



AUSTPAC RESOURCES N.L.
ACN 002 264 057

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30 April 2015

The Manager
Company Announcements
Australian Stock Exchange Limited
Exchange Centre
Level 6
20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam

RE: AUSTPAC RESOURCES N.L.
QUARTERLY REPORT FOR PERIOD ENDED 31 MARCH 2015

We are pleased to provide Quarterly Report for the period ended 31 March 2015 for immediate release.

Yours faithfully

N.J. Gaston
Company Secretary

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QUARTERLY REPORT TO 31 MARCH 2015

HIGHLIGHTS

Austpac is finalising project funding to complete construction, installation and commissioning and to commence production at the Newcastle Iron Recovery Plant (NIRP). During the quarter this was advanced through a number of initiatives:

- Discussions in 2014 with a major international company involved in the steel industry regarding this funding, and a positive review of technologies and the NIRP project by their Australian subsidiary, pointed to additional opportunities for the technology worldwide and led to Austpac being introduced to a major Chinese corporation with interests in steel mills.
- In late March 2015, Austpac visited China to meet the major Chinese corporation to introduce the EARS acid regeneration and iron reduction process. The huge potential to apply Austpac's steel waste recycling technology in China was recognised and subsequent teleconferences have advanced the technical due diligence process. Further meetings are being arranged for early May 2015 to progress this opportunity.
- An existing corporate shareholder with connections in the Chinese steel industry is also introducing Austpac's steel waste recycling technology to additional contacts in China.
- In a third initiative, Austpac is arranging to meet several other steel companies during the forthcoming visit to China.
- Austpac is in discussions with two major Australian banks regarding project finance for the NIRP project, and also with an Australian investment house with offices in Hong Kong interested in facilitating both project finance and placement capital.
- In early April 2015, the Company completed a private placement of 30,423,077 fully paid ordinary shares to raise \$304,230.

NEWCASTLE IRON RECOVERY PLANT

In late March 2015, meetings in China to introduce Austpac's acid regeneration and iron reduction process to this company were well received and the huge potential to use the steel waste recycling technology in China was recognised. Subsequent teleconferences were held with this major corporation to advance the technical due diligence process and further meetings are being arranged for early May 2015.

Following the release of the NIRP Project Update on 1 April 2015, an existing corporate shareholder contacted the Company regarding additional commercial applications for Austpac's technology in China. The shareholder has strong connections with the Chinese steel industry and these are now being advanced.

During the forthcoming Chinese visit, Austpac is also arranging to meet with senior representatives of several other Chinese companies who are interested in the Company's steel waste recycling technology.

The Company is in negotiations with two major Australian banks for project finance for the NIRP plant. The Company is also in discussions with an Australian investment house with offices in Hong Kong regarding the provision of both project finance and placement capital.

Austpac will make further announcements as these initiatives progress.

In early April 2015, the Company completed a private placement of 30,423,077 fully paid ordinary shares at 1 cent each to raise \$304,230. These shares were placed with professional investors. The funds are being used for working capital and progressing completion of construction and commencement of commissioning of the Newcastle Iron Recovery Plant.

EL 5291 NHILL EXPLORATION

Austpac has been approved to apply for an Exploration Grant under the Mineral Development Victoria TARGET Minerals Exploration Initiative. Austpac has identified a geophysical target for this initiative and awaits publication of the application guidelines. EL 5291 lies within the No. 1 priority area for the TARGET program and our exploration objectives are consistent with the Government's top priority commodities; copper, lead and zinc.

Mining Exploration Entities

EL 5291 (Nhill); Located between Nhill and Dimboola, Victoria; 100% Austpac Resources N.L.

For further information please contact:

Mike Turbott

Managing Director - Tel (+61 2) 9252 2599

NOTE: This report is based on and accurately reflects information compiled by M.J. Turbott who is a Fellow of the Australasian Institute of Mining and Metallurgy and a Fellow of the Australian Institute of Geoscientists and is a competent person as defined in the Australian Code for Reporting of Identified Mineral Resources and Ore Reserves.

About Austpac Resources N.L. (ASX code: APG)

Austpac Resources N.L. [www.austpacresources.com] is a minerals technology company currently focused on recycling waste chloride solutions and iron oxides produced by steelmaking to recover hydrochloric acid and iron metal. Austpac's technologies also transform ilmenite into high grade synthetic rutile, a preferred feedstock for titanium metal and titanium dioxide pigment production. The Company has been listed on the Australian Stock Exchange since 1986.

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10

Name of entity

| |
|-------------------------------|
| AUSTPAC RESOURCES N.L. |
|-------------------------------|

ABN

| |
|-----------------------|
| 87 002 264 057 |
|-----------------------|

Quarter ended ("current quarter")

| |
|----------------------|
| 31 MARCH 2015 |
|----------------------|

Consolidated statement of cash flows

| | Current quarter \$A'000 | Year to date (9 months) \$A'000 |
|---|----------------------------|------------------------------------|
| Cash flows related to operating activities | | |
| 1.1 Receipts from ERMS Funding | | |
| (a) ERMS Licence Fee Income | - | - |
| (b) Funded Exercise - ERMS | - | - |
| (c) Funded Exercise - NIRP | - | 9 |
| (d) Joint Venture Funding - Murray Basin | - | - |
| (e) R&D Tax Concession rebate | - | 407 |
| Receipts from Exploration | - | - |
| (a) - | - | - |
| 1.2 Payments for | | |
| (a) Exploration | - | - |
| (b) NIRP Mineral Technology Development | (112) | (710) |
| (c) ERMS - Other | - | - |
| (d) Murray Basin | - | - |
| (e) Gold | (21) | (83) |
| (f) Administration | (75) | (622) |
| 1.3 Dividends received | | |
| 1.4 Interest and other items of a similar nature received | | |
| 1.5 Interest and other costs of finance paid | | |
| 1.6 Tax paid | | |
| 1.7 Other (provide details if material) | | |
| Net Operating Cash Flows | (208) | (999) |
| Cash flows related to investing activities | | |
| 1.8 Payment for purchases of: | | |
| (a) prospects | | |
| (b) equity investments | | |
| (c) other fixed assets | | |
| 1.9 Proceeds from sale of: | | |
| (a) prospects | | |
| (b) equity investments | | |
| (c) other fixed assets | | |
| 1.10 Loans to other entities | | |
| 1.11 Loans repaid by other entities | | |
| 1.12 Other (provide details if material) | | |
| Net investing cash flows | - | - |
| 1.13 Total operating and investing cash flows | | |
| Cash flows related to financing activities | | |
| 1.14 Proceeds from issues of shares, options, etc. | 304 | 1,069 |
| 1.15 Proceeds from sale of forfeited shares | | |
| 1.16 Proceeds from borrowings | - | - |
| 1.17 Repayment of borrowings | | |

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

| | | | |
|------|---|-----|-------|
| 1.18 | Dividends paid | | |
| 1.19 | Other (provide details if material) | | |
| | Net financing cash flows | 304 | 1,069 |
| | Net increase (decrease) in cash held | 96 | 70 |
| 1.20 | Cash at beginning of quarter/year to date | 170 | 196 |
| 1.21 | Exchange rate adjustments to item 1.20 | | |
| 1.22 | Cash at end of quarter | 266 | 266 |

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

| | | Current quarter \$A'000 |
|------|--|----------------------------|
| 1.23 | Aggregate amount of payments to the parties included in item 1.2 | - |
| 1.24 | Aggregate amount of loans to the parties included in item 1.10 | - |

1.25 Explanation necessary for an understanding of the transactions

SALARY

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

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2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

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Financing facilities available

Add notes as necessary for an understanding of the position.

| | | Amount available \$A'000 | Amount used \$A'000 |
|-----|-----------------------------|-----------------------------|------------------------|
| 3.1 | Loan facilities | | |
| 3.2 | Credit standby arrangements | | |

Estimated cash outflows for next quarter

| | | \$A'000 |
|-----|----------------------------|------------|
| 4.1 | Exploration and evaluation | - |
| 4.2 | Development - NIRP | 400 |
| | Funding - NIRP | (400) |
| 4.3 | Production | - |
| 4.4 | Administration | 100 |
| | Total | 100 |

Reconciliation of cash

+ See chapter 19 for defined terms.

| Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows. | Current quarter \$A'000 | Previous quarter \$A'000 |
|---|----------------------------|-----------------------------|
| 5.1 Cash on hand and at bank | 266 | 170 |
| 5.2 Deposits at call | | |
| 5.3 Bank overdraft | | |
| 5.4 Other (provide details) | | |
| Total: cash at end of quarter (item 1.22) | 266 | 170 |

Changes in interests in mining tenements

| | Tenement reference | Nature of interest (note (2)) | Interest at beginning of quarter | Interest at end of quarter |
|---|--------------------|-------------------------------|----------------------------------|----------------------------|
| 6.1 Interests in mining tenements relinquished, reduced or lapsed | | | | |
| 6.2 Interests in mining tenements acquired or increased | | | | |

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

| | Total number | Number quoted | Issue price per security (see note 3) (cents) | Amount paid up per security (see note 3) (cents) |
|---|---|---------------|---|--|
| 7.1 Preference +securities (description) | | | | |
| 7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions | | | | |
| 7.3 +Ordinary securities | 1,323,733,243 | 1,249,120,317 | | |
| 7.4 Changes during quarter (a) Increases through issues (b) Forfeited shares held for reissue (c) Increase in Share Purchase Plan Share Purchase Plan Balance | 30,423,077 22,540,000 - 52,072,926 | | \$0.01 | \$0.01 |
| 7.5 +Convertible debt securities (description) | | | | |
| 7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted | | | | |
| 7.7 Options (description and conversion factor) | | | <i>Exercise price</i> | <i>Expiry date</i> |
| 7.8 Issued during quarter | | | | |
| 7.9 Exercised during quarter | | | | |
| 7.10 Expired during quarter | | | | |
| 7.11 Debentures (totals only) | | | | |
| 7.12 Unsecured notes (totals only) | | | | |

Compliance statement

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here: Date: 31 March 2015
(Company Secretary)

Print name: Nicholas J. Gaston

Notes

- 1 The quarterly report provides a basis for informing the market how the entity’s activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The “Nature of interest” (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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+ See chapter 19 for defined terms.