



Minera Alumbraera

Sustainability Report 2009

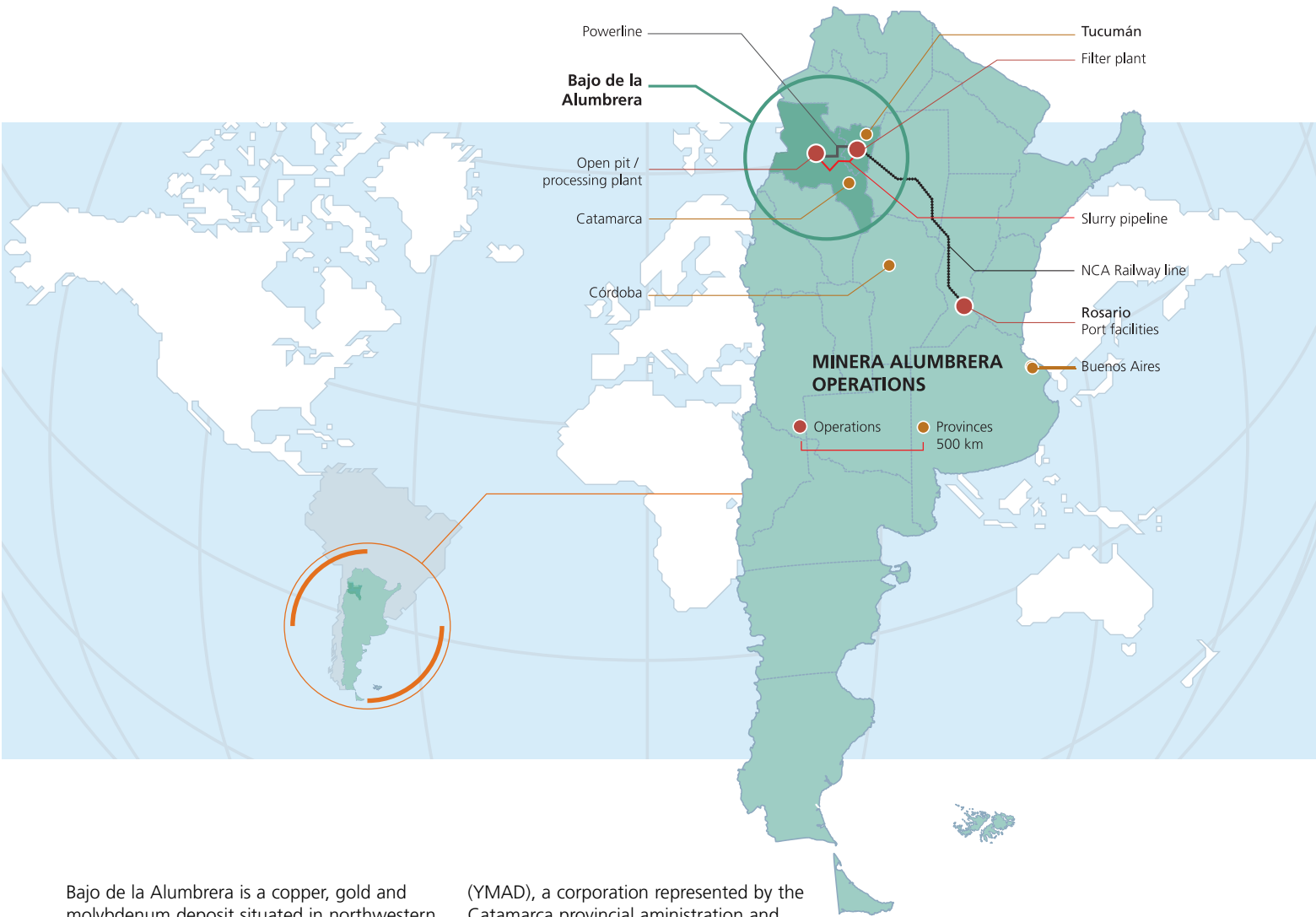
Index



01 Minera Alumbra	26 Our People	36 Sustainable Communities	50 Environment
02 Chief Executive's Report	28 Safety management programmes and improvements	37 Corporate social involvement	52 Minera Alumbra Environmental Plan for 2010
04 A word from our General Manager	29 Occupational health	39 Community Programme	53 Study case
06 Table of contents	30 Employment	39 Production development	54 Climate change
08 Scope of report	32 Employee training and development	41 Education	54 Energy
10 Our approach to sustainable development	34 Labour relations	43 Health	55 Water management
12 Governance & management systems		45 Communication with stakeholders	57 Biodiversity
		46 Community feedback	59 Mine closure
			61 Product stewardship
16 Our Operation and its Economic Contribution		62 Value Chain	
		66 Summary of key sustainability data	
		67 GRI Index	
		71 Reader's feedback form	

Minera Alumbra

Minera Alumbra seeks to support Argentina's development by fostering open and honest relationships with our people, local communities and organisations and to obtain leading returns in the mining industry in a safe, sustainable and environmentally responsible way.



Bajo de la Alumbra is a copper, gold and molybdenum deposit situated in northwestern Catamarca, Argentina at an altitude of 2600 amsl, which has been operational since 1997. Initial project investment totalled USD1.3 billion.

Ore mined totals 120 million tonnes / year. Through large-scale crushing, grinding and flotation process, annual throughput averages 600,000 tonnes of concentrate containing 150,000 tonnes of copper and 450,000 troy oz of gold.

Exploration and mining rights are owned by Yacimientos Mineros de Agua de Dionisio

(YMAD), a corporation represented by the Catamarca provincial administration and Universidad Nacional de Tucumán. YMAD has entered into a joint-venture (locally known as "UTE") agreement with Minera Alumbra to mine the deposit, and is entitled to a 20% share in Bajo de la Alumbra profits.

Minera Alumbra is operated by Swiss-based Xstrata plc, a diversified mining group, listed at the Zurich and London Stock Exchanges. Xstrata has a 50% share in the project, with Canadian Goldcorp and Yamana Gold having the remaining 37.5% and 12.5% share, respectively.

Chief Executive's Report



Charlie Sartain

The global financial crisis presented difficult challenges for the mining sector in 2009. From late 2008 and into 2009, there was a dramatic collapse in demand for commodities, resulting in average copper prices 26% lower than the previous year. Xstrata Copper responded rapidly and decisively, with management teams across our businesses implementing cost reduction programmes, deferring non-critical capital expenditures and curtailing uneconomic production from our custom metallurgical facilities.

These actions positioned us to emerge strongly from the downturn as economic conditions gradually improved and copper prices rebounded in the second half of the year. As a result, Xstrata Copper recovered to achieve a solid set of operational and financial results in 2009 that has provided us with important momentum as we enter 2010.

Nonetheless, global custom smelting conditions remain extremely difficult. The rapid expansion of Chinese smelting capacity means that global capacity now far exceeds the availability of concentrate, driving treatment and refining charges to near all-time lows. Our Canadian metallurgical operations implemented production suspensions and slowdowns in 2009 in response to the lack of concentrates and anodes for processing and the collapse in North American demand for sulphuric acid (a by-product of the smelting process). The outlook remains bleak for this part of the copper industry and in December we announced the difficult decision to permanently cease operations at our loss-making Kidd Metallurgical copper and zinc plants in Timmins, Ontario, effective in June 2010.

This has clearly impacted many people in Timmins and we have been providing as much support as possible through the transition, giving early notice of closure, maintaining direct communications with our people and communities, offering early retirement schemes to eligible people and, where possible, alternative employment opportunities and establishing a job placement centre in conjunction with local government and union representatives.

The resulting rationalisation of our Canadian assets is intended to convert our Canada copper division into a profitable and more sustainable business. We continue to invest in the expansion of the Kidd Mine and in capital programmes at our other metallurgical plants in the country with this objective in mind.

As part of the Xstrata Group, the principles of Sustainable Development are integrated into our business model and guide our daily decision-making. Ongoing improvements across a range of indicators in 2009 demonstrate that our commitment to Sustainable Development has not wavered during these difficult times. Xstrata's commitment to Sustainable Development was recognised in 2009 as the industry leader by the Dow Jones Sustainability Index for the third consecutive year. I am proud to add that

over the year Xstrata Copper's operations and projects received 23 regional and local recognitions for safety, environment and social responsibility achievements.

A fundamental component of Xstrata Copper's business model is our commitment to transparent and regular communication on our Sustainable Development performance. Our quarterly Sustainability Bulletin highlights best practice case studies and our divisions and projects publish annual Sustainability Reports complying with the globally-recognised GRI G3 reporting guidelines. The performance Scorecard at the front of each report (see page 6) clearly shows progress on meeting Sustainable Development targets and new goals for the coming year. This report is one of 11 that have been prepared on this basis across Xstrata Copper.

Xstrata Copper also sets more detailed Sustainable Development targets internally and we continually assess our performance against these objectives. Our main safety priority is zero harm and our ultimate goal is that all our people return home safely at the end of every working day.

In 2009 this unrelenting focus on improving safety performance resulted in our Total Recordable Injury Frequency Rate (TRIFR) falling for the sixth consecutive year to a

record low of 4.7, a 36% improvement over the previous year and far exceeding our year-end target of less than 6.6.

We also reduced our Lost Time Injury Frequency Rate (LTIFR) from 1.1 at the end of 2008 to 1.0 at the end of 2009, an improvement of 9%, but just short of our target of less than 0.9. The number of days lost due to lost time and restricted work injuries also reduced significantly to 4,030, down from 5,237 in 2008. This reduced our Disabling Injury Severity Rate (DISR) from 131 in 2008 to 104 in 2009, just missing our year-end target of 103.

We were, however, not able to meet our most important target of being a fatality free mining company in 2009. Tragically, a fatal incident occurred at Energía Austral when an inflatable boat carrying personnel from a contractor company capsized on the Cuervo River in south Chile causing the loss of three workers, Moisés Aros, Mario Méndez and Edgardo Rogel. In response, we reviewed our safety systems in remote sites to ensure that we are doing everything possible to establish and maintain safe work environments.

For 2010 Xstrata Copper has renewed its determination to achieve zero fatalities and set itself the challenge of further improving our TRIFRs by 10% to less than 4.2, LTIFRs by at least 20% to less than 0.8 and DISRs by over 25% to less than 84.

In 2009, Xstrata Copper continued to pursue its strategic objective of achieving recognised leadership in environmental performance within the mining industry. We met our target of receiving no environmental fines, penalties or prosecutions and our copper smelters continued to improve their environmental performance, with important reductions in overall Sulphur Dioxide (SO₂) emissions.

We reported one Category 3 (significant) environmental incident in 2009 against our target of zero. This involved a spillage of concentrate into the harbour at our port facilities in Townsville, Queensland, during loading operations. This was quickly remediated in consultation with the local authorities. Across our businesses we achieved an impressive 52% reduction in Category 2 (Minor) incidents.

We recognise the urgent need to address climate change and as part of Xstrata's overall

corporate approach are actively promoting a response to this challenge within a global, equitable framework that would reduce carbon emissions globally without irreparably damaging the export industry of any one nation. All of our divisions have set targets to reduce greenhouse gas emissions and energy consumption, as well as reducing fresh water use and maximising water recycling opportunities, and progress is regularly reported to Xstrata Copper's Sustainable Development Committee and Executive Committee. In addition, we actively engage with governments, the scientific community, industry and other organisations on the development of legislation, new technologies and industry initiatives to tackle this global challenge.

As Xstrata Copper advances towards developing an important portfolio of brownfield and greenfield projects, the preparation of Environmental and Social Impact Assessments (ESIA) was a key focus in 2009. Two major ESIA's were submitted to the authorities, one for the Río Cuervo hydropower project in southern Chile and a second for the Antapaccay copper project in southern Peru.

At Xstrata Copper, open and honest communication with our local stakeholders lies at the heart of our community relations. Management at each division and project is responsible for implementing two-way dialogue processes that are appropriate for each cultural setting and particular set of circumstances. In 2009 we intensified community consultation to ensure local people's concerns and interests were being addressed in our plans and designs for new mines. Of particular note was the resettlement agreement with the Fuerabamba community that will allow the construction of our Las Bambas copper project in southern Peru's Apurímac Region. Also, at our Tampakan project in the Philippines, management successfully conducted extensive community and stakeholder briefings and public meetings as part of preparatory work for the expected submission of its ESIA at the end of 2010.

Transparent engagement is also crucial to the success of our Corporate Social Involvement (CSI) programmes. Only with the participation of local community and government stakeholders can we implement projects that make a real difference to the social and

economic development of the areas where we operate. In 2009, Xstrata Copper spent over USD30 million on CSI projects, including the Collahuasi and Antamina joint ventures. These focused on health, education, enterprise development, culture and social development.

As we move into 2010, continued improvement in macroeconomic conditions in Western economies is expected to drive a recovery in copper consumption, providing a more positive environment for our mining businesses. However the outlook for our custom smelters and refineries remains challenging as the gap between constrained concentrate supply growth and installed smelting capacity continues to widen.

During this year construction on all five of Xstrata Copper's current expansion projects is expected to get under way. One of the challenges will be to ensure that new employees involved in these large-scale projects are quickly inducted to the Sustainable Development standards that are expected of them.

After a comprehensive review, we will also be implementing in the second quarter of this year a new Sustainable Development Policy and Management Framework that will replace and incorporate our current Safety & Health, Environment and Community policies. Training and revised induction procedures at all of our sites will form a crucial part of the implementation plan. I do hope that you find this report a valuable source of information not only about Minera Alumbra, but also about the Sustainable Development principles and objectives that guide all of Xstrata Copper's business activities.

Charlie Sartain

A word from our General Manager



Roberto Darouiche

Our performance for 2009 is the result of ongoing responsible management efforts, which are based on a strategy implemented through action plans and an integrated assessment of social, economic, environmental and safety indicators. This annual process is intended to enhance our performance and continuous improvement initiatives through stakeholder feedback.

Sustainable development is reflected in our day-to-day commitment and our long-term management efforts. We are committed to implement a business strategy in response to the needs of both the project and neighbouring communities, while at the same time protecting the environment and human resources.

We acknowledge the ongoing efforts of our people to achieve our goals for 2009 as well as their commitment to attain our sustainability targets.

This report was prepared based on the Global Reporting Initiative's (GRI) Sustainability Reporting G3 Guidelines, the world's most widely used sustainability reporting framework, including principles and indicators to benchmark and report organisational performance.

Minera Alumbra has been supporting the United Nations Global Compact (GC) since 2004. It is voluntary initiative, based on universal principles to foster organisational responsibility. This report also includes our adherence to the 10 GC Principles. Our performance progress report is reflected in the GC indicators shown at the end of this report.

Business Performance

Minera Alumbra kept on implementing our operational upgrade and production plans during 2009. We also faced the impacts of the world financial crisis. The highly volatile international markets adversely affected copper prices with the resulting impact on our business results. However, the smart reaction of Minera Alumbra management included specific initiatives to provide flexibility and efficiency to volatile markets.

Minera Alumbra's contribution to the local economy for 2009 totalled USD809.4 million, including taxes, royalties, salaries, social security contributions as well as local goods and services. This amount is equivalent to USD67.4 million/month or USD2.2 million spent per day in Argentina during 2009.

Minera Alumbra export duties and income tax payments accounted for 1.2% and 1.1% respectively out of the total tax revenues in Argentina. The export duties levied on mineral products in Argentina as from December 2007 breach Bajo de la Alumbra fiscal stability rights under the Mining Investment Law. If export duties are maintained, Minera Alumbra product prices will be reduced, thus affecting our long term plans as the mine life will be shorter, with the resulting impact on local employment levels as well as on the national and provincial tax revenues.

At the provincial level, the share of the mining industry in local wealth generation is above 60% (GGP of mineral deposits / total GGP), which means that more than half the value added in Catamarca is related to the mining industry.

Minera Alumbra has been the largest private employer in Northwestern Argentina for the past ten years. The number of local employees has doubled relative to 1998 levels, despite the changing economic scenarios in both the domestic and international markets.

Our operational performance for 2009 was 2.81% above budget for copper, mainly as a result of our enhanced production plans and improvement initiatives in response to the difficulties arising from international markets and dropping copper prices.

Molybdenum concentrate production was also enhanced through design and engineering improvements at our moly processing facilities, which helped maintain and increase our moly concentrate exports through the San Francisco Pass. This is a major export route both at the provincial and regional levels to ensure business trade with countries facing the Pacific Ocean.

The second phase of our flotation expansion project was commissioned to maintain similar metallurgical recovery levels in light of fluctuating ore levels and declining grades. Moreover, two haul trucks were added to our haul fleet, which now includes forty-one 20-tonne haul trucks.

2009 also set a landmark for our ore reserve identification strategy with a view to extend the project life. 4800 m were drilled at the Bajo del Durazno and Bajo de Las Pampitas deposits under the agreements entered into with our partner YMAD during the relevant bidding process. Exploration activities are expected to be extended to Bajo de San Lucas during 2010.

Safety

Our safety performance has generally exceeded our expectations as a result of our dedicated improvement efforts throughout the organisation. Our Total Recordable Injury Frequency Rate (TRIFR) for 2009 was 3.95, which is 42% better than 2008 levels. Our Lost Time Injury Frequency Rate (LTIFR) was 0.36, which is 65% better than 2008 levels. These rates are up to five times higher than average for the mining industry in traditional mining countries subject to international standards.

Our outstanding safety performance for 2009 was therefore the most valuable reward for Minera Alumbra employees -i.e. enjoying work safely. We will strive to maintain our safety performance during 2010 with a view to improve these rates further, as established in our annual objectives, in order to expand the benefits of working in a safe, healthy and accident-free environment.

Environment

Our Environmental Management Programme includes a comprehensive plan with short to long term objectives intertwining with the mine closure plan and our responsible environment practices. To ensure the implementation of the highest industry standards, we kept on using best practice including the results of our research and pilot test programmes with renowned universities and worldwide leading consultants. These efforts are aimed at developing our closure plan during the operations stage well ahead mine closure.

Performance under Minera Alumbra Environmental Management Programme was commendable for 2009, since no major incidents were recorded. Our activities are fully compliant with the regulations in force. Our offsite facilities obtained ISO 14001:2004 Standard re-accreditation for the fifth consecutive year.

Significant progress was made in our biodiversity initiatives during 2009, including the second phase of our cactus and carob tree revegetation programme. Finally the pilot-scale waste dump revegetation field trials have been extended. This information will be useful for our mine-closure environmental plan.

Community Liaison

Continued support has been provided to sustainable initiatives with a view to foster regionally inherent business ventures and projects. These initiatives counteracted the impacts of the world financial crisis and the fears of dropping economic indicators. We managed to maintain existing programmes despite the impacts of declining copper prices, thus building confidence in our sustainable community programmes.

Our community programme was implemented 13 years ago to provide technical, financial and training support to health, education, arts and cultural initiatives as well as to local producers.

Minera Alumbra royalty payments are a significant source of income for municipal administrations from the Primary Impact Area in Catamarca. The challenge ahead now is that the systems required for effective project implementation and management be developed and that funds be efficiently allocated.

Under our Corporate Social Involvement Programme, significant progress was made in the remodelling works at Andalgalá's historic school #995 and our commitment to complete the next stage in the construction of the largest Technical School in Western Catamarca (based in Belén). Likewise, the infrastructure works at Hualfin and Belén sports centres are ongoing. The construction of Ciénaga Redonda School is also progressing. This project has been undertaken together with local miner Minera del Altiplano and is expected to be completed in

2010. Minera Alumbra's support to local health initiatives includes the successful installation of Intensive Care Units in the Belén, Santa María and Andalgalá hospitals.

In Tucumán, the infrastructure works at the Centro de Salud have been completed and the refurbishment of four maternity wards at Nuestra Señora de las Mercedes hospital is ongoing.

Future Outlook

Major sustainability achievements have been attained in key areas during 2009. This is the result of our long-dated consistent strategy based on an action plan. However, we are also aware of the major challenges ahead. Our management plan will be further enhanced by our commitment to our people, the environment and local communities, since our practices are strongly based on ethics, courage and teamwork.

These values have been the pillars for our achievements to date and will help us attain future goals. Our organisation continues to be widely recognised throughout the world for the outstanding quality of our human resources and our responsible management practices.

As a leading mining development in Argentina, Minera Alumbra remains committed to Argentina as well as to its people, raw materials and suppliers because we trust that, provided the applicable conditions are observed, significant opportunities are available under the legislation that triggered large-scale mining operations in Argentina. We remain confident that we will keep on growing.

Roberto Darouiche

Table of contents

Environment	2009 Target	Performance
Fines or penalties	No fines or penalties	✔ No fine or penalty during 2009
Incidents	No category 3, 4 or 5 incident	✔ No category 3, 4 or 5 environmental incident during 2009
Waste	Keep waste sorting levels for recycling	✔ A 12% increase
Management system	Obtain approval of maintenance external audits of SSGG ISO 14001.	✔ Two maintenance external audits were received during 2009 with zero “No conforming”.
Climate Change		
Greenhouse Gas emissions	Continue with preventative maintenance programmes of fixed and mobile sources.	✔ Maintenance programmes achieved
Energy efficiency	Keep efficiency values of 0.09 GJ*/milled ton	✔ 0.083 GJ/ milled ton
Biodiversity Conservation		
Monitoring Programmes	Perform biological monitoring of slurypipeline rivers (biannually)	✔ Programmed monitoring completed
Native Species	-Keep the Cardon Cacti Rescue Project in the tailings dam area.	✔ Se continuó el proyecto con buenos resultados
	-Develop revegetation in specific parcels in dump areas of about 3.5 ha.	✔ 3.5 ha were revegetated with native species in flat areas of dumps, with that being the largest area to be revegetated.
	-Continue with the Carob Tree Vegetation project in Campo del Arenal, on field.	✔ Project continued with good results
Soil Rehabilitation	-Keep and monitor cover tests of Puente waste dump.	✔ The maintenance and monitoring programme of cover tests of Puente waste dump continued.
	-Restore 15 hectares of dumps with mild material.	🔄 Restoration of 11.30 hectares due to changes in mining activities, thus reducing the removal of mild material.
Water Management		
Vis Vis monitoring	Dig a new pumpback well and an additional monitoring well in the Vis Vis canyon.	🔄 Start of drilling campaign which will end in February 2010
Water conservation in dry areas	Water conservation in dry areas: keep fresh water consumption of 575 l/milled ton.	❌ Annual consumption of 610 l/milled ton. Low precipitations in the first six-month period and operating measures to improve concentrate during the second six-month period slightly increased consumption.
Mine Closure		
Mine Closure Plan	Extend physical and chemical stability studies of the cover system for the tailings dam and waste dumps.	✔ Additional studies on the physical and chemical stability of covers were performed.

Safety	2009 Target	Performance
Prevention of fatalities	Zero fatalities	✔ Target achieved
Prevention of incidents	Implement incident prevention programme	✔ Implementation of psychological tests under a technological tool that allows to recognise human errors.
LTIFR ²	<0.9	✔ 0.36
TRIFR ¹	<6.5	✔ 3.95
Management	Achieve all safety objectives through a plan that includes the training of leaders, effective communication with stakeholders, reinforcement of proactive tools and application of psychological tools to safety.	✔ Full performance of programme

Social	2009 Target	Performance
Investment in community development programmes	Continue with productive development, education and health programmes by adjusting them to the current market situation.	✔ Objective achieved. Programmes were updated based upon availability and situation of the community.
Stakeholder engagement	Completion of a perception survey in the project area.	✔ Results will be available by the end of April 2010.
Corporate Social involvement	-Completion of works of the first agreement with Catamarca and Tucumán.	✔ Four years of works as per the agreements executed with the provinces.
	-The second agreements with both provinces were executed and works are already being performed.	✔ 100% of the budget was spent in both provinces
Mine closure	Opinion surveys performed	✔ Target achieved

* Gija joules (= MW/h 3.6)

Health	2009 Target	Performance
Anti-influenza vaccine programme	Purchase of vaccines and vaccination of employees	✔ Low incidence on absenteeism due to influenza
Occupational illnesses	-Zero occupational diseases	✔ Zero occupational diseases
	-Provide new training on industrial hygiene	✔ Complete training programme
	-Complete environmental risk agent measuring programme	✔ Complete measuring programme
Community health initiatives	-Extend visits and medical care to the inhabitants of neighbouring areas	✔ Pre-scheduled visits and transportation to hospitals when required.
	-Supply of medicine	

✔ Goal fully achieved 🔄 Goal partially achieved ❌ Goal not achieved

2010 Targets

Environmental Management
No fines or penalties
No category 3, 4 or 5 incidents
Keep waste separation levels for recycling purposes
Management Systems
Obtain approval of maintenance external audits of SSGG ISO 14001
Biodiversity Conservation
Extend the carob tree revegetation project of Campo del Arenal, in field tests to mine sites
Water Management
Drill a new pumpback well and an additional monitoring well in Vis Vis canyon
Reach fresh water consumption of 585 l/milled ton
Climate Change
Keep energy efficiency values at 0.09 GJ*/milled ton
Study the possibility of using alternative energies at pilot test level

Safety
Zero Fatalities
TRIFR ¹ <4.4
LTIFR ² <0.5
Compliance with the Safety Plan for the families, related to first aid at home and fire fighting
Continue reinforcing proactive tools (safety, PASS system, risk identification and analys, etc.)
Continue with the implementation of the incident reduction programme

Social
Continue with infrastructure works in health and education
Continue with the productive development programme (supported by the water development programme) and education programmes in the primary area of the project
Carry out an evaluation of the perception survey of the communities in the last four-month period

Health
Continue with the anti-influenza vaccine programme for employees and contractors
Perform regular check-ups
Avoid occupational diseases
Train employments on risk agents such as noise and dust
Follow ergonomics programme
Complete measuring programme of environmental risk agents
Perform vibration measuring programme
Give talks related to smoking and break optimisation
Visit and provide medical care to towns near the mine site. Provision of medicine

1 TRIFR: Total recordable injury frequency rate.

2 LTIFR: Lost time injury frequency rate.



Scope of report

This report details the economic, health, safety, environment and social performance of Minera Alumbra from 1 January 2009 to 31 December 2009. We publish our reports annually and this is the sixth report produced by Minera Alumbra.

As part of Xstrata Copper's commitment to transparency and stakeholder engagement, all of its operating divisions and major development projects are required to publish their sustainability performance annually. The Minera Alumbra report is one of 11 sustainability reports published by Xstrata Copper.

An overview of Xstrata Copper's sustainability performance is also provided in the Xstrata group sustainability report. All these reports are available on the Xstrata sustainability

website: www.xstrata.com/sustainability/. A general description of Xstrata Copper's SD policies is provided in this report. The full policies are published on the Xstrata website: <http://www.xstrata.com/corporate/commodities/copper/publications>.

As part of the Xstrata Group, all Xstrata Copper's policies are aligned with Xstrata's SD policy and 17 SD standards and its operations are annually audited against these standards. Further information about Xstrata's SD policy and standards is available at Xstrata's sustainability website.

Communication

Under our communication policy, we have undertaken the obligation to report on our company management in an open and responsible way. We believe that this report, like our other communication tools, help us report on our activities to stakeholders while obtaining their feedback.



Minera Alumbra's operational site in Catamarca.

Defining report content

Sustainable development topics or issues that are material to Minera Alumbra or have the potential to become material to the long term success of our business have been prioritised in this report. We have aimed to provide a complete and balanced view of our sustainability performance tailored to the expectations and interest of our stakeholders. In determining which issues or topics are material to Minera Alumbra we have considered:

- Feedback on our sustainability performance and reporting from key stakeholders;
- Company-specific issues raised either directly or indirectly by external stakeholders including NGOs, governments, communities, investors and journalist associations;
- Industry challenges raised in industry associations and forums;
- Xstrata plc's Business Principles and Sustainable Development policy and standards;
- Xstrata Copper's Sustainable Development framework, policies and standards¹; and
- Indicators and topics outlined in the GRI G3 Guidelines, International Council of Mining and Metals' (ICMM) principles, and other best practice guidelines and initiatives.

The prospective readers of this report include investors, employees, suppliers and contractors, government authorities, communities, trade unions, scholars, mining chambers and industry associations, civilian organisations, mass media, and NGOs, among others.

¹ 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 a growing platinum group metals

Based on the feedback received every year, the structure, content and style of this report has been evolving with the voluntary contribution of both internal and external stakeholders.

In 2009, there were no significant changes in the scope, coverage or methods applied to this report with respect to the previous reporting periods.

All monetary values are expressed in Argentine pesos unless otherwise stated.

The values stated in this report may be modified due to accounting and/or financial reasons by the balance sheets or reports submitted by the company to national, provincial and municipal authorities after the date of elaboration of this report.

The Global Reporting Initiative (GRI)

The GRI recommends that all companies should declare an "Application level" in their sustainability reports. An Application Level indicates to readers to what extent the GRI has been followed in the report. This report meets application level A² of the GRI G3 Sustainability Reporting Guidelines, including the Mining and Metals sector supplement.

A GRI index detailing how Xstrata Copper has addressed the G3 Guidelines within this report can be found at page 67 of this report.

Through the GRI Communication on Progress (COP) indicators, i.e. the annual report to be prepared by the companies voluntarily subscribing to the Global Compact, this document sets out our commitment to and

business, additional exposures to 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.

compliance with the 10 guiding principles. An index indicating the progress status of each indicator recommended by both initiatives can be found at the end of this report.

Likewise, we introduced the guidelines recommended by the Argentine Business Council for Sustainable Development (CEADS), a local branch of the World Business Council for Sustainable Development (WBCSD), an international business organisation that promotes economic progress on the basis of environmental protection and social development.

Like previous reports, this document is also available online at <http://www.alumbra.com.ar/>. We appreciate any comments you may have on this report, and for this purpose we have included a reader's feedback form at the end of this report, which is also available at our website. In order to facilitate feedback on this document, we have included our contact details:

Verónica Morano
Public Relations Coordinator
Informe2009@xstratacopper.com.ar

Quality assurance

Independent auditors Ernst & Young have verified Xstrata's data management and reporting systems and processes as part of its external verification of the Group's 2009 Sustainability report. A brief description of the assurance process and the signed assurance statement are provided in the Group's 2009 Sustainability report available from www.xstrata.com from April 2009. While the Minera Alumbra Sustainability report has not been independently audited, it draws its key sustainability data from the same database as the Group report that is externally assured.

² Respond on each core G3 and Sector Supplement indicator (in the final version) with due regard to the Materiality Principle by either (a) reporting on the indicator or (b) explaining the reason for its omission.



Our approach to sustainable development

In line with Xstrata Copper's SD guidelines, Minera Alumbraera aims to manage its businesses so as to balance social, environmental and economic considerations.

Although the lifespan of our activities is finite, we aim to invest in skills, education, health, social and enterprise development that lead to economic benefits and sustainable communities that outlive our operations in any particular region.

We strive to preserve the long-term health, function and viability of the natural environments affected by our operations and to maintain safe and healthy workplaces based on mutual respect and fairness.

We intend to create value for our stakeholders and contribute to a sustainable environment by investing in our business units. We work jointly with communities and their representative organisations to increase mutual benefits.

Xstrata Copper takes a systematic approach to setting targets, monitoring performance and reporting against our targets in each of the key sustainability areas. The Xstrata Copper SD Strategy and Management Framework interprets and supports the Xstrata group's SD policy and 17 SD Standards, which were revised in 2008, and is consistent with our Definition of Purpose¹.

Definition of Purpose
Minera Alumbraera aims to contribute to Argentina's development through open and genuine relationships with our people, local communities and governments and other stakeholders, and maximise value for our shareholders by successfully growing and managing their investments so as to deliver superior returns, in a safe, sustainable and environmentally responsible way.

Our strategic objectives
<ul style="list-style-type: none">■ Work in injury free, safe work environments.■ Maintain recognised leadership in environmental performance.■ Maintain our reputation for social responsibility and support community development.■ Realise the full potential of our people.■ Achieve the full capacity of our physical assets.■ Be cost competitive through the cycles.■ Create value through dynamic growth and continuous improvement.■ Implement common key systems and strategies effectively.
Our values
<p>Our decisions and actions will demonstrate the following values:</p> <ul style="list-style-type: none">■ Honesty■ Dependability■ Respect■ Confidence■ Ingenuity■ Courage■ Passion

1 It is published in full on Xstrata's website under www.xstrata.com/corporate/commodities/copper/publications.

Precautionary approach

Minera Alumbraera takes a precautionary approach, aligned with that of Xstrata Copper, to the environmental management of its activities. We use a comprehensive risk-based approach to manage the potential detrimental impacts of our activities. This approach means that even in the absence of evidence that environmental degradation is occurring or will occur, we take action to mitigate the possibility that it will.

Key sustainability challenges

Based on an internal review and the feedback from our stakeholders, we have identified various key challenges to the successful management of our business. We will continue working to respond to concerns and issues relating to our management and we will take action to consolidate mining activities in order to be able to compete with other Latin American countries that seek to attract new investments.

Environmental protection
In line with the global premise that our operations and communities are at risk due to the potential effects of climate change, we voluntarily started a programme to monitor and characterise Greenhouse Gas (GHG) emissions two years ago. Our main initiatives to reduce GHG emissions include the carefully planned cycles for the transportation of mined materials, an Oil Recycling System for mine trucks and the strict compliance with preventive maintenance programmes.

The native trees forestation and cardon cactus rescue programmes contribute to the global CO₂ capture and gaseous exchange.

Inclusion of reliable third parties
Although we view ourselves as a model of corporate responsibility in the mining industry, we are not infallible. Like any other human activity, mining activities cause environmental impacts but they are monitored and regulated in Argentina. We have procedures, policies and contingency plans in place to take fast and efficient actions in case of any nonconformity. Although provincial and national authorities monitor the overall mining process, they have not detected any significant nonconformity in over a decade of operation.

For instance, in September 2009, a Criminal Court of Appeals declared that the prosecution of Julian Rooney, under a criminal action brought against Minera Alumbraera for alleged contamination, was null and void because it was arbitrary².

Similarly, in December 2009, a Federal Court could verify again that Minera Alumbraera's discharges into the DP2 canal were in compliance with environmental regulations. According to a new technical assessment conducted by experts of the Federal Court, we meet all the regulatory requirements applicable to discharges from the Tucumán filter plant. Therefore, the legal case was closed.

Both rulings further confirmed Minera Alumbraera's good environmental performance and responsible and sustainable management of the operation, which are central to our business policy.

Response capacity
Due to the growth of global environmental movements affecting several industries, some groups are against mining activities mainly due to economic and environmental reasons. Although experience extensively indicates that mining activities generate wealth, there are conflicting opinions about those receiving such benefits. The claims against mining include these groups' rejection of foreign investments-although Minera Alumbraera has both national and foreign capital since it is jointly owned with YMAD, a company integrated by the Catamarca provincial administration and Universidad Nacional de Tucumán, which receives 20% of the Project's profits, the use and distribution of provincial royalties, and even the widespread allegation of contamination.

We also have verifiable environmental responses based on studies conducted by the company and third parties, in addition to the ongoing monitoring by local and national authorities.

It is important to view mining as an inclusive and comprehensive activity. As long as our operations continue and our life cycle is extended, the social and economic benefits of mining activities will continue over time.

Prevention of fatalities
The creation of a Safety, Health and Risk Management Committee consisting of senior safety advisors from all areas further emphasizes our responsibility and commitment to reduce injuries year after year. We will continue working with training workshops, including the first link to our chain value. Our focus will be on safety and health leadership and we will monitor each individual incident.

Employees' training
One main challenge is the development of our human resources. We need trained employees since specialists are required to fill internal positions at our operation. We will

work together with the community, national universities and local secondary schools to promote our programmes that develop local skills. The human resources trained by the company will be able to apply for jobs in other mining companies or industries given the top competitive skills acquired at our facilities.

Social license to operate
The communication and engagement with stakeholders must be reinforced and renewed. Opinion surveys will also help us with this exchange with the communities in order to better understand their expectations and concerns. A survey conducted by the Argentine Business Council for Sustainable Development³ in Catamarca and Tucumán by the end of 2009 reported that according to local people mining is second most important activity for the development of Catamarca after agriculture and livestock raising. 63.4% of the respondents from the Primary Impact Area⁴ think that mining activities contribute to the local social and economic growth⁵, while 78.1% of all respondents⁶ believe that the company generates employment. However, we will continue addressing the concerns raised by respondents about illnesses that may arise, groundwater contamination and unavailability of drinking water.

We will continue with our plan to report on the mining and project benefits to all our stakeholders in order to foster confidence and understanding that enable us to operate under the applicable laws.

Maintenance of legal certainty
The mining industry requires a stable legal framework considering that mining activities involve long-term projects and substantial investments. Therefore, the rules of the game set to sustain and attract new investments, which generate economic benefits and social development in the provinces where the projects are located and in Argentina as a whole, must be observed.

2 The charges were mainly grounded on an expert's assessment conducted in violation of the rules of due process, whose results differed from those of thousands of samples taken by control authorities, following scientific protocols and impartial procedures, in over ten years of operation.
3 Survey conducted by the local branch of the World Business Council for Sustainable Development (WBCSD) while testing a new impact measurement tool developed by the organisation. Minera Alumbraera voluntarily participated in this activity by assessing the socio economic impact of the mining project at the national, regional and local levels.
4 API that includes Andalgalá, Belén and Santa María.
5 Further information about the survey is available at www.ceads.org.ar since April 2010 and it is further developed in the Sustainable Communities section of this report.
6 The sample covered 1,400 actual cases of permanent residents of both sexes, aged between 18 and 80, from Catamarca (San Fernando, Andalgalá, Belén, Hualfin, Londres, San José and Santa María) and Tucumán (San Miguel, Tafi del Valle and Amaicha del Valle).



Governance & management systems

Minera Alumbrera operates within the structure of Xstrata's robust standards of corporate governance as set out in Xstrata's Statement of Business Principles and SD management standards¹.

This approach is supplemented by Xstrata Copper's own Common Systems and policies in the areas of safety and health, environment, community, risk management, human resources and sustainable development. Xstrata Copper's Common Systems ensure that clear and common standards, procedures and performance measures are applied across all sites for key SD areas.

Xstrata Copper's SD performance is monitored and evaluated by Xstrata Copper's SD Committee. The General Manager of

Minera Alumbrera is represented on Xstrata Copper's SD Committee and, line with Xstrata Copper's devolved management model, is responsible for developing, setting and implementing SD strategies across Bajo de la Alumbrera.

The achievement of Minera Alumbrera's goals and objectives is closely related to good corporate governance. Thus our shareholders and other stakeholders may rely on Minera Alumbrera's responsible management practices.

We identify and engage with all stakeholders in an equitable, transparent and culturally appropriate manner in respect of their concerns and expectations with regard to Xstrata's operations and activities.

¹ Further information about Xstrata's governance mechanisms is provided in the corporate governance sections of the group's Annual Report and Sustainability Report available at Xstrata's website: www.xstrata.com.

Minera Alumbrera is a privately owned company, whose main investor is Xstrata plc, with a 50% interest, followed by the Canadian Goldcorp and Yamana Resources, with a 37.5% and 12.5% interest respectively.

Minera Alumbrera is managed and administered by a board that consists of four regular members, one of them being the chairperson. The Board sets the strategic guidelines for the company and is responsible for its management. The Board holds at least four meetings per year to review business performance.

In 1994, Minera Alumbrera entered into an unincorporated joint venture (UTE) agreement with Yacimientos Mineros de Aguas de Dionisio (YMAD) to mine the Bajo de la Alumbrera deposit. YMAD is made up by the Catamarca provincial administration and Universidad Nacional de Tucumán. The Chairperson of YMAD is appointed by the National Executive Branch.

The UTE Management Committee consists of eight members, three of them representing YMAD and five members representing Minera Alumbrera, and is presided over by a chairperson. During the meetings, the actions taken by Minera Alumbrera, including the approval of its budget or production estimation, are followed up by YMAD.

Sustainable Development Assurance

Xstrata Copper undertakes a combination of internal and external SD audit activities to gain assurance that the requirements of Xstrata Group's SD Policy and Standards are being met. This includes the completion of specified internal and external audits against the requirements of the Xstrata SD Policy and SD Standards. The process also ensures that SD targets for material issues have been identified, our monitoring systems are robust, and our reporting is material, accurate and timely.



Internal view of the Concentrator Plant.

In 2009, Minera Alumbrera completed the audit requested by Xstrata to URS Corporation Limited (URS) for all its sites and scored 68% in the implementation of Xstrata's 17 SD standards.

The top ranked audited standards were Leadership, Strategy and Accountability; Planning and Resources; Communication and Engagement; Risk and Change Management; Catastrophic Hazards; Environment, Biodiversity and Landscape Restoration; Contractors, Suppliers and Partners. Our commitment to SD could be further strengthened in the areas of Behaviour, Awareness and Competency, and Product Stewardship.

The next audit is expected to be conducted on April 2011.

Ethics Line

In line with Xstrata Copper, Minera Alumbrera endorses Xstrata's business principles, which sets out corporate ethics, taking into consideration the differing cultures, customs as well as the applicable laws. Ethics is the foundation of Minera Alumbrera's business principles, which have been voluntarily made part of global initiatives promoting ethics as a fundamental value.

Our management is strongly committed to sustainable development. This is clearly demonstrated by Minera Alumbrera's ethical

behaviour with stakeholders at the social, economic, business and environmental levels.

Minera Alumbrera has developed and implemented its own Code of Conduct to ensure that business activities are conducted with honesty and integrity under the highest ethical standards. The Code applies to all employees and sets out ethics guidelines to perform their duties.

Minera Alumbrera has an ethics line in place, which is a confidential facility operated independently by KPGM. The line provides employees and other stakeholders with a means through which they can report, either locally or globally, any breaches of Xstrata's Business Principles, policies or prevailing legislation in a confidential and anonymous manner. The ethics reporting line number is 0800 555 5764 and it can also be accessed online at www.xstrataethics.com.

Minera Alumbrera's fraud policy includes all the information about the procedure applicable in the event of misconduct being detected. This information is massively sent via e-mail whenever it is updated and is also available on the Intranet.

Four phone calls to the ethics line were reported in 2009 related to events of fraud and harassment at the workplace, all of which were investigated. Some cases required the implementation of corrective measures to improve the procedures. All reported incidents were solved internally, although one incident is still under investigation by judicial authorities after being reported by Xstrata.

² 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 a growing platinum group metals business, additional exposures to 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.



Open pit from which minerals are mined.

Child and forced labour

Xstrata's Business Principles uphold the elimination of all forms of forced or compulsory labour and stipulate that no form of workplace discrimination, bullying or harassment, or child or forced labour will be tolerated.

All Xstrata operations report the age of their youngest employee or contractor on an annual basis and are audited through the internal audit risk management programme. Our youngest employee is 18.

Public policy participation & political contributions

Xstrata's Business Principles prohibit political contributions of any kind. Xstrata plays an active role in a number of significant international and national industry organisations and multi-stakeholder groups, through membership, funding, provision of expertise and participation in committees and working groups, including membership of the International Council of Mining and Metals (ICMM) and the Extractive Industries Transparency Initiative (EITI).

Among Xstrata Copper's global public policy participation commitments are our involvement in the International Copper Association, of which our Chief Executive Charlie Sartain is Chairman, and the Australia-Latin America Business Council (ALABC).

Also, in line with our support to public policies, Minera Alumbrera is a member of or participates in the following mining associations and chambers:

- Argentine Mining Chamber (CAEM)
- Mining Companies Association of Catamarca (AEMCA)
- Argentine Business Council for Sustainable Development (CEADS), a local branch of the World Business Council for Sustainable Development (WBCSD)
- Argentine Business Development Organisation (IDEA)
- IDEA Joven, a forum where young leaders can exchange ideas, receive training and reflect on key issues for the country's development.
- Fundación Capital, a social and economic research organisation
- RAP Movement, a non-partisan foundation with plural ideologies that promotes training and the development of better political leaders. It aims to help and support politicians dealing with public issues in a committed and responsible manner so as to support their political actions and public management.
- Christian Association of Company Managers (ACDE), a forum where business managers can reflect on business matters based on Christian values and ethical principles in order to serve the public interest.



Smelting to produce dore gold.

International agreements

In 2004, Minera Alumbrera adhered to the Global Compact (GC), an UN initiative that fosters global corporate social involvement among private companies. This is a voluntary initiative that promotes ten basic human rights, labour, environmental and non-corruption principles. This mission pursues a global framework suitable to promote sustainable growth and responsible management activities based on business leadership practices. The GC principles are an integral part of Minera Alumbrera's business strategy.

Human Rights

At Minera Alumbrera, we endorse the principles set out in the UN Universal Declaration of Human Rights and the International Labour Organisation Conventions. Since 2004, Minera Alumbrera is a voluntary signatory to the UN Global Compact and has aligned its SD framework with ten universally accepted principles in the areas of human rights, labour, the environment and anti-corruption.

The primary human rights issues of our business are related to labour, security and communities.

We are committed to the rights of our employees and contractors to work for equal pay, to associate freely, to a safe and healthy work environment, to non-discrimination and fair treatment and to legal rights.

In areas where Minera Alumbrera employs security personnel (either directly or as

contractors) to protect our people and assets, we require that appropriate human rights training has taken place. All the security personnel received adequate human rights training in 2009, in line with their role.

Xstrata Copper's operations and projects implement community relations strategies that ensure transparent and honest stakeholder engagement, and respect for cultural heritage, traditions and norms. Appropriate community grievance mechanisms are set up to protect these rights³.

Non-discrimination policy

We value the contribution of our employees and our policies and practices that respect their rights and personal dignity.

No discrimination incident was reported at Minera Alumbrera in 2009.

Corruption

Xstrata's Business Principles state that we do not offer, solicit or accept any form of inducement or bribe. Xstrata's internal audit function, supported by KPMG, takes into account identified fraud and compliance risks associated with our key business activities, including the ethical performance expectations contained in our Statement of Business Principles.

In addition, Xstrata Copper's Fraud Policy explicitly states that the organisation will not tolerate any incidence of fraud committed by employees or others, either from within or outside the organisation and will take immediate and serious action against those persons committing a fraud, irrespective of length of service or position. It outlines the channels available for employees or others to safely and confidentially report fraud or other unethical behaviour that is contrary to Xstrata's Business Principles.



Supervisor of the molybdenum plant, César Luján, coordinates tasks with the control room.



A contractor conducts a leak test on a truck at the Mechanical Maintenance Workshop.

³ Further information is available at page 48 of the Sustainable Communities section.



Our operation and its economic contribution

Bajo de la Alumbreira is a copper, gold and molybdenum deposit operated in Argentina since 1997. It is located in Northwestern Catamarca at 2,600 m.o.s.l. The initial investment amounted to USD1.3 billion.

The annual ore mined amounts to 120 million metric tonnes. Through large-scale milling, grinding and flotation processes, the average annual production of concentrate amounts to 600,000 tonnes, that is 150,000 tonnes of copper and 450,000 troy ounces of gold.

Exploration and mining rights are owned by Yacimientos Mineros de Agua de Dionisio (YMAD), a corporation represented by the Catamarca provincial administration, Universidad Nacional de Tucumán and the national government. YMAD has entered into a joint venture agreement with Minera Alumbreira to mine the deposit and is entitled to a 20% share in Bajo de la Alumbreira profits before income tax.

Minera Alumbreira is operated by Xstrata plc. that has a 50% share in the project with Canadian Goldcorp and Yamana Gold having a 37.5% and 12.5% share, respectively.

Xstrata Copper

Xstrata is a diversified mining group with headquarters in Zug, Switzerland, whose shares are listed in London and Switzerland stock exchanges. Xstrata has a major role in seven large international markets of the following commodities: copper, metal coal, thermal coal, ferrochrome, nickel, vanadium, zinc and platinum. It also has recycling facilities and participation in the gold, cobalt, lead and silver sectors, as well as world-wide technologies. The Group operations and projects are in 19 countries.

Xstrata Copper, whose main office is in Brisbane, Australia, is one of the commodities business units of Xstrata plc. Xstrata Copper mining operations and projects are distributed in eight countries: Argentina, Australia, Canada, Chile, United States, Philippines, Papua New Guinea and Peru. Operations are managed by five independent divisions, settled in the vicinity of the mining operations, to wit: Canada, Northern Chile, Northern Queensland, Minera Alumbreira and Southern Peru. Likewise, Xstrata operates a recycling business (Xstrata Recycling) with facilities in the United States and offices in Canada and Asia.

Xstrata Copper is the fourth copper producer in the world. In 2009, copper production amounted to 907,000 metric tonnes in cathodes and concentrates.

Production Process

At Minera Alumbreira, rocks from the open pit are mined by four electric shovels and the ore is transported to the Concentrating Plant with 41 220-tonne haulage trucks. The concentrate obtained - copper, gold and silver - is pumped with water through a 317 km long and 175 mm diameter slurry pipeline through Nevados del Aconquija up to the Filter Plant in the province of Tucumán. Electricity is provided from El Bracho, located in Tucumán, through a 220 kV 200 km power line to the mine site.

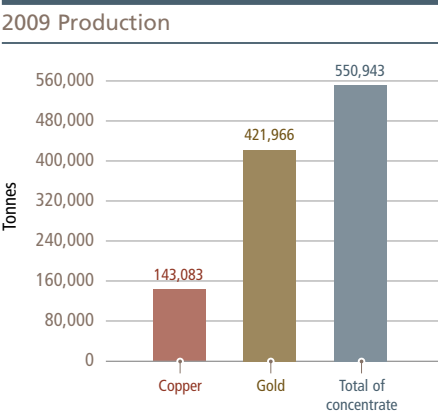
At the Filter Plant, the concentrate is dewatered to obtain a drier product with 7% humidity. Then, it is transported through Nuevo Central Argentino railway in Minera Alumbreira own trains up to the port facilities located in the municipality of Puerto General San Martín, province of Santa Fe. The product is shipped to international markets.

In 2008, Minera Alumbreira started the operation of a molybdenum plant and such product is exported to Chile.

Gold is recovered as doré through a gravitational physical process and in the concentrate, which is later processed in international refineries to obtain the final product. The geologic conditions of the deposit allow the separation of the ore through a gravitational physical process. Vacuum machines separate the ore by adding air, alcohols and detergents that make up bubbles over which the ore is laid - due to its lower specific gravity- that overflows in huge tanks, on a permanent basis.

The concentrate is not toxic. In fact, it is preferred by international markets due to its chemical composition. Although Minera Alumbreira does not use cyanide in any processes, this substance may be used in an environment-friendly way, without any damage to health.

Our operation and its economic contribution



- 550,943 tonnes of concentrate.
- 556 tonnes of molybdenum where shipped to Chile.
- Minera Alumbreira does not receive any financial assistance from the national administration.

Uses of Copper

The Environmental Protection Agency (EPA) of the United States revealed that copper is the only metal in the world with beneficial properties to prevent pathogenic agents. The red metal is not only present in the construction, electronics and technology sectors but also in health and hygiene.



It is most widely used in the construction industry: electric wires, telephones, alarms, pipes, door sheets; followed by the automobile industry which uses around 20 kg of copper for heating purposes, ABS brakes, speakers, electric mirrors, and other components. The third place corresponds to information technology and computers. A computer uses about 1 kg of copper and a cell phone, 20 grs.

Copper is also present in our houses, both as electric wires and water and gas pipes, and in heating, air conditioning and water heating systems through the use of solar energy, apart from different household appliances (computers, fridges, TV sets, microwave ovens, washing machines, etc.) As per a study from Procobre-Chile, a 70 m2 house has approximately between 70 and 90 kilograms of copper, including wires, pipes, small hardware, appliances and fixtures.

Copper is highly durable apart from being recyclable thus protecting the environment.

Health

Copper has proven to be a powerful broad-spectrum antiviral. It could be used not only to fight H1N1 Virus but also to eliminate pathogenic bacteria such as E. Coli, Salmonella or MRSA¹, that causes infections in hospitals and communities. Research studies of Influenza A incubation in copper and stainless steel surfaces have concluded that those metals were able to eliminate a wide range of harmful and potentially lethal microorganisms,

Copper is necessary for human beings for the proper performance of some enzymes required for processes such as children growth, iron flow in blood vessels, bone strengthening, glucose and cholesterol metabolism, brain development, and performance of the heart, liver and the nervous and immunological systems. The amount of copper found in a human being (50 to 120 milligrams) is probably the size of a pin head, but it is enough to maintain good health.

¹ Staphylococcus Aureus resistant to methicillin.

Public utilities expenses in 2009

UTILITY	USD (MILLIONS)
Electricity	USD54.2
Water	USD3.2
Railway	USD8.1



Concentrator maintenance operators, Alfredo Brizuela and Fulgencio Marcelo Colqui, are measuring air in flotation cells.

Mining Today

Mining is committed to the generation of national wealth from job creation, the acquisition of national goods and services, the incorporation of state-of-the-art technologies and the payment of taxes, royalties and earnings for the participation of State-owned companies in mining projects. This cash flow involves a major contribution to the social and economic development of the region where the deposit is located, in general, far from urban centres. Thus, this business pays income taxes, VAT, export tariffs, social security contributions, provincial royalties, other national, provincial and municipal taxes, charges and rates, and voluntary contributions to the communities through Social Responsibility programmes and/or projects.

In the case of the State, mining companies contribute some of their profits to the provincial companies partnering the projects, apart from paying royalties to the provincial government, as with Minera Alumbra. This means that the State earns annually, on average, about USD785,3 million, according to Cámara Argentina de Empresarios Mineros (Argentine Chamber of Mining Companies). This figure represents 50% of the national budget of the Health Ministry for 2009.

In Argentina, over 250,000 families earn their living, whether directly or indirectly, from the mining industry, within the framework of the existing labour laws and with competitive wages. Mining investment boost generates positive effects on the nearby communities due to the construction and/or repairing of roads, power lines, hospitals and schools, job generation and training to the inhabitants of such areas. This last issue should be

stressed since local capacity building is one of the major contributions to achieve sustainable development.

Likewise, it promotes local suppliers thus contributing to the growth of regional economies, trying to generate a strong direct and indirect economic impact.

Thus, goods and services imported could be replaced by national ones. This aims at developing not only suppliers for the mining industry, but also for other activities and markets, in order to generate development beyond the useful life of the deposits.

Mining needs stable rules since it makes huge investments in the long run, which are returned after the start of operations (in 10 years' time, on average) in a variable and volatile international market environment, where the price of these commodities is set.

As in other Latin American countries, mining in Argentina is criticised by some sectors opposing to its development due to economic and environmental reasons. As regards the social and economic benefits generated by companies, anti-mining groups stress the shortage or absence of benefits. However, in this chapter, we will show a specific work performed by the company on the socio-economic benefits, supported by real information, verifiable data and official statistics on the generation of jobs, wealth and opportunities by Minera Alumbra at the national, provincial and municipal level.

ECONOMIC IMPACT

In 2009, Bajo de la Alumbra direct economic impacts were identified and measured, especially those related to the operation at national, regional, provincial and local levels.

In order to measure these impacts, we have selected the following variables: employment, wages, production value, exports, purchase of national goods and services and tax revenues

On the one hand, we analyse the impact on labour market and job generation and, on the other hand, the cash flow resulting from project operation, purchase of national supplies, wages paid to Minera Alumbra workers, and revenues from exports and taxes.

Direct impact indicators at National and local level

PRODUCTION

In 2009, Minera Alumbra produced 550,943 tonnes of copper and gold concentrate, 64,032 ounces of gold doré and 1,148 tonnes of molybdenum. In terms of value (VBP), this production level represented USD1.120 million, thus showing a 22% decrease compared to the previous year. This decline is due to a reduction in the production volume as a result of lower ore grades.

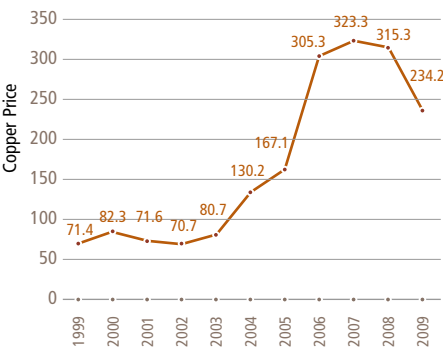
2 To avoid associating production fluctuations with exchange rate fluctuations, the overall VBP is denominated in Argentine Pesos at the average exchange rate for 2009.

VBP Evolution 2003-2009. In Million US²



Source: Data provided by Minera Alumbra.

Nominal Copper Price Evolution. 1999-2009. In (¢/lb)

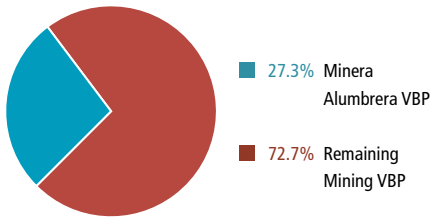


Source: Data provided by Cochilco.

In the 2003-2009 period, there was a steady increase in the VBP up to 2007, thus accumulating a 92.4% increase between ends. As from 2008, there is a turning point in the expansive production cycle of the project due to a drop in the international prices of metals and in production volume. The future evolution of this variable (VBP) is related to the possibility of introducing new reserves and to the international prices of these products.

When analysing the price evolution of copper and gold for this period, it is noted that during nearly 70% of the project life, price levels were significantly lower than the current ones and with growing production

Project VBP share in the Mining VBP of the country. 2008³



Source: Data provided by Minera Alumbra and the Mining Secretary.

costs. That was as a result of internal and external inflation processes arising from the excessive demand of supplies for the mining industry.

Lower production as a result of lower ore grades is something inherent to the mining activity. Therefore, projects have major marginal exploration costs to incorporate reserves and expand, whenever possible, the life of the operations.

Likewise, Minera Alumbra is very important in the Argentine mining sector. In fact, it contributes 27.3% of the total mining production of the country and it is the only producer of copper and gold concentrate. Thanks to Minera Alumbra, Argentina ranks 17th among world producers and 3rd among Latin America countries.

Regarding Minera Alumbra contribution to wealth generation at the provincial level, the Geographic Gross Product (in Spanish, PBG) of Catamarcan mine sites and pits for 2006⁴ represents 61% of the total PBG, that is, more than half the Catamarcan added value results from mining. This shows the important contribution of the project at local level through job generation, wages, taxes, etc. that foster the development of new businesses and promote the existing ones thus generating wealth throughout the whole productive chain.

In 2006, Catamarca PBG represented approximately 0.7% of the total national PBG, with a participation of 62.7% of the

primary sector, 8.6% of the secondary sector and 28.7% of the tertiary sector. Before the start-up of Bajo de la Alumbra and Salar del Hombre Muerto -in 1995-, this participation amounted to 5.5%, 27.6% and 67%, respectively, that is, mining allowed tripling the provincial PBG in the last 10 years.

Between 1995 and 2006, the mining sector showed a significant boost, thus becoming the most dynamic activity with the highest relative importance for Catamarca economy. This transformation of the provincial productive structure from mining poses a huge challenge to strengthen the positive impacts of this activity and achieve a growth and sustainable development process for these communities.

EXPORTS

Exports reached USD1.203 million in 2009 what shows a 172% increase compared to 2002 and 4% compared to 2008. The aggregate amount for the period 2002-2009 amounts to USD8.055 million. However, it should be noted that in 2008 there was a -27% drop in the exported values and the 2009 increase was not enough to offset this reduction. The decrease could be explained due to a drop in prices and exports. This behaviour is similar to that of 2009 for total and primary products exports in our country, that show a 20% and 43% decline, respectively, compared to the previous year.



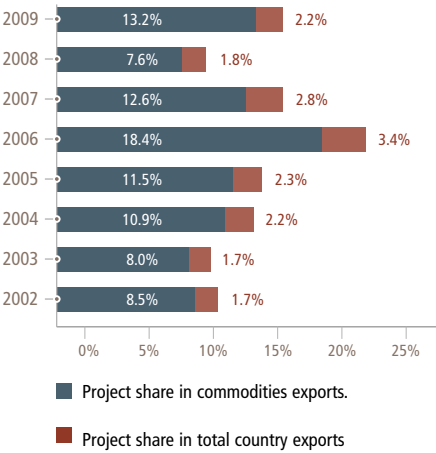
The railway transports the concentrate from the Filter Plant in Tucumán to the port in Santa Fe.

3 2008 is the last official data available of VBP of the Argentine mining sector.

4 The last data available of provincial PBG corresponds to 2006.

Besides, the value of exports for 2009 represents 2.2% of the country's total exports, 13.2% of commodities exports and 42%⁵ of mining exports.

Share of Project Exports.
2002-2009

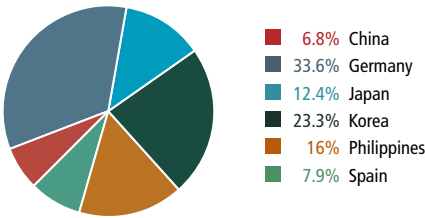


Source: Data provided by INDEC and Minera Alumbra.

Likewise, Minera Alumbra exports represented in 2008⁶, 67% of the copper-gold combination, thus ranking 8th among Argentine foreign traders because of the size of exports, higher than beef, fish, forestry, etc.

Regarding the destination of our exports, since the project start-up in 1997, the structure of demand has been modified and destination countries have changed. Non-traditional markets such as China, Japan, Korea and Philippines represented in 2009 58.5% of the shipments sent abroad by Minera Alumbra.

Export Destination
2009

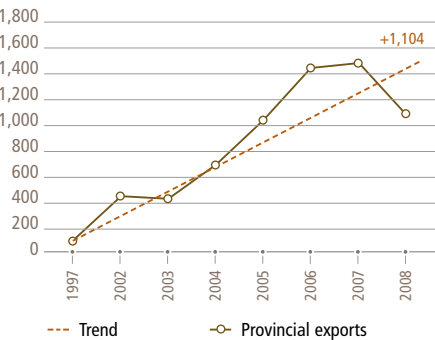


Source: Own data.

At regional and provincial level, Minera Alumbra exports have contributed to higher exports from Northwestern provinces and Catamarca. In fact, between 1997 and 2008, shipments abroad increased 1,104% from USD 96 million to USD1,156 billion -commodities represent 88% of such an amount. Minera Alumbra has contributed with approximately 78% of the exports made by the province in 2008. That year, there was a 29% shrink in the exports made by the province compared to 2007. Lower external sales in 2008 -due to their incidence on provincial exports- generated the negative impact.

Evolution of Catamarca Exports.
1997-2008. In million USD.

- 8th in the ranking of Argentine exporting provinces
- 2nd in the ranking of Northwestern provinces
- 1.7% of the country total exports
- Minera Alumbra exports represent 78% of provincial exports.



Source: Data provided by INDEC and Minera Alumbra

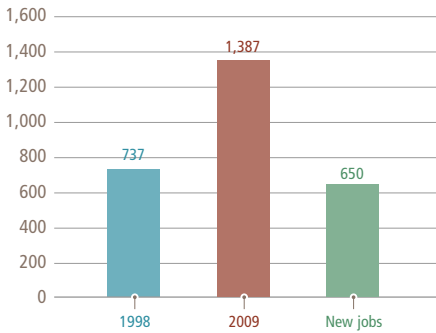
Likewise, Catamarca which, up to 1997 ranked in the last places among exporting provinces, in 2008 ranked 8th at national level and 2nd in the Northwestern Region, following Salta.

EMPLOYMENT

In 2009 Minera Alumbra had 1,387 employees. If we consider contractors workers, the number of jobs amounts to 2,192. Thus, the project has nearly doubled the number of workers (+88%) since the beginning of operations.

These figures show a major contribution of the project to job generation in the country. The project has maintained a steady growth of job demands and generated 650 new direct jobs, despite the different international and national economic scenarios of the last 11 years.

New jobs in Minera Alumbra.
1998-2009



Source: Data provided by Minera Alumbra.

Although the inter-annual rate of job variation dropped in the last three years, the cumulative annual average growth rate for this period (1998-2009) is significantly high, reaching 6%.

⁵ Note that this percentage refers to the official figures provided by the Mining Secretary which include the exports of industrial products derived from mining. Thus, the participation of Minera Alumbra exports in total mining exports is significantly higher if we consider only the mining products according to the classification of the Uniform International Industrial Code (UIC).

⁶ 2008, last available data of exports by complex -INDEC.



At the Filter Plant, the concentrate is dewatered. Before discharging into DP2, water is purified.

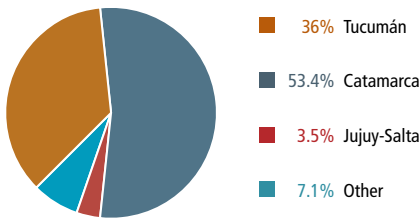
In terms of its participation in the direct jobs of the mining sector, Minera Alumbra employs 3% of the total employees related to this activity, and their productivity -the production generated by each employee measured in dollars- amounts to approximately USD807,598. This figure is significantly higher than the average of the sector and amounted to USD120,319⁷ in 2008. In other terms, these figures show an efficient allocation of resources as well as the presence of state-of-the-art technology in the productive process that allows an increase in the sector competitiveness.

As regards the origin of direct employment in 2009, 89% of the employees are from the Northwestern provinces and the remaining 11% belong to other provinces. In this region, the province of Catamarca, which contributed 33.8% in 2002, increased its share up to reaching 39.9% in 2009. The province of Tucumán's contribution remained in 44%.

In the case of jobs from contractors, these percentages increase for the province of Catamarca and represent 75.6%.

Thus, the province of Catamarca contributes 53.4% of direct jobs -plus those generated by contractors; Tucumán 36%; Salta and Jujuy 3.5% and the rest of the country 7.1%.

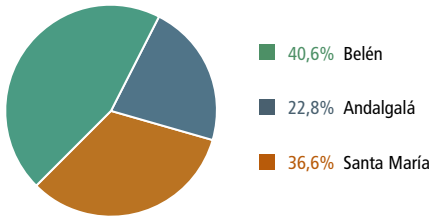
Distribution by Province of the
Staff Hired by Minera Alumbra and
Contractors. 2009



Source: Data provided by Minera Alumbra.

Regarding labour demand locally, the Primary Impact Area (made up of Andalgalá, Santa María and Belén), employs 426 people, that is, 31% of Minera Alumbra direct jobs. Out of this total, 22.8% live in Andalgalá, 40.6% in Belén and 36.6% in Santa María.

Distribution of Staff Hired
in the API. 2009



Source: Data provided by Minera Alumbra.

SALARIES

The revenues generated for salaries, without social security charges, amounted to USD 32.4 million in 2009, 8.2% higher than the previous year and 451% higher than in 2002.

The evolution of this indicator is due to the increase in the number of employees and in nominal wages throughout the period under review, with a major recovery of real wages compared to official indicators. This shows that mining contributes to a fair distribution of the wealth it generates.

As to the distribution of these revenues, it is equivalent to that of employment. In fact, the Northwestern provinces concentrate 87% of these amounts and, at a provincial level, Catamarca and Tucumán employ 82%. This represents revenues for about USD27 million per year, what means a major contribution to provincial economies. In terms of quantity, it largely exceeds the average of revenues for local economies and, in terms of quality, the continuous training of workers adds value under the form of human resources in local workers.

Since the start-up of operations, Minera Alumbra has provided revenues intended for the payment of salaries for USD152.6 million, what caused a strong expansion of local consumption, and generated a significant multiplying effect on these provinces.



41 220-ton trucks hauling material at the open pit mine.

REVENUES FROM THE PURCHASE OF DOMESTIC SUPPLIES

In 2009, Minera Alumbraera purchased goods and services from domestic suppliers for over USD294 million. Hence, cash flow amounts to USD24.5 million per month, that is, daily purchases for over USD816 thousands.

This level of domestic purchases reaches 8% higher than that of 2008. This is due to an increase in the volume of domestic purchases through the replacement of imported products and to the higher prices of national goods and services and, consequently, of production costs.

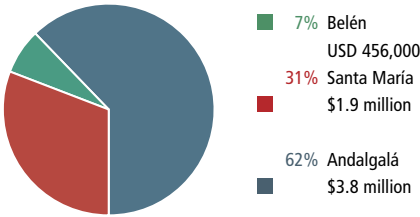
In 2002-2009, there were higher expenses in domestic supplies and goods. This variable shows an increase of 249%. The positive performance is due mainly to the devaluation suffered by our country by late 2001, which allowed higher competitiveness of certain national products. This led to the substitution of imports by increasing the number of national products in the production process. Thus, there was a larger indirect economic impact through higher job multipliers, added value and VBP. Besides, in the period under review, the increase in the production capacity of the project has contributed to this situation.

The share of the province has increased during the life of the project. For instance, in 1999, the expenditure in national goods and services in this province amounted to about USD247 thousand while in 2009 it amounted to USD10.6 million. This has been possible thanks to the identification, design and implementation of plans and programmes to improve and strengthen the purchase of supplies and services in this province and in the neighbouring communities. Likewise, national, provincial and municipal authorities and the different local stakeholders have generated programmes and agreements that allowed encouraging the changes necessary to achieve better and higher participation of the local economy in Minera Alumbraera productive process.

In 2009, Minera Alumbraera purchased supplies and services in Andalgala, Belén and Santa María for USD6.14 million, that is, 58% of the purchases of the province of Catamarca. Out of this total, 84% corresponds to services and 16% to supplies. Besides, 61% of purchases were from Andalgala, 31% from Santa María and 7% from Belén. This level of expenses increases the generation of added value and indirect jobs in those towns as a result of the multiplier effect it generates.

8 All components of tax revenues (taxes, charges, contributions, royalties, etc.) considered in this study are accrued values, that is, what the project must pay and not the actual revenues received by each economic agent.

Distribution of purchases in the API. 2009

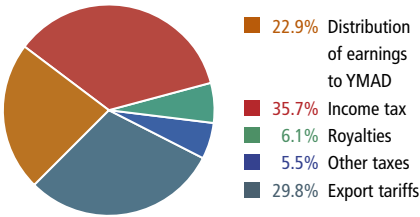


Source: Data provided by Minera Alumbraera.

TAX REVENUES⁸

In 2009, Minera Alumbraera paid taxes, charges, contributions and royalties for USD478,3 million, at national, provincial and municipal level. This amount is 33% higher than the revenues accrued last year. Since the beginning of operations up to 2009, such contributions amounted to \$2 billion, what involves an amount higher than the total investment made by company so far.

Distribution of Tax Revenues. 2009



Total Tax Revenues USD 478,3 million

Source: Data provided by Minera Alumbraera.

One indicator of the importance of this contribution to Argentine economy and mainly to the mining sector is the tax benefit/cost ratio. In this sense, Argentine Treasury has prepared and estimation of tax expenditure in Argentina for 2008-2010. This study identifies as tax expenses the amount of revenues the government no longer receives when it grants a tax treatment that does not comply with the one established by the tax laws, in order to favour certain activities, areas or taxpayers.



Stock pile.

For the specific case of mining⁹, this study considers that tax expenses for 2009 would amount to USD103.3 million. This value represents 0.03% of the GDP and 1.6% of the total tax expenses of Argentina. Considering that only Minera Alumbraera, for the same year, contributed tax revenues for USD345,6 million¹⁰, the tax benefit/cost ratio is 3.3. This indicator shows that Minera Alumbraera contribution is nearly three times the national tax expense to promote this activity.

These data confirm the sustainability of the sector and the project in particular, to the extent that mining would be generating revenues that not only would allow to afford the expenses it generates¹¹ but also it would contribute with major amounts to finance public spending (education, health, justice, security, infrastructure, etc.) and that intended to promote other productive activities¹².

Likewise, the national government would receive 71%¹³ of the tax revenues from Minera Alumbraera, Catamarca and Universidad de Tucumán, 29%. It should be noted that approximately 60% of these funds can be shared among the provinces, so they return to the province in the proportion established by law.

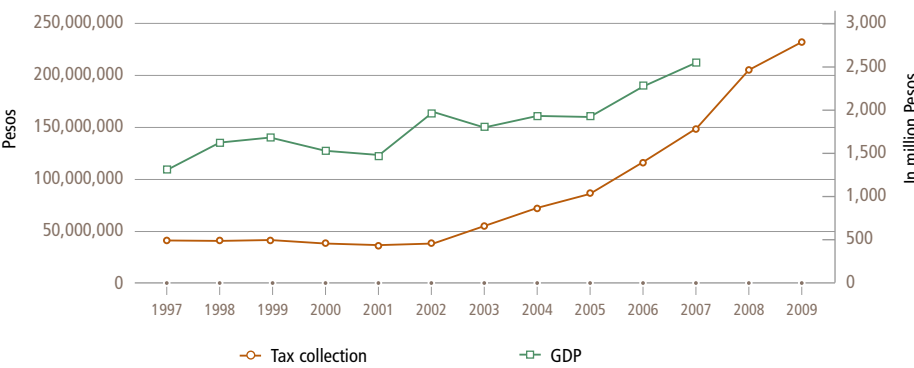
In fact, in 2009, the province of Catamarca accrued tax revenues from Minera Alumbraera for USD94.2 million, 3.6% out of which correspond to tax revenues or taxes and 96.4% to non-taxable revenues. The latter consist of mining royalties (USD28.4 million) and distribution of profits to YMAD (62.6 million).

Throughout the life of the project, Catamarca received USD177.7 million for mining royalties, USD3.4 million for taxes and USD314 million for distribution of profits to YMAD¹⁴.

Since the beginning of operations, the evolution of royalties and profit distribution to YMAD grew steadily up to 2006, in the first case, and 2007, in the second case, with drops in both variables in 2008 and 2009. This was due to lower production levels, reduced international prices of commodities, higher operation costs and finally the application of export tariffs since 2008.

Besides, an indicator to measure the incidence of these revenues is tax collection. In this sense, between 1997 and 2009, the provincial funds from taxes have increased significantly due to an increase in the provincial economic activity, mainly mining, and also to the expansion of the taxpayer base. Between 2003 and 2009, collection grew over three times thus generating a larger local activity¹⁵.

Evolution of tax collection and GDP of Catamarca. 1997-2009



Source: General Revenues Authority of the province of Catamarca.

9 Law 24195 and Law 22095.

10 This amount does not include mining royalties or distributions which are considered non-taxable revenues.

11 It should be noted that the government tax expense in the case of mining is theoretical since, in this case, we are not dealing with direct grants to promote the activity. The government does not use funds to pay grants but it applies the tax regulations in force at the time of approving the investment.

12 This indicator does not measure the right level of revenues the activity should generate. It merely allows to infer the efficacy degree of the policy implemented as far as the benefit/tax cost ratio is higher than 1.

13 It includes the funds granted by YMAD to National Universities.

14 It should be noted that this is a theoretical value, calculated based upon the amounts actually accrued by this item as established by Law 14.771. Thus, the amount actually received by the province may be different from the theoretical calculation since YMAD costs, investments, etc. have not been either considered or discounted. These calculations have been made to estimate Minera Alumbraera contributions at national and provincial levels.

15 It should be noted that these figures are nominal, not real; therefore, they have been affected by inflation.



Feeding system that takes milled rock to the stock pile.

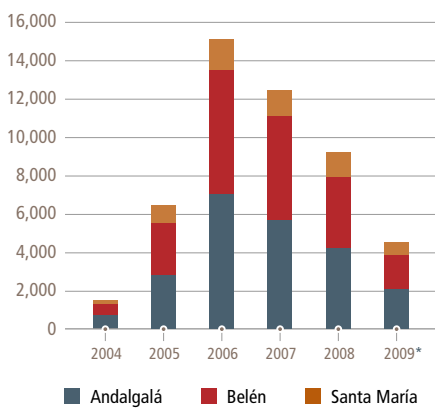
Likewise, the total tax revenues (tax and non-tax) generated by Minera Alumbraera are more than twice (150%) the province tax collection.

Regarding the tax revenues that Minera Alumbraera generates in the API towns, there are no data at municipal level to infer the revenues generated by the company, but there is official information about the secondary redistribution of mining royalties prepared by the Municipal Affairs Department of the province of Catamarca. These data show that the provincial government distributed USD72.4 million to towns for mining royalties¹⁶ between 2004 and 2009. Andalgala, Santa Maria and Belen received USD49.5 million, what represents 68% of the total amount. The total amount was distributed in a similar proportion to Andalgala (45%), Belen (43%) and Santa Maria (12%).

The amounts distributed increased steadily up to 2007, when there was a reduction in provincial revenues from royalties. This was due to lower production levels and higher

production costs. For 2009 -although there is no information for the year total - the reduction will be even higher, as a result of the impact of mining exports tariffs

Distribution of mining royalties in Andalgala, Belen and Santa Maria 2004-2009. In million US.



2004-2009: USD49,5 million.

Source: Data provided by the Municipal Affairs Department.

These amounts represent significant revenues for the development of such departments since they have contributed to fund major infrastructure works for the development of other productive activities.

For instance, in Andalgala, the channelling of certain rural areas was carried out to foster and promote investment in this productive activity. Likewise, in each department, the distribution of these funds, as detailed in the following chart, shows the cascading effect of the wealth generated by Minera Alumbraera in terms of tax revenues that have benefited each of the towns of the Region.

16 As established by Law 5128 of Mining Royalties of October 2004.
* Estimated

Investment in community programmes

For the last 12 years, Minera Alumbraera has developed a community programme through which we provide technical, financial and training support to projects related to health, education, art and culture, together with community institutions.

Programmes are focused on the province of Catamarca -mainly in the departments of Belen, Andalgala and Santa Maria - and the province of Tucuman.

Apart from the community programme, since 2005, Minera Alumbraera has committed a USD13.4 million investment in two successive agreements with the provinces of Catamarca and Tucuman to execute major infrastructure works -intensive care units, hospital reconstruction, school building, etc.- that generate benefits for the population. Likewise, in 2009, Minera Alumbraera invested USD2.8 million in community plans.

Summary of Minera Alumbraera Contributions to Argentine Economy

In 2009, Minera Alumbraera contributed USD809.4 million to Argentine economy due to the payment of taxes, royalties, wages, social security charges, purchase of national goods and services, etc. Such contributions involve:

- Cash flows of USD67.4 million per month and/or USD2.2 million per day, which are distributed across the country.
- The income tax and export tariffs paid by Minera Alumbraera represented 1.1% and 1.2%, respectively, of the whole country's tax collection.



The concentrate is exported from General San Martin Port, province of Santa Fe.

Revenues from mining royalties. 2004-2009*. In million

TOWN	DEPARTMENT	2004-2009*	SHARE
Andalgala	Andalgala	17,2	34.92%
Aconquija	Andalgala	4,8	9.76%
Belen	Belen	7,7	15.69%
Hualfin	Belen	2,8	5.81%
Corral Quemado	Belen	1,5	3.01%
Londres	Belen	2	4.06%
Villa Vil	Belen	2,7	5.50%
Puerta de Corral Quemado	Belen	1,2	2.53%
Pozo de Piedra	Belen	1,5	3.19%
Puerta de San Jose	Belen	1	2.07%
San Fernando	Belen	0,8	1.62%
Santa Maria	Santa Maria	3,2	6.51%
San Jose	Santa Maria	2,6	5.33%
Total		49	100%

Source: data provided by the Municipal Affairs Department.
(*) It includes 1st, 2nd, and 3rd quarters of 2009, last data available.

DESCRIPTION	AMOUNT (IN MILLION DOLARS)	SHARE
Income Tax	182,3	22,52%
YMAD Profit Share	104,3	12,88%
Local goods and services	294,0	36,33%
Provincial royalties	28,4	3,51%
Salaries	32,4	4,01%
Contributions	14,9	1,84%
Grants	4,6	0,57%
Wealth tax	2,5	0,31%
Mining easements and water charges	3,2	0,40%
Tax on diesel fuel	4,6	0,57%
Turnover tax	0,1	0,01%
Other charges	0,1	0,01%
Import duties	0,05	0,01%
Export tariffs	137,9	17,04%
Total		809,4 100,00%



Our People

We strive to create and maintain healthy and injury-free environments at the workplace. Our goal is to operate under a safe “zero-harm” environment. The outstanding performance to date results from our preventive training programmes and the commitment of individual employees. We create employment in neighbouring communities and train our human resources to ensure their employability.

Salud y Seguridad

We strive to create and sustain injury-free, safe work environments for everybody at the workplace, in line with Xstrata Copper Health and Safety Policy. Zero harm is our goal. To achieve this we make our management accountable for safety performance, train our employees to improve their safety knowledge and skills and make them aware that they have a responsibility to themselves, their family and friends to work and behave safely.

We also ensure that every task undertaken in our workplace has a safe system of work identified and our people have tools and equipment that are fit for the purpose and well maintained to complete tasks safely and productively. Furthermore, our regular health-screening programs monitor our employees' health, well-being and fitness for work.

We use a risk-management system to identify, assess and eliminate or control safety risk.

When an unsafe condition is identified or when a safety incident, such as a High Potential Risk Incident (HPRI), occurs it is investigated immediately and action is taken to eliminate the risks involved.

Safety auditing occurs regularly across our business to improve safety standards and practices and our safety performance, safety initiatives and issues are regularly communicated to all of our people.

Minera Alumbrera’s mission is to create and preserve safe, healthy and injury-free work environments for all employees. Our health and safety policy is the pillar of our management systems, which have been broadly communicated to our employees, in particular to supervisory and leadership positions.

Our safety policy is applied on a daily basis to demonstrate the commitment of individual employees to their job, with a view to preserve not only their own safety but also that of their colleagues. Furthermore, we ensure that all risk analysis, safe work standards and procedures be regularly followed during day-to-day operations.

Minera Alumbrera’s main objective is to create and preserve a safe, healthy and injury-free environment for our employees and contractors. In order to achieve this goal, the following working practices are observed:

- Our efforts are focused on achieving the highest health and safety standards at the workplace, in compliance with the applicable legislation in force by implementing the practices available to exceed or supplement statutory requirements.
- Our effective health and safety management practices are developed through an appropriate training and education system to ensure the development and implementation of the safety procedures and standards required to identify, control and minimise the risks associated to our operations.
- Safety audits, inspections and observations are performed to ensure the continuous improvement of our practices and standards.
- Our continuous improvement tools include team awareness and performance measurements as well as effective communication.
- Site workers must follow best practices and be accountable for their own safety to themselves, their families and co-workers.



Dore smelting.

Objectives Achieved

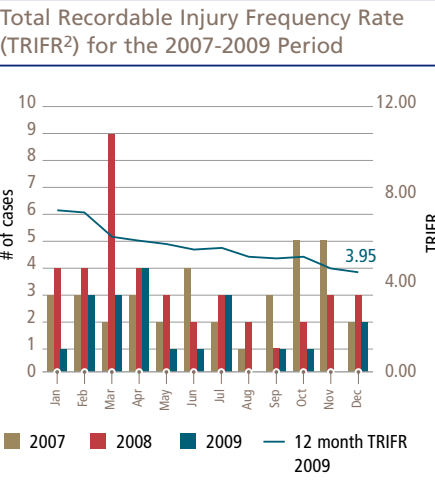
Our objective for 2009 was to foster safety leadership with a view to improve our performance relative to previous years. The goals set for such period have been met. The reduced number of incidents was reflected by dropping safety rates.

Over the past six months, we achieved 3,000,000 man hours with no disabling or lost time injuries. This is the result of our dedicated efforts and the strong commitment of our employees and contractors as well as managerial leadership. We trust this achievement will prompt us to maintain and reinforce our safety performance and thus roll out the benefits of an injury-free work environment.

Even though our safety levels are acceptable relative to international standards, our objective for 2010 is a Disabling Injury Frequency Rate (DIFR¹) lower than 0.9 under

our continuous improvement commitment. No fatalities have occurred during the year.

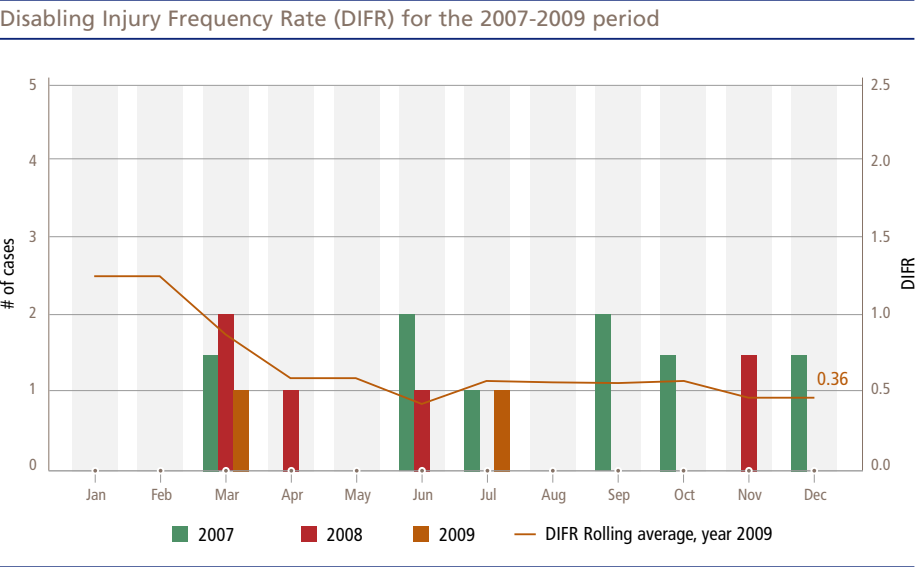
Performance Records



OBJECTIVES 2007	PERFORMANCE 2007	OBJECTIVES 2008	PERFORMANCE 2008	OBJECTIVES 2009	PERFORMANCE 2009	OBJECTIVES 2010
DIFR <1.5	✓ 1.44	<1.5	✓ 1.02	DIFR <1	✓ 0.36	DIFR <0.5
LTIFR <1.5	✓ 1.44	<1	✗ 1.02	LTIFR <1	✓ 0.36	LTIFR <0.5
TRIFR <10	✓ 6.29	<10	✓ 6.81	TRIFR <6.5	✓ 3.95	TRIFR <4.4
DISR <52	✗ 142.48	<50	✗ 147.74	DISR <48	✓ 17.78	DISR <45

✓ Fully achieved ⚡ Partially achieved ✗ Unachieved

1 DIFR: Disabling Injury Frequency Rate. It includes all injuries that render an employee unable to perform his/her duties during the following shift.
2 TRIFR: Total Recordable Injury Frequency Rate. It includes Lost Time Injuries (including fatalities), restricted work injuries and medical treatment injuries.



- Support from the Workers Compensation Insurer on key work programme and training aspects, based on repetitive high-potential risks. Ergonomic programme and 4WD driving training sessions.

Strong emphasis will be placed on mitigating the risks associated to repetitive critical and high potential incidents with common area features -using light vehicles, hoisting and loading vehicles, confined and hot work.



Safety lock to prevent unsafe equipment operation.

Xstrata Copper risk management system is used to manage and minimise safety risks. Regular audits are undertaken to refine existing practices and performance levels. Safety issues and revisions are regularly communicated to all employees.

A work plan has been established by the Risk Management (RM) and Health & Safety Committee (HSC) to consolidate the factors leading to the good results obtained in 2009.

Safety management programmes and improvements

A survey of incidents through statistical analysis of the existing database was undertaken in late 2008 and early 2009.

Considering that data management is a key decision-making tool, certain changes will be made to our incident reporting systems such as an automatic reporting system to facilitate the recording of high-potential incidents occurred off-site with a view to make a proactive analysis to learn from the Xstrata Group experience.

The actions taken include:

- RM and HSC operations reinforcement
- Development of a refresher programme on preventive tools for supervision teams, aimed at risk identification and analysis, safety training and observations, Positive Attitude Safety System (PASS) and self care systems.
- Ongoing communication with all supervision teams to discuss safety performance and goals.
- Quarterly safety meetings with contractors, given their direct implications on our safety performance levels.
- High potential risk training.

In line with this initiative, our safety structure was reinforced with the appointment of a Risk Engineer.

We will pursue work psychology tools, including safety-related behavioural aspects. This topic was first addressed through psychometric staff reviews. For this purpose, custom-made equipment was purchased and programmed to identify attitudes and skills leading to human mistakes and ultimately to an incident. It is intended to:

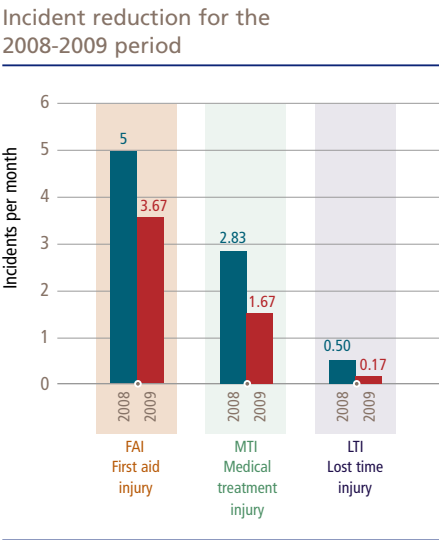
- Mitigate incidents through additional safety tools based on work psychology and behavioural aspects.
- Raise awareness of work teams through proven and measurable technical and scientific processes.
- Identify employees requiring additional training and special reinforcement.

This programme also includes a motivation workshop to discuss and implement the various attitudes and skills using several methods to develop perception, decision making and motion coordination skills.



Fire brigade drill.

The following chart shows comparative improvements.



Maintenance of our fire response systems for heavy equipment is ongoing. Significant safety improvements have been made to our fire fighting systems with a view to improve emergency response and minimise resources. Our goal to obtain accreditation of our fire fighting equipment maintenance and repair systems has been met, following Ansul specialist training.

Additionally, a customised Hazmat gear with innovative design and world-class equipment was procured in 2008 and is now on site. It was mounted on a Scania truck and includes individual lighting and signalling systems, including a 4kW generator, manual rescue tools, a fire-fighting pump, haz mat protective clothing, autonomous breathing equipment and emergency rescue equipment. All these clearly reflect our emergency preparedness commitment.

OCCUPATIONAL HEALTH

During 2009, the regular medical examinations established in the legislation in force were conducted by our Medical Services Department. No work-related illness was identified. If non-compliant levels were identified, the relevant follow-up programme was established.

A fundamental health goal is to keep the risks that may potentially result in occupational illness under control. For this reason, our environmental risk monitoring programme (including noise, dust, lighting, vibration and temperature measurements) was developed.

Our employee training programme was reinforced with industrial hygiene assistance and training sessions (covering risk identification and Personal Protection Equipment awareness topics) by our safety advisors, health experts and site physicians.

Close liaison was maintained with our contractors throughout the review period, including regular meetings to discuss safety goals and performance as well as the implementation of new management and follow up software under our annual contractor audit programme.

Our ergonomics programme was reinforced following a survey of specific workstations.

During 2010 we will proactively pursue our annual vaccination programme against influenza and risk monitoring practices (including the risks associated to the H1N1 flu) to ensure smooth operations. H1N1 risks were successfully managed during 2009 through the timely implementation of an adequate action plan.



Medical facilities and physicians are available on site to preserve employee health.



Our Ergonomics Programme

A number of day-to-day activities such as lifting and moving heavy objects may potentially lead to strains with the resulting health risks, unless preventive measures are taken.

Our ergonomics programme was implemented in order that our employees avoid unhealthy conditions or actions.

Ergonomics is associated with the design of the fittest work areas for each employee in order to prevent repetitive strains and ultimately disability.

External training sessions on ergonomics were organised in mid 2009 with a view to implement a long-term programme aimed at identifying and correcting on-the-job conditions that may pose health risks.

Following the initial ergonomic assessment, committees were organised in each department to improve critical activities. In turn, an early warning programme was

implemented by our medical services to identify muscle-skeletal trauma before a severe condition develops.

In addition to reducing the risk of occupational illnesses, our ergonomics programme is expected to reduce absenteeism levels, improve labour relations and reinforce our current focus on health and safety.

Programme results are already visible. In fact, an unhealthy condition was identified at the tyre shop, where operators lean to work on tyres with potential risks of back strain. To correct this, a platform was designed to gain access to tyre bolts.

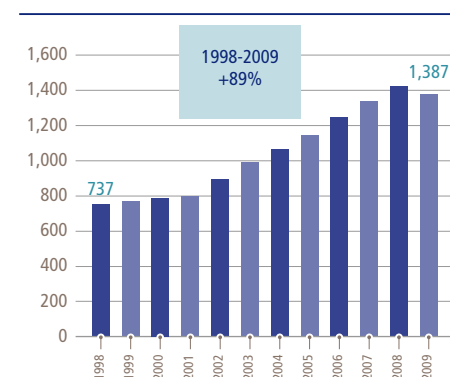
Joint activities are envisaged for 2010 among the engineering and production areas and the committees described above in order to link ergonomics to the future planning of mining operations.

EMPLOYMENT

Minera Alumbra Employment Policy is based on state-of-the-art management guidelines as well as human rights, equal opportunities, fair and equal treatment, recognition of merit and human capital development standards and principles. These values clearly reflect our commitment to our people.

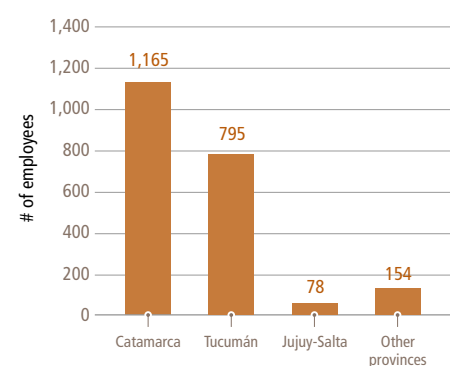
During 2009, Minera Alumbra workforce totalled 2192 people, including 1387 direct employees. Our payroll has virtually doubled (+89%) since project commissioning. This means a significant contribution to local employment levels as well as to the Argentine economy.

Manpower levels. 1998-2009 period



Source: prepared by Minera Alumbra, based on corporate data.

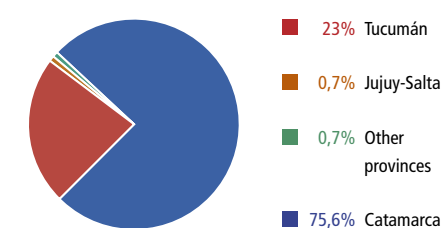
Total direct and indirect employees per region. 2009



Source: prepared by Minera Alumbra, based on corporate data.

The percentage of local employees increase to 67% if contractor employees are computed.

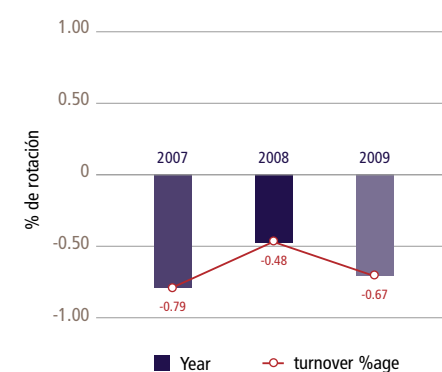
Contractor manpower per province 2009



Source: prepared by Minera Alumbra, based on corporate data

As shown in the above chart, Catamarca accounts for 53.4% out of the total number of Minera Alumbra direct and contractor employees, 36% for Tucumán, 3.5% for Salta and Jujuy and 7.1% for other Argentine provinces.

Labour turnover. 2007-2009 Period



Source: prepared by Minera Alumbra, based on corporate data.

Our favourable employment conditions include ongoing training, professional development opportunities such as in-house promotion both at Minera Alumbra and within the Xstrata Group, competitive salaries both in the mining industry and particularly in Catamarca. Our employee turnover rate for 2009 was -0.67% with 112 new recruits and 140 terminations of employment.



Operator Jorge Pérez replacing a part of a Cat 793 haul truck.

Our full and part time employees are entitled to the same benefits. There were twenty-eight part-time employees during 2009.

Priority to local workforce

Under the Argentine labour laws, Minera Alumbra complies with the equal opportunities and non-discrimination provisions on the basis of race, origin, sex or ethnic group. No recruitment programme based on the candidates' place of residence has been formalised at Minera Alumbra. Instead, our recruitment guidelines are based on prioritising the quality and quantity of candidates available at the primary impact area of our operations.

To this end, we take into account the recommendations of team leaders, the skills and competencies set out in the relevant job descriptions and the local candidate's suitability to the technical, professional or operational requirements for each role. This is based on Minera Alumbra's decision to develop local talents and foster the development of human capital at the local level.

Under our employee selection and recruitment policy, "we must attract, retain and develop highly skilled people to fill in individual positions by transferring and promoting existing employees or through a rigorous external recruitment process". This policy is intended to ensure that our recruitment processes are implemented in accordance with the equal opportunity principles.

Virtually all Minera Alumbra employees are Argentinians, with only one expatriate to date. Minera Alumbra management is

composed of eight local managers residing in Tucumán and an Argentine-Colombian manager who settled down in Argentina ten years ago. Our middle management line (including supervisors and superintendents) is composed of local staff, mostly (90%) from Catamarca and Tucumán. 27% of our employees come from neighbouring communities in Catamarca.

89% of our direct employees are from Northwestern Argentina, with the remaining 11% coming from other Argentine provinces.

Catamarca employees accounted for 33% of the total workforce in 2002. This figure was increased to 39.9% in 2009, with an even percentage (44%) of employees from Tucumán since 2002.

Minera Alumbra employs 426 local employees from the Primary Impact Area (including Andalgalá, Santa María and Belén districts). This accounts for 31% of the total number of Minera Alumbra direct employees, with 22.8% out of them residing in Andalgalá, 40.6% in Belén and 36.6% in Santa María.

Compensation

Total salary payments (excluding payroll taxes) for 2009 totalled USD32 million, with the average salary well above the salaries paid by other local industries. This is due to our commitment to provide a proper and fair compensation to our employees, given the family uprooting of those who work at a mining operation.

The importance of the salary indicator is associated to income distribution, namely: 87% of the above amount is spent in Northwestern Argentina and at the provincial level, Catamarca and Tucumán account for 82% or around USD26 million annually -i.e. a significant amount for the local economies.

Work environment

During 2009 organisational efforts were aimed at ensuring the best work environment with a view to retain key talent and reinforce Minera Alumbrera's position as an attractive employer in the market.

A qualitative and quantitative survey was undertaken in 2009 on Minera Alumbrera's social and economic impact on the standard of living of our employees. Such survey also included their opinion and views on mining development in general and in particular Alumbrera operations. The survey was also intended to test Consejo Empresario Argentino para el Desarrollo Sostenible's new impact measurement tools. Minera Alumbrera's input includes report on the social and economic impact of our operations at the local, regional and national levels. Such report was prepared together with Tucumán's Campistas del Norte, an association that gathered field data and supervised Catamarcan surveyers. The survey included 300 employees selected at random.

In terms of corporate training efforts, 77% of the training sessions have been delivered on site for 99% of the survey respondents. Additionally, 37% survey respondents claimed to have developed professionally once they joined Minera Alumbrera.

Survey results showed that 20% of survey respondents did not have a job before joining Minera Alumbrera, 60% changed jobs to get a higher salary at Alumbrera and 15% were interested in training opportunities.

Before joining Minera Alumbrera, 40% of survey respondents earned up to USD260/month and 52% of them were previously unemployed. Currently, 42% of survey respondents earn above USD1563/month, with 87% out of these being the main household income. This also improved their savings capacity, with 70% of survey respondents investing in realty and 68% fully meeting borrowing requirements.

Health coverage was also regarded as a positive impact indicator by survey respondents since 73% of them obtained improved family health coverage and 88% consider that they get better health services under Minera Alumbrera's health insurance programme.

Our employee health conditions were also surveyed, with 75% of them not suffering any disease and 97% subject to preventive health examinations under their health insurance programme.



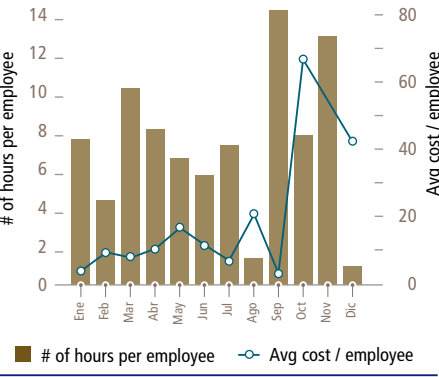
Human Resources Superintendent Marcelo Ochoa and Julio Bruna at a training session under Minera Alumbrera's Leadership Development Programme

EMPLOYEE TRAINING AND DEVELOPMENT

Our commitment to our employees includes ongoing training and development. In line with our policies, priority is given to in-house employees to fill potential vacancies. This supports regular promotion. For this purpose, training sessions are aligned with our long-term goals.

Under our enhanced training systems, 119,915 training hours have been provided by in-house staff during 2009, at a cost which was lower than the budget. Thus, the average number of employee training hours per year is now 241.3.

Training resources. 2009 (in USD)



Operators Luis Lagoria and Emanuel Gómez doing motorgrader repair works

Employee development is a key challenge for Minera Alumbrera. The need to ensure competitive human resources, who are able to fill potential vacancies adequately and in line with our production process is also value added to neighbouring communities. Minera Alumbrera is also involved in academic organisations both at the local and provincial levels through joint education initiatives in line with existing requirements. This undoubtedly provides additional benefits to the society in general as our human resources are trained at the local level. This value added will help them apply to positions in other mining companies or industries, given the highly competitive expertise gained at Minera Alumbrera.

Our development policy encourages our employees to pursue higher education courses in their spare time, with a view to improve their performance in their present or future roles through formal education initiatives.

Supporting our Human Capital Development Programme, a foreign (English or Spanish) language policy has been implemented in order that our employees are able to speak a foreign language fluently to facilitate personal development.

Our Programmes

Competence-based management
A pilot-scale trial of Mine Management competence profiles was undertaken during 2009 through our Training Committee. This will allow us to identify the technical and behavioural skills for each position. Then, these will be weighed, including measurements of the level of employee conformity to the position, with a view to manage human capital appropriately in line with corporate strategies. Given its strategic significance, this programme will have a direct impact on our Performance Assessment Systems as well as on the Training Programmes, Career and Development Plans of each member of the organisation. Once pilot scale trials are over, it will be rolled out to other organisational departments.

Site-based Secondary School Programme
This programme was launched in 2008. It is a voluntary programme for those employees who have not completed their secondary school studies. Initially, 180 employees enrolled in this programme, which is managed by Instituto de Ciencias Empresariales -an official education centre based in Tucumán. 17 secondary school courses have been delivered on site over the past two years and the programme is expected to be completed by students in 2010, with four courses ahead.

Higher Education Programme
In line with our Site-based Secondary School Programme, Minera Alumbrera intends to provide continued education opportunities to its employees. A voluntary programme is expected to be implemented in 2010 in order to provide additional career opportunities to our employees. This programme is being devised by the Provincial Affairs department.

In line with our sustainable development approach, a survey of critical professions is under way across the primary impact area of our operations, in order to ensure that the Higher Education courses to be delivered on site meet the professional requirements of neighbouring communities and provide job opportunities to those taking up the challenge. In this way, we will ensure additional job opportunities to our human resources when the mine is finally closed.

Performance Reviews

A Staff Performance Review is annually undertaken across the organisation, irrespectively of the employee seniority and/or employment terms. This is in addition to the semi-annual review intended to identify actual performance. This process unveils the potential as well as the strengths and weaknesses of individual employees.

Minera Alumbrera's continuous improvement processes are intended to enhance employee and organisational performance, effectiveness and communication.

Diversity and Equal Opportunity

Minera Alumbrera seeks to employ a diverse workforce to benefit from a varied range of skills, backgrounds and perspectives. We employ people based on the skills and experience required for each particular position, without discrimination according to gender, race, age, sexual orientation, religion, nationality or any other factor.

All employees are aware of Minera Alumbrera's strict adherence to our Diversity and Equal Opportunity Policy during the employee selection and recruitment processes. All employment and professional development decisions, including those associated to recruitment, training, promotion, transfer and general work conditions, are based on merit. Any form of discrimination is unacceptable.

Our employees are selected based on their skills and abilities during a recruitment process for both genders. No specific number of female workers has been previously set. Currently, female employees account for 7% of our staff.

By virtue of Minera Alumbrera's core principles upholding the "equal pay for equal work" constitutional principle, our female employees are not discriminated against in terms of compensation. No discrimination is made on the basis of gender in our salary levels and related conditions.

3 Discrimination refers to any distinction, exclusion or privilege based on gender, race, colour, religion, age, marital status, political views, etc. that may adversely affect the equal opportunity principle or employment conditions.

4 Merit is the pillar for employment and professional development decisions. It is composed of employee abilities, capabilities, experience, competence, background and professional skills as well as his/her capacity to acquire additional skills for the role.



From law to electromechanics

Aged 23, Noelia Córdoba joined Alumbraera four years ago, following completion of her Internship Programme at site. She is a member of the Caterpillar electrical maintenance team.

Huge Caterpillar 793 trucks with 4m diameter tyres incessantly drive in and out of Bajo de la Alumbraera Maintenance and Repair Shop. Some are driven -and even repaired- by a number of slim female operators such as Noelia Córdoba, an electrical maintenance operator aged 23 who has been working at site for four years now.

Noelia joined Minera Alumbraera Internship Programme in 2006. This programme was intended to provide mechanic and electrical skills to local people in order to operate not only haul trucks but also front-end loaders.

Given the specific site requirements, a team of 12 young students from Santa María, Belén, Andalgalá and San José schools were trained for a period of two and a half years, including an immersion one-year field course in the shop.

Being a graduate from Santa María EPET #12, she was selected together with other four interns to join Minera Alumbraera as a regular employee, once her training course was completed successfully. She proudly acknowledged the extensive expertise gained at her first job as, when she started the course, she was “unable to identify a screwdriver” but now she “efficiently deals with drawings and manuals”.

Noelia checks the operating conditions of

haul trucks on a daily basis through a detailed technical examination including battery checks using a bridge crane. Following intensive cleaning of heavy vehicles to remove dust and oil, Noelia checks seven haul trucks per day under a 7x7 work roster.

These practices have been implemented at Minera Alumbraera following the training sessions provided by Caterpillar World Distributor Canadian Finning on contaminant measurement and management practices for mining operations.

Minera Alumbraera was the first miner in the world to obtain the 5 Star Rating for Heavy Equipment in 2005.

After she obtained her secondary school degree, Noelia completed a one-year law course but she was enticed by electro-mechanics. She now lives in San Fernando de Catamarca with her sister and is following an Administration course there. Her five younger brothers and sisters live with her parents. She visits her family every now and then. She admits “we are all better off now because we can plan for the long term.”. In the future, she would like to be “an expert in electronics”. She cannot imagine working offsite. “This is what I like,” concluded her.

Non discrimination policy

As outlined in Xstrata's Business Principles, we value the contribution made by employees, and our policies and practices respect their personal dignity and rights. We do not tolerate any form of workplace discrimination, harassment or physical assault.

Minera Alumbraera's Fair and Equal Treatment Policy provides for non-discrimination at operational sites and our business practices are based on the non-discrimination principle. This policy is also applicable to our contractors.

By virtue of the above commitment by our employees and contractors, no discrimination was reported during 2009.

LABOUR RELATIONS

Within Xstrata Copper there are examples of various workplace relations models, including individual agreements and collective bargaining agreements, reflecting the circumstances of any given site and Xstrata Copper's devolved management structure. All employees are free to join a union of their choice, under the Argentine laws in force. It is a personal decision on which Minera Alumbraera has no influence. We respect Minera Alumbraera's liaison with the guild as well as with regional and national union leaders. A number of administrative and operating improvement proposals have been developed jointly to enhance our operations and ensure improved results for mutual benefit.

Labour relations are a fundamental responsibility of operational management and we seek to have a direct relationship between our employees and line management founded on quality leadership, effective communication, mutual respect and trust.



Minera Alumbraera's catering services have been accredited under the ISO 9001 Quality Standard. It provides 1,000 packed lunches and 1,300 evening meals per day to Minera Alumbraera employees.

We consult with employees in advance of any significant operational change. Minimum notice periods are subject to potential variations across our operations and are generally specified in collective agreements.

Minera Alumbraera workforce is broken down into the following two categories: 916 regular employees under the applicable Collective Bargaining Agreement (CBA) and 449 regular employees not subject to the CBA, excluding interns, apprentices, part-time employees and two expatriates -one from Chile and one from Colombia. Even though regular employees are represented by our Collective Bargaining Agreement, not all of them are unionised under the freedom of association principle. The CBA is partially reviewed annually and fully renegotiated every four years. The CBA now in force was entered into in 2007 and will remain effective until 2011.

Under Minera Alumbraera's labour relations with the guild and as established in the applicable collective bargaining deal, a Public-Private Occupational Health and Safety Committee has been arranged to discuss the health and safety issues involving our employees on a monthly basis. The topics for discussion included among others, improved safety, off-duty and transportation conditions in line with the functional role of individual employees.

The formal agreements reached with the guild to date covered, among others, the following:

- Free transportation services to and from the minesite in line with the employee roster.
- Employee accommodation at site according to the employee roster, world class standards for the mining industry and the applicable legislation in force in Argentina
- Strict quality, health and nutrition practices in line with international standards.
- A preventive education programme including behavioural guidelines to ensure a healthy lifestyle, free from drugs and alcohol.
- A Safe Work Programme whereby all employees and union leaders are accountable for their own safety and the safety of their co-workers, team members and work equipment and tools. It includes a safety awareness and induction programme and the related monitoring systems.
- Daily safety meetings of individual work teams.
- The highest operational safety standards to ensure zero harm, including the material resources, training facilities and personal protection equipment required for this purpose.
- A Healthy Environment Programme to minimise exposure to unhealthy conditions, including the medical examinations required by law.

- Site medical services including the necessary health infrastructure and human resources as well as the emergency treatment and transfer systems.

Membership of our Health and Safety Committee is established in the CBA and includes all regular employees. The Health and Safety Committee meets on a monthly basis and is composed of 4 union leaders, and 2 to 4 senior management and/or employees.

Minera Alumbraera complies with all its obligations under the labour laws in force in Argentina.

Promoting Decent Work

A programme to promote decent work policies along Minera Alumbraera value chain has been developed for the past three years, jointly the Argentine Labour and Social Security Department, under our Corporate Social Involvement Policy. This programme is intended to ensure the benefits of decent work from the productivity, social and economic development perspectives while disseminating best business practice.

Ten key principles are established throughout their value chain by programme participants. They are based on world-wide labour standards set by the International Labour Association, the ten principles of the United Nations Global Compact and best business practice. Not only do private companies enforce the applicable laws throughout their value chain but they are also involved in global Corporate Social Involvement initiatives.



Sustainable Communities

Minera Alumbrera is committed to contributing to the social, economic and institutional development of the communities where we operate to improve the quality of life for all. We believe that by contributing to the development of sustainable communities, and engaging with our stakeholders in two-way, open dialogue, regardless of our location, enhances our corporate reputation and is crucial to maintain our social licence to operate.

In line with Xstrata Copper's Community Policy, our community relations practices are characterised by open and honest engagement with all our stakeholders through effective, transparent consultation and communication.

We consult and communicate with stakeholders regularly in culturally-appropriate and respectful ways, providing information and feedback to issues raised openly and objectively thus reaffirming our operational safety, equity and transparency principle. We record, monitor and address community complaints.

Xstrata Copper's corporate social involvement (CSI) programmes are developed in line with Xstrata's SD policy and standards and form an

important part of our work with local communities. Through these programmes we develop community partnerships in the areas of art and culture, education, enterprise development, environment, social development and health. These community partnerships contribute to the development of sustainable communities and emphasise local capacity building. This is possible due to the commitment of senior management and the implementation of proper international practices.



We support two Santa María schools that are part of INTA's high altitude greenhouses and school farms programme.

Minera Alumbrera strives every day to distribute the added value generated by our operation thus balancing the benefits obtained by our organisation and those created and received by our stakeholders in order to sustain harmonious relationships by partnering with them.

We support local businesses with potential, even non-mining businesses. Our community contributions also include employment, local workforce hiring, benefits and tax revenues, suppliers' development, competitive salaries and training, and policies that strengthen local and regional economies.

We have been developing a community programme in the project area for thirteen years now through which we provide training, technical and financial support to health, education, art and culture, and production development projects, with the support of representative organisations. Agricultural projects include the development of orchards, greenhouses and school farms, small-scale ventures, varietal reengineering of local crops, water works and farmer training initiatives. In the area of education, we promote education improvement plans for teachers, internships for students, infrastructure works, and provide educational materials. In the area of

health, work plans are in place to improve hospital infrastructure, upgrade technological equipment, and provide critical supplies to hospitals and health posts as well as training to improve care quality at hospitals.

Corporate social involvement

Corporate Social Involvement (CSI) comprises a set of voluntary decisions to contribute to sustainable social, economic and environmental development. CSI is a new management paradigm that involves a long-term business vision to include values such as ethics, transparency and accountable decision-making into our business strategies and activities. A major characteristic of CSI is that it goes beyond legal enforcement and must not be considered as a substitute of social, environmental or economic laws, because it operates as a system of liabilities shared among the various project stakeholders.

For Minera Alumbrera, social involvement represents the voluntary commitment to contribute to sustainable development, with the participation of stakeholders, in order to improve the standard of living of the society as a whole.

2010 objectives

In 2010, we will continue developing major health and education infrastructure works in Catamarca and Tucumán provinces and implementing production development programmes in the primary project area, supported by the water development plan, as well as teachers' training programmes. By the end of the year, we will conduct a community perception survey.

The royalties paid by Minera Alumbrera to Catamarca province are distributed among local towns pursuant to the law regulating royalty use. The amounts so distributed represent a substantial part of municipal budgets. The proper use of such funds affects the image of mining and, particularly, the communities' perception of their benefits. In this respect, we will work to support municipal administrations -if so required- to conduct studies or develop supplementary projects that contribute to the long-term development of these communities.



32 teachers from Corral Quemado received intensive IT training in 2009.



Repair works at the Maternity and Gynaecology Centre in Tucumán, a model centre in Northwestern Argentina, where 2,000 people are assisted every day.

Regarding the environmental movement spreading that globally affects several industries, we should face the challenge of addressing the complaints of local environmental groups that are against mining activities.

Municipal, provincial and national authorities, local residents and mining companies should seek a point of equilibrium and agreement and coexist in a reasonable and transparent way that enables the development of these activities. Mining activities generate social and economic benefits, particularly for the communities close to the mine deposits. Therefore, due to our significant economic contribution to Catamarca province and Argentina, we should work on the communities' perception about the environmental impact and economic distribution of the project. In order to address this issue, we worked with focus groups and the results are included in this section. We should further support the mining industry based on its inclusive nature. Our goal is to extend the life of the mine and continue working in Argentina. But if mining activities were limited by any reason, the resulting benefits would also impact on the communities. We will, however, continue working towards an open engagement that helps improve the position of mining activities in Argentina.

Achieved objectives

In addition to our community programme which has been implemented for over a decade now, we have reached agreements with local authorities to carry out specific works.

A new agreement was entered into in 2008 with the Catamarca and Tucumán provincial administrations to invest USD3 million and USD2.86 million respectively for the development of major health and education infrastructure works.

Agreement with Catamarca

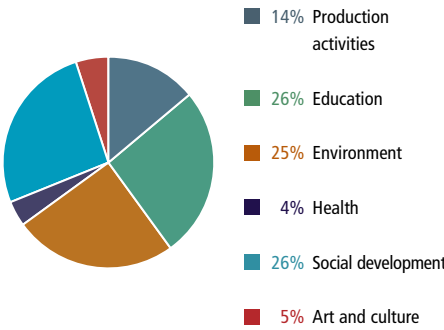
The completed works include Belén Secondary School #19; three intensive care units in Belén, Andalgalá and Santa María; the Hualfin sports centre, and the auditorium of Universidad Nacional de Catamarca (UNCA). Works in progress include the Lafone Quevedo School in Andalgalá, the Aconquija hospital and equipment provision for Maternidad Hospital.

Agreement with Tucumán

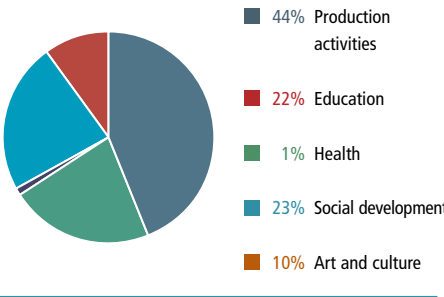
The Centro Salud hospital was completed and the Nuestra Señora de las Mercedes Maternity Centre works are now in progress.

In 2009, our total investment in works for the Catamarca and Tucumán communities was USD5 million, out of which USD2.7 million were allocated to the Community Programme works and USD2.3 million, to the works performed under the agreements entered into with provincial authorities.

Community Programme investments in Catamarca. 2009



Community Programme investments in Tucumán. 2009



In the last five years, Minera Alumbrera has invested over USD7 million in community programmes, i.e. an annual average of more than USD1.4 million.

Moreover, if we add to these values the contributions made under the agreements entered into with provincial administrations to carry out infrastructure works (USD13.4 million), the total community development investment is USD20.5 million. In the latter case, works for a value of USD4.3 million are still awaiting execution.

These substantial investments are highly significant for the development of these communities. Firstly, the execution of infrastructure works connected with health, education, production activities, sports and culture generate positive externalities since local residents are benefited by a specific non-mining contribution of Minera Alumbrera. These works are exclusively executed to improve the quality of life of local residents.

Secondly, these values serve as benchmark standards. For instance, the funds allocated to Catamarca under these programmes and agreements represent approximately 30% of the secondary distribution of mining royalties, accumulated over the last five years, for the primary impact area (Andalgalá, Belén and Santa María).

These are specific works and programmes that will increase local wealth by improving local production activities and will spare the use of public revenues that may be allocated to satisfy other needs that the provincial and local administrations consider to be a priority.

Finally, approximately 70% of this investment is made by hiring local goods and services, with the consequent strengthening of productive networks in the project area and local employment and wealth promotion.



Production development



Education



Health

Community Programme

Minera Alumbrera's community programme generates benefits and contributions for the communities close to the operational sites in three key areas: health, education and production development.

Production development



The grape drying facilities project in Tinogasta, Catamarca, improves the quality of the crop and increases the farmer's income.

The goal of agricultural programmes is to increase the cultivated land area and productivity and improve the crop quality. These programmes are supported by municipal administrations, which also participate together with farmers grouped in associations or cooperatives.

We contribute to the development of agribusiness projects with growth potential that promote the creation of permanent or temporary jobs. We provide supplies (including seedlings, seeds, agrochemicals, work tools, cement for water channelling works), training and monitoring to the project

beneficiaries. Likewise, we support farmers of aromatic seeds such as cumin, anise, and paprika pepper.

These projects are not only focused on re-engineering processes but also improve farming conditions by seeking a more efficient use of irrigation water. Therefore, works are being conducted to collect and distribute water through coated channels and water storage reservoirs that are being fitted-out and activated.

In addition, using the economic resources derived from mining activities, i.e. royalty revenues, and upon request of various farmers' organisations, the municipal administrations started developing projects that improve the sustainability of these activities in the medium term. At this point, we joined this initiative to support communities through construction, organisation and technology transfer activities.



The new irrigation system for Los Zazos, Amaicha case.

Water is scarce in Amaicha del Valle, Tucumán province, and neighbouring towns, especially during September-December. The local agricultural production has always depended on rainwater and water from natural springs in the middle of valleys.

After paying for the Los Zazos Dam cleaning in 2006, we participated in the development of a new pressurised irrigation project. Our goal is to turn small plots of land owned by local residents with limited resources into productive ones.

Challenge to face

The dam supplies drinking and irrigation water to all local people. Therefore, the first stage consisted in the dredging and removal of 20,000 cubic metres of sediments that reduced the dam's storage capacity. These works were carried out by the Tucumán Water Department and the Provincial Road



We provided pipes and valves for the irrigation system as well as technical review which represented an investment of USD78,000.

System Department, which provided the necessary machinery and staff, with the collaboration of the local Irrigation Board. Minera Alumbraera donated to the Board the fuel for the machines and trucks used to carry out the works.

The water used came from a rainy area where landslides occurred which made it difficult to keep water channels in proper conditions. The Water Department submitted to Minera Alumbraera a pipe irrigation system project intended to increase production regardless of weather conditions. Upon approval of the project by the company, an agreement was entered into between the Los Zazos Irrigation Board, the Amaicha del Valle administration and local indigenous community, the Water Department and Minera Alumbraera. We contributed 8,200 metres of pipes which were installed. A pilot test was started in 60 out of 200 hectares usable for farming purposes. They will be irrigated through sprinklers and drips with a frequency of less than 30 days.

Benefits

More than 150 small local farmers and their families will be benefited by the new irrigation system. Over this period, they will have to adapt to the modern irrigation system involving filters and pipe sprinklers and leave shovels and picks to open ditches behind. The

Irrigation Board plans to promote this system so that people can learn how to use while they use it.

In addition to fruits and vegetables, the plan is to diversify crops to include grapevines and walnut trees and maximise the cultivation of alfalfa, corn and barley.

The results may be evaluated by the end of 2010. Although there is no data of prior water consumption levels, water consumption using the old and new irrigation systems will greatly differ. However, it should be considered that except for a few cases the plots were not productive before.

Investment

The total irrigation system investment is USD169,000 out of which USD78,000 were contributed by Minera Alumbraera in the form of required pipes and valves and technical review of the project while the Tucumán administration contributed USD78,000 for labour, excavation and earth movement machinery and technical supervision of the work. The remaining USD13,020 were contributed by the community and project beneficiaries. In turn, the Amaicha del Valle indigenous community agreed to leave the worksite area free.

Education

We believe that improving education quality is a priority objective since education is essential to achieve sustainable human development and a fair society. The quality of education systems improves social and economic rela-

tionships in a region and therefore teacher training may help reinforce this goal. We also carry out major infrastructure works, supply construction materials and, together with local provincial entities, provide educa-

tional materials and train local professionals to fill competitive positions in the local market through internship, apprenticeship and grant programmes.

The local teacher training and assistance to schools dealing with illiteracy issues in Andalgalá case.

We have implemented an education improvement plan for Catamarca teachers since 2006, with the support of municipal administrations. Based on an educational baseline survey, teacher refresher training requirements were identified.



on their specific educational areas and they will continue promoting these new teaching methods in other Catamarca districts. This work modality impacts on provincial education at two levels: local people are trained and become trainers who are qualified to lead and contribute to educational improvement, and local employment is promoted.

Challenge to face

In 2009, a programme to support older students with reading and writing problems was implemented at seven schools from Andalgalá: Malli (#218), Huaco (#408), Huachasi (#108), Chaquiago (#235), Amanao (#410), Provincial (#995) and ex Normal school (#703). Under this programme, these schools' tutors received theoretical and methodological guidance, educational materials and counselling. The latter was given by teachers who participated in the Educational Experimentation Workshop in Andalgalá, with the support of trainers from Universidad Nacional Tres de Febrero. For all teachers, this is both an opportunity to receive training and simultaneously give guidance to local school tutors who need support.

Minera Alumbraera and Universidad General San Martín entered into an agreement to start a long-term work plan involving reading and writing workshops, school management and new technologies. In 2008, we entered into a new agreement with Universidad Tres de Febrero to continue with this work. A team of teachers specialised in various educational areas conducted the courses, which started in Andalgalá and were later implemented in Aconquija, Belén and Santa María.

In 2009, we developed new activities in line with the requirements of local authorities. As required by the Primary Schools Supervisor, new actions focused on seven schools were taken in the area of initial literacy.

In addition, under the Reading and Writing Tutorship Project developed in Andalgalá, we trained local educators and teachers who are actively involved in such programme. This team of seven local teachers was trained



Teachers from Andalgalá implement new teaching strategies learnt at the Reading and Writing training workshop.

Some primary school teachers stated that the students participating in the project have learning problems due to their family conditions (poverty, parents with low educational level). Another assumption is that these learning problems are linked to the way schools deal with these family conditions.

Benefits

120 students, who were older than 9 in average, participated in this project. Since late schooling is not a relevant issue for local people, the students participating in the project had been attending to school for four years in average.

70% of the adults who live with these children only achieved the primary school education level.

Since evidence shows that the parents' educational level is linked to their children's learning level, these initial results apparently

support the assumption that these students come from families that can minimally help them with reading and writing leaning activities.

Also the data about the occupational levels of their parents shows similar results; e.g. 94% of the mothers are housewives. Most of these students' parents perform underpaid works and therefore their income is limited. However, a review of these students' learning process over the year suggests otherwise.

In order to have objective evaluation parameters of what these students learnt, 40 students of the sample were randomly chosen and examined on their knowledge of letter sounds and names, and word writing and reading. By November, 33 of those students were re-examined.

Divided into three groups by knowledge level, results showed that, after four years of schooling, level 1 students could only name half of the letters (13) presented to them and they knew the sound of only four letters. These students were able to write and read less than 15% of the words presented. However, by the end of the year, these values had increased to 67 (letters) and 41% respectively. A similar accelerated learning process occurred with the students of the other two levels.

Results

The improvement achieved in one year, where many students learnt more than during their entire schooling period, challenges the idea that learning problems lie with these children or their families.

Even when most of these students showed learning improvement, in some cases learning problems were more difficult to reverse. In order to assess the percentage of students who showed less progress, 91 students were evaluated to determine their knowledge improvement.

By the end of the year, most students had remarkably increased their knowledge. Learning problems persisted in only 26 cases that represent a small percentage, around 5%, of the total students who participated in the programme.

Based on the observation of these 26 students, we consider that at least 20 of them have serious phonologic problems although six of these students were too old when they enrolled in the project (11 or older) and had minimal knowledge. More time is needed to ascertain the nature of their problems.

Demographical data shows that students with major reading problems from each school come from socially vulnerable sectors and most of them are raised in poverty environments. However, the learning results achieved over the year under the programme show that socio-economic conditions are not crucial. Our conclusion is that the problems experienced by these students can be prevented. We are now training teachers so that the educational system is able to reverse this situation, independently of any family conditions.

Health



Remodelling works were performed in the Intensive Care Unit room at Hospital Centro de Salud of Tucumán.

In order to contribute to the quality of the health care system service for Tucumán and Catamarca residents, our health actions include hospital infrastructure improvement or complete remodelling works, the provision

of critical supplies and the required technologic equipment to health posts and hospitals. Priorities and the actions taken are based on the engagement with local health representatives.



New Health Posts for Andalgalá

Yunka Suma is located in Cuesta del Clavillo, surrounded by a long mountain range with 700-meter cliffs. The access is extremely difficult because the road is unpaved. In addition, rains trigger landslides, causing many traffic accidents.

We performed complete remodelling of the existing Health Post: all electrical and sanitary facilities were reconditioned and equipped to provide first aids to any injured person.

This will also benefit approximately 400 residents in surrounding areas.

Additionally, we supplied materials for reconditioning the health post in Charquiadero, located in Aconquija, Andalgalá.



New Intensive Care Unit for Belén

The Hospital Zonal in Belén is the third most important hospital in the province of Catamarca after Hospital Interzonal San Juan Bautista and Hospital Interzonal de Niños Eva Perón, both located in the city of Catamarca and a benchmark in health services in the province.

The programmatic area to which it belongs is based in Hospital Belén and provides health care services to Belén and Antofagasta de la Sierra, which overall have approximately 30,000 residents, one of the highest populated areas in the interior of Catamarca. Neighbouring localities lacking intensive care unit services may find in Belén more nearby facilities for hospitalization. This will mean, for example, a wider coverage for Tinogasta.

Benefits

As from February 2009, Belén has a new ICU room built by Minera Alumbrera. The importance of having this ICU room available lies in the fact that a larger number of people may receive hospitalization and care close to their homes, with no need to travel long distances to the central hospitals in the capital city. Not only patients benefit from this, but also their families, who are thus spared the trouble and expenses connected with travel from Belén to other cities.

The new ICU room is equipped with state-of-the-art monitoring and medical equipment. It has capacity for five beds with air-flow mattresses to prevent skin breakdown, with one being an isolation bed. It is also fitted with two ventilators -one for children and the other for adults-and a private room. In addition, each patient bed has a monitor that measures blood pressure, body temperature,

heart rate and partial pressure of oxygen in the blood, while bed head panels have central oxygen supply, compressed air and central aspiration.

All five monitors are networked to a central station for real time monitoring. Additionally, there is a room with private bathroom for the physician, bathrooms for patients, storage space, sterilization room and changing room. The ICU is further equipped with a defibrillator, ECG machine, and UPS unit and generators that ensure the uninterrupted operation of all equipment.

The work "is important because it will enable us to manage a wider range of surgeries and patients. Multiple conditions may be treated when an ICU is available. Thus, we will be able to reduce the referral rate, and patients who need to be transferred to another hospital will be referred in better conditions", explains Dr. Oscar Reales, director of the hospital founded in 1907.

Even if the appointment of some new staff is pending, Dr. Reales expects to make full use of the ICU in three stages. First, there will be two doctors and two nurses, one for each shift. In the second stage, two more doctors will be hired for the night shift, and for the third stage he expects the ICU will be staffed with six doctors and twice as many nurses.

Investment

With an investment of USD1 million, Minera Alumbrera performed the complete remodelling of the ICU room, supply of medical equipment, state-of-the-art monitoring, and conditioning of all facilities. This work, completed in early 2009, falls within the scope of the Corporate Social Involvement agreement signed by the company and the government of Catamarca.



Stakeholder engagement

Stakeholders are defined as those groups directly or indirectly associated to Minera Alumbrera's activities. At Minera Alumbrera, we interact with parties with different interests and undertake commitments with each one of them.

Investors

Maximise the return on investment through successful management practices, while leading the copper industry. We are committed to open corporate management practices.

Customers

Deliver our products (which are essential for progress) in a reliable and continuous manner.

Employees, suppliers and contractors

Promote a respectful, flexible and efficient organisation through professional development and the fulfilment of mutual duties.

Government

Strictly adhere to and enforce the laws and support the professional management of efficient regulatory agencies.

Trade Unions

Support the responsible organisations that strive for employee welfare.

Communities

Provide growth opportunities through training, employment and sustainable programmes for the people who wish to develop themselves.

Mining chambers and industry associations

Support their actions so that they represent the entire mining industry.

NGOs and related organisations

Liaise with organisations that strive for improved social, technical and institutional development at the regional and country-wide levels.

Media

Provide accurate and thorough information, through ongoing regular discussions.

Universities

Encourage fruitful exchange for students in courses directly or indirectly related to the mining industry and promote academic studies that may provide reliable data to the community, based on rigorous methods, honesty and proven scholar qualifications.

Communication with stakeholders

We provide information on our management achievements in the financial, environmental and community areas, and publicize events related to our continuous improvement process either through the media or through targeted products.

By way of example, we make publications aimed at neighbouring communities which provide news about the Community Programme and cover best CSI practice including the relevant value chain, human resources and environmental improvements. Four annual editions are published in El Ancasti newspaper of Catamarca while a special edition is distributed in various communities. In Tucumán, we publish a quarterly magazine distributed together with La Gaceta de Tucumán. The purpose of this publication designed to reach the general public is to show the company's activities through interviews to local beneficiaries.

We hold regular meetings with the media to provide first-hand information and clarification on any news and concerns. In addition, we publish bulletins and press releases on a frequent basis in the provincial and national press, and respond to requests for information from universities, schools, NGOs and other stakeholders representatives. Our website is a technological tool that also favours interaction between the company and stakeholders. Additionally, the generally-targeted annual sustainability report contributes to the feedback process. It is distributed in a large number of printed copies and is also available on our website. The feedback form at the end of each sustainability report contributes to the exchange of ideas and suggestions. Those who have access to computers may choose to send their messages via e-mail to: infoalumbreira@xstratacopper.com.ar.

Regarding interpersonal communication, each Corporate Affairs representative residing in Andalgalá, Belén and Santa María maintains ongoing communication with local authorities, organisations and community associations. Stakeholders, in turn, have a physical site available to raise their concerns. Additionally, community groups as well as local and mainstream media representatives regularly visit the site to get acquainted with ore processing practices.



Minera Alumbreira supplied construction materials, tools and technical service for Toro Yaco greenhouse.



The walnut reengineering project developed by the municipal administration of Andalgalá and Minera Alumbreira obtained optimal results for farmers in Villa Vil, Choya, Potrero and Chaquiago.

Community feedback

The communication and feedback with stakeholders are strengthened and renewed every year. Opinion surveys or focus groups are suitable tools to address community needs and concerns, to get feedback from one of the key stakeholders.

In order to gain further knowledge of the communities opinion on the Bajo de la Alumbreira and mining activities in general, we resorted to a survey conducted by the Consejo Empresario Argentino para el Desarrollo Sostenible¹ (CEADS) in the project area in Catamarca and Tucumán in late 2009. The survey is part of the trial of a new impact measurement tool conducted by CEADS.

Minera Alumbreira contributed to this survey with a Report on the Socioeconomic Impact of the Project at local, national and regional level.

Focus Group conduction and interpretation of results was addressed by experts

¹ The Consejo Empresario para el Desarrollo Sostenible is the local equivalent to the World Business Council for Sustainable Development (WBCSD), a CEO-led, global association of over 230 companies dealing exclusively with business and sustainable development.

(anthropologists, sociologists and psychologists) from Pulso Local. Detailed interviews were conducted in some fields by local experts; for example, health interviews were conducted by doctors from Tucumán and Catamarca.

What follows is a detailed description of the general and specific features of the Focus Groups conducted, which are part of a wider strategy of qualitative and quantitative research, as specified above. Five Focus Groups were conducted in Santa María, nine in Belén and eight in Andalgalá. Participants were those involved in economic activity, housewives, young people, and health and education professionals.

The communities from the primary impact area reflect in their statements a social and historical matrix having as core and common features the organic relationship between people and nature, with a low instrumental-productive mediation, with historic and identity continuity on the one hand, and functional continuity regarding their extent and model of development on the other hand. The difficulties associated with the changes occurring since the appearance of large-scale mining can be illustrated by the

statements of walnut farmers in Belén, when referring to their daily work: “Yes, there have been changes. As regards walnut growing, we were lucky because through Vélez -the engineer who conducted farming projects in the impact area-we have been to Mendoza and saw orchards we had never seen before. We have seen the difference and we are just starting to make changes. We are undergoing training. People are reluctant to change”. Even if agricultural activity is recognized as a historical and genuine activity, some people associate it with a model which does not provide sustainability for the future, basically because it is not labour-intensive and therefore it does not positively spill over into relevant community sectors. A teacher from Santa María explains that “Agriculture is important in the area. It has its own place. But there is a lot of informal labour”.

Conflicts

Current problems appear to be linked to growth. In consistency with its symbolic matrix, the main emerging problem in the primary impact region is related to a natural resource: water. The second most important issue includes structural difficulties in infrastructure, power, roads, etc. Even if actors are perfectly aware of the amount of water used by the mining industry, they do not directly blame mining on water shortage,

but address this issue as a historical problem for the community.

By way of example, some teachers from Santa María point out that “there is a lack of investment and technology. They -referring to farmers- continue to use flood irrigation. If there was drip irrigation everything would be different”.

Other issues are linked to poverty and unemployment as a consequence of an impoverished economic matrix and of the rupture of the culture of work as a means for social mobility, particularly among new generations.

“There is little workforce available. People don't send their children to school. Nobody wants to work because people live from welfare plans. They don't want to improve their conditions”, said walnut farmers from Belén.



Walnut reengineering in Andalgalá will enable farmers to optimize sales in the market.

Incentives

It is important to take into account people's view about the economic benefits derived from mining, especially at the local level. “There are no incentives. If you need capital, you must get it by yourself. So many things could have been done with royalties, for example, but no profitable use was made; lots of things could have been done. And the same is true for tourism. We should have profited from tourism long ago”, local traders in Belén say regretfully.

Cultural aspect

Some groups of people in districts have organized themselves and obtained legal status, which enables them to deal with issues in a different manner. They have various aims, including education and the improvement of public space. They also try to provide for training and employment needs.

Craftsmen have also established associations; some of them even with the participation of the municipality. When referring to the organisation into groups to obtain larger benefits and representation, fruit farmers from Chaquiago, Andalgalá, say the following about people's character: “Unfortunately, nothing was done because we are partly shy, partly criollos. We are expecting someone to come and help us. I think nobody will come. It is true that sometimes we are somewhat shy, quiet, and we do not take the initiative”.



New walnut trees planted in Londres under the reengineering project that benefits 65 farmers in this area.

Sobre la minería

The idea that mining is a highly profitable activity, associated with the removal of natural resources and a resulting environmental impact, together with the expectations created by the project, has led people to think that they should receive something in exchange, any actions or compensations for the benefits obtained from mining.

Teachers from Santa María assert: “We have submitted projects asking Minera Alumbraera for material assistance, which the company has perfectly provided. With all those feasibility studies they perform, but so far we have not been denied anything”.

Even if people admit that a large number of people are employed and trained by the company, and that there are agreements in place with technical schools, as well as internships, etc, there is a demand for employment of a larger number of local people.

Indirect actions contributing to productive growth are admitted. According to teachers from Belén: “Mining has led to local progress. There is direct and indirect employment. For example, an employee of La Alumbraera, an 18-year-old boy who was single three years ago, today has two children, and a maid who takes care of the children and does the housework. His level of consumption has increased”.

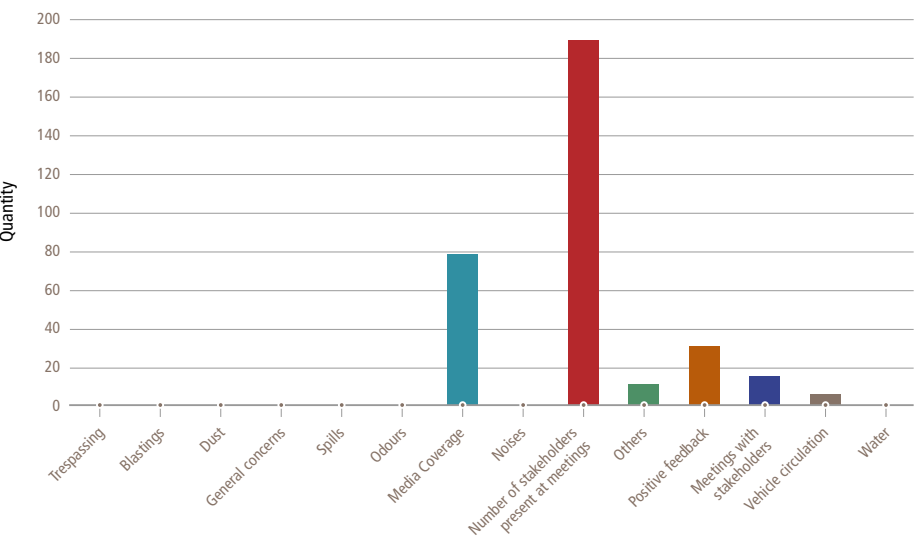
Among the priority actions requested by the communities, there is the demand for qualified professionals from other places, particularly certain medical specializations which are not locally available. People also demand training of local professionals in other areas, and improvement of general infrastructure and future planning.

Benefits of the community program

Both doctors and local traders recognize Minera Alumbraera's contribution through the company's community program in the impact area. “Our hospital has an intensive care unit room built by Minera Alumbraera, but there is no doctor. But we cannot expect Minera Alumbraera to provide the doctor too, or to take responsibility for this”, say local traders in Andalgala.

There is no full knowledge of how to submit requests to the company. Some people know that requests are made through organisations and not individuals, that they must file an application specifying objectives, target groups, etc. This vagueness often leads to suspicion and doubts.

Stakeholders complaints. 2009



Reales family's bakery business is one more example of the proactive behaviour encouraged by Minera Alumbraera, which results in local growth and development.



Community representatives at the annual tribute to Pachamama, Laguna Blanca.

Main concerns

The company keeps a record of all claims from stakeholders in writing. The aim is to include comments in the continuous improvement process in order to give responses in the short or long term, as applicable.

households and provided the necessary wires for replacement. After delivering the necessary supplies -meter poles, drop wires and other supplies-we made the necessary arrangements for reconnection with the municipality.

Whenever there is a claim or complaint in relation to the company's operation, the injured party is identified, potential solutions are discussed with the parties involved until an agreement is reached and a program is implemented to deal with the claim.

Contributions to a conflict resolution

In late 2008, when driving across barrio La Paz, in Tinogasta, a Minera Alumbraera truck cut off electrical wires. This accident affected five households. In terms of immediate actions, we requested from EDECAT, the power supply company in Catamarca, the immediate reconnection of the affected

As from this incident, we have changed the route of trucks going to the mine site. Furthermore, as from the second half of 2009, we have been providing fuel to the municipality for maintenance of the gravel roads used by our vehicles as alternative route.

Rights of indigenous people

Even if our operations do not affect indigenous territories -the Amicha del Valle and Quilmes communities in the province of Tucumán - along highways 40 and 307, are indigenous communities. There is a respectful relationship with both communities. We have even signed a joint agreement to carry out a project: the construction of a pressurized irrigation system in Los Zazos.

No incidents of violation of indigenous people rights by Minera Alumbraera were reported in 2009.

Mine closure

While environmental programmes are being implemented to attain a responsible mine closure, the Provincial Affairs area will start



Avenidas por las que transitan los camiones de la empresa luego de la resolución del conflicto en Tinogasta.

the closure planning from a community's point of view. Therefore, the tools used will be local opinion surveys and focus groups interviews.

In developing the social and environmental closure plan, we will consider the community's expectations, their association with mining activities and the priorities and needs expressed in such surveys.



Environment

We conduct our operations in harmony with the environment, in line with sustainable development principles. Thus, our adherence to standards, and our commitment to environmental and community protection have enabled us to maintain mining business feasibility as a key element in our development strategy.

Environmental policy and standards

In line with the strategic objectives of Xstrata Copper, Minera Alumbra's operator, we strive for industry leadership in environmental performance. The environmental systems in place at each of our sites and operations are aligned with Xstrata's Business Principles and SD standards. We routinely assess our

performance against these systems and standards.

Our operations and projects meet and, where practicable, exceed the laws, regulations and standards in force in the country of origin. Robust targets have been set to reduce carbon and energy intensity, fresh water use in arid regions and sulphur dioxide (SO2) emissions.

When environmental incidents do occur we determine the cause and take steps to prevent recurrence. Minera Alumbra also plans, operates and closes operations in a way that is consistent with our commitment to sustainable development.

We seek to preserve the natural environment and minimize or mitigate any negative effect on biodiversity caused by our operations. Thus, we manage environmental risks, make an efficient use of natural resources, rehabilitate land and reduce waste.

All employees support and work in line with sustainable environmental practices. There is a strong commitment of management regarding training for all employees in sensitive issues.

Mining in Argentina is the only activity regulated under a specific Environmental Protection Act. Minera Alumbra is compliant with laws, standards and regulations currently in force at the national, provincial and municipal levels, and achieves the highest environmental standards. In addition, we follow international standards required by the Stock Exchanges of the investors' country of origin, i.e. Zurich and London. We jointly perform water quality monitoring with local authorities on a monthly, quarterly and biannual basis. We responsibly conduct monitoring activities as routine tasks, allocating the appropriate material and human resources, planning activities, improving techniques, incorporating standardized methodology, liaising with regulatory authorities, involving technically qualified external parties, evaluating and reporting results to the authorities.



The plant Floourensia Tortuosa Griseb in Bajo de la Alumbra mine site grows at 1,000 to 3,500 m.a.s.l. in Catamarca, Salta and Tucumán.

Our company is monitored by the following national and provincial authorities: the National Secretariat of Mining, the National Secretariat of Sustainable Development and Environment, the Secretariat of Mining of Catamarca, the Environmental Secretariat of Catamarca, the Department of Energy and Mining of Tucumán, the Public Health System of Tucumán (SIPROSA), Yacimientos Mineros de Agua de Dionisio (YMAD) through the Operational Monitoring Unit for follow-up and monitoring of the joint-venture (UTE) agreement; and the National Regulatory Authorities for Electricity (ENRE), the Federal Tax Authority (AFIP) and the Customs Department.

We seek to achieve recognition for our environmental performance to improve the acceptance and perception of the mining industry, which should operate in line with the highest sustainable development standards.

In the context of some concerns raised about mining at the national level, we are interested in reporting on our performance. To this end, we hold meetings with legislators, the media, local communities, scholars, among others.



Darío Marcial, from Vector contractor, irrigating seedlings to be used for revegetation at mine closure.

Targets achieved in 2009

- No fines or penalties were received, thanks to the fulfilment of our duties and to the preventive work jointly performed with regulatory authorities.
- There were no reports of category 3 or above environmental incidents, which are those requiring long-term remediation works to correct environmental effects, regardless of the economic impact on the company.
- In late 2008, we obtained the ISO 14001-2004 Standard Recertification and during 2009 we had two external maintenance audits, with optimal results.
- Under the Hazardous Waste Act 24051, company waste management improves with experience. Waste is managed in a fully responsible manner in accordance with applicable regulations for storage, transportation and final disposal.
- We have opened the new controlled dump for domestic waste built in 2008, including all required facilities, and we have improved waste segregation of recyclable materials.
- The continued preventive maintenance programme of our vehicles and fixed sources enable us to contribute to mitigate the adverse effects of climate change.
- We carefully measured our energy and water consumption, identifying and correcting deviations.
- We continued with the unprecedented columnar Cardon Cacti rescue and relocation project. We have added rescue of the globose cacti as suggested by the enforcement authorities.
- We obtained highly encouraging results from the Carob Tree Revegetation Project in Campo del Arenal, a project that contributes to biodiversity, in line with the new native wood management legislation.

Minera Alumbraera
Environmental Plan for 2010

- The goals and objectives of our Environmental Plan for 2010 provide for the continuous improvement of our environmental performance. They have been merged into our Environmental Management Programme. This is a planning tool that describes future actions, budget resources and those responsible for implementation.
- The reliability of our management tools will be maintained to ensure a reasonable utilisation and conservation of natural resources.
 - Production processes will be adequately managed to preserve the Campo del Arenal regional aquifer and the Vis Vis water basin.
 - We will strive to maintain the ISO 14001 standard accreditation.
 - Our monitoring processes will be critically reviewed to identify improvement opportunities.
 - Our Carob Tree Revegetation Programme will be expanded to Campo del Arenal to ensure biodiversity conservation under the newly-passed legislation on native forest management.
 - We will pursue our recyclable material segregation and responsible waste disposal efforts to ensure proper management.

Environmental incidents

During 2009 there was an incident caused by overturning of a tank truck carrying diesel fuel to Bajo de la Alumbraera mine site.



Case of truck overturning on Route 40

On August 19, a JDG transportation company truck carrying 33,000 litres of diesel fuel overturned on Route 40, 4 kilometres away from Belén.

The truck overturned on its way to Bajo de la Alumbraera mine site, spilling 10% of the cargo on the shoulder, gabions and part of the river bed. The drivers were transported to the hospital in Belén for medical attention, with no life-threatening risk involved.

The incident was reported to provincial and municipal authorities. Fuel spill containment tasks were jointly performed with the border patrol, the local municipality and the Environmental Secretariat of Catamarca.

We immediately initiated remediation activities, performed by two clean-up companies, Intergeo and Cintra. The rapid response to the incident contributed to prevent any impacts on the Belén water treatment plant. Nevertheless, a preventive closure of water intake was performed and a contingency plan for water supply was implemented with the authorities. The company provided 6 tank trucks which directly supplied the water treatment plant at a rate of 100 m3/h from the night of the incident until the water intake was reopened. Water supply to Belén was guaranteed.

Alumbraera submitted a remediation plan to environmental and municipal authorities, who monitored the progress of remediation tasks

and evaluated water quality at the water intake for final reopening, three days later.

Immediate actions

- Most part of the product was removed by backhoes.
- Absorbent booms were installed on the river bed surface.
- Mineral absorbent was spread on the pavement and shoulder. Absorbed material was picked up together with a sub-surface layer of affected soil for final disposal at the authorized relevant plant.
- A trench was dug along the booms to prevent the oily phase from leaking into the river bed.
- Sand berms were placed to prevent surface runoff.
- Water samples were collected at the water treatment plant. Remediation tasks included reconstruction of removed gabions, filling and levelling of the route shoulder and river bed in the affected area. Contaminated material was transported by a duly authorized company. All works performed were inspected by the Environmental Undersecretariat of Catamarca.

Monitoring Plan

The first monitoring was immediately performed upon completion of remedial works at the spill site, with the involvement of the regulatory authorities -Environmental Undersecretariat of Catamarca-JDG Transportation company and Intergeo. No hydrocarbon content was detected in any of the two soil samples obtained.

A Post-Remediation Verification Monitoring Plan was submitted to the regulatory authorities. The plan consists in collecting soil and water samples in two campaigns: before (November) and after (March) the rainy season. In the first campaign, Intergeo collected the samples, and the Environment Undersecretariat of Catamarca collected control counter-samples.

Results from oil and water samples testing confirmed the absence of hydrocarbon content in all sampled sites.

If the same results are obtained from the pending campaign, remediation tasks will be considered to be over.



Environmental protection expenditure and investment for 2009.

ENVIRONMENTAL DEPARTMENT COSTS	IN USD
Employee expenditure	522 thousand
Consultants and contractors	522 thousand
Licenses	39 thousand
Other operating expenditure	112 thousand
Capital expenditure	981 thousand
Total expenditure for 2009	2.2 million

Climate change

During 2008, we voluntarily implemented a characterization and monitoring program for Greenhouse Gases. The aims were to determine the number and types of greenhouse gas emission sources associated with mining operations, to make an inventory, report data and develop strategies to reduce greenhouse gas emissions.

Four quarterly monitoring campaigns were conducted at the mine site, for measurement of direct greenhouse gas emissions -from company-owned or company-controlled sources--, in accordance with the Kyoto Protocol. The main direct emissions of CO₂ from our operations are caused by combustion of ore transportation and processing mobile equipment. During 2009, calculated emissions were 1.45 ton CO₂/k ton moved.

Main initiatives include a careful planning of haulage cycles of ore mined, the use of oil recycling systems in mining trucks and strict compliance with preventive maintenance programs.

Indirect emissions from energy acquired from generating companies are unknown. No data on other emissions and significant reductions of greenhouse gases are available.

The Carob Tree Revegetation Project and the Cardon Cacti Project contribute not only to preservation of native species, but also to absorption of CO₂ from the atmosphere and to global gas exchange.

Xstrata Copper strives to manage energy requirements and emission of greenhouse gases. We are aware that the future effects of climate change -such as stricter regulations, increased energy costs and physical effects, such as droughts and floods- entail a risk for our operations and communities¹.

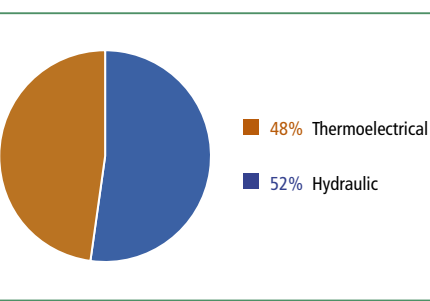
Energy

Energy requirements vary depending on the development of new works primarily aimed at enhancing production. Electrical substations and transmission lines are operated and maintained by Transener and supervised by Minera Alumbrera. The contractor certifies a quality system according to the ISO 9001/14001 Standard. Therefore, the aforementioned facilities conform to such standards, under Environmental Policy and Quality Management.

Our transmission system, in turn, operates under public safety policies established by the Ente Nacional Regulador de la Electricidad (the regulatory authority for electricity). These policies include, but are not limited to, danger warning signalling and installation of anti-climbing devices in transmission towers, double insulator strings in route crossings, briefings at schools located close to the powerline, regular measurements of electromagnetic fields, management and segregation of waste from operations and maintenance activities.

2 Further information about Xstrata's approach to climate change can be found in the group's Sustainability reports for 2007 and 2008 and on its Sustainability website: <http://www.xstrata.com/sustainability/>

Energy requirements by source. In 2009



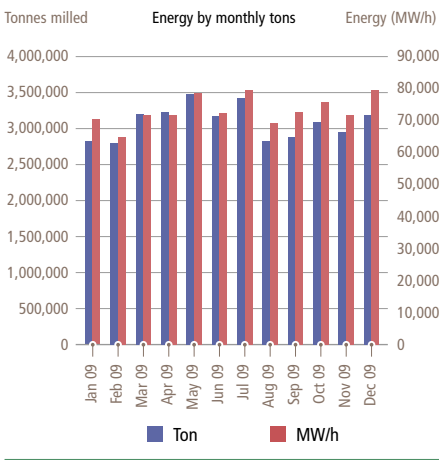
Direct energy consumption

Direct energy requirements for 2009 totalled 808,370,193 KW/h. Fifty two per cent was generated from hydraulic sources and 48% from thermal sources.

We do not have segmented energy sources, but several suppliers. All energy supplied to the operations is delivered at El Bracho-Tucumán substation, from where a 220 KW 202 km powerline extends to the mine site.

There is no information available on initiatives to use/provide energy-efficient or renewable energy-based products and services. No information is available on initiatives to reduce indirect energy consumption.

Energy consumption by energy intensity source



Water management

Fresh water required for mining operations is supplied from Campo del Arenal, a large aquifer located to the northeast of the deposit. Water is obtained from six 250-m deep holes. This water reservoir is filled by rainfall and melting ice from the hills of Aconquija, del Cajón and minor ridges.

We seek to minimise the impact of water use and report to the authorities as required. We use 58% of the water volume authorized by the provincial government and focus our attention on optimising the use of recycled water.

Before the initiation of operations, baseline studies were performed to ensure that operations should have no

impact on the water supply for nearby communities. Wells are over 60 km away from the Santa María Valley.

Compliance with current regulations and with the mathematical model of underground water flow is monitored by provincial authorities on a fortnightly, monthly and quarterly basis.

Since commissioning of the mining project we have been committed to maintaining the quality of surface and underground water and have performed monitoring activities on an ongoing basis. In order to optimize water quality maintenance, new monitoring wells are annually drilled at sites suggested by ancillary studies.

During 2009, two water management projects were completed, as detailed below.

Program of Aquifer Exploration in Campo del Arenal

This project resulted from the interaction between the authorities from the Department of Hydrology and Water Resources Assessment of the province of Catamarca and Minera Alumbrera.

It was agreed that new geological data would be collected on the source of fresh water supply through new surveys. The aim was to validate data collected during the mining project feasibility stage and provide new data about areas not included in former programs.

Results would be used to update the mathematical model of Campo del Arenal. The study was limited to areas adjacent to Minera Alumbrera pumping field.

During 2007-2009, agreed works were completed and two areas were surveyed: western and central margins of the basin. For the former, the surveyed area is located in the border between the Campo del Arenal catchment basin and the headwaters of the Los Nacimientos river. A geoelectrical survey was conducted, which resulted in the exploratory wells program. From these surveys, it was concluded that results obtained from holes drilled in the headwaters of Los Nacimientos river are consistent with the originally proposed geological-structural model. It was confirmed that water flow from the Campo del Arenal basin to the Los Nacimientos river is restricted by structures and materials.



Results obtained from the Campo del Arenal Aquifer survey program confirm proper performance of the hydrogeological model of the basin.



Environmental Officer Leonardo Bachi monitoring aquatic biodiversity in Vis Vis river.

The survey in the Central area of the basin provided data on the materials that fill the subsurface. A hole was drilled through an over 220-m thick pack of sandy materials with fine and medium gravel, with very little content of fine materials. Underground water depth was 49.48 meters.

We obtained valuable data from the Central Area and confirmed a restricted flow between Campo del Arenal and Los Nacimientos basins. Thus, good performance of the hydrogeological model for the basin was validated.

■ **Requalification of the Mathematical Model for the Vis Vis Basin**

The mathematical model for the Vis Vis basin aquifer is one of the management tools used to monitor and identify the extent of interaction between mining operations at the head of Vis Vis Canyon and surface and underground water on site and downstream the mining project.

Interpretation of this model, which is updated every four years, allows for the incorporation

of data gathered from new holes and the implementation of necessary monitoring activities to protect and maintain water quality intact. As this is a predictive model, it describes the interaction between mining activities and the environment over time. The information obtained is used for planning appropriate actions for mine closure and post-closure in order to prevent adverse impacts.

The recalibration performed in 2009 confirmed good performance of the pumpback system with no negative impacts on off-site surface and underground waters.

Predictive modelling indicates that the pumpback system operation will continue after mine closure for a variable period ranging from 5 to 8 years. It has also been confirmed that the pit will have no influence on the characteristics of groundwater after operational closure.

Water withdrawal

Water for our operations is supplied from Campo del Arenal aquifer, as reported above. We control the impact of water withdrawal, which is monitored by means of management tools, such as the mathematical model for evaluating performance of the basin.

Fresh water withdrawn from the aquifer during 2009 totalled 22,848,469 m³ and recycled water from the tailings dam totalled 61,325,130 m³.

Total water discharged

Discharge takes place at our filter and treatment plan, located in Tucumán, where water is treated before being discharged into the rainfall drainage canal DP2, in compliance with provincial regulations.

A laboratory is available at the Filter Plant for operational testing of water treatment, including chemical testing of fresh water, process water and effluents.

Daily, monthly and biannual monitoring of the effluent quality is performed with the enforcement authorities to ensure strict compliance with applicable standards.

The discharge permit is regulated by Resolution 1265 of the Public Health System of Tucumán (SIPROSA), under the Ministry of Public Health of Tucumán. The permit is renewed periodically subject to the results obtained from testing. Monitoring agencies have confirmed Minera Alumbrera's good environmental performance by approving periodical tests performed, as authorized parameters set for discharge are met.



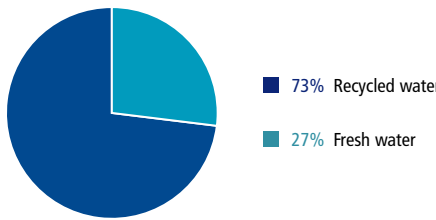
In 2009, 11,408 seedlings were grown for revegetation of 3.55 ha in the waste dump area.

The filter plant has been granted ISO 14001 environmental standard certification by Bureau Veritas. The standard is also applicable to the pipeline and port facilities in Santa Fe.

Total discharge into the DP2 canal, resulting from concentrate drying at the Filter Plant in Tucumán, was 1,253,438 m³.

Biodiversity has not been adversely affected at water sources or associated habitats as a result of Minera Alumbrera's water discharge.

Water requirements for 2009



Biodiversity

Biodiversity is the variety of life in a natural environment and it involves all plant and animal species, microorganisms and their genetic material. Some of the actions taken as recommended by scientists for biodiversity preservation include:

- Promoting the integration between economic development and the environment.
- Conducting mapping and monitoring programs of the environments and their plant and animal species.
- Avoiding the introduction of exotic species, unless they are beneficial and only after thorough studies have been conducted.
- Implementing a forest policy favouring sustained management of native woods.
- Making an inventory of natural resources.

During 2009, two conservation projects were ongoing: the Carob Tree Revegetation Project in Campo del Arenal and the Cardon Cacti Rescue Project in Tampa Tampa. Both are highly important for conservation of native plant species in the project areas.

Continuity of the Carob Tree Revegetation Project

Since 2008 we have been implementing this project in 5 hectares in Campo Arenal, where wells for water supply are located. This project is part of biodiversity management plans, together with the cardon rescue project in the area of the tailings dam.

Objectives

Biodiversity conservation and cooperation with sustained management of native woods have been the objectives set and achieved during these years of laboratory and field work and experimentation. This program contributes to the recovery of degraded environments and will provide future benefits for local residents.

Procedure

We focused our attention on the collection of embryos, since they are key to the success of growing activities in tree nurseries. Cleaning, storage and germination treatments were performed according to recommended methodologies and procedure manuals were prepared for the nursery.

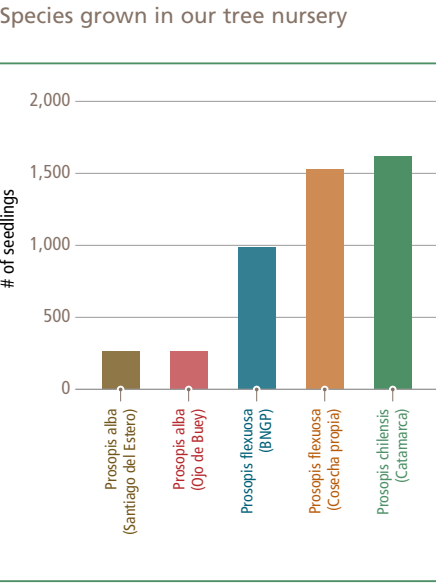
Throughout the project, various substratum mixtures were tested until the suitable soil for our seeds was found, using material from the site to be planted, Campo del Arenal. After testing seedbed methods, it was decided that direct seeding was the most appropriate method to prevent plant stress.

During 2009, we focused on protection of planted species from the attack of insects, rodents, hares and cattle. Pruning was also performed in accordance with specific technical specifications.

Results

Over 5,500 carob seedlings were grown in the nursery and 80% were planted in January and February 2010. The method used for growing seedlings of different carob species produced favourable results, with 89% of sound and fit plants.

Planted species have shown good development, despite adverse weather conditions, such as strong winds which erode stems, the wide daily and seasonal temperature range and low rainfall.



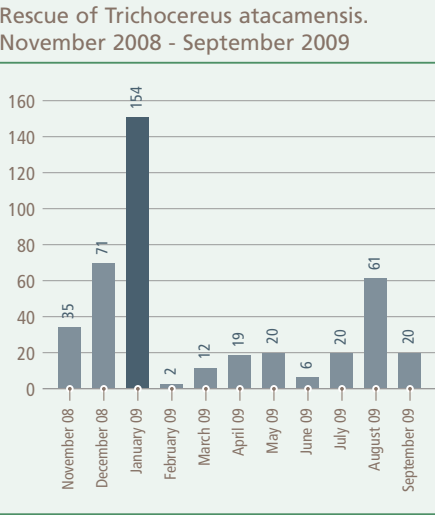
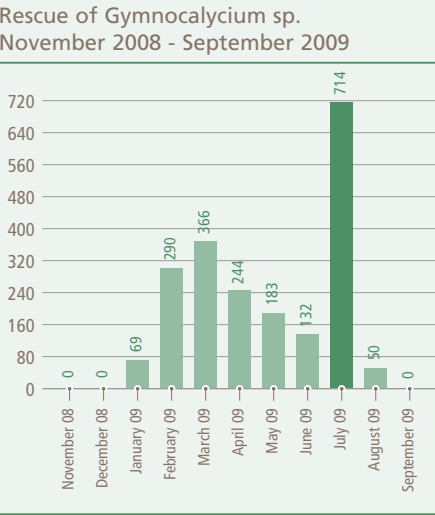
By the end of 2009, there were 880 physiologically active plants planted in Campo del Arenal. The five hectares are distributed in five sectors chosen at random, divided by grids for their testing and follow-up.



Continuity of the Cardon Cacti Rescue Project

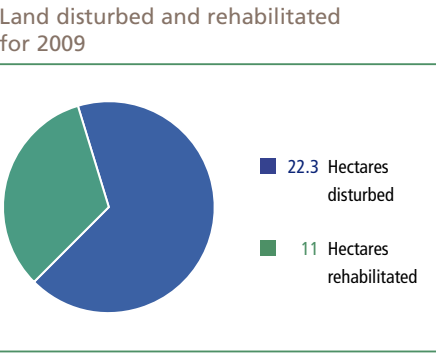
Since 2007, we have been rescuing cardon cacti species (*Trichocereus atacamensis* and *Gymnocalycium* sp.) in the surroundings of the tailings dam, in the Tampa Tampa area. Rescued species were directly sent to the transplant area or to rooting beds for root recovery. In 2009, rescue of globose cacti, *Gymnocalycium* sp. was added to the project as suggested by the enforcement authority.

Results
The survey conducted in the third quarter of the year in the transplant area showed a high rate of survival, close to 97%. A total of 568 *Trichocereus* sp. plants were planted on an area of 86,300 m2, with an average baseline area of 2.6 m2/ha, an acceptable value adjusted to natural environment values. Rescue of *Gymnocalycium* sp. species was also performed.



There are no IUCN Red List species and national conservation list species with habitats in areas affected by our operations.

Total land area -including tailings dam, waste dumps, facilities, etc- is 5,700 hectares.



SO and NO emissions into the atmosphere are not indicated because they are not applicable to Bajo de la Alumbrera Project, the same as sulphur dioxide emissions.

Emissions from the project are low and are associated with coolant gases. No data is available on dust and other particles generation for 2009.

Mine closure

Mine closure is governed by Xstrata's Corporate Policy, focusing on the company's commitment to environmental protection and sustainable development. Primary considerations include compliance with environmental standards in force, biodiversity conservation, an appropriate use of natural resources and soils, and promotion of sustainability projects with the community.

The environmental component focuses on the development of technology for rehabilitation of operational areas, promoting ecosystem balance through reinstatement of native plant and animal species.

The social and economic component focuses on the identification of potential activities that may be developed by nearby communities in education, health and production in order to promote long-term sustainable projects.

Activities and programmes
During 2009 various studies were performed on capping systems and revegetation methods for flat areas, for which field trials were conducted. A vermiculture plant was designed with the aim of enriching the soil in revegetation areas.

Capping system
Under the capping trials monitoring and maintenance programme at the tailings dam, studies on the alluvial material soil quality were

extended, in order to determine physical and chemical parameters for rehabilitation of this area.

Alluvial material soil testing
During 2009, further testing was performed on the soil moisture store and release capacity of the capping system proposed for waste dumps rehabilitation (flat areas and slopes). Optimal results were obtained from the current system, since seepage levels were within design limits, even lower than in 2008. With these results, progressive rehabilitation continued in waste dumps areas not longer used by operations, with revegetation using native species in some parts.

FIELD STUDIES AND TESTS 2009	
1	Design of vermiculture plant for revegetation purposes.
2	Physical and chemical characterization of alluvial material for rehabilitation purposes
3	Tailings and waste dumps capping trials follow-up and measurement.
4	Revegetation of disturbed areas in the Puente waste dump.



Environmental Engineer Gabriel López Vázquez and Mine Closure Engineer José Luis Sebastián, surveying the area with contractors to monitor the native species revegetation program in the waste dumps area.



Revegetation Plan

As one of the main objectives at mine closure is the restoration of the local natural landscape, we continued with the development of a revegetation programme in rehabilitated areas. The method used consists in the recovery of native species by initially preparing seedlings in nurseries for their gradual adaptation to field plantations.

Waste rock management and rehabilitation of waste dumps

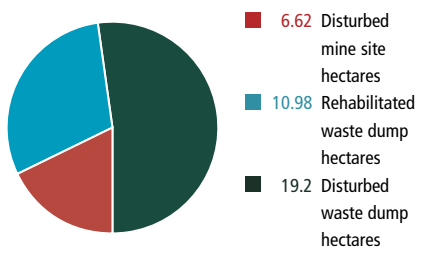
Since commissioning of the mining project, we have studied the physical and chemical properties of waste rock moved to waste dumps in order to identify materials with characteristics that prevent acid drainage generation. We conduct annual tests of waste rock moved from the mine site in order to develop a predictive environmental model for the mine life.

This model enables us to establish a waste management programme for the development of a waste dump progressive rehabilitation programme with mine surplus material. With 10.9 ha rehabilitated in 2009, a total of 60.7 ha have been rehabilitated in the period 2003-2009.



Cardboard, plastic and tetra brick packages are recycled at the compaction plant.

Rehabilitation 2009



Waste and tailings management

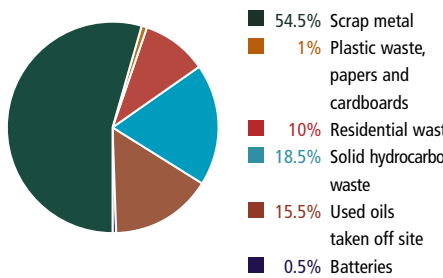
In 2009, waste rock generated at the pit totalled 58,895,754 T, while tailings totalled 34,553,704 T. Mine waste is not treated but deposited.

There were no reportable spills during 2009.

There are no ecosystems or water bodies significantly affected by discharges of water or liquid waste.

We do not import or export hazardous waste.

Total waste 2009



Materials

Materials used in 2009

SUPPLIES USED IN 2009	QUANTITY	UNITS
Conveyor belts	2260	Metres
Diesel	59,773	m³
Electricity	808,370,193	KW/h
Mill balls	24,593	T
Lime	40,700	T
LPG	548,924	Litres
Fuel	12	m³
Tyres - heavy vehicles	414	
Tyres - light vehicles	916	
Lubricating oil	1,839,008	Litres
Xanthates	204	T
Anfo explosives	11,300	T
Anfo Explosives -emulsion	6,592	T
Heavy Anfo explosives	6,202	T

Products, merchandise and materials transport

Impacts caused by employee and product transport - 2009.

EMPLOYEE TRANSPORT			
Surface	872,000 km	240,000 l of diesel fuel	
Air ²	2,420 flight hours	360,000 l of JP1	
Cargo	12,463,880 km	5,234,829 l of diesel fuel	

Product stewardship

Xstrata's SD standards set guidelines to ensure that the effects and risks associated to our products and services are identified, assessed, evaluated and minimised. Material safety data sheets are completed for each product and by-product, including information about their chemistry and physical properties, risks for human health, handling, transportation, storage and exposure control.

Copper has beneficial effects on the environment. It enhances electrical efficiency and is used in a broad array of common appliances, such as refrigerators, computers, air conditioning equipment and electrical motors. It also increases the efficiency of renewable energy sources such as geothermal, wind and solar energy. Health benefits have also been identified. In 2008

the U.S. Environmental Protection Agency authorised the use of copper and its alloys as anti-microbial agents, which allows its use in different health applications (for more information see page 17).

Some of the initiatives to mitigate environmental impacts from our project products and services are related to actions taken for discharge and transport.

- At the Alumbrrera port the material is unloaded and stored in enclosed facilities. It is transferred on conveyor belts mounted on an enclosed system from the trains to the warehouse and then to the vessel that will carry the product to international smelters.

- Vessels are approved by RightShip, a company that provides vetting services for the global shipping industry in order to promote safety and efficiency for the safe transport of concentrate.

- In addition, the purchase of generators for the port minimises the risk of collision or product falls, by preventing any interruptions of the conveyor belt loading operations in the event of a power cut.

- Rainfall recovery canals have also been modified by building settling ponds so as to avoid any potential suspended particles of concentrate dust.

- There is a high demand for our product in international markets because of its purity. This makes it possible for our customers to process this material with others containing impurities, in compliance with the environmental parameters of destination terminals.

Minera Alumbrrera periodically tests the full composition of concentrate for changes in the content of minerals that may threaten health and environment.

However, such changes have never occurred in 12 years of operation.

- As regards issuance of IMO certificates (pre-shipment certificate required by the International Maritime Organisation) by third parties, information on the concentrate stockpiling conditions in the hold (transportable moisture limit, angle of repose, stowage factor, estimated moisture content of the product to be shipped, etc.) is provided to the captain of the vessel.

For molybdenum land transport, we provide drivers with a material safety data sheet with product details, information for safe handling, potential risks from contact with the product and how to mitigate them. In addition, contact details are provided in case the cargo is involved in any incident that may affect people or the environment.

- No fines have been received for non-compliance with laws or regulations concerning products use and supply.



Copper technological applications cover a wide range of new technologies, from safer wiring to intelligent homes and ultra-modern space shuttles.

² Only until November, because of the use of air transport was subsequently discontinued.



Value Chain

In line with our sustainable development policy, we seek to achieve economic and social development benefits through programmes and/or actions leading to increase, year after year, the participation of local suppliers in our value chain.

In this sense, we work in the generation of opportunities of business exchange and train those people who, although interested in becoming part of the process, have certain restrictions to such access.

Likewise, the generation of direct and indirect employment is one of our top priorities. Thus, both local purchases and the salaries paid to workers, through the consumption they generate, multiply direct jobs and the wealth or added value resulting from this activity. In short, we work everyday so that the revenues from direct purchases and those resulting from workers' spending are an engine for the development of these towns.

Since long, we have been committed to develop local suppliers not only for the mining industry but also for other sectors and markets. We are focused on sustainable development beyond the useful life of Minera Alumbraera, by generating local installed capacity.

Besides, we have been working on the substitution of imported goods and services with local production, what generates direct and indirect benefits in the nearby towns and in the region.

For such purpose, we train and guide suppliers with development potential on the

requirements of the mining sector, in general, and of our company, in particular. Thus, we have identified opportunities for the purchase of food and regional products and the provision of different services in the nearby communities.

In the long run, our objective is to maintain a close liaison with the local Chambers of Mining Suppliers in neighbouring communities. The exchange of needs between suppliers and companies improve the bonds between the parties and generates significant contributions to the value chain.

In fact, as we noted above, the purchase of national goods and services and that resulting from the spending of workers are one of the major contributions of the project to direct and indirect job and wealth generation in our country. The indirect job multiplier from these purchases amounts to 11, approximately, that is, for each direct job generated by the project, 10 indirect jobs are created as a result of both types of expenses.

Objectives met during 2009

- Gradual increase in domestic supplies by establishing common strategies with local authorities to foster business and industrial development.
- Consolidated use of San Francisco Pass for incoming supplies from Chile to the mine site, by improving logistics and achieving economic synergy throughout the area.
- Increased commitment of in-house staff and service suppliers from neighbouring communities to effectively develop local suppliers.
- Direct liaison with local suppliers of nearby communities through scheduled visits to other towns of the province of Catamarca.
- Disclosure of information on our requirements, service quality policies and delivery times to ensure our suppliers' commitment to Minera Alumbraera's daily operations and to improve both their services and communication.
- Higher retention of the economic resources of the region through an increased business liaison with local companies. Thus, we contribute to improve the local distribution of revenues by generating a cascading effect on the communities involved.

Challenges for 2010

- Pursue the commitment of in-house staff, suppliers and authorities with our supplier development policy.
- Maintain general and specific mining activities in our communities, with development potential for our business and the people living in the vicinity.
- Brief local suppliers on our safety, health and environment requirements to ensure sustainable development in the long run.
- Transfer the company-community experience as a model of integrated development, by



Pedro Ayala, president of Cactus SRL, has become a supplier of construction materials of Minera Alumbraera.

assuming clear leadership in the sector, with a participatory, integrating and pioneering image.

- Promote sustainable development in the productive chain, through reliable and proactive behaviour, where the community is informed and committed to maintain the business development.

- Develop business strategies to ensure effective cost management practices.

Best Practices

At Minera Alumbraera, we require our suppliers to comply with labour laws. Likewise, we have developed clear policies for the transfer and implementation of the best environmental, safety and health and human resources practices.

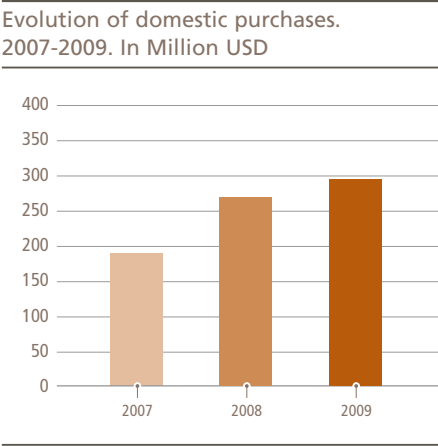
Safety and Health
Our main goal is to create and maintain a healthy and injury-free work environment under the highest safety and health standards, in compliance with the applicable laws in force and in accordance with Minera Alumbraera best practices and statutory requirements. We encourage workers to develop an effective management through training, safety comments, improved procedures, risk audits and inspections. Therefore, prevention awareness is ensured through compulsory safety workshops and sessions, the use of personal protection equipment, and the development of contingency plans for high-risk activities.

Environment
We inform our contractors about our Environmental Performance policy that establishes our commitment to achieve the highest environmental performance and compliance with the laws in force. Minera Alumbraera operates in a responsible way to protect employees, contractors, neighbouring communities and the environment. This includes responsible waste management practices and water and energy conservation.

Employment
Minera Alumbraera strictly controls compliance with the applicable laws and collective bargaining agreements, and ensures that suppliers provide evidence of such compliance, including payslips, payroll tax payments, Workers Compensation insurance coverage -depending on the duties of individual employees- safety programmes, etc. Minera Alumbraera sets and informs suppliers of recruitment process for operators and employees living in Catamarca as well as the company's fraud control and environmental policies. Minera Alumbraera firmly repudiates any kind of child work, discrimination and corruption.

Local purchases

In 2009, we have purchased Argentine goods and services for over USD294 million, what represents for the country, daily revenues of more than USD782 thousand. Out of this figure, USD10.6 million were spent in the province of Catamarca while 10 years ago, the purchase of national goods and services in this province totalled \$250,000.

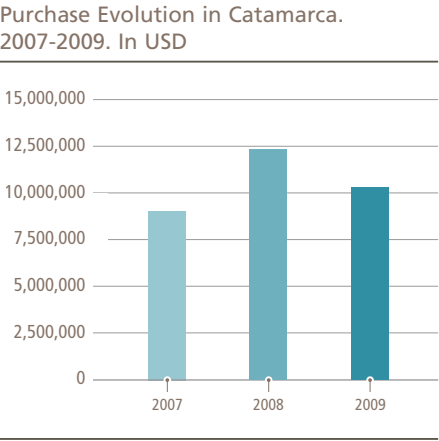




José Luis Álvarez, carpenter of Belén, trained within the framework of the Supplier Development programme to improve his business liaison with Minera Alumbrera.

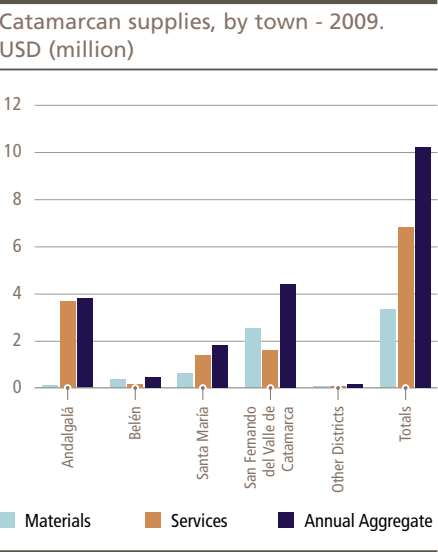
In 2009, domestic purchases grew 8% compared to 2008, what shows a steady increase as a result of Minera Alumbrera policy of replacing imported goods and services with domestic ones.

During the last ten years, purchases from the province of Catamarca reached nearly USD52 million. This has been possible due to the design and implementation of plans to encourage the purchase of goods and services in such province and in the nearby communities.



In 2008, Minera Alumbrera completed some expansion projects that involved a huge investment in services and materials applied to capital expenditure. However, the level of purchases in our towns was higher than in previous years.

In 2009, we purchased supplies and services from Andalgalá, Belén and Santa María for USD6 million, what represents 58% of the purchases made in the province of Catamarca. Out of this figure, 84% corresponds to services and 16% to goods.

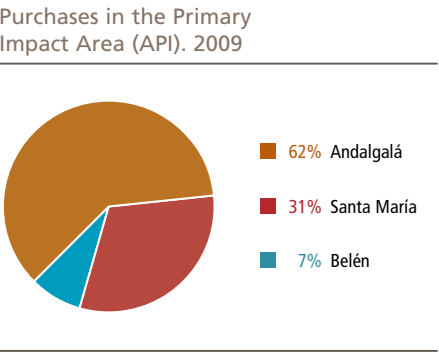


Likewise, 61% of the purchases were from Andalgalá, 31% from Santa María and 7% from Belén.

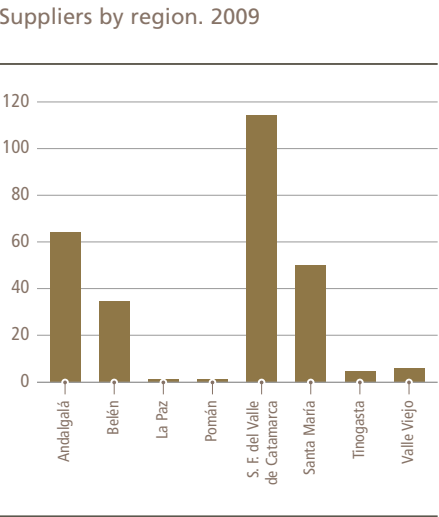
Minera Alumbrera's direct demand in the local area increases the added value and indirect jobs of these communities thanks to its multiplying effect. If we add the money spent by project workers living in these towns, the direct job multiplier, resulting from both expenses at local level, is around 3.5. This means that, for each direct job, 2.5 indirect jobs are generated in local economy from these purchases. The multiplier results from considering a cash flow from expenses in these towns of USD9 million per year on average.

The survey carried out by the Consejo Empresario Argentino para el Desarrollo Sostenible with Minera Alumbrera workers in 2009, allows to prove the behaviour hypothesis of workers in connection with their spending in local shops. In fact, 86% of the surveyed workers say they buy food and clothes in local shops. Likewise, 71% and 75% express that they purchase electric appliances and materials to construct and/or repair their homes from local shops.

In the value chain, our workers play a major role to generate more liaisons with local producers.



In the province of Catamarca we have 277 active suppliers.



Training Workshops

Minera Alumbrera recognised that good contractors' operations contribute to business success and responsible operational performance while ensuring environmental sustainability, preserving a healthy and accident-free workplace.

Therefore, Minera Alumbrera conducts training workshops on safety, health, environment and community relations, emergency procedures for environmental incidents, emergency systems on the road, failure tree for transportation, etc. The purpose is to generate integration among different companies and exchange experiences through proactive participation.

In 2009, we shared activities with our suppliers and contractors in Sustainable Development issues and worked on the application of Minera Alumbrera and Xstrata standards to current and new contractors and suppliers. We assessed the level of compliance and application of our standards and prepared a work plan, through training workshops.

We also organised audits on the works performed by contractors, to assess compliance with sustainability requirements.

Workshops deal with safety issues, risk identification, safe work procedures, accident investigation, behaviour, defensive driving, environmental incident report, recycling, waste management, environment awareness.

In terms of community relations, we have provided training on hazardous products. We trained on the toxicology of chemicals and their effects on health, treatment of intoxicated patients, transportation of hazardous materials, answer to incidents with explosive materials.

At the mine site or in neighbouring cities, we hold regular meetings with suppliers, contractors and community representatives (police, fire fighters, superintendent).



Round Trip

Néstor Dorado made a decision that, thanks to his tenacity and competitiveness, promoted the development of his transport business. Supported by Minera Alumbrera, he received solid training and today, his company has no accident records.

Néstor Dorado decided to improve his driver skills. Together with other three partners, they were engaged in the transportation of people. In 2005, Dorado was able to change his fate thanks to Minera Alumbrera when Dorado was the successful bidder in a bidding process to provide land transportation to company workers in Andalgalá.

Dorado knows that it was not easy to reach his current working stability. His partners had refused to follow the way of formal labour conditions and to comply with the safety and comfort required by the company. But he knew that "in the future, such change could be good". A newer car would entail more working prospects so he bought a new car. His fleet started to grow based upon the growing needs of his client. Then he bought another car and a van and he was able to lease it to third parties.

In order to provide these services, Néstor Dorado, born in Andalgalá, had to devote his time to receive training in safety, environment, continuous improvement in service quality through courses organised by Minera Alumbrera. As a consequence of that, Dorado's company has no records of accidents or incidents.

"I feel Minera Alumbrera has turned me into a developed supplier. The company has also

recommended me to provide services to third parties in the area", explains Dorado. Alumbrera gave him a course on driving and safety, defensive driving and first aid. In turn, Dorado recognises that he has achieved to modify certain responsible citizen behaviours: "I notice this change when I follow the company's strict safety rules and environment protection measures, such as not throwing litter through the car windows. Then, you pass this knowledge to your family and friends".

In 2008, Transporte El Dorado executed a new long term agreement to transport workers from the pump station in Andalgalá. A purchase order for two years - replacing shorter ones - allows more stability, work planning and cost reduction. According to the evolution of the supplier's turnover in 2009, by July he had already exceeded 2008 turnover.

Dorado intends to continue growing despite the current economic situation. However, he trusts in the possibility of continuing with the provision of services to Minera Alumbrera. In fact, he has hired two drivers from Andalgalá to participate in his small but growing business.

Summary of key sustainability data

CECONOMIC CONTRIBUTION	2007	2008	2009
Division's revenues.	USD1,279 million	USD1,123 million	USD1307 million
Division's EBIT.	USD602,566	USD387,924	USD505,992
Employee salaries and benefits.	USD23.8 million	USD29.3 million	USD31.7 million
Royalties and taxes.	USD661,520	USD431,858	USD550,950
Corporate social involvement.	USD3.7 million	USD5.8 million	USD5.2 million
Courses, grants and training.	USD407,436	USD666,861	USD335,504
Corporate governance and management systems			
Total value of financial and in-kind contributions to political parties.	0	0	0
Percentage of security personnel trained on human rights.	0	100%	100%
Percentage of suppliers and contractors subject to human rights investigation.	0	0	0
Our people			
Total workforce	2,092	2,208	2,097
Permanent employees	1,355	1,416	1,387
Full-time contractors	737	792	710
Total employees covered by collective bargaining agreements.	885	908	927
Percentage of local employees.	544	532	554
Fatalities.	1	1	0
Total Recordable Injury Frequency Rate (TRIFR).	6.29	6.81	3.95
Lost Time Injury Frequency Rate (LTIFR).	1.44	1.02	0.36
Disabling Injury Severity Rate (DISR).	142.48	147.74	17.79
Health and safety prosecutions.	1	2	4
Health and safety fines.	0	0	0
Occupational illnesses.	0	0	0
Average hours of training per employee.	133.30	173.71	164.35
Our community			
Community complaints.	Not assessed	29	14
Community relocation.	0	0	0
Environment			
Direct energy consumption (KW/h).	832,203,840	835,854,720	808,370,193
Total energy consumption.	Not calculated	Not calculated	Not calculated
Total water consumption (m _).	22,239,905	21,100,967	22,848,469
Total recycled and re-used water (m _).	53,813,842	59,840,256	61,325,130
Direct greenhouse gas emissions (CO ₂ equivalent per million tonnes).	Not calculated	Not calculated	1.45 Ton CO ₂ /K Ton moved
Total greenhouse gas emission (CO ₂ equivalent per million tones).	Not calculated	Not calculated	Not calculated
Sulphur dioxide stack emissions.	Not applicable	Not applicable	Not applicable
Land disturbed (ha).	24,2	8,1	25,82
Land rehabilitated (ha).	8.8	11.3	10.98
Category 3 incidents.	1	0	0
Category 4 incidents.	0	0	0
Category 5 incidents.	0	0	0
Prosecutions.	0	0	0
Fines.	0	0	0

GRI Index

Indicator	Description	GRI indicator	Global Compact Principle	Reference page
Vision & Strategy				
1.1	Statement from the CEO	✓		02
1.2	Description of key impacts, risks and opportunities.	✓		11
Organisational profile				
2.1	Name of the organisation.	✓		16
2.2	Primary products and services.	✓		16
2.3	Operational structure of the organisation.	✓		16
2.4	Location of organisation's headquarters.	✓		16
2.5	Countries where the organisation operates.	✓		16
2.6	Nature of ownership and legal form.	✓		16
2.7	Nature of markets served.	✓		20
2.8	Scale of the reporting organisation.	✓		16, 17
2.9	Significant changes in size, structure, ownership, and products since the last report.	✓		09
2.10	Awards received.	✗		
Report Parameters				
3.1	Reporting period.	✓		08
3.2	Date of most recent previous report.	✓		08
3.3	Reporting cycle (annual, biennial).	✓		08
3.4	Contact point for questions regarding the report or its contents.	✓		09
3.5	Process for defining report content.	✓		09
3.6	Boundary of the report (project covered).	✓		08
3.7	Any limitations on the scope or boundary of the report.	✓		08
3.8	Basis for reporting on joint ventures, subsidiaries, etc. that can affect comparability between reporting periods.	n/a		
3.9	Data measurement techniques and the basis of calculations including assumptions and estimations.	✓		09
3.10	Explanation of the effect of any re-statements of information provided in earlier reports.	✓		09
3.11	Significant changes from previous reporting periods in the scope, boundary or measurement methods applied in the report.	✓		09
3.12	Table identifying the location of GRI report content by section and indicator.	✓		07
3.13	Policy and practices with regard to seeking external assurance for the report.	🟡		13
Governance Structure and Management Systems				
4.1	Governance structure of the organisation, including committees.	✓		03
4.2	Indicate whether the Chair of the highest governance body is also an executive officer.	✓		03
4.3	Number of members of the highest governance body that are independent and/or non-executive members.	✓		12
4.4	Mechanisms for shareholders and employees to provide recommendations or directions.	n/a		*
4.5	Linkage between executive compensation and HSEC performance.	n/a		*
4.6	Processes in place for the highest governance body to ensure that conflicts of interest are avoided.	n/a		*

✓ Data available ✗ Data unavailable
🟡 Data partially available n/a not applicable

Indicator	Description	GRI indicator	Global Compact Principle	Reference page
Governance Structure and Management Systems				
4.7	Process for determining the qualification and expertise of members of the highest governance body.	n/a		*
4.8	Internally developed statements of mission or values, codes of conduct, etc.	✓	1 y 2	10
4.9	Procedures of the highest governance body for overseeing the identification and management of HSEC performance by the organisation.	✓		13
4.10	Processes for evaluating the highest governance body's own performance with respect to HSEC.	✓		13
4.11	Precautionary approach or principle adopted by the organisation.	✓	7	11
4.12	Externally developed principles to which the organisation subscribes or endorses.	✓		09
4.13	Principal memberships in industry and business associations and advocacy organisations.	✓		15
4.14	List of stakeholder groups engaged by the organisation	✓		45
4.15	Basis for identification and selection of stakeholders with whom to engage.	✓		45
4.16	Approaches to stakeholder engagement, including frequency and type.	✓		45
4.17	Key topics and concerns that have been raised through stakeholder engagement and how the organisation has responded.	✓		48
Economic Performance Indicators				
EC1	Direct economic value generated	✓		18-19
EC2	Financial implications and other risks and opportunities for the organisation's activities due to climate change.	🟡		11, 54
EC3	Coverage of the organisation's defined benefit plan obligations (retirement plans).	✗		
EC4	Significant financial assistance received from government	n/a	10	
EC5	Range of ratios between standard-entry level wages compared with local minimum wages.	🟡		21
EC6	Policies, practices and proportion of spending on locally-based suppliers.	✓		63-64
EC7	Procedures for local hiring and proportion of senior management hired from the local community.	✓	6	31
EC8	Development and impact of infrastructure investments and services provided for public benefit.	✓		38-44
EC9	Understanding and describing significant indirect economic impacts.	✓		38-44
MM1	Local economic contribution- e.g. goods/services purchased/hired locally, % of workforce from local communities, investment in public infrastructure.	✓		20-21, 38, 63-64
MM2	Value added disaggregated to country level (revenue less cost of procurement).	✓		22
Environmental Performance Indicators				
EN1	Materials used by weight or volume	✓	8	60
EN2 (MM4)	Percentage of materials used that are recycled input materials.	✓	8 y 9	60
EN3	Direct energy consumption by primary energy source	✓	8	54

* Please refer to Xstrata plc Sustainability Report for 2009.

GRI Index

Indicator	Description	GRI indicator	Global Compact Principle	Reference page
Environmental Performance Indicators				
EN4	Indirect energy consumption	✔	8	54
EN5	Energy saved due to conservation and efficiency improvements.	🔄	8	54
EN6	Initiatives to use/provide energy-efficient or renewable energy based products and services.	🔄	8 y 9	54
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	✔	8	54
EN8	Total water withdrawal by source	✔	8	56
EN9	Water sources significantly affected by withdrawal of water.	✔	8	55, 56
EN10	Percentage and total volume of water recycled and re-used.	✔	8	56
EN11	Location and size of land owned, leased, recycled, or re-used in, or adjacent to, protected areas and areas of high biodiversity value.	✔	8	59
EN12	Description of significant impacts on biodiversity in protected areas and areas of high biodiversity value.	✔	8	57, 58
EN13	Habitats protected or restored	✔	8	59
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity.	✔	8	52, 57-58
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations.	✔	8	59
EN16	Total direct and indirect greenhouse gas emissions by weight.	🔄	8	54
EN17	Other relevant indirect greenhouse gas emissions by weight.	✖	8	
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	✔	7, 8	54-57
EN19	Emissions of ozone-depleting substances by weight.	n/a	8	
EN20	NO, SO, and other significant air emissions by type and weight.	n/a		
EN21	Total water discharge by quality and destination.	✔	8	56
EN22	Total weight of waste by type and disposal method.	✔	8	57
EN23	Total number and volume of significant spills	✔	8	57
EN24	Weight of transported, imported, exported or treated waste deemed hazardous and percentage shipped internationally.	✔	8	60
EN25	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by discharges of water and runoff.	✔	8	55-56
EN26	Initiatives to mitigate environmental impacts of products and services.	✔	7, 8	61
EN27	Percentage of products sold and their packaging materials that are reclaimed by category.	n/a	8	
EN28	Monetary value of significant fines and number of non-monetary sanctions for non-compliance with environmental laws and regulations.	✔	7 y 8	52
EN29	Significant environmental impact of transporting products used for operations.	✔	8	61
MM EN23	Total environmental protection expenditures and investments by type.	✔	7 y 8	54

Indicator	Description	GRI indicator	Global Compact Principle	Reference page
Environmental Performance Indicators				
MM6	Management of overburden, rock, tailings, contract, and region.	✔	8	60
Social Performance Indicators: Labour Practices and Decent Work				
LA1	Workforce by employment type, employment contrato y región.	✔	6	30
LA2	Total number and rate of employee turnover	✔	6	31
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees.	✔	3 y 6	31
LA4	Percentage of employees covered by collective bargaining agreements.	✔	3	35
LA5	Minimum notice period(s) regarding operational changes, including whether it is specified in collective bargaining agreements.	✔	3	35
LA6	Percentage of total workforce represented in joint management-employee health and safety committees.	✖	1	35
LA7	Rate of injury, occupational diseases, lost days and number of fatalities.	✔	1	27, 29, 32
LA8	Education, training, counselling, and prevention programmes in place to assist workers, their families or community members.	✔	1	29-30
LA9	Health and safety topics covered in formal agreements with trade unions.	✖	6	35
LA10	Average hours of training per year per employee by employee category.	✔		32
LA11	Programmes for skills management and lifelong learning that support continued employability.	✔		33
LA12	Percentage of employees receiving regular performance and career development reviews.	✔		33
LA13	Composition of governance bodies and breakdown of employees per category by gender, age group, and minority group membership.	✖	6	
LA14	Ratio of basic salary of men to women by employee category.	✔	6	33
MM12	Emergency preparedness	✔		28
MM13	Number of new cases of occupational disease by type and prevention programmes (overview only).	✔		29
Social Performance Indicators: Human Rights				
HR1	Percentage and total number of investment agreements that include human right clauses or that have undergone human rights screening.	🔄	1 y 2	14
HR2	Percentage of suppliers and contractors that have undergone screening on human rights.	✔	1 y 2	66
HR3	Total hours of employee training on human rights policies and procedures.	✔	1 y 2	14
HR4	Non-discrimination policies	✔	6	14
HR5	Freedom of association and collective bargaining.	✔	3	14
HR6	Child labour policies	✔	5	14
HR7	Forced and compulsory labour policies	✔	4	14
HR8	Percentage of security personnel trained on human rights policies.	✔	2	14

Indicator	Description	GRI indicator	Global Compact Principle	Reference page
Social Performance Indicators: Human Rights				
HR9	Number of incidents involving violation of rights of indigenous people and actions taken.	✔	2	49
MM11	Process for identifying local communities' land and customary rights, and mechanisms for dispute resolution.	n/a		
Social Performance Indicators: Society				
SO1	Community development policies and programmes	✔		37, 39-44
SO2	Percentage of operations analysed for risks related to corruption.	n/a	10	
SO3	Percentage of employees trained on anti-corruption policies and procedures.	✔	10	14
SO4	Actions taken in response to incidents of corruption.	✔	10	13
SO5	Public policy positions and participation in public policy development and lobbying.	✔		15
SO6	Total value of financial and in-kind contributions to political parties or individuals.	✔		15
SO7	Total number of legal actions for anti-competitive behaviour and their outcomes.	No incidents		
SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	✔		66
MM7	Significant issues affecting communities and their resolution.	✔		48-49
MM8	Involvement in small-scale mining operations within company areas of operation.	n/a		
MM9	Políticas y actividades de reasentamiento.	n/a		
MM10	Number or percentage of operations with site closure plans. Description of the company's policy and procedures for closure planning.	✔		59
Social Performance Indicators: Product Responsibility				
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement.	✔		61
PR3	Type of product and service information required by current procedures.	✔		61
PR6	Programmes of adherence to laws, standards, etc. related to marketing and advertising.	✔		61
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning products and services.	✔		66
Legend				
✔	Data available	✖	Data unavailable	
🔄	Data partially available	n/a	not applicable	

Global Compact Principles
Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights.
Principle 2: Business should make sure that they are not complicit in human rights abuses
Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.
Principle 4: Businesses should uphold the elimination of all forms of forced and compulsory labour.
Principle 5: Businesses should uphold the effective abolition of child labour
Principle 6: Businesses should uphold the elimination of discrimination in respect of employment and occupation.
Principle 7: Businesses should support a precautionary approach to environmental challenges
Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility.
Principle 9: Businesses should encourage the development and diffusion of environmentally friendly technologies.
Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.


Reader’s feedback

Liaising with our stakeholders is one of Minera Alumbrera’s strategic priorities.

You can send us your comments or suggestions to improve this Sustainability Report. We will appreciate your opinion on our management practices.

Please write down your opinion in the attached form and:

-  Fax it to: (54-11) 4316-8399
-  Download it from our website at www.alumbrera.com.ar and e-mail to informe2009@xstratacopper.com.ar

-  Post it to: Apartado Especial N°140
Correo Central 1000
Ciudad Autónoma de Buenos Aires
República Argentina

Reader’s feedback form

We will appreciate your feedback to streamline our activities.

■ HOW DID YOU FIND THE REPORT IN GENERAL?

Uninteresting ☐ Somewhat interesting ☐ Interesting ☐ Very interesting ☐

■ IT REPORTED ON MINERA ALUMBRERA'S CORPORATE SOCIAL INVOLVEMENT INITIATIVES IN ... DETAIL:

No ☐ Little ☐ Sufficient ☐ Great ☐

■ HOW WOULD YOU RATE THE INFORMATION INCLUDED IN THE FOLLOWING CHAPTERS:

	Insufficient	Sufficient	Superior
■ Chief Executive's Message	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
■ A word from Minera Alumbrera's General Manager	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
■ Table of Contents and Objectives for 2010	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
■ Scope of this Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
■ Our approach	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
■ Corporate Governance and Management Systems	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
■ The Economic Contribution of our Operations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
■ Our People	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
■ Sustainable Communities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
■ Environment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
■ Value Chain	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

■ YOUR COMMENTS AND/OR SUGGESTIONS:

Name: Full address:

Province: Country:

E-mail: Telephone:

■ YOUR RELATIONSHIP WITH MINERA ALUMBRERA:

Customer ☐ Shareholder ☐ Employee ☐ Supplier ☐

Resident from neighbouring communities ☐ Others (specify)

■ Fax: (54-11) 4316-8399 - E-mail: informe2009@xtratacopper.com.ar
This Sustainability Report is also available in our website at: www.alumbrera.com.ar



FSC certified report
Forest Stewardship Council (FSC) is an international organisation certifying the use of paper manufactured out of wood pulp from responsibly managed forests and other certified sources.

Design
Chiappini + Becker - Visual Communication
Telephone: (54 11) 4314 7774
www.ch-b.com

Open Pit & Headquarters
4319 Distrito de Hualfín
Departamento Belén
Provincia de Catamarca

Catamarca Offices
Av. Ocampo 50
4700 Catamarca

Filter Plant
Ruta 302 - km 15
4178 Cruz Alta
Provincia de Tucumán

Tucumán Offices
San Martín 631 6°
4000 Tucumán

Alumbrera Port Facilities
Juan Vucetich s/n°
2202 Puerto Gral. San Martín
Provincia de Santa Fe

Buenos Aires Offices
Av. Leandro N. Alem 855 22°
1001 Ciudad Autónoma de Buenos Aires

www.alumbrera.com.ar



MINERA ALUMBRERA
YMAD - UTE

Minera Alumbrera

Open pit & head offices 4319 Distrito de Hualfin - Departamento Belén - Provincia de Catamarca
www.alumbrera.com.ar