

July 1, 2024

## **Sumitomo Metal Mining Announces the Closing of PTVI Divestment Transaction**

Sumitomo Metal Mining Co., Ltd. (TSE: 5713, SMM) and Vale Canada Limited (VCL) completed the transaction, on June 28, 2024, to sell a part of their stake in PT Vale Indonesia Tbk. (PTVI) to PT Mineral Industri Indonesia (Persero) (MIND ID), and to transfer to MIND ID the rights to subscribe to new shares allocated through a rights issuance by PTVI. The transaction is based on the agreement executed on February 26, 2024.

As a result of the transaction, MIND ID's stake in PTVI has increased from 20.0% to approximately 34.0%, VCL's stake has decreased from 44.4% to approximately 33.9%, and SMM's stake has decreased from 15.0% to approximately 11.5%. The transfer value for SMM is approximately JPY 8.5 billion. This transaction is expected to have a minor impact on SMM's financial performance.

SMM has a commercial right to purchase 20% of annual production of nickel matte produced by Sorowako mine operated by PTVI. PTVI's 1996 Contract of Work with the government of Indonesia, amended in 2014, was due to expire in December 2025. For PTVI to continue its operation beyond 2026, PTVI needed to obtain a special mining license (IUPK). One of the conditions for obtaining the IUPK is that more than 51% of PTVI's shares must be held by Indonesian entities. This transaction was conducted to fulfill the above condition.

### **Media Contact**

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