Liam Fitzpatrick (Deutsche Bank): Good morning, everyone. I'll stick to two questions. The first one is just on the growth targets. I just wanted to understand if Rio is supportive of and will it stand behind the targets that we recently heard from Arcadium, including the EBITDA target out to 2028? Or could these change quite materially post completion? And then also, if you have any comments on what this means for your own organic lithium projects.

The second question just on the dividend. I heard your comments there, Jakob, on the policy, but the policy is quite a wide range of 40% to 60%, and you have paid out a minimum of 60% for a number of years now. So can you confirm that you're maintaining the 60%, or is there a chance that it could drop below that for a period? Thank you.

Jakob Stausholm: Thank you, Liam. Let me take your second question first. Every year, twice a year, the Board of Directors makes a discretionary decision on dividend. But if you listen very carefully to what I said, I said we want to honour the policy and practices of the dividend distribution. So yes, I would very much like to honour that. But obviously it's subject to individual Board decisions.

And then back to the lithium business. It goes without saying when you say EBITDA, EBIT targets that Arcadium has certain price assumptions, we might have different price assumptions. But it's really key for me – and maybe Paul wants to comment on this as well, is how can we get the project schedule back to the accelerated path at the time of the merger of Allkem and Livent, because lately Arcadium have had to preserve cash and therefore not accelerated as fast.

Paul Graves: Sure. I think there's clearly within Arcadium two projects that we've elected to move more slowly. And if we were to accelerate those projects, it brings about another 50,000 tonnes of lithium product in the form of spodumene or carbonate online, two years quicker than was in our plans on Investor Day.

We also have additional expansions, which you'll recall from our wave two that can also be brought forward into wave one. And we clearly are extremely keen to find ways to accelerate the projects that within Rio, we can, that as a standalone company we cannot. But within Rio, we will be able to accelerate them and all other things being equal, that will significantly enhance profitability over the next five years.

Alain Gabriel (Morgan Stanley): Good morning and thank you for taking my questions. Firstly, I have a question on your – Jakob, that's for you on the broader lithium strategy.

Now that you've got the scale, as you combine Arcadium's assets with your own assets in Argentina and Serbia, how much do you need to spend on lithium growth CAPEX from now until 2030, give or take? And how does that tie into your $10 billion CAPEX budget going forward? Is there some upside to that $10 billion envelope in light of today's announcement? That's my first question. Thanks.

Jakob Stausholm: Arcadium's CAPEX is actually only around 5% of the CAPEX of Rio Tinto, so it's not something that materially changes the overall ceiling or guidance we have given on CAPEX. I'm not coming up with new guidance. We stick with our guidance.

Our existing assets, we got Jadar and Rincon. Rincon is focusing extremely well and will produce first lithium this year. The feasibility study is also progressing very well, and we believe that we can get to a sanction decision by the end of this year, which will be another material investment into Rincon to bring it to full scale.

Now, the timing of the development of Jadar is a little bit more uncertain. And you might have seen that there is a parliamentary debate this week in Serbia about lithium extraction. We are very committed to the project, but we also have to accept that it's a societal choice. So let the public debate happen and we are there to develop it. It's a tremendous resource. Thank you.

Alain Gabriel: Thank you. And my second question is that you're placing nearly a $10 billion bet on lithium. If you include today's acquisition and your CAPEX plans for Rincon and potentially Jadar, how much confidence do you have in today's cost curves and how much flexibility do you have to scale down your spending if the cycle proves to be – or if the cyclical downturn proves to be longer or deeper than what you had expected?

Jakob Stausholm: I would describe Arcadium’s business as a business full of optionality. I don't think too much about the impact on the short term, because we really think long term around this development. And our colleagues have worked extremely hard the whole year to try to look at every single lithium project in the world, and that has given us the confidence about what we want to be part of and what we don't want to be part of.

And we became more and more clear that we were very keen on not just developing a spodumene business, but rather producing a battery grade lithium. We also realised that in Latin America, you probably find the lowest part of the cost curve, and therefore we like the brines, we like the more exposure to Argentina.

I would say the hard rock opportunities in Canada are very attractive to us as well. It was not us looking at Arcadium only, we were actually looking at the whole industry and find out what are our criterias. And we realised Arcadium had the perfect match for us. And therefore, I'm super happy where we are today.

Kaan Peker (RBC): Good morning, Jakob and Paul. Just wondering, with the acceleration of Arcadium's growth pipeline, how do you consider the market implications or the impact on volumes? And I'll circle around for the second one.

Jakob Stausholm: Maybe I'm actually very curious to hear Paul's view on this, but one thing that is very important, that's the mantra of Rio Tinto through decades is we believe in the cost curve. And what we believe is we are bringing things at the low end to the market of the cost curve. There might be others who are bringing more expensive in, and it might be difficult for them, but we feel very comfortable with the projects we have looked at.

Paul Graves: Sure. Lithium demand globally this year is probably about 1.3, 1.5 million tonnes. By the end of the decade, it's going to be 3, 3.5 million tonnes. The expansion needed to meet that cannot all be done by low-cost production.

And so there has to be high-cost assets being added to the market. It's easy to think that accelerating our projects is in somehow or some way going to add more supply. The market is going to be undersupplied by the end of the decade, particularly when prices stay where they are today. And the cost curve, we believe is only going to get steeper.

It's incredibly difficult to bring low-cost resources on from scratch. We're fortunate that we're not doing it from scratch. We're up and running in three different resources and very soon four different resources. So the advantage we have to bring on low cost, while the rest of the industry is going to have to bring on high cost, we feel very confident. There's plenty of scope for more rapid and larger expansion of low-cost resources like ours.

Kaan Peker: Sure. Thank you. And the second one. Given the premium paid, could you provide guidance on synergies you're trying to achieve? And where do you see those synergies really being generated, in Canada or Argentina? Thanks.

Jakob Stausholm: The way I look at it here is value, and premium is a little bit of a strange concept because the premium is high compared to the share price last week. It's actually a discount if you go to the beginning of the year or you go a year back. It's just been a very volatile journey, the share price of Arcadium.

What we have been discussing, and it has been a very robust discussion, until late yesterday, what is the intrinsic value we pay? We pay a full and fair value. It's good news for the Arcadium shareholders. But we can really create over and above that. And I didn't lay it out in numbers, but I laid it out in terms of structure in the presentation I just gave.

The full potential of this portfolio if it's executed well, I have no doubt that it will generate a lot of value to the Rio Tinto shareholders. And it really doesn't come down, in fact, if you think about it, it grows so much, that actually a lower price right now might actually be good. What really matters is that the cost curve kicks in and gives the right price over the next decade or so. And we are very confident about that. We have spent a lot of time analysing this.

Rob Stein (Macquarie): Hi, Paul and Jakob. Thanks for the opportunity to ask a few questions. Look, the main question I have is really around synergies relating to technology. Rio has invested a lot in DLE, as has Livent and Allkem. And when you put that all together, what does that realise in terms of production synergies or cost synergies at the three brine operations in Argentina or four brine operations?

Jakob Stausholm: I've actually studied it quite a lot and spent enormous amounts of time with our people. And I spent a week in Argentina looking at it firsthand this year, if you just take a step back, you are having a small lithium industry today, and you have a lot of still the traditional pond solution.

If you want to scale that up in Latin America, you're going to destroy the Andes if there's going to be ponds all over it. The DLE technology is a way of reducing your nature footprint. And the technology is developing all the time. And it is actually the solution to provide the lithium that the world needs.

And don't forget that it was really Arcadium that started it many years ago. You're the pioneers of it. And we are the fast follower and bringing our research people together with your people. We already had a first little event last week. There's a lot ahead of us. And we haven't explored it fully yet. There is the right technology, but there is also a tremendous technology development journey ahead of us.

Paul Graves: It's important to understand that extracting lithium carbonate from brine is not a single step process, easily 20, 25 steps in that process. And DLE fits into a flow sheet into a process. So it's really important to have the know-how of how the entire process works and how the different DLEs interact with specific brands, specific environmental conditions.

The key to unlocking initial implementation of DLE tends to be that know-how, plus infrastructure. But once you have unlocked it, it's incredibly quickly replicable, it allows you to expand much more quickly. When you think about synergies, I think this opportunity to bring our know-how and our DLE with the unlocking potential of the ability to invest more quickly in the infrastructure, it just makes a massive difference to the ability to bring resources on.

And most importantly, it's not just bringing them on, it's the ability to then copy paste. Just copy paste and you can expand as quickly as you need to once you have that flow sheet running and once you have the infrastructure in place.

Rob Stein: So maybe just a quick follow up is my second question. With, a lot of that IP and technical know-how sitting inside people. Rio Tinto, how are you going to maintain the workforce and know-how, the capability within Arcadium's footprint? And how do you create a culture that Arcadium has and Livent and Allkem had before it in a structure of a big company?

Jakob Stausholm: That's our mutual challenge. This is not a kind of a merger where you bring two companies together and talk about synergies by taking out a lot of people. No, we need everyone here together to accelerate development, accelerate technological development. People find that exciting. I'm convinced about that. And we believe that people really want to work in this future entity.

Paul Graves: Livent has been through this a couple of times. First of all, spinning out of FMC and then merging with Allkem to create Arcadium and now stepping into the Rio Tinto family. And every step of the way, the employees are excited by what it provides for them. They love the business. We have people that have been in the organisation for 26, 27 years. We've been operating in Argentina for 27 years. We still have employees number, two, three and four work for us. We still have people in Bessemer City that have just retired after 45, 50 years there. They want to be able to do their jobs. They're passionate about lithium. They're really excited about the growth in front of them. And I am highly confident that they will all be super excited by what opportunities Rio can afford for them. Clearly every individual is different, but I think this is a great opportunity for the Arcadium employees.

Glyn Lawcock (Barrenjoey): Good morning, Jakob and Paul. I've just listened to you explain the deal is pretty compelling in what Rio can bring to Arcadium's assets. Was there any consideration given to using scrip, not cash? So Arcadium's shareholders can come along for the ride, but also where the dividend potential of Rio shareholders is not put at risk as well.

Jakob Stausholm: I must say we didn't discuss that much because it just adds a layer of complexity. It's a very good point, but it's 5%, 6% of the market cap of Rio Tinto. At that level, normally you don't make a scrip and we have such a strong balance sheet. It's not going to make a material difference from our point of view. When we became clear about that, the perfect match for us was to get into Arcadium, we focused in on a cash deal and we focused discussions very well around the cash deal and therefore didn't choose to open up for further complexity.

Glyn Lawcock: I appreciate that, but it feels like one side wins and gets cashed out. The other side has to play for the long game. Is there any thought, Jakob, you are going to be at 12 billion net debt pro-forma from the acquisition. You haven't been at that sort of level since 2016. Would you consider - you've got your wagon wheel that you use for capital management and dividends is one, but what about issuing shares as well if you need to. Is that I guess another consideration?

Jakob Stausholm: No, It's a little bit beyond this transaction. I should probably have said on this transaction, we never know where we are in the cycle. I would argue we are not at the top of the cycle of lithium right now. Assuming that we are lower end of the cycle if you want to do anything countercyclical, you actually have to use cash to get that countercyclicality into it.

And we have some optionality because we got the DLC. I have been thinking a little bit before, but I don't think it's necessarily that related to this deal.

The thing I would like to highlight as well is Rio is getting much more cash generative now. We have the enormous cash generation from our iron ore business. But we have for a long period of time invested heavily in copper in Oyu Tolgoi. That investment has been done and now it's ramping up. So we see every quarter more and more free cash flow there. And therefore, I feel very comfortable with the balance sheet post-closing with Arcadium.

Glyn Lawcock: You mentioned you're purchasing it through Rio Plc, not Limited. And Arcadium has an interesting tax structure where because of where they do it through

Ireland, they have a very low tax structure for their Livent business. Is there something along the lines of doing it through Plc and the Jersey scheme that enables you to hang on to that tax structure?

Jakob Stausholm: No, there's nothing in that. And the reason why we use Plc is just the general policy of our dual listing is that Australian assets are kept in Limited and international assets are in Plc.

Glyn Lawcock: Okay. And the tax structure you can't hang on to then potentially or that's to be decided?

Jakob Stausholm: Well, we have not counted any particularly tax advantages into this deal.

Jakob Stausholm: We are delighted with the new legislation in Argentina, the RIGI legislation. That's attractive. And that's going to help us not just in terms of an attractive tax scheme, but also in a downside scenario, it provides a lot of protections for our investments in Argentina.

Ephrem Ravi (Citigroup): Thank you. I just wanted to ask in terms of how you're thinking about complexity in Rio Tinto going forward. The Arcadium deal brings in about 10 to 12 different assets. Some of them would be relatively small by a typical Rio Tinto asset scale. In terms of managing so many different assets together, do you think the management is going to be fairly stretched?

The second question, within Arcadium, there are some assets which are higher cost, especially Mount Cattlin and Galaxy, and they are not typically the first or second quartile cost assets that Rio Tinto typically operates. In the medium term, in the next five to 10 years, would there be a focus towards getting all these tier two assets and cutting out the tail?

Jakob Stausholm: We believe that the vast majority of the assets are real tier one assets. We are excited about the two projects, one being developed and one to be developed in Canada. And it's still for us to look deeply into it, but I have no reasons to dispute the decisions by Paul on Mount Cattlin.

Paul Graves: Mount Cattlin is not a low-cost asset. It's also basically going on care and maintenance next year. We'll take a look at whether there are any market conditions that justify bringing it back online. But it was always a short mine life asset and it's getting towards the end of mine life, it's not a meaningful part of the portfolio.

Galaxy is a low-cost asset. It stacks up extremely well in the spod concentrate world. Some of the cost depends if you're measuring it on a carbonate or hydroxide basis on your conversion costs. But I'd encourage you to go take another closer look at Galaxy, because it's certainly first quartile in the hard rock space. And even in the total space including low-cost brine assets, it's the second quartile asset. So it's a very good resource.

Patrick Mann (Bank of America): Good day, and thanks for the opportunity and the presentation. I just wanted to ask, you made the point about what Rio also brings to the table here is balance sheet and project delivery and the potential to accelerate some of these projects. I suppose there's two parts to my question. One is, has capital been the main bottleneck to this or how are you thinking about managing the human capital side of it? Or are there any other bottlenecks that could slow you down, whether it's regulation or approvals?

And then just in terms of the synergies with Rincon or maybe scheduling, does it make sense to move these things around, or is the goal going to be as fast as possible development, if it makes the hurdle rate accelerate development and deliver as fast as possible? Or is there the opportunity to optimise scheduling of projects here? Thanks.

Jakob Stausholm: I'll let Paul talk about the constraints he's living in right now. First of all, I am so excited about what we have built and we are just small compared to Arcadium, but what we have built in Argentina was a great project. We took over Rincon. We have built a great workforce there. And the project execution is going so well.

That gives us a lot of confidence. I've spoken a lot with our technical organisation, our global project delivery organisation, and we find it very doable. Rather have a couple of smaller projects than these giant projects. We are doing the giant projects like Oyu Tolgoi, like Simandou, but these ones we find quite digestible. And the beauty of that is also you learn from one project to the next project.

We have a very good feel about that. But Paul, maybe your reality today.

Paul Graves: The primary constraint for us clearly has been capital. You have to look at the size of Arcadium relative to what our ambitions are, and you understand what a challenge we set for ourselves.

But the second piece is the lithium industry is, us included, expanding resources. We're very early as an industry in our knowledge and understanding of how to do that. And building those capabilities has been a real focus. And there's no doubt Rio will massively accelerate those capabilities.

And you can even take that down particularly with brine resources. But as you look at where you're developing them, bringing on a significant amount of experience across different projects. So whether it's sequencing or timing them, what you're really doing is building world class capabilities focused on the high Andes, which is where we're developing these.

And then the final point where people miss and what often trips people up is the handover from construction into operations. If you don't have operational expertise, you've now got another learning curve to get up. And we have that operational expertise, both conventional pond and DLE. So de-risking the move through engineering, through construction into operations, it's a huge benefit down there. When you think about the network of Argentina assets that will all face the same challenges, there will be nobody as capable as we will be together of de-risking and accelerating those projects.

Richard Hatch (Berenberg): Thanks. Morning, Jakob and Paul. Thanks for the call. We've talked a bit about the CAPEX profile, but I'm looking at this phase two CAPEX on the upstream, it looks about like $3 billion. You're talking about looking to potentially try and bring forward to some of that, you've mentioned, Jakob, that about 5% of your CAPEX budget is what Arcadium are currently guiding to, but clearly, you could push the accelerator if you're that bullish on the market and push that up a bit. Just for complete clarity, some of these wave two projects, is there a view that you are going to bring them forward. And when are you going to tell us about that? That's the first one.

Jakob Stausholm: We have an opportunity to now start within legal boundaries, be able to talk more together. And therefore, it would be natural for us to give you an update on our capital Markets Day that we plan towards the end of the year. But everything needs to be crystal clear when we get to closing of this.

And if you think about the Rio Tinto CAPEX profile, we have just tailored all of our investments in Oyu Tolgoi. We are right now at peak levels in Simandou, but it's a very fast developing project. So when we get to closing here and start working on accelerating, you will already start seeing we are at the end of that project.

$10 billion is a huge pipeline and it will always be tailing off. That will make space for what we believe very profitable investments. I deliberately decided not to be too specific today on precise CAPEX guidance, because both organisations will benefit from spending more time together and make sure we get the growth journey perfect for the benefit of the shareholders.

Richard Hatch: And perhaps just a follow up on that is a question for Paul. Rio comes with a pretty defined view on capital. Generally the assets are very well built, good quality. Can you give the market confidence that your CAPEX guidance you've put in your presentation, you're comfortable that there's no room to run on that.

And in terms of pricing, Jakob, I wonder whether you might be able to give us some form of a steer as to what kind of price forecasts or views you're taking on this, clearly the market is poor at the moment, but you're very bullish on the long term. So looking at the Arcadium presentation, long term consensus is about $19 a kilo for carbonate. Is that something you feel comfortable with or do you feel more bullish, more bearish? Thanks.

Paul Graves: You can imagine before going out there with capital numbers, we spend a lot of time making sure we were comfortable. They were the right capital numbers. We have a high degree of confidence in those capital numbers.

Jakob Stausholm: And on the pricing, we always refrain from giving any price guidance. Our focus is the cost curve and how the demand will develop. We're dealing with a portfolio of low-cost assets. And we think as well they can be implemented at a decent level of capital intensity. And therefore, the real focus is how low can it be robust. Then we happily take all the upside, because I do think it's going to be very difficult to project the lithium price.

The lower it goes in the next short period of time, the higher it will have to go later on.

Mitch Ryan (Jefferies): Morning or afternoon, Jakob and Paul. Thanks for your time. We've seen the Canadian government take an increasing degree of national security reviews whenever there's been mergers of or transactions around Canadian assets. Can you just talk through any concerns you might have on regulatory approvals, either within Canada or with regards to the entire transaction?

Jakob Stausholm: We have to go through the process, and that will take time. But we feel very confident that this can clear from a competition authority. And specifically on Canada, we are by far the largest miner in Canada. We have a very good cooperation with the government. I would find it very strange if they could come up with arguments that this should be against neither any competition arguments nor against an interest of

Canada, because in fact, what we are saying is let's get on with it and let's unlock the opportunities in Canada. Investment in Canada normally is welcome.

Mitch Ryan: Yes. Thank you. And my second question relates to Bécancour. Jakob, what degree of due diligence have you conducted on that asset? We've seen quite a lot of Western made hydroxide refineries not being able to ramp up relative to nameplate. What due diligence have you been able to conduct on that asset? And what gives you confidence that that will be able to meet nameplate?

Jakob Stausholm: We have been sitting in a room a whole day together and technical experts have been meeting. Paul, why don't you talk about Bécancour.

Paul Graves: It's a question we get all the time. And the question is a couple of western hydroxide plants, spud to hydroxide, they don't work. We knew that when we designed the plant. People forget that every other hydroxide plant built in China does work. And Arcadium in a previous life actually operates its spodumene to hydroxide capabilities in the past. We started off that way in North Carolina. And we also have significant technical expertise and partners, both in the engineering world but also in China.

So you can assume that we've spent a huge amount of time studying what is behind the conversion plants that are struggling. And we've made sure that we've tackled all of those challenges. There's never any guarantees. The truth is that the process for converting spodumene to hydroxide is not a fundamentally challenging one. It's about getting the engineering right, getting the construction right, and having good practices in how you put those together. And we're super confident that it will work. We have no concerns at all.

Jakob Stausholm: Thank you very much for calling in with short notice. We think this is a really positive piece of news today for Arcadium Lithium, for Rio Tinto and for our respective shareholders. Thank you very much for your attention.

[END OF TRANSCRIPT]