

## QUARTERLY REPORT – 31 MARCH 2016

**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. Astro Resources intends, subject to various approvals and fund raising, to redefine its business via the proposed acquisition of Gymany to be a technology company namely, in the lifestyle and well being sector.**

### Highlights

- Maiden JORC (2012) Inferred Mineral Resource of 18.8 Mt @ 4.7% HM containing 890 thousand tonnes of HM (at a 3.0% HM lower cut off grade) on Exploration licence 70/2464 which is subject to the Farm-in and Exploration Joint Venture Agreement with Iluka Resources Limited,
- Revised non-binding terms of the proposed acquisition of Gymany announced with an enhancement to reflect three businesses and total purchase price of 1.850 billion ARO shares to be supported by an underwritten capital raising of \$3 to \$5 million.
- Proposed terms of the renounceable rights issue of five (5) new shares for every one (1) share held expected at a price of \$0.004 per share, plus one free attaching option with an exercise price of \$0.004 with a three year term.
- Astro to continue with the proposed strategy of the demerger of exploration assets into an unlisted public company to be owned by Astro shareholders post the completion of the rights issue.

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 2016:

### Governor Broome

#### About Governor Broome

Astro's Governor Broome mineral sands project is located in the southern-eastern region of Western Australia.

#### Governor Broome (excluding Iluka Joint Venture)

No exploration activity has been undertaken by the company during the quarter.

It is noted that on the 12 February 2015, the Company reported the JORC conclusions of Mr John Doepel, of Continental Resource Management Pty Ltd and that such conclusions are in accordance with the 2012 Edition of the JORC Code.



### Iluka Joint Venture

Exploration licence E70/2464, in the SW region of Western Australia is subject to Farm-In and Exploration Joint Venture Agreement (“**Iluka JV**”) between Iluka Resources Limited and Governor Broome Sands Pty Ltd (“**GBS**”) a wholly owned subsidiary of the Company. Exploration drilling by Iluka has delineated a heavy minerals (HM) sands resource within the licence, in an area now known as the “Jack Track” deposit. On the 26th April 2016, the Company announced a Maiden Inferred Mineral Resource of 18.8 Mt @ 4.7% HM containing 890,000 tonnes of HM (at a 3.0% HM lower cut off grade), the resource was estimated in accordance with the guidelines outlined in the JORC Code (2012) for the reporting of Exploration Results, Mineral Resources and Ore Reserves.

The summary resource estimate is presented in Table 1 below.

**Table 1. Jack Track Mineral Resource (>3% HM cut-off grade)**

Mineral Resource Category	Material Tonnes (Million)	In Situ HM Tonnes (thousand)	HM (%)	Clay (%)	HM Assemblage			
					Ilmenite * (%)	Leucoxene * (%)	Zircon (%)	Rutile (%)
Inferred	18.8	890	4.7	7.7	75	6.9	10.8	2.4

\*Includes magnetic and non-magnetic leucoxene, which is a high grade titanium feedstock

Under the terms of the Iluka JV Agreement, Iluka currently has a majority interest of 51% and, subject to spending a further \$160,000 on exploration on Exploration licence 70/2464, Iluka’s interest will increase to 80%.

### **East Kimberley Diamonds**


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.

During the quarter, there were no material exploration activities undertaken by the Company.

### **Corporate**

#### Gymeny acquisition

On the 30<sup>th</sup> March 2016, the Company announced the updated non-binding terms heads of agreement for the proposed acquisition of 100% of Gymeny. Gymeny is a technology based company that is involved in life style and well-being sectors. The expected purchase price is 1.850 billion (pre-consolidation) Astro shares. The acquisition price covers three businesses:

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- *24carrot* is a technology platform that empowers consumers to adopt and maintain healthy lifestyle choices in a fun and socially interactive environment.
  - *ChildsPass* is a technology company focused on youth recreation.
  - *Naturalgurus* is a technology company focused on natural, preventative and therapeutic medical services. Its video conferencing and payments platform enables patients to access professional health services and expert practitioners via two-way video calling capabilities using highly encrypted and secure private virtual consultations – without the need for downloading plugins.

As part of the proposed transaction, the Company will issue a prospectus and undertake re-compliance with Chapters 1 and 2 of the ASX Listing Rules, and will raise capital of \$3 to \$5 million. The primary purpose of the use of the funds raised will be to support the marketing and development of the three businesses. The capital raising will be by way of public offer. In addition, approval for a share consolidation of every fifty (50) shares into one (1) new share, will be sought.

The proposed transaction is subject to a number of conditions including due diligence and funding. Full details of the proposed transaction can be found in the announcement of the 30<sup>th</sup> March 2016.

#### *Rights Issue*

On 5<sup>th</sup> April 2016, the Company announced that it will be pursuing a renounceable five (5) new shares for every one(1) share to raise approximately \$2.2 million. The proposed rights issue is expected to provide funding for the transaction costs in relation to the Gymeny acquisition and secondly to repay the existing convertible notes.

#### *Demerger*

As previously announced, as part of the proposed Gymeny acquisition and also included in the announcement of 4 January 2016, the Company also intends to effect a demerger of the various mineral assets, that is, Governor Broome and East Kimberly Diamonds, into a new company ("**Astro 2**") which will be an unlisted public company. Eligible shareholders will be those shareholders immediately post the rights issue.

**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 (excluding that of the Iluka JV) 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 Iluka JV is based on information compiled by Shaun Seah under the review of Brett Gibson who is a member of The Australasian Institute of Geoscientists and a full time employee of Iluka. Brett 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 JORC Code and consents to the inclusion in the report of the matters based on 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 2016

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 (49%) and Iluka Resources Limited (51%) – subject to Farm-in and JV Agreement	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	P70/1584	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 2016

### Consolidated statement of cash flows

		Curent quarter \$A'000	Year to date (9 months) \$A'000
<b>Cash flows related to operating activities</b>			
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration & evaluation	(42)	(235)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(132)	(270)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	-	-
1.5	Interest and other costs of finance paid	(14)	(19)
1.6	Income tax refund (2013 R&D)	-	-
1.7	Other	-	-
		(188)	(524)
<b>Net Operating Cash Flows</b>			
<b>Cash flows related to investing activities</b>			
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)	-	-
<b>Net investing cash flows</b>			
1.13	Total operating and investing cash flows (carried forward)	(188)	(524)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(188)	(524)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	250	450
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other	-	-
	<b>Net financing cash flows</b>	250	450
	<b>Net increase (decrease) in cash held</b>	62	(74)
1.20	Cash at beginning of quarter/year to date	5	141
1.21	Exchange rate adjustments to item 1.20		
1.22	<b>Cash at end of quarter</b>	67	67

### 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	44
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

During the quarter, the Company received an advance from Mining Investments Limited (MIL) of \$250,000 in respect of the rights issue.

The Directors believe that MIL will continue to support the Company until the proposed next fund raising campaign ahead of the rights issue of \$2.2 million, as set out in the activities statement for this quarter.

#### 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

None

## 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	-	-

## Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	60
4.2 Development	-
4.3 Production	-
4.4 Administration	53
<b>Total</b>	<b>113</b>

## 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	67	5
5.2 Deposits at call		
5.3 Bank overdraft		
5.4 Other (provide details)		
<b>Total: cash at end of quarter</b> (item 1.22)	<b>67</b>	<b>5</b>

## 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	<b>Preference securities</b> (description)	-	-	-	-
7.2	Changes during quarter				
	(a) Increases through issues	-	-	-	-
	(b) Decreases through returns of capital, buy-backs, redemptions	-	-	-	-
7.3	<b>+Ordinary securities</b>	110,365,915	110,365,915	-	-
7.4	Changes during quarter				
	(a) Increases through issues	-	-	-	-
	(b) Decreases through returns of capital, buy-backs	-	-	-	-
7.5	<b>+Convertible debt securities</b> (description)	-	-	-	-
7.6	Changes during quarter				
	(a) Increases through issues	-	-	-	-
	(b) Decreases through securities matured, converted	-	-	-	-
7.7	<b>Options</b> (description and conversion factor)				
7.8	Issued during quarter	-	-	-	-
7.9	Exercised during quarter	-	-	-	-
7.10	Expired during quarter	-	-	-	-
7.11	<b>Debentures</b> (totals only)	-	-		
7.12	<b>Unsecured notes</b> (totals only)	-	-		

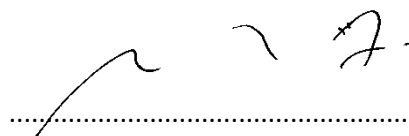
+ See chapter 19 for defined terms.

## 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 April 2016

(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.