



PRESS RELEASE

THE HORNE SMELTER ANNOUNCES A SIGNIFICANT INVESTMENT TO IMPROVE AIR QUALITY IN THE NOTRE DAME NEIGHBOURHOOD

Up to 20 million dollars (Cdn) to be invested

Rouyn-Noranda, Quebec, Canada, September 21th, 2006 – Following the completion of an extensive characterization study of gases and particulates emitted from its processing operations, the Horne smelter will embark on a major project that will significantly reduce the presence of metal-bearing particulates, and in particular arsenic, in the Notre Dame neighbourhood adjacent to the smelter.

Marcel Faucher, General Manager of Xstrata Copper Canada's Horne Smelter presented his action plan to citizens of the neighbourhood during a meeting with the Citizens' Committee. Company representatives were joined by officials from Public Health, the City of Rouyn-Noranda, and the Ministry of Sustainable Development, Environment and Parks (MDDEP).

The action plan targets an average reduction of arsenic levels in the ambient air of 60% with respect to the 2004 baseline. The plan will incorporate the installation of secondary hoods installed over key furnaces in the converter aisle building in order to capture a significant portion of the fugitive emissions. In addition, a number of changes will be implemented in the area of external concentrate storage so as to minimise the environmental impact of material handling activity. Initiatives will include the construction of a concentrate storage dome and a truck wheel wash station among others. The projects will be completed over a three-year timeline with some of the smaller projects targeted for completion in 2006. Other projects requiring major engineering work will be finished by 2009.

The capital projects are forecasted to cost approximately 20 million dollars (Cdn). Once completed, a subsequent study will be undertaken to identify new opportunities to further reduce the impact of smelter operations in the Notre Dame neighbourhood.

«In November 2004, the Horne smelter dedicated an internal team to undertake a comprehensive characterization study of its fugitive emissions. We wanted to have both a general overview and a detailed study of the sources of arsenic emissions from our operations. Once the study was completed, we called upon several experts to provide us with different options that could be applied to reducing emissions,» mentioned Mr. Faucher. «Throughout this entire process, we have benefited greatly from the participation

and collaboration of representatives from the MDDEP, Public Health, our employees, and the citizens of Rouyn-Noranda. Their support has been essential and has allowed us to reach the position we're in today whereby we can implement concrete, effective solutions» added Mr. Faucher.

The Horne smelter has committed to continually reduce the environmental impact of its activities with particular attention to the Notre Dame neighbourhood adjacent to the smelting operations.

«We are committed to improving our environmental performance at the Horne smelter and to enhancing the quality of life for our employees and for the citizens in the surrounding Notre Dame neighbourhood,» concluded Mr. Faucher.

Since 1998, emissions of gases and dusts (lead, arsenic, and total dust) have been reduced by more than 80% following the successful implementation of a series of environmental and process optimisation projects. Since Xstrata's acquisition of Falconbridge last month, there has been a confirmation of support for the environmental commitments at the Horne smelter in the context of achieving harmonisation of environmental and economic concerns.

Xstrata Copper is headquartered in Brisbane, Australia, with regional offices in Santiago, Chile; Lima, 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 Canada's Horne Smelter is a metallurgical plant known world-wide for its copper processing activities. The smelter produces 180,000 tonnes of copper annually in addition to precious metals. In addition to a renowned expertise in the area of complex copper concentrate processing, the smelter is the largest and most advanced recycling plant of its kind in North America. The operations in Rouyn-Noranda, Quebec, employ more than 550 people.

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