

Press Release

February 18, 2008
Sumitomo Metal Mining Co., Ltd.

Coral Bay Nickel Corporation Revises Construction Costs for HPAL Plant #2

Sumitomo Metal Mining Co., Ltd. (SMM: Minato-ku, Tokyo/ President: Nobumasa Kemori) has revised the cost of construction of the HPAL* Plant #2 now being built at its subsidiary Coral Bay Nickel Corporation (CBNC), located in the Philippines.

Construction on the CBNC HPAL Plant #2, which began in March of 2006, has proceeded smoothly, but changes in the specifications of some of the facilities are being made to better reflect expertise gained in the operation of the first plant. These changes are expected to increase construction costs to US \$307 million, from the initial cost of US \$285 million.

Addition of the new plant will not only provide more operational stability, but with the complementary utilities shared between the two plants making longer production hours possible, annual production capacity for Plant #1 and Plant #2 combined is expected to increase by about 10%. (Production capacity: nickel-cobalt mixed sulfide with a nickel content of about 55%, totaling 22,000 tons of nickel per year,).

Production is expected to commence in April of 2009, as originally planned.

HPAL technology enables the recovery of nickel and cobalt from low-grade ore from which recovery would otherwise be difficult; today, SMM is a world leader in this technology. Construction of this second plant will not only secure additional valuable nickel resources, but will consolidate the company's position in this field, furthering its push toward becoming a world-class player in non-ferrous metals.

* HPAL = High Pressure Acid Leach

Address inquiries concerning this News Release to:
Hiromasa Ohba
Publicity & IR Department
Sumitomo Metal Mining Co., Ltd.
Tel: 81-3-3436-7705