



1 December 2008

XSTRATA, MOUNT ISA AND LIVING SAFELY WITH LEAD BRIEFING PAPER

Xstrata Mount Isa Mines is an important part of the Mount Isa community with the majority of our employees and their families living and working in the city. The safety and wellbeing of all Mount Isa residents is our highest priority. At Xstrata we are proud of our global reputation as a company operating in an environmentally and socially responsible manner and we seek to maintain that reputation at all times.

This document provides our key stakeholders with an update on the lead in blood issue, subsequent to our briefing paper of 10 July 2008. This is available on our website at www.xstrata.com/corporate/commodities/copper/publications

Mount Isa – A Thriving Regional Centre

Mount Isa was founded in 1923 as a mining town. Lead and other minerals in Mount Isa are naturally occurring, which is why the mining operations and the town exist. Since Xstrata acquired Mount Isa Mines in mid-2003, Mount Isa has undergone significant rejuvenation and has grown into a thriving regional centre for north-west Queensland. It boasts a population of 23,500 many of whom work in the industrial, commercial, administrative, tourism and government sectors.

Queensland Health Lead Screening Program for Children

In 2006, Queensland Health (with the support of Xstrata) launched a 'Get Bled for Lead' screening program to test 400 Mount Isa children between the ages of one and four.

Attracting 400 children to participate took longer than anticipated (15 months), however on 22 May this year the report detailing the results of the lead screening program were released by Queensland Health at a public forum in Mount Isa. Eleven percent (11%) or 45 of the children tested had lead levels above the World Health Organisation (WHO) standard of less than 10 micrograms per decilitre of blood (ug/dl). As at 7 October, of the 45 children with elevated lead levels, 23 had not presented for retesting. Of the 22 who were retested, 10 children's levels had fallen below the WHO standard.

The issue of lead exposure is impacted by how people live at home, being particularly influenced by hygiene and nutrition. Household audits carried out for those 45 children with elevated blood lead levels indicated common factors including chewing on non-food items such as dirty toys or dirt, residing in a property with bare soil and pet ownership. Queensland Health will conduct a follow-up study of children in Mount Isa in 2010. The report is available at www.health.gov.au

Environmental Improvements

Xstrata is committed to continuously improving its environmental performance. Since 2000, sulphur dioxide emissions from the copper smelter have been reduced by 77% and 33% from the lead smelter. Our target by 2012 is to reach or exceed 95% capture and treatment rate of sulphur dioxide emissions from the copper smelter and a 98% capture and treatment rate from the lead smelter.

We have a comprehensive sulphur dioxide and dust monitoring network that measures emission levels in the community - every Mount Isa resident lives less than 1,200 metres from a sulphur dioxide air monitor. Our lead in air emission standards are well below the limits set by the Queensland Environmental Protection Agency (EPA). Late this year, the EPA will install an ambient metals monitor in Mount Isa.

Since Xstrata's involvement with Mount Isa Mines, we have spent over \$200 million on more than 80 environmental improvements including:

- Monitoring and further reducing emissions from smelters, including commissioning the Smelter Emissions Project
- Commencing an independent Lead Pathways Study (formerly Whole of Emissions Study) to examine pathways of lead into the community via air, land and water
- Continuing safety procedures on-site to minimise our employees' exposure to lead and reduce the risk of lead being taken into the community
- Removing historical mine sediments from the Leichhardt River
- Continuing to enhance the green buffer zone between the mine and the community with an annual budget of \$500,000 for rehabilitation. The buffer zone was originally established in 1991 at a cost of \$8 million after a remediation program was conducted in conjunction with the local Council and the EPA to address areas of historic contamination caused by mining practices of the 1950s and 60s.

Living Safely with Lead

For the past 15 years, Mount Isa Mines has been offering free independent blood lead testing for all community members through QML. During this time, we have been working with local and State government on educating the community on living safely with lead.

In December last year, Xstrata joined Queensland Health, the EPA, the local State Member of Parliament, Betty Kiernan MP, and the Mount Isa City Council to form the Living with Lead Alliance (the Alliance). The Alliance will drive long-term actions to address the issue of lead in the community.

The aim of the Alliance is to provide people in Mount Isa with the information they need, so they can put in place simple measures to help them stay healthy in an environment with naturally occurring minerals such as lead. The Alliance has appointed a full-time Project Officer to promote these messages in the community.

Supporting the Community

Xstrata is proud of its role in creating jobs and supporting our local communities through local sponsorships and donations. In addition, the Xstrata Community Partnership Programs in Queensland and North Queensland are delivering over \$22 million in support for community programs throughout Queensland.

We support a range of initiatives in the areas of health, education, social and community development, enterprise and job creation, environment, and arts and culture. Xstrata is also a joint-presenting partner of the Mount Isa Rodeo, a world class event held annually which celebrated its 50th year this year.

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