M\035\0002
Kennecott Utah Copper LLC
Bingham Canyon Mine

Annual Presentation
to
Board of Oil, Gas and Mining

February 22, 2012
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1. Bingham Canyon Mine
2. Arthur Concentrator
   Reclaimed
3. Bonneville Crusher
   Reclaimed
4. Magna Concentrator
   Reclaimed
5. Precipitation Plant
   Reclaimed
6. SJ Evaporation Ponds
   Reclaimed
7. South Tailing Impoundment
   Reclaimed

20 Miles Between Mine & South Tailing Impoundment
Copperton

Bluewater

Areas of 2011 Reclamation Activities
Aerial Base: Mine Flyover July 2011
Summary of Significant Activities - 2011

Bingham Canyon: Reclaim 25 acres above 6190 elevation (re-grade, rip, seed); Plant 2800 seedlings over 35 adjacent acres

Bluewater: Re-contoured ~20 acres

Soil Salvage: ~376,000 yd³ of soil between Bingham and South Pushback

Reclamation Monitoring: Vegetation analysis, fertilization test plots, root analysis

Store & Release Cover: Field trial test plots (year 2 complete); Moisture infiltration monitoring

Demolition: Railroad and South Tailings pump station

Bingham Canyon – August 2011
Bingham Canyon Reclamation

April 2011

2006 to Present
Rio Tinto

Bingham Canyon Mine - 2011 Soil Salvage Locations

South Pushback Area

Overview Map

Bingham Canyon Area

1000 feet (approximate)

500 feet (approximate)

Soil Stockpiles Location

Soil Salvage Location

February 22, 2012

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2011 Activities – Bingham Canyon Mine
South Pushback Soil Salvage

1) Soil salvage began in April 2011 (~330,000 yd³)  
2) Soil stripping continued through July  
3) Loading soil (foreground), stripping soil (background)  
4) One of three soil stockpiles
Bingham Canyon Soil Salvage & Placement

1) Soil stockpile and placement for cover, July 2011

2) Soil salvage north side of Bingham Canyon; Area yielded in excess of 40,000 yd³, September 2011
Bluewater Reclamation Work

Bluewater Area—August 2011

CAT D10 & D11 dozers flattening slope above Bluewater Repository just south of Bingham Canyon. Approximately 20 acres was completed on the east facing slope.
North tailing impoundment
M/035/0015

South tailing impoundment
M/035/0002

Aerial Base: 2009 image
Demolition of Ore Haul Rail and Tailings Pump Station

1) Approximately 2 miles of rail removed in 2011 near 7000 south & U-111
2) Former location of T1 pump station located along south Tailings impoundment. SR-201 in the background.
## Expenditures 2011

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<th>Description</th>
<th>Amount</th>
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<td>BAT and Experimentation&lt;sup&gt;1&lt;/sup&gt;</td>
<td>$1,713,143</td>
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<tr>
<td>Demolition</td>
<td>$176,000</td>
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<td><strong>Total ($US 2011)</strong></td>
<td><strong>$1,889,143</strong></td>
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<td><strong>Total&lt;sup&gt;2,3&lt;/sup&gt; ($US 1978)</strong></td>
<td><strong>$547,580</strong></td>
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<sup>1</sup>Mine BAT includes reclamation expenditures for equipment rental, maintenance and operation, seed/seedling, fertilizer/mulch/limestone application and purchase, and demolition contractors. Mine BAT does not include operating salaries or experimental costs associated with waste rock segregation or the ARD technologies.

<sup>2</sup>Expend a minimum average, of $50,000 in $US 1978 dollars per year for each three year period, in maintaining a program of experimentation and in the application of BAT toward rehabilitation of land.

<sup>3</sup>Consumer Price Index (CPI) Inflation Calculator (Bureau of Labor Statistics)
KUC anticipates the following 2012 activities:

**Complete** Tree planting on 25 acres of the 2011 reclamation; Fertilize portions of Bingham reclamation

**Execute** soil salvage activities related to Code 22

**Complete** soil salvage in South Pushback area

**Continue** data collection from rehabilitated and experimental areas:
- Store and release cover system modeling and field trials
- Vegetation monitoring of reclamation areas
- Fertilization test plots

**Continue** reclamation of 11 mile section of ore haulage rail

**Initiate** additional BAT and/or experimental projects as warranted and as funding allows
Cornerstone & Underground Update
Cornerstone, continuation of mining - overview

1. Move more rock
2. Crush more ore
3. Generate more energy
4. Store more tailings

SOURCE: Rio Tinto
The South Pushback of the Bingham Canyon Pit extend the life of the mine

Cross section of Cornerstone mine expansion zone

Key facts
- Push back the south wall of the mine about 1,000 feet (+7%) and deepen it by about 300 feet (+8%)
- KUC started this process in 2011
Cornerstone will expand the south wall of the existing pit to extend the life of the mine

Key facts

- The South Pushback base case for waste rock disposal is placement on top of existing waste rock footprints
- KUC is investigating alternative waste rock disposal areas
Cornerstone includes additional major expansion projects

**Tailings Expansion Project**
M/035/0002 – M/035/0015
- USACE EIS continues
- Draft EIS anticipated 2012

**Copperton Mill Fifth Line**
M/035/0011
- Air permit issued
- Project engineering continues

**Utah Power Plant RePower**
- Air permit issued
- Project engineering continues
**Underground Activities**

**North Rim Skarn & Portal Development**
- Investigative work continues on the development of the North Rim Skarn underground project
- Mobilization and pre-commissioning activities completed on the North Ore Shoot

**North Wall Drainage Gallery**
- Access commenced in 2011 via the north access portal

**South Wall Drainage Gallery**
- Initial development commenced in 2011
- South Wall portal access completed
KUC and Rio Tinto jobs are important to the community

KUC and Rio Tinto drive significant indirect employment 2009

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<th>Indirect</th>
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<tr>
<td></td>
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<tr>
<td>= 1,000 jobs</td>
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<td>2,400</td>
<td>14,800</td>
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Together KUC and Rio Tinto supports
- 27,500 Utah residents or about 8,800 households
- Roughly equivalent to a population the size of
  - 50% of South Jordan
  - 15% of Salt Lake City

SOURCE: Bureau of Economic and Business Research, University of Utah; 2010 State of Utah Economic Report
Questions?