



NEWS RELEASE

ISAMILLS™ TO PROCESS MAGNETITE

Brisbane, 13 October 2010

Xstrata Technology's IsaMills™ have been selected for the new magnetite processing circuit being developed at Xstrata Copper's Ernest Henry Mine in Queensland, Australia. The new circuit is part of the planned upgrade at the minesite as it transforms its mining operations from open pit to underground mining.

The magnetite circuit at Ernest Henry Mine will involve processing the tailing from the existing copper concentrator, through regrinding and magnetic separation, to produce a high grade magnetite concentrate. The IsaMill™ will be required to grind the magnetite bearing material down to ~40µm, to enable a premium grade concentrate to be produced. Planned concentrate production is approximately 1.2 million tonnes of magnetite per annum for export to Asia.

Katie Barns, IsaMill™ Strategy Manager - Mineral Processing, Xstrata Technology, said that this was the first IsaMill™ to be selected for magnetite processing.

"IsaMills™ have transformed many base metal operations through its energy efficient grinding action, and we see this playing an important role in some parts of the iron ore industry, where there is a need to efficiently grind to fine sizes to enable saleable concentrates to be produced," she added.

John Twomey, Manager – Magnetite Project Xstrata Copper said that Xstrata Technology will be providing a M10,000 IsaMill™ package to the Ernest Henry site, which includes the IsaMill™ (powered by a 3MW motor), as well as feed and discharge pumpboxes, steel work and media addition system. The installation of the mill at the site is planned for the first half of 2011.

The project is one of several being worked on by Xstrata Technology including the supply of two M3000 IsaMills™ for Xstrata Copper's Antapaccay copper project in Peru, and three M1000 IsaMills™ forming part of the regrind circuit for molybdenum processing at Thompson Creek Metals' Endako project in North West Canada. There are almost 90 IsaMills™ installed world wide.

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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 additional exposures to platinum group metals, 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 TECHNOLOGY

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