

15 May 2015

Mr Elvis Onyura  
Senior Adviser, Listings Compliance (Sydney)  
ASX Compliance Pty Ltd  
20 Bridge Street  
Sydney NSW 2000

Dear Mr Onyura,

Thank you for your letter dated 13 May 2015. In reply to your questions, we reply as follows:

1. The Company will continue to have negative operating cash flow for the time being and will continue to expend in accordance with available funds and will progress the financing of the completion stage of the Newcastle Iron Recovery Project. Existing shareholders have supported placements in the last quarter and have indicated further support in the June 2015 quarter.
2. Investors have also indicated their support for further capital during the forthcoming quarter.
3. The Company expects to be able to continue operations and meet business objectives on the basis of continuing support from existing shareholders and accessing project finance.
4. The Company is in compliance with Listing Rule 3.1 and there is no information that should be given to ASX that has not been released.

Should you require any further information, please contact me.

Yours sincerely,

N.J. Gaston  
Company Secretary



13 May 2015

Mr Nicholas Gaston  
Company Secretary  
Austpac Resources NL  
Level 3  
62 Pitt Street  
Sydney NSW 2000

By email:

Dear Mr Gaston,

**Austpac Resources NL (the “Company”): ASX Appendix 5B Query**

I refer to the Company’s quarterly report in the form of Appendix 5B for the period ended 31 March 2015 lodged with ASX Market Announcements Platform on Thursday, 30 April 2015 (the “Appendix 5B”).

ASX notes that the Company has reported:

- negative net operating cash flows for the quarter of \$208,000;
- cash at the end of the quarter of \$266,000; and
- estimated cash outflows for the next quarter of \$500,000.

It is possible to conclude on the basis of the information provided in the Appendix 5B that if the Company were to continue to expend cash at the rate for the quarter (and at the rate estimated for the next quarter) indicated by the Appendix 5B, the Company may not have sufficient cash to continue funding its operations. In view of that, please respond to each of the following questions:

1. Does the Company expect that it will continue to have negative operating cash flows for the time being and, if not, why not?
2. Has the Company taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?
3. Does the Company expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
4. Can the Company confirm that it is in compliance with Listing Rule 3.1 and that there is no information that should be given to ASX about its financial condition in accordance with that Rule that has not already been released to the market?

Please also provide any other information that the Company considers may be relevant to ASX forming an opinion on whether the Company is in compliance with Listing Rule 12.2.

## When and where to send your response

This request is made under, and in accordance with Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by not later than 9.30 am AEST on Tuesday, 19 May 2015. If we do not have your response by then, ASX will have no choice but to consider suspending trading in the Company's securities under Listing Rule 17.3.

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, the Company's obligation is to disclose the information "immediately". This may require the information to be disclosed before the deadline set out in the previous paragraph.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

Your response should be sent to me by e-mail at [elvis.onyura@asx.com.au](mailto:elvis.onyura@asx.com.au). It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

## Listing Rule 3.1

Listing Rule 3.1 requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. Exceptions to this requirement are set out in Listing Rule 3.1A.

The obligation of the Company to disclose information under Listing Rules 3.1 and 3.1A is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

In responding to this letter, you should have regard to the Company's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*.

## Trading halt

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in the Company's securities under Listing Rule 17.1.

If you wish to request a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We may require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

If you have any queries or concerns about any of the above, please contact me immediately.

Yours sincerely,

*[Sent electronically without signature]*

Elvis Onyura

Senior Adviser Title, Listings Compliance (Sydney)