

### Chromium Recovery Pilot Plant

Sumitomo Metal Mining Co., Ltd. (SMM) has decided to construct a pilot plant to recover chromium\*<sup>1</sup> from nickel ore through Coral Bay Nickel Corporation (CBNC), its majority owned subsidiary located on Palawan Island in the Philippines, and commence operations from September 2013.

Using HPAL\*<sup>2</sup> technology, SMM produces nickel-cobalt mixed sulfides\*<sup>3</sup> through CBNC. The raw material for this process is nickel ore, which contains iron, chromium, and other valuable metals as well as nickel and cobalt. However, only nickel and cobalt are currently recovered and the remaining material is disposed of in landfills.

Through research and development aimed at recovering these valuable metals, SMM has established technology for the separation and recovery of chromium from nickel ore as chromite\*<sup>4</sup>. Based on this technology, SMM is currently in the process of constructing a pilot plant for the recovery of chromite at CBNC, and shall commence operations from September 2013. The planned annual production volume of chromite at the pilot plant is approximately 10,000 tons.

Through its majority owned subsidiary Taganito HPAL Nickel Corporation (THPAL) located in Makati City in the Philippines, SMM plans to commence operations in fall 2013 at a second plant on Mindanao Island producing nickel-cobalt mixed sulfides using HPAL technology. Based on the operational results of the CBNC pilot plant, SMM is planning to construct a commercial-scale chromite recovery plant at THPAL.

SMM shall henceforth continue to make efforts towards the efficient recovery of valuable metals.

\*<sup>1</sup> Chromium(chemical symbol Cr): Mainly used as an additive for stainless steel and other specialty steels, chromium is a rare metal that has a high melting point and a high resistance to oxidization. An increase in demand for chromium is expected along with the increase in production of stainless and other steels mainly in developing countries. 75% of the raw material, chromium ore, is produced in South Africa, Kazakhstan, and India.

\*<sup>2</sup> HPAL: High Pressure Acid Leach

\*<sup>3</sup> Nickel-cobalt mixed sulfides: These are intermediate products for the production of materials including electrolytic nickel, and have a nickel grade of approximately 55% and cobalt grade of approximately 4% respectively. SMM processes all of these mixed sulfides at its nickel refinery (Niihama City, Ehime Prefecture, Japan) where they are processed into electrolytic nickel and electrolytic cobalt products.

\*<sup>4</sup> Chromite: Chromite is an iron chromium oxide mineral whose main components include chromium, iron, and magnesium. Most chromite has an chromic oxide grade of 40% to 50%, with the grade of chromic oxide in chromite recovered by CBNC being approximately 45%.

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