

QUARTERLY REPORT – 30 June 2017

Astro Resources NL is an Australian-based mineral resources company focused on the commercial development and production of economically and environmentally sustainable mineral sands deposits, diamonds, gold and other minerals.

Highlights

- No work on Governor Broome project and options are still being considered for the Jack Track project.
- Major shareholder, MIL has provided a \$500,000 loan facility for working capital, plus acquisition facility of a further \$500,000.
- Further analysis on Lower Smoke Creek GPR was undertaken during the quarter.
- Company is still waiting for a response from the OSR in respect of the prior year's stamp duty liability.
- Company enters into a conditional agreement for the acquisition of a Nevada gold project.

The board of Astro Resources NL (**Astro** or the **Company**) (ASX: **ARO**) is pleased to release the quarterly report and appendix 5B for the period ended 30 June 2017:

Governor Broome

About Governor Broome

Astro's Governor Broome mineral sands project is located in the southern-eastern region of Western Australia. The project is broken up into two parts, R70/53, 100% owned by Astro Resources, and E70/2464 which is the subject to the Farm-in & Joint Venture Agreement with Iluka Resources Limited (see below for further details).

Governor Broome (excluding Iluka Joint Venture)

The R70/53 licence area subject to an Indicated Inferred JORC (2012) resource, details of which have been previously provided in the Company's quarterly activities and cash flow statement. The Retention Licence was formerly known as E70/2372. No field exploration activity has been undertaken by the Company during the quarter.

Iluka Joint Venture

Exploration licence E70/2464, in the SW region of Western Australia, is subject to Farm-In and Exploration Joint Venture Agreement ("**Iluka JV**") between Iluka Resources and Governor Broome Sands Pty Ltd ("**GBS**"), a wholly owned subsidiary of the Company. Exploration drilling by Iluka has delineated a heavy minerals ("**HM**") sands resource within the licence, in an area known as the "Jack Track" deposit.

The Company has previously announced a Maiden Inferred Mineral Resource of 18.8 Mt @ 4.7% HM at a 3.0% HM lower cut-off grade, a resource estimated in accordance with the guidelines outlined in the JORC Code (2012) for the reporting of Exploration Results, Mineral Resources and Ore Reserves.

No work was completed on the Iluka JV during the quarter. Iluka continues to assess options for progression of this resource.

East Kimberley Diamonds

The Company holds the Lower Smoke Creek (E80/4120) and the Carr Boyd (E80/4316) exploration licences that adjoin the Argyle, and the former Bow River Diamond Mines within the East Kimberley region of Western Australia.

During the quarter, the Company undertook further review of the ground penetrating radar (GPR) survey results for the Lower Smoke Creek licence area and progressed to 3D modelling of the main northern potential alluvial diamond trap sites. The two main areas consists of one palaeo-channel greater than 5m thick and the other greater than 10m thick (Figure 1). For the latter, Surpac modelling indicates a total gravel volume of approximately 5 million m³ and a total of 17 million reworked alluvial material. A bulk sampling design is currently being assessed in order to test these trap sites in the next field season.

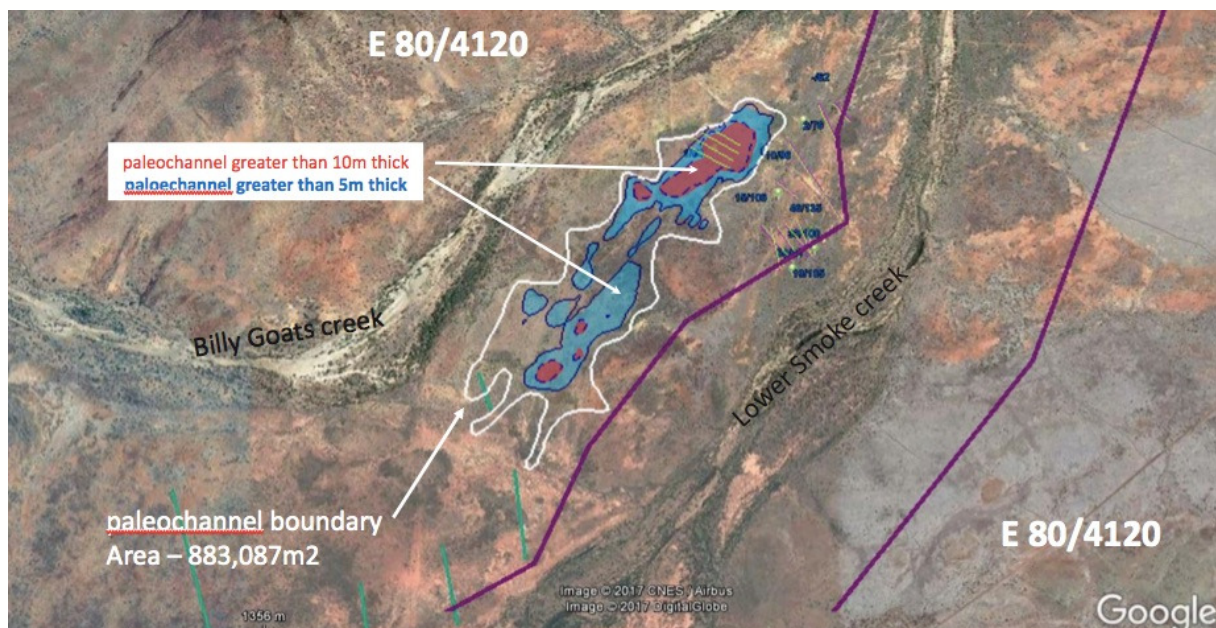


Figure 1: LSC GPR identified palaeo-channels

The analysis and interpretation of the GPR data will (subject to the necessary DMP approvals and Heritage survey (if required) and at that time, the bulk sampled utilising the Company's Mitchell and Cotts 10 tonne/hr HMS plant currently situated nearby at Lissadell Station can commence.

Corporate

Debt facility and funding

The Company has entered into formal loan agreements with Mining Investments Limited (**MIL**) for a working capital facility of up to \$500,000 and an acquisition facility for a further \$500,000; totalling \$1.0 million. The terms of the facility have been set out in note 8 of the Quarterly Report Appendix 5B below.

Stamp duty liability

As announced on the 9th January 2017, the Company has received a draft assessment for stamp duty for an amount of approximately \$166,000. The Company has completed its submission to the Office of State Revenue (**OSR**) for a lower sum and is waiting for a response. Further details will be made available as they come to hand.

Acquisitions

As set out in its announcement dated 18 July 2017, the Company has entered into a conditional Heads of Agreement for the acquisition of the "Needles Project", a gold based tenement located in Nevada in the United States. Further details of that acquisition can be found in that announcement.

ENDS

For enquiries, please contact:

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Company Secretary

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The information in this report as it relates to Mineral Resources and Exploration Targets for the Governor Broome Deposit (excluding that of the Iluka JV) is based on information compiled by John Doepel (Director of Continental Resource Management Pty Ltd (CRM), who is a member of the Australasian Institute of Mining and Metallurgy). Mr Doepel has sufficient experience in mineral resource estimation, which is relevant to the style of mineralisation and type of deposit under consideration and are qualified as a Competent Person as defined in the 2004 edition of the "Australasian Code for Reporting of Mineral Resources and Ore Reserves". Mr Doepel consents to the inclusion in the report of the information in the form and context in which it appears.

The information in this report as it relates to Iluka JV is based on information compiled by Shaun Seah under the review of Brett Gibson who is a member of The Australasian Institute of Geoscientists and a full time employee of Iluka. Brett Gibson has sufficient experience which is relevant to this style of mineralisation to qualify as a Competent Person as defined in the 2012 Edition of the JORC Code and consents to the inclusion in the report of the matters based on information in the form and context in which it appears.

The information in this report as it relates to Mineral Resources for the East Kimberley diamond deposits is based on information compiled by Michael Povey C.Eng who is a member of the Australasian Institute of Mining and Metallurgy). Mr Povey has sufficient experience in mineral resource estimation, which is relevant to the style of mineralisation and type of deposit under consideration and are qualified as a Competent Person as defined in the 2004 edition of the "Australasian Code for Reporting of Mineral Resources and Ore Reserves". Mr Povey consents to the inclusion in the report of the information in the form and context in which it appears.

List of tenements as at 30 June 2017

Holder	Project	Lease	Location	Lease Status
Governor Broome	Governor Broome	Retention Licence R70/53 (formerly E70/2372)	Nannup - Southern WA	Granted
Governor Broome (20%), Iluka Resources Limited (80%)	Governor Broome	E70/2464	Nannup - Southern WA	Granted
Governor Broome	Governor Broome	E70/3681	Nannup - Southern WA	Granted
Governor Broome	Governor Broome	E70/4418	Nannup - Southern WA	Granted
East Kimberley Diamond Mines	Lower Smoke Creek	E80/4120	Kimberley - Northern WA	Granted
East Kimberley Diamond Mines	Carr Boyd Range	E80/4316	Kimberley - Northern WA	Granted
Governor Broome	Governor Broome	P70/1584	Nannup - Southern WA	Granted
Governor Broome	Governor Broome	P70/1639	Nannup - Southern WA	Granted
Governor Broome	Governor Broome	P70/1640	Nannup - Southern WA	Granted
East Kimberley Diamond Mines	Argyle Dykes	P80/1615	Kimberley - Northern WA	Granted
East Kimberley Diamond Mines	Argyle Dykes	P80/1616	Kimberley - Northern WA	Granted
East Kimberley Diamond Mines	Argyle Dykes	P80/1617	Kimberley - Northern WA	Granted

Astro Resources NL

ABN

96 007 090 904

Quarter ended ("current quarter")

30 June 2017

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation	(20)	(219)
(b) development	-	-
(c) production	-	-
(d) staff costs	-	-
(e) administration and corporate costs	(52)	(737)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(72)	(956)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-
2.2 Proceeds from the disposal of:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
2.5 Other (provide details if material)	-	-
2.6 Net cash from / (used in) investing activities	-	-

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	-	1,100
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	-	(158)
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
3.10 Net cash from / (used in) financing activities	-	(942)

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	79	21
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(72)	(956)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4 Net cash from / (used in) financing activities (item 3.10 above)	-	942
4.5 Effect of movement in exchange rates on cash held	-	-
4.6 Cash and cash equivalents at end of period	7	7

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	7	79
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	7	79

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Current quarter \$A'000
(30)
-

7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

Current quarter \$A'000
-
-

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	1,000	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

Loan facility from Mining Investments Limited of up to \$1,000,000 has been made available to the Company. The terms of the facility are interest rate of 12% per annum and is repayable 13 months from the date of draw down, with a right to extend for a further 13 months if agreed by the parties. The funds are to be used for working capital as well as the acquisition of the Needles project – referred to in the company's announcement on 18 July 2017.

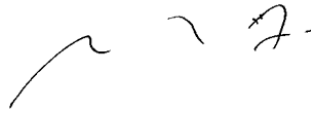
9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	(75)
9.2 Development	-
9.3 Production	-
9.4 Staff costs	-
9.5 Administration and corporate costs	(73)
9.6 Other (provide details if material) Acquisition of Needles project	(400)
9.7 Total estimated cash outflows	(548)

10. Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced				
10.2 Interests in mining tenements and petroleum tenements acquired or increased				

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:



Date: 20 July 2017

Print name: Vincent J Fayad (Company Secretary)

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 that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, 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. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.