



## MEDIA STATEMENT

*Darwin, 20 February 2009*

### **XSTRATA ZINC WELCOMES MINISTER GARRETT'S DECISION TO APPROVE THE McARTHUR RIVER MINE OPEN-PIT EXPANSION**

Xstrata Zinc Australia's McArthur River Mining (MRM) has welcomed today's decision by Federal Environment Minister Peter Garrett to approve the MRM open-pit development with conditions.

The conditions of the approval are in line with MRM's existing commitment to best practice in environmental management and community consultation and include the continuation of Freshwater Sawfish and Migratory Bird studies in and around the mine's operational areas.

Xstrata Zinc Australia Chief Operating Officer, Brian Hearne, said mining operations would recommence immediately.

"We now have certainty about the future of MRM and are working rapidly to mobilise our workforce. I would like to thank our team of people for their patience and co-operation during the approval process," Mr Hearne said.

"The decision by Minister Garrett supports the fact that the original approval of the mine's \$110 million open pit development in 2006 was correct.

"The legal action was only ever about the process followed by the Commonwealth Government in giving the original approval for the mine expansion. It was never about the potential benefits and impacts of the project itself. These had already been assessed," Mr Hearne said.

"Whilst the additional conditions will add further compliance requirements to the operation, MRM is committed to fulfilling all conditions of the approval.

"During his visit to the mine in mid January, Minister Garrett was made aware by Traditional Owners of their desire to keep MRM operating to provide real employment and training prospects for members of the community and significant associated economic benefits," he said.

"This decision now provides MRM with certainty about the mine's future and we will continue to deliver a range of benefits to the local community, Gulf region and the Northern Territory," Mr Hearne said.

MRM is committed to working closely with the Borroloola regional community and has spent years consulting with local indigenous leaders and communities throughout the open-pit planning and approval process.

In 2008, over \$134 million was spent by MRM with local Northern Territory suppliers. In addition to the direct economic benefits from mine operations, MRM has committed \$32 million over the life of the mine to fund community projects via the MRM Community Benefits Trust.

*Ends*



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**Notes to editors:**

MRM mines one of the largest known zinc and lead deposits in the world and is the largest bulk zinc concentrate producer in the world.

**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 a growing platinum group metals business, additional exposures to 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 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, assets comprise: the Mount Isa, George Fisher underground, Handlebar Hill open-cut and Black Star open-cut zinc-lead mines, zinc-lead concentrator, lead smelter and Bowen Coke Works in north Queensland; the McArthur River open-pit zinc-lead mine, processing and port operations in the Northern Territory; and 75% of the Lady Loretta zinc-lead deposit in north-west Queensland.

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.