

ORE RESERVES AND MINERAL RESOURCES

IRON ORE BRAZIL

The Minas Rio project is located in the state of Minas Gerais, Brazil and will include open pit mines and a beneficiation plant producing high grade pellet feed which will be transported, through a slurry pipeline, over 500km to the Port of Açu in the state of Rio de Janeiro. The project will largely be based on the two main deposits of Serra do Sapó and Itapanhoacanga. Two ore types, Friable and Compact Itabirite, have been identified at Serra do Sapó and Itapanhoacanga. Only the Friable Itabirite is being considered for Phase 1 of the project. The planned annual capacity of Phase 1 is 26.5Mtpa of iron ore pellet feed (wet tonnes), for start up during in the second half of 2013.

2010 was a turnaround year for Amapá with plant operations nearing stability. Coupled with a good safety performance and excellent cost control, Amapá achieved profitability at the end of 2010 (12 months ahead of schedule). Additional efforts are underway to achieve stability in earthmoving maintenance. The focus for Amapá has shifted from completion of commissioning and achievement of stability in operations to potential growth. Additional geochemical and engineering testwork and studies are underway that will all form part of the Mineral Resource to Ore Reserve conversion to be performed at the end of 2011.

The Mineral Resource estimates were compiled in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code, 2004) as a minimum standard. The figures reported represent 100% of the Mineral Resources. Rounding of figures may cause computational discrepancies.

Iron Ore Brazil – Operations

MINERAL RESOURCES	Attributable %	Classification	Tonnes		Grade	
			2010	2009	2010	2009
			Mt	Mt	%Fe	%Fe
Amapá (OP)⁽¹⁾⁽²⁾	70.0					
Canga		Measured	–	–	–	–
		Indicated	12.0	–	53.1	–
		Measured and Indicated	12.0	–	53.1	–
		Inferred	3.9	17.2	45.1	54.6
Colluvium		Measured	13.5	5.6	41.9	40.9
		Indicated	34.3	31.0	40.5	44.0
		Measured and Indicated	47.9	36.6	40.9	43.5
		Inferred	25.8	14.1	35.6	41.7
Friable Itabirite and Hematite		Measured	14.7	28.7	44.5	42.5
		Indicated	78.9	80.8	42.6	41.3
		Measured and Indicated	93.7	109.4	42.9	41.6
		Inferred	54.5	29.9	40.3	41.8

Iron Ore Brazil – Projects

MINERAL RESOURCES	Attributable %	Classification	Tonnes		Grade	
			2010	2009	2010	2009
			Mt	Mt	%Fe	%Fe
Itapanhoacanga (OP)⁽³⁾⁽⁴⁾	100					
Friable Itabirite and Hematite		Measured	25.0	25.0	42.5	42.5
		Indicated	219.2	219.2	41.6	41.6
		Measured and Indicated	244.2	244.2	41.7	41.7
		Inferred	74.7	74.7	41.7	41.7
Compact Itabirite		Measured	10.9	10.9	33.2	33.2
		Indicated	95.8	95.8	33.8	33.8
		Measured and Indicated	106.7	106.7	33.7	33.7
		Inferred	43.9	43.9	33.2	33.2
Serra do Sapó (OP)⁽⁵⁾⁽⁶⁾	100					
Friable Itabirite and Hematite		Measured	502.7	498.1	37.8	38.6
		Indicated	1,070.0	872.5	37.2	37.0
		Measured and Indicated	1,572.6	1,370.5	37.4	37.6
		Inferred	275.8	192.2	39.9	33.1
Compact Itabirite		Measured	497.7	453.8	31.5	31.8
		Indicated	1,819.8	1,968.3	31.0	31.2
		Measured and Indicated	2,317.5	2,422.1	31.1	31.3
		Inferred	709.2	149.4	30.2	30.3
Serro (OP)⁽³⁾⁽⁶⁾	100					
Friable Itabirite and Hematite		Measured	–	–	–	–
		Indicated	9.5	9.5	63.6	63.6
		Measured and Indicated	9.5	9.5	63.6	63.6
		Inferred	74.2	74.2	35.3	35.3
Compact Itabirite		Measured	–	–	–	–
		Indicated	–	–	–	–
		Measured and Indicated	–	–	–	–
		Inferred	308.2	308.2	31.6	31.6

Mining method: OP = Open Pit.

Due to the uncertainty that may be attached to some Inferred Mineral Resources, it cannot be assumed that all or part of an Inferred Mineral Resource will necessarily be upgraded to an Indicated or Measured Resource after continued exploration.

⁽¹⁾ **Amapá – Mineral Resources:** The cut-off grade used is 25% Fe. Assays are on a dry basis. Tonnages are reported on a wet basis with an average moisture content of 7 wt% for Canga, 10 wt% for Colluvium and 8 wt% for Friable Itabirite and Hematite ore.

⁽²⁾ **Amapá:** The increase in Colluvium and Friable Itabirite and Hematite is the result of the addition of the Mário Cruz Leste and Vila do Meio Leste areas. The decrease in Measured and Indicated Friable Itabirite and Hematite is mostly the result of depletion and a change in the classification methodology. Friable Itabirite and Hematite includes Friable Itabirite, Altered Friable Itabirite and Friable Hematite. The Mineral Resources comprise the Mário Cruz, Mário Cruz Leste, Martelo, Taboca, Taboca Leste, Vila do Meio and Vila do Meio Leste areas.

⁽³⁾ **Minas Rio Project – Mineral Resources:** The cut-off grade used is 25% Fe. Assays are on a dry basis. Tonnages are reported on a wet basis with an average moisture content of 4 wt% for Friable ore, Friable Itabirite and Hematite includes Friable Itabirite, Semi-Compact Itabirite, High Alumina Itabirite, Soft Hematite and Canga. The Compact Itabirite was previously referred to as Hard Itabirite.

⁽⁴⁾ **Itapanhoacanga:** Friable Itabirite and Hematite includes Friable Itabirite, Semi-Compact Itabirite, Soft Hematite and Hard Hematite.

⁽⁵⁾ **Serra do Sapó:** Friable Itabirite and Hematite includes Friable Itabirite, Semi-Compact Itabirite, High Alumina Itabirite, Soft Hematite and Canga. The Canga material (70.1 Mt at 55.11% Fe Inferred Resources) is included and supported by the geometallurgical tests. The properties of Mineração Trindade Ltd containing Mineral Resources which were included in the 2009 figures were acquired by Anglo Ferrous Minas-Rio Mineração S.A.

⁽⁶⁾ **Serro:** Friable Itabirite and Hematite includes Friable Itabirite, Semi-Compact Itabirite and Hard Hematite (9.5Mt @ 63.6% Fe).

Audits related to the generation of the Mineral Resource statements were carried out by independent consultants during 2010 at the following operations and projects: Amapá.