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ASX Release

28 July 2025

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Successful completion of Institutional Placement to raise A$13M

Highlights

- **Strong support from high-quality existing and new international and domestic institutional investors to raise A$13 million under the Placement**
- **Placement and recently oversubscribed SPP delivers A$24.9 million before costs**
- **Cornerstone support from major shareholder and Chair and from Company introduced investors**
- **Funds raised will primarily go towards progressing the Company's US metallisation expansion plans, supporting the ramp-up and building of further capability at the Company's Korean Metals Plant and the Dubbo Project Rare Earth Options Assessment**

Australian Strategic Materials Limited ACN 168 368 401 (**ASM** or **the Company**) (**ASX: ASM**) is pleased to announce that it has received firm commitments for an institutional placement to raise A$13 million (before costs) (**Placement**). The Placement saw strong interest from new and existing domestic and international institutional investors, and cornerstone support from major shareholder and Company Chair and from Company introduced investors.

ASM Managing Director, Ms Rowena Smith, commented:

"We are delighted with the positive response to our top-up Placement. This capital injection, combined with our oversubscribed Share Purchase Plan, provides confidence and momentum as we accelerate our growth strategy: scaling production capability at our Korean Metals Plant, planning for a potential metals facility in the United States and fast-tracking rare earth oxide production at the Dubbo Project. These investments are key for our growth and long-term success.

"As global markets and governments increasingly seek resilient and diversified rare earth supply chains in response to shifting geopolitical dynamics, ASM is positioned to deliver. Our Korean Metals Plant is already producing the critical metals that major economies need, and our plans to expand that capability into the US are aligned with the strong policy momentum in that jurisdiction. Recent developments like the partnership announced between MP Materials and the US Department of Defense highlight the rapidly evolving market we are operating in and value that ASM's mine to metals strategy can bring.

"We extend a warm welcome to our new investors and thank them for their confidence in our vision at this exciting time."

Canaccord Genuity (Australia) Limited (**Canaccord**) acted as Lead Manager to the Placement.

Director support

Mr Ian Gandel (the Company's Chair and major shareholder), and Mr Dominic Heaton (Non-Executive Director), have agreed with the Company that they (or their nominee(s)) will subscribe for 1,770,852 New Shares and 53,126 New Shares respectively in the Placement at the Offer Price, (comprising A$1,000,000 and A$30,000 of the current commitments for the Placement detailed above) (**Director Participation Shares**). The issuance of the Director Participation Shares to Mr Gandel and Mr Heaton (or their respective nominee(s)) is subject to ASM shareholder approval, which is intended to be sought at an extraordinary general meeting (**EGM**) of the Company expected to be held in September 2025. More information about the Director Participation Shares will be set out in the Company's notice of EGM which will be released to ASX and made available to ASM shareholders in due course.

Details of the Placement

ASM has received binding commitments for a Placement to sophisticated and professional investors, comprising 23,021,074 new fully paid ordinary shares in the Company (**New Shares**) at an issue price of A$0.5647 per New Share (**Offer Price**) (being the same price as the issue price under the Company's recently concluded Share Purchase Plan) raising A$11,861,761 (before costs). The Placement included cornerstone support of over A$4,500,000 from Company introduced investors.

The Placement is to be completed via:

- 21,197,096 New Shares to raise A$11,970,000 (before costs) (**Placement Shares**). The Placement Shares will be issued without shareholder approval, within the Company's placement capacity under ASX Listing Rules 7.1; and
- the Director Participation Shares which will be issued subject to shareholder approval under ASX Listing Rule 10.11.

The Offer Price represents a discount of:

- 21.6% to the last closing price of fully paid ordinary shares in the Company (**Shares**) A$0.720 on Wednesday, 23 July 2025;
- 20.0% to the 5-day volume weighted average price of Shares of A$0.706 to close of trade on Wednesday, 23 July 2025; and
- 16.6% to the 10-day volume weighted average price of Shares of A$0.677 to close of trade on Wednesday, 23 July 2025.

The Placement Shares and the Director Placement Shares will (from their time of issue) rank equally with existing Shares. Settlement of the Placement Shares is scheduled to occur on 31 July 2025, with the new Placement Shares expected to be issued on 1 August 2025. The Company's cash balance upon completion of the Placement is anticipated to be approximately A$43.9 million (before costs). Settlement of the Director Participation Shares is subject to shareholder approval, currently expected to occur shortly after the Company's EGM.

Use of proceeds

The proceeds of the Placement and the recently completed Share Purchase Plan will be used to:

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- advance due diligence and seek funding initiatives to propel the establishment of a new metals facility in the United States;
- support of the ramp-up of and building of heavy rare earth metallisation capability at our Korean Metals Plant;
- continued support of the Rare Earth Options Assessment for the Dubbo Project;
- corporate costs (such as costs of the Offer); and
- general working capital.

Offer timetable

The key dates for the Placement are set out below:

Key Events	Date
Settlement of Placement Shares via DVP	Thursday, 31 July 2025
Allotment of Placement Shares	Friday, 1 August 2025
General meeting to approve the issue of Director Participation Shares Shares	September 2025
Issue of Director Participation Shares Shares	September 2025

Forward looking statements

This announcement may include forward-looking statements. These forward-looking statements are based on ASM's expectations and beliefs concerning future events, such as the conduct, size and outcome of the Offer and ASM's intent, plans, strategies and objectives in relation to its projects. Forward-looking statements are necessarily subject to risks, uncertainties and other factors, such as, but not limited to, risks relating to ASM's contracting counterparties, funding requirements and legislative and regulatory changes. Many of these factors are outside the control of ASM, which could cause actual results to differ materially from such statements. Refer also to the risk factors and other disclosures in the investor presentation released on 16 June 2025 and the Company's Scoping Study released on 11 July 2025. ASM makes no undertaking to subsequently update or revise the forward-looking statements made in this announcement, to reflect the circumstances or events after the date of this announcement.

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FOR MORE INFORMATION PLEASE CONTACT:

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This announcement has been authorised for release to the market by the Board.

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