



AUSTPAC RESOURCES N.L.  
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1 February 2018

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.**  
**NOTICE OF EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS**  
**28/2/2018**

We are pleased to provide Notice of Meeting, Proxy Form and Explanatory Memorandum for Extraordinary General Meeting of Shareholders to be held on 28 February 2018.

Yours faithfully

N.J. Gaston  
Company Secretary

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## **Notice of Extraordinary General Meeting**

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**NOTICE IS HEREBY GIVEN** that an Extraordinary Annual General Meeting of Shareholders of Austpac Resources N.L. will be held at the **Royal Exchange, 1 Gresham Street, Sydney**, on **Wednesday, 28<sup>th</sup> February 2018 at 10:00am**.

### **BUSINESS**

**1. Minutes of Previous General Meeting of Shareholders**

To resolve that the minutes of the previous General Meeting of Shareholders of Austpac Resources NL held on 23 November 2017 be accepted as a correct record.

**2. Approval of Converting Note 1**

To resolve that the unsecured converting note for \$500,000 issued to Bergen Global Opportunity Fund II, LLC, under ASX Listing Rule 7.1 on 10 January 2018 in accordance with investment agreement signed on 10 January 2018 and announced to the Australian Securities Exchange on 11 January 2018 be approved by shareholders.

**3. Approval of Converting Note 2**

To resolve that a second unsecured converting note for \$500,000 to be issued to Bergen Global Opportunity Fund II, LLC, under ASX Listing Rule 7.1 on 10 April 2018 in accordance with investment agreement signed on 10 January 2018 and announced to the Australian Securities Exchange on 11 January 2018 be approved by shareholders.

### **BY ORDER OF THE BOARD**

N.J. Gaston  
Secretary  
23 January 2018

#### **ADDITIONAL**

#### **INFORMATION – VOTING EXCLUSIONS**

##### **- TIMING OF ISSUE OF CONVERTING NOTES AND CONVERSION**

In accordance with the Corporations Act, any votes will be disregarded made by or on behalf of any person who is a party or beneficiary of the unsecured Converting Notes in Resolution numbers 2 and 3.

Resolution No. 2 – Approval of Converting Note 1 – The Company will disregard any vote cast in favour of Resolution No. 2 being Bergen Global Opportunity Fund II, LLC, or anyone who will obtain a material benefit as a result of the issue except a benefit solely by reason of being a holder of ordinary securities in the entity.

Resolution No. 3 – Approval of Converting Note 2 – The Company will disregard any vote cast in favour of Resolution No. 3 by Bergen Global Opportunity Fund II, LLC, or anyone who will obtain a material benefit as a result of the proposed issue except a benefit solely by reason of being a holder of ordinary securities in the entity.

However, the Company will not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

A shareholder entitled to attend and vote is entitled to appoint not more than two proxies to attend and vote instead of the member. A proxy need not be a member of the Company. Where two proxies are appointed, each proxy must be appointed to represent a specific portion of the member's voting rights. Proxy forms must be received by the Company at the principal office at least 48 hours before the time for the holding of the meeting.

Converting Note No. 1 was issued and announced to the ASX on 11 January 2018. Converting Note No. 2 will be issued no later than 3 months after 28 February 2018.

## PROXY FORM

\*I/We

of .....

being a member/s of Austpac Resources N.L. hereby appoint .....

of .....

or .....

or failing him, or if no person is named, the Chairman of the Meeting as my/our proxy to attend and vote for me/us and on my/our behalf at the Extraordinary General Meeting of Members to be held on Wednesday 28 February 2018 at 10:00am and at any adjournment thereof. Should the member wish to direct the proxy how to vote, place a tick in the appropriate box against each item hereunder, otherwise the proxy may vote as he thinks fit or abstain from voting.

I/We instruct my/our proxy to vote in the following manner:

### BUSINESS

FOR      AGAINST      ABSTAIN

1. Minutes of Previous General Meeting of Shareholders..... ☐ ..... ☐ ..... ☐

2. Approval of Converting Note 1 to Bergen Global Opportunity  
Fund II, LLC under ASX Listing Rule 7.1 ..... ☐ ..... ☐ ..... ☐

3. Approval of Converting Note 2 to Bergen Global Opportunity  
Fund II, LLC under ASX Listing Rule 7.1 ..... ☐ ..... ☐ ..... ☐

### Chairman's Voting Intentions

The Chairman's intention in relation to undirected proxies is to vote in accordance with the proposed resolutions.

By marking this box, you are directing the Chairman of the Meeting to vote in accordance with the Chairman's voting intentions as set out above and in the Notice of Meeting. **If you do not mark this box, the Chairman of the Meeting will not cast your votes.** If you appoint the Chairman of the Meeting as your proxy you can direct the Chairman how to vote by either marking the voting boxes above (for example if you wish to vote against a resolution) or by marking this box (in which case the Chairman of the Meeting will vote in favour of Resolution 1).

The Chairman of the Meeting intends to vote all available proxies **in favour** of Resolutions 1, 2 and 3.

☐ I/We direct the Chairman of the Meeting to vote in accordance with the Chairman's voting intentions (except where I/we have indicated a different voting intention above) and acknowledge that the Chairman of the Meeting may exercise my proxy.

Dated this ..... day of ..... 2018

Signature of Member .....

**Please note:** If you have appointed the Chairman of the Meeting as your proxy (or the Chairman of the Meeting becomes your proxy by default), by marking the appropriate box opposite those resolutions. However, note that if the Chairman is your proxy and you do not mark any of the boxes, you are directing the Chairman of the Meeting to vote in favour of the Resolution.

**EXPLANATORY MEMORANDUM**

**EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS - 28 FEBRUARY 2018**

1. **Certainty of access to funding.** The Agreement provides the Company with certainty of access to funding. The investment will be made as follows:
  - A. A\$500,000 invested on execution of the agreement by way of an interest-free unsecured converting security with a 24-month maturity (the “**Converting Security**”); and
  - B. An additional A\$500,000 invested 90 days after the execution of the Agreement by way of an interest-free unsecured converting security with a 24-month maturity (the “**Second Converting Security**”),
 for a total of A\$1,000,000.
2. **Conversion Price.** The conversion price of the converting notes will be the lesser of 90% of the average of five daily volume-weighted average prices (“**VWAPs**”) of the Company’s shares during a specified period immediately prior to the date of issuance of the ordinary shares (rounded down to the next 1/10<sup>th</sup> of a cent), and 130% of the average of the daily VWAPs for 20 trading days prior to the date of execution of the Agreement.
3. **Interest-free investment and focus on capital appreciation.** Bergen’s return on investment depends on the Company’s share price appreciation, and consequently, its investment accrues no interest.
4. **Other.**
  - A. The Investor has received a commencement fee in connection with its investment in the Company, satisfied by way of issuance of 16,498,316 fully paid ordinary shares in the Company which was made on 10 January 2018 and announced to the ASX under Listing Rule 7.1 on 11 January 2018.
  - B. The Agreement does not restrict the Company from raising additional funding.
  - C. The Investor is a passive financial investor with no board participation rights.
  - D. The Company is not subject to any financial ratio covenants other than the Company securing it against 6.8 million collateral shares.
5. **Use of Funds**

The funds will be used to complete the testwork program which commenced in 2017 at Austpac’s Newcastle facilities. This will demonstrate that the unique, four-stage ZIRP process can combine iron and zinc oxide-rich furnace dusts with spent pickle liquor from the steel industry and commercially produce pig iron, zinc oxide and strong hydrochloric acid. Australian steelmakers are interested in the success of the program and are supplying sufficient quantities of feedstock for the testwork.

At the conclusion of the program, Austpac plans to convert the plant to a facility capable of processing up to 15,000tpa of steel furnace dusts on a commercial basis and to continue to progress the development and licencing of its proprietary technology.

**6. Conversion of Converting Notes**

Converting Notes will be converted into fully paid ordinary shares in the Company ranking equally with existing fully paid ordinary quoted shares.

AUSTPAC RESOURCES NL – EXTRAORDINARY GENERAL MEETING  
EXAMPLE OF POSSIBLE CONVERSION PRICES FOR CONVERTING NOTES INTO FULLY PAID ORDINARY  
SHARES MOST LIKELY CASE IN ACCORDANCE WITH TERMS AND CONDITIONS OF BERGEN AGREEMENT

<u>Converting Note 1</u>	<u>Number of Share To Be Issued to Satisfy A Converting Note of \$500,000</u> At average daily VWAP 20 days prior to signing of agreement at 130% = 54,945,054 fully paid ordinary shares.
<u>Converting Note 2</u>	<u>Number of Share To Be Issued to Satisfy A Converting Note of \$500,000</u> At average daily VWAP 20 days prior to signing of agreement at 130% = 54,945,054 fully paid ordinary shares.