

Sale of Interest in Batu Hijau Copper-Gold Mine in Indonesia

Sumitomo Metal Mining Co., Ltd. (SMM) has agreed to transfer all of its shares (3.5%) in PT Newmont Nusa Tenggara (head office: Indonesia, PTNNT) that it holds through Nusa Tenggara Mining Corporation, an SMM-affiliated company, to PT Amman Mineral Internasional (head office: Indonesia), and concluded a stock purchase agreement as such on June 30, 2016.

PTNNT holds a mining area on Sumbawa island, Indonesia, that includes the Batu Hijau copper-gold mine in which SMM has invested in since 1998. This transfer of shares is to be conducted along with PTNNT's biggest shareholder Newmont Mining Corporation (head office: USA) , and it is expected that closing shall take place between July and September 2016, having first obtained the approval of regulatory authorities and fulfilled the conditions precedent under the stock transfer agreement.

In its long-term vision, SMM has set its annual production target for its copper interests at 300,000 tonnes. Although this transfer will result in a reduction of approximately 7,000 tonnes per year from SMM's copper interests, SMM shall continue to strive to meet this target through the expansion of existing projects, the commercialization of new mining projects, and other such efforts.

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[Reference]

Overview of Batu Hijau Copper-Gold Mine

Production commenced in: 2000

Interest ratio:

Newmont	31.5%
PT Multi Daerah Bersaing	24%
PT Pukuafu Indah	17.8%
PT Indonesia Masbaga Investama	2.2%
Sumitomo Corporation	18.2%
<u>SMM</u>	<u>3.5%</u>
Mitsubishi Materials Corporation	1.75%
Furukawa Co., Ltd.	1.05%

Product: Copper concentrates

Annual production capacity: 210,000 tonnes (copper content base)

Reserves: 597,520,000 tonnes