



## **SAGITTARIUS MINES, INC.**

### PRESS RELEASE

SMI embarks on extensive ESIA specialist studies for the Tampakan Copper-Gold Project

Manila, Philippines, 17 September 09

Sagittarius Mines has recently begun extensive specialist studies for the Environmental and Social Impact Assessment (ESIA) of its world class Tampakan Copper-Gold project located in southern Philippines.

Speaking at the Mining Philippines 2009 conference, SMI General Manager Mark Williams said that a USD 74 million Feasibility Study (FS) and Environmental and Social Impact Assessment (ESIA) had commenced into the Tampakan project.

"As we embark on the Environmental and Social Impact Assessment, a range of specialist studies on environmental and social aspects are underway. To ensure a well-informed environmental management plan, all the studies are being conducted by international and local experts who are recognized as authorities in their fields," said Williams.

In August this year, international experts conducted the soil and land capability study to determine the properties of the soil within the project area, and its suitability for use in post-mining rehabilitation. Local experts from the University of the Philippines at Los Banos assisted in the study. Another group of experts conducted the survey of flora and fauna to determine the ecological importance of the proposed mine area, and develop appropriate conservation programs for these plant and animal species.

The University of Queensland and its local counterpart, Visayas State University are now working on a robust forest rehabilitation and management program.

SMI has also conducted extensive studies of water (hydrology) and aquatic biology that commenced before the ESIA phase. SMI has collected more than two years of high quality data on these environmental components through international experts from Hydrobiology.

Upcoming studies on air, noise, rehabilitation, waste management, terrestrial biology, water, health and visual impacts, and socio-economic impacts will all be conducted by specialists in each of these areas.

"In parallel with the FS and ESIA, we continue our best practice of regularly consulting the various stakeholder groups that may be directly or indirectly affected by our proposed operation.

"This transparent and open engagement will ensure that all stakeholder concerns are gathered and considered in the conduct of our technical studies, and eventually, in the development of plans to mitigate and manage the effects of our operation," said Williams.

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

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### Notes to editors:

#### 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 2.2 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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