

Update on Caserones Copper and Molybdenum Deposit Development Project in Chile

Pan Pacific Copper Co., Ltd. (head office: Otemachi 2-chome, Chiyoda-ku, Tokyo; president: Yoshimasa Adachi), an integrated copper enterprise jointly established by JX Nippon Mining & Metals Corporation (head office: Otemachi 2-chome, Chiyoda-ku, Tokyo; president: Yoshimasa Adachi) and Mitsui Mining & Smelting Co., Ltd. (head office: Osaki 1-chome, Shinagawa-ku, Tokyo; president: Sadao Senda), and Mitsui & Co., Ltd. (head office: 2-1, Ohtemachi 1-chome, Chiyoda-ku, Tokyo; president and CEO: Masami Iijima) announce the latest status of the Caserones Copper and Molybdenum Deposit Development Project in Chile (hereinafter “the Project”) as follows.

The Project is currently in the final construction stage and efforts are being made toward the early completion of the construction and start of copper concentrates production.

1. Future Prospects

(1) Commencement of copper concentrates production: January 2014

(2) Initial capital expenditure to the commencement of copper concentrate production:

Approximately US\$4.2 billion*

* Future funding shall be provided to SCM Minera Lumina Copper Chile (head office: Santiago, Chile), the project company, through the investment and loans from its shareholders. The respective shareholder's contribution amount of the future funding and ratio of investments to loans are to be decided among the shareholders.

2. Background for the above Prospects

Impacts on construction due to the following factors, as well as measures taken to avoid further construction delays

- Difficulty due to worse bedrock conditions than anticipated.
- Shortage of construction workers and rising labor costs due to the development and expansion of large mining projects concurrently running in Chile.
- Effects of development interruption due to the labor strike for better working conditions and bad weather.

3. Others

(1) As for the construction necessary for the start of copper concentrates production, the main civil engineering and building construction works have been completed, mainly leaving equipment installation.

(2) Production of refined copper by means of solvent extraction and electrowinning (SX-EW) was already started on March 14, and the operation is proceeding basically on schedule.

An outline of the Caserones Copper and Molybdenum Deposit Development Project in Chile

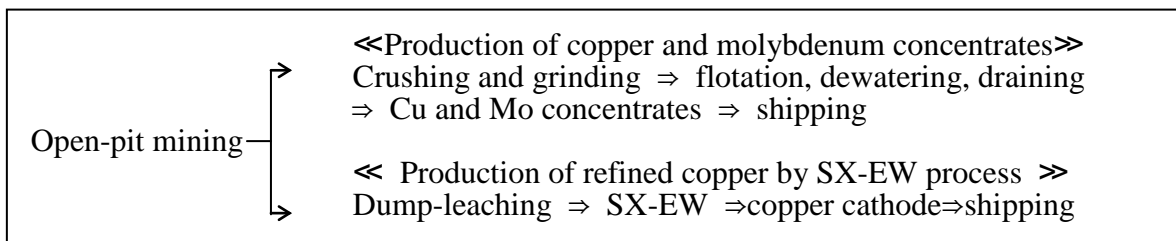
A. Construction start: 2010

B. Commencement of Production:

- Refined copper by hydrometallurgical SX-EW process: March 2013
- Copper and molybdenum concentrates: January 2014

C. Expected mine life: 28 years

D. Flow of production to shipment:



Notes 1: (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)	1,050	0.34	126
Copper oxide and secondary copper sulfide ore (For production of refined copper by SX/EW process)	300	0.25	—

- Notes 2:
- Primary copper sulfide : sulfides which formulated during the metallogenetic epoch. Chalcopyrite etc.
 - Secondary copper sulfide : sulfides made of the primary copper sulfide which reacted with sulfuric acid. Chalcocite etc.
 - Copper oxide : primary copper sulfide which oxidized by rain or weathering. Chalcanthite, malachite ore etc.

F. Daily output of ore: approximately 103,000 tons

G. Estimated annual production volume:

(Average during the initial phase of 10 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 28 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. 3,547,000 tons)

Molybdenum: approx. 3,000 tons

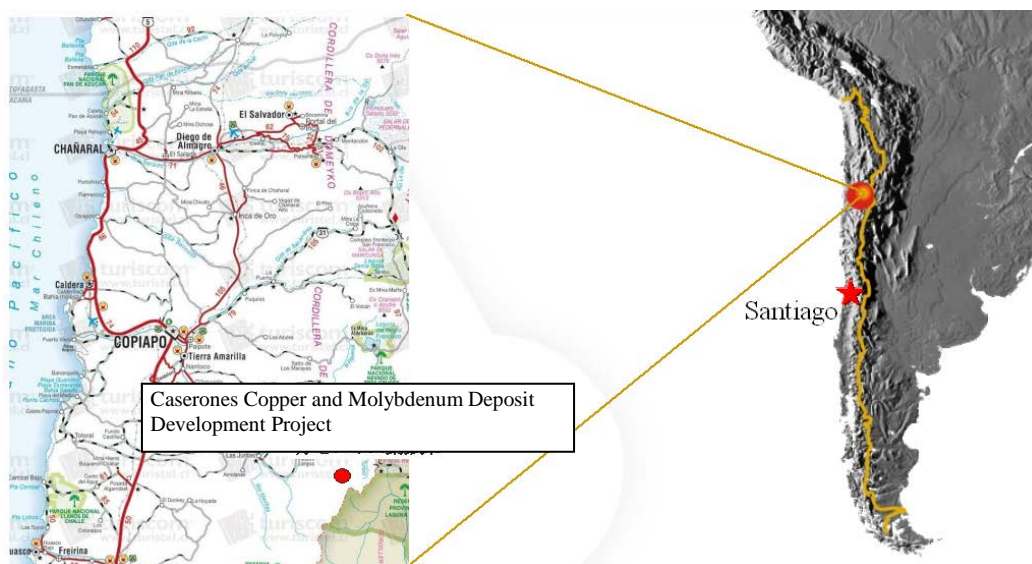
(Total production for mine life: approx 87,000 tons)

H. Estimated initial investment: approx. US\$ 4.2 billion

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.



An Update on Progress of the Caserones Copper and Molybdenum Deposit Development Project in Chile



Facilities whole view: SX-EW plant, track shop, concentrator



Refinery



Refined cooper



Ball mill



Flotation plant



Thickeners



Crushing plant