ASX ANNOUNCEMENT

Drilling results double Yanco Glen tungsten resource

ABN: 63 095 117 981 | ASX: CAP

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18 October 2012

Highlights

- **New Inferred Resource for Yanco Glen Scheelite Tungsten Prospect of 3.4Mt @ 0.11% WO_3 (at 0.05% WO_3 cut-off) containing 3,950t WO_3**
- **Contained tungsten metal content more than doubled compared to previously published resource estimate**
- **Prospect located 40km north of Broken Hill and near established infrastructure**
- **Relatively coarse grained, sulfide free scheelite potentially amenable to low cost processing**

Carpentaria Exploration Limited (ASX:CAP) announced today a new Inferred Resource for the Yanco Glen Scheelite Tungsten Prospect, with contains more than double the tungsten metal as the previous estimate.

The new resource, which remains open down-dip and along strike, comprises **3.4 million tonnes (Mt) at 0.11% WO_3 (tungsten trioxide) at a 0.05% WO_3 cut-off, containing 3,950t WO_3**.

The new resource estimate includes a similar tonnage at a similar grade of mineralisation as estimated in the 2006 resource of 0.83Mt @ 0.21% WO_3 which contained 1,700t tungsten (see Table 6 & Figure 6 – Appendix 1).

Located just 40 kilometres north of the established mining centre of Broken Hill, NSW (see Figure 1 – Appendix 1), the prospect is near required infrastructure and potentially amenable to low cost processing.

Carpentaria's Executive Chairman, Nick Sheard, said the results showed potential for a new tungsten mine, with its grade and tonnage comparable to other published Australian tungsten resources.

"Carpentaria aims to establish a cluster of closely located, 100% owned, tin and tungsten deposits near Broken Hill with coarse grained surface mineralisation capable of easy mining and cheap processing in a centralised or mobile plant. These results confirm the basis of the strategy and we plan to further explore Yanco and the other nearby prospects," Mr Sheard said.

Yanco Glen forms part of Carpentaria's prospective Broken Hill Tin and Tungsten/Base Metal Project (100% CAP – EL's 7475, 6936, 7823, 7829, 7921 & 7957) totalling 960 square kilometres of exploration tenements within 70km of Broken Hill, which also contain the historically worked, coarse grained cassiterite bearing, Euriowie, Waukeroo and Kantappa Tin Fields.

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Following the recent completion of a 21-hole, 2,320m reverse circulation (RC) drilling program aimed at extending the Yanco Glen resource, H&S Consulting (H&SC) was commissioned to undertake an independent review and interpretation of data which resulted in the new Inferred Resource estimation (see Appendix 1).

The drilling returned a number of significant tungsten values over 0.1% WO_3, including **2m at 1.13% WO_3** and **5m at 0.86% WO_3**.

The Inferred Resource is situated from surface in an elongated, irregular, north-northeast trending belt 1,000m by 100m wide, extending down-dip to a depth of 100m. It is contained within a north-south mineralised belt that extends along strike for at least 2,200m and is open down-dip.

The Yanco Glen Prospect is mapped as part of the Paleoproterozoic Upper Broken Hill Group, which regionally hosts the supergiant Broken Hill base metal ore-body (~ 280 Mt @ 20% Pb+Zn & 150 ppm Ag). In detail, scheelite mineralisation is stratabound in veinlets, calc-silicate and/or white-mica altered bands and is hosted within a sequence of north-south striking, steeply dipping, high-metamorphic grade metasediments of which the most prominent lithotype is a distinctive two feldspar-biotite-garnet gneiss known locally as 'Potosi Gneiss'.

The new resource is sulfide deficient and contains coarse grain sized scheelite that is likely to be amenable to low cost processing (see Plate 1).

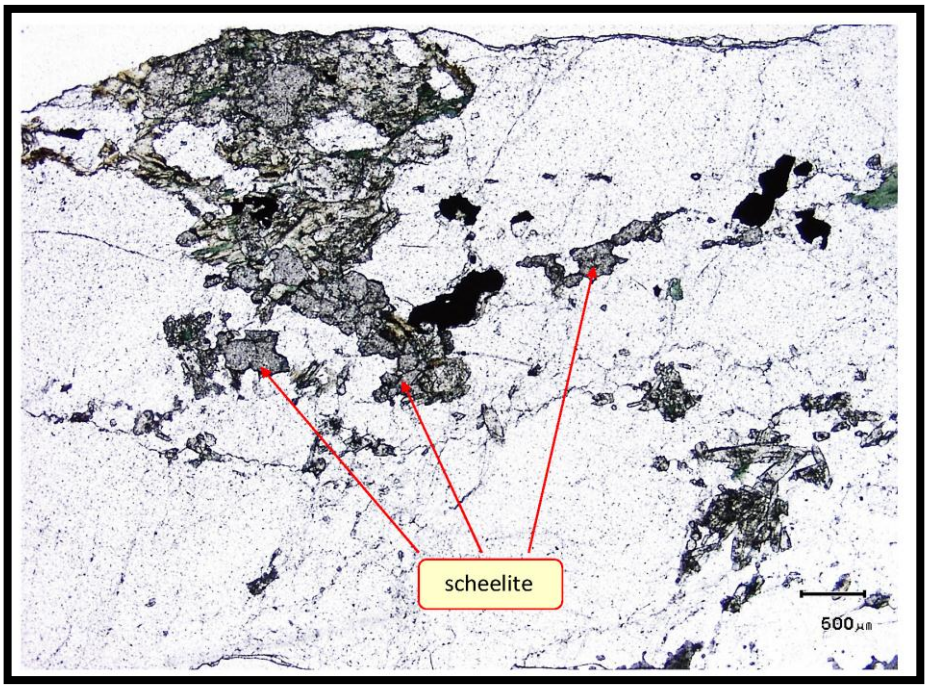

Plate 1 – Plane polarised transmitted photomicrograph of scheelite mineralisation within quartz veinlet from the Yanco Glen Prospect – scale bar = 0.5mm

The next steps will be to test the metallurgical characteristics of the mineralisation and consider scoping level pit designs to further explore the economics of the new resource model, which will benefit from the extensive infrastructure located at one of Australia's iconic mining cities.

If the next steps are positive, further engineering analysis and drill testing of the larger exploration target at Yanco Glen to increase the resource base will be undertaken prior to progressing to possible feasibility studies.

"Carpentaria is encouraged by the potential of all its Broken Hill Projects, including our flagship $3.2 billion Hawsons Iron Project. Importantly, we are now developing a strong project pipeline including tin, tungsten, gold, copper and nickel as well as iron ore, giving the Company a diversified portfolio for generating shareholder value," Mr Sheard said.

About tungsten

Tungsten is a hard, rare metal found naturally on Earth only in chemical compounds, with important ores including wolframite and scheelite. It is used in the production of hard materials, alloys and steels, X-ray tubes and superalloys.

China is source of around 60 per cent of the world's tungsten supply. According to Metal Bulletin, the price of ammonium paratungstate, the traded form of the metal, reached more than US$440 a tonne in 2011 compared to less than US$65/t in 2003.

Yours sincerely

Nick Sheard
Executive Chairman
Carpentaria Exploration Limited

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.

15th October 2012

APPENDIX 1

Re: Resource Estimate for the Yanco Glen Tungsten Deposit, NSW

Carpentaria Exploration Limited ("CAP") has requested that independent consulting geologists H & S Consultants ("H&SC") of Sydney, Australia complete a new resource estimate for the Yanco Glen tungsten deposit in Western NSW. The reporting of the new resource estimates is in accordance with the 2004 JORC Code. Additional information is included in Appendix 1.

The Yanco Glen Tungsten Project, located 40 km north of the regional city of Broken Hill, is situated within the Broken Hill Block of the Willyama Supergroup and more specifically the Broken Hill Group lithologies Hores Gneiss and Freyers Metasediments. Predominantly scheelite (CaWO4) mineralisation with minor wolframite ((FeMn)WO4) is preferentially hosted in steeply east dipping siliciclastic metasediments.

CAP has supplied the drillhole database for the deposit, which H&SC has accepted in good faith as an accurate, reliable and complete representation of the available data. H&SC performed only very limited validation of the data and did not detect any obvious problems likely to impact significantly on the resource estimates. An independent data quality assurance and control (QA/QC) review by Geochem Pacific Ltd did not identify any issues with the assay data.

The quality control procedures for assay and sampling used by CAP were not investigated by H&SC, so responsibility for quality control resides solely with CAP.

The resource estimates, stated in tungsten tri-oxide (WO3) grades, incorporate recent CAP Reverse Circulation Percussion (RC) drilling and historic RC and two diamond drill-core holes. Downhole composite extraction was unconstrained and then visually trimmed to remove low grade peripheral values, based on an approximate 0.01% WO3 cut off. Resource estimation modelled 5971, 1m composites using H&SC's in-house GS3M Multiple Indicator Kriging ("MIK") software with the modelled data loaded into a Surpac block model. An average density value of 2.83t/m^3 for the mineralisation was supplied by CAP, based upon a limited number of Archimedes Principal determinations of historical drill-core.

The MIK modelling used a panel size of 5m by 25m by 15m with a selective mining unit ("SMU") of 2.5m by 5m by 5m. Maximum search parameters were 30m by 60m by 60m oriented to the overall stratigraphic attitude of the host meta-sediments. The minimum number of data points was 8 with a minimum of 2 octants.

The recoverable resource estimates for the tungsten mineralisation are reported at a 0.05% WO3 cut off with no geological constraint. The oxide portion of the deposit is approximately 3%. The resource estimates are classified as Inferred.

Inferred Resources : 3.4Mt @ 0.11% WO3 for 3,950 tonnes of WO3

Exploration Potential exists down-dip and along strike to the current resources in areas where there is a lack of drilling.

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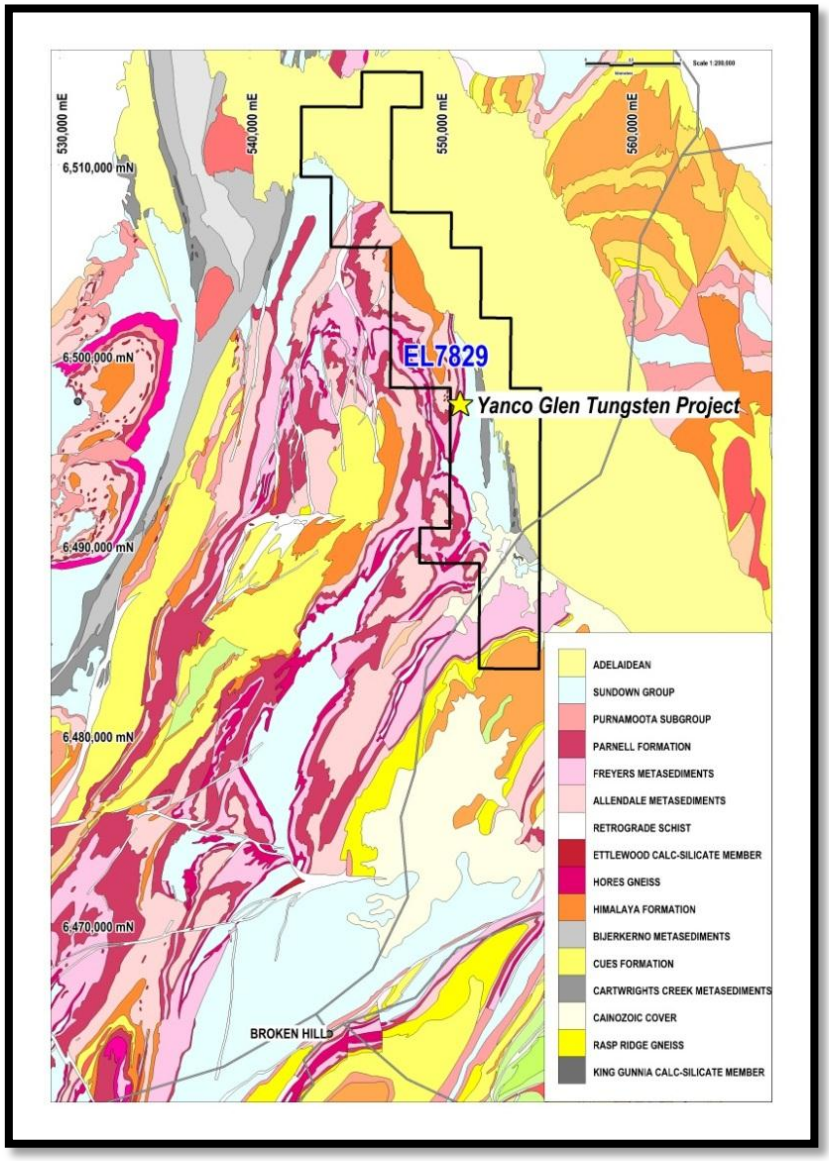
Details of the Resource Estimation

EL 7829 "Yanco Glen" is located 40km north of Broken Hill in far western New South Wales on the Broken Hill (SH/54-15) 1:250K map sheet. The Silver City Highway traverses the tenement and good access is further provided by the Corona Road and graded tracks on Mt Gipps Station. The project is conveniently located close to Broken Hill which has very well established mining support and services with a number of mining operations currently active in the region.

The Yanco Glen Tungsten Project is underlain by Paleoproterozoic Broken Hill Group rocks belonging to the Willyama Super Group, they are steeply dipping to east and strike north-south for up to 15km (Figure 1). Five main rock types have been observed quartz-biotite-(epidote) gneiss, quartz-biotite-garnet-(epidote) gneiss (Hores Gneiss), quartz-biotite-muscovite-(tourmaline) schist (Freyers Meta-Sediments), tourmalinites and quartz-muscovite-feldspar pegmatites. All rock types have varying degrees of vitreous quartz veining with pyrite / pyrrhotite / chalcopyrite / scheelite and wolframite mineralisation. The area is highly deformed with possible tight folds and/or fault splays and retrograde metamorphism.

Figure 1 Regional Geology and Location Map of Yanco Glen

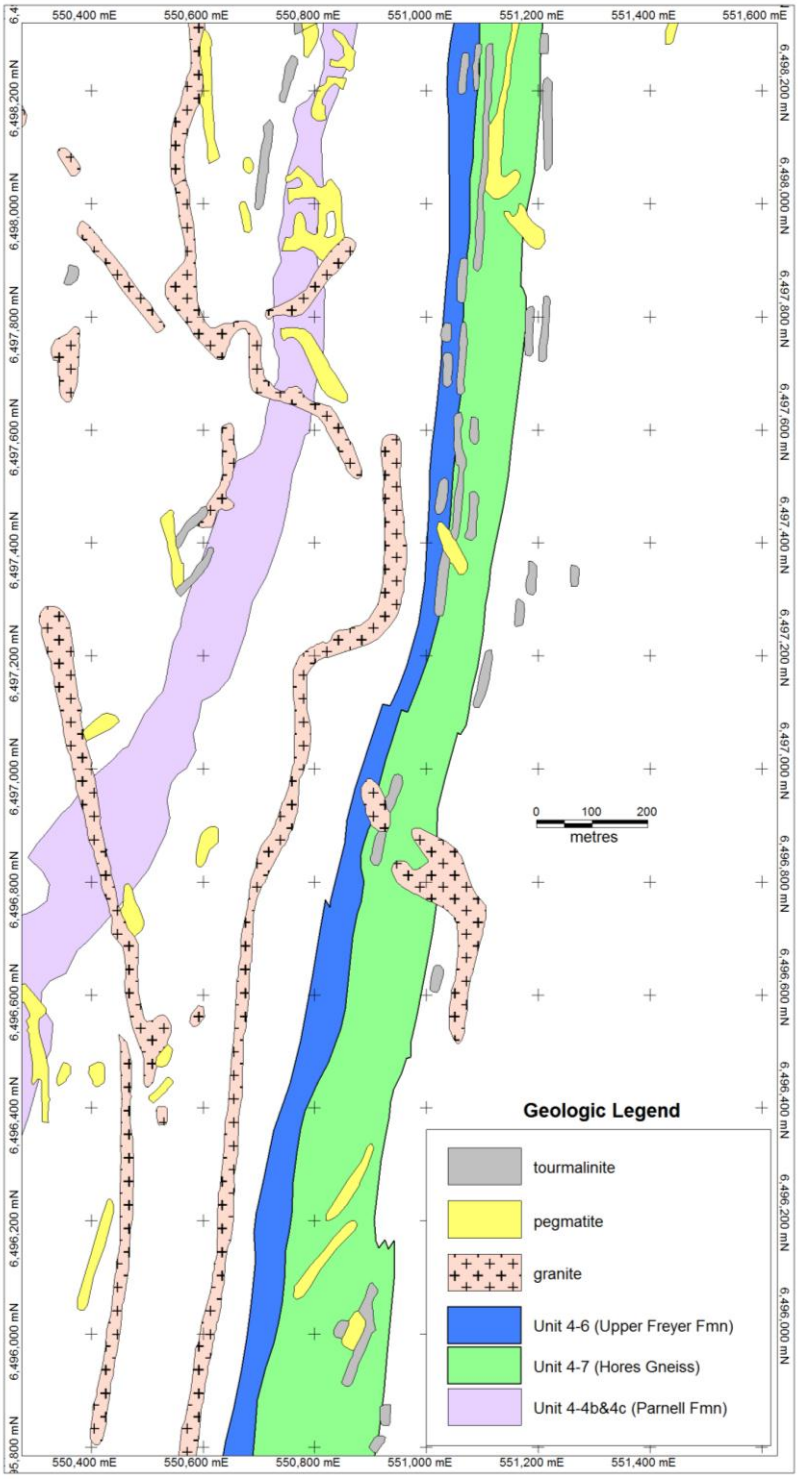


(figure supplied by CAP)

Scheelite is the main tungstate mineral present with minor wolframite. The stratabound nature of the mineralisation is the result of tungsten mineralisation being concentrated in calc-silicate bearing syn-tectonic quartz veins and near lithological contacts with tourmaline alteration halos, especially the contact between Hores Gneiss and Freyers Meta-Sediments (Figure 2).

Oxidation is very shallow with density measurements completed by CAP indicating very little difference for the partially oxidised material and fresh rock. An arbitrary base of oxidation using the topographic surface (1m contours) was created to lie 3m below the surface.

Figure 2 Local Geology Map of Yanco Glen



(supplied by CAP)

CAP has supplied the drillhole database for the deposit, which H&SC has accepted in good faith as an accurate, reliable and complete representation of the available data. H&SC performed only very limited validation of the data and did not detect any obvious problems likely to impact significantly on the resource estimates. CAP also provided the geological interpretation with the mineralisation being defined as being hosted within a geological shape based on lithology. Mineralisation intensity is variable along strike and down dip with the main lithological units

The quality control procedures for assay and sampling used by CAP were not investigated by H&SC, so responsibility for quality control resides solely with CAP. An independent QAQC review by Geochem Pacific Ltd did not identify any issues with the assay data. All tungsten analyses were performed by lithium borate fusion X-Ray Fluoresce (XRF) technique.

Drilling is predominantly Reverse Circulation Percussion (RC) holes completed by four different explorers as listed in Table 1

Table 1 Drilling Statistics

Company	Hole Numbers	No of holes	Metres
CAP (2011)	RC12YGW001-21	21	2,300
Wolf (2007)	YGRC001-19	19	2,100
Graynic (2006)	BHRC001-19	19	1,938
CRAE (1980-3)	DD80YG1 (&1A) and PD81(2 or 3)AL06-15	12	1725.8
	Totals	**59**	**6,338**

The mineralized zone trends N-S for a total drilled strike length of 2200m and dips steeply to the east with a down dip extent rarely exceeding 100m. The lode thickness varies greatly but has a maximum of approximately 100m. Only the central 1000m, 6496850N to 6497900N, was modelled due to overly large spacings between drill sections and lack of significant assays outside the central area. The central 1000m of strike length appears to have two domains with slightly different strikes, possibly due to a cross-cutting fault (Table 2). The fault was not modelled, but the drillhole data has been split into two domains for the purpose of this estimate.

Table 2 Modelling Domains

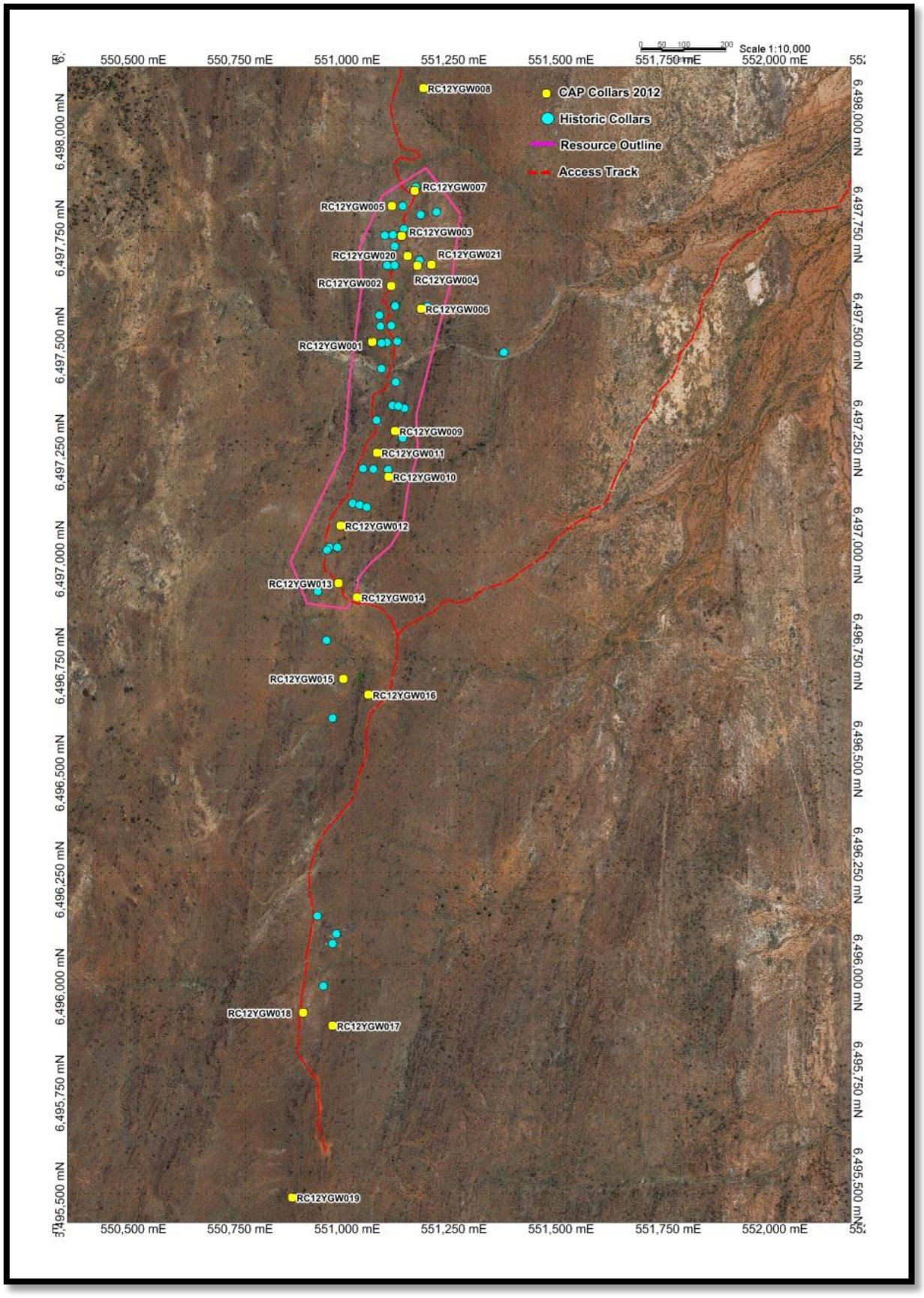
Domain	Minimum N	Maximum N	Strike
1 (North)	6497220	6497900	0-10^{o}
2 (South)	6496850	6497220	20-30^{o}

Unsampled intervals were removed from the composite file, rather than assigned a background value.

A plot of all the hole locations is included as Figure 3.

Interpretation of the mineral system indicated that the occurrence of scheelite is believed to be broadly stratigraphically controlled and in most of the drill holes there are several zones of variably altered gneiss associated with tungsten enrichment representing slightly different stratigraphic horizons. As a result it was decided to extract composites from an Access drillhole database (yanco_glen.mdb) unconstrained by any wireframe and manually trim the data for subsequent modelling.

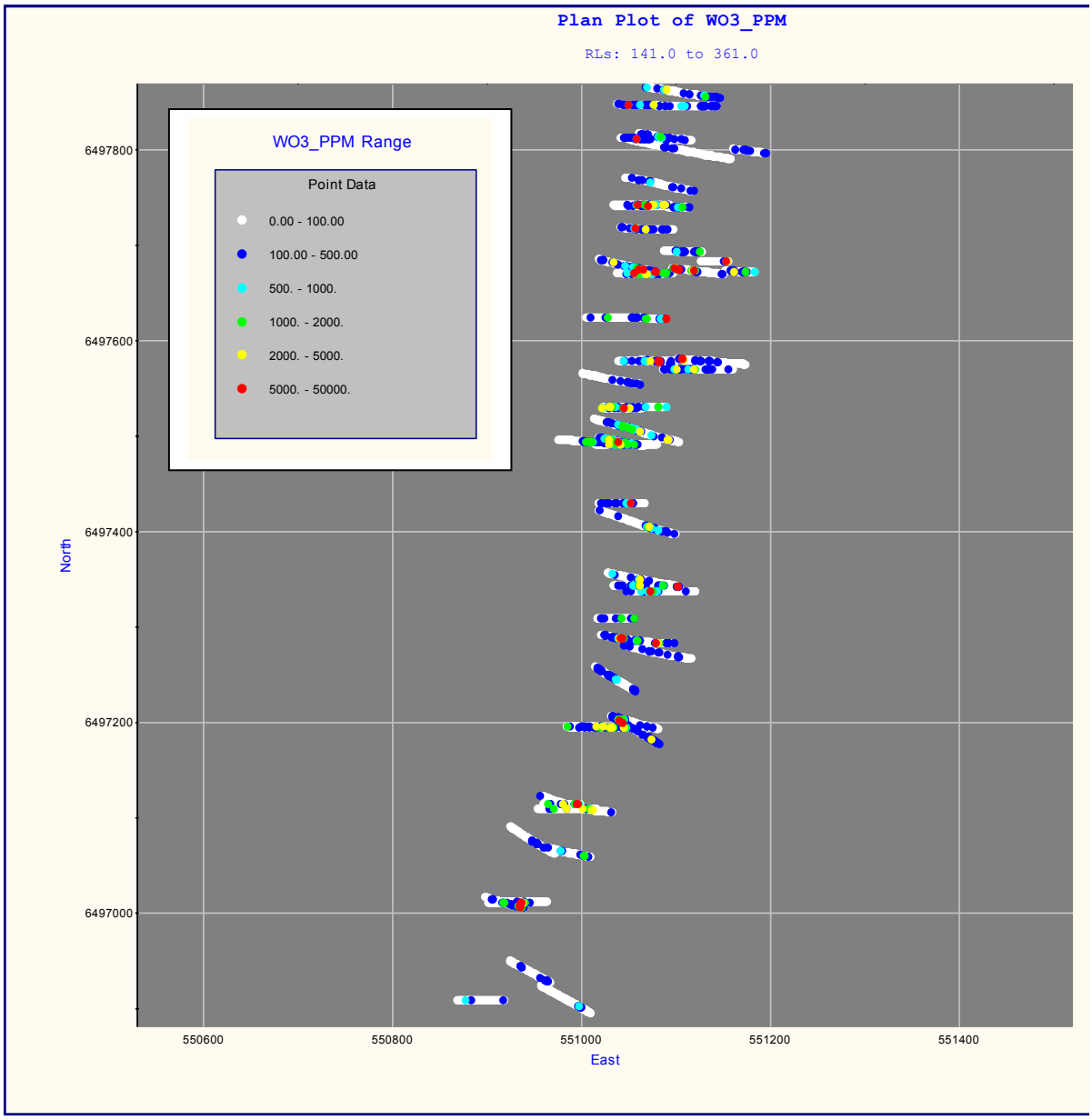
Figure 3 Drillhole Location Map



(supplied by CAP)

A total of 5971 1m composites were used with a plan of the composites included as Figure 4. Hole spacing is nominally 50m. Modelling used the WO3 ppm data with reporting of resource estimates in percent. Two sub-domains representing partially oxidised material and fresh rock were also delineated in the data.

Figure 4 Composite Location Map



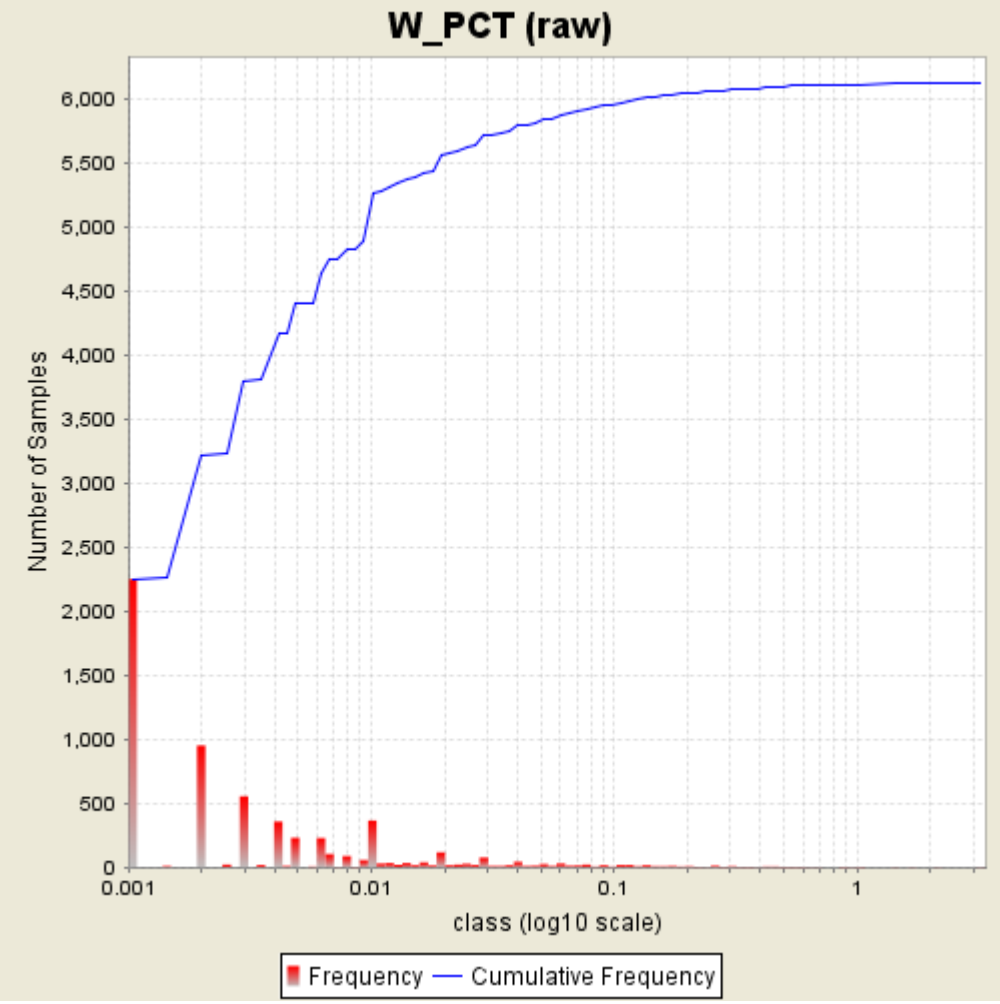
Initial assessment of summary statistics (Table 3) for the WO3 data indicated a high coefficient of variation. This demonstrates that the data is skewed with the likelihood of more than one mineral population. Thus H&SC consider Multiple Indicator Kriging ("MIK") as the most appropriate modelling method. The MIK method precludes the need for any top cuts to the data.

Figure 5 shows the cumulative frequency for the tungsten data in percent.

Table 3 Summary Univariate Statistics for Composites

variable: WO3_PPM			
	Dom1	Dom2	All
No. Data:	4459	1512	5971
mean:	217	164	203
variance:	1749177	508158	1435458
CV:	6.10	4.36	5.89
Minimum:	13	13	13
Q1:	13	13	13
Median:	38	25	38
Q3:	88	63	76
Maximum:	42246	11224	42246
IQR:	76	50	63

Figure 5 Cumulative Frequency Plot of Tungsten Composite Data



Resource modelling was undertaken using H&SC's in-house GS3M software. The MIK model parameters used for the resource estimation are included as Table 4.

Table 4 Block Model Details

Input data file:	D:\GS3\yan_1m_comps_subcode_mik.dat		
No. of input data:	5971		
Model Min. Coords:	550862.50mE	6496862.50mN	127.50mRL
Model Max. Coords:	551202.50mE	6497887.50mN	367.50mRL
Panel Size:	5.00mE	25.00mN	15.00mRL
Block Size (SMU):	2.50mE	5.00mN	5.00mRL
Number of Panels:	68E	41N	16RL
Discretization Pts:	2E	6N	4RL
No. of Domains:	2		
No. of Subdomains:	2		

The MIK search parameters used in the resource estimation are included in Table 5. A three pass search strategy was employed.

Table 5 Search Parameters

Yanco Glen MIK Block Model Search					
Domain	Search	Pass 1	Pass 2	Pass 3	Rotations
	X	15	30	30	0
	Y	30	60	60	-15
	Z	30	60	60	-10
	Min Data	16	16	8	
	Max Data	48	48	48	
	Min Octants	4	4	2	

(rotations use the trigonometrical convention)

A review of the conditional statistics for the Domain 1 fresh rock material (sub-domain 3) shows a considerable difference between the mean and the median for the top indicator class. This suggests that the resource estimates might be sensitive to high grades. Initial model experimentation showed that the high grades (using the mean value for the top indicator class) had a disproportionate effect on the resource estimate and so the median for the top indicator class was used in the conditional statistics for the modelling of Domain 1. Domain 2 did not show this effect and was modelled using the mean for the top indicator class.

The recoverable resource estimates for WO3 are reported for a range of cut off grades unconstrained by any bounding surfaces except topography (Table 6).

Table 6 Recoverable Resource Estimates for WO3

Cut off	**Pass 1**		**Pass 2**		**Pass 3**		**Combined**	
WO3 %	**Tonnes**	**WO3 %**	**Tonnes**	**WO3 %**	**Tonnes**	**WO3 %**	**Tonnes**	**WO3 %**
0.05	575,467	0.11	1,623,194	0.11	1,246,025	0.13	3,444,686	0.11
0.1	202,028	0.17	575,138	0.17	600,916	0.19	1,378,082	0.18
0.15	89,140	0.23	262,469	0.23	333,241	0.25	684,850	0.24
0.2	45,178	0.29	132,682	0.29	194,597	0.30	372,457	0.29
0.25	23,944	0.35	69,025	0.35	115,573	0.35	208,542	0.35
0.3	12,706	0.40	34,877	0.41	68,561	0.40	116,144	0.40

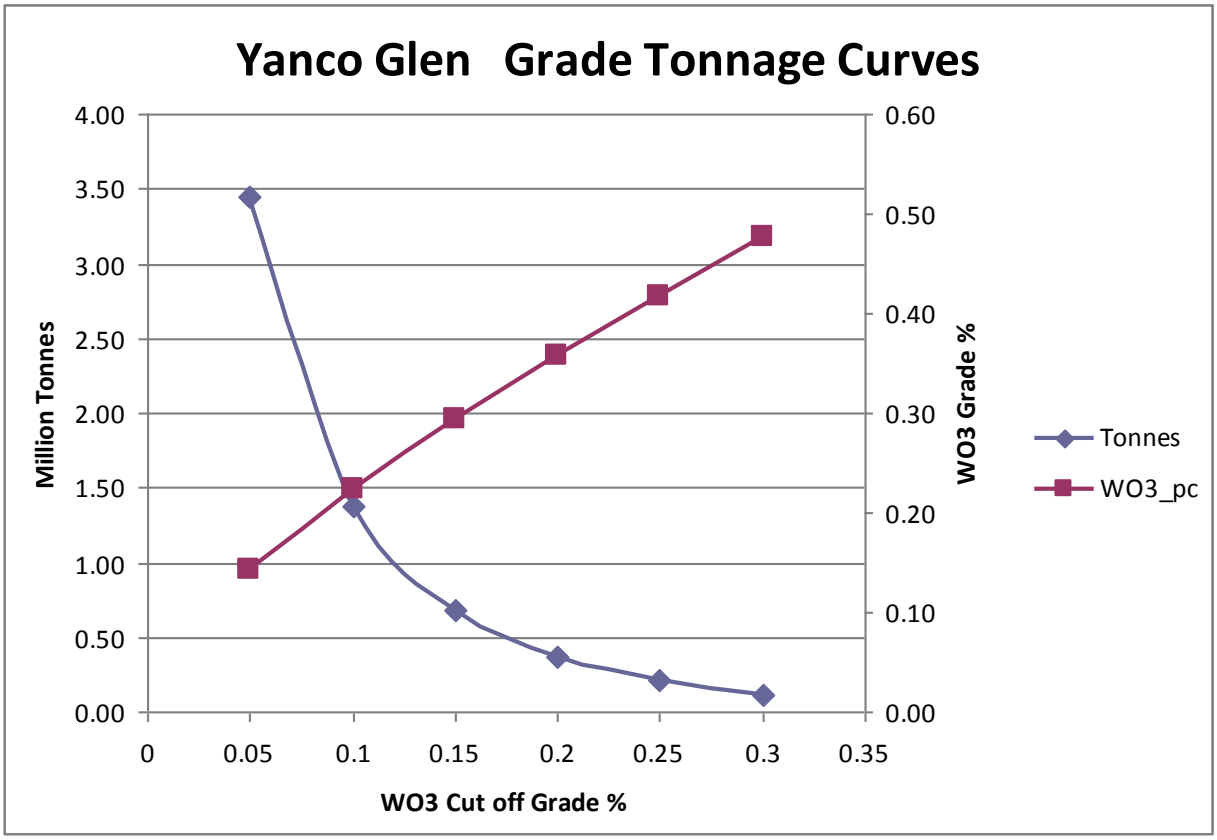
The tonnes of contained tungstate material for the same range of WO3 cut offs are included in Table 7.

Table 7 Recoverable Resource Estimates for Contained WO3

WO3 %	Pass 1	Pass 2	Pass 3	Combined
Cut off	WO3 Tonnes	WO3 Tonnes	WO3 Tonnes	WO3 Tonnes
0.05	606	1,724	1,603	3,933
0.1	345	994	1,147	2,485
0.15	208	613	818	1,639
0.2	132	387	579	1,098
0.25	83	241	403	727
0.3	51	142	274	467

The above resource estimates are represented in Figure 6 as a set of grade-tonnage curves.

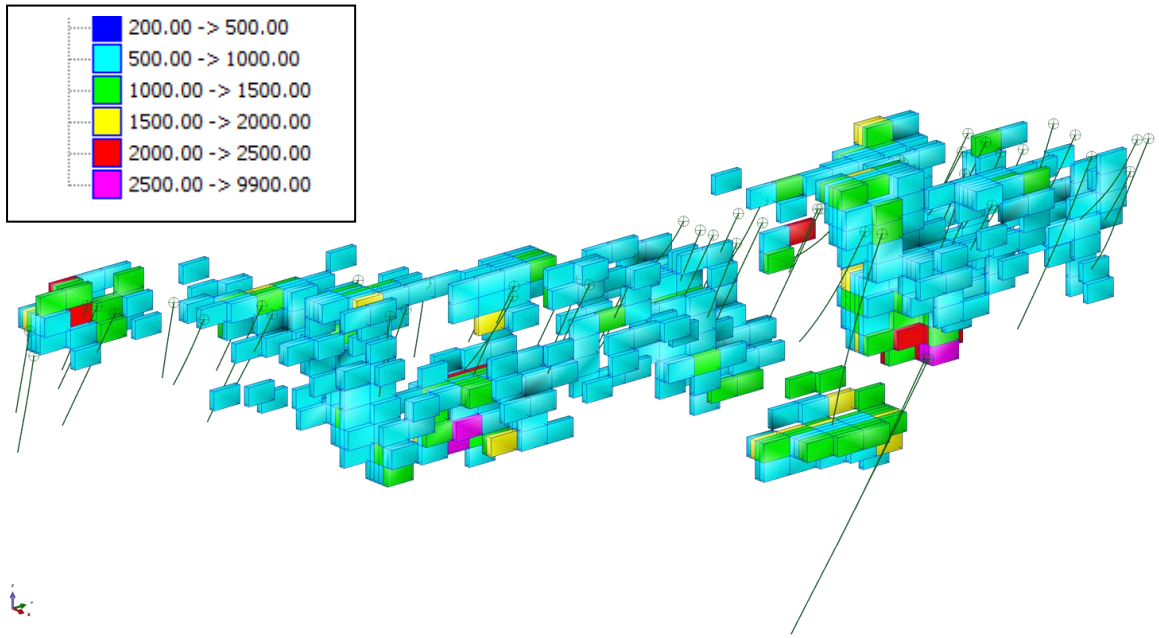
Figure 6 Grade Tonnage Curves



The resource model was loaded into a Surpac block model (yanco_mik_working_161012.mdl) for visualisation purposes and check resource reporting. No issues were noticed.

Figure 7 shows the distribution of the average panel grade ('E-type' model) for WO3 at a 0.05% cut off.

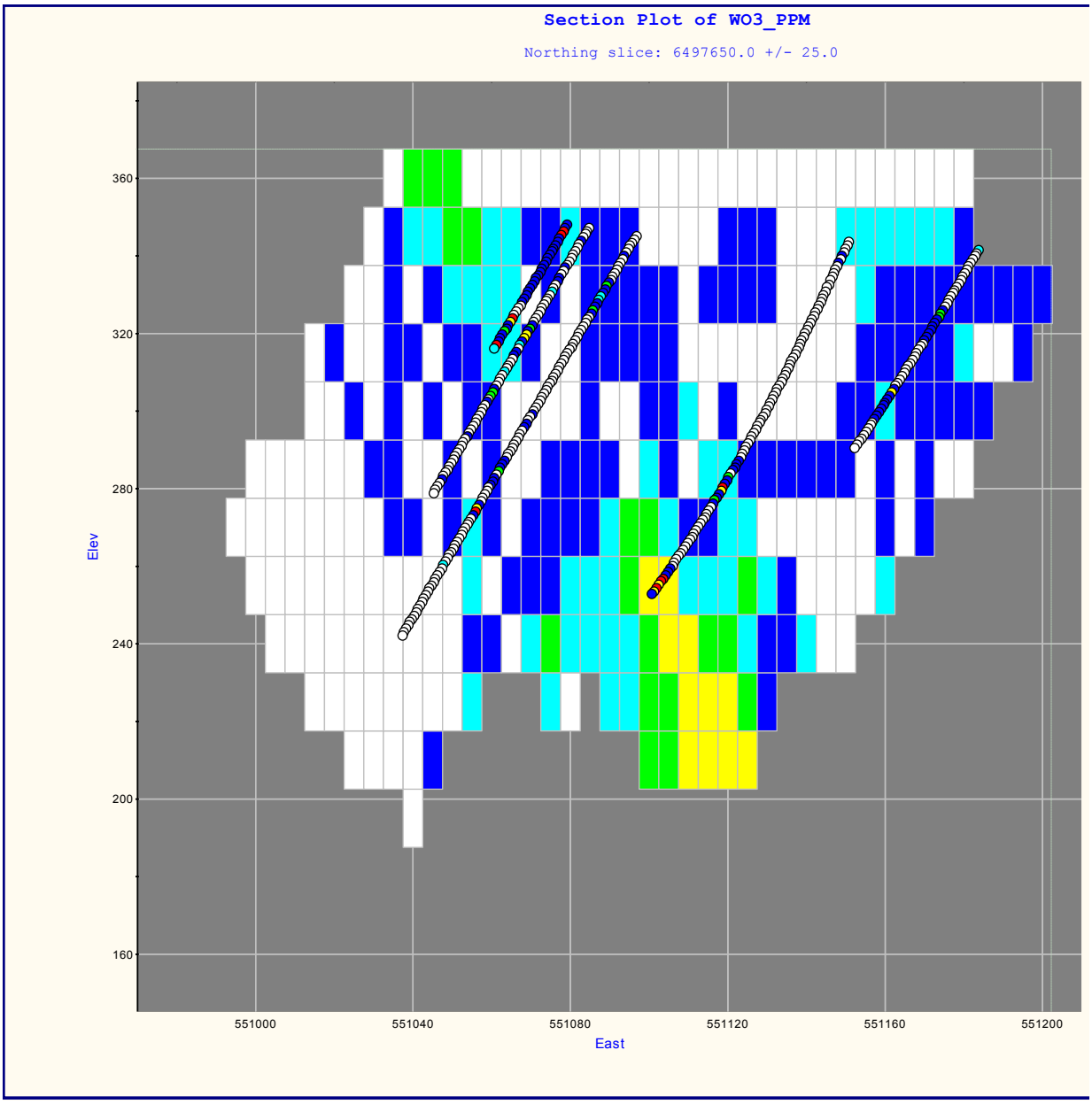
Figure 7 Average WO3 Panel Grade 3D Block Distribution



(view looking down to NW; dark traces = drillholes) (Block size 5m by 25m by 15m)

Model validation consisted of reviewing panel grades against drillhole grades with no obvious issues noted. Figure 8 contains an example of a cross section view for the drillhole composites against a backdrop of the average panel grade whilst Figure 9 shows a 3D plan of average block grades.

Figure 8 Average WO3 Panel Grade Block Distribution in Cross Section 6497650mN



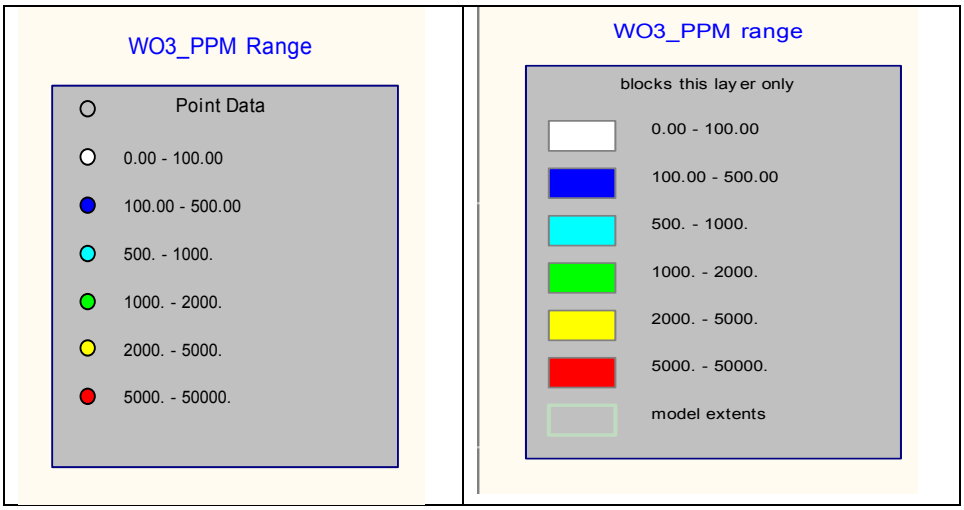
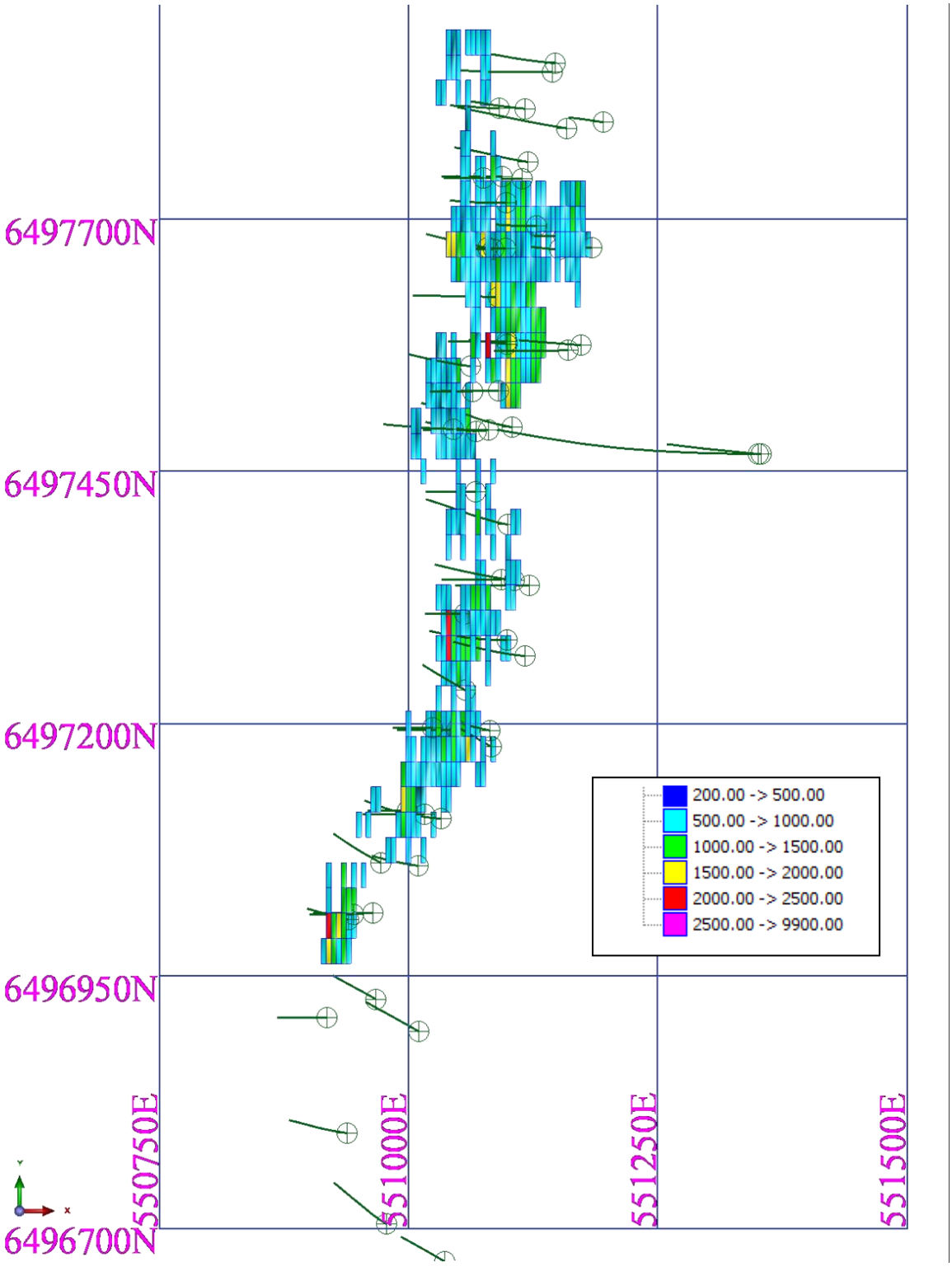


Figure 9 Average WO3 Panel Grade 3D Block Distribution in Plan



The above diagram indicates the change in strike at the southern end of the deposit and suggests that some of the drilling immediately south of the resource model may not have reached its intended target and hence barren grades in the drillholes which were not modelled.

A check Ordinary Kriged unconstrained model was completed using similar search strategies as for the MIK modelling. The outcome of this model demonstrated a slightly higher grade (by <5%) and slightly less tonnes (<3%) than the MIK for roughly the same amount of contained

metal for a 0.05% WO3 cut off, with no top cut applied. With the top cut the Ordinary Kriged model had a lower grade as would be expected. The outcomes are in line with expectations associated with the two modelling methods.

The classification of the resource estimates as Inferred is based on the following limitations:

1. The inherent nature of the style of mineralisation
2. Insufficient drilling with corresponding weak variography indicating poor grade continuity.
3. Lack of density data
4. Lack of diamond drilling
5. Lack of a geological understanding on grade distribution

Positive factors include:

1. Appropriate sampling and analytical techniques
2. No issues with QA/QC

A previously published resource estimate of 0.834 Mt @ 0.23% WO3 was completed by Ravensgate in 2006 on half the number of drillholes featured in this report. They used a cut off of 0.063% WO3 (0.05% W) for the reporting of the resource estimates. The modelling method used Ordinary Kriging with 21 different lenses of mineralisation with a 0.05% W cut off for the wireframes. A block size of 5m by 20m by 10m was used with a maximum search distance of 30m by 120m by 120m with the minimum number of data points being 2.

Future work should include infill drilling and testing the inferred resource mineralisation at depth and along strike. Both infill and exploration drilling of a substantial scale are required to further define the resource and improve the classification of the resource estimates. The following is a list of exploration opportunities:

- Domain 1: 6497850-6497900N - Approx 100m deep to follow up intersection in RC12YGW007
- Domain 1: 6497700-6497750N - Approx 100m deep to follow up intersection in RC12YGW003
- Domain 1: 6497650-6497700N – 2 areas, approx 50m and 100m deep to follow up intersections in RC12YGW004 and PD81AL09
- Domain 1: 6497525-6497650N – Approx 200m deep to follow up intersection in PD82AL12
- Domain 1: 6497225-6497300N – Approx 100m deep to follow up intersection in RC12YGW009
- Domain 2: 6797125-6497225N – Approx 100m deep to follow up intersection in RC12YGW010

Based on the above areas, the two lengths of strike most likely to increase the resource if drilled are 6797125-6497300N and 6497650-6497750N.

Simon Tear
Consulting Geologist
H&S Consultants Pty Ltd

The data in this report that relates to Exploration Results, the accuracy and quality of data forming the basis of all resource estimates, and the interpretation of mineralisation at the Yanco Glen, are based on information compiled by Mr Nick Sheard who is a Member of The Australian Institute of Geoscientists (AIG) and who has sufficient experience 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 (the "JORC Code"). Mr Sheard is a full time employee of Carpentaria Exploration Ltd and he consents to the inclusion of the Exploration Results in the report of the Mineral Resource in the form and context in which they appear.

The data in this report that relates to Mineral Resources for the Yanco Glen Deposit is based on information evaluated by Mr Simon Tear who is a Member of The Australasian Institute of Mining and Metallurgy (MAusIMM) and who has sufficient experience 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 (the "JORC Code"). Mr Tear is a Director of H&S Consultants Pty Ltd and he consents to the inclusion of the estimates in the report of the Mineral Resource in the form and context in which they appear.