Astron 2021 Annual Report

35 years' experience in the mineral sands sector

FOCUS ON THE DEVELOPMENT OF THE DONALD MINERAL SANDS PROJECT

ABOUT ASTRON

Astron Corporation Limited
ARBN 154 924 553 Incorporated in Hong Kong, Company Number: 1687414
Annual Report for the Year Ended 30 June 2021

Cautionary Statement

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

Forward Looking Statements

This document may include "forward looking statements" within the meaning of securities laws of applicable jurisdictions. Forward looking statements can generally be identified by the use of the words "anticipate", "believe", "expect", "project", "forecast", "estimate", "likely", "intend", "should", "could", "may", "target", "plan", "guidance" and other similar expressions. Indications of, and guidance on, future earning or dividends and financial position and performance are also forward-looking statements. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of Astron and its related bodies corporate, together with their respective directors, officers, employees, agents or advisers, that may cause actual results to differ materially from those expressed or implied in such statement. Actual results, performance or achievements may vary materially from any forward-looking statements and the assumptions on which those statements are based. Readers are cautioned not to place undue reliance on forward looking statements and Astron assumes no obligation to update such information. Specific regard should be given to the risk factors outlined in this document (amongst other things). This document is not, and does not constitute, an offer to sell or the solicitation, invitation or recommendation to purchase any securities and neither this document nor anything contained in it forms the basis of any contract or commitment.

Corporate Governance Statement

Astron Corporation Limited's Corporate Governance Statement for 2021 can be found on Astron's website at:

https://astronlimited.com.au/wp-content/uploads/2021/11/Astron-Corporate-Governance-Statement.pdf

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HISTORY & INDUSTRY EXPERIENCE

Astron's prime focus is the development of the Donald Mineral Sands and Rare Earth Project in regional Victoria.

Astron's mineral sands experience spans more than 35 years and includes:

- Expertise in downstream processing of mineral sands into final products
- Sourcing and marketing of mineral sands products, including ilmenite, for downstream processing in China
- R&D capabilities, including the development of processes for production of zirconia and zirconium chemical products
- Trading and marketing activities, including engagement with mineral sands customers in China, Europe and North America

Astron's technical capabilities and long mineral sands market experience underpin the development of the Donald project.

Astron's mineral processing facilities, Yingkou, China

History & Evolution

1985
Listed on Australian Stock Exchange
Zircon sales, marketing, chemical product processing activities established in China

1988
Zirconium materials projects, China

1992
Shenyang Astron Mining Industries established
Importation of zircon sand into China, export of zircon chemicals

1996
Zircon flour, fused zirconium manufacturing facilities, China

1997
Zirconium chemical production joint ventures to expand zircon chemical production capacity

2000
Bayuchuan manufacturing facility, China – fused zirconia production

2001
Advanced Materials UK established – sales and product services to European markets

2004
Acquired Donald Mineral Sands resource, Victoria (discovered by CRA)

2008
Downstream zirconium production subsidiaries sold to Imerys S.A.
Retained mineral sands trading activities, Shenyang
Zircon, titanium technical R&D operations, Yingkou, China

2009
Donald Project Environmental Effects Statement approved

2010
Donald Project Mining Licence granted

2012
Astron Corporation formed, ASX-listed, replacing Astron Limited

2014
Construction of high purity zirconia production facility, China (completed 2017)

2015
Detailed metallurgical evaluation for processing fine-grained Donald mineral sands ore
Pilot wet concentrator plant treatment of Donald ore

2017
Construction of mineral processing facility to produce high quality TiO_2 feedstocks for chloride pigment industry (completed 2019)
Initial Mining Licence for Niafarang Mineral Sands Project, Senegal granted

2019
Excavation of test pit to recover Donald bulk ore sample

2020
Donald heavy mineral concentrate produced for separation testing
Hybrid mineral separation feasibility test work commenced

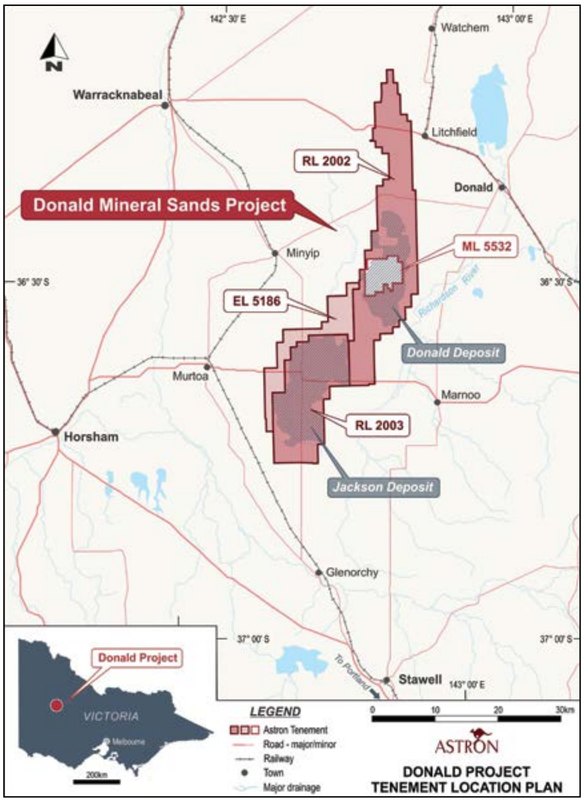
2021
Ore Reserve and Mineral Resource statement
Metallurgical test work continued, premium zircon testing results

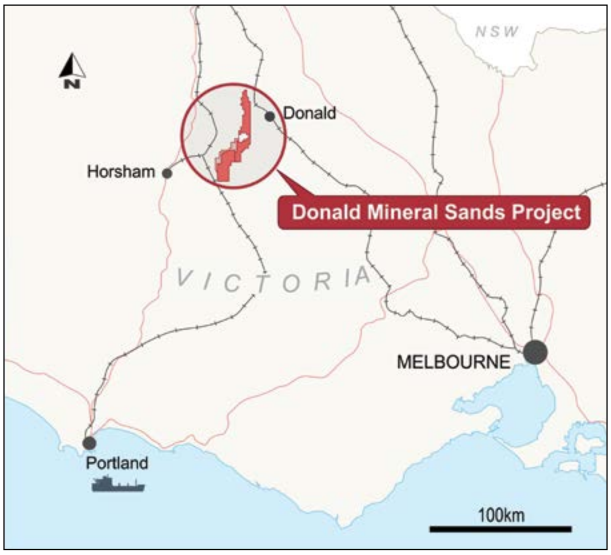
DONALD PROJECT – KEY ATTRIBUTES

The Donald Minerals Sands and Rare Earth Project is located approximately 300 kilometres from Melbourne, Victoria and 70 kilometres from the regional centre of Horsham

Location & scale

- Located in the Wimmera region, Victoria, the area is mainly cleared, mixed use farming land
- Encompasses the Donald (RL2002, ML 5532) and Jackson (RL2003) deposits
- Resource area of 426 sq kms; Mining Licence ML5532 area 28 sq kms
- Astron owns ~15 sq kms of land in the project area
- Secure water rights and close proximity to power and other key infrastructure, including the Port of Portland





Project characteristics

- A tier-1 globally significant mineral sands ore body; Ore Reserve with an expected production life of over 40 years
- One of the largest undeveloped zircon reserves globally
- Favourable zircon assemblage (the most valuable mineral sands product) – with a high premium zircon component
- Rare earth elements represent a high proportion of the project's value, making Donald a strategic and independent source of these critical minerals
- Scale and longevity, together with premium zircon and rare earth product streams, present a major value opportunity

Development approach

- Largely conventional mining approach – single pit, use of excavator and haul trucks, contract mining
  – low strip ratio at 2.6:1
  – mobile mining unit plant prepares ore for wet concentration plant (on site)
- Heavy mineral concentrate (HMC) produced by gravity separation
- Rare earth concentrate produced by flotation
- Electrostatic and electromagnetic processing of HMC to final zircon products (premium zircon and zircon 60), blended titania product (60% TiO_2)
- Two development stages (to spread risk, and to phase capital expenditure and product market entry)

Stage 1 ~120ktpa of zircon (~95ktpa premium zircon); ~200ktpa of titania, ~16ktpa of rare earth concentrates

Stage 2 After about 5 years and subject to regulatory approvals, expected to double Stage 1 production levels

- Land disturbed by mining will be progressively rehabilitated to original landform
- Majority of workforce expected to be drawn locally, focus on maximising regional participation and benefits

Project evaluation

- At an advanced stage with all main regulatory approvals (excluding Work Plan) in place
- Extensive metallurgical and processing test work (since 2019) provides confidence in high recoveries at commercial scale
- Mineral Resources (2016) and Ore Reserves (2021)
- Close-spaced drilling of ore body; plan to undertake additional Mining Licence drilling which may increase reserves, optimise mine planning and mine operations
- Successful rehabilitation of land disturbed for test pit
- Extensive stakeholder engagement, with commitment to maximise local employment, training and investment benefits

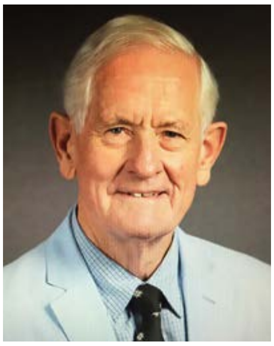
Current work streams

- Further metallurgical test work, including pilot scale mineral separation
- Front end engineering, costing estimates and initial infrastructure investment
- Additional geological delineation drilling to optimise mine planning
- Community Reference Group and continuation of stakeholder engagement
- Completion of definitive feasibility study and project economics (2nd quarter 2022)
- Work Plan completion and submission for Victorian Government approval
- Project financing strategies

FROM THE CHAIRMAN

Focus on the creation of value from the Donald Mineral Sands and Rare Earth Project

Gerard King, AM



Astron's focus during the 2021 financial year under our new Managing Director, Mr Tiger Brown, was on achieving material progress towards the commercialisation of the Donald Mineral Sands and Rare Earth Project. The commercialisation of the Donald Ore Reserves will position Astron as a world class supplier of zircon, titanium dioxide and rare earth products.

Astron's future entails the development and operation of the high margin, long-life Donald project which is expected to be a globally significant source of mineral sands products over more than 40 years. The Donald project is expected to provide significant value and other benefits to a range of stakeholders, not least our shareholders.

Important work streams progressed during the year, including Ore Reserve estimation; metallurgical test work; product quality testing and definition of the project concept and scope. This work forms the foundations for the completion of a detailed feasibility study, with associated project engineering, to enable finalisation of capital cost estimates and commencement of the project funding and final regulatory approval activities.

Board & organisational strengthening

It is recognised that new and supplementary organisational skills and capabilities will be required as part of Astron's evolution. This includes a strengthening of board and governance capabilities. During 2021, Astron appointed two new, non-executive directors: Dr Mark Elliott and Mr George Lloyd. Both Mark and George are making a significant contribution in assisting management with its planning for the Donald project.

Dr Mark Elliott, Dip Appl Geol PhD

Mark is a geologist with 27 years professional experience in corporate roles, both as chairman and managing director of ASX-listed and private companies in the mineral sands, metals and energy sectors. Mark's experience includes feasibility studies, mine evaluation and development, project execution, technical audits and capital raisings. He is currently Chairman of AuKing Mining Ltd and a director of Nexus Minerals Ltd and Aruma Resources Ltd.

George Lloyd, BSc Eng (Industrial), MBA

George has over 30 years of resource industry and corporate finance experience, serving as a senior executive and director of listed and unlisted companies in industrial minerals, mineral sands, base and precious metals, and energy. Board roles include Chairman of Ausenco Pty Ltd, a global engineering, project delivery and operations management company, and Chairman of VBX Limited, a company developing bauxite resources in Western Australia.

Astron has commenced a process of organisation strengthening, in support of its activities to take the Donald project through its development, commissioning and production stages. Several key appointments are expected to be announced over the remainder of the 2021 calendar year.

Niafarang, Senegal

The Niafarang Mineral Sands project in Senegal has, by necessity, taken on a somewhat secondary importance as efforts are focussed on the Donald project. Despite this, the project is, subject to the clearance of the final regulatory approvals, at a stage where it can be advanced rapidly and at minimal capital expenditure (given in part that some of the main capital equipment has been purchased).

Gambian settlement

During the financial year, the company received confirmation from International Centre for Settlement of Investment Disputes ("ICSID") that the annulment application submitted by the Gambian government in 2015 against was rejected for its entirety.

The award was awarded in 2015 in relation to the seizure of Astron's operations by The Gambian government in 2008. Following the annulment decision, the company is actively exploring avenues to pursue the collection of the award and monetise the judgment that is worth approx. A$30m.

Corporate priorities

This year's report contains information on the Donald project and its key work streams. Of forthcoming prime importance will be the recapitalisation of Astron's balance sheet to allow the Donald project to progress through various funding stages and ultimate development. Other key priorities relate to the development of a sustainability framework to meet the highest environmental, regulatory compliance and stakeholder engagement outcomes.

Planned demerger

Shareholders will be aware that in July 2021 approval was granted at an EGM for the demerger of the company's China-based downstream processing assets from its upstream assets, in the form of the Donald Mineral Sands and Rare Earth Project in Australia and the Niafarang Minerals Sands Project in Senegal. The intent was to have the Donald and Niafarang assets held within the publicly-listed Astron Corporation and the China downstream assets held in a separate, unlisted Hong Kong registered company.

The purpose was to ensure that Astron's portfolio was based on mineral sands mining and processing assets; a structure the Board believed would be more suitable for future investors in a listed resources company. Furthermore, the development concept for the Donald project now no longer relies on the use of the company's China downstream assets.

Directors announced on 21 October 2021 that the shareholder approved demerger will not proceed. This decision was taken in light of legal action, commenced subsequent to shareholders approving the demerger. On 10 September 2021, action brought by an individual shareholder resulted in an interim injunction being granted in the High Court of the Hong Kong Special Administrative Region. This interim injunction has restrained Astron from completing the demerger until proceedings are finalised. An application to grant a permanent injunction is to be heard by the Court on 21 December 2021. A ruling is not expected until the first half of 2022, with the ultimate timing uncertain.

The Board of Astron is confident of its legal position. Nonetheless, given the uncertainty of the time frame to receive a Court ruling, it is the Board's view that this time period and the expense and distraction of management resources on legal proceedings, might potentially adversely affect the progression of the Donald project.

Regrettably, but as a consequence of careful consideration of the best interests of shareholders, your Directors have determined it best not to proceed with the demerger at this time. Shareholders can rest assured that the management of the Donald project and the China operations will continue to be undertaken effectively, with dedicated personnel associated with each.

In conclusion

The continued efforts in building organisational capabilities, an aligned culture and the ability to deliver excellent outcomes for all our stakeholders, are at the forefront of board and management efforts.

I thank the Astron team and our consultants for their contribution during the year, as well as the continuing support from our shareholders and those that have an expressed an interest in the next, exciting stage of the company's development.

FROM THE MANAGING DIRECTOR

The 2021 financial year has been a significant one for Astron. It has been my privilege to lead the company and be involved in what will be a major transformation with beneficial outcomes for our shareholders, our employees, our customers, and the members of the communities in which we work

Tiger Brown

I have both a personal and professional commitment to Astron's success. The Donald project area was acquired in 2004 in recognition that existing global sources of mineral sands were maturing and that new sources would be required to fulfil growing demand. With approximately 40 per cent of global mineral sands production sources now expected to be exhausted within the next five years, the development of the Donald project has become a key source of new supply arrangements within the global mineral sands market.

Donald's rare earth component means that the project will not only be a major source of high value zircon and titanium dioxide but also an important source of critical rare earth minerals, which are used in a wide array of emerging and fast-growing applications central to modern economies. Together, the zircon and rare earth product streams are expected to account for approximately 80 per cent of production revenues. In this regard, Donald is unlike more conventional mineral sands projects in which titanium dioxide production comprises the major revenue component.

The Donald project represents a multi-generational operation capable of delivering significant shareholder value. It will also make a meaningful contribution to the economy of regional Victoria as an important source of employment, revenue creation and associated economic activity. For customers, it will be an important, long-term and reliable supply source.

Astron's prime focus is upon the commercialisation of the Donald project. Significant progress towards this was made during the 2021 financial year. As a result, the project is expected to move through the detailed feasibility stage to capital commitment and execution over the next 12 to 18 months. Under these circumstances, first production is possible by early 2025.

Progress

Key work streams during the last 12 months included:

- an Ore Reserves statement sufficient to underpin a 40 year mine life. It is expected that, subject to increased definition of the project's Ore Resources, the Donald project mine life will extend beyond its current 25 year detailed mine plan to be a truly generational project;
- a decision to modify the project scope to include mineral separation to final products in Australia. This differs from the previous development concept of processing heavy mineral concentrate (HMC) overseas. The revised scope allows Astron to have greater control over product quality and production levels and is also expected to improve overall project economics;
- extensive metallurgical test work which has advanced knowledge and confidence in the project's recovery of fine minerals;
- metallurgical test work and pilot plant testing achieving commercial scale recoveries across all products. Test work has included:
  - Froth flotation for the separation of monazite and xenotime to produce a saleable rare earth element concentrate from a HMC that has been upgrade to >95% valuable HM content;
  - whiteness testing of zircon relative to competitor zircons, demonstrating that Donald premium zircon rates highly in terms of whiteness and brightness, both desirable characteristics for the ceramics industry which accounts for approximately half of global zircon demand; and
  - ongoing test work for the production of a titania product stream for application, subject to completion of test work, as a feedstock for chloride titanium slag production.

The Donald project is expected to display robust financial characteristics. Detailed project economics will be released following completion of the definitive feasibility study, expected to be completed in mid-2022.

In terms of industry competitiveness, the high zircon assemblage characteristics of the orebody, in combination with the revenue benefits from the rare earth product stream, are expected to deliver an attractive margin structure or revenue to cash cost ratio.

Favourable market conditions

The timing for the commencement of the Donald project is expected to be favourable, based on a number of market factors, including:

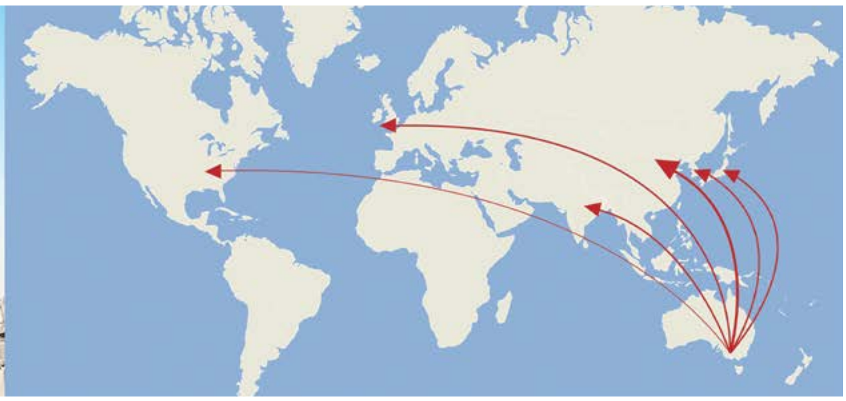
- the existing major mineral sands product sources are declining, with some experiencing country risk challenges. In the case of zircon, the major source of global production in South Australia is nearing the end of its expected economic life;
- robust demand, particularly for zircon, given its broad array of applications and end uses, from consumer goods through to scientific and industrial applications;
- increasing domestic and international demand for rare earth elements; and
- strong demand in the Chinese slagging sector (the target market for Donald's titania product) for stable, long-term titanium dioxide feedstock supply.

Organisational resources

Through the financial year, Astron strengthened its technical capabilities across the main work streams for the Donald project. We have engaged the services of industry specialists covering metallurgical test work, mineral sands processing, project planning, detailed engineering and design, procurement and project forecasting and economics. In the current year, these consulting capabilities will be supplemented by key internal appointments. These will be designed to ensure that Astron has the appropriate skills and capabilities to advance the project through planning, design, construction, commissioning and ultimately production, as well as enable Astron to have a strong capacity to manage environmental planning, regulatory approval and community and stakeholder engagement.

The forthcoming twelve months is expected to see the culmination of a range of work streams to ensure a robust project suitable for securing funding and Board development approval.

I look forward to keeping all stakeholders informed of progress.



DONALD MINERAL SANDS & RARE EARTH PROJECT

A MAJOR NEW SOURCE OF MINERAL SANDS AND RARE EARTH SUPPLY

Ore Reserves – Global Scale & Significance

The Donald project comprises the Donald and the Jackson mineral sands deposits

Astron's mineral sands resource base in Victoria encompasses the two deposits: Donald (Retention Licence 2002, which includes Mining Licence 5532) and Jackson (Retention Licence 2003). The Donald project entails the planned development of a well-delineated resource encompassing an area of 427 sq kms, with 250 sq kms of resource available within the Donald deposit and 177 sq kms available within the project's southern, Jackson deposit.

Unlike typically shorter duration dunal deposits that have been mined in the Murray Basin in Victoria and New South Wales, Donald will represent the development of the larger areal extent, offshore finer grained WIM-style deposit, typically volumetrically much larger, facilitating a longer mine life and associated economies of scale. As such, Astron's Donald project has significant long term production potential.

Astron released an updated Ore Reserves Statement in 2021. The following charts and tables provide information on the significance of the reserve and resource base of the Donald Mineral Sands and Rare Earth Project.

The Donald project has Ore Reserves of 602 million tonnes (Mt), with an average HM grade of 4.8%, which is wholly contained within the Donald deposit. The Donald zircon Ore Reserves of 5.4 million tonnes are equivalent to approximately 5 years of current global zircon production. This represents the second largest known potential source of zircon production. In terms of premium grade zircon, Astron is conceivably the largest new potential source of supply in the world.

The Donald project area contains inferred Mineral Resources of 2.4 billion tonnes of ore with an average HM grade of 4.8% which contains in situ resources of 22.1 million tonnes of zircon.

With the depletion of existing major zircon supply sources and limited, identified new material production sources, the project - with zircon reserves equivalent to 5 years of global demand - has the potential to be a pivotal source of global zircon supply both short and long-term (40 year+).

Total Resource (VHM)

2.4B tonnes [1]

@ 4.8% Heavy Minerals (HM%) using 1%HM cut-off and VHM where appliable

Zircon Resource (VHM)

22.1M tonnes [1]

One of the largest sources of zircon globally

Total Reserves

602M tonnes [1]

@ 4.8% Heavy Minerals (HM) 310Mt of proved reserves and 292 Mt probable

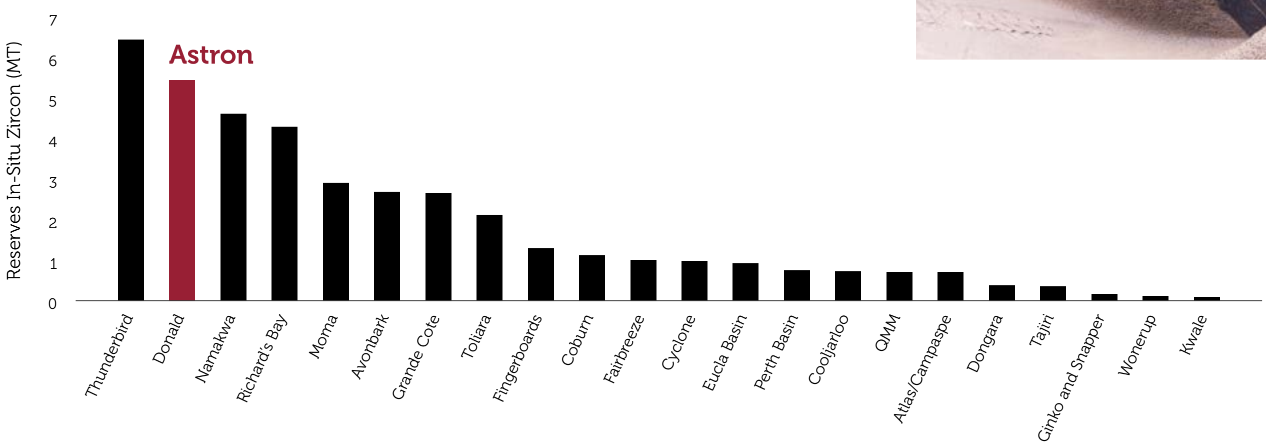
Zircon Reserves

5.4M tonnes [1]

Equivalent to 5 years of total global demand

1. See Astron Corporation's ASX announcement on 18 Feb, 2021, "Donald Project Ore Reserves Update"

Refer pages 125 to 128 for Astron's Ore Reserve and Mineral Resource statements.



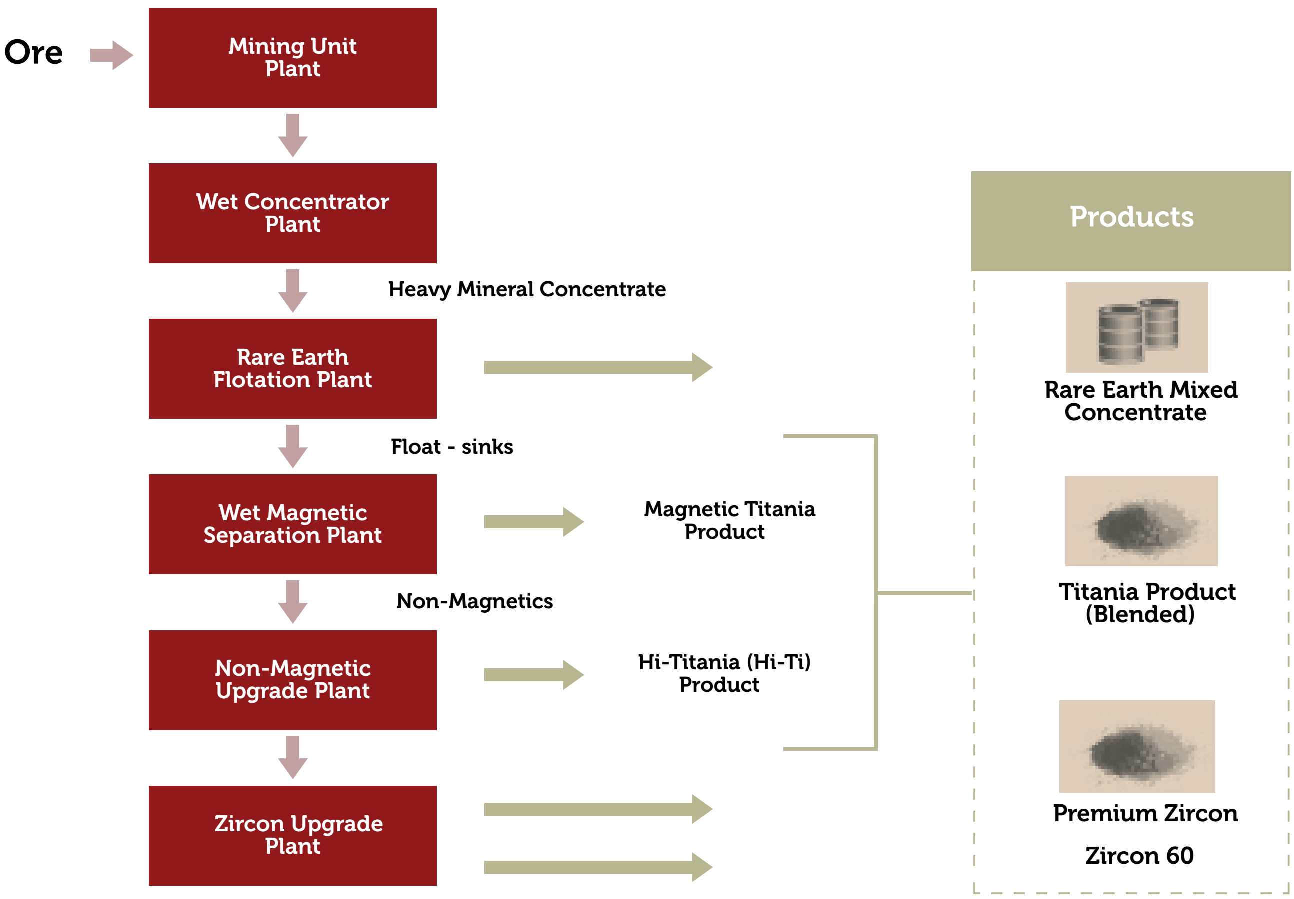
1. The chart has been prepared based on publicly released information by Astron. It does not include all the mineral sands deposits globally, such as the smaller operations in Hainan Island, China, in Indonesia, more titanium di-oxide focused mineral sands productions such as various China-owned projects in Mozambique, and projects where ore reserve data is not publicly available.

DONALD MINERAL SANDS & RARE EARTH PROJECT

Project Concept

Astron's Donald operating model encompasses the mining of ore, the gravity separation of ore to heavy mineral concentrate (HMC), the separation of a saleable rare earth mixed concentrate (REMC) from the HMC by flotation, and processing of the HMC through electromagnetic and electrostatic separation processes to produce final products of zircon and titania (a mixed titanium dioxide product). Astron intends to undertake all aspects of the mineral sands operation in Australia. This will ensure a high degree of control over final product specifications, enable production levels to be tailored to market conditions, as well as facilitate the direct marketing and sale of products to end customers. In this way Astron expects to de-risk the operating model, have the ability to adapt production settings to market conditions, and deliver attractive project returns. In addition, Astron's integrated pit to product model is expected to maximise local employment opportunities and regional economic benefits.

Simplified Process Flow Diagram



Metallurgical Test Work & Evaluation

Astron has undertaken extensive technical evaluation, utilising a range of industry specialists, in the areas of fine minerals concentrating and processing to ensure commercial recovery levels; long regarded as the major hurdle for WIM-style or fine grained mineral sands resources.

Mineral Technologies (MT), the global leader in mineral sands processing technologies, was commissioned by Astron to undertake the design, construction and operation of a pilot wet concentration plant to treat approximately 1,000 tonnes of Donald project ore, recovered from a test pit on RL2002, and produce a heavy mineral concentrate (HMC). MT also carried out further processing of the HMC to produce final products. This processing test work, on a pilot scale, continued during 2021.

The processing approach, involving a hybrid separation model, including flotation and the adaption of conventional separation technologies, is expected to achieve high product recoveries and a high value final product mix. Specifically, it is expected that over 80% of the zircon final product will be a premium (ceramic grade) product with a ZrO_2 assemblage above 66.0%, with low impurities. Optimisation of the downstream circuits has indicated the potential to significantly improve ZrO_2 recovery to 90.6% relative to HMC. The metallurgical test work also produced a combined titania concentrate with 64.9% titanium dioxide content (TiO_2). Opportunities have been identified to lower the silica content within the titania concentrate to enable direct processing in chlorinator slag plants.

The hybrid separation process is preferred due to its simplicity and lower carbon emissions. It is expected that it will involve only a single stage of material drying in the circuit (as opposed to multiple stage drying), in turn reducing energy costs.

The test work completed on the pilot HMC sample has demonstrated that the use of up-front flotation followed by gravity upgrading of the flotation concentrate, could achieve recoveries between 87.6% and 94.6% of rare earth minerals containing 51.2% total rare earth elements (REE) with low impurities. Further separation to a light rare earth concentrate with a mineral assemblage of 51.3% of light REE (La, Ce, Pr, Nd, Sm, Eu, Gd) and a heavy rare earth concentrate containing 26.1% heavy REE (Tb, Dy, Ho, Er, Tm, Yb, Lu, Y) has been achieved.

The test work has provided confidence in the commercial scale recovery of fine minerals to both HMC and final product, and that product attributes are suitable to find ready market acceptance.

It is planned that Astron, through its current work program with MT, will produce quantities of final products to provide as product samples to a range of potential customers. In this regard, Astron will utilise its long-established customer relationships for market testing and acceptance of its products.

Astron Donald Project site geotechnical drilling (2021)

Recoveries of in-size and in-SG Valuable Heavy Minerals(VHM)[1]	ZrO_2[1]	CeO_2[1]	TiO_2[1]
Feed Preparation Plant Recoveries[2]	96.9%	97.9%	98.1%
Wet Concentrator Plant Recoveries to HMC[2]	93.8%	94.3%	88.5%
Mineral Separation Plant Recoveries to final products	90.8%	94.6%	-[3]

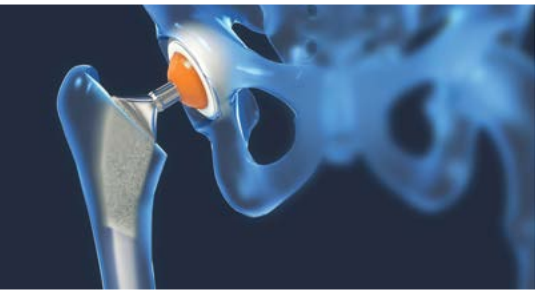
1 In-size and in-SG heavy minerals (VHM) refers to the -250+um, +4.05SG fraction, the recovery of ZrO_2 is used as a tracker for zircon recovery, CeO_2 is used as a tracker for Rare earth recovery, and TiO_2 is used as a tracker for titanium recovery

2 For further information see Astron's announcement on 15th May 2020, "Completition of wet concentrator piloting works" and on pg 2 of Astron's "Quarterly Activities Report" announced on 29 Jan 2021

3 For further information see Astrons announcement on 14 May 2021, "Clarify Donald Mineral Separation Metallurgica Testwork". Astron continues to investigate the final anticipated TiO_2 recoveries to final product through its planned pil scale test work

DONALD MINERAL SANDS & RARE EARTH PROJECT

Product Characteristics



Zircon

Zircon will be the major contributor to the Donald project's revenue stream. Approximately 80% of Donald's zircon is expected to be premium grade with a minimum 66% zirconia content. Whiteness testing of Donald's premium zircon has confirmed its high quality characteristics and suitability for premium market applications, including ceramics. In addition, the fine grained nature of Donald zircon means that it requires less grinding by zircon flour and ceramics

Zircon

manufacturers than most zircon products currently in the market. This represents a potential cost saving for customers and can be expected to enhance the market acceptance and value of Donald zircon.

Product samples are being progressively provided to customers for testing and market acceptance as a precursor to negotiation of commercial off-take agreements.

Final Products and Attributes

Zircon whiteness testing has confirmed the high quality of Donald zircon – suitable for premium market applications, including ceramics.

Premium Zircon	ZrO_2 > 66%	Fine-grained, Low impurities, high brightness/ whiteness
Zircon 60	ZrO_2 ~ 60%	Chemical & other applications; value-add opportunities
Titania	TiO_2 ~ 60%	Suitable for feed to slag plants for chlorinator feedstock
Rare Earth Concentrate	NdPr > 10%	Attractive RE Assemblage; high value component

For further information see Astron's announcement on 12 May 2021, "Updated Donald Project Premium Zircon Test Results.



Titania (titanium dioxide)

Astron intends to produce a mixed titania product (~60s% TiO_2), expected to be suitable for slag production by both the chloride and the sulphate pigment production routes. Relative to the zircon and rare earths component of the production stream, the titania product is forecast to represent the lowest value proportion of the project's product mix, contributing approximately 15% to 20% of total revenue. Nonetheless, with longer term offtake arrangements, this component of the product stream of the Donald project will contribute a stable and useful component of the overall revenue stream.

Rare Earth Elements

Donald will represent a sizeable source of rare earth element production, with the project expected to produce approximately 16 ktpa of a rare earth mineral concentrate (REMC) in Stage 1. The REMC product is expected to display attractive characteristics, with over 90% rare earth phosphates and 14.1% by weight of heavy rare earth elements. High value components of Neodymium (Nd), and Praseodymium (Pr) will represent 17% and 5% respectively of the rare earth elements in the rare earth concentrate.

Premium Zircon Product CIE Whiteness Test Results

Donald premium zircon test results compare favourably with other zircon products on key characteristics, notably whiteness

Donald Project | Competitor 1 | Competitor 2 | Competitor 3

Product	L - Brightness	A – Red-Green Scale	B Yellow-Blue Scale
Donald Premium Zircon	94.84	0.12	3.86
Competitor Zircon 1	94.39	1.02	4.08
Competitor Zircon 2	93.57	0.86	3.82
Competitor Zircon 3	94.32	0.23	4.22

Note:
Results are measured on the CIE whiteness scale, L represents 'brightness', A represents 'red-to-green' scale, B represents 'yellow-to-blue' scale.
The CIE system is used to characterise colour by a luminance parameter and two colour co-ordinates.
Results were produced using a calibrated 'brightness tester' and standard deviation error can be expected.
Refer ASX Release, 7 April 2021.

DONALD MINERAL SANDS & RARE EARTH PROJECT

Evaluation & De-Risking

Donald Mineral Sands' Project excavation test pit.

Resource characteristics

The Donald project has been extensively delineated with a total of 2,789 holes drilled. The mining lease area consists of 387 closely spaced drill holes. An Ore Reserve statement was issued on 18 February 2021 based on the 2016 Mineral Resource estimates. The statement was prepared by AMC consultants.

Astron plans to conduct limited additional drilling for the purpose of updating the Heavy Mineral (HM) modelling for the initial mining areas and to define in greater detail the valuable heavy mineral (VHM) component of the HM on the western side of the Mining Licence. Analysis of the results is expected to also facilitate evaluation of the potential to increase the recovery of the minus 38 micron component of the ore body, as well as evaluate the monazite deposition more broadly. It is expected that the results from this drilling and evaluation will contribute to enhanced VHM recovery and the optimisation of mine planning (including a possible reduced mine stripping ratio) which, in turn, will contribute to improved operational efficiencies. This work is viewed as a valuable adjunct to the already extensive knowledge of the ore body. The information derived from this drilling program will also contribute to project planning, evaluation and economic modelling

Regulatory approvals

The Donald project is at an advanced stage of regulatory approval as shown in the accompanying table. The major outstanding regulatory requirement for Stage 1 is the approval of a Work Plan in accordance with the requirements of the Environmental Effects Statement (EES). This will be progressed over the next 18 to 24 months, for submission to the Victorian Government during calendar year 2022. As part of its regulatory and voluntary plans for engagement with key stakeholders, Astron has formed a Community Reference Group to undertake on-going discussion on all project parameters as they relate to local communities and stakeholders.

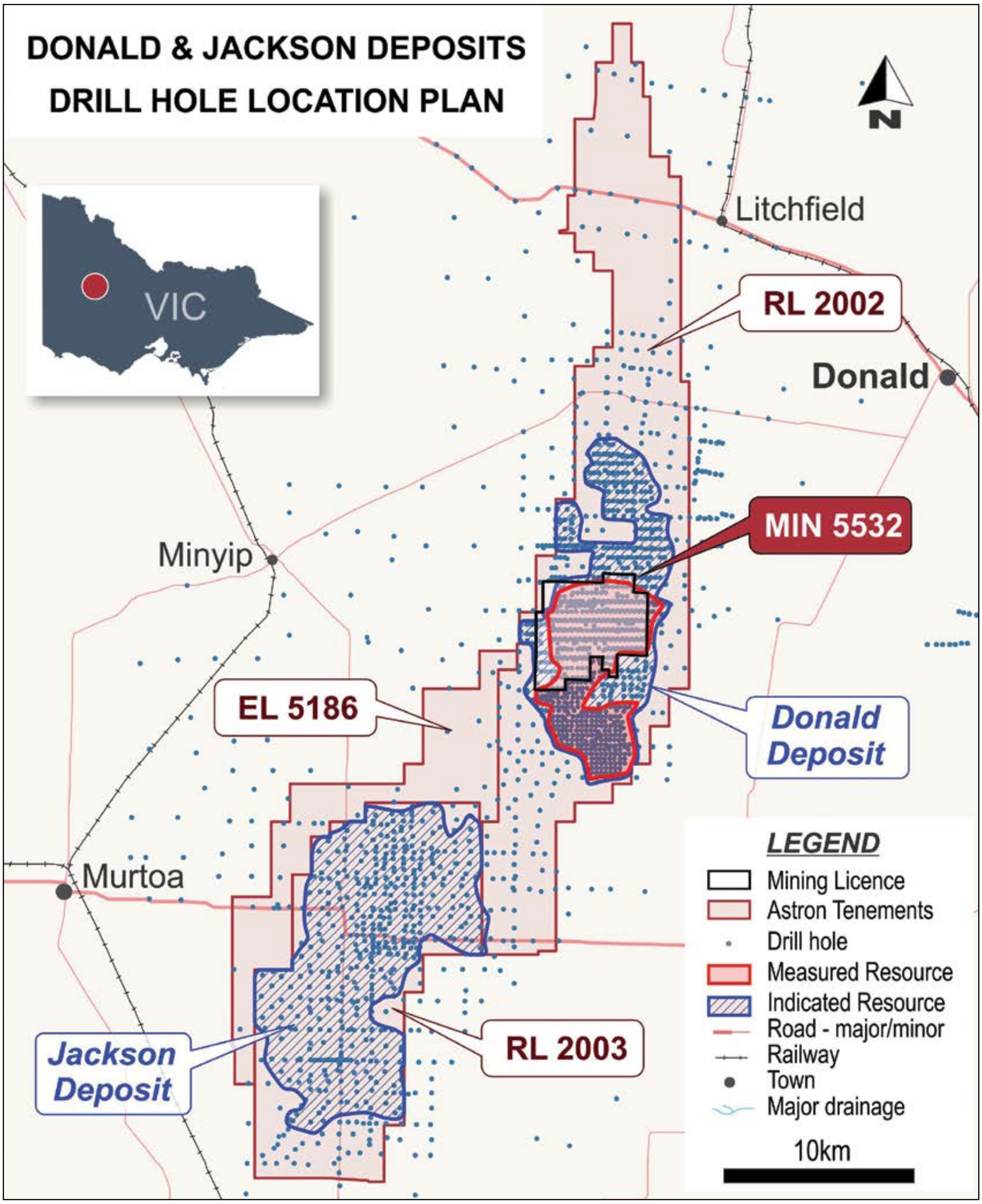
Approval Requirement	Completed	Date	Expiry
Environmental Effects Statement	✓	2008	N/A
Environmental protection & bio-diversity conversation approval	✓	2009	2034
Mining Licence granted	✓	2010	2030
Water Rights	✓	2012	2041 (with option to renew)
Cultural Heritage Management Plan	✓	2014	Life of Mine
Radiation License	✓	2014	2023
Export Permit	✓	2019	2022
Work Plan	Pending	Pending	Life of Mine

Project resources

Astron has drawn upon the best available technical expertise, encompassing the engineering, metallurgical and geological capabilities required to progress the Donald project to a commercialisation stage.

A recent appointment has been the retention of a specialist project management and engineering consultancy, with Australian and international mineral sands expertise in all phases of project development, project commissioning and operations. This group, along with internal resources, will play a key role in providing Astron with the project management and planning expertise necessary for detailed project engineering, definitive feasibility study preparation and optimisation, project economic modelling, and project management services, including scheduling and cost control, contract management and procurement management.

Key internal organisational appointments will be made over the forthcoming year.



DONALD MINERAL SANDS & RARE EARTH PROJECT

Sustainability & Stakeholder Engagement

Sustainable development entails consideration of people, the environment and the economy as an integral part of a mining development project. As part of the development and operation of the Donald Mineral Sands and Rare Earth Project, Astron and its employees will focus on the highest standards in terms of sustainability principles and practices

Astron Corporation Limited Supports the UN Sustainable Development Goals

As a framework for the company's activities, Astron intends to develop policies and procedures for environmental management and community/ stakeholder engagement that are consistent with the United Nations Sustainable Development Goals (SDGs).

The SDGs encompass objectives across the three main dimensions of economic prosperity, social inclusion and environmental conservation. Each is designed to support the United Nations' 2030 Agenda for Sustainable Development, with the intent of contributing to the protection of the planet from degradation through sustainable consumption and production, sustainable management of natural resources and taking action on climate change

The Board, management and employees of Astron recognise that the Donald project has a role to play in contributing to improving economic prosperity, including that of the region in which it operates, through payment of royalties and taxes, creating long-term skilled local employment, as well as through indirect employment and business development opportunities. Furthermore, a contribution will be made to improving social outcomes by supporting the community through direct investment and capacity-building in local organisations, infrastructure and with individuals.

Astron intends to fulfil its role in environmental management through ensuring that its operating practices meet or exceed all regulatory requirements and by seeking to minimise any potential adverse impacts from its operations, most notably by the highest standards in water management, carbon emissions management and the rehabilitation of areas disturbed by mining.

The environment

The commitment to the highest standards of environmental management is a cornerstone of planning for the Donald project and key to the company's reputation and standing within the local and wider communities.

Aligning with **Sustainable Development Goal 6: Clean Water and Sanitation.**

Water used in mining and processing operations will be recycled as efficiently as possible, with water usage, recycling levels, and flocculant use monitored and reported.

Regulatory requirements, related to water management, storage and retention – all of which will form part of the EES Work Plan – will be subject to regular reporting.

During 2022, studies are planned to determine how to integrate hybrid energy solutions into the Donald mineral sands operation, with the objective of minimising carbon dioxide emissions consistent with Astron's commitment to **Sustainable Development Goal 7: Affordable and Clean Energy.** This work will explore renewable energy options, such as the integration of solar and battery options and offsite wind power into site plans.

The establishment of emissions policies and the reporting of energy usage and carbon dioxide emissions, will form an integral part of management reporting to the Board and will be incorporated into the company's sustainability reporting.

Land management & rehabilitation

All mining activity disturbs natural land forms. The mineral sands sector in Australia has an extensive and largely successful track record in restoring land disturbed by mining to prior land use patterns, whether agricultural, native vegetation or other forms.

The nature of mineral sands mining – relatively shallow mining of typically free-flowing material, with the ability to store topsoil and overburden – means it amenable to effective rehabilitation outcomes.

Central to Astron's land management strategies is comprehensive planning for progressive rehabilitation, along with the avoidance or minimisation of damage to native and remnant vegetation. The intention is that agricultural land soil profiles are restored to original conditions and usages.

The progressive opening of a shallow pit for mining, and the subsequent relocation of mining equipment, allows for the progressive filing of the mining void and continual rehabilitation of the mined areas while mining is occurring. In this way, the area which is disturbed or 'open' will be typically much less than that for other forms of extractive mining.

Astron's rehabilitation practices have been demonstrated by the rehabilitation of the test pit which was excavated in 2018 to recover a bulk sample of ore for process test work. The test pit area has been restored and subsequently sown to wheat, with encouraging results in terms of crop coverage and yields. The rehabilitated area (see image above) is an example of the rehabilitation outcomes expected across the mine path for the Donald project.

As part of rehabilitation, soil testing (including top soil depth, salinity, moisture content and compaction), yield monitoring and laser mapping will be undertaken to establish benchmarks for monitoring rehabilitation progress. Astron will also undertake agronomic assessments and ensure engagement with land owners as central components of the rehabilitation planning and management processes.

DONALD MINERAL SANDS & RARE EARTH PROJECT

Our Community

Astron's vision for the Donald project is to provide a positive and lasting benefit for local communities, with a commitment to developing mutually beneficial relationships based on open and substantive communication

As the Donald Mineral Sands and Rare Earth Project progresses to an operational stage, an understanding is continuing to be built by the company and its people of the needs of our neighbours, community members, employees and local organisations, to better achieve the objective of aligning the project with the expectations of stakeholders.

As the Donald project is expected to be operating for more than 40 years in the Wimmera region, it is critical to the company and its people that Astron's presence is accepted as an integral and beneficial part of the community.

The Donald project workforce will be largely drawn from, and reside in, the region in which the project is located. This will contribute to maximising regional benefits, with local employment in turn supporting health and community services, sport and recreation clubs, early childhood services and enrolments in local schools.

Astron is committed to supporting local employment by building local capacity and skills and increasing and diversifying the opportunities for economic growth in the region, a commitment which is aligned with

Sustainable Development Goal 8: Decent Work and Economic Growth.

The company's Procurement Policy includes provisions to support local businesses and services, ranging from catering services to trades specialists. Project personnel will also work with local organisations to maximise opportunities for local investment.

Community Reference Group

Astron has established a Community Reference Group (CRG), the members of which include representatives from local government, Victorian statutory organisations, Indigenous organisations, community groups and local landowners.

The CRG will allow communication and collaboration on the development of the project and, in particular, ensure stakeholder contributions and requirements are built into operational and community engagement plans.

Community investment: office equipment purchased for Minyip SES.

Welcome to country at a Donald Mineral Sands Project sponsored Yarrilinks plantout day.

Community Investment Program

Astron conducts a Community Investment Program. In 2021, investments were made in a number of community and industry initiatives and programs, in accordance with the company's commitment to the principles of **Sustainable Development Goal 3: Good Health and Well-Being.**

The 2021 program prioritised community participation and safety with funds and in-kind support provided in a range of areas, from community infrastructure and safety upgrades, local history research, community participation and community sports development (refer below)

Astron also supported the Victorian Mines Rescue Competition, a mine rescue and emergency response capacity-building event that attracts teams from all over Australia.

Organisation	Sector	Project
Rupanyup Community Garden	Community	Power installation to community garden
Minyip 150th Celebration Committee	Community	Publication of a book detailing the 150 year history of Minyip
Marnoo Hall Incorporated	Community	"Light up our Lives" safety lighting for town hall entrance
Donald Pony Club	Community	Redevelopment of club entrance gate
Donald Pastoral & Agricultural Society	Community Events	Bus and driver hire, to maximise community participation
Donald Golf and Bowls Club	Community Sport	Organisational sponsorship
Minyip Murtoa Football Netball Club	Community Sport	Sponsorship of the club Buddy Program
Rupanyup Bowls Club	Community Sport	Prize money for inter-club bowls tournament
Warrack Eagles Football and Netball Club	Community Sport	Sponsorship of club dinner
Donald Netball Club	Community Sport	Sponsorship of coaching, umpiring and player development event
Australian Science Teachers Association	Education	Purchase of geology educational resources for two local schools
Minerals Council of Australia	Industry Safety	Sponsorship of mines rescue safety training event

Community investment: Minyip Murtoa football and netball club buddy program.

DONALD MINERAL SANDS & RARE EARTH PROJECT

Project Advancement

A range of key work streams are or will be in progress over the course of the coming 12 months, with the aim that the detailed feasibility study, including a detailed economic assessment of the project, will be completed during the second quarter of calendar year 2022.

A pilot plant processing trial is currently underway and will be completed in the 2021 calendar year. The results from this trial will enable an engineering design study to be carried out leading to the preparation of updated economic analyses of the project. Results from the pilot plant processing will also be used to support the engineering design study which will include preparation of the process model and flow sheet.

The current indicative timetable for the Donald project is based on the expectation of securing Victorian Government regulatory approval of the Work Plan in accordance with the requirements of the EES, the completion of project engineering and obtaining project funding by mid 2023. This would be followed by the start of construction, and anticipated first production after 18 months, with a period for commissioning and ramp up of production in late 2024 and into the first quarter of 2025. The indicative schedule will be refined, along with project economics, as the main work streams progress. The company will provide updates, through ASX releases, of any modifications to its planned schedule.

June – December 2021

- Further metallurgical test work, including pilot scale mineral separation (as described)
- Initial capital raising strategies finalised to fund project delineation work
- Provision of product samples for customer testing
- Design of processing plant and identification of infrastructure requirements
- costing estimates and update infrastructure design
- Noise monitoring and attenuation, dust, water usage and other studies
- Logistics and transportation studies
- Establishment of project owners' group, as well as key organisational appointments for the project implementation stage
- Ongoing stakeholder engagement through the Community Review Group

Excavated test pit on Donald tenements, subsequently rehabilitated.

January – June 2022

- Further geological delineation drilling to optimise mine planning
- Review and completion of reserve drilling results and any necessary refinements to mine planning
- Customer off-take arrangements advanced
- Completion of definitive feasibility study and projects economics (mid 2022)

July – December 2022

- Second phase funding to progress through to execution phase
- Ordering and procurement of key long lead items
- Work Plan completion and submission for Victorian Government approval

Mid 2023

- Victorian Government EES Work Plan approval (targeted first half calendar year 2023)
- Project execution decision by Board of Astron
- Start of 21 months construction phase

Early 2025

- Project commissioning and ramp up to full production (subject to above timelines and completion of DFS)

Typical land form which will comprise the predominant form of land usage to be mined and subsequently rehabilitated as part of the Donald project mine path.

ASTRON CHINA

Specialty titanium production company with expertise in zirconium downstream applications.

Astron's Chinese operations have the capability to produce nuclear grade zirconia (hafnium-free zirconia), with a mineral separation plant for the commercial recovery of rutile from titanium dioxide bearing heavy mineral ores.

In October 2019, Astron Titanium completed construction of one the largest rutile production facilities in China. The mineral separation plant is located in the business district of Yingkou, within the Yingkou Comprehensive Free Trade Zone. The location is in close proximity to transport systems that integrate sea, land and air transport facilities, providing ready access for import and export opportunities, as well as domestic trade transport. Astron's operations are located 40 kilometres from the Port of Bayuquan, an important hub port and the largest cargo port in the northeast of the country and the key port of the Liaodong Bay Economic Zone.

The mineral separation plant has a design capacity of 300,000 tonnes per annum of feedstock. The plant produces high quality rutile (the highest titanium dioxide content product) from a plant configuration that integrates floatation, spiral plants, shaking tables and electrostatic separation.

Plant capacity during its Phase 1 operation is 150,000 tonnes per annum of feedstock, capable of producing up to 50,000 tonnes per annum of final rutile products. The configuration of the mineral separation plant is scalable, with a capacity to double production. In addition to the mineral separation plant, there is a specialised titanium dioxide agglomeration plant. In total, there are two operating facilities, as well as warehouse facilities, with sufficient unallocated floor space for expansion.

The mineral separation plant is operated by an experienced, technical workforce, with accredited quality standards to ensure high commercial recoveries, product quality and high environmental standards. Astron's China operations obtained the approval of the city of Yingkou's environmental assessment authorities and reported zero environmental discharges during financial year 2021, with recycling of all production water. There were no safety incidents reported.

In the 2021 financial year, the plant produced 9,040 tonnes of rutile, with output limited by feedstock availability, due to Astron completing heavy mineral recovery from its Savannah, Georgia, US operations. The company is in advanced discussions with other feedstock providers to secure alternative feed for the plant. Sales of rutile during 2021 were 14,500 tonnes, compared with 9,690 tonnes in 2020.

Spiral banks at Astron's Yingkou mineral separation plant, China.

Shaking tables, Astron's Yingkou mineral separation plant, China and storage bins below.

Market experience & outlook

Astron has nearly four decades of operational experience in China and maintains close connections with a range of mineral sands customers, both within the country and internationally.

The outlook for the rutile market in the short to medium term remains positive, with global rutile supply having been impacted by the suspension of major production sources.

In China, due to technical advances in chloride pigment production technology and capacity, as well as higher environmental standards in relation to pigment production, the demand for higher grade titanium dioxide feedstocks, such as rutile, have increased.

Looking ahead

The company is in active discussions with a number of different entities to secure feedstock for the Yingkou mineral separation plant. It has also re-entered the trading business, purchasing high-grade titanium dioxide feedstocks for the supply of product to a range of customers in China.

Management in China is considering a number of asset restructuring opportunities, including the sale of non-core real estate holdings and other assets, as a way of focussing the business on its high value opportunities and contributing to a reduction in the liabilities associated with this part of the business. These measures are being accelerated in light of the deferral of the proposed demerger of the China downstream processing assets from Astron's upstream operations and in light of Astron's overall funding and balance sheet requirements for the Donald project.

ANNUAL FINANCIAL STATEMENTS FOR ASTRON CORPORATION LIMITED

For the year ended 30th June 2021

Astron Corporation Limited
ARBN 154 924 553
Incorporated in Hong Kong,
Company Number: 1687414

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Astron Corporation Limited

Company Number: 1687414

Directors' Report

30 June 2021

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 2021.

FINANCIAL HIGHLIGHTS

Net tangible asset value per share	Down	15.9%	To	10.5cps
Revenue, Interest Income and Other Income	Up	107.3%	To	$18,196,167
Cash-in-flow from operating activities	Up	$4,005,584	To	$ 2,653,279
Profit before tax	Up	$5,797,909	To	($ 406,794)
Profit after tax attributable to members	Up	$3,324,445	To	($ 2,968,375)
Total comprehensive income	Up	$3,547,706	To	($ 3,000,991)

PRINCIPLE ACTIVITIES / BUSINESS ENTITIES

Astron Corporation Limited is a Hong Kong incorporated company listed on the Australian Securities Exchange. The principal activities undertaken by wholly owned subsidiary companies include the following:

- Exploration, evaluation and project work through Astron Pty Limited and Astron Donald Mineral Sands Ltd to advance the Group's holding of the Donald and Jackson mineral sands deposits in regional Victoria to a definitive feasibility and commercialisation stage involving the mining, concentrating and processing of mineral sands products and rare earth mineral concentrate for sale to international and domestic customers;
- the operation of titanium-based materials processing activities, including a mineral separation plant at Yingkou, China through the company's wholly owned subsidiary, Astron Titanium (Yingkou) Ltd, as well as procurement and trading activities, as well as the evaluation and advancement of downstream applications for zircon and titanium;
- as part of the raw material feed source for Astron's China operations, the Group commenced excavation and loading of ilmenite ore from Savannah, Georgia in the United States of America during the 2019 financial year; this activity was completed during 2021;
- the evaluation and the progression of regulatory approvals for the potential development of the Niafarang mineral sands deposit in Senegal.

Revenue is currently generated from the Group's China-based processing operations. Both the Donald mineral sands project and the Niafarang project are at a pre-execution and pre-production stage.

There were no significant changes to the Group structure in the financial year ended 30 June 2021.

1 General Information

1.1 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	Non-executive director
Mdm. Kang Rong	Executive director
Mr. Tiger Brown	Managing Director
Dr. Mark Elliott	Non-executive director (Appointed on 22 January 2021)
Mr. George Lloyd	Non-executive director (Appointed subsequent to the end of the financial year on 20 July 2021)

Directors of the Company's subsidiaries

During the year and up to the date of this report, all the directors of the Company were also directors of certain subsidiaries of the Company. Other director of the Company's subsidiaries during the year and up to the date of this report was as follows:

Mr. Zhao Zhiping
Mdm. Jian Ping
Mdm. Li Linlin

Director Information

Mr. Gerard King	Chairman (Non-executive)
Qualifications	LLB, University of Western Australia, AICD
Experience	- Board Member since 6 December 2011 (Astron Pty Limited (formerly known as "Astron Limited"): 5 November 1985) - Former partner of law firm Phillips Fox with over 30 years of experience in corporate and business advisory roles including 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	Not currently a Director of any other listed company.

Astron Corporation Limited

Company Number: 1687414

Directors' Report

30 June 2021

Mr. Tiger Brown	Managing Director
Qualifications	B. S. (Economics), Wharton School of Business, University of Pennsylvania.
Experience	- Board member since 4 December 2019 - Mr Brown has worked within Astron's business entities in China and Australia before being appointed a director in the role of Executive Director, Global Operations and Finance. He was appointed Managing Director effective 17 February 2021
Interest in Shares #	94,165,972 CDIs
Special Responsibilities	Managing Director
Directorships held in other listed entities	Not currently a Director of any other listed company.

Mdm. Kang Rong	Executive Director and Chief Executive of Astron Titanium (Yingkou)
Qualifications	B.E.(Chem), Shanghai University; Executive MBA, Chungking Graduate School
Experience	- Board member since 31 January 2012 (prior to that of Astron Pty Limited from 21 August 2006) - Worked as a Chemical Production Engineer at Shenyang Chemical Company (a major Chinese company based in Shenyang, Liaoning Province, China) before moving to Hainan Island to work in sales and administration roles for Japanese trading company, Nissei, Ltd. - Mdm Kang Rong joined Astron in 1995 as marketing manager of Shenyang Astron Mining Industry. Subsequently, she has overseen Astron's China operations and global sales activities.
Interest in Shares #	4,000,100 CDIs
Special Responsibilities	Chief Executive of Astron's China-based processing and trading operations, Astron Titanium (Yingkou) Ltd
Directorships held in other listed entities	Not currently a Director of any other listed company.

Dr. Mark Elliott	Non- Executive Director
Qualifications	Diploma in Applied Geology, Ballarat School of Mines; PhD, University of New South Wales, FAICD, FAusIMM (CP Geo), FAIG
Experience	· Dr Elliott has chartered professional accreditation as a geologist. He commenced his career as a senior geologist with Anaconda Australia Inc. He subsequently held roles as Chairman and Managing Director of ASX-listed and private companies, including Mako Gold Ltd, HRL Holdings Ltd, Chinalco Yunnan Copper Resources Limited and Zirtanium Limited.

Interest in Shares #	346,400 CDIs
Special Responsibilities	Remuneration Committee
Directorships held in other listed entities	Chairman of AuKing Mining Limited, Non-executive director of Nexus Minerals Limited and Aruma Resources Limited

Mr. George Lloyd	Non- Executive Director
Qualifications	Bachelor of Engineering Science in Industrial Engineering, Master of Business Administration, University of New South Wales Stanford University Executive Management programme FAICD
Experience	· Board member since 20 July 2021 · Mr Lloyd's professional career has encompassed roles with RGC Limited; Elders Resources Limited; Southern Pacific Petroleum NL, Central Pacific Minerals NL and Australian Gas Light Company. · Mr Lloyd has held numerous directorships of both public listed and private companies, including Metro Mining Limited, Pryme Energy Limited, Cape Alumina Limited, Equatorial Mining Limited, Goldfields Limited and AurionGold Limited
Interest in Shares #	Nil
Special Responsibilities	Remuneration Committee
Directorships held in other listed entities	Not currently a Director of any other listed company.

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

2. Meetings of Directors

During the financial year, four 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	7	7
Mr. Tiger Brown	7	7
Mdm Kang Rong	7	7
Dr Mark Elliott	2	2

Astron Corporation Limited

Company Number: 1687414

Directors' Report

30 June 2021

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. There were no options outstanding at the date of this report with the exception of the Dr Mark Elliott options which were approved at the meeting of shareholders on 19 July 202. However these 800,000 options have not yet been issued.

3. Operational and Financial Review

3.1 Business Highlights

- Increased revenues and higher earnings from Astron's China-based operations associated with higher production and sales and an improvement in market conditions.
- Significant progress across multiple work streams associated with the advancement of the Donald Mineral Sands Project, most notably an updated Ore Reserve Statement.
- Continued engagement with regulators and community groups in Senegal as a basis for the future progression of this project to a construction and production stage.

3.2 Financial Results – Key Features

The main features of the 2021 financial results are provided below. Segmental results are provided on page 70 to 73, which provide information on the financial performance for the main business entities and activities of the Group.

Revenue

Sales revenue was $16,418,037, a 94.8 per cent increase (2020: $8,430,039), associated with a full year of production from Astron's mineral separation plant in Yingkou, which was commissioned during the first half of the 2020 financial year. In 2021 sales of rutile were 14,504 tonnes (2020: 9,692 tonnes). Plant production included raw material held in inventory as well as work-in-progress material. A strengthening in rutile prices year-on-year, also contributed to the recovery in revenue.

Expenses

The company's administrative expenses stayed roughly consistent year-on-year, from 2020 to 2021, company had a slightly decrease in administrative expenses of $175,644 to $4,273,063 from $4,448,707.

Net Profit

In 2021, Net Loss was $2,968,375, representing a significant improvement over the prior year (2020: loss of $6,292,820). The increase is associated with improved plant performance and product recoveries and an adjustment related to capital expenditure on DMS project.

Operating Cash Flow

Increased revenue contributed to an increase to $2,653,279 in the Group's cashflow from operations (2020: cash outflow of $1,352,305). Improvements in the company's gross margin, with consistent year on year overhead expenditure further contributed to the group's return to positive cashflow from operating activities.

Net Assets

The group's net assets decreased to $92,474,241, (2020: $93,725,284). The net assets were impacted by an adjustment related to capital expenditure on DMS project and the transfer of balance to capital reserve relating to amount due to a related party. The settlement of the company's Senegal off-take with Hainan Wensheng contributed to the position through the decrease in the company's total current liabilities to $25,725,374 (2020: $29,267,009). Intangible assets increased following further exploration expenditure capitalised in respect of the Donald Mineral Sands and Senegal Niafarang projects. Investment in the Donald Mineral Sands Project increased year on year reflecting on the company's current priorities and its commitment to progress the Donald project.

Operations review

Donald

Throughout the financial year, Astron continued to advance its Donald project ("DMS").

The Donald project ore reserves were updated in the financial year, along with baseline financial models on the basis of shipping heavy mineral concentrate to China for processing further confirming the project's value, in the form of a positive NPV and rapid payback, using the assumptions of current global product pricing and updated costs.

Updated Project concept

Following recent metallurgical test work and internal studies, Astron intends to change its operating model from exporting heavy mineral concentrate to China for processing of final products to now undertaking all aspects of the mineral sands operation in Australia. The change in execution strategy is expected to ensure a high degree of control over final outcomes (product recoveries and specifications) and markets and enable Astron to have the ability to quickly adapt its production settings to changing customer requirements. The change is expected to ultimately de-risk the operations.

Approvals

The project is well advanced in its regulatory approvals, with an approved Victorian Environmental Effects Statement (E.E.S) and the final regulatory hurdle being the work-plan permit. The company is actively taking steps towards the finalisation of the work-plan.

Exploration Improvement

The company plans to conduct further in-fill drilling in MIN5532 in late 2021 and early 2022 to improve the overall resource through including the -38 +20-micron fraction within the contained minable HM%, and further delineate the project's rare earth resource.

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.

Astron Corporation Limited

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Directors' Report

30 June 2021

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. 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.

4. Business Risks

Supply Risk

The company has exhausted its available feedstock from its Savannah operations in the current financial year. The lack of additional supply may affect the Chinese operations through increased downtime. The company is currently in active negotiations with alternative feedstock suppliers.

Funding Risk

Donald Project is expected to require significant investment. The Company may seek to raise funds through equity or debt financing or other means. There can be no assurance that additional finance will be available when needed, or if available, the terms of the financing may not be favourable to the Company and their Securityholders. Difficulty in accessing capital may result in delays in execution timelines for the project.

Project Execution Risk

Project timeframes, capital expenditure, equipment availability, ability to access key personnel –or a combination of these and other factors –may cause either a delay in the completion of the Donald Project or an overrun in terms of capital expenditure or operational costs.

Commercial and Contract Risk

Potential future earnings, profitability, and growth are likely to be dependent upon the Company being able to successfully implement some of its business plans. The ability of the Company to do so is dependent upon a number of different factors, including matters which may be beyond the control of the Company. The Company may not be successful in securing identified customers and market opportunities. Whilst the company will have various contractual rights in the event of non-compliance by a contracting party, no assurance can be given that all contracts to which the Company is a party will be fully performed by all contracting parties. In addition, no assurance can be given if a contracting party does not comply with any contractual provisions, the Company will be successful in securing compliance.

Commodity Price Risk

The Company's possible future revenues are expected to be derived mainly from mineral sands products, sale of rare earth concentrate and from royalties gained from potential joint ventures or other arrangements. Consequently, the Company's potential future earnings will likely be closely related to the price of such minerals, which may fluctuate, as well as exchange rate risks for products sold when denominated in currencies other than the Australian dollar

Exchange Rate Risk

The revenue, earnings, assets and liabilities of the Company may be exposed adversely to exchange rate fluctuations. The company's revenue may be denominated in a foreign currency, and as a result, fluctuations in exchange rates could result in unanticipated and material fluctuations in the financial results of the company.

Covid 19 – Impact Risk

The global economic outlook is facing uncertainty due to the current COVID-19 (Novel Coronavirus) pandemic, which has been having, and is likely to continue to have, a significant impact on global capital markets, commodity prices and foreign exchange rates. While to date COVID-19 has not had a material impact on the Company's operations to date, the closure of state borders in Australia may adversely impact the company in its implementation of the project execution plan for the Donald project. Global supply chain disruptions may adversely impact the company's Chinese operations.

Environmental Regulation

The Company's operations and projects are subject to the laws and regulations of all jurisdictions in which it has interests and carries on business, regarding environmental compliance and relevant hazards. 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.

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.

Astron Corporation Limited

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Directors' Report

30 June 2021

Occupational Health and Safety

During the year there were no lost time injuries.

Significant Changes in State of Affairs

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

5. Looking ahead

Matters Subsequent to the end of the Financial Year

The Group has funding options available to provide support for ongoing operations. These funding options could be a mix of third parties or Director support and will be pursued as required.

Matters subsequent to year end:

- Mr George Lloyd was appointed to the Board of Directors as a non-executive Director on 20 July 2021
- The Group resolved to demerge its Chinese operations which was approved at an Extraordinary General Meeting by shareholders on 19 July 2021
- On 10 September 2021 an interim Court injunction was granted in Hong Kong preventing the completion of the demerger in its current form at least until 21 December 2021 when the matter is set to be heard in the High Court of Hong Kong
- On 21 October 2021 the Group announced that due the uncertainty surrounding the interim Court injunction the Group has made the decision not to proceed with the planned demerger and focus on the commercialisation of the Donald project
- In September Astron China obtained a new loan facility of 2.1million AUD to facilitate operations.

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.

Likely Developments

During the next financial year, the Group expects to:

- Secure a new feed supply for the Chinese operations plant
- Update the Donald Mineral Sands definitive feasibility study, complete additional infill drilling, advance capex optimisation resulting from the pilot tests and develop funding alternative: and
- Continue engagement with the local community and the regulators in respect to the Senegal project.

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. Astron will work towards an update of its D.F.S during the financial year.

When final approvals are received with respect to the Senegalese Niafarang 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.

6. 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 or 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 in the year ended 30 June 2021. The Board has approved the Employee Share Option Plan (the "ESOP") subsequently in July 2021, which granted 800,000 options to non-executive Director Dr. Mark Elliott.

Where applicable executive Directors and executives receive a superannuation guarantee contribution required by the government, which is currently 10.0%, 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.

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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.
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 (2020: $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.

	2017 $	2018 $	2019 $	2020 $	2021 $
Sales revenue ('000)	1,900	5,014	7,977	8,430	**16,418**
Net Loss ('000)	(2,591)	(4,671)	(1,913)	(6,293)	**(2,968)**
Share Price at Year-end	0.16	0.20	0.20	0.17	**0.58**
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. Tiger Brown	Managing Director
Mdm Kang Rong	Chief Operating Officer and Deputy Managing Director (Executive)
Dr Mark Elliott	Non-executive
Mr. Tim Chase	Project Executive
Mr. Joshua Theunissen	Australian Company Secretary

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 2021	Balance 1/07/2020	Shares (sold) /purchased	Shares transferred	Balance 30/06/2021
KMP				
Mr. Gerard King	49,138	-	-	49,138
Mdm Kang Rong	4,000,100	-	-	4,000,100
Mr. Tiger Brown	94,165,972	-	-	94,165,972
Dr. Mark Elliott	346,400	-	-	346,400
Mr. Tim Chase	-	-	-	-
Mr. Joshua Theunissen	100	-	-	100
Total	98,561,710	-	-	98,561,710

Details of Remuneration

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

Year ended 30 June 2021

	Short term benefits				Post-employment benefits		
	Cash, fees salary & commissions $	Non-cash Benefits/ Other $	Share-based payment expenses	Termination Payments $	Superannuation $	Total $	% of remuneration that is performance based
Directors							
Mr. Gerard King	**120,000**	**-**	**-**	**-**	**-**	**120,000**	**0%**
Mr Tiger Brown (#2)	**-**	**-**	**-**	**-**	**-**	**-**	**0%**
Mdm Kang Rong (#1)	**250,000**	**-**	**-**	**-**	**-**	**250,000**	**0%**
Dr Mark Elliott	**27,258**	**-**	**299,943**	**-**	**2,590**	**329,791**	**0%**
Other KMP							
Mr. Tim Chase	**240,000**	**9,923**	**-**	**-**	**20,725**	**270,648**	**0%**
Mr. Joshua Theunissen (#1)	**76,225**	**-**	**-**	**-**	**-**	**76,225**	**0%**
	713,483	**9,923**	**299,943**	**-**	**23,315**	**1,046,664**	

Note reference #:

1. Paid or payable to management company
2. Mr Tiger Brown has forgone any remuneration for the year ended 30 June 2021, and as such there is no remuneration unpaid

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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Directors' Report

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Share Based Payments

During the 2021 year, the Group granted 800,000 options to a Director with shareholder approval which were valued at $299,943. No further share-based payments were made during the year ended 30 June 2021 or 30 June 2020.

Voting and comments at the Company's 2020 Annual General Meeting

The Company received 96.44% of "yes" votes on its remuneration report for the 2020 financial year.

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

Year ended 30 June 2020

	Short term benefits			Post-employment benefits		
	Cash, fees salary & commissions $	Non-cash Benefits/ Other $	Termination Payments $	Superannuation $	Total $	% of remuneration that is performance based
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

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 2021.

END OF REMUNERATION REPORT

Indemnifying Officers or Auditor

Insurance premiums paid for Directors

During the year, the Group paid a premium 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:

	2021 $	2020 $
Other Services		
Taxation services	-	-
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 2021 has been received and can be found on page 45 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.

Astron Corporation Limited

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Directors' Report

30 June 2021

DIVIDENDS PAID AND PROPOSED

No final dividend was proposed for the year ended 30 June 2021 (2020: Nil).

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:

Mr. Tiger Brown

Mr. Gerard King

Dated this **3 November 2021**

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Astron Corporation Limited

Company Number: 1687414

DECLARATION OF INDEPENDENCE
TO THE DIRECTORS OF ASTRON CORPORATION LIMITED

As lead auditor of Astron Corporation Limited for the year ended 30 June 2021, 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

BDO Limited
Certified Public Accountants

Jonathan Russell Leong
Practising Certificate Number P03246

Hong Kong, 3 November 2021

Astron Corporation Limited

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Consolidated Statement of Profit or Loss and Other Comprehensive Income

For The Year Ended 30 June 2021

	Note	2021 $	2020 $
Sales revenue	5	**16,418,037**	8,430,039
Cost of sales		**(13,261,073)**	(8,258,584)
Gross profit		**3,156,964**	171,455
Interest income	5	**7,996**	2,159
Other income	5	**1,770,134**	344,246
Distribution expenses		**(344,631)**	(583,907)
Marketing expenses		**(202,342)**	(218,110)
Occupancy expenses	6	**(9,981)**	(48,479)
Administrative expenses		**(4,273,063)**	(4,448,707)
Reversal of provision for impairment on receivables	6	**27,359**	469,657
Fair value loss on financial assets at fair value through profit or loss		**(5,290)**	(5,044)
Costs associated with Gambian litigation	6	**34,668**	(136,006)
Employee share option expenses	6	**(299,943)**	-
Finance costs	6	**(190,660)**	(1,651,551)
Other expenses		**(78,005)**	(100,416)
Loss before income tax expense	6	**(406,794)**	(6,204,703)
Income tax expense	7	**(2,561,581)**	(88,117)
Net loss for the year		**(2,968,375)**	(6,292,820)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Decrease in foreign currency translation reserve (tax: Nil)		**(32,616)**	(255,877)
Other comprehensive income for the year, net of tax		**(32,616)**	(255,877)
Total comprehensive income for the year		**(3,000,991)**	(6,548,697)
Loss for the year attributable to:			
Owners of Astron Corporation Limited		**(2,968,375)**	(6,292,820)
Total comprehensive income for the year attributable to:			
Owners of Astron Corporation Limited		**(3,000,991)**	(6,548,697)

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

Astron Corporation Limited

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

For The Year Ended 30 June 2021

	Note	2021 Cents	2020 Cents
LOSS PER SHARE	8		
Loss per share (cents per share)		**(2.42)**	(5.14)
Diluted loss per share (cents per share)		**(2.42)**	(5.14)

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

Astron Corporation Limited

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Consolidated Statement of Financial Position

As at 30 June 2021

	Note	2021 $	2020 $
ASSETS			
Current assets			
Cash and cash equivalents	10	**2,570,438**	555,504
Term deposits greater than 90-days	10.3	**46,112**	46,112
Trade and other receivables and prepayments	11	**14,017,427**	11,039,026
Inventories	12	**2,786,296**	9,930,340
Financial assets at fair value through profit or loss	14	**15,032**	20,322
Total current assets		**19,435,305**	21,591,304
Non-current assets			
Property, plant and equipment	16	**25,848,730**	26,648,011
Exploration and evaluation assets	17	**71,357,885**	70,297,773
Development costs	18	**8,321,690**	8,205,625
Right-of-use assets	19	**2,912,843**	2,983,286
Total non-current assets		**108,441,148**	108,134,695
TOTAL ASSETS		**127,876,453**	129,725,999
LIABILITIES			
Current liabilities			
Trade and other payables	20	**10,297,353**	13,125,453
Contract liabilities	21	**2,105,940**	5,106,984
Borrowings	22	**13,213,255**	10,917,671
Provisions	23	**108,826**	116,901
Total current liabilities		**25,725,374**	29,267,009
Non-current liabilities			
Deferred tax liabilities	24	**8,908,841**	5,941,198
Long-term provisions	23	**767,997**	792,508
Total non-current liabilities		**9,676,838**	6,733,706
TOTAL LIABILITIES		**35,402,212**	36,000,715
NET ASSETS		**92,474,241**	93,725,284

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

Astron Corporation Limited

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Consolidated Statement of Financial Position (continued)

As at 30 June 2021

	Note	2021 $	2020 $
EQUITY			
Issued capital	25	**76,549,865**	76,549,865
Reserves	26	**15,974,483**	14,257,151
Retained earnings		**(50,107)**	2,918,268
TOTAL EQUITY		**92,474,241**	93,725,284

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

Mr. Tiger Brown

Mr. Gerard King

Astron Corporation Limited

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Consolidated Statement of Changes in Equity
For The Year Ended 30 June 2021

Year Ended 30 June 2021	**Issued capital $**	**Retained earnings $**	**Share based payment reserve $**	**Foreign currency translation reserve $**	**Capital reserve $**	**Total equity $**
Equity as at 1 July 2020	**76,549,865**	**2,918,268**	**913,104**	**13,344,047**	**-**	**93,725,284**
Loss for the year	**-**	**(2,968,375)**	**-**	**-**	**-**	**(2,968,375)**
Other comprehensive income						
Exchange differences on translation of foreign operations	**-**	**-**	**-**	**(32,616)**	**-**	**(32,616)**
Total comprehensive income for the year	**-**	**(2,968,375)**	**-**	**(32,616)**	**-**	**(3,000,991)**
Capital contribution (note 29.6)	**-**	**-**	**-**	**-**	**1,450,005**	**1,450,005**
Options granted to Director (note 25.4)	**-**	**-**	**299,943**	**-**	**-**	**299,943**
Total transactions with owners recognised directly in equity	**-**	**-**	**299,943**	**-**	**1,450,005**	**1,749,948**
Equity as at 30 June 2021	**76,549,865**	**(50,107)**	**1,213,047**	**13,311,431**	**1,450,005**	**92,474,241**

Year Ended 30 June 2020	Issued capital $	Retained earnings $	Share based payment reserve $	Foreign currency translation reserve $	Capital 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

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

Astron Corporation Limited

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Consolidated Statement of Cash Flows
For The Year Ended 30 June 2021

	Note	2021 $	2020 $
Cash flows from operating activities:			
Receipts from customers		**16,821,687**	10,136,280
Payments to suppliers and employees		**(14,574,470)**	(12,112,055)
Net cash inflow/(outflow) from operations		**2,247,217**	(1,975,775)
Refundable Australian R&D tax offsets received		**406,062**	623,470
Net cash inflow/(outflow) from operating activities	31.1	**2,653,279**	(1,352,305)
Cash flows from investing activities:			
Proceeds from sale of property, plant and equipment		**409,520**	-
Receipts from partial settlement of land receivable	11.1	**404,901**	1,483,981
Acquisition of property, plant and equipment		**(1,027,834)**	(2,123,232)
Capitalised exploration and evaluation expenditure		**(887,601)**	(1,831,166)
Net cash outflow from investing activities		**(1,101,014)**	(2,470,417)
Cash flows from financing activities:			
Interest received		**7,995**	2,160
Interest paid		**(292,901)**	(631,177)
Partial settlement of offtake agreement		**(1,328,688)**	(205,753)
Repayment of borrowings		**(1,370,000)**	(8,187,404)
Proceeds from borrowings		**3,632,861**	12,034,612
Net cash inflow from financing activities	31.4	**649,267**	3,012,438
Net increase/(decrease) in cash and cash equivalents		**2,201,532**	(810,284)
Cash and cash equivalents at beginning of the year		**555,504**	1,687,549
Net foreign exchange differences		**(186,598)**	(321,761)
Cash and cash equivalents at end of the year	31.2	**2,570,438**	555,504

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

Astron Corporation Limited

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Notes to the Consolidated Financial Statements

For The Year Ended 30 June 2021

1. Corporate Information

The consolidated financial statements of Astron Corporation Limited for the year ended 30 June 2021 were authorised for issue in accordance with a resolution of the Directors on [3 November 2021] 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 2021, the Group had a deficit of current assets over current liabilities of $6,290,069 (2020: $7,675,705) and incurred a net loss after tax of $2,968,375 (2020: $6,292,820), the loss was a significant improvement over 2020 due to improved trading conditions. The deficit of current assets over current liabilities and losses are 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 15 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 12 months from the date of this report based on the following:

- The three year Savannah, USA contract to obtain ilmenite sands at very low prices came to an end during the year ended 30 June 2021. The Group is in negotiations with suppliers based in India to source ilmenite sands, the base raw ingredient for its rutile products. Pending the successful conclusion of these negotiations, the directors have assumed the Group will need to source ilmenite sands on the open market at market prices. In addition the directors have assumed a sales mix more heavily weighted towards rutile agglomerate products, as the sales margins are higher on these products compared to the predominantly rutile products it sold in the year just ended, as well as sales of rutile with higher Ti02 (titanium dioxide) content compared to the previous year just ended. The directors are confident that it can transition sales of these products to its new and existing rutile customer base and expand its market share in the PRC market.

2. Summary of Significant Accounting Policies (continued)

2.1 Basis of Preparation (continued)

- The Group has recently signed contracts with two India-based suppliers of rutile products and expects around 30% of its Projected 2022 sales will comprise trading sales of rutile. While margins on these trading sales is lower than for the Group's self-manufactured rutile sales, they expect these trading sales of rutile to make a useful contribution to the Group's sales and cash flows.

- The directors have assumed the Group will be able to raise significant new funding, whether through capital raisings, private placement or otherwise, in the coming 12 months to progress development activities relating to the Donald Project and progress the project.

- With regard to the Group's bank borrowings, the directors expect to borrow a further $2.1 million (which has already been secured from a bank based in PRC) and has also assumed its existing bank borrowings of approximately $3.7 million will be renewed and rolled over during the next 12 months. The directors expect a net $1.3 million in borrowings from third parties to be repaid during the next 12 months.

- The Senegal project has faced delays in proceeding to operational status. The directors do not expect the commencement of production at its Senegal site in the coming 12 months.

- 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 $10.8 million until such time when the Group has available funds and is generating positive operating cash flows (refer note 29.6).

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 2021. 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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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.

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.

Customers obtain control of the goods when the goods are delivered to and have been accepted. Revenue is thus recognised upon when the customers accepted the goods. There is generally only one performance obligation.

Contract liabilities
A contract liability represents the Group's obligation to transfer goods to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

Interest income

Interest incoem is recognised as it 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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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.

The Group has implemented the tax consolidation legislation for the whole of the financial year. 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 where the head entity 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 43.5% 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.

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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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 and borrowings 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.

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, movements in 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 2021

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.

2. Summary of Significant Accounting Policies (continued)

2.10 Leases

All leases (irrespective of they are operating leases or finance leases) are required to be captialised 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.

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2. Summary of Significant Accounting Policies (continued)

2.11 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.

2. Summary of Significant Accounting Policies (continued)

2.12 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.

2.13 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.

2.14 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.

2.15 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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Notes to the Consolidated Financial Statements

For The Year Ended 30 June 2021

2. Summary of Significant Accounting Policies (continued)

2.16 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.

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.

2.17 Dividends/Return of Capital

No dividends were paid or proposed for the years ended 30 June 2021 and 30 June 2020. There is no Dividend Reinvestment Plan in operation.

2.18 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.

2. Summary of Significant Accounting Policies (continued)

2.19 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.

2.20 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.

2.21 Government grant

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received. Grants that compensate the Group for expenses incurred are recognised as income or deducted in the related expenses, as appropriate, in profit or loss on a systematic basis in the same periods in which the expenses are incurred.

Grants that compensate the Group for the cost of an asset are recognised as deferred income in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable and are recognised as other income, rather than reducing the related expense.

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For The Year Ended 30 June 2021

2. Summary of Significant Accounting Policies (continued)

2.22 Adoption of HKFRS

(i) Adoption of new or revised HKFRSs - effective on 1 July 2020

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

- Amendments to HKFRS 3, Definition of a Business
- Amendments to HKAS 1 and HKAS 8, Definition of Material
- Amendments to HKAS 39, HKFRS 7 and HKFRS 9, Interest Rate Benchmark Reform
- Amendments to HKFRS 16, COVID-19-Related Rent Concessions

Other than the amendments to HKFRS 3, none of these new or amended HKFRSs has material impact on the Group's results and financial position for the current or prior period and/or accounting policies. Impact on the application of amendments to HKFRS 3 is summarised below.

Amendments to HKFRS 3 Definition of a Business

The amendments clarify the definition of a business and introduce an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The election to apply the concentration test is made for each transaction. The concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets. If the concentration test is met, the set of activities and assets is determined not to be a business. If the concentration test is failed, the acquired set of activities and assets is further assessed based on the elements of a business.

The Group elected to apply the amendments prospectively to acquisitions for which the acquisition date is on or after 1 July 2020.

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 HKAS 1	Classification of Liabilities as Current or Non-current[4]
HK-Int 5 (2020)	Presentation of Financial Statements - Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause[4]
Amendments to HKAS 16	Proceeds before Intended Use[2]
Amendments to HKAS 37	Onerous Contracts - Cost of Fulfilling a Contract[2]
Amendments to HKFRS 3	Reference to the Conceptual Framework[3]
Amendments to HKAS 39, HKFRS 7, HKFRS 9 and HKFRS 16	Interest Rate Benchmark Reform – Phase 2[1]
Annual Improvements to HKFRSs 2018-2020	Amendments to HKFRS 9 Financial Instruments and HKFRS 16 Leases[2]

1 Effective for annual periods beginning on or after 1 January 2021
2 Effective for annual periods beginning on or after 1 January 2022
3 Effective for business combinations for which the date of acquisition is on or after the beginning of the first annual period beginning on or after 1 January 2022.
4 Effective for annual periods beginning on or after 1 January 2023

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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Notes to the Consolidated Financial Statements

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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.

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 progress with $1.1 million due at year end (2020: $1.5 million). 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 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.

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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-21	Jun-20	**Jun-21**	Jun-20	**Jun-21**	Jun-20	**Jun-21**	Jun-20	**Jun-21**	Jun-20
	$	$	**$**	$	**$**	$	**$**	$	**$**	$
Sale of mineral products:										
Revenue from contracts with external customers	**-**	-	**16,418,037**	8,430,039	**-**	-	**-**	-	**16,418,037**	8,430,039
Other income:										
Interest income	**15**	245	**7,873**	1,429	**-**	-	**108**	485	**7,996**	2,159
Rent and other Income	**250,658**	198,482	**1,476,054**	124,053	**-**	-	**43,422**	21,711	**1,770,134**	344,246
Total revenue and other income	**250,673**	198,727	**17,901,964**	8,555,521	**-**	-	**43,530**	22,196	**18,196,167**	8,776,444
Segment result										
Segment profit/(loss)	**29,026**	(19,082)	**1,195,021**	(4,757,811)	**(363,194)**	-	**(1,267,647)**	(1,427,810)	**(406,794)**	(6,204,703)

Acquisition of PPE, Intangible assets and other non -current segment assets	**1,652,422**	2,403,929	**1,002,331**	1,293,631	**231,730**	256,838	**25,503**	-	**2,911,986**	3,954,398
Depreciation and amortisation	**1,408**	1,788	**1,578,022**	1,639,837	**-**	-	**2,914**	**-**	**1,582,344**	1,641,625

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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-21	Jun-20	**Jun-21**	Jun-20	**Jun-21**	Jun-20	**Jun-21**	Jun-20	**Jun-21**	Jun-20
	$	$	**$**	**$**	**$**	**$**	**$**	**$**	**$**	**$**
Assets										
Segment assets	**76,652,146**	75,261,388	**41,132,170**	40,950,003	**9,262,196**	9,166,052	**829,941**	4,348,556	**127,876,453**	129,725,999
Consolidated total assets									**127,876,453**	129,725,999
Liabilities										
Segment liabilities	**589,556**	323,647	**9,347,657**	14,336,156	**1,128,915**	968,865	**2,213,988**	3,513,178	**13,280,116**	19,141,846
Borrowings	**-**	-	**12,035,526**	10,489,942	**-**	-	**1,177,729**	427,729	**13,213,255**	10,917,671
Deferred tax liabilities									**8,908,841**	5,941,198
Consolidated total liabilities									**35,402,212**	36,000,715

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 Pty Limited (formerly known as "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**	
	2021 $	2020 $	**2021 $**	2020 $	**2021 $**	2020 $
Australia	**-**	-	**15**	245	**76,527,391**	75,466,807
China	**16,418,037**	8,430,039	**7,873**	1,429	**22,755,043**	23,011,947
Other countries	**-**	-	**108**	485	**9,158,714**	9,655,941
	16,418,037	8,430,039	**7,996**	2,159	**108,441,148**	108,134,695

During 2021, $11,203,149 or 68% (2020: $5,627,444 or 67%) of the revenue depended on five (2020: five) customers.

5. Revenue and Other Income

	2021 $	2020 $
Revenue from contracts with customers within the scope of HKFRS 15		
Timing of revenue recognition – at a point in time		
- sale of goods	**16,418,037**	8,430,039

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5. Revenue and Other Income – Continued

	2021 $	2020 $
Interest income	**7,996**	2,159
Other income:		
- rental income	**142,778**	174,482
- reversal of interest expenses for offtake agreement (note 21(a))	**1,199,551**	-
- government subsidies (note)	**201,915**	-
- gain on disposal of property, plant and equipment	**215,294**	-
- other income	**10,596**	169,764
Total other income	**1,770,134**	344,246

Note: Among the government subsidies, an amount of $62,700 (2020: Nil) for 4 employee is a government grant obtained from the JobKeeper program launched by the Australian Government supporting the payroll of the Group's Australian employees. There was no voluntary repayments of JobKeeper payments received made by the Group.

6. Loss Before Income Tax Expense

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

6.1 Employee benefits (including directors' remuneration):

	2021 $	2020 $
Salaries and fees	**632,964**	677,573
Non-cash benefits	**124,196**	182,333
Employee share option expenses (note 25.4)	**299,943**	-
Superannuation	**38,183**	42,105
	1,095,286	902,011

6.2 Other items

	2021 $	2020 $
Finance costs:		
- on borrowings and early redemption of note receivables	**190,660**	629,216
- on Wensheng deposits (note 21(a))	**-**	1,022,335
	190,660	1,651,551
Short-term lease charges in respect of premises	**9,981**	48,479
Research and development costs	**526,916**	783,206
Depreciation and amortisation	**2,175,604**	2,234,886
Less: capitalisation of water rights amortisation (note 17(f))	**(593,260)**	(593,261)
	1,582,344	1,641,625
Costs associated with Gambia litigation (note 13)	**(34,668)**	136,006
Reversal of provision for impairment on receivables (note 11)	**(27,359)**	(469,657)

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7. Income Tax Expense

7.1 The components of tax expense comprise:

	2021 $	2020 $
Current tax benefit in respect of current year	**406,062**	623,470
Deferred taxation:	**(2,967,643)**	(711,587)
- Unrealised inventory	**(769,726)**	(1,026,798)
- Loss recognised/(carried forwards) for the year	**-**	210,949
- Capitalisation of expenditure on DMS project (net)	**(1,661,165)**	42,547
- Write-down of deferred tax assets	**(532,899)**	-
- Other movements	**(3,853)**	61,715
Total	**(2,561,581)**	(88,117)

The Company is subject to Australian Income Tax which is calculated at 26% (2020: 27.5%) of its estimated assessable profit. No Australian Income Tax has been provided in the financial statements as the Company did not derive any estimated assessable profit in Australia for the current and prior years.

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

	2021 $	2020 $
Loss before income tax expense	**(406,794)**	(6,204,703)
Prima facie tax payable on profit 26% (2020: 27.5%)		
- continuing operations	**(105,766)**	(1,706,293)
	(105,766)	(1,706,293)
Add/(Less) tax effect of:		
- change in tax rates	**(353,133)**	-
- non-deductible items - Gambia	**(9,014)**	37,402
- non-taxable items	**(161,280)**	(149,411)
- tax losses not recognised on overseas entities	**732,493**	2,534,088
- research & development tax incentive *	**(406,062)**	(623,470)
- write-down of deferred tax assets	**532,899**	-
- adjustment related to capitalise expenditure on DMS project	**2,317,224**	-
- impact of overseas tax differential	**14,220**	(4,199)
Income tax expense	**2,561,581**	88,117

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

7. Income Tax Expense (continued)

7.3 Income tax rates

Australia

In accordance with the Australian Income Tax Act, Astron Pty 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 Pty 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 operations.

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8. Loss Per Share

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

	2021 $	2020 $
Loss attributable to owners	**(2,968,375)**	(6,292,820)
Loss used to calculate basic and diluted loss per share	**(2,968,375)**	(6,292,820)

8.2 Weighted average number of ordinary shares:

	2021	2020
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

For the purpose of calculating diluted loss per share for the year ended 30 June 2021 and 2020, no adjustment has made as the exercise of the outstanding share options has an anti-dilutive effect on the basic loss per share.

9. Auditors' Remuneration

	2021 $	2020 $
Audit and review of financial statements		
BDO Limited	**195,181**	197,877
	195,181	197,877

10. Cash and Cash Equivalents

	2021 $	2020 $
Cash on hand	**4,571**	41,798
Cash at bank	**2,565,867**	513,706
Total	**2,570,438**	555,504

Cash on hand is non-interest bearing. Cash at bank comprise bank current account balances and short-term deposits at call bear floating interest rates between 0.0% and 1.30% (2020: 0.0% and 0.01%). Deposits have an average maturity of 90 days (2020: 90 days).

10. Cash and Cash Equivalents (continued)

10.1 Concentration of risk by geography – cash and cash equivalents

	2021 $	2020 $
Australia	**771,882**	237,194
China	**1,773,122**	260,153
Hong Kong	**-**	2,250
USA	**-**	27,813
Senegal	**25,434**	28,094
Total	**2,570,438**	555,504

10.2 Concentration of risk by bank

	2021 $	2020 $
Australia		
Commonwealth Bank - S&P rating of AA- (2020: AA-)	**735,134**	187,105
Westpac Bank - S&P rating of AA- (2020: AA-)	**-**	1,646
Bank of China - S&P rating of A (2020: A)	**-**	12,050
Other Australian banks	**36,672**	36,279
	771,806	237,080
China		
Bank of China - S&P rating of A (2020: A1)	**2,465**	10,861
Construction Bank - S&P rating of A (2020: A)	**102**	122
China Zheshang Bank – Baa3 (2020: BA1)	**7,175**	206,141
Shengjing Bank – unrated	**1,032,669**	1,330
Shanghai Pudong Development Bank - S&P rating of BBB	**633,333**	-
Other banks	**92,883**	14
	1,768,627	218,468
Other countries		
Other banks	**25,434**	58,158
	25,434	58,158

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% (2020: 13%) to be paid.

As at 30 June 2021, the Chinese domiciled cash at banks included $412,790 (2020: Nil) 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

	2021 $	2020 $
Term deposits with maturity over 90 days	**46,112**	46,112

As at 30 June 2021, term deposits with maturity over 90 days of $46,112 (2020: $46,112) bear fixed interest rates of 0.9% (2020: 0.9%) and have a maturity of 3-6 months.

Restrictions on cash

The short-term deposits include $45,000 (2020: $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

	2021 $	2020 $
Australia	**46,112**	46,112

10.5 Concentration of risk by bank – term deposits

	2021 $	2020 $
Australia		
Commonwealth Bank-S&P rating of AA- (2020: AA-)	**35,000**	35,000
Other	**11,112**	11,112
	46,112	46,112

11. Trade and Other Receivables and Prepayments

	Note	2021 $	2020 $
Current assets:			
Trade debtors	11.2	**2,644,692**	2,653,109
Impairments	11.3	**(38,758)**	(38,637)
Net trade debtors		**2,605,934**	2,614,472
Land sale receivable	11.1	**1,087,535**	1,495,660
Impairments		**(41,870)**	(65,062)
Net land sale receivables		**1,045,665**	1,430,598
Sundry receivable		**1,555,881**	545,760
Prepayments	11.4	**9,181,458**	6,818,551
Impairments	11.4	**(371,511)**	(370,355)
Net prepayments		**8,809,947**	6,448,196
Total		**14,017,427**	11,039,026

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 2021, there were receipts of $404,901 (2020: $1,483,981) with a gross balance receivable of $1,087,535 (2020: $1,495,660). While the receivable is currently outside the terms initially agreed, the Group is confident all of the amounts outstanding will be received.

As at 30 June 2021 the total amount outstanding before ECL provision was $1,087,535 (2020: $1,495,660). 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 2022. The provision has accordingly been determined on that basis. During the year ended 30 June 2021, the Group received payment of $404,901 and therefore reversal of expected credit loss of $22,947 (2020: $201,090) was recognised for the year ended 30 June 2021. As at 30 June 2021, the impairment provision for land sale receivable is $41,870 (2020: $65,062).

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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:

	2021 $	2020 $
0-30 days (not past due)	**2,605,934**	2,614,472
Total	**2,605,934**	2,614,472

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

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

During the year ended 30 June 2021, no reversals of expected credit loss (2020: $268,567) on trade debtors was recognised for the year ended 30 June 2021. As at 30 June 2021, the impairment provision for trade debtors is $38,758 (2020: $38,637).

11.4 Prepayments

At year end, the Group had made advances for property, plant and equipment purchases.

Included in prepayments is an amount of RMB1,800,000 carried forward from 2008, equivalent to $371,511 (2020: $370,355) which is the prepayment for construction. This amount has been fully impaired due to low possibility of collection.

12. Inventories

	2021 $	2020 $
Raw materials	**653,510**	3,308,399
Work-in-progress	**1,937,319**	107,213
Finished goods	**195,467**	6,321,450
Goods in transit	**-**	193,278
Total	**2,786,296**	9,930,340

There is no provision against inventory to net realisable value as of 30 June 2021 and 2020.

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 Pty 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 2021, 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 $7,931. However, a reversal of $42,599 was recognised due to an over-provision of prior year expenses, therefore a net credit of $34,668 (2020: $136,006 expense) was recognised in the year ended 30 June 2021.

14. Financial Assets At Fair Value Through Profit Or Loss

	2021 **$**	2020 $
Equity securities		
- Listed in Australia	**15,032**	20,322
Total financial assets at fair value through profit or loss	**15,032**	20,322

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 2021	**Country of incorporation**	**Percentage Owned Ordinary Shares 2021**	Percentage Owned Ordinary Shares 2020
Parent entity			
Astron Corporation Limited	Hong Kong		
Subsidiaries of parent entity			
Astron Pty Limited	Australia	**100**	100
Astron Mineral Sands Pty Limited	Australia	**100**	100
Astron Titanium (Yingkou) Co Ltd	China	**100**	100
Astron Titanium (Yingkou) Hong Kong Holdings Limted (note ii)	Hong Kong	**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 Pty Limited	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.

No subsidiaries were acquired during the current and prior years while Astron Titanium (Yingkou) Hong Kong Holdings Ltd was incorporated in Hong Kong on 3 June 2021.

16. Property, Plant and Equipment

	2021 $	2020 $
Land		
At cost	**5,162,151**	5,162,151
Total land	**5,162,151**	5,162,151
Buildings		
At cost	**9,826,972**	10,252,018
Less accumulated depreciation	**(3,396,417)**	(2,908,313)
Net carrying value	**6,430,555**	7,343,705
Capital works in progress		
At cost	**5,259,881**	4,270,613
Less accumulated impairment losses	**(1,976,775)**	(1,970,628)
Total capital works in progress	**3,283,106**	2,299,985
Plant and equipment		
At cost	**17,421,391**	17,347,239
Less accumulated depreciation	**(4,699,498)**	(3,761,533)
Less accumulated impairment losses	**(1,748,975)**	(1,743,536)
Net carrying value	**10,972,918**	11,842,170
Total property, plant and equipment	**25,848,730**	26,648,011

16.1 Assets pledged as security

As at 30 June 2021, property, plant and equipment with carrying value of $3,919,730 (2020: $3,957,471) were pledged as security for short term loans (note 22(b)).

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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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 2021					
Balance at 1 July	**2,299,985**	**5,162,151**	**7,343,705**	**11,842,170**	**26,648,011**
Additions	**975,946**	**-**	**-**	**51,888**	**1,027,834**
Depreciation	**-**	**-**	**(592,347)**	**(911,771)**	**(1,504,118)**
Disposals	**-**	**-**	**(332,166)**	**-**	**(332,166)**
Foreign exchange movements	**7,175**	**-**	**11,363**	**(9,369)**	**9,169**
Balance at 30 June	**3,283,106**	**5,162,151**	**6,430,555**	**10,972,918**	**25,848,730**
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

\# 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	2021 $	2020 $
Evaluation costs			
Cost	17(b)	**7,792,696**	7,791,746
Accumulated impairment loss	17(b)	**(7,487,231)**	(7,487,231)
Net carrying value	17(b)	**305,465**	304,515
Exploration expenditure capitalised - DMS project			
Exploration and evaluation phases	17(a)(c)	**59,514,726**	57,862,304
Net carrying value		**59,514,726**	57,862,304
Water rights - DMS project	17(a)(d)		
Net carrying value		**11,537,694**	12,130,954
Total exploration and evaluation assets	17(f)	**71,357,885**	70,297,773

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 2018 financial 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

	2021	2020
	$	$
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	**305,465**	304,515
Net carrying value	**305,465**	304,515
Total		
Cost	**7,792,696**	7,791,746
Less accumulated impairment losses	**(7,487,231)**	(7,487,231)
Total evaluation costs	**305,465**	304,515

(c) Exploration and evaluation expenditure

This expenditure relates to the Group's investment in the Donald Mineral Sands Project. As at 30 June 2021, 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. 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, other than water rights, 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 2021				
Balance at 1 July 2020	**57,862,304**	**304,515**	**12,130,954**	**70,297,773**
Additions *	**1,652,422**	**-**	**-**	**1,652,422**
Amortisation	**-**	**-**	**(593,260)**	**(593,260)**
Foreign exchange movements	**-**	**950**	**-**	**950**
Balance at 30 June 2021	**59,514,726**	**305,465**	**11,537,694**	**71,357,885**
Year ended 30 June 2020				
Balance at 1 July 2018	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

* Additions of exploration and evaluation phase during the year included the amortisation of water rights of $593,260 (2020: $593,261) which was capitalised during the year.

18. Development Costs

	2021 $	2020 $
Balance at 1 July	**8,205,625**	7,804,124
Additions	**231,730**	374,957
Foreign exchange movements	**(115,665)**	26,544
Balance at 30 June	**8,321,690**	8,205,625

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

	2021 **$**	2020 $
Balance at 1 July	**2,983,286**	3,090,641
Amortisation	**(78,226)**	(81,915)
Foreign exchange movements	**7,783**	(25,440)
Balance at 30 June	**2,912,843**	2,983,286

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, further details of this land sale receivable are set out in note 11.1. The remaining 17% of the land, representing 214,802m^2 is shown as Right-of-Use Asset.

In addition to the land referred to above, the Group also owns a nearby piece of land measuring approximately 18,302m^2 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 2021, right-of-use assets with carrying value of $1,572,748 (2020: $2,199,235) are pledged as security over short- term loans (note 22).

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20. Trade and Other Payables

	Note	2021 $	2020 $
Unsecured liabilities			
Trade payables		**2,579,057**	3,493,930
Note payables		**2,732,227**	2,299,386
Deposits received in advance		**24,330**	13,375
Other payables	20(a)	**4,961,739**	7,318,762
		10,297,353	13,125,453

(a) Other payables

Included in other payables was a balance of $2,589,363 (2020: $2,893,737) in aggregate due to 2 related companies as detailed in note 29.6.

21. Contract Liabilities

	Note	2021 $	2020 $
Contract liabilities arising from:			
Advance deposit for future provision of goods	21(a)	**2,105,940**	5,106,984
		2,105,940	5,106,984

(a) Sale of goods

Included in contract liabilities at 30 June 2021 is the balance of an initial deposit of RMB20 million (approximately equivalent to $4.1 million) which was received during the 2018 financial year. This deposit was 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 deliver 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.

21. Contract Liabilities (continued)

(a) Sale of goods (continued)

Delivery of the mineral sands has fallen behind the schedule as a result of the deferral of commencement of operations of the Senegal project, details of which are set in the various announcements made by the Group since 2018. The Group has been in continuous dialogue with Wensheng since deliveries have fallen behind schedule, and has made partial repayments of the deposit from time to time. Nonetheless Wensheng had threatened to take legal action and pursue damages against the Group for not complying with its contractual obligations. These threats came to a head in December 2020 when Wensheng took legal action against the Group in The First Intermediate People's Court of Hainan Province at a court hearing held on 18 December 2020. However, through a court mediation process, a settlement was reached with Wensheng on 18 May 2021. Under the conciliation agreement, the total amount due to Wensheng, including interest and other legal costs was agreed at approximately RMB 8,443,000 (the ‘Final Balance’). The agreed settlement amount was less than the amount accrued by the Group (being balance deposit due and penalty interest accrued at 24%), giving rise to a reversal of accrued offtake interest expense of $1,199,551 which has been recognized in “Other income” (note 5) in the current year. Since the conciliation agreement and up till 30 June 2021, the Group has settled RMB5,986,000 of the Final Balance, leaving a residual amount due to Wensheng of $732,290 at 30 June 2021 (2020: $3,908,307). Management expect to settle this balance before the end of the next financial year.

The remaining contract liabilities as at 30 June 2021 of $1,373,650 (2020: $1,198,677) represent amount received by the Group in advance in relation to the sale of mineral products, and is expected to be recognised as revenue in the next 12 months.

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22. Borrowings

	Note	2021 $	2020 $
Current			
Other short-term borrowings	22(a)	**1,301,871**	1,709,329
Bank borrowings	22(b)	**3,715,112**	3,106,874
Advances from directors	22(c)	**8,196,272**	6,101,468
		13,213,255	10,917,671

(a) Other short-term borrowings

Other loans are Chinese subsidiary loans amounting to $1,093,894 (2020: $1,090,492) is denominated in RMB and is interest bearing at 10% p.a and secured by certain right-of-use assets in China amounting to $1,572,748 (2020: $1,609,727) (note 19). The remaining amount is unsecured and interest free. The loans are repayable on or before 31 December 2021.

(b) Bank borrowings

The bank loans are Chinese subsidiary loans denominated in RMB, interest bearing between 4.50% to 5.50% p.a. and repayable on or before 30 June 2022 (2020: 5.00% to 7.50%).

Those loans are pledged with property, plant and equipment amounting to $3,919,730 (2020: $3,957,471) (note 16) and certain right-of-use assets amounted of $589,508 in 2020 (note 19) of the Group, and the personal guarantee from its director of $1,651,161 (2020: $1,440,273).

The loan agreements have been entered into by Astron's operating subsidiary and the parent company does not provide any parent company guarantees over the borrowings.

(c) Advances from directors

At 30 June 2021, executive directors, Mdm Kang Rong and Mr. Tiger Brown had advanced the Group $7,196,272 (2020: $5,851,468) and $1,000,000 (2020: $250,000) respectively for working capital. The loans are provided interest free and repayable on demand.

23. Provisions

	Note	2021 $	2020 $
Current			
Employee entitlements		**108,826**	116,901
Non-current			
Relocation provision	(a)	**767,997**	792,508

(a) Provision for Relocation

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

24. Deferred Tax

24.1 Liabilities

	2021 **$**	2020 $
Current tax liability	-	-
Deferred tax liability arises from the following:		
- Capitalised expenditure	**10,002,165**	8,341,000
- Tax loss	**-**	(532,899)
- Unrealised inventory	**(1,065,029)**	(1,834,755)
- Provisions and other timing differences	**(28,295)**	(32,148)
	8,908,841	5,941,198

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.

	2021 **$**	2020 $
Tax losses:		
- Revenue losses (China)	**1,998,411**	1,167,983
- Revenue losses (Australia)	**790,807**	-
- Capital losses	**12,694,612**	13,538,262

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25. Issued Capital

	2021 $	2020 $
122,479,784 (2020: 122,479,784) Fully Paid Ordinary Shares	**76,549,865**	76,549,865

25.1 Reconciliation of ordinary shares (number)

	2021	2020
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.

	2021 $	**2020** $
Borrowings	**13,213,255**	10,917,671
Total equity	**92,474,241**	93,725,284
Net debt to equity ratio	**14.29%**	11.65%

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.

25. Issued Capital (continued)

25.4 Share based payments

The Company operates the Employee Share Option Plan ("the ESOP") for the purpose of providing incentives or rewards to the Eligible Participant there under for their contribution to the Group and/or to enable the Group to recruit and retain high-calible employees and attract human resources that are valuable to the Group. The ESOP is to extend to directors, employees, contractors or prospective participants who meet that criteria on appointment ("Eligible Participant") (or "the Eligible Associate of such person") of the Company or an associated body corporate of the Company as the Board may in its discretion determine.

The maximum aggregate number of the share of the ESOP and the Performance Rights Plan shall not at any time exceed 5% of the Company's total issued shares (being up to 6,123,988 securities). The exercise price of an Option is to be determined by the Board at its sole discretion.

The exercise period commences on the Option Commencement Date and ends on the earlier of:
(a) the expiration of such period nominated by the Board at its sole discretion at the time of the grant of the Option but being not less than two years;
(b) an associated body corporate ceases because of an Uncontrollable Event, the earlier of:
  (1) the expiry of the Option Period; or
  (2) six months (or such other period as the Board shall, in its absolute discretion, determine) from the date on which the Eligible Participant ceased that employment or engagement;
(c) an associated body corporate ceases because of a Controllable Event:
  (1) the expiry of the Option Period; or
  (2) six months (or such other period as the Board shall, in its absolute discretion, determine) from the date on which the Eligible Participant ceased that employment or engagement;
(d) the Eligible Participant ceasing to be employed or engaged by the Company or an associated body corporate of the Company due to fraud, dishonesty or being in material breach of their obligations to the Company or an associated body corporate.

During the year non-executive Director Dr. Mark Elliott was granted 800,000 options, which were subject to shareholder approval received subsequent to year end. The Company estimated the grant date fair value with reference to the fair value as at the reporting date (i.e. 30 June 2021) for the purpose of recognising the services received from Dr. Mark Elliott during the year, The movements of the share options granted under the ESOP during the current and prior years are as follows:

	2021	
	Number of options	Weighted average exercise price $
Outstanding at 1 July	-	-
Granted	800,000	0.3375
Outstanding at 30 June	800,000	0.3375
Exercisable at 30 June	800,000	0.3375

No share options were exercised during the year ended 30 June 2021.

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25. Issued Capital (continued)

25.4 Share based payments (continued)

The fair value of the options granted was using Black Scholes Option Pricing Model that takes into account the following inputs:

Number of options	800,000
Share Price at year end	$0.58
Exercise Price	$0.3375
Valuation Date	30 June 2021
Expiration date	30 June 2024
Life of the Options	3 years
Expected volatility[1]	79.30%
Risk Free Rate	1.52%

[1] Expected volatility, determined based on a statistical analysis of daily share prices over one year, and early exercise behavior and expected life of share options, determined based on the market research data and historical data respectively, may not necessarily be the actual outcome.

As at 30 June 2021, there were no further key executives that had any rights to acquire shares in terms of a share-based payment scheme for employee remuneration.

The fair value of the share options granted in 2021 was $299,943 (note 6.1) which had been recognised as employee share option expense with the corresponding balance credited to the share based payment reserve in 2021. No liabilities were recognised as these were all equity-settled share-based payment transactions.

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 2021 is $13,311,431 (2020: $13,344,047).

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 2021 is $1,213,047, of which $299,943 was recognised during year ended 30 June 2021 and $913,104 was recognised during the year ended 30 June 2017. The options granted to a director of the Company during the current year are detailed in note 25.4.

27. Holding Company Statement of Financial Position

	Note	2021 $	2020 $
ASSETS			
Current assets			
Cash and cash equivalents		**-**	2,250
Amounts due from a subsidiary		**9,039,544**	-
Total current assets		**9,039,544**	2,250
Non-current assets			
Investment in subsidiary		**76,549,866**	76,549,866
Total non-current assets		**76,549,866**	76,549,866
TOTAL ASSETS		**85,589,410**	76,552,116
LIABILITIES			
Current liabilities			
Accruals and other payables		**143,606**	139,423
Amount due to a subsidiary		**-**	714,443
Total current liabilities		**143,606**	853,866
TOTAL LIABILITIES		**143,606**	853,866
NET ASSETS		**85,445,804**	75,698,250
EQUITY			
Issued capital	25	**76,549,865**	76,549,865
Share based payment reserve		**299,943**	-
Foreign currency translation reserve		**(52,315)**	(64,505)
Retained earnings		**8,648,311**	(787,110)
TOTAL EQUITY		**85,445,804**	75,698,250

Mr. Tiger Brown

Mr. Gerard King

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28. Dividends

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

	2021 $	2020 $
Franking account balance:		
Franking credits available for the subsequent financial years based on a tax rate of 26.0% (2020: 27.5%)	**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:

	2021 $	2020 $
Short term employee benefits:		
- Salaries and fees	**713,483**	768,520
- Share based payment expenses	**299,943**	-
- Non-cash benefits	**9,923**	9,672
Total short-term employee benefits	**1,023,349**	778,192
Post-employment benefits		
- Superannuation	**23,315**	20,531
Total post-employment benefits	**23,315**	20,531
Total Key Management Personnel remuneration	**1,046,664**	798,723

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:

	2021 $	2020 $
Short term employee benefits		
Salaries and fees (note)	**397,258**	474,167
Share-based payment expenses	**299,943**	-
Post-employment benefits	**2,590**	-
Total directors' emoluments	**699,791**	474,167

Note:
The amount includes management fees of $250,000 payable to Juhua International Limited of which the beneficial owner is Mdm Kang Rong in both 2021 and 2020.

In 2020, the amount included management fees of $104,167 that the Company understood was payable to Firback Finance Ltd, of which Mr Alex Brown (Deceased) had a relevant interest and was a former director of the Company.

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 Pty 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

As at 30 June 2021, executive Directors, Mdm Kang Rong and Mr Tiger Brown had advanced the Group $7,196,272 (2020: $5,851,468) and $1,000,000 (2020: $250,000) respectively for working capital. The loans are provided interest free and repayable on demand. At 30 June 2021, no repayments have been made against these loans.

As at 30 June 2021 there are unpaid Directors and management fees payable to Directors' related entities as follows:

- Mdm Kang Rong, Juhua International Limited of $1,693,732 (2020: $1,443,732) (note 20(a));
- # Mr Alex Brown (Deceased), Firback Finance Limited of Nil (2020: $1,450,005) (note 20(a)).

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29. Related Party Transactions (continued)

29.6 Related party loans (continued)

\# Since at least 1 July 2014, the Company had entered into an unwritten informal agreement with Firback Finance Ltd ("Firback") under which the services of Mr. Alex Brown, the former President, Managing Director and major shareholder of the Company until his death on 30 November 2019, was supplied to the Company (the "Firback Contract"). Under the terms of the Firback Contract, an accumulated amount of $1,450,005 was outstanding and due to Firback. Firback has since been wound up and no longer exists. It was further noted that prior to being wound up, Firback had not made any demand for payment of the balance outstanding, nor given notice of assignment of the outstanding amount to the Company so the Company considers the Firback contract is at an end. This amount has accordingly been transferred to capital reserve, as set out in the Consolidated Statement of Changes in Equity on page 50.

As at 30 June 2021 there are other payable to Directors' related entities as follows:

- Mdm Kang Rong, Shenyang Wanshan Hangtankeji Limited Company of $895,631 (2020: Nil) (note 20(a)).

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.

30. Commitments

30.1 Operating lease commitments

Non-cancellable operating leases contracted for but not capitalised in the financial statements as at 2020 was $8,290. There is no non-cancellable operating leases contracted for but not capitalised in 2021.

30.2 Capital expenditure commitments

	2021 **$**	2020 $
Capital expenditure commitments contracted for:		
- Chinese capital projects	**134,532**	237,665
- Senegal	**747,272**	747,272
- DMS	**55,000**	55,000
	936,804	1,039,937

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 2021.

30. Commitments (continued)

30.4 Guarantees between subsidiaries

Astron Pty 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. As at 30 June 2021, the net book value of this land is $2,912,843 (2020: $2,983,286).

Minimum expenditure on exploration and mining licenses

To maintain the Exploration and Mining License's at Donald, the Group is required to spend $1,401,800 (2020: $1,201,800) on exploration and development expenditure over the next year. 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.

31. Cash Flow Information

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

	2021 **$**	2020 $
Loss before income tax expense	**(406,794)**	(6,204,703)
Non-cash flows in loss from ordinary activities		
Depreciation and amortisation	**1,582,344**	1,641,625
Reversal of provision for impairment on receivables	**(27,359)**	(469,657)
Fair value loss on financial assets at fair value through profit or loss	**5,290**	5,044
Reversal of costs associated with Gambian litigation	**(42,599)**	-
Share based payment expenses	**299,943**	-
Reversal of interest expenses for offtake agreement	**(1,199,551)**	-
Gain on disposal of property, plant and equipment	**(215,294)**	-
(Increase)/Decrease in trade and other receivables	**(3,376,241)**	848,020
Decease/(Increase) in inventories	**7,144,044**	(2,581,503)
(Decrease)/Increase in trade and other payables and provisions	**(1,596,192)**	4,612,142
Effects on foreign exchange rate movement	**485,688**	796,727
	2,653,279	(1,352,305)

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Notes to the Consolidated Financial Statements

For The Year Ended 30 June 2021

31. Cash Flow Information (continued)

31.2 Reconciliation of cash

	Note	2021 $	2020 $
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**	**4,571**	41,798
Cash at bank	**10**	**2,565,867**	513,706
		2,570,438	555,504

31.3 Loan facilities

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

	2021 $	2020 $
Available loan facilities	**3,715,112**	4,526,572
Utilised loan facilities (note 22(b))	**(3,715,112)**	(3,106,874)
Unused loan facilities	**-**	1,419,698

As at 30 June 2021 and 2020, its loan facilities were secured by assets held by its China subsidiary.

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 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 and 1 July 2020	10,917,671	3,908,307
Changes from cash flows:		
Partial settlement of offtake agreement	**-**	**(1,328,688)**
Repayment of borrowings	**(1,370,000)**	-
Proceeds from bank borrowings	**3,632,861**	-
Loan expense paid	**(170,177)**	-
Total changes from financing cash flows:	**2,092,684**	**(1,328,688)**
Interest expense	**170,177**	-
Settlement by deliver of products	**-**	**(1,941,765)**
Exchange adjustments	**32,723**	**94,436**
At 30 June 2021	**13,213,255**	**732,290**

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Notes to the Consolidated Financial Statements

For The Year Ended 30 June 2021

31. Cash Flow Information (continued)

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 include $412,790 (2020: Nil) of cash restricted by bank as security for certain note payables and letter of credit.

32. Employee Benefit Obligations

As at 30 June 2021 and 2020, 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. Events After The Reporting Period

Subsequent to the year end, the Group obtained shareholders' approval on 19 July 2021 at an Extraordinary General Meeting to demerge its downstream processing assets in China from its ownership of upstream assets (centered on the Donald mineral sands project in Victoria and Niafrang mineral sands project in Senegal). Under the demerger proposal, shareholders would proportionately receive shares in an unlisted Hong Kong entity, which would wholly-own the downstream processing assets in China.

On 10 September 2021, a legal action related to the demerger proposal was brought against the Company in the High Court of the Hong Kong Special Administrative Region. The Court granted an interim injunction to restrain the Company from completing the demerger until the proceedings are finalised.

After careful consideration of all the facts and circumstances, including the distraction of management time, legal costs, the uncertainty and delay arising from these proceedings, the best interests of shareholders and, in particular, a commitment to progressing the Donald mineral sands project to a commercialization stage, the Board of the Company decided not to proceed with the demerger. The Board intends to formally rescind the resolution approving the demerger at the next Annual General Meeting. Further details of this decision are set out in the Company's announcement dated 21 October 2021.

No other matters or circumstances have arisen since the end of the financial year which significantly affect 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 polices 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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Notes to the Consolidated Financial Statements

For The Year Ended 30 June 2021

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 Baa3 credit rating. As set out in note 10.2, the other half 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 12% (2020: 14%) of the Group's trade debtors is from 7 (2020: 5) 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 $1,087,535 (2020: $1,495,660) 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 11.1.

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:

	2021 **$**	2020 $
Cash & cash equivalents	**2,570,438**	555,504
Term deposits with maturity over 90 days	**46,112**	46,112
Trade and other receivables	**5,207,480**	4,590,830
Total	**7,824,030**	5,192,446

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 2021 and 2020:

	2021 **$**	2020 $
Gross carrying amount	**38,758**	38,637
Lifetime expected credit loss	**(38,758)**	(38,637)
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 2021:

	Expected loss rate **%**	**Gross carrying amount** **$**	**Loss allowance** **$**
Current (not past due)	0.00%	**2,605,934**	**-**
		2,605,934	**-**

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	-

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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Notes to the Consolidated Financial Statements

For The Year Ended 30 June 2021

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 2021, the Group had cash of $2,570,438 (2020: $555,504).

Maturity analysis

	Note	Carrying Amount $	Contractual Cash flows $	< 6 months $	> 6 months $
Year ended 30 June 2021					
Non-derivatives					
Trade and note payables	20	**5,311,284**	**5,311,284**	**5,311,284**	**-**
Other payables	20	**4,961,739**	**4,961,739**	**4,961,739**	**-**
Borrowings	22	**8,404,249**	**8,404,249**	**8,404,249**	**-**
Total non-interest bearing liabilities		**18,677,272**	**18,677,272**	**18,677,272**	**-**
Borrowings	22	**4,809,006**	**4,809,006**	**1,093,894**	**3,715,112**
Total interest bearing liabilities		**4,809,006**	**4,809,006**	**1,093,894**	**3,715,112**
Total liabilities		**23,486,278**	**23,486,278**	**19,771,166**	**3,715,112**
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

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 2021 and 2020, 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.

	2021 **$**	2020 $
Financial assets at fair value through profit or loss		
ASX Listed equity shares - Level 1	**15,032**	20,322
	15,032	20,322

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 2021, the maximum exposure of price risk to the Group was the financial assets at fair value through profit or loss for $15,032 (2020: $20,322). 100% of the Group’s holding is in the mining or energy sector.

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

	2021 **$**	2020 $
Carrying amount of listed equity shares on ASX	**15,032**	20,322
	15,032	20,322

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Notes to the Consolidated Financial Statements

For The Year Ended 30 June 2021

34. Financial Risk Management (continued)

34.5 Price risk (continued)

Sensitivity Analysis

	2021 $		2020 $	
	Increase/(Decrease) in share price		Increase/(Decrease) in share price	
	+10%	**-10%**	+10%	-10%
Listed equity shares on ASX				
Profit before tax – increase/(decrease)	**1,503**	**(1,503)**	2,032	(2,032)

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 Baa3 credit rating while the other half is held with an unrated bank in PRC.

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	
	2021	2020	**2021**	2020	**2021**	2020	**2021**	2020	**2021**	2020
	%	%	**$**	$	**$**	$	**$**	$	**$**	$
Financial Assets:										
Cash and cash equivalents	**0.90%**	0.90%	**2,565,867**	513,706	**-**	-	**4,571**	41,798	**2,570,438**	555,504
Term deposits greater than 90 days	**0.90%**	0.90%	**-**	-	**46,112**	46,112	-	-	**46,112**	46,112
Trade and other receivables	**-**	-	**-**	-	**-**	-	**5,207,480**	4,590,830	**5,207,480**	4,590,830
Financial assets at fair value through profit or loss	**-**	-	**-**	-	**-**	-	**15,032**	20,322	**15,032**	20,322
Total Financial Assets			**2,565,867**	513,706	**46,112**	46,112	**5,227,083**	4,652,950	**7,839,062**	5,212,768
Financial Liabilities:										
Trade and other payables	**-**	-	**-**	-	**-**	-	**10,273,023**	13,112,078	**10,273,023**	13,112,078
Borrowings	**2.32%**	2.91%	**-**	-	**4,809,006**	4,197,366	**8,404,249**	6,720,305	**13,213,255**	10,917,671
Total Financial Liabilities	**2.32%**	2.91%	**-**	-	**4,809,006**	4,197,366	**18,677,272**	19,832,383	**23,486,278**	24,029,749

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Notes to the Financial Statements

For The Year Ended 30 June 2021

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)	
	2021 $	2020 $	**2021 $**	2020 $
Cash at bank	**25,659**	5,137	**(25,659)**	(5,137)
Term deposits greater than 90-days	**461**	461	**(461)**	(461)
Borrowings	**(48,090)**	(41,974)	**48,090**	41,974
	(21,970)	(36,376)	**21,970**	36,376
Tax charge of 26% (2020: 27.5%)	**5,712**	10,003	**(5,712)**	(10,003)
Total	**(16,258)**	(26,373)	**16,258**	26,373

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.

Astron Corporation Limited

Declaration by Directors

For The Year Ended 30 June 2021

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 2021 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:

Tiger Brown

Director

Mr Gerard King

Director

3 November 2021

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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 46 to 112, which comprise the consolidated statement of financial position as at 30 June 2021, 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 2021, 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 2021, the Group had a deficit of current assets over current liabilities of $6,290,069 and the Group incurred a loss of $2,968,375 during the year ended 30 June 2021. 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 2021, 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 HKFRS 6.

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 HKFRS 6;
- 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 2021, the Group had a outstanding land use right receivable of $1,087,535 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 2021;
- obtaining confirmation directly from the debtor of the amount due to the Group at 30 June 2021.

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 HKSAs 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 HKSAs, 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.

BDO

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

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

Hong Kong, 3 November 2021

Astron Corporation Limited

Investor Information

Investor Information

2021/2021 Financial Calendar (on or before)

Release of quarterly report	31 October 2021
2021 Annual general meeting	30 November 2021
Release of quarterly report	30 January 2022
Release of half year report	27 February 2022
Release of quarterly report	30 April 2022

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 28 September 2021.

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	125	57,030	0.05
1,001 - 5,000	119	337,867	0.28
5,001 - 10,000	39	300,887	0.25
10,001 - 100,000	110	3,769,391	3.08
100,001 - 9,999,999,999	35	118,011,602	96.34
Total	**428**	**122,476,777**	**100.00**

Non CDI holders		
1-1,000	5	307
1,001-5,000	1	2,700
Total	**6**	**3,007**

Unmarketable Parcels

	Minimum parcel size	**Holders**	Units
Minimum $ 500.00 parcel at $0.41 per unit	1,220	137	70,796

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	1,271,314	1.04
6.	HSBC Custody Nominees (Australia) Limited	1,047,470	0.86
7.	Mr Darrell Vaughan Manton + Mrs Veronica Josephine Manton <The Manton Family No 2 A/C>	933,364	0.76
8.	Mr Milton Yannis	762,018	0.62
9.	Mr Adrian Robert Nijman + Mrs Jenny Ann Nijman	700,000	0.57
10.	Mr Robert Brydon Rudd	566,088	0.46
11.	Capel Court Corporation Pty Limited <PEJ Murray Super Fund A/C>	512,000	0.42
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.	DFC Management Pty Ltd <Carmichael Super Fund A/C>	300,000	0.24
16.	Dosmiv Pty Ltd	290,800	0.24
17.	Pharraway Pty Ltd	252,638	0.21
18.	CSAM Operations Pty Ltd	228,363	0.19
19.	Mr Mark Francis Lorenz	218,810	0.18
20.	Mr Malcolm Campbell	204,400	0.17
Totals: Top 20 holders of CDI		**115,847,539**	**94.59**
Total Remaining Holders Balance		6,629,238	5.41
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.

(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
Senegal	09042/MIM/TMG	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	2021	2020	2019	2018	2017	2016	2015	2014	2013
Share price* ($)	0.58	0.17	0.20	0.20	0.16	0.17	0.15	0.32	0.71
EPS (c)	(2.42)	(5.14)	(1.56)	(3.81)	(2.12)	(3.60)	6.52	(6.19)	(4.46)
Price earnings Ratio	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Interest Cover	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Nos of Shares on issue (m)*	122.5	122.5	122.5	122.5	122.5	122.5	122.5	122.5	122.5
Profit and Loss ($m)									
Sales and other revenue	18.2	8.8	8.2	5.4	2.6	1.1	13.9	5.1	13.0
Costs	(16.8)	(11.7)	(8.4)	(8.5)	(6.0)	(5.4)	(8.3)	(10.9)	(17.8)
EBITDA	1.4	(2.9)	(0.2)	(3.1)	(3.4)	(4.3)	5.6	(5.8)	(4.8)
Depreciation & Amortisation	(1.6)	(1.6)	(0.8)	(0.7)	(0.6)	(0.7)	(0.7)	(0.5)	(0.6)
EBITDA	(0.2)	(4.5)	(1.0)	(3.8)	(4.0)	(5.0)	4.9	(6.3)	(5.4)
Borrowing Costs	(0.2)	(1.7)	(1.3)	(0.1)	-	-	-	-	(0.1)
NPBT	(0.4)	(6.2)	(2.3)	(3.9)	(4.0)	(5.0)	4.9	(6.3)	(5.5)
Income tax expenses	(2.6)	(0.1)	0.4	(0.8)	1.4	0.6	3.1	(1.3)	(0.0)
NPAT	(3.0)	(6.3)	(1.9)	(4.7)	(2.6)	(4.4)	8.0	(7.6)	(5.5)
Balance Sheet ($m)									
Cash & Term deposits	2.6	0.6	1.7	3.3	1.4	5.2	5.9	10.1	108.1
Receivables	14.0	11.1	9.8	8.4	6.1	14.1	17.4	1.6	5.0
Inventories	2.8	9.9	7.3	1.4	1.9	0.7	0.8	0.4	2.2
Other financial Assets	-	-	-	-	0.2	0.5	0.9	1.2	1.0
Current Tax Assets	-	-	-	-	-	0.5	1.2	0.6	0.3
Assets classified as available for sale	-	-	-	-	-	-	-	6.7	-
Total Current Assets	19.4	21.6	18.8	13.1	9.6	21.0	26.2	20.6	116.6
Property, Plant & Equipment	25.9	26.6	26.2	22.6	20.0	21.0	22.4	20.9	21.1
Receivables	-	-	2.1	3.4	6.4	-	3.9	-	-
Intangible assets	71.4	70.3	69.4	68.0	73.6	69.1	64.9	61.2	56.2
Development costs	8.3	8.2	7.8	6.6					
Land use rights	2.9	3.0	3.1	3.1	3.0	3.3	3.5	2.9	10.0
Deferred Tax Assets	-	-	-	-	-	-	0.0	0.0	-
Total Non-Current Assets	108.5	108.1	108.6	103.7	103.0	93.4	94.7	85.0	87.3
TOTAL ASSETS	127.9	129.7	127.4	116.8	112.6	114.4	120.9	105.6	203.9

Astron Corporation Limited

Investor Information - continued

Payables	10.4	13.3	9.6	11.7	5.4	3.6	2.3	2.5	1.9
Contract liabilities	2.1	5.1	4.4	-	-	-	-	-	-
Borrowings	13.2	10.9	7.1	0.1	0.1	-	1.0	-	0.3
Tax Liabilities	-	-	-	-	-	-	-	-	-
Total Current Liabilities	25.7	29.3	21.1	11.8	5.5	3.6	3.3	2.5	2.2
Deferred Tax	8.9	5.9	5.2	5.2	4.4	5.1	5.2	6.3	5.0
Long term provisions	0.8	0.8	0.8	-	-	-	-	-	-
Total Non-Current Liabilities	9.7	6.7	6.0	5.2	4.4	5.1	5.2	6.3	5.0
Total liabilities	35.4	36.0	27.1	17.0	9.9	8.7	8.5	8.8	7.3
NET ASSETS	92.5	93.7	100.3	99.8	102.7	105.7	112.4	96.8	196.6
Cash Flows ($m)									
Operating Activities	2.7	(1.4)	(6.9)	(3.3)	(3.2)	(2.5)	(3.7)	(0.8)	(3.3)

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

ORE RESERVES AND MINERAL RESOURCES STATEMENT

The following provides an overview of the JORC 2012 compliant Ore Reserve and Mineral Resources for the Donald Minerals Sands Project. The full Ore Reserves and Mineral Resources statement should be consulted, along with the Competent Person's statement. On the basis of current known JORC 2012 compliant Ore Reserve and Mineral Resource estimates, a 25 year mine plan has been developed, but with the potential for mining to exceed 40 years.

Ore Reserves

The Ore Reserve Statement is reported in accordance with the guidelines of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, 2012 Edition and ASX Listing Rules (JORC Code (2012). The Statement includes a revised Ore Reserves estimate of the Donald project that complies with the requirements of the JORC Code (2012).

Table 1.1 Donald Mineral Sands Ore Reserve for RL 2002 at February 2021

Classification	Tonnes (mt)	Slimes (%)	Oversize (%)	HM (%)	Ilmenite (%HM)	Leucoxene (%HM)	Rutile (%HM)	Zircon (%HM)	Monazite (%HM)
Within ML5532									
Proved	170	14	12	5.3	31	22	7.1	19	1.9
Probable	24	13	12	4.9	33	21	6.7	20	2.0
Total	194	14	12	5.3	32	22	7.0	19	1.9
Within RL2002 Outside of ML5532									
Proved	140	19	7	5.6	31	18	9.6	21	1.8
Probable	268	16	14	4.0	32	19	7.5	17	1.6
Total	408	17	12	4.5	32	19	8.4	19	1.7
Total within RL2002									
Proved	310	16	10	5.4	31	20	8.2	20	1.8
Probable	292	16	14	4.1	32	20	7.4	17	1.6
Total	602	16	12	4.8	32	20	7.9	19	1.7

Notes

1. *The ore tonnes have been rounded to the nearest 1Mt and grades have been rounded to two significant figures.*
2. *The Ore Reserve is based on indicated and Measured Mineral Resource contained with mine designs above an economic cut-off. The economic cut-off is definited as the value of the products less the cost of processing.*
3. *Mining recovery and dilution have been applied to the figures above.*

Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, 2012 Edition, sets out Minimum standards, recommendations and guidelines for public reporting in Australasia of Exploration Results, Mineral Resources and Ore Reserves authored by the Joint Ore Reserves Committee of The Australian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia.

Mineral Resources (HM)

Table 2 Mineral Resource at a 1% Cut-off

Classification	Tonnes (mt)	HM (%)	Slimes (%)	Oversize (%)
Within ML5532				
Measured	372	4.5	14.4	12.8
Indicated	75	4.0	13.8	13.1
Inferred	7	3.5	13.5	10.6
Subtotal	454	4.4	14.2	12.8
With RL2002 Outside of ML5532				
Measured	343	3.9	19.8	8.1
Indicated	833	3.3	16.2	13.5
Inferred	1,595	3.3	15.7	6.0
Subtotal	2,771	3.4	16.4	8.5
Total within Donald Deposit (RL2002)				
Measured	715	4.2	17.0	10.6
Indicated	907	3.4	16.0	13.4
Inferred	1,603	3.4	15.7	6.0
Subtotal	3,225	3.6	16.1	9.1
Total within Jackson Deposit (RL2003)				
Measured	0	0.0	0.0	0.0
Indicated	1,903	2.8	19.0	5.8
Inferred	584	2.9	16.7	3.3
Subtotal	2,497	2.9	18.5	5.2
Total Donald Project				
Measured	715	4.3	18.1	11.1
Indicated	2,811	3.0	17.9	8.2
Inferred	2,187	3.3	16.4	5.5
Total	5,712	3.2	16.9	7.3

Note

1. *The total tonnes may not equal the sum of the individual resources due to rounding.*
2. *The cut-off grade is 1% HM.*
3. *The figures are rounded to the nearest: 10M for tonnes, one decimal for HM, Slimes and Oversize.*

ORE RESERVES AND MINERAL RESOURCES STATEMENT

Mineral Resources (HM)

Table 3 Mineral Resource where VHM Data is Available at a Cut-off of 1% HM

Classification	Tonnes (mt)	Slimes (%)	Oversize (%)	HM (%)	Ilmenite (%HM)	Leucoxene (%HM)	Rutile (%HM)	Zircon (%HM)	Monazite (%HM)
Within ML5532									
Measured	264	14.2	12.2	5.4	31	22	7	19	2
Indicated	49	13.6	12.1	4.9	33	22	7	20	2
Inferred	5	13.5	10.2	4.2	36	20	7	22	3
Total	317	14.1	12.1	5.3	32	22	7	19	2
Within RL2002 Outside of ML5532									
Measured	185	19.1	7.3	5.5	31	19	9	21	2
Indicated	454	15.9	13.2	4.2	33	19	7	17	2
Inferred	647	15.2	5.8	4.9	33	17	9	18	2
Total	1,286	16.0	8.6	4.8	33	18	8	18	2
Total within Donald Deposit (RL2002)									
Measured	448	16.2	10.2	5.4	31	21	8	20	2
Indicated	503	15.7	13.1	4.3	33	20	7	18	2
Inferred	652	15.2	5.8	4.9	33	17	8	18	2
Total	1,604	15.6	9.3	4.9	32	19	8	18	2
Total within Jackson Deposit (RL2003)									
Measured									
Indicated	668	18.1	5.4	4.9	32	17	9	18	2
Inferred	155	15.1	3.1	4.0	32	15	9	21	2
Total	823	17.6	5.0	4.8	32	17	9	19	2
Total Donald Project									
Measured	448	16.2	10.2	5.4	31	21	8	20	2
Indicated	1,171	17.1	8.7	4.6	32	18	8	18	2
Inferred	807	15.2	5.3	4.7	33	17	9	19	2
Total	2,427	16.3	7.0	4.8	32	18	8	19	2

Note

1. *The total tonnes may not equal the sum of the individual resources due to rounding.*
2. *The cut-off grade is 1% HM.*
3. *The figures are rounded to the nearest: 1mt for tonnes, one decimal for HM, Slimes and Oversize and whole numbers for zircon, ilmenite, rutile + anatase, leucoxene and monazite.*
4. *Zircon, ilmenite, rutile + anatase, leucoxene and monazite percentages are report as a percentage of the HM.*
5. *Rutile + anatase, leucoxene and monazite resource has been estimated using fewer samples than the other valuable heavy minerals. The accuracy and confidence in their estimate is therefore lower.*
6. *For further details including JORC Code, 2012 Edition – Table 1 and cross sectional data, see previous announcements dated 7 April 2016, available at ASX's website at www.asx.com.au/asxpdf/20160407/pdf/436cjyqcg3cf47.pdf*

Competent Persons Statement

The information in this report that relates to Exploration Results and Mineral Resources for the Donald Project is based on information compiled by Mr Rod Webster, a Competent Person who is a Member of the Australasian Institute of Mining and Metallurgy and Australian Institute of Geoscientists.
Mr Webster is a full-time employee of AMC Consultants Pty Ltd and is independent of DMS, the owner of the Donald Project Mineral Resources. Mr Webster has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. There have been no changes to Donald Project's Mineral Resource estimate during the 2021 financial year. Mr Webster consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this document that relates to the estimation of the Ore Reserves is based on information compiled by Mr Pier Federici, a Competent Person who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Federici is a full-time employee of AMC Consultants Pty Ltd and is independent of Astron. Mr Federici has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. The Ore Reserves Statement was updated during the 2021 financial year to comply with the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.

The Company confirms that the form and context in which the Competent Persons' findings are presented have not modified from the relevant original market announcement on 18 February 2021. Mr. Federici consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this document that relates to the metallurgical performance and outcomes of test work is based on information compiled by Mr Ross McClelland, a Competent Person who is a Member of the Australasian Institute of Mining and Metallurgy. Mr McClelland is the principal metallurgist and director of Metmac Services Pty Ltd. Mr McClelland has been involved with the metallurgical development of the Wimmera style mineral sands resources for more than 30 years. He has provided metallurgical consultation services to DMS for more than 7 years. He qualifies as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. The Company confirms that the form and context in which the Competent Persons' findings are presented have not been prematurely modified from the relevant original market announcement.

Astron Corporation Limited

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Mr Tiger Brown (Managing Director)
Mdm Kang Rong (Executive Director)
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Mr George Lloyd

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ASTRON

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