
Astron Corporation Limited
Company Number: 1687414

Annual Financial Statements

For the Year Ended 30 June 2013

Astron Corporation Limited

Company Number: 1687414

For the Year Ended 30 June 2013

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Directors' Report

30 June 2013

The Directors of Astron Corporation Limited (the 'Company') present their report on the consolidated entity ('Group' or 'Astron'), consisting of Astron Corporation Limited and the entities it controlled at the end of, and during, the financial year ended 30 June 2013.

Directors

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

Names

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

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

There have been no significant changes to the Astron group structure in the financial year ending 30 June 2013.

Financial Position

The net assets of the Group have decreased to **\$196,653,014** a decrease of **\$2,287,995** from 2012.

The net assets have been affected by:

- Decrease in value of financial assets available for sale of **\$701,466**
- Increase in the values of foreign controlled assets of **\$4,004,364**
- Decrease in share based payment reserve of **\$125,250**
- Net loss for the year of **\$5,465,643**

Dividends

No final dividend was proposed for the current financial year or the year ended 30 June 2012.

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Directors' Report

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Review of Operations

Financials

Consolidated Statement of Profit or Loss and other Comprehensive Income

- Total revenue comprising sales, interest received and other income decreased from the prior year by 38% to \$12,969,611. This is largely due to poorer trading conditions and substantial reduction in interest rates on our cash fund.
- Gross margins from the trading business decreased from 35% to (5)% due to market condition in the second half of financial year. The higher volume of inventory bought at the close of the first half of financial year in anticipation of a price rebound that did not eventuate.
- Administration expenditure increased by \$829,608 to \$8,333,938. This increase can be explained mainly due to Senegal expenditure of \$446,739 being written off, and increase of remuneration of key management personnel for the year.
- Costs associated with Gambia litigation comprise legal fees and associated advisors' costs and costs pertaining to expert witnesses.

Consolidated Statement of Financial Position

- The decrease in inventories and payables is attributed to lower 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 \$1,000,578 from 30 June 2012. 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 profit or loss and other comprehensive income.
 - The increase in property, plant and equipment arises from further land purchases at the Donald Project.
 - The increase in intangible assets arises from further development expenditure capitalised in respect of the Donald and Niafarang Projects.
 - Land use rights comprise 50 year land use leases. These leases are capitalised and amortised over the 50 year period.
 - With the resignation of the CEO, the balance of the share-based payment reserve has been credited back to income, as management has assessed that the probability of those options not forfeited by the CEO on his departure have a 0% probability of vesting.
 - The marginal decrease in the net asset value from 162.4cps at 30 June 2012 to 160.6cps at 30 June 2013 results mainly from appreciation of the Chinese Reminbi against the Australian Dollar and the related conversion of the Chinese assets to Australian Dollars as at 30 June 2013, but this is offset by the comprehensive losses for the year to 30 June 2013.
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Directors' Report

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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

- Work was undertaken to complete the definitive feasibility study in respect of the Donald Mineral Sands project, which was announced after the 30 June 2013 year end, in July 2013.

Plant designs, processes and costs

- Further engineering design for all plant was undertaken, along with revision of operational and capital costs.

Land

- DMS purchased 3 blocks of land totalling 1,280 acres for \$1,692,435. These blocks of land neighbour the mining licence.

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:
 - Completing the environmental impact assessment;
 - Completing the business model for sustainable development plan;
 - Completing the mining license feasibility study;
 - The award of the small mine license is expected by the end of year 2013; and
 - Tender for the mining and processing is in the final stages to completion and the contract will be appointed on receipt of the small mine license.
- Mining and processing is expected to commence during the second quarter of 2014.
- Exploration work continued on the 410 sq km license area, focusing on the southern area.
- The exploration license to be extended on its expiry at the end of November 2013.

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Directors' Report

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Prospects

The Group's objectives for the 2014 financial year are to continue with exploring funding options for the Donald Mineral Sands project, developing the Donald and the Niafarang projects and associated downstream research and development activities.

Significant Changes in State of Affairs

Cash and term deposits decreased by \$13,033,946.

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

As has previously been noted, the definitive feasibility study for the Donald Mineral Sands project was completed and announced in July 2013. There are 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.

Likely Developments

The Group continues to explore funding options for the Donald Mineral Sands project. The Group has engaged a financial adviser to assist with funding options and expects to finalise funding options within the current financial year. Subject to adequate financing, the Group proposes to construct all plant to permit the Donald Mineral Sands project to commence production from the first quarter 2016. Ore from the mine will be processed into a heavy mineral concentrate at site at Donald, Victoria, which will then be transported to a processing plant in China for further processing into final products.

The Group proposes to develop the Niafarang project following the anticipated award of the small mine license by end of 2013, moving to contract mining in 2014. Once the Niafarang project is in production, the Group will have an additional revenue source, which will have an immediate impact on the financial position of the Group. The Group's business strategies continue to be based on being a high-quality producer of zircon and titanium (together with associated products) focused on sales and marketing activities in China.

Environmental Regulation

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

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

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

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

Occupational Health and Safety

During the period under review there were no lost time injuries.

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Directors' Report

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Director Information

Mr. Gerard King	Chairman (Non-executive)
Qualifications	LLB
Experience	- 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	94,165,972 Ordinary shares
Special Responsibilities	Mr. Brown is the President and responsible for the operations of the Group
Directorships held in other listed entities	Mr. Brown is not currently a Director of another listed company.

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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

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	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.

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Directors' Report

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Meetings of Directors

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

Astron Corporation Limited	Directors' Meetings		Committee Meetings			
			Audit & Risk Committee		Remuneration & Nomination Committee	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Mr. Gerard King	10	10	2	2	2	2
Mr. Alexander Brown	10	7	0	N/A	0	N/A
Mr. Robert Flew	10	10	2	1	2	1
Mr. Ronald McCullough	10	10	2	2	2	2
Mdm Kang Rong	10	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.

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

Where applicable executive Directors and executives receive a superannuation guarantee contribution required by the government, which is currently 9%, 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.

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
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.

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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.

	2009	2010	2011	2012	2013
	\$	\$	\$	\$	\$
Revenue ('000)	10,657	15,102	20,489	20,993	12,970
Net (Loss)/ Profit ('000)	(2,498)	1,190	883	(1,003)	(5,466)
Share Price at Year-end*	0.88	0.93	1.54	1.26	0.71
Dividends Paid ('000)	6,490	-	-	-	-

*Adjusted assuming 2 for 1 share swap took place on 30 June 2009

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 (2)	Chief Financial Officer
Mr. Allen Cauvin	Executive General Manger - Mining
Mr. Mark Coetzee	Project Executive – Senegal
Mr. Joshua Theunissen (3)	Company Secretary

Note reference:

1. Resigned 13 march 2013
2. Resigned 31 March 2013
3. Appointed 1 March 2013

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Directors' Report

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3. Details of Remuneration

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

Year ended 30 June 2013

	Short term benefits			Post-employment benefits	Total	% of remuneration that is performance based
	Cash, fees salary & commissions \$	Non-cash Benefits/ Other \$	Share Based Payments \$	Superannuation \$		
Directors						
Mr. Gerard King	119,500	-	-	20,000	139,500	0%
Mr. Alexander Brown (#)	496,909	-	-	-	496,909	0%
Mr. Robert Flew	39,046	-	-	20,954	60,000	0%
Mr. Ronald McCullough (#)	60,000	-	-	-	60,000	0%
Mdm Kang Rong (#)	385,275	-	-	-	385,275	0%
Other key management personnel						
Mr. Hayden Stockdale (1)	288,749	-	-	18,750	307,499	0%
Mr. Mark Nielsen (2)	275,452	-	-	17,350	292,802	0%
Mr. Allen Cauvin	383,530	-	-	16,470	400,000	0%
Mr. Mark Coetzee	230,042	14,028	-	-	244,070	0%
Mr. Joshua Theunissen (# 3)	19,993	-	-	-	19,993	0%
	2,298,496	14,028	-	93,524	2,406,048	

Note reference:

- paid to management company

1. Resigned 13 March 2013
2. Resigned 31 March 2013
3. Appointed 1 March 2013
5. Appointed 1 February 2013 and resigned 30 June 2013

None of the above payments were performance related.

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Year ended 30 June 2012

	Short term benefits		Post-employment benefits		Total	% of remuneration that is performance based
	Cash, fees salary & commissions \$	Non-cash Benefits/ Other \$	Share Based Payments \$	Superannuation \$		
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%
	1,415,116	17,669	125,250	137,091	1,695,126	

Note reference:

- paid to management company

1. Appointed 1 January 2012
2. Appointed 15 May 2012
3. Appointed 1 July 2011

4. Cash Bonuses

A cash bonus of \$75,000 was paid during the current financial year to the departing Chief Financial Officer.

5. Share Based Payment Bonuses

No share based payment bonuses were paid during the current year or the year ended 30 June 2012.

During the year only one key executive was entitled to participate in the Company's share-based payment scheme for employee remuneration and with his resignation, provision for the scheme is no longer deemed necessary.

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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 three months for key management personnel. There are no non-standard termination clauses in any of these contracts.

The Remuneration Committee considers the appropriate remuneration requirements. In August 2012, the Group engaged external consultants to review the Group's salary and incentive benchmarks.

Indemnifying Officers or Auditors

Insurance premiums paid for Directors

During the year Astron Limited paid a premium of \$53,288 (2012: \$57,152) 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 2012 Annual General Meeting

The Company received 83% of "yes" votes on its remuneration report for the 2012 financial year. The Company did not receive any specific feedback at the AGM on its remuneration report.

Non-audit services

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

	2013 \$	2012 \$
Audit related services		
Due diligence assistance	-	20,209
Other Services		
Taxation services	12,100	8,550
Corporate finance services	-	107,504
Secretarial services	7,933	5,135

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Directors' Report

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

On the advice of the audit committee, the Directors are satisfied that the provision of non-audit services by the auditor, as set out above, did not compromise the auditor independence requirements of the 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 2013 has been received and can be found on page 15 of the financial report.

Directors' declaration regarding IFRS compliance statement

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

Proceedings on Behalf of Company

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

Signed in accordance with a resolution of Directors:

Director:



Mr. Ronald McCullough



Mr. Robert Flew

Dated this **27 September 2013**

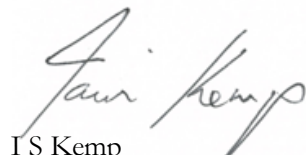
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**Auditor's Independence Declaration
To the Directors of Astron Corporation Limited**

As lead auditor of Astron Corporation Limited for the year ended 30 June 2013, 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.


GRANT THORNTON AUDIT PTY LTD
Chartered Accountants
I S Kemp
Partner - Audit & Assurance

Sydney, 27 September 2013

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Astron Corporation Limited

ARBN 154 924 553

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For The Year Ended 30 June 2013

	Note	Consolidated	
		2013 \$	2012 \$
Sales revenue	5	7,917,878	13,591,574
Cost of sales		(8,295,654)	(8,794,386)
Gross profit		(377,776)	4,797,188
Interest income	5	4,756,319	7,261,191
Other income	5	295,414	140,238
Distribution expenses		(266,241)	(159,869)
Marketing expenses		(42,761)	(74,256)
Occupancy expenses	6	(203,934)	(180,945)
Administrative expenses	6	(8,333,938)	(7,504,330)
Write down of stock	6	(537,920)	(331,504)
Impairment of available-for-sale financial assets	6	(299,112)	(169,803)
Impairment of capital works in progress	6	-	(88,745)
Costs associated with Gambian litigation	6	(328,491)	(3,323,866)
Finance costs		(96,669)	(30,964)
Other expenses	6	(15,520)	(263,316)
(Loss)/profit before income tax expense		(5,450,629)	71,019
Income tax expense	7	(15,014)	(1,074,187)
Net (loss) for the year		(5,465,643)	(1,003,168)
Other comprehensive profit/ (loss)			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Decrease/ (increase) in fair value of available-for-sale financial assets (tax: nil)		(701,466)	(849,680)
Foreign currency translation differences (tax: nil)		4,004,364	1,994,022
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Increase/(decrease) in share based payment reserve (tax: nil)		(125,250)	125,250
Other comprehensive income/ (loss) for the year, net of tax		3,177,648	1,269,592
Total comprehensive profit/ (loss) for the year		(2,287,995)	266,424
(Loss)/profit for the year attributable to:			
Owners of Astron Corporation Limited		(5,465,643)	(1,003,168)
Total comprehensive profit/(loss) for the year attributable to:			
Owners of Astron Corporation Limited		(2,287,995)	266,424

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

Astron Corporation Limited

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Consolidated Statement of Profit or Loss and Other Comprehensive Income For The Year Ended 30 June 2013

	Consolidated		
	Note	2013 Cents	2012 Cents
EARNINGS PER SHARE	8		
For (loss)/ profit from continuing operations			
Basic (loss)/ earnings per share (cents per share)		(4.46)	(0.8)
Diluted (loss)/ earnings per share (cents per share)		(4.46)	(0.8)
For (loss)/ profit for the year			
Basic (loss)/ earnings per share (cents per share)		(4.46)	(0.8)
Diluted (loss)/ earnings per share (cents per share)		(4.46)	(0.8)

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

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Consolidated Statement of Financial Position

For The Year Ended 30 June 2013

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

	Note	Consolidated 2013 \$	2012 \$
ASSETS			
Current assets			
Cash and cash equivalents	10	45,790,618	58,787,135
Term deposits greater than 90-days	10	62,333,117	62,370,546
Trade and other receivables	11	5,007,469	4,178,092
Inventories	12	2,184,447	5,090,733
Available-for-sale financial assets	14	983,198	1,983,776
Current tax assets	22	282,505	-
Total current assets		116,581,354	132,410,282
Non-current assets			
Property, plant and equipment	16	21,091,882	16,705,390
Intangible assets	17	56,247,132	48,559,413
Land use rights	18	10,012,664	8,712,067
Total non-current assets		87,351,678	73,976,870
TOTAL ASSETS		203,933,032	206,387,152
LIABILITIES			
Current liabilities			
Borrowings	20	301,909	-
Trade and other payables	19	1,882,980	2,188,375
Current tax liabilities	22	-	221,023
Provisions	21	18,546	18,546
Total current liabilities		2,203,435	2,427,944
Non-current liabilities			
Deferred tax liabilities	22	5,036,583	4,978,199
Long-term provisions	21	40,000	40,000
Total non-current liabilities		5,076,583	5,018,199
TOTAL LIABILITIES		7,280,018	7,446,143
NET ASSETS		196,653,014	198,941,009

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Consolidated Statement of Financial Position

For The Year Ended 30 June 2013

EQUITY

Issued capital	23	30,061,919	30,061,919
Reserves	24	6,128,499	2,950,851
Retained earnings		160,462,596	165,928,239
TOTAL EQUITY		196,653,014	198,941,009

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

Astron Corporation Limited

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Consolidated Statement of Changes in Equity

For The Year Ended 30 June 2013

	Issued Capital	Retained Earnings	Share-based Payment Reserve	Financial Assets Available For Sale Reserve	Foreign Currency Translation Reserve	Total Equity
Year Ended 30 June 2013	\$	\$	\$	\$	\$	\$
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 year	-	(5,465,643)	-	-	-	(5,465,643)
Other comprehensive income						
Decrease in fair value of available-for-sale financial assets	-	-	-	(701,466)	-	(701,466)
Exchange differences on translation of foreign operations	-	-	-	-	4,004,364	4,004,364
Unvested forfeited rights	-	-	(125,250)	-	-	(125,250)
Total comprehensive income for the year	-	(5,465,643)	(125,250)	(701,466)	4,004,364	(2,287,995)
Transactions with owners in their capacity as owners						
Shares repurchased during the year	-	-	-	-	-	-
Total of transactions with owners in their capacity as owners	-	-	-	-	-	-
Equity as at 30 June 2013	30,061,919	160,462,596	-	263,185	5,865,314	196,653,014

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

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Consolidated Statement of Changes in Equity

For The Year Ended 30 June 2013

	Issued Capital	Retained Earnings	Share-based Payment Reserve	Financial Assets Available For Sale Reserve	Foreign Currency Translation Reserve	Total Equity
Year Ended 30 June 2012	\$	\$	\$	\$	\$	\$
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 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 income 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

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

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Consolidated Statement of Cash Flows For The Year Ended 30 June 2013

	Note	Consolidated 2013 \$	2012 \$
Cash flows from operating activities:			
Receipts from customers		6,374,033	15,331,526
Payments to suppliers and employees		(14,684,366)	(18,883,318)
Interest received		5,299,763	7,294,588
Interest paid		(96,669)	(30,964)
Income taxes paid		(460,158)	(670,892)
Other income		250,441	140,238
Net cash inflow/(outflow) from operating activities	29a	(3,316,956)	3,181,178
Cash flows from investing activities:			
Investment/(Repayment) of short term deposits		37,429	(2,036,709)
Refund for cancellation of acquisition of mining licence		-	500,000
Acquisition of available for sale investment		-	(523,216)
Acquisition of property, plant and equipment		(2,264,384)	(1,181,712)
Construction in works in progress		(1,234,738)	(2,923,938)
Purchase of computer software		(115,125)	(200,885)
Deferred exploration, evaluation expenditure and development costs		(7,431,047)	(3,450,724)
Acquisition of water rights		-	(17,958,613)
Net cash outflow from investing activities		(11,007,865)	(27,775,797)
Cash flows from financing activities:			
Payment for share buy back		-	(3,095,662)
Borrowings		301,909	-
Expenditure on re-domiciliation		(170,824)	(1,086,032)
Net cash inflow/(outflow) from financing activities		131,085	(4,181,694)
Net decrease in cash held		(14,193,736)	(28,776,313)
Cash and cash equivalents at beginning of the year		58,787,135	87,110,656
Net foreign exchange differences		1,197,219	452,792
Cash and cash equivalents at end of the year	29b	45,790,618	58,787,135

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

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Notes to the Financial Statements

For The Year Ended 30 June 2013

1. Corporate Information

The consolidated financial statements of Astron Corporation Limited for the year ended 30 June 2013 were authorised for issue in accordance with a resolution of the Directors on 27 September 2013 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 is 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 Securities Exchange.

2. Summary of Significant Accounting Policies

(a) Basis of Preparation

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

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 2013 ("the Group"). 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.

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Notes to the Financial Statements

For The Year Ended 30 June 2013

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 profit or loss and other comprehensive income and consolidated statement of financial position respectively. A list of subsidiary entities is contained in Note 15 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.

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Notes to the Financial Statements

For The Year Ended 30 June 2013

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 installments. These amounts are recognised as current intercompany receivables or payables.

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Notes to the Financial Statements

For The Year Ended 30 June 2013

(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.

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Notes to the Financial Statements

For The Year Ended 30 June 2013

(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.

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Notes to the Financial Statements

For The Year Ended 30 June 2013

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.

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Notes to the Financial Statements

For The Year Ended 30 June 2013

(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.

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Notes to the Financial Statements

For The Year Ended 30 June 2013

(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 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.

Astron Corporation Limited

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Notes to the Financial Statements

For The Year Ended 30 June 2013

(w) Issued Capital

Ordinary shares are classified as equity.

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

(x) Share Based Payments

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

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

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

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

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

(y) Dividends

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.

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(aa) Earnings Per Share

Basic earnings per share

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

Diluted earnings per share

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

(bb) Goods and Services Tax (GST)

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

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

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

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

(cc) 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 2013. They have not been adopted in preparing the financial statements for the year ended 30 June 2013 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 9	Financial Instruments	Amends the requirements for classification and measurement of financial assets. IFRS 9 requires that gains or losses on financial liabilities measured at fair value are recognised in profit or loss, except that the changes in the liability's credit risk are recognised in other comprehensive	Effective from 1 January 2015	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

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		income. IFRS 9 is being issued in phases. To date, the chapters dealing with recognition, classification, measurement and derecognition of financial assets and liabilities have been issued. These chapters are effective for annual period beginning 1 January 2015. Further chapters dealing with impairment methodology and hedge accounting are still being developed.		investments), gains on available-for-sale financial assets under IFRS 9 will be recognised in profit or loss, instead of other comprehensive income. When this standard is first applied, any remaining balance on the Financial assets available-for-sale 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 10	Consolidated Financial Statements	IFRS 10 establishes a revised control model which broadens the situations when an entity is considered to be controlled by another entity. The effect of this change may lead to more entities being consolidated into a Group.	Effective from 1 January 2013	The Company does not expect that this change will have any impact on the financial statements due to there currently not being any entities within the group that are not currently consolidated.
IFRS 11	Joint Arrangements	IFRS 11 uses the principle of control in IFRS 10 to define joint control, and therefore the determination of whether joint control exists may change. In addition, AASB 11 removes the option to account for jointly-controlled entities (JCEs) using proportionate consolidation. Instead, accounting for a joint arrangement is dependent on the nature of the rights and obligations arising from the arrangement. Joint operations that give the venturers a right to the underlying assets and obligations for liabilities are accounted for by recognising the share of those assets and liabilities. Joint ventures that give the venturers a right to the net assets are accounted for using the equity method.	Effective from 1 January 2013	When this standard is first adopted for the year ended 30 June 2014, there will be no impact on transactions and balances recognised in the financial statements because the entity has not entered into any joint arrangements.

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IFRS 12	Disclosure of Interests in Other Entities	IFRS 12 includes all disclosures relating to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. New disclosures introduced by IFRS 12 include disclosures about the judgements made by management to determine whether control exists, and to require summarised information about joint arrangements, associates and structured entities and subsidiaries with non-controlling interests.	Effective from 1 January 2013	As this is a disclosure standard only, there will be no impact on amounts recognised in the financial statements. However, additional disclosures will be required for interests in associates and joint arrangements, as well as for unconsolidated structured entities.
IFRS 13	Fair Value Measurement	IFRS 13 establishes a single source of guidance for determining the fair value of assets and liabilities. IFRS 13 does not change when an entity is required to use fair value, but rather, provides guidance on how to determine fair value when fair value is required or permitted by other Standards. The standard also expands the disclosure requirements for all assets and liabilities carried at fair value including information about the assumptions made and the qualitative impact of those assumptions on the fair value determined (e.g. land and buildings, investment properties etc)	Effective from 1 January 2013	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.

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 17(b)), capital works in progress (note 16), the impairment of available-for-sale investments (note 14) and prepayments (note 11) in terms of the relevant accounting standards.

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(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 17 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/President (chief operating decision maker) who monitors the segment performance based on the net profit before tax for the period. Operating segments have been determined on the basis of reports reviewed by the Managing Director/President who is considered to be the chief operating decision maker of the Group. The reportable segments are as follows:

- 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

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For The Year Ended 30 June 2013

(b) Information provided to the Managing Director /President

30 June	Astron Corporate		Senegal		Donald Mineral Sands		Mineral Resources		Titanium		Total of Continuing Operations		Consolidated	
	Jun-13	Jun-12	Jun-13	Jun-12	Jun-13	Jun-12	Jun-13	Jun-12	Jun-13	Jun-12	Jun-13	Jun-12	Jun-13	Jun-12
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revenue from external Customers														
Sales	-	-	-	-	-	-	7,083,073	11,629,254	834,805	1,962,320	7,917,878	13,591,574	7,917,878	13,591,574
Interest revenue	4,740,724	7,223,792	-	-	1,915	13,940	3,140	14,880	10,540	8,579	4,756,319	7,261,191	4,756,319	7,261,191
Rent/Other Income	(6,318)	-	-	-	162,190	140,238	125,032	-	14,510	-	295,414	140,238	295,414	140,238
Total revenue	4,734,406	7,223,792	-	-	164,105	154,178	7,211,245	11,644,134	859,855	1,970,899	12,969,611	20,993,003	12,969,611	20,993,003
Segment result														
Segment (loss) /profit	(814,506)	(931,457)	-	-	164,105	154,178	(3,855,818)	1,235,394	(944,410)	(322,555)	(5,450,629)	71,019	(5,450,629)	71,019

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	Astron Corporate		Senegal		Donald Mineral Sands		Mineral Resources		Titanium		Total of Continuing Operations		Consolidated	
30 June	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Assets Segment assets	109,909,761	120,835,629	1,830,170	982,126	59,530,852	51,086,312	14,657,321	15,700,425	18,004,928	17,782,660	203,933,032	206,387,152	203,933,032	206,387,152
Total segment assets	109,909,761	120,835,629	1,830,170	982,126	59,530,852	51,106,322	14,657,321	15,700,425	18,004,928	17,782,660	203,933,032	206,387,153	203,933,032	206,387,152
Liabilities Segment liabilities	1,231,167	1,539,446	29,848	35,738	5,285,670	5,272,213	647,166	467,257	86,167	131,489	7,280,018	7,446,143	7,280,018	7,446,143
Total segment liabilities	1,231,167	1,539,446	29,848	35,738	5,285,670	3,340,836	647,166	467,257	86,167	131,489	7,280,018	7,446,143	7,280,108	7,446,143
Impairment losses	299,112	169,803	-	-	-	-	-	396,398	-	23,582	299,112	589,783	299,112	589,783
Acquisition of PPE, Intangible assets and other non-current segment assets	118,695	212,490	852,306	972,080	8,565,145	21,210,367	489,792	783,420	1,154,530	2,414,974	11,180,468	25,593,331	11,180,468	25,593,331
Depreciation and amortisation	9,992	4,844	11,937	3,034	94,689	26,823	286,268	205,472	230,511	222,780	633,397	462,953	633,397	462,953

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(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 sources.

China

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

	Sales revenues		Interest revenue		Non-current assets	
	2013 \$	2012 \$	2013 \$	2012 \$	2013 \$	2012 \$
Australia	-	-	4,742,415	7,237,730	61,192,833	51,187,237
China	7,917,878	13,591,574	13,680	23,459	25,876,205	21,906,044
Other countries	-	-	224	2	282,640	883,589
	7,917,878	13,591,574	4,756,319	7,261,191	87,351,678	73,976,870

(d) Major customers

Revenues of \$2,726,110 (2012: \$3,337,983), \$1,188,673 (2012: \$2,289,444), \$1,008,137 (2012: \$2,289,444) and \$1,310,366 (2012: \$nil) were derived from sales to Luoyang Shuangrui Wanji Titanium Industry, Hyundai Welding Co. Ltd (former known as SuPaiTe Metal (Kunshan) Company Limited, Tien Tai Electrode (Kunshan) Co., Ltd and Zunbao Titanium Industry Limited respectively. These revenues amount to more than 10% of the group's sales revenues from external customers.

5. Revenue and Other Income

	Consolidated	
	2013 \$	2012 \$
Continuing operations		
Revenue		
- sale of goods	7,917,878	13,591,574
- interest income	4,756,319	7,261,191
Total revenue: continuing	12,674,197	20,852,765
Other income: continuing operations		
- gains on foreign exchange	45,782	-
- rental income	162,190	75,697
- other income	87,442	64,541
Total other income: continuing	295,414	140,238

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6. Profit (Loss) Before Income Tax

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

	Consolidated	
	2013 \$	2012 \$
Interest Paid	96,669	30,964
Foreign currency translation losses	(45,782)	232,85
Premises-contractual amounts	203,934	180,946
Research and development costs	1,391,544	1,094,374
Depreciation and amortization	526,771	462,953
Superannuation	169,170	212,236
Employee benefits	2,026,014	1,208,442
Impairment of available-for sale investments (note 14)	299,112	169,803
Costs associated with Gambia and Senegal Investments (note 14)	328,491	3,323,866
Costs associated with project development expenditure		-
Impairment of capital works in progress (note 16)	-	88,475
Write down of inventory (note 12)	537,920	331,504
Impairment of prepayments		-
Costs relating to re-domiciliation	10,586	1,376,388

7. Income Tax Expense

(a) *The components of tax expense comprise:*

	Consolidated	
	2013 \$	2012 \$
Current tax expense in respect of current year	-	535,102
Adjustments recognised in the current year in relation to the prior year	(43,368)	135,294
Recognition of deferred tax liability	58,382	403,791
Total	15,014	1,074,187

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

	Consolidated	
	2013	2012
	\$	\$
Prima facie tax payable on profit 30% (2012: 30%)		
- continuing operations	(1,635,189)	21,306
	(1,635,189)	21,306
Add/(Less) Tax effect of:		
- non-deductible Gambia	97,197	997,160
- other non-deductible items	420,642	(223,850)
- deferred tax asset not recognized for China and Hong Kong losses and temporary differences	1,388,933	98,635
- under provision for income tax in prior year	(43,368)	135,294
- Impact of overseas tax differential	(213,111)	45,642
Income tax attributable to entity	15,014	1,074,187

The applicable weighted average effective tax rates are as follows:

(0.3)% 1513%

The decrease in the weighted average effective consolidated tax rate for 2013 is mainly the result of operating losses.

(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 and are subject to Chinese income tax laws.

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

(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 item: foreign currency translation differences and share based payments reserve.

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8. Earnings Per Share

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

	Consolidated	
	2013	2012
	\$	\$
(Loss)/profit attributable to owners	(5,465,643)	(1,003,168)
(Loss)/earnings used to calculate basic EPS	(5,465,643)	(1,003,168)
(Loss)/earnings used in calculation of dilutive EPS	(5,465,643)	(1,003,168)
(Loss)/profit from continuing operations	(5,465,643)	(1,003,168)
(Loss)/profit used to calculate basic EPS from continuing operations	(5,465,643)	(1,003,168)
(Loss)/profit used in the calculation of dilutive EPS from continuing operations	(5,465,643)	(1,003,168)

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

	Consolidated	
	2013	2012
	\$	\$
Weighted average number of ordinary shares outstanding during the year		
- used in calculating basic EPS	122,479,784	123,379,593
Weighted average number of ordinary shares outstanding during the year		
- used in calculating dilutive EPS	122,479,784	123,379,593

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	
	2013	2012
	\$	\$
Audit and review of financial statements		
Grant Thornton	153,762	83,000
Other auditors	-	61,131
	153,762	144,131

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Other services – other auditors

- taxation services	12,100	8,550
- due diligence assistance	-	20,209
- other services	7,933	5,135
- corporate finance services	-	107,504

10. Cash and Cash Equivalents

	Consolidated	
	2013	2012
	\$	\$
Cash on hand	7,004	77,200
Current & call account balances	11,590,592	4,179,203
Short term deposits	34,193,022	54,530,732
Total	45,790,618	58,787,135

Cash on hand is non-interest bearing. Bank balances and short term deposits at call bear floating interest rates between 0.0% and 4.07% (2012: 0.0% and 5.1%). Deposits have an average maturity of 90 days (2012: 90 days). Bank balances included letter of credit deposits of \$0 as at 30 June 2013 (2012: \$56,052).

(a) Geographic concentration of risk

	Consolidated	
	2013	2012
	\$	\$
Australia	38,104,226	54,964,921
China	7,659,434	3,743,890
United Kingdom	12,188	4,181
Senegal	14,770	74,143
Total	45,790,618	58,787,135

b) Concentration of risk by bank

	Consolidated	
	2013	2012
	\$	\$
Australia		
Commonwealth Bank-S&P rating of AA- (2012:AA-)	28,542,760	49,759,700
Goldman Sachs JB Were-A- (2012:A-)	78,702	5,076,255
Westpac Bank-S&P rating of AA-	7,248,004	-
Bank of China-S&P rating of A (2012:A)	2,164,467	-
Other Australian banks	70,056	128,529
	38,103,989	54,964,484

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China

Bank of China-S&P rating of A (2012:A)	361,458	1,408,848
Construction Bank-S&P rating of A (2012:A)	106,551	301,135
China Merchant Bank-S&P rating of BBB+	7,160,278	-
Shanghai Pudong Development Bank – unrated	3,731	1,953,629
Other Chinese banks	20,649	77,658
	7,652,667	3,741,270

Other countries

Other banks	26,958	-
	26,958	-

Term deposits greater than 90 days

	Consolidated	
	2013	2012
	\$	\$
Term deposits with maturity over 90 days	62,333,117	62,370,546

As at 30 June 2013, term deposits with maturity over 90 days of \$62,333,117 (2012: 62,370,546) bear fixed interest rates of 3.85% to 4.07% (2012: 3.3% to 5.4%) and have a maturity of 3-6 months.

c) Geographic concentration of risk

	Consolidated	
	2013	2012
	\$	\$
Australia	62,333,117	62,370,546

d) Concentration of risk by bank

	Consolidated	
	2013	2012
	\$	\$
Australia		
Commonwealth Bank-S&P rating of AA- (2012:AA-)	12,880,093	48,846,618
Westpac Bank –S&P rating of AA-	20,504,110	-
Bank of China-S&P rating of A (2012 A)	28,948,914	13,523,928
	62,333,117	62,370,546

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11. Trade and Other Receivables

	Note	Consolidated	
		2013 \$	2012 \$
Current			
Trade debtors	12(b)(c)	3,027,627	1,072,772
Drafts and other receivables	12(a)	893,985	2,300,192
Prepayments	12(d)	1,403,917	1,085,388
Impairments	12(d)	(318,060)	(280,260)
Net prepayments		1,085,857	805,128
Total		5,007,469	4,178,092

(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.

(b) Ageing analysis

The ageing analysis of trade receivables is as follows:

	Consolidated	
	2013 \$	2012 \$
0-30 days (not past due)	65,733	1,072,772
31-60 days (past due not impaired)	227,530	-
61-90 days (past due not impaired)	915,352	-
91+ days (past due not impaired)	1,819,012	-
91 + days (past due impaired)	-	-
Total	3,027,627	1,072,772

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 practice in China the terms maybe 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) Prepayments

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

Included in prepayments is an amount of \$318,060 (2012: \$280,260) which is the prepayment for construction. This amount has been impaired due to low possibility of collection.

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12. Inventories

	Consolidated	
	2013 \$	2012 \$
Raw materials	1,314,915	2,141,051
Finished goods – at cost	8,687	1,747,796
Finished goods – at net realisable value	860,845	1,201,886
Total finished goods	869,532	2,949,682
Goods in transit	-	-
Total	2,184,447	5,090,733

There has been a write down of inventory of \$537,920 to net realisable value in the current financial year (2012: \$331,504).

13. Investments in Gambia and Senegal

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

Development on the Niafarang project in Senegal in current financial year (and in 2012) has been capitalized to development cost.

Furthermore, expenditure of \$328,491 (2012: \$3,323,866) relating to Gambia litigation claim in 2013 has been expensed directly to profit and loss.

14. Available-For-Sale Financial Assets

	Consolidated	
	2013 \$	2012 \$
Listed Securities		
Current listed investments, at fair value shares in listed corporations	983,198	1,983,776
Total available-for-sale financial assets	983,198	1,983,776

Available-for-sale financial assets comprise investments in the ordinary issued capital of four public companies listed on the Australian Securities Exchange (ASX). The cost of these investments was \$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 \$1,000,578 from 30 June 2012. \$701,466 of the decrease in market value of these investments has been netted off against the Financial Assets Available for Sale Reserve, under IAS 139, in the consolidated statement of financial position and an amount of \$299,112 (2012: \$169,803) was recorded as profit or loss as an impairment.

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

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

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15. Subsidiaries

Financial Year 2013	Country of incorporation	Percentage Owned Ordinary Shares 2013
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

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).

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(a) Equity

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

(b) Disposal of subsidiaries

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

16. Property, Plant and Equipment

	Consolidated	
	2013	2012
	\$	\$
Land and buildings		
Land		
At cost	5,248,417	3,555,982
Total land	5,248,417	3,555,982
Leasehold buildings		
At cost	2,369,046	2,139,372
Less accumulated depreciation	(337,538)	(261,542)
Less accumulated impairment losses	-	(51,877)
Total leasehold buildings	2,031,508	1,825,953
Total land and buildings	7,279,925	5,381,935
Plant and equipment and works in progress		
Capital works in progress		
At cost	14,676,709	12,232,206
Less accumulated impairment losses	(1,812,116)	(1,812,116)
Total capital works in progress	12,864,593	10,420,090
Plant and equipment		
At cost	2,258,414	1,180,487
Less accumulated depreciation	(1,311,050)	(277,122)
Total plant and equipment	947,364	903,365
Total plant and equipment and works in progress	13,811,957	11,323,455
Total property, plant and equipment	21,091,882	16,705,390

(a) Assets pledged as security

As at 30 June 2013 and 30 June 2012 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.

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	Consolidated				
	Capital works in progress \$	Land \$	Buildings \$	Plant and equipment \$	Total \$
Year ended 30 June 2013					
Balance at the beginning of year	10,420,090	3,555,982	1,825,953	903,365	16,705,390
Additions	1,234,738	1,692,435	-	232,413	3,159,586
Depreciation expense	-	-	(35,766)	(398,934)	(434,700)
Transfers	(155,277)	-	-	155,277	-
Expense to R & D	(40,364)	-	-	-	(40,364)
Disposal	-	-	-	(5,797)	(5,797)
Foreign exchange movements	1,405,406	-	241,321	61,040	1,707,767
Carrying amount at the end of year	12,864,593	5,248,417	2,031,508	947,364	21,091,882
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)
Disposals	-	-	-	-	-
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

(d) Impairment of capital works in progress

No impairment loss has been recognised in profit or loss during the year (2012: \$88,475 - separately presented in profit or loss as "impairment of capital works in progress").

(e) Land acquisition

Included in the land cost was \$1,692,435 (2012: \$658,652) being the acquisition cost for 3 pieces of new land in Victoria for the Donald Project.

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17. Intangible Assets

		Consolidated	
	Note	2013 \$	2012 \$
Development costs			
Cost	18(b)	9,360,224	8,489,299
Accumulated impairment loss	18(b)	(7,329,855)	(7,329,855)
Net carrying value	18(d)	2,030,369	1,159,444
Exploration expenditure capitalised			
Exploration and evaluation phases	18(a)(c)	35,942,139	29,240,470
Net carrying value		35,942,139	29,240,470
Water rights	18(a)(d)		
Net carrying value		17,958,613	17,958,613
Computer software	18(a)(e)		
Net carrying value		316,011	200,886
Total Intangibles	18(f)	56,247,132	48,559,413

(a) Intangible assets

Movements during the year ended 30 June 2013 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 \$9,360,244 (2012: \$8,489,299) and the accumulated impairment of \$7,329,855 (2012: \$7,329,855) as at 30 June 2013 relates to the following:

1. TiO2 project cost of \$7,801,584 (2012: \$6,874,401) was fully impaired in 2009. The current year movement represents the movement in foreign exchange.
2. The Senegal project of \$2,207,181 (2012: \$1,367,335) 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. That costs incurred in the prior years were fully impaired due to doubt as to whether the project will continue at that time. The current year additions represented the resumption of activities following the grant of the exploration licence in June 2011.
3. The remaining balance of \$261,516 (2012: \$230,436) relates to capitalised testing and design fees for the MSP \$19,347 (2012: \$17,127) 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 2013 the Group has complied with the conditions of the granting of EL4432, EL4433, EL5255, EL5263, EL5186, EL5261, EL5262, EL5353, EL5354, EL5472 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.

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(d) Purchase of software

In the current year the Group continued with 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.

(e) Movement in net carrying value

	Consolidated				
	Exploration and Evaluation Phase	Development costs	Water Rights	Software	Total
	\$	\$	\$	\$	\$
Year ended 30 June 2013					
Opening balance	29,240,470	1,159,444	17,958,613	200,886	48,559,413
Additions	6,701,669	852,306	-	115,125	7,669,100
Impairment	-	-	-	-	-
Foreign exchange movements	-	18,619	-	-	18,619
Balance at 30 June 2012	35,942,139	2,030,369	17,958,613	316,011	56,247,132
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

(f) Finite lives

Intangible assets, other than goodwill have finite useful lives. To date no amortisation has been charged in respect of intangible assets due to the stage of development for each project.

18. Land Use Rights

	Consolidated	
	2013	2012
	\$	\$
Land use rights	10,012,664	8,712,067

(a) Reconciliation

	Consolidated	
	2013	2012
	\$	\$
Opening balance	8,712,067	8,352,354
Addition	308,979	-
Amortisation	(198,697)	(190,941)
Foreign exchange movements	1,190,315	550,654
Closing balance	10,012,664	8,712,067

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19. Trade and Other Payables

	Consolidated	
	2013	2012
	\$	\$
Unsecured liabilities		
Trade payables	1,241,957	1,088,456
Other payables	641,023	1,099,919
Total	1,882,980	2,188,375

20. Borrowings

	Consolidated	
	2013	2012
Note	\$	\$
Current		
Short term borrowings	301,909	-
	301,909	-

The borrowings relate to a 90 day advance by Bank of China for issuing a letter of credit. The interest rate was fixed at 4.7731% and the amount was repaid in full on 20 August 2013.

21. Provisions

	Consolidated	
	2013	2012
Note	\$	\$
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.

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22. Taxation

(a) Liabilities

	Consolidated	
	2013 \$	2012 \$
Current tax liability	-	221,023
Deferred tax liability arises from the following:		
Capitalised expenditure	5,287,278	4,979,580
Interest accrued	205,575	368,609
Provisions	(44,131)	(39,656)
Blackhole expenditure	(412,139)	(330,334)
	5,036,583	4,978,199

(b) Deferred tax assets not brought to account

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

	Consolidated	
	2013 \$	2012 \$
temporary differences unrecognized	1,376,669	1,376,669
tax losses:		
- Revenue losses (China)	1,790,492	1,920,203
- capital losses	17,928,340	17,931,771

(c) Current Tax Asset

This represent payment of 2013 tax year's provisional tax which is recoverable as there is no tax liability in view of tax losses

	Consolidated	
	2013 \$	2012 \$
Current tax asset	282,505	-

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23. Issued Capital

	Consolidated	
	2013 \$	2012 \$
122,479,784 (2012: 122,479,784) Fully Paid Ordinary Shares at HK\$0.1	1,605,048	1,605,048
Share Premium	28,456,871	28,456,871
Total	30,061,919	30,061,919

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	
	2013 \$	2012 \$
At the beginning of year	122,479,784	62,294,366
Shares bought back during the year	-	(1,054,474)
Shares issued during group restructure	-	61,239,892
At reporting date	122,479,784	122,479,784

On 21 May 2012, Astron Corporation Limited acquired the equity interests in Astron Limited through a share swap, and became the holding company of the companies now comprising the Group. As at the date of acquisition 122,477,078 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	
	2013 \$	2012 \$
At the beginning of the year	30,061,919	33,157,582
Shares issued during the year	-	(3,095,663)
- Shares bought back during the year	-	(3,095,663)
Total	30,061,919	30,061,919

(c) Ordinary shares

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

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

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(d) Capital risk management

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

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

	Consolidated	
	2013	2012
	\$	\$
Net debt	-	-
Total equity	196,653,014	198,941,009

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 2013 there were no key executives that had any rights to acquire shares in terms of a share-based payment scheme for employee remuneration. The creation and grant is subject to shareholder approval.

24. Reserves

(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 is nil (2012: \$125,250).

(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.

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25. Dividends

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

Franking account balance

	Consolidated	
	2013	2012
	\$	\$
Franking credits available for the subsequent financial years based on a tax rate of 30% (2012:30%)	3,003,852	2,509,965

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

26. Key Management Personnel Disclosures

(a) Key management personnel compensation

	Consolidated	
	2013	2012
	\$	\$
Short-term employee benefits/management fees	2,844,106	1,874,156
Post-employment benefits	142,593	185,258
Share-based payments	-	125,250
Total	2,986,699	2,184,664

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 2013	Balance 1/07/2012	Shares (sold) /purchased	Balance 30/06/2013
Key Management Personnel			
Mr. Gerard King	49,038		49,038
Mr. Alexander Brown	88,111,988	6,053,984	94,165,972
Mr. Robert Flew	341,148		341,148
Mr. Ronald McCullough	8,000		8,000
Mdm Kang Rong	4,000,000		4,000,000
Mr. Hayden Stockdale	80,000	(80,000)	-
Mr. Mark Nielsen	23,500	(23,500)	-
Mr. Allen Cauvin	-		-
Mr. Mark Coetzee	-		-
Mr. Joshua Theunissen	-		-
Total	92,613,674	5,950,484	98,564,158

- No shares were issued as remuneration.
- No shares were issued as dividend entitlements.

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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	-	-	-	-
Total	46,266,837	40,000	(46,306,837)	92,613,674

- Shares issues under the share swap/re-domiciliation column relate to the 2:1 share swap

(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 January 2013 to 30 June 2014
Rental amount	RMB 400,000 per annum paid in 2 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.	

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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 (2012: nil)

(b) Capital expenditure commitments

	Consolidated	
	2013	2012
	\$	\$
Capital expenditure commitments contracted for:		
Chinese capital projects	34,222	756,148
Chinese subsidiary capitalization	3,109,000	3,084,000
Donald Mineral Sands	50,000	50,000
	3,193,222	3,890,148
Payable:		
-not later than 12 months	3,193,222	3,890,148
	3,193,222	3,890,148

(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 2013 the net book value of this land is \$8,378,532 (2012: \$7,552,501).

The intention for the block of land held by Yingkou Astron Mineral Resources Co Ltd is currently being evaluated. As at 30 June 2013 the net book value of the land is \$1,634,132 (2012: \$1,159,566)

Minimum expenditure on exploration and mining licenses

To maintain the Exploration and Mining Licences at Donald the Group is required to spend \$1,821,300 on exploration and development expenditure over the next year (2012: \$2,188,600). 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.

Astron entered into a contract with third party consultants, Geostec Ltd to facilitate the process of obtaining a mining licence. Such services include, but are not limited to, assistance in the extension of the exploration licence which is due to expire in November 2013. The total fee to be paid by Astron amounts to USD\$1.5m. The first payment of USD\$650,000 was made on 17 July 2013.

(d) Water rights

In terms of the contract with GMMW the Group is required to pay a usage fee in 2013 of \$191,987 (2012: \$183,306) per quarter for the life of the water rights.

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(e) Contingencies

Astron has received a claim from its former CEO regarding the termination of his employment, which it is defending. Astron is currently engaged in confidential and without prejudice discussions around the settlement of a termination package with the former CEO. At this stage, the directors do not expect a resolution of this matter to have any significant impact on the Company's stated financial position.

29. Cash Flow Information

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

	Consolidated	
	2013	2012
	\$	\$
Net (loss)/ profit for the year	(5,465,643)	(1,003,168)
<i>Non-cash flows in profit (loss) from ordinary activities</i>		
Depreciation and amortisation	526,771	462,953
Impairment of capital works in progress	-	88,476
Impairment to development costs	-	16,752
Asset expended to R & D	40,364	-
Expenditure on re-domiciliation	10,586	1,086,032
Impairment of available-for-sale assets	299,112	169,803
Decrease/ (increase) in trade and other receivables	(1,047,488)	2,078,053
Decrease/(increase) in inventories	3,334,465	(1,134,889)
Increase/(decrease) in trade payables and accruals	(444,729)	871,841
(Decrease)/ increase income taxes payable	(503,528)	(496)
Increase in deferred tax liabilities	58,384	403,791
Effects on foreign exchange rate movement	-	16,780
(Decrease)/increase in share-based payments reserve	(125,250)	125,250
	(3,316,956)	3,181,178

(b) Reconciliation of cash

		Consolidated	
		2013	2012
	Note	\$	\$
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	7,004	77,200
Current & call account balances	10	11,590,592	4,179,203
Short term deposits	10	34,193,022	54,530,732
		45,790,618	58,787,135

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(c) Loan facilities

As at 30 June 2013 and 30 June 2012 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 Corporation Limited did not invest any funds into Chinese subsidiaries. During the current year Astron did not acquire any new entities.

(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 (2012: \$60,000) of cash backed Bank Guarantees for the operations of the Donald Mineral Sands project and WIM 150 Pty Limited.

Bank balances did not include any letter of credit deposits at 30 June 2013 (2012: \$56,052).

30. Employee Benefit Obligations

As at 30 June 2013 and 30 June 2012, 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 27 September 2013 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.

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32. Parent Company Disclosure

The following information relates to the parent entity, Astron Corporation Limited (2012: 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	Astron Corporation Limited
	2013	2012
	\$	\$
Current assets		-
Non-current assets	168,409,703	168,409,703
Total assets	168,409,703	168,409,703
Current liabilities	33,552	5,212
Non-current liabilities		-
Total liabilities	33,552	5,212
Share capital	1,605,048	1,605,048
Share premium	166,804,655	166,804,655
Contributed equity		-
Reserves	(3,617)	125,250
(Accumulated loss)/ retained earnings	(29,935)	(130,462)
Total equity	168,376,151	168,404,491
Profit/(loss) for the year	99,665	(130,462)
Other comprehensive income for the year	862	-
Total comprehensive loss/ (income)	100,527	(130,462)

(a) **Guarantees between subsidiaries**

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

(b) **Capital Commitments**

Astron Limited is committed to adequately capitalise its Chinese subsidiaries to the amount of \$3,109,000 (2012: \$3,084,000).

Astron Corporation Limited

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Notes to the Financial Statements

For The Year Ended 30 June 2013

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 practice principles.

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

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Notes to the Financial Statements

For The Year Ended 30 June 2013

(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 11 (a) & (b) for concentration of credit risk for cash and cash equivalents. Refer to Note 12 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	
	2013	2012
	\$	\$
Cash & cash equivalents	45,790,618	58,787,135
Term deposits with maturity over 90 days	62,333,117	62,370,546
Receivables	3,921,612	3,372,964
Total	112,045,347	124,530,645

(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 \$45,790,618 (2012: \$58,787,135)

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Notes to the Financial Statements

For The Year Ended 30 June 2013

Maturity analysis

Consolidated

	Note	Carrying Amount \$	Contractual Cash flows \$	< 6 months \$
Year ended 30 June 2013				
Non-derivatives				
Trade payables	19	1,241,957	1,241,957	1,241,957
Other payables and accruals	19	641,023	641,023	641,023
Borrowings	20	301,909	301,909	301,909
Total Non-interest bearing liabilities		2,184,889	2,184,889	2,184,889
Total liabilities		2,184,889	2,184,889	2,184,889
Year ended 30 June 2012				
Non-derivatives				
Trade payables	19	1,088,456	1,088,456	1,088,456
Other payables and accruals	19	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

Astron Corporation Limited

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Notes to the Financial Statements

For The Year Ended 30 June 2013

(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 2013 and 30 June 2012, 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.

	Consolidated	
	2013 \$	2012 \$
Available-for-sale financial assets		
ASX Listed equity shares Level 1	983,198	1,983,776
	983,198	1,983,776

(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.

Astron Corporation Limited

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Notes to the Financial Statements

For The Year Ended 30 June 2013

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

	Weighted Average Effective Interest Rate		Floating Interest Rate		Fixed Interest Rate Maturing within 1 Year		Non-interest Bearing		Total	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
	%	%	\$	\$	\$	\$	\$	\$	\$	\$
Financial Assets:										
Cash and cash equivalents	1.42%	4.42%	11,590,592	4,179,203	34,193,022	54,530,732	7,004	77,200	45,790,618	58,787,135
Term deposits greater than 90 days	4.59%	5.26%	-	-	62,333,117	62,370,546	-	-	62,333,117	62,370,546
Receivables	-	-	-	-	-	-	3,921,612	3,367,744	3,921,612	3,367,744
Available-for-sale investments	-	-	-	-	-	-	983,198	1,983,776	983,198	1,983,776
Total Financial Assets			11,590,592	4,179,203	96,526,139	116,901,278	4,911,814	5,428,720	113,028,545	126,509,201
Financial Liabilities:										
Trade and sundry payables	-	-	-	-	-	-	1,882,980	2,188,375	1,882,980	2,188,375
Borrowings	4.77%	-	-	-	301,909	-	-	-	301,909	-
Total Financial Liabilities			-	-	301,909	-	1,882,980	2,188,375	2,184,889	2,188,375

Astron Corporation Limited

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Notes to the Financial Statements

For The Year Ended 30 June 2013

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)	
	2013 \$	2012 \$	2013 \$	2012 \$
Cash at bank	522,889	507,307	(522,889)	(507,307)
Term deposits greater than 90 days	623,518	492,186	(623,518)	(492,186)
Borrowings	(3,019)	-	3,019	-
	1,143,388	999,493	(1,143,388)	(999,493)
Tax charge of 30%	(343,016)	(299,848)	343,016	299,848
Total	800,372	699,645	(800,372)	(699,645)

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. 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 2013, the maximum exposure of price risk to the Group was the available-for-sale investments for \$983,198 (2012: \$1,983,776). 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	
	2013 \$	2012 \$
Carrying amount of listed equity shares on ASX	983,198	1,983,776
	983,198	1,983,776

Astron Corporation Limited

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Notes to the Financial Statements

For The Year Ended 30 June 2013

Sensitivity Analysis

	Consolidated			
	2013		2012	
	\$		\$	
	Increase/(decrease) in share price		Increase/(decrease) in share price	
	+10%	-10%	+10%	-10%
Listed equity shares on ASX				
Profit before tax - decrease	-	(98,320)	-	(198,377)
Other comprehensive income - increase	98,320	-	198,377	-

The above analysis assumes all other variables remain constant.

Astron Corporation Limited



Declaration by Directors

For The Year Ended 30 June 2013

The Directors of the company declare that:

1. The financial statements, comprising the consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position, consolidated statement of cash flows, consolidated statement of changes in equity, accompanying notes, are in accordance with International Financial Reporting Standards and give a true and fair view of the consolidated entity's financial position as at 30 June 2013 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:

R Flew

Director

R McCullough

Director

27th September 2013

Grant Thornton Audit Pty Ltd
ACN 130 913 594

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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 2013, and the consolidated statement of profit or loss and other 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 years 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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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.

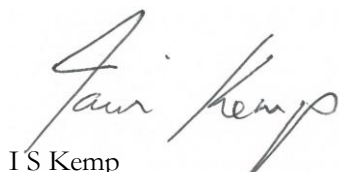
Auditor's Opinion

In our opinion, the financial report of Astron Corporation Limited

- i. presents fairly, in all material respects, the consolidated entity's financial position as at 30 June 2013 and of its performance and cash flows for the year then ended; and
- ii. complies with 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, 27 September 2013

Astron Corporation Limited

Investor Information

2013/2014 Financial Calendar (on or before)

Release of quarterly report	31 October 2013
2013 Annual general meeting	22 November 2013
Release of quarterly report	31 January 2014
Release of half year report	28 February 2014
Release of quarterly report	30 April 2014
Release of Appendix 4E	29 August 2014

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

The information is current as at 17 September 2013.

Shareholders' interests

(a) Distribution of equity securities

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

Range of Units Snapshot

	Total holders	Units	% of Issued Capital
1-1,000	131	64,584	0.05
1,001-5,000	150	437,830	0.36
5,001-10,000	67	527,945	0.43
10,001-100,000	157	5,129,521	4.19
100,001-9,999,999,999	41	116,316,898	94.97
Rounding			0.00
Total	583	122,476,778	100.00

Non CDI holders

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

Unremarkable Parcels

	Minimum parcel size	Holders	Units
Minimum \$ 500.00 parcel at \$0.71 per unit	705	82	20,723

Astron Corporation Limited

Investor Information continued

(b) Twenty largest CDI holders

The twenty largest CDI holders are as follows:

Rank	Name	Units	% of Total CDIs
1.	FIRBACK FINANCE LIMITED	61,804,028	50.46
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.	GCC ASSET HOLDINGS PTY LTD	1,797,866	1.47
6.	MR DARRELL VAUGHAN MANTON + MRS VERONICA JOSEPHINE MANTON <THE MANTON FAMILY NO 2 A/C>	933,364	0.76
7.	MR DONALD ALEXANDER BLACK	647,628	0.53
8.	BT PORTFOLIO SERVICES LIMITED <TOGNOLA SUPER FUND A/C>	600,000	0.49
9.	MR ADRIAN ROBERT NIJMAN + MRS JENNY ANN NIJMAN	484,021	0.40
10.	DFC MANAGEMENT PTY LTD <CARMICHAEL SUPERFUND A/C>	400,000	0.33
11.	COGNITION AUSTRALIA PTY LTD <A&M GALL SUPERANNUATION A/C>	381,468	0.31
12.	NAVIGATOR AUSTRALIA LTD <MLC INVESTMENT SETT A/C>	376,120	0.31
13.	3RD PULITANO INCORPORATION PTY LTD <GIUSEPPE PULITANO FAMILY A/C>	328,744	0.27
14.	BRESRIM NOMINEES PTY LTD <D A HANNES SUPER FUND #2 A/C>	328,342	0.27
15.	UBS NOMINEES PTY LTD	321,000	0.26
16.	MAX SHORT PTY LTD <GL SHORT FAMILY A/C>	289,260	0.24
17.	ELLROCK PTY LTD <ELLIOTT NO 3 A/C>	260,000	0.21
18.	MR DAVID DIPPIE + MRS JOANNE DIPPIE + BRAMWELL GROSSMAN TRUSTEES LTD <DIPPIE FAMILY A/C>	247,613	0.20
19.	MR MALCOLM CAMPBELL	204,400	0.17
20.	GOLDEN ARCH (QLD) PTY LTD <THE WHISTLER A/C>	202,460	0.17
Totals: Top 20 holders of CDI		113,405,350	92.54
Total Remaining Holders Balance		9,131,728	7.46
Total CDIs		122,476,778	100.00
Total non-CDI holders		3,006	
Total shares on issue		122,479,784	

(c) Voting rights

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

Astron Corporation Limited

Investor Information continued

(d) Schedule of interests in mining tenements

Location	Tenement	Percentage held
Victoria Australia	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 information session meeting and at the meeting active discussions took place and questions were answered.

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

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

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

Shareholders can also contact the Company directly by telephone in Australia +61 2 9375 2361

Astron Corporation Limited

Investor Information continued

Salient Financials	2013	2012	2011	2010	2009	2008	2007	2006
Share price* (\$)	0.71 	1.30	1.50	0.90	0.90	1.00	1.30	1.60
EPS (c)	(4.46)	(0.80)	0.70	0.90	(2.00)	89.00	9.50	20.00
Price earnings Ratio	n/a	n/a	221.4	105.6	n/a	0.1	13.7	8.9
Interest Cover	n/a	n/a	n/a	n/a	n/a	115	13	n/a
Nos of Shares on issue (m)*	122.5	122.5	124.6	128.4	129.6	129.4	120.8	116.6
Profit and Loss (\$m)								
Revenue	13.0	21.0	20.5	15.3	10.6	204.2	181.7	151.9
Costs	(17.8)	(20.4)	(17.0)	(12.2)	(9.9)	(87.4)	(164.5)	(130.5)
EBITDA	(4.8)	0.6	3.5	3.1	0.7	116.8	17.2	21.4
Depreciation & Amorisation	(0.6)	(0.5)	(0.4)	(0.3)	(0.3)	(2.9)	(2.1)	(1.8)
EBITDA	(5.4)	0.1	3.1	2.8	0.4	113.9	15.1	19.6
Borrow ing Costs	(0.1)	-	-	(0.1)	-	(1.0)	(1.2)	-
NPBT	(5.5)	0.1	3.1	2.7	0.4	112.9	13.9	19.6
Income tax expenses	(0.0)	(1.1)	(2.2)	(1.5)	(2.9)	(1.0)	(2.5)	1.0
NPAT	(5.5)	(1.0)	0.9	1.2	(2.5)	111.9	11.4	20.6
Balance Sheet (\$m)								
Cash & Term deposits	108.1	121.2	147.4	166.5	168.8	185.6	15.9	20.8
Receivables	5.0	4.2	7.5	2.6	2.5	8.4	29.7	21.5
Inventories	2.2	5.1	3.7	1.3	2.9	3.4	50.0	28.6
Other financial Assets	1.0	1.9	2.5	0.7	1.1	-	6.1	8.3
Current Tax Assets	0.3	-	-	-	-	-	-	-
Total Current Assets	116.6	132.4	161.1	171.1	175.3	197.4	101.7	79.2
Property, Plant & Equipment	21.1	16.7	12.4	11.4	9.0	6.6	21.7	21.1
Investments	-	-	-	-	-	-	2.2	-
Intangible assets	56.2	48.6	27.0	21.8	20.4	19.9	24.6	18.3
Land use rights	10.0	8.7	8.3	10.0	10.8	9.0	-	0.3
Deferred Tax Assets	-	-	-	-	-	-	0.7	1.1
Total Current Assets	87.3	74.0	47.7	43.2	40.2	35.5	49.2	40.8
TOTAL ASSETS	203.9	206.4	208.8	214.3	215.5	232.9	150.9	120.0
Payables	1.9	2.2	2.2	1.5	1.8	21.0	31.9	20.6
Borrow ings	0.3	0.2	-	-	-	-	13.6	3.5
Tax Liabilities	-	0.1	0.2	0.2	0.9	-	0.3	0.1
Total Current Liabilities	2.2	2.5	2.4	1.7	2.7	21.0	45.8	24.2
Deferred Tax	5.0	5.0	4.6	2.9	1.6	-	1.1	1.1
Total Non-Current Liabilities	5.0	5.0	4.6	2.9	1.6	-	1.1	1.1
Total liabilities	7.3	7.5	7.0	4.6	4.3	21.0	46.9	25.3
NET ASSETS	196.6	198.9	201.8	209.7	211.2	211.9	104.0	94.7
Cash Flows (\$m)								
Operating Activities	(3.3)	3.2	(1.5)	4.0	0.8	27.3	(6.5)	15.0
Investing Activities	(11.0)	(27.8)	(17.9)	(57.8)	(13.5)	157.6	(12.7)	(7.2)

* After 2:1 share swap

Astron Corporation Limited

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

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Computershare Hong Kong Investor Services Limited
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