

## Xstrata to spend \$5.8bn on Peru and NSW mines

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XSTRATA, the largest exporter of coal used for power, has approved investment of \$US5.3 billion (\$A5.8 billion) to build a copper mine in Peru and expand a coalmine in New South Wales, as demand grows in China, Brazil and India.

The company said Xstrata would develop the \$US4.2 billion Las Bambas copper project in southern Peru and the \$US1.1 billion **Ulan** West coal venture in NSW.

It had approved \$US8 billion of new mine investments this year, it said.

Chief executive Mick Davis is on schedule to meet a targeted 50 per cent increase in production by 2014, estimated to cost \$US14 billion. Xstrata is betting on a revival in metal and coal demand as the global economy recovers from last year's recession.

Construction of the Las Bambas project is due to start in the third quarter of next year, subject to regulatory approvals.

The mine will initially produce 400,000 tonnes of copper in concentrate a year, with output expected to begin in 2014.

Xstrata plans to start building the **Ulan** West mine later this year, with first production estimated for 2014.

Xstrata said the mine would produce an annual 6.7 million tonnes of thermal coal for export for about 18 years.