astro resources nl

AND CONTROLLED ENTITIES

ABN 96 007 090 904

HALF-YEAR REPORT

31 DECEMBER 2012

CONTENTS

DIRECTORS REPORT

The Directors of Astro Resources NL, (the "Company") and its controlled entities (the "Group") submit herewith the financial report for the six months ended 31 December 2012 ("half-year").

Directors

The names of the company's directors in office during the half-year and until the date of this report are as below. Directors were in office for this entire period unless otherwise stated.

Mr Peter Jermyn - *Non-Executive Chairman*

Mr Robert Hyndes - *Executive Director*

Mr Graham Libbesson - *Non-Executive Director*

Mr Michael Povey – *Non-Executive Director (Appointed 20 December 2012)*

Mr Malcolm Macleod - *Executive Director (Resigned 4 July 2012)*

Review and Results of Operations

The Group recorded a net loss of $463,317, (2011: $845,179 loss) for the half-year ended 31 December 2012.

Objectives

The Company's objective is to increase shareholder wealth through successful exploration activities and mining activities whilst providing a safe workplace and ensuring best practice in relation to its environmental obligations.

Income Statement

Revenue

Revenue is from interest earned on bank deposits.

Net Expenses

Net expenses decreased in the 2012 half-year from $845,179 in 2011 to $463,317, which included $57,906 exploration expenses written off, in 2012.

Balance Sheet

During the half-year the Group's cash balance decreased from $1,585,928 at 30 June 2012 to $509,500 at 31 December 2012.

Trade and other payables and borrowings decreased from $892,493 to $597,045 which includes $175,000 (of which $150,000 is non cash)accrual for deferred consideration of the acquisition of 80% of the issued capital of Governor Broome Sands Pty Ltd and $200,000 (non-cash accrual) for the acquisition of Macphee Resources Pty Ltd.(see note 6 to the Condensed Notes to the Financial Accounts)

Cash Flow

During the half-year to 31 December 2012, the Group paid $442,885 in the normal course of operations and $649,111 for exploration costs.

OPERATIONS REPORT

Astro Resources NL ("Astro" or the "Company") is an Australian-based mineral resources company focused on the commercial development and production of economically and environmentally sustainable mineral sands deposits.

During the half-year ending December 2012, substantial advancement was made at the Company's Governor Broome mineral sands deposits.

Key Highlights

- Completion of 9,124metre aircore drilling program and 1tonne bulk sample processing
    - Resource of **31Mt @ 4.5%HM** (JORC Inferred) identified adjacent to the existing Governor Broome resource
    - Additional target of **90-130Mt @ 4-6%HM** (JORC Exploration Target[1]) extending northwest
    - Mineralisation remaining open to the east, providing potential for further economic benefits
- Commencement of an international marketing campaign
    - Distribution of product samples to key buyers and potential off-take / development partners, including a high profile international pigment producer
    - Laboratory confirmation of the quality of potential product from Governor Broome

Corporate

Board and Management

Following completion of substantial on-ground exploration at Governor Broome, and the advancement of the project to predominantly desktop economic and environmental sustainability studies, significant changes have been made to the Company's board and management:

- *Michael Povey*
  Michael was appointed as Director in December 2012
- *Malcolm Macleod*
  Malcolm resigned as Director in July 2012
- *Lucy Oborn*
  Lucy resigned as General Manager, effective in 2013

[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.*

Operations Report cont.

In December 2012 the Company was pleased to announce the appointment of Mr Michael Povey C.Eng. M.Sc. B.Sc. (Hons) A.C.S.M. M.Aus.I.M.M. as a non-executive Director of the Company.

Mr Povey is a mining engineer with over 34years 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 15years he has held executive directorships with several Australian pubic companies, including positions as 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 Charted Engineer, and holds several certificates of competency including a Western Australian Mine Managers Certificate.

As a result of the changes to the board and management, and a reduction to the fees paid for related-party services, substantial reduction in remuneration has been effected. Together with exploration on the Governor Broome mineral sands deposits coming in below budget, the board is pleased at the company's financial performance throughout the half-year.

The change in key personnel skill levels from exploration to project development and feasibility has put the Company in good standing to grow its asset base, and expand into mine production.

Option Expiry

Two (2) classes of unlisted options expired during the half-year. The Company's new issued capital is provided on page 15 of the audited financial report.

Mineral Sands

Astro Resources NL 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.

During the period, Astro completed signifcant exploration work that has resulted in the discovery of additional resources that extend from the Governor Broome deposits. This work has increased the resource to a significant tonnage of **185.3Mt @ 4.36% HM** (JORC Inferred) and confirmed the deposits' mineral assemblage as being dominated by a high-quality, commercial grade, sulphate ilmenite. In addition to this a further JORC Compliant Exploration Target of **90-130Mt @ 4-6%HM** has been identified

These achievements have put the Company in good standing to commence negotiations with potential product buyers and off-take / development partners.

Operations Report cont.

International Product Marketing Campaign

In July 2012, Astro completed the extraction of 1tonne of material from a highly mineralised region of Governor Broome North, which was then processed by Allied Mineral Laboratories (“AML”), a subsidiary of industry experts TZ Minerals International.

This bulk sample processing produced 20kg of product samples for distribution to potential buyers and off-take / development partners for independent analysis, and provided data on the deposit’s ilmenite quality – supporting earlier mineral assemblage studies.

Communications with potential buyers to date have confirmed the ilmenite as being a commercial grade suitable for sulphate plant processes, commonly employed in the Asian markets, which have positioned Astro favourably for further negotiations.

GOVERNOR BROOME ILMENITE ASSAY RESULTS									
TiO2	**Fe2O3**	**Fe2O3 (calc)**	**FeO**	**SiO2**	**Al2O3**	**Cr2O3**	**MgO**	**MnO**	**ZrO2**
%	%	%	%	%	%	%	%	%	%
51.2	49.2	12.5	33	0.23	0.17	0.028	0.24	1.25	0.02
P2O5	**U XRF**	**TH XRF**	**V2O5**	**Nb2O5**	**SO3**	**CaO**	**K2O**	**CeO2**	**LOi1000**
%	ppm	ppm	%	%	%	%	%	%	%
0.036	-10	-10	0.14	0.143	0.22	-0.01	-0.01	0.004	-3

Figure 1: The ilmenite dominating the mineral assemblage at Governor Broome is a commercial grade, high-quality ilmenite suitable for sulphate plant processes commonly used in Asia

On 9 October 2012, the Board was pleased to release to the ASX a presentation as given to Asian-based titanium dioxide pigment producers and other potential project partners.

Resource Increase at Governor Broome

In December 2012, the Company was pleased to announce a **31Mt @ 4.5%HM increase** to the Governor Broome Inferred Resource south of Governor Broome East. This represents 29% of the existing Governor Broome East Inferred Resource, bringing the global Governor Broome Inferred Resource to **185.3Mt @ 4.36%HM**.

This was a result of the discovery of significant new mineralisation by Astro during the 2012 drill program (completed July 2012) and subsequent laboratory analysis of drill assays.

The mineralisation has the potential to form a previously unidentified strandline.

This southern extension of Governor Broome East was found to include the following drill intercepts:

- 10 metres at 8.56% HM from 10 metres to 20 metres
- 15 metres at 5.08% HM from 8 metres to 23 metres
- 5 metres at 9.29% HM from 13 metres to 18 metres

Operations Report cont.

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 2: 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

Significant Exploration Target Identified

In January 2013, the Company was pleased to announce the identification of a significant new Exploration Target of 90-130Mt @ 4-6% HM abutting, and south of, the existing Governor Broome deposits (*refer Figure 3 below*).

This demonstrates the project's capability to deliver additional resource inventories and contribute positively to its economics.

Together with the 31Mt @ 4.5%HM previously identified (*refer above*) the Company believes these outcomes to represent the success of the Company's maiden drill program at Governor Broome.

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

Operations Report cont.

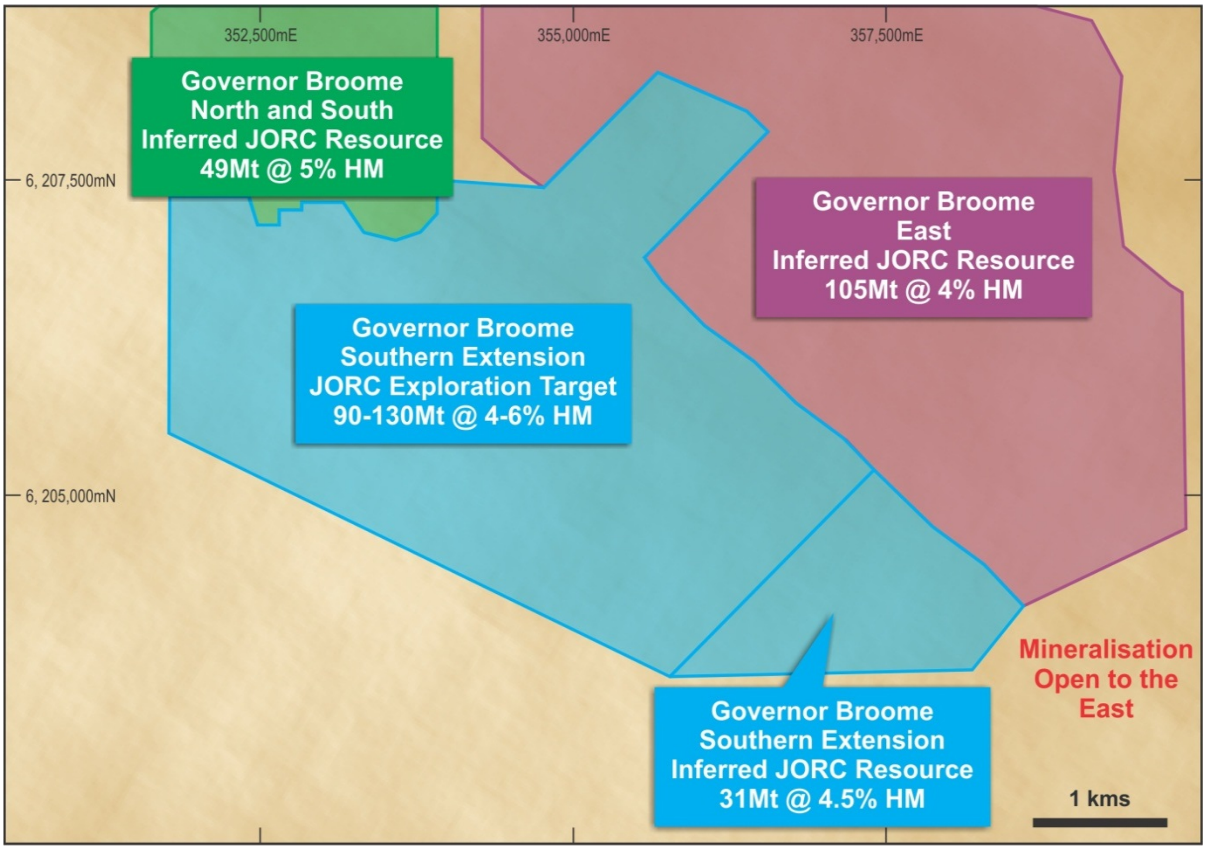

Figure 3: An Exploration Target[2] of 90-130Mt @ 4-6% HM, a result of the recent drill program, has been identified over the southern extension of Governor Broome East

Project Expansion

Additional ground was pegged south of, and abutting, the Governor Broome resource to secure ground believed to host extensions of the potential mineralised strandline identified during recent drilling (refer above) which has resulted in a substantial increase to the Governor Broome East resource.

Tenements were applied for by HM Sands Pty Ltd, a wholly owned subsidiary of Astro Resources NL. Together with relinquishment of ground identified as not capable of contributing to project development, the project area is now focused on the development of the Governor Broome deposits, inclusive of ground required to support mine infrastructure (*refer figure 4*).

[2] 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.

Operations Report cont.

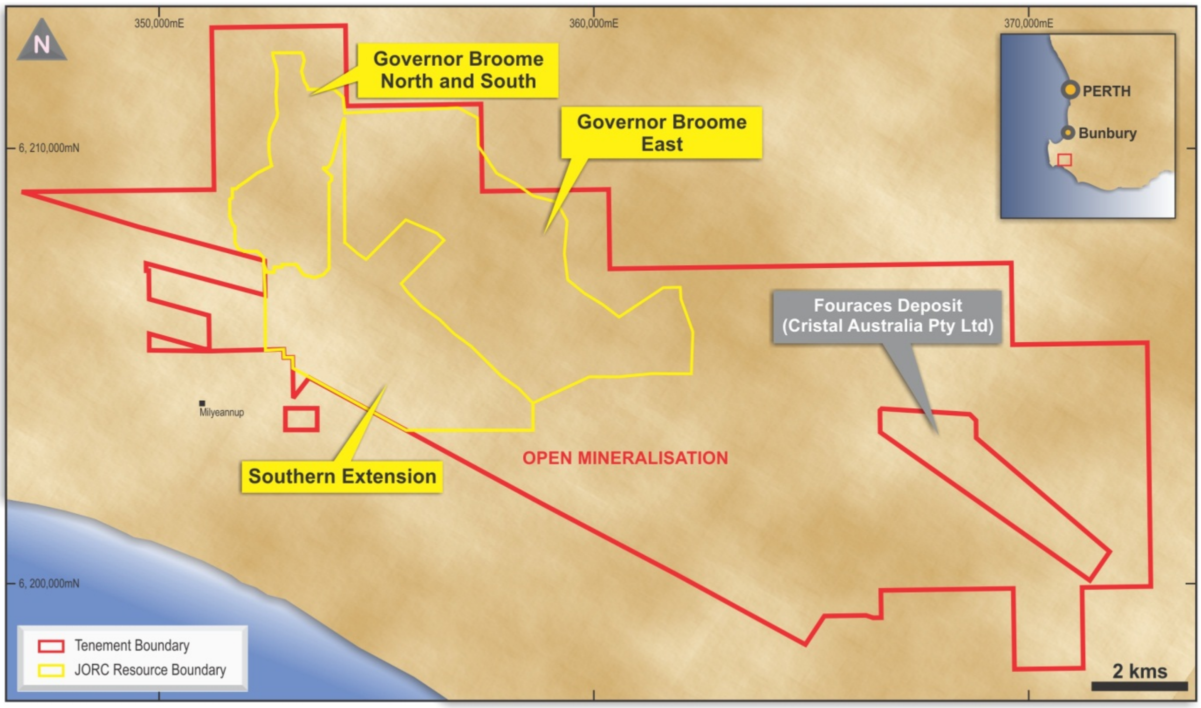

Figure 4: Additional ground, capable of hosting additional significant mineralisation, including a potential strandline, was secured by Astro during the reportable period

Other Projects

Astro has a suite of assets prospective for gold, diamonds and uranium throughout Western Australia, from which the Company is seeking opportunities to realise value for shareholders.

Uranium

Macphee Creek

The Macphee Creek Uranium Project, held by Astro subsidiary Macphee Resources Pty Ltd, consists of an exploration licence in the Kimberley region of Western Australia.

Several uranium (“U_3O_8”) occurrences have been confirmed within the project area, notably in the northwest region which has been marked for follow-up drilling to confirm high grade occurrences at depth.

Historical ground radiometric readings of up to 0.85% U_3O_8 coincide with Astro’s more recent lab results of 2080ppm within the ground that is the target of a proposed drilling program.

Approval processes for drilling, which commenced 2010, are still undergoing heritage protection review prior to submission to the Department of Mines & Petroleum (“DMP”).

Operations Report cont.

Diamonds

The Company holds a number of projects located on the Kimberley Plateau within the East Kimberley region of Western Australia, an area rich in diamond history. Since 1983, the region has produced , over 750 million carats of diamonds primarily from the world–famous Argyle Diamond Mine although several million carats of higher gem quality diamonds including the signature pink diamonds were produced from the nearby Bow River Mine in the early 1990's.

There has been a renewed interest in diamonds in the region in recent years highlighted in late 2010 by the Venus Metals Corporation Ltd announcement of a JORC Inferred Resource estimated at 17.9Mt at an average grade of 28cpht for a 5 million carats at its Smoke Creek Project – a lease area surrounded by the Company's Lower Smoke Creek project area.

There is a significant shortfall in the expected diamond supply over the coming years, providing opportunities for potential diamond miners entering production (*refer figure 12 below*).

Macphee Creek

Work on the central and southern regions of the Macphee Creek project have yielded indications of geological structures worthy of follow-up assessment for diamond prospectivity.

In 1987, Argyle Diamond Mines reported diamond occurrences in three bulk sample sites in creeks through the southern portion of the project. A number of magnetic anomalies in this region were identified during Astro's 2010 airborne geophysical survey of the project.

Carr Boyd Range / Lower Smoke Creek

The Carr Boyd Range and Lower Smoke Creek projects are two projects which surround Venus Metals Ltd's JORC Inferred 5 million carat diamond resource.

Located 12km north of the Argyle Diamond Mine, Carr Boyd Range abuts the Lower Smoke Creek drainage area, the site of the original diamond finds that resulted in the discovery of the Argyle AK1 diamond pipe. The Carr Boyd Range project in particular, lies astrides the Halls Creek fault, a major structural feature considered prospective for primary diamond mineralisation such as the AK1 pipe. Despite the success of the Argyle mine this project area is largely unexplored.

The southern boundary of the Lower Smoke Creek project adjoins the Argyle Diamond Mine tenement area that in addition to the primary AK1 pipe also originally contained a large amount of diamondiferous alluvial gravels extending northwards from the AK1 pipe along the Smoke Creek drainage channel towards Lake argyle. These gravels were mined initially between 1983 and 1985 (prior to the commissioning of the main AK1 processing plant) and produced 15 million carats during that period. Alluvial mining commenced again in 1989 with an initial estimated resource of 35 million tonnes grading 25cpht. This resource was extended during mining but alluvial diamond production was included in the overall Argyle figure. Alluvial mining proceeded along the Smoke Creek channel to the tenement boundary that abuts the Company's lease where alluvial mining stopped in 2002.

Both projects were granted during the course of the year, each for a five year term.

Operations Report cont.

Lissadell Road Dykes

The Lissadell Road Dykes project consists of three contiguous leases 9km west of Argyle Diamond Mine.

Historic exploration has revealed two instances of diamond bearing lamproite ore that may represent a feeder system of the AK1 mineralsaition that trends toward an area that has not been previously drilled or tested.

An extensive drill program has been designed, which includes geological assessment to confirm the presence and consistency of diamond bearing material at depth. It is intended that the drilling will coincide with the work at Macphee Creek to make use of the logistical relationship between the tenements to reduce funding requirements.

During the course of the year, the Lissadell Road Dykes projects were granted a four year extension of term.

Gold

North Doolgunna

Astro holds 60% of the North Doolgunna Joint Venture through its wholly owned subsidiary, North Doolgunna Metals Pty Ltd.This project is currently under review and costs have been written off.

Tanami

Two exploration licences remain in application in the gold prospective Tanami region of the Northern Territory. Further review will be undertaken post grant of the licences.

Auditor's Independence Declaration

We have obtained an independence declaration from our auditor's, Stantons International, which is included on page 1.

Signed in accordance with a resolution of the directors.

Mr Peter Jermyn
Chairman

Perth, 15 March 2013

The information in this report as it relates to Mineral Resources of the Governor Broome deposits 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.
The information in this report, insofar as it relates to mineral exploration activities, is based on information compiled by Michael Povey, 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 Povey is a full-time employee of the Company. Mr Povey 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 Povey consents to the inclusion in the report of matters based on his information in the form and context in which it appears.

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15 March 2013

Board of Directors
Astro Resources NL
C/-Ground Floor,
3 Richardson Street
WEST PERTH WA 6005

Dear Sirs

RE: ASTRO RESOURCES NL

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Astro Resources NL.

As Audit Director for the review of the financial statements of Astro Resources NL for the half year ended 31 December 2012, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and

(ii) any applicable code of professional conduct in relation to the review.

Yours faithfully

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(Trading as Stantons International)
(An Authorised Audit Company)

John Van Dieren
Director

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE HALF-YEAR ENDED 31 DECEMBER 2012

	Notes	31 December 2012 $	31 December 2011 $
Continuing Operations			
Revenue	5	15,604	25,980
Other Income		-	4,500
Exploration expenditure written off		(57,906)	(116,547)
Administration expenses		(421,015)	(759,112)
(Loss) from continuing operations before income tax		(463,317)	(845,179)
Income tax expense		-	-
(Loss) from continuing operations after tax		(463,317)	(845,179)
Other Comprehensive Income			
Items that will not be reclassified subsequently to profit or loss		-	-
Items that may be reclassified subsequently to profit or loss:			
Net Loss on Revaluation of Financial Assets Available for sale		1,800	(16,800)
Total Comprehensive (loss) for the period		(461,517)	(861,979)
(Loss) attributable to:			
- **Members of Astro Resources NL**		(451,282)	(844,501)
- **Non- Controlling interest**		(12,035)	(678)
		(463,317)	(845,179)
Total comprehensive (loss) attributable to the members of Astro Resources N L		(449,482)	(861,301)
Total comprehensive (loss) attributable to the Non Controlling Interest		(12,035)	(678)
		(461,517)	(861,979)
Earnings per share (cents per share)			
- basic; for loss for the half-year		(0.013)	(0.048)
- diluted; for loss for the half-year		(0.013)	(0.048)

The accompanying notes form part of these Financial Statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2012

	Notes	31 December 2012 $	30 June 2012 $
ASSETS			
Current Assets			
Cash and cash equivalents		509,500	1,585,928
Trade and other receivables		16,007	68,843
Inventories		4,000	4,000
Other current assets		15,381	26,017
Total Current Assets		**544,888**	**1,684,788**
Non-Current Assets			
Other receivables (Bonds)		77,760	77,723
Available-for-sale Investments		6,000	4,200
Exploration expenditure		4,196,405	3,806,501
Plant and equipment		32,527	41,333
Total Non-Current assets		**4,312,692**	**3,929,757**
TOTAL ASSETS		**4,857,580**	**5,614,545**
LIABILITIES			
Current liabilities			
Trade and other payables		397,045	692,493
Total Current Liabilities		**397,045**	**692,493**
Non-Current Liabilities			
Other Creditors	6	200,000	200,000
Total Non-Current Liabilities		**200,000**	**200,000**
TOTAL LIABILITIES		**597,045**	**892,493**
NET ASSETS		**4,260,535**	**4,722,052**
EQUITY			
Issued Capital		9,177,372	9,177,372
Reserves		1,597,652	1,595,852
Accumulated losses		(6,575,426)	(6,124,144)
Parent Interest		4,199,598	4,649,080
Non-controlling Interest		60,937	72,972
TOTAL EQUITY		**4,260,535**	**4,722,052**

The accompanying notes form part of these Financial Statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 DECEMBER 2012

	Notes	31 December 2012 $	31 December 2011 $
Cash flows from operating activities			
Payments to suppliers and employees		(442,885)	(669,249)
Interest received		15,568	42,733
Net cash flows from/(used in) operating activities		(427,317)	(626,516)
Cash flows from investing activities			
Payment for exploration		(649,111)	(202,401)
Purchase of prospects		-	(665,000)
Purchase of equipment		-	(655)
Net cash on acquisition of Governor Well Minerals Pty Ltd		-	20,728
Net cash flows from/(used in) investing activities		(649,111)	(847,328)
Cash flows from financing activities			
Loans repaid by other entities		-	134,867
Proceeds from issue of shares		-	(2,435)
Net cash flows from/(used in) financing activities		-	132,432
Net increase/(decrease) in cash and cash equivalents		(1,076,428)	(1,341,412)
Cash and cash equivalents at beginning of period		1,585,928	1,811,062
Cash and cash equivalents at end of period		509,500	469,650

The accompanying notes form part of these Financial Statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2012

CONSOLIDATED	Ordinary shares $	Reserves $	Accumulated losses $	Non-Controlling Interest $	Total equity $
At 1 July 2012	**9,177,372**	**1,595,852**	**(6,124,144)**	**72,972**	**4,722,052**
Loss for the period attributable to members of the parent entity	-	-	(451,282)	-	(451,282)
Loss for the period attributable to non-controlling interest	-	-	-	(12,035)	(12,035)
Other comprehensive income	-	1,800	-	-	1,800
Total Comprehensive income for the half year	-	1,800	(451,282)	(12,035)	(461,517)
Transactions with owners in their capacity as owners					
Shares issued	-	-	-	-	
Option premium reserve	-	-	-	-	-
Expiry of Options	-	-	-	-	-
Non-Controlling Interest	-	-	-	-	-
At 31 December 2012	**9,177,372**	**1,597,652**	**(6,575,426)**	**60,937**	**4,260,535**
At 1 July 2011	**5,843,054**	**1,486,652**	**(3,835,229)**	**-**	**3,494,477**
Loss for the period attributable to members of the parent entity	-	-	(844,501)	-	(742,064)
Loss for the period attributable to non-controlling interest	-	-	-	(678)	(678)
Other comprehensive income	-	(16,800)	-	-	(16,800)
Total Comprehensive income for the half year	-	(16,800)	(844,501)	(678)	(861,979)
Transactions with owners in their capacity as owners					
Shares issued	640,000	-	-	-	640,000
Option premium reserve	-	-	-	-	-
Transaction costs on share issue	(141)	-	-	-	(141)
Expiry of Options	562	(562)	-	-	-
Non-Controlling Interest	-	-	-	80,505	80,505
At 31 December 2011	**6,483,475**	**1,469,290**	**(4,679,730)**	**79,827**	**3,352,862**

The accompanying notes form part of these Financial Statements.

CONDENSED NOTES TO THE FINANCIAL ACCOUNTS FOR THE HALF YEARLY ENDED 31 DECEMBER 2012

1. CORPORATE INFORMATION

The financial report of Astro Resources NL (the company) for the half-year ended 31 December 2012 was authorised for issue in accordance with a resolution of the directors on 15 March 2013.

Astro Resources NL is a company incorporated in Australia and limited by shares which are publicly traded on the Australian Securities Exchange.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The half-year financial report does not include all of the notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report.

The half-year financial report should be read in conjunction with the Annual Financial Report of Astro Resources NL as at 30 June 2012.

It is also recommended that the half-year financial report be considered together with any public announcements made by Astro Resources NL and its controlled entities during the half-year ended 31 December 2012 in accordance with the continuous disclosure obligations arising under the *Corporations Act 2001*.

(a) Basis of Preparation

The half-year consolidated financial report is a general purpose financial report, which has been prepared in accordance with the requirement of the Corporations Act 2001 and Australian Accounting Standards, including AASB 134 “Interim Financial Reporting”. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards.

For the purpose of preparing the half-year financial report, the half-year has been treated as a discrete reporting period.

Going Concern

The directors have prepared the financial statements on the basis of going concern, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. The directors believe this to be appropriate for the following reasons:

- The group has net working capital of $147,843, including a cash at bank of $509,500 at 31 Dec 2012;
- The corporate and administrative cost overheads of the Group have been restructured to achieve a reasonable level of cost reductions;
- The company is reviewing opportunities to raise further equity from interested investors; and
- The company is reviewing opportunities to joint venture the projects it currently holds.

Having regard to these factors the directors are of the opinion that the basis upon which the financial statements are presented is appropriate in the circumstances. In the event that further capital cannot be raised, the Company may be required to realise its assets and extinguish its liabilities other than in the normal course of the business and at amounts different from those stated in the financial statements. The financial statements do not include adjustments, if any, relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the company not continue as a going concern.

Significant Accounting Policies

The half year consolidated financial statements have been prepared using the same accounting policies as used in the annual financial statement for the year ended 30 June 2012, except for the adoption of amending standards mandatory for annual periods beginning on or after 1 July 2012 as described in note 2 (c).

(b) Basis of consolidation

The half-year consolidated financial statements comprise the financial statements of Astro Resources NL and its controlled subsidiaries (the “Group”).

(c) New Accounting Standards and Interpretations

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current half-year.

New and revised Standards and amendments thereof and Interpretations effective for the current half-year that are relevant to the Group include:

- Amendments to AASB 1, 5, 7, 101, 112, 120, 121, 132, 133 and 134 as a consequence of AASB 2011-9 ‘Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income’

The adoption of all the new and revised Standards and Interpretations has not resulted in any changes to the Group’s accounting policies and has no effect on the amounts reported for the current or prior half-years. However, the application of AASB 2011-9 has resulted in changes to the Group’s presentation of, or disclosure in, its half-year financial statements.

AASB 2011-9 introduces new terminology for the statement of comprehensive income and income statement. Under the amendments to AASB 101, the statement of comprehensive income is renamed as a statement of profit or loss and other comprehensive income and the income statement is renamed as a statement of profit or loss. The amendments to AASB 101 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. However, the amendments to AASB 101 require items of other comprehensive income to be grouped into two categories in the other comprehensive income section: (a) items that will not be reclassified subsequently to profit or loss and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis – the amendments do not change the option to present items of other comprehensive income either before tax or net of tax. The amendments have been applied retrospectively, and hence the presentation of items of other comprehensive income has been modified to reflect the changes. Other than the above mentioned presentation changes, the application of the amendments to AASB 101 does not result in any impact on profit or loss, other comprehensive income and total comprehensive income.

3. FINANCIAL RISK MANAGEMENT

All aspects of the Group's financial risk management objectives and policies are consistent with that disclosed in the consolidated financial report as at and for the year ended 30 June 2012.

4. SEGMENT INFORMATION

Identification of reportable segments

Operating Segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors.

An operating segment is a component of the Group that engage in business activities from which it may earn revenue and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segment results are regularly reviewed by the Group's Board of Directors to make decisions about resources allocated to the segment and assess its performance and for which discrete financial information is available.

Operating segments are identified and segment information disclosed on the basis of internal reports that are provided to, or revised by, the Company's chief operating decision maker which, for the Company, is the Board of Directors.

The operating segments are identified by management based on the type of exploration being conducted by the Group. Discrete financial information about each of these operating businesses is reported to the Board of Directors on at least a quarterly basis.

The Group operates in now four operating segments being heavy minerals, diamond, uranium and gold exploration industry in one geographical location, being Australia. Therefore segment information for 2011 has been restated for comparison.

Types of Products and Services

Heavy mineral Exploration.

The Company is currently conducting exploration upon tenements considered prospective for heavy minerals. No income has been derived from the recovery of mineral sands in period ending 31 December 2012 (2011: Nill).

Diamond exploration.

The Company is currently conducting exploration upon tenements considered prospective for diamonds. No income has been derived from the recovery of diamonds in the period ending 31 December 2012 (2011: Nil).

Uranium exploration.

The Company is currently conducting exploration upon tenements considered prospective for uranium. No income has been derived from the recovery of uranium in period ending 31 December 2012 (2011: Nil).

Gold exploration.

The Company is currently conducting exploration upon tenements considered prospective for gold. Exploration activities are currently limited to aerial exploration due to the application status of the Tenements. No income has been derived from the recovery of gold in period ending 31 December 2012 (2011: Nil).

Segment Information

The segment information provided to the Board of Directors for the reportable segments for the six months ended 31 December 2012 is as follows:

	Continuing Operations					Total
	Diamond	**Uranium**	**Gold**	**Heavy minerals**	**Unallocated**	
	$	**$**	**$**	**$**	**$**	**$**
Six months ended 31 December 2012						
Revenue						
Other revenues from external customers	-	-	-	-	15,604	15,604
Inter-segment revenue	-	-	-	-	-	-
Total segment revenue	-	-	-	-	15,604	15,604
Result						
Segment result	-	-	-	-	(463,317)	(463,317)
(Loss) before income tax and non controlling interests	-	-	-	-	(463,317)	(463,317)
Income tax expense	-	-	-	-	-	-
Net (loss) for the six months as Statement of Comprehensive Income	-	-	-	-	(463,317)	(463,317)
Other segment information						
Interest Revenue	-	-	-	-	15,604	15,604
Depreciation	-	-	-	-	(2,194)	(2,194)
Assets and Liabilities						
Segment assets						
- Exploration Expenditure	302,874	769,771	20,768	3,102,992	-	4,196,405
- Inventories	4,000	-	-	-	-	4,000
	306,874	769,771	20,768	3,102,992	-	4,200,405
Unallocated assets						
- Available for sale assets	-	-	-	-	6,000	6,000
- Cash and cash equivalents	-	-	-	-	509,500	509,500
- Trade and other receivables	-	-	-	-	31,388	31,388
- Other receivables (Bond)					77,760	77,760
- Plant and Equipment	-	-	-	-	32,527	32,527
	-	-	-	-	657,175	657,175
Total assets as per the Statement of Financial Position	306,874	769,771	20,768	3,102,992	657,175	4,857,580
Segment liabilities						
Unallocated liabilities						
- Trade and other Payables	-	-	-	-	397,045	397,045
- Other Creditors	-	-	-	-	200,000	200,000
Total liabilities as per the Statement of Financial Position	-	-	-	-	597,045	597,045

SEGMENT INFORMATION (Cont.)

	Continuing Operations					Total
	Diamond	**Uranium**	**Gold**	**Heavy minerals**	**Unallocated**	
	$	**$**	**$**	**$**	**$**	**$**
Six months ended 31 December 2011						
Revenue						
Other revenues from external customers	-	-	-	-	30,480	30,480
Inter-segment revenue	-	-	-	-	-	-
Total segment revenue	-	-	-	-	30,480	30,480
Result						
Segment result	-	-	-	-	(845,179)	(845,179)
(Loss) before income tax and non controlling interests	-	-	-	-	(845,179)	(845,179)
Income tax expense	-	-	-	-	-	-
Net (loss) for the six months as Statement of Comprehensive Income	-	-	-	-	(845,179)	(845,179)
Other segment information						
Interest Revenue	-	-	-	-	25,980	25,980
Depreciation	-	-	-	-	(1,994)	(1,944)
Assets and Liabilities						
Segment assets						
- Exploration Expenditure	238,441	744,482	881,810	1,975,167	-	3,839,900
- Inventories	4,000	-	-	-	-	4,000
	242,441	744,482	881,810	1,975,167	-	3,843,900
Unallocated assets						
- Available for sale assets	-	-	-	-	4,200	4,200
- Cash and cash equivalents	-	-	-	-	469,650	469,650
- Trade and other receivables	-	-	-	-	106,668	106,668
- Other receivables (Bond)					80,366	80,366
- Plant and Equipment	-	-	-	-	8,183	8,183
	-	-	-	-	669,067	669,067
Total assets as per the Statement of Financial Position	242,441	744,482	881,810	1,975,167	669,067	4,512,967
Segment liabilities						
Unallocated liabilities						
- Trade and other Payables	-	-	-	-	960,105	960,105
- Other Creditors	-	-	-	-	200,000	200,000
Total liabilities as per the Statement of Financial Position	-	-	-	-	1,160,105	1,160,105

5. REVENUE, INCOME AND EXPENSES FROM CONTINUING OPERATIONS

Revenue	Consolidated	
	31 December 2012 $	31 December 2011 $
Finance revenue	15,604	25,980
Total revenue	15,604	25,980

Breakdown of finance revenue		
Interest		
Other Entity	15,604	25,980
	15,604	25,980

Other income		
Income from sourcing out labour	-	4,500
Rent and administration fees received	-	-
Total other income	-	4,500

6. NON-CURRENT LIABILITIES

Other creditors of $200,000 is the value of the contingent consideration of the issue of 20 million shares for the acquisition of MacPhee Resources Pty Ltd on the following basis:

- 10 million Shares to be issued on the commencement of drilling.
- 10 million shares to be issued on achieving an inferred JORC resource of 5 million pounds.

The contingent consideration is dependant upon heritage and other statutory approvals and is anticipated that this will not be finalised within the next 12 months.

7. ACQUISITION OF GOVERNOR WELL MINERALS PTY LTD

2011

On the 13 July 2011, the Company extended its exclusivity over the Scott Coastal Plain Mineral Sands Project held by Governor Well Minerals Pty Ltd (GWM).

On the 2 August 2011, the Company announced it had paid a $150,000 option fee for the rights to acquire (subject to a 45 day due diligence period), 80% of the issued share capital of GWM for an agreed cash and share consideration (as detailed below).

On the 20 September 2011, the Company announced the completion of the acquisition an 80% equity interest in GWM. The final terms of the acquisition;

Cash Consideration

1. $500,000 payable on completion, $500,000 payable in 6 months from completion or upon the cumulative raising of $2million by the Company (all paid or accrued as at 31 December 2011).
2. $100,000 to be paid within 21 days after the date of Ministerial approval of the conversion of E70/2372 to a mining lease (refer to note 7); and
3. $250,000 shall be paid within 21 days of a decision being made by the Company to mine any minerals from any Tenement (refer to note 7).

Share Consideration

1. 80 million fully paid ordinary shares (Shares) issued on completion with a further 120 milion shares following Shareholder approval at the Company's AGM 30 November 2011 .(All issued prior to 31 Dec 2011)
2. 150 million Shares shall be issued to the Seller within 21 days after the date of Ministerial approval of E70/2372 to a mining lease (refer below); and
3. 100 million Shares shall be issued to Seller within 21 days of a decision being made by the Company to mine any minerals from any Tenement within the Project.

The Company accounted for the probability (25%) that the 150,000,000 shares would be issued (at a deemed 4 cents each) ($150,000) and a 75% probability that $100,000 cash would need to be paid ($25,000). The $175,000 is disclosed as a deferred purchase consideration and is part of trade creditors and accruals as at 31 December 2011.

Net Revenue Royalty

The Vendor is to retain a 1.5% per cent net revenue royalty on any minerals produced from the project.

The assets acquired and liabilities assumed at the date of acquisition are as follows:

	Recognised on Acquisition $
Cash	182,874
Capitalised Exploration	204,131
Other Assets	110,797
Liabilities	(248,428)
Net Assets	249,374
Cost of acquisition	1,815,000
Mineral Tenements acquired	1,565,626

2012

There was no new acquisition during the half year ended 31 December 2012.

8. COMMITMENTS AND CONTINGENCIES

Exploration

The Company has to perform minimum exploration work and expend minimum amounts of money on its tenements. The overall expenditure requirement tends to be limited in the normal course of the Company's tenement portfolio management through expenditure exemption approvals, and expenditure reductions through relinquishment of parts of the whole of tenements deemed non prospective. Should the Company wish to preserve interests in its current tenements the amount which may be required to be expendied as follows:

	Consolidated	
	31 December 2012	31 December 2011
	$	$
No Later than one year	478,539	394,723
	478,539	394,723

The contingent liabilities in relation to minimum expenditure on tenements held by the group are:

Astro Resources NL	-	-
Macphee Resources Pty Ltd	67,167	88,792
East Kimberley Diamond Corporation Pty Ltd	94,468	51,880
North Doolgunna Metals Pty Ltd	-	80,771
Governor Broome Sands Pty Ltd	316,904	173,280
	478,539	394,723

There is a contingent liability for Astro deciding to mine on Governor Well Minerals Pty Ltd's tenements. This is based on the probability of having to pay $250,000 cash and issuing 100 million ARO shares valued at $0.004 as noted in note 7.

9. CONTRIBUTED EQUITY

	Consolidated 31 December 2012 $	Consolidated 30 June 2012 $
Ordinary shares (i)	9,177,372	9,177,372

(i) Ordinary shares

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

Movement in ordinary shares on issue

Date	Details	No.	$
1 July 2012	Opening Balance	3,488,062,324	9,177,372
	Issues	-	-
	Transaction costs	-	-
31 December 2012		3,488,062,324	9,177,372

**Fully paid ordinary shares issued, voluntarily escrowed to 19-Sep-2012*

Movement in options expiring 30 November 2012 (Ex $0.05)

1 July 2012	Opening Balance	319,163,322	-
30 November 2012	Options Expiring	(319,163,322)	-
31 December 2012		-	-

Movement in options expiring 31 July 2013 (Ex $0.01)

1 July 2012	Opening Balance	47,500,000	164,178
31 December 2012		47,500,000	164,178

Movement in options expiring 31 July 2013 (Ex $0.01)

1 July 2012	Issued re NDM acquisition	5,500,000	22,000
31 December 2012		5,500,000	22,000

10. EVENTS AFTER THE BALANCE SHEET DATE

Since the balance sheet date, Mining Investments Limited (MIL), a major shareholder of the Company has provided a letter of support offering the Company a convertible loan facility of $500,000 on the following terms the “Convertible Loan Facility”):

1. Interest Rate of 12% per annum;
2. 1% Draw Down Facility;
3. Unsecured;
4. Term – 14 months from the date of draw down;
5. Subject to shareholder approval, the Convertible Loan Facility can at any time during the Term, at the election of MIL be converted into ordinary shares at the lower of:

a. $0.001 cent per share; or

b. 20% discount to the 30 day volume weighted price of the Company's shares.

(the "Conversion Price")

6 In the event of a reorganization of capital, all rights of the Convertible Loan Facility and any conversion will be subject to compliance with ASX Listing Rules and the Corporations Act.

7 In the event that MIL exercises its conversion rights, an incentive fee of 5% will be payable to MIL.

8 The Convertible Loan Facility is subject to formal documentation (the "CLF Agreement").

In the event that the Convertible Loan Facility is executed, the appropriate announcement will be made to the market.

At the date of signing this report $500,000 has not been received by the company.

Other than the above, no matters or circumstances have arisen since the end of the period of review which significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial years

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Astro Resources NL, I state that:

In the opinion of the directors:

(a) the financial statements and notes of the consolidated entity are in accordance with the *Corporations Act 2001*, including:

i. give a true and fair view of the financial position as at the 31 December 2012 and the performance for the half-year ended on that date; and

ii. comply with Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporation Regulations 2001.

(b) in the directors' opinion there are reasonable grounds to believe that the consolidated entity will be able to pay its debts, as and when they fall due and payable.

Signed in accordance with a resolution of the Board of Directors.

Mr Peter Jermyn
Chairman

Perth, 15 March 2013

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INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF ASTRO RESOURCES NL

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Astro Resources NL, which comprises the statement of financial position as at 31 December 2012, the statement of profit or loss and other comprehensive income, statement of changes in equity, and statement of cash flows for the half-year ended on that date, condensed notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration for Astro Resources NL (the consolidated entity). The consolidated entity comprises both Astro Resources NL (the Company) and the entities it controlled during the half year.

Directors' Responsibility for the Half-Year Financial Report

The directors of Astro Resources NL are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2012 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Astro Resources NL, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Whilst we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls.

Our review did not involve an analysis of the prudence of business decisions made by the directors or management.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, has been provided to the directors of Astro Resources NL on 15 March 2013.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Astro Resources NL is not in accordance with the *Corporations Act 2001* including:

(a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2012 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 Interim Financial Reporting and Corporations Regulations 2001.

Inherent Uncertainty Regarding Going Concern and Capitalised Exploration Cost

Without qualification to the opinion expressed above, attention is drawn to the following matters:

As referred to in Note 2(a) to the financial statements, the financial statements have been prepared on the going concern basis. At 31 December 2012 the consolidated entity had net working capital of $147,843 and had incurred a loss for the year of $463,317. The ability of the consolidated entity to continue as a going concern is subject to the successful recapitalisation of the consolidated entity. In the event that the Board is not successful in recapitalising the consolidated entity and in raising further funds, the consolidated entity may not be able to continue in its present form and may not be able to meet its planned commitments.

The recoverability of the Group's carrying value of capitalised exploration costs of $4,196,405 is dependent on the successful commercial exploitation of the assets and/or sale of the assets to generate profits at amounts in excess of the book values. In the event that the Group is not successful in commercial exploitation and/or sale of the assets, the realisable value of the consolidated entity's assets may be significantly less than their current carrying values.

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(Trading as Stantons International)
(An Authorised Audit Company)

John P Van Dieren
Director

West Perth, Western Australia
15 March 2013