



ASX ANNOUNCEMENT

16 July 2010

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 coal 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 93,821,301

Major Shareholders:

Conglin In't Invest' Group 15.08%
Giralia Resources 9.13%

Financial

Cash and deposits on hand
A\$20.1 million

Ground Level, Boundary Court
55 Little Edward Street
Spring Hill Queensland 4000
PO Box 1019
Spring Hill Queensland 4004
e-mail: info@capex.net.au

For further information contact:
Nick Sheard
Executive Chairman
Phone: 07 3161 3801

Carpentaria Boosted by Addition of \$8.0 m

Carpentaria Exploration Limited (ASX:CAP) announced today the receipt of the final Stage 1 payment of \$2 million from Bonython Metals Group (BMG) as part of the \$81m Hawsons Iron Project joint venture near Broken Hill, NSW. The Company has now received \$13 million from BMG, comprising \$5 million in cash and the remainder funding exploration and pre-feasibility work aimed at defining up to 1 billion tonnes of Inferred Resource at EL 7208 (Burta).

The Company is also pleased to announce virtually full take up of all the Carpentaria Options that fell due on June 30th 2010 realizing \$6,204,000.00. This boosts Carpentaria's cash reserves to \$20.1M.

At the Hawsons Iron Project two Reverse Circulation rigs and one diamond rig are operating on the Burta JV, as part of the 4,000 metre drilling program planned in the initial phase. The magnetite occurs in a siltstone and is very soft, allowing for low-cost mining and crushing in a favorable location for infrastructure just 60 kilometers from Broken Hill. These results will be announced at the completion of the program and when assay and analysis results are obtained.

Carpentaria's Executive Chairman, Nick Sheard, said he welcomed BMG's commitment to the JV as shown by their financial backing and was very pleased with the take up of the options. This gives Carpentaria the financial resources to maintain a strong exploration program and seek more mature opportunities.

"Carpentaria is excited by the potential for the Hawsons Iron Project and is determined to quickly move the project towards pre-feasibility status, backed by the latest funding from our joint venture partner. Assuming a positive pre-feasibility outcome, which is anticipated early next year, the project will move to Stage 2 in which case BMG will pay Carpentaria an additional \$25 million to vest 51% in the project," Mr. Sheard said.

"Ultimately, Carpentaria will retain a 20% free carried interest up to the targeted production of 20 million tons per annum of iron ore concentrate, giving shareholders a low-cost entry to a producing iron ore mine."

He said the latest payment from BMG and the option take up payment would be used to boost exploration at the Company's other attractive projects in eastern Australia, including drilling at the Euriowie tin project (100% CAP) and Panama Hat JV gold project in August; and also at the Combaning gold/nickel project (100% CAP). Drilling is continuing at the Hughenden Coal Project in Queensland with promising initial results, while drilling is set to start in late August at the Glen Isla gold joint venture.

"Carpentaria's aggressive exploration program has already achieved two discoveries, Hawsons and Euriowie, and we are confident of adding to our promising project pipeline. With \$9 million committed towards exploration this calendar year and additional funding anticipated from BMG at Hawsons, Carpentaria has the necessary financial and geotechnical resources to achieve further success and make the transition from minerals explorer to mining house."

The information in this announcement that relates to Exploration Results 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.