

Notes to the Financial Statements
For The Year Ended 30 June 2016

ii. The prima facie tax on profit before income tax is reconciled to the income tax as follows:

	Consolidated	
	2016	2015
	\$	\$
Prima facie tax payable on profit 30% (2015: 30%)		
- continuing operations	(1,501,254)	1,472,102
	(1,501,254)	1,472,102
Add/(Less) Tax effect of:		
- non-deductible Gambia	284,036	79,338
- other non-deductible items	(634,237)	(94,013)
- deferred tax asset not recognised on overseas entities	728,341	824,104
- disposal of leasehold land – China	-	(3,324,337)
- over/(under) provision for income tax in prior year	564,061	(1,998,945)
- impact of overseas tax differential	(36,930)	(40,362)
Income tax attributable to entity	(595,983)	(3,082,113)

The applicable weighted average effective tax rates are as follows:

(13.5)% (63)%

The decrease in the weighted average effective consolidated tax rate for 2016 is mainly the result of exploration and feasibility expenditure claimed and offset by research and development rebates.

iii. Income tax rates

Australia

In accordance with the Australian Income Tax Act, Astron Limited and its 100% owned Australian subsidiaries have formed a tax consolidated group, tax funding or sharing agreements have been entered into. Australia has a double tax agreement with China and there are currently no impediments to repatriating profits from China to Australia. Dividends paid to Astron Limited from Chinese subsidiaries are non-assessable under current Australian Income Tax Legislation.

China (including Hong Kong)

Astron Corporation Limited is subject to Hong Kong tax law.

The Group's subsidiaries in China and are subject to Chinese income tax laws.

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

iv. Items not chargeable or not deductible for tax purposes

Items not chargeable or deductible for tax purposes for the Group principally represent costs associated with the Gambian litigation and other costs incurred but not related to Australian operations.

v. Tax on other comprehensive items

No deferred tax liabilities have been recognised in relation to available for sale financial assets reserve due to the existence of significant capital losses. Accordingly, no movement in income tax is recorded in current or prior financial years. No tax is applicable to other comprehensive item: foreign currency translation differences and share based payments reserve.