

SMM decided to proceed with Taganito Project

Sumitomo Metal Mining Co., Ltd. (SMM) has reached a decision to proceed with a project to produce nickel/cobalt mixed sulfide in Taganito, the northeastern region of Mindanao Island in the Philippines. In tandem with its decision, SMM has concluded a memorandum of understanding on the joint implementation of the project with Nickel Asia Corporation (NAC: Manuel B. Zamora, Jr., Chairman), the Philippines' largest nickel mining company.

The Taganito Project is planned as a large-scale hydrometallurgical project that will apply high-pressure acid leaching (HPAL) process, a technology today garnering attention worldwide. The project is to produce 30,000t (nickel metal equivalent) of nickel/cobalt mixed sulfide (nickel content: approximately 57%) per year from low-grade nickel oxide ore from the Taganito Mining Corporation (Gerard H. Brimo, President), a NAC subsidiary. The project's total investment outlay is estimated at US\$1.3 billion. Plans call for operations to commence in 2013 and continue over a period of 30 years.

NAC is the largest nickel mining company in the Philippines, a country boasting one of the world's biggest known reserves of nickel resources, and is also one of the most important strategic partners of SMM. NAC has another subsidiary, Rio Tuba Nickel Mining Corporation, which is a shareholder of and supplies nickel ore to Coral Bay Nickel Corporation (CBNC: Takanori Fujimura, President), an SMM subsidiary. In August 2009, SMM made a capital investment into NAC and acquired a 16.5% stake. Under the framework of these companies' alliance, SMM will now move solidly forward the Taganito Project.

HPAL technology enables the recovery of nickel and cobalt from low-grade nickel oxide ore. Previously, recovery of valuable metals from such ore had been difficult.

SMM today ranks as a global leader in this technology. In April 2009, the second production plant at CBNC was successfully launched on full operation, boosting annual production capacity to 22,000t. With promotion of the Taganito Project applying HPAL technology, SMM will achieve comprehensive capacity to produce 100,000t of nickel annually – not only solidifying its position as one of the world’s leading nickel producer but also bringing the company increasingly closer to becoming a major player in non-ferrous metals.

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