



10 September, 2012

## Exploration Targets Update for Charter Pacific's Mauritanian Iron Ore Project

- **Updated Magnetite Iron Ore exploration target\***, increasing to a range 2.6Bt\*\* to 4.4Bt.
- **Significant potential for hematitic mineralisation.**

Charter Pacific Corporation Ltd (Charter Pacific) is pleased to announce the receipt of SEMS Exploration final report on the findings of the recently completed ground magnetics survey and rock chip sampling on the Kaoua El Khadra Iron Ore project (Permit 792) in the West African nation of Mauritania.

### Exploration Target

The report concludes an increase in the exploration target\* for the magnetite-bearing banded iron formation (BIF) to the range of 2.6Bt to 4.4Bt at 18% Fe to 39% Fe. This is an increase in the order of 69% in the upper range from previous estimates as a result of increased confidence with improved data. The Board of Charter Pacific says the improved exploration target\* estimates further strengthen the economic case for the Kaoua El Khadra Iron Ore project. Of the 10 sites visited, 9 have outcrops of BIF which were sampled and analysed. The project is now ready for the next phases of exploration, including trenching, which will give information necessary to plan drill holes.

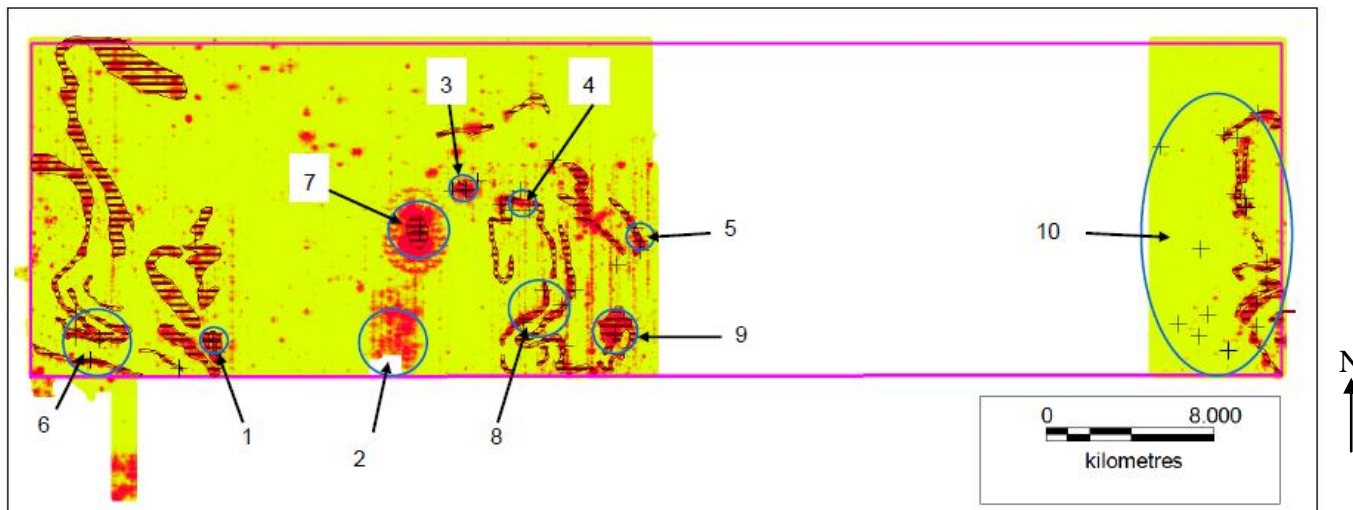


Image of ground magnetics in Permit 792 showing interpreted BIF units (brown hatched areas), locations of the 10 sites visited (outlined with blue circles and numbered) during the field trips to the permit area (outlined in pink).

\* It should be noted that the potential tonnages and grades outlined by SEMS Exploration for the exploration target within the Kaoua el Khadra permit remain conceptual in nature as there has been insufficient exploration to define a Mineral Resource as defined in the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the 2004 JORC Code). Furthermore, investors should be aware that based on the information currently available it remains uncertain whether further exploration will result in the determination of a Mineral Resource.

\*\* Bt - Billion Tonnes (1,000,000,000).



*Layering in magnetic BIF from Site 6.*

### **Hematite Potential**

In addition to the increase in magnetite-bearing exploration target, SEMS Exploration has also identified “potential for significant hematitic iron ore”. Sites of interest for this type of iron mineralisation are in the “magnetically quiet” parts of the Kaoua El Khadra permit area. Charter Pacific intends to systematically explore these areas to determine the quantity and quality of the hematite potential. This is an important development in the exploration of Kaoua El Khadra, potentially providing a second style of iron ore mineralisation, which may require simpler or no beneficiation.

The full SEMS Exploration report is available at Charter Pacific's website:

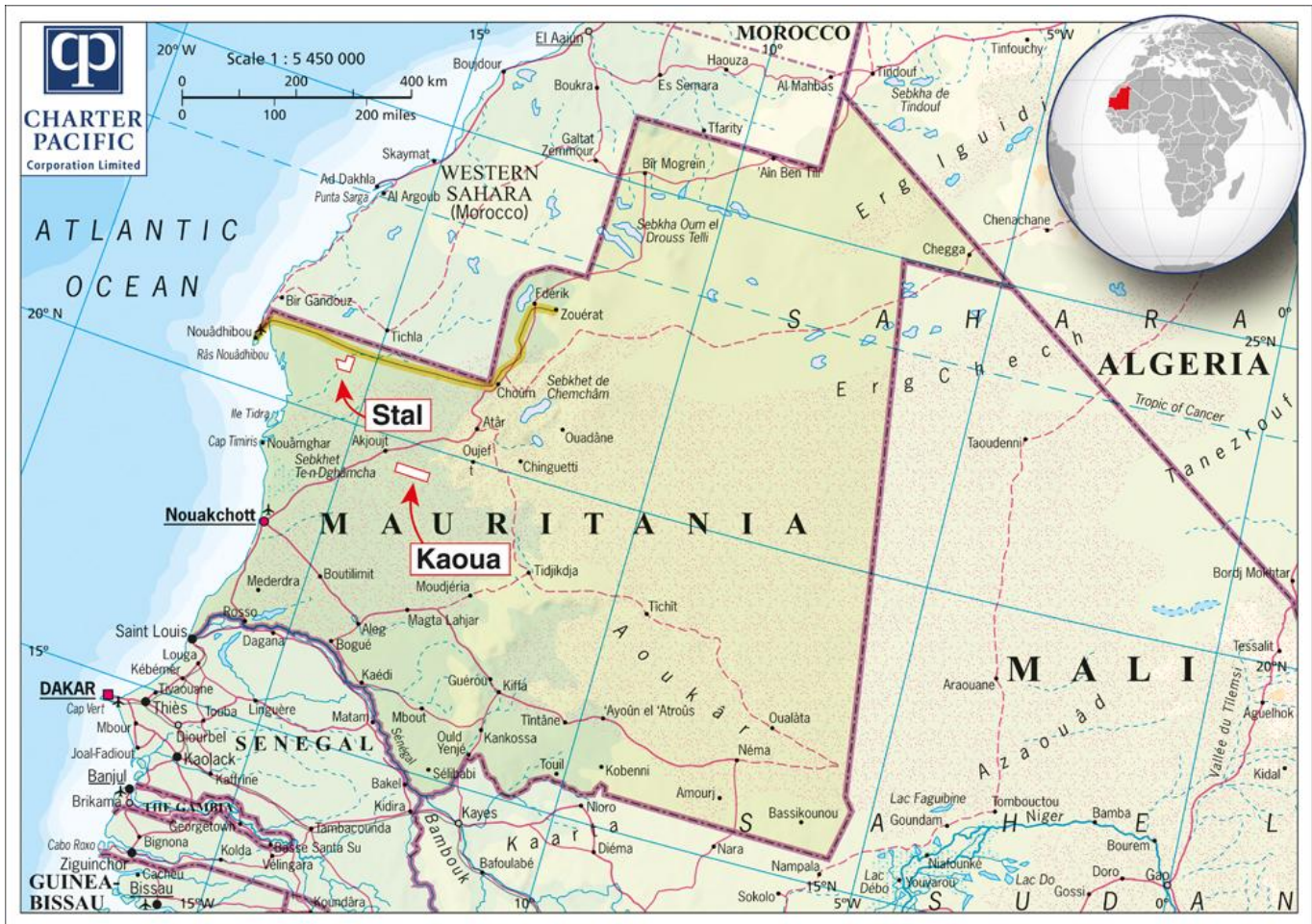
[http://www.charpac.com.au/?page\\_id=1135](http://www.charpac.com.au/?page_id=1135).

Charter Pacific's iron ore mining projects are strategically located in a highly prospective iron ore region in Mauritania with access to established rail and port infrastructure, and significant development underway at adjacent tenements held by TransAfrika Resources.

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**About the Kaoua El Khadra Iron Ore Project**

Kaoua El Khadra is a highly prospective magnetite iron ore (BIF) occurrence on Permit 792 in the West African country of Mauritania. The project covers an area of 960km<sup>2</sup> and is located 345km from the port of Nouadhibou.

To date mapping, ground magnetics and surface sampling has identified extensive magnetite-bearing BIF which has characteristics typical of magnetite iron ore deposits with potential to produce high grade Fe, low impurity, concentrates.

**Competent Persons Statement**

*The information in this report that relates to Exploration Results is based on information compiled by Dr David Byrne, who is a Member of The Australian Institute of Geoscientists (MAIG). Dr David Byrne is employed by SEMS Exploration. Dr Byrne has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Dr Byrne consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.*