

QUARTERLY REPORT

For the period ended 30 September 2019

- + Carpentaria Resources is answering the world's call for high grade iron ore.
- + The Company has a majority interest in the Hawsons Iron Project, source of Hawsons Supergrade® product

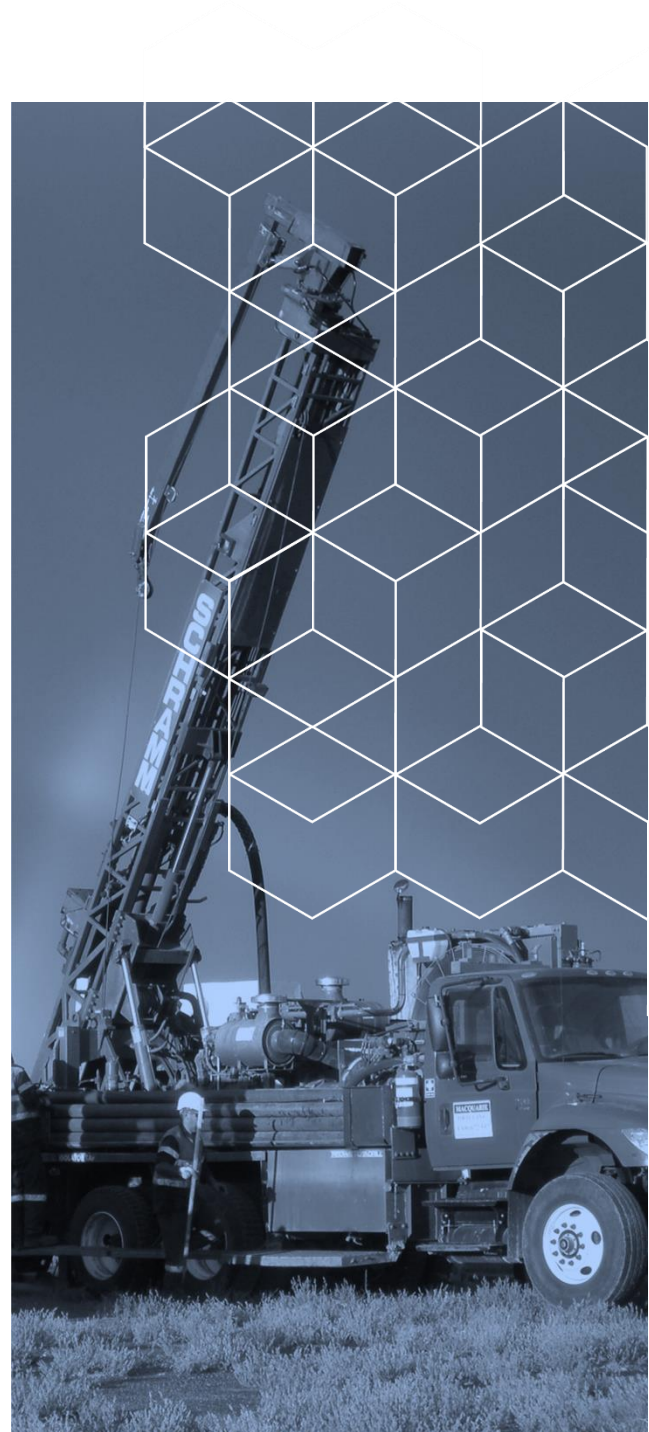


HIGHLIGHTS

Hawsons Iron Project

- + Company continues to take necessary steps to move the project forward.
- + New results confirm low ore variability and other key orebody advantages underpinning significant potential for mining and processing cost savings compared with other projects.
- + Detailed geotechnical assessments and tailings storage investigations confirmed prefeasibility study (PFS) assumptions in these areas are appropriate and there are different design options to suit investors' needs.
- + Important customer relationships strengthened, funding discussions advanced and confirmation market conditions continue to strengthen for development were outcomes from recent marketing visits.
- + Review of project size and scope indicates it is appropriately scoped and the GHD PFS provides a sound technical platform from which to move the project forward.
- + Initiatives to boost Company capacity to move Hawsons forward continue, including plans to secure new Board appointments to continue Company evolution.
- + The Company continues to engage new, and progress existing, tier 1 and other off-takers and potential cornerstone investors for offtake related and other bankable feasibility study funding.
- + Hawsons is well placed to attract BFS support because of:
 - + High forecast returns – Outstanding for the commodity and project type. According to Wood Mackenzie, the leading project of its type (chart 1), (refer to the PFS released 28 July 2017, showing an equity rate of return of 30%)*.
 - + Unmatched product demand - The unique 70%Fe pellet feed product meets the long-term global demand profile for high quality inputs and decarbonisation of steel making.
 - + Low risk profile – Forecast to be first quartile of the global cost curve (as per the PFS, Hawsons is cash-flow positive at benchmark 62%Fe price <US\$30/tonne).

* The Company confirms that all assumptions and technical parameters underpinning the Resource and Reserve estimates and all material assumptions underpinning the production target or the forecast financial information derived therefrom continue to apply and have not materially changed since first reported on 28 July 2017.



HAWSONS IRON PROJECT

70%

Iron percentage of Hawsons Supergrade® product.

14.0

Offtake demand for Hawsons Supergrade® product (Mtpa).
See list of offtakers on page 3.

201

Total product of Hawsons Iron Project (million tonnes).
As per the PFS release on 28 July 2017.

The Company confirms that all assumptions and technical parameters underpinning the Resource and Reserve estimates and all material assumptions underpinning the production target or the forecast financial information derived therefrom continue to apply and have not materially changed since first reported on 28 July 2017.

Carpentaria Resources Limited (ASX:CAP) announced today its quarterly activities and cashflow report for the period ending 30 September 2019.

The Company is focussed on developing its flagship Hawsons Iron Project near Broken Hill, NSW and continues to take necessary steps to move the project forward.

Results from metallurgical testing confirmed low ore variability in grindability, rock strength and abrasion parameters underpinning the significant potential for mining and processing cost savings compared with other projects.

The low variability confirms ore blending can likely be mostly avoided and mining and process operations can focus on volume and cost reduction. When combined with near uniform product quality across the deposit, the low variability means the deposit is ideally suited to exploit low cost mining methods including in pit conveying and trolley assisted trucking.

Detailed geotechnical assessments including targeted core logging, geotechnical domaining and stability analysis by GHD resulted in much greater definition and slightly shallower pit slopes than in earlier designs (inter ramp angles shallower by 2.4-3.5 degrees).

Earlier pit slope sensitivity analysis showed mining costs are not materially affected by these changes.

More detailed tailings storage investigations confirmed both upstream and more conservative centreline tailings storage embankment design cost estimates are within existing PFS estimates. An alternative to upstream construction is important to investors, given recent serious accidents in Brazil.

Recent marketing visits to Asia and the Middle East strengthened important customer relationships and included very positive feedback from customer pellet and sinter testing of Hawsons Supergrade® product.

At the first Saudi Arabian International Steel Conference government officials stated the importance of its steel industry to Vision 2030, the broadening of its industrial base away from oil. The Saudi Arabian government stated its priority to produce higher value steel products and support this with new sources of iron ore supply.

These priorities were repeated in meetings with Carpentaria. There are very limited opportunities for new direct reduction supply required by the region.

Marketing visits also confirmed key structural trends in China favouring high quality ore, increasing use of pellets, and increasing research globally into lowering carbon footprint in steelmaking.

Review of project size and scope identified it is appropriately scoped and the GHD PFS provides a sound technical platform from which to move the project forward.

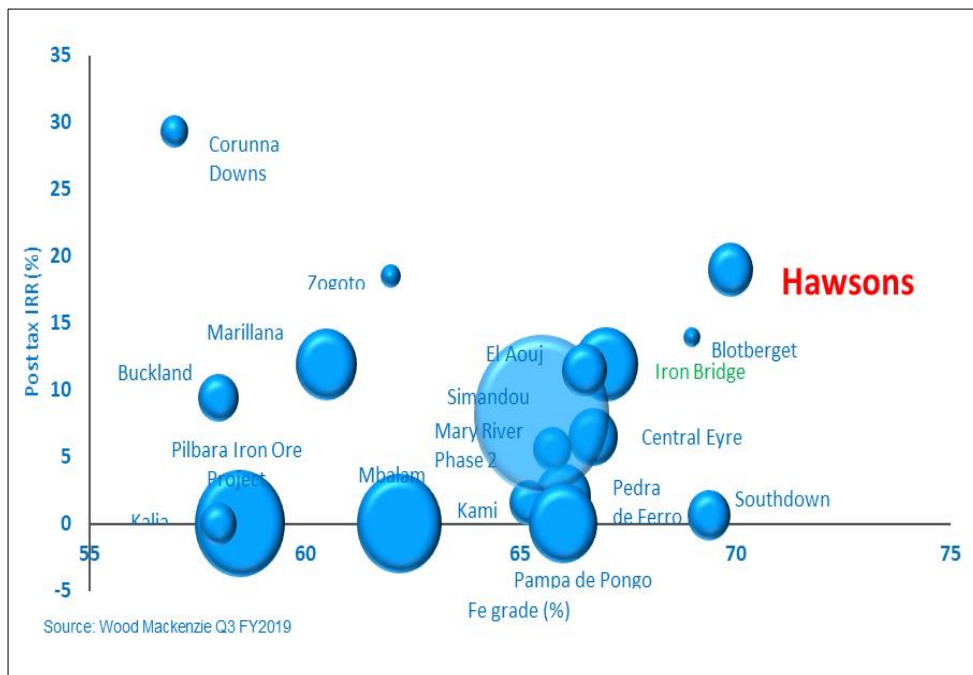
Initiatives to boost Company capacity to move Hawsons forward continue with plans to secure new Board appointments to continue evolution to mine developer.

The Company continues to engage new, and progress existing, tier 1 and other off-takers and potential cornerstone investors for offtake related and other bankable feasibility study funding and work completed this quarter is directed to meet investors' needs.

Additional work programs are being considered to advance discussions. A number of companies are willing to negotiate a role in development once the BFS is completed.

Corporate

The Company's Annual General Meeting will be held on 21 November 2019 in Brisbane.



*All projects except Hawsons at BFS stage .
Hawsons at PFS stage

*Assumes that Hawsons is in production and the outcomes are as set out in the prefeasibility study announced on 28 July 2017. The Company confirms that all assumptions and technical parameters underpinning the Resource and Reserve estimates and all material assumptions underpinning the production target or the forecast financial information derived therefrom continue to apply and have not materially changed since first reported on 28 July 2017.

*Bubble size represents annual production capacity

*Excludes replacement or expansion projects owned by established miners RIO, BHP, CSN, FMG

*Based on Wood Mackenzie long term price forecasts

Source: Wood Mackenzie (developed from company 's stock exchange compliant releases, modified uniformly by Wood Mackenzie by internal long term price and cost forecasts, Wood Mackenzie is not aware of any material omissions in the data)

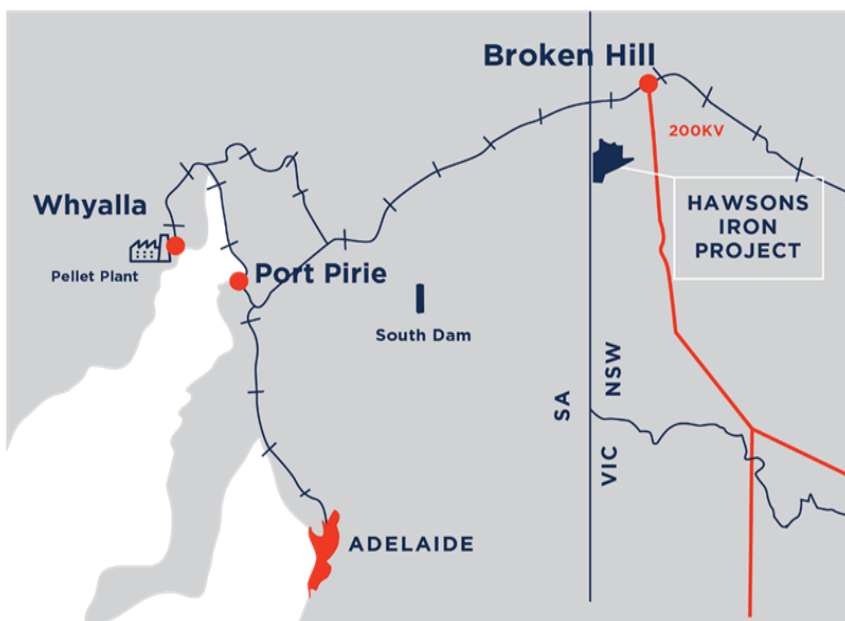
Chart 1 – IRR vs product grades for unfinanced projects at PFS stage or later

About Hawsons Iron Project

The Hawsons Iron Project joint venture (CAP 69.8%, Pure Metals P/L 30.2%) is currently undertaking development studies based on the low cost, long term supply of a high grade, ultra-low impurity iron concentrate to a growing premium iron market, including the direct reduction (DR) market.

The project has a clear technical and permitting pathway. It is located 60km south-west of Broken Hill, an ideal position for mining operations with existing power, rail and port infrastructure available for a 10 Mtpa start-up operation. A mining lease application has been lodged.

The project's soft rock is different from traditional hard rock magnetite and allows a very different approach to the typical magnetite mining and processing challenges (both technical and cost-related). The soft rock enables simple liberation of a product of rare quality without complex and expensive processing methods.



The Hawsons Iron Project is located 60km south-west of Broken Hill, NSW, an ideal position for mining operations with existing power, rail and port infrastructure available.

For further information please contact:

Quentin Hill
Managing Director
+61 7 3220 2022

Carpentaria Resources Tenement Schedule
at end of 2019 September Quarter

8 licences and applications

| Licence | Notes | Name | Original Grant Date | Expiry Date | Equity % | Sub Blocks | Area (km ²) |
|---------------|-------|--------------|---------------------|-------------------|----------|------------|-------------------------|
| EL 6901 | 5 | Combaning | 8/10/2007 | 08/10/2020 | 20 | 21 | 61 |
| EL 6979 | 1,2 | Redan | 11/12/2007 | 11/12/2021 | 69.8 | 62 | 180 |
| EL 7208 | 2 | Burta | 22/09/2008 | 22/09/2020 | 69.8 | 100 | 290 |
| EL 7504 | 2 | Little Peak | 08/04/2010 | 08/04/2020 | 69.8 | 14 | 41 |
| EL 7896 | 5 | Barellan | 06/02/2012 | 06/02/2021 | 20 | 25 | 73 |
| EL 8095 | | Advene | 28/05/2013 | 28/05/2020 | 100 | 50 | 145 |
| EL 5561 | | South Dam | 10/12/2014 | 09/12/2021 | 100 | 6 | 17 |
| MLA 460 | 3,4 | Hawsons Iron | Under application | Under application | 69.8 | n/a | 187 |
| TOTALS | | | | | | 278 | 994 |

1. 1.5% NSR royalty to Perilya Broken Hill Pty Ltd.

2. JV; Pure Metals Pty Ltd.

3. MLA made on 18 October 2013; tenement application subject to unspecified grant date and conditions.

4. Subject to the Hawsons Joint Venture with Pure Metals Pty Ltd.

5. JV; Cape Clear Minerals Pty Ltd.



DISCLOSURE

The information in this report that relates to Exploration Results, Exploration Targets, Resources and Reserves is based on information evaluated by Mr Q.S. Hill who is a member of the Australian Institute of Geoscientists (MAIG) and who has sufficient experience 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 (the "JORC Code"). Mr Hill is a Director of Carpentaria Resources Ltd and he consents to the inclusion in the report of the Exploration Results in the form and context in which they appear.

www.carpentariares.com

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity:

CARPENTARIA RESOURCES LIMITED

ABN

63 095 117 981

Quarter ended ("current quarter")

30 September 2019

| Consolidated statement of cash flows | Current quarter \$A'000 | Year to date (3 months) \$A'000 |
|---|------------------------------------|--|
| 1. Cash flows from operating activities | | |
| 1.1 Receipts from customers | | |
| 1.2 Payments for | | |
| (a) exploration & evaluation | (166) | (166) |
| (b) product marketing | (103) | (103) |
| (c) production | - | - |
| (d) staff costs | (69) | (69) |
| (e) administration and corporate costs | (50) | (50) |
| 1.3 Dividends received (see note 3) | - | - |
| 1.4 Interest received | 1 | 1 |
| 1.5 Interest and other costs of finance paid | - | - |
| 1.6 Income taxes refund | - | - |
| 1.7 Refunds | - | - |
| 1.8 Business development costs | (117) | (117) |
| 1.9 Net cash from / (used in) operating activities | (504) | (504) |

| | | |
|--|---|--|
| 2. Cash flows from investing activities | | |
| 2.1 Payments to acquire: | | |
| (a) property, plant and equipment | - | |
| (b) tenements (see item 10) | - | |
| (c) investments | - | |
| (d) other non-current assets | - | |

| Consolidated statement of cash flows | | Current quarter \$A'000 | Year to date (3 months) \$A'000 |
|---|---|------------------------------------|--|
| 2.2 | Proceeds from the disposal of: | | |
| | (a) property, plant and equipment | - | |
| | (b) tenements (see item 10) | - | |
| | (c) investments | - | |
| | (d) other non-current assets | - | |
| 2.3 | Cash flows from loans to other entities | - | |
| 2.4 | Dividends received (see note 3) | - | |
| 2.5 | Other (provide details if material) | - | |
| 2.6 | Net cash from / (used in) investing activities | - | |

| | | | |
|-------------|---|---|--|
| 3. | Cash flows from financing activities | | |
| 3.1 | Proceeds from issues of shares | - | |
| 3.2 | Proceeds from issue of convertible notes | - | |
| 3.3 | Proceeds from exercise of share options | - | |
| 3.4 | Transaction costs related to issues of shares, convertible notes or options | - | |
| 3.5 | Proceeds from borrowings | - | |
| 3.6 | Repayment of borrowings | - | |
| 3.7 | Transaction costs related to loans and borrowings | - | |
| 3.8 | Dividends paid | - | |
| 3.9 | Other (provide details if material) | - | |
| 3.10 | Net cash from / (used in) financing activities | - | |

| | | | |
|------------|--|--------------|--------------|
| 4. | Net increase / (decrease) in cash and cash equivalents for the period | | |
| 4.1 | Cash and cash equivalents at beginning of period | 3,024 | 3,024 |
| 4.2 | Net cash from / (used in) operating activities (item 1.9 above) | (504) | (504) |
| 4.3 | Net cash from / (used in) investing activities (item 2.6 above) | - | - |
| 4.4 | Net cash from / (used in) financing activities (item 3.10 above) | - | - |
| 4.5 | Effect of movement in exchange rates on cash held | - | - |
| 4.6 | Cash and cash equivalents at end of period | 2,520 | 2,520 |

| 5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts | Current quarter \$A'000 | Previous quarter \$A'000 |
|--|------------------------------------|-------------------------------------|
| 5.1 Bank balances | 2,504 | 3,008 |
| 5.2 Call deposits | 16 | 16 |
| 5.3 Bank overdrafts | - | - |
| 5.4 Other (provide details) | - | - |
| 5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above) | 2,520 | 3,024 |

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

| Current quarter \$A'000 |
|------------------------------------|
| 93 |
| - |

Director fees

7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

| Current quarter \$A'000 |
|------------------------------------|
| - |
| - |

Mining exploration entity and oil and gas exploration entity quarterly report

| 8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i> | Total facility amount at quarter end \$A'000 | Amount drawn at quarter end \$A'000 |
|--|---|--|
| 8.1 Loan facilities | - | - |
| 8.2 Credit standby arrangements | - | - |
| 8.3 Other (please specify) | - | - |
| 8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well. | | |

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| |
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| 9. Estimated cash outflows for next quarter | \$A'000 |
|--|----------------|
| 9.1 Exploration and evaluation | 460 |
| 9.2 Development | - |
| 9.3 Production | - |
| 9.4 Staff costs | 90 |
| 9.5 Administration and corporate costs | 95 |
| 9.6 Business development | 75 |
| 9.7 Total estimated cash outflows | 720 |

| 10. Changes in tenements (items 2.1(b) and 2.2(b) above) | Tenement reference and location | Nature of interest | Interest at beginning of quarter | Interest at end of quarter |
|--|--|---------------------------|---|-----------------------------------|
| 10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced | | | | |
| 10.2 Interests in mining tenements and petroleum tenements acquired or increased | | | | |

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:


Company secretary

Date: 30 October 2019

Print name: Robert Hair

Notes

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 that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.