



Kennecott requires a functional transportation route by the time the mine starts production in 2013

ABOUT KENNECOTT EAGLE MINERALS

Kennecott Eagle Minerals is the owner, developer and future operator of the Eagle Mine in western Marquette County in Michigan's Upper Peninsula. A wholly owned unit of Rio Tinto, Eagle will be the only primary nickel mine in the U.S.

Rio Tinto is a worldwide leader in mining and exploration. The company discovers, mines, processes and supplies metals and minerals that make modern life work. Rio Tinto has 77,000 employees worldwide and activities in more than 40 countries.

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TRANSPORTATION OVERVIEW

Kennecott Eagle Minerals needs a functional transportation route by the time the mine starts production in 2013. Presently, Kennecott plans to utilize existing roads. Nonetheless, this is not Kennecott's preferred method and we believe there are better, more prudent options.

Kennecott partnered with the Marquette County Road Commission (MCRC) in preparing the permit application to approve the construction of County Road 595, a new north-south route in western Marquette County. The proposed CR 595 will benefit the timber and mining industry, recreational users and emergency first response personnel.

MCRC submitted the permit application to the Michigan Department of Environmental Quality (MDEQ) in October 2011. Kennecott is working with MCRC to address the MDEQ's questions and requests for additional information regarding the application. Once the application is considered complete, a six month review process of the permit will commence. The complete application is expected to reach the MDEQ in early 2012.

Kennecott has committed to fund CR 595 if construction can begin by spring 2013. If construction does not start by spring 2013, Kennecott will reconsider its commitment to fund the construction.

Kennecott is also completing additional engineering for safety improvements and bridge replacements on existing roads utilized during construction of CR 595. In the event the permit application for CR 595 is not approved, Kennecott will utilize existing roads for ore haulage during the life of the mine.

CR 595 PROJECT PURPOSE

According to MCRC the purpose of CR 595 is to construct a primary county north-south road that (1) connects and improves access to a somewhat isolated but key industrial, commercial and recreational area in northwest Marquette County to US-41 and (2) reduces truck travel from this area through the County's population centers.

Kennecott Transportation Plan



KEY FACTS

- CR 595 is roughly 1/3 the length of the existing route
- Presently, about 1,700 round trips are made by logging trucks on CR 550 and CR 510 during the eight months of the year when most timber is hauled. CR 595 route would mitigate the impact of increased traffic volume associated with mining and timber operations on densely populated areas of Negaunee, Ishpeming, and the City of Marquette.
- The construction of CR 595 will create approximately 125 new construction jobs and 12 on-going maintenance crew jobs
- There are 300,000 acres of wetlands in Marquette County. The 25.6 acres of unavoidable wetland impacts by CR 595 will be mitigated by design and construction methodologies that reduce direct and secondary wetland impacts and the creation of 49.4 acres of wetland.
- The construction of CR 595 will not impair the public trust or public use of the streams to be crossed
- With the utilization of reasonable mitigation procedures, environmentally sensitive road and culvert design and implementation of best management practices to enable free movement of fish, wildlife and hydrology, CR 595 crossings can be constructed with minimal impacts to important habitats.

