ASX ANNOUNCEMENT

Quarterly Report

For the Quarter ended 31 December 2013

ABN: 63 095 117 981 | ASX: CAP

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

28 January 2014

ABOUT CARPENTARIA:
Carpentaria is an exploration company focused on discovering and developing base, precious metals and bulk commodities in eastern Australia. The company currently has interests in iron ore, tungsten, tin, gold, copper and nickel exploration projects.

CARPENTARIA'S AIM:
With a strong geoscientific team discover and build a strong cash flow generating mining operation.

DISCOVERIES TO DATE:
Hawsons Iron Project - NSW
Euriowie Tin Project - NSW

CAPITAL STRUCTURE:
Ordinary Shares 123,787,777

MAJOR SHAREHOLDERS:
Silvergate Capital 17.24%

Conglin In't Invest' Group 11.42%

NEFCO 4.47%

Management, Including Unlisted Options 15.47%

FINANCIAL
Cash on hand as at 31/12/2013 A$6,237,539

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CARPENTARIA EXPLORATION LIMITED

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Highlights

CORPORATE:

- **Rights issue and placement raises $1.9 million**

HAWSONS IRON PROJECT:

- **Mining lease application lodged**
- **Simplification of mineral processing design, potentially lower costs**
- **Positive preliminary exploratory water bore drilling results**

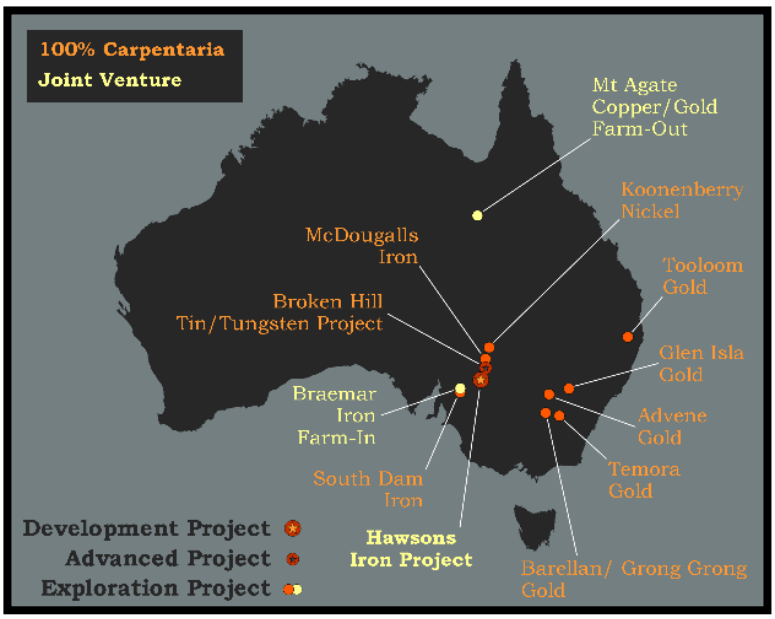
CENTRAL LACHLAN GOLD EXPLORATION

- **New project expands CAP's growing strategic gold portfolio in underexplored part of world class mineral province**
- **Very encouraging surface gold results at Advene**
  - **Rock chips at 204g/t gold**
  - **Soil anomaly indicates additional gold lode zone at Josephine Moulder East**
  - **Gold anomaly identified over 2km and open along strike**

BRAEMAR SOUTH PROJECT :

- **Magnetite mineralisation exploration target for Braemar South Project of 1.7 - 3.1bt (see below)**

Project Locations



PLANNED MARCH QUARTER EXPLORATION ACTIVITIES

Hawsons Iron Project

Carpentaria (CAP) and Pure Metals (PM) to continue exploration and feasibility studies under the Hawsons joint venture agreement (JV).

A drill rig is currently on site and construction of two water bores is underway. Pumping tests will be done at the bores to determine likely water flow rates and water availability from the prospective aquifer.

Detailed study on a reduced capital 10Mtpa concentrate production option and other project optimisation has been extended for further improvement and is scheduled to be completed in this quarter.

Environmental base line and other compliance studies required for the bankable feasibility study will continue to be advanced by the JV.

Central Lachlan Gold Project

At *Advene* an extensive power auger drilling program to sample weathered bedrock under thin cover in cropping paddocks will be undertaken. The work will investigate the strike extent of the known 2 km gold anomaly at the Josephine Moulder prospect area. Additional reconnaissance surface sampling is also planned in other target areas. Subject to promising results drill planning will commence.

At *Barellan* a power auger drilling program is planned at the historic Barellan prospect to infill an existing gold anomaly identified in historical RAB drilling. This survey will further inform follow up drill planning.

Following grant of the *Grong Grong* exploration licence in the December quarter, preliminary field reconnaissance including first pass mapping and sampling at the Harry Smith Prospect is planned.

Temora Gold/Copper Project

Following the expected completion of an arbitrated final access determination early in the March quarter, which should solve a long running exclusion at the key Mother Shipton Prospect, reconnaissance, geological mapping and confirmation of the historically known potential will begin.

Broken Hill Tin/Tungsten/Base Metals Project

Finalisation of a mining concept study is expected and a detailed review of the project is underway.

CORPORATE

On 28 October 2013, 8,615,470 shares were issued at A$0.155 to sophisticated and institutional investors which raised A$1,335,398. In addition, 3,481,006 shares were issued at A$0.155 to raise A$570,556 under a 1 for 8 non-renounceable entitlement issue and applications for the associated shortfall.

Following completion of all capital raising this quarter a total of **A$1.906 million** was raised before costs and the issued capital of the Company is now **123,887,777 fully paid ordinary shares,** 2,600,000 options exercisable at A$0.29 on or before 15 December, 2014 and 1,500,000 options exercisable at A$0.44 on or before 29 November, 2015.

The funds will be used to meet the medium term development costs for the Hawsons project in order to retain its 60% interest and to develop and participate in other potential strategic and operational opportunities involving the Hawsons project.

EXPLORATION UPDATE

Hawsons Iron Project JV

During the quarter, simplification of the processing flow sheet for the Hawsons Iron Project was completed with the potential to significantly reduce the capital cost.

Exploratory water bore drilling indicates it is likely sufficient process water will be identified for the project but final confirmation will require pumping tests, which are scheduled for completion in the March quarter.

The lower capital option study based on a 10mtpa concentrate production case has been extended to allow for further improvement. The study is now scheduled for delivery in the March quarter.

Environmental impact statement (EIS) work for the quarter included ecology inspections over five out of six infrastructure corridors and the drilling of two additional water-monitoring bores adjacent to the proposed pit.

Processing flow sheet design

A simplified mineral processing flow sheet has been designed based on metallurgical test work, including pilot ball mill testing and hydro-separator test work reported in March and June 2013.

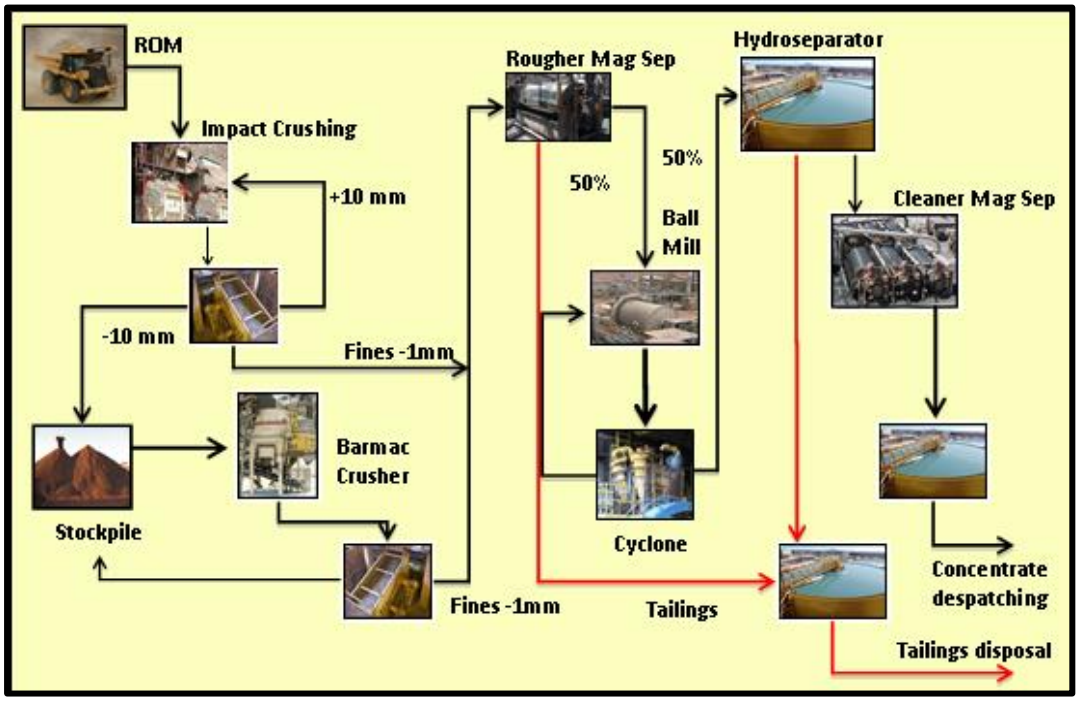


Figure 1. Simplified process flow sheet, Hawsons Iron Project

The test work demonstrated very low power consumption for ball mill grinding which allows consolidation of the grinding circuit into a single stage mill operation. The project engineers now expect that a fine grind size required for the Hawsons mineralisation can be achieved by increasing power into a single ball milling stage, eliminating the need for any further grinding or grinding methods which will significantly reduce capital.

Inclusion of cyclones, fine screens and hydro-separators to the circuit should eliminate second stage grinding and third stage magnetic separation further simplifying the process.

The simplified flow sheet (Figure 1) will require full pilot testing later in the bankable feasibility study.

This simplified flow sheet exploits the important low bond work index (BWI) of the Hawsons' magnetite resource which is one of its key cost saving advantages over other magnetite resources. The BWI, a measure of energy (and therefore cost) required to grind the material to the desired grain size, is 6-7Kwh/t at Hawsons which is a quarter of that of many other magnetite deposits, indicating much lower processing costs. The low BWI is a result of the unique characteristic of the Hawsons geology, where mineralisation breaks easily and cleanly along the grain boundaries of high quality magnetite, rather than through hard crystals, as is the case for most other magnetite deposits.

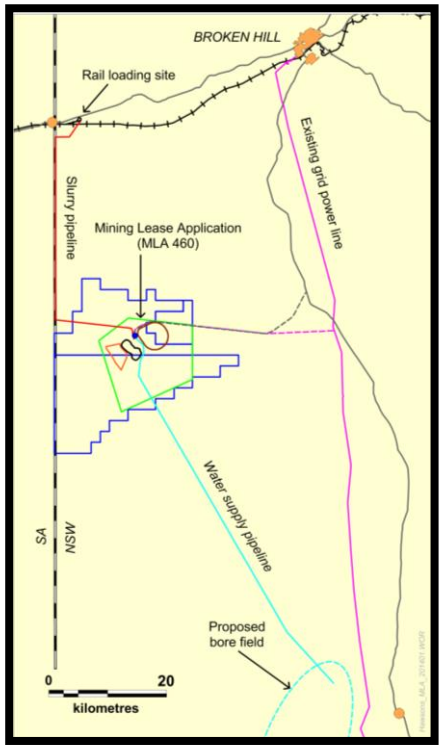


Figure 2. Hawsons location plan and proposed and existing site infrastructure

Exploratory water bore drilling

Preliminary exploratory drilling at a proposed water bore field near the Hawsons Iron Project has identified the presence of thick aquifers validating prior hydrogeological modelling. A total of thirteen holes have been drilled to date for 4,136m. Subject to final pumping test confirmation, these preliminary results significantly increase the confidence that sufficient process water will be available for the project (Figure 2).

Construction of two bores required for detailed pumping tests is underway. Pump tests will determine likely flow rates from the aquifer and are scheduled for completion in the March quarter. Testing of water quality will also take place.

Mining Lease application 460 (MLA 460) was lodged on October 18, 2013 and reported as a subsequent event last quarter.

About Hawsons

The Hawsons Iron Project is located 60 km southwest of Broken Hill (Figure 2) and includes: i) an **Inferred magnetite Resource of 1.4Bt at a Davis Tube Recovery (DTR) of 15.5% (12% cut off) containing 220 million tonnes of high grade (69.9% Fe) concentrate** and ii) an **exploration target[1] of 6 to 11Bt at 14 to 17% DTR**. The results of a pre-feasibility study (PFS) were updated following a mining optimisation study and were accepted to release to the ASX on 21 November, 2011.

The project is exceptionally well located, with existing power, water, rail and port infrastructure available for a conceptual 5 to 10 Mtpa start–up operation.

Braemar JV (CAP earning in) and South Dam (CAP 100%)
EL 5181, EL 4395

The newly labelled Braemar South Project, comprising the contiguous Braemar JV (EL 5181) and 100% South Dam (EL 4395) licences, is located at the southern end of the highly prospective magnetite-bearing Braemar Iron Formation, 200km north-east of Adelaide (Figures 3 and 4).

The Braemar JV is between Carpentaria and Maosen Australia Pty Ltd. Under the JV, Carpentaria can earn a 60% interest by drilling to define a minimum 200Mt inferred magnetite resource by April 2015 and making a cash payment of $100,000. Carpentaria can then earn 100% equity through additional work.

At Braemar South, Carpentaria encountered thick magnetite-rich Braemar siltstones late in 2012 drilling including 108m (down-hole thickness) at 28.1% DTR in the second of three reverse circulation (RC) holes (refer *Carpentaria Quarterly Report December 2012*).

[1] *The term "Target" should not be misunderstood or misconstrued as an estimate of Mineral Resources and Reserves as defined by the JORC Code (2004), 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*

During the quarter, independent geologists H&S Consultants Pty Ltd (H&S) estimated an **Exploration Target in the range of 1.7 to 3.1 billion tonnes, with an estimated magnetite mass recovery (DTR) of 12 to 27% for between 200 million tonnes and 850 million tonnes of iron concentrate at 63-67% iron** for the Braemar South Project (ASX Announcement 29 November, 2013).

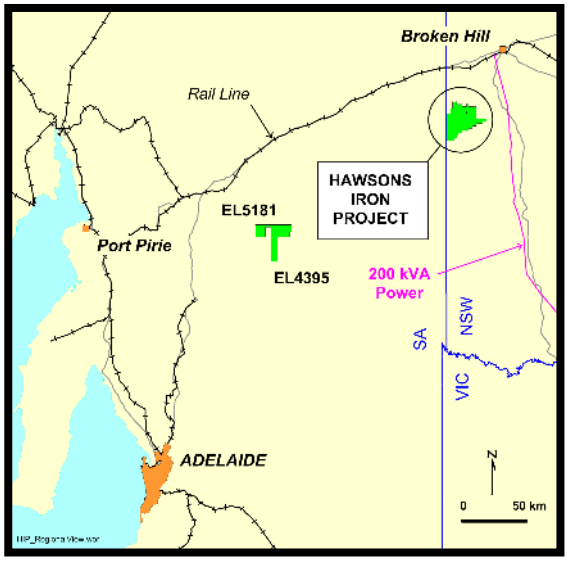


Figure 3. Location of Hawsons Iron Project and Braemar South Project (EL4395 and EL5181)

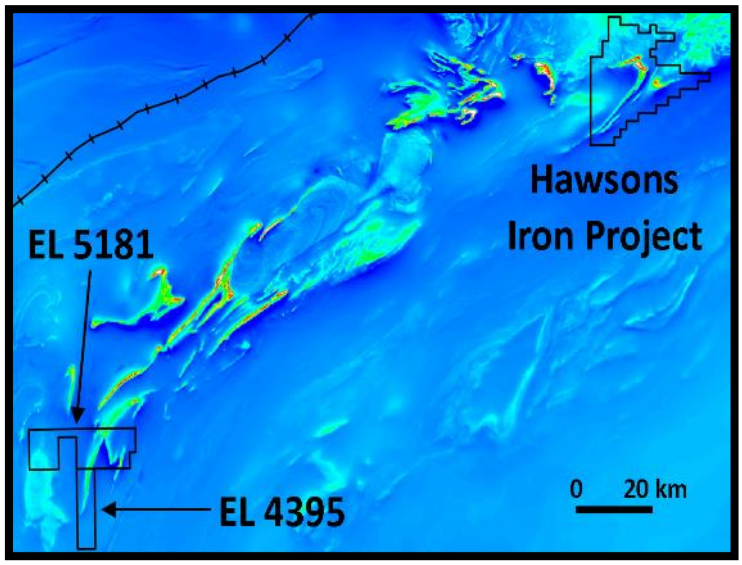


Figure 4. Magnetic image showing the Braemar Iron Formation and CAP's Braemar South Project licences

H&S has considerable prior experience in the Braemar iron province and based the Braemar South Exploration Target on analysis of RC drilling results, petrographic observations (three drill holes, refer *Carpentaria Quarterly Report December 2012*) and modelling of detailed magnetic data.

The potential quantity and grade of the Exploration Target is conceptual in nature and there is insufficient exploration to define a mineral resource. It is uncertain if further exploration will result in determination of a Mineral Resource.

Davis Tube analytical results and petrographic observations confirm that the Braemar South 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.

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.

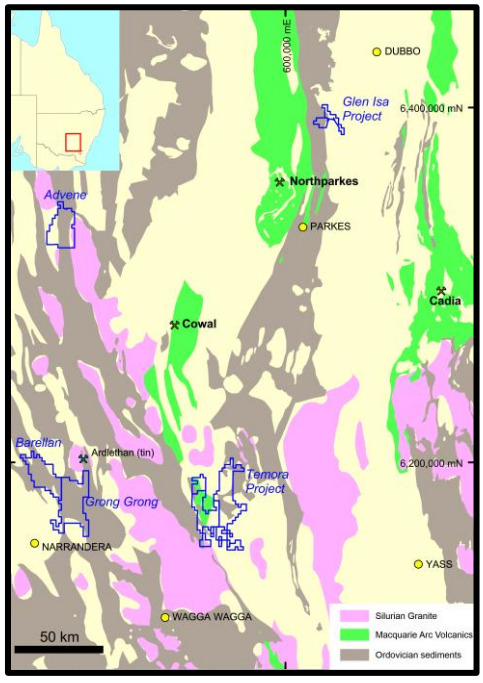


Figure 5. Location plan of Carpentaria's Lachlan Fold Belt gold projects

<u>Central Lachlan Gold Project</u>

ELs 7896, 8095 & EL 8189 (Grong Grong)

During the quarter the Grong Grong application (ELA 4687) was granted as EL 8189 and a number of significant results were also returned from the Advene (EL 8095) licence.

Advene 100% CAP – Gold
EL 8095

Advene is located approximately 320km north west of Canberra (Figure 5) in central south-western NSW.

During the quarter Carpentaria commenced geochemical sampling at the project. In total, seven separate phases of sampling have been completed at Advene, with each phase increasing the footprint and tenor of gold anomalism at the Josephine Moulder (JM) prospect.

The JM prospect is located along the regional scale N-S trending Yalgogrin Fault system which strikes adjacent to the 20km long Goobothery Ridge which is completely enclosed by the Advene licence (Figure 6).

Initial prospecting along the length Goobothery Ridge outside of the JM prospect area has also been encouraging suggesting the Yalgogrin Fault System is an important mineralised structure and priority exploration target throughout its full extent within Advene.

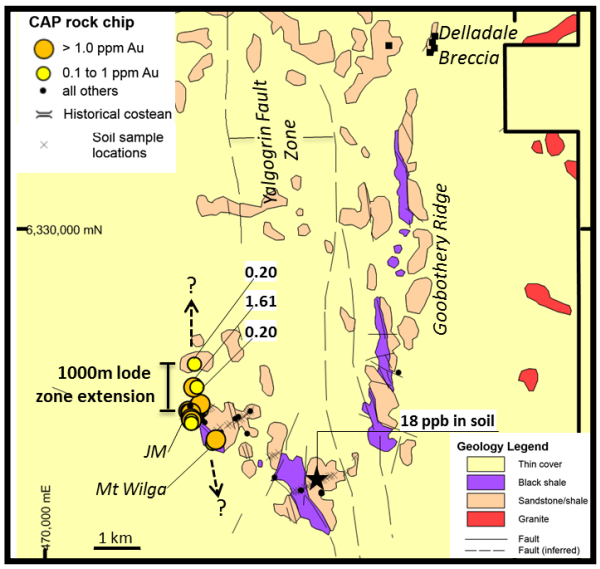


Figure 6. Josephine Moulder (JM) prospect – summary plan with CAP rock chips (orange> 1g/t Au , yellow > 0.1g/t Au)

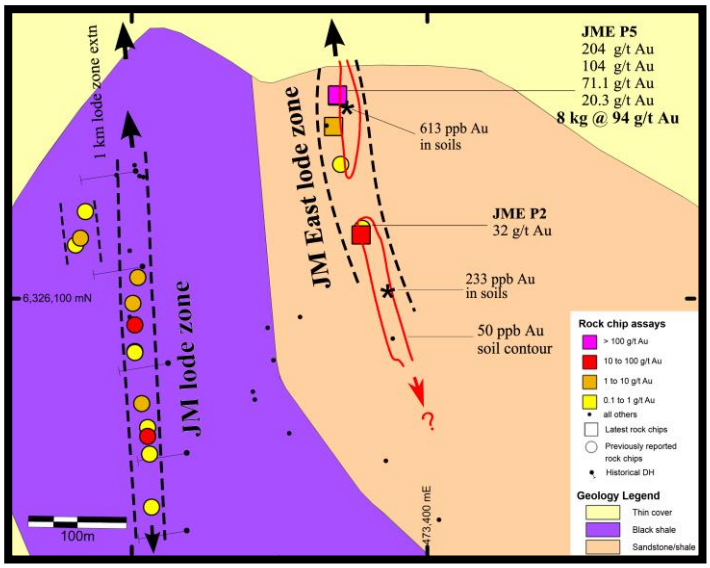


Figure 7 . Summary plan of the Josephine Moulder prospect area

During the quarter 64 rocks, 369 soils and 39 stream sediment sample have been taken at Advene. All rock and soil samples for which results have been received and reviewed during the quarter have been previously reported in ASX announcements lodged on 14 October and 18 November, 2013. Geochemical results are pending for 28 rock and 311 soil samples. Similarly, the geochemical stream survey and detailed geological mapping are still in progress.

The highlights during the quarter have been:

- a number of extreme gold concentrations **up to 204 grams per tonne (g/t)** returned from rock samples from two separate fault lode zones at JM;
- the extension of known mineralisation in the JM area over 1000m to the north; and
- the identification of an additional lode structure at Josephine Moulder East (JME) (Figures 6 and 7).

Multiple rock chip channel samples taken from the known Josephine Moulder (JM) lode structure returned up to **12.4 g/t gold** and **29.4 g/t silver.** Rock chips from newly recognised potential strike extensions to the JM lode and workings also returned up to **1.61g/t gold** (Figure 6). The rock chip results at the JM prospect and surrounds have extended the strike of the known gold mineralisation from 500m to over 2000m, with the mineralisation at JM and parallel lode zones open in all directions (Figures 6 and 7).

Further rock chip and soil samples from the parallel lode 250m east of JM, known as Josephine Moulder East (JME), returned exceptional gold and silver concentrations in rock chip and soil samples of up to **204 g/t gold in rocks** and **0.63 g/t gold in soil** samples. The rock chip results were supplemented by coherent, high tenor soil sample results over the same segment of the JME lode, where a 350m x 20m zone of gold anomalism, open along strike to the north and south was identified. The soil anomaly comprised a southern zone of 190m x 40m >50 ppb with a maximum of 233 ppb Au and a northern zone of 150 x 15m > 50 ppb with a very high maximum of 613 ppb Au these results were reported on 18 November, 2013 (Figure 7).

These highly encouraging results were subsequently followed up with a systematic, nominal C-horizon, weathered bedrock fragment, soil geochemical survey over an area of approximately 1800 x 500m covering the exposed parts of the Josephine Moulder and Mount Wilga mineral occurrences. The survey comprised 311 samples final results for which had not been received prior to the completion of the quarter. Final quality reviewed results and other details of the survey will be reported when completed.

About Advene

The Advene licence is prospective for intrusion related and structural orogenic gold systems (IRGS & OGS). The licence contains a number of known gold occurrences including the Josephine Moulder prospect, located on the southern end of the Goobothery Ridge which is part of the topographic expression of the regional Yalgogrin Fault system.

The known gold occurrences at Advene all display sulfide mineralised vein and breccia sheets, anomalous in silver-bismuth-tellurium-lead-arsenic, developed along north-south striking fault/ crush zones.

The Goobothery Ridge is largely unexplored and consists of relatively well exposed, deformed and contact metamorphosed Ordovician mud-rocks that form a north-south trending ridge that runs for approximately 20 km south of the Lachlan River. The ridge is a focus of current surface geochemical surveying.

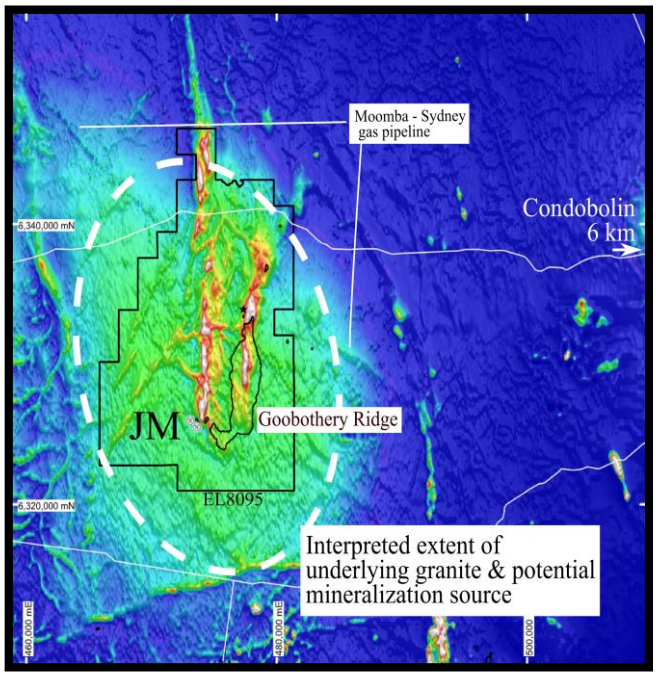


Figure 8. Summary and location plan of Advene over total magnetic intensity aeromagnetic image

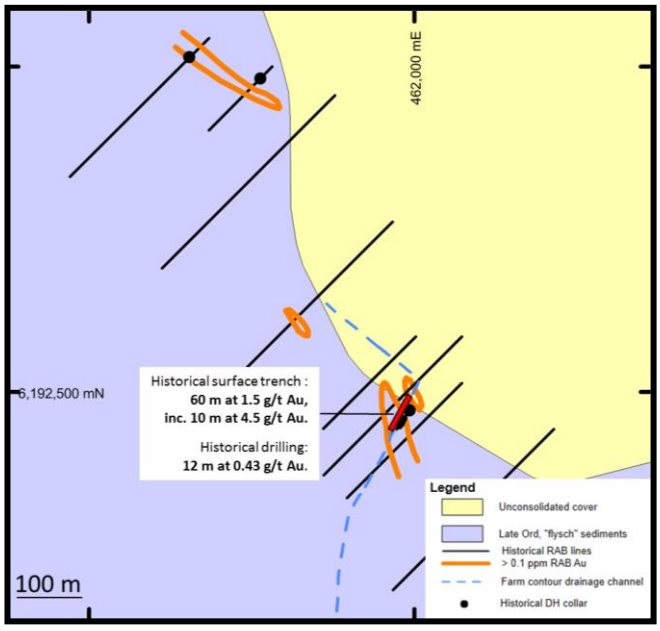


Figure 9. Barellan prospect summary plan

The Ordovician strata are interpreted to form a mildly magnetic and potentially altered roof to an underlying buried Siluro-Devonian granite intrusion, evident in regional aeromagnetic and gravity data as a discrete and homogeneously low amplitude feature. The geological setting is consistent with intrusion related gold system exploration model (Figure 8).

<u>Barellan (100% CAP) – Gold, Antimony</u>

EL 7896

The Barellan prospect is a surface rock gold-antimony-arsenic bedrock anomaly that contains hairline quartz-sulfide vein stock-work hosted by phyllite, interpreted to be situated in the roof-zone of buried granite with

potential for stock-work, replacement or other structurally (fault, shear) controlled intrusion related gold mineralisation.

Historical results at the Barellan prospect include: 60m at 1.5g/t Au including 10m at 4.5g/t Au, in a drainage channel and 12m at 0.43g/t Au in a single percussion drill hole (Figure 9).

During the quarter, planning for an auger weathered bedrock sampling geochemical survey program to investigate the extents and tenor of the known gold anomaly at the Barellan Prospect was undertaken. This program is scheduled to commence during the March quarter.

Grong Grong (100% CAP) - Gold

Carpentaria Exploration Limited has expanded its strategic gold portfolio in the world-class Lachlan Fold Belt (LFB), with the grant during the quarter of the highly prospective Grong Grong licence as EL 8189 (formerly ELA 4867) located near Narrandera, NSW (Figure 5).

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 that 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.

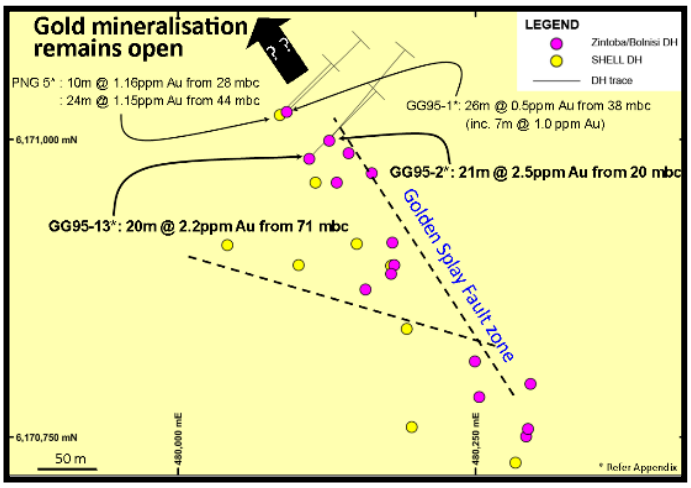


Figure 10. Summary plan of Harry Smith prospect (mbc-metres below collar)

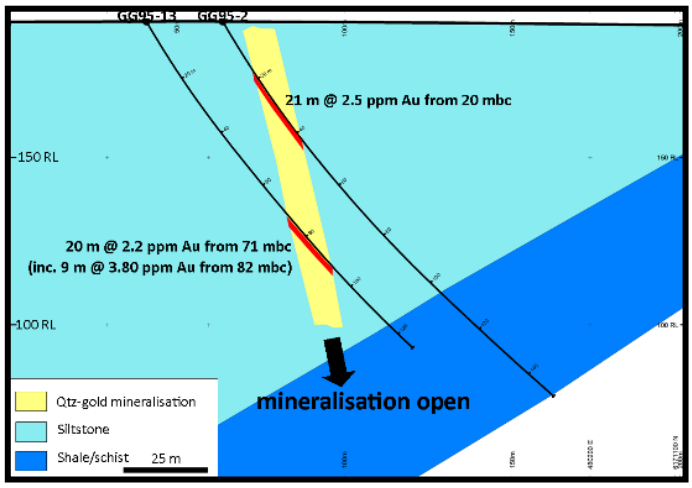


Figure 11. Cross section of Harry Smith prospect

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.

Harry Smith was incompletely explored in the 1980s, including 24 drill holes for 2,733m. The drilling was shallow and directed to the historically worked mineralised fault/crush zone.

Highlighted intersections 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. The down dip and north-west strike extensions of these potentially mineralised structures are scheduled for testing following the completion of access arrangements, which are well advanced (Figures 10 and 11).

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 and will also be the subject of reconnaissance work.

All required historical exploration details were presented in an ASX announcement on 5 December, 2013.

Temora Project (100% CAP) – Gold, Copper
ELs 6901, 7375 & 7680

This 510 km^2 project is located within the Lachlan Fold Belt of NSW approximately 80 km north of Wagga Wagga (Figure 5). The project contains the key Mother Shipton Prospect, within the historical Temora goldfield, located along the highly prospective component of the western Macquarie Arc which contains a number of major porphyry and/or volcanic related copper and/or gold ore deposits including Cowal and North Parkes.

Following appointment of an arbitrator last quarter, an arbitration hearing between Carpentaria and NSW Department of Trade and Investment Crown Lands (DTICL) was held this quarter. Carpentaria is now awaiting the confirmation of the final access determination, which will outline under what conditions Carpentaria can access the prospect. A successful access determination will allow exploration and evaluation of the Mother Shipton area during the March quarter.

Tooloom 100% CAP – Gold
EL 8082

The Tooloom EL was granted in the June quarter as EL 8082. It is located in the New England Fold Belt (NEFB) 50km north east of Tenterfield. The licence covers 130 mineral occurrences, of which nearly 100 are gold (Figure 12). The NEFB regionally contains mineralisation associated with Permo-Triassic age intrusions.
There has been no work undertaken during the quarter.

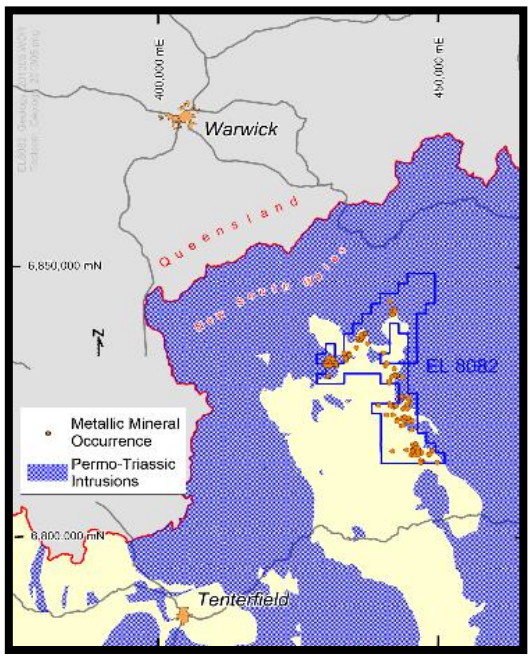


Figure 12. Location of EL 8082

Broken Hill Tin and Tungsten/Base Metal Project (100% CAP)
ELs 6936, 7829, 7921, 7957

The Broken Hill Tin-Tungsten Project contains the Yanco Glen Prospect, which has an Inferred Resource of 3.4 Mt @ 0.11% WO_3 (at 0.05% WO_3 cut-off) containing 3,950 t WO_3 (refer ASX announcement 18 October, 2012). It is located 30km north of Broken Hill.

A preliminary mining concept study is nearing completion. The known tungsten mineralisation is open down-dip and along strike and further exploration and drilling has clear potential for resource increases with the potential to improve the economics of the project.

The licences in this project are also prospective for Broken Hill style and other types of base and precious metal mineralisation which will be the subject to future exploration consideration.

Koonenberry (100% CAP) – Nickel, Platinum Group Elements
ELs 7735, 7736, 7737, 7738, 7739 & 7740

This project is located approximately 120km north of Broken Hill (Figure 13). Following a review of all historical exploration and Carpentaria's exploration results during the first two year tenure of the Koonenberry Project, a major (75%) licence reduction was made in the first half of 2013. A number of prospects have been retained for further investigation including Wyuna Tank where Carpentaria intersected anomalous nickel and copper mineralisation in RC drilling early in 2012 (30 m at 0.11% Ni and 10 m at 0.18% Ni).

No field activities were completed during the quarter.

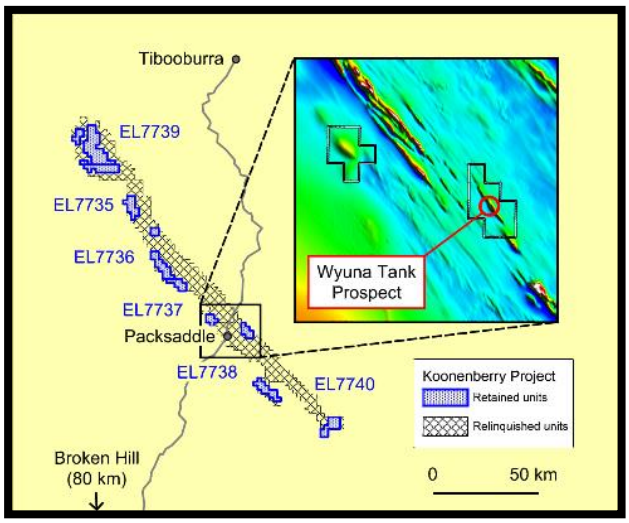


Figure 13. Koonenberry location plan

Mount Agate (ActivEX Ltd earning 75%) – Copper, Gold
EPM 14955

The Mt Agate licence south of Cloncurry was farmed out to ActivEX Ltd in April 2010. Exploration is targeting iron oxide copper and gold (IOCG) deposits similar to the Ernest Henry deposit.

No field activities were conducted by ActivEX on EPM 14955 this quarter.

McDougalls/Torrowangee (100% CAP) – Iron Ore
ELs 7655, 7656, 7657, 7741 &7823

The McDougalls project is centred 100km north of Broken Hill. No work was conducted on these licences this quarter.

Quentin Hill
Managing Director

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

The information in this announcement that relates to Exploration Results 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 2004 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 end of 2013 December Quarter

Licence No.		Name	Original Grant Date	Expiry Date	Sub Blocks	Area km2	Equity
EL 6246		Glen Isla	24/05/2004	24/05/2014	12	33.9	100%
EL 6901	4	Combaning	8/10/2007	8/10/2013	154	435.8	100%
EL 6936	1	Euriowie	7/11/2007	7/11/2013	31	90.9	100%
EL 6979	2, 3, 4	Redan	11/12/2007	11/12/2013	62	179.8	60%
EL 7208	3	Burta	22/09/2008	22/09/2015	100	289.7	60%
EL 7375		Dirnaseer	30/07/2009	30/07/2015	41	115.9	100%
EL 7476		Hillston	16/03/2010	16/03/2014	19	54.6	100%
EL 7504	3	Little Peak	8/04/2010	8/04/2014	14	40.6	60%
EL 7574		Gundong	5/07/2010	5/07/2014	20	47.5	100%
EL 7655		McDougalls C	6/12/2010	6/12/2015	24	70.7	100%
EL 7656		McDougalls A	6/12/2010	6/12/2015	19	55.8	100%
EL 7657		McDougalls B	6/12/2010	6/12/2015	34	100.2	100%
EL 7680		Ilabo	11/01/2011	11/01/2015	18	50.8	100%
EL 7735		Koonenberry 1	16/05/2011	16/05/2016	29	86.3	100%
EL 7736		Koonenberry 2	16/05/2011	16/05/2016	21	62.3	100%
EL 7737		Koonenberry 3	16/05/2011	16/05/2016	15	44.4	100%
EL 7738		Koonenberry 4	16/05/2011	16/05/2016	8	23.7	100%
EL 7739		Mt Shannon	16/05/2011	16/05/2016	46	137.1	100%
EL 7740		Wertago	16/05/2011	16/05/2016	29	85.5	100%
EL 7741		McDougalls D	16/05/2011	16/05/2016	13	38.3	100%
EL 7829		Yanco Glen	2/09/2011	2/09/2016	50	146.2	100%
EL 7841	4	Hawsons Knob	20/09/2011	20/09/2013	88	255.1	100%
EL 7896		Barellan	6/02/2012	6/02/2014	100	283.4	100%
EL 7921		Kantappa	19/04/2012	19/04/2014	86	252.5	100%
EL 7957		Corona	29/06/2012	29/06/2014	47	137.9	100%
EL 8082		Tooloom	1/05/2013	1/05/2016	100	297.4	100%
EL 8095		Advene	28/05/2013	28/05/2015	100	287.1	100%
EL 8189		Grong Grong	29/10/2013	29/10/2016	148	418.7	100%
EL 5181	5	Braemar	10/12/2007	9/12/2014	76	218.0	0%
EL 4395		South Dam	10/12/2009	9/12/2014	30	86.0	100%
EPM 14955	6	Mount Agate	29/06/2006	28/06/2016	55	176.0	100%
MLA 460	7,8	Hawsons Iron	Under Application	Under Application	N/A	187.0	100%
33 Licences & Applications					*1589 sub-blocks*	*4789.1 km²*	

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-in; Maosen Australia Pty Ltd
6. JV farm-out; ActivEX Ltd
7. Tenement applications subject to unspecified grant date and conditions
8. Subject to the Hawsons' Joint Venture with Pure Metals Pty Ltd, MLA made on 18 October, 2013.

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	Quarter ended ("current quarter")
63 095 117 981	**31-Dec-13**

Consolidated statement of cash flows

		Current quarter $A'000	Year to date (6 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	(223)	(1,087)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(739)	(1,507)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	68	96
1.5	Interest and other costs of finance paid	(2)	(4)
1.6	Income taxes received	-	-
1.7	Other (provide detail if material)	4	104
	Net Operating Cash Flows	(892)	(2,398)
	Cash flows related to investing activities		
1.8	Payment for purchases of:		
	(a)prospects	-	-
	(b)equity investments	-	-
	(c) other fixed assets	(3)	(3)
1.9	Proceeds from sale of:		
	(a)prospects	-	2,800
	(b)equity investments	-	-
	(c)other fixed assets	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other - Exploration Advance	-	-
	Net investing cash flows	(3)	2,797
1.13	Total operating and investing cash flows (carried forward)	(895)	399

+See chapter 19 for defined terms

1.13	Total operating and investing cash flows (brought forward)	(895)	399
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	1,863	1,863
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	(36)	(64)
1.18	Dividends paid	-	-
1.19	Share issue costs	(109)	(109)
	Net financing cash flows	1,718	1,690
	Net increase (decrease) in cash held	823	2,089
1.20	Cash at beginning of quarter/year to date	5,403	4,137
1.21	Exchange rate adjustments to item 1.20		
1.22	**Cash at end of quarter**	**6,226**	**6,226**

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	60
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	50	50
3.2	Credit standby arrangements	-	-

Estimated cash outflows for next quarter

		$A'000
4.1	Exploration and evaluation *	628
4.2	Development	0
4.3	Production	0
4.4	Administration	407
	Total	1,035

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	6,226	3,103
5.2	Deposits at call	0	2,300
5.3	Bank overdraft		
5.4	Other (provide details)		
	Total: cash at end of quarter (item 1.22)	6,226	5,403

Changes in interests in mining tenements

		Tenement Reference	Nature of interest (note (2))	Interest at beginning of quarter / Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed	-	-	-
6.2	Interests in mining tenements acquired or increased	EL8189	100%	0%

+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) (cents)
7.1	**Preference +securities** *(description)*		
7.2	Changes during quarter		
	(a) Increases through issues (Dec Qrt 11,996,476 + Amendment 12,200,000)	24,196,476	
	(b) Decreases through returns of capital, buy-backs, redemptions		
7.3	**+Ordinary securities Quoted**	123,487,777	
	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)*	-	

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.

21-01-14

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 1022: Accounting for Extractive Industries* and *AASB 1026: 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.