Rio Tinto

Copper & Diamonds

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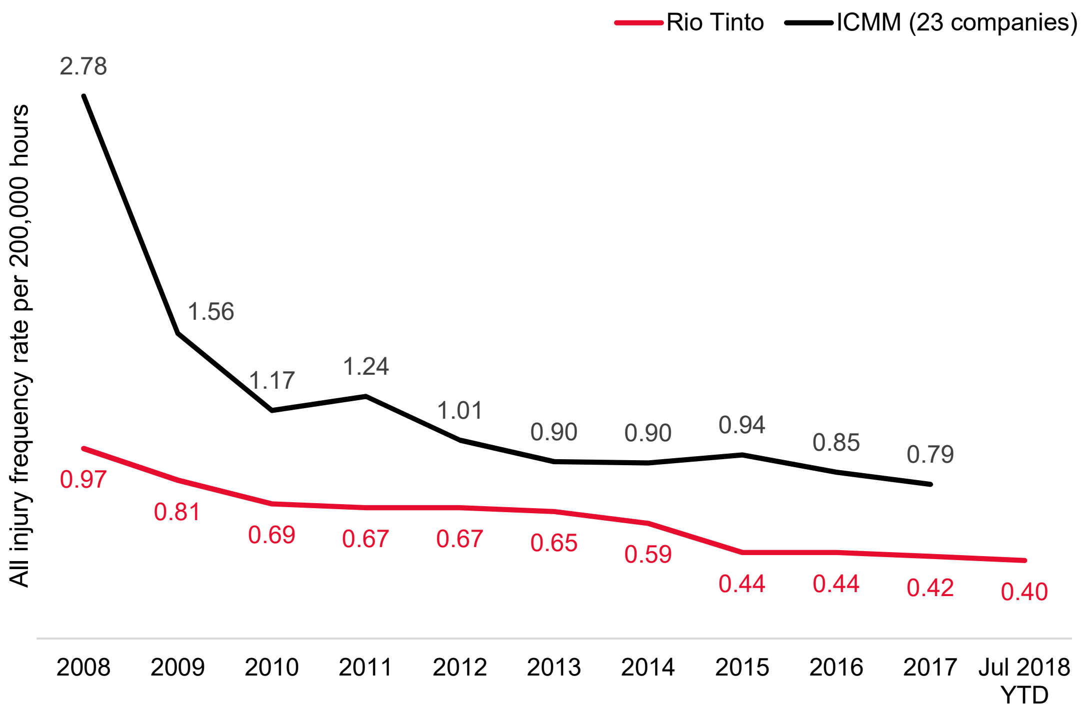
Safety and health come first

Continuing history of improvement in AIFR



Fatality at Rio Tinto Fer et Titane in April 2018

Fatal assault on a security contractor at Richards Bay Minerals in July 2018

Fatality at Paraburdoo Iron Ore mine in August 2018

Eliminating fatalities through the Critical Risk Management programme which continues to be embedded, including controls for critical health risks

Preventing catastrophic events through our focus on **process safety** and the identification and management of controls for major hazards

Reducing injuries through targeted hazard elimination campaigns

Ongoing focus on mental health, **wellbeing** and fatigue management

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Building a sector-leading copper portfolio

Portfolio

- Simplified and focussed portfolio
- High quality Reserve & Resource base
- Technical synergies with diamonds

Performance

- Mine to market approach is delivering
- Productivity gains at Kennecott and OT
- Continued focus on cost efficiency
- Integrated commercial hubs

Growth

- Projects at OT and Kennecott on-track
- Production increase at Escondida
- Growth to market optimally timed
- Resolution progressing

Core strengths

- Integrated leadership model
- Long history of successful partnerships

- Some of the most productive operations at Rio Tinto with potential for further improvement

- Deep project study and execution expertise
- Block-caving know-how

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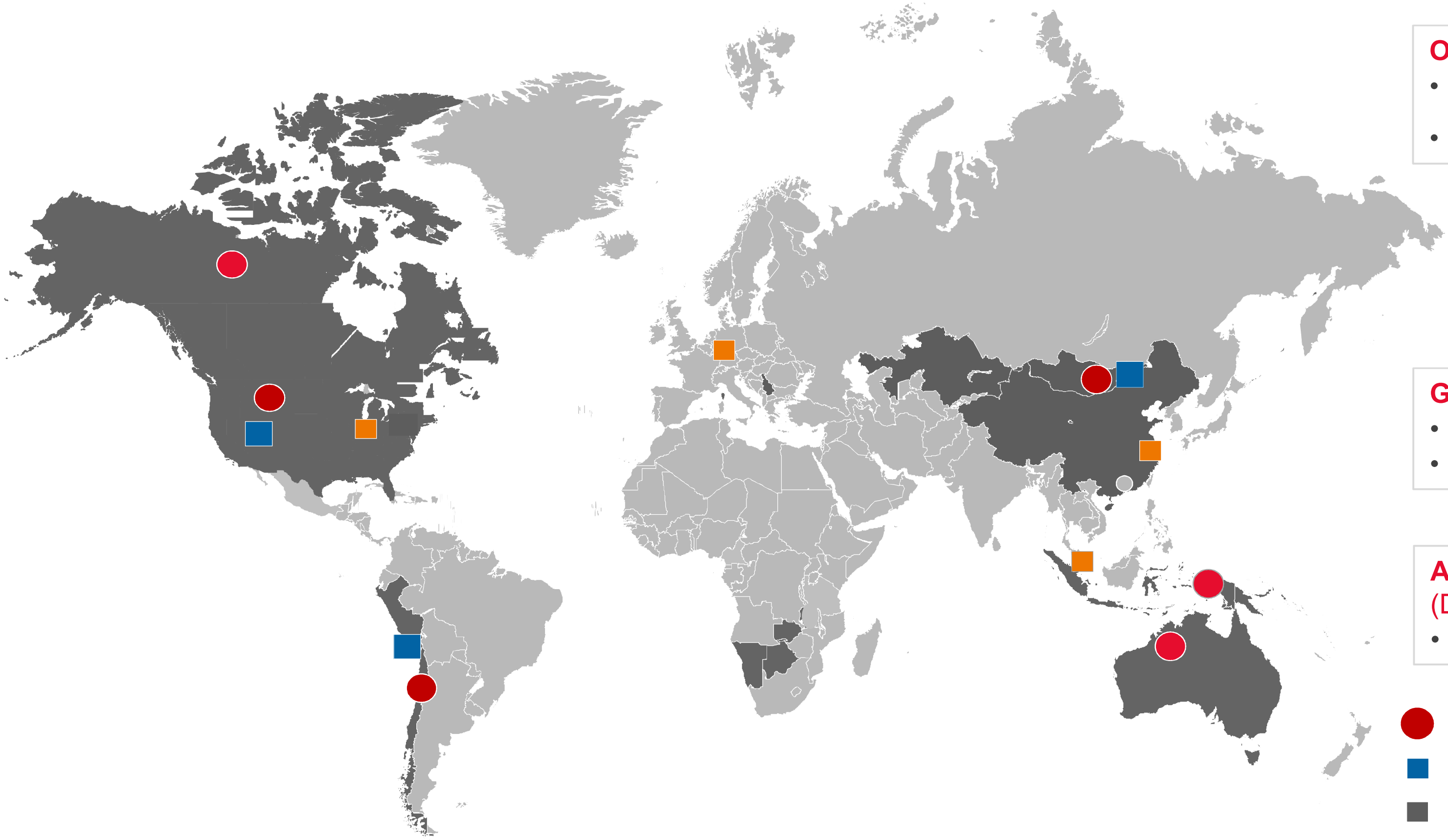
A global presence with high-quality growth options

Diavik, Canada (Diamonds)
- RT Share: 60%
- Partner: Dominion Diamond Mines ULC

Kennecott, US
- RT Share: 100%

Resolution, US
- RT Share: 55%
- Partner: BHP

Escondida, Chile
- RT Share: 30%
- Partners: BHP, JECO



Oyu Tolgoi, Mongolia
- RT Share: 33.5%[1]
- Partners: TRQ, GoM

Grasberg, Indonesia
- RT Share: 40%[2]
- Partner: Freeport

Argyle, Australia (Diamonds)
- RT Share: 100%

Operation
Evaluation project
Exploration programme
Commercial hub

1. Oyu Tolgoi, Mongolia - RT Share: 33.5% indirect interest through a 50.8% interest in Turquoise Hill Resources Ltd. Rio Tinto's indirect ownership for the Hugo North Extension is 29.91%.
2. Through a joint venture with Freeport, Rio Tinto is entitled to a 40% share of production from Grasberg above an agreed threshold. However on 28 September Rio Tinto signed a binding agreement for the sale of Rio Tinto's entire interest in Grabserg to Inalum for $3.5 billion. The transaction is inter-conditional on a separate transaction between Inalum and Freeport McMoRan Inc. and both are subject to a number of conditions precedent being satisfied, including the receipt of regulatory approvals. Subject to these conditions being met, completion of both transactions is expected to occur in the first half of 2019.

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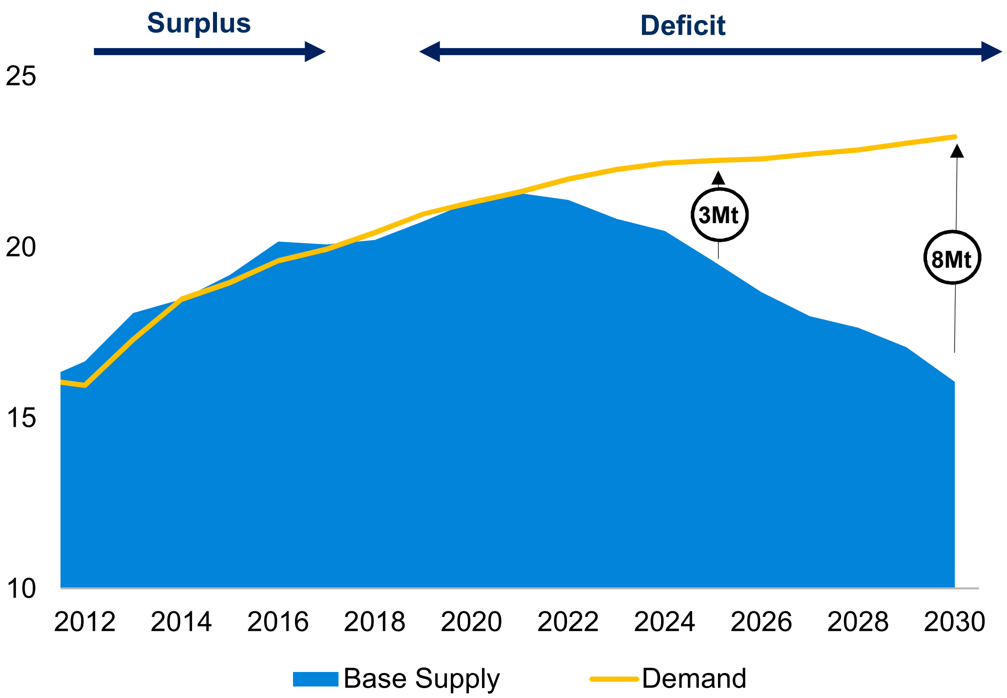
Rio Tinto well placed to benefit from copper's attractive long-term fundamentals

Copper supply/demand
(million tonnes)



Market remains finely balanced despite healthy mine performance since 2Q17, underscoring solid demand

Rio Tinto copper growth to be delivered into a period that requires development of higher-cost projects

Current year demand above trend growth (2.8% YoY) on outperforming Chinese end-use and OECD prolonged industrial production cycle

Further demand growth expected in China and other emerging markets to drive consumption expansion. Consumer goods and new uses to provide upside:

- electric vehicles and associated infrastructure
- renewable energy
- battery storage systems
- IT infrastructure (data centres)

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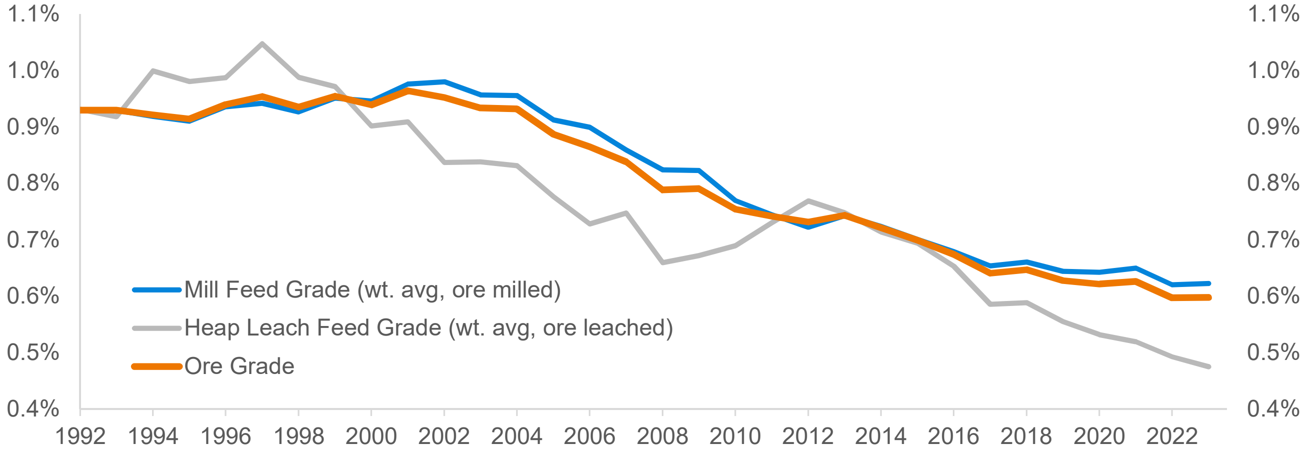
The future for copper: grade decline / expensive projects

Avg copper mine ore grades by processing route,
% Cu in ore



- **The best deposits have been developed and mined:** New projects usually lower grade than the old mines they replace.
- **Orebody characteristics changing**: declining grades observed as mature operations mine deeper.
- **SxEw (solvent extraction / electro-refining) operations close:** Exploitation of oxide deposits in 90s/00s boosted grades, but these deposits are exhausted, grades declining
- **Required growth[1]:** 1.6Mt of annual production will be lost as mines close between now and 2023.
- **Committed projects** are expected to deliver an additional 1.5Mt of supply by 2023.
- **Uncommitted projects** will need to deliver a further 1.7Mt of copper by 2023 to fill the supply gap.

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Source: CRU, Wood Mackenzie, company data
1. Based on current trend attributed to depletion of existing reserve base.

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Performance: productivity roadmap

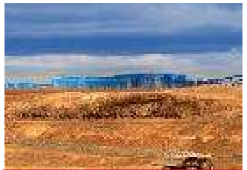
Best Practice | Partnering with Suppliers | Data & Technology | Automation

Mining

- Effective equipment utilisation and maintenance optimisation
- Payload optimisation
- Light-weighting of truck beds
- Shorter haul times
- Increase mining rates
- Integrated operations

Processing

- Increase concentrator throughput
- Maintenance tactics and centralisation of maintenance
- Improved feed characterisation
- Increase metal recovery
- Tolling of concentrate for value



Resources

- Ore grade distribution
- Planning and schedule
- Mine planning optimisation

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Strong growth and expansion pipeline

	Supply surplus: 2018 – 2020	Supply deficit: 2021 – 2025-2030
Kennecott	South push back underpins margin and volume increase	Additional pushback and underground options study
Oyu Tolgoi	HNL1 development to first production	Substantial increase in copper production
Escondida	EWSE; ~1.2 Mtpa average production capacity[1]	
Resolution	Project permitting and continued studies	Potential project execution
Exploration	Sustained and committed global programme with an emphasis on the Americas	

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1.Source: BHP Copper Briefing and Chilean site tour - http://www.bhpbilliton.com/investors/reports/copper-briefing-and-chilean-site-tour, released by BHP on 1 December 2015

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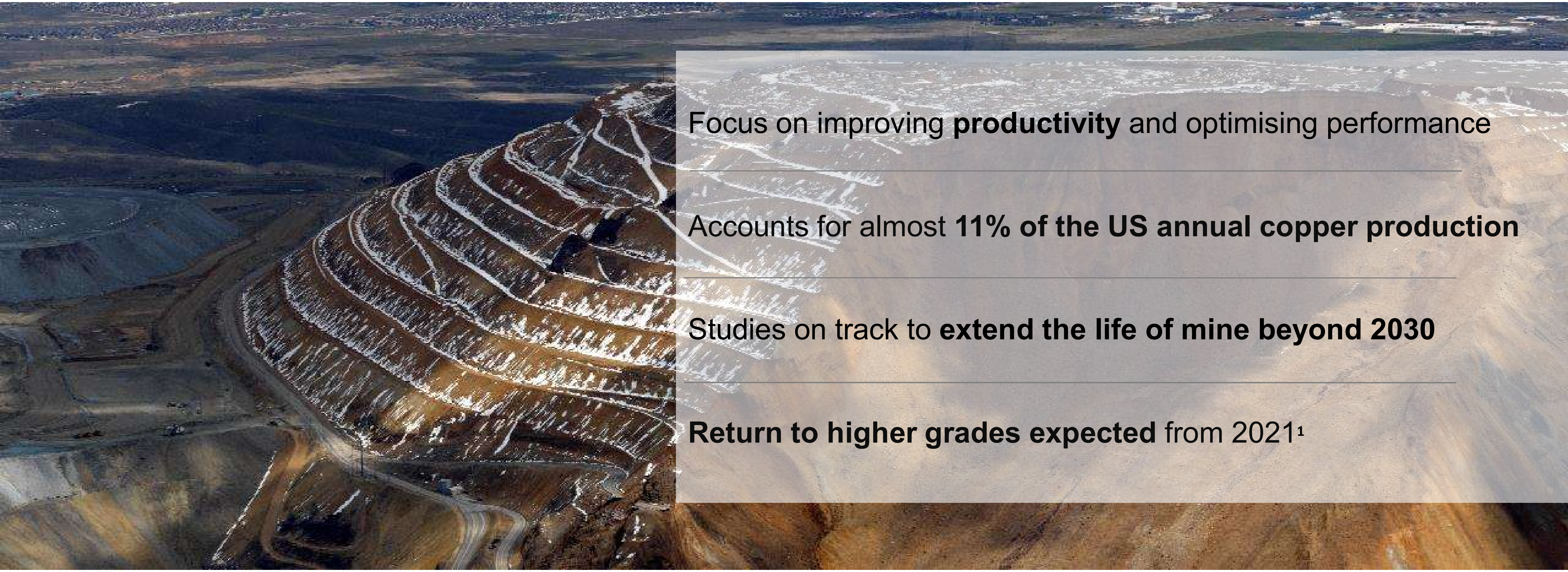
Kennecott: mine life extension on-track



Focus on improving **productivity** and optimising performance

Accounts for almost **11% of the US annual copper production**

Studies on track to **extend the life of mine beyond 2030**

Return to higher grades expected from 2021[1]

1. Based on the actual production schedule. Not attributable to expansion or uncommitted projects.

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Kennecott: growth and productivity across the value stream

Mining	Concentrator improvements	Smelter and refinery	Functional / other
• South Pushback optimisation • South Pushback Slice 2 PFS • Drainage Gallery Ore FS	• Molybdenum plant optimisation • Pyrite deportment to improve concentrate quality • South Pushback throughput readiness	• Modernisation programme • Third party concentrate strategy	• Procurement value delivery • Sales & Marketing

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Oyu Tolgoi: a leading Tier 1 copper project

One of the **world's highest quality copper developments**

Average underground **grades of 1.66%Cu and 0.35g/t Au**[1]

$5.3 billion development capex projected

Underground project on budget and schedule

First drawbell production expected mid 2020

Productivity improvement across project and operations

More than 90% workforce Mongolian nationals

Excellent safety performance

1. Hugo Dummett North and Hugo Dummett North Extension. Probable Ore Reserves for Hugo Dummett North and Hugo Dummett North Extension (499 Mt at 1.66% Cu, 0.35g/t Au) were released to the market in the 2017 Rio Tinto Annual Report on 2 March 2018. The Competent Persons responsible for reporting of those Ore Reserves was J Dudley (AusIMM). Rio Tinto is not aware of any new information or data that materially affects the above ore reserve or mineral resource estimates as reported in the 2017 Annual Report, and confirms that all material assumptions and technical parameters underpinning these estimates continue to apply and have not materially changed. The form and context in which each Competent Person's findings are presented have not been materially modified.

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Oyu Tolgoi: growth and productivity across the value stream

Maximize open pit productivity to bring forward head grade prior to commencing UG:

- Mine plan optimisation
- Mine truck and shovel productivity improvement

UG Project on time to deliver mid 2020:

- UG innovation programme

UG mine and open pit scheduled to deliver on average 560kt of Cu per year between 2025 and 2030[1]

Continuing negotiations for long-term in-country power solution

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1. The production target for Oyu Tolgoi shown on this slide is the average production 2025-2030, including open pit production. This production target was disclosed in a release to the market on 6 May 2016 ("Rio Tinto approves development of Oyu Tolgoi underground mine"). All material assumptions underpinning these production targets continue to apply and have not materially changed

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Grasberg: in transition

Rio Tinto has signed a binding agreement to sell its entire interest in the Grasberg mine to PT Indonesia Asahan Aluminium (Persero) (Inalum), Indonesia's state mining company, for $3.5 billion

Completion expected in first half of 2019*

* The transaction and the Inalum/FCX transaction (which are inter-conditional) are each subject to a number of conditions precedent being satisfied, including the receipt of regulatory approvals.

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Escondida: strong partnership with long-term optionality

271kt[1]

Total 2017 Attributable Cu production (RT share)

Strong cash flow underpins dividends

No significant capex is required in the short term

2018 production increase supported by three concentrators

Processing capacity exceed 153.7 Mt per annum[2]

Sustainable water strategy – transition to full desal by 2030[3][4]

Partnership approach strengthens the business

Resource base offers significant long-term **optionality**

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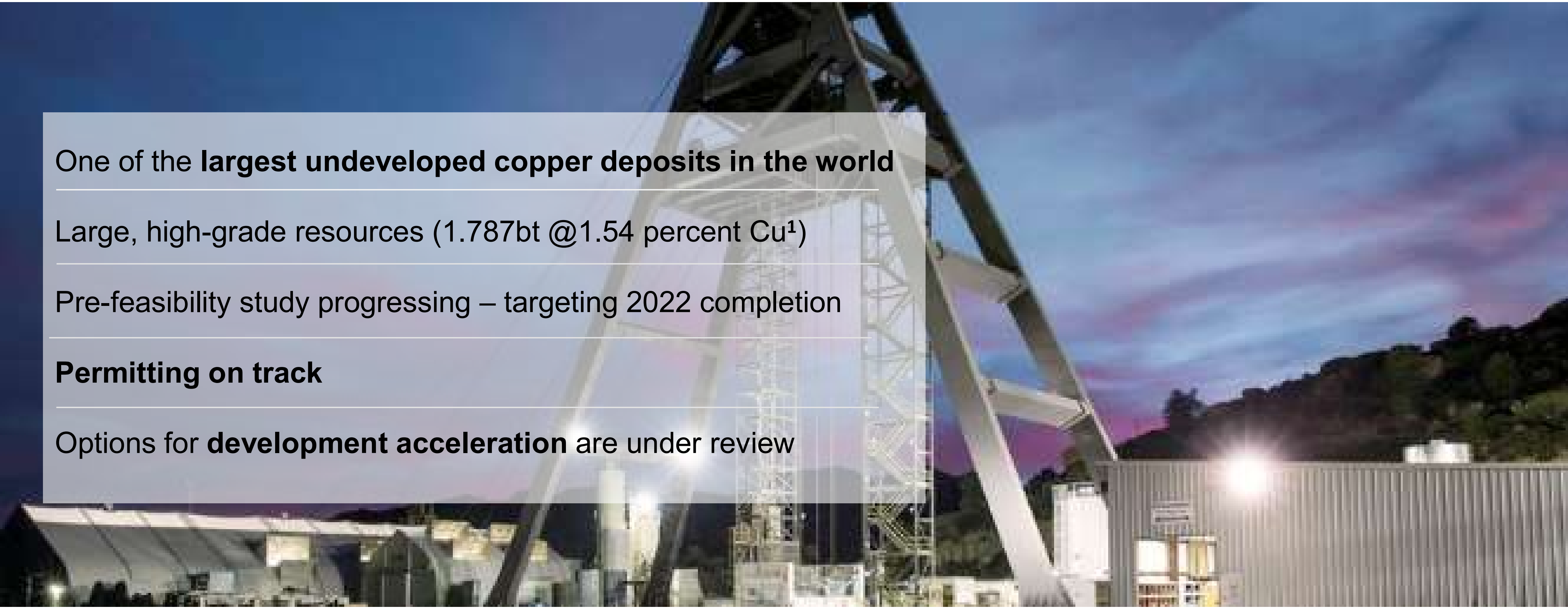
1. Source: Rio Tinto Annual Report 2017 (pg 226)
2. Refers to nominal milling capacity. Source: BHP Annual Report 2017 (pg 239)
3. Source: Case studies “Reducing reliance on groundwater at Escondida” https://www.bhp.com/community/case-studies/2018/08/reducing-reliance-on-groundwater-at-Escondida.
4. Transition could be earlier. It is subject to receive the water permit (Monturaqui) approval by 2020. If not, this transition will be during that year (2020) supported by EWSE project.

Resolution: potential Tier 1 asset



One of the **largest undeveloped copper deposits in the world**

Large, high-grade resources (1.787bt @1.54 percent Cu[1])

Pre-feasibility study progressing – targeting 2022 completion

Permitting on track

Options for **development acceleration** are under review

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1. The Mineral Resource estimate for Resolution was reported in Rio Tinto's 2017 Annual Report, released to the market on 2 March 2018. This resource estimate is reported on a 100% basis. The Competent Person responsible for that previous reporting was C Hehnke (AusIMM). Rio Tinto is not aware of any new information or data that materially affects the above ore reserve or mineral resource estimates as reported in the 2017 Annual Report, and confirms that all material assumptions and technical parameters underpinning these estimates continue to apply and have not materially changed. The form and context in which each Competent Person's findings are presented have not been materially modified.

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Future optionality for the Copper business

Continued focus on copper exploration, primarily in the Americas

~60 per cent of Rio Tinto exploration spend is focussed on copper

16 copper exploration programmes

New technologies and innovation

Source: Rio Tinto second quarter operations review

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Building a sector-leading copper portfolio

Portfolio

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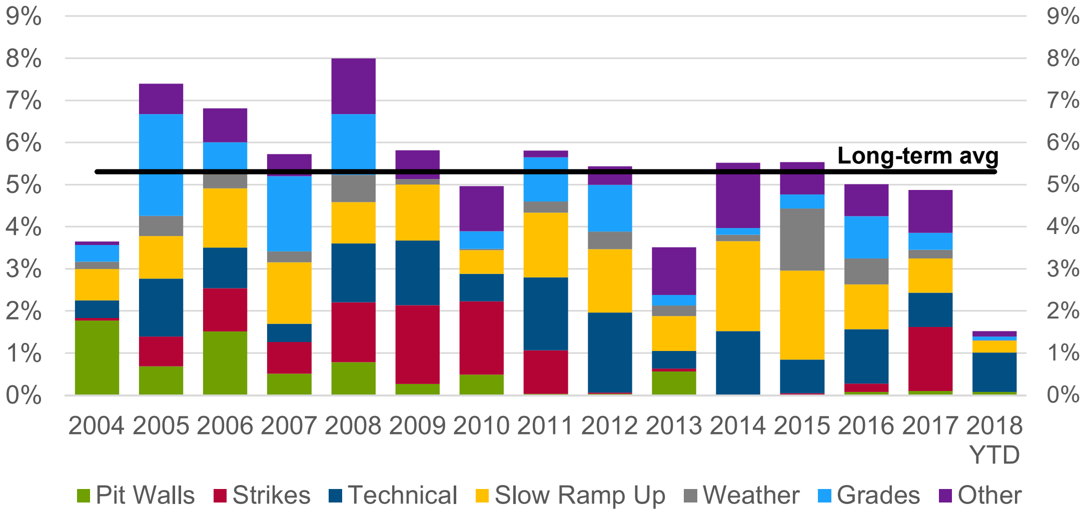
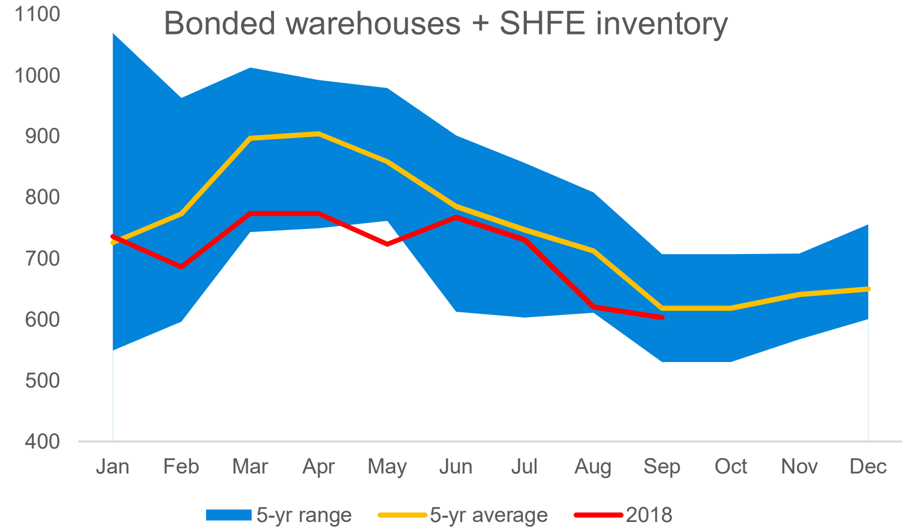
Appendix slides

Mine output steady, inventories shrinking

Disruption rates and causes (% mine supply)



China's copper inventory

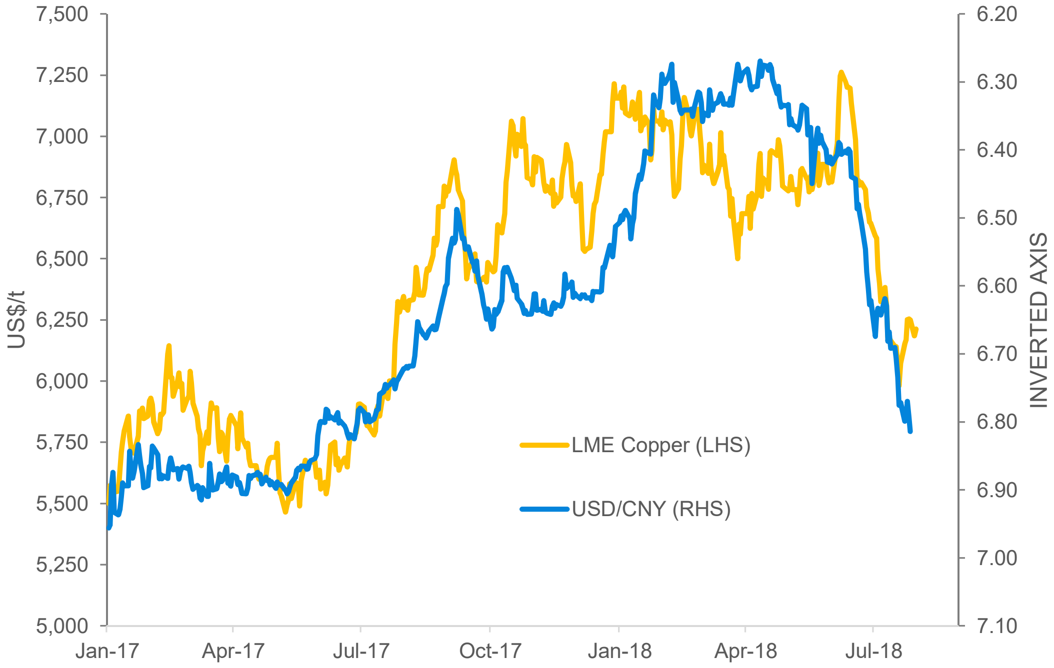


- Disruptions to mine output have been below average so far in 2018.
- Labour negotiations at mine sites have been resolved without industrial action, 80% of planned contract renewals now settled.
- Inventories across China's supply chain are at / below average levels
- China's demand growth is normalising as anticipated, although some sectors continue to exceed expectations (air con, property)

Source: Bloomberg, CRU, Wood Mackenzie

Copper price: trade tensions drive sell-off

Copper vs CNY: both weakening on growth concerns



- Concerns over trade tensions between China and the US drove the 2018 mid-year selloff in copper prices
- The first tranche of US tariffs on $50bn of Chinese imports will have little impact on copper demand.
- China's 10-25% tariffs on US copper product exports will not affect global supply, but will disrupt trade flows, especially in scrap
- Robust mine operation performance in 2018 is likely a factor behind copper's underperformance vs rest of metals complex

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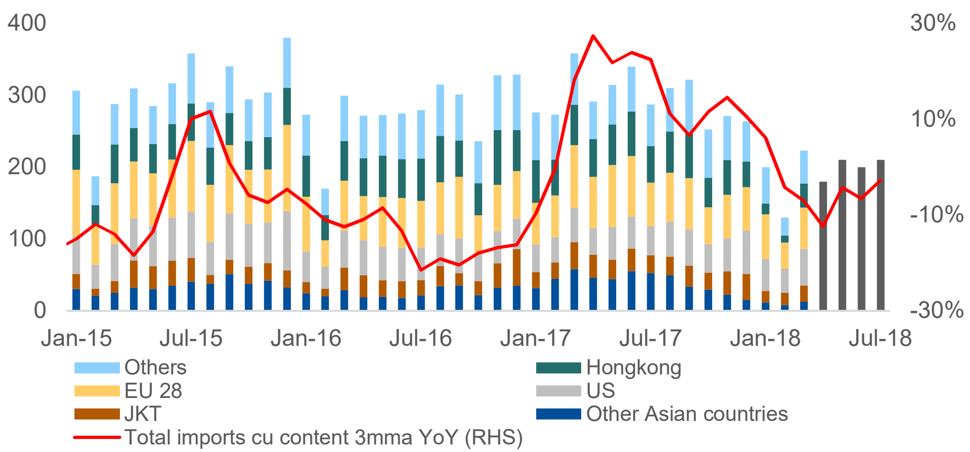
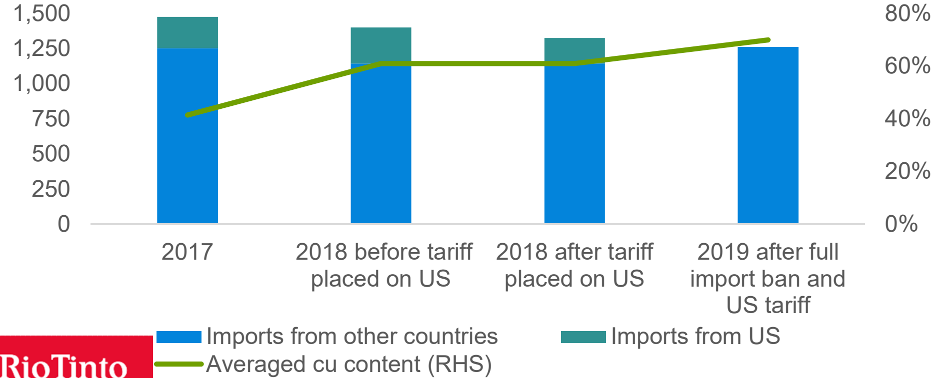
Source: Bloomberg

China's waste import ban disrupting global trade flows

China scrap monthly imports (kt gross weight)



Annual scrap imports cu content (kt cu)



- From mid-2017, Chinese authorities began restricting imports of low-quality copper scrap ahead of a full ban in 2019.
- On Aug 23, China placed a 25% tariff on copper scrap imports from the USA (~20% of total imports).
- In 2018 China's copper scrap imports are forecast to drop ~75% by volume, but just ~5% by copper content as higher quality scrap is drawn in.
- Imports of other copper products are increasing to make up for lost copper units from foreign scrap (cathode, concentrate, blister).

Copper & Diamonds H1 2018 highlights

	H1 2018	H1 2017	Change
Mined copper prod'n (Rio share) - kt	**296.1**	208.9	+42%
Refined copper prod'n (Rio share) - kt	**117.9**	77.1	+53%
Diamonds production (Rio share) – k carats	**9,241**	8,487	+9%
Underlying EBITDA US$m	**1,360**	771	+76%
Underlying EBITDA margin	**45%**	40%	
Underlying earnings / (loss) US$m	**450**	(69)	n/a
Net cash generated from ops* US$m	**838**	649	+29%
Capex – excluding equity accounted units - US$m	**(810)**	(585)	+38%
Free cash flow US$m	**28**	62	-55%

Free cash flow positive in H1 2018 (inclusive of dividends received from Escondida) despite a $225m increase in capex as activity ramped up at the Oyu Tolgoi Underground Project

2018 share of production guidance:

– 510-610kt for mined copper

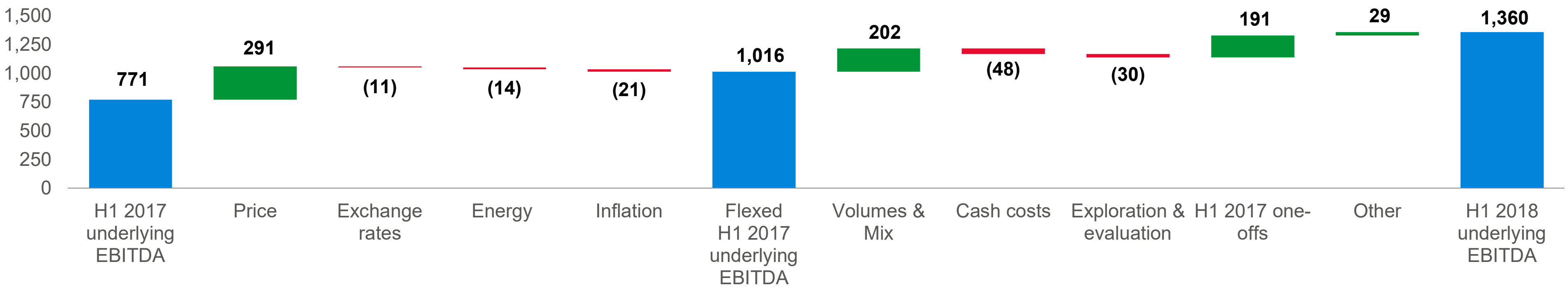
– 225-265kt for refined copper

– 17-20 M carats of diamonds

** Net cash generated from operating activities excludes the operating cash flows of equity accounted units (Escondida) but includes dividends from the equity accounted units.*

Copper & Diamonds: higher prices and volumes driving increased EBITDA

Underlying EBITDA H1 2017 vs H1 2018
$ million



- Copper & Diamonds underlying EBITDA of $1,360 million benefitted from stronger copper production and higher prices in H1 2018
- Copper & Diamonds generated net cash from operating activities of $0.8 billion in H1 2018 and invested around $0.7 billion in development capital
- Absence of Escondida strike in H1 2018 resulted in a favourable one-off impact, partly offset by the non-recurrence of the Manefay slide insurance settlement
- To maximise use of available smelter capacity, Kennecott purchased and tolled 83.1 thousand tonnes of third party concentrate in H1 2018
- At 30 June 2018, the Group had an estimated 264 million pounds of copper sales that were provisionally priced at 312 cents per pound. The final price of these sales will be determined during the second half of 2018. This compares with 250 million pounds of open shipments at 31 December 2017, provisionally priced at 304 cents per pound

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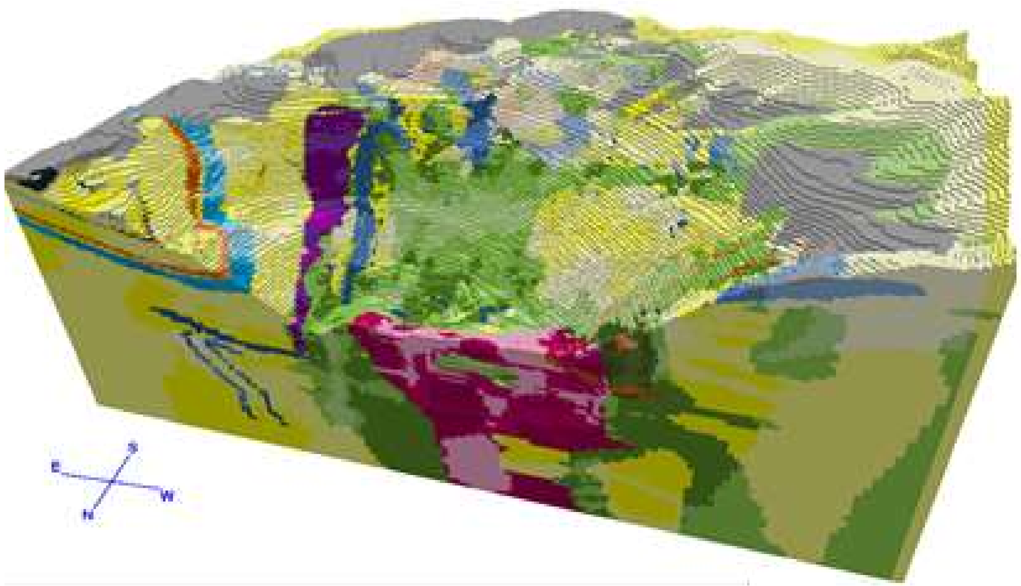
Kennecott: growth options progressing



3D model of the South Pushback

South Pushback

- Provides a platform for growth and supports a decade of high-quality cash flow
- Phased development optimises life of mine plan and preserves optionality for future pushbacks

Next Pushback Study

- Next Pushback study underway - options for future mine life extension

Underground Options

- Underground opportunities aligned to open pit mine life including near term Drainage Gallery Ore

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