

25 February 2020

SHAREHOLDER UPDATE

POSITIVE RESULTS FROM PROOF OF CONCEPT TESTWORK

Austpac has now received the chemical analyses of samples taken during the Zinc & Iron Recovery Process (ZIRP) testwork program completed in November 2019, including results of the one melt test undertaken by the CSIRO.

The preliminary observations are:

- **Iron**
A pre reduced iron oxide was melted by the CSIRO in an induction furnace and a clean iron with very low impurities was produced.
The iron is ideal for making high purity pig iron for use in foundries.

- **Zinc**
The zinc oxide reported with iron oxide to the scrubber dust during the second process stage, and this is now being pre-reduced in a fluid bed roaster. The product will be processed in a second melt test by the CSIRO designed to capture a zinc oxide product for evaluation.

The program comprised processing zinc-contaminated furnace dust and spent pickle liquor from a steel mill through of each the first three ZIRP process stages to produce a pre-reduced iron pellet for melting in an induction furnace.

The representatives of an Australian steelmaker who observed the operations have provided Austpac with a comprehensive set of analyses of the products from each stage, confirming the results obtained by Austpac. A sample of the pre-reduced iron from the third process stage was melted by the CSIRO in December 2019 to produce the iron product.

A full technical review of the program is underway to identify improvements to the flowsheet.

The quality of the iron product and its potential for the production of high-grade pig iron is very positive.

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

Austpac Resources N.L. is a mineral technology company which has developed a process to recycle zinc-contaminated furnace dusts and waste chloride solutions produced by steelmaking to recover high purity pig iron, zinc oxide and strong hydrochloric acid. Austpac's adjunct technologies also produce high-grade synthetic rutile from ilmenite, a preferred feedstock for titanium metal and titanium dioxide pigment production. Austpac also undertakes mineral exploration in Victoria.