resources ROADSHOW

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Melbourne – 21 September 2011

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(ASX:APG)

AUSTPAC

RECOVERING IRON

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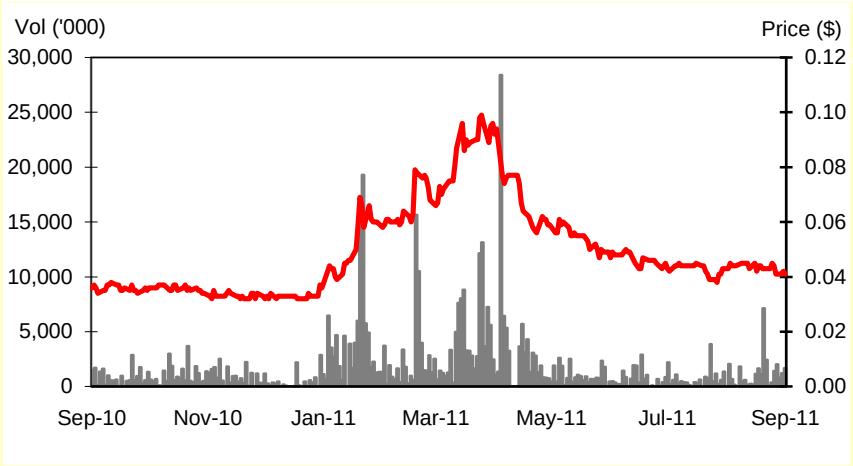
Investment Highlights

- ✓ The most environmentally sustainable process
- ✓ Proven technology that converts waste to valuable products including:
  - Steel mill waste and iron ore fines into high purity iron metal suitable for steel making
  - Waste metal chloride liquors into saleable hydrochloric acid
- ✓ Constructing a recycling plant in Newcastle with commercial operations and cashflow in 2012
- ✓ Significant potential for recycling steel mill waste across the world
- ✓ Shareholders include Kronos International and BHP Billiton

Company Overview

Share price / volume history



- Austpac has developed new processes for the titanium, steel and iron ore industries.
- Austpac technologies transform:
  - ✓ ilmenite into high-grade Synthetic Rutile
  - ✓ waste chloride solutions and iron oxides into hydrochloric acid and iron metal pellets
  - ✓ Hematite and magnetite iron ores into Direct Reduced Iron.

Capital Structure

Ordinary shares on issue	1,086,054,367
Share price	$0.041
Market capitalisation	$44,528,229
Cash as at June 2011	$5,602,552
Receivables	$1,055,761
Total Current Assets	$6,658,313
Total Current Liabilities	$1,709,148
Net Working Capital	$4,949,165

Substantial shareholders

Kronos International	7%
BHP Billiton	5%

Board of Directors and Management

Chairman: TERRY CUTHBERTSON *ACA*

Mr Cuthbertson is currently the Chairman of various listed companies. Mr Cuthbertson brings extensive international corporate experience to Austpac including a practical operating knowledge of business practices and structures in India, China and Southeast Asia. Mr Cuthbertson was appointed a Director of Austpac on 27 March 2001 and Chairman of Austpac on 31 May 2004.

Managing Director: MICHAEL TURBOTT *BSc (Hons), FAIMM, MAIG*

Mr Turbott was formerly a Director and Vice President of Kennecott Explorations (Australia)Ltd, and was in charge of the exploration programs that led to the discovery of the Lihir gold deposit in Papua New Guinea. Mr Turbott has been the Managing Director of Austpac since 1985. Under Mr Turbott's direction, Austpac has focused on its mineral sand technologies and has developed a proprietary continuous leaching process and specialist know-how in low temperature roasting and in the treatment of iron minerals.

Non-Executive Director: **ROBERT J. HARRISON** *FAICD*

Mr Harrison has over 20 years' experience in the marketing of titanium minerals and zircon. He was Managing Director of Consolidated Rutile Limited's marketing subsidiary Minerals Pty Limited for a number of years before forming the mineral sands marketing consultancy Mineralex Agencies Pty Limited, of which he is Managing Director. Mr Harrison was appointed a Director of Austpac on 1 September 2004.

General Manager, Technology Development JOHN WINTER *BEng (Hons) Chem. Eng. MIEAust, MIChem*

Mr Winter was initially employed as a Process Engineer working on the development of Austpac's ERMS process to roast and separate ilmenite. Since 1995, he has been involved with the development of Austpac's minerals beneficiation technology, including high and low temperature fluid bed roasting, hydrochloric acid leaching, and acid regeneration processes.

General Manager, Exploration: MIKE SMITH *BSc, MSc, RPGeo, FAIG, MGSA, MASEG*

Mr Smith has over 35 years experience in the resource exploration sector having managed operations in Australasia, Asia, Europe and South America, involving a wide range of commodities, with extensive roles in investigations for mineral sands, gold and silver, copper, lead and zinc, and uranium.

Austpac's Business

- In 2008 a 3,000 tpa ERMS SR Demonstration Plant was built in Newcastle, NSW, to produce Synrutile; successfully proved Austpac's technologies
- The Newcastle facility is being converted into a commercial recycling plant to produce:
  - ✓ High purity iron for foundry castings and steel making
  - ✓ Strong hydrochloric acid (HCl) for the steel industry
- Austpac's technologies are environmentally friendly and end products are free of the radioactivity issues associated with some alternative technologies
- The technology is an energy efficient, green recycling process that is carbon capture capable

Key Partner: Kronos Worldwide

- Major TiO_2 pigment producer; market capitalisation of $3 billion
- Recognised potential for Austpac's processes to recycle pigment plant waste; needed large scale test plant
- Investing $12.5M; shares and technology licence
- Fund development, commissioning and initial operations of the Newcastle Iron Recovery Plant
- Fund ongoing EARS technology development

Austpac's Technologies

ERMS = Enhanced Roasting & Magnetic Separation

EARS = Enhanced Acid Regeneration System

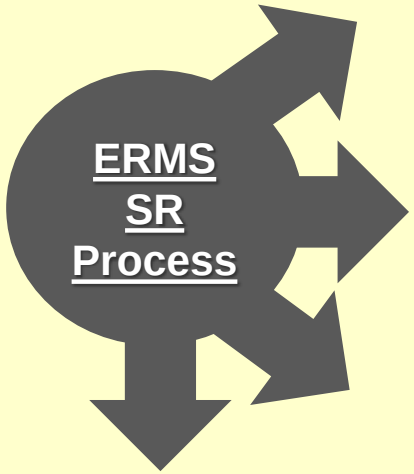
SR = Synthetic Rutile or "Synrutile"

ERMS ROAST

A high temperature roasting process to upgrade ilmenite concentrate to strongly enhance the magnetic susceptibility of the ilmenite so it can be easily separated from less magnetic gangue minerals, such as chromite. ERMS-roasted ilmenite is ideal for titania slag production but is unsuitable for the sulfate pigment process

LTR ROAST

A low temperature roasting process to slightly increase the magnetic susceptibility of ilmenite so it can be separated from less magnetic gangue minerals. LTR-roasted ilmenite is a suitable feed-stock for the sulfate pigment process



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A DRI process to reduce the iron oxide pellets produced by Austpac's EARS acid regeneration process to iron metal pellets

ERMS SR ROAST

Oxidation / Reduction roast to condition ilmenite for rapid leaching in hydrochloric acid to produce high grade synrutile, an important feedstock for titanium dioxide pigment and titanium metal production

CLR

A patented reactor to continuously leach roasted ilmenite to produce synrutile. All other synrutile processes use less efficient batch leaching

EARS

Acid regeneration process to produce strong hydrochloric acid from iron chloride solutions (eg from ilmenite leaching and steel mill cleaning)

Newcastle Iron Recovery Plant

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

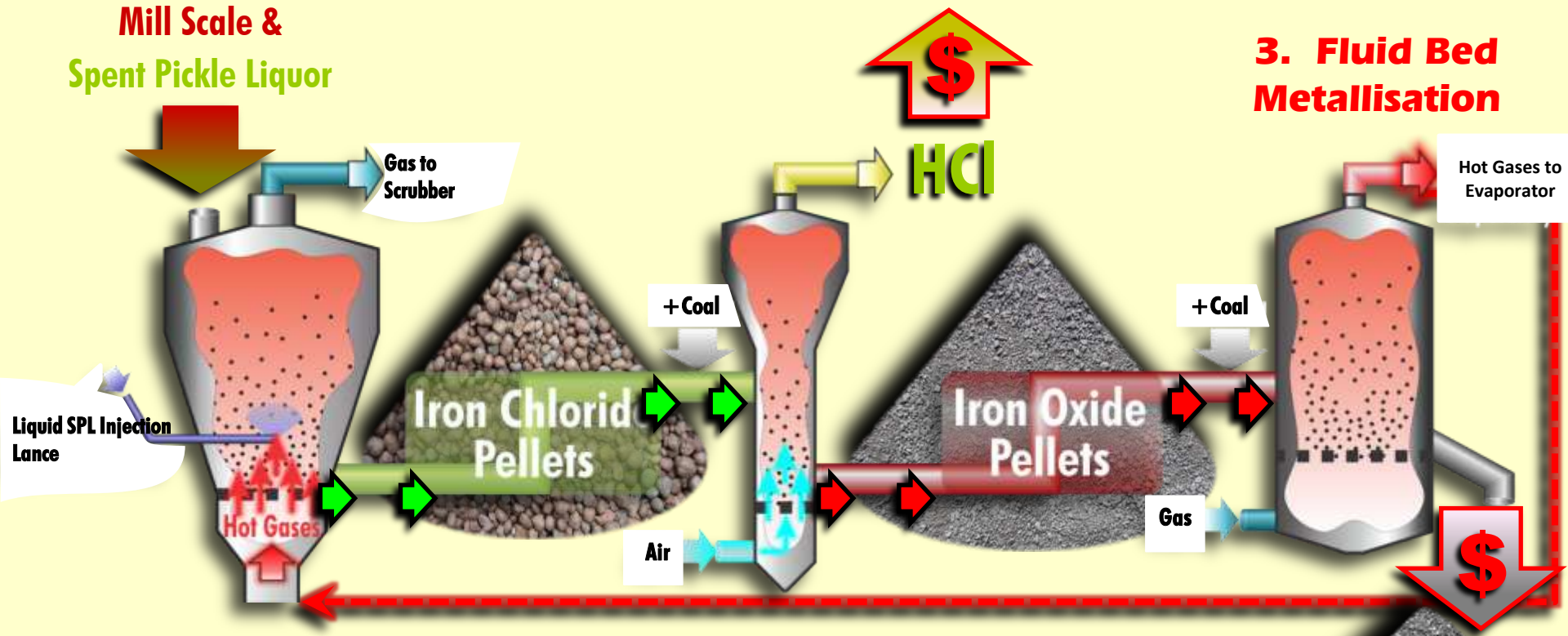
Pickled Steel for Coating

AUSTPAC

Mill Scale

Fe Oxide

The EARS Process

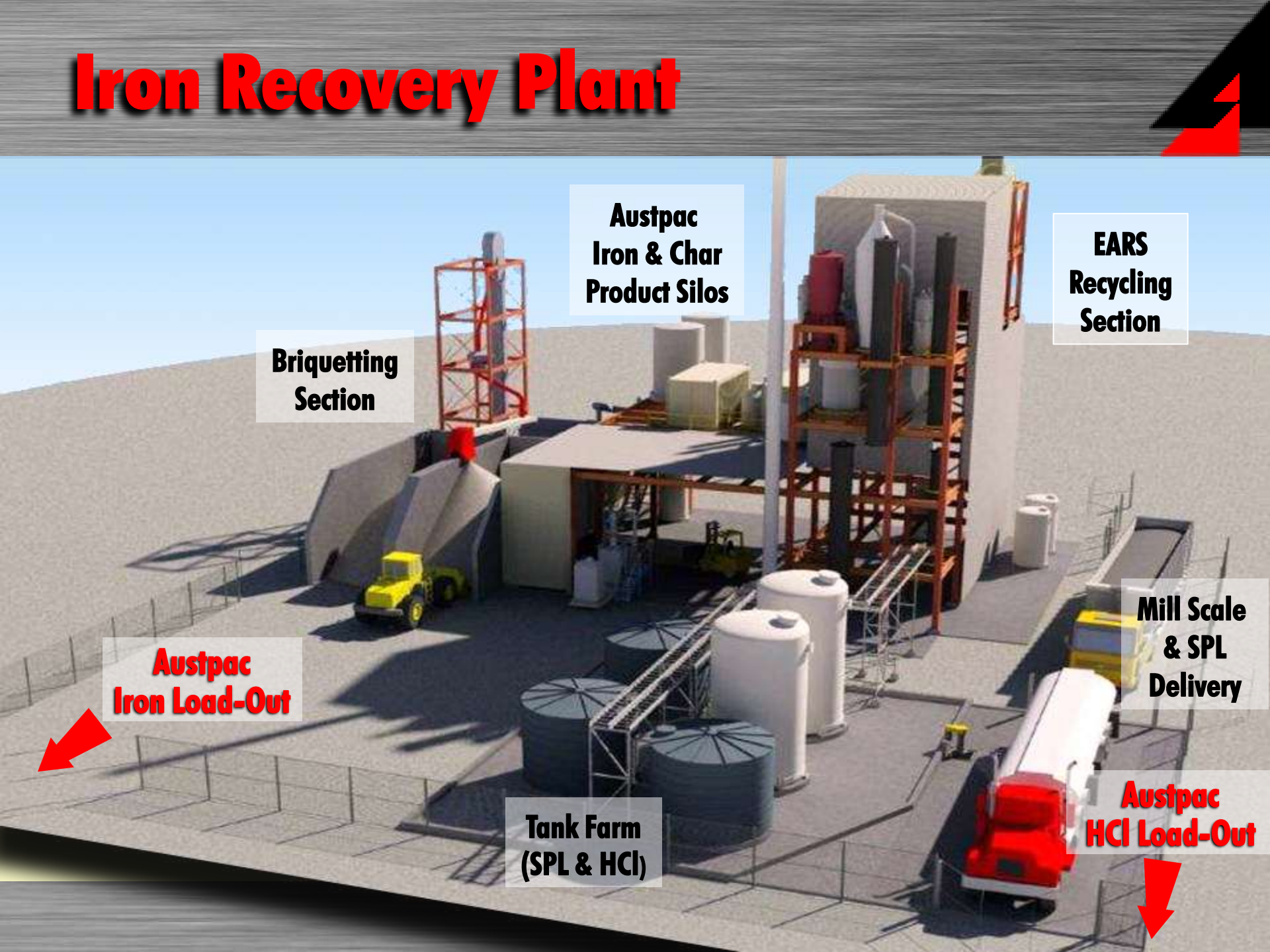


Newcastle Iron Recovery Plant

Iron Recovery Plant

EARS Recycling Section

Iron Recovery Plant



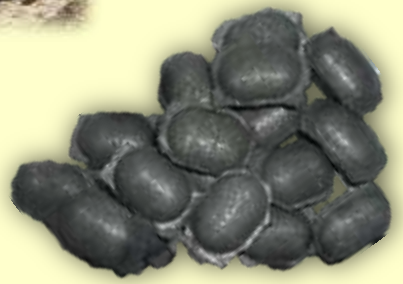
Iron Recovery Plant

Mill Scale

Austpac Iron Chips

Koeppern Roll Briquetting Process

Austpac Iron Briquettes



Iron Recovery Plant

- **Plant Capacity**
  - ✓ Mill Scale: 25,000 tpa = 18,700 tpa Austpac Iron
  - ✓ Initial production - 10,000 tpa Austpac Iron
  - ✓ Spent Pickle Liquor: 13,000 tpa = 7,200 tpa HCl (25%)
  - ✓ Initial production - 650 tpa HCl
- **Supply and Sales Agreements**
  - ✓ CMC Cometals :
    - Supply of mill scale and coal
    - Purchase of Austpac Iron and char (carbon)
  - ✓ Orica Australia:
    - Supply of pickle liquor
    - Purchase of regenerated hydrochloric acid
- **Funded by Kronos – no debt**
- **Site leased for 25 years**

Plant Profitability

- Construction commenced May 2011
- Commissioning starts Q4 2011 – three months duration
- Operations & revenue commence Q1/Q2 2012
- Initial focus on iron production, then ramping up production
- Capital Cost ~$8 million – Kronos funded
- Annual Profit (at full capacity) ~$7 million – Austpac
- Reference site for EARS process for steel industry

Growth Opportunities

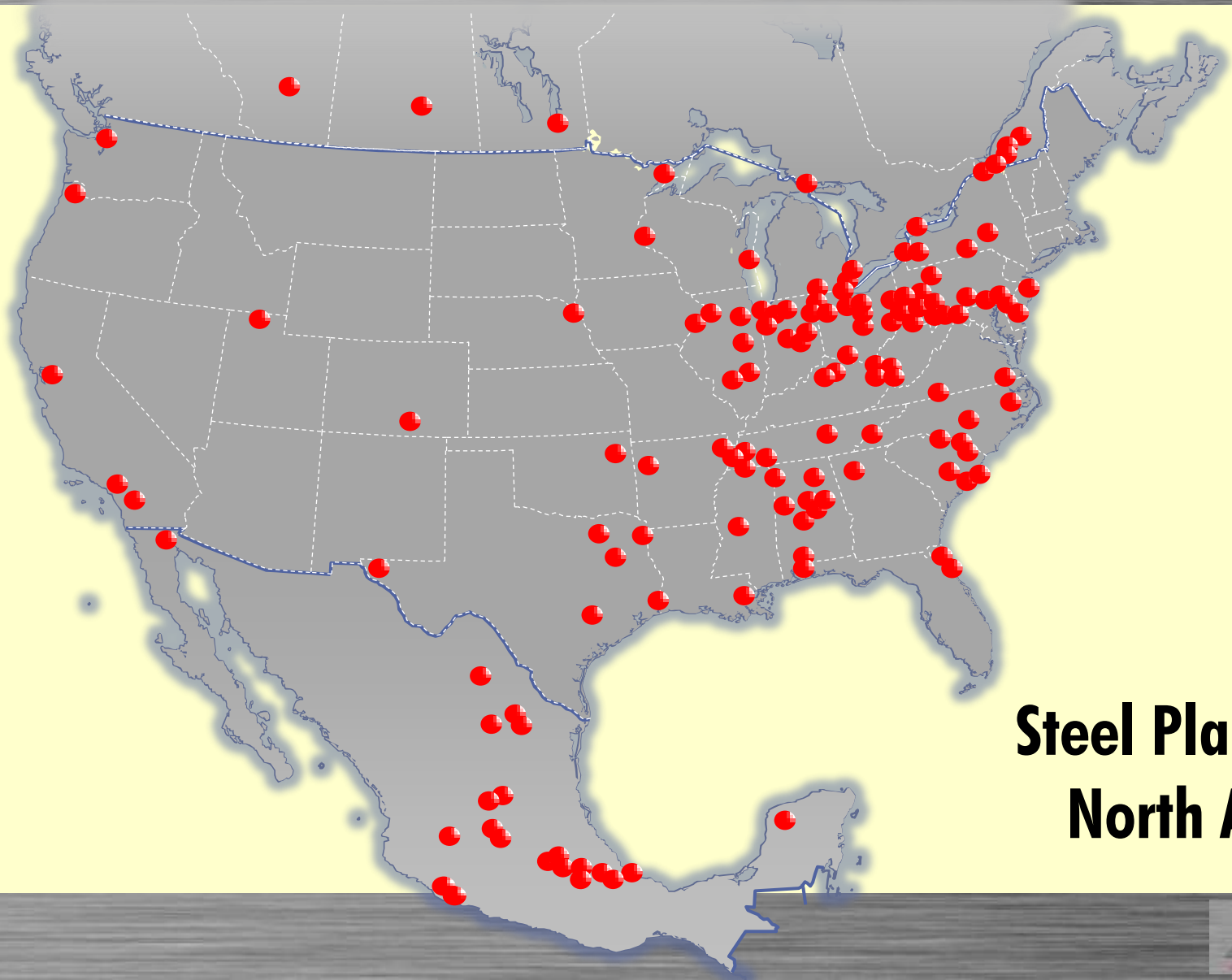
Near Term

Steel mills and pickling lines in Australasia

- ✓ Newcastle, NSW
- ✓ Wollongong, NSW
- ✓ Hastings, VIC
- ✓ Glenbrook, NZ

- Recycling other iron and steel wastes
- Licences or Build-Own-Operate plants to generate significant cashflow

Worldwide Potential



Steel Plants across North America

Growth Opportunities

Longer Term

- EARS/Metallising plants associated with steel plants around the world
  - ✓ Americas, Europe, India, China & Asia
  - ✓ Revenue-generating licences
  - ✓ Plants in JV with steel makers

Future Opportunities

- Applications in other industries:
  - ✓ Galvanising plant waste – mixed chlorides
  - ✓ High grade SynRutile for titanium metal
  - ✓ Eastern Australia – 60,000 tpa SR plant

Why Invest in Austpac

- ✓ Unique, sustainable green process
- ✓ Plant commissioning Q4 2011
- ✓ Operations + significant cashflow in 2012
- ✓ Fully funded, sales agreements in place
- ✓ Applicable to steel industry worldwide