



## NEWS RELEASE

# **XSTRATA COPPER COMPLETES OPTION EXERCISE OVER TAMPAKAN PROJECT IN THE PHILIPPINES AND APPOINTS NEW DIRECTORS TO THE BOARD OF SAGITTARIUS MINES, INC.**

Brisbane, 2 April 2007

Xstrata Copper announces that it has completed its option exercise over the majority interest and assumed management control of the Tampakan copper-gold project in the Philippines through its Philippines subsidiary, Sagittarius Mines, Inc. (SMI). This represents a significant increase in the company's involvement in the Tampakan project, including the appointment of several senior Xstrata Copper executives to the SMI Board and Management.

Xstrata Copper exercised its option to acquire 62.5% of the controlling interest in the Tampakan project on 21 December 2006, and assumed management control from ASX-listed company Indophil Resources NL (IRN) on 30 March 2007, following completion of the option agreement. The Tampakan project will continue to be managed from the Philippines through SMI.

Xstrata Copper has appointed several new directors to the Board of Sagittarius Mines, Inc. effective 30 March 2007. The appointments include Charlie Sartain as Chairman of the Board, Peter Forrestal as SMI President, and Louis Irvine, Neal O'Connor, Florido Casuela and Lucas Nunag as non-executive Directors. The nominees will join existing Board members Tony Robbins, Paul Dominguez, Mario Jalandoni, Gerry Palermo and Rogelio Flores.

"The changes to the Board come as the Tampakan project embarks on a comprehensive feasibility study phase. The new Directors will broaden the expertise and experience on the Board and play an important role in guiding the project at this key stage of its development," said Mr Sartain.

"On behalf of Xstrata Copper and SMI, I would particularly like to thank Paul Dominguez for the important leadership role he has played as SMI President for the past two years, as well as Tony Robbins, Managing Director of Indophil who with his team have made a vital contribution to advance the Project to this point. I would also like to acknowledge the contributions of retiring Board members, John Madden, Paz Somera, Roy Antonio and Alan Buenavista. Under the guidance of the previous Board and Management, SMI has built and maintained close working relationships with the Philippine government and local communities and progressed important evaluation work on the project," he said.

"The mineral resource estimates at the deposit indicate the project has excellent potential to become a new long life asset for Xstrata Copper. Our focus now is on feasibility-related studies, which we aim to complete by the end of 2008, and on progressing sustainable development programs with local communities.

"Xstrata Copper has a strong reputation internationally for community engagement, social responsibility, health and safety management and environmental performance. We will continue to build on the good work SMI has done with the local communities, especially in the areas of education, health, community infrastructure and other sustainable development projects.

"Xstrata Copper is committed to working with all levels of government, the community and its partners in Tampakan as the project progresses into the important feasibility study phase," he said.

### ***New Board Appointments***

**Charlie Sartain** is the Chief Executive of Xstrata Copper and a member of the Executive Committee of Xstrata plc. He has 25 years' international experience in the mining industry, initially in mining engineering and then in various executive positions, focused in the metalliferous industry. He is currently a Director of the International Copper Association, and a Director of the Council on Australian Latin America Relations.

**Peter Forrestal** is the Executive General Manager Project Development of Xstrata Copper. He has been involved in the mining industry for more than 30 years and brings extensive international experience in mining and exploration, project evaluation, feasibility studies and project development.

**Louis Irvine** was appointed as Chief Financial Officer of Xstrata Copper in February 2004. He has more than 15 years' international experience in the mining industry, in financial and commercial management, project funding and business development roles.

**Neal O'Connor** was appointed as General Counsel and Company Secretary of Xstrata Copper in 2003. He has 15 years' experience in international mining transactions and has been admitted as a solicitor in Australia, England and Wales.

**Florido Casuela** was appointed as the Director of the Philippines National Bank in 2006. He has been involved in the Philippine banking and finance industry for over 30 years and has a long history of senior management and board appointments within the Philippines public and private sectors.

**Lucas Nunag** has been admitted as a solicitor in the Philippines and has practiced corporate/commercial law for over 30 years. He brings extensive experience in mergers and acquisitions, joint ventures, foreign investments, contracts and immigration.

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## **Notes to editors**

### **Xstrata plc**

Xstrata is a major global diversified mining group, listed on the London and Swiss stock exchanges. Headquartered in Zug, Switzerland, Xstrata maintains a meaningful position in seven major international commodity markets: copper, coking coal, thermal coal, ferrochrome, nickel, vanadium and zinc, with a smaller but profitable aluminium business, recycling facilities, additional exposures to gold, cobalt, lead and silver and a suite of global technologies, many of which are industry leaders. The Group's operations and projects span 19 countries: Argentina, Australia, Brazil, Canada, Chile, Colombia, the Dominican Republic, Germany, Jamaica, New Caledonia, Norway, Papua New Guinea, Peru, Philippines, South Africa, Spain, Tanzania, the USA and the UK.

### **Xstrata Copper**

Xstrata Copper is headquartered in Brisbane, Australia, with regional offices in Santiago and Antofagasta, Chile; Lima and Arequipa, Peru; Buenos Aires, Argentina; and Toronto, Canada, and is one of the commodity business units within the major global diversified mining group Xstrata plc.

Xstrata Copper's mining operations span five countries and comprise mines, mineral processing plants and port facilities in North Queensland, Australia; mining and processing operations and port facilities in Chile, Peru and Argentina in South America; and mining and processing plants in Canada. It also has a recycling business (Noranda Recycling) with commercial offices in Canada, the United States and Asia.

Xstrata Copper is evaluating and managing a world-leading portfolio of copper development projects including Las Bambas in Peru, El Morro in Chile, El Pachón in Argentina and Frieda River in Papua New Guinea. Xstrata Copper has now completed the option exercise to acquire 62.5 percent and management control of the Tampakan copper-gold project in the southern Mindanao region of the Philippines through its affiliate Sagittarius Mines Inc. (SMI).

Xstrata Copper is the fourth largest global copper producer, with annual managed production of over one million tonnes.

### **Tampakan Project**

The Tampakan project is located on the southern Philippines island of Mindanao, approximately 65 kilometres north of General Santos City. The current project is situated on the boundary of three Provinces – South Cotabato, Sultan Kudarat and Davao Del Sur. The Tampakan copper-gold deposit is located in the Province of South Cotabato, Municipality of Tampakan. Most of the project area covers generally accentuated topography, with the Tampakan deposit located on a NNE trending ridge at an elevation varying from 1,000-1,300 metres above sea level.

The Tampakan deposit represents one of the largest undeveloped copper-gold deposits in the South East Asia-western Pacific Region. The PFS confirmed that resources of two billion tonnes containing 11.6 million tonnes of copper and 14.6 million ounces of gold at a 0.3% copper cut-off grade.