

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), 6057(b), and 6058(a) of the Internal Revenue Code (the Code). <p style="text-align: center;">▶ Complete all entries in accordance with the instructions to the Form 5500.</p>	OMB Nos. 1210-0110 1210-0089 2011 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2011 or fiscal plan year beginning <u>01/01/2011</u> and ending <u>12/31/2011</u>	
A This return/report is for:	☐ a multiemployer plan; ☐ a multiple-employer plan; or ☒ a single-employer plan; ☐ a DFE (specify) ____
B This return/report is:	☐ the first return/report; ☐ the final return/report; ☐ an amended return/report; ☐ a short plan year return/report (less than 12 months).
C If the plan is a collectively-bargained plan, check here.	☒
D Check box if filing under:	☒ Form 5558; ☐ automatic extension; ☐ the DFVC program; ☐ special extension (enter description)

Part II	Basic Plan Information —enter all requested information				
1a Name of plan <u>NAVAJO MINE RETIREMENT PLAN</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">1b Three-digit plan number (PN) ▶</td> <td style="width: 20%; text-align: center;"><u>002</u></td> </tr> <tr> <td colspan="2">1c Effective date of plan <u>06/01/1964</u></td> </tr> </table>	1b Three-digit plan number (PN) ▶	<u>002</u>	1c Effective date of plan <u>06/01/1964</u>	
1b Three-digit plan number (PN) ▶	<u>002</u>				
1c Effective date of plan <u>06/01/1964</u>					
2a Plan sponsor's name and address, including room or suite number (Employer, if for single-employer plan) <u>BROKEN HILL PROPRIETARY USA INC.</u> <u>1360 POST OAK BLVD., SUITE 150</u> <u>HOUSTON, TX 77056-3020</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td>2b Employer Identification Number (EIN) <u>94-3144067</u></td> </tr> <tr> <td>2c Sponsor's telephone number <u>713-961-8500</u></td> </tr> <tr> <td>2d Business code (see instructions) <u>212110</u></td> </tr> </table>	2b Employer Identification Number (EIN) <u>94-3144067</u>	2c Sponsor's telephone number <u>713-961-8500</u>	2d Business code (see instructions) <u>212110</u>	
2b Employer Identification Number (EIN) <u>94-3144067</u>					
2c Sponsor's telephone number <u>713-961-8500</u>					
2d Business code (see instructions) <u>212110</u>					

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	10/13/2012	DEAN WOOLDRIDGE
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	10/13/2012	DEAN WOOLDRIDGE
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.

Form 5500 (2011)
v.012611

3a Plan administrator's name and address (if same as plan sponsor, enter "Same") BROKEN HILL PROPRIETARY USA INC. 1360 POST OAK BLVD., SUITE 150 HOUSTON, TX 77056-3020	3b Administrator's EIN 94-3144067 3c Administrator's telephone number 713-961-8500
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4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: a Sponsor's name	4b EIN 4c PN
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5 Total number of participants at the beginning of the plan year	5	1181
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6 Number of participants as of the end of the plan year (welfare plans complete only lines 6a , 6b , 6c , and 6d).		
a Active participants.....	6a	464
b Retired or separated participants receiving benefits.....	6b	333
c Other retired or separated participants entitled to future benefits.....	6c	290
d Subtotal. Add lines 6a , 6b , and 6c	6d	1087
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e	90
f Total. Add lines 6d and 6e	6f	1177
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	6g	
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6h	1

7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	7	
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8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:

1B 1G 3H

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic Codes in the instructions:

9a Plan funding arrangement (check all that apply)	9b Plan benefit arrangement (check all that apply)
(1) ☐ Insurance	(1) ☐ Insurance
(2) ☐ Code section 412(e)(3) insurance contracts	(2) ☐ Code section 412(e)(3) insurance contracts
(3) ☒ Trust	(3) ☒ Trust
(4) ☐ General assets of the sponsor	(4) ☐ General assets of the sponsor

10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules

- (1)** ☒ **R** (Retirement Plan Information)

(2) ☐ **MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary

(3) ☒ **SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary

b General Schedules

- (1)** ☒ **H** (Financial Information)
(2) ☐ **I** (Financial Information – Small Plan)
(3) ☐ **A** (Insurance Information)
(4) ☒ **C** (Service Provider Information)
(5) ☒ **D** (DFE/Participating Plan Information)
(6) ☐ **G** (Financial Transaction Schedules)

SCHEDULE SB (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Single-Employer Defined Benefit Plan Actuarial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500 or 5500-SF.	OMB No. 1210-0110 2011 This Form is Open to Public Inspection
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For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

▶ **Round off amounts to nearest dollar.**

▶ **Caution:** A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan <u>NAVAJO MINE RETIREMENT PLAN</u>	B Three-digit plan number (PN) ▶ <u>002</u>
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF <u>BROKEN HILL PROPRIETARY USA INC.</u>	D Employer Identification Number (EIN) <u>94-3144067</u>
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B	F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500

Part I	Basic Information
1	Enter the valuation date: Month <u>01</u> Day <u>01</u> Year <u>2011</u>
2	Assets:
a	Market value 2a <u>90885200</u>
b	Actuarial value 2b <u>90885200</u>
3	Funding target/participant count breakdown:
	(1) Number of participants (2) Funding Target
a	For retired participants and beneficiaries receiving payment 3a <u>400</u> <u>33605704</u>
b	For terminated vested participants 3b <u>303</u> <u>10313906</u>
c	For active participants:
(1)	Non-vested benefits 3c(1) <u>1532635</u>
(2)	Vested benefits 3c(2) <u>37579326</u>
(3)	Total active 3c(3) <u>490</u> <u>39111961</u>
d	Total 3d <u>1193</u> <u>83031571</u>
4	If the plan is in at-risk status, check the box and complete lines (a) and (b) ☐
a	Funding target disregarding prescribed at-risk assumptions 4a
b	Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor 4b
5	Effective interest rate 5 <u>6.27 %</u>
6	Target normal cost 6 <u>1169779</u>

Statement by Enrolled Actuary

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE	
Signature of actuary	Date
<u>KEVIN BILLS, FSA, EA</u>	<u>11-07029</u>
Type or print name of actuary	Most recent enrollment number
<u>MERCER</u>	<u>713-276-2100</u>
Firm name	Telephone number (including area code)
<u>1000 MAIN STREET, SUITE 2900</u> <u>HOUSTON, TX 77002</u>	
Address of the firm	

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions ☐

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500 or 5500-SF.

Schedule SB (Form 5500) 2011
v.012611

Part II		Beginning of year carryover and prefunding balances	
		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	227413	0
8	Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	0
9	Amount remaining (line 7 minus line 8)	227413	0
10	Interest on line 9 using prior year's actual return of <u>8.20</u> %	18648	
11	Prior year's excess contributions to be added to prefunding balance:		
a	Present value of excess contributions (line 38 from prior year)		7366035
b	Interest on (a) using prior year's effective rate of <u>6.67</u> % except as otherwise provided (see instructions)		491315
c	Total available at beginning of current plan year to add to prefunding balance		7857350
d	Portion of (c) to be added to prefunding balance		0
12	Other reductions in balances due to elections or deemed elections	0	0
13	Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	246061	0

Part III		Funding percentages	
14	Funding target attainment percentage	14	109.16 %
15	Adjusted funding target attainment percentage	15	109.45 %
16	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	103.73 %
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

Part IV		Contributions and liquidity shortfalls			
18 Contributions made to the plan for the plan year by employer(s) and employees:					
(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
11/21/2011	994000	0			
01/20/2012	497000	0			
02/22/2012	497000	0			
03/26/2012	497000	0			
06/12/2012	1988000	0			
			Totals ►	18(b)	4473000
				18(c)	0

19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:	
a Contributions allocated toward unpaid minimum required contributions from prior years.	19a 0
b Contributions made to avoid restrictions adjusted to valuation date	19b 0
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c 4153461
20 Quarterly contributions and liquidity shortfalls:	
a Did the plan have a "funding shortfall" for the prior year?	☐ Yes ☒ No
b If 20a is "Yes," were required quarterly installments for the current year made in a timely manner?	☐ Yes ☐ No
c If 20a is "Yes," see instructions and complete the following table as applicable:	
Liquidity shortfall as of end of quarter of this plan year	
(1) 1st	(2) 2nd
(3) 3rd	(4) 4th

Part V Assumptions used to determine funding target and target normal cost

21 Discount rate:				
a Segment rates:	1st segment: 3.78%	2nd segment: 6.31%	3rd segment: 6.57 %	☐ N/A, full yield curve used
b Applicable month (enter code)				21b 4
22 Weighted average retirement age				22 60
23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute				

Part VI Miscellaneous items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment.	☒ Yes ☐ No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment.	☐ Yes ☒ No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment.....	☒ Yes ☐ No
27 If the plan is eligible for (and is using) alternative funding rules, enter applicable code and see instructions regarding attachment.....	27

Part VII Reconciliation of unpaid minimum required contributions for prior years

28 Unpaid minimum required contributions for all prior years	28	0
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a).....	29	0
30 Remaining amount of unpaid minimum required contributions (line 28 minus line 29)	30	0

Part VIII Minimum required contribution for current year

31 Target normal cost and excess assets (see instructions):			
a Target normal cost (line 6)	31a	1169779	
b Excess assets, if applicable, but not greater than 31a	31b	1169779	
32 Amortization installments:	Outstanding Balance	Installment	
a Net shortfall amortization installment	0	0	
b Waiver amortization installment	0	0	
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33	0	
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)...	34	0	
	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement.....	0	0	0
36 Additional cash requirement (line 34 minus line 35)	36	0	
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	37	4153461	
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)	38a	4153461	
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b	0	
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	39	0	
40 Unpaid minimum required contributions for all years.....	40	0	

Part IX Pension funding relief under Pension Relief Act of 2010 (see instructions)

41 If a shortfall amortization base is being amortized pursuant to an alternative amortization schedule:			
a Schedule elected	☐ 2 plus 7 years ☐ 15 years		
b Eligible plan year(s) for which the election in line 41a was made	☐ 2008 ☐ 2009 ☐ 2010 ☐ 2011		
42 Amount of acceleration adjustment	42		
43 Excess installment acceleration amount to be carried over to future plan years	43		

<div>SCHEDULE C</div> <div>(Form 5500)</div> <div>Department of the Treasury Internal Revenue Service</div> <div>Department of Labor Employee Benefits Security Administration</div> <div>Pension Benefit Guaranty Corporation</div>	<div>Service Provider Information</div> <div>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).</div> <div>▶ File as an attachment to Form 5500.</div>	OMB No. 1210-0110
		2011
		This Form is Open to Public Inspection.

For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011		
A Name of plan NAVAJO MINE RETIREMENT PLAN	B Three-digit plan number (PN) ▶	002
C Plan sponsor's name as shown on line 2a of Form 5500 BROKEN HILL PROPRIETARY USA INC.	D Employer Identification Number (EIN) 94-3144067	

Part I	Service Provider Information (see instructions)
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You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1 Information on Persons Receiving Only Eligible Indirect Compensation

- a Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions)..... ☐ Yes ☒ No
- b If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation
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2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

NORTHERN TRUST COMPANY

36-1561860

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
21 50 62	NONE	48785	Yes ☒ No ☐	Yes ☒ No ☐		Yes ☒ No ☐

(a) Enter name and EIN or address (see instructions)

HAM, LANGSTON & BREZINA, LLP

76-0448495

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
10 50	NONE	11083	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

Part I Service Provider Information (continued)

3 If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
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(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

Part III **Termination Information on Accountants and Enrolled Actuaries (see instructions)**
(complete as many entries as needed)

a Name: KEVIN R. MINOR	b EIN: 53-0181291
c Position: ACTUARY	
d Address: 1221 MCKINNEY STREET, SUITE 2600 HOUSTON, TX 77010	e Telephone: 713-754-5453

Explanation: KEVIN MINOR TERMINATED EMPLOYMENT WITH MERCER.

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

DFE/Participating Plan Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).

► **File as an attachment to Form 5500.**

OMB No. 1210-0110

2011

This Form is Open to Public Inspection.

For calendar plan year 2011 or fiscal plan year beginning	01/01/2011	and ending	12/31/2011
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A Name of plan
NAVAJO MINE RETIREMENT PLAN

B Three-digit plan number (PN)	002
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C Plan or DFE sponsor's name as shown on line 2a of Form 5500
BROKEN HILL PROPRIETARY USA INC.

D	Employer Identification Number (EIN)
	94-3144067

Part I	Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs) (Complete as many entries as needed to report all interests in DFEs)
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a Name of MTIA, CCT, PSA, or 103-12 IE: **BHP USA MASTER RETIREMENT TRUST**

b Name of sponsor of entity listed in (a): BHP HOLDINGS INTERNATIONAL INC.

c EIN-PN 94-3094724-001	d Entity code M	e Dollar value of interest in MTIA, CCT, PSA, or 103 12 IE at end of year (see instructions) 96332303
--	--	--

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103 12 IE at end of year (see instructions)
-----------------	----------------------	---

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
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a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
-----------------	----------------------	---

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
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a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
-----------------	----------------------	---

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
-----------------	----------------------	---

a Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

Part II Information on Participating Plans (to be completed by DFEs)

(Complete as many entries as needed to report all participating plans)

a Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN

SCHEDULE H (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110 2011 This Form is Open to Public Inspection
For calendar plan year 2011 or fiscal plan year beginning <u>01/01/2011</u> and ending <u>12/31/2011</u>		
A Name of plan <u>NAVAJO MINE RETIREMENT PLAN</u>	B Three-digit plan number (PN) ►	<u>002</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>BROKEN HILL PROPRIETARY USA INC.</u>	D Employer Identification Number (EIN) <u>94-3144067</u>	

Part I	Asset and Liability Statement		(a) Beginning of Year	(b) End of Year
1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.				
	Assets			
a Total noninterest-bearing cash	1a			
b Receivables (less allowance for doubtful accounts):				
(1) Employer contributions	1b(1)	5817000		3479000
(2) Participant contributions	1b(2)			
(3) Other.....	1b(3)			
c General investments:				
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)			
(2) U.S. Government securities.....	1c(2)			
(3) Corporate debt instruments (other than employer securities):				
(A) Preferred	1c(3)(A)			
(B) All other.....	1c(3)(B)			
(4) Corporate stocks (other than employer securities):				
(A) Preferred	1c(4)(A)			
(B) Common	1c(4)(B)			
(5) Partnership/joint venture interests	1c(5)			
(6) Real estate (other than employer real property)	1c(6)			
(7) Loans (other than to participants)	1c(7)			
(8) Participant loans	1c(8)			
(9) Value of interest in common/collective trusts.....	1c(9)			
(10) Value of interest in pooled separate accounts.....	1c(10)			
(11) Value of interest in master trust investment accounts	1c(11)	85204443		96332303
(12) Value of interest in 103-12 investment entities	1c(12)			
(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)			
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)			
(15) Other	1c(15)			

1d Employer-related investments:		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	91021443	99811303

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j		
k Total liabilities (add all amounts in lines 1g through 1j)	1k	0	0

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	91021443	99811303
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Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

Income

		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	4473000	
(B) Participants	2a(1)(B)		
(C) Others (including rollovers)	2a(1)(C)		
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		4473000
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)		
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		0
(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)		
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		0
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		0

		(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate.....	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		0
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		7747805
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		
c Other income.....	2c		
d Total income. Add all income amounts in column (b) and enter total.....	2d		12220805

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	3329567	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		3329567
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions).....	2g		
h Interest expense.....	2h		
i Administrative expenses: (1) Professional fees	2i(1)	59868	
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)	41510	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		101378
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		3430945

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		8789860
l Transfers of assets:			
(1) To this plan.....	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) ☐ Unqualified **(2)** ☐ Qualified **(3)** ☒ Disclaimer **(4)** ☐ Adverse

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)? ☒ Yes ☐ No

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: HAM, LANGSTON, & BREZINA, LLP

(2) EIN: 76-0448495

d The opinion of an independent qualified public accountant is **not attached** because:

(1) ☐ This form is filed for a CCT, PSA, or MTIA. **(2)** ☐ It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

- 4** CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete 4j and 4l. MTIAs also do not complete 4l.

During the plan year:

	Yes	No	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.).....		X	
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.).....		X	
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.).....		X	
e Was this plan covered by a fidelity bond?.....	X		10000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.).....		X	
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.).....		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?.....		X	
l Has the plan failed to provide any benefit when due under the plan?		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.).....			
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.			
4n			

- 5a** Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?

If "Yes," enter the amount of any plan assets that reverted to the employer this year..... ☐ Yes ☒ No Amount:

- 5b** If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)

5b(2) EIN(s)	5b(3) PN(s)

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110 2011 This Form is Open to Public Inspection.
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For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

A Name of plan <u>NAVAJO MINE RETIREMENT PLAN</u>	B Three-digit plan number (PN) ▶ <u>002</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>BROKEN HILL PROPRIETARY USA INC.</u>	D Employer Identification Number (EIN) <u>94-3144067</u>

Part I	Distributions
---------------	----------------------

All references to distributions relate only to payments of benefits during the plan year.

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	1	<u>0</u>
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): <u>36-3046063</u>		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....	3	<u>0</u>

Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part)
----------------	--

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?.....	☐ Yes	☒ No	☐ N/A
If the plan is a defined benefit plan, go to line 8.			
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____ If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.			
6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived)	6a		
b Enter the amount contributed by the employer to the plan for this plan year	6b		
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount).....	6c		
If you completed line 6c, skip lines 8 and 9.			
7 Will the minimum funding amount reported on line 6c be met by the funding deadline?	☐ Yes	☐ No	☐ N/A
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?.....	☐ Yes	☐ No	☒ N/A

Part III	Amendments
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9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box.....	☐ Increase	☐ Decrease	☐ Both	☒ No
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Part IV	ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.
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10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?.....	☐ Yes	☐ No
11 a Does the ESOP hold any preferred stock?	☐ Yes	☐ No
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.).....	☐ Yes	☐ No
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?	☐ Yes	☐ No

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. Complete as many entries as needed to report all applicable employers.

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

- 14** Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

a The current year	14a	
b The plan year immediately preceding the current plan year	14b	
c The second preceding plan year	14c	

- 15** Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year	15a	
b The corresponding number for the second preceding plan year	15b	

- 16** Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year	16a	
b If item 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	16b	

- 17** If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

- 18** If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

- 19** If the total number of participants is 1,000 or more, complete items (a) through (c)

- a** Enter the percentage of plan assets held as:

Stock: 32% Investment-Grade Debt: 66% High-Yield Debt: _____% Real Estate: _____% Other: 2%

- b** Provide the average duration of the combined investment-grade and high-yield debt:

☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☒ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

- c** What duration measure was used to calculate item 19(b)?

☒ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify): _____

NAVAJO MINE RETIREMENT PLAN

FINANCIAL STATEMENTS AND SUPPLEMENTAL SCHEDULE WITH REPORT OF INDEPENDENT ACCOUNTANTS

as of and for the years ended December 31, 2011 and 2010

NAVAJO MINE RETIREMENT PLAN

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* Other schedules required by Section 2520.103-10 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 (ERISA) have been omitted because they are not applicable.



HAM, LANGSTON & BREZINA, L.L.P.
Certified Public Accountants

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FAX (281) 481-8485
www.hlb-cpa.com

REPORT OF INDEPENDENT ACCOUNTANTS

To the Plan Administrator
Navajo Mine Retirement Plan

We were engaged to audit the accompanying statements of net assets available for benefits of the Navajo Mine Retirement Plan (the Plan) as of December 31, 2011 and 2010, and the related statements of changes in net assets available for benefits for the years then ended, the statements of accumulated plan benefits as of December 31, 2010 and 2009, and the related statements of changes in accumulated plan benefits for the years then ended, and the supplemental Schedule H, Line 4i - Schedule of Assets (Held At End of Year) as of December 31, 2011. These financial statements and supplemental schedule are the responsibility of the Plan's management.

As permitted by 29 CFR 2520.103-8 of the United States Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the Plan Administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Notes 3 and 4, which was certified by Northern Trust Company (the Trustee), the trustee of the Plan, except for comparing such information with the related information included in the financial statements and supplemental schedule. We have been informed by the Plan Administrator that the Trustee holds the Plan's investment assets and executes investment transactions. The Plan Administrator has obtained a certification from the Trustee as of and for the years ended December 31, 2011 and 2010, that the information provided to the Plan Administrator by the Trustee is complete and accurate.

Because of the significance of the information that we did not audit, we are unable to, and do not, express an opinion on the accompanying financial statements and supplemental schedule taken as a whole. The supplemental schedule is presented for the purpose of additional analysis and is not a required part of the financial statements, but is required by the Department of Labor's Rules and Regulations for Reporting and disclosure under the Employee Retirement Income Security Act of 1974. The form and content of the information included in the financial statements and supplemental schedule, other than that derived from the information certified by the Trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Ham, Langston & Brezina, L.L.P.

Houston, Texas
October 11, 2012

NAVAJO MINE RETIREMENT PLAN

Statements of Net Assets Available for Benefits December 31, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Assets:		
Investments, at fair value:		
Plan interest in BHP USA Master Retirement Trust	\$ 96,332,303	\$ 85,204,443
Company contributions receivable	<u>3,479,000</u>	<u>5,817,000</u>
Net assets available for benefits	<u>\$ 99,811,303</u>	<u>\$ 91,021,443</u>

NAVAJO MINE RETIREMENT PLAN

Statements of Changes in Net Assets Available for Benefits For the Years Ended December 31, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Additions to net assets attributed to:		
Plan interest in net investment income of BHP USA		
Master Retirement Trust less investment expenses	\$ 7,738,361	\$ 6,317,995
Company contributions	<u>4,473,000</u>	<u>7,980,000</u>
Total additions	<u>12,211,361</u>	<u>14,297,995</u>
Deductions from net assets attributed to:		
Benefit payments	3,329,567	3,078,488
Administrative expenses	<u>91,934</u>	<u>149,970</u>
Total deductions	<u>3,421,501</u>	<u>3,228,458</u>
Net increase in net assets available for benefits	8,789,860	11,069,537
Net assets available for benefits, beginning of year	<u>91,021,443</u>	<u>79,951,906</u>
Net assets available for benefits, end of year	<u>\$ 99,811,303</u>	<u>\$ 91,021,443</u>

NAVAJO MINE RETIREMENT PLAN

Statements of Accumulated Plan Benefits December 31, 2010 and 2009*

	<u>2010</u>	<u>2009</u>
Actuarial present value of vested benefits:		
Participants and beneficiaries currently receiving payments	\$ 36,000,669	\$ 30,662,393
Other participants	<u>56,602,314</u>	<u>49,868,623</u>
Total vested benefits	92,602,983	80,531,016
Non-vested benefits	<u>1,641,811</u>	<u>1,750,232</u>
Total actuarial present value of accumulated benefits	<u>\$ 94,244,794</u>	<u>\$ 82,281,248</u>

* The Plan presents changes in accumulated benefits using beginning of year actuarial data.

NAVAJO MINE RETIREMENT PLAN

Statements of Changes in Accumulated Plan Benefits For the Years Ended December 31, 2010 and 2009*

	<u>2010</u>	<u>2009</u>
Actuarial present value of accumulated benefits at beginning of year	<u>\$ 82,281,248</u>	<u>\$ 70,662,208</u>
Increase (decrease) during the period attributed to:		
Benefit payments	(3,078,488)	(2,878,019)
Increase in interest due to decrease in discount period	4,836,824	4,845,624
Benefits accumulated and Plan experience	710,274	580,441
Change in actuarial assumptions	<u>9,494,936</u>	<u>9,070,994</u>
Net increase	<u>11,963,546</u>	<u>11,619,040</u>
Actuarial present value of accumulated benefits at end of year	<u><u>\$ 94,244,794</u></u>	<u><u>\$ 82,281,248</u></u>

* The Plan presents changes in accumulated benefits using beginning of year actuarial data.

NAVAJO MINE RETIREMENT PLAN

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2011 AND 2010

1. Description of Plan

The following description of the Navajo Mine Retirement Plan (the Plan) provides only general information. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

General

The Plan, established effective June 1, 1964 pursuant to an agreement with the International Union of Operating Engineers, Local No. 953 (the Union), is a defined benefit pension plan covering certain employees of BHP Holdings (International) Inc. (the Company) who are employed at the Navajo Mine and are a member of the collective bargaining unit represented by the Union. Employees who are eligible to participate in the Plan do not include the following: 1) leased employees; 2) employees whose initial date of employment in the surface operations was after June 30, 2004; 3) employees whose initial date of employment in the underground operations was after April 30, 2006; 4) employees who are employed in underground operations and elected to begin receiving contributions to the employer funded account under the BHP New Mexico Coal 401(k) Personal Savings Plan in lieu of continued accrual of benefits in the Plan. Effective April 30, 2006, the Plan was frozen as to eligibility and no new members could become eligible to participate in the Plan. The Plan was amended and restated effective January 1, 2008 to incorporate all previous amendments and to bring it into compliance with Section 415 of the Internal Revenue Code (IRC). The Plan is subject to the applicable provisions of the Employee Retirement Income Security Act of 1974 (ERISA), as amended.

Administration

The Company is the Plan's sponsor and administrator of the Plan. Northern Trust Company (the Trustee) is the Plan's trustee. Mercer serves as the Plan's actuary. Certain duties and responsibilities to assist in the administration of the Plan are carried out on the Company's behalf by the BHP USA Retirement Advisory Committee (RAC) appointed by the Board of Directors of the Company.

Funding Policy

The Company contributes such amounts as are necessary, based on actuarial calculations, to provide the Plan with assets sufficient to meet the benefits to be paid to Plan participants and their beneficiaries. The contributions to the Plan are based on the minimum required contributions determined by the actuary and the accelerated funding policy adopted by the RAC, in order to fully fund the Plan by 2012. The yield (interest, dividends, and net realized and unrealized gains and losses) on Plan investments in excess of amounts established in the actuarial assumptions, plus any gains resulting from forfeiture of nonvested benefits, serve to reduce future contributions that would otherwise be required to provide the defined level of benefits under the Plan. The Company's contributions for 2011 and 2010 met the minimum funding requirements of ERISA.

NAVAJO MINE RETIREMENT PLAN
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010

1. Description of Plan, continued

Investments

The Plan's investments are held at Northern Trust Company in the BHP USA Master Retirement Trust (the Master Trust) for the investment of Plan assets and two other BHP-sponsored defined benefit retirement plans. Each participating retirement plan has an interest in the net assets of the Master Trust.

Pension Benefits and Vesting Provisions

A participant who retires on or after February 1, 2002 and has attained age 65 is entitled to receive a monthly benefit (Normal Retirement Benefit) equal to \$40 multiplied by the participant's years of credited service prior to February 1, 2002, plus \$36 multiplied by the participant's years of service on or after February 1, 2002. Effective February 1, 2004, the past service multiplier for eligible participants employed in surface operations increased from \$40 to \$42 for periods of service prior to February 1, 2002 and effective February 1, 2007, the past service multiplier increased to \$44. One year of credited service is earned for each year in which at least 1,600 hours are worked. Partial years of credited service can also be earned for less than 1,600 hours.

An eligible participant who retires on or after he or she attains age 55 and completes five years of service is entitled to receive a monthly benefit (Early Retirement Benefit) equal to the participant's Normal Retirement Benefit, reduced by 0.5% for each month the participant is younger than age 60 on the date the Early Retirement Benefit is to commence. An early retirement supplement is available for participants who retire after attaining age 55 when their age plus years of service total at least 85. The early retirement supplement is \$300 per month payable until age 62 or death, if earlier.

The surviving spouse of a participant entitled to a benefit that has not commenced at the date of the participant's death is entitled to a survivor benefit. The amount of the survivor benefit is the 50% portion of the joint benefit, and the 50% survivor benefit is payable at the earliest time permitted under the Plan. Additional death benefits are available in the case of deaths resulting from mine accidents.

Disability Benefits

Certain disability benefits, as defined in the Plan, are available for eligible participants.

Payment of Benefits

If a participant is married when benefits commence, the participant's benefits will be paid in the form of an individual life and 50% spouse's benefit, as defined in the Plan. If a participant is not married on the annuity starting date, the participant's benefits will be paid in the form of a five year certain and life benefit, as defined in the Plan.

NAVAJO MINE RETIREMENT PLAN
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010

1. Description of Plan, continued

Administrative Expenses

Expenses related to the administration of the Plan may be paid by the Company or by the Plan.

During 2011 and 2010, Pension Benefit Guaranty Corporation (PBGC) premiums, audit fees, actuarial fees, and other similar direct charges were paid by the Plan. Costs incidental to the administration of the Plan by Company personnel or others were paid by the Company.

2. Summary of Significant Accounting Policies

Basis of Accounting

The accompanying financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of net assets available for benefits and changes therein, disclosure of contingent assets and liabilities, and the actuarial present value of accumulated plan benefits at the date of the financial statements. Actual results could differ from those estimates.

Recent Accounting Pronouncements

In January 2010, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2010-06, *Fair Value Measurements and Disclosures (Topic 820): Improving Disclosures about Fair Value Measurements* (ASU No. 2010-06). ASU No. 2010-06 amends the disclosure requirements of FASB ASC Topic 820, *Fair Value Measurements and Disclosures* (ASC 820) and requires new disclosures regarding (a) transfers in and out of levels 1 and 2 and (b) activity in level 3 fair value measurements. ASU No. 2010-06 also provides amendments to ASC 820 that clarify existing disclosures regarding (a) level of disaggregation for each class of assets and liabilities and (b) disclosures about inputs and valuation techniques for fair value measurements that fall in either levels 2 or 3. ASU No. 2010-06 is effective for periods beginning after December 15, 2009 (except for the level 3 roll forward which is effective for periods beginning after December 15, 2010). The adoption of FASB ASU No. 2010-06 did not have a significant impact on the Plan's financial statements.

In May 2011, the FASB issued ASU No. 2011-04, *Fair Value Measurement (Topic 820): Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs*. This ASU requires for Level 3 fair value measurements, to disclose quantitative information about unobservable inputs used, a description of the valuation processes used, and a qualitative discussion about the sensitivities of the measurements. The guidance is effective for interim and annual periods beginning after December 15, 2011. The adoption of ASU 2011-04 is not expected to have a material impact on the Plan's financial statements.

NAVAJO MINE RETIREMENT PLAN

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2011 AND 2010

2. Summary of Significant Accounting Policies, continued

Risks and Uncertainties

At December 31, 2011 and 2010, Northern Trust Company holds 100% of the Plan's investments in fixed income securities, common/collective trusts, and interest-bearing cash.

Northern Trust Company is highly regarded by various investor services. Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility risks. Because of the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term, and that such changes could materially affect the amounts reported in the statement of net assets available for benefits.

Plan contributions are made, and the actuarial present value of accumulated plan benefits are reported, based on certain assumptions pertaining to interest rates, inflation rates and employee demographics, all of which are subject to change. Because of uncertainties inherent in the estimation and assumptions process, it is at least reasonably possible that changes in these estimates and assumptions in the near term would be material to the financial statements.

Investment Valuation and Income Recognition

The Plan's investments are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Plan's investment in the Master Trust is carried at fair value, with such value based upon the fair values of underlying investments held by the Master Trust. See Note 4.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded as earned. Dividends are recorded on the ex-dividend date. Income from investments, realized gains (losses) on the disposition of assets, appreciation (depreciation) of investments resulting from fluctuations in fair value, less certain expenses (collectively, the net investment income) related to the Master Trust are allocated monthly to the individual plans based upon respective balances invested by the plans at the end of each month.

Benefit Payments

Benefit payments to participants are recorded upon distribution.

3. Information Certified by the Plan's Trustee (Unaudited)

The Plan Administrator has elected the method of annual reporting and compliance permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, the Plan's Trustee has certified that the information included in Note 4 and the accompanying financial statements and supplemental schedule is complete and accurate. The Plan's independent accountants did not perform auditing procedures with respect to this information, except for comparing such information to the related information included in Note 4 and the financial statements and supplemental schedule.

NAVAJO MINE RETIREMENT PLAN

NOTES TO THE FINANCIAL STATEMENTS **DECEMBER 31, 2011 AND 2010**

4. Plan Interests in BHP Master Trust (Unaudited)

As of December 31, 2011 and 2010, the Plan held an 18.08% and 17.49% interest, respectively, in the Master Trust. The value of the Plan's interest in the Master Trust is based on the beginning of year value of the Plan's interest in the Master Trust plus actual contributions and allocated investment income less actual distributions and allocated administrative expenses. Investment income and administrative expenses related to the Master Trust are allocated to the individual plans based upon average monthly balances invested by each plan. The Plan's interest in the Master Trust as of and for the years ended December 31, 2011 and 2010 is as follows:

	<u>2011</u>	<u>2010</u>
Plan interest in Master Trust	\$ <u>96,332,303</u>	\$ <u>85,204,443</u>
Plan interest in net investment income of Master Trust	\$ <u>7,738,361</u>	\$ <u>6,317,995</u>

The following table presents the net assets available for benefits, including investments, of the Master Trust, which was certified by the Trustee, as of December 31, 2011 and 2010:

	<u>2011</u>	<u>2010</u>
Assets		
Investments, at fair value:		
Common collective trust	\$ 46,000,100	66,412,327
Fixed income securities	492,698,578	404,423,621
Interest-bearing cash	<u>2,837,237</u>	<u>6,621,781</u>
Total investments	<u>541,535,915</u>	<u>477,457,729</u>
Receivables:		
Accrued income receivable	6,227,075	5,514,172
Receivable for securities sold	<u>1,546,670</u>	<u>14,279,295</u>
Total receivables	<u>7,773,745</u>	<u>19,793,467</u>
Total assets	549,309,660	497,251,196
Liabilities		
Payables for securities purchased and other liabilities	<u>(16,465,605)</u>	<u>(10,161,540)</u>
Net assets available for benefits	<u>\$ 532,844,055</u>	<u>\$ 487,089,656</u>

NAVAJO MINE RETIREMENT PLAN

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2011 AND 2010

4. Plan Interests in BHP Master Trust (Unaudited), continued

Investment income of the Master Trust, as certified by the Trustee, for the years ended December 31, 2011 and 2010 is as follows:

	<u>2011</u>	<u>2010</u>
Net appreciation (depreciation) in fair value of investments:		
Common stocks	\$ -	\$ (1,905,914)
Common collective trust	(1,798,265)	12,992,878
Fixed income securities	30,312,756	14,948,375
Mutual Funds	-	(1,111,170)
Other	<u>597,870</u>	<u>817,188</u>
Total appreciation	29,112,361	25,741,357
Interest and dividend income	<u>21,712,678</u>	<u>18,351,605</u>
Total investment income	50,825,039	44,092,962
Investment expenses	<u>(1,361,263)</u>	<u>(1,386,348)</u>
Net investment income	<u>\$ 49,463,776</u>	<u>\$ 42,706,614</u>

The fair value of individual investments that represent 5% or more of the Master Trust's net assets at December 31, 2011 and 2010, is as follows:

	<u>2011</u>	<u>2010</u>
MFB NT Collective Russell 3000 Index Fund	\$ 32,571,410	\$ 44,039,568
U.S. Treasury Bonds	35,495,000	*
Investments less than 5% of net assets	<u>473,469,505</u>	<u>433,418,161</u>
Total investments	<u>\$ 541,535,915</u>	<u>\$ 477,457,729</u>

* Not applicable in the period indicated

Fair Value Measurements

ASC Topic 820, *Fair Value Measurements and Disclosures*, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets and liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under ASC Topic 820 are described below:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

NAVAJO MINE RETIREMENT PLAN
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010

4. Plan Interests in BHP Master Trust (Unaudited), continued

Fair Value Measurements, continued

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets at fair value. There have been no changes in the methodologies used at December 31, 2011 and 2010.

Common collective trust: Valued based upon the values of the investments underlying the trust, which consist primarily of shares in a mutual fund, with such underlying investment values generally being determined based upon quoted prices in active trading markets.

Fixed income securities: Includes corporate and governmental bonds, which have been valued based upon quoted prices from actively traded markets, and of various asset backed securities which have been valued using discounted cash flow and other similar models using information and assumptions about interest rates, prepayment rates, collateral values and creditworthiness of the issuers.

Interest-bearing cash: Valued at cost plus accrued interest, which approximates fair value.

The methods described above may produce fair value calculations that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

NAVAJO MINE RETIREMENT PLAN

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2011 AND 2010

4. Plan Interests in BHP Master Trust (Unaudited), continued

Fair Value Measurements, continued

The following tables set forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2011 and 2010:

Assets at Fair Value as of December 31, 2011				
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Common collective trust	\$ -	\$ 46,000,100	\$ -	\$ 46,000,100
Fixed income securities:				
Corporate bonds	303,423,866	292,125	-	303,715,991
Government agency obligations	58,405,385	-	-	58,405,385
Municipal/provincial bonds	36,143,445	-	-	36,143,445
Government bonds	77,680,249	-	-	77,680,249
Government mortgage-backed securities	-	8,013,326	-	8,013,326
Government-issued commercial mortgage-backed securities	-	521,936	-	521,936
Non-government mortgage-backed securities	-	2,316,703	-	2,316,703
Index-linked government bonds	-	4,497,124	-	4,497,124
Asset-backed securities	-	1,404,419	-	1,404,419
Total fixed income securities	<u>475,652,945</u>	<u>17,045,633</u>	<u>-</u>	<u>492,698,578</u>
Interest-bearing cash	<u>2,837,237</u>	<u>-</u>	<u>-</u>	<u>2,837,237</u>
Total investments at fair value	<u>\$ 478,490,182</u>	<u>\$ 63,045,733</u>	<u>\$ -</u>	<u>\$ 541,535,915</u>

The table above excludes receivables and payables of \$7,773,745 and \$16,465,605, respectively, which are part of the Master Trust table above.

NAVAJO MINE RETIREMENT PLAN

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2011 AND 2010

4. Plan Interests in BHP Master Trust (Unaudited), continued

Fair Value Measurements, continued

Assets at Fair Value as of December 31, 2010				
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Common collective trust	\$ <u>-</u>	\$ <u>66,412,327</u>	\$ <u>-</u>	\$ <u>66,412,327</u>
Fixed income securities:				
Corporate bonds	266,921,038	388,250	-	267,309,288
Government agency obligations	69,477,079	-	-	69,477,079
Municipal/provincial bonds	17,616,344	-	-	17,616,344
Government bonds	34,588,108	-	-	34,588,108
Government mortgage-backed securities	-	5,244,136	-	5,244,136
Government-issued commercial mortgage-backed securities	-	543,323	-	543,323
Non-government mortgage-backed securities	-	2,810,556	-	2,810,556
Index-linked government bonds	-	5,167,531	-	5,167,531
Asset-backed securities	-	1,667,256	-	1,667,256
Total fixed income securities	<u>388,602,569</u>	<u>15,821,052</u>	<u>-</u>	<u>404,423,621</u>
Interest-bearing cash	<u>6,621,781</u>	<u>-</u>	<u>-</u>	<u>6,621,781</u>
Total investments at fair value	<u>\$ 395,224,350</u>	<u>\$ 82,233,379</u>	<u>\$ -</u>	<u>\$ 477,457,729</u>

The table above excludes receivables and payables of \$19,793,467 and \$10,161,540, respectively, which are part of the Master Trust table above.

5. Actuarial Present Value of Accumulated Plan Benefits

Accumulated plan benefits are those future periodic payments, including lump-sum distributions that are attributable under the Plan's provisions to the service employees have rendered. Accumulated plan benefits include benefits expected to be paid to (a) retired or terminated employees or their beneficiaries, (b) beneficiaries of employees who have died, and (c) present employees or their beneficiaries. The accumulated plan benefits for active employees are based on their past and current earnings.

NAVAJO MINE RETIREMENT PLAN

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2011 AND 2010

5. Actuarial Present Value of Accumulated Plan Benefits, continued

Benefits payable, under all circumstances (retirement, death, disability, and termination of employment), are included to the extent that they are deemed attributable to employee service rendered to the valuation date.

The actuarial present value of accumulated plan benefits is determined by the Plan's actuary, and is the amount that results from applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as for death, disability, withdrawal, or retirement) between the valuation date and the expected date of payment. The actuarial present value of accumulated plan benefits was calculated as of January 1, 2011 and January 1, 2010 and accordingly, the Plan presents the statements of accumulated plan benefits and the statements of changes in accumulated plan benefits using beginning of year actuarial data. Had the actuarial valuations been performed as of December 31, 2010 and 2009, there would be no material differences. The significant actuarial assumptions underlying the actuarial valuation as of January 1, 2011 and 2010 are as follows:

Assumed rate of return on investments:	2011	5.10% compounded annually
	2010	6.00% compounded annually

Mortality basis:

Healthy participants

RP-2000 mortality tables (separate tables for static generational annuitants and non-annuitants), projected with mortality improvement to the valuation year plus 7 and 15 years based on Scale AA.

Retirement Rates:

Participants are assumed to retire according to the following retirement rates:

<u>Age</u>	<u>Retirement Rates</u>
55 - 59	10%
60 - 62	30%
63 - 64	20%
65	100%

No retirements are assumed to occur before age 55. Participants over age 65 at the valuation date are assumed to retire immediately.

Participants who have transferred to non-covered employment, and participants who have

NAVAJO MINE RETIREMENT PLAN

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2011 AND 2010

terminated with vested deferred benefits, are assumed to retire at age 60.

5. Actuarial Present Value of Accumulated Plan Benefits, continued

Withdrawal Rates:

Participants who are assumed to withdraw according to the Society of Actuary's 2003 turnover study table based on employment

Sample assumed rates are shown below:

<u>Attained Service</u>	<u>Withdrawal Rates</u>
0 years	17.13%
2	15.63%
5	8.34%
7	6.46%
10	4.91%
15	3.66%
20	2.81%
25	2.12%
30	1.52%

Disability Rates:

82% of the 1985 Disability Study Class 4 rates for males and females:

<u>Disability Rates</u>		
<u>Age</u>	<u>Male</u>	<u>Female</u>
20	.145%	.085%
25	.209%	.145%
30	.300%	.245%
35	.417%	.375%
40	.568%	.521%
45	.771%	.722%
50	1.110%	1.088%
55	1.876%	1.738%
60	2.816%	2.025%

Percentage Married:

Male – 85%; Female – 70%.

Age Difference:

Husbands are assumed to be three years older than their wives.

Form of Payment:

85% of males and 70% of females elect 50% joint and survivor with the spouse as the contingent annuitant. 15% of males and 30% of

NAVAJO MINE RETIREMENT PLAN

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2011 AND 2010

females elect life annuity with 5 years of certain.

5. Actuarial Present Value of Accumulated Plan Benefits, continued

The foregoing actuarial assumptions are based on the presumption that the Plan will continue. If the Plan were to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated plan benefits.

6. Income Tax Status

The Plan obtained its latest determination letter on March 13, 2010, in which the Internal Revenue Service stated that the Plan was in compliance with applicable requirements of the IRC. The Plan Administrator and the Plan's tax counsel believe that the Plan is designed and currently being operated in compliance with the applicable requirements of the IRC. Therefore, no provision for income taxes has been included in the Plan's financial statements.

7. Plan Termination

Although it has not expressed any intent to do so, the Company has the right to discontinue contributions at any time and terminate the Plan, subject to the provisions of ERISA and the provisions of the Plan. In the event of Plan termination, any non-vested participants would become 100% vested in their pension benefits and the assets of the Plan will be allocated in the manner and order of priority prescribed by ERISA to provide the benefits accrued under the Plan, as of the date of termination, to retired, terminated vested, and active participants and their beneficiaries and surviving spouses. Whether a particular participant's accumulated plan benefits will be paid depends on both the priority of those benefits and the level of benefits guaranteed by the Pension Benefit Guarantee Corporation (PBGC) at that time. Some benefits may be fully or partially provided for by the then existing assets and the PBGC guaranty while other benefits may not be provided for at all. Any assets remaining after all Plan expenses have been paid and all accrued liabilities have been provided for by the purchase of annuities or otherwise will revert to the Company.

8. Related-Party Transactions

Certain Master Trust investments are shares of common/collective trusts, which are managed by an affiliate of the Trustee. These transactions qualify as party-in-interest transactions, as defined by ERISA. However, such transactions are permitted under the provisions of the Plan and are exempt from the prohibition of party-in-interest transactions under ERISA.

The Company provided administrative services and incurred costs on behalf of the Plan related to 2011 and 2010, but has not received any related compensation or reimbursement from the Plan. The Company also paid certain fees on behalf of the Plan during 2011 and 2010.

NAVAJO MINE RETIREMENT PLAN
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010

9. Form 5500 Reconciliation

For the 2011 and 2010 Plan years, total net assets available for benefits and the net increase in net assets available for benefits per the financial statements agree to the amounts per the Forms 5500. Differences between the individual line items on the Statement of Changes in Net Assets and the Form 5500 are attributed to classification differences.

10. Subsequent Events

Plan management has evaluated subsequent events through October 11, 2012, which is the date the financial statements were issued, and has concluded that there are no significant events to report.

SUPPLEMENTAL SCHEDULE

NAVAJO MINE RETIREMENT PLAN

SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)

DECEMBER 31, 2011

EIN: 94-3144067

PN: 002

(a)	(b) Identity of Issue, Borrower, Lessor, or Similar Party	(c) Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par, or Maturity Value	(d) Cost	(e) Current Value
*	BHP Master Trust	18.08% interest in the BHP Master Trust	\$ 87,621,668	\$ 96,332,303
		Total	<u>\$ 87,621,668</u>	<u>\$ 96,332,303</u>

* Indicates a party-in-interest.

Schedule SB, Part V — Statement of Actuarial Assumptions/Methods**Actuarial assumptions****Discount rate sponsor elections**

▪ Segment rates or full yield curve	Segment
▪ Look-back months	4
▪ First 5 years	3.78%
▪ Next 15 years	6.31%
▪ Over 20 years	6.57%

Mortality sponsor elections

▪ Healthy participants	Section 430(h)(3) prescribed separate static annuitant and nonannuitant mortality tables. These tables are based on the RP-2000 mortality tables projected with mortality improvement to the valuation year plus 7 and 15 years based on Scale AA.
▪ Pre-1995 disabilities	Not applicable
▪ Post-1994 disabilities	Revenue Ruling 96-7 table for participants who became disabled after 1994 and are eligible for Social Security disability benefits

Other economic assumptions

▪ Salary increases	Not applicable
▪ Flat-dollar benefit increases	Not applicable
▪ Social Security wage base	Not applicable
▪ Inflation	3.00% per year
▪ Expected investment return	5.10%
▪ Expenses	Expected administrative expenses (assumed to equal prior year administrative expenses but adjusted for PBGC premiums with current year PBGC premiums replacing prior year) discounted to beginning of year are included in normal cost (equal to \$122,369).

Demographic assumptions

Withdrawal	2003 SOA study basic service table. See table of sample rates.
Disability incidence	82% of the 1985 Disability Study Class 4 rates for males and females. See table of sample rates.

Retirement age

Attained age	Percentage Retirement
55 - 59	10%
60 - 62	30
63 - 64	20
65	100

Schedule SB, Part V — Statement of Actuarial Assumptions/Methods

Demographic assumptions (continued)			
Benefit commencement age for			
▪ Future vested deferred	60		
▪ Current vested deferred	60		
Spouse assumptions	<u>Male participants</u>	<u>Female participants</u>	
▪ Percentage married	85%	70%	
▪ Spouse age difference	3 years younger	3 years older	
Form of payment – Males	<u>50% J&S</u>	<u>LA w/5</u>	<u>LA</u>
▪ Active retirements	85%	15%	0%
▪ Future vested deferred	85%	15%	0%
▪ Future disabilities	85%	15%	0%
▪ Future deaths	0%	0%	100%
▪ Current vested deferred	85%	15%	0%
Form of payment – Females	<u>50% J&S</u>	<u>LA w/5</u>	<u>LA</u>
▪ Active retirements	70%	30%	0%
▪ Future vested deferred	70%	30%	0%
▪ Future disabilities	70%	30%	0%
▪ Future deaths	0%	0%	100%
▪ Current vested deferred	70%	30%	0%
Unpredictable contingent event assumptions	Not applicable		

Schedule SB, Part V — Statement of Actuarial Assumptions/Methods**Table of sample rates**

Attained age	Percentage	
	Disability	
	Male	Female
20	.145%	.085%
25	.209	.145
30	.300	.245
35	.417	.375
40	.568	.521
45	.771	.722
50	1.110	1.088
55	1.876	1.738
60	2.816	2.025

Attained service	Percentage
	Withdrawal
0 yrs	17.13%
2	15.63
5	8.34
7	6.46
10	4.91
15	3.66
20	2.81
25	2.12
30	1.52

Schedule SB, Part V — Statement of Actuarial Assumptions/Methods

Actuarial methods

Asset methods

We used unaudited financial data submitted by Northern Trust as of January 1, 2011 without further audit. Customarily, this information would not be verified by a plan's actuary. We have reviewed the information for internal consistency and we have no reason to doubt its substantial accuracy. Receivable contributions are required to be discounted to the valuation date using the prior year's effective interest rate (EIR) of 6.67% as described in Section 430(g)(4) of the Internal Revenue Code.

The asset valuation method is the fair market value.

Participant methods

Participants or former participants are included or excluded from the valuation as described below:

- **Participants included:** All eligible employees as of the valuation date are included in the valuation of liabilities.
- **Participants excluded:** No actuarial liability is included for nonvested participants who terminated prior to the valuation date. For this purpose, participants with a break in service on the valuation date are treated as terminated participants.
- **Insurance contracts:** The plan does not have any insurance contracts.

Minimum funding methods

The funding target for minimum funding calculations is computed using the traditional unit credit method of funding. The objective under this method is to fund each participant's benefits under the plan as they accrue. Thus, the total pension to which each participant is expected to become entitled at retirement is broken down into units, each associated with a year of past or future credited service.

A detailed description of the calculation follows:

- The plan's valuation date is the beginning of the plan year.
- An individual's **funding target** is the present value of future benefits based on credited service and average pay as of the beginning of the plan year, and an individual's **target normal cost** is the present value of the benefit expected to accrue in the plan year. If multiple decrements are used, the funding target and the target normal cost for an individual is the sum of the component funding targets and target normal costs associated with the various anticipated separation dates.
- This plan provides benefits that are not a function of a participant's accrued benefit or years of service. This benefit is allocated to funding target based on the ratio of the participant's service at the beginning of the plan year to their service at each decrement age and is allocated to target normal cost based on the proportionate

Schedule SB, Part V — Statement of Actuarial Assumptions/Methods

benefit attributable to the increase in the participant's service and compensation during the plan year.

- This plan provides disability benefits that are only partially based on a participant's accrued benefit or years of service. This benefit is allocated to funding target based on the accrued benefit on the valuation date plus a portion of the excess of the benefit over the accrued benefit multiplied by the ratio of the participant's service at the beginning of the plan year to their service at each decrement age. This benefit is allocated to target normal cost based on the proportionate benefit attributable to the increase in the participant's service during the plan year.
- The plan's **target normal cost** is the sum of the individual target normal costs, and the plan's **funding target** is the sum of the individual funding targets for all participants under the plan.

Maximum deductible contribution method

Calculations of maximum deductible contributions include the excess of the funding target computed using the projected unit credit method over the minimum funding target. The objective of the projected unit credit method is to fund each participant's benefits under the plan as they accrue, taking into consideration expected future benefit increases. Thus, the total pension to which each participant is expected to become entitled at retirement is broken down into units, each associated with a year of past or future credited service.

A detailed description of the calculation follows:

- An individual's **projected funding target** is the present value of benefits based on credited service as of the beginning of the plan year and projected benefit that would be used in the calculation of the benefit on each expected separation date. If multiple decrements are used, the projected funding target for an individual is the sum of the component projected funding targets associated with the various anticipated separation dates.
- The plan's **projected funding target** is the sum of the projected funding targets for all participants under the plan. The excess of the plan's projected funding target over the plan's funding target is included in the "cushion amount."

Method changes since prior valuation

- No method changes since the January 1, 2010 valuation.

Schedule SB, Line 22 — Description of Weighted Average Retirement Age

Each employee is assumed to retire in accordance with the table of retirement rates. The proportion of employees expected to retire at each potential retirement age is shown below. The average retirement age is 60.

(A) Retirement age	(B) Retirement Percent	(C) Lx	(D) Number of employees expected to retire (B) x (C)	(E) (A) x (D)
55	10.00%	10,000	1,000.00	55,000
56	10.00%	9,000	900.00	50,400
57	10.00%	8,100	810.00	46,170
58	10.00%	7,290	729.00	42,282
59	10.00%	6,561	656.00	38,710
60	30.00%	5,905	1,771.47	106,288
61	30.00%	4,133	1,240.03	75,642
62	30.00%	2,893	868.02	53,817
63	20.00%	2,025	405.08	25,520
64	20.00%	1,620	324.06	20,740
65	100.00%	1,296	1,296.24	84,256
Total			10,000.00	598,825
Average				59.88

Schedule SB, Line 24 — Change in Actuarial Assumptions

Actuarial assumption changes since prior valuation

- Expense normal cost decreased from \$159,089 to \$122,369 to reflect our expectations for the current plan year.
- Interest discount and mortality rates were updated from 2010 to 2011 in accordance with PPA.
- The expected investment return was reduced from 6.00% to 5.10% to reflect our expectations.

Schedule SB, Part V — Summary of Plan Provisions**Benefits included or excluded**

Unless noted below, all benefits provided by the plan, as restated effective January 1, 2008, are included in this valuation.

- **Most recent plan amendments included:** Amendment three.
- **Plan amendments excluded:** None
- **IRC Section 436 benefit restrictions:**
 - *Unpredictable contingent event benefits:* This valuation excludes restricted contingent event benefits that occurred before the valuation date but includes contingent event benefits which are expected to occur on or after the valuation date regardless of anticipated funding-based limitations.
 - *Plan amendments:* See above.
 - *Prohibited payments:* Limitations on prohibited benefits (if any) are reflected for annuity starting dates before the valuation date but are ignored for annuity starting dates on or after the valuation date.
 - *Benefit accruals:* The plan's funding target does not reflect any limitation on benefit accruals. The target normal cost does not reflect any limitation on benefit accruals.
- **Scheduled benefit increases:** Scheduled benefit increases effective after the end of the current plan year are excluded from minimum funding requirements.
- **Late retirement increases:**
 - *Active participants:* The plan provides actuarial increases to benefits of participants who work beyond normal retirement. We have reflected these increases for participants who were over age 65 at the valuation date. The Plan distributes benefits to active participants who work beyond age 70 1/2.
 - *Deferred vested participants:* Current deferred vested participants over normal retirement age are valued including the late retirement actuarial increase.
- **Unpredictable contingent event benefits:** The plan does not have any unpredictable contingent event benefits.
- **IRC Section 415(b) benefit limitations:** The limitations of Internal Revenue Code Section 415(b) have been incorporated into our calculations.

Schedule SB, Part V — Summary of Plan Provisions

- **IRC Section 416 rules for top-heavy plans:** We did not test whether this plan is top-heavy (when the present value of benefits for key employees equals or exceeds 60 percent of the present value for all participants). However, we expect that the plan is not top-heavy due to the large number of rank-and-file participants; therefore, the funding target and target normal cost do not reflect any liability for top-heavy benefit accruals.
- **Occupational Disability Transition Benefit and Mine Accident Death Benefit:** We have assumed that all participants who become disabled or die while active receive benefits under the normal disability and death provisions of the Plan rather than under the Occupational Disability Transition Benefit or Mine Accident Death Benefit.

Summary of major plan provisions

Effective date and plan year	Original plan: June 1, 1964 Restated plan: January 1, 2008 Plan year: January 1 through December 31
Status of the plan	The plan has ongoing benefit accruals. New employees are not eligible to participate in the plan effective April 30, 2006.
Significant events that occurred during the year	None
Definitions	
▪ Covered employees	Any BHP employee at Navajo Mine (including company mines in the Navajo Indian Reservation and throughout San Juan County, New Mexico) who is covered by the collective bargaining agreement between BHP and the International Union of Operating Engineers, Local No. 953. Employees hired in surface operations after June 30, 2004, and employees hired in underground operations after April 30, 2006 are not eligible for the Plan.
▪ Participation	Covered employees become participants upon employment. Effective April 30, 2006, the Plan was closed to new entrants.
▪ Vesting service	A year of service for vesting and eligibility purposes is earned for each calendar year in which a covered employee works at least 1,000 hours; for years in which an employee works at least 400 but less than 1,000 hours, a partial year of service is earned, equal to the number of hours worked, divided by 1,000. Under certain conditions, vesting and eligibility service may include periods of temporary disability, approved leaves of absence, military leave, and prior employment.

Schedule SB, Part V — Summary of Plan Provisions

▪ Credited service	<p>A year of service for benefit accrual purposes is earned for each calendar year in which a covered employee works at least 1,600 hours; for years in which an employee works at least 400 but less than 1,600 hours, a partial year is earned, equal to the number of hours worked, divided by 1,600.</p> <p>Credited service does not include periods of employment on and after January 1, 2007 after a participant has elected to receive contributions from the Employer Funded Account under the BHP New Mexico Coal 401(k) Savings Plan.</p>
▪ Benefit formula – Underground employee terminations on or after February 1, 2002 (monthly)	<p>\$40 x years of credited service before February 1, 2002, plus \$36 x years of credited service after February 1, 2002.</p>
▪ Benefit formula – Surface employee terminations on or after February 1, 2002 (monthly)	<p>\$44 (\$42 if terminated between 2/1/2002 and 1/31/2007) x years of credited service before February 1, 2002, plus \$36 x years of credited service after February 1, 2002.</p>
▪ Benefit formula – termination before February 1, 2002 (monthly)	Years of credited service x multiplier in effect at termination.
Normal retirement	
▪ Eligibility	Retirement on or after age 65.
▪ Benefit	Monthly benefit determined under the applicable benefit formula.
Early retirement	
▪ Eligibility	Retirement before age 65 after both attaining age 55 and completing 5 years of vesting service.
▪ Benefit	Benefits for any participants who elect to commence their benefits prior to normal retirement are reduced by $\frac{1}{2}\%$ for each of the first 60 months commencement precedes age 60. No reduction applies for benefits commenced after age 60.
Supplemental early retirement	
▪ Eligibility	Retirement before age 65 after the participant attains age 55 and the sum of age plus years of service equals or exceeds 85 and employed at Navajo immediately prior to retirement.
▪ Benefit	\$300 per month, payable from early retirement to age 62 or dies.
Deferred vested	
▪ Eligibility	Termination for reasons other than death, disability, or retirement after becoming fully vested in the Plan benefit. Eligible for commencement on the first of any month following age 55. Participants are vested in their plan benefit after 5 years of vesting service.
▪ Benefit	Equal to the early retirement benefit.

Schedule SB, Part V — Summary of Plan Provisions

Disability	
▪ Eligibility	Termination upon becoming totally and permanently disabled (defined by the plan administrator). Must be eligible for Social Security disability payments.
▪ Benefit	Equal to the normal retirement benefit determined using a minimum of 10 years of credited service, unreduced for early commencement, payable from date of disability to age 65.
Occupational disability transition	
▪ Eligibility	Termination upon becoming seriously disabled (defined by plan administrator) after completing 10 years of vesting service with at least 6 years of credited service and after attaining age 55, if the participant was employed by Navajo immediately prior to disability. Participant must release the Company of all liability, and cannot be eligible for a disability retirement benefit.
▪ Benefit	Annual payment of \$1,200, plus \$1,200 for each year of credited service in excess of 6 years (maximum \$12,000 annual payment.) Payable from the date of disability until the participant receives 5 annual installments or becomes eligible for Social Security pension payments, whichever is earlier. A portion of this benefit may be payable as a lump sum.
Pre-retirement survivor	
▪ Eligibility	Death of a vested participant after being married for at least one year. Eligible for commencement not earlier than on the first of the month following the date on which the participant would have attained age 55.
▪ Survivor benefits – married participants	<p>Equal to 50% of the benefit the deceased participant would have received had he elected to commence on the date the survivor payments begin.</p> <p>The benefit is paid as a monthly annuity for the survivor's lifetime.</p>
Pre-retirement death	
▪ Eligibility	Death of an unmarried vested participant or a participant who has been married less than one year who is at least age 55. Payments begin on the first of the month following the date of the participant's death.
▪ Survivor benefits – unmarried participants	60 monthly payments in the amount the deceased participant would have received had he elected to commence on the first of the month following his death.

Schedule SB, Part V — Summary of Plan Provisions

Mine accident death	
▪ Eligibility	Death of a married participant in a Company mine accident. Payments begin on the first of the month following the date of the participant's death and end at the earlier of the survivor's death or remarriage.
▪ Benefit	Equal to the excess of the normal retirement benefit (determined using a minimum of 10 years of credited service) over the survivor benefits generally payable under the plan. This benefit is paid in addition to the general survivor benefits.
Benefit offsets	
The plan benefits for certain participants are offset by benefits earned under prior plans.	
Form of benefits	
▪ Automatic form for unmarried participants	The normal form of payment for monthly pension benefits is a life annuity with 60 payments guaranteed if the member has no spouse as of the date payments begin
▪ Automatic form for married participants	50% joint and survivor annuity with no reduction if the member is married at the date payments begin.
▪ Optional forms	No optional forms of payment are available from the plan.
Miscellaneous	
▪ Voluntary early retirement	There are special provisions which applied to voluntary early retirement program which applied in 1995, 1997, 1999 and 2002.
▪ Maximum benefits	Annual benefits may not exceed the limits in IRC Section 415. This limit is indexed annually. For 2011, the limit is \$195,000.

Plan provision changes since prior valuation

- Maximum benefits were updated from 2010 to 2011.

Schedule SB, Line 26 — Schedule of Active Participant Data**Distribution of active participants as of January 1, 2011**

Attained age	Years of credited service										
	Under 1	1-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40 & up	Total
Under 25											
25-29		1	6								7
30-34		8	19								27
35-39		13	24	3	5						45
40-44		7	21	10	10	7					55
45-49		6	19	11	19	13	10				78
50-54		4	19	3	19	20	24	17	1		107
55-59		1	7	3	10	13	17	35	17		103
60-64			2	1	3	7	14	13	21	1	62
65-69						1		2	1		4
70 & up					1		1				2
Total		40	117	31	67	61	66	67	40	1	490

In each cell, the number is the count of active participants for each age/service combination

SCHEDULE SB (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <hr/> <small>Department of Labor Employee Benefits Security Administration</small> <hr/> <small>Pension Benefit Guaranty Corporation</small>	Single-Employer Defined Benefit Plan Actuarial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code). File as an attachment to Form 5500 or 5500-SF.	OMB No. 1210-0110 2011 This Form is Open to Public Inspection
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For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

☒ **Round off amounts to nearest dollar.**

☒ **Caution:** A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan Navajo Mine Retirement Plan	B Three-digit plan number (PN) ☒	002
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF Broken Hill Proprietary USA Inc.	D Employer Identification Number (EIN) 94-3144067	
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B		
F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500		

Part I Basic Information			
1 Enter the valuation date: Month <u>1</u> Day <u>1</u> Year <u>2011</u>			
2 Assets:			
a Market value	2a	90,885,200	
b Actuarial value	2b	90,885,200	
3 Funding target/participant count breakdown:			
		(1) Number of participants	(2) Funding Target
a For retired participants and beneficiaries receiving payment.....	3a	400	33,605,704
b For terminated vested participants.....	3b	303	10,313,906
c For active participants:			
(1) Non-vested benefits.....	3c(1)		1,532,635
(2) Vested benefits.....	3c(2)		37,579,326
(3) Total active.....	3c(3)	490	39,111,961
d Total.....	3d	1,193	83,031,571
4 If the plan is in at-risk status, check the box and complete lines (a) and (b) ☐			
a Funding target disregarding prescribed at-risk assumptions.....	4a		
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor.....	4b		
5 Effective interest rate	5	6.27 %	
6 Target normal cost	6	1,169,779	

Statement by Enrolled Actuary

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE	<div style="font-size: 2em; font-family: cursive;">KB</div>	<div style="font-size: 1.5em; font-family: cursive;">10/11/2012</div>
	Signature of actuary	Date
	KEVIN BILLS, FSA, EA	11-07029
	Type or print name of actuary	Most recent enrollment number
	MERCER	(713) 276-2100
	Firm name	Telephone number (including area code)
	1000 MAIN STREET, SUITE 2900	
	HOUSTON TX 77002	
	Address of the firm	

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions ☐

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500 or 5500-SF.

Schedule SB (Form 5500) 2011
v.012611

Part II Beginning of year carryover and prefunding balances

	(a) Carryover balance	(b) Prefunding balance
7 Balance at beginning of prior year after applicable adjustments (line 13 from prior year).....	227,413	0
8 Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	0
9 Amount remaining (line 7 minus line 8).....	227,413	0
10 Interest on line 9 using prior year's actual return of <u>8.20</u> %.....	18,648	
11 Prior year's excess contributions to be added to prefunding balance:		
a Present value of excess contributions (line 38 from prior year)		7,366,035
b Interest on (a) using prior year's effective rate of <u>6.67</u> % except as otherwise provided (see instructions).....		491,315
c Total available at beginning of current plan year to add to prefunding balance.....		7,857,350
d Portion of (c) to be added to prefunding balance.....		0
12 Other reductions in balances due to elections or deemed elections.....	0	0
13 Balance at beginning of current year (line 9 + line 10 + line 11d – line 12).....	246,061	0

Part III Funding percentages

14 Funding target attainment percentage	14	109.16 %
15 Adjusted funding target attainment percentage	15	109.45 %
16 Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement.....	16	103.73 %
17 If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage.....	17	%

Part IV Contributions and liquidity shortfalls**18** Contributions made to the plan for the plan year by employer(s) and employees:

(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
11/21/2011	994,000	0			
01/20/2012	497,000	0			
02/22/2012	497,000	0			
03/26/2012	497,000	0			
06/12/2012	1,988,000	0			
Totals •			18(b)	4,473,000	18(c) 0

19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:

a Contributions allocated toward unpaid minimum required contributions from prior years.....	19a	0
b Contributions made to avoid restrictions adjusted to valuation date.....	19b	0
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date.....	19c	4,153,461

20 Quarterly contributions and liquidity shortfalls:

- a** Did the plan have a "funding shortfall" for the prior year? ☐ Yes ☒ No
- b** If 20a is "Yes," were required quarterly installments for the current year made in a timely manner? ☐ Yes ☐ No
- c** If 20a is "Yes," see instructions and complete the following table as applicable:

Liquidity shortfall as of end of quarter of this plan year			
(1) 1st	(2) 2nd	(3) 3rd	(4) 4th

Part V Assumptions used to determine funding target and target normal cost

21 Discount rate:				
a Segment rates:	1st segment: 3.78 %	2nd segment: 6.31 %	3rd segment: 6.57 %	☐ N/A, full yield curve used
b Applicable month (enter code).....				21b 4
22 Weighted average retirement age				22 60
23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute				

Part VI Miscellaneous items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment.....	☒ Yes ☐ No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment.....	☐ Yes ☒ No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment.....	☒ Yes ☐ No
27 If the plan is eligible for (and is using) alternative funding rules, enter applicable code and see instructions regarding attachment.....	27

Part VII Reconciliation of unpaid minimum required contributions for prior years

28 Unpaid minimum required contributions for all prior years	28	0
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a).....	29	0
30 Remaining amount of unpaid minimum required contributions (line 28 minus line 29).....	30	0

Part VIII Minimum required contribution for current year

31 Target normal cost and excess assets (see instructions):			
a Target normal cost (line 6).....	31a	1,169,779	
b Excess assets, if applicable, but not greater than 31a	31b	1,169,779	
32 Amortization installments:	Outstanding Balance	Installment	
a Net shortfall amortization installment	0	0	
b Waiver amortization installment.....	0	0	
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33	0	
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)...	34	0	
	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement	0	0	0
36 Additional cash requirement (line 34 minus line 35).....	36	0	
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	37	4,153,461	
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)	38a	4,153,461	
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b	0	
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37).....	39	0	
40 Unpaid minimum required contributions for all years.....	40	0	

Part IX Pension funding relief under Pension Relief Act of 2010 (see instructions)

41 If a shortfall amortization base is being amortized pursuant to an alternative amortization schedule:				
a Schedule elected	☐ 2 plus 7 years	☐ 15 years		
b Eligible plan year(s) for which the election in line 41a was made	☐ 2008	☐ 2009	☐ 2010	☐ 2011
42 Amount of acceleration adjustment	42			
43 Excess installment acceleration amount to be carried over to future plan years	43			