



Australian Strategic Materials Ltd

ACN 168 368 401

NOTICE OF ANNUAL GENERAL MEETING EXPLANATORY STATEMENT AND PROXY FORM

FOR THE ANNUAL GENERAL MEETING OF THE COMPANY TO BE HELD
ON TUESDAY, 30 NOVEMBER 2021 AT 12:00PM (AWST) AS A VIRTUAL MEETING.

Due to the ongoing COVID-19 pandemic, Shareholders will not be able to attend in person at a physical location, but are strongly encouraged to attend online as outlined in this Notice

THIS DOCUMENT IS IMPORTANT

If you do not understand this document or are in doubt as to how you should vote, you should consult your stockbroker, solicitor, accountant, or other professional adviser.

THE 2021 ANNUAL REPORT IS AVAILABLE ON THE COMPANY'S WEBSITE:

www.asm-au.com

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of Shareholders of Australian Strategic Materials Ltd will be held on 30 November 2021 at 12:00pm (AWST) as a virtual meeting via a live webcast.

IMPORTANT NOTICE REGARDING COVID-19

Due to the ongoing COVID-19 pandemic (including potential health risks, international and domestic travel restrictions, and uncertainty regarding other Government restrictions), the Company has determined to hold the Meeting as a wholly virtual meeting online without the possibility of physical attendance at a location by Shareholders.

As Shareholders will not be able to attend the meeting in person, they are strongly encouraged to participate in the virtual meeting by attending, as outlined below, and by submitting their Proxy Form to record their vote on the Resolutions by no later than 12:00pm (AWST) on 28 November 2021.

Although Shareholders are not able to attend in person, they will be able to ask questions of the Directors and Auditor through the processes outlined in this Notice and on the Company's website www.asm-au.com.au. Shareholders are asked to submit questions as soon as possible, and preferably by 5:00pm (AWST), 28 November 2021. Questions may be asked during the Meeting through the processes outlined below.

Capitalised terms and abbreviations used in this Notice and Explanatory Statement are defined in the Glossary.

Your vote is important

The business of the Meeting affects your shareholding, and your vote is important. Voting on each item of business will be conducted by poll. The Board encourages all Shareholders to either vote at the Meeting via the online platform or lodge a Proxy Form prior to the deadline (being no later than 12:00pm (AWST) on 28 November 2021). Information on how to lodge a proxy is set out below and on the Proxy Form.

Voting eligibility

The Directors have determined pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 5:00 pm (AWST) on 28 November 2021.

Voting during the Meeting

If you hold Shares in the Company, you will be able to vote on resolutions during the Meeting through the online platform being used to conduct the Meeting. You will need to log-in to the platform using your personalised log-in details located on your Proxy Form to access the Meeting. However, the Directors are strongly encouraging Shareholders to lodge their Proxy Form in accordance with the instructions below to assist in the orderly conduct of the Meeting.

If you attend the Meeting webcast, you will be able to vote online during the Meeting. Voting on each item of business will be by poll.

The Chairman will open the poll shortly after the Meeting commences and you will be able to vote at any time during the Meeting and for 10 minutes afterwards. If you have lodged a Proxy Form and then vote online during the Meeting, your Proxy Form lodged will be cancelled.

It is recommended that you register to use the online platform well in advance of the Meeting to save time on the day of the Meeting. Should you have any difficulties, you can contact the share registry by telephone on 1300 113 258 (within Australia) and +61 8 9389 8033 (overseas).

HOW TO ATTEND THE VIRTUAL MEETING

A live webcast of the Meeting will be offered to allow Shareholders to see and listen to the Meeting online.

Shareholders will receive a personalised log-in and password for the Meeting on their Proxy Form which can be used to log-in to the Meeting on www.advancedshare.com.au/virtual-meeting. Shareholders will be able to use the portal to ask questions prior to and during the Meeting, and to live vote on matters being considered at the Meeting, although Shareholders are encouraged to vote on Resolutions via submitting a completed Proxy Form as outlined below.

Voting by proxy

To vote by proxy, please complete and sign the enclosed personalised Proxy Form and return by no later than **12:00pm (AWST) 28 November 2021**:

- by **lodging your Proxy Form online** at www.advancedshare.com.au/investor-login; or
- by **posting your completed Proxy Form** to Advanced Share Registry Limited, PO Box 1156, Nedlands WA 6909; or 110 Stirling Highway Nedlands WA 6009; or
- by **delivering your completed Proxy Form by fax** to Advanced Share Registry Limited at +61 8 6370 4203; or
- by **delivering your Completed Proxy Form by hand** to Advanced Share Registry Limited at 110 Stirling Highway Nedlands WA 6009.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder entitled to attend and vote at the Meeting has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company and can be an individual or a body corporate; and
- a Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, each proxy may exercise one-half of the votes.

Chairman as proxy

If you appoint the Chairman of the Meeting as your proxy (or the Chairman becomes your proxy by default) and you do not direct your proxy how to vote on the proposed Resolutions set out in this Notice, then you will be authorising the Chairman to vote as he decides on the proposed resolutions (even if the resolution is connected with the remuneration of a member of the Company's KMP). Where permitted, the Chairman intends to vote (where appropriately authorised) as proxy in favour of each Resolution.

If you appoint the Chairman as your proxy and wish to direct him how to vote, you can do so by marking the boxes for the relevant Resolution (i.e. by directing him to vote "For", "Against" or "Abstain").

If you appoint a member of the KMP (other than the Chairman) or any closely related party of a member of the KMP as your proxy, you must direct that person how to vote on Resolutions 1, 3, 4, 5, and 8 if you want your Shares to be voted on those Resolutions. If you appoint a member of the KMP (other than the Chairman) or any closely related party of a member of the KMP and you do not direct them how to vote on Resolutions 1, 3, 4, 5 or 8, such a person will not cast your votes on that Resolution and your votes will not be counted in calculating the required majority if a poll is called on that Resolution.

Corporate representatives

A body corporate who is a Shareholder or proxy must appoint an individual as its corporate representative if it wishes to attend and vote at the Meeting. If you are a corporate representative, you will need to provide evidence of your appointment as a corporate representative with the share registry prior to the Meeting or have previously provided the Company with evidence of your appointment.

Powers of attorney

If you appoint an attorney to attend and vote at the Meeting on your behalf, the power of attorney (or a certified copy) must be received by the share registry by 12:00pm (AWST) on 28 November 2021, unless the power of attorney has previously been lodged with the share registry.

Shareholder questions

Shareholders will be able to ask questions relevant to the business of the Meeting at the Meeting.

Instructions on how to submit questions via the online platform are set out in the Online Meeting Guide on the Company's website at <https://www.asm-au.com.au/investors/asx-announcements> and a copy of the Online Meeting Guide is attached to this Notice.

Shareholders who are unable to attend the Meeting or wish to submit questions prior to the Meeting may submit written questions by emailing the Company Secretary on info@asm-au.com. In order for questions to be appropriately considered it is recommended that questions be received by 5:00pm (AWST), 28 November 2021. The more frequently raised Shareholder issues will be addressed by the Chairman during the course of the Meeting. While there will be an allotted time for questions, the Board will endeavour to respond to as many

Shareholder questions as possible. However, there may still not be sufficient time available at the Meeting to address all of the questions raised. Please note that individual responses will not be sent to Shareholders.

Technical difficulties

Technical difficulties may arise during the course of the Meeting. The Chairman of the Meeting has discretion as to whether and how the Meeting should proceed in the event that a technical difficulty arises. In exercising this discretion, the Chairman of the Meeting will have regard to the number of Shareholders impacted and the extent to which participation in the business of the Meeting is affected.

Where the Chairman considers it appropriate, the Chairman of the Meeting may continue to hold the Meeting and transact business, including conducting a poll and voting in accordance with valid proxy instructions. For this reason, Shareholders are encouraged to appoint a proxy and submit a completed Proxy Form by no later than 12:00pm (AWST) on 28 November 2021.

If you are unable to access the relevant meeting materials online, please contact the Meeting helpline on +61 8 9200 1681 between 9:00am and 5:00pm (AWST) Monday to Friday. If you wish to receive a paper copy of the meeting materials, please contact the Meeting helpline on +61 8 9200 1681 or email the Company at info@asm-au.com and the Company will mail one to you. Please remember to provide your name, address, and contact phone number.

BUSINESS

ACCOUNTS AND REPORTS

To receive and consider the Financial Report of the Company, the Directors' Report (including the Remuneration Report) and the Auditor's Report for the year ended 30 June 2021.

RESOLUTION 1: ADOPTION OF REMUNERATION REPORT

To consider and, if thought fit, to pass, with or without amendment, the following **non-binding resolution**:

That, for the purpose of section 250R(2) of the Corporations Act, the Remuneration Report, which forms part of the Directors' Report for the financial year ended 30 June 2021, be adopted.

Note: In accordance with section 250R(3) of the Corporations Act, the vote on this Resolution will be advisory only and does not bind the Directors or the Company.

A Voting Prohibition Statement for this Resolution is set out below.

RESOLUTION 2: RE-ELECTION OF DIRECTOR – MR NICHOLAS EARNER

To consider and, if thought fit, to pass, with or without amendment, the following **ordinary resolution**:

That, for the purposes of rule 3.4 of the Constitution, Listing Rule 14.4 and all other purposes, Mr Nicholas Earner, who retires in accordance with rule 3.6 of the Constitution and, being eligible for re-election, be re-elected as a Director of the Company.

RESOLUTION 3: APPROVAL OF AUSTRALIAN STRATEGIC MATERIALS PERFORMANCE RIGHTS PLAN

To consider and, if thought fit, to pass, with or without amendment, the following **ordinary resolution**:

That, for the purpose of Listing Rule 7.2 (Exception 13(b)), sections 200B and 200E of the Corporations Act and for all other purposes, approval is given for the Company to grant a maximum of 3,975,300 Performance Rights under the Australian Strategic Materials Performance Rights Plan during the three year period from the date of approval, pursuant to the terms of which are summarised in the Explanatory Statement accompanying this Notice of Meeting, and the issue of securities and the giving of benefits under the Australian Strategic Materials Performance Rights Plan from time to time (including the grant of Performance Rights and the issue or transfer of Shares upon vesting of Performance Rights issued under the Australian Strategic Materials Performance Rights Plan).

A Voting Exclusion Statement and Voting Prohibition Statement for this Resolution is set out below.

RESOLUTION 4: APPROVAL OF THE GRANT OF PERFORMANCE RIGHTS TO THE MANAGING DIRECTOR

To consider and, if thought fit, to pass, with or without amendment, the following **ordinary resolution**:

That, for the purposes of Listing Rule 10.14, sections 200B and 200E of the Corporations Act and for all other purposes, approval is given for the Company to grant 42,362 Performance Rights to Mr David Woodall (or his nominees) under the terms of the Australian Strategic Materials Performance Rights Plan (including the issue or transfer of Shares on the vesting and exercise of those Performance Rights) and otherwise in accordance with the terms and conditions set out in the Explanatory Statement.

A Voting Exclusion Statement and a Voting Prohibition Statement for this Resolution is set out below.

RESOLUTION 5: INCREASE IN MAXIMUM AGGREGATE REMUNERATION FOR NON-EXECUTIVE DIRECTORS

To consider and, if thought fit, to pass, with or without amendment, the following as an **ordinary resolution**:

That, for the purpose of clause 10.2 of the Constitution, Listing Rule 10.17 and for all other purposes, the maximum aggregate remuneration payable to non-executive Directors in any financial year be increased by \$450,000 from \$500,000 to \$950,000 per annum.

A Voting Exclusion Statement and Voting Prohibition Statement for this Resolution is set out below.

RESOLUTION 6: RATIFICATION OF ISSUE OF SHARES – ZIRON TECHNOLOGY CORPORATION

To consider and, if thought fit, to pass, with or without amendment, the following as an **ordinary resolution**:

That, for the purpose of Listing Rule 7.4 and for all other purposes, Shareholders approve and ratify the issue of 1,306,416 Shares to unrelated parties of the Company pursuant to the acquisition of 95% of Ziron Technology Corporation announced by the Company to ASX on 3 September 2020, on the terms and conditions set out in the Explanatory Statement.

A Voting Exclusion Statement for this Resolution is set out below.

RESOLUTION 7: RATIFICATION OF ISSUE OF SHARES – PLACEMENT

To consider and, if thought fit, to pass, with or without amendment, the following as an **ordinary resolution**:

That, for the purpose of Listing Rule 7.4 and for all other purposes, Shareholders approve and ratify the issue of 13,541,667 Shares to unrelated parties of the Company pursuant to the placement announced by the Company to ASX on 26 March 2021, on the terms and conditions set out in the Explanatory Statement.

A Voting Exclusion Statement for this Resolution is set out below.

RESOLUTION 8: APPROVAL OF POTENTIAL TERMINATION BENEFITS

To consider and, if thought fit, to pass, with or without amendment, the following as an **ordinary resolution**:

*To approve for all purposes, including sections 200B and 200E of the Corporations Act, for the period commencing on the date this resolution is passed and ending at the conclusion of the 2024 Annual General Meeting, the giving of any or all of the benefits detailed in and on the terms set out in the Explanatory Statement to the Notice convening this Meeting, to any persons (**Relevant Executives**):*

- a. *who from time to time hold managerial or executive office (within the meaning of section 200AA of the Corporations Act), in the Company or a related body corporate of the Company, in connection with them ceasing to hold an office, or position of employment, in the Company or a related body corporate; or*
- b. *who held managerial or executive office in the Company or a related body corporate during the last three years before ceasing to hold an office, or position of employment, in the Company or a related body corporate.*

A Voting Prohibition Statement for this Resolution is set out below.

Dated: 25 October 2021

By order of the Board of Directors



Dennis Wilkins

Joint Company Secretary

VOTING EXCLUSIONS AND PROHIBITIONS

Resolution 1 – Adoption of Remuneration Report:

Voting Prohibition

A vote on Resolution 1 must not be cast:

- in any capacity, by or on behalf of a member of the KMP, details of whose remuneration are included in the Remuneration Report, or a Closely Related Party of such a member; or
- by a person appointed as a proxy if the person is a member of the KMP at the date of the Meeting, or a Closely Related Party of KMP.

However, a person (a **Voter**) described above may cast a vote on Resolution 1 as a proxy if the vote is not cast on behalf of a person who is excluded from voting on Resolution 1 and either:

- the Voter is appointed as proxy in writing that specifies the way the proxy is to vote on Resolution 1; or
- the Voter is the Chairman of the Meeting and the appointment of the Chairman as proxy for a person entitled to vote on Resolution 1:
 - does not specify a voting direction; and
 - expressly authorises the Chairman to exercise the proxy even though Resolution 1 is connected directly or indirectly with the remuneration of a member of the KMP.

Resolution 3 – Approval of Australian Strategic Materials Performance Rights Plan

Voting Exclusion

The Company will disregard any votes cast in favour of Resolution 3 by or on behalf of:

- a person who is eligible to participate in the Plan; or
- an associate of that person or those persons.

However, this does not apply to a vote cast in favour of Resolution 3 by:

- a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- the Chairman of the Meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the Chairman of the Meeting to vote on the resolution as the Chairman of the Meeting decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting Prohibition

A vote on Resolution 3 must not be cast (in any capacity) by or on behalf of a Relevant Executive or an associate of a Relevant Executive.

However, subject to the further voting prohibition below and the voting exclusion above, this does not prevent the casting of a vote if:

- it is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on the resolution; and
- it is not cast on behalf of a Relevant Executive or an associate of a Relevant Executive.

A person appointed as proxy must not vote on the basis of that appointment, on Resolution 3 if the person is a member of the KMP or a Closely Related Party of the KMP and the appointment does not specify the way the proxy is to vote on the resolution.

However, the above paragraph does not apply if:

- the KMP is the Chairman of the Meeting; and
- the appointment expressly authorises the Chairman of the Meeting to exercise the proxy even though Resolution 3 is connected directly or indirectly with remuneration of a member of the KMP.

Resolution 4 – Approval of the grant of Performance Rights to the Managing Director:

Voting Exclusion

The Company will disregard any votes cast in favour of Resolution 4 by or on behalf:

- a person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the Plan; or
- an associate of that person or those persons.

However, this does not apply to a vote cast in favour of Resolution 4 by:

- a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- the Chairman of the Meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the Chairman of the Meeting to vote on the resolution as the Chairman of the Meeting decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - the holder votes on the resolution in accordance with the directions given by the beneficiary to the holder to vote in that way.

Voting Prohibition

A vote on Resolution 4 must not be cast (in any capacity) by Mr Woodall or any Associate of Mr Woodall.

However, subject to the further voting prohibition below and the voting exclusion above, this does not prevent the casting of a vote if:

- it is cast by a person as a proxy appointed in writing that specifies how the proxy is to vote on the resolution; and
- it is not cast on behalf of Mr Woodall or any Associate of Mr Woodall.

A person appointed as proxy must not vote on the basis of that appointment, on Resolution 4 if the person is a member of the KMP or a Closely Related Party of the KMP and the appointment does not specify the way the proxy is to vote on the resolution.

However, the above paragraph does not apply if:

- the KMP is the Chairman of the Meeting; and
- the appointment expressly authorises the Chairman of the Meeting to exercise the proxy even though Resolution 4 is connected directly or indirectly with remuneration of a member of the KMP.

Resolution 5 – Increase In Maximum Aggregate Remuneration For Non-Executive Directors:

Voting Exclusion

The Company will disregard any votes cast in favour of Resolution 5 by or on behalf of:

- a Director of the Company; or
- an associate of that person or those persons.

However, this does not apply to a vote cast in favour of Resolution 5 by:

- a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or

- the Chairman of the Meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the Chairman of the Meeting to vote on the resolution as the Chairman of the Meeting decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - the holder votes on the resolution in accordance with the directions given by the beneficiary to the holder to vote in that way.

Voting Prohibition

A person appointed as proxy must not vote on the basis of that appointment, on Resolution 5 if the person is a member of the KMP or a Closely Related Party of the KMP and the appointment does not specify the way the proxy is to vote on the resolution.

However, the above paragraph does not apply if:

- the KMP is the Chairman of the Meeting; and
- the appointment expressly authorises the Chairman of the Meeting to exercise the proxy even though Resolution 5 is connected with the remuneration of a member of the KMP.

Resolution 6 – Ratification of Issue of Shares – Ziron Technology and Resolution 7 – Ratification of Issue of Shares – Placement:

Voting Exclusion:

The Company will disregard any votes cast in favour of Resolutions 6 and 7 by or on behalf of:

- a person who participated in the issue; or
- an associate of that person or those persons.

However, this does not apply to a vote cast in favour of Resolutions 6 and 7 by:

- a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- the Chairman of the Meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the Chairman of the Meeting to vote on the resolution as the Chairman of the Meeting decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - the holder votes on the resolution in accordance with the directions given by the beneficiary to the holder to vote in that way.

Resolution 8 – Approval of potential termination benefits:

Voting Prohibition

If any Shareholder is a current or potential Relevant Executive and wishes to preserve the ability to receive benefits to be approved by Resolution 8, then that Shareholder and their associates must not vote on the resolution in any capacity except as a proxy for a person who is not a Relevant Executive or associate of such a person if appointed as such by writing that specifies how the proxy is to vote.

In addition, a vote must not be cast on Resolution 8 by any member of the KMP or a Closely Related Party of a member of the KMP, as proxy, if their appointment does not specify the way the proxy is to vote on the resolution. However, this does not apply if the proxy is the Chairman of the Meeting, and the appointment expressly authorises the Chairman of the Meeting to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the KMP.

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether to pass the Resolutions.

This Explanatory Statement forms part of, and should be read together with, the Notice of Meeting. Capitalised terms in this Explanatory Statement are defined in the Glossary.

ACCOUNTS AND REPORTS

In accordance with section 317 of the Corporations Act, the Company's Financial Report, the Directors' Report (including the Remuneration Report) and the Auditor's Report for the year ended 30 June 2021 will be laid before the Annual General Meeting. A copy of the Company's Annual Report for the year ended 30 June 2021, which includes these reports, is available on the Company's website at <https://asm-au.com> and on ASX's website www.asx.com.au.

There is no requirement for Shareholders to approve these reports. Shareholders will be given a reasonable opportunity at the Annual General Meeting to ask questions or make comments about these reports and the management of the Company. Shareholders will also be given a reasonable opportunity to ask the Company's auditor questions about the conduct of the audit, the preparation and content of the Auditor's Report, the accounting policies adopted by the Company in relation to the preparation of the financial statements and the independence of the auditor in relation to the conduct of the audit.

1. RESOLUTION 1 - ADOPTION OF REMUNERATION REPORT

1.1 General

Section 250R(2) of the Corporations Act requires the Company to put a resolution to Shareholders that the remuneration report be adopted. The vote on this Resolution is advisory only and does not bind the Directors or the Company. However, the outcome of the vote and discussion will be considered by ASM's Remuneration Committee and Nomination Committee when evaluating the remuneration arrangements of the Company in the future.

The Remuneration Report of the Company for the period ended 30 June 2021 is set out in the Company's Annual Report. This report includes information about the principles used to determine the nature and amount of remuneration and sets out the remuneration arrangements for each Director and member of the KMP.

As set out in the Remuneration Report, in determining executive remuneration, the Board aims to ensure that remuneration practices:

- (a) are competitive and reasonable, enabling the Company to attract and retain key talent while building a diverse, sustainable, and high achieving workforce;
- (b) are aligned to the Company's strategic and business objectives and the creation of Shareholder value;
- (c) promote a high performance culture recognising that leadership at all levels is a critical element in this regard;
- (d) are transparent; and
- (e) are acceptable to Shareholders.

Further details regarding ASM's remuneration policy and structure as to executive and non-executive remuneration are set out in the Annual Report.

Shareholders will be given a reasonable opportunity to ask questions about, or comment on, the Remuneration Report at the Annual General Meeting.

1.2 Directors' recommendation

The Directors recommend that Shareholders vote in favour of adopting the Remuneration Report.

2. RESOLUTION 2 - RE-ELECTION OF DIRECTOR – MR NICHOLAS EARNER

2.1 General

Rule 3.6 of the Constitution and Listing Rule 14.4 require that a Director must retire from office at the third annual general meeting after the Director was elected or last re-elected (other than the Managing Director), and that an election of a Director must be held at each annual general meeting. The Directors to retire at an annual general meeting are those who have held office the longest since their last election. If two or more Directors have held office for the same period, those Directors may agree between themselves which of them will retire, otherwise they are to draw lots.

2.2 Mr Nicholas Earner

In accordance with the Company's constitution and Listing Rule 14.4, Mr Nicholas Earner retires as a Director of the Company and being eligible, offers himself for re-election.

Mr Earner is a chemical engineer and graduate of University of Queensland with over 25 years' experience in technical and operational optimisation and management and has held a number of executive roles in mining and processing. Mr Earner is currently the Managing Director of Alkane Resources Ltd. Mr Earner joined the Alkane Group as Chief Operations Officer in August 2013, with responsibility for the safe and efficient management of Alkane's operations at Tomingley and the Dubbo Project. Under his supervision, the successful development of Tomingley transitioned to profitable and efficient operations. His guidance also drives the engineering and metallurgical aspects of the Dubbo Project, overseeing optimisation of plant design and product and marketing development.

Prior to his appointment as Alkane's Chief Operations Officer in August 2013 he spent four years at Straits Resources Ltd including two years as Executive General Manager – Operations, supervising up to 1,000 employees in open cut and underground gold mines and an underground copper mine. During the eleven years before that he had various roles at Rio Tinto Coal Australia's Mount Thorley Warkworth coal mine and BHP/WMC Olympic Dam copper-uranium-gold operations. Mr Earner's eight years at Olympic Dam included roles managing the Concentrator and Hydromet functions which included substantial milling, leaching and solvent extraction circuits. His other positions included Production Superintendent – Smelting, and Senior Engineer – Process Control, Instrumentation and Communications.

Mr Earner was appointed as a non-executive Director of the Company on 1 September 2017.

2.3 Directors' recommendation

Based on the information available, including the information contained in this Explanatory Statement, all the Directors consider that Resolution 2 is in the best interests of the Company, as Mr Earner has a wealth of experience and expertise which is valuable to the Company. The Directors (other than Mr Earner because of his interest in this Resolution) unanimously recommend that Shareholders vote in favour of Resolution 2.

3. RESOLUTION 3 – APPROVAL OF AUSTRALIAN STRATEGIC MATERIALS PERFORMANCE RIGHTS PLAN

3.1 General

The Australian Strategic Materials Performance Rights Plan (**Plan**) was established in March 2020.

The Plan is designed to assist in the recruitment, reward, retention, and motivation of certain employees, as determined by the Board from time to time. Under the Plan, the Board may grant Performance Rights to an eligible employee.

Resolution 3 seeks Shareholder approval of the Plan and the issue of securities and giving of benefits under the Plan from time to time, for the purposes of Listing Rule 7.2 (Exception 13(b)), sections 200B and 200E of the Corporations Act and for all other purposes.

3.2 Listing Rule Approval

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities (including Performance Rights) that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary shares it has on issue at the start of that period.

Listing Rule 7.2 sets out a number of exceptions to the 15% limit imposed by Listing Rule 7.1. Under Listing Rule 7.2 (Exception 13(b)), Listing Rule 7.1 does not apply to an issue of equity securities under an employee incentive scheme (such as the Plan) if (among other things), within three years before the issue, shareholders have approved the issue of equity securities under the relevant scheme as an exception to Listing Rule 7.1.

To this end, Resolution 3 seeks Shareholder approval for the purposes of Listing Rule 7.2 (Exception 13(b)) for the Plan, so that the issue of Performance Rights (and Shares allocated on the vesting of those Performance Rights) under the Plan will be excluded from the 15% limit imposed by Listing Rule 7.1 for a period of three years from the date of approval. If Shareholder approval is obtained under Resolution 3, neither the issue of Performance Rights under the Plan, nor the allocation of Shares resulting from the vesting of those Performance Rights issued under the Plan, will be counted towards the 15% limit imposed by Listing Rule 7.1.

If Resolution 3 is passed, all Performance Rights granted under the Plan (and Shares issued on vesting and exercise (if applicable) of those Performance Rights) will be excluded from the 15% limit imposed by Listing Rule 7.1 for a period of three years from the date of the approval.

If Resolution 3 is not passed, the Company may still issue Performance Rights (and Shares issued on vesting and exercise (if applicable) of such Performance Rights) under the Plan, but any Performance Rights (or Shares) will be taken into account when calculating whether the 15% limit under Listing Rule 7.1 has been reached.

3.3 Information required by Listing Rule 7.2 (Exception 13(b))

In accordance with Listing Rule 7.2 (Exception 13(b)), the following information is provided in respect of the Plan:

- (a) A summary of the rules of the Plan, as approved by the Board, is set out in Annexure B of this Explanatory Statement. A copy of the full terms of the Plan can, on request, be sent free of charge to any Shareholder by contacting the Company Secretary on (08) 9200 1681 or info@asm-au.com.
- (b) Since adoption of the Plan, the following securities have been issued under that Plan (as at the date of this Notice):
 - (i) 3,000,000 Performance Rights to Mr Woodall.

As at the date of this Notice, a total of 3,000,000 Performance Rights remain on issue and unvested.

- (c) The maximum number of Performance Rights proposed to be issued under the Plan, (if Shareholder approval is obtained under Resolution 3), not including securities already issued under the Plan, during the three year period from the date of approval is 3,975,300 Performance Rights. This figure is not an indication of the actual amount of Performance Rights that may be issued under the Plan but is rather a "ceiling" for the purposes of Listing Rule 7.2 (Exception 13(b)). As noted in Annexure B, the Board must not issue an invitation, or issue a Share under the Plan if it would exceed the share limit.
- (d) A voting exclusion statement for Resolution 3 is included in the Notice on page 7.

3.4 Sections 200B and 200E of the Corporations Act

The Corporations Act provides that the Company may only give a person a benefit in connection with their ceasing to hold a "managerial or executive office" in the Company or its related bodies corporate if it is approved by shareholders or an exemption applies (for example, where the benefit together with other benefits does not exceed the payment limits set out in the Corporations Act, including where the aggregate benefits do not exceed one year's average base salary).

This restriction will apply to all KMP. The term "benefit" is open to a wide interpretation and may include the early vesting of Performance Rights under the Plan. As outlined in the summary of the Plan in Annexure B to this Explanatory Statement, early vesting may occur, subject to the Directors' discretion, on the cessation of the Participant's employment for a **Qualifying Reason** (such as death, total and permanent disablement, or retirement of the Participant).

Shareholder approval of Resolution 3 is also sought so that such benefits do not count towards such maximum termination amounts to the extent that the benefits are deliverable on the cessation of the Participant's employment for a Qualifying Reason. In general, the cessation of a Participant's employment for a Qualifying Reason will not involve poor performance.

Shareholder approval of Resolution 3 will allow the Company, where appropriate, to fulfil its obligations under the Plan to all Participants equally. If Resolution 3 is not approved, Participants who are KMP may not be able to receive Benefits that are available to all other Participants unless subsequent Shareholder approval is obtained. Further, equity linked benefits such as the Performance Rights align senior executives with Shareholders and the Directors believe granting approval is better for Shareholders than, for example, increasing cash awards in future in lieu of Share benefits. Shareholder approval is also expected to assist the Company to retain, motivate and attract key employees and is consistent with approvals sought by other listed companies in Australia.

The value of any Benefits cannot be ascertained at the present time. The Benefits will be the market value of Shares allocated to the Participant on ceasing employment for a Qualifying Reason. Apart from the future Share price being unknown, the following are matters which will or are likely to affect the value of the Benefits:

- (a) the performance criteria determined to apply to the Participant's Performance Rights;
- (b) the Participant's length of service and reasons for cessation of employment;
- (c) the number of Performance Rights granted to the Participant;
- (d) employee and Company performance factors used to determine vesting of Performance Rights;
- (e) the amount of other remuneration payable to the Participant; and
- (f) the exercise of the Directors' discretion at the relevant time.

The Company currently intends that Mr David Woodall (Managing Director) will be entitled to participate in the Plan. Details of his remuneration are set out in the 2021 Remuneration Report.

It should be noted that, notwithstanding an approval by Shareholders of Resolution 3, any future grant of Performance Rights to a Director that may entitle that Director to the issue of new Shares (as opposed to Shares acquired on-market), will remain subject to Shareholder approval under Listing Rule 10.14. Grants of Performance Rights to Mr Woodall are proposed under the Plan pursuant to Resolution 4 of this Notice – refer to section 4 of this Explanatory Statement.

3.5 Potential dilution

If the Performance Rights are granted under the terms of the Plan, and Shares allocated on vesting and exercise (if applicable) of any such Performance Rights, this will have a diluting effect on the percentage interest of existing Shareholders' holdings. If the Performance Rights granted under the Plan vest and are exercised (if applicable) and the prevailing Share price is higher than the exercise price (if any), the value of Shares may also be impacted.

3.6 Directors' recommendation

The Directors (other than Mr Woodall who is the only Director eligible to participate in the Plan) recommend that Shareholders vote in favour of Resolution 3 as they believe, based on the information available, including the information contained in this Explanatory Statement, that the Plan is a powerful tool to underpin the Company's employment strategy.

As Mr Woodall is eligible to participate in the Plan, and therefore has an interest in the outcome of Resolution 3, he makes no recommendation to Shareholders as to how to vote on this Resolution.

4. RESOLUTION 4 – APPROVAL OF THE GRANT OF PERFORMANCE RIGHTS TO THE MANAGING DIRECTOR

4.1 General

Resolution 4 seeks approval for:

1. the grant of Performance Rights (pursuant to the terms of the Plan); and
2. the issue or transfer of Shares upon the vesting and exercise of those Performance Rights,

to the Company's Managing Director, Mr David Woodall under the Plan for employee long term incentives.

A summary of the terms of the Plan is included in Annexure B.

In line with market practice, performance based incentive programs form a key component of total remuneration for Mr Woodall. A significant portion of total annual remuneration has been placed at-risk to better align the executive Director's interests with those of Shareholders, to encourage long term sustainable growth and to assist with retention.

Resolution 4 seeks Shareholder approval for the grant of the following long term incentive allocations for the financial year ending 30 June 2022 and the allocation of Shares (upon the vesting and exercise of those Performance Rights) in accordance with the Plan and scheme (as described in section 4.2 of this Explanatory Statement):

David Woodall	42,362 Performance Rights
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For each Performance Right that vests and is exercised, the Company will allocate one Share. Further details regarding the Performance Rights are set out below.

4.2 FY2022 LTI (for the three year period ending 30 June 2024)

The Plan is an annual Long-Term Incentive (**LTI**) scheme based on financial years, with performance periods of three years' duration set at the start of each financial year. The LTI incentive scheme uses the Plan (as updated and approved by Shareholders from time to time) as the vehicle for granting the appropriate incentives.

Mr Woodall is entitled to receive up to 80% of his salary in value (as at September 2021) in long term Performance Rights, with vesting dependent on achievement of the business objective performance hurdles detailed below, measured over a three year period. This is the maximum potential allocation under the LTI plan in relation to his total remuneration package for the year ending 30 June 2022.

The Board is seeking approval from Shareholders for the issue of 42,362 Performance Rights to Mr Woodall (subject of Resolution 4) under the Plan for the purposes of sections 200B and 200E of the Corporations Act, Listing Rule 10.14, and all other purposes.

Performance period

The FY2022 LTI grant will be performance tested from 1 July 2021 to 30 June 2024.

Vesting conditions and performance hurdles

Performance Rights will vest dependent on the Company meeting the performance hurdles during the specified three year performance period. All of the Performance Rights are subject to a business objective performance hurdle announced in the Investor Presentation in May 2021. As at 30 June 2024, the Company will compare the business objective against the Metal Production Run Rate and Dubbo Final Investment decision date.

Target/KPI	Total Share Portion	Proportion of 42,362 Performance Rights that Vest		
		0%	50%	100%
Metal Production run rate as at 30 June 2022	50%	4680t	5200t	5720t
Dubbo Final Investment Decision made	50%	>End Q2/22	End Q1/22	<End Q1/22
TOTAL	100%			

Note 1: Straight line pro rata vesting of Performance Rights will occur if the business objective is between above noted ranges.

Change of control

In the event of a change of control the Board will make a determination as to how unvested Performance Rights and any vested but unexercised Performance Rights will be dealt with, and, in doing so, may determine, in its absolute discretion that unvested Performance Rights vest (in whole or in part) and any vested but unexercised Performance Rights are deemed to have been exercised and may impose any conditions on such vesting or exercising as it thinks fit.

In making its determination, the Board will have regard, without limitation, to the extent to which the performance criteria in respect of a Participant's Performance Rights have been satisfied as at the relevant date.

Treatment of Performance Rights on cessation of employment

Performance Rights will automatically lapse upon cessation of employment unless employment ceases because of a "Qualifying Reason". For further detail see Annexure A and Annexure B.

4.3 Listing Rule approval

Listing Rule 10.14 provides that a listed company must not permit any of the following persons to acquire equity securities under an employee incentive scheme:

- a director of the company (Listing Rule 10.14.1);
- an associate of a director of the company (Listing Rule 10.14.2); or
- a person whose relationship with the company or a person referred to in Listing Rule 10.14.1 to Listing Rule 10.14.2 is such that, in ASX's opinion, the acquisition should be approved by its shareholders,

unless it obtains the approval of its shareholders.

The issue of the Performance Rights falls within Listing Rule 10.14.1 (as Mr Woodall is a Director) and therefore requires the approval of the Company's Shareholders under Listing Rule 10.14.

Resolution 4 seeks the required Shareholder approval to the proposed issue of Performance Rights to Mr Woodall, under and for the purposes of the Listing Rule 10.14.

If Resolution 4 is passed, the Company will be able to proceed with the issue of 42,362 Performance Rights to Mr Woodall as part of his remuneration package under an employee incentive plan for performance of the above mentioned hurdles.

If Resolution 4 is not passed, the Company will not be able to proceed with the issue of the Performance Rights and the Company will negotiate with Mr Woodall an appropriate alternative payment, seeking further Shareholder approval if required.

Further, if Resolution 4 is approved for the purposes of Listing Rule 10.14, pursuant to Listing Rule 7.2 (Exception 14) a grant of Performance Rights or an issue of Shares (upon the vesting and exercise of those Performance Rights) will not reduce the Company's 15% placement capacity under Listing Rule 7.1 and separate approval of Resolution 4 is not required under Listing Rule 7.1. In addition, approval under Listing Rule 10.14 is an exception to the prohibition on a company issuing shares to related parties without member approval under Listing Rule 10.11.

Resolution 4 is an ordinary resolution, requiring it to be passed by a simple majority of votes cast by the Shareholders entitled to vote on it.

4.4 Information required by Listing Rule 10.15

In accordance with Listing Rule 10.15, the Company provides the following information:

- (a) The Performance Rights will be granted to Mr David Woodall, the Managing Director of the Company and/or his respective nominees.
- (b) The issue of Performance Rights under Resolution 4 falls under Listing Rule 10.14.1 as Mr Woodall is a Director.
- (c) The maximum number of securities proposed to be issued in connection with Resolution 4 to Mr Woodall is 42,362 Performance Rights (upon vesting and exercise, and in circumstances where all of these Performance Rights vest and are exercised, this entitles Mr Woodall to 42,362 Shares).
- (d) Mr Woodall's remuneration package for the year ended 30 June 2021 totalled \$1,189,131 and included:
 - (i) TFR of \$527,722 (inclusive of superannuation); and
 - (ii) a long-term incentive component being the vesting of performance rights of \$661,409.

Full details of Mr Woodall's remuneration are set out in the Remuneration Report as set out in the Annual Report.

- (e) Mr Woodall's total remuneration package includes:
 - (i) TFR of \$600,000 (inclusive of superannuation);
 - (ii) a short-term incentive component being the granting of Performance Rights, upon predetermined short term performance hurdles of up to \$180,000 (subject to Shareholder approval, which will be sought in 2022 once the number of Performance Rights to be issued, if any, has been determined); and
 - (iii) a long-term incentive component being the granting of Performance Rights the subject of Resolution 4 upon pre-determined long term performance hurdles being met by 30 June 2024 of up to \$480,000 (being the value that is 80% of Mr Woodall's salary as at September 2021, refer to Section 4.2 of the Explanatory Statement for further details on the basis of grant).
- (f) The Company has issued the following securities under the Plan:
 - (i) to Mr Woodall, 3,000,000 Performance Rights under the terms of the Plan. In accordance with the terms of the Plan, the Performance Rights were issued for nil consideration.
- (g) The Performance Rights are issued on the terms set out in this Explanatory Statement and on the terms as summarised in Annexure A. Unless the Plan expressly provides otherwise, the Plan shall prevail to the extent of any inconsistency with the terms of the Performance Rights. Refer to Annexure B for a summary of the terms of the Plan.

The Company has chosen to issue Performance Rights to Mr Woodall for the following reasons:

- (i) to focus on the long term outcomes required by the Board;
- (ii) to align the rewards of Mr Woodall with shareholders' interests by payment in equity; and

- (iii) to provide an incentive to satisfy performance hurdles over a three year period which are measured on Shareholder value and provide a counterbalance for any tendency to focus on short term outcomes.

The Company has not received an independent valuation in relation to the Performance Rights the subject of Resolution 4. The fair value of the Performance Rights proposed to be issued pursuant to Resolution 4 will be determined in accordance with Australian Accounting Standards and is dependent on the date on which Mr Woodall is deemed to have received his offer to participate in the Plan.

The value of Performance Rights previously issued to Mr Woodall is detailed in the 2021 Annual Report on page 10.

The number of long term Performance Rights proposed for grant the subject of Resolution 4 was calculated in September 2021, with Mr Woodall entitled to receive up to 80% of his salary in value in LTI Performance Rights. The calculation was determined based on the VWAP of Shares calculated over the trading days during the month of August 2021, being \$11.33 (rounded). The value of the Performance Rights on that basis is set out in Table 1 below.

Table 1 - Details of Performance Rights

Name	Relationship	Number of Performance Rights	Vesting	Value
David Graham Woodall	Director	42,362	On satisfaction of vesting conditions – refer Section 4.2	\$480,000

The number of Performance Rights is fixed, and the value will change as the underlying Share price changes. The indicative value of the Performance Rights as at the date of this Notice, based upon the closing Share price on 18 October 2021 of \$10.37 (being \$439,294), is set out in Table 2 below.

Table 2 - Details of Performance Rights

Name	Relationship	Number of Performance Rights	Vesting	Value
David Graham Woodall	Director	42,362	On satisfaction of vesting conditions – refer Section 4.2	\$439,294

- (h) If Resolution 4 is approved, the Company proposes to issue the Performance Rights to Mr Woodall as soon as practicable and, in any event, within three years from the date of this Annual General Meeting.
- (i) In accordance with the Plan, the Performance Rights (and any Shares allocated on the vesting and exercise of Performance Rights) will be allocated for no consideration.
- (j) A summary of the terms of the Plan is set out at Annexure B.
- (k) No loan will be provided by the Company in relation to the grant of the relevant Performance Rights (including the Shares issued on the vesting and exercise of those Performance Rights) to Mr Woodall.
- (l) Details of any securities (being, Performance Rights and Shares upon the vesting and exercise of Performance Rights) issued under the Plan will be published in each annual report relating to a period in which the securities have been issued, along with a statement that approval for the issue of those securities was obtained under Listing Rule 10.14. Any additional persons who become entitled to participate in the Plan after Resolution 4 is approved and who were not named in this Notice, will not participate until Shareholder approval is obtained under Listing Rule 10.14.
- (m) A voting exclusion statement for Resolution 4 is included in this Notice on page 8.

4.5 Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act regulates the provision of "financial benefits" to "related parties" by a public company. For the purposes of Chapter 2E, Mr Woodall, being the Managing Director is a "related parties" of the Company and the grant of the Performance Rights (including the Shares issued on the vesting and exercise of those Performance Rights) pursuant to the Performance Rights will constitute the giving of "financial benefits".

The Board (other than Mr Woodall in respect of Resolution 4) considers that the grant of the Performance Rights (including the allocation of Shares on the vesting and exercise of those Performance Rights) to Mr Woodall is an appropriate and reasonable component of his remuneration, and that the financial benefit represented by the grant of the Performance Rights (including the allocation of Shares on the vesting and exercise of those Performance Rights) falls within the "reasonable remuneration" exception in section 211 of the Corporations Act. For this reason, the Company is not seeking Shareholder approval of Resolution 4 for the purposes of Chapter 2E of the Corporations Act.

4.6 Sections 200B and 200E of the Corporations Act

The Corporations Act provides that the Company may only give a person a benefit in connection with their ceasing to hold a "managerial or executive office" in the Company, or its related bodies corporate, if it is approved by Shareholders or an exemption applies (for example, where the benefit together with other benefits does not exceed the payment limits set out in the Corporations Act, including where the aggregate benefits do not exceed one year's average base salary).

The term "benefit" is open to a wide interpretation and may include the early or accelerated vesting (allowing for subsequent exercise by the holder, where relevant) of Performance Rights under the Plan. As outlined in the summary of the Plan in Annexure B to this explanatory statement, early or accelerated vesting may occur, subject to the Directors' absolute discretion, in various circumstances including the end of employment with the Group.

If the Board were to exercise its discretion to vest some or all of the Performance Rights early in the circumstances referred to above, this may amount to the giving of a termination benefit requiring Shareholder approval in accordance with the Corporations Act. Shareholder approval of Resolution 4 is also being sought so that early or accelerated vesting (allowing for subsequent exercise by the holder, where relevant) of the Performance Rights and the allocation of Shares (upon the vesting and exercise of the Performance Rights) do not count towards such maximum termination amounts for the purposes of the Corporations Act.

Details of Mr Woodall's remuneration, including other termination benefits, are set out in the Company's Annual Report as released to ASX.

The value of any benefits cannot be ascertained at the present time. The benefits will be the market value of Shares issued or transferred to Mr Woodall on vesting (and exercise, where relevant) of such benefits. Apart from the future Share price being unknown, the following are matters which will or are likely to affect the value of the benefits:

- (a) the performance criteria determined to apply to the Performance Rights;
- (b) the reasons for cessation of employment;
- (c) the number of Performance Rights granted to Mr Woodall;
- (d) employee and Company performance factors used to determine vesting of Performance Rights;
- (e) the amount of other remuneration payable to Mr Woodall; and
- (f) the exercise of the Directors' discretion at the relevant time.

4.7 Directors' recommendation

The Directors (other than Mr Woodall in respect of Resolution 4) unanimously recommend that Shareholders vote in favour of Resolution 4 as they believe, based on the information available, including the information contained in this Explanatory Statement, the granting of these Performance Rights will align Mr Woodall's rewards with the long-term creation of value for Shareholders.

As Mr Woodall has an interest in the outcome of Resolution 4, he makes no recommendation to Shareholders as to how to vote on this Resolution.

5. RESOLUTION 5 - INCREASE IN MAXIMUM AGGREGATE REMUNERATION FOR NON-EXECUTIVE DIRECTORS

5.1 General

Listing Rule 10.17 and clause 10.2 of the Constitution provide that the maximum aggregate amount of the remuneration payable as Directors' fees to non-executive Directors is to be determined by Shareholders in a general meeting by ordinary resolution.

Executive Directors receive salary and other remuneration in accordance with the terms of their employment agreements, but do not receive Directors' fees. The remuneration paid by the Company to the executive Directors is not included in the maximum aggregate amount of Directors' fees for the purpose of this Resolution.

The relevant remuneration is all fees payable to a non-executive Director for acting as a director of the Company (including attending and participating in any Board committee meetings) and includes superannuation contributions for the benefit of a non-executive Director and any fees which a non-executive Director agrees to sacrifice for other benefits.

The current maximum aggregate remuneration available for non-executive Directors was set at \$500,000 by a written resolution of the sole shareholder of the Company on 16 June 2020.

As set out in further detail below, the Directors consider it is reasonable and appropriate given the Company's growth since listing to seek Shareholder approval for an increase to the maximum fee pool for non-executive Directors (for the purposes of Listing Rule 10.17) in recognition of the need to pay market competitive fees to ensure the Company is able to attract and retain non-executive Directors of the requisite calibre for the Company's Board and in recognition of Directors' increased workloads, including with regard to the Company's transition from an exploration company to an emerging producer and supplier through the establishment of its South Korean metals plant.

If Resolution 5 is passed, the maximum Directors' fees that may be paid to all of the Company's non-executive Directors in each financial year increases from \$500,000 to \$950,000 (an increase of \$450,000). The remuneration of each non-executive Director for the year ended 30 June 2021 is detailed in the Remuneration Report contained in the Annual Report.

If Resolution 5 is not passed, the Company will not be able to proceed with the increase in Directors' fees. The maximum Directors' fees that may be paid to all of the Company's non-executive Directors in each financial year will remain at \$500,000. The Directors take the view that based on best practice, it is appropriate to increase the maximum non-executive Director remuneration pool to provide flexibility to attract and retain non-executive directors on remuneration terms commensurate with their skills and expertise and the Company's size and stage of development.

The increase is in line with non-executive director fee pools of comparable companies and the Board does not, however, intend to pay the full amount of the increase in the short to medium term.

No options or performance rights are currently held by non-executive directors. No securities have been issued to a non-executive Director under Listing Rule 10.11 or 10.14 with the approval of Shareholders at any time in the previous 3 years.

Resolution 5 is an ordinary resolution, requiring it to be passed by a simple majority of votes cast by the Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

Accordingly, the Board considers it appropriate to put this proposed increase to the Shareholders at this time.

Disclosure of Directors' remuneration will continue to be made to Shareholders in each annual report in accordance with applicable legal and ASX requirements. If Shareholder approval is obtained, the increased fee pool will apply for the financial year ending 30 June 2022.

5.2 Voting exclusion

A voting exclusion statement for Resolution 5 is included in this Notice on page 8.

5.3 Directors' recommendation

Given the interest of the non-executive Directors (Mr Gandel, Mr Earner, Mr Chalmers, and Mr Smith) in Resolution 5, the Board makes no recommendation to Shareholders regarding this Resolution.

6. RESOLUTION 6 – RATIFICATION OF ISSUE OF SHARES – ZIRON TECHNOLOGY CORPORATION

6.1 General

On 3 September 2020 the Company announced it had entered into a binding heads of agreement (**HOA**) to acquire 95% of its then joint venture partner Ziron Technology Corporation (**Ziron Tech**). (See ASX releases dated 3 September 2020 and 3 November 2020).

On 9 March 2021 (**Ziron Issue Date**), the Company issued 1,306,416 fully paid ordinary shares at a deemed issue price of \$2.068 per share in satisfaction of the purchase consideration for 95% of Ziron Tech (**Ziron Issue**).

6.2 Listing Rule approval

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary shares it had on issue at the start of that period.

The Ziron Issue does not fit within any of these exceptions and, as it has not yet been approved by the Company's Shareholders, it effectively uses up part of the 15% limit in Listing Rule 7.1, reducing the Company's capacity to issue further equity securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the Ziron Issue Date.

Listing Rule 7.4 allows the shareholders of a listed company to approve the issue of equity securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rule 7.1 and so does not reduce the company's capacity to issue further equity securities without shareholder approval under that rule.

The Company wishes to retain as much flexibility as possible to issue additional equity securities into the future without having to obtain shareholder approval for such issues under Listing Rule 7.1.

To this end, Resolution 6 seek shareholder approval of the Ziron Issue under and for the purposes of Listing Rule 7.4.

If Resolution 6 is passed, the Ziron Issue will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of equity securities it can issue without Shareholder approval over the 12 month period following the Ziron Issue Date.

If Resolution 6 is not passed, the Ziron Issue will be included in calculating the Company's 15% limit in Listing Rule 7.1, effectively decreasing the number of equity securities it can issue without Shareholder approval over the 12 month period following the Ziron Issue Date.

6.3 Information required by Listing Rule 7.5

The following information is provided to Shareholders for the purposes of Listing Rule 7.5.

- (a) 647,460 Shares were issued to GW Trust Co., Ltd and 658,956 Shares were issued to LNL Trust Co., Ltd, both the then holding entities of Ziron Tech on behalf of Ziron Tech Shareholders and both unrelated parties to the Company.

In accordance with paragraph 7.4 of Guidance Note 21, the Company confirms that none of the recipients were:

- (i) related parties of the Company, a member of the Company's key management personnel, a substantial holder in the Company, an adviser to the Company or an associate of any of these parties; and
 - (ii) issued more than 1% of the issued capital of the Company;
- (b) a total of 1,306,416 Shares were issued;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares were issued on 9 March 2021;
- (e) the Shares were issued at a deemed price of \$2.068 per Share;
- (f) the Shares were issued to satisfy the purchase consideration for 95% of Ziron Tech;
- (g) the Shares were issued pursuant to the HOA to acquire 95% of the shares in Ziron Tech. On or around 29 July 2019, the Company entered into an incorporated joint venture with Ziron Tech. The Company and Ziron Tech established a new Korean company, Rare Metals Resources Technology Corporation (**RMR Tech**) to undertake the joint venture. The Company acquired an initial 10% interest in RMR Tech with Ziron Tech retaining a 90% interest. Under the HOA, the Company's interest in RMR Tech increased from 10% to 100%. The Company completed the acquisition of 95% of the shares in Ziron Tech (through its subsidiary ASM Technology Corporation Pty Ltd). Under this acquisition the Company now owns all of Ziron Tech's licensed patents, related intellectual property and technology that was the subject of the RMR Tech joint venture. As consideration for the transaction, the Company issued 1,306,417 Shares for deemed consideration of USD \$2 million to current Ziron Tech shareholders. The Shares were subject to:
- (i) voluntary escrow for 12 months from 5 March 2021; and
 - (ii) grant to the existing Ziron Tech shareholders (via a holding entity) a Net Smelter Return of 5% from any global commercial metallisation facility established using the technology; to be reduced to 2.5% once the aggregate of payments equals USD \$20 million.
- (h) a voting exclusion statement for Resolution 6 is included in this Notice on page 9.

6.4 Directors' Recommendation

The Directors of the Company believe that Resolution 6 is in the best interests of the Company and unanimously recommend that Shareholders vote in favour of this Resolution.

7. RESOLUTION 7 – RATIFICATION OF ISSUE OF SHARES – PLACEMENT

7.1 General

On 26 March 2021 the Company announced it had received firm commitments from sophisticated, professional, and institutional investors for the placement of 13,541,667 fully paid ordinary shares at \$4.80 per share (**Placement**).

On 1 April 2021 (**Placement Date**), the Company issued 13,541,667 fully paid ordinary shares at \$4.80 per share in relation to the Placement.

7.2 Listing Rule approval

As disclosed in section 6.2 of this Explanatory Statement, broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary shares it had on issue at the start of that period.

The Placement does not fit within any of these exceptions and, as it has not yet been approved by the Company's Shareholders, it effectively uses up part of the 15% limit in Listing Rule 7.1, reducing the Company's capacity to issue further equity securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the Placement Date.

Listing Rule 7.4 allows the shareholders of a listed company to approve the issue of equity securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rule 7.1 and so does not reduce the company's capacity to issue further equity securities without shareholder approval under that rule.

The Company wishes to retain as much flexibility as possible to issue additional equity securities into the future without having to obtain shareholder approval for such issues under Listing Rule 7.1.

To this end, Resolution 7 seek shareholder approval of the Placement under and for the purposes of Listing Rule 7.4.

If Resolution 7 is passed, the Placement will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of equity securities it can issue without Shareholder approval over the 12 month period following the Placement Date.

If Resolution 7 is not passed, the Placement will be included in calculating the Company's 15% limit in Listing Rule 7.1, effectively decreasing the number of equity securities it can issue without Shareholder approval over the 12 month period following the Placement Date.

7.3 Information required by Listing Rule 7.5

The following information is provided to Shareholders for the purposes of Listing Rule 7.5.

- (a) the Shares were issued to sophisticated, professional, and institutional investors who were clients of Petra Capital, other broking houses, and existing long term Shareholders. The recipients were identified through a bookbuild process, which involved Petra Capital seeking expressions of interest to participate in the Placement from non-related parties of the Company.

In accordance with paragraph 7.4 of Guidance Note 21, the Company confirms that none of the recipients were:

- (i) related parties of the Company, a member of the Company's key management personnel, a substantial holder in the Company, an adviser to the Company or an associate of any of these parties; and
 - (ii) issued more than 1% of the issued capital of the Company;
- (b) a total of 13,541,667 Shares were issued;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares were issued on 1 April 2021;
- (e) the Shares were issued at \$4.80 per Share;
- (f) funds raised were for the development of the South Korean Metals Plant and advancing key FEED workstreams on the Dubbo Project in New South Wales plus general working capital;
- (g) the Shares were not issued pursuant to an agreement; and
- (h) a voting exclusion statement for Resolution 7 is included in this Notice on page 9.

7.4 Directors' Recommendation

The Directors of the Company believe that Resolution 7 is in the best interests of the Company and unanimously recommend that Shareholders vote in favour of this Resolution.

8. RESOLUTION 8 – APPROVAL OF POTENTIAL TERMINATION BENEFITS

8.1 Reason for seeking shareholder approval

The benefits (**Termination Benefits**) that can be given, without shareholder approval, to members of the Company who hold a managerial or executive office, as defined in the Corporations Act (**Managerial or Executive Office**), on cessation of their employment or retirement from office with ASM or a related body corporate, are restricted by Part 2D.2 of the Corporations Act.

These restrictions apply to individuals (i.e., to Relevant Executives) who hold a Managerial or Executive Office in ASM or a related body corporate and to individuals who have held such an office during the last three years before they ceased to hold such an office or position of employment. This includes members of the Company's KMP, which includes all the Company's directors, and directors of subsidiary companies of ASM.

Under Part 2D.2 of the Corporations Act, a Relevant Executive may only be given a benefit in connection with their ceasing to hold their office or position if it is approved by shareholders or an exemption applies. The exemptions include an exemption for benefits such as statutory entitlements to accrued annual and long-service leave, amounts required to be paid by law or by court order, certain types of "deferred bonuses" and, subject to certain conditions, payments made in accordance with a company's redundancy policy. Beyond that, in general terms, certain benefits are permitted if they are within a monetary cap. This cap is broadly equivalent to the average 12-months' base salary of the person concerned over the three years preceding cessation of office. If termination benefits are provided beyond those permitted by the Corporations Act, a breach of the Corporations Act can occur even if the Relevant Executive has a pre-existing contractual entitlement to the benefit.

Approval is therefore being sought in relation to ASM's remuneration policy and practices and commitments. This approval seeks to preserve the discretion of the Board and Remuneration and Nomination Committee to determine the most appropriate leaving entitlements for holders of a Managerial or Executive Office under their relevant employment agreements and incentive plans. Details of the remuneration policy (including information about potential termination benefits) are included in ASM's 2021 Remuneration Report, contained in ASM's 2021 Annual Report.

ASM's policy in relation to termination entitlements is to treat employees (including Relevant Executives) appropriately and in accordance with applicable laws, ASM policy and having regard to market practice. As such, the Board considers it is prudent to seek shareholder approval in respect of the potential termination entitlements or benefits payable (or that could become payable) to any current or future employees who are Relevant Executives at the time of cessation of their employment, or who were Relevant Executives at any time in the three years prior to cessation.

Chapter 2E of the Corporations Act regulates the provision of "financial benefits" to "related parties" by a public company. It is the Board's view that termination benefits that may be given to Relevant Executives constitutes reasonable remuneration and falls within the "reasonable remuneration" exception in section 211 of the Corporations Act. Accordingly, ASM is not seeking shareholder approval of Resolution 8 for the purposes of Chapter 2E of the Corporations Act.

8.2 Approval is sought for a three year period

If shareholder approval is obtained, it will be effective from the date the resolution is passed until the conclusion of the 2024 AGM. If considered appropriate, the Board may seek further shareholder approval at the 2024 AGM for the giving of termination benefits to Relevant Executives after the 2024 AGM.

It can be reasonably anticipated that ASM's relevant employment agreements and incentive plans will be amended (or replaced) from time to time in line with changing governance standards, market practice and, where required, changes in relation to KMP that will be reported in the Remuneration Report.

However, if shareholder approval is obtained, this approval will remain valid for as long as the relevant employment agreements and incentive plans applying to the Relevant Executives provide for the entitlements, exercise of discretions and treatments on cessation of employment as set out in the "Potential termination benefits subject to approval" section below.

8.3 Approval is sought for the following benefits or entitlements

The potential termination benefits for which approval is sought are detailed in the "Potential termination benefits subject to approval" section below.

Shareholders are not being asked to approve any change or increase in the remuneration or benefits or entitlements for Relevant Executives, or any variations to the existing discretions of the Board and Remuneration and Nomination Committee. Rather, shareholders are being asked to approve ASM's policy and practices, including the discretions of the Board and Remuneration and Nomination Committee, to enable ASM to continue to operate its remuneration programmes to support ASM's strategy, as described in the Remuneration Report.

If shareholder approval is given, the Board intends that no other termination benefits will be provided to Relevant Executives in connection with cessation of their employment, other than those within the scope of the approval, or within the scope of other approvals given from time to time by shareholders, or which are not otherwise prohibited under Part 2D.2 of the Corporations Act.

Your Board believes it to be in the best interests of ASM that shareholder approval be given. If approval is not given by shareholders, ASM will be limited as to the benefits that may be provided to Relevant Executives. This may have an adverse impact on ASM's ability to attract and retain key talent with appropriate experience, skills, and qualifications, and to build a diverse, sustainable, and high achieving workforce.

8.4 The value of the benefits or entitlements

The amount and value of the termination benefits for which shareholder approval is sought is the maximum potential benefit that could be provided from time to time for each of the categories described in the "Potential termination benefits subject to approval" section below. Approval of these termination benefits does not guarantee that any specific individual will receive those termination benefits. Depending on the circumstances of cessation, any specified individual may not ultimately receive the benefits covered by this approval (in whole or part) or may, subject to the restrictions in Part 2D.2 of the Corporations Act, receive termination benefits that are different from those for which shareholder approval is sought.

The amount and value of the potential termination benefits that may be provided to Relevant Executives (and for which shareholder approval is sought) cannot be ascertained in advance. This is because various matters, events and circumstances will, or are likely to, affect the calculation of that amount or value. Matters, events, and circumstances that will, or are likely to, affect the calculation of the amount and value of any termination benefit or entitlement are:

- (a) the circumstances in which the individual ceases to hold office or ceases employment and whether they serve all or part of any applicable notice period;
- (b) the base salary and TFR of the individual at the relevant time;
- (c) any change in the individual's role, such as a redeployment;
- (d) the number of unvested equity securities held by the individual at the time of cessation and the number that either the Board or Remuneration and Nomination Committee determines to vest, lapse or leave on foot in accordance with the relevant incentive plans (as applicable);
- (e) the price of ASM's shares on ASX when the value of any equity-based cessation entitlement or benefit is determined;
- (f) the value of any payment or contribution that may arise, and be paid, in respect of the notice period provided under the employment or service agreement; and
- (g) any changes in law between the date ASM enters into an employment or service agreement with the Relevant Executive and the date the Relevant Executive ceases to hold office or employment.

8.5 Potential termination benefits subject to approval

The potential termination benefits subject to approval are detailed below. Not all the benefits described below require shareholder approval. However, in the interests of good governance and transparency, the Board considers it appropriate to seek approval for such benefits.

Additional details regarding the relevant agreements and plans are set out in the Remuneration Report which is available on ASM's website (at <https://www.asm-au.com/>) or on ASX's website (www.asx.com.au).

(a) Employment Agreements

As described in ASM's 2021 Remuneration Report, the executive members of the Company's KMP and other ASM employees are employed under service agreements. These agreements are capable of termination by ASM or the Relevant Executive giving notice of a specified period. The period of notice varies as between Relevant Executives but in no case does it exceed 6 months.

ASM may make a payment in lieu of some or all of the notice period in accordance with the terms of the employment agreement. The payment is calculated by reference to the TFR of the Relevant Executive concerned.

In addition to any payment in lieu of notice, some Relevant Executives may be entitled to payment from the end of the period of notice (being up to 12 months' pay, confirmed depending on the individual employment agreement).

Accrued, but untaken, annual leave and any long-service leave will be paid out on termination, in accordance with legislation.

In certain circumstances, incentives granted or issued but not yet vested may be vested and exercisable (if applicable) on termination by notice (if applicable and subject to the payment of any exercise price and the terms of the applicable employee incentive arrangements).

(i) Diminution of Role

Depending on the individual employment agreement, certain Relevant Executives may be entitled to resign from their employment with ASM or the relevant related body corporate of ASM (as applicable) in the event of a material diminution of their authority, duties status or responsibilities in their role, a change in their direct reporting relationship with ASM or the relevant related body corporate of ASM (as applicable), or a permanent change to location of their employment.

If such Relevant Executive resigns from their role on the basis of a material diminution, the Relevant Executive must give ASM or the relevant related body corporate of ASM (as applicable) a specified minimum period of notice (being up to two weeks' notice, depending on the individual employment agreement) at any time during the 12 months following the occurrence of any such material diminution.

If ASM or the relevant related body corporate of ASM (as applicable) receives such notice, ASM or the relevant related body corporate of ASM (as applicable) will provide that Relevant Executive with 12 months' payment in lieu of notice of termination of employment from the end of the notice period, calculated on the basis of the Relevant Executive's TFR at the relevant time.

In certain circumstances, incentives granted or issued (but not yet vested) may be vested and exercisable (if applicable and subject to payment of any applicable exercise price and the terms of the applicable employee incentive arrangements).

(b) Performance Rights Plan

Under the Company's Performance Rights Plan, participants (which may include KMP and other holders of a Managerial or Executive Office) may have an opportunity to be granted short term and long term incentives in the form of performance rights (calculated at the time of approval by the Remuneration and Nomination Committee). Any Performance Rights granted to eligible participants will be issued in accordance with the Performance Rights Plan and will be provided in the form of rights to ordinary shares in ASM that will vest at the end of the specified vesting period provided the predefined targets are met. On vesting, the rights automatically convert into Shares. Participants do not receive any dividends and are not entitled to vote in relation to the rights to shares prior to the vesting period.

(i) Cessation for non-Qualifying Reason

If a participant in the Performance Rights Plan ceases to be employed by ASM within the relevant vesting period, the rights will be forfeited, except in limited circumstances that are approved by the Board on a case-by-case basis, in the event of a "Qualifying Reason".

(ii) Qualifying Reason

The Board has discretion to approve the retention of Performance Rights to employees on cessation of employment with the ASM Group in the following circumstances, each of which is a Qualifying Reason:

- A. death of the participant;
- B. total and permanent disablement of the participant;
- C. retirement of the participant;
- D. the employer (if a related body corporate of ASM):
 - (aa) ceases to be a related body corporate of ASM and that causes the participant to cease being employed by ASM or a related body corporate; or
 - (bb) sells a business it conducts to someone other than ASM or a related body corporate, and that causes the participant to cease their employment; or

- E. any other reason as determined by the Board to be a Qualifying Reason in its absolute discretion.

If a participant ceases to be employed by a member of the ASM Group (and is not immediately employed by another member of the Group) because of a Qualifying Reason, the unvested Performance Rights of that participant will be treated on the following basis:

- A. if less than six months of the Performance Period relating to those Performance Rights has elapsed at the date of the cessation of employment, all of the Performance Rights will lapse (unless the Board, in its absolute discretion, determines otherwise); and
- B. if six months or more of the Performance Period relating to those Performance Rights has elapsed at the date of cessation of employment, then (unless the Board, in its absolute discretion, determines otherwise) no action will be taken in respect of those Performance Rights until the end of the Performance Period. Following the end of the Performance Period, the number of Performance Rights of that participant that will not lapse will be calculated on a pro rata basis having regard to the number of days:
 - (aa) from the beginning of the Performance Period up to (and including) the date of cessation of employment; and
 - (bb) in the Performance Period,

with the balance of the unvested Performance Rights of that participant automatically lapsing.

The Performance Rights calculated in accordance with the above that do not lapse must be considered for the purposes of the Board's determination of the number of unvested Performance Rights held by the relevant participant in respect of which the Performance Criteria were satisfied over the Performance Period.

If a participant ceases to be employed by ASM, or a related body corporate, and is not immediately employed by another related body corporate of ASM, because of a Qualifying Reason, any vested but unexercised Performance Rights held by that participant will immediately be deemed to have been exercised.

8.6 Director's Recommendation

Given the interest of the Directors in Resolution 8, the Board makes no recommendation to Shareholders regarding this Resolution.

GLOSSARY

In this Explanatory Statement and the Notice, the following terms have the following meanings unless the context otherwise requires:

Annual General Meeting or Meeting means the annual general meeting of Shareholders to be held as a virtual meeting via a live webcast for the purpose of considering the Resolutions;

Annual Report means the Directors' Report, the Financial Report and Auditor's Report, in respect of the financial year ended 30 June 2021;

ASM Group or Group means ASM and its related bodies corporate.

ASX means ASX Limited ABN 98 008 624 691 and where the context permits, Australian Securities Exchange operated by ASX Limited;

Australian Strategic Materials Performance Rights Plan is an employee incentive plan to assist in the recruitment, reward, retention, and motivation of certain Employees, by way of the granting of Performance Rights in ASM, as determined by the Board;

Auditor's Report means the auditor's report on the Financial Report;

AWST means Australian Western Standard Time (Perth time);

Board means the board of Directors;

Chairman or Chair means the chair of the Meeting;

Closely Related Party of a member of the KMP means:

- a spouse or child of the member;
- a child of the member's spouse;
- a dependent of the member or the member's spouse;
- anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- a company the member controls; or
- a person prescribed by the Corporations Regulations 2001 (Cth);

Company or ASM means Australian Strategic Materials Ltd ACN 168 368 401;

Constitution means the existing constitution of Company adopted in 2020;

Corporations Act means the *Corporations Act 2001* (Cth), as amended;

Director means a director of the Company;

Directors' Report means the annual directors' report prepared under Chapter 2M of the Corporations Act for the Company;

Dubbo Final Investment Decision means with respect to the Dubbo Project, the decision by the board of directors of ASM to proceed with the Dubbo Project, as determined by the Board in its absolute discretion, including as demonstrated by the approval to (a) fund the equity required to develop such Project, (b) issue full notice to proceed under the material construction contracts, (c) execute any material project contracts not yet executed, and perform under all material project contracts, and (d) execute, deliver and perform any material financing agreements and material related documents required for the development of the Dubbo Project;

Dubbo Project encompasses Mining Lease (ML) 1724 representing a large in-ground polymetallic resource of rare earths, zirconium, niobium, hafnium, tantalum, and yttrium. It is located near the small town of Toongi, 25 kilometres south of Dubbo in Central Western New South Wales. This project is ready for construction, subject to financing;

Explanatory Statement means the Explanatory Statement accompanying the Notice;

FEED stands for Front End Engineering Design of a project;

Financial Report means the annual financial report prepared under Chapter 2M of the Corporations Act for the Company;

Guidance Note means the guidance notes accompanying the Listing Rules;

HOA stands for Heads of Agreement;

KMP means key management personnel, which has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing, and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company;

Listing Rules means the Listing Rules of the ASX;

LTI stands for Long Term Incentive;

Metal Production Run Rate means the rate at which saleable metal is being produced from the South Korean metal plant based on the best 7-day average in June 2022.

Notice or **Notice of Meeting** means the notice of meeting accompanying this Explanatory Statement, including the Proxy Form;

Online Meeting Guide means the guide containing instructions on how to participate in the Meeting which is available on the Company's website at <https://asm-au.com/agm>;

Performance Criteria means, in relation to a Performance Right, the performance criteria determined by the Board which must be satisfied before a Performance Right (or a specified number or percentage of Performance Rights granted) can vest, subject to any adjustments under the Performance Rights Plan;

Performance Period means, in relation to a Performance Right, the period determined by the Board over which the Board will assess whether the Performance Criteria attaching to the Performance Right have been satisfied.

Performance Rights is defined pursuant to the ASX Listing Rules, Guidance Note 19, being a contractual right to receive a given number of ordinary shares in the Company, or to receive a cash payment equal to the value of a given number of ordinary shares in the Company, if and when a nominated performance milestone is achieved;

Plan or **Performance Rights Plan** refers to the Australian Strategic Materials Performance Rights Plan;

Proxy Form means the proxy form attached to the Notice;

Relevant Executive means any person who holds or has held, at any point within the last three years, a managerial or executive office in the Company or a related body corporate.

Remuneration Report means the remuneration report of the Company contained in the Directors' Report;

Resolution means a resolution contained in the Notice;

Share means a fully paid ordinary share in the capital of the Company;

Shareholder means the holder of a Share; and

TFR means Total Fixed Remuneration.

ANNEXURE A

SUMMARY OF THE TERMS OF THE PERFORMANCE RIGHTS

The key terms of the Performance Rights are set out below. Unless otherwise defined below, any capitalised terms used in this section relating to the grant of Performance Rights refer to terms defined in the Performance Rights Plan rules only.

Grant Date	If Resolution 4 is approved, the Company proposes to issue the Performance Rights to Mr Woodall as soon as practicable and, in any event, within three years from the date of the Meeting.																										
Acquisition price / consideration payable by you	No amount is payable by a participant to acquire the Performance Rights the subject of this Notice, nor upon the vesting or exercise of the Performance Rights.																										
Vesting conditions	<p>Performance Rights</p> <p>Performance Rights will be subject to Performance Criteria assessed over a 3-year period from 1 July 2021 to 30 June 2024.</p> <p>As at 30 June 2024, the Company will compare the business objective against the Metal Production Run Rate and Dubbo Final Investment decision and the number of Performance Rights will vest according to the performance below.</p> <table border="1"> <thead> <tr> <th rowspan="2">Target/KPI</th><th rowspan="2">Total Share Portion</th><th colspan="3">Proportion of 42,362 Performance Rights that Vest</th></tr> <tr> <th>0%</th><th>50%</th><th>100%</th></tr> </thead> <tbody> <tr> <td>Metal Production run rate as at 30 June 2022</td><td>50%</td><td>4680t</td><td>5200t</td><td>5720t</td></tr> <tr> <td>DUBBO Final Investment Decision made</td><td>50%</td><td>>End Q2/22</td><td>End Q1/22</td><td><End Q1/22</td></tr> <tr> <td>TOTAL</td><td>100%</td><td></td><td></td><td></td></tr> </tbody> </table> <p>Note 1: Straight line pro rata vesting of Performance Rights will occur if the business objective is between above noted ranges.</p> <p>Assessment of vesting conditions</p> <p>The Board will make a determination whether the vesting conditions attaching to the Performance Rights have been satisfied or determine to waive the vesting conditions.</p> <p>Provided the Board determines that the vesting conditions are met or are otherwise waived by the Board, a vesting notice will be sent to the relevant participant from the Board, informing them that the Performance Rights have vested. Unless and until a vesting notice is issued by the Company in connection with the Performance Rights, the Performance Rights will not have vested.</p> <p>Following the issue of a vesting notice, any vested Performance Rights will be eligible to be exercised for the issue and/or transfer of the requisite number of Plan Shares (refer to the section "Exercise of vested Performance Rights and issue/transfer of Plan Shares" below).</p>				Target/KPI	Total Share Portion	Proportion of 42,362 Performance Rights that Vest			0%	50%	100%	Metal Production run rate as at 30 June 2022	50%	4680t	5200t	5720t	DUBBO Final Investment Decision made	50%	>End Q2/22	End Q1/22	<End Q1/22	TOTAL	100%			
Target/KPI	Total Share Portion	Proportion of 42,362 Performance Rights that Vest																									
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DUBBO Final Investment Decision made	50%	>End Q2/22	End Q1/22	<End Q1/22																							
TOTAL	100%																										
Exercise of vested Performance Rights or Restricted Performance Rights and issue/transfer of Plan Shares	Upon issue of a vesting notice, any vested Performance Rights may be exercised at any time until the date on which the Performance Rights lapse, by a signed written notice to the Board specifying the Performance Rights being exercised and providing the certificate for those Performance Rights and you will be issued and/or transferred one fully paid ordinary share in ASM for each Performance Right that has been exercised.																										
Dividends	Upon issue and/or transfer of Plan Shares, a participant will be entitled to any dividends declared and distributed by the Company on the Plan Shares which,																										

	at the closing date for determining entitlement to such dividends, are standing to the participant's account.
Lapsing of Performance Rights and Restricted Performance Rights	The Performance Rights will lapse as set out in the Plan (refer to Annexure B).
Adjustments upon alterations of capital	<p>Subject to the Listing Rules, if the Company makes a new issue of securities or alterations to its capital by way of a rights issue, bonus issue or other distribution of capital, there will be no adjustment to the Performance Rights (including, without limitation, to the number of Shares which may be acquired on vesting of the Performance Rights) and/or the Performance Criteria.</p> <p>During the currency of any Performance Rights and prior to vesting and the allocation of Shares in respect of those Performance Rights, a participant is not entitled to participate in any new issue of securities of the Company as a result of their holding of Performance Rights.</p> <p>The Company may amend the terms of the Performance Rights, or your rights under the Plan, to comply with the Listing Rules applying at the time to any reorganisations of capital of the Company.</p>
Disposal restrictions	Except as set out in ASM's share trading policy and subject to applicable law, no specific disposal restrictions apply to any Plan Shares that are issued and/or transferred to you as a result of the exercise of Performance Rights.

ANNEXURE B

SUMMARY OF THE TERMS OF THE PERFORMANCE RIGHTS PLAN

The Plan provides "Eligible Employees" the opportunity to receive Performance Rights for no consideration, as determined in the Board's absolute discretion. The key features of the Plan are set out below. In this summary, references to "Performance Rights" includes "Restricted Performance Rights" as the context requires.

Purpose and term	<p>The Plan was established to assist in the recruitment, reward, retention, and motivation of Eligible Employees.</p> <p>Under the Plan the Board may grant Performance Rights to Eligible Employees on terms fixed in accordance with the Plan.</p> <p>The Plan continues in operation until the Board decides to end it.</p>
Commencement	19 May 2020
Performance rights	<p>Each Performance Right will represent a right to acquire one Share, subject to the terms of the Plan.</p> <p>A Performance Right granted to a Participant under the Plan is granted for no cash consideration. If Performance Rights vest under the Plan, no amount is payable by a Participant in respect of those Performance Rights vesting, or the subsequent issue or transfer of Shares in respect of them.</p> <p>A Participant does not have a legal or beneficial interest in any Share by virtue of acquiring or holding a Performance Right. A Participant's rights under a Performance Right are purely contractual and personal. In particular, a Participant is not entitled to participate in or receive any dividends or other shareholder benefits until the Performance Right has vested and a Share has been issued or transferred to the Participant.</p> <p>Performance Rights will not be quoted on ASX. Provided that other Shares are quoted on ASX at the time, the Company will apply to ASX for quotation of Shares issued on vesting of Performance Rights as soon as practicable after the issue of those Shares.</p> <p>Any Share issued or transferred to a Participant upon vesting of a Performance Right, will be subject to the Constitution and will rank equally in every way (including for dividends for which the record date is after the date of issue or transfer) with other Shares then on issue.</p>
Invitations to participate in the Plan	<p>The Board may from time to time in its absolute discretion decide that a full time or part time employee of a Group Member who holds salaried employment with a Group Member on a full time or part time basis (Eligible Employee) is eligible to participate in the Plan and may invite them to apply for Performance Rights.</p> <p>An Eligible Employee who is invited to participate in the Plan will receive a written invitation. The invitation will set out, amongst other things, the number of Performance Rights the Eligible Employee is invited to apply for, the performance criteria to which those Performance Rights will be subject (Performance Criteria), and the period of time over which the Performance Criteria must be satisfied (Performance Period), before the Performance Rights can vest.</p>
Performance Criteria and Performance Period	The Board's discretion includes determining the number of Performance Rights the Eligible Employee is invited to apply for, and the Performance Criteria, and Performance Period over which Performance Criteria is assessed, applicable to those Performance Rights.
Vesting of Performance Rights	<p>A Performance Right granted to a Participant will vest:</p> <ul style="list-style-type: none"> at the end of the Performance Period upon the Board giving written notice to the relevant Participant of the number of Performance Rights in respect of which the Performance Criteria were satisfied over the Performance Period; or

- if the Board allows early vesting as a result of an event such as a takeover bid or scheme of arrangement or the cessation of employment of the Participant for a "Qualifying Reason" (see below).

Transfers

A Performance Right granted under the Plan is only transferable by force of law upon death to the Participant's legal personal representative or upon bankruptcy to the Participant's trustee in bankruptcy.

Subject to the above, Participants are not to grant any security interest in or over or otherwise dispose of or deal with any Performance Rights or any interest in them until the relevant Shares are issued or transferred to that Participant, and any such security interest or disposal or dealing will not be recognised in any manner by the Company.

Exercise on vesting

If an Invitation provides for:

- the deemed automatic exercise of a Performance Right, no further action is required from the Participant upon vesting of a Performance Right in order to exercise that Performance Right; or
- the manual exercise of a vested Performance Right, a Participant may exercise any vested Performance Right at any time from the date the Board notifies the Participant of the vesting of the Performance Right until the date on which a Performance Right lapses, by giving the prescribed form of notice to the Board.

Lapse of Performance Rights

An unvested Performance Right, or (where applicable) a vested but unexercised Performance Right, will lapse on the earliest to occur of:

- the end of the Performance Period if the Performance Criteria relating to the Performance Right have not been satisfied;
- the Participant purporting to transfer a Performance Right or grant a security interest in or over, or otherwise purporting to dispose of or deal with, a Performance Right or interest in it (except where the Performance Right is transferred by force of law upon death to the Participant's legal personal representative or upon bankruptcy to the Participant's trustee in bankruptcy);
- the Participant ceasing employment with a Group Member (and is not immediately employed by another Group Member), except in certain circumstances as explained below under the heading "Qualifying Reason and cessation of employment";
- if in the opinion of the Board, the Participant has acted fraudulently or dishonestly or in breach of his or her obligations to the Group, and the Board determining that the Performance Rights held by the Participant should lapse;
- an event such as a takeover bid or scheme of arrangement occurring (in certain circumstances subject to the Board's discretion); and
- the date that is fifteen years after the grant of the Performance Right.

Qualifying Reason and cessation of employment

Performance Rights of a Participant will automatically lapse if the Participant ceases to be employed by a Group Member (and is not immediately employed by another Group Member), unless the Participant ceases to be employed because of a "Qualifying Reason" in which case that Participant's Performance Rights will be treated as follows:

- if less than six months of the Performance Period relating to those Performance Rights has elapsed at the date of cessation of employment, all of those Performance Rights will lapse (unless the Board, in its absolute discretion, determines otherwise); and
- if six months or more of the Performance Period relating to those Performance Rights has elapsed at the date of cessation of

employment, then (unless the Board, in its absolute discretion, determines otherwise) a proportion of the Participant's Performance Rights (calculated by reference to the number of days in the Performance Period which have elapsed as the date of cessation of employment) will be capable of vesting. Such Performance Rights will only vest (unless the Board, in its absolute discretion, determines otherwise) if over the Performance Period the Performance Criteria in respect of those Performance Rights were satisfied and the Board gives notice to the Participant of its determination to that effect. In such circumstances, the remaining Performance Rights of the Participant which do not vest will lapse.

If a Participant ceases to be employed by a Group Member (and is not immediately employed by another Group Member) because of a Qualifying Reason, any vested but unexercised Performance Rights held by that Participant will immediately be deemed to have been exercised.

A "Qualifying Reason" includes the death, total and permanent disablement, or retirement of the Participant (as determined by the Board in its absolute discretion), or where the Participant ceases to be employed by a Group Member as a result of a relevant body corporate ceasing to be a Group Member, or the sale of a business conducted by a Group Member to a third party (other than to another Group Member). The Board may also determine, in its absolute discretion, that any other reason will constitute a "Qualifying Reason".

Share limit

The Board must not issue an Invitation, or issue a Share under the Plan, if the sum of:

- a. the number of Shares which would be issued were each outstanding offer with respect to Shares, units of Shares, and options to acquire unissued Shares, under an employee share scheme to be accepted or exercised; and
- b. the number of Shares issued during the previous three years under the Plan, or any other employee share scheme extended to Eligible Employees,

but excluding any offer made, or option acquired, or Shares issued by way of or as a result of specified excluded offers, would exceed 5% of the total number of Shares on issue at that time.

Impact of takeover bid or scheme

If:

- a. a takeover bid (as defined in the Corporations Act) is made for Shares before the end of the Performance Period; or
- b. a Court orders a meeting to be held in relation to a proposed compromise or arrangement for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies; or
- c. any person becomes bound or entitled to acquire Shares under:
 - i. section 414 of the Corporations Act; or
 - ii. Chapter 6A of the Corporations Act,

the Board will make a determination as to how a Participant's unvested Performance Rights and any vested but unexercised Performance Rights will be dealt with, and, in doing so, may determine, in its absolute discretion that a Participant's unvested Performance Rights vest (in whole or in part) and any vested but unexercised Performance Rights are deemed to have been exercised and may impose any conditions on such vesting or exercising as it thinks fit.

	<p>In making its determination, the Board will have regard, without limitation, to the extent to which the Performance Criteria in respect of a Participant's Performance Rights have been satisfied as at the relevant date.</p>
<p>Adjustments upon alterations of capital</p>	<p>Subject to the Listing Rules, if the Company makes a new issue of securities or alterations to its capital by way of a rights issue, bonus issue or other distribution of capital, reduction of capital or reconstruction of capital, then the Board may make adjustments to a Participant's Performance Rights (including, without limitation, to the number of Shares which may be acquired on vesting of the Performance Rights) and/or the Performance Criteria on any basis it sees fit in its absolute discretion to ensure that no advantage or disadvantage accrues to the Participant as a result of such corporate actions.</p> <p>Subject to the above adjustments, during the currency of any Performance Rights and prior to vesting and the issue or transfer of Shares in respect of those Performance Rights, Participants are not entitled to participate in any new issue of securities of the Company as a result of their holding of Performance Rights.</p> <p>Notwithstanding any other provision of the rules of the Plan dealing with adjustments, an adjustment must not be made under such adjustment rules unless it is consistent with the Listing Rules. The Company may amend the terms of any Performance Right, or the rights of any Participant under the Plan, to comply with the Listing Rules applying at the time to any reorganisations of capital of the Company.</p>
<p>Administration</p>	<p>The Board will manage and administer the Plan, unless it decides to delegate the management and administration of the Plan, and any of its powers or discretions under the Plan, to a committee.</p>
<p>Amendment of the Plan</p>	<p>The Board may by written instrument amend all or any of the provisions of the Plan, with retrospective effect, provided that the amendment does not materially reduce the rights of any Participant as they existed before the date of amendment. The Plan provisions do, however, provide that in limited circumstances (for example, for the purpose of complying with relevant legislation or the Listing Rules) amendments may be made even if they materially reduce the rights of a Participant.</p>

LODGE YOUR PROXY APPOINTMENT ONLINE



ONLINE PROXY APPOINTMENT

www.advancedshare.com.au/investor-login



MOBILE DEVICE PROXY APPOINTMENT

Lodge your proxy by scanning the QR code below, and enter your registered postcode.

It is a fast, convenient and a secure way to lodge your vote.

Important Note: Due to the ongoing COVID-19 travel restrictions, Shareholders will not be able to attend in person at a physical location, but are strongly encouraged to attend online as outlined in the Notice, and by submitting their Proxy Form or CDP Voting Instruction Form to record their vote on the Resolutions.

2021 ANNUAL GENERAL MEETING PROXY FORM

I/We being shareholder(s) of Australian Strategic Materials Ltd and entitled to attend and vote hereby:

APPOINT A PROXY

The Chair of the Meeting

OR



PLEASE NOTE: If you leave the section blank, the Chair of the Meeting will be your proxy.

or failing the individual(s) or body corporate(s) named, or if no individual(s) or body corporate(s) named, the Chair of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf, including to vote in accordance with the following directions (or, if no directions have been given, and to the extent permitted by law, as the proxy sees fit), at the Annual General Meeting of the Company to be held **virtually on 30 November 2021 at 12:00pm (WST)** and at any adjournment or postponement of that Meeting.

Chair's voting intentions in relation to undirected proxies: The Chair intends to vote all undirected proxies in favour of all Resolutions. In exceptional circumstances, the Chair may change his/her voting intentions on any Resolution. In the event this occurs, an ASX announcement will be made immediately disclosing the reasons for the change.

Chair authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chair of the Meeting as my/our proxy (or the Chair becomes my/our proxy by default), I/we expressly authorise the Chair to exercise my/our proxy on Resolutions 1, 3, 4, 5 & 8 (except where I/we have indicated a different voting intention below) even though these resolutions are connected directly or indirectly with the remuneration of a member(s) of key management personnel, which includes the Chair.

VOTING DIRECTIONS

Resolutions

	For	Against	Abstain*
1 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Re-election of Director – Mr Nicholas Earner	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Approval of Australian Strategic Materials Performance Rights Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Approval of the grant of Performance Rights to the Managing Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 Increase in maximum aggregate remuneration for Non-Executive Directors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6 Ratification of issue of Shares - Ziron Technology Corporation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7 Ratification of issue of Shares - Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8 Approval of Potential Termination Benefits	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



* If you mark the Abstain box for a particular Resolution, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the shareholder. If a joint holding, all the shareholder should sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the Corporations Act 2001 (Cth).

Email Address

☐

Please tick here to agree to receive communications sent by the Company via email. This may include meeting notifications, dividend remittance, and selected announcements.

AUSTRALIAN STRATEGIC MATERIALS LTD - ANNUAL GENERAL MEETING

Due to the ongoing COVID-19 pandemic and uncertainty regarding the level of travel restrictions around the time of the meeting, the Company has determined that Shareholders will only be able to attend and participate in the meeting through an online platform provided by Advanced Share Registry.

To facilitate such participation, voting on each Resolution will occur by a poll rather than a show of hands.

A live webcast and electronic voting via www.advancedshare.com.au/virtual-meeting will be offered to allow Shareholders to listen to the Meeting and vote online.

Please refer to the Meeting ID and Shareholder ID on the proxy form to login to the website.

Shareholders may submit questions ahead of the Meeting via the portal.

HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

CHANGE OF ADDRESS

This form shows your address as it appears on Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes.

APPOINTMENT OF A PROXY

If you wish to appoint the Chair as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chair, please write that person's name in the box in Step 1. A proxy need not be a shareholder of the Company. A proxy may be an individual or a body corporate.

DEFAULT TO THE CHAIR OF THE MEETING

If you leave Step 1 blank, or if your appointed proxy does not attend the Meeting, then the proxy appointment will automatically default to the Chair of the Meeting.

VOTING DIRECTIONS – PROXY APPOINTMENT

You may direct your proxy on how to vote by placing a mark in one of the boxes opposite each resolution of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any resolution by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given resolution, your proxy may vote as they choose to the extent they are permitted by law. If you mark more than one box on a resolution, your vote on that resolution will be invalid.

PROXY VOTING BY KEY MANAGEMENT PERSONNEL

If you wish to appoint a Director (other than the Chair) or other member of the Company's key management personnel, or their closely related parties, as your proxy, you must specify how they should vote on Resolutions 1, 3, 4, 5 & 8 by marking the appropriate box. If you do not, your proxy will not be able to exercise your vote for Resolutions 1, 3, 4, 5 & 8.

PLEASE NOTE: If you appoint the Chair as your proxy (or if they are appointed by default) but do not direct them how to vote on a resolution (that is, you do not complete any of the boxes "For", "Against" or "Abstain" opposite that resolution), the Chair may vote as they see fit on that resolution.

APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning Advanced Share Registry Limited or you may copy this form and return them both together.

To appoint a second proxy you must:

- On each Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- Return both forms together.

COMPLIANCE WITH LISTING RULE 14.11

In accordance with Listing Rule 14.11, if you hold shares on behalf of another person(s) or entity/entities or you are a trustee, nominee, custodian or other fiduciary holder of the shares, you are required to ensure that the person(s) or entity/entities for which you hold the shares are not excluded from voting on resolutions where there is a voting exclusion. Listing Rule 14.11 requires you to receive written confirmation from the person or entity providing the voting instruction to you and you must vote in accordance with the instruction provided.

By lodging your proxy votes, you confirm to the company that you are in compliance with Listing Rule 14.11.

CORPORATE REPRESENTATIVES

If a representative of a nominated corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A Corporate Representative Form may be obtained from Advanced Share Registry.

SIGNING INSTRUCTIONS ON THE PROXY FORM

Individual:

Where the holding is in one name, the security holder must sign.

Joint Holding:

Where the holding is in more than one name, all of the security holders should sign.

Power of Attorney:

If you have not already lodged the Power of Attorney with Advanced Share Registry, please attach the original or a certified photocopy of the Power of Attorney to this form when you return it.

Companies:

Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held.

LODGE YOUR PROXY FORM

This Proxy Form (and any power of attorney under which it is signed) must be received at an address given below by 12:00pm (WST) on 28 November 2021, being not later than 48 hours before the commencement of the Meeting. Proxy Forms received after that time will not be valid for the scheduled Meeting.



ONLINE PROXY APPOINTMENT

www.advancedshare.com.au/investor-login



BY MAIL

Advanced Share Registry Limited
110 Stirling Hwy, Nedlands WA 6009; or
PO Box 1156, Nedlands WA 6909



BY FAX

+61 8 6370 4203



BY EMAIL

admin@advancedshare.com.au



IN PERSON

Advanced Share Registry Limited
110 Stirling Hwy, Nedlands WA 6009



ALL ENQUIRIES TO

Telephone: +61 8 9389 8033



ONLINE MEETING GUIDE 2021 AGM

By participating in the Meeting online, you will be able to view a live audio webcast of the Meeting, ask questions, and submit your vote in real time.

To access the Meeting, login to the Company's share registry website at www.advancedshare.com.au/virtual-meeting with your Meeting ID and Shareholder ID (found on your personalised proxy form, *available to shareholders only*).

- Open your internet browser on your smartphone, tablet or PC and go to <https://www.advancedshare.com.au/Dashboard/Virtual-Meeting-Centre-Login>
- Login with your Meeting ID and Shareholder ID and click "Login"

Once you access the website, the sign in page appears as follows:

Virtual Meeting Login

Accessible
Attend Meetings and lodge your polling instructions electronically from anywhere in the world.

Convenient
All polling and meeting functions are online.

Automated
Polling lodgements are received and processed immediately.

Meeting Id

Shareholder Id

☐ I agree to the [Terms and Conditions](#)

LOGIN

Shareholders who do not have a Meeting ID and Shareholder ID or have not received their personalised proxy form should contact Advanced Share Registry on the following numbers as soon as possible and well in advance of the Meeting to avoid any delays on the day of the Meeting:

- 1300 113 258 (within Australia); or
- +61 8 9389 8033 (overseas).

For visitors or public who do not hold any Australian Strategic Materials Ltd shares by the register cut off time, please view the meeting at:

<https://www.advancedshare.com.au/Dashboard/Meeting-Casting-Control?meetingid=ASM0002>



After the Meeting ID and the unique Shareholder ID are entered, you will enter the Virtual Meeting Portal. You can now directly lodge questions, join the meeting, and enter poll instructions. Shareholders will also gain access to the Notice of Meeting.

MRS JUDY FALLON & MR JOHN FALLON

MESSAGES LOGOUT

Virtual Meeting Information

Company	YYY PTY LTD
Meeting Type	DEMO - PANCONTINENTAL OIL & GAS NL
Meeting Venue	TO BE HELD VIRTUALLY
Meeting Date/Time	Wed, 18 Nov 2020 2:30 PM WST
Meeting Status	Pre Meeting
Questions & Answers	ASK NOW
Meeting Casting	JOIN NOW

Documents

[NOTICE OF MEETING](#) [FINANCIAL REPORT](#)

The Chair will open the poll shortly after the Meeting commences and you will be able to vote at any time during the Meeting and for 10 minutes afterwards.

Once the Chair has declared the poll open for voting, click on “Polling TAB” to be taken to the voting screen.

Meeting Poll Instruction

TERMS ALLOCATION **LODGEMENT** POLL INSTRUCTIONS REVIEW

Resolution Selection

Shareholder: JOHN SMITH
Proxyholder: Jones William
Your total holding is **10,000**

You have selected to cast the total votes of your holding on each resolution. Please choose/review your poll intention below.

If you mark the Abstain box for an item, your votes will not be counted in computing the required majority.

If you are a member of the Company's key management personnel, certain voting exclusions apply to you in relation to remuneration related resolutions. Please refer to the Notice of Meeting for details.

Voting Selection

Resolution	Direction
ADOPTION OF REMUNERATION REPORT	<input checked="" type="radio"/> For <input type="radio"/> Against <input type="radio"/> Abstain <input type="radio"/> No Change
RE-ELECTION OF MR JOHN SMITH AS A DIRECTOR	<input type="radio"/> For <input checked="" type="radio"/> Against <input type="radio"/> Abstain <input type="radio"/> No Change
APPOINTMENT OF AUDITOR	<input type="radio"/> For <input type="radio"/> Against <input checked="" type="radio"/> Abstain <input type="radio"/> No Change

[CANCEL](#) [BACK](#) [CONTINUE](#)

Select your voting direction and click “confirm” to submit your vote.



You can lodge a question verbally or in writing and it will be instantly visible to the Company.

×

Ask a Question

VERBAL

WRITE

It is recommended that you register to use the share registry website well in advance of the Meeting to save time on the day of the Meeting.

Should you have any difficulties, you can contact the share registry by telephone on 1300 113 258 (within Australia) and +61 8 9389 8033 (overseas).



Frequently Asked Questions

1. What do I need to do before the day of the Meeting?

If you wish to participate in the Meeting, please read the Online Meeting Guide (**Guide**) in advance.

Prior to the Meeting, please check that you have a desktop or mobile/tablet device with internet access and your Shareholder ID and Meeting ID.

If you do not have a Meeting ID and Shareholder ID or have not received your personalised proxy form, please contact Advanced Share Registry by telephone as soon as possible and well in advance of the Meeting to avoid any delays on the day of the Meeting:

- 1300 113 258 (within Australia) or +61 8 9389 8033 (overseas).

2. How do I register for the Meeting?

You must log into the online portal at www.advancedshare.com.au/virtual-meeting with your Meeting ID and Shareholder ID (found on your personalised proxy form). For further details please refer to the Guide.

3. I can't log into the online portal. What do I do?

Please call the Company's share registry, Advance Share Registry, by telephone on the following numbers:

- 1300 113 258 (within Australia) or +61 8 9389 8033 (overseas).

For general enquiries and enquiries on the notice of meeting, please call the Company Secretary on +61 8 9200 1681.

4. What if I am disconnected from the online portal during the Meeting?

You can log back into the online portal using the steps outlined in the Guide. Alternatively, please call the enquiry telephone numbers set out above.

5. I don't have a (reliable) internet connection – what are my options?

You will need to have a reliable internet connection to participate in the Meeting via the online portal.

If you do not have an internet connection, or are concerned about its reliability, we encourage you to submit your proxy form, as well as any questions you would like to ask, prior to the Meeting.

Further details on how you can do this, including relevant deadlines, are set out in the relevant questions below/above.

6. Can I participate in the Meeting by telephone?

No. The only way to participate is via the online portal.

7. Can I vote prior to the Meeting?

No.

If you are not available to attend the Meeting, we encourage you to submit your proxy form by 12:00pm (AWST) on 28 November 2021. Refer to the proxy form for more information. As all resolutions in the Meeting will be conducted by poll, your vote submitted by proxy will be counted in the poll result.



Frequently Asked Questions (cont.)

8. Can I vote during the Meeting?

Yes, you can vote during the Meeting via the online portal.

Once you have logged into the online portal simply select your voting direction from the options shown on screen. The Chair will enable voting at the beginning of the meeting.

For detailed instructions, please refer to the Guide.

9. Can I appoint a proxy to vote at the Meeting for me?

You can appoint a proxy to vote on your behalf but must do so prior to the Meeting. You can appoint a proxy either online or in writing using the proxy form. Refer to the proxy form for more detailed instructions.

To be effective, proxy appointments must be received by **12:00pm (AWST) on 28 November 2021**.

10. Can I ask questions prior to the Meeting?

Yes. You can ask questions prior to the Meeting by emailing the Company Secretary on info@asm-au.com.

11. Can I ask questions during the Meeting?

Yes, you can ask questions during the Meeting via the online portal.

Further details on asking questions via the online portal are set out in the Guide.

12. Can others see me if I participate in the Meeting via the online portal?

No.

13. What if I lose connection with the online portal and miss my opportunity to ask a question or vote?

You will need to be logged in to the online portal to ask questions and vote at the Meeting. If you lose connection with the online portal, you may miss your opportunity to vote or ask a question.

14. When will voting be closed?

Online voting will remain open for 10 minutes after the close of the meeting.

15. Can I watch the general meeting if I'm not a shareholder?

For visitors or public who do not hold any ASM shares by the register cut off time, please view the meeting at:

<https://www.advancedshare.com.au/Dashboard/Meeting-Casting-Control?meetingid=ASM0002>