

RioTinto

Rio Tinto plc

(incorporated and registered in England and Wales with registered number 719885)

Proposed disposal of Coal & Allied Industries Limited

to

Yancoal Australia Limited

and

Notice of Rio Tinto plc General Meeting

Shareholder Helpline

0800 435 021 (within the United Kingdom)

+44 (0) 370 703 6364 (outside the United Kingdom)

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If you have sold or otherwise transferred all of your Rio Tinto plc Shares, please send this document, together with the accompanying Proxy Form, as soon as possible to the purchaser or transferee, or to the stockbroker, bank or other agent through or to whom the sale or transfer was effected for delivery to the purchaser or transferee. The release, publication or distribution of this document in certain jurisdictions other than the United Kingdom may be restricted by laws of those jurisdictions and therefore persons in such jurisdictions into which this document is released, published or distributed should inform themselves about and observe any such restrictions.

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Proposed disposal of Coal & Allied Industries Limited

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Yancoal Australia Limited

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Notice of Rio Tinto plc General Meeting

This document should be read as a whole. Your attention is drawn to the letter from the Chairman of Rio Tinto which is set out on pages 4 to 8 of this document and which contains the recommendation of the Board that you vote in favour of the Transaction and the resolution to be proposed at the Rio Tinto plc General Meeting convened by the notice set out in this document.

Notice of the Rio Tinto plc General Meeting, to be held at 11.00 a.m. on 27 June 2017 at The Queen Elizabeth II Conference Centre, Broad Sanctuary, Westminster, London, SW1P 3EE, United Kingdom, is set out at the end of this document. Rio Tinto plc Shareholders will find enclosed with this document a Proxy Form for use in connection with the Rio Tinto plc General Meeting. To be valid, the Proxy Form should be completed, signed and returned, with any power of attorney under which it is executed (or a duly certified copy of any such power), to the transfer office of Rio Tinto plc at Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS99 6ZY, United Kingdom as soon as possible and in any event by no later than 11.00 a.m. on 23 June 2017.

As an alternative to completing a hard copy Form of Proxy, Rio Tinto plc Shareholders can appoint a proxy by electronic means by visiting www.computershare.co.uk/eproxy. Further details are set out in the notes to the Notice of the Rio Tinto plc General Meeting at the end of this document. If you hold Rio Tinto plc Shares in CREST, you may use the CREST electronic proxy appointment service, instructions for which are contained in note 6 to the Notice of the Rio Tinto plc General Meeting at the end of this document.

Completion and return of a completed Proxy Form, Electronic Proxy Appointment or CREST proxy instruction will not prevent you from attending and voting in person at the Rio Tinto plc General Meeting, or any adjournment thereof, if you so wish and are so entitled.

If you hold Rio Tinto plc ADRs, you will receive an ADR Voting Instruction Card from the ADR Depositary which will enable you to vote in respect of the matters to be considered at the Rio Tinto plc General Meeting.

This document does not constitute or form part of any offer or invitation to purchase, otherwise acquire, subscribe for, sell, otherwise dispose of or issue, or any solicitation of any offer to sell, otherwise dispose of, issue, purchase, otherwise acquire or subscribe for, any security.

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IMPORTANT INFORMATION

Rio Tinto plc Shareholders should rely only on the information contained in this document. No person has been authorised to give any information or to make any representations other than those contained in this document in connection with the Transaction and, if given or made, such information or representations must not be relied upon as having been authorised by or on behalf of Rio Tinto, the Directors or Deutsche Bank. No representation or warranty, express or implied, is made by Deutsche Bank as to the accuracy or completeness of such information, and nothing contained in this document is, or shall be relied upon as, a promise or representation by Deutsche Bank as to the past, present or future.

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PRESENTATION OF INFORMATION

Unless otherwise indicated, financial information for Coal & Allied Industries in this document is presented in US\$ and has been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board and interpretations issued from time to time by the IFRS Interpretations Committee which are mandatory as at 31 December 2016. Certain figures included in this document have been subject to rounding adjustments.

DEFINITIONS

Some words and expressions used in this document have defined meanings, which are set out in Part III (*Definitions*) of this document. A reference to time in this document is to London time (unless otherwise stated) for events in the UK or Australian Eastern Standard Time (unless otherwise stated) for events occurring in Australia.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This document contains statements which constitute “forward-looking statements” about Rio Tinto. The words “intend”, “aim”, “project”, “anticipate”, “estimate”, “plan”, “believes”, “expects”, “may”, “should”, “will”, or similar expressions, commonly identify such forward-looking statements.

Examples of forward-looking statements in this document include, among others, statements regarding the proposed Transaction; the financial condition, results of operations or economic conditions affecting the business of Rio Tinto; future implications of the Transaction; and management plans and objectives. Forward-looking statements involve known and unknown risks, uncertainties, assumptions and other factors set forth in this document that are beyond Rio Tinto's control.

In light of these risks, uncertainties and assumptions, actual results could be materially different from projected future results expressed or implied by these forward-looking statements which speak only as at the date of this document. Except as required by applicable regulations or by law, Rio Tinto does not undertake any obligation to publicly update or revise any forward-looking statements, whether as a result of new information or future events. Rio Tinto cannot guarantee that its forward-looking statements will not differ materially from actual results.

The date of this document is 19 May 2017.

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LETTER FROM THE CHAIRMAN OF RIO TINTO

Rio Tinto plc

(Incorporated and registered in England and Wales
with registered number 719885)

Registered and Head Office:

6 St James's Square,
London, SW1Y 4AD,
United Kingdom

19 May 2017

Dear Shareholder

Proposed disposal of Rio Tinto's shareholding in Coal & Allied Industries to Yancoal

1 Introduction

On 24 January 2017, Rio Tinto announced that it had reached a binding agreement for the sale of its 100 per cent. interest in the issued share capital of Coal & Allied Industries to Yancoal. Under the Transaction, the total purchase price payable by Yancoal amounts to US\$2.45 billion, comprising:

- an initial payment of US\$1.95 billion, payable at completion of the Transaction; and
- US\$500 million in aggregate deferred cash payments, payable as annual instalments of US\$100 million over the five years following completion of the Transaction.

After the Transaction is completed, Rio Tinto will potentially also be entitled to royalties.

Subject to all approvals and other conditions precedent being satisfied, it is expected that the Transaction will complete during the third quarter of 2017.

Under the UK Listing Rules, a transaction (other than a transaction in the ordinary course of business) between a listed company and a related party requires the approval of the shareholders of the listed company. For the purposes of the UK Listing Rules, Yancoal is considered to be a related party of Rio Tinto and the Transaction is considered to be a related party transaction requiring the approval of Rio Tinto Shareholders.

Under the ASX Listing Rules, the acquisition or disposal of a substantial asset by a listed company from or to a person in a position of influence requires the approval of the shareholders of the listed company. For the purposes of the ASX Listing Rules, Coal & Allied Industries is considered to be a substantial asset of Rio Tinto and Yancoal is considered to be a person in a position of influence in relation to Rio Tinto, and the Transaction is accordingly considered to be a transaction requiring the approval of Rio Tinto Shareholders.

Accordingly, the Rio Tinto plc General Meeting has been convened for 11.00 a.m. on 27 June 2017 at The Queen Elizabeth II Conference Centre, Broad Sanctuary, Westminster, London, SW1P 3EE, United Kingdom and the Rio Tinto Limited General Meeting has been convened for 11.00 a.m. (Australian Eastern Standard Time) on 29 June 2017 at the Grand Ballroom, The Westin Sydney, 1 Martin Place, Sydney, New South Wales, Australia. As a Rio Tinto plc Shareholder, you will be asked to approve the Transaction at the Rio Tinto plc General Meeting.

The Board considers the Transaction to be fair and reasonable as far as Rio Tinto plc Shareholders are concerned and in the best interests of Rio Tinto Shareholders as a whole. Accordingly, the Board recommends that you vote in favour of the Resolution as each member of the Board intends to do in respect of any Rio Tinto Shares over which he or she has voting control.

2 Background to and reasons for the Transaction

The divestment of Coal & Allied Industries is consistent with Rio Tinto's strategy of continuously reviewing its asset portfolio and seeking attractive opportunities for the most effective re-allocation of capital to ensure Rio Tinto delivers superior returns for its shareholders. Rio Tinto has announced or completed at least US\$7.7 billion of divestments since 2013. The Transaction represents the latest divestment undertaken by Rio Tinto to ensure the most effective use of capital and delivery of returns for Rio Tinto Shareholders.

These recent divestments include the sale of Rio Tinto's interests in the Clermont coal mine, the Bengalla coal mine and the Mount Pleasant coal project. In addition, prior to the sale of Rio Tinto's interest in the Bengalla coal mine and the Mount Pleasant coal project, a restructuring of the ownership of Coal & Allied Industries' assets was completed in 2016 with the Mitsubishi Group (Rio Tinto's joint venture partner) pursuant to which Rio Tinto agreed to assume 100 per cent. ownership of Coal & Allied Industries and the Mitsubishi Group agreed to move from holding a 20 per cent. interest in Coal & Allied Industries to holding a direct 32.4 per cent. interest in the Hunter Valley Joint Venture.

The Transaction represents the culmination of an extensive assessment of all strategic options for Coal & Allied Industries' assets. Rio Tinto has conducted a comprehensive market testing and price discovery process and has held extensive discussions with several potential acquirers of Coal & Allied Industries' assets. The Board of Rio Tinto believes that the terms of the Coal & Allied Industries sale, which have been agreed with Yancoal, represent compelling value for Rio Tinto Shareholders.

Yancoal is listed on the ASX. Rio Tinto understands that Yancoal owns and operates a portfolio of nine coal mines, numerous projects under feasibility study, a suite of exploration assets and infrastructure shareholdings across NSW, Queensland and Western Australia.

3 Business description

Coal & Allied Industries is the holding company for Rio Tinto's thermal coal business in the Hunter Valley region of NSW. Coal & Allied Industries owns and operates multiple, multi-seam open cut mines in the Hunter Valley. It has a 67.6 per cent. interest in the Hunter Valley Operations mine, an 80 per cent. interest in the Mount Thorley mine, a 55.6 per cent. interest in the Warkworth mine, a 36.5 per cent. interest in Port Waratah Coal Services (which owns a coal export terminal located at the Port of Newcastle) and other undeveloped coal assets, including various landholdings.

The Hunter Valley Operations, Mount Thorley and Warkworth mines together produced 25.9 million tonnes of saleable thermal and semi-soft coking coal in 2016 (17.1 million tonnes being Rio Tinto's share). The net assets subject to the Transaction had earnings before tax of US\$258 million in the year to 31 December 2016, and a gross asset value attributable to them of US\$1,418 million as at 31 December 2016.¹

Recent geopolitical developments have led to volatility permeating across global markets and this volatility is expected to remain an ongoing feature of seaborne coal markets. However, thermal coal is a cost-effective and abundant energy source that plays an important role in the global energy mix and its medium to long term demand outlook remains sound even if pricing could be more volatile.

Last year saw significant changes in the supply and demand balance, driving spot prices for both thermal and metallurgical coal from low levels early in 2016 to favourable highs in the second half of the year. The changing market dynamics were primarily driven by changes in Chinese policy, curtailing supply through the implementation of restricted operating days for coal mines. This directive has since been relaxed, however uncertainties are likely to continue to affect coal markets in the short to medium term.

Even though market prices for both thermal and metallurgical coal remain firm, producers are wary of the potential for rapid fluctuations in market conditions. Ongoing achievements by Coal & Allied Industries in reducing costs and improving productivity at its operations in the Hunter Valley have ensured they are well positioned to be resilient for changes in the macro-economic environment.

In the medium to long term, it is anticipated that strong energy demand in the developing economies, particularly China and India, combined with the rising costs and logistical constraints associated with domestic production in these countries, will provide some support for seaborne thermal and metallurgical coal markets.

4 Key terms of the Transaction

Completion of the Transaction will deliver to Rio Tinto an initial cash payment of US\$1.95 billion, payable at completion and US\$500 million in aggregate deferred cash payments, payable as annual instalments of US\$100 million over the five years following completion of the Transaction.

¹ This financial information has been prepared under International Accounting Standards and Rio Tinto accounting policies, and reflects the financial results attributable to the net assets subject of the sale to Yancoal. The financial information given above reflects the results of a restructure to the Coal & Allied Industries group completed on 3 February 2016 in which Rio Tinto obtained 100 per cent. ownership of Coal & Allied Industries and a 67.6 per cent. interest in the Hunter Valley Operations joint venture. Earnings before tax and gross assets attributable to Coal & Allied Industries' former ownership of the Mount Pleasant project and a 40 per cent. interest in the Bengalla joint venture have been excluded.

In addition, Rio Tinto will become entitled to a quarterly coal price linked royalty calculated as US\$2 per tonne (subject to an annual Australian CPI adjustment over the term of the royalty) of attributable saleable production (excluding certain production) from subsidiaries of Coal & Allied Industries, for a period of 10 years beginning on the third anniversary of completion. This royalty will be payable if the Newcastle benchmark thermal coal price exceeds US\$75 per tonne (subject to an annual Australian CPI adjustment over the term of the royalty). The aggregate amount of royalties is subject to a US\$650 million cap.

In addition to the cash consideration payable by Yancoal upon completion of the Transaction and Rio Tinto's future royalties entitlement:

- earnings and cash flow generated by Coal & Allied Industries until completion of the Transaction will continue for the benefit of Rio Tinto (with the exception of sales proceeds generated from the potential sale of the Minmi landholdings in the Lower Hunter Valley. To the extent realised, any such sales proceeds would not be material in the context of Coal & Allied Industries or the Transaction);
- Yancoal will assume an agreed base working capital value for Coal & Allied Industries of negative A\$161 million and there will be customary completion adjustments for the working capital variance and any net debt of Coal & Allied Industries as at the effective completion time;
- there will be a reduction of US\$90 million to the consideration payable by Yancoal if certain outstanding subordinate approvals relevant to the Warkworth mine are not obtained within five years of completion of the Transaction; and
- Yancoal will assume Rio Tinto's coal supply obligations in relation to BLCP under the Coal Supply and Transportation Agreement and Yancoal will continue to use Rio Tinto Marine's freight services for the sea freight component of such agreement.

The SPA contains customary terms and conditions that restrict Rio Tinto from soliciting a competing proposal from any third party, or entering into negotiations or discussions in relation to a competing proposal with any third party, subject to customary exceptions if the Board determines that a competing proposal is (or is reasonably likely to become) a superior proposal available to Rio Tinto and that compliance with the restriction would constitute a breach of their fiduciary or statutory duties. Please refer to section 5 of Part I (*Details of the Transaction*) for further information.

In accordance with Rio Tinto's obligations under the HVO Joint Venture Agreement, Rio Tinto will procure that Yancoal also make a 'tag' offer to the relevant Mitsubishi Group member to acquire its 32.4 per cent. interest in the Hunter Valley Joint Venture, subject to any contrary arrangements agreed between Yancoal and the Mitsubishi Group. Please refer to section 6 of Part I (*Details of the Transaction*) for further information.

5 Financial effect of the Transaction

Completion of the Transaction is not expected to have a material impact on Rio Tinto's earnings per share.

6 Use of proceeds

Rio Tinto will use the consideration received from the Transaction for general corporate purposes. In the near term, completion of the Transaction will reduce the net indebtedness of Rio Tinto.

7 Risks, regulatory consents and other conditions to the Transaction

Prior to making any decision to vote in favour of the proposed Transaction, Rio Tinto Shareholders should carefully consider, together with all other information contained in this document, the specific factors and risks described below. Rio Tinto considers the following to be the main factors relating to the Transaction for Rio Tinto Shareholders to consider:

- Rio Tinto Shareholders might disagree with the assessment of the Board as to the value of the interests which Yancoal is acquiring under the Transaction and whether Yancoal is paying a sufficient price for those interests.
- Rio Tinto Shareholders might believe that commodity prices in the future will outperform current expectations and that, therefore, the price that Yancoal is paying in connection with the Transaction does not adequately compensate Rio Tinto Shareholders for the divestment of Coal & Allied Industries.

- Rio Tinto Shareholders might also wish to retain exposure to the interests being sold as part of the Transaction and to share in the potential value that could be generated by Coal & Allied Industries in the future.

Yancoal intends to fund the Transaction by way of a capital raising and pro-rata renounceable rights issue of ordinary shares. The Yancoal rights issue is expected to occur in the third quarter of 2017.

The Transaction is subject to certain conditions being satisfied, including regulatory approvals (approval from the NSW Minister for Resources, Chinese regulatory approvals, Chinese anti-trust approval, South Korean anti-trust approval, which was received on 26 April 2017, and Australian foreign investment approval, receipt of which was confirmed by Yancoal in an announcement on 13 April 2017) and consent from BLCF to the novation to a Yancoal Group entity of all the rights and obligations of Rio Tinto under the Coal Supply and Transportation Agreement (or the establishment of alternative supply arrangements). The Transaction is also subject to a vote by the shareholders of Yanzhou. Yankuang, which owns 56 per cent. of Yanzhou, has irrevocably undertaken to vote in favour of the Transaction at the Yanzhou shareholder meeting.

There is a risk that one or more of these conditions may not be satisfied, which could cause the Transaction not to complete.

8 Rio Tinto General Meetings

The Transaction is a related party transaction for the purposes of the UK Listing Rules and requires shareholder approval pursuant to those rules as well as under the ASX Listing Rules.

Under the UK Listing Rules, any person who is entitled to exercise, or to control the exercise of, 10 per cent. or more of the votes able to be cast on all or substantially all matters at general meetings of a listed company is considered, with its associates, to be a related party of that listed company.

Chinalco holds a 13.10 per cent. interest in Rio Tinto plc through Shining Prospect Pte. Ltd. Therefore, Chinalco and its associates are considered to be related parties of Rio Tinto plc. Chinalco is controlled by the State-owned Assets Supervision and Administration Commission of the State Council of the People's Republic of China. Accordingly, under the UK Listing Rules any state-owned entity ultimately controlled by the State Council of the People's Republic of China is considered to be an associate of Chinalco and a related party of Rio Tinto.

Yancoal is 78 per cent. owned by Yanzhou and Yanzhou is 56 per cent. owned by Yankuang. Yankuang is controlled by the State-owned Assets Supervision and Administration Commission of Shandong Province in the People's Republic of China. Under the UK Listing Rules, Yancoal is considered to be an associate of Chinalco and therefore also a related party of Rio Tinto.

Accordingly, the Transaction is a related party transaction requiring Rio Tinto Shareholder approval pursuant to UK Listing Rule 11.1.7. Since the Transaction is between Rio Tinto and Yancoal, Yancoal has undertaken not to vote on the Resolution at the Rio Tinto plc General Meeting and the Rio Tinto Limited General Meeting and to take all reasonable steps to ensure that its associates will not vote on the Resolution at such meetings. As at 17 May 2017, being the latest practicable date prior to the publication of this document, Rio Tinto was not aware that Yancoal held any Rio Tinto Shares. As the Transaction is classified as a Class 2 transaction under the UK Listing Rules, Rio Tinto Shareholders will not be asked to approve the Transaction for the purposes of Chapter 10 of the UK Listing Rules.

Yancoal is also considered to be an associate of Chinalco for the purposes of ASX Listing Rule 10.1 as a result of Chinalco and Yankuang each being owned by Chinese state-owned entities as described above. Since Coal & Allied Industries is considered a substantial asset of Rio Tinto, the Transaction also requires Rio Tinto Shareholder approval pursuant to ASX Listing Rule 10.1.

Accordingly, the Transaction is conditional on shareholders at the Rio Tinto plc General Meeting and the Rio Tinto Limited General Meeting approving the Transaction as a joint electorate by way of ordinary resolution. The Rio Tinto plc General Meeting will be held at 11.00 a.m. on 27 June 2017 and the Rio Tinto Limited General Meeting will be held at 11.00 a.m. (Australian Eastern Standard Time) on 29 June 2017. The Notice convening the Rio Tinto plc General Meeting is set out at the end of this document.

The result of the vote to approve the Transaction under the joint electorate procedure will be determined when the relevant polls are closed at the end of the Rio Tinto Limited General Meeting. The overall results will be announced to the relevant stock exchanges and posted on Rio Tinto's website shortly after the end of that meeting.

9 Action to be taken

You will find enclosed a Proxy Form for use at the Rio Tinto plc General Meeting. Whether or not you intend to be present at the Rio Tinto plc General Meeting, you are requested to complete the Proxy Form and return it as soon as possible and in any case so as to be received by no later than 11.00 a.m. on 23 June 2017.

As an alternative to completing a hard copy Form of Proxy, Rio Tinto plc Shareholders can appoint a proxy by electronic means by visiting www.computershare.co.uk/eproxy. Further details are set out in the notes to the Notice of the Rio Tinto plc General Meeting at the end of this document. If you hold Rio Tinto plc Shares in CREST, you may use the CREST electronic proxy appointment service, instructions for which are contained in note 6 to the Notice of the Rio Tinto plc General Meeting at the end of this document.

The completion and return of a completed Proxy Form, Electronic Proxy Appointment or CREST proxy instruction will not prevent you from attending and voting in person at the Rio Tinto plc General Meeting, or any adjournment thereof, if you so wish and are so entitled. To facilitate entry into the Rio Tinto plc General Meeting, Rio Tinto plc Shareholders are requested to bring with them the attendance card, which is attached to the Proxy Form.

If you have sold or otherwise transferred all of your Rio Tinto plc Shares, you should send this document, together with the accompanying documents, at once to the purchaser or transferee or to the stockbroker, bank or other agent through or to whom the sale or transfer was effected for delivery to the purchaser or transferee. However, such documents should not be forwarded or transmitted in or into any jurisdiction in which such act would constitute a violation of the relevant laws in such jurisdiction. If you have sold or transferred part of your holding of Rio Tinto plc Shares, please consult the bank, stockbroker or other agent through whom the sale or transfer was effected.

If you have any questions in relation to the Transaction, please contact the Rio Tinto Shareholder Helpline on 0800 435 021 (within the United Kingdom) or +44 (0) 370 703 6364 (outside the United Kingdom), or visit the Rio Tinto website at www.riotinto.com.

10 Further information

Your attention is drawn to the additional information contained in Parts I to III of this document. You are advised to read the whole document and not merely rely on the key or summarised information in this letter from the Chairman of Rio Tinto.

11 Australian Securities Exchange requirements

The Rio Tinto Limited Circular contains an Independent Expert's Report to the directors of Rio Tinto Limited opining on the fairness and reasonableness of the Transaction to Rio Tinto Limited Shareholders. The Independent Expert's Report has been prepared solely for the purpose of complying with the ASX Listing Rules. The Independent Expert is required to be independent from Rio Tinto in accordance with Regulatory Guide 112 issued by the Australian Securities and Investments Commission.

12 Recommendation

The Board of Rio Tinto plc, which has been so advised by Deutsche Bank, considers that the Transaction is fair and reasonable as far as the Rio Tinto plc Shareholders are concerned. In providing financial advice to the Board, Deutsche Bank has taken into account the commercial assessments of the Board. The Board also considers that the Transaction is in the best interests of Rio Tinto Shareholders as a whole.

Accordingly, the Board recommends that you vote in favour of the Resolution as each member of the Board intends to do in respect of any Rio Tinto Shares over which he or she has voting control (such Rio Tinto Shares (in aggregate) representing approximately 0.007 per cent. of voting power in Rio Tinto on joint decision matters).

Yours faithfully

Jan du Plessis

Chairman

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Each of the times and dates in the table below is indicative only and may be subject to change.

Latest time and date for receipt of Proxy Forms, Electronic Proxy Appointments and CREST proxy instructions for the Rio Tinto plc General Meeting	11.00 a.m. on 23 June 2017
Rio Tinto plc General Meeting	11.00 a.m. on 27 June 2017
Rio Tinto Limited General Meeting	11.00 a.m. (Australian Eastern Standard Time) on 29 June 2017
Completion of the Transaction (subject to approvals)	During the third quarter of 2017

Notes:

- (1) The times and dates set out in the expected timetable of principal events above and mentioned throughout this document may be adjusted by Rio Tinto in which event details of the new times and dates will be notified to the FCA and the London Stock Exchange.
- (2) References to times in this timetable are to London time unless otherwise stated.

PART I
DETAILS OF THE TRANSACTION

1 Transaction

Yancoal has entered into the SPA with the Vendor and HVR in relation to the sale of all of the issued shares in Coal & Allied Industries.

2 Purchase Price

The total purchase price payable by Yancoal comprises an initial payment of US\$1.95 billion, payable at completion of the Transaction and US\$500 million in aggregate deferred cash payments, payable as annual instalments of US\$100 million over the five years following completion of the Transaction.

Yancoal, through certain subsidiaries of Coal & Allied Industries, must also pay a coal price linked royalty, which is determined as US\$2 per tonne (subject to an annual Australian CPI adjustment over the term of the royalty) of attributable saleable coal production (excluding certain production) from Coal & Allied Industries for a period of 10 years beginning on the third anniversary of completion. This royalty is payable if the Newcastle benchmark thermal coal price exceeds US\$75 per tonne (subject to an annual Australian CPI adjustment over the term of the royalty). The aggregate amount of royalties is subject to a US\$650 million cap (see section 11 of this Part I (*Details of the Transaction*)).

In addition to the cash consideration payable by Yancoal upon completion of the Transaction and Rio Tinto's future royalties entitlement:

- earnings and cash flow generated by Coal & Allied Industries until completion of the Transaction will continue for the benefit of Rio Tinto (with the exception of sales proceeds generated from the potential sale of the Minmi landholdings in the Lower Hunter Valley. To the extent realised, any such sales proceeds would not be material in the context of Coal & Allied Industries or the Transaction);
- Yancoal will assume an agreed base working capital value for Coal & Allied Industries of negative A\$161 million and there will be customary completion adjustments for the working capital variance and any net debt of Coal & Allied Industries as at the effective completion time;
- there will be a reduction of US\$90 million to the consideration payable by Yancoal if certain outstanding subordinate approvals relevant to the Warkworth mine are not obtained within five years of completion of the Transaction; and
- Yancoal will assume Rio Tinto's coal supply obligations in relation to BLCP under the Coal Supply and Transportation Agreement and Yancoal will continue to use Rio Tinto Marine's freight services for the sea freight component of such agreement.

3 Conditions Precedent

The completion-related obligations on the parties under the SPA do not become binding unless and until each of the following conditions are satisfied (or waived, where applicable):

- the Transaction is approved by the NSW Minister for Resources, as required under the conditions of certain tenements held by Coal & Allied Industries;
- the Treasurer of Australia approves the Transaction under the foreign investment approval legislation;
- approval in respect of the Transaction is received from all required authorities of the People's Republic of China, namely the State-owned Assets Supervision and Administration Commission, the National Development and Reform Commission, the State Administration of Foreign Exchange and the Ministry of Commerce (MOFCOM);
- China's Anti-Monopoly Bureau and the Korea Fair Trade Commission each clear the Transaction;
- the shareholders of Rio Tinto Limited and Rio Tinto plc approve the Transaction;
- the shareholders of Yanzhou approve the Transaction; and
- BLCP consents to the novation of the Coal Supply and Transportation Agreement from the Vendor to a Yancoal Group entity, and executes a novation deed (or alternative supply arrangements have been established).

On 13 April 2017, Yancoal issued an announcement to the effect that it had received confirmation from the Foreign Investment Review Board of the Treasurer of Australia's approval of the Transaction. On 26 April 2017, Yancoal received merger control clearance from the Korea Fair Trade Commission.

4 Termination

Yancoal may terminate the SPA before completion if:

- despite having used reasonable endeavours, funding is not available to it on reasonably acceptable terms to fund the purchase price, in which case Yancoal must pay Rio Tinto a termination fee of US\$23.5 million (however, the termination fee is not payable where Yancoal has been unable to obtain funding under its proposed rights issue due to a regulatory order which prevents completion of the rights issue); or
- a material adverse change in relation to Coal & Allied Industries occurs before completion (and, if occurring before the estimated launch date of the Yancoal rights issue, is not cured before that launch date). A material adverse change is defined to be an event that results in, or would be reasonably likely to result in:
 - a reduction in Coal & Allied Industries' share of production of saleable coal to less than 10 million tonnes per annum during a continuous period of 18 months following completion;
 - the sterilisation of more than 7.5 per cent. of Coal & Allied Industries' stated coal reserves; or
 - a reduction in the market value of Coal & Allied Industries' consolidated net assets by at least US\$250 million against the value that would reasonably be expected at completion, but for the material adverse change.

The Vendor or Yancoal may terminate the SPA before completion if:

- the conditions precedent (other than the BLCP consent condition) are not satisfied or waived, or have become incapable of satisfaction, on or before 24 October 2017 (which period may be extended by the election of either or both parties for a total of 60 days); or
- the other party fails to fulfil its obligations at completion and does not remedy that failure within five business days.

The Vendor may terminate the SPA before completion if the BLCP consent condition has not been fulfilled or waived and the Vendor considers that pursuing an alternative commercial approach with respect to the Coal Supply and Transportation Agreement of the type described in section 10 of this Part I (*Details of the Transaction*) would be likely to result in material adverse consequences for Rio Tinto.

The SPA will terminate automatically if any customer of or supplier to the Vendor, HVR or Coal & Allied Industries or any of its subsidiaries obtains an injunction preventing the Vendor or HVR from fulfilling its completion obligations under the SPA.

5 Exclusivity

No shop and no talk

During the period from the date of the SPA until completion or termination of the SPA, the Vendor and its related bodies corporate must not (subject to certain limited customary carve-outs):

- solicit or invite any competing proposal for a control transaction in relation to Coal & Allied Industries or the disposal of Coal & Allied Industries' assets;
- participate in discussions relating to, or enter into, any arrangement that may lead to a competing proposal;
- provide a third party with any non-public information relating to Coal & Allied Industries in connection with the formulation of a competing proposal; or
- communicate to anyone an intention to do any of the above.

Exceptions

The restrictions described above (other than the restriction described in the first bullet) are subject to a fiduciary carve out, such that they do not apply where the Board determines that the competing proposal is a

‘Superior Proposal’ and compliance with the restrictions would be a breach of their directors’ duties, or that compliance with the restrictions would otherwise be unlawful. This carve out only applies until the date on which the Rio Tinto Shareholders have approved the Transaction.

In summary, ‘Superior Proposal’ is defined in the SPA as a bona fide competing proposal for the acquisition of 100 per cent. of the shares in Coal & Allied Industries for a total cash consideration having a net present value that exceeds Yancoal’s proposed consideration by at least US\$100 million, and which is reasonably considered to be no more conditional than the Transaction (including based on relative completion time frames), and which would be more favourable to the Rio Tinto Shareholders than the Transaction. The Board is to determine whether a bona fide competing proposal constitutes a Superior Proposal.

Notification of approaches and matching right

If the Vendor receives a competing proposal, it must (subject to a fiduciary carve-out) provide details of the party making the competing proposal and the material terms of the proposal to Yancoal within five business days of receipt.

If the Board determines that a competing proposal is a Superior Proposal, then Rio Tinto must not enter into that Superior Proposal until Yancoal has had the opportunity to present a counter offer within five business days of being notified of such Superior Proposal. If the Board determines in good faith that the counter offer is no less favourable than the Superior Proposal, then the parties must seek to enter into documentation to give effect to the counter offer as soon as reasonably practicable.

6 Mitsubishi Tag Rights

Coal & Allied Industries is a party to the HVO Joint Venture Agreement (through its subsidiary Coal & Allied Operations Pty Ltd). Under the HVO Joint Venture Agreement, a Mitsubishi Group member has tag-along rights that are triggered by the Transaction. As required by the SPA, Yancoal must make an offer to the Mitsubishi Group member to acquire its 32.4 per cent. interest in the Hunter Valley Joint Venture in accordance with the HVO Joint Venture Agreement, subject to any contrary arrangements agreed between Yancoal and the Mitsubishi Group. The HVO Joint Venture Agreement contains a mechanism for determining the price to be offered to the Mitsubishi Group for its interest in the Hunter Valley Joint Venture, which involves determination of fair market value by agreement between the parties or, in default of such agreement, by an independent valuer. Once the fair market value has been determined and an offer has been made, the Mitsubishi Group may elect to accept or reject that offer.

As at 17 May 2017, being the latest practicable date prior to the publication of this document, the parties had agreed to extend the timetable for the tag-along process to allow for further discussion between the Mitsubishi Group and Yancoal.

7 Warranties

Each of the parties to the SPA has given warranties that are considered customary for a transaction of this nature.

8 Conduct of Business Restrictions

The Vendor and HVR must conduct the business of Coal & Allied Industries in the ordinary course between signing of the SPA and completion of the Transaction. This includes carrying on the business in accordance with all approved budgets and business plans (including those relating to any joint ventures). The Vendor and HVR are also subject to certain specific restrictions, including in relation to incurring material capital commitments, relinquishing mining tenements, disposing of assets and other restrictions that may be considered customary for a transaction of this nature.

9 Transitional Services Agreement

The parties to the SPA have agreed that a Transitional Services Agreement will be entered into upon completion of the Transaction between a related body corporate of the Vendor, Rio Tinto Services Limited, and Coal & Allied Industries. The Transitional Services Agreement relates to the provision of various services for short specified periods (up to six months following completion of the Transaction), depending on the nature of the services. Services to be provided under the Transitional Services Agreement include IST

support services, orebody knowledge support, strategic mine planning support, health, safety and environment support, government approvals support, accounting support and payroll support. Coal & Allied Industries must pay a fee for the provision of these services of cost plus 7.5 per cent. The Transitional Services Agreement has a basic term of six months (with IST services to be provided for the six-month term and shorter terms of one to three months for the remaining services). Notwithstanding these agreed service terms, Coal & Allied Industries must use its best endeavours to take over performance of the services itself, or procure a third party to perform them, as soon as possible after completion of the Transaction. Rio Tinto Services Limited's liability under the Transitional Services Agreement is capped at the total amount of the service fees it receives.

10 BLCP arrangements

The Coal Supply and Transportation Agreement was entered into between the Vendor and BLCP on 13 June 2003, as amended on 25 May 2009. Coal from the Warkworth, Mount Thorley and Hunter Valley coal operations is currently delivered to BLCP by the Vendor under the Coal Supply and Transportation Agreement. Specifically, the Vendor must supply a minimum annual quantity of 2,560,000 tonnes of coal and a maximum annual quantity of 3,627,000 tonnes of coal to BLCP. The term of the Coal Supply and Transportation Agreement extends until January 2032. The Vendor has the right to exclusively supply BLCP until BLCP purchases the maximum quantity (subject to certain limited exceptions) from the Vendor. A supply schedule is agreed between the parties each year that must provide for the supply of at least the minimum quantity to BLCP. The Coal Supply and Transportation Agreement contains a take or pay obligation on BLCP to take the minimum quantity.

It is intended that the Coal Supply and Transportation Agreement will be novated from the Vendor to a Yancoal Group entity on and from completion of the Transaction pursuant to a BLCP Novation Deed. However, if this does not occur and the Vendor does not terminate the SPA in such circumstances on the basis set out in section 4 of this Part I (*Details of the Transaction*), then the Vendor and Yancoal Sales will enter into back-to-back arrangements contained in the BLCP Back-to-Back Agreement such that Yancoal Sales will make coal available to the Vendor to enable the Vendor's ongoing compliance with the Coal Supply and Transportation Agreement.

Whether or not the Coal Supply and Transportation Agreement is novated to a Yancoal Group entity, certain other agreements will be entered into as described below:

- *Bee Creek Contract and related side letter*: for the purpose of supporting the obligations of the Yancoal Group entity under the Coal Supply and Transportation Agreement or under the back-to-back arrangements (as applicable), the SPA provides for the novation from the Vendor to Yancoal Sales of various existing coal supply and freight arrangements and entry into the Bee Creek Contract and related side letter by Yancoal Sales and Hail Creek Marketing Pty Limited (a member of the Rio Tinto Group) pursuant to which Yancoal Sales will purchase up to 800,000 tonnes per annum of coal from Hail Creek Marketing Pty Limited until 31 December 2020 on arms-length terms;
- *Freight Transfer Deed*: this will be a tripartite novation deed that the Vendor, Yancoal Sales and Rio Tinto Shipping (Asia) Pte Limited (a member of the Rio Tinto Group) will enter into to novate from the Vendor to Yancoal Sales the Agreement for the Supply of Chartering and Freight Services to Port of Map Ta Phut, Thailand dated 17 May 2005 between the Vendor and Rio Tinto Shipping (Asia) Pte Limited. This is the agreement pursuant to which the Vendor procures from Rio Tinto Shipping (Asia) Pte Limited transportation services in respect of the Coal Supply and Transportation Agreement; and
- *HVO Coal Supply Transfer Deed*: this will be a tripartite deed between HVO Coal Sales Pty Ltd, Yancoal Sales and the Vendor under which the Vendor novates to Yancoal Sales the existing HVO Coal Supply Agreement (back-to-back sale of coal for supply to BLCP) dated 3 February 2016 between the Vendor and HVO Coal Sales Pty Ltd (an entity partly owned by the Vendor and the Mitsubishi Group). Under this agreement, the Vendor sources a portion of coal for its annual supply obligations to BLCP.

11 Royalty arrangements

As indicated in section 1 of this Part I (*Details of the Transaction*), the Vendor has also acquired a right to be paid royalties in respect of Coal & Allied Industries' share of certain coal production from the Warkworth, Mount Thorley and Hunter Valley coal operations. These royalties are set out in four separate royalty deeds that will be entered into before completion of the Transaction in accordance with the SPA.

The royalty period is 10 years commencing on the day after the third anniversary of completion of the Transaction and expiring on the thirteenth anniversary of completion of the Transaction, or the last day of the calendar quarter during which the aggregate amount of royalty payments under all Royalty Deeds reaches the cap amount of US\$650 million, whichever is earlier.

The amount of the royalty payable under each Royalty Deed is US\$2 per tonne (annually indexed to Australian CPI over the term of the royalty) of attributable saleable production. The royalties are payable on a quarterly basis, and are only payable in respect of a given quarter if the Newcastle benchmark thermal coal price for that quarter exceeds the threshold amount of US\$75 per tonne (annually indexed to Australian CPI over the term of the royalty). The total amount of royalties payable under all Royalty Deeds is capped at US\$650 million. The royalties are not payable on production of amounts required for delivery to BLCF under the Coal Supply and Transportation Agreement or coal extracted from any future underground mining.

If there is an adjustment in the purchase price due to certain outstanding subordinate approvals relating to the Warkworth mining operations not being obtained (referred to in section 1 of this Part I (*Details of the Transaction*)), the royalties payable under the Royalty Deeds relating to the Warkworth and Mount Thorley coal operations will, in the case of coal production from the area affected by the failure to obtain the relevant subordinate approvals, not be subject to the benchmark thermal coal price threshold referred to above.

PART II

ADDITIONAL INFORMATION

1 Rio Tinto corporate details

1.1 Rio Tinto plc

- (A) Rio Tinto plc was incorporated and registered in England and Wales on 30 March 1962 under the Companies Act 1948 as a private company limited by shares with company number 719885. Rio Tinto plc was re-registered as a public limited company on 4 March 1982 and adopted the name “Rio Tinto plc” on 2 June 1997.
- (B) Rio Tinto plc’s registered office and principal place of business is 6 St James’s Square, London, SW1Y 4AD, United Kingdom. The telephone number of Rio Tinto plc’s registered office is (+44) 20 7781 2000.
- (C) The principal legislation under which Rio Tinto plc operates, and pursuant to which the Rio Tinto plc Shares have been created, is the Companies Act 2006 and regulations thereunder.

1.2 Rio Tinto Limited

- (A) Rio Tinto Limited was formed on 17 December 1959 as a limited liability company under the laws of the state of Victoria, Australia. Rio Tinto Limited’s Australian Company Number is 004 458 404. It adopted the name “Rio Tinto Limited” on 2 June 1997.
- (B) Rio Tinto Limited’s registered office and principal place of business is Level 33, 120 Collins Street, Melbourne, Victoria 3000, Australia. The telephone number of Rio Tinto Limited’s registered office is (+61) 3 9283 3333.
- (C) The principal legislation under which Rio Tinto Limited operates, and pursuant to which the Rio Tinto Limited Shares have been created, is the Australian Act and regulations thereunder.

2 Major shareholders

As at 17 May 2017, being the latest practicable date prior to the publication of this document, and so far as is known to Rio Tinto by virtue of notifications made to it pursuant to the UK Disclosure Guidance and Transparency Rules, the following persons, directly or indirectly, had an interest in three per cent. or more of the issued ordinary share capital of Rio Tinto plc (excluding treasury shares):

<u>Shareholder</u>	<u>No. of Rio Tinto plc Shares</u>	<u>Percentage of issued ordinary share capital of Rio Tinto plc</u>
Shining Prospect Pte. Ltd ⁽¹⁾	182,550,329	13.10
BlackRock, Inc.	127,744,871	8.38
The Capital Group Companies, Inc.	55,867,795	4.02

Note:

(1) Shining Prospect is a Singapore-based entity owned by Chinalco.

As at 17 May 2017, being the latest practicable date prior to the publication of this document, and so far as is known to Rio Tinto by virtue of notifications made to it pursuant to the Australian Act, the following persons, directly or indirectly, had an interest in five per cent. or more of the issued ordinary share capital of Rio Tinto Limited:

<u>Shareholder</u>	<u>No. of Rio Tinto Limited Shares</u>	<u>Percentage of issued ordinary share capital of Rio Tinto Limited</u>
Shining Prospect Pte. Ltd ⁽¹⁾	See Note (1)	See Note (1)
BlackRock, Inc.	26,656,003	6.28

Note:

- (1) In its substantial holding notice filed on 10 June 2009 Shining Prospect, a Singapore-based entity owned by Chinalco disclosed a holding of 182,550,329 Rio Tinto plc Shares which, at that time, through the operation of the Australian Act as modified, gave these entities and their associates voting power of 9.3 per cent. in Rio Tinto on a joint decision matter, making them substantial shareholders of Rio Tinto Limited, as well as of Rio Tinto plc. Rio Tinto plc has subsequently, by notice dated 26 January 2016, disclosed that Shining Prospect's holding of 182,550,329 Rio Tinto plc Shares gave these entities and their associates voting power of 13.1 per cent. in Rio Tinto plc, which in turn would give these entities and their associates voting power of 10.1 per cent. in Rio Tinto on a joint decision matter.

3 Material contracts

Other than the Transaction Documents, there are no other contracts (not being contracts entered into in the ordinary course of business) which:

- (A) Rio Tinto Shareholders would reasonably require disclosure of in making a properly informed assessment of how to vote on the Resolution; and
- (B) have been entered into:
 - (a) by Rio Tinto within the two years immediately preceding the date of this document, and are, or may be material; or
 - (b) at any time by Rio Tinto and contain provisions under which Rio Tinto has an obligation or entitlement which is, or may be, material to Rio Tinto as at the date of this document.

4 Significant change

There has been no significant change in the financial or trading position of Rio Tinto since 31 December 2016, the date to which the last audited financial statements of Rio Tinto were prepared.

5 Australian Securities Exchange requirements

ASX Listing Rule 10.1 provides that an entity or a subsidiary of it must not, without shareholder approval, acquire or dispose of a substantial asset from or to certain persons in a position of influence, including:

- (A) a substantial shareholder who, together with their associates, has a relevant interest (or had a relevant interest at any time in the six months before the transaction) in at least 10 per cent. of the total votes attached to voting securities in the entity;
- (B) an associate of such a substantial shareholder; and
- (C) any other person whose relationship to the entity is such that, in ASX's opinion, the transaction should be approved by shareholders.

For this purpose, an asset is a "substantial asset" if its value, or the value of consideration for it, is (or in ASX's opinion is) five per cent. or more of the equity interests of the entity as set out in the latest accounts given to ASX under the ASX Listing Rules. The agreed purchase price for Coal & Allied Industries under the SPA exceeds that threshold and, as such, Coal & Allied Industries is considered a substantial asset of Rio Tinto.

As a result of Chinalco and Yankuang each being owned by Chinese state-owned entities as described in more detail in section 8 of the letter from the Chairman of Rio Tinto, Yancoal is considered to be an associate of Chinalco for the purposes of ASX Listing Rule 10.1. Accordingly, the Transaction requires Rio Tinto Shareholder approval pursuant to ASX Listing Rule 10.1.

In relation to the seeking of that approval, ASX Listing Rule 10.10.2 requires that an independent expert's report opining on the fairness and reasonableness of the Transaction be prepared. The Independent Expert is required to be independent from Rio Tinto in accordance with Regulatory Guide 112 issued by the Australian Securities and Investments Commission. Accordingly, the Independent Expert's Report has been prepared by the Independent Expert and not by Rio Tinto.

6 Consent

Deutsche Bank has given and has not withdrawn its written consent to the issue of this document with the inclusion herein of the references to its name in the form and context in which they appear.

7 Documents available for inspection

Copies of the following documents will be available for inspection during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) at the Rio Tinto plc registered office at 6 St James's Square, London, SW1Y 4AD, United Kingdom, at the Rio Tinto Limited registered office at Level 33, 120 Collins Street, Melbourne, Victoria 3000, Australia, at the offices of Linklaters LLP, One Silk Street, London, EC2Y 8HQ, United Kingdom and at the offices of Allens, Deutsche Bank Place, Corner Hunter & Phillip Streets, Sydney, New South Wales 2000 Australia up to and including the date of the Rio Tinto Limited General Meeting. These documents are also available on Rio Tinto's website at www.riotinto.com:

- (a) a copy of Rio Tinto plc's existing articles of association;
- (b) a copy of Rio Tinto Limited's existing constitution;
- (c) Rio Tinto's annual reports and accounts for the two financial years ended 31 December 2015 and 31 December 2016;
- (d) a copy of the Rio Tinto Limited Circular;
- (e) the written consent referred to in section 6 of this Part II (*Additional Information*); and
- (f) this document and Proxy Form.

The above documentation will also be available for inspection for at least 15 minutes prior to and during the Rio Tinto plc General Meeting.

PART III

DEFINITIONS

The following definitions apply throughout this document, unless stated otherwise:

\$, US\$ or cents	the lawful currency of the United States of America.
A\$	the lawful currency of the Commonwealth of Australia.
ADRs	the American depositary receipts issued by Rio Tinto plc.
ADR Depositary	JPMorgan Chase Bank, N.A.
ADR Voting Instruction Card	the voting card for relevant holders of ADRs to give voting instructions to the ADR Depositary in relation to the Rio Tinto plc General Meeting.
ASX or Australian Securities Exchange	ASX Limited (ACN 008624 691) or the financial market operated by that entity (as applicable).
ASX Listing Rules	the official listing rules of the ASX, as amended from time to time.
Australia	the Commonwealth of Australia.
Australian Act	the Australian Corporations Act 2001 (Cth).
Bee Creek Contract	the agreement and related side letter to be entered into by Yancoal Sales and Hail Creek Marketing Pty Limited on completion of the Transaction.
BLCP	BLCP Power Limited.
BLCP Back-to-Back Agreement	the agreement to be entered into by the Vendor and Yancoal Sales on completion of the Transaction in the event that the Coal Supply and Transportation Agreement is not novated from the Vendor to a Yancoal Group entity on completion pursuant to a BLCP Novation Deed.
BLCP Novation Deed	the deed of novation in respect of the Coal Supply and Transportation Agreement to be entered into by the Vendor, a Yancoal Group entity and BLCP on completion of the Transaction.
Board or Directors	the common boards of directors of Rio Tinto, or, as the context requires, the board of directors of Rio Tinto plc or Rio Tinto Limited.
Chinalco	Aluminum Corporation of China, being a Chinese state-owned enterprise established on 23 February 2001.
Coal Supply and Transportation Agreement	the Coal Supply and Transportation Agreement between the Vendor and BLCP dated 13 June 2003, as amended.
Coal & Allied Industries	Coal & Allied Industries Limited (ABN 67 008 416 760).
Companies Act 2006	the Companies Act 2006 of England and Wales, as amended.
CPI	consumer price index.

CREST	the facilities and procedures for the time being of the relevant system of which Euroclear UK & Ireland Limited has been approved as operator pursuant to the UK Uncertificated Securities Regulations 2001, as amended.
Deutsche Bank	Deutsche Bank AG, London Branch.
DLC Sharing Agreement	the DLC Merger Sharing Agreement, as amended from time to time, between Rio Tinto plc and Rio Tinto Limited dated 21 December 1995, that regulates the relationship between Rio Tinto plc and Rio Tinto Limited.
Electronic Proxy Appointment	the facility to lodge proxy appointments by electronic means on a website provided by Computershare Investor Services PLC in relation to the Rio Tinto plc General Meeting.
Financial Conduct Authority or FCA	the UK Financial Conduct Authority.
Freight Transfer Deed	the deed of novation in respect of the Agreement for the Supply of Chartering and Freight Services to Port of Map Ta Phut, Thailand to be entered into by the Vendor, Yancoal Sales and Rio Tinto Shipping (Asia) Pte Limited on completion of the Transaction.
FSMA	the UK Financial Services and Markets Act 2000, as amended.
Hunter Valley Joint Venture	the unincorporated joint venture known as the ‘Hunter Valley Operations Joint Venture’ established pursuant to the HVO Joint Venture Agreement.
HVO Coal Supply Transfer Deed	the deed to be entered into by the Vendor, Yancoal Sales and HVO Coal Sales Pty Ltd on completion of the Transaction.
HVO Joint Venture Agreement	the Joint Venture Agreement – Hunter Valley Operations dated 3 February 2016 between Coal & Allied Operations Pty Ltd, HVO Resources Pty Ltd and HV Operations Pty Ltd.
HVR	Hunter Valley Resources Pty Ltd (ABN 69 151 471 242).
Independent Expert	the independent expert appointed by the directors of Rio Tinto Limited to prepare the Independent Expert’s Report.
Independent Expert’s Report	the report dated 19 May 2017 and contained in the Rio Tinto Limited Circular from the Independent Expert to the directors of Rio Tinto Limited opining on the fairness and reasonableness of the Transaction to Rio Tinto Limited Shareholders. The report has been prepared solely for the purpose of complying with the ASX Listing Rules.
London Stock Exchange	London Stock Exchange plc.
Mitsubishi	Mitsubishi Development Pty Ltd (ACN 009 779 873).
Mitsubishi Group	Mitsubishi and each of its subsidiary companies.
Notice	the notice convening the Rio Tinto plc General Meeting at the end of this document.
NSW	the Australian state of New South Wales.
Proxy Form	the form of proxy accompanying this document for use by Rio Tinto plc Shareholders in relation to the Rio Tinto plc General Meeting.

Resolution	the resolution to be proposed at the Rio Tinto plc General Meeting and the Rio Tinto Limited General Meeting in connection with the Transaction.
Rio Tinto	Rio Tinto plc and Rio Tinto Limited or, where the context requires, the Rio Tinto Group.
Rio Tinto Group	Rio Tinto plc, Rio Tinto Limited and their respective subsidiaries and subsidiary undertakings and, where the context requires, their respective associated undertakings.
Rio Tinto Limited	Rio Tinto Limited (ABN 96 004 458 404), a company incorporated in Victoria, Australia whose registered office is at Level 33, 120 Collins Street, Melbourne, 3000, Victoria, Australia.
Rio Tinto Limited Circular	the Notice of Rio Tinto Limited General Meeting published on or about the date hereof containing details of the Transaction.
Rio Tinto Limited General Meeting	the general meeting of Rio Tinto Limited to be held at 11.00 a.m. (Australian Eastern Standard Time) on 29 June 2017, notice of which is set out at the end of the Rio Tinto Limited Circular.
Rio Tinto Limited Shareholders	holders of Rio Tinto Limited Shares.
Rio Tinto Limited Shares	the ordinary shares in the capital of Rio Tinto Limited.
Rio Tinto plc or Company	Rio Tinto plc, a company incorporated in England and Wales with company number 719885 whose registered office is at 6 St James's Square, London, SW1Y 4AD, United Kingdom.
Rio Tinto plc General Meeting	the general meeting of Rio Tinto plc to be held at 11.00 a.m. on 27 June 2017, notice of which is set out at the end of this document.
Rio Tinto plc Shareholders	holders of Rio Tinto plc Shares.
Rio Tinto plc Shares	the ordinary shares of 10 pence each in the capital of Rio Tinto plc.
Rio Tinto Shareholders	Rio Tinto plc Shareholders and Rio Tinto Limited Shareholders.
Rio Tinto Shares	Rio Tinto plc Shares and Rio Tinto Limited Shares.
Royalty Deeds	the four royalty deeds to be entered into by the Vendor and Coal & Allied Industries prior to completion of the Transaction.
Shining Prospect	Shining Prospect Pte. Ltd, being a Singapore-based entity owned by Chinalco.
SPA	the sale and purchase agreement between the Vendor, HVR and Yancoal dated 24 January 2017.
Transaction	the proposed disposal by the Vendor and HVR of Coal & Allied Industries to Yancoal pursuant to the SPA.
Transaction Documents	the SPA, the Royalty Deeds, the Transitional Services Agreement, the BLCP Novation Deed, the BLCP Back-to-Back Agreement, the Bee Creek Contract and related side letter, the Freight Transfer Deed and HVO Coal Supply Transfer Deed.
Transitional Services Agreement	the agreement to be entered into between Rio Tinto Services Limited and Coal & Allied Industries on completion of the Transaction.

UK Disclosure Guidance and Transparency Rules	the disclosure guidance and transparency rules made by the FCA for the purposes of Part VI of the FSMA.
UK Listing Rules	the listing rules made by the FCA for the purposes of Part VI of the FSMA.
United Kingdom or UK	the United Kingdom of Great Britain and Northern Ireland.
Vendor	Australian Coal Holdings Pty. Limited (ABN 79 000 066 491).
Yancoal	Yancoal Australia Limited (ABN 82 111 859 119).
Yancoal Group	Yancoal, the subsidiaries and holding companies of Yancoal and each of the subsidiaries of any such holding company from time to time.
Yancoal Sales	Yancoal Australia Sales Pty Ltd (ABN 88 167 884 460).
Yankuang	Yankuang Group Company Limited.
Yanzhou	Yanzhou Coal Mining Company Limited.

NOTICE OF GENERAL MEETING

of

RIO TINTO PLC

(Incorporated in England and Wales with registered number 719885)

NOTICE IS HEREBY GIVEN that a **GENERAL MEETING** of Rio Tinto plc (the “**Company**”) will be held at 11.00 a.m. on 27 June 2017 at The Queen Elizabeth II Conference Centre, Broad Sanctuary, Westminster, London, SW1P 3EE, United Kingdom for the purpose of considering and, if thought fit, passing the following resolution (the “**Resolution**”) which will be proposed as an ordinary resolution.

In accordance with Rio Tinto’s dual listed companies’ structure, the Resolution will be voted on by Rio Tinto plc Shareholders and Rio Tinto Limited Shareholders as a joint electorate.

ORDINARY RESOLUTION

THAT the Transaction, on the terms and subject to the conditions set out in the SPA and the other Transaction Documents (as each term is defined in the circular to Rio Tinto plc Shareholders dated 19 May 2017), be and is hereby approved and the Directors (or a duly authorised committee of the Directors) be and are hereby authorised to waive, amend, vary or extend any of the terms and conditions of the Transaction Documents, provided that any such waivers, amendments, variations or extensions are not of a material nature, and to do all things as they may consider to be necessary or desirable to complete, implement and give effect to, or otherwise in connection with, the Transaction and any matters incidental to the Transaction.

Dated: 19 May 2017

By order of the Board
Steve Allen
Company Secretary

Registered in England and Wales with No: 719885.

Registered office: 6 St James’s Square, London, SW1Y 4AD, United Kingdom

Important Notes

1. Including for the purposes of regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies that only those Rio Tinto plc Shareholders registered in the register of members of the Company as at 08.00 p.m. on 23 June 2017 (the “**Specified Time**”) shall be entitled to attend and vote at the Rio Tinto plc General Meeting in respect of the number of shares registered in their name at that time. Changes to entries on the relevant register of securities after the Specified Time shall be disregarded in determining the rights of any person to attend and vote at the Rio Tinto plc General Meeting. If the Rio Tinto plc General Meeting is adjourned to a time not more than 48 hours (excluding any part of a day that is not a working day) after the Specified Time applicable to the original meeting, that time will also apply for the purposes of determining the entitlement of members to attend and vote (and for the purposes of determining the number of votes they may cast) at the adjourned meeting. If, however, the Rio Tinto plc General Meeting is adjourned for a longer period, then to be so entitled, members must be entered on the Company’s register of members at a time which is not more than 48 hours (excluding any part of a day that is not a working day) before the time fixed for the adjourned meeting or, if the Company gives notice of the adjourned meeting, at the time specified in that notice.
2. A member entitled to attend and vote at the Rio Tinto plc General Meeting is entitled to appoint one or more proxies to exercise all or any of his rights to attend and to speak and vote at the Rio Tinto plc General Meeting. A member may appoint more than one proxy in relation to the Rio Tinto plc General Meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that member. A proxy need not be a member of the Company.
3. Unless a shareholder has elected to receive shareholder communications by email, all Rio Tinto plc Shareholders will receive a paper proxy form. To be effective, the proxy form and any power of attorney

under which it is executed (or a notarially certified copy of any such authority) must reach the transfer office of the Company at Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS99 6ZY, United Kingdom by no later than 11.00 a.m. on 23 June 2017 or, if the Rio Tinto plc General Meeting is adjourned, by no later than 48 hours (excluding any part of a day that is not a working day) before the time fixed for the adjourned meeting or, if the Company gives notice of the adjourned meeting, at the time specified in that notice.

4. The right to appoint a proxy does not apply to persons whose shares are held on their behalf by another person and who have been nominated to receive communications from the Company in accordance with section 146 of the Companies Act 2006 (“**Nominated Persons**”). Nominated Persons may have a right under an agreement with the member who holds the shares on their behalf to be appointed (or to have someone else appointed) as a proxy. Alternatively, if Nominated Persons do not have such a right, or do not wish to exercise it, they may have a right under such an agreement to give instructions to the person holding the shares as to the exercise of voting rights.
5. To appoint a proxy electronically, please visit www.computershare.co.uk/eproxy. Members will need the Control Number, PIN number and Shareholder Reference Number (these details can be located on the front of your proxy form). The proxy appointment and instructions should reach Computershare Investor Services PLC not less than 48 hours (excluding any part of a day that is not a working day) before the time appointed for the holding of the Rio Tinto plc General Meeting or any adjournment thereof. Members are advised to read the terms and conditions of use carefully. Any electronic communication found to contain a computer virus will not be accepted.
6. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual on the Euroclear website (www.euroclear.com). CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf. For a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a “**CREST Proxy Instruction**”) must be properly authenticated in accordance with the specifications of Euroclear UK & Ireland Limited and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by Computershare Investor Services PLC (ID 3RA50) by the latest time for receipt of proxy appointments specified in note 3 above. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which Computershare Investor Services PLC (or any other agent of the Company) is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means. CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
7. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
8. Any corporation which is a member may appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that, if there is more than one corporate representative, they do not do so in relation to the same shares. Any person appointed by a corporate representative should bring the authority (or a notarially certified copy of such authority) under which they have been appointed to the meeting.
9. The total number of issued ordinary shares in the Company on 17 May 2017, which is the latest practicable date before the publication of this document, is 1,381,905,851.

10. The Resolution to be voted upon at the Rio Tinto plc General Meeting is a joint decision and will be dealt with under the joint electorate procedure. For an explanation of this procedure, see below under “Additional Notes: Summary of voting arrangements for Rio Tinto Shareholders”.
11. The following documents may be inspected during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) from the date of this notice until the close of the Rio Tinto Limited General Meeting on 29 June 2017 at the Rio Tinto plc registered office at 6 St James’s Square, London, SW1Y 4AD, United Kingdom, at the Rio Tinto Limited registered office at Level 33, 120 Collins Street, Melbourne, Victoria 3000, Australia, at the offices of Linklaters LLP, One Silk Street, London, EC2Y 8HQ, United Kingdom and at the offices of Allens, Deutsche Bank Place, Corner Hunter & Phillip Streets, Sydney, New South Wales 2000, and also at The Queen Elizabeth II Conference Centre, Broad Sanctuary, Westminster, London, SW1P 3EE, United Kingdom for at least 15 minutes prior to and during the Rio Tinto plc General Meeting. These documents are also available on Rio Tinto’s website at www.riotinto.com:
 - (a) a copy of the Company’s existing articles of association;
 - (b) a copy of Rio Tinto Limited’s existing constitution;
 - (c) Rio Tinto’s annual reports and accounts for the two financial years ended 31 December 2015 and 31 December 2016;
 - (d) a copy of the circular to Rio Tinto Limited Shareholders dated 19 May 2017;
 - (e) the written consent referred to in section 6 of Part II (*Additional Information*) of the circular to Rio Tinto plc Shareholders dated 18 May 2017; and
 - (f) a copy of the circular to Rio Tinto plc Shareholders dated 19 May 2017 and the proxy form.
12. A copy of this notice and other information required by section 311A of the Companies 2006 Act can be found by visiting the Rio Tinto website at www.riotinto.com.
13. Mobile phones may not be used in the meeting hall and cameras, tape or video recorders are not allowed in the meeting hall. There will be no refreshments available in the meeting hall.
14. To facilitate entry into the Rio Tinto plc General Meeting, Rio Tinto plc Shareholders are requested to bring with them the attendance card, which is attached to the proxy card. Proxies and corporate representatives should bring the authority or power of attorney or other written authority (or a notarially certified copy of such authority) under which they have been appointed to the Rio Tinto plc General Meeting.
15. Rio Tinto plc Shareholders should note that the doors to the Rio Tinto plc General Meeting will be open for registration from 09.45 a.m. on 27 June 2017.

Additional Notes: Summary of voting arrangements for Rio Tinto Shareholders

The DLC Sharing Agreement (the agreement relating to the regulation of the relationship between Rio Tinto plc and Rio Tinto Limited following the dual listed companies merger) provides for the public shareholders of Rio Tinto plc and Rio Tinto Limited to vote as a joint electorate on all matters which affect shareholders of both companies in similar ways. These are referred to as “**Joint Decisions**”. Joint Decisions are voted on a poll.

To facilitate the joint voting arrangements, each company has entered into shareholder voting agreements. Each company has issued a special voting share to a special purpose company held in trust by a common trustee.

Rio Tinto plc has issued its special voting share (“**Rio Tinto plc Special Voting Share**”) to RTL Shareholder SVC and Rio Tinto Limited has issued its special voting share (“**Rio Tinto Limited Special Voting Share**”) to RTP Shareholder SVC. The total number of votes cast on Joint Decisions by the public shareholders of one company are voted at the parallel meeting of the other company. The role of these special purpose companies in achieving this is described below.

Rio Tinto plc

At a Rio Tinto plc Shareholders’ meeting at which a Joint Decision will be considered, each Rio Tinto plc Share will carry one vote and the holder of the Rio Tinto plc Special Voting Share will have one vote for each vote cast by the public shareholders of Rio Tinto Limited. The holder of the Rio Tinto plc Special Voting Share is required to vote strictly, and only, in accordance with the votes cast by public shareholders for and against the equivalent resolution at the parallel Rio Tinto Limited Shareholders’ meeting.

The holders of Rio Tinto Limited ordinary shares do not actually hold any voting shares in Rio Tinto plc by virtue of their holding in Rio Tinto Limited and cannot enforce the voting arrangements relating to the Rio Tinto plc Special Voting Share.

Rio Tinto Limited

At a Rio Tinto Limited Shareholders' meeting at which a Joint Decision will be considered, each Rio Tinto Limited Share will carry one vote and the holder of the Rio Tinto Limited Special Voting Share will carry one vote for each vote cast by the public shareholders of Rio Tinto plc in their parallel meeting. The holder of the Rio Tinto Limited Special Voting Share is required to vote strictly, and only, in accordance with the votes cast for and against the equivalent resolution at the parallel Rio Tinto plc Shareholders' meeting.

The holders of Rio Tinto plc ordinary shares do not actually hold any voting shares in Rio Tinto Limited by virtue of their holding in Rio Tinto plc and cannot enforce the voting arrangements relating to the Rio Tinto Limited Special Voting Share.

