

Astron Corporation Limited

Company Number: 1687414

ARBN 154 924 553

Half Year Report **ended 31 December 2014**

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- Consolidated Financial Statements

CORPORATE DIRECTORY

Astron Corporation Limited: Company Number: 1687414

Directors

Mr Gerard King (Chairman, Non executive Director)
Mr Alexander Brown (Managing Director)
Mr Robert Flew (Non executive Director)
Mdm Kang Rong (Executive Director)

Company Secretary and Registered Office

McCabe Secretarial Service Limited
16th Floor, Wing-On-Centre, 111 Connaught Road Central, Hong Kong

Australian Corporate Offices

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Telephone: 61 3 5385 7088

China Business Office

c/ Yingkou Astron Mineral Resources Co Ltd
Level 18, Building B, Fortune Plaza
53 Beizhan Road, Shenhe District, Shenyang
Liaoning Province, China 110016
Telephone: 86 24 3128 6222
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Bankers

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

Share Registrar

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

Computershare Hong Kong Investor Services Limited

Hopewell Centre, 46th Floor
183 Queen's Road East
Wan Chai, Hong Kong

Auditors

Grant Thornton Audit Pty Ltd
Level 17, 383 Kent Street
Sydney NSW 2000, Australia

Grant Thornton Jingdu Tianhua
20th Floor Sunning Plaza
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Internet Address

www.astronlimited.com

Astron Corporation Limited – Half Year Report

Appendix 4D

HALF YEAR INFORMATION GIVEN TO THE ASX UNDER LISTING RULE 4.2A

Name of entity

ASTRON CORPORATION LIMITED

Company Number

1687414

Reporting period

Half Year ended 31 December 2014

Previous corresponding period

Half Year ended 31 December 2013

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

1. RESULTS FOR ANNOUNCEMENT TO THE MARKET

Total revenue from operations	Down	61.3%	to	\$1,135,876
Revenue from trading operations	Down	12.7%	to	\$829,461
Net loss before tax attributable to members	Down	By \$382,996	to	\$2,128,232
Net asset value per share	Down	48.3%	to	\$0.82

2. REVIEW OF OPERATIONS

A review of operations is included in the Directors' Report.

3. DETAILS OF CONTROLLED ENTITIES

During the period the Group did not gain or lose control of any entities.

4. DETAILS OF ASSOCIATES AND JOINT VENTURE ENTITIES

The group has no associates or joint venture entities.

5. DIVIDENDS

No dividend was paid or proposed for the period to 31 December 2014 or the comparative period.

6. REVIEW DISPUTES OR QUALIFICATIONS

There are no review disputes or qualifications.

7. ACCOUNTING STANDARDS

International Financial Reporting Standards have been used in complying the information contained in Appendix 4D.

Astron Corporation Limited and its Subsidiaries

Company Number: 1687414

Consolidated Financial Statements

For the Half Year Ended 31 December 2014

Astron Corporation Limited and its Subsidiaries

Company Number: 1687414

Consolidated Financial Statements

For the Period Ended 31 December 2014

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Astron Corporation Limited and its Subsidiaries

Company Number: 1687414

Directors' Report

31 December 2014

Your directors present their report on the consolidated entity consisting of Astron Corporation Limited and its subsidiaries (the Group) at the end of, or during, the half-year ended 31 December 2014.

1. DIRECTORS

The directors in office at any time during, or since the end of, the period are:

Mr Gerard King

Mr Alexander Brown

Mr Robert Flew

Mr Ronald McCullough (Resigned: 16 October 2014)

Mdm Kang Rong

2. BUSINESS REVIEW

Overview

Astron Corporation Limited (Company) is the Group's holding company. The Company indirectly controls two wholly owned Australian operating subsidiaries, Astron Limited and Donald Mineral Sands Pty Limited (DMS) and two operating Chinese subsidiaries, Yingkou Mineral Resources Company Limited (Resources) and Astron Titanium Yingkou Company Limited (Titanium). DMS holds the Donald Mineral Sands mining project (Donald).

Review of financials

Statement of Profit or Loss and Other Comprehensive Income

Total revenue decreased by 61.3% to \$1,135,876. The decrease in revenue is primarily attributable to a decrease in interest received during the period due to the 75 cents per share return of capital in May 2014.

Trading revenue for the period decreased by 12.7% to \$829,461 while the gross profit improved to a gross loss of \$11,083 (\$402,599 gross loss in 2013). The trading results reflect the general market in trading activities in China.

Non trading related operating expenses were relatively consistent between the periods, however it is anticipated that ongoing cost reductions will have a greater impact in the second half results. While general overheads have decreased non capitalised development costs have increased in particular with respect to the commencement of activities in the USA. Overall there has been a decrease in number of employees (where redundancy costs have impacted the results), changes in research and development costs in China and reversal of provisions for impairment in receivables and inventories.

Income tax expense comprises a movement in the deferred tax liability and the receipt of \$1,148,989 for a research & development refund. The increase in deferred tax provided corresponds with the increase in Donald's capitalised development expenditure.

Statement of Financial Position

Cash

Cash and term deposits decreased by \$2,918,524 from 30 June 2014 to the end of the current period. The largest individual items of spend were the expenditure incurred in connection with the development of Donald, Niafarang projects, USA project development and the construction of infrastructure at our Yingkou site in China.

Astron Corporation Limited and its Subsidiaries

Company Number: 1687414

Directors' Report

31 December 2014

Current assets

Inventory increased by \$994,184 to \$1,443,964 primarily as a result of initial shipments of materials from the USA, reversal in writedowns in realisable value and ongoing trade operations.

The increase in intangible assets from 30 June 2014 arises from Donald and Niafarang (Senegal) project development expenditure capitalised in terms of AASB6.

The increase in the foreign currency translation reserve arises from mainly the impact of depreciation of the Australian Dollar relevant to the Hong Kong Dollar and Yuan on the translation of the foreign operations.

The net asset value per share has decreased by 48.3% to \$0.82. This movement can mainly be attributed to the 75 cent per share return of capital in May 2014.

Review of operations

The development of the Donald and Niafarang projects continued during the period under review. The following milestones were achieved:

Donald Project

Feasibility study

- Work continued on the feasibility study, including further work on more accurately defining operating and capital expenditure. Costings continue to be refined.

Exploration/Work Plan

- Exploration and delineation drilling is currently ongoing together with further metallurgical work. This is anticipated to be completed in April 2015.

Funding

- The Company continues to explore funding options for the Donald project. As at the date of this report, no binding agreements have been reached. As announced on 14 April 2014 Donald Mineral Sands Pty Ltd has entered into a framework agreement with the China Machinery Engineering Corporation, which sets out the parties' intentions and the process for agreeing on an EPC contract for supply and installation of equipment for the MUP/WCP for the Donald Mineral Sands project and assistance with funding the Project.

Niafarang project Senegal

- Work continued towards obtaining the mining licence. Astron anticipates that the ongoing negotiations will result in the rewarding of a mining licence in the second half of 2015. Assuming this is the case Astron will endeavour to commence mine development with an expectation production will commence by the end of the calendar year.

Astron Corporation Limited and its Subsidiaries

Company Number: 1687414

Directors' Report

31 December 2014

Going forward

In respect to the Donald Project, the group will continue to refine the definitive feasibility study and together with its financial advisers work towards fund raising activities. In China, work will continue on the research and development programme. Astron is also working to finalise the mining licence in Senegal and commence production.

The forward funding of Astron projects is dependent on a number of factors. The short term needs of the company to meet its ongoing administration costs and committed project expenditure are forecast to be covered by the existing resources on hand for at least the next 12 months. There are several sources of additional funds available to the Group if necessary.

With respect to the projects the Group is working through funding options. These include land assets for sale in China and the likely award of recompense from the court proceedings relating to the Gambian project which have been found in our favour. The timing of these sources of funds are not able to be precisely predicted.

With regard to funding for the Senegal project, discussions are advanced to realise a joint venture and a letter of credit arrangement. The timing of the need and source of the funding is dependent on the issue of the mining lease which is now expected toward the end of the financial year.

Funding for the Donald project is advancing with Chinese sources, with the framework agreement having been signed. There will be a need for additional funding over and above this, which will be pursued when the timing of the Chinese funding becomes clearer. Options include a mixture of equity and debt funding.

3. AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration for the half year ended 31 December 2014 has been received and can be found on page 4 of the half-year financial statements.

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

Chairman:



Mr Gerard King

Dated this 26th day of February 2015

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Sydney NSW 2000

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**Auditor's Independence Declaration
To The Directors of Astron Corporation Limited**

As lead auditor for the review of Astron Corporation Limited for the half-year ended 31 December 2014, I declare that, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional & Ethical Standards Board.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



L M Worsley
Partner - Audit & Assurance

Sydney, 26 February 2015

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Astron Corporation Limited and its Subsidiaries

Company Number: 1687414

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Half Year Ended 31 December 2014

		Half-Year Ended 31 December 2014 \$	Half-Year Ended 31 December 2013 \$
	Note		
Sales revenue		829,461	950,505
Cost of sales		(840,544)	(1,353,104)
Gross (loss)/profit		(11,083)	(402,599)
Interest income		111,290	1,929,154
Other revenue		195,126	55,954
Distribution expenses		(42,006)	(45,201)
Marketing expenses		(14,422)	(31,772)
Occupancy expenses		(132,774)	(110,290)
Administrative expenses		(2,635,551)	(3,400,740)
Write up/(down) of stock		407,838	(479,085)
Write up/(down) of receivable		575,357	-
Costs associated with Gambian litigation		(106,636)	-
Costs associated with USA project development		(448,786)	-
Other expenses		(26,585)	(26,649)
(Loss) /profit before income tax expense		(2,128,232)	(2,511,228)
Income tax benefit/(expense)		1,729,687	(267,555)
Net (loss)/ profit for the half year	2	(398,545)	(2,778,783)
Other comprehensive (loss)/profit			
Foreign currency translation differences		4,189,558	1,280,421
Increase/ (decrease) in fair value of available-for-sale financial assets		415,986	280,215
Other comprehensive (loss) / income for the half year, net of tax		4,605,544	1,560,636
Total comprehensive profit / (loss) for the half year		4,206,999	(1,218,147)
(Loss) / profit for the half year attributable to:			
Owners of Astron Corporation Limited		(398,545)	(2,778,783)
Total comprehensive profit / (loss) for the half year attributable to:			
Owners of Astron Corporation Limited		4,206,999	(1,218,147)

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

Astron Corporation Limited and its Subsidiaries

Company Number: 1687414

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Half Year Ended 31 December 2014

		Half-Year Ended	Half-Year Ended
		31 December	31 December
	Note	2014	2013

For (loss)/ profit for the half year

Basic (loss)/ earnings per share (cents per share)	10	(0.33)	(2.27)
Diluted (loss)/ earnings per share (cents per share)	10	(0.33)	(2.27)

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

Astron Corporation Limited and its Subsidiaries

Company Number: 1687414

Consolidated Statement of Financial Position

As at 31 December 2014

	Note	As at 31 December 2014 \$	As at 30 June 2014 \$
ASSETS			
Current assets			
Cash and cash equivalents		1,891,761	2,905,195
Term deposits greater than 90-days		5,315,182	7,220,272
Trade and other receivables		961,161	1,569,997
Inventories	11	1,443,964	449,780
Available-for-sale financial assets		1,622,234	1,206,249
Current tax assets		255,307	558,154
		11,489,609	13,909,647
Assets classified as held for sale		7,795,235	6,738,679
Total current assets		19,284,844	20,648,326
Non current assets			
Property, plant and equipment	13	23,080,470	20,850,447
Intangible assets	12	63,167,133	61,182,133
Land use rights		3,320,452	2,903,760
Total non current assets		89,568,055	84,936,340
TOTAL ASSETS		108,852,899	105,584,666
LIABILITIES			
Current liabilities			
Trade and other payables		2,071,230	2,429,298
Provisions		18,546	18,546
Total current liabilities		2,089,776	2,447,844
Non current liabilities			
Deferred Tax liabilities		5,728,832	6,309,530
Long-term provisions		40,000	40,000
Total non current liabilities		5,768,832	6,349,530
TOTAL LIABILITIES		7,858,608	8,797,374
NET ASSETS		100,994,291	96,787,292
EQUITY			
Contributed equity	6	1,605,048	1,605,048
Reserves		10,311,566	5,706,022
Retained earnings		89,077,677	89,476,222
TOTAL EQUITY		100,994,291	96,787,292

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

Astron Corporation Limited and its Subsidiaries

Company Number: 1687414

Consolidated Statement of Changes in Equity

As at 31 December 2014

	Contributed Equity	Retained Earnings	Share- Based Payment Reserve	Financial Assets Available-For Sale-Reserve	Foreign Currency Translation Reserve	Total Equity
	\$	\$	\$	\$	\$	\$
Period Ended 31 December 2014						
Equity as at 1 July 2014	1,605,048	89,476,222	-	505,599	5,200,423	96,787,292
Loss for the half year	-	(398,545)	-	-	-	(398,545)
<i>Other comprehensive income/(loss)</i>						
- Increase/ (decrease) in fair value of available-for-sale financial assets	-	-	-	415,986	-	415,986
- Exchange differences on translation of foreign operations	-	-	-	-	4,189,558	4,189,558
Total comprehensive profit for the half year	-	(398,545)	-	415,986	4,189,558	4,206,999
Increase in share-based payments reserve	-	-	-	-	-	-
Transactions with owners in their capacity as owners	-	-	-	-	-	-
Equity as at 31 December 2014	1,605,048	89,077,677	-	921,585	9,389,981	100,994,291

	Contributed Equity	Retained Earnings	Share- Based Payment Reserve	Financial Assets Available-For Sale-Reserve	Foreign Currency Translation Reserve	Total Equity
	\$	\$	\$	\$	\$	\$
Period Ended 31 December 2013						
Equity as at 1 July 2013	30,061,919	160,462,596	-	263,185	5,865,314	196,653,014
Loss for the half year	-	(2,778,783)	-	-	-	(2,778,783)
<i>Other comprehensive income/(loss)</i>						
- Increase/ (decrease) in fair value of available-for-sale financial assets	-	-	-	280,215	-	280,215
- Exchange differences on translation of foreign operations	-	-	-	-	1,280,421	1,280,421
Total comprehensive profit for the half year	-	(2,778,783)	-	280,215	1,280,421	(1,218,147)
Increase in share-based payments reserve	-	-	-	-	-	-
Transactions with owners in their capacity as owners	-	-	-	-	-	-
Equity as at 31 December 2013	30,061,919	157,683,813	-	543,400	7,145,735	195,434,867

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

Astron Corporation Limited and its Subsidiaries

Company Number: 1687414

Consolidated Statement of Cash Flows

For the Half Year Ended 31 December 2014

	Half-Year Ended 31 December 2014	Half-Year Ended 31 December 2013
	\$	\$
Cash flows from operating activities:		
Receipts from customers	1,435,707	1,694,476
Payments to suppliers and employees	(4,016,620)	(3,613,112)
Interest received	374,488	1,684,099
Interest paid	(13,328)	(26,632)
Income taxes received/(paid)	1,451,836	(140,728)
Other Income/ (expenses)	-	55,682
Net cash (outflow)/inflow from operating activities	(767,917)	(346,215)
Cash flows from investing activities		
Decrease/(Increase) of short term deposits	1,905,091	(34,212,216)
Acquisition of property, plant and equipment	(28,586)	(26,826)
Acquisition of software rights	-	-
Acquisition of land use rights	-	-
Exploration, evaluation expenditure and development costs	(2,209,344)	(3,142,880)
Net cash outflow from investing activities	(332,839)	(37,381,922)
Cash flows from financing activities:		
Proceeds/(repayment) of borrowings	-	(301,909)
Net cash inflow/(outflow) from financing activities	-	(301,909)
Net decrease in cash held	(1,100,756)	(38,030,046)
Cash and cash equivalents at beginning of the year	2,905,194	45,790,618
Net foreign exchange differences	87,326	16,272
Cash and cash equivalents at end of the half year	1,810,764	7,776,844

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

Astron Corporation Limited and its Subsidiaries

Company Number: 1687414

Notes to the Consolidated Financial Statements

For the Period Ended 31 December 2014

1 Statement of significant accounting policies

The interim consolidated financial statements of Astron Corporation Limited are for the six months ended 31 December 2014 and relate to the consolidated entity consisting of Astron Corporation Limited and its subsidiaries (the Group). These financial statements are presented in Australian dollars (\$), which is the functional currency of the Group. These general purpose interim financial statements have been prepared in accordance with IAS 34 "Interim Financial Reporting".

These half-year financial statements do not include all the notes of the type normally included in annual financial statements and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial statements. Accordingly, these half-year financial statements are to be read in conjunction with the annual financial statements for the year ended 30 June 2014 and any public announcements made by Astron Corporation Limited during the half-year reporting period in accordance with the continuous disclosure requirements arising under the Australian Securities Exchange Listing Rules.

The historical cost basis has been used, except for available for sale financial assets which have been measured at fair value.

The same accounting policies and methods of computation have been followed in these half-year financial statements as compared with the most recent annual financial statements.

There are no differences between the Astron Corporation Limited's and Astron Limited's accounting policies under AAS and IFRS. All accounting policies have been consistently applied from the prior period.

Significant accounting policies

The interim financial statements have been prepared in accordance with the accounting policies adopted in the Group's last annual financial statements for the year ended 30 June 2014.

Standards and Interpretations adopted in the current year:

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board that are relevant to their operations and are effective for the current financial reporting period, being the half year ended 31 December 2014. In adopting these new and revised pronouncements, the Group has determined that there has been no material impact to the Group's reported position or performance.

Standards and Interpretations in issue not yet adopted:

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective and have not been adopted by the Group for the half year ending 31 December 2014. The Group does not believe these standards will have a material impact on the financial statements in the period in which they were adopted.

Forward Funding

The short term needs of the company to meet its ongoing administration costs and committed project expenditure are forecast to be covered by the existing resources on hand for at least the next 12 months, however, the Group will require additional funding to execute its long term plans. The Group anticipates a significant uplift in Chinese trading in the near term and there are several sources of additional funds available to the Group if necessary.

With respect to the projects, the Group is working through funding options. These include land assets for sale in China and the likely award of recompense from the court proceedings relating to the Gambian project which have been found in our favour. The timing of these sources of funds are not able to be precisely predicted.

With regard to funding for the Senegal project, discussions are advanced to realise a joint venture and a letter of credit arrangement. The timing of the need and source of the funding is dependent on the issue of the mining lease which is now expected toward the end of the financial year.

Funding for the Donald project is advancing with Chinese sources, with the framework agreement having been signed. There will be a need for additional funding over and above this, which will be pursued when the timing of the Chinese funding becomes clearer. Options available to the Group include a mixture of equity and debt funding and the directors believe that such funding will be forthcoming.

Astron Corporation Limited and its Subsidiaries

Company Number: 1687414

Notes to the Consolidated Financial Statements

For the Period Ended 31 December 2014

2 Profit for the half year

	31 December	31 December
	2014	2013
The following significant revenue and expense items are relevant to explaining the financial performance	\$	\$
Interest revenue	111,290	1,929,154
Foreign exchange gain/ (loss)	6,013	23,374
Costs associated with Gambian Investments	(106,636)	(39,136)
Interest paid	(26,632)	(26,632)
Bad debt provisions reversed	575,357	-
Inventory provision gain/(loss)	407,838	(479,085)
USA development costs	(448,786)	-
Research and development expenditure	(215,897)	(333,768)

3 Dividends

Dividends paid for during the half year:

	31 December	31 December
	2014	2013
	\$	\$
Final unfranked dividend of NIL (2013: NIL) per share	-	-

4 Seasonality and irregular trends

No seasonal or irregular trends were noted during the review period.

5 Contingent liabilities and assets

Land use rights

In 2008, Titanium acquired a 50 year land use right from the Chinese government. As at 31 December 2014 the net book value of this land is \$9,329,518 (30 June 2014: \$8,080,796). However, about 83% (\$7,795,235) of this has been reclassified as Assets Classified as held for sale in view of its potential sale, which is proposed to be completed by 31 December 2015.

The intention for the land use right held by Resources is currently being evaluated. As at 31 December 2014 the net book value of the land is \$1,786,169 (30 June 2014: \$1,561,642).

The Directors believe that no significant loss, if any, will be incurred by the Group in relation to the above land use rights.

Minimum expenditure on Exploration and Mining Licenses

To maintain the Exploration and Mining Licenses the Group is required to spend \$2,279,140 on exploration over the next year (2014: \$1,272,439). The minimum expenditure amount per annum will normally increase over the life of an exploration licence.

Litigation

Astron continues to work towards a legal settlement with the Gambia Government, where the International Court has ruled in favour of Astron. The court is being briefed to make a determination as to the financial compensation which Astron would anticipate will be followed by settlement.

Astron Corporation Limited and its Subsidiaries

Company Number: 1687414

Notes to the Consolidated Financial Statements

For the Period Ended 31 December 2014

6 Issued share capital

	31 December	30 June
	2014	2014
	\$	\$
122,479,784 (30 June 2014: 122,479,784) Fully Paid Ordinary Shares @ 0.1 HK \$	1,605,048	1,605,048
Total	1,605,048	1,605,048

	31 December	30 June
	2014	2014
	No.	No.
At the beginning of reporting period	122,479,784	122,479,784
At reporting date	122,479,784	122,479,784

7 Subsequent events

Astron holds 5,575,864 ordinary shares in Altona Mining Ltd ('AOH') whom subsequent to year end announced a 12 cent per share return of capital plus a 3 cent dividend. Astron anticipates receiving \$836,340 in March 2015.

8 Subsidiaries

During the current or the prior half year periods the Group did not acquire or dispose of any subsidiary companies.

9 Segment Information

(a) Description of Segments

The Group has adopted IFRS 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 (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:

- Astron Corporate: Group treasury and head office activities
- Senegal: Development of Niafarang mine
- Donald Mineral Sands: Development of the Donald Mineral Sands Mine
- Titanium: Development of mineral processing plant and mineral trading
- Mineral Resources: Mineral trading and construction of the mineral separation plant

Astron Corporation Limited and its Subsidiaries

Company Number: 1687414

Notes to the Consolidated Financial Statements

For the Period Ended 31 December 2014

9 Segment information (cont'd)

(b) Segment information

Information provided to the managing Director/President

31 December	Donald Mineral Sands		Titanium		Mineral Resources		Senegal		Other		Consolidated	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revenue from external customers												
Sales	-	-	164,349	151	665,112	950,354	-	-	-	-	829,461	950,505
Interest revenue	701	234	37	165	-	315	-	-	110,552	1,928,440	111,290	1,929,154
Rent/Other income	12,448	10,249	82,091	-	100,587	22,846	-	-	-	22,859	195,126	10,249
Total revenue	13,149	10,483	246,477	316	765,699	973,515	-	-	110,552	1,951,299	1,135,877	2,935,613
Segment result												
Segment (loss)/profit	13,563	10,483	(44,264)	(684,009)	(86,028)	(1,835,158)	-	-	(2,011,502)	(2,544)	(2,128,231)	(2,511,228)
Net (loss)/ profit for the period									-	-	(2,128,231)	(2,511,228)
Impairment losses	-	-	-	-	-	-	-	-	-	19,363	-	19,363
Acquisition of PPE, Intangibles assets and other non-current segment assets	1,820,576	5,310,807	39,744	328,422	14,767	210,474	207,477	1,388,995	155,366	-	2,237,930	7,238,698
Depreciation and amortisation	359,172	1,921,916	26,865	146,988	163,074	270,494	13,935	13,935	60,739	124,308	623,785	2,477,641

Astron Corporation Limited and its Subsidiaries

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Notes to the Consolidated Financial Statements

For the Period Ended 31 December 2014

9 Segment information (cont'd)

b) Segment information (cont'd)

2014	Donald Mineral Sands		Titanium		Mineral Resources		Senegal		Other		Consolidated	
	31 Dec	30 Jun	31 Dec	30 Jun	31 Dec	30 Jun	31 Dec	30 Jun	31 Dec	30 Jun	31 Dec	30 Jun
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Assets												
Segment assets	64,480,612	63,103,716	19,777,354	16,503,857	11,626,328	10,437,497	3,754,735	3,453,681	9,213,867	12,085,915	108,852,896	105,584,666
Total segment assets	64,480,612	63,103,716	19,777,354	16,503,857	11,626,328	10,437,497	3,754,735	3,453,681	9,213,867	12,085,915	108,852,896	105,584,666
Liabilities												
Segment liabilities	9,044,226	7,156,181	157,308	61,583	679,760	521,527	34,666	9,910	(2,057,352)	1,048,173	7,858,608	8,797,374
Total segment liabilities	9,044,226	7,156,181	157,308	61,583	679,760	521,527	34,666	9,910	(2,057,352)	1,048,173	7,858,608	8,797,374

Astron Corporation Limited and its Subsidiaries

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Notes to the Consolidated Financial Statements

For the Period Ended 31 December 2014

10 Earnings Per Share

(a) Reconciliation of earnings used in the calculation of earnings per share to loss/(profit):

	Consolidated	
	31 December 2014	31 December 2013
	\$	\$
(Loss)/profit attributable to owners	(398,545)	(2,778,783)
(Loss)/earnings used to calculate basic EPS	(398,545)	(2,778,783)
(Loss)/earnings used in calculation of dilutive EPS	(398,545)	(2,778,783)

(b) Weighted average number of ordinary shares (diluted):

	Consolidated	
	31 December 2014	31 December 2013
	No.	No.
Weighted average number of ordinary shares outstanding during the year		
- used in calculating basic EPS	122,479,784	122,479,784

(c) Dilutive shares

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

11 Inventories

	Consolidated	
	31 December 2014	30 June 2014
	\$	\$
Raw materials	1,039,432	341,504
Finished goods – at cost	-	-
Finished goods – at net realisable value	254,681	108,216
Total finished goods	254,681	108,216
Goods in transit	149,851	60
Total	1,443,964	449,780

There is a provision for realisable value of \$1,138,986 at period end (\$1,370,110 as at 30 June 2014).

Astron Corporation Limited and its Subsidiaries

Company Number: 1687414

Notes to the Consolidated Financial Statements

For the Period Ended 31 December 2014

12 Intangible Assets

		Consolidated 31 December 2014 \$	30 June 2014 \$
	Note		
Development costs			
Cost	12(b)	11,751,740	11,168,022
Accumulated impairment loss	12(b)	(7,701,400)	(7,553,253)
Net carrying value	12(d)	4,050,340	3,614,769
Exploration expenditure capitalized			
Exploration and evaluation phases	12(a)(c)	43,209,399	41,241,546
Net carrying value		43,209,399	41,241,546
Water rights			
Net carrying value	12(a)(d)	15,769,139	16,128,311
Computer software			
Net carrying value	12(a)	138,255	197,507
Total Intangibles	12(e)	63,167,133	61,182,133

(a) Intangible assets

Movements during the half year ended 31 December 2014 in intangible assets represent additions only. Amortisation has been brought to account where applicable. For capital expenditure commitments refer to note 5.

(b) Development costs and impairment losses

The development costs of \$11,751,739 (FY 2014: \$11,168,022) and the accumulated impairment of \$7,701,400 (FY 2014: \$7,553,253) as at 31 December 2014 relates to the following:

1. TiO2 project cost of \$7,275,278 (FY 2014: \$7,127,132) was fully impaired in 2009. The current year movement represents the movement in foreign exchange.
2. The Senegal project of \$4,193,720 (FY 2014: \$3,785,352) represents development costs incurred in Senegal. This was netted off by an impairment of \$438,984 (FY 2014: \$426,121) which was carried forward from prior years and shifted due to the movement in foreign exchange. That costs incurred in the prior years were fully impaired due to doubt as to whether the project will continue at that time. The current year additions represented the resumption of activities following the grant of the exploration license in June 2011.
3. The remaining balance of \$295,604 (FY 2014: \$255,538) relates to capitalised testing and design fees and shifted due to the movement in foreign exchange.

(c) Exploration and evaluation expenditure

This expenditure relates to the Group's investment in the Donald Mineral Sands Project. As at 31 December 2014 the Group has complied with the conditions of the granting of RL 2002 and RL 2003 (formerly EL4432, EL4433), EL5255, EL5263, EL5186, EL5261, EL5262, EL 5353 (currently pending Government approval as RL 2006), EL5354, EL5472 and ML5532. As such the Directors believe that the tenements are in good standing with the Department of Primary Industries in Victoria, who administers the Mineral Resources Development Act 1990.

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.

Astron Corporation Limited and its Subsidiaries

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Notes to the Consolidated Financial Statements

For the Period Ended 31 December 2014

12 Intangible Assets (cont'd)

(d) Movement in net carrying value

	Exploration and Evaluation Phase \$	Consolidated Development costs \$	Water Rights \$	Software \$	Total \$
Half-Year ended 31 December 2014					
Opening balance	41,241,546	3,614,769	16,128,311	197,507	61,182,133
Additions	1,967,854	377,812	-	-	2,345,666
Amortisation	-	-	(359,172)	(59,252)	(418,424)
Foreign exchange movements	-	57,758	-	-	57,758
Balance at 31 December 2014	43,209,400	4,050,339	15,769,139	138,255	63,167,133
Year ended 30 June 2014					
Opening balance	35,942,139	2,030,369	17,958,613	316,011	56,247,132
Additions	5,299,407	1,590,378	-	-	1,590,378
Amortisation	-	-	(1,830,302)	(118,504)	(1,948,806)
Foreign exchange movements	-	(5,978)	-	-	(5,978)
Balance at 30 June 2014	41,241,546	3,614,769	16,128,311	197,507	61,182,133

(e) Finite lives

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

Astron Corporation Limited and its Subsidiaries

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Notes to the Consolidated Financial Statements

For the Period Ended 31 December 2014

13 Property, Plant & Equipment

	Note	Consolidated 31 December 2014 \$	30 June 2014 \$
Land & Buildings			
Land at cost		5,254,000	5,254,000
Total land	13(a)	5,254,000	5,254,000
Leasehold buildings		10,622,679	2,314,893
Accumulated impairment loss		(450,578)	(369,613)
Net carrying value	13(a)	10,172,101	3,614,769
Plant and equipment and works in progress			
Capital works in progress		9,366,607	14,942,658
Less accumulated impairment loss		(2,333,675)	(2,017,372)
Total capital works in progress	13(a)	7,032,932	12,925,286
Plant and equipment		2,503,190	2,348,432
Less accumulated depreciation		(1,881,753)	(1,622,551)
Total plant and equipment	13(a)	621,437	725,881
Total property, plant and equipment		23,080,470	20,850,447

(a) Movement in net carrying value

	Capital works in progress \$	Consolidated Land \$	Buildings \$	Plant and Equipment \$	Total \$
Half-Year ended 31 December 2014					
Opening balance	12,925,286	5,254,000	1,945,280	725,882	20,850,448
Additions	25,925	-	-	14,767	40,692
Depreciation	-	-	(21,048)	(76,765)	(97,813)
Transfers	(7,944,834)	-	7,944,834	-	-
Disposals	-	-	-	(14,192)	(14,192)
Foreign exchange movements	2,026,555	-	303,035	(28,255)	2,301,333
Balance at 31 December 2014	7,032,932	5,254,000	10,172,101	621,436	23,080,470
Year ended 30 June 2014					
Opening balance	12,864,593	5,248,417	2,031,508	947,364	21,091,882
Additions	354,761	5,583	-	189,952	550,296
Depreciation	-	-	(40,886)	(341,437)	(382,323)
Foreign exchange movements	(294,068)	-	(45,342)	(69,997)	(409,407)
Balance at 30 June 2014	12,925,286	5,254,000	1,945,280	725,882	20,850,448

Astron Corporation Limited

Company Number: 1687414

Declaration by Directors

The directors of the Company declare that:

1. The consolidated financial statements, comprising the consolidated statement of comprehensive income, consolidated statement of financial position, consolidated statement of cash flows, consolidated statement of changes in equity, accompanying notes, as set out on pages 5 to 18,
 - (a) comply with Accounting Standard IAS 34 *Interim Financial Reporting*; and
 - (b) give a true and fair view of the financial position of the consolidated entity as at 31 December 2014 and of its performance for the half 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:

Chairman

A handwritten signature in black ink, appearing to read 'Gerard King', is written over a light blue horizontal line.

Mr Gerard King

Dated 26th February 2015

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Independent Auditor's Review Report To the Members of Astron Corporation Limited

We have reviewed the accompanying half-year financial report of Astron Corporation Limited ("Company"), which comprises the consolidated financial statements being the statement of financial position as at 31 December 2014, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a statement or description of accounting policies, other explanatory information and the directors' declaration of the consolidated entity, comprising both the Company and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' responsibility for the half-year financial report

The directors of Astron Corporation Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IASB) and other authoritative pronouncements of the IASB and for such controls as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the consolidated half-year financial report based on our review. We conducted our review in accordance with the Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with International Financial Reporting Standards and other authoritative pronouncements of the IASB including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and its performance for the

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half-year ended on that date; and complying with Accounting Standard IAS 34 Interim Financial Reporting. As the auditor of Astron Corporation Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Financial Reporting Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we complied with the independence requirements of the Accounting Professional and Ethical Standards Board.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Astron Corporation Limited is not:

- a giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the half-year ended on that date; and
- b complying with Accounting Standard IAS 34 Interim Financial Reporting, International Financial Reporting Standards and other authoritative pronouncements of the IASB.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



L M Worsley
Partner - Audit & Assurance

Sydney, 26 February 2015