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NEWCASTLE IRON RECOVERY PLANT – PROJECT UPDATE

The Newcastle Iron Recovery Plant, which will showcase Austpac's unique steel industry waste recycling technologies to a number of interested parties, will commence operations later this year. Construction continues to progress well. Developments since the last update released on 27th March 2013 include:

- The east side of the existing process tower was prepared for cladding prior to installation of the CO_2 stripping columns.
- Roofing of the new laboratory is being completed this week, which will be followed by installation of the pilot scale test equipment.
- The fabricated steel for the mezzanine floor in the plant room will be delivered this week and once it is assembled the blowers, compressors, waste heat boiler and hydraulic pumps will be installed.
- Concrete civil works will commence next week. This includes the bunkers in the bulk mill scale storage shed and the briquetted iron product load out area, the CO_2 stripping and absorption columns, the high voltage transformer, the bunded pickle liquor delivery and the regenerated acid despatch area adjacent to the tank farm, and the char and iron chip load out area and drainage beneath the product silos.

The Plant will commence commissioning during the third quarter and production will follow in the fourth quarter of 2013.

View of the Plant from the south showing the site office in the foreground, the new laboratory roof behind, the process tower to the left and the product silos and plant room in the background

Refurbished process tower being prepared for the extension which will support the EARS acid regeneration and metallisation equipment

Installation of cleats on the refurbished process tower. The afterburner for the evaporation section has been installed

EL 5291 Nhill - Victoria

A new Work Program for EL 5291 was approved and registered by the Victorian Department of Primary Industries (DPI). Ongoing meetings with local landowners resulted in signed land access agreements for the proposed drilling operations, and these agreements have been registered with the DPI.

Further computer modelling of the recently acquired ground magnetics has resulted in the finalisation of drillhole locations to test for a geological setting conducive to significant base metal mineralisation. The targeted magnetic anomalies are thought to be related to magnetite and/or pyrrhotite, minerals that are associated with base metals.

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About Austpac Resources N.L. (ASX code: APG)

Austpac Resources N.L. [www.austpacresources.com] is a minerals technology company focused on the titanium, steel and iron ore industries. It has been listed on the Australian Stock Exchange since 1986. Austpac's key technology transforms ilmenite into high-grade synthetic rutile, a preferred feedstock for titanium metal and titanium dioxide pigment production. The technology is also being used to process waste chloride solutions and iron oxides produced by steelmaking to recover hydrochloric acid and iron metal pellets

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