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18 October 2013

CARPENTARIA EXPLORATION LIMITED

CAP seeks mining lease for Hawsons Iron Project

Highlights

- **Mining Lease Application (MLA) submitted to NSW Government for Hawsons Iron Project near Broken Hill**
- **Major milestone in development of Hawsons**
- **Carpentaria focused on completing Environmental Impact Statement and bankable feasibility study (BFS) for NSW's biggest new magnetite mine**

Carpentaria Exploration Limited (ASX:CAP) announced today the submission of a Mining Lease Application (MLA) for the Hawsons Iron Project near Broken Hill, in a major milestone in the development of the company's flagship project.

The MLA lodged with the NSW Department of Trade and Investment Mineral Resources Branch (NSWDTIMR) for the Hawsons project spans an area of 180.5 square kilometres and covers all significant mineralisation in the project area (Figure 1).

The MLA should give confidence to investors that the project is progressing well towards development and the application should also help attract additional investment into the project.

The application clearly demonstrates progress towards development by the joint venture. In NSW MLAs are only made when sufficient resources have been defined and that sufficiently detailed environmental and engineering studies have been completed to support the application.

Carpentaria's Managing Director, Quentin Hill, said the submission of the MLA was an important achievement for the project partners comprising Carpentaria (60% interest) and Pure Metals Pty Ltd (40%).

"The lodgement today of a mining lease application over our flagship Hawsons Project is watershed event in the feasibility program being undertaken to develop this major magnetite iron resource into a major and company making mining venture" Mr Hill said.

"Already, some $15 million has been invested in the Hawsons project by Carpentaria and its partners and we are confident of a successful outcome to the permitting and BFS process. The project continues to attract considerable interest from Asian and other potential investors and customers, and we are focused on securing a major development partner to take the project through to mining by the end of 2016."

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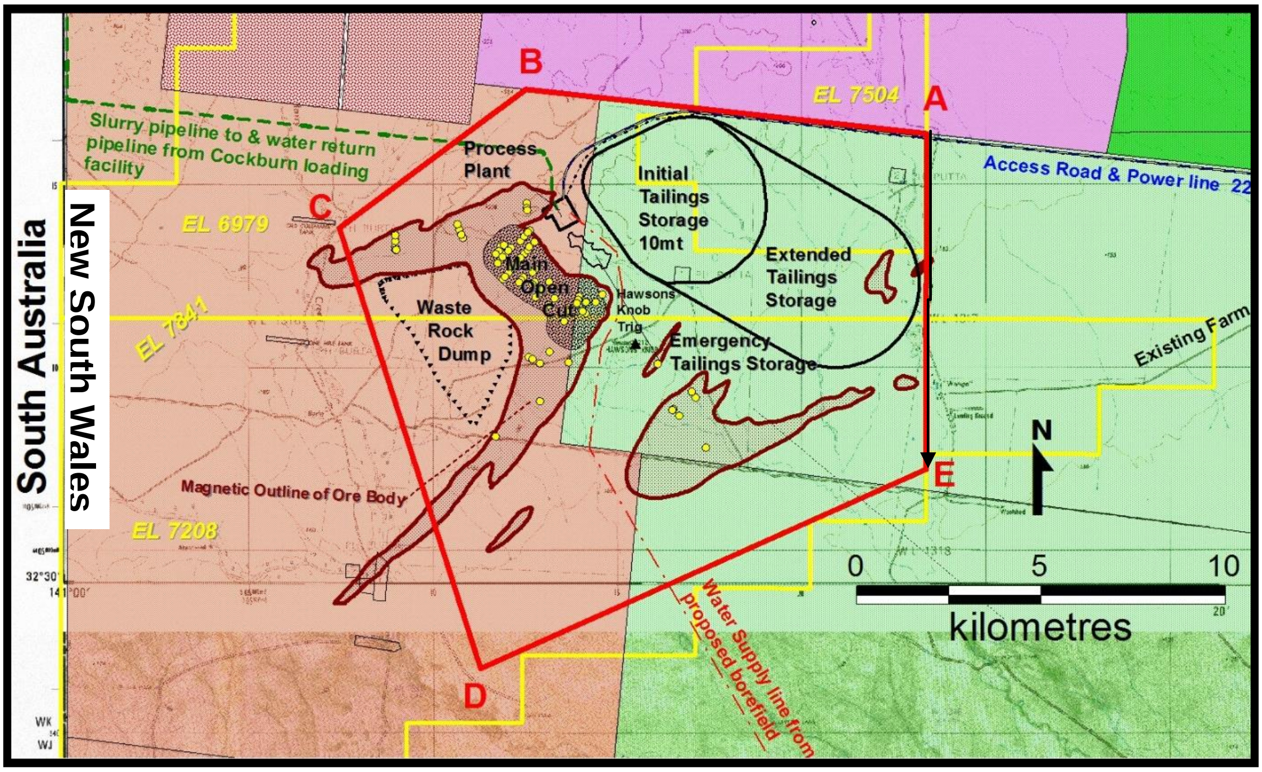

Figure 1. Hawsons Iron Project mining lease application summary plan

The Hawsons MLA is over twice the area of the mining leases covering the legendary Broken Hill deposit that has been in continuous operation for over a century. This comparison highlights the potential scale, long life and strategic significance of the project to shareholders, the local area, NSW and South Australia.

The MLA contains an inferred 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 Target1 of 6-11 Bt at 14-17% DTR for over **1,000 million tonnes of concentrate** (refer ASX Announcement 23 May 2011).

The MLA is for a 21 year mining lease and is based on engineering studies for a 10Mtpa start up operation expanding to 20Mtpa of high grade concentrate production. The MLA can only be granted as a mining lease (ML) following Development Approval (DA) from the NSW Department of Planning and Infrastructure which has previously declared Hawsons a State Significant Development project. Completion of an Environmental Impact Statement (EIS), currently underway and on track to be completed by late 2014, will be a key prerequisite for the DA and other detailed land surveys will be required prior to any ML grant.

There are no Native Title impediments to development as Native title has been extinguished and land access agreements with local landholders are a prerequisite to application.

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[1] of 6-11 Bt at 14-17% DTR for over 1,000 million tonnes of concentrate (refer ASX Announcement 23 May 2011) (Figure 2).

The project is situated 50 kms from the east – west railway which has existing capacity for over 10mt per year to Port Pirie, about 370 kms to the west, which also has capacity for exporting over 20mtpa using barges to cape size vessels. With an existing electrical grid with capacity to service the project and an already identified a potential water supply 80km from the site. Given this existing infrastructure and proximity to Broken Hill sets this project apart from rival Australian magnetite projects that require major capital expenditure creating infrastructure in order to export product.

[1] 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.

The Project also has a major benefit in that the ore is very soft so a simple processing circuit has been developed and proven via a pilot plant to produce high grade magnetite (69.5% Fe with low grade deleterious elements). The softness will reduce mining and processing operating costs compared to other magnetite mines developing banded iron formation (very hard) ores.

The project is overseen by a management committee chaired by Carpentaria, with the project partners currently examining options for a smaller start-up operation of 10 million tonnes per annum utilising existing infrastructure to reduce initial capital requirements.

Results of a Prefeasibility 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 the joint venture continues to develop the project increasing its value.

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 and the BFS was commenced.

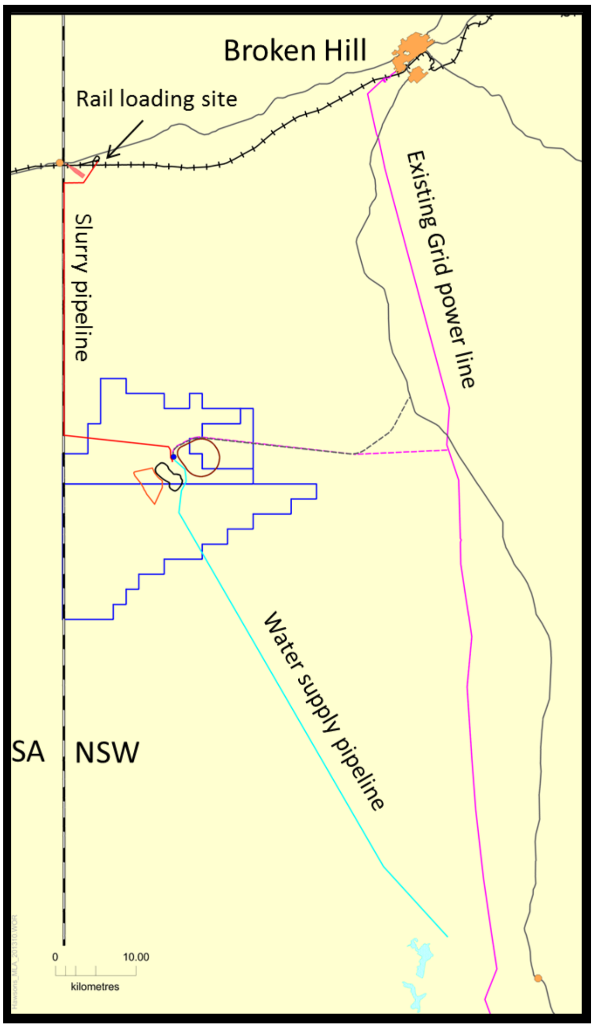

Figure 2. Location plan and proposed and existing site infrastructure

For further information please contact:

Quentin Hill
Managing Director

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The information in this announcement that relates to Exploration Results and Resources is based on information compiled by Q.S.Hill, 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'. Q.S.Hill is a full time 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.