

RESOLUTION COPPER MINING, LLC
FIVE-YEAR COMMUNITY PLAN
2006 Update

RESOLUTION COPPER MINING, LLC

FIVE-YEAR COMMUNITY PLAN

2006-2010

WHAT'S INSIDE: RCM's Five-Year Community Plan helps define and drive our relationship with the communities directly affected by the Resolution Project. At RCM, we know that being a responsible company means supporting development of a more sustainable society. Simply put, our goal is to meet today's needs without compromising future generations. We work to ensure that our actions have social, environmental and economic value that last beyond the life of the mine. By communicating openly and actively, we seek to gain maximum support for our project, while helping to develop and enhance the communities where we operate.

Our Five-Year Community Plan, which is updated annually, is available to the public. It identifies community relations goals, roles, alliances, initiatives, strategies and tactics that support both RCM's business goals and our commitment to sustainable development.

WHO SHOULD CARE? This plan takes into account the interests of all RCM stakeholders – those individuals or groups who have an interest in or a potential impact on our company's course of action. These include:

- Local communities
- RCM employees and their families
- State, county, city and town governments
- Federal, state and local officials
- Regulatory and nonregulatory agencies
- Recreational users
- Interest groups
- Nongovernmental organizations
- For-profit and nonprofit organizations and commissions
- Elementary and secondary schools
- Vocational institutions, colleges and universities
- Contractors
- Suppliers
- Media
- Rio Tinto employees
- Rio Tinto shareholders
- BHP Billiton
- Former BHP Billiton employees living in Superior and surrounding communities

PLAN HIGHLIGHTS: In addition to defining RCM's five-year community relations objectives and related activities, the plan contains information about major RCM initiatives, including the company's proposed land exchange and our progress toward ISO 14001 registration – the highest international standard of environmental excellence. The plan also details our strategic alliances with both governmental and non-governmental organizations and describes our commitment to programs that protect and preserve the cultural heritage of communities affected by our operations.

EXECUTIVE COMMITMENT: RCM's Five-Year Community Plan is supported from the top down within our organization. Prepared by Jennifer Russo, RCM's director of Corporate Communications, the plan has been reviewed and approved by John Rickus, president, Resolution Copper Mining, LLC.

For more information or to provide comments and suggestions regarding the company's Community Relations activities, contact Jennifer Russo at jennifer.russo@resolutioncopper.com or 602-956-0223 x15.

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RESOLUTION COPPER MINING, (RCM) **FIVE-YEAR (2006-2010) COMMUNITY PLAN** 2006 PLAN UPDATE

INTRODUCTION

RCM's Community Plan identifies community relations goals, roles, strategies and tactics that support and advance RCM's corporate philosophies and business objectives. The plan is also our written commitment to operate in an open, transparent and accountable manner with the communities in which we operate.

Updated annually, the Community Plan serves as a communications baseline for both internal and external awareness of RCM's guiding principles and business objectives.

This 2006 update identifies actions taken over the past year that have helped RCM progress toward its stated five-year goals, and outlines additional communications strategies and tactics planned for the remainder of the five-year period.

We're working to support, develop and enhance the communities in which we operate while we build public support for the company's business operations and long-term objectives. Although our project is currently at an early stage in its development, a variety of community relations actions are under way and will continue over the years, through remaining evaluation phases, mining operation and mine post-closure.

COMMUNITY PLAN: PROGRESS AGAINST FIVE-YEAR GOALS (UPDATE THROUGH 2006)

The following are highlights that reflect progress made against five-year goals. Further information about these activities is included throughout the Community Plan and within other RCM public documents, including the 2006 Sustainable Development Report. (See appendices for RCM research and report listing and how-to-access instructions.)

GOALS: 2006 – 2010		
Completed	Ongoing	2006 Highlights
Finalize and adopt RCM's Five-Year Community Plan.		
Create and implement a corporate contributions policy.		
Establish a corporate contributions committee to review internal and external requests for support.		
	Develop and implement internal and external programs and activities that result in a greater understanding of RCM's commitment to sustainable development while simultaneously enhancing the company's reputation (includes safety, health and environmental excellence).	<p>Developed ISO 14001 Awareness Training module suitable for use in self-training and/or classroom sessions. Eighty percent of RCM employees trained by year-end.</p> <p>Completed detailed 2006 Sustainable Development Report available publicly on RCM's website. Produced highlights brochure; distributed to stakeholders.</p> <p>Developed RCM strategic map, outlining key drivers and specific performance targets with regard to sustainable development. Map available publicly through the 2006 Sustainable Development Report and distributed to stakeholders within the <i>Resolution Reporter</i> newsletter.</p>
	Continue to host regular forums with our community committee.	<p>Regular meetings held, committee expanded to include additional residents/leaders.</p> <p>Regular meetings in Globe-Miami.</p> <p>Community committee established in Kearny.</p>
Assist in forming a recreation committee to work in support of land-use issues.		

GOALS: 2006 – 2010

Completed	Ongoing	2006 Highlights
	<p>Through continued communications and outreach, secure maximum support for the proposed land exchange.</p>	<p>Included land exchange activity updates in <i>Resolution Reporter</i> newsletter.</p> <p>Briefed stakeholders during 2006 Stakeholder Survey forums.</p> <p>RCM executives met with members of the Congressional delegation, government agencies, nongovernmental organizations, residents of the Copper Triangle, and other key stakeholders to discuss land exchange bill and need for passage.</p> <p>Met informally with members of the San Carlos Apache Nation and the White Mountain Apache Tribe regarding their concerns.</p> <p>Included land exchange update within 2006 Sustainable Development Report.</p>
	<p>Expand electronic, online and print communications to ensure we reach all stakeholders.</p>	<p>Expanded and refined stakeholder database.</p>
<p>Create a formal stakeholder database of interest groups and other key stakeholders (completed and updated regularly).</p> <p>Develop and maintain an external stakeholder mailing list with distinct coding to ensure the delivery of targeted communications (completed and updated regularly).</p>		
	<p>Analyze and prioritize the impact that various stakeholders can have on the project, and develop proactive strategies to work with all groups.</p>	<p>Began informal meetings and communications outreach with San Carlos Apache Nation and White Mountain Apache Tribe regarding land exchange.</p> <p>Continued to meet with State Parks officials and members of the climbing community on the development of Tam O'Shanter State Park.</p> <p>Used feedback from 2006 Stakeholder forums to revise community approach. Added two full-time RCM staff members dedicated to community relations.</p>
	<p>Develop more formal internal communication methods.</p> <p>Develop an awards program to recognize outstanding achievement in the schools.</p>	<p>Developed content concept and design of internal newsletter, <i>Resolution Roundup</i>. Standard columns to include Q and A interview with RCM stakeholder and message from RCM management.</p>

GOALS: 2006 – 2010

Completed	Ongoing	2006 Highlights
	<p>Pursue educational outreach, workforce development, teacher/curriculum enrichment programs; form partnerships as appropriate.</p>	<p>RCM awarded additional \$42,000 in scholarships for 2005-2006 academic year. Since inception more than \$143,000 awarded.</p> <p>Three students participated in 2006 RCM Summer Internship program.</p> <p>Arizona State University (ASU) and RCM: Partnered on Earth Science Graduate Course for teachers and other educational professionals.</p> <p>ASU/RCM: No Barriers to Science course for grades six through nine students.</p> <p>Assisted by Central Arizona College (CAC), RCM secured additional \$52,200 grant from Arizona Department of Commerce to help fund computer training classes in Superior.</p> <p>University of Arizona: RCM provided funding and guest lecture support to sponsor two U of A master's degree students in Engineering and two engineering undergraduate engineering classes.</p>
	<p>Develop and implement employee-incentive programs to encourage active participation in community outreach programs.</p>	<p>Developed and launched RCM volunteer program: VOICE (Volunteers Organized in Community Enrichment). Includes company match in exchange for volunteer time from RCM employees.</p>
<p>Develop and implement cultural registry in accordance with Rio Tinto guidance.</p>		<p>Updated for 2006 Community Plan.</p>
<p>Develop a Disaster Recovery Plan in line with Rio Tinto policy (completed and available through Jennifer Russo, RCM's director of Corporate Communications).</p>		<p>Entire Disaster Recovery Plan updated and restructured to provide RCM Disaster Management team with step-by-step, easy-to-follow action checklists in case of disaster.</p> <p>Disaster Management team completed mock scenario training.</p>
	<p>Build on current media relations strategy and implement a media policy that is consistent with Rio Tinto's corporate objectives.</p>	<p>Updated internal media guidelines, including media crisis action plan.</p> <p>Media training session conducted for all RCM spokespersons.</p>
<p>Establish annual review guidelines to ensure the Community Plan continues to serve its purpose and reflect the needs of the business (completed for 2006 update).</p>		

COMMUNICATION CONCEPTS: SUSTAINABLE DEVELOPMENT AND THE MINE OF THE 21ST CENTURY

RCM is driven by specific philosophies that affect our interaction with the communities in which we operate. Those philosophies center on the concepts of **sustainable development** and **21st Century mining practices**.

As a responsible business, we believe it is our duty to meet the needs of the present without compromising future generations. To us, “the Mine of the 21st Century” is more than a technologically advanced and profitable mining operation that extracts the minerals necessary to meet global needs. It is a catalyst for continued economic, social and environmental renewal.

We uphold the three pillars of sustainable development: People, Planet and Prosperity. These principles require that we show care and concern for the environment, that we be seen as a highest-quality employer and valued neighbor, and that we run our business in a way that is both ethical and profitable.

Accordingly, we’re working with our local communities to:

- Build a more prosperous community from which to draw employees, contractors, materials, supplies, goods and services.
- Earn maximum public support for RCM.
- Help spur economic development and create independent, sustainable communities that can continue to grow and prosper long after mining operations cease.

GUIDING PRINCIPLES AND OUR APPROACH

We implement sustainable development principles at RCM by our approach to business both internally and externally, and we align our community relations and other actions with the practices outlined in Rio Tinto's *The Way We Work*. Specifically, we:

- Engage our host communities and key stakeholders throughout each phase of the project and work together in ways that reflect mutual respect, active partnership and long-term commitment.
- Ensure that sustainable development considerations are an integral part of the way we plan our business and make decisions.
- Conduct our affairs in an open and transparent manner.
- Apply quality environmental, social and community standards to everything we do, including developing and implementing full-closure and rehabilitation plans.
- Look for opportunities to advance sustainable development through work plans and procedures.
- Work with business, educational, ecological, environmental, recreational and community groups to help build sustainable communities in our areas of operation: Superior, Arizona and its neighboring cities and towns.
- Support related community-based projects and partnerships.
- Establish reasonable and realistic expectations for both the community and the company.
- Develop positive and productive relationships with community interest and user groups.
- Maintain a firm commitment and continually improve our approach to occupational health, safety and environmental excellence.
- Fulfill our mission to contribute positively to economic development, social well-being and environmental stewardship.

Developing the Resolution deposit in a manner that is guided by these principles and ways of working will help us achieve our business goals while making an important and lasting contribution to the Town of Superior and surrounding communities, Pinal and Gila counties, and the state of Arizona.

RCM OPERATIONS: COMMUNITY IMPACT THROUGH 21ST CENTURY MINING

In developing RCM's Community Plan, it's important to assess the current and future stages of RCM operations and the potential impact on affected communities.

Based on exploration, drill core from as deep as 7,000 feet below the surface indicates the presence of a high-grade porphyry copper deposit. RCM hopes to develop a world-class copper operation at the site of the Magma Mine's Shaft #9, the last production shaft of the Magma Mine operation before it closed in 1996. We intend to extend the #9 shaft to 7,000 feet below the surface, and to construct an adjacent new mine shaft (#10) which will also reach the expected production depth.

The mine will be completely underground, with no open pits and limited waste piles. By using advanced technology, we are working towards removing some of the inherent risks of mining and minimizing negative impact to the environment.

The Resolution Project is in the early stages of evaluation. Should the project prove viable, copper production could begin in the next 10 - 13 years. If the project is developed, it will have a significant, positive impact on state and local economies.

Despite this positive potential and Arizona's decades-long reliance on copper mining as part of the state's five C's (climate, citrus, copper, cotton and cattle), there are clear legacy issues surrounding previous mining operations and their subsequent impact on the environment and host communities. RCM's emphasis on sustainable development, coupled with an environmentally sound 21st century mining approach, means that we can avoid repeating the mistakes of the past. We engage with stakeholders in a variety of ways to both communicate this approach and respond to their concerns.

Through targeted community relations efforts, RCM seeks to educate stakeholders regarding the benefits that can result from the Mine of the 21st Century, including:

- More than 1,000 construction jobs.
- At least 400 full-time positions.
- Nearly 1,500 indirect jobs*.
- An annual wage averaging \$60,000**.
- Significant new wealth infusion to the United States and the state of Arizona through federal, state and local taxes.
- Large-scale contributions for educational, recreational and other community initiatives.
- Significantly reduced dependency on imported copper.
- A completely underground mine with no open pit and limited environmental liabilities.

* Figure based on conservative economic and business models.

**Figure based on comparable salaries and pay at Kennecott Utah Copper Corporation operations; includes approximately 33 percent medical benefits.

RCM

BUSINESS GOALS

The business goals upon which RCM's Five-Year Community Plan is built are as follows. These goals are listed as desired outcomes within RCM's Strategic Map.

- Health and Safety
 - > Support a workplace culture that promotes best practices in health, safety and environment. Strive for zero occupational-related injuries and illness.
- Commitment to People
 - > Earn the reputation as a preferred employer by training, recognizing and rewarding employees, retaining and growing talent, achieving a diverse workforce, and involving contractors as part of the extended RCM team.
- Environment
 - > Establish and maintain a track record of environmental excellence and earn the highest level of community support for RCM operations and initiatives.
- Community and Government Relations
 - > Maintain an ongoing high level of community and government relations support.
- Market Reputation
 - > Earn strong stakeholder support by being responsive to stakeholder concerns, being viewed as a sustainable development champion, and achieving permit approvals and favorable tax legislation through positive relationships.
- Operational Excellence
 - > Be recognized as a leader in best practices adoption and execution. Drive company operations on schedule and within budget while effectively mitigating and managing risk.
 - > Continuously improve.
- Financial Strength
 - > Progress the RCM Project within budget. Spend responsibly in support of sustainable development goals.

BUSINESS PLANNING AND REPORTING

All RCM Corporate Communications activities are driven by the company's stated business goals. We seek to support these goals through community relations and other activities that help the company achieve specific performance targets.

We also believe that RCM stakeholders deserve to understand and hold us accountable for our progress. To that end, we report our performance goals and success against specific targets through several documents that are publicly available, including this Five-Year Community Plan. Other business planning and reporting documents:

- **RCM'S STRATEGIC MAP:** To achieve our stated goals, we must understand the related key drivers and desired outcomes. Then, we must set targets that can be measured over time. The result of this approach is RCM's strategic map - a "strategy on a page" that helps us define goals and targets. Further, we track our progress in the areas of health and safety, environment, community and government relations, operational excellence, market reputation, financial strength and our commitment to people. Our strategic map is available within the 2006 Sustainable Development Report.
- **RCM SUSTAINABLE DEVELOPMENT REPORT:** Updated annually, this report summarizes RCM's priorities, highlights annual performance and reveals planned activities. The report focuses on three key areas that contribute to sustainable development: People (social well-being), Planet (environmental stewardship) and Prosperity (contributing to economic value). New in 2006, a brochure summarizing report highlights is being mailed to key stakeholders. Additionally, we have made the full 2006 Sustainable Development Report available online at www.resolutioncopper.com/reports.2006sdreport.pdf.

MANAGING COMMUNITY RELATIONS

An effective community relations strategy involves awareness, commitment and positive action on the part of all RCM employees. However, specific roles and responsibilities are assigned to ensure that RCM's community relations strategies and tactics are developed and carried out in a manner that directly supports our business objectives.

RCM is fortunate to have an executive management and Corporate Communications team with extensive knowledge and expertise. RCM does not take a "show and tell" approach to community relations, but instead works with various stakeholders to establish mutually beneficial goals and solutions.

RCM's community relations team members, roles and responsibilities:

JOHN RICKUS, President of RCM, is responsible for managing the strategy, direction and evolution of the RCM Project. He approves our Five-Year Community Plan and associated updates, and ensures the plan is executed.

JENNIFER RUSSO, Corporate Communications director, is accountable for the company's advertising, public relations, marketing communications, internal communications, governmental affairs and community affairs programs. Working in concert with RCM executives, Jennifer and her team develop and drive RCM community relations programs, plans, strategies and tactics. Jennifer manages the Community Plan and related activities.

ADAM HAWKINS, communications specialist, helps shape and support RCM's communication and interaction with key government agencies and elected officials, nongovernmental organizations and the community. Adam stays abreast of local and national community issues that impact or have the potential to impact the public perception of RCM and its relationship with these stakeholders. He also helps implement internal communications, including corporate events and programs.

MELISSA RABAGO, community outreach coordinator, helps initiate, strengthen and support RCM's community relations efforts in the Copper Triangle towns of Superior, Globe, Miami, Hayden, Kearny, Winkelman, Florence and Apache Junction. Melissa represents RCM with civic organizations and other groups working for the betterment of the community and serves as RCM's ombudsperson with local stakeholders who have concerns, suggestions and ideas.

MELANIE FERREIRA, communications assistant, aids the Corporate Communications director and extended team in planning, developing, executing, and tracking all Corporate Communications activities. Melanie provides oversight and tracking of RCM community relations efforts, including the charitable giving and scholarship programs. Melanie also helps organize and represent RCM at community and stakeholder-focused events.

OUR AUDIENCE: RCM STAKEHOLDERS

RCM recognizes that good relations with its neighbors are fundamental to our success. We take our commitment to the community seriously and are working closely with our stakeholders. We define stakeholders as all groups of people (whether internal or external to RCM) who are affected by, or who can impact, our operations.

The Community Plan focuses on external stakeholders. You can find information regarding RCM's communication commitment to employees in the RCM [Sustainable Development Report](#).

RCM stakeholders include:

- Local communities
- RCM employees and their families
- State, county, city and town governments
- Federal, state and local officials
- Regulatory and nonregulatory agencies
- Recreational users
- Interest groups
- Nongovernmental organizations
- For-profit and nonprofit organizations and commissions
- Elementary and secondary schools
- Vocational institutions, colleges and universities
- Contractors
- Suppliers
- Media
- Rio Tinto employees
- Rio Tinto shareholders
- BHP Billiton
- Former BHP Billiton employees living in Superior and surrounding communities

RCM

COMMUNITY RELATIONS OBJECTIVES

RCM's community relations plans, programs, strategies and tactics are all designed to support and advance RCM's stated business goals.

Over the Five-Year Community Plan period, our community relations objectives are to:

- Support and enable RCM's stated business goals through successful execution of associated community relations targets and plans.
- Build trust and long-term relationships with the communities and regulatory agencies in and near our operations.
- Ensure that stakeholders at all interest levels are identified, informed and engaged.
- Build the company's reputation in Superior and surrounding areas through community outreach and sound initiatives that contribute to an enhanced quality of life.
- Develop and implement a corporate contributions policy that aligns with Rio Tinto's sustainable development principles.
- Assign roles and responsibilities for RCM executive staff that will help ensure company-wide participation in community relations efforts.
- Establish a formal, ongoing RCM community relations network by involving all RCM employees in community relations programs and initiatives.

COMMUNICATIONS

TOOLS AND TACTICS

At the heart of all RCM community and public relations programs is our responsibility to be open and transparent with the community. We believe this approach not only helps us gain sincere community support, but also plays a key role in building the company's reputation. RCM uses a variety of tools and tactics to communicate with both internal and external stakeholders, including:

- Workforce communications
- Strategic alliances and community committee participation
- Baseline assessments, surveys and polls
- Community perceptions and complaints
- Community investment and charitable donations
- Education and workforce development programs
- Meetings with community and state officials
- RCM website
- RCM newsletter
- RCM Sustainable Development Report
- Events
- Media relations
- Speaking engagements
- Advertising

RCM MAJOR INITIATIVES: COMMUNITY RELATIONS CONSIDERATIONS

At any given point in time, RCM may have business initiatives underway that play a major part in our community relations strategies and tactics. Currently, there are two major initiatives that require ongoing communications efforts:

- RCM's efforts to secure a land exchange
- RCM's application for ISO 14001 environmental registration

This section addresses the background and potential business impact of these initiatives and summarizes related communication activities. More information can be found within the company's 2006 Sustainable Development Report.

LAND EXCHANGE

A top priority for 2007 is to secure clear bi-partisan support for federal passage of the Southeast Arizona Land Exchange and Conservation Act. Passage of this legislation will pave the way for our mining operations, while granting surrounding communities and the state of Arizona rights to lands needed for both economic development and conservation.

Background and Community Relations Strategy

In July 2003, RCM was given authority by the Rio Tinto Investment Committee (IC) to proceed with a federal legislative land exchange. We anticipate no further submissions to the IC until the land exchange is signed.

RCM and our predecessors have filed and maintained numerous unpatented mining claims in the immediate project area dating back to 1917. Before reaching a decision on whether to develop these mining claims and construct the mine, the company must invest more than \$300 million in additional feasibility studies and mine-planning activities. To justify an investment of this magnitude, RCM needs to control the surface lands above the mine and within the immediate surrounding area.

Community relations are vital to this effort, since the company needs a solid base of both grassroots and state-level political support to secure the exchange.

The Southeast Arizona Land Exchange and Conservation Act will convey 3,236 acres of federal lands to RCM in exchange for approximately 5,000 acres of nonfederal lands currently in RCM's control. Passage of the bill will also provide sustained economic benefits for surrounding communities and will protect thousands of acres of environmentally sensitive lands in central and southeast Arizona.

Gaining support for passage of the land exchange bill requires ongoing, long-term community, government and public relations effort. Strategies include:

- Communicating with the Arizona congressional delegation; committee staff; and key state, federal and local officials regarding RCM land exchange purpose, activities, issues and benefits.
- Ongoing contact with various user groups, including rock climbers, hikers, off-highway drivers and other outdoor enthusiasts.
- Collaborating closely with community groups and local governments to ensure they remain informed. See the project fact sheet at the appendix for a comprehensive review of the land exchange and overall project benefits.

Land Exchange Highlights 2006

RCM executives continued to reach out the stakeholders regarding benefits of the land exchange during 2006. Positive support for the land exchange gained through 2003 and 2005 statewide polls was reinforced by those who attended RCM's 2006 stakeholder forums. The majority of those attending said that developing the mine is important to bringing jobs, people and sustainable development to the area.

RCM executives attended a 2006 Senate hearing on the bill, during which the San Carlos Apache Nation expressed concerns about potential disruption to sacred lands. Tribal members also expressed dissatisfaction with RCM for not engaging directly with the tribe on matters of mutual interest regarding the land exchange. RCM President John Rickus and other senior company management met informally with the

Western Apache Coalition in June 2006 to discuss tribal concerns, and explore opportunities to engage and collaborate. Tribal representatives were invited to RCM's 2006 stakeholder forums; members of the White Mountain Tribe attended. The company also corresponded several times with tribal leaders in an attempt to broker a dialogue. RCM has also amended the wording of the bill to meet specific tribal concerns.

RCM's Corporate Communications department provided land exchange updates to stakeholders through its external *Resolution Reporter* newsletter and within the 2006 Sustainable Development Report.

We will continue to reach out to stakeholders to communicate the importance of the land exchange and to win their trust and support. Our goal is to secure congressional approval of the bill in 2007.

ISO 14001 REGISTRATION

RCM's Community Plan rests on our commitment to sustainable development, which means we are concerned for the social, economic and environmental well-being of the communities we affect. Similarly, 21st Century mining practices require a willingness to address the challenge of environmental stewardship. We're seeking to understand the environmental aspects and potential impacts of our operations now and in the future and build what we learn into systems that manage and mitigate those impacts. That's where ISO 14001 comes in.

Background and Communications Strategy

During 2005, RCM undertook an ambitious effort to obtain ISO 14001 registration. ISO 14001 is the internationally recognized standard for building an Environmental Management System. ISO registration provides a common denominator by which our company – and independent third parties – can continuously monitor and measure our environmental performance. It is a voluntary process that takes significant time and resource to achieve. RCM is one of only a handful of companies in Arizona that are seeking this certification and we expect to achieve registration in 2007.

RCM is executing a multi-pronged communications approach to educate and motivate both internal and external audiences regarding the purpose of ISO 14001 registration and RCM's commitment to long-term environmental stewardship.

During 2006, 80 percent of RCM employees and contractors were trained on ISO 14001 awareness and the role each individual plays in meeting environmental obligations. We advised stakeholders of our ISO progress during the 2006 Stakeholder forums, via our website and through the *Resolution Reporter* newsletter. Other ISO-related activities are detailed in the 2006 Sustainable Development Report.

RCM's Corporate Communications team will continue to build awareness both internally and externally as we move toward ISO 14001 registration, which we hoped to earn during 2007. Once ISO 14001-registered, RCM internal communications will focus on the value of the standard and the need to continuously improve our approach to the environment. Externally, we will report our progress against specific ISO-14001-related goals and targets.

COMMUNITY PROFILES

This plan guides RCM's interaction with communities directly or indirectly affected by the company's current and future operations. These communities include (in priority order) Superior, Arizona, and surrounding areas in Pinal County, the center of RCM's mining operations, as well as Phoenix, Arizona, and greater Maricopa County. Specifically, we interact with the following localities:

- Superior
- Globe-Miami
- Kearny
- Hayden-Winkelman
- Phoenix, Arizona, and greater Maricopa County

For many years these areas (with the exception of Phoenix) were classic "company towns." RCM is taking a different approach. While we seek to be a major part of economic, social and environmental development in these areas, we do not wish to have a disproportionate influence, nor to become the sole area employer. Our goal is to create sustainable communities with a diversified economy and social fabric that will prosper well beyond mine life.

Summary descriptions of these communities, including socioeconomic trends and conditions and governing bodies, follow below. These trends and conditions are carefully considered as we formulate RCM community relations plans, programs, strategies and tactics. RCM also works closely with the governing bodies of each affected community to forge and maintain a positive corporate-community bond.

Superior and Pinal County

Superior and its residents are important to the successful development of the RCM Project, as the Project is located just three miles east of the town. Significant community relations resources are dedicated to RCM's interaction with the residents, businesses, schools, environmental groups and governing bodies of Superior.

Superior is located in Pinal County, Arizona, about 65 miles southeast of Phoenix and 97 miles from Tucson. It is considered one of Arizona's principal mining towns and one of the most prolific copper-producing regions in the United States, even though related operations are at the current time largely defunct. Superior's population and economy have been severely impacted by the "boom and bust" of the mining industry, and the town is presently home to about 3,185 residents. (U.S. Census Bureau, 2006)

Government structure:

- The Pinal County government includes both elected and appointed officials. The Pinal County Board of Supervisors develops an annual budget; has authority to fill vacancies in county and legislative offices, as well as other boards and commissions; passes resolutions; and enacts ordinances and regulations as authorized by state law.
- Superior's town government includes a mayor, city manager, town clerk and town council member. Citizens of Superior elect a majority of these positions.
- Superior is part of the Central Arizona Association of Governments (CAAG) district. Both the Town and CAAG district have undertaken substantial initiative to market the area as a regional tourism destination with the goal of deriving positive economic benefits. RCM, which owns significant land in the area, feels confident that it can be a key partner with the town in executing this goal.

Globe, Miami and Gila County

Though Globe is a city and Miami a distinct town, the two are often referenced as the Globe-Miami area. Both are located in a steep canyon, at elevations of about 3,500 feet, in the Pinal Mountains of southern Gila County. Like Superior, these surrounding areas are near to RCM's site of operations. We are working to maintain a positive rapport with residents of this area to gain their ongoing support of the RCM Project and to include Globe-Miami in RCM's workforce, contractor and supplier development efforts.

Government structure:

- Gila County's government comprises both elected and appointed officials, including three elected county supervisors.
- Globe and Miami's town governments include a mayor, city manager, town clerk and town council members.

OTHER COMMUNITIES

Three other towns in Gila County may be influenced by RCM's operations. Kearny, a small town located on Arizona State Route 177 in Eastern Pinal County, has a population of approximately 2,200. Hayden and Winkelman are two small towns in close proximity, located in the southern part of Gila County. Hayden's population is fewer than 1,000. Each of these areas surrounding Superior has been severely impacted by the mining downturn, and each is considered a potential workforce development resource. RCM includes these areas in its community relations outreach and to help ensure that these communities enjoy sustainable development benefits resulting from RCM operations.

Phoenix and Maricopa County

Phoenix, the capital of Arizona, is located in Maricopa County in the south-central part of the state. While over time we expect RCM staff presence in Phoenix to grow, our primary impact on this area is RCM's interaction with local and state officials and organizations that can affect the company's long-term goals and operational progress. As a whole, Phoenix and Maricopa County are experiencing explosive population and economic growth, which has significant implications for RCM as a company with increasing presence in the area. RCM's community relations strategies and tactics ensure that we communicate and interact extensively with stakeholders in Phoenix and Maricopa County – the epicenter of the state of Arizona.

Socioeconomic highlights:

- Agricultural, industrial and service center surrounded by 22 other cities in what is commonly referred to as the *Valley of the Sun*.
- Covers more than 475 square miles.
- Phoenix is the fifth-largest U.S. city, with an estimated population of five million. Maricopa County's population is approximately 3.6 million people (Figures are based on a 2005 Census Bureau estimate).
- Ranks as eighth fastest-growing metropolitan area in the U.S.
- Largest capital city by population in the U.S.
- Growing economic hub, boasting a \$50 billion marketplace driven by technology, Fortune 500 companies and other world-class operations with corporate and regional headquarters (e.g., Intel, Avnet, Motorola, Honeywell, Boeing, American Express, Prudential, Charles Schwab and Mayo Clinic).

Government structure:

- Arizona is led by Governor Janet Napolitano (D) and represented in Congress by Senator John McCain (R) and Senator Jon Kyl (R). The state has eight congressional districts.
- Phoenix operates under the Council Manager form of government.
- Phoenix is divided into eight districts. A councilmember represents each district.
- Day-to-day administrative duties are handled by an appointed city manager, while the mayor's primary focus is setting direction of city policy. All positions are elected.

HOW WE COMMUNICATE: ACTIVITY DESCRIPTIONS/HIGHLIGHTS

Here's an update on how RCM uses its communication tools and tactics to advance our Five-Year Community Plan:

WORKFORCE COMMUNICATIONS

Our internal stakeholders—RCM's employees and the contractors who are a part of our extended workforce—are at the heart of our success and are stewards to the communities in which we operate. Workforce communication and development is a high priority, and the dialogue is two-way. We don't simply direct our employees—we listen and respond to their concerns.

Safety communications and training are at the top of the list. All employees attend Mine Health and Safety Administration (MSHA) training, and a new Take5 pre-task hazard assessment helps on-site employees and contractors to keep safety top-of-mind. Safety performance is carefully tracked and communicated, and our goal is always zero occupational-related injuries or illness.

2006 Employee Survey

We conducted an all-employee survey during 2006 to determine how well we were doing in providing employees the information and knowledge needed to do the best job possible. While 95 percent of those surveyed said they were "very" or "generally" satisfied working for RCM and 77 percent said they feel informed, employees also expressed the need for more face-to-face meetings with management and more training emphasis on RCM values and culture.

As result of the survey, we put into effect these communications actions:

- Regular "all-hands" meetings that enable employees to stay abreast of company strategy and progress and have the chance to provide suggestions and feedback in an interactive setting.
- Comprehensive new-hire orientation that provides an executive overview to cultural guidelines and company procedures, as well as in-depth information about employee benefits.
- A new internal newsletter, called *Resolution Roundup*, which helps to communicate the company's priorities and momentum.

STRATEGIC ALLIANCES

Select governmental and nongovernmental organizations possess valuable experience, expertise and capabilities that can help us develop a 21st Century mining operation. RCM and its partners share a dedication to environmental excellence and social responsibility. The company has forged thoughtful alliances with a variety of accredited, well-respected governmental and nongovernmental organizations, learning institutions and civic organizations. Alliance partners include (in alphabetical order):

- Arizona Department of Commerce
- Arizona State Parks
- Arizona State University
- Arizona Trail Association
- Audubon Arizona
- Boyce Thompson Arboretum
- Central Arizona Association of Governments
- Central Arizona College
- The Nature Conservancy
- Town of Superior
- University of Arizona

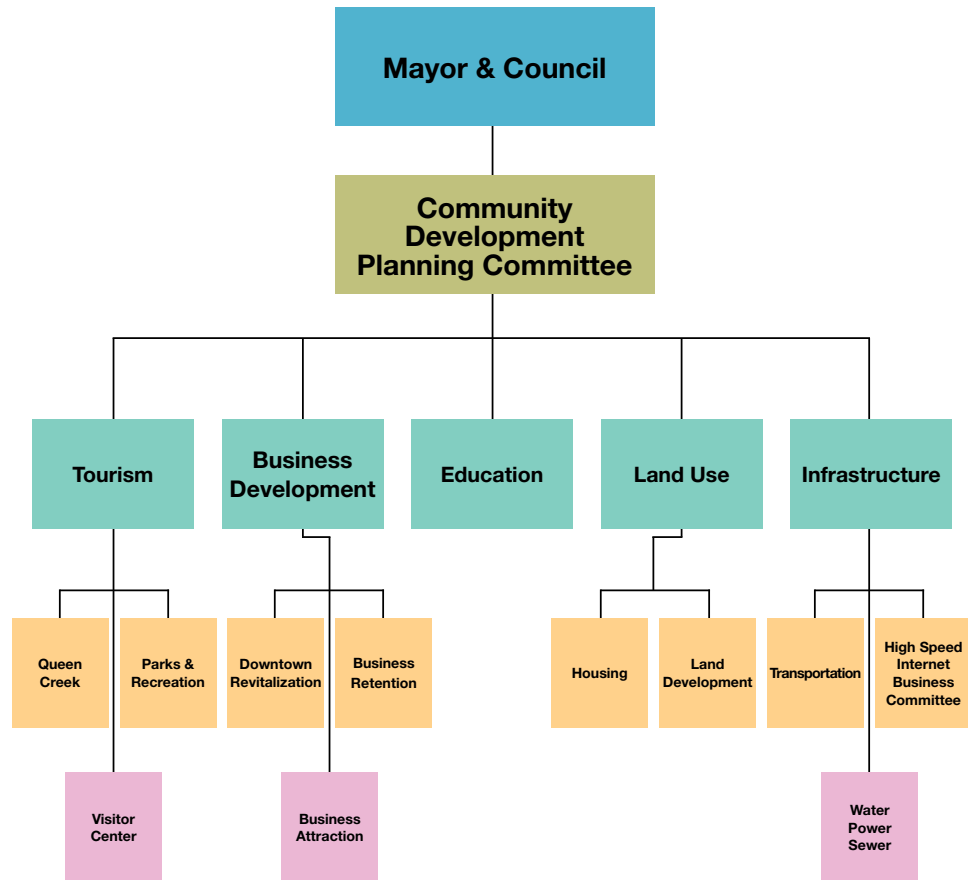
Following is a summary of key alliances and 2006 activity highlights. Alliance partners are factored into RCM's community relations activity, as appropriate, and in ways that are mutually beneficial.

Town of Superior

First and foremost, we partner with the Town of Superior to be a good neighbor, and a catalyst for creating new jobs and furthering a sustainable community. Both RCM and the Town recognize that a solid partnership is key to future progress. RCM involvement with the Town includes a variety of outreach and interaction.

During 2006, we broadened our support for community groups and initiatives. RCM participated in a number of civic committees dedicated to promoting community development and economic diversification in the region. These committees were newly structured in 2006 under the mayor's office and the town council to address specific areas, including tourism, business development, education, land use, and city infrastructure.

RCM participates with the Town of Superior on committees that promote community development and economic diversification:



Community Committee: Since 2004, RCM officers have met regularly with a Superior community committee of 40 residents. This forum was established to facilitate interaction between the company and the community. Membership is broad-based with representation from Town government, local business and private citizens.

The group plays a dual role of both advisor to RCM and steward to the greater community. The community committee:

- advises and assists RCM on community-related matters.
- helps to create an open and honest dialogue between the company and the community.
- enhances the understanding of RCM operations within the greater community.
- gains and gives input regarding Resolution Project progress.
- provides feedback to RCM on community needs.

The group's broad representation allows RCM to gauge general community understanding and opinion, and to be proactive in our approach to challenging situations. We gain feedback on key issues and determine how we can work together as the Resolution Project moves forward. The committee tackles critical issues impacting Superior and identifies solutions beneficial to the Town and to RCM. Topics for discussion include opportunities for economic development, education, community investment, local hire, the proposed land exchange and company-driven environmental initiatives.

A similar committee has been formed in Globe and Miami that meets occasionally, as needed. As the Project progresses and new issues arise, RCM will likely meet more regularly with this group.

Other Community Committees: A community committee also meets as needed in the Globe-Miami area and a new community committee was formed in Kearny during 2006. The ways in which we have enabled economic, environmental and social progress in the Town of Superior are detailed within RCM's 2006 Sustainable Development Report.

In addition to the Town of Superior, key partnerships include the following (in alphabetical order):

Resolution Copper Partner	Focus	Program Description/ 2006 Highlights
Arizona Department of Commerce (ADOC)	Economic development, workforce development	Aided by Central Arizona College, RCM received an additional \$51,200 grant from ADOC to fund computer training classes for Superior residents and business owners. Superior Unified School District will supply class facilities. RCM worked with the Town of Superior and ADOC to secure a \$270,000 grant from the U.S. Department of Agriculture (USDA) Rural Development program, which will fund high-speed wireless (Wi-Fi) Internet capability for the town.
Arizona State Parks	Environmental stewardship, economic development	RCM and Arizona State Parks, along with Arizona State Senator Jake Flake and others, helped champion 2006 passage of a bill that will lead to development of 2,000-acre Copper State Park at Tam O'Shanter Peak – the nation's first state park dedicated to rock climbing. Creation of the park now depends on passage of the federal land exchange bill.
Arizona State University (ASU)	Education, workforce development. Focus on science, math, engineering and business education.	<i>No Barriers to Science</i> – workshop-centered program for students grade six through nine; course was developed in partnership with ASU's College of Life Sciences. Earth Science Graduate Course – Continuing education course for teachers and other educational professionals was developed in partnership with ASU's Center for Research on Education, Science, Mathematics, Engineering and Technology (CRESMET).

Resolution Copper Partner	Focus	Program Description/ 2006 Highlights
Arizona Trail Association	Environmental stewardship, economic development	Copper Butte Project: RCM and Arizona Trail partner on one of the last unfinished sections of 800+-mile trail that spans the state's north and south borders. Five-year partnership began in 2005; includes a match from Arizona Trail in the form of volunteer labor and administrative coordination among all partners. In 2006, RCM employees and contractors contributed volunteer time to trail-building.
Audubon Arizona	Land conservation management, habitat protection, environmental stewardship	Secured Rio Tinto Partnership Action Fund grant to support conservation and Important Bird Area species protection.
Boyce Thompson Arboretum	Conservation, environmental stewardship, educational outreach	Partnership includes financial and human resources support. Program enables 3,000 students to visit the Arboretum annually and includes annual International Migratory Bird Day.
Central Arizona Association of Governments (CAAG) and United Way	Social well-being	RCM's Social Impact Assessment (SIA) was completed in 2006 and both organizations assisted in helping us to identify potential social implications and impacts, both positive and negative, of opening a new mine in Arizona's Copper Triangle region.
Central Arizona College (CAC)	Workforce development	Assisted by CAC, RCM received an additional \$51,200 grant from the Arizona Department of Commerce to help fund computer training classes for Superior residents and business owners.
The Nature Conservancy	Land conservation, preservation	RCM and The Nature Conservancy partner to manage 7B Ranch, which will be given to the federal government as part of proposed land exchange. Also consult and collaborate with private landowners on conservation issues affecting lower San Pedro River.
University of Arizona	Environmental stewardship Education, graduate and post-graduate level study, workforce development	RCM partners with U of A's National Science Foundation's Water Quality Center to test the feasibility of installing vegetated soil covers for Superior mine waste piles. Covers will isolate waste materials from people and the environment and provide a native plant cover that prevents soil erosion. During 2006 RCM provided funding and guest lecture support to sponsor two University of Arizona master's degree students in Engineering and two engineering undergraduate engineering classes. RCM's president serves on industry advisory committee for the University's College of Mining and Geological Engineering. RCM also works in concert with the University on opportunities for internship and recruitment.

POLLS, BASELINE ASSESSMENTS AND SURVEYS

In order to develop a viable community relations strategy, RCM conducts baseline assessments and polls of key community stakeholders. The results of our research help guide our ongoing community relations plans, tactics and programs.

Polling

Periodic opinion polls are important to RCM in a variety of ways. First, they offer us an independent view of how people feel about the company and our proposed mine. Second, the findings help us determine where to concentrate financial and human resources, in an effort to support sustainable communities over time. Two statewide polls have been conducted, in 2003 and 2005. Results of these polls have helped shape our community relations approach. Resolution's polls and studies are designed, pretested and conducted by Dr. Bruce Merrill, Professor of Mass Communication and Director of the Media Research Programs at Arizona State University, with support from Tara Blanc, a doctoral student in Public Affairs at Arizona State University.

2003 Poll

RCM conducted a thorough public opinion research poll led by a nationally recognized expert on applied social science research. The findings, derived from two random samples of heads of households, involved 400 people within the vicinity of the project, as well as 600 heads of households throughout the state of Arizona. Interviews were conducted by telephone.

Questions were both closed and open-ended, and sought stakeholders' views on the following issues:

- The history of copper mining in Arizona.
- Whether residents would support a new copper mine
- Resident awareness of environmental groups.
- Personal environmental concerns.
- Economic development issues.
- Degree of resident support for a land exchange.

The findings produced from this data have been an integral part of our community relations strategy. They have also helped us formulate clear and concise messages.

2005 Poll

In summer 2005, RCM conducted its second local and statewide poll to:

- Evaluate public perceptions of copper mining in Arizona.
- Gauge support for RCM's proposed mine development project in Superior.

Telephone interviews were conducted with 350 adult heads of households living in the communities of Globe, Miami, Superior, Kearny, Hayden and Winkelman; several hundred residents living in Pinal County; and statewide. The poll results reflected overwhelming support for the proposed copper mine. Results indicated, however, that there are several important issues people want to see the company address. These included:

- A commitment to excellence in environmental performance.
- Building a supportive safety culture and workplace.
- Creation of meaningful jobs and viable economic activity in the project region.

RCM has already developed several programs that focus specifically on these areas, including environmental strategies and policies, safety protocols and procedures, and workforce preparation programs. We will continue to build on these programs to ensure the long-term viability of the Project while improving the economic, social and environmental well-being of communities we affect.

Based on business needs, the next statewide poll is scheduled for late 2007/early 2008.

BASELINE ASSESSMENTS AND STAKEHOLDER SURVEYS

One of our top priorities is to assess needs from residents' perspectives. The overall findings are used in community relations activities and help guide community programs such as our corporate giving policy. Survey results also help us find ways to meet the needs and goals of the community while simultaneously fulfilling RCM's business objectives.

2006 Stakeholder Survey

During 2006, a series of four focus groups was conducted by RCM in Superior and Phoenix. More than fifty stakeholders including residents, business owners, community and education leaders, civic and environmental organization representatives and local, regional and state government officials attended the forums.

RCM managers gave overviews of RCM's sustainable development activities and held open discussion. Stakeholders were then asked to rate the company's performance on a scale of -3 to +3 in each of four categories: social, economic, environmental and overall. Stakeholders' scores were tabulated and compared with results of an earlier internal scoring session by four senior RCM Managers who used the same score sheet.

Overall, stakeholders gave RCM high marks for efforts related to sustainable development (1.8). Highest ratings were for RCM's social impact policies (1.9), followed by economic ratings (1.8) and environmental policies (1.7). RCM's management staff rated the company's overall performance lower (1.3) than did group participants.

Results and feedback from stakeholders helped drive the following action:

- RCM has hired two additional community relations representatives who are dedicated to stakeholder outreach throughout the Copper Triangle.
- We have opened a community room/mine information office in its new Superior-based headquarters.
- We are increasing our interaction with the San Carlos Apache Nation and White Mountain Apache Tribe to address concerns about how the proposed land exchange might impact sacred grounds.

2006 Social Impact Assessment

We completed a Social Impact Assessment (SIA) in 2006 as part of our effort to identify potential implications and impacts, both positive and negative, of opening a new mine in Arizona's Copper Triangle region. Results will help us understand and address problems and opportunities associated with creating the new mine. (Linked to RCM's proposed land exchange initiatives, this SIA is part of the Environmental Impact Study (EIS) RCM is completing in accordance with National Environmental Policy Act (NEPA) requirements.)

We're evaluating findings from engineering, technological and environmental standpoints and are taking a social or people-oriented perspective. In other words, we seek to find answers to the question of how creating this mine will affect the social structure and fabric of the community.

We've invited the Central Arizona Association of Governments (CAAG) and the United Way to participate. In addition to helping RCM with this plan, CAAG and United Way will gain valuable insight for their own planning efforts, through access to RCM's profile information.

We are tabulating and analyzing the results of the survey. Findings will be available in 2007. We'll report on subsequent actions that our company has taken, in response to these findings, within next year's Community Plan update and within our 2007 Sustainable Development Report.

Environmental Baselines

RCM is completing extensive baseline work needed to identify all potential environmental impacts of our mining operations. We'll then determine how to maximize positive impact while minimizing negative effect. The result of this work will be an Environmental Impact Study, or EIS, which will help guide our operations. We plan to make the EIS available to the public by 2009.

During 2006, we met with RCM stakeholders including federal, state and local agencies and nongovernmental organizations, to inform them of our Environmental Impact Study goals and progress. Other EIS activities are included within our [2006 Sustainable Development Report](#).

Baseline studies include a detailed analysis of all potential mining operation sites to examine a wide variety of environmental and cultural factors. For example, we study water and air quality, determine if endangered species inhabit the areas, discover if cultural artifacts are present, and if so, decide how best to protect them.

The company has completed extensive surveys on the RCM Study Site, where shaft #9 is located. We have also conducted environmental and ecological investigations of the nonfederal parcels currently held by RCM for possible conveyance to the United States as part of the proposed land exchange.

The data that results from these baseline studies helps guide RCM's commitment to environmentally sound operating policies that support sustainable development. Results also provide valuable input to our ISO 14001:2004 environmental management program.

COMMUNITY PERCEPTIONS AND COMPLAINTS

In 2006, local residents lodged four formal complaints with RCM. Three of the four complaints involved property concerns from residents near RCM's Superior base of operations. Each property issue was responded to and resolved.

During 2007, we will institute a formal complaint procedure to provide external parties with a process for lodging complaints and to ensure all issues are tracked and resolved quickly and efficiently.

COMMUNITY INVESTMENT AND CHARITABLE DONATIONS

RCM has in place a process to consider the best distribution of corporate contributions, including cash, in-kind and human resource allocations. During 2006, community contributions rose to \$143,980, a nearly threefold increase over the previous year.

Donations are targeted toward issues the community has identified as important, using findings from our baseline polls, needs assessments and community surveys as the primary allocation drivers. The company reserves the right to use full discretion in accepting or declining requests for support and/or funds allocation. While there is a slight overlap between strategic partnerships and community outreach, we have established guidelines for both and ensure all allocated dollars fund projects and/or causes that support the missions of both Rio Tinto and RCM.

EDUCATION AND WORKFORCE DEVELOPMENT PROGRAMS

In order to be successful, RCM must help drive effective educational and vocational training programs that will result in a qualified, community-based RCM workforce. We also recognize that the lengthy timeline of our project means that our future workforce is currently at the elementary and secondary education levels. Accordingly, RCM supports education initiatives and institutions that develop, encourage and sustain student interest. In addition to the partnership examples mentioned previously (under Strategic Alliances), RCM spearheads the following programs:

- **RCM Scholarship Program:** 2006 was the fifth year of the RCM Scholarship program, which benefits students attending an Arizona university, community college, or business or trade school. Since its inception, the program has awarded more than \$143,000 in scholarships, including \$42,000 in funding awarded during the 2005-2006 academic year. Currently 16 RCM Scholarship recipients are attending Arizona universities. The program's four-year, renewable grants, which total \$6,000 each, are awarded to those who concentrate on math, science, engineering or business. Individual scholarships are awarded to students in Superior and in the neighboring communities of Globe, Miami, Florence and Apache Junction. In 2007, the program will expand to include students in the San Carlos Apache Nation.
- **The RCM Summer Internship Program:** This program is open to former scholarship recipients as paid RCM interns. Selected students are given the chance to gain real-world experience and to become familiar with a modern mining organization. They conduct baseline surveys, take part in fieldwork, assist with internal procedures and present findings to company management. Initiated in the summer of 2004, the program has seen many interns return for a second and third year. In 2006, a four-year RCM intern, Erica Diaz-Gonzalez, became the first program participant to join RCM's staff. Erica works at RCM Superior as an environmental technician.

MEETINGS WITH COMMUNITY AND STATE OFFICIALS

In May 2005, RCM introduced legislation into the United States Congress to execute a legislative land exchange. Securing support for the *Southeast Arizona Land Exchange and Conservation Act* requires extensive communications and personal briefings with Arizona's Governor Janet Napolitano, state senators and representatives, members of the Arizona Congressional delegation and their staffs. These briefings are ongoing. RCM personnel have also met personally with several important state agencies on issues ranging from permitting to highway development. These agencies include Arizona Department of Environmental Quality (ADEQ), Arizona Department of Transportation (ADOT) and Arizona Department of Commerce (ADOC). The company has strong working relationships with these agencies, which we will continue to cultivate.

RCM WEBSITE

A cost-effective and powerful communications tool, RCM's website, www.resolutioncopper.com, contains a broad range of information about the project, the company and our community initiatives. We update this site regularly, offering news about RCM's community programs, major initiatives and issues of ongoing interest and importance to RCM internal and external stakeholders.

Throughout 2007, we will update this website to include additional content and invite more interaction from site visitors. For example, visitors can now use an online form to request RCM speakers for a particular event. They can also complete an online survey to convey feedback regarding RCM's annual Sustainable Development Report.

RCM NEWSLETTER

RCM's quarterly newsletter was completely re-designed in 2006 both graphically and in terms of content. The *Resolution Reporter* now contains standard columns and sections of interest, including a message from the RCM president, a question and answer interview with an external stakeholder, and articles that reflect the company's activities and progress in the three key areas affecting sustainable development: People (social well-being), Planet (environmental stewardship) and Prosperity (economic value).

The newsletter is mailed to all residents of the Town of Superior, as well as those living outside the area who have requested to receive it. It is also sent electronically to a list of subscribers and is posted on the RCM website.

SUSTAINABLE DEVELOPMENT REPORT

This annual report is shared publicly and details the company's progress in terms of sustainable development. (The first report, completed in 2004, was titled "Social and Environmental Report.") These reports are mailed to stakeholders and are also available on the RCM website. The 2006 version is now available at www.resolutioncopper.com/2006sdreport.pdf.

The report complies with Rio Tinto guidelines and communicates both achievements and areas where the company needs to improve. We share the report publicly as part of our pledge to communicate openly and honestly with our stakeholders.

EVENTS

Even before undertaking a visible management role, RCM was either the principal organizer or primary sponsor of several community events. For example, a community open house for the Town of Superior drew more than 300 local, state and federal officials and numerous town residents. We also partner with other organizations to help sponsor community and education events.

MEDIA RELATIONS

RCM executes an aggressive media relations strategy in support of the company's major initiatives and long-term communications goals. Our intent is to shape public opinion based on an open and transparent sharing of RCM programs, challenges and progress. A major strength of RCM's media relations strategy lies in our outgoing communications frequency and reach. We do not concentrate solely on traditional print and broadcast media targets. Instead, we reach out to both rural and urban media and to targeted ethnic audiences such as the Hispanic media. Our goal is to touch all media outlets that reach RCM's broad array of stakeholders.

Media relations tactics include not only news releases, but one-on-one interviews with RCM executives, media tours, speaking engagements, contributed articles and radio/TV interviews. This broad-spread

approach to media relations has yielded significant positive results, including ongoing high-profile coverage in targeted publications, inclusion in radio/TV programs that reach RCM stakeholders, and a strengthened rapport with news media who cover RCM and its activities. News releases and coverage highlights are posted regularly on RCM's website.

SPEAKING ENGAGEMENTS

RCM executives are frequently asked to speak at a range of forums including local chambers of commerce, civic groups, universities and local and regional town council meetings. Topics of interest include “Building a Mine of the 21st Century” and “Bridging the Gap between Mine Development and Community Relations.” We will continue to evaluate various speaking engagements and ensure they provide maximum benefit to RCM. We also look for ways to proactively communicate our best practices with other Rio Tinto business units.

In addition, we've added a [Speaker's Request](#) form to our company website that enables organizations to quickly and easily request an RCM speaker well in advance of an event.

ADVERTISING

Though RCM does not retail directly to the consumer, in some situations it is reasonable for us to advertise. For example, we may use advertising to announce our annual scholarship program or promote events in which we are either the main organizer or a key participant. While advertising does serve a specific purpose, we prefer to communicate through more direct and cost-effective methods.

CULTURAL HERITAGE

Rio Tinto requires that each of its businesses have in place a Cultural Heritage Management System (CHMS), which must be reported on and included as a core element in the Five-Year Community Plan. This section describes the summary of work for implementing Resolution Copper's CHMS, that in fact complements the statutory requirements of Section 106 (see below).

SUMMARY OF WORK

Section 106 (36 CFR Part 800) of the National Historic Preservation Act (NHPA) requires that all federal agencies take into account the effects of their "undertakings" on historic properties, and allow opportunities for local cultural groups to comment on project effects. In the case of Resolution Copper, this undertaking is the 3,236 acres of federal land to be conveyed to RCM in the *Southeast Arizona Land Exchange and Conservation Act*.

As the first step in the Section 106 process, a 100 percent (Class III Pedestrian) survey was completed on behalf of RCM by Desert Archaeology in 2003. The findings have been documented in *The Resolution Project: Results of an Archaeological Survey in Pinal County, Arizona*. The survey resulted in identifying or reconfirming 34 Register-eligible sites, those sites having cultural and historical resources. (The number of sites is complicated by the fact that the Forest Service require loci of an eligible site be given its own site designation, whereas the State Historic Preservation Office (SHPO) requested that the loci be lumped into as few sites as possible). Here, the Forest Service's preferences will take precedent. However, under SHPO there are only 13 sites.

The next step in this process is developing and implementing an approved Treatment Plan. In 2006, a draft Treatment Plan was prepared by the RCM archaeological consultant, was submitted to the TNF for review, and was approved after multiple review and comment cycles. The TNF will, once the land exchange bill has progressed through Congress, send the Treatment Plan to the interested parties for their review, as described below.

In addition to the 34 archeological sites, there may be additional areas of interest to tribal groups, known as traditional cultural properties (TCPs). TCPs include areas of religious, cultural, ceremonial, or spiritual significance that may or may not have any associated cultural material. Tribal consultation must be initiated to allow tribal groups to comment on the project and give them the opportunity to identify TCPs within the area. Generally tribes are contacted by a letter from the federal agency and asked whether they are interested in participating in a consultation regarding the land. If interested, site tours are arranged and a consulting ethnographer is engaged to facilitate. The ethnographer may also conduct additional offsite interviews with tribal elders or aged tribal members. Following the consultations, a report is prepared by the ethnographer and is submitted to the federal agency.

Although further advancement through the procedural steps within the Section 106 process is not possible until the bill has progressed through Congress, other RCM-initiated informal outreach and research activities have occurred in 2006. These activities included attending and presenting project information at informal meetings, and conducting a research project to study the characteristics of Emory Oaks in the project vicinity and describe traditional acorn gathering practices of the Apache Nation.

Management of the eligible sites will be governed by a treatment plan that will be developed and approved by the SHPO, TNF, RCM, and appropriate tribal entities. A Memorandum of Understanding (MOU) between agencies and tribes is generally developed to reflect the agreed-upon treatment plan and data recovery efforts if specific sites cannot be avoided.

The CHMS will have a mechanism in place to ensure that register will be checked when new projects are planned. Consultation processes are in place to ensure acceptable and feasible decisions are made with regard to avoidance or mitigation measures.

The Section 106 process requires that an impact assessment be conducted and adverse effects to identified cultural properties, including TCPs, be documented. As defined in the Section 106 regulations, an adverse effect is found when an action may alter directly or indirectly, any of the characteristics of a historic property

that qualify that site for the Register. If it is determined that adverse effects will occur to such sites, then the federal agency must consult with the SHPO or Tribal Historic Preservation Office (THPO) (if applicable) to develop and evaluate alternatives or modifications to the undertaking that could avoid, minimize, or mitigate adverse effects on historic properties.

The NHPA includes penalties for destruction of cultural properties.

AVOIDANCE/MITIGATION MEASURES

Because the 3,236 acres of federal land will ultimately leave federal jurisdiction and, therefore, federal control and oversight, the Forest Service will likely require complete mitigation of all sites, whether or not they will be impacted, unless special protective measures can be employed (such as conservation easements). The draft treatment plan outlines all measures proposed for mitigating and protecting sites. In general, the Forest Service favors complete data recovery over preservation in place because they will not have control of the parcel once the land exchange occurs. The treatment plan, however, has not yet been reviewed by the tribal entities, and it is assumed that the tribes will favor preservation in place over data recovery. The Forest Service is concerned that, because the details of any conservation easement would not be worked out until sometime after the bill passage, they would not have up-front assurances regarding the level of protection afforded to the sites with the boundaries of a conservation easement. These are issues that are being considered.

MONITORING

The treatment plan calls primarily for full data recovery, leading to full site clearance. This approach generally precludes the need for monitors. In the case where a site slated for avoidance is located in close proximity to planned ground-disturbing activities, a monitor would be present during the construction activity to insure the site boundaries are respected. The CHMS will develop and evaluate the program against established indicators of “successful” protection of cultural properties. Initially, all the sites and loci identified within the project area during the survey must be accurately mapped. Desert Archaeology has prepared a report that documents the findings of the 100 percent pedestrian survey and a map has been prepared to locate these sites.

IMPLEMENTATION/REPORTING

The CHMS, including a site database that will address each of the questions raised in the cultural property guidance notes, includes the following: legal framework, management arrangements, risks, avoidance and/or mitigation measures being implemented, monitoring procedures, and reporting requirements. A single document will be prepared that will outline the overall system in place for ensuring that cultural and historical properties are not adversely impacted by operations at RCM. Once mitigation is complete and clearances have been received, ground-disturbing activities are allowed to commence. The CHMS will be a living document that will be changed if new information is obtained or new regulations are implemented. Support documents providing more detail on key aspects of the CHMS will be developed and revised as necessary and will include, but not be limited to, the following:

- The approved Survey Report
- The Memorandum of Understanding
- Cultural Heritage Policy
- A database listing the known cultural sites and loci
- Procedures to be followed if new groundbreaking operations are proposed
- The approved treatment plan
- Procedures for dealing with sensitive information and respecting confidentiality of site locations and information
- Correspondence documenting communications with Tonto National Forest and tribal entities

APPENDICES

RCM INFORMATION LISTING AND HOW TO ACCESS:

> RCM REPORTS/DOCUMENTS

> RCM RESEARCH

RESOLUTION COPPER

REPORTS/DOCUMENTS

Reports of interest to Resolution Copper stakeholders may be obtained from RCM's website if noted below, and/or by contacting the company directly:

Email: info@resolutioncopper.com

Phone: 602-956-0223 x10

Resolution Copper 2006 Sustainable Development Report: www.resolutioncopper.com/2006sdreport.pdf

Resolution Copper Strategic Map: Available within RCM's 2006 Sustainable Development Report

Resolution Copper 2006 Sustainable Development Report Highlights brochure,
email info@resolutioncopper.com or contact 602-956-0223 x10

***Resolution Reporter* newsletter:**

- To subscribe electronically, email newsletter@resolutioncopper.com. Include the word "subscribe" in email subject line and provide your full name and email address in the body text.
- To be placed on the mailing list for a printed version of the newsletter, contact 602-956-0223 x10

Resolution Copper Social Impact Assessment Report: email info@resolutioncopper.com
or contact 602-956-0223 x10

RESOLUTION COPPER RESEARCH

Results of the following RCM research projects may be obtained by contacting RCM's Corporate Communications Department:

Email info@resolutioncopper.com

Phone: 602.956.0223 x10

Stakeholder Assessment of Sustainable Development Efforts

July 2006

RCM

Focus Groups

Student Survey, Globe Schools and Superior Unified School District

May 2006

RCM

Written Survey

Opening a New Copper Mine in Superior, Arizona:

A Social Impact Analysis

RCM

April, 2006

Telephone interviews/personal interviews

Executive Overview of Research Findings:

Public Perceptions of Mining in Arizona and Support for a New Copper Mine in Superior: 2005

RCM

August 4, 2005

Statewide

Telephone interviews

Superior Advisory Committee Survey

RCM

May 1, 2004

Local

Written questionnaire

Community Leaders Discuss Winkelman

RCM

November 11, 2003

Local

Telephone/personal interviews

Community Leaders Discuss Globe/Miami

RCM

September 25, 2003

Local

Telephone/personal interviews

Community Leaders Discuss Superior, Arizona

RCM

August 1, 2003

Local

Telephone/personal interviews