



The Simandou Project

About the Project

Simandou is a world class iron ore mining project, located in the south east of Guinea.

The concession licence holder and project company is Simfer S.A, which is currently owned 95 per cent by Rio Tinto and 5 per cent by International Finance Corporation (IFC), a member of the World Bank Group.

In July 2010, Rio Tinto and Chalco signed a binding agreement to establish a joint venture covering the development and operation of the Simandou iron ore project in Guinea. In April 2011, the Government of Guinea and Simfer S.A signed a Settlement Agreement which confirms Simfer S.A title to a southern concession of Simandou (known as Block 3 and 4). The Settlement Agreement provides the Government of Guinea with the right to take a stake of up to 35 per cent in Simfer SA (the mine) and a 51 per cent stake in a special purpose vehicle to build, own and operate Project Infrastructure (the rail and port) . The Settlement Agreement also acknowledges participation by Chinalco through a joint venture with Rio Tinto.

The Simandou project will comprise of three principal components

- A 95 million tonnes per annum capacity iron ore mine in the Simandou range in south eastern Guinea
- A trans-Guinean railway of approximately 650 kilometres to transport ore from the mining concession to Guinean coast
- A new deepwater port currently planned to be located south of Conakry in the Forecariah prefecture

Simandou South will be the largest integrated iron ore mine and infrastructure project ever developed in Africa, and provides a huge opportunity to transform Guinea.

Rio Tinto is focused on developing Simandou to the highest standards of health, safety, sustainability, environmental responsibility and corporate governance.

The first shipment of ore is scheduled for mid 2015.



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Progress to date

Rio Tinto has committed a total of US\$3 billion to the Simandou project to date, of which US\$2 billion is allocated to mine related expenditure. This commitment will allow us continue with design of the project, continue early construction works, commit to large lead items and award large tenders.

Geotechnical drilling commenced at the port site in September with very positive results allowing us to finalise the stockyard and car dumper layout. Drilling along the rail corridor is expected to commence shortly.

With the support of the Government of Guinea, we have awarded a contract for early earthworks and clearing for roads and camps and the contractor will be mobilised in December

We have initiated a stakeholder engagement consultation process to identify the impact the project may have on affected communities and the environment. This allows us to tailor some aspects of project design to maximise beneficial impacts and minimise adverse impacts. Rio Tinto is making every effort to ensure the best possible outcome can be achieved for the community.

The Future

The next twelve months will be a busy time and we expect activity to ramp up quickly.

Construction will commence at the marine offload facility to allow for the delivery of equipment and supplies. By the end of 2012 we expect to be seeing large trucks, cranes and other heavy equipment arriving in Guinea. In parallel, dredging for the full port facility will have commenced to allow for large capesize iron ore carriers to dock once production commences.

Logistics centres will be developed at key towns with multiple camps operating along the rail alignment. Earthworks, construction of bridges and culverts along the Eastern Plateau region will be well underway and work would have commenced through the mountainous region at Mamou.

Pre-stripping and early mining would have also commenced at both Pic de Fon and Ouelaba.

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Community investment

Rio Tinto's approach

Where ever Rio Tinto operates, we look to leave a lasting legacy. We approach community development by balancing cultural, economic, social and environmental considerations and seek to build trust and foster mutually beneficial relationships. We believe that by engaging with local communities we can collaboratively plan for sustainable regional development and ensure all benefit from our presence.

Current key projects and focus

Rio Tinto continues to work with the Government of Guinea in partnering on the development of the Guinea. We are focussed on ensuring our investments align with the priorities areas of the Government, such as health, education, agriculture and training. Our goal is to work with the government to leverage on each other's plans in the best interest of the country.

On a national level our three year sponsorship of the Fédération Guinéenne de Football provides a great opportunity to promote and enhance the game across Guinea.

At a regional level, Beyla is at the heart of our future and we have committed to a variety of projects to support sustainable growth.

We have completed the Beyla Enterprise Centre created for local entrepreneurs as a way of supporting

sustainable economic development in the Beyla Prefecture. The residence of the Secretary General of Local Communities is complete and the residence of the Secretary General of General Administration will be completed before the end of the year. Work is continuing on the Beyla Town Hall, Place de Independence, the Prefecture Administrative Building and the Beyla Youth Centre which all should be completed soon.

We have also progressed major infrastructure works such as the Bembeya Bridge and roundabouts completed earlier this year, the Beyla-Sinko road redevelopment is nearing completion and we are in the process of resurfacing over 6km of roads in the Beyla Prefecture.

There is a large project to renovate the existing Beyla hospital for which construction is nearing completion and electrical works due to commence in early 2012.

In the pipeline are plans to develop a new basketball court and football stadium to promote sport as a vehicle for social cohesion and education for young people. A proposal is also being progressed to install a new grid supplying electricity to Beyla. The electricity will be sourced from a new hydro power plant and will significantly lower the cost of electricity which is currently supplied by mini-generators managed by private companies in Beyla.