ASX ANNOUNCEMENT

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

29 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 29/07/11
A$9,217,679

Level 6, 345 Ann Street
Brisbane Queensland 4000
PO Box 10919 Adelaide Street
Brisbane Queensland 4000
e-mail: info@capex.net.au

For further information contact:
Nick Sheard
Executive Chairman
Phone: 07 3220 2022

Follow us on Twitter @carpexplore

'Like' us on Facebook

Quarterly Report

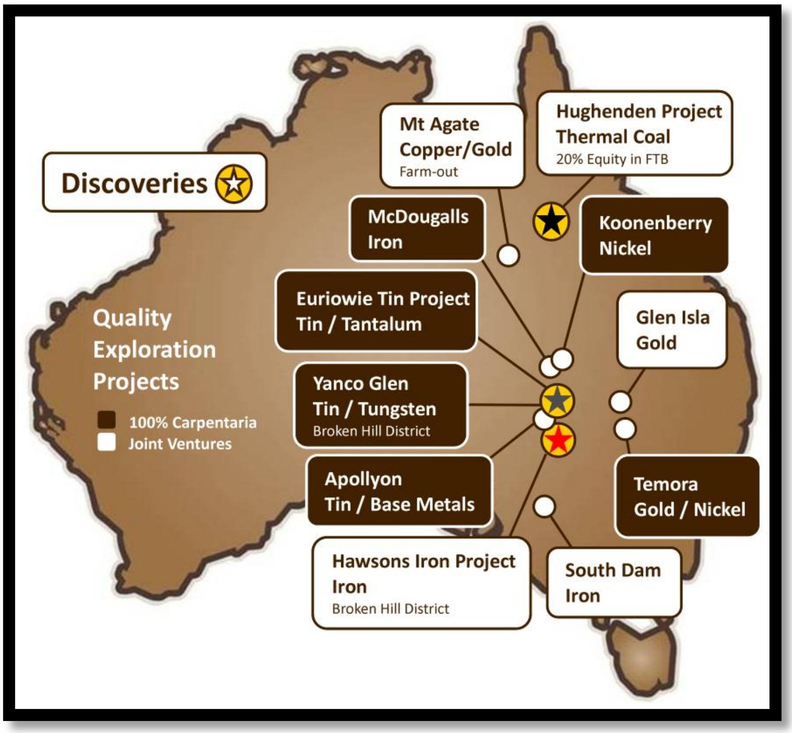
For the Quarter Ended 30th June 2011

Highlights

- **HAWSONS IRON PROJECT:**
- **Pre-Feasibility Study completed and released to the ASX on 23rd May 2011. The key PFS outcomes included:**
  - **Long life operation forecast to produce an initial 5mtpa iron concentrate increasing to 20mtpa using conventional mining and processing methods**
  - **Saleable high quality magnetite concentrate product**
  - **Project is well located close to infrastructure and will produce a very soft magnetite ore with significant processing cost benefits**
  - **Robust financially, based on conservative assumptions**
    - **after tax $NPV_{9\%}$ of A$2.8bn and IRR of 21%**
    - **cash operating costs to mine gate of A$35.75 per tonne**
    - **capital expenditure of A$2.8bn**
    - **average yearly gross profit of A$700m**
- **Investigating start up options and mining optimisation for project fast tracking**
- **KOONENBERRY NICKEL/PGE: all project exploration licences granted and drill sites identified - drilling to commence as soon as access approvals are granted**
- **HUGHENDEN COAL: 11.9m net black coal intersected in Permian Betts Creek Beds, Galilee Basin**

PLANNED EXPLORATION: CAP has interests in approx. 4800 km2 of tenements in NSW and approx. 11,000km2 in Queensland across a number of commodities. Drill programmes planned to continue at Hughenden, and commence at Koonenberry, Temora (copper/gold), and Yanco Glen (tungsten/tin) when approvals granted anticipated in the September quarter 2011 and December quarter 2011.

Project Locations



PLANNED SEPTEMBER QUARTER EXPLORATION ACTIVITIES

Hawsons Iron Project

Following completion of the Pre-Feasibility Study (PFS) an independent audit was commissioned and is expected to be completed in the September quarter.

Detailed environmental, metallurgical, mining, geological and resource model studies are continuing directed to achieving prompt start-up and maximising the advantages of this soft, high-quality concentrate producing magnetite ore.

This work will augment the PFS to optimise parameters for the Detailed Feasibility Study (DFS). The project is awaiting funding from Carpentaria's joint venture partner prior to commencement of the DFS.

Koonenberry Nickel Project

Access and environmental approvals are underway this quarter to allow drilling of three Ni-Cu sulfide targets within deformed ultramafic rocks. Drilling will commence as soon as these approvals are received.

McDougalls Iron Ore Project

Surface reconnaissance aimed at identifying prospective hematite bearing horizons for initial drilling will continue in the western area of the tenement, where Hawsons equivalent rocks are interpreted to be covered by thin soil cover.

Broken Hill Tin/Tungsten Project

Geological interpretation is proceeding at the Yanco Glen application to identify drill sites with the potential to significantly increase the existing tungsten mineral resource and augment the tin mineralisation discovered at Mt Euriowie. Upon licence grant and compliance approval, surface rock geochemical surveys will commence.

Glen Isla Gold Project

Results from drilling in the June quarter will be compiled and assessed by the joint venture partners.

Temora Gold/Copper Project

Diamond drilling will commence at the Mother Shipton gold-copper prospect after completion of compliance approvals expected early in the December quarter 2011.

Hughenden Coal Project

The project owner will continue an aggressive drilling campaign to follow up the coal intersection returned in the June quarter and establish an exploration target or Inferred Resource for the project.

Mt Agate Copper/Gold Project

A SAM (sub-audio magnetic) survey designed to cover the coincident copper in soil anomaly and mapped iron oxide breccias at the Sterling Prospect has been scheduled.

EXPLORATION UPDATE

Hawsons Iron Project JV – (60% with BMG earning in)

The Hawsons Iron Project is located 60km SW of Broken Hill (Figure 1)and includes an **Inferred magnetite Resource of 1.4Bt at a Davis Tube Recovery (DTR) of 15.5% (12% cut off)** and an **exploration target[1] of 6-11Bt at 14-17% DTR**.

The results of a Pre-feasibility Study (PFS) were released to the ASX on 23rd May 2011. The PFS concluded that the project will be very profitable over a 24 year mining life using conservative engineering assumptions and

[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*

prices to give an after tax **NPV$_{9\%}$ of A$2.8 bn**, an **IRR of 21%** and a **payback period of 6.7 years**, based on a short ramp up to the ultimate project design rate of 20 million tonnes per year of concentrate production. Forecast cash operating costs and capital expenditure to mine gate are A$35.75 per concentrate tonne and A$2.8 bn respectively. These figures are projected to generate an approximate average yearly total project gross profit of A$700m.

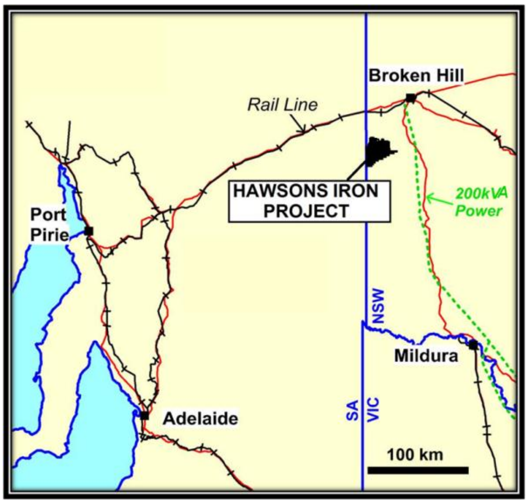


Figure 1. Location of Hawsons Project

An independent due diligence review of the PFS is expected to be completed in early August 2011. The preliminary document provided to CAP concluded that the PFS has been conducted based on data and cost estimates that are reasonable and appropriate for a PFS and that mining and process methods are conventional and consistent with modern practice. The draft review identified issues to be prioritised during the early phases of the Detailed Feasibility Study (DFS) including increasing the resource base and further optimising the production schedule.

Current project development is pursuing prompt start-up options by undertaking detailed technical work, including additional geological interpretation and resource modelling, mining schedule optimisation and further metallurgical testing to maximise the advantages of this soft magnetite ore which produces a high quality concentrate.

This work will enhance the PFS base case and/or identify other options to significantly increase the value of the project and inputs to the DFS.

Under the terms of the JV, at completion of the PFS, BMG can elect to make a A$25m cash payment to CAP and sole fund the DFS, expected to cost approximately A$20m, in order to increase its equity from 40% to 51% of the project. BMG has until 15th May 2012 to make this election.

Braemar Iron Alliance

Carpentaria is a founding member of the Braemar Iron Alliance (BIA) formed in the June quarter 2011 by explorers of the Braemar Iron Formation. The Alliance has a common interest in strategic port and transport infrastructure development. The BIA will provide a focus for representation to Government and private infrastructure providers. It will provide a coordinated approach to planning and public advocacy for the development of the Braemar projects in a major iron ore mining province of national importance.

Koonenberry (100% CAP) – Nickel/PGE (EL's 7735, 7736, 7737, 7738, 7739 & 7740)

The Koonenberry Nickel/PGE Project consists of six exploration licences for 1,800km^2 and is located 160km north of Broken Hill. The ELs cover a 180km belt of Neoproterozoic to Cambrian geology prospective for the occurrence Ni-Cu mineralised ultramafic rocks.

During the quarter, the six ELs were granted and landholder access negotiations initiated.

Carpentaria has identified three priority prospects and approximately 1,500m of reverse circulation drilling will commence as soon as access and environmental approvals are in place.

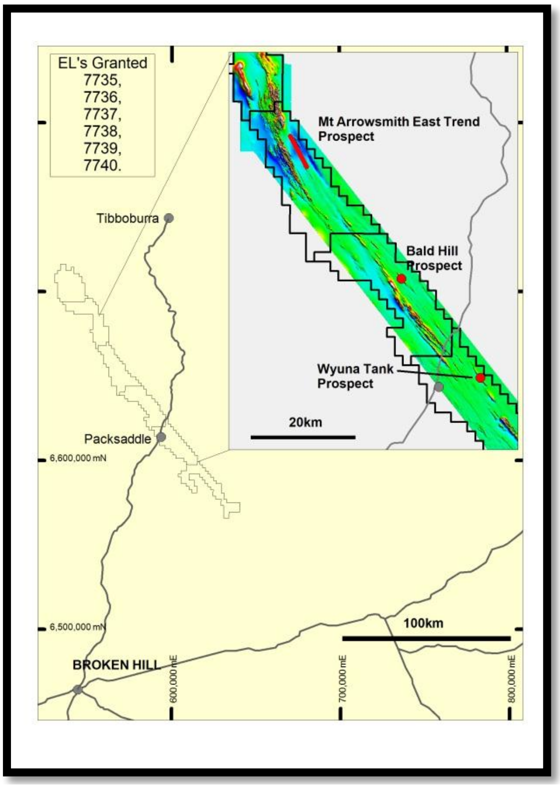


Figure 2: Koonenberry location plan over TMI airborne magnetics

Drilling is scheduled for 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 2), and is part of a 7km geological belt containing similar intrusions. Other drill targets include Wyuna Tank and Bald Hill where historical drilling returned **10m at 0.35% Ni from 2m** and **12m at 0.34% Ni from 37m** respectively.

The Koonenberry Belt was subject to a recent decade long study by the NSW Geological Survey and previous explorers including Inco Ltd and Vale, also spent over $5 million within CAP's existing project area in the same period. This work highlighted the potential for ultramafic intrusion related nickel-copper sulfide and ultramafic intrusion hosted platinoid deposits in the belt. Carpentaria has used this large amount of drilling, geophysical and geochemical data to rapidly identify drill ready Ni-Cu targets.

McDougalls - (100% CAP) – Iron Ore Project – ELs 7655, 7656, 7657, 7741 & ELA 4148

The McDougalls Iron Project is located 100km north of Broken Hill. The Project consists of 4 granted exploration licences (EL) and one application (ELA). During the quarter EL 7741 was granted (Figure 3).

The combined McDougalls exploration title block (1,476km^2) covers Neo-Proterozoic sediments that correlate to the strata hosting the Hawsons Project magnetite resource and the area has potential for hematite and magnetite iron mineralisation.

During the quarter, detailed surface reconnaissance at McDougalls included surface mapping and sampling of a large number of anomalies identified from Landsat imagery and other remote sensing data predominantly in the exposed rocks of the eastern part of the project area (Figure 3).

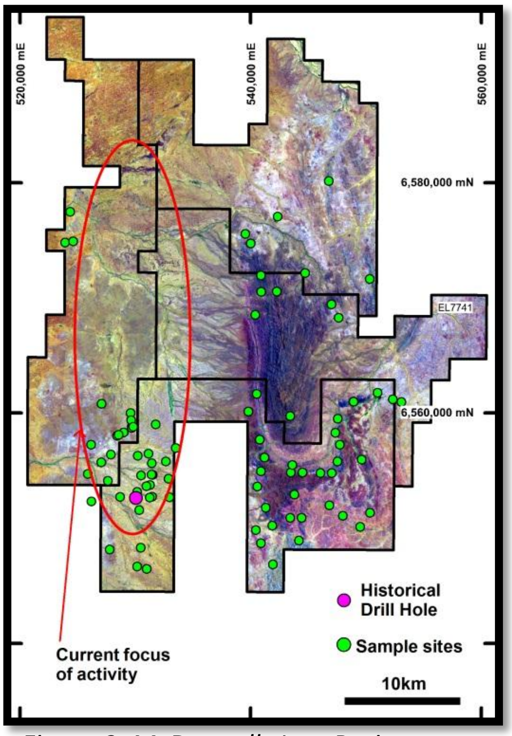


Figure 3. McDougalls Iron Project summary plan over LANDSAT 741 image

Whilst a number of small secondary ironstone occurrences were identified with up to 57% Fe, the large scale satellite image anomalies investigated as potential Hawsons look-alikes generally did not contain well developed iron rich horizons. The similarities in the satellite response to Hawsons are explained by a thin iron and manganese coating on the surface exposures of these rocks and the eastern part of the tenement has been downgraded.

In the western area of the project there is limited exposed rock and reconnaissance is underway to identify Hawsons equivalents below shallow cover that could be potentially drill tested. Historical drilling in this area recorded over 80m of iron stone and magnetite in geological logs.

Broken Hill Tin and Tungsten/Base Metal Project (100% CAP) (EL's 7475, 6936 and ELA 4105)

This project covers 265km^2 and is located between 25km and 60km north of Broken Hill proximal to the Silver City Highway. The project comprises the Euriowie and Apollyon ELs and the Yanco Glen ELA.

Analysis of potential low cost processing options and the possibility to extend the Yanco Glen tungsten resource (**0.83Mt at 0.21% WO_3**) is ongoing. Active field work will commence on grant of an exploration licence, expected shortly.

In addition to the Yanco Glen tungsten resource, two historic tin fields, the Euriowie and Waukeroo fields, occur within the Project which gives Carpentaria control of most of the known tin and tungsten potential in the Broken Hill area (Figure 4).

Carpentaria's strategic objective is to establish a cluster of tin and tungsten deposits with coarse grained mineralisation close to Broken Hill that can be easily mined by low cost methods and processed with a centrally located operation.

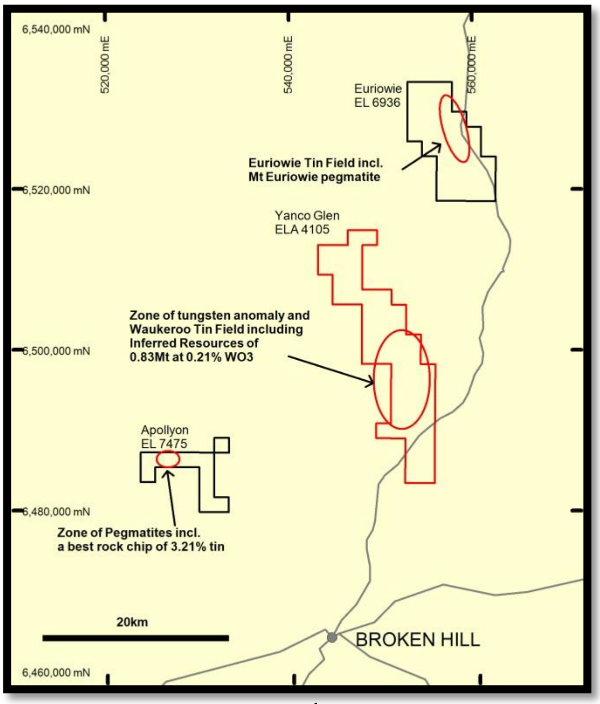


Figure 4. Broken Hill tin/tungsten project summary plan

The project area is also prospective for high grade Broken Hill style silver-lead-zinc deposits.

Glen Isla JV – ELs 6246 & 7574 – Gold (Ramelius Resources earning 75%)

This epithermal gold project is located in the Lachlan Fold Belt approximately 40km south-west of the regional centre of Dubbo. The licences cover 136km^2 and cover mineralised Devonian volcanic rocks.

During the quarter a 701m, 3 hole RC program was conducted to test an induced polarisation (IP) electrical geophysical anomaly. The drilling intersected broad zones of disseminated sulfide with no economic concentrations of gold or silver. The results are being assessed.

Temora Project (100%) – Gold – Copper - ELs 6901, 7256, 7375 & 7680

This 940 km^2 project is located within the Lachlan Fold Belt approximately 80km north of Wagga Wagga.

During the quarter, Ministerial consent under the Native Title Act was granted to allow access to Crown Land at the Mother Shipton Prospect. However, further access arrangements and approvals in respect to this category of exempt lands are required prior to the commencement of any exploration activities. Upon receipt of approvals, detailed work will commence with drill testing of porphyry or related Au-Cu mineralisation beneath an historic gold field and anomalous weathered bedrock geochemistry defined by previous explorers.

Hughenden Coal Project (CAP 20%, Guildford Coal 80%)

The Hughenden Coal Project is located in the northern Galilee Basin, Queensland, centred on the town of Hughenden. Carpentaria is contributing pro-rata to exploration activities for this large coal Project which includes 11,000km^2 of granted tenure.

During the quarter the exploration program continued with two drill rigs targeting underground thermal coal in the eastern part of the Project area.

In the June quarter, drill hole **H005C intersected 11.9m of net black coal from 360.4m to 406m** hosted by Permian Betts Creek Beds (Figure 5). The coal seams were interpreted to be 5.6m, 1.6m, 1.5m, 2.2m and 1.0m thick. This data will be integrated into the Galilee Basin geological model and it is expected that an exploration target for the project will be announced in the September quarter 2011.

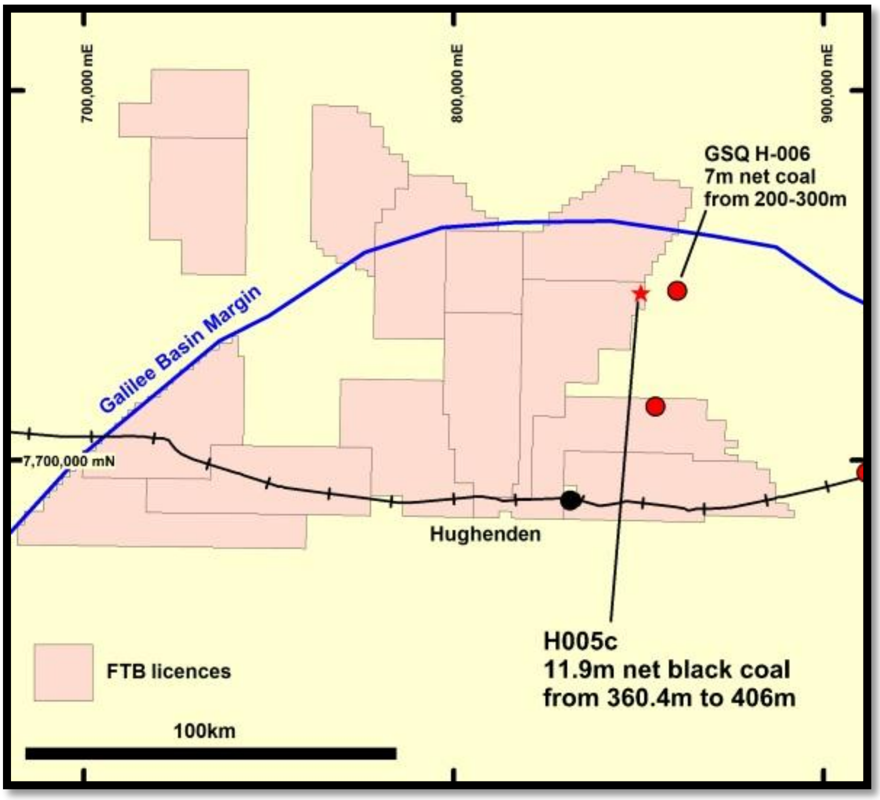


Figure 5. Hughenden Project summary plan

ABN 63 095 117 981 ASX Code CAP

ASX ANNOUNCEMENT

Mount Agate EPM 14955 – Copper, Gold (ActivEX earning 75%)

The Mt Agate tenement south of Cloncurry was farmed out to ActivEX Ltd in April 2010.

During the quarter, termite mound soil sampling and rock sampling results at the Sterling Prospect recorded anomalous copper results (160ppm up to 1,040ppm Cu) over 4.5km of strike length across an area of outcropping iron oxide breccias and associated historic copper workings. The breccias are up to 500m wide and rock chip samples taken this quarter returned up to 18.05% Cu.

A SAM (sub-audio magnetic) survey designed to cover the coincident copper in soil anomaly and mapped iron oxide breccias at the Sterling Prospect is scheduled for the September quarter.

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.

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001 ,01/06/2010.

Name of entity

Carpentaria Exploration Limited

ACN or ABN: **63 095 117 981**

Quarter ended ("current quarter"): **30-Jun-11**

Consolidated statement of cash flows

		Current quarter $A'000	Year to date (9 months) $A'000
	Cash flows related to operating activities		
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for		
	(a) exploration and evaluation	- 1,290	- 2,027
	(b) development		
	(c) production		
	(d) administration	- 445	- 2,620
1.3	Dividends received		
1.4	Interest and other items of a similar nature received	65	474
1.5	Interest and other costs of finance paid	- 5	- 14
1.6	Income taxes paid		
1.7	Other (provide detail if material)		
	Net Operating Cash Flows	- 1,675	- 4,187
	Cash flows related to investing activities		
1.8	Payment for purchases of: (a)prospects		
	(b)equity investments		
	(c) other fixed assets	- 2	- 19
1.9	Proceeds from sale of: (a)prospects		
	(b)equity investments	-	2,000
	(c)other fixed assets		
1.10	Loans to other entities		
1.11	Loans repaid by other entities		
1.12	Other - Exploration Advance	-	-
	Net investing cash flows	- 2	1,981
1.13	Total operating and investing cash flows (carried forward)	- 1,677	- 2,206

+See chapter 19 for defined terms

1.13	Total operating and investing cash flows (brought forward)	- 1,677	- 2,206
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	6,306
1.15	Proceeds from sale of forfeited shares	-	
1.16	Proceeds from borrowings	8	8
1.17	Repayment of borrowings	- 31	- 31
1.18	Dividends paid		
1.19	Other (provide detail if material)	-	-
	Net financing cash flows	- 23	6,283
	Net increase (decrease) in cash held	- 1,700	4,077
1.20	Cash at beginning of quarter/year to date	5,777	5,106
1.21	Exchange rate adjustments to item 1.20		
1.22	**Cash at end of quarter**	**4,077**	**9,183**

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter $A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	90
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Item 1.23 relates to Directors Remuneration, Fees and Superannuation Contributions.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

+See chapter 19 for defined terms

Financing facilities available

Add notes as necessary for an understanding of the position.

		Amount available $A'000	Amount used $A'000
3.1	Loan facilities	294	294
3.2	Credit standby arrangements	-	-

Estimated cash outflows for next quarter

		$A'000
4.1	Exploration and evaluation *	611
4.2	Development	0
4.3	Production	0
4.4	Administration	477
	Total	1,088

Reconciliation of cash

	Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter $A'000	Previous quarter $A'000
5.1	Cash on hand and at bank	3,266	294
5.2	Deposits at call	5,918	5,483
5.3	Bank overdraft	.	
5.4	Other (provide details)		
	Total: cash at end of quarter (item 1.22)	9,184	5,777

Changes in interests in mining tenements

		Tenement Reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed				
6.2	Interests in mining tenements acquired or increased				

Issued and quoted securities at end of current quarter
Description includes rate of interest and any redemption or conversion rights together with prices and dates.

		Number quoted	Issue price per security (see note 3)
7.1	**Preference +securities** *(description)*		
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	6,000,000	$0.48c
7.3	**+Ordinary securities Quoted**	98,741,301	
	Options Quoted		
	+Ordinary securities Un-Quoted *(restricted)*		
7.4	Changes during quarter		
	(a) Increases through issues		
	(b) Decreases through returns of capital, buy-backs		
7.5	**+Convertible debt securities** *(description)*		
7.6	Changes during quarter (a) Increases through issues (b) Exercise of Options		
7.7	**Options** *(description and conversion factor)*	Number	Exercise price Expiry date
	Unlisted Options CAPAI	1,850,000	*0.413* *27-May-12*
	Unlisted Options CAPAK	2,000,000	*0.150* *26-Nov-12*
	Unlisted Options CAPAY	700,000	*0.114* *31-Jul-12*
	Unlisted Options CAPAW	600,000	*0.250* *16-Feb-13*
7.8	Issued during quarter	1,300,000	*0.850* *30-Mar-13*
7.9	Exercised during quarter	-	-
		-	-
7.10	Expired during quarter	-	-
7.11	**Debentures** *(totals only)*	-	
7.12	**Unsecured notes** *(totals only)*	-	

Compliance statement

1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).

2 This statement does give a true and fair view of the matters disclosed.

_________________________ 25/07/2011

Company Secretary
Chris Powell

1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.

3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.

4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.

5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.