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AUSTRALIAN STOCK EXCHANGE ANNOUNCEMENT

AUSTPAC-TICOR RENEGOTIATE JOINT VENTURE AGREEMENT

Austpac Resources N.L. and Ticor Limited are well advanced with negotiations on a new agreement to replace the current worldwide agreement for the use of the ERMS/EARS synthetic rutile process announced in July 2000.

Austpac and Ticor are also renegotiating the AusRutile agreement with Indian Rare Earths Limited (IRE) that was signed in October 2000. The original AusRutile agreement envisaged building a 10,000 tpa ERMS/EARS synthetic rutile plant adjacent to IRE's heavy minerals processing facilities near Chatrapur in the state of Orissa, India. The new agreement will cover the feasibility study and possible development of a 100,000 tpa ERMS/EARS facility at Chatrapur.

The Austpac-Ticor Joint Venture has expended more than \$2.5 million on pilot plant test programs, engineering feasibility and assessment work on the AusRutile Project.

Details of the new agreement with Ticor will be released as soon as formal documentation is finalised, which is expected within the next month.

Austpac looks forward to progressing the Orissa project, and also to developing new synthetic rutile projects in Australia and elsewhere.

For further information please contact:

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