

QUARTERLY REPORT – 30 JUNE 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

- Iluka Resources Farm-in/Joint venture arrangement has obtained landowner and DMP approval for a Programme of Works encompassing a 2,000m air-core exploration drilling programme on minerals sands licence E70/2464, Work commenced on the 30 June 2015
- A drilling program for the East Kimberly Diamonds project is expected to commence on the 7 August 2015, The programme will consists of 71 holes for a total of approximately 3085m and is designed to test several magnetic anomalies previously identified in a high-resolution geophysical survey. The anomalies are situated adjacent to the Argyle Diamond mine's AK1 pipe and are prospective primary diamond pipe targets
- Company is evaluating new acquisitions and hopefully plans to announce concurrently with a rights issue
- Further \$300,000 drawn from major shareholder during the quarter

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 30 June 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:

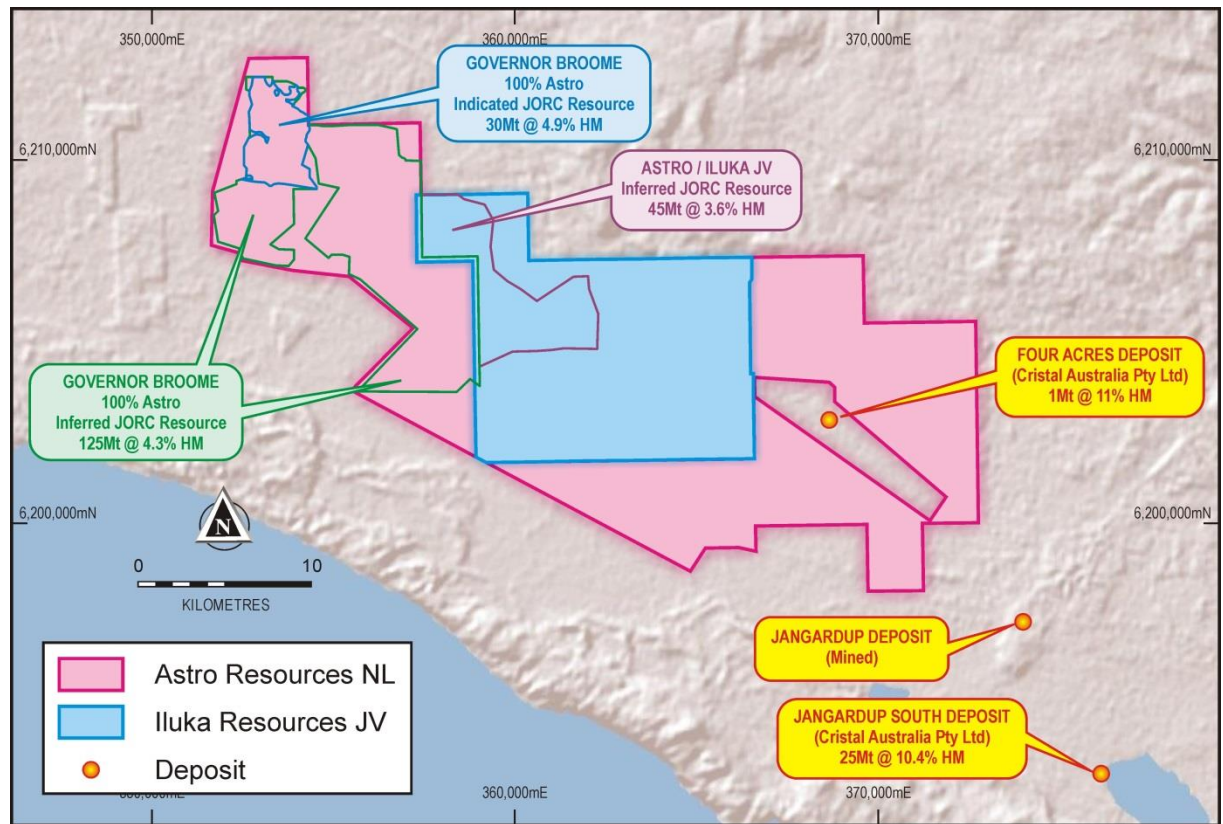


Figure 3: Governor Broome Mineral Resources reported at minimum 2% HM and maximum 30% slimes cut-off grades

Joint Venture

As previously announced, Astro has entered into a joint venture with Iluka Resources.

During the quarter Exploration access agreements over key areas of E70/2464 were obtained and registered with the WA Department of Mines and Petroleum during the quarter. Authority to commence work through the Department of Mines and Petroleum under a Programme of Works was obtained for a proposed 2,000m air core drilling programme that commenced on 30 June 2015. The drilling is scheduled to be completed in the September quarter and further details will be made available as and when this information becomes available.



East Kimberley Diamonds

About the East Kimberley 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.

Exploration activities

The Company's planned exploration drilling programme on its East Kimberley leases has received the required statutory approval from the Western Australian Department of Mines and Petroleum. The programme will commence on 7 August 2015 and consist of 71 holes for a total of approximately 3085m and is designed to test several magnetic anomalies previously identified in a high-resolution geophysical survey (Figure 4).

The anomalies lie in a favourable structural setting that also contains the Argyle AK1 pipe and are considered to be potentially prospective diamond pipe targets. The 2015 drilling programme targets 7 of these anomalies identified by Southern Geoscience's automatic kimberlite recognition software, of which 6 were classified, as high-priority and 3 are completely untested in any way. A review of the data reveals classic "bulls-eye" magnetic anomalies and some targets correspond to recognisable differences in surface topography and/or vegetation.

Although none of the anomalies have been drill tested some were previously soil sampled, given the thickness of the alluvium cover of approximately 6 metres it is unlikely that the depth of sampling was deep enough to provide an accurate representation of the underlying mineralisation. However, one anomaly did return seven kimberlitic chromites, two microdiamonds and two pyrope garnets. This positive result was not previously followed up with a drilling programme.

The drill programme that is currently delineated will have target depths of 30-50m, in order to adequately test the geology beneath the alluvium cover. This will provide a better understanding of the lithology and mineralisation of the basement geology for these initial high-priority targets and assess whether they are primary diamond pipes. If they are, then further drilling will be required in order to assess their potential as economic diamond mineralisation.

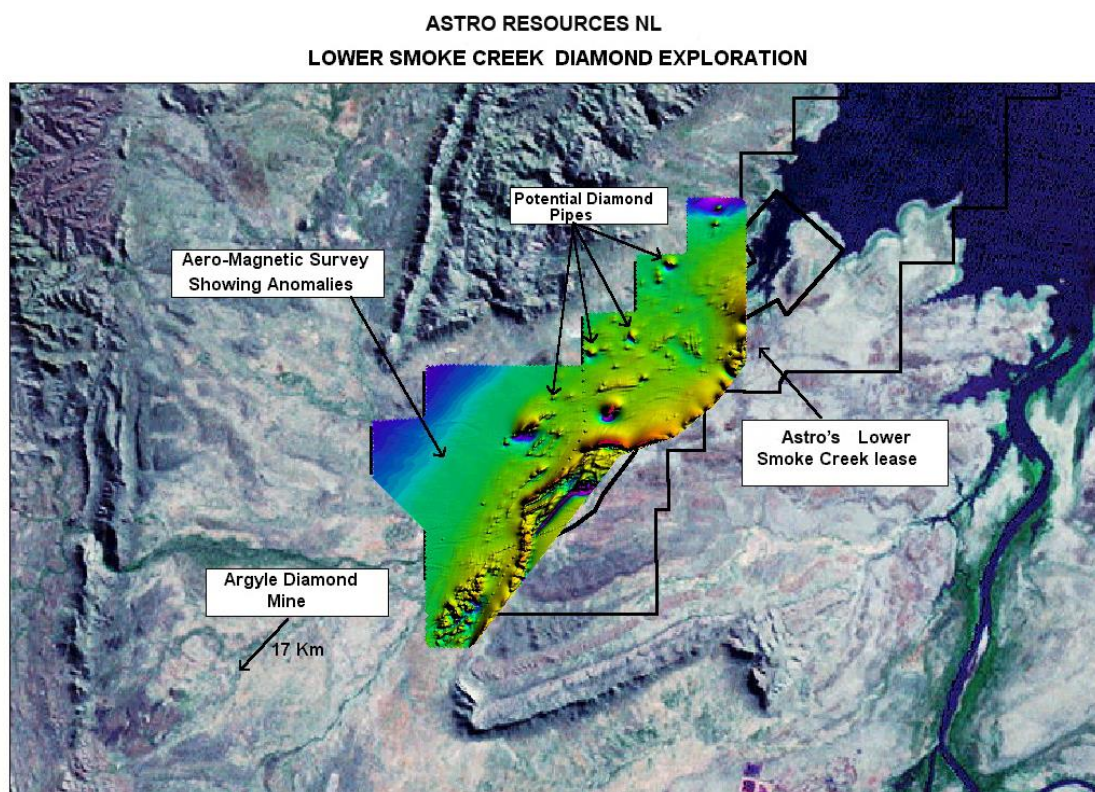


Figure 2: Lower Smoke Creek High-Resolution Aeromagnetic Survey


Corporate

New acquisitions

The Company continues to explore potential new acquisition opportunities and further details will be made available as and when they become available.

Funding

As set previously advised, a substantial shareholder, Mining Investments Limited ("MIL") has provided the Company with a \$500,000 facility of which the whole amount has been used to date.



As previously announced, the Company is looking to undertake a rights issue. It was planned that the rights issue will occur concurrently with an acquisition. However, the rights issue process is likely to be brought forward in order to fund the Company's planned activities.

As also announced, 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.

The Company still expects 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), with the balance of the notes remaining as debt, at least in the short term.

ENDS

For enquiries, please contact:

Mike Povey

Director

P: +61 2 9237 6525

Vince Fayad

Company Secretary

P: +61 2 8346 6055

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 30 June 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")

June 2015

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date (12 months) \$A'000
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration & evaluation	(56)	(200)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(112)	(424)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	-	4
1.5	Interest and other costs of finance paid	-	(30)
1.6	Income tax refund (2013 R&D)	-	-
1.7	Other	-	-
	Net Operating Cash Flows	(168)	(650)
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)	(168)	(650)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(168)	(650)
	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	300	500
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other	-	-
	Net financing cash flows	300	511
	Net increase (decrease) in cash held	132	(139)
1.20	Cash at beginning of quarter/year to date	10	281
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	142	142

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	28
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	500
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	185
4.2 Development	-
4.3 Production	-
4.4 Administration	139
Total	
	324

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	142	10
5.2 Deposits at call		
5.3 Bank overdraft		
5.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	142	10

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)	-	-		

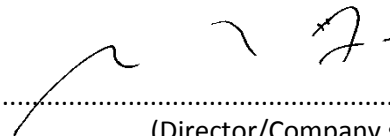
+ See chapter 19 for defined terms.

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: 31 July 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.