

Macquarie Australia Conference - presentation

1 & 2 May 2019

Rio Tinto group executive - Growth & Innovation, Stephen McIntosh, is presenting today at the Macquarie Australia Conference in Sydney, Australia.

The presentation is attached and will also be available at www.riotinto.com/presentations.

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Macquarie Australia Conference

Stephen McIntosh, Group Executive – Growth & Innovation

1-2 May 2019

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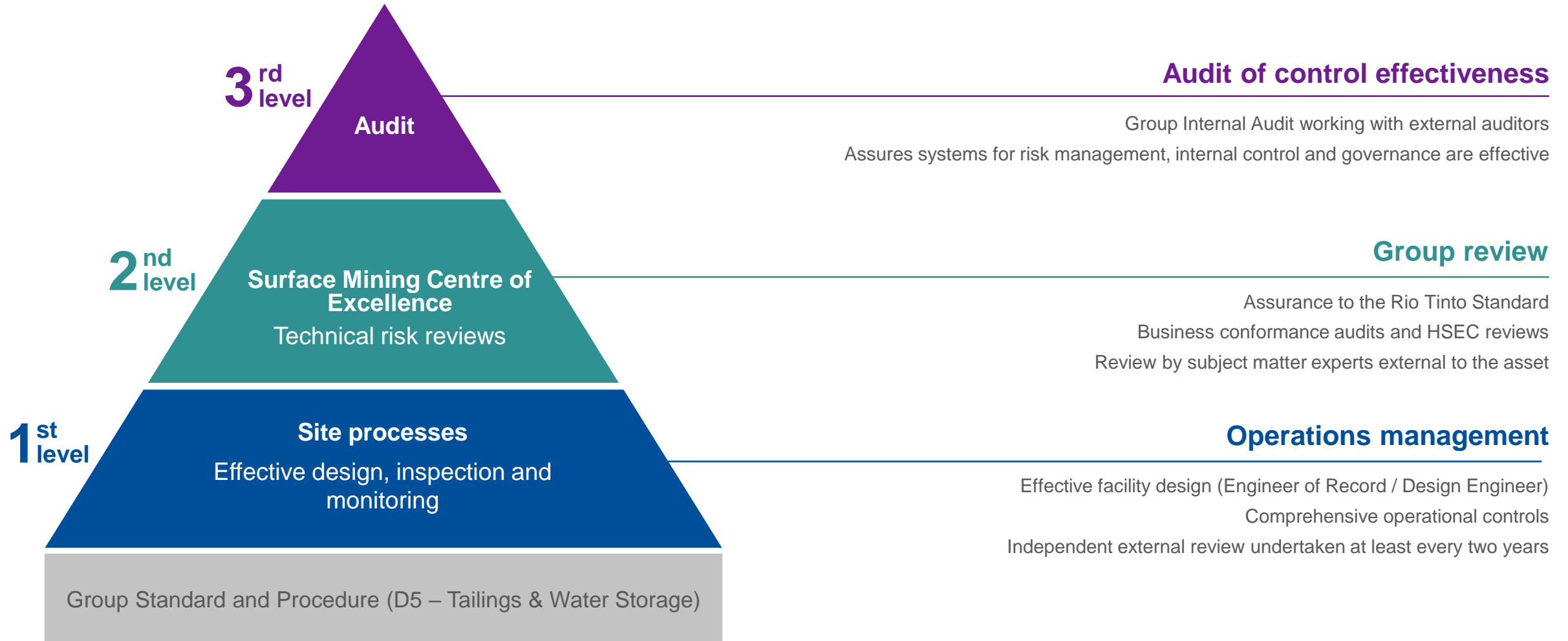
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Managing our major hazard risks



A strong 2018

Delivering \$13.5 billion of cash returns

Financial performance

\$18.1bn

EBITDA* on margin of 42%

\$11.8bn

Operating cash flows

\$8.6bn

Disposal proceeds***

- Divested coking coal, Grasberg and Dunkerque

Balance sheet

\$0.3bn

Net cash at Dec-2018

- Adjusted net debt of \$8.0 billion**
- No bond maturities until 2020

Value creation

\$13.5bn

Total shareholder cash returns

\$2.9bn

Development capital investment

Approval of Koodaideri and Robe River replacement iron ore mines

19%

Return on capital employed****

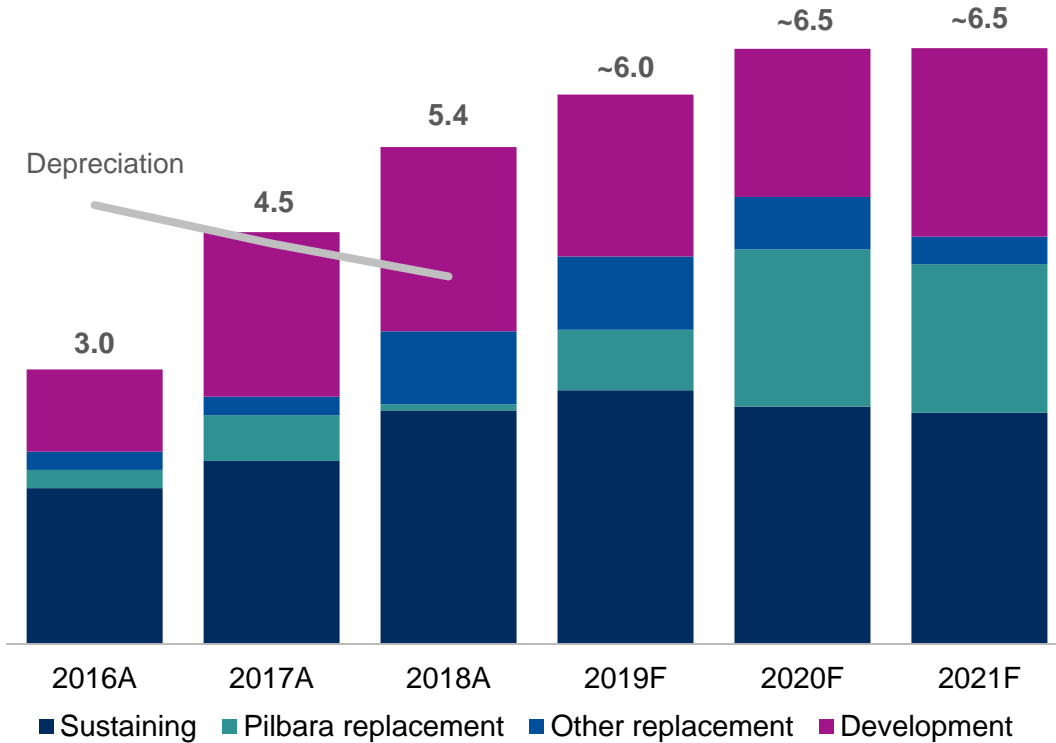


* Underlying EBITDA | ** Adjusted net debt of \$8.0 billion includes return of Grasberg/Dunkerque proceeds, previously announced buy-backs, Australian tax lag, and leasing accounting standard change | *** Pre-tax proceeds

**** Return on Capital Employed (ROCE) is defined as underlying earnings excluding net interest divided by average capital employed (operating assets before net debt)

Disciplined ramp-up of investments

Capital expenditure profile
\$ billion



Maintained sustaining capital guidance of \$2.0 to \$2.5 billion per year, including:

- Iron Ore sustaining capex of ~\$1 billion per year

Pilbara replacement capital includes Koodaideri and Robe River mine developments from 2019

All capital decisions go through rigorous evaluation and challenge

Development capital delivers 2% CAGR (2019 – 2023)



Investing through the cycle

2% CAGR** from an extensive pipeline of growth options

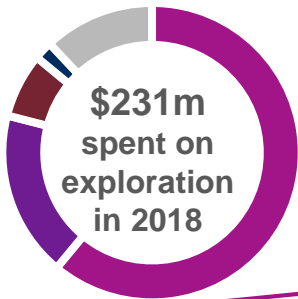
World Class Resource Base and Established Exploration Programme

6 Brownfield exploration programmes

- Pilbara Iron Ore
- Oyu Tolgoi Copper
- Cape York Bauxite
- Bingham Canyon Copper
- Other minerals

64 Greenfield exploration programmes

- Pilbara Iron Ore
- Copper (inc. Winu)
- Diamonds
- Bauxite
- Other minerals



- Copper
- Diamonds
- Iron Ore
- Bauxite
- Other

Pre-Feasibility & Feasibility

- Arvida, AP60
- Kennecott: SPB Slice 2*
Selective U/G Project*
- Western Range, WTS 2*
- Resolution
- Koodaideri Stage 2
- Jadar

Execution

- OT Underground
- Koodaideri*
- Mesas B, C, H, West Angelas C&D*
- Kennecott Southwall Pushback*
- Zulti South*

Creating competitive advantage

New discoveries
through proven
exploration capability



Rigorous studies
applying our
technical expertise



The right projects
safe, innovative, cost
effective and timely projects



Optimise the business through:

Technical
Excellence

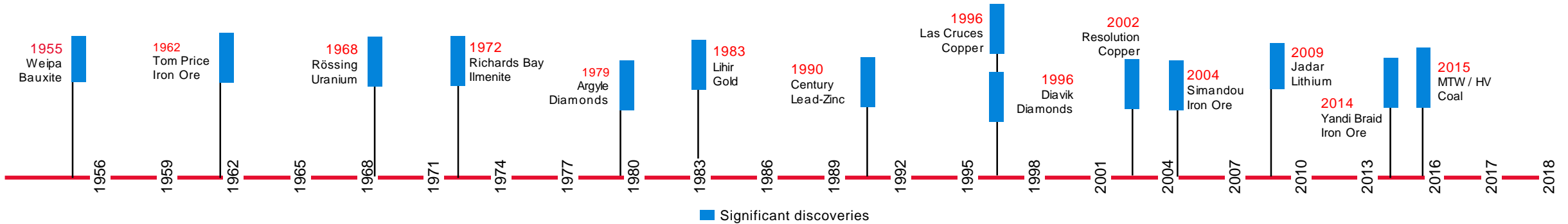
Automation &
Technology

Centres of
Excellence

In-house Consulting
& Data Science

Information Systems
& Technology

Our exploration discovery track record is industry leading



Weipa bauxite



Argyle diamonds



Diavik diamonds



Jadarite lithium



Note: An exploration discovery is classified as designation of a resource estimate for those projects prior to 2004 and for completion of a resource estimate and an order of magnitude study for those projects after 2004.

Winu exploration project in the Paterson region of WA



Encouraging results

Western Australia

100% owned, very large
land package

Extensive drilling programme
continuing throughout 2019

Ongoing engagement
with Traditional Owners

Delivering Rio Tinto's assets of the future

Amrun

Ahead of budget and schedule by utilising innovative construction methods



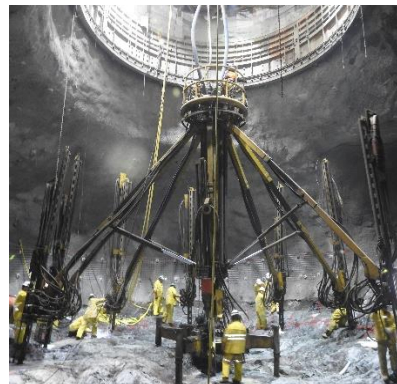
Autohaul®

Fully deployed the world's largest robot and first automated heavy-haul long distance rail network



Oyu Tolgoi Underground

Tier 1 copper deposit



Koodaideri

Next generation mine – using digital assets, advanced data analytics and automation



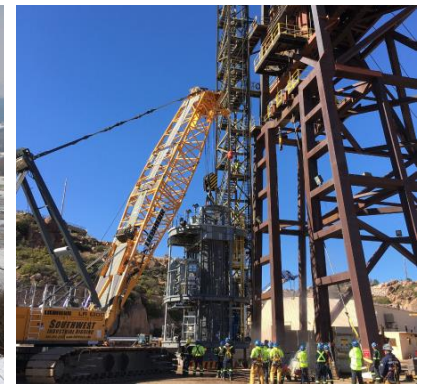
Jadar

Pre-feasibility study progressing



Resolution

Shaft #9 deepening underway – further funds committed in 2019



Transforming productivity performance



Trialling a revolutionary method of truck-shovel mining

What is the mobile surge loader?



An integrated, mobile hopper bin and loading chute



Accepts ore/waste directly from the loading unit



Loading unit doesn't have to wait for the truck

The benefits

 **50%**

increase in productivity of digger* expected as a result of cutting shovel hang time, removing spot and reverse at shovel, increasing effective utilisation

 **98%**

accuracy in loading of trucks* expected; average 75 seconds and trucks positioned within 1cm

Status of work



First of its kind being built By MMD (commissioning June 2019)



12 month pilot at Kennecott (August 2019)



Future vision for deployment dependent on field results

*based on simulated results

From mining to refining, we're making every bit count

We're identifying and fixing constraints in our processing plants



Using real-time data to monitor each stage of processing



Control room alerted to known and potential issues early



Processing bottlenecks identified and resolved

The benefits of an integrated constraint utilisation tool

40%

improvement in bauxite moved every hour on Gove's overland conveyor

109%

improvement in bauxite moved every hour on Andoom's overland conveyor

Replication opportunities



Implemented at Gove, East Weipa, Andoom (2017 -2018)



Yarwun Bell Bay



Most processing plants will have piloted by end of 2019



Creating competitive advantage

New discoveries
through proven
exploration capability



Rigorous studies
applying our
technical expertise



The right projects
safe, innovative, cost
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Optimise the business through:

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