

ASX Release

Release Date: 30 July 2020

Investor Presentation

Australian Strategic Materials Limited (ASX : ASM) (ASM or the Company) advises that Managing Director, Mr David Woodall, and the ASM team will be presenting ASM to various Korean government and business groups and discussing the significant potential of ASM's integrated strategy.

A copy of the presentation is attached and is also available on the ASM website.

This document has been authorised for release to the market by David Woodall, Managing Director.

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About Australian Strategic Materials – www.asm-au.com

ASM is focused on producing specialty metals and oxides for advanced technologies and is the 100% owner of the [Dubbo Project](#).

Located in central-western NSW, ASM's cornerstone Dubbo Project has a long-term resource of [zirconium](#), [rare earths](#), [niobium](#) and [hafnium](#)— a globally significant source of these [critical materials](#) for a diverse range of emerging and sustainable technologies.

In a joint venture with South Korea's Zirconium Technology Corporation (ZironTech), ASM is advancing oxide separation and [metallisation technologies](#) to create a range of value-added materials from the Dubbo Project. ASM's pilot plant in South Korea has been completed with successful production of titanium and neodymium metal. ASM is progressing an optimisation study of Dubbo Project inclusive of flotation that has potential to positively impact the capital and operating costs of the project. This optimisation and a feasibility study on the metallisation plant is planned to be completed by the end of 2020 and Q4 2020 respectively.

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Australian Independent Mine to Metal Producer

David Woodall – Managing Director

30 July 2020



Disclaimer & Compliance Statement

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This presentation contains certain forward looking statements and forecasts, including possible or assumed reserves and resources, production levels and rates, costs, prices, future performance or potential growth of Australian Strategic Materials Ltd, industry growth or other trend projections. Such statements are not a guarantee of future performance and involve unknown risks and uncertainties, as well as other factors which are beyond the control of Australian Strategic Materials Ltd. Actual results and developments may differ materially from those expressed or implied by these forward looking statements depending on a variety of factors. Nothing in this presentation should be construed as either an offer to sell or a solicitation of an offer to buy or sell securities.

This document has been prepared in accordance with the requirements of Australian securities laws, which may differ from the requirements of United States and other country securities laws. Unless otherwise indicated, all ore reserve and mineral resource estimates included or incorporated by reference in this document have been, and will be, prepared in accordance with the JORC classification system of the Australasian Institute of Mining, and Metallurgy and Australian Institute of Geosciences.

Previously reported information

This presentation includes information that relates to Mineral Resources, Ore Reserves, production targets and forecast financial information derived from a production target which was prepared and first disclosed under JORC Code 2012. The information was extracted from the Company's previous ASX announcement dated 29 July 2020 (Information Memorandum & Demerger Booklet). The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of reporting of Ore Reserves and Mineral Resources, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which any Competent Person's findings are presented have not been materially modified from the original market announcement.

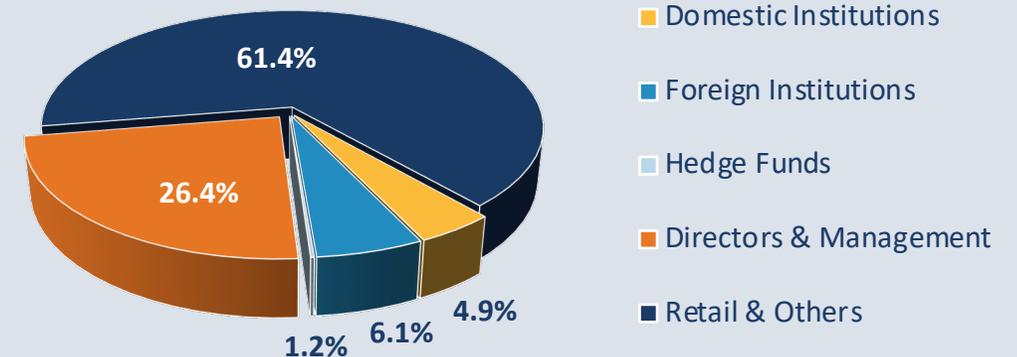
Corporate Profile

ASM - An emerging, independent, integrated mine-to-metal producer of **value-added metals and oxides that are critical to advanced and clean technologies**

- Listed on ASX on 30 July 2020, ASX:ASM
- Shares Issued - ~119M
- Cash of A\$20 million (1 April 2020) and no debt
- Experienced Board and Management Team focused on unlocking shareholder value through successful construction, partnering and commercialisation
- Project located 400km northwest of Sydney
Land and resource wholly owned
- Project has all major approvals in place



Directors	
Ian Gandel	Chairman
David Woodall	Managing Director
Nicholas Earner	Non-Executive Director
Ian Chalmers	Non Executive Director
Gavin Smith	Non-Executive Director
Dennis Wilkins	Company Secretary

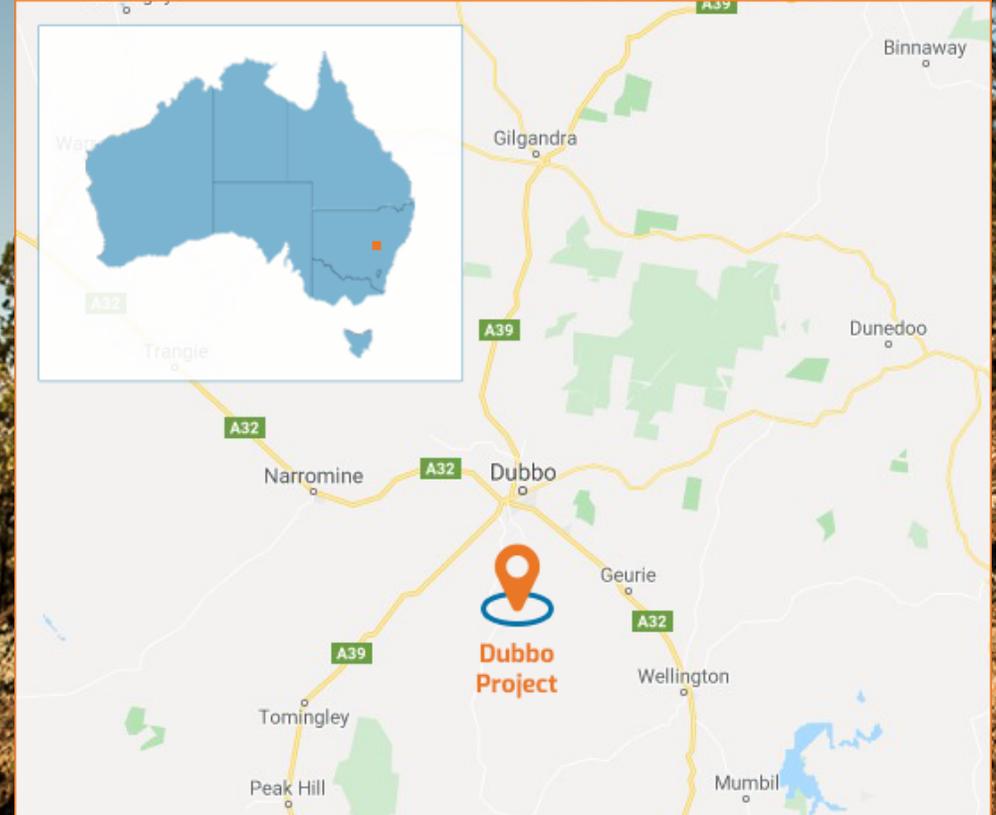


ASM Strategy

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- Develop an independent fully integrated “mine to metal” business of critical materials;
 - Producer of key critical materials of neodymium, praseodymium, dysprosium, zirconium, niobium, and hafnium.
 - Become a stable, secure and alternate supplier of clean metals for the domestic and global market;
 - The Dubbo Project provides key products which are upgraded with the clean metal technology
 - Maintain exclusive global license for the innovative metal technology
 - Potential to licence or develop multiple metal facilities in JV’s with key customers



Dubbo Project long life polymetallic project construction ready



**JORC (2012) Resource - 75.18 Mt @ 1.89%
ZrO₂, 0.04 % HfO₂, 0.44% Nb₂O₅, 0.9% TREO**

Critical Materials Enable New Technology



1. Barriers to Entry in the Supply of Critical Materials:

- Highly concentrated – vulnerability of supply
- Barrier to Entry – Integrated in Value Chain
- Metal production integrated into China’s supply chain causing a market for the supply of low value carbonates and oxides

2. Key Enablers of Critical Materials:

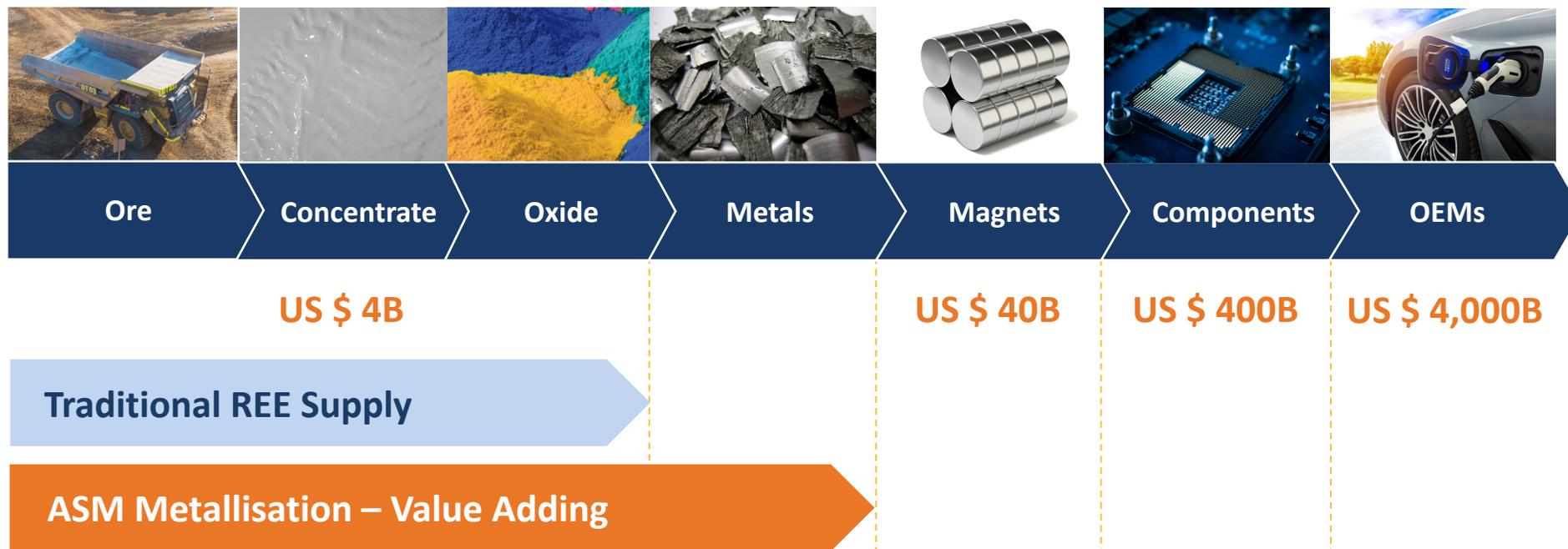
- New technology must have critical materials
 - ✓ **Clean energy, electric vehicles and reduced emissions**
 - ✓ **High-tech and medical products**
 - ✓ **Aerospace and manufacturing**
- New Projects needed to ensure alternate and secure supply
- Value added clean metal integrated into global supply chain



China	85% of Rare Earths
China	75% of Zirconium materials
Brazil	85% of Niobium

An Integrated Metal Business for the Global Supply Chain

REE Value Chain



- Mine to customer supply chain
- Delivery to customer product specification
- Additional value added to all ASM products, inclusive of REE
- Gives direct contact to EU, Korean, Japanese, and US end users

This figure is adapted from a presentation made by Professor K. G. van den Boogaart at the SME Critical Minerals Conference in Denver in August 2014.

Australia's in-ground resource

Ore to high purity metal oxides

The Dubbo Project: 100% Australian



25km south of Dubbo, the Dubbo deposit is a **proven, large deposit** of Zr, REE, Nb and Hf minerals.



ASM spent **15 years in development with ANSTO** to optimise minerals recovery + processing.

Clean Metal Project

2019

Joint Venture with ZironTech, South Korea

- Combine our proprietary oxide separation process and ZironTech's efficient metallisation technology
- ASM has exclusive global commercialisation rights on the metallisation process

2020

ASM's unique metals technology pilot plant commences production

- Successfully constructed and commissioned
- Prove that we can manufacture pure metals at commercial scale
- Build strategic customer relationships for offtake agreements

ASM – Integrated Critical Materials Business

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2020 Optimisation Program

a) Objective

- Robust project economics at forecast and spot prices
- Diversified Metal Products – Zirconium, REE, Niobium and Hafnium
- Project Approved – Construction Ready

b) Deliverables

- Process Optimisation:
 - Increase ore feed grade via flotation
 - Reduce leaching and solvent extraction capital
 - Maintain output for lower capex and opex
- Metallisation:
 - Production of metals for key products
 - Complete a feasibility study
 - Create an integrated metals business

Targeting step changes in financial returns by reducing capital requirements and increasing IRR and NPV

	2018 FEED Study *	2020 Study Goals
Capital Expenditure	AUD \$1,300 M	↓
NPV ₈ (pre-tax)	AUD \$1,240 M	↑
EBITDA pa	AUD \$320 M	↑
IRR (pre-tax)	17.5 %	↑
Products Produced:		
Zirconium Products	~16,000 t	Slight reduction
TREO	~6,000 t	Increase
NdPr	~1200 t	Increase
Ferro - Niobium	~ 2,000 t	Slight reduction
Hafnium	50 t	Unchanged

* Refer to ASX announcement of 29 July 2020 (Information Memorandum & Demerger Booklet)..

ASM – 2020 Milestones

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Value Adding Strategies	Project Implementation	Milestone
Production of Critical Metals: <ul style="list-style-type: none"> • Joint Venture • Exclusive global licensing • All ASM products 	RMR Tech JV – with IP rights	✓
	Laboratory test program – Zr, Hf, and REE	✓
	Pilot Plant Construction	✓
	2t Zirconium Metal Production	Q3 2020
	REE Metallisation	✓
	Feasibility of Independent Metals Plant	Q3 2020
Process Plant <ul style="list-style-type: none"> • Optimisation program 	Laboratory scale testwork	✓
	Flotation test program	✓
	Solvent extraction confirmatory test program	Q3 2020
	Optimised FEED Study	Q4 2020
Strategic Investor / Financing	Export Finance Australia	✓
	Heads of Agreement Metallisation	Q3 2020
	Strategic Partner	Q4 2020
	Offtake Agreement	Q4 2020



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Dave Woodall

ASM Managing Director

 asm-au.com  [ASM_aus](https://twitter.com/ASM_aus)

Dubbo Project Resources & Reserves

Dubbo Project – Mineral Resources

Resource Category	Tonnes (Mt)	ZrO ₂ (%)	HfO ₂ (%)	Nb ₂ O ₅ (%)	Ta ₂ O ₅ (%)	Y ₂ O ₃ (%)	TREO* (%)
Measured	42.81	1.89	0.04	0.45	0.03	0.14	0.74
Inferred	32.37	1.90	0.04	0.44	0.03	0.14	0.74
Total	75.18	1.89	0.04	0.44	0.03	0.14	0.74

*TREO% is the sum of all rare earth oxides excluding ZrO₂, HfO₂, Nb₂O₃, Ta₂O₅, Y₂O₃,

Dubbo Project – Ore Reserves

Reserve Category	Tonnes (Mt)	ZrO ₂ (%)	HfO ₂ (%)	Nb ₂ O ₅ (%)	Ta ₂ O ₅ (%)	Y ₂ O ₃ (%)	TREO* (%)
Proved	18.90	1.85	0.04	0.440	0.029	0.136	0.735
Total	18.90	1.85	0.04	0.440	0.029	0.136	0.735

*TREO% is the sum of all rare earth oxides excluding ZrO₂, HfO₂, Nb₂O₃, Ta₂O₅, Y₂O₃,

Note: Refer to ASX announcement 29 July 2020 (Information Memorandum & Demerger Booklet).

