

**Remarks for
Tom Albanese
Chief executive, Rio Tinto**

Multi-billion dollar investments in our country

**Board of Trade of Metropolitan Montreal
Montreal, 6 April 2011**

CHECK AGAINST DELIVERY

Introduction

Bonjour. Good afternoon ladies and gentlemen.

Thank you, Michel, for your kind introduction.

What I would like to do today is share with you my view of Rio Tinto's world. It is a world of strong markets - today with China, tomorrow with India and other parts of the world - and constrained mineral supply. I also want to talk about what it all means for Canada.

Before proceeding though, I must confess that as today's luncheon drew near, it occurred to me there might be some connection between my scheduled appearances at your functions, and the onset of global turmoil. I last had the privilege of addressing this audience in late October 2008 when, as I'm sure you recall, we were in the midst of the global financial crisis. To make matters even more challenging, Rio Tinto was also the target of a hostile takeover bid. Notwithstanding my optimism about longer-term trends, the past three years have confirmed we continue to live in an uncertain and volatile world.

Rio Tinto has been through some challenging times. So has the team that I lead. But the challenges met have made for a stronger company, a stronger team, and stronger individuals.

We have persevered, and I am proud to lead a revitalised organisation, reflected in record underlying earnings of \$14 billion in 2010. We have a healthier balance sheet and substantial growth projects underway, with our planned capital expenditure set to be \$13 billion in 2011, much of this in Canada. With this as a backdrop, Canada is a great place to invest in. Past, present and future.

Macro view of the economy

From an economic perspective, things have been looking up from my last speech here. Despite current events in Japan and the Middle East, the longer term trends continue to be robust – albeit with some imbalances and volatility.

But let us be clear. Without the strength of China's growth, we would all be in a lot of trouble. Asia, led by China, has driven a 'V' shaped recovery the likes of which none of us could have predicted two years ago. The single most frequently asked question I face is "Can this growth last?"

I am a regular visitor to China – ten times in the last year – and all the signs I see tell me the growth is sustainable, albeit at a slower rate.

But this is not just about China. A changing China has been one of the big changes in our world. But even bigger forces – globalisation and the digital

revolution – have also led to enormous change around the world. The digital revolution has allowed literally billions of people to be more empowered and aspire for more. These will be tomorrow's consumers of Rio Tinto's products – more demand for better housing, better infrastructure, not to mention their own Ipad.

One of our biggest problems is meeting such strong demand. Our sector has underinvested over the decades in capital and people, and we are all playing catch up. In addition, stakeholder demands and the challenges around resource nationalism are in some cases constraining our ability to invest. Against this backdrop, Canada is a great place to be investing.

You have the mineral resources, you have the right attitude towards responsible mineral developments, and you have great people with the right can-do approach to life and business. It's why I like coming here as often as I do and why this country is so important to Rio Tinto.

So when I talked about those excellent results, while the bulk of our earnings came from Australian iron ore, our Canadian businesses were also hugely important, and a successful part of the Rio Tinto story. Rio Tinto Alcan, with its global headquarters here in Montreal, contributed significantly, posting a \$1.3 billion improvement in underlying after-tax earnings. We also saw an increase of well over 300 per cent in net earnings achieved by the 58.7 per cent-owned Iron Ore Company of Canada – also headquartered here in Montreal.

My thanks to Jacynthe Côté, chief executive of Rio Tinto Alcan, and Zoë Yujnovich, president and CEO of IOC, as well as their teams, who have remained very much focused on optimising bottom-line results. And in an industry which still has a male-dominated image, I am hugely proud that our leaders here are both women.

Our share of diamond production at Diavik Diamond Mines was 3.9 million carats last year, reflecting a significant increase in ore processed. Rio Tinto Fer et Titane operations in Quebec have returned to full capacity, contributing to our almost 1.4 million tonne production of titanium dioxide feedstock as this market quickly recovers from the global financial crisis.

I am aware that there continues to be considerable debate here – as in Australia – about foreign ownership of resources. I would like to take this opportunity to credit Canada for its openness, and assure you that Rio Tinto is determined to demonstrate the advantages this openness can provide, by fully living up to the commitments we have made to Canada and Quebec.

These commitments include retaining Montreal as Rio Tinto Alcan's global headquarters – not only out of respect for our promises, but also because this is a great city to invest in and a great place to live, work and do business.

Market outlook

So now let me speak to the market outlook.

First, in the near term, it is difficult to gauge precisely what impact the troubling events in Japan and the Middle East are likely to have. Also to be considered are measures taken by the Chinese government to cool property market speculation and prevent asset bubbles – as well as persistent sovereign-debt concerns in Europe. Furthermore, the jury is still out on whether the recovery of private-sector business and economic activities will prove sustainable after fiscal and monetary stimuli are removed.

So far, investment and financial market sentiment has been almost surprisingly resilient to all this drama. That said, the pattern of increased volatility is likely to continue.

So what does all this mean for commodities?

Here again, the timing and speed at which post-global-financial-crisis stimulus packages are removed has the potential to generate both volatility, and substantial swings in commodity prices.

The same can be said for supply-side considerations, such as weather disruptions, or concerns that deteriorating socio-political situations could cause a further spike in oil prices, sufficient to derail the recovery. Prices for most major commodities were sharply higher in 2010, riding a strong second-half upward trend that continued into 2011. For instance, copper – which recently topped US\$10,000 per tonne – was up 47 per cent on the year. Molybdenum was up 45 per cent, aluminium 31 per cent and gold 26 per cent.

That changed, digitalised world I spoke of means more consumers creating more long-term demand for key metals such as iron ore, aluminium and copper. I predict that demand will double over the next 20 years. Equally, we expect that real long-run prices and margins for almost all minerals and metals will average significantly higher going forward than in the decade preceding the most recent boom. A huge challenge, but full of enormous opportunities.

Aluminium outlook

This is an audience that knows aluminium better than anyone. Frankly, aluminium has not enjoyed the same post-financial-crisis recovery as other metals. But aluminium does represent one of the strongest growth stories of any commodity. As is the case with other commodities, emerging-market demand will drive aluminium consumption going forward. We expect at least four to five per cent annual growth in global demand over the next two decades.

The industrialisation and urbanisation of BRIC countries will also increase demand for larger living space, more sophisticated transportation means, and different forms of packaging for a variety of consumer goods. Consider that per-capita consumption of aluminium is currently just one kilogram in India and five kilograms in Brazil – well below the average of over 20 kilograms per capita in industrialised countries.

While strong demand looks positive for aluminium, we are still faced with excess global supply and large above-ground inventories. Matched with rising sector cost pressures, this means that we are still faced with many challenges.

Rio Tinto in Canada

Our vision for Rio Tinto is to be the best mining and metals company in the world. Canada's role in this vision is essential. We are committed to growing the already extensive base we have here in a country which presently accounts for some 34 per cent of the Group's global assets. This includes not just Rio Tinto Alcan and IOC, but Rio Tinto Fer et Titane, with its production of high-quality titanium feedstock, cast iron, steel, and metal powders, and we are also operators in the joint-venture Diavik Diamond Mine in the Northwest Territories.

Rio Tinto's Canadian operations generated total revenues of US\$8.39 billion in 2010. We employ over 13,400 people at some 35 operational and administrative sites across Canada, over half in Quebec. Besides spending some US\$1.3 billion on salaries and benefits last year, we contributed an estimated US\$2.1 billion to national and regional economies. I'm happy to say that Quebec was the largest beneficiary.

Rio Tinto Alcan

Almost 9000 of our Canadian employees are with Rio Tinto Alcan, a leading global supplier of high-quality bauxite, alumina and primary aluminium. It is also an industry leader in aluminium production technology and in self-generated energy – particularly hydroelectric power, as most of you are aware.

We have been driving transformational cost savings that have helped make Rio Tinto Alcan one of the lowest-cost aluminium producers in the world.

In December 2010, we approved further investment of more than US\$1 billion in Rio Tinto Alcan's Canadian aluminium smelters to improve production efficiency through modernisation and expansion.

The bulk of this new investment – \$758 million – is being spent to complete the first phase of the AP60 plant in Saguenay–Lac-Saint-Jean. AP60 is the latest generation of our innovative, proprietary technology, dramatically improving energy efficiency and reducing the costs of production.

We are also investing an additional \$300 million for further construction in Kitimat, British Columbia, to prepare for the \$2.5 billion modernisation and expansion of its aluminium smelter. This is truly a transformational project, in line with Rio Tinto's strategic objective to grow via long-life, large-scale, low-cost assets. We hope to be in a position to give Kitimat final approval later this year.

Also, construction of a new \$228 million turbine at the Shipshaw power station in Saguenay remains on track for completion in December 2012.

Rio Tinto's continued investment in these projects is consistent with the modernisation strategy that we set out following the acquisition of Alcan, and is in keeping with our group's 2007 commitments to the governments of Canada and Quebec.

Iron Ore Company of Canada

This past February, we also gave the go-ahead to a further \$277 million investment in the second phase of a project to raise the Iron Ore Company of Canada's concentrate production capacity by 40 per cent – bringing it up to 26 million tonnes per year.

This is the second phase of a three-stage expansion announced in May 2010 with a US\$400 million investment for phase one. Recent studies have highlighted an opportunity to improve time-to-market by bringing forward some capital items from the third stage. This results in a higher level of production being attained earlier. We expect to make a final investment decision on the third stage by 2012.

IOC is Canada's largest iron ore pellet producer, supplying steelmakers in North America, Europe and Asia. With some 2200 employees, it operates an open-pit mine, a concentrator, and an iron ore pellet-making plant in Labrador City. It also owns and operates a 418 kilometre railway connecting the mining complex to port facilities at Sept-Îles, Quebec.

Rio Tinto Fer et Titane

Moving on to Rio Tinto Fer et Titane – or RTFT, for short – we have been in business for 60 years and remain the world’s leading producer of the raw materials for the titanium dioxide industry, essential to paints, plastics, textiles and paper. RTFT operates an open pit mine at Lac Tio, Quebec, with port facilities in nearby Havre-Saint-Pierre, as well as a metallurgical processing facility in Sorel-Tracy. It employs some 2000 people.

We are now beginning to see emerging demand for RTFT’s products in China as their economy begins to demand higher quality pigment.

Diavik Diamond Mines

At Diavik, which produces some of the most sought-after gem quality diamonds in the world, we are investing with our partners in a \$787 million transformation of what started in 2003 as an open-pit operation, into a fully underground mine. Diavik, in which Rio Tinto holds a 60 per cent equity stake, provides jobs for 1100 people.

With respect to our Canadian operations, I should note that Rio Tinto also has a substantial equity interest in Ivanhoe Mines, a Toronto-based public company. We recently assumed management of Ivanhoe’s Oyu Tolgoi project in Mongolia, a world-scale copper-gold mine being developed at a cost of \$5.9 billion.

As you can see, Canada clearly continues to play a key role in Rio Tinto’s global strategy, and value-creation equation.

Commitment to sustainability and ‘licence to operate’

Having talked about our businesses, and having talked in my opening remarks about constraints to new supply, now I would like to emphasise our commitment to sustainable development. Those that are strongest in delivering sustainable development will be the winners in the delivery of new supply. There is a clear and strategic business driver towards excellence in all aspects of sustainable development, and it is fundamental to the future plans of Rio Tinto.

Sustainable development can mean different things to different people. So let me tell you what I mean. Simply put, it is the framework of economic, environmental and social considerations within which Rio Tinto operates. We are keenly aware that continued financial success is based on our ability to secure access to land, people and capital – or what we often refer to as our “licence to operate”.

Part of this licence to operate includes our commitment to invest in Canada to the tune of US\$3.4 billion in ongoing capital projects nationwide, in addition to

approving some \$1.3 billion in new investments last year. And as I shall make clear in a moment, those who rightly care for the environment should be assured this will be done with the values of sustainable development at the heart of our operations.

Rio Tinto intends to be a driving force. Our Group has an exceptional set of assets and growth opportunities here, and a solid track record for project execution and value delivery.

Of course, it's important to maintain an attractive climate for investment. Governments can help Canada maximise its share of global demand for commodities by ensuring competitive fiscal policies, and by encouraging investment in crucial infrastructure and affordable, renewable energy sources.

Environmental stewardship

As I said, respect for the environment is central to our approach. Wherever possible, we prevent or minimise, mitigate and remediate harmful effects of the Group's operations on the environment.

Climate change is a key consideration in that respect. Let nobody be in any doubt about this – Rio Tinto takes carbon dioxide emissions seriously. We recognise the need for action on this pressing issue, and see it as one of our greatest challenges and opportunities. We have played our part, with the corporate-wide climate change programme, launched back in 2003. This undertakes initiatives in three key areas:

- reducing greenhouse gas emissions from our operations;
- developing low emission pathways for our products;
- and building support for government action.

This decision to take action early while the debate was still raging has already paid dividends. We have managed to reduce Rio Tinto's global GHG emissions intensity by 3.7 per cent, between 2008 and 2010.

Closer to home, total emissions at our aluminium smelters here in Quebec were cut in half between 1999 and 2010, while our provincial aluminium production increased 50 per cent over the same period. And we will continue to improve our carbon footprint with our investments in Canadian modernisation projects at Kitimat and AP60 – both of which will make major contributions to the Group's global targets.

Compared with other major aluminium producers, Rio Tinto Alcan benefits from unrivalled access to clean, renewable energy. Some 49 per cent of our energy needs are met by self-generated power – the largest portion of which comes from our "green" hydroelectric assets in Canada.

IOC's Tailings Management Programme is another excellent example of environmental responsibility. Using a combination of proven and new

technologies, IOC has been working with the local community and the government to return Wabush Lake in Labrador to its former pristine state, and give it back to the community.

In 2010, our efforts were recognised by the Group's inclusion in the international Carbon Leadership Index. The index is compiled by the Carbon Disclosure Project, an independent, non-profit organisation that plays a crucial role in encouraging companies worldwide to measure, manage, and reduce their greenhouse gas emissions. In the latest Index, our group attained the highest position of any diversified mining company. In an industry beset by a poor legacy, Rio Tinto has a very proud and very green story to tell.

Social contributions

Our approach to the social aspects of sustainability begins with our commitment to provide a safe and healthy workplace for our employees – and one where their rights and dignity are respected. Maintaining a culture of HSE excellence with a goal of zero injuries is a core value for Rio Tinto Group companies. Difficult, but achievable, and I am determined that we should.

We build our business for the long term, with operations spanning decades and generations. This requires us to build equally enduring relationships with our neighbours and communities as part of that "licence to operate".

This is exemplified by the Rio Tinto Alcan Canada Fund, which was established in 2008 to carry on the former Alcan's commitments to its communities. Beneficiaries of the Fund include the Montreal International Jazz Festival, the Grand Défi Pierre Lavoie, the new Montreal Planetarium and the Bixi bicycle sharing programme.

The Fund has made numerous commitments specific to the Saguenay—Lac-Saint-Jean region, and Northern British Columbia. We are also investing close to \$15 million over five years in an initiative called Keeping Youth in School Together, working with our partners to encourage young people to pursue their studies, and obtain high school diplomas.

Rio Tinto also makes a point of reaching out to Aboriginal communities throughout the world, wherever we operate. A good example of this is the landmark 30-year agreement ratified in 2010 with the Haisla Nation in British Columbia. The agreement establishes a formal framework for the two parties to work together to maximise opportunities and benefits of aluminium operations at a modernised and expanded Kitimat smelter.

In the Canadian North, Diavik provides strong benefits to local First Nations. Aboriginal peoples comprise 30 per cent of Diavik's workforce, and local Aboriginal companies, through major mine site services contracts, are building capacity and generating wealth.

Canada is known for its rugged terrain and beautiful but remote landscapes. Rio Tinto is proud to provide opportunities for the people who make these regions their homes, and to contribute to the success and sustainability of their communities.

In Newfoundland and Labrador, the town of Labrador City was built in the early 1960s to accommodate employees of the Iron Ore Company of Canada. As the company built its long-term operations around the local iron ore deposits over the next 50 years, we now see many of our first job seekers approaching retirement – with their children and sometimes even their grandchildren still residing in the region.

Technology and innovation

I travel all over the world in this job. I see so many countries and cities adapting in different ways to the challenges of economic and environmental change. And may I say that when it comes to an understanding of technology and innovation, Canada is right up there with the best.

Rio Tinto Alcan alone invests about \$100 million in research and development each year. This enables us to improve the performance and productivity of our plants on an ongoing basis, while enhancing the position of our AP Technology™ suite as the acknowledged global industry benchmark.

And Rio Tinto's penchant for Canadian innovation is by no means limited to our aluminium business. Last year, we formed a key strategic partnership with world leading researchers to create the Rio Tinto Centre for Underground Mine Construction in Sudbury, Ontario. This \$10 million initiative will focus on innovative, rapid mine construction, and ground control for mining at depth. The centre has become a key part in our set of five long-term Rio Tinto research centres around the world.

Hand-in-hand with our investments in research and development, we build economic benefits for our host communities. Many of you are already familiar with our regional development programmes in Saguenay–Lac-Saint-Jean, where our AP60 project alone has generated nearly \$172 million in regional economic spin-offs. Our presence in the region has also made it possible to develop a large network of Quebec suppliers who will be able to export their expertise internationally.

Concluding remarks

To recap, notwithstanding lingering uncertainties, we remain cautiously optimistic about the recovery, and outright confident about Rio Tinto, and the long-term fundamentals for commodities, including aluminium and iron ore.

In that story of China's economic growth, it accounted for nearly 28 per cent of Rio Tinto sales revenue last year in various commodity sectors. We are

also partnering with Chinese enterprises such as Chalco, Chinalco and Sinosteel, to help find and develop new mineral resources both in China and abroad.

All told, there are some 2.5 billion people out there who want to live like the top half-billion consumers in the world. Who is telling them they can't have refrigerators, or air conditioning, or cars, or mobile phones?

It is their demands that will be driving the scramble for steel, aluminium, copper and other vital commodities – and which will make for strong industry fundamentals. Global change leading to great opportunities for Rio Tinto, here and all around the world.

I hope I have made it clear in my remarks today – and by the billions of dollars we are investing, by our commitment to sustainable development, and by our emphasis on technology and innovation – that Rio Tinto represents an ideal partner to help Canada, your Canadian suppliers, and our Canadian employees capitalise in this fast-changing world full of opportunities.

Thank you very much. Merci.

Biographical notes

Tom Albanese

Chief executive, Rio Tinto

Tom Albanese was appointed Chief executive of Rio Tinto in May 2007 and has been a member of the Rio Tinto Board since March 2006.

Tom joined Rio Tinto in 1993 when the company acquired Nerco, where Tom was Chief operating officer. After joining Rio Tinto, he held a series of management positions before being appointed Chief executive of the Industrial Minerals group in 2000, after which he became Chief executive of the Copper group and Head of Exploration in 2004. In July 2006, Tom was appointed Director, Group Resources.

He holds a Bachelor's degree in Mineral Economics and a Master's in Mining Engineering from the University of Alaska. In 2009, Tom joined the Board of Visitors for Duke University Fuqua School of Business in North Carolina.

He is married with two daughters.