



**PRESS RELEASE**

**Workers go back to work on Tuesday**

**ALTONORTE AND LABOUR UNION No. 1 REACH AGREEMENT**

**Antofagasta, January 4, 2010**

The Altonorte Metallurgical Complex, an operation of Xstrata Copper North Chile Division, announces that the workers in Labour Union No. 1 have accepted the company's offer, which will be the basis for the new collective contract that will be in effect for a three-year period.

The company's offer was submitted to a vote by the workers in Labour Union No. 1 at a meeting held yesterday, and it includes a 2% adjustment in base salaries, an end-of-negotiation bonus of CLP 2,400,000.-, a soft loan of CLP 2,040,000.-, and an annual production bonus of CLP 750,000.-, among other benefits.

The General Manager of Altonorte, José Urrutia, stated the offer presented to the workers represents the best effort the company could make to enhance salaries and benefits, considering the complexities of the market for copper concentrate smelters, and that "the total value offered is equal to the last offer we presented in December 11, 2009."

Urrutia added that he is satisfied about reaching this agreement through dialogue between the parties. "I was always convinced we could agree a collective contract that would be sustainable over time through dialogue and in a climate of respect, which is what finally happened."

The previous collective contract with Labour Union No. 1 had expired on December 18, 2009, and the union had been on strike since December 28, 2009.

Two hundred and seventy-four workers belong to Labour Union No. 1, which represents about 40% of the company's own workers at the metallurgical complex.

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## Notes to the editors

### ABOUT THE NORTH CHILE DIVISION

The North Chile Division of Xstrata Copper administers the wholly owned operations of Xstrata like the Altonorte metallurgical complex and the Lomas Bayas mine, including 44% of the Xstrata holding in Minera Collahuasi.

Altonorte is a metallurgical complex, without a mine, that provides treatment of raw materials and alternative materials, copper concentrates, and other mining by-products to obtain copper anodes, sulphuric acid, and molybdenum oxide, to a lesser degree. It started operating in 1993 and is located 20 kilometres south of the city of Antofagasta, on the Panamerican highway, at kilometre 1,348, Sector La Negra, Region of Antofagasta.

Lomas Bayas is an open pit mine with the lowest cut-off grade in the country. Its only raw material is rock ore that contains copper oxide, which is leached with sulphuric acid in two permanent heaps, one with a high grade and the other with a low grade. The process continues at a solvent-extraction plant and then an electrowinning plant, producing cathodes with 99.99% copper. It started operating in 1998 and it located on Route 385, approximately 110 kilometres northeast of the city of Antofagasta at kilometre 36, community of Sierra Gorda, Region of Antofagasta.

### ABOUT XSTRATA COPPER

Xstrata Copper, whose headquarters is located in Brisbane, Australia, is one of the commodities business units that make up the important international diversified mining group, Xstrata plc. Xstrata Copper operations and projects are distributed among eight countries: Argentina, Australia, Canada, Chile, United States, Philippines, Papua New Guinea, and Peru. Its operations are administered by five independent divisions, established near those mining operations: North Queensland, Minera Alumbrera, North Chile, Southern Peru, and Canada. Xstrata Copper also owns a recycling business (Xstrata Recycling) with plants in the United States and offices in Canada and Asia.

Xstrata Copper is the fourth largest producer of copper in the world. In 2008 it produced 952,000 metric tons of copper in cathodes and concentrates that was attributable to extracted copper.

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