

ASX Announcement

Release Date: 24 January 2022

Korean Consortium successfully completes due diligence on the Dubbo Project

Australian Strategic Materials Limited (**ASM** or the **Company**) (**ASX: ASM**) is pleased to advise that the consortium of South Korean Investors, comprising Cerritos Holdings Co., Ltd, Kamur Partners LLC and ACE Equity Partners LLC, (the **Investing Partnership**) has successfully completed due diligence on the Company's flagship Dubbo Project. This represents a key milestone in progressing with the consortium fund's proposed conditional investment under the Framework Agreement. (see ASX Announcement: 21 July 2021)

After a delay due to COVID-19 travel restrictions, ASM recently hosted an extensive Australian due diligence visit by the Investing Partnership. This included visiting the Company's Dubbo Project and discussing ASM's research partnerships and business activities in Australia.

ASM's Managing Director David Woodall said the completion of due diligence to the satisfaction of the Investing Partnership had taken place in parallel with continued progress on the remaining formal binding terms of the consortium's investment.

"We are very pleased to have successfully concluded the due diligence process. Together we are now focused on securing a significant South Korean, strategic investor to partner with ASM on its Dubbo Project and to completing the terms for a formal binding agreement."

"Our relationship with our Korean partners continues to go from strength to strength," Mr Woodall said.

Spokesperson for the Investing Partnership, CEO and Founder of Cerritos Holdings Co., Ltd, Pumsu Ra said the Investing Partnership was committed to working with ASM to finalise an investment in relation to the Company.

"It is clear that ASM has the resources and technical capacity to partner with us to support the supply chain of critical metals needed for the production of clean energy technologies such as electric vehicles and renewable energy generation capacity, as well as advanced electronics," Mr Ra said.

"We need that supply chain to be secure and reliable, and we look forward to continuing our discussions with ASM and our partners in Korea."

ASM will continue to update the market as further milestones are reached.

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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 metal” producer of critical metals. The company’s cornerstone Dubbo Project (100% owned) is a potential 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, 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 demonstrated 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 is under construction in South Korea to initially supply a range of critical metals, including rare earth metals and alloys, zirconium, and titanium.