AUSTPAC RESOURCES N.L.

Converting Steel Industry Waste into Profits

Presentation by
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Managing Director

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Overview

- Austpac has developed and patented cost effective, energy efficient, green technologies for:
  - Producing ultra-high grade synrutile from ilmenite (the ERMS SR process)
  - Recycling steel industry waste (iron oxide and spent acid) to produce:
    - High purity iron for foundry castings and steel making
    - Strong hydrochloric acid (HCl) for the steel industry
- Austpac's Newcastle facility will be used as a steel waste recycling plant; the "Newcastle Iron Recovery Plant " will commence operations in 2013
- Austpac has no debt and the Plant is fully funded
- At full capacity the plant will generate annual profit of $7m
- Strong interest from steelmakers on licensing arrangements in 2013 to provide significant cash flows from 2014 onwards

Corporate Summary

Austpac Resources N.L. is a technology company presently commercialising its recycling processes for the iron, steel and titanium industries

Board of Directors & Key Management

Mike Turbott	Managing Director
Terry Cuthbertson	Non-Exec Chairman
Rob Harrison	Non-Exec Director
John Winter	GM Project Development

Major Shareholders

Kronos International	6.4%
BHP Billiton	4.6%
Orient Zirconic	2.7%

Capital Structure

Ordinary shares on issue	1,191,454 367
Share price	$0.037
Market Capitalisation	$44,083,812
Cash at Sept 2012	$1,774,200
Receivables	$674,616
Total current assets	$2,448,816
Total current liabilities	$1,325,706
Net working capital	$1,123,110

The Steel Industry

Steel Industry Waste

Hydrochloric Acid

Electric Furnace or Melter

Rolling Mill

Raw Steel Sheet / Coil

Steel Pickling Bath

Spent Pickle Liquor (SPL)

$FeCl_2$ solution

Pickled Steel for Coating

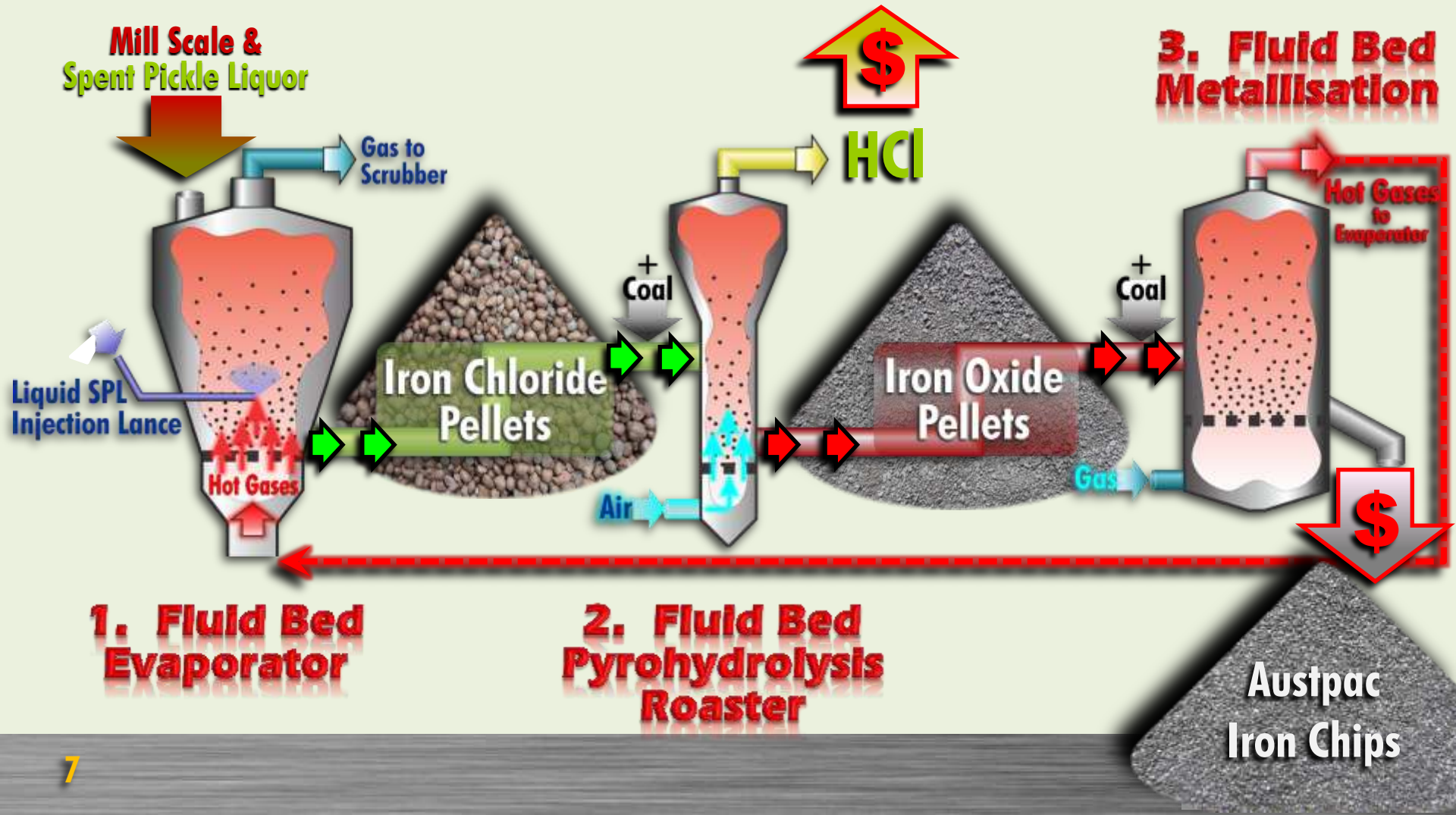
AUSTPAC

Mill Scale

Fe Oxide

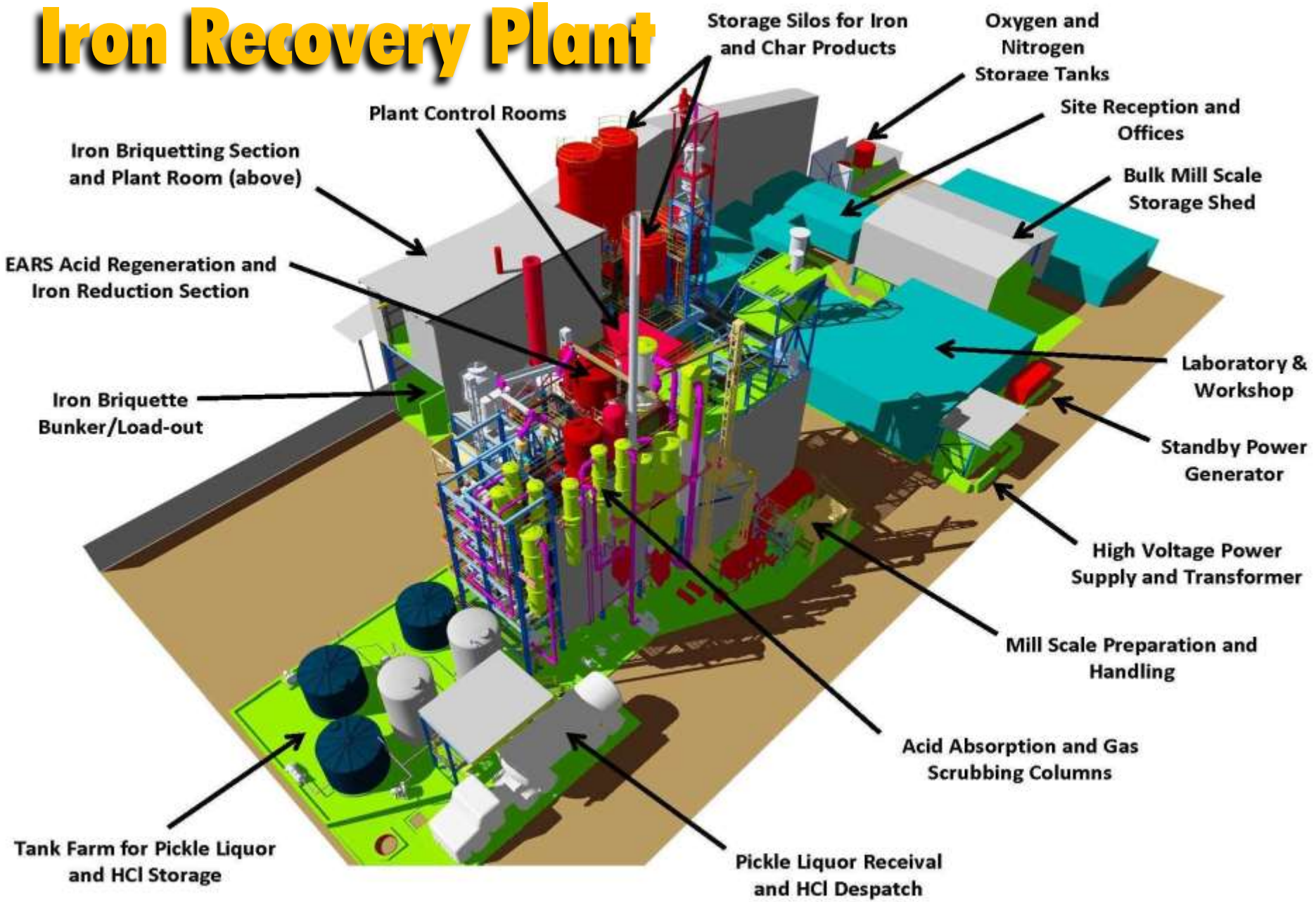
EARS Process & Metallisation

(Technologies Patented by Austpac)



Newcastle Iron Recovery Plant

Iron Recovery Plant



Schematic Layout - 2012

NIRP's Iron Products

Mill Scale

Austpac Iron Chips

Koeppern Roll Briquetting Process

Austpac Iron Briquettes

NIRP Highlights

- Plant Capacity
  - Mill Scale: 17,000 tpa = 18,000 tpa iron chips/briquettes
  - Spent Pickle Liquor: 34,000 tpa = 18,000 tpa HCl (25%)
- Site leased for 25 years
- Supply and Sales Agreements
  - CMC Cometals:
    - Supply of mill scale and coal
    - Purchase of iron chips/briquettes and char (carbon)
  - Orica Australia:
    - Supply of pickle liquor
    - Purchase of regenerated hydrochloric acid
- Fully funded – no debt

Project Funding

- 2007-08 BHP Billiton (4.6%) - $8M to construct an ERMS SR Synrutile Demonstration Plant in Newcastle; capital and licence
- 2011 Kronos International (6.4%) - $12.5M to reconstruct EARS & metallisation section for steel waste recycling; capital and licence
- 2012 Orient Zirconic (2.8%) - $2M to evaluate potential for steel waste recycling technology in China; capital
- 2012 Orient Zirconic pays $7.5M for heavy mineral deposit; cash
- Funds held in trust account pending approval of sale by Vic Govt
- NIRP Capex $18M; spent to date $12M, balance $6M covered by sale of WIM 150 heavy mineral deposit

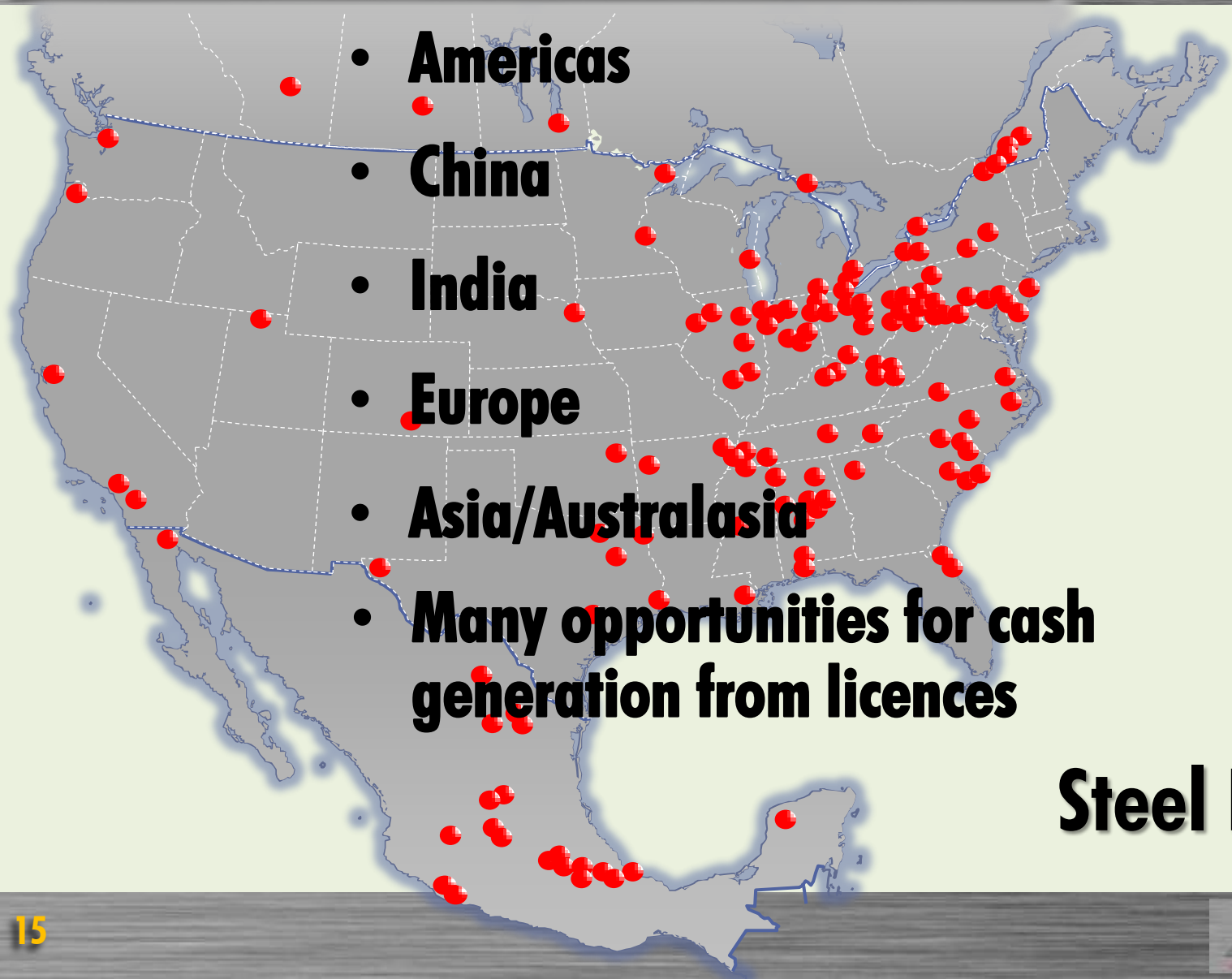
Project Timelines

- Construction continues through H1 2013
- Commissioning Q2 2013
- Operations & revenue commence H2 2013
- Annual Profit (at full capacity) ~$7 million – Austpac
- Reference site for EARS/Metallisation recycling process for world wide steel industry
  - NIRP will demonstrate process and lead to licences with steel mills

Future Revenue Streams

- Recycle mill scale and spent pickle liquor
- Recycle other iron and steel wastes (e.g. mixed oxide dusts)
- Applications recognised to date include
  - Replacing a derelict acid regeneration plant
  - Recovering iron from contaminated fine oxide waste dump
  - Two licences to generate significant cash flow
- Licences will be negotiated with other steel mills
- Develop cooperative ventures with major partners for build-own-operate plants

World-wide Potential



- Americas
- China
- India
- Europe
- Asia/Australasia
- Many opportunities for cash generation from licences

Steel Plants

ERMS SR Technology

Future plans include:

- ERMS synrutile contains >97% TiO_2 with no impurities; it is a premium feedstock for titanium sponge
- Use existing leaching section of the Newcastle Plant to process ilmenite and produce bulk samples of ultra-high grade synrutile for titanium sponge trials (for Ti metal)
- In conjunction with Ti sponge producers, review options for 60,000 tpa ERMS SR synrutile plant
- In 2014 form JV to undertake a feasibility study for a commercial synrutile plant in Australia or elsewhere

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