



AUSTPAC RESOURCES N.L.
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AUSTRALIAN STOCK EXCHANGE ANNOUNCEMENT

SHARE PLACEMENT TO G.I.O

The Company is pleased to announce the placement of 9,000,000 shares in Austpac Resources N.L. at 3 cents each to G.I.O Personal Investment Services Limited to raise \$270,000 for working capital.

This issue will rank equally with the existing issued capital of the Company.

The Company is also pleased to report continued progress with its plans for a 10,000 tpa ERMS synthetic rutile plant in India. An agreement to set up a joint venture company with Indian Rare Earths Limited is expected to be finalised shortly. Austpac will manage and have a 74% participating interest in the joint venture company. Discussions are underway with Ausenco Limited of Brisbane, an independent engineering consultant, regarding the final design, costing and site specific investigations necessary to support project financing. This work is expected to take 3-4 months, so enabling a decision to implement the project to be made as early as the fourth quarter of 1999.

Current programs at the Company's pilot plant in Newcastle include testwork on chrome-rich ilmenite concentrates. Austpac has demonstrated to a number of groups the efficiency of its ERMS process to remove chromite to produce a high grade, saleable ilmenite product. This testwork will continue with a view to licensing the ERMS mineral separation technology to mineral sands producers.

For further information contact:

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