For personal use only

2022
ANNUAL REPORT

Astro Resources NL and Controlled Entities
ABN: 96 007 090 904

Contents

For personal use only

Corporate Directory

Directors

Mr Jacob Khouri
(Non-Executive Chairman)

Mr Gregory Jones
(Non-Executive Director)

Mr Vincent Fayad
(Executive Director)

Joint Company Secretaries

Mr Vincent Fayad

Mr Kurt Laney

Auditor

RSM Australia Partners
Level 13, 60 Castlereagh Street
SYDNEY NSW 2001

ASX Code

ARO

Share Registry (Australia)

Link Market Services Limited
Level 4 Level 12,
680 George Street
SYDNEY SOUTH NSW 2000

Home Exchange

Australian Securities Exchange Limited
Exchange Plaza
2 The Esplanade
PERTH WA 6000

Registered Office

Suite 6, Level 5, 189 Kent Street
SYDNEY NSW 2000

Principal Place of Business

Suite 6, Level 5, 189 Kent Street
SYDNEY NSW 2000
P +61 2 8046 2799
W www.aro.com.au

For personal use only

For personal use only

Dear Fellow Shareholders,

I am pleased to present the 2022 financial year annual report for Astro Resources NL ("Astro" or "the Company").

Building upon a productive 2021 financial year, the Company has been busy developing its existing exploration assets, whilst also actively looking for new opportunities that the Board believes will shareholders value.

The key highlights for the 2022 financial year included:

- the staking a number of highly-prospective lithium brine and clay claims in the Kibby Basin, Nevada;
- entering into a conditional agreement with Greenvale Mining Limited (Greenvale ASX: GRV) to acquire an 80% interest in the world-class Georgina IOCG Exploration Project, located in the Northern Territory;
- expansion of the Company's footprint in the Governor Broome region through the acquisition of Iluka Resources Limited's (ASX: ILU) 80.00% interest in the Jack Track Heavy Mineral Sands deposit (Jack Track) and also neighbouring tenements believed to cover a potential strike extension of Jack Track;
- a re-estimation of several deposits contained within the Jack Track tenement, which resulted in an increased total resource tonnage for the Governor Broome Project (118Mt at 4.4%HM);
- completion of a $3.35 million capital raising to assist the Company in undertaking drilling campaigns at the Governor Broome and Needles Gold Projects; and
- completion of a 4-hole, 2,000 meter diamond drilling program that targeted a significant DC/IP chargeability anomaly at the Needles Gold Project.

ACQUISITIONS

During the 2022 financial year, the Company pursued several strategic acquisitions for the purposes of providing value to its shareholders.

In June 2022, the Company signed a conditional letter of intent with Greenvale Mining Limited (Greenvale ASX: GRV) for the acquisition of 80% of Knox Resources Pty Ltd, a company that owns 100% of what is considered to be the world-class Georgina IOCG Exploration Project in the Northern Territory (Knox Acquisition). The acquisition is subject to shareholder approval, which is expected to occur in November this year.

Located in the highly prospective East Tennant province in the Northern Territory, the Georgina Project comprises ten granted Exploration Licences and three under application, for a combined total of 4,522km^2 and is considered to be an exciting frontier area for mineral exploration in Australia. The Knox Acquisition also comes with it an experienced technical team which is headed by Mr Matthew Healy. My Healy's experience will be invaluable for the Company as it looks to advance not only the Georgina Basin IOCG project, but also its lithium projects – and I look forward to welcoming Mr Healy to the Company.

Additionally, the Company was successful in staking a number of highly prospective lithium claims in the Kibby Basin, Nevada during the year. The Kibby Basin is adjacent to several large-scale lithium development projects, which I believe, highlights the potential value and size potential of these claims.

During the year the Board also pursued a strategic alliance with a Canadian listed entity known as Nevada Exploration Inc (TSX-V: NGE; OTCQB: NVDEF, "NGE"). In view of the investment made in the Kibby Basin project, the Board decided not to pursue strategic alliance with Nevada Exploration Inc.

With the additions of these projects, the Company is now a well-diversified vehicle over several metals groups and it will benefit from any upward movements in market prices of these commodities.

ADVANCEMENT OF GOVERNOR BROOME HEAVY MINERAL PROJECT

During the 2022 financial year, the Company expanded its footprint in the Governor Broome region through the following:

- the acquisition of Iluka Resources Limited's (ASX: ILU) 80% interest in licence R70/58. As a result, the Company now holds a 100% interest in the Jack Track tenement, which contains several heavy mineral deposits, and
- in conjunction with the Jack Track acquisition, the Company successfully permitted for several exploration licences, which cover potential strike extensions to the Jack Track deposits.

As a result of the above, the Company's Governor Broome exploration portfolio ("Governor Broome Project") has increased its tenement footprint to 171km^2.

Chairman's Letter to Shareholders

As part of the Company's strategy to move the Governor Broome Project towards commercial production, a resource re-estimation was completed by Continental Resource Management Pty Ltd on the Jack Track deposit. The purpose of this was to re-estimate the deposit to a 2% heavy mineral (HM) block cut-off grade, which reflects the likely economic cut-off grade for the Governor Broome Project. As a result of this re-estimation, the resource tonnage for the Governor Broome Project increased from 77Mt @ 4.5% HM to 118Mt @ 4.4% HM, which combined with an in-fill air core drill program completed at Jack Track in May 2022, will enable the Company to undertake a Mine Scoping Study on the Governor Broome Project, commencing early 2023.

Through the strategic acquisitions and work completed on the Governor Broome Project during the 2022 financial year, the Company has positioned the project to potentially become a viable mining operation.

DRILLING AT THE NEEDLES GOLD PROJECT

Disappointingly, the Company's diamond drilling program completed at the Needles Gold Project only detected low values of gold and silver associated with the chargeability anomaly identified in January 2021. Despite this, the Company remains positive about the prospectivity of the Needles Gold Project, and it intends to complete detailed interpretation of the drilling results to determine the next steps to take for the project.

One of the pleasing aspects of the program, was the support provided by the driller Drillrite LLC (Drillrite) by subscribing to 102 million ordinary shares ($410,959) in the Company as part-satisfaction for its services relating to the 2022 drilling campaign. This is seen by the Company as a positive outcome as Drillrite's interests are aligned to the Company's and since that date, the Company has been working collaboratively with Drillrite on the Kibby Basin Project.

CAPITAL RAISING INITIATIVES

The Company is reasonably funded to further advance both the Needles and Governor Broome projects. However, further funding will be required to support the Knox Acquisition and Kibby Basin investments and as a result the Company commenced a $1.75 million capital raising in June 2022. This capital raising will ensure that Company remains well funded heading into the 2023 financial year to continue its intended exploration activities. It was pleasing to see that the Company's largest shareholder, Holdmark Property Group (Holdmark), participated in this capital raising and has retained its 19.90% shareholding.

It was also pleasing to see that both existing and new investors took part in the Company's $3.353 million capital raising conducted in January 2022 to fund work on the Needles Gold and Governor Broome Projects. This capital raising was heavily oversubscribed and confirmed that investors view the Company's projects as being high quality.

DIAMONDS PROJECT SPIN OFF

As announced to the market, the Company has been discussions with several parties concerning a potential spin-off of the East Kimberley Diamonds Project. The spin-off will likely be into a special purpose vehicle (Argyle Resources Limited) that has a dedicated diamonds portfolio and will form an initial public offering ("IPO") on the Australian Securities Exchange ("ASX"). The Company remains in negotiations for the acquisition of several properties to form part of the spin-off and expects to provide additional updates concerning this project during the 2023 financial year.

In conclusion, I believe that the Board has established a strong platform to ensure that the Company is well placed to deliver sound returns to its shareholders. I would like to thank all shareholders and our management team for their dedication and royalty to the Company and I look forward to the next exciting chapter for the Company.

Yours sincerely

Jacob Khouri
Chairman
Dated at Sydney this 29th day of September 2022.

For personal use only

For personal use only

OPERATIONS

Astro has four key projects in its portfolio: the Needles Gold Project in Nevada, USA, the Governor Broome Mineral Sands Project, located in the south-west region of Western Australia, the East Kimberley Diamond Project, located in the northeast region of WA and the Kibby Basin Project in Nevada, USA.

LITHIUM – KIBBY BASIN PROJECT

Background

The Kibby Basin Project is located 60km north of the Clayton Valley Basin, which hosts the majority of lithium projects in the state of Nevada, including Albermarle's Silver Peak lithium brine operation, the sole lithium producer in North America (Figure 1). The Company's claim position covers the prospective southern portion of the Kibby Basin, abutting basement outcrop which may represent an upthrown horst along the margin of an east-west structure, and a down-faulted block to the north that is currently filled with the Kibby playa lake. This structural setting would be similar to that of Silver Peak in the Clayton Valley.

A number of lithium clay projects are located in the region, including the Ioneer (ASX: INR) DFS-stage US $1.265B after-tax NPV Rhyolite Ridge project, and the American Lithium Corporation (OTCMKTS: LIACF) 7.13Mt LCE (Lithium Carbonate Equivalent) TLC Lithium Project.

These projects highlight the value and size potential of lithium in Nevada and support Astro's technical and commercial rationale for exploration for the high-value commodity in this region.

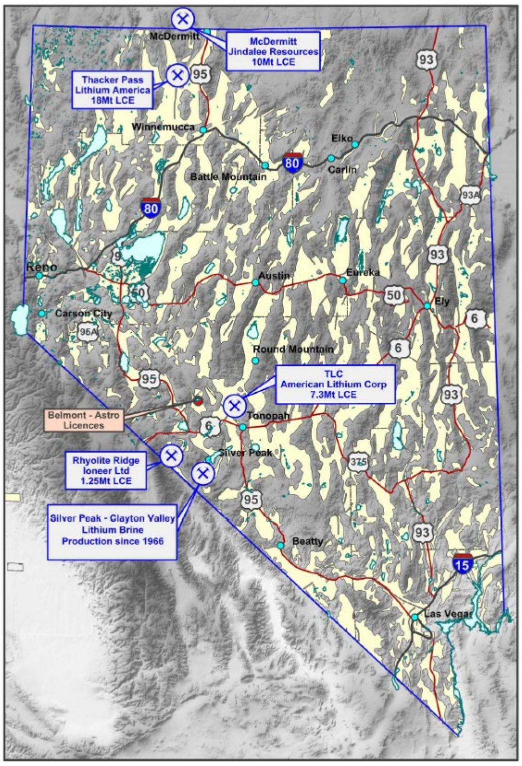

Figure 1. Location of Kibby Basin, Nevada, USA

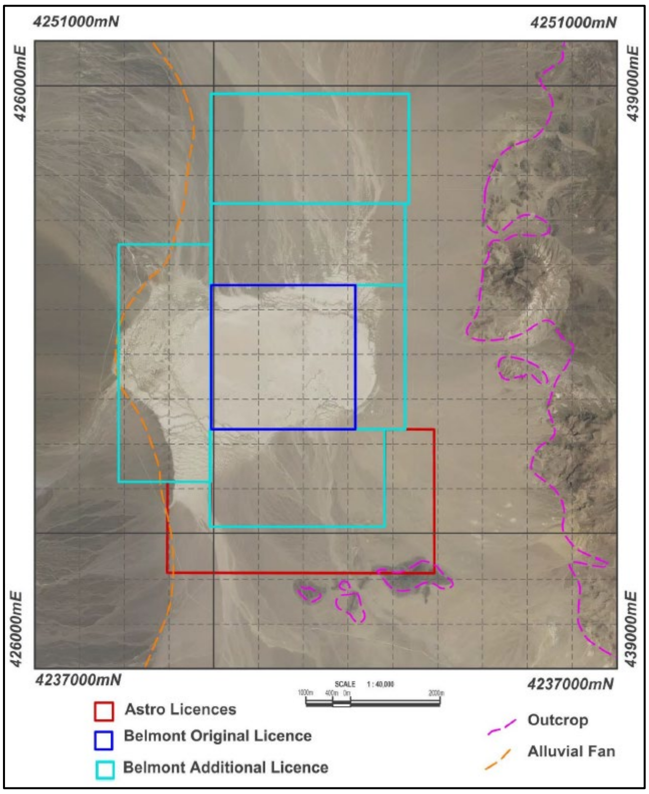

Figure 2. Astro Kibby Basin claim area, boundary of outcropping rocks and alluvial fan

Work undertaken

The Company applied for an area of claims in the Kibby Basin to the immediate south of Belmont Resources' Kibby Basin Project (Figure 2). The new claim area comprises overlapping placer and lode claims, providing the Company with rights to explore for both lithium-rich brines and lithium-bearing clays.

The Company intends to commence exploration at the Kibby Basin shortly.

For personal use only

GOVERNOR BROOME MINERAL SANDS PROJECT

Background

The Governor Broome Project is located on the Scott River Coastal Plain, 70km south of Busselton and 50km southwest of Nannup. Governor Broome consists of two parts:

- Retention Licence R70/53 which is held 100% by Astro ("Governor Broome"); and
- Retention Licence R70/58 which was previously subject to a Farm-in /Joint Venture arrangement with Iluka Resources Limited (Iluka) ("Jack Track"). The project was acquired from Iluka during the 2022 financial year.

Work undertaken

No exploration work was undertaken on the Governor Broome area during the financial year.

Resource Upgrade

In October 2021, following the acquisition of Iluka's 80% interest in the Jack Track project, Astro commissioned a re-estimation of the resource of the Governor Broome deposit. The re-estimation was based on a 2% HM cut-off grade which was in accordance with the preliminary study completed by TZ Minerals International Pty Ltd (TZMI) in 2019 for the Governor Broome Project (ASX announcement 16th October 2019).

The estimations were carried out by Astro's independent consultant Mr John Doepel, Principal Geologist of Continental Resource Management Pty Ltd ("CRM"). As a result, the resource tonnage for the Governor Broome Project increased from 77Mt @ 4.5% HM to 118Mt @ 4.4% HM. The results from the re-estimation have been summarised in Table 2 under the 'Jack Track' section of this report.

Jack Track

Acquisition

In September 2021, the Company announced that it had acquired Iluka Resources Limited ("Iluka") 80% interest in the Jack Track tenement (R 70-58) and 100% interest in the adjacent tenement EL 70/5200. As a result of the acquisition, Astro's ownership in the Jack Track tenement increased to 100%.

The consideration paid by Astro for Iluka's interest in the Jack Track tenement and adjacent tenement EL70/5200 was as follows:

- cash payment of $700,010; and
- 1% royalty on gross revenue with the only deduction for Goods and Services Tax for any Heavy Mineral Concentrate or saleable product.

Additionally, Iluka has a Last Right of Refusal (LROR) in its favour from product produced from tenements R70/58 or EL70/5200. The royalty agreement is also subject to customary terms and conditions, including rights in favour of Iluka to request information and audit and dispute resolution clauses.

In conjunction with the Jack Track acquisitions, the Company successfully permitted for two exploration licences that are believed to cover a potential strike extension of the Jack Track deposits.

As a consequence of adding the above projects to the existing Governor Broome exploration portfolio, the Company's tenement footprint in Governor Broome region has increased to 171km^2, which will support Astro moving the Governor Broome asset forward towards commercial production.

Background of mineral resources

On the 26th of April 2016, the Company announced a maiden Inferred Mineral Resource of the Jack Track Project (of which Astro retained a 20% interest) of 18.8 Mt @ 4.7% HM (at a 3.0% HM lower cut-off grade) containing 890,000 tonnes of HM. The Mineral Resource was reported in accordance with the guidelines outlined in the JORC Code (2012) for the reporting of Exploration Results, Mineral Resources and Ore Reserves.

Full details of the basis of the Mineral Resource estimate were set out in the year ended 30 June 2016 directors report. However, it is noted that the estimation of the tonnage and grade for the mineral resource was undertaken using a lower cut-off of 3.0% HM, and was based on the following:

- current operational practices for dry mining and concentrating HM strand mineralisation in Western Australia with a similar mineral assemblage and mineral quality;

- consideration of mineralisation grade and thickness compared to the. depth of burial;
- the mineral being shallow and amenable to extraction using open cut mining methods; and
- the reasonable prospects for eventual economic extraction as determined by the Competent Person.

The Mineral Assemblage of the resource as reported by Iluka is set out in Table 1.

Table 1 : *Jack Track Deposit Heavy Mineral Assemblage*[1]

Ilmenite	Zircon	Rutile	Leucoxene
75 %	**10.8%**	**2.4%**	**6.9%**

[1] includes magnetic and non-magnetic Leucoxene, which is a high grade titanium feedstock

Work Undertaken

Re-estimation of Jack Track tenement resources

Following air-core drilling in 2015 by Iluka it estimated and reported an Inferred JORC Resource of 18.8Mt at 4.7% HM, at a cut-off grade of 3% HM for the Jack Track deposit. Upon completion of the acquisition of the Jack Track project, Astro commissioned a re-estimation of the deposit based on a 2% cut-off grade, which was determined as being the economic grading in TZ Minerals International Pty Ltd (TZMI) preliminary study completed in 2019 (ASX announcement 16th October 2019). The re-estimation included results from air-core drilling carried out by Metal Sands in 2007 and by Astro in 2012.

In addition to the re-estimation of the Jack track deposit, resource estimates were made for three other areas of mineralisation within the Jack Track tenement: the Jack Track Northwest, Jack Track West, and Jack Track Southwest deposits.

The estimations were carried out by Astro's independent consultant, Mr John Doepel, Principal Geologist of Continental Resource Management Pty Ltd ("CRM"). As a result, the total Mineral Resources for the Governor Broome Project increased from 77Mt @ 4.5% HM to 118Mt @ 4.4% HM. The revised resources are summarised in Table 2 below:

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

Reported	Deposit	Category	[1]Tonnage (Mt)	HM (%)	Slimes (%)	Oversize (%)
24th May 2021	West	Indicated	8.0	4.2	13	7.5
24th May 2021	East	Indicated	3.5	4.2	12	3.7
24th May 2021	East	Inferred	3.2	3.1	14	2.9
24th May 2021	South	Indicated	11	4.4	15	11
24th May 2021	South	Inferred	2.5	4.6	16	9.1
12th February 2015	North	Indicated	30	4.9	12	8.1
Total	Governor Broome	Indicated	52	4.6	13	8.5
Total	Governor Broome	Inferred	6	4	15	6
November 2021	Jack Track	Inferred	28	4.1	7.6	1.5
November 2021	Jack Track Northwest	Inferred	3.8	4.5	11	4.2
November 2021	Jack Track West	Inferred	5.0	3.9	10	2.7
November 2021	Jack Track Southwest	Inferred	24	3.8	10	4.3
Total	Jack Track	Inferred	61	4.1	9.1	2.9
Total	Project	Indicated	52	4.6	13	8.5
Total	Project	Inferred	66	4.0	9.6	3.1
Total	Project	Resources	118	4.4	10	5.5

[1] The above figures have been appropriately rounded

For personal use only

For personal use only

Infill drilling program

During the June 2022 quarter, the Company completed an in-fill air core drill program at the Jack Track deposit. The drill program comprised of 314 holes for 3,520 metres and 2,499 samples.

The infill program tested portions of the southwest deposit and an area within the blue-gum plantations of Jack Track tenement. In addition, a bulk sample was collected across the central portion of the Jack Track deposit by combining approximately 8kg samples from each metre drilled within the mineralisation. This sample is to be tested by Allied Mineral Laboratories in Perth, to enable the preliminary development of a process flowsheet and to evaluate the grades and recoveries of the target HM products.

The expected maiden Indicated Resource for the infill drilled portion of the Jack Track and Jack Track Southwest deposits was announced on 19th September 2022. The upgrade of the deposits to Indicated Resource status and the testwork will enable a Scoping Study to be carried out into the mining of both the Governor Broome deposits within R70/53 (total Indicated Resources of 52Mt @ 4.6% HM, ARO: ASX Announcement 24/05/2021) and of the Jack Track deposits (within R70/58).

Since 30 June 2022 and up to the date of this report, the Company has only partially completed the infill drilling work. The remaining areas of the Jack Track Tenement (Jack Track Northwest, Jack Track West and the remaining parts of Jack Track Southwest and Jack Track deposits) are expected to be completed in February 2023, the next available opportunity to complete the program.

NEEDLES GOLD PROJECT

Background

In October 2017, Astro acquired 100% of the Needles Project in Nevada, a State with a thriving mining industry which has produced over 215Moz of gold since 1835. The project is approximately 100km southeast of the operating 15Moz Kinross Round Mountain open cut gold mine (Figure 3). It covers an area of approximately 2,830 acres or 11.46km^2 within Federal Land, consisting of one hundred and thirty-seven (137) unpatented lode mining claims.

The Needles licence area is located near the eastern margin of a mostly eroded shield-type volcano/caldera complex formed between ~32 million and ~19 million years ago, as part of extensive continental magmatism. The caldera measures approximately 15 kilometres in diameter.

The principal target type mineralisation sought in the Needles Property area is epithermal gold (± silver and base metals). The available information for the area indicates that structurally controlled, silver-antimony-gold-bearing epithermal quartz veins are the main deposit type. Quartz stock work replacement veins containing silver and arsenic-bearing sulphides characterize areas of high-grade gold-silver mineralization.

Work undertaken

Diamond Drilling

During the second quarter of the year, the Company commenced a diamond drill program consisting of three 500m deep holes, which were designed to test a strong DC/IP chargeability anomaly outline during the geophysical surveys that were completed in January 2021 (Figure 4). Based on Astro's initial interpretation of the DC/IP and seismic surveys, it was believed that the IP anomaly reflected the presence of disseminated pyrite, which might have been associated with gold mineralisation of a similar type to the Round Mountain Gold Deposit, located 100km to the north of the project.

The diamond drilling tested two distinct areas of the DC/IP chargeability anomaly as follows:

- two drillholes tested the central portion of the mineralisation in two directions, which maximised the possibility of intersecting higher-grade structures, irrespective of their orientations (Figure 4); and

- the third drill hole tested a second chargeability high centred about 500m to the southeast of the first two drill holes.

An additional hole (21ND_004A) drilled to the southwest of the main chargeability anomaly to test for possible gold mineralization in a subsidiary DC/IP anomaly (Figure 4).

Figure 3. Location Map of the Needles Property

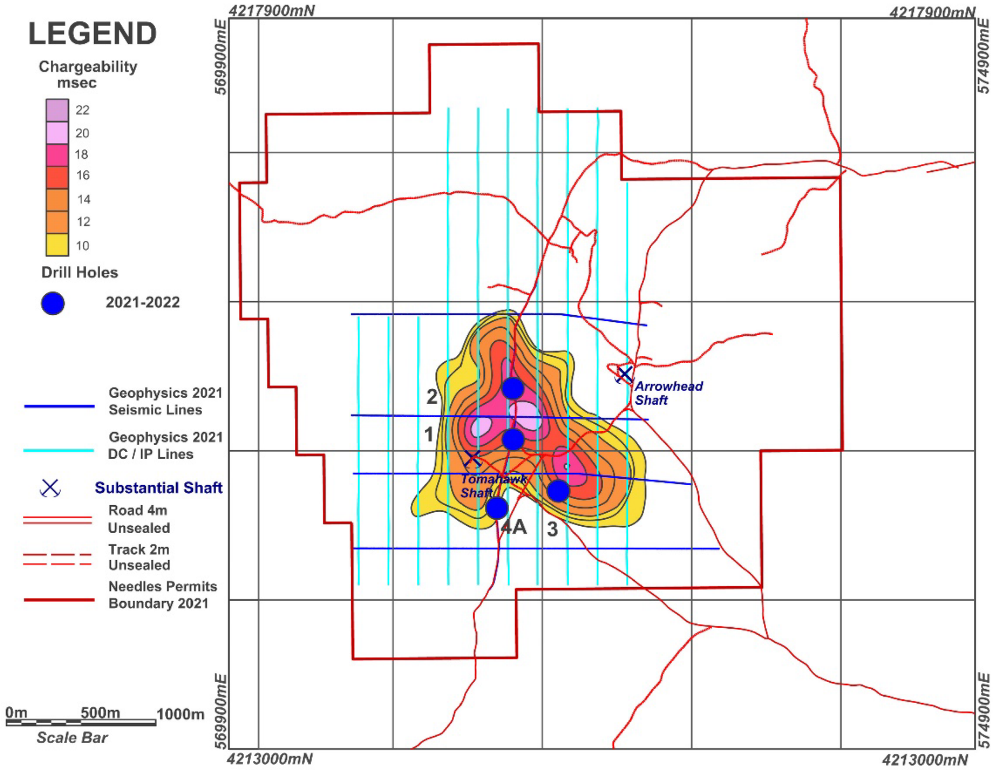

Figure 4. Map of Needles Property showing DC/IP and seismic survey lines, the chargeability anomaly and the subsequent drilling.

The results from each of the diamond drill holes are as follows:

- **Drill hole 1 (21ND_001)**
  Drill hole 21ND_001 was completed to a depth of 1259 feet (384 metres) on 4 December 2021.

  From 150m down-hole, the volcanics displayed weak to strong propylitic alteration with variable pyrite mineralization both disseminated and locally concentrated in veins accompanying silicification. The overall intensity of alteration and concentration of pyrite generally appears to be increasing down-hole to TD. Within this zone, the pyrite tenor was 3-5% and up to 10% in the veins (Figure 5). This level of pyrite mineralization is consistent with the main DC/IP chargeability.

  In February 2022, 251 assays from the drill hole were received and returned very low gold values, with most being below the level of detection. A zone of very modest gold values was recorded from 285 to 305 feet (85-93m) which averaged 22 ppb Au, with the highest value of gold at 43 ppb.

- **Drill hole 2 (21ND_002)**
  Drill hole 21ND_002 was completed to a depth of 1525 feet (464.80 metres) on 11 January 2022.

  The hole intersected 80m of andesite between 1005 and 1268 ft (306 to 386m) containing generally 5 to 10% of pyrite (Figure 6) and a further 33m of brecciated andesitic volcanics containing up to 10 to 20% pyrite between 1268 and1375ft (386 to 419m). Within these pyritic intervals, propylitic alteration intensity was generally moderate to strong, with argillic and /or phyllic alteration encountered in the deepest intercepts. The hole then passed into a strongly broken zone of clay and rock fragments of andesite and of dolomite from the underlying basement between 1375 and 1381ft (419 to 421m). The hole was completed in Devonian dolomite basement rocks to 1,525 feet (464.8m).

  In February 2022, the assays for drill hole 2 were received and returned very low gold values. Based on such results, it was concluded that the deeper pyritic zones do not carry gold and are not associated with any base metal mineralisation.

For personal use only

Figure 5. Core photo from 924ft to 934ft (281.6m to 284.7m) in hole 21ND_001 showing silicified and propylitically altered andesites containing disseminated and vein-hosted pyrite grey).

Figure 6. Brecciated unit in hole 21ND_002 showing altered andesite clasts within a pyrite-rich matrix (from 1155 to 1164ft (352 to 354.8m)).

- **Drill hole 3 (21ND_003)**
  Hole 21ND_003 was completed into the main chargeability anomaly on 15 February 2022.

  The hole commenced in lithic dacitic tuffs intersected with 1% or less of pyrite in veins to 565 feet (172m), before passing into 177m of andesite between 565 feet and 1,147 feet (172m to 350m) containing generally 3% to 6% pyrite, followed by a further 179m of mixed andesites and dacitic dykes between 1,147 feet and 1,735 feet (350 to 529m) containing generally 1% to 3% pyrite in silicic veins. Alteration is generally weak to moderate propylitic with occasional silicification. The hole finished in porous dacitic tuffs at a depth of 1,827 feet (557m).

  In May 2022, 368 sample assays were returned, recording low gold values over most of the hole, largely being below the level of detection. A zone of very modest gold values was recorded deep in the hole from 1700 to 1785 feet [518-544m] averaging 10 ppb Au, with the highest value of gold at 72 ppb Au in a sequence of andesite and dacitic tuffs containing moderate pyrite mineralization.

- **Drill hole 4 (21ND_004)**
  The fourth and final hole into the Needles Project (21ND_004A) was completed on 9 April 2022.

  The hole was tested for possible gold mineralisation within a subsidiary DC/IP geophysical anomaly off to the southwest of the main DC/IP anomaly that Astro had tested in its previous drilling. Hole 4 drilled through a dacitic ash flow sequence into andesitic to dacitic intrusive systems below, terminating in andesites. The assays returned low gold values over much of the hole, largely being below the level of detection. Modest gold values were recorded in an upper zone from 65 to 195 feet [20-60m] averaging 30ppb Au, with a highest value of 239ppb Au hosted in a sequence of dacitic tuffs containing moderate pyrite mineralization.

Based on the assay results from the 2022 Needles diamond drilling campaign, it was concluded that although the main DC/IP chargeability anomaly has defined pyrite mineralisation in the andesites and dacites, the pyrite does not carry significant gold or base metal mineralisation. The information obtained from the 2021-2022 Needles drilling program will be reviewed and integrated into a final report with conclusions and recommendations for future work on the project.

Mapping, Sampling and Additional Tenements

During the year the Company engaged Mr Elliot Crist to undertake a geological mapping and rock chip sampling over Astro's mining lode claims that were staked in January 2021.

An additional 26 lode claims were also staked in the northwest of the project area based on the results from the Company's DC/IP and seismic geophysical surveys.

DIAMONDS – LOWER SMOKE CREEK PROJECT

Background

The Company's Lower Smoke Creek Diamond Project is located immediately south-west of Lake Argyle in Western Australia, just 20km north-east of Rio Tinto's AK1 diamond deposit.

For personal use only

Work undertaken

No exploration work was undertaken on the Diamonds project during the financial year.

Spin-off

During the year, the Company commenced negotiations with several parties for the acquisition/spin-off of Astro's diamond tenements into a special purpose vehicle. It is intended for the special purpose vehicle to undergo an initial public offering (IPO) on the Australian Securities Exchange (ASX). Included in the proposed IPO will be the Company's interest in its East Kimberley Diamond project (E80/4120).

The Company believes that by having a special purpose vehicle that is dedicated to diamonds will provide a clearer focus and its own management team, which will be in the best interests of Astro's shareholders. It is envisaged that the spin-off will occur via Astro's recently incorporated subsidiary, Argyle Resources Limited ("Argyle") and Astro shareholders will be provided a priority allocation in the IPO.

The Company is in the process of undertaking due diligence on additional projects to include within the IPO, with a view to moving towards shareholder approval for the spin-off, including terms and conditions.

ANNUAL REPORT OF MINERAL RESOURCES AND EXPLORATION RESULTS

The Statement of Mineral Resources and Exploration Results presented in this Report has been prepared in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves 2012 Edition (the JORC Code 2012). Astro is not aware of any new information or data that materially affects the information included in this Report and confirms that all of the material assumptions and technical parameters underpinning the Mineral Resource estimates and Exploration Results in the relevant market announcement(s) continue to apply and have not materially changed.

Mineral Resources and Ore Reserves - Corporate Governance Statement

Set out below is the following in relation to the Company's Mineral Resources and Ore Reserves:

GOVERNOR BROOME SANDS MINERAL RESOURCE ESTIMATES

The following tables show the mineral resources estimates of the Governor Broome Sands project (inclusive of the Jack Track deposit) in accordance with the JORC Code (2012) as at 30 June 2022. There have been no material changes between the date that the resource estimates were made (ASX announcement: 8 November 2021) and the end of the financial year.

Classification	Material	Tonnes (Mt)	HM%	Slimes%	Oversize%
Indicated	Mineral Sands	52	4.6	13	8.5
Inferred	Mineral Sands	66	4.0	9.6	3.1
Total Resource	**Mineral Sands**	**118**	**4.4**	**10**	**5.5**

Since the end of the financial year, there has been a material change in the project resources due to resource upgrades for three of the mineral sands deposits (ASX announcement: 19 September 2022). The project's current total resources are set out in the table below:

Classification	Material	Tonnes (Mt)	HM%	Slimes%	Oversize%
Indicated	Mineral Sands	78	4.5	11	8.0
Inferred	Mineral Sands	48	4	10	4.
Total Resource	**Mineral Sands**	**126**	**4.3**	**11**	**6.5**

Summary of the results of the annual review of Mineral Resource and Ore Reserves

The Company has no Ore Reserves, it has Mineral Resources within the Governor Broome mineral sands tenements.

These resources were revised during the year.

For personal use only

For personal use only

Comparison of Mineral Resources and Ore Reserves holdings against that from the previous year

There has been an increase in the Mineral Resources for the Governor Broome Project for the year ended 30 June 2021 to 30 June 2022, resulting from an increase in tonnage and a decrease in grade.

Basis of mineral resources and exploration results and competent person sign-off

All information contained in this report are based on work exploration and results that have been appropriately reviewed by the Competent persons listed and based on work programs approved and paid for by the Company. The Company has provided an advanced copy of the draft annual report to each Competent Person to review and make any comment necessary and adjustments that they feel necessary in relation to the Company's tenements.

COMPETENT PERSONS

Governor Broome Project

The information in this report as it relates to Mineral Resources and Exploration Results for the Governor Broome Project 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 deposits 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.

Needles Property

Exploration Results for the Needles Property other than drill logging, sample selection and delivery to the certified laboratory in the USA 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.

For drill logging, sample selection and delivery to the certified laboratory in the USA is based on information compiled by Elliot Crist. Mr Crist is a member of the American Institute of Professional Geologist (AIPG) 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. Crist consents to the inclusion in this announcement of the matters based on his information in the form and context in which it appears.

Kibby Basin

The information in this report that relates to Kibby Basin claims is based on information compiled by Mr 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.

CORPORATE ACTIVITIES

Capital raising – amounts raised in cash

During the 2022 financial year, the Company undertook two capital raisings

- **January 2022 Placement**

  On 19 January 2022, Astro announced that it had received binding commitments for 838,308,527 ordinary shares at an issue price of $0.004 per share. In addition, for each share subscribed to by an investor, following shareholder approval, they received two (2) free attaching options at an exercise price of 1 cent with an expiry date of 21 April 2022.

  The total proceeds raised from the placement was $3.353 million (before costs), with such funds earmarked to further development of the Company's Needles Property and Governor Broome Projects.

For personal use only

- **June 2022 Placement**

  The Company announced on 1 June 2022 that for the purposes of assisting with the ongoing funding required for the acquisition of the Georgina Basin Project, a $1.75 million share placement at a proposed issue price of $0.003 per share would be undertaken.

  As at the end of the 2022 financial year, $400,000 in applications had been received under the placement, with the residual balance requiring shareholder approval. Astro's existing major shareholder, Holdmark Property Group, has confirmed its intention to participate in the capital raising to retain its approximately 19.9% shareholding in the Company. The shares were allotted on the 19th September 2022.

Capital raising non-cash

In addition to the above, the Company announced on 14 January 2021 that Drillrite LLC (Drillrite), the company carrying out the drilling work at the Astro's Needles Project, agreed to subscribe for 102,739,726 fully paid ordinary shares in the Company worth $410,959 in satisfaction for part payment of its contract drilling fees.

Performance Plan

At the Company's 2021 annual general meeting held in November 2021, shareholders approved a Loan Funded Share Plan (LFSP). Under the terms of the LFSP, 63 million ordinary shares will be able to be issued, which was equivalent to approximately 1.67% of the issued share capital in the Company at the time of issue. Limited recourse loans are provided to directors and key management personnel of the Company interest free, for the purposes of acquiring ordinary shares.

The terms and conditions of shares under the LFSP affecting renumeration of directors and key management personnel in this financial year are as follows:

Grant date	Expiry date	Name	Number of loan shares	Exercise price	Fair value of shares at grant date
29 November 2021	29 November 2024	Gregory Jones	15,000,000	$0.004	$0.005
29 November 2021	29 November 2024	Jacob Khouri	24,000,000	$0.004	$0.005
29 November 2021	29 November 2024	John Doepel	24,000,000	$0.004	$0.005

Board Changes

The following board changes were announced by the Company during the reporting period.

a) **Appointments**

No appointments were made during the reporting period.

b) **Resignations**

No resignations were made during the reporting period.

On 1 June 2022, the Company announced that as part of the Georgina Basin Project acquisition, Greenvale Mining Limited. Definitive agreements subject to shareholder approval were announced on the 20th September 2022.

More information concerning the directors can be found under the Directors' Report below. With the exception of the above, there were no other changes made to the Board's composition during the year.

Management Changes

In October 2021, the Company appointed Kurt Laney as Joint Company Secretary. Mr Laney is an experienced Chartered Accountant (CAANZ) who has worked alongside Vincent Fayad in the CFO and Company Secretarial roles of the Company since 2014. Mr Laney is an Associate Director of Vince Fayad and Associates Pty Ltd and currently works in several similar roles for other ASX-listed companies.

For personal use only

Risks

Astro is subject to a number of risks, including but not limited to the following:

Risk	Description
Changes in resource prices	There is no guarantee that the resource prices will remain at the current levels and as a result, a decline in prices, could affect the economic value of the projects
Sufficient volume for commercialisation	There is no guarantee that an economic level of resource will be found
Access to future funding	There is no assurance that the funding required by the Company from time to time to meet its business requirements and objectives will be available to it on favourable terms, or at all.
Regulation changes	Unforeseen changes to the mining laws, regulations, standards and practices applicable may significantly affect the Exploration Licences and ability of the Company to operate.
Technological risk	Even if resource is found, there is no guarantee that the processing of the resource will be able to occur.
Exploration and development risk	Exploration programmes may or may not be successful, could cause harm to employees or contractors, and may incur cost overruns if not carefully managed. The Company is exposed to a significant risk that the proposed exploration activity will be unsuccessful and will not result in the discovery of a viable mineral resource.

Jacob Khouri
Chairman
Dated at Sydney this 29th day of September 2022.

Corporate Governance Statement

Astro Resources NL is committed to implementing the highest standards of Corporate Governance, in a manner in which is practical and efficient given the Company's size and operations.

This Corporate Governance Statement of the Company has been prepared in accordance with the 4th Edition of the Australian Securities Exchange's ('ASX') Corporate Governance Principles and Recommendations of the ASX Corporate Governance Council ('ASX Principles and Recommendations').

This statement has been approved by the Company's Board of Directors and is current as at 29 September 2022. Where the Company's Corporate Governance practices do not correlate with the practices recommended by the Council, the Company has provided an explanation as to why it does not consider that the practices are appropriate for the Company.

The Company's Corporate Governance statement for the reporting period ended 30 June 2022 is available for members to download and access from https://aro.com.au/corporate/corporate-governance/

For personal use only

For personal use only

The directors present their report, together with the financial statements of Astro Resources NL (the Company) and its controlled entities (the Group), for the financial year ended 30 June 2022.

DIRECTORS

At the date of this Directors' Report, the following are the Directors of the Company:

Mr Jacob Khouri (Non-Executive Chairman)

Mr Gregory Jones (Non – Executive Director)

Mr Vincent Fayad (Executive Director)

JOINT COMPANY SECRETARIES

The names of the company secretaries in office at any time during, or since the end of the period 1 July 2021 to 30 June 2022 are as follows:

Mr Vincent Fayad

Mr Kurt Laney – appointed 8 October 2021.

PRINCIPAL ACTIVITIES AND SIGNIFICANT CHANGES IN NATURE OF ACTIVITIES

The principal activities of the Group during the financial year were the exploration and development of mineral resources.

There were no significant changes in the nature of the Group's principal activities during the financial year.

RESULTS AND REVIEW OF OPERATIONS

The consolidated loss of the Group for the financial year after providing for income tax amounted to $1,230,119 (2021: loss of $1,021,215).

The consolidated loss for the year has been impacted by the following:

- listing and regulatory costs of $112,245;
- Director share based payment of $294,000; and
- due diligence costs incurred in respect to assessing several potential transactions of $103,333.

The residual of the operating loss of $720,541 is made of general overheads in relation to the day to day running of the Company.

The net assets of the Group have increased by $2,576,798 from $8,581,292 as at 30 June 2021 to $11,158,090 as at 30 June 2022. This increase was primarily due to proceeds received from the Company's $3.353 million capital raising completed in January 2022.

A full report in relation to the review of the operations has been set out on pages 5 to 18.

DIVIDENDS PAID OR RECOMMENDED

The Directors' recommend that no dividend be paid for the year ended 30 June 2022 (2021: nil).

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

There have been no significant changes in the state of affairs of entities in the Group during the year, except as disclosed throughout this report.

FUTURE DEVELOPMENTS AND RESULTS

The Group intends to further explore and develop the Group's mineral projects and to actively seek new exploration and mining opportunities.

For personal use only

ENVIRONMENTAL ISSUES

The exploration activities of the Group are conducted in accordance with and controlled principally by Australian state and territory government legislation and United States of America regulatory requirements. The Group has exploration land holdings in Western Australia and Nevada, United States of America.

The Group employs a system for reporting environmental incidents, establishing and communicating accountability, and rating environmental performance. During the year, data on environmental performance was reported as part of the monthly exploration-reporting regime. In addition, as required under various state and territory legislation, procedures are in place to ensure that the relevant authorities are notified prior to the commencement of ground disturbing exploration activities.

The Group is committed to minimising the impact of its activities on the surrounding environment at the same time aiming to maximise the social, environmental and economic returns for the local community. To this end, the environment is a key consideration in our exploration activities and during the rehabilitation of disturbed areas. Generally, rehabilitation occurs immediately following the completion of a particular phase of exploration. In addition, the Group continued to develop and maintain mutually beneficial relationships with the local communities affected by its activities. Rehabilitation initiatives include the extraction of all pegs and restoration of peg lines, plugging of all drill holes and the removal of plastic geological sample bags.

EVENTS AFTER THE END OF THE REPORTING PERIOD

Since the end of the financial year, the following matter have arisen which significantly affected or could significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in future financial years:

1. assays from the fourth (and final) drill-hole of Needles Gold Project were received, with modest gold values recorded in:

   (a) an upper zone from 65 to 195 feet [20-60m] averaging 30ppb Au, with a highest value of 239ppb Au; and

   (b) from 630 to 670 feet [192-204m] averaging 24ppb Au with a highest value of 49ppb Au.

   It was concluded that the results from the fourth drill-hole and the previously reported holes, returned a weak gold mineralization associated with the DC/IP anomaly to the south-west of the main trend. The information gained from the 2021-2022 four-hole drilling program at Needles will be reviewed and integrated into a final report with conclusions and recommendations for future work on the project during the 2023 financial year;

2. during the year the Company announced that it would pursue a strategic alliance with Nevada Exploration Inc (TSX-V: NGE; OTCQB: NVDEF, "NGE) for its epithermal gold projects in the United States of America. On 1 August 2022, the Company decided to not peruse the proposed strategic alliance with Nevada Exploration Inc. The Company's decision was based on re-prioritisation of its strategic direction, which was aligned to focusing on advancing its current asset portfolio (mineral sands and diamonds), whilst also pursuing its new projects, being the Kibby Basin in Nevada, USA and Georgina Basin IOCG Project in the Northern Territory;

3. on the 20th September 2022, the Company announced the execution of definitive transaction documents with Greenvale Mining Limited (ASX: GRV) for the acquisition of a 80.00% shareholding in Knox Resources Pty Ltd (**Knox**). Knox is the 100% owner of the world-class Georgina IOCG Exploration Project in the Northern Territory from Greenvale Mining Limited (Greenvale ASX: GRV);

4. on the 19th September 2022, the Company announced the results of its infill drilling to upgrade the JORC category from Inferred to Indicated for its Governor Broome Mineral Sands Project. Full details have been set out in the release dated 19 September 2022; and

5. on 19 September 2022, the Company announced that it has entered into key terms with a private company, Luna Lithium Limited (Luna Lithium) for the purposes of entering into a 50: 50 joint venture via a special purpose Company known as Galactic Lithium LLC (Galactic). If consummated, Astro will contribute to Galactic the following:

   (a) cash of US$500,000 in the first year and a further US$700,000 in the second year; and

   (b) 100% of its interest in Kibby Basin.

Luna Lithium will contribute to Galactic:

(a) cash of US$500,000 in the first year and a further US$700,000 in the second year; and

(b) its project under an Option Agreement (which is subject to dispute) known as Columbus Basin.

6. on 1 June 2022, the Company announced that it would be undertaking a $2.25 million capital raising initiative for the purposes of meeting the ongoing funding requirements for the Georgina Basin Project (Capital Raising). Subsequent to the 30 June 2022 financial year, the following events occurred in relation to the Capital Raising:

(a) on 19 September 2022, the Company allotted 188,025,688 ordinary shares at an average issue price of $0.0035 per share, raising $654,683 (before costs) (Tranche 1). Included in the amount of the placement, $262,259 related to amounts collected prior to 30 June 2022 and included in advanced deposits. The remaining amount of $137,741 related to equity raised after 30 June 2022. Shareholder approval for the issuance of the Tranche 1 shares was not required, as such shares were issued Company's placement capacity under Listing Rule 7.1A;

(b) at the time of the Company's announcement made on 1 June 2022, it had been intended that upon completion of the Georgina Basin Project acquisition, 2 nominees from the vendor (Greenvale Mining Limited) would be joining the Group's board and also participating in the placement. In September 2022, the Group received notification from Greenvale Mining Limited that one of the nominees would not be joining the Group's board, nor participating in the placement;

(c) as a result of Mr Biddle not joining the board of Astro, the minimum amount to be raised under the Capital Raising has reduced from $2.25 million to $1.75 million (Tranche 2); and

(d) as announced on 19th September 2022, the Company will be seeking shareholder approval for the allotment of shares of Tranche 2 of $1,137,740, which will be sought during the Group's Annual General Meeting held in November 2022. Included int this amount is $137,741 to major shareholder Holdmark Property Group who has provided such funds prior to 30 June 2022 and is included in the advanced deposits. In addition, Mining Investments Limited, a substantial shareholder of the Company has also agreed to the issue of shares totalling $500,000 and at a price of $0.003 per share.

INFORMATION ON DIRECTORS & COMPANY SECRETARY

Mr Jacob Khouri — Non-Executive Director and Chairman

Mr Khouri is the founder and operator of a successful mechanical engineering business. He also has a broad range of corporate experience, having served as a director of Gun Capital Corporate Pty Ltd and Gun Capital Management Pty Ltd. Having served this role, Mr Khouri has a solid understanding of new market trends and sustainability issues.

Mr Khouri is currently serves as a Non-Executive Director of Mooter Media Limited (unlisted public company).

Previous directorships in other listed entities included Esperance Minerals Limited (ASX: ESM) and other listed entities.

Mr Gregory Jones — Non-Executive Director

Mr Jones is a geologist with more than 40 years of exploration and mine operation experience gained in a broad range of commodities within Australia and overseas. Mr Jones's technical and management experience spans a wide spectrum of activities from grass-roots exploration through to resource definition and new project generation, project assessment and acquisition, mine feasibility studies and mine operations.

Mr Jones has previously worked in senior executive positions with a number of companies including Western Mining Corporation (ASX: WMC), Sino Gold Mining Limited (ASX: SGX) and CBH Limited (ASX: CBH). He has also served on the boards of a number of ASX listed resource entities since 2009.

Mr Jones is member of the Australian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists. He is Competent person as defined under the 2012 JORC code.

For personal use only

For personal use only

Mr Vincent John Paul Fayad Executive Director and Joint Company Secretary

Mr Fayad is currently a currently a Director of Vince Fayad and Associates Pty Ltd and has had approximately 35 years of experience in Corporate Finance, Accounting and other advisory related services. He is a registered company auditor and tax agent.

Mr Fayad currently serves as a Joint Company Secretary of Polymetals Resources Limited (ASX: POL).

He has also previously served on other listed entities boards.

Mr Kurt Laney (appointed 8 October 2021) Joint Company Secretary

Mr Laney is an experienced Chartered Accountant and is an Associate Director of Vince Fayad and Associates Pty Limited.

Mr Laney currently serves as a Joint Company Secretary of Polymetals Resources Ltd (ASX: POL) and Greenvale Mining Ltd (ASX:GRV).

MEETINGS OF DIRECTORS

During the financial year, eleven meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

	Directors' Meetings		Audit Committee[1]	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Mr Jacob Khouri	2	2	-	-
Mr Gregory Jones	2	2	-	-
Mr Vincent Fayad	2	2	-	-

[1]Refer to Principle 4.1 of the Governance Statement which explains why the Company has not established an Audit Committee.

CORPORATE GOVERNANCE

In recognising the need for the highest standards of corporate behaviour and accountability, the directors of the Group support and have adhered to the principles of Corporate Governance. The Group's corporate governance statement is contained in the Corporate Governance section of the financial report.

DIRECTORS' INTERESTS

The relevant interest of each director in the shares of the Company as notified by the Directors to the Australian Securities Exchange in accordance with s.205G(1) of the *Corporations Act 2001* at the date of this report is as follows:

	Ordinary Shares – Fully Paid	
	2022	2021
Mr Jacob Khouri	48,371,260	48,371,260
Mr Gregory Jones	-	-
Mr Vincent Fayad[1]	49,449,885	49,449,885

[1] Shares are held by a related entity controlled by Mr Fayad. Such amounts have been included in the above table reflect Mr Fayad's collective interest within the Company.

INDEMNIFICATION AND INSURANCE OF OFFICERS AND AUDITORS

During the financial year, the Group paid a premium in respect of a contract insuring the directors of the Group, the Company Secretary, all executive officers of the Group and of any related body corporate against a liability incurred as a director, secretary or executive officer to the extent permitted by the *Corporations Act 2001*. The Group has not otherwise, during or since the financial year, except to the extent permitted by law, indemnified or agreed to indemnity an officer or auditor of the Group or of any related body corporate against a liability incurred as such an officer or auditor.

The contract of insurance prohibits the disclosure of the nature of the liabilities and the amount of the premium.

For personal use only

OPTIONS

Shareholders who participated in the Company's $3.353 million placement during January 2022 received two (2) free attaching unlisted option for every ordinary share subscribed to. A total of 1,676,617,054 options were issued to such shareholders on the same terms as those options that were issued during November 2020. The terms of the options issued under the placement and to the broker are as follows:

- Exercise date: 21 April 2022;
- Exercise price: $0.01;
- Total options on issue : 1,098,500,001.

It is noted that on 22 April 2022, the above options lapsed. No applications to exercise the options were received by option holders.

With the exception of the above, there were no other options held or exercised in the Company during the financial year.

PROCEEDINGS ON BEHALF OF COMPANY

No person has applied for leave of court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company or the Group was not a party to any such proceedings during the year.

NON-AUDIT SERVICES

RSM Australia Partners is the appointed auditors of the Company.

RSM Australia Partners has not performed any other services in addition to their statutory duties as the auditors. Fees paid for these services in relation to the audit and review of the Group's financial report were $29,325 (2021: $27,900).

The Directors are satisfied that the provision of services is compatible with the general standard of independence for the auditor as imposed by the *Corporations Act 2001*.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 30 June 2022 has been received and can be found on page 74 of the financial report.

REMUNERATION REPORT (AUDITED)

This report details the nature and amount of remuneration for each key management personnel (**KMP**) of Astro Resources NL (the Company).

1. Remuneration policy

The remuneration policy of Astro Resources NL and Controlled Entities (the Group) has been designed to align KMP objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific long-term incentives based on key performance areas affecting the Group's financial results. The Board of Astro Resources NL and Controlled Entities believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best key management personnel to run and manage the Group, as well as create goal congruence between directors, executives and shareholders.

The Board's policy for determining the nature and amount of remuneration for key management personnel of the Group is as follows:

- the remuneration policy, setting the terms and conditions for the executive directors and other senior executives, was developed and approved by the board;
- non-executive directors received fees for their services as approved by shareholders; and
- executive directors can be employed by the Group on a consultancy basis, on board approval, with remuneration and terms stipulated in individual consultancy agreements.

The board reviews executive packages annually by reference to the Group's performance, executive performance and comparable information from industry sectors and other listed companies in similar industries. In addition, external consultants may be used to provide analysis and advice to ensure the directors and senior executives' remuneration is competitive in the market place.

The board exercises its discretion in determining remuneration performance of executives. Given the size and nature of the entity the board does not deem it to be realistic to measure performance against defined criteria. As such remuneration and performance are not linked.

All remuneration paid to directors and executives is valued at the cost to the Group and expensed. Shares given to directors and executives are valued as the difference between the market price of those shares and the amount paid by the director or executive. Options are valued using the Black-Scholes methodology.

The board policy is to remunerate non-executive directors at market rates for comparable companies for time, commitment and responsibilities. The board determines payments to the non-executive directors and reviewed their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. Fees for non-executive directors are not linked to the performance of the Group. The directors are not required to hold any shares in the company under the Constitution of the Company; however, to align directors' interests with shareholder interests, the directors are encouraged to hold shares in the Group.

The board believes that it has implemented suitable practices and procedures that are appropriate for an organisation of this size and maturity.

i. Remuneration Committee

During the year ended 30 June 2022, the Company did not have a separately established nomination or remuneration committee. Considering the size of the Group, the number of directors and the Group's early stages of its development, the directors are of the view that these functions could be efficiently performed with full board participation.

ii. Group Performance, Shareholder Wealth and Directors and Executives Remuneration

No relationship exists between shareholder wealth, director and executive remuneration and Group performance except for options issued.

Key Management Personnel

Name	**Position Held**
Mr Jacob Khouri	Non-Executive Chairman
Mr Gregory Jones	Non-Executive Director
Mr Vincent John Paul Fayad	Executive Director and Joint Company Secretary
Mr Kurt Laney – appointed 8 October 2021	Joint Company Secretary

3. Key person remuneration entitlement

At the 2021 Annual General Meeting (**AGM**), 99.97% of the eligible votes received supported the adoption of the remuneration report of the year ended 30 June 2021. The Company did not receive any specific feedback at the AGM regarding its remuneration practices.

Key Management Personnel	Position Held as at 30 June 2022	Contract Details[1]	Remuneration	Incentives
Mr Jacob Khouri	Non-Executive Chairman	-	$90,000 per annum, including superannuation.	n/a
Mr Gregory Jones	Non-Executive Director	-	$54,000 per annum.	n/a
Mr Vincent Fayad and Mr Kurt Laney	Executive Director and Joint Company Secretaries	Contract is ongoing. Contract may be terminated at anytime, with four months' notice of termination.	$144,000 per annum for the accounting and services of company secretary, excluding one off matters. No fees are payable for director's services provided.	n/a

1. Non-executive directors were appointed by a letter of appointment. Directors can retire in writing as set out in the Constitution.

For personal use only

For personal use only

4. Remuneration details for the year ended 30 June 2022

The following table of benefits and payment details, in respect to the financial year, the components of remuneration for each member of the KMP of the Group and, to the extent different, the three Group executives and three Company executives receiving the highest remuneration:

2022	Cash salary/fees $	Cash Bonus $	Share based payments[1] $	Total $
Executive Directors				
Mr Vincent Fayad	-	-	-	-
Non-Executive Directors				
Mr Jacob Khouri	103,400	-	112,000	215,400
Mr Gregory Jones	58,500	-	70,000	128,500
KMP				
Messers Vincent John Paul Fayad; and Kurt Laney (appointed 8 October 2021)	144,000	-	-	144,000
	305,900	-	182,000	487,900

1 Share based payments are recorded at their fair value on grant date and amortised as an expense to the profit or loss over the vesting period.

2021	Cash salary/fees $	Cash Bonus[1] $	Share based payments[2] $	Total $
Executive Directors				
Mr Vincent Fayad	-	-	-	-
Non-Executive Directors				
Mr Jacob Khouri	97,158	75,000	75,000	247,158
Mr Stephen Gemell (resigned 6 October 2020)	9,580	-	-	9,580
Mr Gregory Jones (appointed 6 October 2020)	37,955	-	-	37,955
KMP				
Mr Vincent John Paul Fayad	117,000	75,000	75,000	267,000
	261,693	150,000	150,000	561,693

1 The cash bonus of $150,000.00 was paid in accordance with the Company General Meeting held on 27 November 2020 ; and
2 Ordinary shares to the value of $150,000.00 were paid in accordance with the Company General Meeting held on 27 November 2020. More information concerning this payment can be found within Item 6 of the Directors Report 'Share Holdings of Key Management Personnel'.

There were no performance related payments made to the directors or executive during the year and the prior year.

i. Short-term non-monetary benefits:

During the financial year, the Group paid a premium of $28,503 (2021: $23,752), being $7,125 per person (2021: $5,938) in respect of a contract ensuring the directors, company secretary and all executive officers of the Group and of any related body corporate against liabilities incurred as a director, secretary or executive officer.

For personal use only

ii. Share based payments:

The share-based payments relate to the Company's Loan Funded Share Plan (LFSP) whereby limited recourse loans have been provided to directors and key management personnel to acquire shares in the Company. Shares to be issued under the LFSP are recorded at their fair value on grant date and amortised as an expense to the profit or loss over the vesting period.

A total of 64,000,000 shares under the Company's LFSP and further information concerning the terms of this arrangement can be found within the page 24 of the Directors Report .

iii. Options issued as part of remuneration for the year:

There were no options issued as part of remuneration package for the year ended 30 June 2022 (2021: Nil).

No options have been granted since the end of the financial year.

5. Description of options granted as remuneration

There were no options granted as remuneration to Directors and those key management personnel and executives during the year.

6. Share Holdings of Key Management Personnel

2022	Balance at start of year or date of appointment	Granted as compensation	On exercise of options	Other	Balance at end of year or date of resignation
Executive Directors					
Mr Vincent Fayad[2,4,5]	49,449,885	-	-	-	49,449,885
Non-Executive Directors					
Mr Jacob Khouri[1,2,3]	48,371,260	-	-	-	48,371,260
Mr Gregory Jones	-	-	-	-	-
KMP					
Kurt Laney	17,838,097	-	-	-	17,838,097
	115,659,242	-	-	-	115,659,242

2021	Balance at start of year or date of appointment	Granted as compensation	On exercise of options	Other	Balance at end of year or date of resignation
Executive Directors					
Mr Vincent Fayad[2,4,5]	25,000,000	32,599,847	-	(8,149,962)	49,449,885
Non-Executive Directors					
Mr Jacob Khouri[1,2,3]	46,330,750	28,432,666	-	(26,392,156)	48,371,260
Mr Gregory Jones	-	-	-	-	-
	71,330,750	61,032,513	-	(34,542,118)	97,821,134

[1]Mr Khouri's father holds shares and options in the Company through Mining Investments Ltd. Shares and options belonging to Mining Investments Ltd have not been included in this table.

[2]The payments to directors as compensation is represented by the following amounts paid during the current year:

- director fees accrued to 30 June 2020, which were paid in ordinary shares (18,175,371 shares); and
- part satisfaction of bonuses payable to directors in accordance with Resolutions 5 and 6 of the Company's General Meeting held on 27 November 2020 (42,857,142 shares).

[3]Disposals in Mr Khouri's shareholding in the Company represent an off-market transfer made to a related party of Mr Khouri; and

For personal use only

[4]Disposals in Mr Fayad's shareholding in the Company represent a transfer to an employee of Mr Fayad who has assisted in the Company Secretarial work of the Company.

[5]Mr Fayad's shareholding in the Company is held through KAFTA Enterprises Pty Ltd, which Mr Fayad is the sole director of.

7. Service Agreements

As noted above, Messers Fayad and Laney provided their services via Vince Fayad and Associates Pty Ltd.

Mr Gregory Jones provided services to the Group through his controlled entity ES Solutions Pty Ltd.

8. Additional Information

The earnings of the consolidated entity for the five years to 30 June 2022 are summarised below:

	2022 000's	2021 000's	2020 000's	2019 000's	2018 000's
Sales revenue	616	1,000	283	11,143	-
EBITDA	(1,230,119)	(881,419)	(365,708)	(548,765)	(890,693)
EBIT	(1,230,119)	(881,419)	(365,708)	(548,765)	(890,693)
Loss after income tax	(1,230,119)	(1,021,215)	(700,581)	(710,721)	(963,693)

The factors that are considered to affect total shareholder return ('TSR') are summarised below:

	2022	2021	2020	2019	2018
Share price at financial year end ($)	0.0040	0.0045	0.002	0.002	0.003
Total dividends declared (cents per share)	-	-	-	-	-
Basic earnings per share (cents per share)	(0.03)	(0.04)	(0.05)	(0.07)	(0.11)

This directors' report, incorporating the remuneration report, is signed in accordance with a resolution of the Board of Directors.

Jacob Khouri
Director

Dated at Sydney this 29th day of September 2022.

For personal use only

RSM Australia Partners

Level 13, 60 Castlereagh Street Sydney NSW 2000
GPO Box 5138 Sydney NSW 2001

T +61 (0) 2 8226 4500
F +61 (0) 2 8226 4501

www.rsm.com.au

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Astro Resources NL for the year ended 30 June 2022, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

RSM AUSTRALIA PARTNERS

C J Hume
Partner

Sydney, NSW
Dated: 29 September 2022

THE POWER OF BEING UNDERSTOOD
AUDIT | TAX | CONSULTING

RSM Australia Partners is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

RSM Australia Partners ABN 36 965 185 036

Liability limited by a scheme approved under Professional Standards Legislation

Certified System Quality ISO 9001

For personal use only

ASTRO RESOURCES NL
A.B.N. 96 007 090 904

Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2022

	Note	2022 $	2021 $
Continuing Operations			
Income	3	**616**	1,000
Interest expense	4	**-**	(139,796)
Listing and regulatory costs		**(112,245)**	(105,960)
Marketing costs		**(92,737)**	(57,053)
Other expenses	4	**(731,753)**	(719,406)
Share based payments expense		**(294,000)**	-
Loss before income tax		**(1,230,119)**	(1,021,215)
Income tax benefit	5	**-**	-
Loss from continuing operations		**(1,230,119)**	(1,021,215)
Loss for the year attributable to			
Members of the parent entity		**(1,230,119)**	(1,021,215)
		(1,230,119)	(1,021,215)
Other comprehensive income			
Items that may be reclassified subsequently to the profit or loss:			
(Loss)/Gain on revaluation of investment		**(180)**	100
Other comprehensive (loss)/income for the year		**(180)**	100
Total comprehensive loss for the year		**(1,230,299)**	(1,021,015)
Total comprehensive loss attributable to:			
Members of the parent entity		**(1,230,299)**	(1,021,015)
		(1,230,299)	(1,021,015)
Loss per share			
From continuing operations:			
Basic loss per share (cents)	6	**(0.03)**	(0.04)
Diluted loss per share (cents)	6	**(0.03)**	(0.04)

The accompanying notes form part of these financial statements.

ASTRO RESOURCES NL
A.B.N. 96 007 090 904

Consolidated Statement of Financial Position
As at 30 June 2022

	Note	2022 $	2021 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	7	**2,074,450**	3,279,002
Trade and other receivables	8	**125,424**	192,906
Inventories	9	**4,000**	4,000
Other assets	11	**284,538**	32,722
TOTAL CURRENT ASSETS		**2,488,412**	3,508,630
NON-CURRENT ASSETS			
Trade and other receivables	8	**266,204**	-
Other financial assets	10	**820**	1,000
Property, plant and equipment	13	**290,165**	302,231
Exploration, evaluation and development assets	12	**8,869,329**	4,997,883
TOTAL NON-CURRENT ASSETS		**9,426,518**	5,301,114
TOTAL ASSETS		**11,914,930**	8,809,744
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	14	**356,840**	228,452
Other liabilities	15	**400,000**	-
TOTAL CURRENT LIABILITIES		**756,840**	228,452
NON-CURRENT LIABILITIES			
TOTAL NON-CURRENT LAIBILITIES		**-**	-
TOTAL LIABILITIES		**756,840**	228,452
NET ASSETS		**11,158,090**	8,581,292
EQUITY			
Issued capital	16	**27,663,242**	23,830,145
Reserves	17	**273,820**	300,000
Accumulated losses		**(16,778,972)**	(15,548,853)
TOTAL EQUITY		**11,158,090**	8,581,292

The accompanying notes form part of these financial statements.

For personal use only

For personal use only

Consolidated Statement of Cashflows
For the year ended 30 June 2022

	Note	2022 $	2021 $
CASH FLOWS FROM OPERATING ACTIVITIES:			
Proceeds from interest income		**616**	1,000
Payments to suppliers and employees		**(939,818)**	(1,009,029)
Net cash used in operating activities	20	**(939,202)**	(1,008,029)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Payments for plant and equipment		**-**	(42,664)
Payments for due diligence		**(139,276)**	-
Payments for mining bonds		**(49,488)**	(8,363)
Payments for acquisition of tenements		**(812,213)**	-
Payments for exploration expenditure		**(2,592,724)**	(1,080,077)
Net cash used in investing activities		**(3,593,701)**	(1,131,104)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Repayment of borrowings		**(195,439)**	(2,251,721)
Proceeds from convertible securities		**-**	2,341,721
Advanced proceeds from share issues		**400,000**	-
Payments for share issue costs		**(229,544)**	(439,169)
Proceeds from share/options issue (gross of transaction costs)		**3,353,334**	5,740,082
Net cash provided by financing activities		**3,328,351**	5,390,913
Net (decrease)/increase in cash and cash equivalents held		**(1,204,552)**	3,251,780
Cash and cash equivalents at beginning of year		**3,279,002**	27,222
Cash and cash equivalents at end of financial year	7	**2,074,450**	3,279,002

The accompanying notes form part of these financial statements.

For personal use only

ASTRO RESOURCES NL
A.B.N. 96 007 090 904
Consolidated Statement of Changes in Equity
For the year ended 30 June 2022

	Issued Capital $	Accumulated Losses $	Reserves $	Sub Total $	Non-controlling Interests $	Total $
Balance at 1 July 2021	**23,830,145**	**(15,548,853)**	**300,000**	**8,581,292**	**-**	**8,581,292**
Loss attributable to members of the parent entity	**-**	**(1,230,119)**	**-**	**(1,230,119)**	**-**	**(1,230,119)**
Other comprehensive loss (net of tax)	**-**	**-**	**(180)**	**(180)**	**-**	**(180)**
Total comprehensive income for the year	**23,830,145**	**(16,778,972)**	**299,820**	**7,350,993**	**-**	**7,350,993**
Transactions with owners in their capacity as owners:						
Options reserve	**320,000**	**-**	**(320,000)**	**-**	**-**	**-**
Share based payments reserve	**-**	**-**	**294,000**	**294,000**	**-**	**294,000**
Shares issued (rights issue less costs)	**3,513,097**	**-**	**-**	**3,513,097**	**-**	**3,513,097**
Balance at 30 June 2022	**27,663,242**	**(16,778,972)**	**273,820**	**11,158,090**	**-**	**11,158,090**
Balance at 1 July 2020	15,562,728	(14,527,638)	(20,100)	1,014,990	-	1,014,990
Loss attributable to members of the parent entity	-	(1,021,215)	-	(1,021,215)	-	(1,021,215)
Other comprehensive income (net of tax)	-	-	100	100	-	100
Total comprehensive loss for the year	15,562,728	(15,548,853)	(20,000)	(6,125)	-	(6,125)
Transactions with owners in their capacity as owners:						
Options reserve	-	-	320,000	320,000	-	320,000
Shares issued (rights issue less costs)	8,267,417	-	-	8,267,417	-	8,267,417
Balance at 30 June 2021	23,830,145	(15,548,853)	300,000	8,581,292	-	8,581,292

The accompanying notes form part of these financial statements.

This financial report includes the consolidated financial statements and notes of Astro Resources NL and Controlled Entities (the 'Group'). The financial statements were authorised for issue by the Board of Directors on 29 September 2022.

Astro Resources NL and Controlled Entities is a Group for the purposes of making a profit, domiciled in Australia.

The separate financial statements and notes of the parent entity, Astro Resources NL, have not been presented within this financial report as permitted by amendments made to the *Corporations Act 2001*. Parent entity summary is included in note 28.

1 Summary of Significant Accounting Policies

(a) Basis of preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards.

Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

(b) Going concern

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

As disclosed in the financial statements, the consolidated entity incurred a loss of $1,230,119 and had net cash outflows from operating and investing activities of $4,532,903 for the year ended 30 June 2022.

The Directors believe that it is reasonably foreseeable that the consolidated entity will continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report after consideration of the following factors:

- As at 30 June 2022 the consolidated entity had net current assets of $1,731,572 and cash at bank of $2,074,250;
- Subsequent to year-end, the Company raised $1,800,000 as disclosed in Note 15 ;
- The company has the ability to reduce exploration activities and other discretionary spending, subject to meeting the expenditure commitments disclosed in Note 21; and
- The company has the ability to raise capital through the issuance of ordinary shares, and has done so successfully in the past.

(c) Comparative figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

When the Group applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements, a consolidated statement of financial position as at the beginning of the earliest comparative period will be presented.

(d) Principles of consolidation

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by Astro Resources NL at the end of the reporting period.

For personal use only

For personal use only

(d) Principles of consolidation (continued)

A controlled entity is any entity over which Astro Resources NL has the power to govern the financial and operating policies so as to obtain benefits from its activities. Control will generally exist when the parent owns, directly or indirectly through subsidiaries, more than half of the voting power of an entity. In assessing the power to govern, the existence and effect of holdings of actual and potential voting rights are also considered.

Where controlled entities have entered or left the Group during the year, the financial performance of those entities is included only for the period that they were controlled. A list of controlled entities is contained in Note 22 to the financial statements.

In preparing the consolidated financial statements, all inter-group balances and transactions between entities in the Group have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those adopted by the parent entity.

(e) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of the diamonds includes direct materials, direct labour and an appropriate portion of variable and fixed overheads associated with their extraction. Overheads are applied on the basis of normal operating capacity. Costs are assigned on the basis of weighted average costs. Costs of purchased inventory are determined after deducting rebates and discounts.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

(f) Property, plant and equipment

Each class of property, plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Other Property, plant and equipment

Plant and equipment are measured on the cost basis. Cost includes expenditure that is directly attributable to the asset.

Depreciation

The depreciable amount of property, plant and equipment, is depreciated on a straight-line basis over the asset's useful life to the Group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements. Land is not depreciated.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. The depreciation rates used by the Group are as follows:

	Depreciation Rate
Property plant and equipment	10.00%
Motor Vehicles	15.00%

Depreciation - Improvements

Improvements carried out on the plant and equipment are measured at cost. Improvements are deemed to extend the future economic benefits embodied in an asset and therefore its useful life. The useful life of an asset is defined in terms of an assets expected utility to the Group.

The depreciation of an asset begins when it is available for use, that is when it is in the location and necessary condition for it to be capable of operating in the manner intended by management. The depreciation rate used by the Group for improvements for plant and equipment was 0% as the asset was not available for use during the refurbishment period.

For personal use only

(g) Financial instruments

Classification

From 1 January 2018, the Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI). The Group reclassifies debt investments when and only when its business model for managing those assets changes.

Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Impairment

From 1 January 2018, the Group assesses on a forward-looking basis the expected credit loss associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by AASB 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

(h) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options for immediate are recognised as a deduction from equity, net of any tax effects.

(i) Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. When financial assets at fair value through other comprehensive income are sold, the accumulated fair value adjustments recognised in other comprehensive income are reclassified to profit or loss.

(j) Impairment of non-financial assets (excluding capitalised exploration costs)

At the end of each reporting period, the Group assesses whether there is any indication that an asset may be impaired. The assessment will include considering external sources of information and internal sources of information and dividends received from subsidiaries, associates or jointly controlled entities deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use to the asset's carrying value. Value in use is calculated by discounting the estimated future cash flows of the asset or

For personal use only

cash-generating unit (CGU) at a pre-tax discount rate reflecting the specific risks in the asset / CGU.

(j) Impairment of non-financial assets (excluding capitalised exploration costs) (continued)

Any excess of the asset's carrying value over its recoverable amount is expensed to the consolidated statement of profit or loss and other comprehensive income.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Impairment testing is performed annually for goodwill and intangible assets (excluding exploration assets) with indefinite lives.

(k) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less which are convertible to a known amount of cash and subject to an insignificant risk of change in value, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the consolidated statement of financial position.

(l) Trade and other payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Group during the reporting period which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(m) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

(n) Farm-in and joint venture arrangement

Farm-ins generally occur in the exploration or development phase and are characterised by the transferor giving up future economic benefits, in the form of reserves, in exchange for reduced future funding obligations. In the exploration phase the Group accounts for farm-ins on a historical cost basis. As such no gain or loss is recognised. In the development phase, the Group accounts for farm-ins as an acquisition at fair value when the Group is the transferee and a disposal at fair value when the Group is the transferor of a part of an oil and gas property. The fair value is determined by the costs that have been agreed as being borne by the transferee.

(o) Earnings per share

The Group presents basic and diluted earnings per share information for its ordinary shares.

Basic earnings per share is calculated by dividing the profit attributable to owners of the Group by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share adjusts the basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

For personal use only

(p) Income tax

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at the end of the reporting period. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at the end of the reporting year. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability. Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

(q) Revenue and other income

Financial income comprises interest income. Interest income is recognised in profit or loss as it accrues, using the effective interest rate method.

All revenue is stated net of the amount of goods and services tax (GST).

(r) Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. The consolidated entity has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue. Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

(s) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

(t) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the consolidated statement of financial position are shown inclusive of GST.

Cash flows are presented in the consolidated statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(u) Exploration and development expenditure

Exploration and evaluation costs are capitalised as exploration and evaluation assets on a project-by-project basis pending determination of the technical feasibility and commercial viability of the project. The capitalised costs are presented as both tangible or intangible exploration and evaluation assets according to the nature of the assets acquired. When a licence is relinquished or a project abandoned, the related costs are recognised in the profit or loss immediately.

Exploration and evaluation assets are assessed for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability, and/or (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount. For the purposes of impairment testing, exploration and evaluation assets are allocated to cash-generating units consistent with the determination of reportable segments.

Upon determination of proven reserves, intangible exploration and evaluation assets attributable to those reserves are first tested for impairment and then reclassified from exploration and evaluation assets to a separate category within tangible assets.

Amortisation is not charged on exploration and evaluation assets until they are available for use.

Pre-licence costs are recognised in profit or loss as incurred. Expenditure deemed unsuccessful is recognised in profit or loss immediately.

(v) Critical accounting estimates and judgements

The directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group.

Key judgement - exploration and evaluation expenditure
The Group capitalises expenditure relating to exploration and evaluation where it is considered likely to be recoverable or where the activities have not reached a stage which permits a reasonable assessment of the existence of reserves. While there are certain areas of interest from which no reserves have been extracted, the directors are of the continued belief that such expenditure should not be written off since feasibility studies in such areas have not yet concluded.

Coronavirus (COVID-19) pandemic
Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the consolidated entity based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the consolidated entity operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the consolidated entity unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

Share-based payment transactions
The consolidated entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

For personal use only

For personal use only

Estimation of useful lives of assets
The consolidated entity determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

(w) New or amended Accounting Standards and Interpretations adopted

The group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The following Accounting Standards and Interpretations are most relevant to the group:

Conceptual Framework for Financial Reporting (Conceptual Framework)

The group has adopted the revised Conceptual Framework from 1 July 2020. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards, but it has not had a material impact on the group's financial statements."

(x) New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the group for the annual reporting period ended 30 June 2022. The group has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

(y) Operating segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

(z) Foreign currency translation

The financial statements are presented in Australian dollars, which is Astro Resources NL's functional and presentation currency.

(aa) Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification. An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

For personal use only

2 Operating Segments

Segment information

Identification of reportable segments

Operating segments are reporting in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors.

An operating segment is a component of the Group that engage in business activities from which it may earn revenue and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segment results are regularly reviewed by the Group's Board of Directors to make decisions about resources allocated to the segment and assess its performance and for which discrete financial information is available.

The operating segments are identified by the Board of Directors based on the type of exploration being conducted by the Group. Detailed financial information about each of these operating businesses is reported to the Board of Directors on at least a quarterly basis.

The Group operated in three operating segments being heavy minerals, diamond and uranium exploration industry in the geographical location, being Australia.

Types of products and services by reportable segment

(i) Heavy minerals

The Group is currently conducting exploration upon tenements considered prospective for mineral sands. No income has been derived from the recovery of mineral sands during the year ended 30 June 2022 (2021: nil).

(ii) Diamond exploration

The Group is currently conducting exploration upon tenements considered prospective for diamonds. No income has been derived from the recovery of diamonds during the year ended 30 June 2022 (2021: nil).

(iii) Gold exploration

The Group is currently conducting exploration upon tenements considered prospective for gold. No income has been derived from the recovery of gold during the year ended 30 June 2022 (2021: nil).

(iii) Lithium exploration

The Group is currently conducting exploration upon tenements considered prospective for lithium. No income has been derived from the recovery of lithium during the year ended 30 June 2022 (2021: nil).

Accounting policies adopted

Unless stated below, all amounts reported to the Board of Directors, being the chief operating decision maker with respect to operating segments, are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Group.

Assets

Where an asset is used across multiple segments, the asset is allocated to the segment that receives the majority of economic value from the asset. In the majority of instances, segment assets are clearly identifiable on the basis of their nature and physical location.

For personal use only

2 Operating Segments (continued)

Liabilities

Liabilities are allocated to segments where there is direct nexus between the incurrence of the liability and the operations of the segment. Borrowings and tax liabilities are generally considered to relate to the Group as a whole and are not allocated. Segment liabilities include trade and other payables and certain direct borrowings.

Unallocated items

The following items of revenue, expense, assets and liabilities are not allocated to operating segments as they are not considered part of the core operations of any segment:

- interest revenue;
- income tax benefit;
- cash and cash equivalents; and
- trade debtors and creditors.

For personal use only

2 Operating Segments (continued)

(a) Segment performance

	Mineral Sands		Diamond		Gold		Lithium		Unallocated		Total	
	2022 $	2021 $	**2022 $**	2021 $	**2022 $**	2021 $	**2022 $**	2021 $	**2022 $**	2021 $	**2022 $**	2021 $
REVENUE												
Other revenue	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-
Interest revenue	**-**	-	**-**	-	**-**	-	**-**	-	**616**	1,000	**616**	1,000
Total segmented revenue	**-**	-	**-**	-	**-**	-	**-**	-	**616**	1,000	**616**	1,000
Segment result	**(273)**	(550)	**(7,171)**	(274)	**(6,981)**	(8,155)	**-**	-	**(1,215,694)**	(1,012,236)	**(1,230,119)**	(1,021,215)
Research & development grant	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-
Loss for the year	**(273)**	(550)	**(7,171)**	(274)	**(6,981)**	(8,155)	**-**	-	**(1,215,694)**	(1,012,236)	**(1,230,119)**	(1,021,215)
Other segment information												
Depreciation and amortisation	**-**	-	**(13,909)**	(8,765)	**-**	-	**-**	-	**-**	-	**(13,909)**	(8,765)
Segment assets and liabilities												
Segment assets												
Exploration expenditure	**3,731,317**	2,448,652	**842,470**	737,815	**4,192,227**	1,811,416	**103,315**	-	**-**	-	**8,869,329**	4,997,883
Plant and equipment	**-**	-	**290,165**	302,231	**-**	-	**-**	-	**-**	-	**290,165**	302,231
Inventories	**-**	-	**4,000**	4,000	**-**	-	**-**	-	**-**	-	**4,000**	4,000
Other assets	**25,484**	25,484	**213,447**	303,998	**100,290**	25,571	**-**	-	**2,201,776**	3,452,808	**2,751,436**	3,807,861
	3,966,610	2,474,136	**1,350,082**	1,045,813	**4,293,147**	1,836,987	**103,315**	-	**2,201,776**	3,452,808	**11,914,930**	8,809,744
Segment liabilities	**-**	-	**-**	-	**-**	-	**-**	-	**756,840**	228,452	**756,840**	228,452
Other assets are made up of:												
Financial assets at fair value through other comprehensive income	**-**	-	**-**	-	**-**	-	**-**	-	**820**	1,000	**820**	1,000
Cash and cash equivalents	**104,687**	9,208	**462**	462	**-**	-	**-**	-	**1,969,301**	3,269,332	**2,074,450**	3,279,002
Prepayments and other receivables	**130,606**	16,276	**212,985**	1,305	**100,920**	25,571	**-**	-	**231,655**	182,476	**676,255**	225,628
	235,293	25,484	**213,447**	303,998	**100,920**	25,571	**-**	-	**2,201,776**	3,452,808	**2,751,436**	3,807,861

For personal use only

3 Income

	2022 $	2021 $
Interest income	**616**	1,000
	616	1,000

4 Result for the Year

	2022 $	2021 $
The result for the year includes the following specific expenses		
Interest expense		
Interest and finance charges paid/payable on borrowings	**-**	139,796
Total interest expense	**-**	139,796
Other expenses:		
- Directors' and related entities consulting fees	**305,900**	561,693
- Administration expenses	**221,275**	120,538
- Auditors remuneration for audit services	**27,325**	35,250
- Travel and accommodation expenses	**177,253**	1,925
	731,753	719,406

5 Income Tax

	2022 $	2021 $

(a) The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax expense as follows:

	2022 $	2021 $
Prima facie tax benefit on loss from ordinary activities before income tax at 27.5% (2021: 27.5%)	**(338,282)**	(280,835)
Add tax effect of:		
- deferred tax assets and liabilities not recognised	**338,282**	280,825
Income tax	**-**	-

(b) Net deferred tax assets not brought to account, the benefits of which will only be realised if the conditions for deductibility occur:

	2022 $	2021 $
Tax losses	**16,102,199**	14,980,316
Capital losses	**122,480**	122,480
Capitalised exploration expenditure	**(1,602,303)**	(1,220,790)
	14,622,376	13,882,006

The above deferred tax assets will only be obtained if:

i. future assessable income is derived of a nature and an amount sufficient to enable utilize the benefit; and

ii. the conditions for deductibility imposed by tax legislation continue to be complied with and no changes in the tax legislation adversely affect the Group in realising the benefit.

Apart from the exploration development costs which has been netted off against the carried losses, there are no deferred tax liabilities at 30 June 2022 (2021: nil).

For personal use only

6 Earnings per Share

	2022 $	2021 $
Basic earnings per share		
(a) Reconciliation of earnings to loss from continuing operations		
Loss from continuing operations	**(1,230,119)**	(1,021,215)
(b) Earnings used to calculate overall earnings per share		
Earnings used to calculate overall earnings per share	**(1,230,119)**	(1,021,215)

(c) Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS

	2022 No.	2021 No.
Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS	**4,165,178,731**	2,655,497,868

Diluted earnings per share

Share options are not considered dilutive as the conversion of options to ordinary shares will result in a decrease in the net loss per share.

7 Cash and Cash Equivalents

	2022 $	2021 $
CURRENT		
Cash at bank and in hand	**2,074,450**	3,279,002

8 Trade and Other Receivables

	2022 $	2021 $
CURRENT		
GST recoverable	**125,424**	192,906
NON CURRENT		
Other receivables	**195,335**	-
Bonds – Mining	**70,869**	-
	266,204	-

Credit risk

There is no material credit risk or currency risk within the Trade and Other Receivables balance.

9 Inventories

	2022 $	2021 $
CURRENT		
At cost:		
Uncut diamonds	**4,000**	4,000

The Group's equity investments are listed on the Australian Securities Exchange, at market value

For personal use only

10 Other Financial Assets

		2022 $	2021 $
Financial assets at fair value through other comprehensive income			
NON-CURRENT			
Shares in listed corporations		**820**	1,000

11 Other Assets

		2022 $	2021 $
CURRENT			
Other assets	(i)	**139,276**	-
Prepayments		**145,262**	32,722
		284,538	32,722

(i) Other assets

Such amounts represent transaction costs incurred in relation to the proposed acquisition of Knox Resources Pty Ltd **(Knox)**. Upon settlement of the transaction, such costs will be written off in the profit and loss. Further information concerning the Knox transaction can be found within the 'Events after reporting date' section of this annual report.

12 Exploration, Evaluation and Development Assets

		2022 $	2021 $
NON-CURRENT			
in exploration phase:			
- At cost and net of impairment		**8,869,329**	4,997,883

(a) Composition of exploration assets

		2022 $	2021 $
Capitalised exploration – wholly owned		**10,557,150**	6,122,214
Capitalised exploration – partly owned	(i), (ii)	**-**	563,490
Impairment		**(1,687,821)**	(1,687,821)
Balance at end of the year		**8,869,329**	4,997,883

(i) Capitalised exploration – partly owned

On the 23 December 2014, the Group entered into a Farm-in and joint venture arrangement ("**Arrangement**") with Iluka Resources Limited (ASX:ILU). The arrangement relates to tenement number R70/58 (formerly E70/2464) ("**Property"**), which forms part of the Company's Governor Broome Project. - a mineral sands project located in southern Western Australia.

On the 27 October 2015, Iluka fulfilled its initial requirements resulting in it having a 51% interest in the Project. On the 1st June 2016, Iluka further advised the Group that it meet the requirements to achieve its 80% interest. The Maiden Resource was issued on the 26th April 2016.

(ii) Termination of Iluka Resources joint venture

In September 2021, the Company announced that it had acquired Iluka Resources Limited ("Iluka") 80% interest in the Jack Track tenement (R 70/58). As a result of the acquisition from Iluka, Astro's ownership in the Jack Track tenement increased to 100% and the joint venture agreement terminated.

For personal use only

12 Exploration, Evaluation and Development Assets (continued)

(b) Movements

		2022 **$**	2021 $
(i)	*Exploration assets at cost*		
	Opening Balance (wholly and partially owned)	**6,685,704**	5,589,422
	Add:		
	- Expenditure capitalised	**3,871,446**	1,096,282
	Less:		
	- Expenditure impaired to the profit and loss	**-**	-
	Closing balance	**10,557,150**	6,685,704
(ii)	*Impairment*		
	Opening Balance	**1,687,821**	1,687,821
	Add/(Less):		
	- Current year impairment adjustment	**-**	-
	Closing Balance	**1,687,821**	1,687,821

(c) Discussion on impairment

In the 2019 financial year, the Board has formed the view that following the results for the Southeast area of the Governor Broome Minerals Sands Project proving to be sub-economic, that such portion should be impaired. The Board has impaired all capitalised costs, including that part of the acquisition.

Subsequent to the 2019 financial year, the Board has continued to monitor the Group's capitalised tenement expenditure and has deemed that no further impairment adjustments are required.

13 Property, Plant and Equipment

		2022 **$**	2021 $
Plant and equipment	(i)		
At cost		**150,000**	150,000
Refurbishment equipment	(ii)	**179,322**	179,322
Accumulated depreciation		**(75,255)**	(68,675)
		254,067	260,647
Motor Vehicles	(iii)		
At cost		**41,584**	41,584
Accumulated depreciation		**(5,486)**	-
		36,098	41,584
Total Property, Plant and Equipment		**290,165**	302,231

(i) Property, plant and equipment - depreciation

Property, plant and equipment was continued to be used in the activities in the year ended 30 June 2022. The depreciation rate applied on the plant is 10.00% per annum.

(ii) Refurbishment costs

Significant refurbishment was carried out on the plant and equipment during the year ended 30 June 2022. Due to the nature of the work required, the Group believes that in accordance with the relevant Accounting Standards, such amounts are required to be capitalised and depreciated over the useful life of the plant.

For personal use only

13 Property, Plant and Equipment (continued)

(a) Movement in Property, Plant and Equipment

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	2022 $	2021 $
Balance at the beginning of year	**302,231**	269,411
Additions	**-**	41,584
Depreciation expense	**(12,066)**	(8,764)
Balance at end of the year	**290,165**	302,231

14 Trade and Other Payables

		2022 $	2021 $
CURRENT			
Unsecured liabilities			
Trade payables	(i)	**299,840**	148,452
Other payables	(i)	**57,000**	80,000
Total Trade and Other Payables		**356,840**	228,452

(i) Amounts owed to directors and Key Management Personnel

Included in trade and other payables are amounts owing to directors. At balance date, such amounts were as follows:

	2022	2021
Jacob Khouri	**17,820**	25,453
Gregory Jones	**4,950**	4,950
Vincent Fayad	**24,000**	21,860
Balance at end of the year owing to directors	**46,770**	52,263

15 Other Liabilities

		2022 $	2021 $
CURRENT			
Advanced deposits for share placement	(i)	**400,000**	-
Total Other Liabilities		**400,000**	-

(i) Advanced deposits

The Group announced on 1 June 2022 that for the purposes of assisting with the ongoing funding required for the acquisition of the Georgina Basin Project, a $1.75 million share placement at a proposed issue price of $0.003 per share would be undertaken.

As at the end of the 2022 financial year, $400,000 in applications had been received under the placement, with the residual balance requiring shareholder approval. The Group announced on the 19th September 2022, that it had allotted the shares applied for and which deposits had been paid.

For personal use only

16 Issued Capital

		2022 $	2021 $
4,705,241,266 (2021: 3,764,193,013) Ordinary shares		**29,085,288**	25,321,094
Share issue costs		**(1,422,046)**	(839,167)
Share issue costs written off against share premium		**-**	(651,782)
Total		**27,663,242**	23,830,145

(a) Ordinary shares - movement reconciliation

	2022 No	2021 No
At the beginning of the reporting period 1 July	**3,764,193,013**	1,272,097,315
Shares issued under offer 2020 (Tranche 1 and 2)	**-**	784,595,756
Conversion of convertible debt securities	**-**	669,063,143
Repayment of debt facility (Gun Capital Management Pty Ltd)	**-**	208,904,285
Payment of outstanding director fees and bonuses	**-**	61,032,513
Shares issued under offer 2021 (Tranche 1 and 2)	**-**	768,500,001
Payment of services rendered (Needles Gold Project driller)	**102,739,726**	-
Shares issued under offer 2022	**838,308,527**	-
At the end of the reporting period	**4,705,241,266**	3,764,193,013

(b) Ordinary capital (excluding share issue costs)

		2022 $	2021 $
At the beginning of the reporting period 1 July		**25,321,094**	16,214,510
Shares issued under offer 2020 (Tranche 1 and 2)		**-**	2,746,085
Conversion of convertible debt securities		**-**	2,341,720
Repayment of debt facility (Gun Capital Management Pty Ltd)		**-**	731,165
Payment of outstanding director fees and bonuses		**-**	213,614
Shares issued under offer 2021 (Tranche 1 and 2)		**-**	3,074,000
Payment of services rendered (Needles Gold Project driller)		**410,959**	-
Shares issued under offer 2022		**3,353,235**	-
At the end of the reporting period	(i)	**29,085,288**	25,321,094

(c) Ordinary shares – voting rights

The holders of ordinary shares are entitled to participate in dividends and the proceeds on winding up of the Group. On a show of hands at meetings of the Group, each holder of ordinary shares has one vote in person or by proxy, and upon a poll each share is entitled to one vote. In the event of winding up of the Group ordinary shareholders rank after all other shareholders and creditors and are fully entitled to any proceeds of liquidation.

(d) Options

		2022 No	2021 No
At the beginning of the reporting period		**1,098,500,001**	-
Broker options issued in relation to 2020 capital raising		**-**	100,000,000
Options issued in relation to 2021 capital raising		**-**	998,500,001
Options issued in relation to 2022 capital raising	(i)	**1,676,617,054**	-
Options exercised/lapsed under Offer	(ii)	**(2,775,117,055)**	-
At the end of the reporting period		**-**	1,098,500,001

16 Issued Capital (continued)

For personal use only

(i) Options issued during the 2022 financial year

Shareholders who participated in the Group's $3.353 million placement during January 2022 received a free attaching unlisted option for every ordinary share subscribed to. A total of 1,676,617,054 options were issued to such shareholders on the same terms as those options that were issued in November 2020. The terms of the options issued under the placement and to the broker are as follows:

- Exercise date: 22 April 2022;
- Exercise price: $0.01;
- Total options on issue : 1,098,500,001.

(ii) Expiry of options

It is noted that on 22 April 2022, the above options lapsed. No applications to exercise the options were received by option holders.

17 Reserves

	2022 **$**	2021 $
Options reserve	**-**	320,000
Share based payments reserve	**294,000**	-
Revaluation reserve	**(20,180)**	(20,000)
	273,820	300,000

(a) Movement in reserves

	2022 **$**	2021 $
Opening balance	**300,000**	(20,100)
Current year share-based payment expense	**294,000**	-
Current year options	**(320,000)**	320,000
Loss on revaluation of investment	**(180)**	100
	273,820	300,000

(b) Financial assets at fair value through other comprehensive income reserve

Represents cumulative gains/ losses arising on the evaluation of financial assets that have been recognised in other comprehensive income net at the amount reclassified to profit or loss when those assets have been disposed of or are determined to be impaired.

(c) Options reserve

The options reserve is used to recognise the value of options issued. Movements in the reserve are provided in the table under note (a) above. The following options were on issue at reporting date:

- Unlisted options have an exercise price of $0.01 and expiry date of 22 April 2022 concerning payment of broker fees incurred in relation to the Group's capital raising in August 2020. There were 100,000,000 units (2020: nil units) on issue at 30 June 2021 with a recognised value of $320,000 (2020: $nil); and

- Unlisted options have an exercise price of $0.01 and expiry date of 22 April 2022 issued in connection to the Group's capital raising undertaken on March 2021. There were 998,500,001 units (2020: nil units) on issue at 30 June 2021 with a recognised value of $0 (2020: $nil).

For personal use only

18 Share Based Payments Reserve

At the 2005 annual general meeting, the Group established the Astro Resources NL 2005 Share Option Plan which allows employees, directors, officers or consultants of the Group or an associated body corporate and such other persons nominated by the directors to participate in the plan.

There were no options under the Share Option Plan on issue as at 30 June 2022 (2021: nil).

19 Financial Risk Management

The main risks the Group is exposed to through its financial instruments are credit risk, liquidity risk and market risk.

This note presents information about the Group's exposure to each of the above risks, their objective, policies and processes for measuring and managing risk, and the management of capital and quantitative disclosures.

The Board has overall responsibility for the establishment and oversight of the risk management framework. The Board is responsible for developing and monitoring risk management policies.

Risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limited. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Group through their training and management standards and procedures, aim to develop a disciplined and constructive control environment.

The Board oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

(a) Categories of financial instruments

	2022 **$**	2021 $
Financial assets		
Cash and cash equivalents	**2,074,450**	3,279,002
Trade and other receivables	**125,424**	192,906
Other financials	**820**	1,000
	2,203,874	3,475,908
Financial liabilities		
Trade and other payables	**356,840**	228,452
	356,840	228,452

(b) Capital risk management

The Group's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits of other stockholders and to maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the Group consists of cash and cash equivalents, deposits in respect of bank guarantee and equity attributable to equity holders of the Group, comprising issued capital, reserves and accumulated losses.

There are no externally imposed capital requirements. None of the Group's entities are subject to externally imposed capital requirements.

The Group monitors capital through the gearing ratio, which is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash and cash equivalents. Total capital is defined as equity per the statement of financial position plus net debt.

For personal use only

19 Financial Risk Management (continued)

The Board reviews the capital structure on an annual basis. As a part of this review the Board considers the cost of capital and the risks associated with each class of capital. High gearing ratio will be expected as the Group enters into its development stage and more debts are required to fund the operation and development activities.

There have been no changes in the strategy adopted by management during the year.

(c) Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Group and arises principally from the Group's receivables and investments.

Other receivables

Receivables consist of GST recoverable and other debtors. No credit terms apply to these debtors. No receivables are in a foreign currency receivables during the year (2021: nil). The ageing of the Group other receivables was not past due (2021: nil).

Investments

The Group limits its exposure to credit risk by investing in liquid listed securities. The Group's equity investments are listed on the Australian Securities Exchange. For such investments classified as assets at fair value through other comprehensive income, a 20% increase in the ASX 200 at the reporting date would have increased equity by $164 after tax (2021: $200); an equal change in the opposite direction would have decreased equity by $164 after tax (2021: $200).

(d) Liquidity risk

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Group manages liquidity risk by monitoring forecast cash flows for the possible need to obtain debt or equity finance.

Cash flows required to settle the Group's financial liabilities consist of:

- trade and other payables; and
- unpaid director fees.

Excluding the unsecured loans under Note 14 to the Director related entity, all financial liabilities are due within 12 months. The total value of cash flows required to settle the Group's financial liabilities as at 30 June 2022 is $356,840 (2021: $228,452), noting that 'Other Liabilities' has not been included within this amount as it related to amounts that are to be satisfied by way of the issuance of ordinary shares in the Group..

(e) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

i. Interest rate risk

The Group is exposed to interest rate risk in Australia. To minimise the effects of reducing interest income that the Group may receive, the Board plans to invest the excess cash position in the near future to avoid any adverse effects of future interest rates. There is no written internal policy on interest rate management. Changes in market interest rates affect the interest income of non-derivative variable interest financial instruments and are based on both historical trends and the perceived market interest to 30 June 202**2**. The Group have determined that the effects of changes in these interest rates based upon forward looking rates would not have a material effect on the Group for 2022 or 2021. Therefore, no Group interest rate sensitivity analysis is disclosed as interest rate risk is not considered to have a material impact on the result or equity of the Group for 2022 and 2021.

For personal use only

19 Financial Risk Management (continued)

ii. Foreign exchange risk

Exposure to foreign exchange risk may result in the fair value or future cash flows of a financial instrument fluctuating due to movement in foreign exchange rates of currencies in which the Group holds financial instruments which are other than the AUD functional currency of the Group. Apart from the Needles Project in Nevada, in the USA, the Group has no significant exposure to foreign exchange risk as there are effectively no foreign currency deals outstanding (2021: nil). However, the likely impact of this risk is at this stage considered to be minimal due to the exploration nature of this asset.

iii. Price risk

Price risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices of securities held being available-for-sale or fair value through profit and loss.

Management of the Group monitors the mix of debt and equity securities in its investment portfolio based on market indices. Material investments within the portfolio are managed on an individual basis and all buy and sell decisions are approved by the Board. The primary goal of the Group's investment strategy is to maximise investment returns. The Group does not enter into commodity contracts.

Net fair values

The Group's financial assets and liabilities that are recorded on the balance sheet are carried at amounts that approximate net fair values.

Fair value estimation

Net fair values of financial assets and liabilities are determined by the Group on the following basis:

i. Cash and cash equivalents

The carrying amount approximates fair value because of their short-term to maturity.

ii. Receivables and payables

The carrying amount approximates fair value because of their short-term to maturity.

iii. Financial assets at fair value through other comprehensive income

For financial assets at fair value through other comprehensive income, a reasonable estimate of the fair value is determined by reference to the current market value of another instrument which is substantially the same or is calculated based on the expected cash flows or the underlying net asset base of the investment.

20 Cash Flow Information

Reconciliation of net income to net cash provided by operating activities:

	2022	2021
	$	$
Loss for the year	**(1,230,119)**	(1,021,215)
Non-cash flows in loss:		
- depreciation/amortisation	**12,065**	8,765
- interest	**-**	92,295
- share based payment expense	**294,000**	-
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries:		
- increase in trade and other receivables	**(121,724)**	(165,693)
- increase in trade and other payables	**106,580**	77,819
Cash flow used in operating activities	**(939,202)**	(1,008,029)

For personal use only

21 Capital and Leasing Commitments

Exploration expenditure commitments

The Group is required to perform minimum exploration work and expend minimum amount of money on its tenements. The overall expenditure requirement tends to be limited in the normal course of the Group's tenement portfolio management through expenditure exemption approvals, and expenditure reductions through relinquishment of part or the while of tenements deemed not prospective. Should the Group wish to preserve interest in its current tenements the amount which may be required to be expended is as follows:

	2022 $	2021 $
Payable:		
- no later than 1 year	**201,361**	154,772
- between 1 year and 5 years	**805,445**	619,087
	1,006,807	773,859

22 Controlled Entities

	Country of Incorporation	Percentage Owned (%)* 2022	Percentage Owned (%)* 2021
Parent Entity:			
Astro Resources NL			
Subsidiaries:			
Argyle Resources Limited	Australia	100	-
HM Sands Pty Limited	Australia	100	100
Boldhill Holdings Pty Limited	Australia	100	100
East Kimberley Diamond Corporation Pty Limited	Australia	100	100
Governor Broome Sands Pty Limited	Australia	100	100
MacPhee Resources Pty Limited[1]	Australia	100	100
Needles Holdings Inc[2]	United States	100	100
North Doolgunna Metals Pty Limited	Australia	100	100

1 Percentage of voting power is in proportion to ownership. Also, refer to Note 12 interest in Arrangement held via Governor Broome Sands Pty Limited.

23 Contingent Liabilities and Contingent Assets

The Directors are not aware of any contingent liabilities or assets as at the date of these financial statements.

24 Related Party Transactions

Related Parties

(a) Parent company

There is no parent company applicable to the Group.

(b) Transactions with the related parties

The following transactions occurred with related parties:

- MIL is entitled to a monthly management fee in relation to the provision of advisory services to the Board.

For personal use only

24 Related Party Transactions (continued)

The Group's main related parties are as follows:

(i) Key management personnel

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity are considered KMP.

For details of remuneration disclosures relating to KMP, refer to the remuneration report in the Directors' Report.

Other transactions with KMP and their related entities are shown below.

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

(ii) Director related entities

Refer to note 14 for amounts owing to Directors and their related entities in relation to outstanding Directors fees.

(iii) Subsidiaries

Refer to Note 22 for the subsidiaries included in the financial statements.

(iv) Transactions with related parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

25 Interests of Key Management Personnel

The totals of remuneration paid to key management personnel of the Company and the Group during the year are as follows:

	2022	2021
	$	$
Short-term employee benefits	**487,900**	561,693
	487,900	561,693

26 Events after the end of the Reporting Period

Since the end of the financial year, the following matter have arisen which significantly affected or could significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in future financial years:

1. assays from the fourth (and final) drill-hole of Needles Gold Project were received, with modest gold values recorded in:

(c) an upper zone from 65 to 195 feet [20-60m] averaging 30ppb Au, with a highest value of 239ppb Au; and

(d) from 630 to 670 feet [192-204m] averaging 24ppb Au with a highest value of 49ppb Au.

It was concluded that the results from the fourth drill-hole and the previously reported holes, returned a weak gold mineralization associated with the DC/IP anomaly to the south-west of the main trend. The information gained from the 2021-2022 four-hole drilling program at Needles will be reviewed and integrated into a final report with conclusions and recommendations for future work on the project during the 2023 financial year;

For personal use only

26. Events after the end of the Reporting Period (continued)

2. during the year the Company announced that it would pursue a strategic alliance with Nevada Exploration Inc (TSX-V: NGE; OTCQB: NVDEF, "NGE) for its epithermal gold projects in the United States of America. On 1 August 2022, the Company decided to not peruse the proposed strategic alliance with Nevada Exploration Inc. The Company's decision was based on re-prioritisation of its strategic direction, which was aligned to focusing on advancing its current asset portfolio (mineral sands and diamonds), whilst also pursuing its new projects, being the Kibby Basin in Nevada, USA and Georgina Basin IOCG Project in the Northern Territory;

3. on the 20th September 2022, the Company announced the execution of definitive transaction documents with Greenvale Mining Limited (ASX: GRV) for the acquisition of a 80.00% shareholding in Knox Resources Pty Ltd (**Knox**). Knox is the 100% owner of the world-class Georgina IOCG Exploration Project in the Northern Territory from Greenvale Mining Limited (Greenvale ASX: GRV);

4. on the 19th September 2022, the Company announced the results of its infill drilling to upgrade the JORC category from Inferred to Indicated for its Governor Broome Mineral Sands Project. Full details have been set out in the release dated 19 September 2022; and

5. on 19 September 2022, the Company announced that it has entered into key terms with a private company, Luna Lithium Limited (Luna Lithium) for the purposes of entering into a 50: 50 joint venture via a special purpose Company known as Galactic Lithium LLC (Galactic). If consummated, Astro will contribute to Galactic the following:

   (c) cash of US$500,000 in the first year and a further US$700,000 in the second year; and

   (d) 100% of its interest in Kibby Basin.

   Luna Lithium will contribute to Galactic:

   (c) cash of US$500,000 in the first year and a further US$700,000 in the second year; and

   (d) its project under an Option Agreement (which is subject to dispute) known as Columbus Basin.

6. on 1 June 2022, the Company announced that it would be undertaking a $2.25 million capital raising initiative for the purposes of meeting the ongoing funding requirements for the Georgina Basin Project (Capital Raising). Subsequent to the 30 June 2022 financial year, the following events occurred in relation to the Capital Raising:

   (e) on 19 September 2022, the Company allotted 188,025,688 ordinary shares at an average issue price of $0.0035 per share, raising $654,683 (before costs) (Tranche 1). Included in the amount of the placement, $262,259 related to amounts collected prior to 30 June 2022 and included in advanced deposits. The remaining amount of $137,741 related to equity raised after 30 June 2022. Shareholder approval for the issuance of the Tranche 1 shares was not required, as such shares were issued Company's placement capacity under Listing Rule 7.1A;

   (f) at the time of the Company's announcement made on 1 June 2022, it had been intended that upon completion of the Georgina Basin Project acquisition, 2 nominees from the vendor (Greenvale Mining Limited) would be joining the Group's board and also participating in the placement. In September 2022, the Group received notification from Greenvale Mining Limited that one of the nominees would not be joining the Group's board, nor participating in the placement;

   (g) as a result of Mr Biddle not joining the board of Astro, the minimum amount to be raised under the Capital Raising has reduced from $2.25 million to $1.75 million (Tranche 2); and

   (h) as announced on 19th September 2022, the Company will be seeking shareholder approval for the allotment of shares of Tranche 2 of $1,137,740, which will be sought during the Group's Annual General Meeting held in November 2022. Included int this amount is $137,741 to major shareholder Holdmark Property Group who has provided such funds prior to 30 June 2022 and is included in the advanced deposits. In addition, Mining Investments Limited, a substantial shareholder of the Company has also agreed to the issue of shares totalling $500,000 and at a price of $0.003 per share.

For personal use only

27 Auditor's Remuneration

Remuneration of the auditor of the parent entity, RSM Australia Partners for:	2022 $	2021 $
- auditing or reviewing the financial statements	**29,325**	27,900
-other services	**-**	-
	29,325	27,900

28 Parent entity

The following information has been extracted from the books and records of the parent, Astro Resources NL and has been prepared in accordance with Accounting Standards. The financial information for the parent entity, Astro Resources NL has been prepared on the same basis as the consolidated financial statements:

Statement of Financial Position

	2022 $	2021 $
Assets		
Current assets	**11,625,025**	8,625,090
Non-current assets	**250,939**	123,910
Total Assets	**11,875,966**	8,749,000
Liabilities		
Current liabilities	**756,840**	228,452
Non-current liabilities	**-**	-
Total Liabilities	**756,840**	228,452
Net Assets	**11,119,125**	8,520,548
Equity		
Issued capital	**27,663,242**	23,830,143
Accumulated losses	**(16,817,936)**	(15,609,594)
Reserves	**273,820**	300,000
Total Equity	**11,119,125**	8,520,548

Consolidated Statement of Profit or Loss and Other Comprehensive Income

	2022	2021
Total loss for the year	**(1,215,340)**	(1,011,427)
Other comprehensive income	**(180)**	100
Total comprehensive income	**(1,215,520)**	(1,011,327)

Contingent liabilities

Apart from the minimum expenditure requirements, as set out in Note 21 and the contingent liability set out in note 23, there are no other contingent liabilities.

Contractual commitments

The parent entity did not have any commitments as at 30 June 2022 or 30 June 2021.

The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 1, except for Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.

29 Company Details

For personal use only

The registered office of and principal place of business of the company is:

Suite 6, Level 5, 189 Kent Street
SYDNEY NSW 2000

Directors' Declaration

The directors of the Group declare that:

1. the financial statements and notes, as set out on pages 31 to 55, are in accordance with the Corporations Act 2001 and:

    a. comply with Accounting Standards, which, as stated in accounting policy note 1 to the financial statements, constitutes explicit and unreserved compliance with International Financial Reporting Standards (IFRS); and

    b. give a true and fair view of the financial position as at 30 June 2022 and of the performance for the year ended on that date of the Company and consolidated group;

2. the Company Secretary has declared that:

    a. the financial records of the Group for the financial year have been properly maintained in accordance with section 286 of the *Corporations Act 2001*;

    b. the financial statements and notes for the financial year comply with the Accounting Standards; and

    c. the financial statements and notes for the financial year give a true and fair view.

3. based on the comments outlined in Note 1(b) in the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

At the date of this declaration, there are reasonable grounds to believe that the companies which are party to this deed of cross guarantee will be able to meet any obligations or liabilities to which they are, or may become subject to, by virtue of the deed.

This declaration is made in accordance with a resolution of the Board of Directors.

Jacob Khouri
Director

Dated 29 September 2022

For personal use only

RSM Australia Partners

Level 13, 60 Castlereagh Street Sydney NSW 2000
GPO Box 5138 Sydney NSW 2001

T +61 (0) 2 8226 4500
F +61 (0) 2 8226 4501

www.rsm.com.au

INDEPENDENT AUDITOR'S REPORT
To the Members of Astro Resources NL

Opinion

We have audited the financial report of Astro Resources NL (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2022, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion the accompanying financial report of the Group is in accordance with the Corporations Act 2001, including:

(i) giving a true and fair view of the Group's financial position as at 30 June 2022 and of its financial performance for the year then ended; and

(ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

THE POWER OF BEING UNDERSTOOD
AUDIT | TAX | CONSULTING

RSM Australia Partners is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

RSM Australia Partners ABN 36 965 185 036

Liability limited by a scheme approved under Professional Standards Legislation

Certified System Quality ISO 9001

For personal use only

Key Audit Matter	How our audit addressed this matter
Carrying value of capitalised exploration and evaluation Refer to Note 12 in the financial statements	
As disclosed in note 12, the Group held capitalised exploration and evaluation expenditure of $8,868,171 as on 30 June 2022 which represents a significant asset of the Group. The carrying value of exploration and evaluation assets is subjective based on Group's ability, and intention, to continue to explore the asset. The carrying value may also be impacted by the mineral reserves and resources may not be commercially viable for extraction. This creates a risk that the amounts stated in the financial statements may not be recoverable.	Our audit procedures in relation to the recognition of revenue included: • Considering the Group's right to explore in the relevant exploration area which included obtaining and assessing supporting documentation such as obtaining independent searches of the company's tenement holdings; • Considering the Group's intention to carry out significant exploration and evaluation activity in the relevant exploration area which included an assessment of the Group's future cash flow forecasts and enquired of management and the Board of Directors as to the intentions and strategy of the Group; • Assessing recent exploration activity in a given exploration license area to determine if there are any negative indicators that would suggest a potential impairment of the capitalized exploration and evaluation expenditure; • Assessing the ability to finance any planned future exploration and evaluation activity.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2022, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

For personal use only

For personal use only

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar2.pdf.
This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 22 to 23 of the directors' report for the year ended 30 June 2022.

In our opinion, the Remuneration Report of Astro Resources NL, for the year ended 30 June 2022, complies with section 300A of the Corporations Act 2001.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

RSM Australia Partners

C J Hume

Sydney, NSW
29 September 2022

Lease	Lease Status	Project	Holders
R70/58	Granted	Governor Broome	Governor Broome Sands
R70/53	Granted	Governor Broome	Governor Broome Sands
E70/5872	Granted	Governor Broome	Governor Broome Sands
E70/5826	Granted	Governor Broome	Governor Broome Sands
E70/5200	Granted	Governor Broome	Governor Broome Sands
E80/4120	Granted	Lower Smoke Creek	East Kimberley Diamond Mines
Needles	Granted	Needles Holdings	Needles Holdings Inc
Kibby Basin	Granted	Kibby Basin	Needles Holdings Inc

For personal use only

ASX Additional Information

For personal use only

As at 22 September 2022 the following information applied:

1 Substantial Shareholders

Substantial shareholders disclosed in substantial shareholder notices to the Company:

	No. of Shares Held	% Held
HPG Urban Developments Holdings Pty Limited	936,408,148	19.90%
Mining Investments Limited	379,450,076	8.06%

2 Securities

(a) Fully paid ordinary shares

The number of holders of fully paid shares in the Company is 4,893,266,954. On a show of hands every holder of fully paid ordinary shares present or by proxy, shall have one vote. Upon a poll, each fully paid ordinary share shall have one vote. The distribution of holders of fully paid ordinary shares is as follows:

	No. of Shares Held	% Held
1 – 1,000	92,354	0.01
1,001 – 5,000	831,065	0.02
5,001 – 10,000	1,034,932	0.02
10,001 – 100,000	18,833,529	0.38
100,001 and over	4,872,475,074	99.57
	4,893,266,954	**100.00**
Number holder less than a marketable parcel	25,450,794	0.52

The Company's fully paid ordinary shares are quoted on the Australian Securities Exchange using the code ARO.

Top 20 Shareholders

	No. of Shares Held	% Held
HPG URBAN DEVELOPMENTS PTY LTD	921,744,530	18.84
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	493,966,399	10.09
MINING INVESTMENTS LIMITED	208,904,305	4.27
DONNYBROOK SUPERANNUATION FUND PTY LTD	179,178,283	3.66
AGAM NOMINEES NO 1 PTY LTD	142,857,143	2.92
DRILLRITE LLC	102,739,726	2.10
TYSON & CO PTY LTD	102,400,000	2.09
MR GEORGE WAGIH ZEINE	95,048,122	1.94
KALONDA PTY LTD	93,750,000	1.92
LUNA LITHUM LTD	90,605,973	1.85
MRS CHERYL KAYE YOUNG & MR JOHN ALEXANDER YOUNG	87,500,000	1.79
MS CHUNYAN NIU	84,536,857	1.73
ST BARNABAS INVESTMENTS PTY LTD	66,500,000	1.36
NATIONAL NOMINEES LIMITED	58,399,048	1.19
HPG DEVELOPMENT HOLDINGS PTY LTD	52,083,333	1.06
FOURWINDS NOMINEES PTY LIMITED	50,000,000	1.02
KAFTA ENTERPRISES PTY LIMITED	49,449,885	1.01
MR JACOB KHOURI	48,371,260	0.99
ZARSI PTY LTD	45,450,000	0.93
SANDHURST TRUSTEES LTD	41,804,411	0.85
	3,015,289,275	**61.62**

For personal use only

(b) Unquoted equity securities

There are 63 million unlisted preference shares held by directors and key management personnel of Astro Resources NL. Further information concerning the terms of the performance shares can be found within the 'Directors Report' section of these financial statements.