.

In addition, we are a leader in ensuring that our new buildings meet LEED (Leadership in Energy and Environmental Design) standards for use of recycled materials, increased use of daylight, reduced water and energy consumption, and innovative design. Five of our buildings are LEED certified, including the Rio Tinto Regional Center (certified LEED Platinum). All homes built at Daybreak are Energy Start ® rated.

With regard to climate change, we are an active member of the Climate Registry, a regional greenhouse gas (GHG) reporting system; the U.S. Climate Action Partnership, which is seeking a practical federal cap-and-trade program; and, we are monitoring developments in the Western Climate Initiative, a group of western U.S. states and Canadian provinces working to develop a regional cap-and-trade program. Rio Tinto favors a federal cap-and-trade program.

Like other Rio Tinto business units, we are actively working to reduce our emissions per ton of product produced (in our case, copper cathode). In 2003, Rio Tinto set aggressive, 5-year GHG emission intensity and energy efficiency targets for each business unit. While specific numeric targets will not be achieved by the end of the target cycle in 2008, substantial progress has been made by embedding energy improvement efforts across Kennecott. Management against these 5-year targets has led to the successful implementation of more than 50 energy improvement projects and an operational energy management program. We are also aggressively seeking efficient energy sources that will further diversify our overall energy supply. Aggressive, new 2008-2011 energy efficiency targets and 2008-2013 GHG emission intensity targets have been developed to help further advance our efforts. Our challenge in 2009 will be to further embed energy management strategies, advance efforts to integrate efficient sources of energy, and continue to actively manage our GHG emissions.

Kennecott Utah Copper closure planning

Questions/concerns:

- What happens when the Bingham Canyon Mine closes? Is there a plan?
- What will happen to the company's 93,000 acres of land after mining has come to an end?

Response by Kennecott:

While we are actively researching how to extend the life of the Bingham Canyon Mine to 2036 or even longer, we must also continually plan for eventual closure of the mine. Closure planning is required by law and it is

something that Rio Tinto requires at all of our facilities. Planning for closure, while still mining, makes economic sense and decreases the potential environmental impact and facilitates the eventual reuse of the land. We have a closure plan in place and it can be viewed at the offices of the Utah Division of Oil, Gas and Mining in downtown Salt Lake City.

It is our practice to consult with communities on mine closure and future use of the land. Over the past 20 years, for example, we've worked closely with the U.S. Environmental Protection Agency, the Utah Department of Environmental Quality, and the Utah Department of Natural Resources, local agencies and members of the public to close and reclaim a number of historic mining facilities on our properties. These have included obsolete refineries, concentrators, pipelines and tailings impoundments.

As for future uses of the company's large landholdings on the western side of the Salt Lake Valley, we have already begun to convert some non-mining lands to other uses. The biggest example of this is the 4,126-acre Daybreak community in South Jordan, where development is projected to be for another 20 years. While our main focus is on extending the life of the Bingham Canyon Mine and exploring for other mining opportunities, we are carefully studying other future land development possibilities.

In the long run, when mining activities do wind down, we expect some land development will follow where appropriate. That said, we need to be clear that some of the more visible vestiges of our mining operations, such as waste rock and the Bingham Mine pit will not look much different than they do now. In fact, the Bingham Canyon pit is listed on the National Register of Historic Places and cannot be significantly changed. We will manage these sites over the long term as described in our closure plan.

Because the subject of closure is complicated, we want to ensure that anyone can get the information they need. You can find the following documents online by February, 2009:

- [Rio Tinto's Closure Standard](http://www.riotinto.com/documents/ClosureStandard.pdf)
(www.riotinto.com/documents/ClosureStandard.pdf)
- Kennecott Utah Copper Corporation's closure plan Q&A

Other Issues and Responses

In addition to the concerns discussed above, you also asked a number of other questions during the community forum. Here is a summary of those, along with brief responses.

Sustainable Development

- **Comment:** “Rio Tinto has a great deal of experience with sustainable development. How can you share this knowledge with others?”

Response by Kennecott: At Rio Tinto, sustainable development is integral to our daily operations and to the social and financial investment our stakeholders and surrounding communities have made in us. We believe sustainable development means improving our business through the economic prosperity, environmental stewardship and social well-being initiatives that are the cornerstones of our present and future success. Part of this long-term journey is about sharing our knowledge and experiences as well as the challenges we face in sustainable development with outside organizations such as the International Council on Mining and Metals and the Global Mining Initiative.

On a local level, we work closely with Envision Utah, the Salt Lake Chamber, colleges, museums and universities and state, county and municipal governments. Our current media campaign titled, “We’re part of something bigger” describes our commitment to sustainable development in Utah. Rio Tinto’s business strategies and daily practices show a long-term commitment to environmental stewardship, community outreach and economic success. We report our progress in these areas every year because meeting the needs of today’s generation without compromising the needs of future generations is critical to maintaining a healthy business and a healthy community. The 2008 report will be available online in March 2009.

Mine Life Extension

- **Question:** “What kind of environmental impacts could occur with the extension of the mine’s life?”

Response by Kennecott: Extending the life of the Bingham Canyon Mine will result in additional land disturbance in order to support the added years of production. This activity will be subject to Utah mining and reclamation laws and standards which require disturbed land to be left in safe and stable conditions. Extending mining and waste rock placement in historically disturbed areas provides an opportunity to apply modern reclamation techniques to historic disturbances.

The state of Utah has a broad system of environmental regulations designed to minimize the environmental impacts of future mining activities including the Clean Air Act, Clean Water Act and the Utah Groundwater Discharge Permit Program. Additionally, Rio Tinto has extensive internal environmental and closure requirements that would apply to the mine life extension. The requirements of these programs

include application of modern pollution controls, environmental impact analysis, extensive air, water and groundwater monitoring and reporting, enforceable emission and discharge limits, the phase-in of newer and cleaner truck engines and fuels, and all permitting actions are subject to public review and comment.

As previously discussed, Rio Tinto has a solid record of planning for and resolving environmental issues. In fact, over the past 15 years, Rio Tinto has spent more than \$400 million to clean up previous environmental impacts, such as groundwater contamination and reclamation of previous mining lands. Much of that work occurred around the Bingham Canyon Mine specifically to forestall potential environmental impacts of future mining activities. More information on our cleanup activities, a 2008 report can be found online at www.kennecott.com.

Future of Rio Tinto

- **Comment and question:** “Rio Tinto is viewed as having high ethics and has cleaned up waste left by other companies in the past. If another company were to replace Rio Tinto, would it have the same commitment?”

Response by Kennecott: We simply can’t speculate about what might happen in the future, but it is a fact that many mining companies around the world, including Rio Tinto, have embraced the principles of sustainable development as global concern about environmental issues has grown. This is essential to gaining and maintaining community support for our business.

Economic Contribution

- **Comment:** “Rio Tinto creates jobs and has a dramatic multiplier effect on the economy. The company contributes greatly, both directly and indirectly, to the financial and social well-being of our community, but sometimes this contribution is taken for granted.”

Response by Kennecott: The economic impact of Kennecott Utah Copper in 2007 was more than \$750 million in wages, purchases and tax payments. More than 12,000 Utah jobs are directly and indirectly created by the company. In these difficult economic times, we’re proud to be able to make that kind of investment in the state of Utah.

Kennecott Land’s expenditures for 2007 totaled approximately \$95 million, the majority of which went to the local economy. This includes salaries, taxes, and the purchasing of goods and services.

In adherence to Rio Tinto’s procurement policies, we buy local when possible from businesses that share our commitment to sustainable

development. We believe in free and fair competition and in supporting neighbors who exhibit good business practices.

Purpose of Minerals

- **Comment:** “People take minerals, metals and the modern life they provide for granted. That’s not likely to change, but Rio Tinto can do more to raise awareness about the value of minerals to our lives and to our economy.”

Response by Kennecott: We agree and are taking steps to do just that through things like the “From Ore to More” video, presentations to community groups, elementary and secondary school education programs, the Bingham Canyon Mine Visitor Center, outreach efforts through the Utah Museum of Natural History, and our sponsorship of Rio Tinto Stadium, the new home of the Real Salt Lake Major League Soccer team. We view it as part of community obligation to keep the public informed about who we are and what we do.

UPDATE ON ISSUES DISCUSSED AT THE KENNECOTT
2008 COMMUNITY ADVISORY MEETING

Salt Lake Valley

Purpose of Meeting

Rio Tinto's Kennecott Utah Copper and Kennecott Land held the first joint community advisory meeting on Oct. 17th at the new Rio Tinto Regional Center at Daybreak in South Jordan, Utah. The purpose of the meeting was to bring together and update community groups set up to advise Kennecott Utah Copper and Kennecott Land.

We are committed to rigorous, long-term business planning, and seeking feedback from the community is a crucial part of this effort. At the community advisory meeting, we shared our plans and vision for the next several years. Following the presentation, community stakeholders met in four groups to provide feedback to Rio Tinto in these areas:

- **Mine life extension.** This group discussed the pros and cons of Rio Tinto extending the life of the Bingham Canyon Mine for another 30 years as well as the pros and cons of the mine closing prior to 2036.
- **Economic contribution.** This group was asked to comment on how Rio Tinto contributes to the economy of the Salt Lake area and Utah, as well as whether this contribution is a net positive or negative for the community.
- **Environmental protection.** After hearing a review of the companies' environmental remediation efforts in the larger meeting, this group was asked if we are doing as much as we can for the environment and where we can improve.
- **Purpose of minerals.** Given the ubiquitous need for minerals and metals, group members were asked to comment on what their lives would be like without them, and about how important it is for people to understand the link between basic minerals and modern life.

Core Issues and Responses

The following issues, questions and concerns were raised during the four breakout sessions. You told us you wanted to know more about our exploration for new mineral resources and plans for eventual closure of mining facilities. You asked us to take a business and community leadership role in the in the areas of energy efficiency, climate change and sustainable development. You also asked about several other specific issues. Here are our responses to your comments and questions.

Exploration for new mineral resources

Questions/concerns:

- Why is Rio Tinto exploring for minerals in Rose Canyon and Yellow Fork Canyon?
- What happens if mineral resources are found in these canyons?

Response by Kennecott:

Mineral exploration and mining activities have taken place in the Oquirrh Mountains for more than 150 years. We continue this today by exploring to the south and west of the Bingham Canyon Mine. The Bingham Canyon Mine is one of the most productive ore bodies in the world and supplies 13 percent of the nation's copper needs. Because of this, our geologists believe there is a good chance that additional, significant ore bodies may be located nearby.

In one of the areas we're exploring, the Rose Canyon Ranch, Salt Lake County owns the surface land, while the federal government owns the subsurface mineral rights. Kennecott has filed claims to explore the subsurface mineral estate with the U.S. Bureau of Land Management.

Since our recent stakeholder meeting, Rio Tinto Exploration and Salt Lake County have agreed to a phased approach to exploration in Rose Canyon that recognizes both parties' property interests. The first phase allows us to proceed with "casual use" exploration activities involving minimal land disruption while protecting the County's interest in the land as open space. Under the terms of the agreement, any exploration activities beyond the first phase will be jointly discussed and agreed upon by us and the County.

During the first phase, casual use activities will occur in 2008 and 2009, and will consist of geophysical surveys, collecting rock and soil samples, and geological mapping. The geophysical surveys will have minimal impact to the land surface. To provide accurate underground geophysical information, the clearing of brush and vegetation may be necessary and will be done only with hand tools to properly position survey lines.

If the geophysical information indicates we should explore further, the second phase of the agreement allows for exploratory drilling in a manner agreed upon by Rio Tinto and the County and with the least amount of land disturbance.

If a high-quality mineral target does exist, it can take many years to bring a potential ore deposit into production as a mine. Many factors are involved in the process to develop a mine, including thorough social, economic and environmental studies, and a transparent and rigorous permitting process.

Even after years of study, there is no guarantee that a surface or underground mine ultimately would be built. If a mine were to be developed, Rio Tinto and Salt Lake County would negotiate access to the site or an equitable land purchase or trade. Additionally, we would reach out and discuss any proposal with the communities that could be affected before we began mine development.

Energy and climate change

Questions/concerns:

- What are you doing to both minimize energy use and to find new and renewable energy sources?
- How are you working to limit greenhouse gas emissions and positively affect climate change concerns?

Response by Kennecott:

Mining and ore processing are energy-intensive. We own and operate a coal-fired power plant to supply our mining and processing needs. We have a permit with the Utah Division of Air Quality that allows the plant to operate for eight months each year; it does not operate during winter months when pollution-trapping inversions are common. Power needs during the winter and other peak periods throughout the year are met by the Rocky Mountain Power grid.

We are in the process of evaluating additional power generation options to meet growing electrical requirements associated with a mine life extension. Current evaluations include the addition of combined heat and power systems at two facilities, integration of supplemental renewable energy resources, clean coal retrofit opportunities at the existing power plant, and possible expansion of generation capacity using combined cycle gas turbines to meet future electrical load increases.

Consistent with our sustainable development principles, we are committed to continual improvement in energy efficiency across the business, and improving how we use energy is a top business priority. We are achieving this directive by accurately metering our use of energy, managing peak loads, completing a variety of improvement projects such as improving motor and pump efficiency, lighting upgrades, haul truck idle reduction, using biodiesel in blasting, and improving the efficiency of ore crushing and floatation operations. As part of a state effort with Rocky Mountain Power and the Salt Lake Chamber, we are also working to ensure that businesses and consumers have access to an adequate supply of reasonably priced energy.

In addition, we are a leader in ensuring that our new buildings meet LEED (Leadership in Energy and Environmental Design) standards for use of recycled materials, increased use of daylight, reduced water and energy consumption, and innovative design. Five of our buildings are LEED certified, including the Rio Tinto Regional Center (certified LEED Platinum). All homes built at Daybreak are Energy Start ® rated.

With regard to climate change, we are an active member of the Climate Registry, a regional greenhouse gas (GHG) reporting system; the U.S. Climate Action Partnership, which is seeking a practical federal cap-and-trade program; and, we are monitoring developments in the Western Climate Initiative, a group of western U.S. states and Canadian provinces working to develop a regional cap-and-trade program. Rio Tinto favors a federal cap-and-trade program.

Like other Rio Tinto business units, we are actively working to reduce our emissions per ton of product produced (in our case, copper cathode). In 2003, Rio Tinto set aggressive, 5-year GHG emission intensity and energy efficiency targets for each business unit. While specific numeric targets will not be achieved by the end of the target cycle in 2008, substantial progress has been made by embedding energy improvement efforts across Kennecott. Management against these 5-year targets has led to the successful implementation of more than 50 energy improvement projects and an operational energy management program. We are also aggressively seeking efficient energy sources that will further diversify our overall energy supply. Aggressive, new 2008-2011 energy efficiency targets and 2008-2013 GHG emission intensity targets have been developed to help further advance our efforts. Our challenge in 2009 will be to further embed energy management strategies, advance efforts to integrate efficient sources of energy, and continue to actively manage our GHG emissions.

Kennecott Utah Copper closure planning

Questions/concerns:

- What happens when the Bingham Canyon Mine closes? Is there a plan?
- What will happen to the company's 93,000 acres of land after mining has come to an end?

Response by Kennecott:

While we are actively researching how to extend the life of the Bingham Canyon Mine to 2036 or even longer, we must also continually plan for eventual closure of the mine. Closure planning is required by law and it is

something that Rio Tinto requires at all of our facilities. Planning for closure, while still mining, makes economic sense and decreases the potential environmental impact and facilitates the eventual reuse of the land. We have a closure plan in place and it can be viewed at the offices of the Utah Division of Oil, Gas and Mining in downtown Salt Lake City.

It is our practice to consult with communities on mine closure and future use of the land. Over the past 20 years, for example, we've worked closely with the U.S. Environmental Protection Agency, the Utah Department of Environmental Quality, and the Utah Department of Natural Resources, local agencies and members of the public to close and reclaim a number of historic mining facilities on our properties. These have included obsolete refineries, concentrators, pipelines and tailings impoundments.

As for future uses of the company's large landholdings on the western side of the Salt Lake Valley, we have already begun to convert some non-mining lands to other uses. The biggest example of this is the 4,126-acre Daybreak community in South Jordan, where development is projected to be for another 20 years. While our main focus is on extending the life of the Bingham Canyon Mine and exploring for other mining opportunities, we are carefully studying other future land development possibilities.

In the long run, when mining activities do wind down, we expect some land development will follow where appropriate. That said, we need to be clear that some of the more visible vestiges of our mining operations, such as waste rock and the Bingham Mine pit will not look much different than they do now. In fact, the Bingham Canyon pit is listed on the National Register of Historic Places and cannot be significantly changed. We will manage these sites over the long term as described in our closure plan.

Because the subject of closure is complicated, we want to ensure that anyone can get the information they need. You can find the following documents online by February, 2009:

- [Rio Tinto's Closure Standard](http://www.riotinto.com/documents/ClosureStandard.pdf)
(www.riotinto.com/documents/ClosureStandard.pdf)
- Kennecott Utah Copper Corporation's closure plan Q&A

Other Issues and Responses

In addition to the concerns discussed above, you also asked a number of other questions during the community forum. Here is a summary of those, along with brief responses.

Sustainable Development

- **Comment:** “Rio Tinto has a great deal of experience with sustainable development. How can you share this knowledge with others?”

Response by Kennecott: At Rio Tinto, sustainable development is integral to our daily operations and to the social and financial investment our stakeholders and surrounding communities have made in us. We believe sustainable development means improving our business through the economic prosperity, environmental stewardship and social well-being initiatives that are the cornerstones of our present and future success. Part of this long-term journey is about sharing our knowledge and experiences as well as the challenges we face in sustainable development with outside organizations such as the International Council on Mining and Metals and the Global Mining Initiative.

On a local level, we work closely with Envision Utah, the Salt Lake Chamber, colleges, museums and universities and state, county and municipal governments. Our current media campaign titled, “We’re part of something bigger” describes our commitment to sustainable development in Utah. Rio Tinto’s business strategies and daily practices show a long-term commitment to environmental stewardship, community outreach and economic success. We report our progress in these areas every year because meeting the needs of today’s generation without compromising the needs of future generations is critical to maintaining a healthy business and a healthy community. The 2008 report will be available online in March 2009.

Mine Life Extension

- **Question:** “What kind of environmental impacts could occur with the extension of the mine’s life?”

Response by Kennecott: Extending the life of the Bingham Canyon Mine will result in additional land disturbance in order to support the added years of production. This activity will be subject to Utah mining and reclamation laws and standards which require disturbed land to be left in safe and stable conditions. Extending mining and waste rock placement in historically disturbed areas provides an opportunity to apply modern reclamation techniques to historic disturbances.

The state of Utah has a broad system of environmental regulations designed to minimize the environmental impacts of future mining activities including the Clean Air Act, Clean Water Act and the Utah Groundwater Discharge Permit Program. Additionally, Rio Tinto has extensive internal environmental and closure requirements that would apply to the mine life extension. The requirements of these programs

include application of modern pollution controls, environmental impact analysis, extensive air, water and groundwater monitoring and reporting, enforceable emission and discharge limits, the phase-in of newer and cleaner truck engines and fuels, and all permitting actions are subject to public review and comment.

As previously discussed, Rio Tinto has a solid record of planning for and resolving environmental issues. In fact, over the past 15 years, Rio Tinto has spent more than \$400 million to clean up previous environmental impacts, such as groundwater contamination and reclamation of previous mining lands. Much of that work occurred around the Bingham Canyon Mine specifically to forestall potential environmental impacts of future mining activities. More information on our cleanup activities, a 2008 report can be found online at www.kennecott.com.

Future of Rio Tinto

- **Comment and question:** “Rio Tinto is viewed as having high ethics and has cleaned up waste left by other companies in the past. If another company were to replace Rio Tinto, would it have the same commitment?”

Response by Kennecott: We simply can’t speculate about what might happen in the future, but it is a fact that many mining companies around the world, including Rio Tinto, have embraced the principles of sustainable development as global concern about environmental issues has grown. This is essential to gaining and maintaining community support for our business.

Economic Contribution

- **Comment:** “Rio Tinto creates jobs and has a dramatic multiplier effect on the economy. The company contributes greatly, both directly and indirectly, to the financial and social well-being of our community, but sometimes this contribution is taken for granted.”

Response by Kennecott: The economic impact of Kennecott Utah Copper in 2007 was more than \$750 million in wages, purchases and tax payments. More than 12,000 Utah jobs are directly and indirectly created by the company. In these difficult economic times, we’re proud to be able to make that kind of investment in the state of Utah.

Kennecott Land’s expenditures for 2007 totaled approximately \$95 million, the majority of which went to the local economy. This includes salaries, taxes, and the purchasing of goods and services.

In adherence to Rio Tinto’s procurement policies, we buy local when possible from businesses that share our commitment to sustainable

development. We believe in free and fair competition and in supporting neighbors who exhibit good business practices.

Purpose of Minerals

- **Comment:** “People take minerals, metals and the modern life they provide for granted. That’s not likely to change, but Rio Tinto can do more to raise awareness about the value of minerals to our lives and to our economy.”

Response by Kennecott: We agree and are taking steps to do just that through things like the “From Ore to More” video, presentations to community groups, elementary and secondary school education programs, the Bingham Canyon Mine Visitor Center, outreach efforts through the Utah Museum of Natural History, and our sponsorship of Rio Tinto Stadium, the new home of the Real Salt Lake Major League Soccer team. We view it as part of community obligation to keep the public informed about who we are and what we do.