astro resources nl

# UPDATE ON FUNDING

**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.**

Astro Resources NL (**ARO** or the **Company**) advises on the following update:

**Loan from Gun Capital Management**

On the 22 July 2019, the Company advised that it had secured (subject to documentation) the following Gun Capital Management Pty Ltd (**GCM**):

- an additional amount of $300,000 available for draw down; and
- if an amount of $250,000 was drawn under this facility, there would be an immediate consolidation of all facilities into a new consolidated facility. This facility would be secured over the assets of the Company (**New Secured Facility**).

The Board is pleased to advise that as outlined in the Company's annual report lodged on 27 September 2019, it has entered into a formal agreement with GCM. Set out below are following key terms of the new loan agreement:

- the current facilities are consolidated into one facility. The total principal amount under the existing facilities is $1,800,000 and the amount drawn as at the date of this announcement is $1,771,903.87. This leaves a net amount available for drawing of $28,906.13;
- an amount of $395,000 of additional loan funds is provided to the Company, resulting in total funds available for drawdown of $423,093.13 ($395,000 plus the undrawn amount of $28,906.13);
- increasing the principal sum by a further amount of $300,000 to allow for future capitalised of interest; and
- further increasing the amount of by borrowing by the assignment of an amount owing to a substantial shareholder of the Company, Mining Investments Limited of $105,000.

Other key terms include:

- repayment date 31 October 2021 (previously 31 October 2019);
- unsecured; and
- an interest rate of 15% (default rate: 20%) applicable to the total amount of the facility.

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As a result of the above, the total principal sum is $2.6 million. The above loan is referred to as the "**New Unsecured Loan Facility**". The New Unsecured Loan Facility supersedes the New Secured Facility.

**Impact on the Financial Position**

The impact of the New Unsecured Facility will be to improve the working capital and liquidity position of the Company. Set out below is a pro forma position of the impact to working capital as a result of the New Unsecured Loan Facility:

| | **Reported 30 June 2019** | **Proforma Adjustment** | **Pro forma** |
|---|---|---|---|
| **CURRENT ASSETS** | | | |
| Cash and cash equivalents | 199,479 | - | 199,479 |
| Trade and other receivables | 30,948 | - | 30,948 |
| Inventories | 4,000 | - | 4,000 |
| Other assets | 37,643 | - | 37,643 |
| TOTAL CURRENT ASSETS | 272,070 | - | 272,070 |
| | | | |
| **CURRENT LIABILITIES** | | | |
| Trade and other payables | 281,736 | - | 281,736 |
| Borrowings | 1,458,719 | 1,458,719 | - |
| | 1,740,455 | 1,458,719 | 281,736 |
| | | | |
| Net working capital/(deficiency) | 1,468,385 | 1,458,719 | 9,666 |

*Note: the pro forma adjustment for borrowings relates to the amount owing to GCM as at 30 June 2019 reallocated from current liabilities to non-current liabilities.*

As noted from the above table, working capital improves from a deficiency of approximately $1.468 million to a deficiency of approximately $10,000 as a result of the extension of the repayment date to 31 October 2021.

**ENDS**

*For enquiries, please contact:*

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