Base Metals Exploration

Ken Pickering
CDO Base Metals
Houston, May 2003

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Longer Term Value Creation

- BHP Billiton Base Metals has the most attractive suite of brownfield and greenfield development projects in the industry.
- Longer term, exploration success and break throughs in New Technology development is key to creating value.
  - Technology development, focused on copper ore leaching, is proprietary and commercially sensitive
  - Focus on exploration
    - Advanced Project – Resolution
    - Grass roots projects – Application of Falcon airborne gravity to the discovery of base metals
    - 80 regional targets with 30 ready to drill
- There is no certainty that exploration targets will lead to the discovery of economic mineralisation

Superior – Resolution Project

- Mineralisation
  - 1400 - 2300 meters depth
  - Temperatures - 75-80^{o} C
  - Block cave
- Potential synergy - Pinto Valley processing facilities
- Kennecott (RioTinto) Earn-In Agreement.
  - $25 million to earn a 55% interest
- Conceptual study

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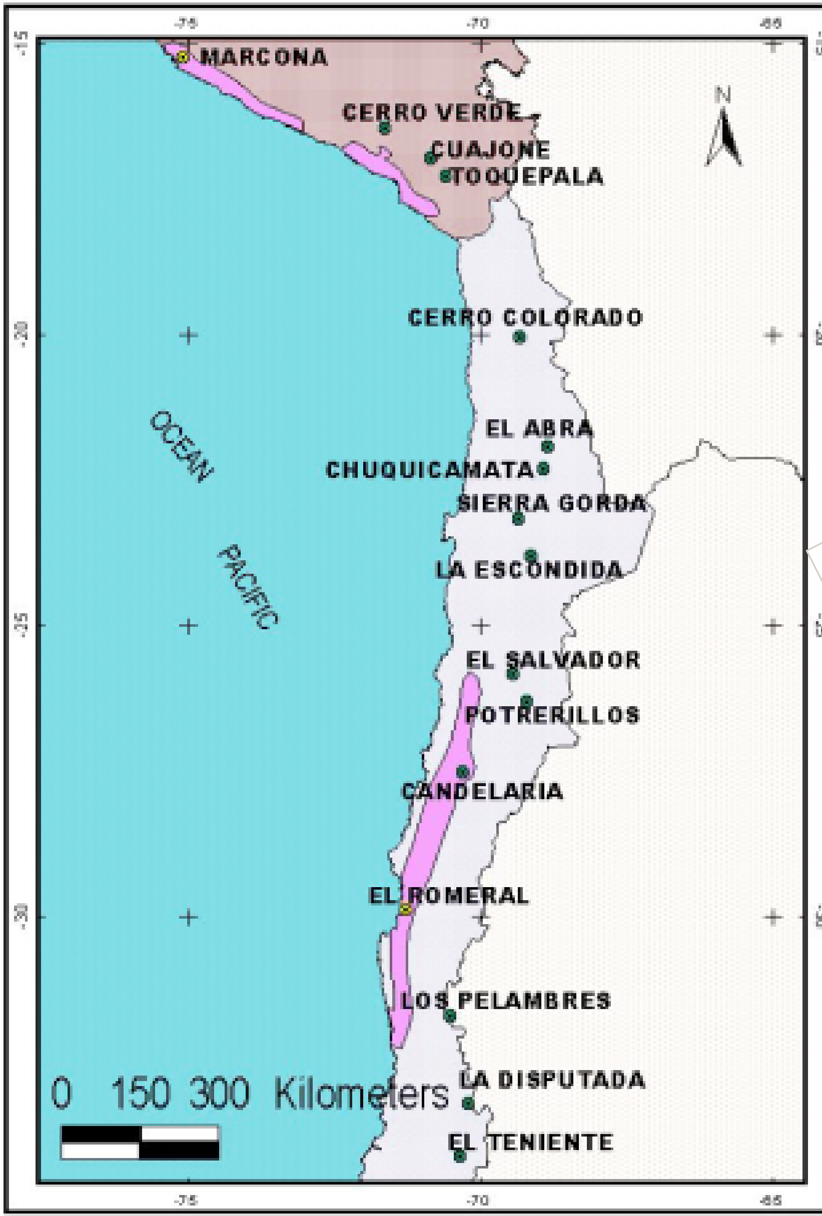
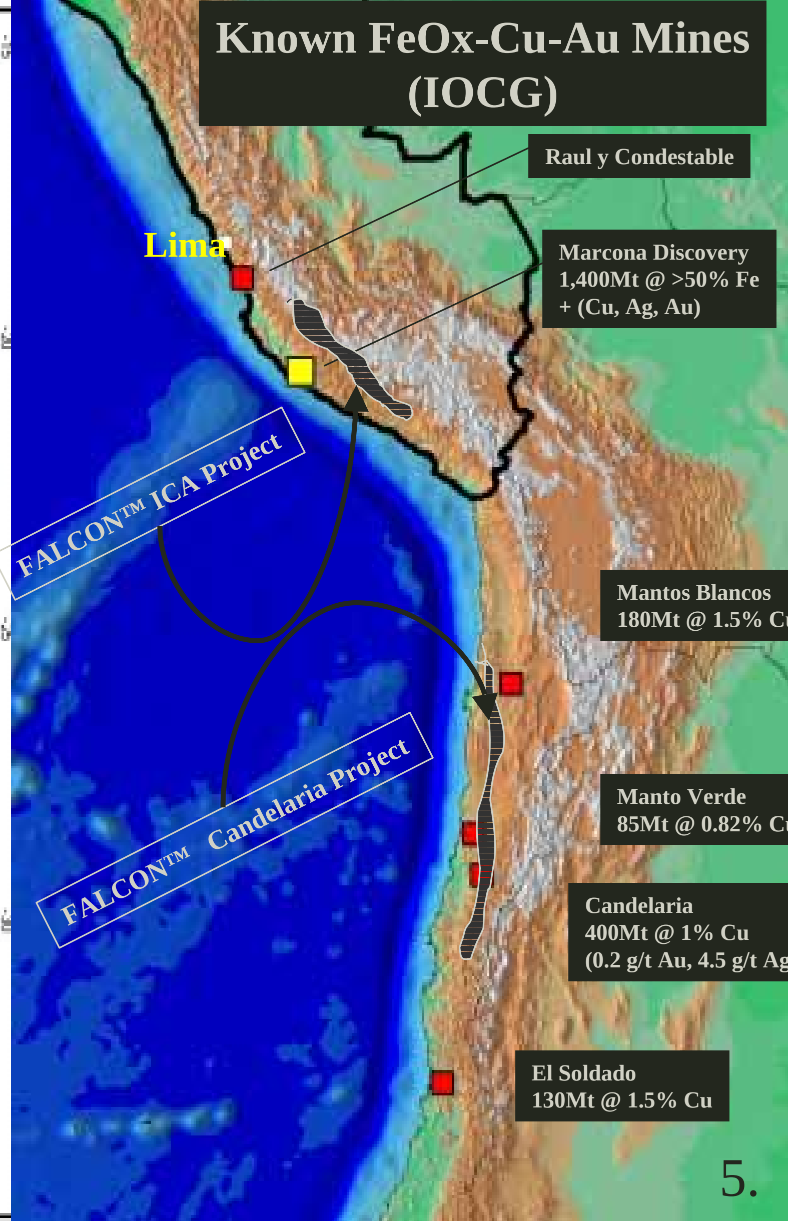
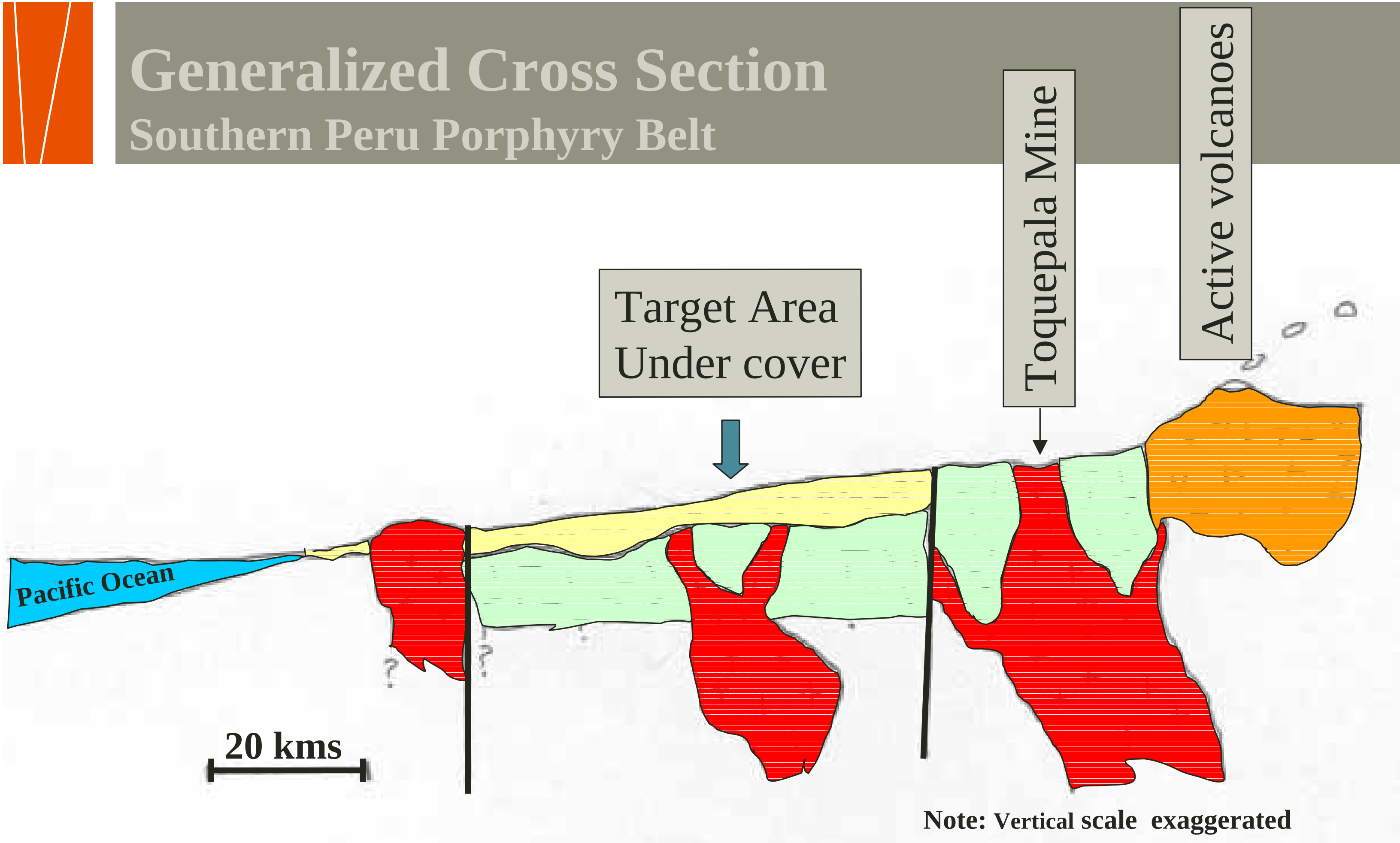
Known FeOx-Cu-Au Mines (IOCG)





Generalized Cross Section

Southern Peru Porphyry Belt



Porphyry copper search – utilizing New Technology

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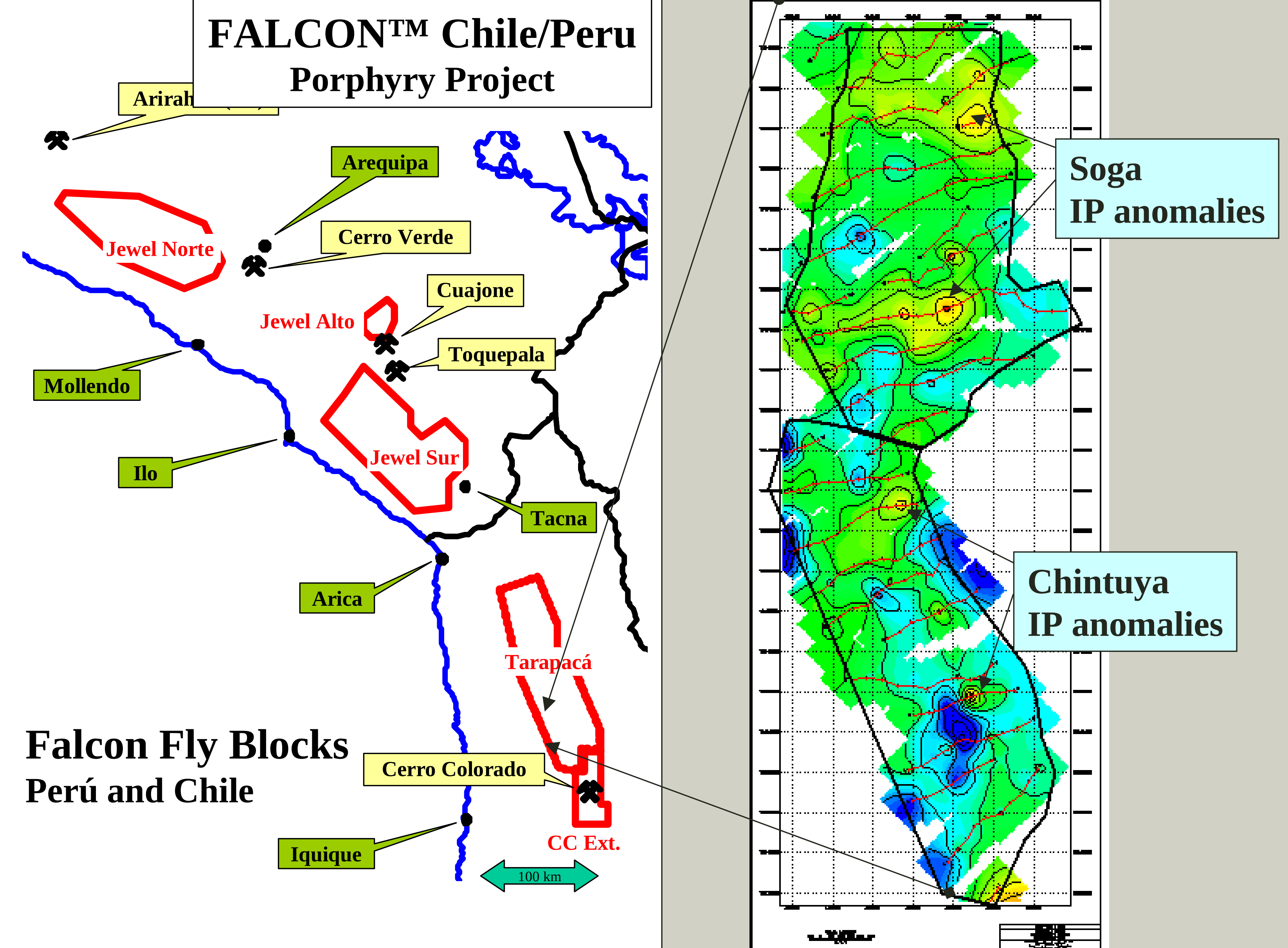
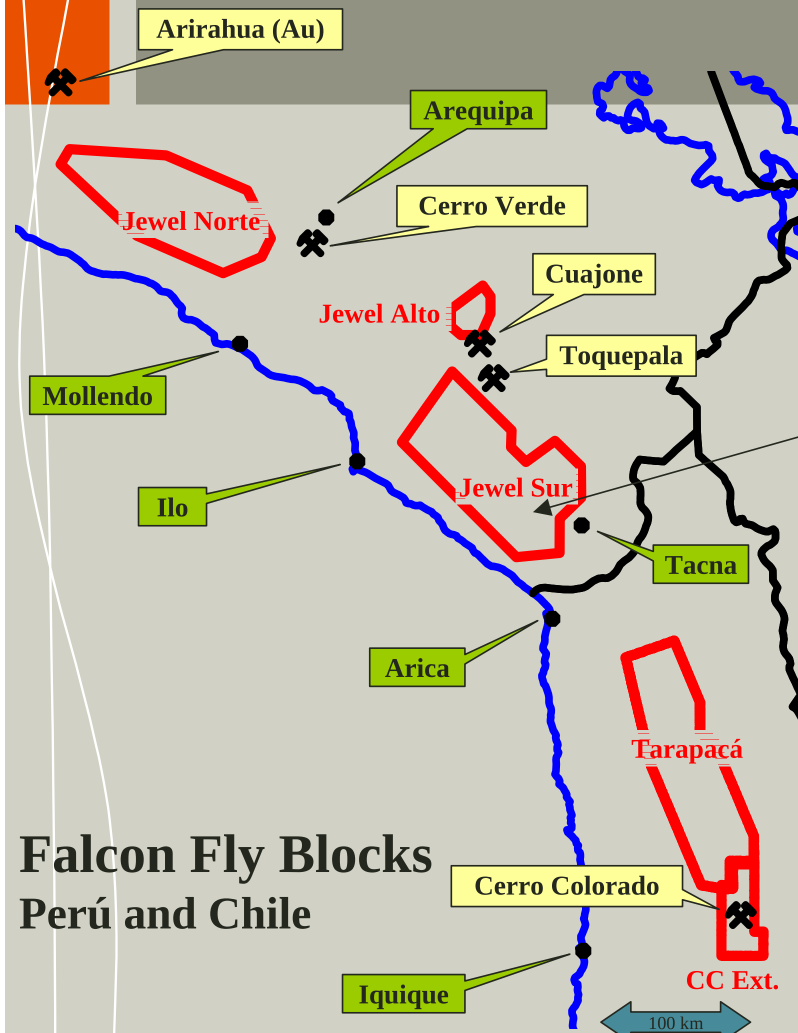
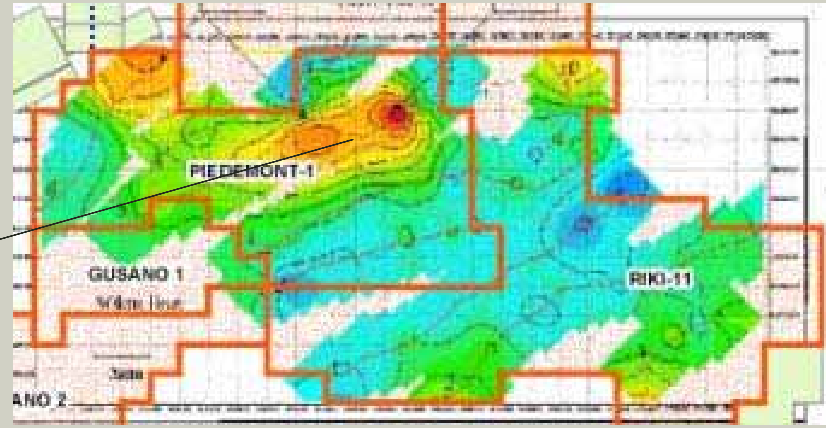

FALCON™ Chile/Peru
Porphyry Project
Arirah
Arequipa
Cerro Verde
Jewel Norte
Cuajone
Jewel Alto
Toquepala
Mollendo
Ilo
Jewel Sur
Tacna
Arica
Tarapacá
Falcon Fly Blocks
Perú and Chile
Cerro Colorado
CC Ext.
Iquique
100 km
Soga
IP anomalies
Chintuya
IP anomalies

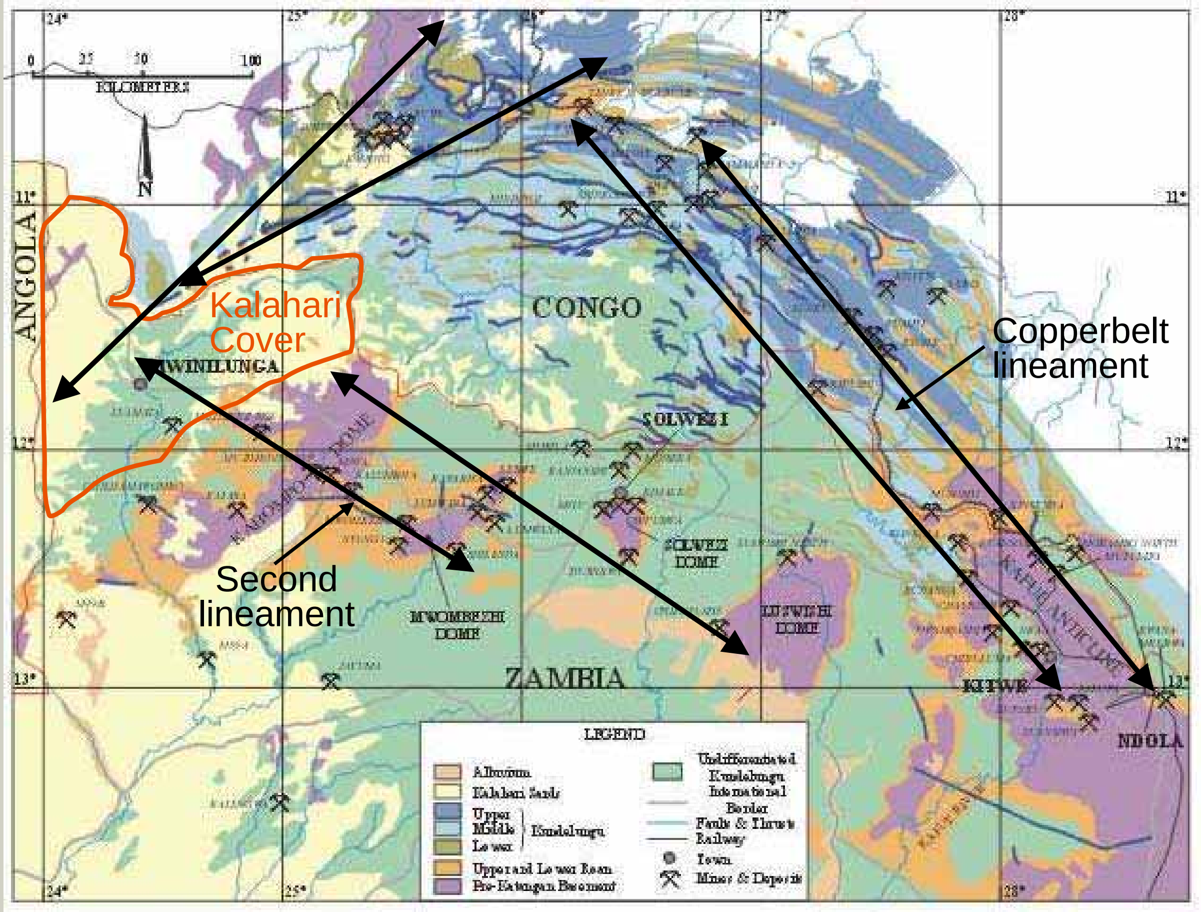


Falcon Fly Blocks
Perú and Chile

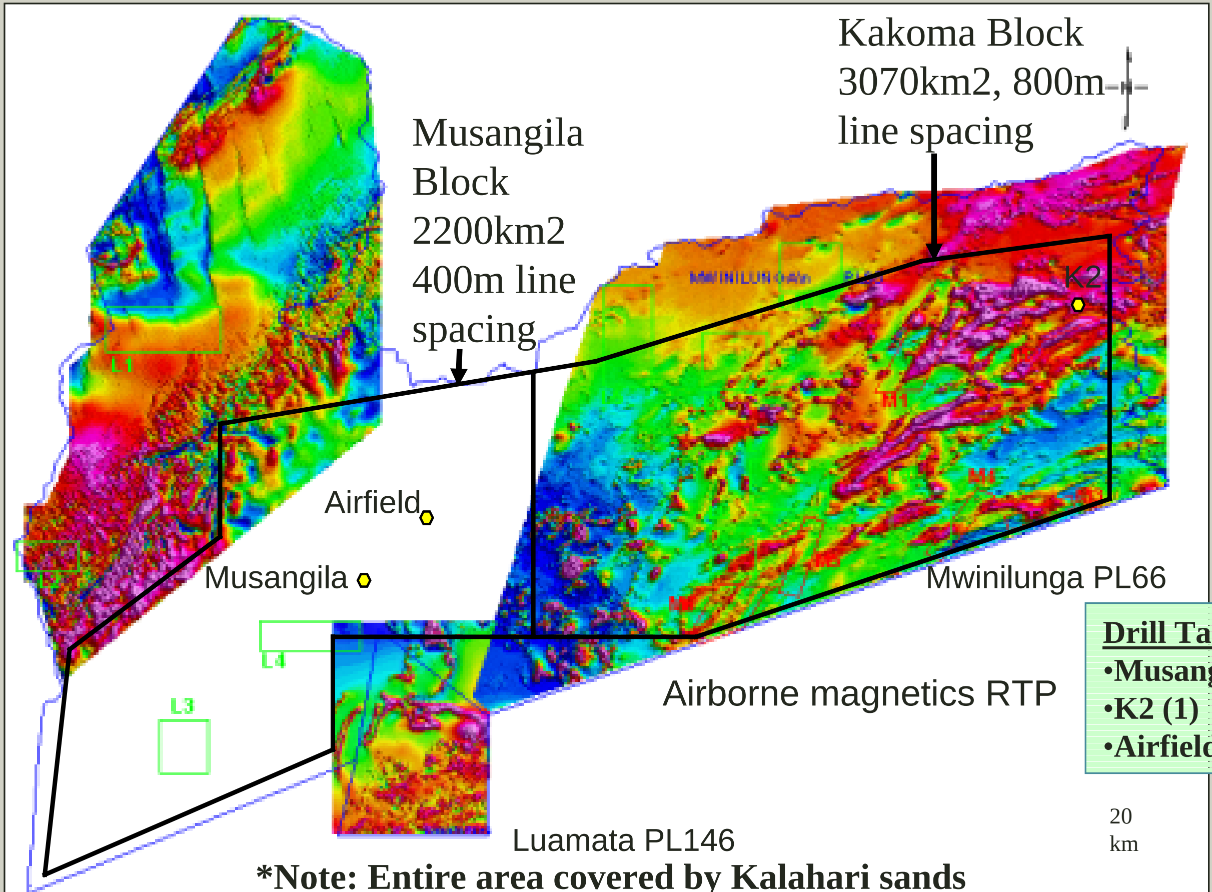


Piedemont IP anomaly
Southern Peru

Regional Geology and Mineral Deposits



Proposed Falcon Survey Blocks Luamata Mwinilunga, Zambia*



Drill Targets
- **Musangila (2)**
- **K2 (1)**
- **Airfield (1)**

***Note: Entire area covered by Kalahari sands**

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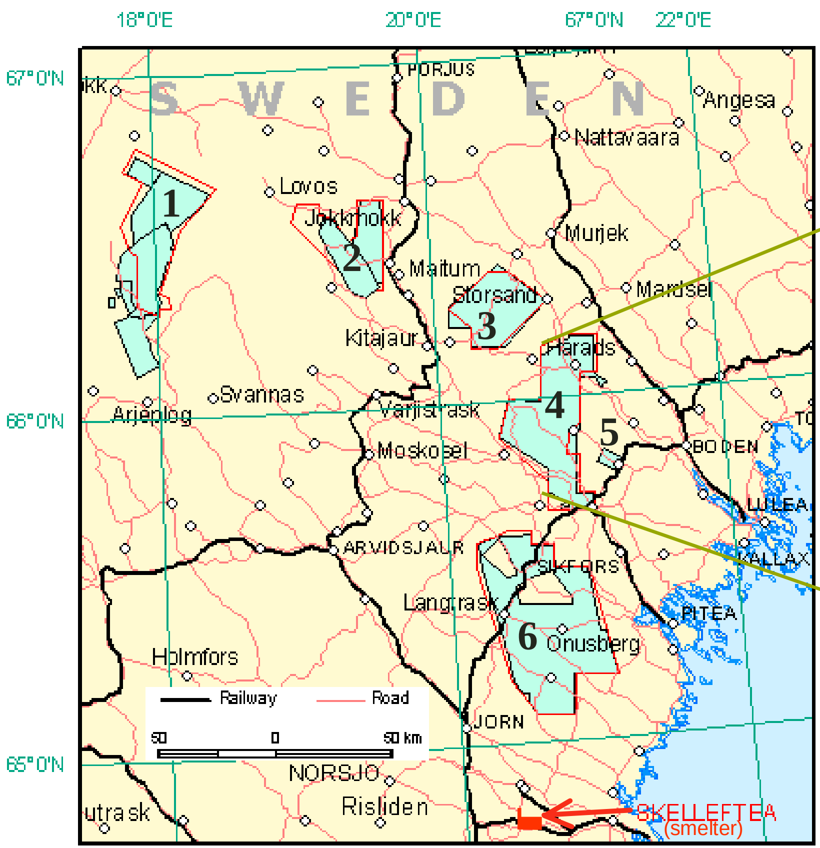
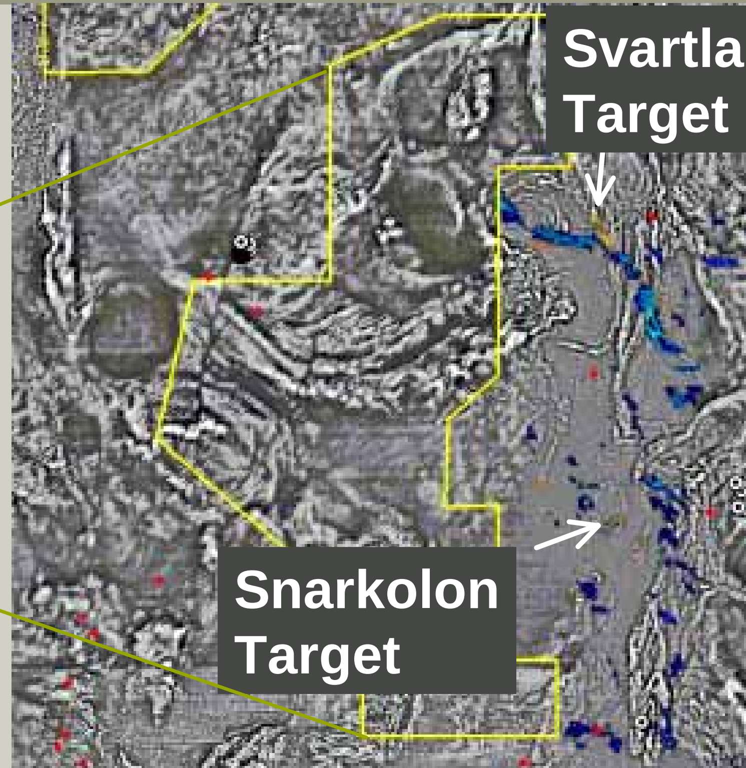
Jokkmokk Project – Alvsbyn Area, VD1 Magnetics and Historical EM

(yellow/orange is typical ore/culture response, blue is typical river/lake response





Drill Holes

Mineral Occurrences

Alvsbyn GEOTEM Survey

BHPB Tenements

Jokkmokk GEOTEM

Minerals Exploration
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Exploration - Summary

- Exploration success is a clear path to long term value creation
- Identification of prospective drill targets does not guarantee success, it is simply a pre-requisite for success
  - Exploration is potentially a high risk and high reward activity
- Falcon is another tool that has the potential to improve the probability of locating mineral resources – and thus may offer BHPB a competitive advantage in base metal exploration
- Base Metals works closely with BHPB Exploration to identify areas of high prospectivity, in regions where BHPB can work in accordance with its Charter, to apply our expertise to create shareholder value

Capital Approvals Process

Glenn Kellow
CFO Base Metals
May 2003

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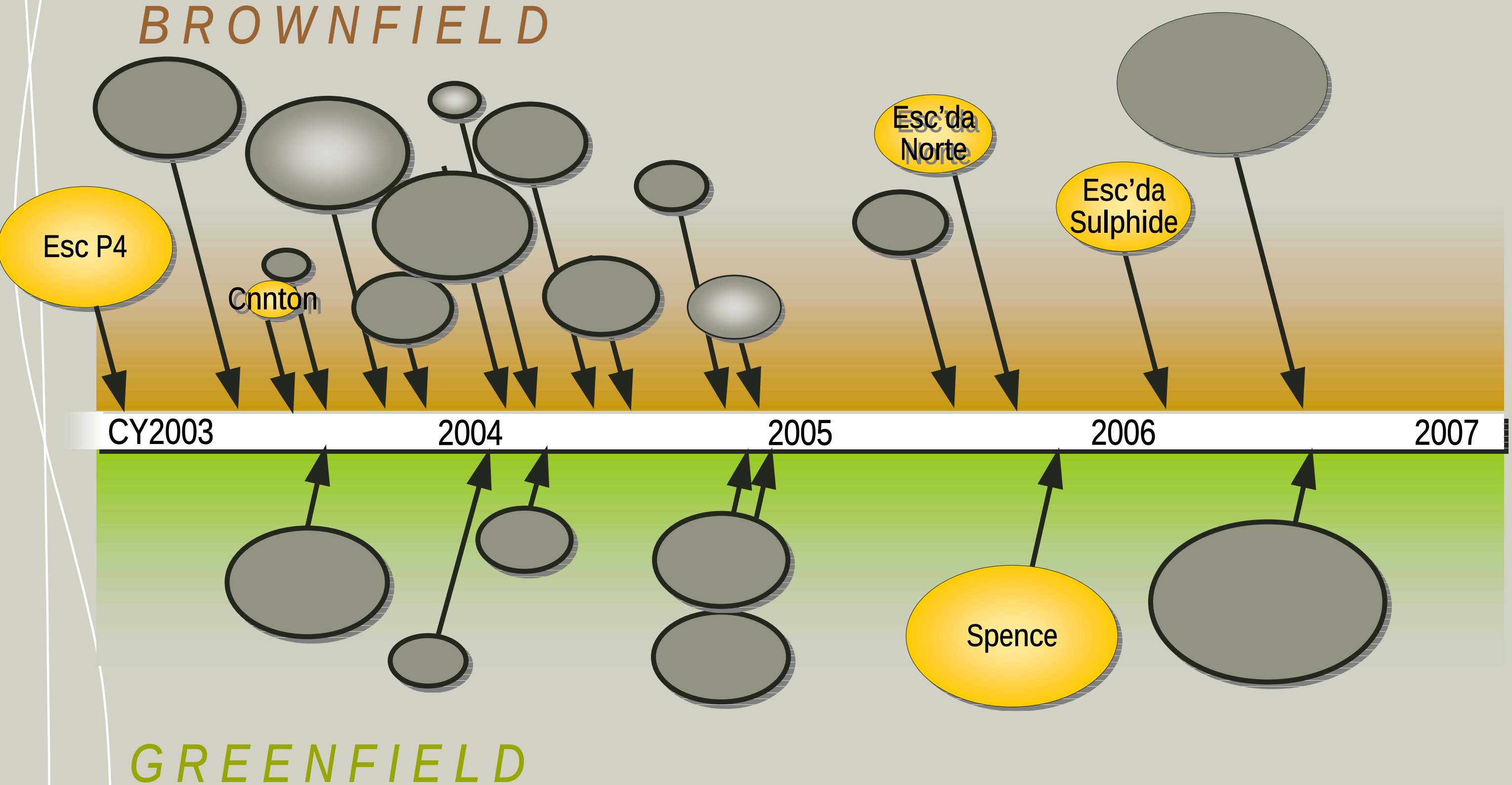
Deep inventory of projects - Base Metals is Significant



As at April 2003

Size of bubble indicates proposed capital expenditure; bold outer border signifies sanctioned project

$US 200m

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BHP Billiton has put in place a rigorous review and tollgating process for its investments

The purpose of the Investment System is to ensure;

- Investments are aligned with Company priorities, strategies and values
- Investments are optimised to maximise shareholder value (returns are above cost of capital) with acceptable risk profiles
- Investments have the best probability of success
- Decisions are made on a consistent basis
- Risks are identified and evaluated and appropriate mitigation strategies are in place

Key Features of the Process

- Clear guidelines
- Tollgating
- Multi-tiered authority structure
- Standard price protocols & other economic assumptions
- Independent Review & Challenge
- Assessment of Key Risks (EWRM)
- Valuation Analysis
- PIRs and Learning/Feedback Loops

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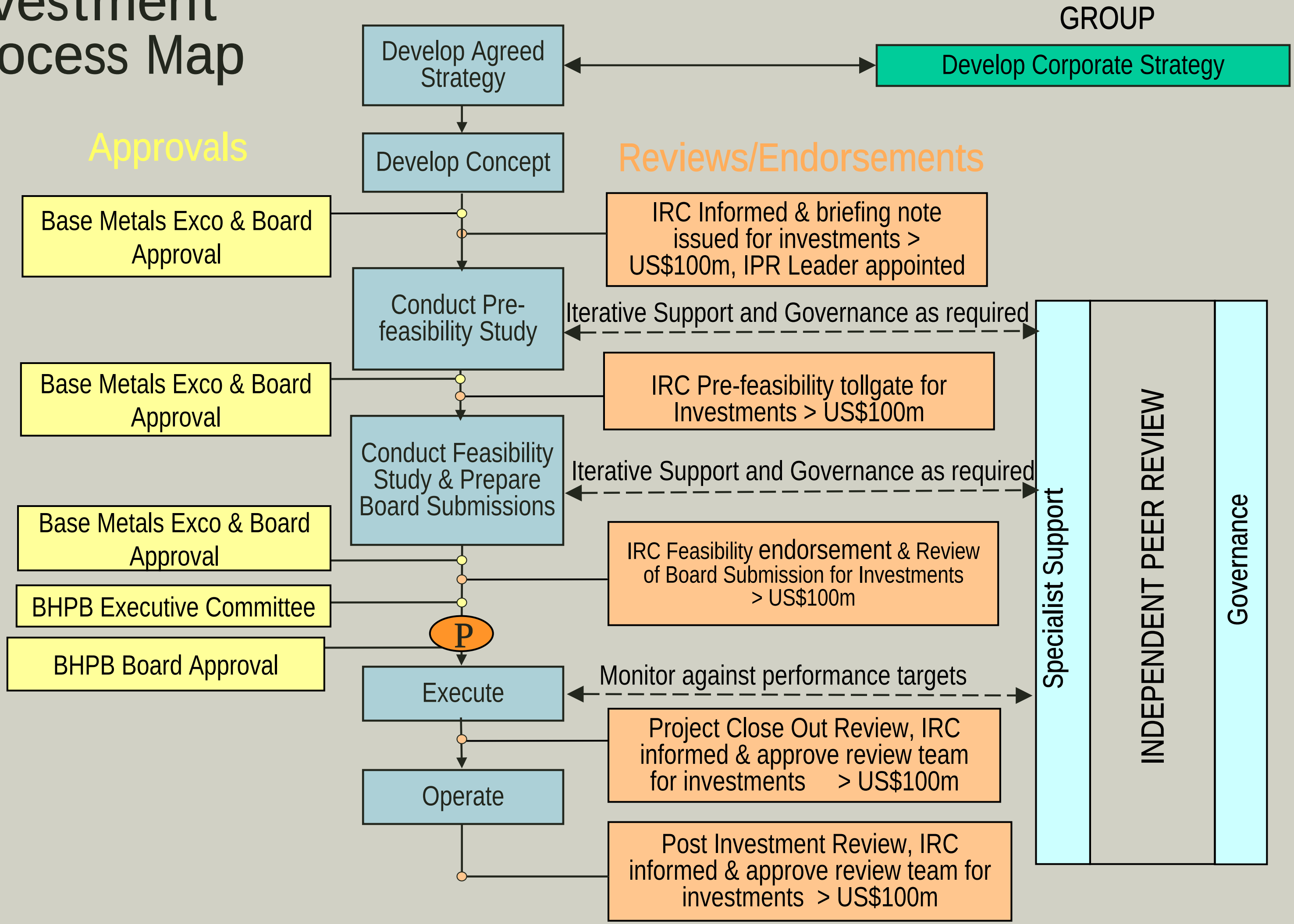
Investment Process Map



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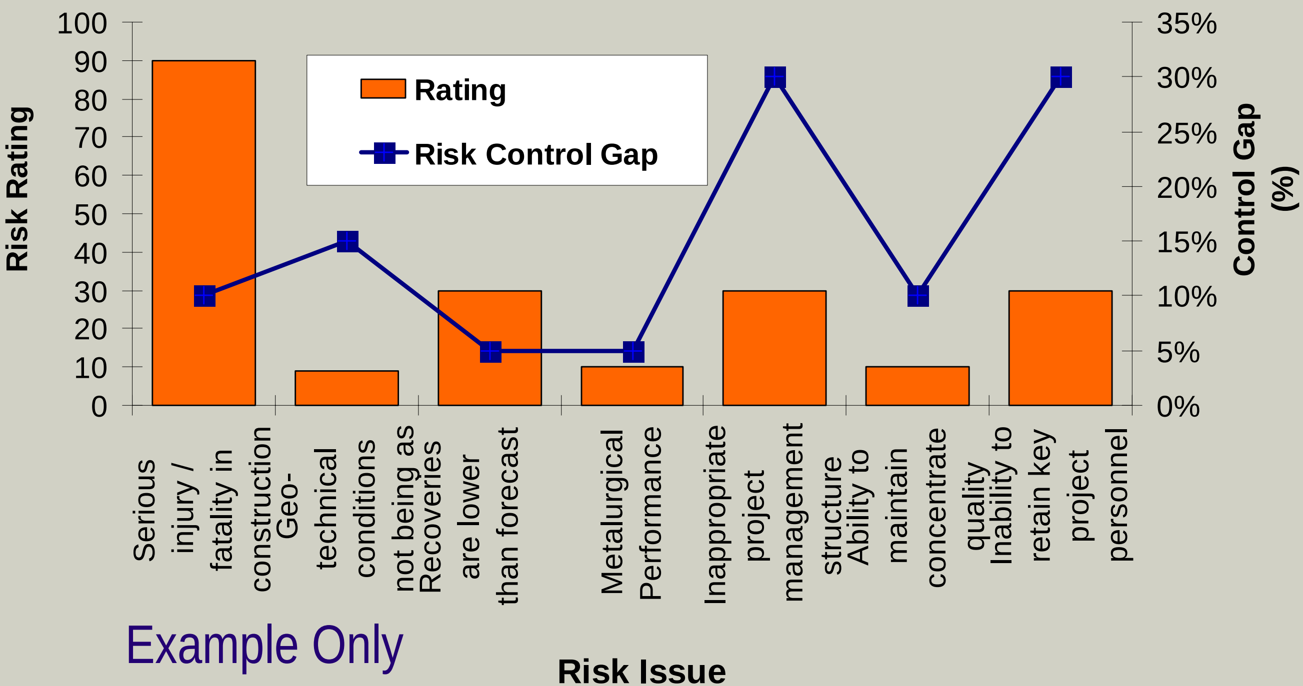
Risk Management ئن An Integral Part of Investment

- EWRM methodology used to assess key project risks in the IPR process
- Gross exposure, severity rating and risk control effectiveness are evaluated for major risks and mitigation strategies developed



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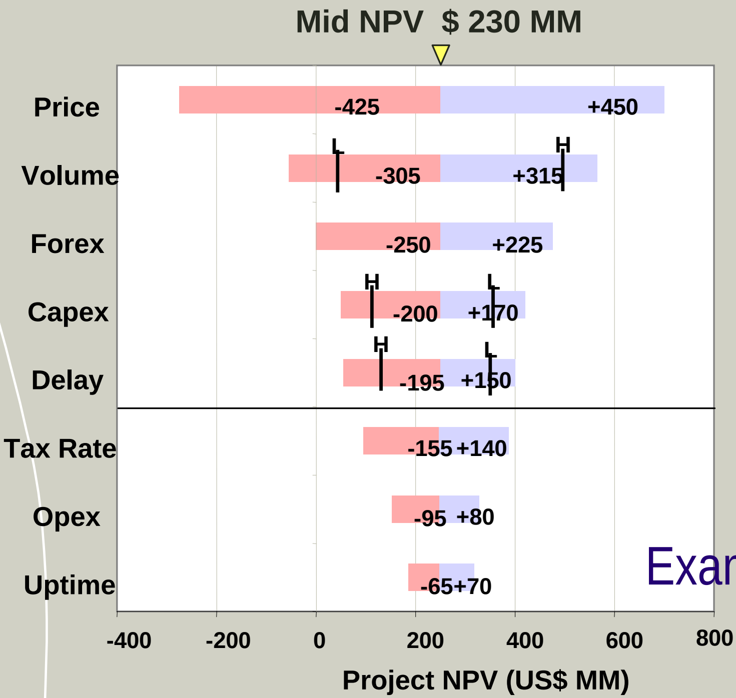
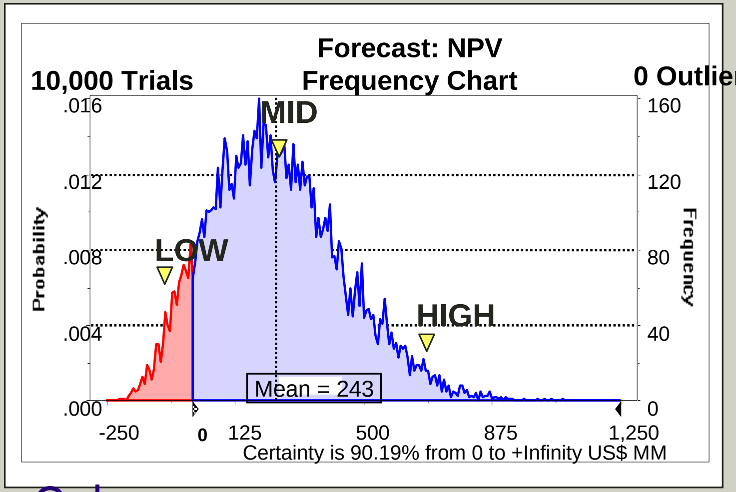
Value is the key driver and understanding / mitigating risks a key focus

- Impact of major sensitivities on investment value is established
- The top 5 sensitivities are used as a basis of a probabilistic distribution of expected value





Example Only

	NPV (US$ MM)	IRR
P90	5	8.2%
P50	234	18.3%
P10	504	23.4%
Mean	243	18.7%

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Examples of Base Metals Projects at Various Stages of Tollgating

• Escondida Norte	Feasibility
• Escondida Sulphide Leach	Feasibility
• Spence	Feasibility
• Cannington North Block	Execution
• Escondida Phase IV	Operation

Capital Approval Process – Conclusions

- Strong portfolio of projects currently in Tollgating
- Key considerations in project timing will be market conditions and internal hurdles
- Rigorous and disciplined review process – focus on value & risks

Conclusion

BHP Base Metals

- The CSG has delivered improving performance since its formation in 2001
- Base Metals has developed major projects on time and on budget
- As market conditions improve, Base Metals will increase capacity utilisation to significantly increase copper production, increasing revenues and lowering unit costs
- Over the medium term, Base Metals will develop its suite of major projects that pass through the rigorous tollgating processes
- Over the longer term Base Metals aims to create shareholder value through improving leaching technology and exploration success

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