Rare Earths.
Critical Minerals.
High-tech Metals.

ASX Release

30 July 2026

Quarterly Activities Report to 30 June 2026

Australian Strategic Materials (ASM or the Company) (ASX: ASM) is pleased to provide its Quarterly Activities Report to 30 June 2026 (the Quarter). The Company has continued to progress its strategic objectives, in line with its mine to metals strategy and the proposed transformational transaction with Energy Fuels Inc.

Highlights

- **Rare earth metal and alloy production continues to increase**
  The Korean Metals Plant (KMP) dispatched ~45 tonnes of NdFeB alloy and NdPr metal, with total production increasing for the second quarter in a row.
- **Facility expansion to 3,600tpa nameplate capacity**
  Installation of eight new furnaces at the KMP completed, progressing Phase 2 expansion activities.
- **Scaling-up heavy rare earth metal development**
  Commissioning of next-generation pilot-scale HRE metallisation furnace continued, supporting the development of terbium and dysprosium production.
- **MREP pathway offers simpler and lower cost route to production at Dubbo Project**
  Mixed rare earth precipitate (MREP) product pathway further examined to inform comprehensive Heap Leach Option pre-feasibility study.

Post Quarter activities

- On Tuesday, 28 July 2026, ASM announced to ASX that the Federal Court of Australia made orders approving dispatch of the supplementary explanatory statement to the Scheme Booklet which contains additional and updated information relevant to the Schemes (**Supplementary Scheme Booklet**) to ASM Securityholders and rescheduling the Scheme Meetings to Wednesday, 12 August 2026. ASM Securityholders should have regard to the Supplementary Scheme Booklet for further information in respect of the Schemes.[1]

Commentary from ASM Managing Director and CEO, Rowena Smith:

"Our work during the Quarter was driven by three parallel objectives: progressing the Schemes with Energy Fuels, continued production ramp-up and expansion at the Korean Metals Plant (**KMP**), and progress of the Heap Leach Option pre-feasibility study (**PFS**) at the Dubbo Project.

[1]Refer to ASX Release, 27 July 2026: Court approves revised Scheme Meetings and Dispatch of Supplementary Scheme Booklet.

"Highlighting the rapidly evolving nature of the rare earth sector, particularly in the US, our timeline for implementation of the Schemes was postponed due to two material announcements from Energy Fuels during the Quarter. The first was an announcement regarding a conditional US$725 million financing commitment received by Energy Fuels from the U.S. Office of Strategic Capital (**OSC**) (the **Conditional OSC Financing**),[2] which would support the planned expansion of Energy Fuels' critical minerals processing capabilities at its White Mesa Mill in Utah, as well as a planned rare earth metals and alloy facility to be constructed in the US.

"The second was an announcement regarding a definitive agreement entered into by Energy Fuels for the proposed acquisition of 100% of Ara VAC Dutch TopCo, Ara VAC US TopCo, and their respective consolidated subsidiaries, including Vacuumschmelze GmbH & Co. KG (collectively, **VAC**) (the **VAC Merger**).[3], bringing together Energy Fuels' upstream REE assets with VAC's downstream REE magnet manufacturing expertise. This announcement also provided an update regarding a US$250 million senior secured term loan facility commitment received from Goldman Sachs Bank USA (the **Senior Secured Term Loan Facility**).[4]

"The VAC Merger, the Conditional OSC Financing and the Senior Secured Term Loan Facility (together, **the Energy Fuels Updates**) are significant developments which, as a result of the ASM Board determined to postpone the Scheme Meetings so that supplementary information could be provided to ASM Securityholders in a Supplementary Scheme Booklet.

"I am pleased to note the Supplementary Scheme Booklet was approved by the Federal Court of Australia for dispatch to ASM Securityholders on 27 July 2026.[5] The rescheduled Scheme Meetings are now set for 12 August 2026 and implementation of the Schemes is targeted for 28 August 2026.

"The combination of ASM and Energy Fuels remains an attractive opportunity to deliver immediate and certain value for ASM Securityholders, while also enabling ASM Shareholders to retain meaningful exposure to future upside through continued ownership in a significantly larger, better capitalised and more vertically integrated critical materials group. With the proposed acquisition of VAC – a company that has produced and shipped more than one billion rare earth permanent magnets over the past decade – the Enlarged Combined Company has the potential to become a fully integrated Western mine-to-magnet rare earth platform with geographically diversified commercial capabilities across every critical step of the rare earths value chain.

"In light of the Energy Fuels Updates, the Independent Expert has reviewed ASM's Supplementary Scheme Booklet and continues to conclude that the Schemes are fair and reasonable and in the best interests of ASM Securityholders, in the absence of a Superior Proposal (as defined in the SID). The ASM Board continues to unanimously recommend that ASM Securityholders vote in favour of the Schemes.[6]

[2] Refer to Energy Fuels announcement, 18 June 2026: Energy Fuels Receives Conditional U.S. Government Support to Accelerate Growth in Rare Earths and Critical Materials; see also section 5.2 of the Supplementary Scheme Booklet.
[3] Refer to Energy Fuels announcement, 23 June 2026: Energy Fuels Announces Definitive Agreement to Acquire VAC for $1.9 Billion Equity Value; see also section 5.2 of the Supplementary Scheme Booklet.
[4] Refer to Energy Fuels announcement, 23 June 2026: Energy Fuels Announces Definitive Agreement to Acquire VAC for $1.9 Billion Equity Value; see also section 5.3 of the Supplementary Scheme Booklet.
[5] Refer to ASX Release, 27 July 2026: Court approves revised Scheme Meetings and Dispatch of Supplementary Scheme Booklet.
[6] ASM Shareholders should have regard to the interests of ASM Directors in the outcome of the Schemes, the details of which are described in the Letter from the Chair of ASM, and sections 10.2, 10.3 and 10.4 of the Scheme Booklet and supplemented by the Letter from the Chair of ASM and section 8.4 of the Supplementary Scheme Booklet.

"I encourage all ASM Securityholders to review the Scheme Booklet and Supplementary Scheme Booklet disclosure carefully and in full.

"Away from the Schemes, we continued to build on our operational momentum. At the KMP, we dispatched ~36 tonnes of NdFeB alloy and ~9 tonnes of NdPr metal; while our Phase 2 expansion work moved us closer to increasing nameplate production capacity to 3,600 tpa of NdFeB alloy.

"At the Dubbo Project, the Heap Leach Option PFS progressed both the separated rare earth oxide product pathway and the mixed rare earth hydroxide precipitate (**MREP**) pathway. The MREP work so far has shown that it can offer a simpler and lower cost route to production, and we intend to prosecute both these pathways, in full, to ensure the final PFS delivers the most economically viable and strategically relevant project in a fast-moving rare earths environment.

"The Quarter also reinforced ASM's standing internationally, and the integral role the Company can play in an alternative critical materials market. At the G7 Critical Minerals Investment Forum in June, I had the privilege of representing ASM as part of Australia's industry delegation.

"Having participated in this collaborative forum and put ASM's name to the 'Joint Statement on accelerating investment for critical minerals projects in G7 countries and like-minded partners', I continue to be buoyed by the trajectory of our industry and the seriousness with which the critical minerals supply chain challenge is being addressed.

"The fact ASM had a seat at the table reflects the capability and know-how we bring to delivering a secure and sustainable solution. As part of the Energy Fuels Combined Company, I believe our impact will be even greater.

"As we continue with the important work ahead – with both the Energy Fuels transaction and in our operations – I would like to thank ASM Securityholders for their ongoing support."

Rowena Smith (third from left) with the Australia industry delegation that participated in the G7 Critical Minerals Investment Forum.

METALS & ALLOYS

ASM's mine to metals strategy extends into the production of high-tech metals and alloys required for advanced manufacturing, clean energy technologies, and defence and aerospace applications. ASM's first metallisation plant was established in South Korea in 2022. It is one of the few facilities outside China producing rare earth metals and alloys.

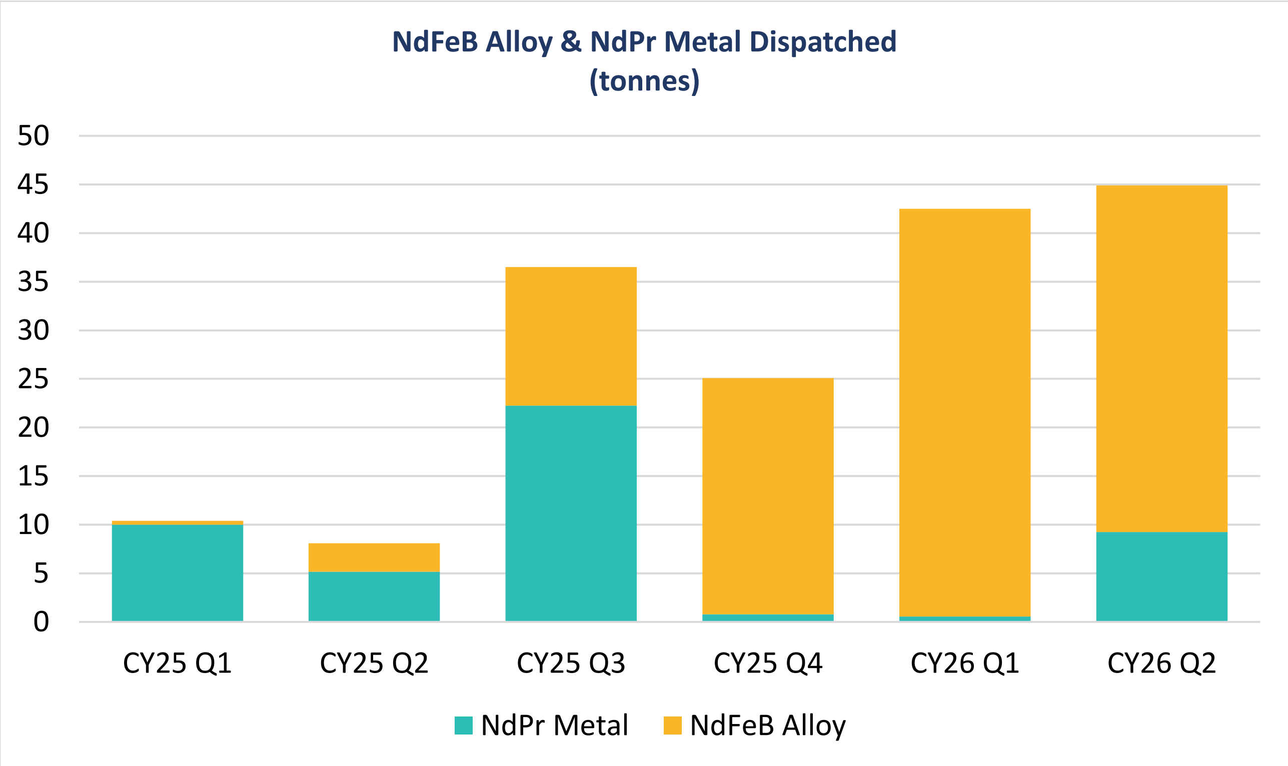
Korean Metals Plant

Safety

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

Production

Total production volumes at the KMP increased during the Quarter, with ~45 tonnes of metal and alloy dispatched – up ~2.5 tonnes from the previous Quarter. NdFeB alloy remained the KMP's primary output, while NdPr metal volumes increased as planned – with material delivered under the tolling agreement announced in the previous quarter.



NdFeB strip alloy & NdPr metal

The KMP dispatched ~36 tonnes of neodymium iron boron (**NdFeB**) strip alloy during the Quarter, compared to ~42 tonnes dispatched in Q1 2026. Customers included Noveon Magnetics Inc (**Noveon**), USA Rare Earth (**USARE**) and Vacuumschmelze (**VAC**), all under existing agreements.

In the previous quarter, ASM announced an order for the sale of 84 tonnes of NdFeB alloy with an existing customer, to be delivered over the remainder of calendar year 2026 (**CY26**). During the Quarter, ASM was advised delivery volumes during CY26 would be reduced to 50 tonnes, to align with end customer requirements. ASM continues to work positively with its customer in support of this order and other production requirements.

The outlook for NdFeB alloy dispatch volumes at the KMP remains positive, with contracted future deliveries and new customer opportunities continuing to be developed. NdFeB alloy was dispatched to seven customers across the US and Europe reflecting a growing magnet manufacturing industry in these jurisdictions, seeking an alternative, secure and sustainable source of rare earth materials.

ASM remains engaged in advanced discussions with both existing customers and prospective new counterparties regarding further NdFeB alloy sales.

During the Quarter, metal production and dispatch under the tolling agreement announced in Q1 2026 commenced as scheduled. Under the agreement, the KMP is processing customer-supplied feedstock into finished rare earth metal. In total, the KMP dispatched ~9 tonnes of neodymium-praseodymium (**NdPr**) and neodymium (**Nd**) metal, compared to ~0.6 tonnes in the previous quarter.

Expansion activities

Expansion of the KMP's furnaces, from four to 12, was completed during the Quarter, with furnace installation works finished as planned.

The new furnaces installed at the KMP will support the facility's ramp-up to a nameplate production capacity of 3,600tpa of alloy.

ASM has submitted an application for the operating permit for the newly installed furnaces, with approval expected this quarter.

In addition, as part of the Phase 2 expansion, civil works and crane installation for ASM's second strip caster is scheduled to commence this quarter, following completion of site clearance.

The Phase 2 expansion activities are positioning the KMP facility to increase its current NdFeB alloy nameplate production capacity to approximately 3,600 tonnes per annum, to meet growing global demand.

Heavy rare earth development

The metallisation of heavy rare earths terbium (**Tb**) and dysprosium (**Dy**) represents a critical gap in the development of a secure, reliable alternative rare earth supply chain. The KMP is one of the few facilities outside of China capable of producing these highly valuable metals – key ingredients that enable the production of high-performance permanent magnets capable of operating at extreme temperatures in applications across automotive, defence, aerospace and other critical industries.

Having successfully developed this metallisation capability in-house, ASM is committed to scaling up its production of these metals – positioning the Company for sustainable commercial production of heavy rare earth elements (**HRE**) over the long-term. Customer interest in secure, non-China supply of Tb and Dy remains strong.

During the Quarter, commissioning of the next-generation pilot-scale HRE metallisation furnace continued, with further engineering work identified to support reliable Tb and Dy metallisation. Completion of the required equipment upgrades and testing is targeted for Q3 2026, with the timing of production trials to be confirmed following testing. Learnings from the pilot program are also being incorporated into KSMT's design of a commercial-scale HRE metallisation furnace.

American Metals Plant

Strategic expansion

ASM's plan to establish a metals and alloys plant in the United States is well advanced. This expansion remains central to the strategy of the Combined Company of ASM and Energy Fuels, if the transaction is approved.

As set out in the Scheme Booklet, as supplemented by the Supplementary Scheme Booklet,[7] ASM's established technical expertise and intellectual property in rare earth metallisation and alloy production would provide the Combined Company with a strong foundation to expand downstream manufacturing capability in the US. Building on extensive technical work, permitting progress and stakeholder engagement already undertaken by ASM for its planned American Metals Plant (**AMP**), the Combined Company would be well-positioned to advance the development of a US-based facility for the production of rare earth metals and alloys with a nameplate capacity of up to 4,000tpa of alloy.

The AMP is expected to be supplied with rare earth oxides produced at Energy Fuels' Mill in Utah – the only facility in the US currently capable of separating monazite concentrates into both light and heavy rare earth oxides. This integration would enable the Combined Company to establish a fully domestic US downstream capability in rare earth metals and alloys, addressing a critical gap in the US supply chain where metallisation capacity is currently extremely limited. This capability would position the Combined Company to support the expanding US permanent magnet supply chain, providing a secure and scalable source of rare earth metals and alloys for advanced manufacturing, clean energy and defence applications.

During the Quarter, Energy Fuels announced it had received the Conditional OSC Financing.[8] The loan, with a tenor of 20 years, would support the planned expansion of the Company's critical minerals processing

[7] Refer to ASX Release, 18 May 2026: ASIC Registration of Energy Fuels Scheme Booklet.
[8] Refer to Energy Fuels announcement, 18 June 2026: Energy Fuels Receives Conditional U.S. Government Support to Accelerate Growth in Rare Earths and Critical Materials; see also section 5.2 of the Supplementary Scheme Booklet.

capabilities at its White Mesa Mill as well as a planned rare earth metals and alloy facility to be constructed in the US.

Subject to the Share Scheme being implemented before the end of August 2026, ASM anticipates that it would be in a position to finalise site selection and progress permitting for the AMP in the second half of calendar year 2026.[9]

[9] Subject to applicable permitting, financing, board approvals and market conditions.

MINING & REFINING

ASM's mine to metals strategy begins with the Dubbo Project in NSW, Australia – a globally significant resource of rare earths, zirconium, niobium and hafnium. The Dubbo Project will produce a range of high-purity oxides and chlorides, including neodymium, praseodymium, dysprosium and terbium, for further downstream processing into high-tech metals and alloys.

Dubbo Project

Rare Earth Options Assessment

The Rare Earth Options Assessment (**REOA**) has centred on the Heap Leach Option – a simplified, rare earth only processing approach identified as a potential accelerated, lower cost pathway to production at the Dubbo Project. Within the Heap Leach Option pre-feasibility study (**PFS**), ASM has been evaluating two potential development pathways:

- production of separated rare earth oxide products; and
- production of an intermediate mixed rare earth hydroxide precipitate (**MREP**).

The MREP pathway has introduced additional flexibility to the development strategy, with the potential to further streamline early project execution, reduce processing complexity and support earlier market entry.

During the Quarter, ASM progressed the PFS and continued to explore the potential of the MREP pathway. This work has delivered promising early results, demonstrating that the MREP pathway can offer a simpler and lower cost route to production than the separated rare earth oxide pathway. The MREP pathway eliminates processing equipment that would otherwise be required to produce separated oxide products on site. Based on preliminary estimates, this has the potential to reduce the Dubbo Project's overall capital cost by up to approximately A$200 million, from the A$740 million estimate set out in the Heap Leach Scoping Study. These estimates remain preliminary and subject to change as the PFS progresses.

The MREP pathway also offers ASM valuable optionality in the context of the Company's proposed transaction with Energy Fuels. Energy Fuels' existing rare earth processing capability, including its ability to undertake separation of mixed rare earth products into individual oxides at the White Mesa Mill in Utah is complementary to an MREP-based development of the Dubbo Project. While this approach has the potential to streamline the Dubbo Project's development pathway, it also retains the long-term potential for full value realisation from the resource.

For the purposes of the Heap Leach Option PFS, ASM intends to complete both product case options. ASM is targeting completion of both product case options and finalising the PFS in the second half of 2026.

IPCM program

The REOA work has been supported by funding from the Australian Government's International Partnerships in Critical Minerals (**IPCM**) program, granted in October 2024.[10]

[10] Refer to ASX release, 15 October 2024: ASM awarded A$5M Federal Government grant for Dubbo Project.

The work covered by this funding was completed during the Quarter and ASM is now finalising its report to the Department of Industry, Science and Resources.

ASM thanks the Australian Government for its support of this work, which has been instrumental in enabling the Company to progress the Dubbo Project's development pathway toward the most economically viable and strategically relevant outcome.

ESG

*ASM is establishing strong Environmental, Social and Governance (**ESG**) foundations in line with the growth of the business. We understand the importance of managing environmental impacts, respecting human rights, minimising greenhouse gas emissions, and supporting local communities. We want to leave a legacy that delivers enduring benefits to the communities and regions where we operate.*

ISO 45001 recertification audit

The KMP successfully completed its ISO 45001 recertification audit during the Quarter – the international standard for occupational health and safety (**OH&S**) management systems. The audit reviewed site and system operations, internal audits, management review, and compliance with applicable requirements. No non-conformities were identified.

Standing Committee on Primary Industries

The House of Representatives Standing Committee on Primary Industries (the **Committee**) adopted an inquiry into factors shaping social licence and economic development outcomes in critical minerals projects across Australia on 15 December 2025.

Having provided the Committee with a written submission, ASM was invited to give evidence at a public hearing held in Dubbo, New South Wales on 19 May 2026. ASM's Chief Legal and External Affairs Officer, Annaliese Eames, provided the Committee with an overview of the Dubbo Project, the work undertaken to develop the project, and how the Company is working effectively with local communities, Traditional Owners and other stakeholders to support and maintain its social licence.

From L-R: Wayne Dicinoski, ASM VP Operations Australia; Annaliese Eames, ASM Chief Legal & External Affairs Officer; Fergus Job, TPC General Manager Farming; Meryl Swanson MP, Chair of Standing Committee on Primary Industries; Jamie Chaffey MP, Committee Deputy Chair; and Matt Burnell MP, Committee Member.

On adjournment of the Public Hearing, Committee members Meryl Swanson MP (Chair), Jamie Chaffey MP (Deputy Chair) and Matt Burnell MP joined members of the ASM team for a tour of the Dubbo Project deposit.

As set out in the Company's submission[11] and at the public hearing[12], ASM is committed to creating long-term mutually beneficial relationships with the local community, governments and other stakeholders while developing the Dubbo Project and beyond its operations.

ASM welcomed the opportunity to engage with the Standing Committee on Primary Industries and contribute on this subject. The Company looks forward to the findings of the Inquiry.

Community Consultative Committee

A key initiative for ASM to facilitate local stakeholder engagement and maintain regular communication is its Community Consultative Committee (**CCC**). The CCC met during the Quarter, where committee members were provided with an update on development activities at the Dubbo Project, as well as the proposed acquisition of ASM by Energy Fuels.

Minutes from the meeting are available on the ASM website.

Dubbo Show

ASM and its wholly owned subsidiary Toongi Pastoral Company (**TPC**) were pleased to participate once again in the Annual Dubbo Show. Bringing together thousands of community members, the Show remains an important platform for ASM and TPC to engage and educate the community in the work the Company is conducting at the Dubbo Project, and the opportunities that it can offer local stakeholders.

[11] Standing Committee on Primary Industries: Inquiry submissions.
[12] Standing Committee on Primary Industries: Public hearings.

CORPORATE

ASM's corporate activities focus on securing the funding and strategic partnerships necessary to execute its mine to metals strategy. The Company maintains strong financial discipline while pursuing growth opportunities across its Australian and Korean operations and expanding into new markets.

Energy Fuels Transaction

On 21 January 2026, ASM announced it had entered into a binding Scheme Implementation Deed with Energy Fuels Inc.[13] On 13 March 2026, ASM announced that the Scheme Implementation Deed had been amended and restated (the **SID**).[14] In accordance with the SID, it is proposed that EFR Critical Materials Pty Ltd ACN 696 983 614, a wholly owned subsidiary of Energy Fuels, will acquire 100% of the fully paid ordinary shares of ASM by way of a members' scheme of arrangement (**Share Scheme**) and 100% of ASM's quoted options (ASX:ASMO) by way of a separate but concurrent creditors' scheme of arrangement (**Option Scheme**), both under Part 5.1 of the Corporations Act (together, the **Schemes**).

The consideration

The consideration to be provided by Energy Fuels to each holder of ASM Shares on the record date for the Share Scheme will be:

- an amount of A$0.13 cash; and
- 0.053 Energy Fuels CHESS Depository Interests (or 0.053 Energy Fuels fully paid common shares, if validly elected),

for each ASM Share.

The consideration to be provided by Energy Fuels to each holder of ASM Options on the record date for the Option Scheme will be A$0.50 cash for each ASM Option. There were no changes to the terms of the consideration structure under the Option Scheme as a result of ASM's announcement of 13 March 2026, or as a result of amendments to the terms of the Share Scheme or the SID.

Key developments during the Quarter regarding the Schemes

During the Quarter, ASM made a number of announcements to ASX in relation to the Schemes and dispatched the Scheme Booklet to ASM Securityholders. Additionally, in response to the release of the Energy Fuels Updates by Energy Fuels, ASM made additional announcements about the impact of the Energy Fuels Updates on the Schemes and the original timetable for implementation of the Schemes. As a result, the original date for the Scheme Meetings was postponed.

Supplementary Scheme Booklet

Subsequent to the end of the Quarter, ASM dispatched the Supplementary Scheme Booklet.[15] The Supplementary Scheme Booklet contains important additional information regarding developments since the dispatch of the Scheme Booklet (including in relation to the Energy Fuels Updates) and their implications for ASM Securityholders and the Schemes.

[13] Refer ASX Release, 21 January 2026: Energy Fuels to acquire ASM.
[14] Refer ASX Release, 13 March 2026: Update on Energy Fuels' acquisition of ASM.
[15] Refer to ASX Release, 27 July 2026: Court approves revised Scheme Meetings and Dispatch of Supplementary Scheme Booklet.

The Supplementary Scheme Booklet also includes a Replacement Independent Expert's Report and the revised timetable for the transaction, including the date for the postponed Scheme Meetings.

Revised timetable for the Schemes

The Share Scheme Meeting will now be held at 11.30am (AWST) on Wednesday, 12 August 2026 at Dexus Place Perth, Level M, 240 St Georges Terrace, Perth WA 6000.

The Option Scheme Meeting will now be held at the later of 12.00pm (AWST) on Wednesday, 12 August 2026 and the conclusion or adjournment of the Share Scheme Meeting, at the same location.

Please refer to the Important dates and times – Revised timetable section of the Supplementary Scheme Booklet for more details.

Replacement Independent Expert's Report

The Supplementary Scheme Booklet contains a replacement report, prepared by BDO Corporate Finance Australia Pty Ltd ABN 70 050 038 170 (**Independent Expert**), opining on whether the Schemes remain in the best interests of ASM Shareholders and ASM Optionholders (**Replacement Independent Expert's Report**) and a letter prepared by the Independent Expert that summarises the changes reflected in the Replacement Independent Expert's Report relative to the original Independent Expert's Report dated 12 May 2026 (**Summary Letter**).

The Independent Expert concluded in the Replacement Independent Expert's Report that:

- the Share Scheme is fair and reasonable and in the best interests of ASM Shareholders; and
- the Option Scheme is fair and reasonable and in the best interests of ASM Optionholders,

in each case, in the absence of a Superior Proposal (as defined in the SID).

A copy of the Summary Letter and the Replacement Independent Expert's Report are set out in Annex 1 of the Supplementary Scheme Booklet. ASM Securityholders should read the Replacement Independent Expert's Report in its entirety, and in replacement of the Independent Expert's Report dated 12 May 2026 and annexed to the Scheme Booklet.

No change to ASM Directors' Recommendation

After careful consideration of the Energy Fuels Updates and the additional information in the Supplementary Scheme Booklet, the ASM Directors continue to unanimously recommend that:

- ASM Shareholders vote in favour of the Share Scheme; and
- ASM Optionholders vote in favour of the Option Scheme,

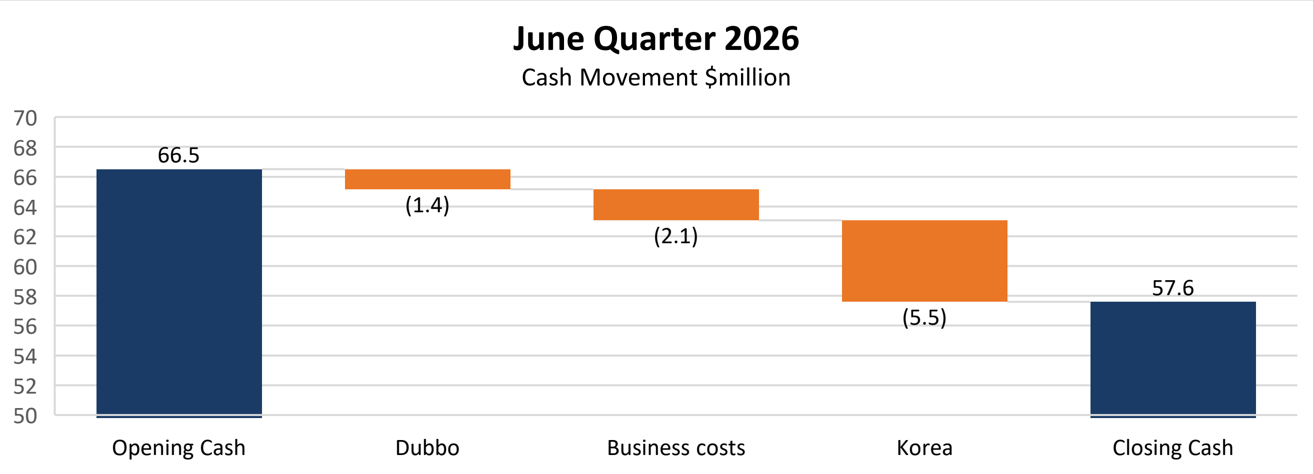
in each case in the absence of a Superior Proposal (as defined in the SID) and subject to the Independent Expert continuing to conclude that the Schemes are in the best interests of ASM Securityholders.[16]

[16]ASM Shareholders should have regard to the interests of ASM Directors in the outcome of the Schemes, the details of which are described in the Letter from the Chair of ASM, and sections 10.2, 10.3 and 10.4 of the Scheme Booklet and supplemented by the Letter from the Chair of ASM and section 8.4 of the Supplementary Scheme Booklet.

Cash

ASM's cash position as at 30 June 2026 was A$57.6 million. The following waterfall chart highlights cash movements during the Quarter, including:

- A$1.4 million investment in the Dubbo Project for the rare earths option assessment, including process engineering, metallurgical and drilling.
- A$2.1 million of business costs relating to business development, marketing and administration, including A$1.1 million related to the potential transaction with Energy Fuels.
- A$5.5 million of Korean expenditure is principally relating to equipment, inventory, administrative costs, and personnel costs, net of Korean Government grant funding and sales.



Banking facilities

During the Quarter ended 30 June 2026, the Group successfully refinanced the Hana Bank (**Hana**) loan facility, for another 12 months. For further details on the Hana loan facility, please refer to Appendix 5B, item 7.

Market outlook

The introduction of the Magnets Value Chain Support Act of 2026[17] on 9 June 2026 represents the first proposal under US federal legislation to directly support demand for domestically manufactured rare earth magnets, potentially offering tiered purchase credits of between US$5-40/kg depending on the level of processing. Qualified feedstock from partner countries, including South Korea and Australia, would also be eligible under the legislation.

While the bill is still at early stages in the legislative process, it has bipartisan support. At the top end of the scale, the US$30-40/kg available for advanced sintered NdFeB magnets containing heavy rare earths could make a significant difference in closing the price gap to China, noting this would only be available to those companies with access to HRE metallisation outside prohibited foreign entities. With an emerging capability in this area at the KMP, ASM is well positioned to take advantage should the bill pass through Congress.

NdFeB: Despite an uptick in April, prices across the rare earths complex moderated on average in Q2. Prices for light rare earth oxides outside China held at, or just above, the de facto floor of US$110/kg, while for

[17] Congress.gov: Magnets Value Chain Support Act of 2026.

heavy rare earths a lack of available material led to wide ranges between bids and offers. For magnet alloys the market strengthened in June after declining in May.

Zirconia: Zirconia prices continued their upward trend in Q2, rising by almost a third to end the period at US$2,805/t, their highest level since September 2022. Chinese export restrictions on yttrium have impacted Japanese companies' ability to make yttria-stabilised zirconia, used in electronics, industrial ceramics and dental materials. As such, zirconia is increasingly being used onshore as Chinese companies look to increase market share, limiting supply of associated raw materials to the international market.

Hafnium: Hafnium prices in Europe plateaued at record levels around US$13,750/kg between April and June. The market remains supply constrained due to Chinese export controls and the emergence of new end uses in advanced semiconductor manufacturing and next-generation computing technologies, where hafnium oxide is a critical high-k dielectric that prevents quantum tunnelling in transistors. These applications are competing for hafnium units with traditional demand segments in metal, which are used in nuclear control rods, industrial gas turbines and high-temperature aerospace superalloys.

Niobium: Niobium ingot prices also levelled off at record highs of US$122.5/kg supported by downstream demand from the electronics industry, as well as from the build out of data centers and broader AI-driven infrastructure investment requiring high-strength low alloy (**HSLA**) steels.

MINING TENEMENTS

Australian Strategic Materials Limited confirms the following information as at 30 June 2026 (as required by ASX Listing Rule 5.3.3).

Tenements	Mining tenements acquired during the quarter	Mining tenements disposed of during the quarter	Mining tenements held at the end of the quarter	Tenement 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).

GLOSSARY

AGM	Annual General Meeting
ANSTO	Australian Nuclear Science and Technology Organisation
ASM or **Company**	Australian Strategic Materials Limited
ASM Board	The board of directors of ASM
ASM Director	A member of the ASM Board
ASM Option	An option to acquire an ASM Share issued by ASM which has the ASX code ASMO.
ASM Option Register	The register of ASM Optionholders maintained in accordance with the Corporations Act.
ASM Optionholder	Each person who is registered as the holder of an ASM Option in the ASM Option Register
ASM Securityholder	An ASM Shareholder and/or ASM Optionholder (as applicable).
ASM Share	A fully paid ordinary share in the capital of ASM.
ASM Share Register	The register of members of ASM maintained in accordance with the Corporations Act.
ASM Shareholder	Each person who is registered as the holder of an ASM Share in the ASM Share Register.
Bechtel	Bechtel Australia Pty Ltd
CFO	Chief Financial Officer
Corporations Act	*Corporations Act 2001* (Cth)
CuTi	Copper titanium
CY	Calendar year
DoC	US Department of Commerce
DoW	US Department of War (Formerly Department of Defense)
DoE	US Department of Energy
ESG	Environmental, Social, Governance
EU	European Union
EV	Electric vehicle
FEED	Front-end engineering design
FID	Final investment decision
FY	Financial year
FeNb	Ferroniobium
FEOC	Foreign Entity of Concern
GHG	Greenhouse gas emissions
IMARC	International Mining and Resources Conference
IRA	Inflation Reduction Act
KCF	KCF Energy Co. Ltd
KMP	Korean Metals Plant
KSMM	Korean Strategic Materials Metals
KSMT	Korean Strategic Materials Technology
LoI	Letter of Interest
LTIFR	Lost time injury frequency rate
MAPP	Macquarie Agricultural Pathway Program
MREP	Mixed rare earth hydroxide precipitate
NDAA	National Authorization Act
Nd	Neodymium

NdFeB	Neodymium iron boron
NdPr	Neodymium praseodymium
NPI	Non-process infrastructure
REE	Rare earth element
SRSF	Solid residue storage facility
Ti	Titanium
TPC	Toongi Pastoral Company
TZMI	TZ Minerals International Pty Ltd
US EXIM	Export-Import Bank of the United States
ZBC	Zirconia basic carbonate
ZBS	Zirconia basic sulphate
ZrO2	Zirconia dioxide

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”, “should”, “could”, “may”, “will”, “predict”, “plan” “forecast”, “likely”, “future”, “project”, “opinion”, “opportunity”, “intend”, “target, “propose”, “to be”, “foresee”, “aim”, “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.

Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. 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.

A number of important factors could cause actual results or performance to differ materially from the forward-looking statements, including known and unknown risks. These factors may include but are not limited to, changes in commodity prices, foreign exchange fluctuations and general economic factors, increased capital costs and operating costs, the speculative nature of exploration and project development, general mining and development risks, closure and rehabilitation risks, changes to the regulatory framework within which the Group operates or may in the future operate, environmental conditions and environmental issues, and the recruitment and retention of key personnel, industrial relations issues and litigation. Forward-looking statements are only predictions and are subject to known and unknown risks, uncertainties, assumptions, and other important factors (many of which are outside the control of the Company) 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.

Forward-looking statements, opinions and estimates provided in this document are based on assumptions and contingencies that are subject to change without notice. There can be no assurance that actual outcomes will not differ materiality from these 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.

Information on likely developments in the Group’s business strategies, prospects and operations for future financial years and the expected results that could result in unreasonable prejudice to the Group (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.

Readers should consider the forward-looking statements contained in this report in light of those risks and disclosures. Neither the Group, nor any of its Directors, officers, employees, agents or advisers makes any representation or warranty, express or implied as to the accuracy, likelihood of achievement or reasonableness of any forward-looking statement contained in this report. Except as required by law or regulation (including the ASX Listing Rules), none of the Group, nor any of its Directors, officers, employees, agents or advisers undertakes any obligation to supplement, revise or update forward-looking statements or to publish prospective financial information in the future, regardless of whether new information, future events, results or other factors affect the information contained in this report.

This ASX announcement was authorised by the ASM Board.

- ENDS -

APPENDIX 5B

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

Name of entity

Australian Strategic Materials Ltd

ABN	Quarter ended ("current quarter")
90 168 368 401	30 June 2026

Consolidated statement of cash flows		Current quarter $A'000	Year to date (12 months) $A'000
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	3,937	11,534
1.2	Payments for		
	(a) exploration & evaluation	-	-
	(b) development	-	-
	(c) production	(6,186)	(11,802)
	(d) staff costs	(2,994)	(12,787)
	(e) administration and corporate costs	(2,336)	(11,619)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	772	1,910
1.5	Interest and other costs of finance paid	(12)	(39)
1.6	Income taxes received / (paid)	1	(13)
1.7	Government grants and tax incentives	114	1,604
1.8	Other (provide details if material)	143	620
1.9	**Net cash from / (used in) operating activities**	**(6,561)**	**(20,592)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	(1,088)	(3,465)
	(d) exploration & evaluation	(1,352)	(7,427)
	(e) investments	-	-
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter $A'000	Year to date (12 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	(9)	(61)
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
	Government grants and tax incentives	-	5,347
	Payments for biological assets	(89)	(89)
2.6	**Net cash from / (used in) investing activities**	**(2,538)**	**(5,695)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)*	-	80,023
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	4
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(20)	(4,067)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	(9,238)
3.7	Transaction costs related to loans and borrowings	(28)	(469)
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	**Net cash from / (used in) financing activities**	**(48)**	**66,253**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	66,510	19,013
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(6,561)	(20,592)

Consolidated statement of cash flows		Current quarter $A'000	Year to date (12 months) $A'000
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(2,538)	(5,695)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(48)	66,253
4.5	Effect of movement in exchange rates on cash held	239	(1,377)
4.6	**Cash and cash equivalents at end of period**	**57,602**	**57,602**

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	16,430	17,228
5.2	Call deposits	41,172	49,282
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)**	**57,602**	**66,510**

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	318
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

During the quarter ended 30 June 2026, item 6.1 cash payments totalled $318,000. These payments included Director's fees, travel, consulting and superannuation.

		Total facility amount at quarter end $A'000	Amount drawn at quarter end $A'000
7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*		
7.1	Loan facilities	2,821	2,821
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	**Total financing facilities**	-	-

7.5	**Unused financing facilities available at quarter end**	-

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

The Group holds one Korean Won (₩) loan facility with the Hana Bank in South Korea. Details of the facility are outlined below:

	Hana Bank Industrial Facility - Opex
Facility amount	₩ 3,000,000,000
Amount drawn	₩ 3,000,000,000
Repayment date	29 May 2027
Lender	Hana Bank
Interest	4.03% - 6 months variable KDB 6-month financial debenture rate (on date of transfer) + 1.028% pa.
Security	Unsecured

Loan facility is classified as a current liability in accordance with the terms and conditions.

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (item 1.9)	(6,561)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(1,352)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(7,913)
8.4	Cash and cash equivalents at quarter end (item 4.6)	57,602
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	57,602
8.7	**Estimated quarters of funding available (item 8.6 divided by item 8.3)**	7.3

Note: if the entity has reported positive relevant outgoings (i.e. a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.

8.8	If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
	8.8.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?
	Answer: N/A	
	8.8.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?
	Answer: N/A	
	8.8.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
	Answer: N/A	
	Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.	

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: 30 July 2026

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.