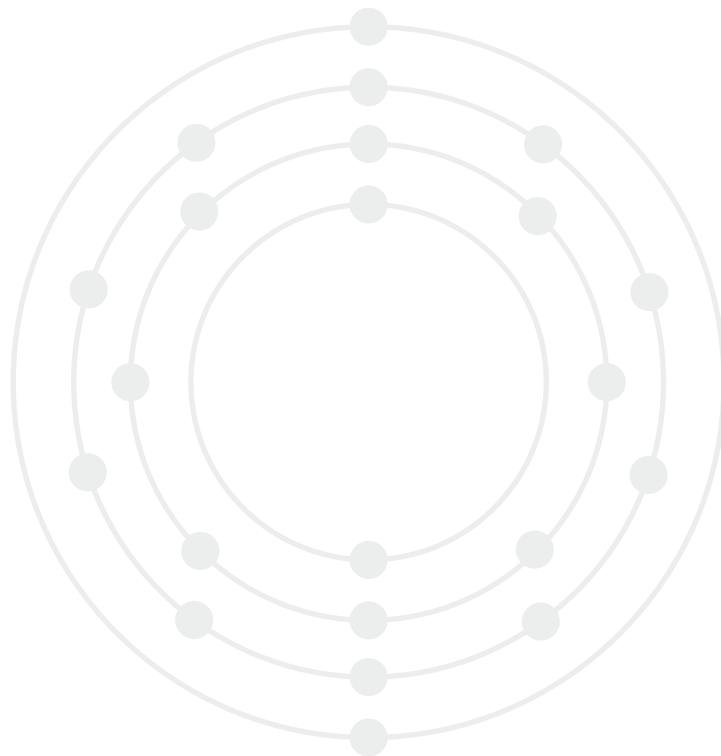




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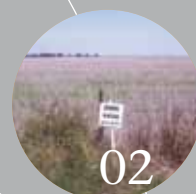
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Cautionary statement

Certain sections of this report contain forward-looking statements that are subject to risk factors associated with, among others, the economic and business circumstances occurring from time to time in the countries and sectors in which the Astron Group operates. It is believed that the expectations reflected in these statements are reasonable but they may be affected by a wide range of variables which could cause results to differ materially from those currently projected.

Competent Person's Statement

The information in this report that relates to Exploration Results and Mineral Resources is based on information compiled by Dr Boris Matveev, who is a Member of The Australian Institute of Geoscientists. Dr Matveev is a full-time employee of Astron Ltd and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resource and Ore Reserves'. Dr Matveev consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Cover images

The illustrations on the front and back of this annual report show the electron configurations of the two elements that make up Astron's key mineral sands assets: Titanium (front cover); and Zirconium (back cover).

“The world class quality of Astron’s mineral sands assets, its cashed-up balanced sheet and more than a quarter of a decade in the zircon and titanium industry provide the right ingredients for continuing to grow shareholder value.”

Alex Brown, President

About Astron

Domiciled in Hong Kong and listed on the ASX, Astron is a focused zircon and titanium mineral sands group.

In China, Astron has a **unique 25-year track record** as a Chinese-Australian company developing, selling and marketing zirconium and titanium products and boasting significant **research and technology capability** in titanium and zirconium metal and chemical processes. Astron’s Chinese mineral sands trading business maintains close relationships with all of its key customers. Astron’s success in China was built by its two executive directors, Alex Brown and Kang Rong.

Astron is now focused on developing its two wholly-owned mineral sands mining projects, the **Donald Project in Australia** and the **Niafarang Project in Senegal**.

In Australia’s Murray Basin, Astron’s Donald Project, a tier-1 zircon and titanium project is the group’s key development asset. The Donald Project has sufficient ore resources in situ to mine for over 100 years. On the completion of phase 1, the Donald Project could supply **8% of the world’s zircon market** and **4% of the world’s titanium market**.

In Senegal, the Niafarang mineral sands project is a large coastal mineral sands deposit, a **high-grade deposit** that will be exploited using a simple dredge mining and processing method.

Astron continues to develop its technical capabilities for producing zircon and titanium metals and chemicals and has a strong balance with a **cash holding of more than \$120 million**.

Operations and interests

The Astron Group is a global business domiciled in Hong Kong with operations on three continents: trading and research and development in China; development projects in Australia and Senegal; and advanced materials in the United Kingdom and USA.

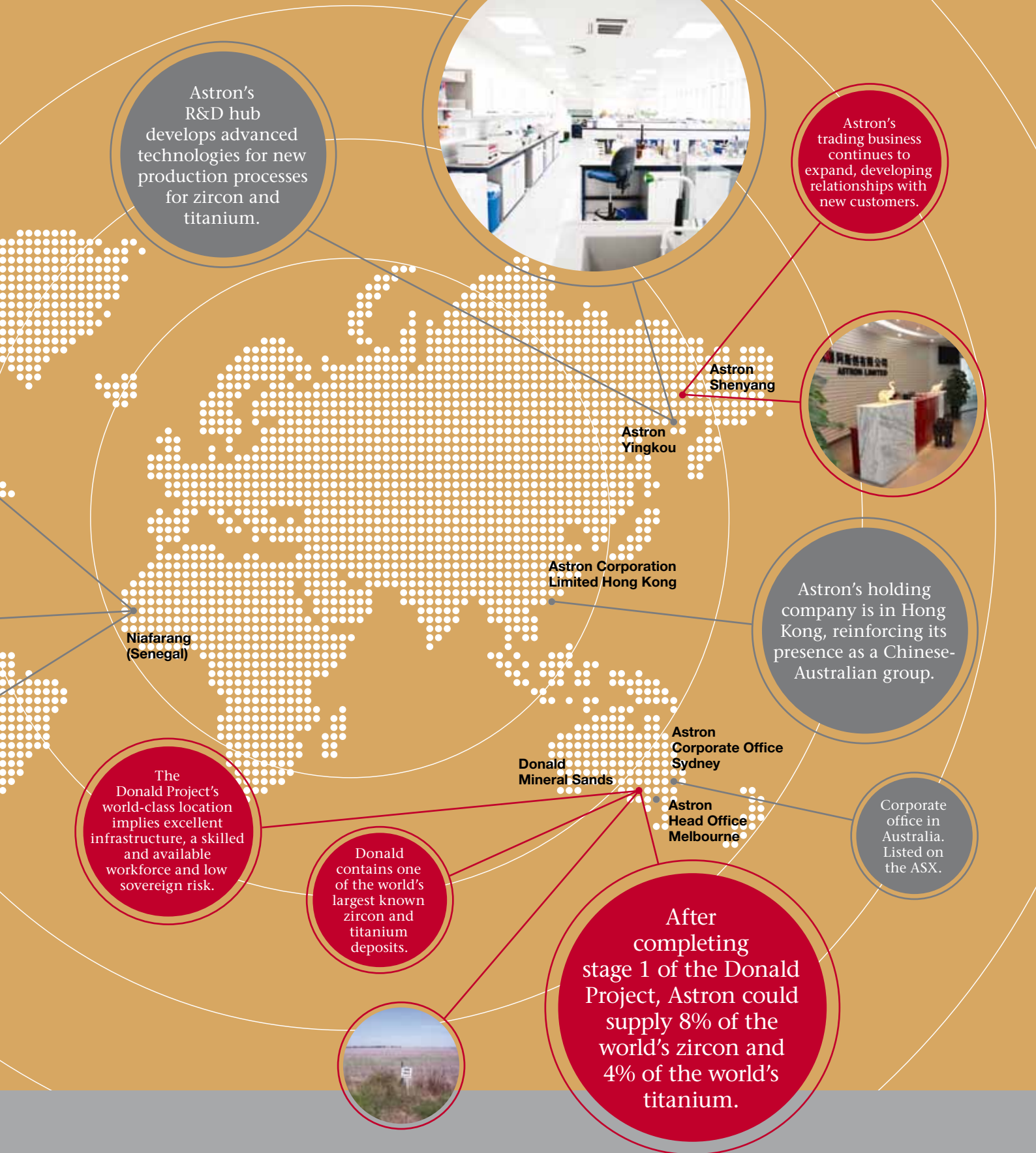


75km large coastal dune with 6km explored.

Astron's Niafarang Project is a high-grade and low-cost dredge mining project.

History of Astron

1988	Astron became involved in two zirconium materials projects in China	1992	Established Shenyang Astron Mining Industries Ltd importing zircon sand and exporting zircon chemicals	1996	Zircon flour factory at Zibo Shandong established	1997	Set up zirconium chemical production JVs to expand zirconium oxychloride and chemical zirconia production capacity	2000	The Bayuchuan factory was substantially expanded to produce fused zirconia	2001	Astron Advanced Materials Ltd in England established to provide direct sales and product service for its European markets
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2004

Acquired Donald Mineral Sands, one of the largest enriched deposits of zircon sand in the world

2008

Sold Chinese Zirconium chemical business to Imerys

2009

Donald Project Environmental Effects Statement approved

2011

Purchased water rights to 7.0GL p.a. sufficient for stages 1a and 1b of the Donald Project
Re-awarded exploration licence for Niafarang project

2012

Donald Proven Ore Reserve announced
Niafarang Probable Ore Reserve announced

Operations report

Astron's key objective remains the completion of milestones to ready both the Donald and Niafarang projects for construction. During the year, several milestones were achieved as part of moving towards this objective.

Re-domiciliation
to Hong Kong

Appointment
of Donald
Project EGM

Niafarang
probable
ore reserve
announced

Appointment
of a new
CEO

From
development...



Donald
Project proven
ore reserve
announced

*...to
cashflow*

Financing
of Donald
Project
commenced

Purchase of
water rights
for Donald
Project

Sign-off by
independent
experts on
zircon washing
process



Financial highlights

2.5%
increase in
revenue

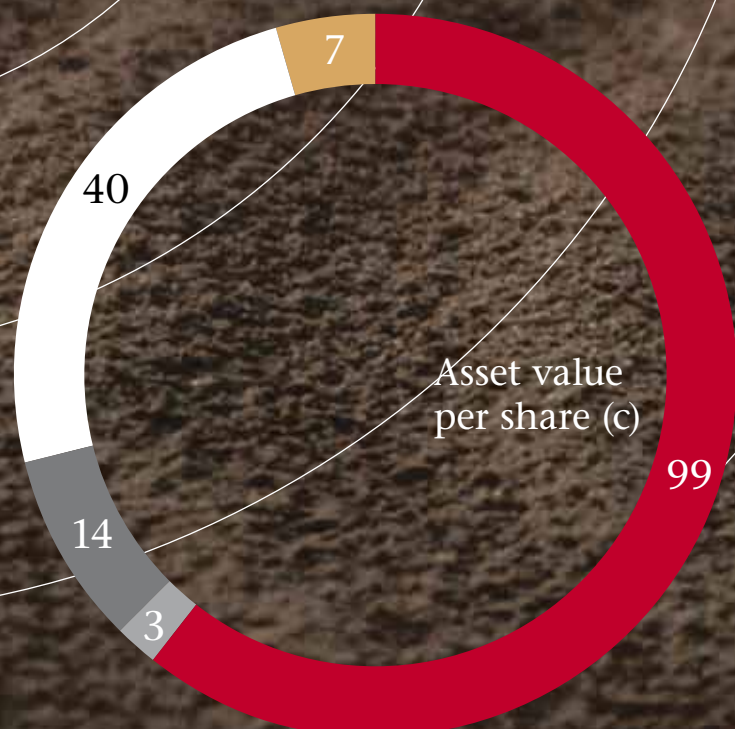
\$1.62
NAV per share

\$121m
cash

\$4.7m
Increase in cash from
operating activities

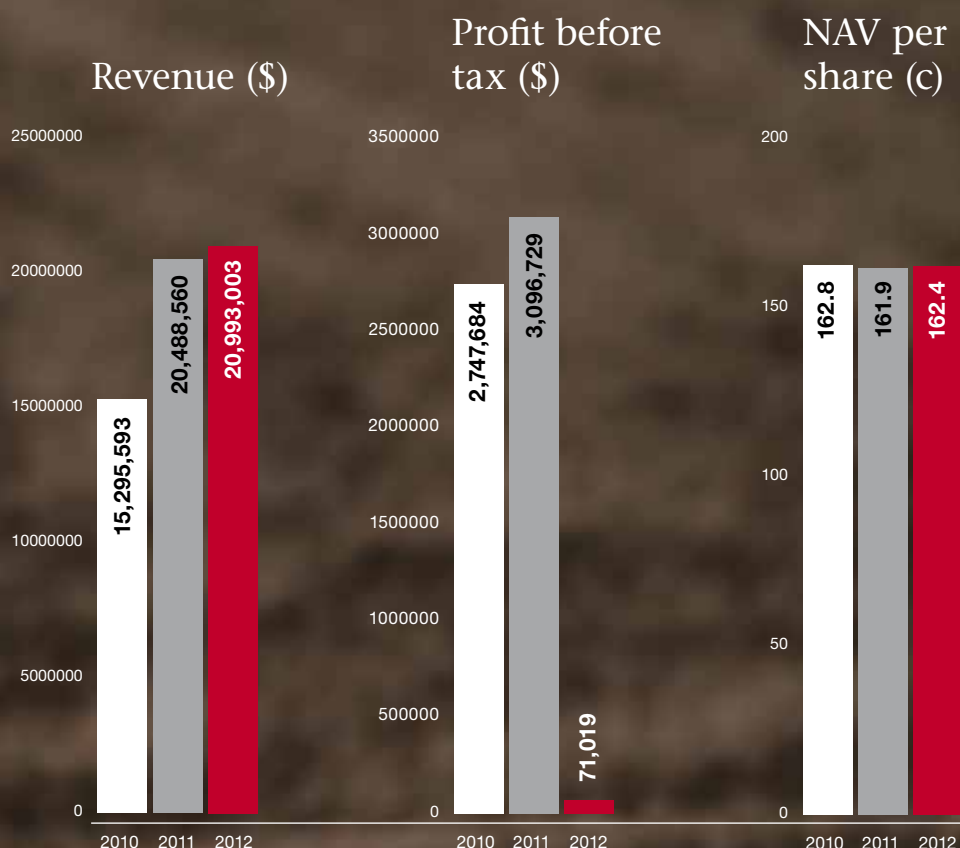
\$71,019
Profit before tax

- Cash
- Net current assets
- PPE
- Donald and Niafarang
- Land use rights



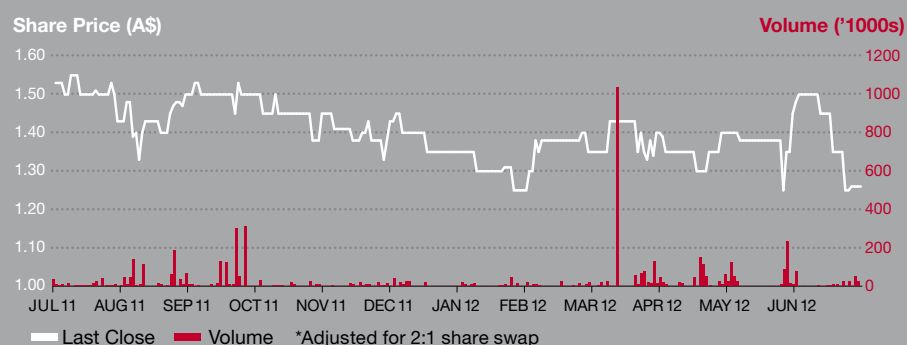
\$3.2m

Increase in total comprehensive profit



Astron generated \$3.2m from operating activities which partly offset the development expenditure utilisation of \$25.7m, \$18m of which was to fund the purchase of high security water rights for the Donald Project. At the 2012 year end, the Group had \$121m in cash reserves. Cash per share is around \$1.00.

Share price*



Chairman's report

Astron remained focused during the year on the development of the Donald Project in Victoria, Australia as well as progressing operations in China and Senegal.

I am pleased to report that Astron performed positively during the year. Astron's net asset value per share increased marginally to 162.4 cents. The group generated \$20,993,003 in revenue during the year, a 2.5% increase from the previous year.

During the coming year, we will remain focused on developing our mineral sands mining assets and continuing the work done on developing processes to produce low-cost high-quality zircon and titanium chemicals and metals.

Astron recently achieved a key milestone with announcement of a proven ore reserve for our Donald Project. This reserve is sufficient for 10 years of mining at a rate of 15mtpa. We also received independent sign off that our Zircon Washing Process is capable of producing high purity zircon for a range of high performance applications.

In May 2012, a new Hong Kong parent company, Astron Corporation, was incorporated and the Astron group was thereby re-domiciliated to Hong Kong. The corporate structure of the group is now well aligned and well placed to service the group's largest target market, namely China.

We also announced a probable ore reserve of around 4.7mt of sand, averaging a grade of more than 10% total heavy minerals, for our Niafarang Project in Senegal. This project should enable the group to generate cash flow before the completion of the construction of the Donald Project.

Our other focus has been in the research and development of new production processes for the manufacturing of advanced chemicals and metals. We are currently investigating new technologies to produce lower cost metals and chemicals.

Together with Astron's other board members, I thank you for your continued support as a shareholder.



Gerard King

Chairman

17 October 2012



"Astron achieved a key milestone with announcement of a proven ore reserve for our Donald Project, sufficient for 10 years of mining at a rate of 15mtpa"

President's report

This financial year has been a successful one for Astron. Pleasingly, Astron has delivered on its plan to publish a proven ore reserve for its Donald Project and a probable reserve for its Niafarang Project.

The Group generated \$3.2 million of cash from operating activities which was used to off-set capital expenditure incurred during the financial year. At 30 June 2012, the Group had \$121 million of cash on its balance sheet.

Corporate

In May 2012, the Astron Group re-domiciled to Hong Kong, an obvious and natural progression with the result that the Group's corporate structure is now more in line with its operational structure, and demonstrates its Chinese-Australian heritage. The other significant benefits of re-domiciliation include having a presence close to our largest market for our products and the potential for allowing the Group more flexibility around future capital raisings.

The Donald Project Zircon wash

I am very pleased to report that independent technical experts confirmed Astron's proposed zircon washing process in China as capable of substantially lowering the impurities in the zircon sand from the Donald Project in Victoria. This will allow for the production of a superior zircon product that will command a price premium.

Proven reserve

During the year, an ore reserve classified in the proven category, as defined by the JORC code, was issued for the Donald Project. This reserve is sufficient for the first 10 years of production at a mining rate of 15mtpa.

Water

In December 2012, Astron acquired an annual high security water allowance of 7GL of water. The allowance is for a period of 25 years with the option for a further 25 years. This water should be sufficient for more than a 15mtpa mining rate.

Management

During the year the management team of Astron was strengthened through the appointment of Allen Cauvin and Hayden Stockdale to help drive the Astron Group forward. Allen was appointed as Executive General Manager for the Donald Project from May 2012. Allen was part of the team that delivered Iluka's Jacinth Ambrosia project on time and under budget. Hayden was appointed by the Board as Chief Executive Officer in January 2012. Hayden is a former investment banker and will be instrumental in Donald's future fundraising plans.

Funding

Astron has now finally commenced the process of securing the necessary funding for the development of the Donald Project. The Group is currently mandating an investment bank to advise it on this process.





Niafarang Project

To advance the development of our 100% owned Niafarang mineral sands project in Senegal, we commissioned a reserve report to be completed. This report has estimated a probable ore reserve for the project of 4.65 million tonnes of sand averaging a grade of 10.9% of total heavy minerals (THM). The heavy mineral assemblage includes 75% ilmenite, 13% zircon and 2% rutile as a per cent of THM. Environmental approvals are underway, a feasibility study is in process, and we expect a mining licence application to be submitted afterwards, with mining licence negotiations expected to commence later this year.

“Cities are expected to need to build floor space of 85% of today’s building stock – an area the size of Australia”¹

Astron advanced chemicals and metals

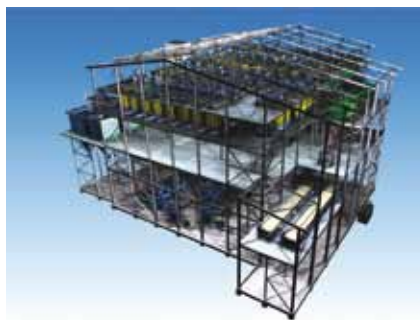
During the year, Astron continued to focus on further developing its research and development capability on new production processes for the manufacture of advanced chemicals and oxides with the intent to produce lower cost materials for metals and chemicals.

I am also pleased to report that after year-end, Astron hired Sam Alexander and Bill Yuill in the USA to assist the Group in the development of its advanced chemical and metal

technologies business. Sam Alexander is one of the most experienced leaders in the titanium industry, and has mastered all aspects of the industry from mining and ore beneficiation through pigment manufacture and nano technology to titanium metal manufacture. Sam has spent 40 years in R&D, manufacturing, marketing and senior management positions with the leading companies of the titanium industry. Bill Yuill is an expert in hydrometallurgical processes, supercritical fluids, electrolytic processing and combustion synthesis. With 46 years in the industry, Bill has made major improvements in metals manufacturing and processing including titanium dioxide.

The Group will look to enter into strategic alliances and joint ventures to enable Astron to leverage its asset base to unlock our inherent value in these downstream projects. Astron has commenced discussions with TiO₂ powders and metals manufacturers for a possible joint venture arrangement.

Significant progress was made at our R&D facility at Yingkou, China. Additional infrastructure was constructed, including a zircon wash and hafnium separation pilot plants, and new equipment was purchased for the laboratory.



Market outlook

As around 50% of zircon goes into ceramic tiles and more than 50% of TiO₂ is used to produce paint pigment, the markets for our products are therefore inextricably linked to urbanisation in developing economies, specifically China.

China aims to become a moderately prosperous country by 2020 with a \$US10,000 per capita GDP by the year 2020. It is estimated there will be 221 cities in China with a population of 1 million and above by 2025. This compares to Europe which has 35 of such cities. It is also estimated by 2025 that floor space in China will increase by 85%.

While there may be current variations in demand, these trends show a compelling argument for the longer term demand for zircon. When taking this into account, along with possible supply shortages due to the underdevelopment in projects, the shortfall in zircon supply should be reinforced in the medium to longer term.

On the titanium front, growth in demand is expected to be driven by pigment producers. As producers ramp up production, in the medium to longer term, the balance should shift more in favour of suppliers.

2013

For the coming year, Astron will be focused on the financing and startup of the Donald Project in Victoria, bringing the Niafarang Project in Senegal closer towards production and continuing development of our capability for zirconium and titanium specialty chemicals and metals in China. Our funding plan also includes possible strategic alliances or joint ventures to assist in funding both our mining and downstream projects.

Finally, I thank my team at Astron for their continued support, hard work and enthusiasm and I look forward to entering an exciting new phase with you.

Alex Brown

President

17 October 2012

“One billion additional people will enter the consuming class by 2025. Around 600 million of them will live in 440 cities”¹

Chief Financial Officer's report

As at 30 June 2012, the Astron Group had a net asset value of \$199m with \$121m of cash.

It is important to recognise that the net asset value is based on a book value for the Donald and Niafarang projects (c\$50m), which does not take any account of the potential future valuations of these mineral sands projects.

Total revenue comprising sales, interest received and other income increased by 2.5% to \$20,993,003. The increase of 42% from the trading business was offset by a reduction in interest received and in the comparative period, Astron received \$1,519,740 from Matilda Zircon for the settlement of a prior year receivable. Gross margins from the trading business increased from 19% to 35% due to buying of stock at lower prices during the previous and current financial years.

The increase in stock and creditors is attributed to the purchase of stock holdings to provide for an anticipated increase in sales activity in the 2013 financial year. 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 \$1,019,483 from 30 June 2011. This decrease has been debited to the financial assets available-for-sale reserve in the balance sheet and impairment of available-for-sale financial assets expense account in the income statement.

The increase in property, plant and equipment arises from land purchases at the Donald Project, and the construction of facilities and the zircon pilot plants at Yingkou, China. The increase in intangible assets arises from development expenditure capitalised in respect of the Donald and Niafarang projects and the purchase of high security water rights for the Donald Project.

The reduction in Astron's share capital of \$3,095,663 is attributable to the repurchase of 1,054,474 Astron shares at an average share price of \$2.93 in terms of the Astron share buy-back program. These shares were repurchased prior to the re-domiciliation of the Group to Hong Kong. The marginal increase in the net asset value from 161.9cps at 30 June 2011 to 162.4cps at 30 June 2012 results from depreciation of the Australian Dollar against the Chinese Renminbi, the related conversion of the Chinese assets to Australian Dollars as at 30 June 2012 and the enhancement attributable to the share buy-back.



Mark Nielsen
Chief Financial Officer
17 October 2012



"Astron is trading at a 32c or 20% discount to its current NAV"



Sustainable development

Astron's sustainable development encompasses our commitment and policy towards our employees, local communities, health and safety, and the environment.



Employees and other stakeholders

Astron Group currently has 97 employees. We take our responsibility to our staff seriously through our Human Resources Policies and HR Department.

Astron's HR policies demonstrate care and concern for our staff and their training, development and happiness, as well as care and concern for our customers, suppliers and shareholders.

In Astron, salaries are based on competitiveness within the local market environment. Additionally, a significant number of employees have a variable performance-related bonus which is determined by pre-agreed individual and team objectives.

Profit-sharing and other bonuses relating to team contribution and the overall performance of the Astron Group are paid according to policy.

Astron's programs are designed to encourage a young generation of local managers to gain experience quickly and to quickly provide real prospects of a satisfying and rewarding management position. Accordingly, Astron is a young person's company – dynamic, vibrant, and enthusiastic.



Local communities

Astron is committed to bringing positive change to the communities surrounding its mining operations. Astron's Donald Project has been planned in close consultation with the local community to provide significant economic and social benefits to the community. Astron is also in the process of planning a community fruit farming initiative in Senegal, nearby Astron's Niafarang Project. The initiative will benefit the local community by providing new fruit-bearing trees, infrastructure, and employment and income opportunities.

Environment

Astron strives to best-in-class performance in all aspects of environmental management. Compliance with all applicable legal requirements and legal codes of practice is seen as a minimum standard and we work to prudently reduce emissions and waste.

The Group is totally committed to continuing environmental vigilance and improved systems, controls and results such as the minimisation of all kinds of waste from mining and downstream processes.



Corporate governance

The Board of Directors

The Board of Directors of Astron Corporation Limited (the Company) is responsible for the corporate governance of the consolidated entity and is committed to achieving a high standard of corporate governance.

The Board of Directors at the time of issue of this report comprises:

- Gerard (Gerry) King (Chairman of Directors (Non-Executive))
- Robert (Bob) John Flew (Non-Executive)
- Ronald (Ron) McCullough (Non Executive)
- Alexander (Alex) Brown (Managing Director/President)
- Mdm Kang Rong (Executive)

Details of the qualifications and experience of each of the above Directors are available in the Directors' report.

Gerard King, Robert Flew and Ronald McCullough are independent directors in accordance with ASX guidelines. Further information about the Directors is set out in the Directors' Report.

Corporate Governance Policy

The Company is committed to implementing the highest standards of corporate governance. In determining what those high standards should involve, the Company has turned to the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations ("Principles"). The Company is pleased to advise that the Company's practices are largely consistent with those Principles. As gaining consistency with the Principles has been a gradual process, where the Company did not have certain policies or

committees recommended by the ASX Corporate Governance Council ("the Council") in place during the reporting period, we have identified such policies or committees.

Where the Company's corporate governance practices do not correlate with the Principles, the Company is working towards compliance. However, it does not consider that all the Principles are appropriate for the Company due to the size and scale of the Company's operations.

1. Board of Directors

1.1 Role of the Board

The Board's role is to govern the Company rather than to manage it. In governing the Company, the Directors must act in the best interests of the Company as a whole. It is the role of senior management to manage the Company in accordance with the direction and delegations of the Board and the responsibility of the Board to oversee the activities of management in carrying out these delegated duties. The Board will be responsible for regularly reviewing the performance of its senior management annually in accordance with Principle 1.2 and by way of both regular and annual performance review meetings. Reviews have occurred during the current reporting period in accordance with this process.

In carrying out its governance role, the main task of the Board is to drive the performance of the Company. The Board must also ensure that the Company complies with all of its contractual, statutory and any other legal obligations, including the requirements of any regulatory body. The Board has the final responsibility for the successful operations of the Company.

1.2 Composition of the Board

To add value to the Company, the Board has been formed so that it has effective composition, size and commitment to adequately discharge its responsibilities and duties given its current size and scale of operations. Directors are appointed based on the specific skills required by the Company and on their decision-making and judgment skills.

The Company recognises the importance of Non-Executive Directors and the external perspective and advice that Non-Executive Directors can offer. Mr Gerard King, Mr Robert Flew and Mr Ron McCullough are Non-Executive Directors. Mr Gerard King is the Chairman (in accordance with Principles 2.2 and 2.3). All Non-Executive Directors are Independent Directors (meaning a majority of the Board are independent Directors in accordance with Principle 2.1) as they meet the following criteria for independence adopted by the Company:

An Independent Director is a Non-Executive Director and:

- is not a substantial shareholder of the Company or an officer of, or otherwise associated directly with, a substantial shareholder of the Company;
- within the last three years has not been employed in an executive capacity by the Company or another group member, or been a Director after ceasing to hold any such employment;
- within the last three years has not been a principal of a material professional adviser or a material consultant to the Company or another group member or an employee materially associated with the service provided;

- is not a material supplier or customer of the Company or another group member, or an officer of or otherwise associated directly or indirectly with a material supplier or customer;
- has no material contractual relationship with the Company or other group member other than as a Director of the Company;
- has not served on the Board for a period which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the Company; and
- is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the Company.

1.3 Responsibilities of the Board

In general, the Board is responsible for, and has the authority to determine, all matters relating to the policies, practices, management and operations of the Company. It is required to do all things that may be necessary to be done in order to carry out the objectives of the Company.

Without intending to limit this general role of the Board, the principal functions and responsibilities of the Board for the purpose of Principle 1.1 include the following:

- **Leadership of the Organisation:** overseeing the Company and establishing codes that reflect the values of the Company and guide the conduct of the Board.
- **Strategy Formulation:** to set and review the overall strategy and goals for the Company and ensure that there are policies in place to govern the operation of the Company.

- **Overseeing Planning Activities:** the development of the Company's strategic plan.
- **Shareholder Liaison:** ensuring effective communications with shareholders through an appropriate communications policy and promoting participation at general meetings of the Company.
- **Monitoring, Compliance and Risk Management:** the development of the Company's risk management, compliance, control and accountability systems and monitoring and directing the financial and operational performance of the Company.
- **Company Finances:** approving expenses and approving and monitoring acquisitions, divestitures and financial and other reporting.
- **Human Resources:** appointing, and, where appropriate, removing the Managing Director as well as reviewing his performance and monitoring the performance of senior management in their implementation of the Company's strategy.
- **Ensuring the Health, Safety and Well-Being of Employees:** in conjunction with the senior management team, developing, overseeing and reviewing the effectiveness of the Company's occupational health and safety systems to ensure the well-being of all employees.
- **Delegation of Authority:** delegating appropriate powers to the Managing Director to ensure the effective day-to-day management of the Company and establishing and determining the powers and functions of the Committees of the Board.

1.4 Board Policies

1.4.1 Conflicts of Interest

Directors must:

- disclose to the Board actual or potential conflicts of interest that may or might reasonably be thought to exist between the interests of the Director and the interests of any other parties in carrying out the activities of the Company;
- if requested by the Board, within seven days or such further period as may be permitted, take such necessary and reasonable steps to remove or resolve any conflict of interest; and
- if a Director cannot or is unwilling to remove a conflict of interest then the Director must, as per the Hong Kong Companies Ordinance and the Corporations Act, absent himself or herself from the room when discussion and/or voting occurs on matters about which the conflict relates.

1.4.2 Commitments

Each member of the Board is committed to spending sufficient time to enable them to carry out their duties as a Director of the Company.

1.4.3 Confidentiality

In accordance with legal requirements and agreed ethical standards, Directors and key executives of the Company have agreed to keep information received in the course of the exercise of their duties confidential and will not disclose non-public information except where disclosure is authorised or legally mandated.

1.4.4 Continuous Disclosure

The Board has designated the Chief Financial Officer as the person responsible for overseeing and coordinating disclosure of information to the ASX as well as communicating with the ASX. In accordance with Principle 5.1 and the ASX Listing Rules the Company immediately notifies the ASX of information:

- concerning the Company that a reasonable person would expect to have a material effect on the price or value of the Company's securities; and
- that would, or would be likely to, influence persons who commonly invest in securities in deciding whether to acquire or dispose of the Company's securities.

In addition, each Director of the Company must provide the Chief Financial Officer with details of any interest notifiable to ASX in accordance with Listing Rule 3.19A including:

- any relevant interest (within the meaning of section 9 of the Corporations Act) in securities of the Company or a related body Corporate; and
- any interest in contracts to which the Director is a party or under which the Director is entitled to benefit, and that confer a right to call for or deliver shares in, debentures of, or interests in a managed investment scheme made available by the Company or a related body corporate.

This information must be provided to the Chief Financial Officer as soon as the Director becomes aware of the circumstances referred to above.

1.5 Education and Induction

It is the policy of the Company that new Directors undergo an induction process in which they are given a full briefing on the Company. Where possible this includes meetings with key executives, tours of the premises, an induction package and presentations. Information conveyed to new Directors includes:

- details of the roles and responsibilities of a Director;
- formal policies on Director appointment as well as conduct and contribution expectations;
- guidelines on how the Board processes function;
- details of past, recent and likely future developments relating to the Board;
- background information on and contact information for key people in the organisation;
- an analysis of the Company;
- a synopsis of the current strategic direction of the Company; and
- a copy of the Constitution of the Company.

In order to achieve continuing improvement in Board performance, all Directors are encouraged to undergo continual professional development. Specifically, Directors are provided with the resources and training to address skills gaps where they are identified.

1.6 Independent Professional Advice

The Board collectively and each Director has the right to seek independent professional advice at the Company's expense, up to specified limits, to assist them to carry out their responsibilities, subject to the prior approval of the Chairman whose approval will not be unreasonably withheld.

1.7 Related Party Transactions

Related party transactions include any financial transaction between a Director and the Company. Unless there is an exemption under the Hong Kong Companies Ordinance and the Corporations Act from the requirement to obtain shareholder approval for the related party transaction, the Board cannot approve the transaction.

1.8 Shareholder Communication

The Company respects the rights of its shareholders. To facilitate the effective exercise of those rights (including under Principle 6.1), the Company is committed to:

- communicating effectively with shareholders through releases to the market via ASX, information mailed to shareholders and the general meetings of the Company;
- giving shareholders ready access to balanced and understandable information about the Company and corporate proposals;
- making it easy for shareholders to participate in general meetings of the Company, including by making a broadcast of the meetings by video-screening available for shareholders in Australia to observe the meeting where general meetings are held outside of Australia; and
- requesting the external auditor to attend the annual general meeting and be available to answer shareholder questions about the conduct of the audit and the preparation and content of the auditor's report.

The Company also makes available a telephone number and email address for shareholders to make enquiries of the Company.

1.9 Trading in Company Shares

Effective 1 January 2011, the Board implemented a Share Trading Policy (the Policy). The Policy deals with the manner in which the Company's Directors and employees can deal in the Company's shares. The Policy restricts the dealing in shares during blackout periods and when Directors and employees are in possession of price sensitive information relating to the Company which is generally not available to the market. Blackout periods are defined as the 31-day period before the release of the Company's half-year or yearly results.

1.10 Performance Review/ Evaluation

It is the policy of the Board to conduct evaluation of its performance in accordance with Principle 2.5. The objective of this evaluation will be to provide best practice corporate governance to the Company. The Board has conducted a review during the relevant financial year and that review confirmed compliance with the stated objectives.

1.11 Attestations by Chairman and Non-Executive Director

It is the Board's policy that one of the Non-Executive Directors will be appointed to make the attestations recommended by the ASX Corporate Governance Council as to the Company's financial condition prior to the Board signing the Annual Report.

2. Board Committees

2.1 Audit and Finance Committee

Due to the size and scale of operations of the Company the Non-Executive Directors undertake the role of the Audit and Finance Committee. The Audit and Finance Committee has a formal charter. Below is a summary of the role and responsibilities of the Audit and Finance Committee.

2.1.1 Role

The Audit and Finance Committee, established in accordance with Principle 4.1 and structured in accordance with Principle 4.2, is responsible for reviewing the integrity of the Company's financial reporting and overseeing the independence of the external auditors. Mr Robert Flew is the chairman of the Audit and Finance Committee.

2.1.2 Responsibilities

The Audit and Finance Committee reviews the audited annual and half-yearly financial statements and any reports which accompany published financial statements and recommends their approval to the members.

The Audit and Finance Committee each year reviews the appointment of the external auditor, their independence, the audit fee, their process for rotation of audit engagement partners and any questions of resignation or dismissal.

The Audit and Finance Committee is also responsible for establishing policies on risk oversight and management.

2.1.3 Risk Management Policies

The Board is responsible for ensuring there is a sound system for overseeing and managing risk. As the whole Board only consists of five (5) members, the Company does not have a separate Risk Management Committee because it would not be a more efficient mechanism than the full Board for focusing the Company on specific issues. Under Principles 7.1 and 7.2, the Company has established policies for the oversight and management of material business risks, and management has internal control systems to manage the Company's material business risks and report on whether those risks are being managed effectively. Management reports to the

Board on risk issues, including by way of monthly management reporting on all compliance and risk management matters. The monthly management reports include a report on the effectiveness of the Company's risk management processes. The Board also receives an annual assurance from the managing director and the chief financial officer to the effect that in their opinion the Company's financial records and financial statements comply with the accounting standards and give a true and fair view of the Company's financial position, that the basis of their view is founded on a sound system of risk management and internal controls, and that such system is operating effectively in all material respects in relation to risks associated with financial reporting.

2.2 Code of Conduct

The Company has developed a statement of values and a Code of Conduct (the Code) in accordance with Principle 3.1 which has been fully endorsed by the Board and applies to all Directors and employees. The Code is regularly reviewed and updated as necessary to ensure it reflects the highest standards of behaviour and professionalism and practices necessary to maintain confidence in the Group's integrity.

The Directors require that at all times all Company personnel act with the utmost integrity, objectivity and in compliance with the spirit of the law and Company policies.

The Code requires employees who are aware of unethical practices within the Group or breaches of the Company's trading policy to report these using the Company's whistleblower program. This can be done anonymously.

The Directors are satisfied that the Group has complied with its policies on ethical standards, including trading in securities.

2.3 Remuneration Committee

2.3.1 Role

The role of a Remuneration Committee is to assist the Board in fulfilling its responsibilities in respect of establishing appropriate remuneration levels and incentive policies for employees. This includes assisting the Board with gender diversity. Under Principle 3.4, the Company notes that out of two (2) Executive Directors, one (1) is female and out of seven (7) senior executives, one (1) is female. In accordance with Principles 3.2 and 3.3, the Company has established a policy concerning diversity and this includes the promotion of gender diversity, and the Board is setting objectives to promote this policy. The Company strives to continue to improve in this area.

Due to the size and scale of operations of the Company, the Non-Executive Directors undertake the role of the Remuneration Committee.

2.3.2 Responsibilities

The responsibilities of the Remuneration Committee include setting policies for senior officers' remuneration, reviewing and making recommendations to the Board on the Company's incentive schemes and superannuation arrangements, reviewing the remuneration of both Executive and Non-Executive Directors, and making recommendations on any proposed changes and undertaking reviews of the Managing Director's performance, including setting goals with the Managing Director and reviewing progress in achieving those goals. The structure of Non-Executive Directors', Executive Directors' and senior executives' remuneration is set in accordance with Principle 8.3.

2.3.3 Remuneration Policy

Directors' Remuneration for the majority of Directors is approved at a Board meeting from time to time.

2.3.3.1 Senior Executive Remuneration Policy

The Company is committed to remunerating its senior executives in a manner that is market-competitive and consistent with best practice as well as supporting the interests of shareholders. Consequently, under the Senior Executive Remuneration Policy, the remuneration of senior executives may be comprised of the following:

- fixed salary that is determined from a review of the market and reflects core performance requirements and expectations;
- a performance bonus designed to reward actual achievement of performance objectives by the individual and for materially improved Company performance;
- participation in any share/option scheme with thresholds approved by shareholders; and
- statutory superannuation.

By remunerating senior executives through performance and long-term incentive plans in addition to their fixed remuneration, the Company aims to align the interests of senior executives with those of shareholders and increase Company performance.

The value of shares and options, were they to be granted to senior executives, would be calculated using the Black-Scholes method.

The objective behind using this remuneration structure is to drive improved Company performance and thereby increase shareholder value as well as aligning the interests of executives and shareholders.

The Board may use its discretion with respect to the payment of bonuses, stock options and other incentive payments.

2.3.3.2 Non-Executive Director Remuneration Policy

Non-Executive Directors are to be paid their fees out of the maximum aggregate amount approved by shareholders for the remuneration of Non-Executive Directors. Non-Executive Directors do not receive performance-based bonuses.

Non-Executive Directors are entitled to but not necessarily paid statutory superannuation. The Non-Executive Directors are not entitled to any other retirement benefits.

2.3.4 Current Director Remuneration

Full details regarding the remuneration of Directors is included in the Directors' Report.

None of the Directors have any unvested entitlements in relation to any equity securities in the Company, so there is no need to prohibit Directors from transactions in relation to unvested entitlements.

2.4 Nomination Committee

2.4.1 Role

The role of a Nomination Committee is to help achieve a structured Board that adds value to the Company by ensuring an appropriate mix of skills are present in Directors on the Board at all times.

As the whole Board only consists of five (5) members, notwithstanding Principle 2.4, the Company does not have a nomination committee because it would not be a more efficient mechanism than the full Board for focusing the Company on specific issues.

2.4.2 Responsibilities

The responsibilities of the Nomination Committee include devising criteria for Board membership, regularly reviewing the need for various skills and experience on the Board and identifying specific individuals for nomination as Directors for review by the Board. The Nomination Committee also oversees management succession plans and evaluates the Board's performance and makes recommendations for the appointment and removal of Directors. In relation to the procedure for re-election of incumbent Directors, the Nomination Committee considers the incumbent Director's performance against the current criteria for selection of Directors, to ensure that the incumbent is still an appropriate candidate for the role. Currently, the Board as a whole performs this role.

2.4.3 Criteria for selection of Directors

Directors are appointed based on the specific governance skills required by the Company. Given the size of the Company and the business that it operates, the Company aims at all times to have at least two Directors with experience appropriate to the Company's target market. In addition, Directors should have the relevant blend of personal experience in accounting and financial management and Director-level business experience. The Directors seek to ensure continued gender diversity of the Board, noting that currently of the 5 board members, one is female.

Astron Corporation Limited
Company Number: 1687414

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Directors' Report

The Directors of Astron Corporation Limited (the Company) present their report on the consolidated entity (Group), consisting of Astron Corporation Limited and the entities it controlled at the end of, and during, the financial year ended 30 June 2012.

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 (Appointed 6 December 2011)
Mr. Alexander Brown (Appointed 6 December 2011)
Mr. Robert Flew (Appointed 31 January 2012)
Mr. Ronald McCullough (Appointed 31 January 2012)
Mdm. Kang Rong (Appointed 31 January 2012)

Principal Activities

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

- Evaluation and development of the Donald mineral sands mining and processing project (Donald or Donald Project)
- Evaluation and development of the Niafarang mineral sands mining processing project (Niafarang)
- Evaluation and development 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

In May 2012, Astron Limited entered into a scheme arrangement with its shareholders whereby Astron Corporation Limited, an entity incorporated in Hong Kong, became the ultimate holding company of the Astron group. Astron Limited shareholders received two Company CHES depository Interests (CDIs) or shares for every Astron Limited share held.

Financial Position

The net assets of the Group have decreased to \$198,941,009 a decrease of \$2,829,239 from 2011.

The net assets have been affected by:

- Repurchase of shares of \$3,095,663
- Decrease in value of financial assets available for sale of \$849,680
- Increase in the values of foreign controlled assets of \$1,994,022
- Increase in share based payment reserve of \$125,250
- Net loss for the year of \$1,003,168

Dividends

No final dividend was proposed for the current financial year or the year ended 30 June 2011.

Review of Operations

Financials

Income statement

- Total revenue comprising sales, interest received and other income increased from the prior year by 2.5% to \$20,993,003. The increase of 42% from the trading was offset by a reduction in interest received and in the comparative period, Astron received \$1,519,740 from Matilda Zircon for the settlement of a litigation matter.
- Gross margins from the trading business increased from 19% to 35% due to buying of stock at lower prices during the previous and current financial years.
- Administration expenditure increased by \$2,513,715 to \$7,504,330. This increase can be explained by expenditure incurred on the re-domiciliation to Hong Kong, research expenditure incurred at Yingkou, China and the employment of three senior executives in Australia.
- Costs associated with Gambia litigation comprise legal fees and associated advisors' costs and costs pertaining to expert witnesses.

Balance sheet

- The increase in stock and creditors is attributed to the purchase of stock holdings to provide for an anticipated increase in sales activity in the 2013 financial year.
- 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 \$1,019,483 from 30 June 2011. This decrease has been debited to the financial assets available-for-sale reserve in the consolidated statement of financial position and impairment of available-for-sale financial assets expense account in the consolidated statement of comprehensive income.
- The increase in property, plant and equipment arises from land purchases at the Donald Project, construction of facilities and construction of the zircon sponge plant at Yingkou, China.
- The increase in intangible assets arises from development expenditure capitalised in respect of the Donald and Niafarang Projects and the purchase of high security water rights for the Donald Project.
- Land use rights comprise 50 year land use leases. These leases are capitalised and amortised over the 50 year period.
- During the year Astron Limited repurchased 1,054,474 shares at an average price of 293 cps. These shares were repurchased prior to the re-domiciliation of the Group to Hong Kong.
- The share-based payment reserve represents the value of rights in terms of an executive service agreement with the Chief Executive Officer. \$125,250, relating to these rights, has been expensed to the consolidated statement of comprehensive income in terms of IFRS 2.
- The marginal increase in the net asset value from 161.9 cps at 30 June 2011 to 162.4 cps at 30 June 2012 results from depreciation of the Australian Dollar against the Chinese Reminbi and the related conversion of the Chinese assets to Australian Dollars as at 30 June 2012 and the repurchase of shares in terms of the share buyback.

Operations review

Donald

The development of the Donald Project continued during the period under review. Progress was made in the following areas:

Regulatory

- The next stage in obtaining the right to mine is the completion of a work plan. A draft work plan has been submitted to the Department of Primary Industries. A Cultural Heritage Management Plan is required prior to obtaining an approved work plan. Stage 1 site surveys were undertaken and completed during the reporting period. A development plan for stage 2 has been completed and work continues.

Geology and mining

- Further mine planning continued with the aim being to optimise the proposed mine path.
- In June 2012, an ore reserve classified in the proved category as defined by the JORC Code was issued.

Plant designs, processes and costs

- Engineering design for all plants was undertaken, along with revision of operational and capital costs.
- Mineral Engineering Technical Services Pty Ltd confirmed that Astron's proposed zircon washing process is feasible and capable of reducing the impurities in the Donald zircon sand enabling the production of a premium zircon product.

Water

- DMS acquired an annual water allowance of 6,975 ML of water for a period 25 years from the Grampians Wimmera Mallee Water Authority (GWMW). DMS has the option, subject to the approval 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.

Land

- DMS purchased 573 acres of land for \$658,652. This block of land neighbours the mining licence.

Appointment of Donald Executive General Manager

- Allen Cauvin joined the Donald Project as Executive General Manager in May 2012. Allen was instrumental in bringing in Iluka's Jacinth Ambrosia project on time and under budget.

China operations

- Work at Yingkou continued with the construction of additional infrastructure, construction of the zircon sponge plant and the purchase of equipment for the laboratory.

Senegal

- Work continued on the components required to apply for the mining licence. The most significant of which are:
 - the environmental impact assessment;
 - sustainable development plan; and
 - the mining license feasibility study report.
- Astron continued work on updating its reserve estimate for the Niafarang project. As was announced on 5 September 2012 the Group received sign off on a probable ore reserve.

Prospects

The Group's objectives for the 2013 financial year are to continue with the development of the Donald and the Niafarang and associated downstream research and development activities. The Group will also continue to investigate ways in which to unlock its inherent value for shareholders.

Significant Changes in State of Affairs

Contributed equity decreased by \$3,095,663 (from \$33,157,582 to \$30,061,919) as the result of the on market share buyback. Cash and term deposits decreased by \$26,286,811.

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

Matters Subsequent to the end of the Financial Year

There are 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.

Likely Developments

Other than information disclosed elsewhere in this annual report, information on likely developments in the operations of the Group and the expected results of those operations in future financial years has not been included in this Directors' report because the Directors believe, on reasonable grounds, that to include such information would be likely to result in unreasonable prejudice to the Group.

Environmental Regulation

The Group's operations are in China 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.

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.

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

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 period under review there were no lost time injuries.

Director Information

Mr. Gerard King	Chairman (Non executive)
Qualifications	LLB
Experience	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 a member 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	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 18 years his activities have focused in building the Astron business in China.
Interest in Shares	88,111,988 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.
Mr. Robert Flew	(Non executive)
Qualifications	B Ec (Hons)
Experience	Board Member since 31 January 2012 (Astron Limited: 19 March 2004) Mr. Flew brings to Astron in excess of 39 years' experience in the resources sector. Mr. Flew's experience includes holding the positions of Company Secretary and Vice President Investor Relations of BHP, the Group General Manager of Corporate Development BHP Copper, Group General Manager of International BHP and Group General Manager of BHP's coal business in Queensland. He is widely experienced in global issues, in particular the requirements of customers, partners, governments, industry associations, corporate governance and shareholders. He has had hands on experience in working with large multinational projects in the areas of finance, general corporate administration, governance and shareholder interaction.
Interest in Shares	341,148 Ordinary shares
Special Responsibilities	Mr. Flew is the Chairman of the Audit & Risk Committee and a member of the Remuneration & Nomination Committee
Directorships held in other listed entities	Mr. Flew is not currently a Director of another listed company.

Mr. Ronald McCullough**(Non executive)**

Qualifications	M.B.A., B.E. (Hons), FAustIMM
Experience	Board member since 31 January 2012 (Astron Limited: 21 August 2006) Mr. McCullough is an Honours graduate in Engineering from the University of Western Australia. He also completed a Master of Business Administration at UWA. Subsequently, he has been involved in civil engineering design, and the construction of various major engineering works in Western Australia, including water supply dams, major water reticulation and suburban infrastructure projects. Mr. McCullough has extensive mining experience, including bauxite and coal mining. Ron has investigated the development of a private power station and the exploitation of coal bed methane deposits in the Gunnedah basin on NSW. While involved with the Maitland Main Collieries, which held an authorisation to develop a large coal deposit at Glennies Creek, near Singleton, in the Hunter Valley, NSW he managed all necessary environmental impact studies, authority compliance requirements, mine construction and operation feasibility studies and then obtained a mining lease for the deposit. Mr. McCullough became involved in the sand mining industry in Western Australia with the development, in 1994, and management until 2005 of a silica sand mining and exporting operation at Albany in Western Australia, on behalf of Japanese corporations.
Interest in Shares	8,000 Ordinary shares
Special Responsibilities	Mr. McCullough is a member of the Audit & Risk Committee and Remuneration & Nomination Committee
Directorships held in other listed entities	Mr. McCullough is a Director of Greenpower Energy Limited (appointed 26 October 1994) which was listed on 5 March 2008.

Mdm. Kang Rong**(Executive)**

Qualifications	B.E.(Chem)
Experience	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 for over 12 years and has been largely responsible for the growth and development of the Company.
Interest in Shares	4,000,000 Ordinary Shares
Special Responsibilities	As Vice General Manager she has been in charge of all Astron's China 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.

Meetings of Directors

During the financial year, two meetings and eleven meetings of Directors (excluding committees of Directors) were held for Astron Corporation Limited and Astron Limited respectively. 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	Committee Meetings					
	Directors' 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	1	1
Mr. Alexander Brown	2	2	0	N/A	0	N/A
Mr. Robert Flew	2	2	1	0	1	0
Mr. Ronald McCullough	2	2	1	1	1	1
Mdm. Kang Rong	2	2	0	N/A	0	N/A

Astron Limited	Committee Meetings					
	Directors' 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	11	10	2	2	1	1
Mr. Alexander Brown	11	10	0	N/A	0	N/A
Mr. Robert Flew	11	10	2	2	1	1
Mr. Ronald McCullough	11	11	2	2	1	1
Mdm. Kang Rong	11	10	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

1. Policy for determining the nature and amount of Key Management Personnel 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 calibre of executives and reward them for performance that results in long term growth in shareholder wealth.

At the discretion of the Committee from time to time shares are issued to executives to reflect their achievements. Save for the arrangement with Hayden Stockdale, the Group's Chief Executive Officer, 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%, 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 executives 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.

In addition to the Chief Executive Officer whose incentive arrangements are disclosed below, the bonus arrangements have been entered into with the following key management personnel (KMP):

Executive	Amount of bonus
Allen Cauvin	12.5% of annual salary as a discretionary bonus based on pre-determined KPIs 125% of one year's base salary based on the achievement of pre-determined KPIs
Mark Coetzee	50% of annual salary for achievement of pre-determined KPIs

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 executives 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. The successful sale of the Zircon group in 2008 allowed the Directors to pass back to shareholders through dividends. The board is of the opinion that these results clearly demonstrate the statements made above.

Executive	2008	2009	2010	2011	2012
Revenue ('000)	90,818	10,657	15,102	20,489	20,993
Net (Loss)/ Profit ('000)	111,887	(2,498)	1,190	883	(1,003)
Share Price at Year end*	1.02	0.88	0.93	1.54	1.26
Dividends Paid ('000)	12,087	6,490	–	–	–

*Adjusted assuming 2 for 1 share swap took place on 30 June 2008

All share buy backs were on-market buy backs at market share prices. No premium was returned to shareholders on the shares bought back.

2. 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
Mr. Robert Flew	Director-Non-executive
Mr. Ronald McCullough	Director-Non-executive
Mdm Kang Rong	Executive Director- Vice General Manager China
Mr. Hayden Stockdale ⁽¹⁾	Chief Executive Officer
Mr. Mark Nielsen	Chief Financial Officer
Mr. Allen Cauvin ⁽²⁾	Executive General Manger – Donald
Mr. Mark Coetzee ⁽³⁾	Project Executive – Senegal
Mr. Boris Matveev ⁽⁴⁾	Chief Geologist and Project Executive
Mr. Simon Peters	Project Manager – Donald
Ms. Emma Vogel	Development Manager – Mining
Mr. Scott McDaniel ⁽⁵⁾	Technical Manager

Note reference:

1. Appointed 1 January 2012 2. Appointed 15 May 2012 3. Appointed 1 July 2011 4. Appointed 1 March 2012 5. Resigned 15 March 2012

3. Details of Remuneration

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

Year ended 30 June 2012	Short term benefits			Post-employment benefits		
	Cash, fees salary & commissions \$	Non cash Benefits/ Other \$	Share-Based Payments \$	Superannuation \$	Total \$	% of remuneration that is performance based
Directors						
Mr. Gerard King	114,992	–	–	49,508	164,500	0%
Mr. Alexander Brown ^(#)	350,000	–	–	–	350,000	0%
Mr. Robert Flew	25,046	–	–	34,954	60,000	0%
Mr. Ronald McCullough ^(#)	60,000	–	–	–	60,000	0%
Mdm Kang Rong ^(#)	250,000	–	–	–	250,000	0%
Other key management personnel						
Mr. Hayden Stockdale ⁽¹⁾	168,500	–	125,250	25,000	318,750	39%
Mr. Mark Nielsen	173,000	–	–	25,000	198,000	0%
Mr. Allen Cauvin ⁽²⁾	50,059	–	–	2,629	52,688	0%
Mr. Mark Coetzee ⁽³⁾	223,519	17,669	–	–	241,188	0%
Mr. Boris Matveev ⁽⁴⁾	50,000	–	–	16,667	66,667	0%
Mr. Simon Peters	161,682	1,604	–	14,484	177,770	0%
Ms. Emma Vogel	98,073	5,077	–	8,828	111,978	0%
Mr. Scott McDaniel ⁽⁵⁾	90,979	33,956	–	8,188	133,123	0%
	1,815,850	58,306	125,250	185,258	2,184,664	

Note reference:

– paid to management company 1. Appointed 1 January 2012 2. Appointed 15 May 2012
3. Appointed 1 July 2011 4. Appointed 1 March 2012 5. Resigned 15 March 2012

None of the above payments were performance related.

Year ended 30 June 2012	Short term benefits		Post-employment benefits	
	Cash, fees salary & commissions \$	Non cash Benefits/ Other \$	Superannuation \$	Total \$
Directors				
Mr. Gerard King	127,492	–	49,508	177,000
Mr. Alexander Brown ^(#)	350,000	–	–	350,000
Mr. Robert Flew	55,044	–	4,956	60,000
Mr. Ronald McCullough ^(#)	60,000	–	–	60,000
Mdm Kang Rong ^(#)	250,000	–	–	250,000
Other key management personnel				
Mr. Mark Nielsen	170,000	–	25,000	195,000
Mr. Simon Peters	159,633	3,636	14,367	177,636
Ms. Emma Vogel	114,495	2,050	10,305	126,850
Mr. Scott McDaniel	126,175	41,022	963	168,160
Mr. Wang Xuedong ⁽¹⁾	44,204	–	242	44,446
	1,457,043	46,708	105,341	1,609,092

Note reference:

– paid to management company 1. Ceased to be a KMP effective 1 October 2010

No other payments including share based payments were paid to the above employees during the 2011 year. None of the above payments were performance related.

4. Cash Bonuses

No cash bonuses were paid during the current year or the year ended 30 June 2011

5. Share-Based Payment Bonuses

No share based payment bonuses were paid during the current year or the year ended 30 June 2011.

As at 30 June 2012 only one key executive participated in the Company's share-based payment scheme for employee remuneration. Refer to Service Contracts below. As at 30 June 2012, no rights had been created or granted under this scheme. The creation and grant of rights is subject to shareholder approval. However, in terms of IFRS 2, \$125,250 has been expensed as a share based payment expense.

6. 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 President, Alexander Brown, provided by a management company through a 3 year service contract, expiring May 2015, 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 six months in respect of Hayden Stockdale and three months for all other key management personnel. There are no non-standard termination clauses in any of these contracts.

Under the contract entered into between the Company and Hayden Stockdale (the Executive), the Company will, subject to shareholder approval, create and grant to the Executive 300,000 short term incentive rights (STIRs) and 300,000 long term incentive rights (LTIRs) (combined the Rights) on 1 January 2012 and thereafter on 1 January annually for each calendar year during the term of this Agreement. Each incentive right entitles the Executive to receive, for zero consideration, one ordinary share (Share) upon satisfaction of the relevant criteria.

The award of Shares from the STIRs is subject to the accomplishment of the Executive's key performance indicators (KPIs). The KPIs for the Executives are set by the Board. The Board is in the process of finalising these KPIs.

The award of shares from the LTIRs will be subject to a set of non-discretionary criteria, and will be linked to the growth in the share price as compared to the S&P/ASX 300 Metals and Mining Index.

The STIRs and LTIRs operate independently of each other, such that the Executive may receive Shares under one but not necessarily the other structure.

In the event that the issue of any Rights are not approved by shareholders then equivalent payment(s) will be made by the Company to the Executive in cash.

Employment contract arrangements were reviewed in the 2007 year by external consultants for consistency and appropriateness to the Group's needs. The Remuneration Committee considered that this was appropriate for 2012 remuneration requirements. In August 2012, the Group engaged external consultants to review the Group's salary and incentive benchmarks.

Indemnifying Officers or Auditors

Insurance premiums paid for Directors

During the year Astron Limited paid a premium of \$57,152 (2011: \$53,322) 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, and to the extent permitted by the Corporations Act 2001. 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 2011 Annual General Meeting

The Company received 90% of "yes" votes on its remuneration report for the 2011 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 (2011: BDO), or their related practices:

	2012 \$	2011 \$
Audit related services		
Due diligence assistance	20,209	–
Other Services		
Taxation services	8,550	36,760
Corporate finance services	107,504	55,338
Secretarial services	5,135	4,297

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 Corporations Act 2001 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 in APES 110 Code of Ethics for Professional Accountants.

Auditors' Independence Declaration

The lead auditors' independence declaration for the year ended 30 June 2012 has been received and can be found on page 31 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 under section 237 of the Corporations Act 2001 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.

No proceedings have been brought or intervened in on behalf of the company with leave of the Court under section 237 of the Corporations Act 2001.

Signed in accordance with a resolution of Directors:

Chairman:



Mr. Gerard King

Dated this 24th day of September 2012

Auditor's Independence Declaration



Grant Thornton Audit Pty Ltd
ACN 130 913 594

Level 19, 2 Market Street
Sydney NSW 2000
GPO Box 2551
Sydney NSW 2001

T +61 2 9286 5555
F +61 2 9286 5599
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 of Astron Corporation Limited for the year ended 30 June 2012, I declare that, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of any applicable code of professional conduct in relation to the audit.

A stylized, handwritten-style signature of the firm "Grant Thornton" in grey ink.

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

A handwritten signature of "I S Kemp" in grey ink.

I S Kemp
Partner - Audit & Assurance

Sydney, 24 September 2012

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Consolidated Statement of Comprehensive Income

For the year ended 30 June 2012

CONSOLIDATED			
	Note	2012 \$	2011 \$
Sales revenue	5	13,591,574	9,571,095
Cost of sales		(8,794,386)	(7,705,360)
Gross profit		4,797,188	1,865,735
Interest income	5	7,261,191	8,599,756
Other income	5	140,238	2,317,709
Distribution expenses		(159,869)	(235,172)
Marketing expenses		(74,256)	(106,159)
Occupancy expenses	6	(180,945)	(80,222)
Administrative expenses	6	(7,504,330)	(4,990,615)
Write down of stock	6	(331,504)	–
Costs associated with project development expenditure	6	–	(321,856)
Impairment of available-for-sale financial assets	6	(169,803)	–
Impairment of capital works in progress	6	(88,745)	(1,463,461)
Costs associated with Gambian litigation	6	(3,323,866)	(2,177,140)
Finance costs		(30,964)	(36,806)
Other expenses	6	(263,316)	(275,040)
Profit before income tax expense		71,019	3,096,729
Income tax expense	7	(1,074,187)	(2,214,078)
Net (loss)/profit for the year		(1,003,168)	882,651
Other comprehensive profit/ (loss)			
Decrease/ (increase) in fair value of available-for-sale financial assets		(849,680)	1,814,331
Foreign currency translation differences		1,994,022	(5,609,481)
Increase in share based payment reserve		125,250	–
Other comprehensive income/ (loss) for the year, net of tax		1,269,592	(3,795,150)
Total comprehensive profit/ (loss) for the year		266,424	(2,912,499)
(Loss)/ profit for the year attributable to:			
Owners of Astron Corporation Limited		(1,003,168)	882,651
Total comprehensive profit/ (loss) for the year attributable to:			
Owners of Astron Corporation Limited		266,424	(2,912,499)
EARNINGS PER SHARE			
8			
For (loss)/ profit from continuing operations			
Basic (loss)/ earnings per share (cents per share)		(0.8)	0.7
Diluted (loss)/ earnings per share (cents per share)		(0.8)	0.7
For (loss)/ profit for the year			
Basic (loss)/ earnings per share (cents per share)		(0.8)	0.7
Diluted (loss)/ earnings per share (cents per share)		(0.8)	0.7

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

Consolidated Statement of Financial Position

For the year ended 30 June 2012

CONSOLIDATED			
	Note	2012 \$	2011 \$
ASSETS			
Current assets			
Cash and cash equivalents	10	58,787,135	87,110,656
Term deposits greater than 90-days	11	62,370,546	60,333,837
Trade and other receivables	12	4,178,092	7,479,528
Inventories	13	5,090,733	3,685,640
Available-for-sale financial assets	15	1,983,776	2,480,042
Total current assets		132,410,282	161,089,703
Non current assets			
Property, plant and equipment	17	16,705,390	12,386,037
Intangible assets	18	48,559,413	26,950,894
Land use rights	19	8,712,067	8,352,354
Total non current assets		73,976,870	47,689,285
TOTAL ASSETS		206,387,152	208,778,988
LIABILITIES			
Current liabilities			
Trade and other payables	20	2,188,375	2,154,267
Current tax liabilities	22	221,023	221,518
Provisions	21	18,546	18,546
Total current liabilities		2,427,944	2,394,331
Non current liabilities			
Deferred tax liabilities	22	4,978,199	4,574,409
Long-term provisions	21	40,000	40,000
Total non current liabilities		5,018,199	4,614,409
TOTAL LIABILITIES		7,446,143	7,008,740
NET ASSETS		198,941,009	201,770,248
EQUITY			
Contributed equity	23	30,061,919	33,157,582
Reserves	24	2,950,851	1,681,259
Retained earnings		165,928,239	166,931,407
TOTAL EQUITY		198,941,009	201,770,248

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

Consolidated Statement of Changes in Equity

For the year ended 30 June 2012

Year ended 30 June 2012	Contributed Equity \$	Retained Earnings \$	Share-Based Payment Reserve \$	Financial Assets Available-For Sale-Reserve \$	Foreign Currency Translation Reserve \$	Total Equity \$
Equity as at 1 July 2011	33,157,582	166,931,407	–	1,814,331	(133,072)	201,770,248
Loss for the year	–	(1,003,168)	–	–	–	(1,003,168)
Other comprehensive (loss)/ income						
Decrease in fair value of available-for-sale financial assets	–	–	–	(849,680)	–	(849,680)
Exchange differences on translation of foreign operations	–	–	–	–	1,994,022	1,994,022
Increase in share-based payments reserve	–	–	125,250	–	–	125,250
Total comprehensive profit for the year	–	(1,003,168)	125,250	(849,680)	1,994,022	266,424
Transactions with owners in their capacity as owners						
Shares repurchased during the year	(3,095,663)	–	–	–	–	(3,095,663)
Total of transactions with owners in their capacity as owners	(3,095,663)	–	–	–	–	(3,095,663)
Equity as at 30 June 2012	30,061,919	165,928,239	125,250	964,651	1,860,950	198,941,009

Year ended 30 June 2011	Ordinary Shares \$	Retained Earnings \$	Financial Assets Available-For Sale-Reserve \$	Foreign Currency Translation Reserve \$	Total Equity \$
Equity as at 1 July 2010	38,216,239	166,048,756	–	5,476,409	209,741,404
Profit for the year	–	882,651	–	–	882,651
Other comprehensive income					
Increase in fair value of available-for-sale financial assets	–	–	1,814,331	–	1,814,331
Exchange differences on translation of foreign operations	–	–	–	(5,609,481)	(5,609,481)
Total comprehensive income for the year	–	882,651	1,814,331	(5,609,481)	(2,912,499)
Transactions with owners in their capacity as owners					
Shares repurchased during the year	(5,058,657)	–	–	–	(5,058,657)
Total of transactions with owners in their capacity as owners	(5,058,657)	–	–	–	(5,058,657)
Equity as at 30 June 2011	33,157,582	166,931,407	1,814,331	(133,072)	201,770,248

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

Consolidated Statement of Cash Flows

For the year ended 30 June 2012

CONSOLIDATED			
	Note	2012 \$	2011 \$
Cash flows from operating activities:			
Receipts from customers		15,331,526	9,184 860
Payments to suppliers and employees		(18,883,318)	(20,764,622)
Interest received		7,294,588	8,286,253
Interest paid		(30,964)	(36,806)
Income taxes paid		(670,892)	(480,184)
Other income		140,238	2,317,709
Net cash inflow/(outflow) from operating activities	29a	3,181,178	(1,492,790)
Cash flows from investing activities:			
Repayment of short term deposits		(2,036,709)	(7,588,929)
Refund for cancellation of acquisition of mining licence		500,000	–
Acquisition of available for sale investment		(523,216)	–
Acquisition of property, plant and equipment		(1,181,712)	(2,888,004)
Construction in works in progress		(2,923,938)	(2,211,935)
Purchase of computer software		(200,885)	–
Deferred exploration, evaluation expenditure and development costs		(3,450,724)	(5,204,948)
Acquisition of water rights		(17,958,613)	–
Net cash outflow from investing activities		(27,775,797)	(17,893,816)
Cash flows from financing activities:			
Payment for share buyback		(3,095,662)	(5,058,657)
Expenditure on re-domiciliation		(1,086,032)	–
Net cash outflow from financing activities		(4,181,694)	(5,058,657)
Net decrease in cash held		(28,776,313)	(24,445,263)
Cash and cash equivalents at beginning of the year		87,110,656	113,759,616
Net foreign exchange differences		452,792	(2,203,697)
Cash and cash equivalents at end of the year	29b	58,787,135	87,110,656

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

Notes to the Financial Statements

For the year ended 30 June 2012

1. Corporate Information

The consolidated financial statements of Astron Corporation Limited for the year ended 30 June 2012 were authorised for issue in accordance with a resolution of the Directors on 24 September 2012 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 however, limited financial information for Astron Corporation Limited as an individual entity are included in Note 32.

The financial statements are presented in Australian dollars.

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

In the current financial year Astron Corporation Limited, a company incorporated in Hong Kong and previously a subsidiary of Astron Limited, became the legal parent entity of the Group. Prior to the re-domiciliation of the Group from Australia to Hong Kong, the consolidated financial statements of Astron Limited for the year ended 30 June 2011 were prepared in accordance with Australian Accounting Standards (AAS) and other authoritative pronouncements of the Australian Accounting Standards Board (AASB). By complying with AAS in the comparative period, the consolidated financial statements also complied with IFRS.

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

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 on transition to IFRS, 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 Subsidiaries

The consolidated financial statements comprise the financial statements of Astron Corporation Limited and its subsidiaries at 30 June 2012 ("the Group"). In the current financial year Astron Corporation Limited, a subsidiary of Astron Limited, acquired Astron Limited and the other entities under its control. Subsidiaries acquired in a business combination involving entities under common control were included in the consolidated financial statements as if the acquisition had occurred from the earliest period reported.

Subsidiaries are entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. Potential voting rights that are currently exercisable or convertible are considered when assessing control. Consolidated financial statements include all subsidiaries from the date that control commences until the date that control ceases. The financial statements of subsidiaries are prepared for the same reporting period as the parent, using consistent accounting policies.

All intercompany balances and transactions, including unrealised profits arising from intragroup transactions have been eliminated. Unrealised losses are also eliminated unless costs cannot be recovered.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of comprehensive income and consolidated statement of financial position respectively. A list of subsidiary entities is contained in Note 16 to the financial statements. Investments in subsidiaries are carried in parent entity at costs less impairment.

(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.

(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 instalments. These amounts are recognised as current intercompany receivables or payables.

(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 pre tax 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.

(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 include 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.

(j) Non-current Assets Classified as Held For Sale

Non-current assets classified as held for sale are those assets whose carrying amounts will be recovered principally through a sale transaction rather than through continuing use. These assets are stated at the lower of their carrying amount and fair value less costs to sell and are not depreciated or amortised. Interest expense continues to be recognised on liabilities of a disposal group classified as held for sale.

An impairment loss is recognised for any initial or subsequent write down of the asset to fair value less costs to sell. A gain is recognised for subsequent increases in fair value less costs to sell of an asset but not exceeding any cumulative impairment losses previously recognised.

A discontinued operation is a component of the Group that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in profit or loss.

(k) 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.

(l) 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.

(m) 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.

(n) 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.

(o) 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.

(p) 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.

(q) 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.

(r) 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.

(s) Interest Bearing Liabilities

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.

(t) 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.

(u) 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 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 pre tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

(v) 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.

(w) Contributed Equity

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.

(x) Share Based Payments

The Group provides 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"). To date share based payments have been undertaken at the discretion of the Remuneration Committee.

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

Provision is made for dividends declared and no longer at the discretion of the Group, on or before the end of the reporting period but not distributed at the end of the reporting period.

(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 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) Change in Accounting Policy

The accounting policies adopted are consistent with those of the previous financial year

(dd) Standards Issued but not yet Effective

The following amended accounting standards and interpretations have been issued, but are not mandatory for financial years ended 30 June 2012. They have not been adopted in preparing the financial statements for the year ended 30 June 2012 and are expected to impact the entity in the period of initial application. In all cases the entity intends to apply these standards from application date as indicated in the table below.

IFRS/IAS reference	Title and effected standards	Nature of change	Application date	Impact on initial application
IFRS 13 (issued September 2011)	Fair Value Measurement	Currently, fair value measurement requirements are included in several Accounting Standards. IFRS 13 establishes a single framework for measuring fair value of financial and non-financial items recognised at fair value in the statement of financial position or disclosed in the notes in the financial statements.	Annual reporting periods commencing on or after 31 December 2013	Due to the recent release of this standard, the entity has yet to conduct a detailed analysis of the differences between the current fair valuation methodologies used and those required by IFRS 13. However, when this standard is adopted for the first time for the year ended 30 June 2014, there will be no impact on the financial statements because the revised fair value measurement requirements apply prospectively from 1 July 2013.
IAS 19 (reissued September 2011)	Employee Benefits	Main changes include: • Elimination of the 'corridor' approach for deferring gains/losses for defined benefit plans • Actuarial gains/losses on remeasuring the defined benefit plan obligation/asset to be recognised in OCI rather than in profit or loss, and cannot be reclassified in subsequent periods • Subtle amendments to timing for recognition of liabilities for termination benefits • Employee benefits expected to be settled (as opposed to due to settled under current standard) within 12 months after the end of the reporting period are short-term benefits, and therefore not discounted when calculating leave liabilities. Annual leave not expected to be used within 12 months of end of reporting period will in future be discounted when calculating leave liability.	Annual periods commencing on or after 1 January 2013	The entity currently calculates its liability for annual leave employee benefits on the basis that it is due to be settled within 12 months of the end of the reporting period because employees are entitled to use this leave at any time. The amendments to IAS 19 require that such liabilities be calculated on the basis of when the leave is expected to be taken, i.e. expected settlement. When this standard is first adopted for 30 June 2014 year end, annual leave liabilities will be recalculated on 1 July 2012. Leave liabilities for any employees with significant balances of leave outstanding who are not expected to take their leave within 12 months will be discounted, which may result in a reduction of the annual leave liabilities recognised on 1 July 2012, and a corresponding increase in retained earnings at that date.

IFRS/IAS reference	Title and effected standards	Nature of change	Application date	Impact on initial application
IFRS 9 (issued December 2009 and amended December 2010)	Financial Instruments	Amends the requirements for classification and measurement of financial assets. The following requirements have generally been carried forward unchanged from IAS 39 Financial Instruments: Recognition and Measurement into IFRS 9. These include the requirements relating to: • Classification and measurement of financial liabilities; and • Derecognition requirements for financial assets and liabilities. However, IFRS 9 requires that gains or losses on financial liabilities measured at fair value are recognized in profit or loss, except that the effects of changes in the liability's credit risk are recognized in other comprehensive income.	Periods beginning on or after 1 January 2013	Unless the entity makes an irrevocable election to present gains and losses in other comprehensive income (which is unlikely as these investments are classified as short-term and are therefore not considered to be long-term strategic investments), gains on available-for-sale financial assets under IFRS 9 will be recognized in profit or loss, instead of in other comprehensive income. When this standard is first applied, any remaining balance on the Financial Assets Available for Sale Reserve will be transferred to retained earnings. The entity does not have any financial liabilities measured at fair value through profit or loss. There will therefore be no impact on the financial statements when these amendments to IFRS 9 are first adopted.
IFRS 13 (issued September 2011)	Fair Value Measurement	Additional disclosures required for items measured at fair value in the statement of financial position, as well as items merely disclosed at fair value in the notes to the financial statements. Extensive additional disclosure requirements for items measured at fair value that are 'level 3' valuations in the fair value hierarchy that are not financial instruments, e.g. land and buildings, investment properties etc.	Annual reporting periods commencing on or after 1 January 2013	When this standard is adopted for the first time on 1 July 2013, additional disclosures will be required about fair values.
IFRS 12	Disclosure of interests in other entities	IFRS 12 combines the disclosure requirements for subsidiaries, joint arrangements, associates and structured entities within a comprehensive disclosure standard. It aims to provide more transparency on "borderline" consolidation decisions and enhance disclosures about unconsolidated structured entities in which an investor or sponsor has involvement.	Annual reporting periods ending on or after 31 December 2013	When this standard is adopted for the first time on 31 December 2013, additional disclosures will be for subsidiaries.

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.

(a) 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. Value in use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

Impairment has been recognised in respect of the Group's costs incurred in developing the Senegal project and the TiO₂ project (note 18(b)), capital works in progress (note 17), the impairment of available-for-sale investments (note 15) and prepayments (note 12) in terms of the relevant accounting standards.

(b) Capitalisation of Exploration and Evaluation Assets

The Group has continued to capitalise expenditure, in terms of IFRS 6, incurred on the exploration and evaluation of the Donald Mineral Sands project in Victoria, Australia. This has been done as 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 projects successful development (refer note 18 for further details).

(c) 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.

(d) 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.

(e) Critical judgment of accounting for Group's restructure

Management has made the following judgment when applying the Group's restructure accounting policy:

The entities comprising the Group had been controlled by the same group of shareholders both before and after the Group restructure (note 2(b)). The shareholders collectively determined these entities' financial and operating policies throughout the periods reported. Therefore it is determined that these entities are under common control and the combination of those entities is accounted for on a continuous basis accordance with the accounting policy in note 2(b).

4. Segment Information

(a) Description of Segments

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

- Astron Corporate: Group treasury and head office activities
- Senegal: Development of 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

(b) Information provided to the managing director /President

June 30	Astron Corporate		Senegal		Donald Mineral Sands		Mineral Resources		Titanium		Total of Continuing Operations		
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2011
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revenue from external customers													
Sales	-	-	-	-	-	-	11,629,254	7,698,425	1,962,320	1,872,670	13,591,574	9,571,095	13,591,574
Interest revenue	7,223,792	8,543,219	-	-	13,940	5,062	14,880	10,269	8,579	41,206	7,261,191	8,599,756	7,261,191
Rent	-	-	-	-	75,697	79,152	-	-	-	-	75,697	79,152	75,697
Total revenue	7,223,792	8,543,219	-	-	89,637	84,214	11,644,134	7,708,694	1,970,899	1,913,876	20,928,462	18,250,003	20,928,462
Segment result													
Segment (loss) / profit	(931,457)	5,057,288	-	-	89,637	84,214	1,235,394	(2,256,844)	(322,555)	212,071	71,019	3,096,729	71,019
											71,019	3,096,729	71,019
Assets													
Segment assets	120,835,629	147,178,149	982,126	-	51,086,312	30,078,972	15,700,425	14,351,836	17,782,660	17,170,031	206,387,152	208,778,988	206,387,152
Total segment assets	120,835,629	147,178,149	982,126	-	51,086,312	30,078,972	15,700,425	14,351,836	17,782,660	17,170,031	206,387,152	208,778,988	206,387,152
Liabilities													
Segment liabilities	1,539,446	1,431,911	35,738	-	5,272,213	4,015,550	467,257	1,157,916	131,489	403,363	7,446,143	7,008,740	7,446,143
Total segment liabilities	1,539,446	1,431,911	35,738	-	5,272,213	4,015,550	467,257	1,157,916	131,489	403,363	7,446,143	7,008,740	7,446,143
Impairment losses	169,803	50,911	-	-	-	-	396,398	1,738,501	23,582	-	589,783	1,789,412	589,783
Acquisition of PPE, Intangible assets and other non-current segment assets	212,490	2,204	972,080	-	21,210,367	7,640,634	783,420	1,167,737	2,414,974	704,993	25,593,331	9,515,568	25,593,331
Depreciation and amortisation	4,844	4,610	3,034	-	26,823	20,229	205,472	116,706	222,780	222,518	462,953	364,063	462,953

(c) 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. Rental income all comes from Australian source.

China

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

	Sales revenues		Interest revenue		Non-current assets	
	2012 \$	2011 \$	2012 \$	2011 \$	2012 \$	2011 \$
Australia	–	–	7,237,730	8,548,273	51,187,237	29,708,416
China	13,591,574	9,571,095	23,459	51,475	21,906,044	17,980,869
Other countries	–	–	2	8	883,589	–
	13,591,574	9,571,095	7,261,191	8,599,756	73,976,870	47,689,285

(d) Major customers

Revenues of \$3,337,983, \$2,289,444, and \$2,289,444 were derived from sales to Luoyang Shuangrui Wanji Titanium Industry, SuPaiTe Metal (Kunshan) Company Limited and Tien Tai Electrode (Kunshan) Co., Ltd respectively, (2011: \$1,759,387: SuPaiTe Metal (Kunshan) Company Limited, \$1,460,517: Zunbao Titanium Industry Limited). These revenues are part of the sales by the Mineral Resources Segment. These revenues amount to more than 10% of the group's sales revenues from external customers.

5. Revenue and Other Income

CONSOLIDATED		
	2012 \$	2011 \$
CONTINUING OPERATIONS		
Revenue		
– sale of goods	13,591,574	9,571,095
– interest income	7,261,191	8,599,756
Total revenue: continuing	20,852,765	18,170,851
OTHER OUTCOMES : CONTINUING OPERATIONS		
– gains on foreign exchange	–	529,495
– legal actions	–	1,519,740
– rental income	75,697	79,152
– other income	64,541	189,322
Total other income: continuing	140,238	2,317,709

6. Profit Before Income Tax

(a) Profit before income tax includes the following specific expenses:

	CONSOLIDATED	
	2012 \$	2011 \$
Interest Paid	30,964	36,806
Foreign currency translation losses	232,856	–
Premises-contractual amounts	180,946	80,222
Research and development costs	1,094,374	265,857
Depreciation and amortization	462,953	364,063
Superannuation	212,236	94,399
Employee benefits	1,208,442	760,945
Impairment of available-for sale investments (note 15)	169,803	–
Costs associated with Gambia and Senegal Investments (note 14)	3,323,866	2,177,140
Costs associated with project development expenditure	–	321,856
Impairment of capital works in progress (note 17)	88,475	1,463,461
Write down of stock (note 13)	331,504	–
Impairment of prepayments	–	275,040
Costs relating to re-domiciliation	1,376,388	–

7. Income Tax Expense

(a) The components of tax expense comprise:

	CONSOLIDATED	
	2012 \$	2011 \$
Current tax expense in respect of current year	535,102	561,542
Adjustments recognised in the current year in relation to the prior year	135,294	(13,710)
Recognition of deferred tax liability	403,791	1,666,246
Total	1,074,187	2,214,078

(b) The prima facie tax on profit before income tax is reconciled to the income tax as follows:

	CONSOLIDATED	
	2012 \$	2011 \$
Prima facie tax payable on profit 30% (2011: 30%)		
– continuing operations	21,306	929,019
	21,306	929,019
Add/(Less) Tax effect of:		
– non-deductible Gambia	997,160	565,831
– other non-deductible items	46,738	96,425
– deferred tax asset not recognized for China and Hong Kong losses and temporary differences	98,635	521,431
– under provision for income tax in prior year	(135,294)	(2,914)
– Impact of overseas tax differential	45,642	104,286
Income tax attributable to entity	1,074,187	2,214,078
The applicable weighted average effective tax rates are as follows:	1,513%	71%

The increase in the weighted average effective consolidated tax rate for 2012 is mainly due to the increase in non-deductible expenditure and lower profit before tax.

(c) 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 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.

(d) 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.

(e) Tax on other comprehensive items

No deferred tax liabilities have been recognized 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 items: foreign currency translation differences and share based payments reserve.

8. Earnings Per Share

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

	CONSOLIDATED	
	2012 \$	2011 \$
(Loss)/profit attributable to owners	(1,003,168)	882,651
(Loss)/earnings used to calculate basic EPS	(1,003,168)	882,651
(Loss)/earnings used in calculation of dilutive EPS	(1,003,168)	882,651
(Loss)/profit from continuing operations	(1,003,168)	882,651
(Loss)/profit used to calculate basic EPS from continuing operations	(1,003,168)	882,651
(Loss)/profit used in the calculation of dilutive EPS from continuing operations	(1,003,168)	882,651

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

	CONSOLIDATED	
	2012	2011
Weighted average number of ordinary shares outstanding during the year		
– used in calculating basic EPS	123,379,593	125,647,868
– used in calculating dilutive EPS	123,379,593	125,647,868

The comparative weighted average number of ordinary shares has been adjusted to taken into account the share swap as if it had occurred at the date of the first share issuance.

(c) Dilutive shares

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

9. Auditors' Remuneration

	CONSOLIDATED	
	2012 \$	2011 \$
Audit and review of financial statements		
Grant Thornton	83,000	–
Other auditors	61,131	140,664
	144,131	140,664
Other services – other auditors		
taxation services	8,550	36,760
due diligence assistance	20,209	–
secretarial services	5,135	4,297
corporate finance services	107,504	55,338

10. Cash and Cash Equivalents

	CONSOLIDATED	
	2012 \$	2011 \$
Cash on hand	77,200	2,289
Current & call account balances	4,179,203	13,437,165
Short term deposits	54,530,732	73,671,202
Total	58,787,135	87,110,656

Cash on hand is non-interest bearing. Bank balances and short term deposits at call bear floating interest rates between 0.0% and 5.1% (2011: 0.0% and 5.9%). Deposits have an average maturity of 90 days (2011: 90 days). Bank balances included letter of credit deposits of \$56,052 as at 30 June 2012 (2011: \$639,274).

(a) Geographic concentration of risk

	CONSOLIDATED	
	2012 \$	2011 \$
Australia	54,964,921	82,705,935
China	3,743,890	4,371,388
United Kingdom	4,181	5,113
Senegal	74,143	28,220
Total	58,787,135	87,110,656

(b) Concentration of risk by bank

	CONSOLIDATED	
	2012 \$	2011 \$
Australia		
Commonwealth Bank-S&P rating of AA- (2011:AA)	49,759,700	70,552,461
Goldman Sachs JB Were-A- (2011:A)	5,076,255	11,983,035
Bank of China-S&P rating of A (2011:A-)	–	1,701
Other Australian banks	128,529	168,738
	54,964,484	82,705,935
China		
Bank of China-S&P rating of A (2011:A-)	1,408,848	4,067,877
Construction Bank-S&P rating of A (2011:A-)	301,135	34,599
Shanghai Pudong Development Bank – unrated	1,953,629	–
Other Chinese banks	77,658	268,912
	3,741,270	4,371,388

11. Term deposits greater than 90 days

	CONSOLIDATED	
	2012 \$	2011 \$
Term deposits with maturity over 90 days	62,370,546	60,333,837

As at 30 June 2012, term deposits with maturity over three months of \$62,370,546 (2011: 60,333,837) bear fixed interest rates of 3.3% to 5.4% (2011: 5.3% to 6.3%) and have a maturity of 6 months.

(a) Geographic concentration of risk

	CONSOLIDATED	
	2012 \$	2011 \$
Australia	62,370,546	60,333,837

(b) Concentration of risk by bank

	CONSOLIDATED	
	2012 \$	2011 \$
Australia		
Commonwealth Bank-S&P rating of AA- (2011:AA)	48,846,618	47,577,059
Bank of China-S&P rating of A (2011 A-)	13,523,928	12,756,778
	62,370,546	60,333,837

12. Trade and Other Receivables

CONSOLIDATED			
	Note	2012 \$	2011 \$
CURRENT			
Trade debtors	12(b)(c)	1,072,772	577,211
Drafts and other receivables	12(a)	2,300,192	2,834,313
Prepayments	12(d)	1,085,388	4,343,044
Impairments	12(d)	(280,260)	(275,040)
Net prepayments		805,128	4,068,004
Total		4,178,092	7,479,528

(a) Drafts and other receivables

This amount includes drafts receivable which are bank guarantees on behalf of trade and other debtors with current maturity dates. Settlement through bank draft is common trading practise in China. All the drafts are with the counterparties in China. There is no industry concentration of risk in respect to these drafts.

In the prior year, the Group entered into purchase, processing and sale arrangement. A working capital loan of \$882,352 was advanced to this party as part of this transaction. This amount was repaid to the Group in the current financial year.

(b) Ageing analysis

The ageing analysis of trade receivables is as follows:

CONSOLIDATED		
	2012 \$	2011 \$
0-30 days (not past due)	1,072,772	528,272
31-60 days (past due not impaired)	–	48,939
61-90 days (past due not impaired)	–	–
91+ days (past due not impaired)	–	–
91+ days (past due impaired)	–	–
Total	1,072,772	577,211

At the end of the reporting period the Group's trade debtors are predominantly receivable from Chinese trading partners. The Group considers that its history of trading indicates that there are no impairment indicators at the end of the reporting period. The Chinese debtors are regularly reviewed and as is common practise in China the terms may be extended without which there would be overdue balances, however, the Group is satisfied that payment will be received in full.

It is the Group's policy that where possible that sales are made in exchange for notes (guaranteed by a Chinese bank) ensuring that the Group does not have an impairment issue.

(c) Analysis of allowance for trade debtors

CONSOLIDATED		
	2012 \$	2011 \$
Opening balance	–	70,513
Receivables written off during the year	–	(70,513)
Total	–	–

(d) Prepayments

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

Included in prepayments is an amount of \$280,260 (2011: \$275,040) which is the prepayment for construction.

This amount has been impaired due to low possibility of collection.

13. Inventories

	CONSOLIDATED	
	2012 \$	2011 \$
Raw materials	2,141,051	1,418,210
Finished goods – at cost	1,747,796	2,207,067
Finished goods – at net realisable value	1,201,886	–
Total finished goods	2,949,682	2,207,067
Goods in transit	–	60,363
Total	5,090,733	3,685,640

There has been a write down of \$338,904 to net realisable relating to titanium ingot and titanium slag finished goods in the current financial year (2011:nil).

14. 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.

Development on the Niafarang project in Senegal in 2011 has been expensed directly to profit and loss.

From the commencement of 2012 reporting period development expenditure incurred on the Senegal project has been capitalised.

Furthermore, expenditure of \$3,323,866 (2011: \$2,177,140) relating to Gambia litigation claim in 2012 the has been expensed directly to profit and loss.

15. Available-For-Sale Financial Assets

	CONSOLIDATED	
	2012 \$	2011 \$
Listed Securities		
Current listed investments, at fair value		
shares in listed corporations	1,983,776	2,480,042
Total available-for-sale financial assets	1,983,776	2,480,042

Available-for-sale financial assets comprise investments in the ordinary issued capital of four public companies listed on the Australian Stock Exchange (ASX). The cost of these investments was \$2,435,302. 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 \$1,019,483 from 30 June 2011. \$849,860 of the decrease in market value of these investments has been netted off against the Financial Assets Available-for-Sale Reserve, under IAS 39, in the consolidated statement of financial position and an amount of \$169,803 was recorded as profit or loss as an impairment.

In the 2011 financial year, the increase in market value of these investments of \$1,814,331 was recorded as a Financial Assets Available-for-Sale Reserve under IAS 39.

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.

16. Subsidiaries

Financial Year 2012 (effective 21 May 2012)	Country of incorporation	Percentage Owned Ordinary Shares 2012
Parent entity		
Astron Corporation Limited	Hong Kong	
Subsidiaries of parent entity		
Astron Limited	Australia	100
Astron Advanced Materials Limited	UK	100
Astron Mineral Sands Pty Limited	Australia	100
Astron Titanium (Yingkou) Co Ltd	China	100
Carnegie Minerals (Gambia) Limited	The Gambia	100
Coast Resources Limited	Isle of Man	100
Dickson & Johnson Pty Limited	Australia	100
Donald Mineral Sands Pty Ltd	Australia	100
Sovereign Gold NL	Australia	100
WIM 150 Pty Limited	Australia	100
Yingkou Astron Mineral Resources Co Ltd	China	100
Astron Senegal Holding Pty Ltd	Hong Kong	100
Senegal Mineral Sands Ltd	Hong Kong	100
Zirtanium Pty Limited	Australia	100

All the above entities became the subsidiaries of the parent company following the completion of the Group restructure as set out in Note 2(b).

Financial Year 2011	Country of incorporation	Percentage Owned Ordinary Shares 2011
Parent entity		
Astron Limited	Australia	
Subsidiaries of parent entity		
Astron Advanced Materials Limited	UK	100
Astron Mineral Sands Pty Limited	Australia	100
Astron Titanium (Yingkou) Co Ltd	China	100
Carnegie Minerals (Gambia) Limited	The Gambia	100
Coast Resources Limited	Isle of Man	100
Dickson & Johnson Pty Limited	Australia	100
Donald Mineral Sands Pty Ltd	Australia	100
Sovereign Gold NL	Australia	100
WIM 150 Pty Limited	Australia	100
Yingkou Astron Mineral Resources Co Ltd	China	100
Zirtanium Pty Limited	Australia	100

(a) Equity

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

(b) Acquisition and incorporation of subsidiaries

During the year the Astron Group re-domiciled to Hong Kong. In terms of a scheme arrangement between Astron Limited and its shareholders, on 21 May 2012 Astron Corporation Limited became the parent company of the Astron Group. Prior to the implementation of the scheme Astron Corporation Limited, which was incorporated on 6 December 2011, was a subsidiary of Astron Limited. In addition, Astron Senegal Holdings Pty Limited and Senegal Mineral Sands Limited were incorporated in Hong Kong on 12 April 2012 and 25 April 2012 respectively.

On 19 May 2011, the Group incorporated Astron Mineral Sands Pty Limited as a wholly owned subsidiary of Astron Limited. The purpose of this company is to possibly hold ML 5532. Save for the above the Group did not gain or lose control of any entities.

(c) Disposal of subsidiaries

During the current year and prior years no subsidiaries were disposed of or wound up.

17. Property, Plant and Equipment

	CONSOLIDATED	
	2012 \$	2011 \$
LAND AND BUILDINGS		
Land		
At cost	3,555,982	2,897,330
Total land	3,555,982	2,897,330
Leasehold buildings		
At cost	2,139,372	2,006,092
Less accumulated depreciation	(261,542)	(211,603)
Less accumulated impairment losses	(51,877)	(48,645)
Total leasehold buildings	1,825,953	1,745,844
Total land and buildings	5,381,935	4,643,174
PLANT AND EQUIPMENT AND WORKS IN PROGRESS		
Capital works in progress		
At cost	12,232,206	8,776,788
Less accumulated impairment losses	(1,812,116)	(1,614,413)
Total capital works in progress	10,420,090	7,162,375
Plant and equipment		
At cost	1,180,487	1,094,523
Less accumulated depreciation	(277,122)	(514,035)
Total plant and equipment	903,365	580,488
Total plant and equipment and works in progress	11,323,455	7,742,863
Total property, plant and equipment	16,705,390	12,386,037

(a) Assets pledged as security

As at 30 June 2012 and 30 June 2011 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.

(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 2012					
Balance at the beginning of year	7,162,375	2,897,330	1,745,844	580,488	12,386,037
Additions	2,829,213	658,652	–	495,244	3,983,109
Depreciation expense	–	–	(35,097)	(236,914)	(272,011)
Transfers	(19,628)	–	–	19,628	–
Impairment	(88,475)	–	–	–	(88,475)
Foreign exchange movements	536,605	–	115,206	44,919	696,730
Carrying amount at the end of year	10,420,090	3,555,982	1,825,953	903,365	16,705,390
Year ended 30 June 2011					
Balance at the beginning of year	8,260,205	537,981	2,146,955	476,712	11,421,853
Additions	1,622,017	2,359,349	–	341,031	4,322,397
Depreciation expense	–	–	(35,212)	(137,282)	(172,494)
Impairment	(1,463,461)	–	(50,911)	–	(1,514,372)
Disposals	–	–	–	(21,660)	(21,660)
Foreign exchange movements	(1,256,386)	–	(314,988)	(78,313)	(1,649,687)
Carrying amount at the end of year	7,162,375	2,897,330	1,745,844	580,488	12,386,037

(d) Impairment of capital works in progress

The total impairment loss recognised in profit or loss during the year amounted to \$88,475. (2011: \$1,463,461) and is separately presented in profit or loss as "impairment of capital works in progress".

During the 2011 financial year, the board consider it would be appropriate to move Mineral Separation Plant project (MSP project) from China to Australia. However, given recent developments around transport alternatives and the ability to sell some of the tailings a detailed study is being undertaken as to where to situate the MSP. As this decision is pending the impairment expensed in the 2011 financial year has not been reinstated in the current financial year.

The impairment loss has been included in the Mineral Resources segment for segmental reporting purpose.

(e) Land acquisition

Included in the land cost was \$658,652 being the acquisition cost for a piece of new land in Victoria for the Donald Project. There is a lease agreement ancillary to the acquisition agreement. In terms of the agreement the Group has access to land from 31 October 2012.

18. Intangible Assets

CONSOLIDATED			
	Note	2012 \$	2011 \$
Development costs			
Cost	18(b)	8,489,299	7,373,355
Accumulated impairment loss	18(b)	(7,329,855)	(7,141,215)
Net carrying value	18(d)	1,159,444	232,140
Exploration expenditure capitalized			
Exploration and evaluation phases	18(a)(c)	29,240,470	26,718,754
Net carrying value		29,240,470	26,718,754
Water rights			
Net carrying value	18(a)(d)	17,958,613	–
Computer software			
Net carrying value	18(a)(e)	200,886	–
Total Intangibles	18(f)	48,559,413	26,950,894

(a) Intangible assets

Movements during the year ended 30 June 2012 in intangible assets represent additions only. No amortisation has been brought to account. For capital expenditure commitments refer note 28(b).

(b) Development costs and impairment losses

The development costs of \$8,489,299 (2011: \$7,373,255) and the accumulated impairment of \$7,329,855 (2011: \$7,141,215) as at 30 June 2012 relates to the following:

1. TiO2 project cost of \$6,874,401 (2011: \$6,730,195) was fully impaired in 2009. The current year movement represents the movement in foreign exchange.
2. The Senegal project of \$1,367,335 (2011: \$411,020) represents development costs incurred in Senegal. This was netted off by an impairment of \$438,328 which was carried forward from prior years and shifted due to the movement in foreign exchange. The costs incurred in the prior year of \$411,020 were fully impaired due to doubt as to whether the project will continue. The current year additions represented the resumption of activities following the grant of the exploration licence in June 2011.
3. The remaining balance of \$230,436 (2011: \$232,140) relates to capitalised testing and design fees for the MSP. \$16,753 impairment was recorded in the current financial year. \$17,127 (2011:nil) accumulated impairment which was carried forward from prior years and shifted due to the movement in foreign exchange.

(c) Exploration and evaluation expenditure

This expenditure relates to the Group's investment in the Donald Mineral Sands Project. As at 30 June 2012 the Group has complied with the conditions of the granting of EL4432, EL4433, EL5255, EL5263, EL5186, EL5261, EL5262, EL5353, EL5354 and ML5532. As such the Directors believe that the tenements are in good standing with the Department of Primary Industries in Victoria, who administers the Mineral Resources Development Act 1990.

The recoverability of the carrying amount of the exploration and evaluation assets is dependent upon the successful development and commercial exploitation or alternatively sale of the area of interest.

(d) Purchase of water rights

During the current year under, the Group acquired an annual water allowance of 6,975 ML of water for a period 25 years from the Grampians Wimmera Mallee Water Authority (GWMW). DMS has the option, subject to the approval 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.

(e) Purchase of software

In the current year the Group commenced the implementation of a new enterprise resource planning system. The computer software balance represents the software and installation cost of the first phase of this system.

(f) Movement in net carrying value

	CONSOLIDATED				
	Exploration and Evaluation Phase \$	Development costs \$	Water Rights \$	Software \$	Total \$
Year ended 30 June 2012					
Opening balance	26,718,754	232,140	–	–	26,950,894
Additions	2,521,716	929,008	17,958,613	200,886	21,610,223
Impairment	–	(16,753)	–	–	(16,753)
Foreign exchange movements	–	15,049	–	–	15,049
Balance at 30 June 2012	29,240,470	1,159,444	17,958,613	200,886	48,559,413
Year ended 30 June 2011					
Opening balance	21,513,806	254,561	–	–	21,768,367
Additions	5,204,948	16,808	–	–	5,221,756
Foreign exchange movements	–	(39,229)	–	–	(39,229)
Balance at 30 June 2011	26,718,754	232,140	–	–	26,950,894

(g) 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.

19. Land Use Rights

CONSOLIDATED		
	2012 \$	2011 \$
Land use rights	8,712,067	8,352,354

(a) Reconciliation

CONSOLIDATED		
	2012 \$	2011 \$
Opening balance	8,352,354	10,055,400
Amortisation	(190,941)	(191,568)
Foreign exchange movements	550,654	(1,511,478)
Closing balance	8,712,067	8,352,354

20. Trade and Other Payables

CONSOLIDATED		
	2012 \$	2011 \$
Unsecured liabilities		
Trade payables	1,088,456	1,424,450
Other payables	1,099,919	729,817
Total	2,188,375	2,154,267

21. Provisions

			CONSOLIDATED	
		Note	2012 \$	2011 \$
Current				
Provision for indemnification on discontinued operations			18,546	18,546
			18,546	18,546
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

(a) Liabilities

CONSOLIDATED		
	2012 \$	2011 \$
Current tax liability	221,023	221,518
Deferred tax liability arises from the following:		
Capitalised expenditure	4,979,580	4,221,273
Interest accrued	368,609	378,628
Provisions	(39,656)	(25,492)
Blackhole expenditure	(330,334)	–
	4,978,199	4,574,409

(b) Deferred tax assets not brought to account

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

CONSOLIDATED		
	2012 \$	2011 \$
Temporary differences unrecognised	1,376,669	1,376,669
Tax losses:		
Revenue losses (China)	1,920,203	1,859,638
Capital losses	17,931,771	17,735,827

23. Issued Capital

CONSOLIDATED		
	2012 \$	2011 \$
122,479,784 (2011: 124,588,732) Fully Paid Ordinary Shares at 0.1 HK\$ (2011: no par value)	1,605,048	33,157,582
Share Premium	28,456,871	–
Total	30,061,919	33,157,582

The number of shares on issue in above table and the tables below are based on assumption that the 2 for 1 share swap, in terms of the re-domiciliation, took place on 1 July 2010. 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		
	2012	2011
At the beginning of year	62,294,366	64,232,223
Shares bought back during the year	(1,054,474)	(1,937,857)
Shares issued during group restructure	61,239,892	–
At reporting date	122,479,784	62,294,366

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 122,477,078 CDIs and 2,706 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	
	2012 \$	2011 \$
At the beginning of the year	33,157,582	38,216,239
Shares issued during the year		
– Shares bought back during the year	(3,095,663)	(5,058,657)
Total	30,061,919	33,157,582

(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.

(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	
	2012 \$	2011 \$
Net debt	–	–
Total equity	198,941,009	201,770,248

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 2012 only one key executive had rights to acquire shares in terms of a share-based payment scheme for employee remuneration. As at 30 June 2012, the rights had not been created or granted. The creation and grant is subject to shareholder approval.

In terms of the executive contract entered into between the Company and Hayden Stockdale (the Executive), the Company will create and grant to the Executive 300,000 short term incentive rights (STIRs) and 300,000 long term incentive rights (LTIRs) (combined the Rights) on 1 January 2012 and thereafter on 1 January annually for each calendar year during the term of this Agreement. Each incentive right entitles the Executive to receive, for zero consideration, one ordinary share (Share) upon satisfaction of the relevant criteria.

The award of Shares from the STIRs is subject to the accomplishment of the Executive's key performance indicators (KPIs). The KPIs for the Executive's will be set by the Board.

The award of shares from the LTIRs will be subject to a set of non-discretionary criteria, and will be linked to the growth in share price as compared to the S&P/ASX 300 Metals and Mining Index.

The STIRs and LTIRs operate independently of each other, such that the Executive may receive Shares under one but not the other structure.

The issue of the rights is subject to shareholder approval. In the event that the issue of any incentive rights or shares require the approval of the shareholders and that approval is not received then equivalent payment(s) will be made by the Company to the Executive in cash.

Although the Rights have not been created or granted the Company is still required to fair value them in terms of IFRS 2. The fair values of the Rights were determined using a variation of the binomial option pricing model that takes into account factors specific to the share incentive plans, such as the vesting period. The total shareholder return performance condition, being a market condition, has been incorporated into the measurement by means of actuarial modelling. The following principal assumptions were used in the valuation under IFRS 2:

	STIR	LTIR
Grant date	1-Jan-12	1-Jan-12
Vesting period ends	31-Dec-12	31-Dec-14
Share price at date of grant	1.35	1.35
Volatility	50%	53%
Option life (days)	365	1,095
Dividend yield	0%	0%
Risk free investment rate	4.50%	4.50%
Fair value at grant date (\$)	1.35	1.35
Exercise price at date of grant (\$)	0	0
Exercisable from	1-Jan-12	1-Jan-15
Estimate of conversion ratio	50%	25%
Remaining contractual life	183	912

The underlying expected volatility was determined by reference to historical data of the Company's and Astron Limited's shares over a period of time comparable to vesting period of the Rights. No special features inherent to the options granted were incorporated into measurement of fair value. The conversion ratios were based on management's best estimates as the amount of the awarded taking into account the achievement of the Executive and the position of the Company relative to its comparable companies.

In total, \$125,250 of employee remuneration expense (all of which related to equity-settled share-based payment transactions) has been included in profit or loss for 2012 (2011: nil) and credited to share based payments reserve.

24. Reserves

(a) Foreign currency translation reserve

The foreign currency translation reserve records exchange differences arising on translation of foreign controlled subsidiaries.

(b) 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 recognized in the current financial year was \$125,250 (2011: nil).

(c) 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.

25. Dividends

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

Franking Account Balance	CONSOLIDATED	
	2012 \$	2011 \$
Franking credits available for the subsequent financial years based on a tax rate of 30% (2011: 30%)	2,509,965	1,837,719

26. Key Management Personnel Disclosures

(a) Key management personnel compensation

	CONSOLIDATED	
	2012 \$	2011 \$
Short-term employee benefits/management fees	1,874,156	1,503,751
Post employment benefits	185,258	105,341
Share-based payments	125,250	–
Total	2,184,664	1,609,092

Further information regarding the identity of key management personnel and their compensation can be found in the Remuneration Report contained in the Directors' Report.

(b) 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 2012	Balance 1/07/2011	Shares (sold) / purchased	Share swap / re-domiciliation	Balance 30/06/2012
Key Management Personnel				
Mr. Gerard King	24,519	–	(24,519)	49,038
Mr. Alexander Brown	44,055,994	–	(44,055,994)	88,111,988
Mr. Robert Flew	170,574	–	(170,574)	341,148
Mr. Ronald McCullough	4,000	–	(4,000)	8,000
Mdm. Kang Rong	2,000,000	–	(2,000,000)	4,000,000
Mr. Hayden Stockdale	–	40,000	(40,000)	80,000
Mr. Mark Nielsen	11,750	–	(11,750)	23,500
Mr. Allen Cauvin	–	–	–	–
Mr. Mark Coetzee	–	–	–	–
Mr. Boris Matveev	–	–	–	–
Mr. Simon Peters	15,418	(9,418)	(6,000)	12,000
Ms. Emma Vogel	22,168	(16,168)	(6,000)	12,000
Mr. Scott McDaniel	–	–	–	–
Total	46,304,423	14,414	(46,318,837)	92,637,674

1. No shares were issued as remuneration.
2. No shares were issued as dividend entitlements.
3. Shares issued under the share swap/ re-domiciliation column relate to the 2:1 share swap

30 June 2012	Balance 1/07/2011	Shares (sold) /purchased	Balance 30/06/2011
Key Management Personnel			
Mr. Gerard King	274,519	(250,000)	24,519
Mr. Alexander Brown	44,055,994	–	44,055,994
Mr. Robert Flew	170,574	–	170,574
Mr. Ronald McCullough	4,000	–	4,000
Mdm Kang Rong	2,000,000	–	2,000,000
Mr. Mark Nielsen	11,750	–	11,750
Mr. Simon Peters	21,268	(5,850)	15,418
Ms Emma Vogel	20,018	2,150	22,168
Mr. Scott McDaniel	–	–	–
Total	46,558,123	(253,700)	46,304,423

1. No shares were issued as remuneration.
2. No shares were issued as dividend entitlements.

(c) Loans to/from key management personnel

No loans were provided to/from Key Management Personnel during the current or previous reporting periods.

27. Related party transactions

(a) Parent entity

Astron Corporation Limited is the parent entity of the Group.

(b) Subsidiaries

Interests in subsidiaries are disclosed in note 16.

(c) Interest free loans

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

(d) Management services provided

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

(e) Rental of offices

From 1 July 2011, the Group entered into a lease agreement with Kang Rong, who is an executive Director of the Astron Corporation Limited, whereby the Yingkou Astron Mineral Resources Co Ltd will lease the offices at level 18, Building B, Fortune Plaza, 53 Beizhan Road, Shenhe District, Shenyang China. The salient terms of the lease are:

Period	1 July 2011 to 31 December 2013
Rental amount	RMB 400,000 per annum paid in 12 equal installments, renegotiated at the commencement of each financial year
Cancellation	Either party can cancel the lease by giving the other party 6 months' notice

The rental amount is below market price for similar properties.

28. Capital and Leasing Commitments

(a) Operating lease commitments

There are no non-cancellable operating leases contracted for but not capitalised in the financial statements (2011: nil)

(b) Capital expenditure commitments

	CONSOLIDATED	
	2012 \$	2011 \$
Capital expenditure commitments contracted for:		
Chinese capital projects	756,148	889,451
Chinese subsidiary capitalization	3,084,000	497,250
Donald Mineral Sands	50,000	50,000
	3,890,148	1,436,701
Payable:		
– not later than 12 months	3,890,148	1,436,701
	3,890,148	1,436,701

(c) 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 2012 the net book value of this land is \$7,552,501 (2011: \$7,241,130).

The intention for the block of land held by Yingkou Astron Mineral Resources Co Ltd is currently being evaluated. As at 30 June 2012 the net book value of the land is \$1,159,566 (2011: \$1,111,224)

Acquisition of the Business of WIM 150

In March 2011 Astron entered into an agreement to acquire the WIM 150 Project for \$5,000,000. As at 30 June 2011, \$500,000 of this amount was shown as a refundable deposit which is included in prepayments. During the current year the \$500,000 has been refunded.

Minimum expenditure on exploration and mining licenses

To maintain the Exploration and Mining Licences at Donald the Group is required to spend \$2,188,600 on exploration and development expenditure over the next year (2011: \$2,248,090). The minimum expenditure amount per annum will normally increase over the life of an exploration licence. The minimum expenditure on the mining licence 5532 is \$556,800 per annum. The amount of this expenditure could be reduced should the Group decide to relinquish land.

(d) Water rights

In terms of the contract with GWMW the Group is required to pay a usage fee of \$183,306 per quarter for the life of the water rights.

29. Cash Flow Information

(a) Reconciliation of cash provided by operating activities with profit attributable to members

	CONSOLIDATED	
	2012 \$	2011 \$
Net (loss)/ profit for the year	(1,003,168)	882,651
Non cash flows in profit from ordinary activities		
Depreciation and amortisation	462,953	364,063
Impairment of capital works in progress	88,476	1,463,461
Impairment to property, plant and equipment	–	50,911
Impairment to development costs	16,752	–
Expenditure on re-domiciliation	1,086,032	–
Development expenditure	–	321,856
Impairment of prepayments	–	275,040
Impairment of available-for-sale assets	169,803	–
Decrease/ (increase) in trade and other receivables	2,078,053	(4,621,157)
Increase in inventories	(1,134,889)	(2,717,409)
Increase in trade payables and accruals	871,841	871,463
(Decrease)/ increase income taxes payable	(496)	67,646
Increase in deferred tax liabilities	403,791	1,666,246
Effects on foreign exchange rate movement	16,780	(117,561)
Increase in share-based payments reserve	125,250	–
	3,181,178	(1,492,790)

(a) Reconciliation of cash

		CONSOLIDATED	
	Note	2012 \$	2011 \$
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	77,200	2,289
Current & call account balances	10	4,179,203	14,437,165
Short term deposits	10	54,530,732	73,671,202
		58,787,135	87,110,656

(c) Loan facilities

As at 30 June 2012 and 30 June 2011 the Group does not have any loan facilities.

(d) 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.

(e) Acquisition of entities

During the year or during the previous year Astron Limited did not invest any funds into Chinese subsidiaries. In the current reporting period, In the 2011 financial year, a new wholly owned subsidiary company, Astron Mineral Sands Pty Limited, was incorporated during the year (refer Note 16).

(f) Disposal of entities

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

(g) Restrictions on cash

The short term deposits include \$60,000 (2011: \$60,000) of cash backed Bank Guarantees for the operations of the Donald Mineral Sands project and WIM 150 Pty Limited.

Bank balances also include letter of credit deposits of \$56,052 at 30 June 2012 (2011: \$639,274). These are pledged as collateral for letters of credit and are therefore not available for drawdown.

30. Employee Benefit Obligations

As at 30 June 2012 and 30 June 2011, 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.

31. Subsequent events

The financial statements were authorised for issue on 24 September 2012 by the board of Directors.

No other 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.

32. Parent Company Disclosure

The following information relates to the parent entity, Astron Corporation Limited (2011: Astron Limited). Financial information for Astron Corporation Limited as an individual entity is shown in this note. The information presented has been prepared using accounting policies that are consistent with those presented in Note 1.

	Astron Corporation Limited 2012 \$	Astron Limited 2011 \$
Current assets	–	161,376,863
Non-current assets	168,409,703	51,772,162
Total assets	168,409,703	213,149,025
Current liabilities	5,212	7,573,890
Non-current liabilities	–	766,933
Total liabilities	5,212	8,340,823
Share capital	1,605,048	–
Share premium	166,804,655	–
Contributed equity	–	33,157,581
Reserves	125,250	1,814,331
Accumulated loss)/ retained earnings	(130,462)	169,836,290
Total equity	168,404,491	204,808,202
Loss/ (profit) for the year	(130,462)	1,820,022
Other comprehensive income for the year	–	1,814,331
Total comprehensive loss/ (income)	(130,462)	3,634,353

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.

(b) Capital Commitments

Astron Limited is committed to adequately capitalise its Chinese subsidiaries to the amount of \$3,084,000 (2011: \$497,250).

33. Financial Instruments

(a) 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 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 practise 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:

(b) 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.

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. Refer to Note 11 for concentration of credit risk for term deposits with maturity over 3 months.

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

	CONSOLIDATED	
	2012 \$	2011 \$
Cash & cash equivalents	58,787,135	87,110,656
Term deposits with maturity over 90 days	62,370,546	60,333,837
Receivables	3,367,744	3,411,524
Total	124,525,425	150,856,017

(c) 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 \$58,787,135 (2011: \$87,110,656).

Maturity analysis

CONSOLIDATED				
	Note	Carrying Amount \$	Contractual Cash Flows \$	<6 Months \$
Year ended 30 June 2012				
Non-derivatives				
Trade payables	20	1,088,456	1,088,456	1,088,456
Other payables and accruals	20	822,679	822,679	822,679
Total Non interest bearing liabilities		1,911,135	1,911,135	1,911,135
Total liabilities		1,911,135	1,911,135	1,911,135
Year ended 30 June 2011				
Non-derivatives				
Trade payables	20	1,424,450	1,424,450	1,424,450
Other payables and accruals	20	220,645	220,645	220,645
Total Non interest bearing liabilities		1,645,095	1,645,095	1,645,095
Total liabilities		1,645,095	1,645,095	1,645,095

(d) Fair value

The fair values of

- Term receivables, government and fixed interest securities and bonds are determined by discounting the cash flows, at the market interest rates of similar securities, to their present value.
- 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 loans and amounts due are determined by discounting the cash flows, at market interest rates of similar borrowings to their present value.
- Other assets and other liabilities approximate their carrying value.

At 30 June 2012 and 30 June 2011, 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 IFRS7.

As at 30 June 2011, the Group only had one hierarchy being the investments with quoted prices (unadjusted) in active markets for identical assets or liabilities.

CONSOLIDATED		
	2012 \$	2011 \$
Available-for-sale financial assets		
ASX Listed equity shares Level 1	1,983,776	2,480,042
	1,983,776	2,480,042

(e) 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.

	Weighted Average Effective Interest Rate		Floating Interest Rate		Fixed Interest Rate Maturing within 1 Year		Non interest Bearing		TOTAL	
	2012 %	2011 %	2012 \$	2011 \$	2012 \$	2011 \$	2012 \$	2011 \$	2012 \$	2011 \$
Financial Assets:										
Cash and cash equivalents	4.42%	5.41%	4,179,203	13,437,165	54,530,732	73,671,202	77,200	2,289	58,787,135	87,110,656
Term deposits greater than 90 days	5.26%	6.03%	–	–	62,370,546	60,333,837	–	–	62,370,546	60,333,837
Receivables	–	–	–	–	–	–	3,367,744	3,411,524	3,367,744	3,411,524
Available-for-sale investments	–	–	–	–	–	–	1,983,776	2,480,042	1,983,776	2,480,042
Total Financial Assets			4,179,203	13,437,165	116,901,278	134,005,039	5,428,720	5,893,855	126,509,201	153,336,059
Financial Liabilities:										
Trade and sundry payables	–	–	–	–	–	–	2,188,375	1,645,095	2,188,375	1,645,095
Total Financial Liabilities	–	–	–	–	–	–	2,188,375	1,645,095	2,188,375	1,645,095

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)	
	2012 \$	2011 \$	2012 \$	2011 \$
Cash at bank	507,307	217,204	(507,307)	(217,204)
Term deposits greater than 90 days	492,186	194,011	(492,186)	(194,011)
	999,493	411,215	(999,493)	(411,215)
Tax charge of 30%	(299,848)	(123,365)	299,848	123,365
Total	699,645	287,850	(699,645)	(287,850)

(f) 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, however, this exposure has reduced following the scale down of operations after the sale of the Zircon group. 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.

(g) 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 2012, the maximum exposure of price risk to the Group was the available-for-sale investments for \$1,983,776 (2011: \$2,480,042). 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	
	2012 \$	2011 \$
Carrying amount of listed equity shares on ASX	\$1,983,776	2,480,042
	\$1,983,776	2,480,042

Sensitivity Analysis

	CONSOLIDATED			
	2012 \$		2011 \$	
	Increase/(decrease) in share price		Increase/(decrease) in share price	
	+10%	-10%	+10%	-10%
Listed equity shares on ASX				
Profit before tax - decrease	-	(198,377)	-	(248,004)
Other comprehensive income - increase	198,377	-	248,004	-

The above analysis assumes all other variables remain constant.

Declaration by Directors

For the year ended 30 June 2012



DECLARATION BY DIRECTORS OF ASTRON CORPORATION LIMITED

For The Year Ended 30 June 2012

The Directors of the company declare that:

1. The financial statements, comprising the consolidated statement of comprehensive income, consolidated statement of financial position, consolidated statement of cash flows, consolidated statement of changes in equity, accompanying notes, 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 2012 and of its performance for the year ended on that date.
2. The company has included in the notes to the financial statements an explicit and unreserved statement of compliance with International Financial Reporting Standards.
3. 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:

GA King

DIRECTOR

Sydney, 24th September 2012

AG Brown

DIRECTOR

Independent Auditor's Report

For the year ended 30 June 2012



Grant Thornton Audit Pty Ltd
ACN 130 913 594

Level 19, 2 Market Street
Sydney NSW 2000
GPO Box 2551
Sydney NSW 2001

T +61 2 9286 5555
F +61 2 9286 5599
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 consolidated statement of financial position as at 30 June 2012, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated 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 Australian 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.

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Independent Auditor's Report

For the year ended 30 June 2012



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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.

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 2012 and of their performance and cash flows for the year then ended ; and
- b. complies with International Financial Reporting Standards and other authoritative pronouncements of the IASB.

A stylized, handwritten-style signature of "Grant Thornton" in grey ink.

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

A stylized, handwritten-style signature of "I S Kemp" in grey ink.

I S Kemp
Partner - Audit & Assurance

Sydney, 24 September 2012

Investor Information

For the year ended 30 June 2012

2012/13 Financial Calendar (on or before)

Release of quarterly report	29 October 2012
2012 Annual general meeting	7 December 2012
Release of quarterly report	28 January 2013
Release of half year report	25 February 2013
Release of quarterly report	29 April 2013
Release of Appendix 4E	26 August 2013

Additional information required by the Australian Stock Exchange Ltd and not shown elsewhere in this report is as follows.
The information is current as at 17 September 2012.

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

Range	Total Holders	Units	% of Issued Capital
1–1,000	131	65,430	0.05
1,001–5,000	164	477,540	0.39
5,001–10,000	71	552,302	0.45
10,001–100,000	175	5,593,741	4.57
100,001–9,999,999,999	42	115,788,065	94.54
Rounding			0.00
Total	583	122,477,078	100.00

Non CDI holders

1 - 1,000	1	6
1,001 - 5,000	1	2,700
Total	2	2,706

Unremarkable Parcels

	Minimum Parcel Size	Holders	Units
Minimum \$ 500.00 parcel at \$ 1.20 per unit	417	55	7,797

(b) Twenty largest CDI holders

The twenty largest CDI holders are as follows:

Rank	Name	Units	% of Total CDIs
1	FIRBACK FINANCE LIMITED	55,732,592	45.50
2	P T ARAFUA MINING LIMITED	32,361,944	26.42
3	FSC INVESTMENT HOLDINGS LTD	7,437,092	6.07
4	JUHUA INTERNATIONAL LIMITED	4,000,000	3.27
5	QUERION PTY LTD	3,226,816	2.63
6	GCC ASSET HOLDINGS PTY LTD	2,197,866	1.79
7	COMBINED OIL & GAS PTY LTD	2,000,000	1.63
8	MR DARRELL VAUGHAN MANTON + MRS VERONICA JOSEPHINE MANTON	933,364	0.76
9	MR DONALD ALEXANDER BLACK	672,028	0.55
10	BT PORTFOLIO SERVICES LIMITED	600,000	0.49
11	MR ADRIAN ROBERT NIJMAN + MRS JENNY ANN NIJMAN	480,200	0.39
12	NITCO PTY LIMITED	416,608	0.34
13	COGNITION AUSTRALIA PTY LTD	381,468	0.31
14	NAVIGATOR AUSTRALIA LTD	376,120	0.31
15	DFC MANAGEMENT PTY LTD	339,834	0.28
16	3RD PULITANO INCORPORATION PTY LTD	328,744	0.27
17	BRESRIM PTY LTD	328,342	0.27
18	UBS NOMINEES PTY LTD	321,000	0.26
19	MAX SHORT PTY LTD	289,260	0.24
20	ELLROCK PTY LTD	260,000	0.21
Totals: Top 20 holders of CDI		112,683,278	92.00
Total Remaining Holders Balance		9,793,800	8.00
Total CDIS		122,477,078	100.00
Total non-CDI holders		2,706	
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.

(d) Schedule of interests in mining tenements

Location	Tenement	Percentage held
Victoria Australia	EL4432	100
Victoria Australia	EL4433	100
Victoria Australia	EL5255	100
Victoria Australia	EL5263	100
Victoria Australia	EL5353	100
Victoria Australia	EL5186	100
Victoria Australia	EL5261	100
Victoria Australia	EL5262	100
Victoria Australia	EL5354	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 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 2 9375 2361

Salient financials

30 June	2012	2011	2010	2009	2008	2007	2006	2005
Share price* (\$)	1.3	1.5	0.9	0.9	1.0	1.3	1.6	1.5
EPS (c)	(0.8)	0.7	0.9	(2.0)	89.0	9.5	20.0	25.0
Price Earnings Ratio	n/a	221.4	105.6	n/a	0.1	13.7	8.9	6.6
Interest Cover	n/a	n/a	n/a	n/a	115.0	12.6	n/a	135.0
No of shares on issue*	122.5	124.6	128.4	129.6	129.4	120.8	116.6	115.2
Profit and Loss (\$m)								
Revenue	21.0	20.5	15.3	10.6	204.2	181.7	151.9	140.7
Costs	(20.4)	(17.0)	(12.2)	(9.9)	(87.4)	(164.5)	(130.5)	(112.4)
EBITDA	0.6	3.5	3.1	0.7	116.8	17.2	21.4	28.3
Depreciation & Amortisation	(0.5)	(0.4)	(0.3)	(0.3)	(2.9)	(2.1)	(1.8)	(1.3)
EBIT	0.1	3.1	2.8	0.4	113.9	15.1	19.6	27.0
Borrowing Costs	–	–	(0.1)	–	(1.0)	(1.2)	–	(0.2)
NPBT	0.1	3.1	2.7	0.4	112.9	13.9	19.6	26.8
Income tax expenses	(1.1)	(2.2)	(1.5)	(2.9)	(1.0)	(2.5)	1.0	(0.7)
NPAT	(1.0)	0.9	1.2	(2.5)	111.9	11.4	20.6	26.1
Balance Sheet (\$m)								
Cash & Term deposits	121.2	147.4	166.5	168.8	185.6	15.9	20.8	13.4
Receivables	4.2	7.5	2.6	2.5	8.4	29.7	21.5	16.7
Inventories	5.1	3.7	1.3	2.9	3.4	50.0	28.6	25.9
Other Financial Assets	1.9	2.5	0.7	1.1	–	6.1	8.3	–
Total Current Assets	132.4	161.1	171.1	175.3	197.4	101.7	79.2	56.0
Property, Plant & Equipment	16.7	12.4	11.4	9.0	6.6	21.7	21.1	14.9
Investments	–	–	–	–	–	2.2	–	6.6
Intangible assets	48.6	27.0	21.8	20.4	19.9	24.6	18.3	15.4
Land use rights	8.7	8.3	10.0	10.8	9.0	–	0.3	0.5
Deferred Tax Assets	–	–	–	–	–	0.7	1.1	–
Total Non Current Assets	74.0	47.7	43.2	40.2	35.5	49.2	40.8	37.4
TOTAL ASSETS	206.4	208.8	214.3	215.5	232.9	150.9	120.0	93.4
Payables	2.2	2.2	1.5	1.8	21.0	31.9	20.6	20.2
Borrowings	0.2	–	–	–	–	13.6	3.5	–
Tax Liabilities	0.1	0.2	0.2	0.9	–	0.3	0.1	1.4
Total Current Liabilities	2.5	2.4	1.7	2.7	21.0	45.8	24.2	21.6
Deferred Tax	5.0	4.6	2.9	1.6	–	1.1	1.1	–
Total Non-Current Liabilities	5.0	4.6	2.9	1.6	–	1.1	1.1	–
Total liabilities	7.5	7.0	4.6	4.3	21.0	46.9	25.3	21.6
NET ASSETS	198.9	201.8	209.7	211.2	211.9	104.0	94.7	71.8
Cash Flows (\$m)								
Operating Activities	3.2	(1.5)	4.0	0.8	27.3	(6.5)	15.0	19.5
Investing Activities	(27.8)	(17.9)	(57.8)	(13.5)	157.6	(12.7)	(7.2)	(12.6)
Financing Activities	(4.2)	(5.1)	(1.2)	(6.2)	(8.9)	9.9	(1.0)	(8.3)

* After 2:1 share swap

Corporate Information

For the year ended 30 June 2012

Astron Corporation Limited: Company Number: 1687414

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 and Registered Office

McCabe Secretarial Service Limited
29th Floor, Wing-On-Centre, 111 Connaught Road Central, Hong Kong

Australian Corporate Offices

Level 2, 88 Collins Street, Melbourne 3000, Australia
Level 29, 2 Chifley Square, Sydney 2000, Australia
Telephone: 61 2 9375 2361
Fax: 61 2 9375 2121

China Business Office

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

Bankers

Commonwealth Bank of Australia
48 Martin Place
Sydney NSW 2000, Australia
Share Registrar
Computershare Investor Services Limited
Level 3, 60 Carrington Street
Sydney NSW 2001, Australia

Computershare Hong Kong Investor Services Limited

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

Auditors

Grant Thornton Australia Limited
Level 19, 2 Market Street
Sydney NSW 2000, Australia

Grant Thornton Jingdu Tianhua
20th Floor Sunning Plaza
10 Hysan Avenue Causeway Bay Hong Kong
Internet Address
www.astronlimited.com

