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ASX ANNOUNCEMENT

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ABN : 63 095 117 981 ASX : CAP

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CARPENTARIA EXPLORATION LIMITED

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Hawsons Iron Project resource upgrade on track

Highlights

- **Completion of a 5,963m reverse circulation drilling programme comprising 20 holes directed to a JORC* mineral resource category upgrade of the existing resource to enable support of prefeasibility study due Q2 2017**
- **Potential for successful mineral resource upgrade as observed geology, preliminary assays meet expectations**
- **Analyses received from first 12 holes and showed 10 intersections between 105-200m thick and intersection of a proximal new mineralised zone in the north-east**
- **Best intersection of 200m at 16.8% magnetite mass recovery at 69.9%Fe concentrate grade in RC16BRP062**
- **Weighted average magnetite mass recovery and concentrate quality of significant intersections returned so far is 15.2% and 69.9%Fe, consistent with or better than current resource (14.9% at 69.7%Fe)**
- **Confidence in mining and processing plans increased as characteristics so far consistent with expectations**
- **Detailed analysis of geology and analytical results underway**

Joint Ore Reserves Committee

Emerging iron producer Carpentaria Exploration Limited (ASX:CAP) announced today positive results from a recent drilling programme at its Hawsons Iron Project. The programme, aided by the Company's recent successful capital raising, is designed to support a resource upgrade and planned new prefeasibility study for the Company's flagship project near Broken Hill.

Drilling comprising 5,963m in 20 reverse circulation (**RC**) holes was completed on Friday and included additional drilling in the Fold prospect (Figure 1). The drilling targets upgrading significant portions of the resource from JORC Inferred Resource to JORC Indicated Resource which, if achieved would boost confidence in the project's economic viability[1]. A resource upgrade is set to form part of a new prefeasibility study for Hawsons, scheduled for completion in the second quarter of 2017.

Carpentaria's Managing Director Quentin Hill said the early results indicated the resource upgrade programme is on track for one of Australia's highest quality emerging iron projects.

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"We have received results from the first twelve holes, and so far the geological interpretation is proving very robust and the analytical results so far are in line with our expectations. This gives us confidence we can achieve a significant upgrade from Inferred Resources to Indicated Resources," Mr Hill said.

"Should this be achieved, it is planned that a new resource estimate will support a revised mine plan for use in a prefeasibility study for Hawsons, due in quarter two next calendar year."

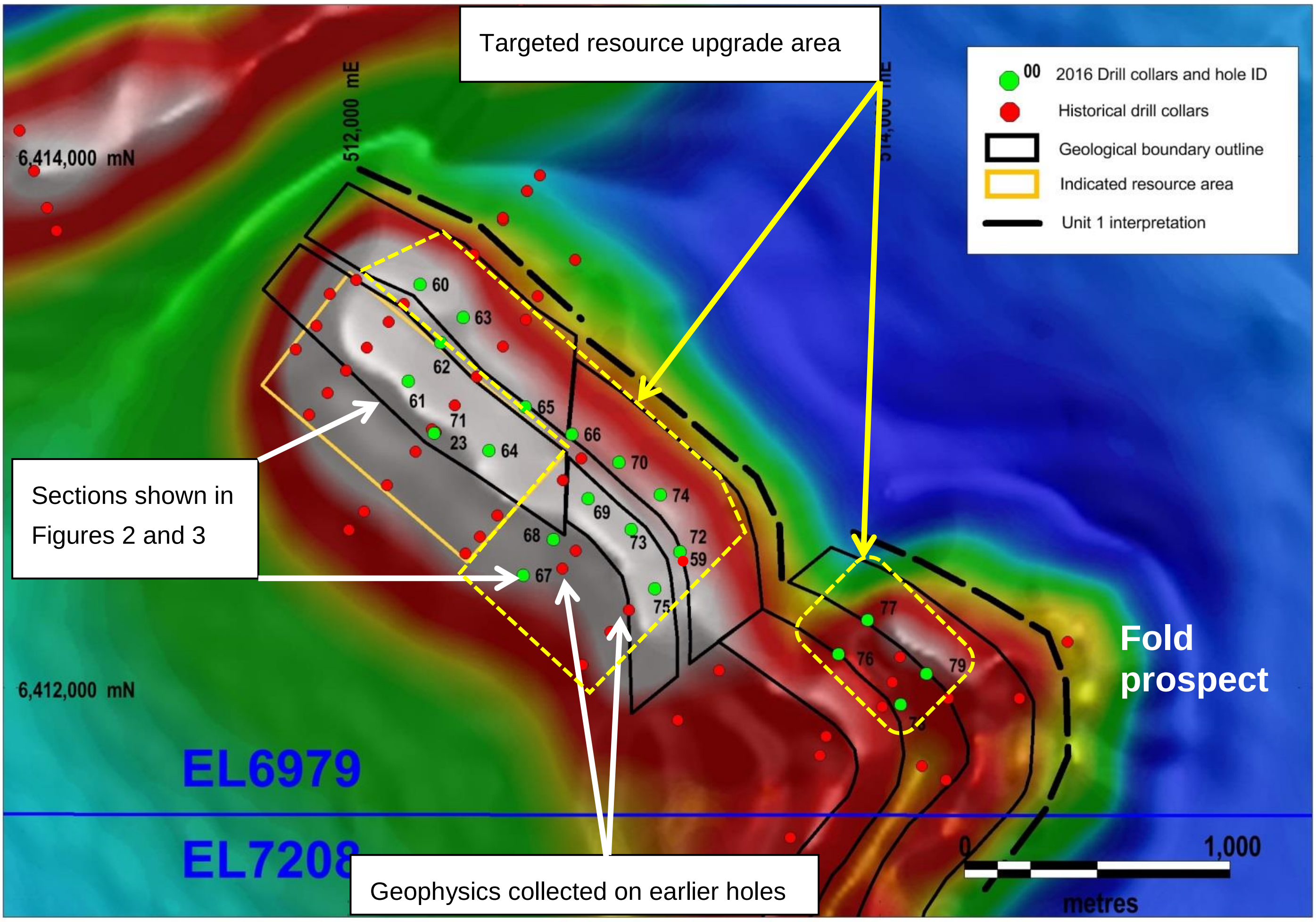


Figure 1 – Drill hole location plan

Drilling programme

The work programme carried out, together with results to date, have improved the potential for a resource upgrade due to the following:

- Drill spacing across large areas of the deposit has tightened from a nominal 400m x 200m to a nominal 200m x 200m in areas of existing Inferred Resource;
- Initial analysis of observed geological data and analytical results received to date correlate closely with the existing interpretation, demonstrating that interpolating across significant distances can be done with some confidence;
- Downhole geophysical data was collected from over 80% of the mineralised parts of this drill programme and also from two earlier drill holes. This data type was integral to the classification of existing Indicated Resources.

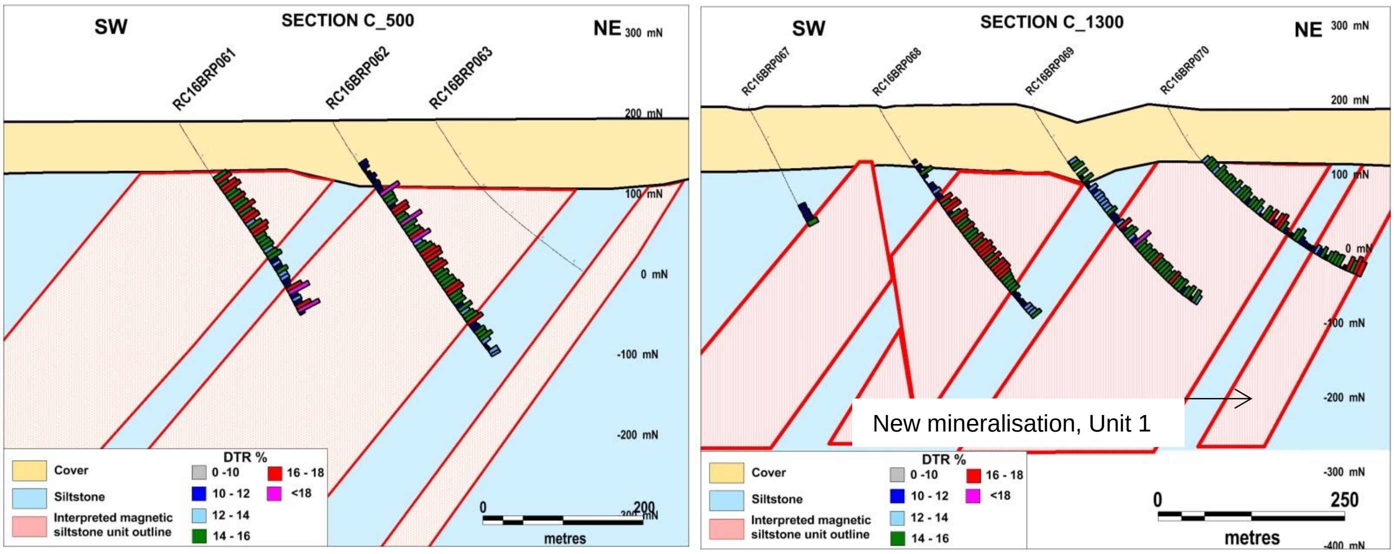
The confidence in some of the deposit's key competitive advantages is also increasing as extra drilling supports earlier mining and processing assumptions. This is because:

- there is no expected material change in mining characteristics, including the exceptional mining widths of circa 500m and the depth of overburden as the geological interpretation so far appears robust;
- Davis Tube Recovery (**DTR**) tests were done for every fresh rock interval drilled, consistent with earlier drilling programmes;
- concentrate quality results received to data are outstanding and consistent with expectations. Pilot plant work (ASX Announcement 14 October 2015) has shown Hawsons can produce amongst the finest quality concentrate in the world, known as Hawsons Supergrade, at 70.3%Fe. While the resource grade determined by DTR concentrate analysis is currently 69.7% Fe, the test work included an additional upgrade stage without materially affecting recoveries.

The drilling has provided some analytical data for Unit 1 and confirmed its presence in the north central part of the deposit, where it has previously been ignored. The magnetite mass recovery and concentrate grades are above the resource cut-off grades, potentially extending the known resource limits (Figures 1 and 3).

Analysis of the data is continuing, and a further update will be provided when the remaining results are received.

Table 2 shows the significant intersections and Figures 2 and 3 are representative cross sections of the results.



Figures 2 and 3 Example cross sections

Commenting on the latest results, Mr Hill said: "Hawsons is set to benefit from its favourable location near Broken Hill and superior access to infrastructure, putting it first in the queue for development among the next wave of iron projects. Having already attracted support from international blue-chip buyers across Asia and the Middle East in the Hawsons Supergrade product, Carpentaria is now focused on further upgrading Hawsons to secure a strategic development partner, complete a bankable feasibility study and launch production at this valuable new project for Broken Hill and Australia."

Background

Under the JORC Code, 2012 Edition, an Indicated Mineral Resource is that part of a Mineral Resource for which quantity, grade (or quality), densities, shape and physical characteristics are estimated with sufficient confidence to allow the application of Modifying Factors in sufficient detail to support mine planning and evaluation of the economic viability of the deposit.

An Indicated Mineral Resource has a higher level of confidence than an Inferred Mineral Resource and is the dominant resource in the early mine plan of any prefeasibility study under the Code.

At Hawsons, iron distribution is largely controlled by sedimentary processes resulting in thick, widespread sequences of magnetite iron ore. Being magnetite, magnetic surveys are reliable predictors of iron ore distribution. These deposit characteristics mean that drill spacing to achieve the confidence level of Indicated Resources is wider than a typical metal deposit and closer in character to that of a coal resource.

About Hawsons Iron Project

The Hawsons Iron Project joint venture (Carpentaria 64%, Pure Metals P/L 36%) 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 market.

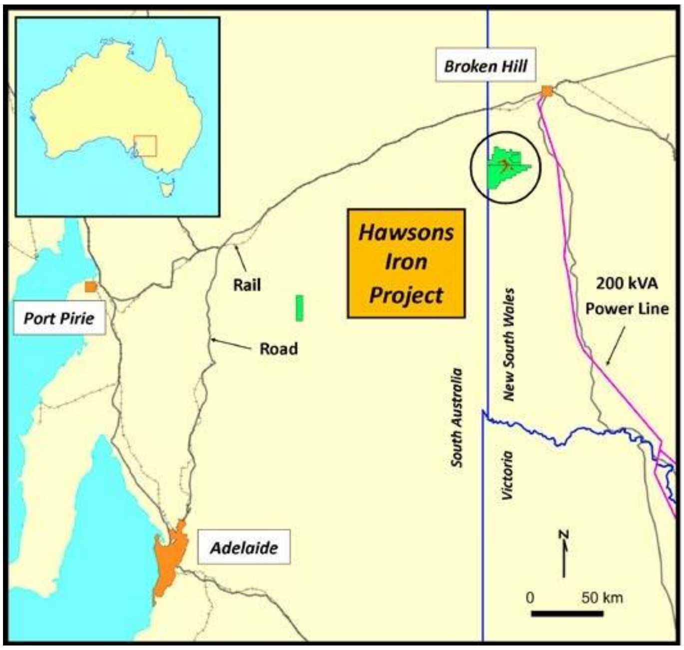


Figure 4 Location of Hawsons Iron Project and Port Pirie

The project has a clear technical and permitting pathway. It is located 60km southwest of Broken Hill, an ideal position for mining operations with existing power, rail and port infrastructure available for a conceptual 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 Supergrade magnetite product without complex and expensive processing methods.

The Company is targeting the growing premium high grade product market, both pellets and pellet feed, which is separate to the bulk fines market, and believes its targeted cost structure is very competitive and profitable at consensus long-term price forecasts for this sector. It has secured offtake intent from blue chip companies Bahrain Steel, Emirates Steel, Formosa Plastics, Mitsubishi RtM and Gunvor.

The project is underpinned by Inferred and Indicated Resources totalling 1.8 billion tonnes at 15% mass recovery for 263 million tonnes of concentrate grading at 69.7% Fe. The Company confirms that it is not aware of any new data that materially affects this resource statement since the first public announcement and that all material assumptions and technical parameters underpinning the resource estimates continue to apply and have not materially changed since first reported (ASX Announcement 26 March 2014 and Table 2).

Category	Billion Tonnes (cut off 12% mass recovery)	Magnetite mass recovery (%)	concentrate grades					Contained Concentrate million tonnes
			Fe%	SiO_2%	Al_2O_3%	P%	LOI%	
Inferred	**1.55**	**14.7**	**69.6**	**2.9**	**0.20**	**0.004**	**-3.0**	**228**
Indicated	**0.22**	**16.2**	**69.8**	**2.8**	**0.20**	**0.005**	**-3.0**	**35**
Total	**1.77**	**14.9**	**69.7**	**2.9**	**0.20**	**0.004**	**-3.0**	**263**

Table1 JORC compliant resources- Hawsons Iron Project

Hole ID	From (m)	To (m)	Thickness (m)	Magnetite Mass Recovery % (DTR)	Head Fe %	Concentrate grades						comment
						Fe%	SiO2 %	Al2O3 %	P %	S %	LOI	
RC16BRP060	69	241	172	13.0	17.9	70.2	2.02	0.16	0.001	0.003	-2.94	
incl	*116*	*186*	*70*	15.3	15.3	70.3	2.13	0.16	0.001	0.003	-3.18	
incl	*211*	*236*	*25*	14.1	23.1	70.6	1.71	0.14	0.000	0.002	-3.14	
	251	306	55	14.0	16.0	69.6	2.83	0.20	0.001	0.004	-3.02	
RC16BRP061	79	234	155	15.7	17.0	69.2	3.25	0.19	0.003	0.002	-2.94	
incl	*79*	*204*	*125*	16.9	18.1	69.2	3.28	0.18	0.004	0.003	-2.86	
	244	279	35	16.9	20.5	71.1	1.20	0.09	0.001	-0.001	-3.29	
RC16BRP062	105	305	200	16.8	19.2	69.9	2.53	0.17	0.004	0.000	-3.10	
incl	*150*	*275*	*125*	17.8	17.5	69.7	2.85	0.19	0.004	0.000	-3.12	
incl	*240*	*265*	*25*	18.7	20.7	70.7	1.71	0.12	0.003	-0.001	-3.23	
	315	335	20	13.2	14.2	69.1	3.61	0.22	0.006	0.002	-3.17	
	345	350	5	11.2	11.5	69.7	2.77	0.25	0.004	0.006	-3.23	EOH
RC16BRP064	92	117	25	15.8	19.1	69.8	2.08	0.11	0.002	-0.001	-2.37	
	142	227	85	14.9	16.4	69.3	3.24	0.16	0.002	-0.001	-3.06	
incl.	*152*	*212*	*60*	*16.5*	*17.5*	*69.3*	*3.25*	*0.16*	*0.003*	*-0.001*	*-3.03*	
	237	354	117	15.4	16.8	70.4	2.16	0.12	0.000	-0.001	-3.28	EOH
incl.	*297*	*354*	*57*	*17.3*	*17.1*	*70.4*	*2.12*	*0.11*	*0.000*	*-0.001*	*-3.31*	*EOH*
RC16BRP065	96	291	195	16.1	18.4	70.5	1.84	0.13	0.002	-0.001	-3.13	
	301	311	10	14.3	18.3	69.3	3.31	0.18	0.005	-0.001	-3.10	
RC16BRP066	98	203	105	15.2	16.9	70.3	2.09	0.13	0.001	-0.001	-3.10	
	213	238	25	12.5	21.9	70.5	2.09	0.12	0.001	-0.001	-3.19	
RC16BRP069	89	124	35	12.1	15.5	69.2	2.74	0.19	0.002	-0.001	-2.03	transition zone
	134	179	45	11.0	13.8	69.7	2.79	0.16	0.000	-0.001	-3.07	
	194	348	154	14.9	19.7	70.6	1.84	0.12	0.001	-0.001	-3.31	EOH
incl.	*229*	*319*	*90*	*16.7*	*18.0*	*70.7*	*1.77*	*0.12*	*0.000*	*-0.001*	*-3.34*	
RC16BRP067	174	181	7	12.8	22.6	70.7	1.38	0.13	0.003	-0.001	-3.02	EOH, abondoned
RC16BRP068	149	309	160	17.6	18.2	68.7	3.89	0.23	0.004	-0.001	-2.94	
incl.	*219*	*279*	*60*	19.6	18.4	68.1	4.55	0.25	0.005	-0.001	-2.87	
	334	354	20	11.5	14.3	70.4	1.96	0.12	0.003	0.000	-3.28	EOH
RC16BRP070	88	233	145	13.6	20.1	70.2	2.14	0.12	0.002	0.000	-3.07	
incl.	*143*	*168*	*25*	15.5	24.0	70.6	1.74	0.10	0.002	-0.001	-3.17	
incl.	*198*	*228*	*30*	15.8	21.2	69.0	3.55	0.19	0.004	0.002	-2.90	
	283	323	40	12.2	14.4	69.1	3.41	0.19	0.003	0.005	-3.05	
	333	355	22	18.7	20.7	70.0	2.44	0.16	0.005	-0.001	-3.23	EOH
RC16BRP071	79	214	135	17.3	19.0	68.5	4.00	0.16	0.005	0.000	-2.70	
incl.	*99*	*204*	*105*	18.3	18.9	68.5	4.19	0.17	0.005	0.000	-2.89	
RC16BRP072	104	109	5	23.8	25.1	70.1	2.14	0.07	0.004	-0.001	-2.84	
	119	184	65	13.7	16.2	70.7	1.35	0.13	0.002	0.004	-2.91	EOH

Table 2 Significant intersections (10% magnetite mass recovery cut off, no more than 5m of internal dilution)

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The information in this report that relates to Exploration Results, Exploration Targets and Resources 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 Exploration Ltd and he consents to the inclusion in the report of the Exploration Results in the form and context in which they appear.*

Hole ID	Hole Type	GDA_East	GDA_North	RL	Dip	Azimuth (Grid)	Hole Depth	Assay Result Status
RC16BRP060	RC	512263	6413511	196	-60	40	336	Received
RC16BRP061	RC	512225	6413155	194	-60	40	282	Received
RC16BRP062	RC	512349	6413301	195	-60	40	354	Received
RC16BRP063	RC	512435	6413395	195	-60	40	264	Pending
RC16BRP064	RC	512532	6412895	190	-60	40	354	Received
RC16BRP065	RC	512670	6413058	191	-60	40	324	Received
RC16BRP066	RC	512845	6412953	191	-60	40	265	Received
RC16BRP067	RC	512659	6412422	189	-60	40	181	Received
RC16BRP068	RC	512770	6412557	188	-60	40	354	Received
RC16BRP069	RC	512904	6412712	189	-60	40	348	Received
RC16BRP070	RC	513019	6412851	191	-60	40	355	Received
RC16BRP071	RC	512322	6412968	191	-60	40	214	Received
RC16BRP072	RC	513243	6412516	194	-60	40	184	Received
RC16BRP073	RC	513064	6412597	192	-60	40	354	Pending
RC16BRP074	RC	513174	6412726	192	-60	40	324	Pending
RC16BRP075	RC	513152	6412375	193	-60	40	312	Pending
RC16BRP076	RC	513845	6412129	195	-60	40	312	Pending
RC16BRP077	RC	513952	6412254	193	-60	40	276	Pending
RC16BRP078	RC	514078	6411938	195	-60	40	300	Pending
RC16BRP079	RC	514175	6412053	193	-60	40	270	Pending

Table 3 Drillhole collar data

JORC Code, 2012 Edition – Table 1 Hawsons Iron Project

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• A total of 20 drillholes were drilled by CAP. Results of 12 drillholes have been received to date. Drillholes were reverse circulation (RC) from surface. • All sampling was to industry standard • RC drillholes were drilled to obtain 1m samples with sample compositing applied to obtain a 5m 6kg sample which was pulverized to produce 150g aliquot for X-Ray Fluorescence (XRF) and Davis Tube Recovery (DTR) analysis. Magnetic susceptibility measurements and geological logging was completed for every metre of every drillhole. • Endeavour Geophysics carried out down hole geophysical logging and gyroscope surveying on all drillholes. Surveys were conducted on open hole. The geophysical logging consisted of natural gamma, magnetic susceptibility, density and caliper readings. • CAP has a suite of documented procedures for drilling related activities • Consistency of sampling method maintained. • Sampling technique is considered appropriate for deposit type
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• Drilling was RC. • RC drilling was carried out using a truck mounted Sandvik DE 840 (UDR1200) and truck mounted UDR1000. Both used 4.5 inch rods and 5 ½ inch face bits.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• RC sampling done on 1m intervals into green plastic bags. Sample recoveries for RC were visually estimated by the geologist at the time of drilling and recorded, • Because no numerical RC chip recovery data exists it is not possible to conclude if there is a relationship between sample recovery and mineral grade • A hand held XRF orientation study concluded that there was no sample bias with loss or gain of fine/coarse material.

Criteria	JORC Code explanation	Commentary
		• Negligible wet samples in the RC drilling
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• Every RC drillhole was logged by a geologist & entered into Excel spread sheets recording; Recovery, Moisture content, Magnetic susceptibility, Oxidation state, Colour, % of Magnetite, Gangue Min, Sulphide Min, Veins and Structure. Data was uploaded to a customised Access database. • Logging used a mixture of qualitative and quantitative codes • All RC sample metres were sub-sampled, sieved, washed and stored in a labelled plastic chip tray. All remaining drill core after sampling was stored in labelled plastic core trays on site. • All relevant intersections were logged • Geological logging was of sufficient detail to allow the creation of a geological model.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• RC samples were composited using the riffle split method. A 1/8 split was taken from the rig every metre then composited by splitting again using a 50/50 riffle splitter. • Field duplicates, blanks (washed sand) and standards we used for quality control measures • All sampling methods and samples sizes are deemed appropriate

Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.*
	• *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.*
	• *Nature of quality control procedures adopted (eg standards, blanks,*
		• Pulverizing
		  • Crush the sample to 100% below 3.35 mm.
		  • Separate a sample of 150 g for pulverizing in a C125 ring pulverizer (record weight) – DTR SAMPLE.
		  • Initially pulverize the 150 g sample for nominal 30 seconds – the sample is unusually soft for a ferro-silicate rock!
		  • Wet screen the DTR sample at 38 micron pressure filter and dry, screen at 1 mm to de-clump and re-homogenize.

Criteria	JORC Code explanation	Commentary

	duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.	• Record the oversize weights – if less than approximately 20 g is oversize, stop the procedure – failure.
		• If failure - select another 150 g DTR Sample and reduce the initial pulverization time by 5 secs, repeat until initial grind pass returns greater than approximately 20 g oversize. Once achieved retain the – 38 micron undersize.
		• Regrind only the oversize for 4 seconds of every 5 g weight of oversize.
		• Repeat the wet screening, drying, de-clumping & weighing stages until less than 5g above 38micron remains.
		• Ensure the remaining < 5 g oversize is returned back into the previously retained -38 micron product.
		• Report the times and weights for each grind pass phase.
		• Combine and homogenize all retained -38 micron aliquots and <5 g oversize –final pulverized product. Sub-sample the final pulverized product to give a 20 g feed sample for DTR work and a ~10 g sample for HEAD analysis via XRF fusion.
		• The objective of the pulverizing procedure is to achieve a nominal P80 of approximately 25 micron for the sample.
		• Davis Tube Recovery (DTR) Analysis
		  • Pulverizer bowl 150 ml
		  • Stroke Frequency 60/minute
		  • Stroke length – 38mm
		  • Magnetic field strength – 3000 gauss
		  • Tube Angle – 45 degrees
		  • Tube Diameter – 40mm
		  • Water flow rate – 540-590 ml/min
		  • Washing time 20 minutes
		  • Collect the concentrate in small collector (magnetic fraction) and discard tails.
		• X-Ray Fluorescence (XRF) Assaying
		  • Head Sample
		  • Using the Head Sample, analyse by XRF fusion method for the following elements: Al_2O_3 %, As % , Ba % , CaO % , Cl % , Co % , Cr % , Cu % , Fe % , K_2O % , MgO % , Mn % , Na_2O % , Ni % , P % , Pb % , S % , SiO_2 % , Sn % , Sr % , TiO_2 % , V % , Zn % , Zr % & LOI.

Criteria	JORC Code explanation	Commentary

		• DTR Concentrate Sample
		  • Dry the DTR concentrate and report the weight of the concentrate as a percentage of measured feed and report – DTR Mass Recovery.
		  • Analyse the concentrate by XRF fusion method for the following elements: Al2O3 %, As % , Ba % , CaO % , Cl % , Co % , Cr % , Cu % , Fe % , K2O % , MgO % , Mn % , Na2O % , Ni % , P % , Pb % , S % , SiO2 % , Sn % , Sr % , TiO2 % , V % , Zn % , Zr % & LOI.
		• JH8 and KT5 magnetic susceptibility metres were using to record magnetic susceptibility. A laboratory standard was used each day to calibrate each metre. A Niton XL3T Gold hand help XRF machine was used. A laboratory analysed sample was used to calibrate for Fe.
		• QAQC procedures consisted of using Field duplicates, Blanks and Standards at a frequency of 10 per 100 samples.
		• Internal QAQC measures were also undertaken by ALS.
		• Samples were sent to Interteck acting as an umpire laboratory.
		• Satisfaction of precision, accuracy and any lack of bias was made by an independent consultant using control plots.
		• All sampling and assay methods and samples sizes are deemed appropriate.

Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• Data was stored in an Access database • Twin DD holes were used to verify the results for RC holes and the DTR performance. • No Adjustments were made to raw assay data and lab certificates were presented to verify the data.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• Drill holes collars were located using a Differential GPS accuracy to less than one metre by a local surveyor. • Coordinates were supplied in GDA 94 – MGA Zone 54. • Down hole surveys were recorded using a gyroscope due to the highly magnetic nature of the deposit. • Topographic control was collected using a high resolution Differential GPS by a local surveyor

Criteria	JORC Code explanation	Commentary
		• Location methods used to determine accuracy of drillhole collars is considered appropriate
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• The deposit is drill at a nominal spacing of 150m to 200m in section and plan. • The drill spacing was deemed adequate for the interpretation of geological and grade continuity noting the homogeneity of the deposit and style of mineralisation. • Drill samples were composited at a nominal 5m
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• Drilling was completed at -60_{0}, generally sub-perpendicular to the bedding, which is the primary control to the magnetite mineralisation. • Different azimuths were used to reflect the changing strike of the beds associated with folding of the sediments and were designed to maintain the steep angle to the bedding • Locally holes deviated to the right (east) with depth. • Drilling orientations are considered appropriate with no bias.
Sample security	• *The measures taken to ensure sample security.*	• All samples were stored on site under company personnel supervision until transporting to the companies Broken Hill office • Intensity of magnetite mineralisation is difficult to see visually but detectable using a magnet.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• Sample procedures and results were reviewed by company personnel systematically. The QAQC data is being reviewed by Carpentaria staff and an external consultant.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental*	• The Hawsons Magnetite project is located in Western NSW, 60 km southwest of Broken Hill. The deposit is 30km from the Adelaide-Sydney railway line, a main highway and a power supply.

Criteria	JORC Code explanation	Commentary
land tenure status	*settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• The project is under a Joint Venture between Carpentaria Exploration Ltd (CAP) and Pure Metals Pty Ltd where CAP holds 64% and Pure Metals 36% equity in the project. Pure Metals currently manage the project. • The project area is wholly within Exploration Licences (ELs) 6979, 7208 & 7504 which are 100% owned by CAP. • Licence conditions for all ELs have been met and are in good standing. • An application for a Mining Lease (ML) was lodged with the NSW Trade & Investment Department in October 2013 and Carpentaria is not aware of any impediments to obtaining a mining lease.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• In 1960 Enterprise Exploration Company (the exploration arm of Consolidated Zinc) outlined a number of track-like exposures of Neoproterozoic magnetite ironstone (+/- hematite) which returned a maximum result of 6 m at 49.1% Fe from a cross-strike channel sample. No drilling was undertaken by Enterprise. • CRAE completed five holes within EL 6979 seeking gold mineralisation in a second-order linear magnetic low interpreted to be a concealed faulted iron formation within the hinge of the curvilinear Hawsons' aeromagnetic anomaly. CRAE's program failed to locate significant gold or base metal mineralisation but the drilling intersected concealed broad magnetite ironstone units interbedded with diamictite adjacent to the then untested peak of the highest amplitude segment of the Hawsons aeromagnetic anomaly.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The Hawsons Magnetite Project is situated within folded, upper greenschist facies Neoproterozoic rocks of the Adelaide Fold Belt. The Braemar Facies magnetite ironstone is the host stratigraphy and comprises a series of narrow, strike extensive magnetite-bearing siltstones generally with a moderate dip (circa 45º). The airborne magnetic data clearly indicates the magnetite siltstones as a series of parallel, narrow, high amplitude magnetic anomalies. Large areas of the Hawsons prospective stratigraphy are concealed by transported ferricrete and other younger cover. The base of oxidation due to weathering over the prospective horizons is estimated to average 80m in depth.

Criteria	JORC Code explanation	Commentary
		• The Hawsons project comprises a number of prospects including the Core, Fold, T-Limb, South Limb and Wonga deposits. Resource Estimates have been generated for the Core and Fold areas which are contiguous. • The depositional environment for the Braemar Iron Formation is believed to be a subsiding basin, with initial rapid subsidence related to rifting possibly in a graben setting eg the diamictites in the lower part of the sequence. A possible sag phase of cyclical subsidence followed with deposition of finer grained sediments with more consistent, as compared to the diamictite units, bed thicknesses, style and clast composition. The top of the Interbed Unit marks the transition from high to lower energy sediment deposition • The distribution of disseminated, inclusion-free magnetite in the Braemar Iron Formation at Hawsons is related to the composition and nature of the sedimentary beds. The idioblastic nature of the of the magnetite is believed due to one or more of a range of possible processes including in situ recrystallisation of primary detrital grains, chemical precipitation from seawater, permeation of iron-rich metamorphic fluids associated with regional greenschist metamorphism . Grain size generally ranges from 10microns to 0.2mm but tends to average around the 40micron mark. The sediment composition and grain size appear to provide a control on the mineralisation. There is no evidence for structural control in the form of veins or veinlets coupled with the lack of a strong structural fabric. • In the majority of the Core and Fold deposit the units strike south east and dip between 45 and 65˚ to the south west. The eastern Fold deposit comprises a relatively tight synclinal fold structure resulting in a 90º strike rotation.
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* ○ *easting and northing of the drill hole collar* ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* ○ *dip and azimuth of the hole*	• See Table 3 for all drill hole information in this report

Criteria	JORC Code explanation	Commentary
	○ *down hole length and interception depth* ○ *hole length.* • *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• All significant intercepts reported are downhole weighted averages with magnetite mass recovery (DTR) 10% bottom cut off grade with no more than 5m (one sample) of internal dilution in Table 2.
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• Drilling was planned to intersect the geology as close to perpendicular as possible to bedding to achieve true widths.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• Figure 1 -3 illustrate drill hole locations and typical section for the results reported.
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• All significant intercepts reported are downhole weighted averages with no top or bottom cuts.
Other substantive	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and*	• Downhole geophysics comprises magnetic susceptibility, gamma and density has been completed for a majority of the holes. This has resulted in the definition of a magnetic (and density-related)

Criteria	JORC Code explanation	Commentary
exploration data	*method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	stratigraphy that is coincident with a chronostratigraphic interpretation.
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Further environmental and engineering studies are planned which will form part of the current PFS completion.