

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.

QUARTERLY REPORT – 30 SEPTEMBER 2015

Highlights

- *Mineral sands*

Iluka Resources drilled a 115 holes drilled for 1,881m in the quarter on three traverses. Drilling intersected the target Pleistocene Warren Sands and for most holes, the drilling has confirmed the presence of low grade (<5.0% per cent HM) mineralisation on each traverse.

Iluka has confirmed its 51% interest in the Farm-in and Exploration Joint Venture.

- *Diamonds*

Drilling continued on the East Kimberly Diamond tenements. Geophysical data originally obtained by Astro and interpreted by Southern Geoscience identified seven high priority aeromagnetic features as potential lamproite primary diamond pipe targets. However, the strong magnetic signals may indicate mineralisation other than lamproite and the targets have been sampled for gold and base metals in addition to diamond indicator minerals

Full results are likely to be obtained in the December 2015 quarter.

- *Corporate*

Company is evaluating a potential new acquisition that is outside of exploration and plans to be announced concurrently with a fund a raising program.

Jacob Khouri appointed as Non-Executive Chairman.

Further \$100,000 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 September 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 a re-estimation of the Mineral Resources of Astro's Governor Broome Heavy Mineral Deposit. The estimation was carried out by Mr John Doepel, of Continental Resource Management Pty Ltd ("**CRM**") and was reported in accordance with the 2012 Edition of the JORC Code. Figure 2 below sets 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 the CRM Resource Report within the announcement's Appendix 1 and details of the CRM re-estimation including the JORC Code Table 1 in Appendix 2.

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

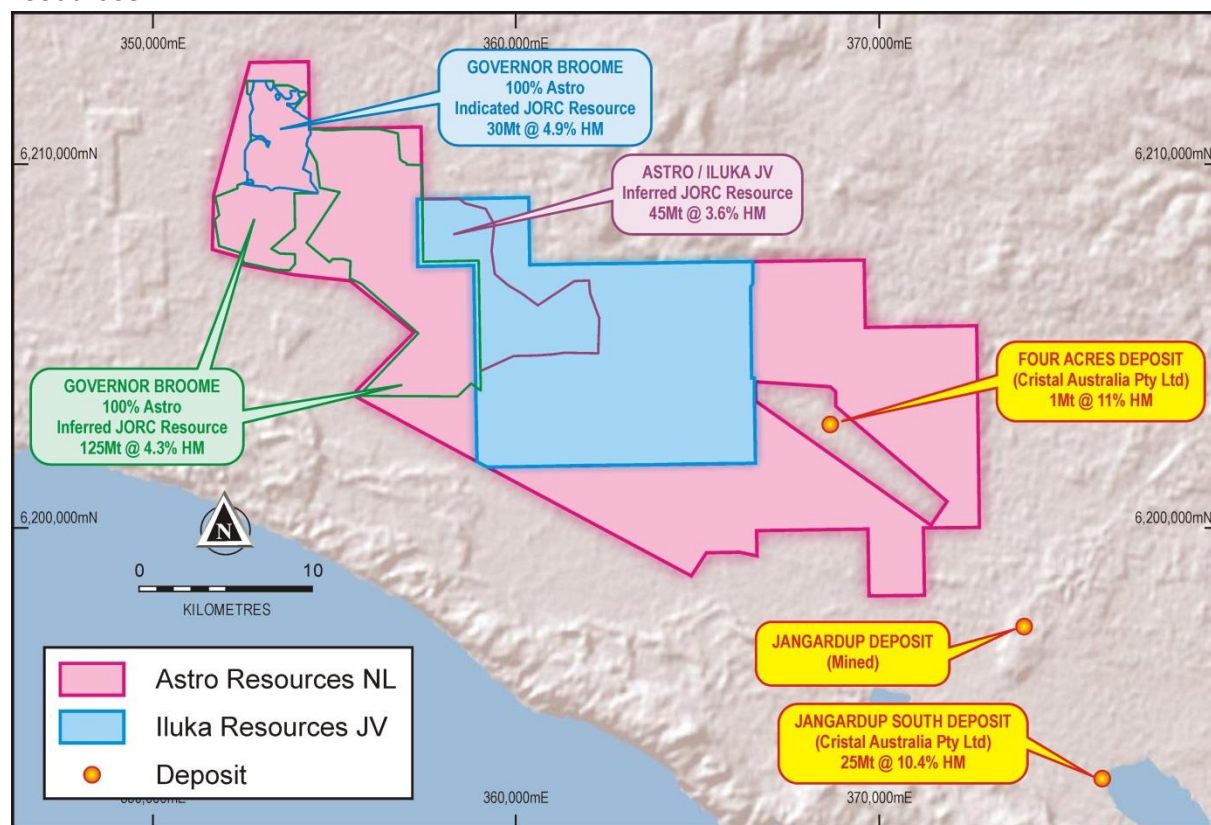


Figure 3: Governor Broome Mineral Resources reported at minimum 2% HM and maximum 30% slimes cut-off grades

Joint Venture

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

Iluka has completed first phase of exploration drilling on E70/2464 (refer Figure 4) with 115 holes drilled for 1,881m in the quarter on three traverses. Drilling intersected the target Pleistocene Warren Sands in most holes, the drilling has confirmed the presence of low grade (<5.0% per cent HM) mineralisation on each traverse.

Under the terms of the Farm-In and Exploration Joint Venture Agreement between Iluka Resources and Governor Broome Sands Pty Ltd (GBS), Iluka Resources has completed the Initial Farm-In expenditure and a contractual Joint Venture between Iluka and GBS in respect of the tenement is now in place, with Iluka holding a majority interest of 51%.

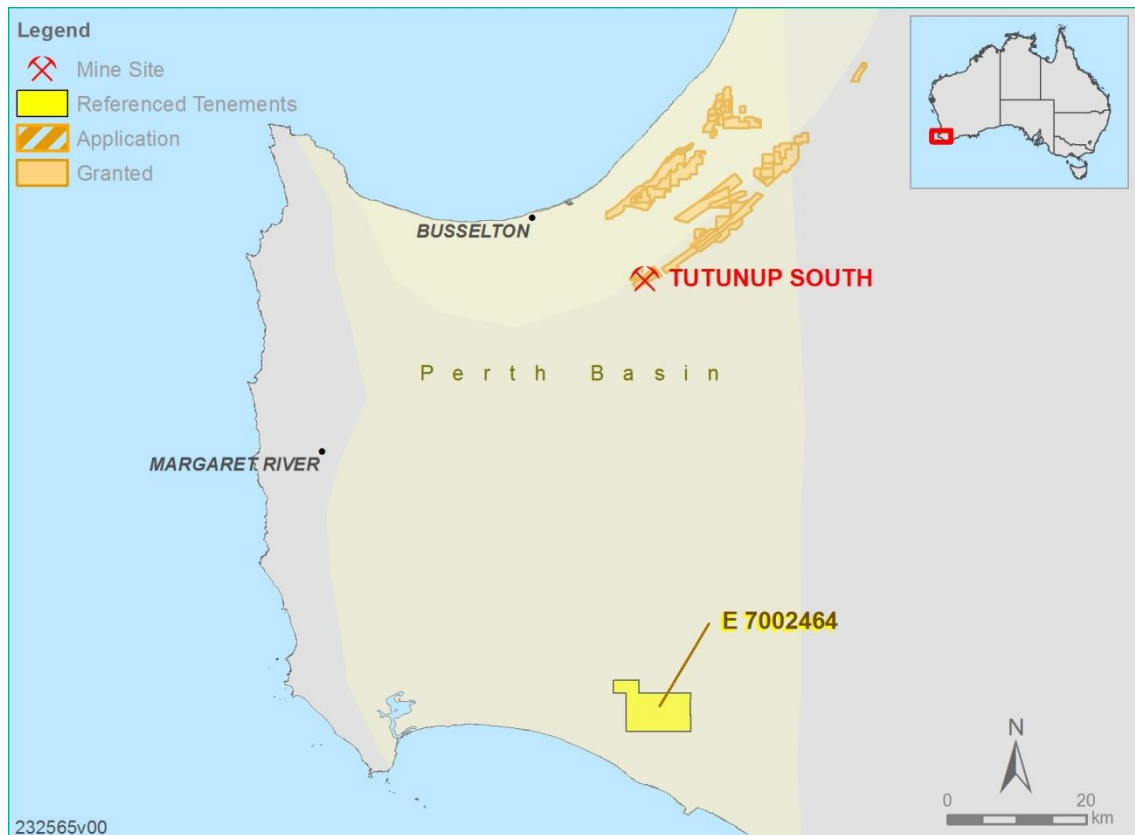


Figure 4: Map of the Iluka Farm-in and Exploration and Joint Venture

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

Since the discovery of the Argyle Diamond Mine in the late 1970's and the associated nearby Bow River alluvial diamond deposit intermittent exploration has been undertaken in the area for further diamond deposits.

The exploration program currently undertaken has included soil sampling and detailed airborne and ground geophysics. From the geophysical data Southern Geoscience has identified seven high priority aeromagnetic features (Figure 5) as potential lamproite primary diamond pipe targets. These untested targets were recommended for further work as they show discrete “bulls-eye” magnetic signatures that are characteristic of primary diamond pipes elsewhere in the world. However, the Argyle pipe in the area has a very weak magnetic signature much lower than these detected anomalies. This stronger magnetic signal may indicate mineralization other than lamproite. Accordingly, testing of these targets was designed to search for both diamond indicator minerals found in lamproite pipes and other mineralisation including gold and base metals.

Since the entire area is covered by gravels to a depth of 5 metres, soil sampling can be problematic therefore the company's programme, undertaken in August 2015 consisted of drill testing six of these previously untested aeromagnetic targets

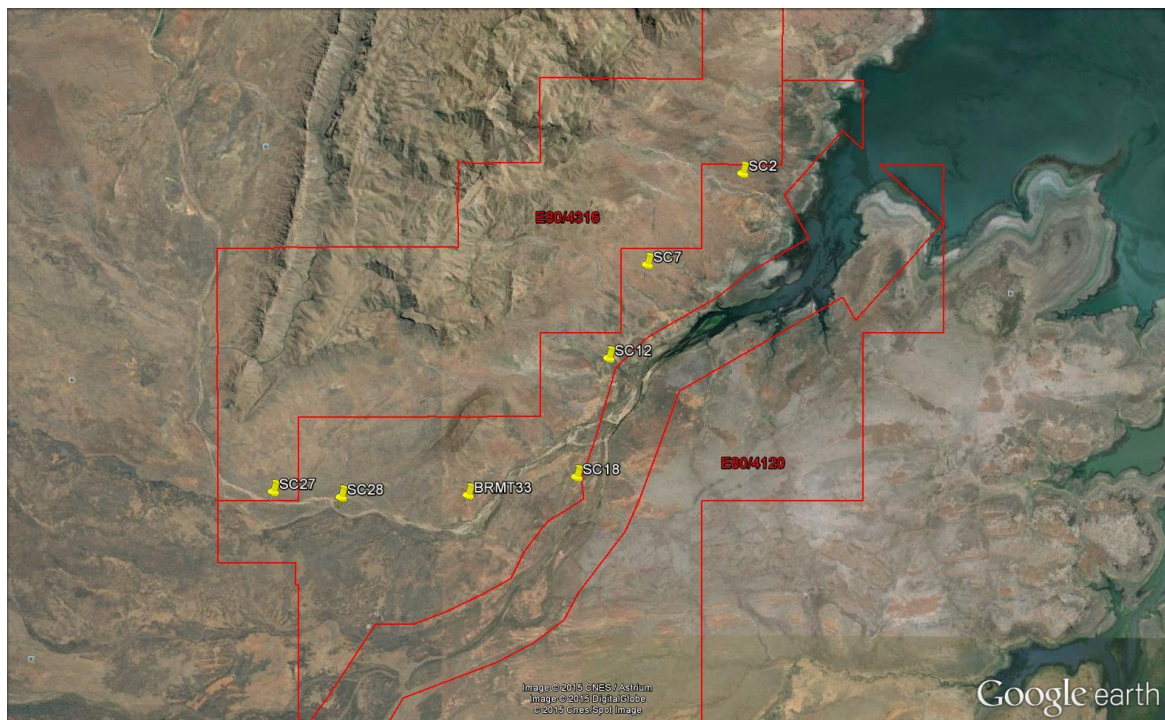



Figure 5: Anomaly Location Map



Due to the hardness of the gravels and basement rocks air core drilling was not possible and a Reverse Circulation (RC) drilling rig was utilized for the work and performed admirably

Six targets were drilled, five on a star pattern; centre, north, south, east and west, their distance apart dependent on the target diameter, SC 18 was outcropping and nearby gravels were tested and the access to SC 28 was blocked by very loose river sand.

Diamond exploration

Samples were collected from the lower two metres of the gravels at each hole, these samples were composited for each anomaly and forwarded to NAGROM (Carlisle, Perth) for wet screening and concentration to look for diamonds and possible indicator minerals.

Precious and Base Metal Exploration

The drilling also intersected downhole various basic and ultrabasic units, diorite and biotite dominated lithologies showing alteration and samples were also collected and sent to ALS (Perth) for assay for uranium, base and precious metals,

The results and geological report for the work is currently being finalized and the results will be announced during the December quarter.

Corporate

New acquisitions

The Company continues to explore potential new acquisition opportunities. It is likely that the acquisition will be outside of the area of mining and exploration. Further details will be made available as and when they become available.

Board appointment

During the quarter Mr Jacob Khouri was appointed to the Board as the Non-Executive Chairman. Mr Kris Knauer has retired from the Board.

Funding

An entity which is related to Mr Jacob Khouri has provided an additional \$100,000 in funding. The terms of this additional advance is unsecured, interest at the rate of 10% plus a 1% facility per annum for a term of six months. Subject to any regulatory approvals, the party may also participate in the fund raising program by the Company.

The above is in addition to the previously provided temporary facility of \$500,000 provided by MIL.



Rights Issue

The Board is still considering various options in relation to its way forward and as a result, the rights issue has been delayed. A decision is expected to be made shortly on these matters and will tie into any potential acquisition.

Convertible Notes

The Company has received a further extension of time to pay the convertible notes payable to Mining Investments Ltd and Mr David Gibbs. The terms of the extension can be found in the Company's announcement on 14 October 2015.

As mentioned in the Company's announcement on 30 October 2014, the Board intends to invite all Convertible Note Holders to convert their notes into ordinary shares. The Board has previously obtained shareholder approval for most of these Convertible Notes to be converted into shares.

ENDS

For enquiries, please contact:

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Director

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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 2012 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 2012 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 September 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")

September 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	(142)	(142)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(86)	(86)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	-	-
1.5	Interest and other costs of finance paid	(5)	(5)
1.6	Income tax refund (2013 R&D)	-	-
1.7	Other	-	-
	Net Operating Cash Flows	(233)	(233)
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)	(233)	(233)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(233)	(233)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	100	100
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other	-	-
	Net financing cash flows	100	100
	Net increase (decrease) in cash held	(133)	(133)
1.20	Cash at beginning of quarter/year to date	142	142
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	9	9

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	10
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

The Company continues to receive financial support from Mining Investments Limited and its associated entities. The Company received a further draw down of \$100,000 immediately following the end of the quarter. The Directors believe that this support will continue until the proposed next fund raising campaign.

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

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	600	600
3.2 Credit standby arrangements	0	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	95
4.2 Development	-
4.3 Production	-
4.4 Administration	92
Total	187

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	9	142
5.2 Deposits at call		
5.3 Bank overdraft		
5.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	9	142

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: 27 October 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.