

QUARTERLY REPORT – 31 MARCH 2015

Astro Resources NL is an Australian-based mineral resources company focused on the commercial development and production of economically and environmentally sustainable mineral sands deposits, diamonds and other minerals.

Highlights

- Resource estimate completed, and Mineral Resources of the Governor Broome Mineral Sand Project upgraded to 200Mt @ 4.2% Heavy Minerals including 30 Mt of Indicated Resources @ 4.9% Heavy Minerals
- Iluka Resources Farm-in/Joint venture arrangement in operation with negotiations with Exploration Access Agreements with land owners and occupiers underway. Subject to completion of these agreements and weather conditions, drilling expected to occur in May 2015
- Drilling program for East Kimberly Diamonds project planned and aimed at seven anomalies targets for the purposes of identifying mineralisation
- Company is evaluating new acquisitions and hopefully expects to announce concurrently with a rights issue
- Company has received a funding facility from of a major shareholder of up to \$500,000, of which \$200,000 has been drawn to 31 March 2015

The board of Astro Resources NL (**Astro** or the **Company**) (ASX:ARO) is pleased to release the quarterly report and appendix 5B for the period ended 31 March 2015:

Governor Broome

About Governor Broome

Astro's Governor Broome mineral sands project is located in the southern-eastern region of Western Australia. The location of resources identified in the Governor Broome project area are presented in *Figure 1*, together with the division between 100% Astro resources and those subject to the Farm-in/Joint venture arrangement (see below for further details).



Figure 1 - Location of the Governor Broome

Governor Broome (excluding Iluka Joint Venture)

On 12 February 2015, the Company announced the final conclusions prepared by Mr John Doepel, of Continental Resource Management Pty Ltd (“CRM”), who was commissioned to re-estimate the Mineral Resources of Astro’s Governor Broome Heavy Mineral Deposit and to report them in accordance with the 2012 Edition of the JORC Code. Figure 1 below set out a summary of the updated resource estimate from the CRM report:

Governor Broome Resource	Category	Tonnage (Mt)	HM (%)	Slimes (%)	Oversize (%)
North	Indicated	30	4.9	12	8.2
	Inferred	2	4.5	16	6.3
	Total	31	4.9	12	8.0
South	Inferred	26	5.0	14	10
East	Inferred	110	3.7	14	5.5
Southeast	Inferred	32	4.6	15	12
Totals*	Indicated	30	4.9	12	8.1
	Inferred	170	4.0	14	7.4
	Total	200	4.2	14	7.5
* Numbers may not total due to rounding					
Figure 2: Governor Broome Resource – minimum 2% HM and maximum 30% slimes cut-off grades.					

As noted above, part of the Governor Broome East resource is within E70/2464, which is subject to the previously announced Farm-in/Joint venture arrangement with Iluka Resources (see below for further details). That portion, which is all within the Inferred category comprises 45Mt @ 3.6%HM, 11% Slimes, and 4.9% Oversize.

The announcement dated 12 February 2015 contains the executive summary of CRM is contained in Appendix 1 and details of the CRM re-estimation including the JORC Code is provided in Appendix 2.

Figure 3 below sets out the map of the Governor Broome identifying the location of the resource:

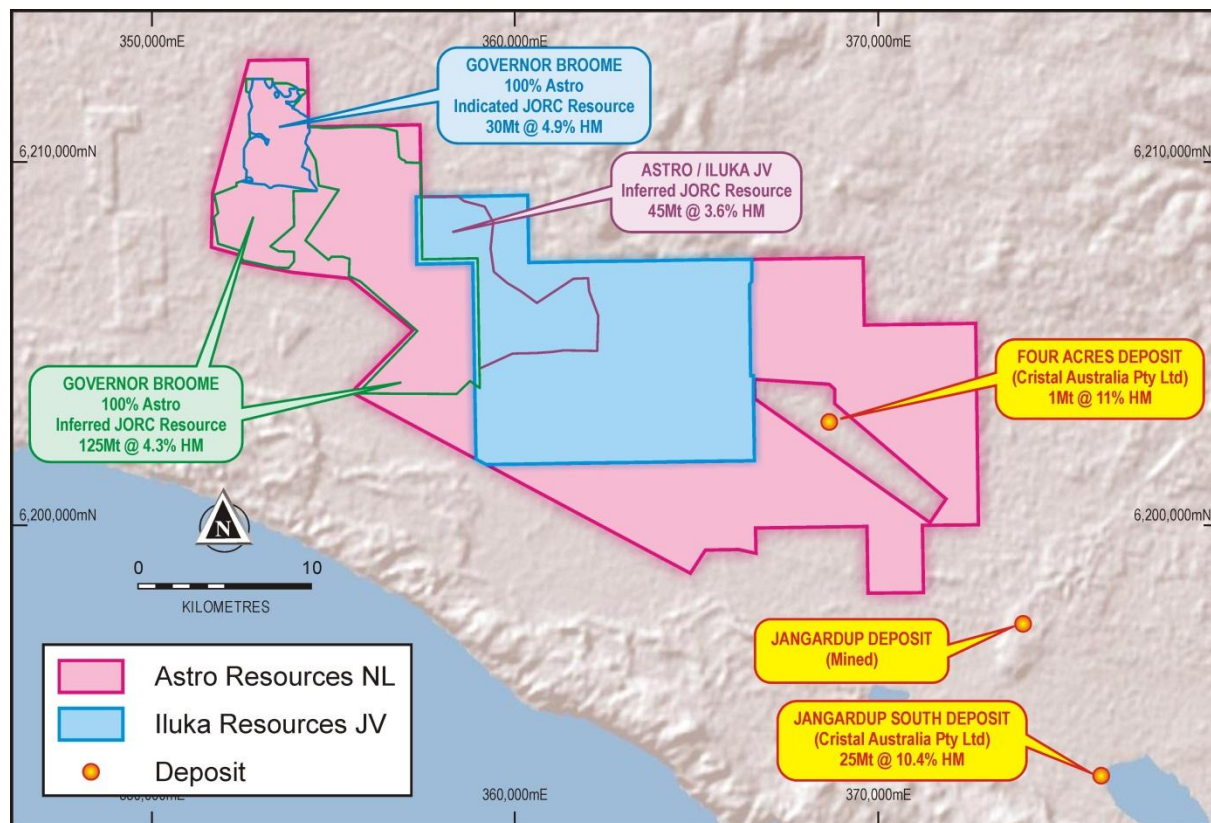


Figure 3: Governor Broome Mineral Resources reported at minimum 2% HM and maximum 30% slimes cut-off grades

Joint Venture

As announced on the 23 December 2014, Astro has entered into a Farm-in/joint venture with Iluka Resources. Details of the terms of that arrangement have been outlined in the above announcement.

Since the commencement of the Farm-in/Joint venture arrangement, Iluka has commenced and continues to negotiate Exploration Access Agreements with land owners and occupiers of parts of E70/2464 to obtain their consent, in accordance with section 29 of the Mining Act 1978 (Western Australia), so as to grant of surface rights so that exploration drilling may be carried out. Subject to obtaining land owner and occupier consent and weather conditions, Iluka Resources aims to commence exploration drilling on parts of E70/2464 in May 2015.



East Kimberley Diamonds

About the East Kimberly Diamonds Project

The Company holds the Carr Boyd (E80/4316) and Lower Smoke Creek (E80/4120) exploration licences that adjoin the Argyle and Bow River Diamond Mines within the East Kimberley region of Western Australia. These recently granted lease areas lie in a region rich in diamond history where diamond production has reached 40% of the world's annual total, including, as reported, 90% of the world's rare and expensive pink diamonds

Lower Smoke Creek and Carr Boyd areas cover portions of the Halls Creek Orogen, which forms a major north-easterly trending tectonic unit composed of folded and complexly faulted metamorphosed igneous, volcanic and sedimentary rocks of mainly Proterozoic age. This basement complex is bounded on its eastern margin by the Halls Creek Fault and abuts in an easterly direction Cambrian volcanics and folded sedimentary sequences and Devonian sediments including conglomerates belonging to the Ord Basin (Figure 4).

Alluvial diamonds were found in Smoke Creek in August 1979 and were followed upstream later that year to the location of the Argyle lamproite pipe (AK1) discovery located at the headwaters of the creek. Subsequently, an alluvial diamond mining operation of gravels in the upper part of Smoke Creek started in 1983 as part of the Argyle Diamond Mine startup operation. Smoke Creek flows in nearly a straight course in a North North-Easterly direction from its source at Argyle lamproite pipe to its entry into Lake Argyle some 30km downstream. It parallels the Halls Creek Fault to the east and the Carr Boyd Fault to the west suggesting that this represents a structurally controlled corridor; possibly an ancient graben or rift valley.

The Lower Smoke Creek property and Carr Boyd Range are well located for the discovery of new diamondiferous deposits. Being located on the past and present drainage of the river, it makes the discovery of alluvial diamonds very likely, especially with all the deposits located upstream and downstream of the Smoke Creek River.

In addition, the boundary between the Lower Smoke Creek and Carr Boyd tenements has a tectonically favourable setting for a primary diamond pipe search. The Argyle discovery was labelled AK1 in the expectation of the discovery of additional pipes as the major tectonic events in their formation results in multiple intrusions and the pipes tend to be emplaced in clusters. The Argyle pipe remains unique in being the sole pipe discovery in the area although the Lissadell Dykes exhibit similar diamond mineralisation. The presence of at least one additional pipe has been inferred from the diamonds recovered from the former Bow River alluvial mine where workers reported some diamonds that did not originate from the AK1 pipe. Diamond exploration in the area has primarily concentrated on alluvial diamonds with very little work on primary diamond mineralisation.

Exploration activities

The AK1 pipe is classified as a lamproite since it has some mineralogical differences compared kimberlites. It also has a relatively subtle and faint magnetic signature in comparison to the generally strong “bulls-eye” magnetic anomalies seen with many kimberlite pipes. During 2001, a high-resolution aeromagnetic survey was undertaken on the Lower Creek licence on the basis of its favourable structural setting. The survey data highlighted a number of magnetic anomalies that were/are considered to be highly prospective diamond pipe targets (Figure 4)

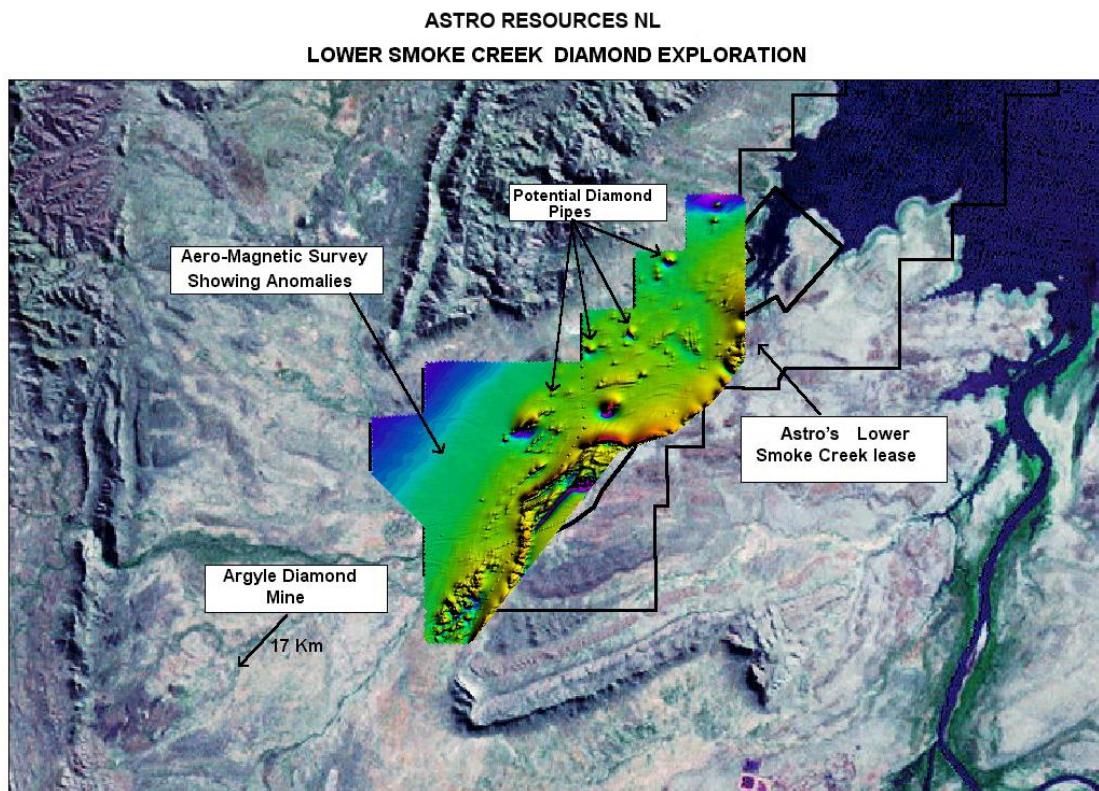


Figure 4: Lower Smoke Creek High-Resolution Aeromagnetic Survey

Some of these anomalies were selected for follow up soil and loam sampling looking for diamond indicator minerals. Given the thickness of the alluvium cover on the anomalies (approximately 6 metres) it is likely that the depth of sampling was generally not deep enough to provide an accurate representation of the underlying mineralisation. However, the loam sampling carried out on the Anomaly BRMT033 returned seven kimberlitic chromites, two microdiamonds and two pyrope garnets. This positive result was not followed up with a drilling programme.

The Company has reviewed the original survey data results plus an additional survey analysis undertaken by Southern Geoscience and has identified seven (7) anomalies as targets for a 2015 drilling programme. Of these targets, six (6) were classified, as high-priority by Southern Geoscience's automatic kimberlite recognition software and three (3) are completely untested in any way. A review of the data reveals classic "bulls-eye" magnetic anomalies and several targets correspond to recognisable differences in surface topography and/or vegetation. Figure 5 shows anomaly SC18's magnetic data with corresponds to an area of denser surface vegetation that may indicate a difference in the underlying mineralisation.

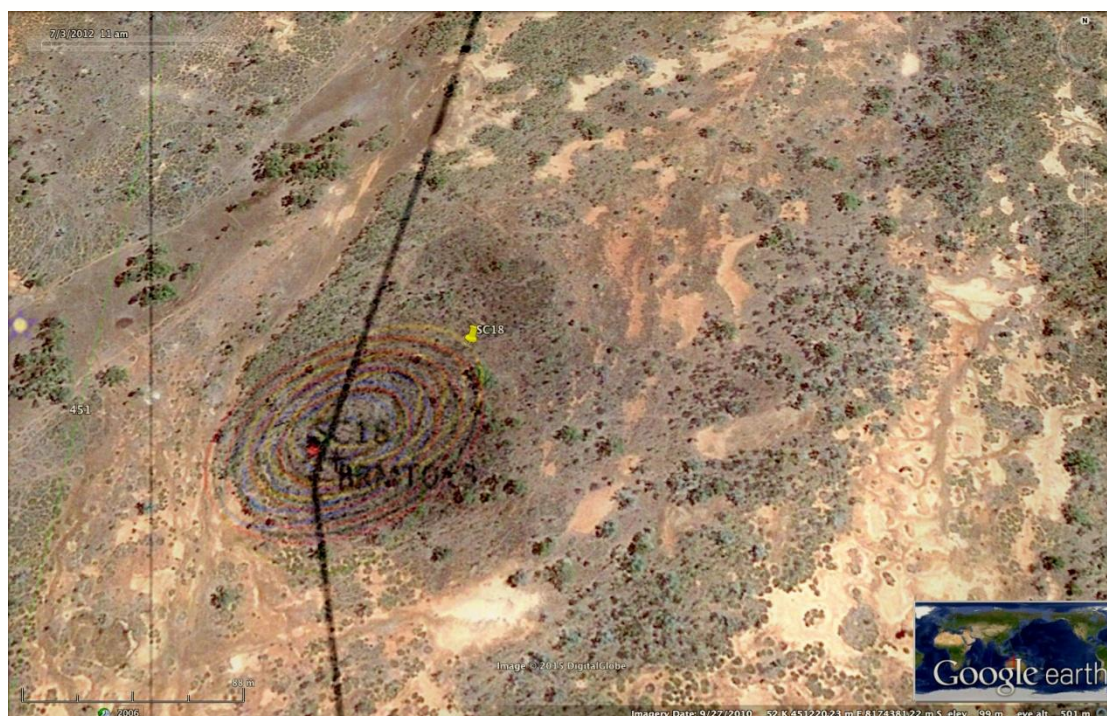



Figure 5: Anomaly SC18

None of the survey anomalies have been drill tested therefore the drill programme currently delineated for these initial seven (7) high priority targets will test the interpreted depth of potential mineralisation. Drilling will provide a better understanding of the geology at depth with the aim of identifying the lithology of the basement, define whether the targets are primary diamond pipes and assess the potential of the area for economic diamond mineralisation.

Currently, the planned programme of work is ready for lodgement with the DMP and after confirmation that the drilling will not interfere the ANCA and RamSAR areas a drilling contractor can be sought.

It is proposed to undertake this programme when access is possible after the end of current wet season and after DMP approvals. The latest timing on the commencement of drilling is now estimated to be July/August.



In addition, the Company will further refine its targets for an alluvial sampling programme and the Heritage Survey requirements needed to be completed prior to any sampling using the Company's wholly owned HMS diamond recovery plant.

Corporate

New acquisitions

With the completion of the Farm-in/Joint venture arrangement with Iluka Resources and the securing of the tenure of the main tenement for Governor Broome, the Board has commenced a review process for new acquisitions. An acquisition must meet certain criteria and ultimately, needs to create value for all shareholders.

Funding

As set out in the half yearly annual report, a substantial shareholder, Mining Investments Limited ("MIL") has provided the Company with a \$500,000 facility of which \$200,000 has been used to date with a remaining balance of \$300,000.

As previously announced, the Company is looking to undertake a rights issue. It is planned that the rights issue will occur concurrently with an acquisition that may take place. The rights issue is planned to be partially underwritten by MIL and by having MIL capitalise the value of all advances made to the Company.

Convertible Notes

As set in the half-yearly financial report (note 9), MIL has purchased the notes from Reliance Natural Resource Fund Pty Limited and Pure Steel Limited and as a result owns \$1.250 million of the total notes on issue of \$1.4 million. It is expected that MIL will convert the amount of its convertible notes plus interest previously approved by shareholders into ordinary shares in the Company (that is, \$750,000 plus accrued interest). The balance of the notes is expected to remain as debt at least in the short term.

ENDS

For enquiries, please contact:

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Company Secretary

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The information in this report as it relates to Mineral Resources and Exploration Targets for the Governor Broome Deposit 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, 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 Doepel consents to the inclusion in the report of the information in the form and context in which it appears.

The information in this report as it relates to Mineral Resources for the East Kimberley diamond deposits is based on information compiled by Michael Povey C.Eng who is a member of the Australasian Institute of Mining and Metallurgy). Mr Povey has sufficient experience in mineral resource estimation, 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 Povey consents to the inclusion in the report of the information in the form and context in which it appears.

List of tenements as at 31 March 2015

Holder	Project	Lease	Location	Lease Status
Governor Broome	Governor Broome	E70/2372	Nannup - Southern WA	Granted – waiting for application for retention licence to be issued
Governor Broome – on behalf of the Joint venture with Iluka Resources Limited	Governor Broome	E70/2464	Nannup - Southern WA	Granted
Governor Broome	Governor Broome	E70/3681	Nannup - Southern WA	Granted
Governor Broome	Governor Broome	E70/4418	Nannup - Southern WA	Granted
East Kimberley Diamond Mines	Lower Smoke Creek	E80/4120	Kimberley - Northern WA	Granted
East Kimberley Diamond Mines	Carr Boyd Range	E80/4316	Kimberley - Northern WA	Granted
Governor Broome	Governor Broome	P70/1583	Nannup - Southern WA	Granted
Governor Broome	Governor Broome	P70/1584	Nannup - Southern WA	Granted
Governor Broome	Governor Broome	P70/1639	Nannup - Southern WA	Granted
Governor Broome	Governor Broome	P70/1640	Nannup - Southern WA	Granted
East Kimberley Diamond Mines	Argyle Dykes	P80/1615	Kimberley - Northern WA	Granted
East Kimberley Diamond Mines	Argyle Dykes	P80/1616	Kimberley - Northern WA	Granted
East Kimberley Diamond Mines	Argyle Dykes	P80/1617	Kimberley - Northern WA	Granted

Appendix 5B

Mining exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10

Name of entity

Astro Resources NL

ABN

96 007 090 904

Quarter ended ("current quarter")

March 2015

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date (9 months) \$A'000
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration & evaluation	(73)	(144)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(148)	(312)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	1	4
1.5	Interest and other costs of finance paid	(5)	(30)
1.6	Income tax refund (2013 R&D)	-	-
1.7	Other	-	-
	Net Operating Cash Flows	(225)	(482)
Cash flows related to investing activities			
1.8	Payment for purchases of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.9	Proceeds from sale of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other (provide details if material)	-	-
	Net investing cash flows		
1.13	Total operating and investing cash flows (carried forward)	(225)	(482)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(225)	(482)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	11
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	200	200
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other	-	-
	Net financing cash flows	200	211
	Net increase (decrease) in cash held	(25)	(271)
1.20	Cash at beginning of quarter/year to date	35	281
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	10	10

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Curent quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	21
1.24	Aggregate amount of loans to the parties included in item 1.10	-
1.25	Explanation necessary for an understanding of the transactions	
	This includes payments to directors, serviced office and bank office administration services.	

Non-cash financing and investing activities

- 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

- 2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	500	2 00
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	65
4.2 Development	-
4.3 Production	-
4.4 Administration	52
Total	117

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Curent quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	10	35
5.2 Deposits at call		
5.3 Bank overdraft		
5.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	10	35

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed				
6.2 Interests in mining tenements acquired or increased				

+ See chapter 19 for defined terms.

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

		Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	Preference securities (description)	-	-	-	-
7.2	Changes during quarter				
	(a) Increases through issues	-	-	-	-
	(b) Decreases through returns of capital, buy-backs, redemptions	-	-	-	-
7.3	+Ordinary securities	34,902,907	34,902,907	-	-
7.4	Changes during quarter				
	(a) Increases through issues	-	-	-	-
	(b) Decreases through returns of capital, buy-backs	-	-	-	-
7.5	+Convertible debt securities (description)	-	-	-	-
7.6	Changes during quarter				
	(a) Increases through issues	-	-	-	-
	(b) Decreases through securities matured, converted	-	-	-	-
7.7	Options (description and conversion factor)				
7.8	Issued during quarter	-	-	-	-
7.9	Exercised during quarter	-	-	-	-
7.10	Expired during quarter	-	-	-	-
7.11	Debentures (totals only)	-	-		

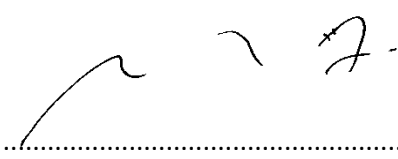
+ See chapter 19 for defined terms.

7.12	Unsecured notes (totals only)	-	-
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Compliance statement

1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).

2 This statement does /does not* (*delete one*) give a true and fair view of the matters disclosed.

Sign here:  Date: 29 April 2015
(Director/Company secretary)

Print name: Vincent J Fayad, Company Secretary.....

Notes

1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.

3 **Issued and quoted securities** - The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.

4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* applies to this report.

5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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+ See chapter 19 for defined terms.