



## QUARTERLY REPORT TO 31 MARCH 2019

### Shareholder Share Purchase Plan

The Company received an excellent response to the Shareholder Share Purchase Plan announced on 1 February 2019, with small shareholders in particular supporting the plan very well.

The Shareholder Share Purchase Plan was extended to 15 April 2019 to allow those shareholders who were not aware of our recent progress to participate in the Plan.

The Plan was completed and results were announced on 26 April 2019; a total of \$426,233 was raised from over ninety shareholders.

### Chinese Steelmaker to Fund the Development of Austpac's ZIRP Process

In March 2019 Austpac Resources NL announced an agreement for YanGang (Hong Kong) Co Limited to provide \$803,000 to finalise the testwork for Austpac's proprietary Zinc Iron Recovery Process (ZIRP). The process recycles two steel industry by-products, zinc-contaminated furnace dust and spent pickle liquor, and produces saleable pig iron, zinc oxide and strong hydrochloric acid.

Once the testwork program is successfully completed, Austpac will undertake a scoping study for a 10-15,000 tonnes per year commercial ZIRP plant to be sited in NSW, and the Agreement contains a provision for YanGang to fund the construction of the first ZIRP plant.

YanGang is a wholly-owned subsidiary of Tangshan Yanshan Iron and Steel Co Ltd of China. Yanshan is a Chinese steelmaker with an annual production of 9 million tonnes of steel; more than the combined steel production of Australia and New Zealand.

The Agreement required the \$803,000 to be provided through a placement of 365 million Austpac shares at \$0.0022; a significant premium over the current share price of \$0.001. This required shareholder approval and an Extraordinary General Meeting of Shareholders was convened on 24<sup>th</sup> April 2019. At that meeting, on a show of hands and by proxy, shareholders overwhelmingly supported the proposal to place shares with YanGang, and the funds have now been received. YanGang now is Austpac's largest shareholder with 12.6% of the Company's issued capital.

The testwork program at Newcastle will process zinc-contaminated dust through the first three stages of ZIRP (evaporation, pyrohydrolysis and pre-reduction) to make sufficient mixed zinc oxide-reduced iron oxide pellets for melt tests in an electric induction furnace and produce samples of pig iron and zinc oxide for market evaluation.

The validation of Austpac's furnace dust recycling process by a large steelmaker will allow the Company to develop other opportunities to implement its technology worldwide.

## **Newcastle Program**

Planning for the ZIRP testwork program commenced in April 2019 with meetings at Newcastle with design engineers and equipment fabricators. The program will commence in May 2019, and drafting of the design drawings for the modifications to the existing equipment is commencing. This will allow suppliers to provide quotes for the fabrication and installation of this equipment.

## **Drilling at Nhill**

During May 2019, Austpac will be undertaking a drilling program at Nhill, north-western Victoria, to follow up the highly encouraging zinc-gold intercepts encountered in the discovery drillhole, GG-01. This is the first Volcanic-Hosted Massive Sulphide (“VHMS”) mineralisation discovered in the north-western end of the recently-recognised and under-explored Stavely Arc.

Geophysical work undertaken subsequently to the discovery drillhole outlined two south-easterly trending gravity/magnetic anomalies which may represent lenses of VHMS mineralisation. GG-01 was located off the northern end of the interpreted western zone of hydrothermal mineralisation. Follow up drilling will initially test the central portion of this zone, 400m to the southeast of GG-01.

A drilling contractor is mobilising a rig capable of rapidly drilling through the younger Murray basin sediments, and obtain diamond drill core from the Cambrian basement volcanics which host the mineralisation in GG-01. It is expected the drilling program will be completed by mid-May 2019.

## **Extraordinary General Meeting 24 April 2019**

The Extraordinary General Meeting of Shareholders held on 26 April 2019 approved the issue of 365 million shares at \$0.0022 each to YanGang (Hong Kong) Co Limited to raise \$803,000 in May 2019. Austpac has received these funds and the shares have now been issued.

For further information please contact:

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

Austpac Resources N.L. is a mineral technology company currently focused on recycling waste chloride solutions and iron- and zinc oxide dusts produced by steelmaking to recover strong hydrochloric acid, high purity pig iron and zinc oxide. Austpac’s adjunct 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.