

PACHON PROJECT

LOCATION: In San Juan province, some 300 Km. West of the City of San Juan, Argentina, 5 km. From the borderline with Chile, 3,600 m.a.s.l, in Calingasta Department, in the watershed of the rivers Pachón, Mondaca, de la Carnicería and in the middle of Santa Cruz river. Coordinate: 2,364,500 E and 6,486,500 N. The closest community to the area of the project on the Argentine side is Barreal, which is located at some 150 km. It is a binational project, subject to the Treaty of Mining Integration and Complementation underwritten in 1997 by Argentina and Chile and to a Supplementary Specific protocole, which shall allow the exit of concentrates through the pacific Ocean.



OWNING COMPANY: Xstrata Pachón S.A., the one that operates the mine Bajo La Alumbreira. Offices in San Juan: Ignacio de la Roza 125 Este 4º Piso. TE: 0264-4309300, www.xstratacopper.com and www.elpachon.com.ar. Contact: Xavier Ochoa, PM.

KIND OF SITE: It is a copper and molybdenum porphyry (scattered mineralization).

MINERAL RESOURCES: The current licensee has performed several survey campaigns that have allowed them to increase its mining resource base.

The last estimate, in December 2011, reached a total 2,740 million tons, with a law of 0.48% of copper and a cut-off grade of 0.2%. This represents a contained metal of 13.1 million tons of copper, which equals a 44% increase compared to the previous estimate as of 1 October 2010. The increase came from the 2010-11 campaign, the longest in the history of the project, where 56,000 infill and body definition drillings were carried out. Drillings will be carried out throughout 2011/12 too.

MINERAL RESOURCE TABLE:

Kind of resource	Mt	Cu(%)	Ag(g/t)	Mo(%)
measured	430	0.69	2.4	0.014
indicated	810	0.51	2.1	0.011
inferred	1500	0.4	2	0.01
Total	2740	0.48	2.1	0.01

INVESTMENT

According to the information given by the company in July 2012, the investment for 2012 will be of about USD 80 million.

The estimated total investment up to the moment will be USD 4,200 million.

INFORMATION AS OF DECEMBER 2012:

Xstrara Copper announced a significant increase of the estimate mineral resources of El Pachón, its project in feasibility of Calingasta, San Juan province, shared with Chile (Choapa, Coquimbo) and with a great potential to continue increasing its reserves.