ASTRON

ASX Announcement

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10 November 2025

Chairman's Address – 2026 Annual General Meeting

The 2026 financial year and the first few months of the 2027 financial year have seen Astron make very significant progress towards its goal of becoming a major producer of rare earth minerals and mineral sands products globally.

Our pathway to production is clearer than ever. Last month's conditional approval of a $180 million funding package for the Donald Rare Earth and Mineral Sands Project from the Australian Government financing agencies, Export Finance Australia and the National Reconstruction Fund Corporation, brings within reach a final investment decision before the end of 2026 and first production in the second half of 2028.

The last financial year began with the redomicile of the parent company of the Group from Hong Kong to Australia. This was an important recognition of the Australian focus of the company, the fact that it is majority-owned by Australian and New Zealand investors and that its major assets and growth potential are Australian based.

In October 2025, the Australian Government granted Major Project Status to the Donald Project, recognising its national significance, and its potential contribution to economic growth, employment, and regional Australia. Also in October 2025, we received a conditional letter of support for an $80 million funding package for the Project from Export Finance Australia. That was the start of the process which culminated in the conditional approval last month of the $180 million Australian Government funding package.

In February this year we entered a Journey and Understanding Agreement with the Barengi Gadjin Land Council which represents the Traditional Owners of the land on which the Project is located. The agreement sets out how the Project and Traditional Owners will work together and build understanding. It has already led to high levels of cooperation, resulting in more efficient project delivery and a shared understanding of the benefits of the Project.

In the early part of this year, we also refreshed the Bankable Feasibility Study for Phase 1 of the Project. This brought to account the technical achievements of the previous 12 months as well as the updated Ore Reserve. The reserve update led to a significant increase in the forecast production of the high value heavy rare earth oxides of dysprosium and terbium.

In June this year, we also completed a Revised Economic Study and updated the Ore Reserve estimate for Phase 2 of the Project, further reinforcing the economic potential of the Donald Project.

Phase 2 of the Project involves a duplication of the Phase 1 mining and mineral processing operations. The Donald Project joint venture partners intend to proceed with the development of Phase 2 as soon as reasonably practical after the start of Phase 1 commercial operations. Combined, Phases 1 and 2 have a project life of 52 years, a pre-tax net present value of $2.3 billion and an internal rate of return of 25.6%.

The Donald Project contains a multi-generational, world-scale resource. Its size and diverse portfolio of future-facing commodities including zircon, titanium dioxide and rare earths with a strong heavy rare earth component, mean that it is well-positioned to withstand market cycles, and to become an important, long-term value creating part of the Australian economy.

This year we have refined the Project engineering and execution plan. Our objectives have been multi-fold: To reduce delivery and operational risk; to invest in long lead time items to protect the Project's critical path and stay on track for first production in the second half of 2028; to minimise the lead time to the start of construction after the final investment decision has been taken; and to ensure a seamless handover to a well-prepared operations team once construction is complete.

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Our joint venture partner, the US critical materials company Energy Fuels Inc., has funded Project works since early 2024. It has spent, in aggregate, $97.2 million, including the purchase of all land required for the first 19 years of project operation. In addition, Energy Fuels' technical team, with many years' experience in both mineral sands and rare earths, has provided valuable support and expertise.

The joint venture agreement provides for revenue from rare earth concentrate and heavy mineral concentrate sales to flow back to the joint venture.

Energy Fuels has an offtake agreement with the joint venture for 100% of the Project's rare earths concentrate which will feed its rare earth oxide processing plant in Utah and thence provide feedstock to Energy Fuels' vertically integrated mine to magnet production businesses.

Astron has the right to purchase 100% of the Project's heavy mineral concentrate and has announced this morning that it has executed an offtake agreement for 100% of the Project's heavy mineral concentrate with Xiamen Xiangyu, an integrated supply chain and logistics provider based in Xiamen, China. The contract is structured as a back-to-back agreement with Astron's HMC offtake agreement with the Donald Joint Venture and, importantly, satisfies lender requirements for the project.

Turning to our finances, at the end of the September quarter this year we held $13.8 million in cash and near-cash assets, and we will receive approximately $20 million more in Energy Fuels stock when the final investment decision is taken. We are in advanced negotiations with commercial banks for additional debt, which would take total project debt funding to $200 million, and a $60 million bond facility covering both rehabilitation and the construction completion guarantees.

In all this, we have not lost sight of our other main asset. Astron 100% owns the Jackson Rare Earth and Mineral Sands Project. It adjoins the Donald Project to the southwest, in a similar geological setting, with similar resource characteristics, albeit with a slightly higher heavy mineral grade. The total Jackson resource is about 45% the size of Donald; however, it is relatively unexplored and we believe it has significant exploration upside. The future development of Jackson will benefit greatly from the experience at Donald. Jackson is another significant potential source of value for shareholders.

There have also been changes to the Board.

Mme Kang Rong has advised the Board that she will retire from the Board of Astron at the end of the year. However, we will retain the benefit of her extensive relationships across the zirconium chemicals industry through her continuing contribution as Chairman of Astron Titanium (Yingkou) Ltd. A chemical engineer by training, Mme Kang served as the Company's Chief Operating Officer from 2011 to 2019 and as Managing Director from 2019 to 2021. We thank Mme Kang for her tremendous contribution to the company over a very long time and are grateful that we will continue to have the benefit of her experience and knowledge.

Gerry King has advised the Board that he will retire at the end of this year. Gerry has served as a director of Astron since its foundation in 1985 and as chairman until 2021 when he handed the chair to me. Gerry has brought extensive experience in commercial contracting, mining law and corporate and ASX compliance to the Board. His knowledge of the history of the Company and his guidance on a range of commercial matters have been invaluable. On a personal level, he has been a friend and a source of wise counsel to me, and I have truly valued his support. I am sure all shareholders will join me in thanking Gerry and wishing him every happiness in his retirement.

This year we also broadened the Board's skills base with the addition of Catherine Costello and Marcelo Bastos as non-executive directors. Catherine and Marcelo together bring significant resource company experience covering commercial, financial, project development, construction and operations, all of which will be essential as we move from project developer to operator of a world-class project. Catherine and Marcelo are standing for election this year and the board strongly endorses their election.

We would not be here if it was not for the unstinting and focused commitment of our team, the tremendous support of our joint venture partner Energy Fuels, the dedication of our external engineers and service providers to delivering the project, the belief in the importance and timeliness of the project by government agencies at all levels, and the continuing and, dare I say it, patient support of our shareholders.

In particular, I want to record the Board's gratitude to the Astron team. It has taken several years of unrelenting effort to transform Astron from a little-known company to one that is on the threshold of delivering a major new project. The Board and I have the greatest respect for their commitment, their hard work, and their belief in the goal.

So, we've got the mine, we've got the market, and the money is coming together. The final major step before construction – the final investment decision – is planned for before the end of this year.

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

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About Astron

Astron Limited (ASX: ATR) is an ASX listed company, with over 35 years of experience in mineral sands processing and downstream product development, as well as the marketing and sales of zircon and titanium dioxide products. Astron's prime focus, in association with joint venture partner, Energy Fuels Inc, is the development of its Donald Rare Earth and Mineral Sands Project in regional Victoria. The Donald Rare Earth and Mineral Sands Project has the potential to become a globally significant, long-life supplier of critical rare earth elements, including neodymium, praseodymium, dysprosium, terbium, as well as zircon and titanium minerals. In addition to its Australian assets, the Group operates a mineral sands sales and trading operations.