Carpentaria Exploration Limited

ABN: 63 095 117 981 | ASX: CAP

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

**6 May 2013**

CARPENTARIA EXPLORATION LIMITED

ASX ANNOUNCEMENT

# New Joint Venture signed between Carpentaria and Pure Metals

## Highlights

- **Pure Metals to fund $5.0 million in 12 months to progress the Hawsons Iron Project Bankable Feasibility Study (subject to finalisation of the work program by the parties, expected in 30 days)**

- **Pure Metals to pay CAP $1.0 million upon assignment of the BMG Joint Venture Interest to Pure Metals**

- **Pure Metals to pay CAP $2.8 million at a time the earlier of completion of Federal Court proceedings[1] or two (2) years.**

Carpentaria is pleased to advise that it has signed a new Joint Venture (JV) for the Hawsons Iron Project with Pure Metals Pty Ltd that reflects the intent of the Terms Sheet signed on 27 March 2013[2]. The ongoing Joint Venture Interests will be Carpentaria 60% and Pure Metals 40%.

The key elements of the agreement are highlighted above.

The Joint Venture is subject to Pure Metals completing the purchase of the BMG Joint Venture Interest (40%) from the Liquidator and paying Carpentaria $1.0 million at that time.

An offer by Pure Metals for the BMG Joint Venture Interest was accepted by the Liquidator of BMG in February 2013.

The Federal Court has ruled that the sale of the BMG Joint Venture Interest in the Hawsons Iron Project can proceed, dismissing an application to prevent the sale by way of injunction on 18 April 2013[3]. The Federal Court noted in its reasons for judgment that there was no serious question to be tried. However, the proceedings are still listed with the Federal Court.

Nick Sheard – Executive Chairman noted "This deal finally removes key uncertainties that have hindered investment in the project over the last 2 years and will allow the JV to advance Hawsons at a greater pace."

The parties will now work together to develop a work program to advance the Bankable Feasibility Study, expected within 30 days.

[1]CAP ASX Announcement 6 March, 2013
[2]CAP ASX Announcement 27 March, 2013
[3]CAP ASX Announcement 22 April, 2013

**FINANCIAL**
Cash and cash equivalents on hand as at 24/04/13
A$2,674,833.40

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**About Hawsons Iron Project**

Located 60 kilometres south-west of Broken Hill, the Hawsons Iron Project includes an Inferred magnetite Resource of 1.4 billion tonnes (Bt) 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 Target[4] of 6-11 Bt at 14-17% DTR for over 1,000 million tonnes of concentrate (refer ASX Announcement 23rd May, 2011).

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 results were very positive and, as such, Carpentaria has continued to develop the project, increasing its value.

The project is favourably located with existing power, water, rail and port infrastructure available for a 5-10 mtpa start-up operation. In November 2012, the New South Wales Government declared Hawsons a 'State Significant Development' project, also providing the Director General's Requirements for an Environmental Impact Statement.

Yours sincerely

**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.*

[4] *The 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.*