



SAGITTARIUS MINES, INC.

Media Update

SMI REAFFIRMS COMMITMENT TO TAMPAKAN PROJECT AFTER ATTACK ON BASE CAMP; STAKEHOLDERS EXPRESS CONTINUING SUPPORT OF SMI

Tampakan, South Cotabato. 03 January 2008

Sagittarius Mines, Inc. (SMI) today reaffirmed its commitment to pursue the development of the Tampakan copper-gold project in this town after an early morning attack of its operations' base camp by a local band of Communist New People's Army (NPA) rebels on New Year's Day.

The attack caused severe fire damage to the camp's administration building and six other smaller structures. Preliminary estimates by authorities put the damage at about PhP12 million or USD280,000. The NPA has claimed responsibility for the attack.

According to Gerardo Laviste, SMI's Resident Manager, the company is assessing information gathered from various sources relevant to the incident.

"Among other key factors, the resumption of operations will strongly consider the community's support to improve the security in the area," he said.

"It was indeed a very sad incident. However, despite the incident we remain strongly committed to the development of the Tampakan Project in partnership with the government and the local communities," he added.

In a recent consultation meeting with stakeholders, the chairpersons and tribal leaders of the project's host barangays of Danlag, Pulabato and Tablu, expressed dismay over the incident. They also expressed deep concern about the consequences on the socio-economic development of their communities.

The leaders reiterated their support for SMI's continued operations and vowed to work with SMI and local communities to secure the project.

The South Cotabato Chamber of Commerce and Industry Foundation, Inc. (SCCCIFI) also called the incident a serious blow to the efforts of the government to attract investors to South Cotabato.

"We have so far known SMI to be very serious in its environmental management and corporate social responsibility efforts while undertaking the Tampakan Project," said SCCCIFI President Carlito Uy. "We think serious and socially-conscious investors such as SMI do not deserve to be harassed and intimidated."

The Tampakan Project currently hires from the host barangays approximately 1,400 rotational and contractual workers per month.

“An attack on the Tampakan Project is not only an attack on investors’ confidence; it is also an attack on the future of the people in the area,” Mr. Uy added.

Since 2003, SMI has also been providing financial support to over 10,000 students from the project area. Several thousands of families have been receiving SMI's community development assistance in the form of medical and dental services, among others. The company has also been supporting medical insurance for over two thousand indigent families, mostly belonging to the B'laan tribe in the area.

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Notes to editors:

Tampakan Project

The Tampakan project is located on the southern Philippine island of Mindanao, approximately 65 kilometers 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.

The Tampakan deposit represents one of the largest undeveloped copper-gold deposits in South East Asia. The latest mineral resource estimate confirmed 2.2 billion tonnes containing 12.8 million tonnes of copper and 15.2 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 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.