astro resources nl

and Controlled Entities

ABN 96 007 090 904

Half-Year Report

31 December 2013

Contents

Director's 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 2013 ("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 Kris Knauer	Non-Executive Chairman
Mr Graham Libbesson	Non-Executive Director
Mr Michael Povey	Executive Director

Review of Results and Operations

The Group reported a net loss of $998,242 (2012: $461,517) for the Half-Year.

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 comprised of interest generated from bank deposits. Due to the reduction in the cash balance, the amount of interest revenue has decreased.

Net Expenses

Net expenses have increased in the Half-Year from $478,921 (2012) to $1,023,858 (2013). The expenses for the Half-Year included the following major items:

	31 December 2013 $	**31 December 2012 $**
Interest paid	65,268	-
Exploration expenditure written off	672,047	57,906
Stamp duty payable in respect of the 20% acquisition of the Governor Broome Deposit	32,540	-

Excluding the effects of the above major items which total $680,838 (2012: $57,906), operating and administrative expenses have decreased from $421,015 (2012) to $343,020 for the Half-Year, representing the reduction in activity of the Company in that period.

Statement of financial position

During the Half-Year the following key items occurred:

- the cash balance decreased from $347,541 at 30 June 2013 to $331,961 at 31 December 2013, a decrease of $15,580. The net decrease is after taking into account the amount received from the issue of convertible notes and the incurring of administrative and exploration costs of the Company;

- acquisition of the Heavy Minerals Separation (HMS) plant of $150,000 , as detailed elsewhere in this report;

- reduction in the amount of trade creditors by $23,102. Included in the 31 December 2013 trade creditors of $132,556 is accrued interest payable of $65,269 and associated fees on the convertible notes totalling $2,500. This results in net trade creditors of $64,787 (that is, total trade creditors of $132,556 less interest and fees of $65,269 and $2,500 respectively). This compares to trade creditors of $147,221 as at 30 June 2013 and accordingly, trade creditors have decreased by $82,434 (that is, 30 June creditors of $132,556 less creditors excluding interest and fee of $64,787);

- issue of various convertible notes totalling $1,400,000, as detailed elsewhere in this report;

- a provision for impairment in relation to the Macphee/Uranium tenement of $440,184. This provision has been made as a result the risk and benefits associated with the project and that such project is subject to an ongoing review; and

- the acquisition of the remaining 20% shareholding in Governor Broome for the sum of $750,000. The difference between the purchase price of $750,000 and the outside equity interests – that is, the former 20% shareholder's interest in Governor Broome of $72,793 (as at 30 June 2013) has been reflected as exploration expenditure $677,028.

Cash Flow

The Half-Year cash flow to 31 December 2013 of the Group included:

- $317,506 (2012: $442,885) paid to trade and other suppliers:

- $102,999 (2012: $649,111) for exploration costs; and

- $32,540 in stamp duty for the final 20% acquisition of Governor Broome Sands.

Operations

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 the following developments were made in the Company's projects:

Governor Broome, Mineral Sands

During the Half-Year, no exploration work was undertaken with respect to this project. However, the Board is actively pursuing potential leads for joint ventures/farm-in arrangements with a view of being able to take forward this project to a next level. This activity is in its preliminary phase.

Diamonds

The Company holds the Carr Boyd/Lower Smoke Creek and Macphee projects adjoining the Argyle and Bow River Diamond Mines within the East Kimberley region of Western Australia. These granted lease areas lie in a region rich in diamond history where diamond production has reached 40% of the world's annual total, including, as reported, 90% of the world's rare and expensive pink diamonds.

The acquisition of the HMS plant enhances the Company's ability to undertake a targeted sampling programme on the diamondiferous gravels that are known to occur on the Company's tenure. As a result, a bulk sampling programme for these gravels is now being planned for the period July-August, after the cessation of the Kimberley wet season.

Uranium

The Board is considering the merits of this tenement and no final decision has been made. However, a provision for impairment has been made for such project in view of the current assessment of the risks and rewards associated with such tenement.

Corporate

Acquisitions

During the period, the Company finalised the following acquisitions:

- 20% acquisition of the Governor Broome Deposit, for a value of $750,000. As a result of this acquisition, the Company now owns 100% of the Governor Broome Project; and

- acquisition HMS plant, which features 10 tonne per hour Mitchell & Cotts design is an ex-Rio Tinto machine which has been subject to refurbishment and which is believed to have been previously used to sort gravels for diamonds for Rio Tinto alluvial diamond exploration programmes of plant and equipment for Diamond mine plant.

The above acquisitions were funded by way of convertible notes, whose conversion terms were approved by shareholders on the 20 November 2013.

Funding

During the Half-Year, the Company also secured funding in the form of convertible notes from two parties, one of which was a substantial shareholder. Full details, including interest and conversion terms are set note 6. The conversion terms of the convertible notes were approved by shareholders on the 20 November 2013.

Board and management

There has been no change in the board and management of the Company since 30 June 2013.

Auditor's Independence Declaration

The auditor's independence declaration for the Half-Year ended 31 December 2013 has been received and can be found on page 4 of the financial report.

This report is signed in accordance with a resolution of the Board of Directors.

Director: ....
Mr Kris Knauer
Chairman

Dated 17 February 2014

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Astro Resources NL for the half year ended 31 December 2013, 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.

RSM Bird Cameron Partners

RSM BIRD CAMERON PARTNERS

C J HUME
Partner

Sydney, NSW
Dated: 17 February 2014

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Half-Year Ended 31 December 2013

	Note	31 December 2013 $	31 December 2012 $
Continuing Operations			
Revenue	5	**25,016**	15,604
Exploration expenditure written off		**(672,047)**	(57,906)
Other operating expenses		**(32,540)**	-
Interest paid		**(65,268)**	-
Administration expenses		**(254,003)**	(421,015)
(Loss) from continuing operations before income tax		**(998,842)**	(463,317)
Income tax expense		**-**	-
(Loss) from continuing operations after tax		**(998,842)**	(463,317)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Net Gain on Revaluation of Financial Assets Available for sale		**600**	1,800
Total comprehensive (loss) for the period		**(998,242)**	(461,517)
(Loss) attributable to:			
- Members of Astro Resources NL		**(998,242)**	(451,282)
- Non-controlling interest		**-**	(12,035)
		(998,242)	(463,317)
Total comprehensive (loss) attributable to:			
- Members of Astro Resources NL		**(998,242)**	(449,482)
- Non-controlling interest		**-**	(12,035)
		(998,242)	(461,517)
Earnings per share (cents per share)			
- basic; for loss for the Half-Year		**(0.029)**	(0.013)
- diluted; for loss for the Half-Year		**(0.029)**	(0.013)

The accompanying notes form part of these Financial Statements.

Consolidated Statement of Financial Position

As at 31 December 2013

	Note	31 December 2013 $	30 June 2013 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		**331,961**	347,541
Trade and other receivables		**8,245**	34,956
Borrowing costs		**68,899**	-
Inventories		**4,000**	4,000
Other current assets		**36,211**	23,155
TOTAL CURRENT ASSETS		**449,316**	409,652
NON-CURRENT ASSETS			
Available-for-sale investments		**4,200**	3,600
Plant and equipment		**150,000**	-
Exploration expenditure		**3,776,172**	3,680,748
TOTAL NON-CURRENT ASSETS		**3,930,372**	3,684,348
TOTAL ASSETS		**4,379,688**	4,094,000
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables		**132,566**	155,668
TOTAL CURRENT LIABILITIES		**132,566**	155,668
NON-CURRENT LIABILITIES			
Other creditors		**-**	20,000
Borrowings	6	**1,400,000**	-
TOTAL NON-CURRENT LIABILITIES		**1,400,000**	20,000
TOTAL LIABILITIES		**1,532,566**	175,668
NET ASSETS		**2,847,122**	3,918,332
EQUITY			
Issued capital		**9,177,372**	9,177,372
Reserves		**1,595,852**	1,595,252
Accumulated losses		**(7,926,102)**	(6,927,265)
Parent interest		**2,847,122**	3,845,359
Non-controlling interest		**-**	72,973
TOTAL EQUITY		**2,847,122**	3,918,332

The accompanying notes form part of these Financial Statements.

Consolidated Statement of Cash Flows

For the Half-Year Ended 31 December 2013

	31 December 2013 $	31 December 2012 $
CASH FLOWS FROM OPERATING ACTIVITIES:		
Payments to suppliers and employees	**(317,506)**	(442,885)
Other (Stamp duty paid on acquisition of 20% stake in Governor Broome)	**(32,540)**	-
Interest received	**4,758**	15,568
Net cash used in operating activities	**(345,288)**	(427,317)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Payment for exploration	**(102,999)**	(649,111)
Net cash used in investing activities	**(102,999)**	(649,111)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Capital raising costs	**(64,792)**	-
Borrowing costs associated with convertible note	**(2,500)**	-
Proceeds from the issue of convertible note	**500,000**	-
Net cash provided by financing activities	**432,708**	-
Net decrease in cash and cash equivalents held	**(15,579)**	(1,076,428)
Cash and cash equivalents at beginning of year	**347,540**	1,585,928
Cash and cash equivalents at end of the Half-Year	**331,961**	509,500

The accompanying notes form part of these Financial Statements.

Consolidated Statement of Changes in Equity

For the Half-Year Ended 31 December 2013

	Ordinary shares	Reserves	Accumulated losses	Non-controlling interest	Total equity
	$	$	$	$	$
Balance at 1 July 2013	**9,177,372**	**1,595,252**	**(6,927,260)**	**72,973**	**3,918,337**
Loss for the period attributable to members of the parent entity	**-**	**-**	**(998,842)**	**-**	**(998,842)**
Loss for the period attributable to non-controlling interest	**-**	**-**	**-**	**-**	**-**
Other comprehensive income	**-**	**600**	**-**	**-**	**600**
Total comprehensive income for the Half-Year	**-**	**600**	**(998,842)**	**-**	**(998,242)**
Transactions with owners in their capacity as owners					
Issue of shares	**-**	**-**	**-**	**-**	**-**
Share issue costs	**-**	**-**	**-**	**-**	**-**
Acquisition of subsidiaries	**-**	**-**	**-**	**-**	**-**
Non-controlling interest	**-**	**-**	**-**	**(72,973)**	**(72,973)**
Balance at 31 December 2013	**9,177,372**	**1,595,852**	**(7,926,102)**	**-**	**2,847,122**
Balance 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					
Issue of shares	-	-	-	-	-
Option premium reserve	-	-	-	-	-
Expiry of options	-	-	-	-	-
Non-controlling interest	-	-	-	-	-
Balance at 31 December 2012	9,177,372	1,597,652	(6,575,426)	60,937	4,260,535

The accompanying notes form part of these Financial Statements.

Condensed Notes to the Financial Accounts

For the Half-Year Ended 31 December 2013

1 CORPORATE INFORMATION

The financial report of Astro Resources NL (the 'Company') for the Half-Year ended 31 December 2013 was authorised for issue in accordance with a resolution of the Directors on 17 February 2014.

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 2013.

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 2013 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.

(b) Going Concern

The consolidated entity incurred a loss of $998,842 and had cash outflows from operating and investing activities of $345,288 and $102,999 respectively for the half year ended 31 December 2013. Notwithstanding this, 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 $316,750, including a cash at bank of $331,961 at 31 Dec 2013;
- 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;
- the Company has received a letter of support from Mining Investments Limited for the amount of up to $500,000 payable in cash and that the funds will be initially recognised as an unsecured loan at interest at the rate of 17% per annum; 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, there may be significant uncertainty whether the consolidated entity will be able to continue as a going concern and 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.

(c) Basis of consolidation

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

(d) 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.

There have been no new and revised Standards and amendments thereof and interpretations effective for the current Half-Year that are relevant to the Group.

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 2013.

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”, which 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 engages 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 now operates in four operating segments being heavy minerals, diamond and uranium exploration industries in one geographical location, being Australia.

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 2013 (2012: Nil).

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 2013 (2012: 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 2013 (2012: Nil).

Segment Information

	Diamond	Uranium	Gold	Heavy minerals	Unallocated	Total
	$	$	$	$	$	$
Six months ended 31 December 2013						
Revenue						
Other revenue from external customers	-	20,000	-	-	5,016	25,016
Inter-segment revenue	-	-	-	-	-	-
Total segment revenue	-	20,000	-	-	5,016	25,016
Result						
Segment result	(7,104)	(588,700)	-	(34,900)	(368,138)	(998,842)
(Loss) before income tax and non controlling interests	(7,104)	(588,700)	-	(34,900)	(368,138)	(998,842)
Income tax expense	-	-	-	-	-	-
Net (loss) for the six months as Statement of Comprehensive Income	(7,104)	(588,700)	-	(34,900)	(368,138)	(998,842)
Other segment information						
Interest revenue	-	-	-	-	5,016	5,016
Write back of deferred consideration	-	20,000	-	-	-	20,000
Assets and Liabilities						
Segment assets						
- Exploration Expenditure	244,703	-	-	3,531,469	-	3,776,172
- Plant and Equipment	150,000	-	-	-	-	150,000
- Inventories	4,000	-	-	-	-	4,000
	398,703	-	-	3,531,469	-	3,930,152
Unallocated assets						
- Available for sale assets	-	-	-	-	4,200	4,200
- Cash and cash equivalents	-	-	-	-	331,961	331,961
- Trade and other receivables	-	-	-	-	8,245	8,245
- Borrowing costs	-	-	-	-	68,899	68,899
- Other assets	-	-	-	-	36,211	36,211
Total assets as per the Statement of Financial Position	398,703	-	-	3,531,469	449,516	4,379,688
Segment and unallocated liabilities						
- Trade and other payables	7,104	-	-	34,900	90,561	132,565
- Borrowings	150,000	-	-	750,000	500,000	1,400,000
Total liabilities as per the Statement of Financial Position	157,104	-	-	784,900	590,561	1,532,566

	Diamond	Uranium	Gold	Heavy minerals	Unallocated	Total
	$	$	$	$	$	$
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)
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
- 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 and 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

5 REVENUE, INCOME AND EXPENSES FROM CONTINUING OPERATIONS

Revenue

	31 December 2013 $	31 December 2012 $
Finance revenue	**25,016**	15,604
Total revenue	**25,016**	15,604

Breakdown of finance revenue

	31 December 2013 $	31 December 2012 $
Interest		
Other entity	**5,016**	15,604
Write back of deferred consideration	**20,000**	-
	25,016	15,604

6 NON-CURRENT LIABILITIES – BORROWINGS

Non-current borrowings of $1,400,000 is comprise of the following:

	31 December 2013 $	30 June 2013 $
Pure Steel	**250,000**	-
Reliance Natural Resource Fund	**250,000**	-
David Gibbs	**150,000**	-
Mining Investments Ltd	**750,000**	-
Total	**1,400,000**	-

Each of the above convertible notes are unsecured and have the following terms:

- Interest rate: 12% per annum.
- Repayable in cash or convertible into Company shares at the election of the lender based on an issue price which is the lower of $0.001 or 80% of the 30 day average trading volume weighted share price.
- Term of Loan: 14 months from the 2 December 2013.
- Further Term: If at the end of the 14 months period the loan is not repaid or converted into Company shares the loan is to roll over for a further period of 12 months at a penalty interest rate of 17% per annum.
- An establishment fee of $12,500 is payable in respect of the loan notes for the cash issue to Mining Investments Limited and Pure Steel Limited, which total $500,000.

7 ACQUISITION

2013

On 15th August 2013, the Company announced that it had entered into an agreement to acquire the remaining 20% shareholding in Governor Broome Sands that it does not own. The purchase price was $750,000 and is funded by a convertible note.

Set out below is the accounting treatment of the acquisition:

	31 December 2013 $	30 June 2013 $
Fair value of the acquisition purchase price	750,000	-
Less: acquisition of the outside equity interest in the subsidiary – Governor Broome	(72,973)	-
Exploration expenditure (Governor Broome)	677,027	-

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 expended as follows:

No later than one year	**373,994**	478,539
	373,994	478,539

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

	31 December 2013 $	30 June 2013 $
Macphee Resources Pty Ltd	**105,000**	67,167
East Kimberley Diamond Corporation Pty Ltd	**78,160**	94,468
Governor Broome Sands Pty Ltd	**190,834**	316,904
	373,994	478,539

9 CONTRIBUTED EQUITY

	31 December 2013 $	30 June 2013 $
Ordinary shares (i)	**9,177,372**	9,177,372
	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 2013	Opening balance	3,488,062,324	9,177,372
	Issues	-	-
31 December 2013		3,488,062,324	9,177,372

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

(ii) Options

739,505,210 listed options are on issue at an exercise price of $0.005 which, if exercised, will entitle the option holders to one fully paid share in the Company for each option.

47,493,000 unlisted options with an exercise price of A$0.01 with an expiry date of 31 July 2013.

10 EVENTS AFTER THE BALANCE SHEET DATE

Since balance date, the Company received an amount of $132,814.80 in respect of a Research and Development (R&D) grant.

Except for the above, no other matters or circumstances have arisen since the end of the financial Half-Year which significantly affected or could significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

Director's Declaration

The Directors of the Company declare that:

1. The financial statements and notes, as set out on pages 5 to 15 are in accordance with the *Corporations Act 2001*, including:

   (a) complying with Accounting Standard AASB 134: Interim Financial Reporting; and

   (b) give a true and fair view of the consolidated group's financial position as at 31 December 2013 and of its performance for the Half-Year ended on that date.

2. In the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Director ....
Mr Kris Knauer
Chairman

Dated 17 February 2014

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INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE MEMBERS OF

ASTRO MINERALS NL

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Astro Minerals NL and its controlled entities which comprises the consolidated statement of financial position as at 31 December 2013, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such 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 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 2013 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 Minerals 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.

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*, which has been given to the directors of Astro Minerals NL, would be in the same terms if given to the directors as at the time of this auditor's review report.

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 Minerals 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 2013 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*.

Emphasis of Matter

Without qualifying our conclusion, we draw attention to Note 1 in the financial report, which indicates that the consolidated entity incurred a loss of $998,242 and had net cash outflows from operating activities and investing activities of $345,288 and $102,999 respectively for the half year ended 31 December 2013. These conditions, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty which may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business.

RSM Bird Cameron Partners

RSM BIRD CAMERON PARTNERS

Sydney, NSW
Dated: 17 February 2014

C J Hume
Partner