



Friday 23 May 2003

Dear MIM Shareholder

I wanted to write to you personally about our proposal to combine Xstrata and MIM.

Xstrata and Australia

Australia is the world's premier mining country – it has the people, the resources and the passion this industry requires. We believe in the huge potential of the Australian mining sector, in which we have already invested significantly, and that is why we have made this offer for MIM. Xstrata already has interests in 16 operating mines in Australia, employing over 2000 people, and much of our growth in the next few years will be from projects in Australia. I have personally been involved in Australian mining operations since 1995, and during these eight years of commitment to the Australian mining sector I have promoted and secured finance for the development of a number of expansions and new projects, including the Mount Arthur North Coal Project in New South Wales.

Xstrata and MIM

The combination of MIM and Xstrata creates a world-class mining Group. Our global coal business is headquartered in Australia, and Brisbane will continue to be the headquarters of the combined Group's copper business. Currently, Australia contributes 41% of Xstrata's cash earnings, which would grow to over 50% in the combined Group. The combined Group will therefore be an important and committed player in the Australian mining industry and a supportive partner to the local communities in which we work. It is our policy to set aside 1% of our profit before tax to support these local communities.

Xstrata and the future

I have continually sought to reassure all stakeholders that this transaction is about building a powerful Group, with the capacity to grow in the years ahead. I believe that the combination of the two companies creates an exciting, dynamic mining group, with the scale and strength to compete for value and to access the international capital markets. The access to international capital creates the financial scope to pursue growth projects in Australia with the knowledge that these will be more easily funded by the combined Group, than by a smaller stand-alone company.

Your Vote

Your vote is important to the success of the Scheme.

If you support the Scheme, I encourage you to exercise your right to vote, because your vote will be important in ensuring that the Scheme is approved.

Xstrata plc Head office Bahnhofstrasse 2 PO Box 102 6301 Zug Switzerland
Tel +41 41 726 6051 Fax +41 41 726 6055 www.xstrata.com

Registered in England No 4365240 Registered Office: Panton House 25 Haymarket London SW1Y 4EN

Why you should vote 'Yes'

Clearly a successful outcome to the Scheme is important for Xstrata. It is equally important for MIM, its shareholders, its employees and all other stakeholders. Shareholder **approval** will create a coherent integrated Group with the capacity to finance all possible growth initiatives in Australia, ensuring sustainable employment for MIM employees at the operations, and to contribute to new projects and to the communities in Queensland, the Northern Territory, New South Wales and indeed the whole of Australia.

There is consensus that a **rejection** of the Scheme is likely to lead to a substantially lower share price. Our offer of A\$1.72 is a 43% premium to the price at which MIM shares were trading prior to the November 2002 announcement that Xstrata and MIM were in discussions. MIM shares last traded at around A\$1.72 some six years ago. Your Chairman and the Non-Executive Directors have cautioned that no competitive bids were received for MIM. This is no guarantee that MIM will not fall prey, at a lower price, to an opportunistic predator, with no commitment to growing its Australian operations, in the aftermath of a rejected scheme.

I believe that rejecting the Scheme will be to the detriment of all MIM's stakeholders, leaving your company weaker and less able to invest in the future growth of its operations.

If you support the Scheme, I encourage you to exercise your right to vote, because your vote will be important to ensuring that the Scheme is approved.

- **Supporting the Scheme provides certainty for you and other shareholders, MIM employees and the communities where MIM operates.**
- **The Chairman and all the Non-Executive Directors of MIM recommend supporting the Scheme.**

You can vote by either:

- Attending the Scheme meeting in Brisbane on Friday, 6 June 2003; or
- Completing a proxy form and returning it to MIM, so it is received by 10am on Wednesday, 4 June 2003.

If you return a completed proxy form, you can still attend the Scheme meeting and vote. If you have previously voted 'No' and now wish to change your mind, sending in a new proxy form with a later date will change your vote.

Accompanying this letter is a yellow proxy form. You may use this, or the original proxy form which accompanied the Information Memorandum. You may also use the reply envelope that is included with this letter to return your completed proxy form to the MIM Company Share Registry.

I urge that you read the Information Memorandum in detail and to contact your financial adviser if you are unsure as to how you should vote on the Scheme. Alternatively, you can call the MIM information line on 1800 656 530 should you require assistance.

Yours sincerely



Mick Davis
Chief Executive