



and Controlled Entities

ABN 96 007 090 904

Half-Year Report

31 December 2020



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Directors' Report

The Directors of Astro Resources NL, (the “Company”) and its controlled entities (the “Group”) submit herewith the financial report for the six months ended 31 December 2020 (“Half-Year 2020”).

Directors

The names of the Company's Directors in office during the Half-Year and until the date of this report are as below. Directors were in office for this entire period unless otherwise stated:

- Mr Jacob Khouri – Non-Executive Chairman
- Mr Gregory Jones – Non-Executive Director (appointed 6 October 2020)
- Mr Stephen Gemell - Non-Executive Director (ceased 6 October 2020)
- Mr Vincent Fayad – Executive Director

Review of Results and Operations

The Group reported a net loss of \$509,357 (2019: \$340,300) for the Half-Year.

Objectives

The Company's objective is to increase shareholder wealth through successful exploration activities and mining activities whilst providing a safe workplace and ensuring best practice in relation to its environmental obligations.

Review of Operations

The principal activities of the Group during the half-year period were the exploration and development of mineral resources, principally in the areas of mineral sands, diamonds and gold.

There were no significant changes in the nature of the Group's principal activities during the half-year period.

Mineral Resources Operations Summary

During the Half-Year, the following developments were made in the Company's projects:

Needles

During Half-Year 2020, the Group completed a geological mapping exercise for the Group's Needles Project.

Astro received assay results of the 97 rock chip samples collected at the Needles Property during the September geological mapping programme. Significant gold and silver assays up to 5.5g/t Au and 406g/t Ag were returned from both dump and outcrop samples (Table 1 and Figure 1). Fourteen samples were anomalous in gold and/or silver (greater than 0.15g/t Au or 8 g/t Ag). The anomalous samples appear to “line-up” in a regional northeast direction consistent with the results from mapping which indicated the presence of numerous steeply dipping north-east oriented mineralised structures around old mine workings and in outcrop (Figure 3). A northwest trend is also present although its importance is not yet fully understood.

Most of these samples were collected from dumps associated with historical workings, with the remainder taken from outcrops. Locations of the samples are presented in Figure 2.



Table 1: Rock Chip Sample Assays

Sample No.	Au (g/t)	Ag (g/t)	Type	Comment
47	5.54	406	Dump	120m west of Tomahawk Shaft
92	1.43	47	Dump	
28	1.35	405	Dump	Arrowhead Shaft
96	1.16	6.0	Outcrop	
90	1.11	5.4	Outcrop	
39	0.38	66	Dump	Tomahawk Shaft
38	0.33	89	Dump	Tomahawk Shaft
94	0.32	2.0	Dump	
10	0.31	2.4	Dump	
37	0.31	11	Dump	Tomahawk Shaft
89	0.27	1.9	Outcrop	
27	0.18	67	Dump	120m west of Tomahawk Shaft
09	0.13	9.0	Outcrop	
76	0.10	8.6	Dump	Pit

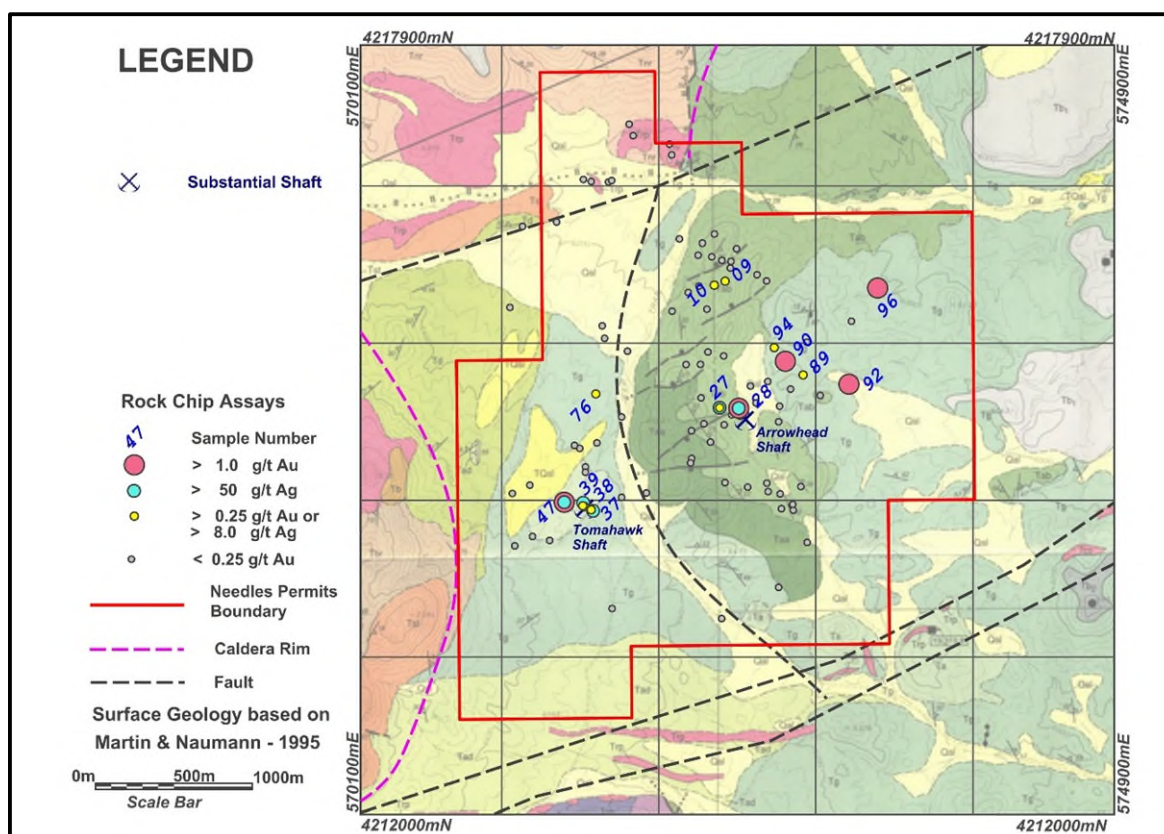


Figure 1: Location of Rock Chip Samples

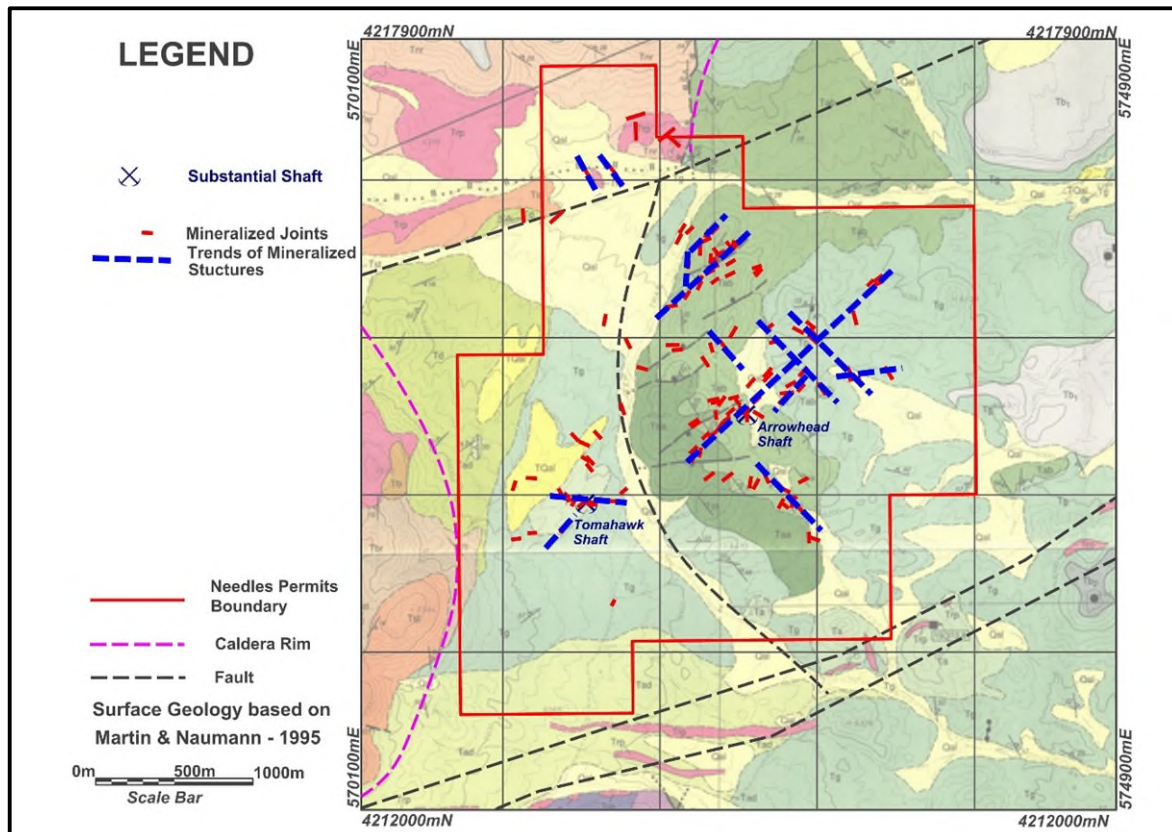


Figure 2: Mineralized structures defined in the mapping

During mapping, the majority of the samples and geological measurements came from the eastern section of the property, due to the fact there is much more outcrop in this section, with most of the lower western section covered by alluvium. Examination of outcrops present in gullies in the western section. However, these showed the presence of sub-horizontal welded and compacted tuffs (Figure 3). Such impervious cap units are important as they act as traps to mineralising fluids that ascend along the steeper open structures. Pervasive mineralisation is then trapped within weakly compacted porous tuff units beneath the compacted units such as at the Round Mountain gold deposit. Porous tuff units were recognised and mapped within the Needles property.

The presence of widespread precious metal mineralisation within the property is confirmed by the number of historical workings located during the mapping programme (Figure 4).

The confirmation of the presence of both compacted and porous volcanic tuff units, of steeply dipping structures associated with high grades of both gold and silver mineralisation, and of mapping of pervasive alteration is positive in terms of the potential presence of extensive Round Mountain style mineralisation.

The Kinross operated, 15Moz low to moderate grade (1.5 – 2.5 g/t Au) gold-silver deposit at Round Mountain, 100km to the northwest of Needles (see Figure 1) provides the most appropriate exploration model for the Needles Property.

The gold and silver bearing hydrothermal fluids that created the Round Mountain Deposit were controlled by permeability in Tertiary volcanic rocks and related structures. Sub-horizontal impermeable volcanic units acted as a trap, concentrating the Au-Ag beneath them, within permeable tuffs and in cross-cutting fractures. A graphic of this mineralisation is shown as Figure 5. The Needles Property contains similar sub-horizontal volcanic units of the same age and has a similar structural setting.

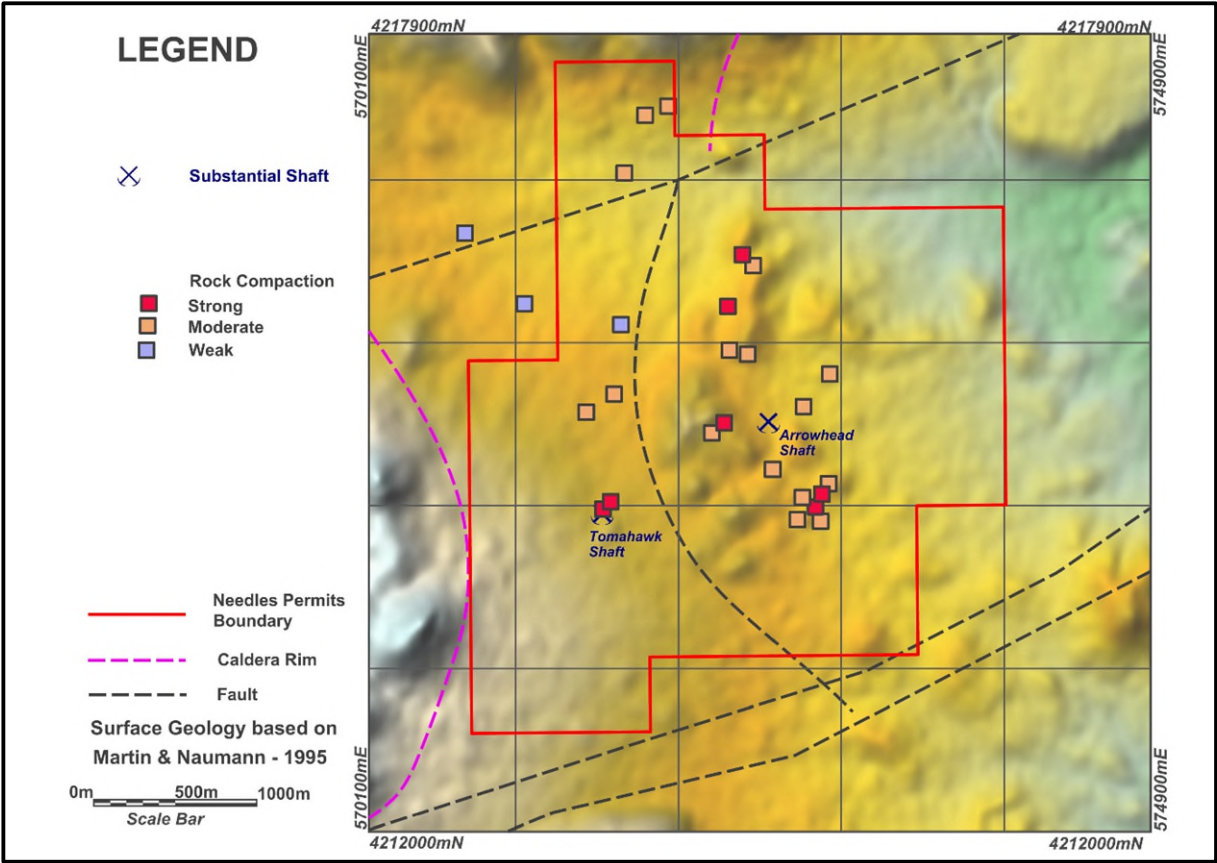


Figure 3 Rock Compaction Locations on SRTM image

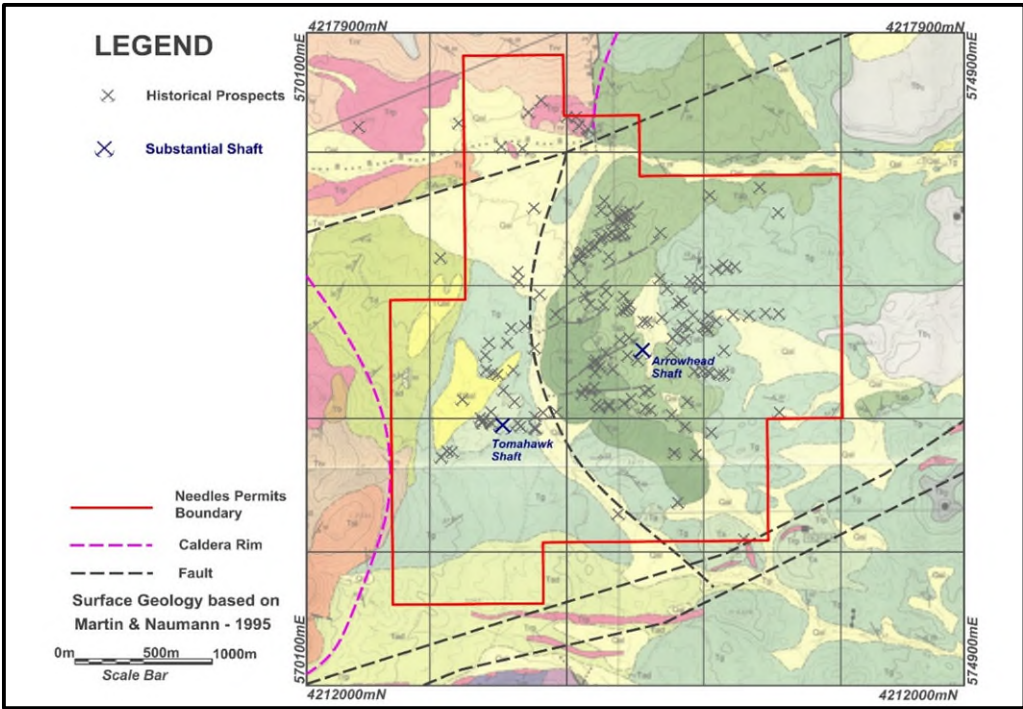


Figure 4 Historical Shafts and Prospects

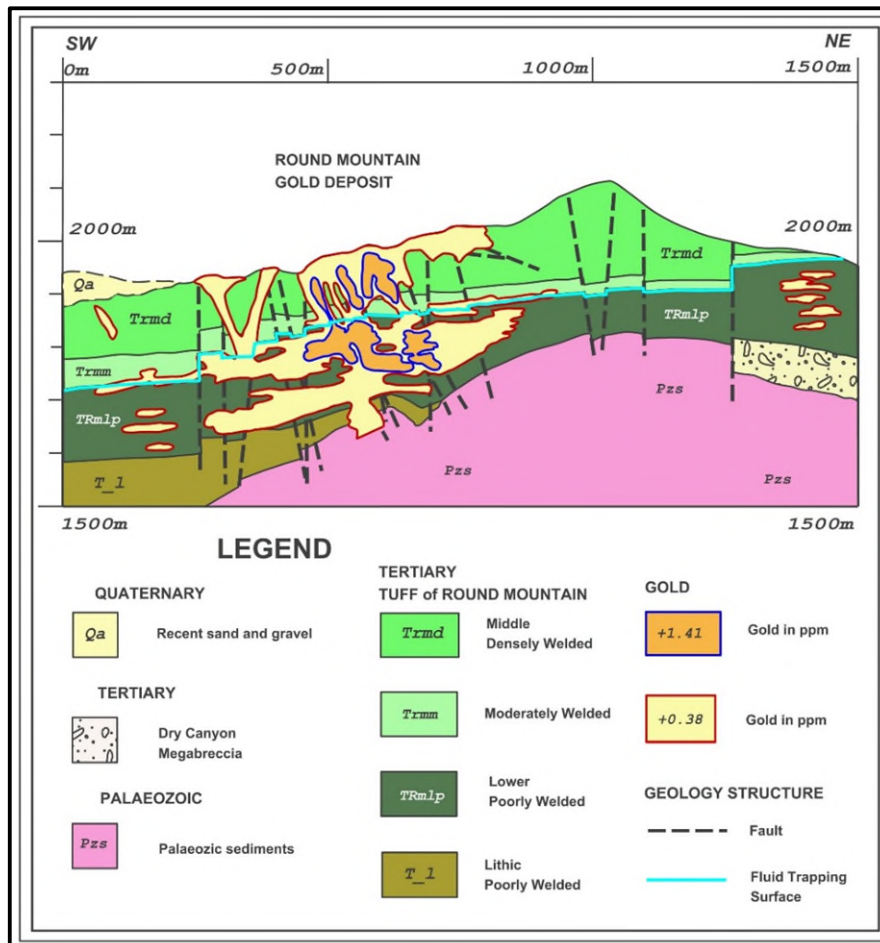


Figure 5 Generalized cross-section of Round Mountain

Key conclusions from the September 2020 mapping and sampling programme included:

1. Samples anomalous in Au and Ag appear to be associated with a major northeast trending structural zone that extends throughout the property. There is a subsidiary northwest trending structure that is also anomalous.
2. The concept of numerous steeply dipping highly mineralized structures of possibly short lateral extent would seem to fit the geochemical data.
3. The Round Mountain concept, feeding off these steep structures is valid.
4. The highest-grade sample is in the Tomahawk area, which is encouraging, as it lies in the main target zone.

Full details of the results including Table 1 can be found in the Company's market presentation dated 1 December 2020.

Governor Broome Mineral Sands Project (100%-owned licence)

Background

The Governor Broome Heavy Mineral Project contains three separate areas of significant heavy mineral (HM) mineralisation (Figure 1). The largest contains the North Deposit, drilled by Metal Sands Australia Ltd (Metal Sands) in 2005 and 2006, and the West Deposit, drilled by Astro in 2020. The other two areas contain the East and South Deposits. The HM mineralisation occurs within a surficial Pleistocene sand unit, the Warren Sands, and in the immediately unconformably underlying Beenup Beds of the Cretaceous Warnbro Group. Both units are horizontal.



The Warren Sands vary in thickness from 4m to 11m. Its contained HM mineralisation increases in grade in the unit's lower few metres. The Beenup Beds sediments are of two main facies in the area: clayey sands and organic clays. The clayey sands contain medium- to coarse-grained, angular to sub-angular, unconsolidated quartz and minor feldspar grains. The clay content, which is variable, tends to increase downward. Generally, it contains between 1% and 9% of valuable HM in its top few metres. The lower portion of the unit is clay rich and forms a base to recoverable HM mineralisation. The HM assemblage within the Project averages of the order of 53% ilmenite, 6% secondary ilmenite, 3.5% leucoxene, 1.5% Hi-Ti, and 5% zircon for a total of 69% valuable HM. The assemblage also contains significant percentages of garnet.

South Deposit Inferred Resource Estimate

Following Astro's February and March 2020 drill programmes, Astro announced resource upgrades for its East and South Deposits to Indicated Resource Status (ASX: ARO 24th April and 3rd June 2020). These upgrades, together with information obtained from its 2019 and 2020 drilling and from independent studies conducted by TZ Minerals International Pty Ltd (TZMI) (ASX: ARO 28th June 2018 and 16th October 2019), necessitated the revision of Astro's Governor Broome Inferred Resources.

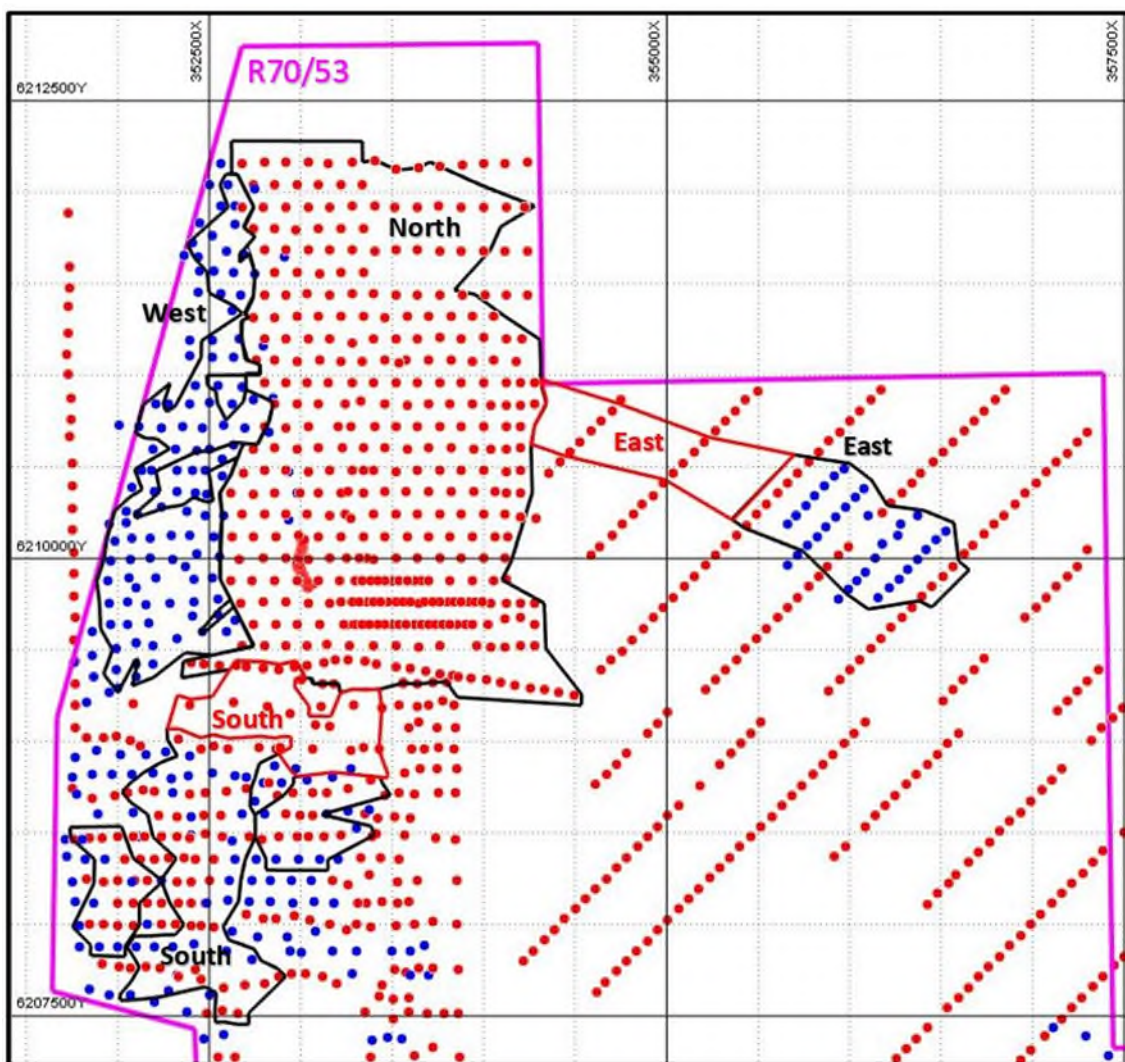


Figure 6 Diagram showing 2020 drill-holes (blue dots), previous drill-holes (red dots), Indicated Resource outline (black) and Inferred Resource outlines (red).

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A resource estimate was carried out for the northern section of the South Deposit by John Doepel of Continental Resource Management Pty Ltd.

Full details of the resource estimation methodology can be found in the Company's ASX announcement dated 15 September 2020 (September Announcement).

The estimated resource is classified as Inferred, as, although the drilling has shown both geological and mineralisation continuity throughout the area, the drilling density has not been such to enable the verification of grade continuity.

With the exception of one hole drilled in 2020 (see ASX ARO 3rd June 2020), the East Deposit Inferred Resource was estimated from the results from 26 vertical air-core holes drilled during 2006. The location of the holes is shown in Figures 1 and 4 in the September Announcement.

Drilling, sampling and sample analytical techniques can also be found in the September Announcement.

A resource estimate was carried out for the northern section of the East Deposit by John Doepel of Continental Resource Management Pty Ltd.

Estimation Methodology

Full details of the Competent Persons resource estimate methodology can be found in the September Announcement.

Resource Classification

The estimated resource is classified as Inferred, as, although the drilling has shown both geological and mineralisation continuity throughout the area, the drilling density has not been such to enable the verification of grade continuity.

Resource Statements

The Governor Broome South Deposit contains an Inferred Resource, at a 2% HM lower block-cut-off grade, of 2.5Mt @ 4.5% HM, 15% Slimes, and 9% Oversize.

The Governor Broome East Deposit contains an Inferred Resource, at a 2% HM lower block-cut-off grade, of 4Mt @ 3% HM, 13% Slimes, and 3% Oversize.

The resources are reported in accordance with the 2012 Edition of the JORC Code.

Summary of Resource

The Resources within Astro's Governor Broome Project are summarised within Table 1 (The Indicated Resources have been reported previously – ASX ARO Announcements 3rd June 2020, 24th April 2020 and 10th February 2015, as have the Jack Track Inferred Resources - ASX ARO Announcement 26th April 2016).

Table 2 Governor Broome Project Resources – at 2% HM lower block-cut-off grade

Resource	Deposit	Million Tonnes	HM%	Slimes%	Oversize%
Indicated	South	11	4.6	15	11
Indicated	West	7.7	4.2	13	7.4
Indicated	East	3.5	4.2	12	4.8
Indicated	North	30	4.9	12	8.1
Indicated	Sub-Totals	52	4.6	13	8.5
Inferred	South	2.5	4.5	15	9
Inferred	East	4	3	13	3
Inferred	Sub-Totals	6.5	3.5	14	5
Inferred	Jack Track*	18.8	4.7	7.7	

Notes: 1. The above figures have been appropriately rounded.

2. The Jack Track Deposit is within R70/58 (Iluka 80% Astro 20%). The resource is given above at a 3% HM lower block-cut-off grade.

Below is a diagrammatic overview of the Governor Broome deposits:

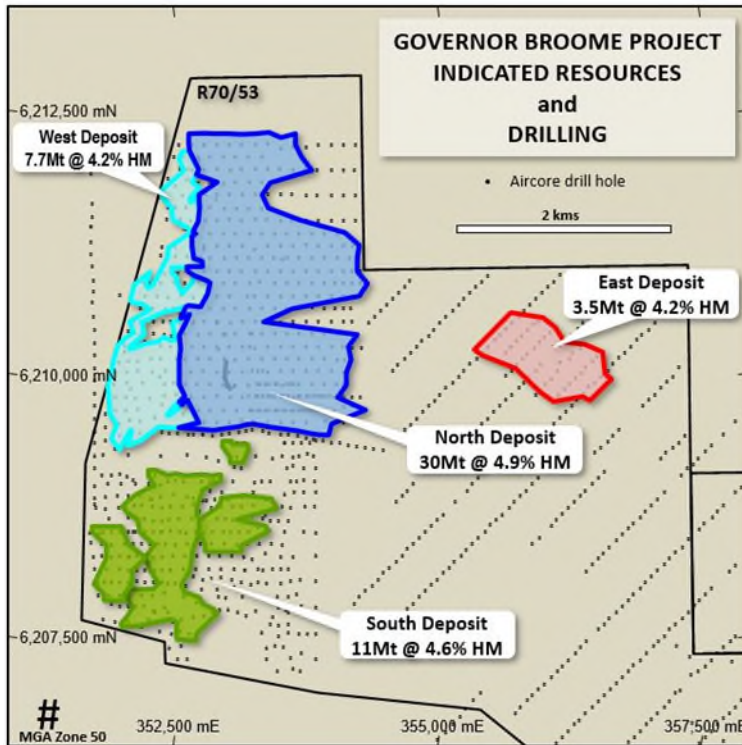


Figure 7. Governor Broome HM Deposits

Bulk Testwork

The Governor Broome testwork commenced with the processing of the 2.6t sample through a pilot scale trommel and desliming circuit at Allied Mineral Laboratories (Perth) (AML). Preliminary results demonstrated that the material was readily processed using the pilot scale conventional mineral sands processing equipment as a proxy for a full-scale feed preparation plant. The sand fraction (-2mm +0.045mm), which contains the valuable heavy minerals, will be further processed to investigate separation performance over a gravity concentration circuit and subsequent production of final mineral products in a dry mineral separation circuit.

The initial processing produced three products: Oversize (+2mm), Sand (-2 +0.045mm), and Slimes (-0.045mm). The sand fraction will be subject to further testwork to enable the development of an optimised process flowsheet for a full-scale wet concentrator plant. The slimes fraction will be subject to slimes characterization test-work.

The heavy mineral concentrate recovered from the sand fraction will undergo further process testwork to enable development of an optimised process flowsheet as well as provide an indication of overall mineral recoveries and potential quality of the final products.

Astro should receive the final results from the testwork during March 2021.

Samples of the three fractions separated from the bulk sample are shown in Figures 8 to 10. The proportions of the fractions were: Oversize 2%, Sand 86%, and Slimes 12%.

The Heavy Mineral content of a <0.6mm split of the sand fraction was 5.6%.



Figure 8. Sand Fraction

Most pleasing from the results was that the slimes fraction showed excellent initial settling characteristics, demonstrated clearly in Figure 9 which was photographed only an hour after a sample of the slimes was placed in a measuring cylinder.

The bulk sample was sourced from the full depth of the modelled HM mineralisation in all the air-core holes drilled by Astro into the West Deposit during early 2020 and, as such, is representative of its HM mineralisation. The hole locations are shown on Figure 5.

The test-work program is designed to enable Astro to complete an updated Scoping Study at Governor Broome as soon as possible. The updated Scoping Study (from Astro's previous 2018 and 2019 Scoping Study assessments) is required due to the Project's Indicated Resources in the North Deposit increasing from 30Mt @ 4.9% HM to 52 Mt @ 4.6% HM.



Figures 9 and 10.

Left: Oversize Fraction **Right:** Slimes Fraction after one hour, demonstrating excellent initial settling characteristics



Iluka Joint Venture – 20% owned

The Jack Track Heavy Mineral Sand Deposit is located on Retention licence R70/58. The Iluka Joint Venture is between Iluka Resources Limited (80%) and Governor Broome Sands Pty Ltd (20%), a wholly owned subsidiary of the Company.

No activity was undertaken during the Half-Year 2020 for the Iluka JV.

East Kimberley Diamonds

The Company holds the Lower Smoke Creek (E80/4120) exploration licence that adjoins the Argyle and the former Bow River Diamond Mines within the East Kimberley region of Western Australia. Previous exploration for diamonds in the area has included limited bulk sampling, airborne magnetics, geochemical soil sampling, and drilling and the completion of 57 km ground penetrating radar (“GPR”) survey.

No work was undertaken during the Half-Year 2020 for the East Kimberley Diamonds Project.

Competent persons

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 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.

Financial results

Income Statement

Revenue

The Company derived interest income on its short-term interest-bearing deposits held during the Half-Year.

With the exception of the above, there was no other income generated by the Company during the Half-Year.

Net expenses and impairment

The following points are noted in relation to expenses for the Half-Year 2020:

- ongoing administration expenses increased from \$219,973 at December 2019 to \$369,672 at December 2020. Included in the Half-Year 2020 results is bonuses paid to Messrs Jacob Khouri and Vincent Fayad in consideration of

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the significant additional work of an executive nature that they have done on behalf of the Company over the last 4 years; and

- interest expense of \$139,796 (December 2019: \$120,610) relates to the debt funding facility provided to the Company by Gun and two shareholder who took up convertible notes (HPG Urban Development Holdings Pty Ltd and Agam Nominee No.1 Pty Ltd). These convertible notes were subsequently capitalised into ordinary shares of the Company.

The Directors have considered whether any further impairment for the Company's tenements is required for the current period. They have formed the view that none is required.

Statement of financial position

During the 2020 Half-Year the following key items occurred:

- cash increased from \$27,222 at 30 June 2020 to \$2,004,739 at 31 December 2020. The increase was primarily due to the proceeds received from the Company's capital raising placement which took place in August 2020 and November 2020 ;
- trade and other payables decreased from \$349,387 at 30 June 2020 to \$210,543 at 31 December 2020. The primary reason for this decrease was due to the payment of deferred directors' fees owing to Messrs Jacob Khouri and Vince Fayad; and
- a decrease in borrowings of \$2,863,591 which represented a loan (and accrued interest) to Gun. Such borrowings were extinguished through a combination of share capitalisation (\$731,000) and also cash proceeds received from the issuance of two convertible notes in September 2020 (\$2.341 million).

Cash Flow

The Half-Year cash flow for the 2020 Half-Year of the Group included:

- a decrease in exploration costs from \$535,922 in December 2019 to \$272,014 in December 2020. The main reason for the decrease was that the Company conducted a full drilling campaign in the prior year for the Needles project and in the current year, a geological mapping exercise was mainly undertaken;
- cash flows were increased from the capital raisings – Tranche 1 and Tranche 2 – raising a total of \$2.517 million (net of costs). Also, cash flows were bolstered by a receipt of funds from the convertible notes of \$2.341 million, which were then used to partly repay debt facilities to Gun Capital Management Pty Ltd of approximately \$2.252 million; and
- an increase in administrative costs from \$119,868 at December 2019 to \$357,998 at December 2020, mainly reflected by the payment of deferred directors' fees owing to Messrs Jacob Khouri and Vince Fayad.

Corporate

Funding

(i) Debt facility – Gun Capital Management Pty Ltd

During the 2020 Half-Year, the Company announced that it had repaid its loan facility owing to Gun through a combination of:

- proceeds received from the issuance of convertible notes (totalling \$2.341 million) – discussed further below; and
- capitalisation of the remaining debt balance owing, including accrued interest and fees (totalling \$731,000). Such shares were issued at a deemed price of \$0.0035 per share, which reflected a premium to the Company's Volume Weighted Average Price (VWAP) for the last three months of trading to 21 August 2020. Shareholders approved the issuance of such shares in the Company's Annual General Meeting held on 27 November 2020.

(ii) Convertible Notes

During the 2020 Half-Year, the Company issued convertible notes to two sophisticated investors, which raised \$2.341 million. The proceeds received from the issuance of the convertible notes was used to reduce the debt facility owed to Gun.

Such convertible notes were repaid during the 2020 Half-Year by way of the issuance of 669,063,143 ordinary shares, which was approved by shareholders in the Company's General Meeting held on 30 October 2020.



(iii) Capital Raising

The Company successfully able to complete the following placements during the 2020 Half-Year:

- issue 190,814,597 shares at \$0.0035 per share, raising \$667,851. Such shares were issued using the Company's existing 15% capacity under ASX Listing Rule 7.1 – "Tranche 1"; and
- issue 593,781,159 shares at \$0.0035 per share, raising \$2,078,234 "Tranche 2". Such shares issued under this tranche were subject to shareholder approval at the Company's General Meeting which was held on 30 October 2020.

Directors

On 6 October 2020, the Company appointed Gregory Jones to the Board. On the same date, Mr Stephen Gemell resigned from the board.

Events subsequent to balance date

Since balance date, the following matters have arisen:

- confirmation was received from the United States Internal Revenue Service (IRS) that the Company had been successful in having \$US25,000 of the \$US50,000 in penalties waived for various tax filings related to Needles Holdings Inc – a wholly owned subsidiary of the Company; and
- the Company acquired a detailed drilling and surface exploration dataset for the Company's Needles Gold Project located in Nevada, United States of America for \$US60,000. The dataset will be used to fast track the Company's 2021 work program on the project, which is expected to save a considerable amount of time and costs;
- the Group commenced DC/IP survey and seismic work on its Needles Project;
- the Company also undertook reclamation work on its Needles Project;
- the Group staked a further 26 mining claims for its Nevada Project, increasing its footprint by some 25%; and
- on 8th March 2021, the Company announced the completion of "Tranche 1" capital raising for \$1.996 million. In addition, the Company announced that it intends to seek shareholder approval for a further \$0.998 million "Tranche 2".

Apart from the above, no matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in future financial years.

Auditor's Independence Declaration

The auditor's independence declaration for the Half-Year ended 31 December 2020 has been received and can be found on page 13 of the financial report.

This report is signed in accordance with a resolution of the Board of Directors.

Director:

Mr Jacob Khouri
Chairman

12 March 2021

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Astro Resources NL Limited for the half year ended 31 December 2020, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

A handwritten signature in blue ink that reads "RSM".**RSM AUSTRALIA PARTNERS**A handwritten signature in blue ink that reads "C J Hume".

C J Hume
Partner

Sydney, NSW
Dated: 12 March 2021



Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Half-Year Ended 31 December 2020

	Note	31 December 2020 \$	31 December 2019 \$
Continuing Operations			
Revenue		111	283
Interest paid		(139,796)	(120,610)
Administration expenses		(369,672)	(219,973)
Impairment of capitalised exploration expenditure		-	-
(Loss) from continuing operations before income tax		(509,357)	(340,300)
Income tax expense		-	-
(Loss) from continuing operations after tax	5	(509,357)	(340,300)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Net gain/(loss) on revaluation of financial assets available for sale		240	(700)
Total comprehensive (loss) for the period		(509,117)	(341,000)
(Loss) attributable to:			
- Members of Astro Resources NL		(509,117)	(341,000)
- Non-controlling interest		-	-
		(509,117)	(341,000)
Total comprehensive (loss) attributable to:			
- Members of Astro Resources NL		(509,117)	(341,000)
- Non-controlling interest		-	-
		(509,117)	(341,000)
Earnings per share (cents per share)			
- basic; for loss for the Half-Year		(0.027)	(0.027)
- diluted; for loss for the Half-Year		(0.027)	(0.027)

The accompanying notes form part of these Financial Statements.



Consolidated Statement of Financial Position

As at 31 December 2020

	Note	31 December 2020 \$	30 June 2020 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		2,004,739	27,222
Trade and other receivables		72,643	27,491
Inventories		4,000	4,000
Other current assets		74,067	24,343
TOTAL CURRENT ASSETS		2,155,449	83,056
NON-CURRENT ASSETS			
Available-for-sale investments		1,140	900
Plant and equipment		264,914	269,411
Exploration expenditure	6	4,116,836	3,901,601
TOTAL NON-CURRENT ASSETS		4,382,890	4,171,912
TOTAL ASSETS		6,538,339	4,254,968
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	7	210,543	349,387
TOTAL CURRENT LIABILITIES		210,543	349,387
NON-CURRENT LIABILITIES			
Trade and other payables		18,000	27,000
Borrowings	8	-	2,863,591
TOTAL NON-CURRENT LIABILITIES		18,000	2,890,591
TOTAL LIABILITIES		228,543	3,239,978
NET ASSETS		6,309,796	1,014,990
EQUITY			
Issued capital		21,366,651	15,562,728
Reserves		(19,860)	(20,100)
Accumulated losses		(15,036,995)	(14,527,638)
TOTAL EQUITY		6,309,796	1,014,990

The accompanying notes form part of these Financial Statements.



Consolidated Statement of Cash Flows

For the Half-Year Ended 31 December 2020

	31 December 2020 \$	31 December 2019 \$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Interest and other income received	112	283
Payments to suppliers and employees	(357,998)	(119,868)
Net cash used in operating activities	<u>(357,886)</u>	<u>(119,585)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Payment for exploration	(272,014)	(535,922)
Payment for tenement bond	-	(13,018)
Payment for plant and equipment	-	(17,680)
Net cash used in investing activities	<u>(272,014)</u>	<u>(566,620)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from borrowings	2,341,721	490,000
Repayment of borrowings	(2,251,721)	-
Proceeds from rights issue	2,746,085	-
Payments for rights issue costs	(228,668)	-
Net cash provided by financing activities	<u>2,607,417</u>	<u>490,000</u>
Net increase in cash and cash equivalents held	1,977,517	(196,205)
Cash and cash equivalents at beginning of year	27,222	199,479
Cash and cash equivalents at end of the Half-Year	<u>2,004,739</u>	<u>3,274</u>

The accompanying notes form part of these Financial Statements.



Consolidated Statement of Changes in Equity

For the Half-Year Ended 31 December 2020

Note	Issued capital \$	Reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2020	15,562,728	(20,100)	(14,527,638)	1,014,990
Loss for the period attributable to members of the parent entity	-	-	(509,357)	(509,357)
Other comprehensive income	-	240	-	240
Capital raising – August 2020 (less costs)	581,009	-	-	581,009
Capital raising – November 2020 (less costs)	1,936,415	-	-	1,936,415
Conversion of convertible debt facilities	2,341,721	-	-	2,341,721
Capitalisation of debt facility	731,165	-	-	731,165
Capitalisation of director bonuses and accrued fees	213,613	-	-	213,613
Balance at 31 December 2020	21,366,651	(19,860)	(15,036,995)	6,306,796
Balance at 1 July 2019	15,562,728	(17,900)	(13,827,057)	1,717,771
Loss for the period attributable to members of the parent entity	-	-	(340,300)	(340,300)
Other comprehensive income	-	(700)	-	(700)
Balance at 31 December 2019	15,562,728	(18,600)	(14,167,357)	1,376,771

The accompanying notes form part of these Financial Statements.



Condensed Notes to the Consolidated Financial Statements

For the Half-Year Ended 31 December 2020

1 CORPORATE INFORMATION

The financial report of Astro Resources NL (the '**Company**') for the Half-Year ended 31 December 2020 was authorised for issue in accordance with a resolution of the Directors on 12 March 2021.

The Company is incorporated in Australia and limited by shares which are publicly traded on the Australian Securities Exchange.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Half-Year financial report does not include all of the notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report.

The Half-Year financial report should be read in conjunction with the Annual Financial Report of Astro Resources NL as at 30 June 2020. It is also recommended that the Half-Year financial report be considered together with any public announcements made by Astro Resources NL and its controlled entities during the Half-Year ended 31 December 2020 in accordance with the continuous disclosure obligations arising under the Corporations Act 2001.

(a) Basis of Preparation

The Half-Year consolidated financial report is a general purpose financial report, which has been prepared in accordance with the requirement of the Corporations Act 2001 and Australian Accounting Standards, including AASB 134 "Interim Financial Reporting". Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards.

For the purpose of preparing the Half-Year financial report, the Half-Year has been treated as a discrete reporting period.

(b) Basis of consolidation

The Half-Year consolidated financial statements comprise the financial statements of Astro Resources NL and its controlled subsidiaries (the "**Group**").

(c) New Accounting Standards and Interpretations

The adoption of all the new and revised Standards and Interpretations has not resulted in any material changes to the consolidated entity's accounting policies and has no effect on the amounts reported for the current or prior half-years. The Group has considered for the first time AASB 16 "Leases".

AASB 16 provides a model for the identification and treatment of lease arrangements in the financial statements. AASB 16 superseded the lease guidance including AASB 117 Leases and the related Interpretations, when it became effective for the Group for the accounting period beginning 1 July 2019. The Group has no leases and there is therefore no impact on the accounts for this or the prior comparative financial period.

3 FINANCIAL RISK MANAGEMENT

All aspects of the Group's financial risk management objectives and policies are consistent with that disclosed in the consolidated financial report as at and for the year ended 30 June 2020.



4 SEGMENT INFORMATION

Identification of reportable segments

Operating Segments

Operating segments are reported in a manner consistent with the internal reporting provided to the “chief operating decision maker”. The “chief operating decision maker”, which is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors.

An operating segment is a component of the Group that engages in business activities from which it may earn revenue and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segment results are regularly reviewed by the Group's Board of Directors to make decisions about resources allocated to the segment and assess its performance and for which discrete financial information is available.

Operating segments are identified and segment information disclosed on the basis of internal reports that are provided to, or revised by, the Company's chief operating decision maker which, for the Company, is the Board of Directors.

The operating segments are identified by management based on the type of exploration being conducted by the Group. Discrete financial information about each of these operating businesses is reported to the Board of Directors on at least a quarterly basis.

The Group operates as an explorer in three operating segments being:

- heavy minerals, diamond located in Australia; and
- gold exploration industries located in the United States of America.

Types of Products and Services

Gold and silver exploration

The Company is currently conducting exploration upon tenements considered prospective for its Needles project. Since the date of acquisition, no income has been derived from the Needles project in the period ending 31 December 2020 (2019: Nil).

Heavy mineral Exploration

The Company is currently conducting exploration upon tenements considered prospective for heavy minerals. No income has been derived from the recovery of mineral sands in period ending 31 December 2020 (2019: Nil).

Diamond exploration

The Company is currently conducting exploration upon tenements considered prospective for diamonds. No income has been derived from the recovery of diamonds in the period ending 31 December 2020 (2019: Nil).



Segment Information

	Diamond \$	Heavy minerals \$	Gold \$	Unallocated \$	Total \$
Six months ended 31 December 2020					
Revenue					
Other revenue from external customers	-	-	-	-	-
Inter-segment revenue	-	-	-	-	-
Total segment revenue	-	-	-	-	-
Result					
Segment result	-	(267)	(736)	(508,354)	(509,357)
(Loss) before income tax and non-controlling interests	-	(267)	(736)	(508,354)	(509,357)
Income tax expense	-	-	-	-	-
Net (loss) for the six months as Statement of Comprehensive Income	-	(267)	(736)	(508,354)	(509,357)
Assets and Liabilities					
Segment assets					
- Exploration Expenditure	655,237	1,771,279	1,128,900	-	3,555,416
- Interest in Joint Venture	-	561,420	-	-	561,420
- Plant and Equipment	264,914	-	-	-	264,914
- Inventories	4,000	-	-	-	4,000
	924,151	2,332,699	1,128,900	-	4,385,750
Unallocated assets					
- Available for sale assets	-	-	-	1,140	1,140
- Cash and cash equivalents	462	9,208	-	1,995,069	2,004,739
- Trade and other receivables	-	2,886	-	69,757	72,643
- Other assets	8,252	21,465	30,875	13,475	74,067
	8,714	33,559	30,875	2,079,441	2,152,589
Total assets as per the Statement of Financial Position	932,865	2,366,258	1,159,775	2,079,441	6,538,339
Segment and unallocated liabilities					
- Trade and other payables	-	-	-	228,543	228,543
- Borrowings	-	-	-	-	-
Total liabilities as per the Statement of Financial Position	-	-	-	228,543	228,543



Segment Information (continued)

	Diamond	Heavy minerals	Gold	Unallocated	Total
	\$	\$	\$	\$	\$
Six months ended 31 December 2019					
Revenue					
Other revenue from external customers	-	-	-	-	-
Inter-segment revenue	-	-	-	-	-
Total segment revenue	-	-	-	-	-
Result					
Segment result	-	(686)	(7,276)	(332,338)	(340,300)
(Loss) before income tax and non-controlling interests	-	(686)	(7,276)	(322,338)	(340,300)
Income tax expense	-	-	-	-	-
Net (loss) for the six months as Statement of Comprehensive Income	-	(686)	(7,276)	(322,338)	(340,300)
Assets and Liabilities					
Segment assets					
- Exploration Expenditure	588,905	1,344,206	974,794	-	2,907,905
- Interest in Joint Venture	-	625,843	-	-	625,843
- Plant and Equipment	274,141	-	-	-	274,141
- Other Assets (Bonds Paid)	-	-	13,018	-	13,018
- Inventories	4,000	-	-	-	4,000
	867,046	1,970,049	987,812	-	3,824,907
Unallocated assets					
- Available for sale assets	-	-	-	2,400	2,400
- Cash and cash equivalents	11	462	-	2,801	3,274
- Trade and other receivables	-	5,574	-	9,170	14,744
- Other assets	8,065	20,652	18,358	11,117	58,192
	8,076	26,688	18,358	25,488	78,610
Total assets as per the Statement of Financial Position	875,122	1,996,737	1,006,170	25,488	3,903,517
Segment and unallocated liabilities					
- Trade and other payables	-	-	-	352,418	352,418
- Borrowings	-	-	370,000	1,804,328	2,174,328
Total liabilities as per the Statement of Financial Position	-	-	370,000	2,156,746	2,526,746



5 REVENUE, INCOME AND EXPENSES FROM CONTINUING OPERATIONS

	31 December 2020 \$	31 December 2019 \$
Income		
Interest income	111	20
Other income	-	263
	111	283

6 NON-CURRENT ASSETS – EXPLORATION EXPENDITURE

The carrying cost of exploration expenditure is as follows:

	31 December 2020 \$	30 June 2020 \$
Exploration Expenditure (at cost)	5,243,237	5,028,052
Capitalised exploration – partly owned	561,420	561,370
Less: Impairment	(1,687,821)	(1,687,821)
Total	4,116,836	3,901,601

Impairment

Included in the capitalised exploration costs are to the Heavy Mineral Sands exploration project:

- the Governor Broome Sands (that is, heavy minerals project), tenement number E70/2372, now known as Retention Licence R70/53, which is not subject to any minimum expenditure commitments; and
- the Iluka Joint Venture – see below.

The Board has previously formed a view that a provision for impairment of \$3.889 million was required. The Board considers that this provision is still adequate having regard to the following:

- future outlook of mineral sands prices;
- the level of resources, as recently determined by the competent person; and
- potential range of operating costs for the exploitation of the resources and capital expenditure.

The Board has formed the view that other key capitalised exploration asset namely, the diamond project does not require impairment and continue to actively pursue this exploration asset.



6 NON-CURRENT ASSETS – EXPLORATION EXPENDITURE (continued)

Information about the farm in Joint Venture arrangement

On the 23 December 2014, the Company entered into a Farm-in and joint venture arrangement (“**Arrangement**”) with Iluka Resources Limited (“**Iluka**”). The arrangement relates to the Governor Broome project, tenement number E70/2464 (“**Property**”) and this tenement is subject to an application for retention licence. This tenement is part of the Governor Broome project, which is a mineral sands project located in southern Western Australia.

As previously announced, Iluka have satisfied all of their milestones which results in them having an 80% interest and the Group a 20% interest in the Property.

A summary of the Arrangement is as follows:

Name	Classification	Place of Business/ Incorporation	Proportion of Ordinary Share Interests/Participating Share		Measurement Method	Carrying Amount	
			2020 %	2019 %		2020 \$000	2019 \$000
Governor Broome Sands Pty Ltd – interest in the Property	Associate	Perth, Australia	20	20	Equity Method	561,420	561,370

Commitments in Respect of Associates

Until the point in time whereby the Group loses control of the Property, that means that Iluka takes legal possession over the title of the Property, the Group remains liable for all commitments of the associate up to the point in time when Iluka take up its interest.

7 CURRENT LIABILITIES – TRADE AND OTHER PAYABLES

	31 December 2020 \$	30 June 2020 \$
Trade creditors	200,543	336,737
Other payables	10,000	12,650
Total	210,543	349,387

8 BORROWINGS

	31 December 2020 \$	30 June 2020 \$
NON-CURRENT		
Loan Facility – Gun Capital Management Pty Ltd	(a) -	2,314,100
Interest payable	-	549,291
Total	-	2,863,591



9 COMMITMENTS AND CONTINGENCIES

EXPLORATION

The Company has to perform minimum exploration work and expend minimum amounts of money on its tenements. The overall expenditure requirement tends to be limited in the normal course of the Company's tenement portfolio management through expenditure exemption approvals, and expenditure reductions through relinquishment of parts of the whole of tenements deemed non-prospective. Should the Company wish to preserve interests in its current tenements the amount which may be required to be expended as follows:

	31 December 2020	30 June 2020
	\$	\$
No later than one year	154,772	154,772
Between one to five years	619,087	619,087
	773,859	773,859

The contingent liabilities in relation to minimum expenditure on tenements held by the group for no longer than one year are:

	31 December 2020	30 June 2020
	\$	\$
East Kimberley Diamond Corporation Pty Ltd	84,145	84,145
Governor Broome Sands Pty Ltd	35,627	35,627
Needles Holdings Inc	35,000	35,000
	154,772	154,772

10 CONTRIBUTED EQUITY

	31 December 2020	30 June 2020
	\$	\$
Ordinary shares - Note (i)	21,366,651	15,562,728
	21,366,651	15,562,728

(i) Ordinary shares

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

	No.	No.
Opening Balance	1,272,097,315	1,272,097,315
Placement – August 2020	190,814,597	-
Placement – November 2020	593,781,159	-
Conversion of convertible debt facilities (approved by shareholders on 30 October 2020)	669,063,143	-
Capitalisation of debt facilities (Gun Capital Management) – approved by shareholders on 30 October 2020 and 27 November 2020	208,904,285	-
Part payment of directors' fees and bonuses - approved by shareholders on 27 November 2020	61,032,513	-
Number of ordinary shares on issue	2,995,693,012	1,272,097,315



11 EVENTS AFTER THE BALANCE SHEET DATE

Since balance date, the following matters have arisen:

- confirmation was received from the United States Internal Revenue Service (IRS) that the Company had been successful in having \$US25,000 of the \$US50,000 in penalties waived for various tax filings related to Needles Holdings Inc – a wholly owned subsidiary of the Company; and
- the Company acquired a detailed drilling and surface exploration dataset for the Company's Needles Gold Project located in Nevada, United States of America for \$US60,000. The dataset will be used to fast track the Company's 2021 work program on the project, which is expected to save a considerable amount of time and costs;
- the Group commenced DC/IP survey and seismic work on its Needles Project;
- the Company also undertook reclamation work on its Needles Project;
- the Group staked a further 26 mining claims for its Nevada Project, increasing its footprint by some 25%; and
- on 8th March 2021, the Company announced the completion of "Tranche 1" capital raising for \$1.996 million. In addition, the Company announced that it intends to seek shareholder approval for a further \$0.998 million "Tranche 2".

Apart from the above, no matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in future financial years.



Directors' Declaration

The Directors of the Company declare that:

1. The financial statements and notes, as set out on pages 7 to 18 are in accordance with the *Corporations Act 2001*, including:
 - (a) complying with Accounting Standard AASB 134: Interim Financial Reporting; and
 - (b) give a true and fair view of the consolidated group's financial position as at 31 December 2020 and of its performance for the Half-Year ended on that date.
2. In the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Director

Mr Jacob Khouri
Chairman

Dated 12 March 2021.

RSM Australia Partners

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www.rsm.com.au**INDEPENDENT AUDITOR'S REVIEW REPORT****TO THE MEMBERS OF****ASTRO RESOURCES NL****Report on the Half-Year Financial Report**

We have reviewed the accompanying half-year financial report of Astro Resources NL which comprises the consolidated statement of financial position as at 31 December 2020, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of Astro Resources NL*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2020 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Astro Resources NL, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Astro Resources NL, would be in the same terms if given to the directors as at the time of this auditor's review report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Astro Resources NL is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2020 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

A handwritten signature in blue ink that reads "RSM".

RSM AUSTRALIA PARTNERS

A handwritten signature in blue ink that reads "C J Hume".

C J Hume
Partner

Sydney, NSW
Dated: 12 March 2021