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(3 pages)

HPAL INVESTMENT: TMI

- **Nickel Industries to invest US\$169 million for a 17.5% interest in TMI, an expansion to ENC, with payment due in November 2026**
- **Nickel Industries' 17.5% interest sits alongside a 72.5% interest held by a Korean-Japanese consortium of LS MnM, Hanwa and an undisclosed strategic investor**
- **Nickel Industries will receive a Construction Guarantee capping the acquisition cost at US\$169 million and delivery of nameplate production by September 2027**
- **TMI nameplate capacity of approximately 38,640 Ni tonnes in MHP per annum**

Nickel Industries Limited (**Nickel Industries** or **the Company**) is pleased to announce that it has agreed to invest US\$169 million for a 17.5% interest in PT Teluk Metal Industry HPAL project (**TMI**), with the acquisition payment due on 26 November 2026. TMI is being developed as an expansion to ENC on the same site within the Indonesia Morowali Industrial Park (**IMIP**), producing mixed hydroxide precipitate (**MHP**) for the EV battery supply chain. Nickel Industries' 17.5% interest sits alongside a 72.5% interest held by a Korean-Japanese consortium (comprising LS MnM, Hanwa and an undisclosed strategic investor), and a 10% interest by a Singapore-based investment company, Sumber International Investment.

The Company will be the beneficiary of a comprehensive construction guarantee whereby Nickel Industries' total acquisition cost will not exceed US\$169 million and the delivery of nameplate capacity will occur by September 2027 (**Construction Guarantee**) – once again, this provides Nickel Industries with cost, timeline and production certainty. A slurry pipeline and tailings pipeline between the Sampala Project and TMI will be funded under the Construction Guarantee, replicating the integrated configuration already in place between Hengjaya Mine and ENC. TMI is under construction, with commissioning expected to commence in mid-2027.

TMI's annual nameplate production capacity of 38,640 Ni provides attributable production to Nickel Industries of approximately 6,775 Ni tonnes per annum in MHP.

The HPAL economics underpinning TMI are already proven within Nickel Industries' portfolio – the HNC HPAL delivered an Adjusted EBITDA margin to the Company of US\$9,996/t Ni in Q1 2026 and outperformed nameplate capacity by 40%, demonstrating the cash-generation profile of the asset. With the Indonesian Government having announced a moratorium on new HPAL projects, TMI represents one of the last opportunities for Nickel Industries to grow in the HPAL sector at this scale.

Strategically, Nickel Industries' Sampala Project has been identified as the exclusive ore supplier to TMI, aligning the Company as both equity investor and upstream supplier. The world-class scale and grade of the [Sampala Resource](#) will ensure TMI has secured ore supply for decades to come.

A video filmed in April 2026 showing an overview of the ENC Project can be seen by [clicking here](#).

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Funding the transaction

Nickel Industries currently expects to fund the investment from its cash reserves and cash from its existing operations. Should there be any requirement for additional funding, Shanghai Decent (the Company's largest shareholder) has agreed to provide debt funding on commercial terms.

Commenting on the TMI investment, Managing Director Justin Werner said:

“Securing a 17.5% interest in TMI is a transformative step for Nickel Industries and one of the last opportunities of this scale in the HPAL sector following the Indonesian Government’s moratorium on new HPAL projects. Alongside a consortium of leading Korean and Japanese companies, LS MnM, Hanwa and an undisclosed strategic investor, we are investing in a world-class asset with a clear path to production by September 2027, underwritten by the Construction Guarantee capping construction costs at US\$965 million.

TMI is one of the most capital-efficient HPAL developments globally, and the HPAL economics are already proven within our portfolio – HNC delivered Adjusted EBITDA margins to the Company of US\$9,996/t Ni in Q1 2026. Our 17.5% interest delivers approximately 6,775 Ni tonnes in MHP per annum, materially advancing our transition into the EV battery supply chain.

Critically, our Sampala Project has been identified as the exclusive ore supplier to TMI, aligning Nickel Industries as both a downstream processing investor (as desired by the Indonesian Government) and upstream supplier. The world-class scale and grade of Sampala was central to securing our investment in TMI.”

This announcement has been approved by the Executive Directors.

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Overview of Nickel Industries:

Nickel Industries Limited (NIC) is an ASX-listed company which owns a portfolio of mining and low-cost downstream nickel processing assets in Indonesia.

The Company has a long history in Indonesia, with controlling interests in the world-class Hengjaya Mine, as well as four rotary kiln electric furnace (RKEF) projects which produce nickel matte for the electric vehicle (EV) supply chain and nickel pig iron (NPI) for the stainless-steel industry.

Having established itself as a globally significant producer of NPI, the Company is now rapidly transitioning its production to focus on the EV battery supply chain – the Company has a 10% interest in the Huayue Nickel Cobalt (HNC) HPAL project, providing mixed hydroxide precipitate (MHP) to its product portfolio.

Nickel Industries is currently commissioning Excelsior Nickel Cobalt (ENC), a next-generation HPAL project capable of producing MHP, nickel and cobalt sulphate and nickel cathode. The Company currently holds a 46% interest in ENC. ENC is expected to produce in excess of 72,000 tonnes of nickel metal per annum, diversifying the Company’s production and reducing the Company’s carbon emissions profile – reflecting the strong commitment to sustainable operations.

To learn more, please visit: www.nickelindustries.com/