

BSGR

BSG Resources (Guinea) Limited

N/R-544/BSGR/2009/mis

Mr Tom Albanese
CEO
Rio Tinto Plc
2 Eastbourne Terrace
London
W2 6LG

Conakry, 21 September 2009

Dear Sir,

Campaign by Simfer S.A. ("Simfer") to interfere with the operations of BSG Resources Guinée SARL ("BSG") in the Simandou region of Guinea

In view of the serious nature of the actions taken by your Guinea subsidiary Simfer in an effort to harm our commercial interests in Guinea and the failure of your organisation to respond thus far, we are forced to raise these issues with you in person.

As you will be aware, BSG is a leading natural resource company which has been awarded iron ore mining concessions in relation to Simandou Blocks 1 and 2 in Guinea.

Following the award of that concession, BSG has corresponded with Simfer (via Mr David Smith, its CEO) in relation to a number of unfounded allegations made by Simfer against BSG and a number of other entities concerning these mining concessions in Simandou. The allegations made by Simfer lack any basis and have been strongly rejected by us in prior correspondence – particularly in our letter to Mr Smith of 24 June 2009.

Our lawyers, Skadden, Arps, Slate, Meagher & Flom (UK) LLP, also wrote to your General Counsel on 24 June 2009 about certain actions taken by your personnel in Guinea. Unfortunately, the response of your General Counsel of 27 July indicated a failure to take the complaint seriously.

The failure to take control of your subsidiary's actions has led to a new and highly disturbing development in Simfer's campaign against our interests.

We are in possession of evidence showing that Mr Jordan Feildars of Simfer is engaging in an underhand and unlawful smear campaign against BSGR as well as against Mr Beny Steinmetz and others.

The evidence, which will be passed to the Guinea Government, includes a highly damaging and unfounded article drafted by Mr Feildars, which was designed to be printed and published and cause harm to BSG and Mr Steinmetz. There is also evidence that Mr Feildars is organising the allegations to be broadcast by a radio station.

S.A.R.L/N° FORMALITE : RCCM/GC-KAL/014.770/2006, N° ENTREPRISE/RCCM/GC-KAL/013.755A/2006 /
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The article, drafted by Mr Feildars and then published at his instigation, sets out a prejudicial, unsupported and erroneous description of relations between Mr Ehud Olmert, the former Israeli Prime Minister, BSG and Mr Steinmetz, and purports to create a link with the corruption investigation relating to Mr Olmert.

The text prepared by Mr Feildars was reproduced in its entirety in a highly damaging article which appeared in L'Aurore, a Guinean newspaper, in edition 112 published on 7 September 2009 (copy attached). The article was also published on L'Aurore's web site and is, we have been informed, due to be broadcast by radio shortly as a result of Mr Feildar's efforts.

These actions evidence the active engagement of your representatives in Guinea in efforts to smear the reputation of BSG and damage its interests in Simandou, in furtherance of your own corporate interests. Indeed, the only basis on which your representative has procured the publication of these materials and is pursuing a campaign to expand publication is in an attempt to prejudice the perception of us in the region and our activities in Simandou – in the context of your own attempts to resurrect Simfer's activities in that region.

We have tried through legal channels to bring to your attention, and ultimately to bring to an end, the dangerous and improper actions of your representatives in Guinea which includes the broad based smear campaign orchestrated by them. The unfortunate response to date has been that you stand fully behind your Guinean subsidiary.

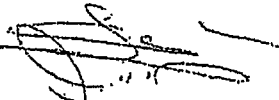
In view of Rio Tinto's failure to rein in its representatives in Guinea after earlier warning, we are forced to conclude that Simfer's continued misconduct enjoys the support of its parent company and those of its officers who are directly responsible for the region.

This defamation and continued unlawful interference with our operations will not be tolerated. We reserve all our rights to pursue all available options to protect our interests including bringing a claim against those responsible for significant damages.

In the meantime, we request that you provide your immediate written assurance that your representatives will ensure that no further publication or broadcast of the misinformation contain in Mr Feildar's article will take place – including by local radio – and that you will take control of your subsidiaries' actions and prevent further interference in our commercial activities in Guinea.

We hope you take this opportunity to respond appropriately while this remains capable of resolution outside of the public domain.

Yours faithfully



BSG Resources

cc. Mr Jan du Plessis, Chairman, Rio Tinto Plc.
Ms Debra Valentine, General Counsel, Rio Tinto Plc.