

**NEWS RELEASE**

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

**Re: Pan Pacific Copper Co., Ltd. Announces Friendly Takeover Bid for Regalito Copper Corp.**

**TOKYO, JAPAN (4pm, March 14, 2006):** Pan Pacific Copper Co., Ltd. (“**PPC**”) (Head office: Tokyo, Japan / President: Takeshi Kurushima), an operating copper company jointly owned by Nippon Mining & Metals Co., Ltd. (Head office: Tokyo, Japan / President: Masanori Okada) and Mitsui Mining & Smelting Co., Ltd. (Head office: Tokyo, Japan / President: Hiroshi Makihara), today announced that PPC has reached agreement with Regalito Copper Corp., headquartered in Vancouver, BC, Canada (“**Regalito**”), which owns the Regalito Copper Property in the Third Region of Chile (the “**Project**”), to make an offer to acquire all of the outstanding common shares of Regalito (collectively the “**Shares**”) by way of a friendly takeover bid (the “**Takeover Bid**”) at a price of US\$6.00 per share in cash through its wholly owned subsidiary, PPC Canada Enterprises Corp. (“**PPC Canada**”). Regalito is currently listed on the Toronto Stock Exchange and the American Stock Exchange (symbol: RLO).

The bid price of US\$6.00 per share represents a premium of approximately 17% over the closing price of the Shares on the American Stock Exchange on March 13, 2006. The gross equity value of the offer is approximately US\$137 million (on a fully diluted basis).

A special committee of Regalito’s board of directors has received an opinion from its financial advisor that the offer is fair from a financial point of view to the shareholders of Regalito (excluding shareholders who have entered into lock-up agreements with PPC Canada). Regalito’s board of directors has advised that it will unanimously recommend that shareholders tender to the Takeover Bid. Regalito’s board of directors has also agreed to support the Takeover Bid and has agreed to certain other terms customary in the circumstances, including a break fee, access to information and a right to match. PPC Canada has entered into lock-up agreements with certain directors, officers and insiders of Regalito who have agreed to tender to the Takeover Bid. Shares subject to the lock-up agreements represent approximately 42% of the total Shares outstanding on a fully diluted basis.

The completion of the Takeover Bid is subject to PPC acquiring at least 66 2/3% of the Shares calculated on a fully-diluted basis (which includes common shares that may be issued pursuant to the exercise of stock options) and other customary conditions. Upon completion of the Takeover Bid, PPC Canada has agreed to take steps to acquire any remaining Shares so that it will ultimately own 100% of the Shares in Regalito.

UBS Securities (Canada, New York and Tokyo) has been retained to act as a financial advisor

and dealer manager in connection with the Takeover Bid, and to solicit acceptance of the Takeover Bid.

### **Summary of Takeover Bid**

- (i) Name of target company: Regalito Copper Corp.
- (ii) Type of shares in the tender offer: Common shares
- (iii) Offer price: US\$ 6.00 per share in cash, which represents a premium of approximately 17% over the closing price of the Shares on the American Stock Exchange on March 13, 2006.
- (iv) Number of Shares to be acquired: Approximately 22.9 million shares on a fully-diluted basis
- (v) Gross equity value: approximately US\$137 million (assuming the full exercise of all in the money options)
- (vi) Tender offer period (Vancouver time): The bid will be open for a minimum of 35 days from the mailing date of the offering documents to Regalito shareholders (these documents are expected to be mailed not later than April 13, 2006)

### **About PPC**

Pan Pacific was established in October 2000 by Nippon Mining & Metals and Mitsui Mining & Smelting, and engages in a wide range of copper businesses including the procurement of copper concentrate, the production through tolling arrangement of, and the marketing of products such as, refined copper, precious metals and sulphuric acid. With the acquisition of Regalito, Pan Pacific intends to become a fully integrated copper producer whereby it will mine, process and fabricate copper and copper products.

As previously announced by the management of PPC, its business strategy is “establishing a copper business platform in regions with new resources of raw material, especially in Chile”. PPC intends to establish overseas an integrated production platform that includes the production of all products from copper ore to copper cathode by utilizing SX/EW technology (see the note below). This will be the first and significant step in the development of PPC’s new copper business and subsequent to this acquisition, PPC intends to further expand in line with this strategy.

(Note) SX/EW (Solvent extraction/ electrowinning) technology: Solvent extraction/ electrowinning (SX/EW) is a two-stage process whereby copper ore is leached with diluted sulfuric acid to obtain a leach solution that contains copper ions. Out of the leach solution, copper ions are selectively extracted and upgraded to a concentrated electrolyte using an electrolytic procedure. This method allows extraction of copper from copper oxide ores and secondary copper sulfide ores that were otherwise not mined or treated because of the difficulties in ore concentration. Today this technology is widely used for production of electrolytic copper, and represents 20% of global copper

production.

## About the Project

- (i) Location: 115km southeast of Copiapó, the capital of the Third Region in Chile, and 15km from the border with Argentina. The altitude in the region surrounding the ore deposit is approximately 4,200m-4,600m. See *Exhibit A; "Location of Regalito Copper Property"*.
- (ii) Mining concessions: 6 mining concessions (4,258ha) and 158 exploration concessions surrounding them (41,700ha)
- (iii) Resources: In 2004, Regalito began an exploration drilling campaign that delineated a mineral resource of 628 million tonnes grading 0.43% copper in the measured and indicated category.
- (iv) Production process: PPC expects ore mined is to be heap leached and solution delivered to a newly constructed electrolytic copper production plant (using SX/EW technology). Copper cathode produced in the new plant will be exported from the port of Chañaral. See *Exhibit B; "Production Process Flow Chart"*.
- (v) Work plan and schedule: PPC plans to develop the Project as follows:

Year 2006-2008	<u>Development phase</u> : Conduct additional drilling, pilot tests, and feasibility studies (Estimated cost: US\$60 million)
Year 2009-2010	<u>Construction phase</u> : Construction of the mine and production facility. The cost for initial capital expenditure is roughly estimated at US\$ 600 million.
Year 2011-	<u>Operational phase</u> : Commence operations (19 years mine life expected to extend to year 2029, producing approximately 100,000 to 150,000 tonnes of copper cathode per annum)
- (vi) Source of financing: The necessary funds for the Takeover Bid and the development phase will be financed through additional capital provided by PPC's shareholders (i.e., Nippon Mining & Metals and Mitsui Mining & Smelting). The financing necessary for the construction and operation of the Project will be determined subsequently.

## Where to Find Additional Information About the Takeover Bid

This press release is for information purposes only and is neither an offer to purchase securities nor a solicitation of an offer to sell securities. The tender offer for Regalito shares has not commenced. If and when the offer is commenced, PPC Canada will file a take-over bid circular with Canadian securities regulatory authorities and Regalito will file with Canadian regulatory authorities a directors' circular with respect to the offer. In addition, if and when the offer is commenced, PPC Canada will also file copies of the tender offer documents with the United States Securities and Exchange Commission (the "SEC") and Regalito will file with the SEC a solicitation/recommendation statement with respect to the offer. Shareholders are strongly advised to read the take-over bid circular and tender offer documents (including the offer to purchase, letter of transmittal and related documents) and the related directors' circular and

recommendation document, as well as any amendments and supplements to those documents, when they become available because they will contain important information. Shareholders may obtain a free copy of the take-over bid circular, the related letter of transmittal and tender offer statement and certain other offer documents, as well as the directors' circular and recommendation document, at [www.sedar.com](http://www.sedar.com) or from the Securities and Exchange Commission's website at [www.sec.gov](http://www.sec.gov). **SHAREHOLDERS SHOULD READ THE TAKE-OVER BID CIRCULAR, TENDER OFFER DOCUMENTS AND DIRECTORS' CIRCULAR CAREFULLY BEFORE MAKING A DECISION CONCERNING THE OFFER IF AND WHEN IT IS MADE.**

**For further information**

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Mitsui Mining & Smelting Co., Ltd.	Sakurai, Asaki Public Relations TEL: +81-3-5437-8028
Pan Pacific Copper Co., Ltd.	Murayama, Ogura Coordination Dept. TEL: +81-3-5501-3578

Schedule: Corporate Data of Regalito and PPC, Photograph (Regalito)  
Exhibit A: Location of Regalito Copper Property  
Exhibit B: Production Process Flow Chart

## Schedule

### **Corporate Data of Regalito**

Company name: Regalito Copper Corp.  
Head Office: Vancouver, British Columbia, Canada  
Representatives: Ross Beaty, Chairman  
Robert Pirooz, Chief Executive Officer  
Established: 2003  
Main business: Development of the Regalito Copper Property  
Shares outstanding: Approximately 21.9 million shares (as of Sep. 30, 2005)  
Total assets: Cdn.\$18.388 million (as of Sep. 30, 2005)

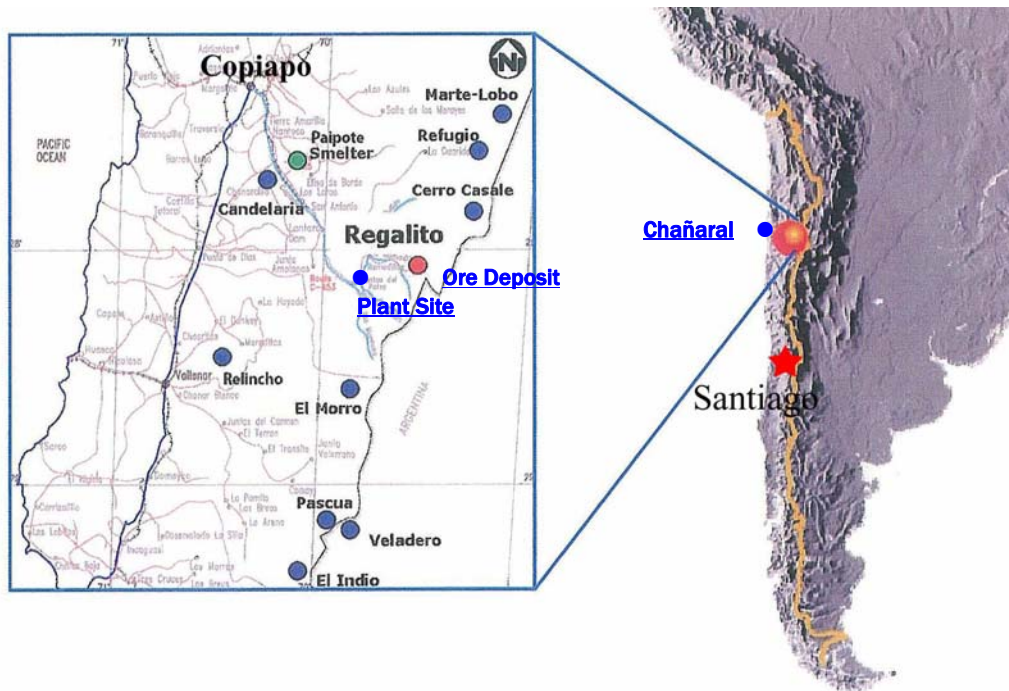
### **Corporate Data of PPC**

Company name: Pan Pacific Copper Co., Ltd.  
Head Office: 21-17, Toranomon 1-Chome, Minato-ku, Tokyo  
Representatives: Takeshi Kurushima, President & Representative Director  
Capital: JPY 3,450 million (Nippon Mining & Metals: 66%, Mitsui Mining & Smelting: 34%)  
Established: 2000  
Main business: (i) Purchase of copper concentrate, (ii) production of refined copper, sulfuric acid, precious metals and other by-products from copper smelting process by tolling contracts, and (iii) sales of refined copper, sulfuric acid, precious metals and other by-products.  
Sales: JPY 297.1 billion (fiscal year ended Mar. 31, 2005)  
Total assets: JPY 85.2 billion (as of Mar. 31, 2005)

### **Photograph (Regalito)**



## Exhibit A: Location of Regalito Copper Property



Ore deposit : 115km southeast of Copiapó, the capital of the Third Region in Chile, and 15km from the border with Argentina

Altitude: Ore deposit: 4,200m-4,600m  
Plant site: 2,800m

## Exhibit B: Production Process Flow Chart

