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QUARTERLY REPORT – 30 September 2020

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.

Highlights

Needles:

- During the quarter, the Company commenced and completed a mapping and sampling exercise on the Needles Property.
- The assay results of the samples submitted are expected around the middle of November 2020.
- Initial observations of the volcanic rocks on the Property show encouraging signs of alteration and mineralization, consistent with the "Round Mountain" exploration model used by the Company.

Governor Broome:

- The Company updated its resource estimates for the South and East Deposits, which are within its 100% owned portion of the Governor Broome Project.
- The total Indicated Resources are 52Mt @ 4.6% HM and the total Inferred Resource is 6.5Mt @ 3.5% HM.
- Company believes that there are reasonable prospects of converting the Retention Licence into a Mining Lease.

East Kimberley Diamonds:

- No activity was undertaken during the quarter. The proposed bulk sampling exercise has been postponed indefinitely due to Covid-19 restrictions.

Corporate:

- The Company completed a "Tranche 1" capital raising, raising approximately $668,000 (before costs). A further issue, "Tranche 2", which is subject to shareholder approval, will raise approximately another $2.1 million.
- The Company also issued two convertible notes, the most significant of which was to the Holdmark Property Group, raising a total of $2.341 million. The notes are intended to be converted into fully paid shares (**Shares**) in the Company at the forthcoming General Meeting. If approved, the Company will be debt free and have Holdmark Property Group as a strategic investor.
- The loan to Gun Capital Management Pty Ltd (**GCM**) was partially repaid from the proceeds of the above convertible notes. The remaining amount outstanding of approximately $686,000, plus interest on the residual amount for the months of September and October 2020 and fees to a related entity, are also be repaid via the issue of Shares, resulting in the cancellation of the debt facility and elimination of a major creditor.

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 2020:

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Needles Project

Following the successful capital raising completed during the quarter, the Company commenced exploration work on the western portion of the Needles Project, located in Nevada USA (figure 1).

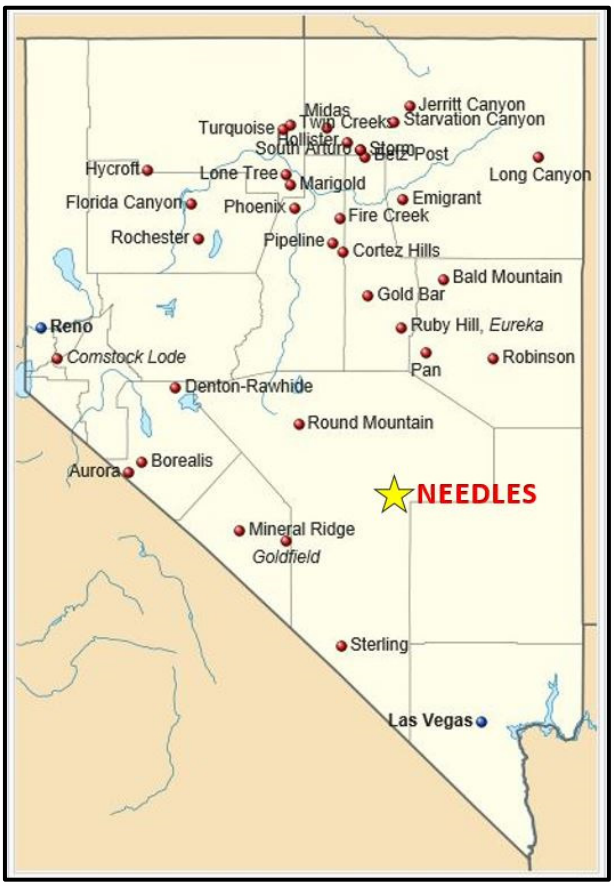


Figure 1 Astro's Needles Property Nevada USA – Location, with active gold mines

The Company engaged a United States consultant geologist who spent ten (10) days in the field, tasked with locating historic mine and prospecting sites, mapping geological structures, sampling outcrops of altered and mineralized rocks, and locating previous exploration work, such as excavations and drill collars. The samples taken from the site have been lodged with a certified laboratory in Reno, Nevada and the results are expected to be received sometime in the middle of November.

The key initial findings by the consultant include:

- numerous historical prospects and mineralized outcrops were sampled, with a total of 97 samples collected for assaying for Au, Ag, and multi-elements (Figure 2);
- historical workings, including a shaft, were located in the undrilled area to the west of the historical Arrowhead Mine, an area which is the current focus of Astro's exploration program. The dumps of these workings have been mapped and sampled;
- alteration and weathered sulphide mineralization (limonite) have been identified in the numerous structural zones that have been mapped. These zones are up to ten metres wide; and

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- within the target area, porous, altered, gently dipping Tertiary volcanic units have been mapped and sampled in areas previously thought to be alluvium. These units conform to Astro's "Round Mountain" exploration model for the Needles Property.

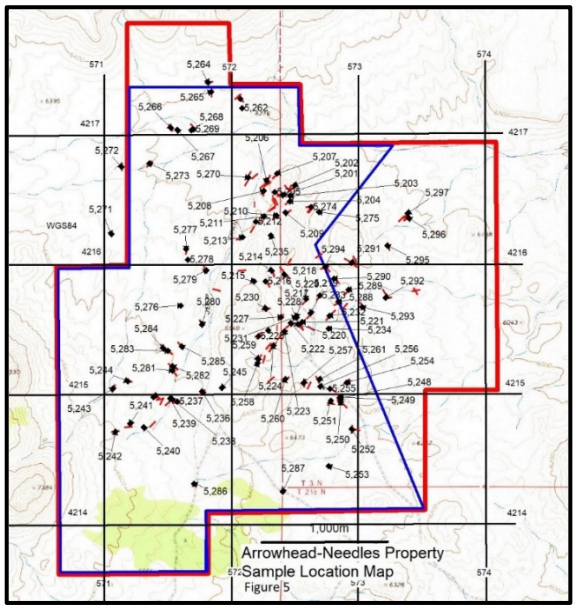


Figure 2 Needles Property Nevada – Rock Chip Sample Locations

The Company is greatly encouraged by these key initial findings, which confirm the potential of the Needles Property to host economic gold mineralization.

In addition, the Company has carried out further planning for the proposed exploration as outlined in the presentation lodged on the 21 August 2020 (Figure 3), which includes:

- detailed structural geological mapping of the property, including rock chip sampling and the recovery of old drill-hole collars and orientations;
- infill and extended Induced Polarisation (**IP**)/Resistivity survey on and to the west of the 2018 survey, creating lines spaced 200m apart for inversion modelling of Resistivity and Chargeability. As previously announced, this is expected to commence later on this calendar year or early 2021;
- three shallow source (to 500m) seismic lines to define the underlying lithologies, structures, and permeability within the target area;
- drilling three, relatively shallow (less than 100m) core drill holes to test historical mined areas that display epithermal gold mineralization. These sites have been drilled in the past, but the historical drill intercept information is unavailable and needs to be verified. In addition to the above, Astro intends to drill a vertical core hole into a known chargeability anomaly to test for the presence of disseminated sulphide mineralisation and to gain detailed knowledge of the porosity of the sub-horizontal volcanic beds to the west of the Arrowhead line of mineralisation. Astro is in advanced discussion with a Nevada drilling contractor with regards to the timing of this drilling, which is expected to be able to be carried out this year, pending governmental approvals; and
- based on the exploration results from the above activities, an initial RC drilling program will be carried out to test for buried open-pit-able mineralization.

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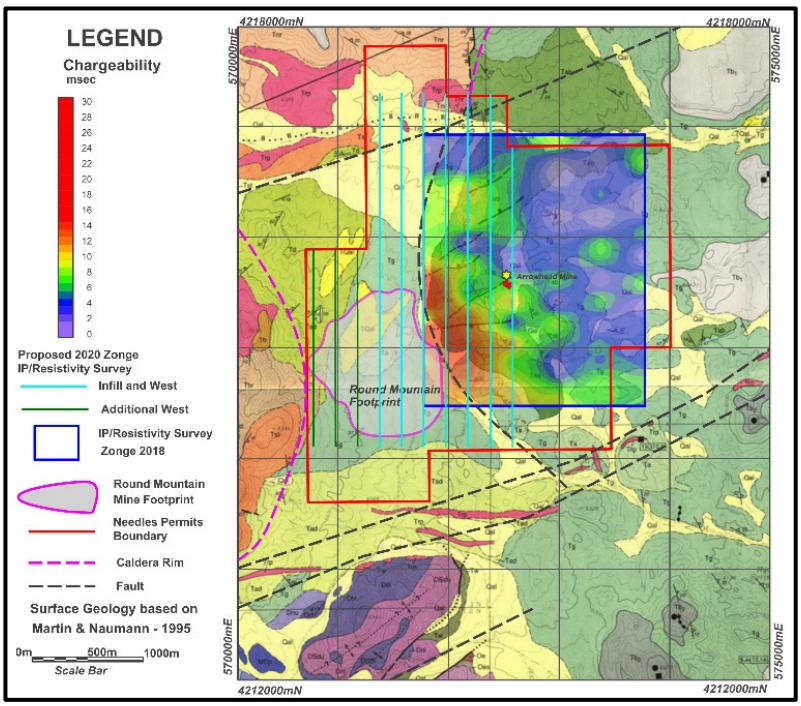


Figure 3 DC/IP Surveys 2018 and Proposed 2020

Governor Broome

Astro's Governor Broome Mineral Sands Project is located in the southwestern region of Western Australia. The project is broken up into two parts: R70/53, 100% owned by Astro Resources, and R70/58, which is the subject to the Farm-in and Joint Venture Agreement with Iluka Resources Limited (Iluka Joint Venture). See below for further details.



Figure 4 Governor Broome Project - Location

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Governor Broome (excluding Iluka Joint Venture)

The Governor Broome Deposits are contained within a granted Retention Licence, which the Company believes it has reasonable grounds to able to be convert to a Mining Lease, should it elect to do so.

The Governor Broome Heavy Mineral Project contains four separate areas of significant heavy mineral (**HM)** mineralisation. The largest contains the North and South Deposits, previously drilled by Metal Sands Australia Ltd (Metal Sands) in 2005 and 2006, and the West Deposit, drilled by Astro in 2020. The other two areas contain the East and South Deposits which were infill drilled in early 2020. The HM mineralisation occurs within a surficial Pleistocene sand unit, the Warren Sands, and in the immediately unconformably underlying Beenup Beds of the Cretaceous Warnbro Group.

During the quarter, resource estimates were carried out for the western section of the East Deposit and the northern section of the South Deposit by John Doepel of Continental Resource Management Pty Ltd. The resources are classified as Inferred, as, although the drilling has shown both geological and mineralisation continuity throughout the areas, the drilling density has not been such to enable the verification of grade continuity.

The Governor Broome South Deposit contains an Inferred Resource, at a 2% HM lower block-cut-off grade, of 2.5Mt @ 4.5% HM, 15% Slimes, and 9% Oversize; and the Governor Broome East Deposit contains an Inferred Resource, at a 2% HM lower block-cut-off grade, of 4Mt @ 3% HM, 13% Slimes, and 3% Oversize. The resources are reported in accordance with the 2012 Edition of the JORC Code.

The Resources within Astro's Governor Broome Project are summarised within Table 1 (The Indicated Resources have been reported previously – ASX ARO Announcements 3rd June 2020, 24th April 2020 and 10th February 2015, as have the Jack Track Inferred Resources - ASX ARO Announcement 26th April 2016).

Table 1 100% owned Governor Broome Project Resources – at 2% HM lower block-cut-off grade

Resource	Deposit	Million Tonnes	HM%	Slimes%	Oversize%
Indicated	South	11.0	4.6	15	11
Indicated	West	7.7	4.2	13	7.4
Indicated	East	3.5	4.2	12	4.8
Indicated	North	30.0	4.9	12	8.1
Indicated	**Sub-Totals**	**52.0**	**4.6**	**13**	**8.5**
Inferred	South	2.5	4.5	15	9.0
Inferred	East	4.0	3.0	13	3.0
Inferred	**Sub-Totals**	**6.5**	**3.5**	**14**	**5.0**

Notes: 1. The above figures have been appropriately rounded.

Iluka Joint Venture

The Jack Track Heavy Mineral Sand Deposit is located on Retention licence R70/58. The Iluka Joint Venture is between Iluka Resources Limited (80%) and Governor Broome Sands Pty Ltd (20%), a wholly owned subsidiary of the Company.

No activity was undertaken during the quarter for the Iluka JV.

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East Kimberley Diamonds

The Company holds the Lower Smoke Creek (E80/4120) exploration licence that adjoins the Argyle, and the former Bow River, diamond Mines within the East Kimberley region of Western Australia (East Kimberley Diamonds Project).

As previously advised, travel restrictions within Western Australia as a result of the State Government COVID-19 management strategy, have necessitated the postponement of planned work in the East Kimberley. The planned drilling and bulk sampling have been deferred indefinitely and are also subject to the Company being able to secure additional funding. The proposed program will test the residual diamondiferous palaeo-terrace deposits along the northern side of Smoke Creek.

No other activity has been undertaken during the quarter.

Corporate Matters

Capital raising

During the quarter, the Company:

- completed a capital raising of $667,851 (before costs) by issuing 190,814,597 fully paid shares (**Shares**) to sophisticated and professional investors at a price of $0.0035 per share (**Tranche 1**); and
- subject to shareholder approval, will issue a further 593,781,159 Shares to sophisticated and professional investors at $0.0035 per share, which will raise $2,078,234.

Full details of the above can be found in the Notice of General Meeting (**NOM**) dated 21 September 2020 and to be held on the 30th October 2020 (**General Meeting**) and lodged on the ASX on the 25th September 2020.

The proceeds from the above are to be used for working capital and for the advancement of the Company's projects. Full details are set out in an ASX announcement dated 26 August 2020.

Convertible Note

During the period, the Company issued two convertible notes, one of which is to HPG Urban Developments Pty Ltd, an entity which is part of the Holdmark Property Group. The funds raised from the convertible notes were used to repay the long-term shareholder Gun Capital Management Pty Ltd (**GCM**), an entity which is related to the Chairman (Jacob Khouri) and financier to the Company. The Convertible Notes are expected to be converted into equity at a price of $0,0035, giving the above investor an approximately 19% shareholding in the Company.

Debt facility and funding

As noted above, The Company largely repaid its loans to GCM from the proceeds from the Convertible Notes. The remaining amount of the loan was approximately $686,000. Included in this amount is a minor discrepancy to GCM of approximately $55,000 (refer to ASX announcement dated 19 October 2020) was identified during the course of the 30 June 2020. In addition, interest on the remaining balance of the loan of $18,000, plus outstanding fees to a related entity Mining Investments Limited (**MIL**) of $27,000 are also intended to be repaid by way of share issue. The total amount to be repaid by way of shares is $731,000. All of the above transactions subject to the approval at the Annual General Meeting to be held on the 27th November 2020 (**AGM).**

Should the conversion of the Convertible Notes and remaining outstanding amount due to GCM and its related entity MIL be approved at the AGM, the Company will be debt free.

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Cashflow

During the quarter, the cash flow for operations benefited from the continued support from Messrs Jacob Khouri and Vince Fayad, who did not receive payment for their services. Their fees are expected to be paid in the December 2020 quarter, subject to the approval of the Tranche 2 capital raising at the forthcoming General Meeting.

All other creditors are up-to-date and there is an immaterial amount owing to third party creditors.

Board approval

The quarterly activities and cash flow statement has been approved by the Board.

ENDS

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The information in this report as it relates to Mineral Resources and Exploration Results for the Governor Broome Deposit (excluding that of the Iluka JV) is based on information compiled by John Doepel, a 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 relevant to the style of mineralisation and type of deposit under consideration to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Doepel consents to the inclusion in this announcement 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 Australian Institute of Geoscientists and a full time employee of Iluka. Mr 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 "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" and consents to the inclusion in the report of the information in the form and context in which it appears.

The information in this report that relates to Exploration Results for the Needles Property is based on information compiled by Richard Newport, principal partner of Richard Newport & Associates – Consultant Geoscientists. Mr Newport is a member of the Australian Institute of Geoscientists and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person under the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr. Newport consents to the inclusion in this announcement of the matters based on his information in the form and context in which it appears.

The information in this report as it relates to Exploration Results for the East Kimberley diamond deposits is based on information compiled by Greg Bromley who is a Director of Sardonyx Pty Ltd and a Fellow of the Australasian Institute of Mining and Metallurgy. Mr Bromley has sufficient experience 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 Bromley consents to the inclusion in the report of the information in the form and context in which it appears.

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List of tenements as at 30 September 2020

Holder	Project	Lease	Location	Lease Status
Governor Broome	Governor Broome	Retention Licence R70/53 (formerly E70/2372)	Nannup - Southern WA	Granted
Governor Broome (20%), Iluka Resources Limited (80%)	Governor Broome	Retention Licence R70/58 (formerly E70/2464)	Nannup - Southern WA	Granted
East Kimberley Diamond Mines	Lower Smoke Creek	E80/4120	Kimberley - Northern WA	Granted
Needles Holdings	Needles		Nevada - USA	Granted

Rule 5.5

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity	
ASTRO RESOURCES NL	
ABN	**Quarter ended ("current quarter")**
96 007 090 904	September 2020

	Consolidated statement of cash flows	Current quarter $A'000	Year to date (3 months) $A'000
1.	**Cash flows from operating activities**		
1.1	Receipts from customers		
1.2	Payments for		
	(a) exploration & evaluation (if expensed)	(108)	(108)
	(b) development		
	(c) production		
	(d) staff costs	(9)	(9)
	(e) administration and corporate costs	(30)	(30)
1.3	Dividends received (see note 3)		
1.4	Interest received		
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		
1.7	Government grants and tax incentives		
1.8	Other (provide details if material)		
1.9	**Net cash from / (used in) operating activities**	**(147)**	**(147)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire:		
	(a) entities		
	(b) tenements		
	(c) property, plant and equipment		
	(d) exploration & evaluation (if capitalised)		

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Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
	(e) investments		
	(f) other non-current assets		
2.2	Proceeds from the disposal of:		
	(a) entities		
	(b) tenements		
	(c) property, plant and equipment		
	(d) investments		
	(e) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)		
2.6	**Net cash from / (used in) investing activities**	**-**	**-**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities) (before costs)	581	581
3.2	Proceeds from issue of convertible debt securities	2,342	2,342
3.3	Proceeds from exercise of options		
3.4	Transaction costs related to issues of equity securities or convertible debt securities		
3.5	Proceeds from borrowings(convertible note)		
3.6	Repayment of borrowings	(2,252)	(2,252)
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (Deposits in advance)	1,007	1,007
3.10	**Net cash from / (used in) financing activities**	**1,678**	**1,678**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	28	28
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(147)	(147)

Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,678	1,678
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**1,559**	**1,559**

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter $A'000	Previous quarter $A'000
5.1	Bank balances	1,559	28
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**1,559**	**28**

6.	Payments to related parties of the entity and their associates	Current quarter $A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1 (Director Fees)	9
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

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7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at current quarter end $A'000**	**Amount drawn amount at previous quarter $A'000**
7.1	Loan facilities	686	3,250
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	**Total financing facilities**	686	3,250

7.5	**Unused financing facilities available at quarter end**	-

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

Loan facility from Gun Capital Management Pty Ltd (Gun) of $3.250 million has been made available to the Company. The facility was partially paid out by the Company on 15 September 2020 through the issue of two convertible note facilities.

The remaining loan facility balance is expected to be paid out in full through the issue of ordinary shares in the Company. This will however be subject to shareholder approval at the Company's General Meeting to be held in late November 2020.

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (Item 1.9)	(147)
8.2	Capitalised exploration & evaluation (Item 2.1(d))	-
8.3	Total relevant outgoings (Item 8.1 + Item 8.2)	(147)
8.4	Cash and cash equivalents at quarter end (Item 4.6)	1,559
8.5	Unused finance facilities available at quarter end (Item 7.5)	-
8.6	Total available funding (Item 8.4 + Item 8.5)	1,559
8.7	**Estimated quarters of funding available (Item 8.6 divided by Item 8.3)**	11

8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: Although a response is not required, the Company intends to increase over the next three quarters its exploration activities for all of its projects and accordingly, this will reduce the funding for future quarters.

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: Again, although a response is not required, the Company is monitors its exploration activities closely and depending upon the requirements, may look to raising further capital to ensure that it can meet its objectives.

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: Again, although a response is not required, on the basis that the approvals are achieved at the General Meeting (refer to the activities statement), particularly for the issue of the "Tranche 2" shares and the conversion of the convertible notes are approved, the Company expects to be able to meet its business objectives. Otherwise, the Company would need to return the "Deposits in advance" (item 3.9) representing funds received from investors for the Tranche 2 shares and this would significantly deplete the Company's cash reserves.

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Date: 29 October 2020

Authorised by: By the Board

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

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