

18 March 2019

CHINESE STEELMAKER TO FUND THE DEVELOPMENT OF AUSTPAC'S ZIRP PROCESS

Austpac Resources NL is pleased to announce it has signed an agreement whereby YanGang (Hong Kong) Co Limited will provide funds 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, YanGang proposes to fund the construction in Australia of the first ZIRP plant.

YanGang, a wholly-owned subsidiary of Tangshan Yanshan Iron and Steel Co Ltd of China (Yanshan), will invest \$803,000 via a placement of 365 million shares at \$0.0022, a significant premium over the current share price of \$0.001.

Yanshan is a Chinese steelmaker with an annual production of 9 million tonnes of steel, which is more than the combined steel production of Australia and New Zealand.

The objective of the Newcastle testwork program is to 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 make samples of pig iron and zinc oxide for market evaluation.

Upon completion of the testwork, Austpac will undertake a scoping study for a 10-15,000 tonnes per year commercial ZIRP plant to be sited in NSW.

This validation of Austpac's furnace dust recycling process by a steelmaker will allow Austpac to develop other opportunities to implement its technology.

T. Cuthbertson
Chairman

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. Austpac also undertakes mineral exploration in Victoria.