



**CHARTER
PACIFIC**
Corporation Limited

A.B.N. 12 003 344 287

26 November 2014

CHAIRMAN'S AGM ADDRESS

I would like to take this opportunity to thank my fellow Directors and the team at Charter Pacific for their contribution and support during the past year. I would also like to personally thank our incountry manager, Abdel Kader Ould Salah for his dedicated efforts on our behalf in Mauritania, particularly in relation to our new permit 2138 where he worked around the clock over a long period of time.

While it has been difficult in the resources sector in recent times, the Board and management have been working diligently to achieve the best results for your company in a difficult market.

Performance

These decisions by the Board and management have seen our financial performance improve by 40 per cent for the 2014 financial year.

In the year, we posted a consolidated loss of \$2.7m compared to a loss of \$4.4m in 2013.

The decrease in the loss is largely due to a reduction in operating costs by \$1.3m from the previous year.

A major portion of our running costs (\$1.7M) can be attributed to our efforts in Mauritania.

Mauritanian Investment

Over the past year, our strategic focus on Mauritanian projects has seen us successfully secure permit 2138, an advanced Hematite deposit containing direct shipping iron ore in partnership with our in-country partner Wafa Mining & Petroleum and the Mauritanian Government.

While David Selfe will provide a report on our new Mauritanian investment I will make a couple of comments on this.

The site brings vast benefits with 12.2 million tonnes of Hematite and 58.9 million tonnes of Goethite, and significant infrastructure already in place.

The Mauritanian President, Mohamed Ould Abdel Aziz representing the African Union, recently attended the G20 in Brisbane. During this visit a Memorandum of Understanding was signed by Mauritania and Australia to promote relations of friendship and cooperation between our two countries.

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CHAIRMAN'S ADDRESS

Resource Industry

Obtaining the permit has given the company an asset that has solid value and gives us the opportunity to be in production in a short period of time, subject to the iron ore price recovery. Like every other investor in the market we are not immune to the global resources slump.

There are many views as to when the iron ore prices will turn around. We have seen renewed interest because of the low cost of production in Mauritania and this is bringing some new funding opportunities.

We are not in a position to forecast what will happen with prices – but what we do know is that we have a quality project that has a positive future that should deliver returns for Charter Pacific shareholders.

New Opportunities

We are currently reviewing opportunities that may be suitable to Charter Pacific that are non resource focused.

Our former Chairman Brian Sprod recently passed away after a short illness. Brian was a true friend and gentleman. He gave much to the company over his 25 years and he was well liked and respected by all who came into contact with Brian.

Regards,

Kevin Dart

Executive Chairman

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 1. 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. It is Charter Pacific's intention to conduct further drilling and analysis to upgrade the resource confidence and conduct scoping and feasibility studies.