



AUSTPAC RESOURCES N.L.

ACN 002 264 057

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16 March 2017

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.  
HALF-YEARLY REPORT 31 DECEMBER 2016

We are pleased to provide Stock Exchange half-yearly report 4D for period ended 31 December 2016 together with the Auditors Review report.

Yours faithfully

N.J. Gaston  
Company Secretary

enc

**Austpac Resources N.L. and its Controlled Entities**  
**Half-year ended 31 December 2016**  
**ABN 87 002 264 057**

**Appendix 4D**  
**Results for announcement to the market**

				\$'000's
Revenue	0	0	To	0
Loss before tax	Down	10.2%	To	(1,120,132)
Profit attributable to equity holders	Down	64.6%	To	386,420

No dividend has been paid or proposed for the six-month period ended 31 December 2016.

**Review of operations**

Commentary on the results of the consolidated entity has been included in the Directors' Report.

	As at 31 December 2016	As at 31 December 2015
Net tangible asset per security (cents)	0.05	0.02

**AUSTPAC RESOURCES N.L.  
AND ITS CONTROLLED ENTITIES**

**ABN 87 002 264 057**

**HALF-YEAR FINANCIAL REPORT**

**31 DECEMBER 2016**

# Austpac Resources N.L. and its controlled entities

## Directors' Report

The directors present their report together with the consolidated financial statements for the half-year ended 31 December 2016 and the auditor's review report thereon.

### Directors

The directors of the Company during the half-year are:

<i>Name</i>	<i>Period of Directorship</i>
Non-executive Mr Terry Cuthbertson	Director since March 2001, Chairman since May 2004
Non-executive Mr Robert Harrison	Director since 1 September 2004
Executive Mr Michael J. Turbott	Managing Director since March 1985
Non-executive Mr Colin Iles	Director since 14 March 2017

### Review and Results of Operations

The net result of operations after applicable income tax benefit for the half-year was a profit of \$386,420 (2015: profit of \$1,090,351).

#### NEWCASTLE ZINC & IRON RECOVERY PLANT (NZIRP)

Blast furnaces (BF) and basic oxygen furnaces (BOF) used in primary steel-making emit fine dusts which predominantly contain iron oxide with some minor contaminants, including zinc. In 2010, Austpac combined these dusts with spent pickle liquor (SPL) from the steel industry and produced marketable iron pellets with very low levels of contaminants, together with strong HCl. Zinc and other volatile metal contaminants were removed during the iron reduction stage and captured as oxides, though levels were economically insignificant.

The iron scrap used by electric arc furnaces (EAF) in secondary steel-making generally contains other metals, including zinc derived from galvanised iron. EAF dust (EAFD) can contain as much as 40% Zn which occurs as zinc oxides and other zinc minerals. Austpac's 2010 testwork at Newcastle on high-zinc EAFD demonstrated that an acceptable iron pellet could be produced, but at that time the zinc oxide was contaminated with carbon and other impurities and was unmarketable.

In 2015, Austpac decided to replace its proposed two-stage fluid bed iron reduction oxide process with a single fluid bed stage to produce partially reduced iron pellets which will be fed to an electric induction furnace (EIF) to make pig iron. EIF's have been used in iron foundries for over 100 years and are well proven. Pig iron is a higher value product compared with the briquetted iron previously contemplated using two-stage fluid bed reduction. Any volatile metal components in the EAFD such as zinc is contained in the partially reduced iron pellet. These components will fume off from the melt in the EIF and will be removed with the furnace exit gases and captured in a baghouse.

The ability to recover pig iron, strong HCl and zinc oxide from zinc-contaminated dusts from the steel industry is unique. Accordingly, in November 2016 Austpac lodged a patent application entitled "Processing of Zinc-Containing Waste Materials" to protect this new recycling process.

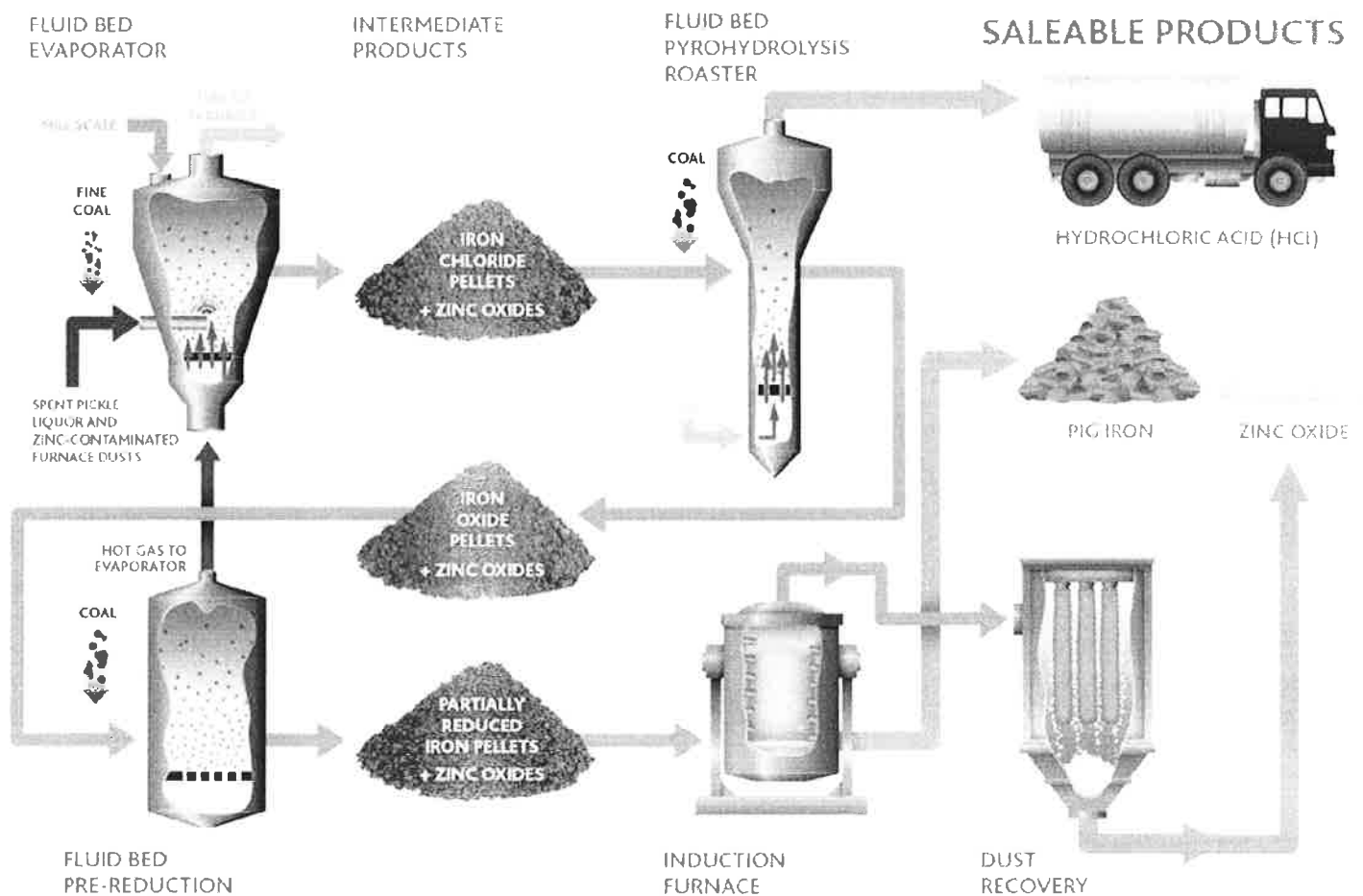
Recognising that EAFD is a significant zinc resource and that the use of an EIF enables its capture as an oxide, during the second half of 2016, Austpac also investigated adding a zinc sulphate electrolysis circuit as a final process step so that the NZIRP could produce zinc metal as well as pig iron and strong hydrochloric acid. While this option was potentially viable it significantly increased the capital cost, so it was decided to focus first on the production of pig iron and strong acid for recycling to industry, and zinc oxide for sale as a high-grade feedstock to a zinc refinery. This option simplifies the flowsheet, reduces process risk by using proven technology and the initial capital cost, and forms Stage 1 of the NZIRP project.

## Austpac Resources N.L. and its controlled entities

In October 2016, Austpac's management and technical team was augmented by Colin Iles, who joined the Company as a consultant. Colin is a metallurgist with over 35 years' experience in international trade, sales and business development and the commercial management of technical projects at plant level and is an expert in international metals sourcing and trading. Since October he has been closely involved in planning the commercialization of the NZIRP and in March 2017, he was appointed a non-executive director of the Company.

The team recognised that before construction for Stage 1 can recommence it would be necessary to demonstrate that Austpac's innovative and zinc recovery process can produce marketable pig iron and zinc oxide. A testwork program using pilot scale plant at Newcastle will commence in late March 2017. This includes upgrading and recommissioning existing equipment and will culminate in the production of at least 5 tonnes of reduced iron pellets for testing in a commercial foundry. A series of furnace melts at the foundry will produce pig iron while zinc will be captured as an oxide from the furnace gases. This will prove the process and provide samples to establish the marketability of the products. Marketing activities will be directed by Colin Iles.

Results from the program will enable the process mass and energy balances to be calculated. This will be followed by the development of the detailed plant design and costs for Stage 1 of the NZIRP. Potential sources of raw materials for the NZIRP are being refined with a view to developing an economic model to fit the current requirements of the Australian Steel Industry.



**NZIRP STAGE 1- PROCESS FLOW DIAGRAM**

## OPPORTUNITIES IN THE USA

During 2016, Austpac was approached by an influential group of industrialists in the USA who recognised that Austpac's technologies created an immediate opportunity to recycle EAFD in that country. The US steel industry produces 87 million tonnes of steel, over 60% of which comes from electric arc furnaces that generate large volumes of EAFD. The group has been waiting for Austpac to finalise plans for the zinc-iron-HCl recovery process at Newcastle. They have identified a number of sites in the steel producing region in the northeast of the country, and were recently been approached by a US steel producer interested in Austpac's technology. The testwork and marketing program commencing at Newcastle will assist the follow up of this and create additional opportunities to commercialise the Company's technology in the USA.

## **Austpac Resources N.L. and its controlled entities**

### **ERMS SR SYNRTILE TECHNOLOGY LICENCE**

During the first half of 2016, Austpac was approached by a company with a significant heavy mineral resource in Asia regarding a licence to use the Company's ERMS SR synrutile process. The company plans to develop a mine and a mineral separation plant to produce ilmenite, rutile and zircon, and is seeking technology to add value to the ilmenite. A draft licence and investment agreement has been negotiated under which the company can build a plant to beneficiate the ilmenite and produce high grade synrutile, which the company intends to sell as feedstock for the production of titanium sponge, an intermediate process in the manufacture of titanium metal. The company plans to undertake a scoping study followed by a bankable feasibility study, and it will establish an entity to manage the construction and operation of an ERMS SR Plant. The company is presently awaiting final approvals for financing in order to sign the agreement with Austpac.

### **EL 5291 Nhill**

In June 2016, Austpac executed a Grant Agreement with the State of Victoria as represented by its Department of Economic Development, Jobs, Transport and Resources. The grant is part of the Victorian Government's TARGET initiative to co-fund innovative exploration in the western part of the state. Austpac will be government-assisted financially to undertake a geophysical and drilling program within the Company's Exploration Licence 5291. The Grant includes three milestones; an initial program of ground magnetic and gravity surveys, followed by a drill hole to test the basement below the younger Murray Basin sediments for porphyry copper-gold and volcanic-hosted massive sulphide systems, and final technical and financial reporting.

Milestone One entailed new detailed ground magnetic data and new close spaced gravity data, followed by computer modelling of both sets of the new field data. This work has been completed, along with the required reporting to the Department.

Current work is focused on the selection of the location and landowner approval for a vertical diamond drill hole under Milestone Two of the Grant Agreement. Drilling is planned during the first half of 2017.

### **Mining Exploration Entities:**

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

### **Events Subsequent to Balance Date**

Subsequent to 31 December 2016, there has not arisen in the interval between 31 December 2016 and the date of this report, any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the company, to affect significantly the operations of the consolidated entity in future financial years other than:

- i) On 27 February 2017, Austpac Resources NL received a revised 2016 R&D Tax Concession refund for \$1,506,552;
- ii) In March 2017, Austpac Resources NL placed 19,000,000 fully paid ordinary Austpac Resources NL shares at 1 cent each to professional investors raising \$190,000;
- iii) On 14 March 2017, Mr Colin Iles was appointed to the Board of Directors of Austpac Resources NL.

## **Austpac Resources N.L. and its controlled entities**

### **Lead Auditors' Independence Declaration under Section 307C of the Corporations Act 2001**

The lead auditor's independence declaration is set out on page 7 and forms part of the directors' report for the half-year ended 31 December 2016.

### **Subsequent Events**

Subsequent to 31 December 2016, there has not arisen in the interval between 31 December 2016 and the date of this report, any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the company, to affect significantly the operations of the consolidated entity in future financial years other than:

- i) On 27 February 2017, Austpac Resources NL received a revised 2016 R&D Tax Concession refund for \$1,506,552;
- ii) In March 2017, Austpac Resources NL placed 19,000,000 fully paid ordinary Austpac Resources NL shares at 1 cent each to professional investors raising \$190,000;
- iii) On 14 March 2017, Mr Colin Iles was appointed to the Board of Directors of Austpac Resources NL.

Signed in accordance with a Resolution of the Directors on 16 March 2017.



M.J. Turbott  
Managing Director



***Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001***

To: the directors of Austpac Resources N.L.

I declare that, to the best of my knowledge and belief, in relation to the review for the half-year ended 31 December 2016 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.

KPMG

KPMG

Daniel Camilleri  
Partner

Sydney

16 March 2017



## Austpac Resources N.L. and its controlled entities

### Condensed consolidated statement of profit or loss and other comprehensive income For the half-year ended 31 December 2016

	Note	6 months ended 31 Dec 2016 \$	6 months ended 31 Dec 2015 \$
Administrative expenses		(1,116,962)	(1,234,440)
<b>Results from operating activities</b>		<b>(1,116,962)</b>	<b>(1,234,440)</b>
Finance income		2,357	-
Finance expenses		(5,527)	(12,384)
<b>Net financing expense</b>		<b>(3,170)</b>	<b>(12,384)</b>
Loss before tax		(1,120,132)	(1,246,824)
Income tax benefit	7	1,506,552	2,337,175
<b>Net profit for the period</b>		<b>386,420</b>	<b>1,090,351</b>
Other comprehensive income for the period net of income tax		-	-
<b>Total comprehensive profit for the period</b>		<b>386,420</b>	<b>1,090,351</b>
Basic and diluted profit per share			
Cents		0.03	0.08

The condensed consolidated statement of comprehensive income is to be read in conjunction with the condensed notes to the half-year financial report set out on pages 11 to 12.

## Austpac Resources N.L. and its controlled entities

### Condensed consolidated statement of changes in equity For the half-year ended 31 December 2016

	Issued Capital \$	Accumulated Losses \$	Total Equity \$
Balance at 1 July 2015	85,420,752	(51,647,096)	33,773,656
Profit for the period	-	1,090,351	1,090,351
Other comprehensive income for the period	-	-	-
Total comprehensive income for the period	<u>85,420,752</u>	<u>(50,556,745)</u>	<u>34,864,007</u>
Transaction with owners of the company			
Issue of ordinary shares	602,640	-	602,640
<b>Balance at 31 December 2015</b>	<u>86,023,392</u>	<u>(50,556,745)</u>	<u>35,466,647</u>
Balance at 1 July 2016	86,063,392	(50,670,775)	35,392,617
Profit for the period	-	386,420	386,420
Other comprehensive income for the period	-	-	-
Total comprehensive income for the period	<u>86,063,392</u>	<u>(50,284,355)</u>	<u>35,779,037</u>
Transaction with owners of the company			
Issue of ordinary shares	250,000	-	250,000
<b>Balance at 31 December 2016</b>	<u>86,313,392</u>	<u>(50,284,355)</u>	<u>36,029,037</u>

The condensed consolidated statement of changes in equity is to be read in conjunction with the condensed notes to the half-year financial report set out on pages 11 to 12.

**Austpac Resources N.L. and its controlled entities**  
**Condensed consolidated statement of financial position**  
**As at 31 December 2016**

	Note	31 Dec 2016 \$	30 June 2016 \$
<b>Current Assets</b>			
Cash and cash equivalents		168,469	612,551
Trade and other receivables		1,658,551	515,564
<b>Total Current Assets</b>		<u>1,827,020</u>	<u>1,128,115</u>
<b>Non-Current Assets</b>			
Property, plant and equipment		166,309	190,742
Intangible assets	8	35,308,009	35,279,032
<b>Total Non-Current Assets</b>		<u>35,474,318</u>	<u>35,469,774</u>
<b>Total Assets</b>		<u>37,301,338</u>	<u>35,597,889</u>
<b>Current Liabilities</b>			
Trade and other payables		337,982	188,670
Interest-bearing loans and borrowings		44,530	86,207
Employee benefits		730,954	825,860
<b>Total Current Liabilities</b>		<u>1,113,466</u>	<u>1,100,737</u>
<b>Non-Current Liabilities</b>			
Interest-bearing loans and borrowings		158,835	104,535
<b>Total Non-Current Liabilities</b>		<u>158,835</u>	<u>104,535</u>
<b>Total Liabilities</b>		<u>1,272,301</u>	<u>1,205,272</u>
<b>Net Assets</b>		<u>36,024,037</u>	<u>35,392,617</u>
<b>Equity</b>			
Issued capital		86,313,392	86,063,392
Accumulated losses		(50,284,355)	(50,670,775)
<b>Total equity attributable to equity holders of the parent</b>		<u>36,029,037</u>	<u>35,392,617</u>

The condensed consolidated statement of financial position is to be read in conjunction with the condensed notes to the half-year financial report set out on pages 11 to 12.

**Austpac Resources N.L. and its controlled entities**  
**Condensed consolidated statement of cash flows**  
**For the half-year ended 31 December 2016**

	6 months ended 31 Dec 2016 \$	6 months ended 31 Dec 2015 \$
<b>Cash flows from Operating Activities</b>		
Cash paid to suppliers and employees	(926,787)	(612,073)
Interest received	2,357	-
Interest paid	(5,527)	(12,384)
Income tax refund received	266,866	-
<b>Net cash (used in) operating activities</b>	<u>(663,091)</u>	<u>(624,457)</u>
<b>Cash flows from investing activities</b>		
Proceeds from sale of PPE	40,000	-
Payments for mineral technology development/exploration and evaluation	(28,977)	(90,692)
<b>Net cash (used in) / provided by investing activities</b>	<u>11,023</u>	<u>(90,692)</u>
<b>Cash flows from financing activities</b>		
Proceeds from the issue of share capital	250,000	602,640
Payment of finance lease liabilities	(42,015)	(29,949)
Repayment of related party loan	-	(10,000)
<b>Net cash provided by financing activities</b>	<u>207,985</u>	<u>562,691</u>
Net increase/(decrease) in cash held	(444,083)	(152,458)
Cash and cash equivalents at 1 July 2016	612,551	204,012
<b>Cash and cash equivalents at 31 December 2016</b>	<u>168,468</u>	<u>51,554</u>

The condensed consolidated statement of cash flows is to be read in conjunction with the condensed notes to the half-year financial report set out on pages 11 to 12.

# Austpac Resources N.L. and its controlled entities

## Condensed notes to the half-year financial report

### 1. Reporting Entity

Austpac Resources N.L. (the “Company”) is a company domiciled in Australia. The half-year financial report of the Company as at and for the six months ended 31 December 2016 comprises the Company and its subsidiaries (the “consolidated entity”).

The consolidated annual financial report of the consolidated entity as at and for the year ended 30 June 2016 is available upon request from the Company’s registered office.

### 2. Statement of Compliance

The half-year financial report is a general purpose financial report which has been prepared in accordance with AASB 134 Interim Financial Reporting and the Corporations Act 2001, and with IAS 34 Interim Financial Reporting.

The half-year financial report does not include all of the information required for a full annual financial report, and should be read in conjunction with the consolidated annual financial report of the consolidated entity as at and for the year ended 30 June 2016.

This half-year financial report was approved by the Board of Directors on 16 March 2017.

### 3. Significant Accounting Policies

The accounting policies applied by the consolidated entity in this half-year financial report are the same as those applied by the consolidated entity in its consolidated annual financial report as at and for the year ended 30 June 2016.

The half-year financial report is presented in Australian dollars.

### 4. Estimates

The preparation of the half-year financial report requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this half-year financial report, the significant judgements made by management in applying the consolidated entity’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial report as at and for the year ended 30 June 2016.

### 5. Going Concern

The half-year financial report has been prepared on the basis of a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities will occur in the normal course of business. The Directors believe that the consolidated entity will be able to fund future operations through the funding offered by potential new investors, share issues, the successful commercialisation of mineral technologies or the sale of surplus assets.

Without the receipt of funding offered by potential new investors, share issues, successful commercialisation of mineral technologies, sale of surplus assets, or a combination of these events the consolidated entity may not be able to continue as a going concern. These circumstances indicate there is a material uncertainty as to whether the consolidated entity will be able to continue as a going concern.

If the consolidated entity is unable to continue as a going concern, it may be required to make adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities in order to realise assets and extinguish liabilities other than in the normal course of business and at amounts different from those stated in the half-year financial report.

# Austpac Resources N.L. and its controlled entities

## Condensed notes to the half-year financial report

### 6. Segment Reporting

The Company operates in one segment only, being Mineral Sands and Mineral Sands Technology Development in Australia.

### 7. Income Tax Benefit

During the period the company lodged an R&D claim of \$1,506,552 (31 December 2015 : \$2,337,175)

### 8. Intangible Assets

The carrying value of Intangible assets at 31 December 2016 is \$35,308,009 (30 June 2016 : \$35,279,032).

The recoverable amount of mineral technology development assets was based on a value in use model at 30 June 2016. There have been no indications of impairment at 31 December 2016. Key assumptions used in the valuation of the mineral technology development assets include cash flow estimates for five years of both product and licence cash inflows and a terminal value based on a NIL growth rate. A discount rate of 22% (post tax) was used to discount these cashflows. A reasonably possible change in key assumptions including the quantum and timing of product and licence cash flows, or a change in the discount rate could result in impairment.

Austpac Resources N.L. mineral technology development relates to the Newcastle Iron Recovery Plant which employs the E.A.R.S acid regeneration technology, as well as ERMS mineral technology development. The ultimate recoupment of costs carried forward are dependent upon the successful development and commercialisation of the technology.

### 9. Capital and Reserves

As at 31 December 2016 there are 1,509,660,976 shares issued (30 June 2016: 1,484,660,976).

#### Dividends

No dividends were declared or paid by the consolidated entity during the period (2015 : nil).

#### Terms and Conditions

##### *Ordinary Shares*

Holders of fully paid ordinary shares are entitled to receive dividends if declared and are entitled to one vote per share at shareholders meetings.

##### *Partly Paid Shares*

Holders of Austpac Resources N.L. Employee Share Purchase plan shares are entitled to the same rights as ordinary shareholders, including entitlements to dividends if declared, once the shares are paid in full. The amount of unpaid capital is \$3,788,983 (June 2016: \$3,788,983). In the event of winding up, ordinary shareholders rank after creditors.

### 10. Events subsequent to balance date

Subsequent to 31 December 2016, there has not arisen in the interval between 31 December 2016 and the date of this report, any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the company, to affect significantly the operations of the consolidated entity in future financial years other than:

- i) On 27 February 2017, Austpac Resources NL received a revised 2016 R&D Tax Concession refund for \$1,506,552;
- ii) In March 2017, Austpac Resources NL placed 19,000,000 fully paid ordinary Austpac Resources NL shares at 1 cent each to professional investors raising \$190,000;
- iii) On 14 March 2017, Mr Colin Iles was appointed to the Board of Directors of Austpac Resources NL.

### 11. Financial Risk Management

Aspects of the Group's financial risk management objectives and policies are consistent with that disclosed in the consolidated financial report as at and for the year ended 30 June 2016. The carrying amount of the Group's financial assets and liabilities equals their respective fair values as at 31 December 2016.

# Austpac Resources N.L. and its controlled entities

## Directors' Declaration

In the opinion of the directors of Austpac Resources N.L. ("the Company"):

- (a) the financial statements and notes, set out on pages 8 to 13, are in accordance with the Corporations Act 2001, including:
  - (i) giving a true and fair view of the financial position of the consolidated entity as at 31 December 2016 and of its performance, as represented by the results of its operations and cash flows for the half-year ended on that date; and
  - (ii) complying with Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Dated at Sydney this sixteenth day of March 2017.

Signed in accordance with a resolution of the directors:



Michael J. Turbott  
Managing Director



# Independent Auditor's Review Report

To the members of Austpac Resources N.L.

## Report on the Half-year Financial Report

### Conclusion

We have reviewed the accompanying **Half-year Financial Report** of Austpac Resources N.L.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the Half-year Financial Report of Austpac Resources N.L. is not in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the **Group's** financial position as at 31 December 2016 and of its performance for the Half-year ended on that date; and
- complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

The **Half-year Financial Report** comprises:

- Consolidated statement of financial position as at 31 December 2016.
- Consolidated statement of profit or loss and other comprehensive income, Consolidated statement of changes in equity and Consolidated statement of cash flows for the Half-year ended on that date.
- Notes 1 to 11 comprising a summary of significant accounting policies and other explanatory information.
- The Directors' Declaration.

The **Group** comprises Austpac Resources N.L. (the Company) and the entities it controlled at the Half year's end or from time to time during the Half-year.

### Material uncertainty related to going concern

Without modifying our opinion, attention is drawn to the director's assessment of going concern in Note 5 of the Half-Year Financial Report. The matters outlined in Note 5 indicate the existence of a material uncertainty that may cast doubt on the Group's ability to continue as a going concern, and therefore the Group may be unable to realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the Half-year Financial Report.



## Responsibilities of the Directors for the Half-year Financial Report

The Directors of the Company are responsible for:

- the preparation of the Half-year Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*.
- for such internal control as the Directors determine is necessary to enable the preparation of the Half-year Financial Report that is free from material misstatement, whether due to fraud or error.

## Auditor's responsibility for the review of the Half-year Financial Report

Our responsibility is to express a conclusion on the Half-year Financial Report based on our review. We conducted our review in accordance with *Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the Half-year Financial Report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 December 2016 and its performance for the half-year ended on that date; and complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of Austpac Resources N.L., *ASRE 2410* requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a Half-year Financial Report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with *Australian Auditing Standards* and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.



KPMG



Daniel Camilleri  
Partner

Sydney  
16 March 2017