

ASX Release

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ASM SIGNS MOU WITH SOUTH KOREAN PROVINCIAL GOVERNMENT FOR METALS PLANT LOCATION

Australian Strategic Materials (ASX: ASM) (**ASM**) has signed a memorandum of understanding (MoU) with the Chungcheongbuk-do (Chungbuk) Provincial Government and Cheongju-si (Cheongju), City Government to locate its first metals plant (**Korean Metals Plant** or **KMP**) within the Ochang Foreign Investment Zone in Korea.

The Chungbuk Provincial Government MoU covers supply of utilities, administrative licenses and permit procedures, including the Korean Standard Industrial Classification code for rare metals and rare earth metals. The MoU also includes a government grant, in accordance with Foreign Investment Promotion Act.



Figure 1- MoU Signing Ceremony with Chungcheongbuk-do Provincial Government and ASM

Chungbuk is located 115km south of the Korean capital, Seoul, and 20km north of Daejeon, the site of the metalisation pilot plant. The region has substantial existing infrastructure and a competent technical work force.

Provincial Governor Si-Jong Lee said, “To sustain the growth of the Chungcheongbuk-do economy, we strongly support this investment. ASM is establishing its Korean headquarters,

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R&D centre and metals plant in the Ochang Foreign Investment Zone. This will provide key rare earth metals to the Korean economy and local employment to revitalise our local economy.”

ASM Managing Director, David Woodall, said “This MoU, along with the strong support from the Korean Ministry of Trade, Industry and Energy (MOTIE) and the Chungbuk Provincial Government, provides ASM with confidence to build the metals plant in the Ochang Foreign Investment Zone. With key Korean manufacturing companies like LG Chemical, Samsung SDI, SK Hynix, and Hyundai Mobis within close proximity, we are confident that building our first metal plant in this well established industrial area will provide significant benefits.”

ASM’s Korean Metals Plant will initially produce high-purity neodymium-iron-boron powder and titanium powder using the innovative, low-energy metallisation process developed by ASM’s Ziron Tech team.

Last week, ASM announced it had completed an internal scoping study for the initial 5,200tpa metals plant, with the results demonstrating the feasibility of the Korean Metals Plant (ASX announcement, 2 March 2021).

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This document has been authorised for release to the market by David Woodall, Managing Director.

About Australian Strategic Materials – www.asm-au.com

Australian Strategic Materials Ltd (ASM) is an integrated materials business and emerging “mine to manufacturer” producer of [critical metals](#). The company’s cornerstone [Dubbo Project](#) (100% owned) is a proven long-term resource of [rare earths](#), [zirconium](#), [niobium](#), and [hafnium](#) located in central-western NSW, Australia. It represents an alternative, sustainable and secure source of these metals, which are critical for a diverse range of advanced and clean technologies.

ASM’s metals business is founded on an innovative [metallisation process](#) that converts oxides into high-purity metals, alloys, and powders using less energy than conventional methods. The pilot plant in South Korea has proven the commercial scalability of the process and successfully produced a range of high-purity metals and alloys, including titanium, neodymium, praseodymium, dysprosium, and zirconium. Following this success, ASM’s first metallisation plant will be constructed in South Korea to supply a range of critical metals including rare earths, zirconium, and titanium.

A Dubbo Project optimisation study will be completed by the end of Q1 2021, targeting improved capital and operating costs, along with an increased revenue stream. Elements of this optimisation study include simplifying the flowsheet, increasing recoveries of rare earths, and potentially including a front-end flotation circuit.