

Rio Tinto plc

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Rio Tinto once again cuts guidance for 2019 iron ore shipments from the Pilbara region of Australia

Rio Tinto PLC (LON:RIO) saw its shares drop on Wednesday after the FTSE 100-listed global miner further reduced its guidance for iron ore shipments from the Pilbara region of Australia in the current year.

In a statement, the blue-chip firm said its iron ore business is currently experiencing mine operational challenges, particularly in the Greater Brockman hub in the Pilbara.

READ: Rio Tinto cuts 2019 production estimates after posting 14% drop in quarterly iron ore shipments

The company added: "This is resulting in a higher proportion of certain lower grade products, partly to protect the quality of our flagship Pilbara Blend."

Rio Tinto said around 1.5m tonnes of these products were sold in the first quarter, as noted in the 2019 Quarterly Operations Review published on 16 April, and additional sales of these products will be made during 2019.

However, the group added, in light of these challenges, there has also been a review of mine plans, resulting in guidance of Pilbara shipments for 2019 being revised down to between 320m and 330m tonnes, down from previous guidance of between 333m and 343m tonnes.

The company said, given the change in volume guidance, unit costs will be updated in its second quarter Operations Review, due on 16 July.

Back in April, Rio Tinto cut its 2019 production estimates after reporting a 14% drop in quarterly iron ore shipments amid disruption caused by a tropical cyclone that hit its export terminal in Western Australia in March.

The Anglo-Australian miner then reduced its annual iron ore shipments estimate to a range of 333m to 343m, down from a previously reduced range of 338m to 350m tonnes.

In afternoon trading on Wednesday, shares in the FTSE 100-listed firm shed 4.1% at 4,675.50p.

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Price: 4303.5

Market Cap: £72.5 billion

1 Year Share Price Graph



Share Information

Code: RIO

Listing: LSE

52 week High Low
5039 3570.5

Sector: Mining

Website: www.riotinto.com

Company Synopsis:

Rio Tinto is a leading international mining group that finds, mines and processes the earth's mineral resources. The Group's major products include aluminium, copper, diamonds, energy products, gold, industrial minerals (borates, titanium dioxide, salt and talc), and iron ore. Its activities span the world but are strongly represented in Australia and North America.

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