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## Press Release

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### **Kennecott Eagle Minerals Announces Favorable Proposed Decision In Michigan Environmental Permit Case**

Michigan administrative law ruling affirms Kennecott Eagle mine permits.

(Ishpeming, Mich. – Tuesday, August 18, 2009) — A Michigan administrative law judge today affirmed the Michigan Department of Environmental Quality's (MDEQ) decision to issue two permits to the Kennecott Eagle Minerals Company for its proposed Eagle nickel and copper mine in Michigan's Upper Peninsula. The determination is the most recent in a series of favorable legal decisions, and moves the Eagle mine project closer to construction, which will require hundreds of local workers.

The State Office of Administrative Hearings and Rules rejected the environmental challenges brought by the National Wildlife Federation, Yellow Dog Watershed Preserve, Keweenaw Bay Indian Community and the Huron Mountain Club to the MDEQ's issuance of state mine and water discharge permits.

"This determination is very important to the Upper Peninsula and its families, in that it assures investment and good-paying job creation by natural resource industries, a longstanding pillar of the region's economy," said Kennecott Eagle Minerals Company General Manager Jon Cherry. "Kennecott is committed to building and operating Eagle while setting the highest standards for human safety, environmental protection and community sustainability. The ruling today validates this approach and is consistent with our commitment to compliance with governing rules and regulations."

Judge Richard Patterson's determination holds that Kennecott and/or the MDEQ satisfied or exceeded requirements to minimize environmental impacts associated with the project and met all applicable environmental standards. Following a 42-day contested case hearing in 2008 (believed to be one of the longest in MDEQ history), and a review spanning more than a year, the judge proposes that both the water discharge permit (Part 31), and the mine permit (Part 632) be allowed as previously issued by the MDEQ.

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In addition, the determination recommends that Kennecott develop a plan to address issues raised by Keweenaw Bay Indian Community with respect to their access to the bedrock outcrop.

Cherry said, “We have often expressed our willingness to work with the Keweenaw Bay Indian Community to accommodate their needs. We will continue to maintain this position, and in the spirit of cooperation look forward to dialogue with the Community.”

“Kennecott shares the community’s interest in protecting the environment,” said Cherry. “While mining by its nature disturbs the land, we have nothing to gain by harming the environment. Our approach — controlled under strict regulations and permit conditions — minimizes the project’s overall footprint, and ensures protections for water resources, land features, air quality and wildlife.”

Cherry said the Company remains optimistic that plans for limited construction related activities at the mine site could begin yet this year provided permitting processes are completed relative to the regional construction season.

“Our goal remains to bring Eagle into production over the next few years in a way that creates value for the community, area contractors and vendors, as well as for Rio Tinto and its shareholders,” said Cherry. “Eagle and related projects are well poised to be major job providers for area firms and workers, and to benefit the local and state economies with new revenue sources.”

Eagle mine represents a \$300 million investment by Kennecott and its parent company and world-mining leader Rio Tinto. The project is expected to take more than two years to build, and will create upward of 500 construction-related jobs, while full time operations at the mine and mill will directly employ 200.

### **Related projects**

*Humboldt Mill* — Applications for three permits necessary to complete refurbishment of the Humboldt Mill in Humboldt Township (Marquette County) are pending MDEQ review.

Humboldt Mill will process ore from Eagle mine before shipping nickel and copper concentrate to smelting facilities located elsewhere. The \$80 million project will boost the economic impact of Kennecott’s presence in the region, creating several hundred jobs in addition to those at the mine and serving as a new tax base for local government and school services in an area of Marquette County where few employers exist. The mill could serve as a regional milling facility as future mining projects come online.

*Woodland Road* —Woodland Road LLC has submitted permit applications to state and county regulatory agencies for approvals needed to build Woodland Road in west Marquette County. The proposed 22-mile, \$50 million road represents new north-south infrastructure needed to support growing and future needs of area employers, including Kennecott. Kennecott is a member of Woodland Road LLC.

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“Rio Tinto is pleased to be part of the future of the U.P.,” said Cherry. “With its abundant resources, experienced and knowledgeable workforce, and natural resource industry roots, the U.P. is well positioned to provide good quality of life for families that choose to make the area their home. Kennecott looks forward to continuing to build lasting relationships throughout the community, investing in the area, and establishing the Company as part of the community fabric.”

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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](http://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](http://www.riotinto.com)