

Advene Gold Project

March 2016

- ▶ Target – Company Making Intrusion Related Gold System (IRGS)
- ▶ Preliminary concept investigation shows potential for a profitable low cost heap leach or vat leach gold operation should assumptions be confirmed.
- ▶ Preliminary environmental review completed with no show-stoppers.
- ▶ Low cost program to increase certainty of oxide exploration target prepared.
- ▶ Exceptional exploration potential and upside.
- ▶ Oxide exploration target of 1.5 Mt at 1.2 to 1.6 g/t Au open along strike and at depth.
- ▶ Best drill core intersection of the JM breccia: 10 m at 1.43 g/t Au and 4.5 g/t Ag from 42m.
- ▶ Best rock chip 204 g/t Au from the JME northern historical workings.
- ▶ All 100% owned project in good compliance and standing.

Project Concept

Increase the project value by:

1. Demonstrating the economic potential for a low cost start up oxide gold mine using contract mining for either onsite heap leach processing or toll treat CIP approximately 110km to the north east.
2. Developing exploration targets for larger conceptual company making discoveries in an area where CAP has gained first mover advantage in the new IRGS province.

Summary

An intrusion related gold system has been discovered at Advene with a coherent 400m long, 10m wide gold and silver mineralized brecciated fault structure within black shale, consistently intersected over at least 400m that is open north, south and at depth.

Potential exists for both a small heap leach start-up operation and a large scale company making IRGS discovery.

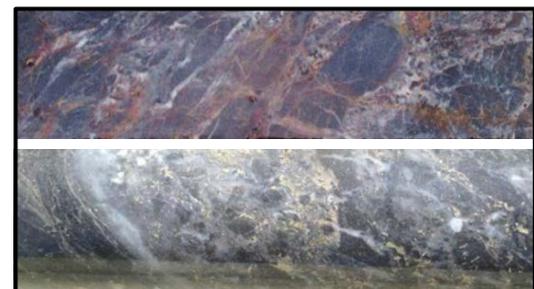


Photo 1: Advene drill core showing the Josephine Moulder fault breccia oxide (top) fresh (bottom)



Photo 2: Advene rock chip from JME workings, showing a quartz vein hosting free gold with arsenopyrite and scorodite.

INFORMATION MEMORANDUM

Work to date has identified historical workings, extensive surface geochemical anomalism, 5 open-hole percussion holes from Aberfoyle and 5 diamond drill hole from Carpentaria at the Josephine Moulder Prospect (Figure 4).

Results have returned spectacular high grade rock chips from old workings and new zones up to 200g/t Au. Core drilling has demonstrated a significant improvement in grade from earlier open-hole drilling, consistency of mineralization and geochemistry consistent with the IRGS model.

Mineralisation occurs within two identified structures. Exploration would target these structures and conceptually where these structures intersect at depth, 300m below surface.

This is a greenfields discovery with the area largely unexplored. Preliminary flora surveys have not identified any endangered ecosystems in the immediate prospect area.

A two stage low cost program consisting of slim-line Reverse Circulation drilling (RC) has been prepared to test grade and metallurgical assumptions. Stage 1 would consist of 300m - 400m of RC drilling and metallurgical work, costing approximately \$60,000 in total and is designed increase certainty of the grade and metallurgical properties. Stage 2 consist of a further 3000m of RC drilling costing approximately \$400,000 and is designed to provide an inferred to potentially indicated resource of the oxide portion of the deposit. The current target shows a potential size of 500 m x 10 m x 117 m open in all directions.

Carpentaria offers an opportunity to participate in a small program to confirm the exploration target and its metallurgy with a view to maintain a small startup exploration to fund exploration for a Company-making discovery in an area underexplored, and a new target type for this region.

Location & Tenement

EL 8095 'Advene' is located 50 km west of Condobolin in central New South Wales on the Cargeligo 1:250K map sheet (Figure 1). The project has good access via bitumen roads and graded tracks on Advene and adjoining properties. EL 8095 was granted to Carpentaria Resources Ltd on 28 May 2013 for two years. Carpentaria has exceeded expenditure requirements and the tenement is in good standing. EL 8095 is 100% owned by Carpentaria.

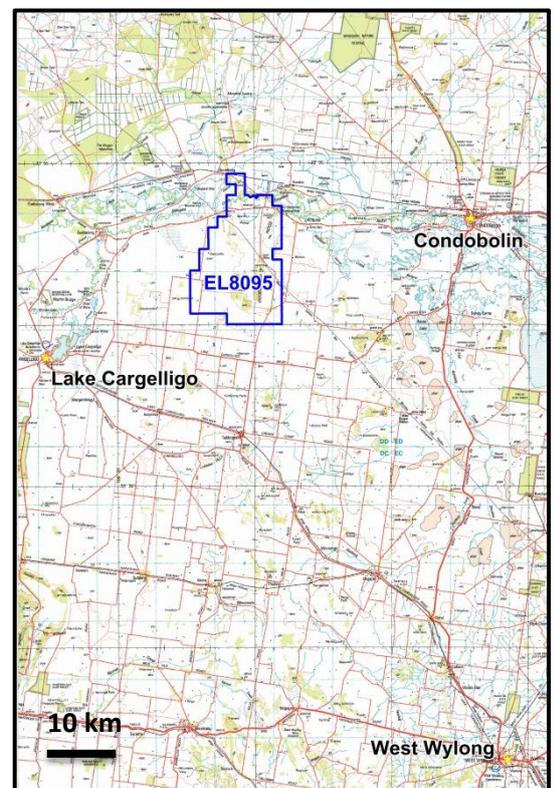


Figure 1: Project location map

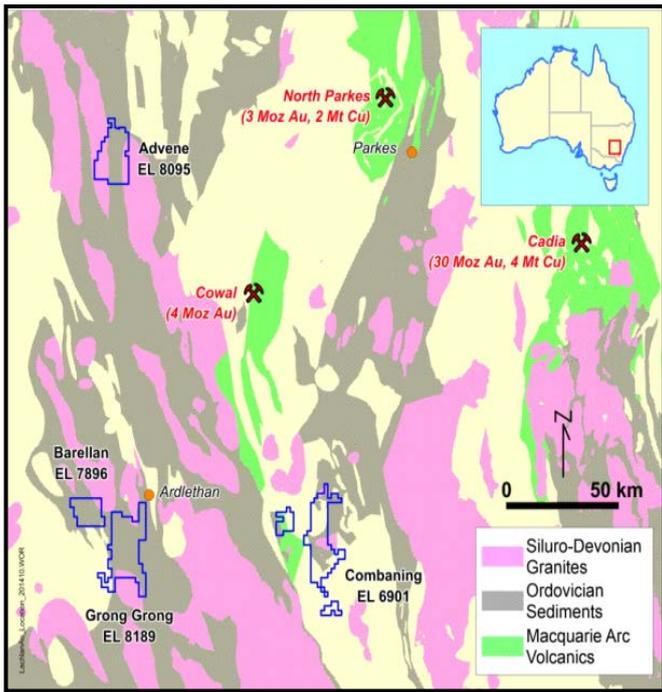


Figure 2: Location and regional geology

Regional Geology and Mineralisation

EL 8095 is located within the Wagga-Omeo segment of the Lachlan Fold Belt (Figure 2) which contains a sequence of Ordovician-Silurian back-arc sediments intruded by significant volumes of Silurian and Early Devonian granite (predominantly S-type) and granodiorite. Within New South Wales it is noted as host to historically important intrusion related tin-tungsten mineralisation centred on Ardlethan.

In addition to widespread and locally significant Sn-W mineralisation, this part of the fold belt has numerous gold prospects spatially related to the granitoid bodies, their contact aureoles and associated regional structures. This setting is consistent with North American IRG provinces such as the Tintina Province of the Yukon Territory and Alaska and is prospective for the intrusion-related class of gold (IRG) deposits.

Specifically, its back-arc collisional setting and long-lived deformation (pre- to post-intrusion) associated with thrusting and cooling granitoids permitted the transient conditions for gold mineralisation in sheeted veins, stockworks and breccias (Figure 3). Therefore, by direct analogy, the central Lachlan Fold Belt could host large tonnage bulk mineable gold deposits with both high to low grade resources such as Pogo, Fort Knox and Donlin Creek in Alaska (Rutherford, 2005). Carpentaria is a first mover exploring for this deposit type that has only been recently recognised.

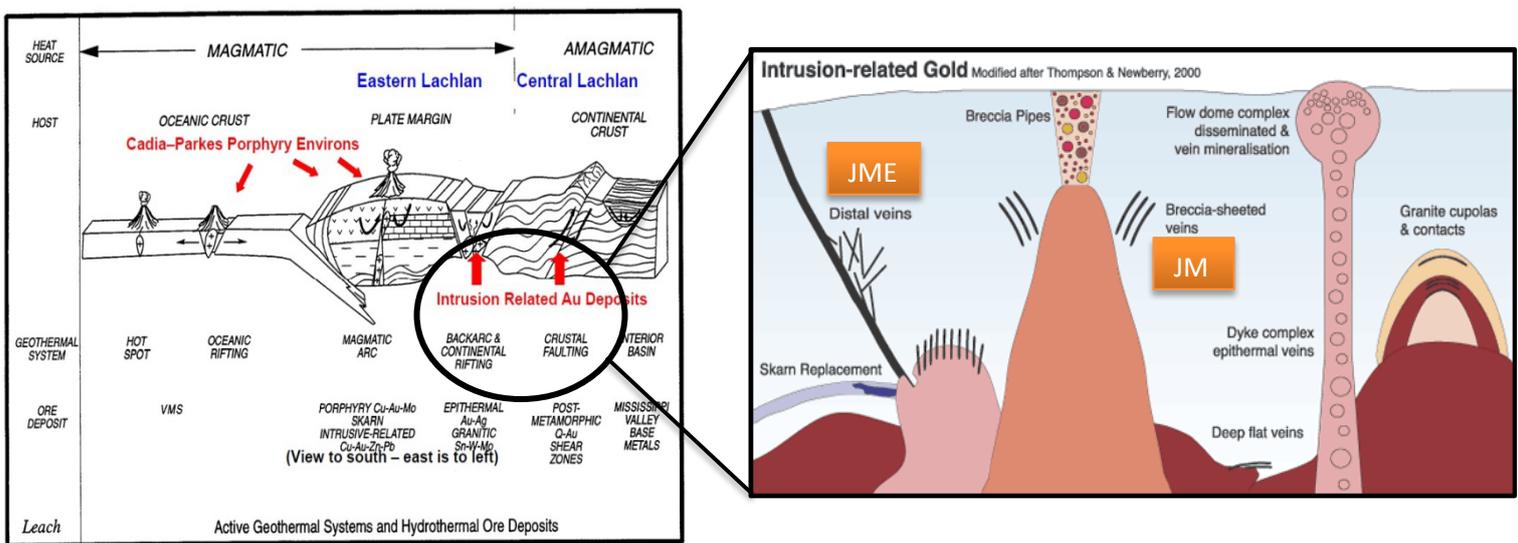


Figure 3: Diagram showing regional and deposit scale geological setting

INFORMATION MEMORANDUM

Local Geology and Mineralisation

The Josephine Moulder prospect is situated within a folded sequence of inter-bedded, right way up, faulted Ordovician quartz sandstone and reduced siltstone/shale in the aureole carapace of a probable, non-magnetic, post tectonic Siluro-Devonian batholith evident in regional aeromagnetic data (Figure 7). The entire sequence has likely been regionally and then contact metamorphosed by the underlying and buried granite pluton.

A strike parallel series of sub-vertical faults – Josephine Moulder (JM), Josephine Moulder East (JME) and Mt Wilga (MW) faults - cross cut the folded sequence. The JM fault comprises two distinct sub-parallel mineralised fractures approximately 30 - 40 m apart (Figure 6).

Interpretation of detailed mapping and petrographic data shows faulting, brecciation and potentially multiple mineralisation events occurred after folding and regional metamorphism. The coeval faulting and mineralisation events accompany white-mica alteration, interpreted to result from a granite intrusion thermal and hydrothermal pulse causing precious metal mineralisation entirely consistent with an IRGS.

It is interpreted JM and JME are structurally controlled IRGS where mineralised fluid is sourced from the buried intrusive, travelling along pre-existing and developing faults ultimately depositing on the chemical and rheological contact at the black shale – quartzose sandstone boundary (Figure 3).

Drilling has identified 10 m wide gold and silver mineralised fault breccia hosted in carbonaceous siltstone, consistent for 400 m along strike and 117 m down dip, open in all directions, this is the basis for the exploration target (Figures 4 and 5). The oxidised zone of the mineralised fault breccia is dominated by a quartz stock work with clasts of oxidised siliceous siltstone, box work textures after pyrite, arsenopyrite, sphalerite and remnant lead oxides throughout. The fresh zone of the mineralised fault breccia is dominated by a quartz stock work with clasts of fresh carbonaceous siltstone and abundant zinc, lead and iron sulphides Photos 1 and 3.

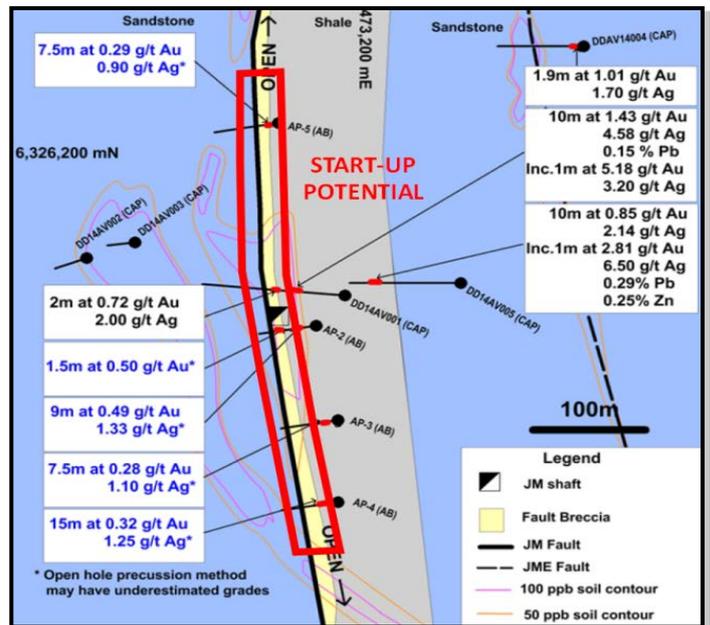


Figure 4: Plan showing JM prospect area with recent and historical drilling results.

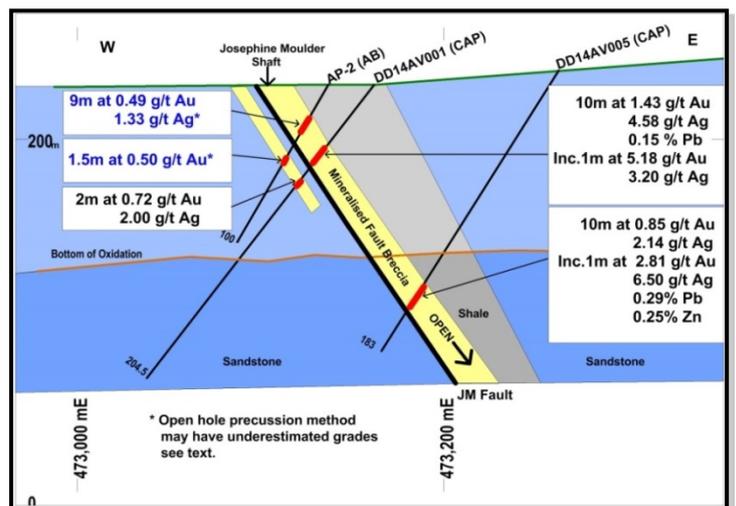


Figure 5: Cross section of JM mineralised fault breccia showing recent and historical drilling intersects.



Photo 3: JM mineralised fault breccia (left) Photo 4: JM shaft (right)

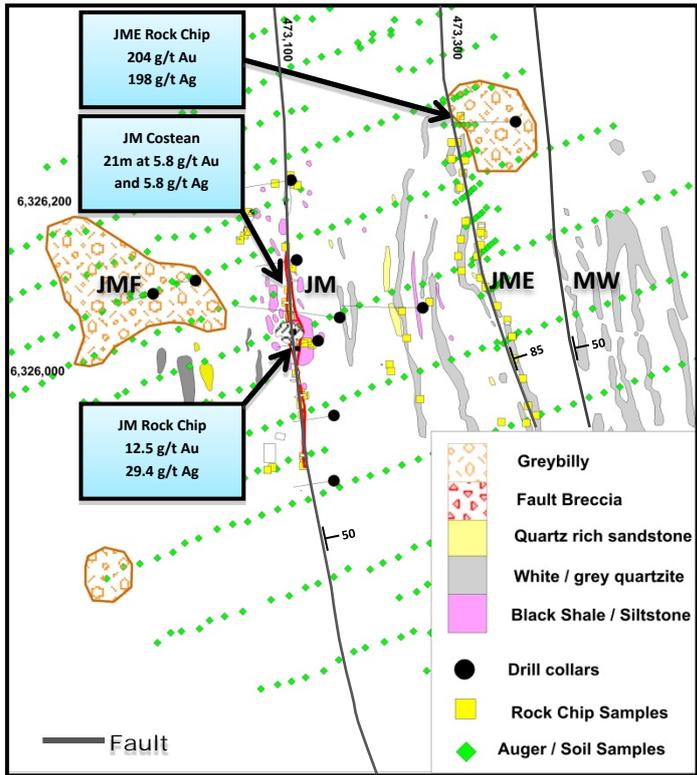


Figure 6: Plan showing CAP exploration sampling and mapping over the JM and JME prospects

Drilling of an auger gold anomaly in the JM footwall (JMF) has identified a mineralised greybilly/paleo scree slope with clasts of mineralised brecciated siliceous siltstone from the JM line of load. The results indicate the potential for a small free dig resource approximately 200 m x 100 m x 2m at 1 g/t Au (Figure 6).

The consistent nature of the JM mineralised structure, petrography and geochemistry, provide terrific encouragement that a small low cost economic deposit can be found along with excellent exploration potential for a much larger IRGS deposit in the underexplored JM mineralised corridor.

Exploration to Date

Historic workings along 700 m of strike consist of several small pits and two shafts (JM and Mt Wilga) within fault breccia sheets. Gold production was not recorded from the two shafts however in 1986 visible gold from both shafts was reported by NSW Department of Mines, with total depths reached of approximately 65 feet. Rock chip channel sampling along the JM line of load have included;

- 0.9 m at 26 g/t Au from 10 metres below surface (Eastern Minerals (1974);
- 21 m at 5.8 g/t Au (Aberfoyle Resources 1982) and;
- 3.2 g/t Au from the Mt Wilga shaft (Lachlan Resources 1988).

Extensive rock chip and soil sampling by CAP extended modern exploration coverage in all directions, identifying the JME structure and Avoca prospect as additional mineralised areas. Best rock results of 12.45 g/t Au at JM, 204 g/t Au at JME and 3.6 g/t Au at Avoca (Figure 6 and 7).

Auger soil sampling also identified a new zone, JMF, approximately 200 m west of the JM main lode, returning a very high peak of 1.50 g/t (ie 1500 ppb) gold and 2.5 g/t silver within a 650 m x 150 m, plus 50 ppb anomaly that is open to the north and west. The best results cover a width of 150 m x 200 m (Figure 6).

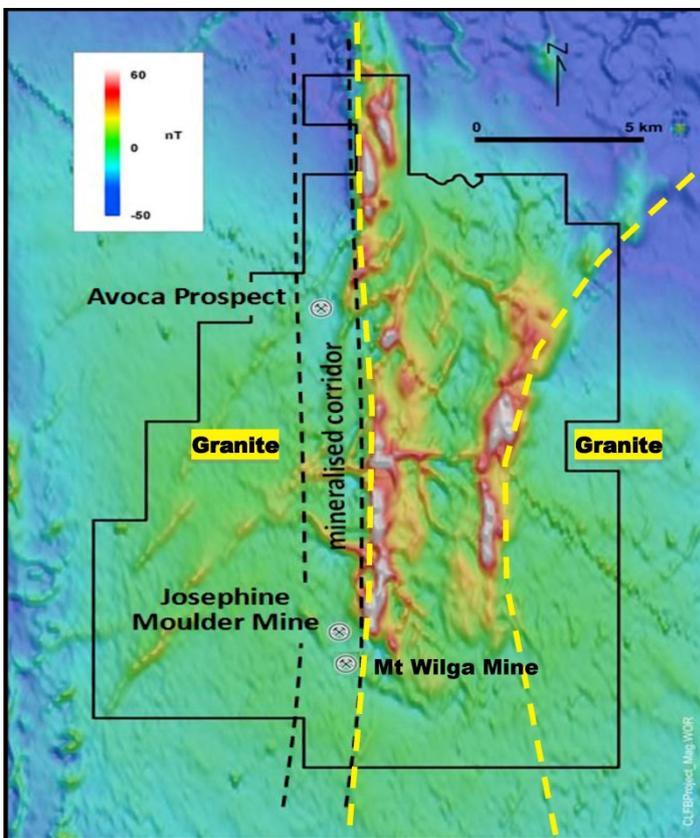


Figure 7: Plan showing mineralised corridor from the JM to AC prospects

In 1982 Aberfoyle drilling 5 holes using open-hole percussion. The drilling confirmed the consistent nature of the mineralised structure but did not return grades consistent with the earlier rock chips. In 2014 CAP drilled 5 holes using diamond core (HQ) to test the JM structure, JME structure and the peaks of the auger soil anomaly (Figure 4 and 5). Results returned for JM, JME and the JMF were;

- 10m at 1.43 g/t Au, 4.5g/t Ag and 1.2% Pb (oxide);
- 10m at 0.9 g/t Au and 2.1 g/t Ag (fresh);
- 1.9m at 1.01 g/t and 1.7 g/t Ag and;
- 0.6m at 0.11 g/t Au and 2.4 g/t Ag.

The results for the JM structure returned nearly three times the grade of the percussions holes and extended the mineralisation into the fresh sulphide zone. The drilling did not adequately test the JME structure and JMF, providing excellent exploration upside for a small alluvial resource and a large structurally controlled IRG system.

Metallurgical Testing and Geochemical Analysis

As part of the drilling program preliminary sighter bottle roll leach (BCL) metallurgical tests were done on surface pulverised rock chip samples by ALS, showing great potential for gold to be won via heap leach. An average of 91% gold recoveries were returned from the BCL tests compared to the fire assay results. Full results can be found in Appendix B.

This preliminary test work demonstrates that significant gold recoveries can be expected either by heap leach or CIP-CIL. Further test work would involve column leach tests (Figure 8) on coarser material (6.3 mm – 50 mm), where a 120 kg bulk sample of core, rock chip or a combination of both is leached for a period of approximately one to two months. The tests will determine the materials' leaching properties such as permeability, percolation, agglomeration, optimum particle size, cyanide quantities, optimum pH and gold/silver recoveries. Appendix B shows the flow sheet for the column leach test work and a breakdown of costs from HRL and ALS. A combination of existing HQ half core (40 kg) and surface ROM ore (80 kg) is recommended.



Figure 8: Column leach testing at ALS



Figure 9: Large scale bottle roll leach testing at ALS

Opportunity

Carpentaria has shifted its focus from exploration to development of the Hawsons Iron Project. Therefore the Company is seeking interested parties to farm in or purchase this project outright.

For further information, including if required all historical exploration reports covering the project area contact Quentin Hill:

Quentin Hill
Managing Director
(07) 3220 2022
quentin.hill@capex.net.au



Figure 11: Gold price forecast 45% certainty (source: Bloomberg, ANZ Research)