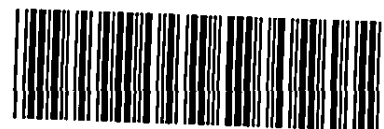


**COMPANY NUMBER 05647302**

**RIO TINTO PERU LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2009**

WEDNESDAY



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**Company information**

DIRECTORS	D S Larsen B J S Mathews U Quellmann
SECRETARY	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 period ended 31 December 2009

### BUSINESS REVIEW

Rio Tinto Peru Limited (the "Company") is a wholly owned subsidiary of Rio Tinto Western Holdings Limited and a member of the Rio Tinto Group (the "Group"). It is a holding company for a wholly owned subsidiary, Rio Tinto Minera Peru Limitada SAC, which is undertaking a pre feasibility study of the La Granja project which could be the world's largest undeveloped copper deposit comprising 12 billion tonnes of mineral bearing ores at 0.51% copper and 0.11% zinc.

The Company's results from year to year are expected to be highly sensitive to the timing of dividend flows and of movements in provisions for impairment. The loss for the year was \$31,164,000 (2008: \$239,675,000).

No interim dividend was paid during the period (2008: nil) and the directors do not recommend payment of a final dividend (2008: nil).

The Company's future developments are integrated with those of the Group which are discussed in its 2009 Annual report which does not form part of this report.

### PRINCIPAL RISKS AND UNCERTAINTIES

The Company's principal risks and uncertainties are also integrated with those of the Group and are not managed separately. The Group's risk factors and policies for financial risk management are also discussed in its 2009 Annual 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.

No director has a material interest in any contract or arrangement during the year to which the Company or its subsidiary was a party.

### SECRETARY

RP Dowding resigned as the secretary of the company on 31 March 2010 and GJC Aldridge was appointed as Secretary on 1 April 2010.

**REPORT OF THE DIRECTORS (continued)****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.

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**

The Group purchased directors' and officers' insurance during the year to indemnify individual directors' and officers' personal legal liability and costs for claims arising out of actions taken in connection with the Group's business.

**AUDITORS AND DISCLOSURE OF INFORMATION TO AUDITORS**

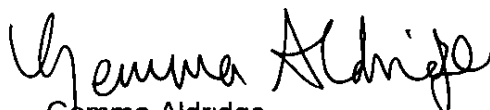
In so far as the directors are aware:

- 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  
Secretary

2 Eastbourne Terrace  
London W2 6LG  
2 July 2010

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
RIO TINTO PERU LIMITED**

We have audited the financial statements of Rio Tinto Peru 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.

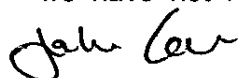
**Opinion on other matter prescribed by the Companies Act 2006**

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	<u>2009</u> \$000	<u>2008</u> \$000
Other operating income		-	783
Impairment charge for the year	4	<u>(30,285)</u>	<u>(236,558)</u>
<b>OPERATING LOSS</b>	2	<b>(30,285)</b>	<b>(235,775)</b>
Interest payable to fellow subsidiary		(879)	(3,900)
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>(31,164)</b>	<b>(239,675)</b>
Taxation	3	-	-
<b>LOSS FOR THE YEAR</b>		<b><u>(31,164)</u></b>	<b><u>(239,675)</u></b>

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

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 loss for the year stated above and their historical cost equivalents

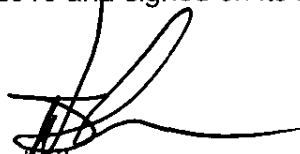
All items dealt with in the above profit and loss account relate to continuing operations

**BALANCE SHEET  
AS AT 31 DECEMBER 2009**

	Note	<u>2009</u> \$000	<u>2008</u> \$000
<b>FIXED ASSETS</b>			
Investments	4	-	-
<b>CURRENT LIABILITIES</b>			
CREDITORS Amounts falling due within one year	5	(262,509)	(231,345)
<b>NET LIABILITIES</b>		<u>(262,509)</u>	<u>(231,345)</u>
<b>EQUITY CAPITAL AND RESERVES</b>			
Called up share capital	6	11,000	11,000
Profit and loss account	7	(273,509)	(242,345)
<b>DEFICIT OF EQUITY SHAREHOLDERS' FUNDS</b>	7	<u>(262,509)</u>	<u>(231,345)</u>

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 05647302**

## NOTES TO THE 2009 FINANCIAL STATEMENTS

1 ACCOUNTING POLICIESa) 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 existing accounting policies and consider that they are suitable. The principal accounting policies have been consistently applied.

b) Presentation Currency

The principal currency affecting the Company's international operations is the US dollar, and all financing provided to / by the Company is denominated in the US dollar. Accordingly, the directors regard the US dollar as the principal currency affecting the Company's own cash flows. As a result, the financial statements are presented in US dollars. The year end exchange rate was US\$1.61 / £1 (2008 US\$1.44 / £1).

c) Taxation

The Company does not pay for, or receive payment for, any group relief claimed from, or surrendered to, other Group companies. Withholding taxes incurred on the receipt of interest and dividends from overseas group companies are presented as part of the taxation charge in the profit and loss account.

d) Investments

Fixed asset investments are valued at cost less impairment provisions. Investments are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable. When a review for impairment is conducted, the recoverable amount is assessed by reference to the net present value of expected future cash flows of the relevant income generating unit or disposal value if higher. The discount rate applied is based upon the Company's weighted average cost of capital, with appropriate adjustment for the risks associated with the relevant unit.

Impairments of investments in subsidiaries carrying exploration and evaluation projects follow the Group's treatment of the capitalisation of exploration and evaluation expenditures which is to capitalize expenses when there is a high degree of confidence in the projects viability and hence it is probable that future economic benefits will flow.

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 last 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 carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss. After such a reversal, the depreciation charge is adjusted in future years to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.



**NOTES TO THE 2009 FINANCIAL STATEMENTS (continued)****1 ACCOUNTING POLICIES (continued)****e) 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, which prepares consolidated financial statements. 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.

**f) Currency Translation**

Transactions denominated in foreign currencies are translated into US dollars at the rate of exchange ruling on the date of the transaction. Monetary assets and liabilities expressed in foreign currencies are translated at the rate of exchange ruling at the end of the financial period. Exchange differences, except where they relate to share capital, are dealt with in the profit and loss account.

**g) Reporting Format**

The Company acts as an investment holding company, and hence dividends received from investee companies and any impairment provisions against investments are presented as operating items.

**2 OPERATING LOSS**

- a) The auditors' remuneration of \$3,716 (2008 \$3,838) is borne by a fellow group undertaking.
- b) The average number of persons employed during the period, excluding directors, was nil (2008 nil).
- c) No emoluments were payable to any of the directors in respect of their services to the Company for the year (2008 nil).

## NOTES TO THE 2009 FINANCIAL STATEMENTS (continued)

3 TAXATION

	<u>2009</u> <u>\$000</u>	<u>2008</u> <u>\$000</u>
<b>Current tax:</b>		
UK corporation tax on loss for the year	-	-
	<u>          </u>	<u>          </u>
Tax on loss on ordinary activities	<u>          </u>	<u>          </u>

The tax assessed for the year is lower than the standard rate of corporation tax in the UK of 28% (2008 28.5%)

	<u>2009</u> <u>\$000</u>	<u>2008</u> <u>\$000</u>
Loss on ordinary activities before tax	<u>(31,164)</u>	<u>(239,675)</u>
Loss on ordinary activities multiplied by standard rate of tax in the UK of 28% (2007 28.5%)	(8,726)	(68,307)
Effects of		
Non-taxable income	-	(219)
Non-deductible expenditure	8,480	67,419
Group relief surrendered to other companies without charge	246	1,107
	<u>          </u>	<u>          </u>
Current tax charge for the year	<u>          </u>	<u>          </u>

## NOTES TO THE 2009 FINANCIAL STATEMENTS (continued)

4 INVESTMENT

	<u>2009</u> \$000	<u>2008</u> \$000
<b><u>Cost</u></b>		
At 1 January	236,558	75,558
Additions	30,285	161,000
At 31 December	<u>266,843</u>	<u>236,558</u>
<b><u>Provision</u></b>		
At 1 January	236,558	-
Charge for the year	30,285	236,558
At 31 December	<u>266,843</u>	<u>236,558</u>
<b><u>Net book value</u></b>		
At 31 December	<u>-</u>	<u>-</u>

Investment in subsidiary

Company	Country of Incorporation	Class of shares held	% held	Nature of business activities
Rio Tinto Minera Peru Limitada SAC	Peru	Ordinary shares of PEN 100 each	100	Investment holding

The Company recorded an additional provision for impairment of \$30,285,000 against the Company's investment in Rio Tinto Minera Peru Limitada SAC, which is actively involved in the La Granja Project. The impairment resulted from the uncertainty of future cash flows given that the project is at a pre-feasibility stage. It is the Group's policy to capitalise exploration and evaluation expenditures when there is a high degree of confidence in the project's viability and hence that it is probable that future economic benefits will flow to the Group.

5 CREDITORS Amounts falling due within one year

	<u>2009</u> \$000	<u>2008</u> \$000
Amounts due to ultimate parent undertaking	10	10
Amounts due to fellow subsidiary undertakings	262,499	231,335
	<u>262,509</u>	<u>231,345</u>

## NOTES TO THE 2009 FINANCIAL STATEMENTS (continued)

6 CALLED UP SHARE CAPITAL

	<u>2009</u> \$000	<u>2008</u> \$000
<u>Authorised</u>		
100,000,000 ordinary shares of \$1 00 each	<u>100,000</u>	<u>100,000</u>
<u>Issued and fully paid up</u>		
11,000,000 ordinary shares of \$1 00 each	<u>11,000</u>	<u>11,000</u>

7 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	<u>Share capital</u> \$000	<u>Profit and loss account</u> \$000	<u>Total</u> \$000
At 1 January 2009	11,000	(242,345)	(231,345)
Loss for the year	-	(31,164)	(31,164)
	<u>11,000</u>	<u>(273,509)</u>	<u>(262,509)</u>
At 31 December 2009	<u>11,000</u>	<u>(273,509)</u>	<u>(262,509)</u>

8 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 Standards ("FRS") 1 exempting inclusion are satisfied. The Company is also exempt under the terms of FRS 8 from disclosing related party transactions with entities that are part of the Rio Tinto Group or investees of the Rio Tinto Group.

9 ULTIMATE PARENT UNDERTAKING

The immediate parent undertaking is Rio Tinto Western 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 its registered office at 2 Eastbourne Terrace, London, W2 6LG, or from the Rio Tinto website at [www.riotinto.com](http://www.riotinto.com).