ASX ANNOUNCEMENT

Quarterly Report

For the Quarter ended 30th June 2012

ABN: 63 095 117 981 | ASX: CAP

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

20 July 2012

ABOUT CARPENTARIA:
Carpentaria is an exploration company focused on discovering and developing 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 geoscientific 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 99,891,301

MAJOR SHAREHOLDERS:
Conglin In't Invest' Group 10.49%

Mr. Conglin Yue 3.67%

Silvergate Capital 16.27%

Management, Including Unlisted Options 12.38%

FINANCIAL
Cash and deposits on hand as at 20/07/12 A$6,202,092.71

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CARPENTARIA EXPLORATION LIMITED

www.capex.net.au

Highlights

- **HAWSONS IRON PROJECT:**
  - **JV partner BMG put into liquidation, elects not to continue**
  - **Carpentaria JV rights provide a strong position**
  - **New concept process flow sheet reduces power needs by 15-20%**

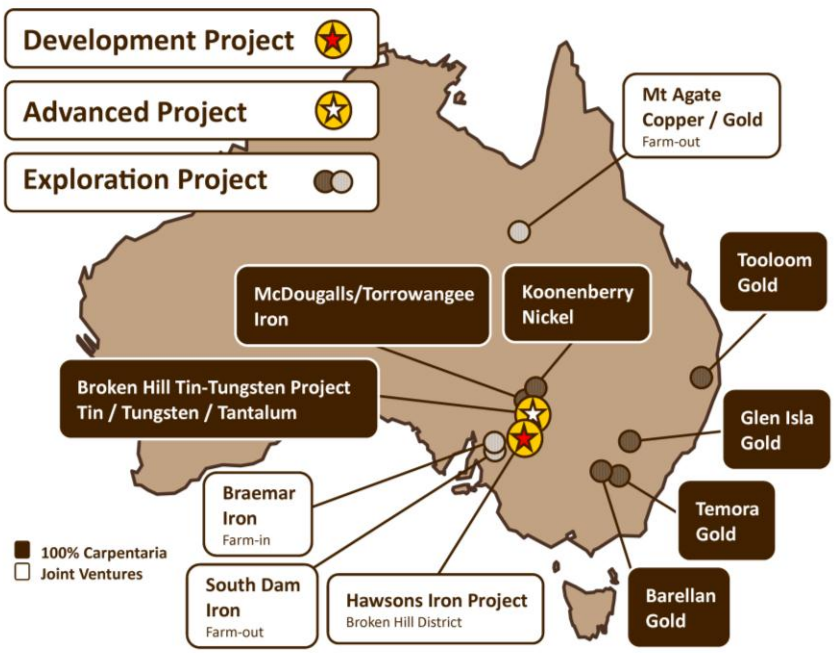
- **Ore grade results from YANCO GLEN TUNGSTEN drilling**
  - **11m at 0.47%WO_3 from 106m**
    incl. 4m at 0.95%WO_3 from 108m
  - **5m at 0.86% WO_3 from 99m**

- **5.6 g/t Gold - High Grade rock chip discovered at BARELLAN in extensive hairline quartz stock work zone**

- **Drilling at TORROWANGEE partially confirms iron intersection**

PLANNED EXPLORATION: **Follow up high grade gold at Barellan, reconnaissance at Braemar, ongoing metallurgical testwork and approvals at Hawsons.**

Project Locations



PLANNED SEPTEMBER QUARTER EXPLORATION ACTIVITIES

Hawsons Iron Project

Ongoing metallurgical testing on drill core is underway to better define the material movement through the proposed processing plant. This testing is designed to maximise the benefits of Hawsons very soft mineralisation. Preparation of Preliminary Environmental Assessment and Development Applications will continue. Lodging of these documents with the New South Wales Government is the first step in the Mining Lease approval process.

Investigation and refinement of transport options will continue.

Barellan

Reconnaissance work will continue but drilling will need to wait until cropping is completed in December.

Broken Hill Tin/Tungsten/Base Metals Project

Interpretation and analysis of the recent 21 hole RC drilling program will be completed and a revision of the resource estimate will be considered.

Braemar JV

Field mapping and reconnaissance work will continue and the routine Exploration Work Approval from the South Australian Government for a 600m RC drilling program will be sought.

Temora Gold/Copper Project

An approval from NSW Department of Lands to commence drilling is awaited.

Torrowangee

Assay and mineralogical results from recent drilling are awaited.

Tooloom

Granting of an ELA is awaited.

Mt Agate

Awaiting assay results from recent drilling program

EXPLORATION UPDATE

Hawsons Iron Project JV

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) for 220 million tonnes of high grade (69.9% Fe) iron concentrate** and an **exploration target[1] of 6-11Bt at 14-17% DTR**. The results of a pre-feasibility study (PFS) were updated following a mining optimisation study and were released to the ASX on 21st

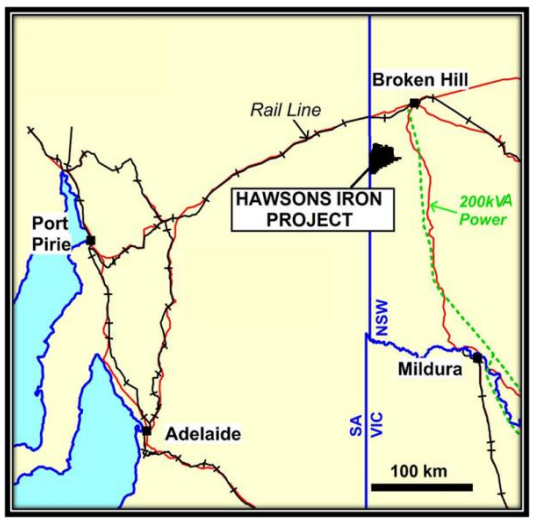


Figure 1. Location of Hawsons Project

[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*

November 2011. The study estimated an $NPV_{9\%}$ of $3.2 billion on a base case of 20 million tonnes per annum (mtpa) concentrate.

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

Processing Optimisation

Carpentaria has an ongoing program, together with CSIRO, to optimise the processing stream and maximise the advantages of Hawsons' very soft mineralisation. The results received last quarter demonstrated that impact crushing will be the most efficient method for the primary crushing circuit. The results also indicated that a large part of the crushed material would be rejected as tails, following rougher magnetic separation, thereby reducing substantially the amount of material that enters the grinding circuit.

During this quarter estimates on potential savings in energy and capital required for a new primary crushing circuit were determined and are shown in table below for a 5Mtpa module compared to the PFS .

	PFS estimates for 5Mtpa				Estimates for 5Mtpa with Impact Crushers			
Equipment	**5Mtpa (equivalent)**		**Installed Power kW**	**Estimated Costs M AUD**	**Option Study 5Mtpa (Anticipated)**		**Installed Power kW**	**Estimated Costs M AUD**
Primary Crushers	**Gyratory**	**1**	**1,200**	**4.5**	**Impact Crusher**	**2**	**2,400**	**2.0**
Secondary Crushers	**Cone**	**2**	**1,900**	**7.0**	**Barmac**	**5**	**3,000**	**2.5**
Tertiary Crushers	**HPGR**	**4**	**16,000**	**31.2**	**-**	**-**	**-**	
Total			**19,100**	**42.7**			***5,400***	***4.5***

Table 1. Improvements per 5Mtpa processing module for the initial grinding stage expected from the existing PFS base case

These results are very encouraging and suggest that significant capital cost and operating cost savings may be possible from the PFS base case.

A review of the substantial test work carried out to date has resulted in a revised process flow sheet to that in the May 2011 PFS with changes in the both the crushing circuit and separation circuit. Further metallurgical test work is continuing to better define the material movement through this revised proposed processing plant.

Based on the figures in Table 1 and estimates from the revised process flow sheet Carpentaria currently estimates that the **total installed power consumption is reduced from 173 MW to ~ 143 MW from the existing PFS base case** for a 20mtpa concentrate production operation. These estimates will be included in a revision of the financial model. The revised process flow sheet is included as Appendix 1.

Transport Options

The memorandum of understanding with Flinders Ports Pty Ltd (Flinders) reported last quarter allows for a long-term handling, storage and loading solution at Port Pirie to load Cape-size vessels in the Spencer Gulf. This means Carpentaria now has numerous transport solutions from mine to port including initially, a slurry pipeline from mine to Broken Hill, then utilizing the over 10Mtpa spare rail capacity to Port Pirie gradually followed by a 20Mtpa slurry pipe conceptually following the existing rail easement as outlined in the SA Government's RESIC Consultation Paper, February 2012.

Importantly these options could greatly increase the internal rate of return of the project because they allow for production to be brought forward compared to the existing November 2011 base case. That published model relies on a step up whereby production would have been 5 Mtpa over the first 3 years and then step up to

20Mtpa due to the previous lack of availability of port capacity. The new options allow for a ramp up from 5mtpa to 20mtpa over 4 years as each 5mtpa processing module is built. This will clearly have a very positive impact on cash flow and the IRR of the project.

Approvals

Preparation of the Development Application and a Preliminary Environmental Assessment (PEA) was well advanced this quarter. The lodgement of these documents with the NSW Government will be an important step as the PEA begins the official environmental approval process and from the PEA, the NSW government will issue guidelines for the Environmental Impact Statement that will ultimately allow for the grant of a Mining Lease.

Joint Venture

On 3rd May 2012 Carpentaria's partner Bonython Metals Group (BMG) was placed into liquidation by the Federal Court.

Under the joint venture agreement (JVA) terms, for BMG to continue in the JV and move to a 51% interest, BMG must have, before close of business on 15th May 2012, contributed $25m cash to Carpentaria and committed to a bankable feasibility study. This did not occur and thus BMG has elected not to continue with the JV and its percentage share will remain at 40%.

Notwithstanding the liquidation, under the terms of the JV, the election not to continue by BMG (in Liquidation) has meant that many rights revert to Carpentaria which places Carpentaria in a strong position. Included in these rights is that of first refusal over the assignment of BMG's interest. In addition if Carpentaria is approached by a third party with a bona fide offer to acquire all of BMG's percentage share then BMG must sell its percentage share in the JV to that party for consideration at least equal to the amount of the total cash contributions made by BMG to the Hawsons Project at that time, totalling $13m.

During the quarter Carpentaria has been exploring all avenues to bring greater clarity to the project ownership.

Broken Hill Tin and Tungsten/Base Metal Project (100% CAP)

ELs 7475, 6936 and 7829, 7921 (Kantappa) and ELA 4422 (Corona)

During the quarter a 21 hole, 2320 m reverse circulation (RC) drilling program designed to increase confidence in and extend the existing resource was completed at the Yanco Glen tungsten prospect (Figure 2).

Results have been received from 19 holes and Carpentaria believes these holes have confirmed the size and grade of the existing resource. Ten (10) of the 15 holes have returned significant values above 0.10% WO_3 including best results of:

- **3m at 0.76%WO_3 from 83m in RC12YGW003**
- **5m at 0.86% WO_3 from 99m in RC12YGW004**
- **2m at 1.13% WO_3 from 141m in RC12TGW007**
- **1m at 1.34%WO_3 from 38m in RC12YGW009**
- **11m at 0.47%WO_3 from 106m in RC12YGW009 incl. 4m at 0.95%WO_3 from 108m**
- **3m at 0.15% WO_3 from 54m in RC12YGW019**

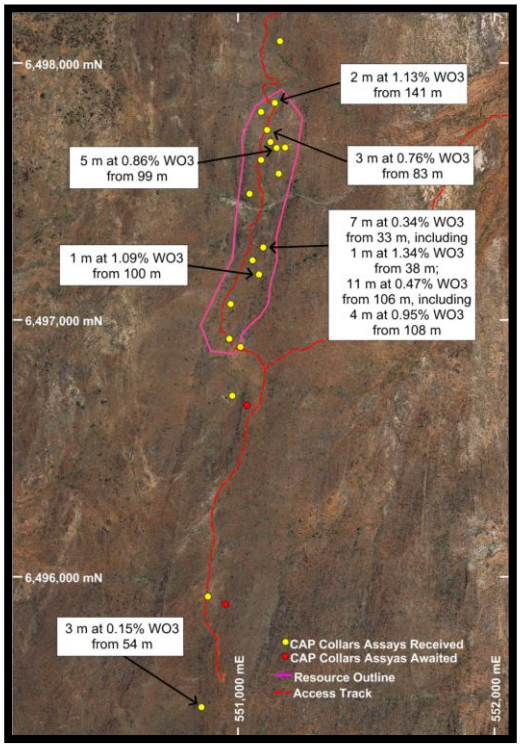


Figure 2. Yanco Glen best results from drilling

Drilling to extend the resource intersected a new zone of mineralisation 1.5km to the south where 3m at 0.15% WO_3 was returned. A full table of significant results and drill plan is shown in Appendix 2.

Following receipt of the final data interpretation will be completed and a revision of the resource estimate will be considered.

The Broken Hill Tin Tungsten Project covers 932km^2 and is located between 25km and 70km north of Broken Hill proximal to the Silver City Highway. The project includes the Yanco Glen Inferred tungsten Resource (**0.83Mt at 0.21% WO_3**), and two historical tin fields at Euriowie and Waukeroo (Figure 3).

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

The Kantappa tenement was granted and the Corona tenement was accepted for grant.

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

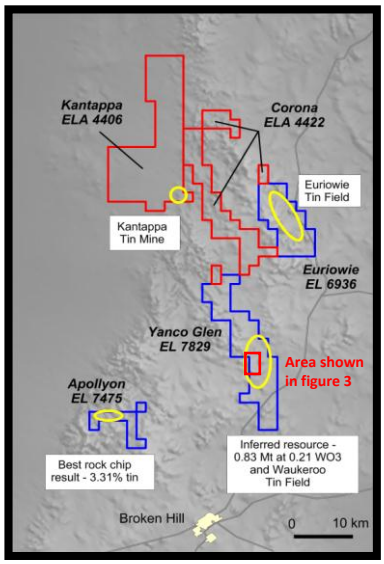


Figure 3. Broken Hill Tin/Tungsten/Base Metal project area

Barellan (100% CAP)

EL 7896

Access to the main prospect areas was achieved this quarter and a very encouraging initial reconnaissance field visit completed.

Figure 4. Hairline quartz stock work in siltstone (5.6ppm)

Carpentaria has confirmed the presence of an iron stained, hairline quartz stock work zone that contains high gold grades with a maximum **rock chip value of 5.6 ppm gold** and associated arsenic and antimony anomalism (0.2%As and 0.7% Sb, Figure 4). This material is located in an area where, in the 1980s, Aberfoyle generated a surface trench rock traverse result of **60m at 1.5g/t Au (incl. 10m at 4.5 g/t Au)** within a plus 50ppb weathered bedrock anomaly measuring 400m x 100m (Figure 5).

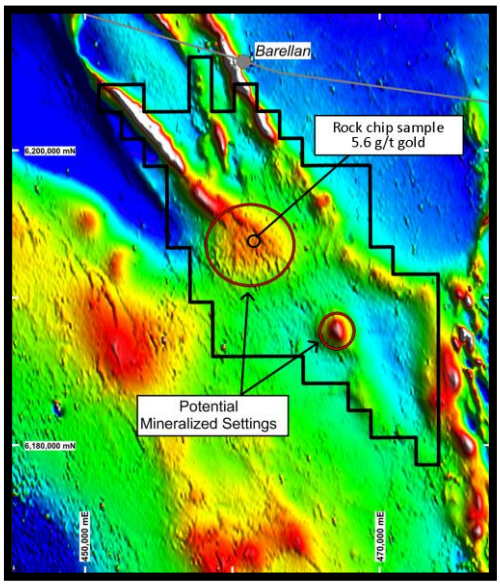


Figure 5. Barellan licence over regional aeromagnetic image

Reconnaissance revealed that this stock work zone was extensive within the drainage channel trench and that it is untested by drilling. Elsewhere within the tenement other prospective mineralised settings were identified and will be followed up.

Detailed follow up on this very encouraging preliminary result will include mapping and drilling. However, access for drilling is restricted to the period after wheat harvesting in December.

The licence is located 240km north west of Canberra in the western Lachlan fold belt and was secured based on known surface gold occurrences on open ground. The main mineralised occurrence is hosted by stock work quartz veining in an interpreted granite roof zone. This highly prospective geological setting is similar to that of the major tin occurrences at Ardlethan 20km to the east (Figure 6).

Figure 6. Barellan location plan

Braemar JV (CAP earning in)

EL3998 is located along the highly prospective Braemar Iron Formation which hosts Carpentaria's flagship $3.2 billion Hawsons Iron Project to the east in NSW. The tenement, which is contiguous to Carpentaria's South Dam JV, covers over 20 line kms of Braemar Iron Formation (Figure 7 and 8).

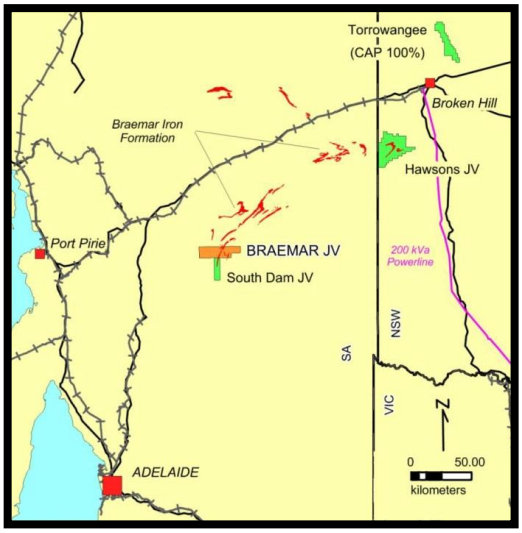


Figure 7. Braemar JV location showing Braemar

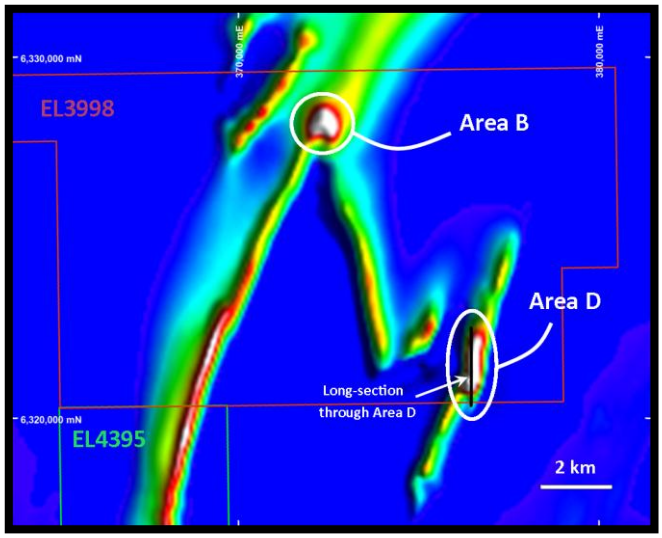


Figure 8. EL3998 over regional airborne magnetic image.

Exploration commenced on the Braemar licence this quarter with a 174 line km ground magnetic survey over the interpreted most prospective areas (Figure 8). Interpretation of the ground magnetic data has confirmed the potential for large bodies of magnetite mineralisation within the tenement with the modelled target zone in Area D alone interpreted to be over 1400m long and up to 160m thick with maximum magnetic susceptibilities up to 0.20SI.

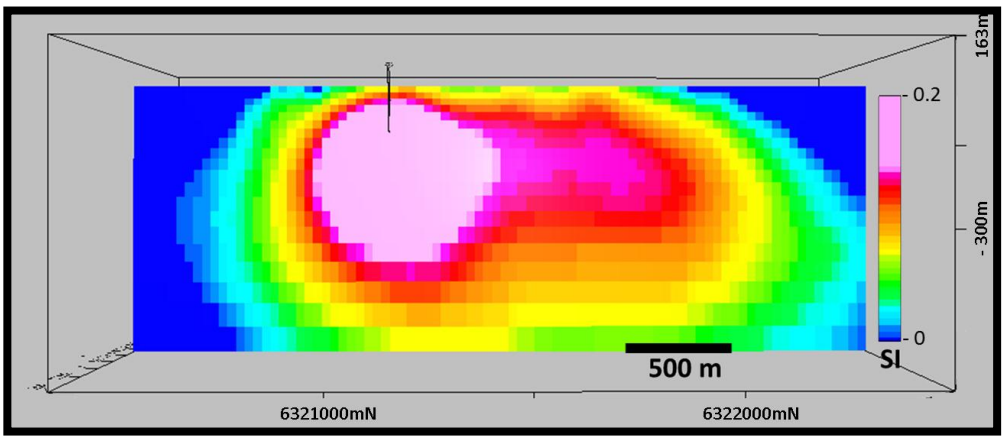


Figure 9. North-south section through 3d magnetic model of Area D (refer Fig 8). Yellow to magenta indicates high magnetic susceptibilities interpreted to equate to in situ magnetite

Based on these results Carpentaria has planned a 600m, 3 hole drilling program to test anomalies B and D and will submit the Exploration Work Approval for drilling to the South Australian Government.

Carpentaria can earn 60% of the JV if it defines 200Mt of magnetite resource within three years and has an opportunity to achieve 100% interest through additional work.

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 7). Importantly both the South Dam and Braemar licences are over perpetual lease hold land titles that have extinguished Native Title.

Koonenberry (100% CAP) – Nickel/PGE

ELs 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 (Figure 10).

During the quarter Scanning Electron Microscope work was carried out on sulphides observed in the drilling carried out last quarter. The results confirmed nickel and copper sulphides were intersected at Wyuna Tank and is evidence that economic ortho-magmatic nickel-copper systems may be present. Analysis of drilling completed last quarter is continuing and further work will be planned if merited.

Surface reconnaissance and a geochemical sampling program were carried out on selected areas with no significant results to date.

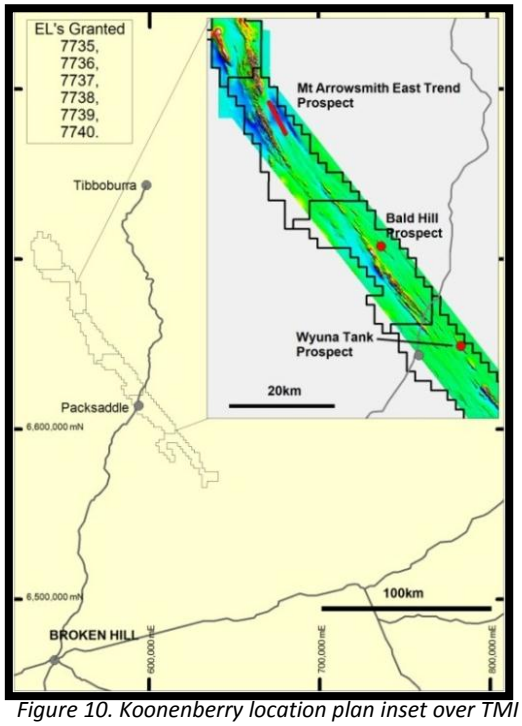


Figure 10. Koonenberry location plan inset over TMI airborne magnetics

McDougalls/Torrowangee - (100% CAP) – Iron Ore Project

ELs 7655, 7656, 7657, 7741, 7823

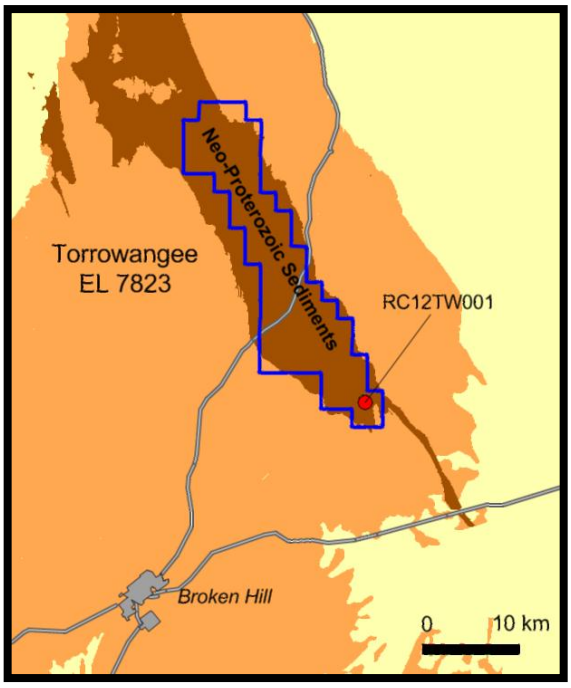


Figure 11. Torrowangee location plan over simplified geology

The Torrowangee licence, covers similar Neo-Proterozoic sediments to the rest of the McDougalls project that correlate to the strata hosting the Hawsons Magnetite Project. A high amplitude magnetic anomaly and historic drill hole PD81YA2 indicated potential for magnetite mineralisation in this EL (Figure 11).

During the quarter an RC drill hole (RC12TW001) was drilled adjacent to PD81YA2. This hole was abandoned at 39m due to excessive water. However highly magnetic quartz magnetite gneiss was intersected from 32m to the bottom of hole.

Assays are awaited. However the rock belongs to the much older (and harder) Paleo-Proterozoic Willyama Block and not the younger and softer Neo-Proterozoic rocks that Carpentaria was targeting. This result will be assessed when the Davis Tube Recovery results are available.

Temora Project (100% CAP) – 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.

Delays granting access to drill on crown land via agreement with the NSW Department of Lands continues to frustrate Carpentaria's plans at the highly prospective Mother Shipton gold prospect. 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.

Elsewhere on the project area surface reconnaissance and geochemical sampling were carried out over four prospect areas with no significant results to date.

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

The Mt Agate tenement south of Cloncurry was farmed out to ActivEX Ltd in April 2010. Exploration is targeting iron oxide copper and gold (IOCG) deposits similar to the Ernest Henry deposit. During the quarter ActiveX completed a 7 hole, 1231m RC drilling program targeting coincident geochemical, geophysical and geological features considered prospective for iron oxide copper gold mineralisation. Results are awaited.

Tooloom ELA 4512 (100% CAP)

A new application was made last quarter in northern New South Wales 60km north east of Tenterfield (Figure 12). The application is located within the southern New England Fold Belt (NEFB) and covers seventy five mineral occurrences, of which over sixty are gold. The tenement is awaiting grant.

The NEFB is host to porphyry Cu-Mo, Cu skarn and Cu-Au breccia pipe mineralisation associated with Permo-Triassic age intrusions. The most significant mineralisation in the area is the active Mt Rawdon breccia hosted gold mine that has produced 1Moz of gold from a resource base of approximately 2Moz.

The major focus of exploration will be discovery of Permo-Triassic intrusion related zones of stock-work and/or breccia hosted gold mineralisation or bulk alteration zone gold-silver-base metal mineralisation. A number of magnetic anomalies interpreted as possible Permo-Triassic intrusions has been identified in the licence. Carpentaria will continue to review historical data while the grant of the licence is pending.

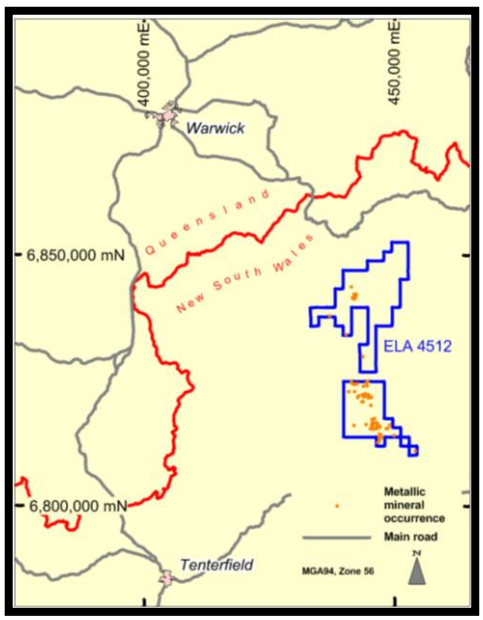


Figure 12.New Application location plan

Nick Sheard

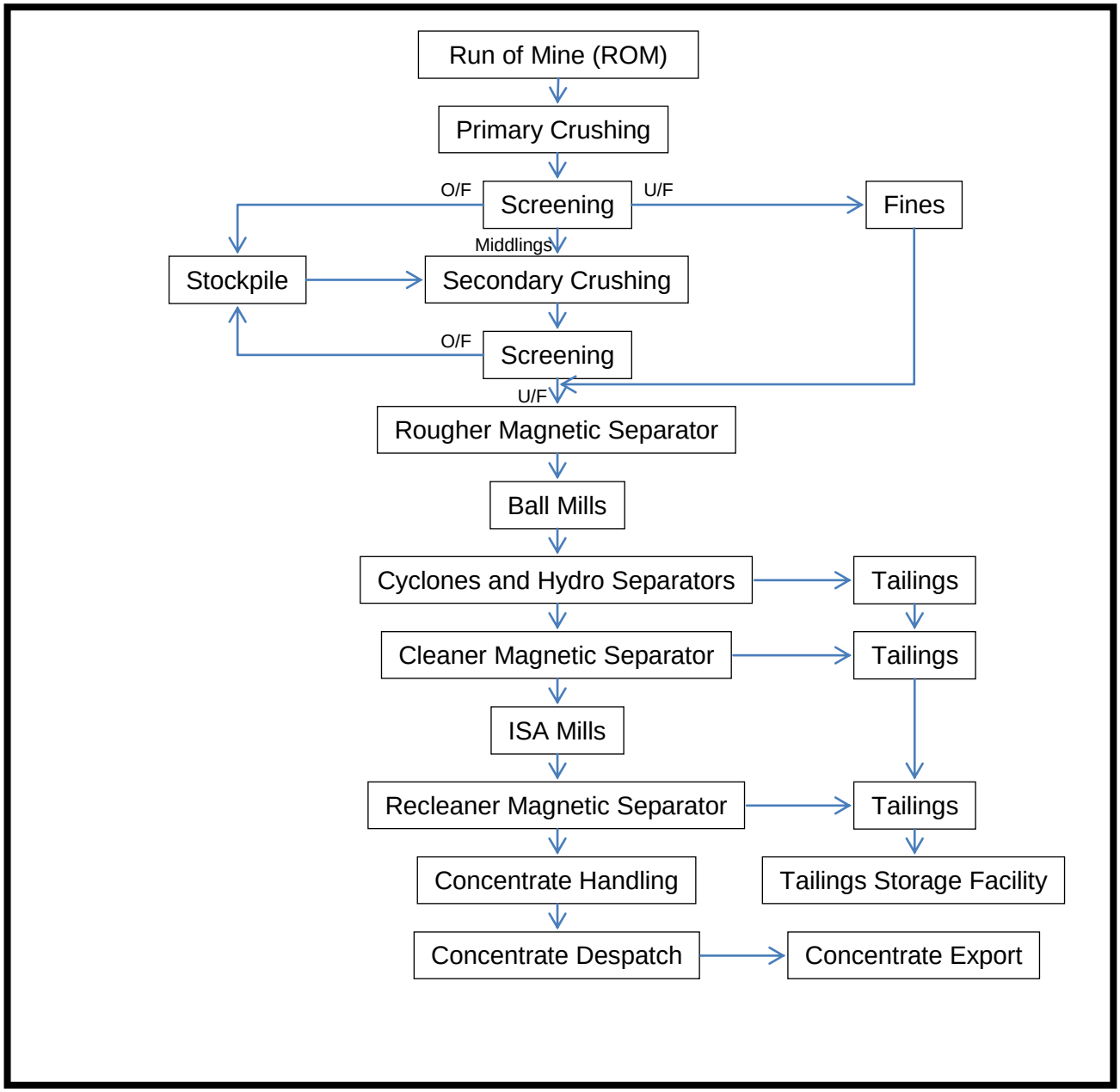
Executive Chairman

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 1.

Hawsons revised process flow



Appendix 2.

Drill Hole locations and significant results – Yanco Glen Project

Hole ID	Easting	Northing	Azi GDA	Dip	Total Depth (m)	From (m)	To (m)	Interval (m)	WO3 (%)
RC12YGW001	551045	6497492	270	-60	103	53	59	6	0.10
						63	64	1	0.13
RC12YGW002	551090	6497623	270	-60	121	0	2	2	0.58
						10	11	1	0.72
						37	38	1	0.15
						93	94	1	1.13
RC12YGW003	551114	6497740	270	-65	115	15	16	1	0.11
						27	28	1	0.10
						83	86	3	0.76
					incl.	***83***	***84***	***1***	***2.21***
RC12YGW004	551151	6497670	270	-65	114	68	69	1	0.19
						71	73	2	0.76
						75	76	1	0.11
						99	104	5	0.86
					incl.	***100***	***101***	***1***	***1.31***
					incl.	***102***	***103***	***1***	***1.76***
						106	111	5	0.30
RC12YGW005	551091	6497810	270	-70	109	77	79	2	0.48
RC12YGW006	551160	6497570	270	-60	130.5	107	108	1	0.18
RC12YGW007	551144	6947846	270	-60	157	106	108	2	0.26
						141	143	2	1.13
						142	***143***	***1***	***2.21***
RC12YGW008	551165	6498086	270	-60	139	91	92	1	0.14
RC12YGW009	551099	6497283	270	-60	151	33	40	7	0.34
					incl.	***38***	***39***	***1***	***1.34***
						77	79	2	0.13
						106	117	11	0.47
					incl.	***108***	***112***	***4***	***0.95***
RC12YGW010	551083	6497177	300	-60	121	21	22	1	0.44
						90	92	2	0.38
						100	101	1	1.10
RC12YGW019	550851	6495488	270	-60	79	54	57	3	0.15
RC12YGW021	551184	6497672	270	-60	61	19	21	2	0.12
						43	44	1	0.33

Results based on ALS code XRF-15B (fused Lithium Borate Button)


CAP Collars Assays Received
CAP Collars Assyas Awaited
Historic Collars
Resource Outline
Access Track
0 50 100 200
metres
Scale 1:10,000
550,250 mE
550,500 mE
550,750 mE
551,000 mE
551,250 mE
551,500 mE
551,750 mE
552,000 mE
6,498,000 mN
6,497,750 mN
6,497,500 mN
6,497,250 mN
6,497,000 mN
6,496,750 mN
6,496,500 mN
6,496,250 mN
6,496,000 mN
6,495,750 mN
6,495,500 mN
RC12YGW008
RC12YGW007
RC12YGW005
RC12YGW003
RC12YGW020
RC12YGW021
RC12YGW002
RC12YGW004
RC12YGW006
RC12YGW001
RC12YGW009
RC12YGW011
RC12YGW010
RC12YGW012
RC12YGW013
RC12YGW014
RC12YGW015
RC12YGW016
RC12YGW018
RC12YGW017
RC12YGW019

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	Quarter ended ("current quarter")
63 095 117 981	**30-Jun-12**

Consolidated statement of cash flows

		Current quarter $A'000	Year to date (12 months) $A'000
	Cash flows related to operating activities		
1.1	Receipts from product sales and related debtors	-	959
1.2	Payments for		
	(a) exploration and evaluation	(1,159)	(3,857)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(952)	(2,881)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	57	549
1.5	Interest and other costs of finance paid	(5)	(20)
1.6	Income taxes received	-	725
1.7	Other (provide detail if material)	-	-
	Net Operating Cash Flows	(2,059)	(4,525)
	Cash flows related to investing activities		
1.8	Payment for purchases of:		
	(a)prospects	-	-
	(b)equity investments	-	-
	(c) other fixed assets	(2)	(25)
1.9	Proceeds from sale of:		
	(a)prospects	-	47
	(b)equity investments	-	456
	(c)other fixed assets	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	726
1.12	Other - Exploration Advance	-	-
	Net investing cash flows	(2)	1,204
1.13	Total operating and investing cash flows (carried forward)	(2,061)	(3,321)

+See chapter 19 for defined terms

1.13	Total operating and investing cash flows (brought forward)	(2,061)	(3,321)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	565	565
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	(24)	(104)
1.18	Dividends paid	-	-
1.19	Other (provide detail if material)	-	-
	Net financing cash flows	541	461
	Net increase (decrease) in cash held	(1,520)	(2,860)
1.20	Cash at beginning of quarter/year to date	7,858	9,198
1.21	Exchange rate adjustments to item 1.20		
1.22	**Cash at end of quarter**	**6,338**	**6,338**

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	74
1.24	Aggregate amount of loans to the parties included in item 1.10	0

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

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	191	191
3.2	Credit standby arrangements	-	-

Estimated cash outflows for next quarter

		$A'000
4.1	Exploration and evaluation *	970
4.2	Development	0
4.3	Production	0
4.4	Administration	592
	Total	1,562

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	1,936	500
5.2	Deposits at call	4,402	7,358
5.3	Bank overdraft	.	
5.4	Other (provide details)		
	Total: cash at end of quarter (item 1.22)	6,338	7,858

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	EL 7921	100%	0%

+See chapter 19 for defined terms

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		
7.3	**+Ordinary securities Quoted**	105,191,301	
	Options Quoted		
	+Ordinary securities Un-Quoted *(restricted)*		
7.4	Changes during quarter		
	(a) Increases through issues	6,000,000	0.48
	(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 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*
	Unlisted Options CAPAM	1,300,000	*0.850* *15-Dec-14*
	Unlisted Options CAPAK	2,700,000	*0.290* *30-Mar-13*
7.8	Issued during quarter		
7.9	Exercised during quarter		
7.10	Expired during quarter		
7.11	**Debentures** *(totals only)*	-	
7.12	**Unsecured notes** *(totals only)*	-	

+See chapter 19 for defined terms

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.

_____ 20/07/2012

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.