

Cannington Overview



3 June 2005
Analyst and Investor Field Trip



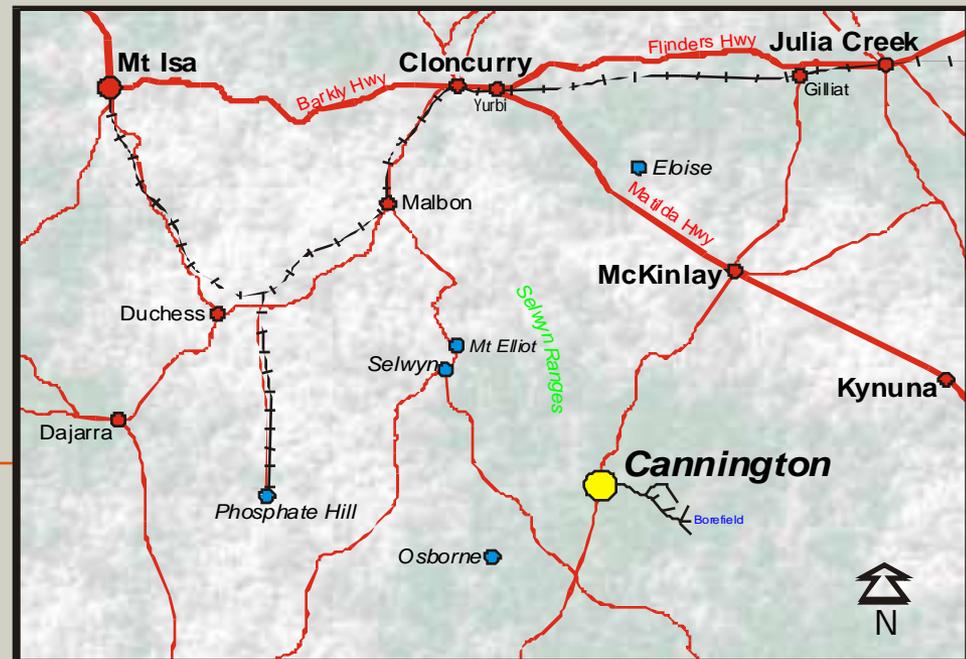
Disclaimer

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Nothing in this release should be construed as either an offer to sell or a solicitation of an offer to buy or sell shares in any jurisdiction.

Ownership, location and production history

- 100% BHP Billiton owned & operated
- Deposit discovered in 1990
- Feasibility study 1992 - 1995
- Approved by the Board in 1996
- Commenced concentrate production 1997
- Achieved 1.5Mtpa nameplate capacity
- June 2001 – Achieved 1.8Mtpa
- June 2002 – Achieved 2.1Mtpa
- June 2004 – Achieved 2.7Mtpa
- 2005 – Aiming for a safe 3 Mtpa



Our name comes from the pastoral station situated next to the deposit.

Challenges of a remote FIFO site

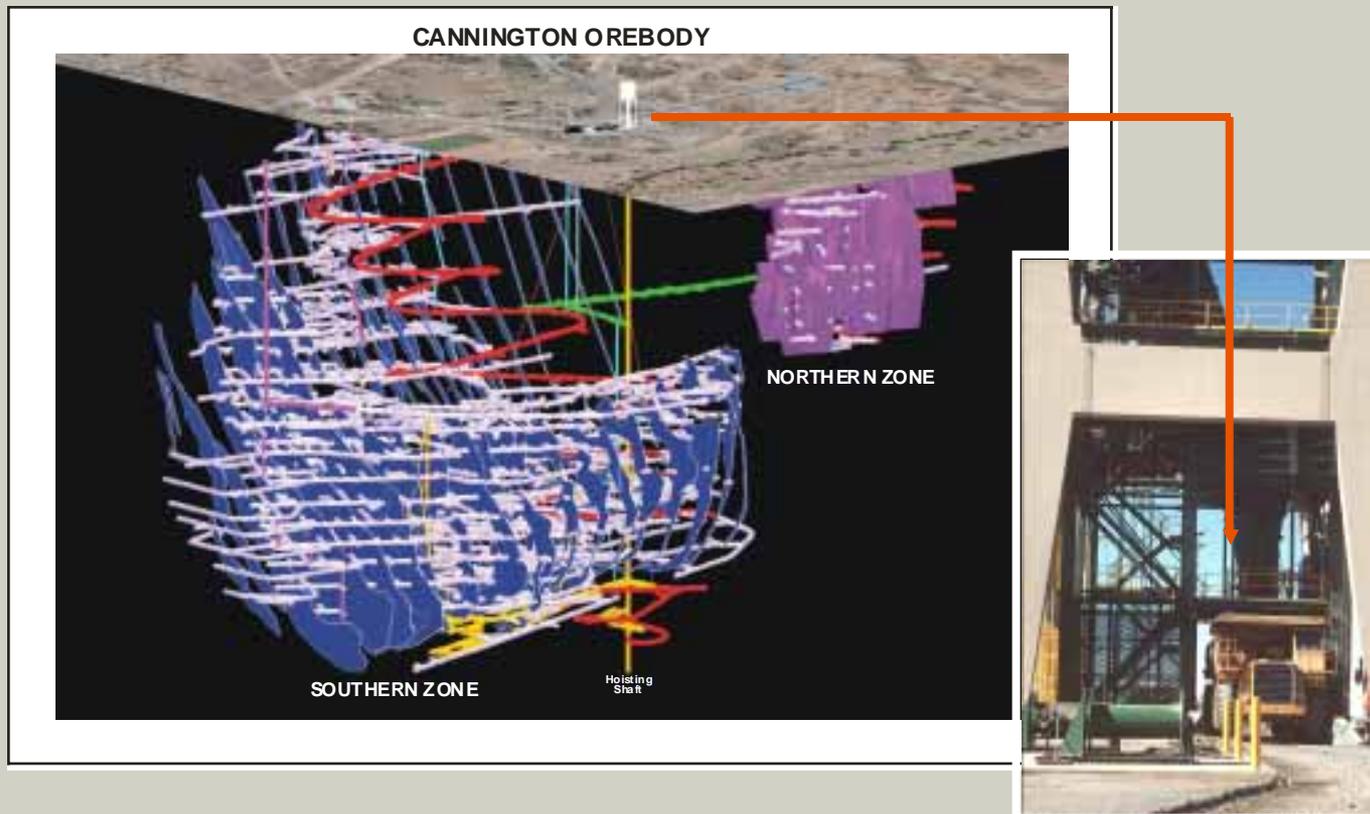
- Power supplied by EDL
 - Installed capacity 26MW – Gas fired combustion engines
- Water supply from borefields 25km from site
 - 9 boreholes
 - 5ML pumped daily
- Purpose built village
 - 270 short term accommodation rooms
 - 364 Village rooms
 - +- 67000 Meals per month
- Transportation
 - Airstrip
 - Incoming road haul for bulk supplies



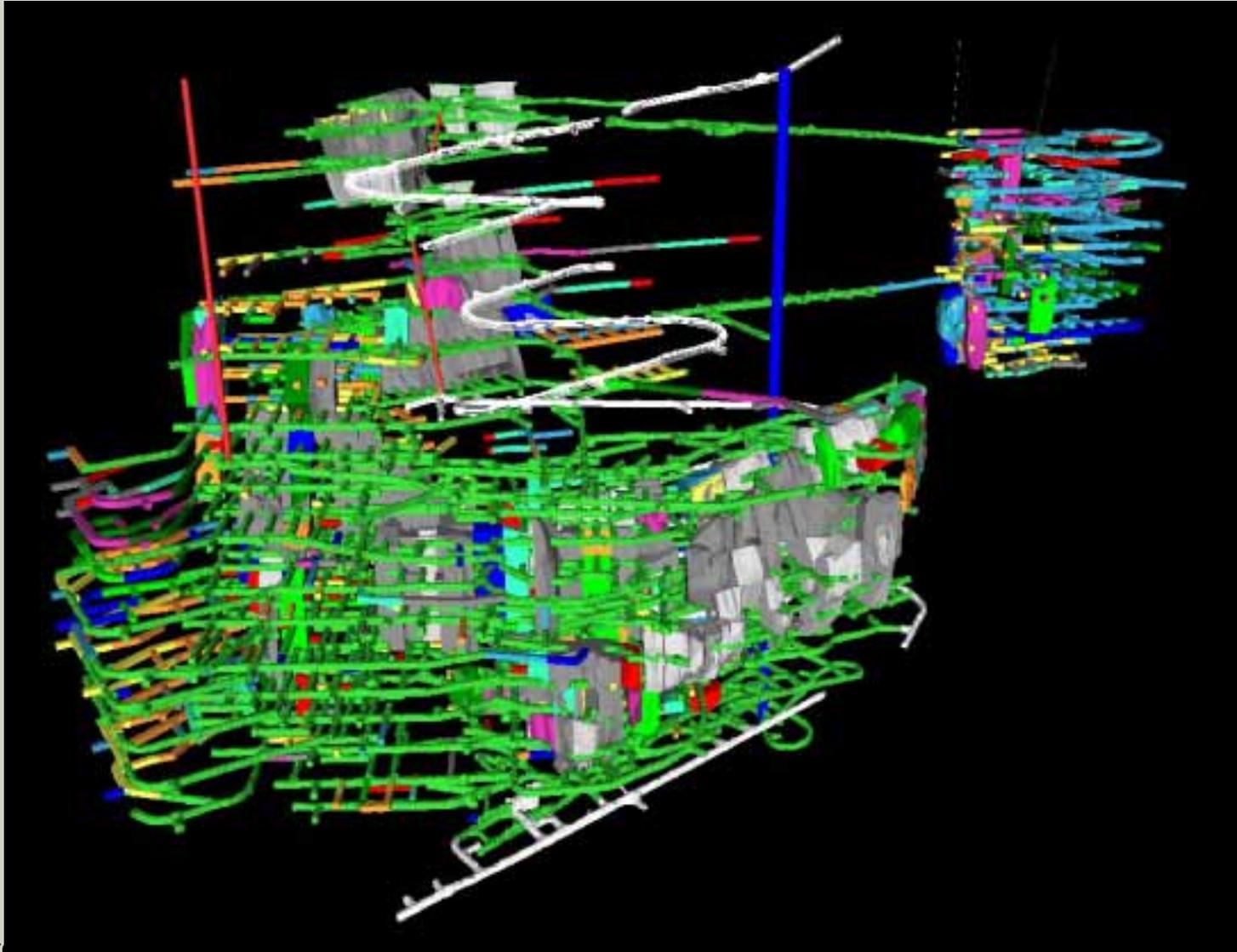
Resources



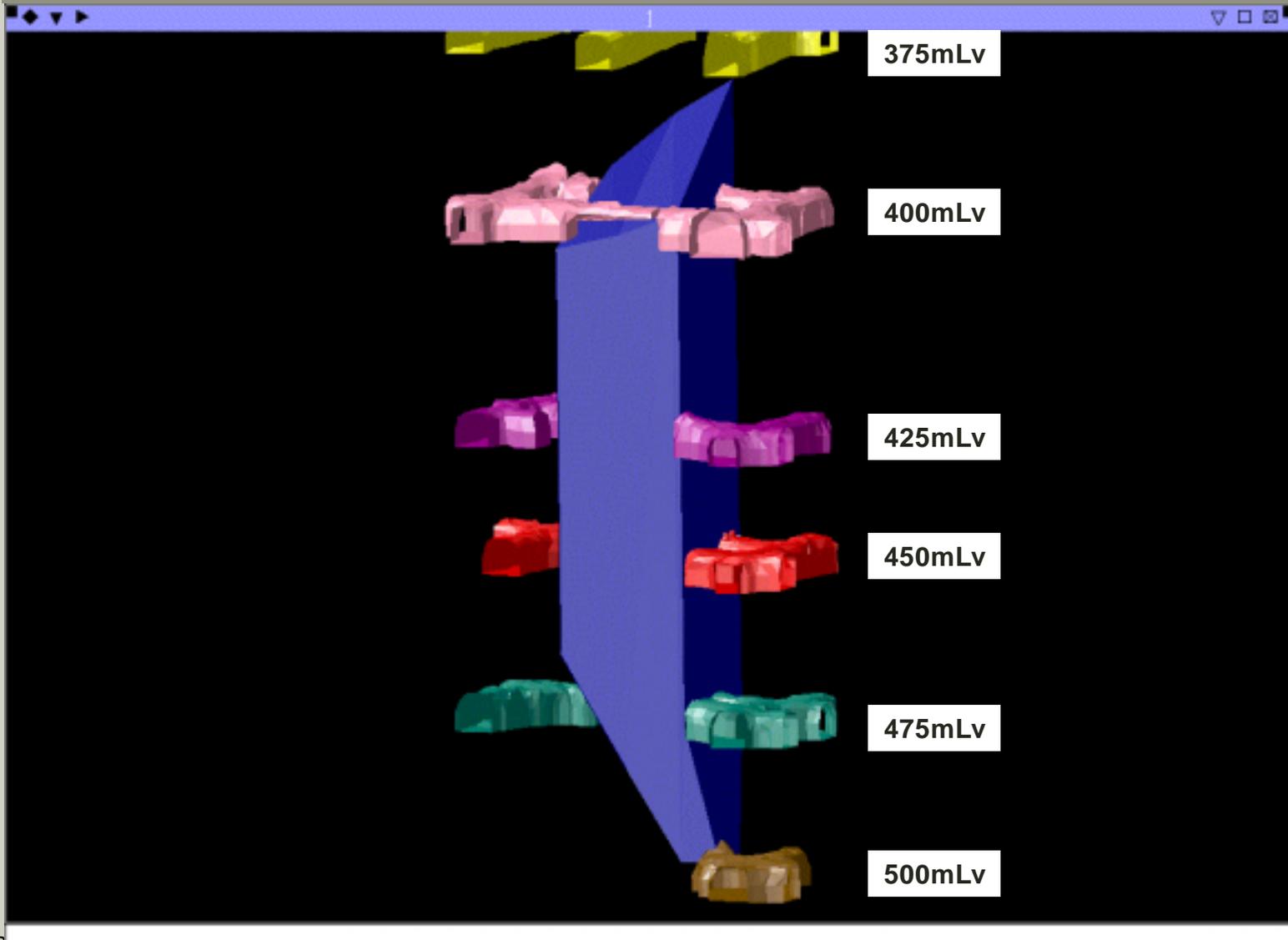
Cannington Orebody



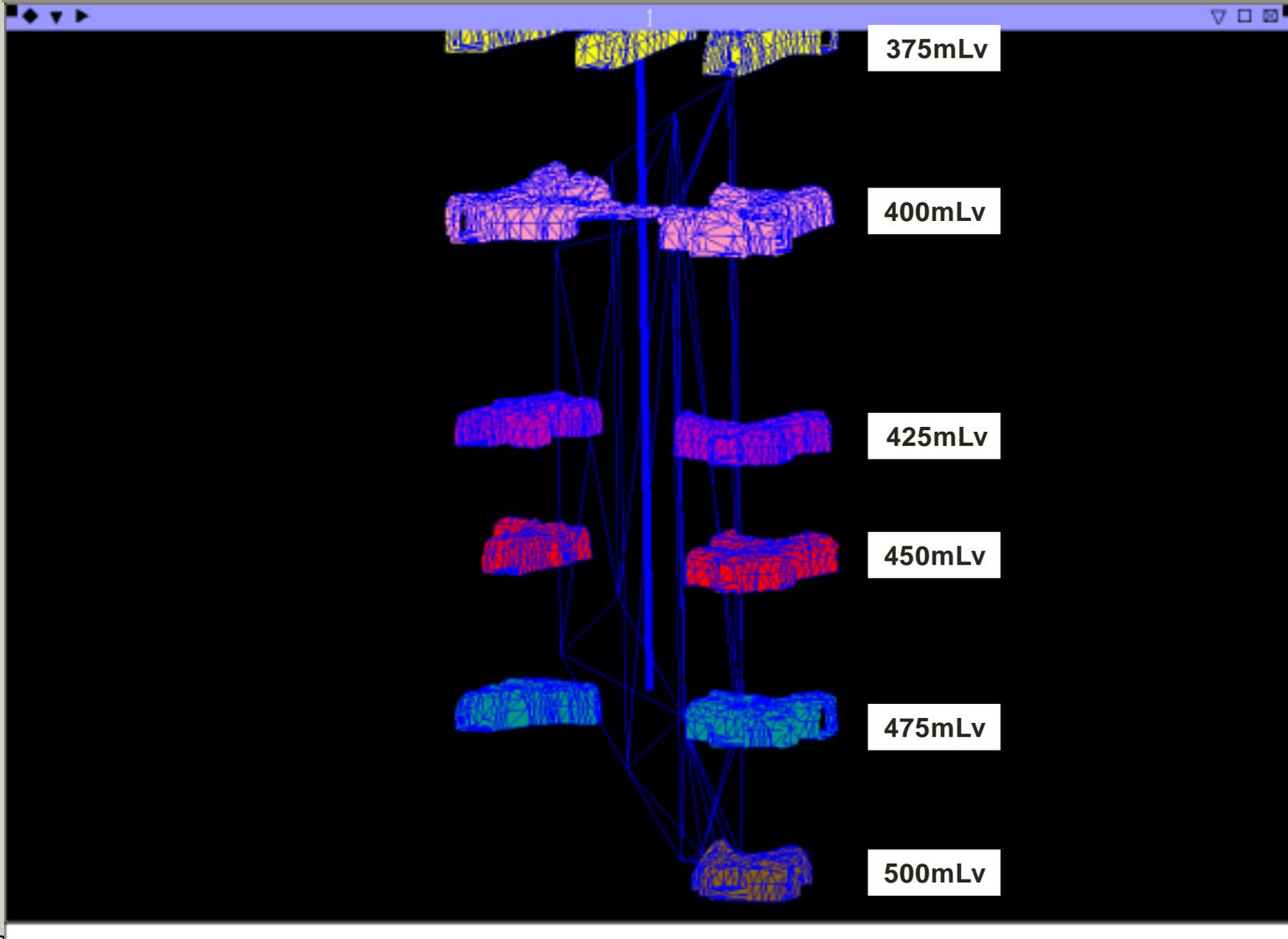
Cannington Underground Stope Plan



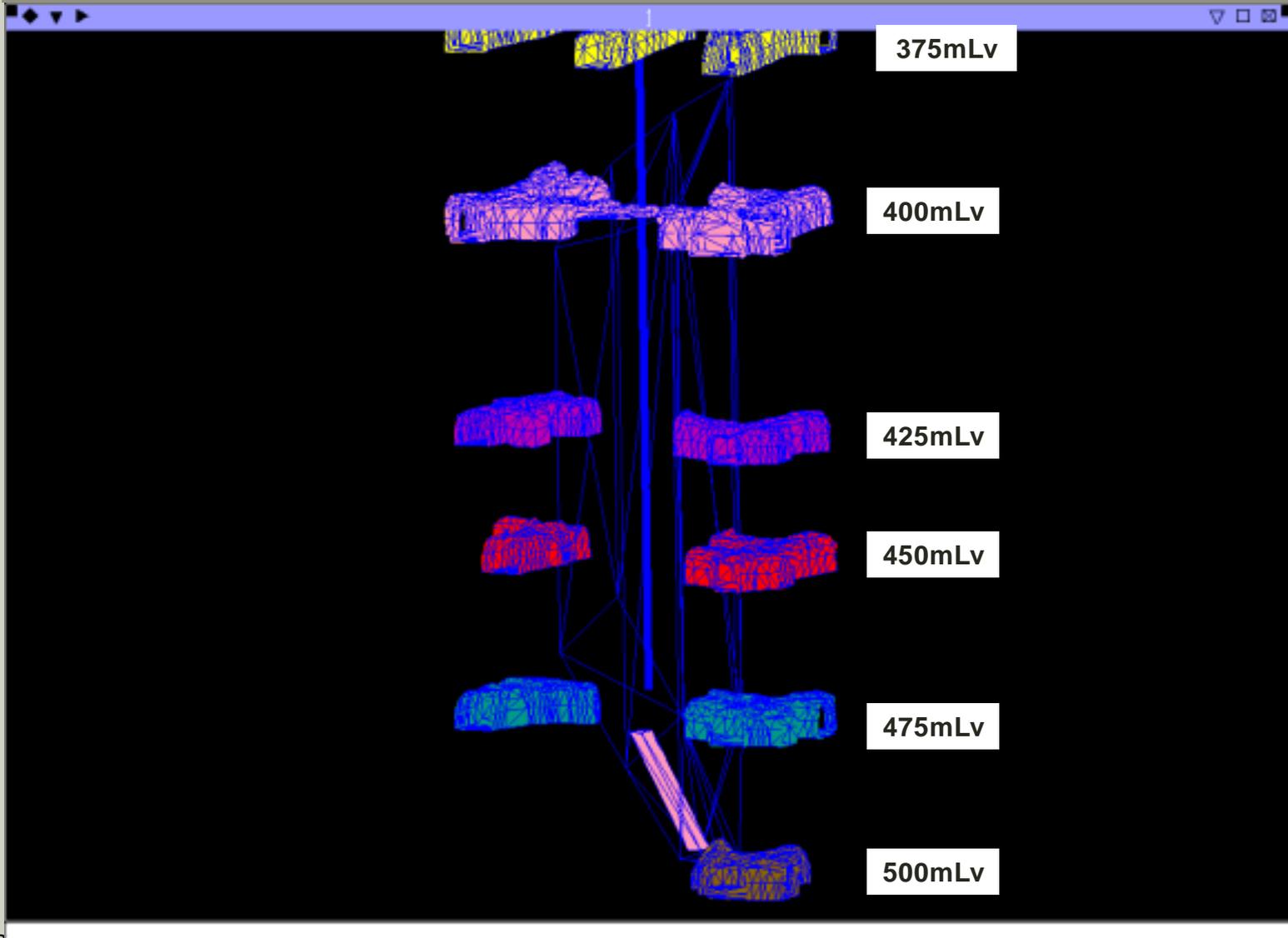
50g.49HL – QR5 Block – 105,000t @ 790g/t AG, 14.8% Pb, 3.3% Zn



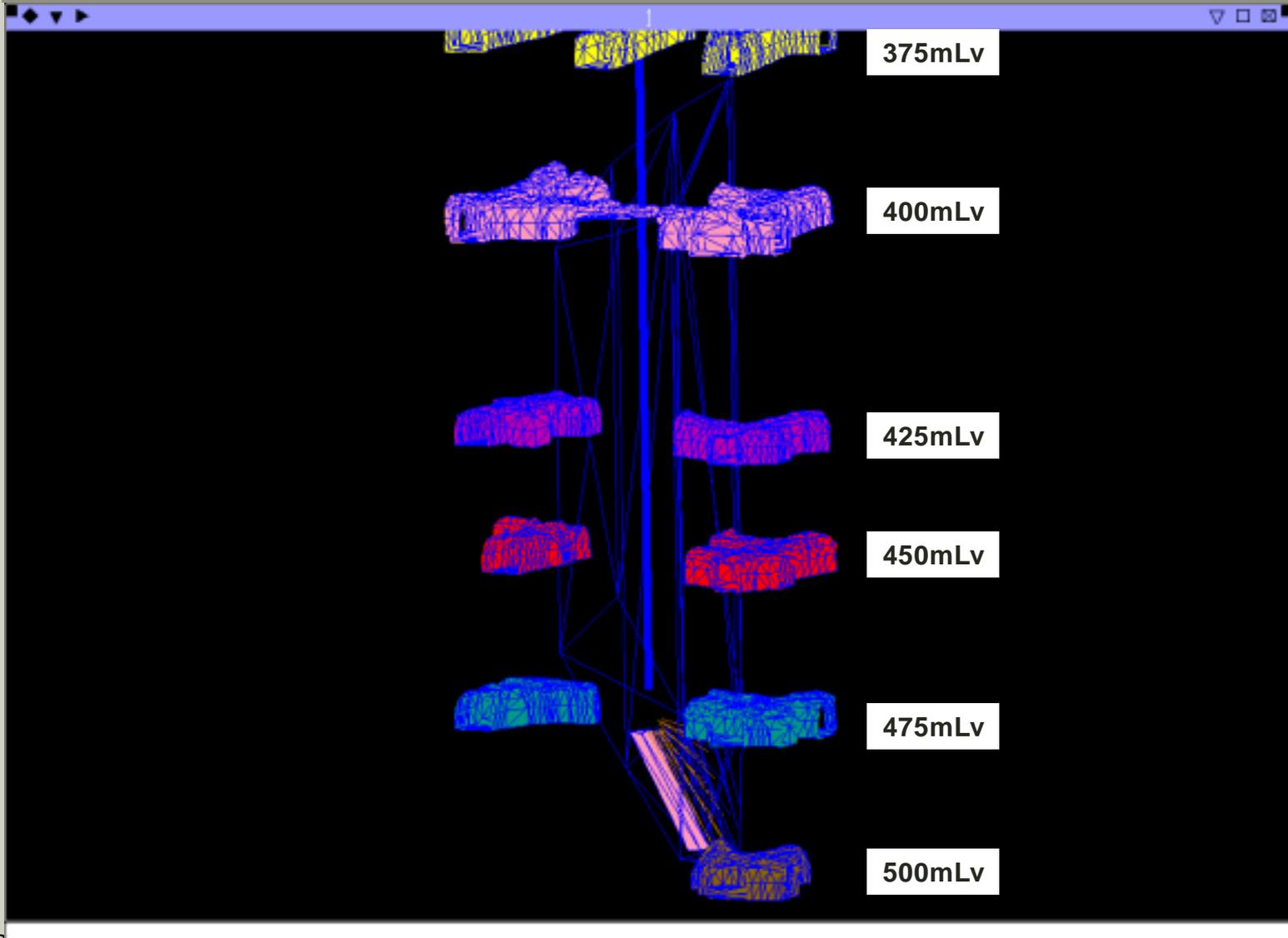
Terratec Hole: 660mm Diameter



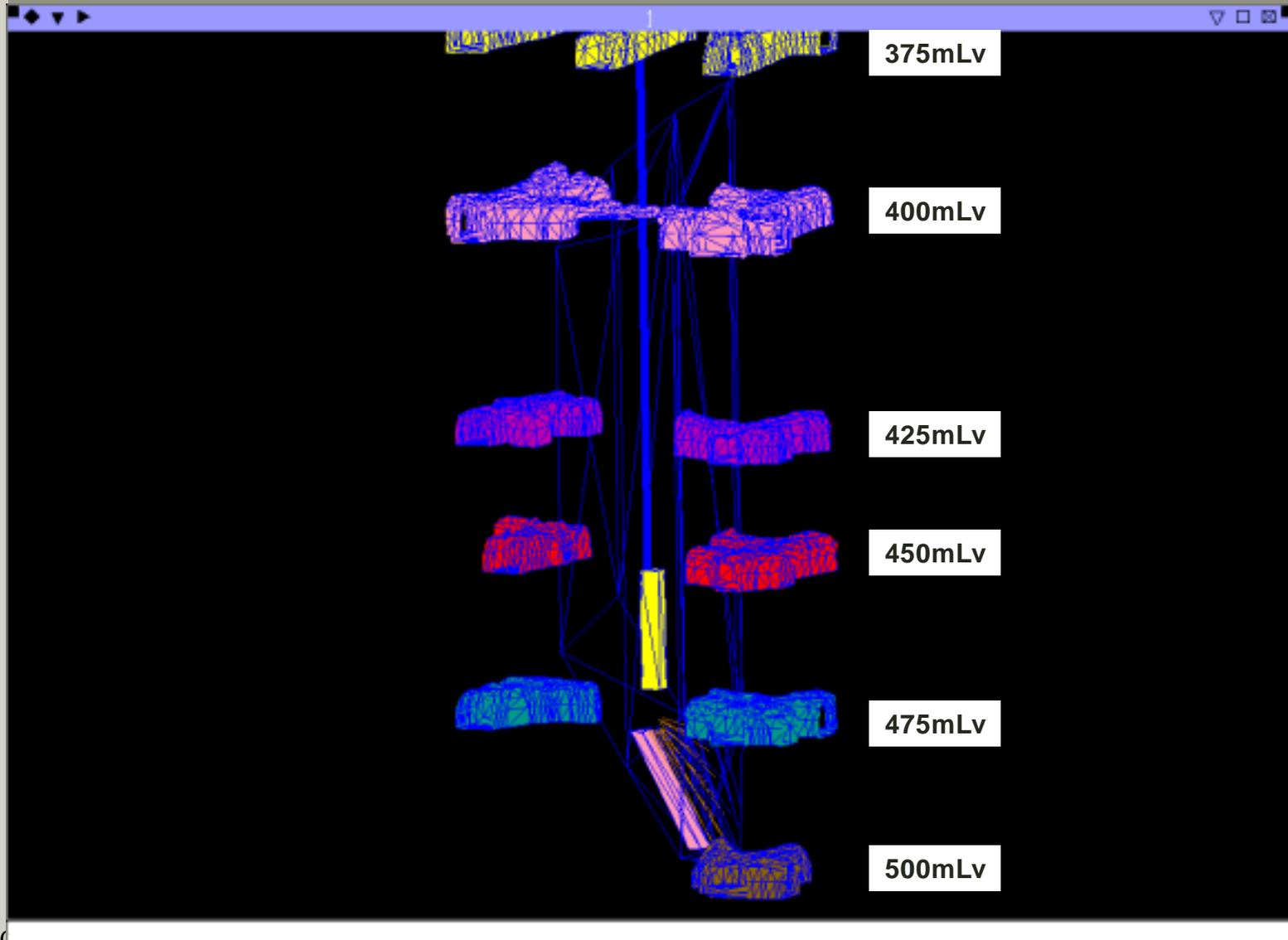
LHW 475mLv to 500mLv



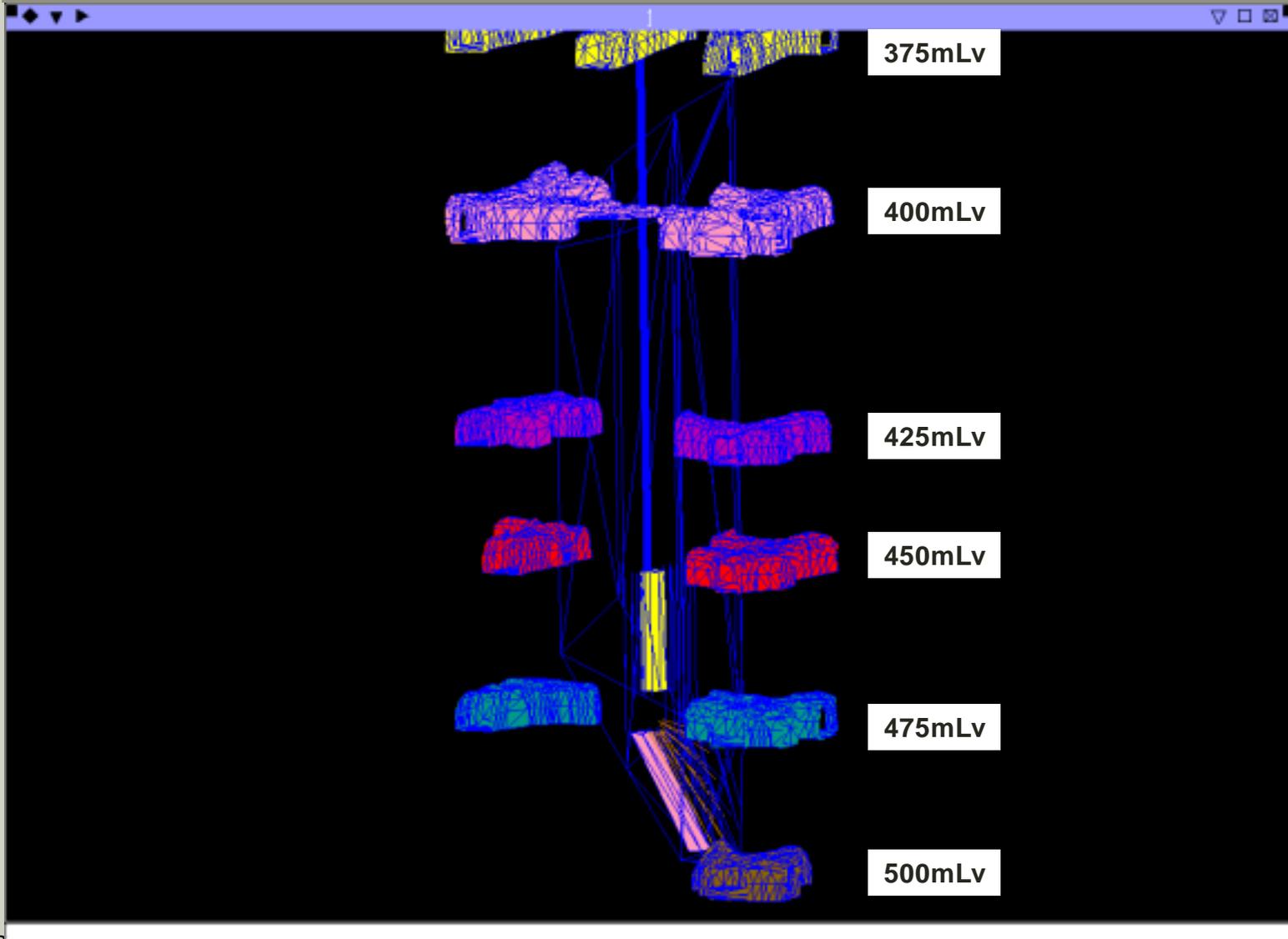
Fire Undercut Slot to Mucking Level



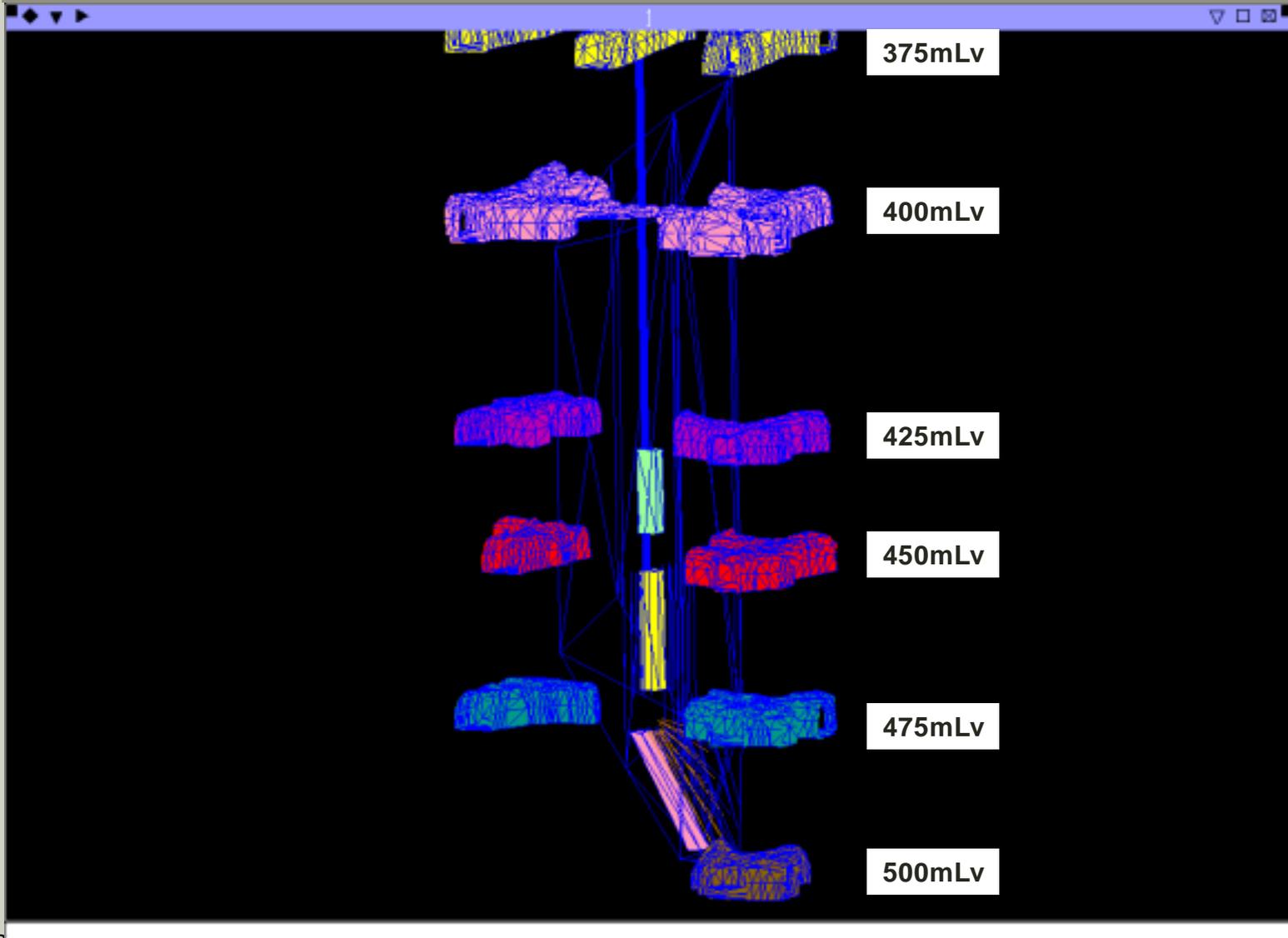
LHW – 450mLv to 475mLv



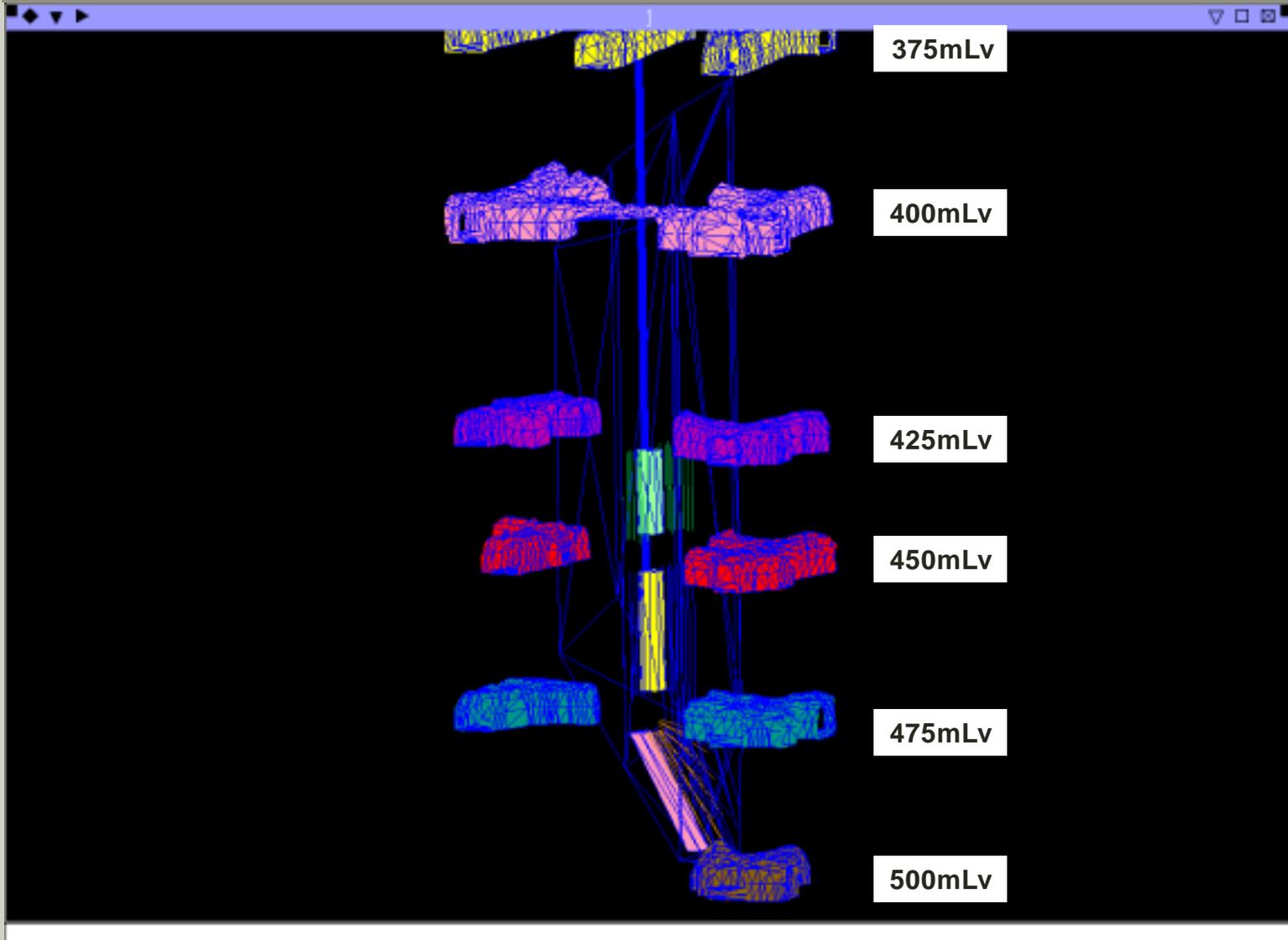
COS 450mLv to 475mLv



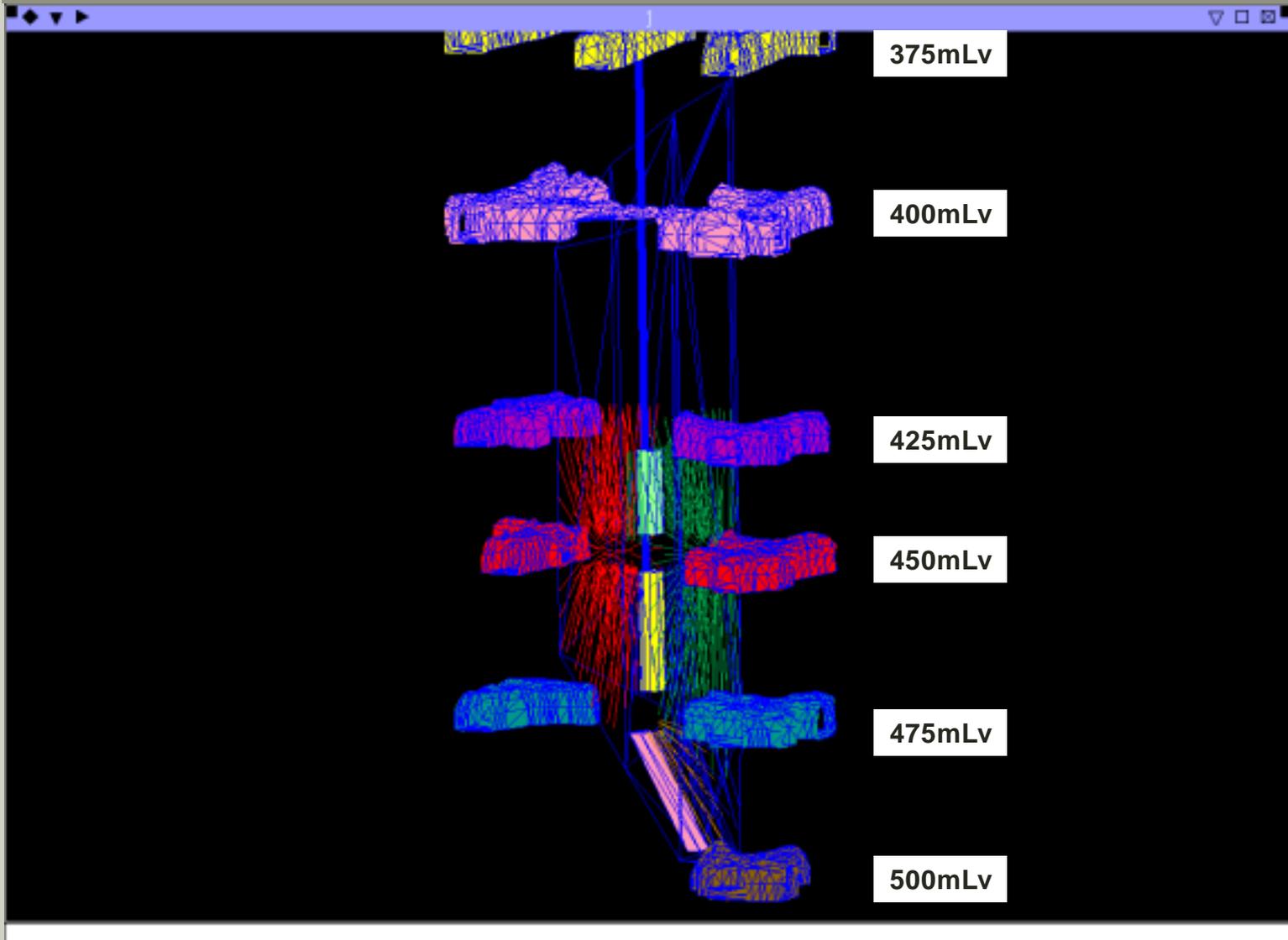
LHW – 425mLv to 450mLv



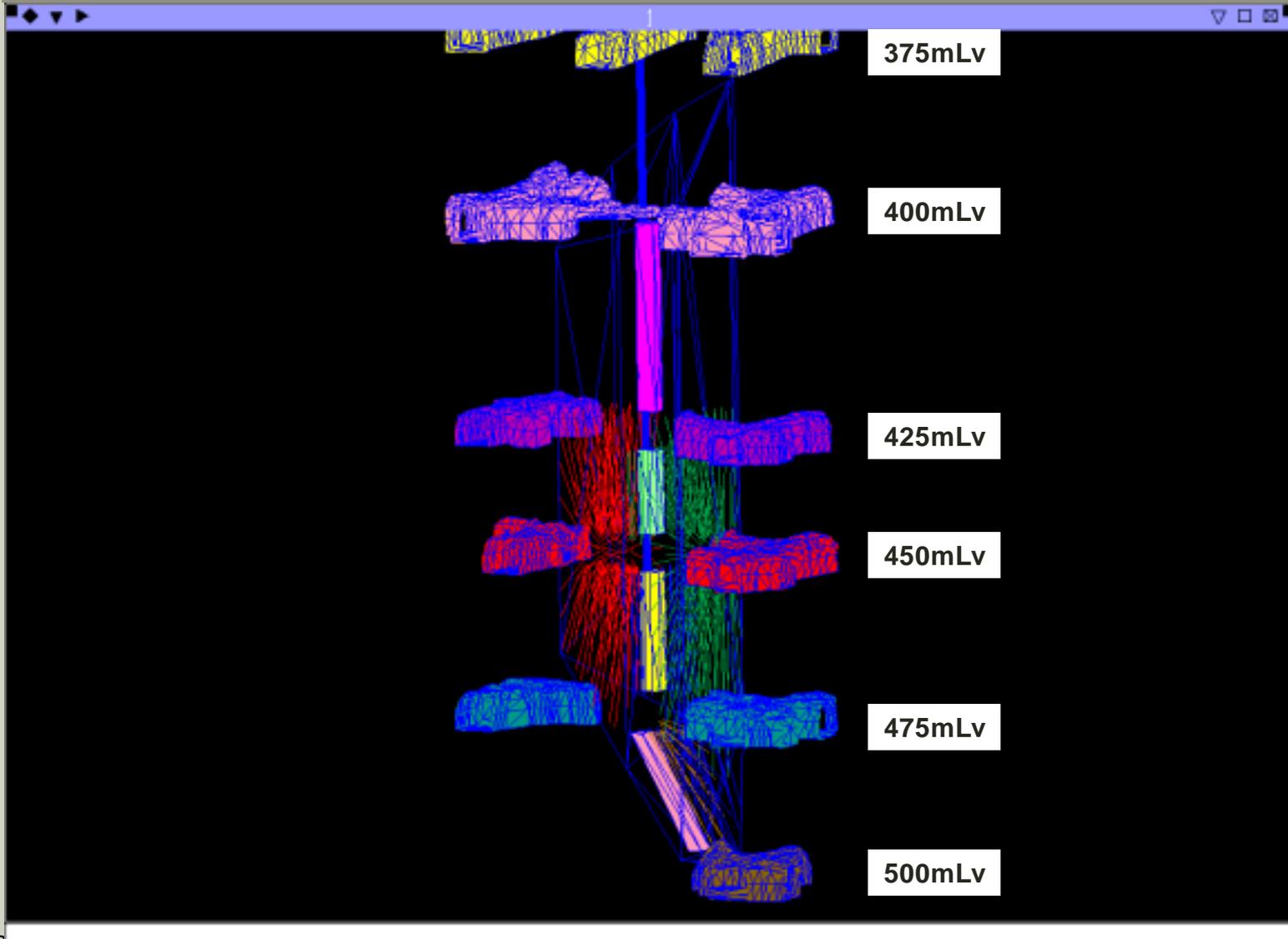
COS – 425mLv to 450mLv



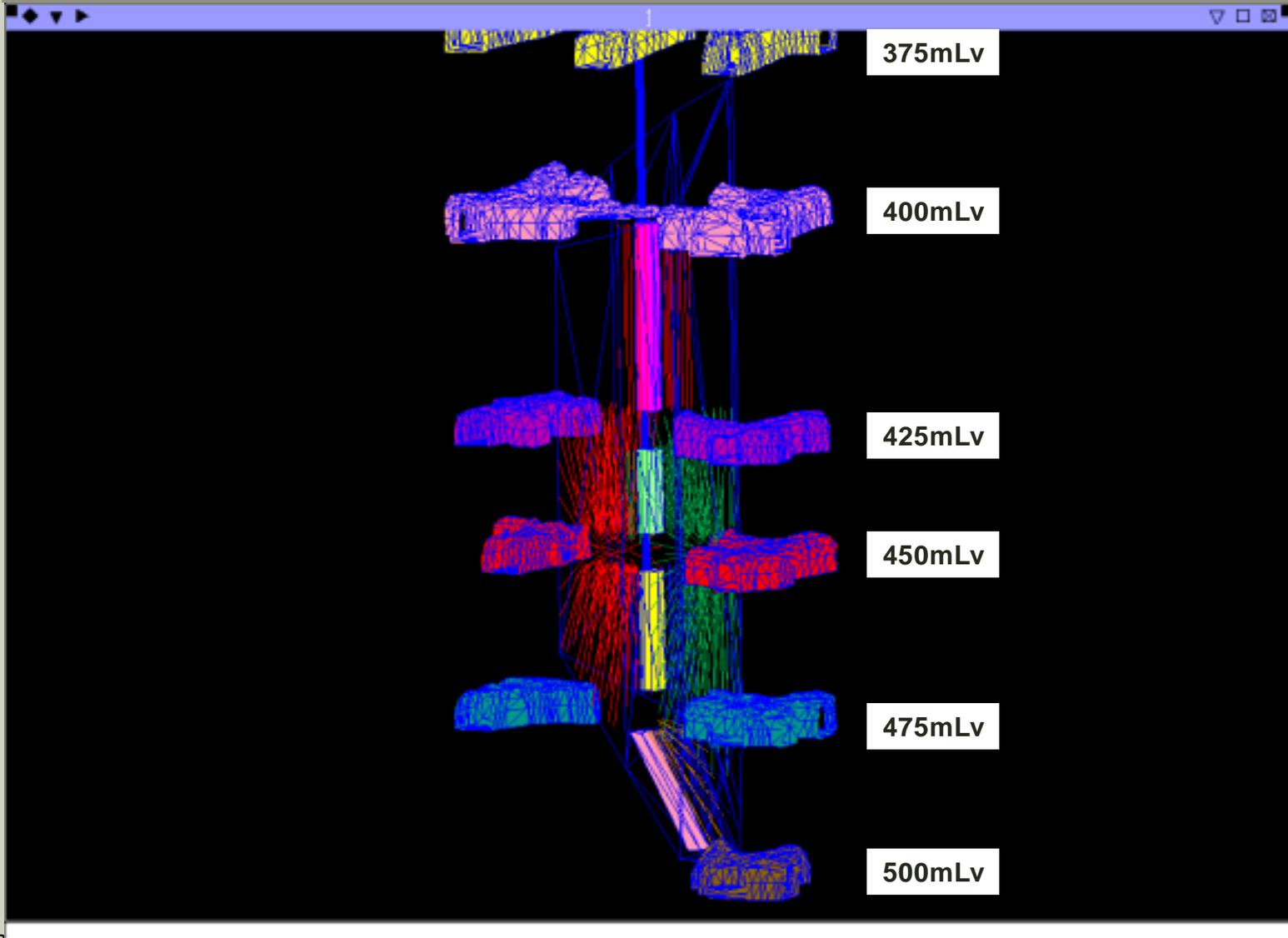
450mLv Rings



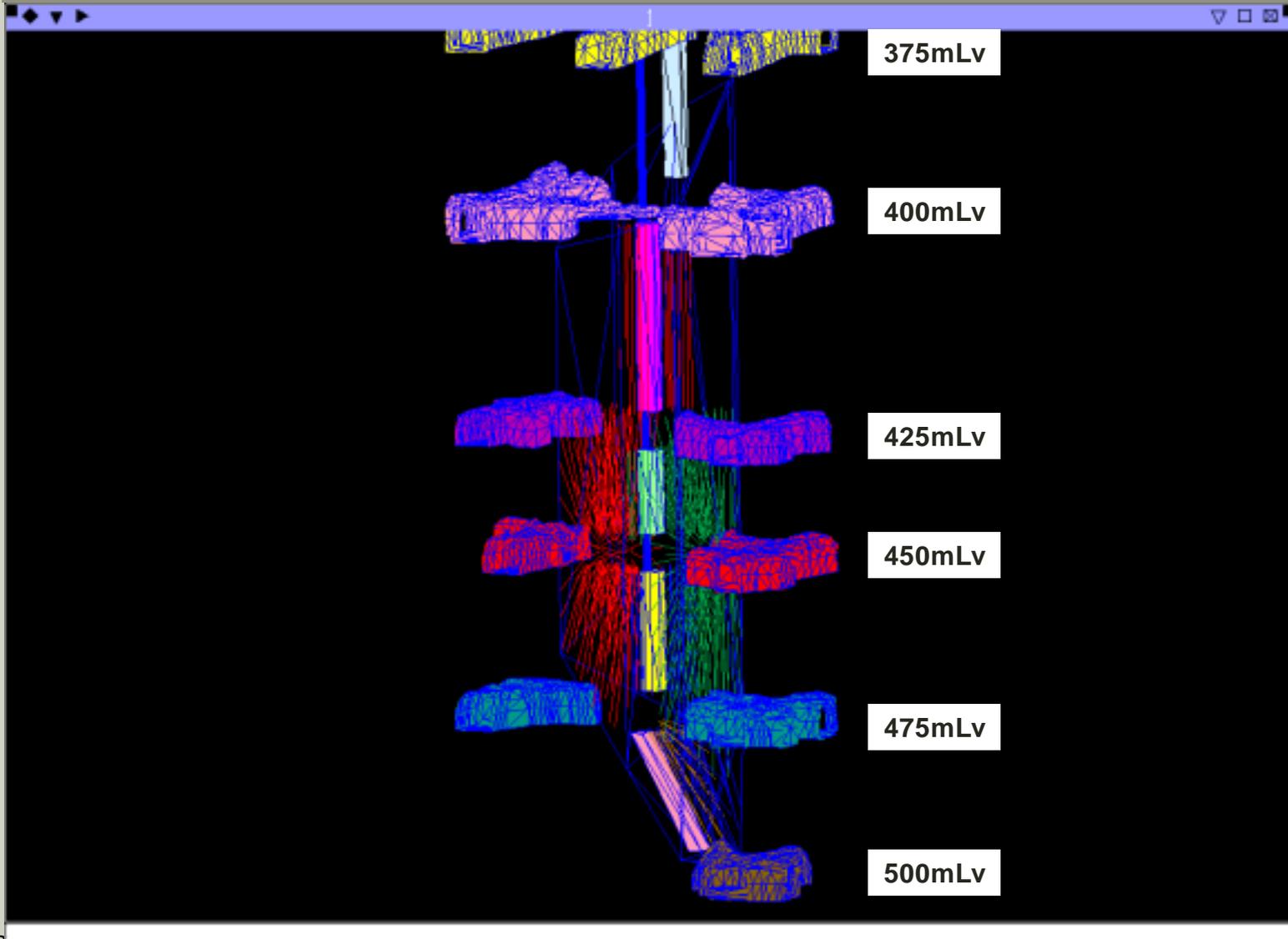
LHW – 400mLv to 425mLv



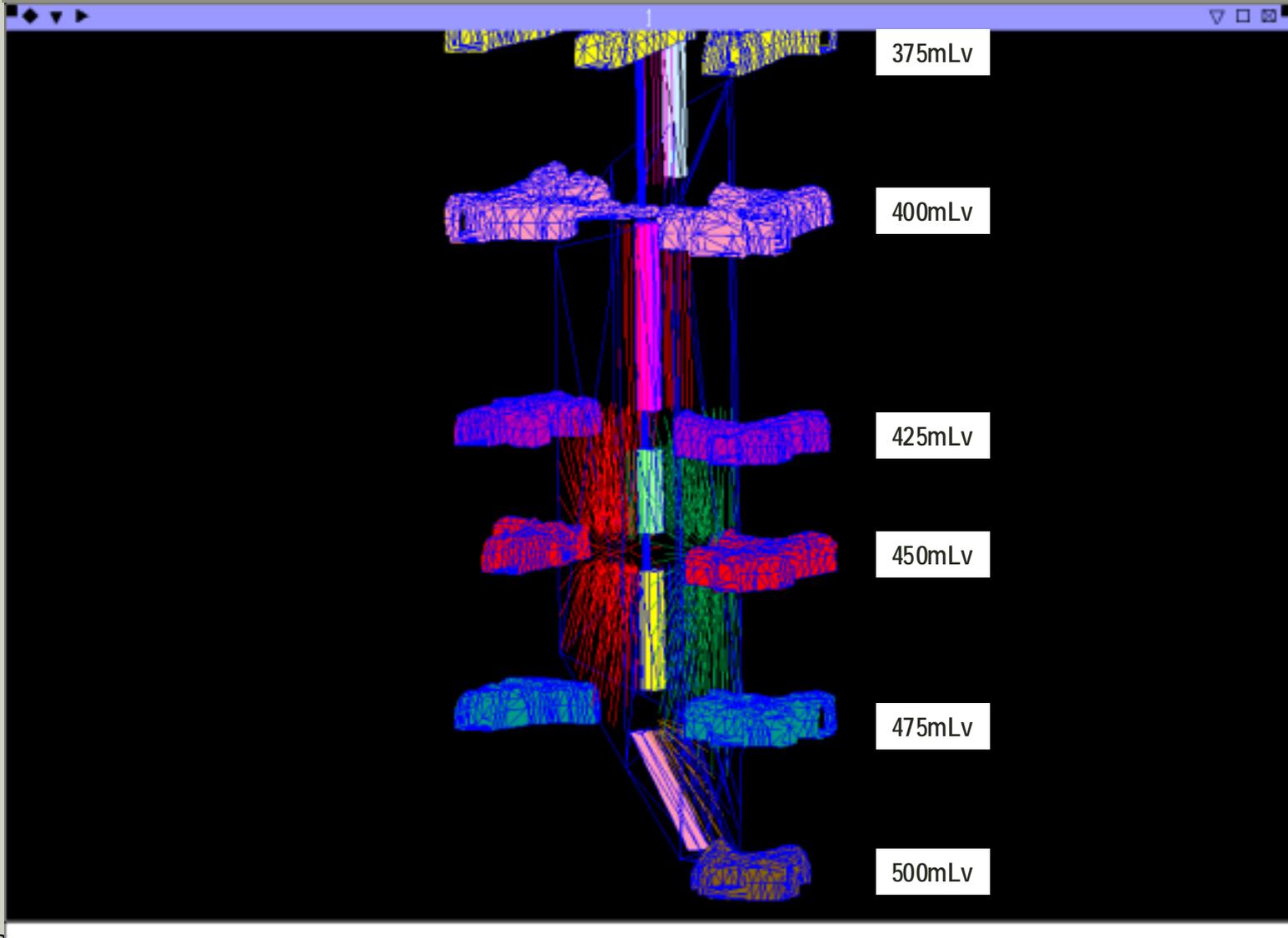
COS – 400mLv to 425mLv



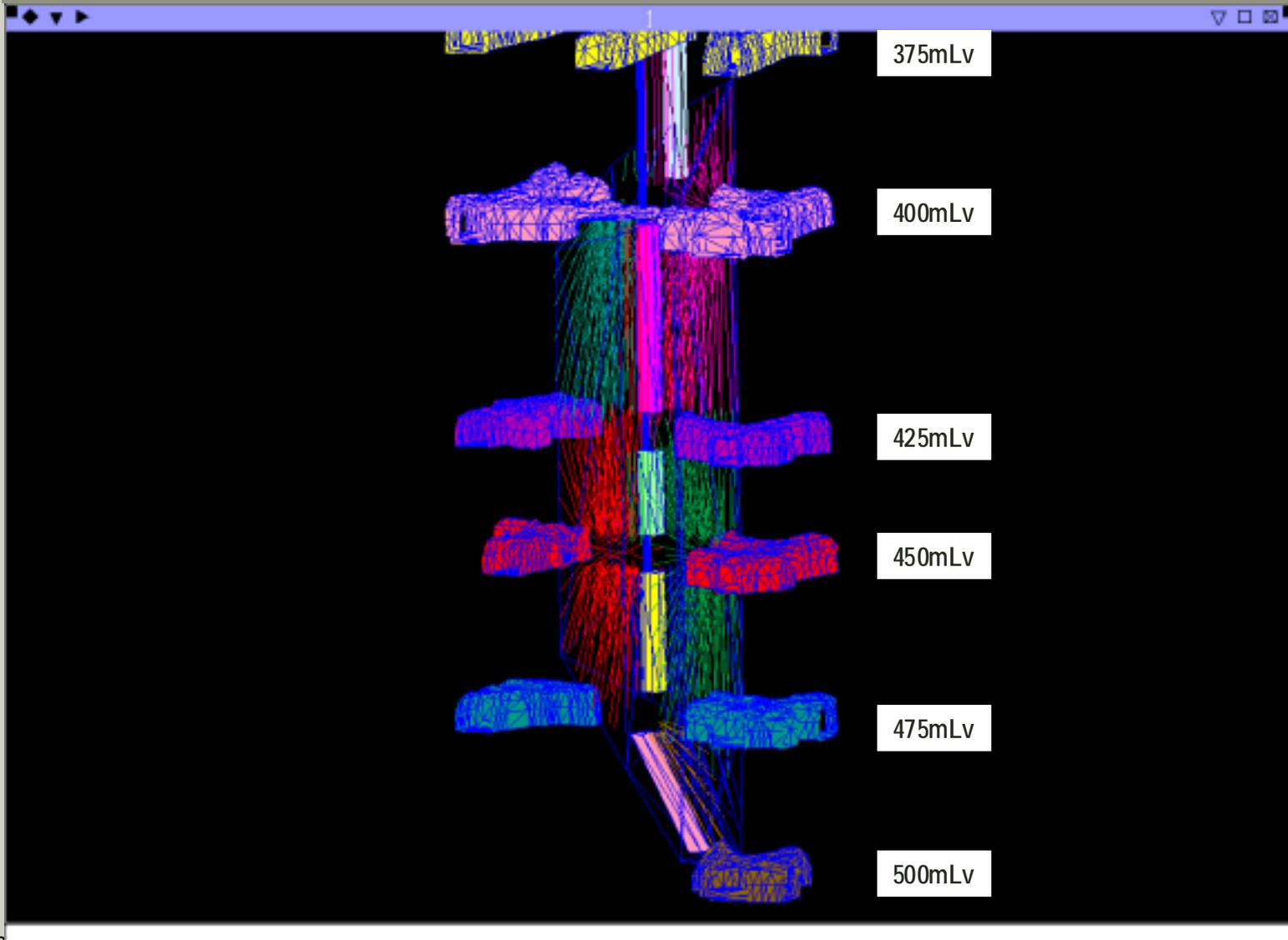
LHW – 375mLv to 400mLv



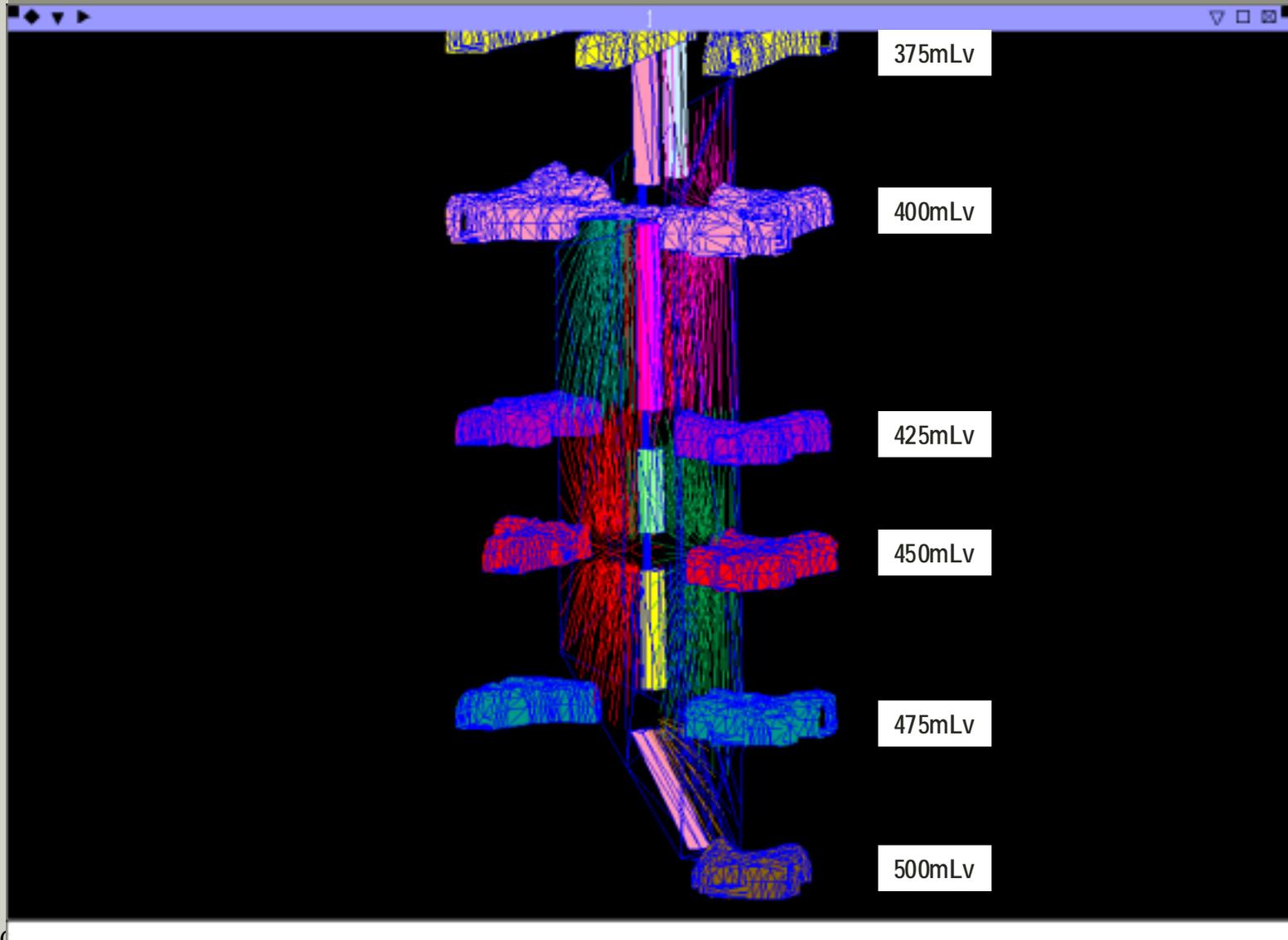
COS – 375mLv to 400mLv



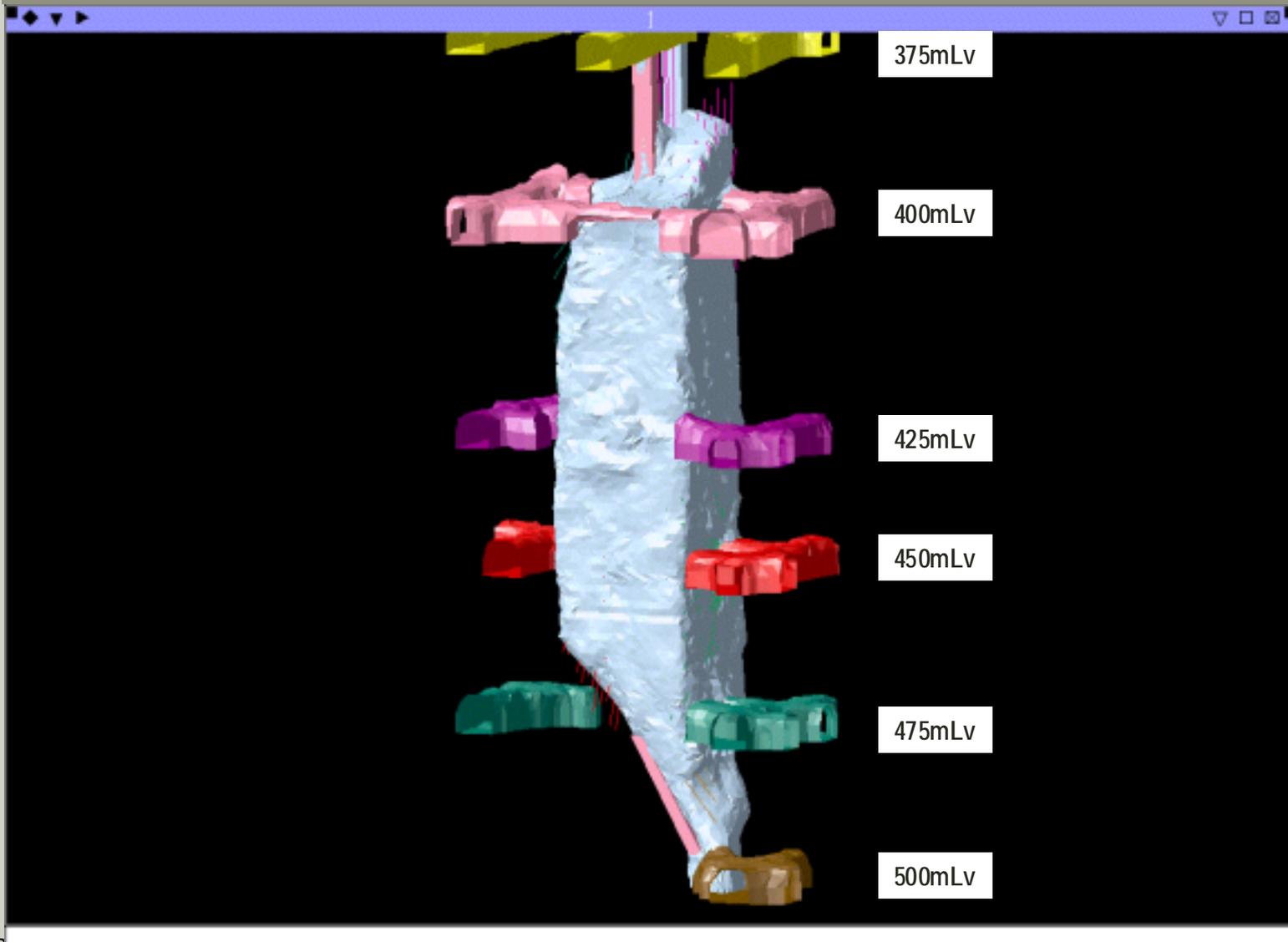
400mLv Rings



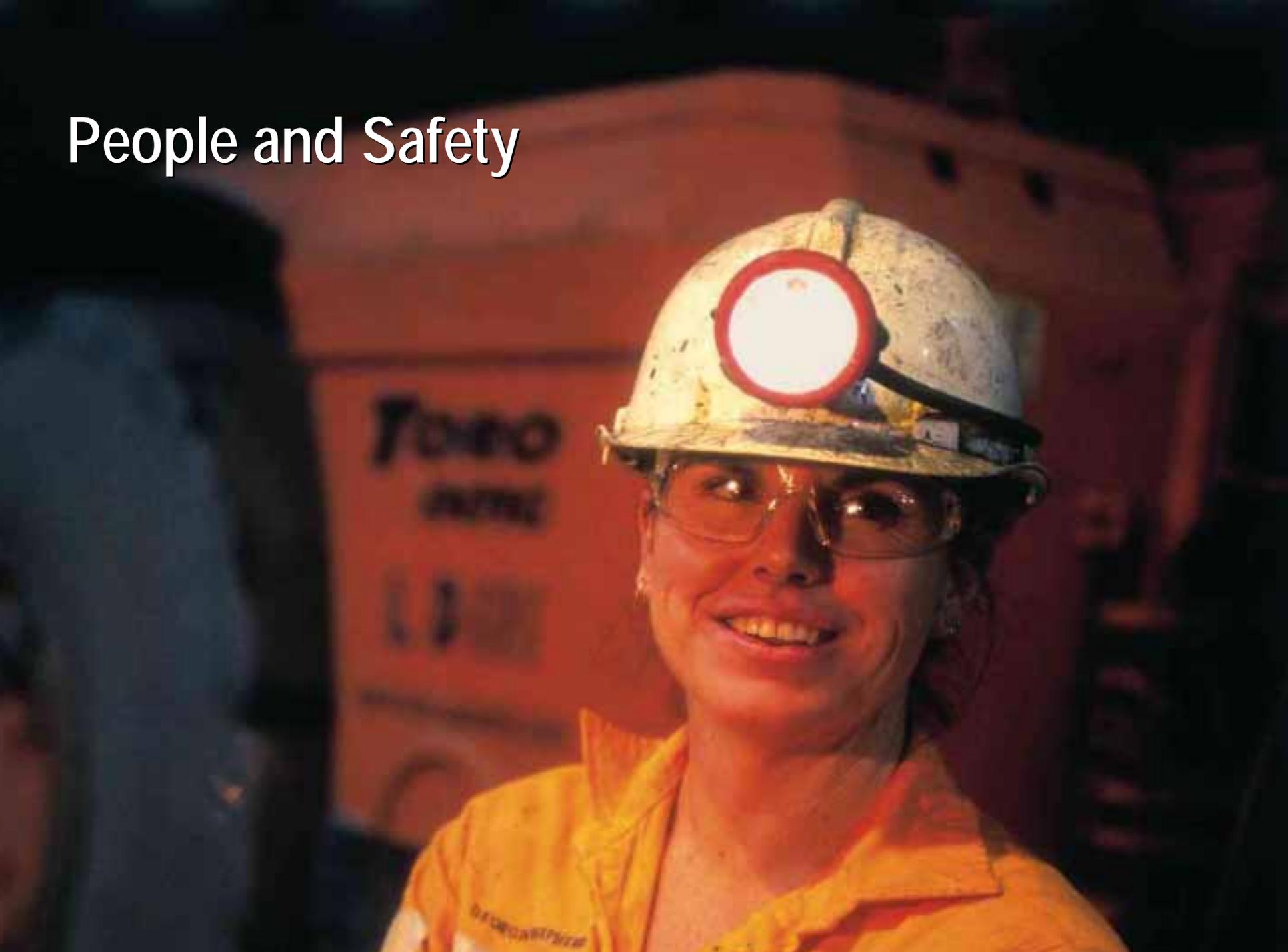
Fire Fill Winze



Final CMS

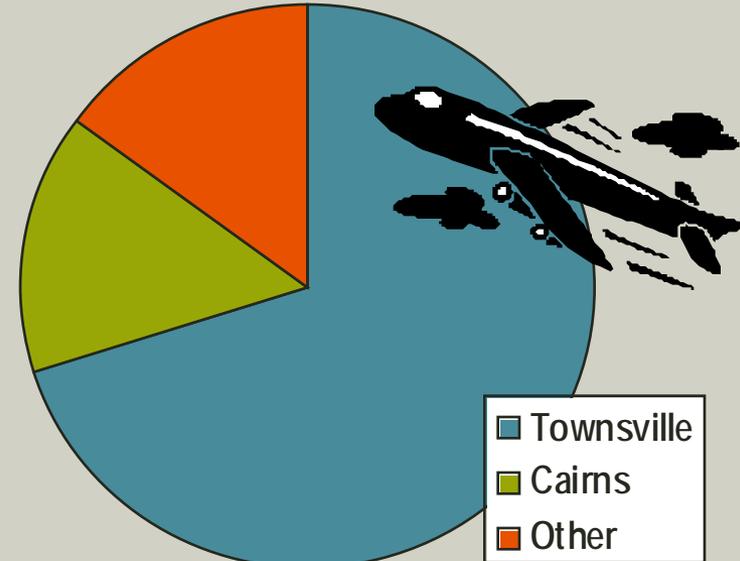


People and Safety



Our people

- Total # of employees : 450 (Post roster implementation in August)
- Total number of full time equivalent contracts (FTE) : 250
- Percentage of workforce female: 11%
- Operational people – underpinning award AWU and individual contracts
- Professionals – Individual contracts
- Small office in Townsville (non minesite functions)
- Fly in fly out (FIFO)
 - Operation 14/7 moving to 7/7
 - Professionals 9/5 or 5/2 4/3
- Employment relationship
 - Direct and performance orientated
 - ❖ Common uniforms
 - ❖ Common amenities
 - ❖ Common accommodation
 - ❖ Common performance management
 - ❖ Common remuneration practices
- Minimalist Certified Agreement (3 pages)



Cannington Management Team (CMT)



PAUL DUNN
Finance



HERMAN
KLEYNHANS
Human
Resources



JAMES BROWNING
HSEC



PAUL
DONALDSON
Business
Improvement



NEIL JANSEN
Integrated
planning / SSE



GRANT
EGGINTON
Mining



GRANT
FARROWS
Logistics and
Processing



DEAN DALLA VALLE
President

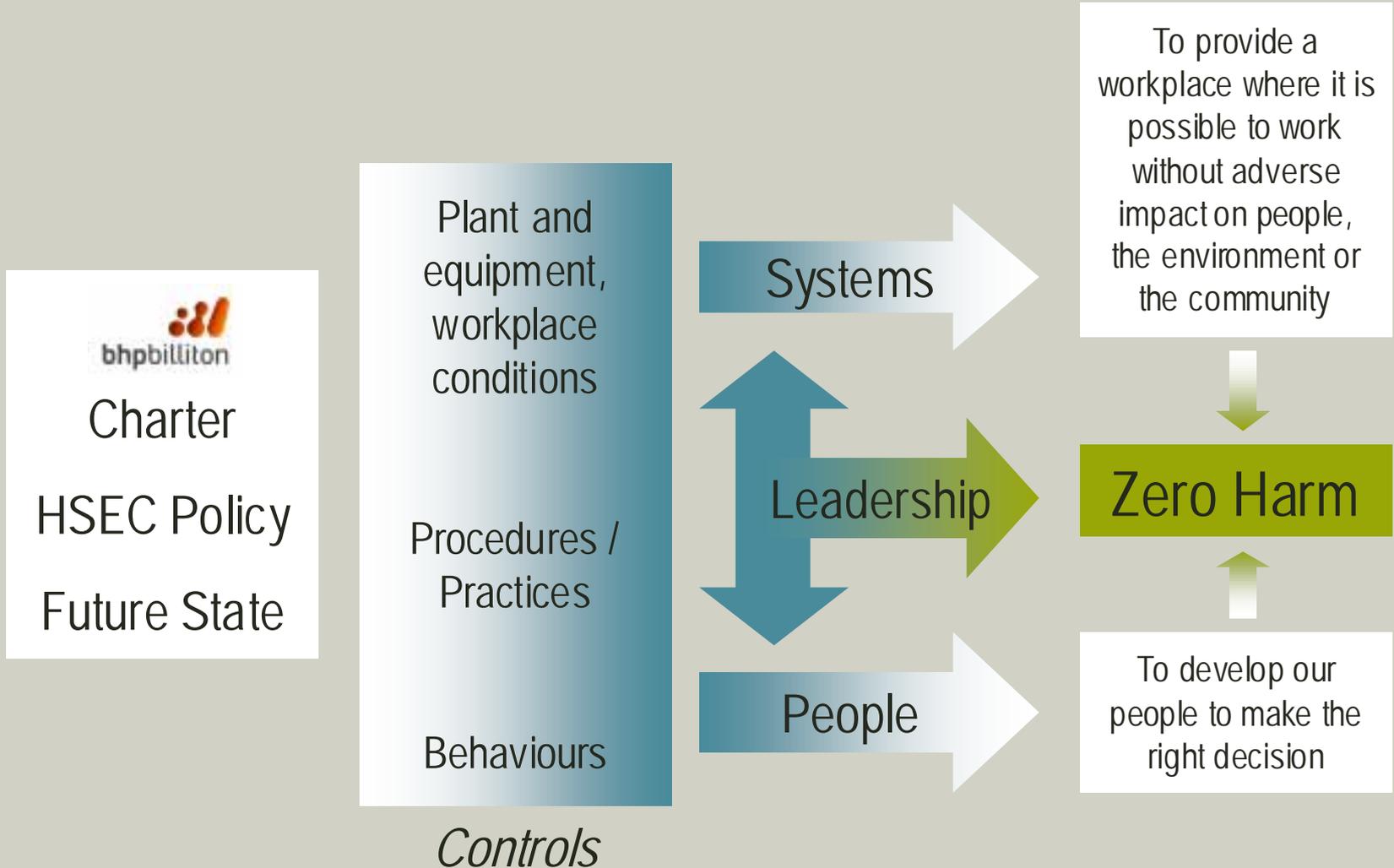


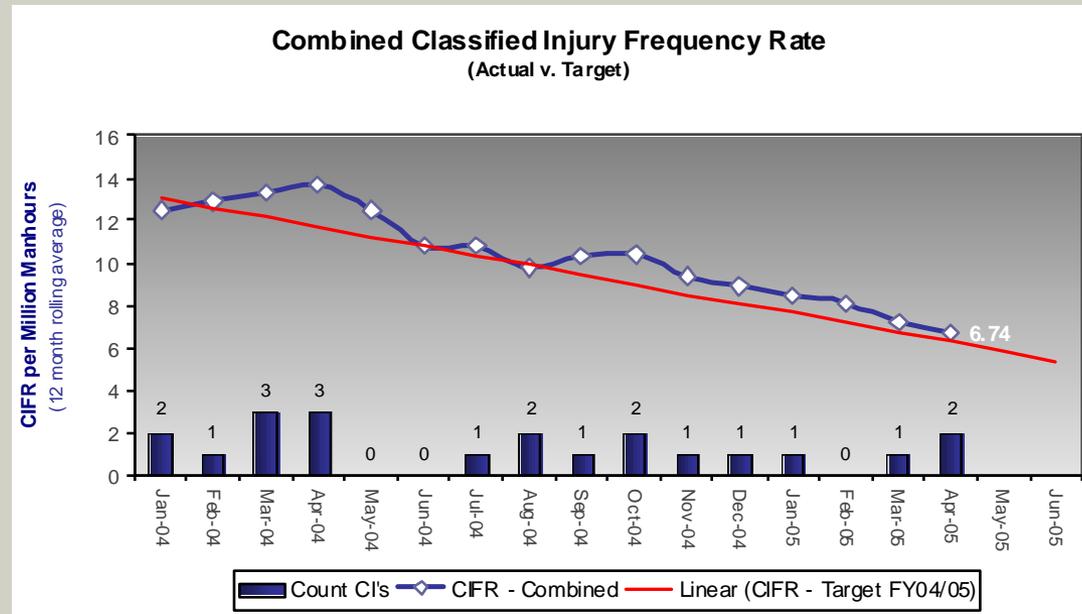
TIM JEFFS
Maintenance and
Engineering



JACK STANDA
Technical
Services

Road to zero harm





- Site wide mini shuts regularly held
- SBO program
- Cardinal rules
- Take 5 Program

- Housekeeping 5S – 100% site 1s
- First Priority safety management
- New rosters being implemented

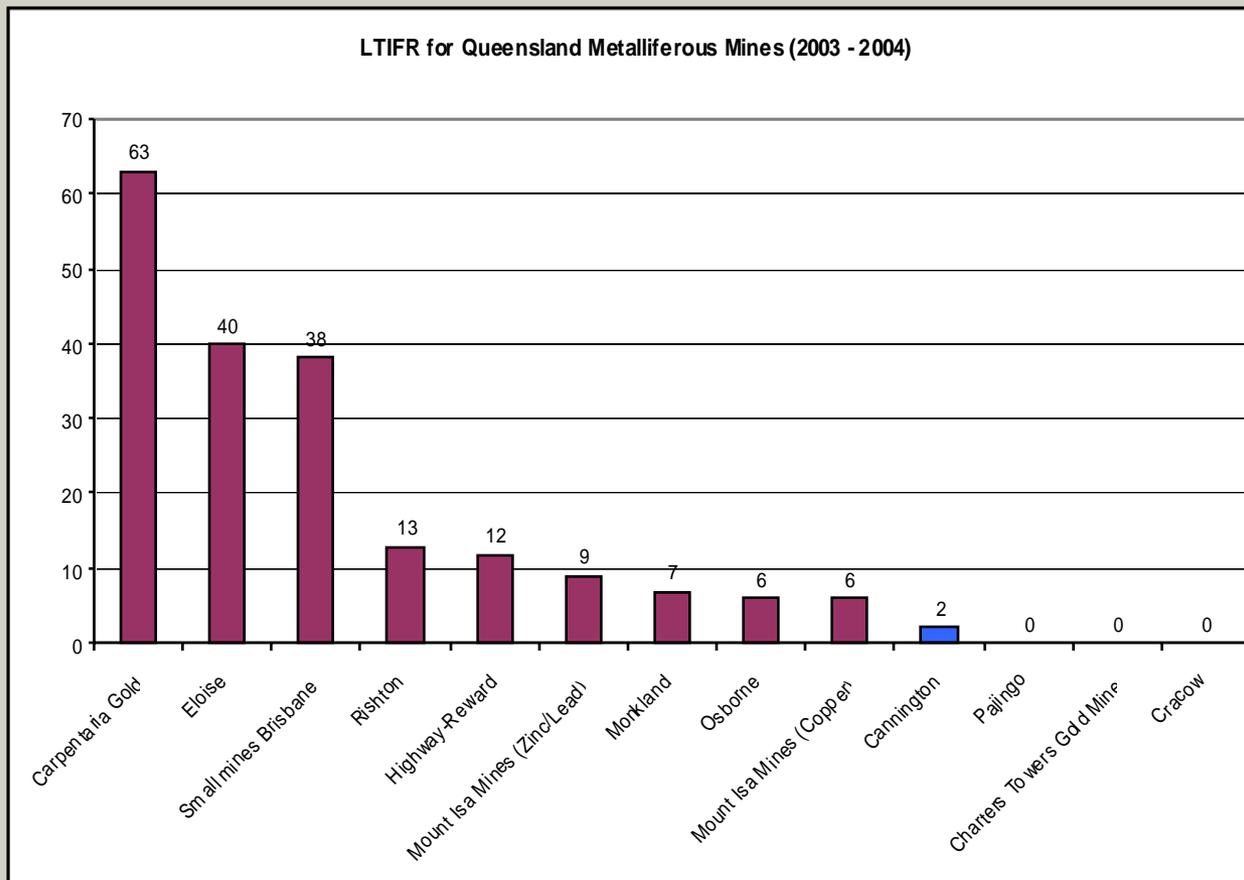
- BHP Billiton HSEC management standard assessment yearly
- ISO 14001 and AS4801 Certification

- ### PROJECTS UNDERWAY
- Fatal Risk Control Protocol implementation
 - Mobile equipment access
 - Decline traffic management
 - Ground Control
 - Open hole management

Queensland U/G Metalliferous Mines LTIFR



Source: Department of Mines and Natural Resources

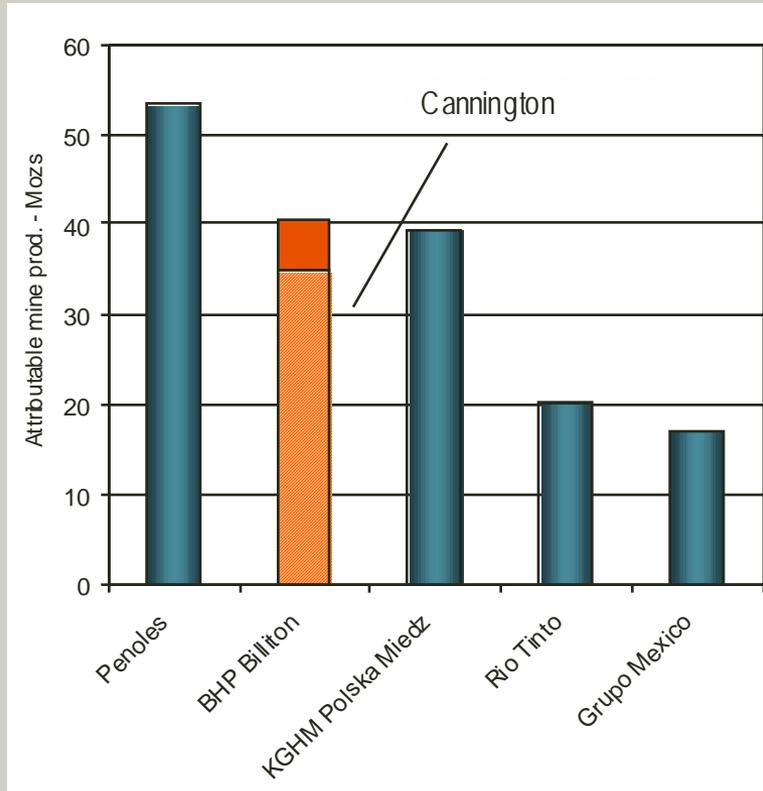


Historical production & financials



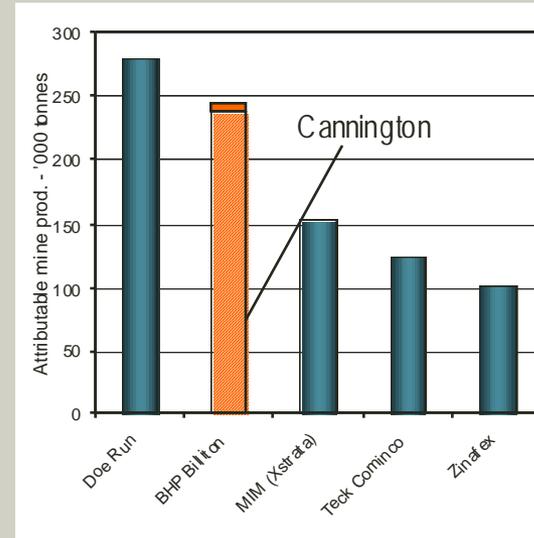
BHP Billiton's ranking in silver & base metals mine production

Top Silver Miners – 2003

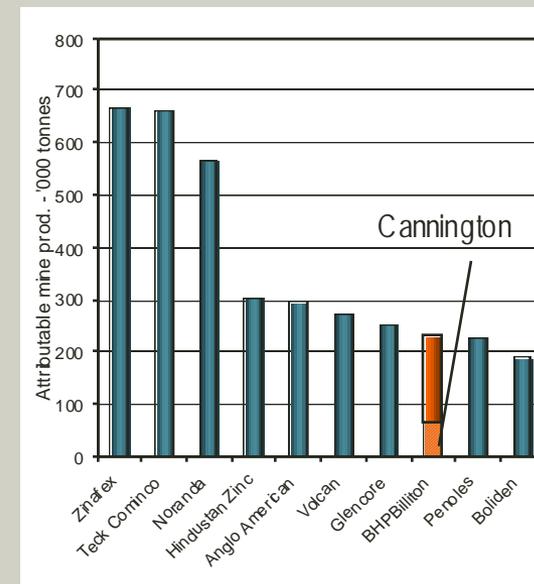


Data: CRU
Calendar Years

Top Lead Miners- 2003

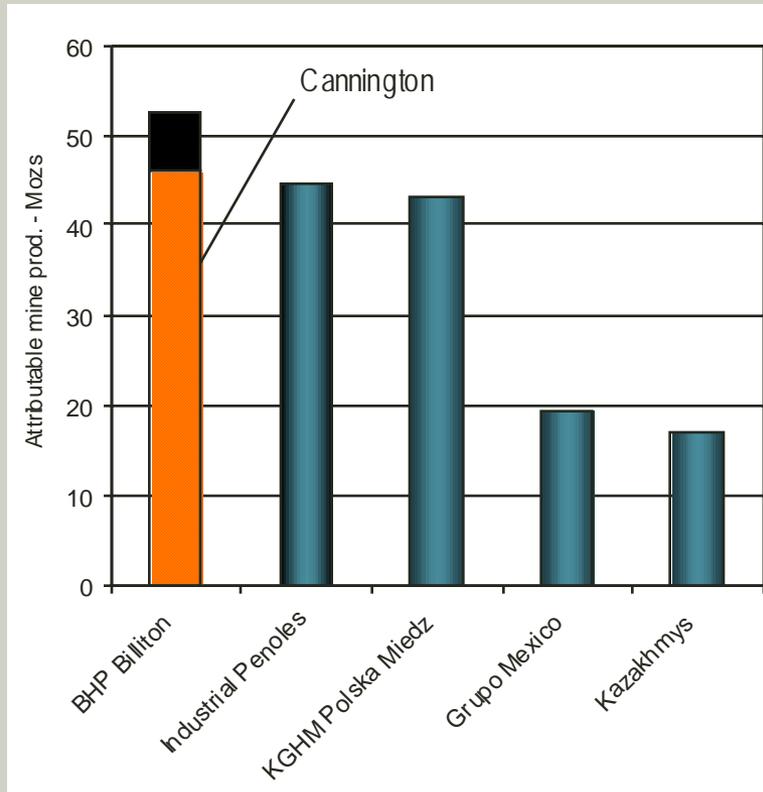


Top Zinc Miners - 2003

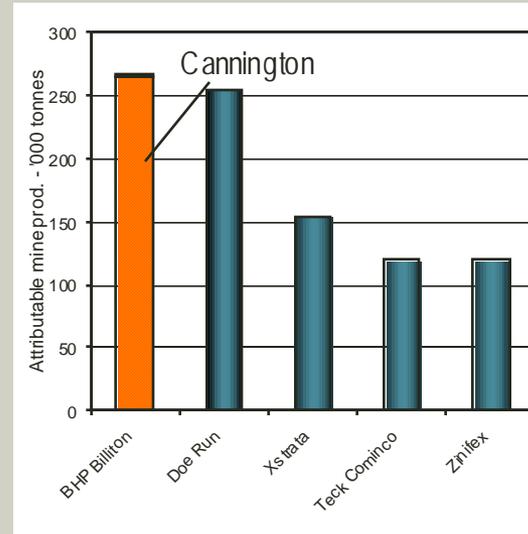


BHP Billiton's ranking in silver & base metals mine production

Top Silver Miners – 2004

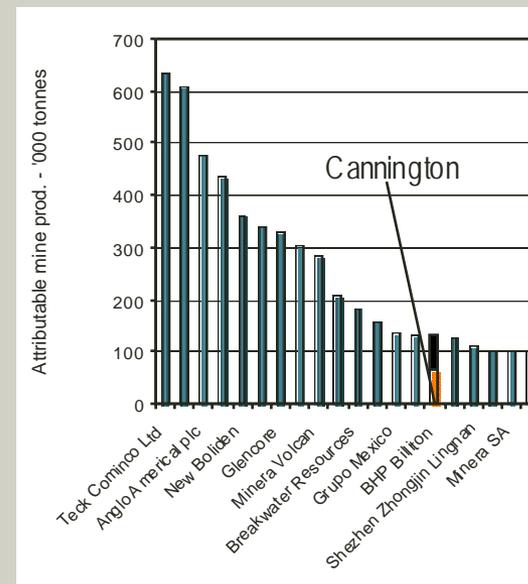


Data: GFMS (World Silver Survey May 2005)



Top Lead Miners- 2004

Data: Brook Hunt

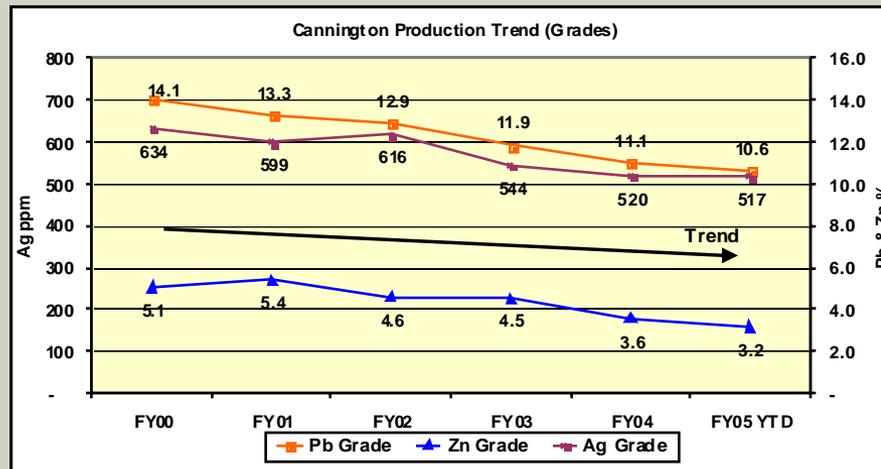


Top Zinc Miners – 2004

Data: Brook Hunt

2004 Resources and Reserves Data – JORC Compliant

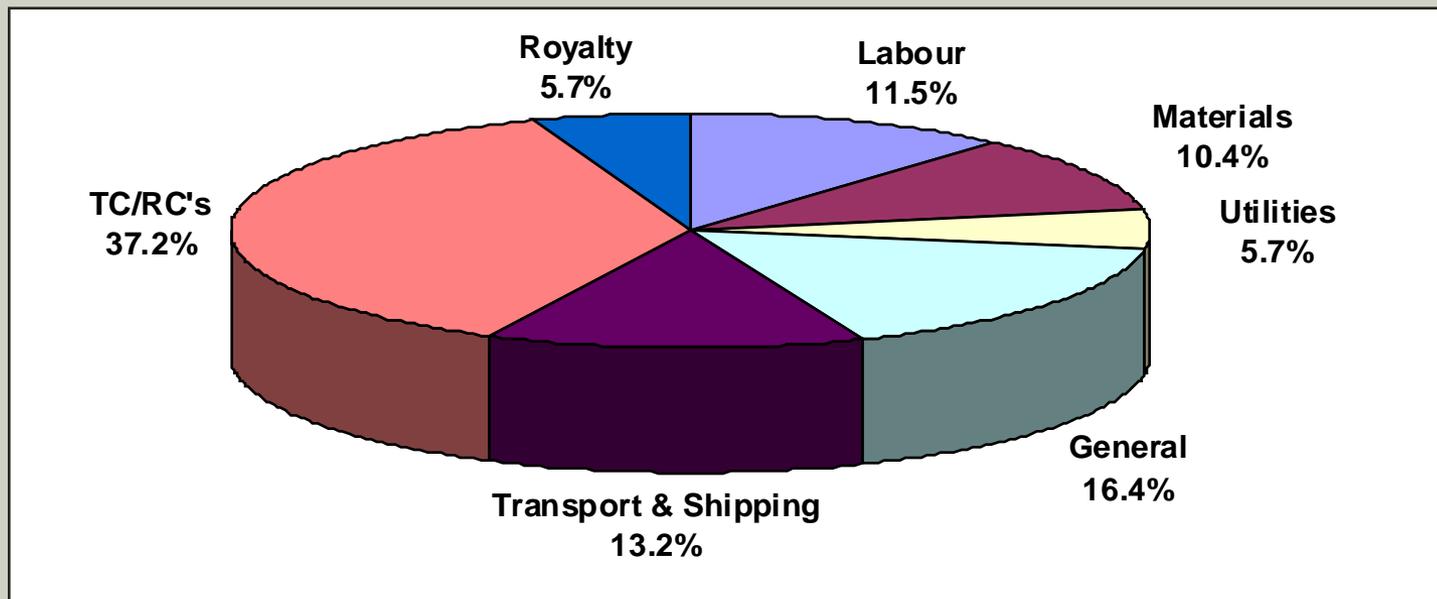
Resource	Tonnes Mt	Silver ppm	Lead %	Zinc %
Measured 12.5 x 15m drill spacing	18	576	12.36	4.36
Indicated 25x25 m drill spacing	8.82	460	10.74	4.22
Inferred > 25m drill spacing	8.03	364	8.64	3.57
Total	34.85	498	11.09	4.14
Reserves	Tonnes Mt	Silver ppm	Lead %	Zinc %
Proven	15.32	507	11	3.82
Probable	6.33	408	9.62	4.01
Total	22.24	476	10.57	3.88



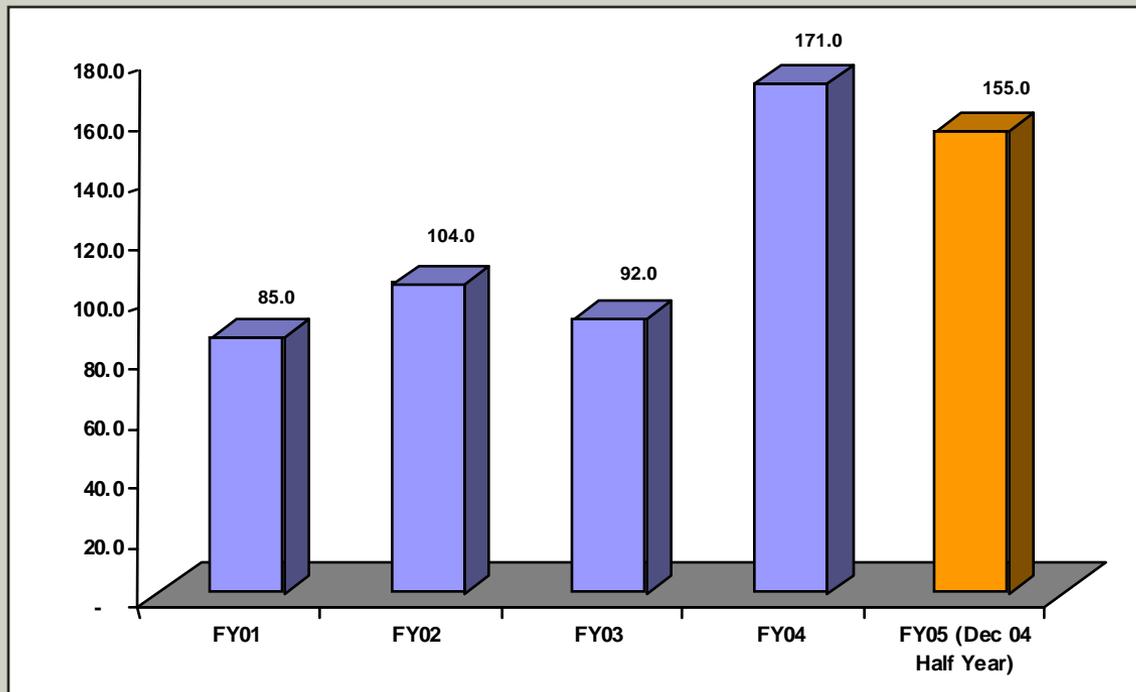
Manageable
grade reductions

Typical cost breakdown as a % of total cost

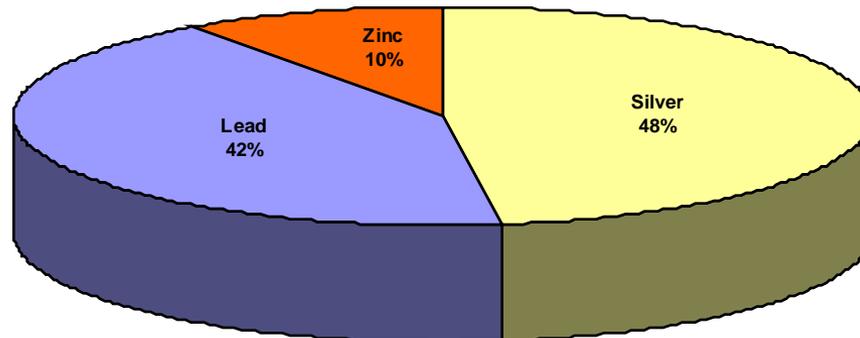
- Approximately 51% A\$ - 49% US\$
- March 05



Historical Profits (US\$ EBIT)



Revenue Split 2005



Processes



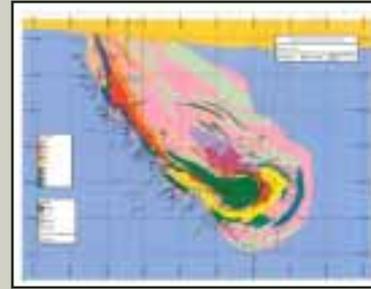
Technical Services



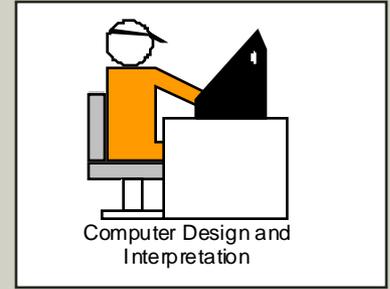
Resource drilling



Core sample delivery at laboratory



Geological interpretation and modelling



Computer Design and Interpretation

*- 3 Dimensional model
- Development design*



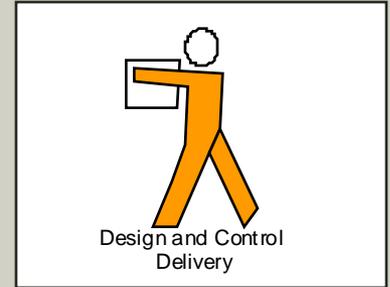
Stope design



Geotechnical control and ground support



Survey control



Design and Control Delivery

Design and Control delivery

OUTPUT TO PRODUCTION

- Resource and reserve model
- LOM Plan
- Stope notes
- Development design
- Survey control
- Geotechnical control
- Ground support

Mining

- **Method of extracting ore:**
 - LHD's feed ore to ore passes
 - Crushed and hoisted or trucked direct to surface
 - 50 tonne haulage trucks
- **Paste Fill**
 - Stopes are up to 100m high and 20 m wide – post mining these stopes must be filled
 - Combination of tailings at 80% solids and cement between 3 – 8%
 - 60% tailings are recycled in this process
- **Development**
 - 7500 metres p.a. – Drill and blast jumbo operations



Logistics



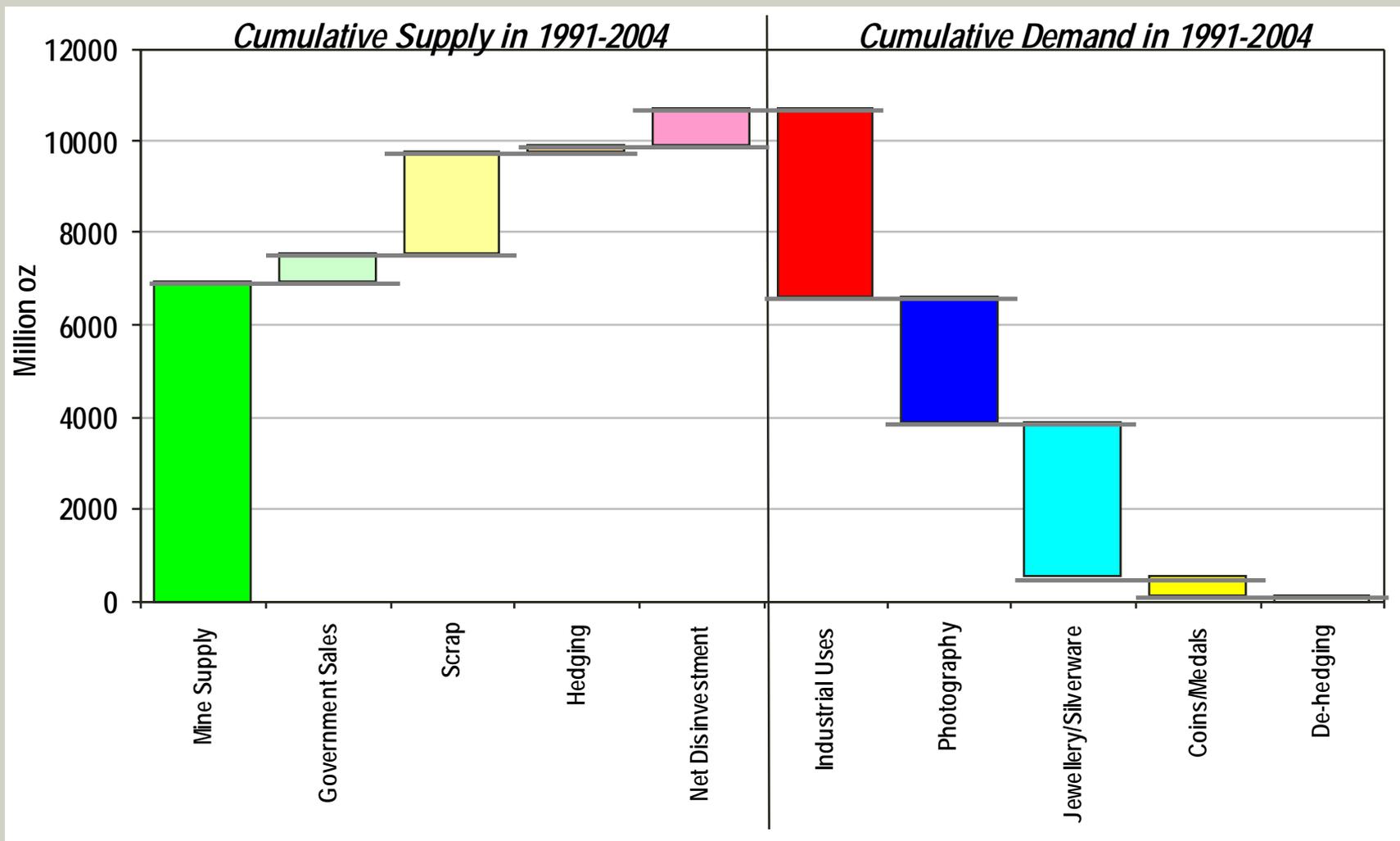
Marketing



Product sales terms

- Terms with customer vary slightly, however generally terms are 3 MAMOSS (i.e. LME price, 3 months after month of scheduled shipping).
- Cannington targets a consistent price realisation of 3 MAMOSS for its sales. This is accomplished predominantly via commercial terms agreed with customers. Hedging transactions executed by our Hague Marketing group are used to align to the 3 MAMOSS objective when sales terms vary from this objective.
- Revaluation of unfinalised shipments (debtors) to month end spot price leads to a positive EBIT impact during periods of rising prices.
- Likewise this has a negative impact when prices decline.

Silver supply and demand – a decade's perspective



Source: GFMS – World Silver Surveys

Silver prices – in relatively new territory



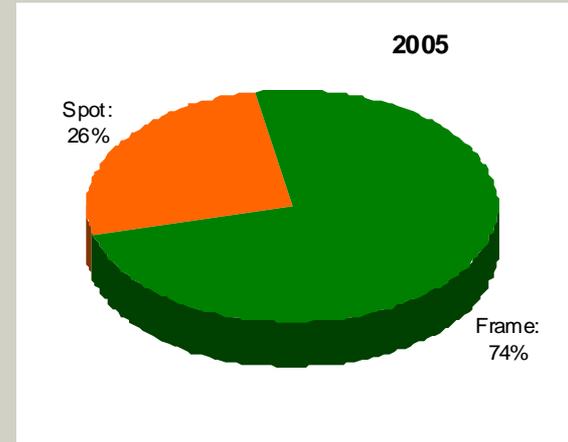
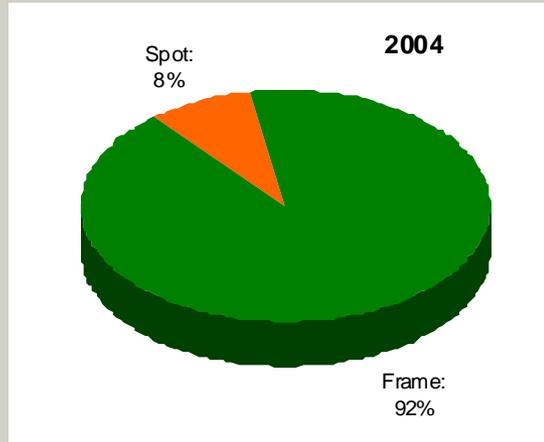
- Silver market fundamentals will eventually drive the market, but uncertainty over US dollar is holding prices up

Cannington Pb Concentrate Sales by Region



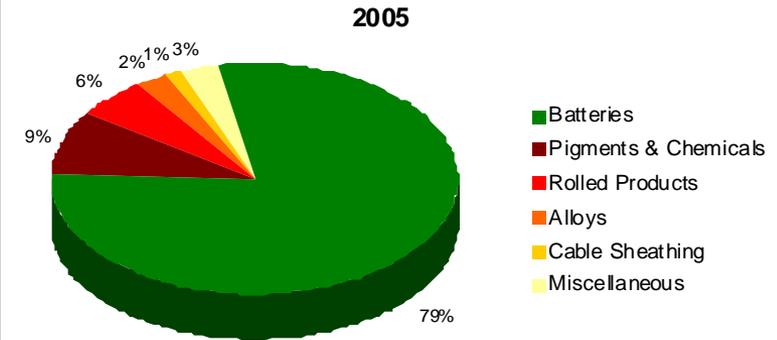
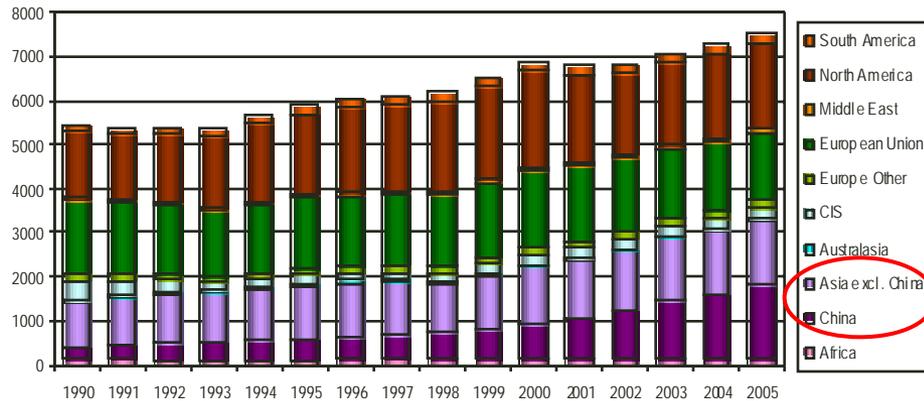
- Successful entry into the Chinese market through sizeable direct sales, ie. lower reliance on Merchants. Direct sales to China expected to continue
- Lower sales to Europe. Trade-off for diversifying to China and reduces freight.

Cannington Pb Concentrate Sales by Contract Type



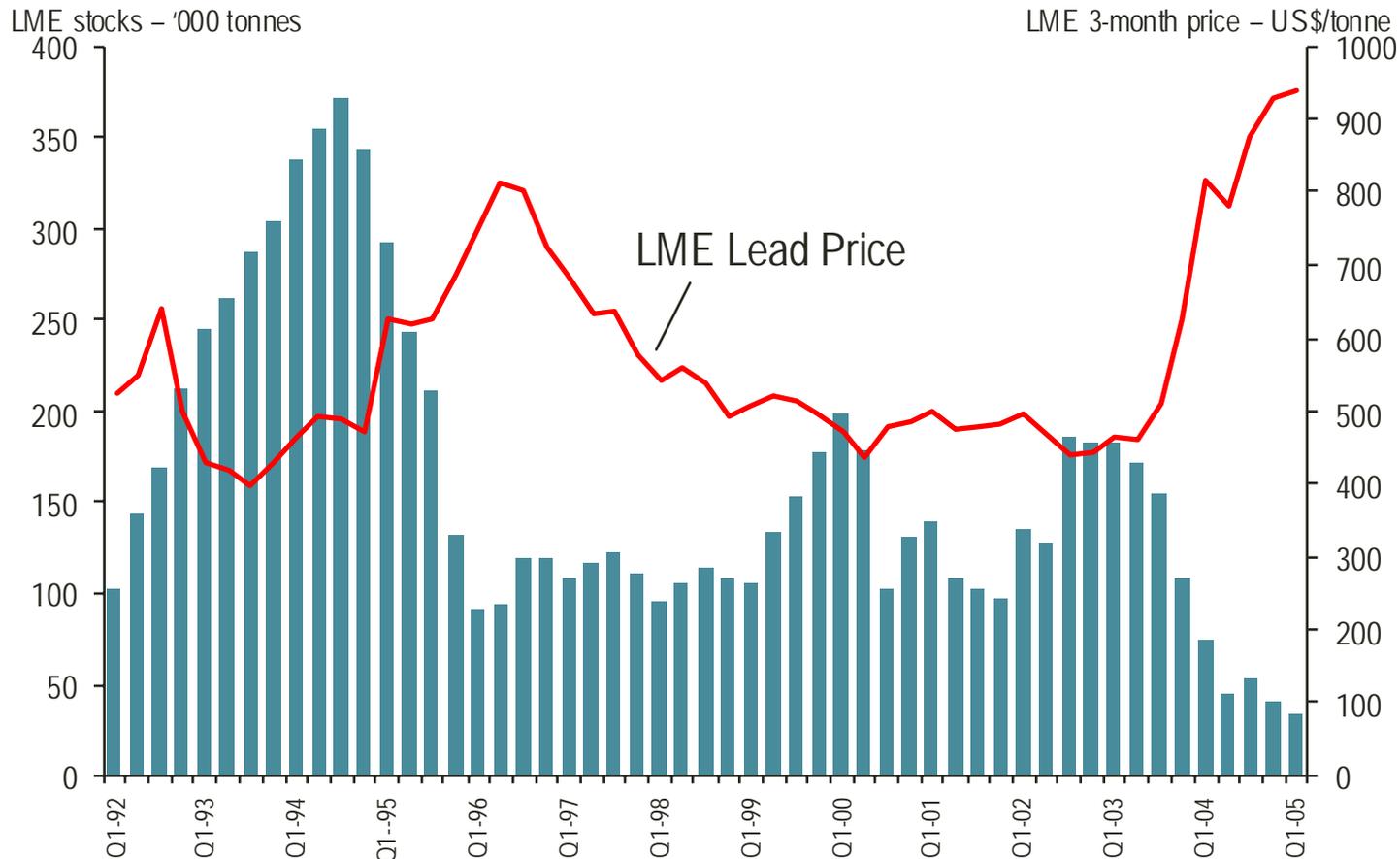
- The growth of spot agreements relative to frame business is related to Cannington's direct entry into the Chinese market
- Current marketing efforts in China are focused towards entering into frame agreement with the largest and most reliable Chinese counter-parties
- Future Merchant business to be done on a spot basis rather than through frame agreements; some long-term agreements will expire at end 2006

Refined Pb Demand by End-Use



- Recovery rates of Pb in the Western World are already very high due to strict environmental requirements eg end of life vehicle initiative in Europe
- Pb metal consumption driven by battery production, itself driven by world vehicle population, which is continuously growing.
- Most economical battery technology still relies on lead as prime raw-material
- Battery production expected to continue shift towards China, and Lead Smelting industry to follow:
 - Automotive industry's growth in China
 - Battery production in China is and will remain the key engine of the primary Pb industry

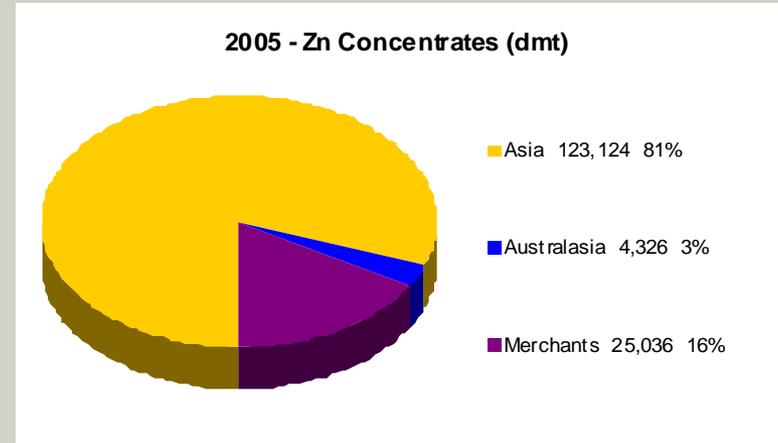
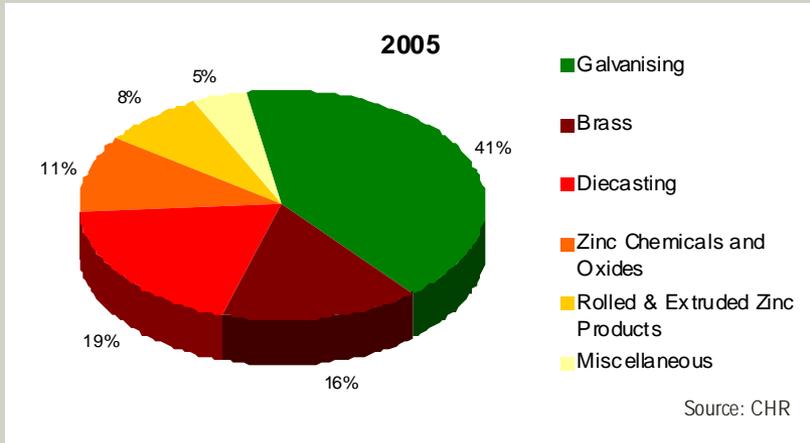
Lead stocks on LME remain very low and prices high



Source: LME

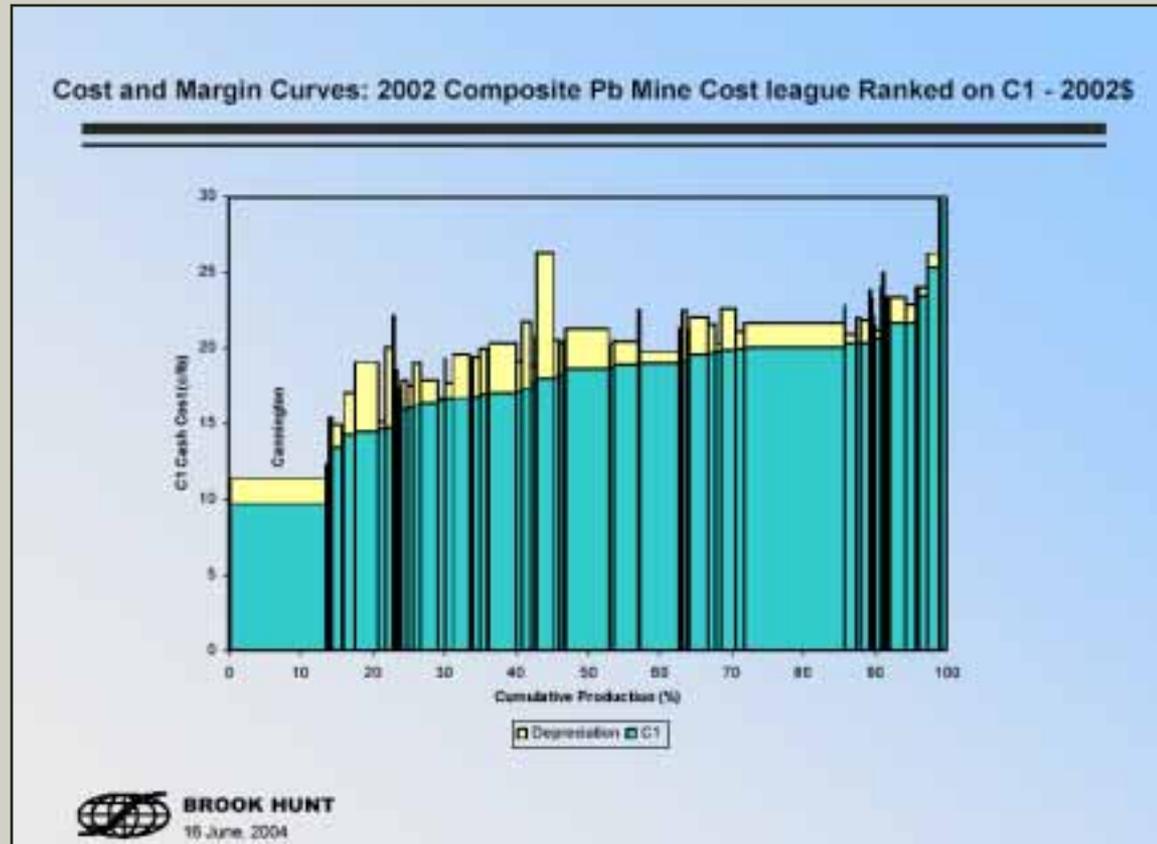
- Lead prospects underpinned by sustainable growth in lead acid battery systems – shift in manufacturing (and processing) to China

Refined Zn Demand by End-Use & Concentrate sales



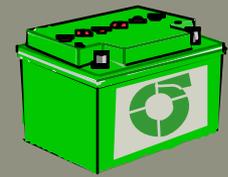
- Zn metal used in numerous, sustainable applications.
- Zn metal consumption expected to shift towards China, where the steel industry is growing at a fast pace
- Most production sold through frame agreement, as regular Zn off-take key to facilitate production and smooth distribution of Cannington's Pb concentrates
- Increase sales to Japan for diversification purposes
- Sales through Merchants planned to be curtailed from 2006 onwards and material to be sold directly to Smelters (where technology change will allow the use of high-Ag concentrates)
- Around 5 – 10% is sold on spot. The remainder on frame.
- Zinc outlook enhanced by persistent strong growth in use of zinc in coated steel, fuelled by China's strong economic growth

Courtesy Brook Hunt report



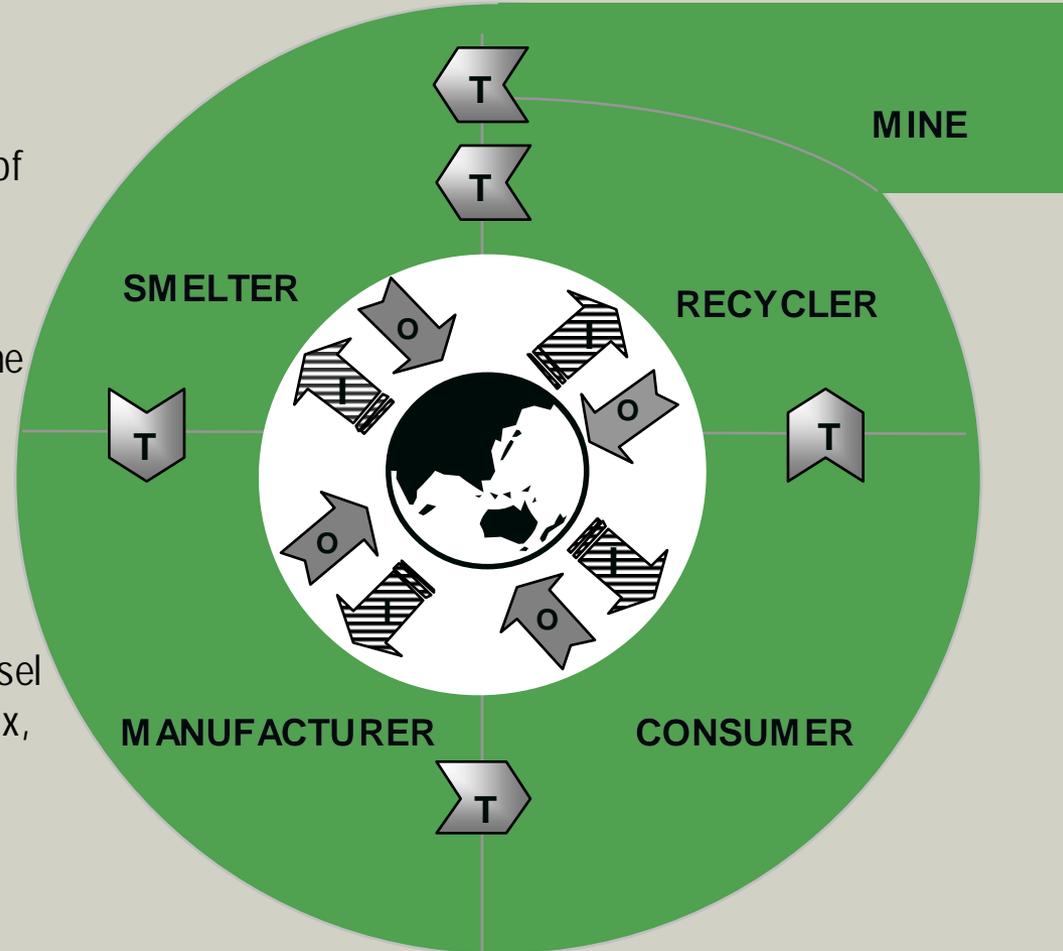
Looking ahead



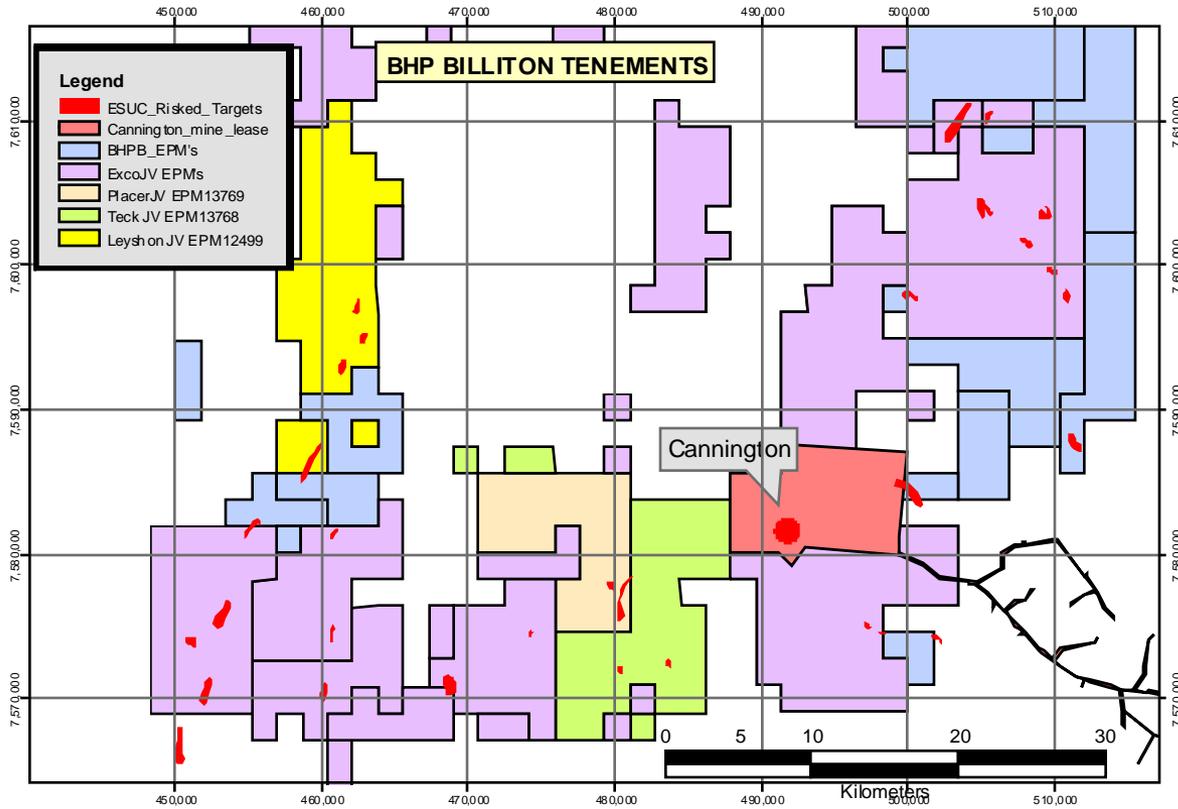


Sustainable development – Green Lead

- Aimed at defining a standard and audit system for 3rd party certification of companies in the lead acid battery lifecycle in order to provide high levels of assurance that production, use and recycle of lead in batteries can be achieved in conditions that ensure the highest levels of safety to people and the environment
- Supports BHP Billiton's vision of "zero harm" to people and environment
- Membership includes : BHP Billiton, Basel Convention Secretariat, Noranda, Zinifex, Xstrata, ILZSG, UNEP, Ford Motor Company, WWF, ILZRO, LDAI, ILMC, PRI, CFC etc
- www.greenlead.com



Exploration FY06 budget \$A4M



REGIONAL JOINT VENTURES AND PROSPECTS

\$0.7M

Target generation

Follow-up drilling and geophysics

4000m drilling

MINE LEASE AND NEAR MINE AREA

\$3.3M

Deep penetrating geophysical surveys

Drilling known targets

Bedrock geochem drilling

Drilling geophysical anomalies

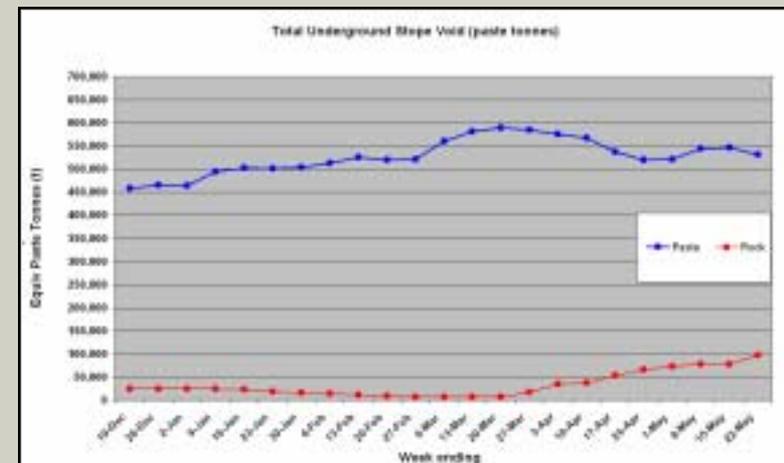
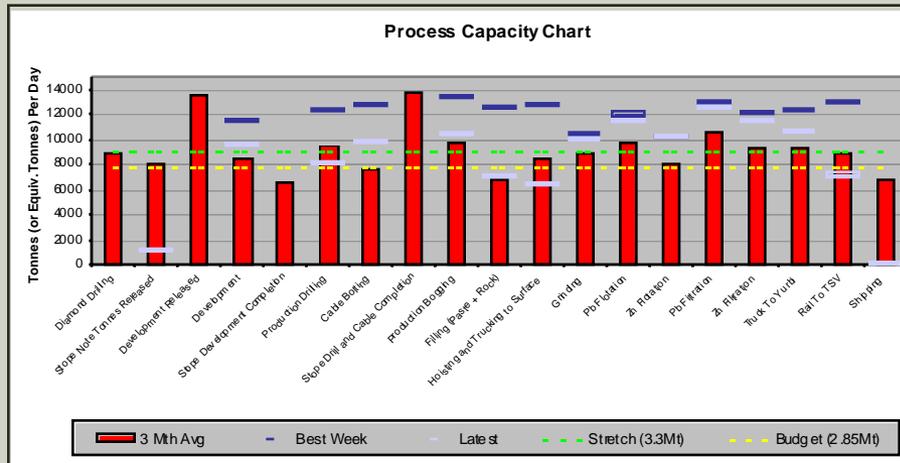
Deep drilling to 1000m

16000m drilling

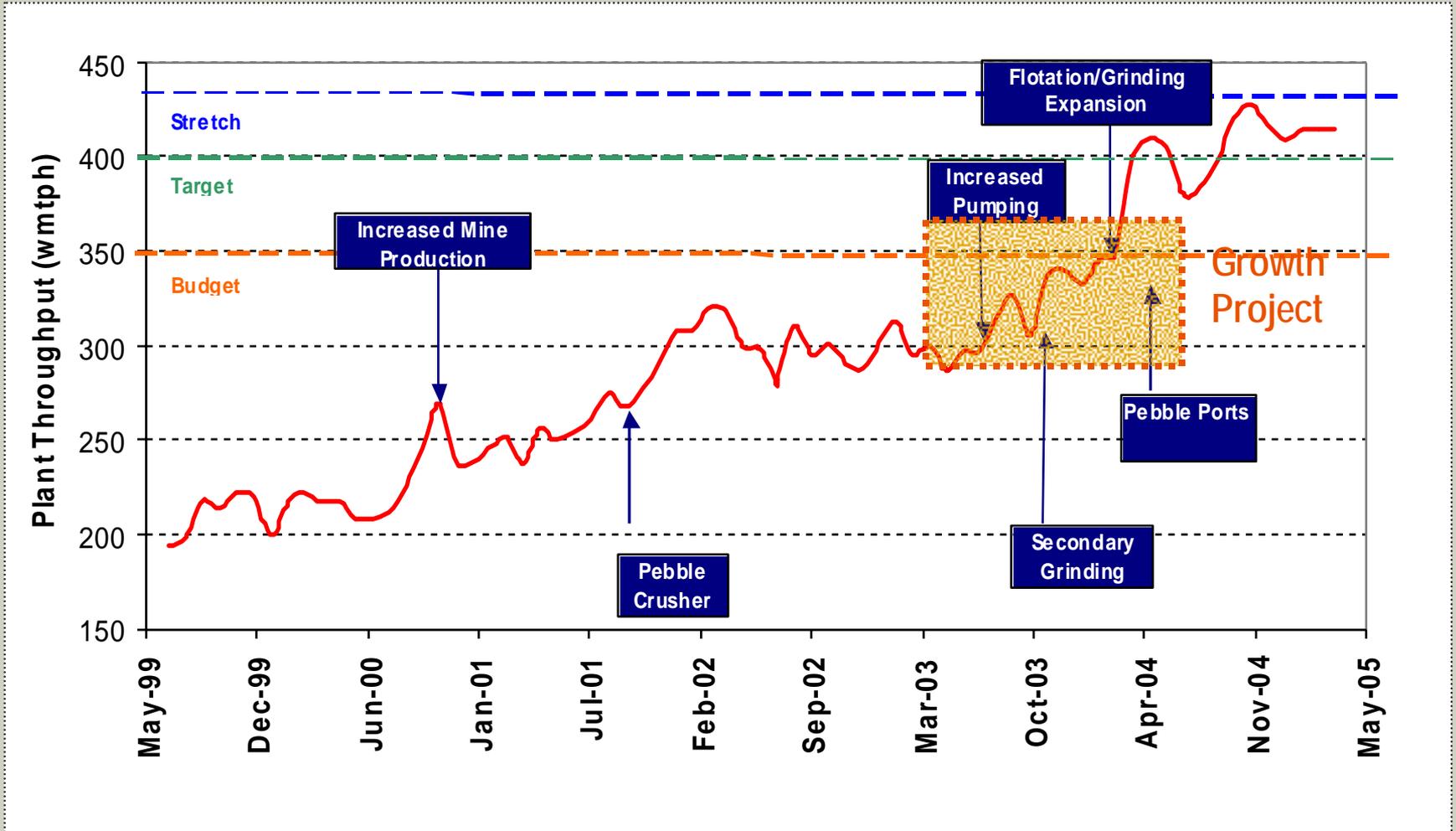
- Ongoing exploration : Brownfield and Greenfield
- Target "Cannington" type orebody or supplementary ore bodies.

Improving throughput

- Identify, measure and focus on throughput constraints
- Constraint point shifts – more than one variable

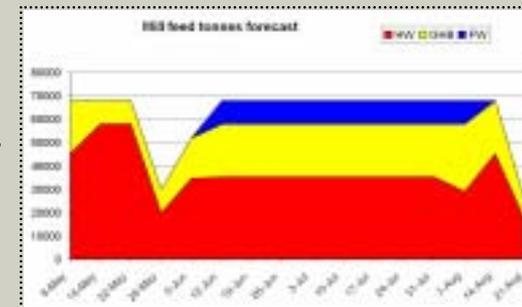
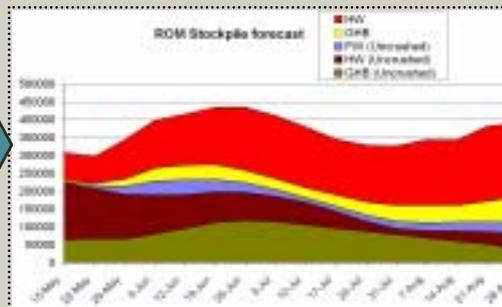
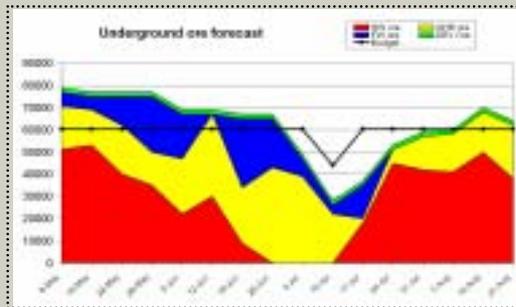


Process plant throughout



Integrated planning

- Established to minimise loss between: planning, operations and transport
- Measure lost opportunity against technical best
- Feeds business improvement



- **Business Improvement - Six Sigma**

- Focussed on eliminating loss
- Embedded black belts in the organisation

- **People**

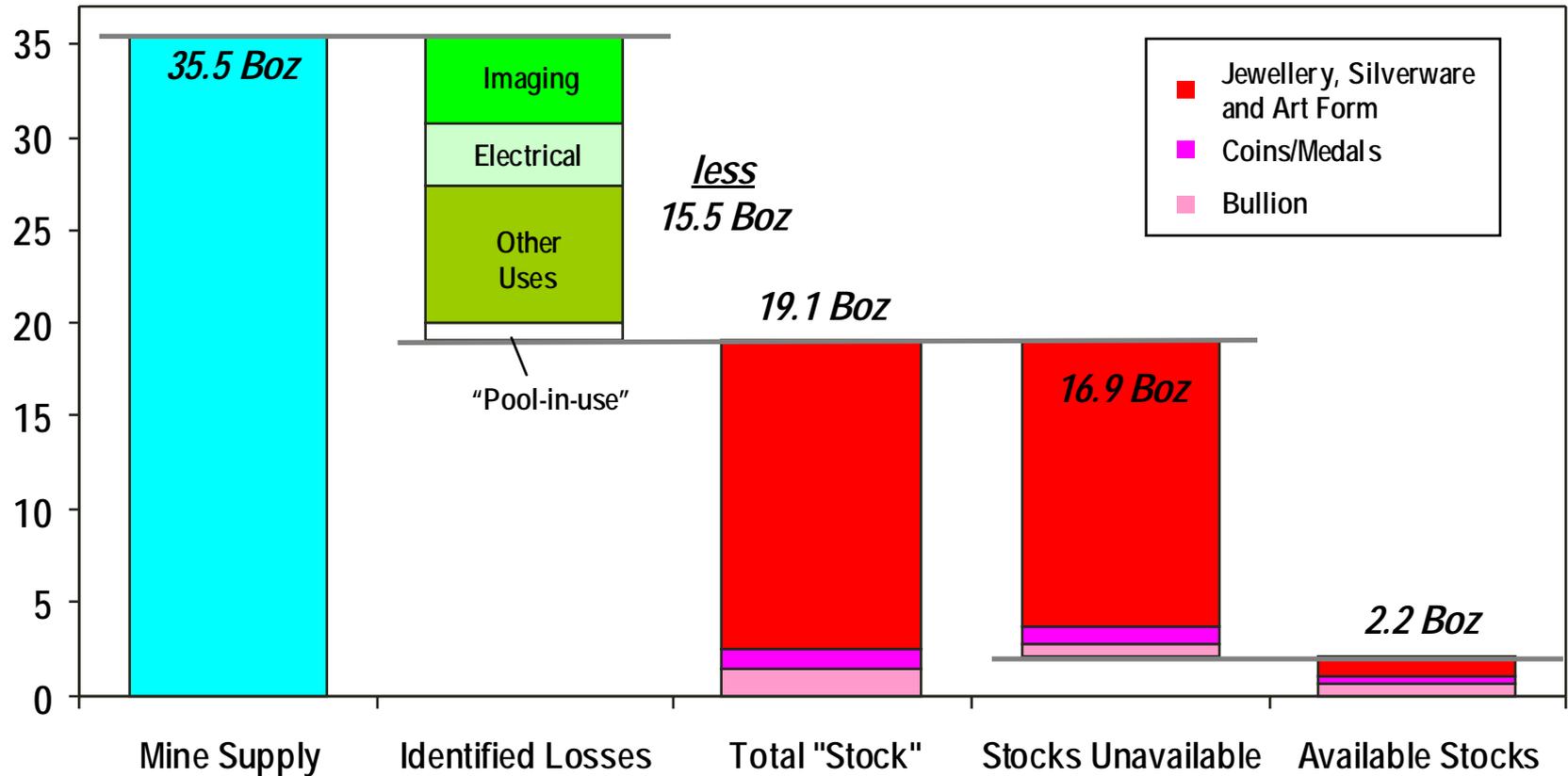
- Aligned and cascaded goals and E.R.A
- New operational positions created (Maintenance Manager, Paste Superintendent)
- Regular feedback on performance and results to entire site
- Mining Department restructured to core functions (Development / Production / Ore Haulage)

Thank you!



Will today's prices draw out more hidden stocks?

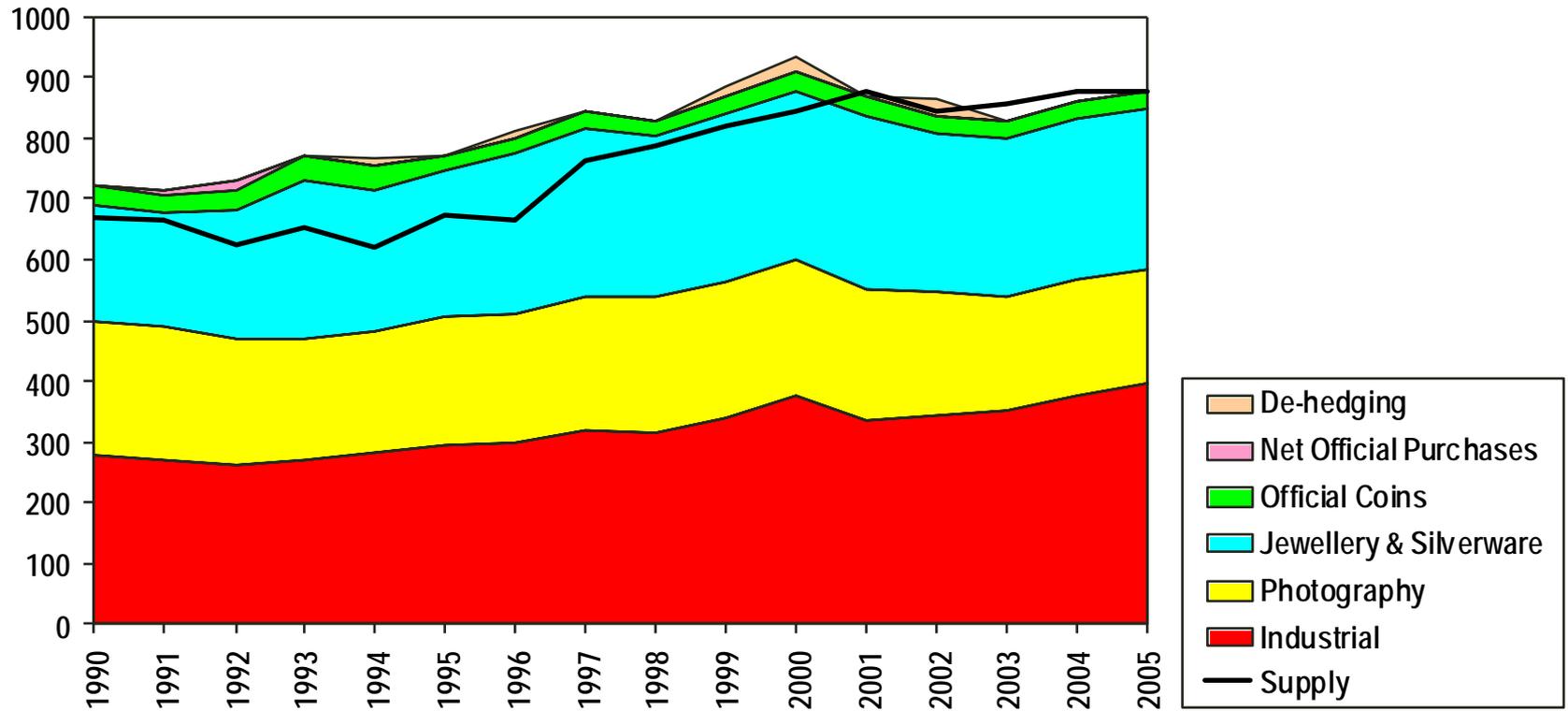
Summary of Total Supply, Irrecoverable Losses, and Unavailable and Available Silver Stocks (billion ounces)



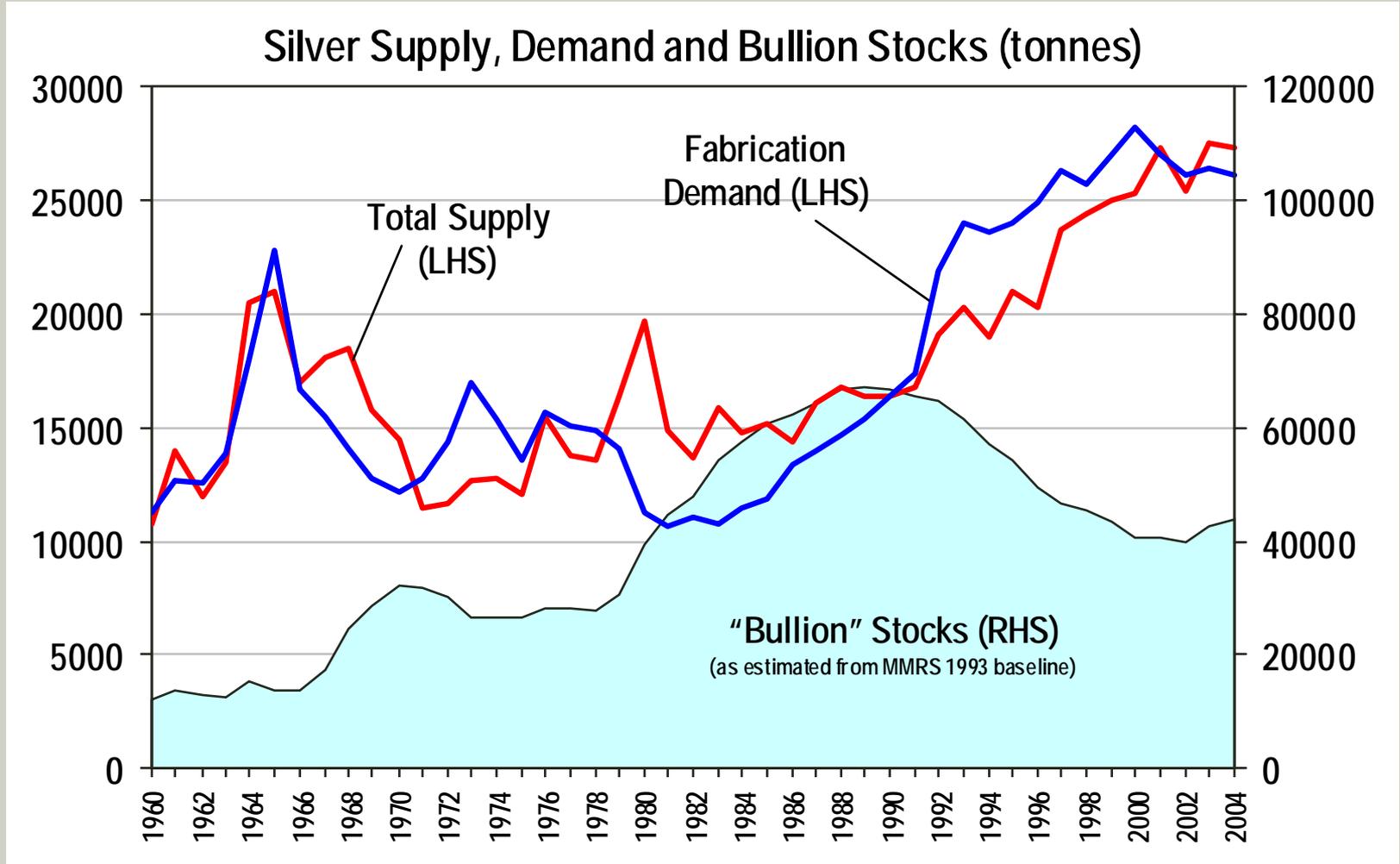
Source: Charles Rivers Associates, BHP Billiton studies

Steady growth in demand met by modestly rising mine supply

Silver Supply and Demand Outlook - Base Case (Moz)

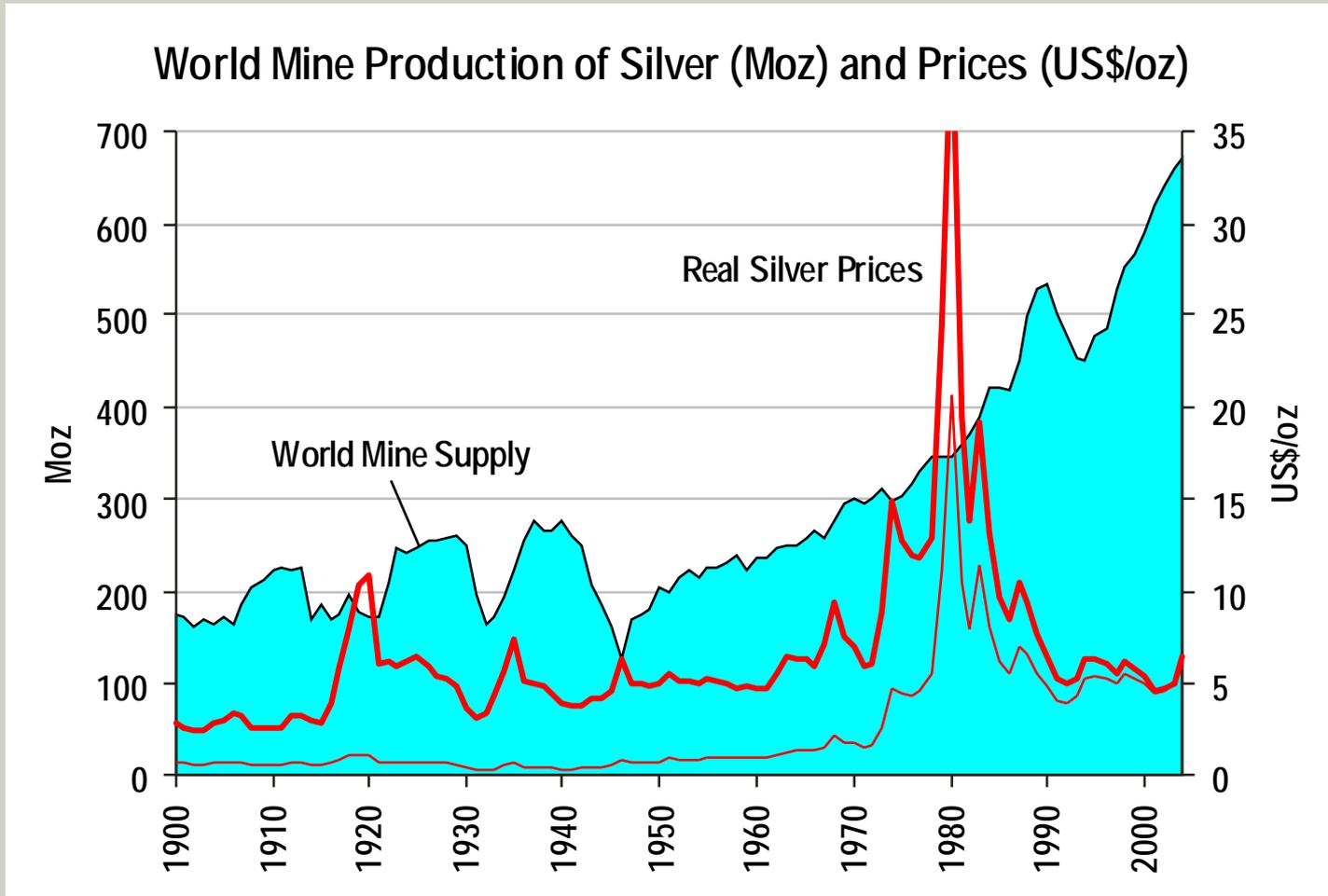


Supply and demand balances



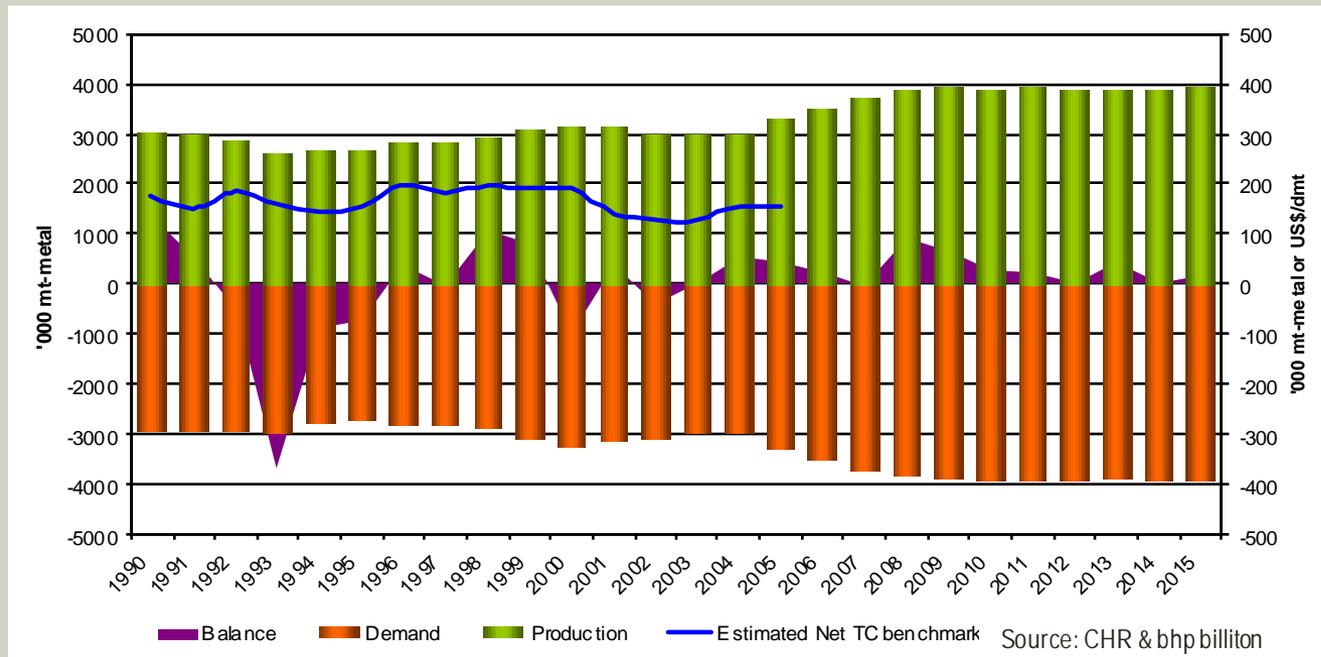
Source: MMRS, BHP Billiton

Mine supply steadily growing

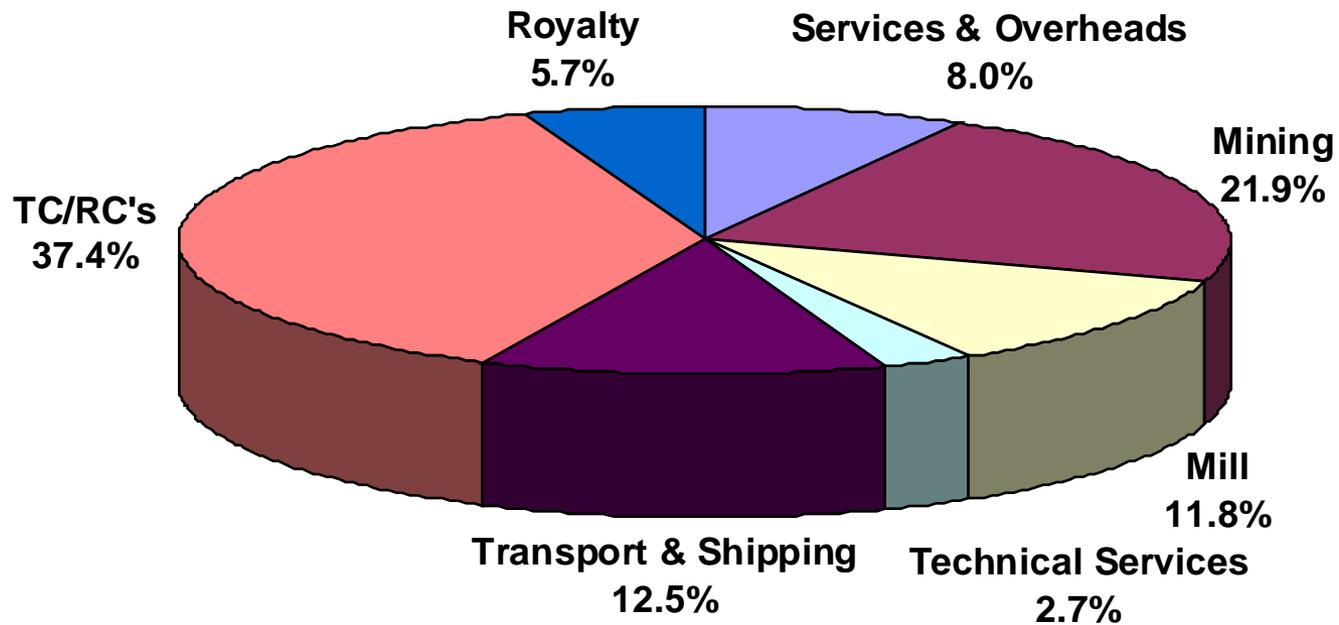


Pb Concentrate Supply/Demand

- Over/Under-supply is highly uncertain, as Chinese data collection is difficult to track
- Small surplus expected from increased production from existing mines and upcoming production from various expansions or projects, as well as a slow down in consumption growth.
- **High-Ag concs Benchmark set by Cannington:** continued and deliberate reduction of “scales” to cap current adverse impact of high Pb price on net treatment charge and more importantly to support BHP Billiton’s portfolio model.



Cost Breakdown as a percentage of Cost



Goal alignment through mission directed work teams

- Engagement Recognition Alignment
- Launched to employees at the 5 day program for new recruits – Cascaded to the workforce thereafter
- Represents a new phase that Cannington is moving into
- Supports our new vision statement

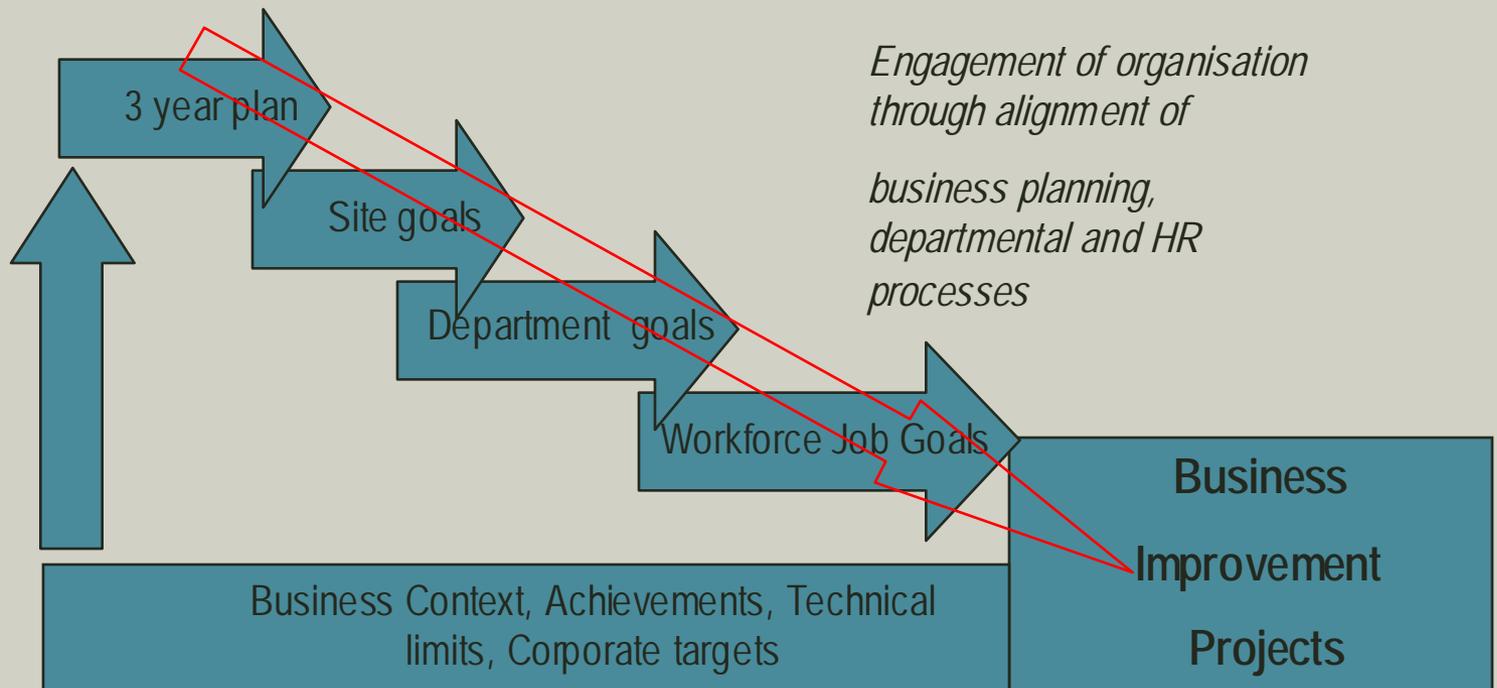
Strengthening Our Future through Engagement and Recognition



ERA Task Team at planning workshop in Brisbane

Integration

- Developing a pull strategy
- Business Improvement projects support workforce goals and underpin department and site



7/7 Roster

JANUARY: National Advertising

FEBRUARY: First Round Interviews

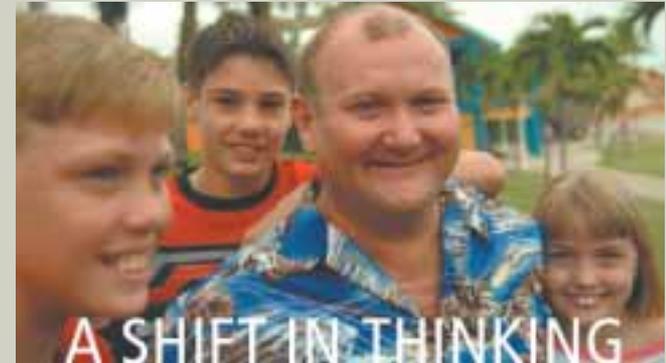
MARCH: First Round Interviews / 1st Site Visit

APRIL: 2nd & 3rd Site Visit

MAY: First Intake – **WHERE WE ARE NOW**

JUNE: Second Intake

JULY: Implementation month



PROJECT MILESTONES

- Strong Site support for the vote >97%
- 3335 Applications for the 70 roles

Ownership, Tax and Royalty

- Cannington is 100% owned by BHP Billiton Minerals Pty Ltd, which in turn is 100% subsidiary of BHP Billiton Ltd
- Being an Australian based and owned company the applicable tax rate is 30%
- Royalty – The Queensland Government imposes royalty on all Base Metals operations in Queensland. Flat rate of royalty of 2.7% of cash received, (this is subject to a small threshold and a discount for metal processed within Queensland).

