



Press release

Cloncurry, 15 July 2013

EMBARGOED UNTIL 3PM, MONDAY 15 JULY 2013

Suspension of magnetite production at Ernest Henry Mining

Ernest Henry Mining has made a decision to suspend magnetite production effective mid-August 2013.

“The business case, which made magnetite production a positive contribution to Ernest Henry’s operations, is not supported in the current market,” an Ernest Henry Mining spokesperson said.

“Falling revenue, increasing production costs and on-going high logistics costs in getting our product from mine to market have eroded the margins in this business. Further, global iron ore prices have experienced more than a 30% drop over the past two years,” the spokesperson said.

“We will place parts of the magnetite circuit into care and maintenance in mid-August. The regrind circuit will be reconfigured into the copper circuit to improve existing copper concentrate production.

“Any of our Ernest Henry Mining employees affected as a result of this decision will be offered alternate roles within our business.

“From today, we will be working with our people and stakeholders to manage the impacts of this decision and address any concerns they may have.

“We remain focused on completing the development of our underground mine and hoisting shaft, as well as the Mount Margaret Mining pits, which will secure the future sustainability of our Ernest Henry operation.”

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A GLENCORE COMPANY

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Notes to editors

About Glencore

In May 2013, Xstrata merged with Glencore, creating one of the world's largest global diversified natural resource companies, Glencore Xstrata. As a leading integrated producer and marketer of commodities with a well-balanced portfolio of diverse industrial assets, we are strongly positioned to capture value at every stage of the supply chain, from sourcing materials deep underground to delivering products to an international customer base.

The natural resources we produce and process are at the heart of society's many essential products and services. From the building blocks of new cities, the high-precision metals used to produce mobile phones or jet engines, to the food we eat and the energy required to power our cars and homes.

With approximately 190,000 people employed, our diversified operations comprise over 150 mining and metallurgical sites, off shore oil production assets, farms and agricultural facilities. The Group's industrial and marketing activities are supported by a global network of more than 90 offices located in over 50 countries. For more information visit www.glencorexstrata.com.

About Ernest Henry Mining

Ernest Henry Mining is a copper, gold and magnetite mining and processing operation located 38 kilometres north east of Cloncurry in north-west Queensland, Australia. Ernest Henry began commercial production in March 1998 as an open pit mining operation and transitioned to underground mining and magnetite processing in December 2011, extending the life of the operation to at least 2024. We currently provide work for around 900 employees and contractors.

Ore is trucked from our underground mine via a decline at a rate of approximately three million tonnes per annum. A 1,000 metre deep underground shaft is under construction which will enable production rates to ramp up to six million tonnes per annum from 2014 once the hoisting shaft is commissioned.

In July 2012, we commenced our Mount Margaret Mining operation, which is a series of satellite pits located adjacent to the Ernest Henry site. Copper ore from Mount Margaret is processed through Ernest Henry's processing facilities, adding an additional 20 million tonnes of ore to Ernest Henry's production profile over its five year life. For more information, visit www.ernesthenrymining.com.au.