



18 July 2016

The Manager
Company Notices Section
ASX Limited
Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

Dear Sir

Donald Mineral Sands and its water trade with VEWH for the Wimmera and Glenelg rivers

Donald Mineral Sands Pty Ltd, a wholly-owned subsidiary of Astron, has sold 5 gigalitres (5,000 megalitres) of water to the Victorian Environmental Water Holder (**VEWH**) to help protect habitat, water quality and animals in Wimmera and Glenelg waterways.

VEWH's media release, setting out the background to the trade and the proposed use of the water, is **attached**.

Yours sincerely
Astron Corporation Limited

MEDIA RELEASE, 14 July 2016

VEWH buys water to protect Wimmera and Glenelg rivers

The Victorian Environmental Water Holder (VEWH) has purchased 5 gigalitres (5,000 megalitres) of water to help protect habitat, water quality and animals in Wimmera and Glenelg waterways.

The Wimmera and Glenelg river systems are the lifeblood of local communities and protecting them with environmental watering also helps protect local tourism, health, livelihoods and recreation including angling and bird watching.

The VEWB Chairperson Denis Flett said the extra water will make a significant difference in protecting the Wimmera and Glenelg rivers as the drought continues in western Victoria.

“Even though so far this winter we have seen either above or close to average rainfall, opening allocations for all entitlements in the Wimmera-Glenelg system are 0%, with entitlement holders currently relying on water carried over from 2015-16,” he said.

“Environmental water managers are firmly in drought and protection mode – the Glenelg River at Casterton was dry between November 2015 and May 2016, and the Wimmera River has also been dry below Dimboola for months.

“The water purchased from Donald Mineral Sands (DMS), a small mining company based in Buloke Shire, will help to provide a lifeline for the rivers.

“Environmental water will, again, be critical in keeping fish, platypus and other animals alive, particularly in the hotter months of summer.”

Environmental watering this year is expected to have flow-on benefits for communities, including by protecting recreational fish. For example, environmental watering in the Glenelg River has increased the range of estuary perch by over 200 kilometres and contributes \$34 million to the local economy.

This is the first time in the VEWB’s five-year history that it has purchased water allocations in the Wimmera-Glenelg system and only the fourth time it has bought temporary water in Victoria. In total, including this latest water trade, the VEWB has purchased 7,821 ML of water across Victoria to date, compared to over 37,000 ML sold.

“It’s pleasing that, in these continued dry conditions, DMS has chosen to make this water available, to support western rivers, the wildlife that live in them and the communities that depend on them,” Mr Flett said.

DMS General Manager Operations, Tim Chase, said that the company had chosen to make the trade in the hope it would help protect the region’s wildlife and help keep local communities thriving.

“DMS agreed to this transaction at \$25 per ML, well below DMS’s cost of the water. We have seen the impacts of drought on the Glenelg and Wimmera rivers – and the ongoing impacts to communities who use them – so when we saw the VEWB’s call for trade we decided to act.”

“We had a quantity of carryover water surplus to our requirements, which we believe will have a greater benefit supporting western rivers than within DMS’s current water account. DMS was able to contribute to this important environmental cause having considered possible impacts of foreseeable future water allocations and DMS’s future project commencement needs.

“DMS has a strong commitment to collaborating with and supporting the community and its surrounding ecosystems. It is a pleasing outcome to commit to supporting the region, the sustainability of our inland aquatic systems and the communities who rely on them.”

The Wimmera-Glenelg purchase has been funded from the VEWH’s previous water sales in northern Victoria and was planned to minimise adverse impacts on other entitlement holders.

The trade was made following a public expression of interest and was finalised after eight months of negotiations and planning with DMS and GWMWater, the water storage manager.

The announcement of this water purchase coincides with the release of the VEWH’s *Seasonal Watering Plan 2016-17* which scopes potential environmental watering for Victoria’s rivers and wetlands.

The VEWH carryover and trading activity during 2015-16 will be reported in its Annual Report 2015-16. Details of the VEWH’s water trading activities in northern and western Victoria can be found in its [Water Allocation Trading Strategy](#).

PHOTOS AVAILABLE ON REQUEST.

The *Seasonal Watering Plan 2016-17* is available at vewh.vic.gov.au.

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