REVISED

Registration number: 05516177

RIO TINTO IRON ORE ATLANTIC LIMITED

UNAUDITED
DIRECTOR'S REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

RIO TINTO IRON ORE ATLANTIC LIMITED

CONTENTS

RIO TINTO IRON ORE ATLANTIC LIMITED

COMPANY INFORMATION

Directors	S Canning J P Kiddle
Company secretary	Rio Tinto Secretariat Limited
Registration number	05516177
Registered office	6 St James's Square London United Kingdom SW1Y 4AD

STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present their Strategic report on Rio Tinto Iron Ore Atlantic Limited (the "Company") for the year ended 31 December 2022.

Introduction

The Company was incorporated, domiciled and registered in England and Wales under the Companies Act 2006 and is a private company limited by shares. The Company's ultimate parent undertaking and controlling party is Rio Tinto plc, which together with Rio Tinto Limited and their respective subsidiaries form the Rio Tinto Group (the "Group").

Business review

During the year, the Company continued to incur costs relating to the Simandou iron ore project in Guinea and recharge these costs to Simfer S.A. Total operating and project expenditures increased significantly in 2022 totaling $153,163,000 (2021: $41,739,000) as the project moved out of care and maintenance and commenced updating Bankability Feasibility Studies in the year.

Principal risks and uncertainties

The Company's principal risks and uncertainties, such as financial, operational and compliance risks, are integrated with those of the Group and are not managed separately.

Assessment of the potential economic and non-economic consequences of risks is undertaken by the Group's business units and functions using the framework defined by the Group's Risk policy and standard. Once identified, each principal risk and uncertainty is reviewed and monitored by the relevant internal experts and by the Risk Management Committee, the relevant board committees and the board. Full details of the Group's risk factors and policies for financial risk management are discussed in the "Principal risks and uncertainties" section of the Rio Tinto 2022 Annual Report, which does not form part of this report.

Key performance indicators

The Company's directors are of the opinion that there are no meaningful financial or non-financial key performance indicators that would be necessary or appropriate for an understanding of the development, performance or position of the Company's activities.

Section 172(1) statement

Section 172 of the Companies Act 2006 requires the directors of a company to act in the way they consider, in good faith, would most likely promote the success of the company for the benefit of its members as a whole. In doing this, section 172 also requires the directors to have regard, amongst other matters, to the interests of wider stakeholders; including, for example, employees, suppliers, customers and others. In discharging their section 172 duties, the directors do this.

The views of and the impact of the Company's activities on its stakeholders are an important consideration for the directors when making relevant decisions specific to the Company. More generally however, the size and spread of both our stakeholders and the Rio Tinto Group means, in practice, that stakeholder engagement best takes place at an operational or group level. For further details on how the Group engages with stakeholders, please see the "Our stakeholders" section of the Rio Tinto 2022 Annual Report, which does not form part of this report.

The report was approved by the board and signed on its behalf by:

John Kiddle

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Director: J P Kiddle

Date: 6 November 2023

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present their report and the unaudited financial statements for the year ended 31 December 2022.

Principal activities

The Company is involved in and continued to incur costs relating to the Simandou iron ore project in Guinea and recharge, where appropriate, these costs to Simfer S.A..

Results and dividends

The loss for the financial year, after taxation, amounted to $21,460,000 (2021: $22,932,000).

No interim dividend was paid during the year (2021: $nil). The directors do not recommend the payment of a final dividend (2021: $nil).

Directors

The directors of the Company who were in office during the year and up to the date of signing the financial statements were:

J Routhier (resigned 25 November 2022)

K M Tainton (resigned 22 August 2023)

The following directors were appointed after the year end:

S P Allen (appointed 5 February 2023 and resigned 16 May 2023)

S Canning (appointed 9 February 2023)

J P Kiddle (appointed 22 August 2023)

The directors had no material interest in any contract or arrangement during the year to which the Company or any subsidiary is, or was, a party.

Statement of directors' responsibilities in respect of the Financial Statements

The directors are responsible for preparing the Financial Statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 Reduced Disclosure Framework.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Indemnities and insurance

In accordance with section 233 of the Companies Act 2006 the Company has purchased and maintains insurance against liabilities arising from claims against directors' and officers' actions taken in connection with the Group's business.

Going concern

In determining the appropriate basis of preparation of the financial statements, the directors are required to consider whether the Company can continue in operational existence for the foreseeable future.

Notwithstanding $137,160,000 of amounts owing to group undertakings, net current liabilities of $187,629,000 as at 31 December 2022 and a loss for the year then ended of $21,460,000, the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

As the principal activity for the Company is to incur costs relating to the Simandou iron ore project and recharge, where appropriate, these costs to Simfer S.A., its ability to continue as a going concern is dependent on the support provided by the Company's immediate parent company Rio Tinto International Holdings Limited. The directors have received confirmation that Rio Tinto International Holdings Limited intend to support the Company for at least one year after these financial statements are signed.

The directors have determined that there are no foreseeable circumstances which would indicate that the Company could not continue to operate as a going concern for at least twelve months from the issuance of the financial statements.

Matters subsequent to the end of the financial year

During March 2023 the Compagnie du TransGuinéen (CTG) shareholder agreement was signed, subject to certain conditions and resolutions of identified outstanding issues between Simfer, Winning Consortium Simandou (WCS) and Government of Guinea. In August 2023 the Co-Development Convention with the Republic of Guinea and associated agreements were signed. The Co-Development Convention adjusts Simfer and Winning Consortium Simandou (WCS)'s existing mine conventions to create the legal framework for the co-development of the required infrastructure. All aspects are subject to approval by the relevant stakeholders and legislation and regulatory authorities.

No other matter or circumstance has arisen since 31 December 2022 that has significantly affected the Company's operations, results or state of affairs, or may do so in future years.

Future developments

The Company's future developments are integrated with those of the Group which are discussed in the Group's 2022 Annual Report, which does not form part of this report.

Financial risk management

The Company's capital risk and financial risks and uncertainties including the exposure to price, credit risk, liquidity risk and cash flow risks, are integrated with those of the Group and are not managed separately. The Group's objectives, policies and processes for managing capital, and principal risks and uncertainties are discussed in the financial instrument and risk management policies of the Rio Tinto 2022 Annual Report, which does not form part of this report.

Engagement with suppliers, customers and other relationships

The directors of the Company are required to act in the way they consider, in good faith, would most likely promote the success of the Company for the benefit of its members as a whole, and to have regard for the interests of wider stakeholders; including suppliers, customers and others.

The views of and the impact of the Company's activities on its stakeholders are an important consideration for the directors when making relevant decisions specific to the Company. More generally however, the size and spread of both our stakeholders and the Rio Tinto Group means, in practice, that stakeholder engagement best takes place at an operational or group level. For further details on how the Group engages with stakeholders, please see the "Our stakeholders" section of the Rio Tinto 2022 Annual Report, which does not form part of this report.

Environmental matters

The Company recognises the importance of its environmental responsibilities, monitors its impact on the environment, and designs and implements policies to reduce any damage that might be caused by its activities. The Company operates in accordance with the policies described in the Rio Tinto 2022 Annual Report, which *does not form part of this report.*

Exemption from audit

For the year ended 31 December 2022, the Company has claimed the exemption from the requirements to obtain an audit of its financial statement as permitted under section 479A of the Companies Act 2006. All members of the Company have agreed that an audit of the Company's financial information is not required, and the Company's ultimate parent undertaking, Rio Tinto plc, has provided a guarantee covering all of the Company's liabilities until they are satisfied in full.

This report was approved by the board and signed by order of the board.

John Kiddle

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Director: J P Kiddle

Date: 6 November 2023

6 St James's Square
London
SW1Y 4AD2

RIO TINTO IRON ORE ATLANTIC LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	*2022* $ 000	2021 $ 000
Revenue	4	138,038	16,172
Operating charges	5	(153,163)	(41,739)
Impairment charges - net of reversals		(10,394)	65
Net foreign exchange gains/(losses)		3,854	599
Finance costs		(795)	(29)
Loss before taxation		**(22,460)**	**(24,932)**
Taxation	6	1,000	2,000
Loss for the financial year		**(21,460)**	**(22,932)**
Other comprehensive income		**-**	**-**
Total comprehensive expense for the financial year		**(21,460)**	**(22,932)**

The notes on pages 10 to 19 form an integral part of these financial statements.

RIO TINTO IRON ORE ATLANTIC LIMITED

BALANCE SHEET
AS AT 31 DECEMBER 2022

	Note	2022 $ 000	2021 $ 000
ASSETS			
Non-current assets			
Trade and other receivables	7	135,533	16,976
		135,533	**16,976**
Current assets			
Trade and other receivables	7	2,692	8,280
Cash and cash equivalents	8	16	17
		2,708	**8,297**
Total assets		**138,241**	**25,273**
LIABILITIES			
Current liabilities			
Trade and other payables	9	(190,337)	(55,909)
Total liabilities		**(190,337)**	**(55,909)**
Net liabilities		**(52,096)**	**(30,636)**
EQUITY			
Share capital	10	535	535
Accumulated losses		(52,631)	(31,171)
Total equity		**(52,096)**	**(30,636)**

The notes on pages 10 to 19 form an integral part of these financial statements.

BALANCE SHEET
AS AT 31 DECEMBER 2022 (CONTINUED)

For the financial year ending 31 December 2022 the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

Directors' responsibilities:

- The members have not required the Company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act, 2006; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financials.

These financial statements were approved and authorised by the board and were signed on its behalf by:

John Kiddle

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Director: J P Kiddle

Date: 6 November 2023

Company registered number: 05516177

RIO TINTO IRON ORE ATLANTIC LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022

	Share capital $ 000	Accumulated losses $ 000	Total equity $ 000
At 1 January 2022	535	(31,171)	(30,636)
Comprehensive expense:			
Loss for the financial year	-	(21,460)	(21,460)
Total comprehensive expense for the financial year	**-**	**(21,460)**	**(21,460)**
At 31 December 2022	**535**	**(52,631)**	**(52,096)**

	Share capital $ 000	Accumulated losses $ 000	Total equity $ 000
At 1 January 2021	535	(8,239)	(7,704)
Comprehensive expense:			
Loss for the financial year	-	(22,932)	(22,932)
Total comprehensive expense for the financial year	**-**	**(22,932)**	**(22,932)**
At 31 December 2021	**535**	**(31,171)**	**(30,636)**

The notes on pages 10 to 19 form an integral part of these financial statements.

1 General information

Rio Tinto Iron Ore Atlantic Limited (the "Company") is involved in and continued to incur costs relating to the Simandou iron ore project in Guinea and recharge, where appropriate, these costs to Simfer S.A..

The Company is a private limited company limited by share capital, incorporated and domiciled in England and Wales. The address of its registered office is 6 St James's Square, London, SW1Y 4AD and information on the Company's ultimate parent is presented in note 11.

2 Significant accounting policies

This note provides a list of all significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation of the financial statements

These financial statements have been prepared using the historical cost convention, and in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101"). In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of international accounting standards in conformity with the requirements of the Companies Act 2006 ("Adopted IFRSs"), but makes amendments where necessary in order to comply with the Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

The financial statements are presented in US Dollars ($) and all amounts are rounded to the nearest thousand ('000) unless otherwise stated.

2.2 Financial Reporting Standard 101 - Reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of IFRS 7 *Financial Instruments: Disclosures*;
- the requirements of paragraphs 91-99 of IFRS 13 *Fair Value Measurement*;
- the requirement in paragraph 38 of IAS 1 *Presentation of Financial Statements* to present comparative information in respect of paragraph 79(a)(iv) of IAS 1;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 *Presentation of Financial Statements*;
- the requirements of IAS 7 *Statement of Cash Flows*;
- the requirements of paragraphs 30 and 31 of IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*;
- the requirements of paragraphs 134(d)-134(f) and 135(c)-135(e) of IAS 36 *Impairment of Assets*;
- the requirements of paragraph 17 of IAS 24 *Related Party Disclosures*; and
- the requirements in IAS 24 *Related Party Disclosures* to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

Where required, equivalent disclosures are given in the Group financial statements of the Rio Tinto Group which can be obtained as set out in note 11.

2 Significant accounting policies (continued)

2.3 *Changes in accounting policy*

The following standards and interpretations apply for the first time to the financial reporting periods commencing on or after 1 January 2022:

- Property, Plant and Equipment: Proceeds before intended use – Amendments to IAS 16;
- Reference to the Conceptual Framework – Amendments to IFRS 3;
- Onerous Contracts; Cost of Fulfilling a Contract – Amendments to IAS 37;
- Annual Improvements to IFRS Standards 2018-2020 -Amendments to IFRS 1, IFRS 9 and IFRS 16;
- COVID-19-Related Rent Concessions beyond 30 June 2021 - Amendments to IFRS 16.

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for 31 December 2022 reporting periods and have not been early adopted by the Company. These standards, amendments or interpretations are not expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions.

2.4 Going concern

In determining the appropriate basis of preparation of the financial statements, the directors are required to consider whether the Company can continue in operational existence for the foreseeable future.

Notwithstanding $137,160,000 of amounts owing to group undertakings, net current liabilities of $187,629,000 as at 31 December 2022 and a loss for the year then ended of $21,460,000, the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

As the principal activity for the Company is to incur costs relating to the Simandou iron ore project and recharge, where appropriate, these costs to Simfer S.A., its ability to continue as a going concern is dependent on the support provided by the Company's immediate parent company Rio Tinto International Holdings Limited. The directors have received confirmation that Rio Tinto International Holdings Limited intend to support the Company for at least one year after these financial statements are signed.

The directors have determined that there are no foreseeable circumstances which would indicate that the Company could not continue to operate as a going concern for at least twelve months from the issuance of the financial statements.

2 Significant accounting policies (continued)

2.5 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). These financial statements are presented in US Dollars ($), which is the Company's functional and presentation currency.

The functional currency of the Company's branches is the currency of the primary economic environment in which those branches operate.

(b) Transactions and balances

Transactions denominated in other currencies are converted to the functional currency at the exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at year-end exchange rates. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are translated using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income, except when they are deferred in equity as qualifying cash flow hedges and qualifying net investment hedges.

2.6 Revenue

Revenue is measured at the fair value of the consideration received or receivable.

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Company's activities as described below.

Revenue comprises recharges to Simfer S.A. for administrative and general services including employee expenses, incurred by other Group companies and recharged to the Company.

2.7 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank. Bank overdrafts are shown as current liabilities in the balance sheet.

2.8 Finance income and costs

Finance income includes interest income. Interest income is recognised on a time proportionate basis using the effective interest method.

Finance costs includes interest expense and similar charges. Interest expense is recognised on a time proportionate basis using the effective interest method.

2.9 Taxation

Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

2 Significant accounting policies (continued)

2.9 Taxation (continued)

Current tax, including UK corporation tax and overseas tax, is the tax expected to be payable on the taxable income for the year calculated using rates that have been enacted or substantively enacted at the balance sheet date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. Where the amount of tax payable or recoverable is uncertain, the Company establishes provisions based on either: the Company's judgement of the most likely amount of the liability or recovery; or, when there is a wide range of possible outcomes, a probability weighted average approach.

2.10 Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowances.

Trade and other receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. If collection of the amounts is expected in one year or less they are classified as current assets. If not, they are presented as non-current assets. Trade receivables are generally due for settlement within 30 days and therefore are all classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Company holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method

2.11 Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid.

The amounts are unsecured and are usually paid within 45 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

2.12 Provisions

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Provisions for legal claims, service warranties and make good obligations are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract, which is determined based on incremental costs necessary to fulfil the obligation under the contract. Before a provision is established, the Company recognises any impairment loss on the assets associated with that contract.

2 Significant accounting policies (continued)

2.13 Financial assets

Classification and measurement

The Company classifies its financial assets in the following categories:

- financial assets at amortised cost;
- financial assets at fair value through other comprehensive income ("FVOCI").
- financial assets at fair value through the profit or loss ("FVPL").

Classification depends on the business model for managing the financial assets and the contractual terms of the cash flows. Management determines the classification of financial assets at initial recognition. Generally, the Company does not acquire financial assets for the purpose of selling in the short term. The Company's business model is primarily that of 'Hold to collect' (where assets are held in order to collect contractual cash flows). When the Company enters into derivative contracts, these transactions are designed to reduce exposures relating to assets and liabilities, firm commitments or anticipated transactions.

Accounting policies for the categories which the Company holds financial assets are set out below.

Financial assets at amortised cost
This classification applies to debt instruments which are held under a hold to collect business model and which have cash flows that meet the "Solely payments of principal and interest" (SPPI) criteria.

At initial recognition, trade receivables that do not have a significant financing component, are recognised at their transaction price. Other financial assets are initially recognised at fair value plus related transaction costs; they are subsequently measured at amortised cost using the effective interest method. Any gain or loss on de-recognition or modification of a financial asset held at amortised cost is recognised in profit or loss.

Impairment

A forward looking expected credit loss ("ECL") review is required for; debt instruments measured at amortised cost or held at fair value through other comprehensive income; loan commitments and financial guarantees not measured at fair value through profit or loss; lease receivables and trade receivables that give raise to an unconditional right to consideration.

As permitted by IFRS 9, the Company applies the "simplified approach" to external trade receivable balances and the "general approach" to all other financial assets. The general approach incorporates a review for any significant increase in counterparty credit risk since inception. The ECL reviews include assumptions about the risk of default and expected loss rates. For trade receivables, the assessment takes into account the use of credit enhancements, for example, letters of credit. Impairments for undrawn loan commitments are reflected as a provision.

2.14 Financial liabilities

Borrowings and other financial liabilities (including trade payables but excluding derivative liabilities) are recognised initially at fair value, net of transaction costs incurred, and are subsequently measured at amortised cost.

Financial liabilities not measured at amortised cost are classified and measured at fair value through profit or loss. This classification includes derivative liabilities.

2 Significant accounting policies (continued)

2.15 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

3 Critical accounting judgements and key sources of estimation uncertainty

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies. These judgements and assumptions are based on management's best knowledge of the facts and circumstances, but actual results may differ materially from the amounts included in the financial statements. The estimates and assumptions that could have a significant impact on the results of the Company are set out below.

Impairment of financial assets
The Company makes an estimate of the recoverable value of trade and other receivables. When assessing impairment of trade and other receivables, management considers factors including the credit rating of the receivable, the ageing profile of receivables and historical experience.

4 Revenue

	2022 $ 000	2021 $ 000
Recharges of expenses related to the Simandou project to Simfer S.A.	**138,038**	**16,172**

Revenue relates solely to activities in Africa; accordingly no geographical analysis of revenue has been provided.

5 Operating charges

(a) The Company is recharged for seconded employees who are employed by the Group but not directly on the payroll of the Company. The Company subsequently recharges salary costs to Simfer S.A. Below is the split of the operating charges:

	2022 $ 000	2021 $ 000
Management and administrative costs	15,114	9,239
Project development services	126,851	31,367
Other employee costs	11,198	937
	153,163	**41,543**

(b) For the years ended 31 December 2022 and 31 December 2021, no remuneration was paid by the Company to the directors. All directors are remunerated by other Group companies in respect of their services to the Group as a whole. The directors holding office during the year consider their services to the Company to be incidental to their duties within the Group and accordingly no remuneration has been apportioned to the Company.

(c) The average number of persons employed during the year, excluding directors, was nil (2021: nil).

(d) Employees who are involved in the management and operation of the Company have contracts of service with other Group entities and therefore their remuneration is included within those entities' financial statements.

(e) The Company is also recharged for other expenses incurred in relation to the Simandou project which are subsequently recharged to Simfer S.A.

(f) The Company paid $nil (2021: $14,465) to its auditors in respect of the audit of the financial statements. The Company also paid audit fees of $nil (2021: $10,045), $37,115 (2021: $20,091) and $37,115 (2021: $nil) to its auditors in respect to the financial statements of Simfer UK, Rio Tinto Simfer Jersey and Simfer InfraCo Limited.

6 Taxation

	2022 $ 000	2021 $ 000
Corporation tax	(1,000)	(2,000)
Total current tax	**(1,000)**	**(2,000)**

The tax assessed for the year is higher than (2021: higher than) the standard rate of corporation tax in the UK of 19% for the year ended 31 December 2022 (2021: 19%).

The differences are reconciled below:

	2022 $ 000	2021 $ 000
Loss before taxation	(22,460)	(24,932)
(Loss)/profit before taxation multiplied by standard rate of corporation tax in the UK of 19% (2021:19%)	(4,267)	(4,737)
Increase/(decrease) from effect of expenses not deductible in determining tax loss	2,959	2,591
Increase/(decrease) arising from group relief tax reconciliation	308	146
Total tax benefit for the financial year	**(1,000)**	**(2,000)**

An increase to the main rate of UK corporation tax to 25% (from 19%) with effect from 1 April 2023 was substantively enacted on 24 May 2021 (and received Royal Assent on 10 June 2021).

7 Trade and other receivables

	2022 $ 000	2021 $ 000
Non-current		
Amounts owed by group undertakings	146,822	17,872
Provision for impairment of trade receivables	(11,289)	(896)
	135,533	**16,976**
Current		
Amounts owed by group undertakings	1,692	6,280
Intercompany group relief receivable	1,000	2,000
	2,692	**8,280**

7 Trade and other receivables (continued)

Amounts owed by group undertakings are repayable on demand and bear no interest. At the year end, $135,759,000 (2021: 6,807,000) was outstanding within receivables from Simfer S.A. and $11,064,000 (2021: $11,064,000) was outstanding within receivables from Simfer Jersey Limited. Simfer S.A., and Simfer Jersey Limited are non wholly-owned members of the Group.

Impairment of amounts owed to group undertakings

To measure the expected credit losses, amounts owed by group undertakings have been grouped based on shared credit risk characteristics. A review of any occurrence of default since inception of the balance and indications of adverse future performance by the counter party was performed. The expected loss rates are based on the country of incorporation credit rating and associated probability of default. Country of incorporation credit rating is considered representative of the counter party risk rating.

During 2022 a re-assessement of the time apportionment applied to the expected loss was made and as a result a increase in expected credit loss recognised relating to amounts owed by group undertakings of $10,394,000 (2021: decrease of $65,000) was recognised in 2022.

Of the amounts receivable from Group undertakings, $nil (2021: $5,968,000) receives interest based on SOFR plus a margin and are repayable on demand. All other amounts are non-interest bearing and repayable on demand.

8 Cash and cash equivalents

	2022 $ 000	2021 $ 000
Cash at bank	**16**	**17**

9 Trade and other payables

	2022 $ 000	2021 $ 000
Trade payables	4,119	3,271
Accrued expenses	49,049	7,220
Amounts owed to group undertakings	137,160	45,310
Other payables	9	108
	190,337	**55,909**

Of the amounts owed to group undertaking, $34,444,000 bears interest based on SONIA and is repayable on demand. The remainder is non-interest bearing and repayable on demand.

10 Share capital

Allotted, called up and fully paid shares

	2022		2021	
	No. 000	$ 000	No. 000	$ 000
Ordinary shares of $1.00 each	535	535	535	535

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

11 Parent and ultimate parent undertaking

The Company's immediate parent undertaking is Rio Tinto International Holdings Limited. The ultimate parent undertaking and controlling party is Rio Tinto plc, which together with Rio Tinto Limited and their respective subsidiaries form the Rio Tinto Group. Copies of the Rio Tinto Group consolidated financial statements can be obtained from the registered office at 6 St James's Square, London, SW1Y 4AD or from the Rio Tinto website at www.riotinto.com.

12 Related party transactions

The Company has taken advantage of the exemption contained within paragraph 8(k) of FRS 101, and has not disclosed transactions entered into with wholly-owned group entities.

During the year the Company earned net revenue of $138,038,000 (2021: $16,172,000) from costs recharged to Simfer S.A., a non wholly-owned company of the Group. At the year end, $135,759,000 (2021: $6,807,000) was outstanding within receivables from Simfer S.A.. This balance is an unsecured loan for which no guarantee has been provided.

At the year end, $11,064,000 (2021: $11,064,000) was outstanding within receivables from Simfer Jersey Limited. This balance is an unsecured loan for which no guarantee has been provided.

13 Post balance sheet events

During March 2023 the Compagnie du TransGuinéen (CTG) shareholder agreement was signed, subject to certain conditions and resolutions of identified outstanding issues between Simfer, Winning Consortium Simandou (WCS) and Government of Guinea. In August 2023 the Co-Development Convention with the Republic of Guinea and associated agreements were signed. The Co-Development Convention adjusts Simfer and Winning Consortium Simandou (WCS)'s existing mine conventions to create the legal framework for the co-development of the required infrastructure. All aspects are subject to approval by the relevant stakeholders and legislation and regulatory authorities.

No other matter or circumstance has arisen since 31 December 2022 that has significantly affected the Company's operations, results or state of affairs, or may do so in future years.