Leslie

RioTinto

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South Jordan, Utah 84095
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Chris Kaiser
Acting Manager - Environment

RECEIVED
FEB 03 2014
Div. of Oil, Gas & Mining

31 January 2014

Mr. Paul Baker, Minerals Program Manager
Division of Oil, Gas & Mining
Utah Department of Natural Resources
1594 West North Temple, Suite 1210
P.O. Box 145801
Salt Lake City, Utah 84114-5801

Attn: Ms. Leslie Heppler

Subject: Large Mining Operations 2013 Annual Report
January 1, 2013 to December 31, 2013
M/035/0015
North Tailing Impoundment

Dear Mr. Baker:

Please find attached Form MR-AR for permit number M/035/0015, North Tailings Impoundment.

No changes to drawings on file with M/035/0015 were realized during 2013. Also, please find the KUC document UDOGM Annual Reporting Register through Q4 2013.

KUC is also providing updated information regarding mining activities performed in 2013 (Attachment A) not specifically addressed on Form MR-AR for M/035/0015.

If you have any questions about these annual reports, please contact Thiess Lindsay at 801.569.6066.

Sincerely,

Chris Kaiser
Acting Manager - Environment

C: Dana Dean (UDOGM)

Attachment A

Title:

Update of Mining Activities Related to North Tailings Impoundment M/035/0015

Context:

The division has been briefed in various capacities throughout the year regarding new and/or continued mining activities related to the North Tailing Impoundment operation.

Purpose:

The intent of this update is to provide the division with a brief summary of mining related activities completed or ongoing throughout the year.

Summary of Activities (not covered under Form MR-AR):

- Tailings Expansion Project
  - The NOI to revise M-035-0015 for the Tailing Expansion Project (TEP) continues under review by UDOGM. It is anticipated that public comment on this revision will occur in late Q1 or early Q2 2014.
  - Surety calculation associated with the TEP NOI will begin in the 1st quarter of 2014.
- Surety Escalation
  - KUC is in the process of updating the surety of other plants. As numbers are generated for the expansion project and other surety updates are completed an updated will be conducted on the North Tailings Impoundment. It is anticipated that this update should be complete before the end of 2014.

FORM MR-AR
(Revised 11/2008)

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING
1594 West North Temple - Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801
Telephone: (801) 538-5291
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LARGE MINING OPERATIONS 2013 PROGRESS REPORT

January 1, 2013 to December 31, 2013

The information required in this form are based on provisions of the Mined Land Reclamation Act, Title 40-8, and the rules as under the Utah Minerals Regulatory Program.

1. Mine Permit Number: *M/035/0015*
2. Mine Name: *North (Tailing) Impoundment*
3. Name of Operator/Permittee: *Kennecott Utah Copper LLC (KUC)*

   Note: If Operator's address, company representative or phone number have changed, please provide a replacement page for the Notice of Intention.

4. Mine Location:

   S1/2 S1/2, Section 31, Township 1N, Range 2W;
   S1/2 SW1/4, Section 32, Township 1N, Range 2 W;
   S1/2 S1/2, Section 35, Township 1N, Range 3 W;
   S1/2 S1/2, Section 36, Township 1N, Range 3 W;
   SW1/4 SW 1/4 SW 1/4, Section 4, Township 1S, Range 2W;
   Section 5 and 6, Township 1S, Range 2W;
   N1/2 N1/2, Section 7, Township 1S, Range 2W;
   N1/2 N1/2, Section 8 Township 1S, Range 2W;
   Eastern Border Section 8, Township 1S, Range 2W;
   W1/2 W1/2, Section 9, Township 1S, Range 2W;
   E 1/2, Section 17, Township 1S, Range 2W;
   Section 1, 2 and 10, Township 1S, Range 3W;
   E1/2, Section 3, Township 1S, Range 3W;
   N1/2 and SW1/4, Section 11, Township 1S, Range 3W;
   N1/2 NE 1/4, Section 12, Township 1S, Range 3W;
   N1/2 Section 15, Township 1S, Range 3W;

5. Report the gross amount of ore mined and waste moved, and the disposition of the materials (onsite stockpiles, sold, waste pile, regraded, etc.):

Gross Ore Mined	***0***	Tons
Waste Material Moved	***47,688,175***	Tons Tailings
New Disturbance	***0***	Acres during 2013
Area Reclaimed	***0***	Acres during 2013
Total Disturbed Area	***2979***	Acres*

**Total mine disturbance from the beginning of mining operations through the end of 2013*

Was the ore shipped off site? If not, where is the ore located?

No ore was generated or shipped off site

Where is the waste located?

A total of 47,688,175 short tons of tailings were deposited in the North Impoundment in 2013. This comprised 47,079,632 tons from the Copperton Concentrator, 524,597 tons of tailings from the smelter slag mill, 58,612 tons of tailings from the smelter hydrometallurgical plant and 25,334 tons of coal ash from Kennecott's Utah power plant (UPP). Active tailings disposal continued on the North Impoundment through 2013. Similar to years prior, between March and November, tailings were cycloned and coarser underflow was used to construct the North Embankment, while the finer overflow was placed within the Impoundment Interior. Throughout January, February and December, whole (non-cycloned) tailings were deposited into the interior.

No additional acreage was disturbed in 2013. Tailings deposition continued within the existing disturbed footprint. The North Impoundment disturbed area, bounded by the perimeter road constructed in 1999 and the base of the South (Magna) Impoundment, remains within the permitted area of 3,334 acres allocated for the North Impoundment. The North impoundment surface area will increase slightly over time as the North Impoundment height is progressively increased up the embankment slope of the existing South Impoundment.

6. Briefly describe the reclamation work performed during the past year. A map showing reclaimed areas and dates is suggested. (Submit form MR-SITE for an application for full or partial bond/site release).

No reclamation work was performed during 2013.

7. **Include an updated map depicting surface disturbance and reclamation performed during the year**, prepared in accordance with Rule R647-4-105.

No major surface disturbances or reclamation work was completed in 2013.

I hereby certify, under penalties of law, the information provided in this report is true and correct to the best of my knowledge and belief.

Name (Typed or Print): *Chris Kaiser*

Title of Operator: Acting *Manager – Environment*

Signature of Operator: _____

Date: ***January 31, 2014***

pb
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