Notice of Annual General Meeting

Astro Resources NL ACN 007 090 904

Date of Meeting: 22 November 2019

Time of Meeting: 10.00 am (AEDT)

Place of Meeting: Offices of Vince Fayad & Associates Pty Limited
Suite 6, Level 5
189 Kent Street
Sydney NSW 2000

This Notice of Meeting should be read in its entirety. If any Shareholder is in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 414 752 804

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IMPORTANT INFORMATION

Time and place of Meeting

Notice is given that the Meeting will be held at 10.00am AEDT on 22 November 2019 at:

Offices of Vince Fayad & Associates Pty Limited
Suite 6, Level 5
189 Kent Street
SYDNEY NSW 2000

Your vote is important

The business of the Meeting affects your Shareholding and your vote is important.

Defined terms

Capitalised terms used in this Notice of Meeting have the meaning given in the Glossary.

Voting eligibility

The Directors have determined pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 7000pm (AEDT) on 20 November 2019.

Voting in person

To vote in person, attend the Meeting at the time, date and place set out above.

Voting by proxy

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the Shareholder appoints 2 proxies and the appointment does not specify the proportion or number of the Shareholder's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that:

- if proxy holders vote, they must cast all directed proxies as directed; and

- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Further details on these matters are set out below.

Proxy vote if appointment specifies way to vote

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, **if it does**:

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (ie as directed); and

- if the proxy has 2 or more appointments that specify different ways to vote on the resolution, the proxy must not vote on a show of hands; and

- if the proxy is the chair of the meeting at which the resolution is voted on, the proxy must vote on a poll, and must vote that way (ie as directed); and

- if the proxy is not the chair, the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (ie as directed).

Transfer of non-chair proxy to chair in certain circumstances

Section 250BC of the Corporations Act provides that, if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and

- the appointed proxy is not the chair of the meeting; and

- at the meeting, a poll is duly demanded on the resolution; and

- either of the following applies:

    - the proxy is not recorded as attending the meeting; or

    - the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

Required Majority

Resolutions 1, 2 and 4 proposed in this Notice of Meeting are ordinary resolutions and will be passed if, in each case, more than 50% of the votes cast by Shareholders entitled to vote on each resolution (on a show of hands or, if duly demanded, by poll) are cast in favour of the relevant Resolution.

Resolution 3 proposed in this Notice of Meeting is a special resolution and will be passed if at least 75% of the votes cast by Shareholders entitled to vote on Resolution 3 (on a show of hands or, if duly demanded, by poll) are cast in favour of Resolution 3.

BUSINESS OF THE MEETING

AGENDA

1. FINANCIAL STATEMENTS AND REPORTS

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2019 together with the declaration of the Directors, the Directors' Report, the Remuneration Report (see further Resolution 1 below) and the Auditor's Report.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **non-binding ordinary resolution**:

> *"That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's annual financial report for the financial year ended 30 June 2019."*

Note: the vote on this Resolution is advisory only and does not bind the Directors or the Company.

Voting Prohibition Statement:
A vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:

(a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or

(b) a Closely Related Party of such a member.

However, a person (the **voter**) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of the voter or any other person described above and either:

(a) the voter is appointed as a proxy in writing that specifies the way the proxy is to vote on this Resolution; or

(b) the voter is the Chair and the appointment of the Chair as proxy:

    (i) does not specify the way the proxy is to vote on this Resolution; and

    (ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

2. RESOLUTION 2 – ELECTION OF DIRECTOR – VINCENT J FAYAD

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

> *"That, Vincent J Fayad who retires by rotation in accordance with Article 15.2 of the Company's Constitution and Listing Rule 14.4 and, being eligible, offers himself for re-election, be re-elected as a Director."*

3. RESOLUTION 3 - APPROVAL OF ADDITIONAL PLACEMENT CAPACITY

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **special resolution**:

> *"That, for the purposes of Listing Rule 7.1A and for all other purposes, approval is given for the issue by the Company of Equity Securities totalling up to the maximum number calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and otherwise on the terms and conditions set out in the Explanatory Statement."*

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution 3 by or on behalf of any person who is expected to participate in any issue of Equity Securities under this Resolution 3, any person who will obtain a material benefit, except a benefit solely by reason of being a holder of Ordinary Securities in the Company, as a result of any proposed issue of Equity Securities under this Resolution 3, and any associates of any of those persons, if the Resolution is passed. However, the Company will not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote on this Resolution 3, in accordance with the directions on the Proxy Form, or, it is cast by the Chair of the Meeting as proxy for a person who is entitled to vote on this Resolution 3, in accordance with a direction on the Proxy Form to vote as the proxy decides.

4. RESOLUTION 4 – APPROVAL OF ISSUE OF SHARES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

> *"That, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given to issue up to 500,000,000 fully paid ordinary shares in the capital of the Company on the terms and conditions set out in the Explanatory Statement."*

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution 4 by or on behalf of any person who is expected to participate in the proposed issue of Shares under this Resolution 4, any person who will obtain a material benefit, except a benefit solely by reason of being a holder of Ordinary Securities in the Company, as a result of the proposed issue, and any associates of any of those persons, if the Resolution is passed. However, the Company will not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote on this Resolution 4, in accordance with the directions on the Proxy Form, or, it is cast by the Chair of the Meeting as proxy for a person who is entitled to vote on this Resolution 4, in accordance with a direction on the Proxy Form to vote as the proxy decides.

5. OTHER BUSINESS

To transact any other business as may be brought before the Meeting.

Dated: 18 October 2019

By order of the Board

Vince Fayad
Company Secretary and Director

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to vote in favour of the Resolutions.

1. FINANCIAL STATEMENTS AND REPORTS

In accordance with the Constitution, the business of the Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2019 together with the declaration of the Directors, the Directors' Report, the Remuneration Report and the Auditor's Report (**2019 Annual Report**).

Shareholders may request a hard copy of the Company's 2019 Annual Report, free of charge, by contacting the Company Secretary on +61 414 752 804 or by email at vince.fayad@vfassociates.com.au. The Company will not provide a hard copy of the Company's 2019 Annual Report to Shareholders unless specifically requested to do so. The Company's 2019 Annual Report is available on the Company's ASX announcements platform at www.asx.com.au under the ticker "ARO".

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

2.1 General

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the company's remuneration report for the relevant year be adopted be put to its shareholders. While such a resolution is to be determined as an ordinary resolution, it is advisory only and does not bind the directors or the company.

The Company's Remuneration Report for the financial year ended 30 June 2019 is contained in the "Director's Report" section of the 2019 Annual Report, and sets out the Company's remuneration arrangements for the Directors and senior management of the Company.

A reasonable opportunity will be provided for questions about or comments on the Remuneration Report at the Annual General Meeting.

2.2 Voting consequences

A company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the re-election of the directors of the company (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to a vote. If required, the Spill Resolution must be put to a vote at the second of those annual general meetings.

If more than 50% of shareholders vote in favour of the Spill Resolution, the company must convene an extraordinary general meeting (**Spill Meeting**) within 90 days of the second annual general meeting to consider the re-election of the company's directors. All of the directors of the company who were in office when the directors' report (as included in the company's annual financial report for the most recent financial year) was approved, other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting those persons whose election or re-election as directors is approved will be the directors of the company.

2.3 Previous voting results

At the Company's annual general meeting held in 2018, the votes cast against the remuneration report considered at that annual general meeting were less than 25%. Accordingly, if at least 25% of the votes cast at this Annual General Meeting in respect of Resolution 1 are against the adoption of the Remuneration Report, a Spill Resolution will *not* be held at this Annual General Meeting.

2.4 Proxy voting restrictions

If you choose to appoint a proxy, you are encouraged to direct your proxy how to vote on Resolution 1 (Adoption of Remuneration Report) by marking either "For", "Against" or "Abstain" on the Proxy Form for Resolution 1.

If you appoint a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report (who is not the Chair) or a Closely Related Party of that member as your proxy, and you do not direct that person on how to vote on this Resolution 1, the proxy **cannot** exercise your vote and your vote will **not** be counted in relation to this Resolution 1.

The Chair intends to vote all undirected proxies in favour of Resolution 1. If the Chair of the Meeting is appointed as your proxy and you have not specified the way the Chair is to vote on Resolution 1, by signing and returning the Proxy Form you are giving express authorisation for the Chair to vote the proxy in accordance with the Chair's intention on Resolution 1, even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

Key Management Personnel of the Company are the Directors and those other persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. The Remuneration Report identifies the Company's Key Management Personnel for the financial year ended 30 June 2019. Their 'closely related parties' are defined in the Corporations Act (as extracted in the Glossary to this Notice), and include certain of their family members, dependants and companies they control.

2.5 No recommendation

The Board makes no recommendation with respect to voting on Resolution 1.

3. RESOLUTION 2 - ELECTION OF DIRECTOR – VINCENT J FAYAD

Article 15.2 of the Constitution provides that at any every annual general meeting of the Company, one third of the Directors for the time being must retire from office, but each retiring Director is eligible for re-election.

Mr Vincent J Fayad retires in accordance with Article 15.2 of the Company's Constitution and, being eligible, offers himself for re-election as an Executive Director.

Full details of Mr Fayad's qualifications and experience are set out on page 32 of the 2019 Annual Report lodged with the ASX on 27 September 2019. However, in accordance with Recommendation 1.2 of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (3rd edition), the Company provides the following information in respect to Mr Fayad:

(a) **Position**: Mr Fayad has held the position of Executive Director of the Company since 10 October 2017. He is also the Company Secretary.

(b) **Independence**: Having considered the role and responsibilities of Mr Fayad in relation to the Company in accordance with the guidelines of the ASX Corporate Governance Council, the Board considers Mr Fayad *not* to be an independent Director of the Company.

(c) **Qualifications, Skills and Experience**: Mr Fayad is a Chartered Accountant with over 35 years' experience in management, mergers and acquisitions, and debt and equity transactions in various sectors including mining and exploration. He is an experienced former Director, Chairman and advisor to a number of listed companies, including various resources companies.

(d) **Other Listed Company Directorships**: Mr Fayad is an Executive Director of Greenvale Energy Limited.

Board recommendation: The Directors (with Mr Fayad abstaining) recommend that you vote in favour of Resolution 2.

4. RESOLUTION 3 – APPROVAL OF ADDITIONAL PLACEMENT CAPACITY

4.1 General

Listing Rule 7.1 permits entities to issue 15% of its issued capital without shareholder approval in a 12 month period, subject to a number of exceptions.

Listing Rule 7.1A permits Eligible Entities, which have obtained the requisite shareholder approval under Listing Rule 7.1A by special resolution, to issue Equity Securities of up to an additional 10% of its issued capital, over a 12 month period after the annual general meeting at which the shareholder approval was obtained (**Additional Placement Capacity** or **10% Placement Capacity**).

The Company seeks Shareholder approval under Resolution 3 to be able to issue Equity Securities under the Additional Placement Capacity. The exact number of Equity Securities to be issued is not fixed and will be determined in accordance the formula prescribed in Listing Rule 7.1A.2 (set out in paragraph 4.20 below).

4.2 Requirements of Listing Rule 7.1A

(a) ***Eligible Entities***

An Eligible Entity for the purposes of Listing Rule 7.1A is an entity that, as at the date of the relevant special resolution under which approval for Additional Placement Capacity is sought, is not included in the S&P/ASX 300 Index and has a market capitalisation of $300 million or less. The Company is an Eligible Entity.

(b) ***Shareholder approval***

Shareholder approval for the Additional Placement Capacity must be by special resolution and must be sought at an annual general meeting. A resolution under Listing Rule 7.1A cannot be put at any other shareholder meeting.

(c) ***Equity Securities***

Equity Securities issued under the Additional Placement Capacity must be in the same class as an existing class of Equity Securities of the Company that are quoted on ASX.

As at the date of this Notice, the Company has one class of Equity Securities quoted on ASX, being fully paid ordinary Shares (ASX: ARO).

(d) ***Formula for calculating number of Equity Securities that may be issued under the Additional Placement Capacity***

If Resolution 3 is passed, the Company may issue or agree to issue, for up to 12 months after the date of the Meeting (see further section 4.3(b) below), the number of Equity Securities calculated in accordance with the following formula:

$$(A \times D) - E$$

Where:

A	The number of fully paid ordinary shares on issue 12 months before the date of issue or date of agreement to issue: • plus the number of fully paid ordinary shares issued in the 12 months under an exception in Listing Rule 7.2; • plus the number of partly paid ordinary shares that became fully paid in the 12 months; • plus the number of fully paid ordinary shares issued in the 12 months with the approval of Shareholders under Listing Rule 7.1 or 7.4; • less the number of fully paid ordinary shares cancelled in the 12 months.
D	10%
E	The number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of issue or agreement to issue that are not issued with the approval of Shareholders under Listing Rule 7.1 or 7.4.

(e) ***Interaction between Listing Rules 7.1 and 7.1A***

The Additional Placement Capacity under Listing Rule 7.1A is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

If Resolution 3 is passed, the Company will be permitted to issue (as at the date of this Notice) up to:

(i) 127,209,732 Equity Securities under Listing Rule 7.1; and

(ii) 190,814,597 Equity Securities under Listing Rule 7.1A,

without obtaining further Shareholder approval.

The actual number of Equity Securities that the Company will be permitted to issue under Listing Rule 7.1A from time to time will be calculated at the date of issue or agreement to issue of the relevant Equity Securities, in accordance with the formula prescribed in Listing Rule 7.1A.2 (as set out in section 4.20 above).

4.3 Technical information as required by Listing Rule 7.3A

(a) ***Minimum price***

If Resolution 3 is passed, the issue price of any Equity Securities to be issued under the Additional Placement Capacity will be no lower than 75% of the volume weighted average price (**VWAP**) for securities in the relevant quoted class calculated over the 15 trading days on which trades in that class were recorded immediately before:

(i) the date on which the price of the Equity Securities are to be issued is agreed; or

(ii) if the Equity Securities are not issued within 5 trading days of the date in sub-paragraph (i) above, the date on which the Equity Securities are issued.

Where the Company proposes to issue Equity Securities under the Additional Placement Capacity for non-cash consideration, the Company will be required to provide to the market an independent expert's valuation demonstrating that the non-cash consideration complies with the above minimum price requirement (see further section 4.3(d) below).

(b) ***Date of Issue***

Assuming Resolution 3 is passed, the Equity Securities may be issued under the 10% Placement Capacity commencing on the date of the Meeting and expiring on the first to occur of the following:

(i) 12 months after the date of the Meeting; and

(ii) the date of approval by Shareholders of any transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of the Company's activities) or 11.2 (disposal of the Company's main undertaking),

after which date, an approval under Listing Rule 7.1A ceases to be valid.

(c) ***Risk of economic and voting dilution***

Any issue of Equity Securities under the 10% Placement Capacity will dilute the interests of Shareholders who do not receive any Shares under the issue.

If Resolution 3 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 10% Placement Capacity, the economic and voting dilution of existing Shares would be as shown in the table below.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in Listing Rule 7.1A.2, on the basis of the current market price of Shares and the current number of Equity Securities on issue, determined as at the last day immediately prior to the date of this Notice on which Shares were traded on ASX (being 1 October 2019).

The table also shows:

(i) two examples where Variable 'A' has increased by 50% and 100%. Variable 'A' is based on the number of Ordinary Securities the Company has on issue. The number of Ordinary Securities on issue may increase as a result of issues of Ordinary Securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or that are issued with Shareholder approval under Listing Rule 7.1 at a future Shareholders' meeting; and

(ii) two examples of where the issue price of Ordinary Securities of the Company has decreased by 50% and increased by 100% as against the current market price.

Issued Capital (Variable 'A' in ASX Listing Rule 7.1A.2)		Issue Price (per Share)			Dilutionary effect
		$0.001 50% decrease in Issue Price	$0.002 Current Issue Price	$0.004 100% increase in Issue Price	
1,272,097,315 (Current Issued Capital)	**Shares issued**	127,209,732 Shares	127,209,732 Shares	127,209,732 Shares	10.0%
	Funds raised	$127,210	$254,419	$508,839	
636,048,658 (50% decrease in Issued Capital)	**Shares issued**	63,604,866 Shares	63,604,866 Shares	63,604,866 Shares	10.0%
	Funds raised	$63,605	$127,210	$254,419	
2,544,194,630 (100% increase in Issued Capital)	**Shares issued**	254,419,463 Shares	254,419,463 Shares	254,419,463 Shares	10.0%
	Funds raised	$254,419	$508,839	$1,017,678	

**The number of Shares on issue (Variable A in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata entitlements issue or scrip issued under a takeover offer) or that are issued with Shareholder approval under Listing Rule 7.1 or 7.4.*

The table above uses the following assumptions:

1. There are currently 885,677,852 Shares on issue as at the date of this Notice.
2. The "Issue Price" set out above is the closing price of the Shares on the ASX on 1 October 2019, being the last day immediately prior to the date of this Notice on which Shares were traded on ASX.
3. The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity.
4. The Company will have issued 386,419,463 Equity Securities in the 12 months prior to the date of the Meeting. These Equity Shares were not issued under an exception in Listing Rule 7.2 or with approval under Listing Rule 7.1. However, the issue of these Equity Shares were ratified by Shareholder on 6 September 2019 under Listing Rule 7.4, and therefore included in the calculation of Variable "A" in the table above.
5. The issue of Equity Securities under the 10% Placement Capacity consists only of Shares. There are no Options currently on issue.
6. This table does not set out the dilutionary effect of any issue of Equity Securities under other Listing Rules, such as pursuant to approvals under Listing Rule 7.1.
7. The 10% voting dilution reflects the maximum percentage dilution of the relevant interest and voting power of existing Shareholders in the Company, as a result of the issue of Equity Securities under the 10% Placement Capacity, as against the relevant interest and voting power of existing Shareholders immediately before the time of issue. This is why the voting dilution is shown in each example is 10%.
8. The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.

Shareholders should be aware that there is a risk that:

(i) the market price for the Company's Shares may be significantly lower on the date of issue of any Shares under the Additional Placement Capacity, than on the date of the Meeting; and

(ii) any Shares issued under the Additional Placement Capacity may be issued at a price that is at a discount to the market price for Shares on their date of issue, subject to the minimum price requirements set out in section 4.3(a) above.

(d) ***Purpose of issue under 10% Placement Capacity***

The Company may issue Equity Securities under the 10% Placement Capacity for the following purposes:

(i) for cash consideration, in which case the Company intends to use funds raised for the acquisition of new assets and investments (including expenses associated with such an acquisition), continued exploration expenditure on the Company's current assets, the review of technologies for the processing of the Company's mineral sands projects and general working capital; or

(ii) for non-cash consideration, such as for the acquisition of new assets and investments or for payment of goods or services provided to the Company. In such circumstances, the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3.

The total amount raised by the issue of Equity Securities under the 10% Placement Capacity will depend on the issue price of Shares at the time of issue of the relevant Equity Securities.

As at the date of this Notice, the Company has not formed an intention to offer any Equity Securities under the 10% Placement Capacity to any particular person or at any particular time, assuming that Resolution 3 is passed.

The specific purposes for which any particular issue is made under the Additional Placement Capacity will be disclosed by way of an ASX announcement at the time of the issue.

The Company will comply with the disclosure obligations under Listing Rules 7.1A.4 and 3.10.5A upon issue of any Equity Securities under the Additional Placement Capacity, assuming Resolution 3 is approved.

In the circumstances where the Company is not able to raise funds or a sufficient amount of funds in reliance on its 15% placement capacity under Listing Rule 7.1 and under the approvals sought under Resolutions 3 and 4, if approved, the Company intends to rely upon the loan facilities provided by Gun Capital Management, a substantial shareholder of the Company and principal debt financier. Full details of the facilities from Gun Capital Management have been set out in the Company's market announcement dated 30 September 2019.

(e) ***Allocation policy under the 10% Placement Capacity***

The Company's allocation policy for the issue of Equity Securities under the 10% Placement Capacity will be dependent on the prevailing market conditions at the time of the proposed placement(s).

The recipients of the Equity Securities to be issued under the 10% Placement Capacity have not yet been determined. However, the recipients of Equity Securities could consist of current Shareholders or new investors (or both), but in any case will not be related parties of the Company.

The Company will determine the recipients at the time of the issue under the 10% Placement Capacity, having regard to the following factors:

(i) the purpose of the issue;

(ii) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue or other offer where existing Shareholders may participate;

(iii) the effect of the issue of the Equity Securities on the control of the Company;

(iv) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;

(v) prevailing market conditions; and

(vi) advice from corporate, legal, financial and broking advisers (if applicable).

Further, if the Company is successful in acquiring new assets or investments, it is likely that the recipients under the 10% Placement Capacity will be vendors of the new assets or investments.

(f) ***Previous approval under Listing Rule 7.1A***

The Company last obtained approval from its Shareholders pursuant to Listing Rule 7.1A at its annual general meeting held on 23 November 2018 (**2018 Additional Capacity Approval**).

(g) ***Securities issued in last 12 months***

The Company will have issued a total of 386,419,463 Shares in the 12 months prior to the date of the Meeting, including 88,567,785 Shares pursuant to the 2018 Additional Capacity Approval (collectively, **Prior Securities**). This represents 43.63% of the total number of Shares on issue in the capital of the Company as at the commencement of that 12 month period (being a total of 885,677,852 Shares as at 22 November 2018).

Details of the issue of the Prior Securities as required under Listing Rule 7.3A.6 are set out below:

Issue date - 31 December 2018;

Class of Prior Security and material terms of that class – The Prior Securities issued were fully paid ordinary shares in the capital of the Company, issued on the same terms and conditions as and ranking equally with the Company's other existing Shares;

Names of allottees or basis of allotment - the Board invited a number of external persons and entities who were considered to be strategic investors to participate in the placement of Shares conducted pursuant to the Company's prospectus dated 13 December 2018;

Issue price (including any discount to the then prevailing market price) - $0.0024 per Prior Security, being a 20% discount to the VWAP of Shares on ASX over the 15 trading days on which trades in that class were recorded on ASX before their issue date (in accordance with the minimum price requirement contemplated in section 4.3(a) above);

Total cash consideration - $905,809.71;

Amount of total cash consideration spent and purposes for which that amount has been applied - all of the cash funds raised pursuant to the issue of the Prior Securities have been applied to fund the Company's exploration activities in relation to the Governor Broome; and

Total non-cash consideration – of the Prior Securities, 9,002,800 Shares were issued to an external consultant of the Company in satisfaction of outstanding fees (**Consultant Shares**). Based on the closing price of Shares traded on ASX on 17 October 2019, being the last day on which the Shares were traded on ASX prior to the date of this Notice, of $0.003 per Share, the current market value of the Consultant Shares is $27,008.40.

(h) ***Compliance with ASX Listing Rules 7.1A.4 and 3.10.5A***

When the Company issues Equity Securities pursuant to the 10% Placement Capacity, it must give to ASX:

(i) a list of the recipients of the Equity Securities and the number of Equity Securities issued to each (not for release to the market), in accordance with Listing Rule 7.1A.4; and

(ii) the information required by Listing Rule 3.10.5A for release to the market.

4.4 Special resolution

Resolution 3 is a special resolution. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting (on a show of hands or by proxy) must vote in favour of Resolution 3 for it to be passed.

4.5 Voting Exclusion

A voting exclusion statement is included in this Notice. As at the date of this Notice, the Company has not invited any existing Shareholder or any associate of any existing Shareholder to participate in an issue of Equity Securities under Listing Rule 7.1A. Therefore, no existing Shareholders are expected to be excluded from voting on Resolution 3.

4.6 Board recommendation

The Directors unanimously recommend that Shareholders vote in favour of Resolution 3.

5. RESOLUTION 4 – APPROVAL OF ISSUE OF SHARES

5.1 Background

(i) On 6 September 2019, the Company received the approval of Shareholders to issue up to a maximum of 500,000,000 new Shares pursuant to a placement to sophisticated or professional investors within the meaning of section 708(8) or 708(11) of the Corporations Act (as applicable) (**Proposed Placement**). That approval will expire shortly after the date of the Meeting on 5 December 2019, and there is a possibility that the Company will not have sufficient time to complete the Proposed Placement before that date.

(ii) Accordingly, the Company seeks Shareholder approval, for the purposes of Listing Rule 7.1, and for all other purposes, to allow the issue of up to a maximum of 500,000,000 new Shares on the terms and for all other purposes set out below.

(iii) This will enable the Company to have the flexibility to issue Shares in excess of its 15% placement capacity and (if Resolution 3 is passed) the Additional Placement Capacity, if an opportunity arises which the Board believes is in the best interests of the Company, without the requirement to convene a further Shareholder meeting (with the additional costs that this incurs) and to seek Shareholder approval at that meeting.

(iv) If Resolution 4 is passed, there is no guarantee that the Company will issue the Shares that are the subject of the Resolution. The purpose for which any funds raised pursuant to an issue of Shares approved under

Resolution 4 may be used is set out in section 5.2, along with further terms and conditions of their issue.

5.2 Technical information required by Listing Rule 7.3

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to Resolution 4:

(i) **Maximum number of securities**: the maximum number of securities that may be issued under Resolution 4 is 500,000,000 Shares;

(ii) **Date of issue**: Any Shares to be issued under Resolution 4, if approved, will be issued on such date as determined by the Board, such date to be no later than 3 months after the date of the Meeting (or such later date permitted by any ASX waiver or modification of the Listing Rules);

(iii) **Issue price**: Any Shares to be issued under Resolution 4, if approved, will be issued at a price per Share that is at least 80% of the volume weighted average market price for Shares on ASX calculated over the last 5 days on which sales in the Shares were recorded before the day on which the issue is made, or, if there is a prospectus relating to the issue, over the 5 days on which sales in the Shares are recorded before the date the prospectus is signed;

(iv) **Names of allottees**: The names of the proposed allottees have not yet been determined. However, the recipients of any Shares to be issued under Resolution 4, if approved, could consist of current Shareholders or new investors (whether sophisticated or professional investors or otherwise). In determining the allottee, the Company will have regard to the factors outlined in section 4.3(e)(i) to (vi) of this Explanatory Statement;

(v) **Terms of the securities**: Any Shares to be issued under Resolution 4, if approved, will be fully paid ordinary shares in the capital of the Company and will be issued on the same terms and conditions as and ranking equally with the Company's other existing Shares; and

(vi) **Intended use of the funds raised**: The Company may issue Shares under Resolution 4 for the following purposes:

   (A) for cash consideration, in which case the Company intends to use funds raised for the acquisition of new assets and investments (including expenses associated with such an acquisition), continued exploration expenditure on the Company's current assets, the review of technologies for the processing of the Company's mineral sands project and general working capital; or

   (B) for non-cash consideration, such as for the acquisition of new assets and investments or for payment of goods or services provided to the Company.

   In the circumstances where the Company is not able to raise funds or a sufficient amount of funds in reliance on its 15% placement capacity under Listing Rule 7.1 and under the approvals sought under Resolutions 3 and 4, if approved, the Company intends to rely upon the loan facilities provided by Gun Capital Management, a substantial shareholder of the Company and principal debt financier. Full details of the facilities from Gun Capital Management have been set out in the Company's market announcement dated 30 September 2019.

5.3 Risk of economic and voting dilution

Any issue of new Shares pursuant to this Resolution 4 will dilute the interests of Shareholders who do not receive any Shares under the issue.

If Resolutions 3 and 4 are approved by Shareholders, the maximum number of Shares that the Company may issue without obtaining further Shareholder approval is:

(i) 127,209,732 Equity Securities under Listing Rule 7.1;

(ii) 190,814,597 Equity Securities under Listing Rule 7.1A; and

(iii) 500,000,000 Shares under Resolution 4.

There is no guarantee that the Company will issue this maximum number of securities but if it did:

(iv) its issued Share capital would increase from 1,272,097,315 to 2,090,121,644 (assuming only Shares, and no other Equity Securities are issued); and

(v) the relevant interests and voting power of existing Shareholders in the Company may be diluted by up to 39.1% as a result of the issue of the relevant new Shares, assuming they do not participate in any such issue.

Shareholders should be aware that there is a risk that:

(i) the market price for the Company's Shares may be significantly lower on the date of issue of any Shares under Resolution 4, than on the date of the Meeting; and

(ii) any Shares issued under Resolution 4 may be issued at a price that is at a discount to the market price for Shares on their date of issue, subject to the minimum price requirements set out in section 5.2(iii) above.

5.4 Voting Exclusion

A voting exclusion statement is included in this Notice. As at the date of this Notice, the Company has not invited any existing Shareholder to participate in the proposed issue of Equity Securities contemplated under Resolution 4. Therefore, no existing Shareholders are expected to be excluded from voting on Resolution 4.

5.5 Board recommendation

The Directors unanimously recommend that Shareholders vote in favour of Resolution 4.

GLOSSARY

$ means Australian dollars.

10% Placement Capacity or Additional Placement Capacity has the meaning given in section 4.1 of the Explanatory Statement.

2019 Annual Report means the Company's annual financial report for the year ended 30 June 2019, as lodged with ASX on 27 September 2019.

AEDT means Australian Eastern Daylight Savings Time as observed in Sydney, New South Wales.

Annual General Meeting or Meeting means the meeting convened by the Notice**.**

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

ASX Listing Rules means the Listing Rules of ASX.

Board means the current board of directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Chair means the chair of the Meeting.

Closely Related Party of a member of the Key Management Personnel means:

(a) a spouse or child of the member;

(b) a child of the member's spouse;

(c) a dependent of the member or the member's spouse;

(d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;

(e) a company the member controls; or

(f) a person prescribed by the *Corporations Regulations 2001* (Cth) for the purposes of the definition of 'closely related party' in the Corporations Act.

Company means Astro Resources NL (ACN 007 090 904).

Constitution means the Company's constitution.

Corporations Act means the *Corporations Act 2001* (Cth).

Directors means the current directors of the Company.

Eligible Entity means an entity that, at the date of the relevant special resolution:

(a) is not included in the S&P/ASX 300 Index; and

(b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of $300,000,000 or less.

Equity Securities includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security.

Explanatory Statement means the explanatory statement accompanying the Notice.

Gun Capital Management means Gun Capital Management Pty Ltd (ACN 091 221 546).

Key Management Personnel has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

Listing Rule means a listing rule in the ASX Listing Rules.

Notice or **Notice of Meeting** means this notice of meeting including the Explanatory Statement and the Proxy Form.

Option means an option to acquire a Share.

Ordinary Securities has the meaning set out in the ASX Listing Rules.

Proxy Form means the proxy form accompanying the Notice.

Remuneration Report means the remuneration report set out in the Directors' Report section of the Company's 2019 Annual Report.

Resolutions means the resolutions set out in the Notice, or any one of them, as the context requires.

Share means a fully paid ordinary share in the capital of the Company, and **Shareholding** has the corresponding meaning.

Shareholder means a registered holder of a Share.

Variable 'A' means "A" as set out in the formula in section 4.20 of the Explanatory Statement.

astro resources nl

ACN 007 090 904

LODGE YOUR VOTE

ONLINE
www.linkmarketservices.com.au

BY MAIL
Astro Resources NL
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia

BY FAX
+61 2 9287 0309

BY HAND
Link Market Services Limited
1A Homebush Bay Drive, Rhodes NSW 2138

ALL ENQUIRIES TO
Telephone: +61 1300 554 474

X99999999999

PROXY FORM

I/We being a member(s) of Astro Resources NL and entitled to attend and vote hereby appoint:

STEP 1

APPOINT A PROXY

☐ **the Chairman of the Meeting (mark box)**

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Annual General Meeting of the Company to be held at **10:00am on Friday, 22 November 2019 at the Offices of Vince Fayad & Associates, Suite 6, Level 5, 189 Kent Street, Sydney NSW 2000** (the **Meeting**) and at any postponement or adjournment of the Meeting.

Important for Resolution 1: If the Chairman of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chairman of the Meeting to exercise the proxy in respect of Resolution 1, even though the Resolution is connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel (**KMP**).

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

STEP 2

VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting.

Please read the voting instructions overleaf before marking any boxes with an ☒

Resolutions	For	Against	Abstain*
1 ADOPTION OF REMUNERATION REPORT			
2 RE-ELECTION OF DIRECTOR – VINCENT J FAYAD			
3 APPROVAL OF ADDITIONAL PLACEMENT CAPACITY			
4 APPROVAL OF ISSUE OF SHARES			

* If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

STEP 3

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)	Joint Shareholder 2 (Individual)	Joint Shareholder 3 (Individual)
Sole Director and Sole Company Secretary	Director/Company Secretary (Delete one)	Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a shareholder of the Company.

DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form, including where the Resolution is connected directly or indirectly with the remuneration of KMP.

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

(a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and

(b) return both forms together.

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either shareholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" must be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's share registry or online at www.linkmarketservices.com.au.

LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **10:00am on Wednesday, 20 November 2019,** being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:

ONLINE
www.linkmarketservices.com.au

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" - Securityholder Reference Number (SRN) or Holder Identification Number (HIN).

BY MOBILE DEVICE — **QR Code**

Our voting website is designed specifically for voting online. You can now lodge your proxy by scanning the QR code adjacent or enter the voting link **www.linkmarketservices.com.au** into your mobile device. Log in using the Holder Identifier and postcode for your shareholding.

To scan the code you will need a QR code reader application which can be downloaded for free on your mobile device.

BY MAIL
Astro Resources NL
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia

BY FAX
+61 2 9287 0309

BY HAND
delivering it to Link Market Services Limited*
1A Homebush Bay Drive
Rhodes NSW 2138

* During business hours (Monday to Friday, 9:00am–5:00pm)

IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING, PLEASE BRING THIS FORM WITH YOU. THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.