

August 8, 2017

Press Release

Sumitomo Metal Mining Co.,Ltd.

**Withdrawal from Solomon Nickel Exploration Project**

Sumitomo Metal Mining Co., Ltd. ("SMM") has decided to withdraw from the nickel exploration project ("Solomon Exploration Project") it has been implementing in the Solomon Islands through its subsidiary, SMM Solomon Limited ("SMMS").

SMMS started its acquisition of prospecting licenses and exploration activities in 2005 and completed the activities in the prospecting license areas of Choiseul province and Isabel province in 2014 and it applied for the mining leases in three areas ("SMMS Own Areas"). SMMS brought legal proceedings against Axiom KB Limited ("Axiom") and others regarding the international tender areas in Isabel province ("International Tender Areas") because the rights awarded to SMMS had been cancelled. The legal proceedings lasted 6 years until March 2017 and ended with neither SMMS nor Axiom being granted the rights over the International Tender Areas.

During this time, the nickel price tumbled and there is market forecast predicting continued harsh market conditions into the future, and the business circumstances of the Solomon Exploration Project changed significantly. As the result of our comprehensive review of such business circumstances, the final judgment in the legal proceedings and other factors, SMMS concluded that it is difficult for SMMS to implement the project that SMMS had sought to realize by integrating SMMS' Own Areas with the International Tender Areas. SMMS has decided to withdraw from Solomon Exploration Project. As such SMMS will withdraw from all of its pending applications for mining leases regarding SMMS' Own Areas and SMMS will cease operation of the company except for those remaining matters arising from the withdrawal. The impact of this withdrawal on SMM's results will be minor.

We deeply appreciate the support and cooperation of the Government and the landowners and residents of Solomon Islands for Solomon Exploration Project and other related matters

Going forward, SMM shall continue to work towards securing new nickel resources through projects in the Philippines and Indonesia and other such activities.

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