



NEWS RELEASE

XSTRATA NICKEL UPDATE ON MONTCALM MINE

Timmins, 8 June 2009

Xstrata Nickel's Sudbury Operations today announces the indefinite suspension of mining operations at its Montcalm Mine in Timmins, Ontario after a geotechnical review showed structural damage to the mine. Unplanned ground movements at Montcalm forced underground activity at the mine to be stopped at the end of March 2009 to ensure the safety of the workforce and enable geotechnical investigations and monitoring to be carried out.

Keith Bullock, Mine Manager at Montcalm said: "Safety remains our paramount concern. We are unable to access the mine until a further investigation is conducted and a full assessment of options and risk management plans is complete. We have therefore decided to cease operations indefinitely. We will continue to conduct further geotechnical monitoring at the mine to assess the full extent of the structural damage and the options that are available to us."

Xstrata Nickel remains committed to proactively engaging with Montcalm's stakeholders throughout the process. Xstrata Nickel's employees at Montcalm will continue to assist with ongoing assessments and environmental stewardship of the operation in the near term.

Montcalm was expected to produce approximately 9,000 tonnes of nickel contained in concentrate this year. Its mine life was scheduled to end in mid 2011. The impact of actions at Montcalm to production from the Sudbury Smelter are expected to be substantially offset as it continues to process concentrate from the company's Raglan and Australasian operations, initial ore from Nickel Rim South and third party feed sources.

Ends

Editors Notes

Xstrata Nickel

Xstrata Nickel, headquartered in Toronto, Canada, is one of Xstrata Group's global commodity businesses. Xstrata Nickel's operations include mines and processing facilities in Canada, the Dominican Republic and Australia, and a refinery in Norway. Xstrata Nickel has a promising portfolio of growth projects in Canada, New Caledonia, Tanzania and Brazil. Xstrata Nickel is the world's fifth

largest nickel producer, with annual managed production of more than 107,000 tonnes of refined nickel.

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 19 countries.

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