



# ASX ANNOUNCEMENT

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

11 July 2011

## 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, tin, gold, copper and coal 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 98,741,301

## **Major Shareholders:**

|                            |        |
|----------------------------|--------|
| Conglin In't Invest' Group | 10.61% |
| Atlas Iron Limited         | 8.68%  |
| Mr. Conglin Yue            | 3.71%  |
| Management, Including      |        |
| Unlisted Options           | 12.61% |

## **Financial**

Cash and deposits on hand as at 08/07/11  
A\$9,767,675

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## \$3.5m Budget to Boost Carpentaria Exploration Projects

### Highlights

- Greenfields **exploration budget** of more than **\$3.5 million** for FY2012 (excluding Hawsons Iron Project pre-development costs)
- New nickel province targeted at **Koonenberry**, with 6 new exploration licences granted spanning 1,800 sq km near Broken Hill, NSW
- Priority drilling targets identified at the **Koonenberry Nickel** and **Temora Gold** Projects
- **Yanco Glen** and **Apollyon tin-tungsten** projects near Broken Hill to be advanced.
- Detailed metallurgical and mining studies continue at multi-billion dollar **Hawsons Iron Project** following successful Pre-feasibility Study announced in May 2011

Carpentaria Exploration Limited (ASX: CAP) today announces a plus \$3.5 million budget for greenfields exploration in the 2011/12 financial year, continuing its aggressive exploration programs across eastern Australia.

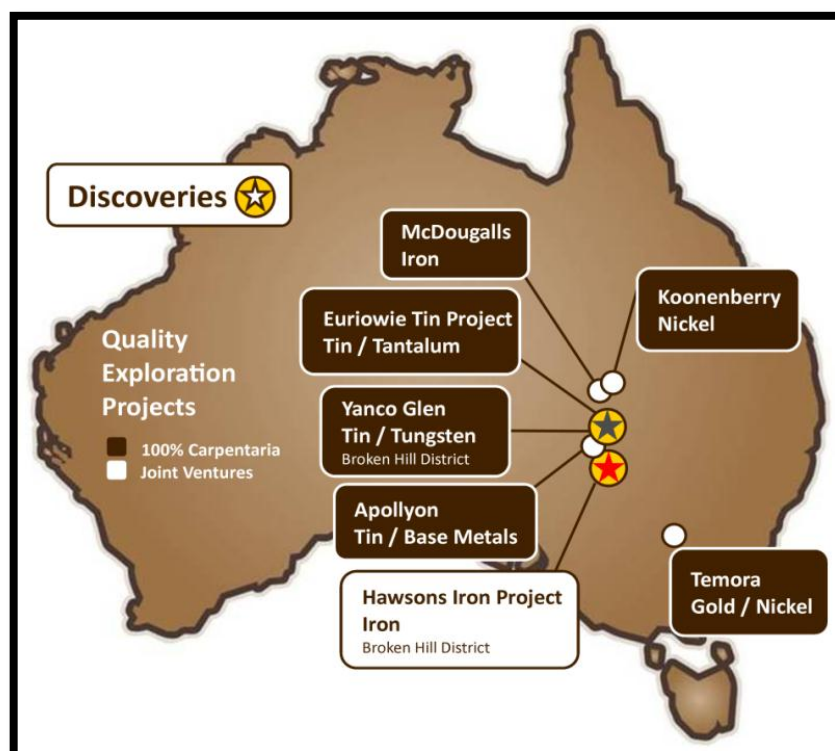


Figure 1: Project Location Map

Excluding pre-development expenditure at the Company's flagship Hawsons Iron Project the budget includes provision for over 3,000 metres of RC (Reverse Circulation) and diamond drilling to test already defined targets across five, wholly owned Carpentaria projects in the Broken Hill and Lachlan Fold Belt regions of New South Wales (Figure 1) in addition to surface prospecting.

This budget commitment follows the grant of a number of new exploration licences and negotiation of access arrangements in the Company's key exploration provinces.

Commenting on the exploration program, Carpentaria's Executive Chairman, Nick Sheard said "the Company is focused on further discoveries following its successes at Hawsons and Euriowie".

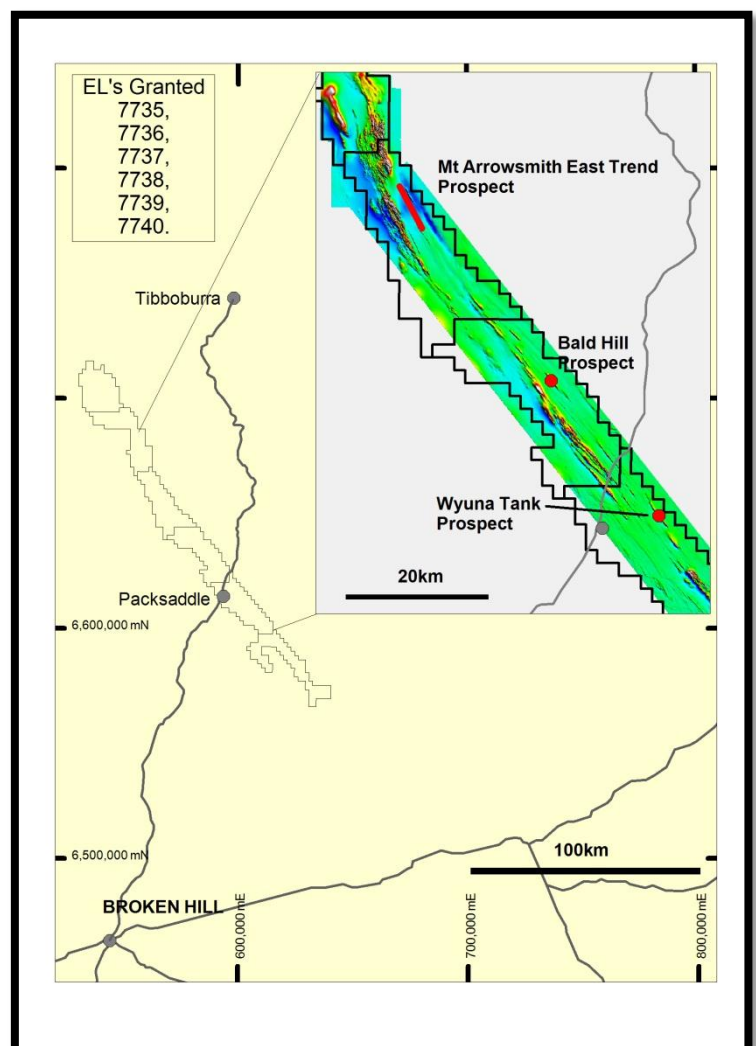
"Carpentaria is committed to exploration, and the large budget for this year confirms our determination to become a miner as quickly as possible," Mr Sheard said.

"May's announcement of a successful Pre-feasibility Study at Hawsons, where we have identified a potential large-scale iron ore project with a base case net present value estimated at \$2.8 billion dollars, shows the benefit of our committed approach. However, we are determined to be more than a one-project company and will maintain a strong and diversified project pipeline in eastern Australia."

Carpentaria is pleased to announce that at the **Koonenberry Nickel Project**, six exploration licences covering some 1,800km<sup>2</sup> and located 160km north of Broken Hill were recently granted and will be a major focus of exploration this financial year. Three prospects identified from analysis of the \$5m previously spent on exploration in the area by Inco/Vale will be drill tested (Figure 2) as soon as possible in 2011.

High priority prospects include Mt Arrowsmith East, where a past sulfide bearing drill intersection of **22m at 0.23% Ni and 0.18% Cu** was recorded in a deformed ultramafic intrusion (Figure 3), which is part of a 7km geological belt containing similar intrusions. The entire Koonenberry tenement package covers a 180km belt of Neoproterozoic to Cambrian geology prospective for the occurrence Ni-Cu mineralised ultramafic rocks.

At the **Temora Gold Project** in the Lachlan Fold Belt of NSW, access by the NSW Government is expected to allow drilling at the Mother Shipton porphyry gold-copper Prospect this year. More



**Figure 2: Koonenberry Nickel Project Location and TMI airborne magnetics**

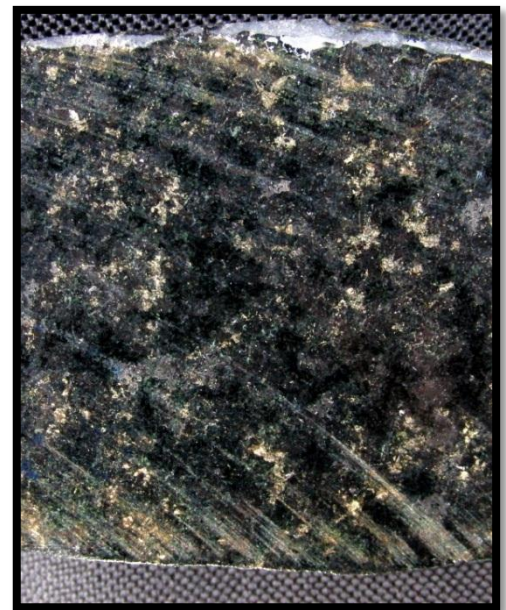
than 30,000oz of gold was historically mined from Mother Shipton. Also, shallow historical drill intersections including **4m at 3.95g/t Au from 2m** and **6m at 2.35g/t Au from 38m** are yet to be followed up.

The Prospect is centred on a magnetic anomaly sourced by the outcropping Mother Shipton Monzodiorite/Gabbro, which has intruded a silica-sericite-pyrite altered volcano-sedimentary pile that extends over 1,500m.

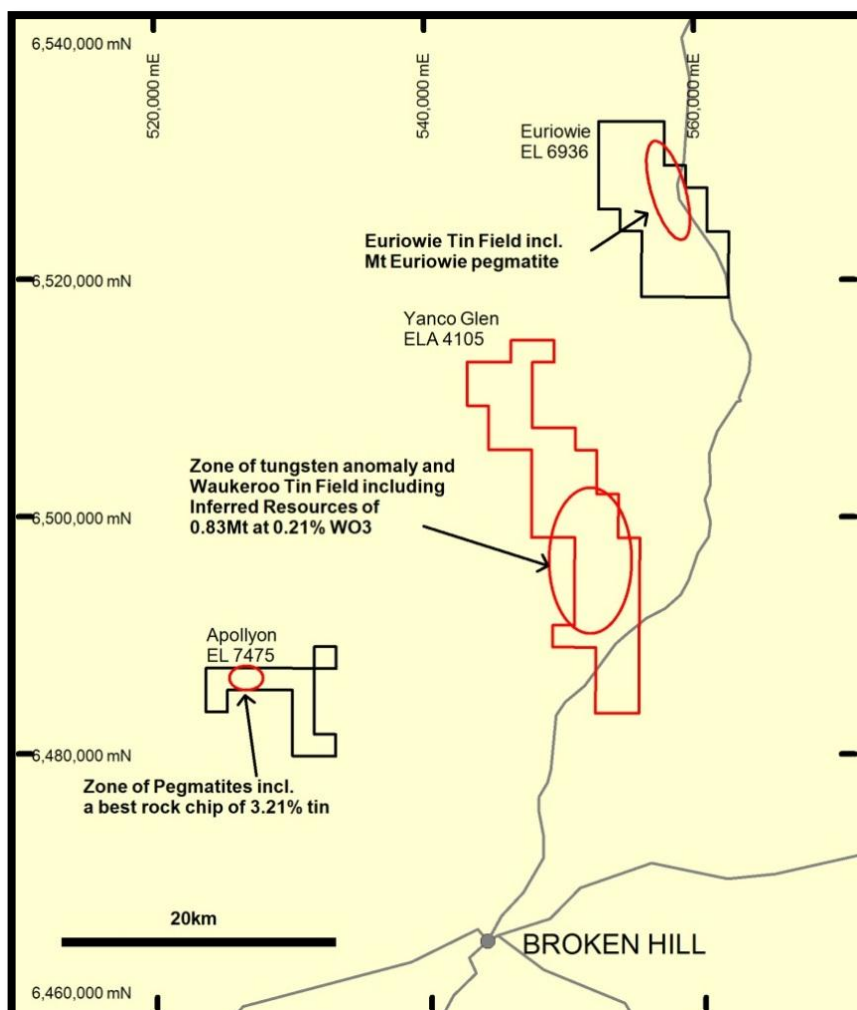
“Mother Shipton is a quality gold-copper prospect within the regionally prospective Parkes-Narromine geological belt of the world class Lachlan Fold Belt Province” Mr Sheard said.

“The former Gidginbung mine produced around 700,000oz of gold and is only 10km along strike to the north of Mother Shipton. We are hoping access can be finalised shortly to enable the commencement of exploration.”

Elsewhere in the Broken Hill area, Carpentaria’s strategy of identifying a cluster of shallow tin and tungsten resources suitable for low cost extraction is progressing (Figure 4).



**Figure 3: Ni and Cu sulfides in Mt Arrowsmith East drill core**



**Figure 4: Location Map - Carpentaria's Tin and Tungsten Project Areas**

The **Yanco Glen** application is expected to be granted this year, and drilling is planned to explore for extensions and additional deposits to the existing inferred tungsten resource of **0.83Mt at 0.21% WO<sub>3</sub>** (as scheelite). Surface work will investigate the Waukeroo Tin Field with the objective of augmenting tin mineralisation discovered at Mt Euriowie. The strategy is further enhanced by recent results obtained from the nearby Apollyon licence, where up to **3.2% tin** was returned from rock chips of a previously unexplored pegmatite.

“Our exploration program will advance our tin and tungsten strategy, where we hope to establish a cluster of deposits that can be collectively mined economically utilising low cost processing facilities” Mr Sheard said.

At the **McDougalls/Torrawangee Iron Project**, the first phase of surface geochemical reconnaissance is nearing



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completion and more detailed follow up work is scheduled this year. Two additional applications are yet to be granted, and future work will focus on the magnetite and hematite potential of geological equivalents to the Braemar Iron Formation which hosts the Hawsons Iron mineral resource.

## Hawsons Iron Project JV

The joint venture partners are advancing the project following the positive Pre-feasibility Study (PFS) results. The PFS confirmed the economic potential for a large-scale twenty plus year magnetite project producing up to 20 million tonnes a year of high grade iron ore concentrate, with a positive net present value base case after tax of \$2.8 billion (refer ASX announcement, 23 May 2011).

On a decision to mine, Carpentaria will retain a 20% stake in the long-life project free carried to the targeted production of 20 Mtpa of iron concentrate.

Current project development is pursuing prompt start-up options by undertaking detailed technical work, including mining schedule optimizations and further metallurgical testing to maximise the advantages of this uniquely soft, magnetite ore which would produce a high quality concentrate. It is likely that this detailed work will enhance the base PFS case or identify other options to significantly increase the value of this resource.

Mr Sheard said "the \$3.5m exploration budget showed the Company's confidence in the outlook for the new financial year".

"Today's announcement shows our commitment to the numerous quality projects in the exploration portfolio, including nickel, tin, tungsten, gold, copper and iron ore. Our strong commitment to exploration coupled with a determination to progress Hawsons to rapid development have positioned Carpentaria for a very strong growth path" Mr Sheard said.

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 mineralization 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.*