

Astron Limited

ABN 97 000 285 272

Half Year Report

ended 31 December 2011

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Astron Limited – Half Year Report

CORPORATE DIRECTORY

Astron Limited ABN 97 000 285 272

Directors

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

Company Secretary

Mr Mark Nielsen

Registered Office

Level 19, 2 Market Street
Sydney 2000 Australia

Australian Business Office

Level 29, 2 Chifley Square
Sydney 2000 Australia
Telephone: 61 2 9375 2361
Fax: 61 2 9375 2121

China Business Office

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

Share Registrar

Computershare Investor Services Limited
Level 3, 60 Carrington Street
Sydney NSW 2001
Telephone: 61 2 8234 5000

Auditors

BDO
Level 19, 2 Market Street
Sydney NSW 2000

Internet Address

www.astronlimited.com

Astron Limited – Half Year Report
Appendix 4D

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

Name of entity

ASTRON LIMITED

ABN

97 000 285 272

Reporting period

Half Year ended 31 December 2011

Previous corresponding period

Half Year ended 31 December 2010

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

1. RESULTS FOR ANNOUNCEMENT TO THE MARKET

| | | | | |
|---|------|------------|----|--------------|
| Total revenue from operations | Up | 15% | to | \$12,361,478 |
| Revenue from trading operations | Up | 83% | to | \$8,242,104 |
| Net profit before tax attributable to members | Down | 52% | to | \$1,152,413 |
| Net asset value per share | Up | 1% | to | \$3.26 |

2. REVIEW OF OPERATIONS

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

3. DETAILS OF CONTROLLED ENTITIES

Save for the incorporation of Astron Corporation Limited (a Hong Kong company), as a wholly owned subsidiary of Astron Limited, during the period the Group did not gain or lose control of any entities.

4. DETAILS OF ASSOCIATES AND JOINT VENTURE ENTITIES

The group has no associates or joint venture entities.

5. DIVIDENDS

No dividend was paid or proposed for the period to 31 December 2011 or the comparative period.

6. AUDIT DISPUTES OR QUALIFICATIONS

There are no audit disputes or qualifications.

7. ACCOUNTING STANDARDS

Australian Accounting Standards have been used in complying the information contained in Appendix 4D.

Astron Limited and its Subsidiaries

ABN 97 000 285 272

Consolidated Financial Statements

For the Half Year Ended 31 December 2011

Astron Limited and its Subsidiaries

ABN 97 000 285 272

Consolidated Financial Statements

For the Period Ended 31 December 2011

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Astron Limited and its Subsidiaries

ABN 97 000 285 272

Directors' Report

31 December 2011

Your directors present their report on the consolidated entity consisting of Astron Limited and its subsidiaries (the Group) at the end of, or during, the half-year ended 31 December 2011.

1. DIRECTORS

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

Mr Gerard King

Mr Alexander Brown

Mr Robert Flew

Mr Ronald McCullough

Mdm Kang Rong

2. BUSINESS REVIEW

Overview

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

Review of financials

Income statement

Total revenue increased by 15% to \$12,361,478. The increase in revenue is attributable to an increase in revenue from materials trading.

Trading revenue and gross profit for the period increased by 83% to \$8,242,104 and by 612% to \$2,764,561 respectively. These increases were attributable to the Group actively purchasing stock to take advantage of increasing titanium feedstock selling prices.

Non trading related operating expenses increased by \$1,246,404. The increase arises from costs incurred in relation to the proposed re-domiciliation of the Group as announced on 25 January 2012 and research and development expenses incurred in China.

Profit before tax for the six months decreased by \$1,244,131 from \$2,396,544 to \$1,152,413. This decrease can be explained by the additional expenditure incurred in connection with the proposed re-domiciliation and in the comparative period proceeds of \$1,080,000 from the settlement of the Matilida legal matter which was included in other income.

Income tax expense comprises current tax of \$671,518 and deferred tax of \$241,915. The increase in deferred tax provided corresponds with the increase in Donald's capitalised development expenditure.

Balance sheet

Cash

Cash and term deposits decreased by \$19,393,259 from 30 June 2011 to the end of the current period. The largest individual items of spend were the purchase of water rights for Donald of \$17,937,500, the construction of pilot plants at our Yingkou site in China of \$1,142,098 and the share buy back of \$1,763,202.

Astron Limited and its Subsidiaries

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Directors' Report

31 December 2011

Current assets

Stock and debtors increased by \$764,416 primarily as a result of an increase in stock holdings to take advantage increasing prices. The benefit of this strategy is evidenced by improved margins from trading activity during the six months to 31 December 2011.

Non-current assets

The increase in intangible assets from 30 June 2011 arises from Donald and Niafarang (Senegal) project development expenditure capitalised in terms of AASB6 and the purchase of the water rights from Grampians Wimmera Mallee Water Authority (GWMW).

The increase in the foreign currency translation reserve of \$1,690,324 arises from the impact of depreciation of the Australian Dollar relevant to the Yuan on the translation of the foreign operations.

The net asset value per share has increased by 1% to \$3.26. This movement can mainly be attributed to increase in the foreign currency reserve as explained above.

Review of operations

Donald Mining Project

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

Water

- In November 2011, DMS acquired an annual water allowance of 6,975 ML of water for a period 25 years from the GWMW. DMS has the option, subject to the approval of GWMW, to extend the term of the allowance for an additional 25 years. The total purchase consideration of the 6,975 ML allowance was \$17,937,500.

Feasibility study

- Work continued on the feasibility study including further work on more accurately defining operating and capital expenditure.

Exploration

- In December 2011, Astron announced that the inclusion of recent drilling results and the subsequent re-modelling of exploration licences 4433 and 4432 and mining licence 5532.

Work plan

- The work plan was submitted to Victorian Department of Primary Industries. This includes the completion of phase 1 of the Cultural Heritage Management Plan.

Niafarang project Senegal

- The Group was re-awarded an exploration licence until 26 November 2013.

Going forward

With the appointment of Hayden Stockdale as Chief Executive Officer and the proposed re-domiciliation to Hong Kong, Astron will commence an active investor relations programme during the first quarter of the 2012 calendar year.

During the second half of the 2012 financial year a decision should be made on the final location of the processing plants. This together with the resolution of technical issues and forecast selling prices should enable the company to finalise its feasibility study. The market for zircon and titanium feedstock materials remains positive with high current and forecast product prices predicted. Astron's intention is to progress Donald timeously in order to take advantage of these favourable market conditions.

Astron Limited and its Subsidiaries

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Directors' Report

31 December 2011

3. AUDITOR'S INDEPENDENCE DECLARATION

A copy of the independence declaration by the lead auditor under section 307C is included on Page 10 to these half-year financial statements.

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

Chairman:

A handwritten signature in black ink, appearing to read 'Gerard King', is written over a light grey rectangular background.

Mr Gerard King

Dated this 23rd day of February 2012

DECLARATION OF INDEPENDENCE BY JEFF ABELA TO THE DIRECTORS OF ASTRON LIMITED

As lead auditor for the review of Astron Limited for the half-year ended 31 December 2011, I declare that to the best of my knowledge and belief, there have been:

- no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Astron Limited and the entities it controlled during the period.



Jeff Abela
Director



BDO Audit (NSW-VIC) Pty Ltd

Sydney, 23 February 2012

Astron Limited and its Subsidiaries

ABN 97 000 285 272

Consolidated Statement of Comprehensive Income

For the Half Year Ended 31 December 2011

| | | Half-Year Ended | Half-Year Ended |
|--|----------|-------------------------|---------------------------|
| | | 31 December | 31 December |
| | | 2011 | 2010 |
| | Note | \$ | \$ |
| Revenue from continuing operations | | 8,242,104 | 4,504,036 |
| Cost of sales | | <u>(5,477,543)</u> | <u>(4,116,292)</u> |
| Gross profit | | 2,764,561 | 387,744 |
| Other revenue | | 4,119,374 | 6,206,899 |
| Distribution costs | | (125,100) | (150,786) |
| Marketing costs | | (56,774) | (47,656) |
| Occupancy costs | | (47,667) | (39,407) |
| Administrative costs | | (3,773,363) | (2,526,959) |
| Development costs | | - | (38,787) |
| Impairment of available-for-sale financial assets | | (145,473) | - |
| Costs associated with Gambian and Senegal Investments | | (1,360,529) | (1,368,908) |
| Other expenses | | <u>(222,616)</u> | <u>(25,596)</u> |
| Profit before income tax expense | | 1,152,413 | 2,396,544 |
| Income tax expense | | <u>(913,433)</u> | <u>(1,201,013)</u> |
| Net profit for the half year | 2 | <u>238,980</u> | <u>1,195,531</u> |
| Other comprehensive loss | | | |
| Exchange difference on translation of foreign operations | | 1,690,324 | (4,952,439) |
| (Decrease) / increase in fair value of available-for-sale financial assets | | <u>(869,714)</u> | <u>1,851,242</u> |
| Other comprehensive profit / (loss) for the half year, net of tax | | <u>820,610</u> | <u>(3,101,197)</u> |
| Total comprehensive profit / (loss) for the half year | | <u><u>1,059,590</u></u> | <u><u>(1,905,666)</u></u> |
| Profit for the half year is attributable to: | | | |
| Owners of Astron Limited | | 238,980 | 1,195,531 |
| Total comprehensive (profit)/loss for the half year is attributable to: | | | |
| Owners of Astron Limited | | 1,059,590 | (1,905,666) |

The above Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Astron Limited and its Subsidiaries

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Consolidated Statement of Comprehensive Income

For the Half Year Ended 31 December 2011

| | Half-Year Ended 31 December 2011 | Half-Year Ended 31 December 2010 |
|--|--|--|
| Attributable to owners of Astron Limited | | |
| Basic earnings per share (cents per share) | 0.39 | 1.86 |
| Diluted earnings per share (cents per share) | 0.39 | 1.86 |
| From profit from continuing operations attributable to owners of Astron Limited | | |
| Basic earnings per share (cents per share) | 0.39 | 1.86 |
| Diluted earnings per share (cents per share) | 0.39 | 1.86 |

The above Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Astron Limited and its Subsidiaries

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Consolidated Statement of Financial Position

As at 31 December 2011

| | Note | As at 31 December 2011 \$ | As at 30 June 2011 \$ |
|--|------|---------------------------------|-----------------------------|
| ASSETS | | | |
| Current assets | | | |
| Cash and cash equivalents | | 44,033,425 | 87,110,656 |
| Term deposits greater than 90 days | | 84,017,809 | 60,333,837 |
| Trade and other receivables | | 6,765,159 | 7,479,528 |
| Inventories | | 5,164,425 | 3,685,640 |
| Available-for-sale financial assets | | 1,988,071 | 2,480,042 |
| Total current assets | | 141,968,889 | 161,089,703 |
| Non-current assets | | | |
| Property, plant and equipment | | 14,663,794 | 12,386,037 |
| Intangible assets | | 46,357,715 | 26,950,894 |
| Land use rights | | 8,736,114 | 8,352,354 |
| Total non-current assets | | 69,757,623 | 47,689,285 |
| TOTAL ASSETS | | 211,726,512 | 208,778,988 |
| LIABILITIES | | | |
| Current liabilities | | | |
| Trade and other payables | | 5,156,609 | 2,154,267 |
| Current tax liabilities | | 628,397 | 221,518 |
| Provisions | | 18,546 | 18,546 |
| Total current liabilities | | 5,803,552 | 2,394,331 |
| Non-current liabilities | | | |
| Deferred Tax Liabilities | | 4,816,324 | 4,574,409 |
| Long-term Provisions | | 40,000 | 40,000 |
| Total non-current liabilities | | 4,856,324 | 4,614,409 |
| TOTAL LIABILITIES | | 10,659,876 | 7,008,740 |
| NET ASSETS | | 201,066,636 | 201,770,248 |
| EQUITY | | | |
| Contributed equity | | | |
| Share capital | 6 | 31,394,380 | 33,157,582 |
| Reserves | | 2,501,869 | 1,681,259 |
| Retained earnings | | 167,170,387 | 166,931,407 |
| CAPITAL AND RESERVES ATTRIBUTABLE TO THE OWNERS OF ASTRON LIMITED | | 201,066,636 | 201,770,248 |

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

Astron Limited and its Subsidiaries

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Consolidated Statement of Changes in Equity

As at 31 December 2011

| | Ordinary Shares \$ | Retained Earnings \$ | Financial Assets Available For Sale Reserve \$ | Foreign Currency Translation Reserve \$ | Total Equity \$ |
|--|--------------------------|----------------------------|--|--|--------------------|
| Period Ended 31 December 2011 | | | | | |
| Equity as at 1 July 2011 | 33,157,582 | 166,931,407 | 1,814,331 | (133,072) | 201,770,248 |
| Profit for the half year | - | 238,980 | - | - | 238,980 |
| <i>Other comprehensive income</i> | | | | | |
| Decrease in fair value of available-for-sale financial assets | - | - | (869,714) | - | (869,714) |
| Exchange differences on translation of foreign operations | - | - | - | 1,690,324 | 1,690,324 |
| Total comprehensive profit for the half year | - | 238,980 | (869,714) | 1,690,324 | 1,059,590 |
| Shares repurchased during the year | (1,763,202) | - | - | - | (1,763,202) |
| Transactions with owners in their capacity as owners | (1,763,202) | - | - | - | (1,763,202) |
| Equity as at 31 December 2011 | 31,394,380 | 167,170,387 | 944,617 | 1,557,252 | 201,066,636 |

| | Ordinary Shares \$ | Retained Earnings \$ | Financial Assets Available For Sale Reserve \$ | Foreign Currency Translation Reserve \$ | Total Equity \$ |
|--|--------------------------|----------------------------|--|--|--------------------|
| Period Ended 31 December 2010 | | | | | |
| Equity as at 1 July 2010 | 38,216,239 | 166,048,756 | - | 5,476,409 | 209,741,404 |
| Profit for the half year | - | 1,195,531 | - | - | 1,195,531 |
| <i>Other comprehensive income</i> | | | | | |
| Increase in fair value of available-for-sale financial assets | - | - | 1,851,242 | - | 1,851,242 |
| Exchange differences on translation of foreign operations | - | - | - | (4,952,439) | (4,952,439) |
| Total comprehensive income for the half year | - | 1,195,531 | 1,851,242 | (4,952,439) | (1,905,666) |
| Shares repurchased during the year | (178,327) | - | - | - | (178,327) |
| Transactions with owners in their capacity as owners | (178,327) | - | - | - | (178,327) |
| Equity as at 31 December 2010 | 38,037,912 | 167,244,287 | 1,851,242 | 523,970 | 207,657,411 |

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

Astron Limited and its Subsidiaries

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Consolidated Statement of Cash Flows

For the Half Year Ended 31 December 2011

| | Half-Year Ended 31 December 2011 | Half-Year Ended 31 December 2010 |
|--|--|--|
| | \$ | \$ |
| Cash generated from operating activities | | |
| Receipts from customers | 8,028,560 | 4,612,330 |
| Payments to suppliers and employees | (9,207,051) | (8,496,262) |
| Other receipts | (87,903) | 1,160,623 |
| Interest received | 4,307,583 | 4,236,905 |
| Interest paid | (17,935) | (17,343) |
| Income taxes paid | (264,639) | (208,109) |
| Net cash generated from operating activities | 2,758,615 | 1,288,144 |
| Cash flows from investing activities | | |
| Acquisition of property, plant and equipment | (1,180,631) | (2,747,356) |
| Development expenditure | (19,411,114) | (2,892,917) |
| Refund for cancellation of acquisition of mining licence | 500,000 | - |
| Acquisition of available for sale financial assets | (523,216) | - |
| Investments in short term deposits | (23,683,971) | (1,559,307) |
| Net cash utilised by investing activities | (44,298,932) | (7,199,580) |
| Cash flows from financing activities | | |
| Payments for the repurchase of shares | (1,763,202) | (178,327) |
| Net cash utilised by financing activities | (1,763,202) | (178,327) |
| Net (decrease)/increase in cash and cash equivalents | (43,303,519) | (6,089,763) |
| Cash and cash equivalents at beginning of period | 87,110,656 | 113,759,616 |
| Effect of exchange rates on cash held in foreign currencies at beginning of period | 226,288 | (1,546,097) |
| Cash and cash equivalents at end of period | 44,033,425 | 106,123,756 |

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

Astron Limited and its Subsidiaries

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Notes to the Consolidated Financial Statements

For the Period Ended 31 December 2011

1 Statement of significant accounting policies

These general purpose financial statements for the half-year reporting period ended 31 December 2011 have been prepared in accordance with Australian Accounting Standard 134 "Interim Financial Reporting" and the *Corporations Act 2001*.

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

These half-year financial statements do not include all the notes of the type normally included in annual financial statements and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial statements. Accordingly, these half-year financial statements are to be read in conjunction with the annual financial statements for the year ended 30 June 2011 and any public announcements made by Astron Limited during the half-year reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

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

2 Profit for the half year

| | 31 December 2011 | 31 December 2010 |
|---|---------------------|---------------------|
| | \$ | \$ |
| The following significant revenue and expense items are relevant to explaining the financial performance | | |
| Interest revenue | 4,032,896 | 4,316,349 |
| Revenue from legal settlement | - | 1,080,000 |
| Foreign exchange (loss) / gain | (174,381) | 520,506 |
| Impairment of fair value on available-for-sale financial assets | (145,473) | - |
| Impairment of capitalised development expenditure | - | (38,787) |
| Costs associated with Gambian and Senegal Investments | (1,360,529) | (1,368,908) |
| Interest paid | (17,935) | (17,343) |
| Research and development expenditure | (524,170) | (107,352) |

3 Dividends

Dividends paid for during the half year:

| | 31 December 2011 | 31 December 2010 |
|---|---------------------|---------------------|
| | \$ | \$ |
| Final unfranked dividend of NIL (2010: NIL) per share | - | - |

4 Seasonality and irregular trends

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

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Notes to the Consolidated Financial Statements

For the Period Ended 31 December 2011

5 Contingent liabilities and assets

Land use rights

In 2008, Titanium acquired a 50 year land use right from the Chinese government. The Group is discussing possible changes to the usage rights with the Government. As at 31 December 2011 the net book value of this land is \$7,573,593 (30 June 2011: \$7,241,130).

The intention for the land use right held by Resources is currently being evaluated. As at 31 December 2011 the net book value of the land is \$1,162,521 (30 June 2011: \$1,111,224).

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

Water Licence Fee

The Group is currently in the process of negotiating the quantum of the annual licence fee payable in respect of the water allowance acquired from GWMW in December 2011.

Minimum expenditure on Exploration and Mining Licenses

To maintain the Exploration and Mining Licenses the Group is required to spend \$2,206,555 on development over the next year (2010: \$2,248,090). The minimum expenditure amount per annum will normally increase over the life of an exploration licence. The minimum expenditure on mining licence 5532 is \$556,800 per annum. The amount of this expenditure could be reduced should the Group decide to relinquish land.

6 Issued share capital

| | 31 December | 30 June |
|---|-------------------|------------|
| | 2011 | 2011 |
| | \$ | \$ |
| 61,708,807 (2010: 62,294,366) Fully Paid Ordinary Shares – no par value | 31,394,380 | 33,157,582 |
| Total | 31,394,380 | 33,157,582 |

Issues and repurchases of Ordinary Shares during the half year

| | 31 December | 30 June |
|--|-------------------|-------------|
| | 2011 | 2011 |
| | No. | No. |
| At the beginning of reporting period | 62,294,366 | 64,232,223 |
| Shares issued during the period | | |
| - Shares bought back during the period | (585,559) | (1,937,857) |
| At reporting date | 61,708,807 | 62,294,366 |

7 Subsequent events

There were no material events subsequent to 31 December 2011.

8 Subsidiaries

Save for the incorporation of Astron Corporation Limited, during the current or the prior half year periods Astron did not acquire

Astron Limited and its Subsidiaries

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Notes to the Consolidated Financial Statements

For the Period Ended 31 December 2011

or dispose of any subsidiary companies.

9 Segment information

(a) Business segments

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

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

Astron Limited and its Subsidiaries

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Notes to the Consolidated Financial Statements

For the Period Ended 31 December 2011

9 Segment information (cont)

(b) Segment information

Segment information provided to the managing director for the half-year ended 31 December 2011 is as follows:

| 31 December | Astron Corporate | | Donald Mineral Sands | | Mineral Resources | | Titanium | | Total of Continuing Operations | | Consolidated | |
|---|------------------|------------------|----------------------|--------------|-------------------|------------------|------------------|------------------|--------------------------------|-------------------|-------------------|-------------------|
| | 2011 | 2010 | 2011 | 2010 | 2011 | 2010 | 2011 | 2010 | 2011 | 2010 | 2011 | 2010 |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Revenue from external customers | | | | | | | | | | | | |
| Sales | - | - | - | - | 6,753,084 | 3,821,061 | 1,489,020 | 682,975 | 8,242,104 | 4,504,036 | 8,242,104 | 4,504,036 |
| Interest revenue | 4,022,112 | 4,272,312 | 6,196 | 2,732 | 2,003 | 4,872 | 2,585 | 36,433 | 4,032,896 | 4,316,349 | 4,032,896 | 4,316,349 |
| Rent | - | - | 46,649 | 5,922 | - | - | - | - | 46,649 | 5,922 | 46,649 | 5,922 |
| Other income | - | 1,289,422 | - | - | 30,603 | 74,700 | 9,226 | 520,506 | 39,829 | 1,884,628 | 39,829 | 1,884,628 |
| Total revenue | 4,022,112 | 5,561,734 | 52,845 | 8,654 | 6,785,690 | 3,900,633 | 1,500,831 | 1,239,914 | 12,361,478 | 10,710,935 | 12,361,478 | 10,710,935 |
| Segment result | | | | | | | | | | | | |
| Segment profit/(loss) Intersegment elimination | 581,135 | 2,841,166 | 52,845 | 8,654 | 827,105 | (765,247) | (308,672) | 311,971 | 1,152,413 | 2,396,544 | 1,152,413 | 2,396,544 |
| Profit before tax | | | | | | | | | 1,152,413 | 2,396,544 | 1,152,413 | 2,396,544 |
| Income tax expense | | | | | | | | | (913,433) | (1,201,013) | (913,433) | (1,201,013) |
| Net profit for the period | | | | | | | | | 238,980 | 1,195,531 | 238,980 | 1,195,531 |

Astron Limited and its Subsidiaries

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Notes to the Consolidated Financial Statements

For the Period Ended 31 December 2011

b) Segment information (cont'd)

| 2011 | Astron Corporate | | Donald Mineral Sands | | Mineral Resources | | Titanium | | Total of Continuing Operations | | Consolidated | |
|---------------------------|--------------------|-------------|----------------------|------------|-------------------|------------|-------------------|------------|--------------------------------|-------------|--------------------|-------------|
| | 31-Dec | 30 Jun | 31 Dec | 30 Jun | 31 Dec | 30 Jun | 31 Dec | 30 Jun | 31 Dec | 30 Jun | 31 Dec | 30 Jun |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Assets | | | | | | | | | | | | |
| Segment assets | 127,492,204 | 147,178,149 | 49,139,018 | 30,078,972 | 18,185,130 | 14,351,836 | 16,910,160 | 17,170,031 | 211,726,512 | 208,778,988 | 211,726,512 | 208,778,988 |
| Total segment assets | 127,492,204 | 147,178,149 | 49,139,018 | 30,078,972 | 18,185,130 | 14,351,836 | 16,910,160 | 17,170,031 | 211,726,512 | 208,778,988 | 211,726,512 | 208,778,988 |
| Liabilities | | | | | | | | | | | | |
| Segment liabilities | 2,266,229 | 1,431,911 | 4,584,662 | 4,015,550 | 2,764,773 | 1,157,916 | 1,044,212 | 403,363 | 10,659,876 | 7,008,740 | 10,659,876 | 7,008,740 |
| Total segment liabilities | 2,266,229 | 1,431,911 | 4,584,662 | 4,015,550 | 2,764,773 | 1,157,916 | 1,044,212 | 403,363 | 10,659,876 | 7,008,740 | 10,659,876 | 7,008,740 |
| | | | | | | | | | | | | |

Astron Limited and its Subsidiaries

ABN 97 000 285 272

Notes to the Consolidated Financial Statements

For the Period Ended 31 December 2011

10 Discontinued Operations

During the half year periods to 31 December 2011 and 31 December 2010 no operations were discontinued.

11 Revisions of Estimates

During the half year period to 31 December 2011 there were no changes or revisions of estimates.

Astron Limited

ABN 97 000 285 272

Declaration by Directors

The directors of the Company declare that:

1. the financial statements and notes, as set out on pages 11 to 21, are in accordance with the Corporations Act 2001 and:
 - (a) comply with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*; and
 - (b) give a true and fair view of the financial position of the consolidated entity as at 31 December 2011 and of its performance for the half year ended on that date.
2. In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

Chairman

A handwritten signature in black ink, appearing to read 'Gerard King', is written over a light grey rectangular background.

Mr Gerard King

Dated 23rd February 2012

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Astron Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Astron Limited, which comprises the statement of financial position as at 31 December 2011, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the disclosing entity and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the disclosing entity are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2011 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Astron Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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



Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Astron Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Astron Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2011 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

A handwritten signature in black ink that reads 'BDO'.

BDO Audit (NSW-VIC) Pty Ltd

A handwritten signature in black ink that reads 'Jeff Abela'.

Jeff Abela
Director

Sydney, 23 February 2012