

Astron Corporation Limited

ARBN 154 924 553

Incorporated in Hong Kong, Company Number: 1687414

Annual Financial Statements

For the Year Ended 30 June 2020

Astron Corporation Limited

Company Number: 1687414

For the Year Ended 30 June 2020

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Astron Corporation Limited

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Directors' Report

30 June 2020

The Directors of Astron Corporation Limited (the "Company") present their report on the consolidated entity ("Group" or "Astron"), consisting of Astron Corporation Limited and the entities it controlled at the end of, and during, the financial year ended 30 June 2020.

Directors

The following persons were Directors of Astron Corporation Limited for part of the financial year and up to the date of this report:

Names

Mr. Gerard King
Mdm. Kang Rong
Mr. Tiger Brown (Appointed on 4 December 2019)
Mr. Alexander Brown (Deceased on 30 November 2019)

Principal Activities

The principal activities of the Group during the financial year were:

- Exploration, evaluation and progress of the feasibility assessment of the Donald mineral sands mining and processing project ("DMS")
- Evaluation and progress of the feasibility of the Senegal Niarang mineral sands mining processing project ("Senegal")
- Evaluation and advancement of downstream applications for zircon and titanium
- Titanium based materials trading

There have been no significant changes in the nature of the Group's principal activities during the financial year.

Significant Changes to Group Structure

There were no significant changes to the Group structure in the financial year ended 30 June 2020.

Financial Position

The net assets of the Group have decreased to **\$93,725,284** a decrease of **\$6,548,697** from 2019.

The net assets have been affected by an increased loss from operations.

Dividends

No final dividend was proposed for the year ended 30 June 2020 (2019: Nil).

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Review of Operations

Financials

Consolidated Statement of Profit or Loss and other Comprehensive Income

- Sales revenue increased over the prior year by 5.7% to \$8,430,039 from 2019: \$7,977,198. This was due to the increase in sales activity in the Chinese markets compared with the prior years.
- Turnover should continue to improve in line with the market increase in mineral sands market prices in China. Gross margins reflected the ongoing development of the mineral separation plant, agglomeration plant, and as a result the materials produced. The importation and productions costs were also adversely impacted importation tariffs imposed on imports between China (which increased from 0% to 10% and then 25%) resulting in an additional \$1,159,000 in tariff costs, additional transportation and storage costs and also by Covid 19. It is anticipated margins will also increase in the year ending 30 June 2021.
- Administration expenditure was broadly consistent with the prior year reflecting ongoing cost controls.

Consolidated Statement of Financial Position

- The increase in inventories should allow the Group to capitalise on the strengthening of the mineral sands markets in China and Astron's development of the products to be sold which is anticipated to increase during the 2021 financial year as the mineral separation plant and agglomeration plant is optimised.
- The increase in intangible assets arises from further exploration expenditure capitalised in respect of the Donald Mineral Sands and Senegal Niafarang projects.
- Land use rights comprise 50-year land use leases. These leases are capitalised and amortised over the 50-year period.
- The decrease in the net tangible asset value from 18.8 cps at 30 June 2019 to 12.4 cps at 30 June 2020 primarily relates to the group loss for the year and the capitalisation of exploration and development costs.

Operations review

Donald

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

In conjunction with external resource consultants Mineral Technologies a 1,000t run of mine wet concentrator pilot plant and associated test work was completed on ore material previously excavated from the DMS test pit site.

The pilot plant successfully proved separation and provided valuable guidance into opportunities for new design criteria, resulting in increased recovery and grade outcomes.

As a direct result of the pilot plant test and additional external test work the project has increased its viability through additional materials extraction, improved recovery and grade of the in ground HMC at Donald.

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The project risk assessments are ongoing and being incorporated into the projects valuation models. Donald has undertaken regular Government liaison and introductions continue with development agencies and approval departments.

Updating the DMS financial project and operating models will be carried out in late 2020 to reflect the improvements with an expected increase in infrastructure capital and therefore achieving a reduced operating cost outcome and incorporating a planned resource update. The previous models were significantly positive and DMS believes this will be improved upon with the work completed in 2020 and global demand positive outcomes on final product pricing. Optimisation processes will be completed ahead of the official detailed engineering commencement.

The project remains viable under the current climate and global product demand.

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 and project teams. These programmed actions will be reassessed with consideration to the renewed infrastructure methodology and pilot process outcomes.

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 2019
Export permit	Approved	December 2019
Work plan test pit	Approved	March 2018
Work Authority test pit	Approved	August 2018

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 mains power and renewable hybrid systems shall be considered. 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. Power options studies were completed through a third party consultancy firm and these options are currently being considered.

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 2018 with detailed system reviews to ensure initial and future project needs will be met. This is an ongoing exercise in 2021.

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Exploration Improvement

Updating the current JORC code is planned in early 2021 to conform with the 2012 JORC code and improve on the - 38 micron fraction within the contained minable HM%.

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.

China

TiO₂ Processing plant

Astron commissioned its TiO₂ processing plant in Yingkou, China. The plant is producing rutile from the Savannah Ore. The processing has now been upgraded to add the agglomeration plant to increase recoveries.

The Group is well placed to monetise its inventories with the upgraded plant and continued strengthening of the mineral sands market in China.

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.

The exploration renewal process has commenced and awaiting the mines department review on the overall area and associated graticules.

Mining Licence

Mining Licence was awarded to the Group in June 2018.

In Senegal Astron has an operational readiness – procedures are in place, approvals for recruitment, contract commencement is slowly progressing under the current pandemic circumstances. Capital equipment is in place in Dakar, local representation remains in place and the detailed mine design ready to implement.

The Senegal Government continues to move slowly in considering final approvals for the community resettlement program. Discussions continue in the development of the community relocation plan with local and federal governments.

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Covid 19 has had a noticeable impact in developing community engagement process and government support processes also impacting the development.

Overall project viability continues to increase in line with the global market demand for the final products of Rutile and Zircon.

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 has been commissioned to develop a suite of TiO₂ products including several grades of rutile for its customers 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.

Covid 19

Astron prioritises the safety and health of all staff while also keeping a very clear focus on how we continue to support our business operations during this unprecedented period. The safety and wellbeing include Astron's consultancy members conducting global business activities on behalf of Astron.

We have been following very closely the official public health advice from Federal and State Governments. For the immediate future, the following mitigation and best practice methods have been implemented. Astron implemented distancing, work from home options and suspended all international travel.

While the pandemic impacted potential drilling in Donald, it did not directly impact the supply of materials from the Savannah operations and while there were operational challenges in China, production interruption was not as significant as anticipated, however product deliveries were reduced in compliance with strict Chinese protocols.

Significant Changes in State of Affairs

There have been no significant changes in the Group's state of affairs during the financial year.

Matters Subsequent to the end of the Financial Year

As at 30 June 2020, \$1,495,660 (2019: \$2,962,631) was due to the Group from the 2015 sale of surplus land in China. Subsequent to year end, \$0.4 million has been received against this receivable.

The Group has funding options available to provide support for the completion of the Mineral Separation Plant upgrades and other asset acquisition. These funding options could be a mix of third parties or Director support and will be pursued if required. Subsequent to year end no further loan facilities have been required.

There are no other matters or circumstances that have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in future financial years.

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Likely Developments

During the next financial year, the Group expects to:

- Complete the Chinese mineral separation plant and agglomeration optimization,
- Continue progressing the Senegal project and working towards project commissioning; and
- Upgrade the Donald Mineral Sands definitive feasibility study, complete additional infill drilling, advance capex optimisation resulting from the pilot tests and develop funding alternatives.

Work continues on the Donald project technical optimisation, including further work on mining method refinement, tailing treatment majorization, processing flow process, updating and comparing logistics options.

When final approvals are received with respect to the Senegalese Niarang project and it commences into production, the Group will have an additional revenue source, which will have an immediate impact on the financial position of the Group. The Group's business strategies continue to be based on being a high-quality producer of zircon and titanium (together with associated products) focused on sales and marketing activities in China.

Environmental Regulation

The Group's operations are in China, Senegal and Australia. In Australia, our Environmental Effects Statement for the Donald mine has been approved. The Group complied with all environmental regulations in relation to mining operations and there were no reportable environmental matters from the Australian operations.

Once these projects have been developed the Group will if applicable apply the National Greenhouse and Energy Reporting Act of 2007.

In China, the Group continues to work closely with the local authorities to ensure high standards are maintained. In relation to the proposed manufacturing processes in China, there are no outstanding exceptions as noted by regular local government environmental testing and supervision. Further the development projects will be implemented with best practice standards carefully monitored by the local authorities.

To the best of the Directors' knowledge, the Group has adequate systems in place to ensure compliance with the requirements of all environmental legislation described above and are not aware of any breach of those requirements during the financial year and up to the date of the Directors' report.

Occupational Health and Safety

During the year there were no lost time injuries.

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Directors' Report

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Director Information

Mr. Gerard King	Chairman (Non-executive)
Qualifications	LLB
Experience	<ul style="list-style-type: none">- Board Member since 6 December 2011 (Astron Limited: 5 November 1985)- Former partner of law firm Phillips Fox and has had over 30 years of experience in corporate and business advising including acting as a Director of a number of Australian Public Companies
Interest in Shares #	49,138 CDIs
Special Responsibilities	Mr. King is the Chairman of the Board and the Chairman of the Remuneration & Nomination Committee
Directorships held in other listed entities	Mr. King is not currently a Director of another listed company.
Mdm. Kang Rong	Chief Executive Officer and Managing Director (Executive)
Qualifications	B.E.(Chem)
Experience	<ul style="list-style-type: none">- Board member since 31 January 2012 (Astron Limited: 21 August 2006)- Mdm Kang Rong worked as a Chemical Production Engineer at Shenyang Chemical Company (a major Chinese company based in Shenyang (Liaoning Province). She then moved to Hainan Island China and worked in sales and administration for the Japanese trading co. Nissei, Ltd.- Mdm Kang Rong joined Astron in 1995 as marketing manager of Shenyang Astron Mining Industry. Since then she has overseen Astron's China operations and global sales and has been largely responsible for the growth and development of the Company.
Interest in Shares #	4,000,100 CDIs
Special Responsibilities	As Chief Executive Officer and Managing Director is in charge of all Astron's operations
Directorships held in other listed entities	Mdm Kang Rong is not currently a Director of another listed company.

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Directors' Report

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Mr. Tiger Brown

Executive Director

Qualifications

B. S. (Economics)

Experience

- Board member since 4 December 2019
- Mr Brown has worked in Astron's business for a number of years in China and Australia
- Mr Brown has studied business finance at Wharton School of Business at the University of Pennsylvania.

Interest in Shares

94,165,972 CDIs

Special Responsibilities

Executive Director in charge of Global operations and finance

Directorships held in other listed entities

Mr Brown is not currently a Director of another listed company.

Interest in Shares includes directly, indirectly, beneficially or potentially beneficially held shares.

Meetings of Directors

During the financial year, two meetings of Directors (excluding committees of Directors) were held for Astron Corporation Limited. Attendances by each Director at Directors' meeting, audit and risk committee and remuneration and nominating committee meetings during the year were as follows:

Astron Corporation Limited

	Directors' Meetings	
	Number eligible to attend	Number attended
Mr. Gerard King	4	4
Mr. Alexander Brown	-	-
Mdm Kang Rong	4	4
Mr. Tiger Brown	4	4

Share Options

No options over issued shares or interests in the Group or a controlled entity were granted during or since the end of the financial year and there were no options outstanding at the date of this report.

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Directors' Report

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Remuneration Report

Policy for determining the nature and amount of Key Management Personnel ("KMP") remuneration

The remuneration policy of the Group has been designed to align Director and executive objectives with shareholder and business objectives by providing a fixed remuneration component and offering potential long-term incentives based on key performance areas affecting the Group's financial results. The board of Astron Corporation Limited believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best executives and Directors to run and manage the Group, as well as create goal congruence between Directors, executives and shareholders.

The board's policy for determining the nature and amount of remuneration for the board members and senior executives of the Group is as follows:

- The remuneration policy for the executive Directors and other senior executives was developed by the remuneration committee and approved by the board after seeking professional advice from an independent external consultant.
- All executives receive a market related base salary (which is based on factors such as length of service and experience), other statutory benefits and potential performance incentives.
- The remuneration committee reviews executive packages annually by reference to the Group's performance, executive performance and comparable information from industry sectors.

The performance of executives is measured against criteria agreed with each executive and is based predominantly on the forecast growth of the Group's profits and shareholders' value. All bonuses and incentives are linked to the performance of the individual and are discretionary. The objective is designed to attract the highest caliber of executives and reward them for performance that results in long term growth in shareholder wealth.

At the discretion of the Committee from time to time shares are issued to executives to reflect their achievements. There are presently no option-based schemes in place.

Where applicable executive Directors and executives receive a superannuation guarantee contribution required by the government, which is currently 9.5%, and do not receive any other retirement benefits.

Some individuals, however, have chosen to sacrifice part of their salary to increase payments towards superannuation.

If shares are given to Directors and/or executives, these shares are issued at the market price of those shares.

The board policy is to remunerate non-executive Directors at market rates for time, commitment and responsibilities. The Board determines payments to the non-executive Directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to non-executive Directors is subject to approval by shareholders at the Annual General Meeting. Fees for non-executive Directors are not linked to the performance of the Group. However, to align Director's interests with shareholder interests, the Directors are encouraged to hold shares in the Group.

Performance based remuneration

As part of each executive Director and executive's remuneration package there is a discretionary bonus element. The intention of this program is to facilitate goal congruence between Directors/executives with that of the business and shareholders.

In determining whether or not each executive Director and executive's bonus is due, the remuneration committee bases the assessment on audited figures and independent reports where appropriate.

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The remuneration committee reserves the right to award bonuses where performance expectation has prima facie not been met but it is considered in the interests of the Group to continue to reward that individual.

Discretionary bonuses of \$Nil (2019: \$Nil) were paid during the year. There is a potential discretionary bonus available to Mr Tim Chase of up to \$50,000. There are no other bonus arrangements entered into with KMP's.

Other KMPs are entitled to the annual bonus program of the Group, which will be based on the performance of the group and at the discretion of the Board. The terms of the bonus program are in the process of being defined.

Company performance, shareholder wealth and directors and executive's remuneration

The remuneration policy has been tailored to increase goal congruence between shareholders and Directors and executives. This has been achieved by awarding discretionary bonuses to encourage the alignment of personal and shareholder interests. The Group believes this policy to have been effective in increasing shareholder wealth and the Group's consolidated statement of financial position over the past five years.

The following table shows the sales revenue, profits and dividends for the last five years for the listed entity, as well as the share price at the end of the respective financial years.

	2016	2017	2018	2019	2020
	\$	\$	\$	\$	\$
Sales revenue ('000)	468	1,900	5,014	7,977	8,430
Net Profit/(Loss) ('000)	(4,408)	(2,591)	(4,671)	(1,913)	(6,293)
Share Price at Year-end	0.17	0.16	0.20	0.20	0.17
Dividends Paid ('000)	-	-	-	-	-

KMP

The following persons were KMP of the Group during the financial year:

	Position Held
Mr. Gerard King	Chairman-Non-executive
Mr. Alexander Brown	President (Deceased)
Mdm Kang Rong	Chief Operating Officer and Deputy Managing Director (Executive)
Mr. Tiger Brown	Executive Director
Mr. Tim Chase	Project Executive
Mr. Joshua Theunissen	Australian Company Secretary

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30 June 2020

Shareholdings

Details of equity instruments (other than options and rights) held directly, indirectly, beneficially or potentially beneficially by KMP and their related parties are as follows:

30 June 2020	Balance 1/07/2019	Shares (sold) /purchased	Shares transferred	Balance 30/06/2020
KMP				
Mr. Gerard King	49,138	-	-	49,138
Mr. Alexander Brown	94,183,224	-	(94,165,972)	17,252
Mdm Kang Rong	4,000,100	-	-	4,000,100
Mr. Tiger Brown	-	-	94,165,972	94,165,972
Mr. Tim Chase	-	-	-	-
Mr. Joshua Theunissen	100	-	-	100
Total	98,232,562	-	-	98,232,562

Details of Remuneration

Details of compensation by key management personnel of Astron Corporation Limited Group are set out below:

Year ended 30 June 2020

	Short term benefits			Post-employment benefits		% of remuneration that is performance based
	Cash, fees salary & commissions \$	Non-cash Benefits/ Other \$	Termination Payments \$	Superannuation \$	Total \$	
Directors						
Mr. Gerard King	120,000	-	-	-	120,000	0%
Mr. Alexander Brown (#1)	104,167	-	-	-	104,167	0%
Mdm Kang Rong (#1)	250,000	-	-	-	250,000	0%
Mr Tiger Brown	-	-	-	-	-	0%
Other KMP						
Mr. Tim Chase	240,000	9,672	-	20,531	270,203	0%
Mr. Joshua Theunissen (#1)	54,353	-	-	-	54,353	0%
	768,520	9,672	-	20,531	798,723	

Note reference #:

1. Paid or payable to management company

Use of Remuneration Consultants

The Board have previously employed external consultants to review and to provide recommendations in respect of the amount and elements of executive remuneration, including short-term and long-term incentive plan design.

No remuneration consultants were employed during the year.

Termination Payment

No termination payments were paid during the year to KMP.

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Share Based Payments

No share-based payments were made during the year ended 30 June 2020 or 30 June 2019.

Voting and comments at the Company's 2019 Annual General Meeting

The Company received 99.89% of "yes" votes on its remuneration report for the 2019 financial year.

The Company did not receive any specific feedback at the AGM on its remuneration report.

Year ended 30 June 2019

	Short term benefits		Post-employment benefits		Total	% of remuneration that is performance based
	Cash, fees salary & commissions \$	Non-cash Benefits/ Other \$	Termination Payments \$	Superannuation \$		
Directors						
Mr. Gerard King	109,589	-	-	10,411	120,000	0%
Mr. Alexander Brown (#1)	250,000	-	-	-	250,000	0%
Mdm Kang Rong (#1)	250,000	-	-	-	250,000	0%
Other KMP						
Mr. Tim Chase	255,960	9,270	-	21,545	286,775	0%
Mr. Joshua Theunissen (#1)	55,500	-	-	-	55,500	0%
	921,049	9,270	-	31,956	962,275	

Note reference #:

1. Paid or payable to management company

Service Contracts

Service contracts (or letters of engagement) have been entered into by the Group, or are in the process of being entered into, with all key management personnel and executives, describing the components and amounts of remuneration applicable on their initial appointment, including terms, other than non-executives who have long established understanding of arrangements with the Group. These contracts do not fix the amount of remuneration increases from year to year. Remuneration levels are reviewed generally each year by the Remuneration Committee to align with changes in job responsibilities and market salary expectations.

Other key management personnel have ongoing contracts with a notice period of three months for key management personnel. There are no non-standard termination clauses in any of these contracts.

The Remuneration Committee considers the appropriate remuneration requirements. In August 2012, the Group engaged external consultants to review the Group's salary and incentive benchmarks. No consultants were engaged to review Group remunerations during the year ended 30 June 2020.

END OF REMUNERATION REPORT

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Directors' Report

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Indemnifying Officers or Auditor

Insurance premiums paid for Directors

During the year, Astron Limited paid a premium of \$50,798 (2019: \$35,802) in respect of a contract indemnifying Directors, secretaries and executive officers of the company and its controlled entities against a liability incurred as Director, secretary or executive officer. The contract of insurance prohibits disclosure of the nature of the cover.

The Company has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the company or any of its controlled entities against a liability incurred as such an officer or auditor.

Non-audit services

During the financial year, the following fees for non-audit services were paid or payable to the auditor, BDO Limited, or their related practices:

	2020 \$	2019 \$
Other Services		
Taxation services	-	8,178
Other assurance services	-	-

The Directors are satisfied that the provision of non-audit services, during the year, by the auditor (or by another person or firm on behalf of the auditor), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The Directors are satisfied that the provision of non-audit services by the auditor, as set out above, did not compromise the auditor independence requirements of the Hong Kong Institute of Certified Public Accountants ("HKICPA") for the following reasons:

- all non-audit services have been reviewed by the Board to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the non-audit services undermine the general principles relating to auditor independence as set out by the HKICPA.

Auditors' Independence Declaration

The lead auditors' independence declaration for the year ended 30 June 2020 has been received and can be found on page 15 of the financial report.

Directors' declaration regarding HKFRS compliance statement

The Directors' declare that these annual financial statements have been prepared in compliance with Hong Kong Financial Reporting Standards.

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Proceedings on Behalf of Company

No person has applied to the Court for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party, for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

Signed in accordance with a resolution of Directors:



Mdm Kang Rong

Dated this **30 September 2020**



Mr. Gerard King

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DECLARATION OF INDEPENDENCE TO THE DIRECTORS OF ASTRON CORPORATION LIMITED

As lead auditor of Astron Corporation Limited for the year ended 30 June 2020, I declare that, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements in the Code of Ethics for Professional Accountants issued by the Hong Kong Institute of Certified Public Accountants.



BDO Limited
Certified Public Accountants

Jonathan Russell Leong
Practising Certificate Number P03246

Hong Kong, 30 September 2020

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Consolidated Statement of Profit or Loss and Other Comprehensive Income

For The Year Ended 30 June 2020

	Note	2020 \$	2019 \$
Sales revenue	5	8,430,039	7,977,198
Cost of sales		(8,258,584)	(4,481,514)
Gross profit		171,455	3,495,684
Interest income	5	2,159	15,625
Other income	5	344,246	217,225
Distribution expenses		(583,907)	(382,096)
Marketing expenses		(218,110)	(79,177)
Occupancy expenses	6	(48,479)	(87,586)
Administrative expenses		(4,448,707)	(4,333,108)
Reversal of provision for impairment on receivables	6	469,657	411,395
Fair value loss on financial assets at fair value through profit or loss		(5,044)	(23,794)
Costs associated with Gambian litigation	6	(136,006)	(65,625)
Finance costs	6	(1,651,551)	(1,275,210)
Other expenses		(100,416)	(165,245)
Loss before income tax expense	6	(6,204,703)	(2,271,912)
Income tax (expense)/benefit	7	(88,117)	358,950
Net loss for the year		(6,292,820)	(1,912,962)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
(Decrease)/Increase in foreign currency translation reserve (tax: Nil)		(255,877)	2,944,129
Other comprehensive income for the year, net of tax		(255,877)	2,944,129
Total comprehensive income for the year		(6,548,697)	1,031,167
Loss for the year attributable to:			
Owners of Astron Corporation Limited		(6,292,820)	(1,912,962)
Total comprehensive income for the year attributable to:			
Owners of Astron Corporation Limited		(6,548,697)	1,031,167

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

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Consolidated Statement of Profit or Loss and Other Comprehensive Income (continued)

For The Year Ended 30 June 2020

	Note	2020 Cents	2019 Cents
LOSS PER SHARE	8		
Loss per share (cents per share)		(5.14)	(1.56)
Diluted loss per share (cents per share)		(5.14)	(1.56)

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

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Consolidated Statement of Financial Position

As at 30 June 2020

	Note	2020 \$	2019 \$
ASSETS			
Current assets			
Cash and cash equivalents	10	555,504	1,687,549
Term deposits greater than 90-days	10.3	46,112	46,112
Trade and other receivables	11	11,039,026	9,820,565
Inventories	12	9,930,340	7,348,837
Financial assets at fair value through profit or loss	14	20,322	25,366
Total current assets		21,591,304	18,928,429
Non-current assets			
Trade and other receivables	11	-	2,077,163
Property, plant and equipment	16	26,648,011	26,220,427
Exploration and evaluation assets	17	70,297,773	69,400,384
Development costs	18	8,205,625	7,804,124
Right-of-use assets	19	2,983,286	-
Land use rights	19	-	3,090,641
Total non-current assets		108,134,695	108,592,739
TOTAL ASSETS		129,725,999	127,521,168
LIABILITIES			
Current liabilities			
Trade and other payables	20	13,125,453	9,639,406
Contract liabilities	21	5,106,984	4,363,126
Borrowings	22	10,917,671	7,133,146
Provisions	23	116,901	95,642
Total current liabilities		29,267,009	21,231,320
Non-current liabilities			
Deferred tax liabilities	24	5,941,198	5,229,611
Long-term provisions	23	792,508	786,256
Total non-current liabilities		6,733,706	6,015,867
TOTAL LIABILITIES		36,000,715	27,247,187
NET ASSETS		93,725,284	100,273,981

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

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Consolidated Statement of Financial Position (continued)

As at 30 June 2020

	Note	2020 \$	2019 \$
EQUITY			
Issued capital	25	76,549,865	76,549,865
Reserves	26	14,257,151	14,513,028
Retained earnings		2,918,268	9,211,088
TOTAL EQUITY		93,725,284	100,273,981

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.



Mdm Kang Rong



Mr. Gerard King

Astron Corporation Limited

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Consolidated Statement of Changes in Equity For The Year Ended 30 June 2020

Year Ended 30 June 2020	Issued capital \$	Retained earnings \$	Share based payment reserve \$	Foreign currency translation reserve \$	Total equity \$
Equity as at 1 July 2019	76,549,865	9,211,088	913,104	13,599,924	100,273,981
Loss for the year	-	(6,292,820)	-	-	(6,292,820)
Other comprehensive income					
Exchange differences on translation of foreign operations	-	-	-	(255,877)	(255,877)
Total comprehensive income for the year	-	(6,292,820)	-	(255,877)	(6,548,697)
Equity as at 30 June 2020	76,549,865	2,918,268	913,104	13,344,047	93,725,284

Year Ended 30 June 2019	Issued capital \$	Retained earnings \$	Share based payment reserve \$	Foreign currency translation reserve \$	Total equity \$
Equity as at 1 July 2018	76,549,865	11,689,667	913,104	10,655,795	99,808,431
Initial application of HKFRS 9	-	(565,617)	-	-	(565,617)
Restated balance as at 1 July 2018	76,549,865	11,124,050	913,104	10,655,795	99,242,814
Loss for the year	-	(1,912,962)	-	-	(1,912,962)
Other comprehensive income					
Exchange differences on translation of foreign operations	-	-	-	2,944,129	2,944,129
Total comprehensive income for the year	-	(1,912,962)	-	2,944,129	1,031,167
Equity as at 30 June 2019	76,549,865	9,211,088	913,104	13,599,924	100,273,981

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

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Consolidated Statement of Cash Flows For The Year Ended 30 June 2020

	Note	2020 \$	2019 \$
Cash flows from operating activities:			
Receipts from customers		10,136,280	7,915,476
Payments to suppliers and employees		(12,112,055)	(15,055,938)
Net cash outflow from operations		(1,975,775)	(7,140,462)
Refundable Australian R&D tax offsets received		623,470	415,145
Net cash outflow from operating activities	31.1	(1,352,305)	(6,725,317)
Cash flows from investing activities:			
Proceeds in short term deposits		-	15,000
Receipts from partial settlement of land receivable		1,483,981	3,688,765
Acquisition of property, plant and equipment		(2,123,232)	(4,390,335)
Capitalised exploration and evaluation expenditure		(1,831,166)	(3,385,602)
Net cash outflow from investing activities		(2,470,417)	(4,072,172)
Cash flows from financing activities:			
Interest received		2,160	15,625
Interest paid		(631,177)	(207,630)
Partial settlement of offtake agreement		(205,753)	-
Repayment of borrowings		(8,187,404)	-
Proceeds from borrowings		12,034,612	6,797,319
Net cash inflow from financing activities	31.4	3,012,438	6,605,314
Net decrease in cash and cash equivalents		(810,284)	(4,192,175)
Cash and cash equivalents at beginning of the year		1,687,549	3,167,548
Net foreign exchange differences		(321,761)	2,712,176
Cash and cash equivalents at end of the year	31.2	555,504	1,687,549

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

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Notes to the Consolidated Financial Statements

For The Year Ended 30 June 2020

1. Corporate Information

The consolidated financial statements of Astron Corporation Limited for the year ended 30 June 2020 were authorised for issue in accordance with a resolution of the Directors on 30 September 2020 and relate to the consolidated entity consisting of Astron Corporation Limited ("the Company") and its subsidiaries (collectively "the Group").

The financial statements are presented in Australian dollars (\$).

Astron Corporation Limited is a for-profit company limited by shares incorporated in Hong Kong whose shares are publicly traded through CHESS Depository Interests on the Australian Securities Exchange ("ASX").

2. Summary of Significant Accounting Policies

2.1 Basis of Preparation

The financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards and Interpretations (hereinafter collectively referred to as the "HKFRS") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the provisions of the Hong Kong Companies Ordinance which concern the preparation of financial statements.

The financial statements have also been prepared on a historical cost basis, except for certain financial instruments which are measured at fair value as explained in the accounting policies set out below.

Going Concern

As at 30 June 2020, the Group had a deficit of current assets over current liabilities of \$7,675,705 (2019: \$2,302,891) and the Group incurred net loss after tax and had net cash outflow from operating activities of \$6,292,820 and \$1,352,305 respectively for the current year and \$1,912,962 and \$6,725,317 respectively for the previous year. These conditions along with the other matters set out below indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. The consolidated financial statements have been prepared on the going concern basis, which assumes the continuity of normal business activity and the realisation of assets and settlement of liabilities in the normal course of business. The directors are of the view that based on a cash flow forecast covering 18 months from the end of the reporting period with the consideration the plans and measures stated below, the business is a going concern as the short-term needs of the Group to meet its ongoing operating costs and committed project expenditure are forecast to be covered by the existing resources on hand for at least the next 12 months from the date of this report (the "forecast period").

The Group is confident it will have sufficient funds to meet its ongoing needs for at least the next twelve months from the date of this report based on the following:

- The Group expects its operating mineral separation plant, situated in Yingkou, the PRC is able to reach its ideal capacity during the forecast period. Further the development of the agglomeration process should translate into additional higher value sales being derived. The Group projects the processing of feedstock will bring about substantial increase in sales and net cash inflow, as the quantity produced and sold are expected to be significantly higher than that achieved in the current year and a stable gross margin is expected to be maintained. The Group is also confident that it can transition sales of this product to its existing rutile customer (trading) base and expand its market share in the PRC market.

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Notes to the Consolidated Financial Statements

For The Year Ended 30 June 2020

2. Summary of Significant Accounting Policies (continued)

2.1 Basis of Preparation (continued)

- The Group expects to receive the gross balance of the sale of land receivable of approximately \$1.5 million (note 11.1) outstanding at 30 June 2020, in the next twelve months. Subsequent to year end, the Group received approximately \$0.4 million of this balance.
- The Senegal project has faced delays in proceeding to operational status. This has delayed the expected commencement of production. This delay could potentially have an impact on the Group's obligations to a major customer ("Wensheng") for the offtake of Senegal project. As explained in note 21(a), Wensheng placed a deposit of RMB20 million (approximately \$4.1 million) to secure its position as the primary customer of the offtake. The Group has been in discussions with Wensheng regarding the late delivery of product, penalties thereon and any demand for repayment of the deposit and is confident such negotiations will not significantly affect the Group's operating cash flows in the forecast period. As at 30 June 2020, the balance decreased to \$3.9 million.
- The Group is confident the PRC market for mineral sands and the trading of mineral sands will further develop with increasing demand over the forecast period.
- The undertakings by two of the directors not to demand repayments due to them and their related entities of approximately \$9.0 million until such time when the Group has available funds and is generating positive operating cash flows (refer note 29.6).
- The Group has unused loan facilities of \$1.4 million (refer to note 31.3) and is in negotiation with a PRC bank for a credit of approximately \$6 million and are confident these discussions will be successful.

These consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the Group not continue as a going concern.

The following significant accounting policies have been adopted in the preparation and presentation of the financial statements.

2.2 Basis of Consolidation

The Group financial statements consolidate those of the Parent Company and all of its subsidiaries as of 30 June 2020. The Parent controls a subsidiary if it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary.

All transactions and balances between Group companies are eliminated on consolidation, including unrealised gains and losses on transactions between Group companies. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a group perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable.

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Notes to the Consolidated Financial Statements

For The Year Ended 30 June 2020

2. Summary of Significant Accounting Policies (continued)

2.3 Foreign Currency Translation

The functional and presentation currency of the Company and its Australian subsidiaries is Australian dollars (“\$”).

Foreign currency transactions are translated into the functional currency using the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the end of the reporting period. Foreign exchange gains and losses resulting from settling foreign currency transactions, as well as from restating foreign currency denominated monetary assets and liabilities, are recognised in profit or loss except when they are deferred in other comprehensive income as qualifying cash flow hedges or where they relate to differences on foreign currency borrowings that provide a hedge against a net investment in a foreign entity.

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when fair value was determined.

The functional currency of the overseas subsidiaries is primarily Chinese Renminbi (“RMB”). The assets and liabilities of these overseas subsidiaries are translated into the presentation currency of the Company at the closing rate at the end of the reporting period and income and expenses are translated at the weighted average exchange rates for the year. All resulting exchange differences are recognised in other comprehensive income as a separate component of equity (foreign currency translation reserve). On disposal of a foreign entity, the cumulative exchange differences recognised in foreign currency translation reserves relating to that particular foreign operation are recognised in the profit and loss.

2.4 Revenue Recognition

Revenue is recognised at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances and duties and taxes paid. The following specific recognition criteria must also be met before revenue is recognised:

Sale of goods

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services, excluding those amounts collected on behalf of third parties. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts.

Depending on the terms of the contract and the laws that apply to the contract, control of the goods or service may be transferred over time or at a point in time. Control of the goods or service is transferred over time if the Group’s performance:

- provides all of the benefits received and consumed simultaneously by the customer;
- creates or enhances an asset that the customer controls as the Group performs; or
- does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If control of the goods or services transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the goods or service.

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Notes to the Consolidated Financial Statements

For The Year Ended 30 June 2020

2. Summary of Significant Accounting Policies (continued)

2.4 Revenue Recognition (continued)

Sale of goods (continued)

When the contract contains a financing component which provides the customer a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amounts receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. Where the contract contains a financing component which provides a significant financing benefit to the Group, revenue recognised under that contract includes the interest expense accreted on the contract liability under the effective interest method. For contracts where the period between the payment and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in HKFRS 15.

Revenue from sale of products is recognised when the relevant goods are delivered and the contract was pass to customer and transferred point in time. There is only one performance obligation.

Interest income

Revenue is recognised as interest accrues using the effective interest method. The effective interest method uses the effective interest rate which is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial asset.

Rental income

Rental income is accounted for on a straight-line basis over the lease term. Contingent rentals are recognised as income in the periods when they are earned.

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Notes to the Consolidated Financial Statements

For The Year Ended 30 June 2020

2. Summary of Significant Accounting Policies (continued)

2.5 Income Tax

The income tax expense for the year is the tax payable on the current year's taxable income based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax base of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for all temporary differences, between carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases, at the tax rates expected to apply when the assets are recovered or liabilities settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. Exceptions are made for certain temporary differences arising on initial recognition of an asset or a liability if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit.

Deferred tax assets are only recognised for deductible temporary differences and unused tax losses if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, associates and interests in joint ventures where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Astron Limited, the wholly owned subsidiary of Astron Corporation Limited, and the Australian subsidiaries wholly owned by Astron Limited have implemented the tax consolidation legislation for the whole of the financial year. Astron Limited is the head entity in the tax consolidated group. The stand-alone taxpayer within a group approach has been used to allocate current income tax expense and deferred tax balances to wholly owned subsidiaries that form part of the tax consolidated group. Astron Limited has assumed all the current tax liabilities and the deferred tax assets arising from unused tax losses for the tax consolidated group via intercompany receivables and payables because a tax funding arrangement has been in place for the whole financial year. The amounts receivable/payable under tax funding arrangements are due upon notification by the head entity, which is issued soon after the end of each financial year. Interim funding notices may also be issued by the head entity to its wholly owned subsidiaries in order for the head entity to be able to pay tax installments. These amounts are recognised as current intercompany receivables or payables.

To the extent that research and development costs are eligible activities under the "Research and development tax incentive" programme, a 45% refundable tax offset is available for companies with annual turnover of less than \$20 million. The Group recognises refundable tax offsets received in the financial year as an income tax benefit, in profit or loss, resulting from the monetisation of available tax losses that otherwise would have been carried forward.

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Notes to the Consolidated Financial Statements

For The Year Ended 30 June 2020

2. Summary of Significant Accounting Policies (continued)

2.6 Financial Instruments

(i) Financial assets

A financial asset (unless it is a trade receivable without a significant financing component) is initially measured at fair value plus, for an item not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the market place.

Equity instruments

On initial recognition of an equity investment that is not held for trading, the Group could irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis. Equity investments at fair value through other comprehensive income are measured at fair value. Dividend income are recognised in profit or loss unless the dividend income clearly represents a recovery of part of the cost of the investments. Other net gains and losses are recognised in other comprehensive income and are not reclassified to profit or loss. All other equity instruments are classified as FVTPL, whereby changes in fair value, dividends and interest income are recognised in profit or loss.

(ii) Impairment loss on financial assets

The Group recognises loss allowances for expected credit loss ("ECL") on trade receivables, other receivables, and other financial assets measured at amortised cost. The ECLs are measured on either of the following bases: (1) 12 months ECLs: these are the ECLs that result from possible default events within the 12 months after the reporting date; and (2) lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument. The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive. The shortfall is then discounted at an approximation to the assets' original effective interest rate.

For trade receivables, the Group applies the simplified approach and has calculated ECLs based on lifetime ECLs. The Group has established a provision matrix that is based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For other debt financial assets, the ECLs are based on the 12-months ECLs. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

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Notes to the Consolidated Financial Statements

For The Year Ended 30 June 2020

2. Summary of Significant Accounting Policies (continued)

2.6 Financial Instruments (continued)

(ii) Impairment loss on financial assets (continued)

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be credit-impaired when: (1) the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or (2) the financial asset is more than 90 days past due.

Interest income on credit-impaired financial assets is calculated based on the amortised cost (i.e. the gross carrying amount less loss allowance) of the financial asset. For non credit-impaired financial assets interest income is calculated based on the gross carrying amount.

(iii) Financial liabilities

The Group classifies its financial liabilities, depending on the purpose for which the liabilities were incurred. Financial liabilities at fair value through profit or loss are initially measured at fair value and financial liabilities at amortised costs are initially measured at fair value, net of directly attributable costs incurred.

Financial liabilities at amortised cost

Financial liabilities at amortised cost including trade and other payables, borrowings, certain preference shares and the debt element of convertible loan note issued by the Group are subsequently measured at amortised cost, using the effective interest method. The related interest expense is recognised in profit or loss.

Gains or losses are recognised in profit or loss when the liabilities are derecognised as well as through the amortisation process.

(iv) Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial asset or liability, or where appropriate, a shorter period.

(v) Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

The Hong Kong Companies Ordinance, Cap. 622 ("the Ordinance"), came into operation on 3 March 2014. Under the Ordinance, shares of the Company do not have a nominal value. Consideration received or receivable for the issue of shares on or after 3 March 2014 is credited to share capital. Commissions and expenses are allowed to be deducted from share capital under s. 148 and s. 149 of the Ordinance.

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Notes to the Consolidated Financial Statements

For The Year Ended 30 June 2020

2. Summary of Significant Accounting Policies (continued)

2.6 Financial Instruments (continued)

(vi) Derecognition

The Group derecognises a financial asset when the contractual rights to the future cash flows in relation to the financial asset expire or when the financial asset has been transferred and the transfer meets the criteria for derecognition in accordance with HKFRS 9.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires.

2.7 Cash and Cash Equivalents

For the purposes of the Consolidated Statement of Cash Flows, cash and cash equivalents includes cash on hand and at banks, deposits held at call with financial institutions, other short term, highly liquid investments with maturities of three months or less, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts. For the purpose of the Consolidated Statement of Cash Flows, term deposits with maturity over three months are shown as cash flows from investing activities.

2.8 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises all direct materials, direct labour and an appropriate portion of variable and fixed overheads. Fixed overheads are allocated on the basis of normal operating capacity. Costs are assigned to inventories using the weighted average cost basis. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated selling cost of completion and selling expenses.

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Notes to the Consolidated Financial Statements

For The Year Ended 30 June 2020

2. Summary of Significant Accounting Policies (continued)

2.9 Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment losses.

All other plant and equipment is stated at historical cost, including costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, less depreciation and any impairments.

Freehold land is not depreciated. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

Depreciation on other assets is calculated on a straight-line basis over the estimated useful life of the asset as follows:

Class of Asset	
Leasehold Buildings	50 years
Freehold Land	Indefinite
Plant and Equipment	3-20 Years

The assets' residual value and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains and losses on disposals are calculated as the difference between the net disposal proceeds and the asset's carrying amount and are included in profit or loss in the year that the item is de-recognised.

The cost of fixed assets constructed within the Group includes the cost of materials, direct labour, borrowing costs (if any) and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Additional costs incurred on impaired capital works in progress are expensed in profit or loss.

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Notes to the Consolidated Financial Statements

For The Year Ended 30 June 2020

2. Summary of Significant Accounting Policies (continued)

2.10 Leases

Accounting policies applicable from 1 July 2019

All leases (irrespective of they are operating leases or finance leases) are required to be capitalised in the statement of financial position as right-of-use assets and lease liabilities, but accounting policy choices exist for an entity to choose not to capitalise (i) leases which are short-term leases and/or (ii) leases for which the underlying asset is of low-value. The Group has elected not to recognise right-of-use assets and lease liabilities for which at the commencement date have a lease term of 12 months or less. The lease payments associated with those leases have been expensed on straight-line basis over the lease term.

Right-of-use asset

The right-of-use asset should be recognised at cost and would comprise: (i) the amount of the initial measurement of the lease liability; (ii) any lease payments made at or before the commencement date, less any lease incentives received; (iii) any initial direct costs incurred by the lessee and (iv) an estimate of costs to be incurred by the lessee in dismantling and moving the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories. Except for right-of-use asset that meets the definition of an investment property or a class of property, plant and equipment to which the Group applies the revaluation model, the Group measures the right-of-use assets applying the cost model. Under the cost model, the Group measures the right-of-use assets at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liability. Lease assets are depreciated on a straight-line basis over their expected useful lives on the same basis as owned assets, or where shorter, the term of the relevant lease.

The following payments for the right-of-use the underlying asset during the lease term that are not paid at the commencement date of the lease are considered to be lease payments: (i) fixed payments less any lease incentives receivable; (ii) variable lease payments that depend on an index or a rate, initially measured using the index or rate as the commencement date; (iii) amounts expected to be payable by the lessee under residual value guarantees; (iv) the exercise price of a purchase option if the lessee is reasonably certain to exercise that option and (v) payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

Accounting policies applied until 30 June 2019

Leases where the lessor retains substantially all the risks and rewards of ownership of the net asset are classified as operating leases. Payments made under operating leases (net of incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

2.11 Land Use Rights

Accounting policies applied until 30 June 2019

The upfront prepayments made for land use rights are expensed in profit or loss on a straight-line basis over the period of the lease or, when there is impairment, it is expensed immediately. Leasehold land previously accounted for as land use rights are accounted for as right-of-use assets from 1 July 2019 onwards, as explained in note 2.22(i)(a)(i) and 2.10 above.

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Notes to the Consolidated Financial Statements

For The Year Ended 30 June 2020

2. Summary of Significant Accounting Policies (continued)

2.12 Intangibles

Research and development costs

Research costs are expensed as incurred. Development costs incurred on an individual project is capitalised if the product or service is technically feasible, adequate resources are available to complete the project, it is probable that future economic benefits will be generated and expenditure attributable to the project can be measured reliably. Expenditure capitalised comprises costs of services and direct labour. Other development costs are expensed when they are incurred. The carrying value of development costs is reviewed annually when the asset is not yet available for use, or when events or circumstances indicate that the carrying value may be impaired.

Capitalised development costs are amortised over the periods the Group expects to benefit from selling the products developed. The amortisation expense is recognised in profit or loss.

Exploration and Evaluation Expenditure

(i) Costs carried forward

Costs arising from exploration and evaluation activities are carried forward provided that the rights to tenure of the area of interest are current and such costs are expected to be recouped through successful development, or by sale, or where exploration and evaluation activities have not, at reporting date, reached a stage to allow a reasonable assessment regarding the existence of economically recoverable reserves. Expenditure incurred is accumulated in respect of each identifiable area of interest.

Water rights

The Group has capitalised water rights. The water rights are amortised over the term of the right. The carrying value of water rights is reviewed annually or when events or circumstances indicate that the carrying value may be impaired.

(ii) Costs abandoned area

Costs carried forward in respect of an area of interest that is abandoned are written off in the year in which the decision to abandon is made.

(iii) Regular review

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

(iv) Costs of site restoration

Costs of site restoration are to be provided once an obligation presents. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal and rehabilitation of the site in accordance with clauses of the mining permits. Such costs will be determined using estimates of future costs, current legal requirements and technology on a discounted basis.

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For The Year Ended 30 June 2020

2. Summary of Significant Accounting Policies (continued)

2.13 Impairment of Assets

At the end of each reporting period, the Group assesses whether there is any indication that individual assets are impaired. Where impairment indicators exist, recoverable amount is determined and impairment losses are recognised in the profit and loss where the asset's carrying value exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purpose of assessing value in use, the estimated future cash flows are discounted to their present value using a pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Where it is not possible to estimate recoverable amount for an individual asset, recoverable amount is determined for the cash generating unit to which the asset belongs.

2.14 Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.15 Provisions

Provisions for legal claims, service warranties and make good obligations are recognised when the Group has a present legal or constructive obligation as a result of a past event, it is probable that that an outflow of economic resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pretax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

2.16 Employee Benefit Provisions

Wages and salaries, annual leave and sick leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the end of the reporting period are recognised in respect of employees' services rendered up to the end of the reporting period and measured at amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when leave is taken and measured at the actual rates paid or payable. Liabilities for wages and salaries and annual leave are included as part of "Other Payables".

Bonus plan

The Group recognises an expense and a liability for bonuses when the entity is contractually obliged to make such payments or where there is past practice that has created a constructive obligation.

Retirement benefit obligations

The Group contributes to employee superannuation funds in accordance with its statutory obligations. Contributions are recognised as expenses as they become payable.

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2. Summary of Significant Accounting Policies (continued)

2.17 Share Based Payments

The Group may provide benefits to employees (including Directors) of the Group in the form of share-based payment transactions, whereby employees render services in exchange for shares ("equity settled transactions"). Such equity settled transactions are at the discretion of the Remuneration Committee. To date, no such equity settled transactions have been undertaken.

The fair value of options or rights granted is recognised as an employee benefit expense with a corresponding increase in equity (share-based payment reserve). The fair value is measured at grant date and recognised over the period during which the employees become unconditionally entitled to the options. Fair value is determined using a Black-Scholes option pricing model. In determining fair value, no account is taken of any performance conditions other than those related to the share price of Astron Corporation Limited ("market conditions"). The cumulative expense recognised between grant date and vesting date is adjusted to reflect the Directors' best estimate of the number of options or rights that will ultimately vest because of internal conditions of the options or rights, such as the employees having to remain with the Group until vesting date, or such that employees are required to meet internal KPI. No expense is recognised for options or rights that do not ultimately vest because internal conditions were not met. An expense is still recognised for options or rights that do not ultimately vest because a market condition was not met.

Where the terms of options or rights are modified, the expense continues to be recognised from grant date to vesting date as if the terms had never been changed. In addition, at the date of the modification, a further expense is recognised for any increase in fair value of the transaction as a result of the change.

Where options are cancelled, they are treated as if vesting occurred on cancellation and any unrecognised expenses are taken immediately to profit or loss. However, if new options are substituted for the cancelled options or rights and designated as a replacement on grant date, the combined impact of the cancellation and replacement are treated as if they were a modification.

When shareholders' approval is required for the issuance of options or rights, the expenses are recognised based on the grant-date fair value according to the management estimation. This estimate is re-assessed upon obtaining formal approval from shareholders.

2.18 Dividends/Return of Capital

No dividends were paid or proposed for the years ended 30 June 2020 and 30 June 2019. There is no Dividend Reinvestment Plan in operation.

2.19 Segment Reporting

Segment revenues, expenses, assets and liabilities are those that are directly attributable to a segment and the relevant portion that can be allocated to the segment on a reasonable basis. Segment assets include all assets used by a segment and consist primarily of operating cash, receivables, inventories, property, plant and equipment and other intangible assets. Segment liabilities consist primarily of trade and other creditors, employee benefits and provisions.

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2. Summary of Significant Accounting Policies (continued)

2.20 Earnings Per Share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares during the year.

Diluted earnings per share

Earnings used to calculate diluted earnings per share are calculated by adjusting the basic earnings by the after tax effect of dividends and interest associated with dilutive potential ordinary shares. The weighted average number of shares used is adjusted for the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

2.21 Goods and Services Tax ("GST")/Value Added Tax ("VAT")

Revenues, expenses are recognised net of GST/VAT except where GST/VAT incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST/VAT is recognised as part of the cost of acquisition of the asset or as part of the expense item.

Receivables and payables are stated with the amount of GST/VAT included. The net amount of GST/VAT recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the consolidated statement of financial position.

Commitments and contingencies are disclosed net of the amount of GST/VAT recoverable from, or payable to, the taxation authority.

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2. Summary of Significant Accounting Policies (continued)

2.22 Adoption of HKFRS

(i) Adoption of new or revised HKFRSs - effective on 1 July 2019

The HKICPA has issued a number of new or amended HKFRSs that are first effective for the current accounting period of the Group:

- HKFRS 16, Leases
- HK(IFRIC)-Int 23, Uncertainty over Income Tax Treatments
- Prepayment Features and Negative Compensation
- Annual Improvements to HKFRSs 2015-2017 Cycle, Amendments to HKAS 12 Income Taxes and HKAS 23 Borrowing Costs

The impact of adoption of HKFRS 16 Leases have been summarised below. The other new or amend HKFRSs that are effective from 1 July 2019 did not have any material impact on the Group accounting policies.

(a) HKFRS 16 Leases (“HKFRS 16”)

HKFRS 16 brings significant changes in accounting treatment for lease accounting, primarily for accounting for lessees. It replaces HKAS 17 *Leases* (“HKAS 17”), HK(IFRIC)-Int 4 *Determining whether an Arrangement contains a Lease*, HK(SIC)-Int 15 *Operating Leases- Incentives* and HK(SIC)-Int 27 *Evaluating the Substance of Transactions involving the Legal Form of a Lease*. From a lessee’s perspective, almost all leases are recognised in the statement of financial position as right-of-use assets and lease liabilities, with the narrow exception to this principle for leases which the underlying assets are of low-value or are determined as short-term leases. From a lessor’s perspective, the accounting treatment is substantially unchanged from HKAS 17.

The Group has applied HKFRS 16 using the cumulative effect approach and recognised all the cumulative effect of initially applying HKFRS 16, if any, as an adjustment to the opening balance of retained earnings at the date of initial application. The comparative information presented in 2019 has not been restated and continues to be reported under HKAS 17 and related interpretations as allowed by the transition provision in HKFRS 16.

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2. Summary of Significant Accounting Policies (continued)

2.22 Adoption of HKFRS (continued)

(i) Adoption of new or revised HKFRSs - effective on 1 July 2019 (continued)

(a) HKFRS 16 (continued)

(i) The new definition of a lease

Under HKFRS 16, a lease is defined as a contract, or part of a contract, that conveys the right to use an assets (the underlying asset) for a period of time in exchange for consideration. A contract conveys the right to control the use of an identified asset for a period of time when the customer, throughout the period of use, has both: (a) the right to obtain substantially all of the economic benefits from use of the identified asset and (b) the right to direct the use of the identified asset.

For a contract that contains a lease component and one or more additional lease or non-lease components, a lessee shall allocate the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components, unless the lessee apply the practical expedient which allows the lessee to elect, by class of underlying asset, not to separate non-lease components from lease components, and instead account for each lease component and any associated non-lease components as a single lease component.

(ii) Accounting as a lessee and transitional impact

Under HKAS 17, a lessee has to classify a lease as an operating lease or a finance lease based on the extent to which risks and rewards incidental to ownership of a lease asset lie with the lessor or the lessee. If a lease is determined as an operating lease, the lessee would recognise the lease payments under the operating lease as an expense over the lease term. The asset under the lease would not be recognised in the statement of financial position of the lessee.

Under HKFRS 16, all leases (irrespective of they are operating leases or finance leases) are required to be capitalised in the statement of financial position as right-of-use assets and lease liabilities, but HKFRS 16 provides accounting policy choices for an entity to choose not to capitalise (i) leases which are short-term leases and/or (ii) leases for which the underlying asset is of low-value.

To ease the transition to HKFRS 16, the Group has elected not to recognise right-of-use assets and lease liabilities for low-value assets. The Group has leases for which at the commencement date have a lease term less than 12 months. The lease payments associated with those leases have been expensed on straight-line basis over the lease term. There was no impact on retained earnings on 1 July 2019.

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Notes to the Consolidated Financial Statements

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2. Summary of Significant Accounting Policies (continued)

2.22 Adoption of HKFRS (continued)

(i) Adoption of new or revised HKFRSs - effective on 1 July 2019 (continued)

(a) HKFRS 16 (continued)

(ii) Accounting as a lessee and transitional impact (continued)

Right-of-use asset

The right-of-use asset should be recognised at cost and would comprise: (i) the amount of the initial measurement of the lease liability (see below for the accounting policy to account for lease liability); (ii) any lease payments made at or before the commencement date, less any lease incentives received; (iii) any initial direct costs incurred by the lessee and (iv) an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

The Group measures the right-of-use assets applying a cost model. Under the cost model, the Group measures the right-to-use at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liability.

Upon the adoption of HKFRS 16 on 1 July 2019, the land use rights with net carrying amount of \$3,090,641 were reclassified from "Land use rights" to "Right-of-use assets" (refer to note 2.11). There was no impact on retained earnings on 1 July 2019.

Lease liability

The lease liability should be recognised at the present value of the lease payments that are not paid at the date of commencement of the lease. The lease payments shall be discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group shall use the Group's incremental borrowing rate.

The following payments for the right-to-use the underlying asset during the lease term that are not paid at the commencement date of the lease are considered to be lease payments: (i) fixed payments less any lease incentives receivable; (ii) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at commencement date; (iii) amounts expected to be payable by the lessee under residual value guarantees; (iv) the exercise price of a purchase option if the lessee is reasonably certain to exercise that option and (v) payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

Subsequent to the commencement date, a lessee shall measure the lease liability by: (i) increasing the carrying amount to reflect interest on the lease liability; (ii) reducing the carrying amount to reflect the lease payments made; and (iii) remeasuring the carrying amount to reflect any reassessment or lease modifications, e.g., a change in future lease payments arising from change in an index or rate, a change in the lease term, a change in the in substance fixed lease payments or a change in assessment to purchase the underlying asset.

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Notes to the Consolidated Financial Statements

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2. Summary of Significant Accounting Policies (continued)

2.22 Adoption of HKFRS (continued)

(i) Adoption of new or revised HKFRSs - effective on 1 July 2019 (continued)

(a) HKFRS 16 (continued)

(iii) Accounting as a lessor

The Group has leased out its land to a number of tenants. As the accounting under HKFRS 16 for a lessor is substantially unchanged from the requirements under HKAS 17, the adoption of HKFRS 16 in this respect does not have a significant impact on these financial statements.

(b) HK(IFRIC)-Int 23 – Uncertainty over Income Tax Treatments

The Interpretation supports the requirements of HKAS 12 Income Taxes, by providing guidance over how to reflect the effects of uncertainty in accounting for income taxes.

Under the interpretation, the entity shall determine whether to consider each uncertain tax treatment separately or together based on which approach better predicts the resolution of the uncertainty. The entity shall also assume the tax authority will examine amounts that it has a right to examine and have full knowledge of all related information when making those examinations. If the entity determines it is probable that the tax authority will accept an uncertain tax treatment, then the entity should measure current and deferred tax in line with its tax filings. If the entity determines it is not probable, then the uncertainty in the determination of tax is reflected using either the “most likely amount” or the “expected value” approach, whichever better predicts the resolution of the uncertainty.

(c) Amendments to HKFRS 9 - Prepayment Features with Negative Compensation

The amendments clarify that prepayable financial assets with negative compensation can be measured at amortised cost or at fair value through other comprehensive income if specified conditions are met – instead of at fair value through profit or loss.

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2. Summary of Significant Accounting Policies (continued)

2.22 Adoption of HKFRS (continued)

(i) Adoption of new or revised HKFRSs - effective on 1 July 2019 (continued)

(d) Annual Improvements to HKFRSs 2015-2017 Cycle

The amendments issued under the annual improvements process make small, non-urgent changes to standards where they are currently unclear. They include the following:

Amendments to HKAS 12 Income Taxes

The amendments issued under the annual improvements process make small, non-urgent changes to standards where they are currently unclear. They include amendments to HKAS 12 which clarify that all income tax consequences of dividends are recognised consistently with the transactions that generated the distributable profits, either in profit or loss, other comprehensive income or directly in equity.

Amendments to HKAS 23 Borrowing Costs

The amendments issued under the annual improvements process make small, non-urgent changes to standards where they are currently unclear. They include amendments to HKAS 23 which clarifies that a borrowing made specifically to obtain a qualifying asset which remains outstanding after the related qualifying asset is ready for its intended use or sale would become part of the funds an entity borrows generally and therefore included in the general pool.

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Notes to the Consolidated Financial Statements

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2. Summary of Significant Accounting Policies (continued)

2.22 Adoption of HKFRS (continued)

(ii) New or revised HKFRSs that have been issued but are not yet effective

The following new or revised HKFRSs, potentially relevant to the Group's financial statements, have been issued, but are not yet effective and have not been early adopted by the Group. The Group's current intention is to apply these changes on the date they become effective.

Amendments to HKFRS 3	Definition of a Business ¹
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	Interest Rate Benchmark Reform ¹
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁶
Amendments to HKFRS 16	COVID-19-Related Rent Concessions ²
HKFRS 17	Insurance Contracts ³
Annual Improvement to HKFRSs 2018-2020	Amendments to HKFRS 1, HKFRS 9, HKFRS 16 and HKFRS 41 ⁴
Amendments to HKAS 1 and HKAS 8	Definition of Material ¹
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current ⁵
Amendments to HKAS 16	Property, Plant and Equipment ⁴
Amendments to HKAS 37	Provisions, Contingent Liabilities and Contingent Assets ⁴

¹ Effective for annual periods beginning on or after 1 January 2020

² Effective for annual periods beginning on or after 1 June 2020

³ Effective for annual periods beginning on or after 1 January 2021

⁴ Effective for annual periods beginning on or after 1 January 2022

⁵ Effective for annual periods beginning on or after 1 January 2023

⁶ The amendments were originally intended to be effective for periods beginning on or after 1 January 2018. The effective date has now been deferred/removed. Early application of the amendments of the amendments continue to be permitted.

The directors anticipate that all of the relevant pronouncements will be adopted in the Group's accounting policy for the first period beginning after the effective date of the pronouncement. The directors are currently assessing the possible impact of these new or revised standards on the Group's results and financial position in the first year of application. Those new or revised HKFRSs that have been issued but are not yet effective are unlikely to have material impact on the Group's results and financial position upon application.

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3. Critical Accounting Estimates and Judgments

In the application of the Group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

3.1 Impairment assessment of intangible assets and property, plant and equipment ("PPE")

The Group assesses impairment at the end of each reporting period by evaluating conditions specific to the Group that may lead to impairment of intangible assets and PPE. Where an impairment trigger exists, the recoverable amount of the asset is determined. Fair value less costs to dispose calculations are performed in assessing recoverable amounts incorporate a number of key estimates and judgements.

The Group has used a combination of independent and Director valuations to support the carrying value of intangible assets while the Group also uses bankable feasibility status reports where these are available. The Group's main intangible assets are its exploration and evaluation assets related to the Donald Mineral Sands project located in Victoria, Australia and its development costs incurred on the Niafarang project in Senegal. The valuations use various assumptions to determine future cash flows based around risks including capital, geographical, markets, foreign exchange and mineral price fluctuations.

All other assets have been assessed for impairment based on either their value in use or fair value less costs to sell. The impairment assessments inherently involve significant judgements and estimates to be made.

Capitalisation of Exploration and Evaluation Assets

The Group has continued to capitalise expenditure, incurred on the exploration and evaluation of the Donald Mineral Sands project in Victoria, Australia in accordance with HKFRS 6. This has occurred because the technical feasibility and economic viability of extracting the mineral resources have not been completed and hence are not demonstrable at this time. The Group has assessed that the balances capitalised will be recoverable through the project's successful development.

Capitalisation of Development Assets

The Group has continued to capitalise expenditure, in accordance with HKAS 38, incurred on the development of the Niafarang Mineral Sands project in Senegal. The Group has assessed that the balances capitalised will be recoverable through the project's successful development.

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Notes to the Consolidated Financial Statements

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3. Critical Accounting Estimates and Judgments (continued)

3.2 Provision for Expected Credit Losses of Receivables

The provision for impairment of receivables assessment requires a degree of estimation and judgement. The level of provision is assessed by taking into account the recent sales experience, the aging of receivables, historical collection rates and specific knowledge of the individual debtors' financial position. The Group has an outstanding receivable for the disposal of surplus land in China from 2015, further details of which are set out in note 11.1. During the year, the Group made significant progress with \$1.5 million due at year end (2019: \$3.0 million) and subsequent settlement of \$0.4 million was received in July 2020. The Group is confident the balance will be settled within the next twelve months.

3.3 Income Tax

The Group is subject to income taxes in the jurisdictions in which it operates. Significant judgment is required in determining the provision for income tax. There are transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The group recognises tax receivables and liabilities based on the Group's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

3.4 Deferred Tax Assets

Deferred tax assets have not been recognised for capital losses and China revenue losses as the utilisation of these losses is not considered probable at this stage.

3.5 Inventories

Management estimates the net realisable values of inventories, taking into account the most reliable evidence available at each reporting date. The future realisation of these inventories may be affected by future technology or other market-driven changes that may reduce future selling prices.

4. Segment Information

4.1 Description of Segments

The Group has adopted HKAS 8 *Operating Segments* from whereby segment information is presented using a 'management approach', i.e. segment information is provided on the same basis as information used for internal reporting purposes by the Managing Director/President (chief operating decision maker) who monitors the segment performance based on the net profit before tax for the period. Operating segments have been determined on the basis of reports reviewed by the Managing Director/President who is considered to be the chief operating decision maker of the Group. The reportable segments are as follows:

- Donald Mineral Sands ("DMS"): Development of the DMS mine
- China: Development and construction of mineral processing plant and mineral trading
- Senegal: Development of the Niafarang mine
- Other: Group treasury and head office activities

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4. Segment Information (continued)

4.2 Segment information provided to the Managing Director /President

30 June	DMS		China		Senegal		Other		Consolidated	
	Jun-20	Jun-19	Jun-20	Jun-19	Jun-20	Jun-19	Jun-20	Jun-19	Jun-20	Jun-19
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Sale of mineral products:										
Revenue from contracts with external customers	-	-	8,430,039	7,977,198	-	-	-	-	8,430,039	7,977,198
Revenue from other sources:										
Interest income	245	2,263	1,429	13,356	-	-	485	6	2,159	15,625
Rent and other Income	198,482	148,203	124,053	69,022	-	-	21,711	-	344,246	217,225
Total revenue	198,727	150,466	8,555,521	8,059,576	-	-	22,196	6	8,776,444	8,210,048
Segment result										
Segment loss	(19,082)	(13,937)	(4,757,811)	(1,521,736)	-	-	(1,427,810)	(736,239)	(6,204,703)	(2,271,912)
Acquisition of PPE, Intangible assets and other non-current segment assets	2,403,929	2,246,282	1,293,631	4,293,960	256,838	1,235,695	-	-	3,954,398	7,775,937
Depreciation and amortisation	1,788	6,090	1,639,837	837,341	-	-	-	-	1,641,625	843,431

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4. Segment Information (continued)

4.2 Segment information provided to the Managing Director /President (continued)

30 June	DMS		China		Senegal		Other		Consolidated	
	Jun-20	Jun-19	Jun-20	Jun-19	Jun-20	Jun-19	Jun-20	Jun-19	Jun-20	Jun-19
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Assets										
Segment assets	75,261,388	73,619,841	40,950,003	44,686,810	9,166,052	8,901,498	4,348,556	313,019	129,725,999	127,521,168
Consolidated total assets									129,725,999	127,521,168
Liabilities										
Segment liabilities	323,647	991,585	14,336,156	10,056,427	968,865	855,606	3,513,178	2,980,812	19,141,846	14,884,430
Borrowings									10,917,671	7,133,146
Deferred tax liabilities									5,941,198	5,229,611
Consolidated total liabilities									36,000,715	27,247,187

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4. Segment Information (continued)

4.3 Geographical Information

Although the Group is managed globally, it operates in the following main geographical areas:

Hong Kong

The Company was incorporated in Hong Kong.

Australia

The home country of Astron Limited and one of the operating subsidiaries which performs evaluation and exploration activities. Interest and rental income is derived from Australian sources.

China

The home country of subsidiaries which operate in the mineral trading and downstream development segment.

Other

The Group is focused on developing mineral sands opportunities, principally in Senegal with a view to integrating into the Chinese operations.

	Sales revenue		Interest income		Non-current assets	
	2020	2019	2020	2019	2020	2019
	\$	\$	\$	\$	\$	\$
Australia	-	-	245	2,263	75,466,807	73,434,318
China	8,430,039	7,977,198	1,429	13,356	23,011,947	25,905,061
Other countries	-	-	485	6	9,655,941	9,253,360
	8,430,039	7,977,198	2,159	15,625	108,134,695	108,592,739

During 2020, \$5,627,444 or 67% (2019: \$6,160,787 or 77%) of the revenue depended on five (2019: six) customers.

5. Revenue and Other Income

Revenue from contracts with customers within the scope of HKFRS 15

Timing of revenue recognition – at a point in time

- sale of goods

	2020	2019
	\$	\$
	8,430,039	7,977,198

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5. Revenue and Other Income – Continued

	2020 \$	2019 \$
Interest income	2,159	15,625
Other income:		
- rental income	174,482	148,203
- other income	169,764	69,022
Total other income	344,246	217,225

6. Loss Before Income Tax Expense

Loss before income tax expense is arrived at after charging/crediting:

6.1 Employee benefits (including directors' remuneration):

	2020 \$	2019 \$
Salaries and fees	677,573	558,368
Non-cash benefits	182,333	159,107
Superannuation	42,105	53,529
	902,011	771,004

6.2 Other items

	2020 \$	2019 \$
Finance costs:		
- on borrowings and early redemption of note receivables	629,216	229,207
- on Wensheng deposits (note 21(a))	1,022,335	1,046,003
	1,651,551	1,275,210
Short-term lease charges in respect of premises	48,479	87,586
Research and development costs	783,206	544,151
Depreciation and amortisation	2,234,886	1,733,321
Less: capitalisation of water rights amortisation (note 17(f))	(593,261)	(889,890)
	1,641,625	843,431
Costs associated with Gambia litigation (note 13)	136,006	65,625
Reversal of provision for impairment on receivables (note 11)	(469,657)	(411,395)

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7. Income Tax (Expense)/Benefit

7.1 The components of tax (expense)/benefit comprise:

	2020 \$	2019 \$
Current tax benefit in respect of current year	623,470	415,143
Deferred taxation:	(711,587)	(56,193)
- Unrealised inventory	(1,026,798)	2,861,553
- Loss recognised/(carried forwards) for the year	210,949	(2,584,445)
- Capitalisation of expenditure on DMS project (net)	42,547	(385,747)
- Other movements	61,715	52,446
Total	(88,117)	358,950

7.2 The prima facie tax on loss before income tax is reconciled to the income tax as follows:

	2020 \$	2019 \$
Loss before income tax expense	(6,204,703)	(2,271,912)
Prima facie tax payable on profit 27.5% (2019: 27.5%)		
- continuing operations	(1,706,293)	(624,776)
	(1,706,293)	(624,776)
Add/(Less) tax effect of:		
- non-deductible items - Gambia	37,402	18,047
- non-taxable items	(149,411)	(251,491)
- tax losses not recognised on overseas entities	2,534,088	912,639
- research & development tax incentive *	(623,470)	(415,143)
- (under)/over provision in respect of prior years	-	13,514
- impact of overseas tax differential	(4,199)	(11,740)
Income tax expense/(benefit)	88,117	(358,950)
The applicable weighted average effective tax rates are as follows:	1.4%	15.8%

* Tax benefit relates to Australian Government Grant in relation to research & development tax incentives on eligible expenditure related to the DMS project.

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7. Income Tax (Expense)/Benefit (continued)

7.3 Income tax rates

Australia

In accordance with the Australian Income Tax Act, Astron Limited and its 100% owned Australian subsidiaries have formed a tax consolidated group, tax funding or sharing agreements have been entered into. Australia has a double tax agreement with China and there are currently no impediments to repatriating profits from China to Australia. Dividends paid to Astron Limited from Chinese subsidiaries are non-assessable under current Australian Income Tax Legislation.

China (including Hong Kong)

The Company is subject to Hong Kong tax law.

The Group's subsidiaries in China and are subject to Chinese income tax laws. Chinese taxation obligations have been fully complied based on the regular tax audits performed by the Chinese tax authorities.

7.4 Items not chargeable or not deductible for tax purposes

Items not chargeable or deductible for tax purposes for the Group principally represent costs associated with the Gambian litigation and other costs incurred but not related to Australian operations.

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8. Loss Per Share

8.1 Reconciliation of loss used in the calculation of loss per share:

	2020 \$	2019 \$
Loss attributable to owners	(6,292,820)	(1,912,962)
Loss used to calculate basic and diluted loss per share	(6,292,820)	(1,912,962)

8.2 Weighted average number of ordinary shares:

	2020 \$	2019 \$
Weighted average number of ordinary shares outstanding during the year for the purpose of basic and diluted loss per share	122,479,784	122,479,784

8.3 Dilutive shares

There were no shares issued under escrow at or post year end. There were no rights or options for shares outstanding at year-end.

9. Auditors' Remuneration

	2020 \$	2019 \$
Audit and review of financial statements		
BDO Limited	197,877	162,160
	197,877	162,160
Other services		
- taxation services	-	8,178
	-	8,178

10. Cash and Cash Equivalents

	2020 \$	2019 \$
Cash on hand	41,798	10,222
Current & call account balances	513,706	1,677,327
Total	555,504	1,687,549

Cash on hand is non-interest bearing. Bank balances and short-term deposits at call bear floating interest rates between 0.0% and 0.01% (2019: 0.0% and 0.75%). Deposits have an average maturity of 90 days (2019: 90 days).

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10. Cash and Cash Equivalents (continued)

10.1 Concentration of risk by geography – cash and cash equivalents

	2020 \$	2019 \$
Australia	237,194	129,141
China	260,153	1,351,736
Hong Kong	2,250	2,243
USA	27,813	27,262
Senegal	28,094	177,167
Total	555,504	1,687,549

10.2 Concentration of risk by bank

	2020 \$	2019 \$
Australia		
Commonwealth Bank - S&P rating of AA- (2019: AA-)	187,105	87,174
Westpac Bank - S&P rating of AA- (2019: AA-)	1,646	1,646
Bank of China - S&P rating of A (2019: A)	12,050	12,029
Other Australian banks	36,279	28,280
	237,080	129,129
China		
Bank of China - S&P rating of A1 (2019: A1)	10,861	936,501
Construction Bank - S&P rating of A (2019: A)	122	3,207
China Zheshang Bank - BA1 (2019: BA1)	206,141	398,757
Shengjing Bank - unrated	1,330	2,255
Other banks	14	806
	218,468	1,341,526
Other countries		
Other banks	58,158	206,672
	58,158	206,672

Restrictions on cash

The Chinese domiciled cash on hand may have some restriction on repatriation to Australia depending on basis on which the funds are transferred to Australia. Depending on the basis, there may be taxes (including withholding tax) of 13% (2019: 16%) to be paid.

As at 30 June 2020, Australian domiciled cash at banks included \$45,000 (2019: \$45,000) of cash backed by Bank Guarantee for the operations of the Donald Mineral Sands project.

As at 30 June 2019, the Chinese domiciled cash at banks included \$31,673 of cash restricted by bank as security for certain note payables and letters of credit.

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10. Cash and Cash Equivalents (continued)

10.3 Term deposits greater than 90 days

	2020	2019
	\$	\$
Term deposits with maturity over 90 days	46,112	46,112

As at 30 June 2020, term deposits with maturity over 90 days of \$46,112 (2019: \$46,112) bear fixed interest rates of 0.9% (2019: 0.9%) and have a maturity of 3-6 months.

Restrictions on cash

The short-term deposits include \$45,000 (2019: \$45,000) of cash backed by Bank Guarantees for the operations of the Donald Mineral Sands project.

10.4 Concentration of risk by geography – term deposits

	2020	2019
	\$	\$
Australia	46,112	46,112

10.5 Concentration of risk by bank – term deposits

	2020	2019
	\$	\$
Australia		
Commonwealth Bank-S&P rating of AA- (2019: AA-)	35,000	35,000
Other	11,112	11,112
	46,112	46,112

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11. Trade and Other Receivables

	Note	2020 \$	2019 \$
Current assets:			
Trade debtors	11.2	2,727,932	3,961,058
Impairments	11.3	(113,460)	(377,519)
Net trade debtors		2,614,472	3,583,539
Land sale receivable	11.1	1,495,660	622,873
Impairments		(65,062)	-
Net land sale receivables		1,430,598	622,873
Sundry receivable		545,760	438,688
Prepayments	11.4	6,818,551	5,549,189
Impairments	11.4	(370,355)	(373,724)
Net prepayments		6,448,196	5,175,465
		11,039,026	9,820,565
Non-current assets:			
Land sale receivable	11.1	-	2,339,758
Impairments		-	(262,595)
		-	2,077,163
Total		11,039,026	11,897,728

11.1 Land sale receivable

During the year ended 30 June 2014, the Group entered into an agreement to transfer 1,065,384 sqm of land held in Yingkou Province in China to a state-owned entity. As the under-development of this land resulted from a change of government development plans and restructure, this land transfer has been subsidised by the Chinese Government. Final contracts over the land sale have been exchanged and the disposal was brought to account in the year ended 30 June 2015. The net proceeds receivable amounted to \$20,356,248.

The land contract is unconditional, and payment is binding on the buyer being the Yingkou Government and its related entities, but the payments expected have been delayed. During the year ended 30 June 2020, there were receipts of \$1,483,981 (2019: \$3,688,765) with a gross balance receivable of \$1,495,660 (2019: \$2,962,631). While the receivable is currently outside the terms initially agreed, the Group is confident all of the amounts outstanding will be received. In July 2020, a further \$399,175 was received.

As at 30 June 2020 the total amount outstanding before ECL provision was \$1,495,660 (2019: \$2,962,631). The directors continue to believe this remaining balance will be recovered in full as it is owed by a Chinese government entity but estimate it will now be settled in 2020/21. The provision has accordingly been determined on that basis. During the year ended 30 June 2020, the Group received payment of \$1,483,981 and therefore reversal of expected credit loss of \$201,090 was recognised for the year ended 30 June 2020 (2019: \$308,895). As at 30 June 2020, the impairment provision for land sale receivable is \$65,062 (2019: \$262,595).

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11. Trade and Other Receivables (continued)

11.2 Ageing analysis

The ageing analysis of trade debtors, based on due dates, is as follows:

	2020 \$	2019 \$
0-30 days (not past due)	2,614,472	3,583,539
Total	2,614,472	3,583,539

At the end of the reporting period, the Group's trade debtors are predominantly receivable from Chinese trading partners. The Chinese debtors are regularly reviewed and as is common practice in China the terms may be extended to preserve client relationships. Where applicable the Group has impaired significantly overdue receivables.

It is the Group's policy that where possible that sales are made in exchange for notes (guaranteed by a Chinese bank) minimising the Group's exposure to an impairment issue.

11.3 Impairment on trade debtors and other receivables

At year end, the Group has reviewed its trade debtors and brought to account impairment where required.

During the year ended 30 June 2020, reversals of expected credit loss of \$268,567 (2019: \$102,500) and \$201,090 (2019: \$308,895) on trade debtors and land sale receivable respectively was recognised for the year ended 30 June 2020. As at 30 June 2020, the impairment provision for trade debtors and other receivables is \$178,522 (2019: \$640,114).

11.4 Prepayments

At year end, the Group had made advances to suppliers for inventory purchases.

Included in prepayments is an amount of RMB1,800,000 carried forward from 2008, equivalent to \$370,355 (2019: \$373,724) which is the prepayment for construction. This amount has been fully impaired due to low possibility of collection.

12. Inventories

	2020 \$	2019 \$
Raw materials	3,308,399	6,881,973
Work-in-progress	107,213	108,168
Finished goods	6,321,450	351,843
Goods in transit	193,278	6,853
Total	9,930,340	7,348,837

There is no provision against inventory to net realisable value as of 30 June 2020 and 2019.

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13. Investments in Gambia

Carnegie Minerals (Gambia) Limited is a 100% subsidiary of the Company. It was incorporated to commence mining activities in Gambia. The investments and receivables associated with the company have been impaired in full. The original agreement prior to the seizure of the assets was that Astron Limited had an obligation to fund the development and operating costs of the mine by way of loans.

As announced to the ASX on 23 July 2015, the Group has received a successful finding in its favour. The Group and the Gambian government made submissions on damages to the International Centre for Settlement of Investment Disputes ("ICSID"). ICSID has determined the award including damages in favour of Astron.

The determination was for US\$18,658,358 in damages for breach of the mining licence, interest of US\$993,683, arbitration costs of US\$445,860 (minus any sums refunded to Astron by ICSID on its final accounting) and £2,250,000 for legal costs. In total this is approximately \$31 million.

On 2 December 2015, the Group notified the ASX that Gambia had submitted an application for annulment to ICSID, on the grounds of the constitution of the arbitral tribunal, and arguments about admissibility and jurisdiction. An application for annulment is the only form of action open to Gambia under the ICSID rules, as there is no form of appeal process.

The ICSID panel of 3 arbitrators has confirmed that the Award should not be annulled in whole or in part in July 2020. The Group has been ordered to meet one half of the cost of the Committee being US\$221,992 payable to Gambia and shall be offset against sums due under the Award. As of 30 June 2020, no assets arising from this matter were recognised.

When the Group receives a settlement, an additional contingent legal fee of £171,000 (equivalent to approximately \$307,000) is payable to Clyde & Co.

During the year the Group incurred additional legal and other related expenses to the Gambian proceedings in the amounts of \$136,006 (2019: \$65,625).

14. Financial Assets At Fair Value Through Profit Or Loss

	2020 \$	2019 \$
Equity securities		
- Listed in Australia	20,322	25,366
Total financial assets at fair value through profit or loss	20,322	25,366

Financial assets at fair value through profit or loss represent listed equity investments in Australia. These financial assets comprise investments in the ordinary issued capital of three public companies listed on the ASX. The cost of these investments was \$1,877,716. There are no fixed returns or fixed maturity date attached to these investments.

There will be no capital gains tax payable on the sale of these assets due to existing capital losses carried forward. For listed equity securities and preference shares, fair value is determined by reference to closing bid prices on the ASX.

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15. Subsidiaries

Financial Year 2020	Country of incorporation	Percentage Owned Ordinary Shares 2020	Percentage Owned Ordinary Shares 2019
Parent entity			
Astron Corporation Limited	Hong Kong		
Subsidiaries of parent entity			
Astron Limited	Australia	100	100
Astron Mineral Sands Pty Limited	Australia	100	100
Astron Titanium (Yingkou) Co Ltd	China	100	100
Carnegie Minerals (Gambia) Inc	USA	100	100
Carnegie Minerals (Gambia) Limited	The Gambia	100	100
Camden Sands Inc	USA	100	100
Coast Resources Limited	Isle of Man	100	100
Dickson & Johnson Pty Limited	Australia	100	100
Donald Mineral Sands Pty Ltd	Australia	100	100
Sovereign Gold NL	Australia	100	100
WIM 150 Pty Limited	Australia	100	100
Astron Senegal Holding Pty Ltd	Hong Kong	100	100
Senegal Mineral Resources SA	Senegal	100	100
Senegal Mineral Sands Ltd	Hong Kong	100	100
Zirtanium Pty Limited	Australia	100	100

(i) Equity

The proportion of ownership interest is equal to the proportion of voting power held.

(ii) Disposal/Acquisition of subsidiaries

During the current and prior years, no subsidiaries were disposed or incorporated.

No subsidiaries were acquired during the current and prior years.

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16. Property, Plant and Equipment

	2020 \$	2019 \$
Land		
At cost	5,162,151	4,338,027
Total land	5,162,151	4,338,027
Buildings		
At cost	10,252,018	10,768,103
Less accumulated depreciation	(2,908,313)	(2,416,600)
Net carrying value	7,343,705	8,351,503
Capital works in progress		
At cost	4,270,613	3,920,102
Less accumulated impairment losses	(1,970,628)	(1,988,549)
Total capital works in progress	2,299,985	1,931,553
Plant and equipment		
At cost	17,347,239	16,140,544
Less accumulated depreciation	(3,761,533)	(2,781,808)
Less accumulated impairment losses	(1,743,536)	(1,759,392)
Net carrying value	11,842,170	11,599,344
Total property, plant and equipment	26,648,011	26,220,427

16.1 Assets pledged as security

As at 30 June 2020, property, plant and equipment with carrying value of \$3,957,471 were pledged as security for short term loans (2019: \$5,155,466).

16.2 Capital works in progress

Capital works in progress represent plant and equipment being assemble and/or constructed. They are not ready for use and not yet being depreciated.

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Notes to the Consolidated Financial Statements

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16. Property, Plant and Equipment (continued)

16.3 Movements in net carrying values

Movement in the carrying amount for each class of property, plant and equipment between the beginning and the end of the current financial year.

	Capital works in progress \$	Land \$	Buildings \$	Plant and equipment \$	Total \$
Year ended 30 June 2020					
Balance at 1 July	1,931,553	4,338,027	8,351,503	11,599,344	26,220,427
Additions	1,235,095	824,124	-	64,014	2,123,233
Depreciation	-	-	(561,821)	(997,889)	(1,559,710)
Transfers #	(850,462)	-	-	850,462	-
Foreign exchange movements	(16,201)	-	(445,977)	326,239	(135,939)
Balance at 30 June	2,299,985	5,162,151	7,343,705	11,842,170	26,648,011
Year ended 30 June 2019					
Balance at 1 July	7,551,100	4,247,755	8,668,935	2,128,559	22,596,349
Additions	4,219,195	90,272	-	102,186	4,411,653
Depreciation	-	-	(430,454)	(334,134)	(764,588)
Transfers #	(9,969,956)	-	-	9,969,956	-
Foreign exchange movements	131,214	-	113,022	(267,223)	(22,987)
Balance at 30 June	1,931,553	4,338,027	8,351,503	11,599,344	26,220,427

The Group allocated the development costs in relation to the Mineral separation plant in China to capital works in progress. Once the Mineral Separation Plant had been commissioned the development expenditure was transferred from capital works in progress to plant and equipment.

17. Exploration and Evaluation Assets

	Note	2020 \$	2019 \$
Evaluation costs			
Cost	17(b)	7,791,746	7,794,515
Accumulated impairment loss	17(b)	(7,487,231)	(7,487,231)
Net carrying value	17(b)	304,515	307,284
Exploration expenditure capitalised - DMS project			
Exploration and evaluation phases	17(a)(c)	57,862,304	56,368,885
Net carrying value		57,862,304	56,368,885
Water rights - DMS project			
Net carrying value	17(a)(d)	12,130,954	12,724,215
Total exploration and evaluation assets	17(f)	70,297,773	69,400,384

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17. Exploration and Evaluation Assets (continued)

(a) Exploration and evaluation assets

The Group has presented "Exploration and Evaluation assets" separately on the face of the consolidated statement of financial position since the last year. Previously these assets were included as a sub-category under "Intangible Assets".

The movements represent additions, movements in foreign exchange and amortisation. Capital expenditure commitments are detailed in note 30.2.

(b) Evaluation costs and impairment losses

	2020 \$	2019 \$
TiO2 project		
Cost	7,487,231	7,487,231
Less accumulated impairment losses	(7,487,231)	(7,487,231)
Net carrying value	-	-
Capitalised testing and design		
Cost	304,515	307,284
Net carrying value	304,515	307,284
Total		
Cost	7,791,746	7,794,515
Less accumulated impairment losses	(7,487,231)	(7,487,231)
Total evaluation costs	304,515	307,284

(c) Exploration and evaluation expenditure

This expenditure relates to the Group's investment in the Donald Mineral Sands Project. As at 30 June 2020, the Group has complied with the conditions of the granting of MIN5532, RL 2002 (formerly EL4433), RL2003 (formerly EL4432, and incorporating the former RL 2006) and EL5186, except for that minimum expenditure requirements on RL2002 was not met during the year, but the Directors are of the opinion that the chance that the license will be cancelled is remote. As such, the Directors believe that the tenements are in good standing with the Department of Economic Development, Jobs, Transport and Resources (which has incorporated the responsibilities previously administered by the Department of Primary Industries) in Victoria, who administers the Mineral Resources Development Act 1990.

During the year, DMS continued to develop the technical aspects of the fine grain materials separation and associated value add, refined the valuation model, achieved bulk sample approvals and licenses, reviewed logistics and handling opportunities and marketing of the Donald feedstock.

The recoverability of the carrying amount of the exploration and evaluation assets is dependent upon the successful development and commercial exploitation or alternatively sale of the area of interest.

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17. Exploration and Evaluation Assets (continued)

(d) Water rights

In 2012, the Group acquired rights to the supply of water for the Donald project. The water rights are amortised over 25 years (subject to the extension of this term) in line with entitlements.

In July 2018, a "Deed of Variation" was signed between Grampians Wimmera Mallee Water Corporation ("GWM Water") and Donald Mineral Sands Pty Ltd., a wholly owned subsidiary of the Company. The variation provides for an extension of the term of the original agreement of up to 4 years subject to terms and conditions. The amortisation period of the water rights have accordingly been extended by 4 years to a total period of 29 years to December 2040.

(e) Finite lives

Intangible assets, other than goodwill have finite useful lives. To date no amortisation has been charged in respect of intangible assets due to the stage of development for each project.

(f) Movement in net carrying values

	Exploration and Evaluation Phase \$	Evaluation costs \$	Water rights \$	Total \$
Year ended 30 June 2020				
Balance at 1 July 2019	56,368,885	307,284	12,724,215	69,400,384
Additions *	1,493,419	-	-	1,493,419
Amortisation	-	-	(593,261)	(593,261)
Foreign exchange movements	-	(2,769)	-	(2,769)
Balance at 30 June 2020	57,862,304	304,515	12,130,954	70,297,773
Year ended 30 June 2019				
Balance at 1 July 2018	54,087,188	302,036	13,614,105	68,003,329
Additions *	2,281,697	-	-	2,281,697
Amortisation	-	-	(889,890)	(889,890)
Foreign exchange movements	-	5,248	-	5,248
Balance at 30 June 2019	56,368,885	307,284	12,724,215	69,400,384

* Additions of exploration and evaluation phase during the year included the amortisation of water rights of \$593,261 (2019: \$889,890) which was capitalised during the year.

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18. Development Costs

	2020	2019
	\$	\$
Balance at 1 July	7,804,124	6,590,766
Additions	374,957	1,214,165
Foreign exchange movements	26,544	(807)
Balance at 30 June	8,205,625	7,804,124

The mining license of the Senegal project was granted in June 2017, the registered mining license was received in October 2017 and the environmental approval was obtained in August 2017. As a result of these developments, the directors considered the Senegal project had demonstrated it was technically feasible and commercially viable. Accordingly, under HKFRS 6 and the Group's accounting policies, this project and the costs capitalised to date should no longer be accounted for as an exploration and evaluation asset, but rather as an asset in its own right. The costs associated with the Senegal project have therefore been classified as "Development costs" since the year ended 30 June 2018.

19. Right-Of-Use Assets/ Land Use Rights

	2020	2019
	\$	\$
At 1 July as originally presented	-	3,116,708
Adjustment on initial application of HKFRS 16 (note 2.22(i)(a))	3,090,641	-
At 1 July as restated	3,090,641	3,116,708
Amortisation	(81,915)	(79,211)
Foreign exchange movements	(25,440)	53,144
Balance at 30 June	2,983,286	3,090,641

During the year ended 30 June 2014, management entered into an agreement to transfer 1,065,384 sqm of land held in Yingkou province China to a state-owned entity, representing approximately 83% of the total land held by the Group in Yingkou province. As the under-development of this land resulted from a change of government development plan and restructure, this land transfer has been subsidised by the Chinese Government. Final contracts over the land sale were exchanged and the disposal was brought to account in the year ended 30 June 2015. The net proceeds amounting to \$20,356,248 to be received in instalments. The remaining 17% of the land, representing 214,802m² is shown as Land Use Rights up to 30 June 2019, and after the adoption of HKFRS 16 as of 1 July 2019 (refer note 2.22(i)(a)), as Right-of-Use Asset.

The land contract is unconditional, and payment is binding on the buyer, being the Yingkou Government. However, payments have been delayed. During the year ended 30 June 2020, there were receipts of \$1,483,981 with a balance of gross receivable at 30 June 2020 of \$1,495,660 (note 11.1) of which \$399,175 was received in July 2020. While the receivable is currently outside the terms initially agreed, the Group is confident that the receivable will be received as the amount in due by a China state-owned entity and partial payments have been received every year since the land was sold to this entity.

In addition to the land referred to above, the Group also owns a nearby piece of land measuring approximately 18,302m² located at Bayuquan District, Yingkou Province, China. Both pieces of land are held on long term leases with lease terms ranging from 48 to 54 years.

As at 30 June 2020, right-of-use assets/land use rights with carrying value of \$2,199,235 are pledged as security over short-term loans. (2019: \$3,090,641).

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20. Trade and Other Payables

		2020	2019
	Note	\$	\$
Unsecured liabilities			
Trade payables		3,493,930	3,324,256
Note payables		2,299,386	1,369,567
Deposits received in advance		13,375	10,381
Other payables	20(a)	7,318,762	4,935,202
		13,125,453	9,639,406

(a) Other payables

Included in other payables was a balance of \$2,893,737 (2019: \$2,539,571) in aggregate due to 2 related companies as detailed in note 29.6.

21. Contract Liabilities

		2020	2019
	Note	\$	\$
Contract liabilities arising from:			
Advance deposit for future provision of goods	21(a)	5,106,984	4,363,126
		5,106,984	4,363,126

(a) Sale of goods

Included in the balance above is a deposit of RMB20 million was received in connection with the Senegal offtake agreement (the "Agreement") with Hainan Wensheng High-tech Minerals Co., Ltd. ("Wensheng"). Under the Agreement, the Group is required to ship 50,000 tons/year of Titanium Mineral Sands ("the mineral sands") to Wensheng in the PRC for a three year period commencing May 2018. The Agreement makes provision for penalties payable by each side for not meeting their obligations by applying a penalty interest of 24% p.a. against the RMB20 million advance deposit. Payment to the Group under the Agreement is based on the actual amount of zircon, ilmenite and rutile, etc. contained in the mineral sands, which is only determined once the mineral sands is shipped and processed by Wensheng in the PRC. Delivery of the mineral sands have been fallen behind the schedule as a result of the deferral of commencement of operations of the Senegal project. The Group has continued to engage in dialogue with Wensheng but cannot currently confirm the revised commencement of deliveries of product. The Group has accrued penalty interest of \$2,040,171 (2019: \$1,059,396) for the year ended 30 June 2020 (included in "other payables") as per the Agreement for the late delivery of mineral sands to Wensheng. During the year RMB1 million was repaid against the initial deposit. As at 30 June 2020, the balance outstanding (excluding accrued interest) was equivalent to \$3,908,307 (2019: \$4,151,473).

The funds from Wenshang have allowed the Group to progress the Senegal project by enabling the Group to have the necessary funds to purchase various essential plant & equipment as well as have funds to prepare the site for essential infrastructure to commence mining operations.

The remaining contract liabilities of \$211,653 as of 30 June 2019, representing the amount received by the Group in advance in relation to the sale of mineral products, has been recognised as revenue during the year ended 30 June 2020. While the balance of \$1,198,677 as of 30 June 2020 is expected to be recognised as revenue in the next 12 months.

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22. Borrowings

		2020	2019
	Note	\$	\$
Current			
Other short-term borrowings	22(a)	1,709,329	934,310
Bank borrowings	22(b)	3,106,874	6,021,107
Advances from directors	22(c)	6,101,468	177,729
		10,917,671	7,133,146

(a) Other short-term borrowings

Other loan amounting to \$1,090,492 is denominated in RMB and is interest bearing at 10% p.a and secured by certain right-of-use assets/ land use rights in China amounting to \$1,609,727 (2019: \$1,666,617) (note 19). The remaining amount is unsecured and interest free. The loans are repayable on or before 31 December 2020.

(b) Bank borrowings

The bank loans are denominated in RMB, interest bearing between 5.00% to 7.50% p.a. and repayable on or before 30 June 2021 (2019: 4.35% to 7.00%).

Those loans are pledged with property, plant and equipment amounting to \$3,957,471 (2019: \$5,155,466) (note 16) and certain right-of-use assets/ land use rights amounting to \$589,508 (2019: \$1,424,024) (note 19) of the Group. And the personal guarantee from its director of \$1,440,273.

(c) Advances from directors

At 30 June 2020, executive director, Mdm Kang Rong, had advanced the Group \$5,851,468 (2019: \$177,729) for working capital. The loan is provided interest free and repayable on demand.

At 30 June 2020, executive director, Mr. Tiger Brown, had advanced the Group \$250,000 (2019: \$Nil) for working capital. The loan is provided interest free and repayable on demand.

23. Provisions

		2020	2019
	Note	\$	\$
Current			
Employee entitlements		116,901	95,642
Non-current			
Relocation provision	(a)	792,508	786,256

(a) Provision for Relocation

The provision for relocation represents the estimated costs to relocate and compensate landowners for the Senegal mineral sands project.

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For The Year Ended 30 June 2020

24. Deferred Tax

24.1 Liabilities

	2020	2019
	\$	\$
Current tax liability	-	-
Deferred tax liability arises from the following:		
- Capitalised expenditure	8,341,000	8,383,547
- Tax loss	(532,899)	(321,950)
- Unrealised inventory	(1,834,755)	(2,861,553)
- Provisions and other timing differences	(32,148)	29,567
	5,941,198	5,229,611

24.2 Deferred tax assets not brought to account

Deferred tax assets are not brought to account, as benefits will only be realised if the conditions for deductibility set out in note 2.5 occur.

	2020	2019
	\$	\$
Tax losses:		
- Revenue losses (China)	1,167,983	1,176,525
- Capital losses	13,538,262	13,538,262

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25. Issued Capital

	2020 \$	2019 \$
122,479,784 (2019: 122,479,784) Fully Paid Ordinary Shares	76,549,865	76,549,865

25.1 Reconciliation of ordinary shares (number)

	2020	2019
At 1 July	122,479,784	122,479,784
At 30 June	122,479,784	122,479,784

25.2 Ordinary shares

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held.

At the shareholders meetings, each ordinary share is entitled to one vote when a poll is called; otherwise each shareholder has one vote on a show of hands.

25.3 Capital risk management

The Group considers its capital to comprise its ordinary share capital, reserves, accumulated retained earnings and net debt.

In managing its capital, the Group's primary objective is to ensure its continued ability to provide a consistent return for its equity shareholders through a combination of capital growth and dividends. In order to achieve this objective, the Group has made decisions to adjust its capital structure to achieve these aims, either through altering its dividend policy, new share issues, or share buy backs, the Group considers not only its short-term position but also its long term operational and strategic objectives.

	2020 \$	2019 \$
Net debt	10,917,671	7,133,146
Total equity	93,725,284	100,273,981
Net debt to equity ratio	11.65%	7.11%

There have been no significant changes to the Group's capital management objectives, policies and processes in the year nor has there been any change in what the Group considers to be its capital.

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For The Year Ended 30 June 2020

25. Issued Capital (continued)

25.4 Share based payments

As at 30 June 2020, there were no key executives that had any rights to acquire shares in terms of a share-based payment scheme for employee remuneration. The creation and grant would be subject to shareholder approval.

A share based payment of \$913,104 was recognised in 2017 after certain milestones with respect to the Senegal project were achieved by a project consultant. This represents a 3% equity interest in the project, calculated by reference to the Senegal project's fair value and to be satisfied by the issue of shares in a Senegalese subsidiary.

26. Reserves

26.1 Foreign currency translation reserve

The foreign currency translation reserve records exchange differences arising on translation of foreign controlled subsidiaries. The reserve balance at 30 June 2020 is \$13,344,047 (2019: \$13,599,924).

26.2 Share based payment reserve

The share-based payment reserve records the amount of expense raised in terms of equity-settled share-based payment transactions. The reserve balance at 30 June 2020 is \$913,104, which was recognised during the year ended 30 June 2017.

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27. Holding Company Statement of Financial Position

	Note	2020 \$	2019 \$
ASSETS			
Current assets			
Cash and cash equivalents		2,250	2,243
Total current assets		2,250	2,243
Non-current assets			
Investment in subsidiary		76,549,866	76,549,866
Total non-current assets		76,549,866	76,549,866
TOTAL ASSETS		76,552,116	76,552,109
LIABILITIES			
Current liabilities			
Accruals and other payables		139,423	100,429
Amount due to a subsidiary		714,443	471,282
Total current liabilities		853,866	571,711
TOTAL LIABILITIES		853,866	571,711
NET ASSETS		75,698,250	75,980,398
EQUITY			
Issued capital	25	76,549,865	76,549,865
Foreign currency translation reserve		(64,505)	(53,362)
Retained earnings		(787,110)	(516,105)
TOTAL EQUITY		75,698,250	75,980,398



Mdm Kang Rong



Mr. Gerard King

Astron Corporation Limited

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For The Year Ended 30 June 2020

28. Dividends

During the current and prior years, no dividend was proposed or paid.

Franking account balance:

Franking credits available for the subsequent financial years based on a tax rate of 27.5% (2019: 27.5%)

2020	2019
\$	\$
286,770	286,770

The above amount represents the balance on the franking account at the end of the financial year arising from income tax payable.

29. Related Party Transactions

29.1 Parent entity

Astron Corporation Limited is the parent entity of the Group.

29.2 Subsidiaries

Interests in subsidiaries are disclosed in note 15.

29.3 Transactions with key management personnel

Key management of the Group are the executive members of the Board of Directors. Key Management Personnel remuneration includes the following expenses:

	2020	2019
	\$	\$
Short term employee benefits		
Salaries and fees	768,520	921,049
Non-cash benefits	9,672	9,270
Total short-term employee benefits	778,192	930,319
Post-employment benefits		
Superannuation	20,531	31,956
Total post-employment benefits	20,531	31,956
Total Key Management Personnel remuneration	798,723	962,275

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For The Year Ended 30 June 2020

29. Related Party Transactions (continued)

29.3 Transactions with key management personnel (continued)

Directors' Emoluments

Directors' emoluments disclosed pursuant to Section 383 of the Hong Kong Companies Ordinance (Cap.622) and the Companies (Disclosure of Information about Benefits of Directors) Regulation (Cap.622G) are as follows:

	2020 \$	2019 \$
Short term employee benefits		
Salaries and fees (note)	474,167	609,589
Post-employment benefits	-	10,411
Total directors' emoluments	474,167	620,000

Note:

The amount includes management fees of \$250,000 payable to Juhua International Limited and \$104,167 to P T Arafua Mining Limited, for which the beneficial owners are Mdm Kang Rong and Mr Alex Brown respectively.

29.4 Interest free loans

All subsidiary companies are wholly owned with any interest free loans being eliminated on consolidation.

29.5 Management services provided

Management and administrative services are provided at no cost to subsidiaries. Astron Limited predominantly incurs directors fees, management and administration services for the Group. Although these costs are applicable to Group as a whole, these costs are not reallocated/recharged to individual entities within the Group.

29.6 Related party loans

During the year ended 30 June 2020 and 2019, Executive Director Mdm Kang Rong advanced Astron \$5,851,468 and \$177,729 respectively for working capital. The loans are provided interest free and repayable on demand. At 30 June 2020, no repayments have been made against these loans.

During the year ended 30 June 2020, Executive Director Mr Tiger Brown advanced Astron \$250,000 for working capital. The loan is provided interest free and repayable on demand. At 30 June 2020 no repayments have been made against this loans.

As at 30 June 2020 there are unpaid Directors and management fees payable to Directors' related entities as follows:

- Mdm Kang Rong, Juhua International Limited of \$1,443,732 (2019: \$1,193,732); and
- Mr Alex Brown, P T Arafua Mining Limited of \$1,450,005 (2019: \$1,345,839)

The above liabilities have been subordinated and will not be called upon unless and until such time that the Company has available funds or is generating positive operating cash flows from operations.

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Notes to the Consolidated Financial Statements

For The Year Ended 30 June 2020

30. Commitments

30.1 Operating lease commitments

Non-cancellable operating leases contracted for but not capitalised in the financial statements \$8,290 (2019: \$45,264).

30.2 Capital expenditure commitments

	2020 \$	2019 \$
Capital expenditure commitments contracted for:		
- Chinese capital projects	237,665	1,490,524
- Senegal	747,272	722,234
- DMS	55,000	817,953
	1,039,937	3,030,711

30.3 Water rights

In accordance with the terms of the contract with GWM Water, the usage fee in 2018 was \$218,178 per quarter for the remaining life of the water rights. GWM Water has agreed an extension of up to 4 years subject to terms and conditions in accordance with the "Deed of Variation" as set out in note 17(d). No usage fee was charged in 2020.

30.4 Guarantees between subsidiaries

Astron Limited has provided a letter of support to the Victorian Department of Economic Development, Jobs, Transport and Resources to fund any expenditure incurred by Donald Mineral Sands Pty Limited.

30.5 Other commitments and contingencies

Land

In 2008, Astron Titanium (Yingkou) Co Ltd holds two land sites acquired from the Chinese Government. The Group is discussing possible changes to the usage rights with the Government. The Directors believe that no significant loss will be incurred by the Group in relation to the right-of-use assets/land use rights. As at the 30 June 2020, the net book value of this land is \$2,983,286 (2019: \$3,090,641).

Minimum expenditure on exploration and mining licenses

To maintain the Exploration and Mining License's at Donald, the Group is required to spend \$1,201,800 on exploration and development expenditure over the next year (2019: \$556,800). The minimum expenditure amount per annum will normally increase over the life of an exploration license. The amount of this expenditure could be reduced should the Group decide to relinquish land.

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31. Cash Flow Information

31.1 Reconciliation of cash provided by operating activities with loss before income tax

	2020 \$	2019 \$
Loss before income tax expense	(6,204,703)	(2,271,912)
<i>Non-cash flows in loss from ordinary activities</i>		
Depreciation and amortisation	1,641,625	843,431
Reversal of provision for impairment on receivables	(469,657)	(411,395)
Fair value loss on financial assets at fair value through profit or loss	5,044	23,794
Decrease/(Increase) in trade and other receivables	848,020	(1,301,375)
Increase in inventories	(2,581,503)	(5,941,132)
Increase in trade and other payables and provisions	4,612,142	1,971,486
Effects on foreign exchange rate movement	796,727	361,786
	(1,352,305)	(6,725,317)

31.2 Reconciliation of cash

	Note	2020 \$	2019 \$
Cash at the end of the financial year as shown in the cash flow statement is reconciled to items in the consolidated statement of financial position as follows:			
Cash on hand	10	41,798	10,222
Current & call account balances	10	513,706	1,677,327
		555,504	1,687,549

31.3 Loan facilities

Details of the loan facilities of the Group at reporting dates are as follows:

	2020 \$	2019 \$
Available loan facilities	4,526,572	7,059,229
Utilised loan facilities (note 22(b))	(3,106,874)	(6,021,107)
Unused loan facilities	1,419,698	1,038,122

As at 30 June 2020 and 2019, its loan facilities were secured by assets held by its China subsidiary.

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31. Cash Flow Information (continued)

31.4 Non-cash financing activities

No dividends were paid in cash or by the issue of shares under a dividend reinvestment plan during the current year and prior year.

The table below details changes in the Group's liabilities arising from financing activities. Liabilities arising from financing activities are those for which cash flows were or future cash flows will be, classified in the Group's consolidated statement of cash flows from financing activities.

	Borrowings (note 22) \$	Contract liabilities - Wensheng (note 21(a)) \$
At 1 July 2018	76,080	4,080,567
Changes from cash flows:		
Proceeds from bank borrowings	6,797,319	-
Loan expense paid	(178,134)	-
Total changes from financing cash flows:	6,619,185	-
Interest expense	178,134	-
Exchange adjustments	259,747	70,906
At 30 June 2019 and 1 July 2019	7,133,146	4,151,473
Changes from cash flows:		
Partial settlement of offtake agreement	-	(205,753)
Repayment of borrowings	(8,187,404)	-
Proceeds from bank borrowings	12,034,612	-
Loan expense paid	(259,193)	-
Total changes from financing cash flows:	3,588,015	(205,753)
Interest expense	259,193	-
Exchange adjustments	(62,683)	(37,413)
At 30 June 2020	10,917,671	3,908,307

31.5 Acquisition of entities

During the current or last years, the Company did not invest any funds into its Chinese subsidiaries. During the current year, the Group did not acquire any new entities.

31.6 Disposal of entities

There were no disposals of entities in the current or prior financial years.

31.7 Restrictions on cash

Bank balances did not include any letter of credit deposits at 30 June 2020 (2019: Nil).

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For The Year Ended 30 June 2020

32. Employee Benefit Obligations

As at 30 June 2020 and 2019, the majority of employees are employed in China. In accordance with normal business practice in China, employee benefits must be fully utilised annually. Chinese provisions for employee entitlements at year end would be insignificant.

33. Subsequent Events

As at 30 June 2020, gross balance of \$1,495,660 is due to the Group from the 2015 sale of surplus land in China. Subsequent to year end, \$399,175 has been received against this receivable in July 2020. For further details, refer to note 19.

Saved as disclosed elsewhere in these financial statements, no other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in future financial years.

34. Financial Risk Management

34.1 General objectives, policies and processes

In common with all other businesses, the Group is exposed to risks that arise from its use of financial instruments. This note describes the Group's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

There have been no substantive changes in the Group's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note. The principal financial instruments from which financial instrument risk arises are cash at banks, term deposits greater than 90 days, trade and other receivables and payables and financial assets at fair value through profit or loss.

The Board has overall responsibility for the determination of the Group's risk management objectives and policies. The Groups' risk management policies and objectives are therefore designed to minimise the potential impacts of these risks on the results of the Group where such impacts may be material. The Group has significant experience in its principal markets which provides the Directors with assurance as to the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets. The Group engages a number of external professionals to ensure compliance with best practice principles.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Group's competitiveness and flexibility. Further details regarding these policies are set out below:

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34. Financial Risk Management (continued)

34.2 Credit risk

Credit risk is the risk that the other party to a financial instrument will fail to discharge their obligation resulting in the Group incurring a financial loss. This usually occurs when debtors or counterparties to derivative contracts fail to settle their obligations owing to the Group.

In respect of cash investments, around half of cash, cash equivalents and term deposits greater than 90 days are held with institutions with a AA- to BA1 credit rating. As set out in note 10.2, insignificant amount of the Group's cash was held with a local PRC bank which did not have any credit rating.

In respect of trade receivables, there is concentration of credit risk as 14% (2019: 61%) of the Group's trade debtors is from 5 (2019: 4) customers. Group policy is that sales are only made to customers that are credit worthy. Trade receivables are predominantly situated in China.

Other receivables include \$1,495,660 (2019: \$2,962,631) being the gross land sale receivable from the Yingkou Provincial government. The directors are of the opinion that the credit risk on this receivable to be low for the reasons set out in note 19.

Credit risk is managed on a Group basis and reviewed regularly by management and Audit & Risk Committee. It arises from exposures to customers as well as through certain derivative financial instruments and deposits with financial institutions.

Refer to note 10 for concentration of credit risk for cash and cash equivalents.

The maximum exposure of the Group to credit risk at the end of the reporting period is as follows:

	2020	2019
	\$	\$
Cash & cash equivalents	555,504	1,687,549
Term deposits with maturity over 90 days	46,112	46,112
Trade and other receivables - current and non-current	4,590,830	6,722,263
Total	5,192,446	8,455,924

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34. Financial Risk Management (continued)

34.2 Credit risk (continued)

The Group measures loss allowances for trade receivables at an amount equal to lifetime ECLs, which is calculated using a provision matrix. As the Group's historical credit loss experience does not indicate significantly different loss patterns for different customer segments, the loss allowance based on past due status is not further distinguished between the Group's different customer bases.

The following table presents the gross carrying amount and the lifetime expected credit loss in respect of individually assessed trade receivables as at 30 June 2020 and 2019:

	2020 \$	2019 \$
Gross carrying amount	113,460	377,519
Lifetime expected credit loss	(113,460)	(377,519)
Net carrying amount	-	-

The following table presents the gross carrying amount under collective measurement (after individual assessed loss allowance) and the provision for impairment loss in respect of collectively assessed trade receivables as at 30 June 2020:

	Expected loss rate %	Gross carrying amount \$	Loss allowance \$
Current (not past due)	0.00%	2,614,472	-
		2,614,472	-

The following table presents the gross carrying amount under collective measurement (after individual assessed loss allowance) and the provision for impairment loss in respect of collectively assessed trade receivables as at 30 June 2019:

	Expected loss rate %	Gross carrying amount \$	Loss allowance \$
Current (not past due)	0.00%	3,583,539	-
		3,583,539	-

Expected credit loss is close to zero as the trade receivables have no recent history of default, the impact of the expected loss from collectively assessed trade receivables to be immaterial.

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34. Financial Risk Management (continued)

34.3 Liquidity risk

Liquidity risk is the risk that the Group may encounter difficulties raising funds to meet commitments associated with financial instruments, e.g. borrowing repayments. The Group manages liquidity risk by monitoring forecast cash flows. As at 30 June 2020, the Group had cash of \$555,504 (2019: \$1,687,549).

Maturity analysis

		Carrying Amount \$	Contractual Cash flows \$	< 6 months \$	> 6 months \$
	Note				
Year ended 30 June 2020					
Non-derivatives					
Trade and note payables	20	5,793,316	5,793,316	5,566,987	226,329
Other payables	20	7,318,762	7,318,762	7,318,762	-
Borrowings	22	6,720,305	6,720,305	6,720,305	-
Total non-interest bearing liabilities		19,832,383	19,832,383	19,606,054	226,329
Borrowings	22	4,197,366	4,197,366	2,758,671	1,438,695
Total interest bearing liabilities		4,197,366	4,197,366	2,758,671	1,438,695
Total liabilities		24,029,749	24,029,749	22,364,725	1,665,024
Year ended 30 June 2019					
Non-derivatives					
Trade and note payables	20	4,693,823	4,693,823	4,693,823	-
Other payables	20	4,935,202	4,935,202	4,935,202	-
Borrowings	22	177,729	177,729	177,729	-
Total non-interest bearing liabilities		9,806,754	9,806,754	9,806,754	-
Borrowings	22	6,955,417	6,955,417	6,955,417	-
Total interest bearing liabilities		6,955,417	6,955,417	6,955,417	-
Total liabilities		16,762,171	16,762,171	16,762,171	-

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Notes to the Consolidated Financial Statements

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34. Financial Risk Management (continued)

34.4 Fair value

The fair values of listed investments have been valued at the quoted market price at the end of the reporting period. Other assets and other liabilities approximate their carrying value.

At 30 June 2020 and 2019, the aggregate fair values and carrying amounts of financial assets and financial liabilities approximate their carrying amounts.

Financial assets at fair value through profit or loss are recognised in the statement of financial position of the Group according to the hierarchy stipulated in HKFRS 7.

	2020 \$	2019 \$
Financial assets at fair value through profit or loss		
ASX Listed equity shares - Level 1	20,322	25,366
	20,322	25,366

The Group does not have any Level 2 or 3 financial assets.

34.5 Price risk

Given that price movements are not considered material to the Group, the Group does not have a risk management policy for price risk. However, the Group's management regularly review the risks associated with fluctuating input and output prices.

As at 30 June 2020, the maximum exposure of price risk to the Group was the financial assets at fair value through profit or loss for \$20,322 (2019: \$25,366). 100% of the Group's holding is in the mining or energy sector.

The Group's exposure to equity price risk is as follows:

	2020 \$	2019 \$
Carrying amount of listed equity shares on ASX	20,322	25,366
	20,322	25,366

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34. Financial Risk Management (continued)

34.5 Price risk (continued)

Sensitivity Analysis

	2020		2019	
	\$		\$	
	Increase/(Decrease) in share price		Increase/(Decrease) in share price	
	+10%	-10%	+10%	-10%
Listed equity shares on ASX				
Profit before tax – increase/(decrease)	2,032	(2,032)	2,537	(2,537)

The above analysis assumes all other variables remain constant.

34.6 Interest rate risk

The Group manages its interest rate risk by monitoring available interest rates and maintaining an overriding position of security whereby around half the Group's cash and cash equivalents and term deposits are held with institutions with a AA- to BA1 credit rating while the other half is held with an unrated bank in PRC.

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34. Financial Risk Management (continued)

34.6 Interest rate risk (continued)

The Groups' exposure to interest rate risk and the effective weighted average interest rate by maturity periods is set out in the tables below:

	Weighted Average Effective Interest Rate		Floating Interest Rate		Fixed Interest Rate Maturing within 1 Year		Non-interest Bearing		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	%	%	\$	\$	\$	\$	\$	\$	\$	\$
Financial Assets:										
Cash and cash equivalents	0.90%	0.90%	513,706	1,592,812	-	84,515	41,798	10,222	555,504	1,687,549
Term deposits greater than 90 days	0.90%	0.90%	-	-	46,112	46,112	-	-	46,112	46,112
Trade and other receivables	-	-	-	-	-	-	4,590,830	6,722,263	4,590,830	6,722,263
Financial assets at fair value through profit or loss	-	-	-	-	-	-	20,322	25,366	20,322	25,366
Total Financial Assets			513,706	1,592,812	46,112	130,627	4,652,950	6,757,851	5,212,768	8,481,290
Financial Liabilities:										
Trade and other payables	-	-	-	-	-	-	13,112,078	9,629,025	13,112,078	9,629,025
Borrowings	-	-	-	-	4,197,366	6,955,417	6,720,305	177,729	10,917,671	7,133,146
Total Financial Liabilities	-	-	-	-	4,197,366	6,955,417	19,832,383	9,806,754	24,029,749	16,762,171

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Notes to the Financial Statements

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34. Financial Risk Management (continued)

34.6 Interest rate risk (continued)

Sensitivity analysis

The following table shows the movements in profit due to higher/lower interest costs from variable interest rate financial instruments in Australia and China.

	+ 1% (100 basis points)		-1% (100 basis points)	
	2020	2019	2020	2019
	\$	\$	\$	\$
Cash at bank	5,137	16,773	(5,137)	(16,773)
Term deposits greater than 90-days	461	461	(461)	(461)
Borrowings	(41,974)	(69,554)	41,974	69,554
	(36,376)	(52,320)	36,376	52,320
Tax charge of 27.5%	10,003	14,388	(10,003)	(14,388)
Total	(26,373)	(37,932)	26,373	37,932

34.7 Foreign currency risk

The Group is exposed to fluctuations in foreign currencies arising from the sale and purchase of goods and services in currencies other than the Group's measurement currency. The Group manages this risk through the offset of trade receivables and payables where the majority of trading is undertaken in either the USD or RMB. Current trading terms ensure that foreign currency risk is reduced by sales terms being cash on delivery where possible.

35. Impact on COVID-19

The World Health Organisation declared coronavirus and COVID-19 a global health emergency on 30 January 2020. Since then, the Group has experienced some disruption to its operations in respects of the interruptions to production due to government lockdowns. This has caused the Group to have minimal production activities carried out from January to March 2020.

The outbreak of COVID-19 in various countries in the world, the exacerbation, continuance or reoccurrence of COVID-19 may continue to cause an adverse and prolonged impact on the economy and social conditions in these regions, and may adversely affect the Group's operations and financial position. During the subsequent period and up to the report date, the Group was not aware of material adverse effects on the financial performance and position as a result of the COVID-19 pandemic. The Group will pay close attention to the development of the COVID-19 pandemic, perform further assessment of its impact and take relevant measures.

Astron Corporation Limited



Declaration by Directors

For The Year Ended 30 June 2020

The Directors of the company declare that:

1. The financial statements, comprising the consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position, consolidated statement of cash flows, consolidated statement of changes in equity, accompanying notes, are in accordance with Hong Kong Financial Reporting Standards and give a true and fair view of the consolidated entity's financial position as at 30 June 2020 and of its performance for the year ended on that date.
2. In the Directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the Directors by:



Mdm Kang Rong

Director



Mr Gerard King

Director

30 September 2020

Independent Auditor's Report

To the members of Astron Corporation Limited
(incorporated in Hong Kong with limited liability)

Opinion

We have audited the consolidated financial statements of Astron Corporation Limited ("the Company") and its subsidiaries (together "the Group") set out on pages 16 to 80, which comprise the consolidated statement of financial position as at 30 June 2020, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 30 June 2020, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group in accordance with the HKICPA's "Code of Ethics for Professional Accountants" ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to note 2.1 in the consolidated financial statements, which indicates that as at 30 June 2020, the Group had a deficit of current assets over current liabilities of \$7,675,705, and the Group incurred a loss of \$6,292,820 and had a net cash outflow of \$1,352,305 from operating activities during the year ended 30 June 2020. These conditions along with other matters set out in note 2.1 indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matters (continued)

Impairment of exploration and evaluation assets and development costs

Refer to note 17 and 18 to the consolidated financial statements

In accordance with *HKFRS 6 Exploration for and Evaluation of Mineral Resources*, the Group is required to assess at each reporting date if there are any triggers for impairment which may suggest the carrying value is in excess of the recoverable value. The process undertaken by management to assess whether there are any impairment triggers in each area of interest involves an element of management judgement. At 30 June 2020, the market capitalisation of the Group was significantly less than the consolidated net assets, which is a trigger for impairment. Once impairment indicators trigger an impairment review, management is required to perform impairment testing in accordance with *HKAS 36 Impairment of Assets*.

We have identified impairment of exploration and evaluation assets and development costs as a key audit matter because of their significance to the consolidated financial statements and because the management's value-in-use calculations involve significant management judgement with respect to the underlying cash flow forecast, in particular the growth rate, and discount rate.

Our Response:

Our procedures in relation to management's impairment review of property, plant and equipment, exploration and evaluation assets and development costs included:

- obtaining management's calculation of the recoverable amount of the projects and comparing them to the methodology as required under *HKAS 36*;
- tracing the ownership of licences to statutory registers maintained by third parties to determine whether a right of tenure existed;
- challenging and corroborating key assumptions made by management, including those made by the management experts, relating to the recoverability of the projects for their reasonableness, including assessing the Group's intent and ability to carry out significant exploration and evaluation and development activities in the relevant areas;
- understanding the sources of data used to prepare the value-in-use calculation and evaluating the appropriateness of those sources the performing procedures to test the reliability of the data;
- understanding whether any data exists to suggest that the carrying value of these exploration and evaluation assets are unlikely to be recovered through development or sale;
- understanding and evaluating the appropriateness of the method used, the reasonableness of assumptions used for the determination of discount rate; and
- reviewing the appropriateness of the related disclosures within the financial statements.

Impairment of land use right receivable

In accordance with *HKFRS 9 Financial Instruments*, individually significant receivables are required to be assessed for objective evidence of impairment. As explained in note 11.1, at 30 June 2020, the Group had a outstanding land use right receivable of \$1,495,660 which is outside the agreed terms of payment. We have identified the impairment of land use right receivable as a key audit matter due to the judgement required to assess the recoverability of the land use right receivable.

Key Audit Matters (continued)

Impairment of land use right receivable (continued)

Our Response:

Our procedures in relation to management's impairment review of the land use right receivable included:

- discussing with management and understanding management's basis of estimation of allowance for receivables;
- understanding management's process over the regular assessment of impairment on receivables;
- assessing the accuracy of management's estimate of the likelihood of debts collection based on historic collection records;
- tracing to bank statements for the amounts remitted to the Group during the year ended 30 June 2020;
- tracing subsequent receipts of RMB2,000,000 (equivalent to \$399,175) to post year end bank statements; and
- obtaining confirmation directly from the debtor of the amount due to the Group at 30 June 2020.

Other Information in the Annual Report

The directors are responsible for the other information. The other information comprises the information included in the directors' report, declaration of directors and investor information, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Directors' Responsibilities for the Consolidated Financial Statements

The directors are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the HKICPA and the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, in accordance with Section 405 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSA's, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



BDO Limited
Certified Public Accountants
Jonathan Russell Leong
Practising Certificate Number P03246

Hong Kong, 30 September 2020

Astron Corporation Limited

Investor Information

Investor Information

2020/2020 Financial Calendar (on or before)

Release of quarterly report	31 October 2020
2020 Annual general meeting	30 November 2020
Release of quarterly report	30 January 2021
Release of half year report	27 February 2021
Release of quarterly report	30 April 2021
Release of Appendix 4E	28 August 2021

Additional information required by the Australian Securities Exchange Ltd and not shown elsewhere in this report is as follows.

The information is current as at 7 September 2020.

Shareholders' interests

(a) Distribution of equity securities

The number of shareholders by size of holding in each class of share are:

Range of Units Snapshot

	Total holders	Units	% of Issued Capital
1 - 1,000	119	53,589	0.04
1,001 - 5,000	99	293,102	0.24
5,001 - 10,000	38	294,358	0.24
10,001 - 100,000	95	3,505,841	2.86
100,001 - 9,999,999,999	38	118,329,888	96.62
Total	389	122,476,778	100.00
Non CDI holders			
1-1,000	4	306	
1,001-5,000	1	2,700	
Total	5	3,006	

Unmarketable Parcels

	Minimum parcel size	Holders	Units
Minimum \$ 500.00 parcel at \$0.21 per unit	2,381	153	113,177

Astron Corporation Limited

Investor Information - continued

(b) Twenty largest CDI holders

The twenty largest CDI holders are as follows:

Rank	Name	Units	% of Total CDIs
1.	KOBE Investments Ltd	94,165,972	76.88
2.	FSC Investment Holdings Ltd	7,437,092	6.07
3.	Juhua International Limited	4,000,000	3.27
4.	Mr Guodong Gong	1,901,000	1.55
5.	Mr Donald Alexander Black	1,364,053	1.11
6.	Mr Darrell Vaughan Manton + Mrs Veronica Josephine Manton <The Manton Family No 2 A/C>	933,364	0.76
7.	Mr Milton Yannis	762,018	0.62
8.	HSBC Custody Nominees (Australia) Limited	734,166	0.60
9.	Mr Adrian Robert Nijman + Mrs Jenny Ann Nijman	680,800	0.56
10.	Capel Court Corporation Pty Limited <Pej Murray Super Fund A/C>	627,102	0.51
11.	Mr Robert Brydon Rudd	566,088	0.46
12.	Cognition Australia Pty Ltd <A&M Gall Superannuation A/C>	381,468	0.31
13.	Elliott Nominees Pty Ltd <Elliott Exploration S/F A/C>	346,400	0.28
14.	Bresrim Nominees Pty Ltd <D A Hannes Super Fund #2 A/C>	328,342	0.27
15.	Navigator Australia Ltd <MLC Investment Sett A/C>	313,304	0.26
16.	DFC Management Pty Ltd <Carmichael Super Fund A/C>	300,000	0.24
17.	Dosmiv Pty Ltd	232,578	0.19
18.	Clydebank Investments Pty Ltd <Fran Herd Super Fund A/C>	230,000	0.19
19.	Pharraway Pty Ltd	210,638	0.17
20.	Mr Malcolm Campbell	204,400	0.17
Totals: Top 20 holders of CDI		115,718,785	94.47
Total Remaining Holders Balance		6,757,993	5.53
Total CDIs		122,476,778	100.00
Total non-CDI holders		3,006	
Total shares on issue		122,479,784	

(c) Voting rights

All ordinary shares (whether fully paid or not) carry one vote per share without restriction.

Astron Corporation Limited

Investor Information - continued

(d) Schedule of interests in mining tenements

Location	Tenement	Percentage held
Victoria Australia	RL 2002	100
Victoria Australia	RL 2003	100
Victoria Australia	MIN5532	100
Victoria Australia	EL5186	100

Information policy

It is the policy of the Company to conform with the highest reporting and information standards to its shareholders. Company spokespeople are available and pleased to respond to queries from financial community, investors and shareholders.

During the year, the Group held one shareholder information session meeting and at the meeting active discussions took place and questions were answered.

All these initiatives will continue to be improved and expanded in the coming year with the objective of providing the fullest and most detailed information to shareholders consistent with the Company's objectives.

Information on the group and presentations to analysts can be obtained from the Company's Website www.astronlimited.com.

To assist and improve service to shareholders related to the administration of the fully registered shares shareholders can contact our share registry service.

Shareholders can also contact the Company directly by telephone in Australia +61 3 5385 7088

Astron Corporation Limited

Investor Information - continued

Salient Financials	2020	2019	2018	2017	2016	2015	2014	2013	2012
Share price* (\$)	0.17	0.20	0.20	0.16	0.17	0.15	0.32	0.71	1.30
EPS (c)	(5.14)	(1.56)	(3.81)	(2.12)	(3.60)	6.52	(6.19)	(4.46)	(0.80)
Price earnings Ratio	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Interest Cover	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Nos of Shares on issue (m)*	122.5	122.5	122.5	122.5	122.5	122.5	122.5	122.5	122.5
Profit and Loss (\$m)									
Sales and other revenue	8.8	8.2	5.4	2.6	1.1	13.9	5.1	13.0	21.0
Costs	(11.7)	(8.4)	(8.5)	(6.0)	(5.4)	(8.3)	(10.9)	(17.8)	(20.4)
EBITDA	(2.9)	(0.2)	(3.1)	(3.4)	(4.3)	5.6	(5.8)	(4.8)	0.6
Depreciation & Amortisation	(1.6)	(0.8)	(0.7)	(0.6)	(0.7)	(0.7)	(0.5)	(0.6)	(0.5)
EBITDA	(4.5)	(1.0)	(3.8)	(4.0)	(5.0)	4.9	(6.3)	(5.4)	0.1
Borrowing Costs	(1.7)	(1.3)	(0.1)	-	-	-	-	(0.1)	-
NPBT	(6.2)	(2.3)	(3.9)	(4.0)	(5.0)	4.9	(6.3)	(5.5)	0.1
Income tax expenses	(0.1)	0.4	(0.8)	1.4	0.6	3.1	(1.3)	(0.0)	(1.1)
NPAT	(6.3)	(1.9)	(4.7)	(2.6)	(4.4)	8.0	(7.6)	(5.5)	(1.0)
Balance Sheet (\$m)									
Cash & Term deposits	0.6	1.7	3.3	1.4	5.2	5.9	10.1	108.1	121.2
Receivables	11.1	9.8	8.4	6.1	14.1	17.4	1.6	5.0	4.2
Inventories	9.9	7.3	1.4	1.9	0.7	0.8	0.4	2.2	5.1
Other financial Assets	-	-	-	0.2	0.5	0.9	1.2	1.0	1.9
Current Tax Assets	-	-	-	-	0.5	1.2	0.6	0.3	-
Assets classified as available for sale	-	-	-	-	-	-	6.7	-	-
Total Current Assets	21.6	18.8	13.1	9.6	21.0	26.2	20.6	116.6	132.4
Property, Plant & Equipment	26.6	26.2	22.6	20.0	21.0	22.4	20.9	21.1	16.7
Receivables	-	2.1	3.4	6.4	-	3.9	-	-	-
Intangible assets	70.3	69.4	68.0	73.6	69.1	64.9	61.2	56.2	48.6
Development costs	8.2	7.8	6.6						
Land use rights	3.0	3.1	3.1	3.0	3.3	3.5	2.9	10.0	8.7
Deferred Tax Assets	-	-	-	-	-	0.0	0.0	-	-
Total Non-Current Assets	108.1	108.6	103.7	103.0	93.4	94.7	85.0	87.3	74.0
TOTAL ASSETS	129.7	127.4	116.8	112.6	114.4	120.9	105.6	203.9	206.4

Astron Corporation Limited

Investor Information - continued

Payables	13.3	9.6	11.7	5.4	3.6	2.3	2.5	1.9	2.2
Contract liabilities	5.1	4.4	-	-	-	-	-	-	-
Borrowings	10.9	7.1	0.1	0.1	-	1.0	-	0.3	0.2
Tax Liabilities	-	-	-	-	-	-	-	-	0.1
Total Current Liabilities	29.3	21.1	11.8	5.5	3.6	3.3	2.5	2.2	2.5
Deferred Tax	5.9	5.2	5.2	4.4	5.1	5.2	6.3	5.0	5.0
Long term provisions	0.8	0.8	-	-	-	-	-	-	-
Total Non-Current Liabilities	6.7	6.0	5.2	4.4	5.1	5.2	6.3	5.0	5.0
Total liabilities	36.0	27.1	17.0	9.9	8.7	8.5	8.8	7.3	7.5
NET ASSETS	93.7	100.3	99.8	102.7	105.7	112.4	96.8	196.6	198.9
Cash Flows (\$m)									
Operating Activities	(2.0)	(6.9)	(3.3)	(3.2)	(2.5)	(3.7)	(0.8)	(3.3)	3.2

* After 2:1 share swap and return of capital in 2015

Astron Corporation Limited

Directors

Mr Gerard King (Chairman)

Mdm Kang Rong (Managing Director)

Mr Tiger Brown (Executive Director)

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Share Registrar

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