

Quarterly Report to 31st March 2021

- ZIRP process relocation
- Future Projects under review.
- Drilling Program to be contracted after rights issue

ZIRP process to relocate

Austpac Resources will close out its association with the Kooragang site of more than 20 years. Research and development conducted on site have produced some excellent opportunities with the Zn and iron recovery program moving on from Kooragang due to practical requirements and opportunities to develop the process closer to source.

Future funding opportunities

There are a number of new projects under review with due diligence to be conducted in the last quarter of FY2020-21. These are projects which have been under review in the current quarter with the company moving to an active program to decide on a project which will provide an income for the company going forward after a change in direction from FY2019-20.

Drilling program

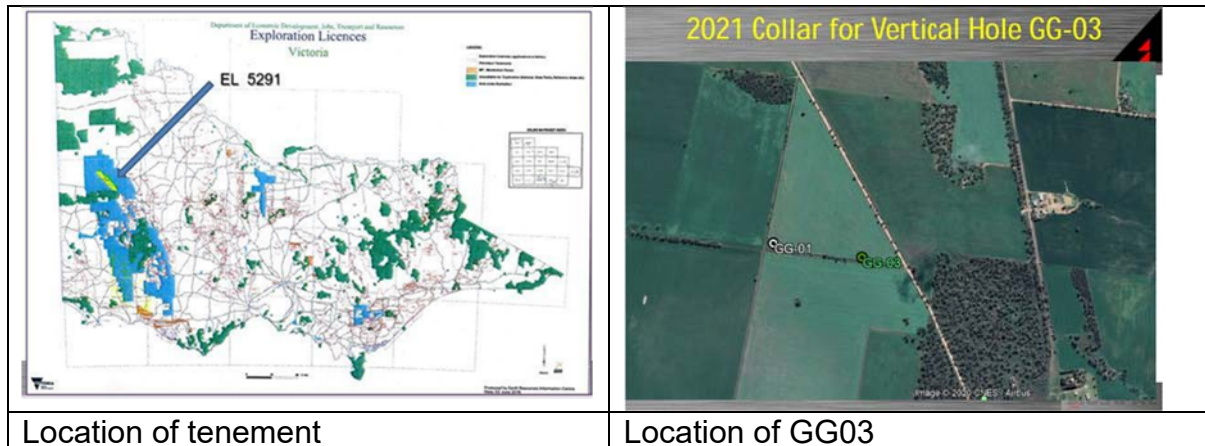
Austpac will contract a company to proceed with the drilling program as outlined in the last quarter and conduct the drilling in the near future at GG-03. We expect the costs to be in the region of \$ 100 – 150,000. The results from the drilling program will be analysed and reviewed in the next FY2021-21

In September 2020 our license was renewed by the Victorian Government.

In January 2020 new geophysical work was conducted at Nhill generating a great deal of information regarding the site and where we should locate Drill hole GG-03. Due to Covid 19 there was no work conducted on site since Mar 2020. Interpretation of the

Geophysical work was undertaken in February March 2020 by Mike Smith. As a result of this work Mike has determined the best location for our drill hole GG03.

Expressions of interest have been sent out to drilling companies. These should all be returned in early February and decision on partner to conduct drilling at GG03 will be decided.



Location of tenement

Location of GG03

Through the interpretation of the Geophysical data a vertical hole will be drilled at location GG-03. This was chosen due to a focused strong target area based on modeling from the geophysical work conducted in Jan 2020.

The site was determined using 2 sources of data overlaid to give the best possible opportunity for success.

There are 2 dipping bodies one associated with GG-01 and a stronger target northeast. This is backed up with strong magnetic response and high density in the area of GG-03. The hole is located 550 m east of GG-01.

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Rule 5.5

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Austpac Resources NL

ACN or ARBN

002 264 057

Quarter ended ("current quarter")

31-Mar-21

Consolidated statement of cash flows	Current quarter \$A'000	Year to date 9 months \$A'000
1. Cash flows related to operating activities		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration and evaluation	(3)	(34)
(b) N.I.R.P Mineral Technology Development	-	(50)
(c) rent and holding costs at Newcastle site	(61)	(127)
(d) staff costs	(15)	(83)
(e) administration and corporate costs	(86)	(284)
1.3 Dividends received (see note 3)		
1.4 Interest received	-	2
1.5 Interest and other costs of finance paid	-	(3)
1.6 Income taxes paid (received)		
1.7 Government grants and tax incentives	-	456
1.8 Others - Review and investigation costs of previous management activities	(30)	(127)
Others - Professional fees relating to R&D grants		(19)
1.9 Net cash from / (used in) operating activities	(195)	(269)
2. Cash flows related to investing activities		
2.1 Payments to acquire:		
(a) entities		
(b) tenements		
(c) property, plant and equipment		
(d) exploration & evaluation (if capitalised)		
(e) investments		
(f) other non-current assets		
2.2 Proceeds from the disposal of:		
(a) entities		
(b) tenements		
(c) property, plant and equipment		
(d) investments		
(e) other non-current assets		
2.3 Cash flows from loans to other entities		
2.4 Dividends received (see note 3)		
2.5 Other (provide details if material)		
2.6 Net cash from / (used in) investing activities	-	-

ASX Listing Rules Appendix 5B (01/12/19)

+See chapter 19 of the ASX Listing Rules for defined terms

Mining exploration entity or oil and gas exploration entity quarterly report

Consolidated statement of cash flows	Current quarter \$A'000	Year to date 9 months \$A'000
3. Cash flows related to financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	-	295
3.2 Proceeds from issue of convertible debt securities		
3.3 Proceeds from exercise of options		
3.4 Transaction costs related to issues of equity securities or convertible debt securities	-	(1)
3.5 Proceeds from borrowings		
3.6 Repayment of borrowings	(2)	(118)
3.7 Transaction costs related to loans and borrowings		
3.8 Dividends paid		
3.9 Other (Loan from shareholder)		
3.10 Net cash from / (used in) financing activities	(2)	176

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	271	167
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(195)	(269)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4 Net cash from / (used in) financing activities (item 3.10 above)	(2)	176
4.5 Effect of movement in exchange rates on cash held		
4.6 Cash and cash equivalents at end of period	74	74

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	74	271
5.2 Call deposits		
5.3 Bank overdrafts		
5.4 Other (provide details)		
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	74	271

6. Payments to directors of the entity and associates of the directors

6.1 Aggregate amount of payments to the parties included in item 1

6.2 Aggregate amount of loans to the parties included in item 2

Note: if any amounts are shown in items 6.1 and 6.2, your quarterly report must include a description of, and any explanation for, such payments

Payments for consultants fees.

Current quarter \$A'000
23
0

7. Financing facilities

Note: the term "facility" includes all forms of financing arrangement available to the entity
Add notes as necessary for an understanding of the position.

7.1 Loan facilities

7.2 Credit standby arrangements

7.3 Other

7.4 **Total financing facilities**7.5 **Unused financing facilities**

Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
-	-
-	-

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

Mining exploration entity or oil and gas exploration entity quarterly report

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(195)
8.2 Capitalised exploration & evaluation (Item 2.1(d))	-
8.3 Total relevant outgoings (Item 8.1 + Item 8.2)	(195)
8.4 Cash and cash equivalents at quarter end (Item 4.6)	74
8.5 Unused financing funding (Item 7.5)	-
8.6 Total available funding (Item 8.4 + Item 8.5)	74
8.7 Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	0.4

8.8 If Item 8.7 is less than 2 quarters please provide answers to the following questions:

- Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer:

The recent March quarter included numerous exceptional payments (1.8 - \$30,000 and 1.2(d) \$15,000). The above cash payments are unlikely to reoccur in the following two quarters. Management has estimated cash expenditures of around \$40,000 per month from hereon.

- Has the entity 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?

Answer:

The company has received proposals from financial institutions to fund projects for the business, subject to finalising dispute with previous management. These proposals are currently under review and consideration.

- Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

The business expects to continue its operations base on the future estimated cash expenditure of \$40,000 per month and plans to raise additional funds for the business - as noted in 2 above.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement does give a true and fair view of the matters disclosed.

Date: 30 April 2021

Authorised by: By the board
(Name of body or officer authorising release - see note 4)

Notes

- 1 This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
- 2 If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
- 3 Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
- 4 If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee - eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
- 5 If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and give a true and fair value of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.