Xstrata Nickel’s Koniambo Project:
A Cornerstone Asset

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Hong Kong, March 2011
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Agenda

- Xstrata Nickel
- Koniambo
- Questions
Integrated nickel business with a portfolio of diverse assets and projects

2010 Top 5 Refined Nickel Producers

- MMC Norilsk
- Jinchuan
- Vale
- BHP Billiton
- Xstrata

Source: Brook Hunt
Robust business to deliver value and growth in the future

- Doubling of nickel production while maintaining 2\textsuperscript{nd} quartile cost position
  - INO mined production to increase +30%
- Significant FeNi Production
  - Falcondo: low capital restart option at 50% capacity with optimisation to deliver sustainable cost structure
  - Koniambo: execution on track to deliver production in mid-2012 with low-cost capacity
- Significant FeNi expansion still remains

### Projects in Execution

<table>
<thead>
<tr>
<th>Projects in Execution</th>
<th>Infrastructure</th>
<th>Resources Quality</th>
<th>Low Processing Risk</th>
</tr>
</thead>
<tbody>
<tr>
<td>Koniambo</td>
<td>Greenfield</td>
<td>Highest grade laterite</td>
<td>Proven pyromet smelting</td>
</tr>
<tr>
<td>Falcondo - 50%</td>
<td>Brownfield</td>
<td>Significant resource</td>
<td>Proven pyromet smelting</td>
</tr>
</tbody>
</table>

### Projects Near-term Approvals

<table>
<thead>
<tr>
<th>Projects Near-term Approvals</th>
<th>Resources Quality</th>
<th>Low Processing Risk</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fraser Morgan</td>
<td>Poly-metallic sulphide</td>
<td>Conventional flotation</td>
</tr>
<tr>
<td>Falcondo – 100%</td>
<td>Significant resource</td>
<td>Proven pyromet smelting</td>
</tr>
</tbody>
</table>

### Projects Feasibility and Scoping

<table>
<thead>
<tr>
<th>Projects Feasibility and Scoping</th>
<th>Infrastructure</th>
<th>Resources Quality</th>
<th>Low Processing Risk</th>
</tr>
</thead>
<tbody>
<tr>
<td>Falcondo Heap Leach</td>
<td>Brownfield</td>
<td>Significant resource</td>
<td>Leaching technology</td>
</tr>
<tr>
<td>Koniambo Phase II</td>
<td>Brownfield</td>
<td>Highest grade laterite</td>
<td>Proven pyromet smelting; or Hydromet technology</td>
</tr>
</tbody>
</table>
Project Scope

- Earthworks – 8,500,000 m³
  - Pyramids of Giza – 2,500,000 m³
- Concrete – 80,000 m³
  - Average capacity of standard Ready Mix cement truck: 10 m³
- Steel – 53,000 tonnes (incl. modules)
  - 7,000 tonnes of steel in the Eiffel Tower
- Mechanical - >1,500 major pieces of equipment
- Electrical cables – 1,500 kms
  - Brisbane to Sydney
Koniambo – A Cornerstone Asset

- **Foundation for Xstrata Nickel’s growth**
  - Robust business case
  - High grade ore body with 50+ yrs mine life
  - 60ktpa nickel in first quartile cost position
  - $3.85bn capital project on track for mid-2012 delivery, with full production by 2014
  - Joint Venture structure with partner SMSP

- **Project well positioned to deliver**
  - Significant progress to date resulting in project de-risking
  - Sound cost and risk management systems
  - Good state of readiness with performance & productivity management system in place
  - Continued excellent environmental performance and community engagement
Industry-Leading Grade and Scale

**Measured and indicated nickel laterite resources**

With inferred resources, ~400Mt of ore, containing 7.6Mt of Ni

Source – Brookhunt and Xstrata
Koniambo Location
Vavouto Port as of February 2011
Module Construction
Module Shipment
Module Discharge and Transportation

Koniambo
Module Stacking
Met Plant Assembly

Koniambo
Power Plant Construction

Koniambo
Met Plant and Power Plant
Mass Earthworks
Koniambo: Indicative Product Characteristics

- **Product Composition:**

<table>
<thead>
<tr>
<th>Element</th>
<th>Nominal %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nickel</td>
<td>35</td>
</tr>
<tr>
<td>Iron</td>
<td>63</td>
</tr>
<tr>
<td>Cobalt</td>
<td>0.9</td>
</tr>
<tr>
<td>Copper</td>
<td>0.03</td>
</tr>
<tr>
<td>Chromium</td>
<td>0.1</td>
</tr>
<tr>
<td>Manganese</td>
<td>0.04</td>
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<tr>
<td>Arsenic</td>
<td>&lt;0.001</td>
</tr>
<tr>
<td>Zinc</td>
<td>0.002</td>
</tr>
<tr>
<td>Carbon</td>
<td>0.15</td>
</tr>
<tr>
<td>Sulphur</td>
<td>0.05</td>
</tr>
<tr>
<td>Silicon</td>
<td>0.3</td>
</tr>
<tr>
<td>Phosphorous</td>
<td>0.02</td>
</tr>
</tbody>
</table>

- **Product form:**
  - Shot: 3 – 60mm
Questions?