

22 February 2021

Market Update

Astro Resources NL (ASX:ARO) (“**ARO**”, “**Astro**” or “the **Company**”) is pleased to provide a market update of the work being carried out across the Company’s portfolio of assets located in Western Australia and Nevada, USA.

Needles Gold Project

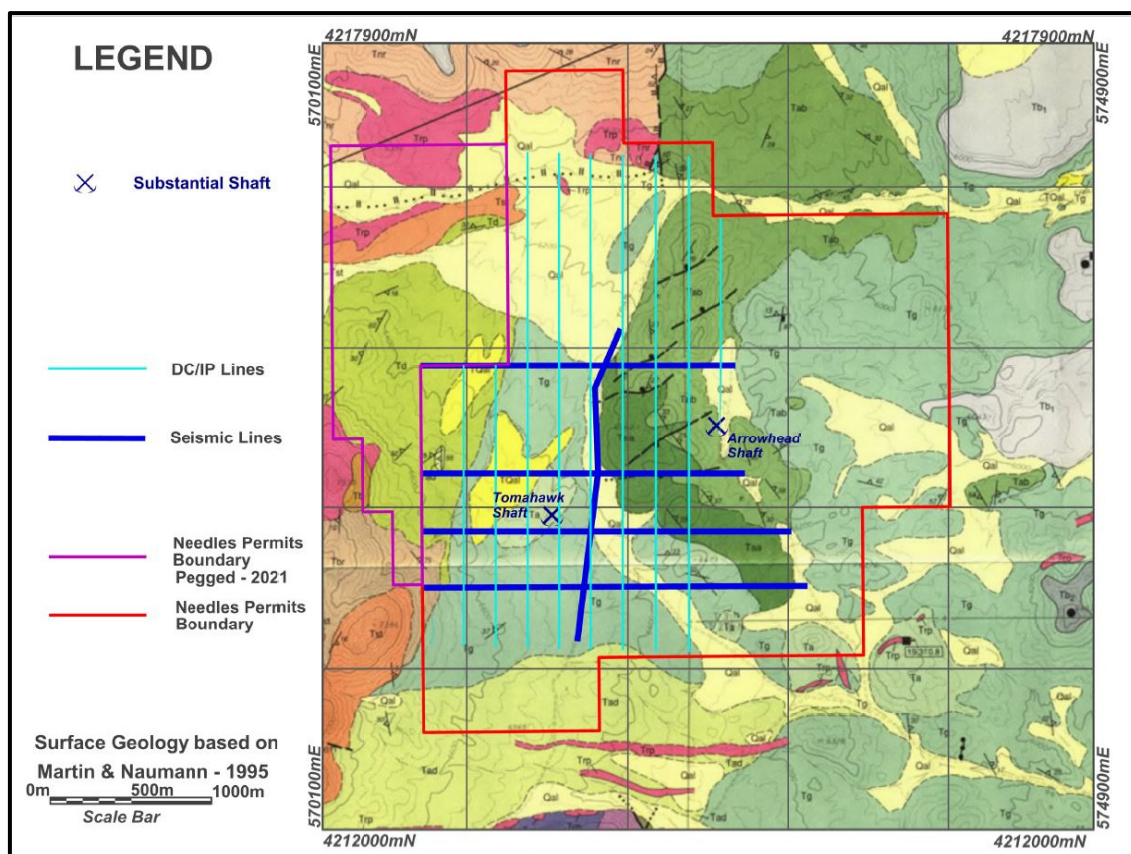
The Induced Polarisation (IP) geophysical program has been completed at the Needles Project in Nevada (Figure 1). Preliminary 2D analysis of the data carried out by geophysical contractor Zonge International, Inc. has confirmed the presence of the chargeability anomaly as defined in Astro’s broader spaced 2018 IP survey. The raw data from the IP program is now with an Australian geophysical consultant, who will generate a 3D model that will be used for drill targeting. Once the 3D analysis and final report are available, Astro will release the information to the market.

Additionally, the seismic geophysical program at Needles has been completed by Bird Seismic Services Inc. (Figure 1) and the Company will update the market as soon as the report is available.

As announced (ASX Announcement 22 February 2021) Astro has staked an additional 26 Lode Mining claims adjoining its existing 113 claims (Figure 1), significantly increasing the Company’s footprint.

Astro has commenced the process of data organisation and analysis of the recently acquired drilling, geological, and geophysical database from Taranis Resources Inc. which will assist with future drill targeting. The Company has contracted a drill company for its anticipated RC program, scheduled to commence in Q3 2021.

The Company has commenced rehabilitation of ground disturbance that occurred during the 2019 drilling program. Bird Seismic is coordinating this work program and has been in communication with the relevant Nevada governmental authority, the Bureau of Land Management (BLM). The rehabilitation is required to enable Astro to carry out further drilling programs. The cost to the company of this work should not exceed A\$25,000.



2021 Program

The Company plans to carry out the following activities throughout 2021 at Needles:

- > Interpretation and reporting of latest IP and seismic geophysical work.
- > Integration of 2020 geological mapping with geophysical results and historical drilling information.
- > Planning and drilling of initial 2021 drill program consisting of up to 10 RC holes, each up to 300m deep.
- > Interpretation of the results of the initial drilling and planning of subsequent work.
- > Dependent on the results from the first drill programme and subject to drill availability, completion of a second drill campaign. This will subject to a separate capital raising.
- > Geological mapping and sampling of new claim area.

2021 Estimated Budget - Needles

Item	Cost
IP Completion	\$180,000
Seismic Completion	\$10,000
Drill disturbance rehabilitation	\$10,000
Integration and Planning	\$40,000
New Claim exploration	\$15,000
Initial drill program	\$640,000
Drill program analysis and target reporting	\$25,000
Sub total	\$920,000

Governor Broome Project

At the Governor Broome Minerals Sands Project located in Western Australia, the bulk testwork program, which is being carried out by Allied Mineral Laboratories (AML), is expected to be completed by mid-March with a report provided to Astro by mid-April.

2021 Program

The Company plans to carry out the following activities throughout 2021 at the Governor Broome Minerals Sands Project:

- > Bulk Testwork completion and reporting
- > Revised Scoping Study based upon the increased Indicated Resources defined in 2020 and the results from the bulk testwork
- > Conversion of Astro's Retention Licence 70/53 to a Mining Lease
- > Dependent upon positive results being obtained in the revised Scoping Study, the commencement of a Prefeasibility Study into the mining of the Governor Broome Deposits. Should the Company proceed with this work, it will be subject to a separate capital raising.

2021 Estimated Budget – Governor Broome

Item	Cost
Bulk Testwork	\$70,000
Scoping Study	\$100,000
Conversion to Mining Lease	\$50,000
Planning and Reporting	\$30,000
Sub total	\$250,000
Prefeasibility Study	\$1,300,000

Lower Smoke Creek Diamond Project

2021 Program

It is the Company's intention to carry out the following activities throughout 2021 at the Lower Smoke Creek Diamond Project:

- > A drilling program, comprising 140 holes for 700m, has been developed to establish the extent and thickness of diamondiferous palaeoterraces near the confluence of Billy Goat and Smoke Creeks
- > A pitting program has been planned to supplement and extend diamond size/weight data that has been reported from the historical prospecting within the project area. The anticipated program will involve 50 regularly spaced pits to an assumed 5m depth. The information from the drilling program will enable locations and depths of the pits to be established. Results from the program are expected to be used to develop a "Mineralisation Report".
- > A Heritage Clearance is required from the Traditional Owners before the above work can be carried out. An agreement has been confirmed with the MG Corporation, as the Traditional Owners' representative, and negotiation through Austwide Mining Title Management Pty Ltd (Austwide) is in hand to facilitate the necessary clearances.
- > A Program of Work application (POW) to carry out drilling is in place with the Western Australian DMPIRS, approval will be contingent on Traditional Owner arrangements above.
- > A second POW is to be submitted later this month for a pitting program.
- > The Lower Smoke Creek tenement, E70/4120 expires in August 2021 – The Company's tenement manager has been commissioned to develop a plan to enable the tenement to be extended.

2021 Estimated Budget – Lower Smoke Creek

Item	Cost
Heritage Clearance	\$50,000
Drilling Program	\$120,000
Pitting Program Commissioning	\$150,000
Pitting Program Excavation	\$250,000
Pitting Program Pre-Screening	\$75,000
DMS Concentration	\$250,000
Laboratory Analysis	\$100,000
Reporting	\$20,000
Total	\$1,015,000

Corporate

Consolidated Use of Funds

Based on the above programs, below is a summary of the use of use funds for the next 12 months:

Item	Cost
Needles Project	
- First drill program	\$920,000
- Second drill program	\$1,000,00
Governor Broome Project.	
- Remaining work	\$250,000
- Prefeasibility study	\$1,300,000
Lower Smoke Creek Project	\$1,015,000
Total	\$3,485,000

Note: The estimated use of funds is based on estimates and the final costs may vary for price increases, changes in foreign currency rates or additional work arising following the commencement of a program.

The above use of funds is proposed to be funded by a fresh capital raising of \$3.0 million and the balance from existing working capital of the Company.

No funding for working capital is required as these costs will be met from the Company's existing cash reserves.

Potential acquisition

The Company has made an offer to acquire a tenement nearby its existing 100% Governor Broome tenement. The expected purchase price is likely to be below \$1.0 million. The offer is being considered and at this stage remains incomplete. Further details are to be provided as and when they come to hand.

Authorisation

This announcement has been authorised for release by the board.

More Information

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The information in this report as it relates to Mineral Resources and Exploration Results 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 relevant to the style of mineralisation and type of deposit under consideration to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Doepel consents to the inclusion in this announcement 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 Australian Institute of Geoscientists and a full time employee of Iluka. Mr 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 "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" and consents to the inclusion in the report of the information in the form and context in which it appears.

The information in this report that relates to Exploration Results for the Needles Property is based on information compiled by Richard Newport, principal partner of Richard Newport & Associates – Consultant Geoscientists. Mr Newport is a member of the Australian Institute of Geoscientists and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person under the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr. Newport consents to the inclusion in this announcement of the matters based on his information in the form and context in which it appears.

The information in this report as it relates to Exploration Results for the East Kimberley diamond deposits is based on information compiled by Greg Bromley who is a Director of Sardonyx Pty Ltd and a Fellow of the Australasian Institute of Mining and Metallurgy. Mr Bromley has sufficient experience 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 Bromley consents to the inclusion in the report of the information in the form and context in which it appears.