



February 7, 2020

To All Concerned Parties

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Acquisition of a minority stake in the Mantoverde copper mine in Chile

Mitsubishi Materials Corporation (“MMC”) is pleased to announce that it has reached an agreement to acquire a 30% stake in the Mantoverde copper mine from Mantos Copper Holding SpA (Headquarters: Santiago in Chile, Executive Chairman: John MacKenzie, “MC”) and participate in the Mantoverde Development Project (“MVDP”), thereby resolving to sign the definitive agreements including share subscription agreement and shareholders agreement at the executive officers’ meeting today.

1. Background and Reasons for Acquisition

The Mantoverde copper mine, located in the Atacama region of northern Chile, has been in steady operation since it began producing copper cathode using leaching and SX-EW in 1995. Mantoverde S.A. (99.99% owned by MC and 0.01% by individual shareholders, “MV”), which owns and operates the Mantoverde copper mine, has been seeking a long-term strategic partner to co-invest in MVDP, which aims to build a concentrator and expand facilities to support the extraction and processing of sulphide ore, enabling the production of copper concentrate through a US\$731 million investment.

MMC has actively been seeking to participate in high quality copper mine projects to secure copper concentrate for its copper smelters. MVDP is expected to produce high quality copper concentrate with very low levels of impurities and deleterious materials, with relatively low operating costs leveraging existing infrastructure at the Mantoverde copper mine. In light of the above, MMC started to consider investing in MV, and has been in discussions with MC on the potential partnership for some time.

As a result of these discussions, MMC has reached an agreement with MC to acquire a minority stake in MV and participate in MVDP. The closing of the transaction, which is currently expected by the end of October 2020, is subject to obtaining necessary approvals and the satisfaction of other customary conditions, as well as the successful execution of a complete financing package for MVDP.

2. Transaction Overview

MMC will acquire a 30% stake in the Mantoverde copper mine by undertaking newly issued shares of MV. In consideration for the 30% stake, MMC will contribute US\$263 million at closing, comprising a US\$184 million earn-in contribution and a US\$79 million matching capital contribution. The investment by MMC will be used to partially fund MVDP. Additionally, as there are potentially vast amounts of copper resources beyond the current development scope of MVDP, an additional cash payment of US\$20 million will be made in the event that MV receives all permits necessary to expand the capacity of tailings storage facility significantly beyond the currently permitted capacity.

MMC will receive offtake rights for 30% of copper produced, proportionate to its ownership stake, and will receive the produced materials in the form of copper concentrate.

3. Transaction Timeline

February 7, 2020	Signing of Share Subscription Agreement
By end-October 2020	Completion of Acquisition, Signing of the definitive agreements, Launch of MVDP
After 2023	Start-up of MVDP

4. Financial Impacts to MMC

The anticipated transaction is expected to have a limited impact on MMC's consolidated financial accounts.

5. Financial and Legal Advisors

RBC Capital Markets acted as exclusive financial advisor to MMC. Allen & Overy and Morales & Besa acted as MMC's legal advisors.

<Appendix>

Overview of Mantoverde Copper Mine

Property Holder: MC (99.99%) and individual shareholders (0.01%)
(After the transaction, MMC (30%), MC (69.99%), individual shareholders (0.01%))

Location: Atacama Region III of Chile
45 km from the coastline at 880 m.a.s.l.



Total Mineral Resources: 5.7 million tonnes of contained copper
Total Mineral Reserves: 2.1 million tonnes of contained copper
Project CAPEX: US\$731 million
Start-up of MVDP: 2023
Mining Method: Open Pit
Total Copper Production: 1,700 kt over mine life
Initial Mine Life: 2041

Overview of Mantos Copper Holding SpA

Establishment: 2015
Shareholders: Orion Mine Finance, Audley Mining Advisors Limited
Business Overview: Operation of Mantoverde copper mine and Mantos Blancos copper mine in Chile
Headquarters: Santiago, Chile
Executive Chairman: John MacKenzie