



**Rare Earths.
Critical Minerals.
High-tech Metals.**

ASX Release

30 April 2025

Quarterly Activities Report to 31 March 2025

Australian Strategic Materials' (ASM or the Company) (ASX: ASM) is pleased to provide its Quarterly Activities Report to 31 March 2025. The Company has continued to make progress against its strategic objectives in line with its mine to metals strategy.

Highlights

- Planned strategic expansion into the US to address global critical minerals supply chain challenges.
- Rare Earths (RE) Options Assessment driving a phased construction approach at the Dubbo Project.
- NdPr metal deliveries to Magnequench – part of Neo Performance Materials.
- Piloting commercial scale production of heavy rare earth metals at Korean Metals Plant.
- Export Development Canada extends \$400M Letter of Interest.

Commentary from ASM Managing Director and CEO, Rowena Smith:

"During the March 2025 Quarter, we have witnessed significant global activity within the rare earths and critical minerals sector. Driven by the policy positioning of the new Trump Administration and the resulting escalating trade tensions with China – and beyond – we are seeing an environment that is dynamically shifting, creating volatility and uncertainty in international markets.

"However, this shift – while surprising with the speed at which it has occurred – should not come as a shock. The fragility of rare earth and critical mineral supply chains has long been recognised. For decades, China's dominance in this sector has resulted in opaque pricing mechanisms and volatile supply chains. The risk that comes with relying on a sole jurisdiction to produce over 90% of processed rare earth products is simply too great. That is why ASM has been building an alternative supply chain through its mine to metals strategy, and it is why ASM already has a commercial metallisation facility established and in production in South Korea.

"ASM's Korean Metals Plant is capable of producing many of the high-tech metals and alloys the world needs for the advanced manufacturing, clean energy, and defence and aerospace industries. These critical metals and alloys are all facing increased export restrictions from China. As we saw during the COVID pandemic, the impact of these restrictions and the bottleneck on supply chains will be felt rapidly around the world.

"ASM is in a unique position to address the current challenges and our activities this Quarter have supported our objectives as we continue to position the Company at the forefront of this evolving industry."

[Get more up to date industry comment from Rowena on our YouTube channel.](#)

Geopolitical and market developments

With the arrival of the second Trump Administration, the rare earth and critical minerals sector is once again high on the agenda. ASM is well positioned to respond to the growing imperative to establish a secure alternative supply chain for these minerals.

In March, President Trump released the ‘*Immediate Measures to Increase American Mineral Production*’¹ Executive Order (EO), outlining a clear commitment to reducing reliance on critical minerals and metals supplied by ‘hostile foreign powers’, and incentivising domestic manufacturing capabilities. This aligns with ASM’s intent to build a second metals plant in the US and expand its vertically integrated supply chain, independent of China’s dominance.

In February, ASM submitted a whitepaper to the US Department of Defense (DoD) for potential grant funding to build a metals plant in the US. This is the third whitepaper submitted to the DoD, with two previous papers seeking funding for the development of the Dubbo Project. As an Australian entity, the Dubbo Project is eligible for funding support as a ‘domestic source’ under the US Defense Production Act Title III. ASM has received initial positive indications of interest in some of these submissions and will update the market as these submissions progress.

Following the end of the Quarter, US tariff announcements and counter measures from other jurisdictions, such as China, has created considerable volatility in international markets. ASM continues to monitor the implications and opportunities that may arise. The Company notes that its mine to metals strategy offers a unique solution to these challenges facing the international rare earths market.

One significant counter measure announced post-Quarter was China’s increased export restrictions on several medium and heavy rare earth elements (HREE). With China producing around 90% of the world’s rare earths, these export restrictions are likely to put additional stress on already fragile global supply chains.

Through its Dubbo Project in Australia and Korean Metals Plant, ASM offers a comprehensive range of rare earth products, from ore to alloy, independent of China. With many materials already available or planned, ASM provides partners with a reliable, de-risked alternative to China’s new export restrictions.

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

Dubbo Project Product Summary²

Dubbo Project Products	Production Quantity Metric Tonnes Per Annum	Impacted By China Export Restrictions	Material on Australian and US Critical Minerals Lists
Neodymium Praseodymium Oxide (solid)	1,342		✓
Terbium Oxide (solid)	22	✓	✓
Dysprosium Oxide (solid)	142	✓	✓
Samarium Europium Gadolinium Chloride (solid)	454	✓	✓

¹Source: <https://www.whitehouse.gov/presidential-actions/2025/03/immediate-measures-to-increase-american-mineral-production/>

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.

Yttrium + Heavy Rare Earth Chloride (solid)	1,180	✓	✓
Zirconia (ZrO ₂ , produced from calcining ZBS)	13,500		✓
Dehafniated Zirconia (DHZ)	2,500		✓
Hafnium Oxide (HfO ₂)	30		✓
FerroNiobium (65% Nb)	2,650		✓
TOTAL	21,820		

Korean Metals Plant Products

Korean Metals Plant Products	Impacted By China Export Restrictions	Material on Australian and US Critical Minerals Lists
Neodymium Praseodymium Metal (NdPr) ³		✓
Neodymium Iron Boron Alloy (NdFeB) ³	✓	✓
Terbium Metal (Tb) ⁴	✓	✓
Dysprosium Metal (Dy) ⁴	✓	✓

Post-Quarter, the Australian Labor Party announced that, if elected, it would establish a national critical minerals strategic reserve. This initiative would involve national offtake agreements and a national stockpile, providing vital support for the critical minerals industry by securing offtake agreements and fair pricing, both crucial for financing. By offering offtakes at fair pricing, it can help mitigate risks of disruption and market manipulation, ensuring a stable and resilient supply of critical minerals. This strategic move underscores the importance of diversifying supply sources and strengthens ASM's position in the global market.

³ At commercial scale

⁴ Currently piloting commercial scale

Dubbo Project

The Dubbo Project is integral to ASM's mine to metals business, for the supply of rare earths and critical minerals.

Rare Earth Options Assessment

As part of the Rare Earth Options Assessment (**REOA**), ASM has been investigating potential pathways to execute the development and construction of the Dubbo Project in a phased approach. This would involve a first phase focused on the recovery of the rare earth elements (both light and heavy), followed by a second phase targeting the remaining commodities in the Dubbo Project resource. A staged execution can offer several potential benefits:

- **Shorter implementation:** an accelerated pathway to production of REE oxides, importantly including those restricted by Chinese export controls;
- **Lower capital:** reduced initial capital expenditure, easing funding requirements – both debt and equity;
- **Focused pre-development:** streamlines the Front End Engineering Design work, reducing pre-development costs for the Dubbo Project;
- **Simplified offtakes:** a first phase will produce only REE products, simplifying offtake agreements – a key funding requirement; and
- **Easier funding:** facilitates funding for the second phase with an operational first phase.

The work to date has identified several options, with the current priority being on atmospheric tank and heap leaching recovery. Metallurgical testwork and engineering have progressed using these methods, including the evaluation of acid type variants, including sulphuric and hydrochloric.

These options would eliminate the need for an energy and capital-intensive roaster and accompanying infrastructure within the process flowsheet in the first phase. During the Quarter, DRA Global (**DRA**) supported ASM in scoping the capex and opex engineering costs for these potential options, with further work underway to provide more definitive capex and opex estimates for the options. Once completed, this will be included in the final economic evaluation of the options.

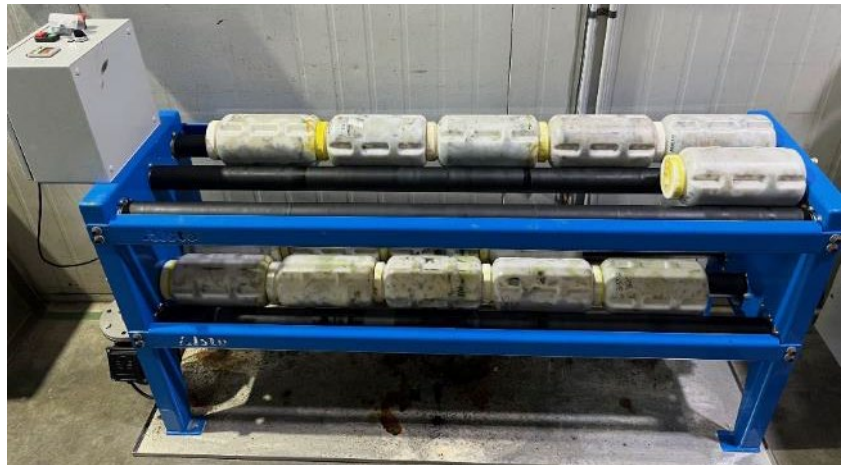
Variability testwork on the tank leach option using both sulphuric and hydrochloric acid has been completed and interpretation of the results into the flowsheet development is in progress. To progress the heap leach options, metallurgical testwork is being undertaken that includes bottle roll leach tests on recently drilled core intervals and three large mining zone composites. This is to establish heap leach conditions, such as particle size and acid addition.

Leaching results to date have indicated a range of light and heavy rare earth recoveries based on variations in ore mineralogy across the ore deposit. Testwork continues to provide encouraging results across the options.

The heap leach program will run through the next Quarter and provide leaching conditions for the next phase of column leach testing.

In addition, testwork at ANSTO (Australia's Nuclear Science and Technology Organisation) on the rare earth option flowsheet has progressed and will continue through Q2 2025.

The study and testwork on all options will continue to be conducted in Q2 2025, which will help inform the ongoing assessment of the options being investigated and the pathway for further development in the second half of calendar year 2025.



Hydrochloric acid bottle roll tests at Core Resources.

ASM anticipates being able to provide an indication of the metallurgical testwork results of the options and a scoping study on the economic evaluation of the options in the mid-year.

Early establishment activities

ASM's REOA is responding to the dynamic nature of the emerging rare earth market. In this shifting environment, ASM is taking a strategic, cost-conscious approach to how it deploys its capital as it focuses on securing the required funding for the Dubbo Project.

As part of early establishment activities, ASM has committed to undertaking upgrade work to the Obley Road to improve community use and ensure safe and efficient access to the Dubbo Project site. Previously, ASM had planned to conduct this work early in this current development phase. The Company has decided to postpone the Obley Road work to allow ASM to conserve current funds for use in strategic activities to progress funding and support for the project as a whole.

The early Obley Road upgrades were supported under Stream 2 of the NSW Government's Critical Minerals and High-Tech Metals Activation Fund⁵, providing co-funding of A\$10 million to fund 50% of the upgrade works. Postponing the work at this time means ASM is unable to utilise the grant money within the required timeframe and has communicated to the NSW Government the requirement for a mutual termination of the funding. ASM remains committed to the Dubbo Project, the community and its partners, and recognises the importance of the Obley Road works as part of delivering the project in its entirety. ASM recognises the strong community support and widespread benefits the Obley Road upgrades will bring and remains committed to undertaking this work at the appropriate time in the Dubbo Project's development.

Caspin Option Agreement

During the Quarter, fresh drill core samples from Caspin Resources' (**Caspin**) Mount Squires rare earth project were shipped to Mineral Technologies for testwork. Mineral Technologies have commenced the crushing and grinding of the sample in preparation for the subsequent flotation testwork. This testwork is being conducted

⁵ Refer ASX Release 19 December 2022: [ASM's Dubbo Project gets \\$10 million funding boost from NSW government](#)

under the Option Agreement (**Agreement**) signed by ASM and Caspin in April 2024. The Agreement provides ASM with an option to earn up to 75% of the rare earth element rights at Mount Squires through staged earn-in rights.⁶

The Caspin opportunity aligns with ASM's mine to metals strategy to broaden its rare earth supply, particularly for high-value heavy rare earths. Additionally, there is value in developing the Dubbo Project as a rare earth separation and refining hub for third-party ore with the ability to unlock value for potential rare earth projects across Australia.

ASM and Caspin have agreed to extend the Agreement for Phase 1 to 30 May 2025 to allow the completion of this work.

Funding and offtake

During the Quarter, ASM strengthened relationships with North American export credit agencies (**ECAs**) including the Export-Import Bank of the United States (**US EXIM**) and Export Development Canada (**EDC**), which support the Dubbo Project's debt financing.

US EXIM's approval of the Supply Chain Resiliency Initiative (**SRCI**) – a financing tool designed to strengthen US supply chains, reduce reliance on China for critical minerals and rare earth elements, and safeguard American jobs – has the potential to provide additional funding pathways with US EXIM.

ASM also extended its Letter of Interest with EDC to April 2026, indicating support for a direct lending package of up to A\$400 million for the Dubbo Project.⁷

During the Quarter, ASM continued to advance other funding opportunities in Asia, the European Union and the Middle East through discussions with potential offtake partners and strategic investors.



From L-R: Reid Zimmerman, US EXIM Senior Loan Officer, Rowena Smith, ASM MD & CEO, and Sarah Whitten, US EXIM Senior VP.

⁶ Refer ASX Release 10 April 2024: [Mount Squires Project Option Agreement to unlock potential further rare earth supply](#)

⁷ Refer ASX Release 1 April 2025: [Extension of Letter of Interest from Export Development Canada](#)

Korean Metals Plant

The Korean Metals Plant (KMP) is an integral part of ASM's mine to metals business: producing high-tech metals.

Safety

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

Neodymium iron boron (NdFeB) strip alloy

ASM is pleased to note that during the Quarter it has seen increased enquiries and indications of demand for the sale of NdFeB alloy. ASM is actively engaging with potential customers in the EU, US, and Korea to explore further supply opportunities and to progress validation of their technical requirements.

With respect to existing contracted customers, ASM is pleased to note the following positive developments during the Quarter:

- ASM has received notification from US customer Noveon Magnetics (**Noveon**) that the Company's 475kg NdFeB sample successfully passed Noveon's magnetisation test.

Each NdFeB alloy customer has distinct specification requirements for the alloy required, dependent on the type of magnets the alloy is to be used in. This requires a close level of collaboration between the ASM and its customers. Having now met current specifications, ASM and the KMP will continue to work with Noveon to establish a delivery schedule for future order requirements aligned to their demand requirements.

- USA Rare Earth (**USARE**) continued on its growth path during the Quarter, successfully listing on the NASDAQ. ASM congratulates the USARE team on this achievement and looks forward to supporting the company as it seeks to secure a US domestic rare earth magnet supply chain. The funding from the listing will be crucial to USARE establishing and commissioning its magnet facility, which is planned for Q1 2026. ASM is collaborating with USARE on opportunities to supply alloy for use in its commissioning process and also to confirm a delivery schedule for ongoing supply to support the facility once operational.

In addition, ASM has continued to progress discussions and technical validation processes with potential new customers. During the Quarter, the KMP delivered a total of 400kg of NdFeB alloy to Korea-based KMMI. The alloy is for KMMI's equipment and product commissioning feedstock. Subsequent to the Quarter, the KMP agreed a commercial



Rowena Smith with USARE Chief Legal Officer David Kronefeld at PDAC 2025.

sample sale of 100kg to GKN for assessment of its technical requirements. Upon validation, this will pave the way for discussions between ASM and GKN for the ongoing supply of NdFeB alloy.

Neodymium praseodymium (NdPr) metal

As previously reported, ASM concluded a contract for the sale of 19 tonnes of NdPr metal in Q4 2024. The contract – signed with Magnequench, part of Neo Performance Materials – saw the first five tonnes delivered to Magnequench in Q4. A further 10 tonnes was delivered in Q1 2025, with the remainder due for delivery in April 2025.

This initial sale of metal has established a foundational relationship between Magnequench and ASM for ongoing metal sales and further areas of potential collaboration.

As part of ongoing negotiations, members of the Magnequench team visited the KMP in March. Members of the Strategic Sourcing and Quality Assurance teams were given a tour of the manufacturing facilities and analytical laboratories and a further two product samples were provided.



Members of the Magnequench team visited the KMP in March to view the facility and continue metal sale discussions.

Discussions with Magnequench for further sales of metals, including heavy rare earth metals, are progressing well and ASM will keep the market informed as agreements are finalised.

In addition, ASM completed the sale of 500kg of NdPr metal to a European-based industrial materials company, via a European trading house.

In Korea, ASM continues to work with KCM (a subsidiary of NS World) on the supply of NdPr metal – aligned to KCM’s own customer requirements.

Metallisation technology

Commercial production of heavy rare earth metals dysprosium (**Dy**) and terbium (**Tb**) in 2025 remains a strategic focus for the KMP.

The Company is pleased to report continued positive progress during the Quarter of its pilot commercial scale production of these metals using its proprietary technology. Trials will continue into Q2 2025. The R&D team at the KMP has been focused on Dy metallisation and is targeting first production of a commercial Dy metal sample for an established customer in the coming months.

Since the announcement of additional export controls on heavy rare earths from China, ASM has received an increased level of enquiries from existing and potential customers regarding the supply of heavy rare earth metals. ASM’s focus on developing this proprietary technology underscores the Company’s commitment to advancing the supply chain for restricted materials and highlights the strategic importance of ASM’s innovative technology in meeting global needs.

Copper titanium (**CuTi**) production remained on pause during the Quarter while the R&D team focused on delivering a government-funded project. As part of the project, the KMP has now produced a total of 33.65kg of Ti powder.

Feedstock

A fully alternative supply chain remains fundamental to ASM’s strategy and incorporates feedstock suppliers for, not only oxides but also other sub-materials used in the production of metals and alloys. The KMP has successfully analysed and tested some sub-materials from the EU and the US for NdFeB commercial production. Oxides sourced from the US and the EU will be commercial batch tested, aligned to ASM’s customer delivery requirements.

ESG

ASM wants to leave a legacy that delivers enduring benefits to the communities and regions where it operates.

Towards Sustainable Mining

ASM has set an objective to adopt Towards Sustainable Mining (**TSM**) – a globally recognised accountability framework that supports minerals companies to evaluate, manage and communicate their site-level sustainability performance. Adopting the independently verified system reinforces the sector and ASM’s commitment to continual improvement in safety, the environment and social governance.

During the Quarter, the first self-assessment was finalised to understand ASM’s baseline for meeting the required TSM protocols, ahead of the construction of the Dubbo Project. ASM has received positive results at this early stage, with actions identified to progress the Company further over the next two years, aligned to existing work plans for functions at the Dubbo Project.

ESG Risk Rating

In 2024, ASM received an improved ESG Risk Rating of 26.4 Medium Risk from Morningstar Sustainalytics, positioning the Company in the top 10% of companies globally within the Diversified Metals Industry Group. The global ESG Risk Ratings measure a company’s exposure to industry-specific material environment, social and governance risks and how well a company is managing those risks.

During the Quarter, ASM submitted information from the previous 12 months for assessment and a revised rating for 2025. A revised rating is expected to be provided in Q2 2025.

Soil Carbon Monitoring

Having had the Toongi Soil Carbon Project formally registered with the Clean Energy Regulator towards the end of 2024, the first review of the project was conducted during the Quarter. The review was carried out by Climate Friendly – having acquired Australian Soil Management earlier in the year. ASM expects to receive the analysis report from Climate Friendly in Q2 2025.



Soil carbon monitoring at Toongi Pastoral Company.

Corporate

ASM released its Half Year Report and Accounts on 12 March 2025, for the six months to 31 December 2024. The report is available on the ASM website.

During the Quarter, ASM also advised that Mr Dennis Wilkins provided notice of resignation from his role as Joint Company Secretary of the Company, effective as of 1 February 2025. Ms Annaliese Eames continues in the role of Company Secretary.⁸

On 19 February 2025, ASM confirmed the appointment of Mr Dominic Heaton to its Board as an Independent Non-Executive Director. Mr Heaton has extensive experience in the mining and mineral processing sector and has held several high-profile leadership roles across various jurisdictions.⁹

Mr Heaton replaces Non-Executive Director Mr Nic Earner, who stepped down from the ASM Board with effect from 1 March 2025.

The ASM Board would like to thank Mr Wilkins and Mr Earner for their valuable contributions and service to the Company and wish them every success in their future endeavours.



⁸ Refer ASX Release 23 January 2025: [Resignation of Joint Company Secretary](#)

⁹ Refer ASX Release 19 February 2025: [Board appointment supports ASM's project development and growth objectives](#)

Community

ASM is committed to establishing strong and positive relationships with the communities where we operate. We want to work together to build resilient communities and return a positive, lasting legacy.

Western Plains Science and Engineering Challenge

ASM and its subsidiary Toongi Pastoral Company (TPC) were proud to sponsor the Western Plains Science and Engineering Challenge (WPSEC) during the Quarter. Through 'Discovery Days' and 'Challenge Days' the WPSEC encourages primary and secondary school students to consider their interest in STEM subjects and ultimately pursue a career in the fields of science, technology, engineering and mathematics. The program is facilitated through the University of Newcastle and engages students in thought-provoking, interesting and demanding practical activities in a competitive environment. The New South Wales State Finals will be held in August.¹⁰

Macquarie Agricultural Pathways Program

Continuing our association with regional students, TPC welcomed a new cohort of the Macquarie Agricultural Pathways Program (MAPP) during the Quarter. TPC has been partnering with Dubbo's Macquarie Anglican Grammar School since 2022 to deliver the MAPP, allowing students to participate in day-to-day farm operations and exposure to all areas of an environmental and agricultural business. The program ultimately aims to provide students with a comprehensive and accelerated pathway into the agricultural industry.¹¹

The Dubbo Show

ASM and Toongi Pastoral Company will once again be participating in the Annual Dubbo Show. If you're local to the Dubbo area and would like to learn more about our work and the opportunities that we are bringing to the region, please come along and speak to the team.



Safety Ceremony

In January the KMP conducted its traditional safety ritual to commemorate the beginning of the new year. The ceremony brings all employees together as an expression of gratitude for a year of safe operations and serves as an opportunity to reflect on and restate our commitment to the health and safety of all our people. The ceremony is also culturally significant, providing employees with an opportunity to engage with Korea's heritage and reflect on the core values that underpin a safe, respectful, and responsible workplace environment.

¹⁰ Source: <https://www.newcastle.edu.au/college/engineering-science-environment/education/science-and-engineering-challenge/events>

¹¹ Source: <https://www.mags.nsw.edu.au/macquarie-agricultural-pathways-program/>

Lunar New Year

To celebrate the Lunar New Year, employees at the KMP once again participated in the annual fruit-sharing initiative organised by the Ochang Foreign Investment Zone Committee. The program is designed to strengthen community ties and bring together local enterprises to extend holiday goodwill to residents. The KMP's involvement underscores its ongoing commitment to corporate social responsibility and dedication to building constructive and enduring relationships with the surrounding community.



Fruit sharing activities in the Ochang Foreign Investment Zone

Market Outlook

As reported, the escalating trade war between the US and China, coupled with the imposition of global tariffs by the US Administration is having significant implications for all markets, including critical minerals. China's announcement that it will impose export restrictions on medium and heavy rare earths, including dysprosium (**Dy**) and terbium (**Tb**) has the potential to constrain, or even stop, the supply of these materials to markets beyond China from oxides through to NdFeB alloys and permanent rare earth magnets. This will see further importance given to non-China sources of Dy and Tb, with the market likely to place greater emphasis on those companies with the capability and operational readiness to metallise heavy rare earths essential for high-grade magnets for these to be utilised in an alternative supply chain.

Reports that China's Ministry of Industry and Information Technology (MIIT) is drawing up plans to implement restrictions on imports of rare earths so that these would now be included under the quotas for mining, smelting and separation, have the potential to significantly further constrain the production of magnetic rare earth oxides in the rest of world. If enacted, all imports of upstream products would effectively be forced to compete with incumbent supply under quotas which are currently only allocated to China Northern Rare Earths and China Rare Earths Group and their affiliates. With a lack of separating capacity outside China acting as a bottleneck, mining projects that plan to produce intermediates before oxides (e.g. carbonate) will potentially face difficulties in placing their product.

Neodymium Iron Boron (NdFeB)

Neodymium Praseodymium (**NdPr**) oxide and metal prices rose by 11.4% and 12.4% respectively due to improved demand from metal makers and traders alike, while reduced feedstock inventories also translated to tighter spot availability. Concurrently, prices for Dy and Tb metals and oxides were already rising prior to the recent announcement of export controls. This was due to delays of shipments from Myanmar and is likely to have been further by exacerbated the 7.9 magnitude earthquake that hit the country on 28 March.

High-grade NdFeB prices rose on average by 6% over the Quarter, reflecting improved demand for magnets following the Chinese New Year holidays.

Zirconia

Prices were unchanged over the Quarter at \$2,035/t. Consultancy TZMI forecast that demand for zircon, the raw material from which most zirconia is derived, will grow by 2% in 2025. This is despite continuing softness in the ceramics market while acknowledging the risk of downward revisions due to the negative impact of tariffs on exports from key producing countries Spain, Mexico and Italy.

Hafnium

Hafnium ingot prices finished the Quarter at \$3,800/kg, a fall of 3.8% from the end of 2024. It remains to be seen how international prices will react in the medium term to the potential raising of the tariff level in mid-July to 79% for imports to the US from China. These, together with the UK, account for around half of all exports of hafnium metal, scrap and powder. US buyers may look to purchase instead from the European

market, though much depends on the prevailing tariff regime at the time of purchase.

Niobium

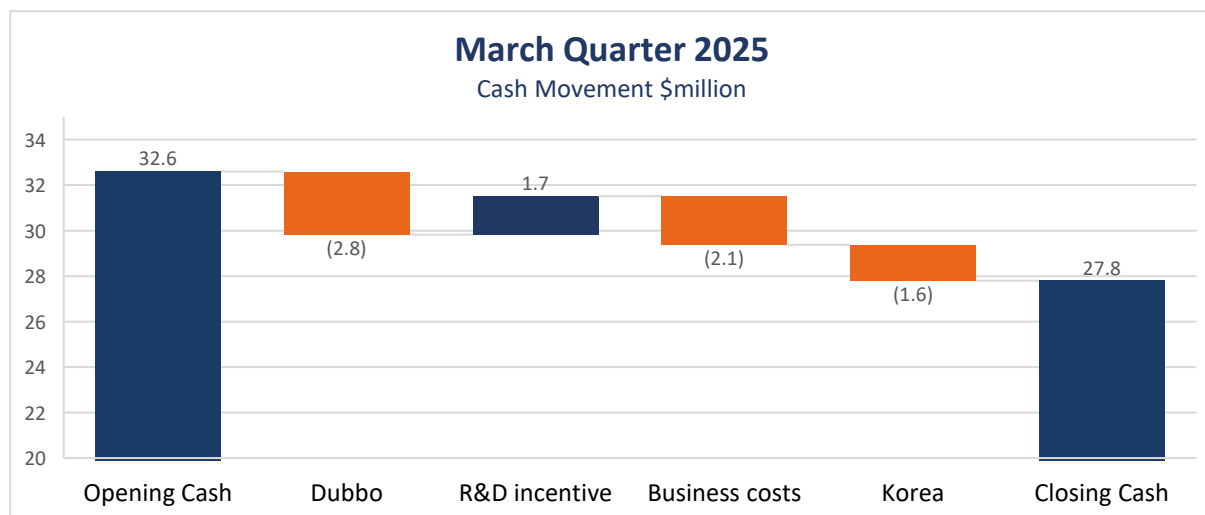
Prices for niobium ingot finished Q1 at \$92.5/kg, 2.6% below the previous Quarter end. This was in spite of tightness further up the supply chain that has seen niobium columbite and pentoxide prices rising due to tighter availability from China, as well as reports of strong buying interest from the defence and aerospace industries. Demand is expected to be further supported this year by China's need for target materials as it develops its domestic electronics industry.

Finance

Cash

ASM's cash position as at 31 March 2025 was \$27.8 million. The following waterfall chart highlights cash movements during the Quarter, including:

- \$2.8M of investment in the Dubbo Project, including engineering, metallurgical and rare earth options assessment.
- \$1.7M R&D incentive received relating to the Dubbo Project.
- \$2.1M of business costs relating to business development, marketing and administration.
- \$1.6M of Korean expenditures are principally related to inventory, administrative, and personnel costs, net of Korean Government grant funding and sales.



Banking Facilities

During the Quarter ended 30 June 2024, the Group executed two Korean loan facilities totalling 15 billion Korean Won (A\$16.2 million) refinancing existing Korean loan facilities associated with the Group's Korean Metals Plant.

These facilities are due for repayment during the June Quarter, Management has commenced negotiations to refinance these facilities. For further details on these facilities, please refer to Appendix 5B, item 7.

Mining Tenements

Australian Strategic Materials Limited confirms the following information as at 31 March 2025 (as required by ASX Listing Rule 5.3.3).

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

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

Glossary

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

Forward-looking statements

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

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

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

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

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

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

This ASX announcement was authorised on behalf of the ASM Board by: Rowena Smith, Managing Director & CEO.

- ENDS -

Appendix 5B

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

Name of entity

Australian Strategic Materials Ltd

ABN

90 168 368 401

Quarter ended ("current quarter")

31 March 2025

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	1,423	2,347
1.2	Payments for		
	(a) exploration & evaluation	-	-
	(b) development	-	-
	(c) production	(731)	(2,378)
	(d) staff costs	(3,354)	(10,557)
	(e) administration and corporate costs	(1,039)	(5,466)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	369	1,299
1.5	Interest and other costs of finance paid	(7)	(22)
1.6	Income taxes paid	(4)	(4)
1.7	Government grants and tax incentives	383	1,959
1.8	Other (provide details if material)	318	525
1.9	Net cash from / (used in) operating activities	(2,642)	(12,297)
2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	(228)	(1,511)
	(d) exploration & evaluation	(3,154)	(9,050)
	(e) investments	-	-
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	3
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
	<i>Government grants and tax incentives</i>	1,692	4,082
	<i>Payments for biological assets</i>	-	(47)
2.6	Net cash from / (used in) investing activities	(1,690)	(6,523)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)*	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(82)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	(275)	(768)
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	(275)	(850)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	32,603	47,603
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(2,642)	(12,297)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,690)	(6,523)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(275)	(850)
4.5	Effect of movement in exchange rates on cash held	(195)	(132)
4.6	Cash and cash equivalents at end of period	27,801	27,801

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	13,801	8,103
5.2	Call deposits	14,000	24,500
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	27,801	32,603

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	353
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<p><i>During the quarter ended 31 March 2025, item 6.1 cash payments totalled \$353,000. These payments included Director's fees, travel, consulting and superannuation. Other related parties' payments included \$30,000 paid to Alkane Resources Limited for personnel and office services.</i></p>		

7. Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	16,240	16,240
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-
7.5 Unused financing facilities available at quarter end		
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
<i>The Group holds two Korean Won (₩) loan facilities with the Korea Development Bank and Hana Bank in South Korea. Details of each facility are outlined below:</i>		
	KDB Industrial Facility - Opex	Hana Bank Industrial Facility - Opex
Facility amount	₩ 12,000,000,000	₩ 3,000,000,000
Amount drawn	₩ 12,000,000,000	₩ 3,000,000,000
Repayment date	10 June 2025	30 May 2025
Lender	KDB Bank	Hana Bank
Interest	6.32% - fixed KDB industrial financial debenture rate (on date of transfer) + 3.08% pa.	3.587% - 6 months variable KDB 6-month financial debenture rate (on date of transfer) + 0.328% pa.
Security	Secured	Unsecured

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(2,642)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(3,154)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(5,796)
8.4 Cash and cash equivalents at quarter end (item 4.6)	27,801
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	27,801
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	4.8
<i>Note: if the entity has reported positive relevant outgoings (i.e. a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	

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

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 30 April 2025

Authorised by: The Board of Directors

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

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – e.g. Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.