



## **NEWS RELEASE**

### **RATIFICATION OF COLLECTIVE AGREEMENT BETWEEN XSTRATA NICKEL SUDBURY OPERATIONS AND CANADIAN AUTO WORKERS LOCAL 598**

Sudbury, Ontario – February 2 2010

Xstrata Nickel is pleased to announce that it has successfully renewed a three-year Collective Agreement with the Canadian Auto Workers Sudbury Mine, Mill and Smelter Workers Union Local Union 598, representing production and maintenance employees at its operations in Sudbury.

The Agreement was ratified by the Union membership on Tuesday evening, after negotiations that began in mid December.

Highlights of the Agreement include an annual cost of living allowance with a 20-cent hourly wage increase in the third year, C\$2,500 Continuity Allowance, a new nickel bonus formula that reflects current business realities, competitive pension and benefit improvements that adjust for inflation, and a new employee performance-based incentive program linked to the achievement of business targets. The Agreement also provides a framework for a new joint Company-Union initiative aimed at mitigating longer term challenges with the current Defined Benefit Pension Program.

In addition, Xstrata Nickel plans to reactivate copper mining at the Fraser Mine in February 2010 and the accord provides for a workforce transition agreement that enables the recall of 100 workers to fill vacant positions, while minimizing any impact on the existing Nickel Rim South workforce as this project ramps up to full production in the second quarter of this year.

“We are very pleased our employees have supported the Agreement and shown that they are committed to the success of Xstrata Nickel’s Sudbury Operations,” said Marc Boissonneault, Vice-President, Sudbury Operations. “Together, we can move forward to successfully transition Nickel Rim South to full operation, ramp up production at our Fraser Copper Mine and pursue performance enhancements at our Strathcona Mill and Sudbury Smelter, positioning our Sudbury Operations for success for the longer term.”

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## **Editors Notes**

### **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.

### **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 Nickel's Sudbury Operations**

Xstrata Nickel's Sudbury Operations consist of the Nickel Rim South project, a mill and a smelter. The facilities are spread throughout the 60 kilometre, oval-shaped geological formation known as the Sudbury Basin. Nickel and copper are the primary metals but cobalt and precious metals such as platinum are also produced.