



ABN 63 095 117 981 ASX Code: CAP

# ASX ANNOUNCEMENT

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

10<sup>th</sup> January 2012

#### ABOUT CARPENTARIA:

Carpentaria is an exploration company focused on discovering base, precious metals and bulk commodities in eastern Australia. The company currently has interests in iron ore, tungsten, tin, gold, copper and nickel exploration projects.

#### CARPENTARIA'S AIM:

With a strong geo-scientific team discover and build a strong cash flow generating mining operation.

#### DISCOVERIES TO DATE:

Hawsons Iron Project - NSW  
Euriowie Tin Project - NSW

#### **Capital Structure:**

Ordinary Shares 98,991,301

#### **Major Shareholders:**

|                            |       |
|----------------------------|-------|
| Conglin In't Invest' Group | 10.6% |
| Atlas Iron Limited         | 8.7%  |
| Mr. Conglin Yue            | 3.7%  |
| Management, Including      |       |
| Unlisted Options           | 12.3% |

#### **Financial**

Cash and deposits on hand as at 10/01/12  
A\$9,223,120.57

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## New JV strengthens CAP's Braemar Iron holdings

### HIGHLIGHTS

- ❖ **New joint venture gives Carpentaria opportunity to earn up to 100% of 20km of prospective Braemar Iron Formation in South Australia (EL3998)**
- ❖ **Increases interest in Braemar Iron Formation to 81km magnetite siltstone, including flagship \$3.2 billion Hawsons Iron Project**
- ❖ **Strengthens Carpentaria's position as a major, and the most advanced tenement holder in the Braemar Iron Province**

Strengthening its position as a leading tenement holder in the Braemar Iron Province, Carpentaria Exploration Limited (ASX:CAP) today announced a joint venture agreement with Maosen Australia Pty Ltd that gives CAP the opportunity to earn a 100% interest in EL3998 in South Australia.

The tenement covers over 20km of the highly prospective Braemar Iron Formation, which hosts Carpentaria's flagship \$3.2 billion Hawsons Iron Project, and is also located adjacent to Carpentaria's South Dam JV.

The tenement is close to key existing transport infrastructure, being 45km south-west of the national rail line and highway, 150km east of Port Pirie and 200km north-east of Port Adelaide (Figure 1).

Carpentaria's Executive Chairman, Nick Sheard, commented that the agreement was a significant boost for the Company's iron ore interests, highlighting its position as first mover in the province.

He said the Company had rights to significant sections of the magnetite-rich Braemar Iron Formation in Australia's newest iron province, which is well served by established infrastructure that allows for accelerated development.

"This new Braemar Joint Venture, together with the Hawsons Iron Project, South Dam and the Torrowangee EL in NSW, gives CAP a

combined 1,182 square kilometres of tenement holdings and more than 81km of collective strike of the magnetite siltstone,” Mr Sheard said.

“Carpentaria will use its extensive knowledge of the Braemar Iron Formation to fast-track exploration, giving the opportunity to potentially develop a new iron ore project just 200km from a capital city and close to rail and port infrastructure.”

The licence covers over 20km of Braemar Iron Formation of which 10km outcrops, as shown by government mapping. The airborne magnetic data confirms the extension of the Formation under interpreted shallow cover (Figure 2). Included is the northern extension of the South Dam magnetic anomaly and altogether Carpentaria now has interests in 30km of the Formation locally and is hopeful that exploration will provide a significant magnetite iron discovery similar to others in the highly prospective Braemar Iron Province.

There has been only limited magnetite exploration on the tenement and no previous drilling. Carpentaria plans a ground magnetic survey on the tenement as soon as access is gained. Based on successful results, a drilling program will be designed to establish key characteristics of the mineralisation and an exploration target for the project.

### Joint Venture Agreement

Under the terms of the JV, Carpentaria is required to pay Maosen Australia Pty Ltd a \$25,000 execution payment, subject to 30 days due diligence. On renewal of the tenement\*, Carpentaria is required to complete 500m of drilling and award Maosen 200,000 fully paid shares.

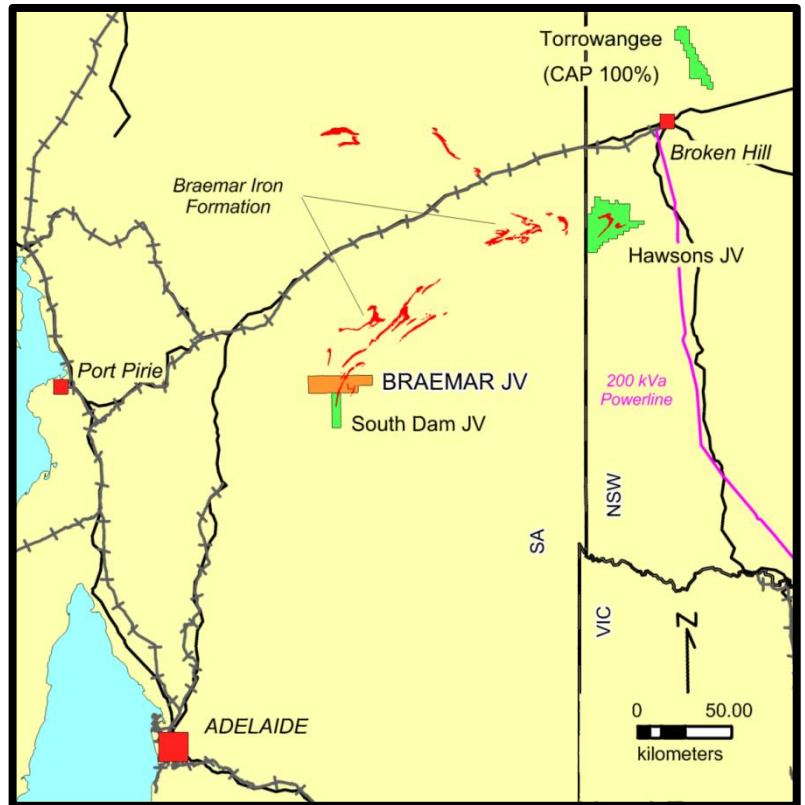


Figure 1 Braemar JV location showing Braemar Iron Formation interpreted from mapping and magnetics

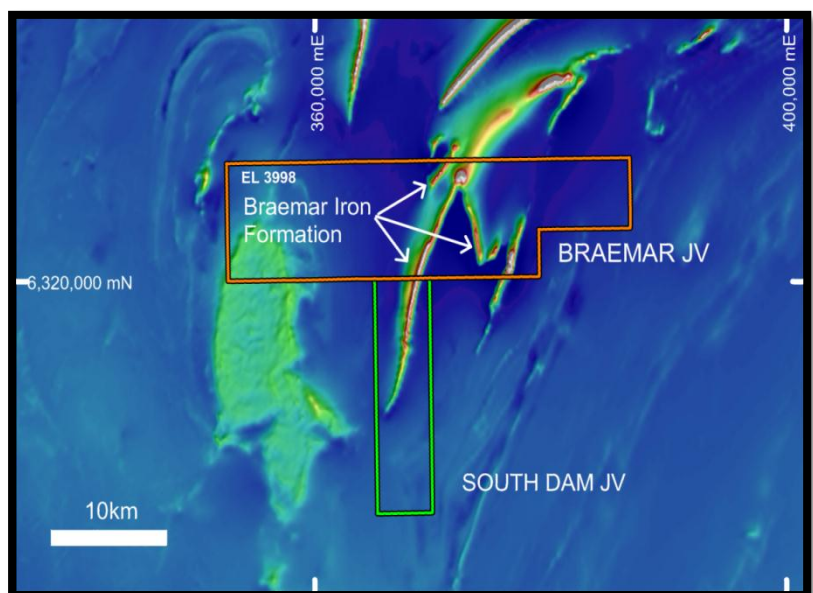


Figure 2 EL3998 over regional airborne magnetic image.

\*An application for the tenement’s renewal has been lodged by Maosen with the relevant South Australian Government department.

To earn a 60% interest in the JV, Carpentaria must define a 200 million tonne magnetite resource within three years of initial access and pay Maosen \$100,000.

Carpentaria may earn an 80% interest by completing a prefeasibility study and making a further cash payment to Maosen of \$200,000, at which time Maosen has the right to contribute on a pro rata basis.

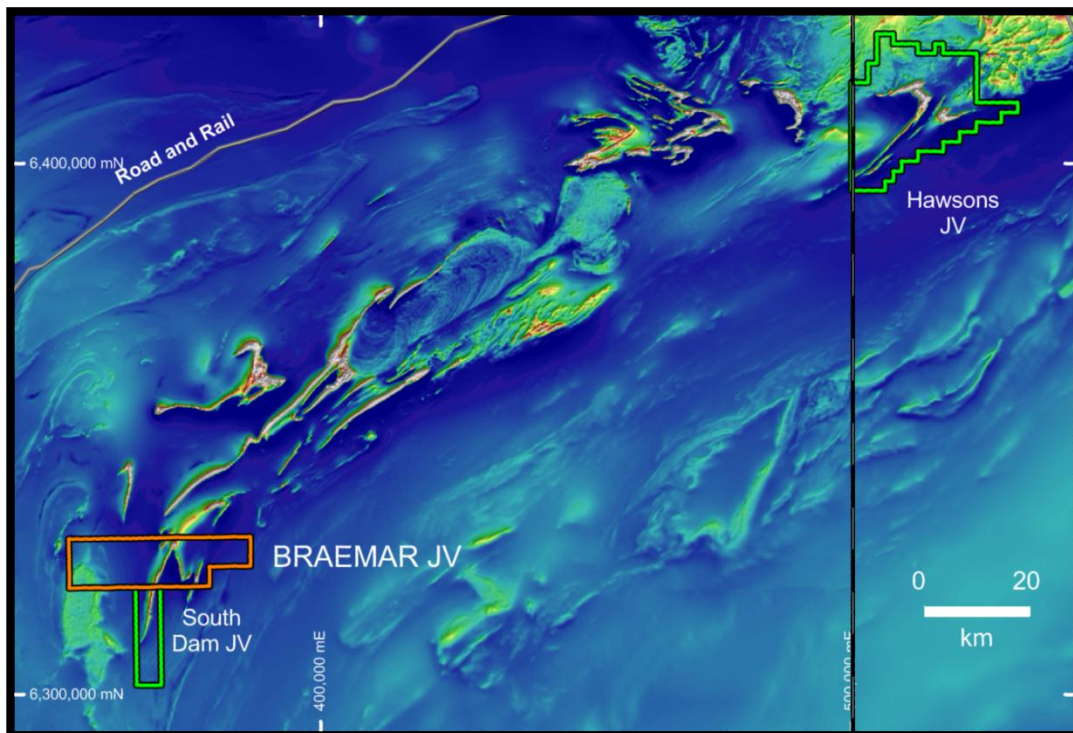
Should Maosen then elect not to contribute to further development, Carpentaria could earn a 100% interest in the project for a further \$1million cash payment to Maosen, whereby Maosen would revert to a 1.5% Net Profit Royalty. At the completion of a detailed feasibility study, Maosen could elect to regain a 10% interest.

A private company based in Queensland, Maosen has other iron ore interests within South Australia, and an extensive network of connections within the Chinese steel industry.

## Background

The Braemar Iron Formation is a magnetite siltstone that stretches for over 200km, from Carpentaria’s Hawsons Iron Project in NSW to its South Dam Joint Venture in South Australia. The province is characterised by large deposits and very soft ore that provides for potentially low processing and mining costs.

The province also benefits from its proximity to key infrastructure, including rail, port, power, water and an established mining workforce and culture.



*Figure 3 Carpentaria’s flagship Hawsons Project, South Dam and the new Braemar JV over regional aeromagnetic data*



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In December 2010, Carpentaria announced a maiden Inferred Resource for the Hawsons Iron Project, comprising 1.4 billion tonnes at a magnetite Davis Tube Recovery (DTR) grade of 15.5% (12% cut-off) and 220 million tonnes of contained iron concentrate (69.9% Fe and 2.5% SiO<sub>2</sub>).

In November 2011, the Company reported an estimated net present value for the project of \$3.2 billion, based on a prefeasibility study evaluating 20 million tonnes per annum concentrate production.

“This latest agreement demonstrates our intention to actively explore for and acquire new projects in areas that allow for low-cost exploration, speeding the development process,” Mr Sheard said.

“Carpentaria is focused on making the transition from a successful explorer to a cash-flow generating mining company, backed by a strong project pipeline of diverse resources across eastern Australia.”

Nick Sheard  
Executive Chairman

***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.*