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Press Release

Sumitomo Metal Mining Co., Ltd.

### **Planned Commercial Recovery of Chromite**

Sumitomo Metal Mining Co., Ltd. (SMM) has taken the decision to commercially recover chromite, which is mainly used as a raw material for stainless steel.

SMM will construct a chromite recovery plant at its subsidiary Taganito HPAL Nickel Corporation (THPAL) where it plans to commence production from 2020.

Chromite (\*1) is refined and processed into the intermediate product ferrochrome, and it is widely used as a raw material for stainless steel and other special steels. SMM will recover chromite in the production process of nickel and cobalt mixed sulfides (\*2).

By efficiently recovering not only nickel and cobalt but also by-products such as scandium and chromite, SMM will increase the cost competitiveness of its HPAL technology. And by providing new materials for the stainless steel industry that forms the main customer for the nickel business, SMM will further increase its presence in the global nickel business.

<Overview of commercialization of chromite recovery>

Investment amount: USD \$31,000,000 (planned)

Annual production capacity: 105,000 tons (chromite volume)

Production base: THPAL (Mindanao Island, Philippines)

Start of production: planned for 2020

\*1) Chromite: chrome iron ore, an oxide ore whose components include chrome, iron, and magnesium. The grade of chrome oxide is often 40% - 50%.

\*2) Nickel and cobalt mixed sulfides: Intermediate products for the production including electrolytic nickel. (Nickel grade is approximately 55% and cobalt grade is approximately 4%). All nickel and cobalt mixed sulfides are processed at SMM's nickel plant (Niihama, Ehime Prefecture, Japan) into electrolytic nickel and electrolytic cobalt.

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