



ASX ANNOUNCEMENT

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

18 November 2011

ABOUT CARPENTARIA:

Carpentaria is an exploration company focused on discovering base, precious metals and bulk commodities in eastern Australia. The company currently has interests in iron ore, tin, gold, copper and nickel exploration projects.

CARPENTARIA'S AIM:

With a strong geo-scientific 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 98,991,301

Major Shareholders:

Conglin In't Invest' Group	10.6%
Atlas Iron Limited	8.7%
Mr. Conglin Yue	3.7%
Management, Including Unlisted Options	12.3%

Financial

Cash and deposits on hand as at 18/11/11
A\$10,000,000

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CHAIRMAN'S REPORT TO THE AGM

Thanks to the great efforts of our team at Carpentaria both in Broken Hill and Brisbane this year we achieved two major milestones for our company – our maiden resource announced in December 2010 and then a positive pre - feasibility in May. I was very proud to be part of team that in 3 and a half years after listing announced this great achievement.

The maiden Inferred Resource of 1.4 billion tonnes is at a magnetite Davis Tube Recovery (DTR) grade of 15.5% (using a 12% cut-off).

The project's large tonnage, soft mineralisation, excellent magnetite liberation, high concentrate grades and proximity to infrastructure combine to create an extremely valuable project to Carpentaria shareholders, with an estimated net present value (NPV) after tax of \$2.8 billion.

The PFS results are based on a start-up mine of 5 million tonnes per annum (mtpa) that uses existing transport and port facilities and ramps up to a potential 20mtpa operation with a 20-year plus mine life producing high grade iron ore concentrate.

In addition, the increased exploration target at Hawsons of 6 to 11 billion tonnes at 14-17% DTR for over one billion tonnes of saleable concentrate demonstrates the project has the potential for a 50-year mine life.

The PFS work was managed by Carpentaria and was done in less than 1 year from the start of resource drilling – again a spectacular achievement as we had budgeted 2 years for this work.

Under the joint venture with Bonython Metals Group (BMG), Carpentaria is not required to contribute to any expenditure during the proposed mine life, but will receive 20% of total output. On full production of 20mtpa, this would give shareholders profits from 4mtpa of high-grade concentrate production at zero cost.

For BMG to continue in the JV BMG must, before 15th May 2012, contribute \$25m cash to Carpentaria and commit to a definitive feasibility study. If BMG decides not to continue, the JV agreement states that if Carpentaria is approached by a third party with a bona fide offer to acquire all of BMG's percentage share, then BMG must sell its percentage share to that party for consideration which is at least equal to the amount of the total cash contributions made by BMG to the project at that time. This is very positive for our shareholders as given we now have a resource and a positive PFS such a deal would be attractive to third parties.

It has to be mentioned that 25% shareholder of BMG, Ample Source International Ltd, commenced proceedings in the Federal Court of New South



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Wales on 20 December 2010 against BMG, other BMG shareholders (being John Hiram Sarobol Teeranukul) and other third parties.

Ample Source International Ltd is claiming (among other things) alleged breaches of a Shareholders' Agreement, orders that a particular Farm In Agreement is void, and a claim of oppressive management practices. The Originating Process was filed with the Federal Court of New South Wales on 20 December 2010 and has been before the courts since July 2011. Although the proceedings do not involve Carpentaria as a party, the case may have had an impact on Carpentaria shareholders' views of the Hawsons Project.

We see this court action as a positive indication of the value of our project, as it would appear that the BMG shareholders, in particular Ample Source International Ltd and John Hiram, are willing to invest in considerable legal costs for the rights of taking on the major share of BMG and the ability to earn the majority interest in Hawsons under the JV and then continue the scheduled payments to Carpentaria and undertake the definitive feasibility study.

Even though the \$8.0m expenditure for the pre-feasibility study has been completed, Carpentaria has maintained a work program including further metallurgical testing, environmental monitoring, pit and processing optimising to reduce operating costs and also firming up transport and port costs. This work will ensure that we can move rapidly into a DFS in June next year.

It is very positive for the development of Hawsons to learn that major resource companies have forecast "staggering" increases in demand for fundamental commodities like iron ore, due largely to the growing industrialisation of countries such as China, India and Brazil. Despite recent fluctuations in commodity markets, this means the pricing outlook for Carpentaria's potential iron ore production and other exploration project pipeline commodities is very strong.

We have recently been proactive on our tin / tungsten projects near Broken Hill and we have a mining engineer undertaking a concept study to estimate what size tin and tungsten bodies we require using a mobile miner / processing operation to make the project profitable and gain a cash flow in the short term.

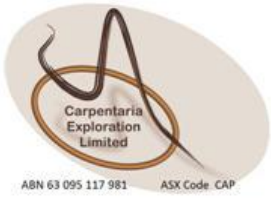
We are also pleased to note that drilling on our prospective nickel belt, Koonenberry, has started today. If we have success in finding economic nickel sulphide in one of these 10 holes it will make this whole belt, which is under Carpentaria's 100% control, very prospective.

Carpentaria's success at Hawsons demonstrates the effectiveness of the Company's strategy of exploring in non-remote, mineralised areas with outcropping rocks. This allows for low cost work programs and rapid discovery.

This strategy has enabled the Company to cover more ground and advance projects or make considered divestments quickly. Confirmation of this strategy is that only two projects remain under Carpentaria management among the seven listed in the IPO prospectus and, importantly, Carpentaria has made two discoveries at Hawsons and Euriovie near Broken Hill and recently taken out 2 additional tenements to add to our gold and tin portfolios.

Our recent divestment of Carpentaria's 20% ownership of our Galilee thermal coal project has been very beneficial. It has brought \$1.5m cash as well as 2.2m Guildford Coal shares and a royalty with a potential value of \$100m. The divestment now exposes Carpentaria to all of Guildford's assets and has eliminated our exposure to in excess of \$1.0m cash expenditure in exploration costs where Carpentaria had no management rights.

Looking ahead, Carpentaria aims to grow through discovery, development and acquisition using long term cash generation from Hawsons and possibly short term cash generation from our tin/tungsten project to fund further discoveries and value creation.



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In FY2012, Carpentaria will continue to progress the Hawsons project towards mining and cash generation, with a detailed feasibility study (DFS) planned to commence pending the next stage of funding from BMG.

The Company has also launched a \$2.5 million greenfields exploration program (excluding any Hawsons costs) targeting wholly-owned Carpentaria projects in the Broken Hill and Lachlan Fold Belt regions of NSW.

On administrative matters, we were disappointed that Mike Chester resigned from our Board this year due to personal reasons and we are currently looking to replace him on the Board.

We have just finished an initiative to assist shareholders with unmarketable parcels to sell these holdings, which have a positive impact on our share registry and reduce costs. We now have approximately 2345 shareholders a reduction of approximately 800 shareholders.

Much has been achieved in Carpentaria's short history, and it is entirely due to the efforts of our small but technically excellent team of employees and contractors, along with unstinting support from the Board and our shareholders. It is worth noting that in the last year we have added 2 engineers, and 2 full time and 1 part time geologists to our team which now totals 10 scientist and 2 administration staff.

I wish to commend this year's results to shareholders, while anticipating even bigger achievements ahead in 2012.

Nick Sheard
Executive Chairman

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