palliser

Rio Tinto

Unifying the DLC Structure to Release Value and Enhance Capital Allocation

www.UnifyRio.com

December 2024

Disclaimer

THIS PRESENTATION HAS BEEN ISSUED BY PALLISER CAPITAL (UK) LIMITED ("**PALLISER UK**"), WHICH IS A COMPANY REGISTERED IN ENGLAND AND WALES AND IS AUTHORISED AND REGULATED BY THE FINANCIAL CONDUCT AUTHORITY OF THE UK ("**FCA**"). NOTHING WITHIN THIS PRESENTATION PROMOTES, OR IS INTENDED TO PROMOTE, AND MAY NOT BE CONSTRUED AS PROMOTING, ANY FUNDS MANAGED OR ADVISED DIRECTLY OR INDIRECTLY BY PALLISER UK (THE "**PALLISER FUNDS**").

THE VIEWS EXPRESSED HEREIN REPRESENT THE OPINIONS OF PALLISER UK AND ITS AFFILIATES (COLLECTIVELY, "**PALLISER**") AS OF THE DATE HEREOF. PALLISER RESERVES THE RIGHT TO CHANGE OR MODIFY ANY OF ITS OPINIONS EXPRESSED HEREIN AT ANY TIME AND FOR ANY REASON AND EXPRESSLY DISCLAIMS ANY OBLIGATION TO CORRECT, UPDATE OR REVISE THE INFORMATION CONTAINED HEREIN OR TO OTHERWISE PROVIDE ANY ADDITIONAL OR UPDATED MATERIALS AT ANY TIME.

THIS PRESENTATION IS FOR GENERAL DISCUSSION AND INFORMATIONAL PURPOSES ONLY, AND DOES NOT PURPORT TO BE COMPLETE AND ITS CONTENTS ARE NOT INTENDED TO BE AND DO NOT CONSTITUTE OR CONTAIN (A) AN OFFER, INDUCEMENT, RECOMMENDATION OR INVITATION TO BUY OR SELL, OR A SOLICITATION OF AN OFFER TO BUY OR SELL OR TO OTHERWISE ENGAGE IN ANY INVESTMENT BUSINESS OR PROVIDE OR RECEIVE ANY INVESTMENT SERVICES IN RESPECT OF, ANY SECURITY OR OTHER FINANCIAL INSTRUMENT AND NO LEGAL RELATIONS SHALL BE CREATED BY ITS ISSUE, (B) A "FINANCIAL PROMOTION" FOR THE PURPOSES OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 OF THE U.K. (AS AMENDED), (C) "INVESTMENT ADVICE" AS DEFINED BY THE U.K. FCA'S HANDBOOK OF RULES AND GUIDANCE ("**FCA HANDBOOK**"), (D) "INVESTMENT RESEARCH" AS DEFINED BY THE FCA HANDBOOK, (E) AN "INVESTMENT RECOMMENDATION" AS DEFINED BY REGULATION (EU) 596/2014 AND BY REGULATION (EU) 596/2014 AS IT FORMS PART OF U.K. DOMESTIC LAW BY VIRTUE OF SECTION 3 OF THE EUROPEAN UNION (WITHDRAWAL) ACT 2018 ("**EUWA 2018**") INCLUDING AS AMENDED BY REGULATIONS ISSUED UNDER SECTION 8 OF EUWA 2018, OR (F) "FINANCIAL PRODUCT ADVICE" AS DEFINED IN THE CORPORATIONS ACT 2001 *(CTH)*. NO INFORMATION CONTAINED HEREIN SHOULD BE CONSTRUED AS A RECOMMENDATION BY PALLISER. THIS PRESENTATION IS NOT A PROSPECTUS, DISCLOSURE DOCUMENT OR OTHER OFFERING DOCUMENT UNDER AUSTRALIAN LAW OR UNDER THE LAWS OF ANY OTHER JURISDICTION AND THIS PRESENTATION WILL NOT BE LODGED WITH THE AUSTRALIAN SECURITIES AND INVESTMENTS COMMISSION OR ANY OTHER REGULATOR. THIS PRESENTATION IS NOT INTENDED TO FORM THE BASIS OF ANY INVESTMENT DECISION OR SUGGEST AN INVESTMENT STRATEGY. THIS PRESENTATION IS NOT (AND MAY NOT BE CONSTRUED TO BE) LEGAL, ACCOUNTING, TAX, INVESTMENT, FINANCIAL OR OTHER ADVICE.

NO INVESTMENT DECISION SHOULD BE MADE ON THE BASIS OF THIS PRESENTATION AND NO RELIANCE PLACED ON THE INFORMATION SET OUT IN THIS PRESENTATION. THIS PRESENTATION HAS BEEN PREPARED WITHOUT TAKING INTO ACCOUNT THE INVESTMENT OBJECTIVES, TAXATION SITUATION, FINANCIAL SITUATION OR NEEDS OF INDIVIDUALS. EACH RECIPIENT SHOULD REVIEW ALL DOCUMENTS AND MATERIALS RELEVANT TO ANY INVESTMENT DECISION REGARDING MATTERS DESCRIBED HEREIN AND SEEK APPROPRIATE INDEPENDENT ADVICE FROM THEIR OWN LEGAL COUNSEL AND TAX AND FINANCIAL ADVISERS BEFORE MAKING ANY INVESTMENT DECISIONS. THIS PRESENTATION IS NOT INTENDED FOR DISTRIBUTION TO, OR USE BY ANY PERSON OR ENTITY IN ANY JURISDICTION OR COUNTRY WHERE SUCH DISTRIBUTION OR USE WOULD BE CONTRARY TO LOCAL LAW OR REGULATION, AND IT IS THE RESPONSIBILITY OF ANY PERSON OR PERSONS IN POSSESSION OF THIS PRESENTATION TO INFORM THEMSELVES OF, AND TO OBSERVE, ALL APPLICABLE LAWS AND REGULATIONS OF ANY RELEVANT JURISDICTION. IN PARTICULAR, THIS PRESENTATION IS NOT INTENDED AS MARKETING OF A FUND IN ANY MEMBER STATE OF THE EUROPEAN ECONOMIC AREA FOR THE PURPOSES OF THE DIRECTIVE 2011/61/EU ON ALTERNATIVE INVESTMENT FUND MANAGERS.

ALL OF THE INFORMATION CONTAINED HEREIN IS BASED ON PUBLICLY AVAILABLE INFORMATION WITH RESPECT TO RIO TINTO PLC AND RIO TINTO LIMITED (EACH, A "**COMPANY**", AND TOGETHER, THE "**COMPANIES**") AND ANY OTHER COMPANY MENTIONED HEREIN, INCLUDING PUBLIC FILINGS AND DISCLOSURES MADE BY THE COMPANIES AND OTHER SOURCES, AS WELL AS PALLISER'S ANALYSIS OF SUCH PUBLICLY AVAILABLE INFORMATION. ANY AND ALL MARKET DATA CONTAINED OR REFERRED TO HEREIN IS AS OF CLOSE OF TRADING ON THE LONDON STOCK-EXCHANGE AND AUSTRALIAN SECURITIES EXCHANGE ON 29 NOVEMBER 2024 UNLESS OTHERWISE STATED. PALLISER HAS RELIED UPON AND ASSUMED, WITHOUT INDEPENDENT VERIFICATION, THE RELIABILITY, ACCURACY AND COMPLETENESS OF ALL DATA AND INFORMATION AVAILABLE FROM PUBLIC SOURCES, AND NO REPRESENTATION OR WARRANTY, EXPRESSED OR IMPLIED, IS MADE AS TO ITS ACCURACY, CORRECTNESS, COMPLETENESS OR ADEQUACY. EACH RECIPIENT OF THIS PRESENTATION SHOULD MAKE ITS OWN ENQUIRIES AND INVESTIGATIONS REGARDING ALL INFORMATION IN THIS PRESENTATION. YOU ARE SOLELY RESPONSIBLE FOR FORMING YOUR OWN OPINIONS AND CONCLUSIONS ON SUCH MATTERS AND THE MARKET AND FOR MAKING YOUR OWN INDEPENDENT ASSESSMENT OF THE INFORMATION IN THIS PRESENTATION. PALLISER RECOGNIZES THAT THE COMPANIES MAY POSSESS CONFIDENTIAL OR OTHERWISE NON-PUBLIC INFORMATION THAT COULD LEAD THEM TO DISAGREE WITH PALLISER'S VIEWS AND/OR CONCLUSIONS AND THAT COULD ALTER THE OPINIONS OF PALLISER WERE SUCH INFORMATION KNOWN.

EXCEPT FOR THE HISTORICAL INFORMATION CONTAINED HEREIN, THE INFORMATION AND OPINIONS INCLUDED HEREIN MAY INCLUDE FORWARD-LOOKING STATEMENTS, INCLUDING BUT NOT LIMITED TO ESTIMATES AND PROJECTIONS PREPARED WITH RESPECT TO, AMONG OTHER THINGS, EACH OF THE COMPANIES' ANTICIPATED PERFORMANCE, THE VALUE OF THE COMPANIES' SECURITIES, DEBT OR ANY RELATED FINANCIAL INSTRUMENTS THAT ARE BASED UPON OR RELATE TO THE VALUE OF SECURITIES OF EACH COMPANY (COLLECTIVELY, "**COMPANY SECURITIES**"), GENERAL ECONOMIC AND MARKET CONDITIONS AND OTHER FUTURE EVENTS. YOU SHOULD BE AWARE THAT ALL FORWARD-LOOKING STATEMENTS, ESTIMATES AND PROJECTIONS ARE INHERENTLY UNCERTAIN AND SUBJECT TO SIGNIFICANT ECONOMIC, COMPETITIVE, AND OTHER UNCERTAINTIES AND CONTINGENCIES AND HAVE BEEN INCLUDED SOLELY FOR ILLUSTRATIVE PURPOSES. ACTUAL RESULTS MAY DIFFER MATERIALLY FROM THE ESTIMATES, PROJECTIONS OR ASSUMPTIONS CONTAINED HEREIN DUE TO REASONS THAT MAY OR MAY NOT BE FORESEEABLE. THERE CAN BE NO ASSURANCE THAT THE COMPANY SECURITIES WILL TRADE AT THE PRICES THAT MAY BE IMPLIED WITHIN, AND THERE CAN BE NO ASSURANCE THAT ANY ESTIMATE, PROJECTION OR ASSUMPTION HEREIN IS, OR WILL BE PROVEN, CORRECT. NOTHING IN THIS PRESENTATION OR IN ANY RELATED MATERIALS IS A STATEMENT OF OR INDICATES OR IMPLIES ANY SPECIFIC OR PROBABLE VALUE OUTCOME FOR HOLDERS OF THE COMPANY SECURITIES IN ANY PARTICULAR CIRCUMSTANCE.

NO REPRESENTATION, WARRANTY OR UNDERTAKING, EXPRESS OR IMPLIED, IS GIVEN AND NO RESPONSIBILITY OR LIABILITY OR DUTY OF CARE IS OR WILL BE ACCEPTED BY PALLISER, THE PALLISER FUNDS, OR ANY OF THEIR RESPECTIVE DIRECTORS, OFFICERS, EMPLOYEES, AGENTS, OR ADVISERS (EACH A "**PALLISER PERSON**") CONCERNING: (I) THIS PRESENTATION AND ITS CONTENTS, INCLUDING WHETHER THE INFORMATION AND OPINIONS CONTAINED HEREIN ARE ACCURATE, FAIR, COMPLETE OR CURRENT; (II) THE PROVISION OF ANY FURTHER INFORMATION, WHETHER BY WAY OF CORRECTION, UPDATE OR REVISION TO THE INFORMATION AND OPINIONS CONTAINED IN THIS PRESENTATION OR OTHERWISE TO THE RECIPIENT AFTER THE DATE OF THIS PRESENTATION; OR (III) THAT PALLISER'S OR THE PALLISER FUNDS' INVESTMENT PROCESSES OR INVESTMENT OBJECTIVES WILL OR ARE LIKELY TO BE ACHIEVED OR SUCCESSFUL OR THAT PALLISER'S OR THE PALLISER FUNDS' INVESTMENTS WILL MAKE ANY PROFIT OR WILL NOT SUSTAIN LOSSES. PAST PERFORMANCE IS NOT INDICATIVE OF FUTURE RESULTS. TO THE FULLEST EXTENT PERMITTED BY LAW, NONE OF THE PALLISER PERSONS WILL BE RESPONSIBLE FOR ANY LOSSES, WHETHER DIRECT, INDIRECT OR CONSEQUENTIAL, INCLUDING LOSS OF PROFITS, DAMAGES, COSTS, CLAIMS OR EXPENSES RELATING TO OR ARISING FROM THE RECIPIENT'S OR ANY PERSON'S RELIANCE ON THIS PRESENTATION.

NO AGREEMENT, COMMITMENT, UNDERSTANDING OR OTHER LEGAL RELATIONSHIP EXISTS OR MAY BE DEEMED TO EXIST BETWEEN OR AMONG PALLISER AND ANY COMPANY REFERRED TO HEREIN, ANY RECIPIENT OF THIS PRESENTATION OR ANY OTHER PERSON BY VIRTUE OF FURNISHING THIS PRESENTATION. PALLISER IS NOT ACTING FOR OR ON BEHALF OF, AND IS NOT PROVIDING ANY ADVICE OR SERVICE TO, ANY RECIPIENT OF THIS PRESENTATION. PALLISER IS NOT RESPONSIBLE TO ANY PERSON FOR PROVIDING ADVICE IN RELATION TO THE SUBJECT MATTER OF THIS PRESENTATION. BEFORE DETERMINING ON ANY COURSE OF ACTION, ANY RECIPIENT SHOULD CONSIDER ANY ASSOCIATED RISKS AND CONSEQUENCES AND CONSULT WITH ITS OWN INDEPENDENT ADVISORS AS IT DEEMS NECESSARY.

THE PALLISER FUNDS MAY HAVE A DIRECT OR INDIRECT INVESTMENT IN ONE OR BOTH OF THE COMPANIES. PALLISER'S INTERESTS MAY CONSIST OF VARIOUS INTERESTS IN THE COMPANIES OR THEIR EQUITY OR DEBT SECURITIES, AND SUCH INTERESTS MAY INCLUDE DERIVATIVE INSTRUMENTS OR SHORT POSITIONS, WHICH MAY COMPRISE ALL OR SOME OF PALLISER'S INTERESTS IN THE COMPANIES. PALLISER THEREFORE HAS A FINANCIAL INTEREST IN THE PROFITABILITY OF THE PALLISER FUNDS' POSITIONS IN ONE OR BOTH OF THE COMPANIES. ACCORDINGLY PALLISER MAY HAVE CONFLICTS OF INTEREST AND THIS PRESENTATION SHOULD NOT BE REGARDED AS IMPARTIAL. NOTHING IN THIS PRESENTATION SHOULD BE TAKEN AS ANY INDICATION OF PALLISER'S OR THE PALLISER FUNDS' CURRENT OR FUTURE TRADING OR VOTING INTENTIONS WHICH MAY CHANGE AT ANY TIME WITHOUT NOTICE TO ANY PERSON (OTHER THAN AS REQUIRED UNDER, OR IN COMPLIANCE WITH, APPLICABLE LAWS AND REGULATIONS).

PALLISER INTENDS TO REVIEW ITS INVESTMENTS IN EACH OF THE COMPANIES ON A CONTINUING BASIS AND DEPENDING UPON VARIOUS FACTORS, INCLUDING WITHOUT LIMITATION, EACH OF THE COMPANIES' FINANCIAL POSITION AND STRATEGIC DIRECTION, THE OUTCOME OF ANY DISCUSSIONS WITH ONE OR BOTH OF THE COMPANIES, OVERALL MARKET CONDITIONS, OTHER INVESTMENT OPPORTUNITIES AVAILABLE TO PALLISER, AND THE AVAILABILITY OF COMPANY SECURITIES AT PRICES THAT WOULD MAKE THE PURCHASE OR SALE OF COMPANY SECURITIES DESIRABLE. PALLISER IS IN THE BUSINESS OF INVESTING AND TRADING IN SECURITIES. PALLISER MAY FROM TIME TO TIME (IN PRIVATE TRANSACTIONS OR IN THE OPEN MARKET) BUY, SELL, COVER, HEDGE OR OTHERWISE CHANGE THE FORM OR SUBSTANCE OF ANY OF THE PALLISER FUNDS' INVESTMENTS (INCLUDING THE SECURITIES OF ANY COMPANY REFERRED TO HEREIN) TO ANY DEGREE IN ANY MANNER PERMITTED BY LAW AND EXPRESSLY DISCLAIMS ANY OBLIGATION TO NOTIFY OTHERS OF ANY SUCH CHANGES. PALLISER RESERVES THE RIGHT TO TAKE ANY ACTIONS WITH RESPECT TO THE PALLISER FUNDS' INVESTMENTS IN ANY OF THE COMPANIES AS IT MAY DEEM APPROPRIATE, INCLUDING BUT NOT LIMITED TO, COMMUNICATING WITH OTHER INVESTORS, SHAREHOLDERS, INDUSTRY PARTICIPANTS, EXPERTS AND/OR RELEVANT PARTIES WITH RESPECT TO ANY COMPANY REFERRED TO HEREIN.

PALLISER HAS NOT SOUGHT OR OBTAINED CONSENT FROM ANY THIRD PARTY TO USE ANY STATEMENTS OR INFORMATION CONTAINED HEREIN. ANY SUCH STATEMENTS OR INFORMATION SHOULD NOT BE VIEWED AS INDICATING THE SUPPORT OF SUCH THIRD PARTY FOR THE VIEWS EXPRESSED HEREIN. ALL TRADEMARKS AND TRADE NAMES USED HEREIN ARE THE EXCLUSIVE PROPERTY OF THEIR RESPECTIVE OWNERS.

THIS PRESENTATION DOES NOT PURPORT TO BE ALL-INCLUSIVE OR TO CONTAIN ALL OF THE INFORMATION THAT MAY BE RELEVANT TO AN EVALUATION OF THE COMPANIES, COMPANY SECURITIES OR THE MATTERS DESCRIBED HEREIN.

Table of Contents

I. Executive Summary

Rio Tinto – A Compelling Case to Unify Now

1

A First-Class Asset Portfolio Trapped Inside an Outdated Structure

Despite its world-class portfolio of diversified mining assets, Rio's outdated dual-listed company (DLC) structure remains a governance concern, strategic impediment and value roadblock

2

The DLC Has Destroyed US$50 Billion of Shareholder Value since Inception…

Rio's inability to issue stock for M&A has cost shareholders an unnecessary c.US$35.6 billion in book value

Legacy structure has wasted c.US$14.7 billion in valuable franking credits

3

…and is the Root Cause of Rio Tinto's Undervaluation Today

US$24 billion structural value gap between Rio Tinto Plc (LSE/NYSE) and Rio Tinto Ltd (ASX) shares

Rio trades at a significant discount to underlying value and at a steep discount to global mining peers

4

This Archaic Structure is Not Fit for the Corporate World of Today

Management's arguments against unification do not stack up

Every other large cap DLC has already unified – BHP is a clear blueprint for success

Source: Bloomberg as of 29-Nov-2024

Rio Tinto – Creating a Platform to Maximise Shareholder Value

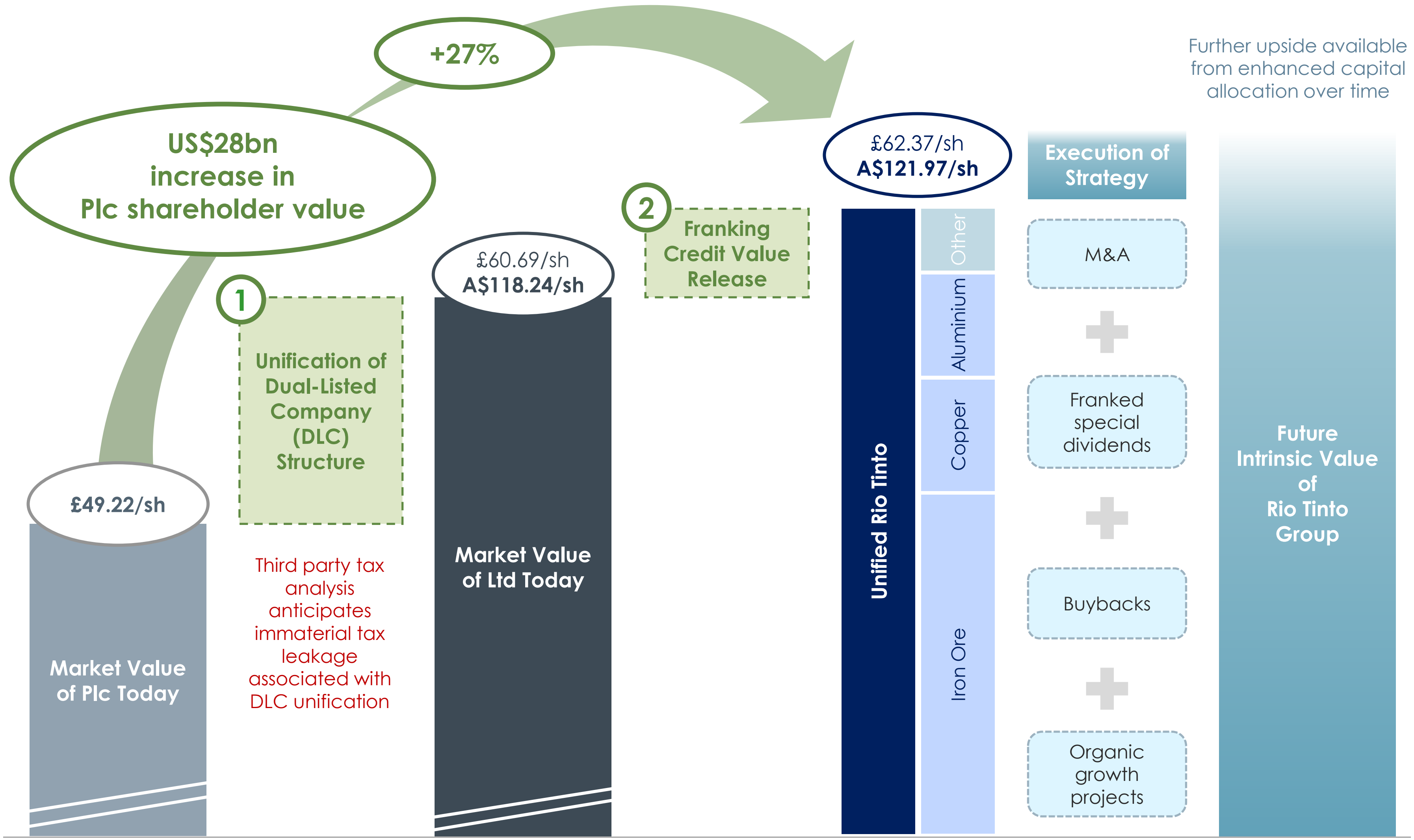
Unification

Resolves fundamental structural issues impeding Rio Tinto and presents a path to +27% upside in the near term and further upside over the medium term

- ✓ **Simplicity** – removes duplication, eradicates DLC constraints and promotes an effective regime for shareholders
- ✓ **Capital Efficiency** – resolves US$24bn structural value gap and achieves single fungible ASX, LSE and NYSE (ADR) listed share capital with >300% S&P/ASX upweighting[(1)]
- ✓ **Strategic Flexibility** – enables scrip-for-scrip M&A, simplifies demergers and provides platform for enhanced shareholder returns
- ✓ **Tax Optimisation** – removes cross-DLC value leakage and improves franking credit utilisation
- ✓ **Low Cost** – anticipated one-off cash tax cost of c.US$400m plus additional c.US$140m per year of incremental tax leakage associated with PLC's Singapore marketing operations[(2)]
- ✓ **Blueprint for Success** – significant similarities with BHP which has outperformed Rio since unification, allaying any unification concerns
- ✓ **Shareholder Support** – average shareholder approval for BHP and across all prior unifications – c.97% and c.99% respectively[(3)]

Source: Company filings, Bloomberg as of 29-Nov-2024
(1) Based on estimated market capitalisation of a unified Rio Tinto under the Ltd-acquires-Plc unification structure as of 30 October 2024 (date of most recent disclosure of S&P/ASX constituent weightings)
(2) Palliser estimates based on company subsidiary filings and supported by third-party analysis from leading international tax and accounting advisors
(3) Percentage of votes in favour of the unification transaction at relevant shareholder meeting(s)

Unification Unlocks Value and Positions Rio Tinto for Future Growth



Source: Bloomberg as of 29-Nov-2024, Palliser analysis

II. A First-Class Asset Portfolio Trapped Inside an Outdated Structure

Rio Tinto Has a First-Class Portfolio of Diversified Mining Assets…

Rio operates some of the world's highest quality iron ore, copper and aluminium assets

		% '23A EBITDA[(1)]
Iron Ore	▪ World-leading iron ore business comprising mines in Western Australia (Pilbara), Canada (IOC) and a high-grade development asset in Guinea (Simandou) ▪ Pilbara: vertically integrated network of 17 iron ore mines, ~2,000km rail network and 4 independent port terminals. Majority of Pilbara assets are 100% owned by Rio Tinto ▪ Simandou: one of the world's largest untapped, high-grade ore bodies. FID in Q1 2024. Development requires significant infrastructure including 650km railway and deep-water port	**80%**
Copper	▪ Copper division consists of 3 key operating assets across Chile, Mongolia and the U.S. ▪ Oyu Tolgoi (Mongolia): 66% operated stake in one of the world's largest producing copper deposits. Rio increased its stake following a buyout of minorities in Turquoise Hill Resources in 2022 ▪ Escondida (Chile): 30% non-operated stake in world's largest copper mine, accounting for c.5% of global production	**8%**
Aluminium	▪ High margin, low emission North American business with majority hydro-powered production ▪ Key bauxite and alumina mining assets located across Australia, Guinea, Canada and Brazil ▪ 14 operated aluminium smelters, 4 refineries and 7 hydropower plants	**9%**
Minerals	▪ Remaining assets: titanium dioxide, lithium, uranium, diamonds, salt and borates ▪ Lithium is a key growth focus for Rio. Key organic development projects comprise Rincon (Argentina) and Jadar (Serbia). Announced acquisition of Arcadium Lithium (Oct 2024)	**3%**

Source: Company filings

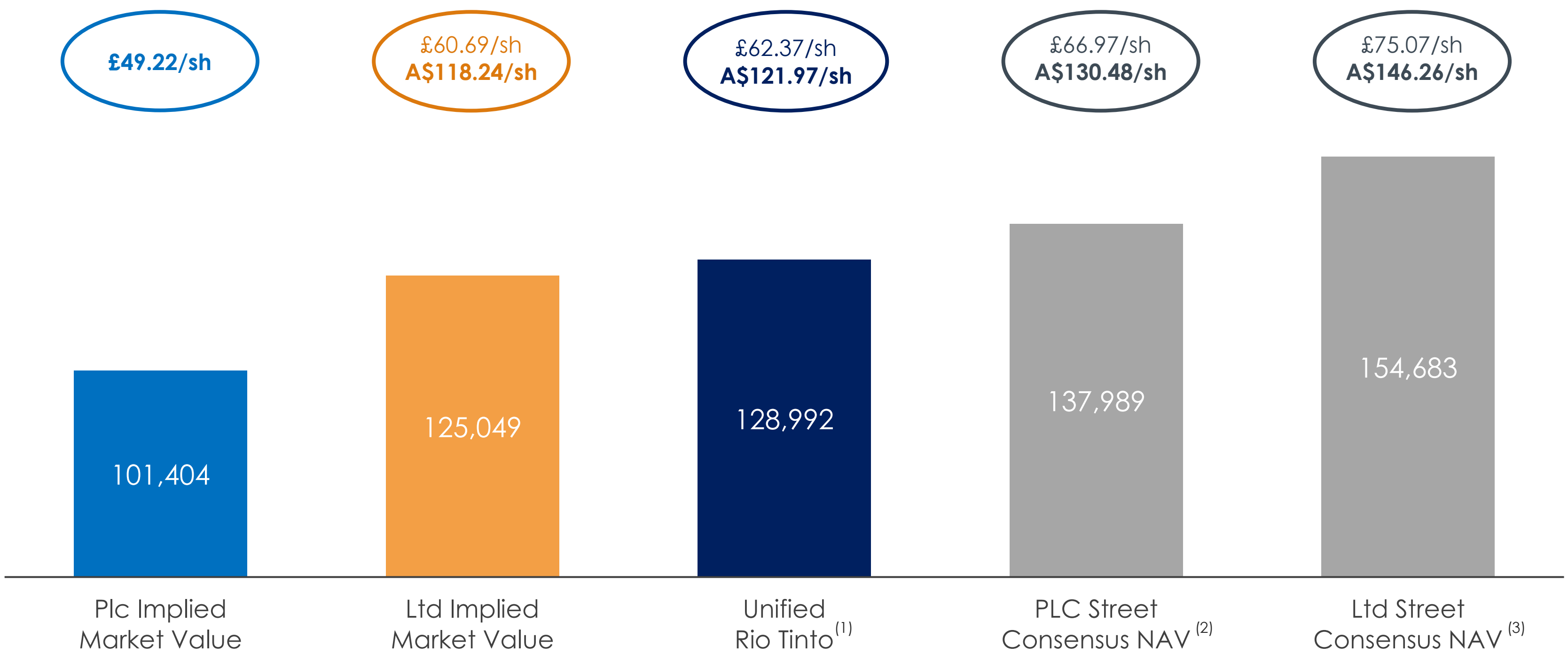
(1) Asset-level EBITDA split includes Rio Tinto's share of earnings from JVs and associates; excludes G&A / corporate costs

…But Trades at a Steep Discount to Underlying Value…

Palliser

Rio Tinto: Implied Equity Value (US$ million)

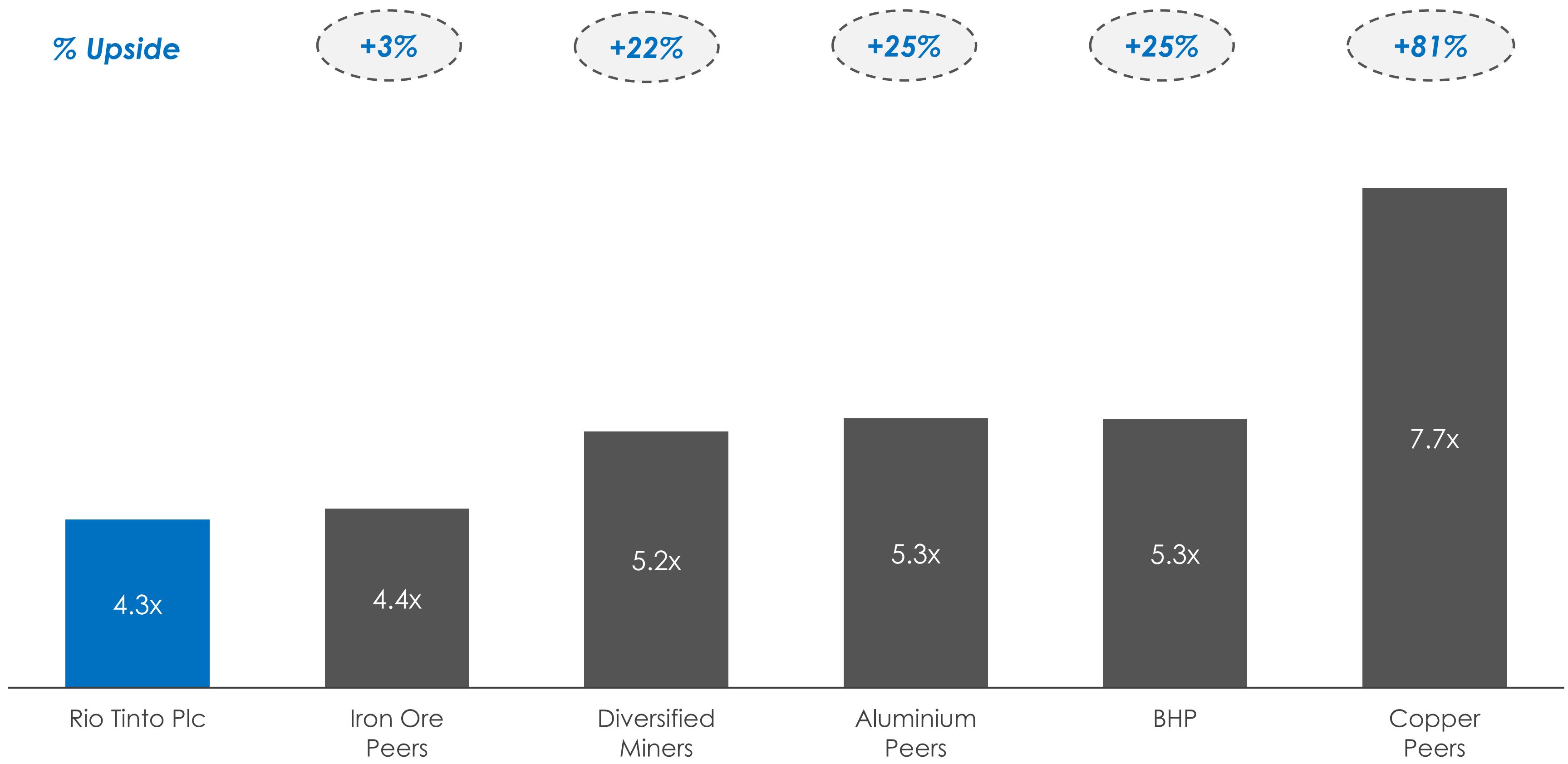
Plc Value Upside	+23%	+27%	+36%	+53%



Source: Bloomberg as of 29-Nov-2024, Broker estimates, Palliser analysis
(1) Unified Rio Tinto includes net present value of franking credits value release
(2) Plc consensus NAV comprised of average from Citi (16-Oct-2024), Goldman Sachs (17-Oct-2024), Berenberg (18-Oct-2024), Barclays (12-Nov-2024), BofA Securities (24-Nov-2024) and Morgan Stanley (27-Nov-2024)
(3) Ltd consensus NAV comprised of average from Goldman Sachs (16-Oct-2024), Citi (16-Oct-2024), Morgan Stanley (04-Nov-2024), JP Morgan (12-Nov-2024) and BofA Securities (24-Nov-2024)

…A Meaningful Discount to Global Mining Peers…

Plc: Upside to Peers (2025E EV/EBITDA Basis)

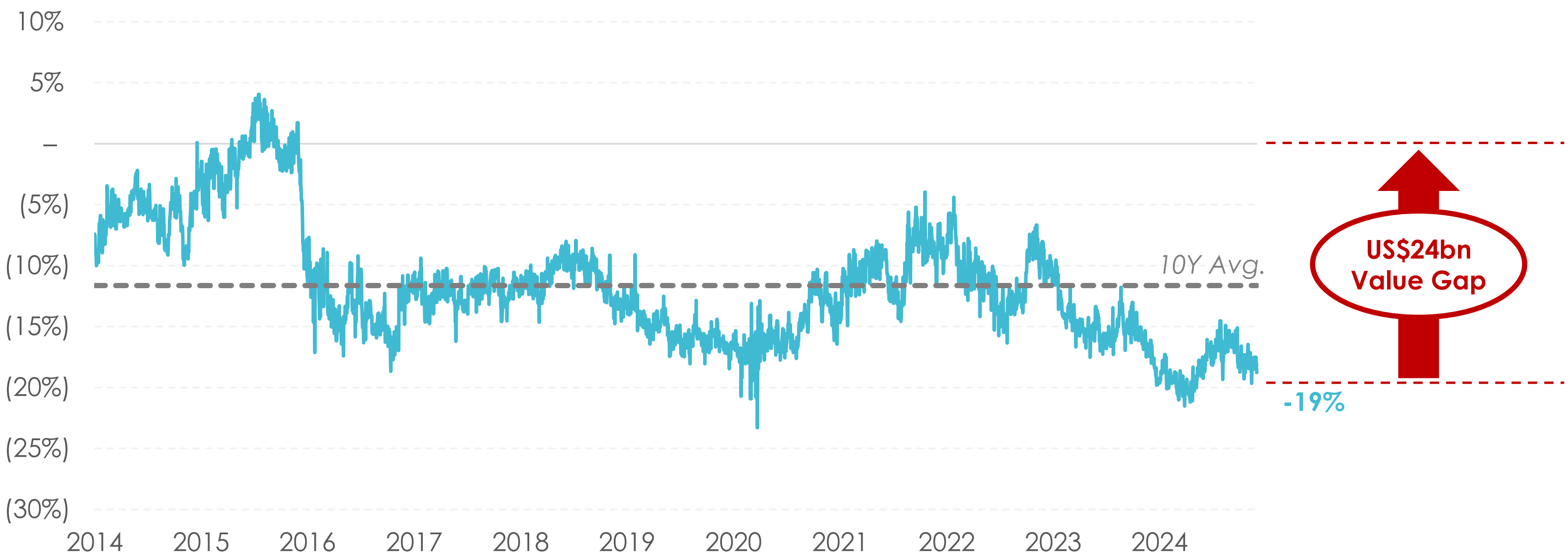


Source: Bloomberg as of 29-Nov-2024, Palliser analysis
Note: Iron Ore peers include Vale and Fortescue; Diversified Miners include BHP, Rio Tinto Ltd, Glencore and Anglo American; Aluminium peers include Norsk Hydro and Alcoa; Copper peers include Southern Copper, Freeport-McMoRan, Teck Resources and Antofagasta

…And Suffers Long-Standing Share Price Distortion

The material share price disconnect between Plc and Ltd results in US$24 billion of unrealised value as a result of the DLC structure alone

Plc Discount vs. Ltd (Last 10 Years)



Share classes of Ltd and Plc are not fungible nor convertible into one another

Source: Bloomberg as of 29-Nov-2024

III. The DLC Structure is the Root Cause of Rio Tinto's Persistent Undervaluation

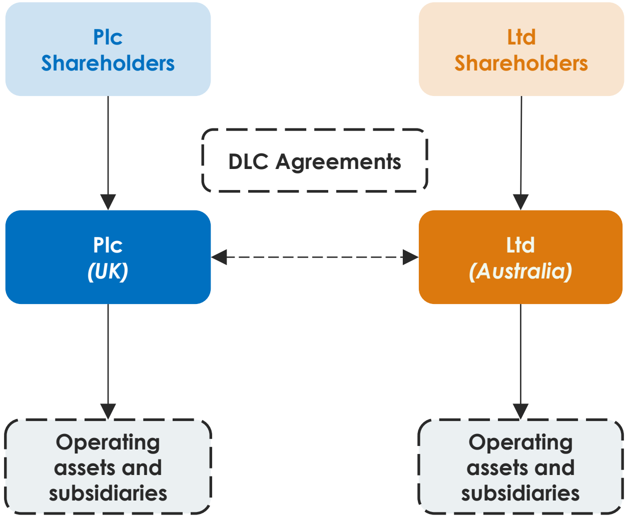
Rio Tinto's Complex DLC Structure Explained

Two Separate Companies: Rio has an unusual dual-listed company (DLC) structure comprised of two separate legal entities:

1. **Rio Tinto Plc (Plc):** incorporated in the UK and listed on the LSE with a NYSE ADR
2. **Rio Tinto Limited (Ltd):** incorporated in Australia and listed on the ASX

Shareholders: **77%** of Rio's shareholders hold Plc and **23%** hold Ltd shares

EBITDA: Plc contributed only **17%** Rio's FY23 EBITDA; Ltd share was **83%**



DLC Agreements: Various complex contractual arrangements between Plc and Ltd are intended to ensure the two companies operate as a single economic entity:

- Common board of directors split across Australia and the UK
- Matching dividends to Plc and Ltd shareholders
- Voting on a "combined" basis on certain key matters across two AGMs held a month apart

Temporary Structure: DLC structures have proven to be short-lived (lasting only 9 years on average when excluding the Unilever and Shell DLC anomalies, or 23 years when including those two legacy DLCs) to economically combine two companies without either company needing to acquire or merge with the other

Inhibiting Value: Rio's 29-year-old DLC structure has outlived its use and is no longer fit-for-purpose – causing Plc to underperform and inhibit Rio's shareholder value

Source: Company filings, Palliser analysis

Multiple Structural Inefficiencies

Palliser

	Current DLC Structure		Unified Structure
Market Inefficiency ✗	▪ Substantial share price distortion between Ltd and Plc ▪ Massive US$24bn value gap present today ▪ Restricted index weighting and liquidity ▪ Deters takeover offers	**Efficient Capital Structure** ✓	▪ Single fungible ASX, LSE and NYSE (ADR) listed shares with a single global share price ▪ Increased S&P/ASX index weighting (+c.300% in ASX 200)[(1)] ▪ Eradicates share price mismatch and value gap - all Rio shareholders will be on equal footing
Strategic Inhibitors ✗	▪ Inhibits scrip-for-scrip M&A – stifling inorganic growth ▪ Restricts buybacks ▪ Adds significant complexity to corporate actions – including demergers and capital raising	**Strategic Flexibility** ✓	▪ Unlocks all capital allocation tools ▪ Unrestricted M&A flexibility ▪ Simplified and more efficient demergers and equity raises ▪ Increased buyback capability
Tax Inefficiency ✗	▪ Constrains franking credit utilisation ▪ Destruction of franking credit value through the DSM ▪ >US$8.7bn pool of trapped franking credits	**Tax Optimisation** ✓	▪ Enhanced access to US$8.7bn franking credit balance and future franking credits ▪ Prevents DSM value leakage - all dividends and associated franking credits to be paid directly to all shareholders ▪ Optimised franking credit utilisation
Governance Complexity ✗	▪ Opaque and overly complex voting structures and governance framework ▪ Questionable conduct to accommodate largest Plc shareholder at the expense of Rio shareholders as a whole	**Simplicity** ✓	▪ Single entity - equal economic and voting rights ▪ Improved shareholder protections
Unnecessary Costs & Distraction ✗	▪ Duplication of costs and administrative burden: two sets of registrars, company secretaries, AGMs and additional regulatory and legal regimes ▪ Wastes group resources and management time	**Streamlined Costs & Focus** ✓	▪ No duplication / additional regulatory costs ▪ Simplified regulatory requirements and compliance rules

Note:
(1) Based on estimated market capitalisation of a unified Rio Tinto under the Ltd-acquires-Plc unification structure as of 30 October 2024 (date of most recent disclosure of S&P/ASX constituent weightings)

The DLC Structure Limits Management's Capital Allocation Choices…

Palliser

	Method	Availability	Utilisation	Limitations
Growth	Organic	Suboptimal	▪ Simandou (iron ore) FID in Q1 2024 ▪ Brownfield life-extensions: Oyu Tolgoi underground (copper) and Gudai-Derri (iron ore) ▪ Jadar, Rincon (lithium) and Resolution (copper) greenfield projects face political & technological roadblocks	▪ Structural capex inflation drives increasing capital intensity of building new mines ▪ 15.7-year[(2)] average lead time from resource discovery to production ▪ Key growth projects held by Plc but dependent on Ltd for capex funding support – DSM required which destroys franking credits
Growth	Inorganic/ M&A	Inhibited	▪ Cash M&A bolt-ons / subsidiary clean-ups (e.g. Turquoise Hill) ▪ Demergers too complex	▪ Inability to pursue stock-based M&A limits growth options ▪ Mining sector is heavily consolidating – Rio risks being left behind
Capital Return	Dividends	Suboptimal	▪ Dividend policy: 40-60% cash return of underlying earnings through the cycle ▪ Equalised dividends to Plc and Ltd shareholders at a ratio of 1:1	▪ Structural/tax inefficiency: Ltd needs to support dividends to Plc shareholders. DSM destroys franking credits – exacerbated by any special dividend
Capital Return	Buybacks	Inhibited	▪ No buyback programme since 2018[(1)]	▪ Most accretive form of shareholder return given Plc stock undervaluation ▪ Potential for Plc buybacks capped by FIRB[(3)] 15% concentration limit

Source: Company filings, S&P Global Market Intelligence

(1) Most recent share buyback was in 2020 as part of the buyback programme announced by Rio Tinto on 20 September 2018

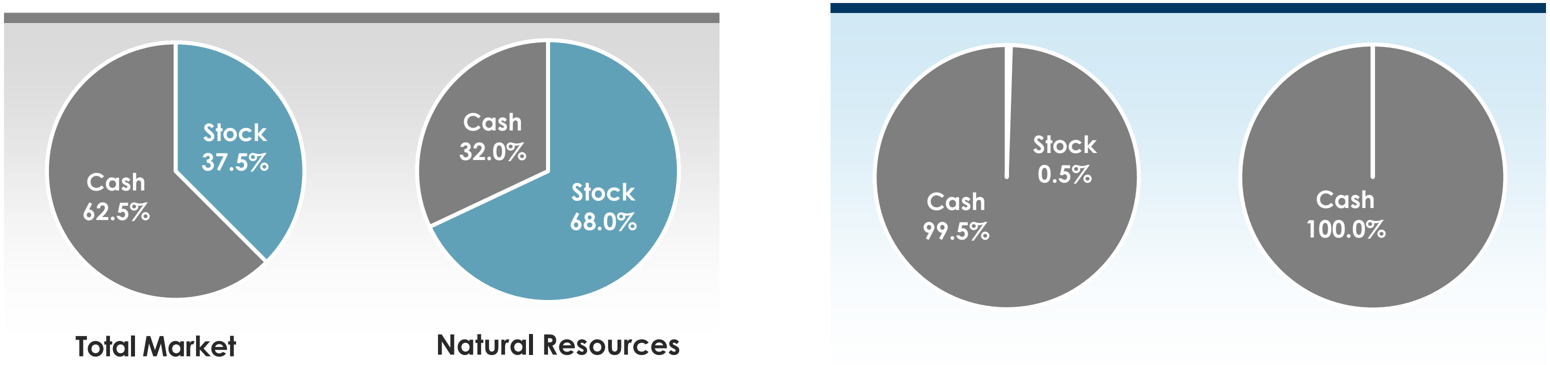
(2) S&P Global Market Intelligence (6-Jun-2023): average lead time calculated for 127 base and precious metal mines that began production between 2002-2023 and were discovered from 1980 onwards

(3) Australian Foreign Investment Review Board (FIRB): government agency responsible for examining foreign investment proposals and advising the government on foreign investment policy

…And Significantly Impedes Rio Tinto's M&A Options

Rio risks trailing industry peers due to practical DLC restrictions on issuing stock as M&A currency

Market | **Industry Benchmark** | **DLCs** | **RioTinto**[1]



Total Market
All Companies

Natural Resources
Sector Companies

*"**Another issue is the complexity the DLC structure can add to M&A. In particular, scrip transactions**; that's partly a function of the valuation gap between the two companies. **Another challenge is that each jurisdiction has parameters about how much stock can be issued in each country**."*

\- AFR, May 2024

*"…[Rio] needs to build a dynamic growth acquisition partnership model to attract many agreed acquisitions to rapidly diversify their iron ore exposure... **The current wave of acquisitions would shape the next quarter of a century… not a time for major mining companies to be idle.**"*

\- Janus Henderson Investors, May 2024

*"…**remaining on the sidelines of sector consolidation would leave [Rio] open to suffering the same fate as Barrick Gold, which has seen its traditional rival, Newmont Corporation, open up a significant valuation gap...**"*

\- AFR, May 2024

Source: Company filings, Bloomberg, S&P Capital IQ, FTI Consulting – "*Value Release from Unification at BHP*" (February 2018)
(1) Excludes tender offers for minority shareholders in existing listed subsidiaries which included a cash or scrip alternative

The Value-Sapping Knock-On Effects of Cash-Only M&A

Palliser

Heightened Risks of Cash-Only M&A for Rio Tinto

Overpayment at Cycle Peaks

- Requires precise, up-front and fixed long-term pricing of **volatile underlying commodities**
- Acquiring at market highs can lead to overpayment if commodity prices drop
- Rio Tinto's acquisition of Alcan preceded a nearly 40% decline in aluminium prices between 2008-09
- Long-term impact on balance sheet and shareholder returns
- Arcadium acquisition at 109% premium raises similar concerns

Unhedged Exposure

- Concentrates **all risk on Rio Tinto**
- Use of stock provides a natural hedge by linking deal value to acquiror's own performance in the same commodity cycle
- Cash-only deals leave Rio Tinto **unprotected** against adverse commodity price volatility, project delays, cost overruns and political risks
- Clear trend towards stock M&A in natural resources sector in post-2008 period

Valuation Impact

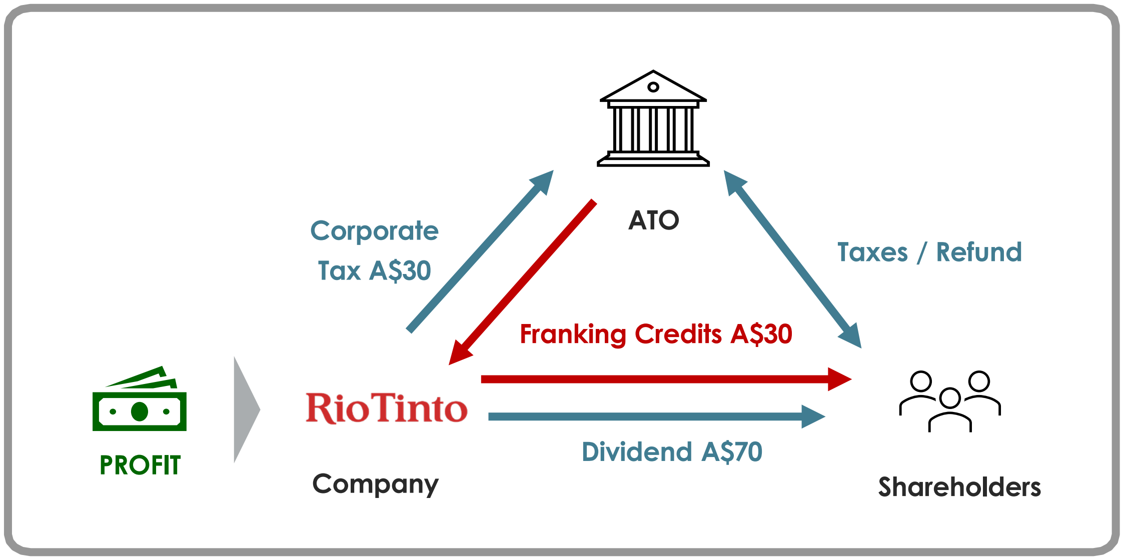
- Reduced financial flexibility from increased leverage and higher burden of interest costs
- Forces heavily-discounted rights issue and dilution of shareholders
- **Erodes book value per share** – reduced book equity without offsetting issuance of stock
- Negatively impacts key market valuation metrics
- Limits ability to weather cyclical downturns effectively

Rio Tinto's ability to pursue stock-based M&A is critical for long-term resilience and shareholder value

Source: Bloomberg

Franking Credits: What Are They and Why Do They Matter?

- Franking credits prevent double taxation in Australia
- Australian corporates can "frank" dividends paid to shareholders by attaching a credit (generated at a rate of 30%) for tax already paid at the corporate level on Australian income – known as "franking credits"
- Franking credits offset Australian taxpayers' tax liability on Rio Tinto dividends and other frankable distributions and/or result in a cash refund from the Australian Tax Office (ATO)



Grossed-up dividend (including A$30 franking credits) = A$100

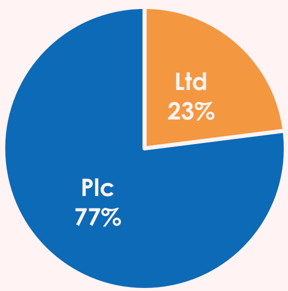
Franking credits are locked up at Rio Tinto until their value is released through dividends

Plc Generates Insufficient Profits to Support its Own Dividends…

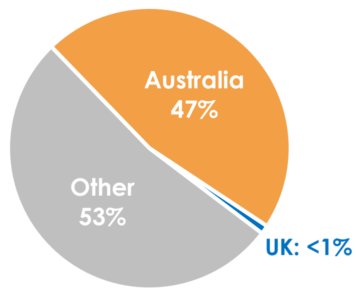
Plc accounts for 77% of Rio's shareholder base but generates <20% of group EBITDA, meaning Ltd is required to support Plc by transferring cash and profit reserves to Plc to fund distributions to Plc shareholders

Plc vs. Ltd: Share Capital & Employee Split

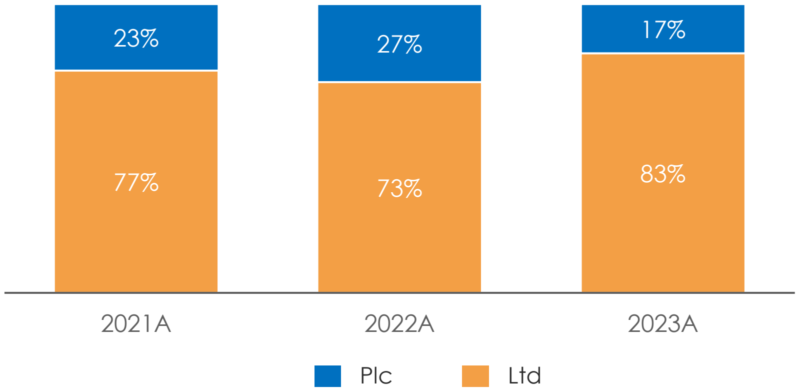
Shares Outstanding



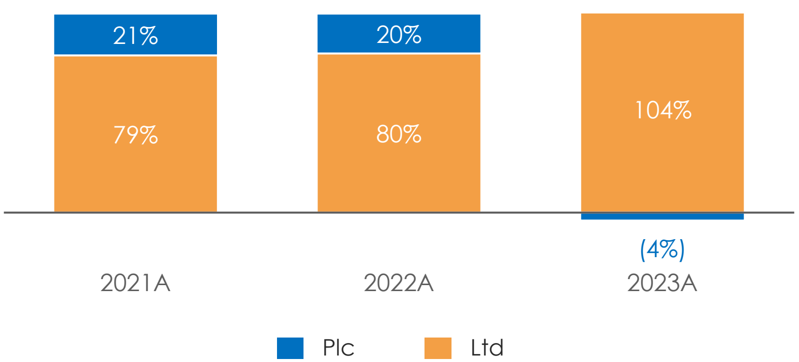
Location of Employees[1]



Plc vs. Ltd: EBITDA Split

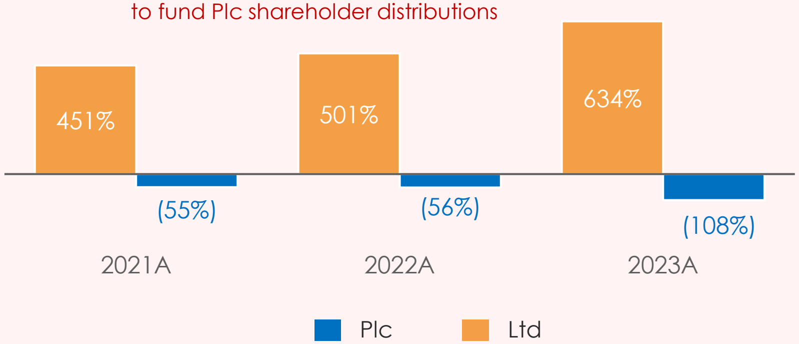


Plc vs. Ltd: Unlevered Free Cash Flow Split



Plc vs. Ltd: Ordinary Dividend Coverage / (Shortfall)[2]

Ltd needs to transfer cash and reserves to Plc to fund Plc shareholder distributions

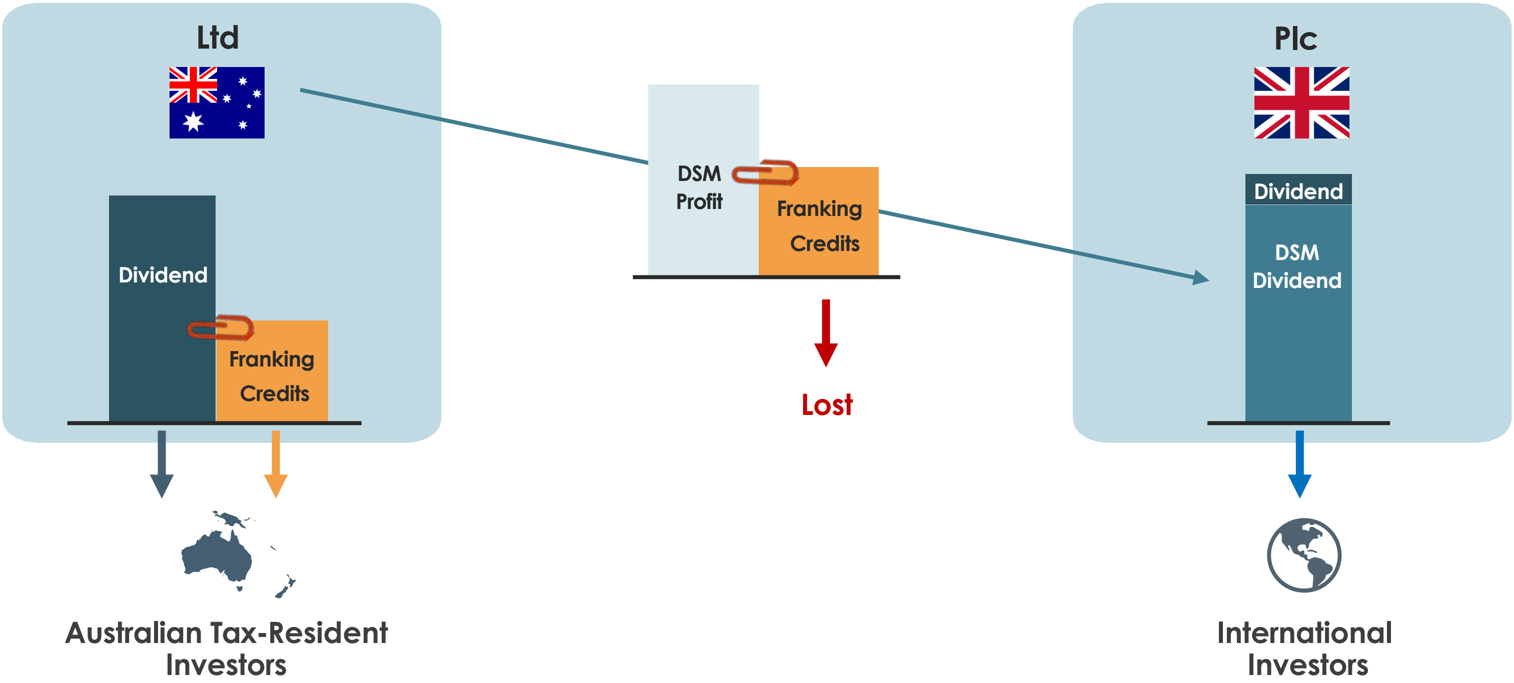


Source: Company filings, Palliser analysis; Note: Pilbara, Pacific Aluminium, Gove bauxite mine and Dampier Salt cash flows and operating assets attributed to Ltd; Iron Ore Company of Canada (IOC), Simandou, Kennecott, Escondida, Oyu Tolgoi, remaining bauxite assets, Alcan alumina assets, Primary Metal, Diamonds, Rio Tinto Iron & Titanium, Borates and Lithium projects attributed to Plc; central costs allocated to Ltd and Plc based on share capital split; (1) Based on FY23 reported average number of employees across Rio Tinto subsidiaries and joint operations; (2) Dividend coverage / (shortfall) calculated as difference between underlying unlevered free cash flow of Ltd and Plc respectively and cumulative ordinary dividends paid out by each entity in given fiscal year

…Requiring Intercompany Transfers That Destroy Franking Credits…

Rio Tinto's DLC structure has led to tens of billions of dollars in wasted franking credits since inception

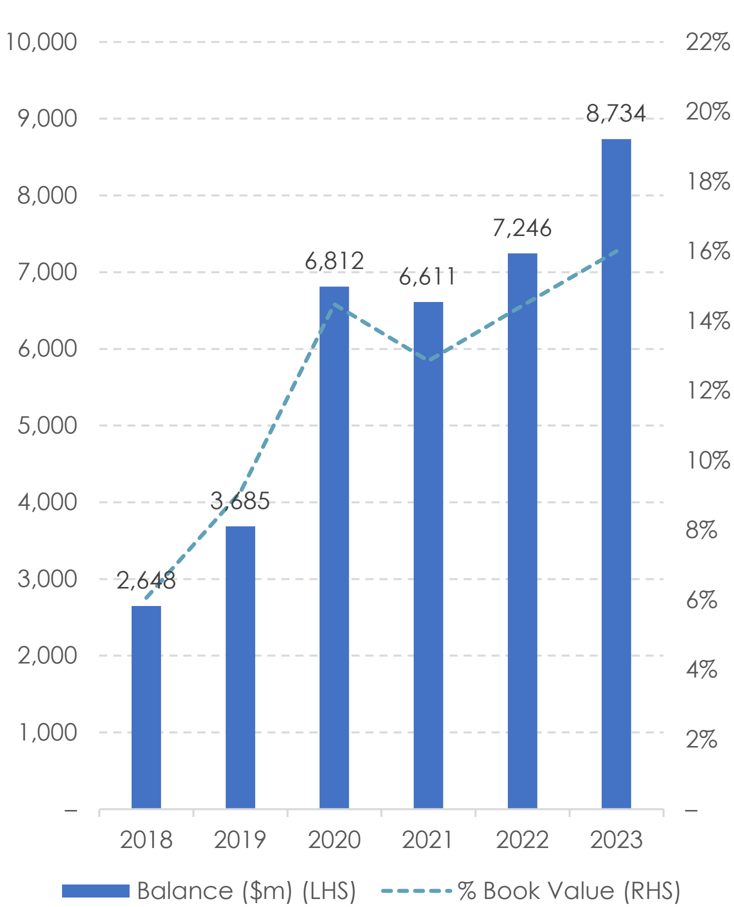
- Plc and Ltd are required to pay matching dividends to all Rio Tinto shareholders – requiring both companies to have adequate distributable profits
- The NOSH vs. EBITDA imbalance of **Rio's DLC structure requires Ltd to transfer distributable profits to Plc using a Dividend Share Mechanism (DSM) which results in significant losses of valuable franking credits**



…And Trap Significant Franking Credit Value

Accumulated franking credits remain unutilised and present a meaningful source of trapped value

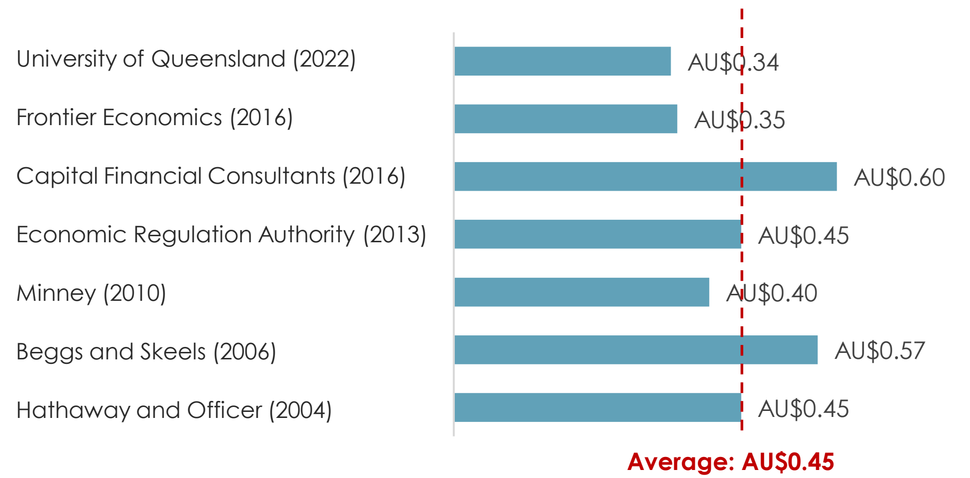
Franking Credit Balance (US$ million)



Implications for Shareholders

- Franking credits continue to accumulate at Ltd due to the mismatch of profits vs. shareholder base in the DLC structure
- FY2023 reported franking credit balance: **>US$8.7bn (~16% of shareholders' equity)**
- Multiple expert reports provide reliable third-party estimates of the market value of franking credits - indicating an **average value of AU$0.45 on the dollar of distributed franking credits**

Market Value of Franking Credits by Expert Third Party Studies



Source: Company filings; Accounting & Finance – "Sampling Error and the Joint Estimation of imputation credit value and Cash Dividend Value", Prof. Damian Cannavan, Prof. Stephen Gray and Jason Hall, February 2022; Frontier – "An Updated Dividend Drop-off Estimate", Prof. Stephen Gray, September 2016, Frontier Economics Pty, Ltd; Capital – "Gamma and The Act Decision", Dr. Martin Lally, Capital Financial Consultants, 23 May, 2016; Economic – "Estimating the Market Value of Franking Credits in Australia", September 2013, Duc Vo, Economic Regulatory Authority; Minney – "The Value of Franking Credits to Investors", Aaron Minney, The Finsia Journal of Applied Finance, 2010; Beggs and Skeels – "Market Arbitrage of Cash Dividends and Franking Credits", David J Beggs and Christopher L. Skeels, Department of Economics The University of Melbourne, September 2006; Hathaway – "The Value of Imputation Tax Credits", Neville Hathaway and Bob Officer, November 2004, Capital Research Pty Ltd

An Unworkable Corporate Governance Regime

palliser

Multiple Governance Problems

Complex contractual rights

The DLC businesses are artificially combined through complex contractual rights

Directors' duties

Director duties become complicated when PLC/LTD's interests diverge

Obfuscated shareholder voting

Shareholder voting levels are complicated and unclear

Application of 2 sets of rules

2 sets of (sometimes conflicting) legal, tax and accounting rules must be reconciled

Inefficient voting process

Shareholder voting is inefficient and slow, with two separate meetings on the same matter

All these problems disappear in a simpler, more agile single holding company

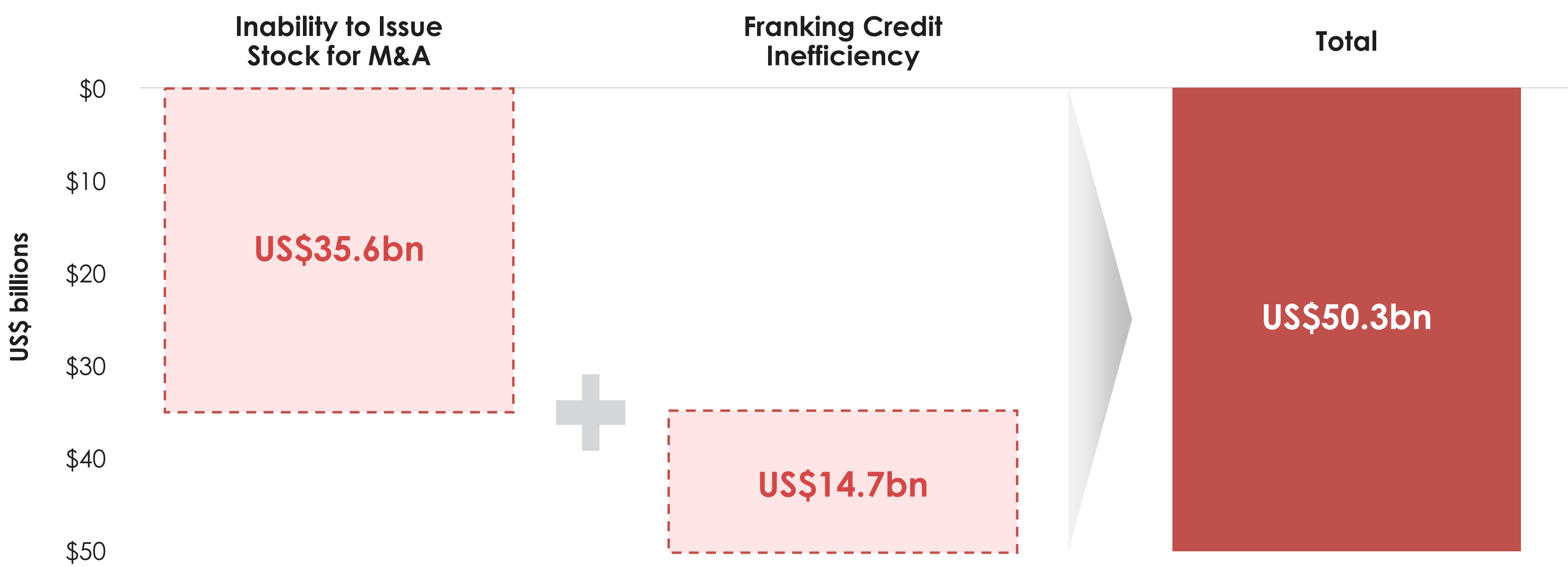
IV. The DLC Structure Has Destroyed US$50 Billion of Value for Shareholders

The DLC Structure Has Caused US$50 Billion of Value Destruction Since Inception

“*__It’s very clear that it does not make economic sense to unify Rio Tinto__.*”

- Jakob Stausholm, CEO, 30 July 2024

Estimated Rio Tinto DLC-Related Value Destruction since 1995 (US$ Billion)



The DLC has cost Rio Tinto shareholders an estimated US$50 billion in foregone value since inception

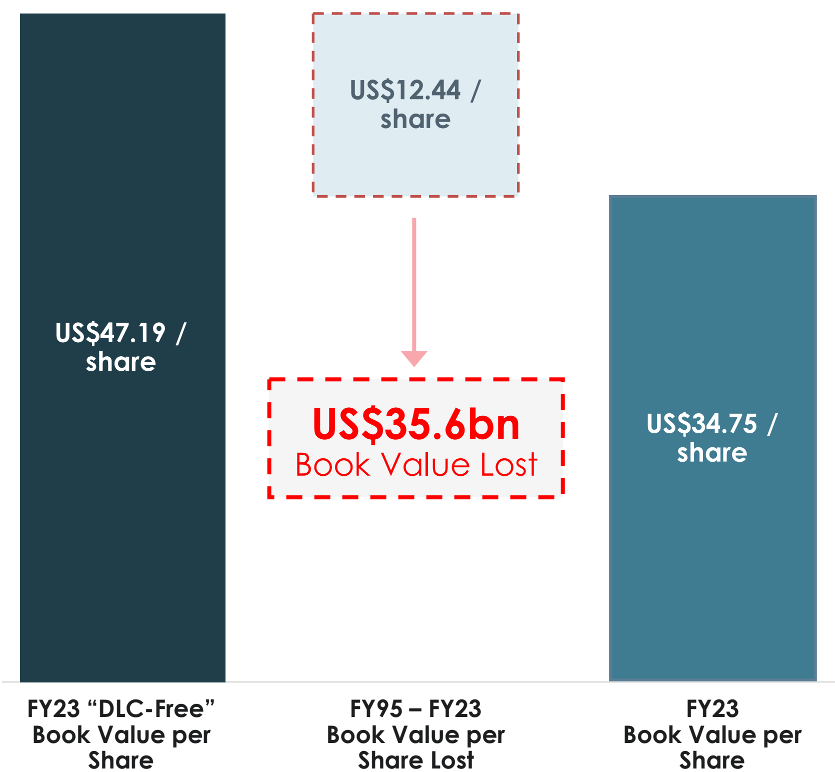
Source: Palliser analysis

Inability to Issue Stock for M&A

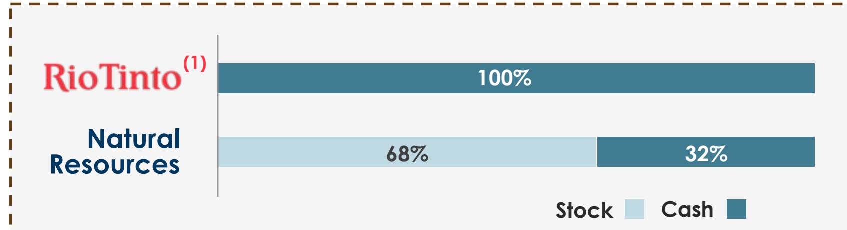
Rio's inability to share risks with targets has cost shareholders an estimated c.US$35.6 billion in book value

Rio Tinto: Book Value Per Share Evolution

*Based on our analysis, had Rio Tinto structured its acquisitions in line with industry norms, FY23 book value would have been **US$35.6 billion higher***



M&A Consideration Split: Rolling Average since 1995



Our Approach

- Analysed 95% of Rio Tinto's acquisitions by value since inception of the DLC together with independent financial advisors
- Evaluated the book value per share impact for each deal, comparing: 1) Rio funding 100% of its acquisitions with cash versus; 2) industry standard mix of cash and stock over the period (2)
- Conducted a comprehensive reconstruction of Rio Tinto's financial statements with key variables adjusted:
  - Number of shares outstanding over time
  - Cash preserved on balance sheet
  - Return on capital based on foregone finance income (tax adjusted) assuming historical realised interest rates
- No excess returns were assumed from high return capex projects, incremental buybacks, alternative M&A or other investments

Source: Palliser analysis

(1) Excludes tender offers for minority shareholders in existing listed subsidiaries which included a cash or scrip alternative

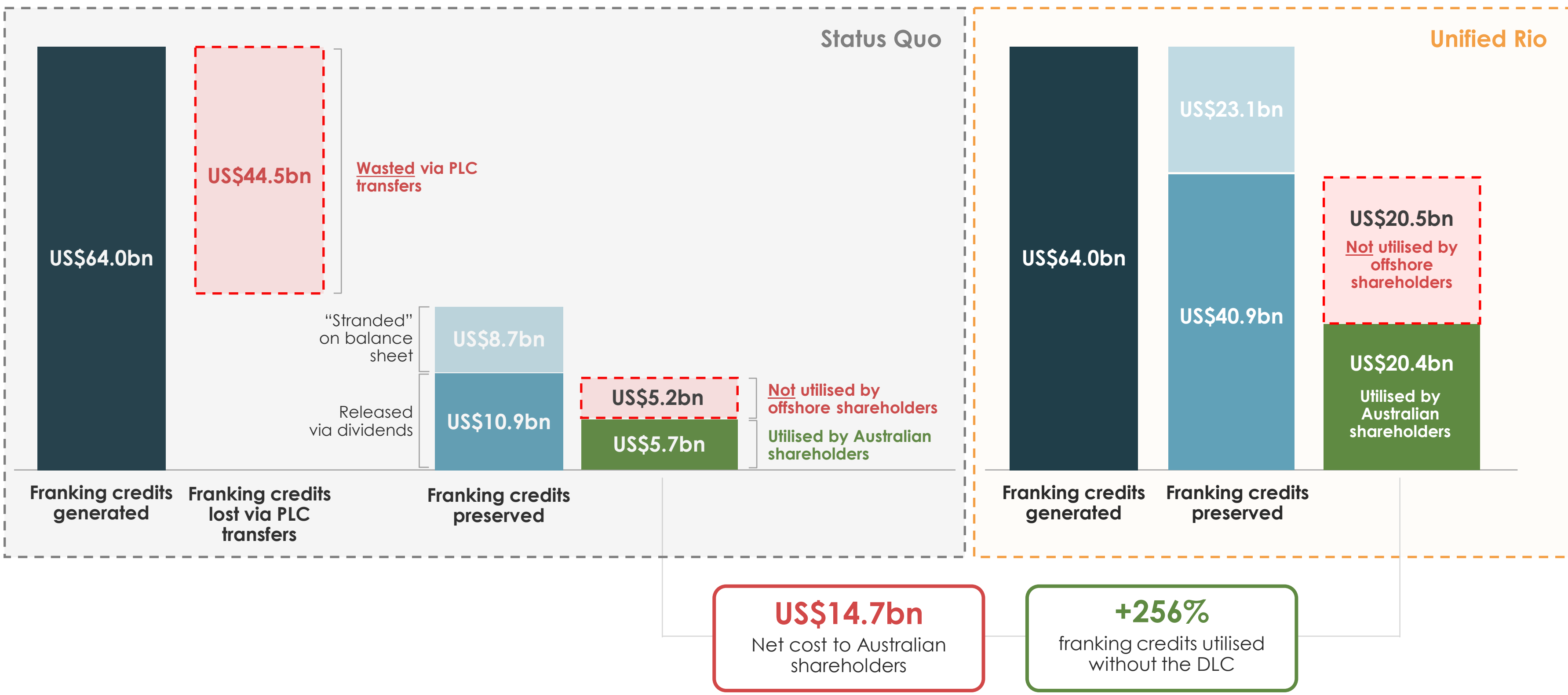
(2) Assumed 68:32 stock to cash split for Rio Tinto completed M&A transactions; Alcan acquisition assumed to be 30:70 stock to cash split to account for higher industry average cash mix in pre-2008 period; subsequent 2009 rights issue downsized proportionally with reduced Alcan cash consideration

Franking Credit Inefficiency

Third-party expert analysis indicates that Rio's DLC structure has led to US$14.7 billion in wasted franking credits

- With the DSM terminated and given the natural rotation of Australian shareholders into the unified stock – our tax and accounting advice demonstrates that c.**US$14.7 billion (+256%) in additional franking credits would have been utilised without the DLC**

Franking Credits Generated vs. Wasted (since 1995)



Source: Palliser analysis
Note: Analysis assumes increased weighting of Australian shareholders in unified Rio Tinto based on detailed register analysis (see slide 33)

V. Management's Arguments Against Unification Don't Stack Up

Management's Arguments Against Unification Don't Stack Up

	Subject	Argument Against	Reality
1	Taxes	*"Tax costs would be in the mid-single digit billions of dollars"*	▪ Currently anticipated **one-off cash tax costs of c.US$400 million** (including UK stamp and Australian landholder duty) ▪ Estimated **additional US$140 million per year** of incremental tax leakage from Australian tax attribution of PLC's Singapore marketing operations(1) ▪ UK and Australian CGT rollover relief available for shareholders(2) ▪ Third party tax analysis confirms **no material tax issues expected in Chile, Mongolia, Guinea, the U.S. or Canada**
2	M&A	*"We can absolutely do scrip deals out of the DLC"*	▪ **100% of Rio's acquisitions funded with cash since inception of the DLC** ▪ Practical DLC restrictions prevent Rio from issuing stock as M&A currency
3	Share Price	*"[Unification] would take the Ltd price down in a double-digit percent"*	▪ Upward convergence to Ltd share price as evidenced by BHP unification ▪ **>300% S&P/ASX upweighting**(3) to create **Australian flow-forward to almost entirely outweigh any potential UK flow-back** ▪ Loss of FTSE UK inclusion but continued ASX, LSE and NYSE listings
4	Franking Credits	*Paying out fully franked dividends in future may not be possible*	▪ Unification allows **greater quantum of franked dividends to be utilised** ▪ **US$8.7 billion of unlocked franking credits** + improved monetisation of future franking credits
5	Shareholder Support	*Getting the necessary shareholder support would "be impossible"*	▪ **c.99% of shareholders across all prior unifications have voted in favour**(4)

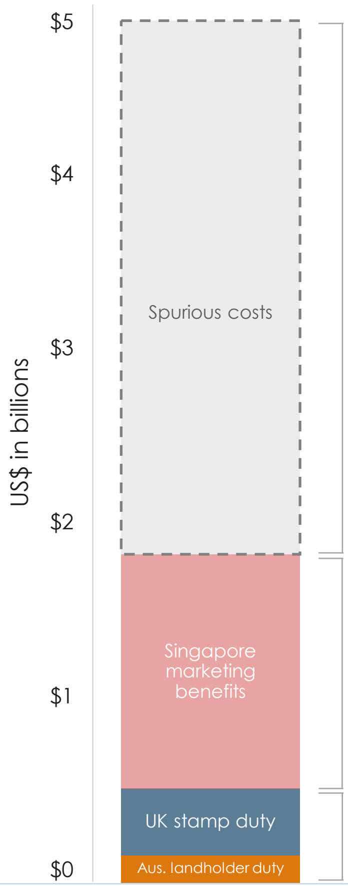
(1) Palliser estimates based on company filings and third-party analysis from leading international tax and accounting advisors; assumes implementation of restructuring options available to mitigate any further tax leakage
(2) As was the case for BHP, unification should be largely tax neutral for shareholders with rollover relief available in the UK and Australia
(3) Based on estimated market capitalisation of a unified Rio Tinto under the Ltd-acquires-Plc unification structure as of 30 October 2024 (date of most recent disclosure of S&P/ASX constituent weightings)
(4) Percentage of votes in favour of the unification transaction at the relevant shareholder meeting(s)

1 Management's Tax Cost Estimate is Opaque

Palliser

*"We've reviewed what the costs would be of unifying the DLC, in particular the DLC into Limited, and the tax costs would be in the **mid-single digit billions of dollars**."*

- Peter Cunningham, CFO, 31 July 2024



US$3.2bn = not costs

c.US$1.4bn opportunity cost of future tax savings

c.US$400m actual one-off cash costs

Spurious Unification Tax Costs Claimed by Management

- Unitemised tax costs cited by management with no relevant context or underlying third-party analysis shared with the market
- Independent tax analysis commissioned by Palliser confirms no material tax issues expected in Chile, Mongolia, Guinea, the U.S. or Canada

Foregone Future Tax Savings

- c.US$140 million per year of incremental tax leakage due to Australian tax attribution of PLC's Singapore-based marketing activities[(1)]
- NPV of future Singapore tax savings foregone = **c.US$1.4 billion**
- Through management's careful wording, the market has interpreted this NPV as a one-off cash expense

One-Off Unification Cash Taxes

- **c.US$334 million** UK stamp duty (0.5% of Plc market cap)
- **c.US$73 million** Australian landholder duty related to Rio Tinto Alcan assets held by Plc

Source: Company filings, Palliser analysis

(1) Palliser estimates based on company filings and third-party analysis from leading international tax and accounting advisors; assumes implementation of restructuring options available to mitigate any further tax leakage

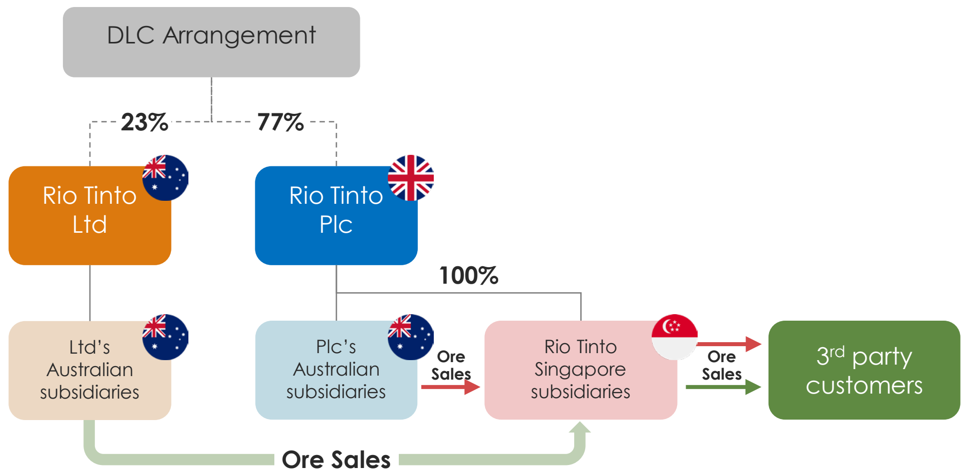
1 Any Perceived Tax Benefits of Rio's Singapore-Based Marketing Structure are Small and Have Diminished Further Over Time

Palliser

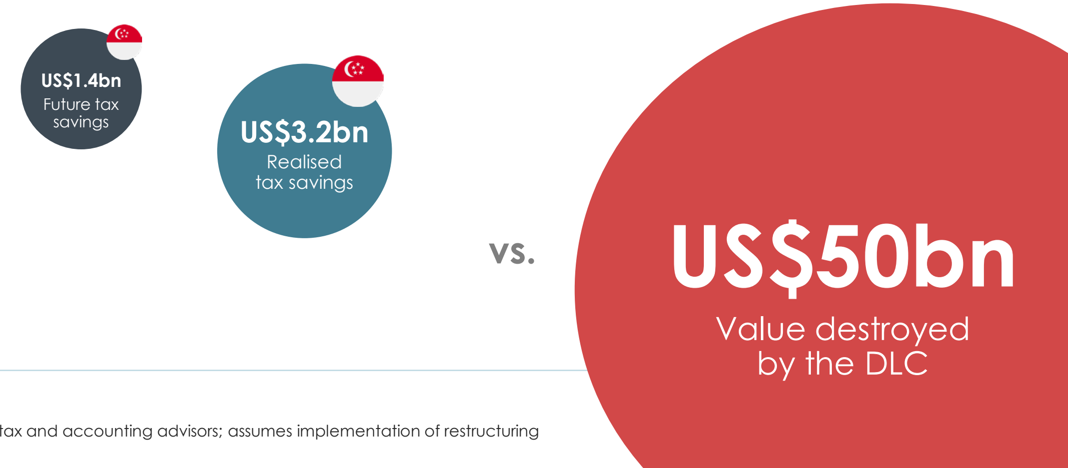
The true cost of unification – <u>c.US$140 million per year</u> in additional Singapore-related taxes being attributed to Australia

- Rio Tinto's Singapore-based marketing entity is a wholly owned (100%) subsidiary of Plc
- The structure allows Rio Tinto to benefit from a tax saving related to its sales of Australia-sourced commodities to third-party customers, principally in Asia
- Plc has not been attributing profits derived from its Singaporean operations in the UK, meaning <u>Rio has enjoyed an effective tax rate of 2-4% on ore sales via Singapore</u>
- **<u>These tax savings have now reduced substantially</u>**
- Rio now pays tax at 17% in Singapore from FY2024, coinciding with the introduction of the new Pillar Two global minimum tax rules
- Unification would result in certain Singaporean revenue streams being taxed under Australian CFC rules (30%) vs. the headline corporate rate (17%)
- Based on work conducted by our independent tax advisors, the Singapore commercial hub has generated **<u>c.US$3.2 billion of tax savings to date for Rio Tinto</u>**(1)
- **<u>By their calculations, unification would result in incremental tax leakage for Rio Tinto in Singapore of c.US$140 million per year(2) (c.US$1.4 billion on an NPV basis)</u>**

Structure Overview



Tax Savings Insignificant Compared to Value Lost from the DLC



Source: Company filings, Palliser analysis
(1) Calculated from FY 2005-2023 as Singapore subsidiaries were not material prior
(2) Palliser estimates based on company filings and third-party analysis from leading international tax and accounting advisors; assumes implementation of restructuring options available to mitigate any further tax leakage

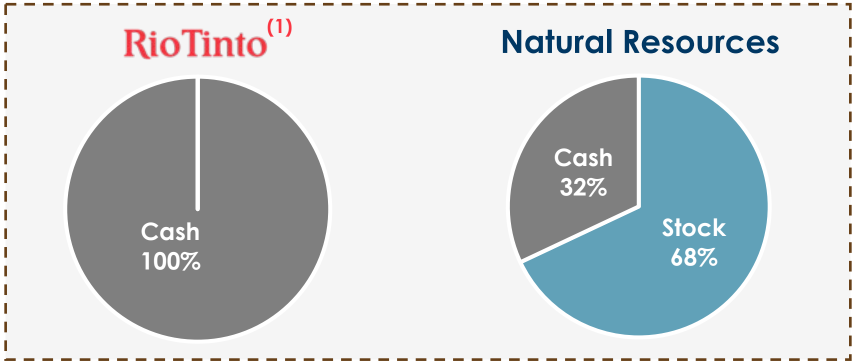
2 M&A: "We Can Absolutely Do Scrip Deals Out of the DLC"

Palliser

> *"**We can absolutely do scrip deals out of the DLC**… We can buy from the DLC, we can buy from the Plc, from the Ltd, we can do a lot. That is absolutely not an excuse for M&A, but M&A, of course, has to make sense in itself."*
>
> \- Jakob Stausholm, CEO, 31 July 2024

- If scrip acquisitions are "entirely doable", **why have 100% of Rio Tinto's acquisitions been funded with cash?**
- Why have 99.5% of all acquisitions by all DLCs been funded with cash?
- Which line of stock would even be issued given the level of price disparity between Rio's Plc and Ltd shares?
- How can any equity issuance be fair and equitable to both Plc and Ltd shareholders, and also attractive for the target?

M&A Consideration Split: Rolling Average since 1995



Arcadium: A Case Study (October 2024)

On 9th October 2024, Rio Tinto announced the acquisition of Arcadium Lithium for US$5.85/share, equivalent to US$6.7 billion on a fully diluted basis, and unanimously approved by the Board…

arcadium lithium

100% Cash Acquisition

109% Premium to undisturbed

When asked by an analyst if Rio Tinto considered issuing any stock to fund this transaction…

> ***"I must say we didn't discuss that much because it just adds a layer of complexity…*** *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 therefore didn't choose to open up for further complexity."***
>
> \- Jakob Stausholm, 9 October 2024

Source: Company filings, Bloomberg, S&P Capital IQ
(1) Excludes tender offers for minority shareholders in existing listed subsidiaries which included a cash or scrip alternative

3 Share Price: Overstated Flow Back Concerns

Palliser

> *"[Unification] **would take the Ltd price down in a double-digit percent** because you're putting 77% of the shareholders into the Ltd structure."*
>
> \- Peter Cunningham, CFO, 31 July 2024

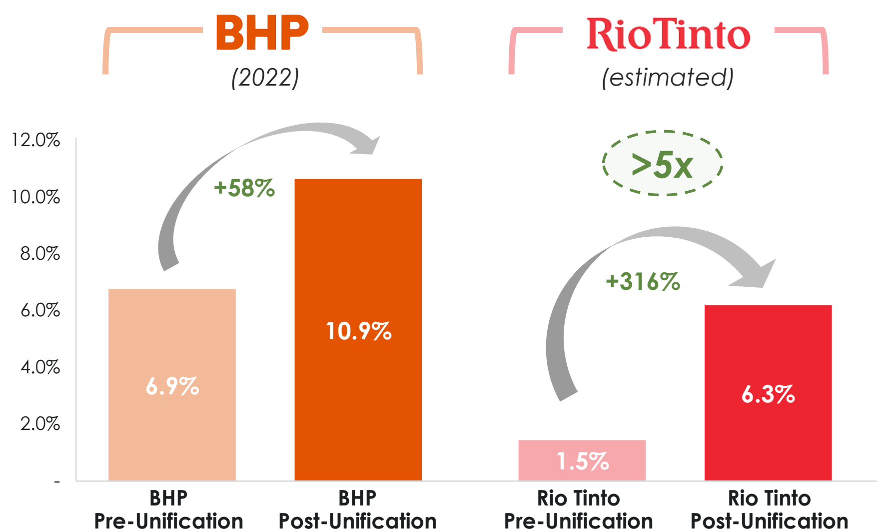
Exaggerated Flow-Back Concerns

- Management makes a rudimentary guess that Rio's share price would trade down towards the Plc line, rather than re-rating upwards towards the Ltd line
- Loss of FTSE UK inclusion from shifting Rio's primary listing away from London would create a degree of selling pressure from index tracker funds over several months
- **However, we view that any flowback would be almost entirely offset by inflows from ASX index replicating funds, superannuation funds and other Australian institutions**

Estimated Flow Effects

Share flows (millions)	Net Flow Lower bound	Net Flow Upper bound
Prior to unification	**70.7**	**80.2**
% combined share count	*4.4%*	*4.9%*
Within 3 months of unification	**(64.5)**	**(74.3)**
% combined share count	*(4.0%)*	*(4.6%)*
Within 3 years of unification	**(26.8)**	**(57.5)**
% combined share count	*(1.7%)*	*(3.5%)*
Total	**(20.6)**	**(51.6)**
% combined share count	***(1.3%)***	***(3.2%)***

Flow-Forward from Increased S&P/ASX200 Weighting



- **>300% S&P/ASX upweighting**[(1)] to be underpinned by Australia's US$3.5 trillion pool of pension fund assets
- Substantial portion of these are mandated for listed equities, most of which are exposed to natural resources in Australia
- Long-term net buying to be driven by Australian retail and institutional investors looking for franked dividends

Source: Company filings, Palliser analysis, Bloomberg
(1) Based on estimated market capitalisation of a unified Rio Tinto under the Ltd-acquires-Plc unification structure as of 30 October 2024 (date of most recent disclosure of S&P/ASX constituent weightings)

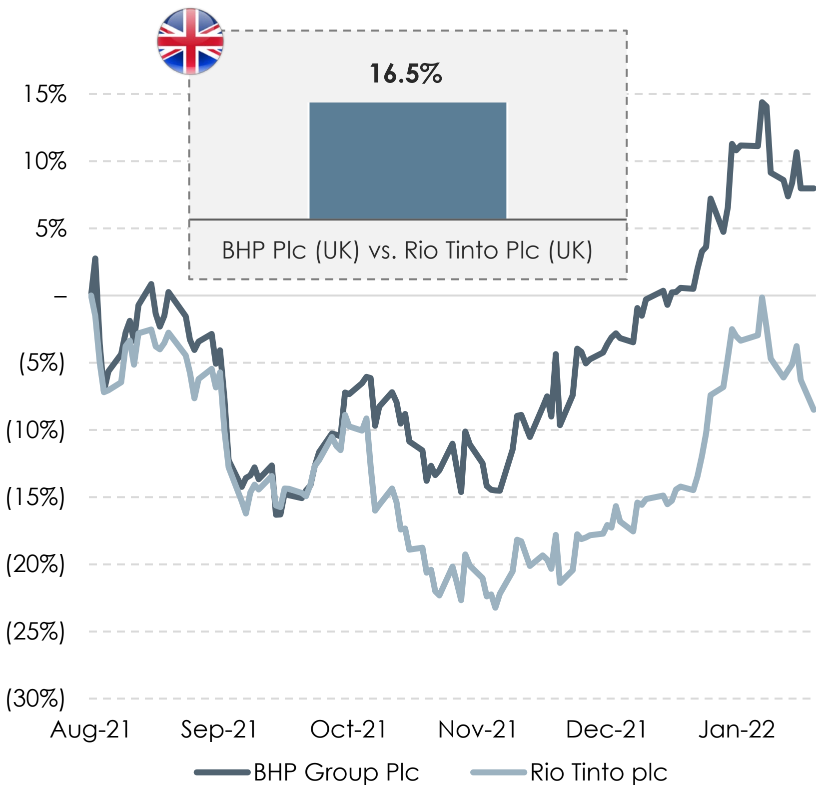
3 The BHP Precedent Serves as a Clear Example of the Plc Line Trading Up Towards the Ltd Line Through Unification

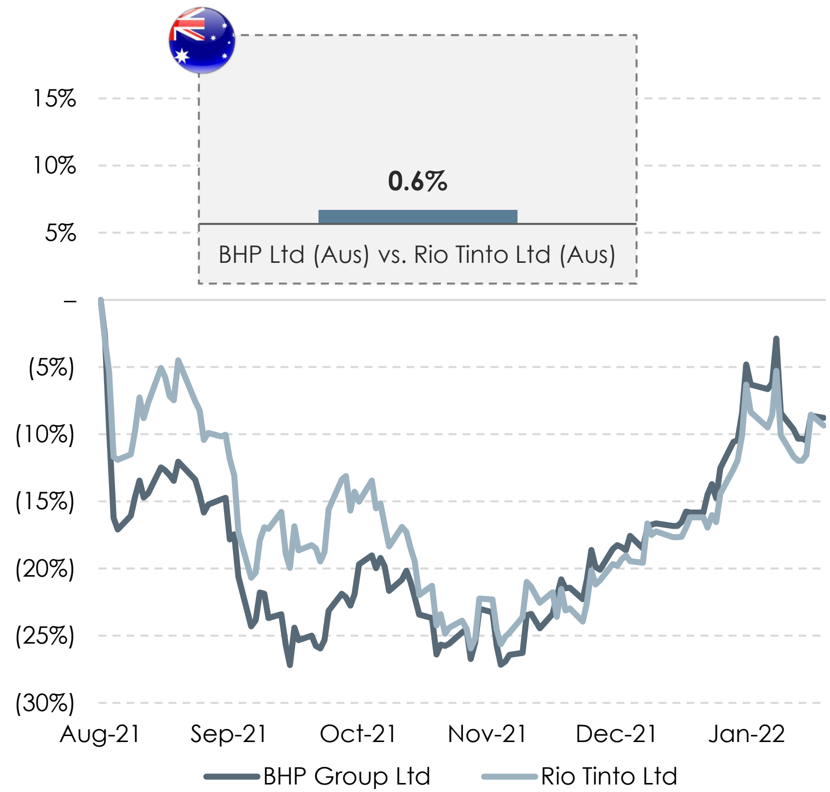
palliser

"In the BHP 2022 Reunification, ***the valuation gap closed not through the Australian listing de-rating to the lowest UK level, but rather vice versa***."

- Morgan Stanley, November 2024

BHP's Relative Total Shareholder Return vs. Rio Tinto – Between DLC Unification Announcement & Completion(1)





Source: Bloomberg
Note: Cumulative daily total shareholder return assumes dividends are reinvested and converted to US$ at daily foreign exchange rates
(1) Based on closing share price on day prior to BHP's unification announcement (17-Aug-2021) and completion (31-Jan-2022); BHP Plc vs. Rio Tinto Plc returns calculated from price history of ADRs of respective UK issues

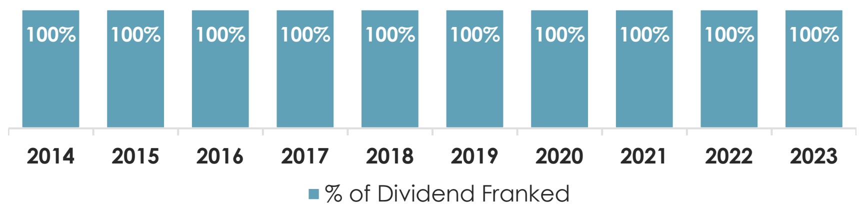
4 Obfuscating Franking Credit Utilisation

> *"After unification, 100% of your dividends have to be franked for shareholders to benefit. So, when you think of our shareholder returns policy… paying out at 60% over the last 8 years, that means* ***<u>60% of our earnings have to be in Australia to have the capacity to keep on fully franking.</u>****"*
>
> \- Peter Cunningham, CFO, 31 July 2024

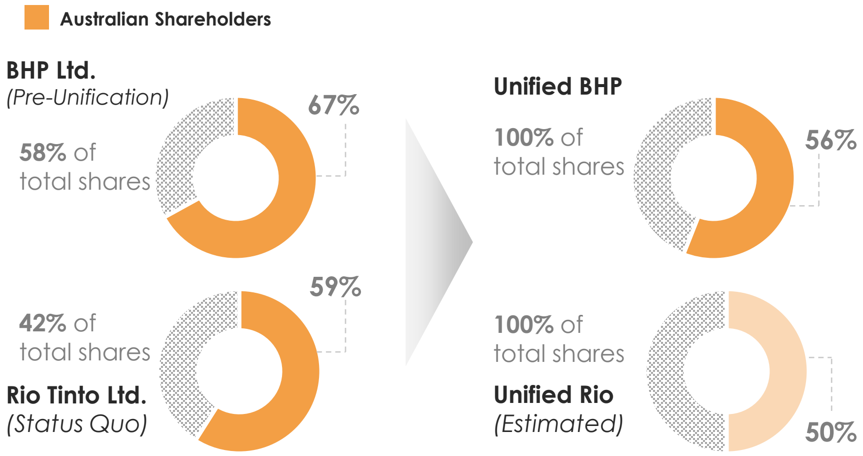
Management's Flawed Rationale

- Management obfuscates the franking credit benefits of unification by throwing out that Australian-derived profits may be insufficient in future for shareholders to enjoy fully franked dividends
- **<u>For more than a decade, 100% of Rio Tinto's dividends have been fully franked</u>**
- <u>We believe the critical element is the total quantum of franked dividends that are paid out to Australian shareholders, not whether they are fully franked or not</u>
- As was the case with BHP, we expect the % of Australian shareholders in Rio Tinto's total shareholder base to increase dramatically post-unification, meaning that a much higher quantum of franking credits in aggregate would be utilised
- **<u>All shareholders would benefit from the incremental share demand and price accretion resulting from more franking credits being released</u>**

Full Frankability of Dividends Has Never Been in Question…



…But Unification Would Add More Yield-Hungry Australian Shareholders and Drive Share Price Accretion…



Source: Company filings, Palliser analysis

5 Precedents Show Overwhelming Support for Unification

palliser

[Stausholm] also said he thinks getting the necessary shareholder support – from at least 75% of shareholders in both London and Sydney – would "be impossible."

\- Wall Street Journal, 30 July 2024

	Date of Unification	Discount Prior	Shareholder Approval[1]	
			Premium Line	Discount Line
ABB	Feb 1999-Jun 1999	11.6%	97.20%	98.00%
DEXIA	Sep 1999-Nov 1999	9.0%	100%	94.01%
Nordea	Sep 1999-Mar 2000	7.2%	100%	95.90%
ZURICH	Apr 2000-Oct 2000	7.3%	n/a	99.64%
FORTIS	Aug 2000-Dec 2001	0.5%	100%	n/a[2]
Shell	Oct 2004-Jul 2005	0.4%	97.40%	96.30%
Brambles	Nov 2005-Dec 2006	7.9%	99.90%	99.94%
THOMSON REUTERS	Jun 2009-Sep 2009	8.3%	99.56%	97.34%
RELX	Feb 2018-Sep 2018	0.7%	99.99%	99.99%
mondi	Nov 2018-Jul 2019	n/a	100%	99.95%
Unilever	Jun 2020-Nov 2020	3.5%	99.45%	99.39%
BHP	Aug 2021-Jan 2022	15% – 20%	97.61%	96.12%
Average		**6.7%**	**c.99%**	**c.98%**

Note:
(1) Approval percentages reflect the share of votes in favour of the unification transaction at the relevant shareholder meeting(s) or the tender rates (as applicable) of each company
(2) Not publicly available - despite achieving the necessary majority of votes in favour of unification, details of the voting breakdown were not available

5 Significant Overlap in Key BHP and Rio Tinto Shareholders

Palliser

ISS, Glass Lewis and ~97%[1] of BHP shareholders were in favour of BHP's highly comparable unification

BHP and RioTinto Overlapping Shareholders[2]

BlackRock

CAPITAL GROUP®

CRÉDIT AGRICOLE GROUP

Norges Bank

Vanguard®

AVIVA INVESTORS

Insignia Financial

SOCIETE GENERALE

abrdn

St James's Place

Baillie Gifford™

STATE STREET

FISHER INVESTMENTS®

UBS

BNP PARIBAS

charles SCHWAB

MarshMcLennan

J.P.Morgan

HSBC Asset Management

Schroders

Source: Bloomberg, Company filings

(1) Calculated by reference to those attending and voting at the relevant scheme meeting and resolutions at associated general meetings

(2) BHP and Rio Tinto shareholders as of December 2021 and November 2024 respectively

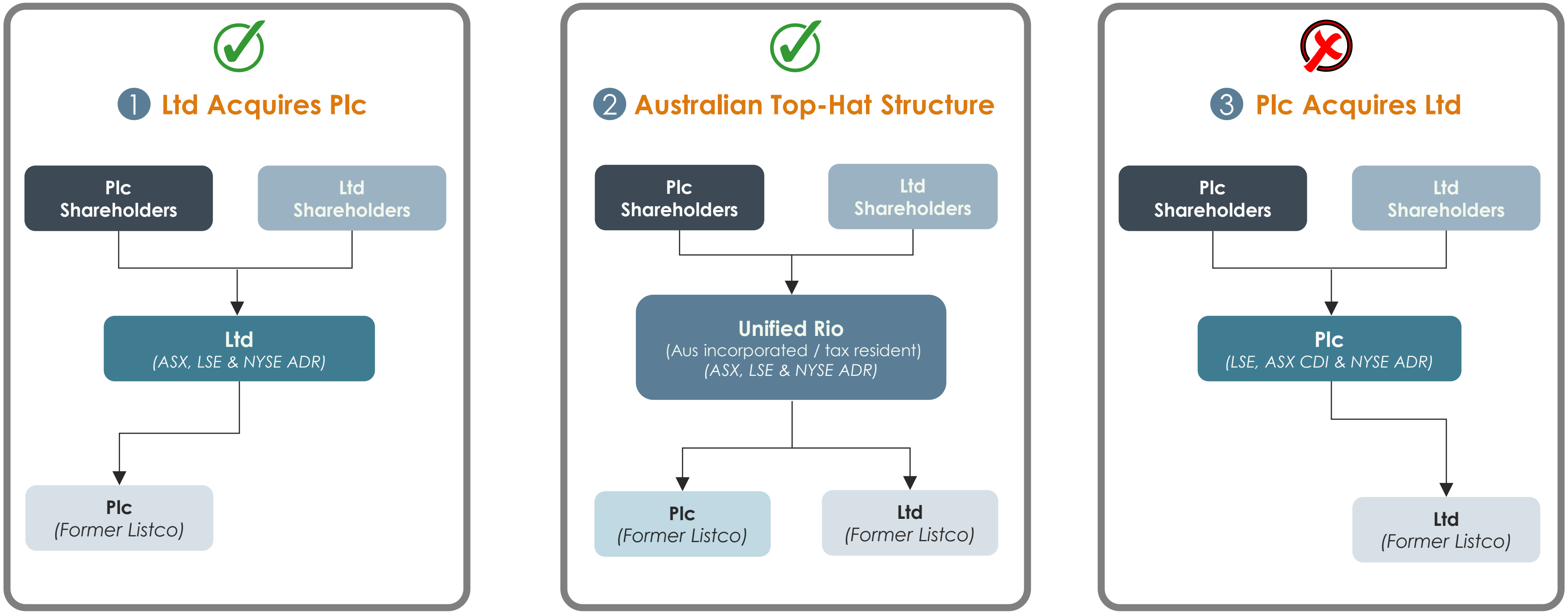
VI. Unifying Rio Tinto

Tried and Tested Pathways to Unification are Available

1. **Ltd Acquires Plc:** Each Plc shareholder receives one new fully fungible Ltd share listed on the ASX and LSE with a NYSE ADR in exchange for each Plc share pursuant to a Plc scheme of arrangement (same as BHP unification)

2. **Aus Top-Hat Structure:** Both sets of shareholders receive shares in a new Australian parent holding company listed on the ASX and LSE with a NYSE ADR in exchange for each of their Plc/Ltd shares pursuant to interconditional Plc and Ltd schemes of arrangement

3. **Plc Acquires Ltd:** Each Ltd shareholder would receive one new share in Plc but this unification structure is **not a viable option** due to high regulatory clearance hurdles, dilution from Plc trading at a significant discount to Ltd and extremely high investor costs – including loss of all franking credits (present and future) and substantial taxes



History Shows DLC Structures are Temporary

Palliser

Companies have moved away from the DLC structure – Rio is the only large cap DLC left

- Shell: 1907-2005
- ABB: 1988-1999
- FORTIS: 1990-2001
- DEXIA: 1996-2000
- Nordea: 1997-2000
- ZURICH: 1998-2000
- Brambles: 2001-2006
- THOMSON REUTERS: 2008-2009
- Unilever: 1930-2020
- RELX: 1993-2018
- mondi: 2007-2019
- BHP: 2001-2022
- Carnival: **2002** US$32.7 billion
- RioTinto: **1995** US$107.4 billion
- Investec: **2002** US$6.8 billion
- Ninety One (1): **2020** US$1.9 billion

16 companies utilised a DLC structure in the past 25 years

12 companies have moved away from the DLC structure

1 is actively moving towards a unified structure

3 companies remain with a DLC structure today

Source: Bloomberg as of 29-Nov-2024

(1) Investec demerged and separately listed Ninety One in Mar-2020 (formerly known as Investec Asset Management) as a DLC

BHP Case Study: A Clear Blueprint for Success

Palliser

BHP's unification blueprint closely mirrors the structure and rationale for Rio

BHP's Rationale for Unification

- ✓ Simplification
- ✓ Strategic flexibility (including M&A for stock)
- ✓ Improved franking credit utilisation
- ✓ Elimination of share price differential
- ✓ Increased Australian index weighting

Unification Outcome

- ✓ 97% approval by Plc shareholders
- ✓ 98% approval by Ltd shareholders
- ✓ +12% TSR outperformance vs. Rio Tinto
- ✓ Enabled scrip-for-scrip M&A
- ✓ Simplified BHP Petroleum merger with Woodside
- ✓ Takeover bid for Anglo American using BHP stock

	BHP	RioTinto
Headquarters	Melbourne, Australia	London, United Kingdom
Industry Sector	Mining	Mining
Market Cap Prior	US$184bn	US$107bn
Employees	Aus: 32,352 UK: 74	Aus and NZ: 25,045 UK: 323
Asset Concentration	Australia	Australia
DLC Type	Plc-Ltd separate legal entities	Plc-Ltd separate legal entities
DLC Duration	21 years	29 years
Unification Structure	Ltd acquires Plc	Ltd acquires Plc
Post-Unification Listings	Primary listing – ASX Standard listing – LSE Other listings – JSE / NYSE	Primary listing – ASX LSE listing[1] Other listing – NYSE
Plc/Ltd Share Capital	42% Plc / 58% Ltd	77% Plc / 23% Ltd
Ltd % Australian Shareholding Prior	67%	59%
Discount Prior	15-20%	~20%

Source: Company filings, Bloomberg as of 29-Nov-2024
(1) New UK Listing Rules reforms that came into force in H2 2024 have removed the distinction between Premium and Standard listing categories

*"We unified our dual listed company structure. In doing so, we **removed a 10-20% discount** on the 40% of the company that was primary listed in London, and it has made us **simpler and leaner**. Now, as flagged at the time, it has also made it more **practical for BHP to pursue scrip-based acquisitions** as we are now doing with our proposal for Anglo American."*

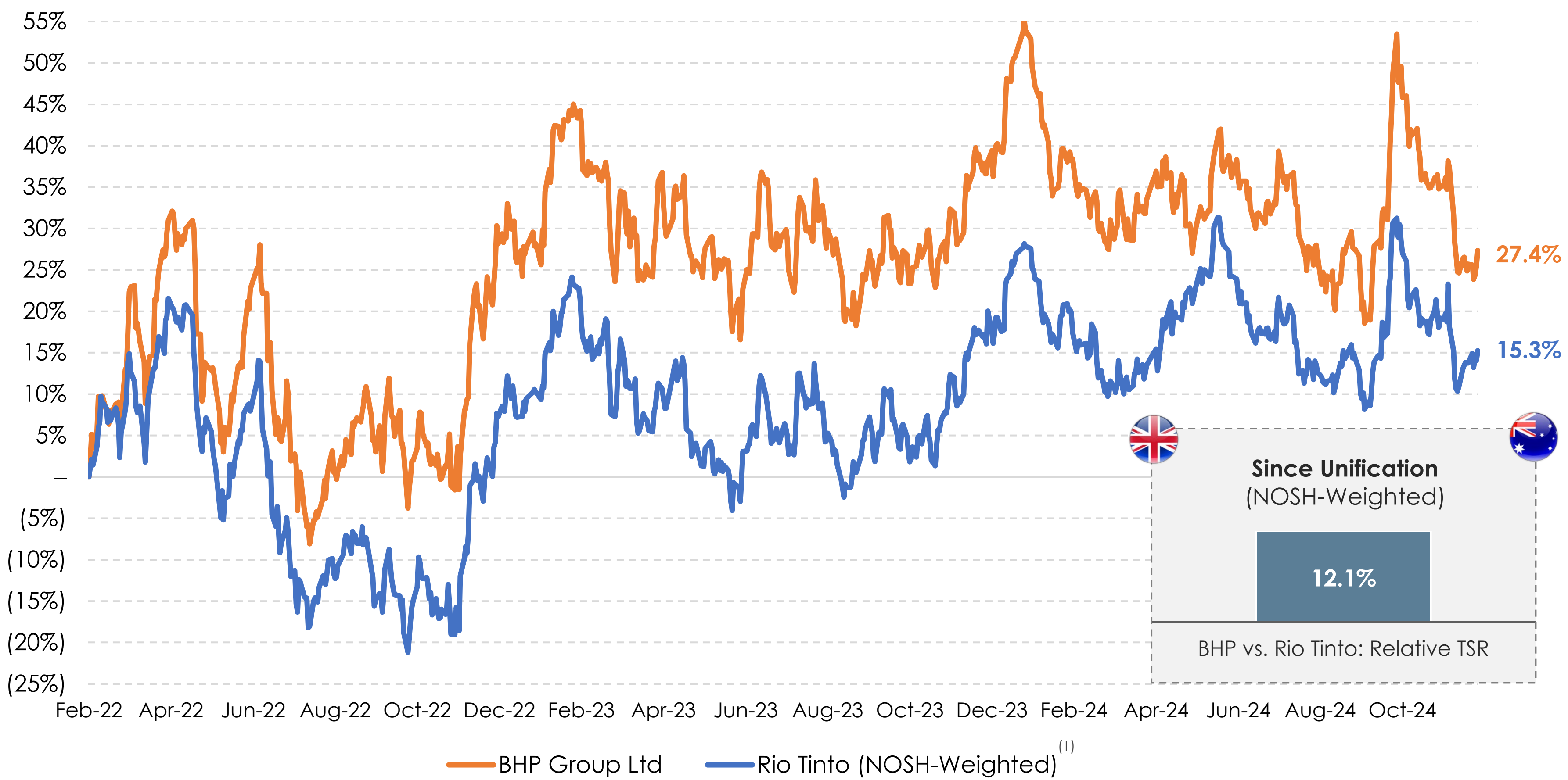
Mike Henry
Chief Executive Officer, BHP Group

Bank of America Global Metals, Mining & Steel Conference (14th May 2024)

BHP's Consistent Outperformance Since Unification

BHP's total shareholder return has consistently surpassed Rio's since completion of the BHP unification

BHP Total Shareholder Return since Unification vs. Rio (%)



Source: Bloomberg as of 29-Nov-2024

Note: Cumulative daily total shareholder return assumes dividends are reinvested and converted to US$ at daily foreign exchange rates

(1) Rio implied total shareholder return based on weighting of total shares outstanding across Plc and Ltd

Unification Resolves Fundamental Value Inhibitors

Palliser

Current DLC Structure		Unified Structure	
Market Inefficiency ✗	▪ Substantial share price distortion between Ltd and Plc ▪ Massive US$24bn value gap present today ▪ Restricted index weighting and liquidity ▪ Deters takeover offers	**Efficient Capital Structure** ✓	▪ Single fungible ASX, LSE and NYSE (ADR) listed shares with a single global share price ▪ Increased S&P/ASX index weighting (+c.300% in ASX 200)(1) ▪ Eradicates share price mismatch and value gap - all Rio shareholders will be on equal footing
Strategic Inhibitors ✗	▪ Inhibits scrip-for-scrip M&A – stifling inorganic growth ▪ Restricts buybacks ▪ Adds significant complexity to corporate actions – including demergers and capital raising	**Strategic Flexibility** ✓	▪ Unlocks all capital allocation tools ▪ Unrestricted M&A flexibility ▪ Simplified and more efficient demergers and equity raises ▪ Increased buyback capability
Tax Inefficiency ✗	▪ Constrains franking credit utilisation ▪ Destruction of franking credit value through the DSM ▪ >US$8.7bn pool of trapped franking credits	**Tax Optimisation** ✓	▪ Enhanced access to US$8.7bn franking credit balance and future franking credits ▪ Prevents DSM value leakage - all dividends and associated franking credits to be paid directly to all shareholders ▪ Optimised franking credit utilisation
Governance Complexity ✗	▪ Opaque and overly complex voting structures and governance framework ▪ Questionable conduct to accommodate largest Plc shareholder at the expense of Rio shareholders as a whole	**Simplicity** ✓	▪ Single entity - equal economic and voting rights ▪ Improved shareholder protections
Unnecessary Costs & Distraction ✗	▪ Duplication of costs and administrative burden: two sets of registrars, company secretaries, AGMs and additional regulatory and legal regimes ▪ Wastes group resources and management time	**Streamlined Costs & Focus** ✓	▪ No duplication / additional regulatory costs ▪ Simplified regulatory requirements and compliance rules

Note:
(1) Based on estimated market capitalisation of a unified Rio Tinto under the Ltd-acquires-Plc unification structure as of 30 October 2024 (date of most recent disclosure of S&P/ASX constituent weightings)

VII. Clear Path to Value Unlock

Recent Material Challenges Have Been Overcome But Unification Required for Future Success

Palliser

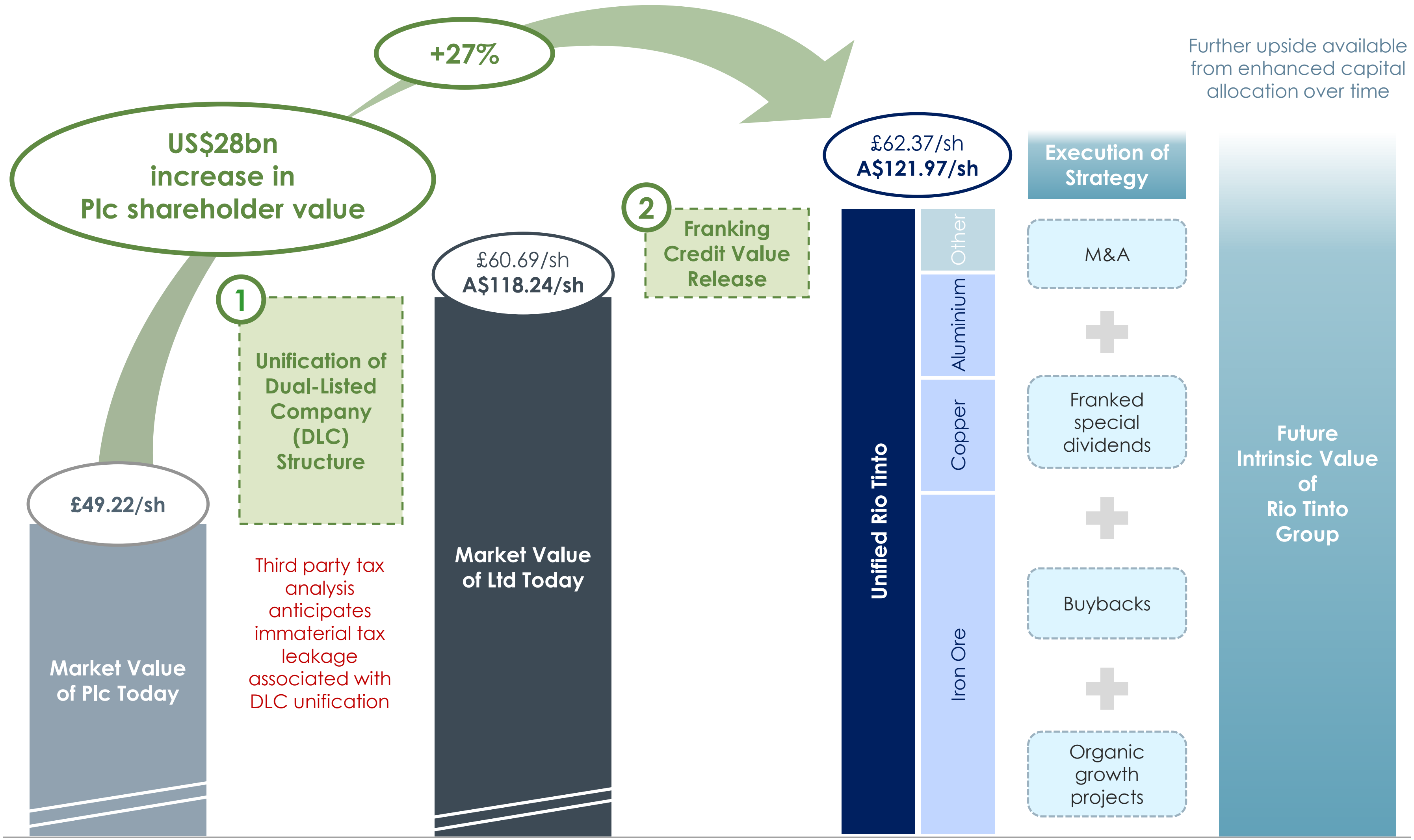
2020	**May**	Juukan Gorge incident
	Jun	Juukan Gorge process review commenced
	Dec	Jakub Stausholm appointed CEO
2021	**Jan**	Rio unveils new Executive team
	Mar	Chair Simon Thompson steps down at 2021 AGM
	Dec	Dominic Barton appointed new Chairman
2022	**Apr**	Acquisition of Rincon lithium project completed
	Jun	First production from Gudai-Darri iron ore mine
	Nov	Restitution agreement reached with Juukan Gorge group
	Dec	Acquisition of remaining 49% stake in Turquoise Hill completed
2023	**Mar**	First production from Oyu Tolgoi underground mine
	Aug	Sale of 55% stake in La Granja copper project to First Quantum Minerals
	Dec	Board refresh progressed with 8 new independent directors appointed since Juukan Gorge
2024	**Feb**	Simandou FID
	Oct	Acquisition of Arcadium Lithium announced

2025

DLC Unification

Future growth unlocked via structural simplification and enhanced strategic options

Unification Unlocks Value and Positions Rio Tinto for Future Growth



Source: Bloomberg as of 29-Nov-2024, Palliser analysis

Franking Credit Value Available to Shareholders Post-Unification

Palliser

Unified Rio Tinto can crystallise c.US$4bn in latent franking credit value for shareholders with an enhanced capital return through a one-time franked special dividend

Quantifying the Market Value of Rio Tinto's Franking Credit Balance

A	Existing Franking Credit Balance (as at 31-Dec-2023)	US$8,734m
	(x) Market Multiple Based on Third Party Studies	0.45x
	Market Value of Existing Franking Credit Balance	**US$3,943m**

See slide 22 for detail

One-Time Special Dividend to Crystallise Franking Credit Value

B	Est. % of Unified Rio Tinto Shares Held by Australian Tax Residents	50%
A ÷ B	**Special Dividend for Franking Credit Value Release**	**US$17,468m**
C	Rio Tinto Net Debt (as at 31-Dec-2023)	US$4,231m
	Rio Tinto 2024E EBITDA (Bloomberg consensus)	US$23,351m
D	Rio Tinto Leverage Ratio (Net Debt / 2024E EBITDA)	0.2x
	(+) Special Dividend Increase in Leverage Ratio	0.7x
C ÷ D	**Pro-Forma Leverage Ratio**	**0.9x**
	Note: Diversified Mining Peers Average Leverage Ratio[1]	1.7x

Industry-leading balance sheet strength maintained with ~80% EBITDA headroom to peers' average leverage ratio

Source: Company filings, Palliser analysis, Bloomberg as of 29-Nov-2024
(1) Diversified Mining peers include BHP, Glencore and Anglo American