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ASX ANNOUNCEMENT

Hawsons JV secures port access - study to commence

Highlights

- **Hawsons JV secures up to 12 million tonnes per annum port access at Port Pirie**
- **Joint rail-port-marine study to commence with Flinders Ports at Port Pirie**

The Board of Carpentaria Exploration Limited (ASX:CAP) is pleased to announce that the Hawsons Iron Project joint venture (JV) has secured port access for up to 12 million tonnes per annum (mtpa) of iron ore concentrate through the existing berths at Port Pirie and has also been granted foundation customer status.

Flinders Ports and the JV have agreed to jointly fund a rail-port-marine study into the best option for exporting 10-20mtpa of iron ore to 180,000t vessels (Cape size) through Port Pirie.

Under the agreement the Hawsons JV will have a first right of refusal for export of up to 12mtpa of iron ore concentrate through this port, conditional upon further study cooperation between the parties.

Carpentaria Managing Director, Quentin Hill said "gaining port access is a very significant and important step in the development of Hawsons as the cornerstone of a long lasting, premium iron business. It provides another key element of infrastructure certainty for the project. This is a current focus for the JV and we will continue to deliver.



Figure 1 Aerial view of Port Pirie

This agreement not only secures access, it will provide for the right option to increase the capacity of the port with great potential benefits for Port Pirie” he said.

The study will investigate the best option for iron ore concentrate export through Port Pirie including rail unloading, transfer of concentrate to the port, likely by conveyor, and then ship loading using barges. Importantly, it will also increase engineering detail and certainty at the port to a level consistent with the other aspects of the project.

Stewart Lammin, General Manager of Flinders Ports said, “We are working with Carpentaria to provide a port solution that is right for the project, the environment and the community of Port Pirie.”

It is expected the study will commence within the month and take up to four months to complete.

The agreement for port access consolidates the significant infrastructure advantages of the Hawsons Iron project that are key to its early development. The JV has recently confirmed the presence of a viable water supply, another critical project element. In addition, the nearby, open access, power and rail lines have sufficient spare capacity to service the project (Figure 2).

“It is this existing infrastructure and a high-grade, ultra-low impurities product that puts the Hawsons project on a very firm development footing, especially as lower grade products attract increasingly larger discounts” Mr Hill said.

About Hawsons

The Hawsons Iron Project joint venture (Carpentaria 60%, Pure Metals P/L 40%) is currently undertaking a bankable feasibility study based on low cost, long term supply of a high grade, ultra-low impurity iron concentrate to a growing premium iron market.

The project is located 60km southwest of Broken Hill, an ideal position for mining operations with existing power, rail and port infrastructure available for a conceptual 10 Mtpa start-up operation. A mining lease application has also been lodged.

The Hawsons Iron Project’s soft rock is different from traditional hard rock magnetite and allows a very different approach from typical magnetite mining and processing challenges (both technical and cost-related). The soft rock enables simple liberation of a premium magnetite product without complex and expensive processing methods.

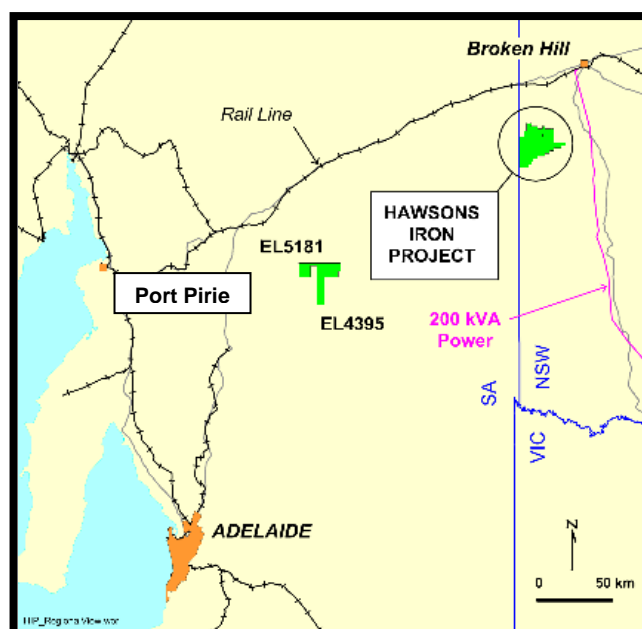


Figure 2 Location of Hawsons Iron Project and Port Pirie

| Category | Billion Tonnes (cut off 12% mass recovery) | Magnetite mass recovery (%) | concentrate grades | | | | | Contained Concentrate million tonnes |
|-----------|---|--------------------------------|--------------------|--------------------|----------------------------------|-------|------|---|
| | | | Fe% | SiO ₂ % | Al ₂ O ₃ % | P% | LOI% | |
| Inferred | 1.55 | 14.7 | 69.6 | 2.9 | 0.20 | 0.004 | -3.0 | 228 |
| Indicated | 0.22 | 16.2 | 69.8 | 2.8 | 0.20 | 0.005 | -3.0 | 35 |
| Total | 1.77 | 14.9 | 69.7 | 2.9 | 0.20 | 0.004 | -3.0 | 263 |

Table 1 JORC compliant resources- Hawsons Iron Project

The project is underpinned by Inferred and Indicated Resources totalling 1.8 billion tonnes at 15% mass recovery for 263 million tonnes of concentrate grading at 69.7%Fe. The resource has not materially changed since last reported (ASX Announcement 26 March 2014 and Table 1).

About Port Pirie

Port Pirie is located 360km south west of Hawsons and has been identified as a strategic port solution to the expanding mining sector. Port Pirie's existing port facilities are operated by Flinders Ports Pty Ltd. The port currently services approximately 100 handy-max ships per year for around 650,000t of cargo including lead and zinc concentrates.

The city is ideally located in the upper Spencer Gulf region of South Australia. The city has a strong industrial history and is home to the world's largest lead smelter providing access to a skilled workforce, metal fabrication businesses and a large range of mining support services.

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The information in this report that relates to Exploration Results, Exploration Targets and Resources is based on information evaluated by Mr Q.S. Hill who is a member of the Australian Institute of Geoscientists (MAIG) and who has sufficient experience 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 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the "JORC Code"). Mr Hill is a Director of Carpentaria Exploration Ltd and he consents to the inclusion in the report of the Exploration Results in the form and context in which they appear.