

Astron Corporation Limited

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

Half Year Report **ended 31 December 2015**

Contents

- Corporate Directory
- Appendix 4D
- Consolidated Financial Statements

Astron Corporation Limited – Half Year Report

CORPORATE DIRECTORY

Astron Corporation Limited: Incorporated in Hong Kong, Company Number: 1687414

Directors

Mr Gerard King (Chairman, Non executive Director)

Mr Alexander Brown (Managing 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

73 Main Street, Minyip, VIC 3392

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

Fax: 86 24 3128 6222

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 Australia Limited

Level 17, 383 Kent Street

Sydney NSW 2000, Australia

Grant Thornton Jingdu Tianhua

20th Floor Sunning Plaza

10 Hysan Avenue Causeway Bay, Hong Kong

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 2015

Previous corresponding period

Half Year ended 31 December 2015

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	49.8%	to	\$569,657
Revenue from trading operations	Down	72.9%	to	\$224,522
Net loss before tax attributable to members	Up	By \$129,959	to	\$2,258,191
Net asset value per share	Up	8.5%	to	\$0.89

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 2015 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

Incorporated in Hong Kong, Company Number: 1687414

Consolidated Financial Statements

For the Half Year Ended 31 December 2015

Astron Corporation Limited and its Subsidiaries

Company Number: 1687414

Consolidated Financial Statements

For the Period Ended 31 December 2015

CONTENTS	Page
Directors' Report	1
Auditor's Independence Declaration	4
Consolidated Statement of Profit or Loss and Other Comprehensive Income	5
Consolidated Statement of Financial Position	7
Consolidated Statement of Changes in Equity	8
Consolidated Statement of Cash Flows	9
Notes to the Consolidated Financial Statements	10
Declaration by Directors	20
Independent Auditor's Review Report	21

Astron Corporation Limited and its Subsidiaries

Company Number: 1687414

Directors' Report

31 December 2015

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 2015.

1. DIRECTORS

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

Mr Gerard King

Mr Alexander Brown

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 49.8% to \$599,657. The decrease in revenue is primarily attributable to a decrease in mineral sand sales during the period.

Trading revenue for the period decreased by 49.8% to \$224,522 while the gross profit improved to a gross profit of \$9,400 (Gross loss of \$11,083 in 2014). The trading results reflect the general market in trading activities in China.

Non trading related operating expenses reflected the ongoing overhead rationalisation. While general overheads have decreased non capitalised development costs have increased in particular with respect to the commencement of activities in the USA. The 2014 results reflected the write up in value of inventory and receivables of \$983,195.

Income tax expense comprises a movement in the deferred tax liability. There is an expected tax refund due in the second half for research & development undertaken in 2015. 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 increased by \$286,865 from 30 June 2015 to the end of the current period. The largest individual items of spend were the expenditure incurred in connection with the Donald and Niafarang projects. These costs together with other overheads were offset by the receipt of receivables of \$4,222,081 due from the sale of land in China.

Current assets

Inventory decreased by \$167,989 to \$629,309 due to write downs in realisable value and ongoing trade operations.

The increase in intangible assets from 30 June 2015 arises from Donald and Niafarang (Senegal) project development expenditure capitalised in terms of IAS6.

Astron Corporation Limited and its Subsidiaries

Company Number: 1687414

Directors' Report

31 December 2015

The decrease in the foreign currency translation reserve arises from mainly the impact of appreciation 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 increased by 8.5% to \$0.89. This movement can mainly be attributed to the capitalisation of expenditure in relation to the Donald and Niafarang projects.

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

- Additional drilling and sampling had been undertaken on the Donald and Jackson mineral sands deposits.
- Work continues to finish the mineralogy and assaying, expected to be completed by end of the first quarter 2016.

Funding

- The Company has now entered into an EPC (engineering, procurement and construction contract) with CMEC for the Astron Donald Mineral Sands titanium and zirconium mineral project ("Project"). The EPC contract sets out the process for supply and installation of equipment for the MUP/WCP for the Project and assistance with funding the Project. CMEC is the EPC contractor responsible for equipment procurement and funding the first phase of the Project.
- Various site visits and other meetings have continued with CMEC, including delegations from China during the period in review.
- Work continues towards satisfaction of conditions precedent, including arranging suitable insurance as required by CMEC.
- Other funding opportunities, including for the purpose of satisfying the conditions precedent in the EPC contract, continue to be explored.

Niafarang project Senegal

- Work continued towards obtaining the mining licence. This work includes working on the memorandum of understanding with the local community in the Niafarang area and the Casamance province government.
- After this is complete, the public enquiry is a key component of the environment will aspect, and work continues on this.
- Astron is hopeful that the ongoing negotiations will result in the rewarding of a mining licence in the first half of 2016. Assuming this is the case, Astron will endeavour to immediately move to the mine development phase of the project, dependent on funding constraints.

Astron Corporation Limited and its Subsidiaries

Company Number: 1687414

Directors' Report

31 December 2015

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 position for Astron 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 the forthcoming fiscal year. There are several sources of additional funds being pursued or in the course of being worked through. These include receipt of proceeds from the sale of land and buildings in China (refer Note 6) and the likely award of recompense from the court proceedings relating to the Gambian project which have been found in our favour (however note The Gambia has lodged an application for annulment of the decision, which is being timetabled for hearing). The timing of these sources of funds are not able to be precisely predicted, but represent near term realisable assets.

As part of operational and funding reviews, Astron is considering any potential to deal with its water rights, including potential environmental flow opportunities or opportunities to trade in part of those rights. No formal agreement has been obtained at this point in time.

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 licence.

Funding for the Donald project is covered by the EPC contract with CMEC, subject to satisfaction of the conditions precedent to that contract (which the parties are working towards satisfying).

There will 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 2015 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 29th day of February 2016


Level 17, 383 Kent Street
Sydney NSW 2000

Correspondence to:
Locked Bag Q800
QVB Post Office
Sydney NSW 1230

T +61 2 8297 2400
F +61 2 9299 4445
E info.nsw@au.gt.com
W www.grantthornton.com.au

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

As lead auditor for the audit of Astron Corporation Limited for the half-year ended 31 December 2015, 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, 29 February 2016

Grant Thornton Audit Pty Ltd ACN 130 913 594
a subsidiary or related entity of Grant Thornton Australia Ltd ABN 41 127 556 389

'Grant Thornton' refers to the brand under which the Grant Thornton member firms provide assurance, tax and advisory services to their clients and/or refers to one or more member firms, as the context requires. Grant Thornton Australia Ltd is a member firm of Grant Thornton International Ltd (GTIL). GTIL and the member firms are not a worldwide partnership. GTIL and each member firm is a separate legal entity. Services are delivered by the member firms. GTIL does not provide services to clients. GTIL and its member firms are not agents of, and do not obligate one another and are not liable for one another's acts or omissions. In the Australian context only, the use of the term 'Grant Thornton' may refer to Grant Thornton Australia Limited ABN 41 127 556 389 and its Australian subsidiaries and related entities. GTIL is not an Australian related entity to Grant Thornton Australia Limited.

Liability limited by a scheme approved under Professional Standards Legislation. Liability is limited in those States where a current scheme applies.

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 2015

		Half-Year Ended 31 December 2015 \$	Half-Year Ended 31 December 2014 \$
	Note		
Sales revenue		224,522	829,461
Cost of sales		(215,122)	(840,544)
Gross (loss)/profit		9,400	(11,083)
Interest income		41,463	111,290
Other revenue		303,672	195,126
Distribution expenses		-	(42,006)
Marketing expenses		(6,132)	(14,422)
Occupancy expenses		(4,411)	(132,774)
Administrative expenses		(2,194,041)	(2,635,551)
Write (down)/up of inventory		(192,044)	407,838
Write (down)/up of receivable		-	575,357
Costs associated with Gambian litigation		-	(106,636)
Costs associated with USA project development		(140,888)	(448,786)
Other expenses		(75,210)	(26,585)
Loss before income tax expense		(2,258,191)	(2,128,232)
Income tax benefit		239,276	1,729,687
Net loss for the half year	2	(2,018,915)	(398,545)
Other comprehensive income			
Foreign currency translation differences		(621,681)	4,189,558
Increase/ (decrease) in fair value of available-for-sale financial assets		(172,308)	415,986
Other comprehensive income for the half year, net of tax		(793,989)	4,605,544
Total comprehensive income for the half year		(2,812,904)	4,206,999
(Loss) / profit for the half year attributable to:			
Owners of Astron Corporation Limited		(2,018,915)	(398,545)
Total comprehensive (loss)/profit for the half year attributable to:			
Owners of Astron Corporation Limited		(2,812,904)	4,206,999

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 2015

		Half-Year Ended	Half-Year Ended
		31 December	31 December
	Note	2015	2014

For (loss)/ profit for the half year

Basic (loss)/ earnings per share (cents per share)	10	(1.65)	(0.33)
Diluted (loss)/ earnings per share (cents per share)	10	(1.65)	(0.33)

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 2015

	Note	As at 31 December 2015 \$	As at 30 June 2015 \$
ASSETS			
Current assets			
Cash and cash equivalents		6,082,749	5,796,027
Term deposits greater than 90-days		60,468	60,325
Trade and other receivables		17,088,187	17,417,179
Inventories	11	629,309	797,298
Available-for-sale financial assets		720,542	892,851
Current tax assets		-	1,186,928
Total current assets		24,581,255	26,150,608
Non current assets			
Trade and other receivables		-	3,924,922
Property, plant and equipment	12	21,781,303	22,363,317
Intangible assets	13	67,183,895	64,926,815
Land use rights		3,427,932	3,525,124
Total non current assets		92,393,130	94,740,178
TOTAL ASSETS		116,974,385	120,890,786
LIABILITIES			
Current liabilities			
Borrowings		-	1,000,000
Trade and other payables		2,199,649	2,121,187
Provisions		135,155	77,838
Total current liabilities		2,334,804	3,199,025
Non current liabilities			
Deferred Tax liabilities		4,987,085	5,226,361
Long-term provisions		40,000	40,000
Total non current liabilities		5,027,085	5,266,361
TOTAL LIABILITIES		7,361,889	8,465,386
NET ASSETS		109,612,496	112,425,400
EQUITY			
Contributed equity	8	1,605,048	1,605,048
Reserves		12,561,022	13,355,012
Retained earnings		95,446,426	97,465,340
TOTAL EQUITY		109,612,496	112,425,400

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 2015

	Contributed Equity \$	Retained Earnings \$	Financial Assets Available-For Sale-Reserve \$	Foreign Currency Translation Reserve \$	Total Equity \$
Period Ended 31 December 2015					
Equity as at 1 July 2015	1,605,048	97,465,340	861,305	12,493,707	112,425,400
Loss for the half year	-	(2,018,915)	-	-	(2,018,915)
<i>Other comprehensive income/(loss)</i>					
- Increase/ (decrease) in fair value of available-for-sale financial assets	-	-	(172,308)	-	(172,308)
- Exchange differences on translation of foreign operations	-	-	-	(621,681)	(621,681)
Total comprehensive profit for the half year	-	(2,018,915)	(172,308)	(621,681)	(2,812,904)
Transactions with owners in their capacity as owners	-	-	-	-	-
Equity as at 31 December 2015	1,605,048	95,446,425	688,997	11,872,026	109,612,496

	Contributed Equity \$	Retained Earnings \$	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
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

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 2015

	Half-Year Ended 31 December 2015	Half-Year Ended 31 December 2014
	\$	\$
Cash flows from operating activities:		
Receipts from customers	4,874,949	1,435,707
Payments to suppliers and employees	(2,364,832)	(4,016,620)
Interest received	42,659	374,488
Interest paid	(5,404)	(13,328)
Income taxes received	1,093,983	1,451,836
Net cash (outflow)/inflow from operating activities	3,641,355	(767,917)
Cash flows from investing activities		
(Increase)/Decrease of short term deposits	(142)	1,905,091
Acquisition of property, plant and equipment	(6,121)	(28,586)
Exploration, evaluation expenditure and development costs	(2,077,274)	(2,209,344)
Net cash outflow from investing activities	(2,083,537)	(332,839)
Cash flows from financing activities:		
Repayment of borrowings	(1,000,000)	-
Net cash inflow/(outflow) from financing activities	(1,000,000)	-
Net increase/(decrease) in cash held	557,818	(1,100,756)
Cash and cash equivalents at beginning of the year	5,796,027	2,905,194
Net foreign exchange differences	(271,096)	87,326
Cash and cash equivalents at end of the half year	6,082,749	1,810,764

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 2015

1 Statement of significant accounting policies

The interim consolidated financial statements of Astron Corporation Limited are for the six months ended 31 December 2015 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 2015 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 2015.

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 2015. 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 2015. The Group does not believe these standards will have a material impact on the financial statements in the period in which they were adopted.

Going Concern

The half-year financial report has 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.

For the half-year ended 31 December 2015, the Group incurred a net loss of \$2,018,915 and generated net cash inflows from operations for the six months of \$3,641,355. As at 31 December 2015 the Group had a surplus of current assets over current liabilities of \$22,246,451 and had \$6,082,749 of available cash.

On 13 October 2015 Astron announced that its subsidiary Donald Mineral Sands Pty Ltd ("DMS"), had entered into an EPC (engineering, procurement and construction) contract with China Machinery Engineering Corporation ("CMEC") for the Astron Donald Mineral Sands titanium and zirconium mineral project ("Project").

The EPC contract sets out the process for supply and installation of equipment for the MUP/WCP for the Project and assistance with funding the Project. CMEC is the EPC contractor responsible for equipment procurement and funding the first phase of the Project. The broad terms of the EPC contract specify a total contract price of up to US\$135 million. The EPC contract includes all design, procurement, civil engineering and construction, installation, training, commissioning, technical service and other works of the Project.

Astron Corporation Limited and its Subsidiaries

Company Number: 1687414

Notes to the Consolidated Financial Statements

For the Period Ended 31 December 2015

DMS is required to contribute 15% to the costs of the project, which per current capex requirements is approximately US\$18 million. CMEC's funding will be in the form of seller's credit from a Chinese bank or other channels. The contract is subject to conditions precedent including:

1. Insurance application with Sinasure being approved and the premium paid;
2. DMS financing 15% of the costs of the Project; and
3. DMS acquiring all necessary rights and all regulatory approvals.

Under the contract the parties have 10 months to satisfy these conditions, however the contract has a mechanism for extending this period up to 12 months ending 30 September 2016.

During the review period DMS and CMEC have continued to work towards satisfying the conditions precedent which included site visits by CMEC and Sinasure in January 2016.

The Group has a number of opportunities to develop income generating activities, however it is unlikely that these will generate the level of funding required to meet the Group's obligations under the above contract.

The Directors consider that additional funding is likely to be available as required. The Group has a number of funding options which is initially expected to be obtained through the receipt of receivables (land assets for sale in China), the likely award of recompense from the court proceedings relating to the Gambian project which have been found in our favour and bank finance. The timing of these sources of funds are not able to be precisely predicted. There can be no assurance that the Group will be able to obtain, or access additional funding when required, or that the terms associated with the funding will be acceptable to the Group. Similarly, there are risks that the timeline developed for the completion of the plant, subsequent commissioning, economically sufficient production, and subsequent sales will not be achieved as planned.

Excluding the cash flows associated with the development of the Project, cash flow forecasts prepared by management demonstrate that the Group has sufficient funds to meet its commitments over the next twelve months. For that reason, the financial statements have been prepared on the basis that the Group is a going concern.

In the event that the Group is unsuccessful in the matters set out above in relation to the DMS project, there is material uncertainty whether the Group will continue as a going concern, and therefore whether it will realise its assets and discharge its liabilities in the normal course of business, and at the amounts stated in the financial report.

This financial report does 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.

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 the Group continues to progress.

2 Profit for the half year

	31 December 2015 \$	31 December 2014 \$
The following significant revenue and expense items are relevant to explaining the financial performance		
Interest revenue	41,463	111,290
Rental income and disposal of assets	303,672	195,126
Foreign exchange (loss)/gain	(24,542)	6,013
Costs associated with Gambian Investments	-	(106,636)
Interest paid	(5,399)	(13,489)
Bad debt provisions reversed	-	575,357
Inventory provision (loss)/gain	(192,044)	407,838
USA development costs	(140,888)	(448,786)
Research and development expenditure	(141,718)	(215,897)

Astron Corporation Limited and its Subsidiaries

Company Number: 1687414

Notes to the Consolidated Financial Statements

For the Period Ended 31 December 2015

3 Dividends

Dividends paid for during the half year:

	31 December	31 December
	2015	2014
	\$	\$
Final unfranked dividend of NIL (2014: NIL) per share	-	-

4 Seasonality and irregular trends

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

5 Commitments and Contingencies

The Group commitments and contingencies are consistent with the disclosures in the 30 June 2015 Annual Report.

Litigation

Astron continues to work towards a legal settlement with the Gambia Government, where the International Centre for Settlement of Investment Disputes (ICSID) had determined the award including damages in favour of Astron/Carnegie in Astron's claim against The Gambia for approximately \$31 million.

The Gambia has submitted an application for annulment to ICSID, on the grounds of the constitution of the arbitral tribunal, and arguments about admissibility and jurisdiction. Astron is opposing the application submitted by The Gambia and anticipates having a timetable set for dealing with this application by the ICSID in the first half of 2016.

6 Current Receivables

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. 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, amounting to \$20,356,248, were to be received in instalments up to October 2016. In September 2015 the second instalment of \$4,290,741 was received, no other amounts have since been received. The land contract is unconditional and payment is binding on the buyer being the Yingkou Government, but the payments expected have been delayed. The Directors anticipate payments will be made shortly and that the debtor will be significantly received by 30 June 2016.

7 Subsidiaries

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

Astron Corporation Limited and its Subsidiaries

Company Number: 1687414

Notes to the Consolidated Financial Statements

For the Period Ended 31 December 2015

8 Issued share capital

	31 December	30 June
	2015	2015
	\$	\$
122,479,784 (30 June 2015: 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
	2015	2015
	No.	No.
At the beginning of reporting period	122,479,784	122,479,784
At reporting date	122,479,784	122,479,784

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 2015

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	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revenue from external customers												
Sales	-	-	-	164,349	224,522	665,112	-	-	-	-	224,522	829,461
Interest revenue	295	701	3,480	37	-	-	-	-	37,688	110,552	41,463	111,290
Rent/Other income	31,409	12,448	233,419	82,091	38,845	100,587	-	-	-	-	303,673	195,126
Total revenue	31,704	13,149	236,899	246,477	263,367	765,699	-	-	37,688	110,552	569,658	1,135,877
Segment result												
Segment (loss)/profit	(59,626)	13,563	(674,490)	(44,264)	(519,858)	(86,028)	-	-	(1,004,217)	(2,011,503)	(2,258,191)	(2,128,232)
Net (loss)/ profit for the period									-	-	(2,258,191)	(2,128,232)
Impairment losses	-	-	-	-	-	-	-	-	-	-	-	-
Acquisition of PPE, Intangibles assets and other non-current segment assets	1,663,858	1,820,576	4,222	39,744	-	14,767	415,315	207,477	-	155,366	2,083,395	2,237,930
Depreciation and amortisation	373,398	359,172	237,351	26,865	113,412	163,074	3,399	13,935	79,332	60,739	806,892	623,785

Astron Corporation Limited and its Subsidiaries

Company Number: 1687414

Notes to the Consolidated Financial Statements

For the Period Ended 31 December 2015

9 Segment information (cont'd)

b) Segment information (cont'd)

2015	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	67,888,535	66,005,586	29,197,316	30,935,345	11,617,603	11,953,678	4,483,376	4,120,394	3,787,555	7,875,783	116,974,385	120,890,786
Total segment assets	67,888,535	66,005,586	29,197,316	30,935,345	11,617,603	11,953,678	4,483,376	4,120,394	3,787,555	7,875,783	116,974,385	120,890,786
Liabilities												
Segment liabilities	8,943,718	8,068,821	72,243	142,626	267,842	442,873	37,458	22,121	(1,959,372)	(211,055)	7,361,889	8,465,386
Total segment liabilities	8,943,718	8,068,821	72,243	142,626	267,842	442,873	37,458	22,121	(1,959,372)	(211,055)	7,361,889	8,465,386

Astron Corporation Limited

Company Number: 1687414

Declaration by Directors

10 Earnings Per Share

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

	Consolidated	
	31 December 2015	31 December 2014
	\$	\$
Loss attributable to owners	(2,018,915)	(398,545)
Loss used to calculate basic EPS	(2,018,915)	(398,545)
Loss used in calculation of dilutive EPS	(2,018,915)	(398,545)

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

	Consolidated	
	31 December 2015	31 December 2014
	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 2015	30 June 2015
	\$	\$
Raw materials	503,171	651,616
Finished goods – at cost	-	-
Finished goods – at net realisable value	126,138	144,804
Total finished goods	126,138	144,804
Goods in transit	-	878
Total	629,309	797,298

There is a provision for realisable value of \$899,160 at period end (\$725,574 as at 30 June 2015).

Astron Corporation Limited

Company Number: 1687414

Declaration by Directors

12 Property Plant & Equipment

		Consolidated 31 December 2015 \$	30 June 2015 \$
	Note		
Land & Buildings			
Land at cost		5,254,000	5,254,000
Total land	12(a)	5,254,000	5,254,000
Leasehold buildings		10,946,639	11,124,652
Accumulated impairment loss		(874,128)	(663,426)
Net carrying value	12(a)	10,072,511	10,461,226
Plant and equipment and works in progress			
Capital works in progress		9,904,114	10,060,883
Less accumulated impairment loss		(3,871,114)	(3,934,065)
Total capital works in progress	12(a)	6,033,000	6,126,818
Plant and equipment		2,496,938	2,559,737
Less accumulated depreciation		(2,075,146)	(2,038,464)
Total plant and equipment	12(a)	421,792	521,273
Total property, plant and equipment		21,781,303	22,363,317

(a) Movement in net carrying value

	Capital works in progress \$	Consolidated Land \$	Buildings \$	Plant and Equipment \$	Total \$
Half-Year ended 31 December 2015					
Opening balance	6,126,818	5,254,000	10,461,226	521,273	22,363,317
Additions	4,222	-	-	1,900	6,122
Depreciation	-	-	(231,025)	(95,399)	(326,424)
Disposals	-	-	-	-	-
Foreign exchange movements	(98,040)	-	(157,690)	(5,982)	(261,712)
Balance at 31 December 2015	6,033,000	5,254,000	10,072,511	421,792	21,781,303
Year ended 30 June 2015					
Opening balance	12,925,286	5,254,000	1,945,280	725,881	20,850,447
Additions	27,847	-	-	17,506	45,353
Depreciation	-	-	(206,579)	(110,573)	(317,153)
Transfers	(8,533,726)	-	8,533,726	-	-
Impairment expense	(1,296,742)	-	-	-	(1,296,742)
Disposals	-	-	(245,701)	(43,135)	(288,835)
Foreign exchange movements	3,004,153	-	434,500	(68,406)	3,370,247
Balance at 30 June 2015	6,126,818	5,254,000	10,461,226	521,273	22,363,317

Astron Corporation Limited

Company Number: 1687414

Declaration by Directors

13 Intangible Assets

		Consolidated 31 December 2015 \$	30 June 2015 \$
	Note		
Development costs			
Cost	13(b)	12,936,017	12,524,714
Accumulated impairment loss	13(b)	(8,122,643)	(8,153,564)
Net carrying value	13(d)	4,813,374	4,371,150
Exploration expenditure capitalized			
Exploration and evaluation phases	13(a)(c)	47,319,727	45,066,696
Net carrying value		47,319,727	45,066,696
Water rights			
Net carrying value	13(a)(d)	15,050,794	15,409,966
Computer software			
Net carrying value	13(a)	-	79,003
Total Intangibles	13(e)	67,183,895	64,926,815

(a) Intangible assets

Movements during the half year ended 31 December 2015 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 \$12,936,017 (FY 2015: \$12,524,714) and the accumulated impairment of \$8,122,643 (FY 2015: \$8,153,564) as at 31 December 2015 relates to the following:

1. TiO2 project cost of \$7,696,521 (FY 2015: \$7,727,443) was fully impaired in 2009. The current year movement represents the movement in foreign exchange.
2. The Senegal project of \$4,500,941 (FY 2015: \$4,053,636) represents development costs incurred in Senegal. This was netted off by an impairment of \$426,121 (FY 2015: \$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 \$312,434 (FY 2015: \$317,515) 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 2015 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

Company Number: 1687414

Declaration by Directors

13 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 2015					
Opening balance	45,066,696	4,371,150	15,409,966	79,003	64,926,815
Additions	2,253,031	447,805	-	-	2,700,336
Amortisation	-	-	(359,172)	(79,003)	(438,175)
Foreign exchange movements	-	(5,081)	-	-	(5,081)
Balance at 31 December 2015	47,319,727	4,813,374	15,050,794	-	67,183,895
Year ended 30 June 2015					
Opening balance	41,241,546	3,614,769	16,128,311	197,507	61,182,133
Additions	3,825,150	694,680	-	-	4,519,830
Amortisation	-	-	(718,345)	(118,504)	(836,849)
Foreign exchange movements	-	61,701	-	-	61,701
Balance at 30 June 2015	45,066,696	4,371,150	15,409,966	79,003	64,926,815

(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.

14 Subsequent events

There were subsequent events to 31 December 2015.

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 profit and loss and other 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 19,
 - (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 2015 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 29th February 2016

Level 17, 383 Kent Street
Sydney NSW 2000

Correspondence to:
Locked Bag Q800
QVB Post Office
Sydney NSW 1230

T +61 2 8297 2400
F +61 2 9299 4445
E info.nsw@au.gt.com
W www.grantthornton.com.au

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 2015, 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 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 the International Financial Reporting Standards and other authoritative pronouncements of the IASB including: giving a true and fair view of the Astron Corporation Limited consolidated entity's financial position as at 31 December 2015 and its performance for the 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.

Grant Thornton Audit Pty Ltd ACN 130 913 594
a subsidiary or related entity of Grant Thornton Australia Ltd ABN 41 127 556 389

'Grant Thornton' refers to the brand under which the Grant Thornton member firms provide assurance, tax and advisory services to their clients and/or refers to one or more member firms, as the context requires. Grant Thornton Australia Ltd is a member firm of Grant Thornton International Ltd (GTIL). GTIL and the member firms are not a worldwide partnership. GTIL and each member firm is a separate legal entity. Services are delivered by the member firms. GTIL does not provide services to clients. GTIL and its member firms are not agents of, and do not obligate one another and are not liable for one another's acts or omissions. In the Australian context only, the use of the term 'Grant Thornton' may refer to Grant Thornton Australia Limited ABN 41 127 556 389 and its Australian subsidiaries and related entities. GTIL is not an Australian related entity to Grant Thornton Australia Limited.

Liability limited by a scheme approved under Professional Standards Legislation. Liability is limited in those States where a current scheme applies.

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 Australian Auditing 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 2015 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.

Emphasis of Matter

Without qualification to the conclusion expressed above, we draw attention to Note 1 "Going Concern" in the half-year financial report which indicates that Astron Corporation Limited incurred a net loss of \$2,018,915 during the half-year ended 31 December 2015 and that the continued operations of the Consolidated Entity are reliant on funding from external sources.

This condition, along with other matters as set forth in Note 1 "Going Concern", indicate the existence of a material uncertainty which may cast significant doubt about Astron Corporation Limited's ability to continue as a going concern and therefore, the company may be unable to realise its assets and discharge its liabilities in the normal course of business, and at the amounts stated in the financial report. Our conclusion is not modified in respect of this matter.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



L M Worsley
Partner - Audit & Assurance

Sydney, 29 February 2016