

ASX Release

16 May 2023

ASM signs agreement for sale of NdFeB alloy

Australian Strategic Materials (**ASX:ASM, the Company**) is pleased to advise that it has commenced a strategic partnership with US based rare earth magnet manufacturer Noveon Magnetics Inc. (**Noveon**) with the signing of an agreement for the sale of neodymium iron boron (NdFeB) alloy from the Korean Metals Plant (**KMP**).

The agreement provides for the sale of 100 tonnes of NdFeB alloy from the KMP, to be delivered to Noveon in accordance with an agreed schedule during the period up to end of March 2024. The parties have agreed a fixed price per tonne for this shipment of NdFeB alloy, determined by reference to the high quality specification of the alloy. Any additional specifications (including any that might be supplied under future arrangements) will be priced separately according to a methodology to be agreed, depending on the rare earth content contained in the relevant alloy. The exact pricing will be negotiated by reference to the prevailing market price of the relevant oxide.

The parties intend to develop a strategic partnership relating to long-term offtake for rare earth materials supporting magnet production, and they have agreed to use all reasonable endeavours to enter into a long term supply and purchasing agreement.

The agreement is otherwise on terms and conditions that are not unusual for an agreement of this nature.

On announcing the agreement, ASM Managing Director Ms Rowena Smith said: "At ASM we are delighted to announce the start of this strategic partnership with Noveon and the first sale of NdFeB alloy from our Korean Metals Plant. This is the result of much hard work and dedication from the ASM team including the successful commissioning of the strip alloy caster earlier this year."

"As we continue to work with Noveon, we look forward to ongoing discussions to meet Noveon's supply requirements in line with their development."

Noveon CEO Mr Scott Dunn also commented on the agreement, saying: "At Noveon, we set out to develop a superior rare earth magnet. It is an important part of our mission to establish a reliable, high-quality supply chain for NdFeB alloy. We have been impressed with the achievements of ASM at the Korean Metals plant, and we look forward to growing our partnership with ASM."

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About Noveon

Noveon Magnetics Inc. (Noveon) is a US based rare earth magnet manufacturer, with a state-of-the-art manufacturing centre in San Marcos, Texas. Noveon was founded with the goal of developing a superior magnet to change the world and provide a cleaner, safer and more efficient future.

<https://noveon.co/>

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