



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 31 December 2016**

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

DMS owns EL5255, EL5472, MIN5532, RL2002 (formerly EL4433), RL2003 (formerly EL4432) and RL2006 (formerly EL5353 and RLA2006), SG owns 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:

Feasibility study

DMS has completed the technical aspects of the optimisation of the feasibility study as previously announced and work continues on the capital aspects of the optimisation. Initial indications are that improvements from the updated technical aspects and the use of Chinese equipment will be positive. An updated feasibility study is anticipated to be completed shortly.

Exploration

As announced on 7 April 2016, a Mineral Resource update for the Donald Mineral Sands Project based on the recent drilling program.

Work Plan and approvals

The work plan is progressing towards submission, anticipated to be in the first quarter of 2017. As announced on 2 December 2016, DMS has obtained a permit to export Controlled Ores.

Funding

As announced on 13 October 2015, DMS entered into an EPC (engineering, procurement and construction) contract with the China Machinery Engineering Corporation. As announced on 4 October 2016, the parties have agreed to extend the date for satisfaction of conditions precedent under the EPC contract to 1 May 2017. The parties continue to work towards satisfaction of conditions precedent and improving the projects.

EXPENDITURE SUMMARY

Total expenses incurred were:

| | | |
|------------------------|--------------|-------------|
| Production Activities | Dec Qtr 2016 | YTD 2017 FY |
| | Nil | Nil |
| Development Activities | Dec Qtr 2016 | YTD 2017 FY |
| | \$525,619 | \$1,433,226 |

Niafarang Project

PRODUCTION

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

DEVELOPMENT

Mining licence application

Work continued towards obtaining the mining licence. Progress has been made with respect to the achievement of public acceptance and environmental approvals obtained which should mean the mining licence will be issued by the first part of the calendar year.

EXPENDITURE SUMMARY

Total expenses incurred were:

| | | |
|------------------------|--------------|-------------|
| Production Activities | Dec Qtr 2016 | YTD 2017 FY |
| | Nil | Nil |
| Development Activities | Dec Qtr 2016 | YTD 2017 FY |
| | \$67,676 | \$157,841 |

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