AUSTPAC RESOURCES N.L.

Welcome to the Annual General Meeting

26 November 2015

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Presentation by
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Austpac's Newcastle Site

Newcastle Iron Recovery Plant (2014)

- NIRP was conceived in 2011 and advanced through 2014 using a combination of funds from Kronos and Austpac – Total $18.5M
- Project Objective: to use Austpac's unique acid regeneration & iron reduction processes to commercially recycle iron oxide waste (mill scale & blast furnace dusts) and spent pickle liquor
- Construction of NIRP: 85% complete
- Design capacity when fully operational
  - ~18,000 tpa saleable iron (iron chips or briquettes)
  - ~18,000 tpa strong (25%w/w) hydrochloric acid
- At end of 2014 Austpac was seeking a further $3.8M to complete and $3.0M to commission NIRP

Newcastle Iron Recovery Plant

Project funding options 2014-15

- Internal funding – shareholders
- Project finance – banks, etc.
- Corporate/Institutional support from outside Australia
  - USA, Europe
  - China, India, Asia

Mid 2015 – Paradigm shift in Project

- ABR Zinc Recovery Process
- Involvement of Ixom

ABR Process Development

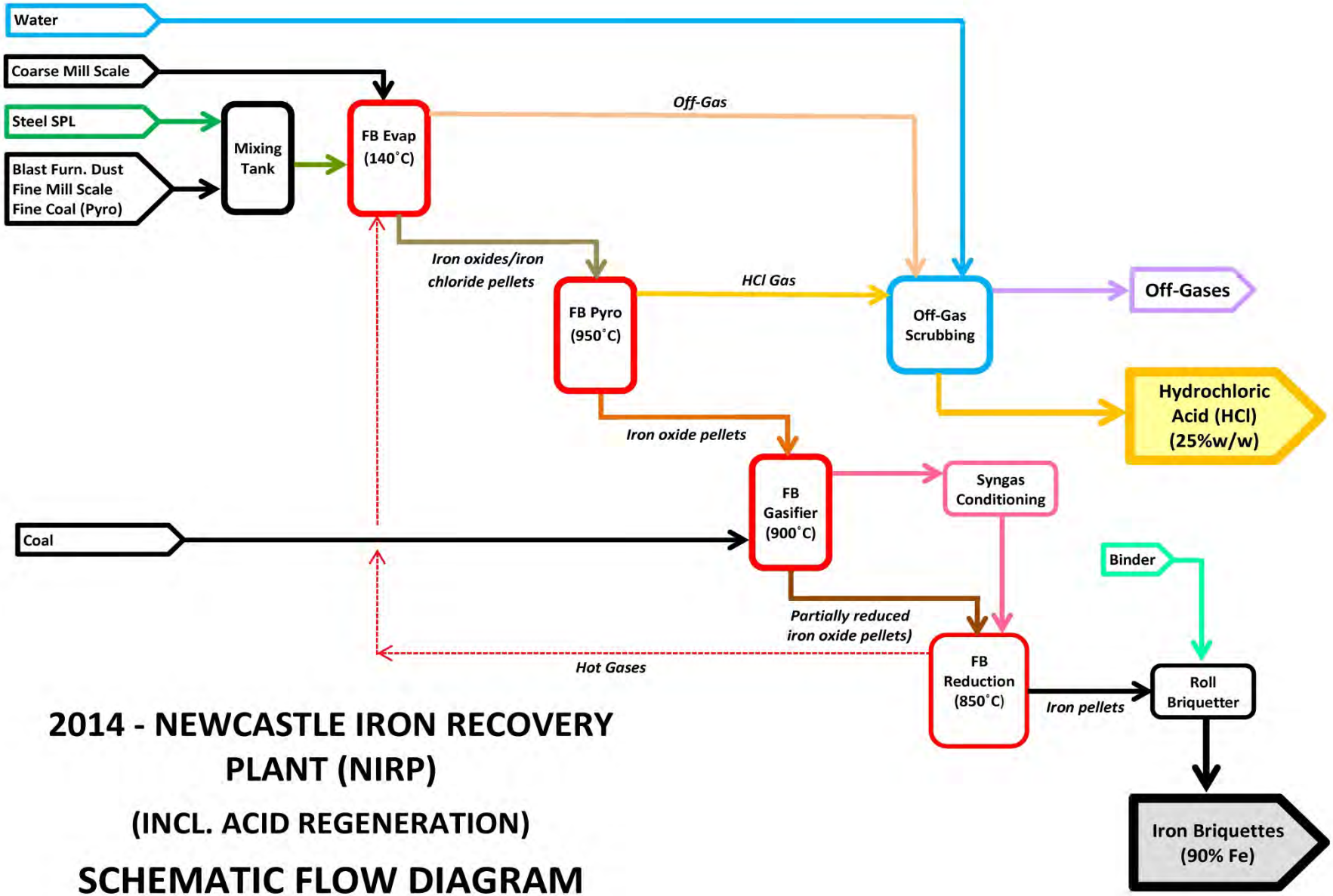
- Private company based in Lismore, NSW
- Has facilities in Brisbane and Melbourne
- Has developed a range of industrial chemical processes for purification of water, recycling, regeneration, metals recovery
- Has a patented process to recover zinc metal and HCl from spent liquors containing zinc and iron chlorides (galvanising)
- Can be readily integrated with Austpac's iron reduction and acid regeneration processes

Ixom Operations Pty Ltd

- Formerly Orica Chemicals, a division of Orica Australia
- Purchased by the Blackstone Group (USA) in March 2015 ($750M)
- Manufactures and distributes chemicals for water, mining, agriculture, oil & gas, steel and dairy sectors
- Produces HCl for steel pickling for
  - Coating steel
  - Galvanising plants
- Ixom has followed Austpac's acid regeneration processes since 2010

Activities – 2nd & 3rd Quarter, 2015

- Austpac recognised the potential to integrate ABR's zinc recovery process into the NIRP flowsheet
- Confirmed process suitability by technical exchange/review
- Introduced the integrated project concept to Ixom
- Agreed with Ixom and ABR to jointly assess the economics of an integrated plant to recover zinc, iron and HCl from steel and galvanising dusts and spent liquors
- Austpac undertook to produce capital and operating cost estimates for the integrated plant – now completed



2014 - NEWCASTLE IRON RECOVERY PLANT (NIRP)

(INCL. ACID REGENERATION)

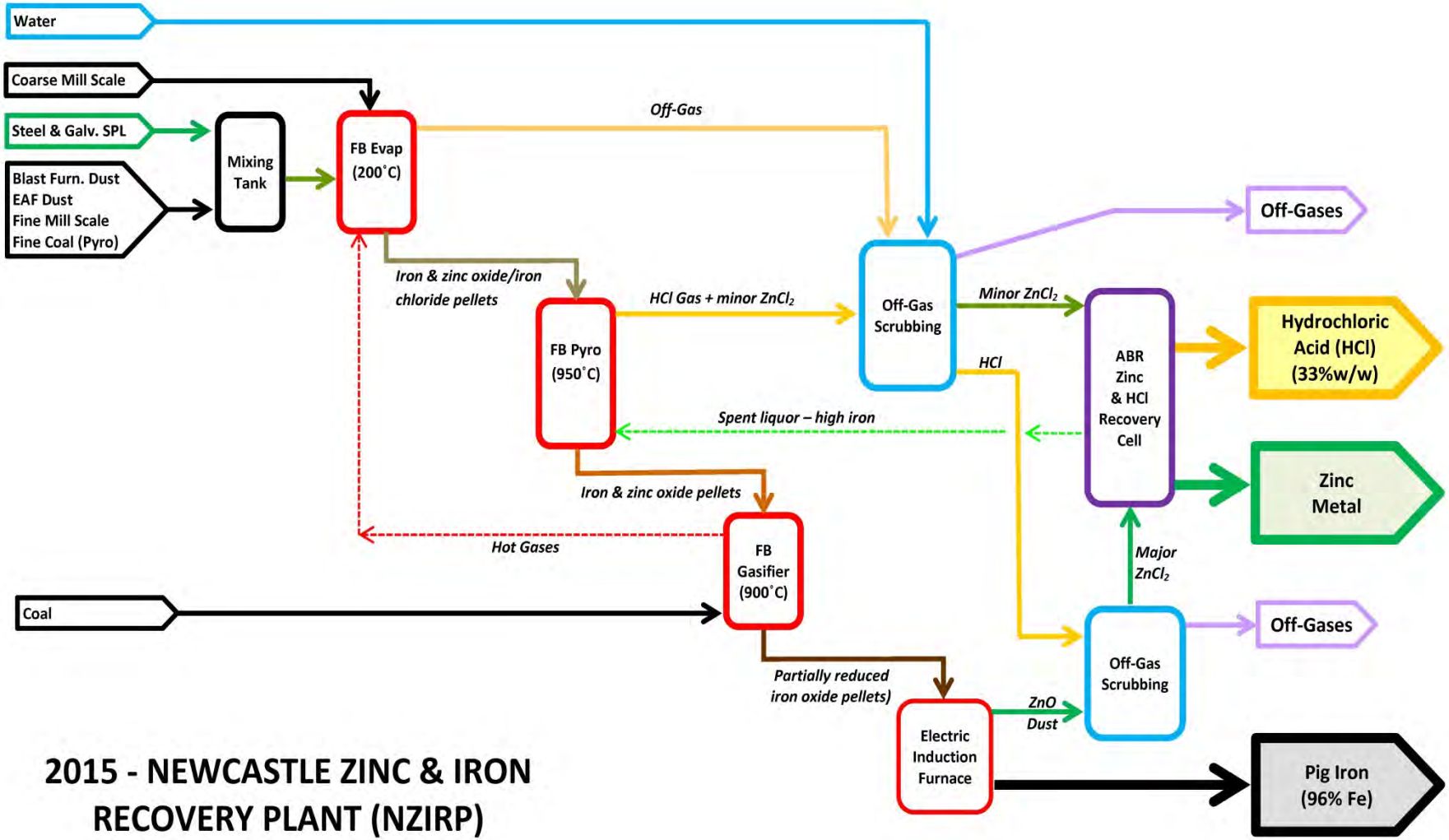
SCHEMATIC FLOW DIAGRAM

Newcastle Iron Recovery Plant

- Feedstocks include mill scale, furnace dusts (low Zn), spent chloride liquors from steel pickling
- Products are iron briquettes and strong acid HCl
- Recycling steel industry waste is profitable
- Not designed to process dusts or liquors containing high Zn
  - Steel mini-mill dusts – EAF dust contains up to 40% Zn
  - Galvaniser SPL – contains up to 9% Zn
- Recovery of zinc from contaminated dusts would greatly improve plant profitability

The solution is an integrated plant to produce pig iron, zinc metal & concentrated HCl……

NEWCASTLE ZINC & IRON RECOVERY PLANT (NZIRP)



2015 - NEWCASTLE ZINC & IRON RECOVERY PLANT (NZIRP)

(INCL. ACID REGENERATION)

SCHEMATIC FLOW DIAGRAM

Electric Induction Furnace

Inductotherm Equipment

Furnaces

Digital Control Power Supply

ABR Zn & HCl Recovery

Electrolytic Cell Module

Modular Semi-Permeable Membrane & Electrolysis Process

Power Supply & Control Module

Newcastle Zinc & Iron Recovery Plant

Advantages

- Simplifies flowsheet – syngas conditioning and briquetting sections no longer required
- Reduces process risk
  - Induction furnace technology proven (foundries)
  - ABR process is modular so easily scaled up
- Three valuable products
  - Pig iron (96% Fe)
  - High purity Zn (cathode or billets)
  - Concentrated HCl (33% w/w)

NZIRP – Preliminary Cost Estimate

- Annual production capacity
  - Pig iron — 15,000 tonnes
  - High purity Zn — 3,700 "
  - Concentrated HCl — 6,600 "
- Additional capital cost — $ 12.5M
- Commissioning — 2.0M
- Total cost to production — $ 14.5M

Newcastle Zinc & Iron Recovery Plant

Ixom Position

- Undertaking complete review of project
- Reviewing
  - Austpac's cost estimates
  - Sources of steel & galvaniser SPL
  - Markets for HCl
- Review progressing well
- Austpac assisting to ensure speedy outcome

Newcastle Zinc & Iron Recovery Plant

Corporate and Project Funding

1. Immediate – shareholder share purchase plan underway ($0.5M to date)
2. Negotiating $1.2M facility for ongoing working capital
3. Corporate finance - $15M for NZIRP (Ixom)
4. Private project finance facility up to $15M linked to the recovery of R&D expenditure

AUSTPAC

RECOVERING ZINC & IRON

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