



ABN: 63 095 117 981 | ASX: CAP

**We find it.
We prove it.
We make it possible.**

31 October 2012

FINANCIAL

Cash and deposits on hand as at 31/10/12
A\$5,839,185

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ASX ANNOUNCEMENT

Rail Transport Memorandum of Understanding signed with Genesee & Wyoming Australia

Carpentaria today is pleased to announce a Memorandum of Understanding (MoU) signed with above rail provider Genesee & Wyoming Australia Pty. Ltd. (GWA) for the transport of 5 million tonnes per annum (mtpa) of magnetite concentrate with possible expansion to 20 mtpa from the Hawsons Iron Project (Hawsons).

Under the MoU, GWA will scope the logistics required for the transport of Hawsons magnetite concentrate on the existing rail link from Broken Hill to Port Pirie. Carpentaria and GWA have agreed to work towards a rail haulage agreement whereby GWA will provide transport services for Hawsons magnetite concentrate from a location near Broken Hill to a location near the port of Port Pirie.

Carpentaria has identified current spare capacity of 13 mtpa on the rail line from Broken Hill to Port Pirie. Under the agreement, GWA will negotiate access to the line with the track administrator Australian Rail Track Corporation, a Federal Government organization as part of the rail haulage agreement.

About Hawsons Iron Project

The Hawsons Iron Project is located 60km SW of Broken Hill (Figure 1) and includes an **Inferred magnetite Resource of 1.4Bt at a Davis Tube Recovery (DTR) of 15.5% (12% cut off) for 220 million tonnes of high grade (69.9% Fe) iron concentrate and an exploration target¹ of 6-11Bt at 14-17% DTR.**

The results of a pre-feasibility study (PFS) were updated following a mining optimisation study and were released to the ASX on 21st November 2011. The study estimated an NPV_{9%} of \$3.2 billion on a base case of 20 million tonnes per annum (mtpa) concentrate.

The project is well located with existing power, water, rail and port infrastructure available for a 5-10Mtpa start –up operation.

About Genesee & Wyoming Australia Pty Ltd

A subsidiary of Genesee & Wyoming Inc. (NYSE:GWR), a U.S. based short line and regional railroad operator, Genesee & Wyoming Australia (GWA) owns more than 3,500 km of track in South Australia and the Northern Territory, including the 2,200-km Tarcoola to Darwin railway. GWA is an accredited rail service provider in six states, providing intrastate haulage of bulk commodities including grain, steel, gypsum and minerals as well as short haul shunting and terminal operations. GWA provides its customers with service to bulk ports in Darwin, Adelaide, Thevanard, Port Pirie, Port Lincoln and Whyalla as well as serving intermodal terminals in Adelaide, Alice Springs, Katherine and Darwin.

¹The term "Target" should not be misunderstood or misconstrued as an estimate of Mineral Resources and Reserves as defined by the JORC Code (2004), and therefore the terms have not been used in this context. It is uncertain if further exploration or feasibility study will result in the determination of a Mineral Resource or Mining Reserve.



A safety leader in the industry, GWA has more than 400 employees, 90 locomotives and 950 active wagons. Through long-term contracts and acquisition of locomotives and equipment to support customer projects, GWA seeks to form long-term partnerships with customers.

Yours sincerely

A handwritten signature in blue ink, appearing to be 'Nick Sheard', written in a cursive style.

Nick Sheard
Executive Chairman
Carpentaria Exploration Limited

We find it. We prove it. We make it possible.

The information in this announcement that relates to Exploration Results and Resources is based on information compiled by S.N.Sheard, who is a Fellow of the Australian Institute of Geoscientists and has had 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'. S.N.Sheard is an employee of Carpentaria and consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.