



ASX Announcement

24 October 2011

260% INCREASE IN GLOBAL JORC RESOURCE AT GOVERNOR BROOME

- Significant increase of global Inferred JORC resource to 154.3Mt @ 4.3%HM
- Inferred JORC resource of 105Mt @ 4%HM at Governor Broome East
- 2012 work program to focus on mineralised strandlines contained within Governor Broome East area targeting an increase in the JORC resource to Indicated.

As announced on 20 September 2011, Astro Resources NL ("Astro", ASX:ARO) has undertaken a review of historic data of the Governor Broome deposit and extension, known as Governor Broome East, resulting in an increase to the global Inferred JORC resource from 51Mt @ 5.0% to **154.3Mt @ 4.3%HM** using a 2%HM cut-off and excluding mineralised blocks in excess of 30% slimes. This has resulted in a 260% increase in the contained heavy mineral from 2.5million tonnes to 6.6million tonnes (*please refer Figure 1 below*).

From 2005 to March 2007, previous explorer Metal Sands explored the Governor Broome area with six (6) campaigns of aircore drilling. A total of 675 aircore holes for 8,300m were drilled at Governor Broome East which lies immediately adjacent to the Governor Broome resource (*please refer Figure 2 below*).

The Governor Broome resource (consisting of both Governor Broome North and South as detailed in the table below) extends 5.1km along-strike, and 2.3km across-strike, with the Governor Broome East resource extending 10km along-strike, and 3.8km across-strike. Total vertical thickness of mineralisation at Governor Broome averages 5.8m, with Governor Broome East averaging 5.3m (above 1%HM).

An independent review of the resources has been undertaken by Geostat Services Pty Ltd for both Governor Broome and Governor Broome East. Results of the review are as follows:

GOVERNOR BROOME AMALGAMATED RESOURCES*

2%HM reporting cut-off, 30% upper slimes cut-off

DEPOSIT	RESOURCE AUTHOR	ORE TONNES (Mt)	HM%	OVERSIZE %	SLIMES%
Governor Broome South	GRD Minproc	25.1	4.67	8.7	13.2
Governor Broome North	Geostat	24.2	5.30	9.2	11.3
Governor Broome East	Geostat	105	3.99	5.5	15.3
TOTAL		154.3	4.31	6.6	14.3

*The resource estimation methodology for the amalgamated resources is detailed in the attached Appendix.

Additional re-estimation is to be undertaken over Governor Broome to incorporate additional drilling adjacent to the existing data on the eastern edge of the deposit, currently not incorporated into the existing resource. A total of 71 holes exist outside the existing resource estimation.

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The inclusion of these additional holes is expected to result in an increase in the existing resource.

Further in-fill drilling and mineral assemblage test-work within Governor Broome East, will be undertaken to increase confidence in the Governor Broome East resource to an Indicated JORC status.

The Company plans to within the 2012 work season undertake a systematic drilling and exploration program over the Governor Broome East resource area with a predominant focus on the high-grade mineralisation contained within the area's of the interpreted strand lines as illustrated below (Figure 2).

This will be undertaken in parallel to ongoing feasibility and environmental studies and additional exploration (drilling and ground magnetic studies) outside the existing JORC resource areas.

ENDS

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The information in this report that relates to Mineral Resources was compiled by Mrs Fleur Muller. Mrs Muller, who is a Member of the Australasian Institute of Mining and Metallurgy, is a full time employee of Geostat Services Pty Ltd and produced/reviewed the Governor Broome Mineral Resource Estimate based on data and geological information supplied by Astro Resources. Mrs Muller has sufficient relevant experience to the style of mineralisation and type of deposit under consideration and to the activities undertaken to qualify as a Competent Person as defined in the 2004 edition of the "Australasian Code for Reporting of Exploration Results, Minerals Resources and Ore Reserves". Mrs Muller consents to the inclusion in this report of the matters based on her information in the form and context that the information appears.

The information in this report, 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 being undertaken to qualify as a Competent Person as defined in the 2004 edition of the 'Australian Code for Reporting of Exploration Results, Minerals Resources and Ore Reserves'. Mr Macleod consents to the inclusion in the report of matters based on his information in the form and context in which it appears.

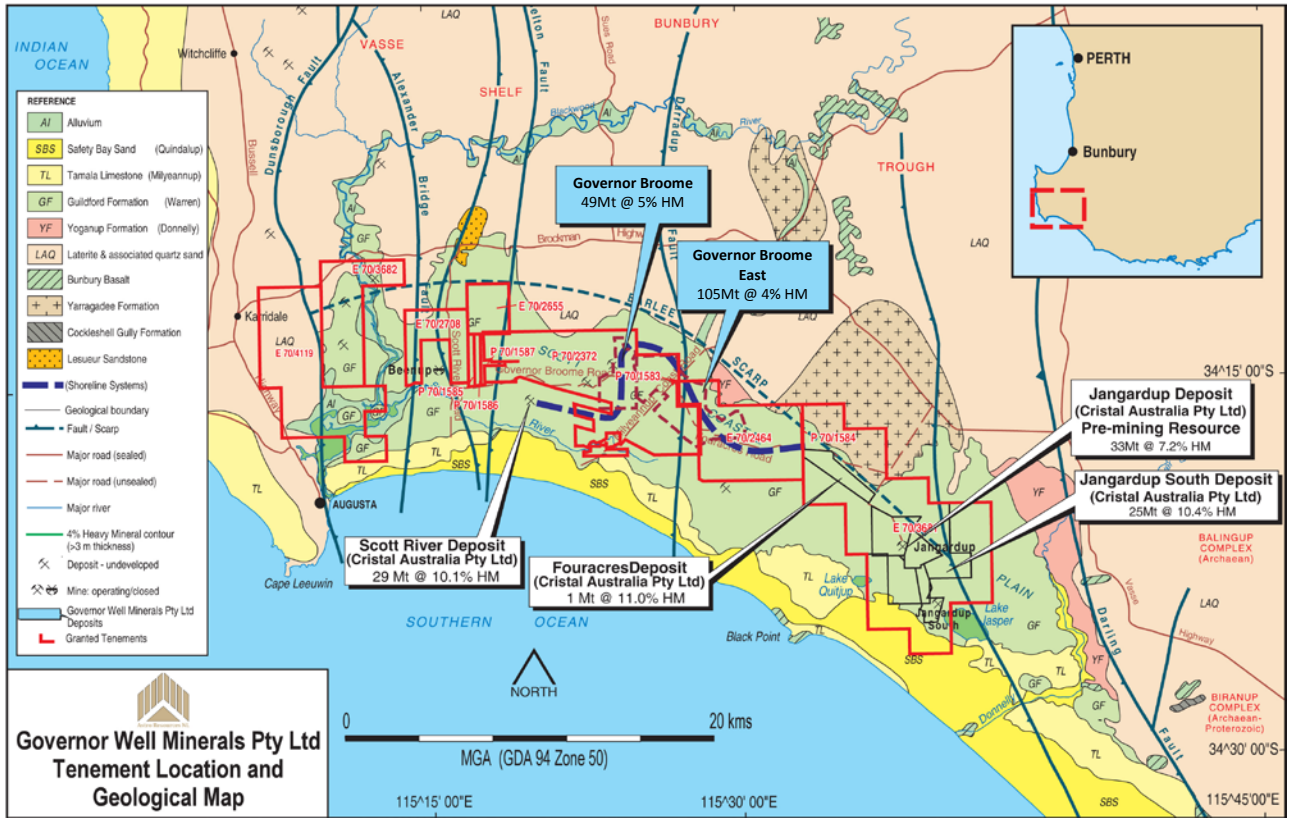


Image 1: Scott Coastal Plain Mineral Sands Project

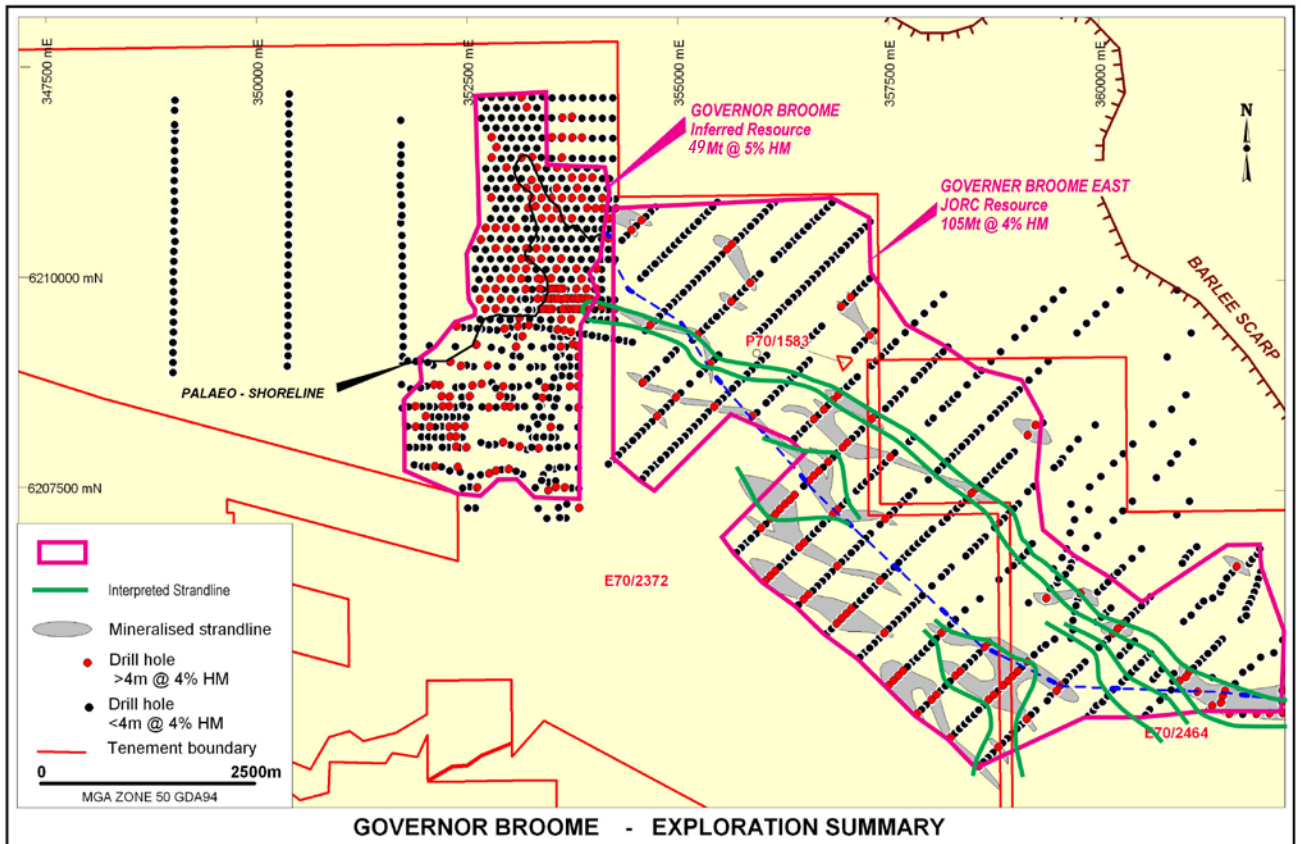


Image 2: Governor Broome East prospect comprises of 8,300metres of drilling and three interpreted strandlines



APPENDIX

Resource Database

Exploration data used to evaluate the Governor Broome Mineral Resource was provided in an Access database format, containing information for a total of 1,321 aircore holes representing 17,364m. These holes were drilled in several campaigns from 2005 to 2008. All holes are vertical, and range in depth from 1m to 60m. The database includes 8,585 assay records with assay results present for HM%, slimes % and oversize %.

Drillhole spacings average 120m north-south for Governor Broome north & south, with 120m spacing between holes along section. Some infill drillhole spacings across-strike of 40m are present in the central portion of the deposit. Within Governor Broome east, drillhole data is located on 480m sections, with 80m spacing between holes along section.

Samples were analysed for HM content using heavy liquid separation (TBE) analysis at either Western Geolabs or Diamantina Laboratory. Extensive QAQC analyses involving comparisons of field duplicates, repeats, and independent pulp checks have shown an acceptable linear relationship with no issues that would impact on resource estimation.

Modelling of Mineralisation

Two main wireframes were constructed using Gemcom GEMS 6.2.4 software to represent all defined HM % mineralisation at Governor Broome. These wireframes were based on a 1%HM and 3%HM cut-off respectively, and clipped to tenement boundaries. An unconformity surface was created to represent the unconformity between the Warren Sands and Warnbro Group lithological units, based on visual identification of this unconformity during geological logging.

Resource Estimation

Variography analysis using traditional variograms was performed on sample data to characterise spatial continuity and determine parameters for the resource model. A low nugget effect of up to 20% of the total variability is present, reflecting the uniform nature of HM% present. Spatial trends as analysed from variography characterise the mineralisation as striking north-south (135° for Governor Broome East), with a horizontal dip. No plunge component was detected in the dip plane.

Block models using parent blocks of 60m x 60m x 1m (Y x X x Z) for Governor Broome north & south, and 240m x 40m x 1m size (Y x X x Z) for Governor Broome east were generated using Gemcom SURPAC 6.1.3 and Gemcom GEMS 6.2.4 software. These block dimensions represent half the average drill spacing in the respective areas. The wireframes were used to limit the blocks available for grade interpolation, using block centroid locations to define blocks and sub-blocks for interpolation.

Inverse distance methodology was used to interpolate grades into blocks using a power weighting of 3 for Governor Broome north and east. Ordinary kriging was employed for Governor Broome south. Each HM envelope was treated as a separate hard boundary. For slimes and oversize interpolation, the unconformity served as a hard boundary, restricting interpolation to drillhole data located within each lithological unit. A minimum of 2 samples and maximum of 20 samples were used to interpolate grades into each block for all elements. Since the deposit is covered by variable drill density, various search ellipse dimensions were utilised, with each calculated to intersect approximately two drill sections north and south of the block centroid respectively, and two drillholes either side.

The density models were filled by the following formula using HM model grades: $1.686 + (HM\% * 0.0108)$. This formula is considered standard in the mineral sands industry.

The block models were validated by several methods including visual validations on-screen, global statistical comparison of input grades and block grades, and local grade/northing and grade/easting relationships.

The Governor Broome Mineral Resource is classified as Inferred, primarily based on the wide drillhole spacing, and the absence of comprehensive mineral assemblage data to assess the economic value of the deposit. Blocks classified as Inferred are assessed as meeting “reasonable prospects for economic extraction” as defined in the Australasian Code for Reporting of Exploration Results, Minerals Resources and Ore Reserves.