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25 February 2020

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

Dear Sir/Madam

RE: SHAREHOLDER UPDATE

We are pleased to provide a Shareholder Update from Austpac Resources NL for immediate release.

Yours faithfully

N.J. Gaston
Company Secretary

enc

25 February 2020

SHAREHOLDER UPDATE

POSITIVE RESULTS FROM PROOF OF CONCEPT TESTWORK

Austpac has now received the chemical analyses of samples taken during the Zinc & Iron Recovery Process (ZIRP) testwork program completed in November 2019, including results of the one melt test undertaken by the CSIRO.

The preliminary observations are:

- **Iron**
A pre reduced iron oxide was melted by the CSIRO in an induction furnace and a clean iron with very low impurities was produced.
The iron is ideal for making high purity pig iron for use in foundries.
- **Zinc**
The zinc oxide reported with iron oxide to the scrubber dust during the second process stage, and this is now being pre-reduced in a fluid bed roaster. The product will be processed in a second melt test by the CSIRO designed to capture a zinc oxide product for evaluation.

The program comprised processing zinc-contaminated furnace dust and spent pickle liquor from a steel mill through of each the first three ZIRP process stages to produce a pre-reduced iron pellet for melting in an induction furnace.

The representatives of an Australian steelmaker who observed the operations have provided Austpac with a comprehensive set of analyses of the products from each stage, confirming the results obtained by Austpac. A sample of the pre-reduced iron from the third process stage was melted by the CSIRO in December 2019 to produce the iron product.

A full technical review of the program is underway to identify improvements to the flowsheet.

The quality of the iron product and its potential for the production of high-grade pig iron is very positive.

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

Austpac Resources N.L. is a mineral technology company which has developed a process to recycle zinc-contaminated furnace dusts and waste chloride solutions produced by steelmaking to recover high purity pig iron, zinc oxide and strong hydrochloric acid. Austpac's adjunct technologies also produce high-grade synthetic rutile from ilmenite, a preferred feedstock for titanium metal and titanium dioxide pigment production. Austpac also undertakes mineral exploration in Victoria.