



NEWS RELEASE

XSTRATA ZINC COMPLETES ACQUISITION OF CANADIAN ZINC PROSPECTS

Toronto, 4 October 2011

Xstrata Zinc has closed its acquisition of the Hackett River and Wishbone exploration properties, located in the Western Kitikmeot region of Nunavut, Canada, from Sabina Gold and Silver Corp. ("Sabina") for a cash consideration of C\$50 million.

Under the terms of the agreement, Xstrata will commit a further C\$50 million towards exploration on the properties within four years of the transaction's completion and Xstrata will pay Sabina a royalty on silver produced from the properties.

The Hackett River property comprises nine mineral leases totaling 12,250 hectares. The Wishbone area comprises 132 mineral claims covering 107,227 hectares. Exploration drilling in Hackett River has confirmed an NI 43-101 compliant resource of circa 60 million tonnes of ore containing zinc, silver, copper, lead and gold, with approximately 5.2 million tonnes of zinc equivalent, housed within four proximal near surface deposits amenable to open pit mining. Both properties contain significant additional exploration potential.

Xstrata Zinc Canada Chief Operating Officer Manuel Alvarez commented: "The closing of this transaction marks an important milestone in our strategy to grow our business in Canada. We look forward to working with local stakeholders in Nunavut in the coming years as this project moves forward."

Xstrata Zinc Chief Executive and Xstrata plc Executive Director Santiago Zaldumbide added: "This transaction affords us entry into a highly prospective region with exciting exploration opportunities that could add value and complement our future growth pipeline."

Ends

Neither the content of the company's website nor the content of any other website accessible from hyperlinks on the company's website is incorporated into, or forms part of, this announcement

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ABOUT XSTRATA ZINC Headquartered in Madrid, Spain, Xstrata Zinc is one of the world's largest producers of zinc and one of the commodity business units within the major global diversified mining group Xstrata plc. Xstrata's zinc and lead operations and exploration projects are located in Australia, Canada, Germany, Peru, Spain and the United Kingdom.

Xstrata Zinc's operations in Spain comprise the San Juan de Nieva zinc smelter and the Arnao zinc semis plant in Asturias, and the Hinojedo roasting plant in Cantabria.

In Australia, operations comprise: the Mount Isa, George Fisher underground, Handlebar Hill open cut and Black Star open cut zinc-lead mines, zinc-lead concentrator, lead smelter and Bowen Coke Works in north Queensland; and the McArthur River open pit zinc-lead mine, processing and loading facility in the Northern Territory.

In Canada, operations and exploration projects include the Brunswick zinc-lead mine, and the Brunswick Lead smelter and recycling facilities in New Brunswick; the Perseverance zinc mine and the Bracemac McLeod mine development in Quebec and the General Smelting facilities and 25% of the CEZ zinc smelter near Montreal.

Xstrata Zinc also operates the Nordenham zinc smelter in northern Germany; the Northfleet lead refinery in the United Kingdom; and owns 33.75% of the Antamina mine in Peru.

Around half of all zinc currently consumed is used for galvanizing steel, which is an environmentally friendly method of protecting steel against corrosion. Zinc also finds application in the manufacture of die-cast alloys, brass and the production of zinc oxides and chemicals.