

5 December 2024

Astron Corporation Ltd.
2024 Annual General Meeting
Chairman and Managing Director's Addresses

George Lloyd, Chairman

Throughout 2024 the focus of the Board of Directors, management, our people and our key technical advisers has been on advancing the Donald Rare Earths and Minerals Sands Project to commercialisation. As shareholders will be aware, the Donald Project has been under evaluation by the company for several years and is now at a pre-execution stage, with the expectation – subject to funding and Work Plan approvals – that a development decision will be made within the next six months.

The advancement of the Donald Project is the company's prime focus and the entry into the joint venture with the US critical minerals company, Energy Fuels Inc., is, in my view, the most significant step the Company has taken towards realising its ambition to become a major participant in the global mineral sands and rare earths markets. In doing so, the company seeks to deliver a financially robust, long-term operation that will generate attractive shareholder returns and enduring benefits to all stakeholders.

In my comments today I will deal mainly with the Donald Project and the joint venture with Energy Fuels. I will then make a few comments on the Company's financial performance for 2024 and balance sheet position, before handing over to our Managing Director, Tiger Brown.

Donald Rare Earths and Mineral Sands Project

Characteristics

Astron holds tenements covering the Donald and Jackson rare earth and mineral sands deposits in the Wimmera region of Western Victoria, located near the township of Minyip, 300 kilometres from Melbourne.

The recently executed Energy Fuels joint venture provides for the development of the Donald Deposit which contains about 57% of the heavy mineral resources controlled by Astron in the region. Phase 1 of the Donald project, with a nominal mine life of 41 years, is on a granted mining licence and has an approved Victorian Government Environmental Effects Statement.

As a mineral development project, Donald has a number of differentiating characteristics which underline its importance. These include:

- Its scale and potential longevity as a minerals project. The first phase of the project has a nominal mine life of over 41 years; Phase 2 extends this to 58 years and the deposits have further exploration potential to be tested.
- Ore Reserves for Phase One of the project are 309 million tonnes. These are well-delineated with 85% in the Proven Reserves category.
- The project will generate revenue from different product streams - rare earths and heavy minerals - which will be directed to different and largely independent end markets. This is expected to provide revenue diversification benefits.
- At 1.6 million tonnes of rare earth oxides equivalent, the Donald deposit ranks as the fourth largest rare earth deposit of its kind outside of China. Its rare earth

concentrate will contain both the light rare earths, neodymium and praseodymium, as well as the rarer and much more valuable heavy rare earths, dysprosium and terbium. Donald's rare earth assemblage sets it apart from most rare earth projects globally.

- Over 80% of the recoverable zircon stream is expected to be of a premium grade, for use in higher value end applications, such as ceramics. The titania product, with a possible titanium dioxide grade of 66%, is suited as a beneficiation blend feed for a range of pigment production processes and is expected to command a pricing premium over standard ilmenites.

The market supply and demand fundamentals for both of the Donald project's product streams appear to be favourable and improving as the demand for rare earth elements is forecast to continue to grow and new sources of zircon and titanium dioxide minerals will be required to meet growing demand and resource depletion.

Energy Fuels Joint Venture

The Energy Fuels joint venture agreement was executed in June of this year and, following the satisfaction of all conditions-precedent, became effective on 26 September 2024.

The completion of the joint venture agreement is a positive outcome for shareholders, as well as for Australia's role in the supply of critical minerals for decades to come. It conforms to the Australian Government's critical minerals strategy and reinforces this country's relationship as a key supplier of critical minerals to the United States.

The key features of the joint venture are:

- Energy Fuels will earn a 49% interest in the joint venture company by funding the first A\$183 million of project equity. This amount will largely underpin the full equity requirements of the Project;
- Astron will be the manager of the joint venture;
- Energy Fuels issued US\$3.5 million in its securities to Astron in September, on the joint venture agreement becoming effective, and will issue a further US\$14 million in securities when the Final Investment Decision is made;
- Energy Fuels has committed to purchase 100 per cent of the Donald rare earth elements concentrate product, at market-based prices, for the life of the project, and will process this at its White Mesa mill in Utah; and
- Astron has the option to purchase up to 100 per cent of the zircon and titanium dioxide heavy mineral concentrate for processing by third-party mineral separation plants, or at its own mineral separation plant at Yingkou in China.

As chairman, and on behalf of my fellow directors, I am very pleased that the Company has this association with Energy Fuels as a key participant and processor in the rare earths sector. The execution of the joint venture agreement is a credit to the work of management and to our new colleagues at Energy Fuels.

Project Advancement

The project has advanced towards the start of construction in all key areas over the past year. These include:

- Engineering – the leading engineering and construction firm, Sedgman, was engaged to carry out the early contractor involvement stage of the project. This has allowed us to firm up cost estimates, reduce construction and operational risk, and prepare for the tendering of the major construction contract.

- Final regulatory approvals – the main component of which is the Work Plan, which must be approved before construction can commence. We are looking to finalise the Work Plan within the next few months.
- Offtake arrangements – the offtake agreement with Energy Fuels provides for 100% of the rare earth concentrate product over the life of the project. In the case of the mineral sands heavy mineral concentrate product, we are advanced in negotiations with two potential customers in China for sale or toll-treatment of the concentrate and we will retain the option to process part of this product at our Yingkou mineral separation plant.
- Organisational capabilities – great projects attract great people and Astron is very fortunate to be able to grow its team with the addition of outstanding people as the project demands have grown. The joint venture with Energy Fuels also allows the project to access its very capable and experienced mineral sands and rare earths technical capabilities.
- Stakeholder engagement – this is a critical aspect of project planning, execution and operations. Our stakeholder base is broad and efforts, particularly with the local community – including farmers and landholders, as well as the shire council – have increased as we get closer to a development decision. Clearly, we need to be able to respond openly and honestly to concerns that members of a regional agricultural community legitimately have with a mining operation coming to their district.
- Finally, there is the critical area of funding. The partnership with Energy Fuels is expected to address the major part of the equity requirements for the project. In relation to debt funding, our debt advisors, ICA Partners, are advanced in discussion with prospective debt providers. A concerted process of engagement will commence shortly with the expectation that a capital investment approval, for the final investment decision, will occur in the first half of calendar 2025.

Financial Overview

Turning to the Company's 2024 financial performance and balance sheet position.

Astron's only revenue generating asset is its mineral separation plant, with associated trading activities, located in Yingkou, China.

For the 2024 financial year Astron's reported a loss of \$22.3 million before tax. This compares with a \$6 million loss in 2023.

The main factors accounting for the year-on-year increase include:

- A write off of almost \$10 million, necessitated by the withdrawal of the Company's Niarang mining licence in Senegal by the mining regulator;
- Reduced revenue from the company's Yingkou mineral separation plant in China, due to lower utilisation levels resulting from a lack of suitable feedstock;
- A review of the carrying value of assets at the Chinese operations which led to some write-offs; and,
- an increase in general expenditures and administrative expenses due to the increased level of Donald Project activities during the year.

In respect of these matters, I am pleased to say that we have entered negotiations with the Senegal Government to secure a reversal of the Niarang mining licence and are optimistic about achieving a positive outcome. The cost and involvement of Astron's Australian personnel in this process is minimal.

In addition, arrangements to secure a new feedstock supply for the Yingkou plant are well advanced. I am confident that this, along with operational improvements, will lead to an improved financial outcome for the company's Chinese business. Our team in China has committed considerable effort to improve the performance of the plant as well as to position it to potentially play an important role in processing a portion of the Donald Project heavy mineral concentrate product.

And, the entry into the Donald Project joint venture means that the general and administrative expenses directly related to the project are now funded by our joint venture partner.

Since year-end the Company has taken several steps to strengthen its balance sheet in preparation for the execution of the first phase of the Donald Project. These measures include:

- Conversion of director loans to equity (subject to shareholder approval at this Annual General meeting), and the forgiveness of some director loans, which reduced total liabilities by \$4.2 million,
- The conversion of Convertible Notes to equity, which reduced liabilities by a further \$4.6 million,
- Completion of the sale of land to the Yingkou authorities in China for A\$1.6 million equivalent in proceeds, and
- The successful completion of an institutional placement and pro-rata non renounceable offer to raise about \$14.5 million.

Conclusion

In conclusion, I wish to say that I and my fellow directors have been impressed with what Tiger has achieved in bringing the project to this advanced stage. His leadership and appetite for hard work have been critical success factors in placing the Donald Project at the forefront of the new generation of rare earths and mineral sands developments.

We have also been pleased to continue the process of broadening our shareholder base and we acknowledge and thank shareholders for their support and recognition of the opportunity the company is seeking to bring to fruition.

Finally, before handing over to Tiger, I would like to acknowledge the hard work of our people including our contractors, consultants and advisers. Our progress to date can be directly attributed to their commitment to the Company and its goals.

Tiger Brown, Managing Director

Thank you, George.

I would like to supplement George's comments and provide further detail on the key work streams we have been pursuing over the past year, and update shareholders on where we stand relative to seeking formal development approval from the Board of Directors and our joint venture partners in 2025.

At the outset, I would like to acknowledge the importance of Astron's new working arrangement with Energy Fuels. Both companies bring deep and complementary skills to the Project. I'm confident that this partnership will prove beneficial to Astron's securityholders – through access to Energy Fuels' rare earth technical and market know-how, and the establishment of a western critical minerals value chain – linking rare earth minerals from the Wimmera to the U.S. and beyond.

As George said, Donald is a globally significant critical minerals project. It has the potential to be an influential source of global supply of rare earths and mineral sands products. Phase 1, with a production life of 41 years, will lay the groundwork for future developments. The mining licence tenement that contains only 17% of the Projects' mineral resources, operated correctly, has the ability to unlock the full potential of the Donald and Jackson Projects deposits.

And when developed, these subsequent phases have the potential to position the company as a major player in the global titanium and zirconium product markets. However, all of this is predicated on getting Phase 1 right.

In my view, that means:

- entering into the final investment decision for the Donald Project with a high degree of confidence in the technical evaluation work undertaken – geological, mining and metallurgical;
- ensuring that the plant is well-designed to handle possible variations in grade, and that critical equipment is sufficiently tested;
- commencing construction with confidence around operational readiness and the commissioning process, where the transition from project into operations is as seamless as possible; and
- finally, delivering on our commitments, whether they be the successful rehabilitation of our project area or the delivery of social and economic returns, when in operations.

This is our focus.

Workstream Elements

George outlined the main Donald Project workstreams for the past year, including engineering, approvals, offtakes and financing.

Engineering & Tendering of Key Work Packages

As the project is at a pre-commitment and pre-construction phase, the engineering work by Sedgman has been a major focus. Sedgman managed the early contractor involvement for the processing plant area, and all ancillary infrastructure. This package had the objective of advancing designs from the Definitive Feasibility Study stage to construction-ready, and ensuring the technical requirements as well as capital and operational expenditure estimates are robust and can withstand independent scrutiny.

During the course of the year, tenders were issued for water pipeline construction, earthworks, mining, transport and logistics, and the accommodation village. A number of these are at the 'ready-to-execute' stage with conforming contracts.

Similarly, on the critical path item of the 66kv powerline, significant work has progressed with Powercor in relation to the power-line design and route. Based on the current timetable, the Company is confident that it can deliver the powerline in time for planned project commissioning in 2026.

Regulatory Approvals

The Donald Project has almost all of the necessary regulatory approvals in place. One of the final requirements is the Work Plan approval by the Earth Resource Regulator (ERR), a part of the Victorian Government Department of Energy, Environment and Climate Action.

This is a crucial final approval. It will enable the project to proceed to construction and govern its operational parameters. After submitting a draft plan in the first half of the financial year, Astron received various follow up inquiries from the regulator which I am confident we have now comprehensively addressed.

Our understanding is that this final approval will be forthcoming next quarter.

Community Engagement

The Donald Project will deliver significant benefits to the region and to the State. It will help to increase employment, develop new skills and improve social infrastructure. Astron will also contribute in various ways, including capability building initiatives, to the provision of broader services in the regional area, including health, sport, cultural activities and other regional services.

Both George and I are cognisant that the inter-generational nature of our operation provides a unique opportunity for collaboration and mutual benefit which I know we are determined to make the most of.

We understand the importance of social licence to operate for the Donald Project. The project will be operating in an established, multi-generation, rural farming area where sustainability principles and land management concerns are paramount. We understand that there are and will be sensitivities about a new form of economic activity, which for a period will disturb the land before rehabilitation. We are also conscious that developmental impositions such as renewable energy and power transmission lines have heightened concerns about Astron's presence.

We understand the need to earn our place through a responsible development and management approach, and to do what we say we will.

Over nearly twenty years, Astron and its people have maintained an active and visible presence in the area, from our Minyip office. To strengthen our regional presence, we recently appointed three new people – a communications lead and two locally based community engagement advisors. Their roles and presence are designed to enhance the quality of our communication and ensure we respond to questions and continue to build local relationships.

In Summary

I formally joined Astron, nearly five years ago to the day. It has been an incredible journey, delivering on the project with the help of our team, whether it is the adoption of rare earth

flotation back in 2020, which was critical in unlocking the rare earths value of our deposit, the subsequent drilling and resource model update; the delivery of the definitive feasibility study for Phase 1 and the pre-feasibility study for Phase 2 in 2023; and to the Joint Venture transaction arrangement with Energy Fuels this year.

Finally, I want to thank our shareholders, both old and new, on placing their trust in us. I look forward to continuing to deliver on Astron's value potential in 2025.

Indeed, it would bring me no greater joy than to stand before you next year updating you on how construction for Phase 1 of the Donald Project is progressing.

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

About Astron

Astron Corporation Limited (ASX: ATR) is an Australian-based company listed on the ASX. With over 35 years of operating history, Astron has been involved in mineral sands processing, downstream product development, and the marketing and sales of zirconium and titanium related products. Astron's prime focus is the development of its large, long-life Donald Rare Earths and Mineral Sands Project through a joint venture with US critical minerals producer Energy Fuels Inc, and its adjoining Jackson Rare Earths and Mineral Sands Project located in regional Victoria, Australia. In addition to its Australian assets, the company also conducts a mineral sands trading operation based in Shenyang, China and owns and operates a zircon and titanium chemicals research facility, which includes a mineral separation facility processing mineral concentrate products into final products, in Yingkou, China.