

CHECK AGAINST DELIVERY

Notes for remarks by

Tom Albanese

Chief Executive

Rio Tinto

Rio Tinto

**A world leader in mining and minerals,
creating value and opportunity for Quebec and Canada**

The Canadian Club of Montreal

Montreal

April 7, 2008

Good afternoon ladies and gentlemen.

I would like to begin by thanking the Canadian Club for the invitation to speak here today. I am aware of the long and proud history of this forum, which Rio Tinto Alcan is pleased to support as an associate corporate member.

My visits to Montreal are frequent enough these days that I am beginning to feel very much at home here. Of course, Montreal is home to the global headquarters of our Rio Tinto Alcan product group, and also serves as the Canadian hub for Rio Tinto's other extensive interests in this country.

Last month, we brought our Board of Directors into town for a regularly scheduled meeting and we also hosted a visit for a group of analysts and institutional investors from Australia, the UK and elsewhere. Aside from the opportunity to sample your famed Montreal hospitality, the visitors were given a first-hand look at our aluminium facilities in the Saguenay—Lac-Saint-Jean region. I am pleased to report that they were suitably impressed with the high calibre of our Quebec operations, both existing and planned, — the people and organisation. They gave the visit some glowing reviews.

As I've repeatedly stated to analysts and to audiences elsewhere, we are delighted with our friendly acquisition of Alcan: with the quality of the Alcan operations and assets — including the industry benchmark AP smelting technology — and, especially, its people.

Rio Tinto overview

I'll have more to say about our ambitious plans for Quebec and Canada in a few moments. But let's begin with a brief overview of our organization.

First, let me make a few comments on BHP Billiton's conditional offer for Rio Tinto. Our board considered the offer very carefully and concluded that it significantly undervalues Rio Tinto. Accordingly, we unanimously rejected it as not being in the best interests of shareholders.

Our focus really is all about value. Rio Tinto has an exceptional portfolio of assets and significant stand-alone growth opportunities, particularly in iron ore, copper and aluminium. We also have a strong track record for value delivery, project execution and successful exploration. We are very well positioned to take advantage of what

we foresee as strong global commodity markets and continued growth in the resources industry. On that note, I think it's important to recognise that the turbulence in the financial markets of late is not putting the brakes on economic growth in rapidly developing countries like China, and I will come back to this theme later. Accordingly, we remain focused on maximising value for our Rio Tinto shareholders. We don't need BHP Billiton to do that.

Having addressed that let's move on to matters important to this audience — Rio Tinto in Quebec and Canada.

As you may be aware, our company is a leading international mining group headquartered in the UK but with dual listing on both the London stock exchange through Rio Tinto plc, and the Australian Securities Exchange through Rio Tinto Limited. We also have a listing on the New York exchange.

Rio Tinto is the world's second largest producer of iron ore, the fifth largest copper producer and — need I remind this audience — a leader in aluminium. We invest in large, long-life, low-cost assets, driven by the quality of opportunity, not the choice of commodity. Our experience and our unyielding commitment to sustainable development and safe operation are important attributes that contribute to our competitive edge. As does our leadership in the development and deployment of 21st-century technology.

To sharpen our focus on value and performance, Rio Tinto is organised into five product groups, of which Rio Tinto Alcan is one of the largest. The others are Iron Ore; Energy, comprising uranium and coal; Copper, our biggest earner in 2007; and Diamonds and Minerals.

With 2007 EBITDA of approximately US\$14 billion Rio Tinto's operations span the world. We have a very large presence in both Australia and North America, with significant businesses in South America, Asia, Europe and Africa as well.

A strong — and growing — presence in Canada

Canada has emerged as a very important country for us, particularly in the wake of the Alcan transaction. In fact, it is now the second biggest asset base for Rio Tinto worldwide. We clearly have a shared interest in the economic wellbeing of this country.

In addition to aluminium, our extensive interests here in Quebec include:

QIT (QIT Fer et Titane Inc.), which produces titanium metal and high quality titanium dioxide feedstock for use in the manufacture of white pigments for paint, paper and plastics. Our facility in Sorel is also the location for our global titanium R&D; and

A 59% majority interest in the Iron Ore Company of Canada — or “IOC”— which has been Canada's premier supplier of iron ore for five decades. Just last month we announced a US\$475 million investment to increase IOC's annual production of iron ore concentrate to 22 million tonnes. This represents the first phase of an expansion program that could see a 50% increase in production capability by 2011. Work will commence immediately to expand IOC's mining and processing facilities in Labrador West and increase transportation capacity on the 418-km railway to its port facilities in Sept-Îles.

Elsewhere in Canada, Rio Tinto has a 60 per cent joint-venture stake in the Diavik Diamond Mine, located 300 km northeast of Yellowknife in the Northwest Territories. Open pit mining operations at Diavik began in 2003. Rio Tinto has subsequently approved additional investments totalling almost US\$800 million to establish underground mining operations at the site and giving us a mine life to 2022 or beyond. Diavik is an engineering marvel that employs northerners and aboriginal Canadians, and has contributed greatly to economic and community development in Canada's north.

Our strong pipeline of greenfield opportunities also includes two other very interesting situations in Western Canada — a potash deposit near Regina and the Crowsnest coalfield in southeastern BC — part of our significant exploration budget for the Americas. As a matter of fact, I will be discussing the progress of integration with the team today.

Rio Tinto Alcan

Without question, the biggest news over the past year regarding Rio Tinto's Canadian presence was our US\$38 billion acquisition of Alcan. The integration is proceeding very nicely and we recently upped our synergy target from US\$940 million to US\$1.1 billion.

Meanwhile, Dick Evans and his team are pursuing an ambitious growth agenda that includes major projects in Australia, Asia, the Middle East, Africa and Canada.

Among them is the planned US\$2 billion modernisation of our Kitimat smelter in British Columbia. This project would increase Kitimat's production capacity by about 40 per cent, to 400,000 tonnes per annum, employing the latest evolution of our AP3X smelting technology and using clean, renewable hydroelectric power from our Kemano power station. At the same time, greenhouse gas emissions from the smelter would be slashed by over 40% or half a million tonnes per year. We are now proceeding with the detailed engineering and final costing before going to our board for approval, which may come later this year.

Here in Quebec, Rio Tinto Alcan already has embarked on an ambitious ten-year US\$2 billion investment program with the support of the Quebec government.

As part of this program, I am pleased to announce today that we are aggressively moving ahead with a pre-feasibility study for an expansion of our Alma plant, one of our most modern and efficient smelters. The planned expansion would add approximately 170,000 tonnes to the current Alma smelter production of slightly over 400,000 tonnes. Our objective is to complete the various pre-feasibility studies on an accelerated basis. So stay tuned.

Another important component of the program is the investment in a pilot plant, to be constructed at our Complexe Jonquière site, to develop the company's proprietary AP50 smelting technology. Our AP35 technology is the current industry benchmark in terms of energy efficiency, productivity and sustainability. Super-high-amperage AP50 is designed to take us to the next level in terms of increased productivity and the reduction of full economic costs. Once the pilot plant is up and running, the nearby Arvida Research and Development Centre (ARDC) will lead on-going R&D related to the industrialization of the AP50 technology platform.

Establishment of the AP50 pilot plant underscores Rio Tinto Alcan's position as the world leader and partner-of-choice for aluminium smelting technologies. It will also

help secure Quebec's position at the crossroads of the global aluminium industry, yielding sustainable benefits for both our shareholders and the region.

Elsewhere in Saguenay—Lac-Saint-Jean, work is proceeding on the announced US\$130 million project to install a new high-efficiency turbine at our Shipshaw power generating station. The new, 225-megawatt turbine will allow Rio Tinto Alcan to use its existing water resources more efficiently, and to supply additional backup capacity to Hydro-Québec during periods of peak demand.

Also, we recently completed construction of a US\$225 million spent-potlining-treatment pilot plant, which will begin ramping up this month. Using an exclusive, environmentally sustainable technology that may well become the industry standard, the pilot plant will be capable of treating about 80,000 tonnes of spent potlining residue per year from Rio Tinto Alcan and other Quebec aluminium producers. Spent potlining is a material that is removed periodically from the electrolytic cells used to produce aluminium. It is made up of carbon and other products, and is normally pre-treated before being disposed of in highly controlled conditions. The new process for treating spent potlining renders the by-products inert and provides the global aluminium industry with a sustainable solution for reusing potlining by-products. I should note that the spent-potlining initiative resulted in Rio Tinto Alcan being honoured as co-recipient of the first ever Quebec Corporate Citizenship Award, presented by Korn/Ferry International and *L'Actualité* magazine to recognize the outstanding corporate citizenship efforts of Quebec-based companies. (We shared the honours with the Cirque du Soleil.)

While forging ahead with our ambitious investment program in the Saguenay—Lac-Saint-Jean region, we remain committed to helping enhance the economic and cultural vitality of other communities where we are present — including Rio Tinto Alcan's home base here in Montreal.

We are progressing with the implementation of a hub structure at our offices here in Montreal. This will see functions such as human resources, communications and external relations, finance, purchasing and information technology for all our Canadian operations serviced from this location. This is a clear demonstration of our intention to leverage Rio Tinto Alcan's established presence in Montreal in order to further enhance the important role we envisage for Canada and Montreal in terms of Rio Tinto's growth here.

In recent months we have announced that Rio Tinto Alcan will maintain its significant community commitments through the creation of a foundation to be endowed with CDN\$200 million over five years. This will ensure the continuation of

significant contributions such as our CDN\$4 million contribution towards the building of the new Rio Tinto Alcan Planetarium; our CDN\$1 million donation to the Montreal Neurological Institute; and numerous commitments in Quebec and North-West British Columbia.

We intend to continue Alcan's role as a champion of Canada and Quebec and build upon our positive economic and social legacy by continuing with investments that will create opportunity and value.

Combating climate change

In that regard, I would like to say a few words about Rio Tinto's commitment to help combat climate change. We believe — like most credible experts — that GHG emissions from human activities do contribute to climate change. Accordingly, we aim to limit, to the greatest extent possible, the environmental footprint of Rio Tinto operations around the world.

In 2007, Rio Tinto was one of only four companies worldwide and one of only two carbon intensive companies to achieve a perfect score in the Carbon Disclosure Project's Climate Disclosure Leadership Index. We were ranked number one globally in the Mining and Metals Sector. CDP has become the gold standard for carbon disclosure methodology and process. Alcan was also included in the CDP Climate Leader's Index and was ranked number one for climate disclosure in the high carbon impact sector of the Canada 200 Report.

Rio Tinto is an active member of the United States Climate Action Partnership (USCAP), a group of businesses and leading environmental organizations that have come together to call on the federal government to quickly enact strong national legislation to require significant reductions of greenhouse gas emissions. In Canada, Dick Evans, chief executive of Rio Tinto Alcan, recently co-chaired the Canadian Council of Chief Executives' Climate Change Task force. Between 1990 and 2005, total emission intensity at the former Alcan operations was reduced by 25 percent, while primary aluminium production increased by 40 percent.

During that same period, overall PFC emissions per unit of production were reduced by 80 percent. Just recently, Rio Tinto Alcan committed to achieving an additional 10 percent reduction in the intensity of direct GHG emissions by 2010.

Climate change is a shared problem that will require the combined efforts of government, industry and the public to solve. Moreover, international cooperation is required to help ensure that the mitigation burden is shared in as equitable a manner as possible. However, it is crucial that the interests and concerns of business are clearly heard by governments as they develop the requisite policy framework.

I don't say that simply because business has a vital role to play in delivering emissions reductions. The fact is, the private sector understands and routinely works with innovation, technology, investment and risk. Given a supportive and well-specified policy framework, I am confident that industry can provide the required solutions on climate change.

To our way of thinking, there is no single silver bullet that will reduce greenhouse gas emissions and halt climate change. We favour a pragmatic approach in the form of comprehensive policy packages — tailored to regional, national and sub-national circumstances — that would be environmentally effective, economically efficient and socially equitable.

I am aware of the recent groundswell for a cap-and-trade system in Canada and that some, including the Quebec government, have suggested the Montreal Exchange as the place where businesses could do their carbon trading. Some other jurisdictions are proposing alternative solutions. While we laud the various governments, including Quebec, for their good intentions — and appreciate that they are coming at the problem from differing perspectives — Rio Tinto will encourage coordination on emerging climate policies.

The key here is to avoid ending up with a patchwork of overlapping and/or conflicting schemes that would increase costs and distort investment and trade. Governments must work together to develop common approaches on climate change that will give businesses the security of knowing the rules and how they will be applied, both domestically and internationally.

The macro-economic climate

I'd like to turn my attention now from climate change to the macro-economic climate — and the global outlook for mining and metals. I think it especially important during times of market volatility to stand back, take a deep breath and consider the broader picture.

While North America worries about the housing slump, the credit crunch and a contracting economy, China's GDP expanded last year at its strongest pace in 13 years, marking the fifth straight year of double-digit growth. Moreover, double-digit economic growth is expected to continue in China during 2008.

There is a tendency to think of China's burgeoning economy being powered by exports, particularly exports to the US. But that is not really the story anymore. The direction has changed to one of internal demand, driven by industrialisation and urbanisation. Chinese industrial production was up by 18.5 per cent last year and urban investment by 25 per cent. In aluminium, over the past six years, China has accounted for over 60% of the increase in primary consumption and in 2007, China consumed roughly 33% of the world's aluminium.

Given the current focus on economic woes in the United States, there's a perception that mining and metals may once again face declining demand and over-capacity. That is not how we see it. Important as the US is to the world economy, it is not as influential as it once was on global demand for metals and minerals. The supply side of metals such as iron ore, coal and aluminium remains very tight and demand is higher than ever. One of our major competitors recently secured this year's iron ore contract with Chinese companies at prices up to 71 per cent higher than last year – a clear sign that supply and demand continue to be driven by economic fundamentals, not stock markets.

We are firmly of the view that we are seeing an economic buffering of the Chinese economy on one hand and the West, especially the US, on the other. Consequently, we don't think a recession in the US will have a significant impact on the demand for steel, copper and aluminium in China. Our estimate is that, if there is a recession in the US, the impact on Chinese GDP growth will be on the order of one percent or less.

The market for the industrial mineral borates, which Rio Tinto produces in California, illustrates this quite well. Demand has slowed in the US because of the housing slump. Yet we can't produce enough boric acid to satisfy increased demand in China. China has more than made up for the softness in the US market. The same is true of talc and other industrial minerals.

So, yes, there has been considerable selling pressure on commodity markets in recent weeks, as investors nervous about the US economy cashed in on recent record prices and sought safe havens in cash and government bonds. Still, prices for most commodities that Rio Tinto produces remain at levels we could only dream about not so long ago. From when I started in the late 1970s all the way through to

the 1990s, we saw demand growth rates falling and prices steadily declining in real terms. Many of us can remember 60 cent copper, two dollar nickel and 50 cent aluminium. And this was only a few years back. Even after shedding 8% from recent record highs, aluminium is trading this week in the US\$1.35 range — a far cry from 50 cents.

Notwithstanding the recent sell-off, we remain bullish over the longer-term prospects and expect that increased demand from emerging markets like China and — a little further out — India will continue to underpin commodity prices for years to come.

Providing a bridge to Asia

Which leads me to the next point I wish to make here today. To compete successfully in the 21st century global marketplace — particularly in the mining and metals sector — Canada and Quebec must be closely attuned to global trends and able to factor them into their trade and industrial strategies.

Rio Tinto sees itself very much as Canada's partner in this regard. We saw the China opportunity early on and are well positioned to capitalize — be it through our strategically located iron ore assets in Australia or a low-cost, state-of-the-art aluminium business here in Canada.

In that context, the coming together of Rio Tinto and Alcan is a very good thing. Rio Tinto represents a crucial “bridge to Asia” for Canadians, creating jobs and opportunity right here, while fuelling an incredible economic transformation on the other side of the world.

An exciting growth story

Against that global backdrop, our significant investments over the past few years to expand Rio Tinto's capacity are paying off. This was reflected in 2007 production records for key products like iron ore, copper, alumina and primary aluminium. And our future looks even more exciting, thanks to a pipeline of growth opportunities among the best in the global industry.

With regard to iron ore, for instance, we have mapped out a conceptual pathway that will lead to production of over 600 million tonnes per annum, including 420 million tonnes from the Pilbara region in Western Australia.

In copper, the Oyu Tolgoi copper project in Mongolia – owned by Ivanhoe Mines Ltd. of Vancouver, in which Rio Tinto currently holds a 10 per cent interest – is one of four of the largest undeveloped copper projects in the world in which Rio Tinto has an interest. Our Copper Projects group is also heading up the development of La Granja in Peru, and Resolution in Arizona.

Concluding remarks

To sum up, Rio Tinto aims to be the best mining company in the world: global in outlook, while sensitive and responsive to national and local issues; efficient and able to capture the benefits of scale; organised in a way that streamlines decision making; and being the 'preferred developer' in countries and communities where we wish to operate.

We believe the demand outlook for our products remains exceptional, based upon fundamental demographic and economic shifts that are reshaping today's world. So I'm very excited about Rio Tinto's future. And, as I hope I have made clear here today, Canada and Quebec clearly stand to benefit from our success in capitalizing on the worldwide minerals boom.

In acquiring Alcan, we made major commitments to Quebec and Canada. You may rest assured that we intend to honour those commitments. I am delighted to count Canada, Quebec, and Montreal, as key partners with Rio Tinto in building value for our shareholders, employees and communities. And Canada, in turn, can count on Rio Tinto – we are here for the long haul.

Thank you very much. *Merci.*