



Astro Resources NL

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The Manager
Company Announcements
ASX Limited
Level 6, 20 Bridge Street
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By e-lodgement

**Astro Resources NL to acquire prospective uranium project in
East Kimberley, Western Australia.**

Key Highlights

- Astro Resources NL is to acquire the MacPhee Creek Exploration license E80/3243 ("MacPhee Creek") in East Kimberley, Western Australia;
 - MacPhee Creek is centred on a belt of Proterozoic granite and contains five documented uranium occurrences, as well as a number of significant but untested radiometric anomalies.
 - Previous sampling has returned assay values up to 0.85% U_3O_8 , and numerous areas of anomalous high uranium scintillometer readings of over 2000 CPS have been recorded.
 - The nature of the primary uranium mineralisation provides the potential for both a large tonnage and high-grade uranium resource.
 - Additional potential exists for gold mineralisation exists in the south of the tenement.
 - Native Title negotiations have been successful, with the ability to actively explore the tenement as a result of long term relationships formed.
 - Planned work program to include airborne radiometric survey, ground surveys to be followed by drilling at the end of the 2009/10 wet season (c. April 2010).

Transaction Summary

Astro Resources NL (ASX: ARO) ("Astro" or the "Company") is pleased to announce that on 28 October 2009 the Company entered into a binding term sheet (the "TermSheet") to acquire (subject to a 14 day due diligence) 100% of the issued share capital of MacPhee Resources Pty Ltd ("MacPhee Resources").

MacPhee Resources holds prospective uranium exploration license E80/3243 ("MacPhee Creek EL") which straddles the Great Northern Highway and MacPhee Creek valley in the East Kimberley of Western Australia approximately 130 kilometres from Kununurra.

Astro Resources Chairman, Mr Peter Jermyn, said that the acquisition is in line with the stated Board intention to source and identify new exploration and investment opportunities across the resources sector that have the potential to add significant market appeal and shareholder value.

"We are very pleased to have secured MacPhee Creek, which has the potential for both a large tonnage and high-grade uranium resource. This is a project that offers a significant upside for the Company with exploration success. Additional gold prospectivity, with similar structures to nearby gold occurrences is also present," said Mr Jermyn.

Our intention is to identify and secure additional complementary domestic uranium project opportunities and use MacPhee Resources as the vehicle for consolidating these opportunities."

"In parallel the Company continues to seek out large company making opportunities domestically and internationally.

Consideration

In consideration for acquiring 100% of the issued shares in MacPhee Resources the following is payable to the shareholders of MacPhee Resources;

- \$25,000 payable upon the execution of the TermSheet and \$50,000 payable on completion of due diligence.
- 10million ordinary shares to be issued within 30 days of completion
- 10million ordinary shares upon commencement of drilling
- 10million ordinary shares upon achieving inferred JORC resources of 5million pounds of U₃O₈.
- 1% Net Smelter Royalty on any revenues generated from the sale of U₃O₈

Project Summary

MacPhee Creek straddles the Great Northern Highway and MacPhee Creek valley over a length of 24 kilometres. It is centred on a belt of Proterozoic granite with 5 known uranium occurrences (summarised in the table on the next page).

The location is considered attractive for exploration due to its accessibility to important infrastructure – including sealed highways to the regional centre of Kununurra (130 kms) and to the regional port of Wyndham (140kms)

Uranium occurrences in the Kimberley area were first discovered in the 1950's and although rock chip and grab sampling have produced prospective assay results U₃O₈ exploration has been sporadic and limited both by Government policy and previous workers focusing on unconformity and sandstone hosted style mineralisation.

However more recent exploration indicates that the uranium mineralisation is associated with vein structures related to the emplacement and cooling of underlying granite and the airborne geophysical survey of the area has revealed a number of radiometric anomalies that are untested.

These geological settings provide a significant exploration opportunity in terms of the potential tonnage and grade of the uranium mineralisation as this type of primary uranium mineralisation usually results in much higher grades than the secondary style, calcrete or sandstone deposits.

Therefore, the extent of the radiometric anomalies and geology combined with known occurrences provide the exploration potential for a large tonnage, high-grade uranium deposit within a well positioned and easily accessible licence area.

Uranium Mineralisation

Uranium mineralisation is present throughout the region and a uranium occurrence in the northern portion of the tenement was recently confirmed to be within the Crooked Creek Granite, and therefore possibly associated with a vein complex within this geological unit. There is comparative mineralogy of this granite to the known uranium bearing granites of central Europe.

The MacPhee EL area contains five documented uranium occurrences, all occurring a similar geological setting to the nearby Frog uranium occurrences as well as a number of significant but untested radiometric anomalies.

The known occurrences of uranium outcrop on the surface and can be interpreted to occur on the flank of various uranium radiometric anomalies defined by airborne geophysics—but certainly do not coincide with their strongest zone.

Many of the anomalies do not have surface outcrops and as such the radiometric signature may indicate higher-grade deposits underneath the soil cover.

This indicates that potentially the better mineralisation may yet be found.

Known Uranium Occurrences

The following summaries the known recorded uranium occurrences (Aggregated from historic reports) on the MacPhee Creek EL;

REF No.	NAME	ALTERNATE NAME	KEY COMMENTS	WAMEX REF
2377	Dunham River A	Kimberley; Denham River	Secondary uranium minerals are present adjacent to narrow quartz veins in a dolerite dyke intruding granite and also coat fractures in the dolerite; tested by a costean (A2029) Grab sample from costean gave a radiometric assay of 0.85% U3O8 (A2029)	727; 2029; 6824
2378	Dunham River B	Denham; Dunham Hill	Torbernite in brecciated dolerite dyke along Dunham Fault zone and in mineralized quartz veins in sheared granite adjacent to dyke. Exposed at surface and in 3 costeans (A2029) Grab sample gave radiometric assay of 0.46% U3O8 (A2029)	727; 1084; 2029; 6824; 60760
4656	Dunham River C	Denham River	Torbernite reputed to have been found in granitic rock (A2029)	2029
4657	Dunham River D	Denham River	Torbernite reputed to have been found in granitic rock (A2029)	2029
4804	Donkey Creek	RS 10: Dunham	Secondary uranium in siltstone in Dunham Fault Rock chip sample contained 3950 ppm U3O8	6824

Native Title

The tenement is subject to a Heritage and Work Clearance Agreement ("HPA") between the registered holder and the Kimberley Land Council ("KLC") for and on behalf of the Miriuwung Gajerrong Traditional Owners. Native Title negotiations have been successful and a long-term relationship between the holder and the Traditional Owners has been established, with the ability to actively explore the tenement.

Proposed work program

Exploration during early 2009 confirmed the presence of specific geological units, which have the capacity to contain uranium mineralization, and provided targets upon which specific exploration programs could be developed.

The Company has commenced an extensive reconnaissance program on the ground undertaking an initial verification and sampling program. An independent geologist has been retained to complete a field survey prior to the commencement of a robust work program.

The work program is to include;

- A rigorous re-examination of interpreted exploration target areas.
- Geological and scintillometer surveys to be completed along the eastern and western contact zones of the Crooked Creek Granite
- Low flying radiometric survey over the license area

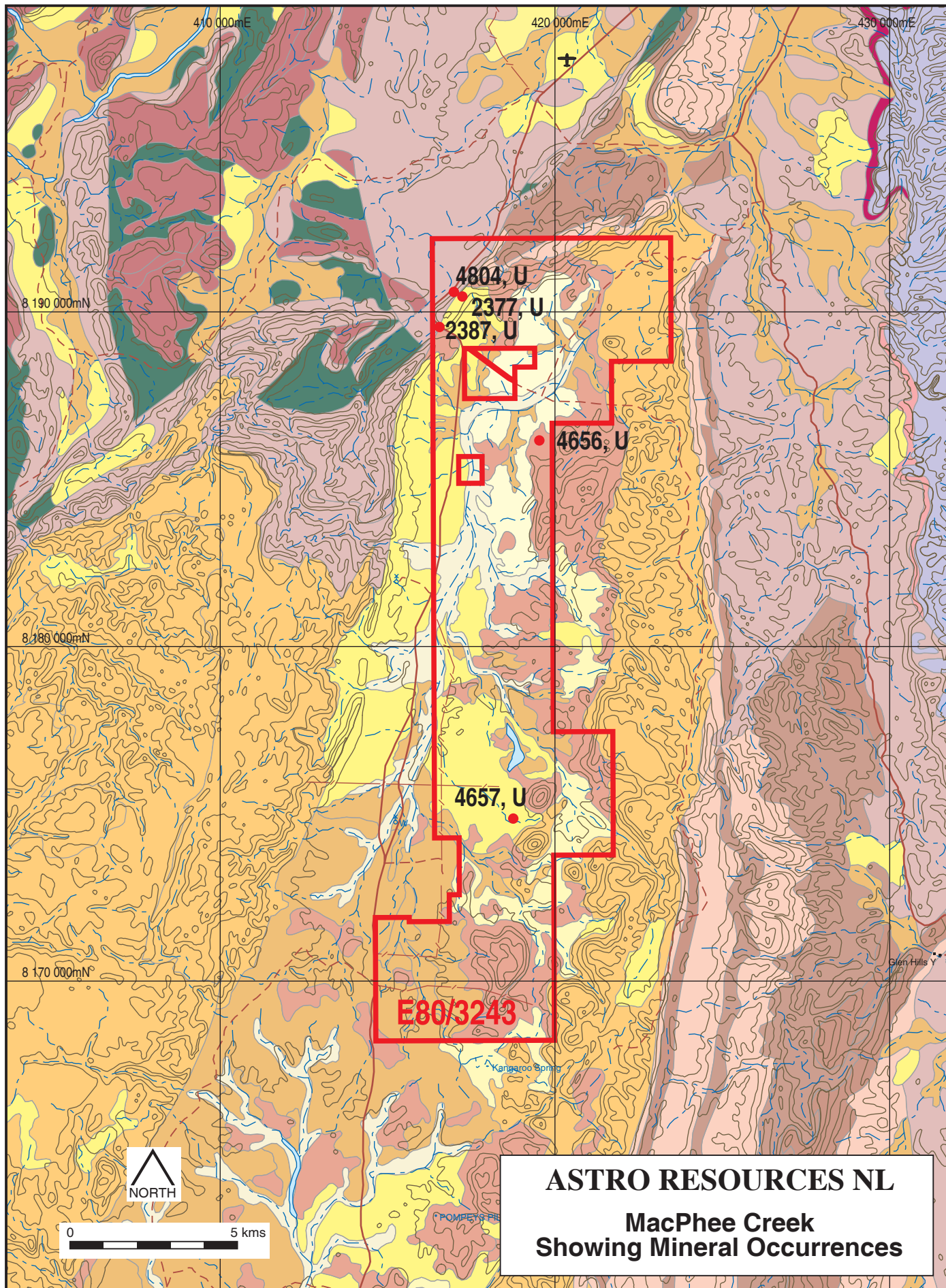
Upon completing the above work program the Company anticipates commencing a drilling program in 2010 as soon as practically possible after the end of the wet season (April/May 2010).

Competent Person Statement

The information in this announcement, insofar as it relates to mineral exploration activities, is based on information compiled by Malcolm Macleod, who is a member of the Australian Institute of Geoscientists, and who has more than five years experience in the field of activity being reported on. Mr Macleod is a full-time employee of the Company. Mr Macleod has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which is undertaking to quality as Competent Persons as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Macleod consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

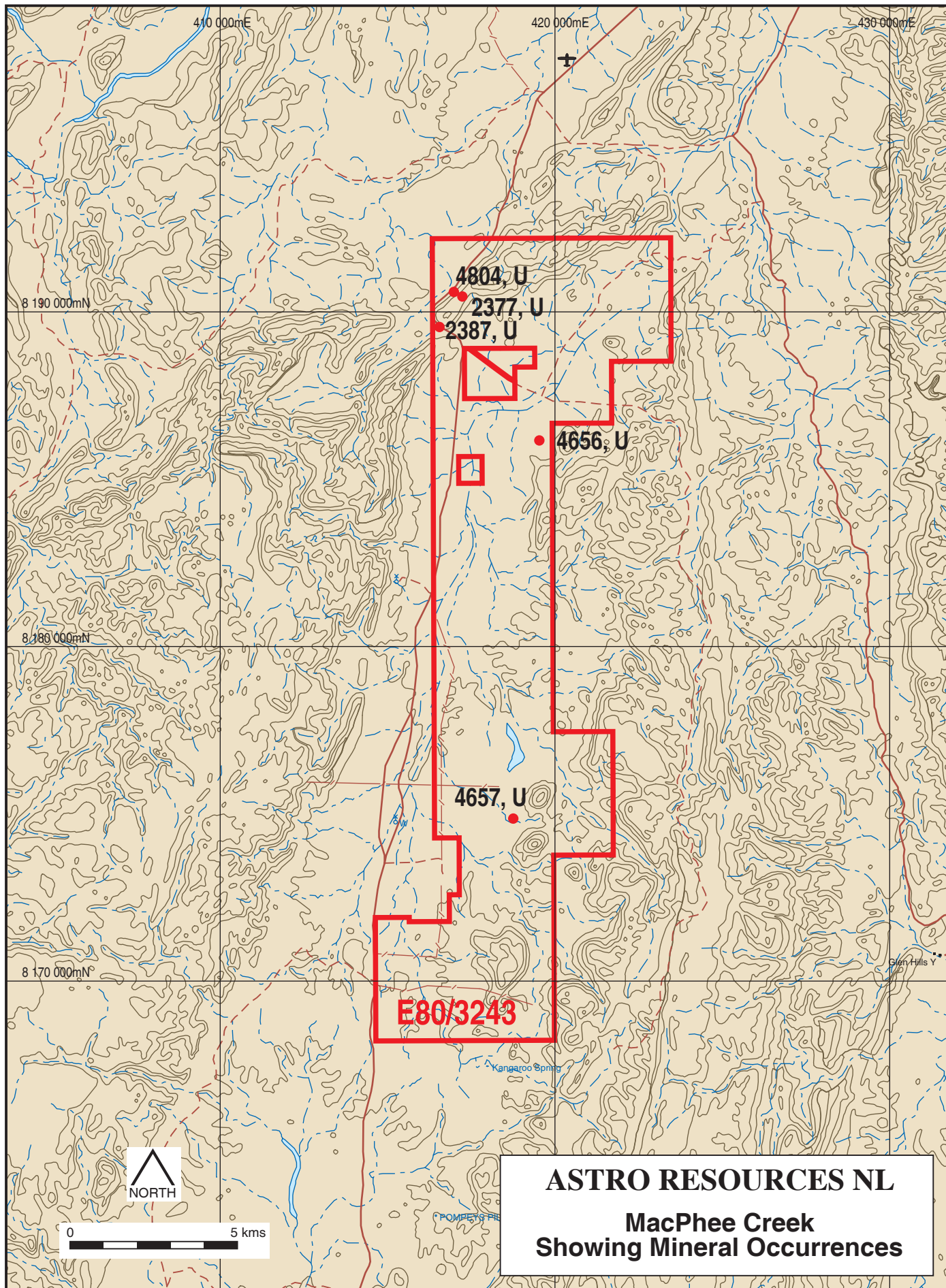
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