

Astron Corporation Limited

ARBN 154 924 553

Incorporated in Hong Kong, Company Number: 1687414

Annual Financial Statements

For the Year Ended 30 June 2016

Astron Corporation Limited

Company Number: 1687414

For the Year Ended 30 June 2016

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Astron Corporation Limited

Company Number: 1687414

Directors' Report

30 June 2016

The Directors of Astron Corporation Limited (the 'Company') present their report on the consolidated entity ('Group' or 'Astron'), consisting of Astron Corporation Limited and the entities it controlled at the end of, and during, the financial year ended 30 June 2016.

Directors

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

Names

Mr. Gerard King
Mr. Alexander Brown
Mdm. Kang Rong

Principal Activities

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

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

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

Significant Changes to Group Structure

There have been no significant changes to the Astron group structure in the financial year ending 30 June 2016.

Financial Position

The net assets of the Group have decreased to **\$105,723,952** a decrease of **\$6,701,448** from 2015.

The net assets have been affected by:

- Foreign exchange impact on foreign controlled assets of **\$2,141,279**
- Net loss for the year of **\$3,461,410** (excluding Gambian litigation costs)
- Income tax refunds for the 2015 year including research and development grant of **\$449,401**
- Legal fees associated with the Gambian litigation **\$946,786**

Dividends

No final dividend was proposed for the year ended 30 June 2016 (2015: Nil).

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Directors' Report

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Review of Operations

Financials

Consolidated Statement of Profit or Loss and other Comprehensive Income

- Total income and other income comprising sales, interest received and other income excluding the land sale decreased from the prior year by 60% to \$1,106,413. This was due to the reduction of cash on deposit and associated interest earnings together with a fall in trading in the Chinese markets over the prior year.
- Gross margins from the trading business were marginal due to market condition in the Chinese markets. Inventory is carried at the current market prices which have not yet had the anticipated price rebound.
- Administration expenditure decreased by \$1,622,852 to \$4,463,156. This decrease can be explained by the reduction in remuneration of key management personnel for the year and ongoing expenditure rationalisation.
- Costs associated with Gambia litigation comprise legal fees and associated advisors' costs.

Consolidated Statement of Financial Position

- The decrease in inventories is attributed to foreign exchange devaluation and ongoing sales during the 2016 financial year. Inventory was not restocked.
- Available for sale financial assets comprise shares in South American Iron & Steel, Altona Mining, Zambezi Resources and Greenpower Energy. The combined market value of these investments has decreased by \$352,614 from 30 June 2015 however this was offset by proceeds from the sale of Altona Mining shares totalling \$223,817. This movement has been debited to the financial assets available-for-sale reserve in the statement of financial position.
- The increase in intangible assets arises from further exploration expenditure capitalised in respect of the Donald Mineral Sands and Niafarang (Senegal) projects.
- Land use rights comprise 50 year land use leases. These leases are capitalised and amortised over the 50 year period. The decrease in the carrying value to \$3,255,981 over the 30 June 2015 value is attributable to foreign exchange movement after accounting for leasehold amortisation.
- The decrease in the net asset value from 38.8 cps at 30 June 2015 to 29.9 cps at 30 June 2016 primarily relates to the group loss for the year and foreign exchange losses on assets held outside Australia.

Operations review

Donald

The development of the Donald project continued during the year. Progress was made in the following areas:

Feasibility study

- DMS has completed the technical aspects of the optimisation of the feasibility study as previously announced and work continues on the capex and opex aspects of the optimisation. Initial indications are that improvements from the updated technical aspects and the use of Chinese equipment will noticeably reduce capex. An updated feasibility study is anticipated to be completed and announced in the 4th quarter of calendar year 2016.

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Water

- DMS had assessed that it had a quantity of carryover water surplus to its anticipated requirements. As such DMS traded 5 gigalitres (5,000 megalitres) of water to the Victorian Environmental Water Holder to help protect habitat, water quality and animals in Wimmera and Glenelg waterways and the western rivers.
- DMS was able to contribute to this important environmental cause (at well below DMS's cost) having considered possible impacts of foreseeable future water allocations and DMS's future project commencement needs.

Geology and mining

- Additional 2015 drilling and sampling was undertaken on the Donald and Jackson mineral sands deposits and a Mineral Resource update for the Donald Mineral Sands Project was announced on 7 April 2016.
- Metallurgical and mining optimisation is ongoing.
- The work plan is progressing towards submission, anticipated to be in the 4th quarter of calendar year 2016.

Land

- No further land was purchased during the year.

Funding

- The company continues to consider funding and optimisation options on the basis of its feasibility study while continuing to work towards satisfaction of conditions precedent as per the funding agreement with the China Machinery Engineering Corporation (CMEC) 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.

China operations

- Work in China continued to test and develop technology to be applied for downstream advancement of Group minerals.

Senegal

- Progress has been made with respect to the achievement of Public acceptance and obtaining the mining licence which our Senegalese consultants indicate should be achieved within the calendar year.

America

- Astron continues to pursue mineral sands deposits in USA for processing and sale in China.

Prospects

The Group's objectives for the 2016 financial year are to finalise the Definitive Feasibility Study and finalising funding options for the Donald Mineral Sands project, completing the Donald final engineering designs, together with the Niafarang projects and associated downstream research and advancement activities.

Significant Changes in State of Affairs

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

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Directors' Report

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Matters Subsequent to the end of the Financial Year

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

Likely Developments

The Group continues to explore funding options for the Donald Mineral Sands project. During the next financial year the Group expects to:

- finalise the project optimisation for Donald project;
- complete the funding process for Donald project; and
- commence the construction of Donald project

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

The Group proposes to develop the Niafarang project following the anticipated award of the small mine license by end of 2016, moving to contract mining in 2017. Once the Niafarang project is in production, the Group will have an additional revenue source, which will have an immediate impact on the financial position of the Group. The Group's business strategies continue to be based on being a high-quality producer of zircon and titanium (together with associated products) focused on sales and marketing activities in China.

Environmental Regulation

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

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

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

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

Occupational Health and Safety

During the year there were no lost time injuries.

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Directors' Report

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Director Information

Mr. Gerard King	Chairman (Non-executive)
Qualifications	LLB
Experience	<ul style="list-style-type: none">- Board Member since 6 December 2011 (Astron Limited: 5 November 1985)- Former partner of law firm Phillips Fox and has had over 30 years of experience in corporate and business advising including acting as a Director of a number of Australian Public Companies
Interest in Shares #	49,038 Ordinary shares
Special Responsibilities	Mr. King is the Chairman of the Audit & Risk Committee and the Chairman of the Remuneration & Nomination Committee
Directorships held in other listed entities	Mr. King is a Director of Greenpower Energy Limited (appointed 4 November 1985) which was listed on 5 March 2008.
Mr. Alexander Brown	President (Executive)
Qualifications	B AgSc
Experience	<ul style="list-style-type: none">- Board Member since 6 December 2011 (Astron Limited: 4 February 1988)- Wide commercial experience of over 30 years in construction, mining and exploration including developing the Horseshoe Lights Gold Mine at Meekathara W.A., expanding the Gunnedah Coal Mine, in NSW, and successfully drilling for oil and gas in Thailand and USA.- Mr Brown also started with others a major advanced plastics pipe company Europipe Sdn Bhd in Malaysia in 1987 which manufactured and distributed its products throughout Asia and Australasia. In the last 20+ years his activities have focused in building the Astron business in China.
Interest in Shares #	94,183,124 Ordinary shares
Special Responsibilities	Mr. Brown is the President and responsible for the operations of the Group
Directorships held in other listed entities	Mr. Brown is not currently a Director of another listed company.

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Directors' Report

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Mdm Kang Rong	Chief Operating Officer and Deputy Managing Director (Executive)
Qualifications	B.E.(Chem)
Experience	<ul style="list-style-type: none">- Board member since 31 January 2012 (Astron Limited: 21 August 2006)- Mdm Kang Rong worked as a Chemical Production Engineer at Shenyang Chemical Company (a major Chinese company based in Shenyang (Liaoning Province). She then moved to Hainan Island China and worked in sales and administration for the Japanese trading co. Nissei, Ltd.- She joined Astron in 1995 as marketing manager of Shenyang Astron Mining Industry. Since then she has overseen Astron's China operations and global sales and has been largely responsible for the growth and development of the Company.
Interest in Shares #	4,000,000 Ordinary Shares
Special Responsibilities	As Chief Operating Officer and Deputy Managing Director is in charge of all Astron's operations
Directorships held in other listed entities	Mdm Kang Rong is not currently a Director of another listed company.

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

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Directors' Report

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Meetings of Directors

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

Astron Corporation Limited	Directors' Meetings		Committee Meetings			
			Audit & Risk Committee		Remuneration & Nomination Committee	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Mr. Gerard King	2	2	1	1	0	n/a
Mr. Alexander Brown	2	2	0	n/a	0	n/a
Mdm Kang Rong	2	2	0	n/a	0	n/a

Share Options

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

Remuneration Report

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

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

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

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

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

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

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

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

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

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

Performance based remuneration

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

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

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

There were no bonuses paid during the year to KMP's. Current bonus arrangements entered into with the KMP:

Executive	Amount of bonus
Tim Chase	Nil

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

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

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

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

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	2012 \$	2013 \$	2014 \$	2015 \$	2016 \$
Income ('000)	20,993	12,970	5,148	11,739	1,106
Net Profit/(Loss) ('000)	(1,003)	(5,466)	(7,583)	7,989	(4,408)
Share Price at Year-end	1.26	0.71	0.32	0.15	0.17
Dividends Paid ('000)	-	-	-	-	-

In 2012 Astron implemented a 2 for 1 share split and in 2014 Astron returned 75 cents per share to shareholders. Income for 2015 includes \$11,081,124 being the gain on sale of leasehold land in China.

Key Management Personnel

The following persons were key management personnel (KMP) of the Group during the financial year:

	Position Held
Mr. Gerard King	Chairman-Non-executive
Mr. Alexander Brown	President
Mdm Kang Rong	Chief Operating Officer and Deputy Managing Director (Executive)
Mr. Tim Chase	Project Executive – Donald
Mr. Joshua Theunissen	Australian Company Secretary
Mr. Mark Coetzee	Project Executive – Senegal – Resigned 31 January 2016

Shareholdings

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

30 June 2016	Balance 1/07/2015	Shares (sold) /purchased	Balance 30/06/2016
Key Management Personnel			
Mr. Gerard King	49,038	-	49,038
Mr. Alexander Brown	94,183,124	-	94,183,124
Mdm Kang Rong	4,000,000	-	4,000,000
Mr. Tim Chase	-	-	-
Mr. Joshua Theunissen	-	100	100
Mr. Mark Coetzee (#1)	-	-	-
Total	98,232,162	100	98,232,262

Note reference #:

1. Resigned 31 January 2016

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Details of Remuneration

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

Year ended 30 June 2016

	Short term benefits			Post-employment benefits	Total	% of remuneration that is performance based
	Cash, fees salary & commissions \$	Non-cash Benefits/ Other \$	Termination Payments \$	Superannuation \$		
Directors						
Mr. Gerard King	109,589	-	-	10,411	120,000	0%
Mr. Alexander Brown (#1)	250,000	-	-	-	250,000	0%
Mdm Kang Rong (#1)	250,000	-	-	-	250,000	0%
Other key management personnel						
Mr. Mark Coetzee (#2)	146,161	58,657	42,281	-	247,099	0%
Mr. Tim Chase	168,333	20,640	-	15,992	204,965	0%
Mr. Joshua Theunissen (#1)	55,636	-	-	-	55,636	0%
	979,719	79,297	42,281	26,403	1,127,700	

Note reference #:

1. Paid or payable to management company
2. Resigned 31 January 2016 and was paid 2 months' pay in lieu of notice

None of the above payments were performance related.

Use of Remuneration Consultants

The Group's Nomination and Remuneration Committee have employed external consultants to review and to provide recommendations in respect of the amount and elements of executive remuneration, including short-term and long-term incentive plan design.

No remuneration consultants were employed during the year.

Termination Payment

No termination payments were paid during the year to Key Management Personnel. During the period Mark Coetzee was paid two months' salary in lieu of notice.

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Year ended 30 June 2015

	Short term benefits		Post-employment benefits		Total	% of remuneration that is performance based
	Cash, fees salary & commissions \$	Non-cash Benefits/ Other \$	Superannuation \$	Termination \$		
Directors						
Mr. Gerard King	99,750	-	20,250	-	120,000	0%
Mr. Alexander Brown (#1)	496,909	-	-	-	496,909	0%
Mdm Kang Rong (#1)	385,275	-	-	-	385,275	0%
Other key management personnel						
Mr. Mark Coetzee	278,045	20,742	-	-	298,787	0%
Mr. Joshua Theunissen (#1)	63,764	-	-	-	63,764	0%
	1,323,743	20,742	20,250	-	1,364,735	-

Note reference #:

1. Paid or payable to management company

None of the above payments were performance related.

Share Based Payment Bonuses

No share based payment bonuses were paid during the current year or the year ended 30 June 2015.

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Service Contracts

Service contracts (or letters of engagement) have been entered into by the Group, or are in the process of being entered into, with all key management personnel and executives, describing the components and amounts of remuneration applicable on their initial appointment, including terms, other than non-executives who have long established understanding of arrangements with the Group. These contracts do not fix the amount of remuneration increases from year to year. Remuneration levels are reviewed generally each year by the Remuneration Committee to align with changes in job responsibilities and market salary expectations. There is an arrangement with respect to the services of the Managing Director, Alexander Brown, provided by a management company on an annual service agreement, the period of notice required to terminate this contract is twelve months. Other than repayment of loans and management fees there is no further payment required to terminate this contract.

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

The Remuneration Committee considers the appropriate remuneration requirements. In August 2012, the Group engaged external consultants to review the Group's salary and incentive benchmarks. No consultants were engaged to review Group remunerations during the year ended 30 June 2016.

END OF REMUNERATION REPORT

Indemnifying Officers or Auditors

Insurance premiums paid for Directors

During the year Astron Limited paid a premium of \$43,246 (2015: \$54,883) in respect of a contract insuring Directors, secretaries and executive officers of the company and its controlled entities against a liability incurred as Director, secretary or executive officer. The contract of insurance prohibits disclosure of the nature of the liability.

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

Voting and comments at the Company's 2015 Annual General Meeting

The Company received 94.8% of "yes" votes on its remuneration report for the 2015 financial year. The Company did not receive any specific feedback at the AGM on its remuneration report.

Non-audit services

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

	2016 \$	2015 \$
Other Services		
Taxation services	8,840	35,760
Other assurance services	14,500	10,064

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

On the advice of the audit committee, the Directors are satisfied that the provision of non-audit services by the auditor, as set out above, did not compromise the auditor independence requirements of the International Accounting and Ethics Standards Board (IASEB) for the following reasons:

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

Auditors' Independence Declaration

The lead auditors' independence declaration for the year ended 30 June 2016 has been received and can be found on page 14 of the financial report.

Directors' declaration regarding IFRS compliance statement

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

Proceedings on Behalf of Company

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

Signed in accordance with a resolution of Directors:



Mr. Alex Brown

Dated this **19 September 2016**



Gerard King

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 year ended 30 June 2016, I declare that, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the International Accounting and Ethics Standards Board (IAESB).



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



L M Worsley
Partner - Audit & Assurance

Sydney, 19 September 2016

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Consolidated Statement of Profit or Loss and Other Comprehensive Income

For The Year Ended 30 June 2016

	Note	Consolidated	
		2016 \$	2015 \$
Sales revenue	5	467,999	1,984,024
Cost of sales		(434,218)	(2,048,434)
Gross profit/(loss)		33,781	(64,410)
Interest income	5	56,929	146,645
Other income	5	581,485	11,738,883
Distribution expenses		(9,085)	(42,996)
Marketing expenses		(10,145)	(17,624)
Occupancy expenses	6	(9,351)	(169,708)
Administrative expenses		(4,463,156)	(6,086,008)
Write (down)/back of stock	6	(171,077)	392,139
Impairment of capital works in progress	6	-	(1,296,742)
Bad debts provision write back/(expense)	6	-	613,887
Costs associated with Gambian litigation	6	(946,786)	(264,460)
Finance costs		(10,766)	(28,224)
Other expenses		(56,008)	(14,377)
(Loss)/Profit before income tax expense		(5,004,179)	4,907,005
Income tax benefit	7	595,983	3,082,113
Net (loss)/profit for the year		(4,408,196)	7,989,118
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
(Decrease)/Increase in fair value of available-for-sale financial assets (tax: nil)		(151,973)	355,706
(Decrease)/Increase in foreign currency translation reserve (tax: nil)		(2,141,279)	7,293,284
Other comprehensive income for the year, net of tax		(2,293,252)	7,648,990
Total comprehensive income for the year		(6,701,448)	15,638,108
(Loss)/Profit for the year attributable to:			
Owners of Astron Corporation Limited		(4,408,196)	7,989,118
Total comprehensive income for the year attributable to:			
Owners of Astron Corporation Limited		(6,701,448)	15,638,108

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

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

For The Year Ended 30 June 2016

	Consolidated		
	Note	2016 Cents	2015 Cents
EARNINGS/(LOSS) PER SHARE	8		
For profit/(loss) for the year			
Basic (loss)/earnings per share (cents per share)		(3.60)	6.52
Diluted (loss)/earnings per share (cents per share)		(3.60)	6.52

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

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Consolidated Statement of Financial Position

For The Year Ended 30 June 2016

		Consolidated	
	Note	2016 \$	2015 \$
ASSETS			
Current assets			
Cash and cash equivalents	10	5,104,594	5,796,027
Term deposits greater than 90-days	10(c)	60,685	60,325
Trade and other receivables	11	14,143,379	17,417,179
Inventories	12	730,564	797,298
Available-for-sale financial assets	14	540,237	892,851
Current tax assets	22	460,380	1,186,928
Total current assets		21,039,839	26,150,608
Non-current assets			
Trade and other receivables	10	-	3,924,922
Property, plant and equipment	16	21,046,191	22,363,317
Intangible assets	17	69,118,158	64,926,815
Land use rights	18	3,255,981	3,525,124
Total non-current assets		93,420,330	94,740,178
TOTAL ASSETS		114,460,169	120,890,786
LIABILITIES			
Current liabilities			
Borrowings	20	-	1,000,000
Trade and other payables	19	3,548,955	2,121,187
Provisions	21	67,783	77,838
Total current liabilities		3,616,738	3,199,025
Non-current liabilities			
Deferred tax liabilities	22	5,079,479	5,226,361
Long-term provisions	21	40,000	40,000
Total non-current liabilities		5,119,479	5,266,361
TOTAL LIABILITIES		8,736,217	8,465,386
NET ASSETS		105,723,952	112,425,400

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

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Consolidated Statement of Financial Position (cont)

For The Year Ended 30 June 2016

		Consolidated	
	Note	2016 \$	2015 \$
EQUITY			
Issued capital	23	1,605,048	1,605,048
Reserves	24	11,061,760	5,706,022
Retained earnings		93,057,144	<u>89,476,222</u>
TOTAL EQUITY		105,723,952	<u>96,787,292</u>

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

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Consolidated Statement of Changes in Equity For The Year Ended 30 June 2016

	Issued Capital	Retained Earnings	Financial Assets Available For Sale Reserve	Foreign Currency Translation Reserve	Total Equity
Year Ended 30 June 2016	\$	\$	\$	\$	\$
Equity as at 1 July 2015	1,605,048	97,465,340	861,305	12,493,707	112,425,400
(Loss) for the year	-	(4,408,196)	-	-	(4,408,196)
Other comprehensive income					
Decrease in fair value of available-for-sale financial assets	-	-	(151,973)	-	(151,973)
Exchange differences on translation of foreign operations	-	-	-	(2,141,279)	(2,141,279)
Total comprehensive income for the year	-	(4,408,196)	(151,973)	(2,141,279)	(6,701,448)
Transactions with owners in their capacity as owners					
Return of capital	-	-	-	-	-
Total of transactions with owners in their capacity as owners	-	-	-	-	-
Equity as at 30 June 2016	1,605,048	93,057,144	709,332	10,352,428	105,723,952

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

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Consolidated Statement of Changes in Equity (cont) For The Year Ended 30 June 2016

	Issued Capital	Retained Earnings	Financial Assets Available For Sale Reserve	Foreign Currency Translation Reserve	Total Equity
Year Ended 30 June 2015	\$	\$	\$	\$	\$
Equity as at 1 July 2014	1,605,048	89,476,222	505,599	5,200,423	96,787,292
Profit for the year	-	7,989,118	-	-	7,989,118
Other comprehensive income					
Increase in fair value of available-for-sale financial assets	-	-	355,706	-	355,706
Exchange differences on translation of foreign operations	-	-	-	7,293,284	7,293,284
Total comprehensive income for the year	-	7,989,118	355,706	7,293,284	15,638,108
Transactions with owners in their capacity as owners					
Return of capital	-	-	-	-	-
Total of transactions with owners in their capacity as owners	-	-	-	-	-
Equity as at 30 June 2015	1,605,048	97,465,340	861,305	12,493,707	112,425,400

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

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Consolidated Statement of Cash Flows For The Year Ended 30 June 2016

	Note	Consolidated 2016 \$	2015 \$
Cash flows from operating activities:			
Receipts from customers		847,259	2,548,821
Payments to suppliers and employees		(4,506,639)	(8,024,085)
Interest received		58,125	445,184
Interest paid		(10,767)	(28,064)
Dividend received		-	167,276
Income taxes received		1,093,983	1,148,989
Net cash outflow from operating activities	28i	(2,518,039)	(3,741,879)
Cash flows from investing activities:			
(Investment)/Receipt in short term deposits		(360)	7,159,947
Receipts from disposal of investments		223,817	-
Receipts from disposal of land receivable		7,033,747	-
Acquisition of property, plant and equipment		(151,499)	(17,506)
Construction in works in progress		-	(27,847)
Return of capital from other financial assets		-	669,104
Capitalised exploration and evaluation expenditure		(3,828,923)	(4,013,836)
Net cash inflow from investing activities		3,276,782	3,769,862
Cash flows from financing activities:			
(Repayment)/Advance of borrowings		(1,000,000)	1,000,000
Net cash (outflow)/ inflow from financing activities		(1,000,000)	1,000,000
Net (decrease)/increase in cash held		(241,257)	1,027,983
Cash and cash equivalents at beginning of the year		5,796,027	2,905,195
Net foreign exchange differences		(450,176)	1,862,849
Cash and cash equivalents at end of the year	28ii	5,104,594	5,796,027

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

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Notes to the Financial Statements

For The Year Ended 30 June 2016

1. Corporate Information

The consolidated financial statements of Astron Corporation Limited for the year ended 30 June 2016 were authorised for issue in accordance with a resolution of the Directors on 16 September 2016 and relate to the consolidated entity consisting of Astron Corporation Limited and its subsidiaries. Separate financial statements for Astron Corporation Limited as an individual entity are no longer presented.

The financial statements are presented in Australian dollars.

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

2. Summary of Significant Accounting Policies

(a) Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and other authoritative pronouncements of the IASB.

The financial statements have also been prepared on a historical cost basis, except for investment properties, land and buildings, plant and equipment deemed to be at fair value and available-for-sale financial assets that have been measured at fair value. Non-current assets and disposal groups held for sale are measured at the lower of carrying amounts and fair value less costs to sell.

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

(b) Basis of Consolidation

The Group financial statements consolidate those of the Parent Company and all of its subsidiaries as of 30 June 2016. The Parent controls a subsidiary if it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary.

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

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

Non-controlling interests, presented as part of equity, represent the portion of a subsidiary's profit or loss and net assets that is not held by the Group. The Group attributes total comprehensive income or loss of subsidiaries between the owners of the parent and the non-controlling interests based on their respective ownership interests.

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Notes to the Financial Statements

For The Year Ended 30 June 2016

(c) Foreign Currency Translation

The functional and presentation currency of Astron Corporation Limited and its Australian subsidiaries is Australian dollars (A\$).

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

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

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

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

(d) Revenue Recognition

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

Sale of goods

Revenue from the sale of products is recognised when the significant risks and rewards of ownership have passed to the buyer i.e. when control of the goods is passed to the buyer.

Rendering of services

Revenue from the rendering of services such as management fees are recognised upon the rendering of the service to the customers in accordance with the agreements.

Interest

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

Rental income

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

Government grants

Grants from the government are recognised on receipt. These grants are intended to compensate for tax paid.

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Notes to the Financial Statements

For The Year Ended 30 June 2016

(e) Income Tax

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

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

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

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

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

The Group recognises refunds received from research and development rebates in income tax expense (benefit). The research and development tax offset is recognised in accordance with the lodged income tax returns of the Group at the time the rebate can be reliably estimated.

(f) Impairment of Assets

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

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

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Notes to the Financial Statements

For The Year Ended 30 June 2016

(g) Cash and Cash Equivalents

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

Term deposits with maturity over three months include bank deposits with fixed terms over three months period. For the purpose of the Consolidated Statement of Cash Flows, term deposits with maturity over three months are shown as cash flows from investing activities.

(h) Trade Receivables

Trade receivables are recognised at original invoice amounts less an allowance for uncollectible amounts and have repayment terms between 0 and 90 days. Collectability of trade receivables is assessed on an ongoing basis. Debts which are known to be uncollectible are written off. An allowance is made for doubtful debts where there is objective evidence that the Group will not be able to collect all amounts due according to the original terms. Objective evidence of impairment includes financial difficulties of the debtor, default payments or debts more than 180 days overdue. On confirmation that the trade receivable will not be collectible the gross carrying value of the asset is written off against the associated provision.

From time to time, the Group elects to renegotiate the terms of trade receivables due from customers with which it has previously had a good trading history. Such renegotiations will lead to changes in the timing of payments rather than changes to the amounts owed and are not, in the view of the Directors, sufficient to require the de-recognition of the original instrument.

Receivables from related parties are recognised and carried at the nominal amount due.

(i) Inventories

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

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Notes to the Financial Statements

For The Year Ended 30 June 2016

(j) Investments and Other Financial Assets

All investments and other financial assets are initially stated at cost, being the fair value of consideration given plus acquisition costs. Purchases and sales of investments are recognised on trade date which is the date on which the Group commits to purchase or sell the asset. Accounting policies for each category of investments and other financial assets subsequent to initial recognition are set out below.

Available-for-sale financial assets

Available-for-sale financial assets comprise investments in listed and unlisted entities and any non-derivatives that are not classified as any other category of financial assets, and are classified as non-current assets (unless management intends to dispose of the investment within 12 months of the end of the reporting period). After initial recognition, these investments are measured at fair value with gains or losses recognised in other comprehensive income (available-for-sale investments revaluation reserve). Where there is a significant or prolonged decline in the fair value of an available-for-sale financial asset (which constitutes objective evidence of impairment) the full amount including any amount previously charged to other comprehensive income is recognised in profit or loss. Purchases and sales of available-for-sale financial assets are recognised on settlement date with any change in fair value between trade date and settlement date being recognised in other comprehensive income. On sale, the amount held in available-for-sale reserves associated with that asset is recognised in profit or loss as a reclassification adjustment. Interest on corporate bonds classified as available-for-sale is calculated using the effective interest rate method and is recognised in finance income in profit or loss.

The fair value of quoted investments are determined by reference to stock exchange quoted market bid prices at the close of business at the end of the reporting period. For investments where there is no quoted market price, fair value is determined by reference to the current market value of another instrument which is substantially the same or is calculated based on the expected cash flows of the underlying net asset base of the investment.

Investments in subsidiaries are accounted for in the consolidated financial statements as described in note 2(b).

Loans and receivables

Impairment losses are measured as the difference between the carrying amount and the present value of the estimated future cash flows, excluding future credit losses that have not been incurred. The cash flows are discounted at the investment's original effective interest rate. Impairment losses are recognised in profit or loss.

Non-current loans and receivables include loans due from related parties repayable within 366 days of the end of the reporting period. These are interest bearing using a market rate of interest for a similar instrument with a similar credit rating. In the case of loans and receivables, objective evidence of impairment includes confirmation that the company will not be able to collect all amounts due according to the original terms.

(k) Fair Values

Fair values may be used for financial asset and liability measurement and well as for sundry disclosures.

Fair values for financial instruments traded in active markets are based on quoted market prices at the end of the reporting period. The quoted market price for financial assets is the current bid price.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values due to their short term nature. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

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For The Year Ended 30 June 2016

(l) Property, Plant and Equipment

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

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

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

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

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

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

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

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

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

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

(m) Leases

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

(n) Land Use Rights

The upfront prepayments made for land use rights are expensed in profit or loss on a straight line basis over the period of the lease or, when there is impairment, it is expensed immediately. The period of the lease is 50 years.

(o) Intangibles

Research and development costs

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

The project is in the development phase and hence no amortisation has been brought to account. An amortisation policy has yet to be determined.

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For The Year Ended 30 June 2016

Water rights

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

(p) Exploration and Evaluation Expenditure

(i) Costs carried forward

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

(ii) Costs abandoned area

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

(iii) Regular review

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

(iv) Costs of site restoration

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

(q) Trade and Other Payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of the reporting period and which are unpaid. These amounts are unsecured and have 30 to 90 day payment terms.

Payables to related parties are carried at the principal amount.

(r) Borrowings

All loans and borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the loans and borrowings using the effective interest method.

All borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

(s) Borrowing Costs

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

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

(t) Provisions

Provisions for legal claims, service warranties and make good obligations are recognised when the Group has a present legal or constructive obligation as a result of a past event, it is probable that

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Notes to the Financial Statements

For The Year Ended 30 June 2016

that an outflow of economic resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

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

(u) Employee Benefit Provisions

Wages and salaries, annual leave and sick leave

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

Bonus plan

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

Retirement benefit obligations

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

(v) Issued Capital

Ordinary shares are classified as equity.

Costs directly attributable to the issue of new shares are shown as a deduction from the equity proceeds, net of any income tax benefit. Costs directly attributable to the issue of new shares associated with the acquisition of a business are included as part of the purchase consideration.

(w) Continued Operations and Future Funding

For the year ended 30 June 2016 the Group incurred a net loss of \$4,408,196 and had net cash outflows from operations of \$2,518,039. As at 30 June 2016 the Group had a surplus of current assets over current liabilities of \$17,423,101 and \$5,104,594 of available cash and as such the annual 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.

The directors are of the view that the business is a going concern as 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 and from the date of this report. Initially there are ongoing receipts due from the sale of the land assets in China and the Group anticipates a significant uplift in Chinese trading in the near to medium term.

While the Group reported an operating and project investing cash outflow for the 12 months to 30 June 2016 of \$6,498,461, this was offset by proceeds received on sale of land in China of \$7,033,747. As at 30 June 2016 the Group is carrying a land sale receivable of \$12,558,176 which is due to be repaid in full by 31 March 2017.

The Group will require additional funding to execute its long term plans. With respect to the projects, the Group is currently working through funding options.

With regard to funding for the Senegal project, subsequent to year end we have received advice that the Public Enquiry process and environmental approvals have been achieved and discussions are

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For The Year Ended 30 June 2016

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 which is now expected toward the end of the financial year.

Funding for the Donald project is advancing with Chinese sources, with a capital expenditure agreement having been signed, subject to various provisions. There will be a need for additional funding over and above this, which will be pursued when the definitive feasibility study is complete and 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. 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.

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.

(x) Share Based Payments

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

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

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

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

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

(y) Dividends/Return of Capital

No dividends were paid or proposed for the years ended 30 June 2016 and 30 June 2015. There is no Dividend Reinvestment Plan in operation.

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Notes to the Financial Statements

For The Year Ended 30 June 2016

(z) Segment Reporting

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

(aa) Earnings Per Share

Basic earnings per share

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

Diluted earnings per share

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

(bb) Goods and Services Tax (GST)

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

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

Cash flows are included in the statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

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

(cc) New and revised standards that are effective for these financial statements

The Group has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

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(dd) Standards Issued but not yet Effective

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 30 June 2016. The Group's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the Group, are set out below.

(a)

Title of standard	Nature of change	Impact	Mandatory application date/ Date adopted by Company
AASB 9 Financial Instruments	AASB 9 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, impairment of financial assets and hedge accounting.	Given the nature of the Company's financial assets and financial liabilities, the Company does not expect the impact to be significant.	Must be applied for reporting periods commencing on or after 1 January 2018. Therefore the application date for the company will be for the reporting period commencing on 1 July 2018.
AASB 15 Revenue from contracts with customers	An entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This means that revenue will be recognised when control of goods or services is transferred, rather than on transfer of risks and rewards as is currently the case under AASB 118 Revenue.	Based on the Company's assessment, the impact is not expected to be significant.	Must be applied for annual reporting periods beginning on or after 1 January 2018. Therefore the application date for the Company will be for the reporting period commencing on 1 July 2018.

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3. Critical Accounting Estimates and Judgments

The Directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events based on current trends and economic data, obtained both externally and within the Group.

i. Key estimates: Impairment

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

The Group has used independent valuations to support the carrying value of intangible assets while the Group works through to obtaining bankable feasibility status (Refer note 17). The valuations use various interest rates to discount future cash flows based around risks included capital, geographical and market risks.

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

ii. Provision for Impairment of Receivables

The provision for impairment of receivables assessment requires a degree of estimation and judgement. The level of provision is assessed by taking into account the recent sales experience, the aging of receivables, historical collection rates and specific knowledge of the individual debtors' financial position.

iii. Capitalisation of Exploration and Evaluation Assets

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

The Group has continued to capitalise expenditure, in accordance with IFRS 6, incurred on the exploration and evaluation of the Senegal Mineral Sands project in Senegal. This has occurred because until a mining licence is received the Group's ability to extract the mineral resources is not demonstrable. The Group has assessed that the balances capitalised will be recoverable through the project's successful development.

iv. Income Tax

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

v. Deferred Tax Assets

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

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vi. Available-for sale Financial Assets

Available-for-sale financial assets have been classified as current assets as it is the Group's intention to dispose of these assets within one year.

vii. Inventories

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

4. Segment Information

i. Description of Segments

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

- Senegal: Development of the 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
- Other: Group treasury and head office activities

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ii. Information provided to the Managing Director /President

30 June	Donald Mineral Sands		Titanium		Mineral Resources		Senegal		Other		Consolidated	
	Jun-16	Jun-15	Jun-16	Jun-15	Jun-16	Jun-15	Jun-16	Jun-15	Jun-16	Jun-15	Jun-16	Jun-15
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revenue from external customers												
Sales	-	-	23	644,703	467,976	1,339,321	-	-	-	-	467,999	1,984,024
Interest revenue	667	1,308	10,811	106	-	-	-	-	45,451	145,231	56,929	146,645
Rent/Other Income	215,436	177,995	299,135	11,168,712	43,737	224,900	-	-	23,177	167,276	581,485	11,738,883
Total revenue	216,103	179,303	309,969	11,813,521	511,713	1,564,221	-	-	68,628	312,507	1,106,413	13,869,552
Segment result												
Segment (loss) / profit	3,258	(201,655)	(1,596,774)	8,808,236	(782,958)	(342,759)	-	-	(2,627,705)	(3,356,817)	(5,004,179)	4,907,005

Impairment losses	-	-	-	1,296,742	-	-	-	-	-	-	-	1,296,742
Acquisition of PPE, Intangible assets and other non-current segment assets	3,186,908	3,319,156	168,190	27,847	5,699	15,861	619,625	694,680	-	1,645	3,980,422	4,059,189
Depreciation and amortisation	-	-	458,068	241,103	194,746	289,816	-	-	79,670	120,720	732,484	651,639

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30 June	Donald Mineral Sands		Titanium		Mineral Resources		Senegal		Other		Consolidated	
	Jun-16	Jun-15	Jun-16	Jun-15	Jun-16	Jun-15	Jun-16	Jun-15	Jun-16	Jun-15	Jun-16	Jun-15
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Assets												
Segment assets	69,831,943	66,005,586	26,942,637	30,935,345	11,227,071	11,953,678	4,698,568	4,120,394	1,759,950	7,875,783	114,460,169	120,890,786
Total	69,831,943	66,005,586	26,942,637	30,935,345	11,227,071	11,953,678	4,698,568	4,120,394	1,759,950	7,875,783	114,460,169	120,890,786
Liabilities												
Segment liabilities	9,351,269	8,068,821	175,193	142,626	245,584	442,873	79,997	22,121	(1,115,826)	(211,055)	8,736,217	8,465,386
Total	9,351,269	8,068,821	175,193	142,626	245,584	442,873	79,997	22,121	(1,115,826)	(211,055)	8,736,217	8,465,386

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iii. Geographical Information

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

Hong Kong

The home country of the parent entity.

Australia

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

China

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

Other

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

	Sales revenues		Interest revenue		Non-current assets	
	2016 \$	2015 \$	2016 \$	2015 \$	2016 \$	2015 \$
Australia	-	-	46,112	146,522	72,833,978	68,974,556
China	467,999	1,984,024	10,811	106	19,325,608	20,904,314
Other countries	-	-	6	17	1,260,744	936,386
	467,999	1,984,024	56,929	146,645	93,420,330	90,815,256

During 2016 \$432,518 or 92% (2015: \$1,700,651 or 86%) of the revenue depended on four (2015: four) customers.

5. Revenue and Other Income

	Consolidated	
	2016 \$	2015 \$
Continuing operations		
Revenue		
- sale of goods	467,999	1,984,024
- interest income	56,929	146,645
Total revenue	524,928	2,130,669
Other income:		
- rental income	226,997	177,995
- dividend received	-	167,276
- other income	354,488	312,488
- disposal of leasehold land	-	11,081,124
Total other income	581,485	11,738,883

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6. Profit (Loss) Before Income Tax

- i. *Profit (loss) before income tax includes the following specific expenses:*

	Consolidated	
	2016	2015
	\$	\$
Finance costs	10,766	28,224
Premises-contractual amounts	9,351	169,708
Research and development costs	427,332	426,346
Depreciation and amortisation	732,484	651,639
Defined contribution superannuation	71,420	147,735
Employee benefits	795,623	954,008
Bad debt (write back)/expense – Trade receivables	-	(613,887)
Costs associated with Gambia and Senegal Investments (note 13)	946,786	264,460
Write down/(back) of inventory	171,077	(392,139)
Impairment of capital works in progress	-	1,296,742

7. Income Tax Expense

- i. *The components of tax expense comprise:*

	Consolidated	
	2016	2015
	\$	\$
Current tax expense in respect of current year	-	-
Adjustments recognised in the current year in relation to the prior year	(449,101)	(1,998,945)
Recognition of current year movements	(146,882)	(1,083,168)
Total	(595,983)	(3,082,113)

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ii. The prima facie tax on profit before income tax is reconciled to the income tax as follows:

	Consolidated	
	2016	2015
	\$	\$
Prima facie tax payable on profit 30% (2015: 30%)		
- continuing operations	(1,501,254)	1,472,102
	(1,501,254)	1,472,102
Add/(Less) Tax effect of:		
- non-deductible Gambia	284,036	79,338
- other non-deductible items	(634,237)	(94,013)
- deferred tax asset not recognised on overseas entities	728,341	824,104
- disposal of leasehold land – China	-	(3,324,337)
- over/(under) provision for income tax in prior year	564,061	(1,998,945)
- impact of overseas tax differential	(36,930)	(40,362)
Income tax attributable to entity	(595,983)	(3,082,113)

The applicable weighted average effective tax rates are as follows:

(13.5)% (63)%

The decrease in the weighted average effective consolidated tax rate for 2016 is mainly the result of exploration and feasibility expenditure claimed and offset by research and development rebates.

iii. Income tax rates

Australia

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

China (including Hong Kong)

Astron Corporation Limited is subject to Hong Kong tax law.

The Group's subsidiaries in China and are subject to Chinese income tax laws.

Chinese taxation obligations have been fully complied with, confirmed by regular audits completed by the Chinese tax authorities.

iv. Items not chargeable or not deductible for tax purposes

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

v. Tax on other comprehensive items

No deferred tax liabilities have been recognised in relation to available for sale financial assets reserve due to the existence of significant capital losses. Accordingly, no movement in income tax is recorded in current or prior financial years. No tax is applicable to other comprehensive item: foreign currency translation differences and share based payments reserve.

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8. Earnings Per Share

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

	Consolidated	
	2016 \$	2015 \$
(Loss)/Profit attributable to owners	(4,408,196)	7,989,118
(Loss)/Earnings used to calculate basic EPS	(4,408,196)	7,989,118
(Loss)/Earnings used in calculation of dilutive EPS	(4,408,196)	7,989,118

ii. Weighted average number of ordinary shares (diluted):

	Consolidated	
	2016 \$	2015 \$
Weighted average number of ordinary shares outstanding during the year		
- used in calculating basic EPS	122,479,784	122,479,784
Weighted average number of ordinary shares outstanding during the year		
- used in calculating dilutive EPS	122,479,784	122,479,784

iii. 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.

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9. Auditors' Remuneration

	Consolidated	
	2016	2015
	\$	\$
Audit and review of financial statements		
Grant Thornton	153,149	103,181
	153,149	103,181
Other services		
- taxation services	8,840	35,760
- other assurance services	14,500	10,064

10. Cash and Cash Equivalents

	Consolidated	
	2016	2015
	\$	\$
Cash on hand	5,652	3,341
Current & call account balances	5,098,942	5,792,686
Short term deposits	-	-
Total	5,104,594	5,796,027

Cash on hand is non-interest bearing. Bank balances and short term deposits at call bear floating interest rates between 0.0% and 2.15% (2015: 0.0% and 2.15%). Deposits have an average maturity of 90 days (2015: 90 days). Bank balances included letter of credit deposits of \$0 as at 30 June 2016 (2015: \$0).

a) Geographic concentration of risk

	Consolidated	
	2016	2015
	\$	\$
Australia	722,983	5,678,318
China	4,344,268	29,536
Hong Kong	2,444	3,025
USA	28,687	32,967
United Kingdom	3,125	5,072
Senegal	3,087	47,109
Total	5,104,594	5,796,027

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b) Concentration of risk by bank

	Consolidated	
	2016	2015
	\$	\$
Australia		
Commonwealth Bank-S&P rating of AA- (2015:AA-)	252,018	2,253,282
Goldman Sachs JB Were-A- (2015:A-)	84,458	82,703
Westpac Bank-S&P rating of AA- (2015:AA-)	1,745	1,849
Bank of China-S&P rating of A (2015:A)	12,326	3,295,284
Other Australian banks	372,436	44,662
	722,983	5,677,780
China		
Bank of China-S&P rating of A (2015:A)	1,979,916	21,737
Construction Bank-S&P rating of A (2015:A)	2,357,793	3,153
Shanghai Pudong Development Bank – unrated	477	266
Other Chinese banks	6,082	1,766
	4,339,268	26,922
Other countries		
Other banks	37,343	87,984
	37,343	87,984

c) Term deposits greater than 90 days

	Consolidated	
	2016	2015
	\$	\$
Term deposits with maturity over 90 days	60,685	60,325

As at 30 June 2016, term deposits with maturity over 90 days of \$60,685 (2015: \$60,325) bear fixed interest rates of 2.20% (2015: 3.25%) and have a maturity of 3-6 months.

i. Restrictions on cash

The short term deposits include \$60,000 (2015: \$60,000) of cash backed Bank Guarantees for the operations of the Donald Mineral Sands project and WIM 150 Pty Limited.

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d) Geographic concentration of risk

	Consolidated	
	2016	2015
	\$	\$
Australia	60,685	60,325

e) Concentration of risk by bank

	Consolidated	
	2016	2015
	\$	\$
Australia		
Commonwealth Bank-S&P rating of AA- (2015:AA-)	50,000	50,000
Other	10,685	10,325
	60,685	60,325

11. Trade and Other Receivables

	Note	Consolidated	
		2016	2015
		\$	\$
Current			
Trade debtors	11(b)(c)	55,295	572
Net trade debtors		55,295	572
Other receivables	11(a)	13,771,966	16,976,443
Prepayments	11(c)	1,141,770	826,330
Impairments	11(c)	(365,272)	(386,166)
Net prepayments		776,498	440,164
		14,603,759	17,417,179
Non Current			
Other Receivables	11(a)	-	3,924,922
Total	11(a)	14,603,759	21,342,101

(a) Other receivables

During the year ended 30 June 2015, the Group entered into a contract of sale for leasehold land held in Yingkou province China, the net proceeds of \$20,356,248 to be received in instalments. As at 30 June 2016 the receivable amounts to \$12,751,781 which was to be paid in equal instalments. While the receivable is currently outside terms the Group is confident that the receivable will be received in instalments post year end, accordingly no impairment has been recognised.

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(b) Ageing analysis

The ageing analysis of trade receivables is as follows:

	Consolidated	
	2016 \$	2015 \$
0-30 days (not past due)	22,931	-
31-60 days (past due not impaired)	23,540	-
61-90 days (past due not impaired)	8,284	-
91+ days (past due not impaired)	540	572
Total	55,295	572

At the end of the reporting period the Group's trade debtors are predominantly receivable from Chinese trading partners. The Chinese debtors are regularly reviewed and as is common practice in China the terms may be extended without which there would be overdue balances. Where applicable the Group has impaired significantly overdue receivables.

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

(c) Prepayments

At year end the Group had made advances to suppliers for inventory purchases to secure the inventory at favourable prices.

Included in prepayments is an amount of \$365,272 (2015: \$386,166) which is the prepayment for construction. This amount has been impaired due to low possibility of collection.

12. Inventories

	Consolidated	
	2016 \$	2015 \$
Raw materials – at net realisable value	602,786	651,616
Finished goods – at net realisable value	125,193	144,804
Goods in transit	2,585	878
Total	730,564	797,298

There is a \$849,194 (2015: \$725,574) provision against inventory to net realisable value.

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13. Investments in Gambia and Senegal

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

Exploration and evaluation on the Niafarang project in Senegal in current financial year (and in 2015) has been capitalised.

Furthermore, expenditure in 2016 of \$946,786 (2015: \$264,460) relating to Gambia litigation claim has been expensed directly to profit and loss.

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

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

On 2 December 2015 Astron notified the ASX that 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. An application for annulment is the only form of action open to The Gambia under the ICSID rules, as there is no form of appeal process. In due course ICSID will appoint a panel of 3 arbitrators to form a committee to determine whether the Award should be annulled in whole or in part. Astron confirms that this application will be strenuously opposed.

14. Available-For-Sale Financial Assets

	Consolidated	
	2016	2015
	\$	\$
Listed Securities		
Current listed investments, at fair value		
shares in listed corporations	540,237	892,851
Total available-for-sale financial assets	540,237	892,851

Available-for-sale financial assets comprise investments in the ordinary issued capital of four public companies listed on the Australian Securities Exchange (ASX). The cost of these investments was \$1,877,716. There are no fixed returns or fixed maturity date attached to these investments. In the current financial year, the combined market value of these investments has decreased by \$352,614 (2015 increased by \$355,706) however this was offset by proceeds from the sale of Altona Mining shares totaling \$223,817. The decrease in market value of these investments has been netted off against the Financial Assets Available for Sale Reserve, under IAS 139, in the consolidated statement of financial position.

There will be no capital gains tax payable on the sale of these assets due to existing capital losses carried forward.

For listed equity securities and preference shares, fair value is determined by reference to closing bid prices on the ASX.

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15. Subsidiaries

Financial Year 2016	Country of incorporation	Percentage Owned Ordinary Shares 2016	Percentage Owned Ordinary Shares 2015
Parent entity			
Astron Corporation Limited	Hong Kong		
Subsidiaries of parent entity			
Astron Limited	Australia	100	100
Astron Advanced Materials Limited	UK	100	100
Astron Mineral Sands Pty Limited	Australia	100	100
Astron Titanium (Yingkou) Co Ltd	China	100	100
Carnegie Minerals (Gambia) Inc	USA	100	-
Carnegie Minerals (Gambia) Limited	The Gambia	100	100
Camden Sands Inc	USA	100	100
Coast Resources Limited	Isle of Man	100	100
Dickson & Johnson Pty Limited	Australia	100	100
Donald Mineral Sands Pty Ltd	Australia	100	100
Sovereign Gold NL	Australia	100	100
WIM 150 Pty Limited	Australia	100	100
Yingkou Astron Mineral Resources Co Ltd	China	100	100
Astron Senegal Holding Pty Ltd	Hong Kong	100	100
Senegal Mineral Sands Ltd	Hong Kong	100	100
Zirtanium Pty Limited	Australia	100	100

i. **Equity**

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

ii. **Disposal of subsidiaries**

During the current year and prior years no subsidiaries were disposed.

iii. **Acquisition of subsidiaries**

During the current year Carnegie Minerals (Gambia), Inc was incorporated (in Delaware USA) as a wholly-owned subsidiary of Astron Limited.

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16. Property, Plant and Equipment

	Consolidated	
	2016 \$	2015 \$
Land and buildings		
Land		
At cost	5,254,000	5,254,000
Total land	5,254,000	5,254,000
Buildings and Leasehold buildings		
At cost	10,524,633	11,124,652
Less accumulated depreciation	(1,053,025)	(663,426)
Less accumulated impairment losses	-	-
Total buildings and leasehold buildings	9,471,608	10,461,226
Total land and buildings	14,725,608	15,715,226
 Plant and equipment and works in progress		
Capital works in progress		
At cost	9,625,008	10,060,883
Less accumulated impairment losses	(3,721,206)	(3,934,065)
Total capital works in progress	5,903,802	6,126,818
Plant and equipment		
At cost	2,460,578	2,559,737
Less accumulated depreciation	(2,043,797)	(2,038,464)
Total plant and equipment	416,781	521,273
Total plant and equipment and works in progress	6,320,583	6,648,091
Total property, plant and equipment	21,046,191	22,363,317

(a) Assets pledged as security

As at 30 June 2016 and 30 June 2015 there were no mortgages granted as security over bank loans.

(b) Capital works in progress

Capital works in progress are not ready for use and not yet being depreciated.

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(c) *Movements in carrying amounts*

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

	Consolidated				
	Capital works in progress \$	Land \$	Buildings \$	Plant and equipment \$	Total \$
Year ended 30 June 2016					
Balance at the beginning of year	6,126,818	5,254,000	10,461,226	521,273	22,363,317
Additions	108,487	-	1,900	72,517	182,904
Disposal	-	-	-	-	-
Transfer	-	-	-	-	-
Depreciation expense	-	-	(446,912)	(157,516)	(604,428)
Impairment expense	-	-	-	-	-
Foreign exchange movements	(331,503)	-	(544,606)	(19,493)	(895,602)
Carrying amount at the end of year	5,903,802	5,254,000	9,471,608	416,781	21,046,191
Year ended 30 June 2015					
Balance at the beginning of year	12,925,286	5,254,000	1,945,280	725,881	20,850,447
Additions	27,847	-	-	17,506	45,353
Disposal	-	-	(245,701)	(43,135)	(288,835)
Transfer	(8,533,726)	-	8,533,726	-	-
Depreciation expense	-	-	(206,579)	(110,573)	(317,153)
Impairment expense	(1,296,742)	-	-	-	(1,296,742)
Foreign exchange movements	3,004,153	-	434,500	(68,406)	3,370,247
Carrying amount at the end of year	6,126,818	5,254,000	10,461,226	521,273	22,363,317

(d) *Impairment of capital works in progress*

No impairment loss has been recognised in profit or loss in 2016. During the 2015 year the Group brought to account an impairment expense for the Zr Sponge project in China. The project while of significant potential has long lead times and hence it was appropriate to impair at 30 June 2015.

(e) *Land acquisition*

No land was acquired in 2016 in Victoria for the Donald Project.

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17. Intangible Assets

	Note	Consolidated	
		2016 \$	2015 \$
Evaluation costs			
Cost	17(b)	12,982,274	12,524,714
Accumulated impairment loss	17(b)	(7,991,712)	(8,153,564)
Net carrying value	17(b)	4,990,562	4,371,150
Exploration expenditure capitalised			
Exploration and evaluation phases	17(a)(c)	49,435,974	45,066,696
Net carrying value		49,435,974	45,066,696
Water rights	17(a)(g)		
Net carrying value		14,691,622	15,409,966
Computer software	17(a)(d)		
Net carrying value		-	79,003
Total Intangibles	17(f)	69,118,158	64,926,815

(a) Intangible assets

Movements during the year ended 30 June 2016 in intangible assets represent additions, movements in foreign exchange and amortisation. For capital expenditure commitments refer note 27(ii).

(b) Evaluation costs and impairment losses

The development costs of \$12,982,274 (2015: \$12,524,714) and the accumulated impairment of \$7,991,712 (2015: \$8,153,564) as at 30 June 2016 relates to the following:

1. TiO2 project costs of \$7,565,591 (2015: \$7,727,443) was fully impaired in 2009. The current year movement represents the movement in foreign exchange.
2. The Senegal project of \$4,690,227 (2015: \$4,053,636) represents evaluation costs incurred in Senegal. This was netted off by an impairment of \$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 \$300,335 (2015: \$317,515) relates to capitalised testing and design fees for the MSP. The current year movement represents 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 30 June 2016 the Group has complied with the conditions of the granting of EL5186, EL5255, EL5472, ML5532, RL 2002, RL 2003 and RL 2006. 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.

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For The Year Ended 30 June 2016

(d) Software

The Group has invested in Microsoft AX a financial and enterprise resource planning system which during the year the Group continued to implement. The computer software balance represents the initial software and installation costs of the first phase of this system.

(e) Movement in net carrying value

	Consolidated				
	Exploration and Evaluation Phase	Development costs	Water Rights	Software	Total
	\$	\$	\$	\$	\$
Year ended 30 June 2016					
Opening balance	45,066,696	4,371,150	15,409,966	79,003	64,926,815
Additions	4,369,278	619,626	-	-	4,988,904
Amortisation	-	-	(718,344)	(79,003)	(797,347)
Foreign exchange movements	-	(214)	-	-	(214)
Balance at 30 June 2016	49,435,974	4,990,562	14,691,622	-	69,118,158
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

(f) 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.

(g) Water rights

In 2012 the Group acquired rights to the supply of water for the Donald project. The water rights are currently being amortised over 25 years in line with entitlements.

18. Land Use Rights

	Consolidated	
	2016	2015
	\$	\$
Land use rights	3,255,981	3,525,124

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 plan and restructure, this land transfer has been subsidised by the Chinese Government. Final contracts over the land sale were exchanged and the disposal was brought to account in the year ended 30 June 2015 with the net proceeds of \$20,356,248 to be received in instalments. As at 30 June 2016 the receivable amounts to \$12,751,781 which was to be paid in equal instalments. While the receivable is currently outside terms the Group is confident that the receivable will be received in instalments post year end.

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For The Year Ended 30 June 2016

(a) Reconciliation

	Consolidated	
	2016	2015
	\$	\$
Opening balance	3,525,124	2,903,760
Additions	-	-
Amortisation	(82,358)	(37,654)
Transfer to assets classified as held for sale	-	-
Foreign exchange movements	(186,785)	659,018
Closing balance	3,255,981	3,525,124

19. Trade and Other Payables

	Consolidated	
	2016	2015
	\$	\$
Unsecured liabilities		
Trade payables	2,208,322	996,471
Other payables	1,340,633	1,124,716
	3,548,955	2,121,187

20. Borrowings

	Note	Consolidated	
		2016	2015
		\$	\$
Current			
Short term borrowings	26	-	1,000,000
		-	1,000,000

The 2015 borrowings related to a loan from Executive Director Mdm Kang Rong who advanced Astron \$1,000,000 for working capital. The advance was provided on an interest free basis and repayable on demand. The loan was repaid during the year ended 30 June 2016.

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21. Provisions

	Note	Consolidated	
		2016 \$	2015 \$
Current			
Employee entitlements		67,783	59,292
Provision for indemnification on discontinued operations		-	18,546
		67,783	77,838
Non-current			
Environmental rehabilitation	21(a)	40,000	40,000
		40,000	40,000

(a) Provision for environmental rehabilitation

The provision for rehabilitation represents the estimated costs to rehabilitate the Donald Mineral Sands evaluation excavation.

22. Taxation

i. Liabilities

	Consolidated	
	2016 \$	2015 \$
Current tax liability	-	-
Deferred tax liability arises from the following:		
Capitalised expenditure	5,151,117	5,384,022
Interest accrued	-	1,849
Provisions and other timing differences	(60,522)	(71,413)
Blackhole expenditure	(11,116)	(88,097)
	5,079,479	5,226,361

ii. Deferred tax assets not brought to account

Deferred tax assets are not brought to account, as benefits will only be realised if the conditions for deductibility set out in note 2(e) occur.

	Consolidated	
	2016 \$	2015 \$
Tax losses:		
- Revenue losses (China)	3,961,477	3,283,253
- Capital losses	15,136,185	14,769,013

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iii. Current Tax Asset

This represents payment of provisional tax which is recoverable as there is no tax liability in view of the tax losses incurred.

	Consolidated	
	2016 \$	2015 \$
Current tax asset	460,380	1,186,928

23. Issued Capital

	Consolidated	
	2016 \$	2015 \$
122,479,784 (2015: 122,479,784) Fully Paid Ordinary Shares at HK\$0.1	1,605,048	1,605,048
Total	1,605,048	1,605,048

The shares in Astron Corporation Limited are par value shares with a par value of HK\$0.1.

(a) Reconciliation of ordinary shares (number)

	Consolidated	
	2016	2015
At the beginning of year	122,479,784	122,479,784
At reporting date	122,479,784	122,479,784

On 21 May 2012, Astron Corporation Limited acquired the equity interests in Astron Limited through a share swap, and became the holding company of the companies now comprising the Group. As at the date of acquisition 122,476,778 CDIs and 3,006 ordinary shares were allotted and issued to shareholders of Astron Limited for the purpose of acquiring the subsidiaries.

(b) Reconciliation of ordinary shares (value)

	Consolidated	
	2016 \$	2015 \$
At the beginning of the year	1,605,048	1,605,048
Total at end of the year	1,605,048	1,605,048

(c) Ordinary shares

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

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

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(d) *Capital risk management*

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

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

	Consolidated	
	2016	2015
	\$	\$
Net debt	-	1,000,000
Total equity	105,723,952	112,425,400

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

(e) *Share based payments*

As at 30 June 2016 there were no key executives that had any rights to acquire shares in terms of a share-based payment scheme for employee remuneration. The creation and grant is subject to shareholder approval.

24. Reserves

i. Foreign currency translation reserve

The foreign currency translation reserve records exchange differences arising on translation of foreign controlled subsidiaries. The reserve balance at 30 June 2016 is \$10,352,428 (2015: \$12,493,707).

ii. Share based payment reserve

The share-based payment reserve records the amount of expense raised in terms of equity-settled share-based payment transactions. The reserve recognised in the current financial year is nil (2015: \$nil).

iii. Financial assets available for sale reserve

The financial assets available for sale reserve represents the cumulative gains and losses arising on the revaluation of available for sale financial assets that have been recognised in other comprehensive income, net of amounts reclassified to profit or loss when those assets have been disposed of or are determined to be impaired.

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25. Dividends

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

Franking account balance

	Consolidated	
	2016 \$	2015 \$
Franking credits available for the subsequent financial years based on a tax rate of 30% (2015:30%)	1,782,657	2,769,583

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

26. Related party transactions

i. Parent entity

Astron Corporation Limited is the parent entity of the Group.

ii. Subsidiaries

Interests in subsidiaries are disclosed in note 15.

iii. Transactions with key management personnel

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

	2016 \$	2015 \$
Short term employee benefits		
Salaries and fees	979,719	1,370,312
Non cash benefits	79,297	20,742
Total short term employee benefits	1,059,016	1,391,054
Post-employment benefits		
Payments in lieu of notice	42,281	-
Superannuation	26,403	36,154
Total post-employment benefits	68,684	36,154
Total Remuneration	1,127,700	1,427,208

iv. Rental of offices

From 1 July 2011 to September 2014, the Group leased offices at level 18, Building B, Fortune Plaza, 53 Beizhan Road, Shenhe District, Shenyang China, property owned by Mdm Kang Rong, who is an executive Director of the Astron Corporation Limited.

The lease agreement has now concluded and the office is now situated in property owned by the Group rent free (2015: \$97,230).

v. Interest free loans

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

vi. Management services provided

Management and administrative services are provided at no cost to subsidiaries.

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vii. **Related Party Loans**

In 2015 Executive Director Mdm Kang Rong advanced Astron \$1,000,000 for working capital. The advance was on an interest free basis and repayable on demand. The loan was repaid during the year ended 30 June 2016.

As at 30 June 2016 there are unpaid Directors and management fees payable to Directors' related entities as follows:

- Mdm Kang Rong, Juhua International Limited of \$456,284 (2015: \$235,441); and
- Mr Alex Brown, Firback Finance Limited of \$597,753 (2015: \$377,418)

27. Commitments

i. **Operating lease commitments**

There are no non-cancellable operating leases contracted for but not capitalised in the financial statements (2015: nil)

ii. **Capital expenditure commitments**

	Consolidated	
	2016 \$	2015 \$
Capital expenditure commitments contracted for:		
Chinese capital projects	68,972	11,853
Chinese subsidiary capitalisation	3,485,304	3,684,673
Senegal	942,760	914,435
Donald Mineral Sands	50,000	50,000
	4,547,036	4,660,961
Payable:		
-not later than 12 months	4,547,036	4,660,961
	4,547,036	4,660,961

iii. **Water rights**

In terms of the contract with GWMW the Group is required to pay a usage fee in 2016 of \$215,318 (2015: \$212,563) per quarter for the remaining life of the water rights.

iv. **Guarantees between subsidiaries**

Astron Limited has provided a letter of support to the Victorian Department of Primary Industries to fund any expenditure incurred by Donald Mineral Sands Pty Limited.

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v. *Other commitments and contingencies*

Land

In 2008 Astron Titanium (Yingkou) Co Ltd acquired a land site from the Chinese Government. The Group is discussing possible changes to the usage rights with the Government. The Directors believe that no significant loss will be incurred to the Group in relation to the land use rights. As at the 30 June 2016 the net book value of this land is \$1,503,167 (2015: \$1,628,389).

The intention for the block of land held by Yingkou Astron Mineral Resources Co Ltd is currently being evaluated. As at 30 June 2016 the net book value of the land is \$1,752,814 (2015: \$1,896,736).

Senegal

The Group has a commitment subject to various milestones for its Senegalese project manager to earn up to 3% of the shareholding in the Senegal company. This is satisfied by Group obtaining the mining licence.

The Group has a commitment of USD\$700,000 payable to mining consultants on the successful achievement of a mining license.

Minimum expenditure on exploration and mining licenses

To maintain the Exploration and Mining License's at Donald the Group is required to spend \$2,222,540 on exploration and development expenditure over the next year (2015: \$1,471,040). The minimum expenditure amount per annum will normally increase over the life of an exploration license. The minimum expenditure on the mining license 5532 is \$556,800 per annum. The amount of this expenditure could be reduced should the Group decide to relinquish land.

Other

Astron Limited is committed to adequately capitalise its Chinese subsidiaries to the amount of \$3,485,308 (2015: \$3,684,673).

28. Cash Flow Information

i. *Reconciliation of cash provided by operating activities with profit attributable to members*

	Consolidated	
	2016 \$	2015 \$
Net (loss)/ profit for the year	(4,408,196)	7,989,118
<i>Non-cash flows in profit (loss) from ordinary activities</i>		
Depreciation and amortisation	732,484	651,639
Other provisions	(13,083)	-
Gain on sale of property, plant & equipment	(31,409)	8,471,294
Gain on disposal of available-for-sale assets	(23,177)	-
Impairment of construction in progress	-	1,296,742
Decrease/ (increase) in trade and other receivables	891,523	(20,400,877)
Decrease/(increase) in inventories	66,734	(347,517)
Increase in trade payables and accruals	1,017,110	38,396
Increase in deferred tax liabilities	(595,983)	(1,933,124)
Effects on foreign exchange rate movement	(154,042)	492,450
	(2,518,039)	(3,741,879)

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ii. Reconciliation of cash

		Consolidated	
	Note	2016 \$	2015 \$
Cash at the end of the financial year as shown in the cash flow statement is reconciled to items in the consolidated statement of financial position as follows:			
Cash on hand	10	5,652	3,341
Current & call account balances	10	5,098,942	5,792,686
Short term deposits	10	-	-
		5,104,594	5,796,027

iii. Loan facilities

As at 30 June 2016 the Group did not have any loan facilities. As at 30 June 2015 the Group had an advance from a Director which was fully drawn at \$1,000,000.

iv. Non cash financing and investing activities

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

v. Acquisition of entities

During the year or during the previous year Astron Corporation Limited did not invest any funds into Chinese subsidiaries. During the current year Astron did not acquire any new entities.

vi. Disposal of entities

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

vii. Restrictions on cash

Bank balances did not include any letter of credit deposits at 30 June 2016 (2015: \$nil).

29. Employee Benefit Obligations

As at 30 June 2016 and 30 June 2015, the majority of employees are employed in China. It is not normal business practice to remunerate employees in China with employee benefits including superannuation. Any Chinese provisions for employee entitlements at year end would be insignificant.

30. Subsequent events

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

The financial statements were authorised for issue on 16 September 2016 by the board of Directors.

31. Financial Instruments

i. General objectives, policies and processes

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

There have been no substantive changes in the Group's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them

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from previous periods unless otherwise stated in this note. The principal financial instruments from which financial instrument risk arises are cash at bank, term deposits greater than 90 days, trade receivables and payables and available-for-sale investments.

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

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

ii. **Credit risk**

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

In respect of cash investments the majority of cash, cash equivalents and term deposits greater than 90 days are held with institutions with a AA to A-credit rating.

In respect of trade receivables, there is no concentration of credit risk as the Group has a large number of customers. Group policy is that sales are only made to customers that are credit worthy. Trade receivables are predominantly situated in China.

Other Receivables include \$12,558,176 (2015: \$20,373,622) being the land sale receivable from the Yingkou Provincial government.

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

Refer to note 10 (a) & (b) for concentration of credit risk for cash and cash equivalents.

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

	Consolidated	
	2016	2015
	\$	\$
Cash & cash equivalents	5,104,594	5,695,015
Term deposits with maturity over 90 days	60,685	60,325
Receivables (trade and other)	14,603,759	20,901,937
Total	19,769,036	26,657,277

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iii. Liquidity risk

Liquidity risk is the risk that the Group may encounter difficulties raising funds to meet commitments associated with financial instruments, e.g. borrowing repayments. The Group manages liquidity risk by monitoring forecast cash flows. As at the year end the Group had cash of \$5,104,594 (2015: \$5,695,015).

Maturity analysis

Consolidated

	Note	Carrying Amount \$	Contractual Cash flows \$	< 6 months \$
Year ended 30 June 2016				
Non-derivatives				
Trade payables	19	2,208,322	2,208,322	2,208,322
Other payables and accruals	19	1,340,633	1,340,633	1,340,633
Borrowings	20	-	-	-
Total Non-interest bearing liabilities		3,548,955	3,548,955	3,548,955
Total liabilities		3,548,955	3,548,955	3,548,955
Year ended 30 June 2015				
Non-derivatives				
Trade payables	19	996,471	996,471	996,471
Other payables and accruals	19	1,184,008	1,184,008	1,184,008
Borrowings	20	1,000,000	1,000,000	1,000,000
Total Non-interest bearing liabilities		3,180,479	3,180,479	3,180,479
Total liabilities		3,180,479	3,180,479	3,180,479

iv. Fair value

The fair values of

- Listed investments have been valued at the quoted market bid price at the end of the reporting period. For unlisted investments where there is no organised financial market the fair value has been based on a reasonable estimation of the underlying net assets or discounted cash flows of the investment.
- Other assets and other liabilities approximate their carrying value.

At 30 June 2016 and 30 June 2015, the aggregate fair values and carrying amounts of financial assets and financial liabilities approximate their carrying amounts.

Available-for-sale financial instruments are recognised in the statement of financial position of the Group according to the hierarchy stipulated in IFRS 7.

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	Consolidated	
	2016 \$	2015 \$
Available-for-sale financial assets		
ASX Listed equity shares Level 1	540,237	892,851
	540,237	892,851

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

v. Price risk

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

As at 30 June 2016, the maximum exposure of price risk to the Group was the available-for-sale investments for \$540,237 (2015: \$892,851). 100% of the Group's holding is in the mining or energy sector.

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

	Consolidated	
	2016 \$	2015 \$
Carrying amount of listed equity shares on ASX	540,237	892,851
	540,237	892,851

Sensitivity Analysis

	Consolidated			
	2016 \$		2015 \$	
	Increase/(decrease) in share price		Increase/(decrease) in share price	
	+10%	-10%	+10%	-10%
Listed equity shares on ASX				
Profit before tax - decrease	-	(54,024)	-	(89,285)
Other comprehensive income - increase	54,024	-	89,285	-

The above analysis assumes all other variables remain constant.

vi. Interest rate risk

The Group manages its interest rate risk by continuously monitoring available interest rates while maintaining an overriding position of security whereby the majority of cash and cash equivalents and term deposits are held with institutions with a AA-to A- credit rating.

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

	Weighted Average Effective Interest Rate		Floating Interest Rate		Fixed Interest Rate Maturing within 1 Year		Non-interest Bearing		Total	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
	%	%	\$	\$	\$	\$	\$	\$	\$	\$
Financial Assets:										
Cash and cash equivalents	2.15%	2.15%	4,996,599	5,691,674	102,343	101,012	5,652	3,341	5,104,594	5,796,027
Term deposits greater than 90 days	3.15%	3.15%	-	-	60,685	60,325	-	-	60,685	60,325
Receivables	-	-	-	-	-	-	14,603,759	21,342,101	14,603,759	21,342,101
Available-for-sale investments	-	-	-	-	-	-	540,237	892,851	540,237	892,851
Total Financial Assets			4,996,599	5,691,674	163,027	161,337	15,149,648	22,238,293	20,309,275	28,091,304
Financial Liabilities:										
Trade and sundry payables	-	-	-	-	-	-	3,548,955	2,121,187	3,548,955	2,121,187
Borrowings	-	-	-	-	-	-	-	1,000,000	-	1,000,000
Total Financial Liabilities	-	-	-	-	-	-	3,548,955	3,121,187	3,548,955	3,121,187

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Sensitivity analysis

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

	Consolidated			
	+ 1% (100 basis points)		-1% (100 basis points)	
	2016 \$	2015 \$	2016 \$	2015 \$
Cash at bank	51,046	57,960	(51,046)	(57,960)
Term deposits greater than 90 days	607	603	(607)	(603)
Borrowings	-	-	-	-
	51,653	58,563	(51,653)	(58,563)
Tax charge of 30%	(15,496)	(17,569)	15,496	17,569
Total	36,157	40,994	(36,157)	(40,994)

vii. Foreign currency risk

The Group is exposed to fluctuations in foreign currencies arising from the sale and purchase of goods and services in currencies other than the Group's measurement currency. The Group manages this risk through the offset of trade receivables and payables where the majority of trading is undertaken in either the USD or Chinese Reminbi which is pegged to the USD. Current trading terms ensure that foreign currency risk is reduced by not trading on terms but cash on delivery.

Astron Corporation Limited



Declaration by Directors

For The Year Ended 30 June 2016

The Directors of the company declare that:

1. The financial statements, comprising the consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position, consolidated statement of cash flows, consolidated statement of changes in equity, accompanying notes, are in accordance with International Financial Reporting Standards and give a true and fair view of the consolidated entity's financial position as at 30 June 2016 and of its performance for the year ended on that date.
2. In the Directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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



A Brown

Director



G King

Director

19 September 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 Report To the Members of Astron Corporation Limited

We have audited the accompanying financial report of Astron Corporation Limited (the "Company"), which comprises the statement of financial position as at 30 June 2016, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information to the financial report and the statement by the Directors of the consolidated entity comprising the Company and the entities it controlled at the year's end or from time to time during the financial year.

Responsibility of the Directors for the financial report

The Directors of the Company are responsible for the preparation and fair presentation of the financial report in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IASB) and other authoritative pronouncements of the IASB. This responsibility includes such internal controls as the Directors determine are necessary to enable the preparation of the financial report to be free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with International Auditing Standards which require us to comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error.

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

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In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

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

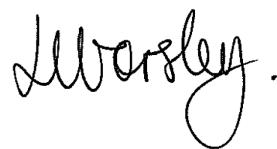
Auditor's Opinion

In our opinion, the financial report of Astron Corporation Limited:

- a presents fairly, in all material respects, the consolidated entity's financial position as at 30 June 2016 and of their performance and cash flows for the year then ended; and
- b the financial report also complies with 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, 19 September 2016

Astron Corporation Limited

Investor Information

2016/2017 Financial Calendar (on or before)

Release of quarterly report	31 October 2016
2016 Annual general meeting	5 December 2016
Release of quarterly report	30 January 2017
Release of half year report	27 February 2017
Release of quarterly report	30 April 2017
Release of Appendix 4E	28 August 2017

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

The information is current as at 6 September 2016.

Shareholders' interests

(a) Distribution of equity securities

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

Range of Units Snapshot

	Total holders	Units	% of Issued Capital
1-1,000	121	58,765	0.05
1,001-5,000	112	325,665	0.27
5,001-10,000	55	436,392	0.36
10,001-100,000	129	4,534,980	3.70
100,001-9,999,999,999	40	117,120,976	95.63
Rounding			
Total	457	122,476,778	100.00

Non CDI holders

1-1,000	4	306
1,001-5,000	1	2,700
Total	5	3,006

Unremarkable Parcels

	Minimum parcel size	Holders	Units
Minimum \$ 500.00 parcel at \$0.155 per unit	3,226	193	216,089

Astron Corporation Limited

Investor Information continued

(b) Twenty largest CDI holders

The twenty largest CDI holders are as follows:

Rank	Name	Units	% of Total CDIs
1.	P T Arafua Mining Limited	94,165,972	76.88
2.	FSC Investment Holdings Ltd	7,437,092	6.07
3.	Juhua International Limited	4,000,000	3.27
4.	GCC Asset Holdings Pty Ltd	1,278,825	1.04
5.	Mr Donald Alexander Black	1,109,053	0.91
6.	Mr Darrell Vaughan Manton + Mrs Veronica Josephine Manton <The Manton Family No 2 A/C>	933,364	0.76
7.	Mr Guodong Gong	808,102	0.66
8.	HSBC Custody Nominees (Australia) Limited	634,214	0.52
9.	Mr Adrian Robert Nijman + Mrs Jenny Ann Nijman	550,006	0.45
10.	J P Morgan Nominees Australia Limited	545,628	0.45
11.	DFC Management Pty Ltd <Carmichael Superfund A/C>	400,000	0.33
12.	Cognition Australia Pty Ltd <A&M Gall Superannuation A/C>	381,468	0.31
13.	Navigator Australia Ltd <MLC Investment Sett A/C>	376,120	0.31
14.	Bresrim Nominees Pty Ltd <D A Hannes Super Fund #2 A/C>	328,342	0.27
15.	Max Short Pty Ltd <GL Short Family A/C>	289,260	0.24
16.	Ellrock Pty Ltd <Elliott No 3 A/C>	260,000	0.21
17.	Mr David Dippie + Mrs Joanne Dippie + Bramwell Grossman Trustees Ltd <Dippie Family A/C>	247,613	0.20
18.	Mr Malcolm Campbell	204,400	0.17
19.	Morgeo Nominees Pty Limited	200,000	0.16
20.	ABN AMRO Clearing Sydney Nominees Pty Ltd <Custodian A/C>	182,718	0.15
Totals: Top 20 holders of CDI		113,997,978	93.36
Total Remaining Holders Balance		8,144,601	6.64
Total CDIs		122,476,778	100.00
Total non-CDI holders		3,006	
Total shares on issue		122,479,784	

(c) Voting rights

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

Astron Corporation Limited

Investor Information continued

(d) Schedule of interests in mining tenements

Location	Tenement	Percentage held
Victoria Australia	EL5186	100
Victoria Australia	EL5255	100
Victoria Australia	EL5472	100
Victoria Australia	RL 2002	100
Victoria Australia	RL 2003	100
Victoria Australia	RL 2006	100
Victoria Australia	MIN5532	100

Information policy

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

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

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

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

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

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

Astron Corporation Limited

Investor Information continued

Salient Financials								
	2016	2015	2014	2013	2012	2011	2010	2009
Share price* (\$)	0.17	0.15	0.32	0.71	1.30	1.50	0.90	0.90
EPS (c)	(3.60)	6.52	(6.19)	(4.46)	(0.80)	0.70	0.90	(2.00)
Price earnings Ratio	n/a	n/a	n/a	n/a	n/a	221.4	105.6	n/a
Interest Cover	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Nos of Shares on issue (m)*	122.5	122.5	122.5	122.5	122.5	124.6	128.4	129.6
Profit and Loss (\$m)								
Total income	1.2	13.9	5.1	13.0	21.0	20.5	15.3	10.6
Costs	(5.4)	(8.3)	(10.9)	(17.8)	(20.4)	(17.0)	(12.2)	(9.9)
EBITDA	(4.3)	5.6	(5.8)	(4.8)	0.6	3.5	3.1	0.7
Depreciation & Amortisation	(0.7)	(0.7)	(0.5)	(0.6)	(0.5)	(0.4)	(0.3)	(0.3)
EBITDA	(5.0)	4.9	(6.3)	(5.4)	0.1	3.1	2.8	0.4
Borrowing Costs	-	-	-	(0.1)	-	-	(0.1)	-
NPBT	(5.0)	4.9	(6.3)	(5.5)	0.1	3.1	2.7	0.4
Income tax benefit/(expense)	0.6	3.1	(1.3)	(0.0)	(1.1)	(2.2)	(1.5)	(2.9)
NPAT	(4.4)	8.0	(7.6)	(5.5)	(1.0)	0.9	1.2	(2.5)
Balance Sheet (\$m)								
Cash & Term deposits	5.2	5.9	10.1	108.1	121.2	147.4	166.5	168.8
Receivables	14.1	17.4	1.6	5.0	4.2	7.5	2.6	2.5
Inventories	0.7	0.8	0.4	2.2	5.1	3.7	1.3	2.9
Other financial Assets	0.5	0.9	1.2	1.0	1.9	2.5	0.7	1.1
Current Tax Assets	0.5	1.2	0.6	0.3	-	-	-	-
Assets classified as available for sale	-	-	6.7	-	-	-	-	-
Total Current Assets	21.0	26.2	20.6	116.6	132.4	161.1	171.1	175.3
Property, Plant & Equipment	21.0	22.4	20.9	21.1	16.7	12.4	11.4	9.0
Trade & other receivables	-	3.9	-	-	-	-	-	-
Intangible assets	69.1	64.9	61.2	56.2	48.6	27.0	21.8	20.4
Land use rights	3.3	3.5	2.9	10.0	8.7	8.3	10.0	10.8
Deferred Tax Assets	-	-	-	-	-	-	-	-
Total Current Assets	93.4	94.7	85.0	87.3	74.0	47.7	43.2	40.2
TOTAL ASSETS	114.4	120.9	105.6	203.9	206.4	208.8	214.3	215.5
Payables	3.6	2.2	2.5	1.9	2.2	2.2	1.5	1.8
Borrowings	-	1.0	-	0.3	0.2	-	-	-
Tax Liabilities	-	-	-	-	0.1	0.2	0.2	0.9
Total Current Liabilities	3.6	3.3	2.5	2.2	2.5	2.4	1.7	2.7
Deferred Tax	5.1	5.2	6.3	5.0	5.0	4.6	2.9	1.6
Total Non-Current Liabilities	5.1	5.2	6.3	5.0	5.0	4.6	2.9	1.6
Total liabilities	8.7	8.5	8.8	7.3	7.5	7.0	4.6	4.3
NET ASSETS	105.7	112.4	96.8	196.6	198.9	201.8	209.7	211.2
Cash Flows (\$m)								
Operating Activities	(2.5)	(3.7)	(0.8)	(3.3)	3.2	(1.5)	4.0	0.8
Investing Activities	3.3	3.8	49.8	(11.0)	(27.8)	(17.9)	(57.8)	(13.5)
Financing Activities	(1.0)	1.0	92.1	0.1	(4.2)	(5.1)	(1.2)	(6.2)

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

Astron Corporation Limited

Directors

Mr Gerard King (Chairman)

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 Office

73 Main Street, Minyip, VIC 3392

Telephone: 61 3 5385 7088

Fax: 61 3 5385 7050

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 Audit Pty Limited

Level 17, 383 Kent Street

Sydney NSW 2000, Australia

Grant Thornton Hong Kong Limited

Level 12, 28 Hennessy Road

Wan Chai, Hong Kong

Internet Address

www.astronlimited.com