

January 31, 2013

Press Release

Sumitomo Metal Mining Co., Ltd.

## Implementation of Pre-Feasibility Study and Commencement of Environmental Impact Assessment for Nickel HPAL Plant Construction in Indonesia

Sumitomo Metal Mining Co., Ltd. (“SMM”, Headquarters: Minato-ku, Tokyo, President and Representative Director: Nobumasa Kemori) along with PT Vale Indonesia Tbk. (“PTVI”, Headquarters: Jakarta) of Indonesia, in which SMM holds shares, have jointly implemented a pre-feasibility study regarding the viability of a construction plan for a nickel processing plant using the HPAL (High Pressure Acid Leaching) method in Indonesia (“this plan”), and in parallel with this, have commenced an environmental impact assessment for this plan in accordance with regulations defined by the Indonesian government.

PTVI owns the concession for the Pomalaa area of Kolaka Regency in Indonesia’s Southeast Sulawesi province, and has plans for the new development of a mine and construction of a processing plant, which recovers nickel and cobalt from low-grade nickel oxide ores.

SMM is participating in the pre-feasibility study to investigate the viability of the construction of a processing plant.

SMM is the global leader of HPAL technology which processes low-grade nickel oxide ores, and has a track record of successful commercial production of intermediate nickel products through Coral Bay Nickel Corporation (Headquarters: Rio Tuba, Palawan, President: Takanori Fujimura). SMM has capital participation in PTVI since 1988, and is securing the nickel matte for electrolytic nickel production of SMM. Should this plan lead to commercialization, it is expected that the companies will jointly invest in the establishment of a new company and shall construct and operate a plant employing HPAL technology, with SMM as the operating partner.

SMM expects that this plan will contribute to achieving the expansion of nickel supply to 150,000 tons set out as a long-term vision in the 2009 3-Year Business Plan.

(Reference)

1. Overview of PT Vale Indonesia

1) Trade name: PT Vale Indonesia Tbk. (Indonesian corporation, Headquarters: Jakarta)

2) Representative: Nicolaas D.Kanter

3) Description of business:

Exploration for nickel ore and nickel processing (operates the Sorowako mine and smelter which SMM purchases nickel matte from)

4) Equity: USD 136,410,000

5) Shareholders: Vale Canada Limited (59.28%), SMM (20.09%), Others (20.63%)

## 2. Positional map of Pomalaa area



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