

November 7, 2007

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### **Nippon Mining Holdings' Subsidiaries Acquire Rights in Copper Deposit Development Project in Peru**

Nippon Mining Holdings Inc. (Head Office: Toranomom 2-chome, Minato-ku, Tokyo; President: Mitsunori Takahagi; the "Company") announced today that its consolidated subsidiaries Nippon Mining & Metals Co. Ltd. (Head Office: Toranomom 2-chome, Minato-ku, Tokyo; President: Masanori Okada) and Pan Pacific Copper Co. Ltd. (Head Office: Toranomom 2-chome, Minato-ku, Tokyo; President: Eiji Kato) have issued a joint press release regarding the acquisition of rights in a copper deposit development project in Peru. The press release accompanies this announcement.

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

## **Rights Acquired in Copper Deposit Development Project in Peru**

Pan Pacific Copper Co. Ltd. (Head Office: 2, Toranomon, Minato-ku, Tokyo; President: Eiji Kato; “PPC”), a joint-venture between Nippon Mining & Metals Co. Ltd. (Head Office: 2, Toranomon, Minato-ku, Tokyo; President: Masanori Okada) and Mitsui Mining & Smelting Co. Ltd. (Head Office: 1, Osaki, Shinagawa-ku, Tokyo; President: Yoshihiko Takebayashi), is actively engaged in the development of promising mines in areas where large copper deposits are believed to exist, principally in South America. The companies decided today that PPC will acquire the rights, currently held by Mitsui Mining & Smelting, in the Quechua copper deposit development project (the “Project”) in the Republic of Peru.

This project is part of PPC’s efforts to secure stable supplies of copper concentrate and enjoys certain advantages. A significant proportion of mining concessions and surface rights in the area have already been obtained and infrastructure such as port, inland transport, and power supply facilities is available in the region around the mine site. A commercial feasibility study will be conducted after the property is acquired.

While pushing ahead with this project and the Caserones copper deposit development project—a feasibility study for which is currently underway—PPC also remains committed to acquiring rights in other promising mines and engaging in its own exploration activities.

### **Outline of the project**

#### 1. Location of the Quechua copper deposits

Espinar in Cusco, about 700 km to the southeast of Peru’s capital, Lima. Altitudes in the region range from 4,000 m to 4,400 m.

#### 2. Mining area

5,732 hectares

#### 3. Ore reserves

Approximately 260 million metric tons (with an average copper grade of 0.61%, approximately 1.6 million metric tons of copper, based on a copper cut-off grade of 0.4%)

4. Acquisition price

US\$40 million

5. Schedule

(1) 2007 – mid-2010: Feasibility study

(estimated cost: approximately US\$50 million)

(2) Mid-2010 – first half of 2012: Construction of production facilities

(approximately US\$400 million)

(3) Second half of 2012 onwards: Commencement of operations

(Mine life of 16 years, through 2028, producing approximately 210,000 tons of copper concentrate per annum (equivalent to 60,000 tons of copper per annum))

6. Financing

The acquisition will be financed by the issue of new shares to be underwritten by both of PPC's parent companies. Subsequent financing arrangement are yet to be determined.

**For further information**

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Attached: Map of location and photograph of mine