

June 1, 2016

Press Release

Sumitomo Metal Mining Co., Ltd.

Completion of Acquisition of Additional Interest
in the Morenci Copper Mine

On May 31, 2016, Sumitomo Metal Mining Co., Ltd. (SMM) completed procedures for acquisition of an additional 13% interest in the Morenci Copper Mine (Arizona, USA), which is operated by the leading American copper producer Freeport-McMoRan Inc. (Freeport-McMoRan, Headquarters: Phoenix, Arizona). For a period of 30 years beginning in 1986, SMM has held a 12% interest in the Morenci Copper Mine.

After concluding a contract for this acquisition with Freeport-McMoRan on February 15, 2016, SMM performed tasks such as obtaining the necessary approval and authorization, with a view to completing the acquisition in the first half of 2016. SMM satisfied all of the requirements for the acquisition, and received the transfer of the additional interest from Freeport-McMoRan on May 31.

Producing about 480,000 metric tons of copper a year, the Morenci Copper Mine is the largest copper mine in North America. As a result of completion of this acquisition of additional interest in it, SMM is seeing an increase in the amount of copper production equivalent to the share corresponding with its interest, by about 62,000 metric tons per year, along with an increase in its total interest in the mine to one-fourth (25%). This represents a big step forward toward the goal in its long-term vision of achieving an annual copper production interest of 300,000 metric tons.

With this additional interest, the company's performance forecast for fiscal 2016 projects an increase in recurring profit by about 4 billion yen in correspondence with the sale of about 30,000 metric tons of copper. This does not affect the performance forecast.

As a mining and smelting firm, SMM aspires to stable supply of high-quality copper through the sustained growth of the copper business. We consider it a critical imperative of ours to constantly strive to assure copper resources even in a harsh business climate.

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[Reference] [Overview of Morenci Copper Mine](#)

Location: Arizona, USA (about 250 km east from its capital, Phoenix)

Interest ratio:

Freeport-McMoRan	85%
Sumitomo Metal Mining	12%
Sumitomo Corporation	3%



[After acquisition of the additional interest]

Freeport-McMoRan	72%
Sumitomo Metal Mining	25%
Sumitomo Corporation	3%

Products: Copper concentrate, electrolytic copper, molybdenum concentrate

Annual production capacity: 480,000 metric tons (average copper volume for next five years)