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Critical Minerals.
High-tech Metals.

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ASX Release

27 October 2025

Quarterly Activities Report to 30 September 2025

Australian Strategic Materials' (ASM or the Company) (ASX: ASM) is pleased to provide its Quarterly Activities Report to 30 September 2025. The Company has continued to progress its strategic objectives, in line with its mine to metals strategy.

Highlights

- **Increased metal and alloy production from the Korean Metals Plant to meet growing demand**
  - 16.7 tonnes NdFeB alloy produced, 13.9 tonnes dispatched
  - 1.7 tonnes NdPr metal produced, 22.2 tonnes dispatched
- **Major heavy rare earth metal milestone**
  First commercial sale of terbium and dysprosium metals to Neo Performance Materials.
- **Korean Metals Plant expansion**
  Installation of an additional furnace to support the total production capacity of the current strip caster.
- **Heap Leach Scoping Study delivered**
  Transformative shift in the Dubbo Project's development approach, accelerating the pathway to rare earth production and cash flow generation.
- **Pursuing strategic partnerships**
  Exploring strategic partnerships to strengthen the Company's position within the rare earth supply chain.
- **Successful capital raises**
  Post the conclusion of the Quarter, raised A$55M to ramp up alloy production and pursue metallisation growth initiatives. This capital raise follows the successful completion of a A$24.9 million underwritten share purchase plan and placement, which was concluded during the Quarter.

Commentary from ASM Managing Director and CEO, Rowena Smith:

"Last year, at our Annual General Meeting,[1] I spoke about the shifting geopolitical tensions influencing the rare earths and critical minerals sector. Twelve months on and we find ourselves in the middle of one of the most turbulent and unpredictable periods of international trade – with the supply of rare earth minerals, metals and alloys at the forefront of international debate and national security. It is a world where a secure, alternative supply of these critical materials has become a strategic imperative for Australia and its allies.

[1] Watch ASM 2024 AGM recording: https://asm-au.com/watch-2024-annual-general-meeting/

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"After much talk, we are now seeing positive action. In recent days, the signing of a landmark bilateral critical minerals framework by Australia's Prime Minister Anthony Albanese and US President Donald Trump has demonstrated the importance that the two countries are placing on this challenge.[2]

"It is an environment for which ASM, with our mine to metals strategy, is prepared – supported by strong international engagement – including a US$600 million Letter of Interest from Export-Import Bank of the United States. I look forward to seeing further outcomes from the framework in the coming months.



Rowena Smith (left) attended the AFR Asia Summit in September. Image Credit: Renee Nowytarger

"At a time of such volatility and uncertainty, it is pleasing that ASM can report increasing sales and production of rare earth metal and alloy from the Korean Metals Plant (KMP) – differentiating our Company on a global scale and positioning us to capitalise on the pressing need for secure, ex-China critical mineral supply chains.

"The KMP has been producing NdFeB alloy since 2022. Since that time, we have worked diligently to build our capability, capacity, and customer base. As customer interest and demand have taken a significant upturn during the year, ASM is poised to meet the challenge with a technically and commercially proven facility. The first commercial sale of terbium and dysprosium metal during the Quarter is a fine example of the progress we have made and the exciting opportunities that lie ahead. With ASM now having received firm commitments to raise $55 million – fully funding the Phase 2 expansion of the KMP and supporting other metallisation growth initiatives we are well-positioned to accelerate delivery against this demand. This capital injection marks a pivotal moment in our growth trajectory and reinforces our strategic intent to be a leading supplier of critical metals.

"To date, the KMP has delivered its rare earth metals and alloys to customers utilising rare earth oxides sourced from several ex-China sources. These suppliers and partnerships are important to developing an alternative secure supply chain, and we continue to build these relationships. The Dubbo Project, however, represents a significant opportunity to strengthen and diversify ASM's supply chain, enhancing both our resilience and Australia's capability in critical minerals.

"The Heap Leach Scoping Study, delivered during the Quarter, provides a transformative approach to getting our globally significant project into production. We are now working on a Pre-Feasibility Study, scheduled for delivery in the first half of 2026, which will enable a streamlined transition into targeted pre-execution engineering if the heap leach pathway is deemed viable.

"These are exciting times. With volatility comes opportunity, and ASM is well positioned to capitalise on the opportunities ahead."

[2] https://www.pm.gov.au/media/historic-critical-minerals-framework-signed-president-trump-and-prime-minister-albanese

METALS & ALLOYS

ASM's mine to metals strategy extends into the production of high-tech metals and alloys required for advanced manufacturing, clean energy technologies, and defence and aerospace applications. ASM's first metallisation plant was established in South Korea in 2022. It is one of the few facilities outside China producing rare earth metals and alloys.

Korean Metals Plant

Safety

There were no reportable safety incidents recorded during the Quarter and the year to date. Lost Time Injury Frequency Rate remains at zero.

During the Quarter, the Korean Metals Plant (**KMP**) participated in a safety and health management consulting program run by Korea's Ministry of Employment and Labour.

Through meetings with senior management and onsite inspections, the KMP's existing safety systems were evaluated and found to be strong in both regulatory compliance and hazard prevention. The KMP will continue to work with the Ministry through to the program's completion in December, adopting recommendations and ensuring the KMP continues to maintain a best practice approach to health and safety.

Production

As geopolitical activities continue to create uncertainty and volatility in international markets, the KMP's proven rare earth metallisation and alloying capability is generating significant global interest. As an established independent, ex-China supplier of rare earth metals and alloys, ASM has witnessed a notable increase in inbound enquiries from magnet manufacturers and OEMs in recent months. Consequently, ASM is progressing discussions with existing and new customers for further sales.

This surge in engagement highlights the critical role of the KMP in developing a secure, rare earth alloy supply chain. ASM remains focused on scaling its production capability to meet growing global demand and to reinforce its position as a key enabler of the energy transition and advanced manufacturing sectors.

Neodymium iron boron (NdFeB) strip alloy

During the Quarter, the KMP achieved increased alloy output from previous Quarters, with approximately 16.7 tonnes produced and 13.9 tonnes dispatched to customers across multiple jurisdictions. This production rate reflects both the increase in customer demand and the operational maturity of the facility.

These activities included the conclusion of a 5-tonne alloy order from USA Rare Earth (USARE), which will support their commissioning activities and continue to build ASM's relationship with USARE under the existing sales and tolling framework agreement.[3]

In addition to maintaining ongoing deliveries to our established customer base, ASM is actively engaged in discussions with these customers regarding further sales of our critical metals. These negotiations reflect

[3] Refer ASX Release, 3 August 2023: ASM signs long-term sales agreement with USA Rare Earth

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growing market interest and confidence in our product offering. ASM will update the market once these discussions are finalised and new sales agreements are concluded.

The KMP continues to progress multiple prospective customer opportunities across the United States, Europe and Asia through technical qualification processes. These processes are a critical step toward securing additional long-term supply agreements and represent a robust pipeline of future commercial opportunities for the KMP.

Neodymium praseodymium (NdPr) metal

ASM recorded increased metal sales during the Quarter, with 22.2 tonnes of metal dispatched to existing customers. Production totalled 1.7 tonnes of metal, and the Company is planning to produce an additional 14 tonnes in Q4 2025, which will include heavy rare earths.

ASM is continuing to strengthen its partnership with Neo Performance Materials Inc. (**Neo**), a leader in the production of advanced industrial materials – magnetic powders, rare earth magnets, magnetic assemblies, specialty chemicals, metals, and alloys. In July, ASM signed a Memorandum of Understanding (**MOU**) with Neo to formalise a broader strategic partnership, in addition to existing metal sales. The collaboration set out in the MOU aims to leverage the strengths and expertise of both ASM and Neo to ensure a reliable and secure supply of rare earth materials, enhance technological innovation, and contribute to the economic and strategic interests of both parties.

Except for specific clauses, the MOU is non-binding and serves as a framework for further discussions and potential definitive agreements. The MOU is effective from 15 July 2025 for a period of 12 months, unless terminated earlier by either party with 30 days' written notice.

Terbium (Tb) and dysprosium (Dy)

ASM achieved a major milestone in its heavy rare earth strategy during the Quarter, with the successful first commercial sale of terbium (Tb) and dysprosium (Dy) metals produced at the KMP. The sale, consisting of 2 kilograms of Tb metal and 2 kilograms of Dy metal, was made to Magnequench, a subsidiary of Neo, and shipped to Neo's newly opened permanent magnet manufacturing facility in Narva, Estonia.

The Narva facility, formally opened on 19 September, represents a significant step forward in magnet manufacturing capability. ASM's Managing Director and CEO, Rowena Smith, attended the grand opening celebration, underscoring the strategic alignment between ASM's metallisation capability and Neo's downstream manufacturing ambitions.

This first commercial sale not only validates ASM's technical capability in producing high-purity heavy rare earth metals but also confirms growing market demand for secure, alternative sources of supply. Since the



ASM MD & CEO Rowena Smith was invited to the official opening of Neo's first European permanent magnet plant in Narva, Estonia in September.

announcement, ASM has seen a marked increase in customer enquiries from global manufacturers seeking reliable partners for heavy rare earth metals supply. To meet accelerating demand, ASM is rapidly advancing its heavy rare earth production capability, with capacity expansion initiatives already underway and progressing through FY26.

Importantly, ASM will continue heavy rare earth production during the next Quarter and plans to produce an additional 13 kilograms of material for delivery to an existing customer. These developments are unlocking new opportunities to scale output and respond to growing interest from global manufacturers. This momentum reflects ASM's commitment to becoming a reliable, commercial-scale supplier of heavy rare earth metals, addressing a critical gap in global supply chain security.

Ramp-up activities

Since announcing alloy sales agreements with leading magnet manufacturers Noveon and Vacuumschmelze (VAC), ASM has accelerated its ramp-up activities, positioning the KMP as a strategic hub for high-purity metallised rare earth materials. The activities included the installation of an additional furnace during the Quarter, bringing the total to four. Work is underway to implement the Phase 1 ramp-up plan, which involves installing further furnaces to support the total production capacity of the current strip caster. In parallel, following the recent announcement on 20 October 2025 that ASM has received firm commitments to raise A$55 million[4], ASM is now fully funded to progress its plans for Phase 2, which will lift total capacity to approximately 3,600 tonnes per annum (tpa) of alloy, in support of growing customer demand.

Looking ahead, preliminary planning has also commenced for a potential Phase 3 expansion, which would bring total capacity to around 5,600 tpa, further strengthening ASM's ability to meet growing market requirements.

Feedstock

As global manufacturers increasingly seek greater supply chain independence, ASM is leading the way by securing feedstock from non-China jurisdictions. Through strategic procurement of oxides from US, EU and Australian producers, ASM is well advanced in its plans to establish a reliable, long-term feedstock pipeline that aligns with its broader objective of becoming a trusted supplier of critical materials to global markets. This approach not only strengthens operational flexibility but also positions ASM as a key contributor to the reshaping of global rare earth supply chains.

Collaboration and partnerships

The KMP continues to host and support domestic and international visits in an effort to partner, knowledge share and drive collaboration in the development of alternative critical mineral supply chains.

[4] Refer ASX Release, 20 October 2025: ASM successfully raises A$55M to ramp-up alloy output

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During the Quarter, the KMP hosted parties from the Australian Critical Minerals R&D Hub and the Australian Department of Foreign Affairs and Trade (DFAT) and the Australian Embassy in Korea.





Above: The Critical Minerals R&D Hub delegation included members from CSIRO, ANSTO and Australian universities.
Below: The DFAT delegation included David Woods (fourth from left in line up), Director of the Office of International Economic and Energy Transition at DFAT.





American Metals Plant

Strategic expansion

ASM continues to build strong momentum toward the establishment of its American Metals Plant (**AMP**), a key pillar of the Company's mine to metals strategy and a critical enabler of secure, non-China supply chains for rare earth metals and alloys.

During the Quarter, ASM advanced detailed engagement with each of its shortlisted US states, progressing site identification and evaluating available incentive packages. This work was supported by in-person visits to Oklahoma and South Carolina, where ASM's Management Team met with state-level departments and economic development agencies. These visits have helped forge valuable relationships and ensure ASM is well-positioned to move swiftly once funding is secured.

Subsequent to ASM's US visit, the Company hosted Jay Shidler, Business Development Project Manager from the Oklahoma Department of Commerce to the KMP, to showcase the capability that would be replicated in the US.

In parallel, ASM deepened its federal-level engagement through a strategic visit to Washington, DC, where the team held one-on-one meetings with senior officials responsible for critical minerals policy. These included

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representatives from the US Department of Commerce and the White House National Security Council, reinforcing ASM's alignment with US national security and industrial policy objectives.



Jay Shidler, Business Development Manager from the Oklahoma Department of Commerce (2nd from right) visiting the KMP.

ASM's funding submission to the US Department of War (formerly the Department of Defense), as part of the Cornerstone Initiative Request (CIR), remains under active consideration. The Company is optimistic about the outcome and continues to engage constructively with relevant stakeholders. A positive determination would rapidly unlock the next phase of development, enabling ASM to rapidly establish its US-based production facility.

During Quarter 4 2025, the Company plans to continue to advance its detailed engagement with the six short-listed states, including plans to advance to shortlisting of selected sites and evaluation of incentive packages with the State of Utah. This process will be supported by further engagement with members of the Utah delegation who accompanied Governor Spencer Cox to the International Mining and Resources Conference (**IMARC**), where ASM held preliminary discussions. Additionally, ASM will deepen its strategic relationships by engaging closely with senior representatives from the US federal government and exploring potential partnerships to support the development and long-term success of the AMP.

The AMP will serve the fast-growing North American market, leveraging ASM's proven metallisation expertise to deliver high-purity rare earth metals and alloys at commercial scale. This expansion will strengthen domestic supply chains, support US manufacturing independence, and reinforce ASM's role as a global leader in critical materials.

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MINING & REFINING

ASM's mine to metals strategy begins with the Dubbo Project in NSW, Australia – a globally significant resource of rare earths, zirconium, niobium and hafnium. The Dubbo Project will produce a range of high-purity oxides and chlorides, including neodymium, praseodymium, dysprosium and terbium, for further downstream processing into high-tech metals and alloys.

Dubbo Project

Rare Earth Options Assessment – Heap Leach Scoping Study

ASM successfully completed and released the Heap Leach Scoping Study during the Quarter[5], part of the Rare Earth Options Assessment (**REOA**) work program. The Scoping Study provides a high-level economic evaluation (+/- 50%) of a heap leach, rare earth focused first phase implementation of the Dubbo Project, and represents a transformative shift in the Dubbo Project's development approach. The heap leach approach eliminates complex initial processing stages, simplifying construction and accelerating the pathway to cash flow generation. This approach offers a more agile and targeted entry point, aligning with current market priorities while potentially reducing initial capital requirements.

The REOA continued during the Quarter and ASM made substantial progress across multiple technical workstreams in support of delivering a Pre-Feasibility Study (**PFS**) specific to the heap leach process. Completion of the PFS is being accelerated by leveraging ASM's extensive prior technical and engineering work.

Progressed workstreams include:

- metallurgical testwork conducted by CORE Resources;
- process plant engineering work to help determine location and specifications of the facility and further refine both operating and capital cost expense estimates;
- continued work in collaboration with Australia's Nuclear Science and Technology Organisation on the further optimisation of the Dubbo Project flowsheet with the aim of improving metallurgical recoveries, enhancing process efficiency, and reducing operating costs; and
- ongoing site drilling program with Macquarie Geotech, to collect further samples to support ongoing testwork.



CORE Resources has been undertaking column leach testwork as part of the ongoing heap leach approach.

[5] Refer ASX Release, 11 July 2025: Heap Leach Option delivers major cost reductions for Dubbo

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These activities are integral to confirming the technical feasibility and economic viability of the heap leach approach. The outputs will feed directly into the PFS, informing plant design, infrastructure requirements, permitting pathways, and financial modelling.

Completion of the PFS remains on track to be delivered in H1 2026. The PFS will further define the technical and economic viability of the Heap Leach Option and serve as a key decision point for whether to proceed with the next phase of project development.

If the heap leach pathway is deemed viable, the PFS will enable a streamlined transition into targeted pre-execution engineering. This phase will refine design and execution planning in preparation for a Final Investment Decision (**FID**). Subject to FID, the project would then move into the construction phase, during which the processing facility and the heap leach infrastructure would be built in parallel. This positions ASM to fast-track the Dubbo Project towards production.

Funding and offtake

ASM continues to advance offtake discussions following the release of the Heap Leach Scoping Study, which has generated renewed interest from potential partners. The streamlined product suite – comprising both light and heavy rare earth oxides – has enhanced engagement by offering a simplified and targeted offering, aligned with market needs.

Importantly, the Scoping Study demonstrates a materially lower capital requirement for the heap leach pathway, significantly improving the project's attractiveness to strategic investors and offtake partners. This has contributed to genuine momentum in discussions, as stakeholders increasingly seek secure and diversified supply chains in response to recent geopolitical developments and government funding initiatives.

The rare earths sector is experiencing a notable uplift, with OEMs and offtakers actively pursuing long-term partnerships to reduce reliance on single-source supply. Strategic investors are also recognising the growth potential in alternative supply chains, and ASM is well-positioned to capitalise on this shift.

The announcement of the US-Australia critical minerals framework formalises two years of cooperation and collaboration between the two countries on this subject. The sector is clearly buoyed by the opportunities this agreement may bring, as both nations look to support strategic Australian projects.

For ASM, funding links to the US are strong and longstanding. Notably, the Company received a Letter of Intent (LoI) from the US Export-Import Bank for US$600 million in March 2024 to support the construction of the Dubbo Project[6]. This LoI remains in place and has the potential to be 'right-sized' relative to the final capital expenditure required to build the Dubbo Project as we continue to develop the Heap Leach Option.

The Company has also secured strong support from Export Development Canada (EDC) and Export Finance Australia (EFA) with the receipt of additional letters of intent. Conditional debt funding from these credit agencies combined totals over A$1.5 billion. ASM continued engagement with these agencies during the Quarter.

Throughout the Quarter, ASM's management team participated in a broad range of national and international stakeholder engagements, including independent meetings, invitational events and open forums. These

[6] Refer ASX release, 21 March 2024: ASM receives US$600M (A$923M) Letter of Interest from US EXIM bank

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interactions reflect the increasingly collaborative nature of building alternative rare earth supply chains and reinforce ASM's position as a leading international player. The Company's integrated mine-to-metals strategy remains a compelling proposition, and the momentum generated by the Heap Leach Scoping Study continues to support commercial progress.

In addition, ASM is actively exploring strategic partnerships to strengthen its position within the rare earth supply chain and enable the successful execution of its growth strategy, ensuring alignment with global customers and downstream manufacturing needs.

Diggers & Dealers Mining Forum
Australia, WA

ASM attended the Diggers & Dealers Mining Forum in Kalgoorlie, engaging with investors and financiers and presenting the Heap Leach Scoping Study. The event provided a strong platform to market the project and advance discussions with funding partners and strategic stakeholders.





Raw Materials Roundtable, German-Australian Chamber of Industry and Commerce
Australia, WA

ASM's CFO, Stephen Motteram, participated in the roundtable, engaging with German industry and government leaders on securing sustainable supply chains. His contribution highlighted ASM's role in advancing Australia's critical minerals sector through global partnerships.

Adamas Mines, Magnets & Motors
Canada, Toronto

ASM participated in the Adamas Intelligence Mines, Magnets & Motors Conference in Toronto, a premier summit for the global rare earths supply chain. The event was a key opportunity for industry leaders to connect with potential customers and explore emerging technologies and market trends across the mine-to-magnet value chain.





Austrade US Critical Minerals Delegation
USA, Washington DC

ASM joined the Austrade US Critical Minerals Delegation in Washington DC, engaging with senior administration officials to advance Australia's role in secure supply chains. The visit provided a valuable opportunity to strengthen relationships with key stakeholders in the current US administration and reinforce ASM's commitment to strategic collaboration in the critical minerals sector.

Discussions with KCF Energy Co. Ltd also continue under the extended framework agreement, which provides the opportunity to explore opportunities with parties that KCF has identified with an interest in the Dubbo Project. The current agreement runs until 31 December 2025.

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ESG

ASM is establishing strong Environmental, Social and Governance (ESG) foundations in line with the growth of the business. We understand the importance of managing environmental impacts, respecting human rights, minimising greenhouse gas emissions, and supporting local communities. We want to leave a legacy that delivers enduring benefits to the communities and regions where we operate.

Dubbo Project Annual Review & Annual Rehabilitation Report

During the Quarter, ASM submitted its Annual Review and Rehabilitation Report for the Dubbo Project (July 2024 – June 2025). The Annual Review is an environmental audit to comply with section 122B(2) of the Environmental Planning and Assessment Act. The report provides a comprehensive review of ASM's environmental performance during FY25 and makes public the data the third-party reports related to the Company's activities in areas including air quality, biodiversity, heritage and water management. The report is available on the ASM website[7].

Air & climate inspection

During the Quarter, the KMP received an unannounced inspection from the Air & Climate Division of Cheongju City local government. The inspection reviewed KMP's environmental documentation and onsite conditions and was completed with no issues identified.

External assurance and benchmarking

TSM Framework: The Australian minerals industry has adopted the Towards Sustainable Mining (TSM) Framework– a globally recognised accountability framework which supports minerals companies to evaluate, manage and communicate their site-level sustainability performance. ASM performed an initial FY25 TSM self-assessment followed by the development and implementation of an action plan, with the intent of uplifting ASM's TSM maturity level in preparation for future external assurance. Whilst the scope of the FY25 TSM self-assessment was limited to Corporate processes/systems and the Dubbo Project, this will be leveraged and expanded to include the Korean Metals Plant in FY26 and beyond.

UN Global Compact: ASM is a proud participant of the United Nations Global Compact – an important part of holding the Company accountable to its ESG commitments. During the Quarter, ASM submitted its Communication on Progress (CoP)[8], an annual report disclosing ASM's continuous efforts to integrate the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment, and Anti-Corruption into our business strategy, culture, and daily operations.

[7] https://asm-au.com/mines/the-dubbo-project/esg/
[8] https://unglobalcompact.org/what-is-gc/participants/154693-Australian-Strategic-Materials-Limited

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CORPORATE

ASM's corporate activities focus on securing the funding and strategic partnerships necessary to execute its mine to metals strategy. The Company maintains strong financial discipline while pursuing growth opportunities across its Australian and Korean operations and expanding into new markets.

Share Purchase Plan / Placement

ASM successfully completed its capital raising initiative during the Quarter, securing a total of A$24.9 million before costs through an oversubscribed Share Purchase Plan (**SPP**) and a targeted Institutional Placement. These outcomes reflect strong investor confidence in ASM's strategic direction and its pivotal role in reshaping global rare earth supply chains.

The SPP, which closed on 17 July 2025, raised A$11.86 million, substantially exceeding the initial target of A$3 million. The Board elected to accept the oversubscription amount in recognition of the overwhelming support from retail shareholders. All eligible Directors participated in the offer, which was priced at a 20% discount to the five-day volume weighted average share price.

Building on this momentum, ASM completed an Institutional Placement on 28 July 2025, raising a further A$13 million. The Placement attracted strong interest from both existing and new domestic and international institutional investors, including cornerstone support from ASM's Chair and major shareholder. The Placement was priced at A$0.5647 per share, consistent with the SPP offer price.

Proceeds from the capital raise will be used to:

- advance due diligence and funding initiatives for the proposed American Metals Plant;
- support the ramp-up and expansion of heavy rare earth metallisation capability at the Korean Metals Plant;
- progress the Rare Earth Options Assessment for the Dubbo Project; and
- cover corporate costs and general working capital.

These funds provide ASM with the financial flexibility to accelerate its growth strategy and respond to increasing global demand for secure, non-China sources of critical materials.

Annual Report & AGM

During the Quarter, ASM released its 2025 Annual Report to shareholders. The report provided a comprehensive strategic review of the Company's activities during FY25, financial results, Remuneration Report, and an overview of ASM's approach to sustainability and risk management. The report is available on the Company's website.

ASM has confirmed it will hold its Annual General Meeting (**AGM**) on Wednesday, 26 November 2025.

Management changes

On 30 September, ASM advised of a restructure to its Management Team following the resignation of Chief Operating Officer (COO) Chris Jordaan.[9] Chris will step down from the COO role to pursue other, non-competing opportunities, effective 9 November 2025.

[9] Refer ASX release, 30 September 2025: Management changes

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As the Company explores opportunities across multiple divisions and jurisdictions, the COO position will be replaced by the roles of VP Operations Metals and VP Operations Australia. Both roles will report directly to the CEO.

The newly created roles will have the following areas of responsibility:

- **VP Operations Metals:** Korean Metals Plant, R&D division, and US metals plant expansion opportunities. Role to be filled on an interim basis by Peter Finnimore, who will take on these responsibilities while continuing in his current role as VP, Sales & Marketing.

- **VP Operations Australia:** Dubbo Project and Toongi Pastoral Company.
  Role to be filled on an interim basis by the current GM Technical, Wayne Dicinoski. ASM has commenced the recruitment process to fill these new roles on a permanent basis.

Further capital raise activities

Following the conclusion of the Quarter, ASM secured firm commitments to raise approximately A$55 million through an Institutional Placement at A$1.20 per share, with strong support from both new and existing domestic and international investors. The funds will fully finance the Phase 2 expansion of the Korean Metals Plant, bringing NdFeB alloy production capacity to 3,600 tpa. It will also support further downstream growth initiatives in Korea and the US, strategic partnerships, and the development of a secure global rare earth supply chain. The Placement reflects growing international recognition of ASM's vertically integrated mine to metals strategy and its critical role in addressing geopolitical risks and supply chain instability in the rare earths sector.

Cash

ASM's cash position as at 30 September 2025 was $37.5 million. The following waterfall chart highlights cash movements during the Quarter, including:

- $0.3 million of investment in the Dubbo Project, including engineering, metallurgical and rare earth options assessment net of Australian Government grants.
- $2.9 million of business costs relating to business development, marketing and administration.
- $23.2 million net proceeds from capital raising activity during the Quarter.
- $1.5 million of Korean expenditures are principally related to inventory, administrative, and personnel costs, net of Korean Government grant funding and sales.



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Banking facilities

During the Quarter ended 30 June 2025, the Group successfully executed two Korean loan facilities totalling ₩12 billion (A$12.9 million) as part of a refinance of existing Korean loan facilities associated with the Company's Korean Metals Plant. For further details on these facilities, please refer to Appendix 5B, item 7.

Market outlook

The wide-ranging public-private partnership agreement between the US Department of War (DoW) and MP Materials, including a long-term offtake with a commitment to a price floor at US$110/kg for NdPr oxide, has had profound implications for the sector ex-China. In a similar vein, the USA Rare Earths acquisition of the UK metal maker Less Common Metals has reset market expectations as to the importance of all links in the value chain. With China taking further steps to protect its domestic supply chain, and President Trump's trade advisor, Peter Navarro, reportedly telling representatives from US companies that similar deals were in negotiation with others, there has been a massive increase in activity and urgency across the sector from companies and governments alike.

At a more operational level, one of the key issues that has been holding back the development of the Rest of World supply chain for rare earth permanent magnets has been the complexity associated with the numerous grades and their associated compositions that come from a wide variety of end-use applications. To date, this has led to a fragmentation of orders, inhibiting the development of economies of scale for alloy makers and magnet manufacturers alike. However, there is growing recognition of this issue from industry and moves to reduce the number of specialty products should subsequently allow companies, such as ASM with mid-stream assets, to become more competitive as volumes ramp up, particularly for EVs.

NdFeB: Gains in NdPr oxide and metal prices gathered pace in the Quarter, with averages for the period rising by 27.7% and 27.3% respectively, while those for high-grade magnets also increased by an average of 14.6% from Q1. At the start of the Quarter, prices in the spot market found support from improved sentiment following the US DoD / MP Materials agreement, before increased purchasing downstream from magnet makers looking to build inventories kept up the positive momentum throughout the supply chain.

Zirconia: The zirconium complex continued to trend downwards in the Quarter, with prices finishing September at US$1,935/t, 4.7% lower than at the end of June. Subdued market conditions in the important ceramics and refractory segments are still weighing on overall consumption of zirconium units. However, although demand from traditional end uses remains soft, there are more positive signals from emerging applications in semiconductors and photovoltaics, so that growth is strongest in the zirconia and zirconium chemicals segments.

Hafnium: Spot hafnium ingot prices in Europe have surged in the last month, finishing September at US$4,400/kg after starting July at US$3,750/kg. They have since climbed to as much as US$5,500/kg as supply from China has fallen significantly following the government's export restrictions on dual-use items. With the emerging electronics and established superalloy industries competing for a reduced number of hafnium units, the current market is reminiscent of conditions in Q3 2023 that saw spot prices reach US$6,950/kg.

Niobium: Prices for niobium ingot remained at multi-year highs of US$100/kg over the Quarter. The market continues to experience tightness due to strong demand from the superalloy and glass industries, whilst also

being supported by a recent US Defense Logistics Agency request for proposal for up to US$50 million in niobium ingots for the national defense stockpile.

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MINING TENEMENTS

Australian Strategic Materials Limited confirms the following information as at 30 September 2025 (as required by ASX Listing Rule 5.3.3).

Tenements	Mining tenements acquired during the quarter	Mining tenements disposed of during the quarter	Mining tenements held at the end of the quarter	Tenement location
EL 5548	N/A	N/A	100%	Dubbo NSW
EL 7631	N/A	N/A	100%	Dubbo NSW
ML 1724	N/A	N/A	100%	Dubbo NSW

No exploration or other mining activities have occurred for the Quarter (as required by ASX Listing Rule 5.3.1).

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GLOSSARY

AGM	Annual General Meeting
ANSTO	Australian Nuclear Science and Technology Organisation
ASM or **Company**	Australian Strategic Materials Limited
Bechtel	Bechtel Australia Pty Ltd
CFO	Chief Financial Officer
CuTi	Copper titanium
CY	Calendar year
DoC	US Department of Commerce
DoW	US Department of War (Formerly Department of Defense)
DoE	US Department of Energy
ESG	Environmental, Social, Governance
EU	European Union
EV	Electric vehicle
FEED	Front-end engineering design
FID	Final investment decision
FY	Financial year
FeNB	Ferroniobium
FEOC	Foreign Entity of Concern
GHG	Greenhouse gas emissions
IMARC	International Mining and Resources Conference
IRA	Inflation Reduction Act
KCF	KCF Energy Co. Ltd
KMP	Korean Metals Plant
KSMM	Korean Strategic Materials Metals
KSMT	Korean Strategic Materials Technology
LoI	Letter of Interest
LTIFR	Lost time injury frequency rate
MAPP	Macquarie Agricultural Pathway Program
NDAA	National Authorization Act
Nd	Neodymium
NdFeB	Neodymium iron boron
NdPr	Neodymium praseodymium
NPI	Non-process infrastructure
REE	Rare earth element
SRSF	Solid residue storage facility
Ti	Titanium
TPC	Toongi Pastoral Company
TZMI	TZ Minerals International Pty Ltd
US EXIM	Export-Import Bank of the United States
ZBC	Zirconia basic carbonate
ZBS	Zirconia basic sulphate
ZrO2	Zirconia dioxide

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FORWARD-LOOKING STATEMENTS

This report contains certain statements which constitute "forward-looking statements". Often, but not always, forward-looking statements can generally be identified by the use of forward-looking words such as "may", "will", "expect", "plan", "believes", "estimate", "anticipate", "should", "could", "may", "will", "predict", "plan" "forecast", "likely", "future", "project", "opinion", "opportunity", "intend", "target, "propose", "to be", "foresee", "aim", "outlook" and "guidance", or similar expressions, and may include, without limitation, statements regarding plans; strategies and objectives of management; anticipated production and production potential; estimates of future capital expenditure or construction commencement dates; expected costs or production outputs; estimates of future product supply, demand and consumption; statements regarding future product prices; and statements regarding the expectation of future Mineral Resources and Ore Reserves.

Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. While these forward-looking statements reflect the Company's expectations at the date of this report, they are not guarantees or predictions of future performance or statements of fact. The information is based on the Company forecasts and as such is subject to variation related to, but not restricted to, economic, market demand/supply and competitive factors.

A number of important factors could cause actual results or performance to differ materially from the forward-looking statements, including known and unknown risks. These factors may include but are not limited to, changes in commodity prices, foreign exchange fluctuations and general economic factors, increased capital costs and operating costs, the speculative nature of exploration and project development, general mining and development risks, closure and rehabilitation risks, changes to the regulatory framework within which the Group operates or may in the future operate, environmental conditions and environmental issues, and the recruitment and retention of key personnel, industrial relations issues and litigation. Forward-looking statements are only predictions and are subject to known and unknown risks, uncertainties, assumptions, and other important factors (many of which are outside the control of the Company) that could cause the actual results, performances or achievements of the Company to differ materially from future results, performances or achievements expressed, projected or implied by such forward-looking statements.

Forward-looking statements, opinions and estimates provided in this document are based on assumptions and contingencies that are subject to change without notice. There can be no assurance that actual outcomes will not differ materiality from these forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date thereof. Except as required by applicable laws or regulations, the Company does not undertake to publicly update or review any forward-looking statements, whether as a result of new information or future events. The Company cautions against reliance on any forward-looking statements or guidance, particularly in light of the current economic climate.

Information on likely developments in the Group's business strategies, prospects and operations for future financial years and the expected results that could result in unreasonable prejudice to the Group (for example, information that is commercially sensitive, confidential or could give a third party a commercial advantage) has not been included below in this report. The categories of information omitted include forward-looking estimates and projections prepared for internal management purposes, information regarding the Company's operations and projects, which are developing and susceptible to change, and information relating to commercial contracts.

Readers should consider the forward-looking statements contained in this report in light of those risks and disclosures. Neither the Group, nor any of its directors, officers, employees, agents or advisers makes any representation or warranty, express or implied as to the accuracy, likelihood of achievement or reasonableness of any forward-looking statement contained in this report. Except as required by law or regulation (including the ASX Listing Rules), none of the Group, nor any of its directors, officers, employees, agents or advisers undertakes any obligation to supplement, revise or update forward-looking statements or to publish prospective financial information in the future, regardless of whether new information, future events, results or other factors affect the information contained in this report.

This ASX announcement was authorised by the ASM Board.

- ENDS -

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APPENDIX 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report.

Name of entity	
Australian Strategic Materials Ltd	
ABN	**Quarter ended ("current quarter")**
90 168 368 401	30 September 2025

	Consolidated statement of cash flows	Current quarter $A'000	Year to date (3 months) $A'000
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	3,062	3,062
1.2	Payments for		
	(a) exploration & evaluation	-	-
	(b) development	-	-
	(c) production	(2,458)	(2,458)
	(d) staff costs	(3,655)	(3,655)
	(e) administration and corporate costs	(1,758)	(1,758)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	189	189
1.5	Interest and other costs of finance paid	(6)	(6)
1.6	Income taxes received / (paid)	(14)	(14)
1.7	Government grants and tax incentives	417	417
1.8	Other (provide details if material)	57	57
1.9	**Net cash from / (used in) operating activities**	**(4,166)**	**(4,166)**
2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	(210)	(210)
	(d) exploration & evaluation	(1,332)	(1,332)
	(e) investments	-	-
	(f) other non-current assets	-	-

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Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	(16)	(16)
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
	Government grants and tax incentives	1,300	1,300
	Payments for biological assets	-	-
2.6	**Net cash from / (used in) investing activities**	**(258)**	**(258)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)*	24,862	24,862
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(1,615)	(1,615)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	(207)	(207)
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	**Net cash from / (used in) financing activities**	**23,040**	**23,040**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	19,013	19,013
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(4,166)	(4,166)

Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(258)	(258)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	23,040	23,040
4.5	Effect of movement in exchange rates on cash held	(119)	(119)
4.6	**Cash and cash equivalents at end of period**	**37,510**	**37,510**

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter $A'000	Previous quarter $A'000
5.1	Bank balances	12,760	7,013
5.2	Call deposits	24,750	12,000
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**37,510**	**19,013**

6.	Payments to related parties of the entity and their associates	Current quarter $A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	350
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

During the quarter ended 30 September 2025, item 6.1 cash payments totalled $350,000. These payments included Director's fees, travel, consulting and superannuation. Other related parties' payments included $45,000 paid to Alkane Resources Limited for personnel and office services.

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7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities	12,939	12,939
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	**Total financing facilities**	-	-

7.5	**Unused financing facilities available at quarter end**	-

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

The Group holds two Korean Won (₩) loan facilities with the Korea Development Bank and Hana Bank in South Korea. Details of each facility are outlined below:

	KDB Industrial Facility - Opex	Hana Bank Industrial Facility - Opex
Facility amount	₩ 9,000,000,000	₩ 3,000,000,000
Amount drawn	₩ 9,000,000,000	₩ 3,000,000,000
Repayment date	10 June 2026	30 May 2026
Lender	KDB Bank	Hana Bank
Interest	7.02% - fixed KDB industrial financial debenture rate (on date of transfer) + 4.85% pa.	3.801% - 6 months variable KDB 6-month financial debenture rate (on date of transfer) + 1.242% pa.
Security	Secured	Unsecured

Both loan facilities are classified as current liabilities in accordance with all terms and conditions.

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (item 1.9)	(4,166)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(1,332)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(5,498)
8.4	Cash and cash equivalents at quarter end (item 4.6)	37,510
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	37,510

8.7	**Estimated quarters of funding available (item 8.6 divided by item 8.3)**	6.8

Note: if the entity has reported positive relevant outgoings (i.e. a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.

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8.8	If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
	8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Answer: N/A	
	8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	Answer: N/A	
	8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
	Answer: N/A	
	Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.	

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Date: 27 October 2025

Authorised by: The Board of Directors

(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – e.g. Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

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