



## NEWS RELEASE

### **INUIT COMMUNITIES RECEIVE CDN\$16.7 MILLION IN PROFIT-SHARING FROM XSTRATA NICKEL'S RAGLAN MINE**

**Montreal, Quebec, April 4, 2007** – Xstrata Nickel is pleased to announce that it has presented a cheque in the amount of Cdn\$16.7 million to the Makivik Corporation, representing its share of the profits generated in 2006 by the Raglan nickel mine operation, located in the Nunavik Territory of Northern Quebec.

This yearly profit-sharing is part of the Raglan Agreement, a comprehensive agreement signed on February 28, 1995 with Makivik and local Inuit communities. The agreement is designed to harmonize relations and foster opportunities between Xstrata Nickel and local populations and their representatives in areas such as training, hiring of local businesses and environmental management.

Pita Aatami President of Makivik Corporation, stated: "This year's profit-sharing will be again put to good use in developing economic and training opportunities, which will contribute to the well-being of Inuit communities."

Ian Pearce, Chief Executive Officer of Xstrata Nickel, said "The Raglan Agreement has set solid foundations for developing mining activities in Nunavik, while contributing to the population's quality of life and protection of the environment. Xstrata Nickel is very proud of this agreement, which has been instrumental in building and strengthening relationships with our partners in Nunavik."

Xstrata Nickel's Raglan mining camp was constructed at a cost of Cdn\$600 million and began production in 1997. In 2007, capital investments include Cdn\$45 million to refurbish existing wharf facilities and Cdn\$50 million to expand accommodation facilities. The operation consists of three underground and one open pit nickel mines and a concentrator. Approximately 550 employees and 250 sub-contractors work at Raglan. The mine site is linked by all-weather roads to an airstrip at Donaldson and to ship-loading facilities at Deception Bay. The ore from the mine is crushed, ground and treated at the Raglan mill to produce a nickel-copper concentrate. Milling capacity is 3,000 tonnes per day. Nickel capacity at the concentrator now stands at 26,000 tonnes of nickel-in-concentrate per year.

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### **Xstrata plc**

Xstrata is a major global diversified mining group, listed on the London and Swiss stock exchanges. Headquartered in Zug, Switzerland, Xstrata maintains a meaningful position in seven major international commodity markets: copper, coking coal, thermal coal, ferrochrome, nickel, vanadium and zinc, with a smaller but profitable aluminium business, recycling facilities, additional exposures to gold, cobalt, lead and silver and a suite of global technologies, many of which are industry leaders. The Group's operations and projects span 19 countries: Argentina, Australia, Brazil, Canada, Chile, Colombia, the Dominican Republic, Germany, Jamaica, New Caledonia, Norway, Papua New Guinea, Peru, Philippines, South Africa, Spain, Tanzania, the USA and the UK.

### **Xstrata Nickel**

Xstrata Nickel, headquartered in Toronto, Canada, is one of Xstrata Group's global commodity businesses, comprising five mines and processing facilities in Ontario and Quebec, Canada; a ferronickel mine and processing facility in Bonao, Dominican Republic; and a refinery in Kristiansand, Norway. Xstrata Nickel has a significant portfolio of growth projects, including Nickel Rim South in Canada, Kabanga in Tanzania, and Koniambo in New Caledonia. Xstrata Nickel is the world's fourth largest nickel producer, with annual managed production of more than 110,000 tonnes of refined nickel.

### **Makivik Corporation**

Makivik Corporation is the Inuit owned economic development company created following the signing of the James Bay and Northern Quebec Agreement (JBNQA) in 1975. It has the mandate to represent the 9,800 Inuit of Nunavik at the political level, and to administer the funds of the Agreement accorded to the Inuit (\$90-million has been received over a 20 year period). Makivik owns subsidiary companies such as Air Inuit, First Air, Nunavik Arctic Foods, Nunavik Creations, Halutik Fuels, and jointly owns with other Inuit regional corporations Pan Arctic Inuit Logistics (PAIL) and Cruise North Expeditions.

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