



and Controlled Entities

ABN 96 007 090 904

Half-Year Report

31 December 2019



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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 2019 (“Half-Year 2019”).

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 Stephen Gemell – Non Executive Director
- Mr Vincent Fayad – Executive Director

Review of Results and Operations

The Group reported a net loss of \$340,300 (2018: \$358,938) 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.

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

Background on work undertaken

During Half Year 2019, the Group completed a drilling campaign, which consisted of 11 percussion holes with a maximum depth of 200 metres. The results indicated that “..... positive with multiple holes, in particular at deeper levels (>500feet) having intersected highly anomalous multi elemental zones with sericite-silica alteration, a typical signature for low sulphidation epithermal mineralisation warranting further deeper drilling”. In addition, elemental concentrations, in particular gold, silver, antimony, and arsenic are “....providing strong evidence supporting the target”.

The results indicated broad zones of pervasive silica-sericitic alteration plus anomalous precious and associated pathfinder elemental concentrations are apparent in multiple holes which is typical of the shallow levels of caldera style low sulphidation epithermal systems in south central Nevada.

Shallow (less than 200m from surface) geophysical targets have been tested and support the interpretation that resistivity targets identified from IP/Resistivity surveys provide compelling drill targets and are often indicative of hydrothermal alteration as well as anomalous precious metal mineralisation.

The Needles property contains a very compelling and very large (> 4.5 sq km) target with elemental signatures typical of low-sulphidation epithermal mineralisation and associated caldera style alteration (silica-sericite). The recent drilling is highly encouraging with the deepest holes ever drilled on the property intersecting the targets and justifying further deeper drilling.



Planned First Quarter 2020 Drill-programme

The Company intends to undertake further deeper drilling on current targets is recommended as well as detailed follow up of historical targets that still remain untested by drilling.

Competent person

The information in this report that relates to Exploration Results for the Needles Property is based on information compiled by Charles Straw, a Director of Centric Minerals Management Pty Ltd. Mr Straw is a Member of the Australasian Institute of Mining and Metallurgy 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. Straw consents to the inclusion in this announcement of the matters based on his information in the form and context in which it appears.

Governor Broome, Mineral Sands -100% owned licence

Background on work undertaken

During the half year, the Group engaged with leading heavy mineral sand specialists TZ Minerals International Pty Ltd (TZMI) to reevaluate the results of the Preliminary Study announced on the 28th June 2018 (2018 Preliminary Study) of Astro's 100% Governor Broome Heavy Mineral Sands Project (Project). The re-evaluation was necessary when further exploration of the Governor Broome South - East area of the Project resulted in it being declared to be sub-economic at current heavy mineral prices. Full details of TZMI's revaluation were announced on 16 October 2019 (Revised Preliminary Study).

Outcome of the Revised Preliminary Study

The Revised Preliminary Study was based on the following:

- Heavy Mineral Resources;
- JORC Code Modifying Factors, including outcomes from mining studies, processing studies, laboratory scale metallurgical testwork, conceptual engineering, and infrastructure assessments; and
- capital and operating costs, which were based on TZMI's database of global mineral sands projects with appropriate scaling and contingencies added.

The Governor Broome Deposits are contained within a granted Retention Licence, which the Company believes it has reasonable grounds to be able to convert to a Mining Lease, should it elect to do so.

Key factors which have been used by TZMI in the Revised Preliminary Study include:

- a downward revision to the project scale, which resulted in lower capital costs;
- that the product is better being sold as heavy mineral concentrate (HMC) rather than as final products, for which the HMC needs to be toll treated;
- the assumption that the project product would be a heavy mineral concentrate, which change would avoid toll treatment costs;
- an extension of the mine life to nine (9) years;
- updated mineral prices and contractor information; and
- revision of expected landholder compensation costs.

The Revised Preliminary Study indicates no change to the wet and dry plant recoveries.

The Revised Preliminary Study results are based on mining 22.9 million tonne (Mt) of Indicated Resources averaging 4.8% Heavy Minerals from Governor Broome North and 7.9 Mt of Inferred

Resources at 5.0% HM from Governor Broome South. It is noted that Governor Broome North contains Indicated Resources of 30Mt @ 4.9% HM and Inferred Resources of 1.6 Mt @ 4.5% HM; Governor Broome South contains Inferred Resources of 26Mt @ 5.0% HM; Governor Broome East contains Inferred Resources of 70Mt @ 3.7% HM (ARO ASX Announcement July 8, 2019).

Both the 2018 Preliminary Study and the Revised Preliminary Study have been completed to an overall -10%/+40% level of accuracy and examined all aspects of geology, mining, processing and supporting infrastructure at mineral prices and a long term foreign exchange rate of US\$0.75: A\$1.



TZMI Revised Preliminary Study results re-confirms that economic viability of the Project, despite the South East area of the Project being declared sub-economic. The Directors of Astro believes that results from the Revised Preliminary Study show that the development and mining of the Project's Heavy Mineral Resources would have an attractive financial outcome. However, the results from the Revised Preliminary Study also suggest that the likely value will be less than that previously indicated in the 2018 Preliminary Study.

Planned First Quarter 2020 Drill-programme

The Group has investigated other areas within the Governor Broome Retention Licence that warrant further investigation to expand the level of economic resources in the Project. Details were included in the announcement on 16 October 2019.

Since Half Year 2019, the Group commenced a drilling programme within the 100% Governor Broome Project for additional resource drilling, resource upgrade drilling, and metallurgical test-work sample drilling, subject to funding being in place.

Competent person

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, a 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.

Iluka Joint Venture – 20% owned

Background and work undertaken

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 2019 for the Iluka JV.

Competent person

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.

Diamonds

Background and work undertaken

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.

Previous work arising from the completion of 57 km ground penetrating radar ("**GPR**") survey for the Lower Smoke Creek licence area was designed to detect and delineate palaeo-stream channels as potential targets for alluvial diamond deposits. The GPR interpretation suggests the survey has been successful in identifying the near surface geology of the survey area and mapping palaeo-channels showing their location surrounding known diamond areas found by previous bulk sampling and their extension south-westwards towards the Argyle mine.

During the Half Year 2019, a program of drilling and bulk sampling was formulated.

Planned First Quarter 2020

It is planned to complete in the March 2020 quarter, the arrangements for the bulk sampling drilling program, which is expected to be executed during the Kimberley field season commencing at the start of the June 2020 quarter.



Competent person

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 is qualified 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 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 2019:

- ongoing administration expenses have increased from \$160,772 at December 2018 to \$219,973 at December 2019, mainly due administrative costs incurred in relation to the Needles Inc project; and
- interest expense of \$120,610 (December 2018: \$75,052) relates to the debt funding facility provided to the Company by Gun.

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 2019 Half-Year the following key items occurred:

- cash decreased from \$199,479 at 30 June 2019 to \$3,274 at 31 December 2019. The decrease was primarily due to costs incurred for the drilling campaign for the Company's Needles Project;
- trade and other payables increased from \$281,736 at 30 June 2019 to \$343,418 at 31 December 2019. The primary reason for this increase is due to the directors (Messrs Jacob Khouri and Vince Fayad) agreeing to defer payment of their fees; and
- an increase in borrowings of \$715,609. The borrowings from Gun have been used to partially fund the Governor Broome resource upgrade, the Needles Project drilling campaign and also to provide working capital. More details in relation to the borrowings can be found under the 'Corporate' section of the director's report.

Cash Flow

The Half-Year cash flow for the 2019 Half Year of the Group included:

- an increase in exploration costs from \$222,953 in December 2018 to \$535,922 in December 2019, mainly reflecting the work done for the Needles project during the 2019 Half Year period;
- an increase in administrative costs from \$59,066 at December 2018 to \$119,868 at December 2019, mainly reflected by legal and compliance costs associated with the Company's capital raising initiatives; and
- deployment of \$535,922 in the various project, mainly relating to the work undertaken for the Needles project.



Corporate

Funding

During the 2019 Half-Year, the Company announced that it had restructured the terms of the various loan facilities that it had in place with Gun to as follows:

- consolidation of all facilities;
- increase of the facilities by \$395,000;
- increase by \$300,000 to deal with capitalised interest; and
- restructure of the facility so that it is payable 31 October 2021.

Set out below is a summary of the terms of facility, taking into the above as at 31 December 2019:

Security	Unsecured
Interest Rate	15% per annum Interest to be accrued quarterly.
Repayment	Subject to Jacob Khouri remaining on the Company's Board to the extent that repayment would in the opinion of the Board place the Company at risk of becoming insolvent.

Events subsequent to balance date

Since balance date, the Company has received confirmation from Gun to increase its facilities by a further \$650,000 in order to enable the Group to continue to fund its operations as and when they fall due.

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 2019 has been received and can be found on page 6 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 2020

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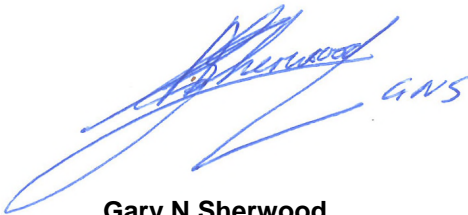
AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Astro Resources NL Limited for the half year ended 31 December 2019, 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.

RSM

RSM AUSTRALIA PARTNERS

A handwritten signature in blue ink, appearing to read "GNS", is written over the printed name and title.

Gary N Sherwood
Partner

Sydney, NSW
Dated: 12 March 2020



Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Half-Year Ended 31 December 2019

	Note	31 December 2019 \$	31 December 2018 \$
Continuing Operations			
Revenue		283	3,042
Interest paid		(120,610)	(75,052)
Administration expenses		(219,973)	(160,772)
Impairment of capitalised exploration expenditure		-	(126,156)
		(340,300)	(358,938)
(Loss) from continuing operations before income tax			
Income tax expense		-	-
(Loss) from continuing operations after tax	5	(340,300)	(358,938)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Net gain/(loss) on revaluation of financial assets available for sale		(700)	(1,700)
		(341,000)	(360,638)
Total comprehensive (loss) for the period			
(Loss) attributable to:			
- Members of Astro Resources NL		(341,000)	(360,638)
- Non-controlling interest		-	-
		(341,000)	(360,638)
Total comprehensive (loss) attributable to:			
- Members of Astro Resources NL		(341,000)	(360,638)
- Non-controlling interest		-	-
		(341,000)	(360,638)
 Earnings per share (cents per share)			
- basic; for loss for the Half-Year		(0.027)	(0.041)
- diluted; for loss for the Half-Year		(0.027)	(0.041)

The accompanying notes form part of these Financial Statements.



Consolidated Statement of Financial Position

As at 31 December 2019

	Note	31 December 2019 \$	30 June 2019 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		3,274	199,479
Trade and other receivables		14,744	30,948
Inventories		4,000	4,000
Other current assets		58,192	37,643
TOTAL CURRENT ASSETS		80,210	272,070
NON-CURRENT ASSETS			
Available-for-sale investments		2,400	3,100
Other non-current assets		13,018	-
Plant and equipment		274,141	262,096
Exploration expenditure	6	3,533,748	3,016,960
TOTAL NON-CURRENT ASSETS		3,823,307	3,282,156
TOTAL ASSETS		3,903,517	3,554,226
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	7	343,418	281,736
Borrowings	8	-	1,458,719
TOTAL CURRENT LIABILITIES		343,418	1,740,455
NON-CURRENT LIABILITIES			
Trade and other payables		9,000	96,000
Borrowings	8	2,174,328	-
TOTAL NON CURRENT LIABILITIES		2,183,328	96,000
TOTAL LIABILITIES		2,526,746	1,836,455
NET ASSETS		1,376,771	1,717,771
EQUITY			
Issued capital		15,562,728	15,562,728
Reserves		(18,600)	(17,900)
Accumulated losses		(14,167,357)	(13,827,057)
TOTAL EQUITY		1,376,771	1,717,771

The accompanying notes form part of these Financial Statements.



Consolidated Statement of Cash Flows

For the Half-Year Ended 31 December 2019

	31 December 2019 \$	31 December 2018 \$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Interest and other income received	283	70
Payments to suppliers and employees	(119,868)	(59,066)
Net cash used in operating activities	<u>(119,585)</u>	<u>(58,996)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Payment for exploration	(535,922)	(222,953)
Payment for tenement bond	(13,018)	-
Payment for plant and equipment	(17,680)	-
Net cash used in investing activities	<u>(566,620)</u>	<u>(222,953)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from borrowings	490,000	312,500
Proceeds from rights issue	-	905,800
Payments for rights issue costs	-	(31,455)
Net cash provided by financing activities	<u>490,000</u>	<u>1,186,845</u>
Net increase in cash and cash equivalents held	(196,205)	904,897
Cash and cash equivalents at beginning of year	199,479	5,658
Cash and cash equivalents at end of the Half-Year	<u>3,274</u>	<u>910,555</u>

The accompanying notes form part of these Financial Statements.



Consolidated Statement of Changes in Equity

For the Half-Year Ended 31 December 2019

	Note	Issued capital \$	Reserves \$	Accumulated losses \$	Total equity \$
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
Balance at 1 July 2018		13,266,609	1,596,952	(13,306,794)	1,556,767
Loss for the period attributable to members of the parent entity		-	-	(358,938)	(358,938)
Other comprehensive income		-	(1,700)	-	(1,700)
Net proceeds from rights issue		874,346	-	-	874,346
Balance at 31 December 2018		14,140,955	1,595,252	(13,665,732)	2,070,475

The accompanying notes form part of these Financial Statements.



Condensed Notes to the Consolidated Financial Statements

For the Half-Year Ended 31 December 2019

1 CORPORATE INFORMATION

The financial report of Astro Resources NL (the '**Company**') for the Half-Year ended 31 December 2019 was authorised for issue in accordance with a resolution of the Directors on 12 March 2020.

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 2019. 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 2019 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) Going Concern

The consolidated entity incurred a loss of \$340,300 and had cash outflows from operating and investing activities of \$119,585 and \$566,620 respectively for the half year ended 31 December 2019. Additionally, as at 31 December 2019, the Company had a surplus of net assets of \$1,376,771, principally representing interests in exploration assets as at that date. As at that date the consolidated entity had a net current liabilities of \$263,208.

Notwithstanding the above, the Directors have prepared the financial statements on the basis of going concern, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. The Directors believe this to be appropriate for the following reasons:

- i. the Company has a \$2.6 million loan facility with Gun Capital Corporate Pty Ltd (**Gun**)— a related party of Mr Jacob Khouri. As at 31 December 2019, there was approximately \$185,000 still available for the Company to draw down on the facility;
- ii. as set out in note 11, since balance date, the Group has entered into a variation agreement to increase its facility to \$3,250,000. This provides for additional undrawn funds of \$1,075,672 enabling the Group to fund its planned future for the foreseeable future;
- iii. the Directors discretion to undertake certain works on each of the Group's projects;
- iv. the ability to continue to raise funds in the capital market;
- v. the ability to reduce discretionary spending; and
- vi. the ability to sell assets.

Having regard to the above factors the Directors are of the opinion that the basis upon which the financial statements are presented is appropriate in the circumstances.



(c) Basis of consolidation

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

(d) 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 2019.

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 now operates in four operating segments being heavy minerals, diamond and gold exploration industries in one geographical location, being Australia.

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 2019 (2018: 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 2019 (2018: 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 2019 (2018: Nil).



Segment Information

	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
	7,788	21,446	16,020	936,704	78,610
Total assets as per the Statement of Financial Position	631,173	1,802,671	549,540	936,704	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

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Astro Resources NL and Controlled Entities



	Diamond \$	Heavy minerals \$	Gold \$	Unallocated \$	Total \$
Six months ended 31 December 2018					
Revenue					
Other revenue from external customers	-	-	-	-	-
Inter-segment revenue	-	-	-	-	-
Total segment revenue	-	-	-	-	-
Result					
Segment result	(124,501)	(2,254)	-	(232,183)	(358,938)
(Loss) before income tax and non-controlling interests	(124,501)	(2,254)	-	(232,183)	(358,938)
Income tax expense	-	-	-	-	-
Net (loss) for the six months as Statement of Comprehensive Income	(124,501)	(2,254)	-	(232,183)	(358,938)
Assets and Liabilities					
Segment assets					
- Exploration Expenditure	514,346	1,221,950	533,520	-	2,269,816
- Interest in Joint Venture	-	559,275	-	-	559,275
- Plant and Equipment	105,039	-	-	-	105,039
- Inventories	4,000	-	-	-	4,000
	623,385	1,781,225	533,520	-	2,938,130
Unallocated assets					
- Available for sale assets	-	-	-	3,600	3,600
- Cash and cash equivalents	33	894	-	909,627	910,554
- Trade and other receivables	-	3,605	-	15,569	19,174
- Other assets	7,755	16,947	16,020	7,904	48,626
	7,788	21,446	16,020	936,700	981,954
Total assets as per the Statement of Financial Position	631,173	1,802,671	549,540	936,700	3,920,084
Segment and unallocated liabilities					
- Trade and other payables	-	-	-	477,795	477,795
- Borrowings	-	-	370,000	1,001,814	1,371,814
Total liabilities as per the Statement of Financial Position	-	-	370,000	1,479,609	1,849,609



5 REVENUE, INCOME AND EXPENSES FROM CONTINUING OPERATIONS

	31 December 2019 \$	31 December 2018 \$
Income		
Interest income	20	68
Other income	263	2,974
	283	3,042
Expenses		
Depreciation	4,978	5,515
	4,978	5,515

6 NON CURRENT ASSETS – EXPLORATION EXPENDITURE

The carrying cost of exploration expenditure is as follows:

	31 December 2019 \$	30 June 2019 \$
Exploration Expenditure (at cost)	6,550,080	6,033,292
Capitalised exploration – partly owned	561,370	561,370
Less: Impairment	(3,577,702)	(3,577,702)
Total	3,533,748	3,016,960

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 be 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.



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	
			2019 %	2018 %		2019 \$000	2018 \$000
Governor Broome Sands Pty Ltd – interest in the Property	Associate	Perth, Australia	20	20	Equity Method	561,370	559,275

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 2019	30 June 2019
	\$	\$
Trade creditors	33,225	54,122
Accrued consulting costs and directors fees	310,193	227,614
Total	343,418	281,736

8 BORROWINGS

	31 December 2019	30 June 2019
	\$	\$
CURRENT		
Loan Facility – Gun Capital Management Pty Ltd	(a) -	1,232,500
Interest payable	-	226,219
Total	-	1,458,719

	31 December 2019	30 June 2019
	\$	\$
NON CURRENT		
Loan Facility – Gun Capital Management Pty Ltd	(b) 1,827,500	-
Interest payable	346,828	-
Total	2,174,328	-



(a) The terms of the facilities were as follows:

(i) Working capital facility - \$600,000

Amount drawn to 30 June 2019, including capitalised interest	\$543,564.00
Security	Unsecured loan
Interest rate	12% per annum. Interest to be accrued quarterly.
Repayment	Subject to Jacob Khouri remaining on the Company's Board to the extent that repayment would in the opinion of the Board place the Company at risk of becoming insolvent.

(ii) Needles funding facility - \$500,000

Amount drawn to 30 June 2019, including capitalised interest	\$575,836.00
Security	Unsecured loan
Interest rate	12% per annum. Interest to be accrued quarterly.
Repayment	Subject to Jacob Khouri remaining on the Company's Board to the extent that repayment would in the opinion of the Board place the Company at risk of becoming insolvent.

(iii) Additional working capital facility - \$700,000

Amount drawn to 30 June 2019, including capitalised interest	\$339,319.00
Security	Unsecured loan
Interest rate	15% per annum. Interest to be accrued quarterly.
Repayment	Subject to Jacob Khouri remaining on the Company's Board to the extent that repayment would in the opinion of the Board place the Company at risk of becoming insolvent.

(b) Loan facility - \$2,600,000

Amount drawn to 31 December 2019, including capitalised interest	\$2,174,328.00
Security	Unsecured loan
Interest rate	15% per annum. Interest to be accrued quarterly.
Repayment	Repayment is to be made by cash by the earlier of: <ul style="list-style-type: none"> i. 31 October 2021; or ii. the date of completion of any capital raising by the Company – where the funds raised, net of costs, are sufficient to repay the Loan without prejudicing the Company's ability to continue as a going concern; or iii. any date at the discretion of Gun Capital Management Pty Ltd where the Company has defaulted under the loan agreement.
Other	On 12 March 2020, the Company entered into a variation agreement to increase the facility to \$3,250,000. All terms as stipulated under the previous facility agreement remain in place.



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 2019 \$	30 June 2019 \$
No later than one year	158,866	118,848
Between one to five years	635,464	545,394
	794,330	664,242

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

	31 December 2019 \$	30 June 2019 \$
East Kimberley Diamond Corporation Pty Ltd	51,043	70,000
Governor Broome Sands Pty Ltd	83,823	26,848
Needles Holdings Inc	24,000	22,000
	158,866	118,848

10 CONTRIBUTED EQUITY

	31 December 2019 \$	30 June 2019 \$
Ordinary shares - Note (i)	15,562,728	15,562,728
	15,562,728	15,562,728

(i) Ordinary shares

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

	No.	No.
	1,272,097,315	1,272,097,315
Number of ordinary shares on issue at 31 December	1,272,097,315	1,272,097,315

11 EVENTS AFTER THE BALANCE SHEET DATE

Since balance date, the Company has received confirmation from Gun to increase its facilities by a further \$1,075,672 which is to be used to meet certain commitments and operating costs over the next 12 months, plus capitalised interest order to enable the Group to continue to fund its operations as and when they fall due. 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 2019 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 12th March 2020

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 2019, 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 2019 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 2019 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*.



RSM AUSTRALIA PARTNERS



Gary N Sherwood
Partner

Sydney, NSW
Dated: 12 March 2020