



SAGITTARIUS MINES, INC.

News Release

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TESDA RECOGNIZES SMI'S SKILLS DEVELOPMENT EFFORTS

The Technical Education and Skills Development Authority (TESDA), the government agency tasked to manage and supervise technical education and skills development of the country's human resources, recently honored Sagittarius Mines, Inc. (SMI) with the coveted National Kabalikat Award in the Industry Category during its 13th anniversary celebration held in Taguig City.

SMI was cited for its dedication in uplifting the lives of the communities within its project area through its commitment to adequate competency and skills training.

The company, which is developing the Tampakan Copper-Gold Project, established a Competence Training Center in 2005 in Tampakan, South Cotabato to equip local residents and lumads with skills both for employment and self-employment, through skills training, improving the capability of local micro-entrepreneurs and developing youth leadership potential. The Center offers free training on various trade skills that has benefited more than 250 local residents.

Even though the Tampakan Project is still in an extended pre-feasibility stage, SMI has already spent nearly PhP 2.5 million for technical training on carpentry, masonry, welding, painting and other skills.

Last year, SMI allotted PhP 2 million for community health care, benefiting mostly lumads and local residents. In addition, SMI allocated over PhP 9 million for schoolyear 2006-2007 as educational assistance for 8,825 scholars in elementary and high school.

Last year, the company also received the Presidential Mineral Industry Environmental Award, the highest award given to a mining company by the Philippine Mine Safety and Environment Association (PMSEA) during the 53rd Annual National Mine Safety and Environment Conference held in Baguio City. SMI was also given a special citation in recognition of its forest development program even as the company is not yet legally required to implement a forestry program during the project's exploration phase.

In 2004, a PMSEA selection committee also bestowed the same Award to SMI "in recognition of its very satisfactory environmental, safety and health management and community development in the conduct of its mineral exploration."

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Notes to editors:

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 Catabato, Sultan Kudarat and Davao Del Sur. The Tampakan copper-gold deposit is located in the Province of South Cotabato, Municipality of Tampakan.

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 2 billion tonnes containing 11.6 million tonnes of copper and 14.6 million ounces of gold at a 0.3% copper cut-off grade.

On 30 March 2007, Xstrata Copper acquired 62.5% of the controlling interest in the Tampakan Project and assumed management control through its Philippines based affiliate Sagittarius Mines, Inc.

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, Frieda River in Papua New Guinea and Tampakan in the Philippines.

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