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ASX Release

20 October 2025

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ASM successfully raises A$55M to ramp-up alloy output and drive metallisation growth initiatives

Highlights

- **A$55 million raised at A$1.20 per share under the Placement.**
- **Funds raised will primarily support growth initiatives aligned to ASM's mine to metals strategy:**
  - **Completion of Phase 2 ramp-up work at the Korean Metals Plant to double alloy production capacity to 3,600 tpa;**
  - **Advance additional downstream expansion activities in Korea and/or the US; and**
  - **Pursue strategic partnerships and opportunities to support the development of a secure, alternative global rare earth supply chain.**
- **Major support from new and existing domestic and international institutional investors.**
- **Support acknowledges ASM's advanced position in the downstream rare earth metals and alloys sector and ability to ramp-up at speed.**

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 approximately A$55 million (before costs) at A$1.20 per share (**the Placement**).

Major support was provided by new and existing domestic and international institutional investors – with significant demand from US-based entities. This strong backing reflects ASM's growing international reputation and presence in the US – highlighting the global significance of the Company's proven rare earth metallisation capability.

As the US and other allied governments seek to develop critical rare earth material supply chains as a matter of national security, ASM's ability to materially ramp-up NdFeB alloy output in the near-term and meet increasing Western demand presents a compelling investment proposition.

Canaccord Genuity (Australia) Limited (**Canaccord**) acted as Lead Manager to the Placement. Bell Potter Securities Limited was appointed as Co-Manager. Thomson Geer acted as Australian legal adviser to the Placement.

ASM Managing Director, Ms Rowena Smith, commented:

"This strongly supported Placement reflects growing global recognition of ASM's proven capability in downstream rare earth metallisation and our broader mine to metals strategy.

"We are now fully funded to execute our Phase 2 ramp-up plan at the Korean Metals Plant (KMP). Completion of Phase 2 expansion activities will double our existing NdFeB alloy capacity to 3,600 tonnes per annum. This increased capacity will enable us to service the growing demand of our existing customers and the increasing number of enquiries we have received in recent months.

"Over the past six months, we have witnessed a seismic shift in the dynamics of the rare earths market. Geopolitical tensions, trade disputes and tightened export controls have shaken global supply chains – driving governments, manufacturers and investors into action and to seek secure alternative supply chains. In this unpredictable and volatile environment, the KMP represents an established, stable producer of rare earth metals and alloys, and offers a long-term, secure supply of critical materials.

"With such compelling international demand growth, we will also advance additional expansion initiatives – either through further development of the KMP to its full capacity of 5,600 tpa, or to support the capital costs of establishing our second metals plant, currently planned for the US.

"ASM's mine to metals strategy has long recognised the risks associated with current rare earth and critical minerals supply chains, particularly in the downstream processing of these materials. It is why the Company made the development of metallisation capability in Korea a strategic priority, and why ASM's vertically integrated approach is unique across the ASX rare earth mining and processing sector.

"While ASM's downstream capability is a key differentiator to our peers, we have long advocated for cross jurisdictional collaboration and partnerships that will enable and strengthen the establishment of alternative global supply chains. I am pleased to note that we are now witnessing broader market recognition that this approach is the right one. With an improving policy environment, we are seeing multiple opportunities to collaborate with government and industry peers to strengthen ASM's position across the rare earth supply chain.

"I would like to welcome our new investors and thank all those who are supporting our opportunity at this pivotal time."

Director and substantial shareholder support

Mr Ian Gandel (the Company's Chair and major shareholder), Mr Dominic Heaton (Non-Executive Director) and existing substantial shareholder Chapelgreen Pty Ltd , have respectively agreed with the Company that they (or their nominee(s)) will subscribe for 833,333 New Shares, 41,666 New Shares and 2,800,000 New Shares respectively in the Placement at the issue price of A$1.20 per New Share, (comprising A$1,000,000, A$50,000 and A$3,360,000 of the current commitments for the Placement detailed above) (**Shareholder Approval Shares**). The issuance of the Shareholder Approval Shares to Mr Gandel, Mr Heaton and Chapelgreen Pty Ltd (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 or around December 2025.

More information about the Shareholder Approval 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.

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Details of the Placement

ASM has received binding commitments for a Placement to sophisticated and professional investors, comprising 45,967,502 new fully paid ordinary shares in the Company (**New Shares**) at an issue price of A$1.20 per New Share (**Offer Price**) raising A$55,161,002.40 (before costs).

The Placement is to comprise:

- 42,292,501 New Shares to raise A$50,751,001 (before costs) (**Placement Shares**). The Placement Shares will be issued without shareholder approval, within the Company's placement capacity under ASX Listing Rule 7.1 (as to 19,718,315 of the Placement Shares) and additional placement capacity under ASX Listing Rule 7.1A (as to the balance of 22,574,186 Placement Shares); and
- the Shareholder Approval Shares which will be issued subject to shareholder approval under ASX Listing Rule 10.11.

The Offer Price represents a discount of:

- 25.5% to the last closing price of fully paid ordinary shares in the Company (**Shares**) of A$1.610 on Thursday, 16 October 2025.
- 22.6% to the 5-day volume weighted average price of Shares of A$1.551 to close of trade on Thursday, 16 October 2025.
- 10.4% to the 10-day volume weighted average price of Shares of A$1.340 to close of trade on 16 October 2025.
- 6.2% to the 15-day volume weighted average price of Shares of A$1.279 to close of trade on 16 October 2025.

The Placement Shares and the Shareholder Approval Shares will (from their time of issue) rank equally with existing Shares. Settlement of the Placement Shares is scheduled to occur on 24 October 2025, with the new Placement Shares expected to be issued on 27 October 2025. The Company's cash balance upon completion of the Placement (excluding the Shareholder Approval Shares) is anticipated to be approximately A$84 million. Settlement of the Shareholder Approval Shares is subject to shareholder approval, with that settlement currently expected to occur shortly after the Company's EGM (if the relevant shareholder resolutions are passed).

Use of proceeds

The proceeds of the Placement are proposed to be used as follows[1]:

- Complete the planned expansion of the Korean Metals Plant to 3,600 tpa of alloy and support ramp-up activities.
- Advance additional expansion initiatives – either Phase 3 of the Korean Metals Plant to 5,600 tpa or contribute to capital costs for establishing an American Metals Plant.[2]
- Pursue strategic partnerships and opportunities aligned with ASM's goal of creating an alternative global supply chain for critical minerals.
- Repayment of current debt in Korea and corporate costs (such as costs of the Placement).
- General working capital.

[1] Subject to the ASM Board's discretion to alter usage of funds.

[2] This is an aspirational statement and not intended to be a forecast, as the Company does not yet have reasonable grounds to expect that this will be achieved.

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Offer timetable

The key dates for the Placement are set out below:

Key Events	Date
Settlement of Placement Shares via DVP	Friday, 24 October 2025
Allotment of Placement Shares	Monday, 27 October 2025
General meeting to approve the issue of Shareholder Approval Shares	On or about December 2025
Issue of Shareholder Approval Shares	On or about December 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 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 to the ASX on 20 October 2025 and ASM's Scoping Study released to the ASX on 11 July 2025. Except as required by applicable law or regulation (including the ASX Listing Rules), 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.

Not an offer of securities

This announcement has been prepared for publication in Australia and may not be released to US wire services or distributed in the United States. This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or any other jurisdiction. Any securities described in this announcement have not been, and will not be, registered under the US Securities Act of 1933 and may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws.

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FOR MORE INFORMATION PLEASE CONTACT:

Investors	Media
Stephen Motteram CFO, ASM Ltd +61 8 9200 1681	Ian Donabie Manager Communications +61 424 889 841 idonabie@asm-au.com

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

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