

MARKET UPDATE

Update on Funding

Highlights

- Additional Unsecured Facility of \$300,000
- Total facilities available at 1 July 2019 (including the Unsecured Facility) - \$631,000 (rounded)
- Refresh of facilities to issue shares

Astro Resources NL (ASX: **ARO** or the **Company**) is please to advise the following:

Unsecured Facility

ARO has secured (subject to documentation) a further loan facility from its lender, Gun Capital Management Pty Ltd (**GCM**) The terms of the proposed facility are as follows:

- Principal Sum - \$300,000;
- Security – Unsecured
- Interest rate – 15% per annum; and
- Term 13 months from draw down, unless drawn to the amount of \$250,000, then the amount is to be restructured into a secure loan – see below.

The above is referred to as the 'Unsecured Facility'.

The Unsecured Facility is in addition to the existing facilities totalling \$1.8 million provided by GCM to the Company. As at 30 June 2019, the undrawn balance of these facilities is \$1,468,717.87, leaving a balance to be drawn of \$331,282.13.

New Secured Facility

As noted above, in the event that there is a drawn down of \$250,000 of the Unsecured Facility, this will trigger the immediate consolidation of all of the current facilities, including:

- the Unsecured Facility; plus
- any amount owing to GCM or related entities – currently approximately \$150,000;

into one secured facility (**New Secured Facility**). The proposed terms and subject to documentation of the New Secured Facility are as follows:

- Principal Sum - \$2.3 million;
- Term of loan – 2 years;
- Interest rate – 10% per annum, compounded on a quarterly basis.

Capital raising

The Company intends to first refresh its placement capacity. Currently, there is no placement capacity, based on the Placement undertaken on or around 31 December 2019. A meeting of shareholders is expected to be called shortly.

Following the approval of the proposed refreshment of capital, the Company intends to undertake a capital raising program. The purpose of the capital raising is to assist in the advancement of its Projects, in particular, the work currently being undertaken on the Needles Project drilling program and working capital and to reduce the amount proposed to be drawn down against the GCM facilities.

ENDS

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