



SAGITTARIUS MINES, INC.

Media Release

SMI ADVISES LAND OWNERSHIP AND EMPLOYMENT ISSUE RESOLVED PEACEFULLY

Tampakan, South Cotabato. June 5, 2008

Sagittarius Mines, Inc. (SMI) advises that contrary to some recent media reports, none of its employees or contractors have been detained by local community members.

On Tuesday, 3 June 2008, SMI personnel were in the area of Sitio Datal Saub, Barangay Bololsalo, Kiblawan, Davao del Sur (in southern Mindanao, the Philippines) to conduct geophysical surveys. Representatives from the local community informed our team that due to an unresolved land ownership and employment issue they would not be allowed to proceed with their survey. In line with prescribed procedures, our team returned to their vehicle and left the area.

Our team subsequently discussed the community members' concerns with local tribal community leaders and *barangay* officials. The land ownership and employment issue has been resolved in a cordial and peaceful manner and SMI recommenced geophysical surveys in the area today.

-Ends-

Contact Person:

ROY ANTONIO

Corporate Affairs Manager

Sagittarius Mines, Inc.

Mobile: (63 920) 950-9231

Notes to editors:

About the Tampakan copper project

The Tampakan copper project is located on the southern Philippine 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.

The Tampakan mineral resource is the largest undeveloped copper-gold deposit 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 copper project and assumed management control through its Philippines based affiliate Sagittarius Mines, Inc. www.smi.com.ph

About Xstrata Copper

Headquartered in Brisbane, Xstrata Copper is one of the commodity business units within the major global diversified mining group Xstrata plc. Its operations and projects span eight countries: Australia, Argentina, Chile, Peru, Canada, the USA, the Philippines and Papua New Guinea. Its operations are administered by five separate divisions, based close to the mining operations, namely the North Queensland, Minera Alumbra, North Chile, Southern Peru and Canada divisions. It also has a recycling business (Xstrata Recycling) with plants in the United States and offices in Canada and Asia.

Head office: Yakal St. corner Talisay St., Poblacion Tampakan, South Cotabato 9507 Philippines Tel +63 83 228-8104, Fax +63 83 228-8011

GSC office: JPM Building, Bula Lagao Road Gen. Santos City 9500 Philippines Tel +63 83 552-8407 Fax +63 83 552-8405

Manila office: 12/F LKG Tower, 6801 Ayala Avenue, Makati City 1227 Philippines Tel +63 2 856-3021 to 25 Fax +63 2 856-3032

Xstrata Copper's world-leading portfolio of growth projects includes Las Bambas in Peru, Tampakan in the Philippines, El Morro in Chile, El Pachón in Argentina and Frieda River in Papua New Guinea.

Xstrata Copper is the fourth largest global copper producer with annual attributable production capacity of over one million tonnes. It employs over 15,000 people, including contractors.