



AUSTPAC RESOURCES N.L.
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18 December 2015

The Manager
Company Announcements
Australian Stock Exchange Limited
Exchange Centre
Level 6
20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam

RE: SHAREHOLDER UPDATE

We are pleased to provide an announcement from the Managing Director of Austpac Resources NL for immediate release.

Yours faithfully

N.J. Gaston
Company Secretary

enc



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SHAREHOLDER UPDATE

Newcastle Zinc and Iron Recovery Plant (NZIRP)

Negotiations with Ixom Operations Pty Ltd and ABR Process Development for commercial development of the Newcastle Plant continue to progress well. The objective is the completion of a plant that will recover concentrated hydrochloric acid, pig iron and zinc metal from chloride liquors (SPL) and furnace dusts produced by the galvanising and steel manufacturing industries; the NZIRP. This involves integrating ABR's zinc recovery cell into the iron recovery plant flowsheet. By the end of October 2015, Austpac had prepared a new mass and energy balance as well as capital and operating cost estimates for the revised plant and provided the results to Ixom and ABR.

At recent meetings the results of this cost study were reviewed and updated based on detailed information on current SPL availability and HCl markets provided by Ixom. The work program to obtain the final design and project costs for the NZIRP prior to continuing construction at Newcastle was also discussed, as were proposals for structures to enable the project to proceed to completion. Further meetings are scheduled to reach agreement on the structure and participation early in 2016.

Shareholder Share Purchase Plan

Austpac Resources' Shareholder Share Purchase Plan which closed on 30 November 2015 was well supported by smaller shareholders resulting in the issue of 100,439,943 fully paid ordinary shares at \$0.006 each to raise \$602,640. These funds will be used to commercially progress the Newcastle Iron Recovery Plant and for working capital.

Financing

Terms have been agreed for a series of convertible notes totalling \$1.2 million to provide working capital for the Company. Due diligence is almost completed and this will be followed by formal documentation. Full details will be announced when the agreements are finalised.

Austpac is in discussions with an Australian finance house and an associated US finance group regarding a project finance facility of up to \$15 million.

EL 5291 Nhill

Exploration Licence 5291 has been renewed for a term of four years. Austpac has applied for a grant for co-funding a geophysical and drilling program at Nhill under the Victorian Government's TARGET initiative.

For further information please contact:

Mike Turbott

Managing Director

Austpac Resources N.L.

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

Austpac Resources N.L. [www.austpacresources.com] is a minerals technology company currently focused on recycling waste chloride solutions and iron oxides produced by steelmaking to recover hydrochloric acid and iron metal. Austpac's technologies also transform ilmenite into high-grade synthetic rutile, a preferred feedstock for titanium metal and titanium dioxide pigment production. The Company has been listed on the Australian Stock Exchange since 1986.