

#### 31 October 2023

# **QUARTERLY ACTIVITIES REPORT TO 30 SEPTEMBER 2023**

# **KEY POINTS**

In line with Australian Strategic Materials' (**ASM** or **the Company**) (**ASX: ASM**) strategic business priorities, this Quarter, the Company:

- Strengthened its management team with the appointment of Mr Chris Jordaan as Chief Operating Officer.
- Signed its first long-term alloy sales agreement with USA Rare Earth, LLC.
- Confirmed the design capability of the Dubbo Project's advanced process flowsheet to produce high purity Tb and Dy oxides at industry leading product quality.
- Progressed Dubbo Project and KMP offtake discussions, supported by ongoing technical validation processes and customer visits.
- Delivered its FY23 carbon net zero target for Scope 1 and Scope 2 emissions at the KMP.

# **DUBBO PROJECT**

*The Dubbo Project is integral to ASM's mine to metals business, for the supply of rare earths and critical minerals.* 

#### **Early Establishment Activities**

On 17 August ASM announced the award of a consultancy services agreement to Bechtel Australia Pty Ltd (**Bechtel**) for the provision of engineering services for nonprocess infrastructure (**NPI**) study work to support the advancement of the Company's Dubbo Project.

The study work will advance the engineering maturity of the NPI design in critical areas outside of the process plant and will contribute to developing the capital and operating costs estimates key to



Representatives of Bechtel Australia joined members of the Dubbo Project team for a site visit in September.

ASM making its final investment decision (FID) on the Dubbo Project.

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Page 2 of 16

During the Quarter, Bechtel commenced the NPI study work, holding initial planning sessions, undertaking a site visit to the Dubbo Project in September and providing initial scoping and budget estimates for the full scope of the NPI study work. Bechtel remains on schedule to complete the work by 31 December 2024. The NPI study work will be funded by the Critical Minerals Development Program grant awarded to ASM from the Australian Government.<sup>1</sup>

Hyundai Engineering Co. (**HEC**) completed Stage 1 of the Engineering, Procurement and Construction (**EPC**) Definition work on 31 July 2023. As previously reported, as a result of the Stage 1 activities certain additional areas of work associated with progressing the maturity of design of areas outside of the process plant were identified as needing to be completed before Stage 2 can be commenced. The Company will continue to evaluate when Stage 2 will commence as these additional areas of NPI work (being undertaken by Bechtel) progress.

During the Quarter, ASM undertook various other streams of activities that are critical to ensuring that the Company is well placed to commence construction once it has made FID on the Dubbo Project.

This included:

- The award of a contract to Stantec for an initial phase of study work with respect to the solid residue storage facility (**SRSF**) at the Dubbo Project. This initial phase will involve a review of the capacity of the SRSF with further detailed design work being the subject of a subsequent contract to be awarded following a competitive tender process.
- Work commenced with a variety of contractors for studies examining opportunities to reduce greenhouse gas emissions (**GHG**) at the Dubbo Project. This work included examining the potential options to convert existing operations or equipment to electricity to reduce GHG emissions.
- Work progressed to update the Dubbo Project environmental management plans, which are required to be implemented prior to commencement of construction in order to comply with the conditions of the Company's development consent.

#### **Dubbo Project zirconia customer samples**

During the Quarter, ASM continued to engage with customers on the provision and technical evaluation of samples of zirconia products that can be produced from the Dubbo Project, with samples of ZrO<sub>2</sub> (calcined ZBS), ZBS and ZBC sent to a potential customer. The results of such evaluations are expected next Quarter. Such activities have supported ongoing discussions with customers regarding long-term offtake agreements and have provided further clarity on the product offerings and financials of the Dubbo Project.

Dehafniated ZBC sample production continued during the Quarter. Discussions with potential customers in Europe and Japan highlighted the requirement to produce samples as dehafniated ZrO<sub>2</sub> which will be provided to the customers next Quarter for their technical evaluation.

<sup>&</sup>lt;sup>1</sup> Refer ASX Announcement 18 May 2023 'ASM awarded \$6.5 million Federal Government grant for Dubbo Proejct'.



# Terbium and dysprosium solvent extraction pilot program

During the Quarter, ASM concluded its terbium (**Tb**) and dysprosium (**Dy**) heavy rare earth (**RE**) separation test work utilising synthetic samples created from commercially purchased third party rare earth powders which replicate the product expected from the Dubbo Project at that stage in the separation process. Conducted by the Australian Nuclear Science & Technology Organisation (**ANSTO**), the results confirm the design capability of the Dubbo Project's advanced process flowsheet to produce high purity Tb and Dy oxides at industry leading product quality.

The positive results show the process is capable of producing Tb and Dy oxide product streams that meet or exceed target specifications of >99.99% for Tb and > 99.95% for Dy, at steady state.



Results confirm the design capability of the Dubbo Project's advanced process flowsheet to produce high purity terbium and dysprosium.

Tb and Dy are incredibly scarce commodities critical in magnet production and are scientifically difficult to separate at high purity. These excellent results demonstrate the diverse portfolio of high purity products ASM will be capable of producing from the Dubbo Project and position it well to support the rare earth and critical minerals evolution.

The pilot program was supported by funds awarded under Stream 1 of the NSW government's Critical Minerals and High-Tech Metals Activation Fund.<sup>2</sup>

The ongoing sample production work and process flowsheet development supports ASM's ability to offer a diversified suite of products and maximise the ability to seek return on favourable metal prices across its portfolio.

#### Ferroniobium study work

During the Quarter the Company commenced study work on an alternative circuit for the preparation of the niobium concentrate to be used as the feed source for the ferroniobium (FeNb) smelter. Initial testing gave good results and further confirmation testing is underway. If successful, this will enhance ASM's flowsheet with a less complex route to the FeNb smelter on site.

#### Project offtake and funding

The Company continues to progress its broad approach to offtake and strategic investment and is in discussions with a number of parties for all products that form part of the Dubbo Project's diverse portfolio.

Page **3** of **16** 

<sup>&</sup>lt;sup>2</sup> Refer ASX Release: 22 Nov 2022, ASM Dubbo Project study awarded grant from the NSW Critical Minerals and High-Tech Metals Activation Fund



The parties ASM is in discussion with are across a range of jurisdictions and encompass both OEMs and Tier 1 suppliers to those OEMs, canvassing a variety of opportunities for participation by ASM in the supply chain.

These commercial discussions are competitive and supported by ongoing technical validation processes of both our Dubbo Project zirconia samples and our metallisation capability at our Korean Metals Plant. These technical validation processes are key to demonstrating ASM's ability to produce products that meet customer requirements and the Company's capability to deliver the mine to metals supply chain.

ASM is continuing to work through the technical validation and competitive processes and anticipates that the progression into preferred supplier status and commencement of the negotiation of binding agreements will occur during the next Quarter. ASM will update the market when binding agreements are concluded.

#### **Revised KCF Framework Agreement**

ASM continued discussions and to explore opportunities with KCF Energy Co. Ltd (KCF) pursuant to the Revised Framework Agreement. During the Quarter, the KCF introduced ASM to parties with interest in either offtake or strategic investment in relation to the Dubbo Project. Discussions with these parties will continue through the next Quarter.



ASM's participation at the 44<sup>th</sup> KABC-AKBC Joint Meeting provided the opportunity to engage with a range of stakeholders.

Page 4 of 16



## **KOREAN METALS PLANT**

The Korean Metals Plant (KMP) is an integral part of ASM's mine to metals business: producing high-tech metals.

#### Safety

There were no reportable safety incidents recorded during the Quarter and the year to date. Lost Time Injury Frequency Rate (LTIFR) remains at zero.

#### Neodymium praseodymium metal

The KMP continued to deliver neodymium (Nd) and neodymium praseodymium (NdPr) metal production consistently in specification at the targeted daily rate, resulting in a total output of 10.4 tonnes of Nd/NdPr metal during the Quarter.

NS World, ASM's inaugural metal customer, took delivery of an additional three tonnes of NdPr metal during the Quarter.



ASM COO Chris Jordaan (left) participating in an HSE risk management walkthrough of the KMP.

#### Neodymium iron boron strip alloy

During the Quarter ASM signed a five-year binding sales and tolling framework agreement with USA Rare Earth, LLC (**USARE**) for the supply of neodymium iron boron (NdFeB) alloy. Following signing of the agreement, meetings were held with USARE to progress technical qualification of the NdFeB alloy to be supplied under the Framework Agreement. Further engagement will continue with the parties to agree the ongoing schedule for delivery of NdFeB alloy.

The KMP continues to work with Noveon on technical validation of its NdFeB alloy product to prepare for delivery of product.



Members of the USARE team at the Korean Metals Plant.



#### **KMP feedstock supply**

During the Quarter, ASM announced the entry into a three-way non-binding memorandum of understanding (**MOU**) with Blackstone Minerals Limited (**BSX**) and Vietnam Rare Earth Joint Stock Company (**VTRE**) to explore opportunities supporting a longer-term supply of rare earth oxides<sup>3</sup>. This followed the supply agreement with VTRE to acquire 100 tonnes of rare earth oxides as part of an evaluation process for the potential long-term supply into the KMP<sup>4</sup>.

ASM has been made aware of a recent media report detailing an investigation into the Chairman of VTRE, Mr Luu Anh Tuan. ASM is in contact with relevant government agencies and its MOU partners in Vietnam to better understand the current situation. ASM is not part of and has no involvement in the investigation.

ASM's mine to metals strategy is to secure multiple sources of material in addition to the Company's Dubbo Project, as it builds a secure, reliable supply of rare earth oxides to support its growing metallisation business. ASM is in discussions with a number of parties across jurisdictions in support of this. KMP currently has sufficient inventory to support its production and customer delivery requirements through financial year 2024.

#### Sales and ramp-up

Advancing negotiations and discussions with potential customers for both NdPr metal and NdFeB alloy saw the KMP progress technical qualification processes with customers in both the US and the EU. This technical qualification process was accompanied by a number of customer site visits to the KMP during the Quarter and the delivery of samples to those customers.

Achieving technical validation demonstrates the capability of the KMP to deliver high quality metal and alloy products. This proven and current capability demonstrates ASM's ability to deliver on its mine to metals strategy, making ASM an attractive prospect in its advancing discussions for offtake and strategic investment in relation to the Dubbo Project.

As part of the technical validation process, the KMP has progressed discussions with those potential customers about prospective demand for both metal and alloy. These discussions have established that customer demand is satisfied for the remainder of calendar years 2023 and 2024, and these customers are seeking to fulfil demand for 2025. Whilst there are good prospects for ASM's concluded sales agreements, it is likely that supply under such agreements will not commence until 2025, meaning that the generation of significant revenue from KMP may be delayed until such time.

As previously advised, the current installed capacity for NdFeB alloy of 600 tpa is sufficient to meet ASM's current binding sales agreements for the KMP. ASM will consider when Phase 2 expansion to 3,600 tpa will occur to align with customer demand.

Page 6 of 16

<sup>&</sup>lt;sup>3</sup> Refer ASX Release 26 July 2023 'ASM signs three-way MOU with VTRE and Blackstone'.

<sup>&</sup>lt;sup>4</sup> Refer ASX Release 30 April 2023 'ASM signs binding agreement with Vietnam Rare Earth Company (VTRE) for metals plant feedstock supply'



Page 7 of 16

#### **Metallisation technology**

Production continued of copper titanium (CuTi) alloy samples using ASM's LK process in custom-sized moulds to a Korean customer's specifications during the Quarter. Ongoing production and technical collaboration with the customer continues.

During the Quarter, ASM continued development of its metallisation technology and finalised plans for the next phase of its development program. The next phase of the program will focus on applying the technology to dysprosium and terbium oxides and will commence in the next Quarter.



ASM CEO Rowena Smith (left) on site at the KMP with KMP Representative Director Mr Sung-lea Cho (right).

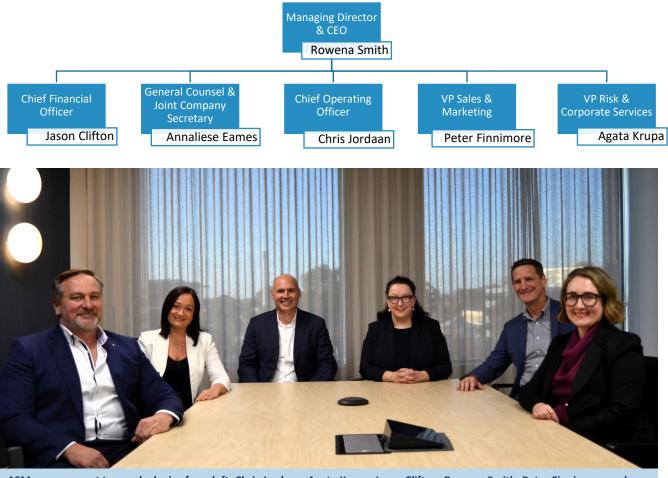


# CORPORATE

#### **COO appointment and management team**

On 21 August 2023, ASM announced the appointment of Mr Chris Jordaan as Chief Operating Officer with effect from 24 August. Mr Jordaan joins ASM with more than 30 years in operational and corporate leadership roles in the petrochemical, processing and mining industries in South Africa, Australia and Papua New Guinea. Prior to accepting the COO role, he was President and CEO of Superior Gold, a gold mining company listed on the Toronto Stock Exchange. He has also held senior leadership roles within Newcrest Mining, BHP and several South African based companies.

The chart below shows the current management team structure:



ASM management team, clockwise from left: Chris Jordaan, Agata Krupa, Jason Clifton, Rowena Smith, Peter Finnimore, and Annaliese Eames.

Mr Jason Clifton, ASM's CFO, has resigned from his position to take up a new, non-competing opportunity and will depart ASM on 10 November 2023. The recruitment process for Mr Clifton's replacement is underway and this position is expected to be filled in the next Quarter. In the interim, ASM's General Manager – Finance, Mr Steele Bromley, will serve as acting CFO.



Page 9 of 16

# ESG

ASM wants to leave a legacy that delivers enduring benefits to the communities and regions where it operates.

#### Carbon net zero approach

ASM supports the Task Force on Climate-related Financial Disclosures (TCFD) and the new International Financial Reporting Standards Standard 2 (IFRS S2) and will progressively apply their recommendations as the Company grows. ASM is committed to evaluating, assessing, and managing both physical (catastrophic and natural disaster events) and transition (low carbon economy) risks of climate change, recognising the stage of development of the Dubbo Project and operation of the KMP.

To demonstrate this commitment, ASM has initiated the development of a comprehensive roadmap to achieve carbon net zero by 2050. ASM has established targets for the KMP and the Dubbo Project to continuously improve its carbon footprint and sustainability efforts.

These targets are:

- KMP: Targeting carbon net zero for Scope 1 and Scope 2 emissions from commencement of operation.
- Dubbo Project:
  - Scope 1 targeting 40% reduction by 2030 and carbon net zero by 2050.
  - Scope 2 targeting carbon net zero by 2030, optimising the use of renewable energy.

During FY24, ASM will continue to work at developing ways to reduce Scope 1 and Scope 2 emissions or offset them where appropriate and will consider Scope 3 requirements.

Further information about ASM's targets and its plans to achieve them can be found in the <u>2023 Annual</u> <u>Report.</u>

Du	bbo Project GHG Ta	rgets	
2	030	2040	2050
	Scope 1 - 40% Emissions Reduction (Alignment with NSW Government Net Zero Plan Stage 1: 2020 - 2030) Scope 2 - Net Zero optimising the use of renewable energy	Scope 1 - Target currently in development	Scope 1 - Net Zero
	rean Metals Plant G	<u> </u>	
	023 Scope 1 and Scope 2 - Net Zero	2040 35% ele	ctricity from renewables



Page 10 of 16

#### KMP Scope 1 and Scope 2 emissions achieved carbon net zero

In support of ASM's target of carbon net zero for Scope 1 and Scope 2 emissions from commencement of operation, during the Quarter, our FY23 Scope 1 and Scope 2 emissions at KMP were fully offset via the purchase of 1,127 tonnes of GHG emissions carbon credits. The carbon credits were invested in a local South Korean project by Hyundai Greenpower Co. Ltd, Steel Waste Energy Co-generation Project (Steel). The project utilises surplus waste gases produced by Steel to generate electricity, which would otherwise be emitted into the atmosphere after incineration.



The team at the KMP participated in a sustainable energy campaign in August.



## COMMUNITY

ASM is committed to establishing strong and positive relationships with the communities where we operate. We want to work together to build resilient communities and return a positive, lasting legacy.

#### **Aspire Program**

During the Quarter, ASM participated in the Dubbo ASPIRE careers event, an AISNSW (Association of Independent Schools of NSW) supported collaboration of three Dubbo schools: Central West Leadership Academy, Dubbo Christian School, and Macquarie Anglican Grammar School.

ASM's General Manager, NSW, Mike Sutherland attended the event to provide information to the students about the Dubbo Project and Toongi ore deposit, as well as the types of roles and skills that will be required at the project once operational. Participation in this event provided an opportunity for ASM to engage with the community, showcase the Dubbo Project and highlight the new career paths that would be created in the Dubbo region.

#### **Cross Cultural Carnivale**

In September, ASM supported the Cross Cultural Carnivale held at the Dubbo Showground. The event featured international music, food and dance, promotes the growing multicultural community in Dubbo and seeks to encourage cross



ASM participated in the ASPIRE Careers event in September.

Page **11** of **16** 

cultural understanding. ASM welcomes the celebration of the cultural expansion and diversity of the Dubbo community.



ASM was a proud sponsor of the annual Dubbo Cross Cultural Carnivale.



Page 12 of 16

# **MARKET OUTLOOK**

News of the European Commission's anti-subsidy investigation against the import of electric vehicles (**EVs**) made in China was greeted positively, as Ursula von der Leyen moved to address the distortions inherent in current supply chains for critical minerals. A comprehensive account of both the hard and soft subsidies that exist throughout the rare earth supply chain in China that has allowed the country to establish a monopolistic position in the industry can be found in the recently released report entitled 'China's Rare Earth Subsidies and Structural Advantages'. The action in Europe comes at a time when EV car registrations globally have seen a 40%<sup>5</sup> year-to-date rise in the first six months of 2023, while magnet deployment has increased by 53% as loadings per vehicle rise with the trend for larger models.

#### NdFeB

Prices for high performance NdFeB alloy grades rose on average by 1.25% from June. Meanwhile prices for rare earth oxides also rose during the period following news that China's Ministry of Industry and Information Technology has reduced the growth rate of production quota increases from the first half of the year. As such, both mining and smelting will be allowed to increase by only 14% year-on-year (YOY) in H2 2023, compared to a rise of 19% and 18% respectively YOY between January and June.

#### Zirconia

Zirconia prices stabilised between \$6,050 – 6,100/t in September, halting the price erosion witnessed in the five months since the end of the first Quarter<sup>6</sup>. At the Zircon Industry Association Conference held last month, consultancy TZMI noted that despite headwinds from rising energy costs and COVID containment policies in China that saw demand fall by 7% YOY in 2022, the zircon market was nevertheless in a small deficit for the calendar year. While recent consumption in China and Europe has been sluggish, prices for Australian 66% zircon sands – the dominant raw material feed for the production of zirconia – have remained at record highs around \$2,300/t.

#### Hafnium

Spot hafnium metal prices have plateaued close to record highs, finishing the Quarter at \$6,800/kg. While there is the possibility that the sharp run up in prices seen over the last 12 months might spur an increase in substitution, we believe that hafnium is relatively well positioned compared to other metals in this respect. With the largest segment of demand deriving from hafnium's usage in aerospace engines, where lifecycles extend to decades, manufacturers will typically look through short-term price volatility. Additionally, the metal's unique properties in fast growing fine ceramics applications also act as a deterrent.

<sup>&</sup>lt;sup>5</sup> All figures for rare earths, NdFeB alloys and EVs are from/derived from Adamas Intelligence

<sup>&</sup>lt;sup>6</sup> All figures for zirconia and hafnia are from/derived from Argus Metals



# FINANCE

#### Cash

ASM's cash position as at 30 September 2023 was \$52.4M. The following waterfall chart highlights cash movements during the quarter including:

- \$2.7M of investment in the Dubbo Project including the EPDC work by HEC and the purchase of engineering and metallurgical services.
- \$2.3M received from ATO in relation to the Dubbo Project Research and Development (R&D) activities.
- \$2.5M of business costs relating to business development, marketing and administration.
- \$1.3M of Korean expenditure principally relating to inventory, administrative and personnel costs net of Korean Government grant funding and sales.



### **Banking facilities**

During the Quarter ended 30 June 2022, the Group executed two loan facilities totalling ₩22 billion Korean Won with Korea Development Bank and drew down ₩15 billion on the industrial operating expense facility which is repayable on or before 10 June 2024 in one bullet repayment.

At 30 June 2023, the Group had bank debt totalling ₩15 billion (A\$17.2M), with ₩7 billion (A\$8.0M) remaining in undrawn facilities, please refer to item 7 in Appendix 5B for further details.





# **MINING TENEMENTS**

Australian Strategic Materials Limited confirms the following information as of 30 September 2023 (as required by ASX Listing Rule 5.3.3).

Tenements	Mining tenements acquired	Mining tenements disposed	Mining tenements held at	Tenement
	during the quarter	of during the quarter	the end of the quarter	location
EL 5548	N/A	N/A	100%	Dubbo NSW
EL 7631	N/A	N/A	100%	Dubbo NSW
ML 1724	N/A	N/A	100%	Dubbo NSW

No exploration or other mining activities have occurred for the Quarter (as required by ASX Listing Rule 5.3.1).

 	 Page <b>14</b> of <b>16</b>
	$(A_1,\dots,A_{n-1},A_{n-$



#### **Forward looking statements**

This report contains certain statements which constitute "forward looking statements". Often, but not always, forward looking statements can generally be identified by the use of forward looking words such as "may", "will", "expect", "plan", "believes", "estimate", "anticipate", "outlook" and "guidance", or similar expressions, and may include, without limitation, statements regarding plans; strategies and objectives of management; anticipated production and production potential; estimates of future capital expenditure or construction commencement dates; expected costs or production outputs; estimates of future product supply, demand and consumption; statements regarding future product prices; and statements regarding the expectation of future Mineral Resources and Ore Reserves.

While these forward-looking statements reflect the Company's expectations at the date of this report, they are not guarantees or predictions of future performance or statements of fact. The information is based on the Company forecasts and as such is subject to variation related to, but not restricted to, economic, market demand/supply and competitive factors.

Forward looking statements are only predictions and are subject to known and unknown risks, uncertainties, assumptions, and other important factors that could cause the actual results, performances or achievements of the Company to differ materially from future results, performances or achievements expressed, projected or implied by such forward looking statements.

Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date thereof. Except as required by applicable laws or regulations, the Company does not undertake to publicly update or review any forward-looking statements, whether as a result of new information or future events. The Company cautions against reliance on any forward-looking statements or guidance, particularly in light of the current economic climate and the significant volatility, uncertainty and disruption arising in connection with COVID 19.

Information on likely developments in the Company's business strategies, prospects and operations for future financial years and the expected results that could result in unreasonable prejudice to the Company (for example, information that is commercially sensitive, confidential or could give a third party a commercial advantage) has not been included below in this report. The categories of information omitted include forward looking estimates and projections prepared for internal management purposes, information regarding the Company's operations and projects, which are developing and susceptible to change, and information relating to commercial contracts.

This ASX announcement was authorised on behalf of the ASM Board by: Rowena Smith, Managing Director & CEO.

#### Page 15 of 16



# **APPENDIX 5B**

# Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Australian Strategic Materials Ltd

ABN

90 168 368 401

Quarter ended ("current quarter")

30 September 2023

Con	solidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	1,856	1,856
1.2	Payments for		
	(a) exploration & evaluation	-	-
	(b) development	-	-
	(c) production	(849)	(849)
	(d) staff costs	(3,807)	(3,807)
	(e) administration and corporate costs	(2,016)	(2,016)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	546	546
1.5	Interest and other costs of finance paid	(4)	(4)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	567	567
1.8	Other (provide details if material)	328	328
1.9	Net cash from / (used in) operating activities	(3,379)	(3,379)

2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	
	(b) tenements	-	
	(c) property, plant and equipment	(541)	(54
	(d) exploration & evaluation	(2,362)	(2,36
	(e) investments	-	
	(f) other non-current assets	(108)	(10

ASX Listing Rules Appendix 5B (17/07/20) + See chapter 19 of the ASX Listing Rules for defined terms.

Page 1



Con	solidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
	R&D tax incentive	2,301	2,301
	Payments for biological assets	(88)	(88)
2.6	Net cash from / (used in) investing activities	(798)	(798)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)*	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	(186)	(186)
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	(186)	(186)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	56,655	56,655
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(3,379)	(3,379)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(798)	(798)

# ASX Listing Rules Appendix 5B (17/07/20) + See chapter 19 of the ASX Listing Rules for defined terms. Page 2



Con	solidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(186)	(186)
4.5	Effect of movement in exchange rates on cash held	145	145
4.6	Cash and cash equivalents at end of period	52,437	52,437

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	11,937	16,155
5.2	Call deposits	40,500	40,500
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	52,437	56,655

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	381
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
Directo	the quarter ended 30 September 2023, item 6.1 cash payments totalled \$381,000. The or's fees, travel, consulting and superannuation. Other related parties' payments include rces Limited for personnel and office services.	



7.	arrangements availa Add notes as neces	ity' includes all forms of financing	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities		17,213	17,213
7.2	Credit standby a	arrangements	-	-
7.3	Other (please sp	pecify)	-	-
7.4	Total financing	facilities	-	-
7.5	Unused financi	ing facilities available at q	uarter end	8,033
		ox below a description of ea		
	rate, maturity da facilities have be include a note p The Group holds tw Industrial Facility for	te and whether it is secured een entered into or are prop roviding details of those fac vo Korean Won (₩) loan facilities w r operating and capital expenditure ch facility is outlined below:	d or unsecured. If any add bosed to be entered into a cilities as well. with Korea Development Bank in	Jitional financing fter quarter end, n South Korea. Firstly, an
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	rate, maturity da facilities have be include a note p The Group holds tw Industrial Facility for	Ate and whether it is secured een entered into or are prop roviding details of those fac to Korean Won (₩) loan facilities of r operating and capital expenditure ch facility is outlined below:	d or unsecured. If any add bosed to be entered into a cilities as well. with Korea Development Bank in e and secondly an Overdraft Fac	Jitional financing fter quarter end, n South Korea. Firstly, an cility for the Korean Metals
	rate, maturity da facilities have be include a note p The Group holds tw Industrial Facility for Plant. Details of eac	Ate and whether it is secured een entered into or are prop roviding details of those fac to Korean Won (#) loan facilities w r operating and capital expenditure ch facility is outlined below: Industrial Facility - Opex # 15,000,000,000 # 15,000,000	d or unsecured. If any add bosed to be entered into a cilities as well. with Korea Development Bank in e and secondly an Overdraft Fac Industrial Facility - Capex ₩ 4,000,000,000 Undrawn	Jitional financing fter quarter end, <i>n South Korea. Firstly, an</i> <i>cility for the Korean Metals</i> Overdraft Facility ₩ 3,000,000,000 Undrawn
	rate, maturity da facilities have be include a note p The Group holds tw Industrial Facility for Plant. Details of eac Facility amount	Ate and whether it is secured een entered into or are prop roviding details of those fac to Korean Won (₩) loan facilities w r operating and capital expenditure ch facility is outlined below: Industrial Facility - Opex ₩ 15,000,000,000	d or unsecured. If any add bosed to be entered into a cilities as well. with Korea Development Bank in e and secondly an Overdraft Fac Industrial Facility - Capex ₩ 4,000,000,000	Jitional financing fter quarter end, n South Korea. Firstly, an cility for the Korean Metals Overdraft Facility ₩ 3,000,000,000
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	rate, maturity da facilities have be include a note pr <i>The Group holds tw</i> <i>Industrial Facility for</i> <i>Plant. Details of eac</i> Facility amount Amount drawn Repayment date	ate and whether it is secured een entered into or are prop roviding details of those fac to Korean Won (₩) loan facilities of r operating and capital expenditure ch facility is outlined below: Industrial Facility - Opex ₩ 15,000,000,000 ₩ 15,000,000,000	d or unsecured. If any add bosed to be entered into a bilities as well. with Korea Development Bank in e and secondly an Overdraft Fac Industrial Facility - Capex \\$\\$4,000,000 Undrawn Quarterly repayments for 5 years commencing from date of loan draw down.	Jitional financing fter quarter end, In South Korea. Firstly, an cility for the Korean Metals Overdraft Facility ₩ 3,000,000,000 Undrawn 2 years from date of loan draw down.



	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(3,379)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(2,362)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(5,741)
8.4	Cash and cash equivalents at quarter end (item 4.6)	52,437
8.5	Unused finance facilities available at quarter end (item 7.5)	8,033
8.6	Total available funding (item 8.4 + item 8.5)	60,470
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	10.5
8.8	Note: if the entity has reported positive relevant outgoings (i.e. a net cash inflo "N/A". Otherwise, a figure for the estimated quarters of funding available must be	e included in item 8.7.
	It itom 8 / is loss than 9 guartare placed provide answers to the	following questions:
0.0	If item 8.7 is less than 2 quarters, please provide answers to the 8.8.1 Does the entity expect that it will continue to have the cu	0
0.0		0
0.0	8.8.1 Does the entity expect that it will continue to have the cu cash flows for the time being and, if not, why not?	rrent level of net operating e any steps, to raise further
0.0	<ul> <li>8.8.1 Does the entity expect that it will continue to have the cucash flows for the time being and, if not, why not?</li> <li>Answer: N/A</li> <li>8.8.2 Has the entity taken any steps, or does it propose to take cash to fund its operations and, if so, what are those steps</li> </ul>	rrent level of net operating e any steps, to raise further
0.0	<ul> <li>8.8.1 Does the entity expect that it will continue to have the cucash flows for the time being and, if not, why not?</li> <li>Answer: N/A</li> <li>8.8.2 Has the entity taken any steps, or does it propose to take cash to fund its operations and, if so, what are those step believe that they will be successful?</li> </ul>	rrent level of net operating e any steps, to raise further ps and how likely does it
0.0	<ul> <li>8.8.1 Does the entity expect that it will continue to have the curcash flows for the time being and, if not, why not?</li> <li>Answer: N/A</li> <li>8.8.2 Has the entity taken any steps, or does it propose to take cash to fund its operations and, if so, what are those stepelieve that they will be successful?</li> <li>Answer: N/A</li> <li>8.8.3 Does the entity expect to be able to continue its operation</li> </ul>	rrent level of net operating e any steps, to raise further ps and how likely does it



#### **Compliance statement**

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 31 October 2023.....

Authorised by: The Board of Directors

(Name of body or officer authorising release - see note 4)

#### Notes

- 1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
- 2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
- 3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
- 4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee e.g. Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
- 5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.