

January 14, 2004

News Release

Pan Pacific Copper Co., Ltd.
6-3, Otemachi 2-chome, Chiyoda-ku, Tokyo

**PPC concluded a loan and concentrate purchase agreement with
Philex Mining Corporation of the Philippines**

Pan Pacific Copper (PPC) has reached an agreement with Philex Mining Corporation of the Philippines with respect to a loan arrangement for the exploitation of a deeper ore zone at its Padcal mine and the long-term offtake of copper/gold concentrates to be produced at the mine. PPC and Philex have signed a Letter of Intent, of which the following is an outline:

- (1) PPC will provide Philex with a US\$15 million loan facility for the purpose of deeper ore zone development at the Padcal mine.
- (2) PPC will offtake approximately 50-70kdmt p.a. of copper/gold concentrate produced at the mine over the course of the life of the mine (which is currently expected to run to 2011).
- (3) The two parties will continue to negotiate further details of the transaction, with the aim of signing a formal agreement by the end of March this year.

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