

3 February 2014

Anthony Ingegneri
Senior Adviser, Listings Compliance (Sydney)
ASX Compliance Pty Ltd
20 Bridge Street
Sydney NSW 2000

Dear Mr Ingegneri,

Thank you for your letter dated 31 January 2014.

In reply to your questions we respond as follows:

1. The Company is progressing with the completion of construction and commissioning of the Newcastle Iron Recovery Plant as indicated in the narration of the quarterly report. The Company was well supported in November 2013 with the placement raising \$2,150,000.

Investors have indicated their support for further capital at the end of the March 2014 quarter should this be required.

2. During the completion of construction and commissioning of the Newcastle Iron Recovery Plant the Company will expend capital raised on the plant until commencement of production.
3. The Company continues to meet its funding requirements through the placement of equity capital for completion of the Newcastle Iron Recovery Plant.
4. The Company is in compliance with the listing rules and the continuous disclosure required by listing rule 3.1.
5. The Company is in compliance with listing rule 12.2. The Company refers to the 2013 Annual Report to support a sound balance sheet, no operational secured debt and a solvent working capital position.

Should you require any further information please contact me.

Yours sincerely,

N.J. Gaston
Company Secretary



ASX Compliance Pty Limited
ABN 26 087 780 489
20 Bridge Street
Sydney NSW 2000
PO Box H224
Australia Square
NSW 1215

www.asx.com.au

31 January 2014

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”)

I refer to the Company’s Quarterly Report in the form of Appendix 5B for the period ended 31 December 2013, released to ASX Limited (“ASX”) on 31 January 2014 (the “Appendix 5B”).

ASX notes that the Company has reported the following.

1. Receipts from product sales and related debtors of \$NIL.
2. Net negative operating cash flows for the quarter of \$1,183,000.
3. Cash at end of quarter of \$1,188,000.

In light of the information contained in the Appendix 5B please respond to each of the following questions.

1. It is possible to conclude on the basis of the information provided that if the Company were to continue to expend cash at the rate for the quarter indicated by the Appendix 5B, taking into account future administration costs, the Company may not have sufficient cash to fund its activities. Is this the case, or are there other factors that should be taken into account in assessing the Company’s position?
2. Does the Company expect that in the future it will have negative operating cash flows similar to that reported in the Appendix 5B for the quarter and, if so, what steps has it taken to ensure that it has sufficient funds in order to continue its operations at that rate?
3. What steps has the Company taken, or what steps does it propose to take, to enable it to continue to meet its business objectives?
4. Can the Company confirm that it is in compliance with the listing rules, and in particular, listing rule 3.1?
5. Please comment on the Company’s compliance with listing rule 12.2, with reference to the matters discussed in the note to the rule.

Listing rule 3.1

Listing rule 3.1 requires an 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. The exceptions to this requirement are set out in the rule.

In responding to this letter you should consult listing rule 3.1 and the guidance note titled “Continuous disclosure: listing rule 3.1”.

If the information requested by this letter is information required to be given to ASX under listing rule 3.1 your obligation is to disclose the information immediately.

Your responsibility under listing rule 3.1 is not confined to, or necessarily satisfied by, answering the questions set out in this letter.

This letter and your response may be released to the market. If you have any concerns about your response being released, please contact me immediately. Your response should be sent to me **via email to anthony.ingegneri@asx.com.au**. It should not be sent to ASX Market Announcements.

Unless the information is required immediately under listing rule 3.1, a response is requested as soon as possible and, in any event, not later than **5.00 pm AEDT on Wednesday, 5 February 2014**.

If you are unable to respond by the time requested you should consider a request for a trading halt in the Company’s securities.

If you have any queries, please do not hesitate to contact me.

Yours sincerely,

{Sent electronically without signature}

Anthony Ingegneri
Senior Adviser, Listings Compliance (Sydney)