

Astron Corporation Limited

Company Number: 1687414

Half Year Report ended 31 December 2012

Contents

- Corporate Directory
- Appendix 4D
- Consolidated Financial Statements

Astron Corporation Limited – Half Year Report

CORPORATE DIRECTORY

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 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

Astron Corporation Limited – Half Year Report
Appendix 4D

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

Name of entity

ASTRON CORPORATION LIMITED

Company Number

1687414

Reporting period

Half Year ended 31 December 2012

Previous corresponding period

Half Year ended 31 December 2011

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

1. RESULTS FOR ANNOUNCEMENT TO THE MARKET

Total revenue from operations	Down	50%	to	\$6,156,482
Revenue from trading operations	Down	59%	to	\$3,387,517
Net profit before tax attributable to members	Down	By \$2,767,925	to	\$1,615,512 loss
Net asset value per share	Up	0.5%	to	\$1.61

2. REVIEW OF OPERATIONS

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

3. DETAILS OF CONTROLLED ENTITIES

During the period the Group did not gain or lose control of any entities.

4. DETAILS OF ASSOCIATES AND JOINT VENTURE ENTITIES

The group has no associates or joint venture entities.

5. DIVIDENDS

No dividend was paid or proposed for the period to 31 December 2012 or the comparative period.

6. AUDIT DISPUTES OR QUALIFICATIONS

There are no audit disputes or qualifications.

7. ACCOUNTING STANDARDS

International Financial Reporting Standards have been used in complying the information contained in Appendix 4D.

Astron Corporation Limited and its Subsidiaries

Company Number: 1687414

Consolidated Financial Statements

For the Half Year Ended 31 December 2012

Astron Corporation Limited and its Subsidiaries

Company Number: 1687414

Consolidated Financial Statements

For the Period Ended 31 December 2012

CONTENTS	Page
Directors' Report	7
Auditor's Independence Declaration	10
Consolidated Statement of Comprehensive Income	11
Consolidated Statement of Financial Position	13
Consolidated Statement of Changes in Equity	14
Consolidated Statement of Cash Flows	15
Notes to the Consolidated Financial Statements	16
Declaration by Directors	25
Independent Review Report	26

Astron Corporation Limited and its Subsidiaries

Company Number: 1687414

Directors' Report

31 December 2012

Your directors present their report on the consolidated entity consisting of Astron Corporation Limited and its subsidiaries (the Group) at the end of, or during, the half-year ended 31 December 2012.

1. DIRECTORS

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

Mr Gerard King
Mr Alexander Brown
Mr Robert Flew
Mr Ronald McCullough
Mdm Kang Rong

2. BUSINESS REVIEW

Overview

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

Review of financials

Income statement

Total revenue decreased by 50% to \$6,156,482. The decrease in revenue is attributable to a decrease in revenue from materials trading and less interest received during the period.

Trading revenue and gross profit for the period decreased by 59% to \$3,387,517 and by 74% to \$713,510 respectively. These decreases are attributable to a general slowing in trading activities due to stock build-ups by customers.

Non trading related operating expenses increased by 23% to \$4,713,949. The increase arises due to the employment of additional two senior executives, increase in research and development costs in China and a provision for a bad debt in Astron Limited.

Income tax expense comprises current tax credit of \$33,729 and deferred tax of \$292,551. The increase in deferred tax provided corresponds with the increase in Donald's capitalised development expenditure.

Balance sheet

Cash

Cash and term deposits decreased by \$6,267,055 from 30 June 2012 to the end of the current period. The largest individual items of spend were the expenditure incurred in connection with the development of Donald and the construction of pilot plants and infrastructure at our Yingkou site in China.

Current assets

Stock increased by \$2,235,864 to \$7,326,597 primarily as a result of an increase in stock holdings to take advantage of the low prices of rutile.

Astron Corporation Limited and its Subsidiaries

Company Number: 1687414

Directors' Report

31 December 2012

Non-current assets

The increase in intangible assets from 30 June 2012 arises from Donald and Niafarang (Senegal) project development expenditure capitalised in terms of AASB6.

The decrease in the foreign currency translation reserve of \$705,967 arises from the impact of depreciation of the Australian Dollar relevant to the Yuan on the translation of the foreign operations.

The net asset value per share has increased by 0.5% to \$1.61. This movement can mainly be attributed to the decrease in the foreign currency reserve as explained above.

Review of operations

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

Donald Project

Feasibility study

- Work continued on the feasibility study, including further work on more accurately defining operating and capital expenditure. Costings have been refined with the relocation of the Concentrate Upgrade Plant & Mineral Separation Plant to China.

Exploration

- DMS plans have been finalised, with drill rig booked to undertake exploration of its northern tenements and undertake a resource definition program of Jackson, aimed at bringing a maiden indicated resource classification.

Work plan

- The Cultural Heritage Management Plan was finalised during the half year, with planned submission to the Barengi Gadin Land Council for review and approval in Q 1 2013. It is expected the work plan will be submitted shortly thereafter.
- Native Vegetation Offset management plans were undertaken during the half and will be finalised in 2013.

Funding

- An agreement is currently being negotiated with a global investment bank to assist with funding for the project.

Niafarang project Senegal

- Work continued towards obtaining the mining licence.

Going forward

In respect to the Donald Project, the group will continue with the finalisation of the definitive feasibility study and together with Goldman Sachs commence fund raising activities. In China, work will continue on the research and development programme. Astron is also investigating opportunities on the titanium front in the USA.

Astron Corporation Limited and its Subsidiaries

Company Number: 1687414

Directors' Report

31 December 2012

3. AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration for the half year ended 31 December 2012 has been received and can be found on page 10 of the half-year financial statements.

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

Chairman:

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

Mr Gerard King

Dated this 21st day of February 2013


Grant Thornton Audit Pty Ltd
ACN 130 913 594

Level 17, 383 Kent Street
Sydney NSW 2000
Locked Bag Q800
QVB Post Office
Sydney NSW 1230

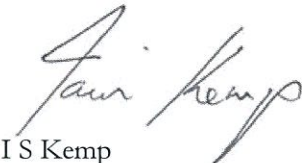
T +61 2 8297 2400
F +61 2 9299 4445
E info.nsw@au.gt.com
W www.grantthornton.com.au

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

As lead auditor for the review of Astron Corporation Limited for the half-year ended 31 December 2012, I declare that, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements under APES 110 Code of Ethics for Professional Accountants issued by Accounting Professional & Ethical Standards Board.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



I S Kemp
Partner - Audit & Assurance

Sydney, 21 February 2013

Astron Corporation Limited and its Subsidiaries

Company Number: 1687414

Consolidated Statement of Comprehensive Income

For the Half Year Ended 31 December 2012

	Note	Half-Year Ended	Half-Year Ended
		31 December	31 December
		2012	2011
		\$	\$
Sales revenue		3,387,517	8,242,104
Cost of sales		(2,674,007)	(5,477,543)
Gross profit		713,510	2,764,561
Interest income		2,695,692	4,079,545
Other income		73,273	39,829
Distribution expenses		(81,246)	(125,100)
Marketing expenses		(25,294)	(56,774)
Occupancy expenses		(127,809)	(47,667)
Administrative expenses		(4,586,140)	(3,773,363)
Impairment of available-for-sale financial assets		-	(145,473)
Costs associated with Gambian litigation		(243,176)	(1,360,529)
Other expenses		(34,322)	(222,616)
(Loss) /profit before income tax expense		(1,615,512)	1,152,413
Income tax expense		(258,821)	(913,433)
Net (loss)/ profit for the half year	2	(1,874,333)	238,980
Other comprehensive (loss)/profit			
Foreign currency translation differences		(705,967)	1,690,324
Increase/ (decrease) in fair value of available-for-sale financial assets		409,188	(869,714)
Other comprehensive (loss) / income for the half year, net of tax		(296,779)	820,610
Total comprehensive (loss)/ profit for the half year		(2,171,112)	1,059,590
(Loss)/ profit for the half year attributable to:			
Owners of Astron Corporation Limited		(1,874,333)	238,980
Total comprehensive (loss)/profit for the half year attributable to:			
Owners of Astron Corporation Limited		(2,171,112)	1,059,590

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

Astron Corporation Limited and its Subsidiaries

Company Number: 1687414

Consolidated Statement of Comprehensive Income

For the Half Year Ended 31 December 2012

		Half-Year Ended	Half-Year Ended
		31 December	31 December
	Note	2012	2011
For (loss)/ profit from continuing operations			
Basic (loss)/ earnings per share (cents per share)	11	(1.52)	0.19
Diluted (loss)/ earnings per share (cents per share)	11	(1.52)	0.19
For (loss)/ profit for the half year			
Basic (loss)/ earnings per share (cents per share)	11	(1.52)	0.19
Diluted (loss)/ earnings per share (cents per share)	11	(1.52)	0.19

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

Astron Corporation Limited and its Subsidiaries

Company Number: 1687414

Consolidated Statement of Financial Position

As at 31 December 2012

	Note	As at 31 December 2012 \$	As at 30 June 2012 \$
ASSETS			
Current assets			
Cash and cash equivalents		44,378,585	58,787,135
Term deposits greater than 90-days		70,512,041	62,370,546
Trade and other receivables		4,062,734	4,178,092
Prepaid Taxation		23,775	-
Inventories	12	7,326,597	5,090,733
Available-for-sale financial assets		2,392,962	1,983,776
Total current assets		128,696,694	132,410,282
Non current assets			
Property, plant and equipment		17,310,302	16,705,390
Intangible assets	13	51,411,528	48,559,413
Land use rights		8,745,740	8,712,067
Total non current assets		77,467,570	73,976,870
TOTAL ASSETS		206,164,264	206,387,152
LIABILITIES			
Current liabilities			
Short term borrowings	14	2,302,549	-
Trade and other payables		1,584,022	2,188,375
Current tax liabilities		-	221,023
Provisions		18,546	18,546
Total current liabilities		3,905,117	2,427,944
Non current liabilities			
Deferred Tax liabilities		5,270,750	4,978,199
Long-term provisions		40,000	40,000
Total non current liabilities		5,310,750	5,018,199
TOTAL LIABILITIES		9,215,867	7,446,143
NET ASSETS		196,948,397	198,941,009
EQUITY			
Contributed equity	6	30,061,919	30,061,919
Reserves		2,832,572	2,950,851
Retained earnings		164,053,906	165,928,239
TOTAL EQUITY		196,948,397	198,941,009

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

Astron Corporation Limited and its Subsidiaries

Company Number: 1687414

Consolidated Statement of Changes in Equity

As at 31 December 2012

	Contributed Equity \$	Retained Earnings \$	Share- Based Payment Reserve \$	Financial Assets Available-For Sale-Reserve \$	Foreign Currency Translation Reserve \$	Total Equity \$
Period Ended 31 December 2012						
Equity as at 1 July 2012	30,061,919	165,928,239	125,250	964,651	1,860,950	198,941,009
Loss for the half year	-	(1,874,333)	-	-	-	(1,874,333)
<i>Other comprehensive income/(loss)</i>						
Increase/ (decrease) in fair value of available-for-sale financial assets	-	-	-	409,188	-	409,188
Exchange differences on translation of foreign operations	-	-	-	-	(705,967)	(705,967)
Total comprehensive profit for the half year	-	(1,874,333)	-	409,188	(705,967)	(2,171,112)
Increase in share-based payments reserve	-	-	178,500	-	-	178,500
Transactions with owners in their capacity as owners	-	-	178,500	-	-	178,500
Equity as at 31 December 2012	30,061,919	164,053,906	303,750	1,373,839	1,154,983	196,948,397

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

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

Astron Corporation Limited and its Subsidiaries

Company Number: 1687414

Consolidated Statement of Cash Flows

For the Half Year Ended 31 December 2012

	Half-Year Ended 31 December 2012	Half-Year Ended 31 December 2011
	\$	\$
Cash flows from operating activities:		
Receipts from customers	2,988,517	8,028,560
Payments to suppliers and employees	(9,748,829)	(9,207,051)
Interest received	2,708,710	4,307,583
Interest paid	(19,072)	(17,935)
Income taxes paid	(211,069)	(264,639)
Other Income/ (expenses)	73,273	(87,903)
Net cash (outflow)/inflow from operating activities	(4,208,470)	2,758,615
Cash flows from investing activities		
Increase of short term deposits	(8,141,495)	(23,683,971)
Refund for cancellation of acquisition of mining licence	-	500,000
Acquisition of available for sale investment	-	(523,216)
Acquisition of property, plant and equipment	(1,059,051)	(1,180,631)
Acquisition of software rights	(50,670)	-
Acquisition of land use rights	(303,739)	-
Deferred exploration, evaluation expenditure and development costs	(2,806,033)	(19,411,114)
Net cash outflow from investing activities	(12,360,988)	(44,298,932)
Cash flows from financing activities:		
Payment for share buyback	-	(1,763,202)
Proceeds from borrowings	2,302,549	-
Net cash inflow/(outflow) from financing activities	2,302,549	(1,763,202)
Net decrease in cash held	(14,266,909)	(43,303,519)
Cash and cash equivalents at beginning of the year	58,787,135	87,110,656
Net foreign exchange differences	(141,641)	226,288
Cash and cash equivalents at end of the half year	44,378,585	44,033,425

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

Astron Corporation Limited and its Subsidiaries

Company Number: 1687414

Notes to the Consolidated Financial Statements

For the Period Ended 31 December 2012

1 Statement of significant accounting policies

The interim consolidated financial statements of Astron Corporation Limited are for the six months ended 31 December 2012 and relate to the consolidated entity consisting of Astron Corporation Limited and its subsidiaries (the Group). These financial statements are presented in Australian dollars (\$), which is the functional currency of the Group. These general purpose interim financial statements have been prepared in accordance with IAS 34 "Interim Financial Reporting".

These half-year financial statements do not include all the notes of the type normally included in annual financial statements and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial statements. Accordingly, these half-year financial statements are to be read in conjunction with the annual financial statements for the year ended 30 June 2012 and any public announcements made by Astron Corporation Limited during the half-year reporting period in accordance with the continuous disclosure requirements arising under the Australian Stock Exchange Listing Rules.

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

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

During the financial year ended 30 June 2012, Astron Corporation Limited, a company incorporated in Hong Kong and previously a subsidiary of Astron Limited, became the legal parent entity of the Group. During the domiciliation process, 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.

Prior to the re-domiciliation of the Group from Australia to Hong Kong, the consolidated financial statements of Astron Limited for the half-year ended 31 December 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 interim 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.

2 Profit for the half year

	31 December 2012	31 December 2011
The following significant revenue and expense items are relevant to explaining the financial performance	\$	\$
Interest revenue	2,695,691	4,032,896
Foreign exchange gain/ (loss)	8,065	(174,381)
Impairment of fair value on available-for-sale financial assets	-	(145,473)
Costs associated with Gambian Investments	(243,176)	(1,360,529)
Interest paid	(19,072)	(17,935)
Research and development expenditure	(641,955)	(524,170)

Astron Corporation Limited and its Subsidiaries

Company Number: 1687414

Notes to the Consolidated Financial Statements

For the Period Ended 31 December 2012

3 Dividends

Dividends paid for during the half year:

	31 December	31 December
	2012	2011
	\$	\$
Final unfranked dividend of NIL (2011: NIL) per share	-	-

4 Seasonality and irregular trends

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

5 Contingent liabilities and assets

Land use rights

In 2008, Titanium acquired a 50 year land use right from the Chinese government. As at 31 December 2012 the net book value of this land is \$7,318,960 (30 June 2012: \$7,552,501). The Group is discussing possible changes to the usage rights with the Government. The Chinese Government approved an annual roll-over of the lease. The last roll-over expired in December 2012. The Group is waiting for approval of the roll-over for the 2013 calendar year.

The intention for the land use right held by Resources is currently being evaluated. As at 31 December 2012 the net book value of the land is \$1,426,780 (30 June 2012: \$1,159,566).

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

Minimum expenditure on Exploration and Mining Licenses

To maintain the Exploration and Mining Licenses the Group is required to spend \$1,644,640 on development over the next year (2012: \$2,206,555). The minimum expenditure amount per annum will normally increase over the life of an exploration licence. The minimum expenditure on mining licence 5532 is \$556,800 per annum. The amount of this expenditure could be reduced should the Group decide to relinquish land.

During the period DMS applied for EL's 4432 and 4433 to be converted to retention licenses. The Department of Primary Industries (DPI) is still preparing the guidelines for retaining the licenses. Once prepared, the DPI will then consult with the applicants to discuss their proposed work programs and expenditures to determine the terms of the licences. Currently, the renewals of EL 4432 and EL 4433 will remain in pendency.

6 Issued share capital

	31 December	30 June
	2012	2012
	\$	\$
122,479,784 (30 June 2012: 122,479,784) Fully Paid Ordinary Shares @ 0.1 HK \$	1,605,048	1,605,048
Share Premium	28,456,871	28,456,871
Total	30,061,919	30,061,919

Astron Corporation Limited and its Subsidiaries

Company Number: 1687414

Notes to the Consolidated Financial Statements

For the Period Ended 31 December 2012

6 Issued share capital (cont'd)

Issues and repurchases of Ordinary Shares during the half year

	31 December	30 June
	2012	2012
	No.	No.
At the beginning of reporting period	122,479,784	62,294,366
- Shares issued during group restructure	-	61,239,892
- Shares bought back before group restructure	-	(1,054,474)
At reporting date	122,479,784	122,479,784

7 Subsequent events

There were no material events subsequent to 31 December 2012.

8 Subsidiaries

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

9 Segment Information

(a) Description of Segments

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

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

Astron Corporation Limited and its Subsidiaries

Company Number: 1687414

Notes to the Consolidated Financial Statements
For the Period Ended 31 December 2012

9 Segment information (cont'd)

(b) Segment information

Information provided to the managing Director/President

31 December	Astron Corporate		Senegal		Donald Mineral Sands		Mineral Resources		Titanium		Total of Continuing Operations		Consolidated	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
Revenue from external customers	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Sales	-	-	-	-	-	-	3,146,812	6,753,084	240,705	1,489,020	240,705	1,489,020	3,387,517	8,242,104
Interest revenue	2,683,773	4,022,112	-	1,188	6,196	2,003	2,309	2,003	8,422	2,585	8,422	2,585	2,695,692	4,032,896
Rent	-	-	-	41,546	46,649	-	23,662	-	-	-	-	-	65,208	46,649
Other income	8,065	-	-	-	-	30,603	-	9,226	-	9,226	-	9,226	8,065	39,829
Total revenue	2,691,838	4,022,112	-	42,734	52,845	3,172,783	6,785,690	249,127	1,500,831	249,127	1,500,831	6,156,482	6,156,482	12,361,478
Segment result														
Segment (loss)/profit	(92,958)	581,135	(447,646)	-	52,845	(763,189)	827,105	(354,453)	(308,672)	(308,672)	(308,672)	(1,615,512)	(1,615,512)	1,152,413
Profit before tax												(1,615,512)	(1,615,512)	1,152,413
Income tax expense												(258,821)	(258,821)	(913,433)
Net (loss)/profit for the period												(1,874,333)	(1,874,333)	238,980

Astron Corporation Limited and its Subsidiaries

Company Number: 1687414

Notes to the Consolidated Financial Statements

For the Period Ended 31 December 2012

9 Segment information (cont'd)

b) Segment information (cont'd)

	Astron Corporate		Senegal		Donald Mineral Sands		Mineral Resources		Titanium		Total of Continuing Operations		Consolidated	
	31 Dec	30 Jun	31 Dec	30 Jun	31 Dec	30 Jun	31 Dec	30 Jun	31 Dec	30 Jun	31 Dec	30 Jun	31 Dec	30 Jun
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Assets														
Segment assets	107,421,567	120,835,629	1,518,749	982,126	53,701,293	51,086,312	17,107,951	15,700,425	26,414,704	17,782,660	206,164,264	206,387,152	206,164,264	206,387,152
Total segment assets	107,421,567	120,835,629	1,518,749	982,126	53,701,293	51,086,312	17,107,951	15,700,425	26,414,704	17,782,660	206,164,264	206,387,152	206,164,264	206,387,152
Liabilities														
Segment liabilities	3,837,607	1,539,446	32,106	35,738	2,443,690	5,272,213	2,738,443	467,257	164,021	131,489	9,215,867	7,446,143	9,215,867	7,446,143
Total segment liabilities	3,837,607	1,539,446	32,106	35,738	2,443,690	5,272,213	2,738,443	467,257	164,021	131,489	9,215,867	7,446,143	9,215,867	7,446,143
Impairment losses	-	169,803	446,739	-	-	-	-	396,398	-	23,582	446,739	589,783	446,739	589,783
Acquisition of PPE, Intangibles assets and other non-current segment assets	52,597	212,490	441,331	972,080	2,522,921	21,210,367	354,212	783,420	848,433	2,414,974	4,219,494	25,593,331	4,219,494	25,593,331
Depreciation and amortisation	5,979	4,844	6,028	3,034	37,528	26,823	131,194	205,472	111,913	222,790	292,642	462,953	292,642	462,953

Astron Corporation Limited and its Subsidiaries

Company Number: 1687414

Notes to the Consolidated Financial Statements

For the Period Ended 31 December 2012

10 Revisions of Estimates

During the half year period to 31 December 2012 there were no changes or revisions of estimates.

11 Earnings Per Share

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

	Consolidated	
	31 December 2012 \$	31 December 2011 \$
(Loss)/profit attributable to owners	(1,874,333)	238,980
(Loss)/earnings used to calculate basic EPS	(1,874,333)	238,980
(Loss)/earnings used in calculation of dilutive EPS	(1,874,333)	238,980
(Loss)/profit from continuing operations	(1,874,333)	238,980
(Loss)/profit used to calculate basic EPS from continuing operations	(1,874,333)	238,980
(Loss)/profit used in the calculation of dilutive EPS from continuing operations	(1,874,333)	238,980

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

	Consolidated	
	31 December 2012 No.	31 December 2011 No.
Weighted average number of ordinary shares outstanding during the year		
- used in calculating basic EPS	122,479,784	124,333,222
Weighted average number of ordinary shares outstanding during the year		
- used in calculating dilutive EPS	122,479,784	124,333,222

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.

Astron Corporation Limited and its Subsidiaries

Company Number: 1687414

Notes to the Consolidated Financial Statements

For the Period Ended 31 December 2012

12 Inventories

	Consolidated	
	31 December 2012 \$	30 June 2012 \$
Raw materials	5,010,948	2,141,051
Finished goods – at cost	240,655	1,747,796
Finished goods – at net realisable value	1,181,244	1,201,886
Total finished goods	1,421,899	2,949,682
Goods in transit	893,750	-
Total	7,326,597	5,090,733

There has been no write down during the current period to net realisable value relating to titanium ingot and titanium slag finished goods while the write down recorded for the year ended 30 June 2012 was \$338,904.

13 Intangible Assets

	Note	Consolidated	
		31 December 2012 \$	30 June 2012 \$
Development costs			
Cost	13(b)	8,865,766	8,489,299
Accumulated impairment loss	13(b)	(7,271,222)	(7,329,855)
Net carrying value	13(d)	1,594,544	1,159,444
Exploration expenditure capitalized			
Exploration and evaluation phases	13(a)(c)	31,606,815	29,240,470
Net carrying value		31,606,815	29,240,470
Water rights			
Net carrying value	13(a)(d)	17,958,613	17,958,613
Computer software			
Net carrying value	13(a)(e)	251,556	200,886
Total Intangibles	13(f)	51,411,528	48,559,413

(a) Intangible assets

Movements during the half year ended 31 December 2012 in intangible assets represent additions only. No amortisation has been brought to account. For capital expenditure commitments refer to note 5.

Astron Corporation Limited and its Subsidiaries

Company Number: 1687414

Notes to the Consolidated Financial Statements

For the Period Ended 31 December 2012

13 Intangible Assets (cont'd)

(b) Development costs and impairment losses

The development costs of \$8,865,766 (FY 2012: \$8,489,299) and the accumulated impairment of \$7,271,222 (FY 2012: \$7,329,855) as at 31 December 2012 relates to the following:

1. TiO2 project cost of \$6,828,315 (FY 2012: \$6,874,401) was fully impaired in 2009. The current year movement represents the movement in foreign exchange.
2. The Senegal project of \$1,794,817 (FY 2012: \$1,367,335) represents development costs incurred in Senegal. This was netted off by an impairment of \$426,121 (FY 2012: \$438,327) which was carried forward from prior years and shifted due to the movement in foreign exchange.
3. The remaining balance of \$225,848 (FY 2012: \$230,436) relates to capitalised testing and design fees for the MSP. \$16,786 (FY 2012: \$17,127) accumulated impairment 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 31 December 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.

During the period DMS applied for EL's 4432 and 4433 to be converted to retention licenses. The Department of Primary Industries (DPI) is still preparing the guidelines for retaining the licenses. Once prepared, the DPI will then consult with the applicants to discuss their proposed work programs and expenditures to determine the terms of the licences. Currently, the renewals of EL 4432 and EL 4433 will remain in pendency.

(d) Purchase of water rights

During FY12 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 half year the Group continued 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.

Astron Corporation Limited and its Subsidiaries

Company Number: 1687414

Notes to the Consolidated Financial Statements

For the Period Ended 31 December 2012

13 Intangible Assets (cont'd)

(f) Movement in net carrying value

	Exploration and Evaluation Phase \$	Consolidated Development costs \$	Water Rights \$	Software \$	Total \$
Half-Year ended 31 December 2012					
Opening balance	29,240,470	1,159,444	17,958,613	200,886	48,559,413
Additions	2,366,345	427,482	-	50,670	2,844,497
Foreign exchange movements	-	7,618	-	-	7,618
Balance at 31 December 2012	31,606,815	1,594,544	17,958,613	251,556	51,411,528
Year ended 30 June 2011					
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

(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.

14 Borrowings

The Group entered into a financing arrangement with Bank of China to borrow US\$2,165,800 (A\$2,302,549). As at 31 December 2012 the borrowing bears a fixed interest rate of 4.81% p.a. and the loan term is 90 days.

Astron Corporation Limited

Company Number: 1687414

Declaration by Directors

The directors of the Company declare that:

1. The consolidated financial statements, comprising the consolidated statement of comprehensive income, consolidated statement of financial position, consolidated statement of cash flows, consolidated statement of changes in equity, accompanying notes, as set out on pages 11 to 24,
 - (a) comply with Accounting Standard IAS 34 *Interim Financial Reporting*; and
 - (b) give a true and fair view of the financial position of the consolidated entity as at 31 December 2012 and of its performance for the half year ended on that date.
2. In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

Chairman



Mr Gerard King

Dated 21st February 2013

Grant Thornton Audit Pty Ltd
ACN 130 913 594

Level 17, 383 Kent Street
Sydney NSW 2000
Locked Bag Q800
QVB Post Office
Sydney NSW 1230

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

Independent Auditor's Review Report To the Members of Astron Corporation Limited

We have reviewed the accompanying half-year financial report of Astron Corporation Limited ("Entity"), which comprises the consolidated financial statements being the statement of financial position as at 31 December 2012, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a statement or description of accounting policies, other explanatory information and the directors' declaration of the consolidated entity, comprising both the Entity and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' responsibility for the half-year financial report

The directors of Astron Corporation Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IASB) and other authoritative pronouncements of the IASB and for such controls as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the consolidated half-year financial report based on our review. We conducted our review in accordance with the Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with International Financial Reporting Standards and other authoritative pronouncements of the IASB including: giving a true and fair view of the Astron Corporation Limited consolidated entity's financial position as at 31 December 2012 and its performance for the half-year ended on that date; and complying with Accounting Standard IAS 34 Interim Financial Reporting. As the auditor of Astron Corporation Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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


Independence

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

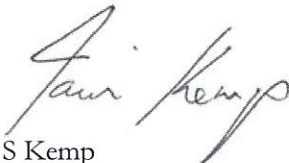
Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Astron Corporation Limited is not:

- a giving a true and fair view of the consolidated entity's financial position as at 31 December 2012 and of its performance for the half-year ended on that date; and
- b complying with Accounting Standard IAS 34 Interim Financial Reporting, International Financial Reporting Standards and other authoritative pronouncements of the IASB.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



I S Kemp
Partner - Audit & Assurance

Sydney, 21 February 2013