

RIO TINTO

Rössing Uranium

Presentation by Martin Oliva, Manager Sales, Rio Tinto Marketing Services, London, United Kingdom, tel. +44 2077532445, at the Australian Mining Journal Conference, Beijing May 2005

Welcome

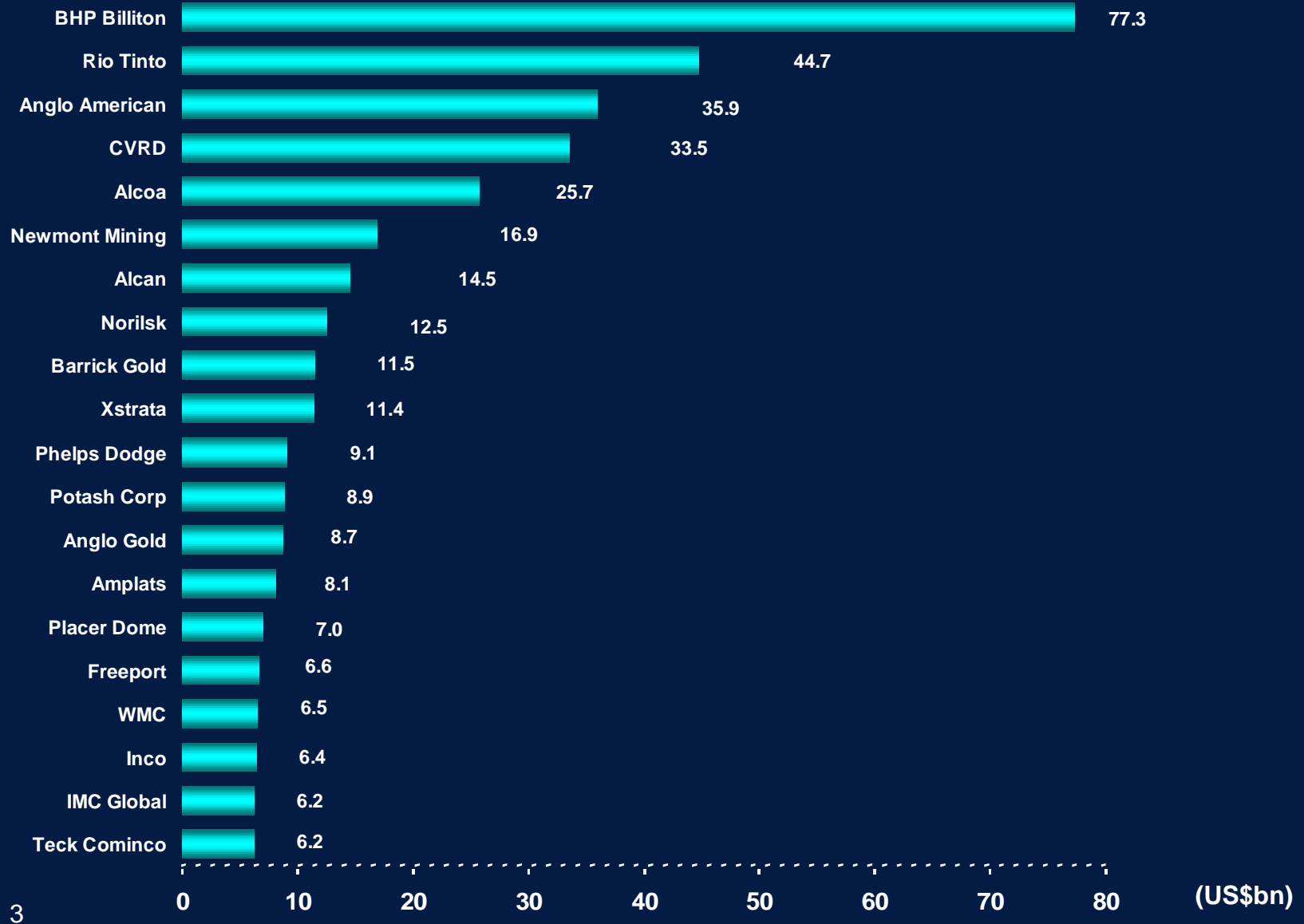
Discussion Topics:

- Introduction to Rio Tinto
- Introduction to Rössing
- Life-of-mine extension



Major international mining companies

Market capitalisation (Feb 2005)



Rio Tinto – a global company

Minerals and Metals for the World



Rio Tinto product groups 2004 - Turnover U\$14 billion



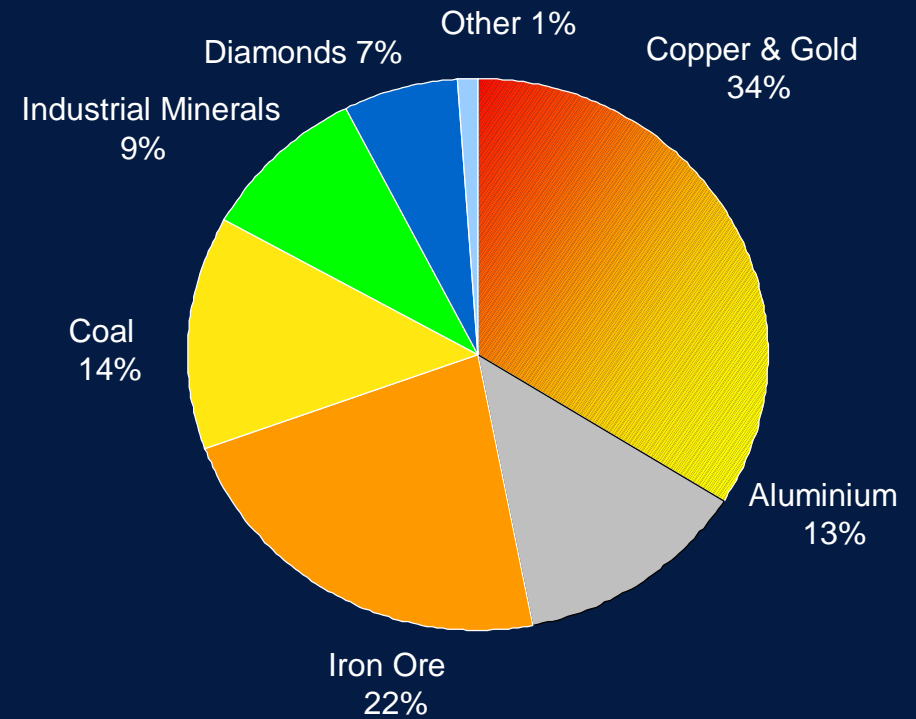
Consistently strong earnings

Adjusted Earnings

US\$ millions



Earnings - by commodity (2004)



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Rio Tinto Energy uranium production - Rössing Uranium Limited (Namibia) and ERA (Australia)



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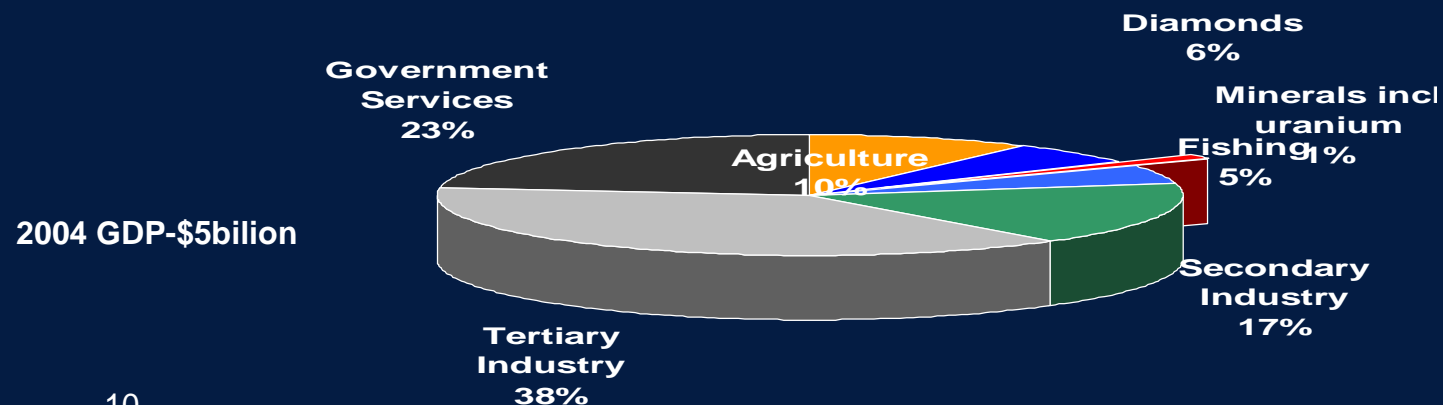


Namibia has a land area of 825,000 sq km and a population of 1.8 million. The capital is Windhoek. The Rössing mine is located in the Namib Desert 65 km inland from the port of Walvis Bay.

Namibia

Namibia became independent
from South Africa in 1990

The economy is closely tied to
that of South Africa, 77% of
imports originate from South
Africa and the Namibia dollar
(N\$) is fixed 1:1 to the South
African Rand



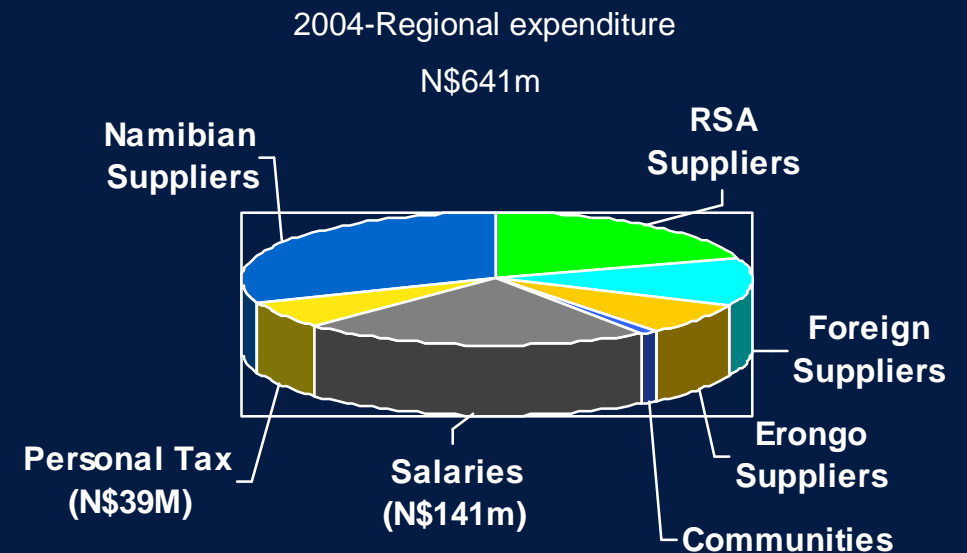
Rössing History

- 1920s** The Rössing deposit was discovered
- 1976** Operations began and reached 4 800 mt in 1980
- 1980s** Rössing established itself as a major supplier of U_3O_8 to utilities around the world. It established the town of Arandis and The Rössing Foundation
- 1990s** As U_3O_8 prices fell sharply Rössing implemented cost cutting and rationalisation, the labour force was reduced from 2 248 in 1990 to 810 in 2000
- 2001** Rössing celebrated its 25th anniversary of operations, the original design life was 20 years. ISO14001 accreditation achieved
- 2003** 100 000 st of U_3O_8 produced
- 2004** 1 000 000 000 mt of material ex open pit



Rössing in the Community

- During 2003 more than 4 000 people throughout the Erongo region were directly supported by salaries paid to mine employees (amounting to N\$153m), further the mine spent N\$78m on goods and services from local business partners.
- In 1978 Rössing established The Rössing Foundation whose primary role is to promote sustainable development through training, education and enterprise development. Rössing funds the foundation which also administers projects on behalf of non-government organisations and foreign aid institutions.



Rössing Today

- Average ore grade of only 0.035% uranium.
- Annual ex open pit movements in excess of 20M mt, experts in large scale mining
- 2005 - planned production 3 800 mt representing 7.7% of world primary U_3O_8 production
- 833 employees of which 97% are Namibian
- Rössing have a successful record of care for the environment, working with local people and the Namibian Government who are shareholders
- Economics remain difficult despite the increase in the price for uranium, much of which has been offset by the weak US Dollar exchange rate

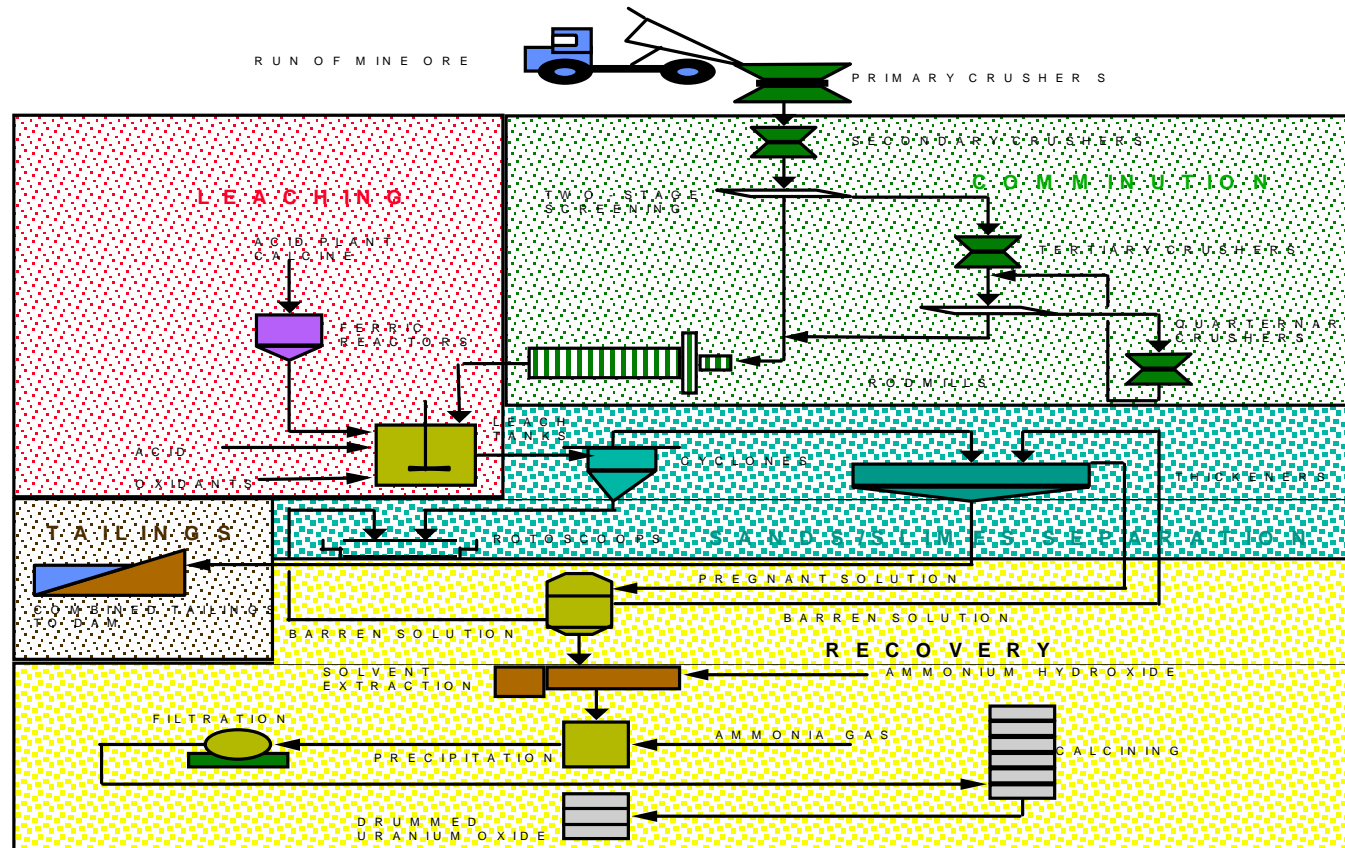


Alaskite

Alkali Leucogranite



Production process- leach solvent extraction



SIMPLIFIED FLOW SHEET OF THE METALLURGICAL PROCESS

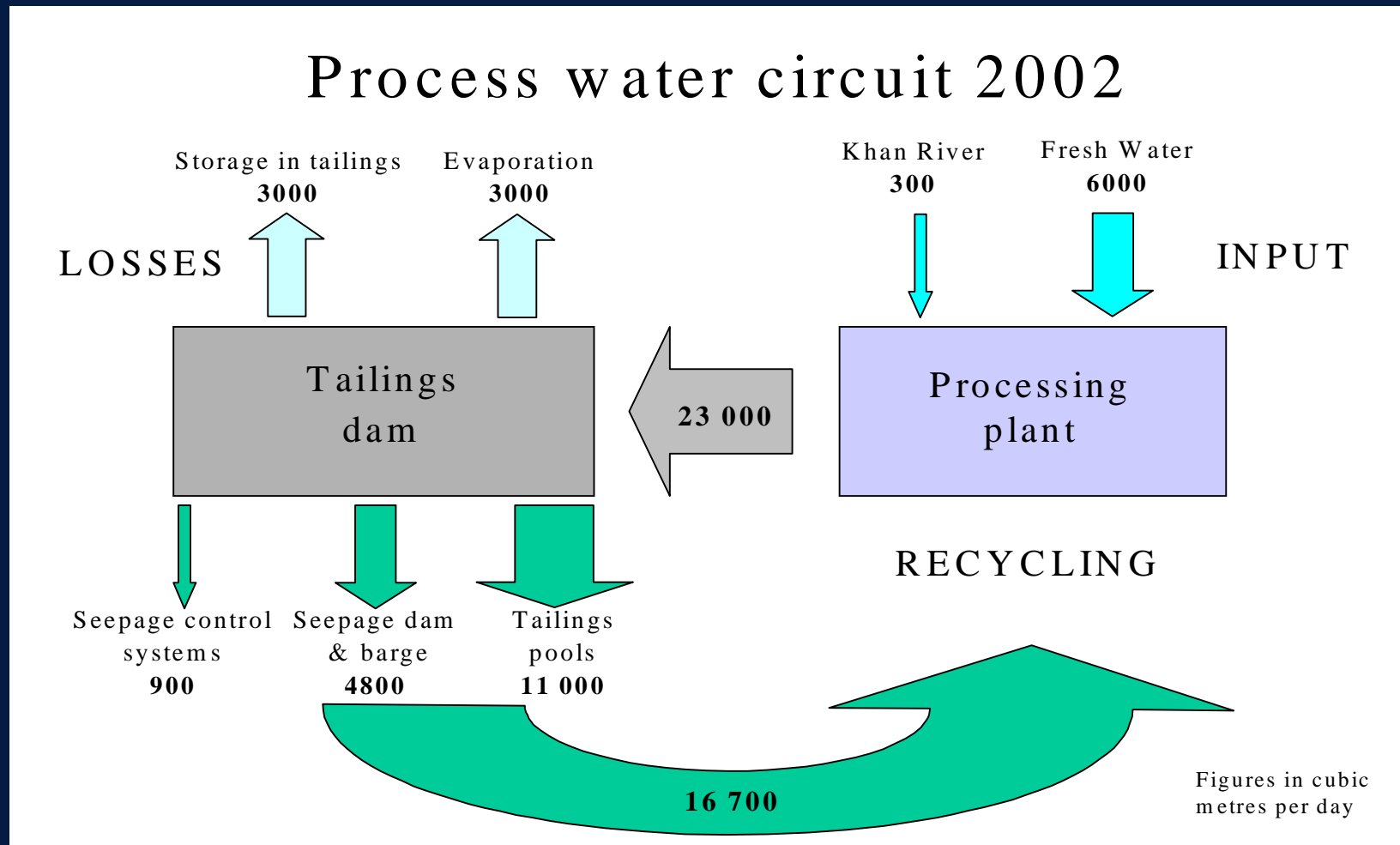
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Process Plant



Water Conservation

Annual rainfall only 30mm



Continuous investment - New Sands Conveyor installed 2003

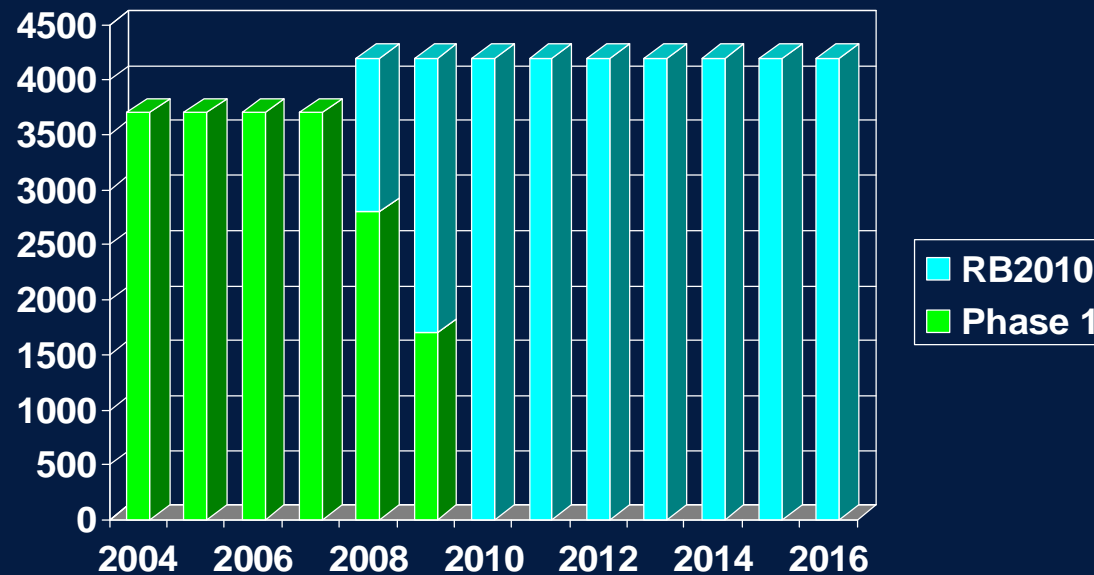


Rössing's Strengths

- Offers regional and company diversity in an increasingly consolidated market
- High quality product
- Competitive in today's long term market
- World class, Occupational Health, Safety & Environmental standards - ISO14001 certified
- Established supplier of uranium oxide concentrates to power utilities in Asia, Europe and North America, with a proven history of reliability
- Ability to share in Rio Tinto's mining and financial expertise

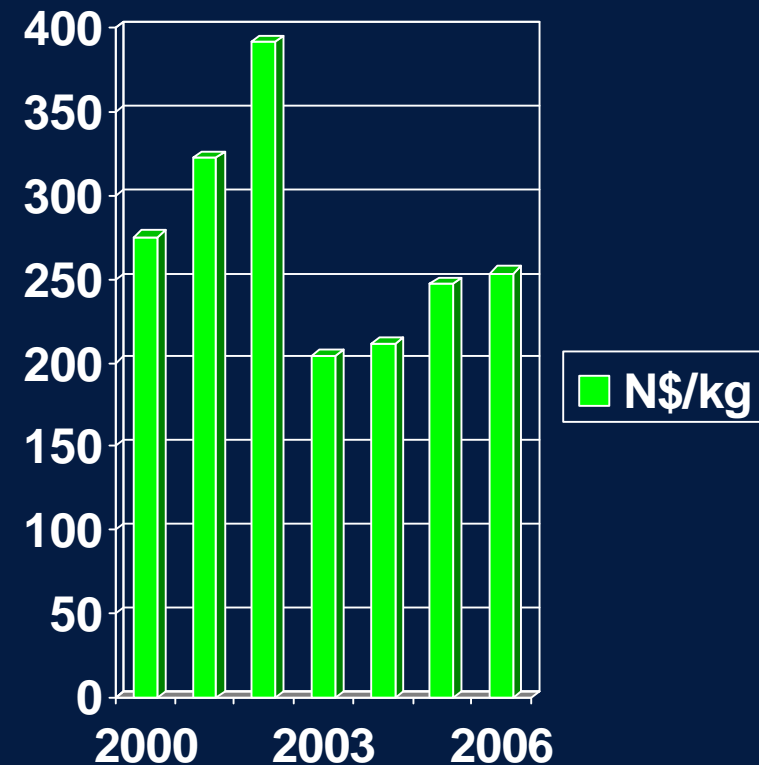
The Future - Rössing Beyond 2010 (RB2010)

In order to maintain production after 2009 a major investment will be necessary to access existing known ore reserves.



Investment Issues

- Economics are highly dependent on the price for uranium and exchange rates, income in Namibia dollar (N\$) has fallen despite the increase in the uranium price
- Open Pit South wall fault restrictions
- Calcite (calcium carbonate) index
- Selection of optimal phasing of Phase2, Phase3, Trolley10 lay-back and completion of Phase 1



South Wall Fault



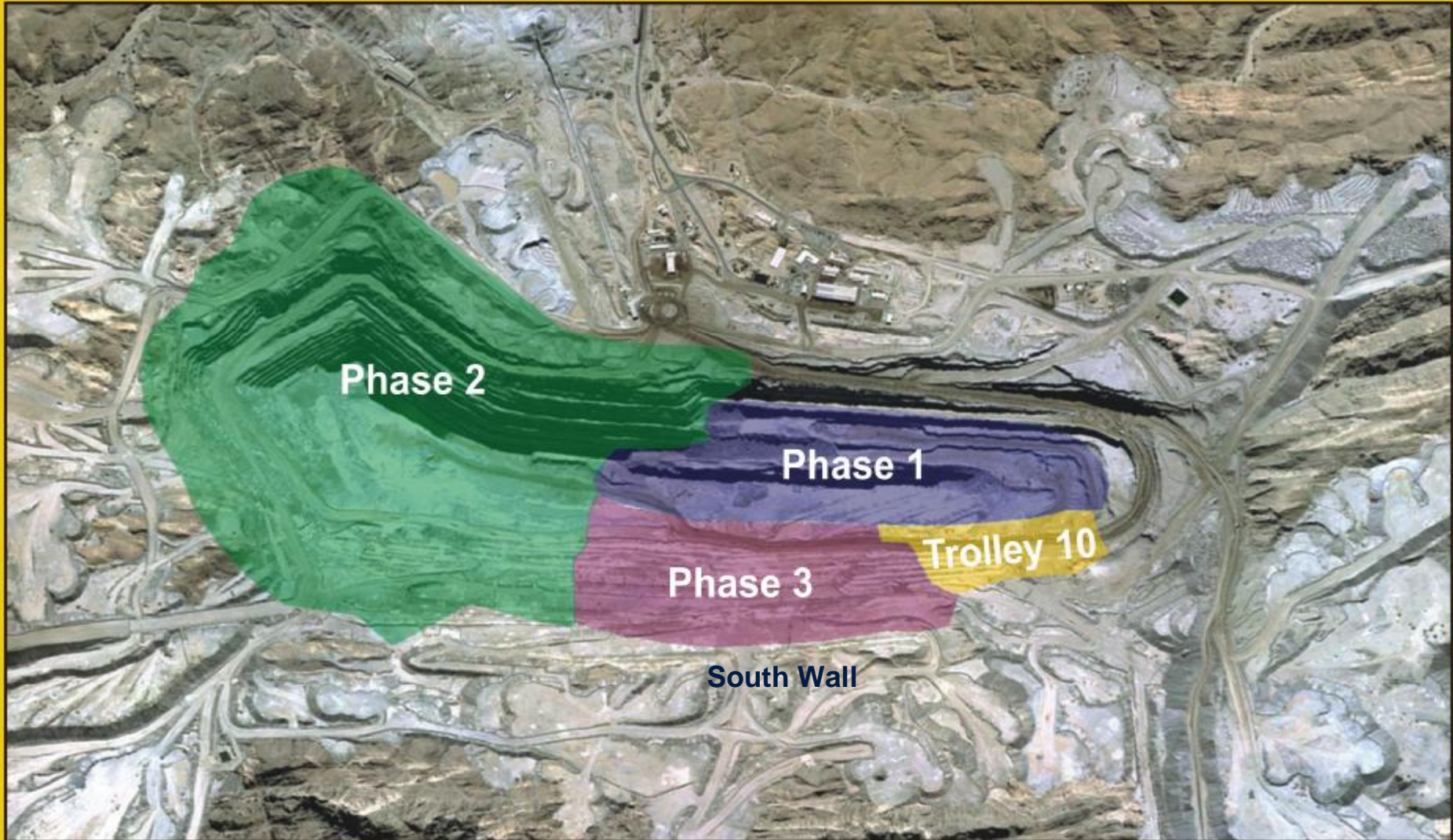
South Wall Fault



South Wall Fault



Phases



Life-of-Mine Options - significant remaining reserves

		Phase 1 Existing operations to 2009	Phase 2	Phase 3
Mined tonnes	ktonnes	84,438	427, 913	311, 965
Milled tonnes	ktonnes	56,726	174,359	147,019
Grade U ₃ O ₈	Kg/t	0.376	0.331	0.414
Calc Index	Kg/t	13.3	10.0	18.3
Acid consumption	Kg/t	21.8	18.5	27.0
Waste Mined	ktonnes	27,712	253,554	164,947
Stripping ratio	ktonnes	0.60	1.45	1.12
U ₃ O ₈ tonnes	tonnes	18,143	49,498	51,294

Current Work

We continue to work with local stakeholders to keep them fully informed, during February & March 2005 a series of Open House presentations were made.

In addition a Sustainability Assessment for the life extension of Rössing uranium mine was published which raised no significant negative environmental impacts associated with the mine extension

Specific Phase 3 work:

- Stabilization of South Wall
- Management of calc
- Mine plan modelling

Decision needs to be implemented before end 2006

Summary

- Rössing has significant remaining reserves which we plan to recover subject to the right economic conditions prevailing
- Intensive work continues to detail the optimum investment scenario
- We believe that uranium prices going forward will support the need for primary production to fill the obvious short fall from secondary supplies and the growth in overall demand. Exchange rates may however continue to erode the benefit of higher US\$ terms
- Rössing is working to develop an extension plan and will endeavour to keep our stakeholders, customers and the market informed