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Deal fires up Carpentaria

SARAH-JANE TASKER
RESOURCES

SHARES in junior mining hopeful Carpentaria Exploration soared yesterday on news that it has secured an \$81 million deal for its NSW iron ore project.

The company announced that Australian and Asian investor-backed Bonython Metals Group would farm in to Carpentaria's tenements at the Hawsons Iron project in Broken Hill.

News of the deal sent the junior's shares up 112.50 per cent yesterday, to close at 43c.

Carpentaria said the transaction had the potential to transform it into an iron ore mining company in the medium term, with additional exposure to tin, gold, nickel and coal projects across eastern Australia.

"This agreement continues Carpentaria's successful strategy of farm-outs across a range of pro-

jects to provide the necessary funding for development, while retaining an equity stake to ensure our shareholders' exposure to the future upside benefits," executive chairman Nick Sheard said.

Mr Sheard said Carpentaria still had 100 per cent equity in gold, copper, nickel and tin projects and would stake more ground for testing this year.

"Carpentaria is focused on

near-term production projects in a period of rising commodity prices," he said.

"Our strategy is to become a leading Australian midsize mining company with a pipeline of projects."

Under the \$81m deal, BMG will make staged cash injections into Carpentaria of \$53m, plus \$28m for exploration costs.

Privately owned BMG already has an agreement to farm in to Carpentaria's South Dam iron project in South Australia.

BMG chief John Hillam said his company's strategy was to consolidate existing tenements covering a large part of the known and outcropping Braemar iron formation horizons, an area highly prospective for bulk magnetite iron deposits.

"BMG intends to develop these new iron ore deposits in this emerging iron province and establish a major iron ore producing company," Mr Hillam said.

