

Media Release

Monday May 23, 2011

**New alliance formed in SA-NSW border area by
iron explorers on the Braemar Iron Formation**

A consortium of iron ore explorers within an iron ore province west of Broken Hill and stretching across the border area of South Australia and New South Wales has formed an alliance to promote common infrastructure development for mining and to advance their common interests.

Announcing today the creation of the *Braemar Iron Alliance* (Alliance), spokesman, Mr Andrew Woskett, identified strong alignment between a number of listed and privately owned mineral exploration companies with tenements along the extensive Braemar Iron Formation.

The Formation stretches for approximately 250km from Peterborough in SA to Broken Hill in NSW. It is rapidly emerging as potentially Australia's next major iron ore province (Refer Figure 1).

The Alliance comprises ASX-listed companies Carpentaria Exploration, Havilah Resources, Minotaur Exploration, Royal Resources and U3O8 and private companies, Sinosteel PepinNini Curnamona Management, Bonython Metals Group and Wentworth Metal Group.

All are actively exploring to define iron ore deposits within the Braemar Iron Formation.

Mr Woskett said Alliance members see the potential for 20 to 40 billion tonnes of mineable deposits throughout the Braemar Iron Formation, containing magnetite, a primary form of iron ore.

"The presence of iron mineralisation has been recognised since the 1960s but only in the past few years, with the impetus of higher iron ore prices, have explorers actively sought to define the province's resources to the Australian JORC standard," Mr Woskett said.

(Joint Ore Reserves Committee (JORC) Code is a Code of practice which sets minimum standards for public reporting in Australia and New Zealand of Exploration Results, Mineral Resources and Ore Reserves).

Thus far, Carpentaria and Royal have successfully reported iron-based JORC resource estimates.

Minotaur and Havilah are currently working towards initial JORC resource reports across their magnetite prospects.

“Alliance members are confident in the iron potential for the area, based on extensive drill programs and recent definition of JORC resources,” Mr Woskett said.

“The excellent regional potential has encouraged the Alliance members to look towards their future infrastructure needs, both individually and as a group,” he said.

“The Alliance has a common interest in the need for a major deep water port facility on South Australia’s Spencer Gulf, approximately 150 kilometres immediately west of the Alliance area, plus power, water and transport infrastructure throughout the entire Braemar iron province.”

The *Braemar Iron Alliance* will provide a focus for representation to the South Australian, New South Wales and Federal Governments as well as private infrastructure providers, so that a coordinated and cohesive approach to development planning can commence.

Further, the Alliance will work with the South Australian Chamber of Mines and Energy (SACOME) to ensure a consistent message is delivered to government. In the short term, the Alliance will work under the SACOME umbrella, until its own corporate structure is formalised. Alliance members acknowledge the practical support of SACOME in bringing the parties together in a short space of time.

Announcing the formation of the *Braemar Iron Alliance* today at the Broken Hill Mining and Energy Symposium, Mr Woskett said it provides a focal point for industry participants to work in close consultation with local government throughout the Braemar iron province, on the northern Yorke Peninsula and Upper Spencer Gulf and with prospective infrastructure developers and providers.

He indicated that if all of the anticipated projects proceed to development, an investment mix of A\$6 billion or more could be foreseen over the forthcoming decade, bringing significant jobs and downstream opportunities to the regions involved.

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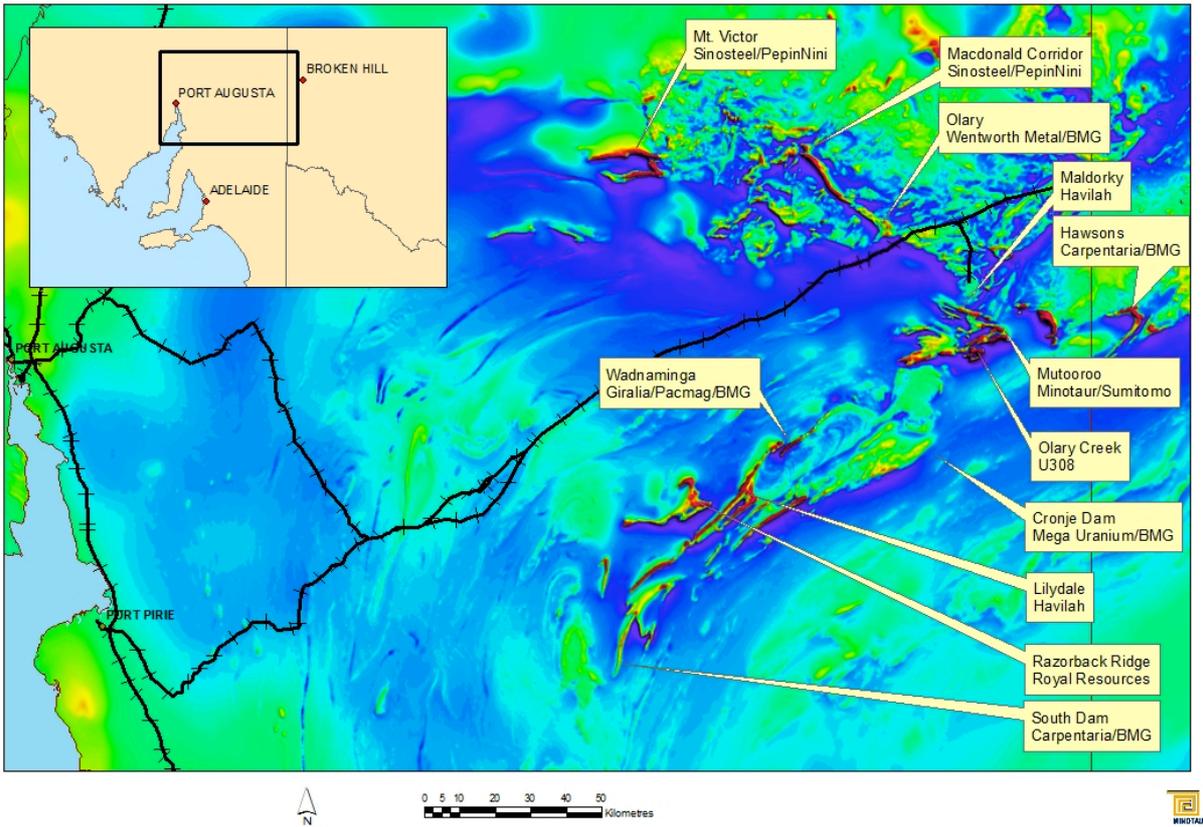


Figure 1: Regional distribution of the Braemar Iron Formation, identified as dark red areas on the regional Total Magnetic Intensity image, with locations of various current drilling projects indicated

Key: Project Name
 Tenement Holder/JV partner