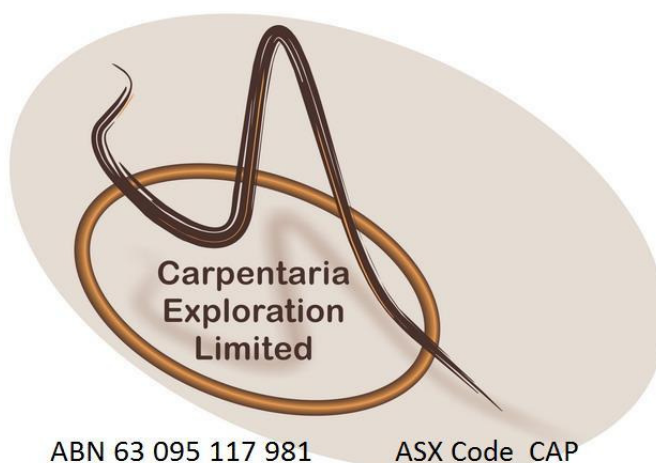




ABN 63 095 117 981

ASX Code CAP

INTERIM FINANCIAL REPORT

FOR THE HALF-YEAR ENDED 31 DECEMBER 2012



CORPORATE DIRECTORY

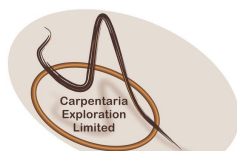
Board of Directors

Nick Sheard	Executive Chairman
Bob Hair	Non-Executive Director
Bin Cai	Non-Executive Director
Dr Neil Williams	Non-Executive Director
Paul Cholakos	Non-Executive Director

Company Secretary

Chris Powell

Registered Office Level 6 345 Ann Street Brisbane Qld 4000 PO Box 10919 Adelaide Street Brisbane QLD 4000 Telephone: +61 7 3220 2022 Facsimile : +61 7 3220 1291 Email: info@capex.net.au Website: www.carpentariaex.com.au	Solicitors HWL Ebsworth Level 23, Riverside Centre, 123 Eagle Street Brisbane Qld 4000
Auditors BDO Audit Pty Ltd Level 18, 300 Queen Street Brisbane QLD 4000 Telephone: 07 3237 5999 Fax: 07 3221 9227 Website: www.bdo.com.au	Share Registry Link Market Services Limited Level 19 324 Queen Street Brisbane QLD 4000 Telephone: 1300 554 474 Facsimile: 02 9287 0303 Website: www.linkmarketservices.com.au



DIRECTORS' REPORT

Your directors present their report on Carpentaria Exploration Limited (the Company) and its controlled entities (the Consolidated Entity) for the half-year ended 31 December 2012.

DIRECTORS

The names and details of the Directors of Carpentaria Exploration Limited (Carpentaria) in office at the date of this report or at any time during the financial period are:

Name	Position	Period of directorship
Stuart Nicholas Sheard	Executive Chairman	Appointed March 2007
Robert William Hair	Non-Executive Director	Appointed August 2007
Bin Cai	Non-Executive Director	Appointed May 2011
Dr Neil Williams	Non-Executive Director	Appointed 1 January 2012
Paul Cholakos	Non-Executive Director	Appointed 2 April 2012

OPERATING RESULTS

For the half-year ended 31 December 2012, the loss for the Consolidated Entity after providing for income tax was \$859,584 (2011: profit of \$1,600,636).

REVIEW OF OPERATIONS

Exploration

At Hawsons Iron Project, ongoing metallurgical work and permitting advances have been achieved during the period. An updated resource estimate has been delivered for the Yanco Glen Inferred Tungsten Resource and drilling at the Braemar Joint Venture intersected thick iron mineralization.

Hawsons Iron Project

During the half year, the Hawsons Iron Project was granted State Significant Development status and the Director General's Requirements for an Environmental Impact Statement were received from the New South Wales Government. This major step will allow Carpentaria to proceed with certainty towards a mining lease application.

A memorandum of understanding was signed with rail provider Genesee and Wyoming Australia Pty Ltd. for the transport of 5 million tonnes per annum (Mtpa) of magnetite concentrate with possible expansion to 20 Mtpa from a location near Broken Hill to near the port of Port Pirie.

Processing test work has continued with positive preliminary results indicating the assumptions used in the process flow sheet are reasonable. This work is ongoing.

Other work at Hawsons includes initiation of discussions with Transgrid, the electricity supplier, and ongoing environmental monitoring.

Other Projects

At the *Broken Hill tin/tungsten project*, following a drilling campaign last period, a revised Inferred Resource estimate has been established for the Yanco Glen tungsten deposit. The new resource has doubled the contained tungsten metal. Elsewhere, reconnaissance sampling for tin, tungsten and base metals was done.

At the *Braemar Joint Venture* a 500m reverse circulation drilling program was completed directed to discovery of Hawsons style magnetite siltstone mineralization. The results were positive with broad intersections of mineralization. This work also fulfilled Carpentaria's Stage one joint venture obligations. Iron mineralization was also confirmed at the *Torrowangee* project by one drill hole.

Carpentaria continued working on its gold portfolio, adding the *Tooloom* application and doing reconnaissance sampling at its *Barellan* licence. Elsewhere at *Temora*, access to land is awaited.



At the *Mt Agate Joint Venture*, where ActivEX is earning 75%, 1231m of reverse circulation drilling was completed following detailed soil and rock chip testing. Results are being assessed.

Rehabilitation work was completed at the *Koonenberry* nickel project.

Competent Person Statement The information in this report that relates to Exploration Results is based on information compiled by Mr Nick Sheard, who is a Fellow of the Australian Institute of Geoscientists and is a Registered Professional Geoscientist -Mineral Exploration and Geophysics. Mr Sheard is a full time employee of Carpentaria Exploration Limited and Mr Sheard has sufficient expertise 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'. Mr Sheard consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

EVENTS AFTER BALANCE SHEET DATE

There have been no events since 31 December 2012 that impact upon the financial report.

AUDITOR'S INDEPENDENCE DECLARATION

The Auditor's Independence Declaration under s307c of the *Corporations Act 2001* is set out on page 6 and forms part of the Directors' report.

Signed in accordance with a resolution of the Board of Directors

A handwritten signature in blue ink, appearing to read "S N Sheard".

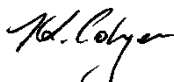
S N Sheard
Executive Chairman
Dated this 1st day of March 2013

**DECLARATION OF INDEPENDENCE BY K L COLYER TO THE DIRECTORS OF CARPENTARIA
EXPLORATION LIMITED**

As lead auditor for the review of Carpentaria Exploration Limited for the half-year ended 31 December 2012, I declare that to the best of my knowledge and belief, there have been:

- no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Carpentaria Exploration Limited and the entities it controlled during the period.



K L Colyer
Director

BDO Audit Pty Ltd

Brisbane, 1 March 2013



**Consolidated Statement of Comprehensive Income
For the Half-Year Ended 31 December 2012**

	Note	Half-Year Ended December 2012 \$	Ended December 2011 \$
Revenue		102,109	282,451
Gain on disposal of equity accounted investment		-	2,943,098
Fair value gain/ (loss) on financial assets at fair value through profit or loss		43,692	(861,587)
Employment benefit expenses		(462,861)	(627,231)
Depreciation and amortisation expense		(52,268)	(47,635)
Finance costs		(8,106)	(10,486)
Impairment of exploration expenditure		-	(4,746)
Impairment of receivables		-	(125,000)
Rental and other lease expenses		(83,000)	(61,521)
Administration and project generation expenses	4	(1,052,484)	(611,707)
Profit/(loss) before income tax		(1,512,918)	875,636
Research and development income tax refund		653,334	725,000
Profit/(loss) after income tax		(859,584)	1,600,636
Other comprehensive income		-	-
Total comprehensive income		(859,584)	1,600,636
		Cents	Cents
Earnings per share			
Basic earnings/(loss) per share		(0.81)	1.69
Diluted earnings/(loss) per share		(0.81)	1.67

The Consolidated Statement of Comprehensive Income should be read in conjunction with the Notes to the Financial Statements.



**Consolidated Balance Sheet
As at 31 December 2012**

	Note	December 2012 \$	June 2012 \$
CURRENT ASSETS			
Cash and cash equivalents		4,455,328	6,338,447
Trade and other receivables		143,164	208,664
Financial assets at fair value through profit or loss		1,234,272	1,190,580
Other current assets		351,700	340,645
TOTAL CURRENT ASSETS		6,184,464	8,078,336
NON-CURRENT ASSETS			
Plant and equipment		191,591	190,869
Exploration assets		9,945,719	8,248,488
Intangible assets		47,164	62,643
TOTAL NON-CURRENT ASSETS		10,184,474	8,502,000
TOTAL ASSETS		16,368,938	16,580,336
CURRENT LIABILITIES			
Trade and other payables		525,029	378,263
Borrowings		117,891	91,633
Provisions		118,976	115,688
TOTAL CURRENT LIABILITIES		761,896	585,584
NON-CURRENT LIABILITIES			
Borrowings		50,094	99,070
TOTAL NON-CURRENT LIABILITIES		50,094	99,070
TOTAL LIABILITIES		811,990	684,654
NET ASSETS		15,556,948	15,895,682
EQUITY			
Share capital	2	18,225,593	17,629,473
Share based payment reserve		1,942,207	2,017,477
Accumulated losses		(4,610,852)	(3,751,268)
TOTAL EQUITY		15,556,948	15,895,682

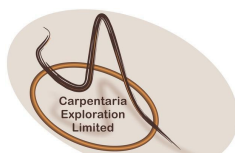
The Consolidated Balance Sheet should be read in conjunction with the Notes to the Financial Statements.



**Consolidated Statement of Changes in Equity
For the Half-Year Ended 31 December 2012**

	Share Capital	Share Based Payment Reserve	Accumulated Losses	Total
	\$	\$	\$	\$
Balance at 1 July 2011	16,938,223	2,033,078	(4,157,206)	14,814,095
Transactions with owners in their capacity as owners				
Issue of share capital	56,250	-	-	56,250
Share-based payment expense	-	193,320	-	193,320
Transfers	-	-	-	-
Total	56,250	193,320	-	249,570
Comprehensive income				
Profit after income tax	-	-	1,600,636	1,600,636
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	1,600,636	1,600,636
Balance at 31 December 2011	16,994,473	2,226,398	(2,556,570)	16,664,301
Balance at 1 July 2012	17,629,473	2,017,477	(3,751,268)	15,895,682
Transactions with owners in their capacity as owners				
Issue of share capital	408,800	-	-	408,800
Share-based payment expense	-	112,050	-	112,050
Transfers	187,320	(187,320)	-	-
Total	596,120	(75,270)	-	520,850
Comprehensive income				
Loss after income tax	-	-	(859,584)	(859,584)
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	(859,584)	(859,584)
Balance at 31 December 2012	18,225,593	1,942,207	(4,610,852)	15,556,948

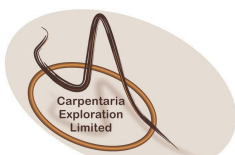
The Consolidated Statement of Changes in Equity should be read in conjunction with the Notes to the Financial Statements.



**Consolidated Cash Flow Statement
For the Half-Year Ended 31 December 2012**

	Half-Year Ended December	
	2012	2011
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments to suppliers and employees	(1,058,777)	(1,428,095)
Interest received	144,698	393,770
Interest paid	(8,106)	(10,486)
Research and development income tax refund received	653,334	725,000
Net cash used in operating activities	(268,851)	(319,811)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for property, plant & equipment	(12,135)	(21,625)
Proceeds from sale of equity accounted associate	-	502,877
Proceeds received for exploration and evaluation assets	-	959,172
Payments for exploration and evaluation assets	(1,959,852)	(1,662,751)
Net cash (used in)/ provided by investing activities	(1,971,987)	(222,327)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	408,800	-
Share issue costs	-	-
Funds received from equity accounted associate	-	726,496
Repayments of borrowings	-	(7,937)
Repayment of finance leases	(51,081)	(49,189)
Net cash provided by financing activities	357,719	669,370
Net increase/(decrease) in cash and cash equivalents	(1,883,119)	127,232
Cash and cash equivalents at the beginning of the half-year	6,338,447	9,197,766
Cash and cash equivalents at the end of the half-year	4,455,328	9,324,998

The Consolidated Cash Flow Statement should be read in conjunction with the Notes to the Financial Statements.



NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

Carpentaria Exploration Limited (the "Company") is a company domiciled in Australia. The consolidated interim financial report of the Company as at and for the six months ended 31 December 2012 comprises the Company and its controlled entities (together referred to as the "Consolidated Entity").

Statement of Compliance

The consolidated interim financial report is a general purpose financial report which has been prepared in accordance with AASB 134 Interim Financial Reporting and the Corporations Act 2001. The Company is a for-profit entity for the purpose of preparing the interim financial report.

The consolidated interim financial report does not include all of the information required for a full annual financial report, and should be read in conjunction with the consolidated annual financial report of the Consolidated Entity as at and for the year ended 30 June 2012.

This consolidated interim financial report was approved by the Board of Directors on 1 March 2013.

Accounting Policies

The accounting policies and methods of computation applied by the Consolidated Entity in the consolidated interim financial report are the same as those applied by the Consolidated Entity in its consolidated financial report as at and for the year ended 30 June 2012.

New and revised standards have been issued by the AASB and are effective for the half-year; however there are no material changes to the policies that affect measurement of the results or financial position of the Consolidated Entity.



	December 2012 \$	June 2012 \$
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NOTE 2 SHARE CAPITAL

Fully paid ordinary shares	18,225,593	17,629,473
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Ordinary Shares

	Dec 2012 \$	Dec 2011 \$	Dec 2012 #	Dec 2011 #
At the beginning of the period	17,629,473	16,938,223	96,491,301	94,341,301
Share placement ¹	-	56,250	-	250,000
Exercise of options ²	408,800	-	2,800,000	-
Transfers from share based payment reserve	187,320	-	-	-
At reporting date	18,225,593	16,994,473	99,291,301	94,591,301

Non-recourse employee shares (NRE)

At reporting date	-	-	7,400,000	10,400,000
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Treasury shares

At reporting date	-	-	1,300,000	-
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Total Ordinary, NRE and Treasury Shares	18,225,593	17,629,473	107,991,301	104,991,301
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¹ June 2012: 250,000 ordinary fully paid shares issued at \$0.225 each in consideration for land access rights. 200,000 ordinary fully paid shares issued at \$0.350 each in consideration for acquiring an interest in exploration licence EL 3998.

² December 2012: 2,800,000 options were exercised during the period for consideration of \$408,800. Exercise prices ranged between \$0.114 and \$0.29 per share.



NOTE 2 SHARE CAPITAL (continued)

Options

Expiry Date	Exercise Price	Movements				
		1 July 2012	Issued	Exercised	Expired	31 December 2012
31 July 2012	\$0.114	700,000	-	(700,000)	-	-
26 November 2012	\$0.150	2,000,000	-	(2,000,000)	-	-
16 February 2013	\$0.250	600,000	-	-	-	600,000
2 March 2013	\$0.850	1,300,000	-	-	-	1,300,000
15 December 2014	\$0.290	2,700,000	-	(100,000)	-	2,600,000
29 November 2015	\$0.440	-	1,500,000	-	-	1,500,000
		7,300,000	1,500,000	(2,800,000)	-	6,000,000

NOTE 3 SEGMENT REPORTING

Reportable Segments

The Consolidated Entity has identified its operating segment based on internal reports that are reviewed and used by the executive team in assessing performance and determining the allocation of resources. The Consolidated Entity does not yet have any products or services from which it derives an income.

Accordingly, management currently identifies the Consolidated Entity as having only one reportable segment, being exploration for minerals in Australia. The financial results from this segment are equivalent to the financial statements of the consolidated entity. There have been no changes in the operating segments during the year.

All assets are located in Australia.

NOTE 4 PROFIT/ LOSS

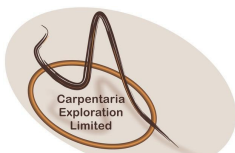
	Half-Year Ended December	
	2012	2011
	\$	\$
Included in profit/(loss) are the following specific expenses:		
Legal expenses	437,986	60,786
Project generation expenses	92,314	74,230

NOTE 5 CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There are no contingent liabilities or contingent assets at 31 December 2012 that require disclosure in the financial report.

NOTE 6 EVENTS AFTER BALANCE SHEET DATE

There have been no events since 31 December 2012 that impact upon the financial report.



DIRECTORS' DECLARATION

In the directors' opinion:

- the attached financial statements and notes thereto comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes thereto give a true and fair view of the consolidated entity's financial position as at 31 December 2012 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5) of the Corporations Act 2001.

On behalf of the directors

A handwritten signature in blue ink, appearing to read "S N Sheard", is written over a light blue horizontal line.

S N Sheard
Executive Chairman

Brisbane
1 March 2013

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Carpentaria Exploration Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Carpentaria Exploration Limited, which comprises the consolidated balance sheet as at 31 December 2012, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated cash flow statement for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the disclosing entity and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the disclosing entity are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2012 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Carpentaria Exploration Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

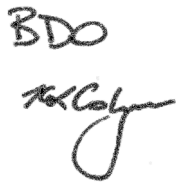
In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Carpentaria Exploration Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Carpentaria Exploration Limited is not in accordance with the *Corporations Act 2001* including:

- A. giving a true and fair view of the consolidated entity's financial position as at 31 December 2012 and of its performance for the half-year ended on that date; and
- B. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

BDO Audit Pty Ltd



K L Colyer

Director

Brisbane, 1 March 2013