



NEWS RELEASE

1004 HARBOR HILLS DRIVE MARQUETTE, MICHIGAN 49855

FOR IMMEDIATE RELEASE
December 14, 2007

Contact: Deborah Muchmore
517-372-4400
Jon Cherry, 906-225-5791

Kennecott Eagle Minerals Company receives principal permits needed for U.P. mine project

Marquette, Mich. — Kennecott Eagle Minerals Company today received state regulatory approval of the three principal environmental permits needed to launch construction of the Eagle nickel and copper mine in Michigan's Upper Peninsula. The Michigan Department of Environmental Quality (MDEQ) issued mine, air, and groundwater discharge permits, following an extensive application review process that began in February 2006.

"This is good news not only for Kennecott, but also for job creation, building a stronger economy, and providing additional opportunities for area businesses to grow," said Eagle project general manager Jon Cherry. "We are very pleased that our efforts over the last several years to work with regulators and many parties in the community to develop a good, environmentally responsible project have been realized. We look forward to getting the project underway."

Eagle's mine permit is the first issued by Michigan under its 2004-enacted nonferrous metallic mine law, considered among the most protective in the U.S. The three permits issued today contain extensive and specific compliance conditions consistent with requirements for ensuring safeguard of the environment and ecosystems.

Kennecott has designed Eagle for the smallest environmental footprint possible. The mine will be completely underground, accessed through a tunnel opening located in the same area where a water treatment plant, ore loading equipment and other facilities will be contained to less than 100 acres. All above ground facilities will be removed once mining ends to restore the area to its current conditions. The mine itself will be backfilled as mining occurs to protect workers inside, and the earth's surface. Ore will be processed off site.

Construction and operation of the project will mean the making of more than 500 new local jobs, including those directly connected with Eagle, and others created as a result of the project's presence. The two-year mine construction phase will get underway in 2008. Construction will trigger the start of tax payments to local communities.

The permit review process has included several series of public hearings and comment periods. Cherry said the company would continue its efforts to engage with residents as the project moves forward. "It's important to us that we listen to and address people's concerns — that responsibility continues."

Separately, the Michigan Department of Natural Resources on December 6, 2007 recommended the State Natural Resources Commission approve two additional project authorizations — Kennecott's plan for reclaiming the site once mining ends, and a land surface use lease agreement for the area where above-ground operations will take place.

Permits and related information can be found at www.michigan.gov/deg, then click on Kennecott Eagle Project.

###

Kennecott Eagle Minerals Company is a member of Rio Tinto, one of the world's leading mining companies, located in London. All Rio Tinto subsidiary companies are committed to becoming ISO 14001:2004 certified. The U.P. Eagle Project received its ISO 14001:2004 certification in 2005. www.eagle-project.com.