



AUSTPAC RESOURCES N.L.  
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17 May 2011

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.**  
**NEWCASTLE IRON RECOVERY PLANT CONSTRUCTION**

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



## **SHAREHOLDER UPDATE**

**17 May 2011**

### **AUSTPAC'S NEWCASTLE IRON RECOVERY PLANT CONSTRUCTION ON TARGET**

On 18 April 2011, Austpac announced the Company had signed agreements with Kronos International, Inc. which provided 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.

Austpac has issued 11,470,588 shares to Kronos to raise \$975,000, and will issue a further 65 million shares to raise \$5,525,000, to be approved at the Extraordinary General Meeting being held 23 May 2011.

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 (TiO<sub>2</sub>) pigment plants.

Construction at Newcastle commenced in April and significant progress has been made, including:

- Finalisation of a long term, 25 year lease for the Kooragang Island site.
- Extensive media coverage in Newcastle generating strong local interest in the project, including support from the Hunter Business Chamber.
- Selection of staff and the prime contractor for the construction phase.
- Final detailed designs for the plant, including the formal HAZOPS review, to be completed in May, and major equipment suppliers preparing revised quotes.
- Finalisation of the General Arrangement (i.e. the layout) of the Plant and commencement of civil works.
- Engagement of specialist consultants to manage the design, construction and installation of the refractory-lined equipment, upgrading of the power supply, and for gas handling and scrubbing and the process control systems.
- Maintenance of the existing buildings, structures and equipment.
- Upgrade and expansion of the laboratory and pilot scale equipment.
- Regular collaboration with Kronos' technical team on specific areas of the project.

The Newcastle Iron Recovery Project has rapidly gained momentum and commissioning of the Plant will commence in the fourth quarter of 2011.

For further information please contact:

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

Austpac Resources N.L. [[www.austpacresources.com](http://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.