



**MOUNT ISA
MINES**

MEDIA RELEASE

**XSTRATA MOUNT ISA MINES REJECTS ALLEGATIONS
OF ALLEGED SCIENTIFIC 'COVER UP'**

Mount Isa, Friday 30 May 2008

Xstrata Mount Isa Mines has rejected allegations of a "cover up" of scientific reports.

According to some media reports, an email from Dr Niels Munksgaard from Charles Darwin University refers to a study conducted by himself and his research team in 1997-98 as part of the Mount Isa Mines Limited Panel Assessment Study (PAS). The study was reportedly conducted in collaboration with the Commonwealth Scientific and Industrial Research Organisation (CSIRO).

Dr Munksgaard is allegedly claiming that the report published on the Queensland Environmental Protection Agency (EPA) website does not contain full scientific data and conclusions.

It is Xstrata Mount Isa Mines' understanding that all PAS material is available on the EPA website and has been for many years. One of the supporting reports to the PAS' final report is entitled *MIM – Emissions and the environment – final report to Mount Isa Mines Limited*. This report is also published on the EPA website. This report was prepared by the CSIRO and Northern Territory University and Dr Munksgaard appears as a contributor and co-author to this report.

Steve de Kruijff, Chief Operating Officer, Xstrata Copper North Queensland said "We understand this is the report being referred to in Dr Munksgaard's email. We will endeavour to speak to Dr Munksgaard to find out if the data he is referring to is not included in this report. However, it is likely that the final report would have been approved and endorsed by the CSIRO who were the scientific authority on the Panel.

"We understand that the isotopic studies conducted by Dr Munksgaard and his team were predominantly focussed on the area north west of the Mount Isa Mines smelters, away from the town. The results of these studies are not an assessment of issues relating to the community of Mount Isa or the health of its residents.

Mount Isa Mines Ltd ABN 87 009 661 447

Private Mail Bag 6 Mount Isa Queensland Australia 4825

Tel +61 7 4744 2011 Fax +61 7 4744 3737 www.xstrata.com

"The PAS was conducted in an open and transparent manner and the final report was delivered in February 2001. The main objective of the PAS was to report on the environmental impact of sulphur dioxide emissions from smelters and the likely reductions from when the acid plant was operating," he said.

Members of the PAS included the EPA, CSIRO, Australian Workers Union (AWU), a consultant metallurgical engineer, Queensland Institute of Medical Research (QIMR), Mount Isa City Council, Mount Isa Chamber of Commerce, and nominees from Mount Isa Mines (MIM) and Western Mining Corporation (WMC).

The Queensland Minister for Environment set the terms of reference and appointed the independent panel.

Steve de Kruijff, Chief Operating Officer, Xstrata Copper North Queensland said "Xstrata Mount Isa Mines is committed to continuous environmental improvement and we have strong support from our local community. All we ask for is some balance in the reporting of this issue.

"We are proud of our environmental performance and our commitment to the health and safety of our employees and the community," he said.

"We have an extensive network of monitoring systems in the community and consistently report well below the EPA limit of 1.5 micrograms per cubic metre for lead levels.

"We have reduced sulphur dioxide emissions from the copper smelter by 77% since 2000, and further initiatives to improve emissions capture are being identified through the Smelter Emissions Project with a target of 95% capture and treatment of sulphur dioxide emissions from the copper smelter," he said.

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XSTRATA CONTACTS

Xstrata contacts

Sue Sara

General Manager Corporate Affairs Queensland
Telephone +61 7 3295 7535
Mobile +61 411 206 090
Email ssara@xstratacopper.com.au

Melanie Edgar

Manager Community Relations NQ
Telephone +61 7 4744 2832
Mobile +61 423 820 701
Email medgar@xstratacopper.com.au

www.xstrata.com

ABOUT XSTRATA PLC

Xstrata is a global diversified mining group, listed on the London and Swiss Stock Exchanges, with its headquarters in Zug, Switzerland. Xstrata's businesses maintain a meaningful position in seven major international commodity markets: copper, coking coal, thermal coal, ferrochrome, nickel, vanadium and zinc, with additional exposures to platinum group metals, gold, cobalt, lead and silver, recycling facilities and a suite of global technology products, many of which are industry leaders. The Group's operations and projects span 18 countries: Argentina, Australia, Brazil, Canada, Chile, Colombia, the Dominican Republic, Germany, New Caledonia, Norway, Papua New Guinea, Peru, the Philippines,

South Africa, Spain, Tanzania, the USA and the UK. Xstrata employs approximately 56,000 people, including contractors.

ABOUT XSTRATA COPPER

Headquartered in Brisbane, Xstrata Copper is one of the commodity business units within the major global diversified mining group Xstrata plc. Its operations and projects span eight countries: Australia, Argentina, Chile, Peru, Canada, the USA, the Philippines and Papua New Guinea. Its operations are administered by five separate divisions, based close to the mining operations, namely the North Queensland, Minera Alumbra, North Chile, Southern Peru and Canada divisions. It also has a recycling business (Xstrata Recycling) with plants in the United States and offices in Canada and Asia.

Xstrata Copper is the fourth largest global copper producer with annual attributable production capacity of over one million tonnes.

ABOUT XSTRATA ZINC

Headquartered in Madrid, Spain, Xstrata Zinc is one of the world's largest producers of zinc and one of the commodity business units within the major global diversified mining group Xstrata plc. Xstrata's zinc and lead operations and exploration projects are located in Australia, Canada, Germany, Peru, Spain and the United Kingdom.

Xstrata Zinc's operations in Spain comprise the San Juan de Nieva zinc smelter and the Arnao zinc semis plant in Asturias, and the Hinojedo roasting plant in Cantabria.

In Australia, operations comprise the Mount Isa, George Fisher underground and Black Star open cut zinc lead mines, zinc lead concentrator, lead smelter and Bowen Coke Works in north Queensland; 75% of the Lady Loretta zinc lead deposit in north-west Queensland; the McArthur River open pit zinc lead mine, processing and port operations in the Northern Territory; and 50% of the Lennard Shelf underground zinc lead mine and processing operations in Western Australia.

In Canada, operations and exploration projects include the Brunswick zinc-lead mine and lead smelter in New Brunswick; 25% of the CEZ zinc smelter near Montreal; and the Perseverance zinc deposit in Quebec.

Xstrata Zinc also operates the Nordenham zinc smelter in northern Germany; the Northfleet lead refinery in the United Kingdom; and owns 33.75% of the Antamina mine in Peru.

Around half of all zinc currently consumed is used for galvanizing steel, which is an environmentally friendly method of protecting steel against corrosion. Zinc also finds application in the manufacture of die-cast alloys, brass and the production of zinc oxides and chemicals.