



## NEWS RELEASE

# **XSTRATA COPPER ANNOUNCES FURTHER SIGNIFICANT INCREASES TO MINERAL RESOURCES IN SOUTH AMERICA**

Brisbane, 6 December 2011

Xstrata Copper announces significant increases to total Mineral Resources at the Las Bambas and Corrocohuayco projects in southern Peru and at El Pachón in Argentina from ongoing focused exploration and Mineral Resource expansion programmes in South America.

In 2011, Xstrata Copper's total contained copper in total Mineral Resources have grown by 10%, the equivalent of 9 million tonnes, to 97 million tonnes including operations in North Queensland, Argentina, Chile, Peru and Canada and major development projects in Peru, Chile, Argentina, the Philippines and Papua New Guinea.<sup>1</sup>

Xstrata Copper Chief Executive Charlie Sartain said: "Our significant and expanding mineral resource base in South America has laid the foundations for our approved organic growth programme that will increase copper production by more than 50% to 1.5 million tonnes of copper per year by the end of 2014 and offers great potential for further substantial copper production growth in the region.

"El Pachón holds the potential to initially produce over 400,000 tonnes of copper per year from 2016. Updated feasibility studies for this major greenfield project are scheduled for completion in the first quarter of 2012, after which we will be in a position to take a decision regarding its development.

"Continued exploration at our Las Bambas greenfield project in southern Peru, now under development, is confirming the large-scale, long-life and low-cost characteristics of this world-class asset which is on schedule to start producing an average of 400,000 tonnes of copper per year from the second half of 2014.

"At Corrocohuayco, ongoing exploration has identified additional mineral resources close to the surface, indicating that this high-grade deposit can be mined via open-pit rather than underground mining methods, enhancing its potential to further expand our nearby Tintaya-Antapaccay operation in southern Peru," Mr Sartain said.

El Pachón's Mineral Resource estimate has increased by 53% to a total of 2.740 billion tonnes at a grade of 0.48% copper using a cut-off grade of 0.2% copper (see table). This represents 13.1 million tonnes of contained copper metal, a 44% increase compared to the previous mineral resource issued 1 October 2010. The new estimate is the result of the largest 2010-11 summer-season drilling programme in the project's history, in which 56,000 metres of infill and step-out drilling were completed as part of the project's final Feasibility Study.

The Las Bambas project Mineral Resource estimate has increased to 1.710 billion tonnes at a grade of 0.60% copper, using a 0.2% copper cut-off grade, an increase of 10% compared to the previous

<sup>1</sup> See supplement to Ore Reserves and Mineral Resources statement: [www.xstrata.com](http://www.xstrata.com)

Mineral Resource dated 1 October 2010 (see table). Contained copper metal in Resource has risen by 9% to 10.3 million tonnes. Measured and Indicated Resources now represent 71% of the total resource. Xstrata Copper will continue exploration and Resource definition drilling programs in this exciting mineral district.

Coroccohuayco is an earlier stage project located nine kilometres from Xstrata's Tintaya-Antapaccay operation. The Antapaccay expansion to Tintaya, comprising an open pit mine and a new, large scale copper concentrator, is on track for commissioning in the second half of 2012 with initial annual production of 160,000 tonnes of copper. The Coroccohuayco deposit is being evaluated as a potential open pit satellite mine to expand production further at Tintaya-Antapaccay. As a result of further drilling identifying resources closer to the surface, the new Coroccohuayco project Mineral Resource has risen by 250% to 324 million tonnes at a grade of 0.93% copper, using a 0.3% cut-off, and includes significant gold, silver and molybdenum by-product credits (see table). This represents a 6% increase to 3.0 million tonnes of contained copper in Resource.

During 2012, Xstrata Copper plans to conduct a further 40,000 metres of drilling and commence prefeasibility studies into Coroccohuayco's development. This will be undertaken in parallel with a Resource expansion program at Antapaccay to significantly expand Antapaccay's existing Mineral Resource base of 817 million tonnes at a copper grade of 0.50%.

## Mineral Resource Tables

*Table 1 El Pachón Mineral Resources\**

| Resource Class | Mt          | Cu (%)      | Ag (g/t)   | Mo (%)      |
|----------------|-------------|-------------|------------|-------------|
| Measured       | 430         | 0.69        | 2.4        | 0.014       |
| Indicated      | 810         | 0.51        | 2.1        | 0.011       |
| Inferred       | 1500        | 0.4         | 2          | 0.01        |
| <b>Total</b>   | <b>2740</b> | <b>0.48</b> | <b>2.1</b> | <b>0.01</b> |

*Table 2 Las Bambas Mineral Resources\**

| Resource Class | Mt          | Cu (%)      | Au (g/t)    | Ag (g/t)   | Mo (ppm)   |
|----------------|-------------|-------------|-------------|------------|------------|
| Measured       | 490         | 0.64        | 0.06        | 3          | 174        |
| Indicated      | 720         | 0.68        | 0.05        | 3.5        | 172        |
| Inferred       | 500         | 0.5         | 0.03        | 2.4        | 149        |
| <b>Total</b>   | <b>1710</b> | <b>0.60</b> | <b>0.04</b> | <b>3.0</b> | <b>166</b> |

*Table 3 Coroccohuayco Mineral Resources\**

| Resource Class | Mt         | Cu (%)      | Au (g/t)   | Ag (g/t)   |
|----------------|------------|-------------|------------|------------|
| Measured       | -          | -           | -          | -          |
| Indicated      | 129        | 1.1         | 0.12       | 3.6        |
| Inferred       | 195        | 0.8         | 0.09       | 2.98       |
| <b>Total</b>   | <b>324</b> | <b>0.93</b> | <b>0.1</b> | <b>3.2</b> |

\* The information in this press release that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr. Raul Roco, who is a Member of The Australasian Institute of Mining and Metallurgy. Mr. Roco is a fulltime employee of the company. Mr. Roco has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr. Roco consents to the inclusion in the press release of the matters based on his information in the form and context in which it appears.

\* Figures may not be exact as they have been rounded for tabulation.

\* The updated Ore Reserve and Mineral Resource statements for these projects can be viewed on Xstrata's website: [www.xstrata.com](http://www.xstrata.com)

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*Neither the content of the company's website nor the content of any other website accessible from hyperlinks on the company's website is incorporated into, or forms part of, this announcement*

## **Xstrata contacts**

Emily Russell

Telephone

+562 478 2204

Mobile

+ 569 9443 3571

Email

[erussell@xstratacopper.com](mailto:erussell@xstratacopper.com)

Alison Flynn

Telephone

+44 20 7968 2838

Mobile

+44 7769 314374

Email

[aflynn@xstrata.com](mailto:aflynn@xstrata.com)

[www.xstratacopper.com](http://www.xstratacopper.com)

## **ABOUT XSTRATA COPPER**

Xstrata Copper is the fourth largest global copper producer with attributable mined production in 2010 of 913,500 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.

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: Argentina, Australia, Canada, Chile, Peru, the Philippines, Papua New Guinea and the USA. Its operations and projects are administered through a regional divisional management structure, which ensures that critical decisions are taken close to the related businesses. It also has a recycling business (Xstrata Recycling) with plants in the United States and offices in Canada and Asia.