



## **SAGITTARIUS MINES, INC.**

Press Release

5 October 2007

### **SMI COMMITTED TO LONG TERM COMMUNITY BENEFITS**

TAMPAKAN, SOUTH COTABATO, Philippines — Sagittarius Mines, Inc. (SMI) confirmed that it is committed to providing long term community benefits, including local employment opportunities, despite a minor disturbance caused by a group of contractual workers responding to SMI's revised employment strategies.

"On Monday, a group of workers from employment agencies servicing SMI illegally blocked access to SMI's Tampakan offices. We are saddened by this action as we have responded positively to the issues raised by the workers and their representatives in discussions with the local municipal council of Tampakan," explained SMI Project Manager, Gerardo Laviste.

"We recently reviewed our key hiring practices in response to feedback from local officials, community members and rotational workers who were concerned about the lack of transparency and equity of the current rotational worker system.

"Based on this feedback, SMI has created 37 regular positions, and an additional 55 positions on SMI's drilling program which extends to late 2009.

"Our policy is to give preference to qualified, local residents when recruiting. Employment agency workers are welcome to apply for these newly created positions.

"It is important to remember that the Tampakan project has limited full-time employment opportunities at this time, as the project is still in the study and exploration phase," he added.

Mr Laviste appealed to the workers' group and the wider community to show patience by taking a longer-term view and supporting ongoing field work to enhance the future prospects of the Tampakan project.

"SMI management and staff have worked tirelessly to support future development of the Tampakan project. SMI remains committed to playing an important role in project and community development. We intend to be around for the long term, and we ask our local community to work with us to improve employment prospects and well-being in the region.

"The Tampakan project has already delivered many benefits to the local communities. We believe the project has the potential to further significantly improve the quality of life for local communities as it progresses. We will continue to work with local officials and community members to improve the rotational worker scheme to ensure employment opportunities are shared in an equitable, open and transparent manner.

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"We will also continue to offer free training to local residents through our Competence Training Centre to broaden their employment opportunities beyond the Tampakan project.

"SMI is committed to supporting local employment through solid employment practices and we welcome the opportunity to discuss our recruitment strategies with all our stakeholders," Laviste said.

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Notes to editors:

#### Tampakan Project

The Tampakan project is located on the southern Philippines island of Mindanao, approximately 65 kilometers 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 cutoff 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 and projects span seven countries and include 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 (Xstrata Recycling) with facilities in Canada, the United States and Asia.

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