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AUSTRALIA'S ALUMINIUM SUPPLY CHAINS
NAVIGATING THE UNCERTAINTIES

Alan Clark | CM Group

November 2026

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An independent research and consulting firm specialising in the global bauxite, alumina, aluminium and broader base and minor metals industries.

Combining decades of industry experience, extensive field research, proprietary datasets and advanced analytical tools, we deliver accurate, independent and commercially relevant market intelligence to leading producers, traders, investors, financial institutions and governments, supporting informed commercial and strategic decision-making.

AUSTRALIAN ALUMINIUM COUNCIL LTD

> BAUXITE

Significant, but not immune to risk.

ALUMINA

Indonesia is reshaping the cost curve.

PRIMARY ALUMINIUM

China's cap has changed the game.

ALUMINIUM SEMIS

Distorted metal flows.

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> WHERE HAVE WE COME FROM?

A 20-year seismic shift driven by China

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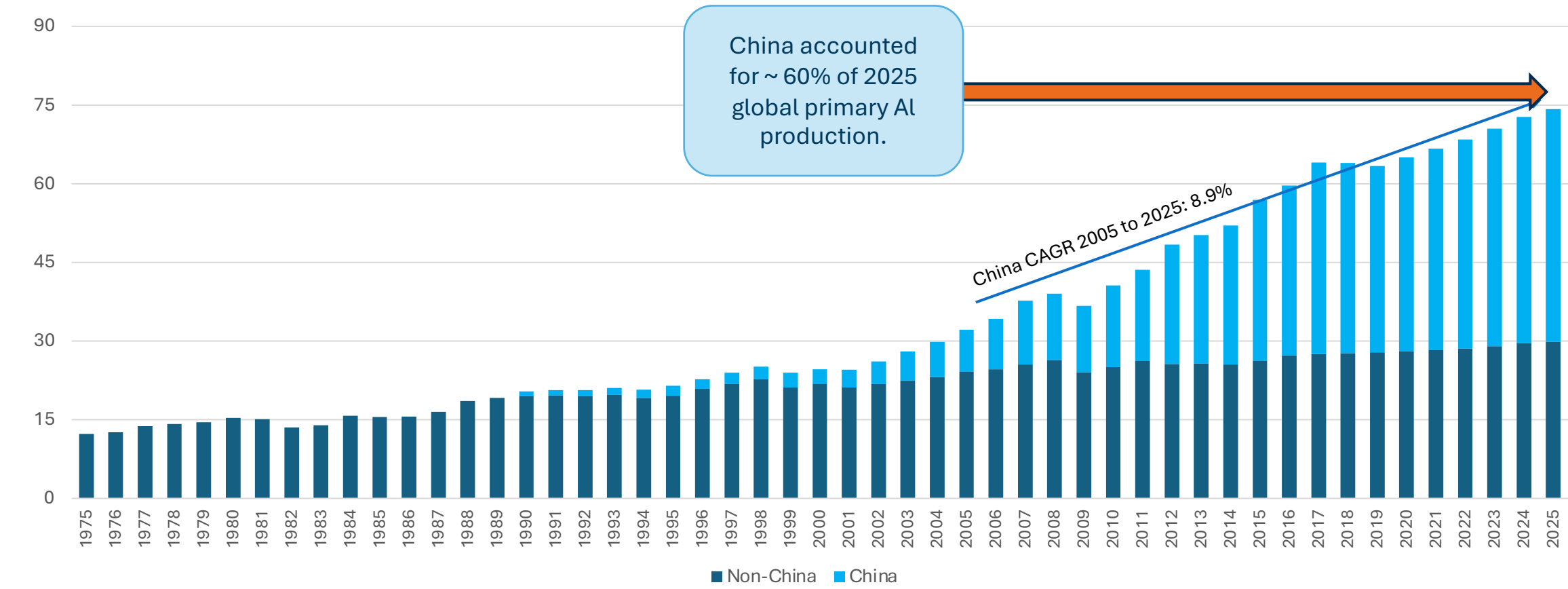
GLOBAL PRIMARY ALUMINIUM PRODUCTION

> China the driving force behind rapid global expansion of primary Al production….

WORLD ALUMINIUM PRODUCTION 1975 TO 2025

(1975 - 2025, million metric tonnes)



Source: IAI, CM

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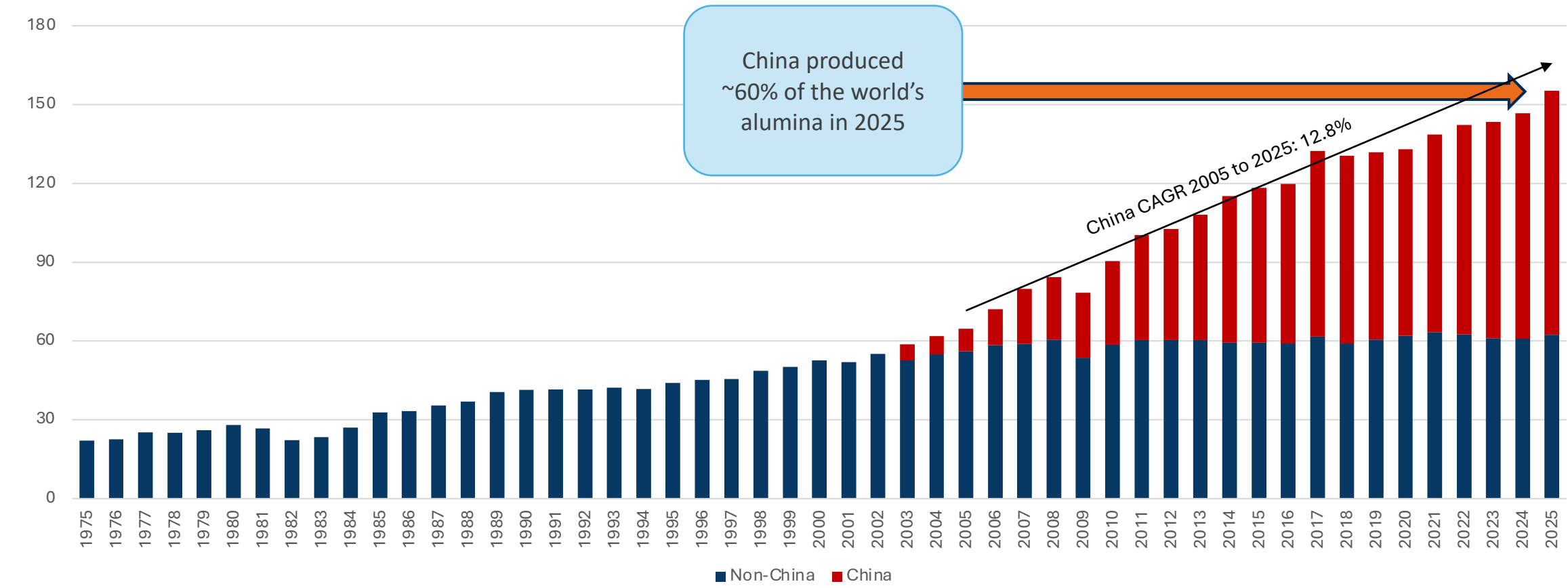
GLOBAL ALUMINA PRODUCTION

> China also became the world's largest alumina producer.

WORLD ALUMINA PRODUCTION 1975 TO 2025

(1975 - 2025, million metric tonnes)



Source: IAI, CM

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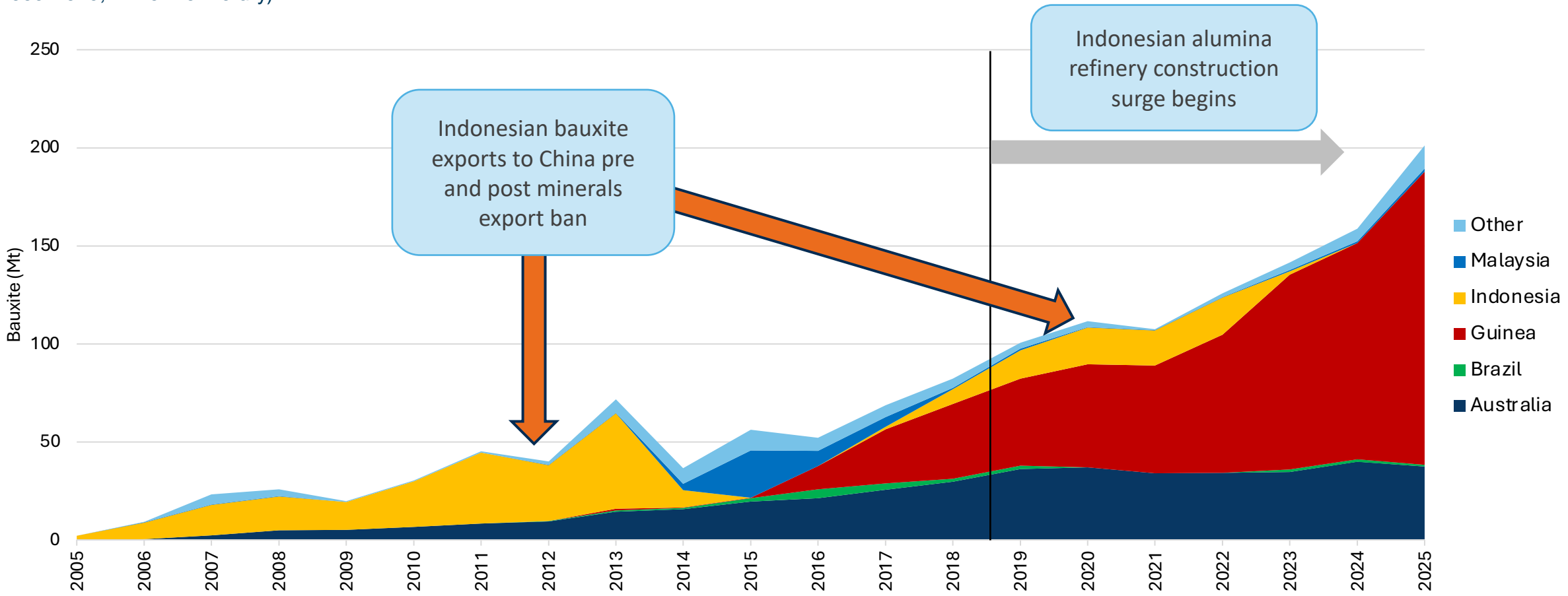
GLOBAL SEABORNE BAUXITE – THE DOMINANCE OF GUINEA

> Guinea has emerged as China's bauxite quarry, Indonesia promotes domestic processing.

CHINA BAUXITE IMPORTS BY SOURCE COUNTRY

(2005-2025, million tonne dry)



Source: CM Group, China Customs

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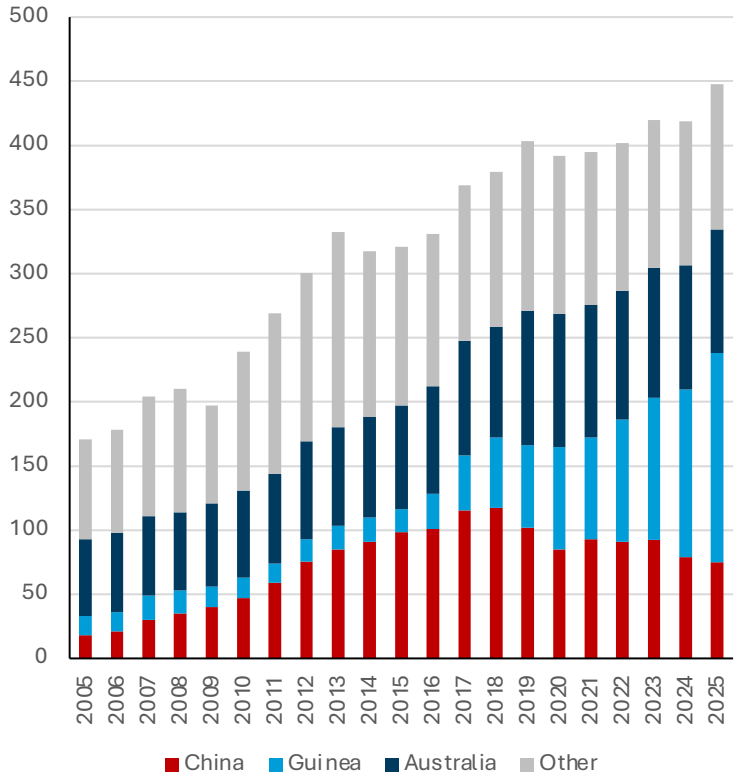
> Australia's bauxite sector - globally competitive, constrained expansion.

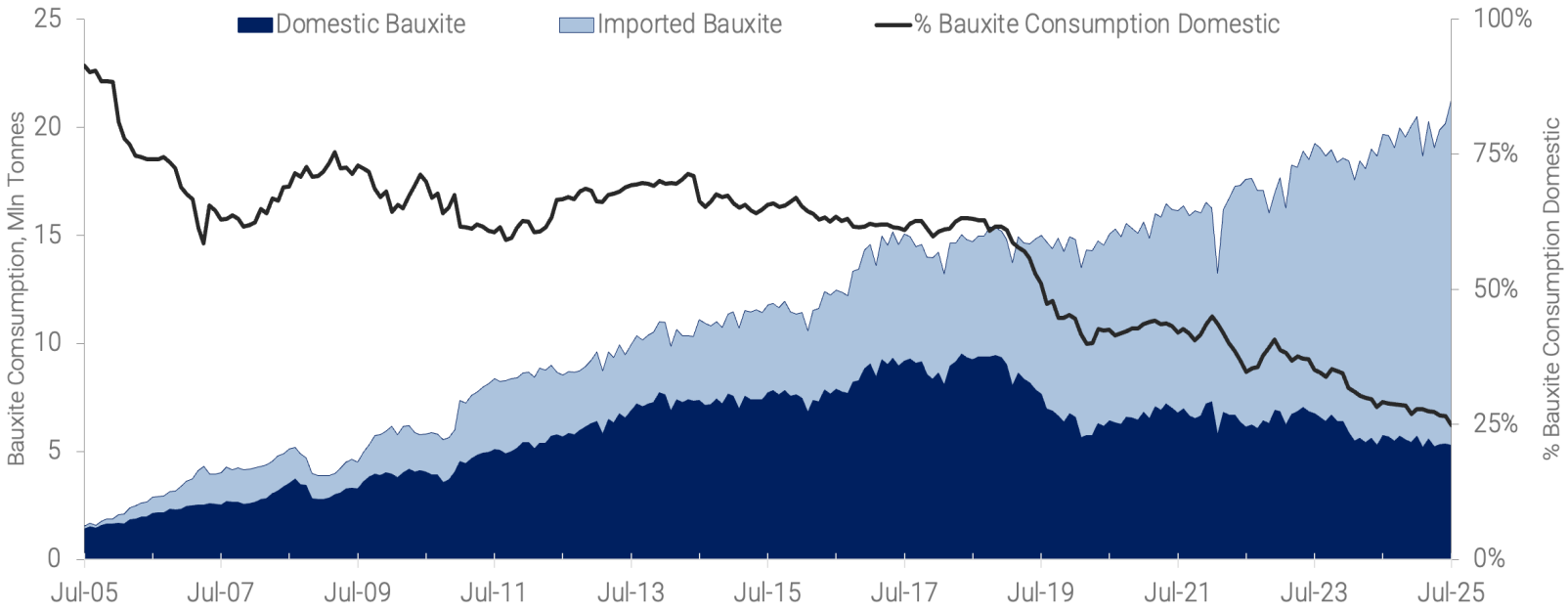
BAUXITE SUPPLY BY COUNTRY

(MTPY (DRY), 2005-2025)



CHINA BAUXITE CONSUMPTION BY SOURCE

(2005 – 2025, million tonne dry)



Source: CM Group BAMI Platform, CM Group Monthly Report, SP Global, China Customs, CM Vessel Tracking

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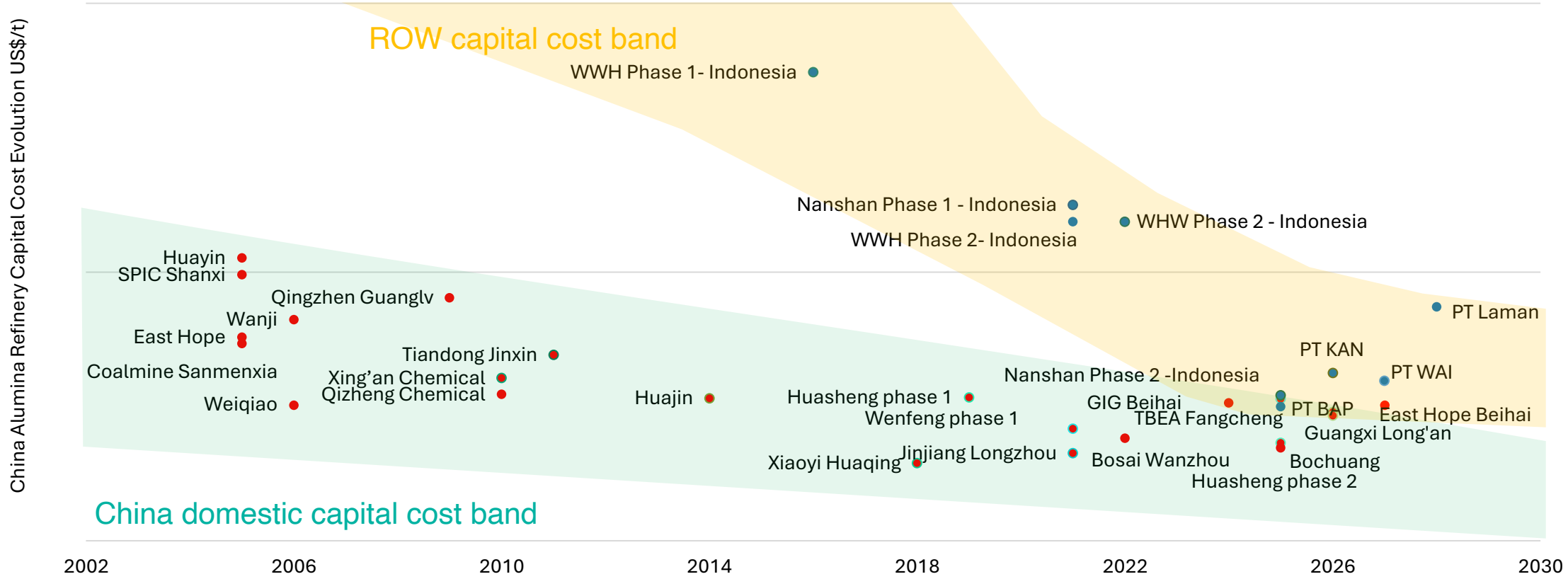
GLOBAL ALUMINA REFINING – CAPITAL COSTS

> Chinese technology and construction support lower refinery capital costs outside China.

ALUMINA REFINERY CAPITAL COSTS

(2002-2030f, US$/t of annual capacity - nominal)



Source: Public Reports, CM Group

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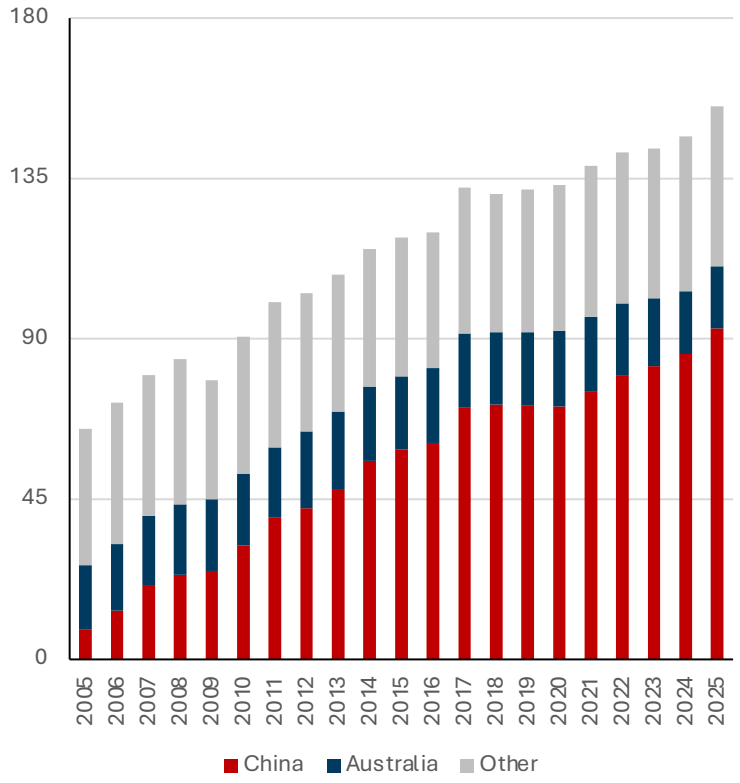
GLOBAL ALUMINA REFINING – OPERATING COSTS

> Australian alumina refineries competitiveness is being eroded by new, lower cost refineries.

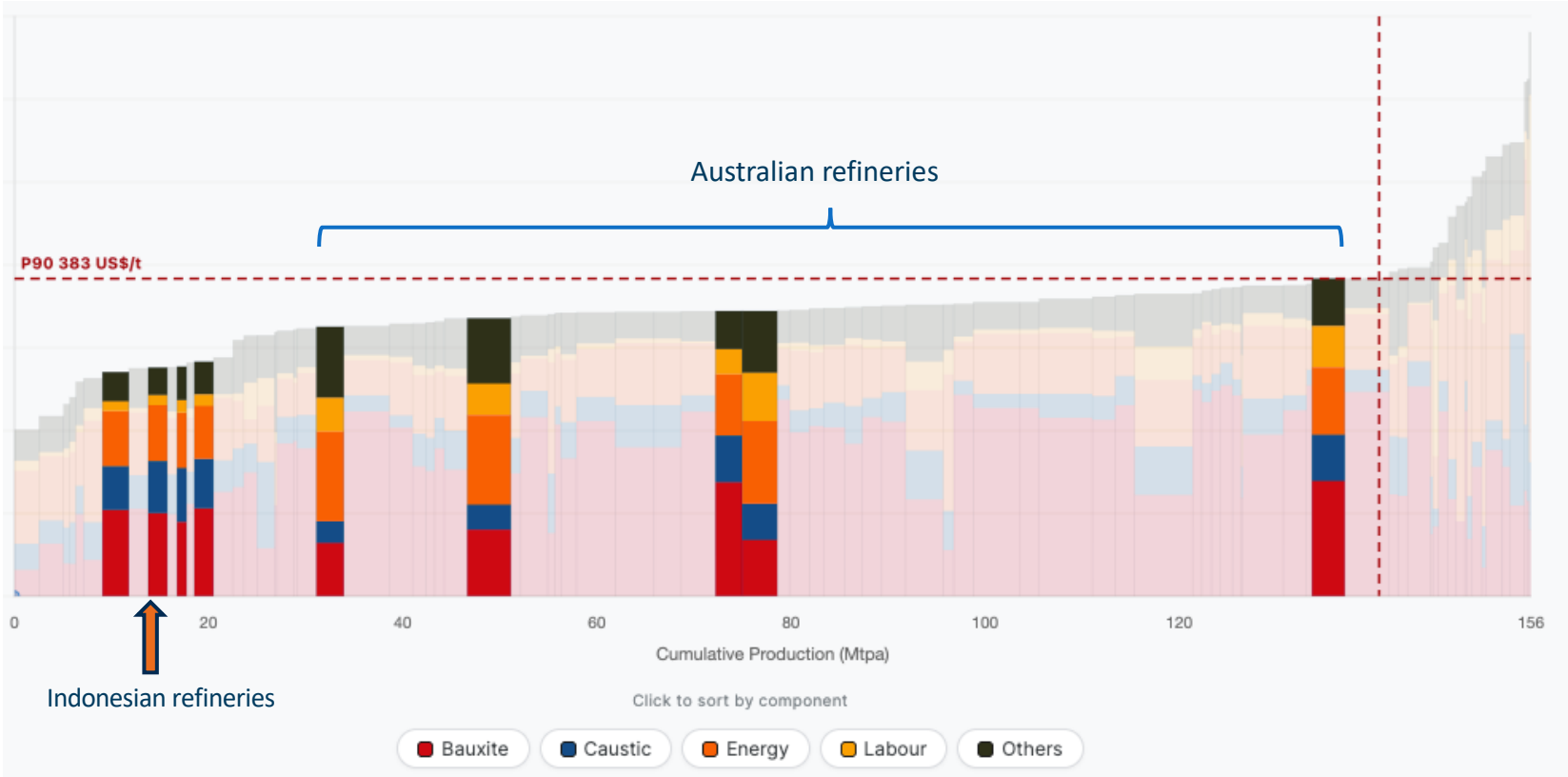
ALUMINA SUPPLY BY COUNTRY

(2000 - 2025, million metric tonnes)



GLOBAL ALUMINA REFINING COST CURVE

(US$/t, AISC, Q2, 2026)



Source: CM Group BAMI Platform, IAI, Company Reports

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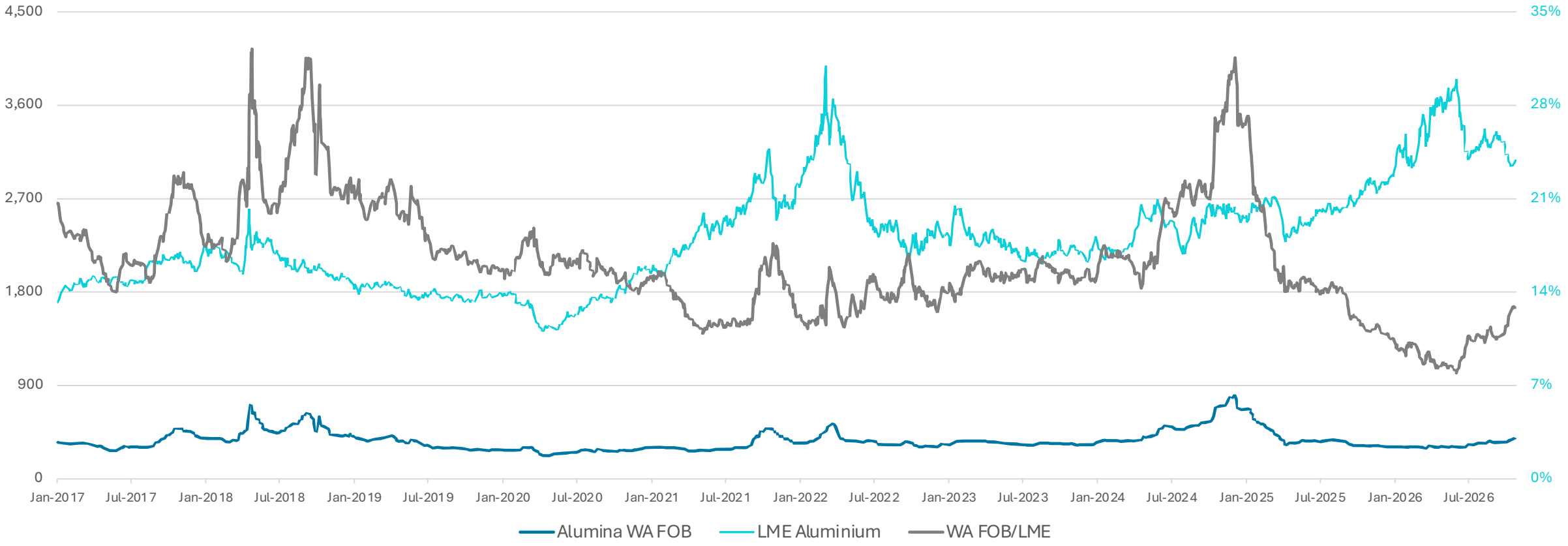
GLOBAL ALUMINA REFINING – VALUE ACROSS THE CHAIN

> Higher aluminium prices do not automatically translate into stronger alumina refining margins.

FOB AUSTRALIAN ALUMINA PRICE AS A SHARE OF THE LME ALUMINIUM PRICE

(2017 - 2026, US$/t, %)



Source: CM Group, LME, SP Global, Public Sources

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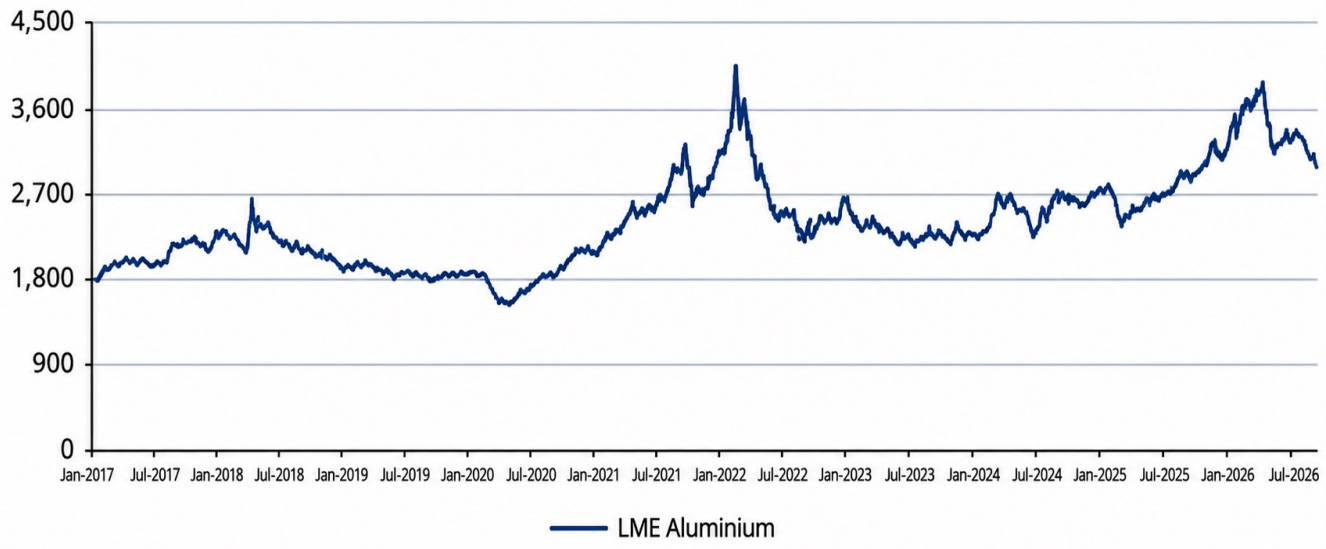
PRIMARY ALUMINIUM SMELTING – PRICES AND COSTS

> LME prices – an increasingly imperfect indicator of supply demand fundamentals.

LME Aluminium Price

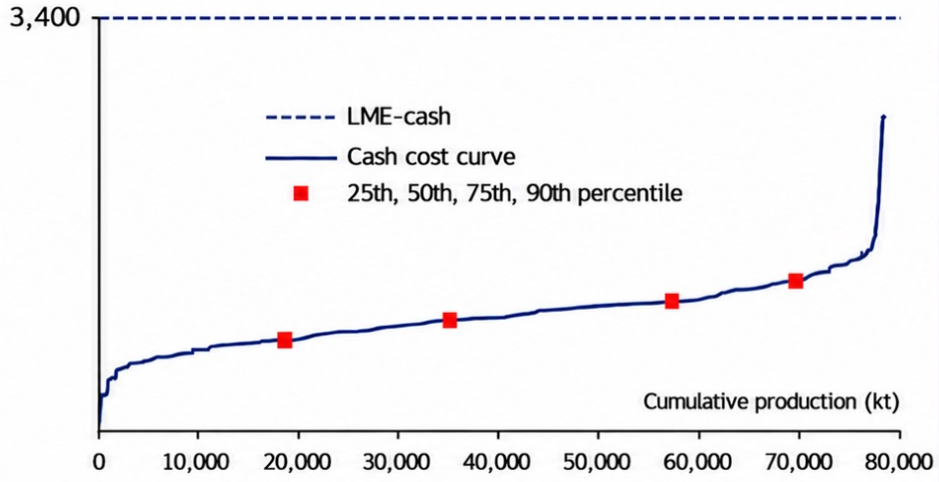
US$/t



Source: CM Group, company reports

Global Primary Aluminium Cost Curve

US$/t



Source: CM Group, company reports, MacBank

Source: CM Group, LME

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PRIMARY ALUMINIUM SMELTING – LME PRICES

> LME prices – many influences, not a strict measure of industry fundamentals.

- **Financial influences dominate:** Investor sentiment, macroeconomic expectations and speculation increasingly influence LME prices over physical fundamentals.
- **Limited physical representation:** Only a fraction of global aluminium production passes through LME warehouses, with the exchange primarily serving financial and hedging markets.
- **Regional markets diverge:** Premiums, tariffs, freight and availability create major differences between LME prices and physical market conditions.
- **China operates largely outside the LME:** China's dominance in production and consumption weakens the exchange's representation of global fundamentals.
- **Bottom line:** LME prices remain an essential benchmark, but an increasingly imperfect indicator of physical market tightness and industry economics.

Source: CM Group

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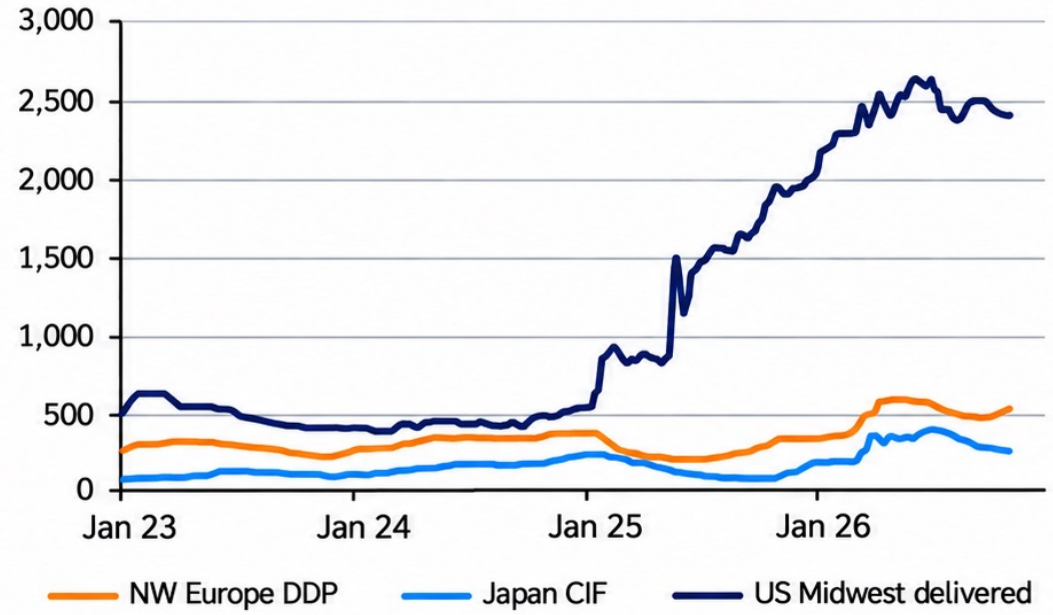
ALUMINIUM SEMIS – PRICE DISTORTIONS

> Regional premiums, visible and invisible stocks provide some insight into the physical market.

Aluminium premiums

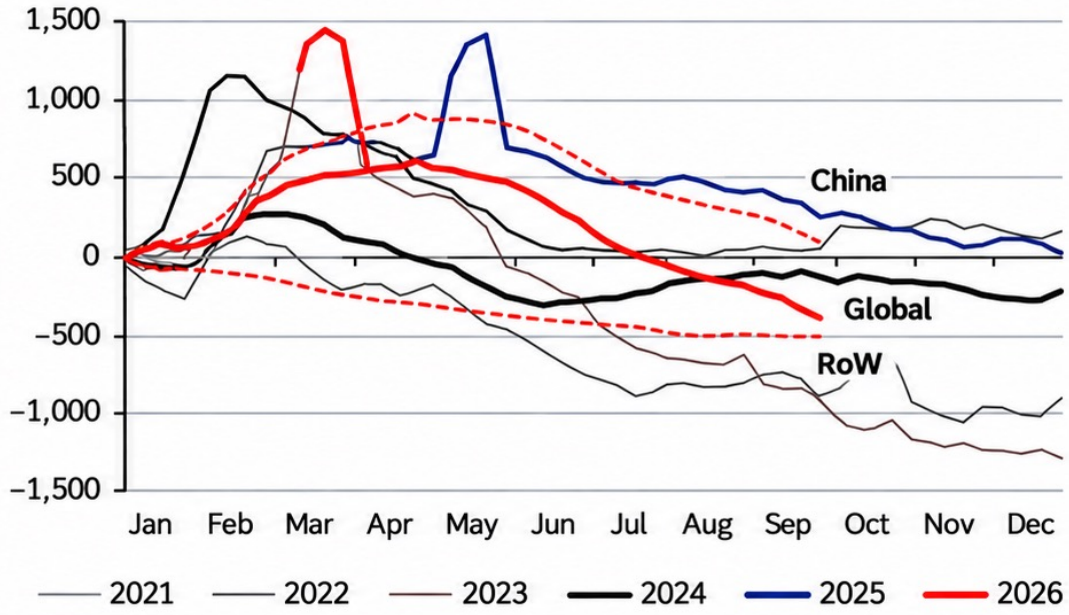
US$/t



Source: MacBank, company reports, CM Group

Visible global aluminium stocks change

kt (cumulative change from 1 January)



Source: MacBank, company reports, CM Group

Source: CM Group, Company Report, MacBank

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ALUMINIUM SEMIS – AUSTRALIA'S COMPETITIVE POSITION

> China remains the major source of semis for Australia, Indonesia growing.

- **LME prices are not delivered prices:** Physical aluminium costs are influenced by regional premiums, tariffs, freight and local market conditions.
- **Stock levels influence trade flows:** Regional inventory imbalances affect metal availability, pricing and the movement of primary and secondary aluminium.
- **Trade barriers distort competitiveness:** Tariffs and trade remedies create substantial differences in aluminium prices between markets, with Australia particularly exposed to international trade flows.
- **Asian production is reshaping trade:** Growing output from multinational producers, including Press Metal, is influencing regional supply, competition and trade flows.
- **Australia's geographic advantage:** Proximity to Asian markets reduces freight costs, supporting the competitiveness of Australian aluminium exports.

Source: CM Group

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> OUTLOOK & CHALLENGES

Solid Growth Forecast, Stronger Supply Pipeline

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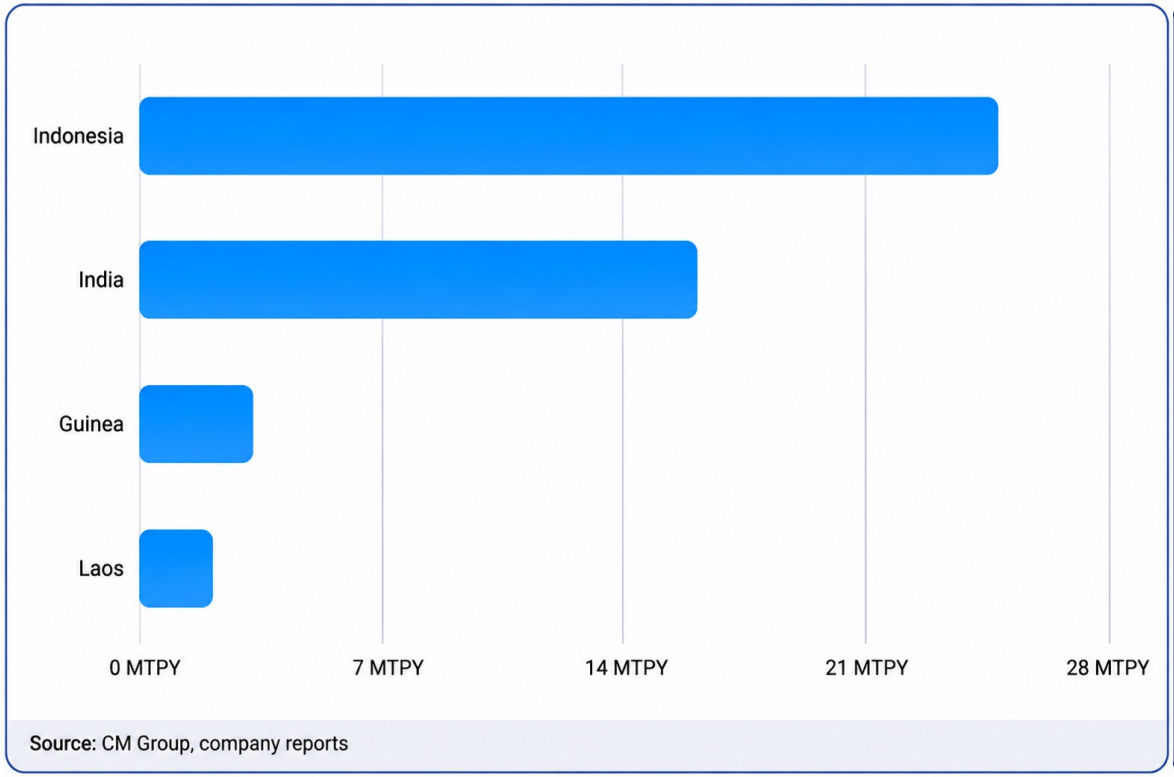
> Indonesia emerging as the global epicentre for new smelting and refining capacity.

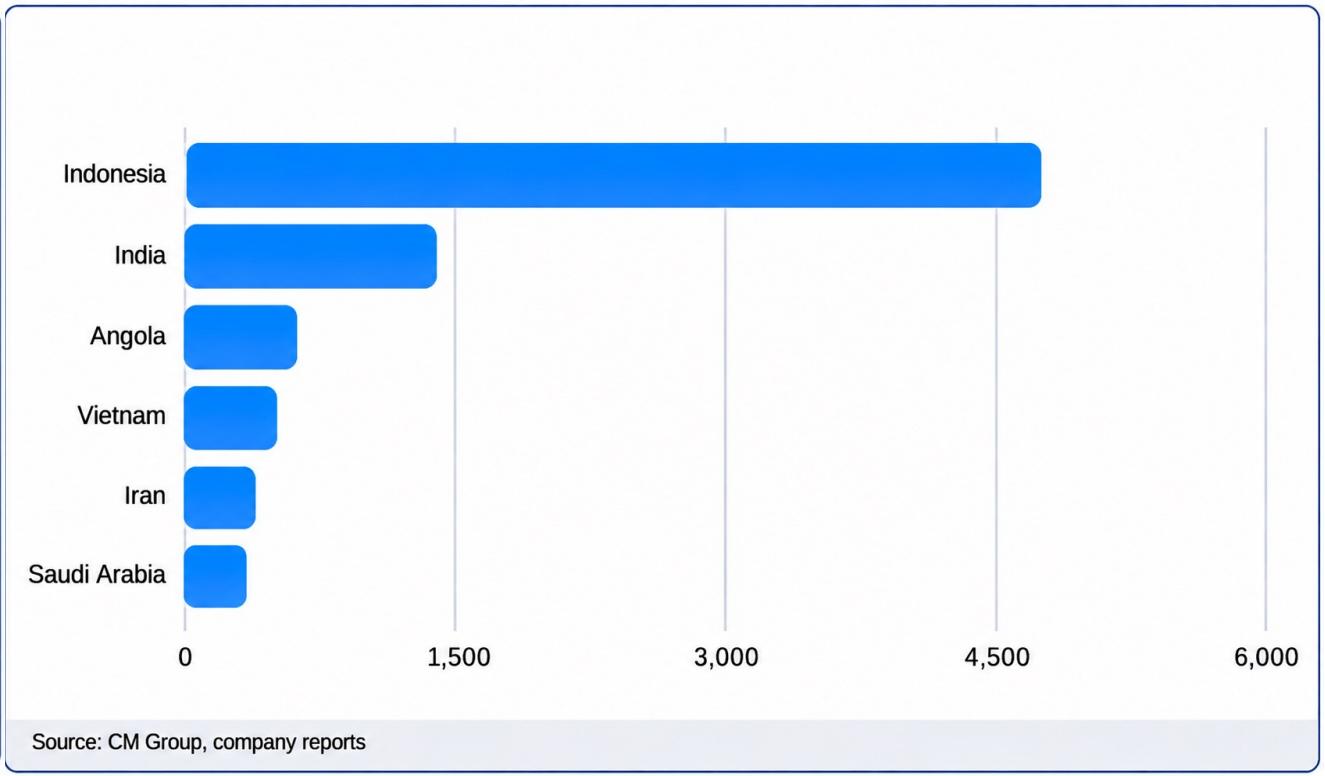
POTENTIAL INDONESIAN ALUMINA REFINING AND ALUMINIUM SMELTING CAPACITY BY 2030

POTENTIAL REFINING CAPACITY BY COUNTRY TO 2030 (MTPY)



Source: CM Group, company reports

POTENTIAL SMELTING CAPACITY BY COUNTRY TO 2030 (MTPY)



Source: CM Group, company reports

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OUTLOOK AND CHALLENGES – AUSTRALIA'S COMPETITIVE STRENGTHS

> Australia must preserve competitive capability across the chain to capture future market opportunities.

- Bauxite
  - China now imports >75% of its bauxite needs from Guinea.
  - Global primary Al sector relies on Guinea for ~40% of its bauxite needs.
  - Australia plays a vital role but remains vulnerable to geopolitics and industry shocks.
- Refining
  - New, low-cost alumina refining capacity is reshaping the cost curve.
  - Chinese companies have shifted their focus to other countries, particularly Indonesia
  - Competitiveness of Australia's refineries likely to come under increasing pressure.
- Smelting
  - Demand growth remains robust, the world needs more smelting capacity
  - China's 45 MTPY smelting cap has been reached, does it hold?
  - Will Indonesia emerge as the next major Al production hub?
  - Australia's primary Al smelting sector is competitive at current prices, but for how long?

Source: CM Group

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OUTLOOK AND CHALLENGES – AUSTRALIA'S COMPETITIVE STRENGTHS

> Australia must preserve competitive capability across the chain to capture future market opportunities.

AUSTRALIAN CAPABILITIES AND INVESTMENT PRIORITIES ACROSS THE ALUMINIUM VALUE CHAIN



Bauxite

Resource access and logistics



Alumina

Competitive process energy and modernisation



Aluminium

Reliable, competitive electricity



Downstream

Customer-linked manufacturing capability

Source CM Group

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END OF PRESENTATION

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