



ORE RESERVES & MINERAL RESOURCES

January 2008

Xstrata Nickel's mineral reserve and resource estimates are prepared in accordance with the "CIM Definition Standards On Mineral Resources and Mineral Reserves", adopted by CIM Council on December 11, 2005, and the "CIM Estimation of Mineral Resources and Mineral Reserves Best Practice Guidelines", adopted by CIM Council on November 23, 2003, using geostatistical and/or classical methods, plus economic and mining parameters appropriate to each project.

"National Instrument 43-101 Standards of Disclosure for Mineral Projects" are used for public reports of mineral resources, mineral reserves and exploration results. For the purposes of this report the term 'Ore Reserves' as defined by the JORC Code 2004, has the same meaning as 'Mineral Reserves' as defined in the CIMM Standards 2005.

The reserve and mineral resource statement at 30th of June 2007 is consistent with the CIMM standards. The Measured and Indicated Resources are inclusive of those Mineral Resources later modified to produce Ore Reserves to facilitate internal consistency in reporting within Xstrata. CIMM recommends that Mineral Resources be reported exclusive of Mineral Reserves but recognizes "there are legitimate reasons, in some situations, for reporting Mineral Resources inclusive of Mineral Reserves".

Ore Reserve and Mineral Resource information in the tables below is based on information compiled and signed off by Qualified Person(s) (as defined by the CIMM Code). Each of the Qualified Persons has the appropriate professional membership and the relevant experience in relation to the Mineral Resources and/or Mineral Reserves being reported by them to qualify as a Qualified Person as defined in the CIMM Definition Standards.

The Ore Reserves and Mineral Resources figures in the following tables are as at 30 June 2007.

Metric units are used throughout. All data is presented on a 100% basis. All tonnes and grade information has been rounded to reflect the relative uncertainty in the estimates; there may therefore be small differences in the totals. Mineral Resources are reported inclusive of those Mineral Resources modified to produce Ore Reserves.

Commodity prices and exchange rates used to estimate the economic viability of Ore Reserves are based on long term forecasts applied at the time the estimate was calculated.

This summary was reviewed and prepared by Ted Barnett (PGeo Ontario).

The attached Mineral Resource and Ore Reserve Template was reviewed and compiled by Chester Moore (PEng Ontario; PGeo Ontario), consultant with Scott Wilson Mining Group and external auditor for Xstrata Nickel.

Definitions

The following definitions (as per the CIMM Standards 2005), have been applied in estimating the Mineral Reserves and Mineral Resources position of Xstrata Nickel as disclosed within this document.

Mineral Resource

Inferred Mineral Resource

An 'Inferred Mineral Resource' is that part of a Mineral Resource for which quantity and grade or quality can be estimated on the basis of geological evidence and limited sampling and reasonably assumed, but not verified, geological and grade continuity. The estimate is based on limited information and sampling gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes.

Due to the uncertainty that may be attached to Inferred Mineral Resources, it cannot be assumed that all or any part of an Inferred Mineral Resource will be upgraded to an Indicated or Measured Mineral Resource as a result of continued exploration. Confidence in the estimate is insufficient to allow the meaningful application of technical and economic parameters or to enable an evaluation of economic viability worthy of public disclosure. Inferred Mineral Resources must be excluded from estimates forming the basis of feasibility or other economic studies.

Indicated Mineral Resource

An 'Indicated Mineral Resource' is that part of a Mineral Resource for which quantity, grade or quality, densities, shape and physical characteristics, can be estimated with a level of confidence sufficient to allow the appropriate application of technical and economic parameters, to support mine planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough for geological and grade continuity to be reasonably assumed.

Mineralization may be classified as an Indicated Mineral Resource by the Qualified Person when the nature, quality, quantity and distribution of data are such as to allow confident interpretation of the geological framework and to reasonably assume the continuity of mineralization. The Qualified Person must recognize the importance of the Indicated Mineral Resource category to the advancement of the feasibility of the project. An Indicated Mineral Resource estimate is of sufficient quality to support a Preliminary Feasibility Study which can serve as the basis for major development decisions.

Measured Mineral Resource

A 'Measured Mineral Resource' is that part of a Mineral Resource for which quantity, grade or quality, densities, shape, and physical characteristics are so well

established that they can be estimated with confidence sufficient to allow the appropriate application of technical and economic parameters, to support production planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough to confirm both geological and grade continuity.

Mineralization or other natural material of economic interest may be classified as a Measured Mineral Resource by the Qualified Person when the nature, quality, quantity and distribution of data are such that the tonnage and grade of the mineralization can be estimated to within close limits and that variation from the estimate would not significantly affect potential economic viability. This category requires a high level of confidence in, and understanding of, the geology and controls of the mineral deposit.

Mineral Reserve

Probable Mineral Reserve

A 'Probable Mineral Reserve' is the economically mineable part of an Indicated and, in some circumstances, a Measured Mineral Resource demonstrated by at least a Preliminary Feasibility Study. This Study must include adequate information on mining, processing, metallurgical, economic, and other relevant factors that demonstrate, at the time of reporting, that economic extraction can be justified.

Proven Mineral Reserve

A 'Proven Mineral Reserve' is the economically mineable part of a Measured Mineral Resource demonstrated by at least a Preliminary Feasibility Study. This Study must include adequate information on mining, processing, metallurgical, economic, and other relevant factors that demonstrate, at the time of reporting, that economic extraction is justified.

Application of the Proven Mineral Reserve category implies that the Qualified Person has the highest degree of confidence in the estimate with the consequent expectation in the minds of the readers of the report. The term should be restricted to that part of the deposit where production planning is taking place and for which any variation in the estimate would not significantly affect potential economic viability.

Xstrata Plc - Nickel Reserves and Resources Template

Total Mine Basis - Resources Inclusive of Reserves

Name of Operation	% ownership	Mining Method	Commodity	Ore Reserves			Mineral Resources				Competent Person*
				Proved (Mt)	Probable (Mt)	Total (Mt)	Measured (Mt)	Indicated (Mt)	Measured & Indicated (Mt)	Inferred (Mt)	
Nickel - June 2007											
Falconado	85.3%	[OC]	Ore	42.3	8.9	51.3	36.0	24.0	60.0	5.1	MAA
			Nickel (%)	1.22%	1.18%	1.21%	1.55%	1.50%	1.53%	1.4%	
Koniambo	49.0%	[OC]	Ore	17.2	45.3	62.5	21.2	54.4	75.6	82.7	MAA/MM
			Nickel (%)	2.50%	2.36%	2.40%	2.54%	2.45%	2.47%	2.5%	
Montcalm	100.0%	[UG]	Ore	3.7	0.0	3.7	3.9	0	3.9	0	GS/JM
			Nickel (%)	1.37%	0.0%	1.37%	1.36%	0.0%	1.36%	0%	
			Copper (%)	0.64%	0.0%	0.64%	0.63%	0.0%	0.63%	0%	
			Cobalt (%)	0.05%	0.00%	0.05%	0.04%	0.00%	0.04%	0.0%	
Raglan	100.0%	[UG/OC]	Ore	6.4	9.8	16.2	5.7	10.2	15.9	13.6	TM/BL
			Nickel (%)	2.25%	2.74%	2.55%	2.59%	3.01%	2.86%	2.8%	
			Copper (%)	0.63%	0.77%	0.71%	0.72%	0.85%	0.80%	0.8%	
			Cobalt (%)	0.05%	0.05%	0.05%	0.06%	0.06%	0.06%	0.1%	
Sudbury ¹	100.0%	[UG]	Ore	2.3	3.8	6.1	1.8	4.2	6.0	12.1	GP/PB
			Nickel (%)	1.16%	1.04%	1.08%	1.76%	1.40%	1.51%	1.6%	
			Copper (%)	1.85%	1.29%	1.50%	2.92%	1.51%	1.94%	2.3%	
Araguaia	100.0%	[OC]	Ore	0.0	0.0	0.0	0	0	0	101	MAA
			Nickel (%)	0.0%	0.0%		0.0%	0.0%		1.5%	
Fraser Morgan	100.0%	[UG]	Ore	0.0	0.0	0.0	4.6	2.0	6.6	0.8	GP
			Nickel (%)	0.00%	0.00%		1.94%	1.69%	1.86%	1.8%	
			Copper (%)	0.00%	0.00%		0.63%	0.48%	0.58%	0.4%	
			Cobalt (%)	0.00%	0.00%		0.06%	0.06%	0.06%	0.1%	
			Platinum (g/t)	0.00	0.00		0.14	0.11	0.13	0.1	
			Palladium (g/t)	0.00	0.00		0.19	0.16	0.18	0.1	
Kabanga	50.0%	[UG]	Ore	0.0	0.0	0.0	0	9.3	9.3	38.8	CP
			Nickel (%)	0.0%	0.0%		0.0%	2.35%	2.35%	2.8%	
			Copper (%)	0.0%	0.0%		0.0%	0.32%	0.32%	0.4%	
			Cobalt (%)	0.0%	0.0%		0.0%	0.19%	0.19%	0.2%	
			Platinum (g/t)	0.00	0.00		0.0	0.06	0.06	0.3	
			Palladium (g/t)	0.00	0.00		0.0	0.08	0.08	0.3	
Nickel Rim South	100.0%	[UG]	Ore	0.0	0.0	0.0	0	0	0	14.5	GP
			Nickel (%)	0.0%	0.0%		0.0%	0.0%		1.6%	
			Copper (%)	0.0%	0.0%		0.0%	0.0%		3.1%	
			Cobalt (%)	0.0%	0.0%		0.0%	0.0%		0.03%	
			Platinum (g/t)	0.00	0.00		0.00	0.00		1.7	
			Palladium (g/t)	0.00	0.00		0.00	0.00		1.9	
Onaping Depth	100.0%	[UG]	Ore	0.0	0.0	0.0	0	14.6	14.6	1.2	GP
			Nickel (%)	0.0%	0.0%		0.0%	2.52%	2.52%	3.6%	
			Copper (%)	0.0%	0.0%		0.0%	1.15%	1.15%	1.2%	
			Cobalt (%)	0.0%	0.0%		0.0%	0.06%	0.06%	0.1%	
			Platinum (g/t)	0.00	0.00		0.00	0.43		0.6	
			Palladium (g/t)	0.00	0.00		0.00	0.48		0.8	

Notes

¹ The Sudbury total does not contain Fraser Morgan, Nickel Rim South, and Onaping Depth projects.

The mineral reserve and resource estimates are prepared in accordance with the "CIM Definition Standards On Mineral Resources and Mineral Reserves", adopted by CIM Council on December 11, 2005, and the "CIM Estimation of Mineral Resources and Mineral Reserves Best Practice Guidelines", adopted by CIM Council on November 23, 2003, using geostatistical and/or classical methods, plus economic and mining parameters appropriate to each project. The resource totals have been restated in compliance with the JORC Code (i.e. resources are inclusive of reserves).

The Measured and Indicated Resources are inclusive of those Mineral Resources later modified to produce Ore Reserves.

All Mineral Reserve and Resource data are shown on 100% basis as of June 30 2007.

The mineral reserve estimates are compiled and verified by Chester Moore, Principal Geologist, Scott Wilson Mining Group, a member of the Professional Geoscientists of Ontario with over 30 years experience as a geologist. Mr. Moore was the Director, Mineral Reserve Estimation and Reporting, for Falconbridge Limited for a period of nine years until October 31, 2006 and he is completely familiar with the operations and projects reported and the methodologies used to estimate the mineral reserves and resources.

There are no known environmental, permitting, legal, taxation, political or other relevant issues that would materially affect the estimates of the mineral reserves.

Reserves and resources are calculated using long term metal price assumptions (Nickel: US\$5.00/lb., Copper: US\$1.25/Lb, and Cobalt \$7.00/Lb) and exchange rate (US\$:CDN\$ = 1:1.15) except in Sudbury Operations due to shorter mine life. Sudbury Operations used Nickel at US\$8.22, Copper at US\$2.58, Cobalt at US\$8.83 and an exchange rate of US\$:CDN\$ = 1:1.15. Sudbury projects used Nickel: US\$5.50/lb., Copper: US\$1.25/Lb, and Cobalt \$7.00/Lb and an exchange rate US\$:CDN\$ = 1:1.15.

Totals may not add correctly due to rounding of input numbers.

* Competent Person for Mineral Resource/Competent Person for Mineral Reserve. If only one set of initials are listed then that person is responsible for both reserves and resources.

Competent Persons:

MAA = Marc-Antoine Audet, Xstrata Nickel, APGO
 GS = Gregg Snyder, Xstrata Nickel, APGO
 TM = Tery Mallinson, Xstrata Nickel, OGO
 GP = Gary Potts, Xstrata Nickel, APGO
 CP = Christine Petch, Xstrata Nickel, APGO

MM = Monique Moranville, Xstrata Nickel, OIQ
 JM = John McDonald, Xstrata Nickel, P. Eng
 BL = Bruno Lemelin, Xstrata Nickel, OIQ
 PB = Philip Bridson, Xstrata Nickel, P. Eng