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We prove it.
We make it possible.**

15 November 2012

CARPENTARIA EXPLORATION LIMITED

www.capex.net.au

FINANCIAL

Cash and deposits on hand as at 15/11/12
A\$5,436,442

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ASX ANNOUNCEMENT

Hawsons declared 'NSW State Significant Development' project

Highlights

- **New South Wales Government declares Hawsons Iron Project 'State Significant Development' project**
- **First step towards granting of mining licence at NSW's biggest magnetite discovery**
- **Carpentaria targeting 2014 for completion of Environmental Impact Statement**

Carpentaria Exploration Limited (ASX:CAP) announced today the NSW Government has declared the Hawsons Iron Project as a 'State Significant Development' project, a key step towards the establishment of a new, \$3.2 billion magnetite mine near Broken Hill.

The move follows the NSW Department of Planning and Infrastructure's review of Carpentaria's Preliminary Environmental Assessment, lodged in August. The department has also provided the Director General's Requirements (DGRs) for an Environmental Impact Statement (EIS) for the project.

Carpentaria recently met with the State Government and Broken Hill Local Government to present its Preliminary Environmental Assessment (PEA) report, which assessed the requirements for undertaking an EIS and based on the project's planned mining and processing needs.

The Government agencies reviewed Carpentaria's submission and have detailed their requirements for the approval of an EIS, to be done within the next two years, as part of the transition from an exploration to a mining licence.

Carpentaria's Executive Chairman, Nick Sheard, said the move was a major milestone in the establishment of a long-term mining operation located just 60 kilometres from the historic mining city, Broken Hill.

"Carpentaria is committed to securing the support of all stakeholders, including the local community and government, for the development of this important new mine," Mr Sheard said.



“Minimising the environmental impact of the project is a key consideration for Carpentaria, and by receiving the requirements for the EIS we are on track to receive a mining licence by 2014 and thereafter mining operations.”

Since Carpentaria’s successful discovery of Hawsons in 2009, the Company has undertaken numerous environmental baseline studies and desktop reviews to proactively meet the State’s requirements, including ecology, dust, water and weather monitoring.

In 2011, the Company installed a real-time weather station to provide daily reports, also helping local graziers monitor conditions and rainfall in the area.

In other project work, Carpentaria has continued small-scale processing pilot plant studies, with the aim of identifying lower capital and operating costs compared to previous Preliminary Feasibility Study (PFS) estimates. Test work results have been very positive so far and are currently being quantified, leading into the launch of the Bankable Feasibility Study (BFS) and full-scale pilot plant test studies.

In addition, the project team has identified the potential to more efficiently remove the project’s overburden, thereby potentially further improving the project’s economics.

Carpentaria has identified capacity for all key infrastructure requirements including rail, road, port, power and water infrastructure and recently signed a Memorandum of Understanding with above rail services provider, Genesee & Wyoming Australia (GWA), for the transport of Hawsons magnetite concentrate on the existing rail link from Broken Hill to Port Pirie in South Australia.

The move followed Carpentaria’s March agreement with Flinders Ports to identify a long-term handling, storage and loading solution for the Company’s exports at Port Pirie.

Commenting on the latest development, Carpentaria’s Mr Sheard said this important permitting step demonstrates the Company’s ability to achieve successful project outcomes.

“Carpentaria is focused on ensuring the Hawsons project meets community expectations and gains government approval, as we develop it into a profitable mining operation for the benefit of all stakeholders,” he said.

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 Target¹ of 6-11 Bt at 14-17% DTR for over 1,000 million tonnes of concentrate.

Results of a Pre-Feasibility Study (PFS) were updated following a mining optimisation study and were

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



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 production.

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

Yours sincerely

A handwritten signature in blue ink, appearing to be 'Nick Sheard'.

Nick Sheard

Executive Chairman

Carpentaria Exploration Limited

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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.