



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:

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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.