

October 17, 2007

Subsidiary Established in Republic of Peru

Sumitomo Metal Mining Co., Ltd. (SMM: Minato-ku, Tokyo/President and Representative Director: Nobumasa Kemori) has newly established a subsidiary in the Republic of Peru in a move aimed at enhancing the company's local prospecting activities. Peru has promising potential especially in copper and gold resources.

SMM as a policy pursues prospecting operations within areas under its own ownership. The company started acquiring mining zones in Peru through a local prospecting firm in fiscal 2006, and exploratory investigations are currently under way. Until now, these investigations and operational management have been handled by SMM staff assigned from the company's head office and its office in Santiago, Chile. The decision to create a full-fledged base of operations within Peru was reached in a quest to raise the level of SMM's prospecting activities in that country further in the years ahead.

Outline of the New Subsidiary:

Trade name: Sumitomo Metal Mining Peru S.A.

Location: Lima, Republic of Peru

Establishment: October 15, 2007 (EST)

President: Kazuya Okada

Capital: 1,000 Peru Nuevos Soles (PEN) (approx. 40,000 JPY)

Shareholder: 100% owned by Sumitomo Metal Mining Co., Ltd.

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