Rio Tinto releases second quarter production results

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Rio Tinto Chief Executive Jakob Stausholm said: "Our operational performance continues to progress. While there are still significant improvements ahead, we are beginning to see a step-change in production, including from our Queensland bauxite business following the roll-out of the Safe Production System.

"We are growing with discipline in the materials the world needs for the energy transition. Construction of the Simandou high grade iron ore project in Guinea is advancing at pace, the ramp up of the Oyu Tolgoi underground is on track and we are set to achieve first production from the Rincon starter plant by the end of the year.

"We continue to prioritise the decarbonisation of our business, announcing the installation of carbon free aluminium smelting cells using ELYSIS technology at our Arvida smelter in Quebec and an investment in a R&D facility to test our low-carbon ironmaking process, BioIron, in Western Australia. We also signed 20-year electricity arrangements backed by renewable electricity to secure the future of the Tiwai Point aluminium smelter in New Zealand.

"As we progress against our four objectives and strategy, we have a clear long-term pathway to profitable growth and continued attractive shareholder returns."

Production*	Quarter 2 2024	vs Q2 2023	vs Q1 2024	H1 2024	vs H1 2023
Pilbara iron ore shipments (100% basis) (Mt)	80.3	+2%	+3%	158.3	-2%
Pilbara iron ore production (100% basis) (Mt)	79.5	-2%	+2%	157.4	-2%
Bauxite (Mt)	14.7	+9%	+10%	28.1	+10%
Aluminium** (kt)	824	+1%	0%	1,650	+3%
Mined Copper (consolidated basis) (kt)	171	+18%	+10%	327	+13%
Titanium dioxide slag (kt)	238	-22%	-6%	492	-16%
IOC*** iron ore pellets & concentrate (Mt)	2.2	+6%	-16%	4.8	+5%

* Rio Tinto share unless otherwise stated
** Includes primary aluminium only
*** Iron Ore Company of Canada

Q2 2024 operational highlights and other key announcements

- Our all injury frequency rate for the second quarter was 0.32, a decrease from both the first quarter of this year (0.37) and the same period in 2023 (0.38). We continue to prioritise the health, safety and well-being of our people and the communities where we operate. During the quarter, this included undertaking mid-year safety maturity assessments at our assets, helping us to continuously evaluate and evolve our safety approach across the organisation. The investigation by the authorities into the tragic plane crash at Diavik in January 2024 is ongoing.

- In the Pilbara, we produced 79.5 million tonnes (Rio Tinto share 67.5 million tonnes) in the second quarter, 2% lower than the corresponding period of 2023. Productivity gains offset ore depletion, however production and shipping in the quarter were impacted by a train collision in mid-May, which resulted in around six days of lost rail capacity and full stockpiles at some mines. Shipments of 80.3 million tonnes (Rio Tinto share 66.2 million tonnes) were 2% higher than the second quarter of 2023, with the draw down of port stocks.
- Bauxite production of 14.7 million tonnes was 9% higher than the second quarter of 2023. The increase reflects implementation of the Safe Production System (SPS), especially at Weipa where we achieved higher plant utilisation and feed rates. As a consequence, our Group full year bauxite production guidance is expected to be around the top end of our 53 to 56 million tonne range.
- Alumina production of 1.7 million tonnes was 10% lower than the second quarter of 2023 due to the continuing impacts to our Gladstone operations from the breakage of the third-party operated Queensland Gas Pipeline in March. As a result, we have reduced our Group full year alumina production guidance to 7.0 to 7.3 million tonnes (previously 7.6 to 7.9 million tonnes). We expect gas supplies from the pipeline to return to normal levels by the end of 2024.
- Aluminium production of 0.8 million tonnes was 1% higher than the second quarter of 2023 with our smelters continuing to demonstrate stable performance during the period.
- On 31 May, we announced that New Zealand Aluminium Smelters (NZAS) has signed 20-year electricity arrangements that secure the future of the Tiwai Point aluminium smelter to continue competitively producing high-purity, low carbon metal, backed by renewable electricity. In a separate transaction, we entered into an agreement to acquire Sumitomo Chemical Company Limited's (SCC's) 20.64% interest in NZAS for an undisclosed price. On completion of the transaction, NZAS will be 100% owned by Rio Tinto.
- Mined copper production of 171 thousand tonnes (consolidated basis) was 18% higher than the second quarter of 2023.
    - Kennecott was 30% higher than the second quarter of 2023 following a conveyor outage in the prior period. However, production was 1% lower than the previous quarter following changes to the mine plan to manage geotechnical risk in our mining area. These changes delayed access to pit ore and resulted in additional lower grade stockpiled material being processed. We are currently reworking our mine plan and expect to provide a further update in our Third Quarter Operations Review. Our Group full year mined copper production guidance is therefore expected to be around the bottom end of the 660 to 720 thousand tonne range.
    - Escondida was 12% higher than the second quarter of 2023 due to a 7% improvement in concentrator feed grade as mining continued into higher grade zones, together with 12% higher concentrator output.
    - Oyu Tolgoi was 23% higher than the second quarter of 2023 as the ramp-up in underground production continued in line with our long term plan, delivering a copper head grade of 2.02% (vs 1.56% in the second quarter of 2023) for the underground and an overall copper head grade of 0.61% (vs 0.52%).
- Titanium dioxide slag production was 22% lower than the second quarter of 2023, primarily driven by weak market conditions. Whilst a furnace reconstruction is underway at our RTIT Quebec Operations, we continue to operate six out of nine furnaces in Quebec and three out of four at Richards Bay Minerals (RBM).
- IOC production was 6% higher than the second quarter of 2023 as production rates in the prior period were impacted by wildfires. However, production was 16% down quarter-on-quarter given lower output from the mine and an annual maintenance shut in June. Shipments were 7% lower than the second quarter of 2023 due to low portside inventories.
- In the second quarter, we continued the deployment of SPS, now reaching 26 sites. We deepened the maturity of SPS at existing sites during the quarter, with three additional sites setting new best demonstrated throughput rates (over a 90 day period). We are on track to deliver our targeted 5 million tonne production uplift at Pilbara Iron Ore in 2024.
- Subsequent to the end of the quarter, all conditions were satisfied for Rio Tinto's investment to develop the Simandou high-grade iron ore deposit in Guinea. The transaction to enable co-development of the infrastructure is now unconditional and expected to close during the week of 15 July. Chalco Iron Ore Holdings Ltd (CIOH) has now paid its share of capital expenditures incurred or required by Simfer to progress critical works up to completion. A first payment of approximately $410 million, for expenditures until the end of 2023, was made on 28 June 2024, and a second payment of approximately $575 million, for 2024 expenditures, was made on 11 July 2024. These amounts settle all expenditures incurred to date.
- We saw a cash outflow of circa $0.7 billion from an increase in working capital in the first half of 2024. This reflected the draw down of royalties and taxes payable in the period as prices fell from late 2023, along with seasonal movements in amounts due to JV partners and employees.

All figures in this report are unaudited. All currency figures in this report are US dollars, and comments refer to Rio Tinto's share of production, unless otherwise stated.

The full second quarter production results are available here

This announcement is authorised for release to the market by Andy Hodges, Rio Tinto's Group Company Secretary.

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