

Rating Action: Moody's places 11 mining companies rated in the US on review for downgrade

Global Credit Research - 21 Jan 2016

New York, January 21, 2016 -- Moody's Investors Service has placed the ratings of 11 mining companies rated in the US and their rated subsidiaries, on review for downgrade. A complete set of companies and rating actions is listed below.

The actions reflect Moody's effort to recalibrate the ratings in the mining portfolio to align with the fundamental shift in the credit conditions of the global mining sector.

"Slowing growth in China, which consumes and produces at least half of base metals, and is a material player in the precious metals, iron ore and metallurgical coal markets is weakening demand for these commodities and driving prices to multi-year lows," says Carol Cowan, a Moody's Senior Vice President. "China's outsized influence on the commodities market, coupled with the need for significant recalibration of supply to bring the industry back into balance indicates that this is not a normal cyclical downturn, but a fundamental shift that will place an unprecedented level of stress on mining companies."

On Review for Downgrade:

..Issuer: Alcoa Inc.

.... Corporate Family Rating, Ba1, Placed on Review for Downgrade

.... Probability of Default Rating, Ba1-PD, Placed on Review for Downgrade

....Senior Unsecured Shelf, (P)Ba1, Placed on Review for Downgrade

....Pref. Stock Preferred Stock, Ba2 (LGD6), Placed on Review for Downgrade

....Senior Unsecured Medium-Term Note Program, (P)Ba1, Placed on Review for Downgrade

....Senior Unsecured Regular Bond/Debenture, Ba1 (LGD4), Placed on Review for Downgrade

..Issuer: Iowa Finance Authority

....Backed Senior Unsecured Revenue Bonds, Ba1 (LGD4), Placed on Review for Downgrade

..Issuer: Chelan County Development Corporation, WA

....Backed Senior Unsecured Revenue Bonds, Ba1 (LGD4), Placed on Review for Downgrade

..Issuer: Hecla Mining Company

.... Corporate Family Rating, B2, Placed on Review for Downgrade

.... Probability of Default Rating, B2-PD, Placed on Review for Downgrade

....Senior Unsecured Regular Bond/Debenture, B3 (LGD4), Placed on Review for Downgrade

..Issuer: Newmont Mining Corporation

....Backed Senior Unsecured Shelf, (P)Baa2, Placed on Review for Downgrade

....Backed Senior Unsecured Regular Bond/Debenture, Baa2, Placed on Review for Downgrade

..Issuer: Rio Tinto (Commercial Paper) Limited

....Backed Senior Unsecured Commercial Paper, P-2, Placed on Review for Downgrade

..Issuer: Rio Tinto (Commercial Paper) plc

....Backed Senior Unsecured Commercial Paper, P-2, Placed on Review for Downgrade

..Issuer: Rio Tinto America Inc.

.... Backed Issuer Rating, A3, Placed on Review for Downgrade

....Backed Senior Unsecured Commercial Paper, P-2, Placed on Review for Downgrade

..Issuer: Rio Tinto Finance (USA) Limited

....Backed Senior Unsecured Medium-Term Note Program, (P)A3, Placed on Review for Downgrade

....Backed Senior Unsecured Regular Bond/Debenture, A3, Placed on Review for Downgrade

....Backed Senior Unsecured Shelf, (P)A3, Placed on Review for Downgrade

..Issuer: Rio Tinto Finance (USA) plc

....Backed Senior Unsecured Medium-Term Note Program, (P)A3, Placed on Review for Downgrade

....Backed Senior Unsecured Regular Bond/Debenture, A3, Placed on Review for Downgrade

....Backed Senior Unsecured Shelf, (P)A3, Placed on Review for Downgrade

..Issuer: Rio Tinto Finance Canada Inc

....Backed Senior Unsecured Commercial Paper, P-2, Placed on Review for Downgrade

..Issuer: Rio Tinto Finance Limited

....Backed Senior Unsecured Commercial Paper, P-2, Placed on Review for Downgrade

..Issuer: Rio Tinto Finance plc

....Backed Issuer Rating, A3, Placed on Review for Downgrade

....Backed Senior Unsecured Commercial Paper, P-2, Placed on Review for Downgrade

....Backed Senior Unsecured Regular Bond/Debenture, A3, Placed on Review for Downgrade

..Issuer: Rio Tinto Limited

.... Issuer Rating, A3, Placed on Review for Downgrade

..Issuer: Rio Tinto plc

.... Issuer Rating, A3, Placed on Review for Downgrade

..Issuer: Salt Lake County

....Backed Senior Unsecured Revenue Bonds, A3, VMIG 2, Placed on Review for Downgrade

..Issuer: Armstrong Energy, Inc.

.... Corporate Family Rating, B3, Placed on Review for downgrade

.... Probability of Default Rating, B3-PD, Placed on Review for downgrade

....Senior Secured Regular Bond/Debenture, B3 (LGD3), Placed on Review for downgrade

..Issuer: Bowie Resource Partners LLC

.... Corporate Family Rating, B2, Placed on Review for downgrade

.... Probability of Default Rating, B2-PD , Placed on Review for downgrade

....Senior Secured Bank Credit Facility, B1 (LGD3), Placed on Review for downgrade

....Senior Secured Bank Credit Facility, Caa1 (LGD5), Placed on Review for downgrade

..Issuer: Cloud Peak Energy Resources LLC

.... Corporate Family Rating, B1, Placed on Review for downgrade

.... Probability of Default Rating, B1-PD, Placed on Review for downgrade

....Senior Unsecured Regular Bond/Debenture, B3 (LGD5), Placed on Review for downgrade

....Backed Senior Unsecured Regular Bond/Debenture, B3 (LGD5), Placed on Review for downgrade

..Issuer: Coeur Mining, Inc.

.... Corporate Family Rating, B3, Placed on Review for downgrade

.... Probability of Default Rating, B3-PD, Placed on Review for downgrade

....Senior Secured Bank Credit Facility, Ba3 (LGD1), Placed on Review for downgrade

....Senior Unsecured Regular Bond/Debenture, Caa1 (LGD4), Placed on Review for downgrade

..Issuer: CONSOL Energy Inc.

.... Corporate Family Rating, B1, Placed on Review for downgrade

.... Probability of Default Rating, B1-PD, Placed on Review for downgrade

....Senior Unsecured Regular Bond/Debenture, B3 (LGD5), Placed on Review for downgrade

..Issuer: Natural Resource Partners L.P.

.... Corporate Family Rating, B1, Placed on Review for downgrade

.... Probability of Default Rating, B1-PD, Placed on Review for downgrade

....Senior Unsecured Regular Bond/Debenture, B3 (LGD5), Placed on Review for downgrade

....Backed Senior Unsecured Regular Bond/Debenture, B3 (LGD5), Placed on Review for downgrade

..Issuer: Westmoreland Coal Company

.... Corporate Family Rating, B3, Placed on Review for downgrade

.... Probability of Default Rating, B3-PD, Placed on Review for downgrade

....Senior Secured Bank Credit Facility, Caa1 (LGD4), Placed on Review for downgrade

....Senior Secured Regular Bond/Debenture, Caa1 (LGD4), Placed on Review for downgrade

Outlook Actions:

..Issuer: Alcoa Inc.

....Outlook, Changed To Rating Under Review From Developing

..Issuer: Hecla Mining Company

....Outlook, Changed To Rating Under Review From Negative

..Issuer: Newmont Mining Corporation

....Outlook, Changed To Rating Under Review From Negative

..Issuer: Rio Tinto (Commercial Paper) Limited

....Outlook, Changed To Rating Under Review From Stable

..Issuer: Rio Tinto (Commercial Paper) plc

....Outlook, Changed To Rating Under Review From Stable

..Issuer: Rio Tinto America Inc.

....Outlook, Changed To Rating Under Review From Stable

..Issuer: Rio Tinto Finance (USA) Limited

....Outlook, Changed To Rating Under Review From Stable

..Issuer: Rio Tinto Finance (USA) plc

....Outlook, Changed To Rating Under Review From Stable

..Issuer: Rio Tinto Finance Canada Inc

....Outlook, Changed To Rating Under Review From Stable

..Issuer: Rio Tinto Finance Limited

....Outlook, Changed To Rating Under Review From Stable

..Issuer: Rio Tinto Finance plc

....Outlook, Changed To Rating Under Review From Stable

..Issuer: Rio Tinto Limited

....Outlook, Changed To Rating Under Review From Stable

..Issuer: Rio Tinto plc

....Outlook, Changed To Rating Under Review From Stable

..Issuer: Armstrong Energy, Inc.

....Outlook, Changed To Rating Under Review From Stable

..Issuer: Bowie Resource Partners LLC

....Outlook, Changed To Rating Under Review From Stable

..Issuer: Cloud Peak Energy Resources LLC

....Outlook, Changed To Rating Under Review From Negative

..Issuer: Coeur Mining, Inc.

....Outlook, Changed To Rating Under Review From Positive

..Issuer: CONSOL Energy Inc.

....Outlook, Changed To Rating Under Review From Negative

..Issuer: Natural Resource Partners L.P.

....Outlook, Changed To Rating Under Review From Negative

..Issuer: Westmoreland Coal Company

....Outlook, Changed To Rating Under Review From Stable

Unchanged:

..Issuer: Alcoa Inc.

.... Speculative Grade Liquidity Rating, Unchanged at SGL-1

..Issuer: Hecla Mining Company

.... Speculative Grade Liquidity Rating, Unchanged at SGL-2

..Issuer: Cloud Peak Energy Resources LLC

.... Speculative Grade Liquidity Rating, Unchanged at SGL-2

..Issuer: Coeur Mining, Inc.

.... Speculative Grade Liquidity Rating, Unchanged at SGL-2

..Issuer: CONSOL Energy Inc.

.... Speculative Grade Liquidity Rating, Unchanged at SGL-3

..Issuer: Natural Resource Partners L.P.

.... Speculative Grade Liquidity Rating, Unchanged at SGL-3

..Issuer: Westmoreland Coal Company

.... Speculative Grade Liquidity Rating, Unchanged at SGL-3

RATINGS RATIONALE

As part of an ongoing assessment of mining companies, Moody's sharply reduced its price sensitivity assumptions on December 8, 2015. Since then, credit conditions in the mining industry have weakened further, with prices continuing to decline. The likelihood has increased that prices for base metals, precious metals, iron ore and metallurgical coal will approach levels closer to Moody's stressed sensitivity scenario. In addition, the strong US dollar is a further factor contributing to weakening demand and driving prices lower since most metals are traded in dollars.

This broad ratings review will consider each mining company's asset base, cost structure, likely cash burn and liquidity, as well as management's strategy for coping with a prolonged downturn and the ability to execute on same. The review will assess each company's cash flow and credit metrics closer to our latest stressed price assumptions and the relative rating positioning.

Moody's believes that this downturn will mark an unprecedented shift for the mining industry. Whereas previous downturns have been cyclical, the effect of slowing growth in China indicates a fundamental change that will heighten credit risk for mining companies. This review reflects the belief that deteriorating industry fundamentals require a recalibration of the global mining portfolio rated by Moody's. Although all issuers in these sectors have been adversely affected by declining prices, severity varies substantially by issuer. Accordingly, the range of possible outcomes upon conclusion of the review for given issuers varies from possible confirmation of ratings to multi-notch downgrades. Moody's expects to conclude a majority of the reviews by the end of the first quarter. While this review focuses on companies rated in the range from A1 to B3, Moody's is also reevaluating higher and lower rated companies in the context of industry conditions. The higher rated companies, on average, are somewhat more resilient to low commodity prices and many of the lower rated companies have recently been downgraded.

This broad ratings review incorporates the ratings of Freeport-McMoRan Inc. (Baa3) and its rated subsidiaries, which ratings were placed under review for downgrade on January 5, 2016.

The principal methodology used in these ratings was Global Mining Industry published in August 2014. Please see

the Credit Policy page on www.moodys.com for a copy of this methodology.

REGULATORY DISCLOSURES

For ratings issued on a program, series or category/class of debt, this announcement provides certain regulatory disclosures in relation to each rating of a subsequently issued bond or note of the same series or category/class of debt or pursuant to a program for which the ratings are derived exclusively from existing ratings in accordance with Moody's rating practices. For ratings issued on a support provider, this announcement provides certain regulatory disclosures in relation to the credit rating action on the support provider and in relation to each particular credit rating action for securities that derive their credit ratings from the support provider's credit rating. For provisional ratings, this announcement provides certain regulatory disclosures in relation to the provisional rating assigned, and in relation to a definitive rating that may be assigned subsequent to the final issuance of the debt, in each case where the transaction structure and terms have not changed prior to the assignment of the definitive rating in a manner that would have affected the rating. For further information please see the ratings tab on the issuer/entity page for the respective issuer on www.moodys.com.

For any affected securities or rated entities receiving direct credit support from the primary entity(ies) of this credit rating action, and whose ratings may change as a result of this credit rating action, the associated regulatory disclosures will be those of the guarantor entity. Exceptions to this approach exist for the following disclosures, if applicable to jurisdiction: Ancillary Services, Disclosure to rated entity, Disclosure from rated entity.

The below contact information is provided for information purposes only. Please see the ratings tab of the issuer page at www.moodys.com, for each of the ratings covered, Moody's disclosures on the lead analyst and the Moody's legal entity that has issued the ratings.

Regulatory disclosures contained in this press release apply to the credit rating and, if applicable, the related rating outlook or rating review.

Please see www.moodys.com for any updates on changes to the lead rating analyst and to the Moody's legal entity that has issued the rating.

Please see the ratings tab on the issuer/entity page on www.moodys.com for additional regulatory disclosures for each credit rating.

Carol Cowan
Senior Vice President
Corporate Finance Group
Moody's Investors Service, Inc.
250 Greenwich Street
New York, NY 10007
U.S.A.
JOURNALISTS: 212-553-0376
SUBSCRIBERS: 212-553-1653

Brian Oak
MD - Corporate Finance
Corporate Finance Group
JOURNALISTS: 212-553-0376
SUBSCRIBERS: 212-553-1653

Releasing Office:
Moody's Investors Service, Inc.
250 Greenwich Street
New York, NY 10007
U.S.A.
JOURNALISTS: 212-553-0376
SUBSCRIBERS: 212-553-1653

MOODY'S
INVESTORS SERVICE

affiliates (collectively, "MOODY'S"). All rights reserved.

CREDIT RATINGS ISSUED BY MOODY'S INVESTORS SERVICE, INC. AND ITS RATINGS AFFILIATES ("MIS") ARE MOODY'S CURRENT OPINIONS OF THE RELATIVE FUTURE CREDIT RISK OF ENTITIES, CREDIT COMMITMENTS, OR DEBT OR DEBT-LIKE SECURITIES, AND CREDIT RATINGS AND RESEARCH PUBLICATIONS PUBLISHED BY MOODY'S ("MOODY'S PUBLICATIONS") MAY INCLUDE MOODY'S CURRENT OPINIONS OF THE RELATIVE FUTURE CREDIT RISK OF ENTITIES, CREDIT COMMITMENTS, OR DEBT OR DEBT-LIKE SECURITIES. MOODY'S DEFINES CREDIT RISK AS THE RISK THAT AN ENTITY MAY NOT MEET ITS CONTRACTUAL, FINANCIAL OBLIGATIONS AS THEY COME DUE AND ANY ESTIMATED FINANCIAL LOSS IN THE EVENT OF DEFAULT. CREDIT RATINGS DO NOT ADDRESS ANY OTHER RISK, INCLUDING BUT NOT LIMITED TO: LIQUIDITY RISK, MARKET VALUE RISK, OR PRICE VOLATILITY. CREDIT RATINGS AND MOODY'S OPINIONS INCLUDED IN MOODY'S PUBLICATIONS ARE NOT STATEMENTS OF CURRENT OR HISTORICAL FACT. MOODY'S PUBLICATIONS MAY ALSO INCLUDE QUANTITATIVE MODEL-BASED ESTIMATES OF CREDIT RISK AND RELATED OPINIONS OR COMMENTARY PUBLISHED BY MOODY'S ANALYTICS, INC. CREDIT RATINGS AND MOODY'S PUBLICATIONS DO NOT CONSTITUTE OR PROVIDE INVESTMENT OR FINANCIAL ADVICE, AND CREDIT RATINGS AND MOODY'S PUBLICATIONS ARE NOT AND DO NOT PROVIDE RECOMMENDATIONS TO PURCHASE, SELL, OR HOLD PARTICULAR SECURITIES. NEITHER CREDIT RATINGS NOR MOODY'S PUBLICATIONS COMMENT ON THE SUITABILITY OF AN INVESTMENT FOR ANY PARTICULAR INVESTOR. MOODY'S ISSUES ITS CREDIT RATINGS AND PUBLISHES MOODY'S PUBLICATIONS WITH THE EXPECTATION AND UNDERSTANDING THAT EACH INVESTOR WILL, WITH DUE CARE, MAKE ITS OWN STUDY AND EVALUATION OF EACH SECURITY THAT IS UNDER CONSIDERATION FOR PURCHASE, HOLDING, OR SALE.

MOODY'S CREDIT RATINGS AND MOODY'S PUBLICATIONS ARE NOT INTENDED FOR USE BY RETAIL INVESTORS AND IT WOULD BE RECKLESS FOR RETAIL INVESTORS TO CONSIDER MOODY'S CREDIT RATINGS OR MOODY'S PUBLICATIONS IN MAKING ANY INVESTMENT DECISION. IF IN DOUBT YOU SHOULD CONTACT YOUR FINANCIAL OR OTHER PROFESSIONAL ADVISER.

ALL INFORMATION CONTAINED HEREIN IS PROTECTED BY LAW, INCLUDING BUT NOT LIMITED TO, COPYRIGHT LAW, AND NONE OF SUCH INFORMATION MAY BE COPIED OR OTHERWISE REPRODUCED, REPACKAGED, FURTHER TRANSMITTED, TRANSFERRED, DISSEMINATED, REDISTRIBUTED OR RESOLD, OR STORED FOR SUBSEQUENT USE FOR ANY SUCH PURPOSE, IN WHOLE OR IN PART, IN ANY FORM OR MANNER OR BY ANY MEANS WHATSOEVER, BY ANY PERSON WITHOUT MOODY'S PRIOR WRITTEN CONSENT.

All information contained herein is obtained by MOODY'S from sources believed by it to be accurate and reliable. Because of the possibility of human or mechanical error as well as other factors, however, all information contained herein is provided "AS IS" without warranty of any kind. MOODY'S adopts all necessary measures so that the information it uses in assigning a credit rating is of sufficient quality and from sources MOODY'S considers to be reliable including, when appropriate, independent third-party sources. However, MOODY'S is not an auditor and cannot in every instance independently verify or validate information received in the rating process or in preparing the Moody's Publications.

To the extent permitted by law, MOODY'S and its directors, officers, employees, agents, representatives, licensors and suppliers disclaim liability to any person or entity for any indirect, special, consequential, or incidental losses or damages whatsoever arising from or in connection with the information contained herein or the use of or inability to use any such information, even if MOODY'S or any of its directors, officers, employees, agents, representatives, licensors or suppliers is advised in advance of the possibility of such losses or damages, including but not limited to: (a) any loss of present or prospective profits or (b) any loss or damage arising where the relevant financial instrument is not the subject of a particular credit rating assigned by MOODY'S.

To the extent permitted by law, MOODY'S and its directors, officers, employees, agents, representatives, licensors and suppliers disclaim liability for any direct or compensatory losses or damages caused to any person or entity, including but not limited to by any negligence (but excluding fraud, willful misconduct or any other type of liability that, for the avoidance of doubt, by law cannot be excluded) on the part of, or any contingency within or beyond the control of, MOODY'S or any of its directors, officers, employees, agents, representatives, licensors or suppliers, arising from or in connection with the information contained herein or the use of or inability to use any such information.

NO WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY, TIMELINESS, COMPLETENESS,

MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OF ANY SUCH RATING OR OTHER OPINION OR INFORMATION IS GIVEN OR MADE BY MOODY'S IN ANY FORM OR MANNER WHATSOEVER.

Moody's Investors Service, Inc., a wholly-owned credit rating agency subsidiary of Moody's Corporation ("MCO"), hereby discloses that most issuers of debt securities (including corporate and municipal bonds, debentures, notes and commercial paper) and preferred stock rated by Moody's Investors Service, Inc. have, prior to assignment of any rating, agreed to pay to Moody's Investors Service, Inc. for appraisal and rating services rendered by it fees ranging from \$1,500 to approximately \$2,500,000. MCO and MIS also maintain policies and procedures to address the independence of MIS's ratings and rating processes. Information regarding certain affiliations that may exist between directors of MCO and rated entities, and between entities who hold ratings from MIS and have also publicly reported to the SEC an ownership interest in MCO of more than 5%, is posted annually at www.moody.com under the heading "Investor Relations — Corporate Governance — Director and Shareholder Affiliation Policy."

For Australia only: Any publication into Australia of this document is pursuant to the Australian Financial Services License of MOODY'S affiliate, Moody's Investors Service Pty Limited ABN 61 003 399 657 AFSL 336969 and/or Moody's Analytics Australia Pty Ltd ABN 94 105 136 972 AFSL 383569 (as applicable). This document is intended to be provided only to "wholesale clients" within the meaning of section 761G of the Corporations Act 2001. By continuing to access this document from within Australia, you represent to MOODY'S that you are, or are accessing the document as a representative of, a "wholesale client" and that neither you nor the entity you represent will directly or indirectly disseminate this document or its contents to "retail clients" within the meaning of section 761G of the Corporations Act 2001. MOODY'S credit rating is an opinion as to the creditworthiness of a debt obligation of the issuer, not on the equity securities of the issuer or any form of security that is available to retail clients. It would be dangerous for "retail clients" to make any investment decision based on MOODY'S credit rating. If in doubt you should contact your financial or other professional adviser.

For Japan only: MOODY'S Japan K.K. ("MJKK") is a wholly-owned credit rating agency subsidiary of MOODY'S Group Japan G.K., which is wholly-owned by Moody's Overseas Holdings Inc., a wholly-owned subsidiary of MCO. Moody's SF Japan K.K. ("MSFJ") is a wholly-owned credit rating agency subsidiary of MJKK. MSFJ is not a Nationally Recognized Statistical Rating Organization ("NRSRO"). Therefore, credit ratings assigned by MSFJ are Non-NRSRO Credit Ratings. Non-NRSRO Credit Ratings are assigned by an entity that is not a NRSRO and, consequently, the rated obligation will not qualify for certain types of treatment under U.S. laws. MJKK and MSFJ are credit rating agencies registered with the Japan Financial Services Agency and their registration numbers are FSA Commissioner (Ratings) No. 2 and 3 respectively.

MJKK or MSFJ (as applicable) hereby disclose that most issuers of debt securities (including corporate and municipal bonds, debentures, notes and commercial paper) and preferred stock rated by MJKK or MSFJ (as applicable) have, prior to assignment of any rating, agreed to pay to MJKK or MSFJ (as applicable) for appraisal and rating services rendered by it fees ranging from JPY200,000 to approximately JPY350,000,000. MJKK and MSFJ also maintain policies and procedures to address Japanese regulatory requirements.