

Annual General Meeting15 November 2012

Presentation by M.J. Turbott Managing Director



Disdeimer

This presentation is provided to you for information purposes only and should not be construed as and shall not form part of an offer or solicitation to buy or sell any securities or derivatives. It should not be considered as an offer or invitation to subscribe for or purchase any securities in Austpac Resources NL or as an inducement to make an offer or invitation with respect to those securities. No agreement to subscribe for securities in Austpac Resources NL will be entered into on the basis of this presentation.

To the maximum extent permitted by applicable laws, Austpac Resources NL makes no representation and can give no assurance, guarantee or warranty, express or implied, as to, and take no responsibility and assume no responsibility for, the authenticity, validity, accuracy, suitability or completeness of, or any errors in or omission, from any information, statement or opinion contained in this presentation.

Certain statements may be made herein that use the words "estimate", "project", "intend", "expect", "believe" and similar expressions intended to identify forward-looking statements. These forward-looking statements involve known and unknown risks and uncertainties which could cause the actual results, performance or achievements of the Company to be materially different from those which may be expressed or implied by such statements, including, among others, risks or uncertainties associated with the development of the Company's technology, the ability of the Company to protect its proprietary technology, the market for the Company's products, government regulation, changes in tax and other laws, changes in competition and the loss of key personnel. For additional information regarding these and other risks and uncertainties associated with the Company's business, reference is made to the Company's reports filed from time to time with the Australian Securities and Investments Commission and ASX.



ASX Announcement – 15/11/2012

AUSTRALIAN ZIRCON CONSENTS TO THE SALE OF E.L. 4521

Austpac Resources N.L. refers to its announcements to the ASX dated 15 August 2012 and 17 August 2012 regarding the Company's agreement to sell Exploration Licence 4521 for \$7.5 million to Orient Zirconic Resources (Australia) Pty Ltd, subject to Orient Zirconic obtaining the consent of Australian Zircon N.L.

Austpac is pleased to advise that Australian Zircon has now provided its consent to the transfer of Austpac's right, title and interest in Exploration Licence 4521 to Orient Zirconic. The transfer of the Licence is subject to the approval of the Victorian Minister for Resources and Energy.



Austpac Resources N.L.

Austpac has developed environmentally friendly, energy efficient green technologies for:

- Producing ultra-high grade synrutile from ilmenite (the ERMS SR process)
- Recycling iron oxide and spent acid steel industry waste to produce
 - High purity iron for foundry castings and steel making
 - Strong hydrochloric acid (HCI) for the steel industry

Austpac's Newcastle facility is being converted into a recycling plant which will commence operations in 2013; the Newcastle Iron Recovery Plant or "NIRP"

Austpac will use the Plant to produce bulk samples of synrutile for trials by producers of titanium sponge (the precursor to titanium metal) and evaluate the potential for a 60,000 tpa ERMS SR plant in Australia

Austpac will continue the evaluation of an exploration licence in western Victoria considered prospective for base and precious metals



Austpac's Technologies

ERMS = Enhanced Roasting & Magnetic Separation

EARS = Enhanced Acid Regeneration System

SR = Synthetic Rutile or "Synrutile"

ERMS ROAST

A high temperature roasting process to upgrade ilmenite concentrate to strongly enhance the magnetic susceptibility of the ilmenite so it can be easily separated from less magnetic gangue minerals, such as chromite. ERMS-roasted ilmenite is ideal for titania slag production but is unsuitable for the sulfate pigment process

LTR ROAST

A low temperature roasting process to slightly increase the magnetic susceptibility of ilmenite so it can be separated from less magnetic gangue minerals. LTR-roasted ilmenite is a suitable feed-stock for the sulfate pigment process



ERMS SR ROAST

Oxidation / Reduction roast to condition ilmenite for rapid leaching in hydrochloric acid to produce high grade synrutile, an important feedstock for titanium dioxide pigment and titanium metal production

CLR

A patented reactor to continuously leach roasted ilmenite to produce synrutile. All other synrutile processes use less efficient batch leaching

AUSTPAC IRON

A DRI process to reduce the iron oxide pellets produced by Austpac's EARS acid regeneration process to iron metal pellets

EARS

Acid regeneration process to produce strong hydrochloric acid from iron chloride solutions (eg from ilmenite leaching and steel mill cleaning)

Newcastle Iron Recovery Plant

for recycling steel mill waste



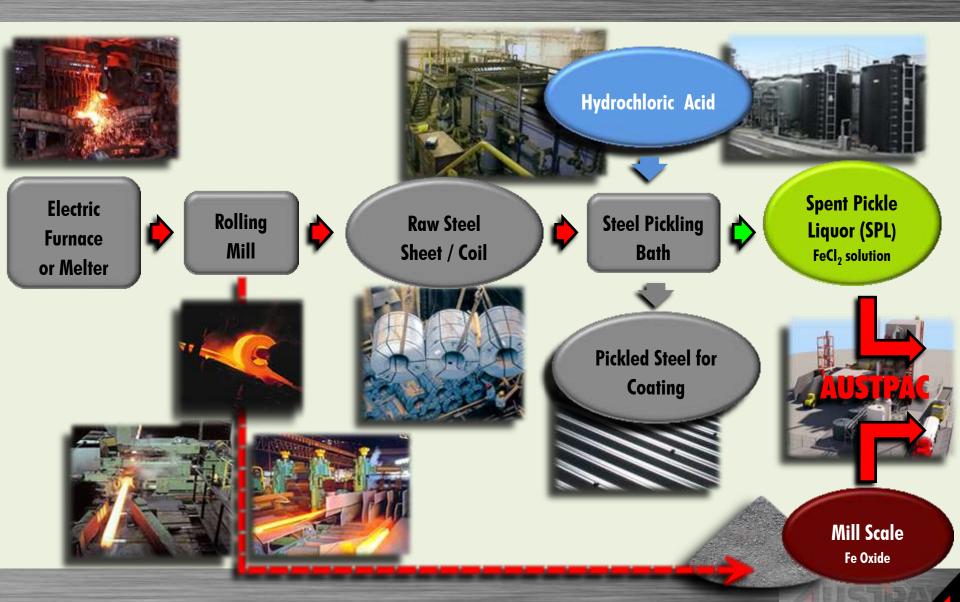




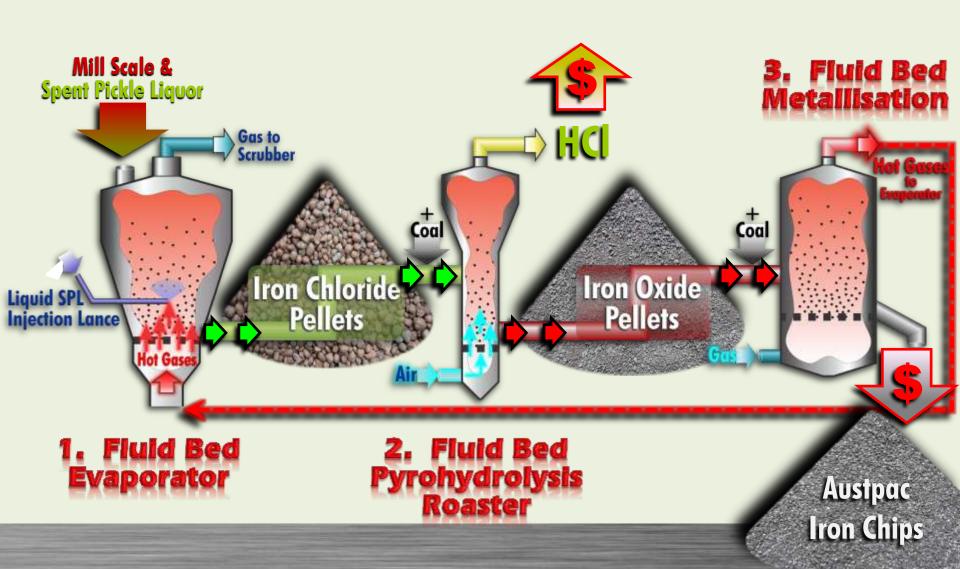




Steel Industry Waste



EARS Process & Metallisation



Rewaastle Iron Recovery Plant (NIRP)



tron Recovery Plant – 2009 to 2011

- Jan 2009 Project conceived and funds sought to modify existing ERMS SR synrutile facility to enable recycling of steel mill waste
- June 2010 Major TiO₂ producer Kronos recognised potential for APG's processes to recycle pigment plant waste; needed large scale test plant
- Oct 2010 Budget estimate for project \$12.5M
- April 2011 Agreement with Kronos to fund plant construction via shares and technology licence
- Detailed design commences, equipment ordering and initial construction commences and continues for rest of year



Iron Recovery Plant - 2012

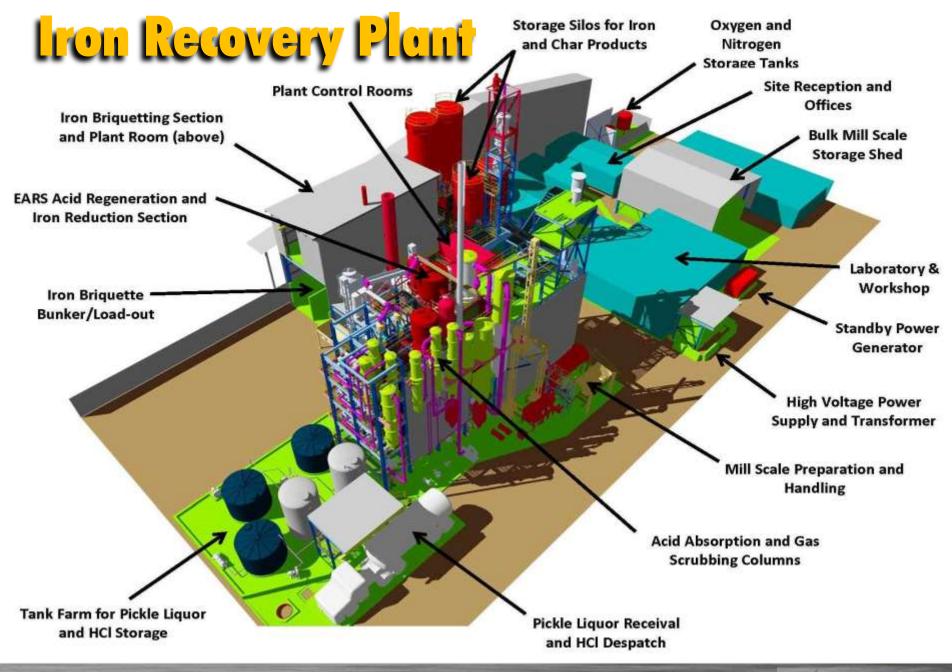
- Project expenditure reaches \$12M; funded by Kronos
- Austpac and Kronos engineers undertake a detailed technical review which identified critical flowsheet modifications to enable the Plant to process wide range of materials
- Project design changes significantly improved operability and production flexibility of the Plant
- "Aspen Plus" process optimisation model developed for the NIRP; provided a detailed Mass & Energy Balance which confirmed the Plant's design, flowsheet and increased production capacity
- Additional funds required to complete NIRP project ~\$6M



Iron Recovery Plant – 2012 (cont.)

- Sources of additional funds for project:
 - Kronos negotiations H1 2012
 - EL 4521 (WIM150) Aug 2012 Orient Zirconic sale agreement (\$7.5M)
 - Aug 2012 Orient Zirconic share placement at premium to market raises \$2M; agreement to investigate potential for steel mill waste recycling in China
- Nov 2012 WIM150 sale will provide sufficient funds to complete NIRP
- Ongoing cooperation with Kronos





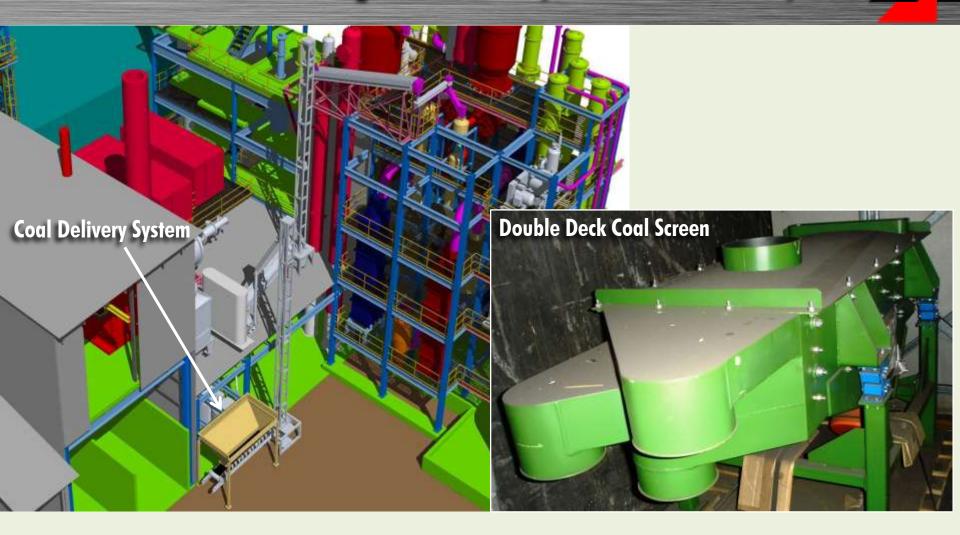






Mill Scale Handling

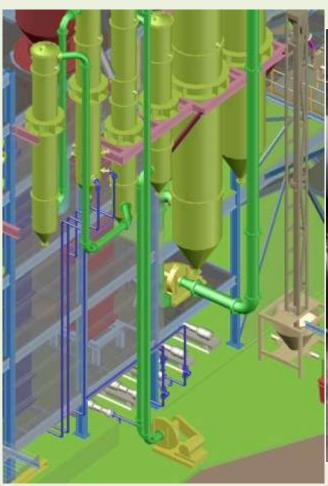






Blowers for Fluid Beds







HCl Absorption Columns











Gas Handling & Heat Recovery





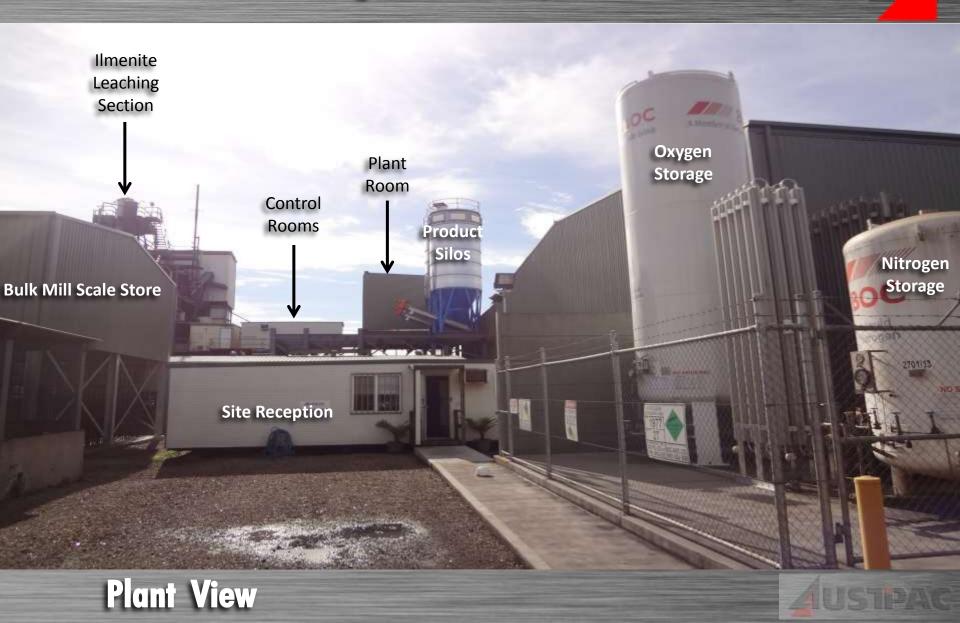


Ancillary Equipment



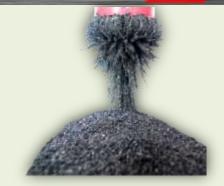


Product Storage & Briquetting



Iron Recovery Plant

- Plant Capacity
 - Mill Scale: 17,000 tpa = 18,000 tpa iron chips/briquettes
 - Initial production = 10,000 tpa iron
 - Spent Pickle Liquor: 34,000 tpa = 18,000 tpa HCl (25%)
 - Initial production = 650 tpa HCl
- Site leased for 25 years
- Supply and Sales Agreements
 - CMC Cometals:
 - Supply of mill scale and coal
 - Purchase of iron chips/briquettes and char (carbon)
 - Orica Australia:
 - Supply of pickle liquor
 - Purchase of regenerated hydrochloric acid
- Funded by Kronos & Austpac no debt







Project Timelines

- Construction continues through H1 2013
- Commissioning starts late Q2 2013 three months
- Operations & revenue commence H2 2013
- Initial focus on iron production, then ramping up production
- Annual Profit (at full capacity) ~\$7 million Austpac
- Reference site for EARS/Metallisation recycling process for steel industry

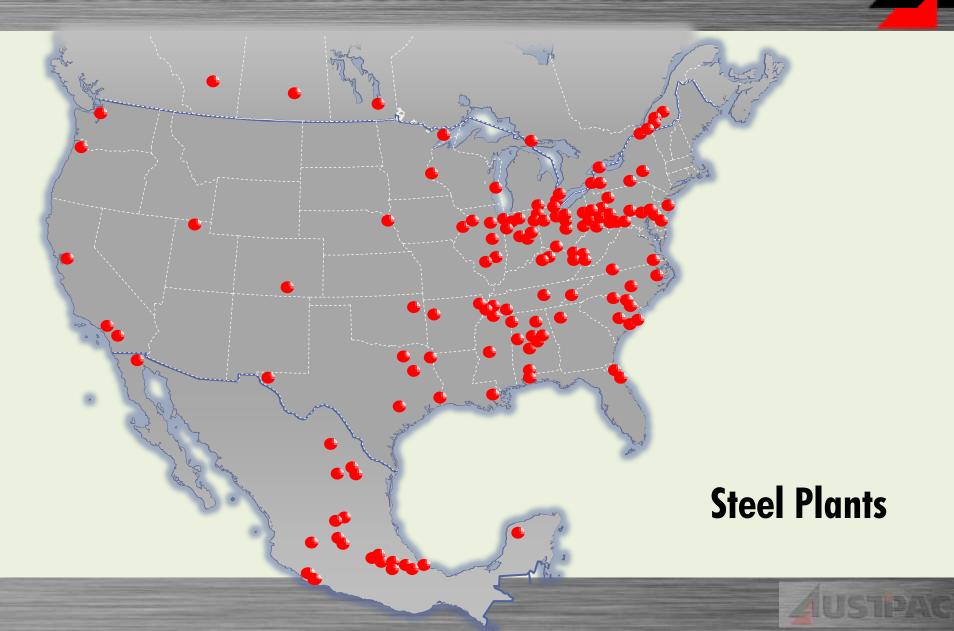


Recycling Steel Mill Waste

- Mill scale and spent pickle liquor
- Other iron and steel wastes
- Potential applications recognised include
 - Replacing a derelict acid regeneration plant
 - Recovering iron from contaminated fine oxide waste dump
- Licences to generate significant cash flow
- Cooperative ventures with major partners for build-ownoperate plants?



Potential in North America



Liulure Opportunities

EARS/Metallising recycling plants for steel mills

- Americas
- China
- India
- Europe
- Asia
- Treatment of galvanising plant waste mixed chlorides to recover acid, iron and zinc
- Revenue from licences and joint ventures



ERMS SR Tedmology

When NIRP is operating (H2 2013)

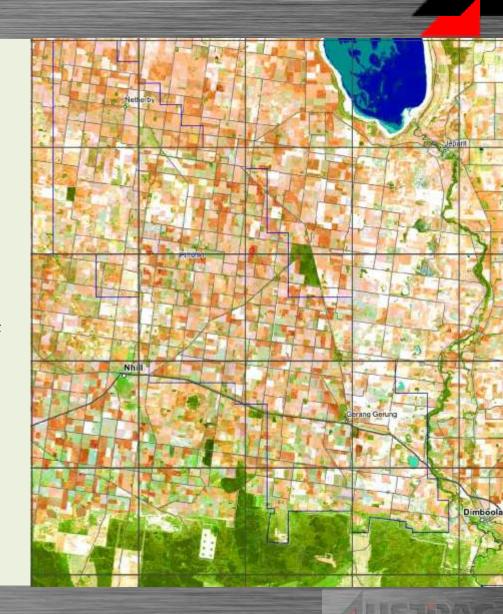
- Use existing leaching section of the Newcastle Plant to process ilmenite roasted in 2008 and produce bulk samples of ultra-high grade synrutile for titanium metal trials
- ERMS synrutile contains > 97% TiO₂ with no impurities; it is a premium feedstock for titanium sponge
- In conjunction with Ti sponge producers, review options for 60,000 tpa ERMS SR synrutile plant
- In 2014 form JV to undertake a feasibility study for a commercial synrutile plant in Australia or elsewhere



LL 5291 - Khill

Exploration for Base and Precious Metals

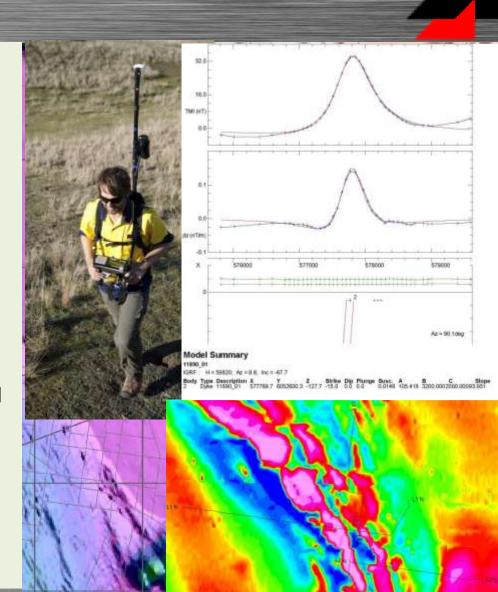
- Broad acre farms in western Victoria
- Covered by sediments of the Murray Basin
- Basement not explored for base & precious metals
- EL 5291 granted to Austpac in 2010
- 559 km² in grea
- Covers prospective ground between two National Parks



LL 5242 L

Exploration for Base and Precious Metals

- Strong NNW-trending gravity highs
 shallow & dense volcanic rocks
- Complex NNW-trending magnetic features suggest basement targets
- Extension of Mount Stavely Volcanic belt, which is analogous to Mount Read Volcanics of Western Tasmania
- Undertaking 1m spaced ground magnetics
- Objective to delineate drill targets for 2013



Condusions – 2013 forwards

Newcastle Iron Recovery Plant

Funds from sale of EL 4521 (WIM150) will fund completion of NIRP

Construction continues through H1 2013

Commissioning commences Q2 2013

Production and cash flow H2 2013

Steel industry recycling licences once NIRP is operating

ERMS SR synrutile for titanium sponge manufacture (H2 2013)

Produce bulk ultra-high grade synrutile sample from ilmenite

Evaluate feasibility for 60,000 tpa synrutile plant in Australia

Explore EL 5291 (Victoria) for base and precious metals

