

QUARTERLY REPORT

For the period ended 31 March 2020

- + Carpentaria Resources is answering the world's call for high grade iron ore.
- + The Company has a majority interest in the Hawsons Iron Project, source of Hawsons Supergrade® product

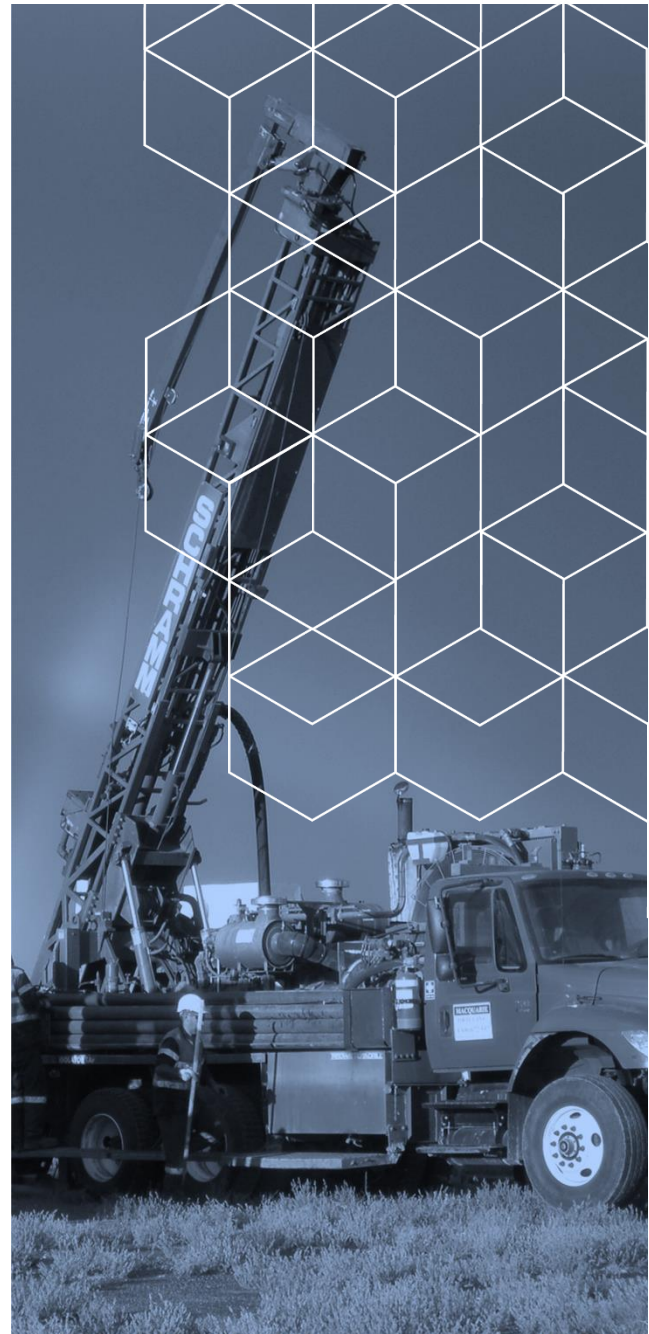


HIGHLIGHTS

Hawsons Iron Project

- + Carpentaria's Hawsons Supergrade® product continues to attract interest from offtakers.
- + Mitsui agreed to extend the term of its existing offtake option until 31 July 2020; in the meantime, the parties intend to negotiate commercial terms to extend the option beyond that date.
- + The Company is progressing discussions with Asian and MENA region tier one and other offtakers and potential cornerstone investors for offtake-related and other bankable feasibility study (BFS) funding.
- + Discussions with Hawsons joint venture partner are continuing, to improve the commercial offering to investors and provide the best platform to move the project forward.
- + The Hawsons Iron Project should attract BFS support because of:
 - + High forecast returns: outstanding for the commodity and project type. According to Wood Mackenzie, the leading project of its type (chart 1), (refer to the PFS released 28 July 2017, showing an equity rate of return of 30%)*.
 - + Unmatched product demand: the unique 70%Fe pellet feed product meets the long-term global demand profile for high quality inputs and decarbonisation of steelmaking.
 - + Low risk profile: forecast to be first quartile of the global cost curve (as per the PFS, Hawsons is cash-flow positive at benchmark 62%Fe price <US\$30/tonne).

* The Company confirms that all assumptions and technical parameters underpinning the Resource and Reserve estimates and all material assumptions underpinning the production target or the forecast financial information derived therefrom continue to apply and have not materially changed since first reported on 28 July 2017.



HAWSONS IRON PROJECT

70%

Iron percentage of Hawsons Supergrade® product.

14.0

Offtake demand for Hawsons Supergrade® product (Mtpa).

201

Total production of Hawsons Iron Project (million tonnes).
As per the PFS release on 28 July 2017.

The Company confirms that all assumptions and technical parameters underpinning the Resource and Reserve estimates and all material assumptions underpinning the production target or the forecast financial information derived therefrom continue to apply and have not materially changed since first reported on 28 July 2017.

Carpentaria Resources Limited (ASX:CAP) announced today its quarterly activities and cashflow report for the period ending 31 March 2020.

The Company is focussed on developing its flagship Hawsons Iron Project near Broken Hill, NSW and continues to strive to improve the commercial offering to attract the necessary investment.

During the quarter, Mitsui agreed to extend the term of its existing offtake option until 31 July 2020; in the meantime, the parties intend to negotiate commercial terms to extend the option beyond that date.

The Company also opened and progressed discussions with tier one and other offtakers and potential cornerstone investors for offtake-related and other bankable feasibility study (BFS) funding. Requested product samples were delivered to an Asian steelmaker, while marketing and investment discussions in the MENA region progressed, building on upgraded product specification and Value-in-Use studies.

Improved commercial offering

Whilst Carpentaria has been able to demonstrate the low risk technical and developmental aspects of the Project, the competitive project pre-feasibility study results and high offtake interest and willingness to support the Project post-bankable feasibility study, the joint venture structure remains an impediment to some investors.

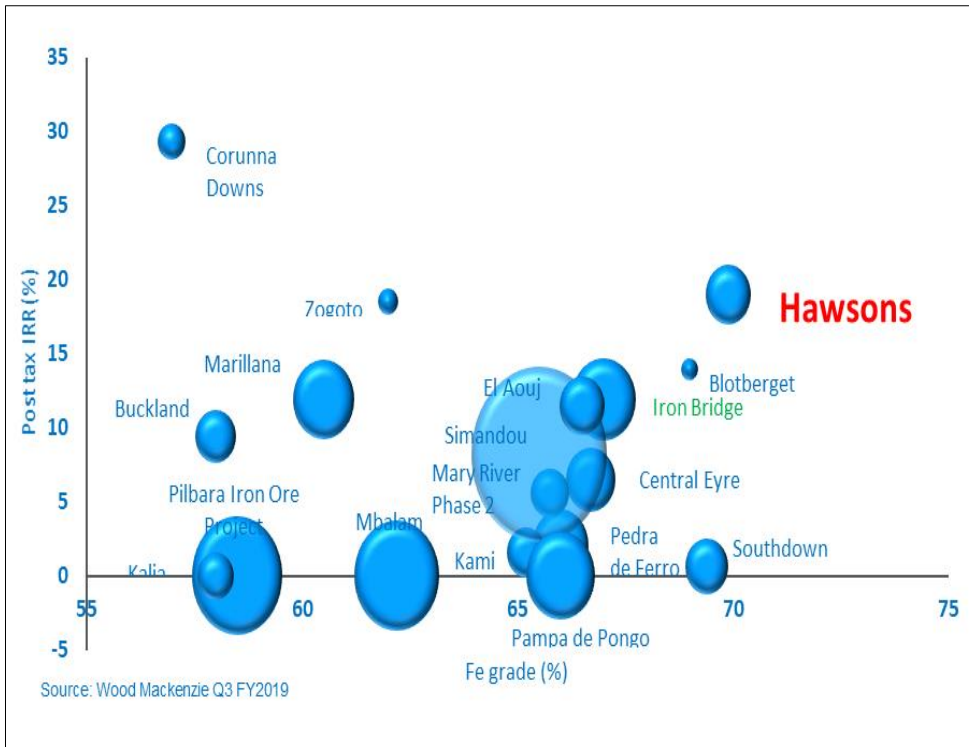
The Company continues to discuss with its joint venture partner, Pure Metals Pty Ltd, ways of making the Hawsons Iron Project ownership structure more attractive to potential investors, provide the best platform to move the Project forward, and realise the high potential value of the Project for Carpentaria and Pure Metals' shareholders.

Corporate

The Company has at all times operated with a small but loyal team of employees and contractors. Management and the Board have worked with our people to reduce costs wherever possible, and in a way that allows for the strategic goals to be progressed.

Efforts during the quarter were focussed on securing consolidation of Hawsons ownership, and costs were incurred in obtaining reports and legal services in this regard.

Subsequent to the end of the quarter, Mr John Anderson resigned as Non-executive Chairman for personal reasons. Mr Jon Parker assumed the position of Interim Chairman.



*All projects except Hawsons at BFS stage .
Hawsons at PFS stage
*Assumes that Hawsons is in production and the outcomes are as set out in the prefeasibility study announced on 28 July 2017. The Company confirms that all assumptions and technical parameters underpinning the Resource and Reserve estimates and all material assumptions underpinning the production target or the forecast financial information derived therefrom continue to apply and have not materially changed since first reported on 28 July 2017.
*Bubble size represents annual production capacity
*Excludes replacement or expansion projects owned by established miners RIO, BHP, CSN, FMG
*Based on Wood Mackenzie long term price forecasts
Source: Wood Mackenzie (developed from company's stock exchange compliant releases, modified uniformly by Wood Mackenzie by internal long-term price and cost forecasts, Wood Mackenzie is not aware of any material omissions in the data)

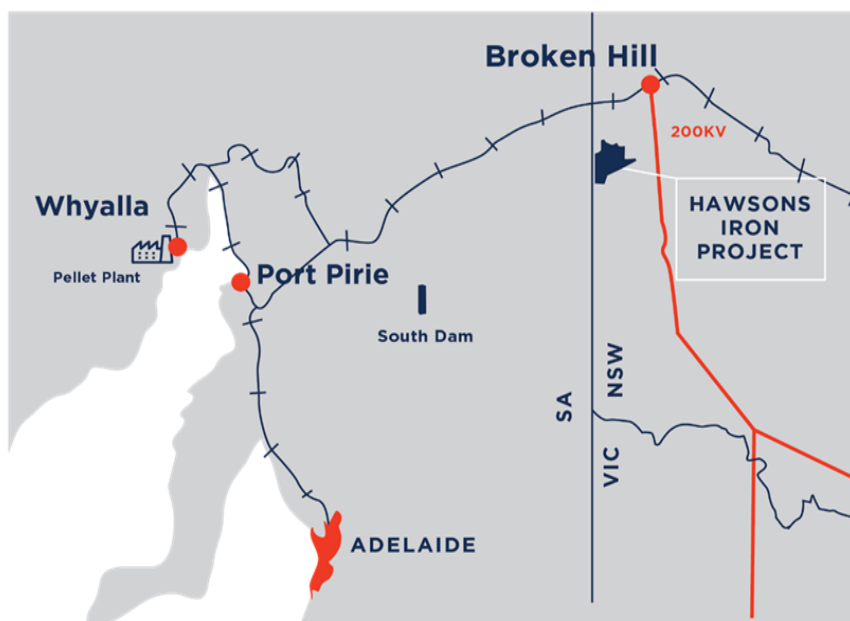
Chart 1 – IRR vs product grades for unfinanced projects at PFS stage or later

About Hawsons Iron Project

The Hawsons Iron Project joint venture (CAP 69.8%, Pure Metals P/L 30.2%) is currently undertaking development studies based on the low cost, long term supply of a high grade, ultra-low impurity iron concentrate to a growing premium iron market, including the direct reduction (DR) market.

The project has a clear technical and permitting pathway. It is located 60km south-west of Broken Hill, an ideal position for mining operations with existing power, rail and port infrastructure available for a 10Mtpa start-up operation. A mining lease application has been lodged.

The project's soft rock is different from traditional hard rock magnetite and allows a very different approach to the typical magnetite mining and processing challenges (both technical and cost-related). The soft rock enables simple liberation of a product of rare quality without complex and expensive processing methods.



The Hawsons Iron Project is located 60km south-west of Broken Hill, NSW, an ideal position for mining operations with existing power, rail and port infrastructure available.

Release authorised by:

Quentin Hill
Managing Director
+61 7 3220 2022

Carpentaria Resources Tenement Schedule
at end of 2020 March Quarter

8 licences and applications

Licence	Notes	Name	Original Grant Date	Expiry Date	Equity %	Sub Blocks	Area (km ²)
EL 6901	5	Combaning	8/10/2007	08/10/2020	10	21	61
EL 6979	1,2	Redan	11/12/2007	11/12/2021	69.8	62	180
EL 7208	2	Burta	22/09/2008	22/09/2020	69.8	100	290
EL 7504	2	Little Peak	08/04/2010	08/04/2020	69.8	14	41
EL 7896	5	Barellan	06/02/2012	06/02/2021	10	25	73
EL 8095		Advene	28/05/2013	28/05/2020	100	50	145
EL 6454		South Dam	10/12/2014	09/12/2021	100	6	17
MLA 460	3,4	Hawsons Iron	Under application	Under application	69.8	n/a	187
TOTALS						278	994

1. 1.5% NSR royalty to Perilya Broken Hill Pty Ltd.
2. JV; Pure Metals Pty Ltd.
3. MLA made on 18 October 2013; tenement application subject to unspecified grant date and conditions.
4. Subject to the Hawsons Joint Venture with Pure Metals Pty Ltd.
5. JV; Cape Clear Minerals Pty Ltd.



DISCLOSURE

The information in this report that relates to Exploration Results, Exploration Targets, Resources and Reserves is based on information evaluated by Mr Q.S. Hill who is a member of the Australian Institute of Geoscientists (MAIG) and who has sufficient experience relevant to the style of mineralisation 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 (the "JORC Code"). Mr Hill is a Director of Carpentaria Resources Ltd and he consents to the inclusion in the report of the Exploration Results in the form and context in which they appear.

www.carpentariares.com

Carpentaria
RESOURCES

WORLD'S
BEST IRON
ORE PRODUCT

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

CARPENTARIA RESOURCES LIMITED

ABN

63 095 117 981

Quarter ended ("current quarter")

31 March 2020

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation (if expensed)	-	-
(b) development	-	-
(c) production	-	-
(d) staff costs	(91)	(272)
(e) administration and corporate costs	(194)	(335)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	2
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Product marketing and business development	(322)	(695)
1.9 Net cash from / (used in) operating activities	(607)	(1,300)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) exploration & evaluation (if capitalised)	(53)	(434)
(e) investments	-	-
(f) other non-current assets	-	-

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(53)	(434)
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	-	-
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,950	3,024
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(607)	(1,300)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(53)	(434)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	1,290	1,290

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	1,274	1,934
5.2	Call deposits	16	16
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,290	1,950

6. Payments to related parties of the entity and their associates

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

Current quarter \$A'000
62
-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments:

Director wages and fees: \$98,138

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities		
7.5 Unused financing facilities available at quarter end		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (Item 1.9)	607
8.2 Capitalised exploration & evaluation (Item 2.1(d))	53
8.3 Total relevant outgoings (Item 8.1 + Item 8.2)	660
8.4 Cash and cash equivalents at quarter end (Item 4.6)	1,290
8.5 Unused finance facilities available at quarter end (Item 7.5)	-
8.6 Total available funding (Item 8.4 + Item 8.5)	1,290
8.7 Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	1.95

8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

The Company expects to operate with lower costs for the foreseeable future, due to cost cutting previously announced. This is subject to changes that could be caused by any transaction, should that occur.

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

The Company will take steps to raise capital to carry on its business when that becomes necessary.

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

The Company had abnormally high expenditure during the last quarter and April 2020 and does not expect such expenditure to be repeated in the coming quarters. The Company does expect to be able to continue its operations.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 30 April 2020

Authorised by: By the Board
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, 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. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.