

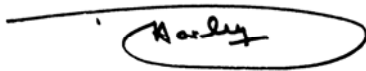
ASX RELEASE
18th May 2010

**CONTINUATION OF FARM-IN EXPENDITURE –
MOUNT GUNSON COPPER PROJECT**

Noranda Pacific Pty Limited (Noranda), part of the Xstrata Copper Business Unit, has advised of its intent to suspend exploration in the immediate future on the Mount Gunson tenements in light of the Federal Government's proposed 40 per cent resource super profits tax. Noranda has indicated that the suspension will continue, subject to meeting statutory minimum rates, until there is greater certainty on the fiscal regime for future mining developments. Therefore, for the avoidance of doubt, Noranda has decided as a result of current uncertainties to only sole fund exploration at the statutory minimum spend rates, which for the current year to 30th June 2010 is \$0.5 million.

As advised previously, Noranda has the right to earn a further 24% share of the Mount Gunson Project by spending another \$6.5 million on or before 15th June 2013. Noranda completed its initial earn-in expenditure at Mount Gunson on 26th March 2010 and Gunson is presently arranging registration of Noranda's 51% equity in the Farm-in Tenements, which excludes the MG 14/Windabout Excised Area. Noranda has been exploring for large copper deposits on the Company's Mount Gunson Project in South Australia since 2006.

Expenditure at Mount Gunson in the current financial year to date is over three times the statutory minimum rate set by the South Australian Government agency PIRSA for the year to 30 June 2010. The budget for the year to 30 June 2011 is currently being set by Noranda and Gunson and will be reviewed with PIRSA in July 2010.



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ATTRIBUTION

The information in this report that relates to exploration results, mineral resources and ore reserves is based on information compiled by Mr D N Harley, who is a Fellow of the Australasian Institute of Mining and Metallurgy. Mr Harley has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Harley consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.