



*“From mine to manufacturing”*

# Equity Raising Presentation

26 March 2021

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- (a) a placement of new fully paid ordinary shares in the Company (New Shares) to sophisticated and professional investors to raise \$65 million (before costs) (**Placement**)
- (b) a non-renounceable entitlement offer of New Shares which will be issued on a 1 for 14 basis to raise up to approximately \$41 million (before costs) (**Entitlement Offer**),

(collectively, the **Offer**).

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An offer booklet in respect of the Entitlement Offer will be made available to eligible shareholders in Australia and New Zealand following its lodgement with ASX (**Offer Booklet**). Any eligible shareholder in Australia or New Zealand who wishes to participate in the Entitlement Offer should consider the Offer Booklet before deciding whether to apply for New Shares under the Entitlement Offer. Anyone who wishes to apply for New Shares under the Entitlement Offer will need to apply in accordance with the instructions contained in the Offer Booklet and the entitlement and acceptance form.

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### Future performance

This Presentation contains certain “forward-looking statements”. Forward-looking statements can generally, but not always, be identified by the use of words such as “expect”, “anticipate”, “estimate”, “intend”, “believe”, “guidance”, “should”, “could”, “may”, “will”, “predict”, “plan” and other similar expressions. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements.

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### Past performance

Investors should note that past performance metrics and figures, including the past share price performance of ASM, is given for illustrative purposes only and cannot be relied upon as an indicator of (and provides no guidance as to) future ASM performance including future share price performance. Any such historical information is not represented as being, and is not, indicative of the Company’s views on its future financial condition and/or performance.

### Effect of rounding

A number of figures, amounts, percentages, estimates, calculations of value and fractions in this Presentation are subject to the effect of rounding. The actual calculation of these figures may differ from the figures set out in this Presentation.

### No new information or data

This Presentation contains references to Mineral Resource and Ore Reserve estimates, all of which have been cross referenced to a previous market announcement made by ASM. 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 the original market announcement continue to apply and have not materially changed.

# From mine to manufacturing

*Building a unique position across the critical metals value chain*

## Dubbo Project (100% ASM)

- **A long-life, quality, polymetallic project** in a tier one mining jurisdiction
- **Environmental approvals and ready for construction**
- **Attractive economics**
- **Sustainable source** of zirconium, rare earth elements, niobium and hafnium oxides, targeting net-zero carbon emissions

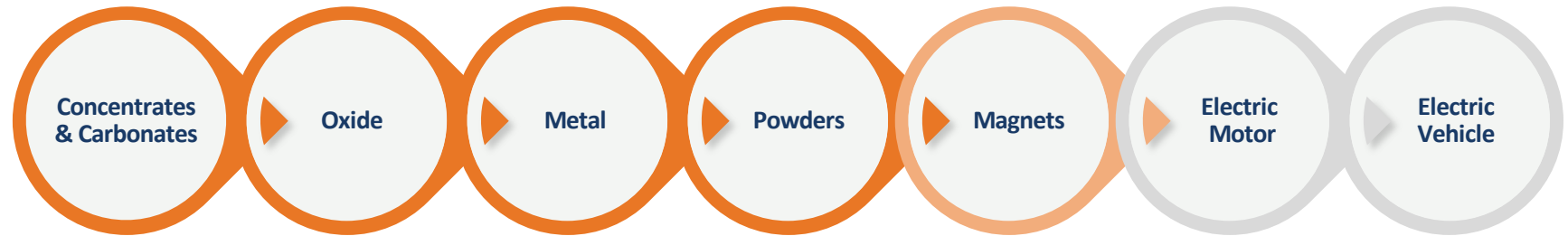
## Metallisation

- **Ziron Tech (95% ASM):** an innovative, patented and commercially proven process that delivers a step-change reduction in energy use, environmental impacts and costs
- **Korean Metals Plant (KMP) (100% ASM)** ASM's first proposed plant to produce high purity metals, alloys and powders
- **A springboard for proposed global expansion** in strategic locations, identifying **partnership opportunities** to push further downstream into magnets and other applications

# Well positioned in the critical metals value chain



Opportunity for ASM to produce products direct to end users



**Neodymium (US\$)**



## Non-Chinese producers

Oxides mostly sent to China and Japan

Concentrates and carbonates mostly sent to China



1. MP Materials average sale price for 2020  
2. BAAINFO January 2021, VAT to China FOB price

3. BAAINFO January 2021  
4. Estimate by IMCOA January 2021

5. Magnets sell for ~US\$100/kg but contain ~30% of Nd, reflecting an inferred Nd price of ~\$330/kg

# Advancing the strategy for sustainable growth

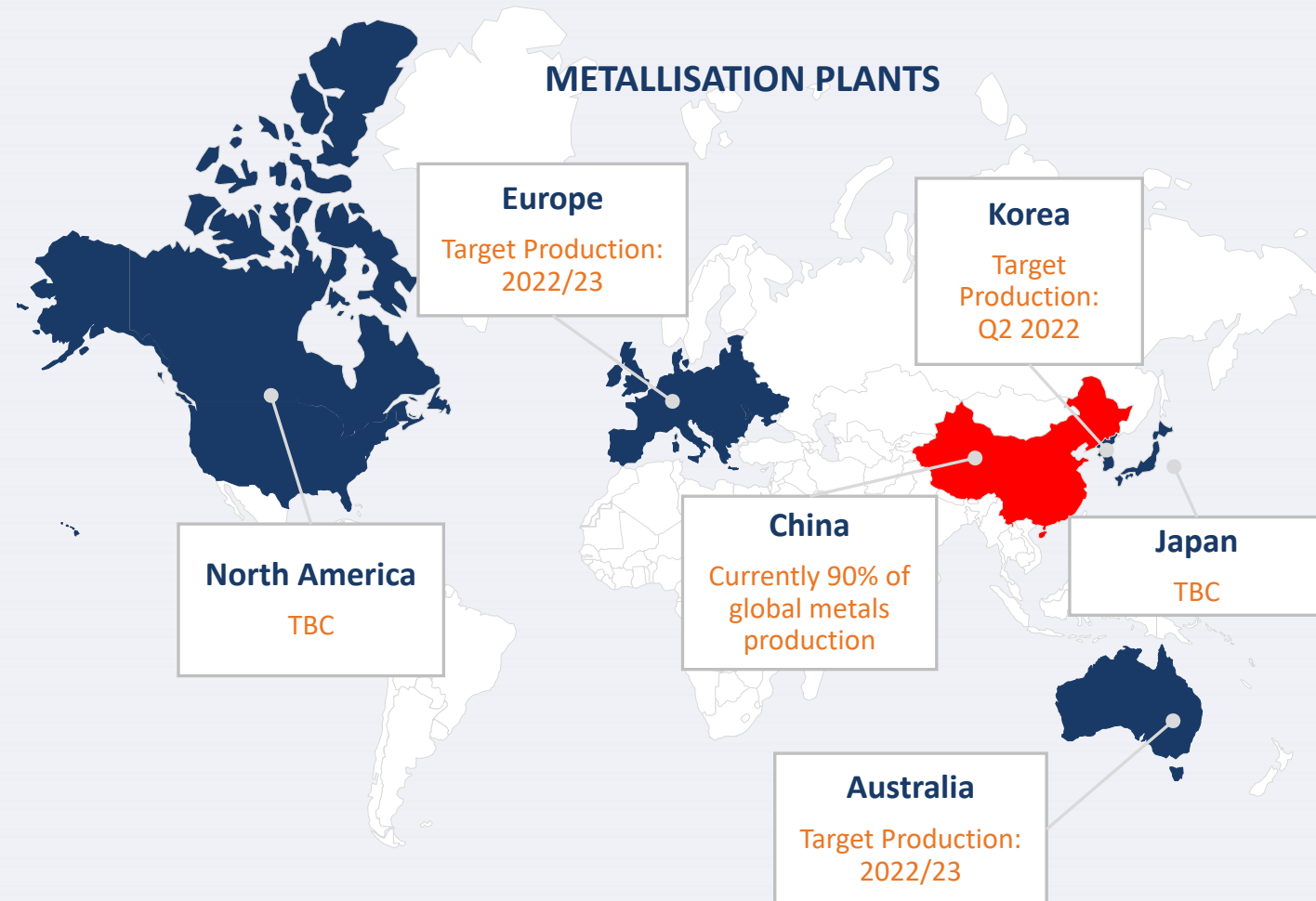
ASM is positioned to become a global, independent and integrated metals producer by 2025

## Dubbo Project

- Optimisation study to be completed May 2021, followed by FEED
- Metal offtake and financing agreements targeted for 2021
- Final Investment Decision on Dubbo by end of March quarter 2022, target production in 2024

## Metallisation

- Detailed engineering on KMP (underway)
- Location of plant selected with Provincial Government MoU executed
- Metal production progress from mid-2021 to 5,200t metals facility by mid 2022 (see Scoping Study Announcement)<sup>1</sup>



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# Equity Raising Overview



# Accelerating Development

## Equity Raising

- ASM is targeting a maximum equity raising of approximately \$106m through an institutional placement of \$65m and a 1 for 14 non-underwritten non-renounceable entitlement offer to raise up to approximately \$41m
- Key shareholders (including Abbotsleigh) representing ~29.4% in total intend to take up their entitlements under the Entitlement Offer, providing minimum of ~\$12m

## Offer Price & Ranking

- Offer Price for Placement and Entitlement Offer is \$4.80 per share
- The Offer Price represents a discount of approximately:
  - 4% to ASM's last closing price on Tuesday 23 March 2021 of \$4.99
  - 10% to ASM's 5 day Volume Weighted Average Price (VWAP) of \$5.35
- New Shares issued under the Offer will rank equally with existing ASM shares on issue

## Use of Proceeds

- Final Engineering and Construction of the proposed 100% owned Korean Metals Plant (KMP) and associated costs
- Acceleration of Dubbo Project detailed construction design (~30% engineering)
- Additional proceeds to be used for general corporate, working capital purposes and offer costs

## Rationale

- Positions ASM for rapid development of proposed KMP once offtake finalised and FID is made
- Positions ASM to capture full financial benefit of Ziron Tech investment
- Positions ASM to become a commercial supplier of critical metals and products to key customers from Q3 2021
- Potential significant cashflow generation from 2022 from KMP
- Potential for KMP to be expanded to take Dubbo Project oxides upon Dubbo Project ramp-up



# Progressing the Mine to Manufacturing Model

## Acceleration

- ✓ Allows ASM to finalise engineering and offtake for KMP with development funding in place
- ✓ Dubbo Project timetable is retained with accelerated design work funded
- ✓ Positions ASM to recruit key executives with confidence

## Flexibility

- ✓ Ungeared KMP development provides funding optionality for future Dubbo Project funding initiatives
- ✓ ASM funded for 2021 work program
- ✓ Balance sheet flexibility allows ASM to consider other growth options (e.g. metal plants in other jurisdictions in 2022)

## Access and Equality

- ✓ Grows institutional ownership of ASM and introduces several significant global and Australian funds
- ✓ ASM has commenced index inclusion (All Ords)
- ✓ Eligible shareholders can access raising via Entitlement Offer

Source of Funds		Use of Funds	
Existing Cash (31.12.2020)	\$12m	KMP Engineering	\$2m
Institutional Placement	\$65m	KMP Construction	\$44m
Entitlement Offer (committed)	\$12m	Dubbo Engineering (FEED)	\$18m
<i>Entitlement Offer maximum</i>	<i>\$41m</i>	Corporate Costs	\$10m
		Working Capital	\$15m
<b>Total Sources (EO committed)</b>	<b>\$89m</b>	<b>Total Uses</b>	<b>\$89m</b>
		<i>Note: additional funds under Entitlement Offer will be applied to working capital</i>	

# Equity Raising Timetable

Event	Dates (2021)
Announcement of Offer	Friday 26 March
Trading in ASM shares resumes	Friday 26 March
Entitlement Offer 'Ex' Date	Tuesday 30 March
Record Date for Entitlement Offer	Wednesday 31 March
Settlement of Placement	Thursday 1 April
Issue of Placement Shares and Normal Trading	Tuesday 6 April
Entitlement Offer Document Circulated	Wednesday 7 April
Entitlement Offer Period	Wednesday 7 April – Friday 16 April
Entitlement Offer Shares Allocated	Monday 19 April
Announcement of results of Entitlement Offer	Wednesday 21 April

# Corporate Profile

## Capital Structure

Ordinary Shares	120.36 million
Share Price (22 March 2021)	A\$4.99
Market Capitalisation	A\$600.6M
52 week low/high	A\$0.84/\$6.84
Cash (31 December 2020)	A\$12.4M
Enterprise Value	A\$588.2M
Average Daily Turnover (3 Months)	A\$3.0 million

## Board

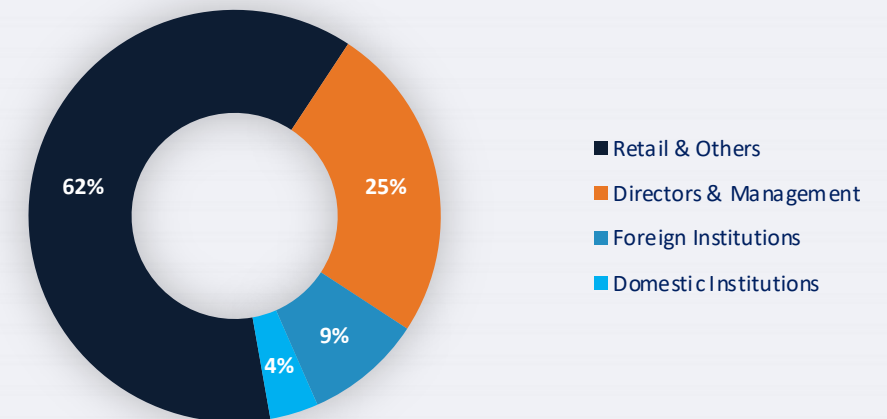
- **Ian Jeffrey Gandel** (Non-Executive Chairman) LLB, BEc, FCPA, FAICD
- **David Woodall** (Managing Director) BSc (Mining Eng) MSc (Mineral Economics) and Graduate Diploma (Business), Curtin University
- **Nic Earner** (Non-Executive Director) BEng (Hons)
- **Ian Chalmers** (Non-Executive Director) MSc, FAusIMM, FAIG, FIMMM, FSEG, MSGA, MGSA, FAICD
- **Gavin Smith** (Non-Executive Director) B.Com, MBA, MAICD



## Share Price and Volume (6 Months)



## Shareholders 31 December 2020



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# The Rare Earths Market



# Rare Earths: Building blocks of the New Economy

- Rare earths and other critical metals are central to the electrification of the global economy.
- Rare earths are recognised by governments as a strategic resource, given their use in making permanent magnets.
- Permanent magnet applications are essential for the New Economy.
- Current global production is heavily concentrated in China.

## Australia has a key role to play in reducing China's rare-earths dominance

25 Feb 2021 | Matthew Page and John Coyne

North of 26° south



US President Joe Biden has just signed an **executive order** launching a comprehensive review of America's critical supply chains for strategically significant products and resources.

Among those are rare-earth elements, supplies of which the Biden administration says must not be 'dependent upon foreign sources or single points of failure in times of national emergency'. 'Foreign sources' points a clear finger at one country which has dominated the market for decades.

# Critical Metals: Essential for New Technology

## Electric Vehicles (EV)

~5kg Rare Earth Permanent Magnets



Growth: 3.4M to 25.3M EV cars globally by 2030<sup>1</sup>

## Wind Turbines

~195kg of Nd/MW



Forecast 7.9% annual growth from 2020 to 2024<sup>2</sup>

## Defence / Aerospace



Jet turbines, GPS, defence systems

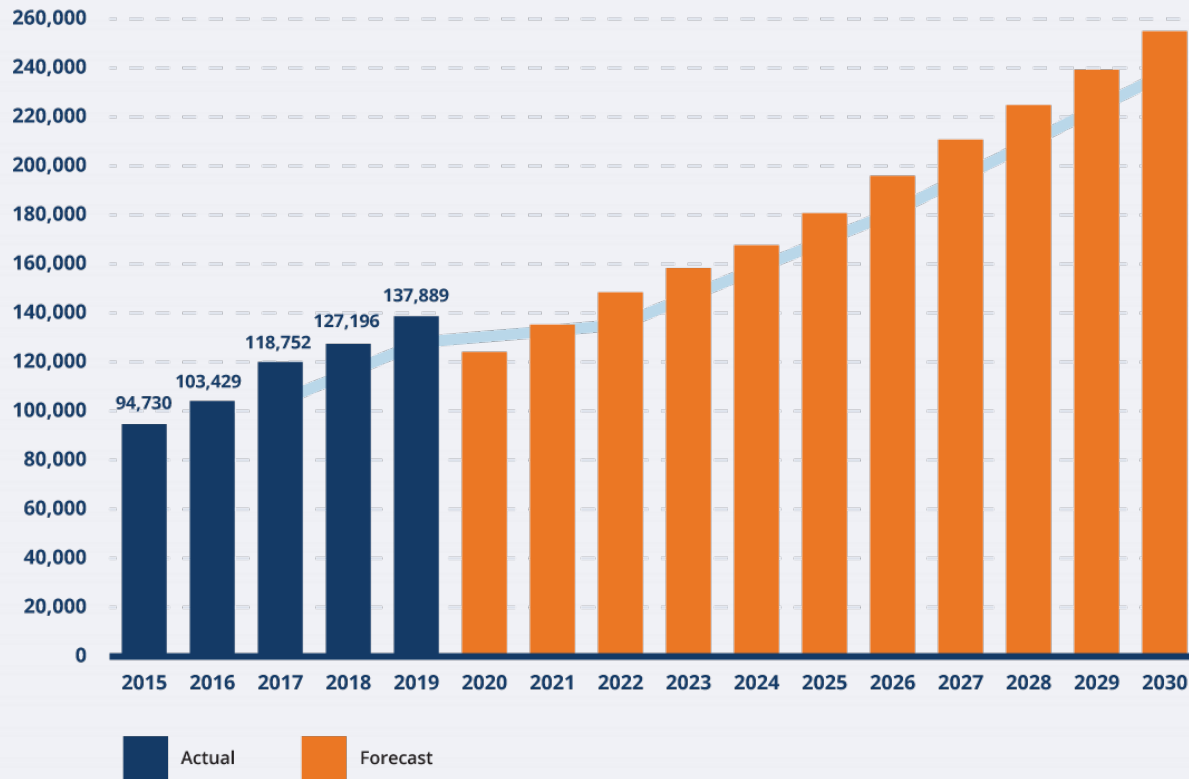
## Telecommunications



Telecommunications systems, satellites, smart phones

# Electric Vehicles: Driving Global Growth

## Rare Earth Permanent Magnets Growth to 2030



## Electric Vehicles (EV)

Set to consume 25% of permanent magnets globally by 2030



**46.8%**  
Commercial EV  
Traction Motors



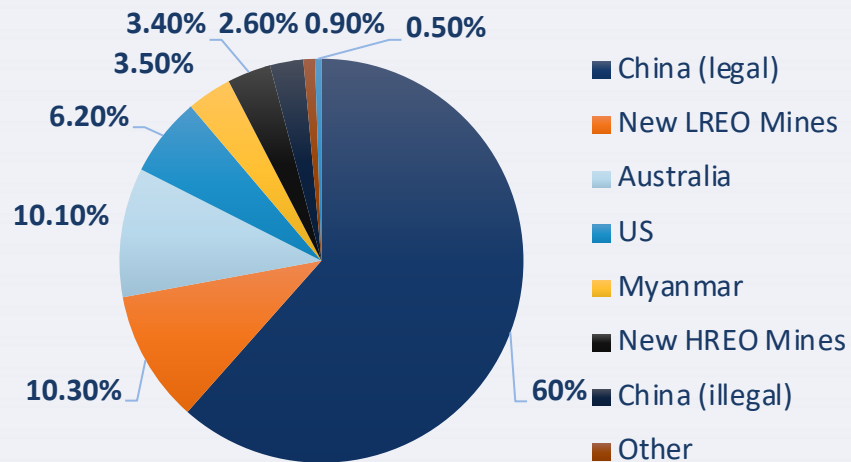
**25.7%**  
Passenger EV  
Traction Motors



**14.9%**  
Electric Mobility  
Vehicles

# Critical Materials Supply

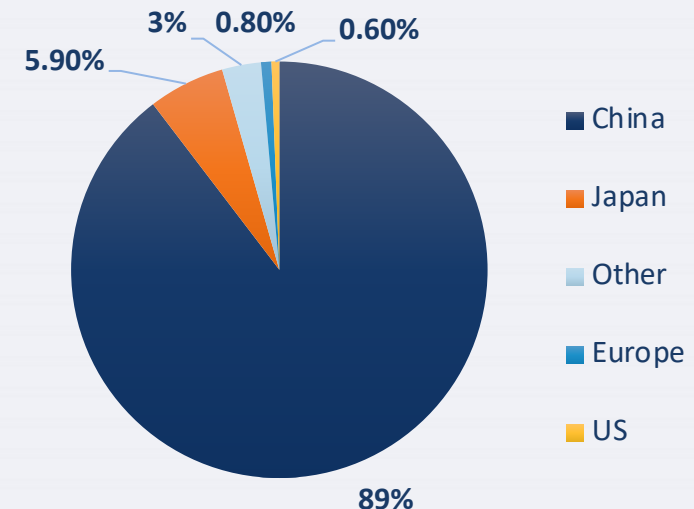
## Projected Regional Production of Rare Earth Oxides (2030)



Forecast Production 2030: ~90 ktpa

Source: Adamas Intelligence

## Projected Regional Manufacturing of Permanent Magnets (2030)



Source: Adamas Intelligence

- Production of oxides, metals and metal powders is **highly concentrated**.
- Suppliers of concentrates and oxides receive **discounted realised pricing** i.e. they are price takers.
- **Value maximised** where metals and powders are integrated within manufacturing i.e. the ASM strategy.



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**ASM**



# The ASM Advantage



## Integrated mine to manufacture business model

- Potential for Dubbo **oxide product** to be used in the Company's **metal plants**
- Third party oxides, strategic plants provide further growth opportunities



## Full value captured along the supply chain

- **Full value captured** as metals, alloys and powders delivered direct to manufacturing consumers
- Metal products can be **adjusted to demand** and customer specifications



## Total Supply Chain Solution

- Market opportunity for a competitive metals supplier outside the traditional supply chain
- Geopolitical and process **risk mitigation**

# The Vision for ASM

## Dubbo Project

Rare earths to Oxides

- Development of the long-life **Dubbo Project** in a tier one jurisdiction, to produce high-quality oxides of zirconium, rare earths, niobium and hafnium
- Current resource supports **extensive project life**
- ASM plans to develop Dubbo into a **net zero** carbon emissions project

## Integrated Global Critical Metals Business

### Strategically located speciality Metals Plants and downstream opportunities

Development of ASM into an independent, long-term, net zero-carbon supplier of critical metals

## Metallisation

Oxides to Critical Metals/Alloys/Powders

- To produce **high-purity metals** from oxides, using significantly less energy than conventional methods with significant environmental and cost benefits
- Develop Korean Metal Plant (KMP) in **key industrial zone** in Korea delivering directly into the growing Korean market
- Develop other metal plants in **strategic global locations**

## External Sources

Feedstock to metal plants

# The Vision for ASM: 2021 to 2025

## Dubbo Project

### Oxides Sourced

- Titanium
- Zirconium
- Rare Earth Metals
- Ferro-niobium
- Hafnium

## External Sources

## ASM Integrated Global Metallisation Business



Proposed Production 2022



Proposed Production 2022-23



Proposed Production 2022-23



Proposed Production tbc



Proposed Production tbc

## High Purity Metal Products

- Titanium
- Titanium Powder
- Titanium Alloy
- Permanent magnet alloy
- Dysprosium metal
- Terbium metal
- Zirconium metal
- Ferro-niobium
- Niobium
- Hafnium

Initial Korean plant proposed production - 5,200tpa

# Delivering the Strategy



## Delivered (since July 2020)

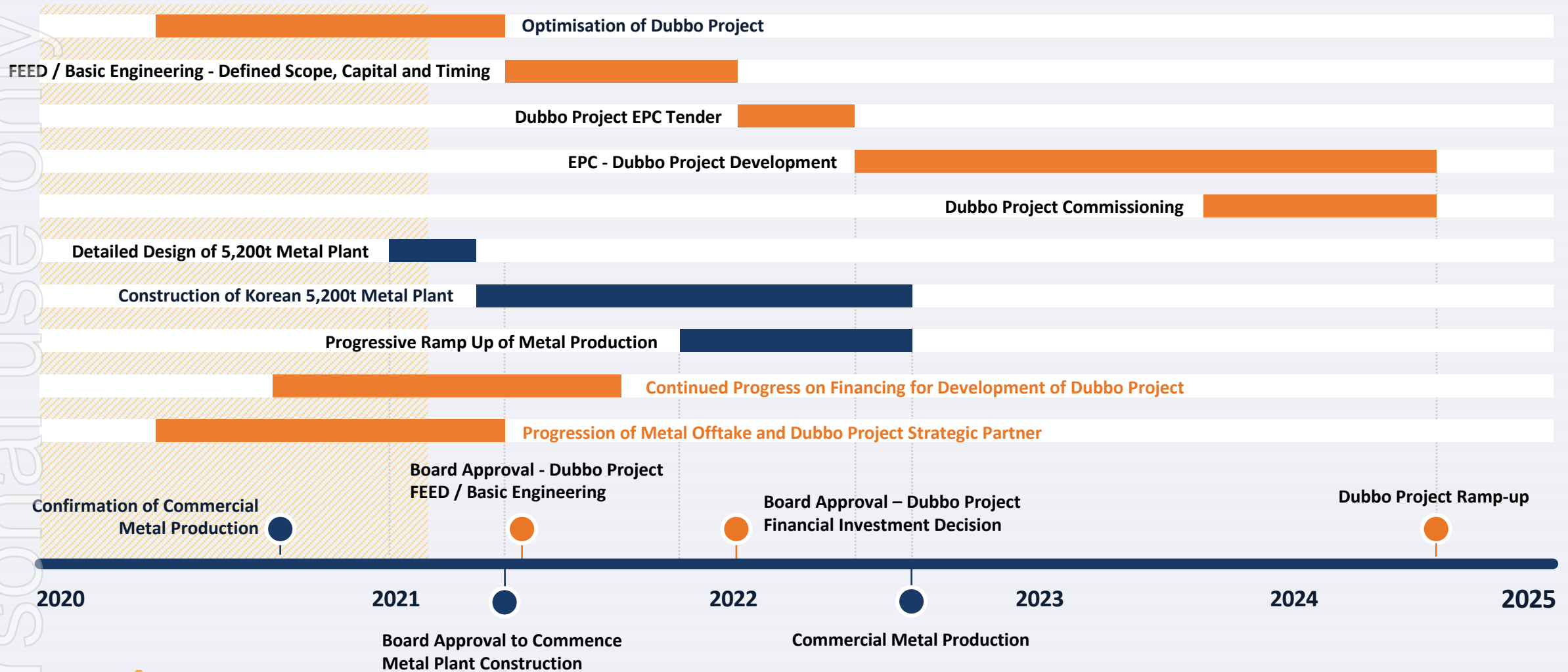
- ✓ Value accretive demerger from Alkane Resources
- ✓ Acquired 95% of Ziron Technology Corporation (Ziron Tech)
- ✓ Successfully produced: high-purity zirconium metal powder, titanium metal powder, titanium copper alloy, ferro-neodymium, neodymium iron boron (NdFeB) magnet alloy
- ✓ Korean Atomic Energy Research Institute (KAERI) confirmed de-hafniated zirconium metal meets Korean market requirements
- ✓ Pilot plant improves efficiency and completes commercial production test
- ✓ Scoping study complete on Korean Metal Plant (KMP)



## Planned for 2021

- Optimisation of the Dubbo Project (June Qtr 2021)
- Detailed Engineering of Korean Metal Plant has commenced
- Commercial production from pilot plant (H2 calendar 2021)
- FID on first metallisation plant (KMP)
- Continued progress on strategic engagement and financing discussions with :
  - key Korean Government departments
  - metal offtake and strategic partners
  - Korean debt financiers
  - large Korean EPC/EPCM companies
  - Australian government financiers (EFA, CEFC)

# Potential Timetable: Sustainable, Secure and Stable Supply



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**Committed to Sustainability**



# A sustainable path from mine to manufacturing

## Dubbo Project

### Targeting zero carbon emissions

- Powered by large scale renewables, with energy co-generation from our plant

### Minimising our environmental footprint

- Halved water usage through the mine design phase
- Progressive rehabilitation at the Dubbo mine

### Community

- We engage our local community as a source of local job and business opportunities
- Our social investment program helps build community capacity and resilience

## Metallisation

### Commercialising a new metallisation process

- Ziron Tech innovation:
  - Titanium power consumption less than 30kW per kg versus 110kW for current industrial
  - Neodymium – 220g CO<sub>2</sub> per kg
- **Environmentally responsible process** that recycles key inputs
- **No harmful waste** (compared to conventional production processes)



# Accelerating ASM's Mine to manufacturing

- This financing provides sufficient funds to commence metallisation and to take Dubbo Project through detailed design and to FID and awarding of major EPC / EPCM contracts

## ASM will be positioned to commence revenue generation and earnings through:

- Conversion of pilot plant into commercial production
- Commencement of supply of critical metals and products to key customers in Q3 2021
- Construction of KMP commencing H2 2021 (subject to FID)
- Potential for significant cashflow generation from KMP in 2022

## Next steps:

- FEED for the Dubbo Project
- Financing agreements
- Offtake agreements

# Key Risks and Selling Restrictions



# Key Risks

This section discusses some of the key risks associated with any investment in ASM together with risks relating to participation in the Offer which may affect the future operating and financial performance of ASM and the value of ASM shares. The risks set out below do not constitute an exhaustive list of all risks involved with an investment in ASM.

ASM seeks to reduce risk to its business through appropriate risk mitigants, however, if any of the following risks materialise, business, financial condition and operating results are likely to be adversely impacted.

Before investing in ASM, you should carefully consider whether this investment is suitable for you. Potential investors should consider publicly available information on ASM (such as that available on the ASX website), and consider consulting a stockbroker, legal advisor, accountant or other professional advisors before making an investment decision.

## ENTITLEMENT OFFER SPECIFIC RISKS

### The Entitlement Offer is not underwritten

The Entitlement Offer is not underwritten. As such, there is no guarantee that the intended amount of \$41 million will be raised. If the proceeds from the Entitlement Offer are less than is required to meet the Company's proposed use of funds, the Company may review its proposed use of funds (including whether to scale back or defer investment) as well as consider alternative funding options.

### Speculative investment

The New Shares to be issued pursuant to the Entitlement Offer carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those shares. Potential investors should consider that the investment in the Company is highly speculative and should consult their professional advisers before deciding whether to apply for shares pursuant to the Entitlement Offer.

### Dilution

Shareholders who do not participate in the Entitlement Offer, or who do not take up all of their entitlement under the Entitlement Offer, will have their percentage security holding in the Company diluted.



## COMPANY SPECIFIC RISKS

### COVID-19 risk

The Company has implemented measures across its business with the intent of minimising the risk of infection for individuals and the impact of COVID-19 on the Company's business.

There is a risk that if the duration of events surrounding COVID-19 are prolonged, the Company may need to take additional measures in order to respond appropriately (for example, restructuring to reduce further costs from its business and raising additional funding). There are also other changes in the domestic and global macroeconomic environment associated with the events relating to COVID-19 that are beyond the control of the Company and may be exacerbated in an economic recession or downturn. These include but are not limited to (i) changes in inflation, interest rates and foreign currency exchange rates; (ii) changes in employment levels and labour costs; (iii) changes in aggregate investment and economic output; and (iv) other changes in economic condition which may affect the revenue or costs of the Company.

### Development of Korean metallisation plant

The Company's ability to successfully develop and commercialise its proposed Korean metallisation plant, may be affected by numerous factors including but not limited to: its ability to secure raw materials and customer offtakes, obtaining required approvals, delays in commissioning or ramp up, the plant not performing in accordance with expectations and costs overruns.

If the Company is unable to mitigate these factors and others not listed here, this could result in the Company not realising its development plans at the Korean metallisation plant or result in such plans costing more than expected or taking longer to realise than expected. Ultimately, this could have an adverse impact on the ASM share price.

### Commodity prices

ASM's future prospects and the ASM share price will be influenced by the prices obtained for the commodities produced and targeted in ASM's development and exploration programs. Commodity prices fluctuate and are impacted by factors including the relationship between global supply and demand for minerals, forward selling by producers, costs of production, geopolitical factors (including trade tensions) and general global economic conditions.

Commodity prices are also affected by the outlook for inflation, interest rates, currency exchange rates and supply and demand factors. These factors may have an adverse effect on ASM's production and exploration activities and any subsequent development and production activities, as well as its ability to fund its future activities.

Further, rare earth products are not exchange traded commodities. ASM will require contracts for sale of these mineral commodities. There is no guarantee the Company will secure contracts on terms favourable to the Company. Rare earth product prices will depend on available markets at acceptable prices and distribution and other costs.

# Key Risks

## Legislative changes, government policy and approvals

Changes in government, monetary policies, taxation and other laws in Australia, Korea or internationally may impact the Company's operations and the value of the New Shares. The Company requires government regulatory approvals for its operations. As at the date of this Presentation, the Company has received all major state and federal approvals and licences required for execution of the Dubbo Project.

However, the impact of actions, including delays and inactions, by state and federal governments may affect the Company's activities including such matters as access to lands and infrastructure, compliance with environmental regulations, production and exploration activities. This may from time to time affect timing and scope of work to be undertaken.

No guarantee can be given that all necessary permits, authorisations, agreements or licences currently granted to ASM will be renewed as required or that where further permits, authorisations, agreements or licences are required, that they will be provided to the Company by government bodies.

## Environment

ASM's projects are subject to the environmental laws and regulations of Australia and Korea. While ASM proposes to comply with applicable laws and regulations and conduct its programs in a responsible manner with regard to the environment, there is the risk that ASM may incur liability under these laws and regulations.

The Company is also unable to predict the effect of additional environmental laws and regulations which may be adopted in the future, including whether any such laws or regulations would materially increase the Company's cost of doing business or affect its operations. There can be no assurances that new environmental laws, regulations or stricter enforcement policies, once implemented, will not oblige the Company to incur significant expenses and undertake significant investments which could have a material adverse effect on the Company's business, financial condition and performance.

## Reliance on key personnel

ASM is a development company and will be dependent on its directors, managers and consultants to implement its business strategy. A number of factors, including the departure of senior management of ASM or a failure to attract or retain suitably qualified key employees, could adversely affect ASM's business strategy.

## Taxation

In all places where ASM has operations, in addition to the normal level of income tax imposed on all industries, ASM may be required to pay government royalties, indirect taxes, goods and services tax and other imposts which generally relate to revenue or cash flows. Industry profitability can be affected by changes in government taxation policies.

## COMPANY SPECIFIC RISKS – DUBBO PROJECT

### Future funding requirements

ASM's activities will require substantial expenditure going forward in order to commence construction particularly with respect to the development of the Dubbo Project. Expenditure needs for the development of the Dubbo Project will not be satisfied by the Placement and Entitlement Offer alone.

No decision has been made in relation to the funding of the Dubbo Project, but any additional equity financing that may be required may be undertaken at lower prices than the current market price (or Offer price) or may involve restrictive covenants which limit the Company's operations and business strategy. Further, any debt financing may involve restrictions on financing and operating activities.

Although the Company believes that additional funding can be obtained, no assurances can be made that appropriate funding will be available on terms favourable to the Company or at all. If ASM is unable to obtain additional financing as required, it may be required to scale back its development program. In addition, ASM's ability to continue as a going concern may be diminished. There is no guarantee that ASM will be able to secure any additional funding or be able to secure funding on terms favourable to ASM. Such circumstances would adversely affect ASM and its activities.

### Development of Dubbo Project

The Company's ability to successfully develop and commercialise the Dubbo Project, may be affected by numerous factors including but not limited to: macro-economic conditions, obtaining required approvals, ability to obtain sufficient funding, and costs overruns.

If the Company is unable to mitigate these factors and others not listed here, this could result in the Company not realising its development plans at the Dubbo Project or result in such plans costing more than expected or taking longer to realise than expected. Ultimately, this could have an adverse impact on the ASM share price.

# Key Risks

## Exploration risks

Exploration is a high risk activity that requires large amounts of expenditure over extended periods of time. ASM's exploration activities will also be subject to all the hazards and risks normally encountered in the exploration of minerals, including climatic conditions, hazards of operating vehicles and plant, risks associated with operating in remote areas and other similar considerations. Conclusions drawn during exploration and development are subject to the uncertainties associated with all sampling techniques and to the risk of incorrect interpretation of geological, geochemical, geophysical, drilling and other data.

## Mineral Resource and Ore Reserve Estimates

Mineral Resource and Ore Reserve estimates are expressions of judgement based on knowledge, experience and industry practice. Estimates, which were valid when originally calculated, may alter when new information or techniques become available. In addition, by their very nature, Mineral Resource and Ore Reserve estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional fieldwork and analysis, the Mineral Resource and Ore Reserve estimates may change.

Accordingly, the actual resources and reserves may materially differ from these estimates and assumptions and no assurances can be given that the Mineral Resource and Ore Reserve estimates and the underlying assumptions will be realised. This could result in alterations to development and mining/extraction plans which may in turn affect ASM's operations and ultimately ASM's financial performance and the value of ASM shares.

## Title

Currently, ASM wholly owns all mining tenements required to operate and develop the Dubbo Project.

Renewal of titles is made by way of application to the relevant department. There is no guarantee that a renewal will be automatically granted other than in accordance with the applicable state or territory mining legislation. In addition, the relevant department may impose conditions on any renewal, including relinquishment of ground.

## Tenure, Native Title, Aboriginal Heritage and Land Claims Risks

Interests in exploration and mining tenements in Australia are governed by state legislation and are evidenced by the granting of leases or licences. Each lease or licence is for a specific term and carries with it annual expenditure and reporting conditions as well as other conditions requiring compliance. These conditions include the requirement, for exploration licences, for reduction in the area held under licence from time to time unless it is considered that special circumstances apply. Consequently, ASM could lose title to, or its interest in, its tenements if licence conditions are not met or if expenditure commitments are not met.

It is possible that, in relation to tenements in which ASM has an interest or may acquire such an interest, there may be areas over which legitimate native title rights exist or which are subject to native title claims made under the *Native Title Act 1993* (Cth) or Aboriginal land claims made under the *Aboriginal Land Rights Act 1983* (NSW). In such circumstances, the ability of ASM to progress from the exploration phase to the development and mining phases of the operation, may be adversely affected.

Further, it is possible that there will exist on ASM's mining tenements, areas containing sacred sites or sites of significance to Aboriginal people in accordance with their tradition that are protected under the Aboriginal and Torres Strait Islander Heritage Protection Act 1984 (Cth). As a result, land within the tenements may be subject to restrictions on exploration, mining or other uses and/or significant approval hurdles may apply.

## GENERAL RISKS

### Economic factors

The operating and financial performance of the Company is influenced by a variety of general economic and business conditions, including levels of consumer spending, oil prices, inflation, interest rates and exchange rates, supply and demand, industrial disruption, access to debt and capital markets and government fiscal, monetary and regulatory policies. Changes in general economic conditions may result from many factors including government policy, international economic conditions, significant acts of terrorism, hostilities or war or natural disasters. A prolonged deterioration in general economic conditions, including an increase in interest rates or a decrease in consumer and business demand, could be expected to have an adverse impact on the Company's operating and financial performance and financial position. The Company's future possible revenues and share price can be affected by these factors, which are beyond the control of the Company.

### Stock market conditions

As with all stock market investments, there are risks associated with an investment in the Company. Share prices, and in particular securities of mining and exploration companies, have experienced extreme price and volume fluctuations that have often been unrelated to the operating performance of such companies. General factors that may affect the market price of Shares include economic conditions in both Australia and internationally, investor sentiment and local and international share market conditions, changes in interest rates and the rate of inflation, variations in commodity prices, the global security situation and the possibility of terrorist disturbances, changes to government regulation, policy or legislation, changes which may occur to the taxation of companies as a result of changes in Australian and foreign taxation laws, changes to the system of dividend imputation in Australia, and changes in exchange rates. These factors may materially affect the market price of the securities regardless of the Company's performance. The past performance of the Company is not necessarily an indication as to future performance of the Company as the trading price of Shares can go up or down. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

# Key Risks

## Liquidity

There may be relatively few buyers or sellers of ASM Shares on ASX at any given time. This may affect the volatility of the market price of the securities and the prevailing market price at which ASM Shareholders hold their ASM Shares. This may result in ASM Shareholders receiving a market price for their ASM Shares that is less or more than the value attributed to them under the Offer.

## Share market

On completion of the Entitlement Offer, the New Shares may trade on ASX at higher or lower prices than the Offer Price. Investors who decide to sell their New Shares after the Entitlement Offer may not receive the amount of their original investment. There can be no guarantee that the price of New Shares will increase after they are issued. The price at which the New Shares trade on ASX may be affected by the financial performance of the Company and by external factors over which the Directors and the Company have no control. These factors include movements on international share and commodity markets, local interest rates and exchange rates, domestic and international economic conditions, government taxation, market supply and demand and other legal, regulatory or policy changes.

## Foreign exchange

Foreign exchange rates fluctuate over time. Fluctuating exchange rates have a direct effect on ASM operating costs and cash flows expressed in Australian dollars.

## Political risk and instability

ASM's main project is the Dubbo Project located in Australia. ASM also operates in South Korea through its investment in Korean Strategic Materials Technology Co. Ltd (formerly Ziron Tech). ASM is subject to the risk that it may not be able to carry out its activities as it intends, including because of a change in government, legislation, regulation or policy.

## Competition

ASM's ability to enter into contracts for the supply of products at profitable prices may be adversely affected by the introduction of new suppliers and any increase in competition in the global critical materials market, either of which could increase the global supply of these products and thereby potentially lower the prices.

## Occupational health and safety

Exploration and production activities may expose ASM's staff and contractors to potentially dangerous working environments. Occupational health and safety legislation and regulations differ in each jurisdiction. If any of the Company's employees or contractors suffers injury or death, compensation payments or fines may be payable and such circumstances could result in the loss of a licence or permit required to carry on the business. Such an incident may also have an adverse effect on the Company's business and reputation.

## Insurance

The Company intends to insure its business activities and operations in accordance with industry practice. However, in certain circumstances, the Company's insurance may not be available or of a nature or level to provide adequate insurance to cover all liability. The occurrence of an event that is not covered or fully covered by insurance may cause substantial delays to the Dubbo Project and/or require significant capital outlays, which could have a material adverse effect on the business, financial condition and results of the Company. In addition, there is a risk that an insurer defaults in the payment of a legitimate claim by the Company.

## Litigation risks

The Company is exposed to possible litigation risks including native title claims, tenure disputes, environmental claims, occupational health and safety claims and employee claims. Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Company's operations, financial performance and financial position.

## Force Majeure

The Company's projects now or in the future may be adversely affected by risks outside the control of the Company, including labour unrest, civil disorder, war, subversive activities or sabotage, fires, floods, pandemics (i.e. Covid-19), explosions or other catastrophes, epidemics or quarantine restrictions.

## Unknown risks

Additional risks and uncertainties not currently known to the Company may also have a material adverse effect on the Company's financial and operational performance. The information set out in this document regarding the key operational and investment risks does not purport to be, nor should it be considered as representing, an exhaustive list of the risks faced by the Company.

# International Offer Restrictions

This document does not constitute an offer of new ordinary shares (**New Shares**) 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 New Shares may not be offered or sold, in any country outside Australia except to the extent permitted below.

## European Union (excluding Austria)

This document has not been, and will not be, registered with or approved by any securities regulator in the European Union. Accordingly, this document may not be made available, nor may the New Shares be offered for sale, in the European Union except in circumstances that do not require a prospectus under Article 1(4) of Regulation (EU) 2017/1129 of the European Parliament and the Council of the European Union (the "Prospectus Regulation").

In accordance with Article 1(4)(a) of the Prospectus Regulation, an offer of New Shares in the European Union is limited to persons who are "qualified investors" (as defined in Article 2(e) of the Prospectus Regulation).

## 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"). No action has been taken in Hong Kong to authorise or register this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the New Shares have not been and will 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 New Shares 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 New Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted New Shares 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.

## 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 New Shares under the Placement 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:

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

## Singapore

This document and any other materials relating to the New Shares 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 New Shares, may not be issued, circulated or distributed, nor may the New Shares 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 XIII of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This document has been given to you on the basis that you are (i) an "institutional investor" (as defined in the SFA) or (ii) an "accredited investor" (as defined in the SFA). If you are not an investor falling within one of these categories, 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 New Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

# International Offer Restrictions

## Switzerland

The New Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange or on any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the New Shares constitutes a prospectus or a similar notice, as such terms are understood under art. 35 of the Swiss Financial Services Act or the listing rules of any stock exchange or regulated trading facility in Switzerland.

Neither this document nor any other offering or marketing material relating to the New Shares may be publicly distributed or otherwise made publicly available in Switzerland. The New Shares will only be offered to investors who qualify as "professional clients" (as defined in the Swiss Financial Services Act). This document is personal to the recipient and not for general circulation in Switzerland.

No offering or marketing material relating to the New Shares has been, nor will be, filed with or approved by any Swiss regulatory authority or authorised review body. In particular, this document will not be filed with, and the offer of New Shares will not be supervised by, the Swiss Financial Market Supervisory Authority (FINMA).

## 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 New Shares 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 New Shares 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.

## 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 New Shares.

The New Shares 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 New Shares 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 (together "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.



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# Dave Woodall

ASM Managing Director

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# Dubbo Project Resources & Reserves

## Dubbo Project – Mineral Resources

Resource Category	Tonnes (Mt)	ZrO <sub>2</sub> (%)	HfO <sub>2</sub> (%)	Nb <sub>2</sub> O <sub>5</sub> (%)	Ta <sub>2</sub> O <sub>5</sub> (%)	Y <sub>2</sub> O <sub>3</sub> (%)	TREO* (%)
Measured	42.81	1.89	0.04	0.45	0.03	0.14	0.74
Inferred	32.37	1.90	0.04	0.44	0.03	0.14	0.74
<b>Total</b>	<b>75.18</b>	<b>1.89</b>	<b>0.04</b>	<b>0.44</b>	<b>0.03</b>	<b>0.14</b>	<b>0.74</b>

\*TREO% is the sum of all rare earth oxides excluding ZrO<sub>2</sub>, HfO<sub>2</sub>, Nb<sub>2</sub>O<sub>3</sub>, Ta<sub>2</sub>O<sub>5</sub>, Y<sub>2</sub>O<sub>3</sub>,

## Dubbo Project – Ore Reserves

Reserve Category	Tonnes (Mt)	ZrO <sub>2</sub> (%)	HfO <sub>2</sub> (%)	Nb <sub>2</sub> O <sub>5</sub> (%)	Ta <sub>2</sub> O <sub>5</sub> (%)	Y <sub>2</sub> O <sub>3</sub> (%)	TREO* (%)
Proved	18.90	1.85	0.04	0.440	0.029	0.136	0.735
<b>Total</b>	<b>18.90</b>	<b>1.85</b>	<b>0.04</b>	<b>0.440</b>	<b>0.029</b>	<b>0.136</b>	<b>0.735</b>

\*TREO% is the sum of all rare earth oxides excluding ZrO<sub>2</sub>, HfO<sub>2</sub>, Nb<sub>2</sub>O<sub>3</sub>, Ta<sub>2</sub>O<sub>5</sub>, Y<sub>2</sub>O<sub>3</sub>,

*Note: Full details including Competent Person statements are included in the Company's annual governance statement in the Annual Report released to the ASX on 7 October 2020 - the Company 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 estimated Mineral Resources and Ore Reserves, as disclosed in that original market announcement, continue to apply and have not materially changed*

