



News release...

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Rio Tinto acquires option to evaluate La Granja copper project, Northern Peru

Rio Tinto is pleased to announce today that it has received confirmation of its winning tender in the privatisation of the La Granja copper project located in the Region of Cajamarca in Northern Peru. Rio Tinto's bid comprises a US\$60 million investment in exploration and feasibility work and staged payments to the Peruvian government of US\$22 million. Rio Tinto has been investing in exploration projects in Peru since 1994 and believes that Peru offers an environment in which it can invest and operate.

La Granja is an advanced exploration project which has been through two previous government privatisations. The project is technically challenging and has modest copper grades, but the deposit contains significant resources that Rio Tinto believes could be capable of supporting a large, long life copper mining operation. The terms of the privatisation contract allow for a period of up to five years during which the testwork and evaluations can take place prior to a development decision being taken by Rio Tinto.

Jorge Carbonell, Rio Tinto's Peruvian based exploration leader commented, "Rio Tinto has been committed to Peru since it opened its exploration office here in 1994 and we welcome this opportunity to evaluate the potential for the development of a mining project. Over the coming weeks, we will commence dialogue with local communities, to establish the foundations for future collaboration."

Notes to Editors

Rio Tinto is a world leader in finding, mining and processing the earth's mineral resources. Operating in 40 countries worldwide, Rio Tinto is a major producer of aluminium, copper, gold, iron ore, diamonds, coal, borax and titanium dioxide. In South America, Rio Tinto has a long term presence. It holds a 30 per cent stake in Escondida copper mine in Chile and a 100 per cent ownership in Tincalayu borates mine in Argentina and Corumbá iron ore mine in Brazil. In Peru, Rio Tinto has over 10 years' exploration experience in copper, iron and gold projects. The health and safety of its employees, environmental care, and community development are priorities in the locations where the company operates.

Rio Tinto plc 6 St James's Square London SW1Y 4LD
Telephone 020 7930 2399 Fax 020 7930 3249

REGISTERED OFFICE: 6 St James's Square London SW1Y 4LD Registered in England No. 719885

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For further information, please contact:

Julian Bavin

Exploration Director
Rio Tinto
Tel +56 2 582 7900

LONDON

Media Relations

Maria Darby Walker
Office: +44 (0) 20 7753 2305
Mobile: +44 (0) 7725 036 544

Investor Relations

Nigel Jones
Office: +44 (0) 20 7753 2401
Mobile: +44 (0) 7917 227 365

David Ovington
Office: +44 (0) 20 7753 2326
Mobile: +44 (0) 7920 010 978

Website: www.riotinto.com

Jorge Carbonell

Peru Base Leader
Rio Tinto
Tel +51 1 6106868

AUSTRALIA

Media Relations

Ian Head
Office: +61 (0) 3 9283 3620
Mobile: +61 (0) 408 360 101

Investor Relations

Dave Skinner
Office: +61 (0) 3 9283 3628
Mobile: +61 (0) 408 335 309

Susie Creswell
Office: +61 (0) 3 9283 3639
Mobile: +61 (0) 418 933 792