

Astron Corporation Limited

ARBN 154 924 553

Incorporated in Hong Kong, company number 1687414

Preliminary Final Report - Unaudited

Year ended 30 June 2018

Contents

- Corporate Directory
- Appendix 4E
- Consolidated Financial Statements

CORPORATE DIRECTORY

Directors

Mr Gerard King (Chairman)
Mr Alexander Brown (Managing Director)
Mdm Kang Rong (Executive Director)

Company Secretary and Registered Office

Boardroom Corporate Services (HK) Limited
31/F., 148 Electric Road
North Point, Hong Kong

Australian Corporate Office

73 Main Street, Minyip, VIC 3392
Telephone: 61 3 5385 7088
Fax: 61 3 5385 7050

China Business Office

c/ **Astron Titanium (Yingkou) Ltd**
Room 4925 49F Sunnyworld Building No.1, No.10 Youhao St
Shenhe Dist., Shenyang, P. R. China
Zip code:110013
Fax: +86 024 2259 5960

Bankers

Commonwealth Bank of Australia
48 Martin Place
Sydney NSW 2000, Australia

Share Registrar

Computershare Investor Services Limited
Level 3, 60 Carrington Street
Sydney NSW 2001, Australia

Computershare Hong Kong Investor Services Limited
Hopewell Centre, 46th floor
183 Queen's Road East
Wan Chai, Hong Kong

Auditors

BDO Limited
25th Floor, Wing On Centre
111 Connaught Road Central
Hong Kong

Internet Address

www.astronlimited.com

Astron Corporation Limited and its Subsidiaries

ARBN 154 924 553

Summary of results and commentary

For the Year Ended 30 June 2018

PRELIMINARY FINAL INFORMATION GIVEN TO THE ASX UNDER LISTING RULE 4.3A

Name of entity

ASTRON CORPORATION LIMITED

ARBN

154 924 553

Reporting period

30 June 2018

Previous corresponding period

30 June 2017

The information contained in this report should be read in conjunction with the most recent annual financial report.

CONTENTS

Page

Results for announcement to the market	4
Commentary on results	5
Consolidated Statement of Profit or Loss and Other Comprehensive Income	11
Consolidated Statement of Financial Position	13
Consolidated Statement of Changes in Equity	14
Consolidated Statement of Cash Flows	16
Additional information	17

Astron Corporation Limited and its Subsidiaries

ARBN 154 924 553

Summary of results and commentary

For the Year Ended 30 June 2018

RESULTS FOR ANNOUNCEMENT TO THE MARKET

OPERATIONAL HIGHLIGHTS

- Continuing optimisation of the Donald Project test pit completed and stockpiled for further bulk sample testing of the HMC offtake in Astron's China facilities and in Australia.
- Development of Senegal mine continues.
- Ongoing research & development program including in relation to mineral separation and floatation
- Initial sales of Zirconia dioxide
- Astron commenced the excavation of Ilmenite Ore from Savannah USA for use as feedstock for its China mineral separation plant to produce artificial rutile and to process the Ilmenite.
- Receipts from the proceeds from the 2014 sale of land in China continued.

FINANCIAL HIGHLIGHTS

Net tangible asset value per share	Down	20.5%	to 19.4 cps
Revenue from continuing operations	Up	163.9%	to \$5,013,827
Cashflow from operating activities	Up	\$4,062,756	to \$764,565
Loss before tax from continuing operations attributable to members	Down	\$123,289	to (\$3,886,129)
Loss after tax attributable to members	Up	\$2,079,903	to (\$4,670,747)
Total comprehensive income for the year	Up	\$1,128,809	to (\$2,849,908)

Astron Corporation Limited and its Subsidiaries

ARBN 154 924 553

Summary of results and commentary

For the Year Ended 30 June 2018

COMMENTARY ON RESULTS

Overview

Astron Corporation Limited (Astron HK) is the group's holding company. Astron HK controls 100% of Astron Limited and Senegal Mineral Sands Limited which in turn hold 100% of Senegal Mineral Resources SA. Astron Limited in turn controls three wholly owned operating subsidiaries: Donald Mineral Sands Pty Limited ("DMS"), Astron Titanium (Yingkou) Company Limited (Titanium). DMS holds the Donald mineral sands mining project (Donald Project). Titanium is Astron's Chinese operating company.

Financials

Consolidated Statement of Profit or Loss and other Comprehensive Income

- Total income and other income comprising sales, interest received, and other income increased from the prior year by 209% to \$5,327,787 (2017: \$2,555,312). This was due to the increase trading in the Chinese markets compared with the prior year.
- Gross margins from the trading business improved in line with the market conditions in Chinese mineral sands markets.
- Administration expenditure was broadly consistent with the prior year due to ongoing expenditure rationalisation.

Consolidated Statement of Financial Position

- The increase in inventories reflects the strengthening of the mineral sands markets in China and Astron's ongoing sales program, which is anticipated to increase significantly during the 2019 financial year.
- The increase in intangible assets arises from further exploration expenditure capitalised in respect of the Donald Mineral Sands and Senegal Niagarang projects.
- Land use rights comprise 50-year land use leases. These leases are capitalised and amortised over the 50-year period. The increase in the carrying value to \$3,116,708 over the 30 June 2017 value is attributable to foreign exchange movement after accounting for leasehold amortisation.
- The decrease in the net asset value from 24.4 cps at 30 June 2017 to 19.4 cps at 30 June 2018 primarily relates to the group loss for the year and foreign exchange movements on assets held outside Australia.

Operations review

Donald

The advancement of the Donald project ("DMS") continued during the year.

Ongoing execution of the work plan continued including the successful submission for the bulk sample process which was excavated in early 2018. DMS personnel attended workshops with the Department of Economic Development, Jobs, Transport and Resources and other regulatory bodies as the work plan submission and application process which has updated to a new system called the Earth Resources' Resource Rights Allocation and Management Business Portal (RRAM). The 2018 bulk sample permit was submitted and approved via the new RRAM system which provided DMS with learning opportunities with respect to the new process for populating the work plan within RRAMs for DMS operations proper.

Astron Corporation Limited and its Subsidiaries

ARBN 154 924 553

Summary of results and commentary

For the Year Ended 30 June 2018

Attendances in China by DMS representatives to discuss the processes for financing and compliance with financial contracts occurred in late 2017, this process continues and will be further complied with once the bulk sample results are shared with China for industrial sales kit and marketing opportunities in late 2018.

Further progress was made in the following areas:

Water infrastructure

Ongoing discussions with third party providers and local infrastructure owners continue in developing a strategy to supply the water required for the project in a competitive manner. The DMS team has had discussions with the water ministry and water options are now being considered for the construction and operation stages 1 and 2. It has been determined that existing infrastructure can support all stages of operations with minor upgrades to pumping stations and a service pipeline from nearby Minyip to site (which is approximately 13 km), as opposed to the previously expected 75 kilometre pipe line. This is anticipated to be a major improvement on the expected capital expenditure on external infrastructure services.

Bulk Sampling

Bulk Sampling approval and definitions for floatation and separation test work on the Chinese floatation and gravity systems. Bulk sample planning will provide a large volume (1,100t) of ore material for testing on pilot systems in Australia and China for the equipment selection for Donald project and that of the MSP in China from the pilot WCP process of floatation, electrostatics and gravity methods. The bulk sample has been excavated and is being stored, awaiting transport to the proposed pilot plant in Queensland with a mineral processing provider including Metallurgical Support Services. Draft agreements are currently under review.

It is proposed that the sample preparation, separation will take place in Australia prior to developing a representative Heavy Mineral Concentrate (HMC) sample for equipment selection for the Mineral Separation Plant in China. Final product specifications, grades and assemblage will be shared with potential off take partners for future long-term supply agreements.

Community Engagement

Members of the DMS team have attended workshops and courses in Melbourne and Bendigo to comply with and compliment DMS' ability to develop and execute our community engagement plan. Regulatory certification now needs to be achieved to have the authority to develop and approve the community engagement planning processes.

Engineering

Conceptual engineering and design was completed in 2017 to allow for a feasibility level tendering process to be carried out. The mapping, budgeting and operational assessments were completed and now await the bulk sample test results before moving into execution of detailed engineering programs.

Updating the DMS financial project and operating models will be carried out in 2018 to reflect the improvements with a reduced expected infrastructure requirement, final valuable heavy mineral pricing increases the planned resource update. The previous models were significantly positive and DMS believes this will be greatly improved upon with the work completed in 2017 and global demand positive outcomes on final product pricing. Optimisation processes will be completed ahead of the official detailed engineering commencement.

Exploration Improvement

Updating the current JORC code is planned in late 2018 to conform with the 2012 JORC code and improve on the - 38 micron fraction within the contained minable HM%.

Detailed mine planning and mapping was completed for the feasibility level process.

Astron Corporation Limited and its Subsidiaries

ARBN 154 924 553

Summary of results and commentary

For the Year Ended 30 June 2018

Execution strategy

The execution strategy for the project will involve a standalone design contract for the Australian processing plant, reflecting a modular plant construction and assembly through a Chinese fabrication yard. The module assembly and all wraparound construction will be conducted by way of several local construction contracts and managed by a single integrated owners team.

Approvals

A summary of the status of relevant approvals is as follows:

Approval type	Status	Date
Environment or Effects Statement (ESS)	Approved	2008
Mining licence	Approved	August 2010
Cultural Heritage Management plan	Approved	January 2014
Water rights	Secured	2012
Radiation licence	Approved	Renewed December 2017
Export permit	Approved	December 2016
Work plan test pit	Approved	March 2017
Work Authority test pit	Approved	August 2017

Infrastructure Assessment

Road infrastructure remains solid with the design and supply opportunities unchanged. The power opportunities will be further assessed with assistance of the regional development agencies for alternate methods and / or a combination of both for review. Funding opportunities continue to be investigated as the project financing and detailed engineering draws closer. These will be further explored as the business modelling is completed in accordance with the government agencies as mentioned above.

Project Infrastructure

It is estimated that 13km of local road upgrades will be required, together with potentially up to 11km for the installation of designated water supply to the project site. Wherever possible, funding assistance has been considered from state and regional departments.

Detailed Engineering has been undertaken for site access roadways and Minyip township heavy vehicle bypass routes were completed in 2016, and remain unchanged in 2018. These designs were completed with review and approval from state regulators and relevant stakeholders.

Power Systems are proposed to be by way of gas / diesel powered generation system, for which compatibility and suitability assessments were completed in 2016. The specific nature of the site with a modulated plant design supports localised generation systems and the ability to install additional generator banks as needed supports the project with the ability to increase production physicals as necessary. Alternate renewable energy assessments were commenced in 2017 and carry forward into awarding of detailed studies into 2018.

In relation to the water pipeline, hydraulic assessments and pipeline engineering designs were completed in 2016. The piping system design catered for full scale operations with capacities for future expansions. Discussions with local water network providers and the Regional Development Group of Victoria commenced in 2017 with detailed system reviews to ensure initial and future project needs will be met. This is an ongoing exercise into 2018. With integration, supply and network load shedding from the local pipeline network has the potential for localised network infrastructure to potentially provide the project commencement water supply demand without issue, this was confirmed in late 2017.

Astron Corporation Limited and its Subsidiaries

ARBN 154 924 553

Summary of results and commentary

For the Year Ended 30 June 2018

Separation test work on China floatation and product trials for customers

Bulk sample excavation was completed in early 2018. The bulk sample is anticipated to provide 1,100t of ore material for testing of floatation mineral separation methods at Australian and Chinese Mining Institutes, with a third-party toll processor and product trials for customers.

Risk assessment

Risk assessments have been conducted at various stages, and major risks have been ranked and prioritized. The most significant technical risks are associated with site water and tailings management, and operational logistics of large mining equipment inside the pit. Test work has been conducted to quantify these risks and management plans have been put in place to address them. These risks have been logged as part of the Victorian Work Plan process. Additional risks will be associated with ensuring that long-lead items are expedited, and that module assembly is completed on schedule and to an acceptable level of quality. These risks will all be specifically managed with specific management plans and designated hires into the project team.

Funding

Astron continues to develop its funding strategy which could include a mix of equity, internally generated cash flows and debt funding. Astron continues to work with entities interested in assisting with this project.

Environmental

Data collection and surveys commenced with consultancy groups to populate the mine site Work Plan permit for Noise, Air Quality and Dust, Native Vegetation, Sensitive receptors and Radiation.

Work plan

The work plan for the test pit area was submitted and approved, DMS were the first to receive approval via the new RRAM system. The full work plan will be submitted once DMS confirm the detailed engineering processes and power distribution programs.

China operations

Work in China continued to test and develop technology to be applied for downstream advancement of Group minerals. The China plant is anticipated to be operational in the 4th Quarter 2018. This plant is a preparatory plant for downstream DMS product.

Mineral sales increased as the Zircon market demand continues to improve.

Senegal

Exploration

No additional exploration field activities have occurred in the year.

Application, renewal applications and studies have been undertaken by Astron's consultant in Senegal (Harmony group) to re-establish approvals for expired exploration leases. The current exploration licence remains in a maintenance position where Astron has the right to apply for drilling exploration and planning which will see the licence reactivated for explorative purposes.

Mining Licence

Mining Licence was awarded to the Group in June 2017.

Astron Corporation Limited and its Subsidiaries

ARBN 154 924 553

Summary of results and commentary

For the Year Ended 30 June 2018

Environmental Approval

Conceptual workshops in Senegal and China have produced clear operational and establishment plans to be populated into the final Environmental Approval and Licencing for the mining concept within the mining licence. Logistics, Road development and import / export methodologies need to be defined (anticipated to occur during third quarter 2018) to populate the final application documents.

The acceptance and issue of the well / bore drilling and pumping licences from the Senegal Department of Hydraulics was received. This is a major milestone with Astron developing a social community water source for the sole purpose of the local village accessing clean fresh drinking water.

The site acceptance program accepted the offering of the village water wells and storages along with the commencement of the road construction at a recent ceremony. The commencement process will follow the execution of the resettlement plan.

Detailed Mine Design

Investigation, review and conceptual discussions held with MinxCon from South Africa who were engaged to complete the detailed mine design, planning commenced late August 2017. The design, cross sections were received and applied to the operating design, budgets and material volumes in early 2018, and this workflow continues. The mine planning data will form the basis of the mine site stages and strategic placement for the mining and separation units.

A Junior Mine Planning Engineer will be employed to support the compliance and operating design components under the guidance of a Peer review consultant going forward. This will allow Astron to ensure operational and reporting compliances in accordance with the mine regulations.

Community Engagement and Resettlement

Meetings and collaboration with local and state representatives for the execution of the re-settlement plan of the local isolated communities situated within the mining licence lease area. A newly formed resettlement committee has been established under the newly appointed Governor, Prefect and Deputy Prefects guidance. This has been achieved through close multi-level reporting and engagement contributions of the local representative of Astron in Senegal.

The committee has pre-planned a committee meeting post the recent acceptance ceremonies on the mine site. The committee meeting will be the catalyst for site access and pre-construction commencement.

Project Definition Tasks

- Ongoing tasks and deliverables,
 - o Logistics – review opportunities in either Dakar or Ziguinchor, in Senegal, or Banjul in The Gambia
 - o Shipping / receiving construction delivered to site in Casamance.
 - o Shipping / exporting product material review and off take partners.
 - o Complete bore water access and drilling functions, licences awarded.
 - o Main Road development to access mine site and cross flooded water ways – design meetings, proposals, site visits and survey conducted in July / August 2017, commencement expected late 2018
 - o Labour source and definition of labour pools required for site establishment and operations post project definition process. Meetings and proposals executed in Dakar September 2018 for review.
 - o Decision of successful Country Manager position completed and agreement in draft form for anticipated execution in the third quarter 2018.
 - o Transport – light vehicle reviews, proposals sourced from Dakar - lease arrangements proposed.

Astron Corporation Limited and its Subsidiaries

ARBN 154 924 553

Summary of results and commentary

For the Year Ended 30 June 2018

- Heavy vehicles – mining equipment and fleet review and assessment, carried out on both China and Senegal – contracting and lease opportunities explored in Dakar. A combination of owner operator and contract wet hire agreements proposed.

Capital Equipment

Review, design and procurement of known equipment and consumables has been undertaken in the period June to August 2018, the detailed design process will complement the final environmental approval considering the emissions, disturbance, noise and dust conditions. These have been tentatively approved pending supply of the design arrangements. Accommodation for expatriate and local staffing conducted, capital purchases of accommodation units completed and delivered to Dakar.

Resources in Dakar

Rental agreements and accounting services agreements were executed in early 2018 as part of the commencement and operational readiness phases.

Mines safety regulation compliance will be compiled and assessed operationally by a consultant under the Country Management Services Agreement.

America

Astron commenced the excavation and loading processes of Ilmenite Ore in Savannah USA. The process and purchases are via a Bill of Sales (BOS) Agreement and locally (USA) and Australian developed Standard Operations Procedure (SOP) for the shipping and loading functions in Savannah to Georgia and then on to Dalian in China. In the first instance, this material is being used as feedstock for the processing plant that is being constructed to develop artificial rutile and is an important step in moving towards Astron re-establishing its advanced materials capabilities in China.

Other mineral sands opportunities in the USA for processing and sale in China are under investigation and review.

Astron Corporation Limited and its Subsidiaries

ARBN 154 924 553

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2018

	Year Ended 30 June 2018 \$	Year Ended 30 June 2017 \$
Sales revenue	5,013,827	1,899,763
Cost of sales	(4,496,144)	(1,534,332)
Gross profit	517,683	365,431
Interest income	14,512	135,943
Other income	299,448	519,606
Distribution expenses	(420,175)	(33,089)
Marketing expenses	(20,897)	(8,490)
Occupancy expenses	(49,643)	(6,761)
Administrative expenses	(4,042,935)	(4,803,470)
Write back/(down) of inventories	77,316	327,753
Provision for bad debts	164,890	(226,716)
Impairment of available for sale financial assets	(132,933)	-
Impairment of capital works in progress	56,699	-
Costs associated with Gambian litigation	(177,480)	(134,987)
Finance costs	(92,729)	(8,379)
Other expenses	(79,885)	(136,259)
Loss before income tax expense	(3,886,129)	(4,009,418)
Income tax (expense)/benefit	(784,618)	1,418,574
Net loss for the year	(4,670,747)	(2,590,844)
Other comprehensive income		
<i>Items that may be reclassified subsequently to profit or loss</i>		
(Decrease)/Increase in fair value of available-for-sale financial assets (tax: nil)	(35,200)	164,799
Increase/(Decrease) in foreign currency translation reserve (tax: nil)	1,856,039	(1,552,672)
Other comprehensive income for the year, net of tax	1,820,839	(1,387,873)
Total comprehensive income for the year	(2,849,908)	(3,978,717)
Loss for the year attributable to:		
Owners of Astron Corporation Limited	(4,670,747)	(2,590,844)
Total comprehensive income for the year attributable to:		
Owners of Astron Corporation Limited	(2,849,908)	(3,978,717)

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

Astron Corporation Limited and its Subsidiaries

ARBN 154 924 553

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2018

	Year Ended 30 June 2018	Year Ended 30 June 2017
1. EARNINGS/(LOSS) PER SHARE		
For loss for the year		
Basic loss earnings per share (cents per share)	(3.81)	(2.12)
2. COMPARISON OF HALF-YEAR RESULTS		
Consolidated loss after tax attributable to owners reported for the first half year	(164,174)	(2,432,360)
Consolidated loss after tax attributable to owners reported for the second half year	(4,506,573)	(158,484)
Total consolidated profit/(loss) after tax for the year	(4,670,747)	(2,590,844)

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

Astron Corporation Limited and its Subsidiaries

ARBN 154 924 553

Consolidated Statement of Financial Position

For the Year Ended 30 June 2018

		As at 30 June 2018	As at 30 June 2017	As at 1 July 2016
	Note	\$	\$	\$
ASSETS				
Current assets				
Cash and cash equivalents		3,167,548	1,317,231	5,104,594
Term deposits greater than 90-days		61,112	60,898	60,685
Trade and other receivables	9	8,380,354	6,087,761	14,143,379
Inventories		1,407,705	1,888,353	730,564
Available-for-sale financial assets		49,160	217,293	540,237
Current tax assets		-	-	460,380
Total current assets		13,065,879	9,571,536	21,039,839
Non-current assets				
Trade and other receivables	9	3,320,187	6,396,921	-
Property, plant and equipment		22,654,700	19,953,921	21,046,191
Exploration and evaluation assets		67,701,293	73,650,786	69,118,158
Development costs		6,892,802	-	-
Land use rights		3,116,708	3,010,784	3,255,981
Total non-current assets		103,685,690	103,012,412	93,420,330
TOTAL ASSETS		116,751,569	112,583,948	114,460,169
LIABILITIES				
Current liabilities				
Trade and other payables		11,610,892	5,362,641	3,548,955
Borrowings		76,080	76,080	-
Provisions		82,748	58,088	67,783
Total current liabilities		11,769,720	5,496,809	3,616,738
Non-current liabilities				
Deferred tax liabilities		5,173,418	4,388,800	5,079,479
Long-term provisions		-	40,000	40,000
Total non-current liabilities		5,173,418	4,428,800	5,119,479
TOTAL LIABILITIES		16,943,138	9,925,609	8,736,217
NET ASSETS		99,808,431	102,658,339	105,723,952
EQUITY				
Issued capital	10	76,549,865	76,549,865	76,549,865
Reserves		11,568,899	9,748,060	11,061,760
Retained earnings		11,689,667	16,360,414	18,112,327
TOTAL EQUITY		99,808,431	102,658,339	105,723,952

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Astron Corporation Limited and its Subsidiaries

ARBN 154 924 553

Consolidated Statement of Changes in Equity

For the Year Ended 30 June 2018

	Issued Capital	Retained Earnings	Financial Assets Available For Sale Reserve	Share Based Payment Reserve	Foreign Currency Translation Reserve	Total Equity
Year Ended 30 June 2018	\$	\$	\$	\$	\$	\$
Equity as at 1 July 2017 (restated)	76,549,865	16,360,414	35,200	913,104	8,799,756	102,658,339
Loss for the year	-	(4,670,747)	-	-	-	(4,670,747)
Other comprehensive income						
Decrease in fair value of available-for-sale financial assets	-	-	(35,200)	-	-	(35,200)
Exchange differences on translation of foreign operations	-	-	-	-	1,856,039	1,856,039
Total comprehensive income for the year	-	(4,670,747)	(35,200)	-	1,856,039	(2,849,908)
Equity as at 30 June 2018	76,549,865	11,689,667	-	913,104	10,655,795	99,808,431

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Astron Corporation Limited and its Subsidiaries

ARBN 154 924 553

Consolidated Statement of Changes in Equity

For the Year Ended 30 June 2018

	Issued Capital	Retained Earnings	Financial Assets Available For Sale Reserve	Share Based Payment Reserve	Foreign Currency Translation Reserve	Total Equity
Year Ended 30 June 2017	\$	\$	\$	\$	\$	\$
Equity as at 1 July 2016	1,605,048	93,057,144	709,332	-	10,352,428	105,723,952
Restatement (note10)	74,944,817	(74,944,817)	-	-	-	-
Equity as at 1 July 2016, as restated	76,549,865	18,112,327	709,332	-	10,352,428	105,723,952
Loss for the year	-	(2,590,844)	-	-	-	(2,590,844)
Other comprehensive income						
Decrease in fair value of available-for-sale financial assets	-	838,931	(674,132)	-	-	164,799
Exchange differences on translation of foreign operations	-	-	-	-	(1,552,672)	(1,552,672)
Total comprehensive profit for the year	-	(1,751,913)	(674,132)	-	(1,552,672)	(3,978,717)
Transactions with owners in their capacity as owners						
Share based payments	-	-	-	913,104	-	913,104
Total of transactions with owners in their capacity as owners	-	-	-	913,104	-	913,104
Equity as at 30 June 2017	76,549,865	16,360,414	35,200	913,104	8,799,756	102,658,339

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Astron Corporation Limited and its Subsidiaries

ARBN 154 924 553

Consolidated Statement of Cash Flows

For the Year Ended 30 June 2018

	Year Ended 30 June 2018 \$	Year Ended 30 June 2017 \$
Cash flows from operating activities:		
Receipts from customers	4,102,475	2,108,483
Payments to suppliers and employees	(7,341,257)	(6,711,309)
Interest received	14,511	135,943
Finance costs	(92,728)	(8,304)
Income taxes received	-	1,176,996
Net cash outflow from operating activities	(3,316,999)	(3,298,191)
Cash flows from investing activities:		
(Investment)/Receipt in short term deposits	(214)	(213)
Receipts from disposal of investments	-	466,602
Receipts from disposal of land	988,387	-
Receipts from disposal of land receivable	4,285,642	1,873,007
Acquisition of property, plant and equipment	(3,201,616)	(253,985)
Capitalised exploration and evaluation expenditure	(1,781,853)	(2,079,970)
Net cash inflow from investing activities	290,346	5,441
Cash flows from financing activities:		
Deposit received in advance	4,081,564	-
Receipt of borrowings	-	76,080
Net cash inflow from financing activities	4,081,564	76,080
Net increase/(decrease) in cash held	1,054,911	(3,216,670)
Cash and cash equivalents at beginning of the year	1,317,231	5,104,594
Net foreign exchange differences	795,406	(570,693)
Cash and cash equivalents at end of the year	3,167,548	1,317,231

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

Astron Corporation Limited and its Subsidiaries

ARBN 154 924 553

Additional Information

For the Year Ended 30 June 2018

1. DETAILS OF CONTROLLED ENTITIES

During the financial year ended 30 June 2018, Senegal Mineral Resources SA was incorporated. No other new subsidiaries were acquired. The subsidiaries Astron Advanced Materials Limited UK and Yingkou Astron Mineral Resources Co Ltd were deregistered.

2. DETAILS OF ASSOCIATES AND JOINT VENTURE ENTITIES

The Group has no associates or joint venture entities.

3. DIVIDENDS / RETURN OF CAPITAL

No dividends were paid or proposed for the years ended 30 June 2018 and 30 June 2017. There is no Dividend Reinvestment Plan in operation.

4. ACCOUNTING STANDARDS

The information contained in this Appendix 4E for the year ended 30 June 2018 have been prepared under Hong Kong Financial Reporting Standards ("HKFRS") and to the extent relevant Australian Accounting Standards. In prior years, the Group had prepared its financial statements under International Financial Reporting Standards ("IFRS"). As this is the first-time the Group has prepared its financial statements under HKFRS, certain additional disclosures have been made as required under HKFRS 1 "First-time Adoption of Hong Kong Financial Reporting Standards". The directors note that as HKFRS and IFRS have fully converged since 1 January 2005, there are no material differences to the accounting policies, results and financial position of the Group presented to shareholders in previous years

5. SIGNIFICANT ACCOUNTING POLICIES

Accounting policies, estimation methods and measurement bases used in this Appendix 4E are the same as those used in the last annual report and the last half-year report.

6. CONTINGENCIES

The Group contingencies are broadly in line with those disclosed in the last annual report.

7. OTHER INFORMATION REGARDING THE PRELIMINARY REPORT

The information contained in this Appendix 4E is based on accounts that have not yet been audited.

8. COMPARATIVE INFORMATION

The comparative financial information has been presented on a consistent basis with the prior year's audited financial Statements.

9. TRADE AND OTHER RECEIVABLES

During the year ended 30 June 2015 the Group reported the disposal of leasehold land in China, as at 30 June 2018 there is \$6,381,359 (2017: \$10,050,196) AUD outstanding and receivable under the terms of the sale contract. A further \$3,061,173 has been received subsequent to year end.

Astron Corporation Limited and its Subsidiaries

ARBN 154 924 553

Additional Information

For the Year Ended 30 June 2018

10. ISSUED CAPITAL

Upon commencement of the Hong Kong Companies Ordinance, Chapter 622 on 3 March 2014, par value for the shares of all Hong Kong companies has been abolished. The law has deemed all shares issued before the abolition to have no par value. With the abolition of par value, any amount in the share premium account and capital redemption reserve account of a company has become part of the share capital of a company. As a result, the share premium and capital redemption reserve accounts of the Company should be included as part of the share capital of the Company. This has now been adjusted in the statement regarding issued capital.

At about the same time in 2014, the Group resolved and completed a return of capital to shareholders. At that time the Group was reporting under Australian principles which determined that the return of capital be recorded as a reduction of share capital. As the Group is now reporting under the Hong Kong GAP, the Company is now adjusting the share capital value to be consistent with the required treatment under Hong Kong GAP and the abolition of par value under the Hong Kong Companies Ordinance, Chapter 622.

11. OTHER SIGNIFICANT INFORMATION

There is no other significant information requiring disclosure in the preliminary report.