

**NEWS RELEASE**

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Nippon Mining & Metals Co., Ltd.  
Mitsui Mining & Smelting Co., Ltd.  
Pan Pacific Copper Co., Ltd.

**Pan Pacific Copper is to take a new step forward to fund raising activities for the development of the Caserones Copper and molybdenum Deposit in Chile**

Pan Pacific Copper Co., Ltd. ("PPC"), jointly owned by Nippon Mining & Metals Co., Ltd. and Mitsui Mining & Smelting Co., Ltd., since its May 2006 acquisition of mining concession for the development of the Caserones copper and molybdenum deposit in Chile ("Project"), has been conducting exploratory drillings to ascertain the amount of ore as well as the flotation tests (Project) in conjunction with the economic evaluation of the Project based on them. As a result of careful review of the interim report of the evaluation, it was made clear that the Project is economically worth advancing the development, though the Project still requires environmental approvals, etc. from the relevant authorities. PPC, on the premises that the Project will be shifted to full scale development, made a decision to appoint a financial advisor, in order to raise funds for the Project possibly under project finance scheme.

According to the interim report, the Project is estimated to operate for 30 years, producing a total of 3,600,000 tons of copper and 88,000 tons of molybdenum, requiring an estimated initial investment of 1,860 million US Dollars. The copper concentrates produced by this Project are scheduled to be shipped to the PPC Group smelters.

Although PPC needs to complete the economic evaluation and obtain environmental and other approvals from the authorities before launching the Project into full scale development, PPC has been exerting all-out effort to materialize the Project.

The Project is expected to enable PPC to increase its equity volume ratio of copper concentrates from 18% to 40% securing stable supply of raw materials for its smelting operations. PPC is committed to contributing to a stable supply of resources.

An outline of the Caserones copper and molybdenum deposit development project (estimated) is as follows:

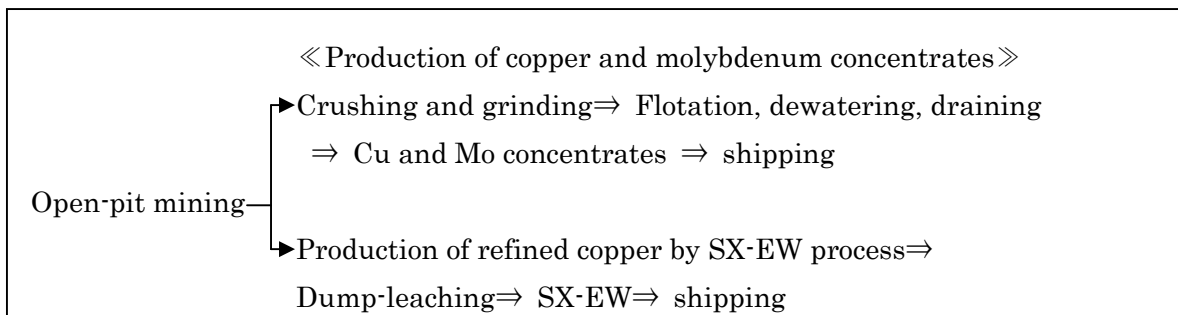
A. Construction of the mining and production facilities to start during the second half of 2010 and complete toward the middle of 2013.

B. Commencement of operation:

- Production of refined copper by hydrometallurgical SX-EW process: at the beginning of 2013
- Production of copper and molybdenum concentrates: at the middle of 2013

C. Expected mine life: 30 years

D. Flow of production to shipment:



Notes: (1) Dump-leaching means a process to extract (leach) copper by sprinkling sulfuric acid over a pile of uncrushed copper ore.

(2) SX-EW process means a solvent extractive electrolytic copper winning process. Copper ion is selectively recovered from the leaching solution, and copper metal is produced by electrolysis from the copper sulfate solution. Approximately 20% of the copper from the mines in the world is produced by this process.

E. Estimated volume of ore to be mined

Ore	Volume (million tons)	Grade	
		Copper %	Molybdenum (ppm)
Primary and secondary copper sulfide (For production of copper and molybdenum concentrates)	1,070	0.34	125
Copper oxide and secondary copper sulfide ore (For production of refined copper by SX/EW process)	280	0.30	—

F. Daily output of ore: approximately 105,000 tons

G. Estimated annual production volume:

(Average during the initial phase of 5 years)

Copper: Copper content in copper concentrate: approx. 150,000 tons

Refined copper produced by SX-EW process: approx. 30,000 tons

Total approx. 180,000 tons

Molybdenum: approx. 3,000 tons

(Average 30 years)

Copper: Copper content in copper concentrate: approx. 110,000 tons

Refined copper produced by SX-EW process: approx. 10,000 tons

Total approx. 120,000 tons

(Total production for mine life: approx. 3,600,000 tons)

Molybdenum: approx. 3,000 tons

(Total production for mine life: approx 88,000 tons)

H. Estimated initial investment: 1,860 million US dollars

## I. Location of the Caserones copper and molybdenum deposit

162 kilometers southeast of Copiapó, the capital of the III Atacama Region of Chile, and 15 kilometers from the border with Argentina.

The deposit lies at altitudes between 4,200m to 4,600m above sea level.

