17 October 2022

Fund Raised to Advance Tier 1 Donald Critical Minerals Project

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- **Commitments received from new and existing institutional and sophisticated investors to raise $5 million via a $4 million Placement & $1 million Director Loan Conversion**
- **Astron Directors have demonstrated their continuing support for the Company by committing to subscribe for $2.415 million through the Placement and Director Loan Conversion (subject to securityholder approval).**
- **Astron to launch $3 million Security Purchase Plan at the Placement Price**
- **Funds raised will be applied to finalising the resource update, update of mining studies, continuing process plant design, infrastructure works and continuing community engagement / approvals process.**

Astron Corporation Limited (Astron, ASX: ATR) is pleased to confirm it has received binding commitments to raise a total of $5 million through the issue of new, fully paid CHESS Depository Instruments (CDIs) (**New Securities**) to sophisticated and institutional investors via a $4 million placement (**Placement**) and $1 million director loan conversion (**Director Loan Conversion**), both at the price of $0.54 per CDI. The funds will be utilised for the purpose of advancing the Donald Rare Earth and Minerals Sands Project.

The Donald Project is a tier-1 rare earth and mineral sands resource located in regional Victoria. With a Mineral Resource of over 2.4 billion tonnes at a grade of 4.8% heavy mineral, the Donald resource represents one of the largest global undeveloped rare earths and mineral sands deposits globally. Importantly, the Donald Project is at an advanced stage of evaluation and regulatory approval. The Donald Project has the potential to represent a globally significant, long-life supply of the critical mineral elements of zirconium, titanium, as well as the rare earth elements of neodymium and praseodymium.

The funds raised will be applied to the finalisation of the Mineral Resource to take account of the finer fraction and rare earth assemblage characteristics of the ore body; completion of mine planning; engineering for infrastructure and processing plant and advancement of final environmental approvals towards the finalisation of project economics.

The Transaction was strongly supported by Astron Directors with a total commitment of $2.415 million across the Placement and Director Loan Conversion. Astron directors have contributed $1.415 million to the Placement. George Lloyd (Chairman) has contributed $365,000, Gerard King (Non-Executive Director) has contributed $1 million and Mark Elliott (Non-Executive Director) has contributed $50,000. Tiger Brown (Managing Director) will also seek to convert his remaining $1 million balance of director loans at same price as the Placement (Director Loan Conversion). This conversion will be subject to securityholder vote at the upcoming AGM, expected on 22 November 2022.

Placement and Director Loan Conversion Details

7,407,409 New Securities will be issued to raise $4.00 million (before costs), using the company's available placement capacity pursuant to ASX listing rules 7.1 and 7.1A. The Placement will be split into two tranches to facilitate director participation which will be conditional on securityholder approval at the upcoming AGM.

Tranche 1 settlement is expected to occur on 21 October 2022 with allotment to occur on 24 October 2022. The total securities to be issued under Tranche 1 is 4,787,041 at an issue price of $0.54 per New Security to raise $2,585,002.14.

Tranche 2 will be conditional on securityholder approval to facilitate the director participation at the upcoming AGM expected on 22 November 2022. The total securities to be issued under Tranche 2 is 2,620,368 at an issue price of $0.54 per New Security to raise $1,414,998.72.

The Director Loan Conversion will also see the issue of 1,851,851 Securities at an issue price of $0.54 per New Security to raise approximately $1 million.

The New Securities issued under the Placement and Director Loan Conversion will rank equally with Astron's existing CDIs, and Astron will apply for quotation of the New Securities on ASX.

The Placement Price of $0.54 represents a 10% discount to the closing price prior to launch of Placement, a 9.5% discount to the 10-day VWAP and a 10.6% discount to the 15-day VWAP.

Blue Ocean Equities acted as Lead Manager to the Placement.

Use of funds

The proposed use of funds from the Placement is as follows:

- Finalising Resource and Update Mining Studies: $0.5 million
- Infrastructure & Process Plant Design: $1.0 million
- Environmental Approvals & Community Engagement: $0.5 million
- Working Capital: $2.0 million
- **Total** $4.0 million

Next step: Security Purchase Plan

Astron also intends to launch a Security Purchase Plan for up to $3 million (**SPP**). The SPP will give eligible securityholders the opportunity to apply for CDIs at the same price as CDIs issued under the Placement, without incurring brokerage fees. The terms and conditions of the SPP will be set out in an SPP Offer Booklet which will be dispatched to eligible securityholders shortly.

Eligible securityholders, being securityholders on Astron's register as at the record date 7.00pm (AEDT) on 14 October 2022 with an address in Australia, New Zealand or Hong Kong, will have the opportunity to apply for up to $30,000 worth of new CDIs under the SPP.

This is authorised for release by the Managing Director of Astron.

About Astron

Astron Corporation Limited (ASX: ATR) is an ASX listed company, with over 35 years of experience in mineral sands processing technology and downstream product development, as well as the marketing and sales of zircon and titanium dioxide products. Astron's prime focus is on the development of its large, long-life and attractive zircon assemblage Donald Rare Earth and Mineral Sands Project in regional Victoria. Donald has the ability to represent a new major source of global supply in rare earths & mineral sands. The company also conducts a mineral sands trading operation based in Shenyang, China and owns and operates a zircon and titanium chemicals and metals research and facility in Yingkou, China, which includes a mineral separation facility processing mineral concentrate products into final products. Astron also owns and has the rights to a dunal mineral sands deposit, the Niafarang Mineral Sands Project, in Senegal.