

UPDATE ON FIRST RIGHTS ISSUE AND POTENTIAL NEW TRANSACTIONS

On 17 February 2016, Astro Resources NL (ASX: **ARO** or the **Company**) announced that in view of the decline in the ARO share price, there would likely be a change in terms to the previously announced (4 January 2016) proposed renounceable rights issue to raise approximately \$2.2 million (**Rights Issue**).

The Company has been in dialogue with the Gymeny vendors in relation to the above Rights Issue and its impact on its capital structure of the Company. The Company has agreed with the vendors that despite the recent decline in the ARO share price, the number of consideration shares (being 885,416,667 Astro shares on a pre consolidation basis) for the proposed Gymeny acquisition will remain the same, as the current ARO share price reflected the changes in market conditions since the announcement of the proposed acquisition. However, the discussions have resulted in the potential acquisition of two additional assets which are also apps based businesses in the lifestyle and well-being sectors. The Board considers these additional businesses to be complementary to the Gymeny business and consequently, should result in an improvement in value to all shareholders.

Should the Company proceed with the potential acquisition of one or both of these assets, the consideration for the acquisition will be solely by way of shares in the Company.

As at the date of this announcement, no term sheet has been entered into between the Company and the owners of the potential additional assets to be acquired and as such, discussions are at this stage incomplete. A proposed date of 18th March 2016 has been agreed with the vendors to agree the terms for any additional asset(s) to be acquired and announce those terms. An announcement concerning the revised terms of the Rights Issue would occur subsequent to that date, so as to allow the market to take into account the proposed additional acquisitions.

As an interim measure to assist with the funding of the Company, the Board is pleased to announce that it has received an advance for the Rights Issue of \$250,000 from its major shareholder, Mining Investments Limited (**MIL**). The advance is an interest free advance and will be applied against MIL's entitlement of the Rights Issue.

An update will be provided as soon as the information comes to hand.

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