

April 9, 2019

JX Nippon Mining & Metals Corporation

Completion of Los Pelambres Copper Mine Expansion Project Financing

Minera Los Pelambres, the company that operates the Los Pelambres Copper Mine in the Republic of Chile, in which JX Nippon Mining & Metals Corporation (President: Shigeru Oi; “the Company”) has an indirect share of 15.79 percent, concluded a corporate finance agreement of US \$1.3 billion, signed by related financial institutions, for a project for the expansion of the mine’s facilities (“the Project”).

Japan Bank for International Corporation (JBIC), Mizuho Bank, Sumitomo Mitsui Banking Corporation, Export Development Canada (EDC), Scotiabank and Bank of China will be participating in this financing. A portion of the financing for the project has been evaluated by Standard and Poor’s as a Green Loan* due to the fact that it will contribute to the reduction of fresh water consumption. This marks the first time in the world that S&P has certified a Green Loan in the mining industry.

In the project, the mills will be enhanced to handle a higher hard ore ratio, and a desalination plant will be built. This will lift the amount of ore processed to 190,000 tons per day, while copper production is expected to increase to an average of 60,000 tons per annum over the 15 years after the completion of construction. The construction cost of the Project should be around USD1.3 billion, and construction of the facilities will begin at the start of 2019 with completion in mid-2021.

The Los Pelambres Copper Mine is one of the world’s top mines in terms of both the scale and grade of its mineral deposits. The copper concentrate derived from the mine has a high copper grade, with few arsenic or other impurities. The mine is therefore an important source of raw materials procured by the smelters and refineries of our subsidiary Pan Pacific Copper Co., Ltd. The Company is the largest Japanese investor in this mine, and we have also formed close relations with Antofagasta plc, the majority shareholder, by sending our employees to the site and by being involved in mine operation and management. In consideration of these factors, we boosted our ownership interest in the mine in February 2018.

The Company aims to contribute to the realization of a sustainable, IoT/AI-based society by securing non-ferrous metal resources and ensuring a stable supply of materials.

Reference:

Overview of Facility Expansion

One (1) SAG mill, one (1) ball mill, one (1) floatation line, desalination plant and water pipeline

Reference:

Overview of the Los Pelambres Mine

(1) Location	Region No. 4, Chile	
(2) Ore reserves (as of end December 2018)	Approx. 6.1 billion t (copper grade 0.50%)	
(3) Copper production volume (2018)	358,000 t/year	
(4) Ownership interest ratio	Company	Interest ratio
	Antofagasta plc	60.00%
	JX Nippon Mining & Metals Corp.	15.79%
	Marubeni Corp.	9.21%
	Mitsubishi Materials Corp.	10.00%
Mitsubishi Corp.	5.00%	

*A Green Loan is a loan that meets the “Green Loan Principles” jointly set out by the Loan Market Association and the Asia Pacific Loan Market Association in March of 2018. Purpose of Finances Raised and Project Evaluation & Selection Process are some of the categories outlined in the “Green Loan Principles”.