

CHAIRMAN'S ADDRESS ANNUAL GENERAL MEETING 2015

Ladies and gentlemen,

On behalf of the Board of Carpentaria Exploration Limited, it is a pleasure to welcome you all to the 2015 Annual General Meeting of the Company. As most of you here today know only too well, we have over the history of the Company experienced the boom and bust of one of the biggest commodity cycles Australia has seen, particularly in iron ore and coal.

The 2015 financial year delivered no respite to the relentless downward pressure experienced since mid-2012 on the Australian mineral resources sector and, in particular, on the junior explorers. Most mineral commodity prices remained at significant lows with market sentiment for the mineral resource sector all but evaporating as share prices across the board fell to, and remained at, serious lows. Companies with significant iron ore interests were hit particularly hard, including Carpentaria Exploration.

So given that in many respects we are navigating in uncharted waters, it is pleasing to report that during Fiscal 2015 the company made significant progress on Hawsons, the company's flagship magnetite project.

Today Carpentaria has a world-class magnetite discovery to its credit, significant progress has been made towards realising the potential of that discovery and we still have cash reserves of some \$2 M on the balance sheet. Furthermore, as a result of the work undertaken on the Hawsons project during the year, Carpentaria is now in the position where potential investors and off-takers for quality magnetite concentrates are starting to take notice of what this Company has to offer.

This outcome is particularly rewarding for the Board as this time last year we met to consider two alternative strategies. One was to sit on our hands and do nothing until the iron-ore market picked up. The other, which we adopted, was to continue to invest in the Hawsons project. In the short term our objective is to ensure that the Company is favourably positioned to take advantage of the recovery in the iron-ore market, whenever that occurs. We are doing this by demonstrating that the project can profitably produce a premium iron product that will be in demand in even the tightest of iron markets.

Execution of this strategy has required careful management necessitating a continued regime of prudent cost management, keeping corporate overheads as low as possible and channelling the majority of operating expenditure into Hawsons. This has included a decision by the Board to reduce its remuneration for a second time in 15 months. Our current remuneration, both individually and combined, is now below the average rates (based on FY 14 data) of those junior exploration companies who, like Carpentaria, are members of the Association of Mining and Exploration Companies (AMEC). The Board also implemented further management changes as part of our cost management process. Mr Chris Powell ceased to be the Company Secretary, and Mr Robert Hair resigned from the Board to take up that position.

Mr Powell was our foundation company secretary and I would especially like to pay tribute to his loyalty, dedication and very valuable contributions to the efficient running of the Company over its first 8 years. We thank him for these contributions and wish him well for the future.

I would also like to express my appreciation to Mr Hair for his many contributions to the Board as a foundation member and thank him for making himself available to take on the role of Company Secretary, one in which his considerable legal and business experience and expertise will now be used in a different capacity to progress the Board's objectives.

Finally I wish to acknowledge the support of our shareholders who have shown considerable loyalty to the Company despite the many challenges presented to us by the downturn in the mineral resources sector. The Board will continue to strive to reward this confidence through the development of a successful and profitable mining operation at Hawsons – a world class magnetite deposit that is favourably located close to the iconic Australian mining town of Broken Hill in far western New South Wales.

We will now proceed to the meeting.

Dr Neil Williams PSM

Chairman of the Board

.