

ASX Release

26 July 2023

ASM signs three-way MOU with VTRE and Blackstone

Australian Strategic Materials Limited (**ASX: ASM**) (**ASM** or **the Company**) is pleased to announce that the Company has signed a non-binding Memorandum of Understanding (**MOU**) with ASX-listed nickel producer Blackstone Minerals Limited (**ASX: BSX**) (**Blackstone**), and rare earth element (**REE**) refiners, Vietnam Rare Earth Company (**VTRE**).

With identified synergies and shared objectives, the three-way agreement provides the framework for the companies to collaborate across a number of areas, notably:

- Identifying, assessing and securing REE mining opportunities in Vietnam that can be used as feed stock for VTRE's REE refinery;
- Strengthening the parties' capability in securing REE mining concessions;
- Potential co-investment by Blackstone, ASM and VTRE; and
- Securing long-term offtake of REE oxides.

Under this new MOU, VTRE has the scope to explore opportunities to increase its REE oxide production by utilising capacity at Blackstone's beneficiation plant at the Ban Phuc Nickel Mine (BPNM) in the Son La Province in Vietnam. BPNM could be utilised to beneficiate locally sourced REE ores to produce REE concentrates that can be further refined at VTRE's established REE refinery.

ASM signed a binding agreement with VTRE in April 2023 for the purchase of rare earth oxides from Vietnam, to be used as feedstock at ASM's Korean Metals Plant (**KMP**) with the intention to progress this to a further long-term supply agreement.¹

This MOU is an extension of ASM's existing relationship with VTRE and demonstration of the commitment of both companies to continue to explore long-term supply agreements and manufacturing opportunities.

ASM Managing Director & CEO Rowena Smith, said: "This MOU has the potential to drive a more collaborative approach within the rare earth elements and critical minerals sector and deliver positive outcomes for all parties involved.

¹ Refer ASX Release: 30 April 2023 ASM signs binding agreement with Vietnam Rare Earth Company (VTRE) for metals plant feedstock supply

“We have already established a strong relationship with the VTRE team and I am excited by the progress they are making to increase their oxide production capacity. The partnership they are looking to build with Blackstone has the potential to benefit ASM’s existing supply of rare earth oxides for processing at the KMP.”

VTRE Chair Mr Luu Anh Tuan commented on the MOU saying: “I welcome the opportunity to work with Blackstone on this MOU and building a long-term relationship and extending my existing relationship with ASM, this is a great opportunity to develop the full value chain for rare earths in Vietnam”.

Blackstone’s Managing Director, Scott Williamson commented on the MOU:

“It is not often that you find a potential partnership in which the strategic advantages and core competencies of each party are so complementary. For Blackstone, a potential move into Rare Earths in Vietnam aligns with our Technology Mineral strategy and is synergistic to our Ta Khoa Project and our existing relationships in the EV industry; for VTRE, teaming up with Blackstone gives VTRE access to our extensive knowledge in ESG management, mining, minerals processing and refining; for ASM, it is a great opportunity to extend their relationship with VTRE and to progress their vision of full vertical integration in critical minerals. With this MOU, Blackstone, VTRE and ASM will progress discussions with the view of potentially establishing a world leading fully integrated rare earths business.”

The MOU was signed at a formal ceremony at the Australian Embassy in Hanoi, Vietnam and was witnessed by his excellency Andrew Goledzinowski, Australian Ambassador to Vietnam. His excellency, Andrew Goledzinowski commented on the MOU:

“Glad to see Australian and Vietnamese companies partnering together to form new critical minerals supply chains. Both countries are playing a role in diversifying and de-risking the availability of rare earth elements. This agreement leverages Australia’s world-leading regulatory frameworks for mining and resources, and Vietnam’s abundant labour supply and strong manufacturing base.”

About Vietnam Rare Earth Company

VTRE has successfully developed and operated a rare earth refinery for over 12 years in Vietnam and produces light & heavy rare earth compounds, rare earth metals and polishing powder. For more on VTRE please see the website: <http://vtre.vn/>

About Blackstone Minerals Limited

Blackstone Minerals Ltd (ASX: BSX / OTCQX: BLSTF / FRA: B9S) is focused on building an integrated battery metals processing business in Vietnam that produces Nickel:Cobalt:Manganese precursor products for Asia’s growing lithium-ion battery industry.

Blackstone will produce the lowest emission precursor as verified by Minviro and the Nickel Institute (refer ASX announcement 15 September 2022).

The existing business has a modern nickel mine built to Australian standards, which successfully operated as a mechanised underground nickel mine from 2013 to 2016. This will be complemented by a larger concentrator, refinery and precursor facility to support integrated production in-country.

To unlock the flowsheet, the Company is focused on a partnership model and is collaborating with groups who are committed to sustainable mining, minimising the carbon footprint and implementing a vertically integrated supply chain.

The Company's development strategy is underpinned by the ability to secure nickel concentrate and Ta Khoa is emerging as a nickel sulphide district with several exploration targets yet to be tested.

Material terms of the MOU

The material terms of the MOU are as follows:

Clause	Term
Purpose	To leverage the parties existing experience and capability to explore opportunities to collaborate on the identified areas for discussion with the objective to enter into further binding agreements (Definitive Agreements).
Nature of the MOU	<p>The parties are to negotiate in good faith and to use reasonable endeavours to enter into the Definitive Agreements before the end of the term of the MOU.</p> <p>The MOU does not place any obligation or requirement on any party to enter into Definitive Agreements.</p>
Areas for Discussion	<ul style="list-style-type: none"> • Potential collaboration between Blackstone and VTRE for the purpose of securing mining licences for REE deposits in Vietnam. • VTRE having access to Blackstone's pilot facility at BPNM to research and develop new technologies for the beneficiation of REE concentrates. • VTRE and Blackstone sharing information and knowledge on permitting and licensing in Vietnam to assist in their respective refining activities in Vietnam. • Potential co-investment by Blackstone, ASM and VTRE. • The parties exploring long-term offtake agreements.
Term	<p>The term of the MOU is 12 months from execution.</p> <p>The MOU will terminate following:</p> <ul style="list-style-type: none"> • Entry into the Definitive Documents; or • A party giving 30 days' notice to terminate the MOU.
Costs	<p>Each party will bear their own costs under the MOU.</p> <p>The MOU does not create any other financial or funding obligations on any party at this stage.</p>

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FOR MORE INFORMATION PLEASE CONTACT:

Investors

Jason Clifton
CFO, ASM Ltd
+61 8 9200 1681

Media Australia

Paul Ryan
Citadel-MAGNUS
+61 409 296 511
Ryan@citadelmagnus.com

Media Korea

Sue Kim
Insight Communications
+82 2 739 7035
sue.kim@insightcomms.com

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