

**12 August 2016**

In June 2016 we announced that we would transfer 68% of our shareholding in Bougainville Copper Limited (BCL) to the Autonomous Bougainville Government (ABG) for no consideration, and that the State of Papua New Guinea (PNG) is entitled to the remaining 32%. If the ABG chooses to take up its share, the end result will be that the ABG and PNG will hold equal shares in BCL. Further information around the share transfer can be viewed at: [http://www.riotinto.com/media/media-releases-237\\_17638.aspx](http://www.riotinto.com/media/media-releases-237_17638.aspx).

This gift of our shares to the ABG and PNG was the conclusion of a strategic review that looked at a broad range of options and through which we worked hard to consider all relevant interests. By distributing our shares in this way, we aimed to provide landowners, those closest to the mine, and all the people of Bougainville a greater say in the future of Panguna. The ultimate distribution of our shares also provides a platform for the ABG and PNG Government to work together on future options for the resource. We believe that the resource will have a stronger future under the ownership of stakeholders best placed to ensure the stable and safe operating environment required to take the asset forward. This includes political, financial and legal capability as well as the consent and active involvement of landowners and local communities.

When BCL evacuated the site in 1989, we believe that BCL was fully compliant with all regulatory requirements and applicable standards at the time. This is something that was acknowledged by President Momis in his speech to the Bougainville House of Representatives on 22 December 2015 and in other public commentaries. Neither BCL, nor Rio Tinto as a shareholder, has been assured safe access to the mine site since 1989.