



## QUARTERLY REPORT TO 31 MARCH 2013

### HIGHLIGHTS

#### Newcastle Iron Recovery Plant

Construction of the Newcastle Iron Recovery Plant recommenced in January 2013 and has progressed well through the current quarter. The Plant will showcase Austpac's unique steel industry waste recycling technologies to a number of interested parties and it will commence operations later in 2013. Achievements during the period January to April include:

- The bucket elevator to transfer the briquetted iron product has been installed above the roll briquetter.
- The two remaining silos which will store reduced iron and char products have been installed.
- The CO<sub>2</sub> stripping columns have been prepared and are ready for installation.
- Construction of the new laboratory to house Austpac's pilot scale test equipment has been completed.
- Installation of the fabricated steel for the mezzanine floor in the plant room will be completed during the week ending 4<sup>th</sup> May, and installation of the blowers, compressors, waste heat boiler and hydraulic pumps will then commence.
- Concrete civil works are now underway. This contract includes the bunkers in the bulk mill scale storage shed and the briquetted iron product load out area, the CO<sub>2</sub> stripping and absorption columns, the high voltage transformer, the bunded area and sump tank for pickle liquor delivery and regenerated acid despatch adjacent to the tank farm, and the char and iron chip load out area and drainage beneath the product silos.

During the coming quarter, the upgrade of the high voltage power supply, transformers and ancillary equipment will be progressed, all major civil works will be completed, and the CO<sub>2</sub> scrubbing systems will be installed. The installation of equipment in the plant room will be completed which will allow the establishment of pipe runs and the termination of electrical equipment. The tanker loading station will be completed and construction of the north tower will commence with installation of the EARS acid regeneration and iron reduction equipment taking place as construction progresses.

Commissioning of the Plant will commence during the third quarter and production will follow in the fourth quarter of 2013.



The bulk nitrogen and oxygen supply (right side of the photo) has been reticulated to the Plant, and the laboratory roof and the silos have been installed. The existing ilmenite leaching section of the plant is to the left rear of the photo



The product and storage silos. The silos in the foreground will hold the two solid products; reduced iron chips (left) and char (carbon) to the right



Installing reinforcing for floor and walls of the iron briquette product load-out bunker



Installing formwork shutters for the walls of the iron briquette bunker after the concrete floor has been poured



**John Winter explains the program for installation of the Spent Pickle Liquor delivery and regenerated hydrochloric acid loading facilities to executives from Orica**



**The sump tank for the tanker loading area has been delivered**



**Excavation is underway for the tanker loading area sump tank, adjacent to the tank farm**



**The cooling tower and feed water tank have been installed, as well as the permanent access stairs to the plant room**



**The Olds elevators (left) and associated hoppers (right) have been delivered. These will be used to transfer both mill scale and coal held in bulk storage into the Plant and will be installed in the coming quarter**



**Installation of the mezzanine floor in the plant room is underway. This will support air blowers and compressors**



**Construction of the laboratory that will house the pilot scale test equipment is now complete**



**The motor control room houses the variable speed drives which control the fans and blowers that supply air to the Plant**

## **Exploration Licence 5291 Nhill**

A new Work Program for EL 5291 was approved and registered by the Victorian Department of Primary Industries (DPI). Ongoing meetings with local landowners resulted in signed land access agreements for the proposed drilling operations, and these agreements have been registered with the DPI.

Further computer modelling of the recently acquired ground magnetics has resulted in the finalisation of drillhole locations planned as an initial test for a geological setting conducive to significant base metal mineralisation. The targeted low-amplitude magnetic anomalies are thought to be related to magnetite and/or pyrrhotite, minerals which may be associated with non-magnetic base metal minerals. Initial drilling to characterise the anomalies will be undertaken during the second quarter of 2013.

For further information please contact:

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*NOTE: This report is based on and accurately reflects information compiled by M.J. Turbott who is a Fellow of the Australasian Institute of Mining and Metallurgy and a Fellow of the Australian Institute of Geoscientists and is a competent person as defined in the Australian Code for Reporting of Identified Mineral Resources and Ore Reserves.*

### **About Austpac Resources N.L. (ASX code: APG)**

Austpac Resources N.L. [ [www.austpacresources.com](http://www.austpacresources.com) ] is a minerals technology company currently focused on recycling waste chloride solutions and iron oxides produced by steel making to recover hydrochloric acid and iron metal. Austpac's technologies also transform ilmenite into high grade synthetic rutile, a preferred feedstock for titanium metal and titanium dioxide pigment production. The Company has been listed on the Australian Stock Exchange since 1986.