

May 16, 2011

Press release

Sumitomo Metal Mining Co. Ltd.

Sumitomo Corporation

Participating development of the Sierra Gorda project

Sumitomo Metal Mining Co., Ltd. (Headquarters: Minato-ku, Tokyo President: Nobumasa Kemori) and Sumitomo Corporation (Headquarters: Chuo-ku Tokyo, President: Susumu Kato) have yesterday signed an investment agreement with Quadra FNX Mining Ltd. ("Quadra FNX" head office: Vancouver, Canada, President and CEO: Paul Blythe ), a mid-sized Canadian copper producer, for the development of the Sierra Gorda project (the "Project ") a large copper-molybdenum mining project in Chile.

To participate in the Project, Sumitomo Metal Mining ("SMM") and Sumitomo Corporation ("SC")(SMM and SC collectively to herein as "Sumitomo") will incorporate a 70:30 joint venture company in Chile which will subscribe for 45% of the shares of Minera Quadra Chile Ltda. (a 100% owned subsidiary of Quadra FNX) which owns the Project assets. In return for Sumitomo's 45% interest in Minera Quadra Chile Ltda. ,it will contribute US724 million dollars to the development of the Project.

Development of the Project is expected to cost about US 2.9 billion dollars. In addition to Sumitomo's subscription amount, part of development costs is planned to be funded by project financing provided mainly by the Japan Bank for International Cooperation (JBIC). The remainder of development costs will be funded pro-rata by Sumitomo and Quadra.

Mineable reserves for the Project are approximately 1.3 billion tonnes containing 5 million tonnes of copper and production from the Project is expected to commence in 2014. Average annual production through 20 years of mine life is expected to be 730 thousand tonnes of copper concentrate (220 thousand tonnes of refined copper equivalent), and 22 thousand tonnes of molybdenum concentrate. Sumitomo has a right to off take 50% of produced copper concentrate (110 thousand tonnes of refined copper equivalent), which is equivalent to 9% of Japan's current total imports of copper concentrates.

Chile is the world's largest copper producing country producing more than one-third of world copper and has an excellent mining investment environment as well as low country risk. The

Project is close to existing railways and highways, close to port facilities to ship products and at a low altitude of 1,700m. Sumitomo considers the closeness of the Project to good infrastructure and its low altitude to be a significant advantage.

Quadra FNX is listed on the Toronto Stock Exchange, and operates copper mines in Chile, the U.S. and Canada. The combination of Sumitomo's creditworthiness and financial strength, and Quadra FNX's excellent experience in mining construction and operations should lead to smooth completion and operation of the Project.

Sumitomo will advance discussions with JBIC and other institutes to smoothly progress the Project. By participating in this Project, Sumitomo will contribute to securing copper resources for Japan in an escalating competition for copper resources.

SMM positioned its mineral resources business as one of its core businesses in its 2009 3-year business plan and has strived to increase its interests in mineral resources. In the 2009 mid term business plan, SMM set a long term goal of producing 300 thousand tonnes of copper from its share in joint venture mines and when this Project reaches target capacity, SMM will be making great progress towards achieving its long term goal.

SC ranks investment in good mining assets of Non-ferrous metals and involvement in the management of them, as one of the core business. Sumitomo Corporation will actively increase mining assets of copper metal which is one of the important strategic commodities of Mineral Resources, Energy, Chemicals & Electronics Business Unit of the company, through the acquisition of the promising interests, and will take steady progress to achieve the new medium term management plan, f (x) which has been just launched since April 1, 2011.

End

<reference data>

1. Outline of Sierra Gorda copper mine project

1) Location

Located in the Region 2 of the Republic of Chile

Produced copper concentrates will be transported to the port of Mellijones by existing railway and shipped from the port

## 2) CAPEX

Approximately 2.9 billion US dollars (Initial CAPEX. Expansion of milling ore capacity from 110 thousand tonnes per day to 190 thousand tonnes per day is planned to commence in 2014 which is expected to cost approximately 800 million US dollars. (Expansion CAPEX will be funded by the cash flow of the project.)

## 3) Movable Ore (sulfide ore only not including oxide ore)

About 1.3 billion tonnes containing 5 million tonnes of copper, 300 thousand tonnes of molybdenum and 80 tonnes of gold

## 4) Operations

- Commercial operation : 2014 (Expanding mill processing rate at 190 thousand tonnes per day from 2017)
- Mining method : Open pit mining
- Mine life : 20 years
- Average annual production (Included metals) : 220 thousand tonnes of copper, 11 thousand tonnes of molybdenum and 2 tonnes of gold
- Milling operation : Conventional flotation method. Copper and Molybdenum concentrates will be produced

## 2. About Quadra FNX Mining Ltd.

- 1) Market cap : US\$2.7 billion (Listed on Toronto Stock Exchange)
- 2) Sales : US\$958M (2010)
- 3) Operating Income : US\$293M (2010)
- 4) Annual production : 113 thousand tonnes of copper, 4 tonnes of gold and 3 thousand tonnes of nickel