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5 December 2013

New addition to gold portfolio in world-class NSW province

Highlights

- **Grant of Grong Grong (EL 8189), adjoining existing Barellan Gold project, establishes 702 sq km block in highly prospective Lachlan Fold Belt, New South Wales**
- **Includes historical 16,000 ounce Harry Smith prospect, with previous intersections including 21m at 2.5 g/t gold (Au) and 20m at 2.2 g/t Au, open down dip and along strike**
- **Number of high priority targets for intrusion-related and sulfide fault replacement gold lodes, similar to the plus 1.5 million ounce Fosterville deposit (Victoria)**
- **New project expands CAP's growing strategic gold portfolio in underexplored part of world-class mineral province**

Carpentaria Exploration Limited (ASX:CAP) has expanded its strategic gold portfolio in the world-class Lachlan Fold Belt (LFB), with the grant of the highly prospective Grong Grong licence (EL 8189) near Narrandera, NSW (Figure 1).

Grong Grong adjoins Carpentaria's Barellan tenement for a combined area of 702 sq km, which is prospective for intrusion related gold systems (IRGS) and orogenic sulfide fault replacement hosted deposits (Fosterville style).

In addition to this regional scale prospectivity, the Grong Grong project includes the Harry Smith prospect, where historical drilling identified a coherent gold mineralised structure. Historical drill hole intersections include 21m at 2.5 grams per tonne gold (g/t Au) and 20m at 2.2 g/t Au on the same section, open down dip and along strike, providing a very promising immediate target (Figures 2 and 3).

The LFB is a world class mineral province with a gold endowment of over 100 million ounces, including the Bendigo and Ballarat fields and the major Cadia, Cowal and North Parkes mines.

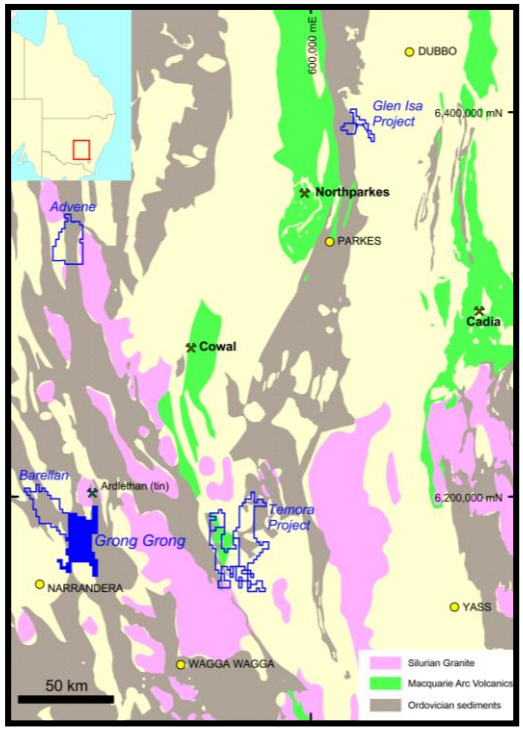

Figure 1. Location Plan over regional geology

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Carpentaria's wholly-owned gold project portfolio now totals 1800 sq km across four projects within the LFB and has potential for discovery of significant IRGS and Fosterville style deposits at its Advene, Barellan and Grong Grong projects, as well as epithermal and/or large porphyry copper gold deposits at its Temora and Glen Isla projects (Figure 1).

Carpentaria is focused on quickly advancing the latest addition to its gold portfolio and field reconnaissance will begin this month.

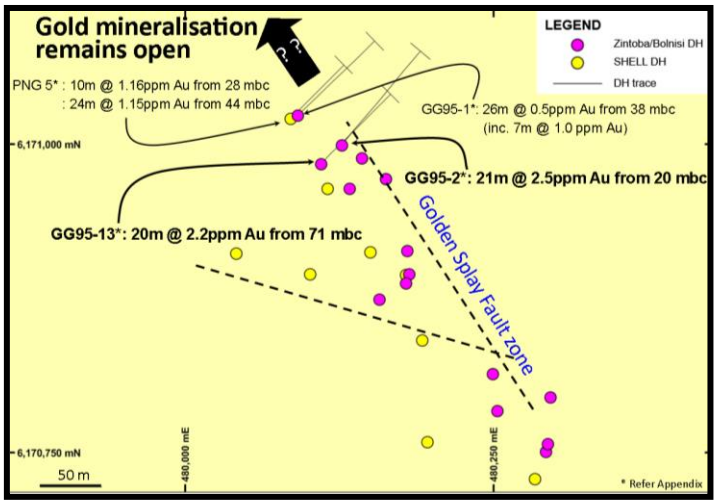

Figure 2. Summary plan of Harry Smith prospect (mbc-metres below collar)

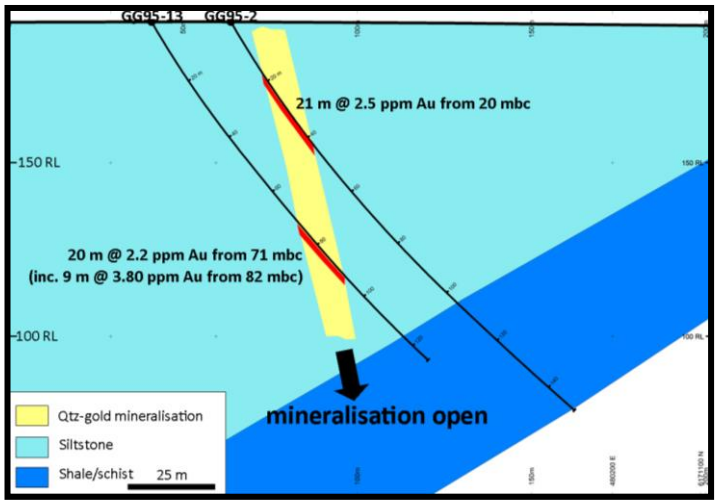

Figure 3.Cross section of Harry Smith prospect

Carpentaria's Managing Director, Quentin Hill said, "Grong Grong is a highly attractive prospect, due to its prospectivity for IRGS-style gold deposits and it also has the benefit of an existing drill target."

"When combined with the encouraging recent results at our Advene Gold Project and existing prospects at Barellan and Temora, Carpentaria has assembled a strategic gold portfolio with great potential for discovery."

"It is rare to find such prospects with existing untested near economic drill hole intersections available on open ground at no acquisition cost. Carpentaria will continue to exploit these opportunities and explore for gold during this down turn in market sentiment. However some recent market commentary has suggested that only 5% of gold companies would be making money at current gold prices, and if this is even partly true, supply will contract and prices will likely rebound. " he added.

Grong Grong Project

The Grong Grong licence contains both known prospects and poorly explored, near surface regional geological potential. IRGS and orogenic sulfide fault replacement gold lodes, similar in style to the plus 1.5 million ounce Fosterville deposit near Bendigo, Victoria are target models.

The licence covers an unusual 20 x 10 km lozenge shaped magnetic and geological block of highly deformed, likely altered and granite intruded Ordovician metasediment. Gold mineralisation known at Harry Smith and seven other little explored gold occurrences in this geological setting is very encouraging (Figure 4).

The project abuts the historically mined Ardlethan tenements that cover what was the largest hard rock tin deposit in mainland Australia, with approximately 30,000t contained tin metal. IRGS deposits often have a spatial association with granite hosted tin and tungsten mineralisation, further highlighting the prospectivity of the Grong Grong tenement.

The larger than usual Harry Smith occurrence has historically recorded shallow hard rock gold production over 16,000oz to a reported depth of only 70m.

Harry Smith was incompletely explored in the 1980s, including 24 drill holes for 2,733m (9 percussion by Shell in 1980s and 15 RC percussion holes in 1990s by Zintoba/ Bolnisi Gold – see Appendix). The drilling was shallow and directed to the historically worked mineralised fault/crush zone.

Highlighted intersections are significant and include 21m @ 2.5 ppm Au (CG95-2) and on the same section 20m @ 2.2 ppm Au (CG95-13) at the northern end of the north-northwest striking Golden Splay fault section of the prospect. The down dip and north-west strike extensions of these potentially mineralised structures are scheduled for testing following the completion of access arrangements, which are well advanced (Figures 2 and 3).

In addition to Harry Smith, both the Mallee Hen (several thousand ounces of historically recorded production) and the extensive Belmore line of north-northwest striking small historical workings have not been fully investigated or drill tested in the past (Figure 4) and will also be the subject of reconnaissance work.

Further Information

The IRGS style has emerged in the past two decades following discovery and reinterpretation of major gold resources, including the Fort Knox 9.2 million ounce (Moz) and Pogo 5.6 Moz gold projects in Alaska's Tintina province and the over 4.5 Moz Kidston deposit in north Queensland.

The IRGS model has more recently been applied to the LFB. IRGS deposits are typically hosted in granite bodies, or in overlying rocks in various geological settings including breccias, veins and stockworks.

Carpentaria has been an early mover and has built, at low cost, a portfolio of highly prospective IRGS-style projects in the Lachlan Fold Belt. These projects add to our flagship Hawsons Iron Project near Broken Hill, giving the Company diversified growth streams with the potential to deliver long-lasting benefits to shareholders.

Mr Hill said, "The granting of such a prospective licence at no material cost to shareholders with significant underexplored outcropping mineralisation is a great example of Carpentaria's exploration philosophy achieving results".

Carpentaria believes that eastern Australia is underexplored and offers huge potential for discovery. Exploring in underexplored world class provinces, in areas where low cost, rapid surface exploration is possible, provides very good potential for low cost discovery.

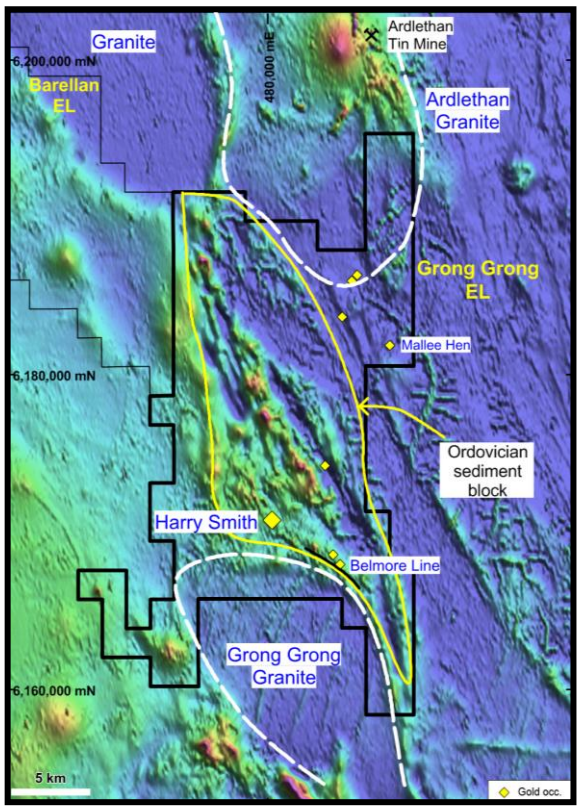

Figure 4.Grong Grong EL over regional RTP aeromagnetic image

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Managing Director

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The information in this announcement that relates to Exploration Results and Resources is based on information compiled by Q.S. Hill, who is a Member 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 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Q.S. Hill 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 1

	Explanation
Sampling techniques and data ***(criteria in this group apply to all succeeding groups)***	
SHELL drilling ZINTOBA/BOLNISI drilling	• 9 angled percussion holes totaling 960 m at Harry Smith Prospect • 15 angled holes totaling 1773m July, 1995 to test a gold in soil geochemical anomaly and known mineralization at the Harry Smith Prospect. Details, in the exact form and context in which they were published, are provided in the free public access Geological Survey of NSW Open File Report No. **GS1982/094** (refer ***http://digsopen.minerals.nsw.gov.au/***)**.**
Location of data points.	• Drill collar locations taken from Geological Survey of NSW open file(free access public domain) report plans (Report Nos. **GS1982/094** & **GS1996/172** refer ***http://digsopen.minerals.nsw.gov.au/***). • Open file plans were imported digitally into GIS software and rectified to GDA datum using geographical references (control pts) from Google Earth; location accuracy within 20m.
Drilling techniques	• SHELL: percussion drilling of the time but exact details not stipulated in historical reports - probable method is interpreted open hole percussion • Zintoba/Bolnisi: Holes drilled using a UDR 1000 rig and $5^1/_2$" face sampling hammer reverse circulation and surveyed for dip direction using an Eastman DH camera. • Details, in the exact form and context in which they were published, are provided in the free public access Geological Survey of NSW Open File Report No. **GS1982/094** (refer ***http://digsopen.minerals.nsw.gov.au/***)**.**
Drill sampling techniques and sample preparation	• SHELL: percussion samples collected and assayed for Au & Ag using probable industry standard mineral exploration drilling and sampling techniques of the era. Details in the exact form and context in which they were published, are provided in the free public access Geological Survey of NSW Open File Report No. **GS1982/094** (refer ***http://digsopen.minerals.nsw.gov.au/***). • Zintoba/Bolnisi reverse circulation (RC) percussion samples collected and assayed for Au only using appropriate and what Carpentaria reasonably regards as reliable industry standard mineral exploration drilling and sampling techniques of the era. Details, in the exact form and context in which they were published, are provided in the free public access Geological Survey of NSW Open File Report No.**GS1996/172** (refer ***http://digsopen.minerals.nsw.gov.au/***).
Drill sample recovery	• No adverse sample recovery reported by Shell or Zintoba/Bolnisi and on basis of review of Zanitoba-Bolnisi drill hole logs they indicate recovery was satisfactory. Details, in the exact form and context in which they were published, are provided in the free public access Geological Survey of NSW Open File Report No. **GS1982/094** & **GS1996/172** (refer ***http://digsopen.minerals.nsw.gov.au/***)**.**
Logging	• Open file records indicate the drill holes were logged by qualified and experienced geologists. Details, in the exact form and context in which they were published are provided in the free public access Geological Survey of NSW Open File Report No. **GS1982/094** & **GS1996/172** (refer ***http://digsopen.minerals.nsw.gov.au/***)**.**

	Explanation
Quality of assay data and laboratory tests	• The Laboratory methods that were carried out by both Shell and Zanitoba/Bolnisi utilised appropriate industry standard mineral exploration and laboratory techniques of the era. Details, in the exact form and context in which they were published, are provided in the free public access Geological Survey of NSW Open File Report No. **GS1982/094** & **GS1996/172** (refer ***http://digsopen.minerals.nsw.gov.au/***)**.**
Verification of sampling and assaying.	• QA/QC methods carried out using appropriate industry standard mineral exploration and laboratory techniques of the era. Details, in the exact form and context in which they were published, are provided in the free public access Geological Survey of NSW Open File Report No. **GS1982/094** (refer ***http://digsopen.minerals.nsw.gov.au/***)**.**
Data spacing and distribution.	• SHELL: sampling 2m intervals along hole • Zintoba/Bolnisi: sampling 1m intervals Details, in the exact form and context in which they were published, are provided in the free public access Geological Survey of NSW Open File Report No. **GS1982/094** (refer ***http://digsopen.minerals.nsw.gov.au/***)**.**
Orientation of data in relation to geological structure.	***** Historical drilling was clearly designed to be orientated orthogonal to known gold bearing lode geometry. Verification of lode dips will be made during CAP's future exploration programs. Details, in the exact form and context in which they were published, are provided in the free public access Geological Survey of NSW Open File Report No. **GS1982/094** (refer ***http://digsopen.minerals.nsw.gov.au/***)**.**
Audits or reviews.	• There is no record of any third party audit or review having been completed of the historical exploration work which is usual practice for reconnaissance and early stage mineral exploration activity.
Reporting of Exploration results (criteria listed in the preceding group apply also to this group)	
Mineral tenement and land tenure status.	• *Exploration licence EL 8189 is 100% owned by Carpentaria Exploration Ltd. The licence is located approximately 30km north-east of Narrandera in central NSW.*
Exploration done by other parties.	The area of EL 81819 was subject to nineteenth and early twentieth century prospecting and artisanal scale mining which has been erratically reported in NSW government mining and mines department records. Aberfoyle, EZ and SHELL conducted focused systematic regional exploration for tin & tungsten during the 1980s and highlighted a number of potential gold targets. The following a summary of the key exploration activity: * NSW Dep't of Mines Record reports at the turn of the Century (1894 – 1911) reported more than 16Koz being mined from Harry Smith Prospect area at ounce/ton grades (refer Geological Survey of NSW Open File Report No. **MR02507,** ***http://digsopen.minerals.nsw.gov.au/***). * 1980-82 SHELL explored for tin bearing granites and investigated known gold occurences. Nine (9) percussion holes were drilled for 960m at Harry Smith. (refer Geological Survey of NSW Open File Report No. **GS1982/094,** ***http://digsopen.minerals.nsw.gov.au/***). * 1991 – 1997 Zintobi explored for Au farming out to Bolnisi who completed 15 percussion drill holes for 1773m testing surface geochemical gold anomalies and the potential for an oxide gold resource. Best intersection 21m @ 2.52 g/t Au from 20 m in hole GG95-2 (refer Geological Survey of NSW Open File Report No. **GS1996/172,** ***http://digsopen.minerals.nsw.gov.au/***). * 2004-5 Cullen Resources explored the area for IRG style mineralization completing surface (rock chip & soil) geochemical surveys and two shallow (50m) inclined aircore holes at Harry Smith. Best drill hole result 1 m at 6.52 ppm Au from 52m (refer Geological Survey of NSW Open File Report No **GS2006/253**, ***http://digsopen.minerals.nsw.gov.au/***).

	Explanation
Geology.	The EL lies within the bounds of the Narandera 250k Map sheet and Ardlethan and Narrandera 100k map sheets in central southwestern NSW. The EL lies within the central zone of the Early to Middle Paleozoic Lachlan Fold Belt historically known as the Wagga Belt. The EL contains deformed Ordovician aged turbiditic sediments, intruded by Siluro-Devonian aged S-type granites, unconformably overlain by Late Devonian siliciclastic continental sediments. Relief in the area is generally low, and large areas of deep soils, alluvium and a variety of Tertiary to recent unconsolidated sediments obscure much of the Paleozoic geology across the EL. In detail, the EL comprises generally poorly exposed WNW trending Ordovician marine sediments, intruded by similarly oriented, probable syn-tectonic S-type, granite plutons belonging to the Ardlethan and Grong Grong Batholiths. These earlier geological components are unconformable overlain by substantially stripped Late Devonian terrestrial quartz rich sediments, that when present form topographic ridges and other ranges of hills. Approximately 50% of the application is mapped as unconsolidated Tertiary sediment, alluvium and/or soils with no bedrock exposure. The extensive areas of soil/alluvium and other regolith are utilized for broad acre cropping, especially wheat and other grains.
Data aggregation methods.	• None reported in historical reports.
Relationship between mineralisation widths and intercept lengths.	• Reported widths of gold mineralization are down-hole thicknesses and mineralization is reported to dip 75 degrees to the north-east. Details, in the exact form and context in which they were published, are provided in the free public access Geological Survey of NSW Open File Report No.**GS1996/172** • (refer ***http://digsopen.minerals.nsw.gov.au/***).
Diagrams.	• *See attached figures 2 and 3*
Balanced reporting.	• This announcement is based on a relevant précis of freely available currently published regional geological, regional geophysical data and historical mineral exploration results the relative characteristics, sources and limitations of which have been fully disclosed. Not all historical data has published but the complete historical records available to Carpentaria, in their actual and exact form and context have been referenced and are available freely to the public from NSW state government record repositories.
Other substantive exploration data.	• Exploration data relevant to the announcement has been disclosed and discussed. Other substantive exploration data are available at the public domain sources referenced above.
Further work.	• Preliminary Field inspection mapping and surface sampling around the Harry Smith area will be carried out as soon as cropping is completed and access is obtained.