

### **Feasibility Study Contract Concluded for Taganito Project**

Sumitomo Metal Mining Co., Ltd. (SMM: Minato-ku, Tokyo/President: Koichi Fukushima) and Taganito Mining Corporation of the Philippines (TMC: Manila/President: Salvador B. Zamora II) signed an agreement today under which the two companies agreed to jointly study the feasibility of a nickel smelting project in the Taganito region, in the northeastern sector of Mindanao Island.

The Taganito Project is planned as a large-scale smelting project that will apply high-pressure acid leaching (HPAL), a technology today garnering worldwide attention. If the results of the feasibility study prove favorable, SMM and TMC will establish a joint-venture company in 2008 and construct an HPAL plant on property adjacent to the Taganito Mine. Plans call for the production of 30,000t (equivalent in metal nickel) of nickel/cobalt mixed sulfide (nickel content: approx. 57%) per year, with the raw material to consist primarily of low-grade nickel oxide ore produced at the Taganito Mine. The project's total investment outlay is estimated to exceed \$1 billion. Operations are expected to commence in 2012 and continue over a period of roughly 30 years.

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 based on the company's success in the Coral Bay Nickel Project, also in the Philippines. Presently some 10,000t of nickel are produced at Coral Bay each year, and construction is now under way toward doubling production by the spring of 2009. The launch of the feasibility study for the Taganito Project is targeted not only at further expanding much-needed nickel resources, but also enabling the realization of SMM's aim to achieve comprehensive capacity to produce 100,000t of nickel annually, thereby bringing the company one step closer to becoming a major player in non-ferrous metals.

TMC, with a history stretching back two decades, is a member of the Zamora Group, owners of prominent nickel mines throughout the Philippines. SMM is collaborating with the Zamora Group also at the Coral Bay Nickel Project, where an HPAL plant is currently in operation by a joint venture with Rio Tuba Nickel Mining. For SMM, the new feasibility study partnered with TMC will strengthen the company's ties with the Zamora Group, and also contribute to expanded joint resource development by Japan and the Philippines.

- ANNEX
1. Outline of the Taganito Project
  2. Location map (Fig.1 ~ 2)
  3. Photo 1 ~ 6

Address inquiries concerning this News Release to:  
Hiromasa Ooba, Publicity Section, General Affairs Department  
TEL: 03-3436-7705

## **Outline of the Taganito Project**

### 1. Plant location

Property adjoining the Taganito Mine, in the northeastern sector of Mindanao Island, southeast Philippines

### 2. Total investment

More than \$1 billion

### 3. Equity breakdown

To be determined

### 4. Products and output

Nickel/cobalt mixed sulfide, an intermediate product of nickel smelting: approx. 30,000t of nickel and 2,500t of cobalt per annum

### 5. Raw material

Low-grade nickel oxide ore (limonite) available at and near the Taganito Mine

### 6. Product usage

SMM will purchase the entire volume of nickel/cobalt mixed sulfide produced at the plant for use at the company's Niihama Nickel Refinery (Ehime Prefecture), where it will serve as raw material to produce electrolytic nickel and electrolytic cobalt applying SMM's most efficient MCLE (matte chlorine leach electrowinning) technology.

## 7. Construction schedule

2009 to 2011 (tentative)

## 8. Production period

Approx. 30 years starting in 2012 (tentative)

## 9. Outline of Taganito Mining Corporation (TMC)

- Establishment: 1987
- Shareholders and equity breakdown: Hinatuan Mining Corporation (Zamora Group) 65%, Pacific Metals Co., Ltd. 33.5%, Sojitz Corporation 1.5%
- Head office: Makati City, Manila, Philippines
- President: Salvador B. Zamora II

図 1. 位置図 Fig.1 Location

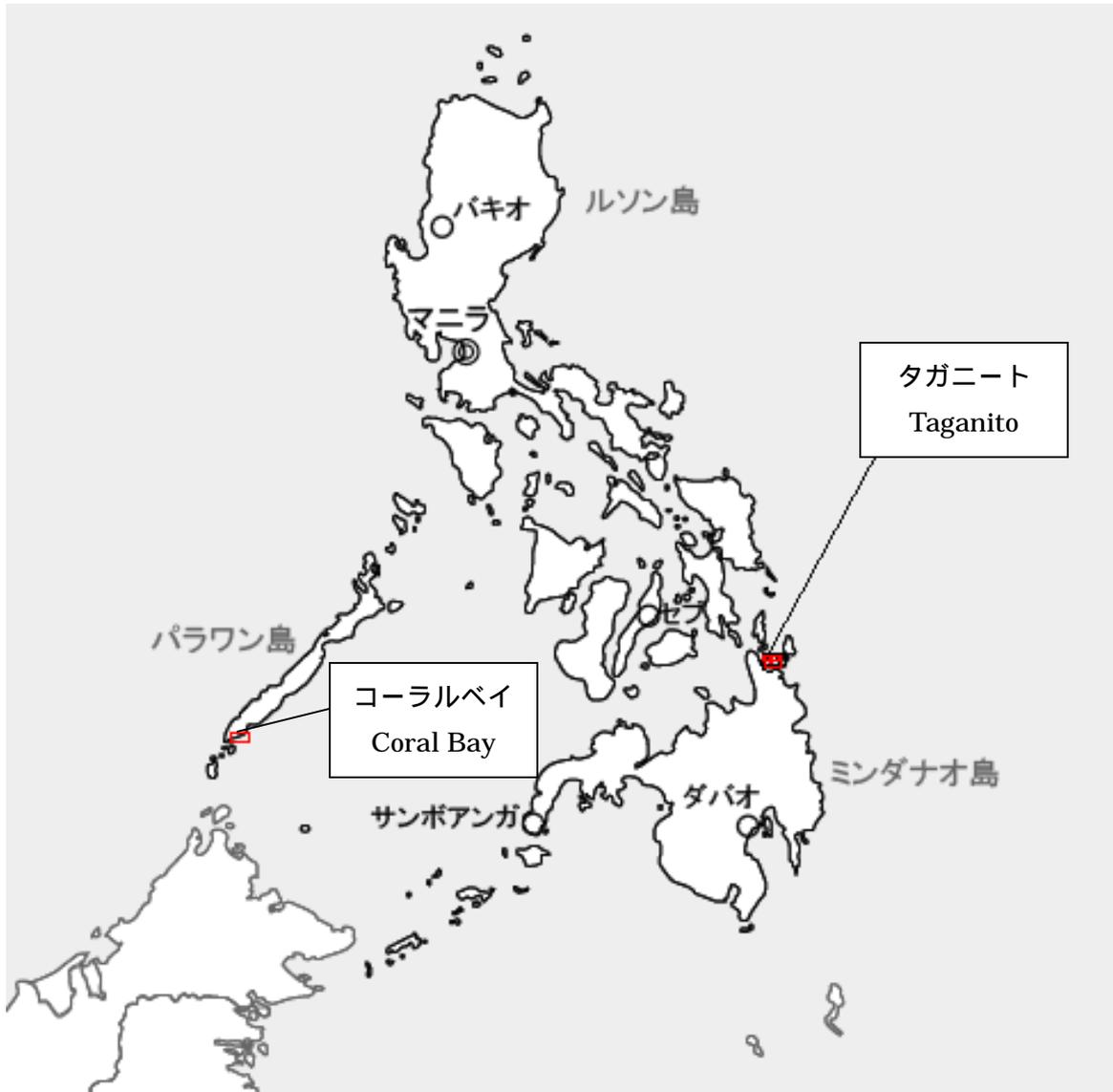


图 2 . 位置图 Fig.2 Location

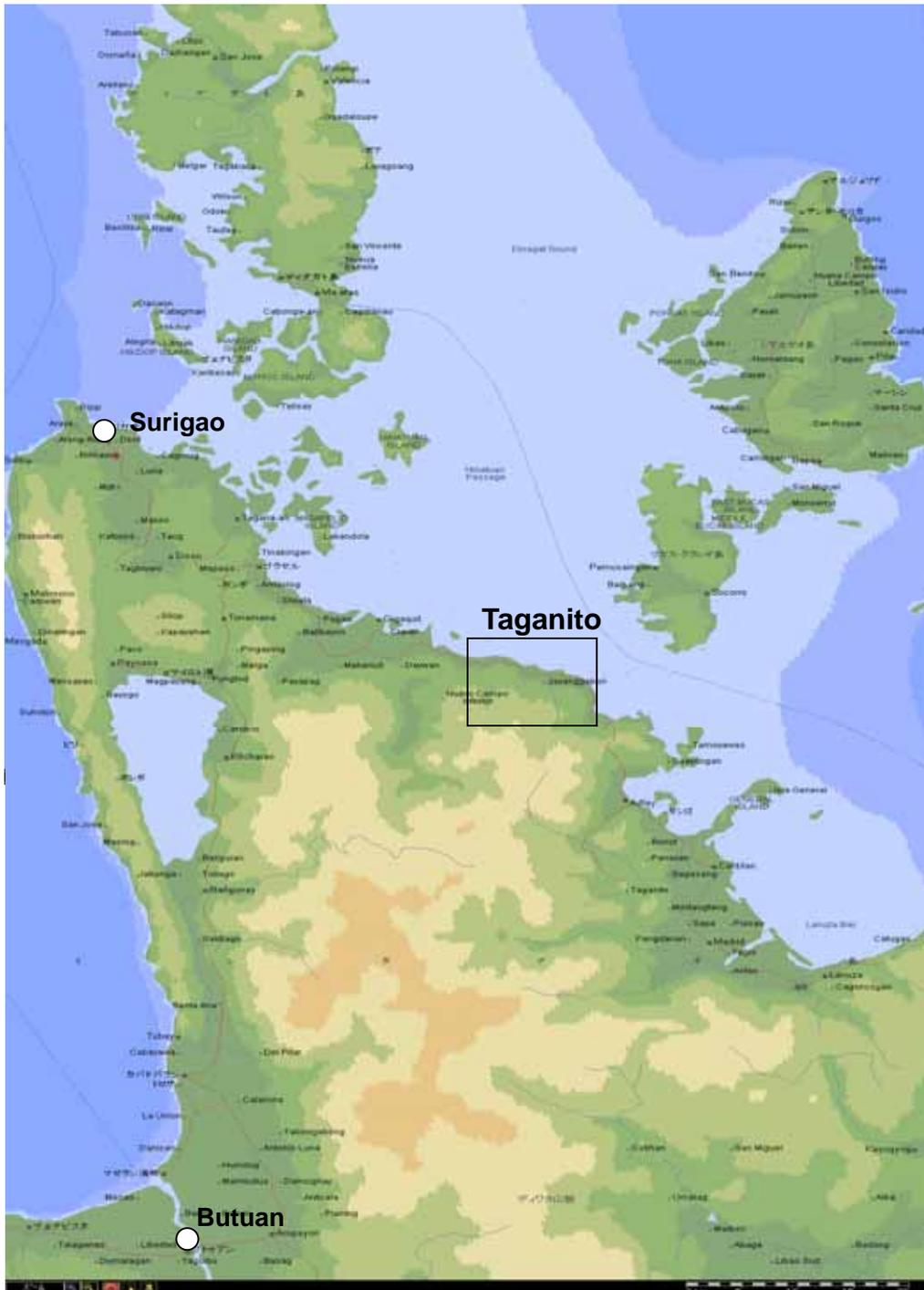


写真 Photo1 . プロジェクトサイト付近 Project Site



写真 Photo 2 . プロジェクトサイト付近 Project Site



写真 Photo 3. タガニート鉱山現況 Taganito Mine



写真 Photo 4. タガニート鉱山現況 Taganito Mine



写真 Photo 5. タガニート鉱山現況 Taganito Mine



写真 Photo 6. タガニート鉱山現況 Taganito Mine

