

April 13, 2005

SMM NEWS RELEASE

**NICKEL REFINING PROJECT IN THE PHILIPPINES
ENTERS COMMERCIAL PRODUCTION PHASE**

The Coral Bay Nickel Project, a nickel refining project being implemented in the Rio Tuba district of Palawan island in the Philippines, has shifted to full-scale commercial production following successful test operations launched after plant construction was completed last August. The project, led by Sumitomo Metal Mining Co., Ltd. (SMM: Minato-ku, Tokyo/ President: Koichi Fukushima), is being carried out in collaboration with Mitsui & Co., Ltd. (Chiyoda-ku, Tokyo/ President: Shoei Utsuda), Sojitz Corporation (Minato-ku, Tokyo/ President: Akio Dobashi) and Rio Tuba Nickel Mining Corporation (RTN: Rio Tuba, Philippines/ President: Manuel B. Zamora, Jr.). Plans call for a production volume (in nickel parameters) of approximately 7,000 tons this year and 10,000 tons per annum starting next year.

An opening ceremony to celebrate the commencement of commercial operations took place at the site on April 13. The ceremony was attended by Philippine President Gloria Macapagal-Arroyo.

In contrast to conventional nickel production, which uses nickel sulfide ore or high-grade nickel oxide ore (garnierite) as the raw material, the Coral Bay Nickel Project adopts a new technology known as “high-pressure acid leaching” (HPAL). With HPAL, nickel can be produced from low-grade laterite (limonite). HPAL thus enables a wider choice of raw materials, thereby contributing to SMM’s ongoing solidification of its position as a world leader in nickel refining and production.

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OUTLINE OF THE CORAL BAY NICKEL PROJECT

1. Plant location

The plant is situated adjacent to the Rio Tuba Mine in the south of Palawan island, located in the southwestern zone of the Philippine archipelago.

2. Total investment outlay

Approximately US\$180 million

3. Products and production volume

Plans call for the production of nickel/cobalt mixed sulfide (MS), an intermediary product of nickel refining, in the following amounts per year: approximately 10,000 tons of nickel and 700 tons of cobalt.

4. Raw materials

Among the nickel-oxide ores RTN has mined at Rio Tuba, low-grade laterite, being unsuitable for nickel recovery using conventional methods, has been stockpiled at the site for some 20 years. With the introduction of HPAL, however, processing of laterite has become feasible. The current stockpile, amounting to roughly 16 million tons, is sufficient to provide raw material for this project for approximately 20 years.

5. Infrastructure

Use of RTN's existing facilities – including port facilities, roads, medical facilities, housing, etc. – has enabled infrastructure development at low cost.

PROJECT BENEFITS

1. Secure supply of raw material

SMM will purchase the entire volume of nickel/cobalt MS produced at the plant. This

will be delivered to the company's Niihama Nickel Refinery in Ehime prefecture, where it will serve as raw material for the production of electrolytic nickel and electrolytic cobalt – products realized through application of MCLE (matte chlorine leach electrowinning), a leading-edge technology independently developed and commercialized by SMM.

2. Secure market for sulfuric acid

The project is expected to generate new demand for approximately 260,000 tons of sulfuric acid per year. SMM, which produces sulfuric acid as a by-product of its copper-smelting operations and is currently expanding the capacity of those operations, will benefit by securing a new buyer for its sulfuric acid.

PROFILE OF CORAL BAY NICKEL CORPORATION

1. Capitalization

PP587.5 million (PP: Philippine peso)

2. Shareholders and equity ownership

Sumitomo Metal Mining Co., Ltd.	54%
Mitsui & Co., Ltd.	18%
Sojitz Corporation	18%
Rio Tuba Nickel Mining Corporation	10%

3. Location

Barangay Rio Tuba, Municipality of Bataraza, Palawan, The Republic of the Philippines

4. President

Takanori Fujimura