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Discontinuation of SMM's feasibility study on the Indonesian Pomalaa Project

Sumitomo Metal Mining Co., Ltd. (Head Office: Minato-ku, Tokyo, Japan; President & Representative Director: Akira Nozaki; hereinafter, "SMM") has decided to discontinue the ongoing feasibility study on the construction of a nickel refinery in the Pomalaa area of Kolaka Regency in the Southeast Sulawesi Province in Indonesia (the "Pomalaa project").

In 2012, SMM began working with PT Vale Indonesia Tbk ("PTVI") on a pre-feasibility study for the Pomalaa project, and since 2018, has been conducting a definitive feasibility study for the Pomalaa project. However, due in part to the spread of COVID-19, procedures to obtain permits and discussions with PTVI were delayed. In these circumstances, PTVI has begun to seek an alternative to promoting the Pomalaa project with SMM, and SMM has been unable to continue negotiations with PTVI. Since it is difficult to maintain its internal and external project study team with no prospect for future progress, SMM has concluded that it has no choice but to discontinue the study.

The Pomalaa project was the centerpiece of SMM's strategy to secure nickel resources to achieve its long-term vision of its 150,000 ton annual nickel production rate. It was also positioned as a major project to increase SMM's corporate value in its recently disclosed 2021 3-Year Business Plan. While we regret this outcome, we will continue our efforts to secure nickel resources in order to strengthen the value chain of SMM's three businesses (Mineral Resources, Smelting & Refining and Materials) and ensure a stable supply of SMM's nickel products, as stated in SMM's 3-Year Business Plan.

This matter is going to have a minimal impact on the results of our company in the fiscal years ending March 31, 2022 and March 31, 2023.

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