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clermont

CLERMONT PROJECT UNDERWAY

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▲ (from left) RTCA General Manager External Relations Fiona Nicholls, Traditional Owner Owen McEvoy, BA General Manager Operations Andrew Cole, Traditional Owner Adrian Burragabba, RTCA General Manager Projects Hennie du Plooy, Traditional Owner Anthony Jarrod, and RTCA Managing Director Douglas Ritchie after the smoking ceremony

Traditional welcome for Clermont Project

The Wangan Jagalingou people, the Traditional Owners of the land on which Blair Athol Mine and the Clermont Project are situated, recently held a smoking ceremony on the Clermont Project site.

Smoking is a traditional ceremony to say goodbye to the country and elders, share goodwill and to make the site safer for people who work there.

RTCA's Manager Aboriginal Relations Jeremy van de Bund thanked the Wangan Jagalingou people for the ceremony, and said it helped raise awareness about Aboriginal culture and traditions.

"This ceremony marks an important milestone in our relationship with the Wangan Jagalingou

people, and we are privileged to be part of the event," Jeremy said.

"At Blair Athol Mine and now on the Clermont Project we will continue to work closely with the Traditional Owners and develop a structure to provide sustainable benefits for the Aboriginal community."

The ceremony was attended by Dr Ruth Kerr from the Department of Natural Resources and Mines, representatives from Blair Athol Mine, the Clermont Project and RTCA Managing Director Douglas Ritchie.

A Cultural Heritage Investigation Management Agreement (CHIMA) was agreed with the Wangan

Jagalingou people in 2005, and about 80 per cent of the lease has been assessed, and one third mitigated. Traditional Owners took part in the field surveys, collecting surface artefacts, test pit excavations and protecting scarred trees.

Owen McEvoy, a member of the Wangan Jagalingou Working Group, thanked RTCA for giving them the opportunity to hold the smoking ceremony.

"We didn't want to do this ceremony until we knew the mine was going ahead," Owen said.

"We are really pleased for the opportunity to hold this ceremony and thank Rio Tinto for helping us to hold it."

All systems GO

After many years of feasibility studies, evaluation, planning and design, construction has started on the Clermont Project.

On 14 March the first early works activity began, with the clearing of a route for the power line.

Manager Project Construction Gerry Randell said this was an important milestone for everyone who worked on the project.

"Many people have been involved on the Clermont Project over the years, so it was a momentous occasion when construction works commenced on 14 March," Gerry said.

"This is the start of a tremendous amount of activity that will take place over the next three years."

Over the next few months work will take place establishing the area for the site construction village, which will eventually accommodate 450 workers. The site village will open in stages, with the first 100 beds ready in July 2007.

"Our contractors are currently using motels in Clermont, and some of the Blair Athol Mine single persons' quarters which have been refurbished," Gerry said.

"When our site construction village opens it will relieve pressure in accommodation outlets in Clermont.

"Work is also taking place on the temporary intersection for access to the mine site, from the Gregory Development Road."

Construction work will begin on the roads diverting the Peak Downs Highway and Gregory Development Road later this year. Traffic will continue to use existing roads until June 2008.

Cultural heritage assessments and management measures have been completed for all the early works and initial mining areas at the Clermont Project. Further assessment surveys for future development areas are planned for mid and late 2007.

Gerry said monitoring and 'make good' bores are being established on properties neighbouring the Clermont Project.

"This is part of our work under the Alternate Water Supply Agreements we have with landholders near the Clermont Project," Gerry said.

"We are also working with researchers from The University of Queensland who will survey the koalas on the Clermont Project site, while they are continuing research at Blair Athol Mine."

GPS radio collars will be placed on some koalas at the Clermont Project site, to enable koala researchers to track their movements.

"We are in the very first stages of activity at the Clermont Project, and there is lots of work to be done over the coming years, but we are focused on constructing the mine on time, within budget and without any injuries," Gerry said.



Construction of the Clermont Project

Rio Tinto Coal Australia (RTCA) is currently constructing the Clermont Project, in the Bowen Basin. The thermal coal mine, which will replace the capacity of RTCA's nearby Blair Athol Mine, will ramp up as Blair Athol Mine draws to its closure in 2012.

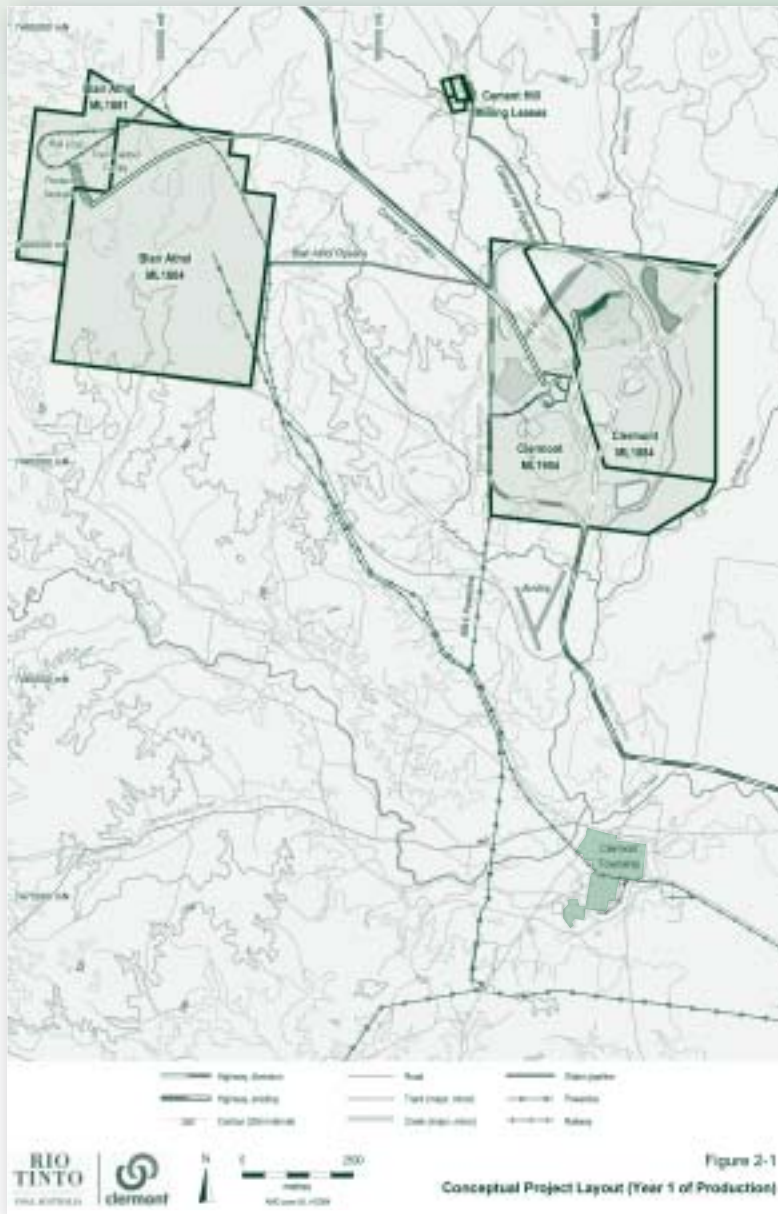


Figure 2-1
Conceptual Project Layout (Year 1 of Production)

Project statistics

| | |
|-----------------------|--|
| Location | 15 kilometres north of the town of Clermont, 15 kilometres east of Blair Athol Mine |
| Local government area | Belyando Shire Council |
| Lease size | 3225 hectares (including conveyor corridor) |
| Ownership | Clermont Coal Joint Venture <ul style="list-style-type: none"> • Rio Tinto 50.1 per cent • Mitsubishi Development Pty Ltd 31.4 per cent • J-Power Australia Pty Ltd 15 per cent • JCD Australia Pty Ltd 3.5 per cent |
| Product | Thermal coal, mainly for export markets |
| Production | 12 million tonnes per year |
| Reserves | 189 million tonnes |
| Construction | |
| Duration | 40 months |
| Employment | Approximately 400 at peak 450 - 500 bed construction village will be built on site |
| Road diversion | The Gregory Developmental Road, Peak Downs Highway, and the Gregory Highway will be diverted around the mine lease |
| Operations | |
| Duration | Approximately 17 years |
| Employment | 380 Percentage of workforce will live locally in Clermont, and a percentage will be on a commute arrangement |
| Mining type | Open cut truck / shovel operation and in pit crusher and conveyor system |
| Infrastructure | Coal will be conveyed from Clermont Mine via a 15 kilometre conveyor to rail loadout facilities at Blair Athol Mine Workshop Warehouse and storage facilities Administration building |
| Mining equipment | Shovels – P&H 4100XPC Truck fleet – Komatsu 830EAC and 930-SE In-pit crusher and conveyor – Takraf |
| Export | Coal will be railed 278 kilometres to Dalrymple Bay Coal Terminal |



Blair Athol Mine

From the General Manager Operations

Welcome to the first combined Blair Athol Mine and Clermont Project publication. I hope you find this a useful coverage of what's going on at the two sites.

Blair Athol Mine had a poor start to the year with three injuries in rapid succession in late January and early February. Since then we've had two months injury free and two of our people who were injured earlier in the year have returned to work. We are working hard on several fronts to maintain this injury free trend. On a positive note two of our output teams reached significant safety anniversaries; the Coal Plant reached their fourth year all injury free and Fixed Plant Maintenance reached their first year all injury free. There are a number of other teams who have more than one year all injury free and as each of these teams reach their annual milestones we will let you know. From a production perspective, rail and port constraints have prevented us from rilling more coal than was actually mined. This has allowed us to catch up on other important work such as cleaning up the site, eliminating hazards from the workplace and filling our

coal stockpile in preparation for the future. This work will put us in good stead for the next few years.

The leadership team also commenced the important piece of work of defining a vision and programme of work to take Blair Athol Mine through to closure. The newly defined vision "We do our work safely, effectively and leave a positive legacy" recognises we still have a lot of work to do through to closure after 2012. The words positive legacy were chosen carefully reflecting our aim of making the closure of Blair Athol Mine the model for all other closures in Rio Tinto and the mining industry. We are in the process of discussing this and the values and behaviours we believe are fundamental to the success of the operation over the next few years and eventual closure with our workforce.

I hope you find this publication interesting and useful. If you have ideas or information you would like included please let me know.

Andrew Cole
General Manager Operations



BA employees strive for improvement

Over the last few months employees at Blair Athol Mine have been busy designing and implementing a range of improvements to improve safety across the operation.

Superintendent Mobile Equipment Graham Woodward and his team have developed the Hatcher Hatch – a device which enables the rear window of the shovel ute to be cleaned easily for improved rear vision.

Graham said it used to be very difficult to clean the rear window due to the mesh barrier placed in front of the window for passenger protection.

"The Hatcher Hatch is a door made of mesh which lifts up, allowing the glass underneath to be cleaned easily. This has reduced the risk of personal injury and equipment damage due to lack of vision," Graham said.

A two month dust suppression trial is also being undertaken at BA. Graduate Mining Engineer Gareth Wockner said the trial involves a water truck applying a bitumen emulsion to the roads instead of just water.

"This trial has many benefits including water savings, cost savings, a reduction in energy use and greenhouse gas emission savings. This method of dust suppression also improves safety by increasing visibility due to decreased airborne dust and less heavy vehicle traffic on haulage roads," Gareth said.

Supervisor Fixed Plant Maintenance Michael Clements and his team have developed two safety improvements. The shovel propel lock, invented by Jeff Whittington, is a device which ensures the drive assembly of the shovel is not damaged during towing.

"This invention will prevent significant financial loss from damage and downtime," Michael said.

Maintainer Mark Peach also had a bright idea when it came to the use of Stanley knives when cutting Linatex rubber in the coal plant.

"Using a Stanley knife to cut Linatex sheets was identified as a safety hazard, so the supplier was contacted to see if they could supply Linatex cut to order. The Linatex is now ordered to specified sizes ready to install," Michael said.

Apprentice Michael Ede has developed a dragline/shovel rope handler which enables the safe handling and towing of dragline/shovel ropes minimising damage to towing slings. Michael identified that most slings used for towing were damaged in the process which prevented their reuse. The new device, which is still in trial stages, is fitted to the rope and the sling is attached to this device preventing damage. Michael plans to improve and refine his invention over the coming months.

BA Safety Milestones

On 31 March the Fixed Plant Maintenance team at BA achieved one year injury free and on 3 April the Coal Plant and Sedgmans achieved four years injury free.

Clermont Project

From the General Manager Construction

Firstly I would like to introduce myself, I am General Manager Construction with RTCA based in Brisbane, but I will be making frequent visits to Clermont. The Clermont Project is my first priority; however my role is also accountable for all construction projects undertaken at RTCA. Prior to this I was the General Manager for the recently completed Hail Creek Mine Expansion. The Clermont Project provides an exciting opportunity for everyone who will be involved in the safe construction and ultimately operation of this new mine.

During February the first members of the construction team mobilised to Clermont and have established an office in the Clermont Township until the site construction offices are ready later this year.

The Project has commenced inducting a number of contractors to enable the early works aspects of the project to commence. Early site works include initial earthworks and services, temporary road intersections and access and utilities installation.

The project team is being established with both the Engineer, Procure, Construct and Manager (EPCM) contractor Sinclair Knight Mertz (SKM) and Owner's Teams (RTCA) focused on having the site ready to

begin mining development of the box cut during 2008. A great deal of work is taking place preparing training programmes and recruitment schedules to ensure we have processes established for when we need to start recruiting operators and maintainers.

Initial site works, utilities and road works contracts have been let, and some of the major equipment that has been ordered so far includes;

- rear dump trucks (Komatsu 830-E and 930-3SE)
- overburden drills (Reeddrill)
- in pit crushing and conveying system (Man Takraf)
- electric shovel (P&H 4100XPC)
- supply of the 450 person construction village.

At the end of March the project has spent 130,519 person hours with no lost time incidents. The project goal is to achieve completion with no injuries to people. At the end of March the project was about 3.0 per cent complete so there is still a long way to go.

Dave Lamb
General Manager Construction





Planning for the future at BA

With Blair Athol Mine scheduled to close in 2012, BA is launching the 'My Future Plan' programme as part of its closure planning process. BA's Manager Employee Services, Jeff Farrell said the Life Of Mine (LOM) plan for pit closure requires a progressive reduction of people from approximately mid 2010 through to the end of 2012. For BA employees, this will involve a combination of natural attrition, redundancy and seeking employment opportunities at other Rio Tinto operations.

In an attempt to manage both employee preferences and business manning needs over this time, BA is launching a programme called 'My Future Plan'. The BA workforce, including long-standing contractors, have been briefed on the programme during a

series of meetings that outlined the goals and timeline for the programme.

"The My Future Plan process launched with presentations by Managers to their department team members in mid April," Jeff said. These presentations outlined the potential impacts of the BA closure on each department and on the people working at our operation. The departmental presentations will be followed by a series of individual employee interviews with their leader scheduled to take place between May and August 2007.

These one to one information gathering interviews started in late April. After the information gathering step is completed, data will be collated, and critical issues identified. In

July, a second interview will be conducted with individuals to feed back the answers to any questions they raised at the first discussion and to review their stated employment preferences. The approved individual My Future Plan based on the information gathered will be presented to employees in a third one to one interview in August.

"At that stage we will ask people to confirm their preferences. Even then, we recognise circumstances can change for both the individual and the company so nothing is set in stone at this time," Jeff said.

"I believe the My Future Plan process offers immense value in assisting our employees to make decisions on their future over the next five to six years."

Fishing fun

Blair Athol Mine provided \$1,200 sponsorship to assist the Clermont Fish Stocking Group and Sunfish Mackay conduct the "Sunfish – Take a Kid Fishing Day" at Theresa Creek Dam on 25 March.

Thirteen members of the Angler Education team from Sunfish Mackay travelled to Clermont to participate in a joint exercise encouraging children and adults to enjoy fishing in an environmentally responsible manner.

Sunfish Mackay believes active outdoor pursuits such as fishing contribute to healthy childhoods, and they educate children to fish in a sustainable manner such as 'catch and release'.



Participants (from left to right): Michael O'Keefe, Tom Baxter, Nicholas Kimber, Calium Schrader, Jack Mills, Will Baxter, Lachlan Baxter, Sam Bennett, Tom Mills, Fletcher Walker, Genevieve Bennett and Wayne Eassie.



10 to 12 year old rehabilitation near Ramp Four

Closure planning full steam ahead

The closure of Blair Athol Mine is rapidly approaching.

Under the current life of mine plan economic coal reserves will be mined out by mid 2011 with final coal washing and processing scheduled to be completed in mid 2012. Timing the end of mining at BA needs to be integrated with the ramping up of production at the Clermont Mine in order to maintain a constant supply of coal to consumers.

Darren Springer is Blair Athol Mine's Closure Specialist. His role is to facilitate the planning for all aspects of closure, including mine planning, community, economic impacts and environment.

"Our primary closure objective for the site is to develop native ecosystem habitats that

compliment the surrounding landscape. The low lying void areas will pond water and provide habitat for wildlife. Infrastructure and buildings will be demolished, and returned to native vegetation," Darren said

"There may be other options for the final land use, such as grazing, and these will be considered after stakeholder input, and if they are shown to be sustainable and in the best interests of the community."

In order to complete the rehabilitation of the mining lease, areas of disturbance are being progressively rehabilitated to native woodland ecosystems. During the closure period starting in mid 2011, the remaining disturbed areas will be rehabilitated. It is currently expected it will take until the end of 2012 to

complete the bulk of the rehabilitation works.

Progressive rehabilitation started at BA in 1984 not long after the current operation commenced. At closure some areas of rehabilitation will be almost 30 years old and will provide a good benchmark to assess future rehabilitation success. The target for completion of all rehabilitation and surrender of the mining leases is 2018.

With only five years to the end of production closure planning is an integral part of the BA business. The vision for closure – to minimise adverse impacts on the natural environment and to leave a legacy of enduring community benefit is a fundamental part of BA and how we are approaching closure.

RIO TINTO | climate change
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Rio Tinto Coal Australia is seeking solutions to address the challenge of climate change.

RTCA is:

- Researching and promoting clean coal technologies
- Improving energy use at our operations
- Designing our projects to recognise climate change risks and opportunities
- Raising awareness among our employees, suppliers, customers and communities where we operate

Our vision is for our people, products and operations to contribute to the solution.

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VISIT THE BLAIR ATHOL MINE DISPLAY DISPLAY IN THE PAVILION AT THE CLERMONT SHOW, WEDNESDAY 30 MAY



The Clermont Mine lease, overlooking the Wolfgang homestead. The homestead has been relocated as part of the Project development.



RTCA's new Community Relations Specialist

Clermont's Sam Faint is Rio Tinto Coal Australia (RTCA)'s new Community Relations Specialist in the Bowen Basin.

Sam will work on implementing community relations strategies at Kestrel Mine, Blair Athol Mine and the Clermont Project.

"Part of my role will involve community

engagement and building relationships with communities near RTCA's operations in the Bowen Basin," Sam said.

"RTCA has lots of activity going on in this region, with BA working on its closure plan, the feasibility study of a possible extension at Kestrel Mine and the construction of the

Clermont Project. We want to work closely with the communities neighbouring our operations and ensure they benefit from our activities, both in the short and long term."

Sam joined RTCA from Clermont Multi-Purpose Health Service.



Be creative and win a \$500 travel voucher!

The commencement of construction at the new Clermont Project means RTCA would now like to keep the Clermont community up to date with what's happening at both Blair Athol Mine and the Clermont Project.

This means BACpage will need a new name to reflect its expanded content – and we need your help.

Suggest a creative name for the new newsletter and you could win a \$500 travel voucher.

Newsletter Name: _____

Your Name: _____

Address: _____

Telephone: _____

Please cut out this form and return to:

Julia Wilkins
External Relations
Rio Tinto Coal Australia
GPO Box 391
Brisbane QLD 4001

Conditions

1. Entries must be received by 8 June 2007
2. Winner will be contacted by telephone
3. Prize cannot be redeemed for cash



A Preferred Future for Clermont

The Belyando Shire Council (BSC), along with community and industry representatives are working together to develop a plan for a preferred future for Clermont.

In January 2007 RTCA announced the Clermont Mine will go ahead. This announcement represents a significant new development for the region and the Clermont community. With such substantive changes ahead, the community will need to consider its preferred future. To assist with managing these issues a Preferred Future Steering Committee has been established.

RTCA supports the project and has committed to funding various aspects of the programme.

BSC Mayor and Preferred Future Steering Committee member Cr Peter Freeleagus said the committee has been established as

a community driven forum to discuss issues facing Clermont and to develop a strategy to achieve a preferred future for our community.

The strategy will be based on the development of a wider economic base, built on self reliance and the vitality, health and well being of the Clermont community. The Steering Committee will be managed by the BSC and will meet every four to six weeks. The committee welcomes contributions and ideas from the community.

Professor Bob Miles from Central Queensland University's Institute of Sustainable Regional Development will advise the Steering Committee. The project will take approximately 12 to 18 months.

For further information about the project contact Belyando Shire Council on 4983 1133.