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AUSTRALIAN STOCK EXCHANGE ANNOUNCEMENT

**INDIAN RARE EARTHS APPROVE ENTRY OF TICOR  
TO AUSTRUTILE JOINT VENTURE, INDIA**

Austpac Resources N.L. and Ticor Limited are pleased to announce that the Board of Directors of Indian Rare Earths Limited (IRE) has approved the entry of Ticor to the AusRutile Joint Venture. AusRutile India Private Limited, an Indian joint venture company in which Ticor will hold a 37% interest, Austpac a 37% interest and IRE a 26% interest, intends to develop a synthetic rutile complex based on the high grade mineral sands deposit near Chatrapur in the State of Orissa, India.

AusRutile is planning to construct a 10,000 tpa fully integrated synthetic rutile plant adjacent to IRE's OSCOM project, which is currently mining the southern half of the Chatrapur deposit. The plant will use Austpac's ERMS synthetic rutile and EARS acid regeneration processes, and will purchase ilmenite from OSCOM.

Ausenco Limited of Brisbane has been commissioned to complete the detailed design and final costing of the integrated plant. Jacobs H&G of Mumbai, India, will commence on-site environmental studies in January 2001. Design work and relevant project approvals are scheduled for finalisation during the first half of 2001, which would allow construction to commence during the second half of the year, and first production in 2002. Ticor will take over the funding commitments made to the AusRutile project since March 2000, through to the completion of detailed design and costing. Funding for Austpac's share of this and for the plant's construction will be provided by a project loan from Ticor to Austpac.

The resource at Chatrapur is sufficient to support a large synthetic rutile production facility for over 30 years. The AusRutile joint venturers envisage expanding the operation to produce at least 100,000 tpa once the 10,000 tpa plant has demonstrated the technical and economic viability of the ERMS and EARS processes and produced sufficient synthetic rutile for TiO<sub>2</sub> pigment manufacturers to enter into forward sales contracts for AusRutile's high grade synthetic rutile.

The revised joint venture arrangements give AusRutile access to sufficient resources to support a 200,000 tpa operation. TiO<sub>2</sub> market analysts predict a shortfall of chlorinatable feedstock by 2005. AusRutile aims to meet part of this shortfall. AusRutile has an advantage over larger, lower in-situ value deposits elsewhere in the world as the AusRutile project should be able to operate economically at lower levels of production.

For further information please contact:

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