



ASX ANNOUNCEMENT

29 February 2012

The Manager,
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ASX Limited
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SYDNEY NSW 2000

Hawsons Joint Venture Update – Summary

Carpentaria Joint Venture partner Bonython Metals Group Ltd (BMG) has been ordered by the court to be wound up and liquidators have been appointed, subject to certain conditions outlined below.

The Board of Carpentaria welcomes the court decision as:

- a) In the event BMG is wound up it provides an opportunity for others to take over the Joint Venture. A new partner entering the Joint Venture through the liquidators would be a very positive outcome for Carpentaria's shareholders because it would potentially secure the commencement of the Bankable Feasibility Study and substantial cash payments to Carpentaria.
- b) Alternatively, if BMG is not wound up by 15th May 2012 due to matters of appeal and BMG fails to meet certain contributory conditions, both outlined below, Carpentaria shareholders are also in the very favourable position of having the right to regain 100% of the Project on favourable terms.

These two options are considered beneficial to Carpentaria shareholders and it is Carpentaria's belief that further work on the project will help to realise the \$3.2 billion dollar net present value of the Project (ASX Announcement 21st November 2011).

Federal Court matters relating to Bonython Metals Group – Orders given but not entered

On 27th February 2012 the Federal Court of New South Wales served orders that Bonython Metals Group Ltd (**BMG**) be wound up and that PPB Advisory be appointed as liquidators of BMG (**Orders**). The court however stayed these orders until 19th March 2012 allowing time for any appeal of the Orders to be filed. As at the date of this announcement, Carpentaria is not aware that any appeal has been filed.

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Carpentaria's legal advice is that the appointment of liquidators to BMG pursuant to the Orders does not, and nor will any subsequent appeal, alter the current contractual obligations of BMG (or a party acquiring BMG's Interest) under the Joint Venture Agreement (**JVA**).

Under the agreement for BMG (or a party acquiring BMG's Interest) to continue in the Joint Venture and move to a 51% interest, BMG must, before 15th May 2012, contribute \$25m cash to Carpentaria and commit to a bankable feasibility study. If BMG does not continue in the Joint Venture, the JVA stipulates that if Carpentaria is approached by a third party with a bona fide offer to acquire all of BMG's percentage share, then BMG must sell its percentage share in the JV to that party for consideration which is at least equal to the amount of the total cash contributions made by BMG to the Hawsons Project at that time, totalling \$13m. In the event BMG does not continue in the Joint Venture Carpentaria itself may elect to acquire BMG's percentage share also under these terms.

Background to the dispute

The background to this dispute was detailed in Carpentaria's December 2011 Quarterly ASX Report of 25th January 2012. By way of overview, the internal dispute within Carpentaria's Joint Venture partner BMG, resulted in a 25% shareholder Ample Source International Ltd (ASI), commencing proceedings in the Federal Court of New South Wales on 20th December 2010 against BMG, other BMG shareholders and other third parties. Carpentaria was not a party to such proceedings.

Yours Sincerely

Nick Sheard
Executive Chairman

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