

Terrafame launches pre-feasibility study for scandium recovery to strengthen Europe's critical raw materials supply

Sotkamo, Finland, 19 May 2026 – Terrafame, a leading European producer of critical raw materials, has launched a pre-feasibility study to assess the recovery of scandium from its existing production process. Successful outcome of the study and start of production would make Terrafame the sole producer of scandium in Europe. Scandium is a rare earth element, classified by the European Union as a critical raw material of high economic importance and at high risk of supply disruption. Terrafame already produces battery-grade nickel, copper and cobalt – all of which are EU-designated strategic and critical raw materials.

At its industrial site in Sotkamo, Finland, Terrafame benefits from a large and diverse ore body and the potential to extract metals in addition to its current production of nickel, zinc, cobalt, copper and uranium. The study, which will be led by Worley, a leading provider of engineering and project services in the resources sector, aims to leverage an existing side stream from Terrafame's uranium recovery plant to recover scandium, offering a capital-efficient way to expand Europe's production of strategic and critical raw materials.

Scandium is a critical metal for high-tech, defence and advanced manufacturing applications, however, approximately 85% of global scandium supply currently originates from China. By developing a European source, Terrafame can contribute to a secure and transparent European rare earths supply chain. The targeted end-use for the scandium produced is in high-performance aluminium alloys, where its unique properties enable lighter, stronger, and more durable components. Even a small addition of scandium can dramatically improve the strength of aluminium alloys, making it highly attractive for use across a number of industries.

“By exploring the recovery of scandium from Terrafame's existing ore feed, we are utilising the full value of our resources, while also addressing the need for domestic European supply of this critical metal. This project has the potential to establish Terrafame as the sole producer in Europe and a significant player in the global scandium market. This follows our recent application for a permit to expand our operations and investment in the expansion of our primary leaching capacity, cornerstones for our future growth and resilience,” says Antti Koulumies, CEO of Terrafame.

The pre-feasibility study is expected to be concluded by the end of 2026, with final investment decision (FID) targeted in early 2027. Following FID, Terrafame estimates start of production after two years. As

an extension of Terrafame's existing operations, the project is expected to benefit from competitive production costs and a favourable development timeline compared to a greenfield project. In parallel with the technical study, Terrafame will approach potential customers and explore opportunities related to national strategic stockpiling initiatives.

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About Terrafame

Terrafame is a fully integrated European critical minerals platform, producing battery chemicals and strategic metals from its single industrial site in Sotkamo, Finland. The company is one of Europe's largest producers of battery-grade nickel sulphate, with capacity sufficient for approximately one million electric vehicles per year, and also produces zinc, cobalt and copper. It is Europe's only uranium producer.

Terrafame's bioleaching-based extraction process uses 90 per cent less energy than conventional methods, giving its nickel sulphate a carbon footprint clearly below the industry average. Its deposits represent the largest nickel ore reserves in Europe, with a mine life of over 30 years, and the Kolmisoppi deposit holds EU Critical Raw Materials Act Strategic Project status.

Terrafame was founded in 2015 and is primarily owned by Finnish Minerals Group and Trafigura. Net sales in 2025 were EUR 556.1 million. Around 1,800 people work on its industrial site.

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