Consolidated Financial Statements

Toho Zinc Co., Ltd.
and Consolidated Subsidiaries

For the years ended March 31, 2011 and 2010
with Report of Independent Auditors

Report of Independent Auditors

The Board of Directors
Toho Zinc Co., Ltd.

We have audited the accompanying consolidated balance sheets of Toho Zinc Co., Ltd. and consolidated subsidiaries as of March 31, 2011 and 2010, and the related consolidated statements of income, comprehensive income, changes in net assets, and cash flows for the years then ended, all expressed in yen. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Toho Zinc Co., Ltd. and consolidated subsidiaries at March 31, 2011 and 2010, and the consolidated results of their operations and their cash flows for the years then ended in conformity with accounting principles generally accepted in Japan.

Supplemental Information

As described in Note 1, effective April 1, 2010, the Company adopted the "Accounting Standard for Business Combinations" (Statement No. 21 issued by ASBJ on December 26, 2008).

The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended March 31, 2011 are presented solely for convenience. Our audit also included the translation of yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in Note 2.

Ernst & Young ShinNihon LLC

June 28, 2011

Toho Zinc Co., Ltd. and Consolidated Subsidiaries

Consolidated Balance Sheets

	March 31,		
	2011	2010	**2011**
	(Millions of yen)		*(Thousands of U.S. dollars)*
Assets			
Current assets:			
Cash and time deposits	**¥ 12,739**	¥ 12,216	**$ 153,205**
Notes and accounts receivable, trade	**16,746**	17,161	**201,395**
Inventories *(Note 3)*	**27,867**	29,559	**335,141**
Advance payment	**1,674**	2,219	**20,132**
Deferred tax assets *(Note 11)*	**2,317**	765	**27,865**
Other current assets	**734**	878	**8,827**
Less: Allowance for doubtful accounts	**(24)**	(23)	**(288)**
Total current assets	**62,055**	62,779	**746,301**
Property, plant and equipment:			
Buildings and structures *(Note 7)*	**21,400**	19,128	**257,366**
Machinery and equipment *(Note 7)*	**58,390**	55,652	**702,224**
Land *(Notes 4 and 7)*	**16,959**	16,951	**203,956**
Lease assets	**175**	175	**2,104**
Construction in progress	**7,954**	2,382	**95,658**
	104,881	94,290	**1,261,346**
Less: Accumulated depreciation	**(58,982)**	(58,958)	**(709,344)**
Net property, plant and equipment	**45,898**	35,331	**551,990**
Investments and other assets:			
Investment securities *(Notes 7and 15)*	**4,982**	8,582	**59,915**
Investments in non-consolidated subsidiaries *(Note 6)*	**389**	389	**4,678**
Deferred tax assets *(Note 11)*	**789**	1,465	**9,488**
Goodwill *(Note 19)*	**571**	–	**6,867**
Mining right *(Note 5 and 21)*	**24,433**	36	**293,842**
Other assets *(Note 6)*	**2,669**	5,025	**32,098**
Less: Allowance for doubtful accounts	**(781)**	(786)	**(9,392)**
Total investments and other assets	**33,053**	14,713	**397,510**
Total assets	**¥ 141,007**	¥ 112,823	**$ 1,695,814**

	March 31,		
	2011	2010	**2011**
	(Millions of yen)		*(Thousands of U.S. dollars)*
Liabilities and net assets			
Current liabilities:			
Notes and accounts payable, trade	**¥ 7,321**	¥ 6,227	**$ 88,045**
Short-term borrowings *(Note 7)*	**22,509**	22,478	**270,703**
Current portion of long-term debt *(Note 7)*	**2,760**	6,031	**33,193**
Commercial papers *(Note 7)*	**2,000**	2,000	**24,052**
Lease obligations *(Note 7)*	**209**	17	**2,513**
Accrued income taxes	**1,906**	2,208	**22,922**
Accrued expenses	**3,246**	2,193	**39,037**
Accrued directors' bonus	**30**	39	**360**
Reserve for loss on disaster	**368**	–	**4,425**
Other current liabilities	**10,704**	4,531	**128,731**
Total current liabilities	**51,056**	45,727	**614,022**
Long-term liabilities:			
Long-term debt *(Note 7)*	**17,086**	2,896	**205,484**
Lease obligations *(Note 7)*	**232**	160	**2,790**
Deferred tax liabilities related to land revaluation *(Note 4)*	**5,779**	5,779	**69,500**
Accrued employees' pension and severance costs *(Note 8)*	**2,669**	2,896	**32,098**
Accrued directors' and statutory auditors' retirement allowances	**52**	67	**625**
Accrued environmental allowances	**168**	157	**2,020**
Asset retirement obligations *(Note 9)*	**763**	–	**9,176**
Other long-term liabilities	**3,101**	91	**37,294**
Total long-term liabilities	**29,854**	12,049	**359,037**
Total liabilities	**80,911**	57,777	**973,072**
Net assets			
Shareholders' equity:			
Common stock:			
Authorized – 264,000,000 shares			
Issued – 135,855,217 shares in 2011 and 135,855,217 shares in 2010	**14,630**	14,630	**175,947**
Capital surplus	**9,876**	9,876	**118,773**
Retained earnings	**27,748**	21,153	**333,710**
Less: Treasury stock, at cost – 55,228 shares in 2011 and 54,528 shares in 2010	**(23)**	(23)	**(276)**
Total shareholders' equity	**52,232**	45,637	**628,165**
Accumulated other comprehensive income:			
Net unrealized gains on other securities	**899**	2,663	**10,811**
Loss on deferred hedges	**(2,371)**	(176)	**(28,514)**
Surplus from land revaluation *(Note 4)*	**7,572**	7,572	**91,064**
Foreign currency translation adjustments	**1,763**	(649)	**21,202**
Total accumulated other comprehensive income	**7,864**	9,409	**94,576**
Total net assets	**60,096**	55,046	**722,742**
Total liabilities and net assets	**¥ 141,007**	¥ 112,823	**$ 1,695,814**

The accompanying notes are an integral part of these financial statements.

Toho Zinc Co., Ltd. and Consolidated Subsidiaries

Consolidated Statements of Income

	Year ended March 31,		
	2011	2010	**2011**
	(Millions of yen)		*(Thousands of U.S. dollars)*
Net sales	**¥ 103,628**	¥ 83,592	**$ 1,246,277**
Cost of sales	**87,620**	69,850	**1,053,758**
Gross profit	**16,007**	13,741	**192,507**
Selling, general and administrative expenses:			
Transportation expense	**3,801**	2,974	**45,712**
Salaries and wages	**1,143**	848	**13,746**
Pension and severance costs	**61**	68	**733**
Directors' bonus	**30**	39	**360**
Provision for doubtful accounts	**7**	–	**84**
Depreciation	**102**	54	**1,226**
Research and development costs	**249**	237	**2,994**
Other	**2,113**	1,217	**25,411**
	7,510	5,439	**90,318**
Operating income	**8,497**	8,301	**102,188**
Other income (expenses):			
Interest and dividend income	**293**	451	**3,523**
Interest expenses	**(682)**	(416)	**(8,202)**
Foreign exchange gains, net	**939**	136	**11,292**
Investment (losses) gains on equity method	**(153)**	296	**(1,840)**
Loss on valuation of derivatives	**(224)**	–	**(2,693)**
Loss on disposal of property, plant and equipment	**(303)**	(292)	**(3,644)**
Impairment losses on fixed assets *(Note 5)*	**(130)**	(418)	**(1,563)**
Gain on sales of investment securities, net	**35**	–	**420**
Write-down of investment securities	**–**	(321)	**–**
Gain on step acquisitions	**2,266**	–	**27,251**
Gain on redemption of investment securities	**3,213**	–	**38,641**
Loss on disaster *(Note 5)*	**(1,379)**	–	**(16,584)**
Gain on adjustment for changes of accounting standard for construction contracts	**–**	13	**–**
Loss on adjustment for changes of accounting standard for asset retirement obligations	**(6)**	–	**(72)**
Other, net	**110**	34	**1,322**
	3,978	(516)	**47,841**
Income before income taxes	**12,476**	7,784	**150,042**
Income taxes:			
Current	**3,107**	2,585	**37,366**
Deferred	**1,823**	544	**21,924**
	4,930	3,130	**59,290**
Income before minority interests	**7,545**	–	**90,739**
Net income	**¥ 7,545**	¥ 4,654	**$ 90,739**

	Year ended March 31,		
	2011	2010	**2011**
	(Yen)		*(U.S. dollars)*
Per share:			
Net income – basic	**¥ 55.57**	¥ 34.27	**$ 0.66**
Cash dividends	**¥ 7.00**	¥ 7.00	**$ 0.08**

The accompanying notes are an integral part of these financial statements.

Toho Zinc Co., Ltd. and Consolidated Subsidiaries

Consolidated Statements of Comprehensive Income

	Year ended March 31,		
	2011	2010	**2011**
	(Millions of yen)		*(Thousands of U.S. dollars)*
Income before minority interests	**¥ 7,545**	¥ 4,654	**$ 90,739**
Other comprehensive income:			
Net unrealized gains (losses) on other securities	**(1,754)**	2,029	**(21,094)**
Loss on deferred hedges	**(2,194)**	(60)	**(26,386)**
Foreign currency translation adjustments	**1,763**	–	**21,202**
Share of other comprehensive income of associates accounted for using equity method	**640**	504	**7,696**
Total other comprehensive income	**(1,544)**	2,472	**(18,568)**
Comprehensive income	**6,001**	7,126	**72,170**
Comprehensive income attributable to:			
Owners of the parent	**¥ 6,001**	¥ 7,126	**$ 72,170**
Minority interests	**–**	–	**–**

The accompanying notes are an integral part of these financial statements.

Toho Zinc Co., Ltd. and Consolidated Subsidiaries

Consolidated Statements of Changes in Net Assets

		Shareholders' equity				Accumulated other comprehensive income				
	Number of shares of common stock issued	Common stock	Capital surplus	Retained earnings	Treasury stock (*)	Net unrealized gains on other securities	Loss on deferred hedges	Surplus from land revaluation	Foreign currency translation adjustments	Total net assets
	(Thousands)					*(Millions of yen)*				
Balance at March 31, 2009	135,855	14,630	9,877	17,176	(22)	625	(116)	7,574	(1,145)	48,599
Dividends from surplus	–	–	–	(679)	–	–	–	–	–	(679)
Net income	–	–	–	4,654	–	–	–	–	–	4,654
Acquisition of treasury stock	–	–	–	–	(0)	–	–	–	–	(0)
Other	–	–	(0)	1	0	–	–	–	–	1
Net charges in items other than those in shareholders' equity	–	–	–	–	–	2,038	(60)	(1)	495	2,470
Balance at March 31, 2010	135,855	14,630	9,876	21,153	(23)	2,663	(176)	7,572	(649)	55,046
Dividends from surplus	**–**	**–**	**–**	**(950)**	**–**	**–**	**–**	**–**	**–**	**(950)**
Net income	**–**	**–**	**–**	**7,545**	**–**	**–**	**–**	**–**	**–**	**7,545**
Acquisition of treasury stock	**–**	**–**	**–**	**–**	**(0)**	**–**	**–**	**–**	**–**	**(0)**
Other	**–**	**–**	**0**	**–**	**0**	**–**	**–**	**–**	**–**	**0**
Net charges in items other than those in shareholders' equity	**–**	**–**	**–**	**–**	**–**	**(1,763)**	**(2,194)**	**–**	**2,413**	**(1,544)**
Balance at March 31, 2011	**135,855**	**¥ 14,630**	**¥ 9,876**	**¥ 27,748**	**¥ (23)**	**¥ 899**	**¥ (2,371)**	**¥ 7,572**	**¥ 1,763**	**¥ 60,096**

	Shareholders' equity				Accumulated other comprehensive income				
	Common stock	Capital surplus	Retained earnings	Treasury stock (*)	Net unrealized gains on other securities	Loss on deferred hedges	Surplus from land revaluation	Foreign currency translation adjustments	Total net assets
					(Thousands of U.S. dollars)				
Balance at March 31, 2010	$175,947	$ 118,773	$ 254,395	$ (276)	$ 32,026	$ (2,116)	$ 91,064	$ (7,805)	$662,008
Dividends from surplus	**–**	**–**	**(11,425)**	**–**	**–**	**–**	**–**	**–**	**(11,425)**
Net income	**–**	**–**	**90,739**	**–**	**–**	**–**	**–**	**–**	**90,739**
Acquisition of treasury stock	**–**	**–**	**–**	**(0)**	**–**	**–**	**–**	**–**	**(0)**
Other	**–**	**0**	**–**	**0**	**–**	**–**	**–**	**–**	**0**
Net charges in items other than those in shareholders' equity	**–**	**–**	**–**	**–**	**(21,202)**	**(26,386)**	**–**	**29,019**	**(18,568)**
Balance at March 31, 2011	**$175,947**	**$ 118,773**	**$ 333,710**	**$ (276)**	**$ 10,811**	**$ (28,514)**	**$ 91,064**	**$ 21,202**	**$722,742**

(*) There were 55,228 shares and 54,528 shares of treasury stock as of March 31, 2011 and 2010, respectively.

The accompanying notes are an integral part of these financial statements.

Toho Zinc Co., Ltd. and Consolidated Subsidiaries

Consolidated Statements of Cash Flows

	Year ended March 31,		
	2011	2010	**2011**
	(Millions of yen)		*(Thousands of U.S. dollars)*
Cash flows from operating activities:			
Income before income taxes	**¥ 12,476**	¥ 7,784	**$ 150,042**
Depreciation and amortization	**4,160**	3,184	**50,030**
Impairment loss on fixed assets	**130**	418	**1,563**
Amortization of goodwill	**17**	–	**204**
Write-down of investments securities	**–**	321	**–**
Gain on redemption of investment securities	**(3,213)**	–	**(38,641)**
Decrease in allowance for doubtful accounts	**(2)**	(24)	**(24)**
(Decrease) increase in accrued directors' bonus	**(9)**	39	**(108)**
Decrease in accrued employees' pension and severance costs	**(226)**	(251)	**(2,717)**
Increase in reserve for loss on disaster	**368**	–	**4,425**
Interest and dividend income	**(293)**	(451)	**(3,523)**
Interest expenses	**682**	416	**8,202**
Investment losses (gains) on equity method	**153**	(296)	**1,840**
Gain on step acquisitions	**(2,266)**	–	**(27,251)**
Loss on disaster	**382**	–	**4,594**
Net loss on sale and disposal of property, plant and equipment	**263**	286	**3,162**
Decrease (increase) in notes and accounts receivable, trade	**537**	(5,755)	**6,458**
Decrease (increase) in inventories	**2,719**	(7,908)	**32,699**
Increase (decrease) in notes and accounts payable, trade	**1,024**	(1,829)	**12,315**
Other, net	**1,579**	(108)	**18,989**
Sub total	**18,484**	(4,174)	**222,297**
Interest and dividend income received	**469**	403	**5,640**
Interest expense paid	**(575)**	(419)	**(6,915)**
Income taxes (paid) refunded	**(3,422)**	1,366	**(41,154)**
Net cash provided by (used in) operating activities	**14,954**	(2,824)	**179,843**
Cash flows from investing activities:			
Payments for purchases of property, plant and equipment	**(7,540)**	(2,890)	**(90,679)**
Proceeds from sale of property, plant and equipment	**51**	15	**613**
Payments for purchases of investment securities	**(3,604)**	(5)	**(43,343)**
Payments for purchases of investments in affiliates	**–**	(139)	**–**
Payments for purchase of investments in subsidiaries resulting in change in scope of consolidation *(Note 19)*	**(11,993)**	–	**(144,233)**
Payments of loans receivable	**–**	(11)	**–**
Other, net	**(969)**	(128)	**(11,653)**
Net cash used in investing activities	**(24,057)**	(3,158)	**(289,320)**
Cash flows from financing activities:			
Increase in short-term borrowings	**25**	–	**300**
Proceeds from long-term debt	**16,950**	–	**203,848**
Repayments of long-term debt	**(6,031)**	(3,390)	**(72,531)**
Redemption of convertible bonds	**(507)**	–	**(6,097)**
Cash dividends paid	**(950)**	(679)	**(11,425)**
Other, net	**(131)**	(6)	**(1,575)**
Net cash provided by (used in) financing activities	**9,354**	(4,076)	**112,495**
Effect of exchange rate changes on cash and cash equivalents	**280**	2	**3,367**
Net increase (decrease) in cash and cash equivalents	**532**	(10,056)	**6,398**
Cash and cash equivalents at beginning of year	**12,201**	22,258	**146,734**
Cash and cash equivalents at end of year *(Note 16)*	**¥ 12,734**	¥ 12,201	**$ 153,144**

The accompanying notes are an integral part of these financial statements.

Toho Zinc Co., Ltd. and Consolidated Subsidiaries

Notes to Consolidated Financial Statements

March 31, 2011

1. Summary of Significant Accounting Policies

(a) Basis of presentation

Toho Zinc Co., Ltd. (the "Company") and its domestic subsidiaries maintain their books of account in conformity with accounting principles generally accepted in Japan, and, its foreign subsidiaries maintain their books of account in conformity with International Financial Reporting Standards ("IFRS") or those of their countries of domicile.

The accompanying consolidated financial statements of the Company and its consolidated subsidiaries (the "Companies") are prepared on the basis of accounting principles generally accepted in Japan, which are different in certain respects as to application and disclosure requirements of IFRS, and are compiled from the consolidated financial statements prepared by the Company as required by the Financial Instruments and Exchange Law of Japan.

Certain amounts in the prior years' financial statements have been reclassified to conform to the current year's presentation.

Effective April 1, 2010, the Company adopted the "Cabinet Office Ordinance Partially Revising Regulation on Terminology, Forms and Preparation of Financial Statements" (Ordinance No. 5 issued by Cabinet Office on March 24, 2009) based on the "Accounting Standard for Consolidated Financial Statements" (Statement No. 22 issued by Accounting Standards Board of Japan ("ASBJ") on December 26, 2008). As a result, "Income before minority interests" was independently presented on the consolidated financial statements for the year ended March 31, 2011.
In addition, effective April 1, 2010, the Company adopted the "Accounting Standard for Presentation of Comprehensive Income" (Statement No. 25 issued by ASBJ on June 30, 2010). As a result, the consolidated statements of comprehensive income have been presented in the consolidated financial statements. The amounts of "Accumulated other comprehensive income" and "Total accumulated other comprehensive income" as of March 31, 2010 indicate the amounts of "Revaluation and translation adjustments" and "Total revaluation and translation adjustments," respectively, as of March 31, 2010.

As permitted under the Financial Instruments and Exchange Law, amounts of less than one million yen have been omitted. As a result, the totals shown in the accompanying consolidated financial statements (both in yen and in U.S. dollars) do not necessarily agree with the sums of the individual amounts as of and for the years ended March 31, 2011 and 2010.

Certain items presented in the consolidated financial statements submitted to the Direction of Kanto Financial Bureau in Japan have been reclassified in the accompanying consolidated financial statements for the convenience of readers outside Japan.

(b) Principles of consolidation

The accompanying consolidated financial statements include the accounts of the Company and its significant subsidiaries that are controlled by the Company. Under the effective control approach, all significant majority-owned companies are to be consolidated. Additionally, companies in which share ownership equals 50% or less may be required to be consolidated in cases where such companies are effectively controlled by other companies through the interests held by a party who has a close relationship with the parent. All significant inter-company transactions and accounts are eliminated in consolidation.

For the year ended March 31, 2011, CBH Resources Ltd., which was an affiliate accounted for using the equity method for the year ended March 31, 2010, was included in the scope of consolidation due to additional acquisition of its shares. Please refer to Note 19 *Business Combination* for details.

(c) Foreign currency translation

(1) Foreign currency transaction

All receivables and payables denominated in foreign currencies are translated into Japanese yen at the exchange rate prevailing at the balance sheet date.

(2) Foreign currency financial statements

The assets and liabilities of the foreign consolidated subsidiaries are translated into Japanese yen at current exchange rate prevailing at the balance sheet date. Revenue and expense accounts are translated at the current exchange rate prevailing at the balance sheet date. Foreign currency translation adjustments are included in net assets.

(d) Cash and cash equivalents

Cash and cash equivalents in the consolidated statements of cash flows are composed of cash on hands, bank deposits be able to withdraw on demand and short-term investments with original maturity of three months or less and minor risk for the fair value fluctuation.

(e) Inventories

Finished goods, work in process and raw materials are stated at the lower of cost or net selling value, for which cost is primarily determined by the first-in first-out method. Supplies are stated at the lower of cost or net selling value, for which cost is determined by the moving average method.

(f) Financial instruments

(1) Investment securities

Marketable securities classified as other securities are carried at fair value based on the average of market price during the last month of the fiscal year with any changes in unrealized gains or losses, net of income taxes, included directly in net assets.

Non-marketable securities classified as other securities are carried at cost. Cost of securities sold is determined by the moving average method.

(2) Derivatives

The Company has entered into various derivative transactions, including forward foreign exchange contracts, interest rate swaps and commodity futures, in order to manage certain risk arising from adverse fluctuations in foreign currency exchange rates, interest rates and commodity prices.
All derivatives are recognized in the balance sheet at fair value, with changes in fair value included in net income for the period in which they arise, except for derivatives that are designated as “hedging instruments” (see Note 1 (f) (3) *Hedge accounting* below).

(3) Hedge accounting

Gains or losses arising from changes in fair value of the derivatives designated as “hedging instruments” are deferred as an asset or liability and included in net income in the same period during which the gains and losses on the hedged items or transactions are recognized.

Hedging instruments are derivative transactions including forward exchange contracts, commodity futures and interest rate swaps. The related hedged items are primarily payables denominated in foreign currency in connection with purchases of raw materials and products, commodities and long-term debt, respectively.
The Company has a policy to utilize the above hedging instruments in order to reduce the Company’s exposure to the risk of the currency, price and interest rate fluctuations.

The Company evaluates effectiveness of its hedging activities by reference to the accumulated gains or losses on the hedging instruments and the related hedged items from the commencement of the hedging transactions. The Company omits to assess hedge effectiveness of interest rate swaps which qualify for hedge accounting and meet specific matching criteria.

(g) Property, plant and equipment and depreciation

Property, plant and equipment, except for lease assets, are stated at cost and have been mainly depreciated by the straight-line method over the estimated useful lives of respective assets.

(h) Intangible assets and amortization

Mining right is mainly amortized by using the unit-of-production method. Goodwill, software for internal use and other assets are amortized by using the straight-line method. Amortization period of goodwill is determined on a reasonable basis within 20 years. Software for internal use is amortized over estimated useful lives (less than 5 years).

(i) Leases

Lease assets used under finance leases, primarily the storage equipments (structures) in Smelting industry, and capitalized, are depreciated over the lease terms of the respective assets by the straight-line method with no residual value.

Finance leases which took place prior to April 1, 2008, and do not transfer ownership of the leased assets to the lessee, continue to be accounted for as operating leases.

(j) Allowance for doubtful accounts

The allowance for doubtful accounts is provided at an amount sufficient to cover possible losses on collection. The allowance consists of the estimated uncollectible amounts with respect to specific receivables plus a percentage based on historical credit losses.

(k) Accrued directors' bonuses

Accrued directors' bonuses at the balance sheet date are based on an estimate of the amount to be paid as bonuses for services rendered by that date.

(l) Accrued employees' pension and severance costs

Accrued employees' retirement benefits are provided mainly at an amount calculated based on the retirement benefit obligation and the fair value of the pension plan assets as of the balance sheet date, as adjusted for unrecognized actuarial gain or loss and unrecognized prior service cost. The retirement benefit obligation is attributed to each period by the straight-line method over the estimated years of service of the employees.

Actuarial gain and loss are amortized in the year following the year in which the gain or loss is recognized primarily by the straight-line method over the period of 10 years which is the average remaining number of years of service of the employees.

Prior service cost is being amortized as incurred by the straight-line method over the period of 10 years which is the average remaining number of years of service of the employees.

(m) Accrued directors' and statutory auditor's retirement allowances

In order to prepare for the disbursements of the directors' and statutory auditor's retirement allowances, the Company records an amount required to be paid out as at the end of the fiscal year which is calculated based on internal rules.

Note that the Company discontinued the system for directors' and statutory auditor's retirement allowances in accordance with a decision by the board of directors held on May 22, 2007, and hence the balance as at the end of this consolidated fiscal year is the amount for periods in which the directors and statutory auditors served prior to June 2007.

(n) Accrued environmental allowances

Accrued environmental allowances are estimated and recorded to provide for future potential costs, such as costs related to disposal of polychlorinated biphenyl (“PCB”).

(o) Accrued expected losses on construction contracts in process allowances

In order to prepare for future losses related to construction orders, the Company has recorded an estimated amount for construction which has yet to be transferred as at the end of the consolidation fiscal year. The accrued expected losses, which are included in other current liabilities and inventories are presented in gross on the consolidated balance sheets.

(p) Reserve for loss on disaster

In order to prepare for future payments of restoration costs on the Great Eastern Japan Earthquake, the Company has provided a reserve at an amount which is reasonably estimated to be incurred after March 31, 2011.

(q) Income taxes

Deferred tax assets and liabilities are determined based on the differences between financial reporting and the tax bases of the assets and liabilities and are measured using the enacted tax rates and laws which will be in effect when the differences are expected to reverse.

(r) Recognizing revenues

Revenues and costs of construction contracts of which the percentage of completion can be reliably estimated are recognized by the percentage-of-completion method. The percentage of completion is calculated at the cost incurred as a percentage of the estimated total cost. The completed-contract method continues to be applied for contracts for which the percentage of completion cannot be reliably estimated.

(s) Appropriation of retained earnings

Cash dividends and transfers to legal reserve are recorded in the fiscal year that the proposed appropriation of retained earnings is approved at the shareholders’ meeting.

(t) Net income per share

Net income per share is computed based on the net income available for distribution to shareholders of common stock and the weighted average number of shares of common stock outstanding during the year.

(u) Asset retirement obligations

Asset retirement obligations are calculated based on the estimated exploration period from commencement of operation deemed as estimated usable period, using 5% discount rate. The amount presents mainly for the CBH’s obligations to restore its mine site at Endeavor Mine to its original state upon the closure of Endeavour Mine owned by CBH.

(v) Accounting changes

(1) Asset retirement obligations

Effective April 1, 2010, the Company adopted the “Accounting Standard for Asset Retirement Obligations” (Statement No.18 issued by ASBJ on March 31, 2008) and the “Guidance on Accounting Standard for Asset Retirement Obligations” (Guidance No.21 issued by ASBJ on March 31, 2008). The effect of this change on income was insignificant.

(2) Business combinations

Effective April 1, 2010, the Company adopted the “Accounting Standard for Business Combinations” (Statement No. 21 issued by ASBJ on December 26, 2008), the “Accounting Standard for Consolidated Financial Statements” (Statement No. 22 issued by ASBJ on December 26, 2008). the “Partial Amendments to Accounting Standard for Research and Development Costs” (Statement No. 23 issued by ASBJ on December 26, 2008), the “Revised Accounting Standard for Business Divestitures” (Statement No. 7 issued by ASBJ on December 26, 2008), the “Revised Accounting Standard for Equity Method of Accounting for Investments” (Statement No. 16 issued by ASBJ on December 26, 2008) and the “Revised Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures” (Guidance No. 10 issued by ASBJ on December 26, 2008).

2. U.S. Dollar Amounts

U.S. dollar amounts presented in the accompanying consolidated financial statements and in these notes are included solely for the convenience of readers outside of Japan, at the prevailing exchange rate of ¥83.15 to U.S.$1 on March 31, 2011. These translations should not be construed as representations that the yen amounts actually represent, or have been or could be converted into U.S. dollars at that or any other rate.

3. Inventories

Inventories at March 31, 2011 and 2010 consisted of the following:

	March 31,		
	2011	2010	**2011**
	(Millions of yen)		*(Thousands of U.S. dollars)*
Finished goods	**¥ 4,548**	¥ 6,352	**$ 54,696**
Work in process	**10,541**	7,326	**126,770**
Raw materials and supplies	**12,776**	15,881	**153,650**
Total	**¥ 27,867**	¥ 29,559	**$ 335,141**

4. Land Revaluation

In accordance with the Land Revaluation Law, the Company's land used for its business operations was revalued as follows:

Date of revaluation: March 31, 2000

The difference between total fair value of land and the total book value after revaluation of land at March 31, 2011 and 2010 were ¥6,116 million ($73,553 thousand) and ¥5,743 million, respectively.

The tax effect of the excess on revaluation is recorded as "Deferred tax liabilities related to land revaluation" which is included in liabilities, and the remainder, net of income taxes portion of the excess on revaluation is presented as "Surplus from land revaluation" which is included in net assets.

5. Impairment Loss on Fixed Assets

The Company has recognized impairment losses on the assets group for the years ended March 31, 2011 and 2010 as follows:

Year ended March 31, 2011			*(Millions of yen)*	*(Thousands of U.S. dollars)*
Location	Use	Category		
Annaka City, Gunma *(Note*)*	Idle assets	Building and structures	**¥ 217**	**$ 2,609**
		Machinery and equipment	**163**	**1,960**
		Other	**0**	**0**
			382	**4,594**
Iwaki City, Fukushima	Idle assets	Building and structures	**10**	**120**
		Machinery and equipment	**4**	**48**
		Other	**0**	**0**
			15	**180**
Western Australia, Australia	Resource assets	Mining right	**114**	**1,371**
			¥ 512	**$ 6,157**

Year ended March 31, 2010			*(Millions of yen)*
Location	Use	Category	
Annaka City, Gunma, other	Idle assets	Machinery, etc.	¥ 382
		Structures, etc.	34
		Others	0
			¥ 418

The Company determined asset group based on the categories used for their managerial accounting. With respect to idle assets, each asset is treated as an individual unit to apply the accounting for the impairment.

The Company recognized impairment losses for entire book value of idle assets on the ground that they were projected to generate no future cash-in flows and were not readily salable either.

*Note** Impairment loss on idle assets at Annaka City, Gunma, amounting to ¥382 million ($4,594 thousand) was included in *Loss on disaster* for the year ended March 31, 2011 as follows:

	Year Ended March 31, 2011	
	(Millions of yen)	*(Thousands of U.S. dollars)*
Provision for loss on disaster	**¥ 368**	**$ 4,425**
Impairment loss on fixed assets and loss on inventories	**722**	**8,683**
Fixed costs during idle period and other expenses	**288**	**3,463**
Loss on disaster, total	**¥ 1,379**	**$ 16,584**

6. Investments in Non-Consolidated Subsidiaries and Affiliates

Investments in non-consolidated subsidiaries and affiliates as of March 31, 2011 and 2010 were summarized as follows:

	March 31,		
	2011	2010	**2011**
	(Millions of yen)		*(Thousands of U.S. dollars)*
Subsidiaries	**¥ 389**	¥ 389	**$ 4,678**
Affiliates	**94**	5,446	**1,130**
	¥ 484	¥ 5,835	**$ 5,820**

7. Short-Term Borrowings and Long-Term Debt

Short-term borrowings and long-term debt at March 31, 2011 and 2010 consisted of the following:

	March 31,				
	2011			2010	**2011**
	Amount	Weighted average interest rate	Last due on	Amount	Amount
	(Millions of yen)			*(Millions of yen)*	*(Thousands of U.S. dollars)*
Short-term bank loans	¥ **22,509**	**0.8%**		¥ 22,478	$ **270,703**
Commercial papers	**2,000**	**0.2**		2,000	**24,052**
Current portion of long-term debt	**2,760**	**1.3**		6,031	**33,193**
Current portion of lease obligations	**209**	**–**		17	**2,513**
Long-term debt	**17,086**	**0.9**	**2012.4 ~ 2022.9**	2,896	**205,484**
Lease obligations	**232**	**–**	**2012.4 ~ 2025.3**	160	**2,790**
Total	¥ **44,798**			¥ 33,584	$ **538,761**

Average interest rates are calculated by using weighted-average interest rates as at March 31, 2011. Average interest rates on lease obligations are not provided because interest equivalents included in the total lease payments are allocated to each applicable fiscal year on a straight-line basis.

The maturities of long-term debt and lease obligation outstanding as at March 31, 2011 were as follows:

Year ending March 31,	Long-term debt	Lease obligation	Long-term debt	Lease obligation
	(Millions of yen)		*(Thousands of U.S. dollars)*	
2012	¥ **2,760**	¥ **209**	$ **33,193**	$ **2,513**
2013	**3,317**	**107**	**39,891**	**1,286**
2014	**2,897**	**16**	**34,840**	**192**
2015	**4,225**	**13**	**50,811**	**156**
2016	**6,632**	**9**	**79,759**	**108**
Thereafter	**13**	**86**	**156**	**1,034**
Total	¥ **19,846**	¥ **442**	$ **238,677**	$ **5,315**

Assets pledged as collateral for the long-term debt, including the current portion, at March 31, 2011 and 2010 were as follows:

Pledged assets	March 31, 2011	2010	2011
	(Millions of yen)		(Thousands of U.S. dollars)
Land (*)	**¥ 13,792**	¥ 13,792	**$ 165,868**
Buildings and structures (*)	**4,752**	5,048	**57,149**
Machinery and equipment (*)	**8,605**	9,768	**103,487**
Investment securities	**155**	172	**1,864**
Total	**¥ 27,305**	¥ 28,781	**$ 328,382**

(*) For the above assets, a revolving mortgage is set at the maximum amount of ¥1 million ($12 thousand) with one bank at March 31, 2011.

8. Employees' Pension and Severance Costs

The Company and its domestic consolidated subsidiaries have defined benefit plans, i.e., defined benefit corporate pension plans and lump-sum payment plans, covering substantially all employees who are entitled to lump-sum or annuity payments, the amounts of which are determined by reference to their basic rates of pay, length of service, and the conditions under which termination occurs.
The funded status of retirement benefit obligations at March 31, 2011 and 2010 were as follows:

	March 31, 2011	2010	2011
	(Millions of yen)		(Thousands of U.S. dollars)
Projected benefit obligations	**¥ 4,182**	¥ 4,468	**$ 50,294**
Plan assets at fair value	**(1,675)**	(1,719)	**(20,144)**
Unfunded status	**2,506**	2,749	**30,138**
Unrecognized actuarial loss	**(110)**	(164)	**(1,322)**
Unrecognized prior service costs	**272**	311	**3,271**
Accrued employees' pension and severance costs	**¥ 2,669**	¥ 2,896	**$ 32,098**

The compositions of employees' pension and severance costs for the years ended March 31, 2011 and 2010 were as follows:

	Year ended March 31, 2011	2010	2011
	(Millions of yen)		(Thousands of U.S. dollars)
Service cost	**¥ 193**	¥ 198	**$ 2,321**
Interest cost	**85**	87	**1,022**
Expected return on plan assets	**(34)**	(27)	**(408)**
Amortization of actuarial loss	**93**	106	**1,118**
Amortization of prior service costs	**(38)**	(38)	**(457)**
Total	**¥ 298**	¥ 325	**$ 3,583**

The assumptions used in accounting for the defined benefit pension plans for the years ended March 31, 2011 and 2010 were as follows:

	Year ended March 31,	
	2011	2010
Discount rate	**2.0%**	2.0%
Expected rate of return on plan assets	**2.0%**	2.0%

9. Asset retirement obligations

The changes in asset retirement obligations for the year ended March 31, 2011 were as follows:

	March 31, 2011	
	(Millions of yen)	*(Thousands of U.S. dollars)*
Balance at the beginning of year	**¥ 28**	**$ 336**
Additional provisions associated with the acquisition of property, plant and equipment	**105**	**1,262**
Reconciliation associated with the passage of time	**15**	**180**
Increase due to newly consolidated subsidiary *(Note*)*	**549**	**6,602**
Foreign currency translation adjustment	**64**	**769**
Balance at the end of year	**¥ 763**	**$ 9,176**

*Note** The increase is due to the consolidation of CBH Resources Ltd. (hereinafter "CBH") which became a wholly-owned subsidiary of the Company during the year ended March 31, 2011.

10. Net Assets

The Corporation Law of Japan provides that an amount equal to 10% of the amount to be disbursed as distributions of capital surplus (other than the capital reserve) and retained earnings (other than the legal reserve) be transferred to the capital reserve and the legal reserve, respectively, until the sum of the capital reserve and the legal reserve equals 25% of the common stock. Such distributions can be made at any time by resolution of the stockholders, or by the Board of Directors if certain conditions are met.

11. Income Taxes

At March 31, 2011 and 2010, significant components of deferred tax assets and liabilities were as follows:

	March 31,		
	2011	2010	**2011**
	(Millions of yen)		*(Thousands of U.S. dollars)*
Deferred tax assets:			
Losses on deferred hedges	**¥ 1,627**	¥ 121	**$ 19,567**
Accrued employees' pension and severance costs	**1,086**	1,173	**13,060**
Net loss carried forward	**741**	–	**8,911**
Accrued employees' bonus	**277**	279	**3,331**
Tangible fixed assets	**252**	–	**3,030**
Asset retirement obligations	**220**	–	**2,645**
Accrued enterprise tax	**163**	172	**1,960**
Reserve for loss on disaster	**149**	–	**1,791**
Elimination of intercompany profits	**122**	109	**1,467**
Inventories write-off	**80**	164	**962**
Write-down of investment securities	**–**	1,733	**–**
Other	**1,245**	722	**14,972**
Gross deferred tax assets	**5,965**	4,474	**71,737**
Less: Valuation allowance	**682**	418	**8,202**
Total deferred tax assets	**5,283**	4,056	**63,535**
Deferred tax liabilities:			
Mining right	**(1,262)**	–	**(15,177)**
Unrealized gains on other securities	**(606)**	(1,799)	**(7,288)**
Special tax-purpose reserve for condensed booking of tangible assets	**(19)**	(25)	**(228)**
Asset retirement obligations	**(8)**	–	**(96)**
Other	**(278)**	–	**(3,343)**
Total deferred tax liabilities	**(2,176)**	(1,825)	**(26,169)**
Net deferred tax assets	**¥ 3,106**	¥ 2,231	**$ 37,354**
Deferred tax liabilities:			
Deferred tax liabilities related to land revaluation	**¥ 5,779**	¥ 5,779	**$ 69,500**

The reconciliation between the statutory tax rate and the effective tax rate for the years ended March 31, 2011 and 2010 is not shown because the difference was less than 5% of the statutory tax rate.

12. Leases

As lessees:

As described in Note 1 (i), the Company and domestic consolidated subsidiaries accounted for finance leases which took place prior to April 1, 2008, and do not transfer ownership of the leased assets to the lessee, as operating leases.

The following pro forma amounts represent the acquisition cost, accumulated depreciation and net book value of the leased assets at March 31, 2011 and 2010 which would have been reflected in the consolidated balance sheets if these lease transactions had been accounted for as financing leases:

	March 31,		
	2011	2010	**2011**
	(Millions of yen)		*(Thousands of U.S. dollars)*
Acquisition cost of machinery and equipment	**¥ 125**	¥ 137	**$ 1,503**
Accumulated depreciation of machinery and equipment	**(88)**	(80)	**(1,058)**
Net book value	**¥ 37**	¥ 56	**$ 444**
Acquisition cost of furniture and fixtures	**¥ 46**	¥ 66	**$ 553**
Accumulated depreciation of furniture and fixtures	**(40)**	(52)	**(481)**
Net book value	**¥ 5**	¥ 14	**$ 60**

Future minimum lease payments (including the interest portion thereon) subsequent to March 31, 2011 for finance leases accounted for as operating leases are summarized as follows:

Year ending March 31,	*(Millions of yen)*	*(Thousands of U.S. dollars)*
2012	**¥ 20**	**$ 240**
2013 and thereafter	**22**	**264**
Net book value	**¥ 43**	**$ 517**

Lease payments relating to finance leases accounted for as operating leases in the accompanying consolidated financial statements for the years ended March 31, 2011 and 2010 totaled ¥28 million ($336 thousand) and ¥31 million, respectively. The pro forma depreciation of the assets leased under finance leases accounted for as operating leases for the years ended March 31, 2011 and 2010 amounted to ¥28 million ($336 thousand) and ¥31 million, respectively.

There were no impairment losses allocated to lease assets for the years ended March 31, 2011 and 2010.

13. Commitments and Contingent Liabilities

The Companies were contingently liable as guarantors for loans of other companies in the aggregate amount of ¥463 million ($5,568 thousand) and ¥614 million at March 31, 2011 and 2010, respectively.

The Company has entered into loan commitment agreements amounting to ¥5,600 million ($67,348 thousand) and ¥5,600 million with financial institutions at March 31, 2011 and 2010, respectively. The loans payable outstanding was zero, and therefore, the unused balance was ¥5,600 million ($67,348 thousand) and ¥5,600 million under the credit facilities as of March 31, 2011 and 2010, respectively.

The Company has repurchase obligation of ¥688 million ($8,274 thousand) in connection with securitization as of March 31, 2011.

14. Financial Instruments

Overview

(1) Policy for financial instruments

In consideration of plans for capital investment, the Company and its consolidated subsidiaries (collectively, the "Group") raise funds mainly through bank borrowings. The Group manages temporary cash surpluses through highly liquid financial assets. The Group raises short-term capital through bank borrowings and issuances of commercial papers. The Group uses derivatives for the purpose of reducing after-mentioned risks and does not enter into derivatives for speculative or trading purposes.

(2) Types of financial instruments and related risk

Trade receivables—trade notes and accounts receivable—are exposed to credit risk in relation to customers. In addition, the Group is exposed to foreign currency exchange risk arising from receivables denominated in foreign currencies. However, the foreign currency exchange risks deriving from the trade receivables denominated in foreign currencies are hedged by forward foreign exchange contracts.

Investment securities are exposed to market risk. Those securities are composed of the shares of common stock and bonds of other companies with which the Group has business relationships.

Substantially all trade payables—trade notes and accounts payable—have payment due dates within two months. Although the Group is exposed to foreign currency exchange risk arising from those payables denominated in foreign currencies, forward foreign exchange contracts are arranged to reduce risk.

Trade receivables and payables in connection with Smelting industry are exposed to commodity price fluctuation risks of London Metal Exchange ("LME"), but such risks are hedged by metal futures contracts.

Long-term debt is taken out principally for the purpose of making capital investments and its repayment dates extend up to 11 years from the balance sheet date. Although part of long-term debt is exposed to interest rate fluctuation risk, interest rate swaps are arranged to mitigate the risk.

Regarding derivatives, the Group enters into forward foreign exchange contracts to reduce the foreign currency exchange risk arising from the receivables and payables denominated in foreign currencies, metal futures contracts to reduce commodity price fluctuation risk of LME arising from the receivables and payables in connection with Smelting industry and interest rate swap transactions to reduce fluctuations risk deriving from interest payable for long-term debt. Information regarding the method of hedge accounting, hedging instruments and hedged items, hedging policy, and assessment of the effectiveness of hedging activities is found in Note 1 (f) (3).

(3) Risk management for financial instruments

(a) Monitoring of credit risk (the risk that customers or counterparties may default)

In accordance with the internal policies of the Group for managing credit risk arising from receivables, each related division monitors credit worthiness of their main customers periodically, and monitors due dates and outstanding balances by individual customer. In addition, the Group is making efforts to identify and mitigate risks of bad debts from customers who are having financial difficulties.

The Group also believes that the credit risk of derivatives is insignificant as it enters into derivative transactions only with financial institutions which have a sound credit profile.

(b) Monitoring of market risks (the risks arising from fluctuations in foreign exchange rates, commodity prices, interest rates and others)

For trade receivables and payables denominated in foreign currencies, the Group identifies the foreign currency exchange risk for each currency on a monthly basis and enters into forward foreign exchange contracts to hedge such risk. In order to mitigate commodity price fluctuation risks of LME for trade receivables and payables in connection with Smelting industry, the Group may enter into metal futures contracts. In order to mitigate the interest rate risk for interest payments of long-term debt, the Group may also enter into interest rate swap transactions.

For investment securities, the Group periodically reviews the fair values of such financial instruments and the financial position of the issuers. In addition, the Group continuously evaluates whether securities should be maintained taking into account their fair values and relationships with the issuers.

Derivative transactions are conducted and managed by the treasury personnel including Directors and each division in charge of each derivative transaction. Risk management is sufficiently made by making reports to management every time a transaction is executed as well as on a periodical basis.

(c) Monitoring of liquidity risk (the risk that the Group may not be able to meet its obligation on scheduled due dates)

Based on the report from each division and affiliates, the Group prepares and updates its cash flow plans on a timely basis and maintains liquid funds to manage liquidity risk.

(d) Supplementary explanation of the estimated fair value of financial instruments

The fair value of financial instruments is based on their quoted market price, if available. When there is no quoted market price available, fair value is reasonably estimated. Since various assumptions and factors are reflected in estimating the fair value, different assumptions and factors could result in different fair value. In addition, the notional amounts of derivatives in Note 17 *Derivative Transactions* are not necessarily indicative of the actual market risk involved in derivative transactions.

Estimated Fair Value of Financial Instruments

Carrying value of financial instruments on the consolidated balance sheet as of March 31, 2011 and 2010 and estimated fair value are shown in the following table. The following table does not include financial instruments for which it is extremely difficult to determine the fair value (Please refer to *Note 2* below).

	March 31, 2011		
	Carrying value	Estimated fair value	Difference
		(Millions of yen)	
(1) Cash and time deposits	**¥ 12,739**	**¥ 12,739**	**¥ –**
(2) Notes and accounts receivable, trade	**16,746**	**16,746**	**–**
(3) Investment securities	**4,068**	**4,068**	**–**
Total assets	**33,555**	**33,555**	**–**
(1) Notes and accounts payable, trade	**7,321**	**7,321**	**–**
(2) Short-term borrowings	**22,509**	**22,509**	**–**
(3) Long-term debt (*1)	**19,846**	**19,843**	**(2)**
Total liabilities	**49,677**	**49,674**	**(2)**
Derivatives (*2)	**¥ (4,106)**	**¥ (4,106)**	**¥ –**

	March 31, 2010		
	Carrying value	Estimated fair value	Difference
		(Millions of yen)	
(1) Cash and time deposits	¥ 12,216	¥ 12,216	¥ –
(2) Notes and accounts receivable, trade	17,161	17,161	–
(3) Investment securities	7,668	7,668	–
Total assets	37,047	37,047	–
(1) Notes and accounts payable, trade	6,227	6,227	–
(2) Short-term borrowings	22,478	22,478	–
(3) Current portion of long-term debt	6,031	6,089	57
(4) Long-term debt	2,896	2,880	(16)
Total liabilities	37,633	37,675	41
Derivatives (*2)	¥ (297)	¥ (297)	¥ –

	March 31, 2011		
	Carrying value	Estimated fair value	Difference
	(Thousands of U.S. dollars)		
(1) Cash and time deposits	**$ 153,205**	**$ 153,205**	**$ –**
(2) Notes and accounts receivable, trade	**201,395**	**201,395**	**–**
(3) Investment securities	**48,923**	**48,923**	**–**
Total assets	**403,547**	**403,547**	**–**
(1) Notes and accounts payable, trade	**88,045**	**88,045**	**–**
(2) Short-term borrowings	**270,703**	**270,703**	**–**
(3) Long-term debt (*1)	**238,677**	**238,641**	**(24)**
Total liabilities	**597,438**	**597,402**	**(24)**
Derivatives (*2)	**$ (49,380)**	**$ (49,380)**	**$ –**

(*1) Current portion of long-term debt is included in long-term debt at March 31, 2011.

(*2) The value of assets and liabilities arising from derivatives is shown at net value, and with amounts in parentheses representing net liability positions.

Notes:

1. Methods to determine the estimated fair value of financial instruments and other matters related to securities and derivative transactions

Assets

(1) *Cash and time deposits* and (2) *Notes and accounts receivable, trade*

Since these items are settled in a short period of time, their carrying value approximates fair value.

(3) *Investment securities*

The fair value of stocks is based on quoted market prices. The fair value of debt securities as of March 31, 2010 is based on quoted market prices. For information on securities classified by holding purpose, please refer to Note 15 *Investment Securities* of the notes to the consolidated financial statements.

Liabilities

(1) *Notes and accounts payable, trade* and (2) *Short-term borrowings*

Since these items are settled in a short period of time, their carrying value approximates fair value.

(3) *Current portion of long-term debt* and (4) *Long-term debt*

The fair value of long-term debt is based upon the present value of the total of principle and interest discounted by the interest rate to be applied if similar new borrowings were entered into.

Derivative transactions

Please refer to Note 17 *Derivative Transactions* of the notes to the consolidated financial statements.

2. Financial instruments for which it is extremely difficult to determine the fair value

	March 31,					
	2011		2010		**2011**	
	(Millions of yen)				*(Thousands of U.S. dollars)*	
Unlisted stocks	**¥**	**1,005**	¥	1,005	**$**	**12,086**

Because no quoted market price is available and it is extremely difficult to determine the fair value, the above financial instruments are not included in the above table.

3. Redemption schedule for receivables at March 31, 2011

	March 31, 2011							
	Due in one year or less		Due after one year through five years		Due after five years through ten years		Due after ten years	
	(Millions of yen)							
Cash and time deposits	**¥**	**12,616**	**¥**	**–**	**¥**	**–**	**¥**	**–**
Notes and accounts receivable, trade		**16,746**		**–**		**–**		**–**
Total	**¥**	**29,363**	**¥**	**–**	**¥**	**–**	**¥**	**–**

	March 31, 2011							
	Due in one year or less		Due after one year through five years		Due after five years through ten years		Due after ten years	
	(Thousands of U.S. dollars)							
Cash and time deposits	**$**	**151,725**	**$**	**–**	**$**	**–**	**$**	**–**
Notes and accounts receivable, trade		**201,395**		**–**		**–**		**–**
Total	**$**	**353,132**	**$**	**–**	**$**	**–**	**$**	**–**

4. The redemption schedule for long-term debt is disclosed in Note 7.

15. Investment Securities

The Company classified investment securities other than those of subsidiaries and affiliates into two categories: held-to-maturity securities or other securities.

The aggregate cost and fair value (carrying value) of marketable securities that were included in investment securities at March 31, 2011 and 2010 were as follows:

	March 31, 2011		
	Cost	Fair value (carrying value)	Unrealized gains (losses)
		(Millions of yen)	
Securities for which fair value exceeds cost:			
Equity securities	**¥ 1,690**	**¥ 3,353**	**¥ 1,662**
Securities for which cost exceeds fair value:			
Equity securities	**857**	**714**	**(143)**
Total	**¥ 2,548**	**¥ 4,068**	**¥ 1,519**

	March 31, 2010		
	Cost	Fair value (carrying value)	Unrealized gains (losses)
		(Millions of yen)	
Securities for which fair value exceeds cost:			
Equity securities	¥ 1,775	¥ 3,646	¥ 1,871
Debt securities	704	3,373	2,668
Securities for which cost exceeds fair value:			
Equity securities	728	647	(80)
Total	¥ 3,207	¥ 7,668	¥ 4,460

	March 31, 2011		
	Cost	Fair value (carrying value)	Unrealized gains (losses)
		(Thousands of U.S. dollars)	
Securities for which fair value exceeds cost:			
Equity securities	**$ 20,324**	**$ 40,324**	**$ 19,987**
Securities for which cost exceeds fair value:			
Equity securities	**10,306**	**8,586**	**(1,719)**
Total	**$ 30,643**	**$ 48,923**	**$ 18,268**

As at March 31, 2011 and 2010, non-marketable equity securities amounting to ¥913 million ($10,980 thousand) and ¥913 million, respectively, were not included in the above table because there were no quoted market prices available and they are extremely difficult to determine the fair value.

For the year ended March 31, 2010, the Company recognized ¥321 million of impairment losses for marketable securities. In the impairment of relevant equity and bond securities, in the case that the market value at the end of the year is lower than the acquisition cost by 50% or more, impairment losses are recognized for all carrying values of securities; and in the case that the market value is lower than the acquisition cost by around 30 to 50%, impairment losses are recognized for the amount deemed necessary after taking into consideration factors such as the materiality and recoverability of the amount.

Sales of equity securities classified as other securities and the aggregate gain and loss for the year ended March 31, 2011 were as follows.

	Year Ended March 31, 2011	
	(Millions of yen)	*(Thousands of U.S. dollars)*
Sales proceeds	**¥ 69**	**$ 829**
Aggregate gain	**41**	**493**
Aggregate loss	**5**	**60**

16. Cash and Cash Equivalents

Cash and cash equivalents at March 31, 2011 and 2010 were composed of the followings:

	March 31,		
	2011	2010	**2011**
	(Millions of yen)		*(Thousands of U.S. dollars)*
Cash and time deposits	**¥ 12,739**	¥ 12,216	**$ 153,205**
Less:			
Time deposits with a maturity of more than three months when purchased	**(5)**	(15)	**(60)**
Cash and cash equivalents	**¥ 12,734**	¥ 12,201	**$ 153,144**

17. Derivative Transactions

(1) Summarized below are the notional amounts and the estimated fair value of the derivative instruments outstanding at March 31, 2011, for which hedged accounting has not been applied.

(a) Currency-related transactions

	March 31, 2011			
	Notional amount			
	Contract amount	Maturing after one year	Fair value	Unrealized Gain (Loss)
	(Millions of yen)			
OTC transactions:				
Forward foreign exchange contracts				
Sell:				
USD	**¥ 13**	**¥ –**	**¥ (0)**	**¥ (0)**
Total	**¥ 13**	**¥ –**	**¥ (0)**	**¥ (0)**

Note: The measurement of fair value is based on prices obtained from financial institutions and others.

	March 31, 2011			
	Notional amount			
	Contract amount	Maturing after one year	Fair value	Unrealized Gain (Loss)
	(Thousands of U.S. dollars)			
OTC transactions:				
Forward foreign exchange contracts				
Sell:				
USD	**$ 156**	**$ –**	**$ (0)**	**$ (0)**
Total	**$ 156**	**$ –**	**$ (0)**	**$ (0)**

No currency-related transaction as of March 31, 2010.

(b) Commodity-related transactions

	March 31, 2011			
	Notional amount			
	Contract amount	Maturing after one year	Fair value	Unrealized Gain (Loss)
	(Millions of yen)			
OTC transactions:				
Commodity futures contracts				
Sell:				
Metals	**¥ 691**	**¥ –**	**¥ (107)**	**¥ (107)**
Total	**¥ 691**	**¥ –**	**¥ (107)**	**¥ (107)**

Note: The measurement of fair value is based on prices obtained from counterparties of the contracts and others.

	March 31, 2011			
	Notional amount			
	Contract amount	Maturing after one year	Fair value	Unrealized Gain (Loss)
	(Thousands of U.S. dollars)			
OTC transactions:				
Commodity futures contracts				
Sell:				
Metals	**$ 8,310**	**$ –**	**$ (1,286)**	**$ (1,286)**
Total	**$ 8,310**	**$ –**	**$ (1,286)**	**$ (1,286)**

No commodity-related transactions as of March 31, 2010.

(2) Summarized below are the notional amounts and the estimated fair value of the derivative instruments outstanding at March 31, 2011 and 2010, for which hedged accounting has been applied.

(a) Currency-related transactions

No currency-related transactions as of March 31, 2011.

	March 31, 2010		
	Notional amount		
	Contract amount	Maturing after one year	Fair value
	(*Millions of yen*)		
Forward foreign exchange contracts, accounted for as part of accounts receivable:			
Sell:			
USD	¥ 24	¥ –	¥ (0)
Total	¥ 24	¥ –	¥ (0)

Note: The measurement of fair value is based on prices obtained from financial institutions and others.

(b) Interest-related transactions

	March 31, 2011		
	Notional amount		
	Contract amount	Maturing after one year	Fair value
	(*Millions of yen*)		
Interest rate swaps hedging long-term debt, accounted for by short-cut method:			
Receive/floating and pay/fixed	**¥ 6,992**	**¥ 6,541**	***(Note)***
Total	**¥ 6,992**	**¥ 6,541**	

	March 31, 2010		
	Notional amount		
	Contract amount	Maturing after one year	Fair value
	(*Millions of yen*)		
Interest rate swaps hedging long-term debt, accounted for by short-cut method:			
Receive/floating and pay/fixed	¥ 2,540	¥ 460	*(Note)*
Total	¥ 2,540	¥ 460	

Note: Interest rate swaps, to which the matching criteria is applied, is accounted for together with long-term debt designated as a hedged item (“short-cut method”), therefore, their fair values are included in the fair value of long-term debt.

	March 31, 2011		
	Notional amount		
	Contract amount	Maturing after one year	Fair value
	(Thousands of U.S. dollars)		
Interest rate swaps hedging long-term debt, accounted for by short-cut method:			
Receive/floating and pay/fixed	**$ 84,088**	**$ 78,665**	***(Note)***
Total	**$ 84,088**	**$ 78,665**	

(c) Commodity-related transactions

	March 31, 2011		
	Notional amount		
	Contract amount	Maturing after one year	Fair value
	(Millions of yen)		
Commodity futures contracts, accounted for as part of raw materials and finished goods:			
Sell: Metals	**¥ 10,910**	**¥ –**	**¥ (3,998)**
Total	**¥ 10,910**	**¥ –**	**¥ (3,998)**

	March 31, 2010		
	Notional amount		
	Contract amount	Maturing after one year	Fair value
	(Millions of yen)		
Commodity futures contracts, accounted for as part of raw materials and finished goods:			
Sell: Metals	¥ 12,497	¥ –	¥ (296)
Total	¥ 12,497	¥ –	¥ (296)

Note: The measurement of fair value is based on prices obtained from counterparties and others.

	March 31, 2011		
	Notional amount		
	Contract amount	Maturing after one year	Fair value
	(Thousands of U.S. dollars)		
Commodity futures contracts, accounted for as part of raw materials and finished goods:			
Sell: Metals	**$ 131,208**	**$ –**	**$ (48,081)**
Total	**$ 131,208**	**$ –**	**$ (48,081)**

18. Related Party Transactions

The Company owns 25.9% and 23.0% of outstanding shares of CBH Resources Ltd. (hereinafter "CBH"), which operates mining business for the fiscal years ended March 31, 2011 and 2010, respectively.

The transactions and account balances with CBH were as follows:

- Transactions

	Year ended March 31,		
	2011	2010	**2011**
	(Millions of yen)		*(Thousands of U.S. dollars)*
Redemption of bonds			
Redemption proceeds	**¥ 7,517**	¥ –	**$ 90,402**
Gain on redemption	**3,213**	–	**38,641**
Interests	**66**	323	**793**

- Account balances

	March 31,		
	2011	2010	**2011**
	(Millions of yen)		*(Thousands of U.S. dollars)*
Long-term loans receivable	**¥ –**	¥ 1,361	**$ –**
Investment securities	–	3,373	–
Other current assets	–	167	–

Notes 1. CBH, which was an affiliate accounted for using the equity method for the year ended March 31, 2010, has become a consolidated subsidiary due to the Company's acquisition of additional shares during the year ended March 31, 2011. Therefore, the above table only includes the information for the period when CBH was an affiliate.

2. Loan and convertible bonds to CBH as of March 31, 2010 were redeemed before their maturities. Terms and interest rates of such loan and convertible bonds to CBH whose repayment period was 5 years were determined under general market conditions.

19. Business Combination

On July 1, 2010, the Company acquired, in exchange for cash, 74.12% or 817,357 thousand shares of 1,101,217 thousand outstanding voting common shares of CBH Resources Limited (hereinafter "CBH"), which was previously an affiliate accounted for using the equity method, and made CBH a wholly-owned subsidiary. CBH engages in the business of natural resources in Australia. This acquisition was made to ensure a stable supply of ore material, which is one of the mid- and long-term management challenges of the Company.

The Company accounted for CBH using the equity method from January 1, 2010 to June 30, 2010. CBH's results of operation for the period from July 1, 2010 to December 31, 2010 were included in the consolidated statement of income for the year ended March 31, 2011. For the consolidation purpose, the Company used the financial accounts of CBH as of December 31, 2010 and made necessary adjustments for significant transactions during the period from January 1, 2011 to March 31, 2011.

The following table summarizes the acquisition cost of CBH.

	(Millions of yen)	*(Thousands of U.S. dollars)*
Fair value of CBH's shares (25.88%) originally held at acquisition date	¥ 5,114	$ 61,503
Consideration paid for acquisition of 74.12% of CBH's shares	14,755	177,450
Direct cost of acquisition – Advisory fees, etc.	32	384
Total acquisition cost	¥ 19,902	$ 239,350

Difference between the total acquisition cost and total cost of acquisitions by individual transaction amounted to ¥3,168 million ($38,099 thousand).

Assets acquired and liabilities assumed at acquisition date are as follows:

	(Millions of yen)	*(Thousands of U.S. dollars)*
Current assets	¥ 4,491	$ 54,010
Non-current assets	30,248	363,776
Total assets acquired	34,740	417,799
Current liabilities	1,798	21,623
Non-current liabilities	13,591	163,451
Total liabilities assumed	15,389	185,075
Net assets acquired	¥ 19,350	$ 232,711

Goodwill, amounting to ¥552 million ($6,638 thousand), was recognized since the fair value of net assets was below the acquisition cost at acquisition date. The goodwill is amortized using the straight-line method over 16 years.

The following summarizes the cash payment for acquisition.

	(Millions of yen)	*(Thousands of U.S. dollars)*
The acquisition cost	¥ 19,902	$ 239,350
Amount of CBH's shares originally held	(4,731)	(56,897)
Cash and cash equivalent of CBH	(3,177)	(38,208)
Net cash payment made for acquisition of CBH	¥ 11,993	$ 144,233

It is very difficult to estimate the impact on the consolidated statement of operations for the year ended March 31, 2011 as if this business combination had been completed at the beginning of the fiscal year since fair value assumptions have significant impact on such estimates. Thus, the Company has omitted the estimate and disclosure of such impact.

20. Segment Information

Effective April 1, 2010, the Company and its consolidated subsidiaries have applied the "Accounting Standard for Disclosures about Segments of an Enterprise and Related Information" (Statement No. 17 issued by ASBJ on March 27, 2009) and the "Guidance on Accounting Standard for Disclosures about Segments of an Enterprise and Related information" (Guidance No. 20 issued by ASBJ on March 21, 2008).

(1) Overview of reportable segments

The Company defines reportable segments as a component of the Company for which separate financial information is available and whose operating results are regularly evaluated by the Board of Directors to make decisions about how resources are allocated and assess its performance.

Operating departments of the Company and its consolidated subsidiaries are organized according to products and services, and each department of the Company and its consolidated subsidiaries develops and implements comprehensive domestic and overseas strategies for its products and services. Thus, reportable segments of the Company are determined based on such operating departments; namely, Smelting, Electronic Components and Materials, Environment and Recycling, and Mineral Resource organized based on CBH, a consolidated subsidiary.

The Company previously had three reportable segments: Smelting, Electronic Components and Materials, Environment and Recycling. Effective October 1, 2010, a new reportable segment of Mineral Resource has been newly established by the acquisition of full ownership of CBH.

The Company operates in the following segments:

- Smelting segment engages in sales and production of zinc, lead, electric silver and sulfuric.
- Mineral Resource segment engages in exploration, development and production of non-ferrous metals resources and sales of their output.
- Electronic Components and Materials segment engages in sales and production of electronic parts, electrolytic iron, plating and machine parts.
- Environment and Recycling segment engages in sales and production of zinc oxide and recycling of waste materials.

(2) Basis of measurement for the amounts of net sales, profit or loss, assets and other items for each reportable segment

The accounting policies of each reportable segment are consistent to those described in Note 1 *Summary of Significant Accounting Policies*. The measure of segment profit is operating income, and intersegment sales are accounted for based on prices of ordinary transactions with independent third parties.

(3) Information about net sales, profit or loss, assets and other items

Year ended March 31, 2011

	Reportable segment								
	Smelting	Mineral Resource	Electronic Compon-ents and Materials	Environ-ment and Recycling	Total	Other *(Note 1)*	Total	Reconcili-ation *(Note 2, 4)*	Amounts on consolidated financial statements *(Note 3)*
					(Millions of yen)				
Net sales:									
External customers	¥ 72,921	¥ 3,709	¥ 8,129	¥ 4,848	¥ 89,609	¥ 14,019	¥ 103,628	¥ –	¥ 103,628
Inter-segment	3,872	1,644	211	2	5,731	6,217	11,949	(11,949)	–
Total	76,793	5,354	8,341	4,851	95,340	20,236	115,577	(11,949)	103,628
Segment profit (loss)	5,720	(295)	1,050	995	7,470	1,450	8,921	(423)	8,497
Segment assets	61,124	32,893	10,407	5,249	109,676	6,941	116,617	24,390	141,007
Other items									
Depreciation and amortization	¥ 2,180	¥ 981	¥ 394	¥ 359	¥ 3,916	¥ 135	¥ 4,052	¥ 108	¥ 4,160
Increase in property, plant and equipment and intangible assets	7,100	1,363	165	248	8,879	72	8,952	52	9,004
Impairment losses on fixed assets	–	114	–	–	–	–	–	397	512
Amortization of goodwill	–	17	–	–	–	–	–	–	17
Unamortized balance of goodwill	–	571	–	–	–	–	–	–	571

Year ended March 31, 2010

	Reportable segment								
	Smelting	Mineral Resource	Electronic Compon-ents and Materials	Environ-ment and Recycling	Total	Other *(Note 1)*	Total	Reconcili-ation *(Note 2)*	Amounts on consolidated financial statements *(Note 3)*
					(Millions of yen)				
Net sales:									
External customers	¥ 61,300	¥ –	¥ 6,461	¥ 4,274	¥ 72,036	¥ 11,555	¥ 83,592	¥ –	¥ 83,592
Inter-segment	2,962	–	191	32	3,186	4,491	7,678	(7,678)	–
Total	64,262	–	6,653	4,307	75,223	16,047	91,270	(7,678)	83,592
Segment profit (loss)	5,996	–	402	802	7,202	1,339	8,541	(240)	8,301
Segment assets	62,600	–	11,208	6,275	80,085	5,441	85,527	27,296	112,823
Other items									
Depreciation and amortization	¥ 2,253	¥ –	¥ 436	¥ 391	¥ 3,081	¥ 9	¥ 3,091	¥ 92	¥ 3,184
Increase in property, plant and equipment and intangible assets	3,027	–	157	176	3,360	69	3,430	61	3,491

	Year ended March 31, 2011								
	Reportable segment								
	Smelting	Mineral Resource	Electronic Components and Materials	Environment and Recycling	Total	Other *(Note 1)*	Total	Reconciliation *(Note 2, 4)*	Amounts on consolidated financial statements *(Note 3)*
	(Thousands of U.S. dollars)								
Net sales:									
External customers	$ 876,981	$ 44,606	$ 97,763	$ 58,304	$ 1,077,678	$ 168,598	$ 1,246,277	$ –	$ 1,246,277
Inter-segment	46,566	19,771	2,537	24	68,923	74,768	143,704	(143,704)	–
Total	923,547	64,389	100,312	58,340	1,146,602	243,367	1,389,981	(143,704)	1,246,277
Segment profit (loss)	68,791	(3,547)	12,627	11,966	89,837	17,438	107,288	(5,087)	102,188
Segment assets	735,105	395,586	125,159	63,126	1,319,013	83,475	1,402,489	293,325	1,695,814
Other items									
Depreciation and amortization	$ 26,217	$ 11,797	$ 4,738	$ 4,317	$ 47,095	$ 1,623	$ 48,731	$ 1,298	$ 50,030
Increase in property, plant and equipment and intangible assets	85,387	16,392	1,984	2,982	106,782	865	107,660	625	108,286
Impairment losses on fixed assets	–	1,371	–	–	–	–	–	4,774	6,157
Amortization of goodwill	–	204	–	–	–	–	–	–	204
Unamortized balance of goodwill	–	6,867	–	–	–	–	–	–	6,867

Notes 1. "Other" represents business segments not belonging to reportable segments and includes sound insulation building materials, civil engineering, construction and plant engineering, transportation, environmental analysis and others.

2. "Reconciliation" includes the followings.

	Year ended March 31,		
	2011	2010	**2011**
	(Millions of yen)		*(Thousands of U.S. dollars)*
Segment profit (loss):			
Inter-segment elimination	**¥ 43**	¥ 26	**$ 517**
Corporate expense (*)	**(467)**	(267)	**(5,616)**
Total	**¥ (423)**	¥ (240)	**$ (5,087)**

(*) "Corporate expense" presents mainly general and administrative expenses that are not allocated to each reportable segment.

	Year ended March 31,		
	2011	2010	**2011**
	(Millions of yen)		*(Thousands of U.S. dollars)*
Segment assets:			
Corporate assets (*)	**¥ 24,390**	¥ 27,296	**$ 293,325**

(*) "Corporate assets" presents mainly the Company's investments of excess funds including cash and investment securities and assets relating to administrative divisions.

Other items:	Year ended March 31, 2011 (Millions of yen)	2010 (Millions of yen)	2011 (Thousands of U.S. dollars)
Depreciation and amortization	**¥ 108**	¥ 92	**$ 1,298**
Increase in property, plant and equipment and intangible assets (*)	**52**	61	**625**

(*) "Increase in property, plant and equipment and intangible assets" presents mainly capital expenditures that do not belong to reportable segments.

3. Segment profit or loss is reconciled to operating income on the consolidated statement of income.

4. "Reconciliation" of impairment losses on fixed assets, amounting to ¥397 million ($4,774 thousand) of which ¥382 million ($4,594 thousand) is included in loss on disaster, presents impairment losses on fixed assets that do not belong to reportable segments.

(4) Related information

(a) Information by products and services

Information by products and services has been omitted for the year ended March 31, 2011 since it is consistent to the information disclosed in segment information described above.

(b) Information by geographical area

Net sales information by geographical area has been omitted for the year ended March 31, 2011 since net sales to external customer in Japan exceed 90% of the consolidated sales.
Property, plant and equipment information by geographical area as of March 31, 2011 is as follows.

	(Millions of yen)	*(Thousands of U.S. dollars)*
Japan	**¥ 39,247**	**$ 472,002**
Australia	**6,650**	**79,975**
Total	**¥ 45,898**	**$ 551,990**

(c) Information by major customers

Information by major customers has been omitted since there was no single external customer accounting for 10% or more of the consolidated sales for the year ended March 31, 2011.

For the year ended March 31, 2010

Business segment information

Information about the business segments of the Companies for the years ended March 31, 2010 is as follows:

	Year ended March 31, 2010					
	Business segment				Eliminations and corporate	Consolidated
	Industry A	Industry B	Industry C	Other		
	(Millions of yen)					
Net sales:						
Customers	¥ 63,513	¥ 6,646	¥ 4,798	¥ 8,632	¥ –	¥ 83,592
Inter-segment	646	2	53	3,882	(4,584)	–
Total	64,160	6,649	4,852	12,515	(4,584)	83,592
Cost and expenses	58,230	6,234	4,037	11,212	(4,424)	75,290
Operating income (loss)	5,929	414	814	1,302	(160)	8,301
Total assets	62,744	11,208	6,275	5,441	27,152	112,823
Depreciation and amortization	2,265	436	391	9	81	3,184
Impairment loss of fixed assets	345	58	14	–	–	418
Capital expenditures	¥ 3,027	¥ 157	¥ 176	¥ 69	¥ 61	¥ 3,491

Notes The business segment is determined by the similarity of primary products including type, nature, manufacturing and marketing process.

The primary products of each business segment are as follows:

- Industry A, the Smelting industry, consists of mainly zinc, lead, electric silver and sulfuric acid etc.;
- Industry B, the Electronic Components and Materials industry, consists of electronic parts, electrolytic iron, plating and machine parts etc.;
- Industry C, the Environment and Recycling industry, consists of Zinc oxide etc.; and,
- Other consists of Soundproofing construction materials etc.

Of *Cost and expenses*, the amount of unallocated cost and expenses corresponding to the administrative department of the parent company, which is included in *Eliminations and corporate,* was ¥187 million for the year ended March 31, 2010.

Of *Total assets*, the amount of corporate assets included in *Eliminations and corporate* was ¥27,152 million for the year ended March 31, 2010. This amount primarily consisted of excess funds such as cash or securities and other assets corresponding to the administrative department.

Geographical segment information

Information about geographical segments for the year ended March 31, 2010 has been omitted since sales and assets in Japan were more than 90% of the total consolidated sales and assets.

Overseas sales information

Information about overseas sales for the year ended March 31, 2010 has also been omitted since overseas sales were less than 10% of the consolidated sales.

21. Subsequent Events

For the year ended March 31, 2011

In February, 2011, CBH Resources Ltd. (hereinafter "CBH"), a consolidated subsidiary of the Company, sold its subsidiary, CBH Sulphur Springs Pty Ltd. retaining mining rights to copper-zinc mine at Panorama in Western Australia to Venturex Resources Ltd. (hereinafter "Venturex") located in Western Australia.

This sale was made since CBH had determined that this sale agreement with Venturex, which is an owner of mines in nearby areas, could facilitate development of this mine area rather than continuing its standalone development in Panorama. The sales price was AUD 26.2 million (approximately ¥ 2,148 million).

As a result of this sale, the Company is expecting to record gain on transfer of business of AUD 12.2 million (approximately ¥1,003 million) under other income for the year ending March 31, 2012. The effect on net income would be AUD 4.3 million (approximately ¥359 million).

The Company is granted zinc off-take rights capped at total 230,000t (zinc metal) of zinc in zinc concentrate expected to be produced when Venturex develops copper-zinc mine at Panorama in the future. This quantity is equivalent to the whole estimated zinc output from zinc concentrate from Panorama.