



NEWS RELEASE

IsaMills™ selected for McArthur River Mine Expansion

Mount Isa, 7th November 2012

The expanded use of Xstrata Technology's IsaMills™ will support a planned increase in production at Xstrata Zinc's McArthur River Mine (MRM) in Australia as part of its Phase 3 Development Project.

Xstrata Technology General Manager – Mineral Processing, Mr Lindsay Clark said MRM is a leader in the use of IsaMill™ technology and its continued development from regrind applications to mainstream coarse grinding applications.

"IsaMill™ technology has enabled Xstrata Zinc to process the ultra fine grained ore at MRM," Mr Clark said.

The MRM Phase 3 Development Project is targeting increased mining capacity from 2.5 million tonnes to up to 5.5 million tonnes per annum from the open pit, producing an average of 380,000 tonnes per annum of contained zinc. Production will increase from 360,000 dry metric tonnes per annum of bulk concentrate to 800,000 dry metric tonnes per annum.

As part of the expansion, MRM has ordered two additional M10,000 IsaMills™, to complement their eight existing IsaMills™ which are used in both the primary grinding and regrinding circuits of the processing facility.

Xstrata Zinc Australia Chief Operating Officer Brian Hearne said the latest increase in IsaMills™ follows a similar expansion in 2007 which supported a 39% increase in production capacity at that time.

"We find the IsaMills™ to be simple and functional from an operator's point of view which for us supports low cost and reliable production," Mr Hearne said.

"The IsaMills™ presented the best option to get the volumetric efficiency, grind sizes and energy efficiency we are now looking for in the Phase 3 Development Project."

IsaMills™ were developed to be much more energy efficient than other grinding technologies and to improve flotation recovery due to inert attrition grinding.

The two new M10,000 IsaMills™ will increase primary grinding capacity at MRM by grinding from 150um (microns) to 45um (P80). They will take MRM to a complement of ten IsaMills™, six M3000's and four M10,000's, undertaking a range of ultrafine, fine grinding, and coarse grinding duties.

Xstrata Technology will supply the IsaMills™ for the project, as well its proprietary IsaCharger™, for controlled addition of fine ceramic media to the mills. The mills are expected to be commissioned in the second half of 2013.

End

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

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Notes to editors

About Xstrata plc

We are a major producer of a range of vital commodities used in everything from constructing buildings and delivering electricity, to developing jet engines and mobile phones. We are one of the top five global producers of copper, thermal and metallurgical coal, ferrochrome, zinc and nickel and we also produce silver, lead, platinum, gold, cobalt and vanadium.

Founded in 2002 and headquartered in Switzerland, we operate in over 20 countries and employ over 70,000 people at more than 100 operations and projects around the world. We work in a responsible and sustainable way, with an entrepreneurial spirit and dynamic approach. For more information, visit www.xstrata.com

Xstrata Technology

Xstrata Technology develops, markets and supports technologies for the global mining, mineral processing and metals extraction industries. It has offices and bases in Australia, South Africa, Canada, Chile and London, and is a wholly owned subsidiary of Xstrata plc. For further information please visit www.xstratechnology.com.

About Xstrata Zinc

Headquartered in Madrid, Spain, we are one of the world's largest vertically integrated producers of zinc, with an annual production of about a million tonnes of mined zinc. We have operations in Australia, America, and Europe, including world-class mines and deposits in Northern and East Australia, Canada, Peru, and processing and refining facilities in Spain, Germany and the United Kingdom.

Zinc is a versatile material that plays a vital role in modern society. It is an essential nutrient in human health and very useful in crop yield improvement. Zinc in galvanizing protects steel against corrosion for its use in automobiles, buildings and others. It is also used for the production of zinc die-casting alloys, brass and oxide, and in manufacturing batteries and other electrical and consumer goods.

For more information, visit www.xstratazinc.com