

A vertically integrated company providing
an alternative, reliable, global supply of
Critical Metals

David Woodall
Managing Director
4 May 2022

Disclaimer



This presentation contains certain forward-looking statements and forecasts, including possible or assumed reserves and resources, production levels and rates, costs, prices, future performance or potential growth of Australian Strategic Materials Ltd (the Company), industry growth or other trend projections. Such statements are not a guarantee of future performance and involve unknown risks and uncertainties, as well as other factors which are beyond the control of Australian Strategic Materials Ltd. Actual results and developments may differ materially from those expressed or implied by these forward-looking statements depending on a variety of factors. Nothing in this presentation should be construed as either an offer to sell or a solicitation of an offer to buy or sell securities.

This document has been prepared in accordance with the requirements of Australian securities laws, which may differ from the requirements of United States and other country securities laws. Unless otherwise indicated, all ore reserve and mineral resource estimates included or incorporated by reference in this document have been, and will be, prepared in accordance with the JORC classification system of the Australasian Institute of Mining, and Metallurgy and Australian Institute of Geosciences.

Competent Person

The information in this document that relates to the Ore Reserves and Mineral Resource Estimates of the Dubbo Project are extracted from the Company's ASX Announcement dated 29 July 2020 titled "Information Memorandum and Demerger Booklet" available to view on the Company's website (www.asm-au.com) and www.asx.com.au and was completed in accordance with the guidelines of the JORC Code (2012).

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and that all material assumptions and technical parameters underpinning the Ore Reserves and Mineral Resource Estimates in the relevant market announcement continue to apply and have not materially changed.

The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

Corporate Profile

Capital Structure

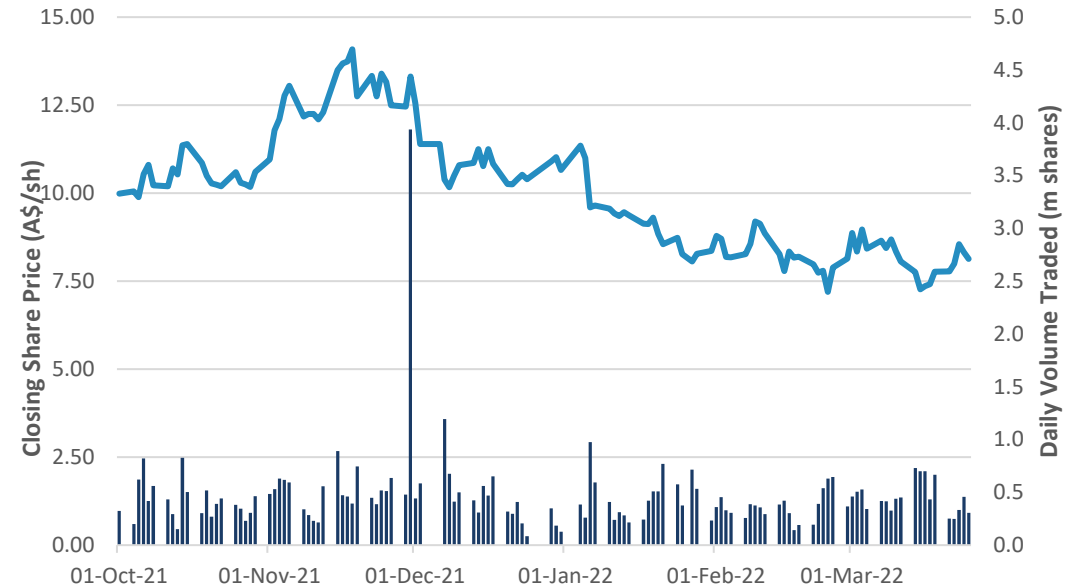
Ordinary Shares (m)	139.5
Share Price (14 April 22)	A\$7.34
Market Capitalisation	A\$1.02B
52 week low/high	A\$4.08/A\$14.15
Cash (31 Dec 21)	A\$56.9M
Enterprise Value	A\$1.08B
Average Daily Turnover (3 Months)	A\$3.5M

Board

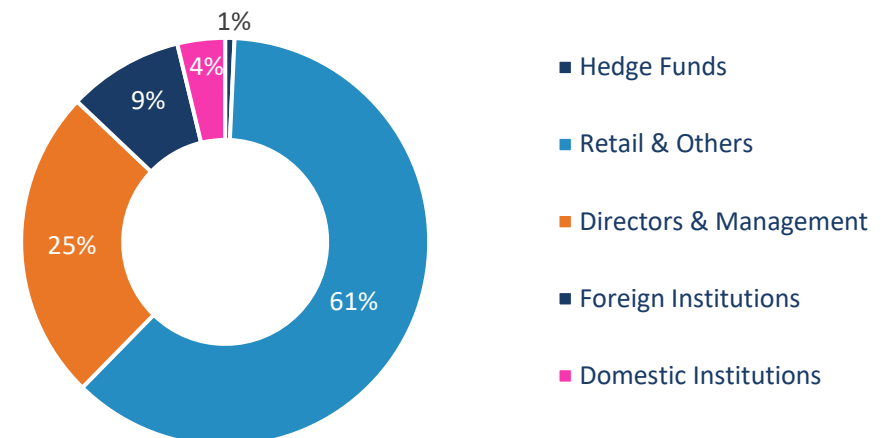
- **Ian Jeffrey Gandel** (Non-Executive Chair) LLB, BEc, FCPA, FAICD
- **David Woodall** (Managing Director) BSc Mining, MSc (Mineral Economics) and Graduate Diploma (Business)
- **Nic Earner** (Non-Executive Director) BEng (Hons)
- **Kerry Gleeson** (Non-Executive Director) LLB (Hons), FAICD
- **Gavin Smith** (Non-Executive Director) B.Com, MBA, MAICD



Share Price and Volume (6 Months)



Shareholders (at 31 March 2022)



ASM: De-risking the Global Supply Chain



Global Bottleneck

Global supply chain:
 Concentrated
 Lacks transparency
 Significant risk across all stages

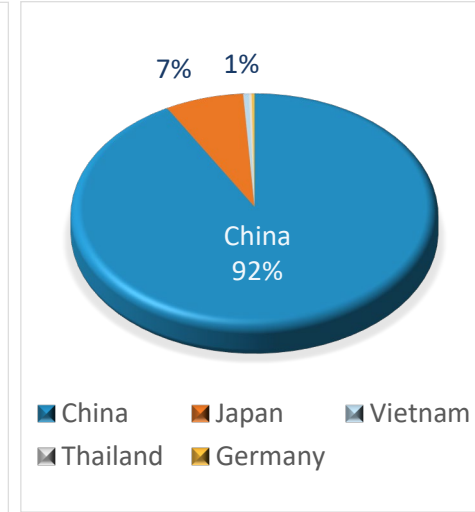
Upstream
Mining & Extraction



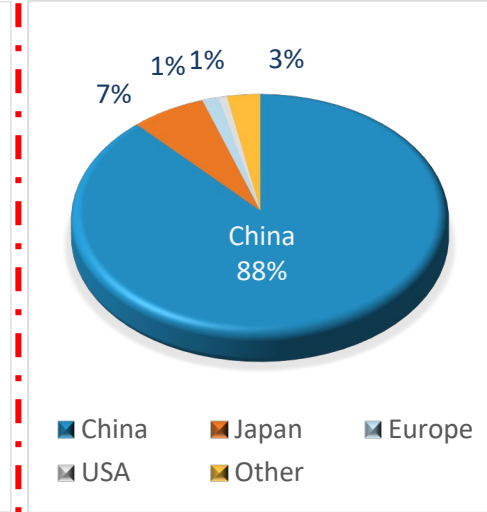
Midstream
Separation & Refining



Downstream
Metallisation & Alloying



End Use
Magnetisation & Forming



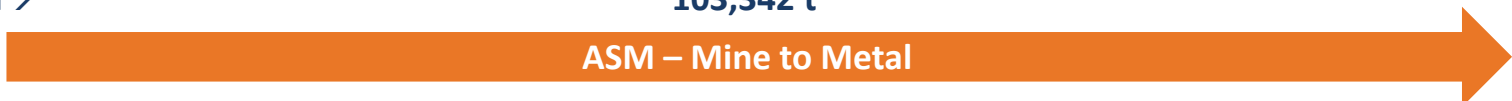
Rare Earth Products→
 2021 Annual Production→
 2035 Forecast Production→

Concentrates/Carbonates
226,000 t¹

Oxides
55,952 t²
103,342 t³

Metals and Alloys
205,000 t²

NdFeB Magnets
175,000-180,000 t²
341,950 t³



¹ Roskill ² Adamas Intelligence, *Rare Earth Magnet Market Outlook Update -April 2021* ³ Adamas Intelligence, *Rare Earth Magnet Market Outlook to 2035*

Our Vision

An alternative, secure and environmentally responsible supply of critical metals to the world

Dubbo Source

- Zirconium
- Rare earths
- Niobium
- Hafnium

External Source

- Titanium
- Rare earths

Dubbo oxides

3rd Party oxides

A global, vertically integrated mine to metals business

High Purity Metal Product

- Titanium metal, powder, alloy
- Permanent magnet alloy
- Dysprosium
- Ferro-niobium
- Niobium
- Hafnium
- Terbium
- Zirconium



Commissioning



Under consideration



Direct to Customers

Korean Metals Plant

Metals Plant

- Low capital, small footprint and readily scalable
- Located in Ochang Foreign Investment Zone, 115km south of Seoul
- Will produce metal, alloy and powder to customer specification

Accelerated Development

- Acquisition of facility July 2021 expanded and registered in April 2022
- Phase 1 commissioning continuing – installed capacity 2,200tpa
- Stabilise and improve efficiency of Phase 1, commence Phase 2 to capacity 5,200tpa

Technology

- Proven, innovative low energy metallisation process with lower environmental impacts
- ASM owned patented technology
- ASM R&D team developed the unique technology

Pilot Plant High Purity Metals Produced

Praseodymium	5.3kg	99.3%
Dysprosium	7.5kg	99.53%
NdPr	9kg	99.65%
Zirconium powder	8.6kg	>98% (Hf ~1%)
Titanium powder	9.2kg	99.83%
CuTi Alloy	60kg	(70%,30%)
NdFeB	6kg	(32%, 67%, 1%)



Dubbo: Long Life Project - Strong Financials

Project

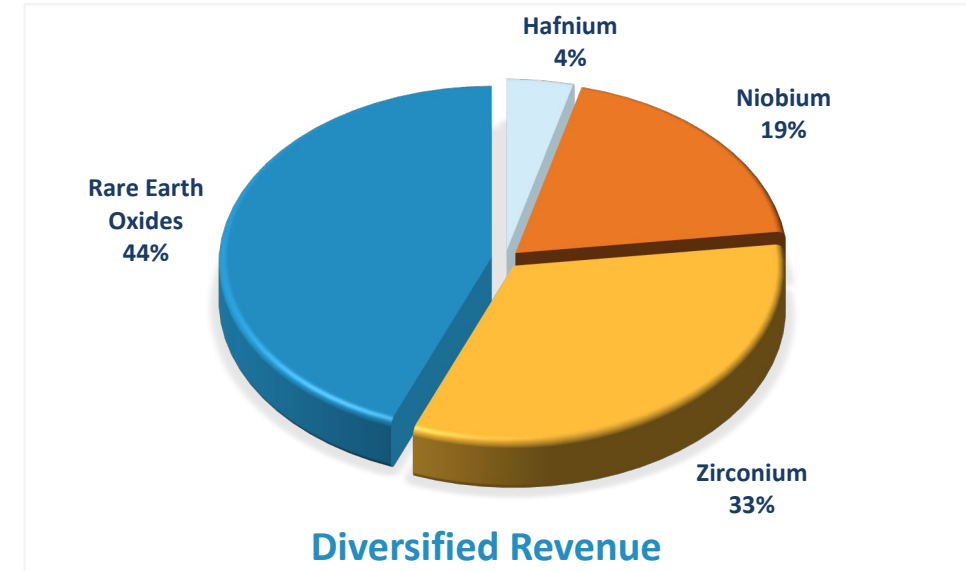
- 400km northwest of Sydney and 25km from Dubbo
- Proven flowsheet with Australian Nuclear Science & Technology Organisation
- Construction ready - major permits received, water license and land owned

Strong Financials

- Strong Free Cash Flow
- Meets all typical debt financial ratios
- **Pre-tax IRR 23.5%, Post-tax IRR 20.1%**

Robust Diversified Output

- Polymetallic project de-risking exposure to commodity price variation
- All products can be integrated into ASM's metal business
- Opportunity to increase hafnium production



Key Outputs	USD million
Gross Revenue	\$11,851
Total undiscounted pre-tax Free Cash Flow	\$5,581
Annual Free Cash Flow (full ramp up)	\$319
Pre-tax Project IRR %	23.5%
Post-tax Project IRR %	20.1%
Pre-Tax NPV	\$1,770
Post-tax NPV	\$1,186

* Exchange Rate (A\$:US\$) - 0.75; Discount Rate (real, post-tax %p.a.) 8.0%; Corporate Tax Rate (%) - 30%

ESG: Responsible Stewardship



Targeting operational net-zero

- Reduce emissions -
 - Refurbish railway
 - Chlor-alkali plant
 - Use renewable energy where possible
- Metallisation process lower footprint than conventional methods
- Protecting biodiversity -
 - Improved process to reduce water use
 - Biodiversity offset areas protected in perpetuity
 - Project within a working farm



Supporting community

- Solid history of successful engagement with local, regional, state and federal stakeholders
- Integrating development and operating plans for mutual benefit with the community
- Engagement with First Nations community



Strong, credentialed leadership

- Led by a diverse and experienced Board and leadership team
- Comprehensive systems of control and accountability, implemented with openness and integrity
- Engage all ASM people, suppliers and customers to ensure adherence to our guiding values and principles



Australian Strategic Materials

Secure, stable and sustainable
critical metals to the world





David Woodall

Managing Director

Australian Strategic Materials

P: +61 8 9200 1681

E: dwoodall@asm-au.com

 asm-au.com

Dubbo Project Resources & Reserves

Dubbo Project – Mineral Resources

Resource Category	Tonnes (Mt)	ZrO ₂ (%)	HfO ₂ (%)	Nb ₂ O ₅ (%)	Ta ₂ O ₅ (%)	Y ₂ O ₃ (%)	TREO* (%)
Measured	42.81	1.89	0.04	0.45	0.03	0.14	0.74
Inferred	32.37	1.90	0.04	0.44	0.03	0.14	0.74
Total	75.18	1.89	0.04	0.44	0.03	0.14	0.74

*TREO% is the sum of all rare earth oxides excluding ZrO₂, HfO₂, Nb₂O₃, Ta₂O₅, Y₂O₃

Dubbo Project – Ore Reserves

Reserve Category	Tonnes (Mt)	ZrO ₂ (%)	HfO ₂ (%)	Nb ₂ O ₅ (%)	Ta ₂ O ₅ (%)	Y ₂ O ₃ (%)	TREO* (%)
Proved	18.90	1.85	0.04	0.440	0.029	0.136	0.735
Total	18.90	1.85	0.04	0.440	0.029	0.136	0.735

*TREO% is the sum of all rare earth oxides excluding ZrO₂, HfO₂, Nb₂O₃, Ta₂O₅, Y₂O₃



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