



Minera Alumbra

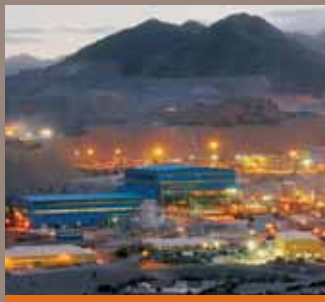
Sustainability Report 2007



Led by



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Sustainability Report 2007

Our mission is to support Argentina's development by fostering open and honest relationships with our people, the local communities and organizations, and to obtain leading returns in the mining industry, in a safe, sustainable and environmentally responsible fashion.

Chief Executive's message

2007 has been another successful year for Xstrata Copper's business activities. During the year we consolidated our position as the industry's fourth largest copper producer, having more than doubled in size in the second half of 2006.



Charlie Sartain

By integrating our new Canadian and South American businesses into Xstrata Copper through the establishment of three new, regionally-based operating divisions and the development and implementation of common systems across our organisation, we have strengthened our business and culture and are now well positioned to continue to take advantage of further growth opportunities to achieve our objective of becoming the recognised leader in our industry sector.

In a dynamic global business environment characterised by an increasing demand for commodities, higher commodity prices, and industry consolidation, we remain focused on the core aspects of our business. We continue our drive to maximise value for our shareholders through our business initiatives, whilst approaching with discipline and vigour our sustainable development goals related to maximising the talent development of our people, responsible management of the environment, establishment of mutually beneficial relationships with communities, governments and other stakeholders and above all ensuring the safety of our own people.

Tragically, despite significant overall improvements in many of our statistical safety performances, in 2007 we suffered two fatal accidents, one at the Kidd Mine in Canada and one at Alumbrera in Argentina, and in the early part of 2008, another at Tintaya in Peru. These fatalities shocked and deeply saddened all of us in Xstrata Copper. Following the deaths of Lyle Dufoe, Sergio Morales and Efraim Merma, we are even more determined to achieve our overall strategic objective of injury-free work environments and to realise further substantial improvements in our safety performance.

During the year we remained focused on maintaining and improving our reputation for excellence in environmental management and social responsibility. Key to this was the implementation of a new sustainable development framework, which is aligned with the International Council of Mining and Metals' (ICMM) Sustainable Development Principles.

Some of Xstrata Copper's highlights for 2007 are listed below against the relevant goals that we had set for the year. More details about Xstrata Copper's sustainability

performance are provided in this report and in the other sustainability reports produced by our operating divisions and development projects.

Consolidating our operating performances

In 2007 we consolidated our operating performances to achieve improvements including:

- increases in ore processed at all of our major open pit mining operations, including Alumbrera, Ernest Henry, Tintaya, Collahuasi and Antamina;
- the expansion of smelting and refining capacities in North Queensland, Australia;
- real Unit Cost savings of USD68 million across the operations;
- a 26% increase in recycled material processed at the Horne smelter in Canada;
- the construction of a molybdenum processing facility at Alumbrera in Argentina;
- approvals of expansions at Lomas Bayas mine and Altonorte smelter in North Chile.

Preparing for future growth

Xstrata Copper has six major copper projects in its development pipeline. In 2007 all six met their evaluation timeframes and advanced to the next stage of development. In early December Xstrata Copper and Bechtel, the world's leading engineering, procurement and construction management consultants in the copper industry, announced a 10-year strategic alliance that will facilitate the development of our projects.

Towards injury-free, safe work environments

Our work to create and sustain injury-free, healthy work environments for our employees continued in 2007.

In pursuit of our zero harm objective, we achieved a 14% reduction in the Total Recordable Injury Frequency Rate (TRIFR) across our operations.

As a result of the integration of the former Falconbridge copper assets into Xstrata Copper, great improvements were made in the Canadian and North Chile divisions which achieved 34% and 46% reductions in TRIFR respectively.

In 2008 we will redouble our safety efforts with a goal to achieve zero fatalities and a further 25% reduction in the Total Recordable Injury Frequency Rate (TRIFR) to less than 8.4 (injuries per million hours worked).

Towards leadership in environmental performance

In 2007 our worldwide emission improvement programmes made significant steps towards bringing all of Xstrata Copper's sites up to the best-in-class standards that are in place at our Kidd Metallurgical Site in Canada. These are delivering improvements in sulphur dioxide, arsenic and lead emissions management at the Altonorte smelter in North Chile, the Horne smelter in Canada and the Mount Isa smelter in North Queensland.

Environmental staff from our expanded global operations came together for an environmental forum during the year to examine risk and closure issues, and to progress the implementation of a common standard for environmental management systems across the business.

In 2008 we will aim to have this common standard in place and to introduce an agreed new framework and guidelines for managing site closure.

Reputation for social responsibility

In 2007 our social responsibility activities were diverse: as examples, we helped to build medical clinics in Argentina; assisted children to become the first ones in their family to learn to read in the Philippines; and gave farmers who live near our Las Bambas project in Peru the training and equipment to revolutionise local farming methods and improve their families' standard of living.

These programmes and the many others we fund and manage in South America, Canada, Australia and the Philippines contribute to improving:

- local and community government capacity;
- nutritional levels in communities;
- local production capabilities;
- health facilities and services; and
- literacy and education facilities and programmes.

They also aim to assist communities in the efficient management of their own resources and natural resources.

In 2008 we will continue to refine and develop our social responsibility programmes and further assess community relations activities and opportunities related to project development.

I hope this report provides you with useful information about our business activities as well as our performance for the past year and targets for the coming year in key sustainable development areas. I recommend it, and our other sustainability reports, to you as a record of Xstrata Copper's commitment to sustainable development and of our plans for continual improvement in such vitally important areas as we continue on our growth trajectory.



Charlie Sartain

Message from the General Manager

This Sustainability Report is the annual result of the responsible management practices implemented at our operation that consist of developing our social, environmental and safety strategy, implementing action plans and assessing our performance in these key areas.



Jorge Montaldi

Through open communication practices, our business performance is reported to all project stakeholders across the organisation. This report will serve as a renewed indicator that will kick off an additional improvement process.

Sustainable development is a key notion guiding our commitment. It helps improve company performance and maintain operational permits, ensure long-term innovation and growth, while enabling responsible community development.

Bearing this in mind, we face the challenge of implementing a business strategy that responds to the current needs of the company and the community of which we are a part, protecting and preserving human resources and the environment for the future.

This report has been prepared in line with the Global Reporting Initiative's G3 Sustainability Reporting Guidelines. It is a reference tool extensively used worldwide, that sets out organisational performance measurement and reporting principles and indicators. Furthermore, Minera Alumbrera's support of the UN Global Compact dates back to 2004. The UN Global Compact is a voluntary initiative to promote universal corporate responsibility and improved behavioural principles.

Business Performance

Increasing metal prices in world markets led to a favourable economic scenario that brought significant direct benefits to Catamarca and Argentina as a whole. During 2007, Alumbrera's contribution to the Argentine economy totalled \$3.109 billion, including tax payments, YMAD's profit share, salaries, payroll taxes as well as local goods and services. This means that about 63% of Alumbrera's revenues is spent in Argentina.

Even though production from our operation was 7% lower than expected (mainly as a result of difficulties in processing stockpiled ores and power supply restrictions), it remains within acceptable parameters.

The construction of our molybdenum processing facility was completed during 2007.

This project has brought additional benefits to neighbouring communities, mainly in terms of employment and the supply of local goods and services during the construction stage.

Among other benefits, molybdenum concentrate will be exported via the San Francisco Pass in Catamarca, which is a landmark for regional and provincial development.

Safety

Our safety performance was generally as expected. Our Disabling Injury Frequency Rate (DIFR) for 2007 was 1.44, which is slightly below our 1.5 target. Even though this rate slightly increased over our 2006 levels, it is in line with the highest international standards. However, our challenge for 2008 is to achieve similar or improved performance over our 2007 levels.

Despite our annually improving safety performance, we have been stricken by the fatality suffered by Sergio Morales (an employee of a contractor company) in an accident in July 2007. This unfortunate event has led us to duplicate our efforts in order to ensure a safer workplace.

Environment

We are committed to the highest environmental standards applicable both in Argentina and in the countries of our sponsor companies. Our operations meet and even exceed the rules in force. Our

mission is to remain leaders in the use of environmental technologies. For the third consecutive year, we have obtained the ISO 14001 standard accreditation for our off-site facilities, which undoubtedly shows our sustained commitment to the highest environmental standards. As to our biodiversity efforts, the local vegetation and wildlife monitoring programme continued, including a survey of native species. The capping field tests continued at the waste dump and tailings dam to ensure environmentally responsible mine closure practices.

The slurry pipeline valve station number 2 (situated in the Cumbres de Santa Ana mountain range, in Tucumán) failed in August 2007, resulting in a concentrate spill. Our early warning systems helped overcome this incident, which had no adverse impact on the local population or the quality of local water supply. Provincial authorities were promptly notified and supervised the subsequent cleaning and rehabilitation works.

Corporate Social Involvement

Minera Alumbrera has supported sustainable initiatives since project commissioning with the purpose of ensuring local and regional development through local entrepreneurship.

Continued efforts have been made to improve the standard of living in neighbouring communities by supporting sustainable local projects.

Therefore, technical and financial resources have been allocated to ensure increased competitiveness, business training as well as improved health and education infrastructure at the regional level.

As part of Minera Alumbrera's corporate social involvement programme, support has been provided to the construction of the largest technical school in Belén (Western Catamarca), which is expected to be completed during the first half of 2008. Moreover, refurbishing works have been started in Andalgalá school number 995 as well as in Hualfin sports centre, both in Catamarca.

Major infrastructure works have been undertaken in Tucumán, including Hospital de Niños, Centro de Salud, Hospicio del Carmen and Angel C. Padilla hospitals under the agreement executed two years ago with the provincial administration. The existing agreements with the Catamarca and Tucumán administrations have been renewed during 2007 for an amount of \$12 and \$10 million respectively. This enabled an extension of our commitment to additional health and education works in both jurisdictions.

Significant progress has been attained and timely challenges have been faced during 2007 to expand our management strategy which is strongly committed to our people, the environment as well as local communities. All of our work is based on robust ethical principles, courage and teamwork.

Because we put into practice our values in our day-to-day activities, we have a worldwide reputation for our valuable human resources, our responsible operational practices and flourishing growth".

Our performance for 2007 clearly demonstrates our will to grow and diversify our business in the framework of a country in which the prevailing laws are respected. We trust this will be maintained in future years to ensure mining development under rules that successfully attract local investment.

Finally, we invite you to read about cases of projects that are possible, feasible and inharmony with economic, social and environmental considerations. The implementation of these three pillars of sustainable development have led us to become industry leaders at the local and international level, promoting Argentine development. These three pillars allow us to be a leading company both in the local and international mining industry, that promotes development in Argentina.



Jorge Montaldi

Table of contents and objectives for 2008

Environment	Goal for 2007	Performance	Goal for 2008
Fines or penalties	No fines or penalties	✔ No fines or penalties	No fines or penalties
Incidents	No category 3, 4 or 5 incident	✘ 1 category 3 incident: concentrate spill at VS2.	No category 3, 4 or 5 incident
Management system	Implement the ISO 14001 standard at the minesite.	🔄 50% implemented at site	Accreditation of our management system
Waste	Increase our plastic bottle and cardboard recycling efforts by 5%.	✔ Plastic bottle recycling efforts increased by 14% and paper and cardboard recycling efforts increased by 42%.	Installation of a monitored spillway for residential waste.
	Design a metal and rubber recycling programme.	✔ 127 tons of rubber have been taken to Buenos Aires and 230 tons of Goal for recycling at a blast furnace in Jujuy.	Enhance our Goal for recycling programme
Climate Change*			Goal for 2008
Greenhouse gas emissions			Implement our Environmental Management Programme for Greenhouse Gas Emissions.
Energy efficiency			Achieve 0.13 GJ**/ton milled
Biodiversity	Goal for 2007	Performance	Goal for 2008
Monitoring programmes	Vegetation and wildlife survey for the autumn.	✔ Annual programme completed and summer programme started.	- Maintain our annual soil, vegetation and wildlife monitoring programme. - Maintain our cactus restoration programme at the Tailings System area.
Native species	Obtain INTA's advice for germination trials during 2007.	✔ The native species revegetation pilot trial was started at Minera Alumbreira's nursery with private consultants.	Complete the native species revegetation pilot trial.
	Start carob tree revegetation pilot tests at Campo Arenal area.	✘ Contract to be awarded	- Start planting and seeding activities at the nursery. - Select and prepare the area to be revegetated
Soil rehabilitation	Develop a new field test site at the waste dump to identify the impact of varying surface landforms on the final design.	🔄 A new field test was completed at the Puente waste dump over two hectares. The installation of monitoring probes is pending.	Rehabilitation of 12 ha waste dump
Water Management	Goal for 2007	Performance	Goal for 2008
Vis Vis monitoring programme	Replace a pumpback well and develop an additional monitoring well.	✔ As planned	Develop an additional pumpback and a further monitoring well at the Vis Vis Canyon.
Water utilisation in dry areas			- Implement a water exploration programme in Campo del Arenal to identify the features of the local aquifer. - Water requirement of 520 l /ton milled

* Topic covered as from the 2007 report
** Giga joules (=MW/h * 3.6)

✔ Goal fully achieved 🔄 Goal partially achieved ✘ Goal not achieved

Safety	Goal for 2007	Performance	Goal for 2008
Prevent fatalities	Zero fatalities	✘ 1 contractor fatality in July 2007	Refresh self-care training and risk identification and analysis for all employees and contractors.
Key business risk	Major risk reduction	✔ Major risks have been identified and managed and specific risk reduction programmes have been implemented.	- Follow up major risk trends. - Maintain similar practices for mid-level risks.
Management	Following the fatality of July 2007, Minera Alumbreira joined the Fatal Accident Reduction Programme of the Department of Labour.	✔ The recommended corrective action has been partially taken and work procedures and standards are being revisited.	- Add a specific standard for forklift operations. - Additional follow up and supervision freight forwarders.
Prevent incidents	Update the list of significant business risks and risk management practices.	✔ Registered at the CURA system. Significant risks have been identified and managed using the appropriate tools and practices.	- Complete response plans associated to catastrophic and significant risks. - Implementation and roll down of general management practices for fatal risks. - Review the CURA system structure.
LTIFR ¹	< 1.5	✔ 1.44. 4% reduction	< 1
TRIFR ²	< 10	✔ 6.29. 40% reduction	< 10

Health	Goal for 2007	Performance	Goal for 2008
Programmes	Implement a health programme for employees.	✔ Flu shot programme completed with all employees. - CPR and first aid training sessions for new recruits. - Annual first aid programme for rescuers. - Joint survey by the medical services and a dietitian to treat overweight employees.	- Implement medical examinations and follow up appointments for overweight employees. - Implement our "La batalla" voluntary programme, involving dietitians, our medical services and gym trainers.
Occupational illnesses	- Complete our environmental measurement programme across operational areas. - Implement a follow up system for departures from the annual medical examination programme.	🔄 Departures have been identified for potential hypoacusia. Joint follow up with La Caja ART Work Risk Insurer. - Environmental Measurement programme jointly with La Caja ART. - Training courses on the use of breathing and hearing protection equipment.	- Industrial health training programme. - Awareness programme for the use of Personal Protection Equipment. - Follow up departures and review the positions involved.
Community health initiatives	Health survey in neighbouring communities with no health care centres.	✔ Bi-monthly health services in Amanao Canyon. Health issues examined and treated by a physician.	Arrange visits to other neighbouring communities.

Social	Goal for 2007	Performance	Goal for 2008
Community development expenditure	Continue with our local production, education and health programmes. \$8 million to be spent in the project area.	✔ Ongoing programmes were pursued and new projects started.	- Update our programmes based on community needs. - Increased expenditure by 6%.
Stakeholder engagement	Survey to implement a new monitoring and assessment system for community programmes.	🔄 Monitoring programme started	System implementation started by pilot testing certain projects.
Corporate social involvement	Arrange health and education projects with the Catamarca and Tucumán administrations in order to improve the local standard of living. \$34 million CSI and Community programme.	🔄 70% of the budget was actually spent, with the remaining amount carried forward to 2008 based on progress reports.	Infrastructure works in Catamarca and Tucumán for two consecutive years under existing agreements.
Mine closure			Community and environmental programmes for mine closure based on the survey of a specialist engineer.

1 LTIFR: Lost time injury frequency rate.
2 TRIFR: Total recordable injury frequency rate.

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Jorge Montaldi

Ethics and governance systems

Minera Alumbra's management is strongly committed to sustainable development. This is reflected in our ethical behaviour with stakeholders at the social, economic, business and environmental levels.



PURPOSE	STRATEGIC OBJECTIVES	OUR VALUES
<ul style="list-style-type: none">■ Maximise shareholder value through successful management and growth, in a safe, sustainable and environmentally responsible way. In order to achieve these goals, we will support Argentina's development through open partnerships with our people, the local communities and organisations.	<ul style="list-style-type: none">■ Injury-free, safe work environments.■ Recognised leadership in environmental performance.■ Reputation for social responsibility through the support to local communities.■ Realisation of the full potential of our people.■ Achievement of the full capacity of our physical assets.■ Cost competitiveness through the cycles.■ Value creation through dynamic growth and continuous improvement.■ Effective implementation of common key systems and strategies.	<p>Our decisions and actions demonstrate the following values:</p> <div><div>HONESTY</div><div>DEPENDABILITY</div><div>RESPECT</div><div>CONFIDENCE</div><div>INGENUITY</div><div>COURAGE</div><div>PASSION</div></div>

Governance structure

Minera Alumbra is committed to the highest standards of health, safety and environmental performance, community support and to the principles of sustainable development. The Xstrata Health, Safety, Environment and Community (HSEC) standards and policies have been developed in line with the International Council on Mining and Metals (ICMM) principles of sustainable development and leading global practices and management systems.

This approach is supplemented by Minera Alumbra's health, safety, environment, community, sustainable development, risk management and human resources policies and common systems.

Minera Alumbra's performance is monitored and measured against Xstrata's HSEC systems, policies and standards by the Xstrata Copper HSEC Committee. The HSEC Committee gathers on a monthly basis to review the HSEC performance throughout the Business Unit sites and operations.

Through the Xstrata Copper Board, the HSEC performance of the Business Unit is reported to the Xstrata Executive Committee.

Corporate governance

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

Minera Alumbra is owned by private investors, including Swiss Xstrata plc group, which holds a 50% share, Canadian Goldcorp and Yamana Gold holding a 37.5% and 12.5% share respectively.

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

In 1994, Minera Alumbra entered into an unincorporated joint venture (UTE) agreement with Yacimientos Mineros de Aguas de Dionisio (YMAD) to mine the Bajo de la Alumbra deposit. YMAD is formed by the Catamarca provincial administration and Universidad Nacional de Tucumán.

The UTE Management Committee consists of eight members, three of them representing YMAD and five members representing Minera Alumbra, and is presided over by a chairperson. During these meetings, Minera Alumbra's performance is reviewed by YMAD.



Juan G. Pani and Luis Cointte determining metal concentration through the atomic absorption process at Minera Alumbra's lab.

International agreements

In 2004, Minera Alumbra adhered to the UN Global Compact (GC), an 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 initiatives based on business leadership practices.

The GC principles are an integral part of Minera Alumbra's business strategy. As a GC signatory and active member, we support this initiative in inland Argentina. For the second consecutive year, during 2007 we supported a workshop in Tucumán covering subjects such as corporate annual reports and the implementation of programmes promoting universal values as well as the UN objectives.

Minera Alumbra is also involved in miscellaneous initiatives of the mining industry to encourage sustainable development practices such as the International Council on Mining and Metals'.



Expansion Project Manager Max Combes is responsible for Minera Alumbra's molybdenum plant construction.

Memberships

- Argentine Business Council for Sustainable Development (CEADS), a local branch of the World Business Council for Sustainable Development (WBCSD).
- Argentine Business Development Organisation (IDEA).
- Argentine Mining Chamber (CAEM).
- Fundación Capital (a social and economic research organisation).

Ethics and business principles

Minera Alumbraera endorses Xstrata's business principles, which set out corporate ethics, taking into consideration the differing cultures, customs as well as the applicable laws.

Ethics is the foundation of Minera Alumbraera's business principles, which have been voluntarily made part of global initiatives promoting ethics as a fundamental value.



Operator Sebastián Alamino supervising the conveyor belt.

Minera Alumbraera's management is strongly commitment to sustainable development. This is clearly demonstrated by Minera Alumbraera's ethical behaviour with stakeholders at the social, economic, business and environmental levels.

Human Rights

Minera Alumbraera's Business Principles reflect our endorsement to the principles set out in the UN Universal Declaration of Human Rights and the International Labour Organisation Conventions.

Minera Alumbraera is focused on protecting 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. We also support the rights of employees, community members and other stakeholders to be treated with dignity in a manner that respects cultural heritage, traditions and rules.

In areas where we employ security personnel (either directly or as contractors) to protect our people and assets, we ensure that appropriate human rights training has taken place and monitor compliance with our Business Principles, HSEC policy and standards, in line with Xstrata's management standard for suppliers, contractor and partners.

In addition to regular training, Minera Alumbraera's security personnel are trained on human rights policies as specified in their employment contract.

Child and forced labour

Minera Alumbraera's Business Principles uphold the elimination of all forms of forced or compulsory labour and provide that no form of child or forced labour will be tolerated. All Xstrata operations report the age of their youngest employees or contractors on an annual basis and are audited through the internal risk management review.



An operator working at high altitude.

Corruption policies

In accordance with our Business Principles, no inducement or bribe should be offered, solicited or accepted. Xstrata's internal audit function, supported by consultant KPMG, identifies fraud and compliance risks associated with our core business activities, including the ethical performance expectations contained in our Statement of Business Principles.

In addition, Xstrata Copper's Fraud Policy explicitly provides that the organisation will not tolerate any incident of fraud committed by any employee or third party, either from within or outside the organisation and will take immediate action against any person committing fraud, irrespective of his/her length of service or position. It also outlines the procedures for employees and third parties to safely and confidentially report fraud or other unethical behaviour that is contrary to Xstrata Business Principles.



Superintendent Fabián Pérez and operator Bartolo Gutiérrez at the moly plant thickeners.

Political support & of public policy development

Xstrata's Corporate Social Involvement Policy prohibits all kinds of political support. Xstrata plays an active role in a number of significant international and local industry organisations and multi-stakeholder groups, through membership, funding, provision of expertise and involvement in committees and work groups.

Xstrata Copper plays a similar role in copper-related organisations.

Xstrata's global activities associated to public policy development are related to our membership of the International Council of Mining and Metals (ICMM), and our support to the Extractive Industries Transparency Initiative (EITI).

Minera Alumbraera does not make monetary or other contributions to any political party or officer.

Non-discrimination policy

We value the contribution made by our employees, and our policies and practices respect their personal dignity and rights. We will not tolerate any form of discrimination, harassment or bullying at the workplace.

No discrimination incident has been reported at Minera Alumbraera during the period under consideration.

Code of conduct
<div>- Minera Alumbraera has developed and implemented a Code of Conduct to ensure that business activities are conducted with honesty and integrity, under the highest ethical standards. Minera Alumbraera's Code of Conduct is applicable to all company employees and sets out the ethical guidelines for each position.</div> <div>- A description of our ethics policy is included in a brochure that is distributed to individual employees upon recruitment. It sets out baseline procedural practices such as compliance with the laws, permits and agreements in force, proper asset utilisation, business expenditure, confidential information and conflict of interests. They cover the Universal Declaration of Human Rights including the equality of opportunities and non-discrimination policies.</div> <div>- Minera Alumbraera's reputation at the local and international levels relies on individual employee actions. Thus, employees are required to work honestly for the benefit of Alumbraera, while striving to improve their work and in compliance with Alumbraera's Code of Conduct.</div> <div>- An "ethics line" was implemented to provide employees and contractors with a toll-free and confidential telephone line, managed by our KPMG consultant, to report any procedure breaking pre-established company policies that may not be directly communicated to supervisors.</div>

About Minera Alumbreira

Since 1997, Minera Alumbreira has been operating Bajo de la Alumbreira copper and gold deposit located in Northwestern Catamarca. Initial capital expenditure totalled USD1.2 billion. So far, the total project investment amounted to USD1.6 billion.



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 agreement with Minera Alumbreira to mine the deposit, and is entitled to a 20% share in Bajo de la Alumbreira profits.

Minera Alumbreira is operated by Xstrata, 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 a 37.5% and 12.5% share, respectively. In August 2007, Northern Orion (a former Minera Alumbreira shareholder) was 100% acquired by Yamana Gold.

The The Bajo de la Alumbreira Project is composed of five main facilities situated in three different provinces. Mining operations and the processing plant are located at 2,600 m a.s.l., in Catamarca.



MINERA ALUMBRERA OPERATIONS



Molybdenum Plant

The engineering and procurement stages for the construction of a molybdenum plant started in November 2006. Construction was completed in September 2007 and the plant is now operational. At present, the final product is being adjusted.

The first plant to mine molybdenum ores in Argentina has been developed by Minera Alumbreira at a USD15.5 million cost. Annual production has been estimated in 4,400 tonnes of molybdenum concentrate.

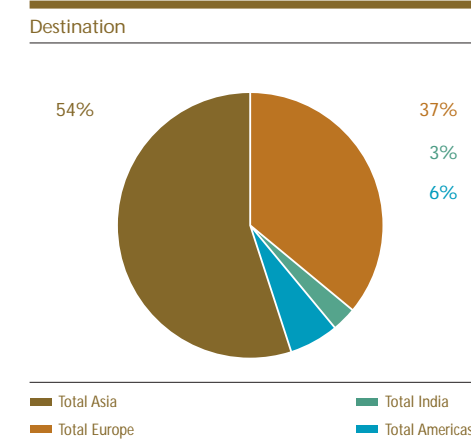
Exports

A 202km 220kV power line has been laid from El Bracho Substation, in Tucumán, to the mine site. Following a complex grinding, milling and flotation process, copper and gold concentrate is obtained and pumped through a 317 km slurry pipeline to the filter plant and rail loading facilities located in Tucumán.

There, concentrate is dewatered and process water is treated at our effluent treatment plant. The final product is railed using Minera Alumbreira's four locomotives and 182 wagons, from Tucumán to the company's port facilities in Puerto General San Martín, province of Santa Fe.

Minera Alumbreira produces annually around 180,000 tons of copper and 630,000 ounces of gold, which is principally shipped to Germany and Korea, followed by Japan and the Philippines.

Concentrate is mostly shipped to Asia, representing 54% of product destinations.



This project involved a major challenge for Minera Alumbreira since it was developed by young engineering graduates from Universidad Nacional de Tucumán.

The plant was developed by Minera Alumbreira's regular contractors from Catamarca, Tucumán, Santa Fe and San Juan.

Molybdenum is mined at the present mine phase because it is contained in low copper grade ores.

Large quantities of molybdenum are used for special and highly resistant steel, as well as for lubes and catalysts. Molybdenum ensures additional resilience and strength against abrasion.



WORK DESCRIPTION	
Construction period:	10 months
Companies involved in the construction stage:	100
Workers involved in construction:	500
Current workers:	21
Origin:	80% from Catamarca, with the rest from Tucumán
Project Engineering:	by Minera Alumbreira
Construction and assembly:	local contractors

Minera Alumbra provides direct and indirect benefits to the project area, as well as contributions both at provincial and local levels.

Moreover, Minera Alumbrera develops local suppliers to increase the value chain in the project area to ensure a fair distribution of project benefits.

CULTURAL PROGRAMMES

- Minera Alumbrera's income tax payments accounted for 3% of Argentina's income tax revenues.

2 Funds actually paid by Minera Alumbra to economic organisations including the national, provincial and municipal administrations, YMAD and local suppliers of goods and services.

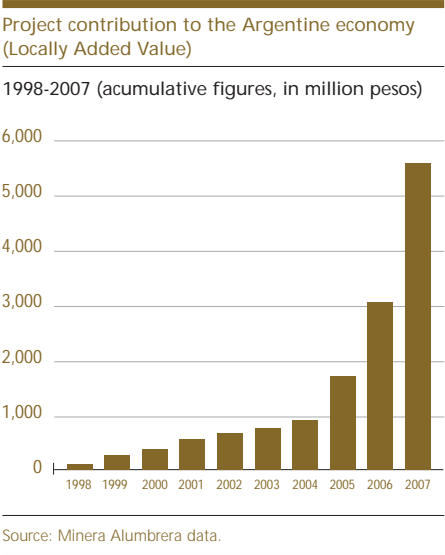
Source: data provided by Minera Alumbrera, the Minister of Economics and the Government of Catamarca.

Source: data provided by Minera Alumbraera, the Government of Catamarca and YMAD.

5 The above rates have been estimated based on the amounts paid and/or collected by various economic organisations.



Over the last 10 years, project contributions to the Argentine economy came to almost \$5.2 billion (USD1.67 billion), excluding local goods and services. This means that the wealth -or local added value- generated by the BLA Project during such period in terms of wages, YMAD profit share, provincial royalties, and tax payments virtually matches project investment to date: USD1.6 billion. If domestic goods and services are considered, the aggregate for the period comes to about \$10 billion.



Distribution of Minera Alumbraera contribution to Argentine economy

Minera Alumbraera's contribution to Northwestern Argentina for 2007 totalled \$1.15 billion.

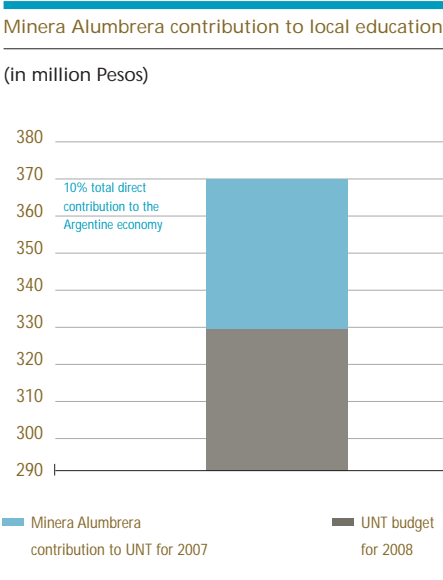
Universidad Nacional de Tucumán (UNT) is entitled to 40% out of YMAD's profit share. This totalled \$312 million in 2007.

This figure is 18% higher than the present University budget and represents 43% of the consolidated education expenses for the province of Tucumán for 2006 -including National Government contributions- and 63% taking into account provincial funds only.

6 YMAD was organised pursuant to National Law N° 14771. Under this law, profits should be allocated as follows: 60% to the province of Catamarca and 40% to the UNT.

Based upon these figures, it may be inferred that the Minera Alumbraera joint venture ensures actual funds for the budget of Universidad de Tucumán and significantly improves local education resources.

7 Consolidated education expenses for the province of Tucumán include the resources required for public education services at the provincial level. It includes formal and non-formal kindergarten education, primary and secondary schools and higher education centres (excluding universities).



Furthermore, Minera Alumbraera specific contributions to Catamarca (including other contributions to YMAD, royalty and tax payments and provincial charges and grants) totalled \$593 million in 2007.

This accounts for 28% and/or 21% of the total budgeted expenditure at the provincial level for 2007 and 2008, respectively. Universidad de Catamarca's budget represents 12% of the above revenues.

8 Minera Alumbraera tax payments. Income tax payments for such year amounted to \$729 million.

Moreover, Minera Alumbraera contribution accounts for 110% of Catamarca's tax and non-tax revenues.

Minera Alumbraera tax payments to the federal treasury for 2007 amounted to \$1.34 billion⁸.

To give an example of how significant this figure is, below are some indicators of Minera Alumbraera contribution to the national treasury:

- Minera Alumbraera income tax payments accounts for 3% of the total tax revenues for 2007.
- This is 35% higher than the government subsidy to Universidad Nacional de Buenos Aires for 2008.

Finally, Minera Alumbraera profits distributed to Universidad de Tucumán (through YMAD's share in Minera Alumbraera), together with the national tax payments for 2007 -representing 52% of Minera Alumbraera's total contribution to the Argentine economy-

would provide financial resources to cater for over 450,000 university students.

Likewise, Minera Alumbraera's total contribution to Catamarca accounts for about 20% of the total provincial expenditure for 2008.

These indicators show Minera Alumbraera's significant contribution to the national, provincial and local economies thus allowing the development of a sustainable mining industry, which will ensure welfare in local communities.



Our People

In terms of safety performance, Minera Alumbra's DIFR¹ for 2007 was 1.44 in line with general expectations, which was slightly below the 1.5 target.

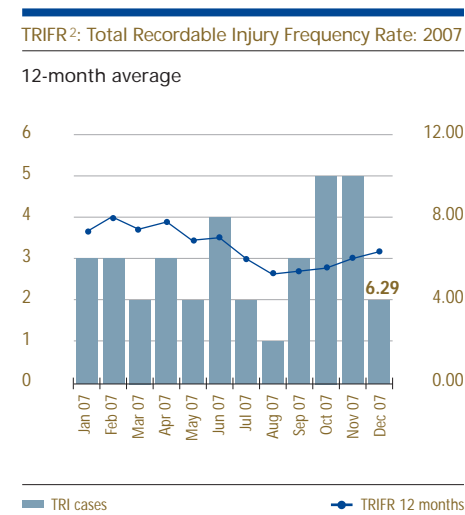
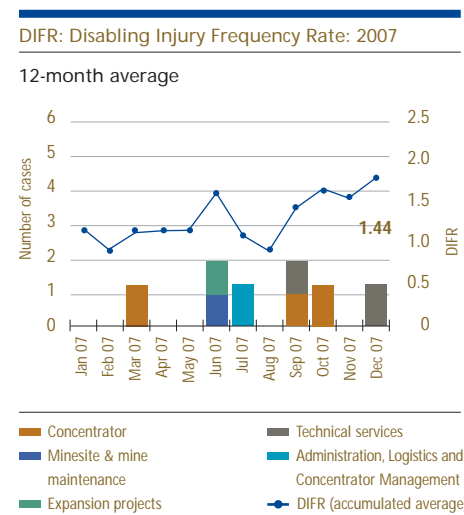


Performance Records

This DIFR, although higher than 2006 levels is in line with the highest international standards. However, our challenge for 2008 is to maintain or improve our 2007 levels.

Unfortunately, a fatality involving a worker of one of our contractor companies occurred in July 2007. From an investigation of this incident, we concluded that short, medium and long term corrective action is required to minimise the likelihood of these events. This involves doubling our efforts as well as our commitment to safety issues within the framework of our continuous improvement plan.

At Minera Alumbra, the safety managers for each specific area keep statistical rates in a database on a monthly basis to monitor performance and conduct the necessary follow-up activities.



Achievements

The high safety performance level of all employees is mainly the result of the ongoing training efforts to prevent accidents and occupational diseases, and the strong commitment by all Minera Alumbra employees to ensure the necessary resources and strong support from managerial levels.

TARGET FOR 2007	PERFORMANCE FOR 2007	TARGET FOR 2008
DIFR <1.5	✓ 1.44	<1.5
LTIFR <1.5	✓ 1.44	<1
TRIFR <10	✓ 6.29	<10
DISR <52	✗ 142.48	<50
✓ Objective fully achieved	⚡ Objective partially achieved	✗ Objective not achieved

Health & Safety Policy

According to Xstrata Copper's Health and Safety Policy, our goal is to create and keep a healthy and injury-free work environment for all employees working on site. Our target is zero injuries.

In order to achieve this goal, our management team is accountable for safety performance and training in order that our employees improve their safety awareness and skills, including their responsibility towards themselves, their families and co-workers to work and act safely.

¹ DIFR: Disabling Injury Frequency Rate -an injury which causes an employee to be unable to perform his/her ordinary duties during the following shift. This includes Lost Time Incidents.



Finance Manager David Perkins and his team during the daily safety meeting.

Moreover we ensure that every task at the worksite is undertaken in accordance with safe and pre-established practices and that our employees have the proper and adequately conditioned tools and equipment.

We further check on the health, well-being and fitness of our employees through a medical examination programme.

At Minera Alumbra, safety management is not centralised and each area has its own safety personnel and resources. Within this structure, the Human Resources and Industrial Safety manager sets general guidelines to achieve the goals and is responsible for medical services, emergency response and Risk Management areas.

Minera Alumbra Health and Safety Standards Manual has been devised to provide all areas with the guidelines to develop and comply with our safety policies and plans, following our strategic business objectives. This manual is also an administrative tool to measure the safety performance of individual employees on a regular basis.

² TRIFR: Total Recordable Injury Frequency Rate is the aggregate Lost Time Injuries (including fatalities), Restricted Work Injuries and Medical Treatment Injuries.

During 2008, the HR and Industrial Safety management will focus on:

- Reinforcing training activities and the use of the safe work standards throughout the organisation.
- Continuing with the contractor audit programme and reinforcing internal audits by crossing information across the different areas.
- Implementing safety programmes to invite the families of our employees to join in information workshops dealing with day-to-day safety issues.
- Revising general and area-specific emergency response plans.
- Continuing with the industrial hygiene monitoring and follow-up programmes.
- Keeping and improving the interaction of medical care personnel and our staff in health and occupational hygiene issues.
- Adjusting all systems to work in accordance with the Xstrata Copper common safety and risk management systems.

Our Health and Safety Policy

- Focus on achieving the highest Safety and Health Standards at the workplace, in compliance with the Safety and Health legislation in force, by implementing the practices available to Minera Alumbraera in order to exceed or supplement statutory requirements.
- Ensure effective Safety and Health Management through appropriate training, education and awareness systems, the development and implementation of the Safety standards and procedures required to identify, manage and minimise the associated risks.
- Conduct safety observations, inspections and audits in order to continuously improve our safety practices and standards.
- Use team performance reviews, employee awareness and daily communication as tools to continuously improve our Safety and Health practices.
- Perform in line with the best safety practices and take, as a condition for employment, responsibility towards ourselves, our families and co-workers to work safely.



Risk management

Minera Alumbraera applies Xstrata Copper's risk management system to identify, assess and remove or manage any safety risks. When unsafe conditions are identified or an incident occurs, an investigation is promptly conducted and the necessary actions are taken to remove such risk. Regular safety reviews are carried out to improve safety standards, practices and performance. Likewise, all employees are regularly informed of safety initiatives and issues.

The availability of resources, management tools, training and support from all areas of Minera Alumbraera as well as full managerial involvement are essential for our risk management performance.

In addition, we have supported and assisted other Xstrata Copper South American sites with Risk Management issues.

Other improvements include

From a preventive point of view, four operators (mechanical experts) were employed to work exclusively in the maintenance of semi-automatic and automatic fire suppression systems installed in heavy mine equipment.

Specialist services have been hired to conduct preventive and corrective maintenance works to the fire detection and suppression systems throughout the minesite.

During 2008 we expect to:

- Increase the involvement of all strategic areas in risk management.
- Continue with training sessions on the use of the CURA monitoring system and updating Risk Management specific concepts.
- Continue analysing significant risks by implementing the fittest study tools.
- Conduct internal audits of the major risk controls.
- Support the conduct of external audits.

OCCUPATIONAL HEALTH

During 2007 the regular medical examinations required by the legislation in force were conducted by a contractor company under the supervision of La Caja ART and Minera Alumbraera's Health and Safety Superintendency.



Equipment Upgrade

In 2007 Minera Alumbraera acquired a fire engine to expand our emergency response capacity.

Direct beneficiaries: mine workers.

Features: 3,000 lt/min watering capacity, including three 2.5 inch outlets and a 4-inch foam nozzle.

Objectives: to ensure ancillary equipment in case the fire rescue truck is being used offsite or is out of order.

An increased number of breathing masks, protection clothes for various levels of exposure to chemicals and two decontamination kits including pools and sprinklers is expected.

Occupational hygiene

In order to control the risks that could lead to an occupational disease, a comprehensive risk measurement programme was developed in 2007. Results are recorded in a database, and monitoring and improvement measures are implemented in the event of non-compliance with acceptable parameters. Furthermore, Minera Alumbraera acquired new measurement equipment.

A vibration measurement programme for mine equipment was carried out with the support from the Work Risk Insurer (ART) specialist. Upon completion of this survey, mine equipment cabin improvements were coordinated by the Mine Maintenance area.

Improvement works are complemented with a training programme for the operators exposed to such risks, which covers acquaintance with control measures and the proper use of personal protection equipment.

Operational driving test

In 2007 a psychomotricity test was conducted on 360 heavy equipment operators, including five measurements: single-pointed attention, multiple reaction, anticipation speed, bimanual coordination and decision-making skills.

The purpose of this test is to identify as early as possible potential departures from safe driving practices for heavy equipment in order to correct them through training activities including a final test.

Crisis and emergency preparedness

The training of emergency rescuers and fire-fighters continued throughout the year. They received in-house training on the handling of hazardous chemicals, especially sodium hydrosulphide (NaSH) and sulphuric acid, by experts of the Rio Tercero Fire Department.

These training courses were provided to all emergency rescuers and the operators who will be working at the molybdenum plant, where such chemicals will be used.

In order to maximise emergency preparedness, emergency brigades were organised at the Alumbraera Port facilities, in Santa Fe, as well as at the Filter Plant, in Tucumán province. Also works are being performed at the PS2 pumping station in the district of Andalgala, in Catamarca. During 2008, training sessions for new rescue brigades will be reinforced.



EMPLOYMENT

In accordance with our employment policy, Minera Alumbraera is committed to treat all employees in a fair and equitable manner, recognising their right to a safe and healthy workplace, union representation, fair compensation and career development opportunities.

Training is an essential and ongoing tool within our HR management policy to optimise and improve employee performance in their day-to-day activities.

Equal opportunities

Minera Alumbraera's approach includes a multi-cultural human resources programme in order to benefit from a wide variety of skills, training and points of view. At Minera Alumbraera, employees are recruited based on the skills and experience required for each particular position, free from discrimination.

According to our business principles, Minera Alumbraera does not tolerate any form of discrimination, bullying or harassment at the workplace. Thus the company follows the International Labour Organisation Declaration on Fundamental Principles and Rights at Work and the United Nations Universal Declaration of Human Rights.

Our internal policies on human rights, equal opportunities, diversity, local promotion, training and safe working practices are an integral part of Minera Alumbraera's organisational culture. They have been expressly described and are known to all employees.

Continuous learning

Commitment: support employees who want to improve their skills to enhance their performance in their current and future jobs through formal education.
Objectives: establish corporate responsibility to support employee training and performance.
Scope: all employees.
Policy: Minera Alumbraera will provide financial support to employees who want to enhance their academic skills with part-time courses during their spare time, provided that these courses are associated with their current or future job.



HR and Safety Superintendent Marcelo Ochoa, HR and Safety Manager Luis Torres and his team during a daily safety meeting.

Employee selection and recruitment

General: in order to achieve the company's business objectives, we must attract, retain and develop highly-skilled employees. To this end, positions should be filled with in-house employees through transfer and promotion. Otherwise, a rigorous process of external recruiting should follow.
Objectives:
- Ensure consistency in our recruitment and selection processes.
- Ensure that these processes are conducted under the Equal Employment Opportunities (EEO) principles.
Scope: it is applicable to all recruitment phases.
Policy: the annual HR budget is approved by the General Manager, who manages all expatriate recruitment initiatives and non-local appointments.
In-house candidates meeting the requirements for the position are prioritised over external candidates.
By virtue of Minera Alumbraera's commitment to foster community development, local residents meeting the requirements for the position will be prioritised.

Equal opportunities

Commitment: ensure that all employees are aware of Minera Alumbraera's commitment to equal recruitment opportunities.
Objectives: protect employees and ensure consistent practices.
Scope: all employees.
Policy: all the professional development decisions, including recruitment, training, promotion, transfer and general working conditions are based on personal merits. Discrimination is unacceptable.

Definitions
- **Discrimination:** includes the denial of credit to an applicant based on personal characteristics (such as gender, race, complexion, religion, age, marital status, political views, etc.), affecting equal opportunities or bringing about ill-treatment at work.
- **Merit:** basis for decisions on employment and professional development opportunities, including traits and abilities, experience, knowledge, background, professional skills and capacity to acquire additional work skills.

Performance management system

Commitment: continuous business improvement is ensured by good employee performance.
Objectives:
- Implement management of individual performance.
- Develop a performance-based compensation system.
- Maximise the potential of individual employees in their position.
Scope: applicable to all Minera Alumbraera employees, even those subject to collective bargaining agreement.
Policy: management and review of employee performance are based upon the expectations and individual objectives set annually through formal action plans.
Employee performance levels in relation to these expectations and objectives are regularly reviewed by supervisors who provide feedback and give advice based on results. A Personal Effectiveness Review (REP) is also arranged by each Supervisor for every direct report at least once a year.
The key results of these REP include:
- Employees will clearly understand what they are doing well, the areas for improvement and the actions required to bring about these improvements.
- A performance rating will be used to fix salaries for the next year.
- The actions to improve achievement will focus on helping employees to enhance performance in their current position.
- Employee training and / or work experience actions will be assessed in line with business requirements.

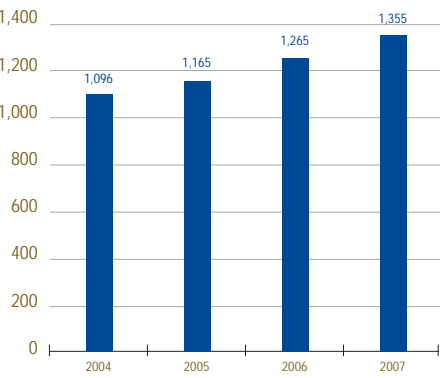
Non-harassment

Commitment: harassment is unacceptable at Minera Alumbraera. Minera Alumbraera is committed to provide a harassment-free work environment.
Objectives: protect employees, contractors and visitors and ensure consistent practices.
Scope: all employees, contractors and visitors.
Policy: Minera Alumbraera's employees are not to adopt any behaviour that could be potentially considered as harassment. Once harassment is reported, an investigation is launched by a Human Resources representative who keeps the name of the claimant and the defendant in strict confidence. The investigation is to be conducted avoiding the victimization of the parties involved. If harassment at the workplace is demonstrated, the relevant disciplinary actions are taken against the offender. Similar action is to be taken if the claim turns out to be ungrounded.

Employment trends

During 2007, Minera Alumbraera employed 2,178 people, including regular employees and contractors. 51% of the new recruits come from Catamarca. These figures show the company's contribution to regional and national employment levels.

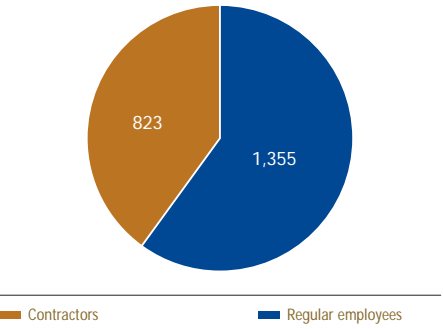
Manpower trends for 2004-2007



Source: Minera Alumbraera

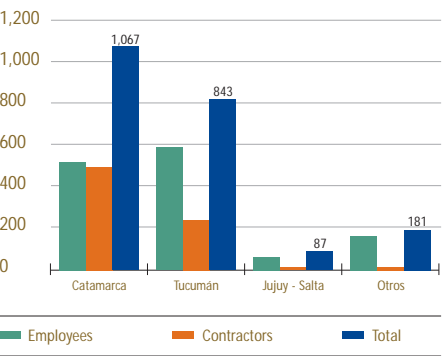
Regular employment

In 2007



Employment

By origin



Priority to local workforce

In line with our policies, Minera Alumbraera is committed to prioritise local manpower. Therefore, Minera Alumbraera promotes the development of neighbouring communities through employment opportunities and training programmes.

To achieve this goal, potential candidates are identified at the local level in order to gradually increase the number of local employees.

Whenever additional employees are required, Minera Alumbraera contacts formal recruitment sources, mostly local polytechnics, high schools and universities, internship and apprenticeship training programmes, databases of local candidates, middle management and supervision-level referees and contacts to arrange job interviews.

A key example of senior promotion is the appointment of Jorge Montaldi from Tucumán as Minera Alumbraera's General Manager. Jorge developed a successful career at Minera Alumbraera before taking office in 2006.

For the mass operator recruitment for the molybdenum plant construction in 2007, Minera Alumbraera management conducted interviews at the Belén polytechnics with 65 candidates from Belén, Andalgalá, Santa María and San Fernando del Valle de Catamarca.

Minera Alumbraera also provides significant employment opportunities at the national level. According to an economic impact study conducted in 2005 by Universidad Nacional de San Martín, the national labour multiplier is 9.7, i.e. 8.7 indirect jobs are created in the Argentine economy for each direct job at Minera Alumbraera. 88% of the employees are from Northwestern Argentina (NOA), with 12% coming from other Argentine provinces.

Work environment

During 2007 Minera Alumbraera further strengthened its organisational sensitivity and focused on achieving the best work environment in order to become a world-class employer to retain the best workers and attract market talents.

This is shown in the low employee turnover rate, considering the working conditions, the professional development opportunities both in company as well as in the Xstrata Group, continuous training and the competitive salaries provided by Minera Alumbraera.

Employee turnover and recruits

DECEMBER 2007	RATES	TOTAL
1,355 (average)	Employees	1,310
5	New hires	176
0	Regional skilled recruits	30
0	New hires from Catamarca	88 (51%)
6	Terminations	82
0.07%	Turnover	-0.07%

Diversity and opportunity

Minera Alumbraera employs the candidates having the required skills for each position, regardless of their gender.

Although Minera Alumbraera is not required to ensure a specific quota of jobs per gender, female employees are recruited across all work areas. Some of them work at middle and senior management levels while others perform administrative or operational tasks at the mine site or at the concentrator.



Marcela Amaita case

Marcela Amaita, from Santa María, joined the company as a cleaning contractor and now drives a Caterpillar 793 truck.

Marcela, who had to raise her first child at an early age, needed to find a job to support her other two younger children.

One day she learnt of a job vacancy at Minera Alumbra's cleaning contractor. She was hired, among thousands of candidates.

But the best was yet to come. Six months later, another opportunity opened up when she attended an in-house interview for a part-time job. Marcela only had cleaning and nursing experience.

"I can hardly ride a bicycle", she answered when they asked her if she could drive. However, she requested her interviewer to trust in her capacity.

Today Marcela is a truck driver at Minera Alumbra. Her eagerness to learn was clearly reflected as early as the training stage.

Born in Santa María, she now drives one of the forty 4m high, 3,800 HP Caterpillar 793 haul trucks.

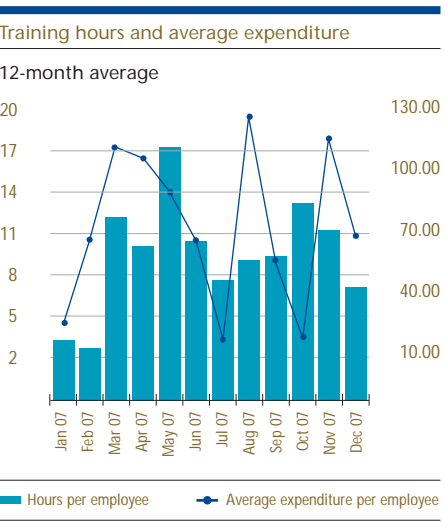
After overcoming this challenge, Marcela has a new goal: having her son Fabricio operated on his eyes because he suffers from a congenital disease that is slowly deteriorating his sight. She is close to achieving this goal, thanks to her own effort and Minera Alumbra's support.

"I am proud of driving this truck. I am the happiest person in the world when I'm driving. This helped me overcome many challenges. It made me regain courage, thanks to Minera Alumbra's confidence in my capacity", she claims cheerfully.

TRAINING AND EDUCATION

Minera Alumbra spent \$1,248,399 in training initiatives during 2007, which was 68% higher than the target for that year.

Annual Training hours



Training activities were mainly based on five major pillars:

- Leadership
- Community Liaison
- Health and Safety
- Environment
- Technical Competency

In addition to regular training annual programmes, during 2008 Minera Alumbra expects to implement, a programme for workers who have not completed their secondary school education. This initiative will be supported under our social involvement commitment, in accordance with the new Federal Education Law. This will be a strictly voluntary programme and teachers will be based on site.



Skill management and continuous learning programmes

- Redesign the Leadership Development programme for 2008. New development tools were provided to trainers. In turn, as part of Minera Alumbra's commitment to managerial development, senior management joined managerial training programmes at first-rate education centres such as Universidad Austral's Business School (IAE).
- Update the Apprenticeship and Internship programmes during 2007, which will be maintained in 2008. The maximum number of students expected to join this programme, including interns and apprentices, increased from 48 for 2006 to 74 for 2007. Therefore, a strict selection process was conducted in conjunction with the local education centres and universities involved in this programme in order to fill the vacancies.

As part of our Apprenticeship programme, sessions continued with high schools students from neighbouring communities. The 2007 programme participants came from Andalgalá "Dr. Federico Schickendantz" Secondary School #32, Belén Secondary School #19, Santa María Secondary School #12, San José "General San Martín" Secondary School #13, San Fernando del Valle de Catamarca "Dr. Bernardo Houssey" Secondary School #29 and Hualfin Secondary School #40 and the local Higher Education Centre.

Economics, Civil, Electrical, Mining and Electronic Engineering, Geology, IT and Telecommunications as well as Engineering students and graduates, among others, have joined in our Apprenticeship and Internship programme. To this end, Minera Alumbra liaised with Universidad Nacional de Tucumán (UNT), Universidad Nacional de Catamarca (UNC), Universidad Tecnológica de Tucumán (UTT) and Universidad del Norte Santo Tomás de Aquino (UNSTA) from Tucumán. Liaison

with these education centres has consolidated and Minera Alumbra is now an integral part of the Tucumán branch of Universidad Tecnológica Nacional (UTN) as a party to existing cooperation agreements.

Universidad de Atacama (UDA) based in Copiapó (Chile) was contacted to undertake a student exchange (internship) programme during 2008 for Argentine (UNC) and Chilean (UDA) students.

These programmes will be continued during 2008 for a similar number of apprentices and interns, with the support from the above education centres.

Ongoing performance reviews

Minera Alumbra's unionised and non-unionised employees are subject to our Personal Effectiveness Review policy and to performance reviews.

This review is made at the end of each year, when improvement plans for the following year are prepared, in order to maximise identified skills and correct any aspects that need improvement in a respectful, participatory and professional manner.

This process facilitates the development of career plans by reinforcing the areas that will help individual employees achieve a higher level of professional and personal development, both within the organisation and in local communities.



Our Apprenticeship Programme case

The first team of Minera Alumbrera’s Apprenticeship programme was recruited for the Mine Maintenance area in 2006.

This successful training programme, which has been ongoing for nearly four consecutive years, continues to grow both at Minera Alumbrera and in local education centres.

“ We offer a job and trade skills to young people by instilling well-established safety and environment practices” .

This is how Aris García, the tutor of Mine Maintenance apprentices, explains Minera Alumbrera’s successful Apprenticeship programme. Minera Alumbrera’s first apprentice team was organised in 2004, when the first twelve students joined this programme.

Annually, the HR area conducts a survey of the organisational needs in order to set the number of interns who will join this programme on the following year.

With this information, Minera Alumbrera works in conjunction with the local schools and universities involved in this programme.

Our selection process consists of interviews with the tutors who will be working with interns. “ We see that everybody has the opportunity to

participate in the fairest possible way in order to ensure equal contribution to all regions” , explains Eduardo Ferrocchio from the HR area.

Training calls for significant long-term investment because our Apprenticeship Programme for the Mine and the Concentrator Apprentice Programmes take two years and ten months respectively. However, the outcome is good for all the parties involved since the company promotes professional development for young people from neighbouring districts and trains them to work in different areas. In addition to technical training sessions on mechanics, electricity, hydraulics o pneumatics, this programme provides strong training skills on industrial safety and environmental protection. Every course includes theoretical and field sessions at the workshop. Apprentices are also trained on English skills and computer studies.

Carlos Paz, who has been training the four apprentices for the Concentrator Plant since 2005, is very pleased with programme development. “ When the training period ends in December, we can proudly see that the scared and insecure youngsters who joined our programme in March are now highly skilled interns, who feel confident to talk, comfortable to work in a team and proud of having completed an unforgettable stage in their lives” , says the trainer.

Most of the interns come from impoverished communities. This restricts their possibilities to continue with their higher education studies.

“ By joining this programme, a major change occurs in their lives and they get the tools required to work in any business -not only in the mining industry. That is the key intangible value that we provide them with” concludes tutor García.

OUR INTERNS

Marcio Quinteros (21).
Santa Maria Secondary School #12
2006-2007 programme. He is now a regular employee of Alumbrera.
The outcome of the selection process mainly depends on school grades, but also on your willingness to learn and your motivation. What I have learnt at Minera was well worth the effort. In addition, I did not find it difficult to adapt myself to change. I fitted in quickly.

Rolando Ríos (20).
San José Secondary School #13
2006-2007 programme.
I know that I would have never had access to these skills elsewhere. I really appreciate that our trainers take their job so seriously as well as their strong will to see us make progress. My next goal is to get a regular job. Chances are out there: I must keep studying and working hard. Alumbrera’s approach is very important as it encourages young people from local communities to learn and be engaged. I have six brothers and sisters and we did not have the chance to continue our studies. My parents know of my efforts and I believe that I will be able to help them.

Diego Nelson Ibáñez (22).
Santa Maria Secondary School #12
2005 programme. He is now a regular employee of Alumbrera.
When Alumbrera started, I was a primary school student. Since then, I knew that I wanted to get a mechanical engineering degree. I was planning to complete my secondary school education and work for an oil company in Southern Argentina, where my relatives live. When this vacancy near home was announced, I seized it. A few months ago, I joined Minera Alumbrera’s Concentrator mechanical maintenance crew.

LABOUR RELATIONS

Labour relations are an essential operational management responsibility. We seek to ensure direct relationship between operators and line management, supported by quality leadership.

We consult with the employees before making any significant operational change. The required notice terms are, in general, stipulated in collective bargaining agreements.

As provided in Labour Laws, Minera Alumbrera respects the right of individual employees to freely join a trade union. This ensures effective communication with stakeholders on a confident and respectful basis.

Based on these pillars, ongoing liaison with union leaders is established for the benefit of all the parties. Our HR management ensures continued legal protection under collective bargaining agreements and provides political support to the union leaders.

During 2007, 885 employees were under the Collective Bargaining Agreement. Local union leaders were nominated as established by law. Also the terms and procedures for the renegotiation of our Collective Bargaining Agreement were complied with and a formal agreement was reached with local, regional and national union leaders. This agreement was lodged with the Labour and Social Security Department (MTSS) for approval.



Minera Alumbrera is committed to achieve an injury-free environment.



Truck drivers José Cisternas, Daniel Segura and Jorge Romero off-duty at Minera Alumbrera’s recreation facility.

Joint initiatives with the Labour Department

Minera Alumbrera is developing a programme to promote decent work policies throughout the business value chain, together with the Labour and Social Security Department.

Together with 80 major companies, Alumbrera -the only representative of the mining industry- is a member of the supplier committee to support the execution of decent labour studies with a view to maximise productivity, economic and social development and to ensure best practice.

During 2007, a document on the “Fundamental principles for responsible business value-chain management” was prepared.

According to the International Labour Organisation (ILO), when responsible labour initiatives are supported by public policies and suitable education and training programmes, they become sustainable and competitive and are considered common value added.

In this context, local companies are committed to promote as part of their business value-chain, the ten fundamental principles based on the international labour standards defined by the ILO, the ten principles of the United Nations Global Compact as well as the best business practices.

Not only do private companies ensure compliance with the national legislation in their value-chain but also their participation in global corporate social involvement initiatives.

Likewise, Minera Alumbrera together with other technical committee member companies developed the guidelines outlining general criteria to promote compliance with the labour and social security obligations by all stakeholders in the value-chain. Stakeholders include those suppliers, contractors and subcontractors that are involved in the business cycle by providing good or services.

Environment

Minera Alumbraera is committed to meet the highest environmental standards and sustainable development principles, in accordance with Xstrata Copper Environmental Policy.



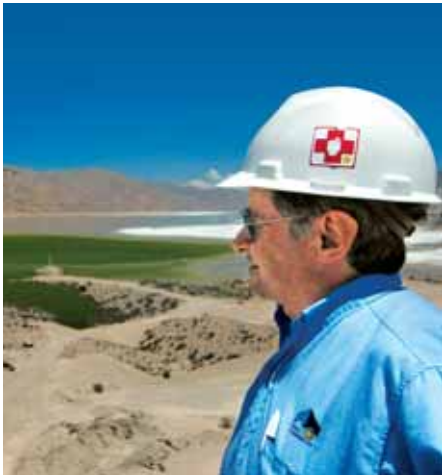
Our environmental management system is in line with Xstrata's Business Principles and management standards. In addition, our performance is regularly measured against such systems and standards.

Our company strives to become a leader in the mining industry in terms of environmental performance. Minera Alumbraera complies with the laws, standards and regulations in force and, whenever possible, exceeds the strictest regulations, if any. Also its obligations include managing environmental risks, working together with local stakeholders, setting continuous improvement goals as well as performance reporting.

We restrict adverse environmental impacts throughout our business by using resources efficiently, limiting or preventing adverse impacts on the environment and reducing waste.

We manage biodiversity risks and seek to avoid, minimise or mitigate any adverse impact resulting from our operations.

In the event of an environmental incident, we identify the causes and take the necessary actions to prevent reoccurrence. In addition, Minera Alumbraera has undertaken mine closure planning, operation and management in order to maximise sustainable development.



Tailings and Water Management System Superintendent José Luis Viruel by the tailings dam.

Our environmental objectives

- During 2007 the ISO 14001 Standard was partially implemented at the minesite (50% completed). By the end of 2008, we expect to obtain a new management system certification in areas already covered by the ISO 14001 standard, such as the slurry pipeline, filter plant and port facilities, and complete standard implementation at the minesite.
- We continue implementing plastic bottle, paper and cardboard segregation programmes for recycling purposes, with good results and support from all our employees. Our goal for next year is to implement a new residential waste dumpsite.
- During 2007, a category 3 environmental incident occurred at the slurry pipeline, in Cumbres de Santa Ana, Tucumán. A pipeline crack led to a concentrate spill. The resulting environmental impact was negligible, limited and reversible.
- As from 2008, a greenhouse gas survey will be implemented across all areas of our site. It will be aimed at identifying and measuring fixed and mobile emission points.
- In terms of biodiversity, we will continue with our flora and fauna monitoring programmes, as established in our Biodiversity Conservation Plan which provides for regular monitoring until the end of the mine life. Our "Native Species Revegetation Pilot Trial" programme must be completed by the end of 2008 and will serve as a guide to continue researching on this major biological aspect associated to the mine closure stage. Our cardon cactus protection programme is intended to protect a typical cactus species from Northern Argentina. Our programme is a major contribution to biodiversity conservation efforts.
- The Environmental area will continue running field tests of the tailings dam and waste dump capping system by gathering field data of the tests run and the new test prepared in 2007, which was amended relative to previous ones. Such amendments were the result of the experience gained as from 2003. Rehabilitation of a 12-hectare waste dump area having a low acid generation potential capping is expected for 2008.



Environmental Management Policy

This policy is applicable to Minera Alumbraera mining activities at the Bajo de la Alumbraera deposit, including the open pit, the ore processing plant, the slurry pipeline, the concentrate dewatering at Filter Plant, water treatment and the concentrate railing and shipping operations. This policy is to be observed by every person on site.

Minera Alumbraera is committed to:

- Operate in a responsible and a sustainable way, while protecting its employees, contractors, local communities and the environment.
- Comply with the applicable laws and environmental requirements and, wherever possible, ensure the practices that exceed or supplement statutory requirements.
- Keep an open communication with employees, members of local communities, regulatory bodies and other stakeholders concerning issues related to the environment and the cultural and social heritage).
- Design, construct and operate its facilities with a view to minimise operational impact.
- Continuously assess the potential operational impact on the environment and integrate environmental factors into planning activities, operational decisions and processes, as part of Minera Alumbraera's commitment to mitigate impacts.
- Monitor, review and continuously improve environmental performance.
- Provide information and training to employees, contractors and other persons at Minera Alumbraera's facilities in order to ensure compliance with this policy, so that they can understand and meet their responsibilities.
- Minimise and gradually rehabilitate operational impacts, in line with Minera Alumbraera's Mine Closure Plan.
- Implement an environmental management system and provide the necessary resources to ensure compliance with this Environmental Management Policy.

Compliance with the Laws and Regulations

No fines or penalties were imposed on Minera Alumbraera during 2007 by the regulatory authorities from the jurisdictions where it operates.



Total materials used in 2007

Total materials used by weight or volume		
Conveyor Belt Disposal	metres	1,310
Diesel	kilolitres	45,771
Electricity	kilowatt / hours	832,203,840
Anfo Explosives	tonnes	5,697
Explosives - Emulsion	tonnes	8,663
Heavy Anfo Explosives	tonnes	22,592
Grinding Media	tonnes	24,557
Limestone	tonnes	65,037
LPG	kilolitres	778
Lubricating oil	kilolitres	1,717
Tyres - heavy vehicles	quantity	311
Tyres - Light Vehicles	quantity	677
Fuel	kilolitres	16
Xanthates	tonnes	143

Natural Resources

One of Minera Alumbraera's environmental objectives is to protect the environment. Therefore, preserving natural resources is an essential environmental management component. Our monitoring programme is intended to ensure the rational utilisation of natural resources while improving our performance through recycling practices or reduced requirements.



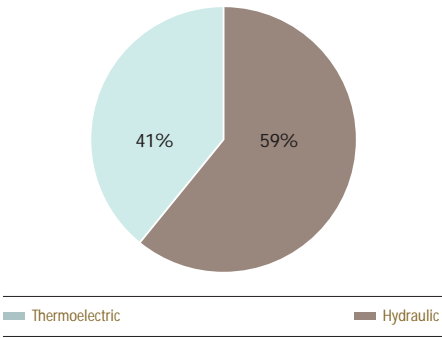
Environment Officer Lorena Chirivella doing testwork under Minera Alumbraera's surface water monitoring programme.

Power

Minera Alumbraera power supply is based on renewable (hydraulic) and non-renewable (thermoelectric) sources. Total power requirements for 2007 was 832,203,840 Kw/h.

Energy consumption by source

In 2007

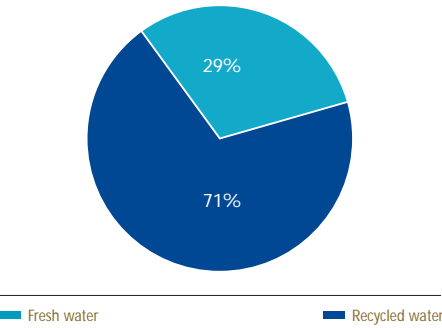


Water

Minera Alumbraera production process requires fresh water, which is drawn from the Campo del Arenal aquifer, and a higher volume of recycled water because of our continuous efforts to enhance water utilisation.

Water requirements

In 2007



The valve station incident case

On August 15th 2007 there was a concentrate spill in the area known as Cumbres de Santa Ana, in Tucumán, resulting from a pipeline leakage.

Once reduced pressure was identified by the slurry pipeline control system, emergency systems were promptly activated and pipeline operations interrupted. The loss of pressure was originated by a crack in the high pressure pool in the VS2 valve station.

A 15 m³ concentrate pressurized release affected an area of one hectare approximately and part of the spilled material flowed down to a small canyon, although the concentrate did not flow into any water course.

This incident was reported by Minera Alumbraera to the enforcement authorities -i.e. the Tucumán Energy and Mining Department.

Remediation works were promptly initiated. A 55-people crew collected spilled material in polyethylene bags. Simultaneously, water samples were taken at the mouth of the canyon, upstream and downstream of El Bolsón creek.

Samples were analysed at the filter plant water laboratory and results revealed that no water course had been contaminated.

Fifteen days after the incident, there were no variations in copper (Cu), iron (Fe) and sulphate (SO4) levels at the VS2 canyon or El Bolsón creek water. Samples were taken jointly with the Tucumán Mining Inspectors.

In turn, follow-up monitoring activities were conducted on a weekly basis during September and on a monthly basis as from October to ensure that the chemistry of El Bolsón creek water had not been affected by the incident.

As for our biological practices, programmes have been designed involving seasonal phytoplankton monitoring campaigns, El Bolsón creek's algae biomass assessment and vegetation surveys.

Four months after the incident, no changes to the local flora were observed during the biological monitoring campaign for the summer season.



Biodiversity

Current strategies and actions and future plans to manage biodiversity impacts are covered by all Environmental Impact (EI) updates lodged with the enforcement authority every two years, through year-round projects.

The general and specific biodiversity objectives are established in Minera Alumbra's Biodiversity Conservation Strategic Plan, a programme which mainly includes proactive biodiversity conservation actions.

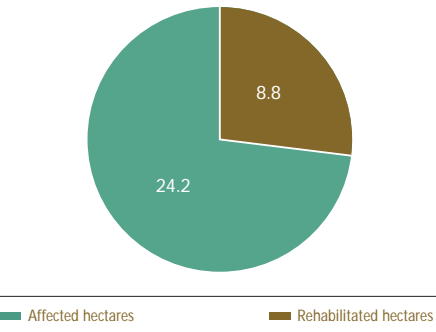
Biodiversity monitoring campaigns are undertaken in individual ecosystems affected by Minera Alumbra operations through the implementation of impact mitigation actions. Our annual monitoring programmes help gather biodiversity features to identify changes to populations and ecosystems.

Programme results are published in our successive EIA updates, corporate publications such as the Bajo de la Alumbra's Native Vegetation Guidebook, community inserts, and quarterly magazines for general readers.

- Minera Alumbra does not operate in protected areas.
- A total of 24.2 hectares were affected during the reported period.
- A total of 8.8 hectares were rehabilitated during 2007.
- Biodiversity and key component management plans have been developed for 3 sites.

Land rehabilitation

In 2007



The cardon cactus revegetation case

To demonstrate Minera Alumbra's environmentally responsible operational practices and commitment to preserve the biological and symbolic value of native species, Minera Alumbra's Environment managers have developed a cardon cactus protection programme.

Some of these species located in the Tampa Tampa field and the area close to the tailings dams could be affected by mining operations.

Therefore, Minera Alumbra conducted surveys to identify the status of this species with a view to anticipate potential impacts on vegetation. Our objective is to ensure the preservation of local cardon cacti, given the low growth rate of this species.

Our project to relocate these native species in protected areas was submitted to the Catamarca Environmental Department for evaluation. Once authorisation from the competent authorities was obtained, our cardon cactus revegetation programme started in January 2007.

Programme activities involved cutting down the potentially affected cardon cacti, segregating stems and taking these to an on-site greenhouse. They are left in a root-stimulant solution for 15 days and then they are taken to specially prepared rooting fields.

It takes 35 days before plantlets are transplanted into the final soil where they will grow.

Our conservation project for native species will extend throughout the mine life and, together with regular biodiversity monitoring campaigns, changes to the environment will be duly identified and managed.

Results

144 specimens were taken, including 88 sprouts and 56 cuttings obtained from 12 cardon cacti. The revegetation success rate was 97.5% in the greenhouse and 97% in the field.

Emissions

Our initiatives for 2008 to address greenhouse gas emissions associated to the climate change include a management programme to identify the cases, volume and mode of greenhouse gas emissions in Alumbra production stages. The following emissions had neither been calculated nor measured to 2007: CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, SO_x, NO_x. These gases will be included in our new gas measurement programme.

During 2007, 110 kg of CFCs (chlorofluorocarbon) were released to the environment from broken refrigeration systems. This amount is estimated by inventory analysis. As an initiative to reduce emissions, gas removal equipment for refrigeration systems will continue to be used for scheduled repair activities in order to prevent gas emissions into the atmosphere.



Minera Alumbra's plastic recycling programme.

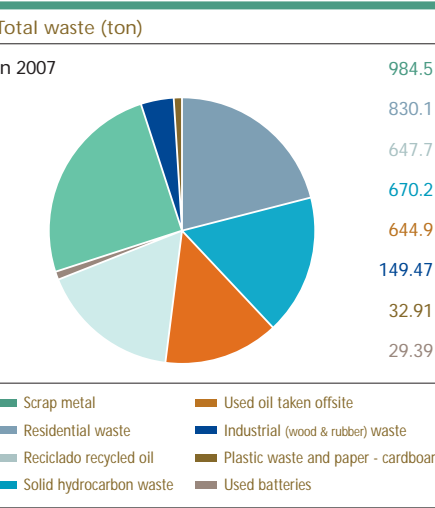
Initiatives will continue to reduce dust and other particles emissions by using water trucks to spray haul roads and camp areas.

Waste

Waste classification and disposal

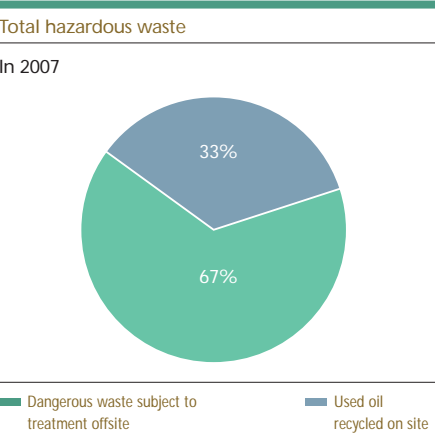
TYPE	WASTE	FINAL DISPOSAL
Residential waste	Generated in the course of daily life, unrelated to industrial activity.	At a mine site dump.
Hazardous waste	Used oils, grease, solids, hydrocarbon -contaminated soil, batteries. oil used for blasting activities.	Off-site, by authorized operators. At the mine site
Industrial waste	Wood and rubber	Carried offsite for recycling purposes.
	Scrap metal	Carried offsite for for smelting purposes.
Recyclable waste	Plastic bottles, paper and cardboard.	Transported to recyclers.

Total waste for 2007



- **Significant spills:**
15 m³ of concentrate spilled on the slope adjacent to Valve station VS2, in Tucumán.
- **Description of our waste management practices:**
 - Overburden: hauled to waste rock dumps by haulage trucks.
 - Tailings: are pumped through a pipeline and spigots (35% solids 65% water), to the tailings dam beach.

Total hazardous waste for 2007



- Scrap metals, rubber, wood: collected at generation sites and transported to recyclable material storage facilities.
- **Hazardous waste in Argentina:**
1,344.49 tons.



Transport

Environmental impacts resulting from our logistics operations include:

- 13,000,000 km annually - surface transport for general cargo.
- 5,500,000 litres of diesel fuel - required for this purpose.
- 200,000 litres of diesel fuel - required by our bus service to ensure 800,000 km/year employee transportation.
- 380,000 litres of JP1 fuel used for 2,700 flight hours annually for employee air charter services.



Environment Hydrogeologist Gabriel López Vázquez manually measuring moisture and temperature levels.

Mine closure

Our mine closure plan considers four major components to be developed over the life of the mine, including post-closure programmes for each component of our operation.

Technical components

They are associated to all technically and scientifically feasible issues to be considered in the various engineering options for an appropriate closure of operations to ensure the preservation of the local environment.

Socioeconomic components

Focused on the development of human resources programmes, as well as of sustainable projects in neighbouring communities.

Corporate components

Based on the company policies, which include the commitments undertaken for the various project stages.

Government components

Once environmental standards have been met, an environmental certificate will be issued by the government.

Our plans and programmes

Plans for the progressive mine closure are addressed as follows:

- **Mine**
Further hydrogeological and geotechnical studies will be conducted in order to update data over time until closure of operations.

- **Processing facilities (concentrate plant, pipeline, filter plant)**
Options for these facilities will be discussed with YMAD on the basis of further studies. The port facility is expected to be handed over to a different logistic operator.

- **Waste management facilities:**
 - Tailings Dam
 - Trials are being conducted to assess the suitability of the cover proposed by O'Keane Consultants.

- Proposed options to minimise the impact of temporary river flows on the cover include the construction of spillways and barriers in areas with high rainfall rates.

- Tests are being conducted to reuse tailings for metal recovery purposes and by-products for other remedial purposes.

- **Waste dumps**
- Waste material cover remediation studies are ongoing.

- **Water management facilities**

These facilities, including our water supply, drain and waste water treatment systems, as well as maintenance and monitoring stations must remain in place over the life of the mine.

- **Accommodation and Services**

Over the coming years, Minera Alumbra and YMAD will jointly define the post-closure use of these facilities.

Additionally, over the next period, potential options for an alternative use of the mine area and soil will be assessed.



Cover design trials case

Two project areas will be rehabilitated by Minera Alumbra upon closure of Bajo de la Alumbra mining operations: waste rock dumps and the tailings dam.

Waste rock dumps consist of run-of-mine waste rock -with a low copper grade- removed to gain access to ore-bearing rocks. Our tailings dam is made of ground rock from the milling and flotation processes, required for the copper recovery process.

Waste rock dumps and tailings dam materials include high concentrations of naturally occurring pyrite (iron sulphide), which is gangue. Pyrite resulted from the natural mineralisation at the Farallón Negro Volcanic Complex 10 million years ago, and which resulted in the Bajo de la Alumbra deposit.

Once mined and stored in waste rock dumps, pyrite-bearing rock should not be simultaneously exposed to oxygen and water, to prevent pyrite degradation. Thus, this material should be covered.

Conditions in the deposit allow for a cover system that protects ore-bearing rock from water and oxygen.

Our cover design is suitable for prevalent climatic conditions on site: high evaporation coupled with low rainfall levels.

Therefore, water is retained during the rainy season and moisture is released during the dry season. This method prevents run-off from seeping down into the underlying material, reduces erosion and facilitates successful revegetation.

Minera Alumbra has been conducting field tests for the best cover design since 2003. Four-year field tests have been conducted, considering a capping design thickness ranging from 0.5 to 1.5 metres. Results were satisfactory, with minimum moisture seepage into underlying materials.

New cover designs are being field run on an area covering approximately two hectares. The results of these tests will reveal the most suitable final design for these new landforms at the end of the mine life, ensuring the chemical and physical stability of run-of-mine cover materials.

Furthermore, ongoing research is being conducted on the characterisation of materials with different acid-generating potentials, by different scale tests modelling atmospheric conditions.

Current water models predict that the pit hole will act as a catchment basin for the underground aquifer, not affecting the quality of water in the regional aquifer.

Corporate Social Involvement

Minera Alumbraera makes long-term investments in projects that provide the basic materials for social and economic development of neighbouring communities. Although the lifespan of our activities is finite, we aim at investing skills, social development and economic benefits that outlive these activities.



Production development



Education



Health

Our Approach to Sustainable Development

Likewise, we aim at the highest standards of business conduct, as set out in Xstrata's Statement of Business Principles to protect and enhance our corporate reputation and ensure ongoing access to mineral resources.

We aim at creating value for our stakeholders and contributing to a sustainable environment through investments in existing businesses to improve their efficiency, to ensure the efficient utilisation of resources such as water and energy and to maintain a safe and healthy workplace.

To ensure harmonious relationships with our stakeholders, minimise risk and secure an ongoing licence to operate, we aim at creating mutual benefits for our organisation and for our stakeholders, by partnering with them.

Our Sustainable Development Policy, Strategy & Management Framework

During 2007, Xstrata Copper revised its approach to Sustainable Development. Our new approach is aligned with the International Council of Mining and Metals' (ICMM) Sustainable Development Principles. (see http://www.icmm.com/icmm_principles.php). It encompasses a systematic approach to target setting, performance monitoring and reporting (both internally and publicly) according to our targets in each of the key sustainability areas. This is consistent with how we were already operating across most of our businesses.

We are confident that these new sustainability strategies will enable us to implement our Strategic Objectives in a more effective way. They will also help us demonstrate commitment to our Values, while operating our business in a way that is consistent with our Definition of Purpose.



Support has been provided to Hualfin winemaker Jorge Vilchi under Minera Alumbraera's varietal reengineering programme.



Support has been provided to Pancho Arreguez, his wife and Amado Pastrana for the installation of an irrigation system in Amaicha del Valle, Tucumán.

Overview of Minera Alumbraera's Community Relations Policy

Minera Alumbraera is committed to contributing to the social, economic and institutional development of the communities where it operates to improve the local standard of living.

As outlined in Xstrata Copper's Community Policy, our community practices are focused on open and honest engagement with all our stakeholders through effective and transparent consultation and communication.

We consult and communicate with stakeholders regularly in culturally-appropriate and respectful ways, using materials that are easily understood and provide feedback to concerns in a similar way. We record, monitor and address community complaints.

Minera Alumbraera's corporate social involvement programmes (CSI) provide technical and financial support to arts, cultural, education, business development and health projects. These community partnerships contribute to the development of sustainable communities and ensure local capacity building. Minera Alumbraera also employs local people in order to strengthen local and regional economies.

Minera Alumbraera operates in line with sustainable social and environmental management practices. Full synergy has been established between Alumbraera and the various corporate social involvement activities. Minera Alumbraera's strengths include proactivity in social matters, commitment of the senior management and the implementation of proper international practices.

Our Community Relations Policy
Minera Alumbraera will:
<ul style="list-style-type: none">- Respect the culture, customs, traditions and values of local communities.- Keep open and balanced communication with all stakeholders, by acknowledging that every community is unique with differing and changing expectations.- Be transparent and conduct business subject to ethical principles. Minera Alumbraera views, purpose and activities will be clearly communicated.- Allocate the resources required to liaise successfully with local communities, by identifying their expectations and opinions in order that they become involved in the decision-making process.- Focus community support on initiatives that promote the active involvement as well as a sense of belonging of local people in sustainable development activities.- Support social, community development, employment, health, education, arts, cultural and environment programmes.
This policy and the associated procedures and documents is applicable throughout Minera Alumbraera, including off-site operations and the areas directly or indirectly related to the organisation.



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.

For Minera Alumbra, 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.

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. Thus, for Minera Alumbra, CSI is an investment that strengthens the links among stakeholders.

Likewise, in order to ensure integration into the local environment, Minera Alumbra supports the development of the neighbouring communities through employment, wages and benefits, tax revenues, training and employment of socially excluded people, support to different cultural or sports activities, or through specific grants.

Our Sustainable Development Objectives

Generally, our goal is to invest in competencies, social development and economic benefits that go beyond our business activities.

In order to achieve our objectives, Minera Alumbra invested \$34 million during 2007 in infrastructure works and related programmes in Catamarca and Tucumán. Through our Social Involvement Programme, the existing agreements with both provincial administrations were extended during 2007 to carry out health and education infrastructure works for an amount of \$12 million in Catamarca and \$11 million in Tucumán.

Minera Alumbra has implemented a community programme in Catamarca and Tucumán, providing support to ongoing production, education and health projects of renowned local organisations. Support includes training, technical and financial

resources. Agricultural projects include the development of school farms, nurseries and greenhouses as well as small-scale ventures, reengineering of local crops, water works and producer training initiatives. Furthermore, Minera Alumbra supports education and health training programmes for local teachers and students, as well as health and education infrastructure works and supplies.



Local communities paying tribute to Pachamama at the annual festival.

Business Development



Irrigation Channel Development case

Farmers from San José gathered to develop the Doña Isolina irrigation channel for the benefit of all project participants.

The new irrigation channel will enhance irrigation practices for local nut, grape, barley, lucerne, corn, pepper and potato crops.

Date and place: Santa María, 2007.

Project Beneficiaries: 23 farmers.

Objectives: to improve water infrastructure in order to prevent wasting irrigation water, which may eventually lead to failed crops.

Summary: two years ago, a 22 ha farm was abandoned in Palo Seco, to the West of River Santa María and to the South of the provincial road #39, in San José district, Catamarca. Fabiana Aybar had moved to San Fernando del Valle de Catamarca ten years before and when she came back to her homeland, she found a discouraging scenario.

After thorough analysis and despite the dry land resulting from scarce water, she decided to run the risk and develop an irrigation channel to put an end to water wasting along the irrigation ditch.

Together with some local partners and farmers, Aybar decided to lay 150 out of the 700 pipes that should be laid.

Thus, construction stone and cement was purchased and manpower was hired by the Provincial Irrigation Authority. Unfortunately support from 23 local farmers who joined this initiative was not enough to complete the project, so Aybar decided to ask for help.

Minera Alumbra Contribution: Aybar presented her project to Minera Alumbra and Alumbra provided the rocks to develop the irrigation channel.

Other stakeholders: additional support was available to Aybar and her partners from miscellaneous organisations: San José municipality hired the workforce for the remaining works, the Irrigation Authority supplied cement and Santa María Mayor supervised the project works.

Changes: once the irrigation channel was commissioned, the irrigation water flow was

streamlined by reducing seepage and sand levels in farmland. Thus, small farmers resumed agricultural activities and they started to grow nuts, grapes, barley, lucerne, corn, pepper and potato in the farmland.

"I wanted to grow corn, barley and lucerne because in the future I want to breed pigs. At present, I have three bred sows, a stallion and some small pigs for a start", she explains proudly. But it was her maternal instinct what moved her to kick off this project: "Mi son lives in Tucumán and wants to be a Doctor. I will support him from the farm. One has to be brave and face every challenge. I did not hesitate to ask for help."

Education



Teacher training courses in Aconquija case

Teacher training courses were custom designed following a survey of the local education system during the second term of 2006.



Training programmes were focused on education-based IT tools.

As a result of such survey, a number of issues were identified, such as: literacy and basic reading and writing skills ("Reading and writing skills for first grade students" and "Reading and writing skills for second grade students", school management practices ("Educational leadership and management"), and teacher training courses on digital technologies ("New technologies at school").

Place and date: February-June 2007, Aconquija, Andalgá.

Beneficiaries: 70¹ teachers and education authorities from Aconquija.

Objectives: to ensure improved learning opportunities to local students by providing teachers with additional teaching, school management and technological skills.

This three-week course focused on teaching strategies and included school tutorship and a weekly wrap-up field session.

A team of experts visited different schools to tutor local teachers and principals and help them with the specific issues of individual students or organisations.

1 As per local data, 77 teachers work in Aconquija, as follows: 4 kindergarten teachers, 61 primary school teachers and 12 specialist teachers. These include public schools teachers only because there are no private schools in Aconquija.

Based on the above figures, the training courses were available to virtually all teachers from Aconquija. School principals also attended Language courses as most of them are also teachers.

An assignment was prepared on a weekly basis by programme participants, reflecting on the progress achieved on specific issues which, in turn, involved improved teaching practices, the use of technological resources and the development of Social and Natural Science projects.



The training course was completed by 73% of the teachers from Aconquija.

This course was available to primary school teachers from 311, 342, 26, 169, 479, 50, 287, 305, 86 schools. At certain local schools, students of three different grades share the same classroom and teacher. For this reason, some school principals also play the role of teachers.

The specific tools to overcome this issue were not covered by this teacher training course, but rather it provided tools for rural school teachers.

This programme was available to 70 out of the 77 registered teachers in this town with 56 of them (or 73% of the total number of programme participants) having completed the full training process.

Minera Alumbra Contribution: this initiative was funded by Minera Alumbra.

Other organisations involved: under an agreement between Minera Alumbra and Universidad Nacional General San Martín, this programme was led by a team of specialist teachers.

Changes:

- Programme participants, including the trainers, were highly satisfied with the outcome. Local teachers are rarely trained at the workplace but they had the chance to join refresher training courses. At the end of each week, individual progress was monitored, including a highly valuable error-analysis session.

- By means of theoretical material and specific activities trainers helped improve teaching technics. Special activities were carried out in order to help teachers deal with issues such as over-aged students and school drop-out rates.

- Tutor provided feedback to local teachers individually.

- During the wrap-up session, local teachers revised the major issues of the teacher training programme. Likewise, programme participants shared their concern about the lack of suitable children books to read to their students. Thus, the implementation of mobile libraries among schools was recommended.



Local teachers have implemented programme results for the benefit of their students.



Support to “Fundación Leer” programmes case

Minera Alumbrera supports Fundación Leer programmes (including an annual reading marathon) to encourage local children and teenagers to read.

Minera Alumbrera has supported this initiative in Catamarca since 2003.

Place and date: Belén, 2007.

Beneficiaries: schools from Belén.

Objective: to ensure reading habits in local children and teenagers.

Summary education programme for three schools:

Local teachers are highly enthusiastic on Fundación Leer's mission as well as on additional training and education proposals.

Fundación Leer programmes have been implemented at Fray M. Esquiú School #6, Londres School #30, and Ejército de los Andes High School #18 from Belén. In addition to training the teachers who joined the programme, Fundación Leer supervises them regularly and also provides technical assistance and tutorship.



Teacher training sessions were organised by Fundación Leer in Belén.

Fray M. Esquiú School #6

School #6 teachers and other members of the local community attended the “Guidelines for Choosing Children's Books” workshop for first-grade teachers. “Parents became aware of the importance of reading habits as an essential education tool”, explained one of the teachers who coordinated this workshop. This was a good occasion to talk about the reading area of the school where children can freely choose books.

The whole community joined our Primera Jornada Festiva de la Lectura festival, including literary games, shows and drama sessions.

Individual students chose a book to take home. Assistant Headmistress Clara Moreno explained: “Local people are fond of this festival because it is a unique event in our community.”

Londres School #30

A specific Reading Area was arranged in Londres School #30 last September, as part of Fundación Leer's programme. Local teachers emphasised on the importance of reading habits at school.

Once this programme was introduced, the coordination team started arranging a specific Reading Area.

Local people helped school teachers with these arrangements. Then, the first Jornada Festiva de Lectura festival took place. Happy with the results, Language teacher and programme coordinator Roxana Figueroa explained that “the Reading Area is frequently used. People and students from other schools have also joined this programme”.

The local people enjoyed the reading festival and finally individual students picked up a book to take home.

Belén High School #18

According to the students of Belén High School #18, and confirmed later by the local teachers, children are generally reluctant to write and, if they do, they have too many spelling mistakes. Sponsored by Minera Alumbrera, Fundación Leer has developed the “The writing experience” programme for 102 students (26% of the total number of students). The purpose of this programme is to give students the chance to regain writing skills.

Local teachers arranged the Reading Area and selected the books together with their students. Librarians provided active support. The first Jornada Festiva de Lectura festival was held simultaneously with the grand opening ceremony in August 2007. Local authorities highlighted the enthusiastic approach of the local people, mainly by teenagers, despite their previous unwillingness to write.

National Reading Marathon

was organised by Fundación Leer for local schools and organisations.

The purpose of this initiative is to encourage local children and teenagers to read and slowly gain reading habits for the future.

The Reading Marathon is not a contest.

It is aimed at building reading habits through plays, open sessions for parental reading to their children and vice versa, workshops and readers in local parks, elderly homes, soup kitchens and prisons.

The fifth Reading Marathon for 2,563,257 children, teenagers and adults across Argentina took place on October 5 with Minera Alumbrera's support.



Development of a Community Laboratory case

A 100 m² laboratory of Physics, Chemistry and Biology was built at the Santa María High School #12.



Santa Maria school lab during the construction stage.

This laboratory is composed of a field and a teaching area.

Place and date: Santa María, 2007.

Objective: to enhance training initiatives for technical high school students.

Contributions from other stakeholders: the lab was developed with the support of various local organisations. The Santa María municipality hired manpower and the National Institute of Technical Education (INET) supplied equipment and workshop trainers.

Minera Alumbrera's Contribution: Minera Alumbrera supplied the material resources required to execute the works.

Changes: "A lab for technical courses and studies, in line with the technological breakthroughs of private industries was required for this organisation", said the proud school Principal Carlos Marsili. "Once completed, this lab will provide a wide range of services both to this school and eventually to other organisations too, as our assistance is frequently sought", he added.



Infrastructure works case

Minera Alumbrera funded 5 infrastructure development projects in Tucumán hospitals and health centres.

Place and date: San Miguel de Tucumán and inland Tucumán, 2007.

Beneficiaries: 200,000 direct beneficiaries from the towns close to these health facilities. Other direct beneficiaries include local health professionals.

Purpose: to support enhanced health care service quality, coverage and efficiency of SIPROSA facilities.

Background: even when health services in Tucumán have improved over the last two years, there is still a significant gap to be overcome when compared to health services across Argentina mainly in terms of basic health indicators to monitor the UN Millennium Development Goals, such as the infant mortality rate¹.

The main issue under our "Capital Works" project is the poor health infrastructure of the provincial health system. This issue was identified by the competent agencies as the cause of poor health care quality, coverage and efficiency. The development of additional health facilities will mitigate this deficiency.

Minera Alumbrera supports the health projects designed by public agencies.

During 2007, refurbishing works were carried out at Los Sarmientos and Aguilares Primary Health Care Centres (locally known as CAPs) in South Tucumán, at Los Rojos CAP in León Rougés, and at the Medinas health centre. Moreover, a new maintenance facility has been developed at the Concepción hospital.

Five units of Hospital Avellaneda in San Miguel de Tucumán were refurbished, three units were refurbished at Hospital del Carmen (a fourth unit is being refurbished) and the construction of the clinical unit at Hospital Obarrio is almost complete.

At the end of 2007, Minera Alumbrera supported training initiatives for middle management of the Tucumán health system to improve health care service quality. Two hundred and fifty professionals and administrative employees attended a six-month course organised by the Tucumán Foundation.

During 2007, Minera Alumbrera spent \$6.2 million in training and refurbishing initiatives, with a strong impact in the area.

These works have been undertaken under an agreement with the government of Tucumán signed in 2005, which was renewed in 2007 for an additional \$11 million amount to be provided by Minera Alumbrera for health projects in Tucumán over the next three years.

Works were carried out according to the technical specifications of the provincial government, and will be finally transferred by Minera Alumbrera to the provincial administration.

A number of projects under the initial agreement have already been commissioned in Tucumán. These include the repair works at Hospital Padilla and remodelling works at Centro de Salud.

1 Based on data from the Ministry of Health of the province Of Tucumán, during 2005, the infant mortality rate decreased by 4.3% from 2004 levels.



New Health Centre case

Minera Alumbra supported the construction of a new health centre in Catamarca.

Place and date: Rosa del Inca, Andalgala, 2007.

Beneficiaries: 300 local people, including Huaschaschi residents.

Purpose: to ensure improved health services at the community and provincial levels.

Minera Alumbra's support to strengthen the provincial health care system includes, but is not limited to construction materials and supplies. Programme benefits range from additional medical supplies for the local people with the resulting reduced health

expenditure and improved quality of health services by health professionals to the construction of a health centre, which ensures easier access to medical care and avoids the need to travel to San Fernando del Valle de Catamarca to seek free medical care for the needy.

Minera Alumbra provided the construction supplies for Rosa del Inca health centre under Alumbra's community program. Minera Alumbra provided financial support to the three municipal health-care

centres in Andalgala, with the remaining health centres being funded by the provincial administration.

Other stakeholders: the municipality of Andalgala provided labour and the provincial Ministry of Health provided the equipment.

STAKEHOLDER ENGAGEMENT

As part of our interaction with stakeholders, those who are directly or indirectly involved in Minera Alumbra's operations, it is of paramount importance the establishment and maintainance of commitments that enable the optimization of relations. Ongoing interaction is based on the following considerations:



INVESTORS	CUSTOMERS
Maximising the return on investment through successful management practices and leadership within the copper industry. We are committed to open corporate management practices.	Delivering our products (which are essential for progress) in a reliable and continuous manner.
EMPLOYEES, SUPPLIERS AND CONTRACTORS	GOVERNMENT
Promoting a respectful, flexible and efficient organisation through professional development and the fulfillment of mutual duties.	Strictly adhering to and enforcing the laws and supporting the professional management of efficient regulatory agencies.
TRADE UNIONS	COMMUNITIES
Supporting the responsible organisations that strive for employee welfare.	Providing growth opportunities through training, employment and sustainable programmes for the people who wish to improve their living standards.
MINING CHAMBERS AND ASSOCIATIONS	NGOs AND RELATED ORGANISATIONS
Supporting their actions so that they represent and act on behalf of the entire mining industry.	Liaising with organisations that strive to improve social, technical and institutional development at the regional and country-wide levels.
MEDIA	UNIVERSITIES
Providing accurate and thorough information, through ongoing regular discussions.	Encouraging fruitful exchange for students in courses directly or indirectly related to the mining industry and promoting academic studies that may provide reliable data to the community, based on rigorous methods, honesty and proven scholar qualifications.

FREQUENCY OF STAKEHOLDERS COMMUNICATION



Minera Alumbra's written communication tools are published both in Catamarca and Tucumán. These include Minera Alumbra's house organ and a gazette on our social involvement programmes, which is quarterly published in Catamarca and distributed together with El Ancasti best-selling newspaper. Such gazette is also personally distributed in local communities through representative organisations.



Minera Alumbra's house organ is distributed on a bi-monthly basis and it includes supplier, employee and management articles and related stories.



Communication is also established through our website. Additionally, community leaders as well as local and mainstream media representatives regularly visit the mine site to get acquainted with ore processing practices.



Our local Community Affairs representatives maintain ongoing communication with local authorities, organisations and community associations.



Aconquija ponds case

Minera Alumbra started the construction of two drainage ponds: one next to the valve station in Aconquija, Catamarca and the other in Concepción, Tucumán.

This project was requested by national and provincial authorities and is an integral part of our pipeline maintenance programme.

These ponds have been designed as reservoirs for standard maintenance activities at the valve stations of our slurry pipeline, through which concentrate is pumped from the mine site to the Filter Plant in Tucumán.

Once the ponds are developed, they will be lined with a high-density expanded polyethylene membrane to ensure watertightness. These activities are performed within the pipeline right-of-way and supervised by the competent provincial authorities.

During the construction stage, local people requested that works be discontinued. An information release was issued explaining the purpose of the works and the monitoring programme implemented by the relevant authorities during the construction stage. In addition, local residents were contacted in person. Nevertheless, people from a neighbouring community (which was

developed after Minera Alumbra pipeline was laid with judicial approval) staged a protest against the ongoing works.

Reports have been lodged by our Community Affairs officer for Andalgala with the speaker of the municipal legislature and to a legislator who resides in Andalgala. On the following day, 180 local people (excluding environmentalists) abandoned the road-block. Finally, Minera Alumbra decided to refill the drainage pond in 25 Viviendas community, Aconquija, because of a vandalic attack that posed a threat both for ongoing works and for community residents.

Some comments received from the 2006 sustainability report

■ Flavio Fuertes
UN Global Compact Focus Group in Argentina

"We are happy to see the inclusion of a specific section on GRI indicators linked to the Global Compact principles. The presentation of the Communication on Progress (COP) report is a key tool that provides credibility to voluntary initiatives and at the same time protects the investments of adhering organisations, such as Minera Alumbra."

■ Flavio Fama
Province of Catamarca

"It is surprising that universities are not included among stakeholders, in particular taking into account that mining-related courses are available at Universidad de Catamarca. This report reflects Minera Alumbra's poor interaction with local universities."

■ Adrián Milisenda
Milisenda Servicios Portuarios CEO

"Despite the difficult times that Argentina has gone through, I take great pride in companies such as Minera Alumbra that foster growth and human value. As Milisenda Servicios Portuarios CEO, I am deeply grateful for being one of Minera Alumbra's suppliers."

Community Concerns

Community concerns are generally made by local residents to municipal authorities who, in turn, report these claims to Minera Alumbra. Individual community concerns are then investigated by Minera Alumbra to ensure prompt resolution.

In some other cases, community concerns and requests are referred to community leaders. In addition to personal communication, people from remote areas usually e-mail their comments, post them at our website or send their feedback by filling in the form in the sustainability report, which includes a specific area for suggestions.



Visitors from neighbouring communities getting acquainted with mining practices.

Value Chain

Since the beginning of operations, Minera Alumbreira has been strongly committed to develop local suppliers in Catamarca, as well as in other districts and Argentine provinces, thus contributing to regional growth, while trying to have a strong economic impact both directly and indirectly.



Local Supplier Development Programme

Significant progress has been achieved to date in our local supplier development programmes by replacing imported supplies with domestic products and local services.

Programme objectives have been established for medium and long-term scenarios. In the first case, our objective is to develop local suppliers not only for the mining industry but also for other businesses and markets, thus ensuring sustainable development beyond Minera Alumbreira life.

For this purpose, suppliers with development potential are trained and advised about the requirements of the mining industry in

general and of our company in particular. Besides, Minera Alumbreira works hard to identify opportunities in neighbouring communities to purchase edible and regional products.

In the long run, our objective is to continue keeping a close liaison with the local Chambers of Mining Suppliers, in order to maintain and increase local supplies and services and to ensure bonds between existing and future suppliers, thus generating significant business value chain.



Local suppliers at the mine site.

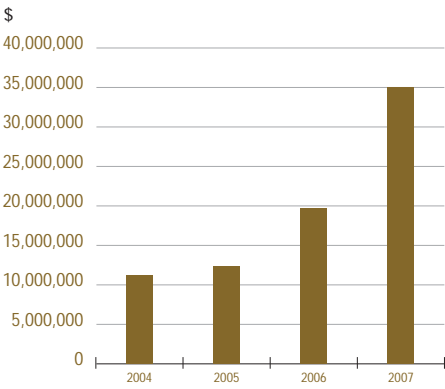
Objectives met during 2007

- Increased truck operations for two of key consumables through the San Francisco Pass from Chile to the minesite. Being a pioneer in the use of this bi-ocean corridor, Minera Alumbreira has achieved economic synergy and increased opportunities for the region, in addition to significantly reducing lead times, thus lowering operating costs.
- Gradually increased local and domestic purchases by establishing common strategies with local authorities to foster business and industrial development at the regional level.
- Improved our liaison with local suppliers through regular visits by Minera Alumbreira procurement staff to inland Catamarca to identify opportunities for mining and other industries.
- Scheduled regular visits to the mine site by local suppliers to meet with company users and members of the procurement team. Technical information, proposals and expectations were exchanged during these meetings, thus establishing direct communication channels. On this occasion, contact was established with potential suppliers.
- Announced our requirements, service quality policies and delivery times to ensure our suppliers' commitment to Minera Alumbreira daily operations and improve both their services and communication.

Challenges for 2008

- Establish joint strategies with government agencies and intermediate organisations to improve business and industrial development at the regional level.
- Ensure that our internal users, suppliers and authorities meet our supplier development policy.
- Continue identifying general and mining specific business activities with development potential at the local level.
- Identify tools to maximise the project's direct and indirect economic impact on local communities.
- Maintain a programme of regular visits to local communities and invite local suppliers to site.
- Promote joint actions with the local Chambers of Mining Suppliers.
- Brief local suppliers on our safety, health and environment requirements.
- Continue replacing imported supplies with local products and services.
- Expand Minera Alumbreira's know-how at the local level.

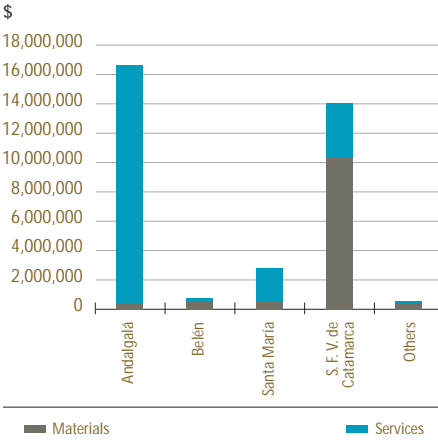
Catamarca Procurement Trends



Minera Alumbreira growing trend to purchase local goods and services is ongoing. During 2007, Minera Alumbreira purchased local products and services for \$35 million -which was 60% higher than our 2006 levels.

In turn, 272 business relationships were established with local suppliers from Andalgalá, Belén, Recreo, San Fernando, Santa María, Tinogasta and Valle Viejo.

Procurement in Catamarca per town. Year 2007.



Supplier Policies

Safety and Health
Once business relations are established with suppliers, Contractor's Health and Safety policy is established for site and off-site operations to ensure and maintain a healthy and accident-free work environment. This is achieved by setting the highest safety and health standards, complying with the existing laws and introducing practices within the scope of Minera Alumbreira that comply with or exceed the requirements established by law. Therefore, safety awareness is ensured through compulsory safety workshops and sessions; the use of personal protection equipment to ensure responsible and safe operations; and the development of contingency plans for high-risk activities.

Environment
Minera Alumbreira is committed to achieve the highest environmental performance. Minera Alumbreira operates in a responsible way to minimise the impact of mining operations and protect employees, contractors and neighbouring communities, while respecting the environment. Achievement is ensured through strict compliance with laws. Likewise, Minera Alumbreira's Environment Policy is rolled down to contractors and becomes applicable to contractors as from the beginning of business relations.

Employment
Minera Alumbreira strictly controls compliance with the applicable laws and employment agreements, and ensures that suppliers provide evidence of such compliance, including for instance, payslips, evidence of payment of payroll taxes, workers compensation insurance coverage -depending on the duties of individual employees, safety programmes, etc. Besides, Minera Alumbreira's local recruitment process includes the company's fraud control policy. Minera Alumbreira strongly rejects and repudiates child work, discrimination and corruption.

Training Workshops

Minera Alumbraera acknowledges that good contractor performance contributes to:

- the success of our business;
- responsible operational performance;
- ensure environment sustainability;
- preserve a healthy and accident-free work environment and
- improve our relationship with local communities.

Therefore, training workshops based on these major pillars are arranged for our contractors and carriers, together with emergency procedures for environmental incidents, road emergency systems; fault-tree for freight forwarders, etc.

Our objective is to build company integration and exchange to ensure their proactive involvement in these areas.



The “ Dulceras de Choya” case

Our programme of regular visits to Belén, Andalgala and Santa Maria is mainly intended to identify potential suppliers, improve our person-to-person communication, ensure direct and effective liaison, identify opportunities to purchase regional products and food, establish links among local vendors and our service suppliers, brief them on our requirements, service quality policies and delivery terms.

Every year, Minera Alumbraera presents a special Christmas gift to all employees. Based on these principles, Minera Alumbraera decided that our Christmas gift includes regional products.

Thus, a group of ladies from Choya, Andalgala were contacted.

They are known as “ Dulceras de Choya” , and prepare top-quality preservative-free quince jelly.

They have enthusiastically taken the challenge to produce quince candies for Minera Alumbraera employees.

Our challenge was not only to present their products as a Christmas gift, but also to link them with our catering supplier in order that their products be added to our food diet, under our health safety standards and requirements with a view to build business relationships.



Cooks from Andalgala joined Minera Alumbraera's business value chain.



“ Cabañas El Tata” case

“ Cabañas El Tata” is a hotel that grew in line with mining development in Andalgala. Currently, it provides professional services year round not only to mining workers, but also to the local people and tourists.

Jorge Boggio's dream of having his own business became true with mining development in Andalgala. He started in 1998 with the construction of tourist facilities, which were closed down for external financial restraints. However, he went on pursuing his dreams.

Visitors poured in Andalgala upon Minera Alumbraera's commissioning. Aware of the limited hotel capacity in the city, which was insufficient to meet the growing demand, Mr. Boggio was positively sure that his business would not fail.

When he repaid all his debts in 2001, he completed the development of “ Cabañas El Tata” , which were formally opened in February 2003.

Then Mr. Boggio rented office space to Minera Alumbraera. “ Meeting Alumbraera's high service quality standards has certainly been a learning experience for us,” said Mr. Boggio.

Minera Alumbraera now rents three additional modules for technical experts working on site or at Minera Alumbraera's nearby pump station. “ From a financial standpoint, we have successfully taken financing risks initially over seven fully-equipped family facilities, and we have recently added seven additional executive facilities with private bathroom,” he explained.

“ Cabañas El Tata” infrastructure has grown in line with service quality, as noted by visitors.

According to Mr. Boggio, the key to his business has actually been “ keeping a positive attitude and commitment to service quality. We are now providing services to several local miners and keep working to ensure first-rate tourist services” , he explained.

This family-owned business now employs seven people, including Mr. Boggio's brother in law Federico Amayo, who came back from Córdoba to his native town to join the family business.

He enthusiastically noted:

“ Mining development brings additional visitors into town. In addition to growing tourist



Local employment levels rose with the new hotel venture. Viviana Miranda got a job as a maid.

activities in the area, our facilities are busy virtually year round. Undoubtedly, additional hotel infrastructure is required in Andalgala” .

In fact, the booming hotel business led local providers of tourist services to make joint efforts to maximise tourist development in the area “ Our customer Alumbraera helped us develop our capacity” , concluded Amayo.

GRI INDICATORS

STRATEGY & ANALYSIS			
GRI Indicator		Global Compact Principle	Page Nbr.
1.1	✔	Non-Specific COP Requirement	04
1.2	✔	Non-Specific COP Requirement	02 and 04

ORGANISATIONAL PROFILE			
GRI Indicator		Global Compact Principle	Page Nbr.
2.1	✔	Non-Specific COP Requirement	14
2.2	✔	Non-Specific COP Requirement	14
2.3	✔	Non-Specific COP Requirement	14
2.4	✔	Non-Specific COP Requirement	14
2.5	✔	Non-Specific COP Requirement	14
2.6	✔	Non-Specific COP Requirement	14
2.7	✔	Non-Specific COP Requirement	15
2.8	✔	Non-Specific COP Requirement	14 and 15
2.9	✔	Non-Specific COP Requirement	14
2.10	✖	Non-Specific COP Requirement	

REPORT PARAMETERS			
GRI Indicator		Global Compact Principle	Page Nbr.
3.1	✔	Non-Specific COP Requirement	08
3.2	✔	Non-Specific COP Requirement	08
3.3	✔	Non-Specific COP Requirement	08
3.4	✔	Non-Specific COP Requirement	09
3.5	✔	Non-Specific COP Requirement	08
3.6	✔	Non-Specific COP Requirement	08
3.7	✔	Non-Specific COP Requirement	08
3.8	n/a	Non-Specific COP Requirement	
3.9	✖	Non-Specific COP Requirement	
3.10	✖	Non-Specific COP Requirement	
3.11	✔	Non-Specific COP Requirement	08 and 09
3.12	✔	Non-Specific COP Requirement	06
3.13	✖	Non-Specific COP Requirement	

GOVERNANCE, COMMITMENT AND ENGAGEMENT			
GRI Indicator		Global Compact Principle	Page Nbr.
4.1	✔	Principles 1 to 10	11
4.2	✔	Principles 1 to 10	11
4.3	✔	Principles 1 to 10	11
4.4	✖	Principles 1 to 10	
4.5	✖	Principles 1 to 10	
4.6	✖	Principles 1 to 10	
4.7	✖	Principles 1 to 10	
4.8	✔	Principles 1 to 10	10
4.9	✖	Principles 1 to 10	
4.10	✖	Principles 1 to 10	
4.11	✔	Principles 1 to 10	30 to 37
4.12	✔	Principles 1 to 10	11
4.13	✔	Principles 1 to 10	11
4.14	✔	Principles 1 to 10	49
4.15	✔	Principles 1 to 10	49
4.16	✖	Principles 1 to 10	
4.17	✔	Principles 1 to 10	51

ECONOMIC INDICATORS			
GRI Indicator		Global Compact Principle	Page Nbr.
EC1	✔	Non-Specific COP Requirement	17
EC2	✖		
EC3	✔	Non-Specific COP Requirement	16
EC4	n/a	Non-Specific COP Requirement	
EC5	🔄	Principle 1	17
EC6	✔	Non-Specific COP Requirement	52 and 53
EC7	✔	Principle 6	25
EC8	✔	Non-Specific COP Requirement	5, 40 and 47
EC9	✔	Principle 1	16 to 19

Global Compact Principles

- Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights.
- Principle 2: 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: The elimination of all forms of forced and compulsory labour.
- Principle 5: The effective abolition of child labour.
- Principle 6: The elimination of discrimination in respect of employment and occupation.
- Principle 7: Businesses should support a precautionary approach to environmental challenges.
- Principle 8: Undertake initiatives to promote greater environmental responsibility.
- Principle 9: Encourage the development and diffusion of environmentally friendly technologies.
- Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

ENVIRONMENTAL INDICATORS			
GRI Indicator		Global Compact Principle	Page Nbr.
AM1	✔	Principle 8	32
AM2	✔	Principles 8 and 9	32
AM3	✔	Principle 8	32
AM4	✔	Principle 8	32
AM5	🔄	Principles 8 and 9	32
AM6	✖	Principles 8 and 9	
AM7	✖	Principles 8 and 9	
AM8	✔	Principle 8	32
AM9	🔄	Principle 8	32 and 33
AM10	✔	Principles 8 and 9	32
AM11	✔	Principle 8	34
AM12	✔	Principle 8	34
AM13	✔	Principle 8	34
AM14	✔	Principle 8	34
AM15	n/a	Principle 8	
AM16	✔	Principle 8	35
AM17	✔	Principle 8	35
AM18	✔	Principles 7, 8 and 9	35
AM19	✖	Principle 8	
AM20	✖	Principle 8	
AM21	🔄	Principle 8	32
AM22	✔	Principle 8	35
AM23	✔	Principle 8	33 and 35
AM24	✔	Principle 8	35
AM25	✖	Principle 8	
AM26	✔	Principles 7, 8 and 9	30 to 37
AM27	✔	Principles 8 and 9	35
AM28	✔	Principle 8	06
AM29	✔	Principle 8	36
AM30	✖	Principles 7, 8 and 9	

HUMAN RIGHTS			
GRI Indicator		Global Compact Principle	Page Nbr.
DR.1	🔄	Principles 1 and 2	53
DR.2	✔	Principles 1, 2 and 6	12
DR.3	🔄	Principles 1 and 2	12
DR.4	n/a	Principles 1, 2 and 6	13
DR.5	n/a	Principle 1	
DR.6	n/a	Principle 1	
DR.7	n/a	Principle 1	
DR.8	✔	Principles 1 and 2	12
DR.9	n/a	Principle 1	

LABOUR PRACTICES AND DECENT WORK			
GRI Indicator		Global Compact Principle	Page Nbr.
LA1	✔	Non-Specific COP Requirement	25
LA2	🔄	Principle 6	25
LA3	✖	Non-Specific COP Requirement	
LA4	✔	Non-Specific COP Requirement	29
LA5	✔	Principles 1 and 3	29
LA6	🔄	Principle 3	23
LA7	✔	Principle 1	20
LA8	✔	Principle 1	22 and 23
LA9	🔄	Principle 1	29
LA10	✔	Non-Specific COP Requirement	27
LA11	✔	Non-Specific COP Requirement	27
LA12	✔	Non-Specific COP Requirement	27
LA13	🔄	Principles 1 and 6	24
LA14	n/a	Principles 1 and 6	

PRODUCT STEWARDSHIP			
GRI Indicator		Global Compact Principle	Page Nbr.
PR1	n/a	Principle 1	
PR2	n/a	Principle 1	
PR3	n/a	Principle 8	
PR4	n/a	Principle 8	
PR5	n/a	Non-Specific COP Requirement	
PR6	n/a	Non-Specific COP Requirement	
PR7	n/a	Non-Specific COP Requirement	
PR8	n/a	Principle 1	
PR9	n/a	Non-Specific COP Requirement	

SOCIETY			
GRI Indicator		Global Compact Principle	Page Nbr.
SO1	✖	Non-Specific COP Requirement	
SO2	🔄	Principle 10	53
SO3	✖	Principle 10	
SO4	n/a	Principle 10	
SO5	✔	Principle 10	12
SO6	n/a	Principle 10	
SO7	n/a	Principle 10	
SO8	n/a	Principle 10	

✔ Data available 🔄 Data partially available ✖ Data unavailable COP= Communication on Progress n/a= Not applicable

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 informe2007@alumbrera.com.ar
- Post it to:
Apartado Especial N°140
Correo Central 1000
Ciudad Autónoma de Buenos Aires
Argentina

How did you find the report in general?			
Uninteresting	<input type="checkbox"/>	Somewhat interesting	<input type="checkbox"/> Interesting <input type="checkbox"/> Very interesting <input type="checkbox"/>
It reported on Minera Alumbra Corporate Social Involvement initiatives in ... detail:			
No	<input type="checkbox"/>	Little	<input type="checkbox"/> Sufficient <input type="checkbox"/> Great <input type="checkbox"/>
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"/>
MESSAGE FROM THE GENERAL MANAGER	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
TABLE OF CONTENTS AND OBJECTIVES FOR 2008	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
SCOPE OF THIS REPORT	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
GOVERNANCE AND ETHICS	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
ABOUT MINERA ALUMBRERA	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
OUR PEOPLE	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
ENVIRONMENT	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
CORPORATE SOCIAL INVOLVEMENT	<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:		
District:	Country:		
E-mail:	Telephone number:		
Your relationship with Minera Alumbra:			
Customer	<input type="checkbox"/>	Shareholder	<input type="checkbox"/> Employee <input type="checkbox"/> Supplier <input type="checkbox"/>
From neighbouring communities	<input type="checkbox"/>	Other (please specify) <input type="checkbox"/>	
Fax number: (54-11) 4316-8399 - E-mail: informe2007@alumbra.com.ar This Sustainability Report is also available in our website at www.alumbra.com.ar			

Open pit & Headquarters

4319 Distrito de Hualfin
Departamento Belén
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 6º
4000 Tucumán

Alumbrera port facilities

Juan Vucetich s/nº
2202 Puerto Gral. San Martín
Provincia de Santa Fe

Buenos Aires offices

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

www.alumbrera.com.ar



MINERA ALUMBRERA



Minera Alumbraera

Open pit & Headquarters 4319 Distrito de Hualfín - Departamento Belén - Catamarca

www.alumbraera.com.ar