



October 14, 2021

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**Notice of Changes in Specified Subsidiaries in relation to the transfer of
Interests in the Sierra Gorda Copper Mine in Chile**

Sumitomo Metal Mining Co., Ltd. ("SMM", Head office: Minato-ku, Tokyo; President: Akira Nozaki) announced today that it has entered into an agreement to transfer to South32 Limited (hereafter "South32") the entirety of its interest in the Sierra Gorda Copper Mine (the "SG Mine"), which is located in Region II of the Republic of Chile and is currently jointly owned by SMM, Sumitomo Corporation ("SC", Head office: Chuo-ku, Tokyo) and KGHM Polska Miedź S.A. ("KGHM").

South32 is an Australian incorporated diversified metals and mining company that is listed on the Australian Securities Exchange, the Johannesburg Stock Exchange and the London Stock Exchange.

SMM initially joined SG Mine in 2011 and, together with KGHM and SC, has overseen the SG Mine's successful construction and operation. SMM's decision to dispose of its interest in the SG Mine is the result of the strategic review that was announced by SMM on October 8, 2020. The decision was primarily driven by SMM's capital allocation strategy. Pursuant to the sale and purchase agreement that SMM has entered into with South32, South32 will acquire all of the assets and liabilities associated with SMM's 31.5% interest in the SG Mine by means of a share acquisition (SC has simultaneously entered into a substantially similar agreement for the sale of its 13.5% interest in the SG Mine).

The transaction consideration for SMM's 31.5% interest in the SG Mine will be an upfront cash consideration of approximately US\$1,190 million subject to certain adjustments. In addition to the upfront consideration, up to US\$350 million in contingent consideration will be payable if certain copper price and production thresholds are met during the period through to the end of 2025. The transaction is expected to close by March 2022 subject to satisfaction of certain customary closing conditions and anti-trust approvals.

SMM's long-term plan continues to target annual copper production of 300,000 tonnes from its other interests, and SMM is focusing on promoting the construction of the Quebrada Blanca Copper Mine Development Project (QB2), located in Region I of the Republic of Chile, which SMM joined in 2019. SMM remains open to acquiring interests in other attractive projects in order to reinforce its position as a world leader in the non-ferrous metals industry.

SMM also announced today that the transaction will involve the transfer of its entire holdings in three specified subsidiaries of SMM' as follows.

1. Reason for transaction

SMM's original investment in the SG Mine was focused on the stable operation and management of the SG Mine in the Republic of Chile. As part of the strategic review undertaken by SMM, based on the management policy of SMM, it has decided as its best option to sell the entirety of its interest in the SG Mine. SMM's investment in the SG Mine was made through its Chilean subsidiary holding company, SMM-SG Holding Inversiones Limitada, which invested in the SG Mine jointly with a subsidiary of SC through SMM Sierra Gorda Inversiones Limitada. At the same time, a separate subsidiary of SMM, SMM Holland BV, provided a loan to the SG Mine's project company Sierra Gorda Sociedad Contractual Minera ("SGSCM"). Accordingly, SMM is transferring the entirety of its interest in each of SMM-SG Holding Inversiones Limitada (and so its indirect interest in SMM Sierra Gorda Inversiones Limitada) and SMM Holland BV to South32 as part of the transaction.

2. Overview of the 3 specified subsidiaries to be transferred

A. SMM-SG Holding Inversiones Limitada

(1) Name	SMM-SG Holding Inversiones Limitada ("SMMSGH")
(2) Location	Santiago, Republic of Chile
(3) Title and name of the representative	President, Yoshihiro Sagawa
(4) Description of business	Investment in SGSCM through holding company
(5) Capital	US\$1,010,752 thousand (equivalent to approximately ¥112 billion as of the end of June 2021)
(6) Foundation	February 17 th , 2014
(7) Major shareholder and shareholding ratio	SMM: 99.997%, Sumitomo Metal Mining America Inc. ("SMMAm", wholly owned by SMM): 0.003%
(8) Relationship between SMM and SMMSGH	

Capital relationship	Wholly owned subsidiary of SMM directly and indirectly.		
Human relationship	There are currently directors seconded to SMMSGH.		
Business relationship	SMMSGH currently has no business relationship with SMM.		

(9) Consolidated financial results and consolidated financial position of SMMSGH for the last three years (Unit: thousands of US dollars, rounded to the nearest thousand)

Fiscal year	Year ended December 31, 2018	Year ended December 31, 2019	Year ended December 31, 2020
1 Net assets	(5,438)	(6,454)	(7,528)
2 Total assets	1,381	1,289	1,210
3 Net sales	0	0	0
4 Profit after tax	(150,005)	(93,367)	(43,924)
5 Profit attributable to owners of the parent	(105,022)	(65,387)	(30,774)

B. SMM Sierra Gorda Inversiones Limitada

(1) Name	SMM Sierra Gorda Inversiones Limitada ("SMMSGI")
(2) Location	Santiago, Republic of Chile
(3) Title and name of the representative	President, Yoshihiro Sagawa
(4) Description of business	Investment in SGSCM
(5) Capital	US\$1,578,960 thousand (equivalent to approximately ¥175 billion as of the end of June 2021)
(6) Foundation	April 26 th , 2011
(7) Major shareholder and shareholding ratio	SMMSGH: 70%, Inversiones SC Sierra Gorda Limitada ("ISCSG", wholly owned by SC): 30%
(8) Relationship between SMM and SMMSGI	
Capital relationship	70% owned subsidiary of SMM indirectly.
Human relationship	There are currently directors and 1 employee seconded to SMMSGI.

Business relationship	SMMSGI currently has a business relationship based on a service agreement with SMM.		
(9) Consolidated financial results and consolidated financial position of SMMSGI for the last three years (Unit: thousands of US dollars, rounded to the nearest thousand)			
Fiscal year	Year ended December 31, 2018	Year ended December 31, 2019	Year ended December 31, 2020
1 Net assets	(5,551)	(6,567)	(7,648)
2 Total assets	1,250	1,145	1,055
3 Net sales	0	0	0
4 Profit after tax	(149,944)	(93,266)	(43,831)
5 Profit attributable to owners of the parent	(104,961)	(65,286)	(30,682)

C. SMM Holland B.V.

(1) Name	SMM Holland B.V. ("SMMH")		
(2) Location	Amsterdam, the Netherlands		
(3) Title and name of the representative	President, Takashi Hamaguchi		
(4) Description of business	Investment and loan to SGSCM		
(5) Capital	US\$638,722 thousand (equivalent to approximately ¥71 billion yen as of the end of June 2021)		
(6) Foundation	December 19 th , 2008		
(7) Major shareholder and shareholding ratio	SMM: 100%		
(8) Relationship between SMM and SMMH			
Capital relationship	Wholly owned subsidiary of SMM directly.		
Human relationship	There are currently directors seconded to SMMH.		
Business relationship	SMMH currently has no business relationship with SMM.		
(9) Consolidated financial results and consolidated financial position of SMMH for the last three years (Unit: thousands of US dollars, rounded to the nearest thousand)			
Fiscal year	Year ended December 31,	Year ended December 31,	Year ended December 31,

	2018	2019	2020
1 Net assets	719,663	774,745	928,371
2 Total assets	916,237	935,234	1,064,780
3 Net sales	0	0	0
4 Profit after tax	51,580	40,082	103,626
5 Profit attributable to owners of the parent	51,580	40,082	103,626

3. Overview of transferee

(1) Name	South32		
(2) Location	Perth, Western Australia, Australia		
(3) Title and name of the representative	Chief Executive Officer, Graham Kerr		
(4) Description of business	Production of bauxite, alumina, aluminium, metallurgical coal, manganese, nickel, silver, lead and zinc		
(5) Capital	US\$13,597 million (as of the end of June 2021)		
(6) Foundation	May 25 th , 2015		
(7) Net assets	US\$8,954 million (as of the end of June 2021)		
(8) Total assets	US\$13,242 million (as of the end of June 2021)		
(9) Major shareholder and shareholding ratio			
	Name	Shares	%
	HSBC Custody Nominees (Australia) Limited	1,343,686,117	28.74%
	JP Morgan Nominees Australia Pty Limited	854,784,989	18.29%
	Citicorp Nominees Pty Ltd	424,720,491	9.09%
	Computershare Clearing Pty Ltd <Ccnl Di A/C>	312,640,066	6.69%
	National Nominees Limited	171,184,675	3.66%
(10) Relationship between SMM and South32			
	Capital relationship	No relationship between SMM and South32	
	Human relationship	No relationship between SMM and South32	

Business relationship	No relationship between SMM and South32
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* South32 will establish a special purpose company by the closing date, and that special purpose company will acquire the entirety of interest in SG Mine.

4. Percentage of interests to be transferred, transfer price and ownership before and after the transfer

(1)	Ownership before the change	1. SMMSGH: 100.00% 2. SMMSGI: 70.00% 3. SMMH: 100.00%
(2)	Percentage of interests to be transferred	1. SMMSGH: 100.00% 2. SMMSGI: 70.00% 3. SMMH: 100.00%
(3)	Ownership after the change	1. SMMSGH: 0% 2. SMMSGI: 0% 3. SMMH: 0%
(4)	Transfer price	Approximately US\$1,190 million (*)

(*1) The transfer price is based on the enterprise value of SGSCM as of the date agreed with South32 and is subject to certain adjustments to be made on the closing date as agreed with South32. Such price does not include copper price-linked contingent payments of up to US\$350 million that may be payable to SMM.

(*2) An aggregate amount for the holdings in SMMSGH and SMMH

5. Schedule

(1) Date of agreement: October 14, 2021

(2) Date of closing and execution of transfer of holdings: Expected by March 2022 (*)

(*) The closing date may change depending on the satisfactory of certain customary closing conditions and anti-trust approvals.

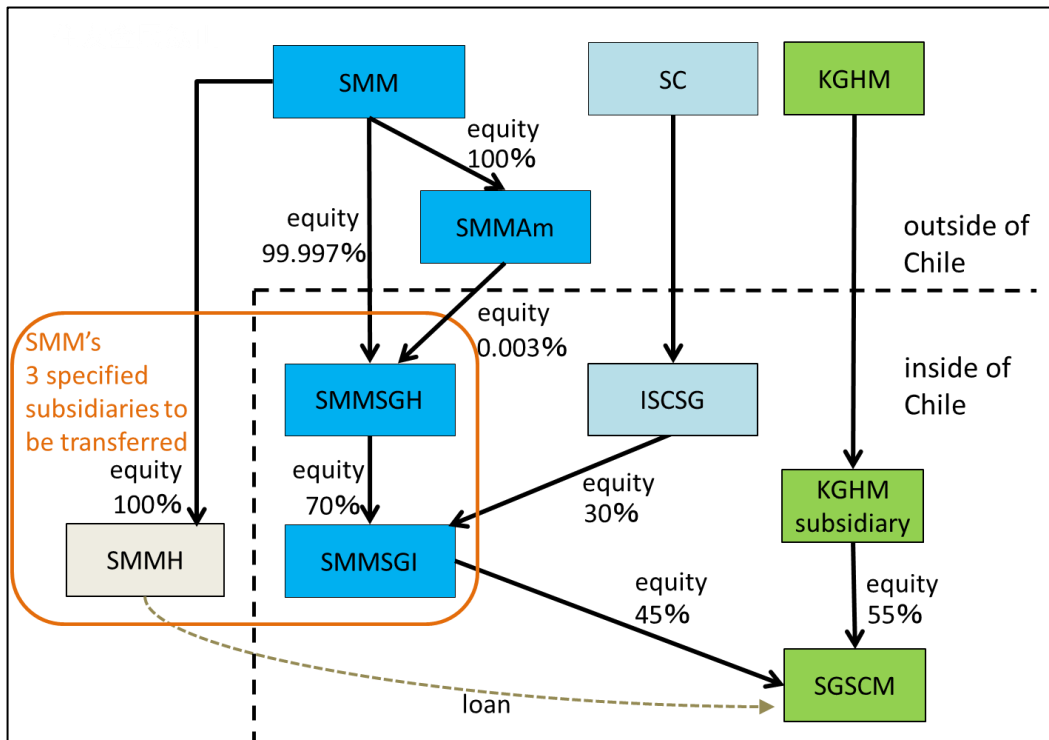
6. Outlook

The impact of the transactions associated with this matter on SMM's consolidated financial results for the year ending March 31, 2022 is under evaluation and will be announced in our 2nd quarter 2021 financial results.

7. Advisers

RBC Capital Markets acted as the exclusive financial adviser and Sullivan & Cromwell LLP acted as the legal adviser to SMM and SC in connection with the transaction.

(Reference: Investment Scheme)



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