



**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 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 which was granted in March 2016 (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.

***Water***

As previously announced, to support the local environment, as DMS had a quantity of carryover water surplus to requirements DMS traded 5 gigalitres (5,000 megalitres) of water to the Victorian Environmental Water Holder to help protect habitat, water quality and animals in Wimmera and Glenelg waterways and the western rivers.

***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***

The work plan is progressing towards submission, anticipated to be in the 4<sup>th</sup> quarter of 2016.

### **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	Sept Qtr 2016	YTD 2017 FY
	Nil	Nil
Development Activities	Sept Qtr 2016	YTD 2017 FY
	\$907,607	\$907,607

### **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 which our Senegalese consultants indicate should mean the mining licence should be issued by the end of the calendar year.

### **EXPENDITURE SUMMARY**

#### **Total expenses incurred were:**

Production Activities	Sept Qtr 2016	YTD 2017 FY
	Nil	Nil
Development Activities	Sept Qtr 2016	YTD 2017 FY
	\$90,165	\$90,165

#### **For further information, please contact:**

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#### **Minyip**

**31 October 2016**

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