

NEWS RELEASE

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

Caserones project moving to feasibility study stage

Pan Pacific Copper Co., Ltd. (PPC) jointly owned by Nippon Mining & Metals Co., Ltd. and Mitsui Mining & Smelting Co., Ltd., has been conducting a pre-feasibility study, including economic evaluation based on exploratory drillings and conceptual engineering based on several scenarios, since the acquisition of the mining concession of the Caserones copper deposit in May, 2006. PPC has decided to move the project into the feasibility study (“FS”) stage on the basis of the results.

The project initially assumed a development plan to produce refined copper through the SX-EW process, which was designed for processing of copper oxide ore and secondary copper sulfide. However, the finding of abundant resources of primary copper sulfide ore containing molybdenum required a re-evaluation of the processes, the investment amount, production scale, and other factors. The result of the re-evaluation has shown the economic potentiality of investment in the case of combined production of copper concentrates and molybdenum concentrates and refined copper through the SX-EW process.

The FS, starting this month, will improve the accuracy of the final resource estimation, provide basic design of facilities and an estimate of the development costs, to enable a final decision on full-scale development to be made. The FS will include a detailed financial plan for the project.

At present, this project is estimated to have 26 years of mine life and to produce a total of 3,600,000 tons (150,000 tons per annum) of copper and 75,000 tons of molybdenum, with an estimated initial investment of 1.7 billion US dollars.

The copper concentrate to be produced in this project will be shipped to the smelters of the PPC group. This will increase PPC’s ratio of equity volume of copper concentrates and secure stable supply of raw materials for its smelting operations.

PPC will also conduct a pre-feasibility study on the Quechua copper deposit development project in Peru, in parallel with the Caserones project. PPC is actively engaged in the acquisition of concessions of promising mining projects and exploration activities.

Outlines of the Caserones copper deposit development project

1. Outlines of the FS

- (1) Period: from September 2008 to December 2009

