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AUSTRALIAN STOCK EXCHANGE ANNOUNCEMENT

AUSTPAC AND TICOR AGREE TO WORLDWIDE JOINT VENTURE TO EXPLOIT THE ERMS AND EARS TECHNOLOGIES

Austpac Resources N.L. (Austpac) and Tigor Limited (Tigor) announce that they have formed a 50/50 joint venture for the global development of Austpac's ERMS and EARS technologies for upgrading titaniferous feedstock. The joint venture will participate in the AusRutile Joint Venture which was formed in August 1999 by Austpac and Indian Rare Earths Limited (IRE) to develop ERMS synthetic rutile plants in India. A joint venture company, AusRutile India Private Limited (AusRutile) has been formed to manage the Indian operations. Austpac and Tigor will each directly hold a 37% shareholding in AusRutile and IRE will hold the balance of 26%. Tigor's participation in the project is subject to the formal approval of IRE and relevant Indian authorities.

The AusRutile project will commence with the construction of an initial plant of at least 10,000 tonnes per year of synthetic rutile adjacent to IRE's mineral sand operations at OSCOM in Orissa State.

The Joint Venture provides for a series of payments to Austpac totalling \$3 million based on agreed milestones being achieved. In addition, loan funds for Austpac's share of the initial synthetic rutile plant in India will be provided by Tigor.

Once the initial plant is operating at design capacity it is envisaged that a full commercial scale plant will be built. If requested by Austpac, Tigor will also provide loan funds for Austpac's share of the development costs of this plant. The resource at OSCOM is sufficient to support a plant producing over 200,000 tonnes per year of synthetic rutile.

Mr Rod Ruston, Managing Director of Tigor, and Mr Mike Turbott, Managing Director of Austpac, both stated that this was an exciting opportunity to develop their respective companies as it provides both groups the opportunity to expand their activities in the titanium minerals feedstock industry.

For further information contact:

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