



**NEWS RELEASE**

**MINERA ALUMBRERA CONCENTRATOR EXPANSION AND FURTHER  
EXTENSION OF ORE RESERVES**

Zug, 10 August 2005

Xstrata Copper today announced a USD15.5 million expansion of the concentrator at the Minera Alumbreira open pit copper-gold mining and processing operation in Argentina and an extension of more than 10% in Ore Reserves at the mine.

The concentrator expansion is expected to increase mill throughputs by 8%, from 37 million tonnes per annum to 40 million tonnes per annum, with a corresponding increase in concentrate production levels. The expansion, which is scheduled for commissioning in December 2006, will further improve mill productivities and fully utilise the downstream capacity of the pipeline and filter plant.

In addition, Xstrata Copper has announced an increase of more than 10% in the Alumbreira Ore Reserves. An on-going ore delineation drilling programme, undertaken both within the existing ore envelope and for extensions at depth, plus improvements in the ultimate pit slopes design, have confirmed 40 million tonnes of additional Ore Reserves at Alumbreira. This equates to an additional 170,000 tonnes of contained copper and 0.5 million ounces of gold over the life of the mine and follows the confirmation of an additional 80 million tonnes of Ore Reserves at Alumbreira announced in June 2004. The mine plan has been re-optimised based on a new geological model with additional mineralisation.

Alumbreira management will continue with the in-pit resource definition programme in the second half of 2005 with the objective of adding further Ore Reserves to the Alumbreira business in the coming year.

Charlie Sartain, chief executive of Xstrata Copper, said: "The concentrator expansion and the extension of the Ore Reserves at the highly efficient Alumbreira operation adds further significant value to the business. It represents a considerable achievement by the team at Alumbreira, who have already improved efficiencies and increased revenues through a number of initiatives in recent years, whilst continuously improving the operation's safety performance."

As a consequence of the announced increase in the Ore Reserves, the new statement is:

**Ore Reserves\***

Proved	370 Mt @0.47%Cu & 0.52 gpt Au
Probable	24 Mt @0.42%Cu & 0.43 gpt Au
Total	390 Mt @0.47%Cu & 0.51 gpt Au

## Mineral Resources\*

Inclusive of those Mineral Resources modified to produce the Ore Reserves

Measured	390 Mt @0.47%Cu & 0.51 gpt Au
Indicated	28 Mt @0.42%Cu & 0.43 gpt Au
Total	420 Mt @0.47%Cu & 0.50 gpt Au

\*The information in this press release which relates to Mineral Resources and Ore Reserves is based on information compiled by Mr Luis Rivera who is a member of the Australasian Institute of Mining and Metallurgy. Mr Rivera is a full-time employee of Minera Alumbrera Limited. Mr Rivera has sufficient experience which is relevant to the style of mineralization and type of deposit under consideration and the activity which he is undertaking to qualify as a Competent Person as defined in the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Rivera consents to the inclusion in the press release of the matters based on his information in the form and context in which it appears.

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## Notes to editors

Xstrata Copper has a 50% interest and management rights over the development and operating company Minera Alumbrera Limited. Goldcorp Inc. (37.5%) and Northern Orion Resources Inc (12.5%) own the remaining 50%.

The Minera Alumbrera operations consist of an open pit copper-gold mine and processing facility, concentrate slurry pipeline, powerline, filter plant and rail loading facility, and port and handling facilities.

In 2004 Alumbrera processed 35.3mt of ore, producing 176kt copper in concentrate, 583koz gold in concentrate and 50koz gold in dore.

Alumbrera's plant capacity was increased by 7% in 2004. This followed an original low capital cost expansion that was commissioned in April 2003, expanding processing capacity by 30%.

Alumbrera's business in Argentina has a comprehensive Corporate Social Involvement (CSI) Program which directly contributes USD2 million per year to community programs.