

23 September 2014

CHARTER PACIFIC RAISES US\$3MILLION FOR MAURITANIAN ORE PROJECT

Charter Pacific Corporation Limited (ASX:CHF) today announced that it has finalised first round funding for the acquisition of the advanced Hematite deposit permit 2183 in Mauritania by its subsidiary Legleitat Iron Mauritanie SA's (Legleitat).

The funding provides loan funds to Charter Pacific of US\$3M by its in-country partner and Legleitat shareholder, Wafa Mining & Petroleum.

As part of the loan, Wafa Mining & Petroleum will receive an additional 10% equity in Legleitat Iron Mauritanie SA, increasing its equity position to 20%. The Mauritanian Government remains a 20% shareholder and Charter Pacific will now hold 60% of the company.

Kevin Dart, Executive Chairman of Charter Pacific Corporation Limited, said the finalisation of the first round payment placed Charter Pacific in a strong position to accelerate potential partnering discussions with several substantial international companies that are currently evaluating Legleitat.

"These parties have expressed interest given the low cost of production, existing infrastructure and the other benefits of the Legleitat project," Mr Dart said.

Mr Dart said Charter Pacific is confident that the project would substantially enhance the company's business, given:

- Production costs are expected to be around US\$50 a tonne free on board, long term
- Approximately US\$45M has been spent on this Hematite deposit to date by the previous operator on resource drilling, pre-stripping of minesite, port preparation and haulroad build
- A February 2011 resource estimate by SRK Consulting Pty Ltd (SRK) in accordance with the JORC 2004 Code reported an Inferred Resource of 12.2 million tonnes (Mt) @ 59%Fe (CaFe grade 62.7%Fe)* (at a 54%Fe cut-off)**. Preliminary assessments indicate the potential to support a 1Mtpa shipped operation for +10 years.
- Short lead time to production***
- The cost to freight to the European market, including Germany, France, Italy, Spain and Turkey, is circa \$10 a tonne
- Access to excellent port and road facilities, with the recently upgraded Port of Nouakchott being 250km from the permit

"We have a strong commitment to this and our other mining projects in Mauritania and are encouraged by the Government's support of resource companies and investors to drive the success of the sector.

"We are particularly confident that this positive operating environment will continue following the re-election of President, Mohamed Ould Abdel Aziz in June last year for another 5 year term."

* CaFe - "Calcined Iron" grade of the ore and is determined by the formula $CaFe = Fe\% / ((100 - LOI) / 100)$.

** Inferred Mineral Resource estimated by SRK Consulting Pty Ltd under JORC 2004 Code in February 2011. A resource estimate was completed by SRK Consultants Pty Ltd that reported a JORC 2004 Code Inferred Mineral Resource of 12.2Mt at Fe grade of 59.0% using a Fe cut-off grade of 54%Fe, see Appendix I. No new information is currently available to update the resource using JORC 2012 Code.

*** The production targets expressed are aspirational in nature and are derived from studies conducted on the Inferred Mineral Resource. Therefore it is uncertain at this stage that sufficient quantity of material will be defined as the resource is upgraded in confidence to Indicated and Measured to support these targets. Charter Pacific plan to conduct further drilling and analysis to upgrade the resource confidence and conduct scoping and feasibility studies.

About Wafa Mining & Petroleum: Wafa Mining & Petroleum is part of Groupe Wafa SA. Groupe Wafa SA is an important family enterprise in Mauritania. The Ghadda family business established itself in the import and distribution of food products. Since then the business has diversified into construction, industrial fisheries, real estate, and public works. Its mining business, Wafa Mining and Petroleum, was established in 2010 as Wafa Mining SA then extended in 2012 its scope to the petroleum sector. It holds six tenements of mineral substance in Tasiast, Amsaga and Rgueibatt Shield.

About Charter Pacific: Charter Pacific is an investment company which has been listed on the Australian Securities Exchange (ASX) since 1989. The company's strategy is to invest in start-up and established businesses that can deliver long term superior returns through business restructuring. Its current investment focus is in the mining and resources sector, in particular major opportunities in iron ore and gold exploration in Mauritania, West Africa.

Competent Persons Statement

The above Mineral Resource estimation is reported in accordance with The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the 'JORC 2004 Code') and makes references to "Measured", "Indicated" and "Inferred" resources conforming to those terms as defined in the JORC 2004 Code. The JORC 2004 Code sets out minimum standards, recommendations and guidelines for the Public Reporting in Australasia of Exploration Results, Mineral Resources and Ore Reserves.

The Mineral Resource has not been updated to comply with the JORC 2012 Code on the basis that the Mineral Resource has not materially changed since last reported.

Mr Daniel Guibal, a fulltime employee of SRK Consulting (Australasia) Pty Ltd and a Fellow of the Australasian Institute of Mining and Metallurgy, has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration to qualify as Competent Person as defined in the 2004 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'.

About SRK Consulting

SRK is an independent, international group providing specialised consultancy services. Among SRK's clients are many of the world's mining companies, exploration companies, financial institutions, EPCM and construction firms and government bodies.

Formed in Johannesburg in 1974, the SRK Group now employs some 1,600 staff internationally in over 50 permanent offices in 20 countries on 6 continents. A broad range of internationally recognised associate consultants complements the core staff. In Australia, SRK employs over 100 people in offices located in Brisbane, Melbourne, Newcastle, Perth and Sydney.

The SRK Group's independence is ensured by the fact that it is strictly a consultancy organisation, with ownership by staff. SRK does not hold equity in any project. This permits SRK's consultants to provide clients with conflict-free and objective support on crucial issues.

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