

Dubbo Project Community Newsletter

June 2024 / Issue #35

PROJECT PROGRESS

Early establishment activities

Our non-process infrastructure (NPI) study work, conducted by engineering company Bechtel, has progressed to schedule in recent months.

The outputs from this work are currently being used to assist with our engagement with key stakeholders for planned early establishment activities, including study work on the solid residue storage facility and engineering work to upgrade local roads and bridges.

Preliminary discussions with Dubbo Regional Council and Taronga Western Plains Zoo were had regarding the Obley Road upgrade works. Pursuant to these works, Obley Road will be widened and upgraded to B-double vehicle standards to ensure high-standard road access for the

Dubbo Project's development and operation and deliver benefits to the local community and businesses.

The works are estimated to cost A\$20.4 million and will be funded by a A\$10 million grant from the NSW Government's Critical Minerals and High-Tech Metals Activation Fund, with the remainder funded by ASM.

In April, Macquarie Geotech commenced geotechnical engineering work on the Dubbo Project site.

The site work will consist of digging 210 test pits and core holes, followed by laboratory analysis. The program of work will run for three months and will gather data to support the engineering design of the plant.



The Macquarie Geotech team has commenced work on the Dubbo Project site

FEED services contract

In March, ASM announced an additional contract with Bechtel to conduct Front-End Engineering Design (FEED) services at the Dubbo Project.

This means Bechtel will now progress design of both the process plant and non-process infrastructure facilities to support ASM commencing the execution phase of the Dubbo Project.

Bechtel is one of the world's leading engineering and construction companies, with extensive experience in the mining and metals sector. In addition, working with the US-owned company has opened up a number of new funding pathways for ASM (see *Funding Progress*).

Key areas of the work involved in the Bechtel FEED contract scope, include:

- Progressing the engineering in readiness for commencement of the execution phase, and to support the procurement of long lead items and site preparation works.
- Finalise the Dubbo Project strategies, execution plans, baseline scope and standards to drive the procurement process for engagement of the execution contractors and to support 'readiness' for execution.
- Identify early works opportunities for program reduction and or reduction of implementation risk.

FUNDING PROGRESS

Growing global support

ASM has made significant progress on its funding strategy for the Dubbo Project during the first half of 2024.

ASM has received conditional letters of interest (LoI) from both the Export Import Bank of the United States (US EXIM) and Export Development Canada (EDC), outlining debt funding packages to support the construction and execution phase of the Dubbo Project.

US EXIM's LoI indicated support for up to US\$600 million, while EDC indicated up to A\$400 million of support. Combined with the previously announced conditional A\$200 million letter of support from Export Finance Australia (EFA), we see this growing financial support as recognition of the strength of the Dubbo Project and its significance as a secure and sustainable source of critical minerals.

US EXIM and EDC are the official export credit agencies of their respective countries. The enhanced interest from these government agencies stems from the strong policy alignment between Australia and North American jurisdictions, emphasising the necessity of establishing an alternative critical minerals supply.



ASM has been closely following policy developments within the critical minerals sector in North America and the opportunities this is presenting to Australian companies. ASM Managing Director Rowena Smith recently participated in a trade delegation to Washington DC (top) and a critical minerals roundtable in Toronto, Canada (bottom).

Funding for FEED

US EXIM's Engineering Multiplier Program (EMP) is designed to generate additional exports of US goods and services overall and promotes Australia-US industry partnerships

ASM's FEED services contract with US-based Bechtel (see *FEED services contract*) makes the Dubbo Project eligible for potential EMP funding. As a result, ASM has submitted a draft application for funding to the Program for >80% of the contract costs.

In recognition of this Australia-US collaboration, US EXIM has issued ASM a non-binding Letter of Interest (LoI) in support of its EMP application. The LoI provides that US EXIM's intention, subject to further due diligence and US EXIM Board approval, is to extend up to US\$32 million (A\$49 million) in debt funding for the FEED services.

Successful placement and entitlement offer

In addition to recent debt financing activity, ASM raised A\$16.6 million via an institutional placement and entitlement offer in May.

Funds raised will primarily go towards demonstration of required ASM co-commitments to enable further government funding for critical path items associated with taking ASM through to final investment decision on the Dubbo Project.

ENVIRONMENT, SOCIAL & GOVERNANCE



Improved Sustainalytics score

Earlier in the year, the ASM team was pleased to confirm it had received its second annual public environmental social and governance (ESG) Risk Rating from Morningstar Sustainalytics, improving to a 27.7 Medium risk rating from a 32.6 High rating in 2023.

Morningstar Sustainalytics provides high-quality, analytical ESG research, ratings and data to institutional investors and companies.

The global ESG Risk Ratings measure a company's exposure to industry-specific material environment, social and governance risks and how well a company is managing those risks.

This latest rating positions ASM in the top 10% of companies globally within the Diversified Metals-Mining Industry Group.

TPC and DPI members conducted the woody biomass trial inspection



Woody biomass trial

ASM has entered into a contract with the NSW Department of Primary Industries (DPI) to demonstrate how woody biomass crops can be integrated into land management options for ASM's subsidiary, Toongi Pastoral Company (TPC).

The trial sites at Toongi will be part of the NSW Climate Change Fund's Biomass for Bioenergy Project. The trial site – like the one at Trangie Agricultural Research Station – will involve two main species as the best performers at the Trangie Trial; Eucalyptus infera (Durikai mallee) and Eucalyptus camaldulensis (River Red Gum).

For more information on the project, visit: www.dpi.nsw.gov.au

What is woody biomass?

Biomass crops are plants grown with the main purpose of harvesting the biomass fibre for energy generation. The main purpose of the crop trials is to investigate biomass production under short rotation cycles (3-4 years) which would target marginal unproductive areas, for example on farming or mining land.



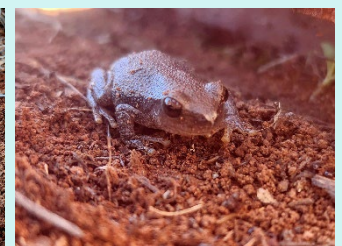
Vegetation and PTWL survey

Toongi Pastoral Company (TPC) manages the agricultural land surrounding the Dubbo Project's mining and processing areas. The condition of the vegetation communities that TPC oversees in the biodiversity offsets are measured against four reference sites:

- Fuzzy Box woodland (near Toongi Hall);
- Inland Grey Box (Obley Road stock route);
- White Cypress Pine and White Box woodland (on Karingle).

In April, we engaged Area Environmental to conduct our annual survey of the four vegetation community reference sites.

No Pink-tailed Worm-lizards (PTWL) were observed during the survey but several other reptile and amphibian species were identified.



Toongi Soil Carbon Project

ASM was pleased to receive confirmation from the Clean Energy Regulator that the Toongi Soil Carbon Project has been registered as an eligible offset project under the Australian Government's Emissions Reduction Fund (ERF).

Under the ERF, measured increases of in-soil carbon content can earn Australian Carbon Credit Units (ACCU), which can then potentially be offset against emissions from the Dubbo Project.

As part of commencing this work, ASM took core samples of the soil which now provide the baseline carbon levels against which it will continue to measure soil content levels over the five-year duration of the project.

Core samples taken in 2023 will provide the baseline for the project





DRC visits KMP

Earlier this year, the team at our Korean Metals Plant (KMP) welcomed a delegation from Dubbo Regional Council (DRC) that included Mayor Mathew Dickerson and Councillor Shibli Chowdhury. The visit to the plant in Ochang was part of a self-funded trip to South Korea and Japan.

The metals and alloys we manufacture at our world class facility are the critical ingredients for the permanent magnets used in advanced technologies such as electric vehicles and wind turbines, supporting the clean energy transition.

Ultimately, the KMP will use the rare earth oxide feedstock processed and produced at the Dubbo Project.

Members from the DRC were hosted by our Korean management team and had the opportunity to see how the metallisation process works

The Dubbo Show

Once again, ASM and the Toongi Pastoral Company teams enjoyed the opportunity to take a stand at the annual Dubbo Show in May.

Celebrating its 151st year, the Dubbo Show is a great way for us to engage with community members, listen to feedback and provide updates on the Dubbo Project. We also had the chance to catch up with students from Macquarie Anglican Grammar School, some of whom participate in the Macquarie Agricultural Program, supported by TPC.



**Rare Earths.
Critical Minerals.
High-tech Metals.**



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