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Press Release

Circuit Court Upholds Michigan Department of Natural Resources-Kennecott Land Lease Agreement

(Ishpeming, Mich. – Thursday, March 5, 2009) — The Ingham County Circuit Court this week affirmed the Michigan Department of Natural Resources’ decision to enter into a surface land use agreement with the Kennecott Eagle Minerals Company and rejected a request to enjoin construction activity at the site. The ruling, issued by Judge Paula Manderfield on March 3, dismissed a lawsuit brought by the National Wildlife Federation, Yellow Dog Watershed Preserve, Keweenaw Bay Indian Community and the Huron Mountain Club, challenging the agreement.

“We are pleased that the Circuit Court affirmed the MDNR’s agreement,” said Kennecott General Manager Jon Cherry. “We are also pleased the court recognized the many opportunities afforded the public to participate in the review and approval process leading to the agreement. Kennecott appreciates the DNR’s commitment to openness and transparency.”

In the suit, plaintiffs alleged the DNR’s decision to grant a lease to Kennecott for use of 120 acres of state-owned land in Michigamme Township was not authorized by law because, they said, it violated law, exceeded the authority of the agency, and was arbitrarily and capriciously granted. The court found instead that the State had acted in accordance with the law, which invests the State with explicit authority to lease state lands for the purpose of mineral development, for the benefit of the State and its citizens.

In finding the lease agreement valid, the court also dismissed requests by plaintiffs to remand the lease to the DNR for reconsideration, saying there was not basis for doing so.

Kennecott proposed to locate its surface facilities on state-owned land located in close vicinity to the proposed Eagle Mine after assessing alternative locations. The state-owned land is located such that it provides greater natural protections to surface and groundwater resources in the area. In its ruling, the court said the DNR agreed with Kennecott only after reviewing Kennecott’s rationale for the location and

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considering public comments. The agency then concluded, "...the location selected by Kennecott was indeed the most appropriate location."

A November 2008 ruling by the Ingham Circuit Court dismissed a lawsuit brought by the same plaintiffs in the above matter regarding one of three environmental permits issued in early 2008 by the Michigan Department of Environmental Quality. The court, in that case, also ruled that the State had granted approval in accordance with laws and processes. A contested case decision on the remaining two DEQ permits remains pending before Administrative Law Judge Richard Patterson.

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About Kennecott Eagle Minerals

A wholly owned unit of Rio Tinto, Marquette County, Michigan-based Kennecott Eagle Minerals Company is the owner, developer, and future operator of Eagle Mine in western Marquette County of Michigan's Upper Peninsula (USA). 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. During operations Kennecott will employ more than 150 people, as well as numerous contractors. www.eagle-project.com

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