COMPANY NUMBER 01599006

RIO TINTO TALC LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2009

Company Information

DIRECTORS	Mr D S Larsen Mr B J S Mathews Mr U Quellmann
SECRETARY	Ms G J C Aldridge
REGISTERED OFFICE	2 Eastbourne Terrace London W2 6LG
AUDITORS	PricewaterhouseCoopers LLP 1 Embankment Place London WC2N 6RH

REPORT OF THE DIRECTORS

The directors present their Annual report, together with the audited financial statements for the year ended 31 December 2009

BUSINESS REVIEW

Rio Tinto Talc Limited ("the Company") is a wholly owned subsidiary of Rio Tinto Overseas Holdings Limited and a member of the Rio Tinto Group ("the Group") The Company is an investment holding company for the Group and will continue to be so for the foreseeable future

Details of the principal subsidiaries at 31 December 2009 are given on page 11

The results of the Company for the year ended 31 December 2009 are set out on page 6 The Company's results from year to year are highly sensitive to the timing of dividend flows and of movements in impairment provisions, and do not necessarily reflect the performance of its group undertakings

The Company's loss for the year was £283,000 (2008 loss of £1,458,000)

No interim dividend was paid during the year (2008 nil) The directors do not recommend the payment of a final dividend (2008 nil)

PRINCIPAL RISKS AND UNCERTAINTIES

The Company's principal risks and uncertainties are integrated with those of the Group and are not managed separately The Group's risk factors and policies for financial risk management are discussed in its 2009 Annual report which does not form part of this report

KEY PERFORMANCE INDICATORS

The Company's directors are of the opinion that there are no meaningful financial or non financial key performance indicators that would be necessary or appropriate for an understanding of the development, performance or position of the Company's activities

DIRECTORS

The names of the directors in office at the date of this report are shown on page 2 Mr R Dowding resigned as a director of the Company on 31 March 2010

No director had a material interest in any contract or arrangement during the year to which the Company or any subsidiary is or was a party

SECRETARY

Mr R Dowding resigned as Secretary of the Company on 31 March 2010 and Ms G J C Aldridge was appointed as Secretary on 1 April 2010

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are required to prepare financial statements for each financial period that give a true and fair view of the state of affairs of the Company as at the end of the financial period and of the profit or loss for that period The financial statements have been prepared on the going concern basis as the directors have satisfied themselves that the Company has access to adequate financial resources to continue in operational existence for the foreseeable future

REPORT OF THE DIRECTORS (continued)

STATEMENT OF DIRECTORS' RESPONSIBILITIES (continued)

The directors consider that the 2009 Annual report and financial statements present a true and fair view and have been prepared in accordance with applicable accounting standards, using the most appropriate accounting policies, and supported by reasonable and prudent judgements and estimates The accounting policies have been consistently applied

The directors are responsible for maintaining proper accounting records in accordance with the Companies Act 2006 They have a general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities

INDEMNITIES AND INSURANCE

Rio Tinto plc indemnifies officers of subsidiary companies against liabilities arising from the conduct of the Group's business, to the extent permitted by law, by the placing of Directors' and Officers' insurance

The insurance indemnifies individual directors' and officers' personal legal liability and cost for claims arising out of actions taken in connection with Group business

DISCLOSURE OF INFORMATION TO AUDITORS

In so far as the directors are aware

- there is no relevant audit information of which the Company's auditors are unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information

CHANGE OF AUDITORS

In accordance with section 485 Companies Act 2006 the directors will propose that during the period for appointing auditors the shareholders pass an ordinary resolution to appoint Grant Thornton LLP as auditors of the Company

BY ORDER OF THE BOARD

Gemma Aldridge

Gemma J C Aldridge
Secretary

2 Eastbourne Terrace
London W2 6LG
2 July 2010

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF RIO TINTO TALC LIMITED

We have audited the financial statements of Rio Tinto Talc Limited (the "Company") for the year ended 31 December 2009 which comprise the Profit and Loss Account, the Balance Sheet and the related notes The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

Respective responsibilities of directors and auditors
As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing

Scope of the audit of the financial statements
An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error This includes an assessment of whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements

Opinion on financial statements
In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 31 December 2009 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006
In our opinion the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception
We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

Jonathan Lambert (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
2 July 2010

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2009

	Note	2009 £000	2008 £000
Charge of provision for impairment	5	-	(235)
OPERATING LOSS		-	(235)
Interest payable	3	(283)	(1,710)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(283)	(1,945)
Taxation	4	-	487
Loss for the year	9	(283)	(1,458)

The Company has no recognised gains and losses other than those included in the profit and loss account above and therefore no separate statement of total recognised gains and losses has been presented

There is no difference between the loss on ordinary activities before taxation and the retained loss for the year stated above and their historical cost equivalents

All items dealt within the above profit and loss account relate to continuing operations

The notes on pages 8 to 12 form part of these financial statements

BALANCE SHEET
AS AT 31 DECEMBER 2009

	Note	2009 £000	2008 £000
FIXED ASSETS			
Investments	5	49,016	49,016
CURRENT ASSETS			
Debtors	6	-	487
CREDITORS Amounts falling due within one year	7	(36,282)	(36,486)
NET CURRENT LIABILITIES		(36,282)	(35,999)
TOTAL ASSETS LESS CURRENT LIABILITIES		12,734	13,017
CAPITAL AND RESERVES			
Called up share capital	8	827	827
Profit and loss account	9	11,907	12,190
EQUITY SHAREHOLDERS' FUNDS		12,734	13,017

The notes on pages 8 to 12 form part of these financial statements

The financial statements on pages 6 to 12 were approved by the Board of Directors on 2 July 2010 and signed on its behalf by

D S Larsen, Director

COMPANY NUMBER 01599006

NOTES TO THE 2009 FINANCIAL STATEMENTS

1 ACCOUNTING POLICIES

a) Basis of Accounting

These financial statements are prepared on a going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable UK accounting standards The parent company has confirmed that it has been its practice to ensure that wholly owned subsidiaries are in a position to meet debts as they fall due The directors have reviewed the Company's existing accounting policies and consider that they are suitable The principal accounting policies have been applied consistently

b) Investment Income

Income from investments is recognised when the right to receive payment is established Dividends from subsidiary undertakings registered overseas are presented inclusive of any overseas withholding tax

c) Interest Income

Interest is accounted for on an accruals basis Interest receivable from subsidiary undertakings registered overseas is presented inclusive of any overseas withholding tax

d) Taxation

Payment/Receipt for group relief claims/surrenders is accounted for except where the amount falls below the de-minimus threshold adopted

Withholding tax incurred on the receipt of interest or dividends is presented as part of the tax charge within the profit and loss account

e) Deferred Taxation

Full provision is made for deferred taxation on all timing differences that have arisen but not reversed at the balance sheet date, except that deferred tax assets are only recognised to the extent that it is more likely than not that they will be recovered Deferred tax is recognised on an undiscounted basis

f) Investments

Fixed asset investments are valued at cost less impairment provisions The Company assesses assets or groups of assets for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable Individual assets are grouped for impairment assessment purposes at the lowest level at which there are identifiable cash flows that are largely independent of the cash flows of other groups of assets If any such indication of impairment exists or when annual impairment testing for an asset group is required, the Company makes an estimate of its recoverable amount An asset group's recoverable amount is the higher of its net realisable value and its value in use Where the carrying amount of an asset group exceeds its recoverable amount, the asset group is considered impaired and is written down to its recoverable amount In assessing value in use, the estimated future cash flows are adjusted for the risks specific to the asset group and are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money

NOTES TO THE 2009 FINANCIAL STATEMENTS (continued)

1 ACCOUNTING POLICIES (continued)

f) Investments (continued)

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased If such indications exist, the recoverable amount is estimated A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the impairment loss was recognised If that is the case, the carrying amount of the asset is increased to its recoverable amount That increased amount cannot exceed the any previously recognised impairment losses Such reversal is recognised in profit or loss

g) Group Financial Statements

Group financial statements have not been prepared as the Company is itself a wholly owned subsidiary of another company incorporated in England and Wales In the opinion of the directors, the aggregate value of the assets of the Company consisting of shares in, and amounts owing from, its subsidiary companies is not less than the aggregate amount at which those assets are included in the balance sheet

h) Currency Translation

Transactions denominated in foreign currencies are translated at the rate of exchange ruling on the date of the transaction

Monetary assets and liabilities expressed in foreign currencies are translated at the rates of exchange ruling at the end of the financial year Exchange differences, except where they relate to share capital, share premium and reserves, are dealt with in the profit and loss account

i) Reporting Format

The Company acts as an investment holding company, and hence the dividends received from investee companies, the interest receivable on loans to such companies and provisions relating to its investments are presented within operating profit

2 OPERATING COSTS

a) The auditors' remuneration of £1,853 (2008 £3,137) is borne by a fellow group undertaking

b) The average number of persons employed during the year, excluding directors, was nil (2008 nil)

c) No emoluments were paid to any of the directors in respect of their services to the Company (2008 nil)

NOTES TO THE 2009 FINANCIAL STATEMENTS (continued)

3 INTEREST PAYABLE

	2009 £000	2008 £000
Interest payable to group company	283	1,710

4 TAXATION

The tax credit based on the result for the year is made up as follows

	2009 £000	2008 £000
Current tax:		
UK corporation tax on profits of the year	-	487
Tax on profit on ordinary activities	-	487

The tax assessed for the year is different from the standard rate of corporation tax in the UK of 28% (2008 28 5%) The differences are explained below

	2009 £000	2008 £000
Loss on ordinary activities before tax	(283)	(1,945)
Loss on ordinary activities multiplied by standard rate of tax in the UK of 28% (2008 28 5%)	79	554
Effects of		
Expenses not deductible for tax purposes	-	(67)
Gross up for underlying tax	-	-
Group relief surrendered for no payment	(79)	-
Current tax credit for the year	-	487

Legislation was enacted in 2009 which exempts dividends, received on ordinary shares from controlled subsidiaries, from the charge to UK corporation tax, effective 1 July 2009

The June 2010 Budget Statement announced reductions to the UK statutory corporation tax rate from the current rate of 28% The new rates expected are 27% effective 1 April 2011, 26% effective 1 April 2012, 25% effective 1 April 2013 and 24% effective 1 April 2014 These changes will have no impact on the financial statements prepared to 31 December 2009

NOTES TO THE 2009 FINANCIAL STATEMENTS (continued)

5 INVESTMENTS

Shares in subsidiaries

	2009 £000	2008 £000
Cost		
At 1 January and at 31 December	70,343	70,343
Provisions		
At 1 January	21,327	21,092
Charged during the year	-	235
At 31 December	21,327	21,327
Net book value		
At 1 January	49,016	49,251
At 31 December	49,016	49,016

The impairment charge recorded during 2008 relates to the decrease in the expected recoverable amount from an investment in a subsidiary It was calculated to ensure that the carrying value of the relevant assets was not in excess of the realisable value of those assets

The following information relates to the Company's principal subsidiaries at 31 December 2009

Company	Country of incorporation	Class of shares held	% held	Principal activities
Luzenac Val Chisone SpA	Italy	Ordinary shares of €1	99 66	Mining
Luzenac Micro Milling Limited	England and Wales	Ordinary shares of £1	100	Mineral processing
Luzenac Sierra SA de CV	Mexico	Ordinary shares of MXP 1	100	Mining
Luzenac Europe SAS	France	Ordinary shares of €38 15	100	Holding company

6 DEBTORS

	2009 £000	2008 £000
Amounts receivable from ultimate parent undertaking	-	487

NOTES TO THE 2009 FINANCIAL STATEMENTS (continued)

7 CREDITORS Amounts falling due within one year

	2009 £000	2008 £000
Amounts owed to ultimate parent undertaking	35,946	36,150
Amounts owed to fellow subsidiary undertakings	336	336
	36,282	36,486

Amounts owed to ultimate parent undertaking above are subject to interest payable at an applicable average Bank of England Base Rate Amounts owed to fellow subsidiary undertakings are interest free and payable on demand

8 SHARE CAPITAL

	2009 £000	2008 £000
Authorised		
1,000,000 ordinary shares of £1 each	1,000	1,000
Issued and fully paid		
826,828 ordinary shares of £1 each	827	827

9 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	Share capital £000	Profit and loss account £000	Total £000
At 1 January	827	12,190	13,017
Retained loss for the year	-	(283)	(283)
At 31 December	827	11,907	12,734

10 CASH FLOW STATEMENT AND RELATED PARTY DISCLOSURES

The financial statements do not include a cash flow statement because the Company is a wholly owned subsidiary and the conditions of Financial Reporting Standard 1 exempting inclusion are satisfied The Company is also exempt under the terms of Financial Reporting Standard 8 from disclosing related party transactions with entities that are part of the Group or investees of the Group

11 ULTIMATE PARENT UNDERTAKING

The immediate parent undertaking is Rio Tinto Overseas Holdings Limited The ultimate parent undertaking and controlling party is Rio Tinto plc, which is the parent undertaking of the smallest and largest group to consolidate these financial statements The Group's consolidated financial statements can be obtained from 2 Eastbourne Terrace, London, W2 6LG, or from the Rio Tinto website at www riotinto com