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Dear Ms Pietropaoli

Thank you for your interest in our Peruvian operations and the opportunity to comment on the article *Environmental Monitoring of Xstrata Tintaya Copper Mine in Cusco, Peru* by Eike Sophie Hümpel, EJOLT, 3 August 2012.

Xstrata is deeply committed to the principles of sustainable development and our organisation in Peru is no exception. Our Tintaya operation conducts comprehensive environmental monitoring and all community participatory and company monitoring activities to date have demonstrated that Tintaya operates in line with Peruvian law and Xstrata's industry-leading standards.

Tintaya retains and recycles all process water on-site and we do not discharge into local water bodies. We do not produce or use mercury, arsenic or lead in our processes. Upstream and downstream monitoring results shows that water quality is consistent and there is no impact from our mining operations. We have publicly and repeatedly rejected allegations of environmental pollution at Tintaya including river pollution.

With respect to the report commissioned by *Vicaria de la Solidardid* which analysed water and soil samples from the region, it is important to note that the study did not find that Tintaya contaminated local land or water sources. It found that Saldo river water was not suitable to be used as drinking water. Under Peruvian legislation this untreated, natural water is not considered to be potable water.

It should also be noted that the study's methodology did not take into account the hydrogeological characteristics of the Salado River which originates from hydrothermal sources and naturally contains heavy metals. In addition the study did not account for the geological characteristics of the area, such as the natural background mineralisation present in the region which has been confirmed by previous participative monitoring processes involving local and international non-government organisations. The mineralisation described by Ms Hümpel in her article is not only present in the Espinar province but the wider Andean mountain region as found by studies undertaken by the Peruvian Health Ministry and Peruvian Geological, Mining and Metallurgy Institute (part of the Peruvian Ministry of Energy and Mines).

The Tintaya mine will cease operations later this year. Xstrata has invested \$1.47 billion to develop the Antapaccay deposit, located 10 kilometres from the Tintaya open pit, which will extend the operation's life by at least 20 years and provide ongoing socio-economic benefits for the people of Espinar province and the Cusco region. As part of the Environmental Impact Assessment (EIA) for the development of the Antapaccay mine, accredited consultants undertook environmental baseline studies including water, soil and sediment characterisation studies. These studies and their findings confirmed natural background mineralisation in the area and the presence of metals in soil and water sources. The studies were submitted to the Peruvian Ministry of Energy and Mines, Espinar municipal government and Cuzco regional government and the findings were disclosed to local communities and other stakeholders through workshops and public hearings as part of the EIA regulatory approval process.

Following the completion of mining activities at Tintaya, the main pit will be used as a tailings storage facility for the new Antapaccay mine. Extensive engineering and environmental impact studies were undertaken by international experts to assess the safety and feasibility of this option. These studies considered, among other things, the geochemical, hydrological and stability aspects of the tailings and pit and determined this method of tailings storage is safe and will significantly reduce Antapaccay's environmental footprint.

We are pleased that, in line with our repeated offers to initiate further participatory environmental monitoring, a number of new environmental monitoring processes were agreed in response to community concerns at a meeting in April 2012 held in Espinar by representatives of national government, the state's health and environmental institutions, the Espinar provincial municipality and local civil society organisations. These activities, including participatory monitoring of waterways and toxicological studies of human and animal health, will be led by the relevant state regulatory bodies for health, the environment and agriculture. We welcome these initiatives which are scheduled to commence over the coming months and will cover the whole of Espinar Province.

We regularly report on our sustainability performance and further information, including the Xstrata Copper Southern Peru 2011 sustainability report, is available from the following link: www.xstratacopper.com

Kind regards

José Marún Executive Vice President South America Operations Division Xstrata Copper

