

RIO TINTO

News release...

Date: 22 December 2004
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Palabora Mining Company (Rio Tinto 49.2 per cent) issued the following statement in Johannesburg today.

Magnetite sale update

As highlighted in the recent Business Update and Cautionary Announcement released on 22 December 2004, Palabora's board has decided to pursue the sale of its magnetite iron ore resource. This decision was made after receipt of a number of unsolicited proposals to acquire the resource. Potentially interested buyers will be contacted in February 2005. Formal offers will be sought shortly thereafter.

The resource, which is stockpiled at site, is currently estimated to contain approximately 238mt grading 56 per cent Fe and 2.3 per cent TiO₂. Palabora is currently undertaking further test work that is expected to support some further simple processing to significantly enhance the resource quality.

Palabora has retained Cutfield Freeman & Co Limited, a London based independent corporate finance company, to assist it with the review.

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