



SAGITTARIUS MINES, INC.

NEWS RELEASE

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Villagers commend SMI for water system project

A remote upland village in Tupi town, South Cotabato, has expressed utmost gratitude to mineral development firm Sagittarius Mines, Incorporated (SMI) citing the latter for providing the upland community with a water system.

Officials of the village passed Sangguniang Barangay Resolution 25 commending SMI for its substantial assistance to the installation of the water system.

“SMI will remain in the hearts of the people of Miasong and in its history,” the resolution read.

SMI provided materials needed to complete a water system project that now supplies clean and potable water to Miasong residents, said barangay chair Leonilon Escobillo Sr.

Residents in the village used to fetch water from open wells and streams, exposing them to diarrhea and other water-borne illness.

At least 75 percent of the 3,586 residents of Miasong do not have access to potable water supply until SMI provided the means for the village to set up a water system.

On a Free and Prior Informed Consent (FPIC) process that SMI conducted in the area, majority of the people listed water system as one of the best projects their community could have.

The water system afforded Miasong residents a clean and healthy community and environment, allowing greater community participation to barangay activities.

SMI, which is currently exploring what could be Southeast Asia’s copper-gold deposit, has been known for its best practices in environment programs and community development efforts, taking to fore the interest of host communities and neighboring areas. ###

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Contact Person:

John B. Arnaldo

Communications Manager

Sagittarius Mines, Inc.

Mobile Number: (+63 928) 5503 847

Media Care Hotline: (+63 918) 8644 685



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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 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.

Head office: Yakal St. corner Talisay St., Poblacion Tampakan, South Cotabato 9507 Philippines **Tel** +63 83 2271040, **Fax** +63 83 2271045

GSC office: JPM Building, Bula Lagao Road Gen. Santos City 9500 Philippines **Tel** +63 83 5528407 **Fax** +63 83 5528405

Manila office: 12/F LKG Tower , 6801 Ayala Avenue, Makati City 1227 Philippines **Tel** +63 2 8563023 **Fax** +63 2 8563032