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

30 November 2012

CARPENTARIA EXPLORATION LIMITED

www.capex.net.au

FINANCIAL

Cash and deposits on hand as at 30/11/12
A\$5,372,945.11

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ASX ANNOUNCEMENT

Chairman's address to the AGM

Good morning everyone and thank you for attending today's adjourned Annual General Meeting of Carpentaria Exploration Limited.

We are here today to make some important decisions for Carpentaria. It's true to say that the outcome today will have a big influence on the Company, its future direction, and importantly, the value of your shares.

Shareholders have received various correspondences over the past month, from Carpentaria and from shareholder, Silvergate Capital. We are all passionate about our Company and that has been shown by the debate over its future.

The Board, management, and I would like to ensure shareholders that we are well placed to continue good work done by the previous Board.

Since listing the Company in November 2007, Carpentaria has achieved some major successes. We have made a number of discoveries, including the biggest magnetite find ever made in New South Wales, the Hawsons Iron Project near Broken Hill.

Valued at \$3.2 billion, Hawsons is truly a world-class project. It has the potential to generate long-lasting wealth for shareholders, as well as the broader community and other stakeholders.

Our exploration team made this discovery working closely with management and the Board, applying many years of joint expertise. This is one reason why respected analyst Professor Allan Trench has rated Carpentaria one of the top 100 resource stocks on the ASX for two straight years.

It's also the reason why Carpentaria has solid foundations to grow into a leading, mid-tier mining house.

However, Carpentaria is more than just Hawsons. Recently, we successfully doubled the tungsten resource at Yanco Glen, and have assembled a very attractive pipeline of projects spanning gold, nickel, tin, tungsten, copper and iron ore.

These results have been achieved without diluting shareholders. Unlike many other mining companies, we continued actively exploring throughout the global financial crisis and have continued doing so since without needing to issue additional equity.

Our policy of strategic portfolio acquisitions and divestments has paid off handsomely. One example is last year's agreement to sell our stake in the Hughenden Coal Project in the Galilee Basin.

This deal not only saved \$300,000 a quarter on pro rata exploration costs, but gave us \$1.5 million in cash, a production royalty worth potentially millions and a stake in Guildford Coal currently worth \$1 million.

Carpentaria's successful financial management is evidenced by the fact that we have posted profits in two of the past three financial years – a very rare achievement for an exploration company.



These outcomes were achieved despite tough global economic and market conditions, which have affected all mining companies.

While Carpentaria has not been immune from global volatility, I am pleased to say that we have outperformed our peers and are set for further growth in market value.

The Board and management of Carpentaria have achieved a world-class discovery at Hawsons and announced two Inferred Resources, comprising Hawsons and Yanco Glen. We have been frugal with shareholders' funds while developing a strong project pipeline, as well as having assembled an expert team that is working to maximise the value for all shareholders and grow the company.

At this meeting, we have called on shareholders to support a number of resolutions, with the most important being the election of independent directors, Dr Neil Williams and Mr Paul Cholakos.

As previously stated, Dr Williams has had a distinguished career as head of Geoscience Australia, with contacts at the highest levels of government.

Mr Cholakos is another outstanding candidate, having helped deliver multibillion-dollar resource projects around the world.

Their qualifications and track records speak for themselves; both are of a very high calibre, are strongly independent, and I have no hesitation in recommending them. It is a team that truly positions the Company for our future as an explorer and a producer.

Today we are also holding after our AGM a requisitioned General Meeting, called by Silvergate.

It is regrettable that Silvergate are not supporting the election of our independent directors, which would ensure the continued independence of your Board as per ASX Corporate Governance Council recommendations.

Instead, Silvergate is seeking to remove Dr Williams and Mr Cholakos and replace them with their own nominees, Linda Lau and Wilson Cheung.

Carpentaria previously offered Silvergate two seats on our Board. I regret that they declined our offer and have taken this action, at some cost to shareholders as well as disrupting Company operations. This offer was repeated just two weeks ago to Silvergate but they unfortunately rejected this offer and wish to proceed with the General Meeting.

I note Silvergate have praised the quality of the current Board. However, in removing two independent directors, Carpentaria would be left with a board of three nominee directors, just one independent in Mr Bob Hair, and myself.

Effectively, Silvergate are seeking 40 per cent of voting rights with a less than 20 per cent stake in the Company. I am concerned that this disproportionate representation will disrupt Board processes.

Unfortunately, Silvergate's interest in Bonython Metals Group (BMG), the Hawsons joint venture partner, creates a clear conflict of interest concerning Board discussions on the future of the Hawsons project.

BMG is currently in liquidation and Silvergate, along with other groups, have the option of acquiring a 40 per cent stake in the Hawsons project along with all the other considerable Joint Venture Agreement conditions designed to protect Carpentaria shareholders. We look forward to the liquidator's sale process concluding soon to remove this uncertainty.



Concerning BMG, your Board had the foresight to put considerable protections in place for shareholders in the joint venture, which helped fund the positive Pre-Feasibility Study for Hawsons.

As part of our negotiation with BMG, Carpentaria insisted on all costs being paid upfront to ensure the project did not suffer delays. We also built in protections in the event BMG withdrew or defaulted in the agreement, by giving us first right of refusal over the sale of BMG's stake and other rights.

It is important to note that Carpentaria spent over \$1 million on discovery work prior to BMG's entry to the project.

Since BMG ended its funding in July 2011, Carpentaria has invested an additional \$3 million on Hawsons to continue its momentum and help de-risk the project.

This has included mining and processing optimisation, pilot plant work, port access, transport options, environmental studies, and community and government relations activities.

Hawsons was recently declared a 'State significant development project' by the New South Wales government as part of the Environmental Impact Statement approval process, and we have also secured agreements concerning port and rail transport.

Importantly, Hawsons is highly profitable even under recent iron ore prices, with the advantages of its location, premium product and low costs.

We are on track to receive a mining licence by 2014 and thereafter to mining operations at a project with a potential mine life of more than 50 years.

Carpentaria is well funded to continue early Bankable Feasibility Study (BFS) works, moving Hawsons up the value curve. There has been significant interest in the project from companies across Asia and elsewhere, and we are focussed on gaining the right development partner to deliver the BFS and build a major project.

We are an open and transparent company. However, we also have an obligation to maintain commercial confidentiality of negotiations, as accepted under ASX Listing Rules.

Every proposal concerning Hawsons, including Silvergate's, has been examined carefully to ensure the best interests of all shareholders are protected.

Given the importance of Hawsons, we have strengthened our Board with directors capable of securing maximum value for shareholders and I trust you will support them today.

Your loyalty has made our achievements possible and I look forward to even greater success ahead for Carpentaria, for the benefit of all.

Thank you.

A handwritten signature in blue ink, appearing to read 'Nick Sheard'.

Nick Sheard
Executive Chairman
Carpentaria Exploration Limited