



## **MEDIA RELEASE**

**EMBARGOED UNTIL 11:00AM - TUESDAY 10 AUGUST**

### **\$90 MILLION INVESTMENT FOR PRE-FEASIBILITY AT NORTHPARKES**

Today Northparkes, a copper/gold mine located in Parkes NSW, announced an investment of \$90 million to conduct a pre-feasibility study into expansion options at its operations.

“This investment represents a significant opportunity for Northparkes“ Managing Director, Dr Craig Stegman said today.

The pre-feasibility study follows an Order of Magnitude study that was completed in May 2010. The key part of the pre-feasibility study will be a major drilling programme, involving in excess of 140km of drilling, which will target identified copper and gold mineralisation within the existing mining leases.

The Joint Venture partners, Rio Tinto and Sumitomo Group Companies have committed the funding for the pre-feasibility study.

“This is great news for Northparkes as it allows us to fully evaluate the opportunity of expanding our business and extending the current life of the mine beyond 2024.”

“Approximately 100 people will be employed during the pre-feasibility study.”

Dr Stegman said that the key driving principle of the project is sustainable development.

“Central to the pre-feasibility study will be community consultation and the assessment of both existing and new technology that will deliver environmental outcomes including improving water, energy efficiency and biodiversity.

“It is important that Northparkes works with the community to achieve outcomes that are practical and sustainable.

“As we work through the pre-feasibility study, we will be regularly engaging with the community.

“This will provide the opportunity for any concerns and issues to be raised and identified at an early stage in the project.

It is anticipated that the pre-feasibility study will take approximately 2 years to complete at which time the Joint Venture partners will determine whether to progress to a feasibility study.

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#### **Media Contact**

Jeremy Hastings  
External Relations Advisor, Northparkes Mines  
**M +61 408 282 554**  
[jeremy.hastings@riotinto.com](mailto:jeremy.hastings@riotinto.com)

## Questions and Answers

### What is the Step Change project?

The Step Change project is an opportunity that has been identified which has the potential to increase the size of Northparkes business through multiple underground block cave mines.

### What is a pre feasibility study – does this mean construction will start soon?

A pre-feasibility study (PFS) is one of many steps to bring a mine into production. It is important to note the PFS is the third of five stages of the approval process. Many projects reach pre-feasibility only to be suspended or terminated as an unviable option due to economic constraints or other significant issues.

The process for a project to come into production is both long and expensive. In the case of Northparkes, both Rio Tinto and Sumitomo must agree to approve the project to move to the next stage. This involves considerations such as project risks, project finance, sovereign risk and the current and future economic climate.

The process has been briefly listed below:

Approval Stage	Description
Conceptual	Possible mine/production development sequence and capacities are identified that provide a potential business opportunity Initial assessment of resource potential
Order of Magnitude	Mine/production development sequences are assessed and a narrow range of preferred production options and capacities identified. Preliminary resource estimate
Pre-Feasibility	Optimal development and production capacity is identified, resource estimate rigorously developed and reported externally, detailed assessment of environmental impacts, community engagement, engineering designs indicating infrastructure layouts, transport, power and water and project execution planning including budgets, schedules, organisational structure etc.
Feasibility	Confirm that development sequence and production capacity is optimal to achieve business opportunity, confirmation, validation and refinement of resource models and progressing of approvals and engineering design.
Implementation	Execution (detailed engineering and construction), commissioning and ramp-up, project closeout

### How big is the resource?

The pre-feasibility study includes further drilling to gain a better understanding of the ore bodies. Once this data has been analysed Northparkes will be in a position to disclose details about the resource.

### Will the Step Change project increase the life of the mine?

If the Step Change project proceeds, it will extend the current life of the mine which is 2024.

### **Northparkes is recognised as a mine of the future, will this continue?**

Northparkes is looking to use new technologies as part of the Step Change project including LHD automation which is currently used in our existing E48 operations. This and the use of other new technologies will reduce the workforce exposure to health and safety hazards whilst making significant steps forward in modern mining technology.

### **What are the economic benefits?**

The pre-feasibility study has approved funding of \$90 million. This study will provide the information required for a decision to proceed to a feasibility study. It is too early to quantify any potential economic benefit.

Over 100 people will be employed on the pre-feasibility study team, made up of Northparkes employees, contractors and consultants. The majority of this \$90 million investment will be spent on site, delivering direct economic benefits to our community.

### **What is the impact on the Parkes and Forbes communities?**

The pre-feasibility study will provide Northparkes and our community with the information to better understand these impacts. It is important to know that a significant component of this stage is community engagement. Issues including land access, water and the impact of the Step Change project on the local community will be considered as part of the pre-feasibility study for the Step Change project. The community can expect, over the next 2 years, opportunities to comment and take part in assisting us to plan for the future.