Rio Tinto

Liam Fitzpatrick (Deutsche Bank): Good morning. So one question to start with on Simandou. It seems like we're getting successive delays. Can you give a bit more colour on what's causing it, any insights on the sticking points, and are you still committed to participating?

Jakob Stausholm: Look, this is a massive project and you have to align quite a few stakeholders, several joint venture partners from China, ourselves and the government of Guinea; not an easy negotiation. But it's actually gone pretty fast and it's my assessment that we're doing very, very well on it. I'd much rather have tension when you negotiate and then really agree on things, so when you get into execution you don't suddenly realise 'No, I don't like this,' and I think that's exactly what is happening now. The Government of Guinea have hired really good advisors, have gone through it very, very thoroughly and of course raised some issues, and Bold and the whole team is, right now, in Conakry and I'm very optimistic. I mean, ultimately, you only have an agreement when you have ink on the paper, but it's actually progressing very well.

Liam Fitzpatrick: I've got a good follow-up, slightly linked, on the iron ore market. You're now in a position to lift volumes with Gudai-Darri, but you've also given quite a cautious outlook. So, would you be comfortable keeping volumes around current levels for the foreseeable future, until there's a visible recovery in the market?

Jakob Stausholm: Well, right now we're simply sticking to our guidance. And, if you calculate backwards, you will see that that will require more production in the second half than in the first half, and we feel comfortable about that as we are ramping up Gudai-Darri, but, obviously, we will always look at the market conditions. But there is demand for our iron ore.

Richard Hatch (Berenberg): Good morning. Two questions. First one on ERA, you've talked a little bit about it this morning. Just on the numbers that I can put together, it looks like the rehabilitation of A$1.6 to A$2.2 billion. It was nearly A$1bn. You own 86% of the company. It's got about $800-900 million of funding. How should we think about the cash that goes into ERA and over what kind of time period, because, clearly, nobody's going to come in and buy it, so you've got to fund it. So how do we think about that?

Jakob Stausholm: Look, we're totally committed to make sure that the rehabilitation will happen and work hand-in-hand with the Traditional Owners, the Mirarr people. But, ultimately, you're asking a question that you actually have to ask to the board of ERA because it's a public-quoted company. Obviously, we're a big shareholder and we're just working with the board to try to figure out how can we most efficiently funnel in money to do the rehab? But we also have to be respectful for the remaining shareholders, who also have to contribute of course, and that's the dialogue we're going again. But there should be no doubt about the standards that we use, we stand behind; this will be rehab to the highest standards.

Richard Hatch: Thanks. And the follow-up's just on the dividend. I mean you've paid above your 40% to 60% range over the last few years, given the fact that you've made so much cash. I mean with capex increasing and, perhaps, the outlook being a little bit more uncertain, is it just prudent to assume that over, sort of, 2023-24, all things known, that you really revert back to the range, which is 40% to 60%, which I see is basically your last point on the last slide? So is that a sensible way to look at it, you know, 40% to 60% and don't expect to pay above that?

Jakob Stausholm: What do you think, Peter?

Peter Cunningham: Well, Richard, I think the key is that we're paying out on a very consistent basis at the interim; I mean 50%. I mean if you look at the first half of last year at this stage I think the iron ore price was double where it is today. I mean we are in a different context and we're just paying out and putting the decision, really, at the end of the year. And we'll have the full information at the end of the year as to the performance, and we'll take – the board will take a view of the outlook. So I think we're just being very consistent with what we've done in the past and following through with that, so just expect us to be consistent.

Paul Young (Goldman Sachs): Morning Jakob and Peter. First question's around the spend profile. Pretty challenging backdrop at the moment, hard to complete projects. You only spent $3.1 billion in the first half. That implies, based on the new guidance, a $9 billion run rate of spend in the second half. Is – Peter, is that actually achievable?

Peter Cunningham: So, Paul, what I'd say is I think that the second half is always stronger than the first half in spend, so that profile has been pretty consistent year-on-year is the first point that I'd make about the $3.1 billion we spend. I think the second thing is I think the sustaining capital we're spending at pretty consistent levels now year-on-year. We've built up – that $3.5 billion is where we're at. Most of the lower level of spend was in just rephasing of some of the development spend that we had and also the profile of decarbonisation spend, which was a bit slower this year and, as I said, will be more back-ended. So, honestly, don't read into the $3.1 billion of reprofiling. We're still in that $9 to $10 billion range going forward. I think you've got a bit of benefit there, tailwind from exchange, but you've also got other pressures in the system.

So that's our view. We'll give better guidance at the end of the year when we've got full information. As I did say, Simandou is in that guidance and exactly the timing that – of when things move forward is going to be important to that spend profile as well.

Jakob Stausholm: I mean, Paul, if I should just add one thing I've just spent a week in Mongolia. Look, first half we actually had a lot of COVID restrictions in a number of places, and suddenly, when I was there, the COVID restriction goes away and suddenly you can just get an awful lot more done. So have that in mind when you look at the numbers as well.

Paul Young: Thanks Jakob. And the follow-up question's on the performance of the Pilbara. This seems like you are starting to turn a corner; you're completing all those project tie-ins and, you know, Gudai-Darri is ramping up. That will give you some breathing space in 2023 before, you know, the next set of half a dozen or so replacement mines are required. But the question's actually on Gudai-Darri. I notice that, you know, this is a – it's been a long time in the making, this mine, but you don't talk about phase 2 anymore. That seems to be, you know, probably the highest returning project that you'd have in the Pilbara. Can you talk around, you know, the timing of Gudai-Darri phase 2? I know you're going to say that we need to ramp-up phase 1 first, but, you know, I think that will happen, you know, fairly quickly into the second – first half of next year. But what about phase 2, can you talk through that? Thanks.

Jakob Stausholm: Yeah, yeah, Peter. By all means, I would like to see phase 2 as well.

Peter Cunningham: Absolutely. So, Paul, you're exactly right, I mean the focus is on phase 1 in ramp-up. I mean the ramp-up profile we're, sort of, looking at is pretty similar to other mines we've had in the Pilbara in the past. So we need to move through that, get the Pilbara up – get Gudai-Darri up to the 43 million tonnes of the first phase, and, in parallel, you know, studies starting on the next phase, phase 2. So no change there, if you like, to the profile that we're working on.

Paul Young: Okay. Thank you.

Alain Gabriel (Morgan Stanley): Yes. Good morning, gentlemen. My question, is on the M&A strategy and, broadly speaking, on the lithium strategy. Can you expand on the comments you made on M&A, and do you have an increasing appetite for larger deals or are you still happy with your $1 or $2 billion smaller acquisitions in lithium? That's the first part of the question. Thanks.

Jakob Stausholm: It's a very good question. We have a very strong balance sheet, so we have the option, Alain, to do many things. But I tend to focus, actually, less on that side and more about the organisation and the strength of the organisation. I'm very keen on keeping our engineers very busy, but I'm also very keen on not overstretching them. And I think it's great that we have taken on Rincon, and I'm very, very keen on trying to figure out what it would take to find a path forward for the Jadar project as well. But there's just a limit on how many new projects we should undertake.

So it's a little bit that mindset I have, and therefore I'm not too excited about doing too many things on the M&A front. But we're looking at it, we have the optionality and, you know, as you have seen for a couple of months, asset prices are going down and then, of course, it becomes more attractive. But key for us starts with some very basic things: do we have the capacity to execute the things?; what are we adding?; why are we the best owner of the asset? And then the second part of it is, of course, try to not hit it at the top of the cycle.

Alain Gabriel: Thank you. And following up on the M&A as well. The acquisition process of Turquoise Hill appears to have exceeded the usual three to four months for the independent valuator to express a view. Are there any deadlines or milestones that you are working with at the moment, and by when should we expect a breakthrough there? Thank you.

Jakob Stausholm: Yeah. So TRQ, we put a lot of effort into thinking through and offering the shareholders a full – a fully-priced proposal. The board looked at it seriously and said 'This is a very serious offer,' and kicked off the Canadian process. It's a very rigorous process. To be quite frank, I haven't spent five minutes looking at the valuation since then because I want to be respectful to that process. The independent committee of the TRQ board will come back to us and I'll listen very carefully to it. I reckon that the market has changed, that copper assets are now trading, perhaps, 40% lower than before and therefore our alternative set – our set of alternatives are different. Strategically, I still think it's the right thing to simplify TRQ, but, quite frankly, let's let them finalise the process – I understand we're getting close to that – and then we'll have a fresh look at what is in the interest of you shareholders.

Danielle Chigumira (Credit Suisse): Thank you. Just a question on the decarbonisation spend. So the $1.5 billion over the next three years seems to be a bit more back-end weighted now. Can you talk a bit about your ability to spend that, and also any commentary around whether the cost, as in dollar per tonne of carbon reduced, has changed since you outlined the initial strategy last year?

Peter Cunningham: Thanks Danielle. I think the key is that we set out, when we set out the, sort of, targets, the 15% absolute reduction by 2025 and then 50% by 2030, since then we've done an awful lot to build the foundations of how we will get there. So building up the right capability within the organisation, really building up, sort of, some of the studies that are needed, because these projects are, kind of, really, really at the heart of a lot of our businesses, where we need to change things. So it's not something from day one you need to do. You need to actually go through the right studies and the right engineering to come up with these solutions.

So I think that's the sense I have now is that we've got really – we are building those foundations and we'll start in – as we get into the later of this year, into 2023 and 2024, really building up those projects and fully implementing them. So that's why more back-ended of the $1.5 billion.

I think in terms of price I think we're just working through that, so I wouldn't change where we're at in terms of the spend profile. We're working through all of that. But, at the moment, I think we're pretty fine with that guidance.

Danielle Chigumira: Great, thank you. And just the follow-up is on the co-management agreement with the PKKP. What does that mean on an operational basis? Does it mean changing mine plans, does it mean things take longer to implement? How should we think about that?

Jakob Stausholm: Yes. This is very close to my heart and we use it, now, everywhere, but it's actually a work that was very well-invented by PKKP. It's more than a year ago I started that discussion. I think it's a mindset of thinking about that. We are guests on their country and really that we just do things together. And there's something about signing agreements, but it's actually much more about what is happening in the field. And, in fact, what we also learn is we can do much better, poke us on things when we go hand-in-hand, so to say. You have representatives from Traditional Owners with yourself when you're out in the field, etc. We have actually operated very well like that, we've just never called it like that at our bauxite operations at Weipa in Queensland.

But we clearly had to improve our practices in Western Australia and, under that banner, we're changing everything. I can tell you, take a project like Gudai-Darri. We have changed the mine plan significantly by really listening carefully to the Traditional Owners.

And I also since now I had the opportunity to meet all the Traditional Owners that there is a different sentiment. I think people start seeing that we are listening and we are adjusting. We are – our people have never been as busy before because we are changing the mine plans a lot. But when we get them right it's sustainable because everybody wants to see it happening. Then it's actually for mutual benefit. So it's not just theory on paper. It's practice. It's how our engineers are working day-in and day-out.

Jatinder Goel (Exane BNP Paribas): Thank you, good morning. Question on capital allocation relating to your comments here Jakob you mentioned asset prices have come down. Does that make buy versus build more favourable towards buying because with asset prices wherever you can transact versus Capex inflation and the execution challenges that the entire industry is facing? But tying to that most of your future projects are also strategic then rather than optional. Can you do both a sizeable M&A plus continue with your organic growth as well?

Jakob Stausholm: Yeah, I mean, all else equal, you're right and – but I think I look at it also slightly different. We have so much already in the cupboard and that's what we're actually trying to progress. You've seen us really pushing Oyu Tolgoi forward and right now, as I said, the team is down in Conakry. And I want to see Simandou processing. And then it comes down to we only have the capacity to do so many things. So if we can progress all else equal the cheapest thing is to progress what you already have in the cupboard. But we are looking at the markets and yes it's been better priced now but who knows. It's not for us to call when the trough is. You only know that afterwards.

Jatinder Goel: Thank you. Just another follow-up on capital allocation was net cash balance sheet not strong enough to top up dividend with a special dividend if you wanted to stick to 50% payout? And then tied to that you've been constrained from buybacks because of Chinalco shareholding but that wasn't really a challenge where the share price was. But now do you feel you need to find a solution and is there any discussion with Australian regulators or Chinalco to solve with maybe Chinalco can participate proportionately and you can still take off with buybacks?

Peter Cunningham: Thanks very much for that. I think in terms of the balance sheet yes we had net cash but relatively small net cash. And I always think that kind of then making a commitment of $4.3 billion which, as we said, is our second-largest interim dividend. So that has – that has to be sort of factored in. So that's really in terms of balance sheet. But, as we said, we're just being very consistent on the dividend. 50% is our sort of, you know, normal level. It's where we place the ordinary dividend at the half of the year, putting the big decision to the end of the year when we've got full information. So that's on the first bit.

And in terms of buybacks, yes we've still got the same situation in terms of constraints on buybacks and at the moment no sort of change to that.

Hayden Bairstow (Macquarie): I'll get to follow up on some of the questions previously. Just around your comments on Simandou and the potential timing of that. Just looking at the aspirational Capex for the next 2023-2024 and sort of $1.5 billion a year. If you're committed to Simandou would that sort of remove any further options in terms of your capital allocation? If you've got the commitments you've already got in the rest of the business or is there still going to be scope for other potential new projects to come in?

Peter Cunningham: Thanks very much. When we talk about the $3 billion we've talked about the round as to what we would be willing to sort of commit on around growth. And there's been a number of options we've been working off in parallel. So Simandou is clearly a big component of that and I said there's absolutely room within the spend profile to accommodate what we see as potential spend on Simandou to the extent we do land on all the agreements. Would there be room? It depends. As we said, with the number of options that we're working on and so yes we have some flexibility to accommodate but it really just depends on timing and exactly when we – when we land the sort of studies on other options.

Hayden Bairstow: A follow-up to that would be just on capital allocation between the Pilbara and Simandou. Assuming it is approved and goes ahead I mean do you really start then assessing Pilbara – or Pilbara life extension options as opposed to expansions versus more investment in Guinea, pushing Simandou harder?

Jakob Stausholm: Look, so far I think we have two major iron ore assets, IOC and the Pilbara. And it has been sound to look at projects standalone in each of the assets. At some stage I hope we'll have three assets with Simandou as well. And we'll of course look at it in an integrated way, but my starting point is just the global seaborne iron ore market is 1.9 billion tonnes and it's – from that point of view I think you have to be careful of saying you get a little bit here, you have to be careful there. Right now there has been for a number of years a very good balance between supply and demand. And we need to be sure that our wonderful assets in Western Australia are up to snuff. That we are doing the rebuild over time so that we don't get behind the curve while we are also developing Simandou. It's also very important to remember that it's two different qualities. The quality of Simandou is the highest quality you can have. It's the only basically comparable to what has been produced in the northern part of Brazil so you're playing to different markets. You get opportunity, optionality in terms of how you can blend things, etc. So I actually see that the asset will strengthen the competitiveness of our Pilbara assets.

Robert Stein (CLSA): Hi, thanks for the update. Just a quick question on relationships with China with the new SOE being set up called the China Mineral Resources Group. I'm just wondering how that's going to impact how you think about marketing for your – for your Pilbara business as well as negotiation with the joint venture partners on Simandou? Arguably now they come under one banner and so will have a much more united approach. And so I'm just wondering how you're preparing your business for that change in market power.

Jakob Stausholm: Look, I think we need to step back and figure out what is – what is facts and what is rumours. I mean, we all know that there was an inaugural meeting of this entity the day before yesterday with senior representation in China. But how they will act in the market is rumours. And I don't want to speculate on that. I have no particular concern. We have worked for the last 50 years successfully with China for the benefit of Rio Tinto and I believe we have also been helpful in China developing its steel industry. So I am – I am very confident that that will continue.

Robert Stein: And just to follow up, does a change in how the sort of market's structured in that format give you an added impetus to invest in your business in Australia and

Simandou and the like to grow volumes where you arguably will have them taken off of you if you don't? Is that a way – is that a change in how the – how the strategy works here?

Jakob Stausholm: Well certainly we have not changed a single decision within Rio Tinto based upon the market rumours about this. So no I cannot see that linkage.

Lyndon Fagan (JP Morgan): Thanks very much. Just in regards to the decarbonisation Capex of $7.5 billion out to 2030, I guess it's now been some time since that was first announced. I'm wondering if you're able to share the potential returns on that number? I guess BHP's talked about the $4 billion spend with a negative $0.5 billion NPV. Is there an equivalent number we can think about for Rio's spend? And I guess the next question I had was related to slide 40. I was just interested to see the idea of using civil sized trucks in iron ore. And I'm wondering if you can maybe talk a bit more about this slide and when this project might be rolled out. And I guess when we might be able to see zero-emission mining trucks within the Rio business. Thanks.

Jakob Stausholm: That's a wonderful question that I happily pass on to Peter because I also like to know exactly the profitability. But I would say one thing. What has changed since last year is that the price of gas has gone up. The price of oil has gone up. And therefore all else equal the economics of renewable becomes better. But Peter?

Peter Cunningham: I think I just really go back to what I said at the seminar, at a reasonably modest carbon price we see this as value-accretive. But I think you have to stand back and just talk really about the de-risking of the business and the cash flows through effectively taking down the carbon intensity of our business. That's what this is all about. Is actually really making our business with a 50% absolute reduction much more resilient in the face of change and decarbonisation than before. Actually making the business ready for the opportunity as well because I think a lot of the conversation tends to go around the cost of decarbonisation but when we look at our portfolio we actually see more opportunity. Because fundamentally, in the world of decarbonisation, we're going to need more of pretty much all the products we produce. And so we've got to see this in the round with both I think making our business much more resilient through the work we're doing and setting ourselves the targets we are about Scope 1 & 2. But also positioning the business to take advantage of changing markets and the opportunities inherent within what is a very, very big change for the world. So thanks for the question.

In terms of the trucks, it's going to take a a bit of time. We are now doing the work to really understand what power do you get from trucks and it will take time. We're in – we're in an R&D stage working with OEMs around this so it will take time.

Myles Allsop (UBS): Great, thank you. Just first of all maybe on the balance sheet, so Peter you mentioned that we will see net cash move to net debt in the second half of the year. Could you give us a sense where you think, you know, net debt should ideally sit? Is it in that $5-10-15 billion range? You talked, you know, around a strong balance sheet but what does that mean in terms of absolute levels of net debt? That's the first question.

Peter Cunningham: Myles, I'm not going to put numbers on it because it changes through the cycle. I mean, actually committing to targets on net debt I think when prices are moving as much as they are. As we said, iron ore price this time last year was over $200 a tonne. It's half of that now. To actually set targets and manage that is too hard. What we're saying is that fundamentally we believe that a really strong balance sheet is the way that you have real flexibility and strategic options. And you can really act and drive the business consistently throughout the cycle. So will it be in net cash? Probably that's not going to be normal but will we'll run the net debt at a very sort of strong balance sheet. That's the way we think is the right way to run a balance sheet in this industry.

Myles Allsop: Okay. Maybe just on the Capex as well because I think, you know, it's a little bit concerning when we look at the cycle, look where commodity prices are, obviously look at the uncertainty around China and then, you know, we still hear that you're looking to increase Capex by sort of potentially over $2 billion year-on-year in 2029. And obviously that will have quite meaningful kind of implications for the amount of cash that can be returned to shareholders. But, you know, how much flexibility do you see within your Capex overall? You know, normally in a down cycle we see sustaining Capex come down. We see kind of growth projects sort of moderate and so on. But, you know, how should we think about your Capex in this cycle? Is it going to be more kind of resilient as you invest through the cycle and that impacts cash returns or will there be more flex on it than it looks like on your charts?

Jakob Stausholm: So allow me to open up here on the CFO question. But look this is – this is actually really fundamental. If we start adjusting our Capex programme because we think there is a recession in the next six months we've lost it. We're in for the long haul here. In fact, if you really think about it the best thing is to invest when you have a recession because that's where you can buy services cheap. We are absolutely convinced that we have the right investment profile going forward and whether there's going to be tailwind or headwind it should not affect the things. Obviously sometimes things become a little bit more expensive when you get inflation and we need to manage that very carefully but we fundamentally want to carry out the activities that we have planned to do.

Peter Cunningham: And Myles I'd add, it all ties to having a strong balance sheet because that enables us to be that consistent investor. And at the end of the day we want to have that level of sustaining capital in our business that keeps the assets, the integrity and the productive capacity of the assets through the cycle. We need to be investing in our development assets and replacement assets in that range that we've talked, again to keep our cash flow strong throughout the cycle in the long-term. And then because we do see positive markets for the future we want to take advantage where we have those value-accretive growth options to actually bring them forward. And we just want to be consistent through the cycle.

Alex Pearce (BMO): Thank you. So it's encouraging to see some improvement at IOC in the quarter. Can you remind us what the remaining bottlenecks are at that project so we can get a sense of when potentially you could be up to the full capacity there? And is it a case that you need to put this HBI investment in place to actually get to that full capacity?

Jakob Stausholm: Look, IOC is close to my heart as a business. I think it's a wonderful asset but we have probably run it pretty tight for many years. And it needs a little bit of care. Second quarter has been really, really encouraging. In fact we had a couple of really, really good months in April and May but then we had a longer shutdown in June and therefore on average it's kind of a little bit of an improvement. I'm very, very encouraged both with the new CEO and the management team there and how they're going about it. So it will come back to full capacity but I don't want to predict the time of it because when you're dealing with aged mining assets there is no line here development. There might be a few setbacks on the way but they're doing the right things right now. I think it's pretty good, yeah.

Amos Fletcher (Barclays): I just wanted to ask a question about your growth options at Jadar and Winu. You seem to be continuing your strategy of saying relatively little about what's actually happening on the ground there. I was just wondering can you give us some more detailed comments on project progress. What are the Board's internal deadlines and expectations for the next key stage gates, etc? Thank you.

Peter Cunningham: Thanks very much. I think the focus is very much and should be on Traditional Owner engagement and on the approvals process. And that – those processes are underway and will take the time they take to get right. So that's why we're not putting timeframes against it because I think that those processes are just ones that we need to do at the right pace and move forward. So that's where Winu stands. Thanks for the question.

Tyler Broda (RBC Capital Markets): Great, thanks very much and thanks for the call. I just wanted to touch on the MoU with Ford. Clearly auto companies are moving closer to the miners with the shifts in batteries and some of the evolutions there. I just wondered if you could walk through a bit on this MoU sort of what it means right now, where you could see it going. And then I guess on a wider basis, you know, sort of how do you see things evolve from Rio's positioning on, you know, providing offtake? Do you get premiums for these products? How do you – how do you see this evolving over time? Thank you.

Jakob Stausholm: It is very important. It's - by definition - still just an MoU. So a lot of things need to be sorted going forward but what you see and I have over the last three months met most of the automaker CEOs and there's a very, very changed mindset. Because what you see now is that EVs is happening now and it's an irreversible process because in the beginning, you know, people are afraid of investing in the new platforms of EV but now all the automakers have done it and they really have to scale that up. And suddenly they're all realising that some of the bottlenecks are actually in the materials. That's the one dimension and the other thing is they're making commitments about that their products will have less CO_2 in them. And then for both reasons we become very, very relevant. We become relevant in terms of that we will be able to produce lithium I hope one day in Europe. We are producing in the US. We will be producing in Argentina. But we're also very relevant that we're producing some of the lowest CO_2 aluminium in the world. So it's a kind of a – it's a different kind of partnership with end customers that we can start forming compared to history of very much commodity trade from our side. So it's – the world is changing in the commercial landscape and I find it very exciting. Thank you.

Glynn Lawcock (UBS): Good morning Jakob. I was wondering if you could just drill down a little bit on Traditional Owner engagement. Just wondering if you could give me some concrete evidence of progress. I note in the presentation you mentioned Western Range and some movement there. I mean, have we got to a point where – that Western Range is approved? Or is it still just progress? I guess it goes to Amos's question too on Winu where Peter said engagement will take time but you've been saying that for a while now and I just wondered if you can give me some concrete evidence anywhere where you actually are making progress. And in answering that as well I think six months ago you made the comment "Approach and appropriate remedy for destruction of Juukan Gorge has substantially progressed". Are we getting close to a remedy and is that going to be a dollar figure? And if it is can you give me any sense what that might be? Thanks.

Jakob Stausholm: So, of course, we as a company we like to be very logical and set a timeline, etc. It doesn't work like that. You cannot impose a timeline on recovery with another party. What I would focus on is you're asking for datapoint, is just to see how the relationship have changed from visit to visit. It's of course not me who are making the difference but when I meet people and they appear differently it's because our people have done a super job. So for example, I have been several times to Gudai-Darri and we were struggling to have the right – the right engagement there. And when we went there as a whole Board two months ago we had the most beautiful session with the Traditional Owners. And that's what I've seen as well. PKKP is difficult. Not difficult, they're amazing people but they have just gone through so much pain. And you just have to recognise that. But it is – it is real. I was not at the signing ceremony, our chairman was there and it was a very emotional event.

On Western Range, yes we are working hand-in-hand. We are very aligned with the Yinhawangka people on how the mine plan should look like for the Western Range. So from every new trip I take to Western Australia I get new data points that things are absolutely heading in the right direction. I don't even ask should they go faster or slower. I actually think it's happening as fast as it can happen. You cannot expect that such things are just changing from one day to another.

Lachlan Shaw (UBS): Just to follow up Glynn's question there by turning that around on Traditional Owner engagement. How much time do you think – you know, we're talking the big projects. How much time is involved? How much longer are those projects taking to get through the additional processes now?

Jakob Stausholm: I don't know whether it takes that much longer. I think we always have to fight bottlenecks within ourselves. I think it's more work to do mine plans, that's for sure. And you will have bottlenecks within your own company. You will have bottlenecks in terms of capacity of participation from the Traditional Owners. You also have bottlenecks in state governments to get approvals, etc. But, you know, how much longer? We have always had that in a way and I think the trick is to not see them going longer. Time will tell but what I see is that we are progressing, for example the Western Range. I'm actually very impressed. We have quite frankly been a bit slow on Western Range for many years and now lately we have really progressed it fast. And I think that is actually telling it's not about slowing down things to work with the Traditional Owners. It's actually there you can find solutions and move forward.

[ENDS]