

ASX Release

Release Date: 21 April 2021

COMPLETION OF NON-RENOUNCEABLE ENTITLEMENT OFFER AND SHORTFALL NOTICE

Australian Strategic Materials Ltd (ASX: ASM) (**ASM** or **Company**) announces the Company's pro-rata non-renounceable entitlement offer (**Entitlement Offer**) of new ordinary shares in the Company (**New Shares**), closed on 16 April 2021 and proceeds of \$26,919,096 have been raised pursuant to the Entitlement Offer.

The Company received applications from eligible shareholders for 5,608,145 New Shares at the issue price of \$4.80 per New Share, representing an approximate 65.23% take up. Together with the placement to institutional and sophisticated investors of \$65,000,000 (refer ASX release 26 March 2021), the gross proceeds under the capital raising are \$91,919,096 (**Capital Raising**). The placement to institutional and sophisticated investors completed on 6 April 2021.

Shortfall Notification	
Total number of New Shares offered	8,596,871
Number of New Shares allotted	5,608,145
Shortfall	2,988,726
Total Fully paid ordinary securities on issue post allotment	139,506,006

The proceeds of the Capital Raising will be used to provide funding for ASM to focus on advancing key workstreams including engineering and development of Korean Metals Plant and the FEED Study for the Dubbo Project, while also providing additional working capital and funding of corporate costs.

Managing Director, David Woodall stated "This Capital Raising builds on the momentum that ASM has generated through the technical milestones achieved since listing in July last year. The funds raised will cover important work on both the KMP and the Dubbo Project as ASM advances its critical metals strategy."

The Directors wish to thank shareholders for their continued support of the Company, and again welcome new shareholders who participated in the Capital Raising.

New Shares are expected to be issued on Friday, 23 April 2021, with normal trading of the new shares expected to begin on Monday, 26 April 2021.

Contact Information

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ASM maintains the flexibility to place shortfall under the entitlement offer but has made no decision to do so at this stage.

For further information regarding the Offer please contact Company Secretary, Dennis Wilkins, on +61 8 9227 5677 or via email at dennis@dwcorporate.com

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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 2022, 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.

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