

29<sup>th</sup> September 2021

## Proposed Loan Funded Share Plan for Non-Executive Directors

Astro Resources NL (ASX:ARO) (“**ARO**”, “**Astro**” or “the **Company**”) has today recommended, subject to ASX and shareholder approval, the establishment of a Loan Funded Share Plan (**Plan**) to provide an incentive to current or prospective employees, contractors, directors and/or advisory board members of the Company or any of its subsidiaries (**Eligible Persons**).

Given the Company’s limited cash resources are allocated to advancing the Company’s exploration and development initiatives, the Plan will provide a way to incentivise and remunerate key persons to assist the Company achieve its objectives.

The purpose of the Plan is to:

- align the interests of participants with those of Shareholders;
- retain participants and create stability for the Company and the Board (as applicable); and
- appropriately compensate participants for their work for the Company and its subsidiaries.

A summary of the Plan Rules will be included in the forthcoming notice of annual general meeting (**NOM**) for approval at the Company’s 2021 annual general meeting (**AGM**).

It is proposed that a maximum of 63 million ordinary shares will be able to be issued under the Plan, which is equivalent to 1.67% of the current issued share capital of the Company.

At the upcoming Astro AGM, in addition to approving the Plan Rules, shareholders will be asked to approve the first issue under the Plan to two non-executives directors of the Company – Gregory Jones and Jacob Khouri. Appendix 1 summarises the terms of the proposed issue to the non-executive Directors.

The Company will provide a non-recourse loan to the Directors and other employees to take up the initial allocation. The loan will be interest free.

Full details of the Plan and the non-recourse loan will be set out in the NOM.

The Directors have formed the view that the Plan is reasonable to help incentivise key employees and Directors and compensate them for the extra work they will be required to undertake to help Astro achieve its goals and objectives and to maximise value for all shareholders. The Company’s Executive Director, Mr Vince Fayad has agreed not participate in the Plan on the basis that he is suitably remunerated for the services that he provides to Astro.

## BOARD APPROVAL

This announcement has been approved by the Board of Astro.

**ENDS**

## More Information

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### Summary of the proposed conditions

The proposed terms of issue to these non-executive directors will be as follows:

#### Gregory Jones

- number of shares: 15 million fully paid ordinary shares;
- issue price of the shares: the volume weighted average share price of the Company's ordinary shares over the 5 trading days immediately following approval at the approval at the AGM;
- the issue price to be funded by a limited recourse loan from the Company to the participant under the terms of the Plan;
- grant date: within 5 days of the approval by shareholders at the annual general meeting of the Company;
- Performance Conditions: achievement of the following milestones:

Nature of condition	No of Performance shares
Achievement of a share price of 1 cent or more for 30 or more consecutive trading days	7,500,000
Advancement of the Needles Project including generating an Exploration Target or JORC Resource	2,500,000
Completion of a mine scoping study for Governor Broome Project	2,500,000
Progressing the Governor Broome Project to a prefeasibility stage	2,500,000

- Vesting Conditions: Gregory Jones must be employed by, or a director of, the Company or one of its subsidiaries at all times from the period beginning on the grant date and ending on the date that is 18 months from the grant date; and
- Disposal Restrictions: the amount outstanding under the loan to fund the purchase of the shares has been repaid in accordance with the loan agreement between the Company and Gregory Jones.

#### Jacob Khouri

- number of shares: 24 million fully paid ordinary shares;
- issue price of the shares: the volume weighted average share price of the Company's ordinary shares over the 5 trading days immediately following approval at the approval at the AGM;
- the issue price to be funded by a limited recourse loan from the Company to the participant under the terms of the Plan;
- grant date: within 5 days of the approval by shareholders at the annual general meeting of the Company;
- Performance Conditions: achievement of the following milestones:

Nature of condition	No of Performance shares
Achievement of a share price of 1 cent or more for 30 or more consecutive trading days	12,000,000
Advancement of the Needles Project including generating an Exploration Target or JORC Resource	4,000,000
Achievement of a scoping study report for Governor Broome Project	4,000,000
Progressing the Governor Broome Project to a prefeasibility stage	4,000,000

- Vesting Conditions: Jacob Khouri must be employed by, or a director of, the Company or one of its subsidiaries at all times from the period beginning on the grant date and ending on the date that is 18 months from the grant date; and
- Disposal Restrictions: the amount outstanding under the loan to fund the purchase of the shares has been repaid in accordance with the loan agreement between the Company and Mr Jacob Khouri.