Menno Sanderse: Thank you Jakob, Peter and Bold, and clearly the financial market is spending too much time on conspiracy theories. No, this is not set in scene, this is not in a shed outside London, this is 1.3 km below ground, about 10,000 miles away from London. This is how modern this mine is and we hope to take you there during this year. So, we will take two from the floor here and then we'll take two from the phone. Bob, can you start please?

Bob Brackett (Bernstein): I am struck by three of your future options revolve around science. If I think about Nuton, if I think about Rincon and if I think about Elysis, these are things that are scaling from the lab to pilots. Can you talk about how you manage science success and risk in the portfolio and give us some sense of odds. Will all three work? How will they progress? Which one are you betting on?

Jakob Stausholm: Yeah, so thank you. We are – the things that we are sharing here is of course the ones that we really believe in. But it starts much earlier and I think a couple of things are really interesting to see is first of all we have a search facility outside Melbourne, Bundoora, and that was inaugurated I think in 1992 and now it really, really starts delivering. Just to remind you of the time it takes.

I hope you saw our Capital Markets update. I did make a point out of inviting our chief scientist, Nigel Steward, to come and talk to you and talk about what we are doing because one of the things that are suddenly of service, we are probably one of the companies that has most research and development people, and we've had that for a long time. And some of the things we are benefiting from now are things that have been in the making for a very long time. But we have actually decided to double down on it and we hadn't had a chief scientist for many years, we appointed one and we are really strengthening the development so that we will continue to see those new things coming.

I am absolutely convinced that Elysis will work. We just need to figure out how to scale it up. It works in the lab, it works at a reasonable scale. It is producing.

The other things, the things that we are talking about here. I do think that they will work but I will say one area that you didn't talk too much – well, Elysis is in a way, but the whole decarbonisation actually requires an awful lot of technology development. Some of the things are easy, just renewable plug in if it's electricity needs. But some of the processing fundamentally needs new processing. So, it has never been more important for us to get value out of research and development. Thank you.

Menno Sanderse: Jason.

Jason Fairclough (Bank of America): So, Jason Fairclough, Bank of America. Congrats on Oyu Tolgoi and it's great to see the asset coming good. I think Menno and I were there in 2016. I guess I'm struck by the fact that you're doubling down on what on paper looks like a great asset, but it is in a country, which is sandwiched between two other countries where, to be frank, the relationship with the West is distinctly worse than it was in 2016. So, how do you think about that exposure in the context of Rio Tinto?

Jakob Stausholm: Bold, you obviously have a lot of passion for that question, do you want to start?

Bold Baatar: Yeah, no, look, I am very biased, of course, and I think you have to go back into history on what Mongolia is and what Mongolia isn't. Mongolia is a parliamentary republic, and it is a parliamentary democracy that has embraced the Western style and our democracy way of governance about 30 years ago. And I think you would find that we are an island of democracy, obviously with very – two powerful neighbours. And our government's policy is supporting actually the third neighbour policy, which is vital for our strategic geopolitical independence and the position in the region.

Now, I think the risk is everywhere. You know, when you look at the risk in many parts of the Western world and countries, and I don't think Mongolia is any different. And I would ask you, is UK or US any different than Mongolia from a political risk at the moment?

Jason Fairclough: Ah, yes.

Jakob Stausholm: Well, I would say one thing, Jason, if I may add one thing, I do feel, we feel very comfortable about how we are investing in Mongolia. And one little piece of evidence is that it is less than 10 days ago that we did get the repo filing of the project financing, now going well beyond our, what do you call it, completion guarantee. So, a whole raft of banks, including the IFC, EBRD, et cetera, have signed off new credits into Mongolia, and I think that is just a vote of confidence.

Jason Fairclough: Just a follow up if I could? In terms of the asset, once upon a time Friedland used to talk about this as a string of copper pearls across the desert. How are you thinking about life beyond 2030? Is there a lot of optionality, regionally?

Bold Baatar: Yeah, definitely not looking to discover the next OT because we have our hands full with this one. So, it's a true marvel of an ore body of 30 million tonnes of copper. And with this very high grade it's really, you know, there's a lot of potential for us to maximise the production and there are definitely a few things I will be hitting Peter and Jakob up in terms of investment. But we're not looking to drill for discovering next OT at the moment. We have to make sure we execute this one properly.

Menno Sanderse: Thank you. Okay, let's go to the line. I'll take two from the line and come back here. There's plenty of time. Operator please, the first question from the line?

Operator: Thank you, your first question from the phone line comes from the line of Rahul Anand from Morgan Stanley, Australia. Please go ahead, your line is open.

Rahul Anand (Morgan Stanley): Oh hi, Jakob, Peter and team, thanks for the opportunity. I have a question for Bold, just to make sure that communications work okay in the new mine. Bold, just considering you're in panel zero now, I just wanted to perhaps see if, you know, how the ground conditions are progressing? That was a key issue in the past, especially looking at panels one and two. Are you seeing any signs of dilution? If you can give us a bit of an update, you know, into how panels one and two are looking as well, now that you're mining in panel zero? And I'll come back with a follow up, thanks.

Bold Baatar: Thank you. We're obviously at the moment in drawbell 27 of panel zero, so very early days and we do need to make sure we have a much better understanding of the cave behaviour before we can get into the next stages. So, the learnings obviously from panel zero have been definitely incorporated into the learnings around Geotech on panel one and two. We are still developing panel one. We're going at a pretty productive rate at the moment.

I would say that one of the things that we have done is created a digital twin through a joint venture with Palantir that lets us understand the cave propagation and the sensors we have. And it is a foundry that is the single version of the truth that gives our decision-makers the real time data and within 15 minutes they exactly know where the pressure points are, et cetera, and where we could see some movement. So, definitely something we're watching. It's early days. I just want to be careful and cautious as we build confidence throughout the year.

Rahul Anand: Thank you, Bold. So, the follow up, staying with copper, I noted that the ore reserves at Kennecott have increased as well by circa 70% post the conclusion of the PFS. I just wanted to understand, you know, broader plans around the asset and where do you see the key upside to this one?

Bold Baatar: Yeah, look, I think Kennecott is one of those, you know, ever-expanding brownfield expansions because there is always ore around the walls and you could always create optionality in terms of, you know, the open pit expansion. But we're definitely looking much deeper into the underground and the integrated Skarns project, which we got a CAPEX approval for. We're going underground and touching the ore body and, obviously, that is a much higher grade than the open pit. So, we're pretty excited about that but it's still early days.

You know, I think the lesson from OT is, you want to get underground, you want to touch the rock, you want to see what the ground conditions are before we can give any definitive views around the ore body development.

So, our key prerogative is, Kennecott is a long-life strategic asset. There is still a lot of ore in the ore body, so we intend to run it for years to come.

Rahul Anand: Thank you, Bold.

Menno Sanderse: Operator, next question please?

Operator: Thank you. We will now go to the next question. And the question comes from the line of Paul Young from Goldman Sachs, please go ahead, your line is open.

Paul Young (Goldman Sachs): Thank you, hi, Jakob, Peter and Bold. Maybe the first question to Bold. Bold, I'm just looking at the time frame that you've outlined, I think it's like 20 for OT, and I've noticed that the conveyor to surface will be completed before the vent shafts three and four. Can you start ramping up the underground before you complete shafts three and four, if the conveyor is complete?

Bold Baatar: Thank you, Paul. Absolutely, the answer is yes. We have enough ventilation here and, look, we're not going to be able to ramp up to fully, you know, the 95,000-tonne capacity per day, but the ramp-up is not a 12-month progress. It will take two, three, four years potentially to reach its full potential. But I think, I don't want to jinx it, Paul, I think we want to manage this very carefully. But, at the moment, for this year's production guidance, we're very comfortable with the ramp-up schedule.

Paul Young: Thank you, Bold. I was thinking five-year ramp up, so I'll take two or three or four. That's great. Next question, maybe switching to Peter, and on the cost front, and just focussing, Peter, on the aluminium costs. I mean, you are seeing the same pressures as your peers in the industry, but I just wanted to zone in on the alumina costs. I know caustic soda and gas prices were high in the period, but the alumina assets actually made, I think, a negative $200 million of EBITDA, and costs were $430 a tonne. So, I'm just wondering if there is anything to call out there on why the costs were so high in alumina? And if they're going to reverse this half? Thanks.

Peter Cunningham: Paul, no, thanks and you're absolutely right. There was a pretty tough second half of the year for alumina. I mean, it was price, the price of alumina following the metal price down. It absolutely was the caustic, and you know, we quote the market prices coming in the half-year. Some of that lags when it comes into the system into our costs. And then the third factor was, last year was actually a pretty tough year for the Gladstone Refineries, they didn't perform, I think, as we would want them to do. There was some instability and that was the third factor.

But, Paul, there wasn't anything else other than that and, as you say, a bit of gas price come through, but other than that, coal and gas, caustic and the market price were the key factors.

Jakob Stausholm: And let me, allow me to say that, Paul, we are still optimistic about our aluminium business because you've got to look at how hard it is for competition as well and think about the world and the Western world needs a lot of aluminium, and that needs to be produced. So, the world will find its balance. We are still uniquely placed, particularly with the very low carbon footprint we have from most of our aluminium assets. But I have to admit the last six months, they were tough.

Menno Sanderse: Thank you. Just Danielle and Dom. Don't worry, we'll get through everybody, I promise.

Danielle Chigumira (Credit Suisse): Thank you. It's Danielle Chigumira from Credit Suisse. A question around Simandou. So, on the framework agreement, how long should we be thinking about for that to be signed? Is it weeks or months or longer? And what's on the critical path in terms of the specifics around the infrastructure agreement and the agreement between the different stakeholders? Like, what are the points of contention?

Jakob Stausholm: Yeah, well thank you. We certainly need to get Bold out of the mine before we can sign. Bold, why don't you take that question?

Bold Baatar: Yeah. No, look, I think the number one, I guess, objective for us, is to work with the government of Guinea and the people of Guinea. It is their resource. They work on their timetable. They have to get comfortable. So, we're going to take it one step at a time. We're making great progress. We signed the term sheet in December. Now we're in the final stages of definitive documentation. But it's very important for agreements of this sort to have the utmost transparency and to take the time for the right expertise to be provided to the government. So, we'll, you know, we'll progress it as fast as we can, provided, obviously, you know, that the Guinean government is comfortable with.

Jakob Stausholm: And, it goes without saying, all of you would love to have cost and schedule. As soon as we finalise agreements, we will, of course, update you all. But it's impossible right now. The team is sitting in Conakry as we speak and are negotiating.

Danielle Chigumira: Thank you. Just one follow up, in iron ore, but slightly different asset. In the Pilbara, obviously you saw significant recovery through the year last year, ended up at a great run rate. Could you give a sense halfway through the quarter now, where you are relative to where you ended up last year? The iron ore, Pilbara iron ore run rate so far this year?

Menno Sanderse: So, where we are now, halfway through Q1 relative to where we were in Q4? So, how are we doing operationally? Is the good trend of Q4 continuing?

Jakob Stausholm: No, no, look, I went there, as I said here, I've just been visiting a number of mines, and spent two weeks in Western Australia. We came into the year in a very good, in a very good shape. Really on all fronts the assets were in a better shape than at the beginning of the year. The projects we finalised last year are working. We are still ramping up on Gudai-Darri but it's working well.

We haven't had the most terrible weather so far. It is, Q1 is always unpredictable, and I can't tell you exactly how the weather is going to be in the rest of Q1. But we would not, Peter would not have presented the chart like the chart he presented today, unless we felt that we are on a good trend here.

Menno Sanderse: Thanks, Dom, please.

Dominic O'Kane (JP Morgan): Hello, I had a question on the dividend. So, Peter, I think you mentioned a modest shift in the dividend distribution in 2022, but I note that it's the first year since you enacted the current dividend policy that you haven't paid out more than 60% in total. So, should we think about this as a reset towards your thinking, toward excess capital distributions? And, I suppose, specifically, given where the leverage is and the framework for a single A credit, why didn't you pay out more in this period?

Peter Cunningham: So, I mean, Dom, you know, we paid out exactly in line with our policy. So, I think we've been really consistent there. In fact, we paid out at the top of that 60% of our policy. Now, when we do that, then we go round and look at compelling growth, we look at the balance sheet and we look at additional returns. And I think, you know, this year, we certainly put money into what we've seen as compelling growth. I mean, the acquisition of the minorities at TRQ, Rincon, and we keep investing in the OT underground. So, that was where we put our money.

Actually, we've paid out \$8 billion, second highest dividend and that was on free cash flow of \$9 billion. So, I think you just expect us to be very consistent with how we apply the policy and this year we applied it absolutely at the top of our range.

Menno Sanderse: Let's go back to the phone for two questions. Operator, please, a question from the line.

Operator: Thank you. The next phone question comes from the line of Amos Fletcher from Barclays, please go ahead, your line is open.

Amos Fletcher (Barclays): Yeah, thanks for the opportunity, guys. I had a couple of questions for Bold and just, you know, complements on the Wi-Fi by the way, very impressive. So, on Oyu Tolgoi, I just wanted to ask on the project schedule, it would be helpful to get an update on how far behind schedule shafts three and four are? Last time you mentioned they were around 15 months behind relative to the 2020 technical report. Is that still your best working assumption? And any updates on the CAPEX as well? Thanks.

Bold Baatar: Yeah, look, I think shafts three and four are progressing really, really well. I think the one thing I would say though is that when we provided the schedule estimate, at the time it had estimated the shaft sinking to commence around June of 2021. I mean, the reality is, we had nine months of delay. So, it kind of gives you a sense of the challenge we face. And often times we forget COVID. COVID was still around in January of 2022 and, at the time, there were restrictions on shaft sinkers to be actually – to be able to travel. And so, Mongolia did not allow inbound travel until, I think, April of 2022.

So, it was a timing, of course, and how we managed. So, that's roughly, you know, I think in terms of the productivity, I'm actually very pleased. I was at the bottom of shaft three and four. I think they're about 400 – 500 metres, 1,100 metres, the teams are making progress. But that is not our bottleneck. Our ventilation is sufficient. We're working through, obviously, looking at what else to do in terms of mine planning and sequencing, primary pressure too and other things. So, you know, you should not assume that just because shaft three and four, you know, that would be automatically that same commensurate delay in production.

But everything that we do at the moment is on paper. The number one priority for this year is to manage the cave and see how the cave propagates. So, I just want to be really, you know, realistic that this is a year for learning for us, and we'll build confidence as the year goes on.

Menno Sanderse: Thank you operator, next question please from the line?

Operator: Thank you. We will now take the next question. And the next question from the phone line comes from Lyndon Fagan, from JP Morgan, please go ahead, your line is open.

Lyndon Fagan (JP Morgan): Thanks very much. I just wanted to talk about slide 22, where you're talking about doubling copper production. Do you mind walking through some of the projects to actually achieve that? And also, what is in that up-side bar? And, I guess, specifically, can you talk about whether a plant expansion at OT is considered in all of that? I've got another question after that as well. Thanks.

Bold Baatar: Yeah, sure. Look, if you look at the 2021 and 2022 production volume, they only had a third of OT in the numbers. So, when you look at the future over 1 million tonnes of production for Rio Tinto, that obviously assumes the ramp up of OT to 500,000-plus copper production. And, you know, to go from that 2021 low base to over 1 million, 80% obviously is OT.

There is a growth coming from Kennecott potentially, but that is natural, coming from the pit expansions and potentially we're looking at the underground. But we don't have at the moment the precise numbers to give you on the underground, because we need to finish the feasibility study on that.

As far as the next expansions, what it does not have, it doesn't have Resolution, it doesn't have Winu, it doesn't have Nuton, and any potential Escondida expansions. So, together with BHP, we'll be obviously looking at that. The point I'm making is we have some of the best ore bodies in the world with Resolution, OT, Escondida. We have a number of opportunities for copper growth, but we have to do it in a disciplined way. These are technically complex projects, and we will take one at a time.

Lyndon Fagan: Okay, I thought it said in the footnote, OT was adjusted for 100% there, but maybe we can take that offline? The other question I had was just in relation to iron ore, it does look at though the January run-rates have held strong, which is great to see. Is your guidance now too low for iron ore? I mean, it is early days in the year, but just considering where the business is at the moment, I mean, it does look as though the top end has got to be achieved. Or is there some other tie-in activity or maintenance that we need to consider through the year that might actually hamper the shipments? And if so, which quarters should we think about there? Thanks.

Jakob Stausholm: Thank you. This is very helpful, because sometimes the pressure from the market is not helpful because, if you are a little bit behind all the time, and you are only thinking about tomorrow and how do I get the last tonnes, you are not doing the right thing. So, we are actually in a much more comfortable place. And what I would love to see this company giving more into is under-promise and over-deliver, which we have not done too much of in recent years. So, I would agree that we are in a good spot here at the beginning of the year, but I would also say that the guidance is absolutely the right guidance.

Menno Sanderse: Great, and one more question on the line, sorry. Operator, one more question on the line, please?

Operator: Thank you. We will go to the next question. And the next question comes from the line of Glyn Lawcock from Barrenjoey. Glyn, please go ahead, your line is open.

Glyn Lawcock (Barrenjoey): Good morning, Jakob. Maybe we'll stick on iron ore seeing it's 70% of your EBITDA still. Maybe you could just share your thoughts, it seems like from what you've said and what you've wrote in the report, you seem to be a bit more constructive on China maybe Q2. Could you maybe talk a little bit what green shoots your team in China are seeing to give you some confidence around maybe iron ore? Could you share your view of steel production and iron ore demand in China this year relative to last year as well? Thanks.

Jakob Stausholm: Yeah, so a couple of things. First of all, you saw already the recovery happening in November and if you are carefully following the stocks, the stock levels in China, they have been historically very, very low. So, that already gives you some confidence about the need for restocking, et cetera. Plus, of course, that consumption was happening already in Q4.

Secondly, when you really dive deep into the property market, there has been a number of indicators, as was demonstrated, a lot of disruption, but that only covers part of the property market. And when you look at the total property market, it's probably somewhat more robust than those indicators are showing you. And that's our assessment as well.

We also believe that there will be good investments in infrastructure that is normally quite commodity intense. So, it feels good and, yeah, you can read it in the news as well. I spoke to our biggest customer, Baowu, last week and certainly from them, there is a positive way of looking at the economy is going and there's need for steel. So, I am quietly optimistic. It's not going to be wild swings but the market has already steadied itself for good demand from China and that's what we are seeing happening.

Glyn Lawcock: Thanks, Jakob, and maybe just as a follow up, just, if you could share some thoughts on the China buyers' group, you've signed an MOU. What's the – how does that play out from here, do you think? Anything you can share with us on your – your engagement with the new buyers' group? Thanks.

Jakob Stausholm: Look, the engagement has been very positive. Obviously, we know the chairman very well because the chairman used to be chairman of Chinalco, our biggest shareholder. It's been entirely constructive. So, there is no warning sign from our side. We are used to dealing with both private companies and state-owned enterprises in China. So, so far, what we have been exploring is areas of win-wins. And, yeah, we are welcoming with their agenda that they have shown us.

Menno Sanderse: Thank you. Thanks Glen. Liam up to you.

Liam Fitzpatrick (Deutsche Bank): Thanks. Good morning, Liam Fitzpatrick from Deutsche Bank. Two questions, one on lithium and then one on Simandou. I think you quoted this morning on Jadar, saying you haven't given up. So, what is the latest kind of status and pathway there? And is that really going to be key in determining whether you look at inorganic opportunities in lithium?

And then on Simandou, just interested in what is actually taking place on the ground at the moment in terms of work? Thank you.

Jakob Stausholm: No, thank you. Let me just take this, Jadar first. Look, there is an enormous need, particularly in Europe, for having more lithium for the massive automotive industry. So, there is a lot of customer demand and wish for seeing this being developed. We believe, we are very proud of having discovered what is, at least looks like, the best ore body in Europe for lithium. We have developed some really good solutions. We keep on upgrading it in terms of really making sure that it meets the highest ESG standards. And we believe that it would be good for the development in Serbia. But ultimately, it's a societal choice and therefore, the only thing we can do is offering the best and most compelling proposition to the government of Serbia and then see whether they want to develop it. I hope so, and that's why I keep on saying, we have definitely not given up. And on Simandou, Bold what is happening on the ground?

Bold Baatar: Yeah, look, Charles Zimmermann, who runs our projects, has been there a few weeks ago and he shared some photos around blocks three and four. We are clearing the site for camp construction. There is significant ramp-up activity in terms of starting to hire local Guineans. So, there is a lot of activity in terms of the actual capital commitments and potential ramp-up of the project, but obviously, we're not going to do anything ahead until the finalisation of the agreement, as Jakob and Peter had alluded to. So, a lot of activity but a lot of it is preparatory phases for a rapid construction period.

Menno Sanderse: Tyler.

Tyler Broda (Royal Bank of Canada): Great, thanks. Tyler Broda from RBC. Just – my question is on inflation. I would like to understand your views on sort of, how much of this inflation do you see being transitory, and then, how much is structural? I know it's a tricky question, but in terms of your views from right here. And then, I guess, within that context, you know, we've seen sustaining CAPEX rise every year. And then on the growth CAPEX side, we're probably going to see higher costs than maybe what we would have thought two years ago. In that context, how does that $10 billion look mid-decade at this point? Thank you.

Peter Cunningham: Tyler, very good. In terms of inflation, I think you've, you know, in that waterfall we showed some of those market-driven factors, and we would expect those to be exactly the same sort of cycle as our prices. So, there's always a close correlation between our prices and our input prices going forward for those.

I mean, clearly there is that inflation there that we term general inflation that flows through. But I have to say, I think what we see is pretty much felt, as I said, right across the cost curve. So, what you're seeing is pretty much just the cost curve rise, and so that being reflected then into price. So, we – our job is to try and minimise anything over and above that as much as we can to maintain our competitive position. And that is our full intent and how we're trying to run the business at this moment in time. So, that's how we see it.

In terms of the capital side, I mean, as I said, I think we're absorbing that inflation within our sustaining capital guidance. So, we don't see that changing. And I think we've now had pretty consistent levels of sustaining capital going into the business and going forward. And I think that talks to one of Jakob's big priorities is that every year our assets come out at the end in better health than they go in. And that sustaining having that level of sustaining capital is absolutely critical.

So, I think, at the moment, we are comfortable with the capital guidance and just fully absorbing any inflation within that.

Menno Sanderse: One question now each please. Speed this up a bit.

Alain Gabriel (Morgan Stanley): I'll speak fast. Alain Gabriel, Morgan Stanley. One question is throughout the presentation, you have given little reference to inorganic growth, you seem to be much more inwards-looking at this stage. How do you think about M&A at this point in the cycle and do you see opportunities within acquisitions at the asset level, not through the public market? Thank you.

Jakob Stausholm: Yeah, look, first of all I probably much more believe in smaller M&A than big M&A. And I hope you can see with the things we're doing, they're all individual and very different, but they all make industrial sense. Because that's where you actually get value out of M&A in my view. We are trying to build – shape the portfolio so it's relevant for our customers for the future. There could be more things, but now you are saying looking inwards, looking outwards, but that's simply because the fact that Rio has had for decades a cupboard full of absolutely amazing opportunities.

May I mention Resolution, Simandou, Rhodes Ridge, et cetera. You just don't find those on the market, and we already have them in the cupboard, so this shouldn't be a surprise that we are looking inwards to try to develop those right now.

But that doesn't mean that we are not looking outside as well. And I think we showed that with Rincon. We also showed that we were decisive and took TRQ private because it was just the wrong structure.

So, we're looking, but at the end of the day, we don't want to grow lithium for the sake of growing lithium. We want to be convinced that we can actually create value if we're buying an asset.

Menno Sanderse: Operator, next question please? Please limit yourself to one, there's a couple of people waiting here.

Operator: Thank you. Your next phone question comes from the line of Paul McTaggart from Citi Group, please go ahead, your line is open.

Paul McTaggart (Citi Group): Thank you, morning. So, back on the Pilbara, I don't want to bore you, but in the short run, the new steel making technologies are not going to be around. There are going to be some years before we develop green steel, et cetera. Means we have an increasing pressure to sort of, you know, reduce carbon intensity for steelmaking. And that means higher grade feed stocks, potentially DRI, you know, more scrap in BOS. Obviously you're doing Simandou which is higher grade. But what, longer term, what do you think is – what would be the changes in the Pilbara with haematite ores? And do you see an industry where, you know, maybe perhaps in the medium term we start to do some downstream processing? How do you think this is going to play out?

Menno Sanderse: Paul, you were slightly hard to hear, so let me quickly repeat it for Jakob and Peter. So, very – we're moving towards a low steel – low carbon steel making industry, that means initially, because there are no new technologies, higher grading the ore streams into that. How do you see – we're doing Simandou, clearly, which is higher ore grade, how are you seeing the Pilbara developing in the near term? That's your question?

Paul McTaggart: Yes, thank you.

Jakob Stausholm: So, let's just, first of all, we, as we were saying, are uniquely placed because we will soon be extracting iron ore on three continents, and you forgot to mention IOC, which is very, very high quality. And we will have Simandou, which is very high quality, and we have Pilbara, which is high quality, but you're right, not as high grade as the two others.

Having said that, look at the expansions we're doing, Western Range is attractive; Rhodes Ridge is absolutely super quality iron ore. So, we are upgrading there. And then, on top of that there is a lot of R&D happening. I think we used the word, cracking the code, and we are really trying to find ways and means to progress this. But, having said that, the world is not going to change away from blast furnace from one year to another. So, this is, I think I've said in my speech earlier, it's a multi-decade development. But I hope you see that we are already preparing us for that.

Menno Sanderse: Thank you. Operator, next question, please.

Operator: Thank you. We will now take the next question. And the next question comes from the line of Kaan Peker, from Royal Bank of Canada. Please go ahead, your line is open.

Kaan Peker (Royal Bank of Canada): Thank you very much. Good morning, Jakob, Bold and Peter. Just one question on I suppose the Pilbara. In the investor day and also today, there was discussion around being a best operator as a goal. However, if you look across the Pilbara, Rio is higher relative unit cost and sustaining CAPEX, despite being larger scale. So, I suppose my question is, when will the best operator goal result in lower unit costs and lower CAPEX and when should we start seeing that come through? Thanks.

Jakob Stausholm: Thank you. That's a super good question. I think there are different perspectives around what is best operator. Because, first of all what we needed to do was to stabilise operations and stabilise our production as, well, that's pretty evident. And one of the methods to do that was to complete well and implement and now also finally ramp up the four replacement projects. But we have done much, much more in terms of a period of time now investing more in sustained CAPEX. Seeing that those monies are being spent well. Improving maintenance. And I have to tell you this safe production system. Peter spoke a lot about it, this, I'm super, super excited about it.

Because what does it mean to be best operator in the Pilbara? Actually, you have to go from mine to mine and meet the teams and find out how you are actually working things here, how you are addressing things. And what I've seen, the places where we have implemented, it's absolutely amazing. It is kicking in. But you just have to be a little bit patient. If, certainly I become too impatient, we will not get the full value out of it. It doesn't happen by setting top-down targets. It actually happens by empowering people. They are super people; they all want to achieve. We just need to make that happening.

So, the first thing you see was stabilising production. I hope you can see, we are on a good trajectory. The second thing as well is we are actually improving the quality of the iron ore as well. And the third thing is absolutely efficiencies.

But you do have to take a bit more time for it, and obviously, right now, there is enormous inflationary pressure. But the more successful we are in terms of removing idle work, irritants, et cetera and being more productive, the less requirements we have to people. And there are very few people available there. So, that is kind of getting into a positive cycle.

I am not pushing it too hard because there are pieces of work and maintenance that, to me, are more important than demonstrating short-term the perfect unit cost. But I would say to you, it was a bit of a bet when I, two years ago, stated this about being best operator, but particularly here in the fourth quarter and early this year, where, at my site visits, I think I see the data points so that gives me confidence that we are on the right track on the journey. And, I think I said in the presentation today, we have the best ahead of us. Thank you.

Manu Sharma: Thank you, Kaan, the next one here in the room, Robert, or Richard, sorry.

Richard Hatch (Berenberg): Thanks. Hi, Richard Hatch, Berenberg. Robert to my friends. A question on OT. Sorry, to harp on about it again. But it's around comfort. First question, slide 20, your production guidance is based on 2020 technical report, are you comfortable that you're not going to have to cut that based on having to leave stability pillars in panels one and two?

And also, comfort around fiscal terms. Sorry, not fiscal terms, comfort around the inter-company loans. So, the inter-company loan must be sitting about $9 to 9.5 billion. LIBOR plus 6.5%, so compounding at about $1 billion a year. Are you comfortable that all of that cash coming to you and not being shared equally – well, shared in your terms with the government, is not going to frustrate relations with the government, and therefore create challenges in the medium term? Thanks.

Jakob Stausholm: Thank you. Great questions. Bold, I have the same questions for you.

Bold Baatar: Now, look, I think I can be as comfortable in predicting the future with certainty, and yes, I mean, I think at the moment, we have a great relationship with the government. We work with them on a transparent basis. But this is a risky underground technical block caving project. And I think we just have to be absolutely honest about that. Because I think we need to look at how, you know, we have the best technological, you know, data sensors, et cetera, but it's going to be an evolution. And certainly, we have the best team and capabilities looking at it, but we'll be transparent with you as things develop. The one thing I cannot give you is a guarantee on your NPV, with absolute 100% certainty, you know. This is a risk that investors, we're all taking and at the moment we're very comfortable with partnering with the government and, obviously, our stakeholders here.

Jakob Stausholm: Look, it's a very good question, it's a very difficult question. We had a set-back in 2019, as you will recall. I am absolutely convinced that we learned big time from it and I am very impressed with the teams that are working on it. And they are also very honest. There are real risks here. But I feel that they're really on top of it, so I'm kind of cautiously optimistic on that front.

And then, the better we perform in the mine, the better we can also find good solutions with the government. Obviously, the last thing we want to do is to disappoint the government.

Menno Sanderse: Myles.

Myles Allsop (UBS Group): Thanks, Myles Allsop, UBS. Maybe a question for – for Peter. You've got a 40 to 60% payout range but you've never paid less than 60%, so why keep the 40%? And maybe just how does that play relative to net debt? I mean, it's obviously crept up a little bit, $4 billion, where should we expect specials when you go back to net cash? And how much M&A firepower do you have?

Menno Sanderse: That's a lot of questions in one.

Peter Cunningham: Myles, I think we're, the policy has been well set. I mean, I think, last year, when you look at it, it was still a very strong year for us financially. So, when you look at the EBITDA and what we've produced and $9 billion of free cash flow, we're actually paying out $8 billion of that in the dividends, so I think that's reflective of the overall approach we're really adopting here is by looking, you know, in the round at all the, you know, the metrics. Looking at the market and taking that broad view. So, we're very, very comfortable that 60% was the right pay out on this year's results.

I think when it comes to net debt, I mean, again, having a strong balance sheet gives you so much flexibility. When you think of the cyclicality of this industry, it allows you just to keep investing through it and to keep giving returns to shareholders and to take opportunistically, to take opportunities when they come up. So, that's what we want to do and that's why having that strong balance sheet really makes, I think, just such good sense to us. So, we're very comfortable.

We were very comfortable at having a bit of cash on the balance sheet when markets were so, so strong. Very comfortable at the $4.2 billion, if we've got lots of flexibility and headroom to the extent we want to use that within our principles-based approach to the balance sheet.

Myles Allsop: Could you ever imagine paying out 40%?

Peter Cunningham: I think at the moment, I think we're very comfortable, you know, with the track record we've got, but you know, you don't know what the future looks like.

Menno Sanderse: Ever is a long time, Myles So, last question here in the room.

Jakob Stausholm: It's a very difficult question. I just want to make a point of, you're seeing a Rio Tinto that hasn't grown a lot for a long time. But, actually, take the guidance of this year, it's indicating that they will be growing and the real trick for us is how we stick with a 60% pay-out ratio and start getting the company to grow? And so far it looks very encouraging and we don't want to – we don't want to go into wild growth, this company has tried this kind of swing too much, we don't want to be there. We want to be disciplined. And one of the ways to keep it disciplined is having the dividend.

But, on the other hand, just paying extra dividend cannot be an end in itself. It is an amazing company and we have opportunities to get it to grow in the right order and we should do so because that is actually in the interests of the shareholders.

Menno Sanderse: Ephrem, last one.

Ephrem: Yeah, sorry, boring question on CO2 emissions. Scope I and II has reduced, good job. Scope III has increased, I think last from 552 to 583 million tonnes. Not growing volumes for not increasing Scope III is a stupid idea, but does it – or how much does Scope III increases play into your investment decisions these days?

Jakob Stausholm: Look, Scope III is only going to be more and more important, and I would say we can still do much, much more. The way I tend to look at Scope III is try to break it down into things. One element is the upstream Scope III, it's not that enormous for us, but we need to manage our suppliers very well. Another area that is quite significant, 8 million tonnes of CO2 is our logistics and even though Scope III I feel that we can influence that, and we must do more and do a better job on that front.

And then the real big thing, of course, is the downstream. And that's kind of an influencing role. But, quite frankly, the steel industry is just asking to join up with us and trying together to find solutions and there is a lot happening at this point in time. So, I would not be surprised if you see – the only point is, of course, many of these things will have an impact five or ten years from now. But it is actually happening now with the technology development, et cetera. So, it is a vital part.

I think the key thing though is, it's very difficult to use annual numbers, because you need to think about projections five and ten years down the road. But I do think that when we stand here next year, we need to be much more tangible on Scope III. There is more work to be done.

Menno Sanderse: Okay, we are literally one minute to ten, so I'd like to close it up here. Thank you everybody so much for joining here. Thank you everybody in Australia for staying up somewhat later in the office. And thank you Bold from coming in from Mongolia, clearly Bold is looking forward to welcoming some of you on site during this year. If you don't join us there, then we'll see you at the half year. Thank you very much.

[END OF TRANSCRIPT]