

Concentrate Marketing

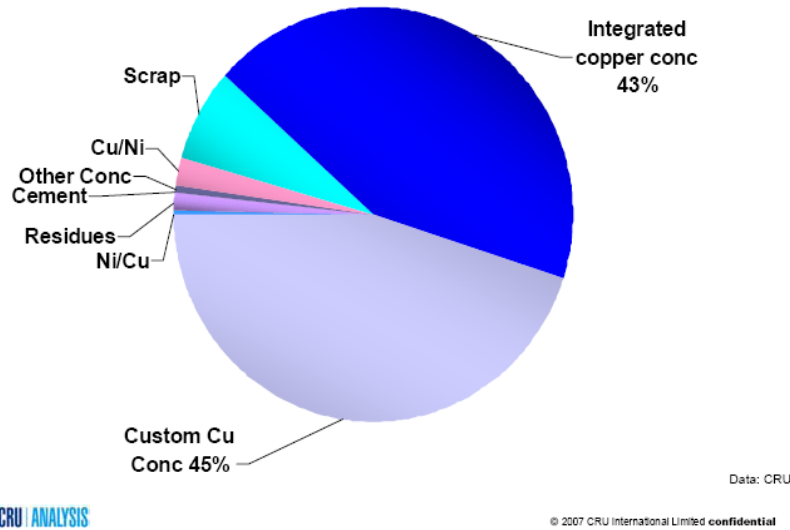


Greg Robinson
Finance Director

Concentrate Market & Market Mechanisms

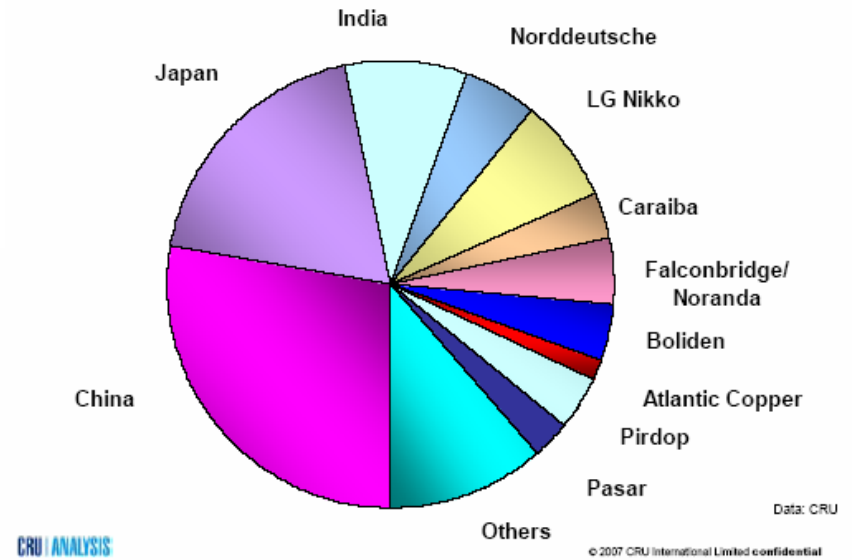
Custom share now over 40%

Raw material offtake by copper smelters, 2006



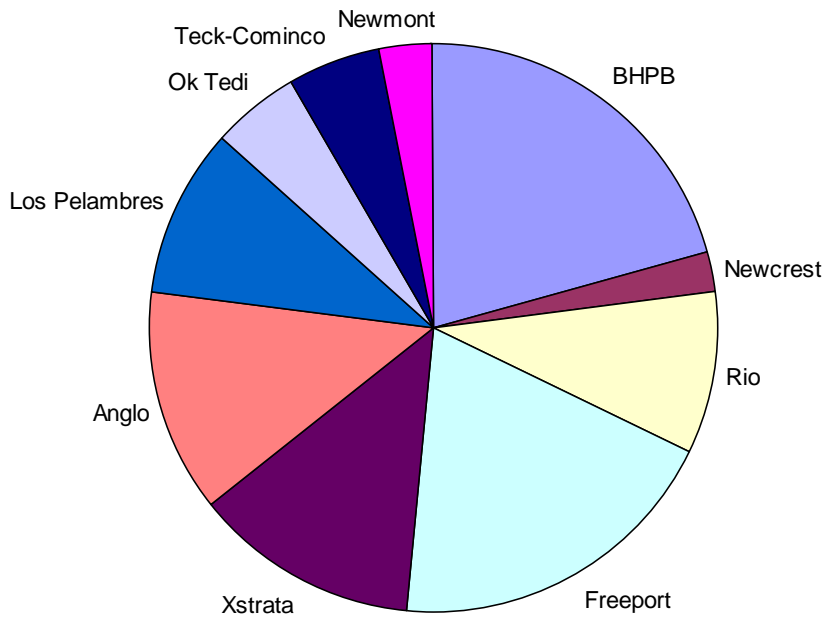
China accounts for significant share of custom concentrates market.....

Share of market taken by main buyers, 2006

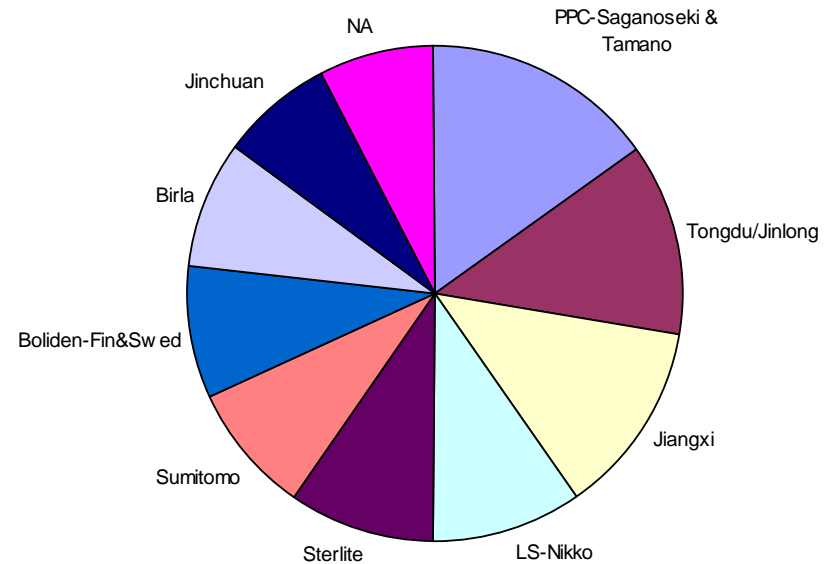


Major Producers – Custom Concentrate (Equity Basis) & Custom Smelters

**Top 10 Custom Concentrate Producers - 2008
(+ Newcrest)**

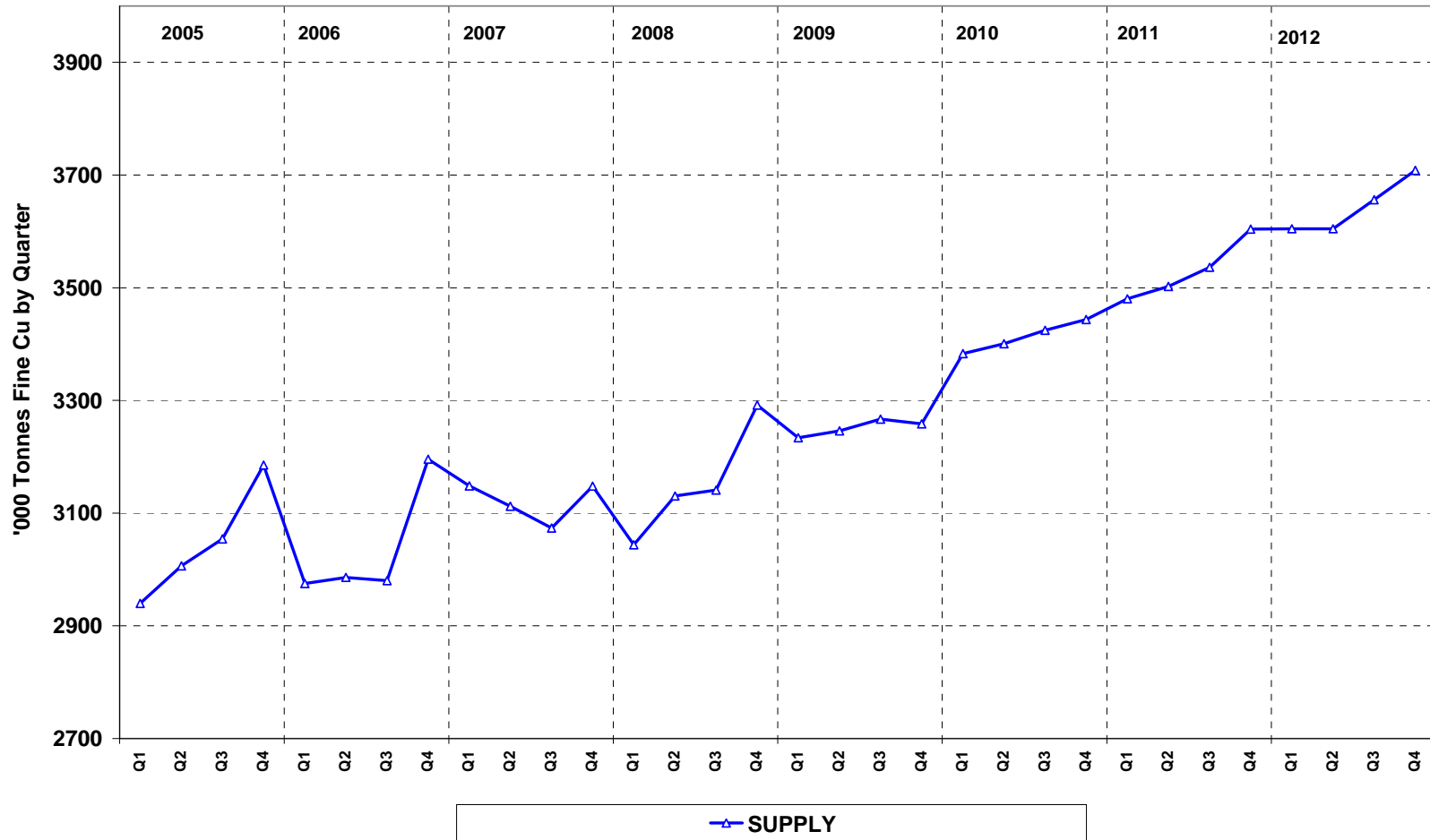


**Top Ten Custom Concentrate Smelters - 2008
by Capacity**



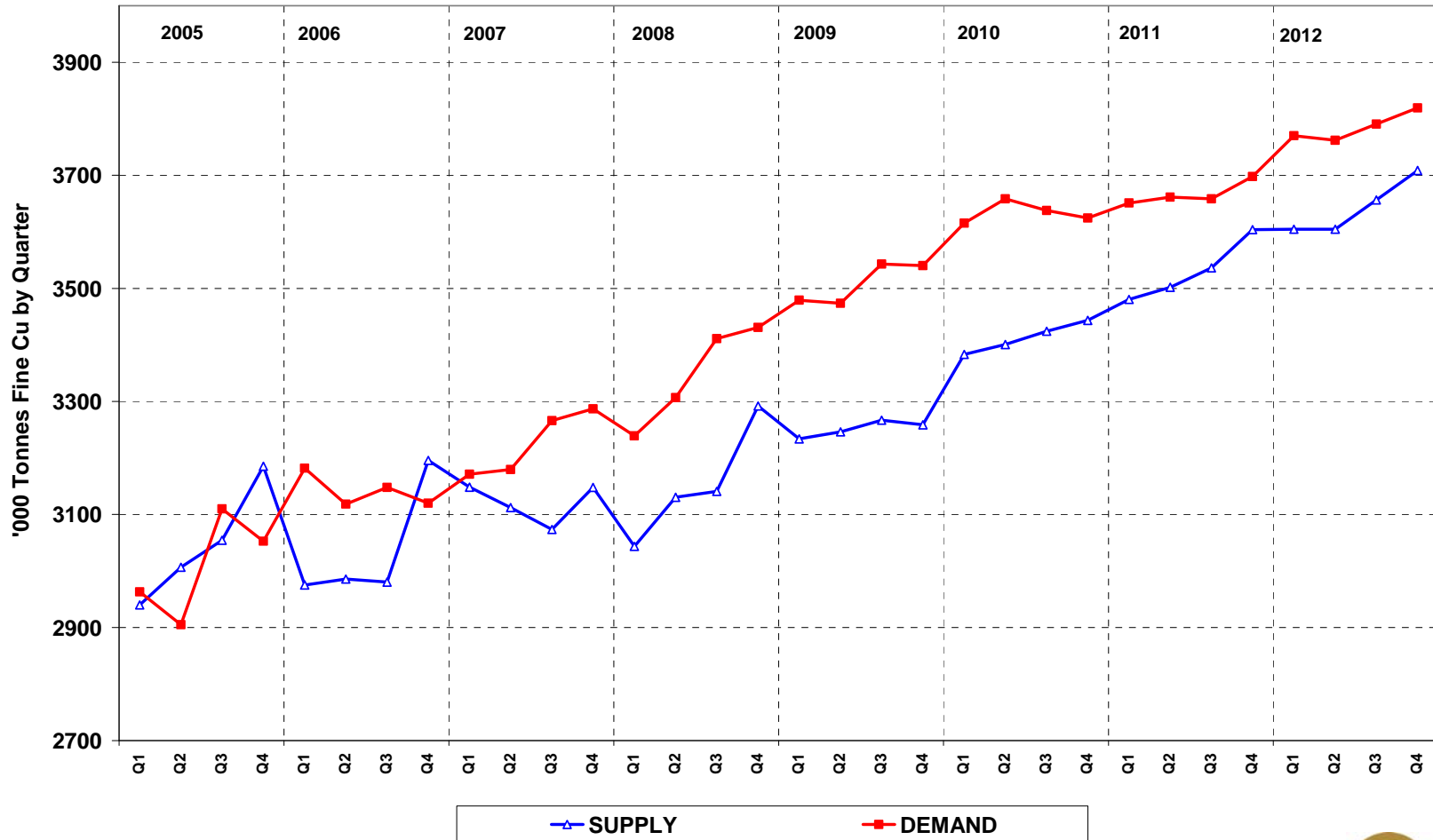
Global Concentrate Market Balance

GLOBAL CONCENTRATE MARKET BALANCE



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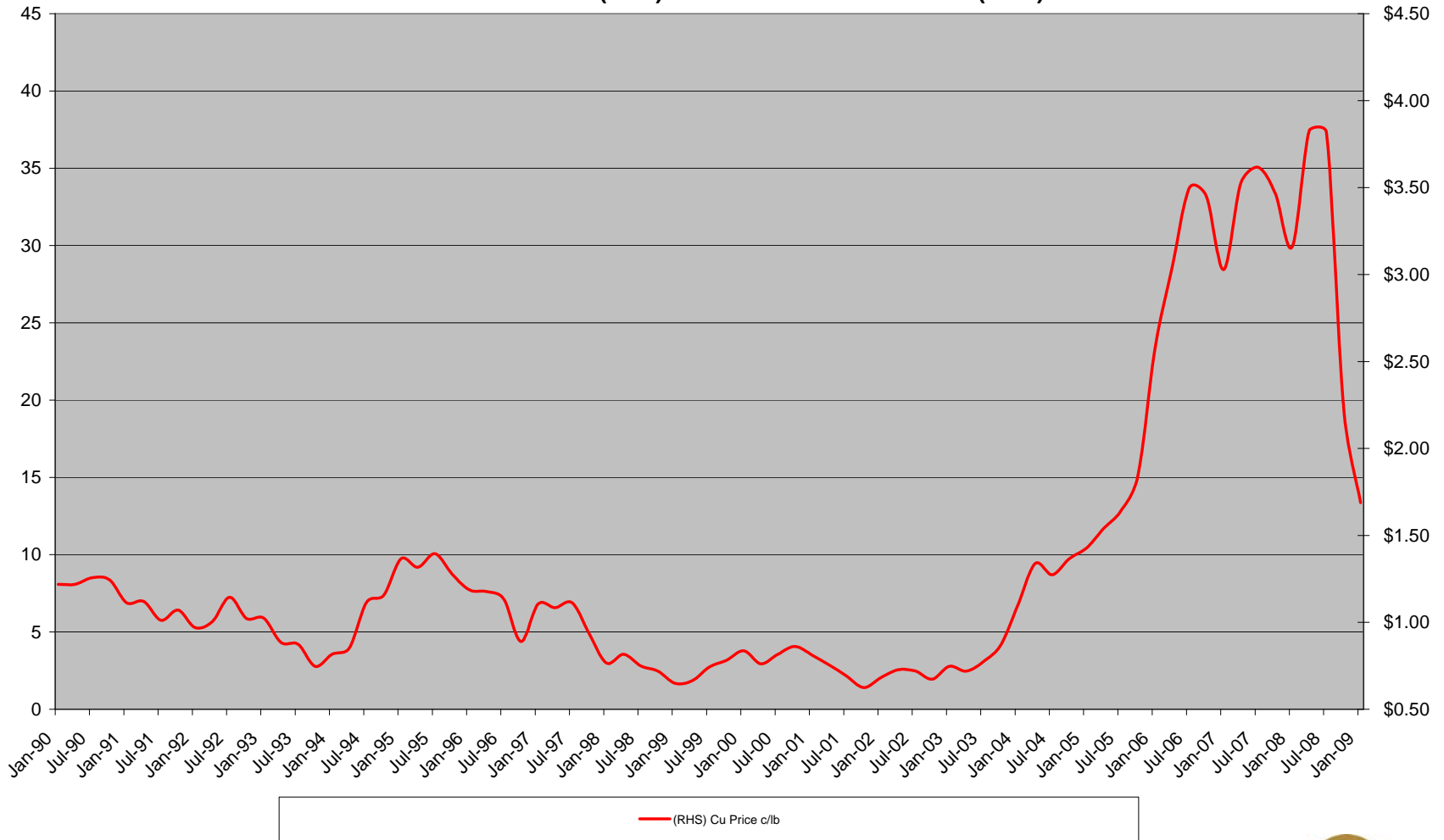


Source: Alfonso Gonzalez Research, Santiago, Chile



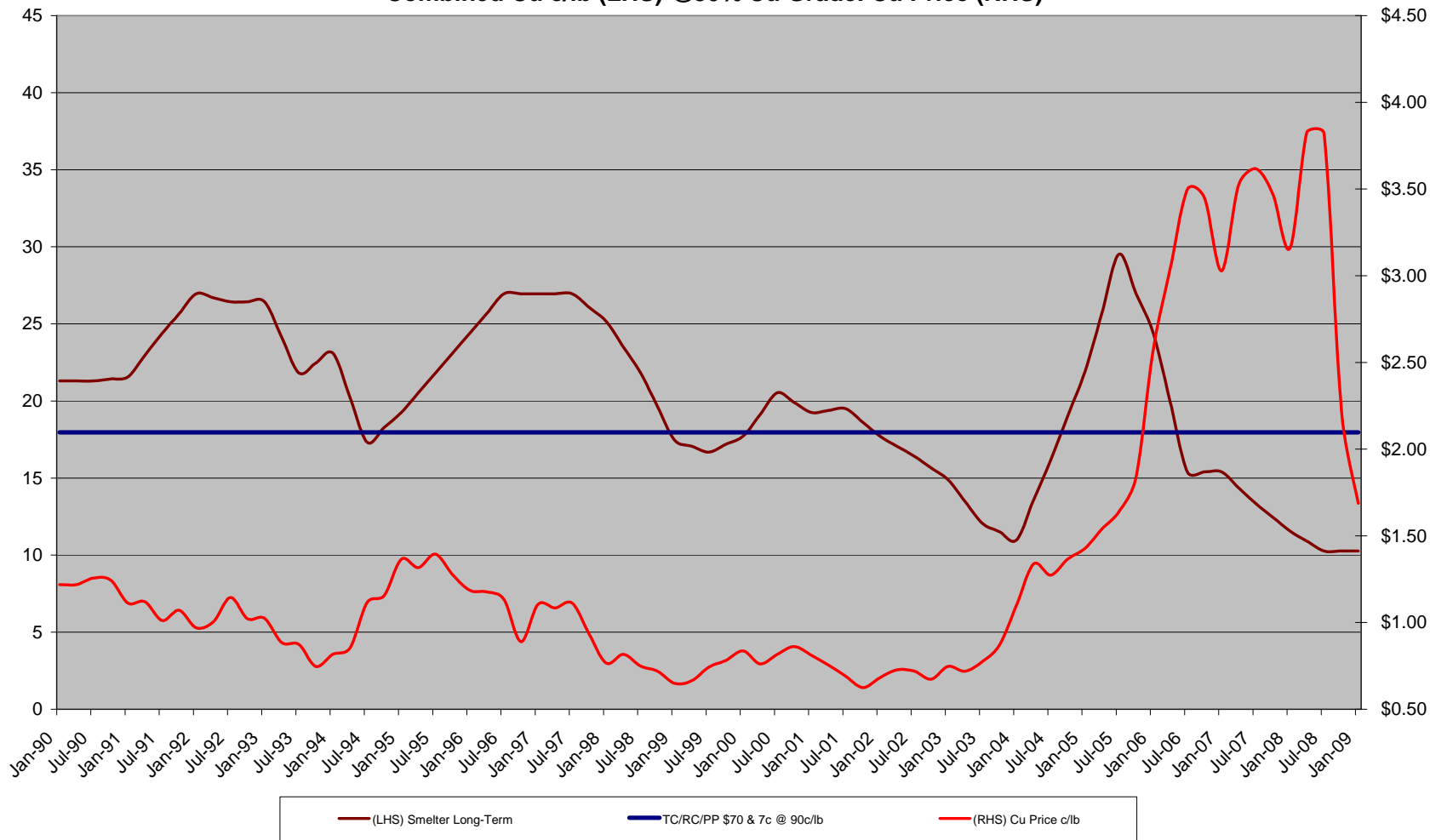
Historical Treatment & Refining Charges / Price Participation (TCs/RCs/PP)

Term vs Spot TC/RC
Combined Cu c/lb (LHS) @30% Cu Grade. Cu Price (RHS)

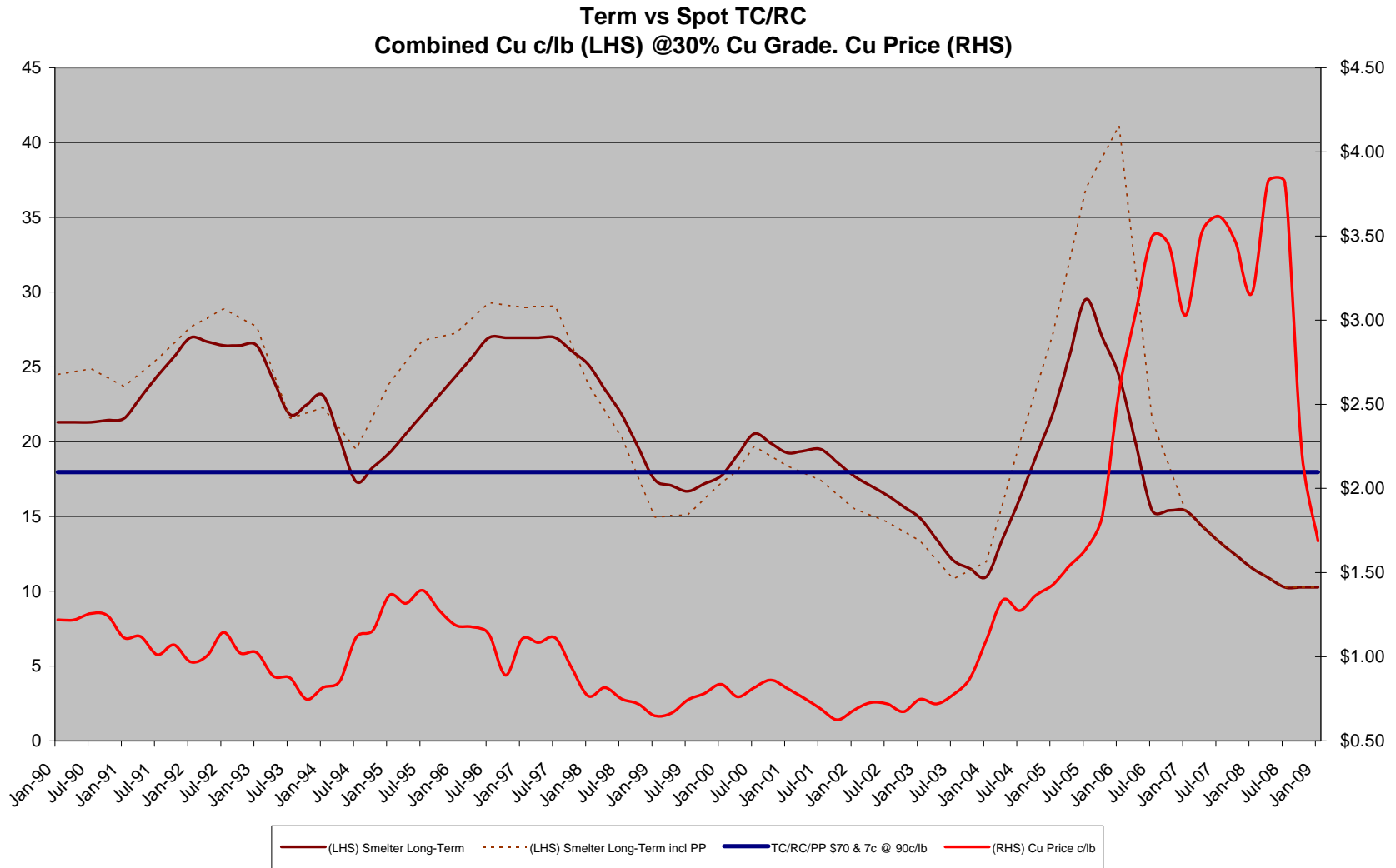


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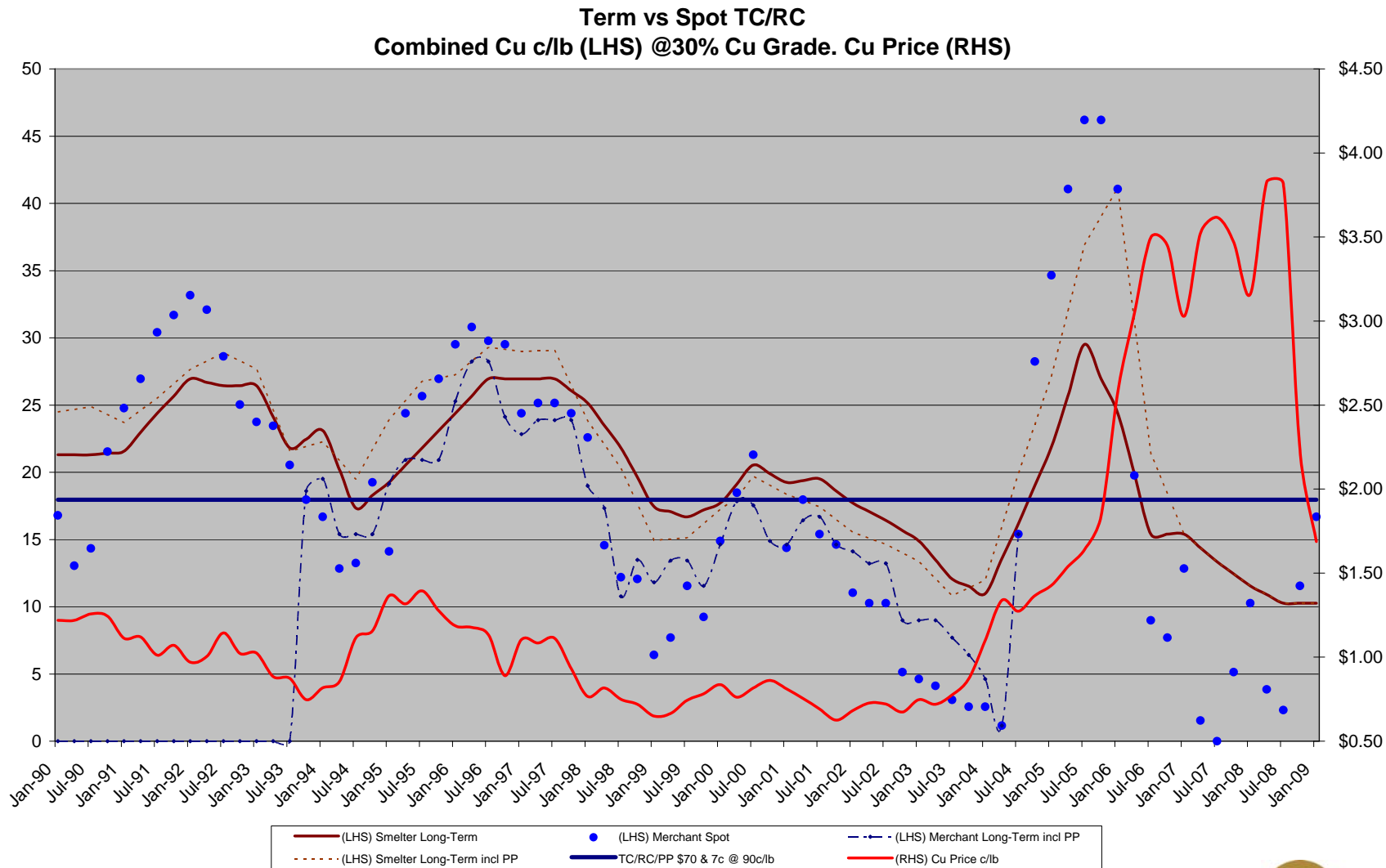
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Historical Treatment & Refining Charges / Price Participation (TCs/RCs/PP)



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Deficit forecast to 2012: downward pressure on TCs/RCs



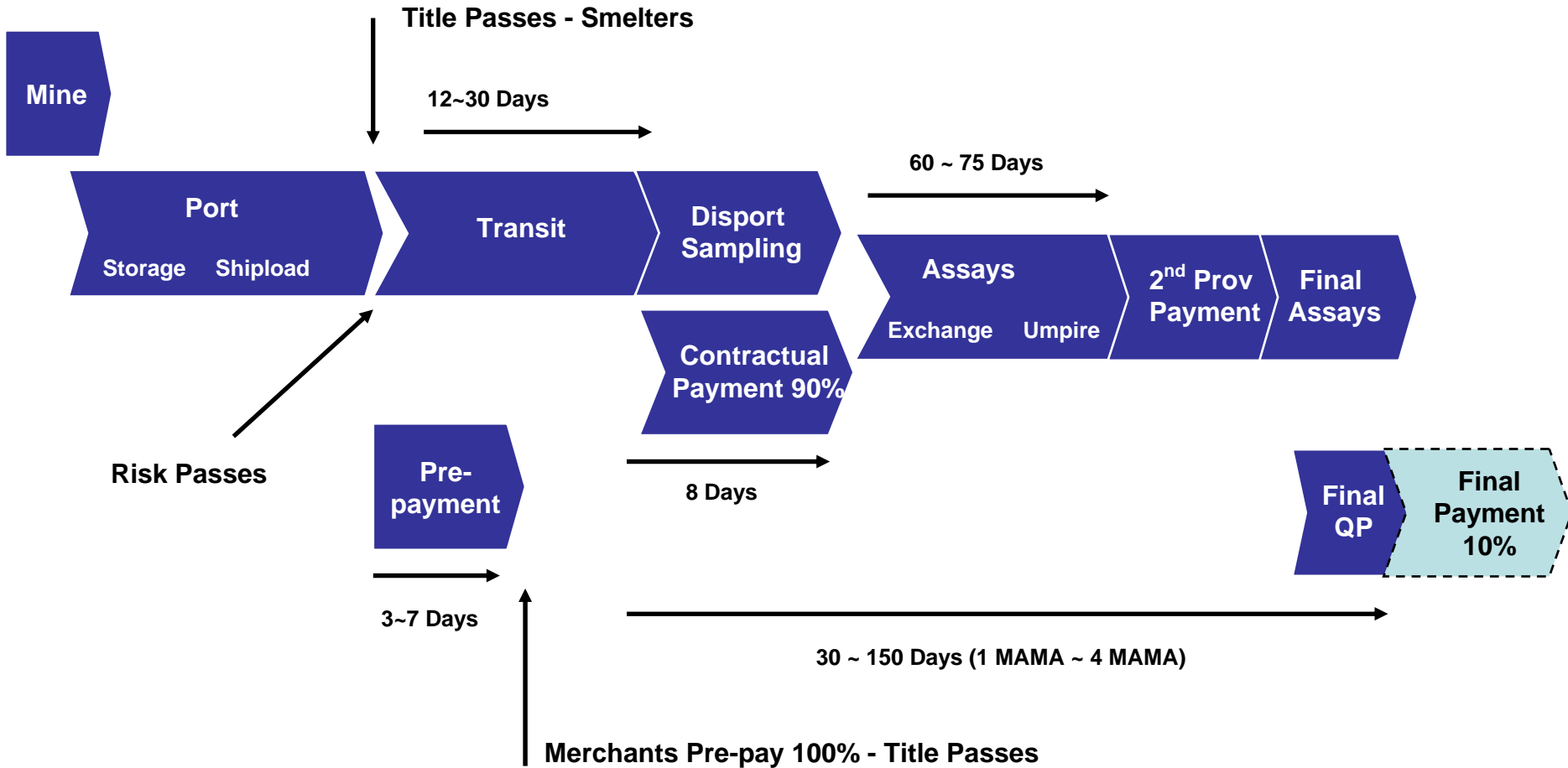
Major Contractual Items

- Terms Typically Fixed over Life of Contract
 - Term of Contract
 - Brick or Block
 - Calendar or Mid-Year
 - Tonnage (tonnage options)
 - Holiday or No-Holiday
 - Reference Clauses (eg Major Settlements in Japan)
 - Delivery Terms (CIF or FOB; destinations)
 - Shipping Terms (SHINC / SATPMSHEX / SHEX)

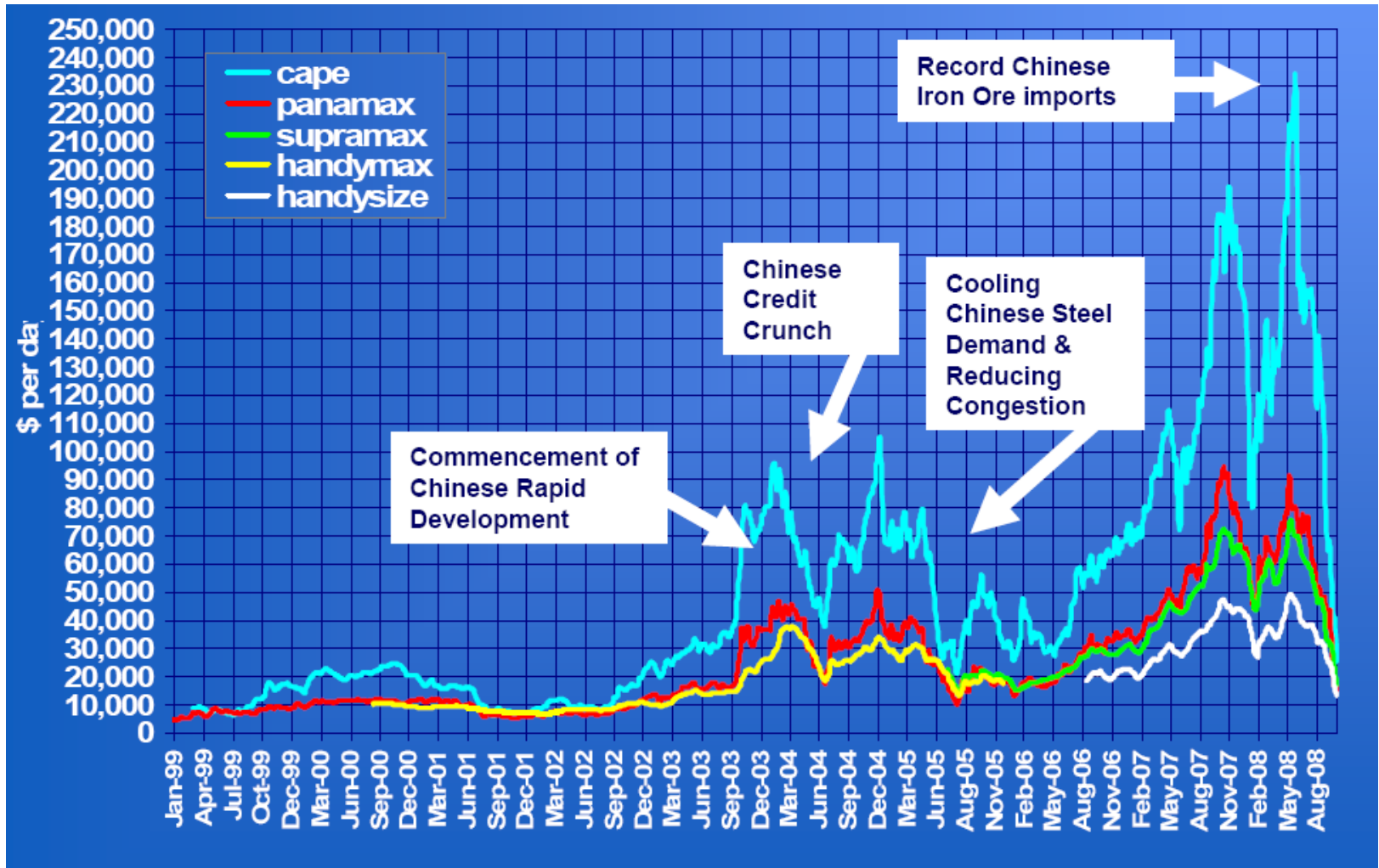
NCM Marketing Strategy

- Place the majority of Production with First-Class Smelters (80 ~ 90%)
- Achieve Security of Off-Take
- Take advantage of favourable market conditions
- Counterparty Risk: Minimise Credit & Performance Risk
- Minimise Realisation Costs – TC/RC; Freight; Assays etc
- Maximise value at Mine by balancing marketing plan with Site economics

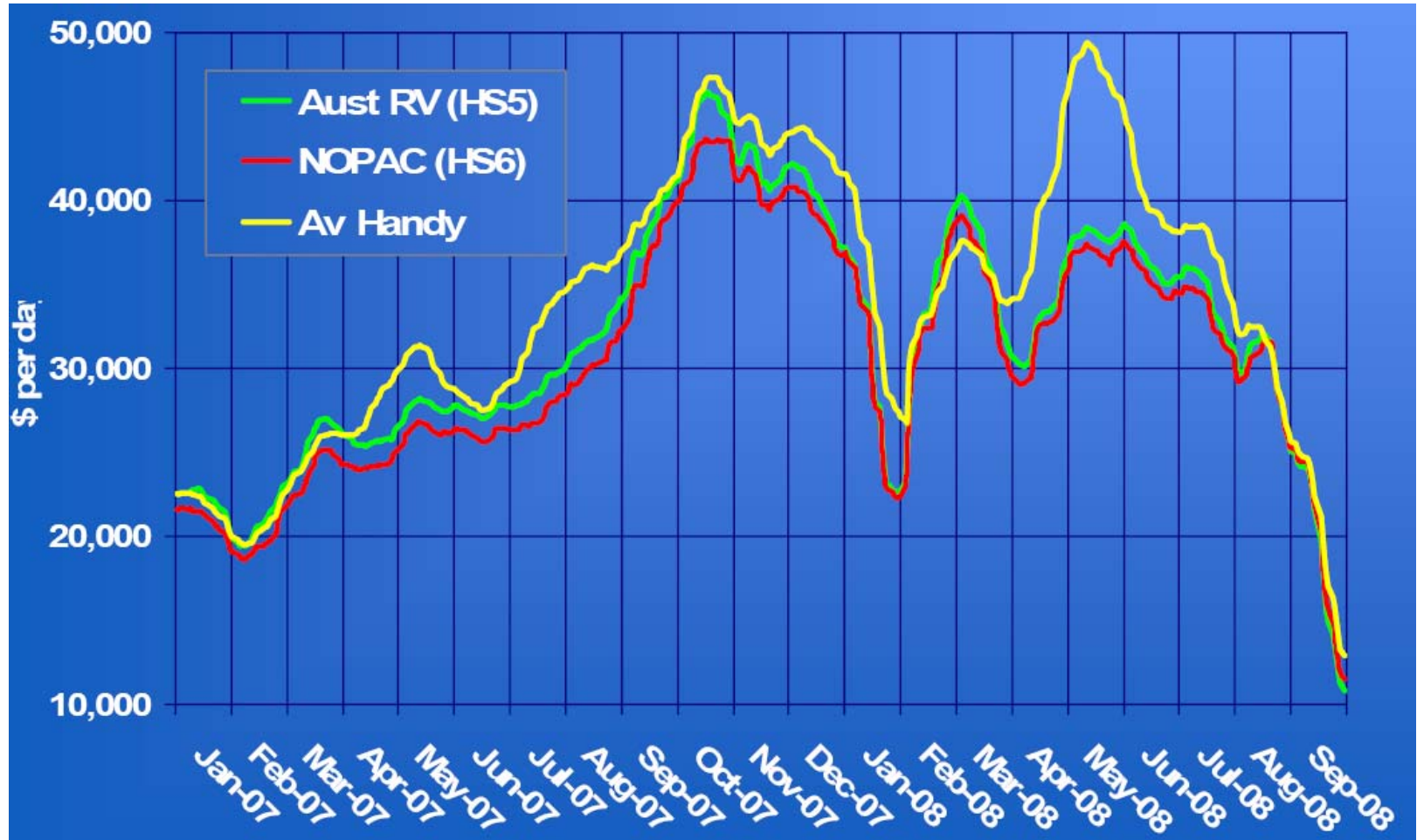
Concentrate Sales Chain



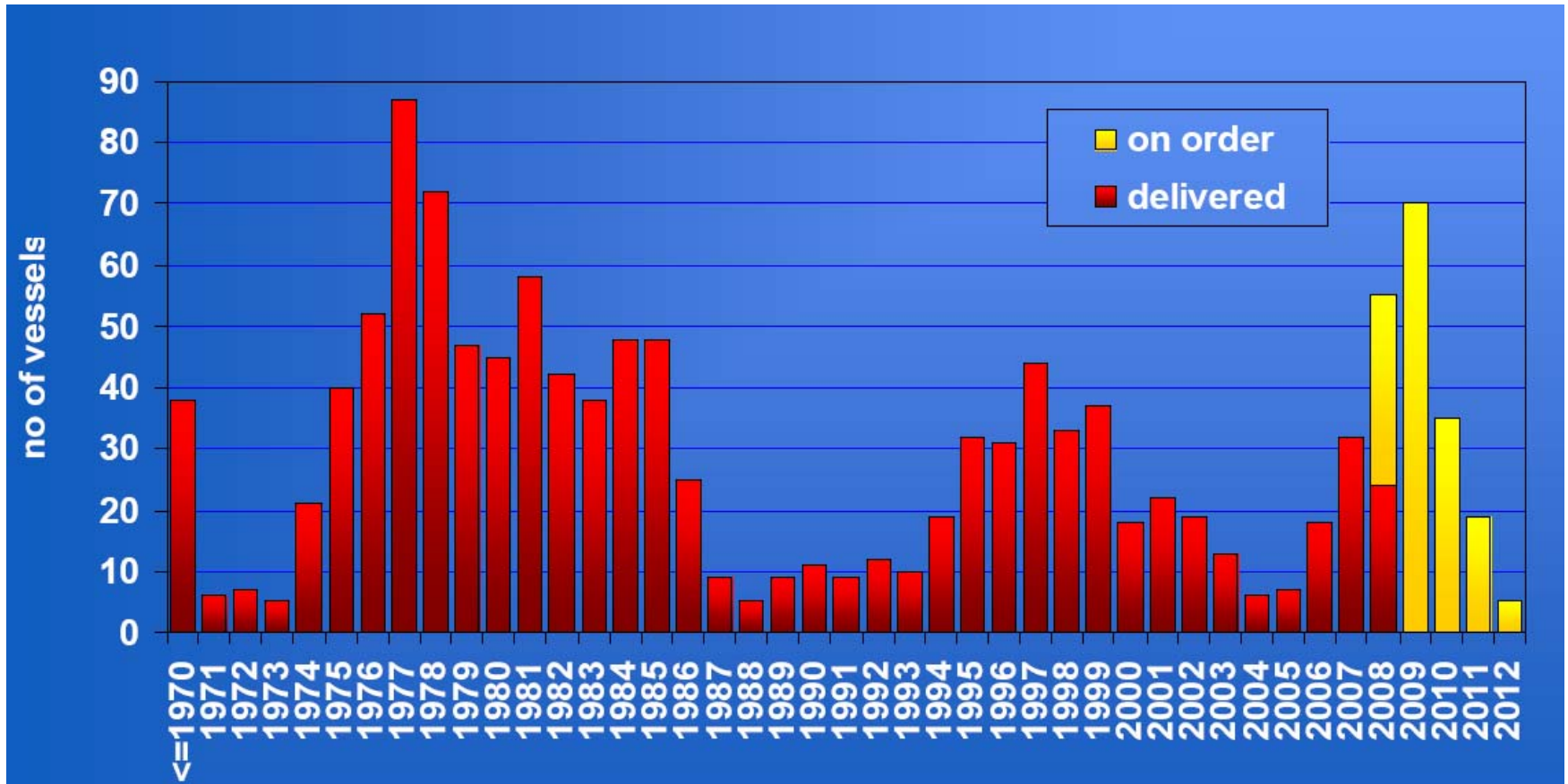
Historical Shipping Rates – All Classes



Handysize Rates: 2007 ~ 08



Order Book: Small Handysize 10~25k DWT



Concentrate Realisation Costs (ex-Mine Gate)

