

ASX Release

11 April 2025

China REE export restrictions underscore urgent need for secure alternative supply chain

Australian Strategic Materials Limited (**ASM** or **the Company**) (**ASX:ASM**) acknowledges the considerable market volatility and speculation following the announcement of US international trade tariffs and the response by China¹ to impose increased export restrictions on a range of medium and heavy rare earth elements (REE), as well as their oxides, metals, alloys and magnets.

These developments highlight the risks of global overreliance on a single jurisdiction for critical materials. ASM has long recognised this vulnerability and is advancing a vertically integrated mine to metals strategy designed to establish a secure, sustainable, and independent rare earth and critical minerals supply chain.

ASM's vertically integrated mine to metals strategy

Through its Dubbo Project in New South Wales, Australia, and its flagship Korean Metals Plant, ASM is uniquely positioned to deliver a broad portfolio of rare earth products – from ore through to alloy – outside of China's influence. Many of the materials affected by China's new export restrictions are already available or planned through ASM's alternative supply chain, offering partners a viable, de-risked solution.



¹ Source: MOFCOM: https://www.mofcom.gov.cn/zwgk/zcfb/art/2025/art_9c2108ccaf754f22a34abab2fedaa944.html

ASM's 'shovel ready' Dubbo Project is a globally significant resource of neodymium, praseodymium, dysprosium, terbium, zirconium, niobium and hafnium, with the opportunity to be in production by 2028, funding dependant. In addition, ASM's metallisation capability at its Korean Metals Plant is currently producing commercial quantities of neodymium praseodymium (NdPr) metal and neodymium iron boron (NdFeB) alloy, with well advanced plans to deliver dysprosium and terbium metals at commercial scale in 2025.

The tables below show the planned and existing products to be produced at the Dubbo Project and Korean Metals Plant, with those products impacted by China's export restrictions highlighted.

Dubbo Project Product Summary²

| Dubbo Project Products | Production Quantity Metric Tonnes Per Annum | Impacted By China Export Restrictions |
|---|--|--|
| Zirconia (ZrO ₂ , produced from calcining ZBS) | 13,500 | |
| Dehafniated Zirconia (DHZ) | 2,500 | |
| Hafnium Oxide (HfO ₂) | 30 | |
| FerroNiobium (65% Nb) | 2,650 | |
| Samarium Europium Gadolinium Chloride (solid) | 454 | ✓ |
| Neodymium Praseodymium Oxide (solid) | 1,342 | |
| Yttrium + Heavy Rare Earth Chloride (solid) | 1,180 | ✓ |
| Terbium Oxide (solid) | 22 | ✓ |
| Dysprosium Oxide (solid) | 142 | ✓ |
| TOTAL | 21,820 | |

Korean Metals Plant Products

| Korean Metals Plant Products | Impacted By China Export Restrictions |
|--|---------------------------------------|
| Neodymium Praseodymium Metal (NdPr) ³ | |
| Neodymium Iron Boron Alloy (NdFeB) ³ | ✓ |
| Terbium Metal (Tb) ⁴ | ✓ |
| Dysprosium Metal (Dy) ⁴ | ✓ |

China is responsible for ~60% of global REE mining output and over 90% of refining and magnet production⁵. As such, these export restrictions are likely to directly and immediately impact the global supply chains of a wide range of industries – from clean energy technologies (e.g. electric vehicles) to advanced manufacturing, defence and aerospace.

ASM Managing Director and CEO, Rowena Smith, said:

"ASM's vertically integrated mine to metals strategy, places us in a unique position to help mitigate the global impacts of China's latest export restrictions. The COVID pandemic made it clear that resilient, diversified supply chains are critical for global industry and national security. These new restrictions only heighten that urgency.

² Based on JORC reserves and resources. Refer to ASX Announcement: 7 December 2021, Dubbo Project Optimisation Delivers Strong Financials. All data and financial information in this announcement is taken from the Optimisation Study Work. The Company confirms that the material assumptions underpinning the estimates in the Optimisation Study Work announcement continue to apply and have not materially changed.

³ At commercial scale

⁴ Currently piloting commercial scale

⁵ Source: Adamas Inside: <https://www.adamasintel.com/chinas-strategic-capitalism-tilting-the-rare-earth-playing-field/>

“Even in the absence of export restrictions, global demand for rare earth products is projected to far exceed supply. The world must act now to develop alternative sources.

“With our Korean Metals Plant – one of the few facilities outside China already producing rare earth metals and alloys – and the long-life Dubbo Project, ASM is well-positioned to support Australia and its global partners in securing a stable supply of these critical materials for the future.”

[For the latest commentary from Managing Director and CEO Rowena Smith, ASM has released an industry update interview, available on the Company’s YouTube channel.](#)

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FOR MORE INFORMATION PLEASE CONTACT:

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

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

Competent Person

The information in this announcement that relates to ASM’s Mineral Resources or Ore Reserves is extracted from ASM’s ASX announcement titled “Dubbo Project Optimisation Delivers Strong Financials” released to ASX on 7 December 2021 and is available at www.asx.com.au. ASM confirms that it is not aware of any new information or data that materially affects the information included in that original market announcement and that all material assumptions and technical parameters underpinning the estimates in that announcement continue to apply and have not materially changed. ASM confirms that the form and context in which the findings of the Competent Person are presented have not been materially modified from the original market announcement.

Previously reported information

Information prepared and disclosed under the JORC Code has not materially changed since last reported in Company’s ASX announcements available to view on the Company’s website. The Company is not aware of any new information or data that materially affects the information included in this announcement and confirms that the material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.