

13/11/2012



From the Chairman

Dear Shareholders,

I am writing this further letter to you to clarify my position concerning the proposal to remove two Directors and replace them with Silvergate nominees at the requisitioned Extraordinary General Meeting to be held on 30th November, 2012.

The question for all shareholders is stark and clear, “who is best placed to continue to grow your company for the benefit of all shareholders?” It is not about what others may have invested in the past, nor is it about what others might or might not be entitled to.

Your Board has presided over significant success for the company over the last 5 years and is well placed to continue this success. It has assembled a long standing, committed and dedicated team of successful professionals that together, have helped build the company to a point where it has two significant resources including the discovery of the key \$3.2 billion Hawsons Iron Project and the recent doubling of the Yanco Glen tungsten resource without requesting additional funds from shareholders or substantially diluting existing shareholders.

The Board is pursuing growth for the company. It has supported the growth of a valuable gold exploration portfolio with excellent prospects for discovery. In addition the company has a growing tin and tungsten resource base and has recently reported encouraging information on its iron exploration at Braemar. There are many threads of potential growth in Carpentaria, and your current Board is in my opinion, best suited to pursue them.

The Board’s strategy for the key Hawsons Iron Project is well advanced and discussions continue with a number of parties. Your highly experienced board was strengthened early this year to better align its skills with the opportunities to develop the Hawsons Iron Project and grow the company. It has a fully informed view on the value of its assets and intends to maximise this value for all shareholders.

Under the direction of the current Board, Carpentaria continues to fund development of

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the Hawsons Iron Project to add value because it believes in the project, with over \$2.5 million spent since BMG ended its participation. The positive results of this additional work have significantly added value and lowered risk in the project and has attracted, and is continuing to attract, great interest from potential investors and joint venture partners.

The current Carpentaria Board is highly skilled and experienced. They have current knowledge of its business and a demonstrated track record. Should shareholders elect the Silvergate nominee Directors and remove the two current independent Directors, Silvergate will acquire a disproportionate share of Board representation and the Board will not be able to function in the same way.

To be clear, Silvergate is asking for 40% of Board voting rights, while holding less than 20% of shares. I am concerned that this disproportionate representation may allow Silvergate nominees to strongly influence Board decisions and potentially thwart Board processes in a way which does not presently occur.

I continue to believe that the Silvergate proposal is not in the best interests of all shareholders and that it will greatly disrupt the running of your Company, thereby eroding shareholder value.

This is an important time for your company and it is critical that you vote for the current board to protect all shareholders' interests and maximise the value of your investment. **This means voting FOR all resolutions in the Adjourned Annual General Meeting and AGAINST all resolutions in the Extraordinary General Meeting.**

If you have not voted already I strongly recommend that you follow the voting instructions as provided in the Notices of Meeting which you will have received in the mail. You can vote on line using your HIN/SRN number and postcode. Please go to <https://investorcentre.linkmarketservices.com.au> to vote.

Should you have any queries, please do not hesitate to call the shareholder information line on 1300 560 339.

Please remember you need to **VOTE FOR BOTH** the Adjourned Annual General Meeting using the beige proxy form and also the Extraordinary General Meeting using the white proxy form.

Yours Sincerely



Nick Sheard
Executive Chairman