ASX ANNOUNCEMENT

Quarterly Report

For the Quarter ended 30 June 2013

ABN: 63 095 117 981 | ASX: CAP

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

29 July 2013

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 107,991,301

MAJOR SHAREHOLDERS:
Silvergate Capital 19.7%

Conglin In't Invest' Group 9.7%

Mr. Conglin Yue 3.4%

Management, Including Unlisted Options 14.45%

FINANCIAL
Cash on hand as at 30/06/2013 A$4,136,000

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CARPENTARIA EXPLORATION LIMITED

www.capex.net.au

Highlights

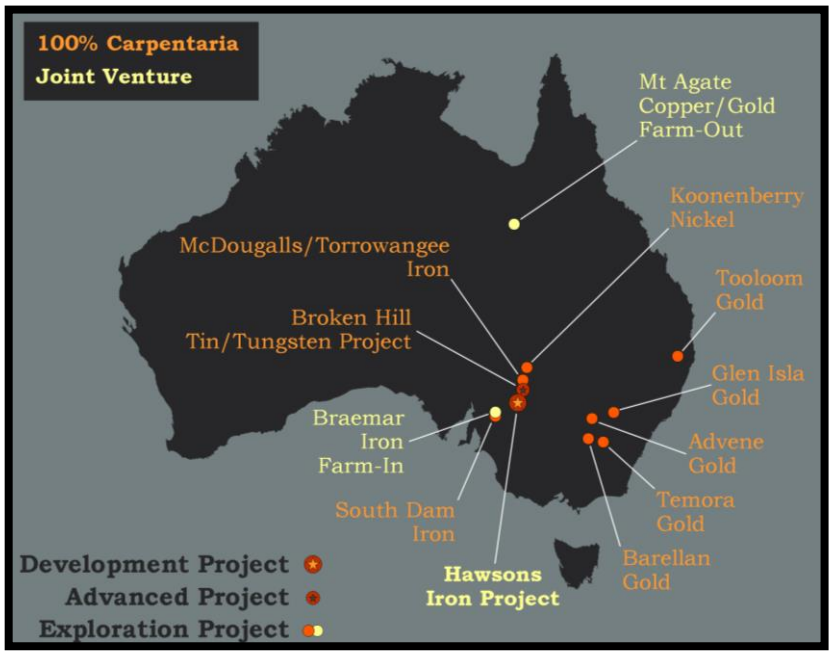
HAWSONS IRON PROJECT:

- **Hawsons JV with Pure Metals finalised**
- **CAP paid $1.0 million, with a further $2.8m due by 9th September 2013 from Pure Metals**
- **Pure Metals assumes management of Hawsons Iron Project and retains key project personnel ensuring continuity**
- **Positive thickening tests reduce processing water requirements by over 30%, reducing capital and operating cost estimates**
- **Project work continues with**
  - **Significant aquifer test drilling planned**
  - **EIS progressing on schedule**
  - **Preliminaries of Mining Lease Application**

CENTRAL LACHLAN GOLD EXPLORATION

- **Advene and Tooloom licences granted, exploration commences**

Project Locations



PLANNED SEPTEMBER QUARTER EXPLORATION ACTIVITIES

Hawsons Iron Project

Carpentaria (CAP) and Pure Metals (PM) have completed a new joint venture agreement (JV) and have agreed on a budget and work program which has commenced. The program is directed to maintaining project schedules and applying for a mining lease in early Q3 as detailed below. CAP and PM have established a management committee and, as per the JV, PM has assumed management from 1st July 2013.

Barellan

Field reconnaissance of iron stone occurrences not covered by crops.

Braemar JV/South Dam

Undertaking further metallurgical tests on earlier drilling samples.

Broken Hill Tin/Tungsten/Base Metals Project

Awaiting petrographic observations to inform metallurgical tests to maximise recoveries. Further prospecting will continue on the Corona licence.

Temora Gold/Copper Project

Access approval from NSW Department of Lands to undertake exploration still pending.

Tooloom and Advene

Awaiting results from geochemical orientation surveys to inform design of initial exploration programs at Advene. Commencing land access negotiations at Tooloom.

EXPLORATION UPDATE

Hawsons Iron Project JV

On 4th May 2013 the joint venture, as outlined in the earlier terms sheet with Pure Metals, was finalised. Pure Metals has completed its acquisition of a 40% share in the Hawsons Iron Project joint venture following assignment from the BMG liquidator in late May 2013. Under the agreement Pure Metals has paid Carpentaria $1 million and it has been agreed that a final payment of $2.8 million will be paid on or before 9th September 2013. All court proceedings in relation to the sale of the 40% interest by the BMG liquidator to Pure Metals have been completed.

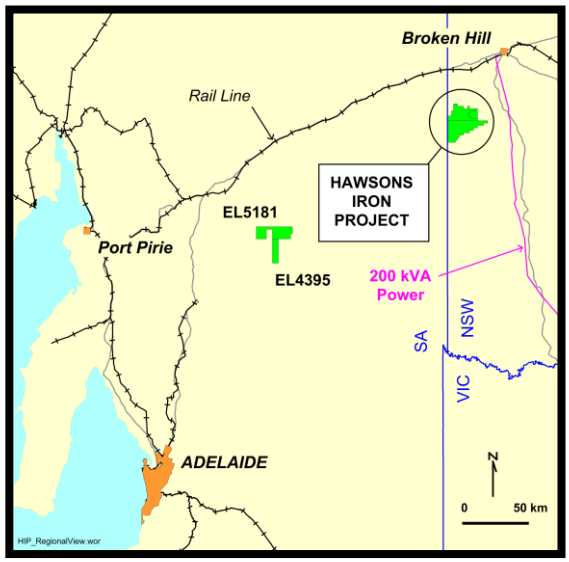


Figure 1. Location of Hawsons Iron Project and Braemar Project (EL4395 and EL5181)

Pure Metals has been sole funding the project since May 2013 and is required to fund $5 million within the next 12 months to retain its 40% interest.

Under the JV, Pure Metals has assumed management of the Hawsons Iron Project to implement a $5.0 million work program agreed by the joint venturers and sole funded by Pure Metals.

Key project personnel, including the Project Director have been retained by Pure Metals, ensuring continuity. The program is now overseen by a Management Committee chaired by Carpentaria.

The program is designed to undertake critical paths for a bankable feasibility study, and priority work includes:

- significant test drilling of the proposed saline project water supply to confirm estimated flow rates and water quality;
- expanding the scope of stakeholder consultation;
- continuing detailed studies and monitoring for the environmental impact statement (EIS) including consideration of water and transport corridors in NSW;
- preparation of a Mining Lease Application; and
- investigation of a 10Mtpa production case utilising existing infrastructure and significantly reduced capital requirements.

Processing test work

Test work completed by Outotec, a leading international minerals processing company, has demonstrated that the project's prefeasibility water requirement estimate can be reduced by over 30% (refer announcement 21st November 2011). If realised, this saving would significantly reduce the footprint of the tailings and water reclamation facility and stop the need to construct a tailings embankment leading to very significant reduction in capital costs and operating costs. This very encouraging result has been achieved by investigating different but conventional paste thickening of tailings.

Indicative hydro-separation test work, also carried out by Outotec, has confirmed the potential to upgrade the concentrate significantly, with results showing significant rejection of waste and very low loss of magnetic iron. Hydro-separators are designed to remove additional silica and other impurities from the concentrate stream.

Hydro-separation is low cost and included in the current flow sheet. The results were better than expected. These results combined with small scale ball mill results reported last quarter indicate there is potential to produce a high grade quality concentrate in line with previous test work of greater than 69% Fe without the need of Isa Milling, potentially removing one stage of grinding and further reducing capital and operating costs. This will be tested in future pilot plant test work.

Carpentaria has previously stated that sufficient project water to support any process options is present in a deep saline aquifer approximately 80km from site.

About Hawsons

The Hawsons Iron Project is located 60 km southwest of Broken Hill (Figure 1) and includes: i) an **Inferred magnetite Resource of 1.4Bt at a Davis Tube Recovery (DTR) of 15.5% (12% cut off) containing 220 million tonnes of high grade (69.9% Fe) concentrate** and ii) an **exploration target[1] of 6 to 11Bt at 14 to 17% DTR**. The results of a pre-feasibility study (PFS) were updated following a mining optimisation study and were released to the ASX on 21 November 2011.

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

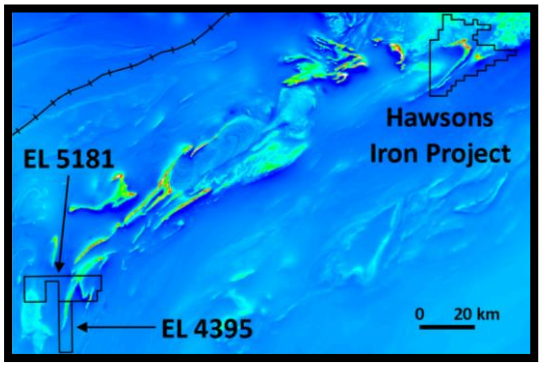


Figure 2. Magnetic image showing the Braemar Iron Formation and CAP's tenements

<u>Braemar JV (CAP earning in) and South Dam (CAP 100%)</u>
EL 5181 (formerly EL 3998), EL 4395

EL 5181 is located over the southern end of the highly prospective Braemar Iron Formation which hosts Carpentaria's flagship Hawsons Iron Project in NSW (Figure 2). The Braemar JV tenement and the contiguous South Dam licence, EL 4395 covers over 32 line kms of highly magnetic Braemar Iron Formation.

Petrographic observation shows that the magnetite at Braemar is

[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*

finer-grained than that at Hawsons. Therefore, it would probably require processing with a different circuit from that proposed for Hawsons and processing costs to produce a high grade concentrate may be higher than that at Hawsons. However a lower grade but still saleable concentrate may be able to be simply produced from the Braemar and South Dam Projects. Further metallurgical tests will be required.

Under the terms of the agreement CAP has until April 2015 to earn 60% of the project by defining an inferred resource of 200 Mt and providing a cash payment of $100,000.

At South Dam (EL 4395), geophysical interpretation along six km of the highest intensity of the magnetic anomaly indicates a potential thickness of 160 to 230 m for the Braemar Iron Formation. Depth to the top of the Braemar Iron magnetite mineralisation from the geophysical modelling is estimated to be 100 m vertical.

Broken Hill Tin and Tungsten/Base Metal Project (100% CAP)
ELs 6936, 7829, 7921, 7957

The Broken Hill Tin-Tungsten Project contains the Yanco Glen Prospect which includes an Inferred Resource of 3.4 Mt @ 0.11% WO_3 (at 0.05% WO_3 cut-off) containing 3,950 t WO_3 (refer ASX announcement 18 October 2012). It is located 30km north of Broken Hill (Figure 3).

During the quarter, gravity concentrate samples from test work done last quarter on reverse circulation drill chips from the Yanco Glen tungsten resource were sent to for petrographic and scanning electron microscope (SEM) observation. This work will assist interpretation of the data and inform further work in the next quarter. Results are awaited.

Additionally, six 100 kg bulk surface samples were collected from the Yanco Glen resource area. The rock chip channel samples were collected systematically to reflect the anticipated characteristics of the resource. Assay and metallurgical test work will commence this quarter based on results from the petrographic work.

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 by a single, centrally located plant. The tenements are also prospective for base and precious metal mineralisation.

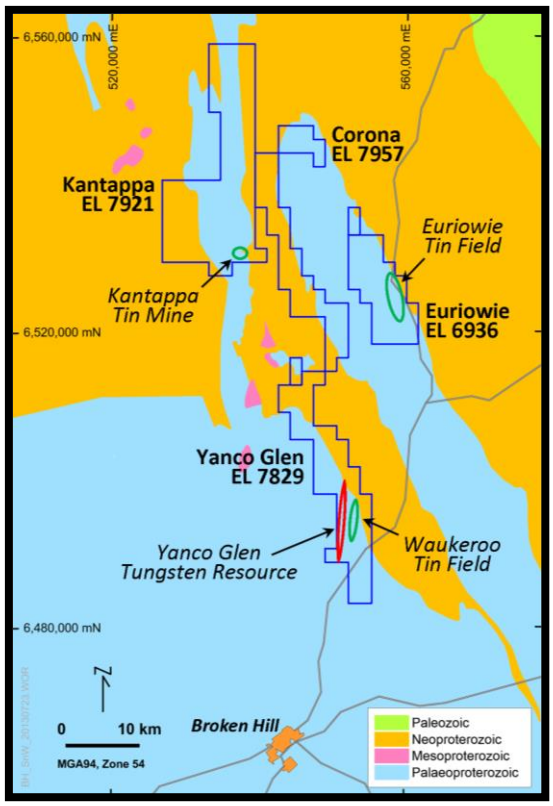


Figure 3. Location plan of the Broken Hill Tin and Tungsten/Base Metal project

Geological and geochemical prospecting was carried out in a number of areas elsewhere in the Corona licence investigating potential base metal and precious metal mineralisation.

Barellan (100% CAP) – Gold, Antimony

EL 7896

The licence is located 240 km north west of Canberra (Figure 4) in the western Lachlan Fold Belt and was secured to explore a number of known but under-investigated surface gold occurrences. The Barellan Prospect is highly gold-antimony-arsenic anomalous and displays a hairline quartz-sulfide vein stock-work hosted by phyllite, interpreted to be situated in the roof-zone of buried granite.

Field work over the main prospect areas will commence following the cropping season. However, reconnaissance of uncropped ironstones will be undertaken in the next quarter.

Temora Project (100% CAP) – Gold, Copper

ELs 6901, 7375 & 7680

This 510 km^2 project is located within the Lachlan Fold Belt approximately 80 km north of Wagga Wagga (Figure 4).

Delays obtaining access to undertake exploration on Crown Land administered by the NSW Department of Lands continue to impact Carpentaria's plans to drill the highly prospective Mother Shipton Gold Prospect. Subject to approvals, detailed work including drill testing of porphyry or related style gold-copper mineralisation associated with the historical Mother Shipton hard-rock and colluvial gold field will be undertaken.

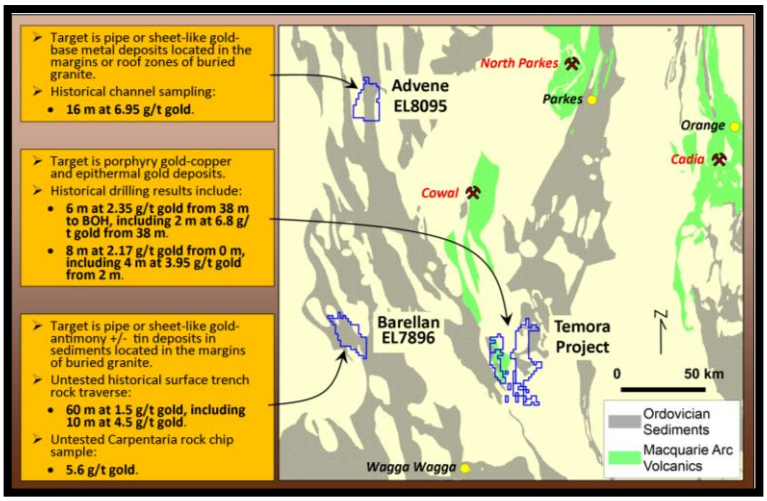


Figure 4. Location of projects in the central Lachlan region with previously reported historical results

Advene 100% CAP – Gold

EL 8095

Advene is located approximately 320km north west of Canberra (Figure 4). Following grant of this tenement during the quarter, a number of landholder access agreements have been completed and others are being negotiated.

An initial field visit to the mapped Advene mineral occurrences (historically known as the Mt Wilga and Josephine Moulder Mines - Photos 1, 2, 3, 4 and Figure 5) and 1980s Aberfoyle drill sites was completed this quarter. The 'Advene' mineral occurrences and previous drill collars were all successfully located.

Photo 1. Main shaft looking west

Photo 2. Second shaft 750 m SE

Photo 3. Eastern mine workings

Photo 4. Gossanous (after sulphide), quartz-flooded breccia: Advene (Josephine Moulder) lode

Forty-two (42) reconnaissance rock and eight (8) orientation stream sediment samples were taken from the vicinity of the Advene mineral occurrences. The samples have been despatched for Au and multi-element analysis - results are awaited.

Observations indicated that at surface the most prominent of the historically worked lodes, Josephine Moulder, is a highly gossanous cockscomb quartz breccia sheet, striking for at least 500 m and up to several metres thick (Photo 4).

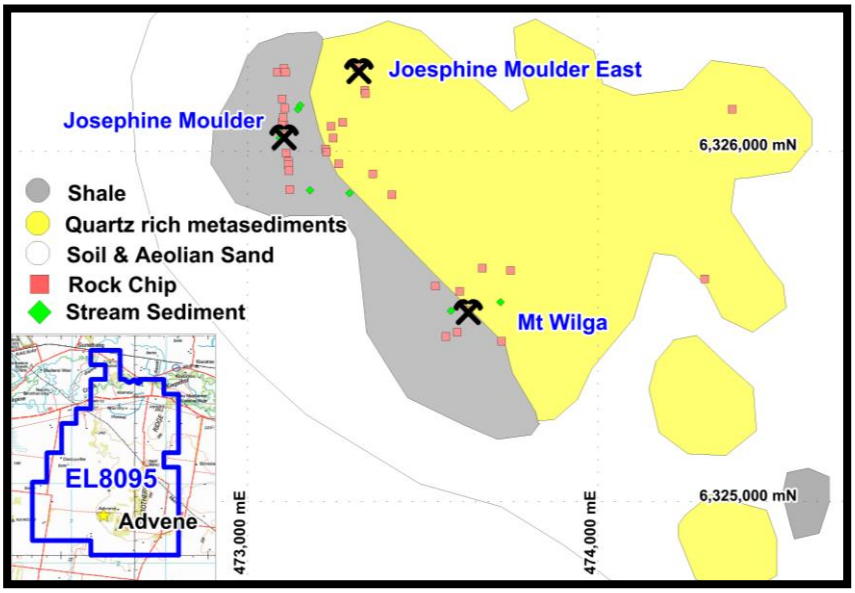


Figure 5. Location of rock and stream sediment sampling sites

Further detailed, large scale geological mapping and channel rock sampling is planned at the lode to establish its full potential as a drill target. However, it is encouraging that the lode is not a simple orogenic quartz vein and is clearly a highly oxidised sulphide, quartz in-filled fracture or fault zone within graphitic pelite and quartz-rich metasediment host rocks, demonstrating potential for an intrusion related gold system.

Similar potentially mineralised and sheeted iron-oxide stained quartz veins were also noted at a number of other locations within a several km radius of the Advene occurrence.

The entire Goobothery Ridge, located in the south eastern quarter of the tenement and over 12km long, is interpreted as a topographically resistant, contact metamorphosed roof zone overlying a buried granite that merits thorough prospecting for intrusion related style gold systems (IRGS).

<u>Tooloom 100% CAP – Gold</u>

EL 8082

The Tooloom ELA was granted during the quarter as EL 8082. It is located in the New England Fold Belt (NEFB) 50km north east of Tenterfield. The licence covers 130 mineral occurrences, of which nearly 100 are gold (Figure 6). The NEFB regionally contains mineralisation associated with Permo-Triassic age intrusions.

The major focus of exploration will be the discovery of intrusion related zones of stock-work and/or breccia-hosted gold mineralisation or bulk alteration zone gold-silver-base metal mineralisation. Review of historical data is nearing completion and landholder access process has commenced.

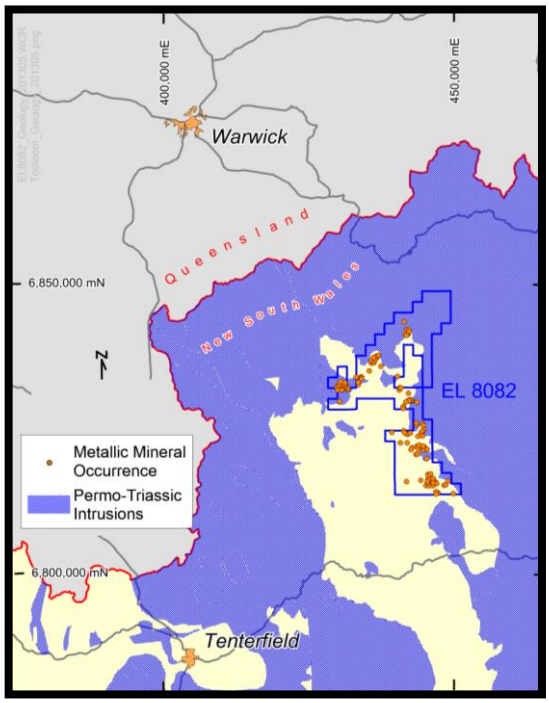


Figure 6. Location of EL 8082

<u>Mount Agate (ActivEX Ltd earning 75%) – Copper, Gold</u>

EPM 14955

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.

No field activities were conducted by ActivEx on EPM 14955 this quarter.

Koonenberry (100% CAP) – Nickel, Platinum Group Elements

ELs 7735, 7736, 7737, 7738, 7739 & 7740

This project is located approximately 120km north of Broken Hill (Figure 7). Following a review of all historical exploration and Carpentaria's exploration results during the first two year tenure of the Koonenberry project, major (75%) tenement reductions were undertaken this quarter. A number of prospects have been retained for further investigation including the Wyuna Tank Prospect where Carpentaria intersected anomalous nickel and copper mineralisation in RC drilling early in 2012 (30 m at 0.11% Ni and 10 m at 0.18% Ni).

No field activities were completed during the quarter.

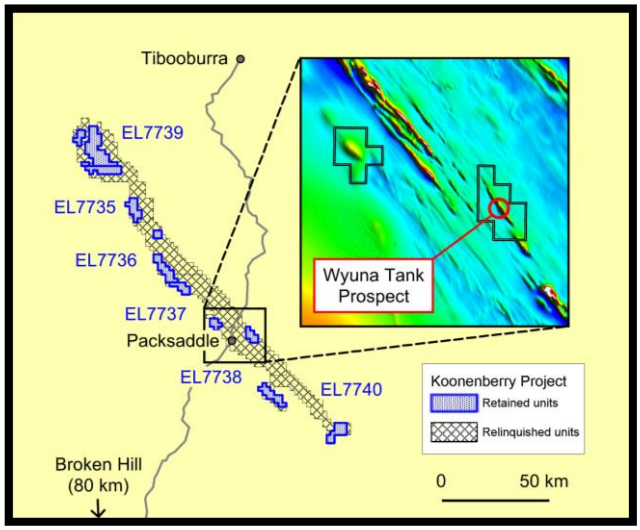


Figure 7. Koonenberry location plan

McDougalls/Torrowangee (100% CAP) – Iron Ore

ELs 7655, 7656, 7657, 7741 &7823

The McDougalls project is centred 100km north of Broken Hill. No work was conducted on these tenements this quarter.

Sincerely

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

Advene EL 8095

Sampling Table as per ASX requirements

Criteria	Explanation
Sampling techniques and data • *(criteria in this group apply to all succeeding groups)*	
Sampling techniques.	• Rock chip samples were collected using hand tools. • Drainage samples were collected with hand tools, large fragments were removed.
Drilling techniques.	• N/A
Drill sample recovery.	• N/A
Logging.	• Samples were observed by a qualified geologist, detailing sample type and quality. All data was recorded in Excel spread sheets.
Sub-sampling techniques and sample preparation.	• N/A
Quality of assay data and laboratory tests.	• All samples were analysed by an independent, certified laboratory. Analytical methods used included inductively coupled plasma (ICP) atomic emission spectroscopy (total method) and fire assay with atomic absorption spectroscopy (total method) for gold. • Laboratory standards and replicate samples were used for quality control purposes.
Verification of sampling and assaying.	• Laboratory Replicates were used to verify analytical results.
Location of data points.	• Sample points were located using a hand-held GPS with an accuracy of +/-5 m.
Data spacing and distribution.	• All sample locations shown on figure XYZ
Orientation of data in relation to geological structure.	• Samples collected with variable geometry – orientation work.
Audits or reviews.	• N/A
Reporting of Exploration Results • *(criteria listed in the preceding group apply also to this group)*	
Mineral tenement and land tenure status.	• EL8095 is 100% owned by Carpentaria Exploration Ltd. • The licence is located south western NSW approximately 40 km west of the town of Condobolin
Exploration done by other parties.	• 1980's Aberfolye drilled six shallow, angle (~90m) open, percussion air holes into the oxidised part of the Advene/ Mt Wilga Prospect (Josephine Moulder). • A relatively small number of other post 1970 explorers have undertaken limited rock sampling and geological observations with EL 8095. • Artesian underground gold mining of unknown production occurred at some time around the turn of the twentieth century.
Geology.	• The Advene Licence is regionally situated in the Central Lachlan Fold Belt. Geology comprises folded and contact metamorphosed Ordovician argillaceous and arenaceous sediments located in interpreted aureole (roof?) to Siluro-Devonian granitic batholith.

Criteria	Explanation
Data aggregation methods.	• N/A
Relationship between mineralisation widths and intercept lengths.	• N/A
Diagrams.	• See attached figure XYZ and photographs 1,2,3 & 4
Balanced reporting.	• N/A
Other substantive exploration data.	• Public domain regional geological and geophysical datasets and publications - explanatory notes for Cargelligo 1:250K map-sheet.
Further work.	• Pending results of orientation rock and stream sampling and further geological field mapping.

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-13**

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	-	-
1.2	Payments for		
	(a) exploration and evaluation	(1,132)	(3,972)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(285)	(2,165)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	29	207
1.5	Interest and other costs of finance paid	(3)	(14)
1.6	Income taxes received	1,448	2,101
1.7	Other (provide detail if material)	-	-
	Net Operating Cash Flows	57	(3,843)
	Cash flows related to investing activities		
1.8	Payment for purchases of:		
	(a)prospects	-	-
	(b)equity investments	-	-
	(c) other fixed assets	-	(12)
1.9	Proceeds from sale of:		
	(a)prospects	1,139	1,139
	(b)equity investments	-	210
	(c)other fixed assets	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other - Exploration Advance	-	-
	Net investing cash flows	1,139	1,337
1.13	Total operating and investing cash flows (carried forward)	1,196	(2,506)

+See chapter 19 for defined terms

1.13	Total operating and investing cash flows (brought forward)	1,196	(2,506)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	409
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	(27)	(105)
1.18	Dividends paid	-	-
1.19	Other (provide detail if material)	-	-
	Net financing cash flows	(27)	304
	Net increase (decrease) in cash held	1,169	(2,202)
1.20	Cash at beginning of quarter/year to date	2,967	6,338
1.21	Exchange rate adjustments to item 1.20		
1.22	**Cash at end of quarter**	**4,136**	**4,136**

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	98
1.24	Aggregate amount of loans to the parties included in item 1.10	-

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

+See chapter 19 for defined terms

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	114	114
3.2	Credit standby arrangements	-	-

Estimated cash outflows for next quarter

		$A'000
4.1	Exploration and evaluation *	627
4.2	Development	0
4.3	Production	0
4.4	Administration	470
	Total	1,097

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	1,286	638
5.2	Deposits at call	2,850	2,329
5.3	Bank overdraft		
5.4	Other (provide details)		
	Total: cash at end of quarter (item 1.22)	4,136	2,967

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		-	-

+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**	99,291,301	
	Options Quoted		
	+Ordinary securities Un-Quoted *(restricted)*		
7.4	Changes during quarter		
	(a) Increases through issues		
	(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	2,600,000	*0.290* *15-Dec-14*
	Unlisted Options CAPAO	1,500,000	*0.440* *29-Nov-15*
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.

_____ 25/07/2011
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.