

July 12, 2006

Mark Ellis

President

Industrial Minerals Association – North America

Suite 301

2011 Pennsylvania Ave. N.W.

Washington, D.C. 20006

Dear Mr. Ellis:

For the benefit of "talc interested parties" in IMA-NA and IMA-Europe, I would like to summarize a few key points as to the reasoning behind Luzenac's decision to forego any further funding of the University of Vermont talc study (re: "Mossman" study) at this time.

1. This study proposal was first brought to Luzenac's attention in early 2005 primarily due to the diligent efforts of Bob Glenn. Luzenac has engaged the consulting services of Bob (through Crowell & Moring) for several years now. Luzenac was prepared to proceed with the study primarily because there was an excellent chance that the study could be completed and a paper written that could be made available for the IARC review in February 2006. We felt that the injection of new data into the talc/ovarian cancer debate was essential. As the months passed and other "talc interested parties" became part of the sponsorship base, numerous and frustrating delays resulted in the postponement of the start of this research project. It became evident in late 2005 that we squandered away the window of opportunity to have this study completed in time for the IARC review meeting passed

. When IARC concluded their review and classified "perineal use of talc-based powders" as a Group 2b carcinogen, we began to question the value of proceeding any further with the Mossman study. To put it in the vernacular, the "horse has already left the barn." Due to the considerable costs involved and deadlines no longer a factor, Luzenac (Rio Tinto Minerals) made the business decision that the potential value of this study was greatly diminished and did not warrant any further pursuit at this time.

2. The cosmetic and pharmaceutical companies engaged in the business of marketing dusting and body powders to the public have show no enthusiasm for sponsoring new research on this issue.

One of their primary arguments is that there are simply too many positive epidemiology studies published to stem the tide of negative sentiment



additional expenditures for new research in this field if the cosmetic and pharmaceutical companies engaged in this business are reluctant to do so.

3. Over the last nine months Luzenac has been transformed into a new company, Rio Tinto Minerals. As a result, we are undergoing major changes in our product portfolios and business strategies. Our limited R&D resources will be applied to those products which are essential to our stability and growth. Supplying talc for the body powder market is a rather insignificant element in our overall product portfolio and does not warrant any further sponsorship for research projects to support the business.

Sincerely,

Eric Turner

Sincerely,

Eric Turner

Employee Name  
Employee Title Line One  
Employee Title Line Two