

AUSTRALIAN STRATEGIC MATERIALS LIMITED

ACN 168 368 401

Supplementary Prospectus

1 IMPORTANT INFORMATION

1.1 OVERVIEW

This supplementary prospectus is dated 20 June 2024 (**Supplementary Prospectus**) and was lodged with the Australian Securities and Investments Commission (**ASIC**) on that date with the consent of the Directors.

This document supplements the prospectus dated 29 April 2024 issued by Australian Strategic Materials Limited ACN 168 368 401 (**ASM** or the **Company**) and prepared in accordance with section 713 of the *Corporations Act 2001* (Cth) (**Corporations Act**), (the **Prospectus**).

This Supplementary Prospectus must be read together with the Prospectus. This Supplementary Prospectus is an important document and requires your immediate attention. You should read this Supplementary Prospectus in its entirety.

If you do not understand any part of this Supplementary Prospectus, or are in doubt about what to do, you should consult your accountant, stockbroker, tax adviser, lawyer or other professional adviser without delay.

Unless otherwise defined, a capitalised term with a defined meaning in the Prospectus has the same meaning in this Supplementary Prospectus.

Neither ASIC, ASX, nor their respective officers, take any responsibility for the contents of this Supplementary Prospectus.

Except as set out below, all details in relation to the Prospectus remain unchanged. To the extent of any inconsistency between this Supplementary Prospectus and the Prospectus, the provisions of this Supplementary Prospectus prevail.

This document has been authorised for release to ASX by the Company's Board of Directors.

1.2 OBTAINING A COPY OF THIS SUPPLEMENTARY PROSPECTUS

A copy of this Supplementary Prospectus is available for inspection at the registered office of the Company at Level 4, 66 Kings Park Road, West Perth WA 6005, during normal business hours. The Company will provide a copy of this Supplementary Prospectus to any person on request free of charge.

Paper copies of this Supplementary Prospectus can be obtained, free of charge, by calling the Company on +61 8 9200 1681 at any time between 8.30am and 5.00pm (AWST).

This Supplementary Prospectus will also be made available in electronic form. A copy of this Supplementary Prospectus can be obtained at any time prior to the Expiry Date on the Company's website at <https://asm-au.com>.

1.3 DISCLAIMER

No person is authorised to give any information or to make any representation in connection with the issue of Placement Options (or any New Share issued on exercise of a Placement Option) which is

not contained in this Supplementary Prospectus or the Prospectus. Any information or representation in connection with the issue of Placement Options not contained in this Supplementary Prospectus or the Prospectus may not be relied upon as having been authorised by the Company or its Beneficiaries.

Except as required by law, and only to the extent so required, none of the Company or any of its respective Beneficiaries, nor any other person, warrants or guarantees the future performance of the Company or any return on any investment made pursuant to this Supplementary Prospectus or the Prospectus.

This Supplementary Prospectus may not be released to US wire services and may be distributed in the United States only by the Company to institutional investors who participated in the Placement. The Placement Options (and any New Share issued on exercise of a Placement Option) have not been, and will not be, registered under the US Securities Act of 1933 or under any securities laws of any State or other jurisdiction of the United States. There will be no public offer of the Placement Options in the United States.

2 PURPOSE OF THIS SUPPLEMENTARY PROSPECTUS

As noted in ASM's ASX announcement dated 17 April 2024, the issue of 12,931,035 Placement Options under the Placement to institutional investors was subject to and conditional on shareholder approval being received at an extraordinary general meeting of the Company. As announced to ASX on 19 June 2024, the issue of the Placement Options was approved by Shareholders at the EGM held on 19 June 2024.

As the issue of the Placement Options has been approved by Shareholders, this Supplementary Prospectus has been prepared for the purpose of ensuring that any New Share issued on exercise of a Placement Option is not subject to any trading restrictions under section 707(3) of the Corporations Act, in reliance on the relief available under ASIC Instrument 2016/80.

Accordingly, in order to satisfy the conditions for the applicable relief available under ASIC Instrument 2016/80, the Placement Options will be issued by ASM under the Prospectus as supplemented by this Supplementary Prospectus.

The Placement Options will be issued on and subject to the same terms as, and with the same rights and liabilities attaching to, the Prospectus Options (being, the Entitlement Offer Options and Nominal Options). The terms of the Prospectus Options are set out in section 4.2 of the Prospectus, and the rights and liabilities attaching to the Prospectus Options are set out in section 4.3 of the Prospectus. Any New Shares issued on exercise of a Placement Option will have the rights and liabilities set out in section 4.1 of the Prospectus.

An application for quotation of the Placement Options was made on the date of the Prospectus.

3 ADDITIONAL INFORMATION

3.1 PURPOSE, USE OF FUNDS AND IMPACT ON FINANCIAL INFORMATION

As noted in section 3.2 of the Prospectus, the Placement of New Shares and Placement Options to certain institutional investors raised A\$15 million. Further details on the purpose of the Offer and use of funds are set out in that section.

The effect of the Offer on ASM's financial information is set out in section 3.4 of the Prospectus.

3.2 REMAINING EFFECT ON ISSUED SECURITIES

The remaining effect of the Offer and the Nominal Options Offer on the capital structure of the Company is set out in Table 1 below.

Table 1 – Remaining effect of the Offer and the Nominal Options Offer on ASM's capital structure

SECURITIES	NUMBER
Shares	
Shares on issue as at the date of this Supplementary Prospectus	181,133,558
Total Shares on issue after completion of the Prospectus Offers	181,133,558
Options	
Options on issue as at the date of this Supplementary Prospectus	1,410,541
Placement Options to be issued pursuant to the Placement	12,931,035
Maximum number of Nominal Options that may be issued pursuant to the Nominal Options Offer	100
Maximum total Options on issue after issue of the Placement Options and completion of the Prospectus Offers	14,341,676
Performance rights	
Performance rights on issue as at the date of this Supplementary Prospectus	2,245,960
Total performance rights on issue after completion of the Prospectus Offers	2,245,960

3.3 EFFECT ON CONTROL

Having regard to the composition of the Company's share register as at the date of this Supplementary Prospectus and the terms of the Placement Options and Nominal Options, the Company does not expect the issue of Placement Options or Nominal Options (and the issue of any

New Share on exercise of a Placement Option or a Nominal Option), to have a material effect on the control of the Company.

3.4 KEY REMAINING DATES

EVENT	DATE
Placement Options issued	Friday, 21 June 2024
Nominal Options Offer Closing Date (unless extended)	5:00pm on Monday, 24 June 2024
Nominal Options issued	Wednesday, 26 June 2024

This timetable above (and each reference to it or to dates in it in this Prospectus) is indicative only and subject to change without notice. All times and dates in the timetable refer to AEST. The Company reserves the right to amend any or all of these dates and times subject to the Corporations Act, the ASX Listing Rules and other applicable laws. In particular, the Company reserves the right to extend the Nominal Options Offer, to accept late Applications (either generally or in particular cases) and to withdraw the Nominal Options Offer, without prior notice at its absolute discretion. Any extension of the Nominal Options closing date may have a consequential effect on the issue date of the Nominal Options. The quotation of Placement Options and Nominal Options is subject to confirmation from ASX.

To the maximum extent permitted by law, the Company also reserves the right not to proceed with the Prospectus Offers in whole or in part at any time prior to issue of the Prospectus Securities for the relevant part of the Prospectus Offers. In that event, the relevant Application Money (without interest) will be returned in full to the relevant Applicants.

Cooling off rights do not apply to an investment in Prospectus Securities. You cannot withdraw your Application once it has been accepted.

3.5 ANNOUNCEMENTS

The table below sets out announcements that have been lodged by the Company with the ASX following lodgement of the Prospectus with ASIC on 29 April 2024.

DATE	ANNOUNCEMENT TITLE
29 April 2024	Target Market Determination - Entitlement Offer Options
29 April 2024	Proposed issue of securities - ASM
29 April 2024	Proposed issue of securities - ASM
30 April 2024	Change in substantial holding
06 May 2024	Entitlement Offer open
15 May 2024	Extension of Entitlement Offer closing date
15 May 2024	Update - Proposed issue of securities - ASM
16 May 2024	Notice of EGM & Proxy Form
16 May 2024	EGM Letter of Access
03 June 2024	Results of Entitlement Offer
03 June 2024	Application for quotation of securities - ASM

DATE	ANNOUNCEMENT TITLE
03 June 2024	Entitlement Offer Options - Holders & distribution schedule
05 June 2024	Notification regarding unquoted securities - ASM
05 June 2024	Change of Director's Interest Notice
11 June 2024	ASM refinances Korean corporate debt facilities
19 June 2024	Results of Extraordinary General Meeting

3.6 NOT FOR DISTRIBUTION OUTSIDE PERMITTED JURISDICTIONS

This Supplementary Prospectus does not constitute an offer of Placement Options of the Company in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the Placement Options may not be offered or sold, in any country outside Australia except to investors who participated in the Placement and to the extent permitted below.

(a) **Canada (British Columbia, Ontario and Quebec provinces)**

This document constitutes an issue of Placement Options only in the Provinces of British Columbia, Ontario and Quebec (the "Provinces"), only to persons to whom Placement Options may be lawfully distributed in the Provinces, and only by persons permitted to sell such securities. This document is not a prospectus, an advertisement or a public offering of securities in the Provinces. This document may only be distributed in the Provinces to persons who are "accredited investors" within the meaning of National Instrument 45-106 – Prospectus Exemptions, of the Canadian Securities Administrators.

No securities commission or authority in the Provinces has reviewed or in any way passed upon this document, the merits of the Placement Options or the offering or issue of the Placement Options and any representation to the contrary is an offence.

No prospectus has been, or will be, filed in the Provinces with respect to Placement Options or the resale of such securities. Any person in the Provinces lawfully participating in the offer will not receive the information, legal rights or protections that would be afforded had a prospectus been filed and receipted by the securities regulator in the applicable Province. Furthermore, any resale of the Placement Options in the Provinces must be made in accordance with applicable Canadian securities laws. While such resale restrictions generally do not apply to a first trade in a security of a foreign, non-Canadian reporting issuer that is made through an exchange or market outside Canada, Canadian purchasers should seek legal advice prior to any resale of the Placement Options.

The Company as well as its directors and officers may be located outside Canada and, as a result, it may not be possible for purchasers to effect service of process within Canada upon the Company or its directors or officers. All or a substantial portion of the assets of the Company and such persons may be located outside Canada and, as a result, it may not be possible to satisfy a judgment against the Company or such persons in Canada or to enforce a judgment obtained in Canadian courts against the Company or such persons outside Canada.

Any financial information contained in this document has been prepared in accordance with Australian Accounting Standards and also comply with International Financial Reporting Standards and interpretations issued by the International Accounting Standards Board. Unless stated otherwise, all dollar amounts contained in this document are in Australian dollars.

Statutory rights of action for damages and rescission. Securities legislation in certain Provinces may provide a purchaser with remedies for rescission or damages if an offering memorandum contains a misrepresentation, provided the remedies for rescission or damages

are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's Province. A purchaser may refer to any applicable provision of the securities legislation of the purchaser's Province for particulars of these rights or consult with a legal adviser.

Certain Canadian income tax considerations. Prospective purchasers of the Placement Options should consult their own tax adviser with respect to any taxes payable in connection with the acquisition, holding or disposition of the Placement Options as there are Canadian tax implications for investors in the Provinces.

Language of documents in Canada. Upon receipt of this document, each investor in Canada hereby confirms that it has expressly requested that all documents evidencing or relating in any way to the sale of the Placement Options (including for greater certainty any purchase confirmation or any notice) be drawn up in the English language only. Par la réception de ce document, chaque investisseur canadien confirme par les présentes qu'il a expressément exigé que tous les documents faisant foi ou se rapportant de quelque manière que ce soit à la vente des valeurs mobilières décrites aux présentes (incluant, pour plus de certitude, toute confirmation d'achat ou tout avis) soient rédigés en anglais seulement.

(b) **Hong Kong**

WARNING: This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "SFO"). Accordingly, this document may not be distributed, and the Placement Options may not be offered or sold, in Hong Kong other than to "professional investors" (as defined in the SFO and any rules made under that ordinance).

No advertisement, invitation or document relating to the Placement Options has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Placement Options that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted Placement Options may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

(c) **New Zealand**

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the "FMC Act").

The Placement Options are not being offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) other than to a person who:

- (i) is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- (ii) meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- (iii) is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- (iv) is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- (v) is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

(d) **Singapore**

This document and any other materials relating to the Placement Options have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of Placement Options, may not be issued, circulated or distributed, nor may the Placement Options be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part 13 of the Securities and Futures Act 2001 of Singapore (the “SFA”) or another exemption under the SFA.

This document has been given to you on the basis that you are an “institutional investor” or an “accredited investor” (as such terms are defined in the SFA). If you are not such an investor, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the Placement Options being subsequently offered for sale to any other party in Singapore. On-sale restrictions in Singapore may be applicable to investors who acquire Placement Options. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

(e) **United Kingdom**

Neither this document nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended (“FSMA”)) has been published or is intended to be published in respect of the Placement Options.

The Placement Options may not be offered or sold in the United Kingdom by means of this document or any other document, except in circumstances that do not require the publication of a prospectus under section 86(1) of the FSMA. This document is issued on a confidential basis in the United Kingdom to “qualified investors” within the meaning of Article 2(e) of the UK Prospectus Regulation. This document may not be distributed or reproduced, in whole or in part, nor may its contents be disclosed by recipients, to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the Placement Options has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Company.

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 (“FPO”), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (“relevant persons”). The investment to which this document relates is available only to relevant persons. Any person who is not a relevant person should not act or rely on this document.

(f) **United States**

This document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. The Placement Options, and the ordinary shares underlying the Placement Options, have not been, and will not be, registered under the US Securities Act of 1933 or the securities laws of any state or other jurisdiction of the United States. Accordingly, the Placement Options may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws.

The Placement Options will only be offered and sold in the United States to:

- (i) "institutional accredited investors" within the meaning of Rule 501(a)(1), (2), (3), (7), (8), (9) and (12) under the US Securities Act; and
- (ii) dealers or other professional fiduciaries organized or incorporated in the United States that are acting for a discretionary or similar account (other than an estate or trust) held for the benefit or account of persons that are not US persons and for which they exercise investment discretion, within the meaning of Rule 902(k)(2)(i) of Regulation S under the US Securities Act.

4 DIRECTORS' AUTHORISATION

This Supplementary Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented, and as at the date of this Supplementary Prospectus has not withdrawn his or her consent, to the lodgement of this Supplementary Prospectus with ASIC.



Ian Gandel
Chairman
Signed for and on behalf of Australian Strategic Materials Limited