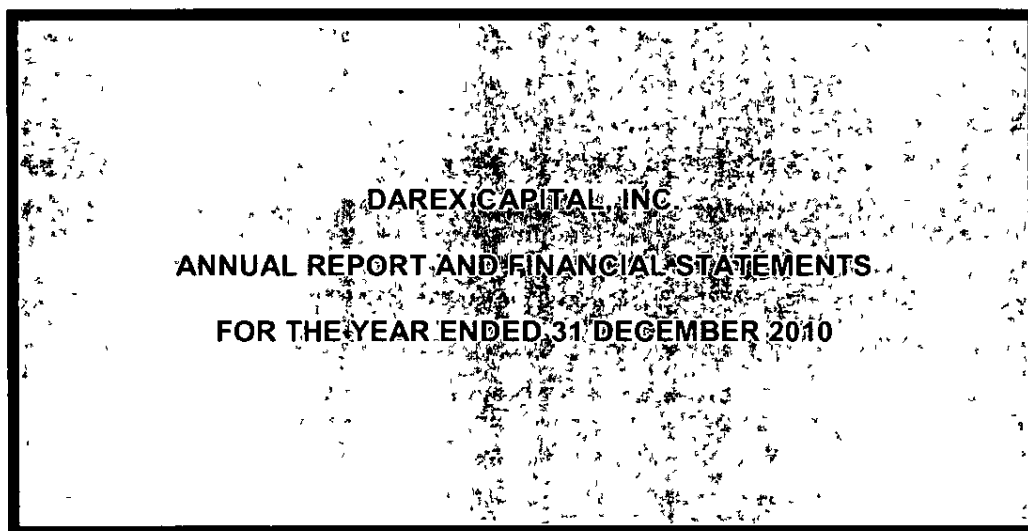


COMPANY NUMBER FC 20240



17 February 2011

DIRECTORS	Mr D S Larsen Mr B J S Mathews Mr M J Whyte
SECRETARY	Ms G JC Aldridge
REGISTERED OFFICE	Plaza Bancomer Building 50 th Street Apartado 6307 Panama 5 Republic of Panama
INCORPORATED IN PANAMA	No 282918
REGISTERED IN ENGLAND AND WALES	No FC20240
BRANCH REGISTRATION	No BR 003877
BRANCH OFFICE	2 Eastbourne Terrace London W2 6LG

REPORT OF THE DIRECTORS

The directors present their report, together with the financial statements for the year ended 31 December 2010

BUSINESS REVIEW

Darex Capital Inc (the 'Company') is a wholly owned subsidiary of Coal & Allied Industries Limited and a subsidiary of Rio Tinto Limited, both companies being listed on the Australian Securities Exchange. The Company is an investment holding company for the Rio Tinto Group (the 'Group'), it has not traded since becoming resident in the United Kingdom. The results of the Company for the year ended 31 December 2010 are set out on page 5

The Company was incorporated on 25 January 1994 in the Republic of Panama and registered in England and Wales under Schedule 21A to the Companies Act 1985 on 1 April 1997. The Company became resident in the United Kingdom on 7 February 1997.

No interim dividend was paid during the year (2009 nil). The directors do not recommend the payment of a final dividend (2009 nil).

PRINCIPAL RISKS AND UNCERTAINTIES

The Company's principal risks and uncertainties are also integrated with those of the Group and are not managed separately. The Group's risk factors and policies for financial risk management are also discussed in its 2010 Annual report and Full financial statements.

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.

DIRECTORS

The names of the directors in office at the date of this report are shown on page 2.

Mr R P Dowding resigned as a director of the company on 31 March 2010 and Mr D S Larsen was appointed as a director on 1 April 2010.

No director had a material interest in any contract or arrangement during the year to which the Company or any subsidiary is or was a party.

SECRETARY

Mr R P Dowding resigned as Secretary of the Company on 31 March 2010. Ms G JC Aldridge was appointed Secretary of the Company on 22 September 2010.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are required to prepare financial statements for each financial period that give a true and fair view of the state of affairs of the Company as at the end of the financial period and of the profit or loss for that period. The financial statements have been prepared on the going concern basis as the directors have satisfied themselves that the company has access to adequate financial resources to continue in operational existence for the foreseeable future.

The directors consider that the 2010 Annual report and financial statements present a true and fair view and have been prepared in accordance with applicable accounting standards,

using the most appropriate accounting policies, and supported by reasonable and prudent judgements and estimates. The accounting policies have been consistently applied.

The directors are responsible for maintaining proper accounting records and they have a 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

The Group purchased directors' and officers' insurance during the year to indemnify individual directors' and officers' personal legal liability and costs for claims arising out of actions taken in connection with Group business.

BY ORDER OF THE BOARD



G J Q Aldridge
Secretary
2 Eastbourne Terrace
London
W2 6LG

17 February 2011

DAREX CAPITAL, INC.
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2010

5

	Note	2010 £000	2009 £000
Income from investments		-	-
Net operating costs	2	-	-
Profit on ordinary activities before taxation		-	-
Taxation		-	-
Profit on ordinary activities after taxation		-	-
Dividends paid		-	-
Retained profit for the year		-	-
Movement in retained earnings			
At 1 January		-	-
Retained profit for the year		-	-
At 31 December		-	-

The Company has no recognised gains and losses other than those included in the profit and loss account above and therefore no separate statement of total recognised gains and losses has been presented

There is no difference between the profit on ordinary activities before taxation and the retained profit for the year stated above and the historical cost equivalents

All items dealt with in the above profit and loss account relate to continuing operations

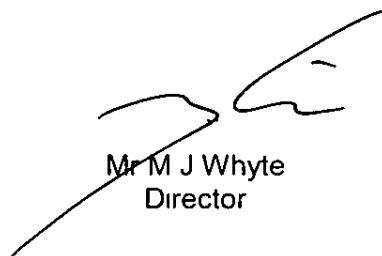
The notes on pages 7 and 8 form part of these financial statements

DAREX CAPITAL, INC.
BALANCE SHEET
AS AT 31 DECEMBER 2010

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	Note	2010 £000	2009 £000
FIXED ASSETS			
Investments		98	98
NET ASSETS		<u>98</u>	<u>98</u>
CAPITAL AND RESERVES			
Called up share capital		-	-
Share premium account		98	98
Profit and loss account	3	-	-
EQUITY SHAREHOLDERS' FUNDS		<u>98</u>	<u>98</u>

The financial statements on pages 5 to 8 were approved by the Board of Directors on 2010 and signed on its behalf by


 Mr M J Whyte
 Director

The notes on pages 7 and 8 form part of these financial statements

1 ACCOUNTING POLICIES

- a) The financial statements are prepared on a going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable UK accounting standards. The directors have reviewed the Company's existing accounting policies and consider that they are consistent with last year. The principal accounting policies are set out below.

b) Investments

Fixed asset investments are valued at cost less impairment provisions. Investments are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable. When a review for impairment is conducted, the recoverable amount is assessed by reference to the net present value of expected future cash flows of the relevant income generating unit or disposal value if higher. The discount rate applied is based upon the Company's weighted average cost of capital, with appropriate adjustment for the risks associated with the relevant unit.

c) Currency Translation

Transactions denominated in foreign currencies are translated at the rate of exchange ruling on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the end of the financial year. Exchange differences are dealt with in the profit and loss account.

2 OPERATING COSTS

- a) The average number of persons employed during the year, excluding directors, was nil (2009: nil).
- b) No emoluments were paid to any of the directors in respect of their services to the Company (2009: nil).

3 SHARE CAPITAL

	2010 £	2009 £
Authorised 1,000,000 shares of US\$0.01 each	<u>6,000</u>	<u>6,000</u>
Issued and fully paid 1,000 shares of US\$0.01 each	<u>6</u>	<u>6</u>

4 DISCLOSURE EXEMPTIONS

The financial statements have been prepared in accordance with the Companies Act 2006 applicable to Overseas Companies

The Company has complied with the requirements of 'The Overseas Companies Regulations 2009'

5 ULTIMATE PARENT UNDERTAKING

The Company's immediate parent company, Coal & Allied Industries Limited ACN 008416760, is registered in Australia. The ultimate parent undertaking and controlling party is Rio Tinto Limited. The Group's consolidated financial statements can be obtained from Rio Tinto plc's registered office at 2 Eastbourne Terrace, London, W2 6LG, or from the Group website at www.riotinto.com