



March 27, 2013

NEWCASTLE IRON RECOVERY PLANT – PROJECT UPDATE

Construction of the Newcastle Iron Recovery Plant continues to progress well. Achievements during March 2013 included the following, as illustrated with photographs below:

- The bucket elevator to transfer the briquetted iron product has been installed above the roll briquetter
- BOC completed installing a larger nitrogen storage vessel, the pipework to supply both nitrogen and oxygen to the plant, and the oxygen control panel in the plant room
- Final certified construction drawings for the north tower extension are nearing completion, steel fabrication will commence in early April and construction will commence in May. Off-site fabrication of the steel is nearly finished and the mezzanine floor in the plant room will be installed in April, as will the air compressors, blowers and the waste heat boiler
- The two remaining silos which will store reduced iron and char products were installed
- The CO₂ stripping columns were prepared for installation

Commissioning of the Iron Recovery Plant will commence during the third quarter and production will commence in the fourth quarter of 2013.



Installing the drive head of the bucket elevator used to transfer the briquetted iron product



Installing the bucket elevator chain



Installing brackets for the mezzanine floor in the plant room. The iron briquette bucket elevator is to the left and the oxygen panel to the right



The new pilot scale laboratory will be completed next week and installation of the test equipment will commence in April



Installing a larger nitrogen storage tank



The bulk nitrogen and oxygen storage tanks are now connected to the Plant



Installing the silo for the reduced iron product



Installing safety handrails



Installing the dust filter



Final check of silo installation



CO₂ stripping columns being sandblasted and coated prior to installation



Installing screw piles to support the CO₂ stripping columns



Delivery of the coal hopper, high pressure air and syngas receivers, and a fluid bed roaster for the iron reduction section

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

Austpac Resources N.L. [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 metal and titanium dioxide pigment production. The technology is also being used to process waste chloride solutions and iron oxides produced by steelmaking to recover hydrochloric acid and iron metal pellets