

28 December 2023

AGM - Chairman and Managing Director's Addresses

Chairman's Address – George Lloyd

The 2023 Financial year saw great progress towards your Company's goal of developing the Donald Rare Earths and Mineral Sands Project (the "Donald Project") and becoming a globally significant supplier of titanium, zircon and rare earth minerals.

Notably, the Company completed the Definitive Feasibility Study for Phase 1 of the Donald Project. It indicated strong anticipated cashflows and robust economics over a small portion of our much larger resource. We also completed a Pre-Feasibility Study for the Phase 2 project, demonstrating the considerable upside and potential of the Donald resource.

Since the end of the Financial Year, the Company's high rate of achievement has continued with advancing off-take discussions for our rare earths and mineral sands products; calling tenders for an engineering, procurement and construction engineering services firm to construct and deliver the project; progressing the arrangements for project debt financing; and submitting the Phase 1 Project Work Plan to the Victorian Government's Earth Resources Regulator. The Work Plan is the final major regulatory approval required prior to the commencement of construction.

Earlier today, Astron executed a non-binding Memorandum of Understanding with Energy Fuels Resources Inc., a subsidiary of the leading US-based critical minerals company, Energy Fuels Inc. The MoU deals with the proposed development of the Donald Project and entry into an offtake agreement for 100% of rare earth production from Phases 1 and 2 of the project.

Entry into this non-binding MoU is a very important step towards the development of the Donald Project and is in line with our previously announced schedule.

These works have positioned Astron well for the proposed start of construction of the Phase 1 project around mid-2024, with project commissioning and the start of commercial production planned for the first half of 2026.

These developments will also bring a lot of benefits to the Wimmera community in the form of jobs, economic growth, and the range and quality of services. While we enjoy a strong standing within the community, and have long-established relationships with many of the stakeholders, we do not take these for granted and will continue to act transparently, mitigate the potential impacts of the project, and work to maximise community benefits.

The Phase 1 project will be the first of a new generation of critical minerals projects producing in-demand rare earth elements as well as zirconium and titanium minerals. The product mix will service two major market segments. Firstly, the rare earths market, providing essential raw materials to a decarbonising world as well as for a wide range of high-tech product applications and, secondly, the zirconium and titanium minerals markets which are driven by the demand for such essential commodities as paints and ceramic products which are fundamental requirements of a modernising world.

The Phase 1 Donald Project Definitive Feasibility Study established the technical and financial feasibility of the project which, for an initial investment of less than A\$400 million, is projected to produce aggregate revenue of approximately \$13 billion over its 40-year mine life. The revenue is split 57% rare earth elements concentrate and 43% heavy minerals concentrate. The addition of the phase 2 project will allow the project to produce an aggregate revenue of

\$40 billion over a 58-year project life. Phase 1 and Phase 2 together will utilise less than 50% of the 2.6 billion tonnes of mineral resources under Astron's control in the Donald Deposit and the adjoining Jackson Deposit.

During the year and subsequently, we expanded our team to include specialists in commercial, technical, environmental and project delivery areas; and we are continuing to seek and engage suitably qualified and experienced people to deliver and operate the Donald Project. In this regard we are fortunate that a tier 1 project such as Donald attracts the best people in the field.

At Astron's mineral sands processing plant in Yingkou, China, despite a challenging financial year, several improvements have been made to facilitate the processing of various feedstocks to produce a range of products. Discussions with prospective feedstock providers continued through the past year with the objective of introducing their materials into the plant in 2024. Following the execution of the Memorandum of Understanding with Energy Fuels, we will now undertake a Donald heavy mineral concentrate option study, investigating the modification of the Yingkou plant to process Donald HMC as one of a number options for bringing the heavy mineral products to market.

In a difficult period for raising new capital, the Company has been able to fund this work with several share placements over the past eighteen months to raise \$24.7 million. The most recent of these were at premiums to the prevailing share price.

The progress made during the Financial Year, and subsequently, reflects the commitment, hard work, capability and collaborative approach of the Astron team. The board values every member of the team and is very grateful for their efforts in moving the company towards realisation of the Donald Project.

In a year of significant achievements, we also thank our shareholders for their continued support.

Managing Director's Address – Tiger Brown

As the Chairman has mentioned, the 2023 Financial Year and the subsequent 6 months have seen significant progress in Astron's Donald Rare Earth and Mineral Sands Project culminating in the just-announced non-binding Memorandum of Understanding with leading US critical minerals company, Energy Fuels Inc. Our progress is the result of a considerable amount of hard work by our team, strong collaboration and support from our advisers and very good engagement with regulators and other stakeholders.

Project Parameter Review & Feasibility Studies

At the beginning of the financial year, we completed a comprehensive review of project parameters with a view to establishing the least risk path towards the commercialisation of the Phase 1 project and ensuring that it would deliver robust project economics.

This review, which set the stage for the conduct of the Phase 1 project Definitive Feasibility Study, had a number of goals.

Firstly, ensuring that the project was aligned with, and conformed to, the requirements of the project's Environmental Effects Study which had been positively assessed by the Victorian Government and led to the grant of the mining licence covering the area of the Phase 1 project.

Secondly, identifying opportunities to improve the capital efficiency of the project without jeopardising mineral recoveries and financial outcomes.

Thirdly, mitigating project execution risks in terms of sourcing and procuring long lead time items and in developing least risk development and logistics strategies.

The fourth goal was to ensure that the flexibility to efficiently develop subsequent stages of the project was maintained. With the Phase 1 project utilising only a small portion of the Donald Project resource, early consideration needed to be given to the scale and scope of subsequent phases of the project.

The review culminated in the definition of a project based on mining licence MIN5532 which will mine 7.5 million tonnes of ore annually to produce 200,000 to 250,000 tonnes per year of a heavy mineral concentrate, containing titanium dioxide and zircon, and 7,000 to 8,000 tonnes per year of a rare earth elements concentrate containing, amongst other valuable components, the light rare earths, neodymium and praseodymium, and the heavy rare earths, dysprosium and terbium.

The Definitive Feasibility Study was completed in April 2023 and demonstrated that the Phase 1 project was technically feasible, environmentally benign, commercially viable and economically very attractive. With a capital cost of A\$392 million (Q1 2023, Real), an average annual EBITDA of approximately \$150 million, and a life of just over 40 years, the Phase 1 project financial analysis returned a net present value of A\$852 million, an internal rate of return of 25.8% and a payback period of less than 4 years.

The Definitive Feasibility Study, which was carried out to a AACE Class 2 estimate standard, gave us the confidence to engage a debt adviser, step up the scope of discussions with potential product off-takers, develop plans for engagement with prospective resource project construction and engineering services companies, and finalise the project Work Plan which is the major regulatory approval outstanding for the Donald Project.

The Definitive Feasibility Study also provided the technical and economic basis for the completion of the Phase 2 project Preliminary Feasibility Study, which involves a doubling of

ore production to 15 million tonnes per year with commensurate increases in production of the heavy minerals and rare earths concentrates as well as the downstream processing of the heavy minerals concentrate to produce final products.

The Pre-Feasibility Study for the Phase 2 project, announced in June, provides an indication of the economic potential of the Donald Project. Despite utilising less than 50% of the overall Mineral Resources, combined, phases 1 and 2 of the Donald Project are forecast to generate a net present value of \$2.2 billion over a mine life over 58 years. When Phase 2 is commissioned, Astron will be able to supply approximately 8% of the world's zircon, and supply enough rare earth magnetic minerals for up to 1.4 million electric vehicles per year.

Work Plan and Approvals Updates

Astron is in the fortunate position of having a positively assessed Environmental Effects Statement (EES) covering Phase 1 of the Donald Project. The EES and the submission of the Donald Project Work Plan, in October 2023, cement Astron's Donald Project as the most advanced rare earths, mineral sands project in the eastern states of Australia.

As mentioned, one of our key considerations in carrying out the project review last year was to ensure that the project conformed wherever possible to the already approved EES. The aim was to minimise the risk and time involved in securing the remaining regulatory approvals – most notably the Work Plan. Pleasingly, we have now received confirmation from the Department of Energy, Environment and Climate Action's Impact Assessment Unit that "the work that has been completed in assessing these potential environmental effects in comparison to those assessed in the EES has found that the impacts will be the same or less than what was predicted in the EES... It is our view that any changes could be managed appropriately through the relevant approvals." We believe that the Work Plan is on-track for approval in Q2 2024.

The approval processes for a number of secondary permits, including planning scheme amendments for road, water, power and camp, as well as the negotiation of commonwealth off-sets, are also advancing and are expected to be completed prior to the Final Investment Decision planned for Q3 2024.

Project Execution & Capital Expenditure Update

Since the end of the 2023 Financial Year, the Company has engaged with a number of leading Australian engineering services groups which are experienced in the delivery of resource projects at scales similar to and larger than the Donald Project. This culminated in the calling of tenders for the detailed design, procurement and construction of the process plant from several firms. A number of proposals were received and a decision to select the preferred contractor will be made early in the New Year. The decision will be followed by a period of "Early Contractor Involvement" during which opportunities for further value optimisation and de-risking will be evaluated. The capital cost of the process plant represents more than half of the total project capital expenditure and the calling and evaluation of tenders is a significant step towards the development of the project. Based on work completed to date, we are not expecting a material increase to the initial capital expenditure estimate which was determined in the Definitive Feasibility Study.

Energy Fuels Inc. - Memorandum of Understanding

The non-binding Memorandum of Understanding with leading US critical minerals company, Energy Fuels Resources Inc. ("Energy Fuels"), which was announced this morning, foreshadows a major step in the evolution of Astron as a leading Australian critical minerals

producer. Finalisation of the proposed joint venture is subject to the completion of due diligence and the negotiation of relevant definitive and binding agreements.

Energy Fuels, as a leading producer of uranium in the United States, mines uranium and produces natural uranium concentrates that are sold to major nuclear utilities for the production of carbon-free nuclear energy. It owns the White Mesa Mill in Utah which is the only conventional uranium mill operating in the US today. It has a licensed capacity of over 8 million pounds of U_3O_8 per year and is the only facility in North America with the licences and capabilities to process the joint venture's rare earth elements concentrate and produce advanced rare earth elements products.

The proposed joint venture provides for a \$180 million contribution by Energy Fuels to working capital and project capital expenditure as well as the issue to Astron of \$US17.5 million of Energy Fuels stock. It addresses the equity funding challenge for the Donald project and also provides a life-of-mine REEC offtake solution at market prices. The non-binding memorandum of understanding provides for Energy Fuels to earn a 49% interest in the joint venture. Astron, with a 51% interest, will be the Manager and Operator of the joint venture. The memorandum of understanding also provides a 60-day exclusivity period within which to complete due diligence and the negotiation of definitive binding agreements governing the joint venture; this period may be extended by mutual consent.

Heavy Mineral Concentrate Marketing Plan & Yingkou Mineral Separation Plant

Astron's mineral separation plant, located in Yingkou, China, is designed to produce final products of high-quality zircon, chemical grade zircon and titania.

The 2023 Financial Year was a challenging period for the Chinese operations. Continuing Covid-19 restrictions, including serious lockdowns experienced across major cities in the first half of the financial year, and the on-going industry re-opening difficulties in the latter half of the financial year contributed partly to the lower revenue for the year. In addition, supply chain difficulties, and difficulties in sourcing concentrate product suitable for processing meant that a larger proportion of the revenue was derived from relatively low margin trading activities, rather than from processing plant operations. The difficulties in sourcing feedstocks continued over the last half of the 2023 calendar year. Discussions with potential feedstock suppliers for 2024 are continuing with a view to being concluded early in 2024.

In early 2024, Astron will undertake a heavy minerals concentrate (HMC) options study to determine the specific requirements to increase plant throughput from 150,000 tonnes per annum to 250,000 tonnes per annum and include a magnetic separation processing step to take the Donald HMC to final zircon and titania products. The results of this study will allow the Company to compare the benefits of processing the Donald HMC to final products against the direct sale of the heavy mineral concentrate to other processors.

West African Activities

The Company remains in discussions with the Senegal authorities following the withdrawal of the mining licence for the Niafarang Project in late 2023. Whilst a mediator has been appointed, it is considered unlikely that any significant progress will be made until completion of national elections which are planned for February 2024. During this time, we will continue to support our small and dedicated team in Senegal.

Conclusion

The past 18 months have seen Astron make considerable advances towards becoming a globally significant supplier of zircon, titanium and rare earth minerals. The Donald Project

remains on track for a final investment decision and start of construction around mid-2024 and commissioning and ramp-up to full production in the first half of 2026. None of this would have been possible if we were not able to attract a number of very talented people with a broad range of skills and experiences to manage all of the activities, nor would it be possible without our shareholders' support. I want to thank our dedicated staff and consultants for their hard work, and offer a sincere thank you to our shareholders for their belief in the Company and its aspirations.

I look forward to continuing to work with all our stakeholders and delivering value for our shareholders in 2024.

This announcement has been authorised by the Board of Directors of Astron

About Astron

Astron Corporation Limited (ASX: ATR) is an ASX-listed company. With over 35 years of operating history, Astron has been involved in mineral sands processing, downstream product development, as well as the marketing and sales of zirconium and titanium related products. Astron's prime focus is on the development of its large, long-life Donald Rare Earths and Mineral Sands Project in regional Victoria. The company conducts a mineral sands trading operation based in Shenyang, China and owns and operates a zircon and titanium chemicals research and facility in Yingkou, China, which includes a mineral separation facility processing mineral concentrate products into final products.