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News Release

Sumitomo Metal Mining Co., Ltd.

Electrolytic Nickel Production Capacity Increase

Sumitomo Metal Mining Co., Ltd. (SMM) has decided to increase the electrolytic nickel production capacity of its Niihama Nickel Refinery (Niihama, Ehime Prefecture, Japan) from the current 41,000 tons per year to 65,000 tons per year in 2013.

SMM announced in its 2009 3 Year Business Plan its intention to expand and enhance its nickel operations in order to cement its position as a world leader in nickel business. Accordingly, work began in 2009 on the Taganito project (a project to construct a large scale nickel refining plant based on HPAL (*1) technology in Mindanao, the Republic of the Philippines) and is scheduled to start production of MS (*2) through its subsidiary company Taganito HPAL Nickel Corporation (THPAL) in 2013. Along with the THPAL commencement of MS (nickel production capacity: 30,000 tons per year) production, SMM has decided the production capacity of its nickel plant will be increased as follows.

1. Products and production capacity

Post enhancement production capacity: electrolytic nickel 65,000 tons per year / electrolytic cobalt 4,500 tons per year

Current production capacity: electrolytic nickel 41,000 tons per year / electrolytic cobalt 2,000 tons per year

2. Total investment outlay

14billion yen (scheduled for investment over three years between 2011 and 2013)

3. completion of plant

2013 Q1 (planned)

*1 HPAL: High Pressure Acid Leach: A technology used to retrieve nickel and cobalt from low grade nickel-oxide ore, something which was previously difficult to accomplish. SMM began full production using this technology in 2005 on Palawan Island in the Philippines through Coral Bay Nickel Corporation, and is the global leader in this field of technology.

*2 MS: Nickel/Cobalt Mixed Sulfide: An intermediary nickel product with a nickel grade of approximately 60% which forms the raw material for electrolytic nickel production at Niihama Nickel Refinery.

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