Exploration Questions and Answers

Introduction:
Mineral exploration and mining activities have been taking place in the Oquirrh Mountains for more than 150 years. For over a century, Kennecott Utah Copper (KUC) and its predecessors have been mining and exploring for minerals as part of that activity. In our effort to be transparent, Kennecott seeks to communicate and cooperate with all property owners, governmental agencies and stakeholders that work in the area and have interest in or are associated with our business.

Please use this question and answer document to learn more about exploration and our activities in the Oquirrh Mountains.

Q: Why are you conducting exploration activities?
A: Kennecott is exploring the area around the Bingham Canyon Mine to better understand the geology of the area. Though mineral exploration rarely discovers an economic resource, the goal of mineral exploration is to discover mineral resources that will help meet the growing global demand for minerals and metals that contribute to modern life.

Q: What are you looking for when exploring?
A: At this initial stage of exploration, Kennecott is conducting exploration activities to gain a better understanding of the area’s geology, as well as searching for particular metals or minerals, such as copper.

Q: Where will you be exploring?
A: Kennecott is currently exploring an area surrounding the Bingham Canyon Mine, called the “Bingham Orbit,” which is an area that is primarily west and south of the mine.

Q: How long will Kennecott explore the Oquirrh Mountains?
A: Kennecott has been exploring in the Oquirrh Mountains, the location of the Bingham Canyon Mine, one of the world’s great ore bodies, for over 100 years and will continue this exploration for additional mineral resources which is part of our ongoing business.

Kennecott anticipates that some of our current exploration activities could be finished by the end of 2008, if weather permits. If weather conditions don’t allow current exploration activities to continue, exploration will resume in the early spring and likely conclude in early summer. These activities include airborne surveys, ground exploration and if initial studies return promising data, some exploration drilling.
Q: How much damage will exploration activities do to the environment?
A: Exploration is quite different from mining and has minimal environmental impact. Advancements in science and technology, and the use of best industry practice minimize environmental disturbances. In the event that some small areas of ground must be cleared to access exploration sites, the affected areas will be fully reclaimed by planting native shrubs and plants.

Q: What is an airborne survey?
A: Airborne surveys involve the use of sensors carried by small aircraft, such as helicopters, that measure the electrical and magnetic properties of the underlying bedrock in order to assist with mapping the geology. The sensors have no adverse effect on the environment, human or animal health.

Q: What is the exploration process?
A: Geologists find areas of interest by identifying rock formations that are different, or anomalous, in some way from the surrounding area. Though most of these anomalies do not lead to discovery of ore bodies, occasionally these areas display signs of potential mineralization. These areas are then examined visually in order to better understand their geology. After a visual examination, geologists may choose to conduct airborne surveys or ground surveys that allow them to better understand and map the geology of the area. If these results are positive, indicating some potential mineralization targets, drill rigs are then used to drill and extract core samples. The cores are then assayed, a chemical analysis, to determine the depth, types, quality and quantity of the mineralization. If these results are positive, only then is the possibility of mining seriously considered.

Q: What is the success rate in finding ore bodies that can be mined?
A: Once a company has identified a potential mineralized target, the success of it becoming a mineable ore body is very small. Most mining companies’ exploration efforts have a success ratio of one in every 320 drilling attempts.

Q: What are the chances you will be opening another mine?
A: If mineralization is found, it can take many years – even a decade or more – to bring a potential deposit into production and many factors are involved. These include thorough and detailed social, economic, and environmental activities and studies, and a transparent and rigorous permitting process. This process can take many years.

Q: Why explore when you have the Bingham Canyon Mine?
A: As a mining company, our role (as well as our responsibility to our shareholders) is to find additional mineral deposits to add ore reserves to the mine’s life.
Q: Are you going to explore on the County’s open space?
A: The area may have mineral deposits that can only be determined by further exploration. Therefore, we have constantly communicated with the government leaders of Salt Lake, Utah, and Tooele Counties about our exploration activities. Kennecott has had a historic and positive working relationship with all counties and nearby landholders, and we are committed to continue working closely with our stakeholders to keep them informed of our exploration efforts.

Q: Who owns the subsurface mineral estate underlying Rose Canyon Ranch?
A: There are two estates that make up most of Rose Canyon Ranch: the subsurface mineral estate and surface estate. The surface estate is owned by Salt Lake County after they completed the purchase in late 2007. The predominant subsurface mineral estate is the property of the federal government and is administered by the Bureau of Land Management. Kennecott was unaware that the County was going to purchase the property and located and filed claims on the subsurface mineral estate prior to their purchase of the Rose Canyon Ranch.

Q: What was the sequence of events surrounding the purchase of the Rose Canyon Ranch property?
A: Prior to the County’s purchase of the Rose Canyon Ranch property, Kennecott Exploration located and filed claims on the federal mineral estate underlying Rose Canyon Ranch. As a part of the filing procedure, Kennecott notified the surface owner of our intent to locate mining claims. Kennecott had no knowledge at the time of the County’s interest in the property. Subsequently, upon learning of the County’s interest to purchase the Rose Canyon Ranch property, Kennecott fully communicated our intent to explore the land. The County then completed the purchase of the surface estate on the Rose Canyon Ranch property from the prior owner.

The discussions with Salt Lake County regarding our exploration from January through September have been courteous and professional; however, Kennecott and the County do have differing opinions about the administrative procedure that Kennecott should pursue to continue mineral exploration under Rose Canyon Ranch.

Q: Is Kennecott concerned about the effect additional mining would have on nearby residents?
A: In all projects, Kennecott works very carefully with nearby residents to thoroughly address social and environmental issues. The Bingham Canyon Mine has been operating for more than 105 years on the edge of a growing
metropolitan area, and the company understands that residents may have concerns about the proximity that current and future mining operations have on communities. Kennecott has carried on dialogue with nearby communities for decades and will continue this communication.

Kennecott has always been an industry leader in finding ways to reduce the social and environmental impacts of mining while contributing to local communities. Kennecott does this with a daily focus on sustainable development initiatives and a proven commitment to reclamation and safety. If exploration and mining activities are to be performed, Kennecott and parent company, Rio Tinto, have the expertise and commitment to do it right.

**Q: What would a new mining activity look like?**

**A:** At the present time, we do not know if there will be any new mining activity. Without a comprehensive knowledge about the grade, depth and other factors that would lead to a mining operation, it is too premature to determine whether it would be economically feasible to mine any additional deposit in the Oquirrh Mountains. Prior to mining any additional areas, there would be thorough and detailed social, economic, and environmental activities and studies, and a transparent and rigorous permitting process. This process can take many years and would allow the public to provide input.