

Press Release

October 9, 2012

Sumitomo Metal Mining Co., Ltd.

### **SMM to Develop Newly Confirmed Ore Body at Hishikari Mine**

Sumitomo Metal Mining Co., Ltd. (SMM) has determined to develop a promising ore body recently confirmed to exist at the Hishikari Mine in Kagoshima Prefecture. The newly discovered ore body is located under, and is continuous with, an ore body currently under excavation at the site. The company has drafted an investment plan totaling approximately 3.2 billion yen. Work is scheduled to begin in November 2012, with excavation of the lower ore body planned to commence in 2018. Based on the results of prospecting to date, the company expects development at this new site to generate an estimated 30 tons of gold.

Excavation at the Hishikari Mine is complicated by the presence of subterranean thermal water, and the current excavation of gold ore got under way only after installation of equipment for lowering the water level, placed at a depth of 50 meters below sea level. Now that recent prospecting has confirmed the presence of a promising continuous ore body below the present water level, the water level will need to be lowered further before excavation of the lower ore body can commence. Equipment will be newly installed inside the mine at a depth of 80 meters below sea level for that purpose.

The Hishikari Mine is Japan's most prolific gold mine, and it provides SMM with an important and stable source of earnings. The mine is also the only location in Japan where mining engineers can be trained as a preliminary step toward acquiring natural resources overseas. SMM is thus strongly committed to continuing its quest to secure new gold resources at Hishikari going forward, to enable the mine's stable and sustained operation long into the future.

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