



**ANNUAL  
REPORT  
2019**



Astron Corporation Limited  
ARBN 154 924 553 Incorporated in Hong Kong,  
Company Number: 1687414

Annual Report for the Year Ended 30 June 2019

#### CAUTIONARY STATEMENT

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

#### COMPETENT PERSONS STATEMENT

The information in this report that relates to Exploration Results and Mineral Resources for the Donald Project is based on information compiled by Mr Rod Webster, a Competent Person who is a Member of the Australasian Institute of Mining and Metallurgy and Australian Institute of Geoscientists. Mr Webster is a full-time employee of AMC Consultants Pty Ltd and is independent of DMS, the owner of the Donald Project Mineral Resources. Mr Webster has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Webster consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.



# Contents

Donald Mineral Sands Project – Murray Basin	7
Senegal Mineral Sands Project – Niafarang	11
China	15
Astron’s Background and History	21
Corporate Governance Statement	25
Mineral resource statement for Astron and its Subsidiaries	46



## Chairman's Report

Dear Shareholders,

In what was both an exciting and challenging year for Astron, we are pleased to see our new Ilmenite / rutile processing plant producing quality, high purity feedstock for the chlorination market with a suite of TiO<sub>2</sub> products. A new 10,000m<sup>2</sup> warehouse and a 10,000m<sup>2</sup> hard stand for raw material feedstock are complimenting the processing plant and increasing the efficiency and effectiveness of our internal processes. Sales of various TiO<sub>2</sub> feedstock products continue to increase since commissioning was completed, with real time plant upgrades occurring to remedy process bottlenecks and achieve a significant improvement to feed rates and final product outputs.

The present day TiO<sub>2</sub> feedstock is the beginning of the bigger picture for Astron. Ultimately Astron intends to use its own raw material from its pipeline projects at Niafarang in Senegal, together with the flagship Donald project in Australia, which is projected to produce an average of 615,000 tonne of HMC annually for stage one commencement and stage two commencement delivering up to a combined one million tonnes per annum of raw HMC products. This combination of current and pipeline projects delivers strong shareholder value by sustaining growth and ensuring consistent supply for our customers. The modularized MSP design of the Yingkou plant provides opportunity for growth to meet increased production output over time, providing flexibility to meet changes in quantity of feedstock and customer demand.

Trials and market testing for Astron's new micro-agglomerated TiO<sub>2</sub> have been completed, and market response has been favorable. A new pelletisation plant is in the process of being installed, with the installation of a rotary kiln to bake the pellets to be added at a later date. Current roasting processes are achieved via contracted programs locally to the Astron process plant in China.

These steps mark significant progress in meeting Astron's goal of rebuilding as a major advanced material product company.

Market conditions for heavy minerals in China have been auspicious on the back of a lower supply and higher demand for certain final products. Demand for high-grade feedstocks for chloride pigment plants continues to boost prices on the back of demand-supply imbalance arising from a structurally short market. There are several policy changes in China which are favorable for the longer term demand for high quality raw products with the most encouraging change is the implementation of the Blue Sky Environmental policy. High grade titania prices have increased throughout the 2019 financial year, underpinned by strong market fundamentals, with new Chinese chloride pigment factories driving demand on the back of increased urbanization and improved living standards worldwide. Globally, China is the major market consumer of titania feedstock products, and Astron's' Chinese presence is invaluable to servicing China's increasing demand.

Piloting of the 1,000 tonne bulk sample of ore extracted from the Donald project mine path has been successfully completed with the resultant 30t representative sample of Heavy Mineral Concentrate (HMC) to be shipped to China for further materials separation testing and development of customer samples and sales kits.



## OPERATIONS REVIEW

### China Operations

Astron has finalized the primary commissioning of its processing plant, and currently building up capacity to meet its goal of processing 150,000 tonnes of TiO<sub>2</sub> feedstock per annum. Trials of micro-agglomerated TiO<sub>2</sub> materials have been successfully completed, and installation of a pelletisation process has commenced. Sales and production figures continue to increase post financial year end.

### DMS Summary

DMS will start planning the pre-construction deliverables of the Donald Mineral Sands project and fulfil the development concepts towards achieving final financing milestones and hopes to enjoy the benefits of the current positive industry cycle. As part of this, Astron continues to explore the various funding options for its DMS project.

### Senegal

Astron remains engaged with the local communities and relevant Government departments as necessary, this includes such commitments as sponsoring a Major League

Soccer team. Astron continues negotiations with the implementation of learning and development opportunities and industry alternatives of growth for the region's economic and social development programs.

Astron has delivered all the preliminary construction equipment and relevant facilities required for the Senegal Projects construction process. Unplanned delays for project start have been challenging and outside of Astron's direct control, which are due to political and social objectives. Astron maintains a positive relationship with all relevant stakeholders and remains optimistic that progress is moving in a positive direction towards commencement of project start initiatives.

### USA Developments

More than 75,000 tonnes of raw material has been exported from the US to China to supply feedstock for Astron's Yingkou Separation Plant. Sale of end products will fund continued value add enhancements to China's MSP plant as well as Astron's pipeline projects. The Savannah ilmenite project is a catalyst for the future development of Astron as a global mining and processing company into the foreseeable future.



## THE YEAR AHEAD

For the coming year, Astron will be focused on the production of high quality TiO<sub>2</sub> products and strive to become a major global manufacturer.

Astron will also concentrate on bringing the Niarang Project in Senegal into production and then move to explore the greater area within the vicinity of the project. Several interesting anomalies lie within 50 kilometers of the current project and will undoubtedly increase Astron's West African presence into the near future.

The Donald project team in Australia will continue working with stakeholders in optimising infrastructure requirements, and intend to build up its core owners team to support the detailed engineering and project optimization phases. The final approval required before project commencement, the approval of the mine Workplan with the Victorian State Government will be sought and discussions with investors continue. All indicators have Astron's Donald project on the radar as a significant contributor to the Regional Development of Victoria.

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



Gerard King  
Chairman



**Donald Mineral  
Sands Project**  
MURRAY BASIN

# Donald Mineral Sands Project - Murray Basin

## PROJECT STATUS

### Financing and Detailed Engineering Definition Stage

World Class Zircon rich deposit - The Murray Basin is an iconic Geological formation which has layered our land as we know it today with high value and high-grade mineral sands anomalies. The Donald project area is a significant generational opportunity for the diversification of industry and economic growth of our regional communities.

Focus in the 2019 financial year was multi-faceted, and included the following critical tasks:

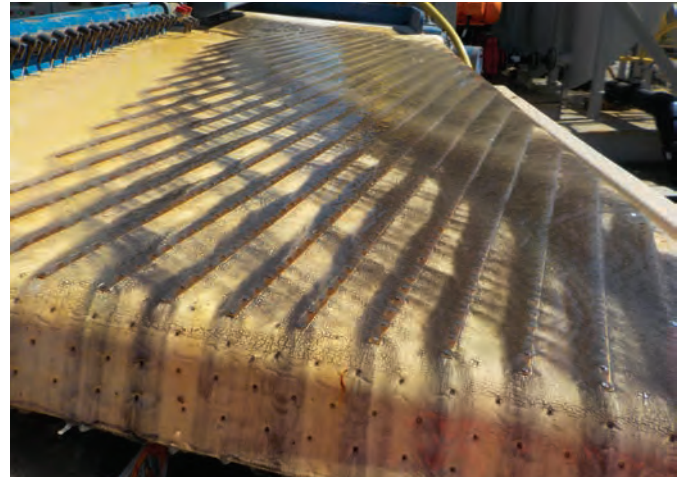
### STAGE ONE

#### Bulk Sample Piloting

Conventional and latest technological advancements were utilised during the design and construction of a purpose built 10 tonne per hour pilot plant where 960 tonne of ore was processed into bulk heavy mineral concentrate (HMC) product.

During this process, detailed sampling and analysis on composite feed, slimes, tailings and HMC were completed, as well as additional sampling which was subjected to full metallurgical characterization (assay, radionuclide analysis, particle size distribution analysis, slimes fractions, density fractionation, QEMSCAN analysis) to allow analysis of metallurgical performance, assaying outcomes and HMC production outcomes.

The resultant 30 tonnes of HMC produced will be shipped to China for stage three of the piloting program where Mineral Separation Plant (MSP) separation and process design initiatives will be developed to complement the current Rutile and TiO<sub>2</sub> separation plant.



### STAGE TWO

#### Mineral Separation Process Metallurgical Development Test Work

Running concurrently with the Bulk Sample Piloting, Astron conducted metallurgical test work to complete the development of balanced (mass/water) process flow diagrams "PFD", MSP concept flow sheets, and integration of hybrid concepts to improve overall recovery times and reduce losses.

### STAGE THREE

#### Mineral Separation Process Piloting

Once received in China, the 30 tonnes of HMC produced will be assessed and a gap analysis completed to determine how the HMC characteristics specific to the Donald HMC perform with the existing Chinese TiO<sub>2</sub> separation plant, after which an MSP piloting program will be developed and advanced at Astron's laboratory and existing operating facilities. There is great confidence in the material processing ability as smaller bench scale piloting and design concepts have been successfully completed in the past. The major difference with the current program is the size of the sample and ability to complete a continual flow process pilot program.





**Refinement of Infrastructure Requirements, Including**

- Key investment logic mapping.
- Detailed review of power supply options, the scope of which included a review of power demand, development of a shortlist of options, workshopping shortlisted options to confirm or challenge assumptions and assessment criteria, detailed review of shortlisted options, and the preparation of a report outlining:
  - The list of potential options,
  - Detailed review of shortlisted option, and identification of potential environmental assessment and planning approval implications.
- Astron is now undertaking a review of the report and analysing and considering the various infrastructure options and considered opportunities relating to water supply, power supply (including renewable energy options), road upgrades and logistics arrangements and made selection based on a matrix of cost, reliability, timelines, approvals, risk and sustainable development. These selections and considerations will feed into the development of a Bankable Feasibility Study set to be completed in FY20 as well as the project financial model.

**Rehabilitation of the Testpit void and assessment of post backfill environments.**

Upon completion of excavating the recent and past bulk samples appx (11,000 tonnes) used for piloting, the rehabilitation process commenced with the site being sown to barley during the 2018 and 2019 cropping seasons. Soil testing and mapping has been completed by an agronomy specialist, which will be used for benchmarking and provide data to support successful rehabilitation of the mine once the project has commenced. Soil mapping using the Echelonag mapping technology provided data around topsoil depth, salinity, moisture content and compaction.

**Update of Production Model.**

Incorporating drill results with grades and cross referencing the initial 25 year mine design, quarterly production estimates have been updated allowing for varying grade of material with ore correction, feed preparation recoveries, fine screen recoveries, gravity recoveries, MSP recoveries and product grade. This information will be integrated with the DMS financial model.



Completion of the required reports to secure funding will see an updated Bankable Feasibility study (BFS), Project Definition and Work Plan. These critical reports are living documents and are regularly updated to reflect market and operational considerations in accordance with statutory regulations and global indicators, at Astron is proposing to pursue the following actions

**Commence execution and development of the Astron owners' team - engineering, planning, project management**

- Commence final review of the detailed engineering scope and optimisation processes
- Commence long lead item procurement
- Commence detailed engineering
- Execute and ramp up community engagement program

- Commence infrastructure agreements including roadway upgrades, initial pipeline for process water access and power supplies including renewable sources.
- Compile final PEP (Project execution Plan)
- Develop project base and head office - owners team spread across Project site, head office and China
- Define and lock down design criterion and financing strategies.



**Senegal Mineral  
Sands Project**  
NIAFARANG

## Senegal Mineral Sands Project - Niafarang

Niafarang Project progressed significantly with respect to Astron's presence in the country. During this period, Astron maintained its local presence and representation through senior team site visits, including in-country representation through Astron's consultancy and visible working groups.

Several infrastructure contracts were awarded in the previous reporting period. These works are currently awaiting the acceptance and detailed collaborative access structure where the projects will benefit both Astron's Senegalese subsidiary, Senegal Mineral Resources (SMR) and the local villages. The sharing of resources (water, power, roads, latrines) is a key part of the community development and social enterprise opportunities for many within the project area. Great effort and collaboration has been achieved over the previous twelve months where certain progress in meeting the expectations of the local Senegalese people has been achieved.

SMR has several execution and site development plans to complete once the resettlement program has been completed. To date, there has been little effort afforded to the execution planning as a result of slow outcomes from regional regulators and officers. SMR is positioned well in establishing the necessary construction programs upon the commencement of the resettlement program. Project development and construction teams are available for an immediate start upon achievement of the final milestone, the resettling and compensation process.

Astron expects all local initiatives to be completed for project start in late 2019, and thereafter commencement phases predominantly hinge on a stable community where safety for all stakeholders involved remains the highest priority.

Commencement dates for each phase of the construction process will be announced once there is certainty. Employment and Contract scopes are finalized and will be revisited prior to site commencement.

### **ENVIRONMENTAL, SOCIAL AND OTHER ASPECTS**

Opportunities for shared resources, employment, improved farming initiatives, local worship buildings and basic health improvement (fresh water, proper latrine systems) have been offered by Astron / SMR to assist the local communities to co-exist with SMRs low impact mining operation. These initiatives have been welcomed by many of the local communities although there remains some elements (including settled foreigners in the local region) which are against these initiatives. OSMR has not explored nor entertained these elements as it remains committed to dealing with the local communities and their representatives.

Astron / SMR funded a local ceremony in maintaining and educating people on the region's culture, Astron believes in maintaining strong connections with culture and supporting the educational programs offered to the young people is an important program to support.

SMR funded several local initiatives including a field trip consisting of a local group of community leaders who were flown to visit to another operating Mineral Sands Dredging operation in Northern Senegal.



## **ASTRON'S LONG TERM FUTURE IN WEST AFRICA**

Alternate and additional exploration opportunities are available for exploring locally and beyond the current mining licence area of Niarang. Astron / SMR is excited to be a part of the greater area where local authorities and communities are open to negotiating access and development program initiatives with the SMR team.

Further expansion of Astrons presence in West Africa has been a long process where persistence and collaborative efforts in working with the local communities is proving to be a successful process. SMR shall maintain an important network and support program in co-exiting and developing initiatives with the wider communities throughout Casamance and beyond.

New drilling programs and exploration will be announced in due course, following the commencement of the Niarang project.



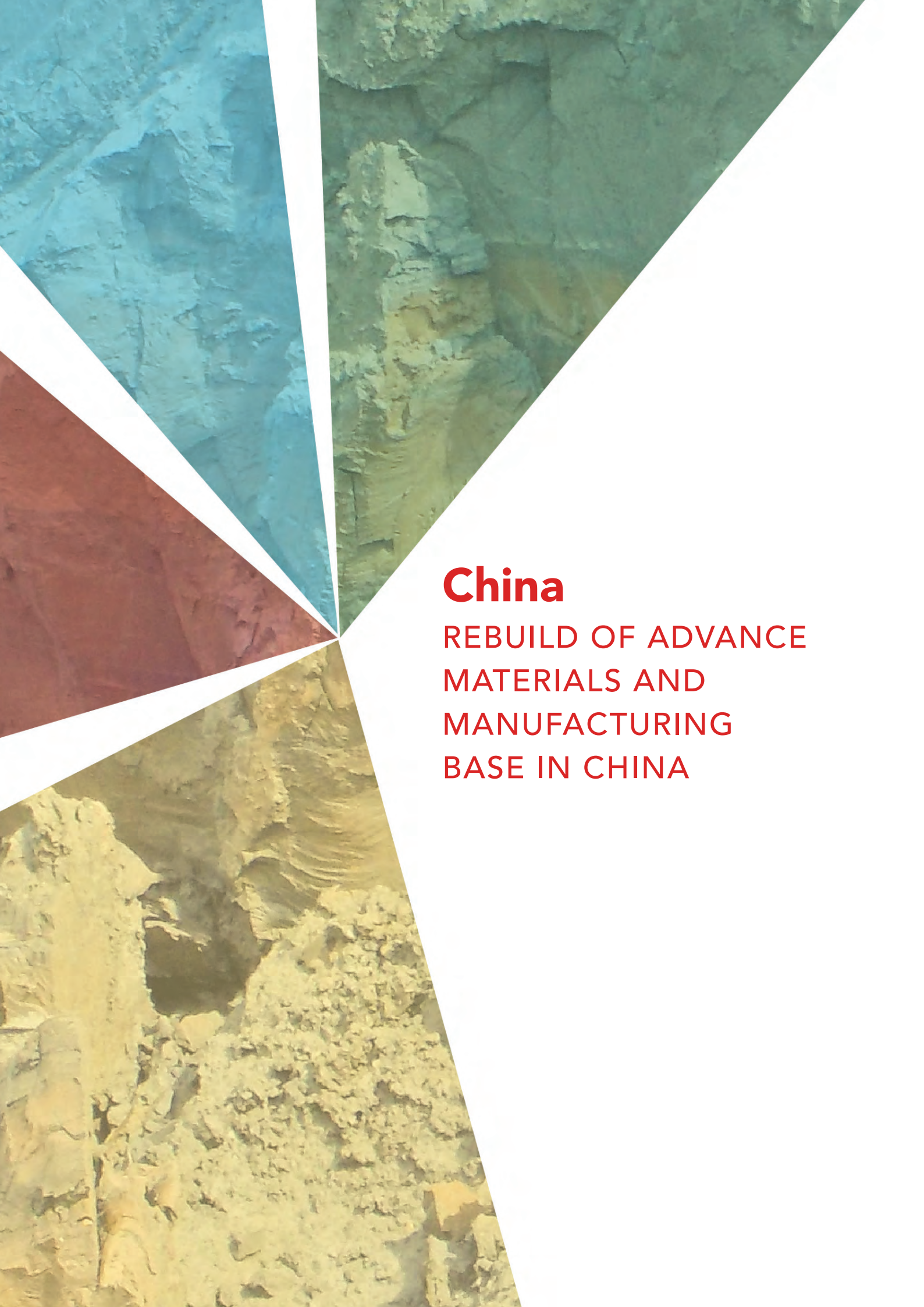


盼盼起重 10吨 机制造 0417-3630999

盼盼起重 机制造

2-1

3-1



# China

REBUILD OF ADVANCE  
MATERIALS AND  
MANUFACTURING  
BASE IN CHINA

## Rebuild of Advance Materials and Manufacturing Base in China

Astron has constructed a processing plant and warehouse to process up to 150,000tpa of Ilmenite material for use as a high-quality feedstock for chlorination markets with TiO<sub>2</sub> production plants in China.

Astron has been successfully producing TiO<sub>2</sub> feedstock from its processing plant and anticipates advancing this once commissioning of stage two and three are completed, and it expects that up to 150,000 tons per annum may be processed once commissioning completed and at full capacity.

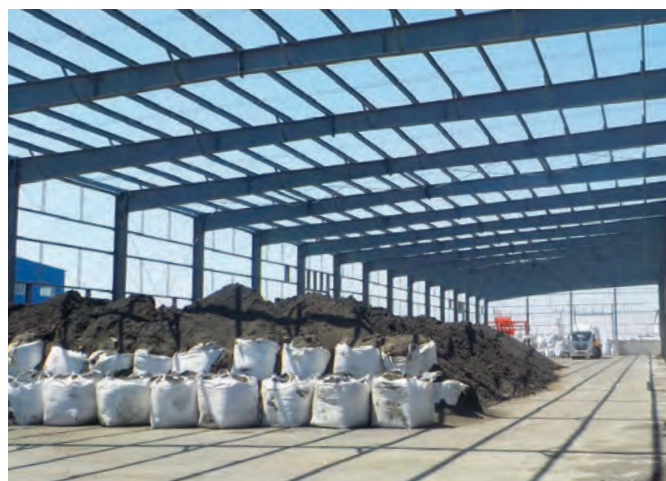
The project includes a new 10,000m<sup>2</sup> warehouse and 10,000m<sup>2</sup> hardstand for raw material stocks.

Trending, the TiO<sub>2</sub> industry market is expanding to build up to 600,000tpa of chlorination process capacity 2019/20 in China, creating a big demand for suitable high purity feedstocks in early 2019 of which Astron has positioned itself to accommodate the demand.

Initially, Astron is using its Savannah TiO<sub>2</sub> feedstock, although it intends to ultimately use its own main TiO<sub>2</sub> feedstock from its Donald project in Victoria, Australia. The Donald Project is working towards commencing its development and execution activities in 2020.

The rebuild of Astrons separation plant in China is welcomed by our directors as a significant first step in rebuilding Astron as a major advanced materials company.

Current suppliers for specialty chlorination feedstocks include many major heavy minerals producers locally, and current prices are in the order of USD1000 per tonne CIF in China. Astron expects the demand for its high quality products will cement its position as a trusted long term supplier in the TiO<sub>2</sub> Industry.



### Developed Products

Nuclear-grade zirconia production Yingkou, People's Republic of China 200tpa high purity zirconium sponge production facility and an independent lab equipped with advanced analysers including Bruker S8 XRF, Leeman ICP and laser particle size analyser Atomic energy (high purity grade) zirconia production facility in operation already, producing high-quality high purity grade zirconia products.

The Astron development team has completed in house laboratory, bench and small-scale piloting programs for micro-agglomeration of finer TiO<sub>2</sub> particles. Successful trials has allowed the installation of a purpose built peletisation process which adds value to the current suite of products currently produced.

The pelletisation process has been designed to produce various end products (Hardness, Size) which allows the plant to produce specialized products suited to specific customer's process plant requirements.

Astron's global operations are expected to become the major feed stock suppliers for Astron China's growing demand for high quality products. Future advancements in ZrO<sub>2</sub>, TiO<sub>2</sub>, CeO<sub>2</sub>, and Rare Earth Oxides are just the beginning of Astron's Global future.





## SPECIALTY R&D

### Sponge Zirconium Technology

Astron has succeeded in producing high purity grade zirconia containing hafnium less than 50ppm by TBP-HCL-HNO<sub>3</sub> extraction method. A facility of 200tpa highly-pure zirconia has been established, with independent lab equipped with ICP and XRF etc.

### Removal of Zircon Impurities

Astron has spent nearly ten years and succeeded in removing U/Th/Fe/Ti from zircon. This can greatly improve the quality of zircon. Lower impurity content makes better glaze colour, which can provide premium raw materials for ceramics, refractory, casting and chemical industry in China. The concentrated U solid waste can provide uranium resource of low cost and high content to the nuclear industry.

### Pelletizing Technology

Rutile pelletizing is a process to solve the problem of fine rutile being unable to be used for TiCl<sub>4</sub>. This can also indirectly improve the fine rutile value. It is one of the methods of developing high value and grade Chlorinator feed with finer sized material. With chlorination, the particle size of the rutile products being processed in this method enables better chlorination efficiencies than common rutile and blended slag materials.

### CP TiO<sub>2</sub> Technology

Astron spent 3 years and more than several tens of million RMB in completing the detailed design of 90,000tpa CP TiO<sub>2</sub> Project with the cooperation with a team of experts in China and overseas.

### ZOC Technology

Alkaline fusion is being generally used for ZOC industry with great pollution and poor economy. Astron's CP method is environment agreeable with its by products being of improved economy.

# Sustainable Development



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

## EMPLOYEES AND OTHER STAKEHOLDERS

Astron Group currently has 146 employees. We take our responsibility to our staff seriously through our human resources policies. Astron’s human resources policies demonstrate care and concern for our staff and their training, development and wellbeing, as well as care and concern for our customers, suppliers and shareholders.

In Astron, salaries are based on competitiveness within the local market environment. Additionally, some key employees have a variable performance related bonus which is determined by pre-arrangement in alignment with individual and team objectives.

## LOCAL COMMUNITIES

Astron is committed to bringing positive change to the communities surrounding its mining and processing operations.

Astron’s Donald Project has been planned in close consultation with the local community to provide significant economic and social benefits to the community including supporting the Minyip branch of the State Emergency Service, who provide critical local assistance to minimise the impact of emergencies and strengthen the community’s capacity to plan, respond and recover when emergencies occur.

Astron also sponsored the Minyip Art Show, the Minyip Golf Club, as well as the Donald Scout group’s Muddy Duck event. In addition, sponsorship of the Minyip Murtoa Football Club’s “Buddy Program” saw senior football players mentor the skills of juniors over three nights throughout the playing season, building the skills, confidence and fitness of developing footballers.



## **ENVIRONMENT**

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

The Astron Group is totally committed to continuing environmental vigilance and improving systems of control, compliance and results such as the minimisation of all kinds of waste from mining and down streaming processes where practicably possible.





# **Astron's Background & History**

# Astron's Background & History



Astron Corporation Ltd (Astron) is domiciled in Hong Kong and listed on the Australian Securities Exchange (ASX). Astron is well-known in the industry globally, specialized in its zirconium and titanium business.

Astron's main focus is developing its two wholly owned mineral sands projects, the Donald Project in Australia and the Niafarang project in Senegal, West Africa.

The Donald project is one of the largest known zircon and titanium resources in the world.

The Niafarang project in Senegal, West Africa, is a high-grade coastal mineral sands deposit, to be excavated using simple dredge mining and processing methodologies. Astron has obtained the mining license for the Niafarang Project and continues to work on social acceptance and other relevant social resettlement programs.

A primary focus for Astron this year has been the construction of the processing plant for processing feedstock, for which commissioning has commenced. While initially this plant will be used to process and upgrade the low-grade  $TiO_2$  feedstock that Astron has recently acquired, the long-term plans for this plant are to develop processes for refining HMC from Senegal and then DMS. Astron continues to work on commissioning the processing plant and using the outputs to develop Astron's markets.

Astron has continued 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. Astron has significant research and technology capabilities in titanium and zirconium metal and chemical processes. Astron carries on its Chinese mineral sands trading business to maintain close relationships with its key customers.



Astron continues to further develop its technical capabilities of producing zircon and titanium metals and chemicals in establishing customer specific satisfaction.

Astron was at one time the largest quality manufacturer of fused zirconia and zirconium carbonate in the world. Astron was also a leading company that introduced titanium slag into the market in China.

In the meantime, Astron was also a pioneering company that introduced tailing processing technology into China. Astron has strong research and development of zirconium, titanium and chemical products with many proprietary technologies. Astron is a manufacturer of zirconium and titanium resource and high-end materials in the world. Astron built a small-size high purity zirconia production facility towards the end of 2014.





阿斯创钛业(营口)有限公司  
Astron Titanium (Yingkou) Limited





**Corporate  
Governance  
Statement**



# Corporate Governance Statement

The Board of Astron is responsible for the corporate governance of the Group. The Board guides and monitors the business and affairs of Astron on behalf of the shareholders by whom they are elected and to whom they are accountable. This statement reports on Astron's key governance principles and practices.

## **COMPLIANCE WITH BEST PRACTICE RECOMMENDATIONS**

The Company, as a listed entity, must comply with the Corporations Act 2001 (so far as it applies to foreign registered companies) and the Australian Securities Exchange (ASX) Listing Rules. The ASX Listing Rules require the Company to report on the extent to which it has followed the Corporate Governance Principles and Recommendations published by the ASX Corporate Governance Council. Where a recommendation has not been followed, that fact is disclosed, together with the reasons for the departure.

The table below summaries the Company's compliance with the Corporate Governance Council's Principles and Recommendations:



# Principles

Principle #	ASX Corporate Governance Council Recommendations	Reference	Comply
<b>Principle 1</b>	<b>Lay Solid Foundations for Management and Oversight</b>		
1.1	A listed entity should disclose <ul style="list-style-type: none"> <li>(a) the respective roles and responsibilities of its board and management; and</li> <li>(b) those matters expressly reserved to the board and those delegated to management.</li> </ul>	2.1	Yes
1.2	A listed entity should <ul style="list-style-type: none"> <li>(a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and</li> <li>(b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.</li> </ul>	2.2/3.2	Yes
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	3.2	No
1.4	The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	2.6	Yes
1.5	A listed entity should <ul style="list-style-type: none"> <li>(a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;</li> <li>(b) disclose that policy or a summary of it; and</li> <li>(c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them, and either.                             <ul style="list-style-type: none"> <li>(1) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or</li> </ul> </li> </ul>	6.3	Yes

# Principles

- (2) if the entity is a “relevant employer” under the Workplace Gender Equality Act, the entity’s most recent “Gender Equality Indicators”, as defined in and published under that Act.

1.6	A listed entity should	2.8/3.2	Yes
	(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and		
	(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.		
1.7	A listed entity should	3.2	Yes
	(a) have and disclose a process for periodically evaluating the performance of its senior executives; and	Remuneration Report	
	(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.		

<b>Principle #</b>	<b>ASX Corporate Governance Council Recommendations</b>	<b>Reference</b>	<b>Comply</b>
<b>Principle 2</b>	<b>Structure the Board to add value</b>		
2.1	The board of a listed entity should	3.2	No
	(a) have a nomination committee which		
	(1) has at least three members, a majority of whom are independent directors; and		
	(2) is chaired by an independent director, and disclose:		
	(3) the charter of the committee		
	(4) the members of the committee; and		
	(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or		



	(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.		
2.2	A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.	2.2/2.3	Yes
2.3	A listed entity should disclose <ul style="list-style-type: none"> <li>(a) the names of the directors considered by the board to be independent directors;</li> <li>(b) if a director has an interest, position, association or relationship of the type described in Box 2.3 (which appears on page 16 of the ASX Recommendations and is entitled "Factors relevant to assessing the independence of a director") but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and</li> <li>(c) the length of service of each director.</li> </ul>	2.3/2.5	Yes
2.4	A majority of the board of a listed entity should be independent directors.	2.5	No
2.5	The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	2.3/2.4/2.5	Yes

# Principles

2.6	A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.	3.2	Yes
-----	--	-----	-----

<b>Principle #</b>	<b>ASX Corporate Governance Council Recommendations</b>	<b>Reference</b>	<b>Comply</b>
<b>Principle 3</b>	<b>Act Ethically and Responsibly</b>		

3.1	A listed entity should (a) have a code of conduct for its directors, senior executives and employees; and (b) disclose that code or a summary of it.	6.1	Yes
-----	--	-----	-----

<b>Principle #</b>	<b>ASX Corporate Governance Council Recommendations</b>	<b>Reference</b>	<b>Comply</b>
<b>Principle 4</b>	<b>Safeguard Integrity in Corporate Reporting</b>		

4.1	The board of a listed entity should (a) have an audit committee which (1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and (2) is chaired by an independent director, who is not the chair of the board, and disclose: (3) the charter of the committee; (4) the relevant qualifications and experience of the members of the committee; and (5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and	3.1	No
-----	--	-----	----



safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.

4.2	The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.	5.3	No
-----	---	-----	----

4.4	A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	4.1	No
-----	---	-----	----

<b>Principle #</b>	<b>ASX Corporate Governance Council Recommendations</b>	<b>Reference</b>	<b>Comply</b>
<b>Principle 5</b>	<b>Make Timely and Balanced Disclosure</b>		

5.1	A listed entity should	4.2	Yes
	(a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and		
	(b) disclose that policy or a summary of it.		

# Principles

<b>Principle #</b>	<b>ASX Corporate Governance Council Recommendations</b>	<b>Reference</b>	<b>Comply</b>
--------------------	---	------------------	---------------

<b>Principle 6</b>	<b>Respect the Rights of Security Holders</b>		
--------------------	---	--	--

6.1	A listed entity should provide information about itself and its governance to investors via its website.	4.1/4.2	Yes
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	4.1/4.2	Yes
6.3	A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	4.1/4.2	Yes
6.4	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	4.1/4.2	Yes

<b>Principle #</b>	<b>ASX Corporate Governance Council Recommendations</b>	<b>Reference</b>	<b>Comply</b>
--------------------	---	------------------	---------------

<b>Principle 7</b>	<b>Recognise and Manage Risk</b>		
--------------------	----------------------------------	--	--

7.1	The board of a listed entity should	3.1	No
	(a) have a committee or committees to oversee risk, each of which:		
	(1) has at least three members, a majority of whom are independent directors; and		
	(2) is chaired by an independent director, and disclose:		
	(3) the charter of the committee;		
	(4) the members of the committee; and as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or		
	(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.	3.1	No





7.2	<p>The board or a committee of the board should</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>	5.1/5.2	Yes
7.3	<p>A listed entity should disclose</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control</p>	3.1	No
7.4	<p>Processes</p> <p>A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.</p>	5.1	Yes
<b>Principle #</b>	<b>ASX Corporate Governance Council Recommendations</b>	<b>Reference</b>	<b>Comply</b>
<b>Principle 8</b>	<b>Remunerate Fairly and Responsibly</b>		
8.1	<p>The board of a listed entity should</p> <p>(a) have a remuneration committee which</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p>		

# Principles

	(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.	3.2	No
8.2	A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.	3.2	Yes
8.3	A listed entity which has an equity-based remuneration scheme should	6.2	Yes
	(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and	Remuneration	
	(b) disclose that policy or a summary of it.	Report	



## **2. THE BOARD OF DIRECTORS**

### **2.1. Roles and Responsibilities of the Board**

The Board is accountable to the shareholders and investors for the overall performance of the Company and takes responsibility for monitoring the Company's business and affairs and setting its strategic direction, establishing and overseeing the Company's financial position.

#### **The Board is Responsible for**

- 2.1.1. Appointing, evaluating, rewarding and if necessary the removal of the Chief Executive Officer ("CEO") or their functional equivalent and senior management;
- 2.1.2. Development of corporate objectives and strategy with management and approving plans, new investments, major capital and operating expenditures and major funding activities proposed by management;
- 2.1.3. Monitoring actual performance against defined performance expectations and reviewing operating information to understand at all times the state of the health of the Company;
- 2.1.4. Overseeing the management of business risks, safety and occupational health, environmental issues and community development;
- 2.1.5. Satisfying itself that the financial statements of the Company fairly and accurately set out the financial position and financial performance of the Company for the period under review;
- 2.1.6. Satisfying itself that there are appropriate reporting systems and controls in place to assure the board that proper operational, financial, compliance, risk management and internal control process are in place and functioning appropriately;
- 2.1.7. Approving and monitoring financial and other reporting;
- 2.1.8. Assuring itself that appropriate audit arrangements are in place;
- 2.1.9. Ensuring that the Company acts legally and responsibly on all matters and assuring itself that the Company has adopted a Code of Conduct and that the Company practice is consistent with that Code; and other policies; and
- 2.1.10. Reporting to and advising shareholders. Other than as specifically reserved to the Board, responsibility for the day-to-day management of the Company's business activities is delegated to the CEO and senior management.

### **2.2. Board Composition**

The Directors determine the composition of the Board employing the following principles:

- 2.2.1. The Board must comprise a minimum of three directors;
- 2.2.2. The roles of the Chairman of the Board and of the CEO should be exercised by different individuals;
- 2.2.3. The majority of the Board should comprise directors who are non-executive (however this is not currently the case and the Company is seeking to address this);

- 2.2.4. The Board should represent a broad range of qualifications, experience and expertise considered of benefit to the Company; and
- 2.2.5. the Board must be structured in such a way that it has a proper understanding of, and competency in, the current and emerging issues facing the Company, and can effectively review management's decisions.

The Company's constitution requires one-third of the directors (or the nearest whole number if not a multiple of 3) to retire by rotation at each Annual General Meeting (AGM), other than the managing director. The directors to retire at each AGM are those who have been longest in office since their last election. Where directors have served for equal periods, they may agree amongst themselves or determine by ballot who will retire. Retiring directors may offer themselves for re-election.

A director appointed as an additional or casual director by the Board will hold office until the next AGM when they may be re-elected. Any director appointed as an additional or casual director, is not to be taken into account in determining the number of directors required to retire by rotation.

### **2.3. Board Membership**

The Board is currently comprised of one non-executive directors and two executive directors. Details of the Board member's experience, expertise and qualifications are set out in the Directors' Report of the Annual Financial Statements under the heading "Directors Report".

#### **The Board of Directors at the time of issue of this Report Comprises**

- 2.3.1. Gerard (Gerry King (Chairman of Directors) (Non-Executive)
- 2.3.2. Alexander (Alex) Brown (Managing Director/President) (Executive)
- 2.3.3. Mdm Kang Rong (Deputy Managing Director) (Executive)

#### **The Chairman is Responsible for**

- 2.4.1. Leadership of the Board;
- 2.4.2. The efficient organisation and conduct of the Board's functions;
- 2.4.3. The promotion of constructive and respectful relations between Board members and between the Board and management;
- 2.4.4. Facilitating the effective contribution of all Board members; and
- 2.4.5. Committing the time necessary to effectively discharge the role of the Chairman.  
The CEO is responsible for:
- 2.4.6. Briefing directors in relation to issues arising at Board meetings;
- 2.4.7. Implementing the Company's strategies and policies; and
- 2.4.8. The day-to-day management of the Group's business activities.



The Board specifies that the roles of the Chairman and the CEO are separate roles to be undertaken by separate people.

## **2.5. Independent Directors**

The Company recognises that independent directors are important in assuring shareholders that the Board is properly fulfilling its role and is diligent in holding senior management accountable for its performance. The Board assesses each of the directors against specific criteria to decide whether they are in a position to exercise independent judgment.

Directors of Astron are considered to be independent when they are independent of management and free from any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the exercise of their unfettered and independent judgement.

In making this assessment, the Board considers all relevant facts and circumstances. Relationships that the Board will take into consideration when assessing independence are whether a director:

- 2.5.1. Is a substantial shareholder of the Company or an officer of, or otherwise associated directly with, a substantial shareholder of the Company;
- 2.5.2. Is employed, or has previously been employed in an executive capacity by the Company or another group member, and there has not been a period of at least three years between ceasing such employment and serving on the Board;
- 2.5.3. Has within the last three years been a principal of a material professional advisor or a material consultant to the Company or another group member, or an employee materially associated with the service provided;
- 2.5.4. Is a material supplier or customer of the Company or other group member, or an officer of or otherwise associated directly or indirectly with a material supplier or customer; or
- 2.5.5. Has a material contractual relationship with the Company or another group member other than as a director.
- 2.5.6. Has been a director of the entity for such a period that his or her independence may have been compromised.

The Board notes that the mere fact that a director has served on a Board for a substantial period does not mean that he or she has become too close to management to be considered not independent. The Board will regularly assess the independence of all and any director who serves on the Board.

Family ties and cross-directorships may be relevant in considering interests and relationships which may affect independence, and should be disclosed to the Board.

The Company does not comply with ASX Recommendation 2.4, as there is not a majority of non-executive directors nor is there a majority of independent directors on the Board. In accordance with the definition of independence above, only one of the directors of the Company is considered to be independent.

The Board believes that the Company is not of sufficient size to warrant the inclusion of more independent non-executive directors in order to meet the ASX recommendation of maintaining a majority of independent non-executive directors. The Company maintains a mix of directors from different backgrounds with complementary skills and experience.

In recognition of the importance of independent views and the Board's role in supervising the activities of management the Chairman is a non-executive director.

## **2.6. Company Secretary**

The appointment, performance, review, and where appropriate, the removal of the Company Secretary is a key responsibility of the Board. All directors have access to the Company Secretary who is accountable directly to the Board, through the Chairman, on all matters to do with the proper functioning of the Board.

## **2.7. Avoidance of Conflicts of Interest by a Director**

In order to ensure that any interests of a director in a particular matter to be considered by the Board are known by each director, each director is required by the Company to disclose any relationships, duties or interests held that may give rise to a potential conflict. Directors are required to adhere strictly to constraints on their participation and voting in relation to any matters in which they may have an interest.

Directors are able to access members of the management team at any time to request relevant information. There are procedures in place, agreed by the board, to enable directors, in furtherance of their duties, to seek independent professional advice at the company's expense.

## **2.8. Review of Board Performance**

The performance of the board and each of its committees is reviewed at least annually by the Chairman. Performance evaluations are conducted annually which involve an assessment of each board member's performance against specific and measurable qualitative and quantitative performance criteria. The performance criteria against which directors and executives are assessed is aligned with the financial and non-financial objectives of Astron. Directors whose performance is consistently unsatisfactory may be asked to retire.

The performance of each committee is against the requirements of their respective charters.

# **3. BOARD COMMITTEES**

The Board has the ability under the Company's constitution to delegate its powers and responsibilities to committees of the Board.

## **3.1. Audit and Risk Committee**

The Board does not have an Audit and Risk Committee and as such the Group does not comply with Principle 4.1. The Board considers that the Group is not of a size, nor are its financial affairs of such complexity, to justify the formation of a separate audit and risk committee. The Board as a whole undertakes the selection and proper application of accounting policies, the identification and management of risk and the review of the operation of the internal control systems. The Board considers



that the experience and qualifications of the Board will assure the integrity of the financial statements of the Group and the independence of the external auditor.

Where practical and feasible, the Board invites the auditor to attend all general meetings of shareholders.

### **The Board in Lieu of an Audit and Risk Committee is responsible for**

- 3.1.1. Reviewing the quality and integrity of the Group's financial reporting to shareholders, ASX and the Australian Securities and Investments Commission;
- 3.1.2. Reviewing the accounting policies, internal controls, practices and disclosures to assist the Board in making informed decisions, with direct access to management;
- 3.1.3. Reviewing the scope and outcome of external audits, with direct access to external auditors;
- 3.1.4. Nominating external auditors and reviewing the adequacy of existing external audit arrangements;
- 3.1.5. Ensuring the independence of external auditors and reviewing any other services provided by them;
- 3.1.6. Reviewing the Group's risk management systems; and
- 3.1.7. Reporting on meetings and the results of any assessments and reviews.

### **External Auditor**

The Company's policy is to appoint external auditors who clearly demonstrate quality and independence. The performance of the external auditor is reviewed annually, taking into consideration assessment of performance, existing value and tender costs.

An analysis of fees paid to the external auditors, including a breakdown of fees for non-audit services, is provided in the notes to the financial statements. It is the policy of the external auditors to provide an annual declaration of their independence to the Board.

### **Internal Audit**

The Company does not currently have a formal internal audit function however the Board oversee the effectiveness of risk management and internal control.

The Board works closely with management to identify and manage operational, financial and compliance risks which could prevent the Company from achieving its objectives. The Board actively encourages the external auditor to raise internal control issues, and oversees management's timely remediation thereof.

## **3.2. Remuneration and Nomination Committee**

Given the present size of the Group, the existing Board is able to meet the needs of the Group in the examination of selection and appointment practices without the establishment of a nomination committee of the Board as recommended under Principle 2.1.



## **Remuneration**

The remuneration received by directors and executives in the current period is contained in the “Remuneration Report” section in the Directors’ Report of the Annual Financial Statements.

The Company seeks to attract and retain directors and executives with the appropriate expertise and ability to create value for shareholders.

The remuneration structure for non-executive directors is not related to performance. The Company aims to ensure non-executive directors receive fees which reflect their skills, responsibilities and the time commitments required to discharge their duties. The Company does not pay retirement benefits to non-executive directors (other than superannuation contributions in accordance with its statutory superannuation obligations).

The remuneration structure for executive directors and other executives reflects the Company’s financial resources and as such there is not currently a direct correlation between the executive’s reward and individual and Company performance so as to seek to ensure that the Company’s remuneration policy is aligned with its long-term business objectives and the interests of shareholders and other stakeholders.

## **Nomination**

A profile of each director is included in the Directors’ Report of the Annual Financial Statements under the heading “Directors information”. The Company does not have a written agreement in place with each director setting out the terms of their appointment. The Board consider the composition of the Board at least annually, when assessing the Board’s performance and when considering director election and re-election.

In considering whether the Board will support the election or re-election of incumbent directors, the Board considers the skills, experience, expertise, diversity and contribution made to the Board by the director and the contribution that the director is likely to make if elected or re-elected.

When considering appointing new directors, the Board assesses the range of skills, experience, expertise, diversity and other attributes from which the Board would benefit and to the extent to which current directors possess such attributes. This assessment allows the Board to consider the attributes for a new director, such that they balance those of existing directors.

All material information that is relevant to the decision as to whether or not to elect or re-elect a director is provided to shareholders in the explanatory notes accompanying the notice of meeting for the Annual General Meeting at which the election or re-election is to be considered.

## **4. TIMELY AND BALANCED DISCLOSURE**

### **4.1. Shareholder Communication**

The Company believes that all shareholders should have equal and timely access to material information about the Company including its financial situation, performance, ownership and governance.

The Board aims to ensure that shareholders are informed of all material information relating to the Company by communicating to shareholders through:





- 4.1.1. Continuous disclosure reporting to the ASX;
- 4.1.2. Its annual reports; and
- 4.1.3. Media releases and other investor relations publications on the Company's website. The Company provides other information about itself and its governance via its website.

### **Two-way Communication**

The Board is also mindful of the importance of not only providing information, but also enabling two-way communication between the Company and its shareholders.

The Company encourages direct electronic contact from shareholders – the Company's website has a "Contact Us" section which allows shareholders to submit questions or comments.

The Company provides shareholder materials directly to shareholders through electronic means. A shareholder may request a hard copy of the Company's annual report to be posted to them.

Shareholders may also communicate via electronic means with the Company's Share Registry and may register to access personal shareholding information and receive electronic information.

### **General Meetings**

Shareholders are encouraged to participate in general meetings. Copies of any addresses by the Chairman or CEO are disclosed to the market and published on the Company's website.

At the meeting the Chairman encourages questions and comments from shareholders and seeks to ensure that shareholders are given ample opportunity to participate.

The Company's external auditor are not invited to attend the Company's annual general meeting to answer shareholder questions about the conduct of the audit, the preparation and content of the audit report, the accounting policies adopted by the Company and the independence of the auditor in relation to the conduct of the audit, however the Company will facilitate any questions from shareholders about these matters.

### **4.2. Continuous Disclosure Policy**

The Company is committed to ensuring that shareholders and the market are provided with full and timely information and that all stakeholders have equal opportunities to receive externally available information issued by the Company.

The Company's "ASX Disclosure Policy" encourages effective communication with its shareholders by requiring that Company announcements:

- 4.2.1. Be factual and subject to internal vetting and authorisation before issue;
- 4.2.2. Be made in a timely manner;
- 4.2.3. Not omit material information;
- 4.2.4. Be expressed in a clear and objective manner to allow investors to assess the impact of the information when making investment decisions;
- 4.2.5. Be in compliance with ASX Listing Rules continuous disclosure requirements; and

4.2.6. be placed on the Company's website following release.

The Company's "ASX Disclosure Policy" reinforces the Company's commitment to continuous disclosure and outline management's accountabilities and the processes to be followed for ensuring compliance.

The policy also contains guidelines on information that may be price sensitive. The Australian Company Secretary has been nominated as the person responsible for communications with the ASX. This role includes responsibility for ensuring compliance with the continuous disclosure requirements with the ASX Listing Rules and overseeing and coordinating information disclosure to the ASX.

## **5. RECOGNISING AND MANAGING RISK**

### **5.1. Board Responsibility for Risk Management**

The Board is responsible for ensuring there are adequate policies in relation to risk management, compliance and internal control systems. The Company's policies are designed to ensure strategic, operational, legal, reputation and financial risks are identified, assessed, effectively and efficiently managed and monitored to enable achievement of the Company's business objectives. Considerable importance is placed on maintaining a strong control environment.

The Company has exposure to the following risks:

- 5.1.1. Funding: The Company is subject to the risks in relation to funding its projects. The Board will continue to monitor these risks.
- 5.1.2. Currency: The Company is exposed to fluctuations in the RMB and USD against the Australian dollar which can impact on expenditures related to project development and potentially future operations. Due to the size and assets of the Company the Board has not instigated a hedging program. The Board will continue to review the implementation of hedging to ensure it fits within the Company's hedging policy framework and is deemed appropriate.
- 5.1.3. Environmental: The Company is subject to, and responsible for existing environmental liabilities associated with its tenements as well as potential new liabilities through future mining activities. The Company will continually monitor its ongoing environmental obligations and risks, and implement rehabilitation and corrective actions as appropriate to remain compliant. These risks may be impacted by change in Government policy.
- 5.1.4. Market Risk: The Company seeks to reduce investment risk by regularly monitoring the market and considering at each Board meeting the ongoing benefits of carrying investments or disposal. There are inherent uncertainty risks in the mineral sands market, noting the difficult market conditions over recent years.

### **5.2. Board Oversight of the Risk Management System**

The Board is responsible for approving and overseeing the risk management system. The Board reviews, at least annually, the effectiveness of the implementation of the risk management controls and procedures.



The principle aim of the system of internal control is the management of business risks, with a view to enhancing the value of shareholders' investments and safeguarding assets. Although no system of internal control can provide absolute assurance that the business risks will be fully mitigated, the internal control systems have been designed to meet the Company's specific needs and the risks to which it is exposed.

Annually, the Board is responsible for identifying the risks facing the Company, assessing the risks and ensuring that there are controls for these risks, which are to be designed to ensure that any identified risk is reduced to an acceptable level.

Internal control measures currently adopted by the Board include:

- 5.2.1. Regular reporting to the Board in respect of operations and the Company's financial position; and
- 5.2.2. Regular reports to the Board by appropriate members of the management team outlining the nature of particular risks and highlighting measures which are either in place or can be adopted to manage or mitigate those risks.

### **5.3. Risk Management Roles and Responsibilities**

The Board is responsible for approving and reviewing the Company's risk management strategy and policy. Senior management is responsible for implementing the Board approved risk management strategy and developing policies, controls, processes and procedures to identify and manage risks in all of the Company's activities.

The Board in place of the Audit and Risk Committee is responsible for ensuring that management has developed and implemented a sound system of risk management and internal control.

## **6. ETHICAL AND RESPONSIBLE DECISION MAKING**

### **6.1. Code of Ethics and Conduct**

The Board endeavours to ensure that the directors, officers and employees of the Company act with integrity and observe the highest standards of behaviour and business ethics in relation to their corporate activities. The "Code of Conduct" sets out the principles, practices, and standards of personal behaviour the Company expects people to adopt in their daily business activities.

All directors, officers and employees are required to comply with the Code of Conduct. Senior managers are expected to ensure that employees, contractors, consultants, agents and partners under their supervision are aware of the Company's expectations as set out in the Code of Conduct.

All directors, officers and employees are expected to:

- 6.1.1. Comply with the law;
- 6.1.2. Act in the best interests of the Company;
- 6.1.3. Be responsible and accountable for their actions; and
- 6.1.4. Observe the ethical principles of fairness, honesty and truthfulness, including prompt disclosure of potential conflicts.

## **6.2. Policy Concerning Trading in Company Securities**

The Board has implemented a Share Trading Policy that applies to all directors, officers and employees. This policy sets out the restrictions on dealing in securities by people who work for, or are associated with the Company and is intended to assist in maintaining market confidence in the integrity of dealings in the Company's securities. The policy stipulates that the only appropriate time for a director, officer or employee to deal in the Company's securities is when they are not in possession of price sensitive information that is not generally available to the market.

As a matter of practice, Company shares may only be dealt with by directors and officers of the Company under the following guidelines:

- 6.2.1. No trading is permitted in the period of one month prior to the announcement to the ASX of the Company's quarterly, half year and full year results;
- 6.2.2. Guidelines are to be considered complementary to and not replace the various sections of the Corporations Act 2001 or the Hong Kong Companies Ordinance (Cap. 622) dealing with insider trading; and
- 6.2.3. Prior approval of the Chairman, or in his absence, the approval of two directors is required prior to any trading being undertaken.
- 6.2.4. Senior management are prohibited from entering into transactions which limit the risk of participating in unvested entitlements under any equity-based remuneration scheme.

## **6.3. Policy Concerning Diversity**

The Company encourages diversity in employment throughout the Company and in the composition of the Board, as a mechanism to ensure that the Company is able to draw on a variety of skill, talent and previous experiences in order to maximise the Company's performance.

The Company's "Diversity Policy" has been implemented to ensure the Company has the benefit of a diverse range of employees with different skills, experience, age, gender, race and cultural backgrounds. The Company reports its results on an annual basis in the Annual Financial Statements in achieving measurable targets which are set by the Board as part of implementation of the Diversity Policy.

The Company notes that out of two (2) Executive Directors, one (1) is female. In relation to senior executive positions, out of seven (7), two (2) are female. Out of the total of 62 employees, 19 are female.

Astron is not a "relevant employer" under the Workplace Gender Equality Act. The table below outlines the diversity objectives established by the Board, the steps taken during the year to achieve these objectives, and the outcomes.



## Objectives

Increase the number of women in the workforce, including management and at board level.

Review gender pay gaps on an annual basis and implement actions to address any variances.

Provide flexible workplace arrangements.

Provide career development opportunities for every employee, irrespective of any cultural, gender and other differences.

Promote an inclusive culture that treats the workforce with fairness and respect.

Be compliant with all mandatory diversity reporting requirements.

## Steps Taken/Outcome

Out of two (2) Executive Directors, one (1) is female. In relation to senior executive positions, out of seven (7), two (2) are female. Out of the total of 146 employees, 24 are female.

As a part of the annual remuneration review, the Board assesses the performance and salaries of all key management personnel and executive directors. Any gender pay disparities are addressed.

During the year Astron employed 3 employees on flexible work arrangements (2018: 3).

While Astron places special focus on gender diversity, career development opportunities are equal for all employees. Employees are encouraged to attend professional development courses/workshops throughout the year.

Astron has set a zero-tolerance policy against discrimination of employees at all levels. The Company provides avenues to employees to voice their concerns or report any discrimination. No cases of discrimination were reported during the year (2018: Nil).

Astron is not a "relevant employer" under the Australian Workplace Gender Equality Act 2012.



## **Mineral resource statement for Astron and its Subsidiaries**

### **Geology and Geological Interpretation**

The Donald and Jackson Deposits belong to the so-called “WIM-style” fine-grained mineral sands deposits discovered in the Wimmera area of the Murray Basin in the 1980s. They consist of large and broad lobate sheet-like heavy mineral accumulations deposited within the Late Miocene to Late Pliocene Loxton-Parilla Sands. These deposits are believed to represent accumulations that developed below the active wave base in a near shore environment, possibly representing the submarine equivalent of the strand style deposits. The WIM-style deposits are considerably larger in tonnage than strand-line deposits that are formed along the seaward face of shorelines.

### **Mineral Resource Estimate**

Following the 2015 in-fill drilling at the Donald and Jackson Deposits, Astron commissioned an independent consultant, AMC Consultants Pty Ltd, to update the Mineral Resource estimates in accordance with the requirements of the JORC 2012 Code. This update was finalised in April 2016.

The current Mineral Resource estimate totals 5.71 billion tonnes of sand at an average grade of 3.2% HM (at 1% HM cut-off) - with Measured, Indicated and Inferred categories classified as presented in Table 1 for the Donald and Jackson Deposits. In addition to assaying the total HM content, major valuable heavy minerals (VHM) were assayed in more than 50% of all drill holes and the heavy mineral assemblage is presented in Table 2.

### **Summary of Annual Review**

The update of Astron’s Mineral Resource estimate for the Donald and Jackson Deposits was completed and announced to the ASX on 7 April 2016 – i.e. during the financial year ended on 30 June 2016.

### **Balance Date**

Astron’s Mineral Resource Estimate is provided as at 30 June 2019.

### **Governance Arrangements**

Astron has controls in respect of reporting Mineral Resource Estimates, which include both internal approval process and where relevant obtaining external competent persons approval.



## Mineral Resource Estimate

Table 1 Heavy Mineral (HM) Sand – Mineral Resource Estimate

AREA	CLASSIFICATION	TONNES	HM	SLIMES	OVERSIZE
		(Mt)	(%)	(%)	(%)
RLA 2006	MEASURED	0	0.0	0.0	0.0
	INDICATED	58	1.6	14.1	6.2
	INFERRED	24	1.8	14.4	4.7
	SUBTOTAL	82	1.6	14.2	5.8
RL 2003	MEASURED	0	0.0	0.0	0.0
	INDICATED	1845	2.8	19.2	5.8
	INFERRED	560	2.9	16.8	3.2
	SUBTOTAL	2405	2.9	18.6	5.2
TOTAL JACKSON DEPOSIT (RL 2003 & RLA 2006)	MEASURED	0	0.0	0.0	0.0
	INDICATED	1903	2.8	19.0	5.8
	INFERRED	584	2.9	16.7	3.3
	SUBTOTAL	2487	2.8	18.5	5.2
RL 2002	MEASURED	343	3.9	19.8	8.1
	INDICATED	833	3.3	16.2	13.5
	INFERRED	1595	3.4	15.7	6.0
	SUBTOTAL	2771	3.4	16.4	8.5
MIN 5532	MEASURED	372	4.5	14.4	12.8
	INDICATED	75	4.0	13.8	13.1
	INFERRED	7	3.5	13.5	10.6
	SUBTOTAL	454	4.4	14.2	12.8
TOTAL DONALD DEPOSIT (RL 2002 & RLA 5532)	MEASURED	715	4.2	17.0	10.6
	INDICATED	907	3.4	16.0	13.4
	INFERRED	1603	3.4	15.7	6.0
	SUBTOTAL	3225	3.6	16.1	9.1
TOTAL DONALD PROJECT	MEASURED	715	4.3	18.1	11.1
	INDICATED	2811	3.0	17.9	8.2
	INFERRED	2187	3.3	16.4	5.5
	SUBTOTAL	5712	3.2	16.9	7.3

**Note**

1. The total tonnes may not equal the sum of the individual resources due to rounding.
2. The cut-off grade is 1% HM.
3. The figures are rounded to the nearest: 10M for tonnes, one decimal for HM, Slimes and Oversize.
4. For further details including JORC Code, 2012 Edition – Table 1 and cross sectional data, see previous announcements dated 7 April 2016, available at ASX's website at <http://www.asx.com.au/>.

**COMPETENT PERSONS STATEMENT**

The information in this report that relates to Exploration Results and Mineral Resources for the Donald Project is based on information compiled by Mr Rod Webster, a Competent Person who is a Member of the Australasian Institute of Mining and Metallurgy and Australian Institute of Geoscientists.

Mr Webster is a full-time employee of AMC Consultants Pty Ltd and is independent of DMS, the owner of the Donald Project Mineral Resources. Mr Webster has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Webster consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.





**Table 2 HM Assemblage and Mineral Resource Estimate for available VHM data**

AREA	CLASSIFICATION	TONNES	HM	SLIMES	OVERSIZE	ZIRCON	RUTILE+ ANATASE	LLMENITE	LEUCOXENE	MONAZITE
		(Mt)	(%)	(%)	(%)	(% HM)	(% HM)	(% HM)	(% HM)	(% HM)
RLA 2006	MEASURED	0	0.0	0.0	0.0	0	0	0	0	0
	INDICATED	18	2.1	14.2	5.7	17	8	29	31	2
	INFERRED	8	2.5	14.1	4.5	16	8	30	32	2
	SUBTOTAL	26	2.2	14.2	5.3	17	8	29	31	2
RL 2003	MEASURED	650	5.0	18.2	5.4	18	9	32	17	2
	INDICATED	146	4.1	15.2	3.1	22	10	32	14	2
	INFERRED									
	SUBTOTAL	797	4.8	17.7	5.0	19	9	32	17	2
TOTAL JACKSON DEPOSIT (RL 2003 & RLA 2006)	MEASURED	668	4.9	18.1	5.4	18	9	32	17	2
	INDICATED	155	4.0	15.1	3.1	21	9	32	15	2
	INFERRED									
	TOTAL	823	4.8	17.6	5.0	19	9	32	17	2
RL 2002	MEASURED	185	5.5	19.1	7.3	21	9	31	19	2
	INDICATED	454	4.2	15.9	13.2	17	7	33	19	2
	INFERRED	647	4.9	15.2	5.8	18	9	33	17	2
	SUBTOTAL	1286	4.8	16.0	8.6	18	8	33	18	2
MIN 5532	MEASURED	264	5.4	14.2	12.2	19	7	31	22	2
	INDICATED	49	4.9	13.6	12.1	20	7	33	22	2
	INFERRED	5	4.2	13.5	10-5	22	7	36	20	3
	SUBTOTAL	317	5.3	14.1	12.1	19	7	32	22	2
TOTAL DONALD DEPOSIT (RL 2002 & RLA 5532)	MEASURED	448	5.4	16.2	10.2	20	8	31	21	2
	INDICATED	503	4.3	15.7	13.1	18	7	33	20	2
	INFERRED	652	4.9	15.2	5.8	18	8	33	17	2
	TOTAL	1604	4.9	15.6	9.3	18	8	32	19	2
TOTAL DONALD PROJECT	MEASURED	448	5.4	16.2	10.2	20	8	31	21	2
	INDICATED	1171	4.6	17.1	8.7	18	8	32	18	2
	INFERRED	807	4.7	15.2	5.3	19	9	33	17	2
	TOTAL	2427	4.8	16.3	7.9	19	8	32	18	2



## Note

1. The total tonnes may not equal the sum of the individual resources due to rounding.
2. The cut-off grade is 1% HM.
3. The figures are rounded to the nearest: 10M for tonnes, one decimal for HM, Slimes and Oversize and whole numbers for zircon, ilmenite, rutile + anatase, leucoxene and monazite.
4. Zircon, ilmenite, rutile + anatase, leucoxene and monazite percentages are report as a percentage of the HM.
5. Rutile + anatase, leucoxene and monazite resource has been estimated using fewer samples than the other valuable heavy minerals. The accuracy and confidence in their estimate is therefore lower.
6. For further details including JORC Code, 2012 Edition – Table 1 and cross sectional data, see previous announcements dated 7 April 2016, available at ASX's website at <http://www.asx.com.au/>.

