

Carpentaria pushes ahead

Matt Chambers | *May 29, 2009*

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CARPENTARIA EXPLORATION has shrugged off this week's fall in iron ore prices and is pushing ahead with drilling a NSW magnetite find.

The Brisbane-based **junior**, like any junior should, switched the focus at copper ground just south of Broken Hill to iron ore after chancing across some samples showing iron grades of 40 per cent.

Subsequent surveys showing up to 50 per cent grades at the Redan/Burta project has managing director Nick Sheard hoping he can establish the first substantial magnetite resource east of Whyalla.

It's very early days yet for Carpentaria, which has \$3.7 million in the bank and a market value of \$4 million, but more will be known when three drill holes are sunk in the next four to six weeks.

Magnetite ore processing has massive energy requirements compared with the direct-to-ship haematite ore mined by Rio Tinto and BHP, due to the former's need to be finely ground.

Mr Sheard said there were reasonable visual expectations that the ore would need to be ground to a thickness of about 100 microns, which sounds small, but is in fact fairly big for magnetite particles and could limit energy costs.

This week's 38 per cent slip in Japanese and Korean contract iron ore prices, illustrates the fall in appeal for higher-cost magnetite iron ore from a year ago, but as most iron ore producers are keen to point out, prices are still the second-highest on record.