astro resources nl

MARKET UPDATE

Astro Resources NL (ASX: **ARO** or the **Company**) provides the following update with respect to its activities:

Needles Acquisition

The Company advises that it is has entered into a conditional contract for the acquisition of 100% of the Needles Project. Completion is conditional upon the following key items:

- payment by the Company of the 2018 Claim fees with the Bureau of Land Minerals (BLM), being the relevant Nevada mining department;
- confirmation of the ownership of the Claims transferred into a special purpose vehicle US company; and
- signing by all parties to the Deed of Novation between the seller and Mining Investments Limited.

The Company anticipates that completion is expected to take place by no later than 30 September 2017. However, this is subject to the time that the BLM process the transfer in the ownership of the Claims.

Exploration activity update

Needles

Previous geochemical sampling programs conducted on the Needles Property have outlined anomalous gold and silver values. Upon the completion of the acquisition, the Company intends to undertake a Gradient array resistivity and ground magnetic survey on 250 m line spacing to better define the current anomalies and determine new drill targets.

It is expected that this programme will be followed by with a 1000 metre RC drilling programme on the best geophysical targets. Both programmes are scheduled to be undertaken and completed prior to the onset of the Northern hemisphere 2017 winter when heavy snow cover can make access impossible.

Governor Broome RL70/53 – 100% owned

Previous exploration drilling by the Company has established a JORC (2012) Compliant Indicated and Inferred Resource of 155Mt @ 4.4% Heavy Minerals (HM) on E70/2372 and P70/1583 (as announced on 16th January 2015). This resource is now held by the Company under Retention Licence R70/53. Doepel (2015) provided the following resource breakdown Figure 1:

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Governor Broome Resource	Category	Tonnage (Mt)	HM (%)	Slimes (%)	Oversize (%)
North	Indicated	30	4.9	12	8
	Inferred	2	4.5	16	6
	Total	31	4.9	12	8
South	Inferred	26	5.0	14	10
East	Inferred	68	3.9	18	5
Southeast	Inferred	32	4.6	15	12
Total	Indicated	30	4.9	12	8
	Inferred	125	4.3	16	8
	Total	**155**	**4.4**	**15.5**	**8**

Figure 1: Governor Broome Resource within E70/2372 and P70/1583 – minimum 2% HM and maximum 30% slimes cut-off grades.

Recent exploration within the adjacent E70/2464 licence area which is subject to a Farm-in and Joint Venture Arrangement (**JV**) between the Company and Iluka Resources Limited **(Iluka)** has provided a series of drilling traverses across and along the Warren sands palaeo-shoreline encountered Warren Sands HM mineralisation resulting in (as previously announced on 26 April 2016) a Maiden Inferred Resource for this "Jack Track" deposit within E70/2464 of 18.8 Mt @ 4.7% HM containing 890 thousand tonnes of HM at a 3.0% HM lower cut-off grade.

The work undertaken under the JV has provided a clearer indication of the mineralisation requirements needed to positively evaluate the Governor Broome resource's economic potential and to specifically concentrate on the upper Warren Sands mineralisation with its lower slimes content.

As a result of the above, the Company intends to remodel its resource data to concentrate on the Warren sands mineralisation and undertake a Scoping Study on the current economic potential of this section of the Governor Broome resource. This work will commence during the September quarter.

Diamond

Lower Smoke Creek E80/4120

The Company's 57 line km ground penetrating radar (GPR) survey undertaken in late 2016 on the Lower Smoke Creek licence area detected and delineated a number of paleo-stream channels as potential targets for alluvial diamond deposits (ASX announcement 10th December 2016)

A total of 10,000,000 m3 of potentially diamond bearing, coarse-grained gravels and cobbles has been delineated within in basal traps in the palaeo-channels. A deep (>20m) bedrock sump in the main target area is a primary target along with two other, significant but less deep traps situated upstream towards the Argyle mine site.

The Company has explored several options to the deeper site whilst these options are feasible they represent a major earthwork activity for initial bulk sampling. Accordingly, to progress more rapidly the smaller basal traps are being focused on with a view to still sampling bedrock gravels but with less overburden removal. Design work on the excavation methodology on these sites is currently being undertaken.

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Carr Boyd E80/4136

The Company's 2015 drilling programme encountered several anomalous base metal values and additional geochemical sampling and drilling is required to further examine the significant precious and base metal anomalies discovered in that 2015 drill programme.

Conventional soil sampling is problematic in this southern portion of the tenement boundary area due to the (intersected) anomalous zones being hosted within fresh granite. Although further northwards towards a low-resolution magnetic anomaly seen in the geophysics of the area, rock chip and soil sampling should be possible.

A follow up soil and rock chip sampling programme has been designed to cover the areas of anomalies and the large magnetic feature seen in the geophysics and this work has been planned to be undertaken before the end of 2017.

ENDS

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