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(4 pages)

HPAL INVESTMENT: CNE & SAMPALA PROJECT MONETISATION

- **Binding Framework Agreement entered into with Indonesian partners for long-term strategic cooperation in nickel ore mining and HPAL processing**
- **Nickel Industries to acquire a 36% interest in CNE, an expansion to ENC, for no cash consideration**
- **Nickel Industries to monetise an 18% stake in the Sampala Project as HPAL acquisition consideration**
- **CNE nameplate capacity of approximately 28,357 Ni tonnes in MHP per annum**

Nickel Industries Limited (**Nickel Industries** or **the Company**) is pleased to announce that it has entered a binding Framework Agreement with its local Indonesian partner, led by Mr. Adi Wijoyo (**Local Partner**), and Indonesian investor PT Jaya Agung Investasi (**JAYA**) for a long-term strategic cooperation in nickel ore mining and high-pressure acid leach (**HPAL**) processing.

PT Chengsheng New Energy has a HPAL project (**CNE**) which is currently 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. CNE, with designed annual nameplate production of 28,357 nickel tonnes, is an expansion to the Company's Excelsior Nickel Cobalt (**ENC**) HPAL project that is currently commissioning.

JAYA has rights to acquire 85.7% of the equity in CNE and through the Framework Agreement, these rights will be acquired by Nickel Industries and Local Partner, in return for a 30% interest in two of the Sampala Project IUPs, being PT Abadi Nikel Nusantara (**ANN**) and PT Erabaru Timur Lestari (**ETL**, together the **Mine Companies**) (the **Transaction**).

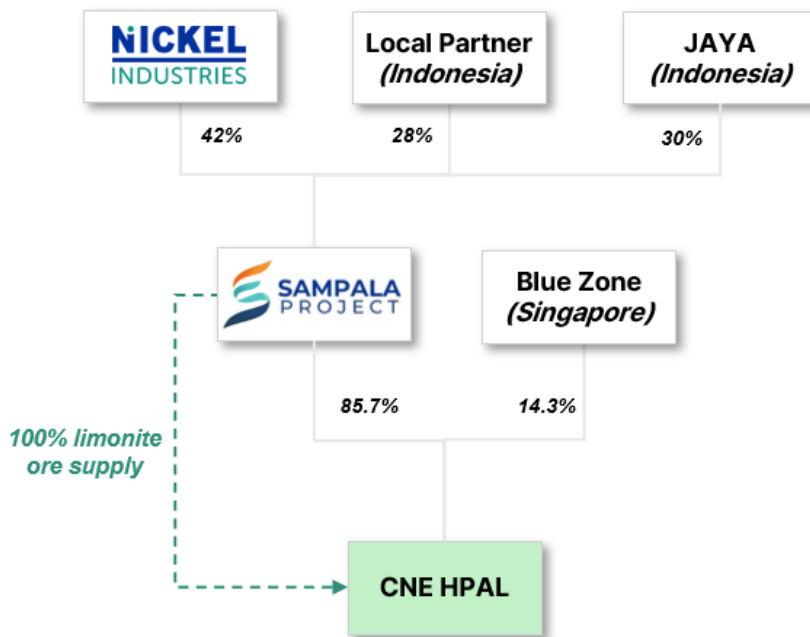
The values for effecting the Transaction have been negotiated and agreed as follows:

- **the Mine Companies, US\$1.342 billion** (on a pre-money basis); and
- **CNE, US\$671 million** (on a pre-money basis).

As the Transaction is a share-for-share transaction, Nickel Industries will not be required to contribute any cash consideration for the investment in CNE.

The Transaction structure is summarised in the figure below.

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Nickel Industries equity interests	Mine Companies	CNE HPAL
Pre Transaction	60%	-
Post Transaction	42%	36%

Monetisation of the Sampala Project

Nickel Industries has entered into binding acquisition agreements with the Local Partner to acquire a 60% equity interest in the Mine Companies for a combined US\$149 million (refer 25 May 2026 ASX release [Sampala Resource](#)). These agreements remain in force.

As shown in the structure diagram and table above, the Company is effectively monetising an 18% equity interest in ANN and ETL (at an implied acquisition cost of US\$44.7m) in return for an effective 36% equity interest in CNE (at an implied value of US\$241.6 million) – a significant valuation uplift and validation of the economic value of the Sampala Project assets, ANN and ETL. Post the Transaction, Nickel Industries will remain the largest shareholder and operator of the Mine Companies (42%), along with JAYA (30%) and the Local Partner (28%).

CNE is under construction, with commissioning expected to commence in mid-2027. The Mine Companies (and therefore Nickel Industries) will not be required to contribute any cash for the construction of CNE, which will remain the responsibility of JAYA (along with CNE’s working capital, which shall be provided via external financing or JAYA shareholder loans) – once again, this provides Nickel Industries with cost, timeline and production certainty.

As a result of Nickel Industries’ investment in the Sampala Project (acquisition cost and development expenditure to date) and monetisation of some of that equity interest into CNE, the Company will receive nickel units in MHP at approximately US\$10,500/t (at nameplate) – significantly below the capex intensity of similar HPAL projects in Indonesia.

Strategically, Nickel Industries’ Sampala Project has been identified as the exclusive ore supplier to CNE (as well as TMI), aligning the Company as both equity investor and upstream supplier to the CNE HPAL project.

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The world-class scale and grade of the [Sampala Resource](#) will ensure TMI and CNE has secured ore supply for decades to come. A slurry pipeline and tailings pipeline between the Sampala Project and CNE, replicating the integrated configuration already in place between Hengjaya Mine and ENC.

Importantly, we believe that the downstream investment into CNE will position the Sampala Projects favourably when applying for RKAB allocations, given downstream investment is a stated consideration for the Indonesian Government when determining the RKAB for each mining operation.

HPAL production and economics

CNE's annual nameplate production capacity of 28,357 Ni provides attributable production to Nickel Industries of 10,208 Ni tonnes per annum in MHP (at nameplate) and at least this amount will be available to Nickel Industries to market to global customers – further diversifying the Company's product mix and customer diversification into the EV supply chain. This is in addition to the 6,775 Ni tonnes of attributable production to Nickel Industries from the TMI investment announced earlier today (refer [here](#)).

The HPAL economics underpinning CNE 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, CNE represents one of the last opportunities for Nickel Industries to grow in the HPAL sector at this scale.

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

Conditions precedent for the Transaction

PT Jaya Agung Investasi (JAYA), is an entity associated with Mr William Shangjaya, a Director of Nickel Industries. JAYA is therefore a related party of the Company and has a material personal interest in the proposed Transaction and therefore an Extraordinary General Meeting (EGM) will be held to seek shareholder approval for the proposed Transaction for the purposes of ASX Listing Rule 10.1.

The proposed Transaction remains conditional on the execution of definitive transaction agreements, customary regulatory approvals and confirmatory due diligence.

Further details regarding the proposed Transaction will be contained in an Explanatory Memorandum, which will contain an Independent Expert Report opining on the Transaction.

Commenting on the Sampala/CNE Transaction, Managing Director Justin Werner said:

“We have long heralded the value of nickel ore resources and the importance of integration with downstream processing (particularly for RKAB purposes) – and through the Sampala Project (at a 5.4x value uplift) / CNE HPAL share swap, we are combining both. Importantly, the share swap allows Nickel Industries to grow whilst maintaining fiscal discipline and removing the requirement for any external equity capital.

In conjunction with our TMI HPAL investment announced earlier today, through the CNE HPAL investment, Nickel Industries is solidifying its position as a leading producer of Class 1 nickel for the EV supply chain – we have secured “capital-light” downstream exposure at a fraction of the cost of our Indonesian HPAL peers (approximately \$10,500/t via the Sampala stake monetisation).”

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/

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