



## **MEDIA RELEASE**

### **XSTRATA COPPER NORTH QUEENSLAND DIVISION ANNOUNCES SUSPENSION OF REGIONAL EXPLORATION PROGRAM**

Mount Isa, 10 May 2010

Xstrata Copper's North Queensland Division announces the suspension of its regional exploration program in the light of the Federal Government's proposed 40 per cent resource super profits tax (RSPT).

The exploration program for prospective targets in the Mount Isa and Cloncurry districts, in conjunction with junior mining companies, involved planned expenditure of around AUD30 million over the next three years.

Chief Operating Officer, Xstrata Copper North Queensland, Steve de Kruijff said: "We have decided to suspend exploration activities in north Queensland until there is greater certainty on the fiscal regime for future mining developments. Exploration activities are high risk and, while the targets we had identified are prospective, the proposed tax has introduced great uncertainty about the potential impact on the economics of developing resources into viable operations in Australia. It would also change the relative economics of these prospects compared with exploration programs that Xstrata Copper is pursuing in other parts of the world.

"Exploration is the lifeblood of the mining industry but it is not possible to justify Xstrata Copper's ongoing funding of additional exploration activities when the fundamental economics of the industry in Australia are being challenged.

"Our copper mining, smelting and refining operations in north Queensland play a vital role as an economic driver in the region, last year contributing more than AUD1.3 billion to the Queensland economy and employing over 3,500 people.

"We are very concerned that the proposed tax increases announced by the Federal Government last week will seriously affect the sustainability of our business activities in Queensland and deter the reinvestments that are necessary to sustain our existing operations, develop new projects and ensure the economic wellbeing of the regional areas that we currently help to support."

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## **Notes to editors**

### **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 19 countries.

### **ABOUT XSTRATA COPPER**

Headquartered in Brisbane, Xstrata Copper is one of the commodity business units within the major global diversified mining group Xstrata plc. Its mining and metallurgical operations and development projects span eight countries: Australia, Argentina, Chile, Peru, Canada, the USA, the Philippines and Papua New Guinea. Its operations are administered by five separate divisions, based close to the mining operations, namely the North Queensland, Minera Alumbrera, North Chile, Southern Peru and Canada divisions. It also has a recycling business (Xstrata Recycling) with plants in the United States and offices in Canada and Asia.

Xstrata Copper is the fourth largest global copper producer with attributable mined production in 2009 of 907,000 tonnes of copper in cathodes and concentrates. The company is also one of the world's largest producers of smelter and refined copper, including from third party materials.

### **ABOUT XSTRATA COPPER NORTH QUEENSLAND**

Xstrata Copper's North Queensland Division is headquartered in Mount Isa and comprises the Mount Isa Mines copper operations consisting of the Enterprise and X41 underground copper mines, the copper concentrator, Mount Isa copper smelter, Ernest Henry Mining open pit copper mine located near Cloncurry, and the Townsville operations comprising the copper refinery, and Townsville port facilities and logistics.

The Division's integrated operations have the capacity to produce 300,000 tonnes of refined copper per annum. Our copper operations in north Queensland play a vital role as an economic driver in the region, last year contributing more than AUD1.3 billion to the Queensland economy and employing over 3,500 people.