

Paris, 15 October 2024, 7:45 p.m.

PRESS RELEASE

Eramet revises its 2024 targets for manganese activities in Gabon and nickel activities in Indonesia

Eramet is revising downwards its 2024 targets for Comilog and PT Weda Bay Nickel (“PT WBN”), factoring 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.

Manganese

This summer’s strong decrease in carbon steel production in China has led to a sharp decline in manganese ore purchases by Chinese manganese alloys producers, in parallel to a sudden increase in the supply of low-grade ore, mainly from South Africa, boosted by the temporary fly-up of prices before summer. This situation resulted in a market oversupply, which weighed heavily on sales of high-grade manganese ores such as that produced in Moanda, Gabon, as well as on the market price index (CIF China 44%) which currently amounts to around \$4/dmtu.

As a result, the Group’s full year sales volumes of high-grade manganese ore, which were strongly constrained over Q3, are now estimated to be between 6.0 and 6.5 Mt in 2024, of which approximately 0.7 Mt is internal sales.

Against this current backdrop, Eramet, as a responsible mine operator, has decided to suspend ore production at the Moanda mine for a minimum period of 3 weeks; sales and shipments will continue during this period. The duration of this suspension will be revised according to market activity.

The 2024 volume target for produced and transported manganese ore is therefore revised to between 6.5 and 7.0 Mt (vs. 7.0 to 7.5 Mt previously).

Nickel

In Indonesia, Eramet’s subsidiary 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 finalising the operating permit (RKAB) to be issued by the Mines Ministry.

Earlier this week, in the current context of the Indonesian government’s transition and ongoing delays in issuing permits, and contrary to the Group’s expectations 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.

¹ AMDAL : « Analisis Mengenai Dampak Lingkungan »

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.



Calendar

24.10.2024: Publication of 2024 Group third-quarter turnover

19.02.2025: Publication of 2024 full-year results

ABOUT ERAMET

Eramet transforms the Earth's mineral resources to provide sustainable and responsible solutions to the growth of the industry and to the challenges of the energy transition.

Its employees are committed to this through their civic and contributory approach in all the countries where the mining and metallurgical group is present.

Manganese, nickel, mineral sands, lithium, and cobalt: Eramet recovers and develops metals that are essential to the construction of a more sustainable world.

As a privileged partner of its industrial clients, the Group contributes to making robust and resistant infrastructures and constructions, more efficient means of mobility, safer health tools and more efficient telecommunications devices.

Fully committed to the era of metals, Eramet's ambition is to become a reference for the responsible transformation of the Earth's mineral resources for living well together.

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