# ASTRO MINING N.L.

ABN 96 007 090 904

# PROSPECTUS

**for a renounceable rights issue of approximately 75,926,010 New Shares at an issue price of 10 cents per New Share together with one New Option (at no issue price) with every New Share allotted to raise approximately $7,592,601.**

## IMPORTANT NOTICE

The New Shares and attached New Options offered by this Prospectus are of a highly speculative nature.

This Prospectus is important and requires your immediate attention. Applicants should read this Prospectus in its entirety before deciding whether to apply for the New Shares and attached New Options offered by this Prospectus. If you have any questions or are in doubt as to the course you should follow, you should consult your stockbroker or other professional investment adviser before accepting the Offer.

## PERSONS TO WHOM OFFER IS AVAILABLE

This Prospectus may be accessed in electronic form (including on the internet). In that case, the Offer is only available to persons receiving an electronic version of this Prospectus within Australia and New Zealand. Further, this Prospectus does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. The distribution of this Prospectus in jurisdictions outside Australia and New Zealand may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. There is no facility for on-line applications.

Signed pursuant to Section 351 of the
Corporations Act for and behalf of
Astro Mining N.L. by

............................................................

Peter James Lee
Secretary

# ASTRO MINING N.L.

# PROSPECTUS

**IMPORTANT DATES FOR RENOUNCEABLE RIGHTS ISSUE OF NEW SHARES AND NEW OPTIONS**
(Please note these dates are indicative only and are subject to change)

| | |
|---|---|
| Rights trading commences (Ordinary Shares trade Ex-Rights) | 14 January 2004 |
| Record date for determining entitlement to New Shares and New Options | 27 January 2004 |
| Last day for despatch of Prospectus and entitlement and acceptance forms | 30 January 2004 |
| Rights trading ends | 13 February 2004 |
| Acceptances and renunciations close (5pm Melbourne time) | 20 February 2004 |
| Advice to ASX of acceptances and any undersubscription | 27 February 2004 |
| Holdings updated on register. Deferred settlement trading ends | 15 March 2004 |
| New Shares and New Options trade on ASX on normal T + 3 settlement | 19 March 2004 |
| Last date for placement of shortfall | 20 May 2004 |

**CORPORATE DIRECTORY**

**Directors**
Mr Joseph Gutnick
Dr David Tyrwhitt
Mr Mordechai Gutnick

**Secretary**
Mr Peter Lee

**Registered Office**
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Level 11, CGU Tower
485 LaTrobe Street
Melbourne Victoria 3000
Australia

**Lawyers to the Offer**
Schetzer Brott & Appel
52 Market Street
Melbourne Victoria 3000
Australia

**Share Registry**
ASX Perpetual Registrars Limited
Level 4, 333 Collins Street
Melbourne Victoria 3000
Australia
Local Call: 1300 55 44 74
International Call: (+613) 9615 9999
Facsimile: (03) 9615 9900

# PROSPECTUS

**For a renounceable Rights Issue of approximately 75,926,010 New Shares on the basis of one New Share for every one Ordinary Share held at an issue price of 10 cents per New Share together with one New Option (at no issue price) with every New Share allotted to raise approximately $7,592,601.**

## ASTRO MINING N.L.

This Prospectus is dated 9 January 2004 and was lodged with ASIC on that date.

ASIC takes no responsibility for the contents of this Prospectus.

This Prospectus expires on 9 February 2005, being 13 months from the date of the Prospectus.

THE NEW SHARES AND NEW OPTIONS ISSUED PURSUANT TO THIS PROSPECTUS AND ANY ORDINARY SHARES ISSUED AS A CONSEQUENCE OF THE EXERCISE OF NEW OPTIONS ISSUED PURSUANT TO THIS PROSPECTUS SHOULD BE CONSIDERED HIGHLY SPECULATIVE AND ANY INVESTMENT SHOULD BE CONSIDERED ONLY AFTER READING THE RISK FACTORS AND THIS PROSPECTUS IN ITS ENTIRETY.

## HOW TO USE THIS PROSPECTUS

This document contains information about the issue by the Company of New Shares and New Options to Shareholders. If you decide to apply for New Shares and New Options this Prospectus tells you how to do so.

If, after reading this Prospectus, you have any questions, you should contact your stockbroker or other professional investment adviser before accepting the Offer.

## NO OFFER IN THE UNITED STATES AND OTHER COUNTRIES

The New Shares and New Options offered by this Prospectus are not offered and may not be issued in any place in which, or to any person to whom, it would not be lawful to make such an offer or issue. The New Shares and New Options have not been, and will not be, registered under the laws of any other country, including the United States of America *Securities Act* of 1933 and will not be offered or issued to persons in any country other than Australia and New Zealand. Accordingly, neither this Prospectus nor the Entitlement and Acceptance Form will be sent into or distributed in any country other than Australia and New Zealand. Any offer or issue of the New Shares and New Options within the United States of America or any country other than Australia and New Zealand by any dealer (whether or not participating in the offering) may violate laws of the relevant country.

## DEFINITIONS

In this Prospectus the first letter of any word or each word in any phrase may consistently appear in a capitalised form; that may indicate that such word or phrase may be defined in the Part 5 entitled "Definitions and Glossary". Users of this Prospectus should cross refer to Part 5 in order to establish whether or not a word or phrase is defined.

## EXPOSURE PERIOD

The Prospectus may also be viewed online at www.aro.com.au during the Exposure Period. A read-only version of this Prospectus is available at this site and there is no facility for online applications.

A paper copy of this Prospectus will be made available upon request during the Exposure Period. Paper copies of this Prospectus made available during this period will not contain an Application Form.

In accordance with Chapter 6D of the Corporations Act, this Prospectus is subject to an exposure period of 7 days from the date of lodgement with ASIC. The period may be extended by ASIC by a further period of up to 7 days.

# PROSPECTUS

The purpose of the Exposure Period is to enable this Prospectus to be examined by market participants prior to the raising of funds. The examination may result in the identification of deficiencies in this Prospectus. If deficiencies are detected, any application that has been received may need to be dealt with in accordance with section 724 of the Corporations Act. Any applications that may be received prior to the expiration of the Exposure Period will not be processed until after the Exposure Period.

# CONTENTS

This Prospectus is divided into five Parts:



All financial information in this Prospectus is expressed in Australian dollars ($) except where otherwise stated.

# CHAIRMAN & MANAGING DIRECTOR'S LETTER

9 January 2004

Dear Shareholder

The Company's objective is to discover and mine major economic gold and diamond deposits in Australia. The Company, together with other exploration companies, has identified the North Australian Craton ("NAC") as being a highly prospective area for new economic gold and diamond deposit discoveries. A number of major gold mining companies have taken key positions in the NAC over the past few years and there are several major gold mines in the region. In addition, all of Australia's known significant occurrences of commercial-sized diamonds, including the Argyle and Merlin diamond mines, are located on the North Australian Craton. The Company has built up a considerable land position in this area.

The Company has compiled an extensive database of previous exploration reports, sampling data, geophysical data and remote sensing information to support target selection and to develop exploration programs. The Company's review of past exploration work has indicated that there is the opportunity to conduct further exploration in the North Australian Craton where past exploration is not considered to have effectively tested the gold and diamond potential.

The Company recently announced a New Shares and New Options issue to Shareholders on the basis of one New Share for every one Ordinary Share held on 27 January 2004 together with one New Option (at no issue price) with every New Share allotted ("the Offer"). The Prospectus provides information on the Company's current and proposed exploration activities and sets out details of the Offer and the proposed use of the funds to be raised by the Offer. The funds to be raised from the issue of New Shares and New Options will be used to:

- enable the Company to continue to conduct its exploration program;
- acquire new opportunities that may arise;
- partially repay existing borrowings; and
- provide working capital to the Company.

Specifically, Astro will use the exploration funds raised through this Prospectus to focus on the following areas:

- exploration on the gold potential of selected North Australian Craton properties;
- exploration on the Merlin area projects, including initial assessment of the Glyde River alluvial diamond project; and
- exploration of other project areas on the North Australian Craton where reconnaissance exploration programs have been designed to test specific targets.

This issue of New Shares and New Options is a renounceable rights issue. As an eligible shareholder on 27 January 2004, you are entitled to rights to the New Shares and you may sell these rights if you do not wish to take up the New Shares. The rights can be sold either on ASX or off-market between 14 January 2004 and 13 February 2004. Please consult your stockbroker or other professional adviser if you have any queries about this.

# CHAIRMAN & MANAGING DIRECTOR'S LETTER

If you wish to take up the New Shares, you will need to follow the instructions on the Entitlement and Acceptance Form accompanying this Prospectus and pay 10 cents for each New Share.

You will be able to exercise your New Options by paying 5 cents for each New Option at any time until 30 November 2012. The effect of exercising your New Options is that you will be issued with one fully paid Ordinary Share in the Company for each New Option you hold. These new Ordinary Shares will rank equally with other Ordinary Shares on issue.

By participating in this Offer, you are being presented with the opportunity of leveraging off the expertise of the Company's team and therefore positioning yourself to be part of the exciting quest for a major diamond discovery in Australia.

Yours faithfully

J I GUTNICK
Chairman & Managing Director

# PART 1 SUMMARY INFORMATION

The information contained in Part 1 is not intended to be comprehensive. Accordingly you should read Part 1 in conjunction with the entire Prospectus.

### 1.1 THE OFFER

The Company is making a renounceable rights issue of New Shares and New Options ("the Rights Issue") to eligible Shareholders on the basis of one New Share for every one Ordinary Share held on 20 January 2004 at an issue price of 10 cents per New Share together with one New Option (at no issue price) with every New Share allotted. The New Options will have an exercise price of 5 cents per New Option. For a description of the rights attaching to these New Shares and New Options see Parts 3.2 and 4.5.

### 1.2 OFFER PERIOD

The Prospectus will be dispatched by no later than 30 January 2004 and the Rights Issue will close on 20 February 2004 unless closed earlier or extended at the discretion of the Directors.

### 1.3 HOW TO APPLY FOR THE NEW SHARES AND NEW OPTIONS

An Entitlement and Acceptance Form for the New Shares and New Options accompanies this Prospectus.

If you decide to apply you must:

1) Complete the original Entitlement and Acceptance Form that accompanies this Prospectus. Detailed instructions for completing the form appear on the reverse side of the form. Photocopies will not be accepted. Write in LARGE CAPITAL LETTERS; and
2) Pay by cheque made payable to "Astro Mining N.L. and crossed "Not Negotiable"; and
3) Mail the completed Entitlement and Acceptance Form and cheque to ASX Perpetual Registrars Limited. The form and cheque must arrive by 5.00pm (Eastern Standard Summer Time) on 20 February 2004.

### 1.4 HOW TO APPLY FOR ADDITIONAL NEW SHARES AND NEW OPTIONS

If you wish to apply for more New Shares and New Options than your entitlement, complete Part B of the Entitlement and Application Form that accompanies this Prospectus and including a cheque for the additional number of New Shares and New Options.

If not all Shareholders take up their entitlement, the Directors may at their sole discretion, allot additional New Shares and New Options to you.

The Directors reserve the right to place these additional New Shares and New Options ("Shortfall Securities") not taken up by other Shareholders within three months of the closing date of the Rights Issue on the same terms and conditions as those New Shares and New Options issued to Shareholders under the Rights Issue and as allowed by Exception 3 in ASX Listing Rule 7.2. Related parties (as defined in the ASX Listing Rules) cannot participate in a placement of Shortfall Securities.

## 1.5 RIGHTS TRADING

The Company's Ordinary Shares are quoted on ASX.

The rights to New Shares will be tradeable by Shareholders both on ASX and off-market between 14 January 2004 and 13 February 2004. The dates may be varied in accordance with the ASX Listing Rules.

## 1.6 NUMBER OF NEW SHARES AND NEW OPTIONS OFFERED

Approximately 75,926,010 New Shares each with attaching New Options will be offered. As a result, the Rights Issue will raise approximately $7,592,601 (less the costs of the Rights Issue) if Shareholders take up all the New Shares.

In accordance with the terms of existing options on issue, the Company has given optionholders notice allowing them to exercise their options in order to participate in the Rights Issue. Accordingly, the number of New Shares and New Options to be issued under the Rights Issue is an estimate and may change if existing optionholders exercise existing options.

## 1.7 DIRECTORS MAY PLACE ANY NEW SHARES AND NEW OPTIONS NOT TAKEN UP BY SHAREHOLDERS

The Directors reserve the right to place, at their discretion, any New Shares and New Options not taken up by Shareholders ("Shortfall Securities") within three months of the closing date of the Rights Issue on the same terms and conditions as those New Shares and New Options issued to Shareholders under the Rights Issue and as allowed by Exception 3 in ASX Listing Rule 7.2.

The Rights Issue is not underwritten.

The placement of Shortfall Securities will take place using the Placement Application Form which accompanies this Prospectus. Persons wishing to participate in the allocation of Shortfall Securities (who have not received an Entitlement and Application Form that accompanies this Prospectus) should complete the Placement Application Form that is attached to this Prospectus in accordance with the instructions contained on it. The Directors retain the right to exercise their discretion in placing the Shortfall Securities including the basis of allocation of Shortfall Securities to any one or more applicants. Related parties (as defined in the ASX Listing Rules) cannot participate in a placement of Shortfall Securities.

## 1.8 RIGHTS AND LIABILITIES ATTACHING TO NEW SHARES AND NEW OPTIONS

The New Shares issued pursuant to the Prospectus and the Ordinary Shares issued pursuant to the exercise of the New Options will rank pari passu in respect of future dividends (if any) payable and in all other respects with existing Ordinary Shares. A summary of the rights and liabilities attaching to the New Shares and Ordinary Shares issued as a result of the exercise of the New Options are set out in Part 4.5. The rights and liabilities of the New Options are set out in Part 3.2.

## 1.9 RIGHTS OF EMPLOYEE OPTIONHOLDERS

Employee Optionholders are not entitled to participate in the Rights Issue. However the terms of the Employee Options provide that if the Company makes a pro-rata issue of securities other than a bonus issue then the exercise price of Employee Options shall be reduced according to the formula in ASX Listing Rules.

## 1.10 PURPOSE OF THE RIGHTS ISSUE

The funds raised by the Rights Issue will be used in accordance with the annual budgets outlined below to:

- enable the Company to continue to conduct its exploration program;
- acquire new opportunities;
- partially repay existing borrowings ; and
- provide working capital to the Company.

The budget for operations for the period to 31 December 2005 is as follows:

| | $ |
|---|---|
| Exploration, new project generation and working capital | 3,071,721 |
| Estimated costs of Prospectus including legal, printing and mailing | 50,000 |
| Administration | 750,000 |
| Total | 3,871,721 |

Although it is the Directors' current intention to use the funds as set out above, they reserve the right to reassess the proposed use of funds, Those funds may also be used to pursue other exploration opportunities that may arise from time to time.

If the maximum number of New Shares and New Options offered are issued, the funds raised will be expected to be sufficient to cover the Company's budgetary requirements for the period to 31 December 2005 after the completion of the Rights Issue. The Company will require further funds after the remainder of the funds raised are used to continue with its exploration and potential development activities and the Company plans to finance these ongoing activities from either debt or equity.

If the maximum number of securities offered are not taken up, the funds raised will be applied to the budget items stated above as determined by the Directors and on terms that may be negotiated and agreed with relevant third parties.

If all the New Options are issued and later exercised, the additional amount raised, will be $3,796,300.

Whether the New Options are exercised will depend upon a number of factors including the market price of the Company's Ordinary Shares from time to time.

Any additional amounts that may be raised as a result of the exercise of the New Options will be used by the Company for such other purposes as determined by the Directors. A firm decision on amounts to be used for these purposes will be dependent on both the actual amounts raised, over which the Company has no control, and the status of the Company's projects at the relevant time and other requirements of the Company at the time of exercise.

**Reconciliation of Potential Funds to be raised to Budget for Operations**

| | $ |
|---|---|
| Funds to be raised if Rights Issue is fully subscribed | 7,592,601 |
| Less repayments of loan funds outstanding to Chevas/Edensor* | 3,720,880 |
| Potential funds available for budget | 3,871,721 |

* This is an amount equal to the sum required to be paid by Edensor and CHOC to the Company in the event that Edensor and CHOC fully take up their entitlement to subscribe for New Shares under the Offer which may be applied in repayment of loans from Chevas/Edensor.

## 1.11 PROFIT OUTLOOK

There can be no assurance that a commercially viable project will result from the Company's exploration activities. As a result the Company is not able to advise on its profit outlook.

## 1.12 RISK FACTORS RELATING TO THE RIGHTS ISSUE

Applicants should appreciate that mineral exploration is a high risk enterprise, which only occasionally provides rewards and where new economic discoveries are rare. There is no assurance that exploration of the Company's projects will result in the discovery of an economic ore deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be profitably exploited.

Risk factors include:

- highly speculative nature of mineral exploration and development;
- mining risks;
- dependence on AXIS Consultants Pty Ltd for management services;
- native title;
- ALRA Land;
- consequences of inability to raise funds;
- operating losses from operations;
- no profitable mining operations;
- access to third party Tenements;
- share market risk;
- retention/attraction of key personnel;
- insurance risks;

- volatility in the price of minerals;
- possible volatility in the market price of the Company's shares;
- future sale or availability of our shares may exert a downward pressure on the Company's share price;
- future dilution due to future capital requirements; and
- negative publicity may adversely affect the Company's share price.
-

In light of the above, no undertaking can be given that the New Shares and New Options offered under this Prospectus will not decrease in value. Shareholders should read this Prospectus in its entirety and, if unclear about any aspects, consult their professional advisers before deciding whether to subscribe. Neither the Company nor the Directors warrant the future performance of the Company or any return on any investment made pursuant to this Prospectus.

Shareholders should appreciate that any take up of their entitlements to subscribe for New Shares and New Options under this Prospectus is highly speculative and that their investment under the Offer cannot be guaranteed.

For a more detailed explanation of these and other risk factors, see Part 4.4.

### 1.13 APPLICATION MONIES

Application monies received will be held until allotment of New Shares and New Options in a bank account in accordance with the Corporations Act. On such allotment any interest paid on this account will be retained by the Company.

### 1.14 ASX QUOTATION

The Company will make application for quotation of the New Shares and New Options on ASX within seven days after the date of this Prospectus.

In the event that ASX does not grant permission for quotation within three months after the date of this Prospectus, the Company will deal with any application monies received pursuant to the Prospectus in accordance with Section 724(2) of the Corporations Act.

The Company will make application for quotation on ASX of the Ordinary Shares issued pursuant to the exercise of the New Options.

### 1.15 ISSUE OF NEW SHARES AND NEW OPTIONS

The Company may issue the New Shares and New Options progressively at any time after receipt of your Entitlement and Acceptance Form in accordance with the Corporations Act and ASX Listing Rules.

### 1.16 PROPOSED CAPITAL STRUCTURE

Assuming all the New Shares and New Options offered by this Prospectus are issued and no options are exercised or placements of Ordinary Shares are made prior to the Record Date, the capital structure of the Company will be as follows:

| | Number |
|---|---|
| **Issued and Paid Up Capital** | |
| Ordinary Shares on issue | 75,926,010 |

| | |
|---|---|
| New Shares to be issued under this Prospectus (approximately – see Parts 1.6 and 1.7) | 75,926,010 |
| Total Ordinary Shares | 151,852,020 |
| **Options On Issue** | |
| Options on issue expiring December 2009 | 12,165,953 |
| Options on issue expiring April 2012 | 13,565,356 |
| Options on issue expiring November 2012 | 20,162,166 |
| Employee Options on issue | 583,339 |
| New Options over Ordinary Shares to be issued under this Prospectus (approximately – see Parts 1.6 and 1.7) | 75,926,010 |
| Total Options | 122,402,824 |

## 1.17 CONSOLIDATED PRO-FORMA STATEMENT OF FINANCIAL POSITION

The payment of the issue price of 10 cents per New Share will have an effect on the Company's Consolidated Statement of Financial Position. The audited Consolidated Statement of Financial Position as at 30 June 2003, unaudited Consolidated Statement of Financial Position at 30 November 2003 and an unaudited pro-forma Consolidated Statement of Financial Position as at that 30 November 2003, adjusted for the funds raised from the Rights Issue assuming all the New Shares are taken up are set out below.

# PART 1 SUMMARY INFORMATION

| | | 30 June 2003 (Audited) A$'000 | 30 November 2003 (Unaudited) A$'000 | 30 November 2003 Pro-forma (Unaudited) A$'000 |
|---|---|---|---|---|
| CURRENT ASSETS | | | | |
| Cash assets | | 3 | 12 | 7,605 |
| Receivables | | 689 | 19 | 19 |
| Inventories | | 4 | 4 | 4 |
| | | 696 | 35 | 7,628 |
| NON-CURRENT ASSETS | | | | |
| Exploration expenditure | | 369 | 429 | 429 |
| Other financial assets | | 8 | 9 | 9 |
| Receivables | | 11 | 72 | 72 |
| | | 388 | 510 | 510 |
| **TOTAL ASSETS** | | 1,084 | 545 | 8,138 |
| CURRENT LIABILITIES | | | | |
| Accounts payable | | 914 | 589 | 589 |
| | | 914 | 589 | 589 |
| NON CURRENT LIABILITIES | | | | |
| Interest bearing liabilities | **(1)** | 6,107 | 5,898 | 5,898 |
| | | 6,107 | 5,898 | 5,898 |
| **TOTAL LIABILITIES** | | 7,021 | 6,487 | 6,487 |
| **NET ASSETS (NET LIABILITIES)** | | (5,937) | (5,942) | 1,651 |
| EQUITY | | | | |
| Contributed Equity | | 31,542 | 31,826 | 39,419 |
| Reserves | | 365 | 365 | 365 |
| Accumulated losses | | (37,844) | (38,133) | (38,133) |
| **TOTAL EQUITY** | | (5,937) | (5,942) | 1,651 |

**Notes to the Statement of Financial Position as at 30 November 2003**

1 includes amounts owing to Chevas $1,702,000 and Edensor $4,196,000.

# PART 2 INFORMATION ABOUT THE COMPANY'S PROJECTS

## 2.1 STRATEGY

Astro's objective is to discover and mine major economic gold and diamond deposits in Australia. Astro together with other exploration companies, has identified the North Australian Craton in the Northern Territory as being a highly prospective area in Australia for new economic mineral deposit discoveries. The Company's review of its holdings in the Northern Australian Craton ("NAC") resulted in the selection of two key project areas covering 38,000 square kilometres. The Glyde River, Merlin Regional and Cox project have been retained for their significant diamond potential, whilst the projects at Barrow Creek, Mount Peake and Tanami have been selected for their gold potential. The Company controls a large ground position (approximately 18,000 square kilometres) in a belt from Barrow Creek in the south east to the Tanami region in the north west.

This part of Central Australia is considered to be highly prospective (and under explored) for world-class gold deposits. This was highlighted last year in a report by the Northern Territory Geological Survey, which pointed to the presence of indicators for deposits of gold and base metals in the region. The region is also being explored by a number of global resource groups, like Newmont, BHP Billiton, Teck Cominco, Barrick and AngloGold.

The Company's considers its landholdings in the Northern Territory to have excellent potential for the discovery of a major mineral deposit.

The Company has compiled an extensive database of previous exploration reports, sampling data, geophysical data and remote sensing information to support the area selection and develop exploration programs. A review by the Company of past exploration work by other diamond explorers has indicated that there is the opportunity to conduct further exploration in the North Australian Craton where past exploration is not considered by the Company to have effectively tested the diamond potential. Astro plans to conduct further exploration in these areas.

Astro currently proposes to use the exploration funds raised through this Prospectus to focus exploration mainly on the following areas:

- to explore the gold potential of selected North Australian Craton properties;
- exploration on the Merlin area projects, including initial assessment of the Glyde River alluvial diamond project; and
- exploration of other project areas on the North Australian Craton where reconnaissance exploration programs have been designed to test specific targets.

## 2.2 PROJECT REVIEWS

### 2.2.2.1 Gold Potential of North Australian Craton Tenements

The Company is conducting a review of the gold potential of selected projects within the North Australian Craton. The Company controls Tenement applications covering approximately 18,000 square kilometres in a belt from Barrow Creek in the south east to the Tanami region in the north west (see Figure 1.). The Company's Tanami Project Tenements are located north, south and east of Tanami Gold NL's Mt. Davidson Project and approximately 80 kilometres east of Newmont Mining Limited's Granites gold mine. The Mount Peake and Barrow Creek Projects are located to the east of the Company's Tanami Project and are adjacent to Tanami Gold N.L.'s Walkeley, Home of Bullion and Mt. Solitary project areas.

The potential of this part of Central Australia was recently highlighted by the Northern Territory Geological Survey, who have released new studies of the region which have demonstrated the increased potential for discovery of gold and base metal deposits. The region is also being explored by a number of global resource groups, like Newmont, BHP Billiton, Teck Cominco, Barrick and AngloGold.

The Company considers its Tanami, Mount Peake and Barrow Creek projects to have potential for the discovery of gold deposits.

The Tanami Project is located approximately forty-five kilometres east of the Granites Gold Mine on aboriginal freehold land in the Tanami Desert. The Company has applied to the Minister to be granted a consent to enter into negotiations with the respective land trust and is currently compiling a comprehensive application to submit to the Central Land Council. It is envisaged that an agreement will be negotiated with the Central Land Council that will allow for preliminary exploration to commence. The Company is currently compiling a comprehensive application to submit to the Central Land Council.

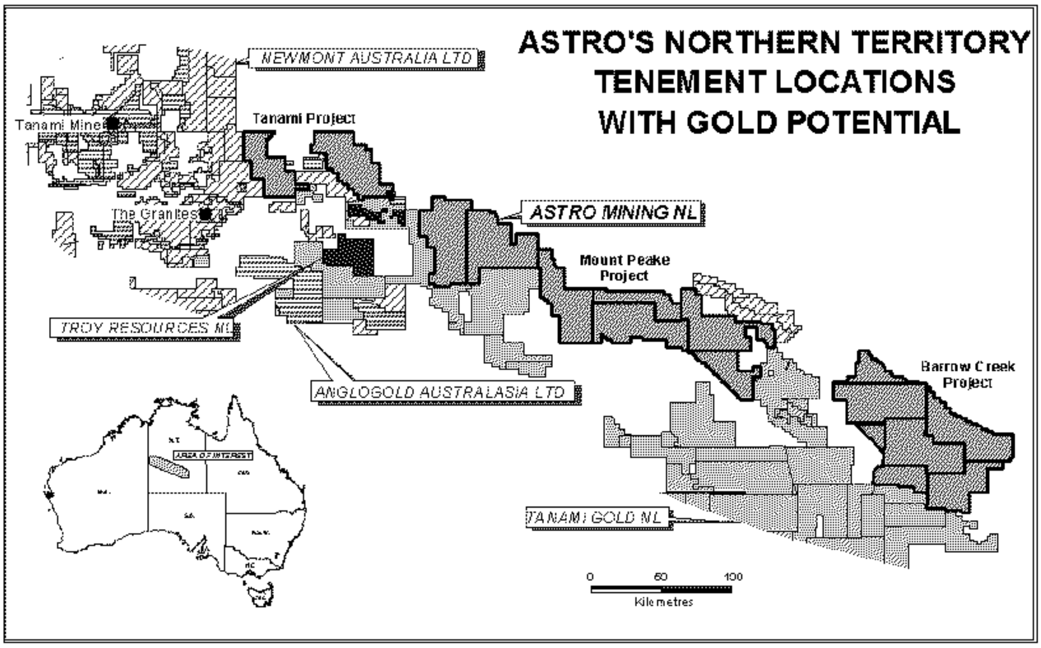
The Mount Peake project is located approximately two hundred and fifty kilometres south east of The Granites Gold Mine and three hundred kilometres north west of Alice Springs. The project tenements are underlain by equivalents to the host sediments at The Granites and Callie. Aeromagnetic data suggest that these units are best developed within the Astro tenements, large areas of which have not been previously explored. The applications within this project are yet to proceed through the native title process.

At Barrow Creek (located approximately two hundred kilometres north east of Alice Springs), two of the four exploration licence applications (situated on pastoral land) have been granted. The remaining applications are yet to enter the native title process. A further three applications are situated on Aboriginal freehold land and the Company has applied to the Minister to be granted a consent to enter into negotiations with the respective land trusts. A comprehensive application is currently being prepared to submit to the Central Land Council.

Following the completion of the review of available exploration and subject suitable land access outcomes, the Company will generate targets for exploration.

Figure 1.

# PART 2 INFORMATION ABOUT THE COMPANY'S PROJECTS




### 2.2.2 Diamond Projects

#### 2.2.2.1 Glyde River Project

Alluvial diamonds are known to occur on Astro's Tenement approximately five kilometres to the south of the Merlin Diamond Mine which is known for the production of large high-quality diamonds. It has been reported that Ashton Mining Limited recovered 16 diamonds, the largest being a 2.44 carat gem diamond, from near the northern boundary of Astro's Tenement, and another bulk sample recovered 71 diamonds weighing a total of 5.2 carats from the southern side of the same Tenement. These diamonds are inferred by the Company to be derived from the Merlin diamond field and another source to the south of the Merlin field.

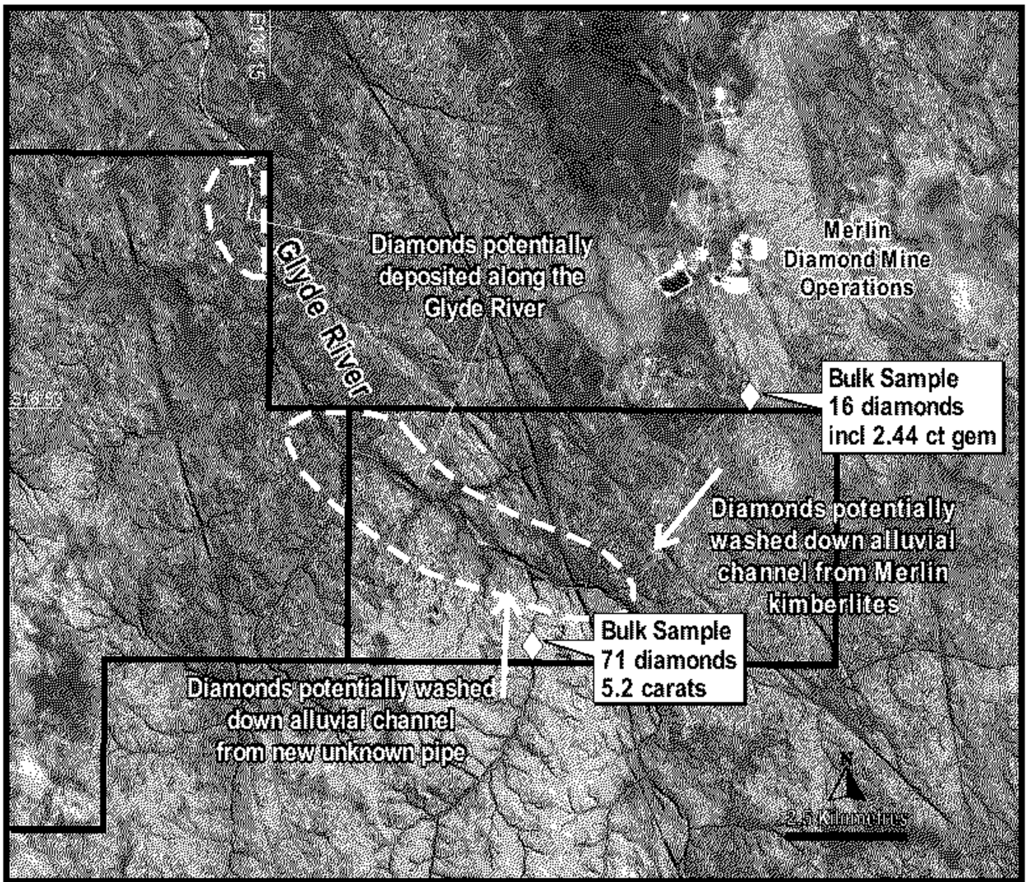
Given the presence of high quality diamonds in the alluvial drainages, there may be potential for economic alluvial diamond deposits on Astro's ground along the Glyde River. The Company has extensive experience with alluvial diamond exploration and believes its Tenements along the Glyde River have potential for alluvial diamond deposits.

Initially, the Company plans to conduct low impact reconnaissance exploration, which will include geological mapping; and reconnaissance surface sampling.

Providing the preliminary work confirms the potential of the area, the Company will carry out bulk sampling of any prospective alluvial gravels by utilising the Company's heavy media separation plant. Trenches and small pits will be excavated to take bulk samples and determine the geology of the gravels.

This work will assess the grade and tonnage potential of the area and enable the Company to determine the potential of the area to host economic alluvial diamond deposits.

# PART 2 INFORMATION ABOUT THE COMPANY'S PROJECTS




Glyde River Project

PROBABLE MOVEMENT OF ALLUVIAL DIAMONDS

### 2.2.2.2 Merlin Regional Project

The Company holds 16 exploration licence applications totalling 3,953 square kilometres around the Merlin mine area and is the dominant Tenement holder in the area after Rio Tinto, the owner of the Merlin Diamond Mine. Examination by the Company of past exploration practices has indicated that much of the early reconnaissance work was probably ineffective in the difficult exploration environment of northern Australia and much of the Merlin project area is still considered by the Company to be prospective for new diamondiferous intrusives.

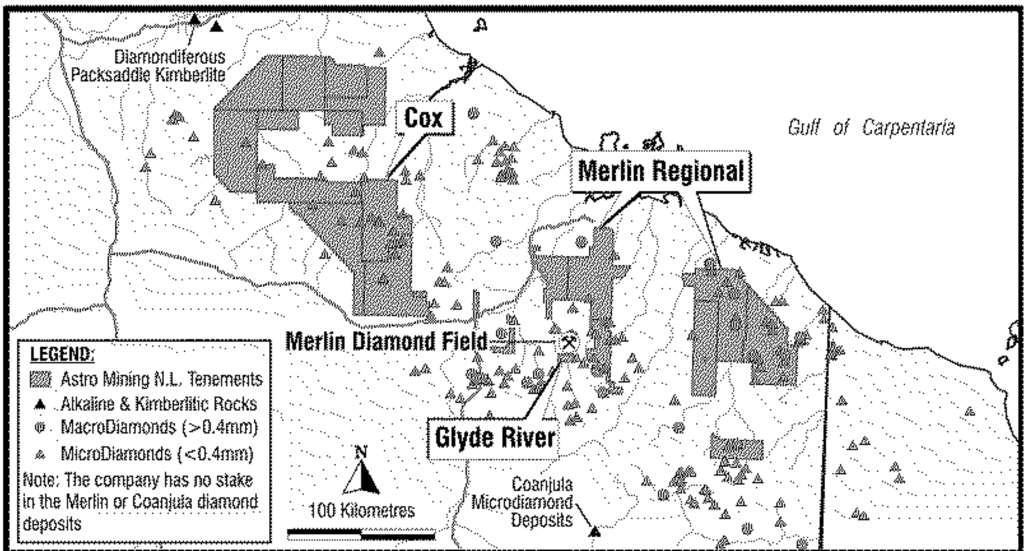
The Merlin mining operation is based around five kimberlite pipe clusters, comprising a total of 14 kimberlite pipes, and is Australia's second hard rock diamond mine to come into commercial production. The Merlin kimberlite pipes intrude Lower Cambrian age Bukalara Sandstone and have an emplacement age of 367 million years. The largest pipe in the Merlin field is the Emu 1 pipe which is 4.5 hectares in area. All of the pipes are steep sided and roughly cylindrical in shape. Craters overlying eight of the pipes are filled with sediments to depths of up to 42 metres below the current land surface. Also, a thin veneer of Cretaceous sediments covers two pipes. Production from the

# PART 2 INFORMATION ABOUT THE COMPANY'S PROJECTS

Merlin mine in 2000/2001 totalled 514,117 tonnes for the recovery of 97,350 carats. The value of the diamonds from the Merlin mine are relatively high averaging approximately US$117 per carat for the nine months to September 2000.

The Merlin region encompasses a number of kimberlitic occurrences including the Abner Range kimberlite. The Abner Range kimberlite is a breccia pipe containing traces of diamonds and is located six kilometres west of Astro's exploration licence application 23118.

The Company plans to examine past exploration that has taken place in the project area with the aim of identifying untested, or poorly tested areas where there is potential for pipe discoveries and/or occurrence of alluvial diamonds. One high priority target has been identified to date and the Company plans to conduct reconnaissance surface sampling and geological mapping over this target. The Company also plans to conduct sampling of key drainages to determine the potential for diamondiferous kimberlite pipes.




**Merlin Region**

**PROJECT LOCATIONS**

### 2.2.3 Cox Project Area

The Cox Project is located about 150 kilometres to the north-west of the Merlin diamond field where there have been numerous discoveries of microdiamonds and macrodiamonds by past explorers. The Cox Project area is located in the central western area of the Proterozoic McArthur Basin. In the west of the Project area, the Mesozoic Dunmarra Basin overlies the McArthur Basin. The majority of the area is underlain by Mesoproterozoic Roper Group sediments and minor volcanics. To the west of the Project area, Lower Cambrian mafic volcanics and sediments overlie the Proterozoic rocks. The mafic volcanics are the Nutwood Downs Volcanics and are equivalent to the Antrim Plateau Volcanics in the western part of the Northern Territory. Locally, Cretaceous sediments overlie the Proterozoic and Palaeozoic rocks.

Exploration will initially be targeted on the Broadmere target area where numerous microdiamonds and three macrodiamonds have been recovered by previous explorers. Preliminary exploration will consist of collecting some 20 drainage samples to test for macrodiamonds in river gravels.

## 2.3 ONGOING REVIEW OF COMPANY'S PROJECTS

The Company continually reviews its commitment to each of its various Tenements and projects. From time to time, as a result of this review process, the Company may withdraw from, or alter the extent of, further involvement in projects. The Company may also alter its program and priorities within any project or between projects from time to time. In 2000, the Company entered into an agreement with Anaconda whereby Anaconda have a right to develop any nickel or cobalt opportunities discovered by the Company on its Tenement holdings. The Company and Anaconda are currently in commercial dispute as to the status of this agreement and various caveats lodged by Anaconda, in purported compliance with this agreement, against Tenements of the Company.

# PART 3 RIGHTS ISSUE DETAILS

## 3.1 GENERAL INFORMATION

### 3.1.1 Overseas Shareholders

The New Shares and New Options offered under the Rights Issue by this Prospectus are not offered and may not be issued in any place in which, or to any person to whom, it would not be lawful to make such an offer or issue.

### 3.1.2 New Zealand Shareholders

New Zealand Shareholders are permitted to take up or sell their entitlements as the making of the Rights Issue to New Zealand Shareholders is permitted by the laws in that country.

### 3.1.3 Other Overseas Shareholders

It is not practicable for the Company to make the offer under the Rights Issue to Shareholders resident in countries other than Australia and New Zealand. For that reason, no Entitlement and Acceptance Forms will be sent to Shareholders with addresses in countries other than Australia and New Zealand.

Arrangements will be made to transfer the entitlement to the rights to New Shares of Shareholders with addresses in countries other than Australian and New Zealand to a nominee appointed by the Company, and approved by ASIC. The nominee will sell the entitlements of Shareholders with registered addresses in those countries to which offers will not be made. Any such sale will be at such prices and otherwise in such manner as the nominee may in its absolute discretion determine. Neither the Company nor the nominee will be liable for a failure to sell such entitlements at any particular price. Proceeds of the sale will be distributed in Australian dollar cheques, drawn on an Australian bank, to the Shareholders for whose benefit the entitlements have been sold in proportion to their entitlement net of expenses.

An explanatory note will be sent to each of those Shareholders who will not receive an offer under the Rights Issue. The explanatory note will provide details of the Offer, advise that the Company will not make the offer to them, and advise how the entitlements, to which they would have been entitled, will be dealt with.

## 3.2 RIGHTS AND LIABILITIES OF NEW OPTIONS

**3.2.1** The New Options are exercisable after 1 July 2003. The Directors reserve the right to allow Optionholders to exercise the New Options at any time after their issue. If the Directors make this decision all Optionholders will be notified in writing. Notwithstanding these arrangements New Options must be exercised by 5:00pm Melbourne time on 30 November 2012 ("the Expiry Date"). New Options not exercised on or before the Expiry Date will automatically lapse.

**3.2.2** To exercise all or some of the New Options a duly completed form of application for Ordinary Shares on exercise of New Options ("Notice of Exercise") must be delivered to ASX Perpetual Registrars Limited and received by it prior to the Expiry Date, and each exercise must be for a minimum parcel of 500 New Options or, in the event that a holder holds less than 500 New Options, then the entire New Option parcel.

**3.2.3** The New Options entitle the holder to subscribe (in respect of each New Option held) for an Ordinary Share at an exercise price per New Option of 5 cents.

**3.2.4** Upon the exercise of the New Options by Notice of Exercise to the Company and receipt of all relevant documents and payment, Ordinary Shares will be issued ranking pari passu with the then issued Ordinary Shares. The Directors will make application for the quotation on ASX of the Ordinary Shares issued pursuant to the exercise of the New Options.

**3.2.5** Unless otherwise determined by the Directors, any Notice of Exercise of a New Option received by ASX Perpetual Registrars Limited will be deemed to be a Notice of Exercise of the New Option on the last business day of the month in which such Notice of Exercise is received.

**3.2.6** New Options do not participate in new issues of capital which may be offered to Shareholders during the currency of the New Options prior to the exercise of the New Option. Prior to any new pro rata issue of Ordinary Shares being offered to Shareholders, Optionholders will be notified of the issue by the Company and will be afforded ten business days before the record date (to determine entitlements to the issue) to exercise their New Options.

**3.2.7** It is a condition of the New Options that, in the event of a reconstruction (including consolidation, subdivision, reduction or return) of the issued capital of the Company, the New Options will be reorganised as required by ASX Listing Rules on a reorganisation of capital.

**3.2.8** The New Options may be transferred at any time prior to their expiry.

**3.2.9** Optionholders will be required to obtain a Notice of Exercise for New Options from the share registry.

**3.2.10** Adjustments to the number of Ordinary Shares over which New Options exist and/or the New Option exercise price may be made if there is a change to the capital structure of the Company by way of pro rata issue for cash or a bonus issue. The method of adjustment shall be in accordance with ASX Listing Rules. However, subject to approval of ASX, if the Company makes a pro rata bonus issue of Ordinary Shares to Shareholders, the total number of New Options will be increased by the same ratio as the increase in the total number of Ordinary Shares and the exercise price of New Options will be amended in inverse proportion to that ratio.

**3.2.11** All Optionholders will be entitled to attend meetings and receive and will be sent all reports and accounts required to be laid before members of the Company in General Meetings and all notices of General Meetings of Members but will not be entitled to participate in the Meetings unless they are otherwise registered holders of Ordinary Shares.

## 3.3 RIGHTS AND LIABILITIES ATTACHING TO NEW SHARES

The rights and liabilities attaching to the New Shares to be issued are summarised in Part 4.5 of this Prospectus.

# PART 4 ADDITIONAL INFORMATION

## 4.1 PROVISION OF FURTHER INFORMATION ABOUT THE COMPANY

As a listed public company, the Company is subject to regular reporting and disclosure obligations under the Listing Rules of ASX and the Corporations Act. ASX maintains files containing publicly disclosed information about all listed companies. The Company's file is available for inspection at ASX in Melbourne, Australia, during normal working hours. In addition, copies of documents lodged with ASIC in relation to the Company may be obtained from, or inspected at, an office of ASIC.

Since lodging the Company's accounts to 30 June 2003, the Company has made the following announcements to ASX:

| Date of Announcement | Announcements |
|---|---|
| 3 October 2002 | Lodgement of Notice of Annual General Meeting, Proxy Form and Explanatory Notice |
| 31 October 2003 | Lodgement of September 2003 Quarterly Report |
| 27 November 2002 | Announcement to ASX of results of Annual General Meeting |
| 8 January 2004 | Rights issue |
| 8 January 2004 | Notice to optionholders re ability to exercise options to participate in rights issue |
| 9 January 2004 | Substantial shareholder notice from Edensor Nominees Pty Ltd |
| 9 January 2004 | Substantial shareholder notice from Chabad House of Caulfield Pty Ltd |

The Company will provide, free of charge upon request prior to the close of the Rights Issue, copies of the Company's financial report for the year ended 30 June 2003 lodged with ASIC and the announcements made to ASX and ASIC referred to above.

None of the information referred to in this Part 4.1 is taken to be included in this Prospectus or is issued with this Prospectus.

## 4.2 DIRECTORS AND MANAGEMENT

### 4.2.1 Directors

**Mr Joseph Gutnick, FAusIMM, FAIM, MAICD,**
***Chairman and Managing Director***
Mr Gutnick has been a Director of the Company since 1987 and is currently Chairman and Managing Director of four listed public companies in Australia. He is also President of Bay Resources Ltd, a company listed on the over the counter market in the USA. He was responsible for overseeing the development and operation of major gold mines in Australia. Mr Gutnick was awarded the Diggers award at the 1997 Diggers and Dealers Industry Awards. Age 51

**Dr David Tyrwhitt, PhD(Geology), BSc(Hons)Geology, FSEG(USA), FAusIMM, CPGeo**
***Non-Executive Director***

Dr Tyrwhitt has been a Director of the Company since 1996 and has more than 40 years experience in the mining industry. He is currently a Director of five listed public companies which are in the mining and exploration sector. He worked for over 20 years with Newmont Mining Corporation in Australia, South East Asia and the United States. During that time he was responsible for the discovery of the Telfer Gold Mine in Western Australia. He was Chief Executive of Newmont Australia Limited between 1984 and 1988 and Chief Executive Officer of Ashton Mining Limited between 1988 and 1991. He established his own consultancy in 1991 and worked with Normandy Mining Limited on a number of mining projects in South East Asia. Age 65

**Mr Mordechai Gutnick**
***Non-Executive Director***
Mr Mordechai Gutnick is a businessman and a long-term investor in the mining industry. He is a Director of several companies in the mining industry and was appointed a Director of the Company in May 2003. Age 26

### 4.2.2 Management

| Name | Age | Position |
|---|---|---|
| Peter Lee<br>BBus, CA, FCIS, MAICD | 46 | General Manager Corporate<br>& Company Secretary |
| David Prentice<br>MBA, Grad Dip BA DipCart | 40 | General Manager Operations |

## 4.3 MATERIAL CONTRACTS

### 4.3.1 Arrangements with AXIS Consultants - Summary of Service Deed dated 25 November 1988

AXIS Consultants provides management and geological services to the Company and provides certain facilities and equipment for the use of the Company in order for the Company to conduct its business. Services include, but are not limited to, the provision of geologists and administrative staff; payroll facilities and employee records required by law and by usual accounting procedures: provision of all types of insurance in accordance with prudent business practice: provision of legal, financial and accounting advice and services: provision of stationery, furniture, furnishings, library facilities, reference books, periodicals, transport, secretarial facilities, telephone answering services, photocopying, and duplicating facilities and office and other accommodation.

The Company must not obtain these services other than from AXIS Consultants and must not itself perform or provide the services contemplated by the Deed unless it first requests AXIS Consultants to provide the services and AXIS Consultants fails to do so within one month after the request.

The Company pays AXIS Consultants, for the services provided, at cost and may add a fee of up to 15% thereof. AXIS Consultants provides an invoice to the Company for services rendered and the Company is required to pay this invoice within 21 days of the date of the invoice.

The Company is required to indemnify AXIS Consultants for all costs, expenses, claims, outgoings, damages and liabilities incurred, resulting or arising directly or indirectly from the provision or termination of services, facilities and equipment to the Company pursuant to the Service Deed and includes any breach by the Company of the Service Deed or any lease agreement or other agreement with AXIS Consultants or any breach by AXIS Consultants of any lease or other agreement, such breach having been caused by, resulting or arising from some act or omission by the Company.

The Company is required to maintain all equipment provided by AXIS Consultants for the use by the Company in carrying out its business in a good state of repair, ensure such equipment is only used by properly qualified or licensed personnel and ensure that all equipment is safe for use and operation.

Either party may terminate the Service Deed by 60 days prior written notice to the other party.

Should the Company wish to terminate the Service Deed, the Company must set out in the notice of termination any of the staff employed by AXIS Consultants whose services have been provided wholly for the conduct of the Company's business that the Company wishes to offer employment to after the termination of the Service Deed and those items of equipment for which the Company desires to retain possession. Should the Company give such notice, AXIS Consultants is required to terminate the employment of such staff and the Company offer employment to those staff. AXIS Consultants is required to arrange for the transfer of any equipment to the Company which the Company desires to retain. Any cost involved in terminating staff or transferring equipment will be to the cost of the Company. At the request of AXIS Consultants, the Company has provided a floating charge over the assets of the Company and Astro Bow River to AXIS Consultants as security for the indebtedness of the Company. This charge ranks behind the charge provided to Chevas (see Part 4.7).

### 4.3.2 Loans to the Company from Chevas and Edensor

For a description of the loans to the Company from Chevas and Edensor, refer to part 4.7.

## 4.4 RISK FACTORS

### 4.4.1 Highly Speculative Nature of Mineral Exploration and Development

Mineral exploration particularly for diamonds is highly speculative in nature and involves risks. There can be no assurance that exploration efforts will be successful. Once diamonds in commercially recoverable grades and quantities are discovered it may take several years until production is possible during which time the economic feasibility of production may still change. In addition, exploration discovery is inherently uncertain, and results can never be predicted with certainty. The risks of failure are higher when a project is at the early stages of the exploration path.

### 4.4.2 Mining Risks

The business of mineral exploration and mining is generally subject to a number of risks and hazards including environmental hazards, industrial accidents, encountering unusual or unexpected geologic formations, cave-ins, flooding and periodic interruptions due to inclement or hazardous weather conditions. Such risks could result in damage to, or destruction of, mineral properties, personal injury, environmental damage and possible legal liability. Although the Company maintains appropriate insurances within ranges of coverage consistent with industry practice, no assurance can be given that such insurance will continue to be available at economically feasible premiums.

### 4.4.3 Role of AXIS Consultants

The Company is substantially dependent upon AXIS Consultants for its senior management, exploration, financial and accounting, company secretarial, human resources, legal and other corporate headquarters functions. For example, the Company's Chairman and Managing Director and General Manager Corporate and Company Secretary and General Manager Commercial are employed by AXIS Consultants and, as such, are required by AXIS Consultants to devote substantial amounts of time to the business and affairs of the other clients of AXIS Consultants. There can be no assurance that these or other employees of AXIS Consultants will be available to the Company to permit the Company to conduct its business and affairs as currently proposed to be conducted.

Pursuant to the Service Agreement, AXIS Consultants provides the Company with office facilities, geological and administrative personnel and services, management staff and services. The Company is required to reimburse AXIS Consultants for any direct costs incurred by AXIS Consultants for the Company. In addition, the Company pays a proportion of AXIS Consultants's indirect costs based on a measure of the Company's utilisation of the facilities and activities of AXIS Consultants. This Service Agreement may be terminated by the Company or AXIS Consultants on 60 days' notice. Further details of arrangements with AXIS Consultants are provided in Part 4.3.2.

### 4.4.4 Native Title

Large areas of land in Australia are subject to native title claims and some of the Company's current Tenements are in areas that are, or may be affected by, those claims.

The Company takes reasonable measures to ensure that it has proper title to its properties prior to undertaking exploration, but there is no guarantee that title to any such properties will not be challenged given the untested nature of native title law in Australia. Compliance by the Company with all procedural requirements established by the *Native Title Act* 1993 (Commonwealth) (the "Native Title Act"), and all relevant authorities is the only way to limit the potential for native title to affect mining and/or exploration activity. The Company will be required from time to time to comply with the procedural requirements of the Native Title Act to secure the grant of exploration Tenements. This may result in the requirement to negotiate with claimants under the Native Title Act. The Company cannot predict the outcome of these negotiations which may result in delays or the inability to secure the grant of affected exploration Tenements.

In addition, if exploration proves successful and the Company wishes to conduct mining it will be required to make application to the relevant authorities for a mining lease or leases. This will result in a need for the Company to comply with the requirements of the Native Title Act and may require negotiation with native title claimants. Notwithstanding compliance with the Native Title Act there can be no assurance that the mining leases will be granted allowing mining to proceed. Further, compliance with procedures under the Native Title Act is not a matter entirely under the Company's control as compliance is required by all authorities including the relevant State Government. Historically State Governments in Australia have not always been found to have complied strictly with the required procedures. Even when

Tenements are granted, the nature of native title rights in Australia does not guarantee the Tenement's enduring validity.

### 4.4.5 ALRA Land

In addition some of the Company's Tenements in the Northern Territory are affected by land claimed under the Aboriginal Land Rights (Northern Territory) Act 1976 (Cth), ("the Land Rights Act"), ("ALRA Land").

An application for an exploration licence on ALRA Land requires various consents from both Territory and Commonwealth governments and the Land Council representing the Aboriginal traditional owners. The process for grant of mineral Tenements on ALRA Land is quite different to that under the Native Title Act. If consents are refused long delays are possible before the Company can re-apply for the Tenements.

Even where consent is ultimately given and the terms and conditions under which Tenements may be granted are agreed, a twelve-month negotiation period or longer to reach that point can be expected.

The Company is not able to predict with accuracy the time that may be necessary to complete negotiations or the terms and conditions that may apply to the grant of Tenements.

Notwithstanding this, the Company proposes to work with the relevant Land Councils to seek clearances form Aboriginal traditional owners for exploration work to be undertaken. In taking this approach the Company seeks to minimise the possibility of difficulties arising under the relevant Northern Territory and Commonwealth Aboriginal heritage legislation.

### 4.4.6 Consequences of Inability to Raise Funds

Given that the nature of the Company's operations is focused primarily on exploration activities into the discovery of diamonds, we expect the Company's future capital requirements to be substantial in order to continue and expand our exploration programs. The level and timing of future funding will depend on:

- the rate at which our exploration programs are conducted, which can depend on the results of those exploration programs;
- the ability to convert good exploration results into cash positive mining operations; and
- general economic conditions at the time of future fund raising.

Consequently, the Company's ability to fund its exploration programs will be dependent on its cash resources at any point in time and its ability to raise further funds.

If the Rights Issue is not fully subscribed, there is a possibility that, when the funds raised by the Rights Issue have been used, the Company may require further financial support from Mr Gutnick. If the funds raised by the Rights Issue are not sufficient to extinguish the Company's current liabilities, the Company may need further financial support from Mr Gutnick immediately. Mr Gutnick has provided ongoing financial support to the Company in the past and has invited the Company, as and when funds are required, to apply to him for funds. However, there is no certainty that Mr Gutnick will provide sufficient funds to the Company to enable the Company to meet its commitments at any time.

### 4.4.7 Operating Losses from Operations

The Company has made operating losses in each year since it commenced its exploration business. It expects to incur further operating losses over the next few years as its exploration activities continue unless it can discover a mineral deposit that can either be sold at a profit, or commence a profitable mining operation. The Company's profit goals depend on a number of factors outside its control and there can be no assurance that the Company will ever achieve significant profitability.

### 4.4.8 No Profitable Mining Operations

Astro is an exploration company. It has not yet successfully established a profitable mining operation and there can be no assurance that any of the Company's exploration ventures will be successfully commercialised. The failure to establish a profitable mining operation would adversely affect the Company's financial performance.

### 4.4.9 Access to Third Party Tenements.

In cases where our rights to the Tenement interests of third parties are subject to rights granted to us under various agreements, there can be no assurance that such agreements will not be terminated under certain conditions.

### 4.4.10 Share Market Risk

Regardless of the performance of the Company, the day to day performance of the share market and general share market conditions may effect the Company. The share market has in the past and may in the future be affected by a number of matters including:

- Commodity prices;
- Economic conditions in general terms and in particular to the industry that a business operates in;
- Interest rates;
- Market confidence;
- Supply and demand for money;
- Currency exchange rates;
- General economic outlook; and
- Changes in government policy.

### 4.4.11 Retention/Attraction of Key Personnel

The Company is heavily reliant upon the skills of its exploration team. The loss of any key personnel may have an adverse material effect on the Company's ability to conduct its exploration activities. The Company's ability to retain the services of the key personnel or find timely replacement for the loss of such key personnel is critical to its success. The Company does not maintain any "key person" insurance on its key personnel.

In addition, any future changes in its ability to hire and/or retain the services of additional technical personnel with appropriate qualifications may also have a negative impact on the material success of the Company's operations.

### 4.4.12 Insurance Risks

The Company maintains insurance coverage that is substantially consistent with exploration industry practice. However, there is no guarantee that such insurance or any future necessary coverage will be available to the Company at economically viable premiums (if at all) or that, in the event of a claim, the level of insurance carried by the Company now or in the future will be adequate, or that a liability or other claim would not materially and adversely affect the Company's business.

### 4.4.13 Volatility in the Price of Minerals

Commodity prices are influenced by physical and investment demand for those commodities. Fluctuations in commodity prices may influence timing, viability and management of projects in which the Company has an interest.

### 4.4.14 Possible Volatility in the Market Price of our Shares.

Although the Company is listed on the ASX, there is no assurance that an active trading market for its Ordinary Shares will be sustained. There is also no assurance that the market price for the Ordinary Shares will not decline below the issue price. The market price of the Company's Ordinary Shares could be subject to significant fluctuations due to various external factors and events, including the liquidity of the Ordinary Shares in the market, any difference between the Company's actual financial or operating results and those expected by investors and analysts, the general market conditions, and broader market-wide fluctuations. Furthermore, any stock market volatility and weakness could result in the market price of the Ordinary Shares decreasing so that they trade at prices significantly below the issue price, without regard to the Company's operating performance.

### 4.4.15 Future sale or availability of the Company's Ordinary Shares may exert a downward pressure on their share price

Any future sale or availability of the Company's Ordinary Shares may exert a downward pressure on their share price. The sale of a significant amount of Ordinary Shares in the public market after this Offer, or the perception that such sales may occur, could materially adversely affect the market price of Ordinary Shares. These factors also affect the Company's ability to sell additional equity securities in future.

### 4.4.16 Future dilution due to Future Capital Requirements

The Company's working capital and capital expenditure needs may vary materially from those presently planned. If the Company does not meet its goals with respect to revenues, or costs are higher than anticipated, substantial additional funds may be required. If the Company exceeds its goals, that success may open new opportunities that may have to be filled quickly and might require substantial new capital. After funds generated from Company operations and the proceeds from this Rights Issue have been exhausted, the Company may have to raise additional funds to meet the new capital requirements. Those additional funds may be raised by way of a limited placement or by a rights offering, or through the issuance of new shares or through debt. If any Shareholders are unable or unwilling to participate in this Rights Issue or future additional rounds of fund raising, they may suffer dilution in their investment in the Company.

### 4.4.17 Negative publicity may adversely affect our Share Price

Any negative publicity or announcement relating to any of our substantial shareholders or key personnel may adversely affect the stock performance of the Company, whether or not this is justifiable. Examples of this negative publicity or announcement may include involvement in legal or insolvency proceedings, failed attempts in takeovers, joint ventures or other business transactions.

## 4.5 RIGHTS AND LIABILITIES ATTACHING TO ORDINARY SHARES

### 4.5.1 General

The Ordinary Shares issued pursuant to this Prospectus and as a result of the exercise of New Options, will, as from the date of their allotment, rank equally in all respects with all other Ordinary Shares then on issue.

The rights and liabilities attaching to the Ordinary Shares:

- are detailed in the Company's Constitution, a copy of which can be inspected free of charge during normal business hours at its registered office;
- in certain circumstances, are regulated by the *Corporations Act* and other statutes, ASX Listing Rules and general law.

A summary of the more significant rights and liabilities attaching to the New Shares is set out as Parts 4.5.2 to 4.5.10. This summary is neither exhaustive nor does it constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

### 4.5.2 Reports and notices

Shareholders are entitled to receive all notices, reports, accounts and other documents required to be furnished to Shareholders under the Constitution of the Company, the Corporations Act and ASX Listing Rules.

### 4.5.3 General Meetings

Shareholders are entitled to be present in person, or by proxy, attorney or representative to speak and to vote at general meetings of the Company.

Shareholders may requisition general meetings in accordance with both Sections 249D and 249F of the Corporations Act and the Constitution of the Company. Shareholders are entitled to receive and consider reports at the Company's Annual General Meeting.

### 4.5.4 Voting rights

Subject to any rights or restrictions for the time being attached to a class of shares in the Company at a general meeting of the Company, Shareholders present may vote by show of hands, with one vote per Shareholder, unless before or on the declaration of the result of the show of hands a poll is demanded in accordance with the constitution of the Company, in which case each Shareholder present shall have one vote.

Under the Corporations Act and the Company's constitution, a company which is a Shareholder is allowed to appoint a representative to attend a meeting on behalf of that company. In essence, a representative is no different to a proxy holder, except that the form appointing a company representative must be lodged anytime before the commencement time of the meeting, rather than 48 hours prior to the commencement of the meeting as is the case with proxies. On a poll, one vote is counted per Ordinary Share.

Shareholders have voting rights to elect Directors, determine Non-Executive Directors' remuneration in total and approve matters as required by the Company's Constitution, ASX Listing Rules and by-laws, including changes in the nature of the Company's business, sale of the Company's main undertaking, issue of Ordinary Shares if greater than fifteen per cent of the existing Ordinary Shares on issue and not on a pro-rata basis, reduction of capital, change of name, and change of rights of Shareholders.

### 4.5.5 Dividends

Subject to the rights of holders of Company shares with any special rights (at present there are none) Shareholders have no entitlement to a dividend other than that determined by Directors from time to time. The Directors may declare and pay, from the profits of the Company, dividends that are distributed to Shareholders according to the rights and interests of Shareholders. The Directors may determine the property to constitute the dividend and fix the time for distribution. Except to the extent that the terms of issue of Ordinary Shares provide otherwise, each dividend must be distributed according to the amount paid-up on the Ordinary Share in a manner calculated in accordance with the Company's Constitution.

### 4.5.6 Winding up

If the Company is wound up and, after distribution of assets to repay paid up capital, there remain assets available for distribution to Members (in that capacity), those assets will be distributed to Shareholders such that the amount distributed to a Shareholder in respect of each Ordinary Share is proportional to the amount paid up on that Ordinary Share compared with the total paid up capital of the Company.

### 4.5.7 Transfer of Shares

Generally, Ordinary Shares in the Company are freely transferable (subject to formal requirements) provided that the registration of the transfer does not result in a contravention of or failure to observe the provisions of a law of Australia (including ASX Listing Rules and SCH Business Rules).

### 4.5.8 Directors

The Company's Constitution contains provisions relating to the election and re-election of Directors (other than Managing Directors and alternate Directors).

### 4.5.9 Company may recover certain payments from Shareholder

If any law requires the Company to make any payment in respect of Ordinary Shares to any government or taxing authority as a consequence of non-payment of any tax or duty by the holder of the Ordinary Shares (or if the holder is deceased, the holder's personal representative), the Company may recover the amount of the payment from the Shareholder or the Shareholder's personal representative.

### 4.5.10 Miscellaneous

Under the Company's Constitution, the Directors are empowered to issue shares with preferred, deferred or other rights.

The Company's Constitution contains other provisions usual for listed companies (including for the conversion of all or any of the shares in the Company into larger or smaller number) and has been lodged with ASIC and ASX.

## 4.6 DIRECTORS' INTERESTS IN THE SECURITIES OF THE COMPANY

As at 9 January 2004 the Directors had the following relevant interests in the securities of the Company.

**Relevant Interest**

| Name | Ordinary Shares | Employee Options | Options 23/12/09 | Options 30/04/12 | Options 30/11/12 |
|---|---|---|---|---|---|
| J I Gutnick | Nil | 333,334 | - | - | - |
| D S Tyrwhitt | Nil | Nil | - | - | - |
| M Z Gutnick | 948,065 | Nil | 848,868 | - | - |

Edensor holds 22,023,804 Ordinary Shares in the Company. Mr J I Gutnick is a Director and shareholder of Edensor. Edensor is the trustee of the Gutnick Family Trust. CHOC holds 15,185,000 Ordinary Shares, 4,789,699 options expiring 23 December 2009, 8,750,000 options expiring 30 April 2012 and 19,796,902 options expiring 30 November 2012 in the Company. Mr J I Gutnick is a Director of CHOC. CHOC is the trustee of a charitable trust.

## 4.7 DIRECTORS' INTERESTS IN CONTRACTS WITH THE COMPANY

**Loans to the Company from Chevas**

Chevas has provided loan funds to the Company in order for the Company to meet its working capital obligations. The Loan Deed between Chevas and the Company and its wholly owned subsidiary Astro Bow River dated 20 March 2001 documents the agreement between the parties in regard to loans that had been provided by Chevas to the Company at that date and also any further funds that would be provided by Chevas. Under the Loan Deed, interest may be charged at a rate determined by Chevas in its sole and unfettered discretion from time to time. The rate charged cannot exceed 4% above the bill reference rate of Australia and New Zealand Banking Group Limited at the time or 2% above that rate if the terms of the Loan Deed are not strictly complied with. During the two years to the date of this Prospectus the interest rates charged by Chevas varied from 8.00% to 9.10%. At the date of this Prospectus the interest rate being charged by Chevas is 9.10%. The loan from Chevas to the Company is secured by fixed and floating charges from the Company and Astro Bow River and a guarantee from Astro Bow River. It is the intention of the Company to repay part of the loan to Chevas using funds raised by the Rights Issue.

**Loans to the Company from Edensor**

On 20 February 2002 agreement was reached with Normandy Mining Limited Group ("Normandy") to restructure amounts owed by the Company to Normandy arising from the purchase of Bow River. Prior to the transactions the Company had an outstanding liability to Normandy under the Bow River Sale of Shares Agreement and the Convertible Notes issued to Normandy thereunder of $7.27 million (inclusive of unpaid interest).

Under the restructure Normandy was granted:

- a 5% royalty on diamond production from Tenements owned by Astro Bow River Mines Limited at settlement date, in perpetuity;
- a 1% royalty on diamond production from Tenements held by the Company as at settlement date, for the period to 31 December 2010; and
- a release from all its obligations, liabilities, etc, whatsoever and however arising now and in the future from the Bow River Sale of Shares Agreement.

In consideration, Normandy released the Company from all obligations, liabilities, etc, whatsoever and however arising now and in the future from the Bow River Sale of Shares Agreement including the amount of $2,268,999 which was due and payable to Normandy under that Agreement.

The Company consented to Normandy selling the Convertible Notes (with a face value of $5 million) to Edensor for $3,779,550.48. Edensor is the trustee of the Gutnick Family Trust and a shareholder in the Company. Mr. Gutnick, Chairman and Managing Director of the Company, is a director and shareholder of Edensor and a beneficiary of the Gutnick Family Trust.

Normandy made a new advance to Edensor of $3,779,550.48 for the purpose of purchasing the Convertible Notes (the "Astro Advance"). In consideration of Edensor agreeing to purchase the Convertible Notes from Normandy and, for the purpose thereof, taking the Astro Advance, Astro is liable to Edensor for the Astro Advance and all interest thereon. In return, Edensor agreed to cancel the Convertible Notes. In effect, this results in the current exposure of Astro under the Bow River Sale of Shares Agreement and the Convertible Notes being reduced to $3,779,550.48 plus ongoing interest.

Under the terms agreed between Edensor and Astro, repayment by Astro of the $3,779,550.48 is required on 31 March 2010 and interest (calculated at 3% p.a. until 31 August 2002 and thereafter at a 2% margin above bank bill rate) will be capitalised until 1 August 2005. Thereafter interest will be payable quarterly in arrears.

At the date of this Prospectus, the amount owing to Edensor, including accrued interest, is $4,158,820.

**Exploration Services from Edensor Gold**

Since 1 July 2002, Edensor Gold has provided exploration services to the Company on normal commercial terms and conditions. Since 1 July 2002 and up to the date of this Prospectus, Edensor Gold has invoiced the Company $1,122 for those services. Mr Joseph Gutnick is a director and shareholder of Edensor Gold.

**Indemnity Deed and Access and Insurance Deed**

At the 1999 Annual General Meeting of the Company, the members approved, inter alia, the following:

- the entry by the Company into an indemnity deed ("Indemnity Deed") with each of the Directors which will indemnify them against liability incurred to a third party (not being the Company or any related company) where the liability does not arise out of conduct including a breach of good faith. The Indemnity Deed will continue to apply for a period of 10 years after a Director ceases to hold office;
- the entry by the Company into a Director's Access and Insurance Deed with each of the Directors pursuant to which a Director can request access to copies of documents provided to the Director whilst serving the Company for a period of 10 years after the Director ceases to hold office. There will be certain restrictions on the Directors' entitlements to access under the deeds. In addition the Company will be obliged to use reasonable endeavours to obtain and maintain insurance for a former Director similar to that which existed at the time the Director ceased to hold office.

Other than as set out above, the Directors have no interests in contracts with the Company.

## 4.8 DIRECTORS' FEES AND BENEFITS

Historically, the remuneration of the Directors has been paid by AXIS Consultants and recovered from the Company relative to the level of activity. Total income received or receivable by Directors (past and present) including aggregate amounts paid to persons or superannuation funds in respect of the eventual retirement of Directors was $268,696 for the two years to the date of this Prospectus.

In March 2000 the Company issued 1,000,000 Employee Options to Mr J I Gutnick. The Company loaned the issue price of those Employee Options to Mr Gutnick in accordance with the Employee Option Plan. Both the terms of the Employee Share Option Plan and the issue of 1,000,000 Employee Options to Mr Gutnick were approved by Shareholders at the Company's 1999 Annual General Meeting. As a result of the consolidation of Ordinary Shares approved by Shareholders on 9 April 2002 the number of Employee Options have been consolidated down to 333,334 in number.

At the date of this Prospectus there does not exist a contingent liability of the Company in respect of termination benefits under a service agreement with either Directors or persons who take part in the management of the Company.

Shareholders at the Company's 1999 Annual General Meeting approved the payment of fees to Non-Executive Directors at a maximum of $200,000 per annum to be allocated amongst existing and any future Non-Executive Directors, as the Board of Directors agree.

### 4.9 OTHER INTERESTS OF DIRECTORS

Except as disclosed in the Prospectus no Director has, or has had within two years of lodgment of this Prospectus, any interest in

- the formation or promotion of the Company;
- any property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Rights Issue; or
- the Rights Issue.

Except as disclosed in the Prospectus, no person has paid or agreed to pay any amount to any Director or has given or agreed to give any benefit to any Director or any company or firm which with the Director is associated, to induce the Director to become, or to qualify as, a Director of the Company or otherwise for services rendered by the Director or any company or firm which with the Director is associated in connection with the formation or promotion of the Company or the Rights Issue.

### 4.10 INTERESTS OF OTHER PARTIES

Except as disclosed below, no person who is named herein as performing a function in a professional advisory capacity in connection with the preparation of or distribution of this Prospectus has, at the time of lodgment of this Prospectus with the ASIC, or has had within two years of lodgment of this Prospectus, any interest in

- the formation or promotion of the Company;
- any property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Rights Issue; or
- the Rights Issue.

All amounts paid or agreed to be paid and the value of any benefit to such persons for services rendered in connection with the promotion or formation of the Company and the Rights Issue are set out below.

- No form of payment or benefit of any kind will be made or agreed to be made to the person other than in cash.
- In the two years before lodgment of this Prospectus, PKF have been paid fees for their professional services in the amount of $39,325.
- In the two years before lodgment of this Prospectus, Schetzer Brott & Appel have been paid fees for their professional services in the amount of $25,788. Fees to Schetzer Brott & Appel for professional services provided in connection with the Rights Issue up to the date of this Prospectus will be approximately $5,000.

## 4.11 CONSENTS AND DISCLAIMERS

Each of the parties referred to in this section:

- does not make, or purport to make, any statement in this Prospectus, nor is any statement in this Prospectus based on any statement by any of those parties, other than as specified in this section; and
- to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of the Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this section.

ASX Perpetual Registrars Limited has given, and as at the date of this Prospectus has not withdrawn, its consent to be named as the Share Registrar in the form and context in which it is named.

PKF have given, and as at the date of this Prospectus have not withdrawn, their consent to be named in the Prospectus as Auditor in the form and context in which they are named.

Schetzer Brott & Appel have given, and as at the date of this Prospectus have not withdrawn, their consent to be named in the Prospectus as Lawyers to the Offer in the form and context in which they are named.

There are a number of persons referred to elsewhere in this Prospectus who are not experts and have not made statements included in this Prospectus. These persons did not consent to being named in this Prospectus and did not authorise or cause the issue of this Prospectus.

## 4.12 DIRECTORS' AUTHORISATION

Each of the Directors of the Company has consented to lodgment of this Prospectus with ASIC.

# PART 5 DEFINITIONS & GLOSSARY

## DEFINITIONS

**A.B.N.**

Australian Business Number.

**ALRA**

Aboriginal Land Rights (Northern Territory) Act 1976 (Cth).

**Anaconda**

Anaconda Nickel Limited.

**ASIC**

Australian Securities and Investments Commission.

**Astro Bow River**

Astro Bow River Mines Pty Ltd a 100% subsidiary of the Company.

**ASX**

Australian Stock Exchange Limited.

**AXIS Consultants**

AXIS Consultants Pty. Ltd. whose registered office is at Level 8, 580 St Kilda Road Melbourne, Victoria Australia.

**Company**

Astro Mining NL (alternatively "**Astro**").

**Chevas**

Chevas Pty Ltd, a company of which Mr. J I Gutnick is a Director. Chevas is the trustee of the Chevas – Gutnick Trust, a discretionary trust connected with Mr. J I Gutnick and his family.

**CHOC**

Chabad House of Caulfield Pty Ltd. CHOC is the trustee of a charitable trust.

**Edensor**

Edensor Nominees Pty Limited, a company of which Mr. J I Gutnick is a Director and Shareholder. Edensor is the trustee of the Gutnick Family Trust, a discretionary trust connected with Mr. J I Gutnick and his family.

**Edensor Gold**

Edensor Gold Pty Ltd, a company of which Mr J I Gutnick is the Director and Shareholder. Edensor Gold is the trustee of the Edensor Consultants Family Trust, a discretionary trust connected with Mr J I Gutnick and his family.

**Employee Optionholders**

Registered holders of Employee Options.

**Employee Options**

Options to subscribe for Ordinary Shares in the Company issued pursuant to a prospectus dated 3 March 2000 and expiring on 24 March 2010.

**Member**

A Shareholder.

**New Option**

An option to subscribe for one Ordinary Share with an exercise price of 5 cents each to be issued pursuant to this Prospectus.

**New Share**

A fully paid Ordinary Share to be issued pursuant to this Prospectus.

**Offer**

The offer of approximately 75,926,010 New Shares at an issue price of 10 cents per New Share together with one New Option (at no issue price) with every New Share pursuant to this Prospectus.

**Optionholder**

A successful subscriber for New Options.

**Ordinary Share**

A fully paid ordinary share in the capital of the Company.

**Rights Issue**

The proposed issue of New Shares and New Options pursuant to this Prospectus.

**Shareholder**

Shareholder means registered holders of Ordinary Shares.

# PART 5 DEFINITIONS & GLOSSARY

**Tenements**

Areas of land held or applied for by a company or individual to explore for minerals.

# PART 5 DEFINITIONS & GLOSSARY

## GLOSSARY OF GEOLOGICAL TERMS

This glossary of terms is provided to assist the reader in understanding some of the expressions used in this Prospectus.

**Aeromagnetic**

Refers to measurement of the magnetic qualities of rocks using a plane-mounted instrument.

**Alluvial**

Deposited by a stream or running water.

**Carat**

A unit of weight for diamonds and other gems. The metric carat or international carat ("ct") equals 0.2 grams or 200 milligrams.

**Craton**

A stable part of the Earth's crust which has been little deformed for a long period.

**Intrusive**

A body of igneous rock that invades older rock.

**Kimberlite**

A hybrid volatile rich potassic ultrabasic igneous rock intruded from the mantle and occurring at or near the surface as a cone-shaped volcanic pipe or as sheet like dykes or sills.

**Macrodiamond**

A diamond that fails to pass through a sieve with a mesh opening of 0.4 mm diameter.

**Microdiamond**

A diamond that passes through a sieve with a mesh opening of 0.4 mm diameter.

**Volcanic**

Rocks formed from the solidification of lava extruded on or erupted at the earth's surface. Also includes pyroclastic rocks.

***THIS APPLICATION FORM MUST NOT BE USED BY SHAREHOLDERS TO ACCEPT THEIR ENTITLEMENT PURSUANT TO THE RIGHTS ISSUE. SHAREHOLDERS CAN ONLY ACCEPT THEIR ENTITLEMENT UNDER THE RIGHTS ISSUE BY COMPLETING THE ENTITLEMENT AND ACCEPTANCE FORM ACCOMPANYING THIS PROSPECTUS.***

# ASTRO MINING N.L.

A.B.N. 96 007 090 904

Registered Office:
Level 8, 580 St Kilda Road
Melbourne Victoria 3004
Australia
Ph: (613) 8532 2810

Share Registry: ASX Perpetual Registrars Limited
Level 4, 333 Collins Street
Melbourne Victoria 3000
Australia
Local Call: 1300 55 44 74
International Call: (+613) 9615 9999

## PLACEMENT APPLICATION FORM

Application for placement of the shortfall of the renounceable rights issue of Ordinary Shares at an issue price of 10 cents per Ordinary Share together with an attaching option (at no issue price) and with an exercise price of 5 cents and otherwise on the terms and conditions of the Prospectus to which this Placement Application Form is attached.

**IMPORTANT: This document is important. If you do not understand it, you should consult your Sharebroker or other Professional Adviser.**

**Full name of applicant:**

....................................................................................................................................................
(Mr/Mrs/Miss/Ms or Company Name) (Given Name(s)) (Surname)

**Address:**

....................................................................................................................................................
(number and street)

....................................................................................................................................................
(suburb or city) (State/Province) (Country) (Postcode)

**HIN/SRN** (*if an existing shareholder*): ..............................................................

**Tax File Number(s):** ..............................................................
**(If in Australia)**

**Applicant's telephone number for contact during business hours: (       )** ..........................................

(1) I/We, the abovenamed applicant, apply for ..........................................Shares (*insert number of shares applied for*) and lodge in full application moneys at $0.10 per Share $....................................................(*insert total amount of cheque(s)*)
(2) I/We enclose my/our cheque(s) for the amount shown being payment at the rate of 5 cents per Share.
(3) I/We agree to be bound by the Constitution of the Company.

Individual Applicants Signed:.................................................... Signed:....................................................

Corporate Applicants...............................................)

Executed for the Applicant........................................)

in accordance with its Constitution: Director.......................................Director/Secretary..........................

Sole Director/SoleSecretary..............................................................

**RETURN OF THIS DOCUMENT TOGETHER WITH THE REQUIRED REMITTANCE WILL CONSTITUTE AN OFFER TO SUBSCRIBE FOR SECURITIES WHICH THE COMPANY MAY ACCEPT IN WHOLE OR IN PART.**
**Please complete the following payment details.**

| Drawer | Bank | BSB No. or Branch Name | Amount |
|---|---|---|---|
| | | | $ |
| | | | $ |
| | | | $ |

**PLEASE REFER TO LODGEMENT INSTRUCTIONS OVERLEAF**

## LODGEMENT INSTRUCTIONS

**To apply for a placement of shares:**

- Complete the form overleaf
- Forward it together with your remittance **(payable to: ASTRO MINING N.L.)** to
  ASX Perpetual Registrars Limited
  at:

| | | |
|---|---|---|
| Level 4, 333 Collins Street<br>Melbourne Vic 3000<br>Australia | **OR** | GPO Box 2785<br>Melbourne Vic 3001<br>Australia |

## GENERAL INSTRUCTIONS

**Signing instructions:**

- The applicant and each joint applicant (if applicable) must sign.
- Companies need to sign in accordance with their Constitution and in any event in the presence of at least 2 Directors or one Director and Secretary. A Company with a Sole Director/Sole Secretary may sign by that person only.
- If signed by an Attorney, please forward the Power of Attorney to the Share Registry for noting, unless already noted.

Only cheques or bank drafts in Australian dollars and drawn on a bank or financial institution in Australia will be accepted. Your cheque must be made payable to "**ASTRO MINING N.L.**", and crossed "**Not Negotiable**".

Receipts for payment will not be forwarded.

Terms used in this Placement Application Form which are defined in the Prospectus, where the context permits, are afforded the defined meaning.

The Company reserves the right to waive strict compliance with the prescribed method of making your application, to the extent permitted by law.

**IF YOU HAVE ANY ENQUIRIES CONCERNING YOUR APPLICATION,PLEASE CONTACT THE SHARE REGISTRY ON TELEPHONE: 1300 55 44 74 (LOCAL CALL) OR (+613) 9615 9999 (INTERNATIONAL)**