Rio Tinto

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November 15, 2010

Mr. Joe Maki
Michigan Department of Natural Resources and Environment
420 5th Street
Gwinn, MI 49841

Dear Mr. Maki:

Subject: **Request for Amendment, Nonferrous Metallic Mineral Mining Permit MP012007, Kennecott Eagle Minerals Company**

Kennecott Eagle Minerals Company (KEMC) is committed to sustainable development and continually improving environmental and safety performance by reducing impacts to both the community and the environment. This includes minimizing sources of noise, emissions and the potential for environmental incidents. As such, KEMC is requesting an amendment to Mining Permit MP012007 to extend electric power from County Road AAA (CR AAA) to the Power House located in the mining area (See attached site layout 050-GA-001).

Per Section 4.3.11.1 of the approved Mine Permit Application (MPA), KEMC is permitted to utilize three diesel generators at the mine site to provide energy to the operations. Although requesting to utilize existing power in the original MPA would have resulted in the least environmental impact, Section 3.12.1 of the Environmental Impact Assessment (EIA) indicated that it was not a viable option due to the lack of adequate existing infrastructure to supply facility needs. As described in Section 4.4, Alternative Analysis, of the EIA, diesel generators were the best option available to KEMC at the time of application. Since that time, infrastructure has been constructed by Alger Delta within existing public right of ways (including CR AAA) which now make this alternative not only possible, but for several reasons, a better choice for power supply at the mine site.

KEMC is committed to the reduction of greenhouse gas emissions both locally and globally. Eliminating the continuous operation of the three permitted diesel generators will result in an estimated reduction of greenhouse gas emissions from the facility by over 80%. The net savings in CO2 emissions by using off-site power from Alger Delta will exceed an estimated 3000 tonnes per year. In addition, the primary source of NOx and SOx emissions at the site is the continuous operation of the generators. Utilizing off-site power will eliminate this source. Alger Delta has also indicated that over 10 percent of the power generated will originate from renewable energy sources like wind and hydroelectric generation. The power cable that supplies power to the mining area is temporary and will be removed during post mining reclamation activities.

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KEMC is also dedicated to the health and safety of its employees and the surrounding community. Noise associated with on site power generation will be eliminated, improving operational noise to levels similar to that of normal conversation. Utilizing power from the grid will also eliminate an estimated twenty-five trucks per year that would otherwise transport diesel fuel to the site to power the generators. This decrease in traffic inherently would also decrease the potential for approximately twenty-five environmental incidents involving fuel trucks and increase the safety regarding interactions with the community.

In summary, the requested modification will decrease the project's overall environmental footprint and increase safety due to the reduction in emissions, noise levels and fuel truck traffic. The fact that Kennecott has the ability to tap into renewable energy sources associated with Alger Delta's power supply, which was not possible with the diesel generators, is an additional environmental benefit. As this process moves forward, we will continue to follow the established procedures within Rio Tinto and continuously improve our environmental performance.

KEMC appreciates your time and consideration of this amendment request. Should you have questions please do not hesitate to contact me at 906-486-1257.

Sincerely,

Kristen Mariuzza, P.E.
Environmental & Permitting Manager

cc: Tom Wellman, MDNRE
Dennis Donohue, WNJ
Alicia Duex, KEMC

enclosure