



SAGITTARIUS MINES, INC.

NEWS RELEASE

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SMI Joins Celebration of Tampakan Day: A Milestone in SMI-Tampakan Development Partnership

Tampakan, South Cotabato – SMI (Sagittarius Mines, Inc.), the proponent of the Tampakan Copper-Gold Project, last week joined the festive celebration of Tampakan's 40th Founding Anniversary, marking another significant milestone in its development partnership with the host community.

On 20 June, a festival highlight was the 'Parade for Partnership' where 4,000 local Tampakan residents joined hands and marched in support and recognition of the strong relationship that exists between the community and SMI. The celebration's theme was "Overcoming Challenges through Unity and Cooperation towards Peace and Sustainable Development."

To signify the importance of the partnership between the local government unit and SMI, Tampakan Acting Mayor Pedro Cagas, through an Executive Order, declared 20 June as the official SMI-Tampakan Partnership Day.

On this same day, SMI and the Tampakan local government, in particular, made the occasion a moment to celebrate the recent signing of the Municipal Principal Agreement (MPA) between the two important stakeholders of the town's development.

SMI also signed an updated Barangay Principal Agreement with the three host Barangays of Tablu, Danlag and Pulabato, represented by their tribal chieftains. The signing served as the highlight of the day's event.

Cagas said the signing of the Principal Agreements will uplift the quality of life of Tampakenos.

In an inspirational speech, SMI General Manager Mark Williams cited the MPA signing as a testimony to the genuine partnership between SMI and the people of Tampakan to pursue sustainable community development as a major by-product of the Tampakan Copper-Gold Project.

"SMI has time and again showed its commitment to Tampakan's development. To date, SMI provided basis for social and economic development not only in Tampakan, but also in the region as well. We continuously commit to invest in skills, social development and economic benefits that will remain with the communities and its people even long after our operation ends," Williams said.

Cagas expressed his gratitude for SMI's assistance in advancing development while protecting the interest of the communities. He also recognized SMI's aid in promoting and advancing the socio-economic development of the municipality. He cited the company's commitment towards development and responsible engagement with the Tampakan Project's stakeholders.

"We are happy to have a positive impact on the lives of the people of Tampakan. We look forward to our lasting, stronger and sustainable partnership. We shall be your long-term partner for development and progress," said Williams.

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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 three Provinces – South Cotabato, Sultan Kudarat 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 2.2 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 attributable production capacity of over one million tonnes.

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