Rio Tinto

Goldman Sachs Metals & Mining conference Transcript of fireside chat with CEO, Simon Trott

16 October 2025

Paul Young: Good morning, everyone. Welcome to the fireside chat with newly appointed Rio Tinto CEO, Simon Trott. Simon, welcome to the Goldman Sachs Metals and Mining Conference. Congratulations, again, to your appointment as CEO. This is your first public markets appearance as CEO, so it's great to have you here. And look, I'm a little biased, but I will say it's great to have an Aussie back as CEO of Rio Tinto.

Simon Trott: Thanks Paul, and hello to everyone. I was saying to Gary [Nagle], it's a nice building, Paul. I'm in the wrong business.

Paul Young: All right. Let's begin, Simon. Let's firstly reflect and talk about your history and time at Rio, and then we'll talk about Rio's growth and strategy. You've worked at Rio for 25 years. You have been on the executive committee since 2018. Most recently, you were Chief Executive of Iron Ore, and before that, you were Rio Tinto's Chief Commercial Officer. Can you talk about your journey at Rio Tinto from when you joined the company to now becoming CEO?

Simon Trott: Sure, and I'm always a bit shocked when I say out loud that I joined Rio at the end of the '90s. I joined on a fly-in/fly-out role in operations at Argyle. Argyle's a diamond mine we have in the north of Western Australia there. And Rio's been fantastic for me. A mixture of operating, commercial and business development roles across the journey. Probably half the time in Australia, half the time overseas across most of our different commodity businesses. And grew up in that old CRA-type model and just had it drilled in.

This industry is about ore bodies. This industry is about capital discipline, operating and safety, and market structures. And so that has probably shaped my thinking about the industry and shaped some of the beliefs about the industry. It's also a business with risks. And I did want to acknowledge the death of Mohamed Camara at Simandou just before I started in this role. And spending time at Guinea with his family and friends, just a reminder why safety and people need to be at the very heart of everything that we do. It is also a tough business and a business that we've always got to be looking out over the horizon around how do we position and create value now and into the future.

Paul Young: Well, let's talk about strategy and your first year as CEO looking forward. Before that though, let's just reflect I guess on what's happened with Rio over the last 5 years because there's been significant progress. Achievements, to name a few are, the success of the Pilbara turnaround with more to go and signing of the Rhodes Ridge joint venture. The fast-paced development of Simandou. The execution of OT and the consolidation of Turquoise Hill. Bolt-on acquisitions of Rincon Lithium and Matalco aluminium recycling. Countercyclical measured lithium growth strategy through the Arcadium acquisition.

But one would argue now that Rio probably needs to simplify a little bit, and we'll talk about that. We've seen your decision to combine lithium and aluminium, and also, you've announced that you're putting titanium assets and borate assets up for review. I guess with all of that, can you provide us your view on what your strategies for Rio and your vision for Rio?

Simon Trott: And you've teed the ball up well. I think if you try and do everything, you get nothing done. And so certainly, simplification of the business to really focus on what are our core competitive advantages, that operating and capital discipline and driving safety and operating performance, I think maybe I just yawned as I was saying that, but these are the things that you've got to focus on to really build a mining company. And if you get those right, then you set yourself up and position yourself for the future. And so, as you say, you've seen some of the announcements that we've made since I started and that's the drivers behind that is really focusing in on what are 3 incredible businesses across iron ore, Guinea, the Pilbara, Canadian assets, best in class iron ore assets. Similarly, our aluminium and lithium business with Saguenay, with the development projects in lithium and copper. Obviously, OT is going well, as we ramp up. It's going really well. Three absolutely world-class businesses and really allowing us to make sure that we're operating and driving those businesses as well as we possibly can.

Paul Young: Great. Maybe Part B to I guess what you've done so far already in the last 2 months, is the combination of aluminium and lithium. Can you just step through the justification for that and sort of what benefits you might see from that?

Simon Trott: Yeah, sure. And in thinking about that lithium, I did look at whether to put it with copper as well as an overlap there. But with aluminium, there's an overlap in Canada with some of the lithium assets there. The lithium business is more akin to a processing business than hard rock and so there's some synergy there. And Jerome [Pecresse] will do a fantastic job with that business. One of the really good things about having options, and we've got lots of options in the lithium space, is that the bar is really high, and so we can look at those projects and progress the very best of them.

Paul Young: Okay. Great. You're joining -- well, you've become CEO of Rio at a time when arguably Rio has the best growth pipeline of certainly diversified miners. You're targeting a copper equivalent growth of 3% to 4% to 2030 and maybe actually beyond that. The company's got a lot of growth and you've actually got 15 to 20 major development projects at the moment. You've got a lot, the team's got a lot on their plate. You've got a lot on your plate. Do you think Rio can deliver on this growth? And do you have any thoughts around how you can develop projects better or sequence growth?

Simon Trott: As a mining company, as soon as you put the shovel in, you're effectively in runoff, and so you need to be able to progress projects to sustain and also obviously to grow as well. Doing a review in the last couple of weeks of all of our projects, with Mark [Davies], a few things really stood out in terms of the capability of our projects group and going through the list of projects that are on time and budget. As you say, there are quite a few projects that we are progressing.

Spending time at Simandou as well, I think we're learning an incredible amount from the project at Simandou, probably the largest mining project being progressed. And the speed and execution at Simandou I think has been quite incredible.

And I think we need to challenge some of the way that we've gone about projects as well. I've used the example before, but there's 30, 40 river crossings. We would go to each one of those river crossings traditionally and design the perfect bridge, get the configuration right. They've got a long bridge, a short one and a medium one, and it's just rolling it out and replicating.

What we are also learning, probably balance machine in the Pilbara, balance machine at Simandou, and putting those side by side and pulling apart the capital costs of those. What we are learning is you take one component of a model and pull it out. It doesn't actually work that well. You've got to look at that full end to end. Catalogue engineering, going direct to the design institutes, and replication. Across the Pilbara, we're building mine after mine. And yet historically, some of those were probably operated and developed differently. Whether that's truck shops or maintenance facilities or plants. And so just replicating that model all the way back to spares, etc., is driving some learnings across capital intensity. And I think we've got some real strides we can make in that space building on some of the work that Mark has been doing.

Paul Young: Yeah, great. Maybe an extension to that, just following on, do you think in that case that using Chinese engineering, using Chinese equipment means that you can maybe compress some timeframes and reduce some capital intensity in the Pilbara and maybe across the lithium business? Or is it more around just maintaining and offsetting CapEx inflation?

Simon Trott: We should always be going after compressing timeframes and compressing costs. And if you can move faster, you can obviously compress your overheads. Part of that is looking inside the organisation as well. And we often talk about some of the differences being driven by standards. You've got to really drill into your standards. Who signs off on the standards, how they then relate, because we've tended to build this stuff up over time. And we've got to have a hard look at that. Part of that is also around how you're structured as an organisation. And so if you reduce the number of small teams, you reduce the number of layers, you can speed up some of that decision making and really drive those projects at full throttle.

Paul Young: It's LME week, I want to talk about copper, but we were just mentioning, you were mentioning Simandou and the unfortunate fatality that you just covered. But just the project itself, expecting first shipment from Simandou in November. How's Simandou tracking? And anything you can guide on the ramp-up for next year?

Simon Trott: Simandou is tracking really well. We'll get first ore this year. It'll be a very small quantity this year. There'll be about 3 months of really getting that configuration right and then something like a 30-month ramp-up after that. It is probably the most complex project in the industry and so 30 months just reflects that integrated nature of the mine, the rail and the port. But tracking well and in line with that end of year target for first ore.

Paul Young: Yeah, great. Modest tonnes from Simandou in 2026, that's what I'm hearing. Let's move on to copper growth and talk about your 1-million-tonne copper production target and your aspiration to go beyond this. Firstly, let's talk about Oyu Tolgoi. The underground is performing really well. It's I guess arguably slightly ahead of schedule versus plan. We saw that with the quarterly result a couple of days ago. But there's a few moving parts in Mongolia as always, and you've got that ongoing tax dispute. And also, we've got the Entrée Resources lease issue. Can you talk about just more broadly though, OT's importance to Rio and if you can touch on those points?

Simon Trott: I was out at OT in the last month or so. And as you say, the underground project is tracking well, so on track to get to the 500,000 tonnes of copper [over 2028 to 2036] that we've been talking about to drive the growth numbers that you've mentioned. Continuing to work on Entrée and some of the other aspects that you've raised. I think the team has made substantial progress in terms of some of the in-country relationships over the last few years. We're working through those issues. I think the team's done a good job in Entrée in terms of just setting up for flexibility to be able to pivot depending on the outcome of the Entrée transfer and the timing around that. And so we'll continue to progress those, Paul, nothing to update at this stage.

Paul Young: Yeah, okay. Thanks, Simon. And then maybe moving to the U.S., you were in the Oval Office recently. I'm sure that was an experience. If the land swap is approved by the U.S. government, what are the next milestones for Resolution, the Resolution Copper project? And then I'm also interested in talking about Bingham Canyon, but just on Resolution, anything you can update?

Simon Trott: Yeah, and it's probably just a reminder of this industry sometimes you take for granted, but there's not many industries in the world where you go Oval Office one day to a village on the Cote d'Ivoire border a few days later, to underground at OT. The breadth of the industry that we operate and the importance. And I think that probably underlines the point that the importance of commodities and resources in the world going forward is only increasing. Resolution as a project, incredible ore body, going back to what I said at the start. And so now we've got the support of the majority of tribes and stakeholders and just working our way through that court process in the U.S. Hearings in January and we'll continue to work through that. The next step for Resolution is really to collect data on the ore body. I guess the experience we've had underground particularly is just making sure that we've really got and touch the ore body and collect the maximum amount of data so that we can set that up for success for a mine that's going to be there for many, many decades.

Paul Young: Yeah, great. And so on that basis, if we do get a land swap in the new year, what is the timeframe to get underground, drill out, and potentially come out with a feasibility study in due course?

Simon Trott: We'll get on with the drilling straight away and so you'll see that progress fairly soon. Some drilling from surface and obviously tunnelling underground to enable us to really get into that ore body. And the timeframe in terms of what that project looks like will depend a little bit on that drilling response. But we'll get on to that as soon as we can post the court hearings.

Paul Young: Yeah, great. And then staying in the U.S. and talking about -- let's talk about Bingham Canyon. You operate a very large smelter in the U.S. It's very strategic. Has the U.S. government been focusing at all on the fact that you have that asset? And also, what are the potential synergies with Resolution? I would just presume putting the concentrate through the smelter.

Simon Trott: Yeah. As publicly stated, the U.S. wants to see domestic production within the U.S., and so having the KUC [Kennecott Utah Copper] smelter gives us a strategic card we can play as one of only two smelters in the U.S. And so we're certainly thinking about that in the context of the resources around KUC and also potentially obviously with Resolution and other deposits in the U.S. But having that there, gives us a real strategic card that we can play going forward.

Paul Young: Yeah, great. Just covering off on the other assets in the copper portfolio, we actually heard from First Quantum yesterday about La Granja. Sounds like that project is actually moving ahead of pace and probably a bit faster than most people think. We'll talk about Escondida with your JV partner a bit later, but you've got a quite an exciting exploration project in Chile called Nuevo Cobre, which is very close to the Maricunga lithium salar, and that's the joint venture with Codelco. Nuevo Cobre is also a joint venture with Codelco. Your exploration team is very excited about this project. They're drilling now. Is there anything you want to just highlight, not on the drill results, but the highlight of the project itself and potential significance of this target?

Simon Trott: As you say, the exploration team is excited. Although I must admit, over 25 years, it's rare to find an exploration team that's not very excited. But I think having stayed in the exploration business as others came in and out, I think has given us the ability and the datasets to really start pulling those together in a different way and searching for new opportunities. And certainly, that's what the team's been applying in South America as we've both identified and then gone after some of the opportunities. And I think probably approaching things a little bit differently as well in terms of some of that exploration work to really drive it at pace and come to a view about whether that's a project we'll take forward or not. But that is certainly an exciting prospect for us. There's a few others in the exploration basket as well that we're looking really hard at.

Paul Young: Yeah, indeed. I know Dave Andrews, Head of Exploration, is very excited. There's 3 porphyry targets there, so we'll wait for results. Let's move on to lithium growth. You arguably have the best lithium growth pipeline in the world with Rincon and the Arcadium assets in Argentina. You've also got the two Chilean salars in the JV with Codelco and ENAMI. You have 4 development projects in execution. You've got potentially another 5 to 6 after that. I know we've got the side business at the end of the year, Capital Markets Day, etc., but can you talk through just high level the lithium growth strategy and your view on the lithium market over the long run?

Simon Trott: Certainly. Looking forward to taking the group to Argentina at the end of the year. I think when you look at the demand profile for lithium, it's been in line or even exceeded expectations in terms of the uptake. The supply side has been the issue obviously with pricing over the last few years. As I said at the start, one of the really good things about having so many good options in lithium is that we can choose the very best of them. And so that's what Jerome and the team are working through, and we'll give a bit more detail at Capital Markets Day in terms of what that profile looks like. I think as we've got into that business, certainly some of the assumptions around some of those projects we've been able to confirm, and looking at what we do with that business going forward.

Paul Young: Yep. And you mentioned earlier about one of the rationales of combining aluminium and lithium was the processing expertise. And the direct lithium extraction technology you're employing now at Rincon in Argentina is exciting. This is sort of in Rio's wheelhouse. This is what you're really good at. I presume that the whole, a big part of lithium strategy is the successful rollout of DLE and actually basically pushing down the cost curve versus other traditional siphons.

Simon Trott: Yeah, and I think you've always got to ask yourself what value you bring to a project, to a business. And certainly within Rio, I think that core expertise and technical capability and R&D capability is something we've always been very focused on. And here's a good expression of how we can really apply it to that lithium business going forward.

Paul Young: Yeah. Let's turn to Australia and the Pilbara. You were running the Pilbara business for 5 years or so, Simon. The business has really turned the corner. You've completed 100 million tonnes per annum of replacement production or mines over the last 5 years. BHP does continue to lead the race on free cash flow per tonne though, but there's a few things that you're doing on the go-forward that can close that gap. One of which is the development of the Rhodes Ridge project. The second one is the change in the product strategy, which for the record, we think is potentially worth $5 billion to $10 billion to Rio Tinto. Can you maybe just step through how you will improve the Pilbara business and what the significance is on the change in the Pilbara Blend and also maybe talk to Rhodes Ridge?

Simon Trott: Yeah, sure. Coming into that business a few years ago, we needed to stabilise and improve our operating performance. We needed to regain our social licence in the aftermath of Juukan Gorge. And we also needed to recapitalise the business. We put out, 4 or 5 years ago, a map around the projects that we needed to progress. And you would have seen the announcement that we had that the West Angeles mine replacement had been approved. And so that brings us really a long way through that replenishment cycle in terms of new mines, and so they're being progressed.

Obviously, Western Range we brought on earlier in the year, having completed the construction there. And so that's a big component of that business going forward. Rhodes Ridge, we cut the deal a few years ago to allow access to Rhodes Ridge, and we'll bring that on by the end of this decade, so best undeveloped resources, certainly in the Pilbara, ranks really well globally. The railway line actually cuts across part of the tenements that are housed within Rhodes Ridge. And binding that together is obviously our product strategy and so we did make some changes to product strategy with an eye on what's in the interest of customers and what's best for the business.

And when we think about what's best for the business, it's both a capital and operating equation, as well as obviously the revenue side. Because our Pilbara business, we take all from all the different sources, but they have different geological formations. And so by adjusting the Pilbara Blend, it allows us to optimise that development sequence, reduce strip ratios. It does take a while for some of those benefits to flow through. Some of them are embedded in what the Rhodes development looks like, but it also enables us to liberate a bit more material as well. And so we've got the settings in place for that business.

Certainly, in terms of safety and productivity, you've seen some of that flow through. Flow through already, but that gives us the foundation to really take the Pilbara business forward in line with the numbers that we've got out that we put in the site visit in 2023.

Paul Young: Yeah, great. Maybe a further question on Rhodes Ridge, 6 billion or 7-billion-tonne ore body, largest undeveloped iron ore deposit really outside of Simandou. And Mitsui has come in as JV partner. You're in with Mitsui on Robe River and also at Cape Lambert, so they're a partner you know very well across the ore business as well. With respect to the timeframe of Rhodes Ridge and the potential scale of this project, can you step through the development timeframe? I know the PFS [pre-feasibility study] is being done now. How big could this be? And then what really the benefits as far as offsetting depletion perhaps?

Simon Trott: Yeah, so the initial development, we've talked of that 40 million tonne range, and then obviously that size of ore body gives us a lot of options going forward. We'll look to add to that as the market requires it, and so you will see the gravity of our business shift out to the East Pilbara over time as some of the other mines come to the end.

And that then gives us the development options at Rhodes Ridge, so you'll see the weight of the business shift to the east. But as you say, that ore body, it's got some of the last high grade, low impurity material in the Pilbara, a little bit akin, a portion of it, to the original days at Tom Price. Whilst I'd love to be in there mining it today, it's better in front of us than behind us. Because it was a series of tenements that we were not able to access for some time because of the commercial arrangements around them. And so certainly, if you play the game forward into the 2030s, Rhodes Ridge will be a big part of our business.

Paul Young: Yeah, great. Okay. Simon, let's turn back to the broader portfolio and discuss that you have mining operations and exploration projects in over 20 countries. You are in all 4 corners of the globe. You're geographically very spread out. Further to placing titanium dioxide and borate assets up for review, conceptually do you think that Rio Tinto has other non-core assets that might be able to be sold to simplify the portfolio further?

Simon Trott: I think you've always got to look at your portfolio and look to recycle capital. You've seen there's some announcements, as you say, around RTIT [Iron & Titanium] and borates around recycling that capital, and we'll continue to look really hard at our portfolio. They're the ones we've announced, Paul, and so that's what our focus is at the moment. But simplicity, capital discipline, safe operations. If you simplify, you can really drive those things forward and that sets you up for success in the future.

Paul Young: Maybe just to expand a little bit, as far as the decision to place those assets up for review, what actually -- how did you make that decision?

Reviewing, when you reviewed those individual commodity markets, the assets, why did you determine that one?

Simon Trott: Just going through the list and the long-term projections for those businesses, these are great businesses. These are businesses that we've had within the group for some time. I've run some of those businesses through the journey as well. And so they'll be fantastic businesses, either for ourselves if we choose to retain or for others in the industry. But it's really looking at what are the businesses you can get into and drive improvements out of and really deliver additional value. That was certainly one of the aspects that we looked at.

Paul Young: Okay, great. Let's talk about balance sheet and shareholder returns. I mean, probably the first point to make is that Rio has now almost a decade history of paying about 60% [of underlying earnings] back to shareholders. Shareholder returns have been very attractive. Net debt has increased to $15 billion post the acquisition of Arcadium. Capex could average around $10 billion over the medium term, so how do you think about the balance sheet and metrics going forward?

Simon Trott: I'm probably fairly conservative in terms of balance sheet. I think having a strong balance sheet in the resource industry is critical. I'm probably a little bit shaped by having spent a year of my life recapitalising the company in the 2000s and working on that. I think having a strong balance sheet gives you options. The commodity business is inevitably cyclical and so that gives you options to be able to respond when the time is right. And it also makes sure that you've got a strong foundation all of the time. And so I guess I think fairly conservatively about the balance sheet. We've got a strong balance sheet and you'll see us retain it.

Paul Young: Okay, okay. And then as far as CapEx is concerned, your forward medium-term guidance is around that $10 billion or so mark. Is there any flexibility on that CapEx guidance? Or in other words, you've got a few projects which are really reliant on say permitting, for example Resolution. Do you think there's any flex in that CapEx going forward?

Simon Trott: This game is about capital allocation, and you'll see us be really disciplined on that. What we won't do is not progress projects and replacement projects where the value is there. We've got a balance sheet that allows us to continue to allocate capital to those high-value projects and we'll continue to do that. Obviously, your growth projects, depending on your assessment and where you are on each one of those projects, whether that's Resolution or some of the others in the portfolio, we'll look at the balance sheet, we'll look at returns, and we'll look at what each of those projects look like at the time they come to the decision point. The other thing I'd say is, it's about options. You've got to be able to progress options so that you can choose the very best of them and go after those ones.

Paul Young: One last question on CapEx is around actually it relates to decarbonisation CapEx. We've seen your peers in the industry push decarbonisation CapEx to the right. Rio had 3 years ago, came out and announced probably the largest decarb CapEx program of all the diversifiers in the mining sector. It's being pushed to the right just naturally because of technologies not there or permitting on projects, wind, solar, etc. What's your view on decarbonisation CapEx and that bucket of spend?

Simon Trott: We've always said we've got the targets for decarbonisation. We've always said we'll progress that in a way where we can deliver returns. And so in some areas, you have seen some of those push out because the technology is not there, or it's not there in an economically responsible way. And so that's the approach we'll continue to take. We haven't chased projects that didn't make financial sense. And so I think you've seen some of those come out of the industry in the last few years. Our approach I think has been sustainable because it's where there's a return. That will continue to be our approach, Paul. We're committed to those targets and some of those projects that we're progressing make good economic sense as well.

Paul Young: Yep, indeed. I think we've got one more minute, so probably last question, and that's with respect to the shareholder returns and potential buybacks. You've made it very clear the dual-listed structure will not change. How much focus is there for you and the Chair putting on -- or how much focus are you putting on discussions with the major shareholder, Chinalco, so you can potentially restart share buybacks here in the UK?

Simon Trott: We've certainly heard shareholder interest around that and we'll continue to engage with Chinalco. I think those relationships are in a good space and it's about sitting together and looking at it from each other's perspective and trying to find a way forward through the current structure. We'll continue to do that. Nothing at this stage, Paul.

Paul Young: Okay, just further, your view on the relationship with Chinalco and where it stands at the moment?

Simon Trott: Look, I think the relationship is much improved. And part of that's about time, part of that's, as I say, about looking at things from each other's perspective. And so that's the approach we'll continue to take. I would say it's also about looking at the world together and thinking about opportunities and so that's an area that we will continue to pursue.

Paul Young: Okay, great. Simon, I've really enjoyed this discussion. Thanks for taking the time.

Simon Trott: Thanks, Paul. Look forward to engaging more further.

Paul Young: Can everyone please thank Simon Trott?

Simon Trott: Thanks, Paul. Cheers.