

## UPDATE ON FUNDING

**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, gold and other minerals.**

Astro Resources NL (**ARO** or the **Company**) advises on the following update:

### **Loan from Gun Capital Management**

On the 22 July 2019, the Company advised that it had secured (subject to documentation) the following Gun Capital Management Pty Ltd (**GCM**):

- an additional amount of \$300,000 available for draw down; and
- if an amount of \$250,000 was drawn under this facility, there would be an immediate consolidation of all facilities into a new consolidated facility. This facility would be secured over the assets of the Company (**New Secured Facility**).

The Board is pleased to advise that as outlined in the Company's annual report lodged on 27 September 2019, it has entered into a formal agreement with GCM. Set out below are following key terms of the new loan agreement:

- the current facilities are consolidated into one facility. The total principal amount under the existing facilities is \$1,800,000 and the amount drawn as at the date of this announcement is \$1,771,903.87. This leaves a net amount available for drawing of \$28,906.13;
- an amount of \$395,000 of additional loan funds is provided to the Company, resulting in total funds available for drawdown of \$423,093.13 (\$395,000 plus the undrawn amount of \$28,906.13);
- increasing the principal sum by a further amount of \$300,000 to allow for future capitalised of interest; and
- further increasing the amount of by borrowing by the assignment of an amount owing to a substantial shareholder of the Company, Mining Investments Limited of \$105,000.

Other key terms include:

- repayment date 31 October 2021 (previously 31 October 2019);
- unsecured; and
- an interest rate of 15% (default rate: 20%) applicable to the total amount of the facility.

As a result of the above, the total principal sum is \$2.6 million. The above loan is referred to as the “**New Unsecured Loan Facility**”. The New Unsecured Loan Facility supersedes the New Secured Facility.

#### Impact on the Financial Position

The impact of the New Unsecured Facility will be to improve the working capital and liquidity position of the Company. Set out below is a pro forma position of the impact to working capital as a result of the New Unsecured Loan Facility:

	Reported 30 June 2019	Proforma Adjustment	Pro forma
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	199,479	-	199,479
Trade and other receivables	30,948	-	30,948
Inventories	4,000	-	4,000
Other assets	37,643	-	37,643
<b>TOTAL CURRENT ASSETS</b>	<b>272,070</b>	-	<b>272,070</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	281,736	-	281,736
Borrowings	1,458,719	1,458,719	-
	<b>1,740,455</b>	<b>1,458,719</b>	<b>281,736</b>
Net working capital/(deficiency)	<b>1,468,385</b>	1,458,719	<b>9,666</b>

*Note: the pro forma adjustment for borrowings relates to the amount owing to GCM as at 30 June 2019 reallocated from current liabilities to non-current liabilities.*

As noted from the above table, working capital improves from a deficiency of approximately \$1.468 million to a deficiency of approximately \$10,000 as a result of the extension of the repayment date to 31 October 2021.

#### ENDS

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