



## News Release

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### **Reduced funding for Resolution Copper Project to slow shaft development and drilling in 2013; Workforce reductions linked to uncertainty in legislative and regulatory environment**

**SUPERIOR**, Ariz., Nov. 30, 2012 – Resolution Copper Mining LLC (RCM) will reduce its overall budget from about \$200 million in 2012 to about \$50 million in 2013, which will result in the loss of approximately 400 jobs or about 75 percent of its overall workforce, officials announced today.

The company will suspend all shaft development and drilling activities after current work assignments are completed in the first quarter of 2013. Resolution Copper intends to continue its current level of work activity through the end of 2012, with most of the ramp-down starting in 2013 when rehabilitation and shaft-sinking work is suspended on the #9 shaft and progressing through the end of the first quarter when sinking of the #10 shaft is expected to be completed.

Resolution Copper will reduce its workforce by approximately 175 workers by the close of 2012 as work is suspended on the #9 shaft and the balance of the reductions will occur at the end of the first quarter of 2013 when the #10 shaft is expected to be completed and all drilling activity suspended. The reductions largely affect the project's contractor workforce.

“To justify further development, we need more certainty around legislative and regulatory activity affecting Resolution Copper,” said Andrew Taplin, project director. “Specifically, approval of the land exchange we’ve been seeking since 2005 constitutes the critical path forward. Our efforts at RCM will be directed toward working to obtain the certainty we need.”

He said every effort will be made to help RCM workers maintain employment. Where possible, employees will be reassigned to new duties within Resolution Copper or at other Rio Tinto projects.

The land exchange is a critical issue for RCM. Since 2005, the company has sought through Congressional action to exchange 2,400 acres of Forest Service land, under which one of the largest undeveloped copper resources in the world rests, for more than 5,300 acres of high-quality conservation lands held by the company. The land exchange consolidates the company's land ownership where the proposed mine will be developed and operated, and where it will invest more than \$6 billion. It gives the company ownership of land that will be disturbed as a result of mining activity.

Taplin noted that 11 versions of the bill have been introduced in the U.S. Congress since 2005. The most recent bill, H.R. 1904 introduced by Rep. Paul Gosar passed the House of Representatives in 2011. Senators John McCain and Jon Kyl have been strong and long-standing supporters of the project and are working hard to get the Senate to consider the legislation this session before it adjourns in December.

"This is still one of the most attractive undeveloped copper deposits in the world and we are committed to seeing it through," Taplin said. "Nearly \$1 billion has been invested to date in the project. Once the land exchange and regulatory issues are resolved, which is now our primary focus, I'm confident funding to advance the project will be restored. We remain hopeful that these matters will be resolved and we can bring jobs to Arizona."

### **About Resolution Copper**

Resolution Copper Mining LLC is a limited liability company whose members are a subsidiary of London-based Rio Tinto plc – the managing member – and a subsidiary of Australia-based BHP Billiton. The company seeks to develop one of the largest undeveloped copper resources in the world near Superior, Ariz. The project is currently in the pre-feasibility phase and production is not anticipated until the early 2020s. The project will mine ore using underground block-caving methods at depths of nearly 7,000 feet below surface. When in full production, the mine will employ 1,400 workers directly and generate an additional 2,300 indirect and induced jobs. The mine will be North America's largest copper producer when in full production, capable of producing more than 25 percent of the nation's demand based on today's usage.