Quarterly Report

The Directors of Astro Resources NL are pleased to present their quarterly report for the period ending December 2012.

Highlights

- Appointment of Michael Povey as Director of Astro
    - Wealth of experience as a director, mining engineer and mine manager
    - Capability to carry the Governor Broome project through mine feasibility and approval processes to potential production
- The mineral resource at Governor Broome East, has been substantially increased
    - 31Mt @ 4.5% HM (JORC Inferred)
    - Mineralisation remains open to the east, providing potential for further expansion and economic benefits
- An Exploration Target of between 90 & 130Mt @ 4-6% HM has been identified south of, and adjacent to, the existing Governor Broome resource
- Encouraging mineral assemblage results over the collective Governor Broome deposits have been obtained
    - High quality sulphate ilmenite dominates the mineral assemblage
    - +7% zircon at Governor Broome East
- Additional ground adjacent to the existing project has been secured:
    - New ground believed to contain extensions of a potential new strandline has been identified during Astro's recent drilling program
    - Three (3) new tenements pegged covering ~27km^2
- The Product Marketing campaign has been expanded

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Appointment of Michael Povey c.Eng. M.Sc. B.Sc. (Hons) A.C.S.M. M.Aus.I.M.M.

The Company was pleased to announce the appointment of Michael Povey as a non-executive Director of the Company on 20 December 2012.

Mr Povey is a mining engineer with over 34 years worldwide experience in the resource sector. This experience has encompassed a wide range of commodities and included senior management positions in mining operations and the explosives industry in Africa, North America and Australia. During this time he has been responsible for general and mine management, mine production, project evaluation, mine feasibility studies and commercial contract negotiations.

In the last 15 years he has held executive directorships with several Australian public companies, including positions as the Technical Director and Managing Director. In these roles he has led exploration programs, JV negotiations and a number of capital raisings.

Mr Povey is a Chartered Engineer, and holds several certificates of competency including a Western Australian Mine Managers Certificate.

Mineral Resource Increase

A substantial increase (representing 29% of the Governor Broome East resource) was achieved following the discovery of additional mineralisation abutting the southern boundary of the existing Governor Broome resource during the Company's recent drilling campaign.

The collective Governor Broome resource is now as follows:

GLOBAL GOVERNOR BROOME JORC INFERRED RESOURCES (2%HM and 30% upper slimes cut-off)

Deposit	Estimator	Unit	Ore (Mt)	HM (%)	Oversize (%)	Slimes (%)
North	GRD	Warren	14.7	4.74	8.4	7.0
		Warnbro	9.5	6.17	10.0	17.4
		Subtotal	24.2	5.38	9.0	11.2
South	Geostat	Warren	13.3	4.56	7.6	8.5
		Warnbro	11.8	4.90	11.2	24.2
		Subtotal	25.1	4.72	9.3	15.9
East	Geostat	Warren	52.0	3.66	2.8	8.1
		Warnbro	53.0	4.31	8.1	22.3
		Subtotal	105.0	3.99	5.5	15.3
Sth Ext	CRM	Warren	13.0	4.00	9.0	9.0
		Warnbro	18.0	5.00	14.0	20.0
		Subtotal	31.0	4.50	12.0	15.0
TOTAL			185.3	4.36	7.53	14.82

Figure 1: Classification of the southern extension as an Inferred JORC resource is a significant achievement, which further validates the Company's belief in the project's potential to deliver an economically sustainable mining operation

The resource increase consists of a JORC Inferred 31Mt @ 4.5% HM and further validates the Company's confidence in the Governor Broome deposits' viability as an economically sustainable mining operation.

An additional JORC compliant Exploration Target[1] of between 90 – 130Mt @ 4-6% HM has been estimated to the west of, and abutting, the Southern Extension (*refer figure 2*), with the mineralisation remaining open to the east.

This provides significant potential for further resource increases during upcoming drill programs.

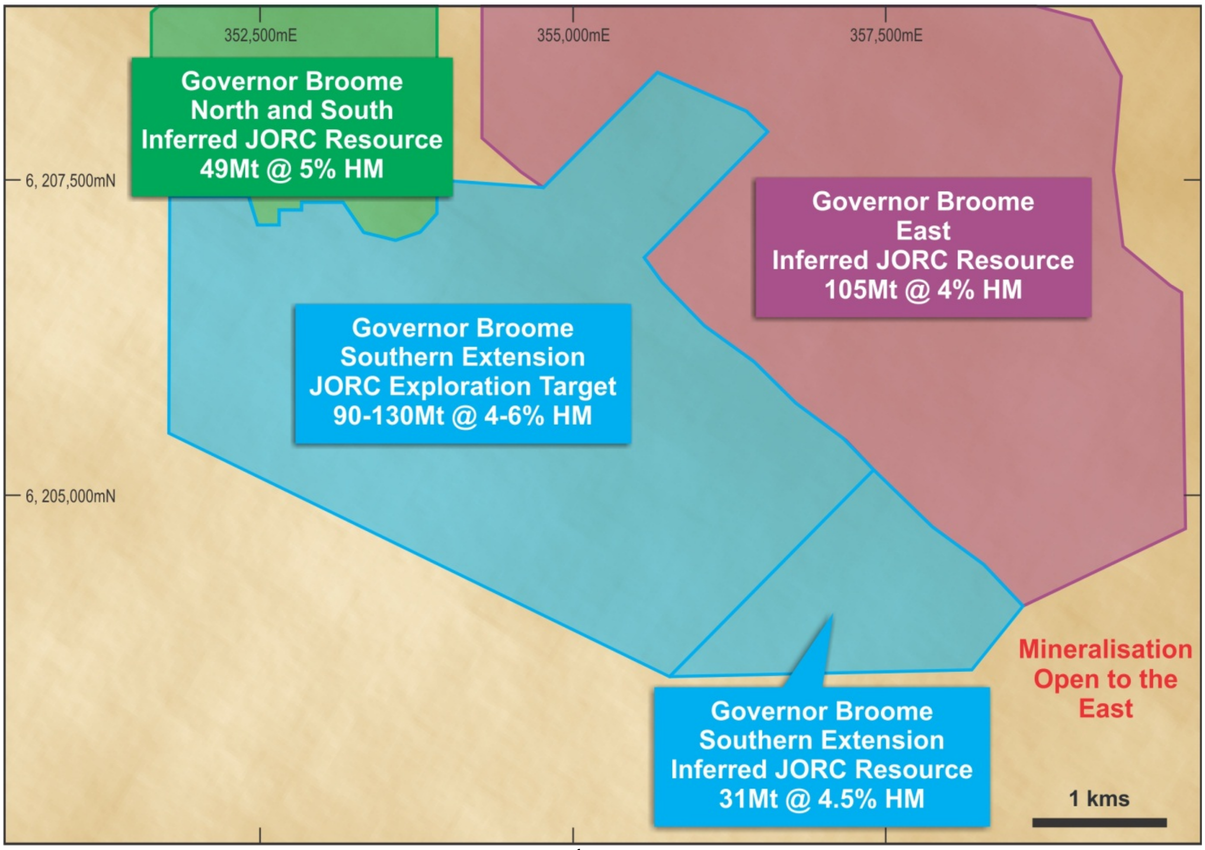

Figure 2: The identified JORC Exploration Target[1] provides further opportunity for the collective Governor Broome resource to substantially increase, which will be confirmed in future drill programs.

For further information on the Exploration Target, inclusive of estimation methodology, please refer to the Company's ASX announcement dated 10 January 2013.

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[1] *Exploration Targets: The estimates of exploration target sizes in this announcement are in accordance with the guidelines of the JORC Code (2004). The potential quantity and quality of the exploration targets are conceptual in nature and there has been insufficient exploration to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource. This will be tested in upcoming drill programs.*

Project Expansion

Following the significant exploration progress and resource expansion achieved at the Governor Broome deposits since acquisition in October 2011, the Company recently undertook a review of the Scott Coastal Plain Project.

Consequently, Astro has pegged 3 new tenements covering approximately 27km^2 over an area believed to host extensions of mineralisation discovered during the 2012 drilling campaign.

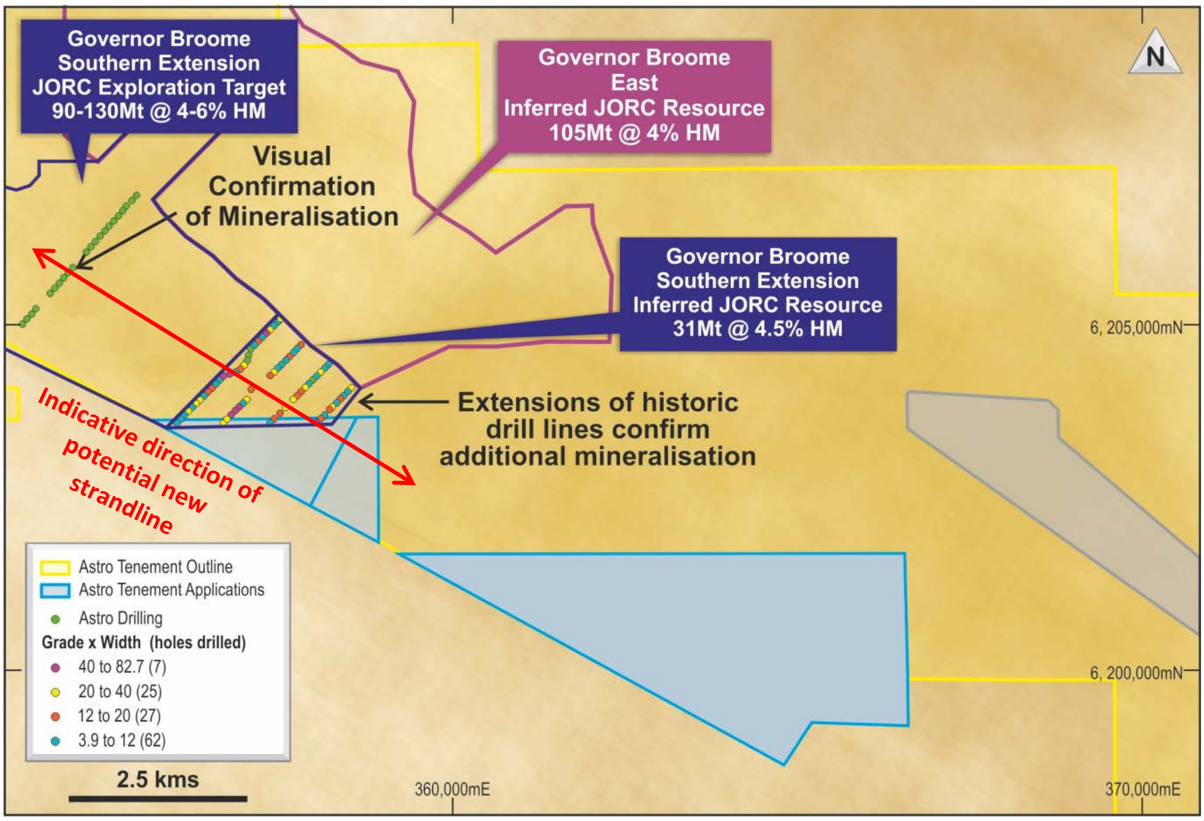

Figure 3: *The tenements follow the indicative path of a potential new strandline, trending parallel to existing strandlines within the Governor Broome East deposit.*

Encouraging Mineral Assemblage Studies

Heavy mineral (**HM**) composites from previous drilling samples and selected with the aim of representing the assemblages from across the global Governor Broome deposits have been evaluated. (P*lease refer to ASX announcement 23 May 2012 for further information*).

Analysis of mineral assemblage revealed it is dominated by a high quality ilmenite with zircon levels of 5% across the project, notably 7%+ at Governor Broome East (*refer Figure 4 below*).

Deposit	Unit	MINERAL ASSEMBLAGE (%) Ilmenite	Secondary Ilmenite	Leucoxene	HiTi	Zircon
North	Warren	48.2	10.0	6.6	2.3	5.8
	Warnbro	51.1	4.2	2.0	1.2	3.9
	Subtotal	49.4	7.7	4.8	1.9	5.0
South	Warren	47.8	3.4	2.0	0.8	2.7
	Warnbro	47.8	2.8	2.0	1.5	5.2
	Subtotal	47.8	3.1	2.0	1.1	3.9
East	Warren	54.5	10.7	5.7	2.7	7.3
	Warnbro	54.5	2.6	1.4	0.9	4.2
	Subtotal	54.5	6.6	3.5	1.8	5.7
Total		**52.6**	**6.2**	**3.5**	**1.7**	**5.3**

Figure 4: Mineral assemblages across the Governor Broome deposit, with more than 7% zircon reported at Governor Broome East in the Warren Sands.

The ilmenite is a high quality, high FeO product that should be very reactive in the sulphate pigment process. Chrome, uranium and thorium are well within specifications for sulphate ilmenite, suitable for end use in the global domestic and commercial pigments sector, as well as other industries.

An international marketing campaign is currently in progress (*refer below*) predominantly targeting Asian based titanium dioxide pigment producers and other potential off-take partners.

Progression of the International Product Marketing Campaign

Following the completion of a one (1) tonne bulk sample program in July 2012, 15kg of ilmenite product samples and 5kg of heavy mineral concentrate (**HMC**) was prepared for international distribution and commercial evaluation.

Astro has been targeting Asian-based sulphate pigment producers, and other potential off-take partners and long-term buyers, following confirmation that the ilmenite at Governor Broome is a high-quality material compatible with sulphate plants commonly used in Asian markets.

Following an initial distribution of product samples in October 2012, the Company has furthered discussions with various potential long term buyers, and has received positive feedback from international groups on the compatibility of the Governor Broome ilmenite product with sulphate plants.

The board continue to remain in communication with the buyer market, with a view to fostering long-term interests in the project, inclusive of off-take agreements.

ENDS

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About the Scott Coastal Plain Mineral Sands Project

Astro Resources NL is an Australian-based mineral resource company focused on the commercial development and production of economically and environmentally sustainable mineral sands deposits.

Astro is initially developing the Governor Broome deposits, which forms part of its larger Scott Coastal Plain Project. The Governor Broome deposits are located approximately 40km southwest of Nannup in the south-west of Western Australia. The deposits are comparable to the successfully mined and rehabilitated Jangardup mineral sands deposit, 20km to the east.

There is a strong demand for the titanium minerals and zircon in the Governor Broome deposits for paint pigmentation and ceramics manufacture.

Competent Persons' Statements:

The information in this report as it relates to Mineral Resources is based on information compiled by Fleur Muller (director of Geostat Services, who is a member of the Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists) and John Doepel (director of Continental Resource Management Pty Ltd (CRM), who is a member of the Australasian Institute of Mining and Metallurgy). Both Ms Muller and Mr Doepel have sufficient experience in mineral resource estimation, which is relevant to the style of mineralisation and type of deposit under consideration and are qualified as Competent Persons as defined in the 2004 edition of the "Australasian Code for Reporting of Mineral Resources and Ore Reserves". Both Ms. Muller and Mr Doepel consent to the inclusion in the report of the information in the form and context in which it appears.

Rule 5.3

Appendix 5B

Mining exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10

Name of entity

Astro Resources NL

ABN	Quarter ended ("current quarter")
96 007 090 904	December 2012

Consolidated statement of cash flows

	Cash flows related to operating activities	Current quarter $A'000	Year to date (6 months) $A'000
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration & evaluation	(150)	(649)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(123)	(432)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	7	16
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other (includes GST)	(17)	(11)
	Net Operating Cash Flows	(283)	(1,076)
	Cash flows related to investing activities		
1.8	Payment for purchases of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.9	Proceeds from sale of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other	-	-
	Net investing cash flows	-	-
1.13	Total operating and investing cash flows (carried forward)	(283)	(1,076)
1.13	Total operating and investing cash flows (brought forward)	(283)	(1,076)
	Cash flows related to financing activities		

+ See chapter 19 for defined terms.

1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
	Net financing cash flows	-	-
	Net increase (decrease) in cash held	(283)	(1,076)
1.20	Cash at beginning of quarter/year to date	793	1,586
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	**Cash at end of quarter**	510	510

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current quarter $A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	(74)
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

This includes payments to directors, serviced office and back office administration services.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

-

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

-

Financing facilities available

Add notes as necessary for an understanding of the position.

		Amount available $A'000	Amount used $A'000
3.1	Loan facilities	-	-
3.2	Credit standby arrangements	-	-

Estimated cash outflows for next quarter

		$A'000
4.1	Exploration and evaluation	150
4.2	Development	-
4.3	Production	-
4.4	Administration	125
	Total	**275**

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter $A'000	Previous quarter $A'000
5.1	Cash on hand and at bank	490	773
5.2	Deposits at call	20	20
5.3	Bank overdraft	-	-
5.4	Other (provide details)	-	-
	Total: cash at end of quarter (item 1.22)	510	793

Changes in interests in mining tenements

		Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed	E70/2655	Expired	80%	Nil
6.2	Interests in mining tenements acquired or increased	P70/1639 P70/1640 P70/4418	Application Application Application	Nil Nil Nil	100% 100% 100%

+ See chapter 19 for defined terms.

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

		Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	**Preference +securities** *(description)*	-	-	-	-
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	- -	- -	- -	- -
7.3	**+Ordinary securities**	3,488,062,324	3,288,062,324	-	-
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	- -	- -	- -	- -
7.5	**+Convertible debt securities** *(description)*	-	-	-	-
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	- -	- -	- -	- -
7.7	**Options** *(description and conversion factor)*	739,505,210 47,493,000	739,505,210 -	*Exercise price* $0.005 $0.01	*Expiry date* *30/06/2014* *31/07/2013*
7.8	Issued during quarter	-	-	-	-
7.9	Exercised during quarter	-	-	-	-
7.10	Expired during quarter	319,163,313 5,500,000	319,163,313 -	$0.05 $0.02	30/11/2012 07/10/2012
7.11	**Debentures** *(totals only)*	-	-	-	-
7.12	**Unsecured notes** *(totals only)*	-	-	-	-

+ See chapter 19 for defined terms.

Compliance statement

1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).

2 This statement does give a true and fair view of the matters disclosed.

Sign here: .... Date: ....31 January 2013....
(Director)

Print name: ……..Robert Hyndes……..

Notes

1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.

3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.

4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.

5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.