

Notice of Annual General Meeting and Explanatory Memorandum

Astro Resources NL: ABN 96 007 090 904

Date of Meeting: 28 NOVEMBER 2014

Time of Meeting: 10.30 am (Sydney time)

Place of Meeting: PKF LAWLER
LEVEL 8
NO.1 O'CONNELL STREET
SYDNEY NSW

Notice of Annual General Meeting

Notice is given that the Annual General Meeting of shareholders of Astro Resources NL ABN 96 007 090 904 (**Company**) will be held at the offices of PKF Lawler at Level 8, No.1 O'Connell Street, Sydney, New South Wales on 28 November 2014 at 10.30 am (Sydney time).

Agenda

Ordinary business

1. Financial Reports

To receive and consider the Company's Annual Report comprising the Directors' Report and Auditors' Report, Directors' Declaration, Statement of Financial Performance, Statement of Financial Position, Statement of Cashflows and notes to and forming part of the accounts for the Company and its controlled entities for the financial year ended 30 June 2014.

2. Resolution 1 - Remuneration Report

To consider and, if thought fit, pass the following Advisory Resolution:

"That, the Remuneration Report for the year ended 30 June 2014 (as set out in the Directors Report) is adopted."

Terms used in this Notice of Meeting are defined in Section 6 of the accompanying Explanatory Memorandum.

The vote on this Resolution 1 is advisory only and does not bind the Directors of the Company.

Voting Restriction pursuant to Section 250R(4) of the Corporations Act

A vote on Resolution 1 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, the above persons may cast a vote on Resolution 1 if the vote is not cast on behalf of a person described above and either:

- (a) the person does so as a proxy; and
- (b) the vote is not cast on behalf of a member of the Key Management Personnel details of whose remuneration are included in the Remuneration Report or a Closely Related Party of such a member; and
- (c) either:
 - (1) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on the resolution; or
 - (2) the voter is the Chairman and the appointment of the Chairman as proxy:
 - (A) does not specify the way the proxy is to vote on the resolution; and

Notice of Annual General Meeting

- (B) expressly authorises the Chairman to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company or, if the Company is part of a consolidated entity, for the entity.

Voting Intention of Chair

Shareholders should be aware that any undirected proxies given to the Chair will be cast by the Chair and counted in favour of the Resolutions the subject of this Meeting, including Resolution 1, subject to compliance with the Corporations Act.

3. Resolution 2 - Re-election of Graham Libbesson as a director

To consider and, if thought fit, pass the following resolution, as an Ordinary Resolution of the Company:

“That Graham Libbesson, who retires 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.”

Special Business

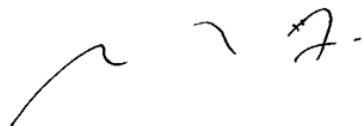
4. Resolution 3: Consolidation of Issued Share Capital

To consider and, if thought fit, pass the following resolution, as an Ordinary Resolution of the Company:

*“That in accordance with Section 254H of the Corporations Act, Chapter 7 of the Listing Rules and for all other purposes, the Company be authorised to undertake a consolidation of its issued capital on a 1 to 100 basis where the total number of Shares in the Company shall be reduced by a factor of 100 (subject to rounding) (and the number of Shares able to be issued under the Convertible Notes on issue be adjusted in accordance with the Listing Rules), with any fractional entitlements being rounded up to the nearest whole number, with effect from the date specified in the timetable in the Explanatory Memorandum subject to and otherwise upon the terms and conditions in the Explanatory Memorandum (**Capital Consolidation**)”.*

General business

To consider any other business as may be lawfully put forward in accordance with the Constitution of the Company.



By order of the board

Vincent J Fayad
Company Secretary
27 October 2014

Explanatory Statement

1. Introduction

This Explanatory Memorandum is provided to shareholders of Astro Resources NL ABN 96 007 090 904 (**Company**) to explain the resolutions to be put to Shareholders at the Annual General Meeting to be held at the offices of PKF Lawler at Level 8, No.1 O'Connell Street, Sydney, New South Wales on 28 November 2014 at 10.30 am (Sydney time). *The Directors recommend shareholders read the accompanying Notice of Meeting and this Explanatory Memorandum in full before making any decision in relation to the resolutions.

Terms used in this Explanatory Memorandum are defined in Section 6.

2. Consider the company's annual report

The Company's Annual Report comprising the Directors' Report and Auditors' Report, Directors' Declaration, Statement of Financial Performance, Statement of Financial Position, Statement of Cashflows and notes to and forming part of the accounts for the Company and its controlled entities for the financial year ended 30 June 2014 were despatched to Shareholders and released to the ASX Limited ("**ASX**") on 30 September 2014. The Company's Annual Report is placed before the shareholders for discussion. No voting is required for this item.

3. Resolution 1: Remuneration Report

3.1 Remuneration Report

The Board has submitted its Remuneration Report to Shareholders for consideration and adoption by way of a non-binding advisory resolution (Resolution 1).

The Remuneration Report is set out in the Directors' Report section of the Annual Report. The Remuneration Report:

- explains the Board's policy for determining the nature and amount of remuneration of Key Management Personnel of the Company;
- explains the relationship between the Board's remuneration policy and the Company's performance;
- sets out remuneration details for each Key Management Personnel of the consolidated entity including details of performance related remuneration and options granted as part of remuneration; and
- details and explains any performance conditions applicable to the remuneration of Key Management Personnel of the Company.

A reasonable opportunity will be provided for discussion of the Remuneration Report at the meeting.

The Board unanimously recommends that Shareholders vote in favour of adopting the Remuneration Report. A vote on this Resolution 1 is advisory only and does not bind the Directors of the Company.

There are restrictions on members of the Key Management Personnel and their Closely Related Parties and their proxies voting on Resolution 1, details of which are set out in the Voting Restriction Statement included in Resolution 1 of the Notice of Meeting.

Shareholders should be aware that any undirected proxies given to the Chair will be cast by the Chair and counted in favour of the Resolutions the subject of this Meeting, including Resolution 1 subject to compliance with the Corporations Act. In exceptional circumstances, the Chair may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

Explanatory Statement

4. Resolution 2: Re-election of Graham Libbesson as a director

Article 15.2 of the Company's Constitution and Listing Rule 14.4 require that at each AGM, one-third of the Directors in office (excluding directors appointed to fill casual vacancies or a Managing Director) must stand for re-election, with Directors required to retire being those longest in office since their election or last re-election.

Mr Graham Libbesson retires in accordance with the Company's Constitution and, being eligible, offers himself for re-election as a Non-Executive Director.

Full details of Mr Libbesson's qualifications and experience are set out on page 20 of the 30 June 2014 annual report lodged on the ASX on 30 September 2014.

The Directors (with Mr Libbesson abstaining) recommend that you vote in favour of this Ordinary Resolution.

SPECIAL BUSINESS

5. Resolution 3: Approval for consolidation of the Company's issued share capital

4.1 Introduction

The Company proposes to consolidate its issued share capital on a 100:1 basis (**Capital Consolidation**). This is to be effected through the conversion of every 100 Shares in the Company into one Share in the Company.

Article 11.1 of the Company's Constitution permits it to consolidate its issued share capital. Section 254H of the Corporations Act enables a company to convert all or any of its securities into smaller number of securities by a resolution passed by Shareholders at a general meeting. Chapter 7 of the Listing Rules contains certain requirements that a company must comply with where it seeks to reorganise its issued share capital.

Accordingly, the Company is seeking Shareholder approval for the proposed Capital Consolidation under section 254H of the Corporations Act and in accordance with Article 11.1 of the Company's Constitution and Chapter 7 of the Listing Rules (in particular Listing Rules 7.20, 7.21, 7.40 and Appendix 7A).

4.2 Timetable for consolidation

If Resolution 3 is passed, the Capital Consolidation will take effect in accordance with the following timetable (based on the timetable and timeframes prescribed by Appendix 7A in the Listing Rules).

Table 1

Event	ASX Listing Rule Appendix 7A timeframe (Relative to DAY 0)	Anticipated Date
Company announces Capital Consolidation and despatches Notice of AGM	Before Day 0	Monday 27 October 2014
Company tells ASX that security holders have approved Capital Consolidation	Day 0	Friday 28 November 2014
Last day for trading in pre-Capital Consolidation securities	+1 Business Day	Monday 1 December 2014
Trading of post-Capital Consolidation securities on a	+2 Business Days	Tuesday 2 December 2014

Explanatory Statement

deferred settlement basis starts		
Last day for Company to register transfers on a pre-reorganisation basis.	+4 Business Days (2 Business Days after trading in the reorganised securities on a deferred settlement basis starts)	Thursday 4 December 2014
<p>First day:</p> <ul style="list-style-type: none"> To send notice to each security holder; In the case of uncertificated holdings, to register ⁺securities on a post-reorganisation basis and first day for issue of holding statements; In the case of certificated holdings, for issue of new certificates. From now on, the entity rejects transfers accompanied by a certificate that was issued before the reorganisation. 	+5 Business Days (3 Business Days after trading in the reorganised securities on a deferred settlement basis starts)	Friday 5 December 2014
<p>Issue date. Deferred settlement market ends.</p> <p>Last day for securities to be entered into the holders' security holdings. If securities are certificated, last day for the entity to issue them and send the certificates to the holders.</p> <p>Last day for entity to send notice to each security holder.</p> <p>Note: normal (T+3) trading starts on the next business day after the issue date (i.e. day 10) provided the entity tells ASX by noon on the issue date that the issue has occurred.</p> <p>'Issue' in this context denotes the making of entries in security holders' holdings so that the number of securities in their holdings reflects the effect of the carrying out of the reorganisation.</p> <p>Settlement of trades conducted on a T+3 basis and the first settlement of on-market trades conducted on a deferred settlement basis occurs 3 business days after T+3 trading starts (i.e. day 13).</p>	+9 Business Days (7 Business Days after trading in the reorganised securities on a deferred settlement basis starts)	Thursday 11 December 2014

Explanatory Statement

4.3 Effect of the Capital Consolidation

The Capital Consolidation will not result in any change to the substantive rights and obligations of Shareholders. As the Capital Consolidation applies equally to all of the Shareholders, individual shareholdings will be reduced in the same ratio as the total number of the Company's Shares (subject only to the rounding of fractions). It follows that the Capital Consolidation will have no material effect on the percentage interest of each individual Shareholder. However, the price per Share can be expected to increase to reflect the reduced number of Shares on issue.

The purpose of the Capital Consolidation of the existing issued capital of the Company is to reduce the number of existing securities on issue. For example, a Shareholder currently holding 500,000 Shares will hold 5,000 as a result of the Capital Consolidation.

The Consolidation will not affect the Company's balance sheet and tax position.

If Resolution 3 is passed, when the Capital Consolidation is effected the number of Shares on issue will reduce from 3,490,195,959 to approximately (depending on rounding) 34,901,959.

With regards to the Convertible Notes on issue as at the date of the Capital Consolidation, the number of Shares able to be issued on conversion of a Convertible Note after the Capital Consolidation will be:

- (a) adjusted so that the entitlement of the Shares issued upon conversion of a Convertible Note to participate in profits and assets of the Company will be the same as the entitlement of the Shares into which the Convertible Note would have been converted had there been no Capital Consolidation; and
- (b) otherwise reorganised in accordance with the Listing Rules so that the holder of a Convertible Note will not receive a benefit that the holders of Shares do not receive and vice versa.

4.4 Reasons for the Capital Consolidation

(a) Improve in share liquidity

The closing price of the Shares on ASX on 14 October 2014 was \$0.001, which is the minimum share price available on the ASX. Given the large number of shares on issue makes it difficult for Shareholders to trade at small price increments relative to the Share price. The Capital Consolidation would assist in improving the Company's Share liquidity by increasing the Share Price and enabling the Shares to trade at smaller price increments relative to the prevailing Share price.

(b) Assist in future funding

The Company requires the ability to price any future pro-rata entitlement offer to Shareholders at a price that is a discount to the price that the Shares that are traded on the ASX, should that be the best funding alternative available for the Shareholders.

Given the low prevailing share price, to raise funds, the Company will need to issue a large number of Shares, which may potentially have a significant dilutionary impact on non-participating shareholders.

The Capital Consolidation would enable the Company to raise funds (if required) while protecting the investment of existing Shareholders.

Explanatory Statement

(c) **Assist in completing potential transactions**

As disclosed to the market, the Company is looking at future potential transaction(s). The Board considers that the capital structure may be prohibitive to facilitating such transactions, particularly in view of the large number of shares currently on issue

4.5 **Tax implications for Shareholders**

Shareholders are encouraged to seek and rely only on their own professional advice in relation to their tax position. Neither the Company or any of its officers, employees or advisors assumes any liability or responsibility for advising Shareholders about the tax consequences for them from the proposed Capital Consolidation.

4.6 **Other information**

Where the Capital Consolidation of a Shareholder's holding results in an entitlement to a fraction of a Share, the fraction will be rounded up to the nearest whole number of Shares (as appropriate).

If the Company reasonably believes that a Shareholder has been a party to the division of a shareholding in an attempt to obtain an advantage from this treatment of fractions, the Company may take appropriate action, having regard as appropriate to the terms of the Constitution and the Listing Rules. In particular, the Company reserves the right to disregard the division of the Shareholder for the purposes of dealing with fractions so as to round up any fraction to the nearest whole number of Shares that would have been received but for the division.

Other than as set out in the Notice of Meeting, and other than information previously disclosed to the Shareholders, there is no other information that is known to the Directors which may reasonably be expected to be material to the making of a decision by the Shareholders whether or not to vote in favour of the Capital Consolidation.

4.7 **Directors' recommendation**

The Directors unanimously recommends that Shareholders vote in favour of this Ordinary Resolution.

6. **Interpretation**

ASIC means the Australian Securities & Investments Commission.

Associated Entity has the meaning given to that term in the Corporations Act.

ASX means the ASX Limited.

Board means the board of Directors of the Company from time to time.

Business Day means a day on which all banks are open for business generally in Sydney.

Chair means the person chairing the Meeting.

Closely Related Party (as defined in the Corporations Act) of a member of the Key Management Personnel for an entity means:

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

Explanatory Statement

- (c) a dependant of the member or the member's spouse; or
- (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 dealings with the entity; or
- (e) a company the member controls; or
- (f) a person prescribed by regulation under the Corporation Act for the purposes of the definition of closely related party under the Corporations Act.

Company means Astro Resources NL ABN 96 007 090 904.

Constitution means the constitution of the Company from time to time.

Convertible Note means a convertible note issued by the Company for the issue of Shares in the Company upon conversion of the specified amount in accordance with its terms.

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

Directors mean the directors of the Company from time to time.

Explanatory Memorandum means the explanatory statement accompanying this Notice.

Key Management Personnel has the definition given in the Accounting Standard AASB 124 *Related Party Disclosure* as 'those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly and indirectly, including any director (whether executive or otherwise) of that entity'.

Listing Rules means the official listing rules of the ASX as amended from time to time.

Meeting or **Annual General Meeting** or **AGM** means the annual general meeting to be held on 28 November 2014 at 10.30 am, as convened by the accompanying Notice of Meeting.

Notice of Meeting or **Notice** means the notice of meeting giving notice to shareholders of the Meeting, accompanying this Explanatory Memorandum.

Ordinary Resolution means a resolution passed by more than 50% of the votes at a general meeting of shareholders.

Remuneration Report means the remuneration report of the Company.

Resolutions means the resolutions set out in the Notice of Meeting.

Share means a fully paid ordinary share in the Company.

Shareholder or **Member** means a person who holds a Share.

Any inquiries in relation to the Resolutions or the Explanatory Memorandum should be directed to Mr Vince Fayad (Company Secretary):

Level 9, No.1 O'Connell Street Sydney, NSW 2000. Telephone number 02 8346 6055.



By mail:
Astro Resources NL
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia



By fax: +61 2 9287 0309



All enquiries to: Telephone: +61 1300 554 474

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 (excluding the registered securityholder) you are appointing as your proxy.

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 vote on my/our behalf (including in accordance with the directions set out below or, if no directions have been given, to vote as the proxy sees fit, to the extent permitted by the law) at the Annual General Meeting of the Company to be held at **10:30am (Sydney time) on Friday, 28 November 2014 at PKF Lawler, Level 8, No.1 O'Connell Street, Sydney Nsw** (the Meeting) and at any postponement or adjournment of the Meeting.

If I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman of the Meeting becomes my/our proxy by default) I/we expressly authorise the Chairman of the Meeting to exercise my/our proxy on Resolution 1 (**Remuneration Resolution**) (except where I/we have indicated a different voting intention below) even if the resolution is connected directly or indirectly with the remuneration of a member of the key management personnel for the Company or, if the Company is part of a consolidated entity, that entity.

The Chairman of the Meeting intends to vote undirected proxies in favour of all items of business. In exceptional circumstances, the Chairman of the meeting may change his/her voting intention for any resolution, in which case an ASX announcement will be made.

If you do not direct your proxy on how to vote as your proxy in respect of the resolution/s, the proxy may cast your vote as the proxy thinks fit or may abstain from voting. By signing this appointment you acknowledge that, subject to the *Corporations Act 2001* (Cth), the proxy may exercise your proxy even if he/she has an interest in the outcome of the resolution/s and even if votes cast by him/her other than as proxy holder will be disregarded because of that interest (subject to the section above in relation to voting on Remuneration Resolutions by the Chairman of the Meeting).

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

STEP 2

VOTING DIRECTIONS

Resolution 1

Remuneration Report

For Against Abstain*

Resolution 2

Re-election of Graham Libbesson as a director

Resolution 3

Consolidation of Issued Share Capital



* 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 SECURITYHOLDERS - THIS MUST BE COMPLETED

Securityholder 1 (Individual)

Sole Director and Sole Company Secretary

Joint Securityholder 2 (Individual)

Director/Company Secretary (Delete one)

Joint Securityholder 3 (Individual)

Director

This form should be signed by the securityholder. If a joint holding, either securityholder may sign. If signed by the securityholder'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 PROXY FORM

Your Name and Address

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

Appointment of a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If the person you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the name of that person in Step 1. If you appoint someone other than the Chairman of the Meeting as your proxy, you will also be appointing the Chairman of the Meeting as your alternate proxy to act as your proxy in the event the named proxy does not attend the Meeting.

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 securities 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 securities 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 security registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of securities 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
- 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 securityholder 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" should be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's security 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 **10:30am (Sydney time) on Wednesday, 26 November 2014**, 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, securityholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the Proxy Form).



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.

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.