



ABN 63 095 117 981

ASX Code CAP

**INTERIM FINANCIAL REPORT**  
**FOR THE HALF-YEAR ENDED**  
**31 DECEMBER 2014**



## CORPORATE DIRECTORY

### Board of Directors

Dr Neil Williams	Non-Executive Chairman
Quentin Hill	Managing Director
Robert William Hair	Non-Executive Director
Bin Cai	Non-Executive Director
Paul Cholakos	Non-Executive Director

### Company Secretary

Chris Powell

<p><b>Registered Office</b></p> <p>Level 6 345 Ann Street Brisbane Qld 4000</p> <p>PO Box 10919 Adelaide Street Brisbane QLD 4000</p> <p>Telephone: +61 7 3220 2022 Facsimile : +61 7 3220 1291 Email: info@capex.net.au Website: www.carpentariaex.com.au</p>	<p><b>Solicitors</b></p> <p>HWL Ebsworth Level 23, Riverside Centre, 123 Eagle Street Brisbane Qld 4000</p>
<p><b>Auditors</b></p> <p>BDO Audit Pty Ltd Level 10, 12 Creek Street Brisbane QLD 4000</p> <p>Telephone: 07 3237 5999 Fax: 07 3221 9227 Website: www.bdo.com.au</p>	<p><b>Share Registry</b></p> <p>Link Market Services Limited Level 19 324 Queen Street Brisbane QLD 4000</p> <p>Telephone: 1300 554 474 Facsimile: 02 9287 0303 Website: www.linkmarketservices.com.au</p>



## DIRECTORS' REPORT

Your directors present their report on Carpentaria Exploration Limited (the Company) and its controlled entities (the Consolidated Entity) for the half-year ended 31 December 2014.

### DIRECTORS

The names and details of the Directors of Carpentaria Exploration Limited (Carpentaria) in office at the date of this report or at any time during the financial period are:

Name	Position	Period of directorship
Dr Neil Williams	Non-Executive Chairman	Appointed 1 January 2012
Quentin Hill	Managing Director	Appointed 1 September 2013
Robert William Hair	Non-Executive Director	Appointed August 2007
Bin Cai	Non-Executive Director	Appointed May 2011
Paul Cholakos	Non-Executive Director	Appointed 2 April 2012
Stuart Nicholas Sheard	Former Executive Chairman and Non-Executive Chairman	Appointed March 2007. Resigned as Executive Chairman, and appointed as Non-executive director on 1 September 2013. Resigned from the Board on 1 July 2014.

### OPERATING RESULTS

For the half-year ended 31 December 2014, the loss for the Consolidated Entity after providing for income tax was \$1,323,309 (2013: loss of \$3,215,915).

### REVIEW OF OPERATIONS

At the beginning of the period the Board sharpened the Company's focus on the Hawsons Iron project and therefore reduced expenditure on other projects and associated overheads. As a consequence, during the six months to 31 December 2014, there were one-off additional costs of \$336,295 covering redundancy/restructure in the main. We are confident the restructure and associated cost reductions in overheads, operating expenditures and Directors' fees has significantly reduced the overall running costs of the Company.

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

Carpentaria assumed the project management during June 2014 and implemented a programme to bring all elements of the project to a stage ready for a bankable feasibility study. This programme is well advanced and will be completed during the up-coming quarter.

The results to date have demonstrated that the project has a clear and achievable project pathway and is well positioned in the market given the potential to produce a very high grade product and comparatively low costs.

Work carried out this period is detailed below.

#### ***Infrastructure***

During the period TransGrid completed a feasibility study report on aspects of the existing power network that is located 35km east of the Hawsons Iron Project site, concluding that the existing poles and wires, plus the introduction of new voltage support, substation augmentation and communication systems, can more than support the delivery of the 120 megawatts (MW) required by the Hawsons Project. (Refer ASX Announcement 28 January 2014).

#### ***Port Study underway***

A rail-port-marine prefeasibility level study was largely completed this period. However, some elements are still being finalised.

The study is jointly funded by Flinders Ports and the Hawsons joint venture. The preliminary results indicate that transshipment of up to 20 million tonnes of iron ore through Port Pirie to Cape size vessels (180,000t payload) in the Spencer Gulf is achievable using standard barges with payloads of between 12,000 and 17,000 tonnes.



### ***Water Supply and Environmental***

Carpentaria continues to meet its water and other monitoring requirements for successful delivery 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.

Carpentaria has continued discussions with NSW Government on extending the time period available to lodge the EIS under the Director General Requirements (DGRs) to provide flexibility in lodgment timeframes. Carpentaria also continued consultation with the NSW Office of Water (NOW) to progress the allocation of water on the project. The Company has established that there is enough water available from the relevant ground water source.

### ***Metallurgical Processing and Product Marketing***

During the period results were received from two batches of metallurgical test results and reported in ASX Announcement 22<sup>nd</sup> October 2014 and summarised in the September Quarterly Report (ASX Announcement 31 October 2014). The key findings are outlined below.

#### *Pilot plant test work – Western Australia*

The test work included pilot plant scale operation of two stages of magnetic separation, single stage ball mill grinding and final upgrading using a hydro separator.

Approximately one tonne of high grade concentrate has been produced for future test work.

The test work was very successful in confirming the joint venture's flow sheet assumptions and cost estimates, allowing for further plant design refinement and highlighting significant potential for improvement in the concentrate product to meet the new and developing market in high grade products.

#### *Flotation test work – South Africa*

In separate test work, bench scale flotation tests done on 60 kg of RC chips representative of the Hawsons deposit have also returned extremely encouraging results. The work was carried out by industry experts with proprietary technology at a university laboratory in South Africa.

The tests confirmed that the Hawsons ore has the potential to beneficiate into a direct reduction (DR) suitable feed and attract high premiums above the benchmark 62%Fe price. For further information please refer to previous announcements.

#### *Market favouring high grade products*

Recent market analysis by Wood Mackenzie (November 2014) has characterised the sustained lower 62%Fe fines iron ore price as defining a "new era" in iron ore pricing. In their analysis they have identified that "seaborne suppliers of high quality concentrate/pellet/sinter feed are winners" in the new era. Further, they identify that the premium for pellet feed concentrate is expected to widen.

Wood Mackenzie reasons that "pellet feed should command a bigger premium to reflect Fe grade differential, lower impurities, and implied "grinding premium" over concentrates."

### **OTHER**

A number of parties continue to review the Company's significant central Lachlan Fold Belt gold portfolio.

During the period eight tenements were relinquished in full. This amounted to a reduction in tenement holdings of some 225 units or 654 km<sup>2</sup>. Annually, this equated to a reduction in Carpentaria's minimum statutory exploration commitment of \$349,000.

The timing of tenement relinquishment is linked to the expiry of the licences to best manage costs and a further tenement will be surrendered next quarter.



**EVENTS AFTER BALANCE SHEET DATE**

There have been no events since 31 December 2014 that impact upon the financial report.

**AUDITOR'S INDEPENDENCE DECLARATION**

The Auditor's Independence Declaration under s307c of the *Corporations Act 2001* is set out on page 6 and forms part of the Directors' report.

Signed in accordance with a resolution of the Board of Directors

A handwritten signature in black ink, appearing to read 'Q S Hill'.

**Q S Hill**  
**Managing Director**

**Dated this 12<sup>th</sup> Day of March 2015**

## DECLARATION OF INDEPENDENCE BY K L COLYER TO THE DIRECTORS OF CARPENTARIA EXPLORATION LIMITED

As lead auditor for the review of Carpentaria Exploration Limited for the half-year ended 31 December 2014, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Carpentaria Exploration Limited and the entities it controlled during the period.



**K L Colyer**  
Director

**BDO Audit Pty Ltd**

Brisbane, 12 March 2015



**Consolidated Statement of Comprehensive Income  
For the Half-Year Ended 31 December 2014**

	Note	Half-Year Ended December	
		2014	2013
		\$	\$
Revenue		61,157	84,621
Fair value loss on financial assets at fair value through profit or loss	1 (d)	(49,929)	(81,200)
Employment benefit expenses	4	(635,192)	(771,245)
Depreciation and amortisation expense		(18,375)	(47,739)
Finance costs		(502)	(3,576)
Impairment of exploration expenditure	5	-	(1,677,369)
Rental and other lease expenses		(69,534)	(80,378)
Administration and project generation expenses	4	(610,934)	(639,029)
<b>Loss before income tax</b>		<b>(1,323,309)</b>	<b>(3,215,915)</b>
Income tax		-	-
<b>Loss after income tax</b>		<b>(1,323,309)</b>	<b>(3,215,915)</b>
<b>Other comprehensive income</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income</b>		<b>(1,323,309)</b>	<b>(3,215,915)</b>
			<b>Cents</b>
<b>Earnings per share</b>			
Basic earnings/(loss) per share		(1.18)	(2.89)
Diluted earnings/(loss) per share		(1.18)	(2.89)

*The Consolidated Statement of Comprehensive Income should be read in conjunction with the Notes to the Financial Statements.*



**Consolidated Balance Sheet  
As at 31 December 2014**

	Note	December 2014 \$	June 2014 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		3,577,780	4,275,569
Trade and other receivables		43,218	24,690
Financial assets at fair value through profit or loss		62,196	112,126
Current tax asset	1 e)	-	1,123,162
Other current assets		511,121	353,708
<b>TOTAL CURRENT ASSETS</b>		<b>4,194,315</b>	<b>5,889,255</b>
<b>NON-CURRENT ASSETS</b>			
Plant and equipment		61,791	79,384
Exploration and evaluation assets	5	2,823,350	2,879,245
Intangible assets		527	1,309
<b>TOTAL NON-CURRENT ASSETS</b>		<b>2,885,668</b>	<b>2,959,938</b>
<b>TOTAL ASSETS</b>		<b>7,079,983</b>	<b>8,849,193</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		213,350	598,017
Borrowings		7,538	7,279
Provisions		74,743	132,401
<b>TOTAL CURRENT LIABILITIES</b>		<b>295,631</b>	<b>737,697</b>
<b>NON-CURRENT LIABILITIES</b>			
Borrowings		4,648	8,483
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>4,648</b>	<b>8,483</b>
<b>TOTAL LIABILITIES</b>		<b>300,279</b>	<b>746,180</b>
<b>NET ASSETS</b>		<b>6,779,704</b>	<b>8,103,013</b>
<b>EQUITY</b>			
Share capital	2	19,972,480	19,972,480
Share based payment reserve		2,140,433	2,140,433
Accumulated losses		(15,333,209)	(14,009,900)
<b>TOTAL EQUITY</b>		<b>6,779,704</b>	<b>8,103,013</b>

*The Consolidated Balance Sheet should be read in conjunction with the Notes to the Financial Statements.*





**Consolidated Statement of Changes in Equity  
For the Half-Year Ended 31 December 2014**

	Share Capital	Share Based Payment Reserve	Accumulated Losses	Total
	\$	\$	\$	\$
<b>Balance at 1 July 2013</b>	18,225,593	1,787,033	(5,417,574)	14,595,052
<b>Transactions with owners in their capacity as owners</b>				
Issue of share capital	1,874,955	-	-	1,874,955
Share issue costs	(147,778)	-	-	(147,778)
Share based payment expense	-	353,400	-	353,400
<b>Total</b>	<b>1,727,177</b>	<b>353,400</b>	<b>-</b>	<b>2,080,577</b>
<b>Comprehensive income</b>				
Loss after income tax	-	-	(3,215,915)	(3,215,915)
Other comprehensive income	-	-	-	-
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>(3,215,915)</b>	<b>(3,215,915)</b>
<b>Balance at 31 December 2013</b>	<b>19,952,770</b>	<b>2,140,433</b>	<b>(8,633,489)</b>	<b>13,459,714</b>
<b>Balance at 1 July 2014</b>	<b>19,972,480</b>	<b>2,140,433</b>	<b>(14,009,900)</b>	<b>8,103,013</b>
<b>Transactions with owners in their capacity as owners</b>				
Issue of share capital	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Comprehensive income</b>				
Loss after income tax	-	-	(1,323,309)	(1,323,309)
Other comprehensive income	-	-	-	-
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>(1,323,309)</b>	<b>(1,323,309)</b>
<b>Balance at 31 December 2014</b>	<b>19,972,480</b>	<b>2,140,433</b>	<b>(15,333,209)</b>	<b>6,779,704</b>

*The Consolidated Statement of Changes in Equity should be read in conjunction with the Notes to the Financial Statements.*



**Consolidated Cash Flow Statement  
For the Half-Year Ended 31 December 2014**

	Half-Year Ended December	
	2014	2013
	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Payments to suppliers and employees	(1,309,224)	(1,514,690)
Receipts from joint venture partners and consulting fees	-	3,824
Interest received	42,245	95,978
Interest paid	(502)	(3,576)
Research and development income tax refund received	1,123,162	-
Net cash used in operating activities	(144,319)	(1,418,464)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Payments for property, plant & equipment	-	(2,500)
Proceeds from the sale of property, plant & equipment	-	10,964
Proceeds received for exploration and evaluation assets	-	2,905,319
Payments for exploration and evaluation assets	(549,894)	(1,084,354)
Net cash (used in)/ provided by investing activities	(549,894)	1,829,429
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of shares	-	1,862,555
Share issue costs	-	(108,799)
Repayment of finance leases	(3,576)	(64,087)
Net cash (used in)/ provided by financing activities	(3,576)	1,689,669
Net increase/(decrease) in cash and cash equivalents	(697,789)	2,100,634
Cash and cash equivalents at the beginning of the half-year	4,275,569	4,136,905
<b>Cash and cash equivalents at the end of the half-year</b>	<b>3,577,780</b>	<b>6,237,539</b>

*The Consolidated Cash Flow Statement should be read in conjunction with the Notes to the Financial Statements.*



**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

a) Reporting Entity

Carpentaria Exploration Limited (the "Company") is a company domiciled in Australia. The consolidated interim financial report of the Company as at and for the six months ended 31 December 2014 comprises the Company and its controlled entities (together referred to as the "Consolidated Entity").

b) Statement of Compliance

The consolidated interim financial report is a general purpose financial report which has been prepared in accordance with AASB 134 Interim Financial Reporting and the Corporations Act 2001. The Company is a for-profit entity for the purpose of preparing the interim financial report.

The consolidated interim financial report does not include all of the information required for a full annual financial report, and should be read in conjunction with the consolidated annual financial report of the Consolidated Entity as at and for the year ended 30 June 2014.

This consolidated interim financial report was approved by the Board of Directors on 12<sup>th</sup> Day of March 2015



### Accounting Policies

The accounting policies and methods of computation applied by the Consolidated Entity in the consolidated interim financial report are the same as those applied by the Consolidated Entity in its consolidated financial report as at and for the year ended 30 June 2014.

New and revised standards have been issued by the AASB and are effective for the half-year; however there are no material changes to the policies that affect the recognition or measurement of the results or financial position of the Consolidated Entity.

#### c) Fair Values

AASB 13 requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- (i) quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1),
- (ii) inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (level 2), and
- (iii) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

#### Level 1 Investments: Quoted prices (unadjusted) in active markets for identical assets

For the half-year ended 31 December 2014 the value of the listed shares (disclosed in the balance sheet as 'Financial assets at fair value through profit or loss') was based on the closing price of Guildford Coal Ltd's securities as quoted on the ASX on 31 December 2014.

Total realised and unrealised losses for the period included in profit and loss that relate to financial assets held at fair value through profit or loss at the end of the reporting period were \$49,929 (2013: \$81,200).

The fair values of financial assets and liabilities approximate their carrying value. Except for shares in Guildford Coal Limited, no financial assets or liabilities are readily traded on organised markets in standardised form.

#### d) Going Concern

As at 31 December 2014 the Consolidated Entity had cash reserves of \$3,577,780, net current assets of \$3,898,684 and net assets of \$6,779,704.

The ability of the Consolidated Entity to continue as a going concern is principally dependent upon one or more of the following:

- the ability of the Company to raise additional capital in the future; and
- the successful exploration and subsequent exploitation of the Consolidated Entity's tenements.

These conditions give rise to material uncertainty which may cast significant doubt over the Consolidated Entity's ability to continue as a going concern.

The directors believe that the going concern basis of preparation is appropriate due to the following reasons:

- To date the Consolidated Entity has funded its activities through issuance of equity securities, and it is expected that the Consolidated Entity will be able to fund its future activities through further issuances of equity securities; and
- The directors believe there is sufficient cash available for the Consolidated Entity to continue operating.

Should the Consolidated Entity be unable to continue as a going concern, it may be required to realise its assets and extinguish its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements.

This financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts or classification of liabilities and appropriate disclosures that may be necessary should the Consolidated Entity be unable to continue as a going concern.

#### e) Current tax asset

During the period the current tax asset of \$1,123,162, recognised at 30 June 2014 and relating to the research & development incentive, has been received.



	December 2014	June 2014
	\$	\$

## NOTE 2 SHARE CAPITAL

Fully paid ordinary shares	19,972,480	19,972,480
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### Ordinary Shares

	Dec 2014	Jun 2014	Dec 2014	Jun 2014
	\$	\$	#	#
At the beginning of the year	19,972,480	18,225,593	111,752,277	99,291,301
Share placement <sup>1</sup>	-	1,335,399	-	8,615,470
Rights Issue <sup>2</sup>	-	539,556	-	3,481,006
Transfer from treasury shares <sup>3</sup>	-	56,499	-	364,500
Share issue costs	-	(184,567)	-	-
At reporting date	19,972,480	19,972,480	111,752,277	111,752,277

### Non-recourse employee shares (NRE)

At the beginning of the year	-	-	11,200,000	7,400,000
NRE shares issued <sup>4</sup>	-	-	-	3,800,000
At reporting date	-	-	11,200,000	11,200,000

### Treasury shares

At the beginning of the year	-	-	935,500	1,300,000
Transfer to ordinary shares <sup>3</sup>	-	-	-	(364,500)
At reporting date	-	-	935,500	935,500

<b>Total Ordinary, NRE and Treasury Shares</b>	<b>19,972,480</b>	<b>19,972,480</b>	<b>123,887,777</b>	<b>123,887,777</b>
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<sup>1</sup> 2014: 8,615,470 ordinary fully paid shares issued at \$0.155 each.

<sup>2</sup> 2014: 3,481,006 ordinary fully paid shares issued at \$0.155 each.

<sup>3</sup> 2014: 364,500 treasury shares were sold at \$0.155 each.

<sup>4</sup> 2014: 3,800,000 NRE shares issued to staff with a calculated value of \$0.093 per NRE share. This resulted in the recognition of a share based payment expense of \$353,400.

Ordinary shares participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held. At shareholders meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands. Ordinary shares have no par value and the company does not have a limited amount of authorised capital.

Non-recourse employee (NRE) shares participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held. At shareholders' meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands. NRE shares will not qualify for participation in any dividend reinvestment plan of the Company until the loan amount in respect of those shares has been repaid. The Company has a lien over the NRE shares in respect of which the loan amount is outstanding. The Company is entitled to sell any unpaid NRE shares in accordance with the CAP share plan.



**NOTE 2 SHARE CAPITAL (continued)**

**Options**

Expiry Date	Exercise Price	Movements				
		1 July 2014	Issued	Exercised	Expired	31 December 2014
15 December 2014	\$0.290	2,600,000	-	-	(2,600,000)	-
29 November 2015	\$0.440	1,500,000	-	-	-	1,500,000
		4,100,000	-	-	(2,600,000)	1,500,000

**NOTE 3 SEGMENT REPORTING**

**Reportable Segments**

The Consolidated Entity has identified its operating segment based on internal reports that are reviewed and used by the executive team in assessing performance and determining the allocation of resources. The Consolidated Entity does not yet have any products or services from which it derives an income.

Accordingly, management currently identifies the Consolidated Entity as having only one reportable segment, being exploration for minerals in Australia. The financial results from this segment are equivalent to the financial statements of the consolidated entity. There have been no changes in the operating segments during the year.

All assets are located in Australia.

**NOTE 4 PROFIT/ LOSS**

**Half-Year Ended December**  
**2014**                      **2013**  
**\$**                                      **\$**

Included in profit/(loss) are the following specific expenses:

*Included in 'Administration and project generation expenses':*

Legal expenses	78,248	81,749
Project generation expenses	8,024	209,845

*Included in 'Employment benefit expenses':*

Share based payment expense	-	353,400
Redundancy/restructure costs	336,295	-

**NOTE 5 EXPLORATION AND EVALUATION ASSETS**

**Half-Year Ended December**  
**2014**                      **2013**  
**\$**                                      **\$**

**Exploration expenditure capitalised**

Opening balance - at 1 July	2,879,245	11,463,708
Capitalised expenditure	324,105	1,002,460
Disposals (a)	(380,000)	(3,525,319)
Impairment of exploration expenditure (b)	-	(1,677,369)
	2,823,350	7,263,480



## NOTE 5 EXPLORATION AND EVALUATION ASSETS (continued)

### (a) *Hawsons Iron Project*

During May 2013, after two years with the liquidators, Pure Metals Pty Ltd acquired a 40% share in the project, and subsequently a new joint venture with Pure Metals Pty Ltd was finalised. Under this agreement Pure Metals Pty Ltd obtained a 40% share of the Hawsons Iron Project and was required to pay Carpentaria \$3.8 million (in two tranches) and sole fund a \$5.0 million work program within the twelve months ending June 2014.

As at 30 June 2013 Pure Metals Pty Ltd had paid \$1.0 million, with \$2.8 million remaining to be paid.

Following delays in payment of the \$2.8 million, it was agreed between Carpentaria and Pure Metals Pty Ltd that the remaining payment would be increased to \$2.9 million. During the half-year period ended 31 December 2013 Pure Metals Pty Ltd has paid Carpentaria the remaining \$2.9 million. The receipt of these funds, and the \$1.0 million received prior to 30 June 2013 (recorded as a deposit in Trade and other payables as at 30 June 2013), has been recorded as a disposal of exploration expenditure, net of GST. The GST was subsequently reversed.

From 30 June 2013, Pure Metals assumed management of the project and will continue to advance critical components of a bankable feasibility study (BFS), including test drilling of the proposed project water supply, continuing detailed studies for the EIS, preparation of a Mining Lease Application and modelling of a 10 Mtpa production case utilising existing infrastructure to significantly reduce capital requirements.

From 12 June 2014 management of the project transferred back to Carpentaria Exploration Limited. Pure Metals on 31 October 2014 elected for the remedy for non-payment of cash calls to be dilution of its Joint Venture interest. (CAP:ASX announcement 3 November 2014).

### (b) *Impairment of exploration expenditure*

Recoverability of the carrying amount of exploration assets is dependent upon the successful development and commercial exploitation of areas of interest, and the sale of minerals or the sale of the respective areas of interest.

During the half-year Carpentaria decided to relinquish certain tenements. As a result, the carrying value of these tenements has been written off.

## NOTE 6 CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There are no contingent liabilities or contingent assets at 31 December 2014 that require disclosure in the financial report.

## NOTE 7 EVENTS AFTER BALANCE SHEET DATE

There have been no events since 31 December 2014 that impact upon the financial report.



## **DIRECTORS' DECLARATION**

In the directors' opinion:

- the attached financial statements and notes thereto comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes thereto give a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5) of the Corporations Act 2001.

On behalf of the directors

A handwritten signature in black ink, appearing to read "Q S Hill", written over a light grey background.

**Q S Hill**  
Director

Brisbane  
12<sup>th</sup> Day of March 2015



## INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Carpentaria Exploration Limited

### Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Carpentaria Exploration Limited, which comprises the consolidated balance sheet as at 31 December 2014, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year's end or from time to time during the half-year.

### Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Carpentaria Exploration Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Carpentaria Exploration Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

## Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Carpentaria Exploration Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

## Emphasis of matter

Without modifying our conclusion, we draw attention to Note 1 in the half-year financial report, which indicates that the ability of the consolidated entity to continue as a going concern is dependent upon the future successful raising of necessary funding through equity, successful exploration and subsequent exploitation of the consolidated entity's tenements, and/or sale of non-core assets. These conditions, along with other matters as set out in Note 1, indicate the existence of a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business.

## BDO Audit Pty Ltd



K L Colyer  
Director

Brisbane, 12 March 2015