

11 August 2025

AUSTRALIAN STRATEGIC MATERIALS – 2025 EXTRAORDINARY GENERAL MEETING

Dear Shareholder,

I am pleased to invite you to attend the 2025 Extraordinary General Meeting of Australian Strategic Materials Ltd (ASM), which will be held at Level 4, 66 Kings Park Road, West Perth, WA 6005 on Thursday, 11 September 2025 at 10:00am (AWST) (**Meeting**). The Meeting will consider resolutions in respect of the issue of Placement and Director Participation Shares, as further detailed in the ASM Notice of Meeting.

In accordance with the *Corporations Act 2001* (Cth), the Notice of Meeting and the accompanying Explanatory Statement are being made available to shareholders electronically. The ASM Notice of Meeting is available for you to view and download on the ASM website at <https://asm-au.com/asx/> or from the ASX announcements website (www.asx.com.au) using the ASX code: ASM.

Shareholders will be able to view a live webcast of the meeting through the Automic online platform (webcast link: https://us02web.zoom.us/webinar/register/WN_LwvjUqIKRSCXq-NA9no2kw).

Your participation in the Meeting is important to us. If you are unable to attend the Meeting at the scheduled time, you can participate in the Meeting by lodging a proxy vote. As voting on all resolutions at the Meeting will be conducted by poll, your lodged proxy vote will be included in the vote on each resolution.

Shareholders can either lodge the proxy appointment online at <https://investor.automic.com.au/#/loginsah> or sign and return the proxy form to the Company's share registry, Automic, in accordance with the instructions on the form, so that it is received by 10:00am (AWST) on 9 September 2025.

ASM is committed to promoting positive environmental outcomes, so we encourage all shareholders to provide an email address to receive their communications online. This ensures we are providing you with the information you need in the fastest, most cost-effective manner possible, while also significantly reducing our environmental impact.

If you are unable to access the Meeting materials online, please call the Company Secretary, Annaliese Eames on +61 8 9200 1681.

For and on behalf of the Board,

A handwritten signature in black ink, appearing to be 'Annaliese Eames', written over a light blue horizontal line.

Annaliese Eames

Chief Legal and External Affairs Officer and Company Secretary



Australian Strategic Materials Ltd

ACN 168 368 401

**NOTICE OF GENERAL MEETING
EXPLANATORY MEMORANDUM
AND
PROXY FORM**

DATE OF MEETING

Thursday, 11 September 2025

TIME OF MEETING

10:00 AM (AWST)

PLACE OF MEETING

Level 4, 66 Kings Park Road, West Perth, WA 6005

THIS DOCUMENT IS IMPORTANT

If you do not understand this document or are in doubt as to how you should vote, you should consult your stockbroker, solicitor, accountant or other professional adviser.

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NOTICE OF GENERAL MEETING

Notice is given that a general meeting of Shareholders of Australian Strategic Materials Ltd ACN 168 368 401 (**ASM** or the **Company**) will be held at Level 4, 66 Kings Park Road, West Perth, WA 6005 on Thursday, 11 September 2025 at 10:00am (AWST) (**Meeting**) for the purpose of transacting the following business, which is further described in the Explanatory Memorandum accompanying, and forming part of, this Notice.

Shareholders are welcome to participate in person at the Meeting. Registration for the Meeting will be available from 9.30am (AWST). The Meeting will also be broadcast live via webcast to give Shareholders the opportunity to observe the Meeting proceedings. To watch the webcast, please use the webcast link set out below. For more information on Shareholder questions and how to vote, refer to the paragraphs below.

Webcast Link: https://us02web.zoom.us/webinar/register/WN_LwvjUqlKRSCXq-NA9no2kw

Capitalised terms and abbreviations used in this Notice, including in the Explanatory Memorandum, are defined in Schedule 1.

Your vote is important

The business of the Meeting affects your shareholding, and your vote is important. Voting on each item of business will be conducted by poll. The Board encourages all Shareholders to vote at the Meeting or submit a valid Proxy Form to assist in the orderly conduct of the Meeting.

Voting eligibility

The Directors have determined pursuant to regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that persons are eligible to vote at the Meeting if they are a registered Shareholder as at 4:00 pm (AWST) on **Tuesday, 9 September 2025**.

Voting by Proxy

A Proxy Form is attached to the Notice. This is to be used by Shareholders if they wish to appoint a representative (a 'proxy') to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, to appoint a proxy. Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person. In accordance with rule 15.7 of the Constitution, the appointment of a proxy or attorney is not revoked by the Shareholder attending and taking part in the Meeting, but if the Shareholder votes on a resolution, the proxy or attorney is not entitled to vote, and must not vote, as the Shareholder's proxy or attorney on the resolution.

Each Shareholder entitled to attend and vote at the Meeting has a right to appoint a proxy. To vote by proxy, please complete and sign the enclosed personalised Proxy Form and lodge it in accordance with the instructions below. Proxy Forms (and any authority under which it is signed or a certified copy of the authority) must be received by the Company or Share Registry by no later than **10:00 am (AWST) on Tuesday, 9 September 2025** to be valid (being at least 48 hours before the Meeting). Proxy Forms received later than this time will be invalid. Information on how to lodge a proxy is set out below and on the Proxy Form.

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PROXY LODGEMENT METHOD INSTRUCTION

Online	<p>Lodge the Proxy Form online at: https://investor.automic.com.au/#/loginsah.</p> <p>Click on 'View Meetings' – 'Vote'. To use the online lodgement facility, Shareholders will need their holder number (Securityholder Reference Number (SRN) or Holder Identification Number (HIN)) as shown on the front of the Proxy Form.</p> <p>For further information on the online proxy lodgement process please see the Online Proxy Lodgement Guide 'CLICK HERE'.</p>
Email	Email your Proxy Form to: meetings@automicgroup.com.au
Fax	Fax your Proxy Form to: +61 2 8583 3040
Post	<p>Post your completed Proxy Form to:</p> <p>Automic GPO Box 5193 Sydney NSW 2001</p>
In Person	<p>Deliver to:</p> <p>Automic Level 5, 126 Phillip Street Sydney NSW 2000</p>

The proxy does not need to be a Shareholder and can be an individual or a body corporate. A Shareholder who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If not specified, each proxy may exercise one-half of the votes.

Chair as Proxy

If you appoint the Chair as your proxy and wish to direct the Chair how to vote, you can do so by marking one of the boxes for the relevant Resolution (i.e. by directing the Chair to vote "For", "Against" or "Abstain").

It is the Chair's intention to vote all undirected proxies in favour of all Resolutions. In exceptional cases the Chair's intentions may subsequently change and in this event, the Company will make an announcement to the ASX market.

Corporate representatives

A body corporate who is a Shareholder or proxy must appoint an individual as its corporate representative to attend and vote at the Meeting. If you are a corporate representative, you will need to provide evidence of your appointment as a corporate representative with the Share Registry prior to the Meeting or have previously provided the Company with evidence of your appointment.

Powers of attorney

If you appoint an attorney to attend and vote at the Meeting on your behalf, the power of attorney (or a certified copy) must be received by the Share Registry by **10:00 am (AWST) on Tuesday, 9 September 2025**, unless the power of attorney has previously been lodged with the Share Registry.

Shareholder questions

Shareholders can ask questions relevant to the business of the Meeting and of the Directors in-person at the Meeting or before by submitting questions in writing to the Company Secretary at info@asm-au.com by **5:00 pm (AWST) on 9 September 2025**.

The Board will endeavour to respond to as many Shareholder questions as possible during the Meeting. Please note that there may still not be sufficient time available at the Meeting to address all the questions raised and individual responses will not be sent to Shareholders.

If you are unable to access the relevant Meeting materials online or if you wish to receive a paper copy of the Meeting materials, please contact the Company on +61 8 9200 1681 between 9:00 am and 5:00 pm (AWST) Monday to Friday or email the Company at info@asm-au.com. Please remember to provide your name, address, and contact phone number.

AGENDA

1. Resolution 1 – Ratification of Placement Shares issued under Listing Rule 7.1

To consider and, if thought fit, to pass, with or without amendment, the following as an **ordinary resolution**:

"That, pursuant to and in accordance with Listing Rule 7.4 and for all other purposes, Shareholders ratify and approve the prior issue by the Company of 21,197,096 Shares (at an issue price of \$0.5647 per Share) under Listing Rule 7.1 on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

- (a) The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person who participated in the issue of Shares the subject of this Resolution or an associate of that person (or those persons).

However, this does not apply to a vote cast in favour of this Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with directions given to the proxy or attorney to vote on this Resolution in that way; or
- (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
- (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on this Resolution; and
 - (ii) the holder votes on this Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

2. Resolution 2 – Issue of Director Participation Shares to Mr Ian Gandel (and/or his nominee(s))

To consider and, if thought fit, to pass, with or without amendment, the following as an **ordinary resolution**:

"That, pursuant to and in accordance with Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of up to 1,770,852 Shares (at an issue price of \$0.5647 per Share) to Mr Ian Gandel (and/or his nominee(s)) on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Mr Ian Gandel (and/or his nominee(s)) and any other person who will obtain a material benefit as a result of the issue of Shares the subject of this Resolution (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person (or those persons).

However, this does not apply to a vote cast in favour of this Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with directions given to the proxy or attorney to vote on this Resolution in that way; or
- (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on this Resolution; and
 - (ii) the holder votes on this Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

The Chair in relation to this Resolution 2 will not be Mr Ian Gandel.

3. Resolution 3 – Issue of Director Participation Shares to Mr Dominic Heaton (and/or his nominee(s))

To consider and, if thought fit, to pass, with or without amendment, the following as an **ordinary resolution**:

"That, pursuant to and in accordance with Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of up to 53,126 Shares (at an issue price of \$0.5647 per Share) to Mr Dominic Heaton (and/or his nominee(s)) on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Mr Dominic Heaton (and/or his nominee(s)) and any other person who will obtain a material benefit as a result of the issue of Shares the subject of this Resolution (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person (or those persons).

However, this does not apply to a vote cast in favour of this Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with directions given to the proxy or attorney to vote on this Resolution in that way; or
- (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:

- (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on this Resolution; and
- (ii) the holder votes on this Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Dated: 11 August 2025

By order of the Board

A handwritten signature in black ink, appearing to read 'Annaliese Eames', written over a light blue horizontal line.

Annaliese Eames

Chief Legal and External Affairs Officer and Company Secretary

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EXPLANATORY MEMORANDUM

1. Introduction

This Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting.

This Explanatory Memorandum should be read in conjunction with and forms part of the Notice. The purpose of this Explanatory Memorandum is to provide information to Shareholders in deciding whether or not to pass the Resolutions. None of the Resolutions are conditional upon the passing of any other Resolution.

This Explanatory Memorandum includes the following information to assist Shareholders in deciding how to vote on the Resolutions:

Section 2	Background
Section 3	Resolution 1 – Ratification of Placement Shares
Section 4	Resolution 2 – Issue of Director Participation Shares to Mr Ian Gandel (and/or his nominee(s))
Section 4	Resolution 3 – Issue of Director Participation Shares to Mr Dominic Heaton (and/or his nominee(s))
Schedule 1	Definitions

A Proxy Form is enclosed with the Notice.

2. Background

2.1 Share Purchase Plan

On 16 June 2025, the Company announced its intention to offer to eligible Shareholders the opportunity to participate in a share purchase plan offer of new Shares to raise approximately \$3 million (before costs), with the ability for ASM to accept SPP applications in excess of that amount (**SPP**). Under the SPP, eligible Shareholders could apply for up to \$30,000 worth of new Shares (**SPP Shares**). The issue price of SPP Shares was set at a 20% discount to the volume-weighted average market price (as defined in the ASX Listing Rules) for Shares calculated over the last five days on which sales in Shares were recorded prior to the date on which the SPP Shares pursuant to the SPP were to be issued (**Issue Price**).

The SPP offer closed on 17 July 2025 and the Issue Price was determined to be \$0.5647 per SPP Share. As ASM subsequently announced, eligible Shareholders were issued 21,005,421 SPP Shares pursuant to the SPP at the Issue Price per SPP Share, raising \$11,861,761 (before costs).

The SPP was underwritten to \$3 million by Canaccord Genuity (Australia) Limited ACN 075 071 466 (**Lead Manager** or **Canaccord**) pursuant to the terms of an underwriting agreement entered into between Canaccord and ASM.¹

Refer to ASM's ASX announcements since 16 June for further information about the SPP and its

¹ In consideration for the Lead Manager's underwriting services, the Company paid to the Lead Manager a cash fee equal to 6% of the amounts raised under the SPP (plus GST). All sub-underwriting and selling fees to third parties were met from this fee by the Lead Manager.

outcome.

2.2 Placement

On 28 July 2025, the Company announced that it had received binding commitments for a placement of new Shares at the Issue Price per Share, to raise a total of \$13 million (before costs), comprising of:²

- (a) **Institutional Placement:** 21,197,096 Shares, which were issued and quoted on 1 August 2025 at the Issue Price per Share to professional and sophisticated investors and raised \$11,970,000 (before costs), within the Company's existing Listing Rule 7.1 placement capacity (**Placement**); and
- (b) **Director Participation:** subject to Shareholder approval pursuant to Resolutions 2 and 3, 1,770,852 Shares proposed to be issued, at the Issue Price per Share, to Mr Gandel, who is the Chairman of the Board and is consequently a related party of the Company, (and/or Mr Gandel's nominee(s)) to raise \$1,000,000 (before costs) and 53,126 Shares proposed to be issued, at the Issue Price per Share, to Mr Heaton, who is a non-executive Director and is consequently a related party of the Company, (and/or Mr Heaton's nominee(s)) to raise \$30,000 (before costs) (**Director Participation**).

The investors who have participated in the Placement comprise sophisticated and professional investors identified by the Company and the Lead Manager.

The Lead Manager was paid a cash fee of \$1,363,281 (plus GST) as consideration for its services as lead manager and bookrunner to the Placement.

Refer to the Company's announcements on 28 July 2025 for further details.

3. Resolution 1 – Ratification of Placement Shares

3.1 Background

On 28 July 2025, the Company announced that it had issued 21,197,096 Shares at an issue price of \$0.5647 per Share under the Placement (**Placement Shares**).

The Placement Shares were issued within the Company's placement capacity under Listing Rule 7.1.

Resolution 1 seeks Shareholder ratification and approval pursuant to Listing Rule 7.4 (and for all other purposes) of the issue of the 21,197,096 Placement Shares issued pursuant to the Company's placement capacity under Listing Rule 7.1.

Resolution 1 is an ordinary resolution.

The Chair intends to exercise all available undirected proxies in favour of Resolution 1.

3.2 Listing Rules 7.1 and 7.4

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of Equity Securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that period (**15% Placement Capacity**).

Listing Rule 7.4 provides that if the Company in general meeting ratifies the previous issue of Equity Securities made pursuant to Listing Rule 7.1 (and provided that the previous issue did not breach

² In consideration for the Lead Manager's services in acting as lead manager and bookrunner to the Placement, the Company paid to the Lead Manager a cash fee of \$1,363,281 (plus GST). No such fee is payable in respect of the Director Participation.

Listing Rule 7.1) those Equity Securities will be deemed to have been made with shareholder approval for the purpose of Listing Rule 7.1.

The Company wishes to retain as much flexibility as possible to issue additional Equity Securities into the future up to the 15% Placement Capacity set out in Listing Rule 7.1 without having to obtain prior Shareholder approval under those rules.

If Resolution 1 is passed, the Placement Shares will be excluded in calculating the Company's 15% Placement Capacity in Listing Rule 7.1, effectively increasing the number of Equity Securities it can issue without Shareholder approval over the 12 month period following the date of issue of the Placement Shares (which were issued on 1 August 2025).

If Resolution 1 is not passed, the Placement Shares will be included in the Company's 15% Placement Capacity in Listing Rule 7.1, effectively decreasing the number of Equity Securities it can issue without Shareholder approval over the 12 month period following the date of issue of the Placement Shares.

3.3 Specific information required by Listing Rule 7.5

The following information in relation to Resolution 1 is provided to Shareholders for the purposes of Listing Rule 7.5:

- (a) The Company issued the Placement Shares to professional and sophisticated investors selected by Canaccord and the Company. No investor under the Placement was a related party, a member of the Company's key management personnel, a substantial shareholder, an adviser of the Company or an associate of those persons or been issued more than 1% of the issued capital of the Company (**Material Persons**).
- (b) The 21,197,096 Placement Shares were issued pursuant to Listing Rule 7.1.
- (c) The Placement Shares are fully paid ordinary shares in the capital of the Company and rank equally in all respects with the Company's other Shares on issue.
- (d) The Placement Shares were issued on 1 August 2025.
- (e) The Placement Shares were issued at an issue price of \$0.5647 per Share, raising a total of approximately \$11,970,000 (before costs).
- (f) The purpose of the issue of the Placement Shares was to raise funds for the Company, which funds, together with existing cash reserves and other funds pursuant to the SPP and the proposed Director Participation, have been and are proposed to be, utilised for the following purposes (subject to the Board's discretion to alter the usage of funds):
 - (i) advance due diligence and seek funding initiatives to aim to propel the establishment of a new metals facility in the United States;
 - (ii) support of the ramp-up of and building of heavy rare earth metallisation capability at ASM's Korean Metals Plant;
 - (iii) continued support of the Rare Earth Options Assessment for the Dubbo Project;
 - (iv) corporate costs (such as costs of the SPP and of the Placement); and
 - (v) general working capital.
- (g) The Placement Shares were issued pursuant to confirmation letters under which professional and sophisticated investors subscribed for Placement Shares at an issue price of \$0.5647 per Share.
- (h) A voting exclusion statement is included in the Notice for Resolution 1.

3.4 Board recommendation

The Board recommends that Shareholders vote in favour of Resolution 1.

4. Resolution 2 – Issue of Director Participation Shares to Mr Ian Gandel (and/or his nominee(s))

4.1 Background

Resolution 2 seeks Shareholder approval pursuant to and in accordance with Listing Rule 10.11 for the issue of up to 1,770,852 Shares to Mr Ian Gandel, who is the Chairman of the Board and is consequently a related party of the Company, (and/or Mr Gandel's nominee(s)) under the Director Participation (**Director Participation Shares**).

Refer to Section 2 for further details on the Placement. Mr Gandel and his associates did apply for 53,125 SPP Shares at the Issue Price per Share (being \$0.5647 per Share) to raise \$30,000 (before costs) pursuant to the SPP.

Just prior to the issue of the Placement Shares and SPP Shares, Mr Gandel (and his associates) held voting power (as defined in the Corporations Act) of 19.16% in the Company. Following the issue of the SPP Shares and the Placement Shares as detailed in Section 2, and as at the date of this Notice, Mr Gandel's (and his associates) have voting power of 15.57% in the Company. Following the issue of the Director Participation Shares, Mr Gandel (and his associates) will have voting power of 16.23%.

Mr Gandel has, subject to the Shareholder approval being sought via Resolution 2, agreed that he (and/or his nominee(s)) will subscribe for 1,770,852 Director Participation Shares at the Issue Price per Share (being \$0.5647 per Share) to raise \$1,000,000 (before costs). If Resolution 2 is approved and Mr Gandel (and/or his nominee(s)) are issued those 1,770,852 Director Participation Shares, his (and his associates') voting power in the Company at that time is anticipated to have increased to approximately 16.23% (assuming that no convertible securities are converted into Shares and assuming no other Shares have been issued in the meantime, although no forecast is made of whether that will, or will not, occur).

Mr Gandel's associates who are listed on his latest substantial holder notice in respect of the Company are Abbotsleigh Pty Ltd, ILG Estate Co 1 Pty Ltd, ILG Estate Co 2 Pty Ltd, ILG Estate Co 3 Pty Ltd and ILG Estate Co 4 Pty Ltd.

Various information in this Section 4.1 is indicative only and is subject to change, such as for additional issue of securities and any additional acquisitions (or disposals) of relevant interests in Shares by Mr Gandel (and his associates). For example, Mr Gandel's and his associates' voting power in the Company may vary (at any time) from the estimates in this Notice.

Resolution 2 is an ordinary resolution.

The Chair for Resolution 2 will not be Mr Gandel.

The Chair intends to exercise all available undirected proxies in favour of Resolution 2.

4.2 Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act requires that for a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The issue of the Director Participation Shares to Mr Gandel (and/or his nominee(s)) constitutes giving a financial benefit as Mr Gandel is a related party of the Company by virtue of being a Director. It is anticipated that his nominee(s) (if any) may also be related parties of the Company, for example due to them being controlled by Mr Gandel.

The Directors (other than Mr Gandel, given his personal interest in Resolution 2) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of Director Participation Shares pursuant to Resolution 2, as the exception in section 210 of the Corporations Act applies. The Director Participation Shares will be issued to Mr Gandel (and/or his nominee(s)) on the same terms as the Shares issued to non-related party participants in the Placement and, as such, the giving of the financial benefit is on arm's length terms.

4.3 Listing Rule 10.11

Listing Rule 10.11 provides that unless one of the exceptions in Listing Rule 10.12 applies, a listed company must not issue or agree to issue Equity Securities to:

- (a) a related party (Listing Rule 10.11.1);
- (b) a person who is, or was at any time in the six months before the issue or agreement, a substantial (30%+) holder in the company (Listing Rule 10.11.2);
- (c) a person who is, or was at any time in the six months before the issue or agreement, a substantial (10%+) holder in the company and who has nominated a director to the board of the company pursuant to a relevant agreement which gives them a right or expectation to do so (Listing Rule 10.11.3);
- (d) an associate of a person referred to in (a) to (c) (Listing Rule 10.11.4); or
- (e) a person whose relationship with the company or a person referred to in (a) to (d) is such that, in ASX's opinion, the issue or agreement should be approved by its shareholders (Listing Rule 10.11.5),

unless it obtains shareholder approval.

The issue of Director Participation Shares to Mr Gandel falls within Listing Rule 10.11.1, as Mr Gandel is a related party of the Company by virtue of being a Director of the Company. It is anticipated that his nominee(s) who receive Director Participation Shares (if any) may be related parties of the Company, for example due to being controlled by Mr Gandel, (in which case they fall within Listing Rule 10.11.1) and/or associates of Mr Gandel (in which case they fall within Listing Rule 10.11.4). The issue of Director Participation Shares does not fall within any of the exceptions in Listing Rule 10.12. It therefore requires the approval of the Company's Shareholders under Listing Rule 10.11.

Resolution 2 seeks the required Shareholder approval to issue the Director Participation Shares to Mr Gandel (and/or his nominee(s)) under and for the purposes of Listing Rule 10.11 (and for all other purposes).

If approval is obtained under Listing Rule 10.11, then, in accordance with Listing Rule 7.2 (exception 14), separate approval is not required under Listing Rule 7.1.

If Resolution 2 is passed, the Company will be able to proceed with the issue of the Director Participation Shares to Mr Gandel (and/or his nominee(s)) and pursuant to Listing Rule 7.2 (exception 14), the Company may issue the Director Participation Shares without using the Company's 15% Placement Capacity under Listing Rule 7.1.

If Resolution 2 is not passed, the Company will not be able to proceed with the issue of the Director Participation Shares to Mr Gandel (and/or his nominee(s)) and would not receive \$1,000,000 (before costs) of the Placement.

4.4 Specific information required by Listing Rule 10.13

The following information in relation to Resolution 2 is provided to Shareholders for the purposes of Listing Rule 10.13:

- (a) The Director Participation Shares will be issued Mr Gandel (and/or his nominee(s), such as one or more of his associates listed in Section 4.1).
- (b) Mr Gandel falls within Listing Rule 10.11.1 by virtue of being a Director of the Company and therefore is a related party of the Company (and it is anticipated that his nominee(s) (if any) may be related parties of the Company, for example due to being controlled by Mr Gandel, in which case they fall within Listing Rule 10.11.1, and/or associates of Mr Gandel, in which case they fall within Listing Rule 10.11.4).
- (c) The maximum number of Director Participation Shares to be issued to Mr Gandel (and/or his nominee(s)) is 1,770,852 Shares.
- (d) The Director Participation Shares will be fully paid ordinary shares in the capital of the Company and will rank equally in all respects with the Company's existing Shares on issue.
- (e) The Director Participation Shares will be issued no later than one month following the date of the Meeting.
- (f) The Director Participation Shares issued to Mr Gandel will have an issue price of \$0.5647 per Share (being the Issue Price), raising a total of approximately \$1,000,000 (before costs).
- (g) The purpose of the proposed issue of the Director Participation Shares is to raise funds for the Company, which funds, together with existing cash reserves and other funds pursuant to the SPP and Placement, have been, and are proposed to be, utilised for the following purposes (subject to the Board's discretion to alter the usage of funds):
 - (i) advance due diligence and seek funding initiatives to aim to propel the establishment of a new metals facility in the United States;
 - (ii) support of the ramp-up of and building of heavy rare earth metallisation capability at ASM's Korean Metals Plant;
 - (iii) continued support of the Rare Earth Options Assessment for the Dubbo Project;
 - (iv) corporate costs (such as costs of the SPP and of the Placement); and
 - (v) general working capital.
- (h) The Director Participation Shares are proposed to be issued pursuant to an application letter, under which Mr Gandel applied for Shares pursuant to his Director Participation. The material terms of the application letter are:
 - (i) the signed application letter is considered a final and binding application subject to receipt of shareholder approval; and
 - (ii) Mr Gandel makes typical representations and warranties required to comply with the Corporations Act requirements so that a 'Disclosure Document' (as defined in the Corporations Act) would not be required in respect of the issue of the Director Placement Shares to Mr Gandel and/or his nominees.
- (i) A voting exclusion statement is included in the Notice for Resolution 2.

4.5 Board recommendation

The Board (excluding Mr Gandel) recommends that Shareholders vote in favour of Resolution 2, given that Mr Gandel is a valuable cornerstone investor, whose support is important to the development and the implementation of the Company's strategy.

5. Resolution 3 – Issue of Director Participation Shares to Mr Dominic Heaton (and/or his nominee(s))

5.1 Background

Resolution 3 seeks Shareholder approval pursuant to and in accordance with Listing Rule 10.11 for the issue of up to 53,126 Shares to Mr Dominic Heaton, who is a non-executive Director and is consequently a related party of the Company, (and/or Mr Heaton's nominee(s)) under the Director Participation (**Director Participation Shares**).

Refer to Section 2 for further details on the Placement. Mr Heaton and his associates did not apply for any SPP Shares pursuant to the SPP as Mr Heaton was not an Eligible Shareholder.

Just prior to the issue of the Placement Shares and SPP Shares, Mr Heaton (and his associates) did not hold any shares in the Company.

Mr Heaton has, subject to the Shareholder approval being sought via Resolution 3, agreed that he (and/or his nominee(s)) will subscribe for 53,126 Director Participation Shares at the Issue Price per Share (being \$0.5647 per Share) to raise \$30,000.

Various information in this Section 5.1 is indicative only and is subject to change, such as for additional issue of securities and any additional acquisitions (or disposals) of relevant interests in Shares by Mr Heaton (and his associates).

Resolution 3 is an ordinary resolution.

The Chair intends to exercise all available undirected proxies in favour of Resolution 3.

5.2 Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act requires that for a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The issue of the Director Participation Shares to Mr Heaton (and/or his nominee(s)) constitutes giving a financial benefit as Mr Heaton is a related party of the Company by virtue of being a Director. It is anticipated that his nominee(s) (if any) may also be related parties of the Company, for example due to them being controlled by Mr Heaton.

The Directors (other than Mr Heaton, given his personal interest in Resolution 3) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of Director Participation Shares pursuant to Resolution 3, as the exception in section 210 of the Corporations Act applies. The Director Participation Shares will be issued to Mr Heaton

(and/or his nominee(s)) on the same terms as the Shares issued to non-related party participants in the Placement and, as such, the giving of the financial benefit is on arm's length terms.

5.3 Listing Rule 10.11

Listing Rule 10.11 provides that unless one of the exceptions in Listing Rule 10.12 applies, a listed company must not issue or agree to issue Equity Securities to:

- (a) a related party (Listing Rule 10.11.1);
- (b) a person who is, or was at any time in the six months before the issue or agreement, a substantial (30%+) holder in the company (Listing Rule 10.11.2);
- (c) a person who is, or was at any time in the six months before the issue or agreement, a substantial (10%+) holder in the company and who has nominated a director to the board of the company pursuant to a relevant agreement which gives them a right or expectation to do so (Listing Rule 10.11.3);
- (d) an associate of a person referred to in (a) to (c) (Listing Rule 10.11.4); or
- (e) a person whose relationship with the company or a person referred to in (a) to (d) is such that, in ASX's opinion, the issue or agreement should be approved by its shareholders (Listing Rule 10.11.5),

unless it obtains shareholder approval.

The issue of Director Participation Shares to Mr Heaton falls within Listing Rule 10.11.1, as Mr Heaton is a related party of the Company by virtue of being a Director of the Company. It is anticipated that his nominee(s) who receive Director Participation Shares (if any) may be related parties of the Company, for example due to being controlled by Mr Heaton, (in which case they fall within Listing Rule 10.11.1) and/or associates of Mr Heaton (in which case they fall within Listing Rule 10.11.4). The issue of Director Participation Shares does not fall within any of the exceptions in Listing Rule 10.12. It therefore requires the approval of the Company's Shareholders under Listing Rule 10.11.

Resolution 3 seeks the required Shareholder approval to issue the Director Participation Shares to Mr Heaton (and/or his nominee(s)) under and for the purposes of Listing Rule 10.11 (and for all other purposes).

If approval is obtained under Listing Rule 10.11, then, in accordance with Listing Rule 7.2 (exception 14), separate approval is not required under Listing Rule 7.1.

If Resolution 3 is passed, the Company will be able to proceed with the issue of the Director Participation Shares to Mr Heaton (and/or his nominee(s)) and pursuant to Listing Rule 7.2 (exception 14), the Company may issue the Director Participation Shares without using the Company's 15% Placement Capacity under Listing Rule 7.1.

If Resolution 3 is not passed, the Company will not be able to proceed with the issue of the Director Participation Shares to Mr Heaton (and/or his nominee(s)) and would not receive \$30,000 (before costs) of the Placement.

5.4 Specific information required by Listing Rule 10.13

The following information in relation to Resolution 3 is provided to Shareholders for the purposes of Listing Rule 10.13:

- (a) The Director Participation Shares will be issued Mr Heaton (and/or his nominee(s), such as one or more of his associates listed in Section 5.1).
- (b) Mr Heaton falls within Listing Rule 10.11.1 by virtue of being a Director of the Company and therefore is a related party of the Company (and it is anticipated that his nominee(s)

(if any) may be related parties of the Company, for example due to being controlled by Mr Heaton, in which case they fall within Listing Rule 10.11.1, and/or associates of Mr Heaton, in which case they fall within Listing Rule 10.11.4).

- (c) The maximum number of Director Participation Shares to be issued to Mr Heaton (and/or his nominee(s)) is 53,126 Shares.
- (d) The Director Participation Shares will be fully paid ordinary shares in the capital of the Company and will rank equally in all respects with the Company's existing Shares on issue.
- (e) The Director Participation Shares will be issued no later than one month following the date of the Meeting.
- (f) The Director Participation Shares issued to Mr Heaton will have an issue price of \$0.5647 per Share (being the Issue Price), raising a total of approximately \$30,000 (before costs).
- (g) The purpose of the proposed issue of the Director Participation Shares is to raise funds for the Company, which funds, together with existing cash reserves and other funds pursuant to the SPP and Placement, have been and are proposed to be, utilised for the following purposes (subject to the Board's discretion to alter the usage of funds):
 - (i) advance due diligence and seek funding initiatives to aim to propel the establishment of a new metals facility in the United States;
 - (ii) support of the ramp-up of and building of heavy rare earth metallisation capability at ASM's Korean Metals Plant;
 - (iii) continued support of the Rare Earth Options Assessment for the Dubbo Project;
 - (iv) corporate costs (such as costs of the SPP and of the Placement); and
 - (v) general working capital.
- (h) The Director Participation Shares are proposed to be issued pursuant to an application letter, under which Mr Heaton applied for Shares pursuant to his Director Participation. The material terms of the application letter are:
 - (i) the signed application letter is considered a final and binding application subject to receipt of shareholder approval; and
 - (ii) Mr Heaton makes typical representations and warranties required to comply with the Corporations Act requirements so that a 'Disclosure Document' (as defined in the Corporations Act) would not be required in respect of the issue of the Director Placement Shares to Mr Heaton and/or his nominees.
- (i) A voting exclusion statement is included in the Notice for Resolution 3.

5.5 Board recommendation

The Board (excluding Mr Heaton) recommends that Shareholders vote in favour of Resolution 3, given that Mr Heaton's investment demonstrates his support for the Company's strategic direction and will further align his interests with those of all Shareholders.

Schedule 1- Definitions

In the Notice and this Explanatory Memorandum, words importing the singular include the plural and vice versa.

\$ means Australian Dollars.

10% Placement Capacity has the meaning given in Section 3.2.

15% Placement Capacity has the meaning given in Section 3.2.

ASM means Australian Strategic Materials Limited (ACN 168 368 401).

ASX means ASX Limited (ACN 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX.

AWST means Australian Western Standard Time, being the time in Perth, Western Australia.

Board means the board of Directors.

Chair means the person appointed to chair the Meeting, or any part of the Meeting, convened by the Notice.

Company means Australian Strategic Materials Limited (ACN 168 368 401).

Corporations Act means the *Corporations Act 2001* (Cth).

Director means a director of the Company.

Director Participation has the meaning given in Section 2.2.

Director Participation Shares has the meaning given in Section 4.1 and Section 5.1.

Equity Security has the same meaning as in the Listing Rules.

Explanatory Memorandum means the explanatory memorandum which forms part of the Notice.

Issue Price has the meaning given in Section 2.1.

Lead Manager or **Canaccord** has the meaning given in Section 2.1.

Listing Rules means the listing rules of ASX.

Meeting has the meaning in the introductory paragraph of the Notice.

Notice means this notice of general meeting and includes the Explanatory Memorandum and Proxy Form.

Placement has the meaning given in Section 2.2.

Placement Shares has the meaning given in Section 3.1.

Proxy Form means the proxy form attached to the Notice.

Resolution means a resolution contained in the Notice.

Schedule means a schedule to this Explanatory Memorandum.

Section means a section of this Explanatory Memorandum.

Share means a fully paid ordinary share in the capital of the Company.

Share Registry means the Company's share registry, being Automic Pty Ltd.

Shareholder means a holder of one or more Shares.

SPP has the meaning given in Section 2.1.

SPP Shares has the meaning given in Section 2.1.



Australian Strategic Materials Ltd

AUSTRALIAN STRATEGIC MATERIALS LIMITED | ABN 90 168 368 401

Proxy Voting Form

If you are attending the Meeting in person, please bring this with you for Securityholder registration.

Your proxy voting instruction must be received by **10.00am (AWST) on Tuesday, 09 September 2025**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

SUBMIT YOUR PROXY

Complete the form overleaf in accordance with the instructions set out below.

YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: <https://investor.automic.com.au/#/home> Shareholders sponsored by a broker should advise their broker of any changes.

STEP 1 – APPOINT A PROXY

If you wish to appoint someone other than the Chair of the Meeting as your proxy, please write the name of that Individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chair of the Meeting will be appointed as your proxy by default.

DEFAULT TO THE CHAIR OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chair of the Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chair of the Meeting will be voted according to the instructions set out in this Proxy Voting Form, including where the Resolutions are connected directly or indirectly with the remuneration of Key Management Personnel.

STEP 2 - VOTES ON ITEMS OF BUSINESS

You may direct your proxy how to vote by marking one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

SIGNING INSTRUCTIONS

Individual: Where the holding is in one name, the Shareholder must sign.

Joint holding: Where the holding is in more than one name, all Shareholders should sign.

Power of attorney: If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Voting Form when you return it.

Companies: To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

Email Address: Please provide your email address in the space provided.

By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at <https://automicgroup.com.au>.

Lodging your Proxy Voting Form:

Online

Use your computer or smartphone to appoint a proxy at <https://investor.automic.com.au/#/loginsah> or scan the QR code below using your smartphone

Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting Form.



BY MAIL:

Automic
GPO Box 5193
Sydney NSW 2001

IN PERSON:

Automic
Level 5, 126 Phillip Street
Sydney NSW 2000

BY EMAIL:

meetings@automicgroup.com.au

BY FACSIMILE:

+61 2 8583 3040

All enquiries to Automic:

WEBSITE:

<https://automicgroup.com.au>

PHONE:

1300 288 664 (Within Australia)
+61 2 9698 5414 (Overseas)

For personal use only



STEP 1 - How to vote

APPOINT A PROXY:

I/We being a Shareholder entitled to attend and vote at the General Meeting of AUSTRALIAN STRATEGIC MATERIALS LIMITED, to be held at 10.00am (AWST) on Thursday, 11 September 2025 at Level 4, 66 Kings Park Road, West Perth, WA 6005 hereby:

Appoint the Chair of the Meeting (Chair) OR if you are not appointing the Chair of the Meeting as your proxy, please write in the box provided below the name of the person or body corporate you are appointing as your proxy or failing the person so named or, if no person is named, the Chair, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit and at any adjournment thereof.

The Chair intends to vote undirected proxies in favour of all Resolutions in which the Chair is entitled to vote.

Unless indicated otherwise by ticking the "for", "against" or "abstain" box you will be authorising the Chair to vote in accordance with the Chair's voting intention.

STEP 2 - Your voting direction

Resolutions	For	Against	Abstain
1 Ratification of Placement Shares issued under Listing Rule 7.1	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Issue of Director Participation Shares to Mr Ian Gandel (and/or his nominee(s))	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Issue of Director Participation Shares to Mr Dominic Heaton (and/or his nominee(s))	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Please note: If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

STEP 3 – Signatures and contact details

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director / Company Secretary

Contact Name:

Email Address:

Contact Daytime Telephone

Date (DD/MM/YY)

By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible).