



NEWS RELEASE

**XSTRATA SUBSIDIARY XSTRATA CANADA CORPORATION
DECLARES PREFERRED SHARE DIVIDENDS**

Toronto, July 25, 2008

Xstrata plc subsidiary, Xstrata Canada Corporation ("XCC"), has declared the following preferred share dividends:

Name of XCC Security	Trading Symbol	Dividend Amount Per Share	Record Date	Payable Date
Preferred Shares, Series 3	FAL.PR.B	Cdn\$0.2863	August 15, 2008	September 2, 2008
Preferred Shares, Series 3	FAL.PR.B.	Cdn.\$0.2863	November 14, 2008	December 1, 2008

On February 21, 2007, the Parliament of Canada enacted amendments to the *Income Tax Act* (Canada) which are intended to reduce the personal tax rate on "eligible dividends" paid after 2005. XCC hereby notifies its holders of preferred shares that the full amounts of the dividends to be paid on the Series 3 Preferred shares set out above are designated as eligible dividends for purposes of these amendments and any applicable corresponding provincial provisions.

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