

ABN: 63 095 117 981 | ASX: CAP

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

31 July 2014

ABOUT CARPENTARIA:

Carpentaria is an emerging producer of iron ore in eastern Australia. The company currently has a majority interest in the Hawsons Iron project, in addition to other magnetite interests in the emerging Braemar Iron Province.

CARPENTARIA'S AIM:

Build a long lasting, low cost premium iron business

CAPITAL STRUCTURE:

Ordinary Shares 123,987,777

MAJOR SHAREHOLDERS:

Silvergate Capital 18.19%

Conglin In't Invest'
Group 11.42%

NEFCO 4.47%

Management, Including
Unlisted Options 10.72%

FINANCIAL


Cash on hand as at 31/07/2014
A\$4,719,370


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CARPENTARIA EXPLORATION LIMITED

www.capex.net.au

ASX ANNOUNCEMENT

Quarterly Report

For the Quarter ended 30 June 2014

Highlights

CORPORATE

- Strategic focus set on Hawsons Iron Project
- Dr Neil Williams appointed Chairman, founding Executive Chairman Nick Sheard retires
- Reviewing value options for exploration assets
- \$1.0 million received from tax rebate

HAWSONS IRON PROJECT

- Joint venture secures up to 12mtpa port access at Port Pirie
- Independent review endorses joint venture transport plan
- Carpentaria takes management of Hawsons Iron Project
- Pure Metals meets commitment and earns 40% interest in Hawsons
- Seasonal surveys at mine site and service corridors completed for environmental impact statement
- Premium products gain prominence in the market

CENTRAL LACHLAN GOLD EXPLORATION

- Diamond drilling at Josephine Moulder prospect, Advane intersects
 - 10m at 1.5g/t gold from 45m; and
 - 10m at 0.9g/t gold from 134m
- Josephine Moulder mineralisation open in all directions
- Result confirms new discovery at Advane and increases prospectivity over 15km of gold mineralised corridor
- At Barellan rock chip channel results up to 1m at 8.8g/t gold and 32m at 0.56g/t gold confirm previous bedrock anomalism
- Auger soil results confirm and extend previous gold arsenic antimony bedrock anomaly now 200m x 30m open to south-east

PLANNED JUNE QUARTER DEVELOPMENT & EXPLORATION ACTIVITIES

Hawsons Iron Project Development

The joint venture, under Carpentaria management, will continue to increase certainty of the projects infrastructure components building on the recent port agreement.

A prefeasibility study on the rail-port-marine solution at Port Pirie in conjunction with Flinders Ports will commence.

Carpentaria will initiate studies by Transgrid to provide certainty of power connection costs and timeframes.

Discussions with potential off-take partners will continue, taking advantage of our high grade, premium product.

Work will progress on the environmental impact statement including discussions with government on securing a process water allocation for the project.

Exploration

Following compilation of the very positive results from Advene and Barellan received this quarter Carpentaria will complete a review of the exploration assets and consider options to provide shareholders with best value from these assets.

The results received this quarter demonstrate the prospectivity of the Company's intrusion related gold (IRGS) based Central Lachlan tenement package. Carpentaria was an early mover in IRGS exploration in central NSW and has built a very promising portfolio.

REVIEW OF MARCH QUARTER ACTIVITIES

CORPORATE

In a strategic shift the Company announced on 3 July 2014 that it will focus its resources on the development of its flagship asset, the Hawsons Iron Project (60% owned by Carpentaria in joint venture with Pure Metals PtyLtd.)

The decision marks the evolution of the Company from explorer to developer and the Company's belief in the great value to be unlocked in Hawsons. The company aims for Hawsons to be the cornerstone of a long lasting, low cost, premium iron business.

The decision will release a \$1.2 million per year exploration expenditure commitment and has also prompted a company restructure that includes a targeted 50% administration cost reduction this financial year.

The Company has received \$1.0 million subsequent to the end of the quarter from the Research and Development Tax Incentive scheme and has a cash balance at 31 July 2014 of \$4.7 million following payment of various restructure costs putting the company on a firm financial footing.

The Company will continue to progress Hawsons by increasing certainty around infrastructure, product market and permitting to provide a solid foundation for additional investment. In addition, the Company will seek to realise value for shareholders from its exploration assets.

Dr Neil Williams was elected by the Carpentaria Board as its Chairman. Dr Williams joined the Board in 2012. He has had leadership roles in the resources industry and government, most recently as CEO of Geoscience Australia for 15 years, Australian governments peak geoscience body.

Dr Williams appointment followed the retirement of founding Chairman Nick Sheard in early July.

DEVELOPMENT UPDATE

Hawsons Iron Project JV (CAP 60%, Pure Metals P/L 40%)

Infrastructure – Port access secured with Flinders Ports at Port Pirie

The joint venture (JV) secured port access for up to 12 million tonnes per annum (mtpa) of iron ore concentrate through the existing berths at Port Pirie and was granted foundation customer status in a subsequent event to this quarter (ASX Announcement 22 July 2014) (Figure 1).

Flinders Ports and the JV have agreed to jointly fund a rail-port-marine study into the best option for exporting 10-20mtpa of iron ore to 180,000t vessels (Cape size) through Port Pirie. The joint study will increase engineering detail and certainty at the port to a level consistent with other aspects of the project and investigate rail unloading, transfer of concentrate to the port, likely by conveyor, and ship loading using barges.



Figure 1 Aerial view of Port Pirie

Under the agreement the Hawsons JV will have a first right of refusal for export of up to 12mtpa of iron ore concentrate through this port, conditional upon further study cooperation between the parties.

The agreement builds on an independent review earlier in the quarter by independent advisory Balance Resources which endorsed the Hawsons transport plan. Balance found the JV solution “contains no fatal flaws that will prevent the project moving its product to port, based on the information provided to date” and also considered the solution “efficient and viable” providing the lowest cost transport option.

The Balance findings were based on a transport solution comprising;

1. Construction of a dedicated slurry pipeline from the mine site to a location in Broken Hill;
2. De-watering of product, stockpiling at a location in Broken Hill;
3. Transfer of product onto rail, for transport via the existing Australian Rail Track Corporation (ARTC) track to Port Pirie;
4. Unloading and stockpiling of product at the port;
5. Transfer of product onto barges, for transshipment offshore to Cape-size vessels.

The agreement with Flinders Ports and conclusions from Balance Resources support the joint venture's claim that existing infrastructure is a key development advantage for Hawsons and that the technical and permitting pathway for development is clear and achievable.

The joint venture has established that all key infrastructure items have viable and/or existing solutions including:

- the existing open access ARTC track from Broken Hill to Port Pirie can sustain transport of 10Mtpa of concentrate with minimal capital investment;
- barging and transshipment from Port Pirie can be efficient and viable;
- a power supply is available from the state power grid in NSW only 35km from the project;
- a viable supply of saline water exists 90km from the project;
- a skilled workforce is available in Broken Hill.

Carpentaria takes management and Pure Metals earns 40% of the project

On 20 June 2014 Carpentaria was reappointed manager of the Hawsons joint venture following a twelve month period under partner Pure Metals management.

In addition on 4 July 2014, Pure Metals earned its 40% share of the joint venture after meeting its expenditure commitment of \$5 million to the project over the past twelve months.

The parties will now contribute pro-rata to the development or dilution applies under a standard formula. Carpentaria will maintain the same Project development leadership ensuring continuity of management and that a high level of expertise and experience is utilised.

Product Marketing

Recent sales of iron ore demonstrate there are increasing discounts for lower quality iron ores. Carpentaria believes, based on test work results, to be confirmed in pilot scale tests, that it will be able to produce a very high grade, ultra-low impurities product that will help steel mills achieve increased efficiency, lower pollution and improved quality steel.

Last quarter Carpentaria reported that Ferrum Consultants had concluded that the Hawsons product is potentially a very attractive input to steelmakers from a chemical perspective because of its high iron, low combined silica and alumina and "very little other deleterious content". The product would have the ability to offset the "gradual quality decline evident in the ores of the major producers".

The Company will continue its off-take discussions taking advantage of this high quality product and market conditions that indicate a higher demand for high quality products.

Water Supply and Environmental

During the quarter all seasonal flora and fauna surveys were completed at the mine site and proposed slurry and raw water pipeline corridors following a three year survey period that did not identify environmental factors that would impact materially on the project (Figure 2).

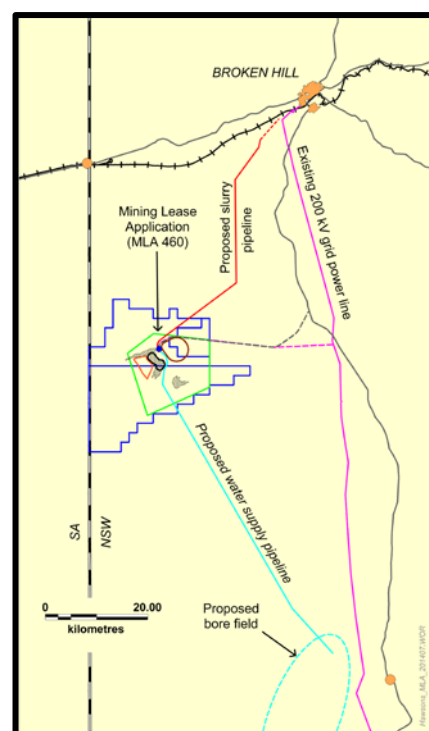


Figure 2 – Location and infrastructure plan of Hawsons Iron Project

The JV will continue to monitor existing water bore levels and chemistry at the mine site and the borefield site for the completion of the environmental impact statement (EIS).

The EIS is well advanced with cultural heritage surveys and consultation ongoing. In addition a number of low cost, short period, specialist studies need to be completed to allow the drafting of the EIS.

The EIS could be completed in approximately 6 months. Lodgement of the EIS for large capital projects, however, attracts a materially large lodgement fee from government and Carpentaria will seek to extend the time period available to lodge the EIS under the Director General Requirements to provide flexibility in lodgement timeframes. This is a common request in the development process.

About Hawsons Iron Project

The Hawsons Iron Project joint venture (Carpentaria 60%, Pure Metals P/L 40%) is currently undertaking a bankable feasibility study based on low cost, long term supply of a high grade, ultra-low impurity iron concentrate to a growing premium iron market.

The project has a technical and permitting pathway that is clear and achievable and 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 also been lodged.

The Hawsons Iron Project's soft rock is different from traditional hard rock magnetite and allows a very different approach from typical magnetite mining and processing challenges (both technical and cost-related). The soft rock enables simple liberation of a premium magnetite product without complex and expensive processing methods and the Company believes its targeted costs are very competitive and profitable at consensus long term price forecasts.

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 1).

Category	Billion Tonnes (cut off 12% mass recovery)	Magnetite mass recovery (%)	concentrate grades					Contained Concentrate million tonnes
			Fe%	SiO ₂ %	Al ₂ O 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

Table 1 JORC compliant resources- Hawsons Iron Project

Central Lachlan Gold Project

Carpentaria was an early mover in exploring for intrusion related gold systems (IRGS) in the central Lachlan Fold Belt and has compiled a portfolio of tenements prospective for this style of mineralisation with results this quarter confirming its prospectivity with an ore grade intersection at Advene (Figure 3).

The Company is currently reviewing options to create value from this portfolio for shareholders.

EL 8095 Advene 100% CAP – Gold

New discovery drilled at Josephine Moulder

At Josephine Moulder drilling during the quarter has significantly upgraded the potential of the project with the highest grade intersections returned to date from the Josephine Moulder (JM) structure.

Highlight intersections include:

- **10m at 1.43g/tAu, 4.58g/t Ag from 45m in DD14AV001 (incl. 1m at 5.18g/t Au and 3.20 g/t Ag from 54m)**
- **10m at 0.85g/t Au and 2.14g/t Ag from 134m in DD14AV005**
- **1.9m at 1.01 g/t Au and 1.70 g/t Ag from 1m in DD14AV004**

The Josephine Moulder mineralised structure is now confirmed by six drill intersections to be over 400m long, 10m wide (true width) and persistent to a depth greater than 150m down dip. The structure was intersected in the oxide zone (DD14AV001) and the fresh rock zone (DD14AV005) and found to be mineralised in both (Figures 4 and 5).

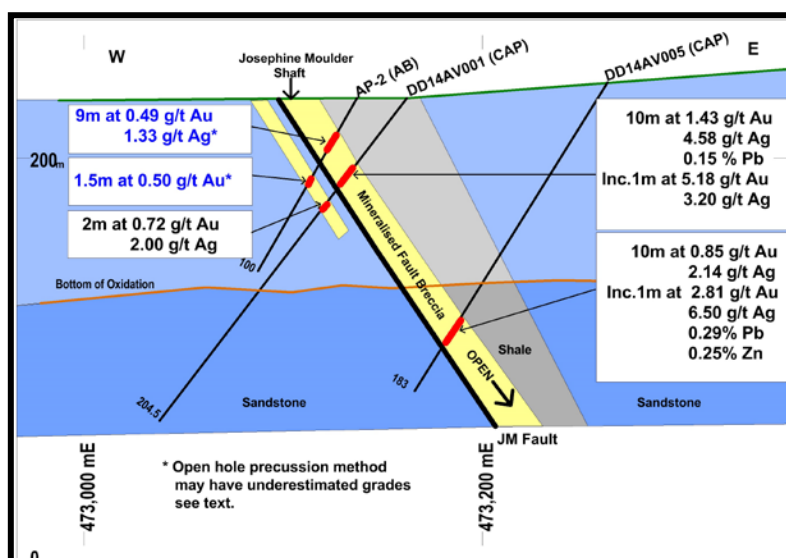


Figure 4 – Josephine Moulder cross section

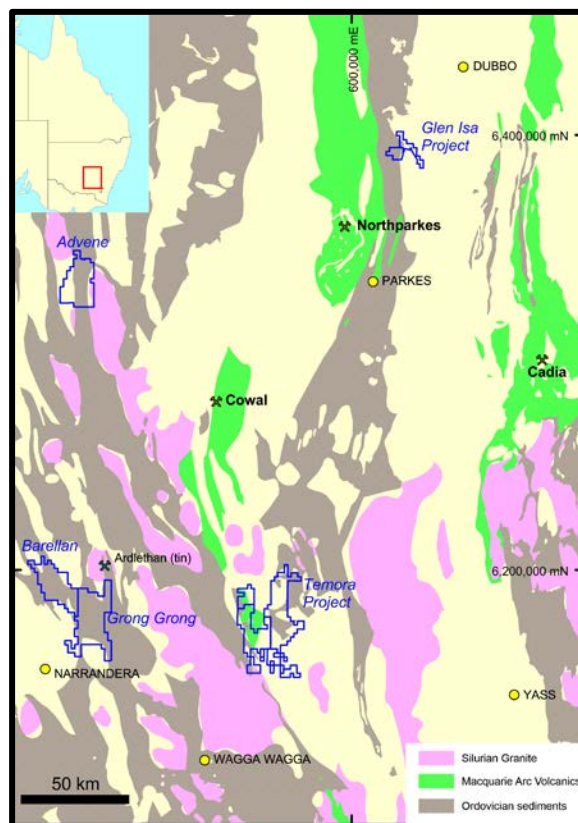


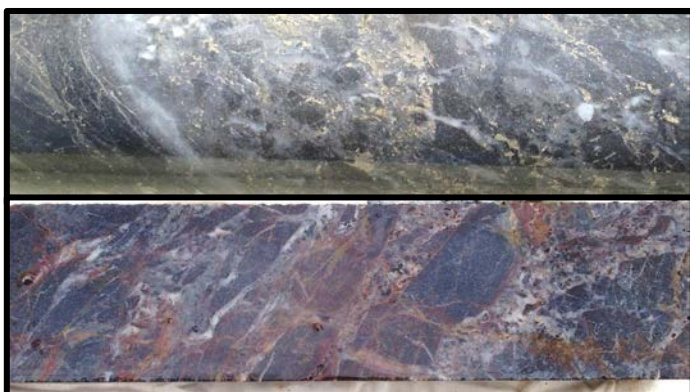
Figure 3. Central Lachlan location plan

The mineralisation is open in all directions. Observations identified the structure as a multi-phase sheeted quartz, siltstone fault breccia sheet striking north and dipping at 50 degrees to the east located on the contact of a silicified, likely carbonaceous, shale and quartzite unit. Mineralisation is associated with iron, zinc and lead sulfides (Photos).

The best intersection is similar in width but almost triple the grade encountered in the nearby, historical, open-hole percussion drill-hole – AP2 – of 9m at 0.5 g/t Au. The current result casts doubt on the sampling accuracy of all five prior Aberfoyle holes that may have all underestimated gold grades, not uncommon in this type of drilling.

A total of 5 diamond drill holes were completed for 634m. A full list of intersections greater than 0.1g/t Au is provided in Table 2 in the Appendix.

The drilling results include significant lead and zinc mineralisation in addition to gold and silver. The multiphase, polymetallic mineralisation is consistent with an intrusion related source and Carpentaria's exploration model.



Photos: upper – fresh rock JM mineralisation in DD14AV005,
lower - oxide zone JM mineralisation from DD14AV001

Regionally the results upgrade the prospectivity of the entire tenement including the 12km mineralised corridor between the JM discovery and the Avoca workings where a maximum rock chip result of 3.66 g/t Au was previously returned from a grab sample of historical workings (Figure 6).

At Advene the host sedimentary rocks are interpreted to form a mildly magnetic and potentially altered roof to an underlying buried granite intrusion, evident in regional aeromagnetic and gravity data as a discrete low amplitude feature. The geological setting is consistent with intrusion related gold system exploration model.

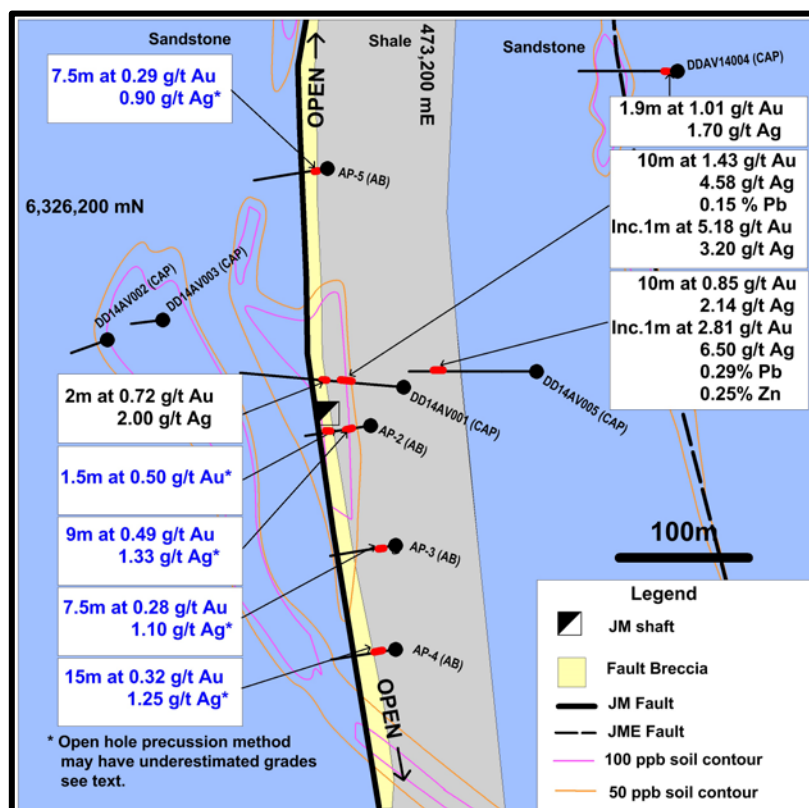


Figure 5: Plan view of Josephine Moulder drilling

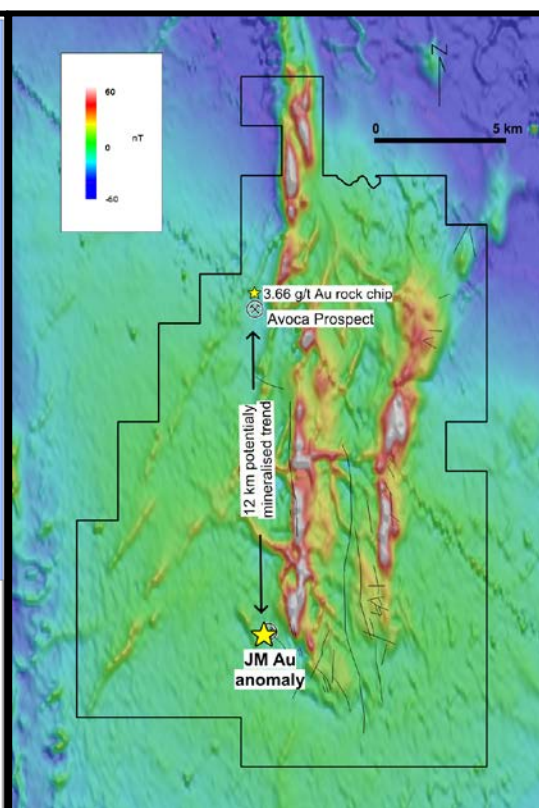


Figure 6: Advene tenement over regional magnetics

EL 7896 Barellan (100% CAP) – Gold, Antimony

Results of a ninety eight (98) sample auger soil survey and forty three (43) contour drain rock chip channel samples taken at the site of historically known gold anomalies were returned this quarter. The results were very positive confirming and extending historic mineralisation.

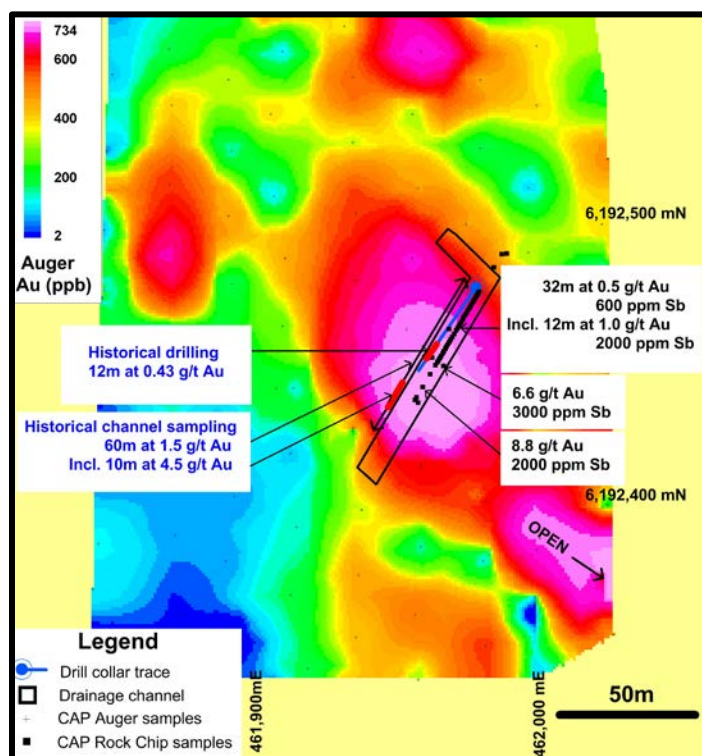


Figure 7: Barellan auger soil gold anomaly

The survey, following up historical RAB drilling, defined a **200m x 30m plus 50 ppb bedrock gold** (plus arsenic and antimony) anomaly open to the south east.

At the centre of this anomaly is a contour drain that returned 60m at 1.5g/t gold (including 10m at 4.5g/t gold) in historical work that was resampled where possible and returned **32m at 0.5g/t gold**. However the entire channel was not able to be systematically sampled.

A maximum result of **1m at 8.8g/t gold** in an area overlapping the historical high grade result was returned confirming the presence of high grade mineralisation.

The Barellan prospect contains hairline quartz-sulfide vein stock work hosted by sediments, interpreted to be situated in the roof zone of a buried granite with potential for stock work, replacement or other structurally controlled intrusion related gold mineralisation.

EL 8189 Grong Grong (100% CAP) - Gold

Scout geological mapping was completed.

The Grong Grong licence contains known prospects and poorly explored, near surface regional geological potential for IRGS and orogenic sulfide fault replacement gold lodes.

The licence abuts the historically mined Ardlethan leases which cover what was the largest hard rock tin deposit in mainland Australia, with approximately 30,000t contained tin metal. IRGS deposits often have a spatial association with granite-hosted tin and tungsten mineralisation, further highlighting the prospectivity of the Grong Grong licence.

The larger than usual Harry Smith occurrence, located within the licence, has historically recorded shallow hard rock gold production of over 16,000oz to a reported depth of only 70m.

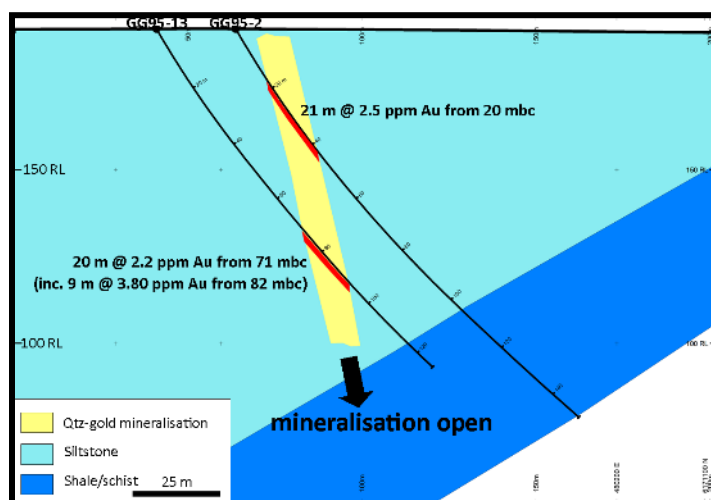


Figure 8. Cross section of Harry Smith prospect

Highlighted, previously reported historical intersections from the Harry Smith prospect are significant and include 21m @ 2.5 ppm Au (CG95-2) and on the same section 20m @ 2.2 ppm Au (CG95-13) at the northern end of the north-northwest striking Golden Splay fault section of the prospect (Figure 7).

In addition to Harry Smith, both the Mallee Hen (several thousand ounces of historically recorded gold production) and the extensive Belmore line of north-

northwest striking small historical workings have not been fully investigated or drill tested in the past.

Braemar JV (CAP earning in) and South Dam (CAP 100%)

EL 5181, EL 4395

As a subsequent event on 14 July 2014 Carpentaria withdrew from the Braemar JV with no residual interest. The decision was based on a substantial ongoing expenditure commitment and the inability to negotiate favourable joint venture terms.

Under the agreement Carpentaria was required to define 200Mt of Inferred Resources by April 2015 incurring considerable cost.

Carpentaria remains 100% owner of the South Dam tenement (EL 4395) located at the southern end of the highly prospective magnetite-bearing Braemar Iron Formation, 200km north-east of Adelaide (Figures 8 and 9).

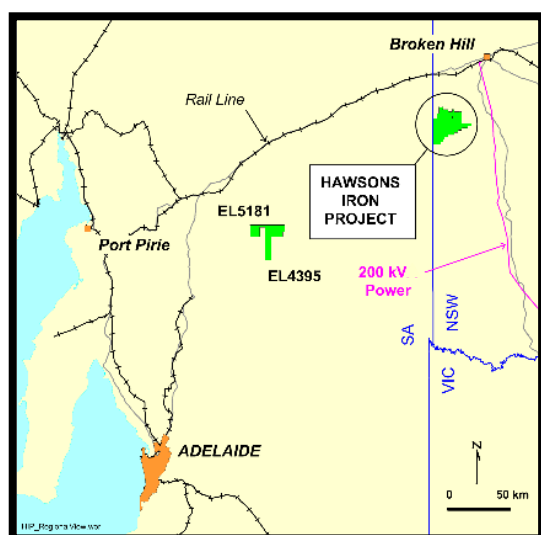


Figure 9. Location of Hawsons Iron Project, Braemar and South Dam ELs

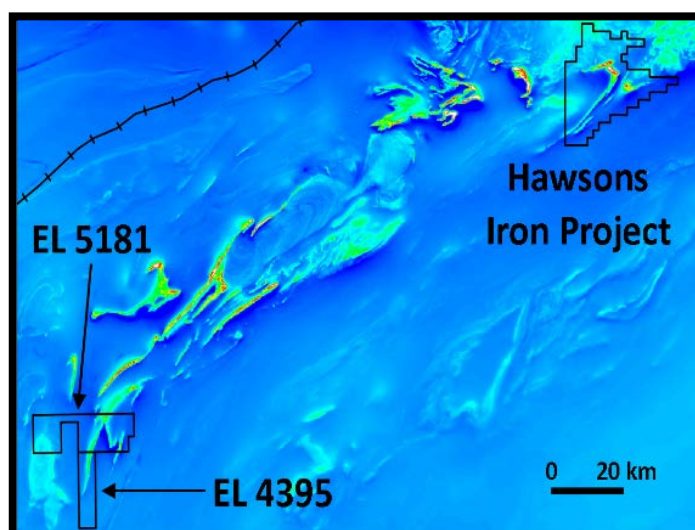


Figure 10. Magnetic image showing the Braemar Iron Formation and CAP's Braemar licences (CAP has withdrawn from EL5181)

The South Dam project contains an Exploration Target in the range of 580 to 960 million tonnes, with an estimated magnetite mass recovery (DTR) of 12 to 27% for between 70 million tonnes and 260 million tonnes of iron concentrate at 63-67% iron (ASX Announcement 29 November, 2013). The term "Target" should not be misunderstood or misconstrued as an estimate of Mineral Resources and Reserves as defined by the JORC Code (2012), and therefore the terms have not been used in this context. It is uncertain if further exploration or feasibility study will result in the determination of a Mineral Resource or Mining Reserve.

Davis Tube analytical results and petrographic observations from the formation taken nearby to the tenement confirm that at the South Dam Project magnetite is finer grained than that at Hawsons and may require different and potentially higher cost processing than that proposed for Hawsons. However, relatively simple processing to produce a saleable concentrate from this project is still possible, and Carpentaria is currently investigating all processing options. Carpentaria intends to meet its exploration expenditure commitment and test the exploration target with additional drilling in the next two years.

The project is close to key existing transport infrastructure, being 45km south-west of the national rail line and highway and 150km east of Port Pirie in South Australia. In contrast to other South Australian Braemar Iron province projects, both of Carpentaria's Braemar South licences are located upon perpetual leasehold land titles where Native Title has been extinguished.

Mount Agate (ActivEX Ltd earning 75%) – Copper, Gold

EPM 14955

Carpentaria has agreed to sell its remaining interest in the Mt Agate joint venture to Activex for \$37,500 plus a 1.5% net smelter royalty.

For further information



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The information in this announcement that relates to Exploration Result, Exploration Targets and Resources is based on information compiled by Q.S. Hill who is a member 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 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Q.S.Hill is a full-time 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.

Carpentaria Exploration Tenement Schedule at End of 2014 March Quarter

<u>Licence</u>		<u>Name</u>	<u>Original Grant Date</u>	<u>Expiry Date</u>	<u>Equity</u>	<u>Sub-blocks</u>	<u>Area (km²)</u>
EL 6246	4	Glen Isla	24/05/2004	24/05/2014	100%	12	33.9
EL 6901		Combaning	8/10/2007	8/10/2015	100%	154	435.8
EL 6936	1	Euriowie	7/11/2007	7/11/2015	100%	16	46.9
EL 6979	2, 3	Redan	11/12/2007	11/12/2016	60%	62	179.8
EL 7208	3	Burta	22/09/2008	22/09/2015	60%	100	289.7
EL 7375		Dirnaseer	30/07/2009	30/07/2015	100%	41	115.9
EL 7504	3, 4	Little Peak	8/04/2010	8/04/2014	60%	14	40.6
EL 7574		Gundong	5/07/2010	5/07/2014	100%	20	47.5
EL 7655		McDougalls C	6/12/2010	6/12/2015	100%	24	70.7
EL 7656		McDougalls A	6/12/2010	6/12/2015	100%	19	55.8
EL 7657		McDougalls B	6/12/2010	6/12/2015	100%	34	100.2
EL 7680		Ilabo	11/01/2011	11/01/2015	100%	18	50.8
EL 7735		Koonenberry 1	16/05/2011	16/05/2016	100%	29	86.3
EL 7736		Koonenberry 2	16/05/2011	16/05/2016	100%	21	62.3
EL 7737		Koonenberry 3	16/05/2011	16/05/2016	100%	15	44.4
EL 7738		Koonenberry 4	16/05/2011	16/05/2016	100%	8	23.7
EL 7739		Mt Shannon	16/05/2011	16/05/2016	100%	46	137.1
EL 7740		Wertago	16/05/2011	16/05/2016	100%	29	85.5
EL 7741		McDougalls D	16/05/2011	16/05/2016	100%	13	38.3
EL 7829		Yanco Glen	2/09/2011	2/09/2016	100%	50	146.2
EL 7896	4	Barellan	6/02/2012	6/02/2014	100%	75	212.5
EL 7921	4	Kantappa	19/04/2012	19/04/2014	100%	42	123.3
EL 7957	4	Corona	29/06/2012	29/06/2014	100%	47	137.9
EL 8082		Tooloom	1/05/2013	1/05/2016	100%	100	297.4
EL 8095		Advene	28/05/2013	28/05/2015	100%	100	287.1
EL 8189		Grong Grong	29/10/2013	29/10/2016	100%	148	418.7
EL 4395		South Dam	10/12/2009	9/12/2014	100%	30	86.0
EPM 14955	5	Mount Agate	29/06/2006	28/06/2016	100%	55	176.0
MLA 460	7, 6	Hawsons Iron	Under application	Under application	100%	n/a	187.0
Totals		29 licences and applications				1486	4,490.4

1. 100% Willyama Prospecting Pty Ltd (wholly owned subsidiary of Carpentaria).

2. 1.5% NSR royalty to Perilya Broken Hill Pty Ltd.

3. JV farm-out; Pure Metals Pty Ltd.

4. Under renewal process.

5. JV farm-out; ActivEX Ltd.

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

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

Table 2 – EL8095 Diamond Core samples*All samples over 0.10 g/t gold with maximum internal dilution of three metres*

HoleID	GDA_E	GDA_N	RL_m	Azimuth Grid	Inclination	Total Depth_m	From_m	To_m	Interval_m	Au g/t	Ag g/t	As ppm	Pb ppm	Zn ppm
DD14AV001	473163	6326062	230	275	-55	204.5	43	57	14	1.06	4.47	550	1248	36
						Including	45	55	10	1.43	4.58	580	1500	41
						Including	54	55	1	5.18	3.20	592	502	23
							68	72	4	0.47	1.35	108	189	16
DD14AV002	472938	6326091	199	250	-60	50.7	2.7	3.3	0.6	0.11	2.40	125	310	51
DD14AV003	472989	6326107	200	263	-60	48.4	No significant intersects							
DD14AV004	473375	6326300	220	270	-60	147.1	1	2.9	1.9	1.01	1.70	24	20	19
DD14AV005	431263	6326074	238	270	-62	183	40	41	1	0.24	1.20	86	19	13
							48	49	1	0.13	<0.5	197	7	77
							140.5	153.3	12.8	0.74	1.86	590	621	675
						Including	134	144	10	0.85	2.14	662	698	764
						Including	134	135	1	2.81	6.50	495	2950	2590

JORC Code, 2012 Edition – Table 1 EL 8095 Advene Gold Project (Diamond Drilling) report

Section 1 Sampling Techniques and Data

Criteria	Commentary
<i>Sampling techniques</i>	<ul style="list-style-type: none"> A total of 5 drill holes were drilled by CAP. Drill holes were all diamond from surface (DD). All sampling was to industry standard Diamond drill hole core sampling process involved; orientation, metre marking, magnetic susceptibility measurements (every metre), scintillometer readings (average over every metre), core recoveries, rock quality designation (RQD), specific gravity measurements (every two metres using academics technique and geological logging. The core was then photographed and cut into halves to produce an (0.2m to 2m) composite sample which was pulverized to produce a 100g aliquot for FA and ICP analysis. Consistency of sampling method maintained. Sampling technique is considered appropriate for deposit type
<i>Drilling techniques</i>	<ul style="list-style-type: none"> Drilling is diamond core Diamond core drilling was carried out using a truck mounted McCulloch Multi-Purpose Rig. HQ3 triple tube with 96mm diameter. When orientated the REFLEX orientation tool was used.
<i>Drill sample recovery</i>	<ul style="list-style-type: none"> Core recoveries were recorded by measuring the length of core recovered in each run divided by the by the drilled length of the individual core runs. Core loss was noted. Core recoveries averaged 99% Industry standard drilling rigs suitable for the required task were used. Triple tube with splits was used to maximise core recoveries. There is no evidence of a relationship between core recoveries and mineral grade. Core was cut using the orientation line preventing any visual sampling bias.
<i>Logging</i>	<ul style="list-style-type: none"> Every DD drill hole was logged by a geologist on paper and entered into excel spread sheets recording; weathering intensity, oxidation intensity, colour, rock type, grain size, alteration, sulphide minerals, texture, fabric, veins and structure. Logging used a mixture of qualitative and quantitative codes All remaining drill core after sampling was stored in labelled plastic core trays on site. All drill core was photographed wet and dry after logging but before cutting.

Criteria	Commentary
	<ul style="list-style-type: none"> All relevant intersections were logged Geological logging was of sufficient detail to allow the creation of a geological model.
<i>Sub-sampling techniques and sample preparation</i>	<ul style="list-style-type: none"> DD core was cut into half core using a brick saw and diamond blade. The core was cut using the orientation line or perpendicular to bedding. Half core was sent to ALS for analysis retaining the remaining half core for reference. Field duplicates (quarter core), blanks (river sand) and standards we used for quality control measures All sampling methods and samples sizes are deemed appropriate
<i>Quality of assay data and laboratory tests</i>	<ul style="list-style-type: none"> All diamond core samples, including duplicates, blanks and standards were analysed by ALS Chemex laboratories using methods Au-AA23, AA25 (fire assay DL 0.005, 0.01 ppm) and ME-ICP61. (Induced Couple Plasma Atomic Emissions Spectrometry). JH8 and KT5 magnetic susceptibility metres were using to record magnetic susceptibility. A laboratory standard was used each day to calibrate each metre. QAQC procedures consisted of using Field duplicates, Blanks and Standards at a frequency of 5 per 100 samples. Internal QAQC measures were also undertaken by ALS. 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.
<i>Verification of sampling and assaying</i>	<ul style="list-style-type: none"> 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. Density data from the downhole geophysics was adjusted upwards by 5.2% based on check density measurements using core with the immersion in water (Archimedes) method
<i>Location of data points</i>	<ul style="list-style-type: none"> Drill holes collars were located using a hand held GPS accuracy to less than five metres. Coordinates were supplied in GDA 94 – MGA Zone 54. Down hole surveys were recorded using a REFLEX Multi-Shot tool. Topographic control was by the RL's obtained during the surveying of the drill collars. Location methods used to determine accuracy of drill hole collars is considered appropriate
<i>Data spacing and distribution</i>	<ul style="list-style-type: none"> Drilling was conducted to intersect specific targets with no nominal collar spacing as it was not a resource drilling program and no resource estimate is being reported. Drill samples were composited ranging from 0.2 to 2m
<i>Orientation of data in relation to geological structure</i>	<ul style="list-style-type: none"> Drilling was completed between -55° and -60°, generally sub-perpendicular to the bedding which the fault and mineralisation is controlled by. Different azimuths were used to reflect the change in strike of the sediments and soil anomalies and were designed to maintain the steep angle to the bedding Drilling orientations are appropriate with no bias.
<i>Sample security</i>	<ul style="list-style-type: none"> All samples are stored on site under company personnel supervision.
<i>Audits or reviews</i>	<ul style="list-style-type: none"> Sample procedures and results were reviewed by company personnel systematically. The QAQC data was review by Carpentaria staff and an

Criteria	Commentary
	external consultant as well as Geochem Pacific.

Section 2 Reporting of Exploration Results

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

Criteria	Commentary
<i>Mineral tenement and land tenure status</i>	<ul style="list-style-type: none"> Exploration licence EL8095 is 100% owned by Carpentaria Exploration Ltd. The licence is located approximately 40km west of Condobolin in central NSW. The licence is in good standing with no known impediments over the area of sampling.
<i>Exploration done by other parties</i>	<ul style="list-style-type: none"> 1982 Aberfoyle Resources collected 37 composite rock chip samples laboratory tested for gold silver & tin. Best sample 21m @ 4.1g/t Au Aberfoyle drilled five percussion holes for 513 metres with sampling at 1.5m intervals along hole. Best intersection 7.5m from 91.5 mbc @ 0.52 g/t Au (hole A-P1) 1986 Transit Pty Ltd collected surface samples from old dumps confirming anomalous gold values recorded by Aberfoyle 1988 Lachlan Resources rock chip sampling maximum 3.2 ppm Au at Mt Wilga shaft 1998 Compass resources soil grid maximum 44 ppb Au
<i>Geology</i>	<ul style="list-style-type: none"> The EL lies within the bounds of the Cargelligo 250k Map sheet and Tullibigeal 100k map sheet within the central zone of the Early to Middle Paleozoic Lachlan Fold Belt within the Wagga-Omeo Structural Belt. The EL covers the meridional Goobothery Ridge and flanking plains. The Goobothery Ridge contains exposures of complexly faulted, tightly folded and steeply dipping Ordovician, Wagga Group, Clements Formation and overlying Ordovician, Bendoc Group, Currawalla Shale. The Clements Formation contains metamorphosed, interbedded quartzose-sandstone and shale, whilst the overlying Currawalla Shale contains metamorphosed laminated black shale and mudstones. These rock types are situated within the regional Yalgogrin Fault Zone and are consequently tightly folded and faulted. The strata on the Goobothery Ridge are surrounded by plan comprising Cenozoic talus apron concealing regolith cover. Isolated rare exposures of biotite granodiotite are known in the adjacent plains and much of regolith covered area is interpreted to be underlain by the Ungarie Granite Batholith, which is part of the Silurian S-type Koetong Super-suite
<i>Drill hole Information</i>	<ul style="list-style-type: none"> Diamond drill collar details and significant intercept lengths are provided in Table and Figure in Appendix 1. All diamond drilling -55° to -60° towards 270°.
<i>Data aggregation methods</i>	<ul style="list-style-type: none"> Majority of significant intercept intervals were sampled at 1m however, where a combination of sample intervals were used weighted averages were calculated over the intercept to appropriately represent the grade interval without any bias from short high grade results and long low grade results. A cut off of 0.1 ppm Au and 1 ppm Ag was used for data aggregation. No assumptions were used for any reporting material.
<i>Relationship between mineralisation widths and intercept lengths</i>	<ul style="list-style-type: none"> Bedding has generally been at a steep angle to the core axis meaning down hole intercept lengths represent the true width.
<i>Diagrams</i>	<ul style="list-style-type: none"> See Figures 4 and 5 in report body.
<i>Balanced reporting</i>	<ul style="list-style-type: none"> All significant intersects above 0.1 g/t Au been reported using weighted averages and a maximum of 3m internal dilution – refer Table in Appendix 1.
<i>Other substantive</i>	<ul style="list-style-type: none"> A substantial amount of polished and thin section work has been completed on both rock chips and diamond core. This work has confirmed the nature and

Criteria	Commentary
<i>exploration data</i>	style of both the original sediment and mineralisation.
<i>Further work</i>	<ul style="list-style-type: none"> • Further assessment of drilling results with respect to regional and local geology is planned.

Table 3 – EL 7896 2014 drainage rock chip samples

E_GDA	N_GDA	Sample_Type	Au_ppb	Ag_ppb	As_ppm	Sb_ppm
461994.6	6192471.2	Rock Chip (Channel 1m)	179	250	244	72.7
461994.1	6192470.4	Rock Chip (Channel 1m)	16	230	209	55.8
461993.6	6192469.6	Rock Chip (Channel 1m)	42	140	82.8	55.7
461993.1	6192468.8	Rock Chip (Channel 1m)	114	160	235	132
461992.7	6192468.0	Rock Chip (Channel 1m)	164	150	52.9	55.1
461992.2	6192467.2	Rock Chip (Channel 1m)	144	140	80.2	52.6
461991.7	6192466.3	Rock Chip (Channel 1m)	243	120	84.9	58.2
461991.3	6192465.5	Rock Chip (Channel 1m)	303	120	125	54.2
461990.8	6192464.8	Rock Chip (Channel 1m)	344	130	201	63
461990.3	6192463.9	Rock Chip (Channel 1m)	465	160	424	97.9
461989.8	6192463.2	Rock Chip (Channel 1m)	456	130	488	147.5
461989.2	6192462.2	Rock Chip (Channel 1m)	498	140	818	185
461988.9	6192461.5	Rock Chip (Channel 1m)	513	140	501	164.5
461988.4	6192460.7	Rock Chip (Channel 1m)	376	170	535	137
461987.9	6192459.9	Rock Chip (Channel 1m)	415	140	898	305
461987.4	6192459.1	Rock Chip (Channel 1m)	474	160	1210	227
461987.0	6192458.3	Rock Chip (Channel 1m)	604	100	336	258
461986.5	6192457.5	Rock Chip (Channel 1m)	154	130	514	439
461985.8	6192456.3	Rock Chip (Channel 1m)	185	170	523	609
461985.1	6192455.2	Rock Chip (Channel 1m)	299	170	633	768
461984.5	6192454.3	Rock Chip (Channel 1m)	498	160	649	650
461984.1	6192453.4	Rock Chip (Channel 1m)	677	250	904	1080
461983.6	6192452.7	Rock Chip (Channel 1m)	289	240	1750	1780
461983.1	6192451.9	Rock Chip (Channel 1m)	612	210	983	1700
461982.7	6192451.2	Rock Chip (Channel 1m)	2390	380	1210	3950
461982.2	6192450.2	Rock Chip (Channel 1m)	483	250	1160	1540
461981.7	6192449.4	Rock Chip (Channel 1m)	2490	260	1740	3260
461981.1	6192448.5	Rock Chip (Channel 1m)	1350	220	1240	823
461980.6	6192447.7	Rock Chip (Channel 1m)	603	270	1190	648
461980.2	6192446.9	Rock Chip (Channel 1m)	540	530	1590	791
461979.8	6192446.2	Rock Chip (Channel 1m)	516	460	1060	479
461979.2	6192445.2	Rock Chip (Channel 1m)	1650	440	821	1165
461982.0	6192445.0	Rock Chip	6670	170	6730	3450
461984.0	6192458.0	Rock Chip	589	160	1350	246
462004.4	6192484.6	Rock Chip	3	50	33.4	30.1
461955.0	6192584.0	Rock Chip	8	160	24.3	11.35
461946.0	6192594.0	Rock Chip	10	110	18.6	15.2
461977.3	6192442.1	Rock Chip (Channel 1m)	8830	700	641	1720
461974.7	6192437.5	Rock Chip (Channel 2m)	200	140	432	254
461972.5	6192433.9	Rock Chip (Channel 1m)	755	140	913	509
461971.9	6192432.9	Rock Chip (Channel 1m)	1290	210	1560	1810
461999.8	6192479.8	Rock Chip (Channel 2m)	60	130	25.3	34.2
462002.6	6192484.5	Rock Chip (Channel 1m)	61	130	70.1	63.9

Table 4 – EL 7896 2014 Auger samples

E_GDA	N_GDA	Depth_cm	Au_ppb	Ag_ppb	As_ppm	Sb_ppm	E_GDA	N_GDA	Depth_cm	Au_ppb	Ag_ppb	As_ppm	Sb_ppm
461864	6192572	620	5	60	11.7	10.35	461953	6192394	210	22	60	35.9	32.9
461865	6192548	620	6	70	15.2	19.25	461952	6192371	200	31	50	30.2	35
461863	6192521	650	5	60	19.6	32.1	461951	6192349	110	27	50	60.5	27.8
461862	6192493	640	6	40	17.6	34.2	461973	6192334	220	21	60	38.5	32.5
461862	6192472	550	8	50	15.7	14.9	461972	6192357	190	40	110	46.4	27.5
461862	6192443	580	5	90	23.3	31.9	461974	6192381	490	10	60	22	19.75
461860	6192418	500	2	80	6.8	19.25	461974	6192410	210	81	90	104	53.7
461860	6192382	170	8	80	27.2	21.7	461979	6192434	160	734	140	591	236
461858	6192366	240	7	70	9.7	17.5	461969	6192458	170	211	80	439	235
461858	6192344	520	2	60	21.6	35.4	461971	6192483	220	152	180	274	75.6
461888	6192335	200	5	90	25.5	34.8	461973	6192508	270	32	120	41	37.9
461889	6192357	520	4	50	15.4	22	461971	6192534	330	21	120	31	45.6
461887	6192385	300	5	90	25.7	34.1	461974	6192556	210	165	180	626	90.5
461885	6192411	500	5	50	34	41.2	461995	6192546	200	31	120	65.5	37.7
461885	6192435	300	9	10	19.5	32	461994	6192572	200	9	160	19.5	21.3
461885	6192458	390	10	-10	18.5	31.7	461995	6192522	170	11	60	45	92.5
461884	6192484	210	122	50	75.8	110.5	461990	6192495	190	32	170	89	72.4
461885	6192509	460	60	90	56.9	172	461995	6192447	210	185	140	549	91.5
461886	6192537	410	26	40	37.5	39.7	461993	6192416	200	123	170	866	92
461885	6192557	620	11	50	34.4	24.1	461994	6192399	310	47	150	231	78.1
461886	6192584	560	8	20	16.4	30.2	461996	6192376	360	9	120	21.9	35.2
461906	6192569	320	12	40	25.6	23.8	461997	6192346	220	58	110	78.7	93.4
461906	6192546	320	22	70	57.3	25.8	462016	6192335	410	6	60	31.1	31
461907	6192521	260	10	50	58.3	41.7	462013	6192357	390	2	130	77.5	57.7
461906	6192498	320	31	60	60.2	49.9	462016	6192384	210	268	130	503	44.5
461907	6192474	380	11	100	31.6	56.8	462014	6192411	210	20	120	56.4	30.9
461903	6192447	350	10	50	37	39.5	462014	6192436	360	18	100	38.5	31.1
461904	6192421	340	5	-10	21.8	32	462012	6192457	190	16	190	37.5	32.6
461908	6192399	240	5	30	30.7	66.8	462012	6192485	170	21	200	44.7	32.6
461905	6192376	340	5	-10	25.8	45.3	462012	6192508	200	7	100	20.9	24.6
461908	6192350	310	3	-10	14.2	31.8	462015	6192537	210	25	210	34.2	28.2
461934	6192338	200	11	10	39	42.8	462015	6192558	200	24	110	38.9	30
461928	6192364	190	11	40	28.6	29.4	462015	6192581	190	18	70	24.3	19.25
461930	6192388	310	9	30	18.5	23.5	462035	6192569	160	21	80	38.2	14.65
461928	6192414	320	6	-10	15.7	20.9	462039	6192542	190	13	90	18.7	15.2
461929	6192437	340	9	20	27.4	36.8	462040	6192518	360	34	210	39.6	27.1
461925	6192459	300	18	60	47.2	79.6	462038	6192495	210	24	100	27.1	19.6
461926	6192483	320	30	70	40.3	58.5	462039	6192472	360	3	100	25.8	19.15
461922	6192505	290	8	50	140.5	26.3	462036	6192444	210	25	130	25.6	18.8
461921	6192534	230	24	70	17.4	30.8	462038	6192420	210	75	90	71.2	30.4
461925	6192556	190	8	20	19.3	21.3	462040	6192396	310	15	100	136	22.3
461922	6192577	180	41	20	16.1	20.9	462038	6192371	190	78	110	485	40.9
461947	6192565	210	24	50	38.3	31.6	462042	6192350	210	32	110	30	40.7
461950	6192547	190	46	50	30.3	36.8	462038	6192373	190	445	140	1135	69.2
461950	6192524	190	22	80	16.7	20.8	462015	6192380	200	157	50	280	30.8
461951	6192499	200	60	110	117	94.6	461997	6192397	210	80	110	117	59.7
461951	6192475	350	100	90	103	117.5	461974	6192409	200	80	60	102	64.3
461950	6192452	210	115	50	118	131.5	461950	6192423	210	35	60	38.5	42.7
461950	6192422	360	11	80	36.1	49.6	461923	6192437	350	14	70	34.8	39.7

JORC Code, 2012 Edition – Table 1 EL 7896 Barellan Gold Project (Auger & rock chip channel sampling) report

Section 1 Sampling Techniques and Data	
Criteria	Commentary
<i>Sampling techniques.</i>	<ul style="list-style-type: none"> * 98, vertical, less than 12m deep, 4 inch diameter powered auger hole obtained at refusal in weathered bedrock and/or C-horizon soil, – 25mm + 1.00mm sieved, chip samples, approximately 2 kg each, were collected on a 20m x 25m spaced grid at the global Barellan Prospect within EL 7896.
	<ul style="list-style-type: none"> * 43 rock chip samples were collected by Carpentaria. Rock chips were collected along 1m and 2m channels approximately 2 kg per sample
<i>Drilling techniques.</i>	<ul style="list-style-type: none"> * Geochemical weathered bedrock/ C-horizon geochemical survey was facilitated by shallow, near surface only, powered augur drilling as described above in Sampling techniques & was used entirely for the purposes of facilitating collection of single point grid based geochemical survey point samples, not sampling of bedrock mineralisation.
	<ul style="list-style-type: none"> * Not relevant to rock chip channel samples
<i>Drill sample recovery.</i>	<ul style="list-style-type: none"> * Down the hole, subsurface bedrock samples were not taken, therefore recovery is not relevant. Point geochemical survey samples only.
	<ul style="list-style-type: none"> * Not relevant to rock chip channel samples
<i>Logging.</i>	<ul style="list-style-type: none"> * All powered augur geochemical survey weathered bedrock/ C-horizon soil samples were sample site characteristic and lithologically logged by the company's geologist. All data was recorded manually in the field and then entered into computer software spread sheets for later importation into a digital database.
	<ul style="list-style-type: none"> * All rock chip channel samples were logged by the company's geologist with respect to lithology, mineralisation, sample site quality and sample quality. All data was recorded in excel spread sheets and imported in to an Access database.
<i>Sub-sampling techniques and sample preparation.</i>	<ul style="list-style-type: none"> * Auger samples were collected from bottom of hole (refusal) then sieved to a -25mm +1mm fraction which was despatched for multi-element geochemical analysis at a laboratory. A bulk representative library sample was also collected at each site.
	<ul style="list-style-type: none"> * Duplicates & replicates of powered auger samples were also collected for laboratory analysis.
	<ul style="list-style-type: none"> * Rock chip channel samples were confined to 2 kg sample
<i>Quality of assay data and laboratory tests.</i>	<ul style="list-style-type: none"> * All rock chip and powered augur samples, including duplicates & replicates, were analysed by ALS Chemex laboratories using methods Au-AA21, AA25 (fire assay DL 0.002, 0.005, 0.01 ppm) and ME-MS61. (Induced Couple Plasma Mass Spectrometry).
<i>Verification of sampling and assaying.</i>	<ul style="list-style-type: none"> * Powered augur samples Duplicates & replicates were used to verify analytical precision. Internal Laboratory standards and duplicates were analysed and reported.
	<ul style="list-style-type: none"> * No duplicate rock samples were submitted
<i>Location of data points.</i>	<ul style="list-style-type: none"> * All rock chip sample & Powered augur sample sites were located using hand a held GPS; accuracy within 5 m.
<i>Data spacing and distribution.</i>	<ul style="list-style-type: none"> * Powered augur sample sites were located upon a nominal but locally variable 25 m x 20m grid.
	<ul style="list-style-type: none"> * Rock chip channel samples were collected continuously across strike.
<i>Orientation of data in relation to geological structure.</i>	<ul style="list-style-type: none"> * The powered augur geochemical survey sample sites were sited on a grid with lines oriented orthogonal to the enveloping geological strike determined from surface mapping.
	<ul style="list-style-type: none"> * Rock chips were collected continuously across strike to test Au concentrations in different lithologies.
<i>Sample security</i>	<ul style="list-style-type: none"> * Robust in the field dual independent manual entry sample number recording is used. All samples are despatched in numbered bags into which a separate matching, one time only use, ticket is also inserted. Independently recorded bag numbers, geological logs and ticket book records are routinely checked to ensure they match. * Individual samples are collected in tight weave, string tied, metal inert calico bags placed in polyweave transport bags in lots of ten to twenty marked with the relevant sample number range. Laboratory sample description and instructions are despatched with every sample lot which is transported overland by truck to the laboratory located approximately three hours drive distant.
<i>Audits or reviews.</i>	<ul style="list-style-type: none"> * Results were internally scrutinised and nothing effecting the materiality the results were identified

Section 2 Reporting of Exploration Results	
Criteria	Commentary
<i>Mineral tenement and land tenure status.</i>	* Exploration licence EL7896 is 100% owned by Carpentaria Exploration Ltd. The licence is located approximately 50km East of Griffith in central NSW. The licence is in good standing with no known impediments over the area of sampling.
<i>Exploration done by other parties.</i>	<ul style="list-style-type: none"> * 1985 Aberfoyle Exploration Ltd completed rock chip sampling, RAB drilling and three RC hole. Significant results for rock chip 2.5 g/t gold and 1.0 % antimony; RC 12 metres at 0.43 g/t gold and 88 ppm antimony. * 1990 CRA Exploration Ltd completed field review and rock chip sampling. No significant results * 1996 Zintoba P/L & Bolinisi Gold completed rock chip sampling and 550 soil samples. No significant results
<i>Geology.</i>	<p>The EL lies within the bounds of the Narrandera 250k Map sheet within the central zone of the Early to Middle Paleozoic Lachlan Fold Belt within the Wagga-Omeo Structural Belt. Outcropping parts of the EL7896 are dominated by a flysch sequence of quartzite, slate, schist, phyllite, siltstone, sandstone and fine conglomerate informally known as the Wagga Metamorphics. This Ordovician unit is generally tightly folded and locally sheared and appears to have a broadly synformal relationship with younger, less intensely folded coarse clastics of the Barrat conglomerate and Square Head Beds (Late Devonian age). Quaternary alluvium with aeolian sandy soil cover at the surface dominates the northern half and SE part of the EL. Extensive deposits of clay, sand and gravel, probably of Tertiary age, occur beneath the silted-up present drainage system (Rangott, 1993b).</p> <p>There is a mapped area of mid- to late Silurian Ardlethan Granite in the eastern part of the licence and extensive exposures of similar-aged Grong Grong granite within Wagga Metamorphics that host the Harry Smith group of Au prospects to the southeast.</p>
<i>Drill hole Information</i>	<ul style="list-style-type: none"> * Down the hole, subsurface bedrock samples were not taken. The auger sampling is part of a surface geochemical survey & not to sample/test bedrock mineralisation, therefore only auger site locations and sample results are relevant drill hole information. These data are tabled in Appendix 1. * <i>Not relevant for rock chip samples</i>
<i>Data aggregation methods.</i>	<ul style="list-style-type: none"> * <i>Not relevant - There was no data aggregation of auger samples</i> * <i>Not relevant for rock chip samples</i>
<i>Relationship between mineralisation widths and intercept lengths.</i>	* Rock chip channel samples were collected continuously across strike with the bedding dipping vertical to sub-vertical therefore intercept intervals are assumed to be true widths.
<i>Diagrams.</i>	<ul style="list-style-type: none"> * None provided – refer table in Appendix 1 for location of auger sites, and relevant results * None provided – refer table in Appendix 1 for location of rock chip channel sites, and relevant results
<i>Balanced reporting.</i>	* All auger and rock chip results for the survey have been reported – refer Tables in Appendix 1
<i>Other substantive exploration data.</i>	* All substantive exploration data has been reported in this, or previous, ASX announcements
<i>Further work.</i>	* Further data analysis is planned with respect to the regional and local geology.



Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/2010.

Name of entity

Carpentaria Exploration Limited

ACN or ABN

63 095 117 981

Quarter ended ("current quarter")

30-Jun-14

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (12 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for		
(a) exploration and evaluation	(700)	(2,192)
(b) development	-	-
(c) production	-	-
(d) administration	(480)	(2,857)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	47	178
1.5 Interest and other costs of finance paid	(1)	(5)
1.6 Income taxes received	-	-
1.7 Other (provide detail if material)	-	4
Net Operating Cash Flows	(1,134)	(4,872)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a)prospects	-	-
(b)equity investments	-	-
(c) other fixed assets	-	(6)
1.9 Proceeds from sale of:		
(a)prospects	91	3,357
(b)equity investments	-	-
(c)other fixed assets	-	11
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other - Exploration Advance	-	-
Net investing cash flows	91	3,362
1.13 Total operating and investing cash flows (carried forward)	(1,043)	(1,510)

+See chapter 19 for defined terms



1.13	Total operating and investing cash flows (brought forward)	(1,043)	(1,510)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	-	1,931
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	(14)	(98)
1.18	Dividends paid	-	-
1.19	Share issue costs	-	(185)
	Net financing cash flows	(14)	1,648
	Net increase (decrease) in cash held	(1,057)	138
1.20	Cash at beginning of quarter/year to date	5,332	4,137
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	4,275	4,275

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

	Current quarter \$A'000
1.23 Aggregate amount of payments to the parties included in item 1.2	120
1.24 Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Item 1.23 relates to Directors Remuneration, Fees and Superannuation Contributions.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest



Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	30	30
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

\$A'000

4.1	Exploration and evaluation *	362
4.2	Development	0
4.3	Production	0
4.4	Administration	665
	Total	1,027

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	4,275	5,332
5.2 Deposits at call	0	0
5.3 Bank overdraft		
5.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	4,275	5,332

Changes in interests in mining tenements

Tenement	Nature of interest	Interest at beginning of quarter
Reference	(note (2))	Interest at end of quarter

6.1	Interests in mining tenements relinquished, reduced or lapsed	-	-
6.2	Interests in mining tenements acquired or increased	-	-

+See chapter 19 for defined terms



Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Number quoted	Issue price per security (see note 3)
7.1 Preference +securities (description)		
7.2 Changes during quarter		
(a) Increases through issues		
(b) Decreases through returns of capital, buy-backs, redemptions		
7.3 +Ordinary securities Quoted	123,887,777	
Options Quoted		
+Ordinary securities Un-Quoted (restricted)		
7.4 Changes during quarter		
(a) Increases through issues		
(b) Decreases through returns of capital, buy-backs		
7.5 +Convertible debt securities (description)		
7.6 Changes during quarter		
(a) Increases through issues		
(b) Exercise of Options		
7.7 Options (description and conversion factor)	Number	Exercise price Expiry date
Unlisted Options CAPAK	2,600,000	0.290 15-Dec-14
Unlisted Options CAPAO	1,500,000	0.440 29-Nov-15
7.8 Issued during quarter		
7.9 Exercised during quarter		
7.10 Expired during quarter		
7.11 Debentures	-	
(totals only)		
7.12 Unsecured notes (totals only)	-	

+See chapter 19 for defined terms



Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.

30-07-14

Company Secretary
Chris Powell

- 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 wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 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.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.