



AUSTPAC RESOURCES N.L.
ACN 002 264 057

Level 5
37 Pitt Street
SYDNEY NSW 2000
GPO Box 5297
SYDNEY NSW 2001
Telephone: (+61 2) 9252 2599
Facsimile: (+61 2) 9252 8299
Email: apgtio2@ozemail.com.au
www.austpacresources.com

31 October 2019

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.
QUARTERLY REPORT FOR PERIOD ENDING 30 SEPTEMBER 2019

We are pleased to provide Quarterly Report for the period ending 30 September 2019 for immediate release.

Yours faithfully

N.J. Gaston
Company Secretary

enc

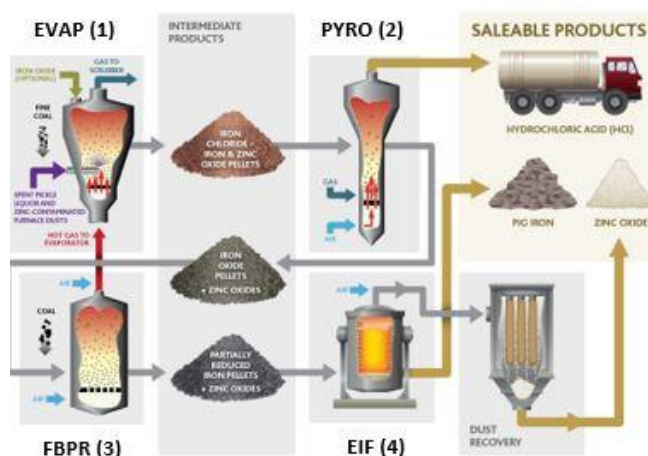
QUARTERLY REPORT TO 30 SEPTEMBER 2019

AUSTPAC'S ZINC & IRON RECOVERY PROCESS (ZIRP) PROOF OF CONCEPT TESTWORK PROGRAM SIGNIFICANTLY ADVANCED DURING THE QUARTER AND PRODUCTION RUN NOW UNDERWAY

The ZIRP Proof of Concept ("PoC") program progressed well during the quarter and during October 2019, the finishing touches were made to the equipment at Newcastle that were modified to undertake the first three stages of the process; EVAP, PYRO, and FBPR (see Process Diagram below).

Austpac's Zinc-Iron Recovery Process

Austpac's four-stage process Zinc Iron Recovery Process (ZIRP) was developed to recover zinc and iron and hydrochloric acid from zinc-contaminated furnace dusts and spent pickle liquor (SPL), both by-products of steelmaking. The first three stages are proven, and the Company is presently well advanced with a testwork program at Newcastle to prove the fourth stage; the use of an induction furnace to produce samples of pig iron and zinc oxide for market evaluation. A large sample of furnace dust filtercake dust and SPL is being used at Newcastle to produce FBPR pellets for off-site melting tests using an induction furnace.



The ZIRP Process for Recycling Zinc-Contaminated Furnace Dust

Current Status of the PoC Testwork Program

ZIRP Stage 1

Initial commissioning of the EVAP unit commenced in August 2019 as planned, and a number of further modifications were necessary to ensure the smooth operation of the equipment used for furnace dust slurry preparation have been completed. This included

revising the solids delivery feed system to the ball mill to obtain a constant feed rate to the mill, changing the pipework and pumping system for the slurry tank to ensure solids remain in suspension and raising the fluid bed along with the adjacent gas scrubber by 300mm to accommodate the longer plenum.

During October 2019, the hot gas ducts were installed connect to the EVAP fluid bed with the EVAP gas scrubbing system and the EVAP unit was wrapped with insulation. The slurry preparation area has been tested and as planned, the EVAP fluid bed is being hot-commissioned and it is expected that the production of iron-zinc oxide/iron chloride pellets will commence shortly. These pellets will then be campaigned through Stage 2; PYRO.

ZIRP Stages 2 (PYRO) and 3 (FBPR)

The dual-duty fluid bed roaster for the PYRO and FBPR stages has been installed, as have the hoppers and solids screw feeders for pellets and coal and the hot solids discharge screw. Acid-resistant PVDF piping to connect the roaster with the off-gas scrubbing system and to transfer the scrubbed gases to the exhaust stack has also been installed. The fluid bed roaster is now being insulated and once complete it will be ready for commissioning as soon as the EVAP pellet production run has been completed.

The production runs for the PoC testwork program is now underway at Newcastle. It is expected that the EVAP campaign will be finished in early November, and it will be followed sequentially by the PYRO and the FBPR campaigns, with the objective of completing the first three process stages in November.

Plans are being finalised to undertake the EIF fourth process stage; melting the FBPR pellets in an induction furnace. This will be undertaken off site at a well-equipped independent facility where the experienced personnel will validate the melting results and hence the PoC program and the ZIRP technology.

Sale of a Technology Package to Lido Holdings

In mid-September 2019, Austpac Resources announced that a synthetic rutile technology package developed by the Company in 2006, had been sold to Lido Holdings Limited (British Virgin Islands) for \$1.5 million.

The sale is solely related to the use of information contained in an internal conceptual scoping study undertaken by Austpac in 2006 (the Study).

Lido has the right to use the Study information for its own purposes in China. It is not a licence and the transaction does not represent the sale of any of Austpac's technologies or the transfer of ownership of any Intellectual Property to Lido.

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 furnace dusts produced by steelmaking to recover hydrochloric acid, pig iron and zinc. 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.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

AUSTPAC RESOURCES N.L.

ABN

87.002.264.057

Quarter ended ("current quarter")

30 SEPTEMBER 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts – R+D Tax Concession Refund	-	-
1.2 Payments for		
(a) exploration	-	-
(b) NIRP Mineral Technology Development	(216)	(216)
© ERMS- other	-	-
(d) Murray Basin		
(e) Gold	(5)	(5)
(f) Administration	(259)	(259)
(g) Gold Funding	-	-
1.3 Dividends received (see note 3)		
1.4 Interest received		
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Research and development refunds		
1.8 Technology Revenue Transaction	1,500	1,500
1.9 Net cash from / (used in) operating activities	1,020	1,020

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment		
(b) tenements (see item 10)		

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
(c) investments		
(d) other non-current assets		
2.2 Proceeds from the disposal of:		
(a) property, plant and equipment		
(b) tenements (see item 10)		
(c) investments		
(d) 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		

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares		
3.2 Proceeds from issue of converting notes	-	-
3.3 Proceeds from exercise of share options		
3.4 Transaction costs related to issues of shares, convertible notes or options		
3.5 Loan from shareholder	-	-
3.6 Repayment of borrowings		
3.7 Transaction costs related to loans and borrowings		
3.8 Dividends paid		
3.9 Other (Shareholder Share Purchase Plan)	-	
3.10 Net cash from / (used in) financing activities		

4. Net increase / (decrease) in cash and cash equivalents for the period	1,020	1,020
4.1 Cash and cash equivalents at beginning of period	472	472
4.2 Net cash from / (used in) operating activities (item 1.9 above)	1,020	1,020
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)	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	1,492	1,492

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	1,492	472
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)	1,492	472

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Current quarter \$A'000
NIL

7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

Current quarter \$A'000

Mining exploration entity and oil and gas exploration entity quarterly report

8. Financing facilities available

Add notes as necessary for an understanding of the position

8.1 Loan facilities

8.2 Credit standby arrangements

8.3 Other (please specify)

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

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

--

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	30
9.2 Development- N.I.R.P	300
9.3 N.I.R.P funding (R&D)	-
9.4 Staff costs	
9.5 Administration and corporate costs	235
9.6 Other – Placements	-
9.7 Total estimated cash outflows	565

10. Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced				
10.2 Interests in mining tenements and petroleum tenements acquired or increased				

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 gives a true and fair view of the matters disclosed.

Sign here: Date:.....31/10/2019.....
(Director/Company secretary)

Print name:N.J. GASTON

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly 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 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.