For personal use only

ASTRON CORPORATION LIMITED
ARBN 154 924 553
Incorporated in Hong Kong, company number 1687414

Notice to the Australian Stock Exchange
Production and Exploration Report
Quarter Ended 30 September 2020

Donald Mineral Sands Pty Ltd (DMS) and Sovereign Gold NL (SG) (both 100% controlled by Astron Corporation Limited)

DMS owns MIN5532, RL2002 (formerly EL4433), RL2003 (formerly EL4432, and incorporating the former RL2006) and EL5186, which together comprise the Donald Mineral Sands Project (Donald Project).

Donald Project

PRODUCTION

During the quarter the Donald Project did not conduct any production activities.

DEVELOPMENT

During the quarter, the development of the Donald continued with the following being undertaken:

Piloting of DMS Project Ore Materials

Astron is piloting the Donald Project Ore Materials, as announced on 8 July 2019. This involves trials of the DMS ore material in southern Queensland. Two separate engineering and metallurgical firms have been engaged to conduct these works.

Feasibility study

DMS has completed the technical aspects of the optimisation of the feasibility study and work continues on the capital aspects of the optimisation. An updated feasibility study is anticipated to be completed shortly.

Funding

Astron continues to consider options for funding and progressing the DMS Project.

Current status

Astron continues to consider the impact of Covid-19 on its activities, including some delays being experienced in the current times due to availability of some services, and how this is impacting ongoing development of the DMS project.

For personal use only

EXPENDITURE SUMMARY

Total expenses incurred were:

Production Activities	Sept Qtr 2020	YTD 2021 FY
	Nil	Nil
Development Activities	Sept Qtr 2021	YTD 2021 FY
	$ 65,504	$ 65,504

Niafarang Project

Astron owns licence issued under Order Number 09042/MIM/TMG

PRODUCTION

During the quarter the Niafarang Project did not conduct any production activities.

DEVELOPMENT

Mining licence and next stages

As announced on 8 June 2017, the mining licence has been issued. It is anticipated that the mine will be a surface mine with little or no overburden, meaning the mining method will be relatively straightforward with spiral separation.

EXPENDITURE SUMMARY

Total expenses incurred were:

Production Activities	Sept Qtr 2021	YTD 2021 FY
	Nil	Nil
Development Activities	Sept Qtr 2021	YTD 2021 FY
	$ 91,056	$ 91,056

Note: the development activities expenditure includes procurement, design and consulting in anticipation of commencement of the Senegal project.

For further information, please contact:

Kang Rong, Executive Director
+61 3 5385 7088
Joshua Theunissen, Australian Company Secretary
+61 3 5385 7088
joshua.theunissen@astronlimited.com

Minyip
30 October 2020

This announcement is authorised for release to ASX by the Board of Directors of Astron

For personal use only

About Astron

Astron has commenced the rebuilding of its Advanced Materials & Manufacturing base in China. Building onto its 25 year record as an advanced supplier of advanced materials, Astron will develop its own major Zircon, Titanium and Rare Earth feed stock supplies from its Niafarang and Donald projects.

The Donald project is one of the largest known zircon and titanium resources in the world. The project has significant potential for long term supply into global markets with its final products while creating sustainable growth and regional development in Victoria Australia.

The Niafarang project in Senegal, West Africa, is a high-grade coastal mineral sands deposit, to be exploited using simple dredge mining and processing methodology.

Astron continues to build on its unique 25 year track record in China as a Chinese-Australian company in developing, selling and marketing zirconium and titanium products.

CAUTIONARY STATEMENT

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

For personal use only

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Astron Corporation Limited
Incorporated in Hong Kong, company number 1687414

ARBN	Quarter ended ("current quarter")
154 924 553	30 September 2020

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (3 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	4,553	4,553
1.2	Payments for		
	(a) exploration & evaluation	-	-
	(b) development	-	-
	(c) production	(3,310)	(3,310)
	(d) staff costs	-	-
	(e) administration and corporate costs	(275)	(275)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	-
1.5	Interest and other costs of finance paid	(56)	(56)
1.6	Income taxes received	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	-	-
1.9	**Net cash from / (used in) operating activities**	**912**	**912**

For personal use only

Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	(818)	(818)
	(d) exploration & evaluation	(62)	(62)
	(e) investments	-	-
	(f) other non-current assets	-	-
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	**Net cash from / (used in) investing activities**	**(476)**	**(476)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-

For personal use only

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (3 months) $A'000**
3.9	Other (provide details if material)	-	-
3.10	**Net cash from / (used in) financing activities**	**-**	**-**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	555	555
4.2	Net cash from / (used in) operating activities (item 1.9 above)	912	912
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(476)	(476)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	(30)	(30)
4.6	**Cash and cash equivalents at end of period**	**961**	**961**

5.	**Reconciliation of cash and cash equivalents** at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	**Current quarter $A'000**	**Previous quarter $A'000**
5.1	Bank balances	961	555
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**961**	**555**

For personal use only

6.	**Payments to related parties of the entity and their associates**	**Current quarter $A'000**
6.1	Aggregate amount of payments to related parties and their associates included in item 1	30
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

The amounts reported in item 6.1 relate to payments made to Directors, including executive and non-executive fees for the quarter.

7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities	3,111	3,111
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	10,778	10,778
7.4	**Total financing facilities**	**13,889**	**13,889**

7.5	**Unused financing facilities available at quarter end**	-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.	
	Other relate to loans provided by related parties to the Group	

For personal use only

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (item 1.9)	1,000
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(500)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	500
8.4	Cash and cash equivalents at quarter end (item 4.6)	961
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	1,461
8.7	**Estimated quarters of funding available (item 8.6 divided by item 8.3)**	2

Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.

8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:

8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: Yes

8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: The Group's minerals sales are trading profitably, and the Group is currently operating at breakeven, loan funding has been provided by Directors and is being sought to finalise the plant upgrades and provide working capital.

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: Yes, the Group trading is continuing to improve and with the support of Directors it is expected that cash reserves will begin to rise in Quarter 1.

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

For personal use only

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Date: 30 October 2020



Authorised by: Gerard King, chairman
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.