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ASX ANNOUNCEMENT

New Joint Venture with Pure Metals commences

Highlights

- ❖ **New Joint Venture with Pure Metals commences**
- ❖ **Pure Metals pays Carpentaria \$1.0m cash**
- ❖ **Pure Metals purchases 40% of Hawsons Iron Project for \$3.25 million (CAP retains 60%)**
- ❖ **Bankable Feasibility funding of \$5.0m to begin in the coming weeks**

Carpentaria is pleased to announce that its new Joint Venture Partner, Pure Metals Pty Ltd has completed its acquisition of a 40% share in the Hawsons Iron Project Joint Venture following assignment from the Liquidators of BMG.

Pure Metals paid \$1,000,000 to Carpentaria yesterday in accordance with the new Joint Venture agreement.

Under the new Joint Venture Pure Metals will now fund \$5.0m towards the Hawsons Bankable Feasibility Study (BFS) over the next twelve months at which time the participating interests will remain CAP 60% and Pure Metals 40%. This funding will accelerate the BFS and is expected to begin in the coming weeks following agreement on the work program.

In addition, a further payment of \$2.8 million from Pure Metals to CAP to finalise payment of past expenditures on the project is due the earlier of the completion of Federal Court proceedings¹ or two years. The Federal Court has ruled that the sale of the BMG Joint Venture Interest (40%) in the Hawsons Iron Project could proceed, dismissing an application to prevent the sale by way of an injunction on 18th April 2013. The Federal Court noted in its reasons for judgement that there was no serious question to be tried. However, the proceedings are still listed with the Federal Court.

Nick Sheard, Executive Chairman of Carpentaria says "this is a very positive outcome for Carpentaria shareholders and we look forward to the commencement of the next phase of work". Following the payment from Pure Metals, Carpentaria's cash balance is \$4,434,475.

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 Target² 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.

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¹ CAP ASX Announcement 6 March 2013, CAP Announcement 22 April 2013

²The 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.

Competent Person Statement

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by S.N.Sheard, currently employed by Carpentaria Exploration Limited, a Member of the Australian Institute of Geoscientists and is also a Registered Professional Geoscientist - Mineral Exploration and Geophysics 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 consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.