



Demerger to focus Astron on developing its Mineral Sands Projects

2 July 2021

Highlights

- Astron Corporation proposes to demerge its downstream processing and sales business (based in China) from its current portfolio of upstream mineral sands assets;
 - Securityholders will be provided an opportunity to consider and vote on the demerger at an Extraordinary General Meeting of the Company, and if approved by Securityholders, Astron Corporation will become an upstream focussed resources company, retaining ownership of the Donald Mineral Sands Project (Australia) and the Niafarang Mineral Sands Project (Senegal);
 - The demerger will represent a key step for Astron Corporation in progressing its plan to commercialise the Donald Mineral Sands Project, which is expected to be a significant new source of global supply of zircon, titania and rare earth elements;
 - The demerger will create a simplified asset portfolio and capital structure more appropriate for an exploration, development and production company;
-

Astron Corporation Limited (“Astron”, “Astron Corporation”, “the Company”) (ASX: ATR) announces that an Extraordinary General Meeting (“**the Meeting**”) will be held on 19 July 2021 at 11:00am (AEST) for the Company’s Securityholders at Level 7, Waterfront Place, 1 Eagle Street, Brisbane, Qld, Australia, 4000 and virtually due to COVID-19 restrictions. The Notice of Meeting, disclosed in association with this release, provides detailed information on the five resolutions which Securityholders are being invited to vote on. A Notice of Meeting and Explanatory Memorandum with details of the resolutions accompanies this release.

Resolutions 1 and 2 of the Notice of Meeting provide Securityholders an opportunity to consider the proposed disposal of Astron’s current China-based downstream mineral processing operations – which comprise the Yingkou rutile and titanium dioxide raw materials separation and processing facility, titanium preparation and micro-agglomeration plant as well as sales and marketing operations – by means of a demerger into a separate (non-listed) entity Astron Titanium (Yingkou) Hong Kong Holding Limited, (“**Titanium Hong Kong**”), a Hong Kong domiciled subsidiary of the Company.

This demerger is proposed to occur by way of a dividend, satisfied by an in-specie distribution of shares in Titanium Hong Kong to existing Astron Corporation Securityholders with one (1) Titanium Hong Kong share to be distributed for every one (1) Astron security held. The distributed shares in Titanium Hong Kong will not be listed on any securities exchange.

As a result of the demerger, Astron will retain its mineral sands assets in Australia and West Senegal and maintain a focus on upstream mineral sands exploration, development and production, while Titanium Hong Kong will continue to operate the downstream mineral processing facility previously operated by the Company.

Given Astron's current focus upon the commercialisation of the large Donald-Jackson mineral sands resource base in Victoria, Australia, the separation of the Company's current portfolio of assets is viewed as a means to provide appropriate organisational focus on the Donald-Jackson Project and streamline the operations of the upstream and downstream businesses.

Astron's Chairman, Gerald King stated:

"The Company considers it is involved in a potentially transformative event for its portfolio, its ability to progress the Donald Mineral Sands Project to a production stage, and the associated creation of shareholder value. If this project proceeds as planned by the Company, it will represent Astron's first, major upstream mining, concentrating and processing operation, producing mineral sands products of zircon and titania, as well as rare earth elements.

The progression of the Project has been associated with a strategic review of the Company's business model and portfolio structure. Your Directors believe that the most appropriate structure for the Company is to separate the upstream, mineral sands assets from the downstream, China based processing and trading operations, through the demerger of the downstream operations."

Astron expects to continue to benefit from Titanium Hong Kong's long operating history in Asia, existing connections with the mineral sands market, and its extensive intellectual property in the sector, through arrangements for access to intellectual property and know-how relevant to the commercialisation of the Donald project.

Securityholders should read the Notice of Meeting in full before deciding how to vote on the demerger resolutions.

The other resolutions in the Notice of Meeting relate to the establishment of an Employee Share Option Plan, Performance Right Plan and the issue of options to Mark Elliott – part of aligning employee interests with those of Securityholders and enhancing the ability to attract high quality personnel to the Company.

For further information, please contact:

Tiger Brown, Managing Director

+61 3 5385 7088

Tiger.brown@astronlimited.com

Joshua Theunissen, Australian Company Secretary

+61 3 5385 7088

joshua.theunissen@astronlimited.com

This announcement is authorised for release to ASX by the Board of Directors of Astron Corporation

About Astron Corporation Limited

Astron Corporation Limited (ATR: ASX) is an ASX listed company, with extensive (30 years+) experience in mineral sands processing, technology and downstream product development, as well the marketing and sale of zircon and titania (titanium dioxide) products, most notably in China. Astron conducts a mineral sands trading operation based in Shenyang, China and operates a zircon and titanium chemicals and metals research and development facility in Yingkou, China. The company's prime focus is upon the development of the large, long-life and attractive zircon assemblage Donald Mineral Sands deposit in the Murray Basin, Victoria. Donald has the ability to represent a new major source of global supply in mineral sands. Astron is also the owner of the Niafarang mineral sands project in Senegal, West Africa. Niafarang is a high-grade coastal mineral sands deposit, planned to be developed using simple dredge mining and processing methodology.

CAUTIONARY STATEMENT

Certain sections of this ASX Release contain forward looking statements that are subject to risk factors associated with, among others, the economic and business circumstances occurring from time to time in the countries and sectors in which the Astron group operates. It is believed that the expectations reflected in these statements are reasonable, but they may be affected by a wide range of variables which could cause results to differ materially from those currently projected.

The information contained in this Release is not investment or financial product advice and is not intended to be used as the basis for making an investment decision. Please note that, in providing this document, Astron has not considered the objectives, financial position or needs of any particular recipient. Astron strongly suggests that investors consult a financial advisor prior to making an investment decision.

This Release may include "forward looking statements" within the meaning of securities laws of applicable jurisdictions. Forward looking statements can generally be identified by the use of the words "anticipate", "believe", "expect", "project", "forecast", "estimate", "likely", "intend", "should", "could", "may", "target", "plan", "guidance" and other similar expressions. Indications of, and guidance on, future earning or dividends and financial position and performance are also forward-looking statements. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of Astron and its related bodies corporate, together with their respective directors, officers, employees, agents or advisers, that may cause actual results to differ materially from those expressed or implied in such statement. Actual results, performance or achievements may vary materially from any forward looking statements and the assumptions on which those statements are based. Readers are cautioned not to place undue reliance on forward looking statements and Astron assumes no obligation to update such information.).