



SAGITTARIUS MINES, INC.

Media Release

26 November 2009

SMI welcomes stakeholders feedback on the Tampakan Project

Sagittarius Mines, Inc. (SMI) last week completed a series of four public scoping meetings at Tampakan, Kiblawan, Columbio and Malungon, for the Tampakan Copper-Gold Project.

At the public meetings, initial plans for the proposed mine were discussed and the Tampakan project team encouraged active participation by stakeholders.

SMI General Manager, Mark Williams, said the meetings were an important phase in the Environmental and Social Impact Assessment (ESIA) process for the Tampakan Project as they provided stakeholders with an opportunity to seek clarification and provide feedback on areas of interest or concern to them.

"SMI is extremely pleased with the turnout at the public scoping meetings as it demonstrates a high level of community interest and support for the consultation process," Mr. Williams said.

"Approximately 1500 people from various sectors of the community attended the meetings including members of the host communities, Indigenous community, national government, academics, church and religious groups, as well as the media.

"Our project team received positive feedback from members of the host communities; they commented that SMI had demonstrated its commitment to the region through its investment in local employment and training, community development projects and environmental programs.

"Attendees also commented that they were pleased to have the opportunity to discuss the initial plan for the proposed mine and encouraged SMI to continue to keep stakeholders informed on the progress of the Tampakan Project and provide ongoing consultation opportunities.

"We also acknowledge the various opposing views raised at the public scoping meetings. We are committed to understanding the concerns of all stakeholders and to engage in open and transparent dialogue while we work to address them.

"The Tampakan project has the potential to significantly improve the quality of life of communities in the region and feedback from our stakeholders, together with the results of specialist studies, will be incorporated into our project designs and planning," he said.

In June 2009, SMI confirmed it would conduct a US\$74 million Feasibility Study (FS) and ESIA into the Tampakan project.

The Feasibility Study is expected to be completed in the first half of 2010. Specialist environmental and social impact studies, as well as stakeholder engagement activities for the ESIA are due to be completed in the second half of 2010.

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Subject to the completion of a positive final feasibility study and all necessary community, government, and company approvals, SMI estimates that production may start by 2016 from what could be the largest mine in the Philippines, and one of the top copper producers in the world.

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Tampakan Project

The Tampakan project is on the southern Philippine island of Mindanao, approximately 65 kilometers north of General Santos City. The current project borders four Provinces – South Cotabato, Sultan Kudarat, Sarangani, and Davao Del Sur. The Tampakan copper gold deposit is in the province of South Cotabato, municipality of Tampakan.

The Tampakan deposit represents one of the largest undeveloped copper-gold deposits in Southeast Asia. The latest mineral resource estimate confirmed 2.4 billion tonnes containing 13.5 million tonnes of copper and 15.8 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 attributable production capacity of over one million tonnes.

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