



AUSTPAC RESOURCES N.L.
ACN 002 264 057

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18 April 2011

The Manager
Company Announcements
Australian Stock Exchange Limited
Exchange Centre
Level 6
20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam

RE: KRONOS AGREEMENTS

We are pleased to provide an announcement from the Managing Director of Austpac Resources NL for immediate release.

Yours faithfully

N.J. Gaston
Company Secretary

enc



18 April 2011

KRONOS AGREEMENTS SIGNED FOR CONSTRUCTION OF THE NEWCASTLE IRON RECOVERY PLANT AND FOR FURTHER TECHNOLOGY DEVELOPMENT WORK

Austpac is pleased to advise that the Company has signed definitive agreements with Kronos International, Inc. which provide funding for the construction, commissioning and initial operations of the Newcastle Iron Recovery Plant, together with other development work at Austpac's Newcastle facilities. Kronos will provide \$12.5 million for this work; \$6.5 million through share placements and \$6 million for a technology licence.

Austpac will initially issue 11,470,588 shares to Kronos, priced at 8.5 cents each to raise \$975,000. Austpac will issue a further 65 million shares at 8.5 cents each to raise \$5,525,000, to be approved at an Extraordinary General Meeting planned for May 2011. Kronos will then become Austpac's largest shareholder, holding 7% of the Company. BHP Billiton will be Austpac's second largest shareholder with a 5% holding.

Kronos will also provide a further \$6 million in licence fees to use Austpac's Enhanced Acid Regeneration System (EARS) and Metallisation (Austpac Reduced Iron, "ARI") processes at their titanium dioxide (TiO₂) pigment plants.

Kronos, together with its affiliates, is a major TiO₂ pigment producer with plants in the United States, Canada, Germany, Norway and Belgium. Kronos became interested in Austpac's technologies in 2010 following successful pilot scale testwork at Newcastle. This testwork demonstrated that fresh hydrochloric acid and iron could be produced from a chloride waste stream generated by the chloride TiO₂ pigment process.

The funds provided by Kronos will allow construction of the Newcastle Iron Recovery Plant to commence immediately. Austpac will rebuild the EARS and Metallisation sections that were used in 2008 to regenerate leach liquors produced by the Enhanced Roasting and Magnetic Separation Synthetic Rutile (ERMS SR) Demonstration Plant. These sections have been extensively redesigned and over \$8 million will be spent to create a robust, state of the art plant capable of long term operation. Commissioning will commence in the fourth quarter of 2011, and operations are scheduled to commence by the end of the year. The Newcastle Iron Recovery Plant will be owned and operated by Austpac and subsequently it will be used to recycle mill scale and pickle liquor produced by the steel industry.

The Newcastle facilities will also be used for short periods in 2012 to undertake large scale testwork for Kronos.

During 2010, Austpac signed two agreements for the supply of raw materials and the sale of products for initial operations at the Newcastle Iron Recovery Plant. The first was with Orica Australia for the supply of spent pickle liquor and the sale of regenerated hydrochloric acid, and the second was with CMC Cometals Australia for the supply of mill scale and coal and the sale of iron products and char.

The Newcastle Iron Recovery Plant will showcase Austpac's recycling technologies for the steel industry and this is expected to lead to a number of commercial opportunities for Austpac's processes around the world. This includes participation in new recycling plants and licencing the technology to steel makers.

For further information please contact:

Mike Turbott

Managing Director - Tel (+61-2) 9252-2599

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 iron oxides produced by steel making to recover hydrochloric acid and iron metal. 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.

WINNER: 2008 National Mining Awards APPLIED TECHNOLOGY OF THE YEAR



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18 April 2011

AUSTRALIAN STOCK EXCHANGE ANNOUNCEMENT

SECTION 708A NOTICE – SHARE ISSUE

Austpac Resources N.L. hereby provides Notice to the Australian Stock Exchange under section 708A(5)(e) of the Corporations Act 2001 that the Company has issued 11,470,588 fully paid ordinary shares without disclosure to investors under Part 6D.2 of the Corporations Act on 18 April 2011.

At the date of this Notice the Company has complied with the provisions of Chapter 2M of the Corporations Act as they apply to the Company and with section 674 of the Corporations Act.

The Company is not aware of any excluded information for the purposes of section 708A(6)(e) at the date of this Notice.

N.J. Gaston
Company Secretary

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002.

Name of entity

AUSTPAC RESOURCES N.L.

ABN

87 002 264 057

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|--|--|
| 1 | +Class of +securities issued or to be issued | FULLY PAID ORDINARY |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 11,470,588 |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | FULLY PAID ORDINARY RANKING
EQUALLY WITH EXISTING ISSUED
CAPITAL |

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

<p>4 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>YES</p>	
<p>5 Issue price or consideration</p>	<p>8.5 CENTS</p>	
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>CONSTRUCTION OF NEWCASTLE IRON RECOVERY PLANT</p>	
<p>7 Dates of entering +securities into uncertificated holdings or despatch of certificates</p>	<p>18 APRIL 2011</p>	
<p>8 Number and +class of all +securities quoted on ASX (including the securities in clause 2 if applicable)</p>	<p>Number</p> <p>955,699,334</p>	<p>+Class</p> <p>ORDINARY</p>

+ See chapter 19 for defined terms.

		Number	+Class
9	Number and +class of all +securities not quoted on ASX (including the securities in clause 2 if applicable)	61,400,000	SHARE PURCHASE PLAN (STAFF)
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)		

Part 2 - Bonus issue or pro rata issue

11	Is security holder approval required?	
12	Is the issue renounceable or non-renounceable?	
13	Ratio in which the +securities will be offered	
14	+Class of +securities to which the offer relates	
15	+Record date to determine entitlements	
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	
17	Policy for deciding entitlements in relation to fractions	
18	Names of countries in which the entity has +security holders who will not be sent new issue documents <small>Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.</small>	
19	Closing date for receipt of acceptances or renunciations	

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

20	Names of any underwriters	
21	Amount of any underwriting fee or commission	
22	Names of any brokers to the issue	
23	Fee or commission payable to the broker to the issue	
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders	
25	If the issue is contingent on +security holders' approval, the date of the meeting	
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	
28	Date rights trading will begin (if applicable)	
29	Date rights trading will end (if applicable)	
30	How do +security holders sell their entitlements <i>in full</i> through a broker?	
31	How do +security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	

+ See chapter 19 for defined terms.

- 32 How do ⁺security holders dispose of their entitlements (except by sale through a broker)?
- 33 ⁺Despatch date

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

- 34 Type of securities
(tick one)
- (a) ☒ Securities described in Part 1
- (b) ☐ All other securities
Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

(If the additional securities do not form a new class, go to 43)

Tick to indicate you are providing the information or documents

- 35 ☐ If the ⁺securities are ⁺equity securities, the names of the 20 largest holders of the additional ⁺securities, and the number and percentage of additional ⁺securities held by those holders
- 36 ☐ If the ⁺securities are ⁺equity securities, a distribution schedule of the additional ⁺securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over
- 37 ☐ A copy of any trust deed for the additional ⁺securities

(now go to 43)

⁺ See chapter 19 for defined terms.

Entities that have ticked box 34(b)

38	Number of securities for which +quotation is sought					
39	Class of +securities for which quotation is sought					
40	Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities? If the additional securities do not rank equally, please state: <ul style="list-style-type: none">• the date from which they do• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment					
41	Reason for request for quotation now Example: In the case of restricted securities, end of restriction period (if issued upon conversion of another security, clearly identify that other security)					
42	Number and +class of all +securities quoted on ASX (including the securities in clause 38)	<table border="1"><thead><tr><th>Number</th><th>+Class</th></tr></thead><tbody><tr><td></td><td></td></tr></tbody></table>	Number	+Class		
Number	+Class					

(now go to 43)

+ See chapter 19 for defined terms.

All entities

Fees

43 Payment method (tick one)

☐

Cheque attached

☐

Electronic payment made

Note: Payment may be made electronically if Appendix 3B is given to ASX electronically at the same time.

☐

Periodic payment as agreed with the home branch has been arranged

Note: Arrangements can be made for employee incentive schemes that involve frequent issues of securities.

Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.
Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty
- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- We warrant that if confirmation is required under section 1017F of the Corporations Act in relation to the +securities to be quoted, it has been provided at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- 4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here: Date: 18 April 2011
(Company secretary)

Print name: N.J. Gaston.....

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+ See chapter 19 for defined terms.