



AUSTPAC RESOURCES N.L.  
ACN 002 264 057

Level 12, Currency House

23 Hunter Street

SYDNEY NSW 2000

GPO Box 5297

SYDNEY NSW 2001

Telephone: (+61 2) 9221 3211

Facsimile: (+61 2) 9223 1975

Email: apgtio2@ozemail.com.au

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## **AUSTRALIAN STOCK EXCHANGE ANNOUNCEMENT**

### **PLANS FOR INDIAN ERMS SYNTHETIC RUTILE PLANT ADVANCE**

Austpac is pleased to announce it has signed an agreement with Indian Rare Earths Limited (IRE) covering the commercial arrangements for the design, construction and operation of a 10,000 tpa synthetic rutile plant in India using Austpac's proprietary ERMS process. It has been agreed that the project will be undertaken by a joint venture company in which Austpac will hold a 74% interest and IRE 26%. The plant will be located within IRE's Orissa Sands Complex in Orissa State, where existing facilities and infrastructure, such as ilmenite supply and acid regeneration, will assist implementation of the project.

These commercial arrangements are currently being incorporated into a joint venture agreement for approval by the IRE Board and the Government of India. As soon as the Joint Venture Agreement is signed by IRE, Austpac will set up the Joint Venture company and commence site-specific engineering work on the project. This will maintain the impetus of the project until the relevant Government approvals are received and IRE is able to contribute funds to the project. It is anticipated that the engineering studies will be completed and relevant Government approvals will be received during the third quarter of 1999, and that project financing will be finalised shortly thereafter.

The current project timetable envisages construction commencing later in 1999 with the objective of producing synthetic rutile before the end of 2000.

IRE and Austpac have also agreed that it is their strategic intention, whenever technically and economically feasible on a competitive basis, to use Austpac's ERMS and EARS technology to process existing and new ilmenite-bearing heavy mineral resources in India. Almost 20% of the world's known ilmenite resources occur in India, and the ERMS and EARS technologies afford Austpac the opportunity to be involved in the exploitation of the country's world class deposits.

For further information contact:

M.J. Turbott  
Managing Director  
Austpac Resources N.L.  
Tel: (61 2) 9221 3211