

TRANSLATION OF JAPANESE LANGUAGE PRESS RELEASE

June 28, 2006

Company name: Nippon Mining Holdings, Inc.
Representative: Mitsunori Takahagi, President and
Representative Director
Stock code: 5016
Contact: Nobuyuki Yamaki, Director
IR and human resources, General
Administration Group
Tel: 03-5573-5123

ALLOTMENT OF STOCK ACQUISITION RIGHTS AS STOCK OPTIONS

In accordance with the shareholder resolution at the 4th Annual General Meeting of Shareholders held on June 27, 2006 and the resolution by the Board of Directors who met on June 28, 2006, Nippon Mining Holdings, Inc. (Head Office: 2, Toranomon, Minato-ku, Tokyo; President: Mitsunori Takahagi; hereafter the “Company”) has resolved to offer stock acquisition rights as stock options for subscription by Directors and Senior Officers of the Company and Directors, Executive Officers of Japan Energy Corporation and Nippon Mining & Metals Co., Ltd., which are the Company’s subsidiaries. Details are as follows:

1. Name of stock acquisition rights to be offered

Nippon Mining Holdings, Inc. Stock Acquisition Rights Issued in 2006 (Stock acquisition rights as stock options)

2. Total number of units of stock acquisition rights

421 units

The number as set forth above is the number of units scheduled for allotment, and in case the total number of units of stock acquisition rights to be issued decrease due to under-subscription or for any other reasons, the total number of units to be offered shall equal the number of units of stock acquisition rights subscribed.

3. Type and number of underlying shares

Ordinary shares of the Company shall be the underlying shares subject to the stock acquisition rights. The number of underlying shares available for a unit (hereafter “the Number of Shares to be Granted”) of stock acquisition right shall be 500.

4. Method of payment for and exercise price of stock acquisition rights

Payment upon exercise of stock acquisition rights shall be made in cash. Exercise price shall be ¥1.00 per underlying share and the amount payable on exercise of stock acquisition rights shall be calculated by multiplying the Number of Shares to be Granted by the exercise price per underlying share.

5. Exercise period

From July 27, 2006 to June 30, 2026

6. Matters concerning increase in common stock and capital reserve as a result of issuing shares upon exercise of stock acquisition rights

(1) The amount of increase in common stock as a result of issuance of shares upon the exercise of stock acquisition rights shall be half the amount of the maximum limit of increase in common stock, etc., calculated in accordance with Article 40, Paragraph 1 of the "Corporate Calculation Regulations" (Ordinance of the Ministry of Justice No.13 of 2006). Any fraction under ¥1.00 resulting from the calculation shall be rounded up to the nearest yen.

(2) The amount of increase in capital reserve as a result of issuance of shares upon the exercise of stock acquisition rights shall be the amount obtained by subtracting the amount of increase in common stock as specified in (1) above from the maximum limit of increase in common stock, etc. as specified in (1) above.

7. Restriction on acquisition of stock acquisition rights via transfer of stock acquisition rights

Any acquisition of stock acquisition rights via transfer of stock acquisition rights shall require approval of the Company’s Board of Directors.

8. Conditions for acquisition of stock acquisition rights to be offered

No conditions shall be specified for acquisition of stock acquisition rights to be offered.

9. Policy concerning the treatment of stock acquisition rights in the event of business combination and issuance of stock acquisition rights by an acquiring company

In the event of merger (limited to the case where the Company is the merged entity), spin-off, divestiture, or exchange of stock or stock transfer (hereafter collectively “Reorganization”), the holders of stock acquisition rights that remain at the time of coming into effect of the Reorganization concerned (hereafter “Remaining Stock Acquisition Rights”) shall be granted share acquisition rights of a joint-stock corporation specified as set forth in Article 236, Paragraph 1(a)-(e) of the Corporate Law (collectively “Surviving Company”), in accordance with the conditions as set forth below. In such case, the Remaining Stock Acquisition Rights shall be terminated and the Surviving Company shall instead newly issue share acquisition rights, provided, however, that the foregoing provisions of this paragraph shall apply only if issuance of stock acquisition rights by Surviving Company is duly provided for in relevant merger and acquisition agreement, merger agreement, spin-off agreement, divestiture agreement, stock exchange contract or stock transfer contract:

(i) Total number of units of stock acquisition rights to be issued by the Surviving Company

The Surviving Company shall issue the same number of units of stock acquisition rights as the number of units of the Remaining Stock Acquisition Rights of the Company held by each holder.

(ii) Type of underlying shares of Surviving Company subject to the stock acquisition rights

Ordinary shares of the Surviving Company

(iii) Number of shares of Surviving Company subject to the stock acquisition rights

The number of shares shall be determined in consideration of conditions of the Reorganization and other factors and in accordance with item 3. above.

(iv) Amount payable on exercise of stock acquisition rights

The amount of payment to be made upon exercise of the new stock acquisition rights shall be the amount obtained by multiplying the amount of payment after the Reorganization as set forth below by the number of shares of the Surviving Company subject to the stock acquisition rights as specified in (iii) above. Exercise price after the Reorganization shall be ¥1.00 per underlying share of the Surviving Company

(v) Exercise period

Stock acquisition rights are exercisable from either of the start date of the period during which stock acquisition rights to be offered are exercisable, as specified in item 5. above, or the date of coming into effect of the Reorganization, whichever comes later, through the final date of the period during which stock acquisition rights are exercisable, as specified in item 5. above.

(vi) Matters concerning increase in common stock and capital reserve as a result of issuing shares upon exercise of stock acquisition rights

To be determined in accordance with item 6. above.

(vii) Restriction on acquisition of stock acquisition rights via transfer of stock acquisition rights

Any acquisition of stock acquisition rights via transfer of stock acquisition rights shall require approval of the Board of Directors of the Surviving Company.

(viii) Conditions for acquisition of stock acquisition rights

To be determined in accordance with item 8. above.

(ix) Other conditions for the exercise of stock acquisition rights

To be determined in accordance with item 11. below.

10. Fractional share which does not constitute one share resulting from the exercise of stock acquisition rights

Any fractional share which does not constitute one share in the shares to be allotted to a holder of stock acquisition rights who exercised his/her stock acquisition rights shall be rounded off.

11. Other conditions for the exercise of stock acquisition rights

(1) Regardless of 5. above, a holder of stock acquisition rights is entitled to exercise such rights within three years starting from the day immediately following the date of termination of his/her service as either Director, Senior Officer or Corporate Auditor of the Company, or Director, Executive Officer or Corporate Auditor of Japan Energy Corporation and Nippon Mining & Metals Co. Ltd., which are the Company's subsidiaries, or of other subsidiaries designated by the Company's Board of Directors (hereafter "the First Day of the Exercise Period").

(2) Regardless of (1) above, in cases of (i) and (ii) below (in case of (i): excluding the case where stock acquisition rights of the Surviving Company are issued to holders of remaining stock acquisition rights in accordance with item 9. above), the holder of stock acquisition rights may exercise his/her stock acquisition rights only during the period as stipulated respectively in (i) and (ii):

(i) If, for any holder of stock acquisition rights, the First Day of the Exercise Period does not arrive by June 30, 2023, the holder of stock acquisition rights concerned shall be entitled to exercise the rights during the period between July 1, 2023 and June 30, 2026.

(ii) Should any merger contract due to which the Company will cease to exist after the merger be approved by the general meeting of shareholders, or should any exchange of stock or stock transfer contract that transforms the Company into a wholly-owned subsidiary be approved by the general meeting of shareholders (or, should any such contract be approved by the Company's Board of Directors in case resolution by the general meeting of shareholders is not required), the

holder of stock acquisition right shall be entitled to exercise the right during the period of 15 days starting from the day immediately following the date when such approval was made.

(3) No partial exercise of a unit of stock acquisition rights is allowed.

(4) In case the person granted stock acquisition rights abandons his/her stock acquisition rights to be offered, he/she shall not be able to exercise the stock acquisition rights to be offered.

12. Amount of payment in exchange of the stock acquisition rights to be offered

Amount of payment in exchange of stock acquisition rights to be offered shall be the fair value calculated by using the Black-Scholes model based on conditions as of July 26, 2006. The issue price, calculated by this model as of June 27, 2006, is ¥458,500 per a unit of stock acquisition right.

13. Date of allotment of the stock acquisition rights

July 26, 2006

14. Date of payment of consideration in exchange of the stock acquisition rights

July 26, 2006

15. People to be allotted stock acquisition rights

Stock acquisition rights shall be allotted to a total of 47 people including 10 Directors and one Senior Officer of the Company, and 8 Directors, 28 Executive Officers of the Company's subsidiaries.