

SOME QUESTIONS AND ANSWERS ON THE RIGHTS ISSUE

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Information in this document of the price at which Ordinary Shares have been bought or sold in the past and/or the yield on those Ordinary Shares cannot be relied upon as a guide to future performance

INTRODUCTION

The questions and answers set out below are intended to be in general terms only and, as such, you should read Part III of the Prospectus containing the terms and conditions of the Rights Issue for full details of what action you should take. If you are in any doubt as to what action you should take, please consult your stockbroker, bank manager, solicitor, accountant, fund manager or other appropriate financial adviser.

Section A below deals with general questions relating to the Rights Issue; section B deals with specific questions relating to nil paid rights represented by Provisional Allotment Letters (which will, subject to certain exceptions, be received by holders of ordinary shares in Xstrata plc (*Ordinary Shares*) in certificated form at the Rights Issue Record Date (as defined below) (*Qualifying non-CREST Shareholders*); and section C deals with specific questions relating to nil paid rights in CREST (which will, subject to certain exceptions, be received by holders of Ordinary Shares in

uncertificated form at the Rights Issue Record Date (*Qualifying CREST Shareholders*).

If you do not know whether your Ordinary Shares are in certificated or uncertificated form, call the Shareholder Helpline on 0870 702 0100 (or +44 (0)870 702 0100 if you are calling from outside the UK). For legal reasons, the Shareholder Helpline will only be able to provide information contained in the Prospectus (and in addition information relating to Xstrata's register of members) and will be unable to give advice on the merits of the Rights Issue or to provide financial or investment advice.

Capitalised terms herein have the same meaning as they are given in the Prospectus, unless the context otherwise requires.

SECTION A: GENERAL QUESTIONS

What is a rights issue?

Rights issues are a way for companies to raise money. They do this by giving their existing shareholders a right to subscribe for shares in proportion to their existing shareholdings.

Why has this rights issue been structured as an issue of Convertible Unsecured Loan Stock?

In order to provide maximum flexibility, minimise the period and cost of underwriting and to enable the proceeds of the Rights Issue to be returned if the Acquisition is not completed, this Rights Issue has been structured as an issue of Convertible Unsecured Loan Stock (*CULS*), which will convert into new Ordinary Shares in the Company upon the Scheme becoming effective (essentially once the Acquisition is complete). The *CULS* structure enables the rights to start trading immediately after the Xstrata EGM (as opposed to after the final approval of the acquisition under a standard rights issue). This has the effect of shortening the underwriting period by around four weeks, which minimises market exposure as well as underwriting costs to the Company.

What are fully refundable CULS?

Fully refundable *CULS* are essentially short-term convertible unsecured debt securities, payable in full in one instalment. If all relevant conditions are met (i.e. the Acquisition completes), then the Stock Units convert into ordinary Xstrata shares. If any condition is not met, then the Stock Units will be redeemed, with interest.

How many CULS are being offered?

Under this Rights Issue, 3 units of *CULS* (*Stock Units*) will be offered for every 2 Ordinary Shares held at the close of business on 2 May 2003 (the *Rights Issue Record Date*). So, if you hold Ordinary Shares on the Rights Issue Record Date, you will be entitled to subscribe for 3 Stock Units for every 2 Ordinary Shares you hold.

How do CULS differ from standard rights?

CULS are almost identical to standard rights, with the exception that when you exercise a right, instead of receiving an ordinary share directly, you receive a stock unit that will convert into an ordinary share upon completion of the acquisition. They allow the return of proceeds if the acquisition didn't complete.

What are the trading dynamics of the CULS?

The CULS will trade nil-paid, as would normal rights, for 21 full days after Xstrata's EGM. Once the three week subscription period ends, the CULS will be issued fully paid and trade for approximately 14 days, at which point they will convert to ordinary shares once the Scheme becomes effective.

When will the Stock Units convert into new Ordinary Shares?

Rights of conversion into new Ordinary Shares, which will rank *pari passu* with the existing Ordinary Shares (save that they will not rank for the dividend of US\$0.20 per share in respect of the year ended 31 December 2002), will attach to the Stock Units on their issue fully paid. When the Scheme becomes Effective, the Stock Units will be converted into Ordinary Shares on a one-for-one basis. If the Scheme does not become effective by 30 September 2003, the Stock Units will no longer be capable of conversion and will instead be repaid.

Are holders of CULS protected against any dilutive corporate action by Xstrata?

Yes, the CULS conversion ratio will be adjusted to protect against dilution as per standard for convertible securities.

What will happen if the Scheme does not become effective?

If the Acquisition does not happen, the amount paid up in respect of subscription for the CULS will be repaid in full (together with interest).

What are the mechanics surrounding the interest payable in the event that the CULS are redeemed?

If the conditions to completion are not satisfied or waived, Xstrata will be obliged to repay each CULS holder's investment with interest. The interest will accrue from (but excluding) the latest date for acceptance and payment in full for the CULS to (and including) the date on which the repayment is made. The level of interest payable will be the overnight money market rate paid by Deutsche Bank. Payment shall be made net of any withholding or other taxes.

What happens if there is a public offer made for Xstrata?

If there is a takeover bid at any time prior to the conversion of the Stock Units, then these Stock Units will automatically convert into ordinary shares, if such a takeover becomes unconditional.

How do the CULS rank under a credit default scenario by Xstrata?

Once the CULS are fully paid up, they will rank pari passu with fully subordinated debt instrument.

What happens to the value of the CULS if there is an interloper?

If there is an interloper and the Xstrata offer for MIM is unlikely to complete the value of a nil paid Stock Unit is likely to be nothing and the value of a fully paid Stock Unit should be close to the subscription price that would be refunded together with any interest.

Where can I find more details about the CULS?

The terms of the CULS are summarised in paragraph 6 of Part III of the Prospectus.

What if I don't want to take up my rights?

If you do not want to exercise your right to subscribe for the Stock Units to which you are entitled, you can instead sell your rights to those Stock Units. This is referred to as dealing "nil paid" (see below).

The Stock Units are being offered at a 49.6% discount to the closing middle market price of 486.5 pence per Ordinary Share on 4 April 2003, the latest practicable date before the date of the Prospectus. Because of this discount, the right to subscribe for the CULS is potentially valuable. Details of how you can sell your rights are set out in Part III of the Prospectus and, if relevant, in the Provisional Allotment Letter.

Rather than selling your rights to subscribe for Stock Units, you may choose not to take any action at all. In these circumstances, arrangements have been made under which the Underwriters will try to find investors to take up your rights and those of others who have not taken up their rights (as well as shareholders in restricted jurisdictions) by 4 April 2003. If the Underwriters do find investors and are able to achieve a premium over the Issue Price (plus costs) (including any value added tax) you will receive payment for your share of the amount of that premium.

What happens next?

The Company needs to increase its authorised share capital and the Directors need authority to allot the maximum number of new Ordinary Shares into which the CULS will convert, before the Rights Issue can proceed. The Acquisition will also need to be approved (and the Rights Issue will not proceed if it is not).

Xstrata has called an EGM of its Shareholders to consider the above matters at Theater Casino Zug, Artherstrasse 2-4, 6300 Zug, Switzerland on 8 May 2003 at 11.30 a.m. (Central European Time) or, if later, after the AGM being held at 11 a.m. on the same date ends, with a satellite meeting to be held concurrently at City Presentation Centre, 4 Chiswell Street, London EC1Y 4UP on the same date at 10.30 a.m. (British Summer Time). Please see the Notice of EGM at the end of the Prospectus, and the enclosed Form of Proxy.

The Acquisition will be carried out by way of a scheme of arrangement, which will need to be approved by MIM's shareholders: a meeting is expected to be held on 5 June 2003.

The Scheme will also need to be approved by the Supreme Court of Queensland: a Court hearing is expected to be held on 12 June 2003, at which an order approving the Scheme is expected to be made, which will make the Scheme Effective. Upon the Scheme becoming Effective, the CULS will be converted into new Ordinary Shares in Xstrata (see above).

I understand that there is a period when there is trading in the Nil Paid Rights. What does this mean?

If you do not want to subscribe for the Stock Units being offered to you under the Rights Issue, you can instead sell or transfer your rights (called *Nil Paid Rights*) to those Stock Units and receive the net proceeds of the sale or transfer in cash. This is referred to as dealing "nil paid". This means that, during the Rights Issue offer period, you can either purchase Ordinary Shares (which will not carry any entitlement to participate in the Rights Issue) and/or you can trade in the Nil Paid Rights. See paragraph 3(d) of Part III of the Prospectus for more details.

If you buy Nil Paid Rights, you are buying an entitlement to take up the Stock Units, subject to your paying for them in accordance with the terms of the Rights Issue. The ultimate value of the Nil Paid Rights will depend on whether the Acquisition completes, and the underlying Ordinary Share price at that time.

If I buy Ordinary Shares after the Record Date for the Rights Issue (2 May 2003), will I be eligible to participate in the Rights Issue?

If you buy Ordinary Shares after the Record Date but prior to 9 May 2003, the date the Ordinary Shares start trading ex rights (that is, without the right to participate in the Rights Issue), you will be eligible to participate in the Rights Issue. If you buy Ordinary Shares on or after 9 May 2003, you will not be eligible in respect of those shares.

Am I entitled to fractions of Stock Units or new Ordinary Shares?

Your entitlement to Stock Units is calculated by multiplying your holding of Ordinary Shares by 3 and dividing the result by 2. If the result is not a whole number, your entitlement will be rounded down to the nearest whole number, meaning that you will not receive a Stock Unit in respect of the fractional entitlement. The Stock Units representing the aggregated fractional entitlements of all Xstrata Shareholders will not be allotted.

Will I be taxed if I take up or sell my rights or if my rights are sold on my behalf?

If you are resident in the UK for tax purposes, you will not have to pay UK tax when you take up your rights, although the Rights Issue will affect the amount of UK tax you may pay when you sell your Ordinary Shares. However, you may be subject to

capital gains tax on any proceeds you receive from the sale of your rights (unless, generally, the proceeds do not exceed £3,000, although in that case the amount of UK tax you may pay when you sell your Ordinary Shares will be affected).

Further information for Qualifying Shareholders who are resident in the UK for tax purposes is contained in paragraph 14 of Part XIII of the Prospectus. Qualifying Shareholders who are in any doubt as to their tax position, or who are subject to tax in any other jurisdiction, should consult an appropriate professional adviser as soon as possible.

What if I am entitled to Ordinary Shares under an Xstrata Share Option Scheme?

Participants in Xstrata Share Option Schemes will be advised separately of adjustments (if any) to their rights under the Xstrata Share Schemes or as to any entitlement to participate in the Rights Issue.

What should I do if I live outside the UK?

Your ability to take up rights to CULS may be affected by the laws of the country in which you live and you should take professional advice about any formalities you need to observe. Shareholders resident outside the UK - particularly those resident in Australia, Canada, Japan, The Republic of Ireland, The Republic of South Africa or the United States - should refer to paragraph 8 of Part III of the Prospectus.

Your attention is drawn to the terms and conditions of the Rights Issue in Part III of the Prospectus and (in the case of Qualifying non-CREST Shareholders) to be contained in the Provisional Allotment Letter.

SECTION B: QUESTIONS FOR HOLDERS WITH SHARE CERTIFICATES

What do I need to do in relation to the Rights Issue?

You are not required to take any action at present in respect of the Rights Issue, other than voting at the EGM. It is intended that if the relevant Resolutions are passed at the EGM, the Rights Issue will proceed and (assuming you hold Ordinary Shares in certificated form) it is expected that a Provisional Allotment Letter will be despatched to you on 8 May 2003 (unless your registered address is in Australia, Canada, Japan, Ireland, South Africa or the United States).

What are my options and what should I do with the Provisional Allotment Letter when it arrives?

When the Provisional Allotment Letter arrives, it will show:

in Box 1: how many Ordinary Shares you held at the close of business on 2 May 2003 (the Record Date for the Rights Issue);

in Box 2: how many CULS you are entitled to subscribe for; and

in Box 3: how much you need to pay if you want to take up your rights in full.

(a) If you want to take up all your rights

If you want to take up all your rights to subscribe for the CULS to which you are entitled, all you need to do is send the Provisional Allotment Letter, together with your cheque or banker's draft for the full amount shown in Box 3, payable to "The Royal Bank of Scotland plc A/C Xstrata" and crossed "A/C payee only", by post to Computershare Investor Services PLC at P.O. Box 859, The Pavilions, Bridgewater Road, Bristol BS99 1XZ, or by hand only (between normal business hours) to Computershare Investor Services PLC, 7th Floor, Jupiter House, Triton Court, 14 Finsbury Square, London EC2A 1BR to arrive before 10.30 a.m. on 2 June 2003. You can use the reply-paid envelope that will be enclosed with the Provisional Allotment Letter.

Paragraph 3(b)(i) of Part III of the Prospectus has full instructions on how to accept and pay for your Stock Units. Instructions will also be set out in the Provisional Allotment Letter. You will be required to pay in full for all the rights you take up.

You will only need your Provisional Allotment Letter to be returned to you if you want to deal in your Fully Paid Rights. Your Provisional Allotment Letter will not be returned to you unless you tick Box 4 on page 1 of the Provisional Allotment Letter.

(b) If you do not want to take up your rights at all

If you do not want to take up your rights, you do not need to do anything. If you do not return your Provisional Allotment Letter by 10.30 a.m. on 2 June 2003, we have made arrangements under which the Underwriters will try to find investors to take up your rights and those of others who have not taken up their rights by 2 June 2003. If the Underwriters do find investors and are able to achieve a premium over the Issue Price and the related expenses of procuring those investors (including any value added tax) you will be sent a cheque for your share of the amount of that premium. Cheques are expected to be despatched by 10 June 2003 and will be sent to your address appearing on Xstrata's register of members (or to the first named holder if you hold your shares jointly).

(c) If you want to take up some but not all of your rights

If you want to take up some but not all of your rights and wish to sell some or all of those you do not want to take up, you should first apply to have your Provisional Allotment Letter split by completing Form X on page 4 of the Provisional Allotment Letter, and returning it to Computershare Investor Services PLC, 7th Floor, Jupiter House, Triton Court, 14 Finsbury Square, London EC2A 1BR, to be received by 3 p.m. on 29 May 2003, the last time and date for splitting Provisional Allotment Letters, nil paid, together with a covering letter stating the number of split Provisional Allotment Letters required and the number of Nil Paid Rights to be comprised in each split Provisional Allotment Letter.

You should then deliver the split Provisional Allotment Letter representing the CULS you wish to accept together with your cheque to Computershare Investor Services PLC to be received by 10.30 a.m. on 2 June 2003, the last date and time for acceptance and payment in full.

If you want only to take up some of your rights (but not sell the rest yourself), you should also follow the procedure to apply for split Provisional Allotment Letters in accordance with the previous paragraph.

How do I know if I am eligible to participate in the Rights Issue?

If you receive a Provisional Allotment Letter then you should be eligible to participate in the Rights Issue (as long as you do not sell all of your Ordinary Shares before 9 May 2003 (the ex-rights date)).

What if I do not receive a Provisional Allotment Letter?

If you do not receive a Provisional Allotment Letter and you do not hold your Ordinary Shares in CREST, this probably means that you are not eligible to participate in the Rights Issue. Some Qualifying Shareholders, however, will not receive a Provisional Allotment Letter, namely:

- Qualifying CREST Shareholders (please see section C below);
- Qualifying non-CREST Shareholders who bought Ordinary Shares before 9 May 2003 but were not registered as the holders of those Ordinary Shares at the close of business on 2 May 2003; and
- certain Overseas Shareholders.

If you do not receive a Provisional Allotment Letter (these are expected to be sent on 8 May 2003) but think that you should have received one, please contact the Shareholder Helpline on 0870 702 0100 (or +44 (0)870 702 0100 if you are calling from outside the UK). For legal reasons, the Shareholder Helpline will only be able to provide information contained in the Prospectus document (and in addition information relating to Xstrata's register of members) and will be unable to give advice on the merits of the Rights Issue or to provide financial or investment advice.

How many Stock Units am I entitled to subscribe for?

Box 2 on page 1 of the Provisional Allotment Letter will show the number of Stock Units you are entitled to subscribe for. You are entitled to 3 Stock Units for every 2 Ordinary Shares held on 2 May 2003, the Record Date (rounding down any fractions).

If I take up my rights, when will I receive my the loan stock certificate?

If you take up your rights under the Rights Issue, loan stock certificates for the Stock Units are expected to be posted by 9 June 2003.

What if I want to sell the CULS I have paid for?

Provided the CULS have been paid for and you have requested the return of the receipted Provisional Allotment Letter, you can transfer the Fully Paid Rights by completing Form X, the form of renunciation, on the back of the receipted Provisional Allotment Letter in accordance with the instructions set out on page 4 of the Provisional Allotment Letter until 10.30 a.m. on 2 June 2003. See paragraph 3(e) of Part III of the Prospectus for more details.

After that date, the Stock Units will be in registered form and you will be able to sell them in the normal way, using a duly stamped instrument of transfer. However, the loan stock certificate relating to your Stock Units is only expected to be despatched to you by 9 June 2003. Pending receipt of such loan stock certificate, instruments of transfer may be certified by Computershare Investor Services PLC against the register.

How do I transfer my rights into the CREST system?

If you are a Qualifying non-CREST Shareholder, but are a CREST member and want your Stock Units to be in uncertificated form, you should complete Form X and the CREST Deposit Form (both on page 4 of the Provisional Allotment Letter), and ensure it is delivered to the CREST Courier and Sorting Service to be received by 3.00p.m. on 28 May 2003. CREST personal members should arrange for their CREST sponsors to do this.

SECTION C: QUESTIONS FOR HOLDERS WITH SHARES IN CREST

How do I know if I am eligible to participate in the Rights Issue?

If you are a Qualifying CREST Shareholder (save as mentioned below) and assuming the Rights Issue proceeds as planned, your CREST stock account(s) is expected to be credited with your entitlement to Nil Paid Rights on 9 May 2003. The stock account(s) to be credited will be the account(s) under the participant ID and member account ID that apply to your Ordinary Shares on the Record Date. If you are a CREST personal member, you should consult your CREST sponsor if you wish to check that your account has been credited with your entitlement to Nil Paid Rights.

The CREST stock accounts of Overseas Shareholders with registered addresses in Australia, Canada, Japan, The Republic of Ireland, South Africa or the United States will not be credited with Nil Paid Rights. Overseas Shareholders should refer to paragraph 8 of Part III of the Prospectus.

How do I take up my rights using the CREST system?

If you are a Qualifying CREST Shareholder you should refer to paragraph 4 of Part III of the Prospectus for details on how to take up and pay for your rights.

If you are a CREST member you can make a valid acceptance by ensuring that an instruction within CREST (a many-to-many instruction) has been input and has settled by 10.30 a.m. on 2 June 2003.

If your Ordinary Shares are held by a nominee or you are a CREST personal member you should speak directly to the stockbroker who looks after your shares or your CREST sponsor (as appropriate) who will be able to help you.

If I buy or have bought Ordinary Shares before 9 May 2003 (the date that trading in the Nil Paid Rights commences), will I be eligible to participate in the Rights Issue?

If you buy or have bought Ordinary Shares before 9 May 2003, but were not registered as the holder of those Ordinary Shares at the Record Date for the Rights Issue (2 May 2003), you may still be eligible to participate in the Rights Issue. You should speak to your broker, who will arrange for CRESTCo to raise claims in the normal manner in respect of your purchase and your Nil Paid Rights will be credited to your stock account(s) on settlement of those claims.

You will not be entitled to Nil Paid Rights in respect of any Ordinary Shares acquired on or after 9 May 2003, the ex-rights date.

What should I do if I sell or have sold or transferred all or some of my Ordinary Shares before 9 May 2003?

Where you sell or have sold or transferred all of your Ordinary Shares, you should send the Prospectus and the accompanying documents to the purchaser or transferee or to the stockbroker, bank or other financial adviser through whom you made the sale or transfer. A claim transaction in respect of that sale or transfer will automatically be generated by CRESTCo which, on settlement, will transfer the appropriate number of Nil Paid Rights to the purchaser or transferee.

How many Stock Units am I entitled to subscribe for?

Your stock account will be credited with Nil Paid Rights in respect of the number of Stock Units to which you are entitled based on the number of Ordinary Shares you hold on the Record Date. You can also view the claim transactions in respect of purchases/sales effected after this date. If you are a CREST personal member, you should consult your CREST sponsor.

If I take up my rights, when will Stock Units be credited to my CREST stock account(s)?

If you take up your rights under the Rights Issue, Stock Units will be credited to the CREST stock account(s) in which you hold your Fully Paid Rights on 3 June 2003.

What if I want to sell my Nil Paid Rights?

Qualifying CREST Shareholders and, subject to dematerialisation of their Nil Paid Rights as set out in the Provisional Allotment Letter, Qualifying non-CREST Shareholders who are CREST members or CREST personal members, can transfer Nil Paid Rights, in whole or in part, by means of CREST in the same manner as any other security that is admitted to CREST. Please consult your CREST sponsor or stockbroker, bank or other appropriate financial adviser for details.

What if I want to sell the CULS I have paid for?

If you hold your Stock Units and/or rights in CREST, you may transfer the Fully Paid Rights in the same manner as any other security that is admitted to CREST. See paragraph 4(e) of Part II of the Prospectus for more details. Please consult your CREST sponsor or stockbroker, bank or other appropriate financial adviser for details.

How will I find out what the price of the nil paid Stock Units is?

You will be able to find out the price by looking in an appropriate newspaper (eg the Financial Times) or by speaking to your broker.

YOUR ATTENTION IS DRAWN TO THE TERMS AND CONDITIONS OF THE RIGHTS ISSUE IN PART III OF THE PROSPECTUS.