

CHAIRMAN's ADDRESS ANNUAL GENERAL MEETING 2016

Ladies and gentlemen,

On behalf of the Board of Carpentaria Exploration Limited, it is a pleasure to welcome you all to the 2016 Annual General Meeting of the Company.

At the opening of last year's Annual General Meeting I commented that the Board had adopted a strategy of continuing to invest in our flagship Hawsons Iron Project and to ensure in the short term that the Company was favourably positioned to take advantage of any recovery in the iron ore market.

Pleasingly for our shareholders, iron ore prices now appear to be reflecting long-term fundamentals. For example, at the time of our 2015 Annual General Meeting, the spot price for iron ore was around US\$47 per dry metric ton, whereas yesterday this price was US\$76.10, an increase over the year of some 62%. Importantly, Carpentaria's development plan for Hawsons is based on a long-term price of between US\$55 and US\$65, matching the current market consensus.

The higher iron ore price and improved sentiment in the iron and steel industry have led to increased offtake and investor confidence. This has been reflected in our recent and successful capital raising, which yielded \$2 million to advance resource-definition drilling at Hawsons.

In parallel with the increased iron ore price, Carpentaria Exploration, under the strong leadership of our Managing Director, Quentin Hill, has continued a work programme that is 100% focused on adding value to our Company. While Quentin will be speaking to you shortly on the details of that work, I would like to take this opportunity to summarise the impact the work has had on the Company.

On the day of last year's AGM, 19th November 2015, our share price was 3.2c/share whereas yesterday it was 5.5c/share, an increase of some 72% over the year. Last year we had cash reserves of some \$2M, whereas today our cash reserves stand at some \$2.8m. Furthermore, over the last year our market capitalisation has more than doubled. Given our proposed work programme we anticipate a continuation of this momentum.

Quentin and his team have demonstrated that a world class Supergrade product containing 70% Fe can be produced from the Hawsons deposit. This has attracted strong end user support from several of the world's tier one companies in this industry – namely Bahrain Steel, Emirates Steel, the Formosa Plastics Group, the Gunvor Group, and Mitsubishi Corporation.

We are now working to improve confidence in the quality of the Hawsons resource through our latest drilling programme. So far 4,800m of a planned 5,500m programme has been completed. With new placement funds, and with savings that management has been able to achieve, we are planning to extend our drilling programme to approximately 6,600m. We are well on the way now to doubling the JORC Indicated Resource for Hawsons, and therefore to improving investor confidence in the quality of the project.

Based on the current outlook, we anticipate the successful upgrade of the Hawsons resource to be completed in early calendar year 2017 and the release of a new prefeasibility study in the second quarter of calendar 2017.

By achieving these milestones we expect to attract further investment, which will support the start of a full feasibility study for Hawsons before next year's AGM.

I am very confident that with the right resource in the right location and with the right Supergrade product, we have all the ingredients necessary for success.

All of our recent achievements have required hard work and dedication, and I would like to take this opportunity to thank Quentin Hill and his team for all their focused efforts over the last year to add value to our Company by bringing the Hawsons project closer to development.

I wish to thank our loyal shareholders for their continuing support and our new shareholders, who have added further strength and support to our endeavour to develop a major new mine near the mining town of Broken Hill in far western New South Wales. It may be known as the silver city, but we hope to make magnetite famous there too in the not too distant future.

Thank you.

Neil Williams, Chairman

24 November 2016