Rio Tinto

Rio Tinto UK analyst Q&A Conference Call

Wednesday, 31st July 2024

Introduction

Jakob Stausholm

Chief Executive, Rio Tinto

Hello everyone, and thanks for joining the call. We appreciate that. Perhaps not even the most dedicated of you wanted to stay up in the early hours of the morning just to watch Peter and myself presenting. So I hope this little extra session is useful.

I hope you'll agree that when you look at Rio Tinto, there is actually emerging a clear and consistent story. We are very profitable, and we are growing. Growing because we are improving the performance of our assets, growing organically because we are investing with discipline in projects that will create significant value, not just in one- or two-decades time, but also in the near term. And this growth is also supported by strategic M&A.

We are executing this growth through a relentless focus on our four objectives. There has already been a step change in production. Our aluminium business has had a strong first half with bauxite production delivering 10% growth, while Pilbara iron ore is proving resilient. We are also hitting key milestones as we excel in development with Oyu Tolgoi and Simandou both progressing at pace.

Our financials for the first half show we have a strong base from which to grow production further. We delivered robust underlying earnings of $5.8 billion at 1% year on year growth. Copper equivalent production has grown 2% and is accelerating. We are now comfortable with a CAGR of around 3% growth from 2024 to 2028.

And as we step up capital expenditure to deliver our big projects, we are securing the profitability of our business well into the future. We are achieving this while maintaining a strong balance sheet and attractive returns to shareholders. Once again, we will hand back $2.9 billion, a 50% dividend payout in line with our policy.

It is profitable, stable, reliable growth now and for the future. And with that, let's begin the Q&A.

Q&A

Alain Gabriel (Morgan Stanley): Good morning team. I have two questions. Firstly, you made a comment Jakob earlier in the call earlier that it's tough to justify big premium M&A and that the market is hot at the moment. How do you break that deadlock and accelerate your portfolio mix shift towards future facing commodities? Do you see greater opportunities in asset level deals, and if so, what would be your criteria for making such deals? That's my first question.

Jakob Stausholm: Yeah. I don't know what the definition is of future facing materials. I think everything we have is actually future facing. But I would like to allow me to say, Alain, that we have a portfolio of materials that are much better than most other competitors. I actually struggle to find others who has such a good portfolio in terms of being tuned towards the growth of the energy transition, as we have opposite to most other miners a major, in fact, the Western world's biggest and most efficient portfolio of aluminium assets. We are also big in copper, but we could grow further there. And we are ready to produce first lithium in December. But obviously, it's small and we can grow much further in that area.

I think the thing with M&A is that there are many bad deals and there might be a couple of good deals. And I hope you can see over the last three and a half years, we have been very selective with buying Rincon, which now looks like a good investment. We've taken out the minority shares in TRQ. Huge increase in our copper share and is a good deal. And it's still too early to prove it, but I really believe strategically it was a great addition to do Matalco. There's no perfect formula for it, but each deal has to make sense. So far, I've been very happy not making big acquisitions because integrating it could take off our rather transformative journey.

I think we are getting in a better and better shape, so I can't entirely use our internal work as an excuse anymore. But it is very difficult to get M&A to work from an economic point of view because a seller expects a significant premium. And that's really tricky. But sometimes, as you rightly say, you have an asset, you have a project and there might be some synergies and you might be able to justify a higher price and therefore a deal can happen. But I'm afraid I can't put it down on in a formula. I hope you judge us on our track record. And I can assure to all shareholders that we are doing everything to make sure that what we are doing creates value, but there's no guarantees. That will always be uncertainty. If you don't dare to run a risk, you're not going to get a return.

Alain Gabriel (Morgan Stanley): Thank you. That's fair. And my second question is on recent comments made by Canadian officials suggesting that foreign acquisitions of Canadian companies will become extremely difficult, which will remove many options off the table for you should you choose to go down the M&A route in the future. How do you see your relationship with the Canadian government, and do you think that you are seen as a Canadian enough company so that these rules are not as strictly applied to you as they are to your peers? Thanks.

Jakob Stausholm: We have amazing relationships both at the federal and the provincial level in Canada. We are by far the biggest mining company in Canada. We are by far the biggest miner in North America. And I hope the Canadians see us as Canadian. What is Rio Tinto? We are British, we are Australian. We are Canadian. We basically have similar sized operations in in Australia and Canada. Those are by far our biggest jurisdictions. And so, I have no concern whatsoever with the comments from Minister Champagne.

Alain Gabriel (Morgan Stanley): Thank you. Very clear.

Jason Fairclough (Bank of America): Yep. Thanks, Jakob. Really appreciate you putting on this extra session. I know it's been a long day for you, so thanks so much for your time. I'm just going to come back on this this question M&A. And I noticed you used the word strategic in front of your M&A comments, so strategic M&A. And I guess when we spoke post your full year results in London, you hosted a dinner for us and you were asked about M&A. And I think the answer at the time was something to the effect of no big deals. And I guess what it feels like is something has changed in the last six months. Are you now thinking about big deals? Is that a fair characterization? And if so, what's changed?

Jakob Stausholm: First of all, let me just be very clear, Jason. We always look at everything. You should expect that we have looked at everything, including big deals. But I've been very, very clear, certainly when I started as CEO, that a big deal would be very disturbing for all the work we had to do on improving our social licence following Juukan Gorge, on building competencies, becoming a better operator towards the best operator and building project execution capabilities. But I also have to admit now that we have actually made real progress against those four objectives, we are a better operator, and this the most important thing, we are much more capable of executing projects. We are executing an enormous amount of projects and we are doing it very well. And those skills are of course critical if you want to take over other assets. Because the first test, if you should acquire something, is you have to ask yourself, are you the best owner of the asset? So the answer is we are a better owner of many assets than we would have been three and a half years ago. That doesn't mean we're going to do big M&A, because so far I haven't been able to find something that makes sense. It's very difficult to justify a big premium. But I'm just saying that my excuse that I've had at the beginning of our new team's tenure is perhaps less in place than it was before.

Jason Fairclough (Bank of America): Okay, thanks. That's helpful. Just a separate question. I was looking in your results presentation for commentary on Resolution. And I think when we spoke in Miami, you said, Jason, this might be sooner than you think, because I think I was teasing you that it had been ten years away for most of my career. So where are we with Resolution? Is it really sooner than I think, or is it still ten years away?

Jakob Stausholm: Look, Jason, you're very tough on me, but let me completely not answer the question first. And saying something is happening with Jadar. Have you noticed that? So my point is, I'm absolutely convinced that we will focus on these projects. It's just very difficult to give a timeline for it. And now suddenly something focused on data. But not a lot has happened on Resolution. It's not that I haven't had a lot of assurance from people in Washington, but I must admit that there has been a reluctance to drive forward the project. And unfortunately, we are kind of sitting a little bit in a legal process. I hope you're noticing that every time a judge looked at this, we win. But unfortunately, the counter party tends to appeal, and that's the kind of things that makes it going very, very slow.

What is absolutely clear under the Biden administration, this has not moved forward, but all the checks have only been positive. The whole check around the initial approval process under the US Forest Service showed that it was impeccable. We are winning in the court room, but much more important, we're spending all our energy with the local communities, with the First Nations people, and we keep on winning consent. I'm not saying we're 100% there because there is one tribe's chairman who refused to engage and goes the legal route. But other than that, we have very little resistance to this project, which could, in my view, be very beneficial to the local community, be crucial for the self-sufficiency of critical minerals in the US, remembering that it can deliver 25% for decades of the copper needs in the US. So I'm still hopeful it will happen. But I have to admit, it didn't happen exactly as fast as I had hoped.

Jason Fairclough (Bank of America): Okay, look, I'll let somebody else ask questions and thanks again for hosting the session. Really do appreciate it. Thank you.

Dominic O'Kane (JP Morgan): Good evening, Jakob. My question is on the DLC structure, and you made some comments on the deal structure. In the Aussie Q&A you mentioned that you've conducted a review of the DLC and you commented that your preference would be for a better balance to the DLC. Could you elaborate for us what a better balance might look like for you and how that could be implemented? And also, could M&A be a mechanism to help balance the DLC over time? Thanks.

Jakob Stausholm: Yes. Thank you. You are absolutely right. I'm sitting here in a room with Peter and Tom Gallop, and they have both been very busy. So maybe I should start giving the word to Peter. And that he may elaborate, but the bottom line is, yes, it will be nice to rebalancing. And that can be done with a number of, for example, share buyback mechanism. But it could also be done through M&A because the reality is we can use scrip. There is a misperception that you can't do that from the DLC. But Peter, why don't you run through the pros and cons on unification?

Peter Cunningham: Yeah, thanks, Jakob. And Dominic, thanks for the question. As Jakob said, I think we absolutely have done a significant work on the DLC structure to reach the conclusions. And I think from your question, you have already absorbed our logic, but there's pretty significant friction costs involved with that mid-single digit billions of dollars. And the share price we think would just rebalance to the blend of PLC Limited on unification. So there's other arguments as well.

But I suppose at the moment our DLC is 77/23. We could use scrip in PLC for any deal. We could use scrip in Limited. We could raise our shares in either jurisdiction as well and do placements. So there's lots of mechanisms as well as, buybacks. But we've talked before in PLC that the challenge is the ownership of Chinalco. So there's lots of mechanisms to do it. I suppose the observation is that clearly there is capacity in Australia for an appetite for further shares. So if we can do it, I think it would be attractive to do some rebalancing.

Dominic O'Kane (JP Morgan): Could I just add one follow on question, which is, I think Jakob, earlier in the year, you said it was on your list of priorities to look into this, but it was near the bottom of your priority list. Has it moved up in terms of your attitude to rebalancing?

Jakob Stausholm: It has, but for a very specific reason. And I was actually quite clear about that when we spoke about it at the full year results. And that was that my priority with Chinalco was about focusing on Simandou. And we have really focused that well. And only until a few weeks ago we got final sanction, and we got final settlement and got the money from Chinalco in our bank account. And I thought deepening the relationship on progressing Simandou had to be what I should focus on, and that's why I haven't entertained that part. But it does make sense to engage on this because it could be very capital efficient to consider a share buyback at the right time in PLC. So we certainly want to have that tool available to us. So, yes, you can say it's not at the bottom of the list. It has moved somewhat up. Thank you.

Dominic O'Kane (JP Morgan): That's great. Thank you.

Amos Fletcher (Barclays): Morning, gents. Thanks for the opportunity. One question I just wanted to ask on the potential for a U.K. buyback. Obviously, shareholders are very keen to see it as one alternative. Could you have a look at lifting the cap on Chinalco's holding as a short-term fix to doing a buyback?

Jakob Stausholm: I think that's a very difficult thing to ask for in the current environment. There's a lot of challenges between foreign holdings and particularly US and Canada. And to go to the Australian government and ask for that is probably a difficult one.

Amos Fletcher (Barclays): Okay. And second question was on KUC. I just wanted to ask if you can give us a bit of a timeline on when you see the mine recovering from the geotechnical issues, how long the low-grade period is likely to last, and when you might be able to move forward with the North Rim Skarn project.

Jakob Stausholm: Exciting stuff in Kennecott. Peter, why don't you cover that?

Peter Cunningham: Thanks. Jakob. We're working through right now, the implications of the geotechnical challenges we faced at Kennecott over the last little while. Fundamentally, it's life of Kennecott is that given the age of the pit and the walls. It's a risk that is there. We're looking at the whole mine plan. So at the moment, we're unloading some of the south wall so that we de-risk it.

But we really need to sit back now and in the light of the challenges that we've got and say, what is the optimised development path for Kennecott between the open pit and particularly the underground? And how do we best use capital going forward, particularly we're executing against the south wall push back and we could have another follow up push back. But that's being studied on the north wall as well. So these are very real challenging issues. We need some time, but it will be reviewing the near term mine plan and reporting back to it in the third quarter.

Amos Fletcher (Barclays): Great. Thank you.

Richard Hatch (Berenberg): Yeah. Thanks very much for the call. And I do really appreciate it given the overnight release. So thanks a lot, guys. Look, just a couple of questions. Sorry to harp on about this M&A, but if I look at some of these lithium names producers Albemarle down 35% year to date, Pilbara [Minerals] down 25%. You know, this a perfect countercyclical opportunity for you to put your balance sheet to work and buy something, give yourself some massive scale in a market that you clearly like. Is now not that time to be decisive? And then just on the M&A point ERA didn't get the approvals for Jabiluka. The stock's down 60%. It's got a A$1 billion rehab liability. And you own the majority of the company. So do you just have to accept the fact that you have to take this company out and pay for the rehab itself?

And then lastly, sorry, just on IOC, we've talked about this one in the past as well. You know, operationally, it's been an asset that has seen quite a few challenges and struggled to hit production levels, that of 19, 20 million tonnes annualized in previous years. So what is the outlook for IOC, and should we just assume that the asset being mature, stabilizes at that kind of 17, 18 million tonne run rate into the long term rather than anything better? Thanks.

Jakob Stausholm: Thank you. Great question. So look, it's probably fair to say that the lithium prices are at a cyclical lower level than copper prices. It's very difficult to get M&A to work with copper at the moment. You're probably right that we are cyclically low on lithium, but there are many other criteria than just prices. So it's not trivial to figure out what could be relevant additions to our portfolio. I mean, what I'm really happy about is that Rincon is improving a lot. I'm sitting here with Mark next to me. The project execution is excellent. They are preparing the big investment, and we will produce lithium by the end of the year. We are likely to have the big investment ready.

The Senate in Argentina has passed the law of major investments, that makes Rincon a much more profitable investment. I'm also happy that we have taken a next important step on Jadar. So those could be two really Tier one lithium assets. And then you could think about should we do something more? But I do need to be sure of that. It's something that is digestible for Mark and his team. We don't want to do too many things at the same time, so there's no simple answer to that. But I think we can all agree on that. We are not on a cyclical high. And it's more attractive to look at lithium assets now than it was two years ago.

On ERA. there is no share price. There is only cost outflow on this. And we are in it, and we are in it with our share, because we have a moral obligation to clean up from our mining activities. And we will make sure that ERA is making rehabilitation to the highest standards. And we are helping them. We've actually taken that over so that we are executing that part. But we are very happy that they are minority shareholders because we are very happy to share the bill with them. In fact, I think we all have a moral obligation to clean up.

First of all, your question about buying out that makes zero sense. Why should we pay for such shares? That is a cost up front. So for me, there's no point, why should we take it private? We are very happy to have other shareholders, and I hope they share the same responsibility as we do in terms of clean up after having had a revenue stream for decades.

And then the final one is IOC. And thank you for that question. And I'll pass it on to Mark because he has just been to IOC and he's responsible for implementing the safe production system around the world. And I absolutely don't like what you say because to me the nameplate capacity is close to 22 million tonnes. And the question is just how fast can you get there, Mark?

Mark Davies: Thanks, Jakob. And as Jakob said, I've just been at the IOC looking at the SPS deployment, which we've just started to roll out there. And look, I definitely agree with Jakob. I think there is plenty of opportunity to get towards that nameplate capacity as we improve the way that we work. We did see where we started with SPS in the concentrator, and we actually did see a big jump in concentrator performance, but obviously, we have to roll it out across the whole value stream. And also uplift the way of working around our maintenance and our mine planning. So I definitely think we can get there. We've just got to do the work.

Jakob Stausholm: Super.

Richard Hatch (Berenberg): Thanks.

Liam Fitzpatrick (Deutsche Bank): Hi. Good morning. Or I should say good afternoon, everyone. Two questions. Firstly, on iron ore and then I just wanted to come back on the DLC. So firstly, on the iron ore market, it has been a weak market this year. Exports have been strong. Steel demand in China is negative. Is there anything that's giving you confidence for H2 in terms of demand recovery in China? And where is it that you see marginal support or cost support kicking in for the iron ore price?

Jakob Stausholm: So, as long as the Chinese steel mills are producing pretty flat out, then we have very good demand. And it's always better that that's the case, because that is crowding out other steel production that has got, so to say, own iron ore supply that cannot go to the to the liquid markets. That has been the case. Look, there's no guarantees on the demand, but the Chinese economy is growing around 5% a year. And yes, property remains very, very difficult. But we see very strong demand from the energy transition industrials in general and infrastructure.

But the most important thing is the second part of your question is really about the cost curve. And we have just done some recent research and suddenly realized that the cost curve has moved quite a lot in a favourable way compared to some of the things you can find publicly available. And I would recommend you to try to update that analysis. And I think I will show you that there is support at a higher level than you might think. And that actually gives me a lot of confidence that the market will be satisfactory in the short term at least.

Liam Fitzpatrick (Deutsche Bank): Would you like to share that number, Jakob?

Jakob Stausholm: Well, look, we actually start seeing support as soon as you break below $100.

Liam Fitzpatrick (Deutsche Bank): Okay, interesting. Then briefly on the DLC, I just wanted to make sure I'm interpreting your comments right. So for now, you're ruling out a collapse of the DLC because of the friction costs in the mid-single digit billions. That's the first point. And then in terms of the share buyback, if you get that agreement with Chinalco, could this finally be the catalyst to regear the balance sheet where you have been running a very low level of leverage in recent years? Thank you.

Jakob Stausholm: Why don't you get going, Peter?

Peter Cunningham: Thanks. I think there are two separate issues really. I think you're absolutely right in terms of our decision. You know, that from all the analysis we've done, our conclusion is that unification is not in the interests of shareholders. That is a function of the friction costs, but also a function of looking at how unification would happen. And it really could only happen under Limited that you would have an overall blended share price eventuate, but that would take the Limited price down in a double-digit percent because you're putting 77% of the shareholders into the Limited structure.

And so, that current premium would come down sharply as you move to a blended share price. So, those are the two key arguments that we've got. The other one which I talked about on the call was that if once you have a unified structure under Limited, you've got a Franked dividend. And we don't know what our mix of earnings will be in the future.

But if once you've unified and if you're paying out in line with our shareholder policy at 40-60%, and we've been paying out, as you know, at 60%, you need 60% of your earnings in Australia. So that's again, part of our evaluation of the benefits of this to shareholders. So all of those things matter. I think the piece about share buybacks is separate under the DLC structure. We can do share buybacks whenever we want. The constraint is the fact that Chinalco are at 14.6%. And there was an undertaking that they would not go above 15% given to the FIRB in Australia. So, they are disconnected if you like as two issues. Would we like to be able to do share buybacks? Absolutely, as part of our overall suite of tools for capital allocation. But it is a separate issue from the DLC discussion, to be honest, Liam.

Liam Fitzpatrick (Deutsche Bank): Okay. Thank you, Peter.

Jakob Stausholm: If I may just add one little thing on the balance sheet, just so you know certainly what I stand for, I have learned through a number of industries, you can take risk, you can take business risks, and you can take balance sheet risk. It's a very bad combination to take too much of both. In fact, when I was in shipping, that was why all shipping companies never got any tenure. And the only reason why the company I worked for, Maersk, has a more than 100-year history, was that we took enormous business risk, and we did that with a strong balance sheet. I hope you can see we are taking risk with the benefit of higher return to shareholders now to have taken the view from not growing to growing, but we don't want to do that with a lot of balance sheet risk. Last time we did that was with the acquisition of Alcan. That was 100% financed by debt. And I think with hindsight, that was not the best solution. So, we will be defending our balance sheet.

But on the other hand, if it's very attractive to buy back our shares, we should be able to do that. And we will do that. So anyway, and on the DLC structure, I just wanted to add to Peter. Even, it's nearly impossible for us, for our fiduciary responsibility to recommend it because there's simply enormous friction cost. But beyond that, how on earth should we get 75% support from PLC shareholders and DLC and Limited shareholders? Limited shareholders are bound to get a big negative impact by such a unification. That happened with BHP, but it's even bigger here because of the construct, and a number of Limited shareholders would not like to invest in a company in a share that has a premium based on a franking credit that they can't benefit from. So in a way, the current dual listing gives you the best of two worlds. So much for my side on the DLC. Thank you.

Bob Brackett (Bernstein Research): Hi. Good morning. A question around Rincon. At a high level, I would argue that the cost curves for iron ore and copper are beautifully structured. And you sit at the bottom and the cost curve for aluminium is just flatter to the nature of the beast and the process. You're still at the bottom, but there's just less room. Have you thought about what the cost curve for lithium looks like? And I want to put that in the context. You're starting up Rincon with a starter plant. It could work beautifully, in which case that really helps you understand the full-scale operation feasibility study there. Or it could work terribly, in which case might pivot you towards Jadar. If it works beautifully, it might raise a little warning flag saying, well, if we can do DLE at this cost, could everybody and therefore is the cost curve flat? So with that in mind, how do you think about the scale you want to be in the lithium business and your expectations for what midcycle returns might be for all of that? I apologise for the winding road.

Jakob Stausholm: No, but it's super good. Thank you. And I would agree with you on your comments on iron ore and copper. Aluminium in a way I agree. On the other hand, I don't entirely agree. I think the uniqueness about Rio Tinto and aluminium is that we have access to cheap renewable energy. And that is such a competitive advantage with our Australian business. And right now, we are making a lot of progress. You have seen how we have got a very good long-term deal in New Zealand. We are trying to come up with a good solution for Boyne Smelter. So there are things you can differentiate yourself from lithium. It's a super good question, but there you have to think differently. And the way you have to think differently is that iron ore, copper and aluminium, they're growing 1%-3% a year. Lithium is growing at a double-digit number. And that means that it's not about the Opex of the existing plants, because the existing mines cannot produce what the future require.

No, it has to be attractive to invest, to build new mines. And therefore, you have to look at the curve of cost, both capital and operational. And on that front, we have done a lot of studies of that. And that's why it's not a matter of we want to be bigger in lithium, it's a matter of we would like to get into what will become future tier one assets in lithium, because there's definitely a difference. And it's quite interesting with lithium because of course you've got a number of things. You've got hard rock, you've got the clays, you've got the brines, and then you've got something very unique like jadarite in Jadar. And all of those have different relative capital costs and operating costs. And I can assure you, we have put a lot of analytical power in that to understand it. And we certainly believe that we have two good assets. Thank you.

Bob Brackett (Bernstein Research): Super quick follow up. So the fact that the full scale, the feasibility study for the full-scale Rincon might come before you've been operating the starter plant for any period. Won't you learn from the starter plant?

Jakob Stausholm: Well, sorry, I didn't answer your second question. And that comes from when you ask me more questions and my brain is able to process because I wanted to ask Mark to answer that, because it's really in his field. And it's not that we have we already have a starter. This one is a second level starter. But Mark, why don't you just say what we are learning?

Mark Davies: So look, we actually have been running for the last three years, a truly small-scale plant and optimizing and as well as that, we've been running test facilities at our Bundoora labs here in Australia. And absolutely, that will give us the confidence, I think, to make the investment decision at the end of this year when the feasibility study completes and really running the starter case will give us information that will allow us to do some optimization around the way that we control. But actually, we'll also really help accredit ourselves in the market, which is an important step before we ramp up scale.

Bob Brackett (Bernstein Research): Very clear. Thank you.

Myles Allsop (UBS): Great. Thanks. Just a few quick follow up questions. First of all, when you talk about rebalancing of the DLC, are you thinking ideally 50 over 50 in terms of PLC Limited? Or if you have a different view on what the ideal balance would be?

Jakob Stausholm: Not really. The point is just we have an amazing big business in Australia, and we only have 23% of the company in that part, so I wouldn't mind increasing it, but we really haven't thought about an end goal. And it's not really an end goal. It's just more a little bit about maybe that could be an acquisition where you could change the balance. There could be some share buyback that could change it, but the direction is clear.

Myles Allsop (UBS): Have you had any discussions with Chinalco around the buyback and them participating in it as opposed to diluting up?

Jakob Stausholm: Yeah, I just got that question before, and I said I deliberately decided not to have those conversations because the focus in the last six months has been on getting finalised everything around Simandou and settle the accounts with Chinalco, and you hopefully have seen in our report that we've got a lot of money from Chinalco. So we're in a good place. I think we are both appreciating each other's effort and that should enable us to have such conversation at the right time as well.

Myles Allsop (UBS): Okay. And then just on Jadar, there were some protests, I think quite recently. Could you give us a sense of the scale of those protests and how do you get comfortable to approve the project? You may have political support, but do you have that kind of social licence that's so critical to move forward?

Jakob Stausholm: Yeah, there's still a lot of work to be done. And we need to tell much more about the outcome from the environmental impact study, et cetera. I was there myself ten days ago in Belgrade, and there was a big critical minerals summit all about Jadar. And there was not a single protest outside the doors there. There have been a number of protests where there have been very, very few people. But I'm also aware that this week there has been some protests with a lot of people in Belgrade. I have been a bit disappointed that there has been very little appetite to understand the facts here, and I feel that it's much more a political demonstration than anything else. Don't forget that Serbia has got extensive mining. They've got the big copper Bor Project owned by a Chinese operator. They have got coal mines, et cetera, and lithium is going to have a much, much smaller nature impact, environmental impact than those mining. So it's a bit of a strange thing, but we obviously just want to engage as much as possible. Now we have and we didn't have that before. First of all, we were not having the licences. We got the licences back, but we have also got the full support from the government. We got the full support from European governments and we got the full support from potential future customers. So we are focusing it, but we are not there yet. Mark also needs to do a few things finalizing and updating the feasibility study in order for us to have a second go at sanctioning this project.

Myles Allsop (UBS): Okay, maybe one just last question for Peter as well on the closure costs. You're saying, obviously, when you think about your balance sheet and you know the closure liabilities are three times your net debt number, so the balance sheet is still - there is some leverage there. But you mentioned that there's $1 billion per year cost in the coming years from Argyle ERA and Gove in the coming years. Is that two or three years or is this should we expect a model in $1 billion outflow for what, five years or so? How should we think about that?

Peter Cunningham: Thanks very much. I mean, we've given guidance of $1 billion of cash spend, but that is total. That's both ongoing rehabilitation that we do at all our sites, plus also any specific closure programs that we have at ERA, Gove, Argyle. So it's the totality of that and it's roughly 50/50 between the two is the split. I mean, we've given guidance as well that it probably will be a bit higher this year. In the release we said maybe more like $1.2 billion this year because we have had a specific situation we've been working through and have now announced on at Gardanne, where we'll take over just to give clarity on the process there for rehabilitating various parts of the site. So just think of it $1 billion 50/50 between continuous closure work and site-specific work for the group.

Jakob Stausholm: Well, thank you and appreciate that you appreciated having this extra session. Good questions as always from brokers, you asked the difficult and critical questions, but I should perhaps say that I was very happy to announce the results today because I think we're getting all the data points on a couple of things. First of all, that we are not just profitable, we are growing. As we are saying. We are now confident that we have on average, 3% annual production growth in the next five years. And I'm also having a lot of data points. That gives me confidence that we can have our CO2 emission by 2030, our decarbonisation projects are really focusing, and I hope you can see we are progressing well on our projects.

Our capabilities there are increasing and then we have a few trigger points in our business. We have for a while been stabilizing. I'm proud of what we are doing in in iron ore, but you now see that the aluminium business is improving a lot. You see that we are getting to an important point on the ramp up of OT and therefore our copper business. We are getting the conveyor to surface finalized in the next couple of months and therefore can further ramp up. So that brought us well for the near term of Rio Tinto. And we are investing for the long term. So I was happy about the announcements today. Thank you very much for your attention.

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