

March 1, 2013

Press release

Sumitomo Metal Mining Co. Ltd.
Sumitomo Corporation

Review of the development plan of the Sierra Gorda Project in Chile

Sierra Gorda SCM (the project company of the Sierra Gorda mining project ("Project"), Head Office: Santiago, Chile), which is jointly owned by Sumitomo Metal Mining Co., Ltd ("SMM", Head office: Minato-ku Tokyo, President: Nobumasa Kemori), Sumitomo Corporation ("SC", Head office: Chuo-ku Tokyo, President: Kuniharu Nakamura) and KGHM International Ltd. ("KGHMI", Head office: Vancouver, Canada, President: Derek White) (SMM, SC and KGHMI own 31.5%, 13.5% and 55% interests respectively) has completed a review of the development plan of the Project. As a result of this review, the initial capital cost required for the construction of the Project is estimated to increase from approximately 2.9 billion US dollars to approximately 3.9 billion US dollars. The three shareholders also agreed to pursue further saving plans to reduce the capital cost including adoption of a leasing program for mining equipment.

With continuing strong copper prices, construction activities in northern Chile - the largest copper producing region in the world - have increased significantly, impacting construction costs across the mining industry. Since the commencement of the construction in 2011, increases in labor costs in the mining construction industry, an increase of the construction material required, changes in the exchange rate and the other changes in the business environment, and changes to the detailed design for the construction, etc., have led to the capital cost increases. The start of the commercial production is still scheduled to be in 2014.

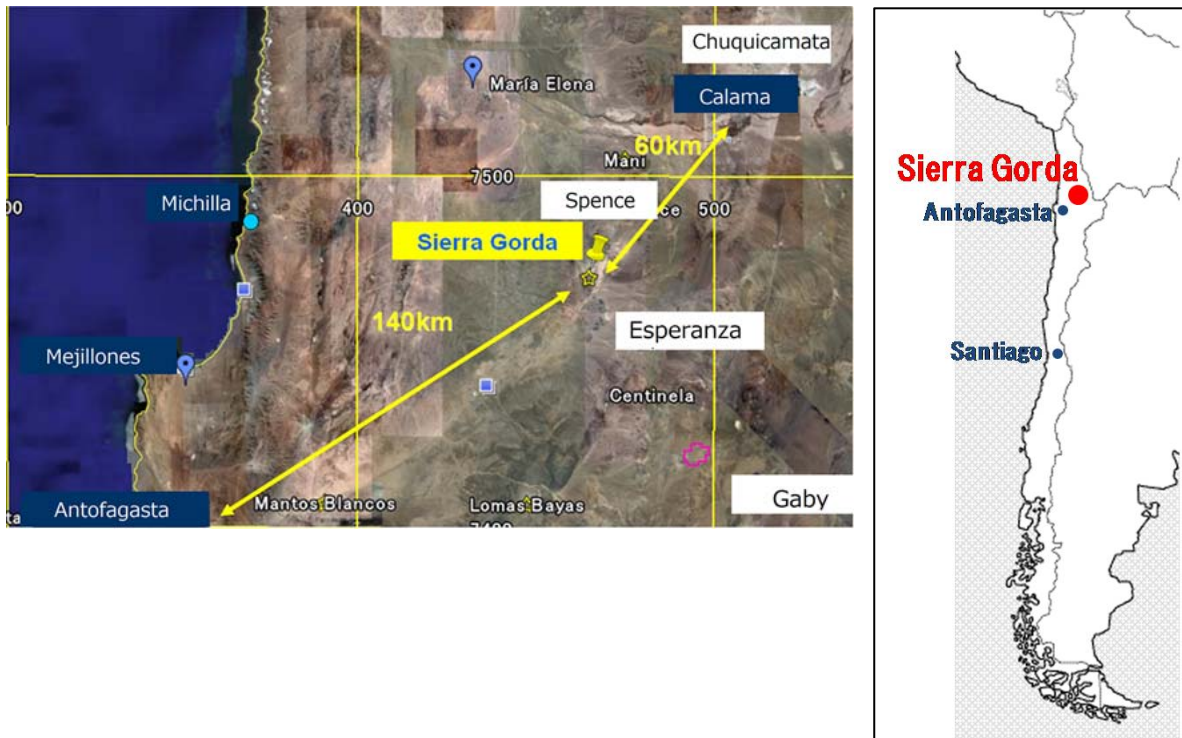
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Outline of Sierra Gorda copper mine project



1) Location

- Located in the region II of the Republic of Chile, 140Km to northeast from Antofagasta
- Produced copper concentrates will be transported to the port of Antofagasta by existing railway and shipped from the port.

2) Minable Ore (sulfide ore only)

About 1.3 billion tonnes containing 5 million tonnes of copper, 300 thousand tonnes of molybdenum and 83 tonnes of gold

3) Operations

- Commercial operation : 2014
- Mining method : Open pit mining
- Mine life : 20 years
- Average annual production : 220 thousand tonnes of copper, 11 thousand tonnes of molybdenum and 2 tonnes of gold
- Milling operation : Through conventional flotation method, Copper and Molybdenum Concentrates will be produced.