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Quarterly Report to 30th September 2020

- **Successful renewal of EL5291**
- **Management changes**
- **Review of ZIRP technology**
- **R&D tax receipt**
- **Future funding opportunities**
- **Since the onset of the Covid-19 pandemic, Austpac has complied with social Distancing and employees have worked from home. All site project activity has been suspended until a clear direction has been set by the government.**

Renewal of EL5291

Austpac Resources successfully renewed the exploration license of EL5291. The licence was renewed for 3 years and allows Austpac Resources to continue with its exploration activities. A work program will be developed once COVID-19 restrictions are lifted in Victoria.

Management Changes

Austpac Resources underwent a restructure in the quarter. The CFO resigned; Austpac Resources technical team are now working as consultants on an as need basis. All other employees are no longer with the company. Colin Iles was appointed CEO.

A review was implemented to reduce costs as appropriate for the current operations of the Company. The cost reduction program is expected to reduce monthly administration costs by approx. $ 40,000 – $ 50,000 per month.

ZIRP Process

The results from Proof of Concept program in Q2 2019-20 was a technical success and requires further work to develop the process as a commercially viable process. Austpac is investigating partnerships with companies in the steel industry to develop a commercialised plant for the international steel market. This process is in the early stages and engagement with these companies is part of the 2021-22 business plan.

Tax funding received

Austpac Resources received a tax refund in the quarter for work completed in 2019-20 financial year for the R&D grant of $ 405,693.

Future Funding

Austpac Resources are researching new opportunities to expand its mining and exploration portfolio and are confident of securing funding for these opportunities.

By Order of the Board



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Austpac Resources NL

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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	Quarter ended ("current quarter")
002 264 057	**30-Sep-20**

Consolidated statement of cash flows	**Current quarter $A'000**	**Year to date 3 months $A'000**
1. Cash flows related to operating activities		
1.1 Receipts from customers*		
1.2 Payments for		
(a) exploration and evaluation	(31)	(31)
(b) N.I.R.P Mineral Technology Development	(10)	(10)
(c) production		
(d) staff costs	(29)	(29)
(e) administration and corporate costs	(83)	(83)
1.3 Dividends received (see note 3)		
1.4 Interest received	2	2
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid (received)		
1.7 Government grants and tax incentives	423	423
1.8 Technology revenue transaction		
1.9 Net cash from / (used in) operating activities	272	272

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	-	-

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Consolidated statement of cash flows	Current quarter $A'000	Year to date 3 months $A'000
3. Cash flows related to financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)		
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		
3.5 Proceeds from borrowings		
3.6 Repayment of borrowings		
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	-	-

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	167	167
4.2 Net cash from / (used in) operating activities (item 1.9 above)	272	272
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)	-	-
4.5 Effect of movement in exchange rates on cash held		
4.6 Cash and cash equivalents at end of period	439	439

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	439	167
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)	**439**	**167**

6. Payments to directors of the entity and associates of the directors	Current quarter $A'000
6.1 Aggregate amount of payments to the parties included in item 1	0
6.2 Aggregate amount of loans to the parties included in item 2	0

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

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.	Total facility amount at quarter end $A'000	Amount drawn at quarter end $A'000
7.1 Loan facilities		
7.2 Credit standby arrangements		
7.3 Other		
7.4 **Total financing facilities**	-	-
7.5 **Unused financing facilities**	-	-

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.

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8.	**Estimated cash available for future operating activities**	$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(153)
8.2	Capitalised exploration & evaluation (Item 2.1(d))	-
8.3	Total relevant outgoings (Item 8.1 + Item 8.2)	(153)
8.4	Cash and cash equivalents at quarter end (Item 4.6)	439
8.5	Unused financing funding (Item 7.5)	-
8.6	Total available funding (Item 8.4 + Item 8.5)	439
8.7	**Estimated quarters of funding available (Item 8.6 divided by Item 8.3)**	2.9

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

1. Does the entitiy 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: N/A

2. Has the entitiy 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: N/A

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

Answer: N/A

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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 October 2020
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 committe - 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 youself 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.

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