



# INTERIM FINANCIAL REPORT 31 December 2025

Australian Strategic Materials Ltd | [ABN 90 168 368 401](#)





# Contents

Directors' Report	1
Principal Activities	2
Operating and Financial Review	3
Auditor's Independence Declaration	12
Interim Financial Statements	13
Condensed consolidated statement of profit or loss and other comprehensive income	14
Condensed consolidated balance sheet	15
Condensed consolidated statement of changes in equity	16
Condensed consolidated statement of cash flows	17
Notes to the condensed consolidated financial statements	18
Directors' declaration	26
Independent auditor's report to the members of Australian Strategic Materials Limited	27

# Corporate Directory

## ACN:

168 368 401

## Company Secretary:

Annaliese Eames

## Registered Office and Principal

### Place of Business:

Level 4, 66 Kings Park Road

West Perth WA 6005

Telephone: +61 8 9200 1681

## Security Exchange Listing:

Australian Strategic Materials Limited shares and options are listed on the Australian Securities Exchange (ASX codes: ASM (shares), ASMO (options)).

Admitted to the Official List of ASX on 29 July 2020.

## Share Registry:

Automic Group Registry Services

Level 5, 126 Phillip Street

Sydney, NSW 2000

PO Box 5193, Sydney, NSW 2001

Tel: 1300 288 664 (within Australia)

Tel: +61 2 9698 5414 (outside Australia)

Email: hello@automicgroup.com.au

## Auditor:

PricewaterhouseCoopers

Brookfield Place, 125 St Georges Terrace

Perth WA 6000

## Website:

asm-au.com

# Directors

The Board of Directors (**the Board** or **the Directors**) of Australian Strategic Materials Limited (**ASM** or **the Company**) and its controlled entities (**the Group**) are pleased to present their Directors' Report together with the interim consolidated financial statements of the Group for the half-year ended 31 December 2025. The following persons were Directors of the Company during the whole of the half-year and up to the date of this report unless otherwise stated:

<b>I Gandel</b>	Non-Executive Chair
<b>R Smith</b>	Managing Director
<b>G Smith</b>	Non-Executive Director
<b>K Gleeson</b>	Non-Executive Director
<b>D Heaton</b>	Non-Executive Director

# Principal Activities

## Business Strategy – critical metals for advanced and clean technologies

ASM is building a global rare earths and critical minerals business to provide the high-tech metals needed to solve the challenges of today and the future. ASM’s primary objective is to deliver value to shareholders and the communities in which it operates through the development and commercialisation of its unique mine to metals strategy.

### From mine...

ASM’s Dubbo Project is the Company’s cornerstone rare earths and critical minerals mining and processing project. Located in New South Wales, Australia, this globally significant resource has an estimated mineral resource of 75.18Mt (42.81Mt measured and 32.37Mt inferred).<sup>1</sup> Mined resources from the Dubbo Project will be separated and refined on site to produce a range of metal oxides and mixed chlorides.

### To metals

Products from the Dubbo Project will be processed at ASM’s metallisation plants or sold directly to global customers. ASM’s flagship metals plant in Ochang, Korea was commissioned in 2022 and is now in production of rare earth metals and alloys, with agreements to supply customers in Asia, North America and Europe.

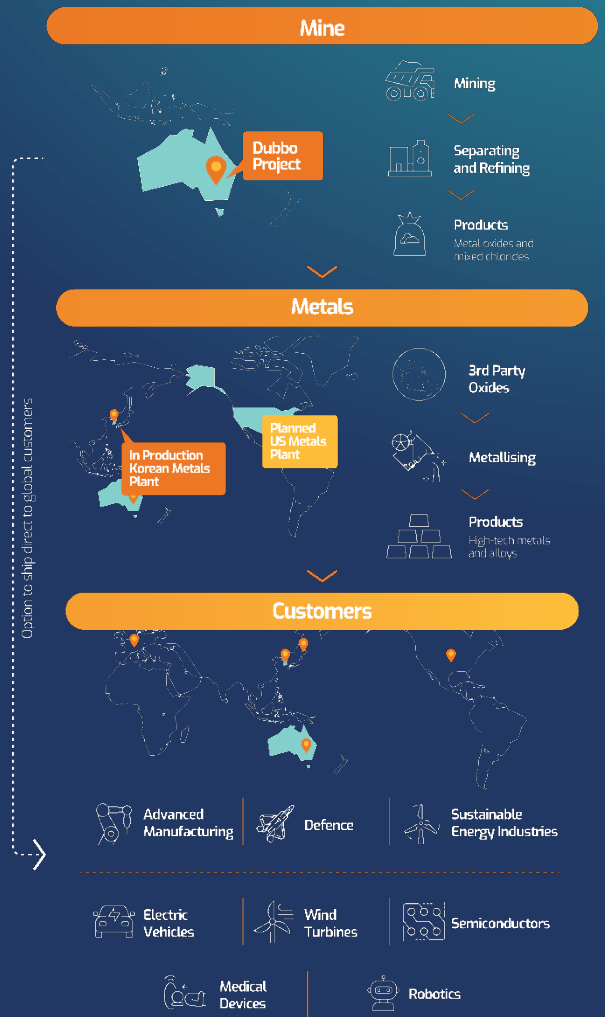
ASM’s vertically integrated business represents an alternative, secure and sustainable source of the critical minerals and metals needed to de-risk and relieve bottlenecking in the global supply chain.

During the half-year, the principal and continuing activities of the Group aligned to ASM’s FY26 strategic focus areas, relating to:

- Progressing customer growth and product development at the KMP.
- Exploring strategic expansion opportunities in the United States and other appropriate jurisdictions.
- Progressing lower capital and shorter implementation rare earth production pathway.
- Progressing offtake and funding activities and advancing towards FID of the Dubbo Project.
- Maintaining our commitment to ESG principles and sustainable operations.
- Cash management discipline across the business.

ASM will deliver on these objectives and opportunities while managing its business risks and opportunities, outlined on page 8 of this report. Importantly, underpinning this is the awareness that decisions made to improve short-term performance also consider the long-term sustainability of ASM’s business and the communities in which it operates.

Post 31 December 2025, ASM announced it has entered into a binding Scheme Implementation Deed (SID) with Energy Fuels Inc. (Energy Fuels) under which it is proposed that Energy Fuels will acquire 100% of the issued share capital of ASM by way of a scheme of arrangement (**Scheme**). The proposed Scheme has strong alignment with ASM’s strategy to establish a vertically integrated critical minerals business and has the potential to provide ASM shareholders with significant value uplift and deliver a near-term Western “mine to metal & alloy” rare earths champion (see page 10 for more information).





# Operating and Financial Review

## Review of Operations

### Dubbo Project

During the half-year, ASM made a transformative shift in the Dubbo Project's development approach with the release of its Heap Leach Scoping Study.<sup>2</sup> The Scoping Study is part of the Company's Rare Earth Options Assessment (**REOA**) – a strategic initiative to identify lower capital, shorter implementation pathways to rare earth production.

The Scoping Study – released in July 2025 – provides a high-level economic evaluation of a Heap Leach Option, rare earth focused first phase implementation of the Dubbo Project. The Heap Leach Option eliminates complex initial processing stages, simplifying construction and accelerating the pathway to cash flow generation. This approach offers a more agile and targeted entry point, aligning with current market priorities while potentially reducing initial capital requirements.

Following delivery of the Scoping Study, ASM has continued work on the REOA, making significant progress across multiple technical workstreams in support of delivering a Pre-Feasibility Study (**PFS**) specific to the Heap Leach Option. Completion of the PFS is being accelerated by leveraging ASM's extensive prior technical and engineering work.

**During the period, ASM progressed several key workstreams in support of the PFS, including:**

- metallurgical testwork;
- process plant engineering work to help determine location and specifications of the facility and further refine both operating and capital cost expense estimates;
- continued optimisation of the processing flowsheet with the aim of improving metallurgical recoveries, enhancing process efficiency, and reducing operating costs; and
- ongoing site drilling program to collect further samples to support the ongoing testwork.

These activities are integral to confirming the technical feasibility and economic viability of the Heap Leach Option. The outputs will feed directly into the PFS, informing plant design, infrastructure requirements, permitting pathways, and financial modelling.

The REOA work has been supported by a A\$5 million grant, secured under the Australian Federal Government's International Partnerships in Critical Minerals (**IPCM**) grant program in October 2024. These funds have been 50/50 matched by ASM. A project extension was approved by the IPCM during the period to enable the completion of the work, with a revised end date of 30 June 2026.

### Korean Metals Plant

The Korean Metals Plant (**KMP**) is ASM's flagship global metals plant and the proven downstream processing component of the Company's mine to metals strategy. The plant is strategically located in South Korea to service the rising global demand for rare earth permanent magnets and critical metals. The KMP's metallisation capability positions it as one of the few facilities outside of China capable of producing the metals and alloys needed for clean energies, electric vehicles, aerospace and defence applications, electronics and communications.

ASM has established its light rare earth metal and alloying capability at commercial scale, producing neodymium (Nd) and neodymium-praseodymium (NdPr) metals and a range of neodymium praseodymium iron boron (NdFeB) alloys for a growing number of global customers. ASM is prioritising NdFeB alloy production given its more favourable margin profile, and during the period achieved a positive increase in delivery volumes – dispatching 13.9 tonnes of alloy in the September quarter and 24.3 tonnes in the December quarter.

In addition, ASM is expanding the KMP's capability with the development of heavy rare earth metal processing, specifically terbium (Tb) and dysprosium (Dy). Tb and Dy metals are high-value ingredients required to produce high-performance permanent magnets capable of operating in extreme conditions, e.g. heat. Heavy rare earth metallisation capability is incredibly

<sup>1</sup> The Mineral Resources reported are extracted from ASM's Information Memorandum released to ASX on 29 July 2020 and available at [www.asx.com.au](http://www.asx.com.au). ASM confirms that it is not aware of any new information or data that materially affects the information included in that original market announcement in relation to those Mineral Resource estimates and that all material assumptions and technical parameters underpinning the Mineral Resource estimates in that announcement continue to apply and have not materially changed.

<sup>2</sup> Refer ASX release, 11 July 2025: [Heap Leach Option delivers major cost reductions for Dubbo Project](#)



scarce outside China and, since China placed further export restrictions on heavy rare earth products during 2025, customer interest in ASM's ability to deliver an alternative supply has continued to grow strongly.

Notably, during the period ASM delivered a major operational milestone, with the Company's first commercial sale of heavy rare earth metals to Neo Performance Materials. Building on this achievement, the KMP is scaling up its heavy rare earth production capability and is targeting commercial scale production towards the end of 2026. ASM's proven ability to produce commercial-grade Dy and Tb metals outside China represents a significant achievement – not only for the Company but for the resilience of the global supply chain. ASM is well-positioned to fill a critical gap in the market and support the development of a diversified, geopolitically secure supply chain for the world's most strategically important magnet materials.

With increased sales agreements, growing capability and positive market momentum, ASM is accelerating its ramp-up activity at the KMP. Phase 2 ramp-up plans – taking designed capacity of NdFeB alloy to 3,600 tonnes per annum – are now fully funded and underway. Phase 2 ramp-up will see the KMP increase its number of furnaces to 18 and the addition of a second strip caster. Funding for these activities was secured via the successful completion of an institutional placement in October 2025 (see Review of Financial Position and Corporate).

### **American Metals Plant**

Momentum for the development of a second metals plant, located in the US, continued to build during the half-year. Expansion into the US represents a strategically aligned opportunity into an already supportive business environment. This environment was further enhanced with the establishment of the United States-Australia critical minerals framework agreement in October. The landmark bilateral framework aims to assist both countries in achieving resilience and security of critical minerals and rare earths supply chains, including mining, separation, and processing, through use of economic policy tools and coordinated investment.

In the six months to 31 December 2025, ASM continued to work with six shortlisted states – Utah, Texas, South Carolina, Oklahoma, Kentucky and Ohio – to identify a preferred location for the proposed metals plant. With all states vying for incoming business and providing varying incentives – and each offering strategic proximity to emerging magnet manufacturers, potential feedstock partners, or established critical minerals infrastructure – ASM took the decision to continue its evaluation process with all six states during the period, with a view to making both a state and site location decision in 2026.



## Review of Financial Position

During the half-year ended 31 December 2025, the Group's overall loss decreased by 21%. Pleasingly, gross profit increased by 22% during the period due to continued growth in metal and alloy sales, whilst expenses decreased significantly, principally due to lower Korean inventory write down to net realisable value of \$670,000 (2024: \$2,555,000) and Nil equipment write down expense (2024: \$1,729,000).

	31-Dec-25	31-Dec-24	Movement	
	\$'000	\$'000	\$'000	%
Sales revenue	5,965	1,134	4,831	426
Cost of sales	(5,245)	(545)	(4,700)	862
Gross Profit	720	589	131	22
Other Income	1,242	1,067	175	16
Expenses	(10,905)	(14,823)	3,918	(26)
Net loss before tax	(8,943)	(13,167)	4,224	(32)
Net loss after tax	(10,953)	(13,937)	2,984	(21)

The Group's net assets increased by 33%, principally due to ASM raising \$75,615,000 (before costs) (30 June 2025: Nil) in capital during the period, along with ongoing investment in Korean operations and Dubbo Project feasibility, metallurgy and design activities.

	31-Dec-25	30-Jun-25	Movement	
	\$'000	\$'000	\$'000	%
Cash	69,671	19,013	50,658	266
Net Assets	241,064	181,470	59,594	33
Issued Capital	353,364	281,350	72,014	26

## Cash and Cash Flows

The Group's operating cash outflows reduced by 15% during the half-year, principally due to growth in metal and alloy receipts from customers and bank interest received. Net investing cash outflows decreased by 56%, due to lower Korean property, plant, and equipment and Dubbo Project investment during the period. Financing cash inflows increased significantly during the half-year, with net inflows of \$61,967,000, which was underpinned by \$75,615,000 (2024: Nil) in capital raised, net of share issue costs of \$3,999,000 (2024: 82,000) and Korean debt principal repayments totalling \$9,238,000 (2024: nil).

	31-Dec-25	31-Dec-24	Movement	
	\$'000	\$'000	\$'000	%
Net operating cash outflows	(8,221)	(9,655)	1,434	(15)
Net investing cash outflows	(2,112)	(4,833)	2,721	(56)
Net financing cash inflow/(outflow)	61,967	(575)	62,542	10,877
Net cash flows inflow/(outflow)	51,634	(15,063)	66,697	443
Closing cash	69,671	32,603	37,068	114



## Project Finance, Offtakes and Marketing

The release of the Heap Leach Scoping Study in July 2025 generated renewed offtake and project financing interest from potential partners. The proposed streamlined product suite – comprising both light and heavy rare earth oxides – enhanced engagement by offering a simplified and targeted offering, aligned with market needs. Importantly, the Scoping Study demonstrated a materially lower capital requirement for the heap leach pathway, significantly improving the project's attractiveness to strategic investors and offtake partners. This contributed to genuine momentum in discussions, as stakeholders increasingly seek secure and diversified supply chains in response to recent geopolitical developments and government funding initiatives. The announcement of additional rare earth export restrictions by China in October 2025 further underscored the urgency of establishing these secure, diversified supply chains outside of Chinese control.

The formalisation of the US-Australia Critical Minerals Framework during the period represented a landmark development for the sector, building on two years of cooperation and collaboration between the two nations. For ASM, funding links to the United States are positive and longstanding. The Company continues to hold a Letter of Interest (**LoI**) from the US Export-Import Bank (**US EXIM**) for US\$600 million, issued in March 2024 to support construction of the Dubbo Project. This LoI remains in place and has the potential to be right-sized relative to the final capital expenditure required as ASM continues to develop the Heap Leach Option. ASM also maintains conditional support from Export Development Canada (**EDC**) of A\$400 million and Export Finance Australia (**EFA**) of A\$200 million. Conditional debt funding from these export credit agencies combined totals over A\$1.5 billion, and the Company continued constructive engagement with all three agencies throughout the period.

During the half-year, ASM engaged constructively with the Australian Federal Government and industry partners as the Government continued to develop its plans for the establishment of a Critical Minerals Strategic Reserve (**CMSR**). ASM is supportive of this initiative and welcomed the details released post 31 December 2025 that some of the first minerals to be the focus of the CMSR will be rare earth elements.

The CMSR will support Australia's collaboration with international partners to diversify critical minerals supply chains, including the United States, Japan, Republic of Korea, Europe, Canada and the UK. The Government will advance consultation with international partners on developing collaborative efforts to maximise the impact of the CMSR on global supply chains.

During the period, ASM continued engagement with potential offtake partners and strategic investors across multiple jurisdictions. These discussions encompass the Dubbo Project's refined product portfolio and ASM's enhanced metallisation capability at the Korean Metals Plant. Early feedback following the proposed transaction with Energy Fuels, announced 21 January 2026<sup>3</sup> (Refer Financial Statements Note 14), has been positive, with potential offtake parties recognising the benefits of a larger, well-capitalised Western rare earths supplier with complementary processing capacity.

Discussions with KCF Energy Co. Ltd (**KCF**) continued through the period. While both parties mutually agreed not to extend the existing framework agreement beyond its expiry on 31 December 2025, the relationship remains constructive and ASM and KCF continue to engage positively on potential opportunities of shared interest. Dialogue will remain open as ASM progresses its strategic development pathway and evaluates future partnership options.

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<sup>3</sup> Refer ASX release, 21 January 2026: [Energy Fuels to acquire Australian Strategic Materials](#)



## Market Outlook

Sales of electric vehicles set a record in 2025 at 20.7 million units according to Benchmark Mineral Intelligence<sup>4</sup>, a rise of 20% in comparison to 2024. While China recorded the largest absolute quantity of vehicles sold at 12.9 million, Europe witnessed the highest growth rate of the major markets at 33%. This was due to car makers accelerating the roll out of both battery electric and plug-in hybrid models to meet EU tailpipe emissions targets, even as these were relaxed in recognition of the difficulty in meeting previously legislated clean mobility regulations under the European Commission's 'Fit for 55' roadmap. Concurrently, although sales of 1.8 million vehicles in the US were underwhelming, the impending launch by several OEMs of range-extended models that are more aligned with consumer preferences offers hope of a rebound in the second half of the decade. However, the policy settings of the White House, such as the elimination of incentives and rolling back of emission standards, are not supportive of the longer-term demand picture.

On 9 October China announced a further tightening of export controls on rare earths with the imposition of extraterritorial reach on foreign-made products containing Chinese-origin materials marking a significant escalation in Beijing's assertion of industry power. Although a 12-month moratorium has since been imposed following a meeting between Presidents Trump and Xi Jinping in South Korea, the episode served to highlight the urgency required to develop an independent, secure supply chain for these critical minerals.

## NdFeB

Prices rose across the rare earths complex in the second half of 2025, with those for NdPr oxide and metal increasing by 40.9% and 40.2% respectively, initially supported by improved sentiment following the US DoD / MP Materials agreement and then by increased purchasing downstream amid reduced availability, as refineries limited output to avoid exceeding annual production quotas. In addition, with the issuance of general export licenses to some magnet makers in China reviving access to international markets, as well as the continuing build out of NdFeB magnet capacity globally, prices for high grade magnet alloys also rose by an average of 18.4% over the period.

## Zirconia

Prices plateaued into the end of the year, finishing 2025 at \$1,925/t, 5.2% lower than at the end of June. This was unsurprising given that demand from the refractory and ceramics segments tends to fall in the last quarter of the year with seasonality in construction in western markets. Meanwhile continued weakness in the Chinese real estate sector is still weighing on global consumption, although strength in the zirconia and zirconium chemicals segments are partially offsetting this. Notwithstanding nearby market dynamics, at the same time there has been a revival in interest from counterparts looking to secure zirconium units into the medium term.

## Hafnium

Hafnium prices in Europe more than doubled in the second half to finish the year at a record \$9,400/kg. Demand from new applications has created a market shortage, exacerbated by the limited availability of hafnium units from China to supplement western production that is confined to nuclear industry players. With the boom in AI requiring hafnium both for semiconductors and the industrial gas turbines (IGTs) that power data centres, this has created a structural imbalance between supply and demand that has become ever more apparent with the depletion of previously accumulated stockpiles.

## Niobium

Prices for niobium ingot eased from multi-year highs at \$100/kg in Q3 2025 to \$90/kg by the end of December. Nonetheless, with niobium used in nickel based super alloys in aerospace applications like rings, castings and formed sheet parts, melters must replenish stocks to maintain schedules as they strive to meet surging demand from manufacturers like Boeing and Airbus who are themselves contending with growing aircraft backlogs.

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<sup>4</sup> <https://source.benchmarkminerals.com/article/global-ev-sales-reach-20-7-million-units-in-2025-growing-by-20>



## Governance and Risk

The Group takes a pragmatic approach to risk management. The Directors provide oversight for risks and opportunities on a regular basis, ensuring that the Group's objectives and activities are aligned with ASM's approach on how it manages these exposures.

### Risks and Uncertainties

ASM's strategic business risks are risk exposures and uncertainties that could have a material effect on the Company's financial and operating prospects, and ability to achieve its strategic objectives as described in this report. These risks and uncertainties arise from a range of factors, including the Company's international operations, the current status of the Dubbo Project, the nature of the rare earths and critical minerals industry and changing economic factors. These risks have the potential to impact ASM's entire organisation or a substantial portion of it, resulting in notable consequences, which can be either positive or negative – and subsequently trigger changes to the Company's strategy.

The following information outlines the most significant strategic exposures identified across the Group. The risks are not listed in any particular order:

- Keeping our people and communities safe and well;
- Global economic uncertainty;
- Maintaining competitive advantage through business innovation and pricing mechanisms;
- Capital and funding;
- Building and sustaining supply chains for critical goods and services;
- Consistent operational performance;
- Delivering on contractual relationships;
- Maintaining our license to operate;
- Political risks, actions by government and/or authority;
- Technology and innovation;
- Climate Change;
- Business resilience (pandemic, natural disasters, strikes/people action);
- Optimising ASM's assets mix; and
- Access to people and talent.

Further information on these risks and how they are managed can be found on pages 54 to 63 of the Annual Report for the year ended 30 June 2025, a copy of which is available on the Group's website at [www.asm-au.com](http://www.asm-au.com)

### Environmental and Social Initiatives

ASM understands the importance of managing environmental impacts, respecting human rights, minimising greenhouse gas emissions, and supporting local communities. During the period, ASM released its 2025 Annual Report which included a comprehensive review of sustainability activities and achievements. The Company continues to make strong progress toward its ESG goals, reinforcing its commitment to sustainability and continuous improvement. To demonstrate commitment to responsible mining, ASM's long-term intention is to comply with the Initiative for Responsible Mining Assurance (IRMA) standard – a globally recognised benchmark for responsible mining.

As a key step, ASM is implementing the Towards Sustainable Mining (TSM) framework. TSM helps assess and improve site-level sustainability performance across nine key areas, including biodiversity, climate change, Indigenous engagement, workplace safety, and water stewardship. During the half-year, ASM continued to implement the steps to achieve TSM compliance by concluding a self-assessment process and the implementation of an action plan – supported by KPMG.

### Environment Regulation

The Group is bound by the requirements and guidelines of the relevant environmental protection authorities for the management and rehabilitation of mining tenements owned or previously owned by the Group. Mining tenements are being maintained and rehabilitated following these guidelines. The Group is also bound by the requirements of its operating license in Korea. There have been no known breaches of any of these requirements and guidelines.

We continue to focus on ensuring positive relationships with regulators and local communities, and compliance with regulatory requirements in all jurisdictions in which we operate.



## Corporate

### Capital Raising Activities

During the half-year, ASM completed three capital raising initiatives, raising a total of approximately A\$80 million (before costs) and reflecting strong support from both retail and institutional investors.

In July 2025, the Company completed an oversubscribed Share Purchase Plan (**SPP**) and a concurrent Institutional Placement, raising a combined A\$24.9 million (before costs).<sup>5</sup> The SPP, which closed on 17 July 2025, raised A\$11.9 million — substantially exceeding the initial target of A\$3 million. The Board elected to accept the oversubscription amount in recognition of strong retail shareholder support. All eligible Directors participated in the SPP. A complementary Institutional Placement was completed on 28 July 2025, raising a further A\$13 million from existing and new domestic and international institutional investors. Both the SPP and Placement were priced at A\$0.5647 per share. Proceeds were directed towards advancing the Company's US metallisation expansion plans, supporting the ramp-up of and building of heavy rare earth metallisation capability at the Korean Metals Plant, and progressing the Dubbo Project's Rare Earth Options Assessment.

In October 2025, ASM completed a second Institutional Placement, raising approximately A\$55 million (before costs) at A\$1.20 per share.<sup>6</sup> The Placement attracted major support from new and existing domestic and international institutional investors, with significant demand from US-based entities. The Company's Chair and major shareholder, Mr Ian Gandel, Non-Executive Director Mr Dominic Heaton, and existing substantial shareholder Chapelgreen Pty Ltd also committed to participate, subject to shareholder approval (Refer Financial Statements Note 14). Proceeds from the October Placement will primarily support Phase 2 expansion of the Korean Metals Plant to increase NdFeB alloy production capacity to 3,600 tonnes per annum, additional downstream expansion activities in Korea and/or the United States, pursuing strategic partnerships, and have been directed to repayment of current debt in Korea.

The successful completion of these capital raisings provided the Company with a strengthened balance sheet to execute its growth strategy during a period of increasing global demand for secure, non-China sources of rare earth metals and alloys.

### Resignation of Chief Operating Officer

Mr Chris Jordaan resigned from his role as Chief Operating Officer (**COO**) with effect from 9 November 2025.<sup>7</sup>

The COO position has been replaced with the roles of VP Operations Metals and VP Operations Australia. Both roles will report directly to the CEO. The newly created roles will have the following areas of responsibility:

- VP Operations Metals: Korean Metals Plant, R&D division, and US metals plant expansion opportunities.
- VP Operations Australia: Dubbo Project and Toongi Pastoral Company.

### Annual General Meeting

ASM held its Annual General Meeting on 26 November 2025. All resolutions were passed on a poll.

### Dividends

There were no dividends paid, recommended, nor declared during the half-year or previous financial year.

### Significant Changes in the State of Affairs

During the half-year, ASM raised approximately A\$80 million (before costs) through an oversubscribed Share Purchase Plan and two Institutional Placements, details of which are provided in the Capital Raising Activities section above.

The Group also fully repaid its ₩9 billion (A\$9.2 million) secured loan facility with the Korean Development Bank (KDB) ahead of schedule, reducing its remaining debt balance to ₩3 billion (A\$3.1 million) with Hana Bank.

There were no other significant changes in the state of affairs of the Group during the half-year not otherwise disclosed in this report.

<sup>5</sup> Refer ASX release, 28 July 2025: [Successful completion of Institutional Placement to raise A\\$13M](#)

<sup>6</sup> Refer ASX release, 20 October 2025: [ASM successfully raises A\\$55M to ramp-up alloy output and drive metallisation growth initiatives](#)

<sup>7</sup> Refer ASX release, 30 September 2025: [Management changes](#)



## Events after the half-year

### Energy Fuels Transaction

On 21 January 2026, ASM announced that it had entered into a binding Scheme Implementation Deed (**SID**) with Energy Fuels Inc. (NYSE: UUUU; TSX: EFR) under which it is proposed that Energy Fuels will acquire 100% of the issued share capital of ASM by way of a court-approved Scheme of Arrangement under Part 5.1 of the *Corporations Act 2001* (Cth) (**the Scheme**).<sup>8</sup>

Under the terms of the Scheme, each eligible ASM shareholder will be entitled to receive a total implied value of A\$1.60 per ASM share<sup>9</sup> comprising:

- **Scheme Consideration:** 0.053 Energy Fuels shares or CHES Depository Interests (**CDIs**), for each ASM share held as at the record date, representing an implied equity value of A\$1.47<sup>10</sup> per ASM share (**Scheme Consideration**); and
- **Special Dividend:** an unfranked special dividend of up to A\$0.13 per ASM share, permitted to be paid by ASM prior to implementation of the Scheme (**Special Dividend**).

ASM and Energy Fuels have also agreed under the SID the terms for a separate, but concurrent, scheme of arrangement, under which it is proposed that ASM's quoted options (ASX: ASMO) (**Options**) will be transferred to Energy Fuels in exchange for each Option holder receiving A\$0.50 cash per ASM Option (ASX: ASMO) (**Option Scheme**). The Scheme is not conditional on the Option Scheme proceeding. However, the implementation of the Option Scheme is conditional on the Scheme becoming effective.

Energy Fuels has agreed to establish a secondary listing on the ASX to allow ASM shareholders to trade Energy Fuels shares via CDIs on the ASX. ASM shareholders will be able to elect whether to receive the Scheme Consideration in Energy Fuels shares which are listed on both the NYSE American (**NYSE**) and the Toronto Stock Exchange (**TSX**) or CDIs which are proposed to be listed on the ASX.

The total implied value of A\$1.60 per ASM share implies an equity value of approximately A\$447 million<sup>11</sup> for ASM on a fully diluted basis, and represents a premium of:

- 121% to ASM's last closing share price of A\$0.725 per share<sup>12</sup> on 20 January 2026
- 133% to ASM's 30-Day VWAP of ~A\$0.687 per share<sup>13</sup> to 20 January 2026
- 110% to ASM's 60-Day VWAP of ~A\$0.761 per share<sup>14</sup> to 20 January 2026

ASM's Board has unanimously recommended that ASM shareholders vote in favour of the Scheme, in the absence of a superior proposal and subject to an independent expert concluding that the Scheme is in the best interests of ASM shareholders. The Scheme is subject to customary conditions, including ASM shareholder and court approvals, Australian Foreign Investment Review Board (**FIRB**) approval, and other regulatory approvals.

ASM expects to dispatch a Scheme Booklet containing further information in relation to the Schemes to ASM shareholders in due course. The Scheme Meeting is expected to be held in the second quarter of calendar year 2026 and, if approved by ASM shareholders and the Court, the Scheme is expected to be implemented prior to 30 June 2026.

### Extraordinary General Meeting

On 23 February 2026, ASM held an Extraordinary General Meeting (EGM) in connection with the October 2025 Institutional Placement, seeking shareholder approval under ASX Listing Rule 10.11 for the issue of Placement shares to directors and a

<sup>8</sup>Refer ASX release, 21 January 2026: [Energy Fuels to acquire Australian Strategic Materials](#)

<sup>9</sup>Assumes that a special dividend of \$0.13 per ASM share is declared and paid. Payment of the special dividend is conditional on the Scheme becoming legally effective and compliance with the requirements of section 254T of the Corporations Act, ASM's constitution and applicable law

<sup>10</sup>Based on Energy Fuels' 15-Day VWAP as at 16/01/2026.

<sup>11</sup>Assumes a fully diluted share count of ~279 million comprised of ASM's ~268 million ordinary shares outstanding plus ~3.7 million remaining shares to be issued as a part of the October 2025 equity raise and ~8 million in issued performance rights as of 20 January 2026. Excludes option dilution as listed options will be tendered for at A\$0.50 cash per ASM Option.

<sup>12, 13, 14</sup> Based on IRESS Market Data as of 20/01/2026.

## Directors' Report

31 December 2025

substantial shareholder. Shareholders approved the issue of Placement shares to the Company's Chair Mr Ian Gandel (up to 833,334 shares), Non-Executive Director Mr Dominic Heaton (up to 41,667 shares) and existing substantial shareholder Chapelgreen Pty Ltd (2,800,000 shares) at the Placement price of A\$1.20 per share. All resolutions were passed.

No other matter or circumstance has arisen since the end of the half-year which has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

## Likely Developments and Expected Results of Operations

ASM intends to continue evaluation activities in relation to the Dubbo Project and progress the commercialisation of ASM's Korean Metals Plant, in line with details provided in the Review of Operations.

As noted in Events Since the End of the Half-Year, ASM has entered into a binding Scheme Implementation Deed with Energy Fuels Inc. under which it is proposed that Energy Fuels will acquire 100% of the issued share capital of ASM. The Scheme remains subject to a number of conditions, including Australian Foreign Investment Review Board, ASM shareholder and court approval, and is expected to be considered at a scheme meeting in H1 2026. If the Scheme is implemented, the future operations of the Company will be undertaken within the broader Energy Fuels group.

Further information on the Scheme, including the independent expert's report, will be provided to ASM shareholders in the Scheme Booklet, which is expected to be dispatched in advance of the scheme meeting.

## Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out immediately after this Directors' Report.

## Rounding of Amounts

The Company is of a kind referred to ASIC Legislative Instrument 2016/191, relating to the 'rounding-off' of amounts in the directors' report and financial report. Amounts in the directors' report and financial report have been rounded off to the nearest thousand dollars in accordance with the instrument.

This report is made in accordance with a resolution of Directors, pursuant to section 306(3)(a) of the *Corporations Act 2001*.

On behalf of the Directors



Rowena Smith  
Managing Director and CEO  
Perth  
11 March 2026



## Auditor's Independence Declaration

As lead auditor of Australian Strategic Materials Limited's financial report for the half-year ended 31 December 2025 I declare that to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review of the financial report; and
- b) no contraventions of any applicable code of professional conduct in relation to the review of the financial report.

A handwritten signature in black ink, appearing to read 'Ian Campbell', is written over a faint horizontal line.

Ian Campbell  
Partner  
PricewaterhouseCoopers

Perth  
11 March 2026

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## Interim Financial Statements Contents

31 December 2025

Condensed consolidated statement of profit or loss and other comprehensive income	14
Condensed consolidated balance sheet	15
Condensed consolidated statement of changes in equity	16
Condensed consolidated statement of cash flows	17
Notes to the condensed consolidated financial statements	18
Directors' declaration	26
Independent auditor's review report to the members of Australian Strategic Materials Limited	27

## General Information

The interim financial statements cover Australian Strategic Materials Limited as a Group consisting of Australian Strategic Materials Limited and the entities it controlled at the end of, or during, the half-year. The interim financial statements are presented in Australian dollars, which is Australian Strategic Materials Limited's functional and presentation currency.

Australian Strategic Materials Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Australian Strategic Materials Limited  
Level 4, 66 Kings Park Road, West Perth, Western Australia

A description of the nature of the Group's operations and its principal activities are included in the Directors' report, which is not part of the interim financial statements.

The interim financial statements were authorised for issue by the directors on 11 March 2026. The directors have the power to amend and reissue the interim financial statements.

## Condensed consolidated statement of profit or loss and other comprehensive income

For the half-year ended 31 December 2025

	Note	Consolidated	
		31 Dec 2025 \$'000	31 Dec 2024 \$'000
<b>Revenue</b>	3	5,965	1,134
Cost of sales		(5,245)	(545)
<b>Gross profit</b>		720	589
Other income		1,242	1,067
<b>Expenses</b>			
Operating expenses	4	(1,738)	(5,156)
Professional fees and consulting services		(676)	(796)
Employee remuneration		(3,723)	(3,814)
Share-based payments	15	(799)	(857)
Directors' fees and salaries		(677)	(913)
General and administration expenses		(1,658)	(1,786)
Pastoral company expenses		(284)	(339)
Depreciation and amortisation expense		(703)	(889)
Fair value movement in biological assets		460	161
Finance costs		(413)	(508)
Net foreign exchange (loss)/gain		(694)	74
<b>Loss before income tax</b>		(8,943)	(13,167)
Income tax expense		(2,010)	(770)
<b>Loss after income tax for the half-year</b>		(10,953)	(13,937)
<b>Other comprehensive loss</b>			
<i>Items that may be reclassified to profit or loss</i>			
Loss on translation of foreign operations		(2,303)	(107)
<i>Items that will not be reclassified to profit or loss</i>			
Remeasurements of net defined benefit plan		37	(68)
Other comprehensive loss for the half-year, net of tax		(2,266)	(175)
<b>Total comprehensive loss for the half-year</b>		<u>(13,219)</u>	<u>(14,112)</u>
Gain/(loss) for the half-year is attributable to:			
Non-controlling interest		6	26
Owners of Australian Strategic Materials Limited		(10,959)	(13,963)
		<u>(10,953)</u>	<u>(13,937)</u>
Total comprehensive gain/(loss) for the half-year is attributable to:			
Non-controlling interest		6	26
Owners of Australian Strategic Materials Limited		(13,225)	(14,138)
		<u>(13,219)</u>	<u>(14,112)</u>
		<b>Cents</b>	<b>Cents</b>
Basic loss per share		(5)	(8)
Diluted loss per share		(5)	(8)

The above condensed consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

**Condensed consolidated balance sheet**

As at 31 December 2025

	Note	Consolidated	
		31 Dec 2025 \$'000	30 Jun 2025 \$'000
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		69,671	19,013
Trade and other receivables		4,046	1,115
Inventories	5	8,362	9,553
Biological assets		507	383
Total current assets		<u>82,586</u>	<u>30,064</u>
<b>Non-current assets</b>			
Property, plant and equipment	6	68,031	72,570
Intangible assets		33	394
Exploration and evaluation assets		126,989	122,952
Biological assets		1,260	1,015
Other assets		167	178
Total non-current assets		<u>196,480</u>	<u>197,109</u>
<b>Total assets</b>		<u>279,066</u>	<u>227,173</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables		3,151	3,302
Interest bearing liabilities	7	3,201	13,666
Provisions	8	815	831
Unearned revenue	9	9,097	2,479
Total current liabilities		<u>16,264</u>	<u>20,278</u>
<b>Non-current liabilities</b>			
Interest bearing liabilities	7	397	387
Deferred tax		18,815	17,405
Provisions	8	2,526	2,898
Unearned revenue	9	-	4,735
Total non-current liabilities		<u>21,738</u>	<u>25,425</u>
<b>Total liabilities</b>		<u>38,002</u>	<u>45,703</u>
<b>Net assets</b>		<u>241,064</u>	<u>181,470</u>
<b>Equity</b>			
Issued capital	10	353,364	281,350
Other equity		1,922	1,922
Reserves	11	13,828	15,295
Accumulated losses		(128,088)	(117,129)
Equity attributable to the owners of Australian Strategic Materials Limited		<u>241,026</u>	<u>181,438</u>
Non-controlling interest		38	32
<b>Total equity</b>		<u>241,064</u>	<u>181,470</u>

The above condensed consolidated balance sheet should be read in conjunction with the accompanying notes

**Condensed consolidated statement of changes in equity**

For the half-year ended 31 December 2025

<b>Consolidated</b>	<b>Note</b>	<b>Issued capital \$'000</b>	<b>Other equity \$'000</b>	<b>Reserves \$'000</b>	<b>Accumulated losses \$'000</b>	<b>Non-controlling interest \$'000</b>	<b>Total equity \$'000</b>
<b>Balance at 1 July 2024</b>		<b>281,462</b>	<b>1,922</b>	<b>13,752</b>	<b>(92,560)</b>	<b>18</b>	<b>204,594</b>
Gain/(loss) after income tax for the half-year		-	-	-	(13,963)	26	(13,937)
Other comprehensive loss for the half-year, net of tax		-	-	(175)	-	-	(175)
<b>Total comprehensive income/(loss) for the half-year</b>		<b>-</b>	<b>-</b>	<b>(175)</b>	<b>(13,963)</b>	<b>26</b>	<b>(14,112)</b>
Cost of share issue		(64)	-	-	-	-	(64)
Share-based payments	15	-	-	857	-	-	857
Deferred tax recognised in equity		90	-	-	-	-	90
<b>Balance at 31 December 2024</b>		<b>281,488</b>	<b>1,922</b>	<b>14,434</b>	<b>(106,523)</b>	<b>44</b>	<b>191,365</b>
<b>Consolidated</b>	<b>Note</b>	<b>Issued capital \$'000</b>	<b>Other equity \$'000</b>	<b>Reserves \$'000</b>	<b>Accumulated losses \$'000</b>	<b>Non-controlling interest \$'000</b>	<b>Total equity \$'000</b>
<b>Balance at 1 July 2025</b>		<b>281,350</b>	<b>1,922</b>	<b>15,295</b>	<b>(117,129)</b>	<b>32</b>	<b>181,470</b>
Gain/(loss) after income tax for the half-year		-	-	-	(10,959)	6	(10,953)
Other comprehensive loss for the half-year, net of tax		-	-	(2,266)	-	-	(2,266)
<b>Total comprehensive income/(loss) for the half-year</b>		<b>-</b>	<b>-</b>	<b>(2,266)</b>	<b>(10,959)</b>	<b>6</b>	<b>(13,219)</b>
Contributions of equity	10	75,615	-	-	-	-	75,615
Cost of share issue	10	(3,919)	-	-	-	-	(3,919)
Share-based payments	15	-	-	799	-	-	799
Deferred tax recognised in equity	10	318	-	-	-	-	318
<b>Balance at 31 December 2025</b>		<b>353,364</b>	<b>1,922</b>	<b>13,828</b>	<b>(128,088)</b>	<b>38</b>	<b>241,064</b>

The above condensed consolidated statement of changes in equity should be read in conjunction with the accompanying notes

**Condensed consolidated statement of cash flows**

For the half-year ended 31 December 2025

	Note	Consolidated	
		31 Dec 2025 \$'000	31 Dec 2024 \$'000
<b>Cash flows from operating activities</b>			
Receipts from customers		4,464	924
Payments to suppliers and employees		(14,874)	(13,277)
		<u>(10,410)</u>	<u>(12,353)</u>
Interest received		597	930
Other income		1,604	1,783
Finance costs paid		(12)	(15)
		<u>(8,221)</u>	<u>(9,655)</u>
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment		(584)	(1,283)
Payments for exploration and evaluation		(4,098)	(5,896)
Payments for patents		(20)	-
Payments for the purchase of biological assets		-	(47)
Proceeds from sale of property, plant and equipment		-	3
Proceeds from government grants received		2,590	2,390
		<u>(2,112)</u>	<u>(4,833)</u>
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares and other equity securities	10	75,615	-
Payments of interest		(411)	(493)
Share issue transaction costs	10	(3,999)	(82)
Repayment of borrowings	7	(9,238)	-
		<u>61,967</u>	<u>(575)</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>			
		51,634	(15,063)
Cash and cash equivalents at the beginning of the financial half-year		19,013	47,602
Effects of exchange rate changes on cash and cash equivalents		(976)	64
		<u>69,671</u>	<u>32,603</u>

*The above condensed consolidated statement of cash flows should be read in conjunction with the accompanying notes*

## Notes to the condensed consolidated financial statements

31 December 2025

Note 1. Basis of preparation	19
Note 2. Operating segments	19
Note 3. Revenue	20
Note 4. Operating expenses	20
Note 5. Inventories	20
Note 6. Property, plant and equipment	21
Note 7. Interest bearing liabilities	21
Note 8. Provisions	22
Note 9. Unearned revenue	22
Note 10. Issued capital	23
Note 11. Reserves	24
Note 12. Contingencies	24
Note 13. Commitments	24
Note 14. Events after the reporting period	24
Note 15. Share-based payments	24

## Notes to the condensed consolidated financial statements

31 December 2025

### Note 1. Basis of preparation

This condensed consolidated interim financial report for the half-year ended 31 December 2025 has been prepared in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*.

This condensed consolidated interim financial report does not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2025 and any public announcements made by the company during the half-year in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding half-year, except for the policies provided throughout the notes to the financial statements.

#### **New or amended Accounting Standards and Interpretations adopted**

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are mandatory for the current half-year.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group.

#### **Reclassifications of items in the financial statements**

Minor reclassifications of items in the financial statements of the previous period have been made in accordance with the classification of items in the current half-year financial statements.

#### **Going concern**

The condensed consolidated interim financial report has been prepared on a going concern basis, which contemplates the realisation of assets and settlement of liabilities in the normal course of business.

The Group has cash outflows from operating activities of \$8.2 million and investing activities of \$2.1 million for the half-year ended 31 December 2025 (31 December 2024: cash outflows included operating activities of \$9.7 million and investing activities of \$4.8 million). At 31 December 2025, the Group had cash on hand of \$69.7 million (30 June 2025: \$19.0 million). The Group has net working capital as at 31 December 2025 of approximately \$66.3 million and outstanding commitments of \$22.5 million relating to Korean Metals Plant feedstock supply and equipment, Dubbo feasibility, metallurgy and design activities, Dubbo land acquisitions, and exploration obligations (refer Note 13).

Based on the Group's cash flow forecast, the Group's available funding is sufficient to support the Group's operations for at least 12 months from the date of this report. The Group expects to be successful in continuing to source new customers and sales for products produced at the Korean Metals Plant and to continue progressing the Dubbo Project, raising additional equity capital if required. This conclusion is not dependent on the proposed acquisition described in Note 14.

Accordingly, the directors have prepared the condensed consolidated interim financial report on a going-concern basis.

### Note 2. Operating segments

#### *Description of segments*

The Group identified its operating segments based on the internal reports that are reviewed and used by the executive management team (the chief operating decision makers) in assessing performance and in determining the allocation of resources. The operating segments of the Group are:

- Corporate: which includes corporate activities.
- Dubbo Project: which includes the evaluation and feasibility of the Dubbo Project and Toongi Pastoral Company.
- Korea: which includes the Korean Metals Plant and research and development activities.

#### *Operating segment information*

The table below shows segment information provided to the executive management team for the reportable segments for the half-year ended 31 December 2025:

## Notes to the condensed consolidated financial statements

31 December 2025

### Note 2. Operating segments (continued)

	Corporate \$'000	Dubbo Project \$'000	Korea \$'000	Consolidated \$'000
<b>Consolidated 31 December 2025</b>				
Total segment revenue	-	111	5,854	5,965
Total segment loss after income tax	(8,104)	(215)	(2,634)	(10,953)
Total segment assets	59,590	163,385	56,091	279,066
Total segment liabilities	11,743	12,893	13,366	38,002
<b>Consolidated 31 December 2024</b>				
Total segment revenue	-	601	533	1,134
Total segment loss after income tax	(4,095)	61	(9,903)	(13,937)
<b>Consolidated 30 June 2025</b>				
Total segment assets	21,124	153,726	52,323	227,173
Total segment liabilities	19,107	3,254	23,342	45,703

### Note 3. Revenue

	Consolidated	
	31 Dec 2025 \$'000	31 Dec 2024 \$'000
Metal and alloy sales - Korea	5,854	533
Pastoral sales	111	601
	<u>5,965</u>	<u>1,134</u>

### Note 4. Operating expenses

	Consolidated	
	31 Dec 2025 \$'000	31 Dec 2024 \$'000
Inventory net realisable value write-down (Note 5)	670	2,555
Equipment write-down	-	1,729
Other <sup>(i)</sup>	1,068	872
	<u>1,738</u>	<u>5,156</u>

<sup>(i)</sup> Other operating expenses include administration and general expenditure not capitalised with respect of the operation of the Korean Metals Plant.

### Note 5. Inventories

	Consolidated	
	31 Dec 2025 \$'000	30 Jun 2025 \$'000
<i>Current assets</i>		
Toongi Pastoral Company supplies	328	214
Korea Materials <sup>(i)</sup>	8,034	9,339
	<u>8,362</u>	<u>9,553</u>

## Notes to the condensed consolidated financial statements

31 December 2025

### Note 5. Inventories (continued)

<sup>[i]</sup> Of the Korean materials inventory recorded at 31 December 2025, \$5,364,000 (30 Jun 2025: \$8,500,000) is recorded at net realisable value.

#### Amounts recognised in the profit or loss

Korean inventories recognised as an expense during the half-year ended 31 December 2025 amounted to \$5,245,000 (31 December 2024: \$545,000). These were included in cost of sales in the condensed consolidated statement of profit or loss and other comprehensive income.

#### Key judgements, estimates and assumptions

The Group's assessment of the net realisable value and classification of its Korean inventory holdings requires the use of estimates, including the cost to complete. During the half-year, Korean inventory write-downs of \$670,000 occurred (31 December 2024: \$2,555,000). These were recognised as an operating expense in the condensed consolidated statement of profit or loss and other comprehensive income.

### Note 6. Property, plant and equipment

#### Assessment of impairment indicators for property, plant and equipment

For the half-year ended 31 December 2025, the Group assessed whether there were any indicators of impairment. Whilst the Group's market capitalisation at 31 December 2025 was below its net assets, considered alongside other factors management concluded that there was not an indicator of impairment. The other factors considered were that sales had continued to increase at the Korean Metals Plant, there has been continued progress on studies at Dubbo, the Group's market capitalisation had increased significantly since 30 June 2025 and continued to increase subsequent to 31 December 2025. In particular, the Energy Fuels acquisition announced on 21 January 2026 implied a Group equity value of approximately \$447 million (refer Note 14), significantly higher than net assets. Given the proximity of the offer and the involvement of a market participant, the bid was viewed as a suitable proxy for the value of the Group at 31 December 2025. On this basis, and considering the quantum of the bid, management concluded that no impairment indicators existed.

### Note 7. Interest bearing liabilities

	Consolidated	
	31 Dec 2025 \$'000	30 Jun 2025 \$'000
<i>Current liabilities</i>		
Lease liability <sup>[i]</sup>	88	90
Borrowings <sup>[ii]</sup>	3,113	13,576
	3,201	13,666
<i>Non-current liabilities</i>		
Lease liability <sup>[i]</sup>	397	387
	3,598	14,053

<sup>[i]</sup> As at 31 December 2025, the Group leased various assets under leases expiring within one to seven years. The interest rates are fixed and payable over the lease term from the inception of the lease. These leases are effectively secured as the rights to the leased assets recognised in the financial statements revert to the lessor in the event of default.

<sup>[ii]</sup> During the half-year, the group fully repaid its ₩9 billion loan facility with the Korean Development Bank (equivalent to \$9.2 million). As at 31 December 2025, the Group holds one loan facility with Hana Bank in South Korea which is denominated in Korean Won (₩). The Hana Bank facility comprise of a fully drawn unsecured loan facility of ₩3 billion (31 December 2025: equivalent to \$3.1 million) due for full repayment in May 2026 (30 June 2025: fully drawn unsecured ₩3 billion, equivalent to \$3.4 million).

ASM held no other debt facilities at 31 December 2025.

#### Secured liabilities and assets pledged as security

There are no secured liabilities or assets pledged as security associated with the Hana Bank loan facility.

## Notes to the condensed consolidated financial statements

31 December 2025

### Note 7. Interest bearing liabilities (continued)

*Fair value*

For the majority of borrowings, the fair values approximate their carrying amounts, since the interest payable on those borrowings is either close to current market rates or the borrowings are short-term.

Hana Bank loan facility interest rate is 4.12% per annum and varies every 6 months.

*Debt covenants*

There are no debt covenants associated with the Hana Bank loan facility.

### Note 8. Provisions

	Consolidated	
	31 Dec 2025 \$'000	30 Jun 2025 \$'000
<i>Current liabilities</i>		
Annual leave	660	689
Long service leave	155	142
	815	831
<i>Non-current liabilities</i>		
Long service leave	148	100
Korean pension benefit	481	431
Provision for decommissioning	1,897	2,367
	2,526	2,898
	3,341	3,729

### Note 9. Unearned revenue

	Consolidated	
	31 Dec 2025 \$'000	30 Jun 2025 \$'000
<i>Current liabilities</i>		
Government Grant - Australia <sup>(i)</sup>	4,590	2,000
Government Grant - Korea <sup>(ii)</sup>	4,507	479
	9,097	2,479
<i>Non-current liabilities</i>		
Government Grant - Korea <sup>(ii)</sup>	-	4,735
	9,097	7,214

<sup>(i)</sup> During the half-year ended 31 December 2025, cash grants were received from the Federal government under the International Partnerships in Critical Minerals (IPCM) Program. ASM was awarded a contributory grant of \$5,000,000 (net of GST) to support work to identify potential lower capital and shorter implementation pathways to rare earth production at the Dubbo Project. The first instalment of \$2,000,000 (net of GST) was received in October 2024. The second and third instalments totalling \$2,590,000 (net of GST) were received during the six months ended 31 December 2025. Should any grant criteria not be fully satisfied, a portion of the grant may be required to be repaid.

## Notes to the condensed consolidated financial statements

31 December 2025

### Note 9. Unearned revenue (continued)

<sup>[ii]</sup> Unearned revenue relates to a cash grant received from the South Korean government to support the development of the Korean Metals Plant. Should any grant criteria not be fully satisfied by 31 December 2026, a portion of the grant may be required to be repaid. During the six months ended 31 December 2025, unearned revenue has been reclassified from non-current to current, reflecting the grant's completion date.

### Note 10. Issued capital

	Consolidated			
	31 Dec 2025 Shares	30 Jun 2025 Shares	31 Dec 2025 \$'000	30 Jun 2025 \$'000
Ordinary shares - fully paid	268,054,684	181,340,682	353,364	281,350

#### Movements in ordinary shares

	Number of shares	Total \$'000
<b>Opening balance 30 June 2025</b>	181,340,682	281,350
Issue of shares for institutional placements <sup>[iii]</sup>	65,313,575	63,751
Issue of shares in accordance with share purchase plan <sup>[i]</sup>	21,005,421	11,862
Issue of shares on exercising placement options	917	2
Issue of shares on vesting of performance rights	394,089	-
Less: transaction costs arising on share issue	-	(3,919)
Deferred tax credit recognised directly into equity	-	318
<b>Balance 31 December 2025</b>	<b>268,054,684</b>	<b>353,364</b>

#### Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

<sup>[i]</sup> On 24 July 2025, the Company completed an underwritten Share Purchase Plan Offer (SPP) announced on 16 June 2025, raised \$11,861,761 (before costs) at an offer price of \$0.5647 and issued 21,005,421 new shares.

<sup>[ii]</sup> On 28 July 2025, the Company completed an institutional placement for shares, raised \$13,000,000 (before costs) resulting in the issue of new 23,021,074 shares, including 1,823,978 shares issued to Mr Ian Gandel (Chair) and Mr Dominic Heaton (Non-executive director), which participation was approved at an Extraordinary General meeting (EGM) held on 11 September 2025.

<sup>[iii]</sup> On 20 October 2025, the Company completed an institutional placement for shares, raised \$50,751,001 (before costs) at \$1.20 per share and issued 42,292,501 new shares.

## Notes to the condensed consolidated financial statements

31 December 2025

### Note 11. Reserves

	Consolidated	
	31 Dec 2025 \$'000	30 Jun 2025 \$'000
Capital contribution reserve	11,324	11,324
Share-based payments reserve	5,571	4,772
Retirement benefit obligation reserve	(215)	(252)
Foreign currency reserve	(2,852)	(549)
	<u>13,828</u>	<u>15,295</u>

### Note 12. Contingencies

The Group has contingent commitments estimated at up to \$5,770,125 for the potential acquisition of parcels of land surrounding the Dubbo Project (30 June 2025: \$5,770,125). The landholders have the right to require the Group to acquire their property when the development consent conditions for the Dubbo Project have been met.

The Group has contingent commitments estimated at \$53,787,539 (~US\$36,000,000) for Bechtel Mining and Metals, Inc (Bechtel) to conduct FEED services for the Dubbo Project. The contract will see Bechtel progress in the design of both the process plant and NPI facilities at the Dubbo Project. Bechtel's commencement of the work is conditional upon the Group:

- Confirming that funding has been received for the work.
- Confirming all necessary approvals to proceed with the work have been received, and
- Issuing Bechtel with a notice to proceed.

### Note 13. Commitments

#### a) Capital commitments

At 31 December 2025, the Group had contractual commitments to capital expenditure of \$7,595,000 (30 June 2025: \$9,918,000).

#### b) Other commitments

At 31 December 2025 the Group estimated commitment for metals plant feedstock supply was \$14,926,000 (30 June 2025: \$9,618,000).

### Note 14. Events after the reporting period

On 20 October 2025, the Company completed an institutional placement for shares, raised \$50,751,001 (before costs) at \$1.20 per share and issued 42,292,501 new shares. An additional 3,674,999 shares for \$4,410,000 to Mr Ian Gandel (Chair), Mr Dominic Heaton (Non-Executive Director) and existing substantial shareholder Chapelgreen Pty Ltd was approved by shareholders' at an Extraordinary General Meeting held on 23 February 2026.

On 21 January 2026, the Company announced the proposed acquisition by Energy Fuels Inc of 100% of the issued share capital of ASM by way of a court-approved Scheme of Arrangement under Part 5.1 of the *Corporations Act 2001 (Ch)*. Consideration for the proposed acquisition includes 0.053 Energy Fuels Inc. shares for each ASM share held, plus a special dividend of \$0.13 per ASM share. Completion of the transaction is targeted prior to 30 June 2026 and remains subject to conditions precedent, including ASM shareholder and FIRB approvals. ASM also has 14,340,706 listed options outstanding, which will be the subject of a separate Scheme of Arrangement. Energy Fuels Inc. has offered option holders \$0.50 in cash per option. The ASM option scheme is conditional upon the completion of the ASM share scheme.

No other matter or circumstance has arisen since 31 December 2025 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

### Note 15. Share-based payments

During the half-year ended 31 December 2025, 4,212,740 performance rights were granted to employees and key management personnel. The weighted average fair value of the performance rights granted during the half-year was \$0.50.

## Notes to the condensed consolidated financial statements

31 December 2025

### Note 15. Share-based payments (continued)

At 31 December 2025, 7,671,108 of the performance rights granted have not vested and are not exercisable. The weighted average remaining contractual life of performance rights is 1.6 years (30 June 2025: 1.6 years).

For the half-year ended 31 December 2025, the Group has recognised \$799,000 of share-based payment expense in the condensed consolidated statement of profit or loss and other comprehensive income (31 December 2024: \$857,000).

## Directors' declaration

31 December 2025

In the Directors' opinion:

- (a) the financial statements and notes set out on pages 13 to 25 are in accordance with the *Corporations Act 2001* including:
  - (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
  - (ii) giving a true and fair view of the Group's financial position as at 31 December 2025 and of its performance for the financial half-year ended on that date; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.



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Rowena Smith  
Managing Director and CEO

11 March 2026  
Perth



# Independent auditor's review report to the members of Australian Strategic Materials Limited

## Report on the half-year financial report

### Conclusion

We have reviewed the half-year financial report of Australian Strategic Materials Limited (the Company) and the entities it controlled during the half-year (together the Group), which comprises the condensed consolidated balance sheet as at 31 December 2025, the condensed consolidated statement of changes in equity, condensed consolidated statement of cash flows, condensed consolidated statement of profit or loss and other comprehensive income for the half-year ended on that date, selected explanatory notes and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Australian Strategic Materials Limited does not comply with the *Corporations Act 2001* including:

1. giving a true and fair view of the Group's financial position as at 31 December 2025 and of its performance for the half-year ended on that date;
2. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

### Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity (ASRE 2410)*. Our responsibilities are further described in the Auditor's responsibilities for the review of the half-year financial report section of our report.

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the

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Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

## **Responsibilities of the directors for the half-year financial report**

The directors of the Company are responsible for the preparation of the half-year financial report, in accordance with Australian Accounting Standards and the *Corporations Act 2001*, including giving a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement whether due to fraud or error.

## **Auditor's responsibilities for the review of the half-year financial report**

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2025 and of its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

PricewaterhouseCoopers

Ian Campbell  
Partner

Perth  
11 March 2026