

## ASX Release

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# Institutional Placement to Raise A\$30M and Commencement of Share Purchase Plan

### HIGHLIGHTS

- ◆ Firm commitments received from leading international and domestic institutions to raise A\$30 million
- ◆ Support from directors includes contribution of A\$4 million in Placement from major shareholder and Chair Ian Gandel (subject to shareholder approval)
- ◆ Opportunity for existing eligible shareholders to participate via a non-underwritten share purchase plan to target a further A\$10 million
- ◆ Funds raised will primarily be used to accelerate activities at the Korean Metals Plant and to progress the Dubbo Project

Australian Strategic Materials Limited (**ASM** or the **Company**) (ASX:ASM) is pleased to announce that it has received firm commitments for an institutional placement to raise approximately A\$30 million (**Placement**). The Placement saw strong interest from domestic and international institutional investors, with demand significantly exceeding shares available under the placement.

Bell Potter Securities Limited (**Bell Potter**) acted as lead manager to the Placement.

In addition to the Placement, the Company intends to offer eligible existing ASM shareholders the opportunity to participate in a non-underwritten share purchase plan to target a further A\$10 million (**SPP**) (collectively, the Placement and SPP are the **Capital Raising**).

ASM Chief Executive Officer Rowena Smith welcomed the strong support from new and existing investors.

“With our Korean Metals Plant producing commercial quality metals and our Dubbo Project ready for development, ASM is well positioned to secure project financing and execute our mine to metals strategy,” Ms Smith said.

“The commercial environment for rare earths, critical minerals and high-tech metals goes from strength to strength, and with Dubbo’s strong business case, we are looking forward to the opportunity to be a valuable contributor to the global energy transition.”

“I am especially pleased that we are welcoming new shareholders to ASM, and giving our existing shareholders the opportunity to show their continued support for ASM through the SPP.”

### Director Support

The Capital Raising is being supported by the Company’s Board with all Directors confirming they will participate. In the case of Mr Ian Gandel (the Company’s Chair and major shareholder) and Ms Kerry Gleeson (Non-Executive Director), shareholder approval for their participation in the Placement will be sought at the forthcoming Annual General Meeting. Other directors will participate via the SPP.

Mr Gandel and Ms Gleeson have committed to subscribe for \$A4 million and \$A50,000 respectively in the Placement, demonstrating continued support for the Company and the long-term value proposition offered by the advancement of ASM’s key projects.

### Use of Proceeds

Funds raised from the Capital Raising, together with existing cash and sources of liquidity, will be used to accelerate development of ASM’s Korean Metals Plant (**KMP**) and its Dubbo Project, with proceeds being applied as follows:

- secure KMP feedstock inventory to support metals production, and in turn assist with near term customer acquisition;
- accelerate offtake marketing and strategic partner discussions in relation to funding the Dubbo Project;
- commence early works on road, bridge and rail infrastructure that are important for site access; and
- manage corporate costs, general working capital and costs associated with the Capital Raising.

### Details of the Placement

The Placement comprises the issue of 17,341,200 fully paid ordinary shares in ASM (**New Shares**) at an offer price of A\$1.73 per New Share, which represents a discount of:

- 12.4% to the Company’s last closing price of A\$1.975 on 28 October 2022; and
- 16.4% to the 10-day volume weighted average price of A\$2.069 on 28 October 2022.

A total of 15,000,159 New Shares will be issued under the Placement pursuant to ASM’s existing placement capacity under ASX Listing Rule 7.1 and, as such, shareholder approval will not be required for the Placement other than in respect of 2,341,041 New Shares issued to Directors. New Shares will rank equally with existing fully paid ordinary shares in ASM.

Settlement of the New Shares issued under the Placement (other than to Directors) is scheduled to occur on Monday 7 November 2022.

### Details of the SPP

Eligible shareholders as at the record date of 5pm (AWST time), 1 November 2022 with a registered address in Australia or New Zealand (**Eligible Shareholders**) will be invited to participate in the SPP. Eligible Shareholders will have the opportunity to apply for up to A\$30,000 worth of additional ASM shares at the Placement offer price of A\$1.73 per New Share. Subject to scale back at the Company's absolute discretion.

The SPP is expected to open on 9 November 2022 and close at 5pm (AWST time) on 18 November 2022, unless extended.

Further information regarding the SPP will be made available to Eligible Shareholders in an offer booklet (**Offer Document**) to be released to the ASX. The Offer Document will contain instructions on how to participate in the SPP. The SPP is subject to the terms and conditions set out in the Offer Document.

### Timetable

The key dates for the Placement and SPP are set out below:

Key Events	Date
Record date for SPP	5pm on 1 November 2022
Settlement of New Shares issued under the Placement	7 November 2022
Allotment of New Shares issued under the Placement	8 November 2022
SPP offer opens and Offer Document available to Eligible Shareholders	9 November 2022
SPP offer closes	5pm on 18 November 2022
SPP issue and allotment date	23 November 2022
Normal trading of SPP shares commences	24 November 2022
Dispatch of holding statements	24 November 2022

*All dates and times are indicative only and subject to change. The Company reserves the right to withdraw the SPP or amend all or any of these dates and times without notice, subject to the Corporations Act 2001 (Cth), the ASX Listing Rules and other applicable laws. All dates and times are Australian Western Standard Time, unless otherwise specified.*

### Additional Information

The information contained in this announcement does not constitute investment or financial product advice (nor taxation, accounting or legal advice), is not a recommendation to acquire ASM shares and is not intended to be used or relied upon as the basis for making any investment decision. This

announcement has been prepared without taking into account the investment objectives, financial situation or needs of any individuals. Before making any investment decisions, prospective investors should consider the appropriateness of the information having regard to their own investment objectives, financial situation and needs and should seek legal, accounting and taxation advice appropriate to their jurisdiction. ASM is not licensed to provide investment or financial product advice in respect of ASM shares. Cooling off rights do not apply to the acquisition of ASM shares pursuant to the Placement or SPP.

### **Forward Looking Statements**

This announcement may include forward-looking statements. These forward-looking statements are based on ASM's expectations and beliefs concerning future events. Forward-looking statements are necessarily subject to risks, uncertainties and other factors, many of which are outside the control of ASM, which could cause actual results to differ materially from such statements. ASM makes no undertaking to subsequently update or revise the forward-looking statements made in this announcement, to reflect the circumstances or events after the date of this announcement.

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*This document has been authorised for release to the market by the Board.*