



Not for release to US wire services or for distribution in the United States

19 June 2025

Dear Shareholder

SHARE PURCHASE PLAN – LETTER TO ELIGIBLE SHAREHOLDERS

We write to you as a holder of fully paid ordinary shares (**Shares**) in the issued capital of Australian Strategic Materials Limited ACN 168 368 401 (ASX: ASM) (**ASM** or the **Company**) with a registered address in Australia or New Zealand as at 5:00pm (AWST) on Friday, 13 June 2025 (**Record Date**).

As anticipated by ASM's announcements on Monday, 16 June 2025, the Company is now undertaking an underwritten share purchase plan (**SPP**) pursuant to which the Company is giving each Eligible Shareholder (as defined below) the opportunity to apply to purchase up to A\$30,000 worth of Shares (**New Shares**), without incurring brokerage or other transaction costs. The issue price for each New Share is set at a 20% discount to the volume-weighted average market price (as defined in the ASX Listing Rules, **VWAP**) for Shares calculated over the last five days on which sales in Shares are recorded prior to the date on which the New Shares pursuant to the SPP are to be issued (**Issue Price**).

The SPP offer (**Offer**) is targeting to raise approximately A\$3 million (before costs), with the ability for the Company to accept oversubscriptions, on the SPP Terms & Conditions (**Terms & Conditions**) enclosed.¹ ASM's Board retains the right to scale back applications or to accept oversubscriptions.

As the Company announced to the ASX on 16 June 2025, the SPP is underwritten to A\$3 million (subject to the ASX Listing Rules) by Canaccord Genuity (Australia) Limited (ACN 075 071 466) who is acting as Lead Manager and Underwriter to the Offer (**Lead Manager**), subject to terms and conditions, including as summarised in section 11 of the Terms & Conditions.²

The underwriting (and any sub-underwriting) is proposed to occur within the Company's ASX Listing Rule 7.1 placement capacity.

It is not anticipated that the Offer (or its underwriting or any sub-underwriting) will have a material impact on the control of the Company.

The Offer is offered exclusively to eligible shareholders (including Custodians), being registered holders of Shares as at the Record Date:

- (a) with a registered address in Australia or New Zealand and not resident or located in the United States or any other jurisdiction outside of Australia and New Zealand; and
- (b) who meet certain other conditions as expressly prescribed in the Terms & Conditions,

(Eligible Shareholders).

On 16 June 2025 ASM also announced that following the conclusion of the SPP, ASM and the Lead Manager may, if they agree to proceed, undertake a top-up placement of Shares to sophisticated and professional investors, to potentially (subject to agreement and the level of Listing Rule 7.1 and 7.1A

¹ As part of qualifying for the exceptions from ASM shareholder approval of the SPP in the ASX Listing Rules, the number of New Shares to be issued under the Offer will not exceed 30% of the number of Shares already on issue.

² For the avoidance of doubt, the underwriting only relates to the targeted raise of approximately A\$3 million (before costs) pursuant to the Offer, not to any oversubscriptions pursuant to the Offer. In consideration for the Lead Manager's underwriting services, the Company has agreed to pay to the Lead Manager a cash fee of 6% of the proceeds of the SPP (plus GST), subject to certain potential investor exclusions. All sub-underwriting and selling fees to third parties will be met from this fee by the Lead Manager.

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ASM placement capacity available) raise up to approximately A\$2,000,000 (before costs) at the Issue Price per Share (**Placement**).³

Additionally, ASM's Chairman, Mr Ian Gandel (who holds 19.16% voting power in ASM) (and/or his nominee(s)), may subscribe for Shares pursuant to the Placement, subject to Shareholder approval, which subscription shall not exceed statutory limits under the *Corporations Act 2001* (Cth) (**Corporations Act**) (**Chair Participation**).

No agreements have been entered into for investors to subscribe for the Placement (including any related to the Chair Participation) and no forecast is made of whether any funds will be raised pursuant to those potential capital raisings. The Placement is not being offered pursuant to this document, and it is not proposed to be underwritten.

The Offer opens at 10:00 am (AWST) on Thursday, 19 June 2025 and is currently scheduled to close at **5:00pm (AWST) on Thursday, 17 July 2025**. The New Shares are expected to be issued on Thursday, 24 July 2025 and commence trading on the ASX on or around Friday, 25 July 2025.

The Offer is made in accordance with ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547 and therefore does not require a prospectus for the purposes of Chapter 6D of the Corporations Act.

Indicative Timetable

The indicative timetable for the Offer is detailed below:

| Details | Date |
|---|---|
| Record Date The date on which the Company determines Eligible Shareholders | 5:00 pm (AWST) on Friday, 13 June 2025 |
| Announcement of SPP | Monday, 16 June 2025 |
| Opening Date The date on which the Offer opens | 10:00 am (AWST) on Thursday, 19 June 2025 |
| Closing Date The date on which the Offer closes Application Monies must be received by 5.00pm (AWST) | 5:00 pm (AWST) on Thursday, 17 July 2025 |
| Announcement of SPP results | On or around Tuesday, 22 July 2025 |
| Issue Date The date New Shares are intended to be issued | Thursday, 24 July 2025 |
| Quotation of New Shares on ASX | Friday, 25 July 2025 |
| Despatch of Holding Statements | Friday, 25 July 2025 |

The above dates are indicative only and, subject to compliance with applicable law, may be changed at the Company's discretion. Any changes will be advised to shareholders.

Current Activities and Use of Funds

Further information on the Company's current activities is set out in the announcements made by ASM to the ASX and are available directly from the ASX website www.asx.com.au or the Company's website www.asm-au.com. The Company's ASX announcements which were announced to ASX on

³ If the Placement occurs, the Company will pay to the Lead Manager a cash fee for its services under the Placement, comprising a total of 6% (plus GST) of the funds to be raised under the Placement, subject to certain potential investor exclusions.

16 June 2025 detail the indicative use of funds potentially to be raised under the SPP and the Placement.

Important Information

The Offer is governed by the Terms & Conditions enclosed. The Board urges you to read the Terms & Conditions carefully and, in its entirety, together with announcements made by the Company to the ASX (including any announcements which may be made by ASM after publication of this document), before deciding whether to participate in the Offer.

If you are uncertain whether Shares are a suitable investment for you, you should consult your financial or other professional adviser. The Board recommends that you obtain your own financial advice in relation to the Offer and consider price movements of Shares in the Company prior to electing to participate in the Offer.

Actions required to participate in the SPP

Eligible Shareholders may apply to participate in the SPP by paying Application Monies in accordance with the instructions on their personalised Application Form. Eligible Shareholders can download their Personalised Application Form from the Automic Group portal via <https://investor.automic.com.au>. Payment is to be made via BPAY® (for Eligible Shareholders with an eligible Australian bank account). This is the fastest and easiest way to apply. EFT is available as a payment method (for holders who are unable to use BPAY).

To download your personalised Application Form, you have the following three choices:

| I already have an online account with the Automic share registry | I don't have an online account with Automic and wish to register for one | I don't have an online account with Automic and wish to use Automic for this Offer only |
|---|---|--|
| Visit https://investor.automic.com.au | | |
| <p>Sign in via 'Investor sign in'</p> <p>Once you have signed in, click on "Documents and Statements". Download the Application Form.</p> | <p>Select 'Register'</p> <p>Select ASM from the dropdown list in the ISSUER field.</p> <p>Enter your holder number SRN / HIN (from your latest Holding Statement). Enter a single identifying word from your holder name. Enter your Postcode (Australia) or Country of Residence (Outside Australia). Tick box "I am not a robot", then 'Next' and complete any prompts.</p> <p>Once you have signed in, click on "Documents and Statements". Download the Application Form.</p> | <p>Select 'Single Holding Access'</p> <p>Select ASM from the dropdown list in the ISSUER field.</p> <p>Enter your holder number SRN / HIN (from your latest Holding Statement). Enter a single identifying word from your holder name. Enter your Postcode (Australia) or Country of Residence (Outside Australia). Tick box "I am not a robot", then 'Next' and complete any prompts.</p> <p>Once you have signed in, click on "Documents and Statements". Download the Application Form.</p> |

As the issue price of New Shares offered under the Offer (i.e. the Issue Price) will be a 20% discount to the VWAP for Shares calculated over the last five days on which sales in Shares are recorded prior to the date on which the New Shares pursuant to the Offer are to be issued, the exact Issue Price is currently unknown and will not be known until the Issue Date for the Offer (after the SPP offer period has closed).

The following table shows the different amounts of Application Monies which may be paid to the Company to apply for New Shares under the Offer, and also shows examples of the number of New

Shares that would be issued for each amount of Application Monies if the Issue Price is A\$0.45, A\$0.55 or A\$0.65 (although this is just provided by way of example and is subject to change, as the actual amount (in Australian currency) of the Issue Price has not yet been determined and therefore the actual number of New Shares has not been determined):

| | Application Monies (A\$) | Number of New Shares if the Issue Price is A\$0.45 | Number of New Shares if the Issue Price is A\$0.55 | Number of New Shares if the Issue Price is A\$0.65 |
|----------|--------------------------|--|--|--|
| Parcel A | A\$30,000 | 66,666 | 54,545 | 46,153 |
| Parcel B | A\$25,000 | 55,555 | 45,454 | 38,461 |
| Parcel C | A\$20,000 | 44,444 | 36,363 | 30,769 |
| Parcel D | A\$15,000 | 33,333 | 27,272 | 23,076 |
| Parcel E | A\$10,000 | 22,222 | 18,181 | 15,384 |
| Parcel F | A\$5,000 | 11,111 | 9,090 | 7,692 |
| Parcel G | A\$2,000 | 4,444 | 3,636 | 3,076 |

No forecast is made of what the actual amount of the Issue Price, or the number of New Shares to be issued, will be in actuality.

If you are unable to access the Automic Group portal to download your Application Form, please contact Automic Group via the Shareholder Information Line on 1300 293 325 (within Australia) or +61 2 8072 1454 (outside of Australia) between 8.30am and 7.00pm (AEST), Monday to Friday, to obtain this document accompanied by a personalised Application Form. You will need to provide your registration details and SRN or HIN (from your latest Holding Statement) to complete this request.

You should be aware that your own financial institution may implement earlier cut-off times for electronic payments, and you should therefore take this into consideration when making a payment. ASM also reserves the right to close the Offer early or extend the Offer in its discretion. Eligible Shareholders who wish to participate in the SPP are therefore encouraged to apply early.

If you are a 'custodian', you may be required to submit a custodian certificate to the Company in order to participate on behalf of any beneficiaries. Please refer to the Terms & Conditions for further details.

Queries and further information

If you have any questions in relation to how to participate in the SPP, please contact ASM's Share Registry, Automic Group from 8.30am and 7.00pm (AEST) Monday to Friday using the Shareholder Information Line contact details above.

Thank you for your continuing support as a valued shareholder.

Yours faithfully



Rowena Smith
Managing Director and CEO
Australian Strategic Materials Limited



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SHARE PURCHASE PLAN

IMPORTANT NOTICES

General

This document is dated 19 June 2025.

This document is not a prospectus and has not been lodged with ASIC. Accordingly, this document does not contain all the information that an investor would find in a prospectus or which may be required in order to make an informed investment decision regarding whether or not to invest in the New Shares offered by this document.

This document is important and requires your immediate attention. It should be read in its entirety, along with the Company's ASX announcements (without limitation), including any announcements which may be made by ASM after publication of this document. If you do not understand or are in doubt about the contents of this document, or the action you should take, you should consult your financial or other professional adviser without delay.

The market price of Shares may rise or fall between the date of this document and the date the Company issues New Shares. Accordingly, the value of New Shares applied for is likely to rise or fall. In addition, fluctuations in the market price of Shares means that up to or after the date on which the Company issues New Shares to you, you may be able to buy Shares on the market at a lower price than the Issue Price. The amount (in Australia currency) of the Issue Price will not be known until the Issue Date, or after ASX market closing on the last trading day prior to the Issue Date, (i.e. after the Closing Date). This is because the Issue Price is set at a 20% discount to the VWAP for Shares calculated over the last five days on which sales in Shares are recorded prior to the date on which the New Shares pursuant to the Offer are to be issued. The Company and its Directors do not offer any recommendation or advice regarding participation in the Offer.

Holding securities in the Company is a speculative form of investment and the future price of Shares may rise or fall depending on, amongst other things, the prospects of the Company's interests in mineral projects, the Company's financial performance and financial position, economic factors and fluctuations on the stock market generally.

After the issue of New Shares, the value of these New Shares will fluctuate over time and may trade below the Issue Price.

The information contained in this document is not financial product advice and does not take into account the investment objectives, financial situation or particular needs (including financial and tax issues) of any Eligible Shareholder. This document should not be construed as financial, taxation, legal or other advice. The Company is not licensed to provide financial product advice in respect of its securities or any other financial products.

The Company does not consider it appropriate to give advice regarding the taxation consequences of applying for New Shares. The Company and its Directors, other officers and advisers do not accept any responsibility or liability for any such taxation consequences to Eligible Shareholders. As a result, Eligible Shareholders should consult their professional tax adviser in connection with applying for New Shares under the Offer.

This document 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. While these forward-looking statements reflect the Company's expectations at the date of this document, 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.

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A number of important factors could cause actual results or other future events to differ materially from the forward-looking statements, including known and unknown risks (such as, for example, those contained in the 'Key risks' section of ASM's Investor Presentation which it announced to ASX on 16 June 2025). 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 ASM 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 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 should consider the forward-looking statements contained in this document in light of those risks and disclosures. Neither ASM, 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 document. Except as required by law or regulation (including the ASX Listing Rules), none of ASM, nor any of its Directors, officers, employees, agents or advisers undertakes any obligation to supplement, revise or update forward-looking statements, regardless of whether new information, future events, results or other factors affect the information contained in this document.

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 materially 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.

This document does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this document. No action has been taken to permit the Offer in any jurisdiction other than Australia or New Zealand.

The distribution of this document in jurisdictions outside of Australia and New Zealand may be restricted by law and therefore persons into whose possession this document comes should observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any other jurisdiction.

Application will be made for the New Shares to be quoted on ASX. The New Shares have not been and will not be registered under any other applicable securities laws and they may not be offered or sold directly or indirectly within any jurisdiction outside Australia or New Zealand.

The New Shares have not been, and will not be, registered under the US Securities Act of 1933 or the securities laws of any state or other jurisdiction of the United States. The New Shares may not be offered, sold or otherwise transferred in the United States except in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act and the applicable laws of any state or other jurisdiction in the United States. The New Shares will not be offered or sold, directly or indirectly, to any person in the United States.

New Zealand

The New Shares are not being offered or sold to the public within New Zealand other than to existing Shareholders of the Company with registered addresses in New Zealand to whom the offer of the New Shares is being made in reliance on the Financial Markets Conduct (Incidental Offers) Exemption Notice 2021.

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

No Recommendation and Other Matters

The information in this document is not a recommendation to accept the Offer and does not constitute financial advice. Eligible Shareholders should therefore conduct their own investigations, assessment and analysis of the Company and its operations and prospects and must base their investment decision solely on those investigations and that assessment and analysis.

If, after reading this document, Eligible Shareholders have any questions regarding the Offer, they should contact their financial or other professional adviser before deciding whether or not to accept the Offer.

Capitalised terms in this document are defined in the Glossary.

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**AUSTRALIAN STRATEGIC MATERIALS LIMITED (ACN 168 368 401)
SHARE PURCHASE PLAN – TERMS & CONDITIONS OF OFFER**

The following are the terms and conditions of the Company's share purchase plan (**Offer**). By accepting the Offer, you agree to be bound by these Terms & Conditions and the Company's constitution (as amended from time to time).

1. ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547

The Offer is offered in compliance with *ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547 (ASIC Instrument 2019/547)*. ASIC Instrument 2019/547 provides relief from the requirement for the Company to provide a prospectus when offering Shares to existing Shareholders of the Company pursuant to a share purchase plan.

2. Opening Date and Closing Date of the Offer

The Offer opens at 10:00 am (AWST) on Thursday, 19 June 2025 (**Opening Date**).

The Offer closes at 5.00pm (AWST) on Thursday, 17 July 2025 (**Closing Date**).

Late applications will not be accepted. However, the Directors reserve their right, subject to the Corporations Act and the ASX Listing Rules, to vary the Closing Date without prior notice including closing the Offer early. Accordingly, the Directors encourage any Eligible Shareholders (including Custodians) wishing to participate in the Offer to remit their Application Monies as soon as possible. If the Closing Date is varied, subsequent dates may also be varied accordingly.

3. Who is eligible to participate in the Offer?

You are eligible to apply for New Shares under the Offer if you were registered as a holder of Shares as at 5:00pm (AWST) on Friday, 13 June 2025 (**Record Date**) and provided your registered address, as recorded in the Register, is in Australia or New Zealand and you are not resident or located in the United States nor acting for the account or benefit of a person in the United States, and you are not resident or located in any other jurisdiction outside of Australia and New Zealand (**Eligible Shareholders**).

The Offer to each Eligible Shareholder is made on the same terms and conditions.

Your rights under the Offer are personal to you and the Offer is non-renounceable (i.e. you may not transfer your right to subscribe for New Shares to anyone else).

4. Shareholder approval

The Company will issue the New Shares under the Offer pursuant to ASX Listing Rules 7.2 (Exception 5) and 10.12 (Exception 4). Accordingly, Shareholder approval is not required for the issue of the New Shares pursuant to the Offer. However, any issue of New Shares pursuant to the underwriting (or sub-underwriting) of the Offer detailed in paragraph 11 will not form part of the Offer, and if any such issue occurs it will be made within the Company's ASX Listing Rule 7.1 placement capacity.

The Company reserves the right to scale back applications in such manner as the Directors see fit. Consequently, you may not receive the New Shares which you apply for pursuant to the Offer. Refer to paragraph 10.

5. Voluntary participation

The Offer is entirely voluntary and is subject to the Terms & Conditions. You are not obliged to participate in the Offer.

6. Issue Price and minimum subscription

The issue price for each New Share is to be calculated as the amount (in Australian currency) which is equal to a 20% discount to the VWAP for Shares calculated over the last five days on which sales in Shares are recorded prior to the date on which the New Shares pursuant to the Offer are to be issued (**Issue Price**). Consequently, there is a direct relationship between the market price of Shares during that period and the issue price of the New Shares (being the Issue Price per New Share). The time when the Issue Price will be determined will be on the Issue Date, or after ASX market closing on the last trading day prior to the Issue Date.

There is no minimum subscription condition for the Offer.

7. Important information on price risk to consider

Before deciding whether to accept the Offer, you should (without limitation) refer to the current market price of the Shares, which can be obtained from your stockbroker, your financial adviser or via the ASX website.

The Company notes, by way of a summary of certain recent ASX market prices of Shares in the lead-up to announcement of the SPP on Monday, 16 June 2025:

- (a) the closing market price of the Shares on Wednesday, 11 June 2025, being the last day on which Shares were traded on the ASX immediately prior to the SPP being announced, was A\$0.71 per Share;
- (b) the VWAP over the last five days on which Shares were traded on the ASX immediately prior to the SPP being announced was A\$0.652 per Share; and
- (c) the VWAP over the last thirty days on which Shares were traded on the ASX immediately prior to the SPP being announced was A\$0.615 per Share.

The closing price of Shares on ASX on 17 June 2025 (being the last practical date prior to the date of this document) was A\$0.615 per Share.

This recent Share price performance of ASM is detailed for illustrative purposes only and cannot be relied upon as an indicator of (and provides no guidance, assurance or guarantee as to) future ASM performance including future Share price performance. No forecast is made of what prices Shares may trade at in the future, nor of what the Issue Price may ultimately be.

Subscription for New Shares is a speculative investment and the market price may change from time to time. Accordingly, the value of New Shares applied for is likely to rise or fall.

There is a risk that the market price of the Shares may change between the date of the Offer and the date when the New Shares are issued to an Eligible Shareholder pursuant to the Offer. Accordingly, the value of New Shares applied for is likely to fluctuate, and any changes in the market price of Shares during the last five days on which sales in Shares are recorded prior to the date on which the New Shares pursuant to the Offer are to be issued will directly impact on the issue price of each New Share (i.e. the Issue Price) by affecting the VWAP calculation, and therefore will impact on the number of New Shares that will be issued in respect of a given amount of Application Monies.

There is a risk that the market price of Shares may fall in future, reducing the value of New Shares.

You must rely on your own knowledge of the Company and disclosures made by the Company to ASX (including, without limitation, the disclosures regarding risks of making an investment in the Company as detailed in the Investor Presentation that the Company released on ASX on 16 June 2025). ***In determining whether you wish to participate in the Offer and the***

extent to which you participate, you should seek your own personal financial and/or taxation advice referable to your personal circumstances.

8. How much can you invest in the Offer?

If you apply for New Shares, you will apply for a certain value (based on the Issue Price per New Share), rather than a specific number of New Shares. If your application is accepted and approved by the Directors, the Company will divide the value of your Application Monies paid by the Issue Price in order to determine the number of New Shares which, subject to any scale back (as determined by the Directors), will be issued to you. If this calculation produces a fractional number, the number of New Shares you are issued will be rounded down to the nearest whole number of New Shares (refer to paragraph 10 for information on rounding in the event of a scale back).

Subject to paragraph 13, if you are an Eligible Shareholder, you may apply to subscribe for a maximum of A\$30,000 worth of New Shares.

There is a minimum amount for which you may subscribe under the Offer which is A\$2,000 worth of New Shares.

As the issue price of New Shares offered under the Offer (i.e. the Issue Price) will be at a 20% discount to the VWAP for Shares calculated over the last five days on which sales in Shares are recorded prior to the date on which the New Shares pursuant to the Offer are to be issued, the exact Issue Price is currently unknown and will not be known until the Issue Date, or after ASX market closing on the last trading day prior to the Issue Date, (i.e. after the Closing Date).

The following table shows the different amounts of Application Monies which may be paid to the Company to apply for New Shares under the Offer, and also shows examples of the number of New Shares that would be issued for each amount of Application Monies if the Issue Price is A\$0.45, A\$0.55 or A\$0.65 (although this is just provided by way of example and is subject to change, as the actual amount (in Australian currency) of the Issue Price has not yet been determined and therefore the actual number of New Shares has not been determined):

| | Application Monies (A\$) | Number of New Shares if the Issue Price is A\$0.45 | Number of New Shares if the Issue Price is A\$0.55 | Number of New Shares if the Issue Price is A\$0.65 |
|-----------------|---------------------------------|---|---|---|
| Parcel A | A\$30,000 | 66,666 | 54,545 | 46,153 |
| Parcel B | A\$25,000 | 55,555 | 45,454 | 38,461 |
| Parcel C | A\$20,000 | 44,444 | 36,363 | 30,769 |
| Parcel D | A\$15,000 | 33,333 | 27,272 | 23,076 |
| Parcel E | A\$10,000 | 22,222 | 18,181 | 15,384 |
| Parcel F | A\$5,000 | 11,111 | 9,090 | 7,692 |
| Parcel G | A\$2,000 | 4,444 | 3,636 | 3,076 |

No forecast is made of what the actual amount of the Issue Price, or the number of New Shares to be issued, will be in actuality.

The maximum limit of A\$30,000 worth of New Shares applies to you even if you receive more than one Offer (however please refer to paragraph 13 for information relating to Custodians). No fraction of New Shares will be issued.

All Application Monies must be paid in Australian dollars.

No brokerage, stamp duty or other costs are payable by applicants in respect of an application for New Shares.

9. Joint Holders

If two or more persons are registered on the Company's Register as jointly holding Shares, then they are taken to be a single registered holder of Shares and a certification given by any of them is taken to be a certification given by all of them. If a joint holder receives more than one Offer due to multiple holdings, then the joint holder may only apply in aggregate for up to the maximum amount of A\$30,000 in total (however, please refer to paragraph 13 for information on Custodians).

10. Scale back, oversubscriptions or refusal of application

The Company is targeting to raise approximately A\$3,000,000 (before costs) by the issue of New Shares at the Issue Price per New Share (with the ability for the Company (in its absolute discretion) to accept oversubscriptions in order to raise additional funds at the Issue Price per New Share to increase the size of the Offer). Any such increase would be subject to compliance with the ASX Listing Rules.

If total demand for the Offer exceeds A\$3,000,000, the Directors may therefore accept such oversubscriptions or alternatively, in their absolute discretion, undertake a scale back to the extent and in the manner they see fit. Also, the Company may elect to change the A\$3,000,000 target amount at its absolute discretion.

Factors which the Directors may take into account in determining any scale back include, but are not limited to:

- (a) the extent to which Eligible Shareholders have sold or bought additional Shares after the Record Date and the date the application was made;
- (b) the total Application Monies received;
- (c) the amount applied for by each Eligible Shareholder;
- (d) whether the Eligible Shareholder may have multiple registered holdings;
- (e) the number of Shares held by each Eligible Shareholder at the Record Date;
- (f) whether an Eligible Shareholder remains on the register on the Closing Date;
- (g) the date the Company received the payment of Application Monies; and
- (h) any other such criteria as determined by the Directors in their absolute discretion.

If there is a scale back, you may not receive all the New Shares for which you have applied. If a scale back produces a fractional number when applied to the number of New Shares for which you have applied, the number of New Shares issued to you will be rounded down to the nearest whole number of New Shares.

If there is a scale back, the difference between the Application Monies received from you, and the number of New Shares issued to you multiplied by the Issue Price, will be refunded to you (in A\$ and without interest and at your sole risk).

The Directors reserve their right (in their absolute discretion) to refuse an application (in whole or in part) if they consider that:

- (a) it is reasonable and prudent to do so;
- (b) the applicant is not an Eligible Shareholder;

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- (c) the issue of those New Shares may contravene any applicable law, rule or regulation in any jurisdiction (including without limitation the Corporations Act or the ASX Listing Rules) or the requirements of any regulatory or governmental body or may require further action to be taken by the Company including, without limitation, registration of Shares or the preparation of a prospectus in any jurisdiction; or
 - (d) the applicant has not otherwise complied with the Terms & Conditions.

If an application is refused in whole or in part, the relevant Application Monies will be returned to the applicant (in A\$ and without interest and at the applicant's sole risk).

However, if an amount to be refunded is less than A\$2, the Company may not refund the amount and it may be retained by the Company and donated to charity.

All Directors' decisions in connection with a scale back or refusal of an application are final.

11. Underwriting Agreement

The Company has entered into an underwriting agreement with the Lead Manager dated 15 June 2025 (**Underwriting Agreement**), under which the Lead Manager has, subject to customary conditions precedent,¹ agreed to underwrite the SPP to A\$3 million (or such lesser amount as is permitted pursuant to the Company's ASX Listing Rule 7.1 placement capacity) at the Issue Price per New Share, subject to the terms and conditions of the Underwriting Agreement.

Sub-underwriters have agreed to sub-underwrite all of the Lead Manager's underwriting commitment.

For the avoidance of doubt, the underwriting only relates to the targeted raise of approximately A\$3 million (before costs) pursuant to the Offer, not to any oversubscriptions pursuant to the Offer. This means, for example, that if A\$3 million or more (before costs) is raised (pursuant to the Offer) from Eligible Shareholders who accept the Offer and which acceptances the Company approves and issues New Shares for, then no New Shares will be issued to the Lead Manager pursuant to the underwriting under the Underwriting Agreement (nor to sub-underwriters pursuant to sub-underwriting arrangements).

Pursuant to the Underwriting Agreement, the Lead Manager can terminate the underwriting in various circumstances, such as if a condition precedent is not fulfilled, or the Company being prevented from issuing the New Shares, not complying with its obligations or withdrawing the SPP, a statement in a SPP document being or becoming misleading or deceptive, a material adverse change, notification of a regulatory or government investigation, significant ASX 300 index or rare earth element price falls, ASX action preventing quotation of the New Shares, a material contract breach, events of insolvency, fraud, a change of the Company's Board or a senior executive or major shareholding, political instability, delay or if any of various adverse events or changes occur in relation to the Company, the SPP or broader markets (among other events).

In consideration for the Lead Manager's underwriting services, the Company has agreed (pursuant to the Underwriting Agreement) to pay to the Lead Manager an amount equal to 6% of the proceeds of the SPP (plus GST), subject to certain potential investor exclusions. All sub-underwriting and selling fees to third parties will be met from this fee by the Lead Manager.

The Underwriting Agreement also contains a number of representations and warranties from the Company and the Lead Manager, and undertakings and indemnities given by the

¹ Such conditions precedent principally focus on this document being compliant and lodged with ASX by 19 June 2025.

Company in favour of the Lead Manager (and certain affiliates), that are considered standard for an agreement of this type.

The underwriting (and the sub-underwriting) is proposed to occur within the Company's ASX Listing Rule 7.1 placement capacity.

It is not anticipated that the Offer (or its underwriting or sub-underwriting) will have a material impact on the control of the Company.

12. Risk Factors

Before deciding whether to accept the Offer, you should (without limitation) refer to the current market price of the Company's Shares, which can be obtained from daily newspapers, your stockbroker or financial adviser or the ASX.

Owning Shares in the Company is considered a speculative form of investment and the future price of Shares can rise or fall.

Shareholders should be aware that there is a risk that the market price of the Shares may change between the date of this Offer (or the date the Offer is accepted), and the date when the New Shares are issued. Accordingly, the value of New Shares applied for is likely to fluctuate. Also, any changes in the market price of Shares during the last five days on which sales in Shares are recorded prior to the date on which the New Shares pursuant to the Offer are to be issued will directly impact on the issue price of each New Share (i.e. the Issue Price) by affecting the VWAP calculation, and therefore will impact on the number of New Shares that will be issued in respect of a given amount of Application Monies.

Shareholders should note that the Offer is not made under a prospectus or other disclosure document and does not require the type of disclosure required under the Corporations Act for a disclosure document. Shareholders must rely on their own knowledge of the Company and disclosures made by the Company on the ASX. The contents of this document have not been reviewed by ASIC, ASX or any other any regulatory authority in any jurisdiction.

There are a number of general and specific risks which may affect the future operating and financial performance and financial position of the Company along with the trading price of the Shares. These risks are identified (non-exhaustively) in the Investor Presentation that ASM released on ASX on 16 June 2025.

These risks are associated with an investment in Shares but are not an exhaustive list. As a Shareholder, you will continue to be exposed to such risks. There may also be additional risks and uncertainties not currently known which may have an adverse effect on the Company's business and the value of the Shares. Certain risks relate to matters that are outside the control of the Company, and there can be no assurance that any steps that the Company takes will successfully protect it from any particular risk.

The risks identified in the Investor Presentation do not take into account the investment objectives, financial situation, tax position or other circumstances of any particular Shareholder. Shareholders should have regard to their own investment objectives and financial circumstances and seek professional advice from their legal, financial or other independent adviser before determining whether or not to accept the Offer and participate in the SPP.

13. Custodian Certification

If on the Record Date you are a Custodian and hold Shares on behalf of one or more persons each of whom is an Eligible Shareholder (each, a **Participating Beneficiary**), the Offer is made to you and you have the discretion whether to extend the Offer to the Participating Beneficiaries. You may apply for up to a maximum of A\$30,000 worth of New Shares pursuant to the Offer for each Participating Beneficiary.

In any consecutive 12-month period, the Company can only issue to a Custodian Shares up to the value of A\$30,000, unless the Custodian certifies in writing (**Custodian Certificate**):

- (a) either or both of the following:
- (i) that the Custodian holds Shares on behalf of one or more Participating Beneficiaries that are not Custodians; and
 - (ii) that another Custodian (**Downstream Custodian**) holds beneficial interests in Shares on behalf of one or more Participating Beneficiaries, and the Custodian holds the Shares to which those beneficial interests relate on behalf of the Downstream Custodian or another Custodian,
- on the Record Date and that each Participating Beneficiary has subsequently instructed the following persons:
- (iii) where paragraph 13(a)(i) applies – the Custodian; and
 - (iv) where paragraph 13(a)(ii) applies – the Downstream Custodian,
- to apply for New Shares on their behalf under the Offer;
- (b) the number of Participating Beneficiaries;
- (c) the name and address of each Participating Beneficiary;
- (d) in respect of each Participating Beneficiary:
- (i) where paragraph 13(a)(i) applies, the number of Shares that the Custodian holds on their behalf; and
 - (ii) where paragraph 13(a)(ii) applies, the number of Shares to which the beneficial interests relate;
- (e) in respect of each Participating Beneficiary:
- (i) where paragraph 13(a)(i) applies, the number or the dollar amount of New Shares they instructed the Custodian to apply for on their behalf; and
 - (ii) where paragraph 13(a)(ii) applies, the number or the dollar amount of New Shares they instructed the Downstream Custodian to apply for on their behalf;
- (f) there are no Participating Beneficiaries in respect of which the total of the application price for the following exceeds A\$30,000:
- (i) the New Shares applied for by the Custodian on their behalf under the Offer in accordance with the instructions in paragraph 13(e); and
 - (ii) any other Shares issued to the Custodian in the 12 months before the application under the Offer as a result of an instruction given by them to the Custodian or Downstream Custodian to apply for Shares on their behalf under an arrangement similar to the Offer;
- (g) that a copy of this document was given to each Participating Beneficiary; and
- (h) where paragraph 13(a)(ii) applies, the name and address of each Custodian who holds beneficial interests in the Shares held by the Custodian in relation to each Participating Beneficiary.

In providing a Custodian Certificate under this paragraph 13, the Custodian may rely on information provided to it by the Participating Beneficiary and any Custodian who holds beneficial interests in the Shares held by the Custodian.

If the Company is not satisfied with the Custodian Certificate (for whatever reason), the Company will not issue any New Shares to the Custodian on behalf of the relevant Participating Beneficiaries.

If you require a Custodian Certificate or require further information about the Custodian application process, you should contact the Share Registry. Custodian Certificates must be returned by email to custodialcertificates@automicgroup.com.au.

If you hold Shares as a trustee or nominee for another person, but are not a Custodian as defined in the Glossary below, you cannot participate for beneficiaries in the manner described above. In this case, the rules for multiple single holdings set out in paragraph 8 apply.

14. Effect of making an application and Shareholder certification

If you apply for New Shares (including (without limitation) by submitting payment by BPAY®, or electronic funds transfer (**EFT**)), you:

- (a) will be deemed to have warranted and represented that you are an Eligible Shareholder and are eligible to participate in the Offer;
- (b) irrevocably and unconditionally agree to the Terms & Conditions and the terms of the Application Form;
- (c) acknowledge that your application will be irrevocable and unconditional;
- (d) certify and represent to the Company that you have not applied for more than A\$30,000 worth of New Shares (subject, if applicable, to any valid Custodian Certificate (which is acceptable to the Company) which you have provided to the Company pursuant to paragraph 13 above in your capacity as a Custodian);
- (e) certify that the total of the application price for the following does not exceed A\$30,000 (irrespective of whether you may have received more than one Offer or received Offers in more than one capacity):
 - (i) the New Shares the subject of your application under the Offer;
 - (ii) any other New Shares issued to you under the Offer or any other Shares issued to you under any similar arrangement in the 12 months before the application under the Offer (excluding Shares applied for but not issued);
 - (iii) any other New Shares which you have instructed a Custodian to acquire on your behalf under the Offer; and
 - (iv) any other Shares issued to a Custodian under an arrangement similar to the Offer in the 12 months before the application under the Offer as a result of an instruction given by you to the Custodian or another Custodian and which resulted in you holding beneficial interests in the Shares,

(subject, if applicable, to any valid Custodian Certificate (which is acceptable to the Company) which you have provided to the Company pursuant to paragraph 13 above in your capacity as a Custodian);
- (f) agree to be bound by the Company's constitution (as amended from time to time); and

- (g) will be deemed to have made the following declarations and representations:
- (i) you acknowledge that the New Shares have not been, and will not be, registered under the US Securities Act or the securities laws of any state or other jurisdiction of the United States, and accordingly, the New Shares may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and the applicable securities laws of any state or other jurisdiction in the United States;
 - (ii) you represent and warrant that you are not in the United States and are not acting for the account or benefit of a person in the United States;
 - (iii) you agree not to send this document, the Application Form or any other material relating to the Offer to any person in the United States or elsewhere outside Australia or New Zealand;
 - (iv) if you are acting as a nominee or custodian, each beneficial holder on whose behalf you are making an application is resident in Australia or New Zealand (except, with the written consent of the Company, in another country in compliance with the applicable laws), and is not in the United States or elsewhere outside Australia and New Zealand;
 - (v) you are in compliance with all relevant laws and regulations (including, without limitation, section 1043A of the Corporations Act (insider trading) and sections 241 to 243 of the Financial Markets Conduct Act 2013 (insider trading) and laws and regulations designed to restrict terrorism financing and/or money laundering);
 - (vi) you are not a "designated person" or "designated entity" (or other like term) for the purpose of any domestic or international law or regulation implementing United Nations sanctions; and
 - (vii) you acknowledge that the market price of Shares may rise or fall between the date this Offer commences and the date when New Shares are allotted and issued to you under the Offer and that the price you pay per New Share pursuant to this Offer may exceed the price of Shares at the time the New Shares are allotted and issued to you under the Offer.

15. Offer costs

The cost associated with you (as an Eligible Shareholder) applying to participate in the Offer is the Issue Price for the number of New Shares for which you wish to subscribe. You do not have to pay for brokerage, commission or other transaction costs which would normally apply when you acquire Shares on market.

16. Issue of New Shares and variation on number of New Shares issued

The New Shares will be issued on the Issue Date (unless otherwise determined by the Directors, subject to compliance with the ASX Listing Rules).

The Share Registry will send to you a holding or transaction confirmation statement in due course following the Issue Date.

If an application is refused in whole or in part, the relevant Application Monies will be returned to the applicant without interest and at the applicant's sole risk. If required, the Company may also scale back applications in such manner as the Directors see fit.

However, if an amount to be refunded is less than A\$2, the Company may not refund the amount and it may be retained by the Company and donated to charity.

The Company is targeting to raise approximately A\$3,000,000 (before costs) through the Offer (with the ability for the Company (in its absolute discretion) to accept oversubscriptions in order to raise additional funds at the Issue Price per New Share to increase the size of the Offer). Any such increase would be subject to compliance with the ASX Listing Rules. In accordance with ASX Listing Rules 7.2 (Exception 5) and 10.12 (Exception 4), the total number of New Shares issued under the Offer must not exceed 30% of the number of Shares currently on issue.

If total demand for the Offer exceeds A\$3,000,000, the Directors may therefore accept such oversubscriptions or alternatively, in their absolute discretion, undertake a scale back to the extent and in the manner they see fit. Also, the Company may elect to change the A\$3,000,000 target amount at its absolute discretion.

17. What rights will the New Shares carry?

Once the New Shares are issued, they will rank equally with existing Shares and will carry the same voting rights, dividend rights and other entitlements.

18. Can the Company change, suspend or terminate the Offer?

The Company may at any time change, suspend or terminate the Offer. If the Company changes, suspends or terminates the Offer it will advise Shareholders through an ASX announcement. The accidental omission to give notice of changes to or suspension or termination of the Offer or the non-receipt of any such notice will not invalidate the change, suspension or termination.

19. Directors' participation

Subject to ASX Listing Rule 10.12 (Exception 4) being satisfied at the date of the issue of the New Shares, Directors who are Eligible Shareholders may (without having to obtain prior Shareholder approval), participate in the Offer, on the same terms as all other Eligible Shareholders.

20. How do you pay for the New Shares?

All amounts in the Offer are expressed in Australian dollars. You must pay for the New Shares in accordance with the instructions on your personalised Application Form, by paying Application Monies via BPAY® (for Eligible Shareholders with an eligible Australian bank account) or via EFT. Eligible Shareholders can download their Personalised Application Form from the Automic Group portal via <https://investor.automic.com.au>. You do not need to return the Application Form.

It is your responsibility to ensure funds are submitted correctly so they are received by 5.00pm (AWST) on the Closing Date. You should be aware of your financial institution's cut-off time.

If you do not provide the exact amount of Application Monies, the Company reserves its right to return your monies or round your Application Monies down to the next valid parcel. If the Company returns your monies, no New Shares will be issued to you.

If an amount to be refunded by the Company as referred to in this document is less than A\$2, the Company may not refund the amount and it may be retained by the Company and donated to charity.

21. Can I pay with cash, cheque or money order?

No, cash, cheques and money orders will not be processed and will be returned to applicants.

22. Please provide payment for the exact amount

If you do not provide the exact amount, the Company reserves its right to return your monies. If the Company returns your monies, no New Shares will be issued to you.

If you make a BPAY® or EFT payment and do not provide the exact amount, you will, subject to the Terms & Conditions, be deemed to have applied for such New Shares for which you have paid.

23. Dispute resolution

The Company may settle any dispute in connection with the Offer in any manner it thinks fit, whether generally or in relation to any participant, application or Share. The Company's decision will be final and binding.

The Company reserves its right to waive strict compliance with any provision of the Terms & Conditions.

24. Quotation and registration of your Shares

The Company will apply for the New Shares issued to you to be quoted on ASX within the relevant period required by the ASX Listing Rules.

The Company participates in CHESS. Under CHESS, you will not receive a share certificate but will receive a statement of your holding of Shares. The CHESS statement will prescribe the number of New Shares issued pursuant to the Offer, provide details of your holder identification number, the participant identification number of the sponsor and the terms and conditions applicable to the New Shares.

If you are broker sponsored, ASX Settlement will send you a CHESS statement.

If you are registered on the Issuer Sponsored Subregister, the Share Registry will dispatch your statement, which will contain the number of New Shares issued to you under the Offer and your security holder reference number.

25. No liability

The Company, including its officers and agents, are not liable for any consequences of the exercise or non-exercise of its discretions referred to in these Terms & Conditions.

26. Privacy

By receiving applications, the Company and the Share Registry collect personal information about Shareholders. The Company and the Share Registry will use this information for the purposes of processing the application and updating the records of the Company. To the extent restricted by law, the Company and the Share Registry will not disclose personal information about a Shareholder to a third party. To the extent permitted by law, Shareholders are able to access, upon request, personal information held about them by the Company and the Share Registry.

27. Governing law and jurisdiction

These Terms & Conditions are governed by the laws in force in Western Australia. Any dispute arising out of or in connection with these Terms & Conditions, or the offer of New Shares under the Offer, will be determined by the courts of Western Australia. By accepting this Offer, you agree to submit to the non-exclusive jurisdiction of the courts in Western Australia.

HOW DO YOU APPLY FOR NEW SHARES UNDER THE OFFER

If you wish to participate in the Offer please read the Terms & Conditions carefully. If you wish to participate in the Offer you must subscribe for:

- (a) a minimum parcel of A\$2,000 worth of New Shares;
- (b) a parcel of A\$5,000 worth of New Shares;
- (c) a parcel of A\$10,000 worth of New Shares;
- (d) a parcel of A\$15,000 worth of New Shares;
- (e) a parcel of A\$20,000 worth of New Shares;
- (f) a parcel of A\$25,000 worth of New Shares; or
- (g) a maximum parcel of A\$30,000 worth of New Shares.

Application Forms and payments under the Offer are irrevocable and may not be withdrawn once the Company receives it. Applications may be scaled back at the absolute discretion of the Company.

Eligible Shareholders may apply to participate in the SPP by paying Application Monies in accordance with the instructions on their personalised Application Form. Eligible Shareholders can download their Personalised Application Form from the Automic Group portal via <https://investor.automic.com.au>. Eligible Shareholders can pay their Application Monies directly via BPAY® or EFT.

If you make a BPAY® payment, you do not need to return the Application Form. However, you **must** quote your BPAY reference number provided to you via the Application Form which will process your payment to your application.

If you are unable to pay via BPAY® you may make your payment of Application Monies by EFT. You do not need to return the Application Form. However, when making payment by EFT you must quote your unique EFT reference number as your payment reference/description when processing your EFT payment or your payment may not be able to be identified.

Please ensure you make a payment for the exact amount of the New Share parcel for which you wish to subscribe. You will be deemed to have applied for such parcel of New Shares for which you have paid, subject to the Terms & Conditions. You should also be aware of your financial institution's cut-off time. It is your responsibility to ensure funds are submitted correctly so they are received by 5.00pm (AWST) on the Closing Date.

By making your payment using BPAY® or EFT, in addition to agreeing with the other Terms & Conditions, you represent to the Company and certify that the total of the application price for the matters set out in paragraph 14(e) does not exceed A\$30,000.

Late applications will not be accepted. However, the Directors reserve their right, subject to the Corporations Act and the ASX Listing Rules, to vary the Closing Date without prior notice. If the Closing Date is varied, subsequent dates may also be varied accordingly.

Application Monies must be paid in Australian dollars.

Ensure that your payment is received by the Share Registry by the Closing Date (**no later than 5.00pm (AWST) on Thursday, 17 July 2025**) noting that the Directors reserve the right to withdraw the Offer, close the Offer early or extend the Offer.

GLOSSARY

A\$ or \$ means Australian dollar.

AEST means Australian Eastern Standard Time, being the time in Sydney, New South Wales.

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

Application Form means the application form accompanying this document.

Application Monies means monies paid by Eligible Shareholders in respect of New Shares the subject of an application pursuant to the Offer.

ASIC means the Australian Securities and Investments Commission.

ASIC Instrument 2019/547 means *ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547* issued by ASIC (as amended from time to time).

ASX means ASX Limited (ACN 008 624 691) or the Australian Securities Exchange, as the context requires.

ASX Listing Rules means the official listing rules of ASX (as amended from time to time).

ASX Settlement means ASX Settlement Pty Limited (ACN 008 504 532).

Board means the board of Directors.

CHESS means the Clearing House Electronic Subregister System operated by ASX Settlement.

Closing Date has the meaning given in paragraph 2 of the Terms & Conditions.

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

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

Custodian has the meaning given in the ASIC Instrument 2019/547, being a person that provides a custodial or depository service in relation to shares of a body or interests in a registered scheme and who:

- (h) holds an Australian financial services licence covering the provision of a custodial or depository service;
- (i) is exempt from the requirement to hold an Australian financial services licence covering the provision of a custodial or depository service;
- (j) holds an Australian financial services licence covering the operation of an investor directed portfolio service (**IDPS**) or is a responsible entity of an IDPS-like scheme;
- (k) is a trustee of a self-managed superannuation fund or a superannuation master trust; or
- (l) is a registered holder of shares or interests in the class and is noted on the register of members of the body or scheme as holding the shares or interests on account of another person.

Custodian Certificate has the meaning given to that term in paragraph 13 of the Terms & Conditions.

Directors means the directors of the Company from time to time.

Downstream Custodian has the meaning given to that term in paragraph 13 of the Terms & Conditions.

EFT means electronic funds transfer.

Eligible Shareholder has the meaning given to that term in paragraph 3 of the Terms & Conditions.

HIN means Holder Identification Number.

Investor Presentation means the Company's investor presentation dated 16 June 2025, which the Company announced to the ASX on that date.

Issue Date means the date on which New Shares will be issued, which as at the date of this document is expected to be on or around Thursday, 24 July 2025.

Issue Price has the meaning given to that term in paragraph 6 of the Terms & Conditions.

Issuer Sponsored Subregister means the part of the register for a class of the Company's securities for which CHESS approval has been given in accordance with the operating rules of ASX Settlement that is administered by the Company (and not by ASX Settlement) and that records uncertificated holdings of securities.

Lead Manager means Canaccord Genuity (Australia) Limited (ACN 075 071 466).

New Shares means the Shares to be issued to Eligible Shareholders who accept the Offer (or to be issued (separately of the Offer) to the Lead Manager or its sub-underwriters pursuant to the underwriting of shortfall of the Offer in accordance with the Underwriting Agreement).

Offer has the meaning given to that term at the head of the Terms & Conditions.

Opening Date has the meaning given in paragraph 2 of the Terms & Conditions.

Participating Beneficiary has the meaning given to that term in paragraph 13 of the Terms & Conditions.

Record Date has the meaning given to that term in paragraph 3 of the Terms & Conditions.

Register means the share register maintained by or on behalf of the Company in Australia.

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

Share Registry, Automic or **Automic Group** means the Company's share registry, being Automic Group.

Shareholder means a registered holder of one or more Shares.

SPP means the share purchase plan comprising the Offer.

SRN means Securityholder Reference Number.

Terms & Conditions means the terms and conditions of the Offer as expressly prescribed in this document.

Underwriting Agreement means the underwriting agreement between the Lead Manager and the Company dated 15 June 2025.

US Securities Act means the US Securities Act 1933, as amended.

VWAP has the same meaning as the definition of 'volume weighted average market price' in the ASX Listing Rules.

Holder Number:

Record Date:
**5:00pm (AWST) on
 13 June 2025**

SHARE PURCHASE PLAN APPLICATION FORM

OFFER CLOSES 5:00PM (AWST) 17 JULY 2025 (WHICH MAY CHANGE WITHOUT NOTICE)

Eligible Shareholders in Australian Strategic Materials Limited ACN 168 368 401 (**ASM** or the **Company**) are able to apply through the Company's Share Purchase Plan (**SPP**) for a maximum of \$30,000 worth of fully paid ordinary shares in the Company (**New Shares**). The Company announced the SPP to raise up to A\$3.0 million (before costs), with the ability for ASM to accept SPP applications in excess of that amount. The SPP is open exclusively to shareholders recorded as holding fully paid ordinary shares in the capital of the Company (**Shares**) on the Company's Register as at 5:00pm (AWST) on the Record Date with a registered address in Australia or New Zealand and not resident or located in the United States or any other jurisdiction outside of Australia and New Zealand and who meet certain other conditions as expressly prescribed in the Offer Booklet accompanying this Application Form (**Eligible Shareholders**). The SPP is underwritten to A\$3.0 million (or such lesser amount as is permitted pursuant to the Company's ASX Listing Rule 7.1 placement capacity) by the Lead Manager. Sub-underwriters have agreed to sub-underwrite all of the Lead Manager's underwriting commitment.

The issue price for each New Share is set at 80% of the volume weighted average market price (as defined in the ASX Listing Rules) for Shares calculated over the last five days on which sales in Shares are recorded prior to the date on which the New Shares pursuant to the SPP are to be issued (Issue Price). Unless otherwise indicated, terms defined and used in the Offer Booklet have the same meaning in this Application Form.

1 SUBSCRIPTION

The following table shows the different amounts of Application Monies which may be paid by Eligible Shareholders to the Company in order to apply for New Shares under the Offer (*subject to a maximum band or any scale back*), by paying the applicable Application Monies in accordance with the payment instructions in section 2 of this Application Form. The number of New Shares which an Eligible Shareholder is applying for will be determined by dividing the amount of Application Monies which they have paid by the Issue Price.

| | Application Monies | ✓ | | Application Monies | ✓ |
|----------|--------------------|---|----------|--------------------|---|
| Parcel A | A\$30,000 | | Parcel E | A\$10,000 | |
| Parcel B | A\$25,000 | | Parcel F | A\$5,000 | |
| Parcel C | A\$20,000 | | Parcel G | A\$2,000 | |
| Parcel D | A\$15,000 | | | | |

2 PAYMENT - YOU CAN PAY BY BPAY® OR ELECTRONIC FUNDS TRANSFER (EFT)

Payments must be made by BPAY® or by EFT and may not be made by cheque or money order. You do not need to return this Application Form. **By making your payment using BPAY® or EFT, in addition to agreeing with the other Terms & Conditions (as defined in the Offer Booklet accompanying this Application Form), you represent to the Company and certify that the total of the application price for the following does not exceed A\$30,000 (irrespective of whether you may have received more than one Offer or received Offers in more than one capacity):**

- (i) the New Shares the subject of your application under the Offer;
- (ii) any other Shares applied for by you, or which you have instructed a Custodian to acquire on your behalf, under the Offer or under any similar arrangement in the 12 months before the application under the Offer (excluding, in relation to such similar arrangement, Shares applied for but not issued),

(subject, if applicable, to any valid Custodian Certificate (which is acceptable to the Company) which you have provided to the Company pursuant to paragraph 13 of the Offer Booklet in your capacity as a Custodian).

Option A - BPAY®



Biller Code:

Ref No:

Please ensure you use the BPAY® details stated above as they are unique for each Offer.

Note: You do not need to return this form. Your BPAY® reference number or unique reference number will process your payment for your application for New Shares electronically.

Option B – Electronic Funds Transfer (EFT)

Funds are to be deposited in AUD currency directly to following bank account:

Account name: Automic Pty Ltd

Account BSB:

Account number:

Swift Code: WPACAU2S

Your unique entitlement reference number:

IMPORTANT: You must quote your unique reference number as your payment reference/description when processing your EFT payment. Failure to do so may result in your funds not being allocated to your application and New Shares subsequently not issued.

3 ELECT TO RECEIVE COMMUNICATIONS ELECTRONICALLY

We encourage you to elect to receive shareholder communications electronically to:

- Help the Company reduce its printing and mailing costs
- Receive investor communications faster and more securely
- Help the environment through the need for less paper.

SCAN THE QR CODE TO VISIT
[HTTPS://INVESTOR.AUTOMIC.COM.AU](https://investor.automic.com.au)
 AND UPDATE YOUR COMMUNICATION
 PREFERENCE



INSTRUCTIONS FOR COMPLETION OF THIS APPLICATION FORM

The right to participate in the SPP is optional and is offered exclusively to Eligible Shareholders. If the Company rejects or scales-back an application or purported applications, the Company will return to the Shareholder the relevant Application Monies, without interest.

HOW TO APPLY FOR NEW SHARES UNDER THE SPP

1 Subscription

As an Eligible Shareholder, you can apply for up to a maximum of \$30,000 worth of New Shares. Eligible Shareholders can select one of the parcels prescribed overleaf.

In order to comply with ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547, the maximum value of New Shares each Eligible Shareholder (irrespective of the size of their shareholding) may apply for under this Offer is \$30,000 (including through joint holding(s), multiple share accounts or any holding in which they have a beneficial interest(s)). This limit will apply even if you receive more than one offer from the Company (for example, because you are a joint holder of Shares or because you hold more than one shareholding under separate share accounts).

If the Company receives an amount that does not equal one of the amounts specified overleaf the Company may accept the payment at their discretion and refund any excess Application Money (without interest) to the Eligible Shareholder. If the Company receives a subscription of over \$30,000 worth of New Shares by an Eligible Shareholder through multiple applications or joint holdings, the Company may refund any excess Application Money (without interest) to the Eligible Shareholder.

Any application made under the Offer is not guaranteed to result in the Eligible Shareholder receiving any New Shares that have been applied for. Applications may be scaled back at the absolute discretion of the Company.

2 Payment

By making a payment via BPAY or EFT, you agree that it is your responsibility to ensure that funds are submitted correctly and received by Automic Share Registry by the closing date and time. Payment **must be received** by the Share Registry by 5:00pm (AWST) on the closing date.

It is your responsibility to ensure your CRN or unique Payment Reference is quoted, as per the instructions in Section 2. If you fail to quote your CRN or unique Payment Reference correctly, Automic may be **unable to allocate or refund your payment**. If you need assistance, please contact Automic.

Payment by BPAY®: You can make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions. To BPAY® this payment via internet or telephone banking use your reference number on this Form. Multiple acceptances must be paid separately.

Payment by EFT: You can make a payment via Electronic Funds Transfer "EFT". Multiple acceptances must be paid separately. Please use your unique reference on this Form. This will ensure your payment is processed correctly to your application electronically.

Applicants should be aware of Automic's financial institution's cut off-time, their own financial institution's cut-off time and associated fees with processing a funds transfer. It is the Applicant's responsibility to ensure funds are submitted correctly by the closing date and time, including taking into account any delay that may occur as a result of payments being made after 5pm (Sydney time) and/or on a day that is not a business day (payment must be made to be processed overnight). You do not need to return this Form if you have made payment via BPAY® or EFT. Your reference number will process your payment to your application electronically and you will be deemed to have applied for such New Shares for which you have paid.

3 Elect to receive communications electronically

As a valued Shareholder, the Company encourages Shareholders to elect to receive their shareholder communications electronically. This will ensure you receive all future important shareholder communications in a faster and more secure way and reduce the environmental footprint of printing and mailing.

IMPORTANT INFORMATION

1. This is an important document which requires your immediate attention. If you are in any doubt as to how to deal with this Application Form, please consult a professional adviser.
2. If you do not wish to purchase New Shares under the SPP, there is no need to take action.
3. Please ensure you have read and understood the terms and conditions of the SPP in the Offer Booklet accompanying this Application Form and this Application Form (including this section entitled "Important Information") before making payment by BPAY® or EFT.
4. The offer for New Shares under the SPP is non-renounceable. Applications can only be accepted in the name printed on the Application Form.
5. If you are a 'Custodian' (as defined in the Offer Booklet), you may be required to submit a Custodian Certificate to the Company in order to participate on behalf of any beneficiaries. Please refer to the Offer Booklet for further details. The Custodian Certificate can be obtained by contacting the Share Registry on the telephone number set out below. A completed Custodian Certificate must be emailed to: custodialcertificates@automicgroup.com.au. Failure to do so may result in the Application being rejected.
6. For applicants that are not required to complete the Custodian Certificate, by making payment by BPAY® or EFT, you certify that the aggregate of the payment paid by you for:
 - the relevant parcel of New Shares pursuant to this Application Form; and
 - any other Shares applied for by you, or which you have instructed a Custodian to acquire on your behalf under the SPP or under any similar arrangement in the 12 months prior to making payment by BPAY® or EFT (excluding, in relation to such similar arrangement, Shares applied for but not issued), does not exceed A\$30,000.
7. The maximum subscription limitation of A\$30,000 will apply even if you have received more than one Application Form (whether in respect of a joint holding or because you have more than one holding under separate security accounts).
8. You are not guaranteed to receive any New Shares that you have applied for and the Company may, in its absolute and sole discretion (without limitation):
 - a. scale back any applications made; and
 - b. reject your application, without limit.
9. By making payment of Application Monies, you certify that:
 - you wish to apply for New Shares under the SPP, to be calculated as indicated on this Application Form and acknowledge that your application is irrevocable and unconditional;
 - you received a copy of the Offer Booklet and you have read and understood the terms and conditions of the SPP;
 - you agree to the various matters, and give the various certifications, declarations, warranties, representations and acknowledgements, detailed in the Offer Booklet (such as in section 14 of the Offer Booklet);
 - you provide authorisation to be registered as a holder of New Shares under the SPP;
 - you agree to be bound by the Constitution of the Company and the terms and conditions in the Offer Booklet;
 - you agree to accept (without limitation) any lesser number of New Shares than the number of New Shares applied for;
 - you agree that the Company reserves the right to make amendments to this Application Form where appropriate; and
 - you are not in the United States and are not acting for the account or benefit of a person in the United States and have not sent any offering materials relating to the Offer to any person in the United States.

If you require further information about the Offer, please contact the Offer information line on 1300 293 325 or +61 2 8072 1454 between 8:30am and 7:00pm (Sydney time), Monday to Friday or email corporate.actions@automicgroup.com.au.