

North Maluku, 15 October 2024

PRESS RELEASE

PT Weda Bay Nickel (“PT WBN”) has revised its targets for nickel in the particularly depressed market conditions for carbon steel in China and the issuance this week of the 2024 ore sales permit by Indonesian authorities for nickel ore that falls short of expectations

PT WBN had previously submitted applications to increase mine production over the 2024 to 2026 period enabling the joint venture to target production of 44 Mwmt in nickel ore for 2024 with a progressive growth up to more than 60 Mwmt in the medium term.

Following the issuance of the Environmental and Social Impact Study (AMDAL1) decree in July, which provided an approval for this expansion by the Environment Ministry, and the subsequent issuance of the Feasibility Study in August, activities then focused on finalizing the operating permit (RKAB) to be issued by the Mines Ministry.

In the current context of the Indonesian government’s transition and ongoing delays in issuing permits, and contrary to the Eramet’s expectations, (one of the shareholders together with Tsingshan and PT ANTAM), and previous experience, the Mines Ministry issued PT WBN with a revised RKAB which restricts annual nickel ore sales for 2024 and for the next two years to 32 Mwmt (including 3 Mwmt internally to PT WBN’s NPI plant). The sales approved under this RKAB fall well short of the revised permit application for 2024, as submitted by PT WBN in accordance with the newly validated mining plan.

As such, for 2024, the volume target for external marketable nickel ore at PT WBN is revised to 29 Mwmt, including two thirds in high-grade saprolite ore and one third in limonite ore (vs. 40 to 42 Mwmt previously).

However, the impact on PT WBN’s 2024 financial performance is expected to be largely offset by a significant increase in ore premiums resulting from restrictions to domestic supply.

This significant premium compared to the price floor for nickel ore sold locally (HPM) will benefit PT WBN sales in H2.

Eramet takes note of this volume restriction and, together with its partner Tsingshan, will submit a request for revision of the operating permit (RKAB) for 2025 and 2026, in line with its environmental and mining plan authorizations, to allow PT WBN to gradually expand its production and increase its economic and societal contributions to Indonesia and Northern Maluku province.

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ABOUT PT WEDA BAY NICKEL

PT Weda Bay Nickel is a joint-venture partnership between China's Tsingshan Holding Group, which is the majority owner, the French mining and metallurgy company Eramet, and PT Antam Tbk.

This smelter is located in the Indonesia Weda Bay Industrial Park (IWIP), together with other plants. 2,500 operators are working at the plant.

Under the partnership agreement signed by the two parties in 2017, Eramet manages the operations of PT Weda Bay Nickel in implementing the mining and ESG best practices, in close collaboration with Tsingshan, which is developing the metallurgical activities and their facilities.

www.wedabaynickel.com