



ABN: 63 095 117 981 | ASX: CAP

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18 February 2013

CARPENTARIA EXPLORATION LIMITED

www.capex.net.au

FINANCIAL

Cash and deposits on hand as at 18/02/13
A\$3,788,638

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ASX ANNOUNCEMENT

CAP increases iron holdings with South Dam ownership

Highlights

- Carpentaria strengthens its position as a dominant tenement holder in Braemar Iron Province by regaining full ownership of South Dam Iron Project (EL4395), South Australia
- South Dam is contiguous with Braemar JV, EL 3998, where recent results show similar magnetite-bearing siltstones to those of \$3.2 billion Hawsons Iron Project
- Carpentaria now has control of 32 strike kms of Braemar Iron Formation in these EL's considered highly prospective for bulk magnetite iron deposits, located near rail, road and port infrastructure and 200km north of Adelaide.

Carpentaria Exploration Limited (ASX:CAP) has further strengthened its position in the highly prospective Braemar Iron Formation, announcing today its resumption of full ownership of the South Dam Iron Project (EL4395) in South Australia (Figure 1).

The emerging iron ore province also hosts the Company's flagship, the \$3.2 billion Hawsons Iron Project near Broken Hill, and its Braemar Joint Venture, EL3998, which spans over 20 kilometres in South Australia.

"Carpentaria is pleased to have increased its presence as a dominant tenement holder in the Braemar Iron Province. With South Dam combined and the Braemar JV, we now have control of a 32 strike kilometres of the south western portion of the Braemar Iron Formation considered highly prospective for bulk magnetite iron deposits, such as that found at Hawsons," Carpentaria's Executive Chairman, Nick Sheard said.

Originally subject to a \$1.95 million farm-out to Boynton Metals Group (BMG), the South Dam project has returned to full Carpentaria ownership following the liquidation of BMG and its failure to meet the minimum requirement for exploration expenditure.

South Dam is located 200km north of Adelaide and 50km from the national rail line. It covers an 11-km long magnetic

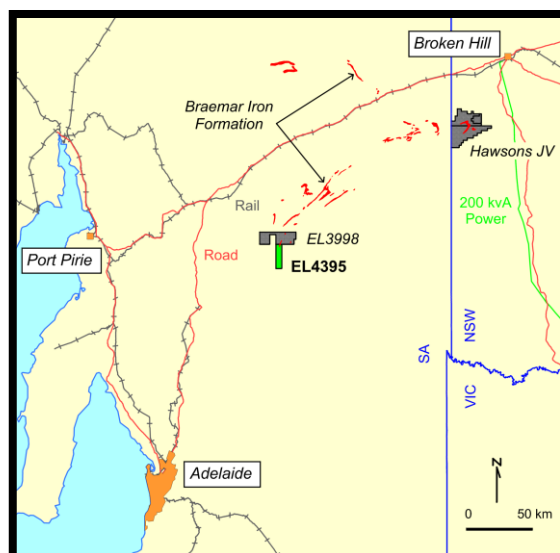


Figure 1: Location Plan of CAP's tenements



anomaly along the western limb of a large fold structure of the Braemar Iron Formation.

It is contiguous with EL3998, where CAP is farming-in to explore over 20km of highly magnetic Braemar Iron Formation for more bulk tonnage magnetite iron-ore mineralisation, under the terms of the Braemar JV with Maosen Australia Pty Ltd.

When combined, the tenements are a strategic holding in the emerging Braemar Iron Province which complements Carpentaria's Hawsons magnetite iron-ore resource of **1.4 Bt @ 15.5% Davis Tube Mass Recovery at a concentrate grade of 69.9% Fe and 2.5% SiO₂**, as announced in December 2010.

Significantly, drilling conducted in the third quarter of 2012 at Area D of the Braemar JV intersected thick magnetite bearing siltstones similar to those at Hawsons (Figures 2 and 3).

The drilling returned a best result of **108m at 28.1% Davis Tube Mass Recovery (DTR) with concentrate grades of 64.5% Fe and 8.8% SiO₂** in drill-hole RC12BM002. The drilling and magnetic modelling indicates the mineralisation is at least 150m true thickness (refer ASX announcement dated 20 January 2013).

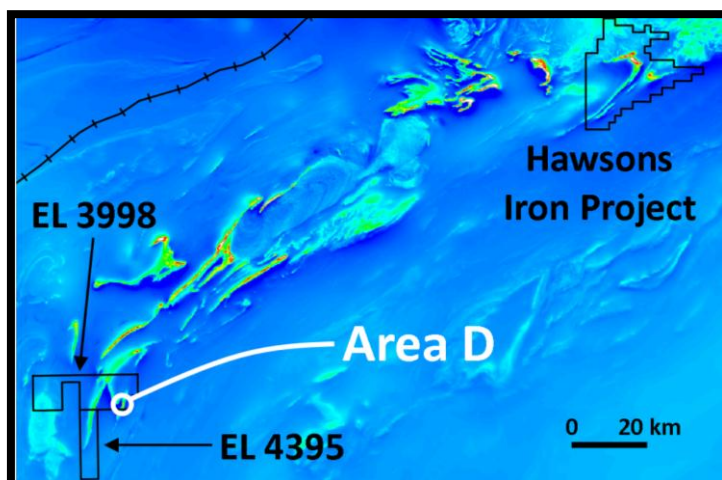


Figure 3: CAP's tenements on aeromagnetic image

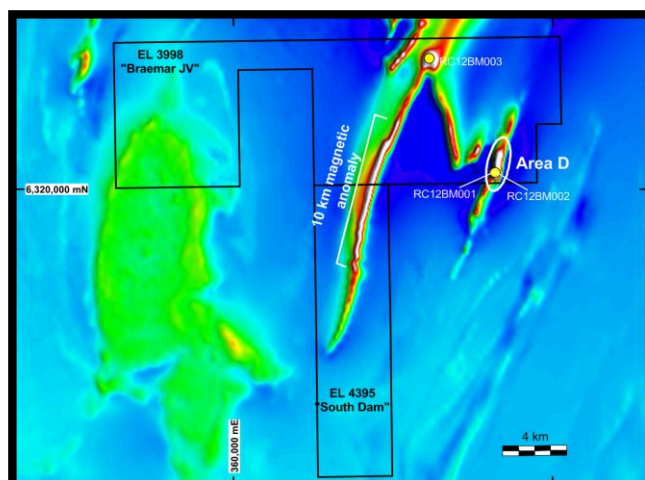


Figure 2: South Dam and Braemar JV over magnetics (Red interpreted as Braemar Iron Formation)

Mr Sheard said: "Carpentaria's retention of full equity and resumption of exploration management at South Dam, when consolidated with the contiguous Braemar JV, enables us to progress assessing the iron ore potential along a key strategic area of the iron-rich Braemar Belt.

"The consolidation of exploration rights to this southern parcel of the Braemar Iron Province, when combined with our Hawsons resource, confirms Carpentaria as major explorer and developer in this emerging iron ore province.

"The location of these combined exploration licences is close to established rail, road and port infrastructure, adds a considerable dimension to our project pipeline spanning tin, tungsten, copper and gold as well as iron ore."

The Braemar region is included in current regional planning by the South Australian Government to assist development of the state's resources. The government has identified an estimated \$60 billion worth of minerals and energy projects targeting development over the next decade.



ASX ANNOUNCEMENT

"Carpentaria has already achieved success in the Braemar Iron Formation at Hawsons. We will be applying the same exploration techniques and experience as we explore these prospective new tenements, seeking to maximise shareholder value through new economic discoveries," Mr Sheard said.

Yours sincerely

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

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.