Iron Ore Company of Canada

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Iron Ore Company of Canada

RioTinto

Highlights

High-grade (>65% Fe), high purity products for blast furnace and direct reduction

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Applying our Safe Production System to improve operational stability to deliver nameplate capacity of 23Mtpa[1]

Complementing our global iron ore portfolio, with high grade and high purity iron ore, which is on Canada's critical minerals list[2]

Pathways to decarbonise Scope 1 and 2 emissions, together with a target to reduce Scope 3 emissions from IOC by 50% by 2035

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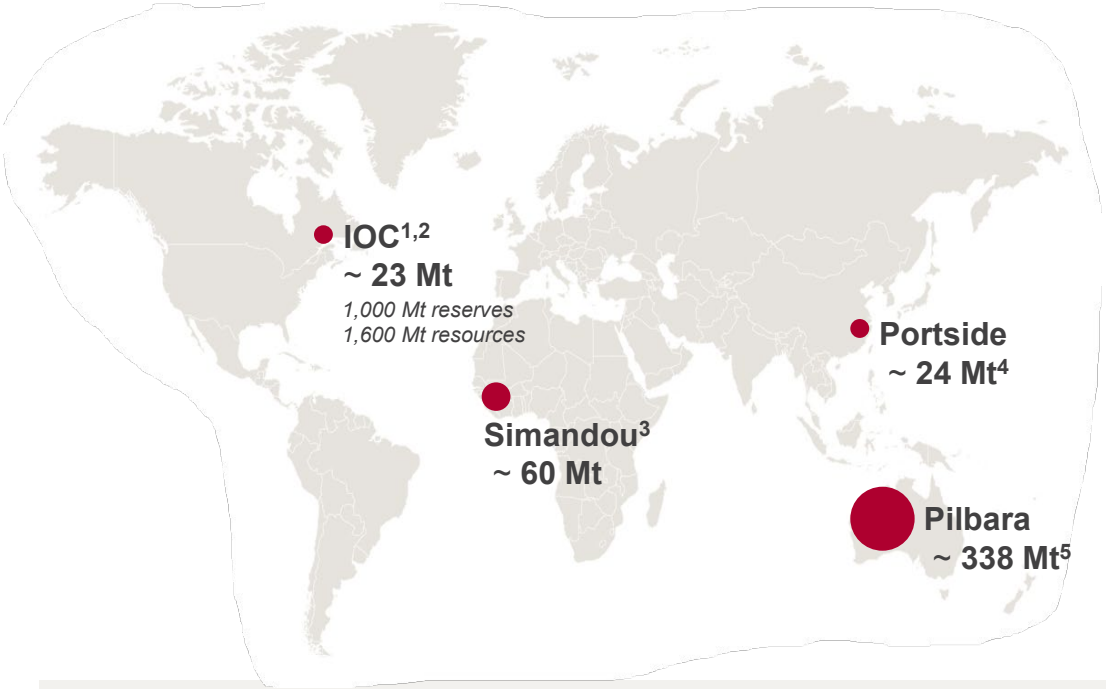
[1]Concentrator capacity 100% basis
[2]High-purity iron ore – essential to green steel making and decarbonisation. https://www.canada.ca/en/campaign/critical-minerals-in-canada/critical-minerals-an-opportunity-for-canada.html

IOC complements our global iron ore portfolio

Rio Tinto Iron Ore global portfolio



IOC Products

Concentrate for sale (CFS)

Top tier quality

- High iron content (65.7%)
- Very low phosphorus (0.007%) & low alumina (0.2%)
- Low levels of all other undesirable steelmaking elements
- Very consistent product with low shipping moisture and no loss of ignition

Markets

- Europe, Asia-Pacific

Pellets

Flexible product mix

- Standard Acid Pellets, Low Silica Acid Pellets, Low Silica Fluxed, Direct Reduction Pellets
- High iron content (65.0 - 67.7%)
- Very low phosphorus (0.007%), low sulfur, alumina (0.32%) & alkalis
- Very complementary to sinter burdens
- Product valued by customers for consistency

Markets

- BF pellets: Europe, Japan
- DR pellets: MENA, Americas

Iron Ore Company of Canada
High-grade (>65% Fe), low impurity products for blast furnace and direct reduction

Simandou
Blast furnace feed or Direct Reduction Iron Products (~65% Fe)

Pilbara
Pilbara blend (> 61%) mid-grade products as well as low-grade products for Blast Furnace

China Portside
Global blending capability providing greater customer access

[1]Iron Ore Company of Canada (100% basis) based on concentrator nameplate capacity
[2]See supporting references for categorisation and reporting of Rio Tinto's Mineral Resources and Ore Reserves on slide xx
[3]Simandou blocks 3 and 4 expected annualised capacity (Rio Tinto's share is 27 Mt)
[4]Portside sales in 2022 – blended, screened ores and direct sales from Pilbara, IOC and third parties
[5]Pilbara demonstrated capacity – sales volumes in 2018 (100% basis)

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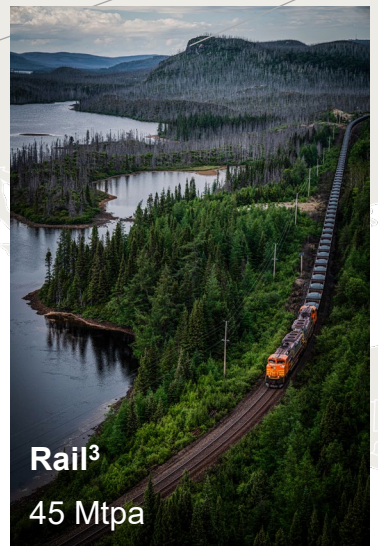
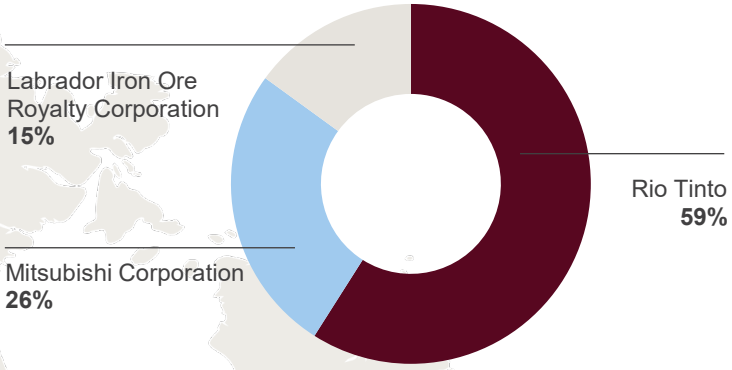
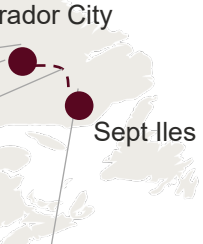
IOC operational overview

Key statistics

5	Operational pits
13	Production drills
37	Haul trucks
13	Automated train ore delivery system distance (km)
6	Overland ore delivery conveyor system distance (km)
4	Concentrator autogenous grinding mills
6	Pellet induration machines
418	Railway distance (km)
79	Locomotives
1	Dual car dumper
250	Port terminal ship max (kt)
22	Hydro-electric power station output (MW)







[1]Best performance to-date
[2]Plant nameplate capacities on 100% basis
[3]Railway nameplate capacity – IOC plus third-party customers shipments
[4]Port nameplate capacity

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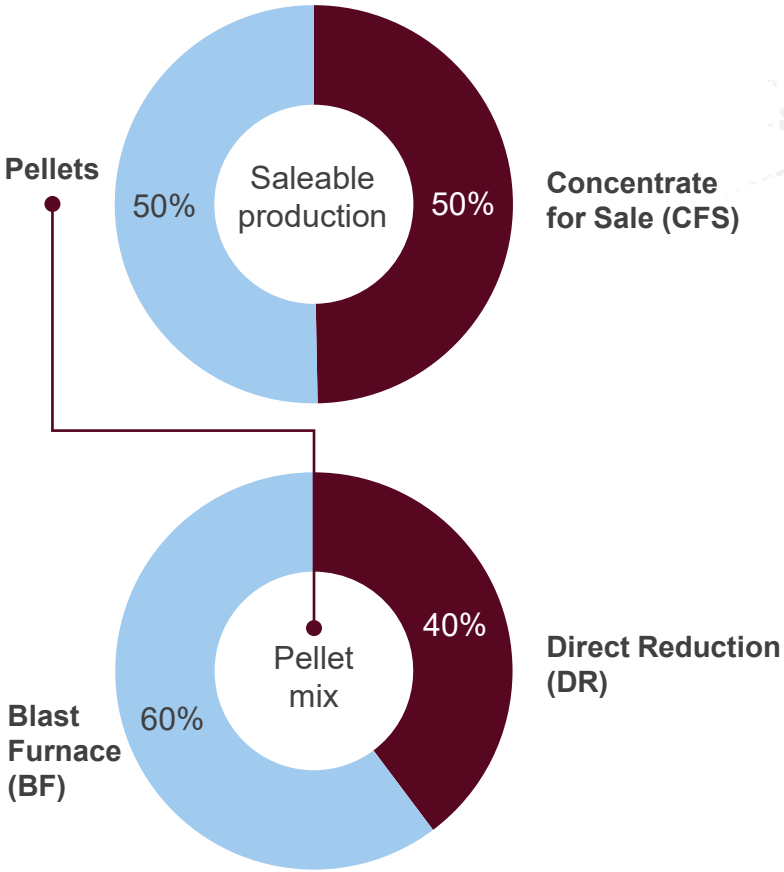
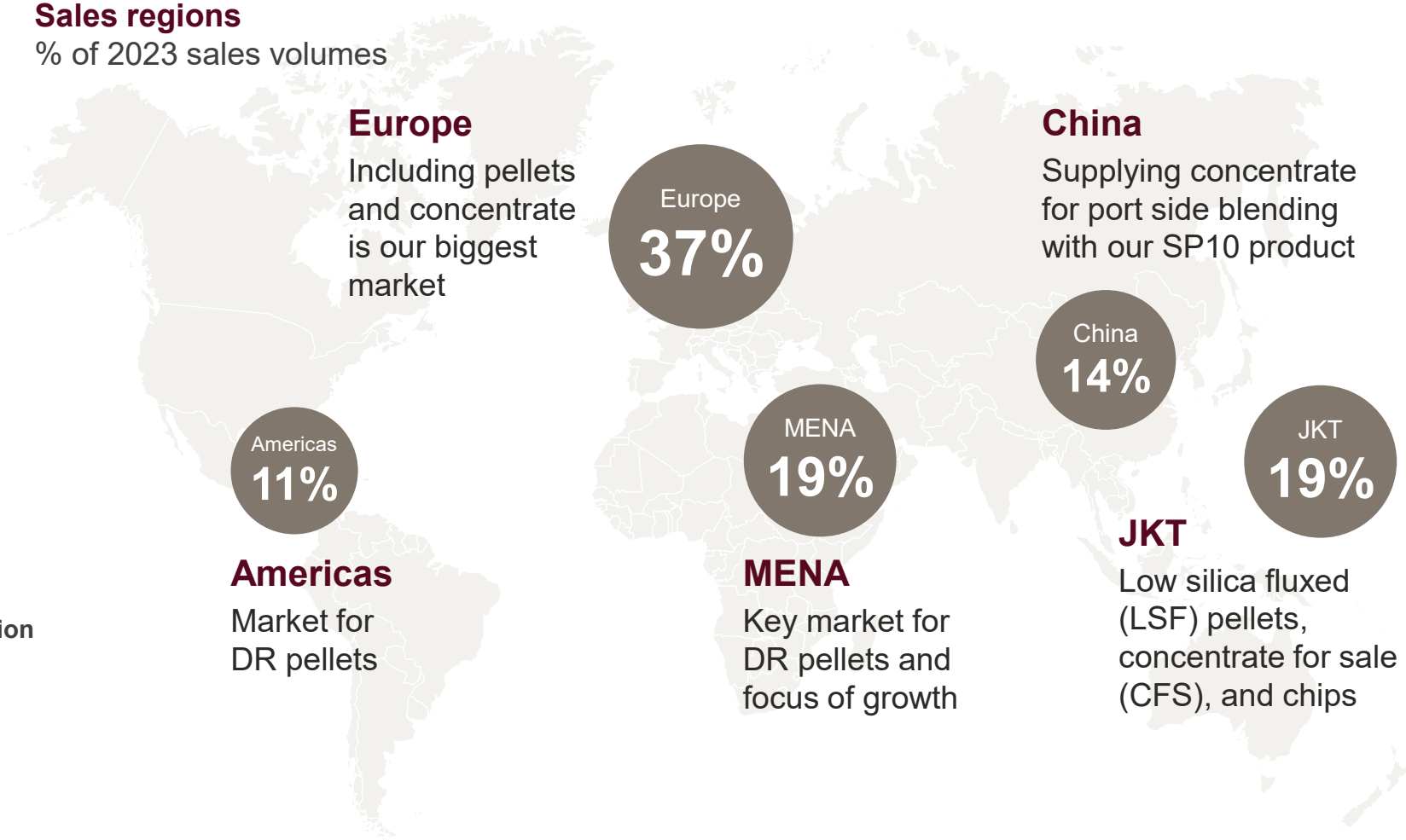
Diversified customer base for our high-grade products

Product mix
2023 sales volumes



Sales regions
% of 2023 sales volumes



Europe
Including pellets and concentrate is our biggest market

Europe
37%

China
Supplying concentrate for port side blending with our SP10 product

China
14%

Americas
11%

Americas
Market for DR pellets

MENA
19%

MENA
Key market for DR pellets and focus of growth

JKT
19%

JKT
Low silica fluxed (LSF) pellets, concentrate for sale (CFS), and chips

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Our Strategy

Rio Tinto

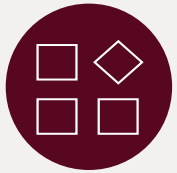
- Best operator
- Social license
- Excel in development
- Impeccable ESG

Minerals PG

- Employer and partner of choice
- Growth contributor
- Green economy leader

IOC

Fix the basics, meet our safe production commitments



Use our assets at **designed capacity**

Transformative growth of the business

Decarbonise our operations

- Employee engagement
- Community and Indigenous engagement
- Technology and data

Care | **Courage** | **Curiosity**

Working closely with our key stakeholders

Governments

- High-grade iron ore on federal and provincial critical minerals lists
- QNS&L (railway) federally regulated common carrier

Communities

- 2nd largest private employer in Newfoundland and Labrador, economic anchor for Quebec North Shore and Labrador West regions for 70 years
- ~2,100 employees in Labrador West (pop. 10,000)
- ~750 employees in Sept-Iles (pop. 25,000)

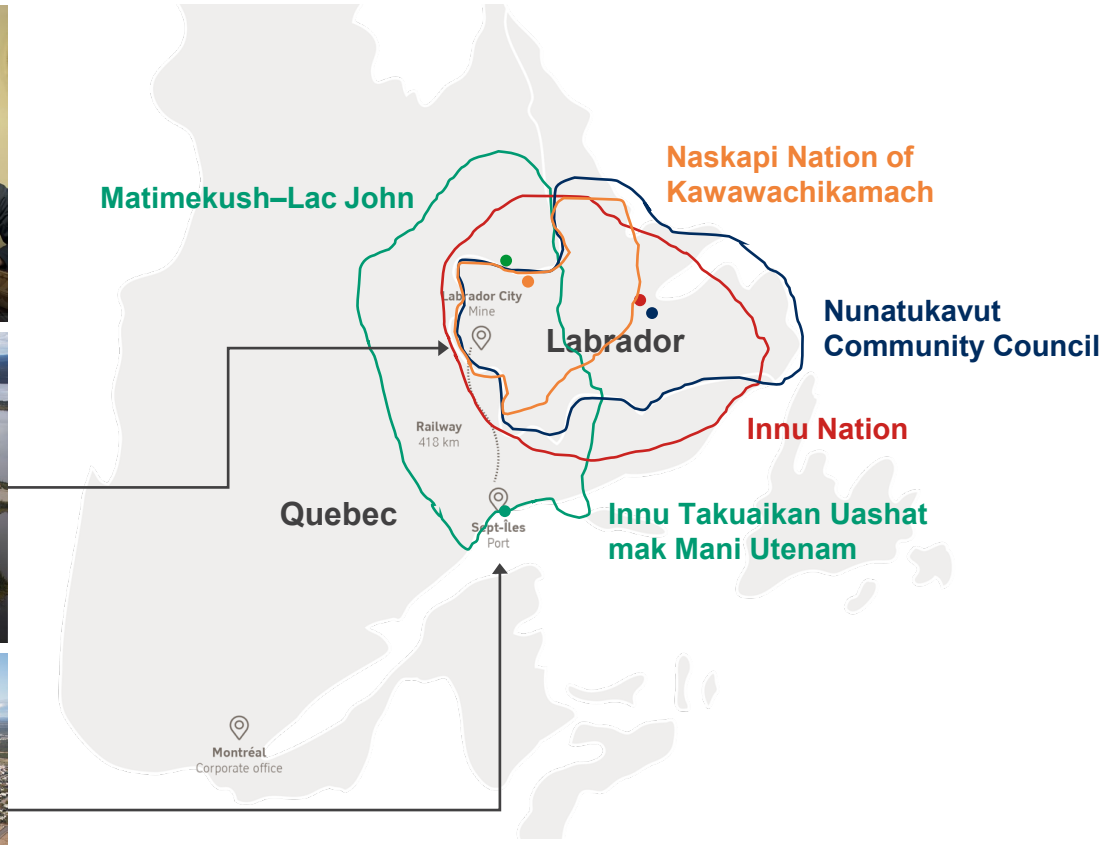
Indigenous partnerships

- 4 impact and benefits agreements with the five Indigenous communities which have asserted traditional territory claims
- 238 Indigenous employees
- CA$80 million in procurement spend with Indigenous businesses


Signing of fourth partnership agreement with Naskapi Nation in 2023


Labrador City – mine and processing


Sept-Iles - Port



IOC ores present a unique opportunity for Scope 3 reductions

Scope 3

Target: 50% reduction from IOC by 2035
Current impact: ~1.9 CO2/t steel

Reduction in Scope 3 emissions drives increase in margin due to:

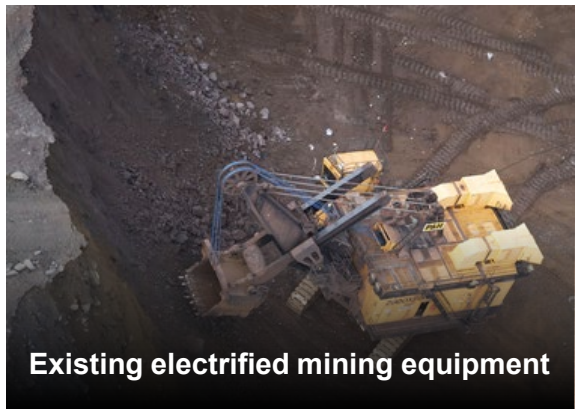
- Large share of CFS transitioning from BF customers in Asia to integrated DRI/EAF producers in MENA
- Increasing DRP sales with significant share placed with H2 based DRI/EAF customers mainly in the Atlantic

Pathway

1	**Existing**	Ongoing	Provide safe, consistent, cost-competitive high-grade low impurity iron ore for BF-BOF and DR-EAF
2	**Emerging**	Next 10 years	Optimize current operations with increased DR pellet production and recovery to increase supply to DR-EAF
3	**Future**	>10 years	Grow operations to support green steel value chain decarbonisation needs that generate the highest value

IOC is positioned well as a low carbon mine

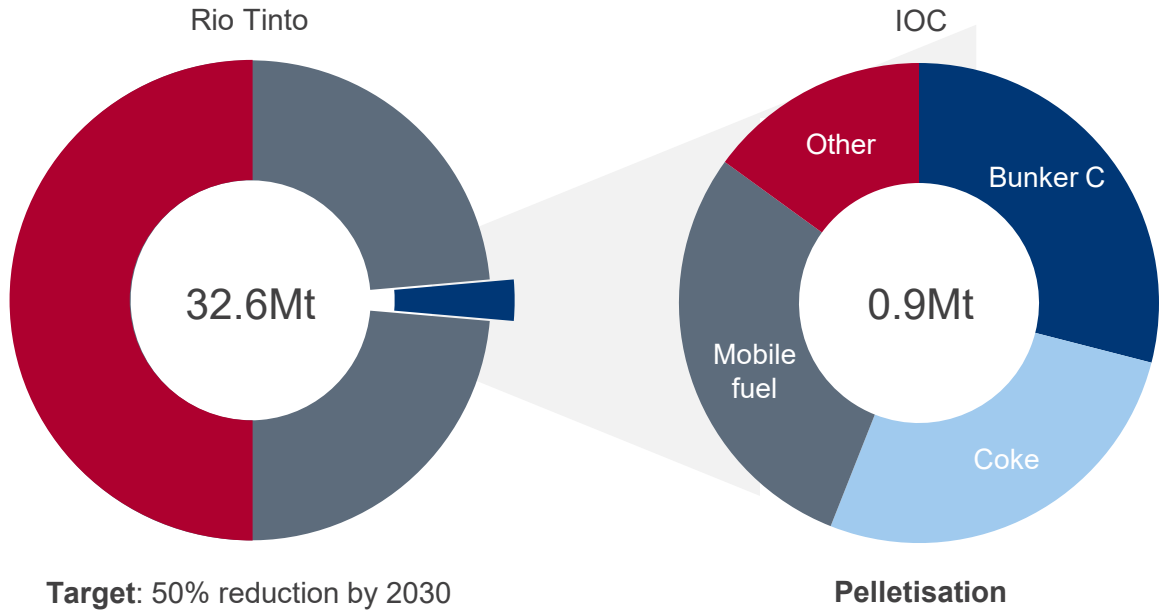
A high quality and resilient, low carbon mine with optionality for the energy transition



Taking action to decarbonise toward net zero, including low carbon pelletisation

- 40MW electric boiler
- Hydro powered plasma burner trials
- R&D coke elimination trials including use of biocarbon

2023 Scope 1 & 2 Emissions (Mt CO2e)



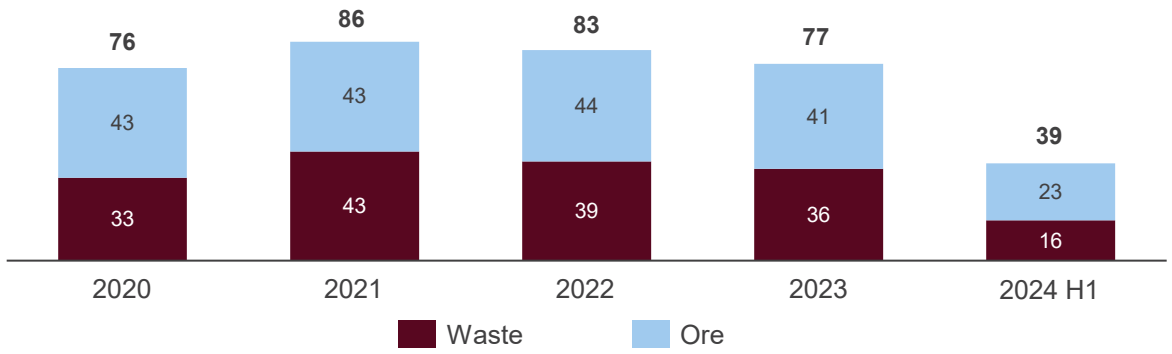
Target: 50% reduction by 2030

Pelletisation

Focused on improving operational stability

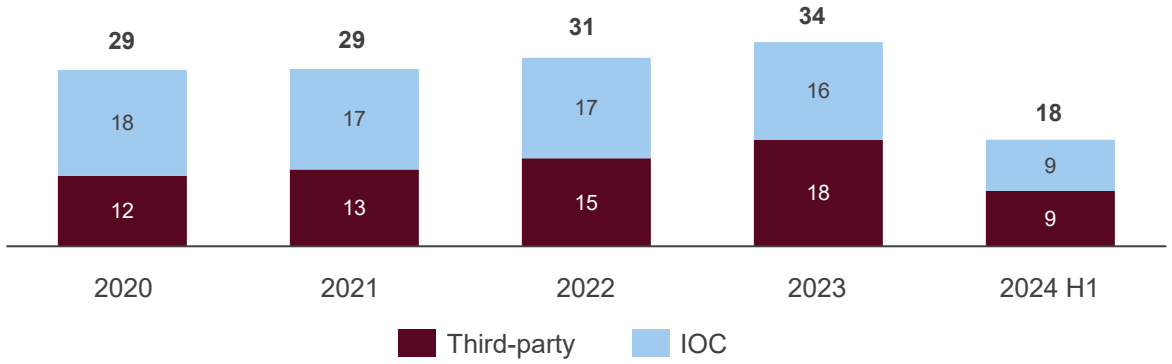
Mine - Total Material Moved[1]

(Mt)



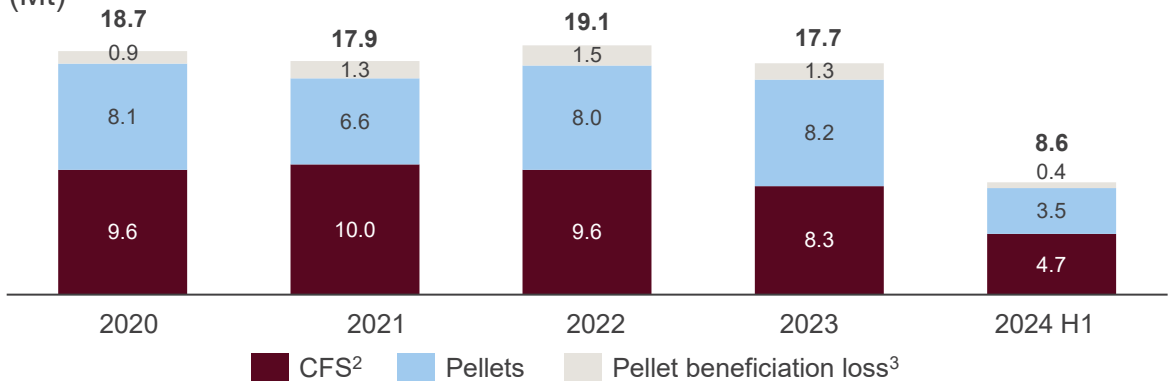
Railway haulage

(Mt)



Concentrate production and pellet loss

(Mt)



Challenges

- Significant external events (including forest fires in 2023 and 2024)
- Aged infrastructure requiring investment
- Increasing strip ratio

Achievements

- 2022 best safety performance in history
- 2023 best haulage performance in history
- Lighthouse SPS in concentrator with current deployment across entire value chain

[1]Waste and ore movement excluding rehandling.
[2]Concentrate for sale.
[3]Differences in total concentrate production and saleable production (CFS and Pellets) are due to reductions in volumes as concentrate is upgraded to pellets.

A clear pathway has been identified to best operator

Setting the strategy:

Fixing the basics to achieve safe, cost-effective, consistent production

Executing integrated roadmap to optimise the current operational footprint

Advancing growth optionality to position business to capture benefits of the green steel transition

Initial scoping:

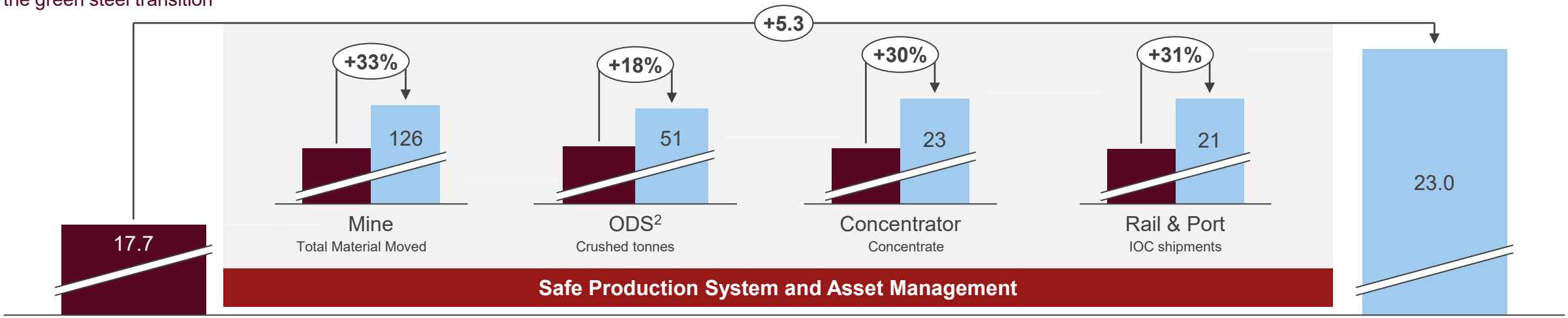
Concentrator 23Mtpa capacity

Improvement programs underway

Asset integrity and operational issues being addressed

Entire value chain:

Achieving concentrator nameplate capacity of 23Mtpa of production will require step change across the entire production value chain



Mining

Strip ratio and TMM are increasing

Actions

- Heavy mining equipment purchases, including autonomous drills
- Mine plan optimisation

Processing

Capacity constrained upstream and downstream

Actions

- Pellet plant capacity increase
- Mill 12 – 14 reflux classifier conversion

Shipping

Third-party haulage increasing in parallel

Actions

- Locomotive availability
- Cycle time
- Leveraging technology
- Circuit upgrades

[1]Total concentrate production capacity which is saleable production plus volume loss in upgrading concentrate to pellets.
[2]Ore Delivery System: automated train, overland conveyor, and crusher systems connecting the mine to the concentrator.

High margin business with track record of generating FCF[1]

18 Mt

Average concentrate production, 2019-2023

48%

Average EBITDA margin, 2019-2023

$1,300 M

Average EBITDA, 2019-2023

15%

Average ROCE[2], 2019-2023

$390 M

Average Free Cash Flow, 2019-2023

$320 M

Average Capex, 2019-2023

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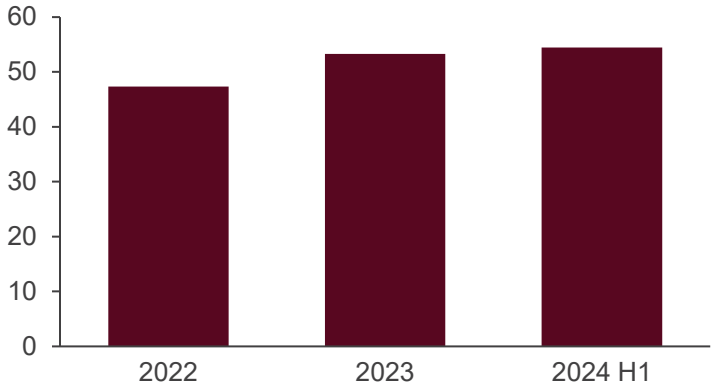
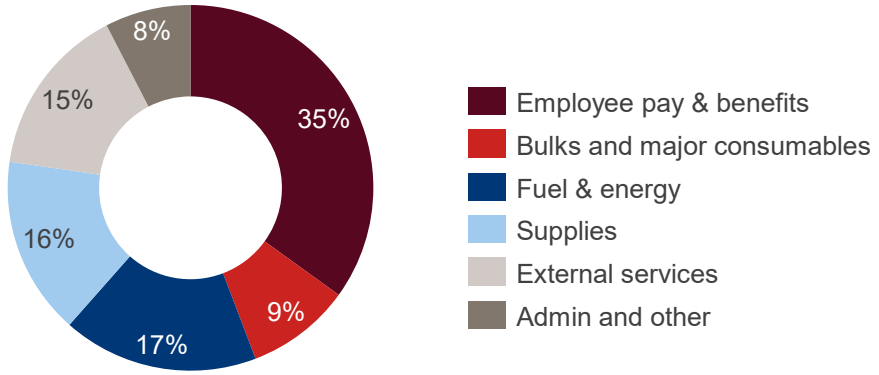
[1]All figures provided on a 100% basis | 2 Calculated as NOPAT excluding minority interest/capital employed.

Operating costs and sustaining capital

Concentrate unit costs ($/wmt)



H1 Spend by Category



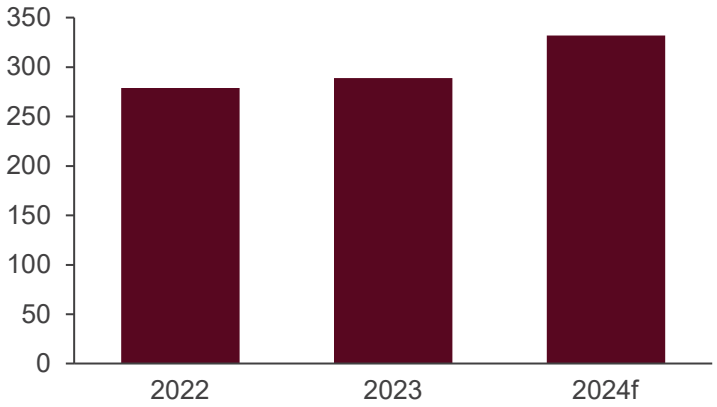
Production biggest cost lever

- Significant portion of cost base is fixed
- Asset management and production stability key to driving down unit costs

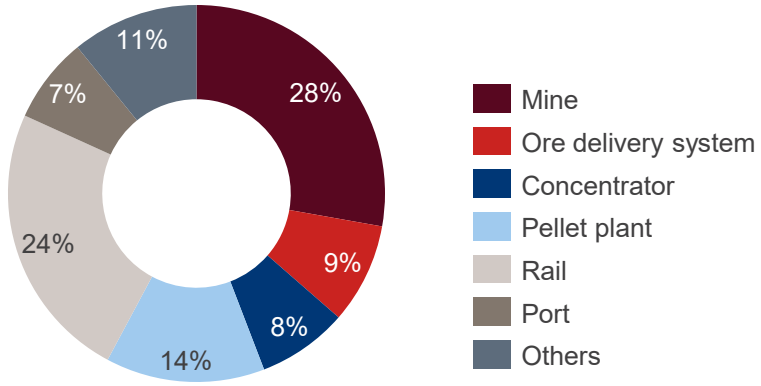
Other costs being targeted

- Efficiencies in energy and other consumables
- Productivity with processes and automation

Sustaining capex ($ Millions)



2024 Sustaining By Area



Aged infrastructure a factor

- Increased sustaining capital required to maintain asset health

Other costs being targeted

- Additions to heavy mobile equipment fleet and associated maintenance
- Rail capacity increase and associated maintenance

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