

**17<sup>th</sup> March 2008****ILMENITE ROASTING CAMPAIGN UNDERWAY****SUCCESSFUL HOT COMMISSIONING OF STAGE 1 OF THE****3,000 TPA ERMS SR SYNRTLITE DEMONSTRATION PLANT**

Austpac is pleased to report that Stage 1, the ilmenite roasting and magnetic separation section of the Company's synthetic rutile Demonstration Plant at Newcastle, has been successfully commissioned and the Plant is now fully operational. The roasting campaign to treat 720 tonnes of ilmenite concentrate has commenced and beneficiated ilmenite is being produced to specification. The fully automated plant, which uses a Process Logic Controller computer system, is running on a 24 hour, 7 days per week basis.

The Plant has started roasting the 150 tonne parcel of ilmenite concentrate purchased from Consolidated Rutile Limited. Delivery of the 500 tonnes of ilmenite concentrate purchased from Bemax's Murray Basin operations has commenced. This material will be used for the "production run", which will commence shortly. The first shipment of the 70 tonne parcel of ilmenite concentrate from BHP Billiton's Corridor Sands deposit in Mozambique has also arrived at the Newcastle Plant. The roasting campaign will finish as scheduled in May 2008, and the roasted ilmenite product will be stored ready for leaching in Stage 2.

Construction of Stage 2, the ilmenite leaching/synrutile production and EARS acid regeneration section, is advancing rapidly and will be ready, as scheduled, for commissioning in June 2008. The synrutile production run will commence in July and be completed in August 2008.

300 tonnes of high grade ERMS SR synrutile and 250 tonnes of metallised iron pellets will be produced for customer plant trials. Strong interest is being shown in both these products, the sale of which will be finalised during the second quarter of 2008.

The data collected during operations at the Demonstration Plant will be used for a detailed engineering and costing study into a 60,000 tpa ERMS SR synrutile plant, which will commence in third quarter of 2008. Austpac is now in the process of selecting an independent engineering group to undertake the work.

This program is designed to lead into a full bankable study for the first commercial ERMS SR synrutile plant.

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

Austpac [ [www.austpacresources.com](http://www.austpacresources.com) ] is a minerals technology company focused on the titanium, steel and iron ore industries. It has been listed on the Australian Stock Exchange since 1986. Austpac's key technology transforms ilmenite into high-grade synthetic rutile, a preferred feedstock for titanium dioxide pigment production. The technology can also be used to process waste chloride solutions and iron oxides produced by steel making to recover hydrochloric acid and iron metal pellets. A third process can be used to produce Direct Reduced Iron (DRI) from both hematite and magnetite iron ores.

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**OPERATIONS AT AUSTPAC'S ERMS SR SYNROUTILE DEMONSTRATION PLANT**



**Operators using the Scitect system to control the ERMS SR Demonstration Plant at Newcastle**

**Roasted, cooled ilmenite discharging into a skip prior to being transferred to the magnetic separators**





**Roasted ilmenite product is bagged and stored ready for leaching in Stage 2 of the ERMS SR Demonstration Plant**

**Sampling the first shipment of ilmenite concentrate from Bemax's Ginkgo mine in the Murray Basin**

