



NEWS RELEASE

XSTRATA NICKEL SHARES \$15.2 MILLION OF RAGLAN'S OPERATING PROFIT WITH INUIT COMMUNITIES

Québec City (Québec) – June 1, 2011

Xstrata Nickel Raglan Mine today presented a cheque in the amount of Cdn\$15.2 million to the Makivik Corporation and the Inuit communities of Kangiqsujuaq and Salluit. This sum represents the Inuit communities' share of the profits generated in 2010 by the Raglan nickel mine operation, located in Nunavik, Northern Québec.

To date, more than Cdn\$100 million in profit-sharing payments have been directed to an Inuit trust fund for economic and community development through the Raglan Agreement.

The comprehensive agreement signed in 1995 by the Raglan operation, the Makivik Corporation and local Inuit communities supports harmonious relations and fosters opportunities between Xstrata Nickel and local populations in areas such as training, hiring of local businesses and environmental management.

"With the Premier's announcement on Plan Nord, mining is a key component of our future development, and Makivik is positioning itself in a way where we can play a more active role in this industry," said Pita Aatami, President of the Makivik Corporation.

Mike Welch, Vice-President Operations for Xstrata Nickel Raglan Mine, said: "We are committed to the sustainable development of Nunavik communities and the Raglan Agreement is an example of constructive and open dialogue with Makivik. Xstrata Nickel Raglan Mine is a world class operation striving for excellence that will continue to provide opportunities for its local communities and business partners for many years to come."

Xstrata Nickel's Raglan mining camp was constructed at a cost of Cdn\$600 million and began production in 1997. This year, capital investments include more than Cdn\$200 million for mining development activities, infrastructure maintenance and geology.

The operation consists of three underground nickel mines, and a fourth mine (Kikialik) is under construction and scheduled to start commercial production in 2012. Raglan also operates a concentrator, accommodation complex, port facilities at Deception Bay and an air strip at Donaldson. The ore from the mine is crushed, ground and treated at the Raglan mill to produce a nickel-copper concentrate. Milling capacity is 3,900 tonnes per day. Nickel capacity at the

concentrator is 30,000 tonnes of nickel-in-concentrate per year.

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Editors Notes

Xstrata plc

Xstrata is a global diversified mining group, listed on the London and Swiss Stock Exchanges. Headquartered in Zug, Switzerland, Xstrata maintains a meaningful position in seven major international commodity markets: copper, coking coal, thermal coal, ferrochrome, nickel, vanadium and zinc with additional exposure to gold, cobalt, lead and silver. The Xstrata Group also comprises a growing platinum group metals business, iron ore projects, recycling facilities and a suite of global technology products, many of which are industry leaders. The Group's operations and projects span 20 countries.

Xstrata Nickel

Xstrata Nickel, headquartered in Toronto, Canada, is one of Xstrata Group's global commodity businesses. Xstrata Nickel's operations include mines and processing facilities in Canada, the Dominican Republic and Australia, and a refinery in Norway. Xstrata Nickel has a promising portfolio of growth projects in New Caledonia, Tanzania and Brazil. Xstrata Nickel is the world's fifth largest nickel producer, with annual managed production of more than 92,000 tonnes of refined nickel.

Makivik Corporation

Makivik Corporation is the Inuit owned economic development company created following the signing of the James Bay and Northern Quebec Agreement (JBNQA) in 1975. It has the mandate to represent the 9,800 Inuit of Nunavik at the political level, and to administer the funds of the Agreement accorded to the Inuit (\$90-million has been received over a 20 year period). Makivik owns subsidiary companies such as Air Inuit, First Air, Nunavik Arctic Foods, Nunavik Creations, Halutik Fuels, and jointly owns with other Inuit regional corporations Pan Arctic Inuit Logistics (PAIL) and Cruise North Expeditions.



June 1, 2011 – (from left to right) Serge Simard, Minister of Natural Resources and Wildlife; Pita Aatami, President, Makivik Corporation; Shaun Usmar, Chief Financial Officer, Xstrata Nickel; and Mike Welch, Vice-President Raglan Mine at a ceremony in Québec City to mark the \$15.2 million payment made by Xstrata Nickel to Makivik, representing the Inuit communities' share of the profits generated in 2010 by Xstrata Nickel's Raglan Mine.