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## Press release

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### **Rio Tinto progresses the development of India's next diamond mine**

#### **Madhya Pradesh to reap benefits of unique processing plant**

**NEW DELHI**, 27 October 2009 – The Chief Minister of Madhya Pradesh, Shri Shivraj Singh Chauhan, today inaugurated the sample processing plant at the site of Rio Tinto's Bunder Project, near Bakswaha in the Chhatarpur district.

The Bunder Project, in the Bundelkhand region of Madhya Pradesh, comprises a cluster of eight lamproites and is Rio Tinto's most advanced diamond project. The inauguration of the sample processing plant will help further assess the value and grade of the Bunder diamond deposit.

The Managing Director of Rio Tinto Diamonds, Mr Bruce Cox, who was present at the ceremony, thanked the government of Madhya Pradesh for their continuing support of the Bunder Project and said,

"The Bunder Project is an exciting development for the global diamond industry and is the next step in the development of a world class diamond mine in India."

Ms Stefanie Loader, Project Director of the Bunder Project explained that the sample processing plant at Bunder is a unique and state-of-the-art installation, costing some Rs 33 crores and capable of processing at 10 tonnes per hour. The plant is entirely modular and does not require any permanent structure. It is also highly automated and designed to minimise the impact on the environment. In addition to noise and dust controls, the plant

does not use any chemicals and reduces water consumption through recycling and water harvesting.

Ms Loader went on to say that Rio Tinto was looking forward to working with the Madhya Pradesh community and anticipates bringing significant benefits to the region. The Bunder Project currently employs approximately 220 people, of which 93% are from Madhya Pradesh and over 75% from our neighbouring communities. Local community employment is organised on a rotational basis and around 170 families currently benefit from employment opportunities at the project. Over time, direct employment from a fully operational mine is anticipated to be some 400 employees, with hundreds of other local jobs to provide the necessary goods and services to support a mine.

Rio Tinto's original discovery of diamonds in Madhya Pradesh was made as part of a regional exploration reconnaissance in 2004. Located 500 km south east of Delhi, the Bunder Project's order of magnitude study identified an inferred resource of 37 million tonnes at a grade of 0.7 carats per tonne, as announced in March 2009 <sup>1</sup>.

As a result, Rio Tinto has identified a diamond resource seven times richer than the Panna diamond mine, with a likely production rate at least 20 times greater than Panna. Madhya Pradesh would therefore rank, in terms of volume and value, in the top 10 diamond producing regions in the world.

The initial results from the new sample processing plant are expected by the end of 2009. The next phase of evaluation of the Bunder Project will involve engineering studies and the social and environmental impacts of a diamond mine. These studies will take two to three years to complete. Rio Tinto estimates the total investment to develop a mine at Bunder Project to be at least Rs 2200 crores.

<sup>1</sup> Further detail on the March 2009 Bunder Inferred Resource release can be found on the Rio Tinto website at:

[http://www.riotinto.com/documents/Bunder\\_Final\\_2009.pdf](http://www.riotinto.com/documents/Bunder_Final_2009.pdf)

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## **Notes to Editors:**

### **About Rio Tinto**

Rio Tinto is a leading international mining group headquartered in the UK, combining Rio Tinto plc, a London and NYSE listed company, and Rio Tinto Limited, which is listed on the Australian Securities Exchange. Rio Tinto's business is finding, mining, and processing mineral resources. Major products are aluminium, copper, diamonds, energy (coal and uranium), gold, industrial minerals (borax, titanium dioxide, salt, talc) and iron ore. Activities span the world but are strongly represented in Australia and North America with significant businesses in South America, Asia, Europe and southern Africa.

Website: [www.riotinto.com](http://www.riotinto.com)

### **About Rio Tinto's Diamond Business**

Rio Tinto is one of the world's major diamond producers through its 100 per cent control of the Argyle mine in Australia, 60 per cent of the Diavik mine in Canada and a 78 per cent interest in the Murowa mine in Africa.

These three mines allow Rio Tinto to be present in all segments of the market. Currently, Rio Tinto independently markets the diamond productions from its Australian, Canadian and African mines, with a well established presence in all the major diamond centres of the world. Rio Tinto's strategic alliance with the Indian diamond industry, built over the past 25 years, has enabled it to gain a deep understanding of India as the world's largest diamond cutting centre and as one of the key emerging markets for diamond demand.

Rio Tinto Diamonds is a leading supporter of the Kimberley Process as well as a founding member of the Council for Responsible Jewellery Practices.

Website: [www.riotintodiamonds.com](http://www.riotintodiamonds.com)