Investor Presentation
July 2017

Carpentaria EXPLORATION LIMITED

WE FIND IT. WE PROVE IT. WE MAKE IT POSSIBLE.

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Hawsons Iron Project – Key messages

- Hawsons is the right project at right time
- Prefeasibility study delivery end July, results so far in line with or exceeding expectations
- Goal to position Hawsons as the leading undeveloped , high quality iron ore project globally
- Aiming for an incentive price of development consistent with long term 62%Fe iron ore price of US$55-65/t
- Based on consensus steel demand new projects will be required to meet positive iron ore demand growth
- Strongest growth in high quality and pellet feed segment with supply opportunities in direct reduction grade (DR) and high grade blast furnace (BF) markets
- Offtake competition to drive next stage of development

Carpentaria - Snapshot

Target

PFS completion ~July 2017

ASX : CAP

Listed: 2007

SHARES: 169 M

CASH : $1.79 M 31 March, 2017

100% focussed on Hawsons Iron Project (CAP 64%, Pure Metals PL 36% diluting)

Dr Neil Williams - Chairman

Mr Quentin Hill - Managing Director

Mr Bin Cai - Director (non-exec.)

Mr Paul Cholakos - Director (non-exec.)

Mr Robert Hair - (Company Secretary)

Major Shareholders

Silvergate Capital 13.3%

Australia Conglin Int. Group 8.3%

SG Hiscock and Company 5.0%

Project Team - Experts in their field

Ray Koenig - Technical Director

- One of Australia's leading magnetite engineers; ex-Savage River magnetite and pellets

- Technical feasibility
- Risk reduction

Adam Wheatley - Iron ore financing expert

- (e.g. Gindalbie/Kararra, Hancock/Hope Downs, Aztec/Koolan Island)

- Project financing and bankability

Lou Jelenich – Product Marketing Director

- Iron ore marketing and steel expert
- Ex-BHPB iron ore technical marketer

- Marketing saleable product
- Offtake arrangements

Hawsons Iron Project - Introduction

Location - 60km south west Broken Hill

JORC Resource - 2.5Bt at 13.9% mass recovery for 348mt of concentrate (of which 121mt is Indicated)

Unique siltstone ore type - allows stand out mining cost, processing cost and product quality targets

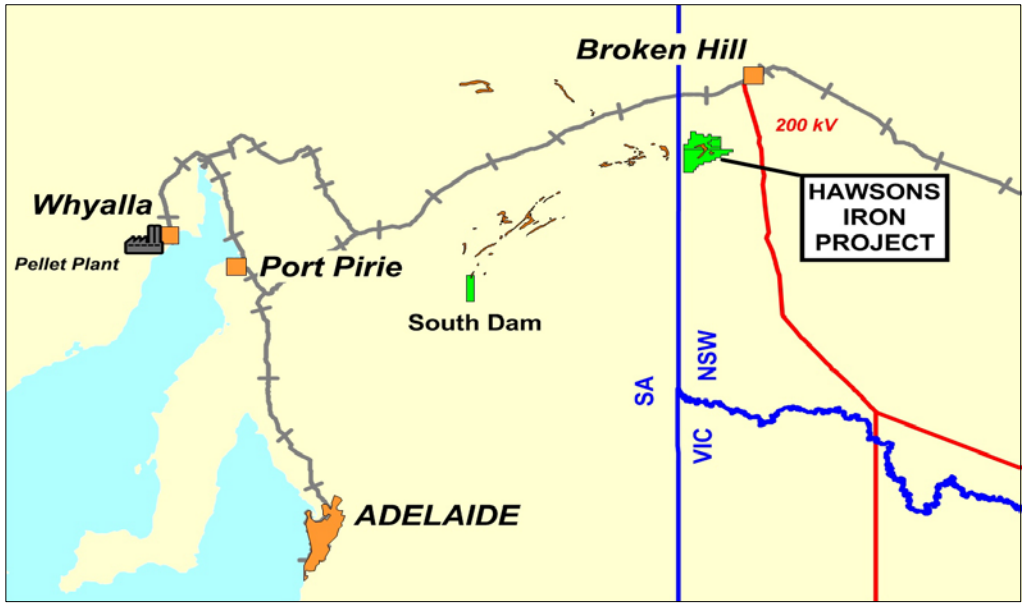
Product quality - amongst the worlds best, allows stand out customer base and revenue (>70%Fe <2% silica)

Existing infrastructure in place - power, water, rail, port and pellet plant allows potential stand out capital cost and low development risk for various production scenarios

Characteristics to elevate project to first in the development queue

Hawsons Iron Project - Concept

- Mine and process on site
- Power from reliable eastern states grid
- Water from defined high yield saline aquifer 90km south
- Slurry product in pipeline to Broken Hill
- Rail to Port Pirie or Whyalla on existing rail (13mtpa spare capacity)
- Potential to access upgrading to pellets at Whyalla
- Transhipment to Capesize vessels to customers



Hawsons Iron Project – Recent achievements and current work

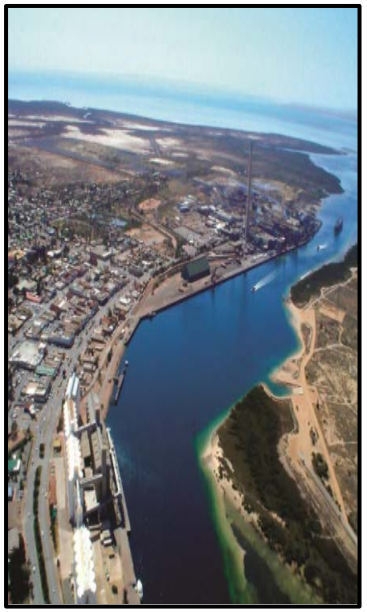
- **Maximising opportunities** – Offtake demand for Hawsons Supergrade® product

Company	Volume
Formosa Plastics	2.6 Mtpa
Bahrain Steel	3.0 Mtpa
Shagang	2.5 Mtpa
Mitsubishi Corp. RtM	1.0 Mtpa
Gunvor	1.0 Mtpa
Kuwait Steel	1.0 Mtpa
Emirates Steel	0.9 Mtpa
Total	**12.0 Mtpa**

- **Minimising risk –** resource upgrade , 96% conversion from Inferred to Indicated

Current work

- Prefeasibility study underway – delivery end July 2017 - 10mtpa Hawsons Supergrade output



Near term growth drivers – Milestones

Pre-feasibility study cost targets

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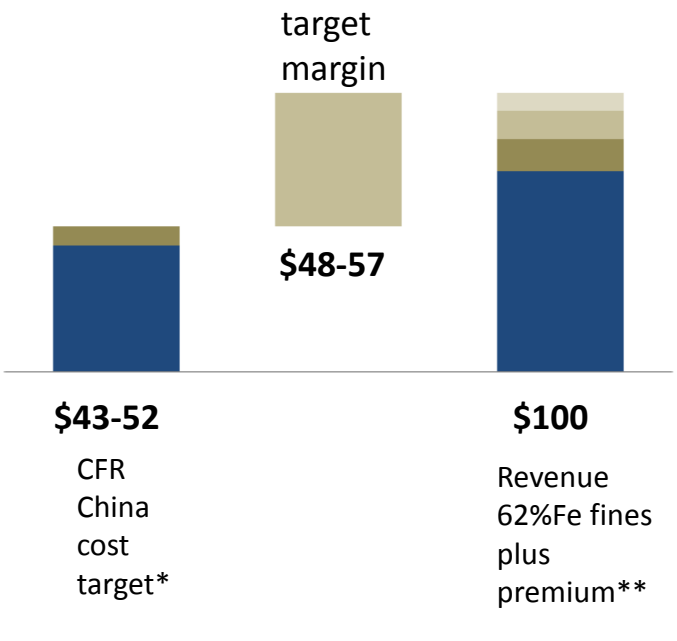
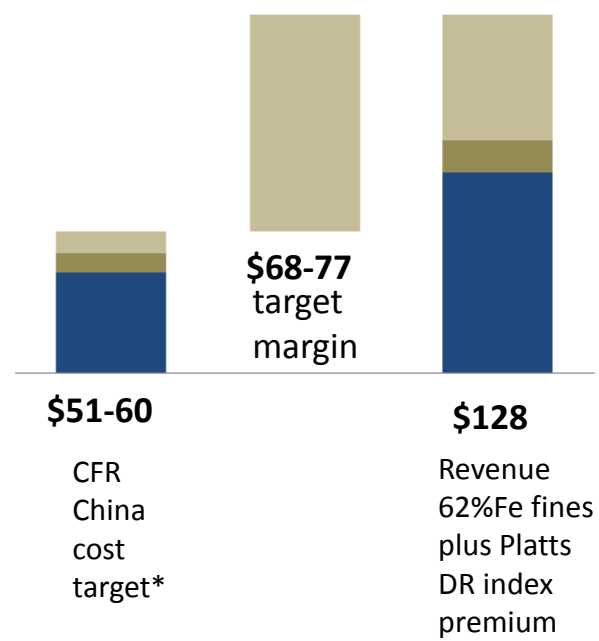
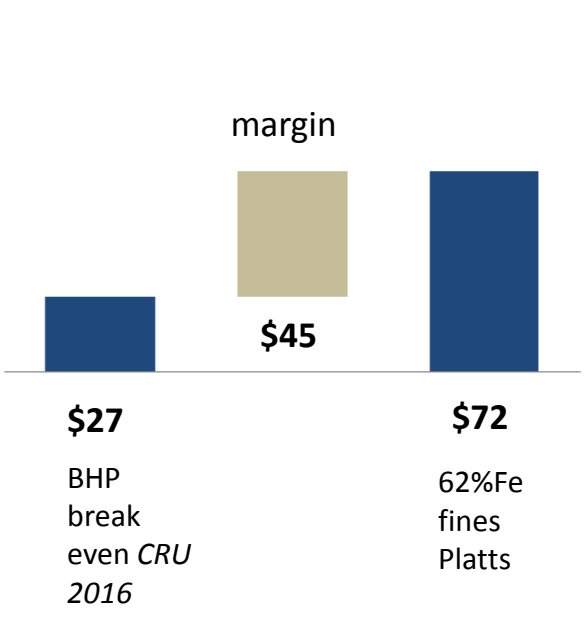
HAWSONS SUPERGRADE BLAST FRUNACE PELLET FEED



HAWSONS DIRECT REDUCTION PELLETS



TIER ONE PILBARA FINES



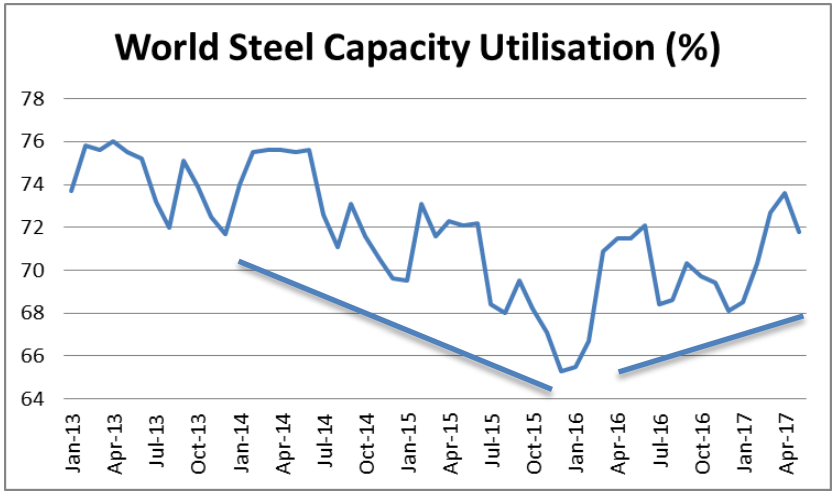
- Cost targets based on 2013 PFS level engineering and Inferred Resources (excluding pelletising)
- Potential margins at US$72, better than tier one Pilbara margins based on Platts index pricing, and steel mill pricing formula (see Appendix for formula)
- Competitive capital cost target of US$1.4-2.0bn (inclusive of preproduction cost and contingency)
- Aim to review - existing mining, power, water and labour capital inputs and;
  - production rate scenario's, complete Q2 2017.

- LOM, Includes royalties, sustaining capital, 1AUD buys 0.72USD
All figures USD

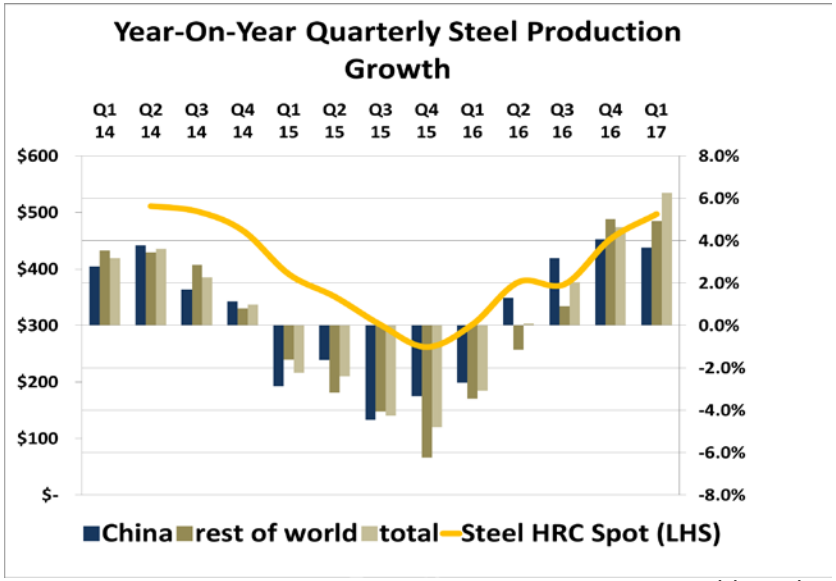
**Shanghai Metals Market formula based on Platts prices 9/11/16, see appendix

Iron ore and steel – New clarity in demand

- Steel production has returned to growth and there are clearer signals from China as restructuring is implemented
- Population growth, urbanisation rates and economic development underscore long term demand growth, esp. India, Middle East and ASEAN, China - World Steel increased its 2017 demand forecast by 55mtpa in 12 months
- BHP forecasts CAGR of 1.9-2.1% in steel production out to 2030
- That is 35-40mtpa new steel each year (RIO and World Steel are similar)
- Scrap share forecasts vary, to allow 10 - 40mtpa new iron ore demand each year to 2030
- Supply deficit circa 2019-2021

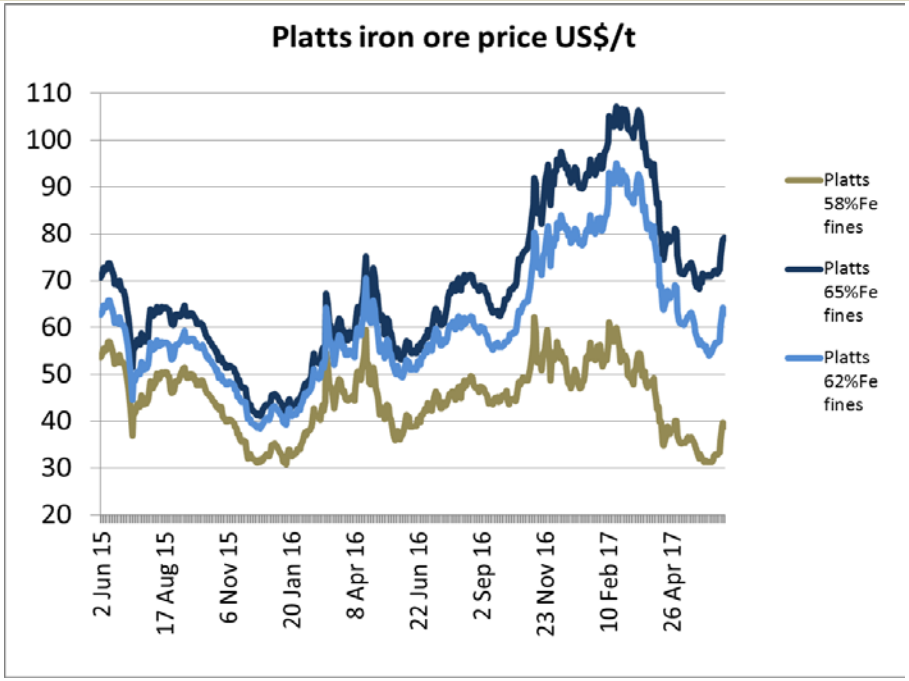


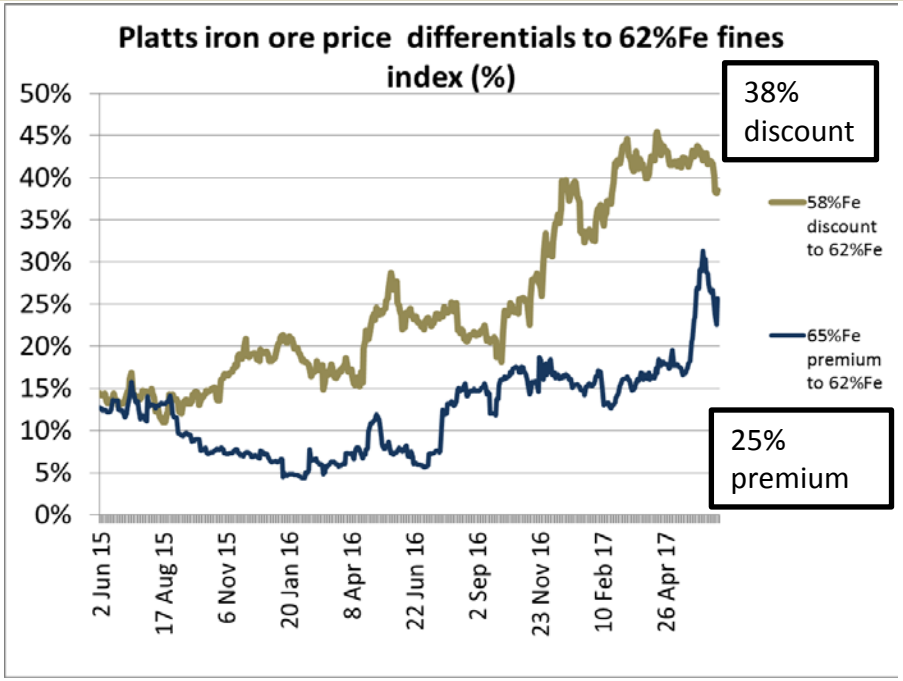
World Steel



World Steel

Iron ore and steel demand- High quality ore favoured

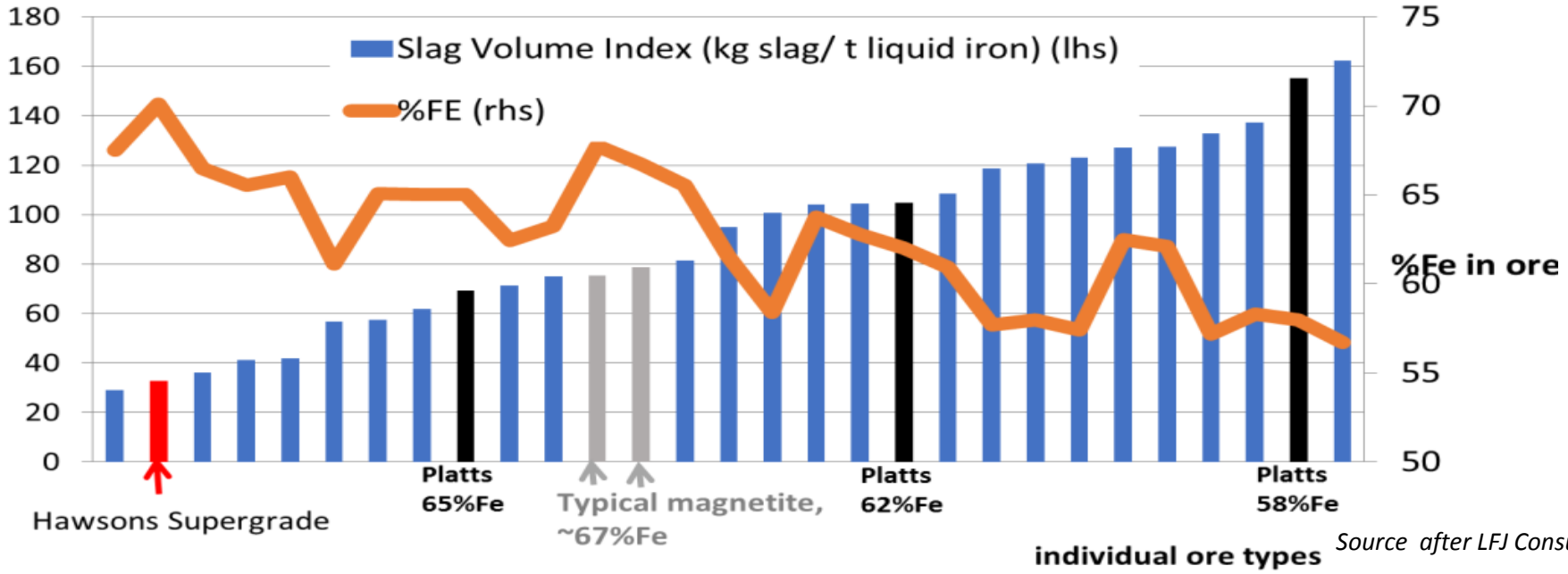




- Pricing shifts reflect current productivity driven steel making in China
- Record high quality differentials driven by competition for high quality ore
- Forecast to be a structural shift over time as China shifts to the same blast furnace operating practises as Europe and Japan
- CRU recently wrote * "We forecast a **clear shift towards pellet in Chinese burdens** with the rate lifting from 150kg per tonne of hot metal to 273kg per tonne of hot metal ", "This results in an increase in demand of 76mtpa by 2030".
- Hawsons – Right product, right time

**Serafino, 2016*

Productivity driven steel making is all about the slag volume

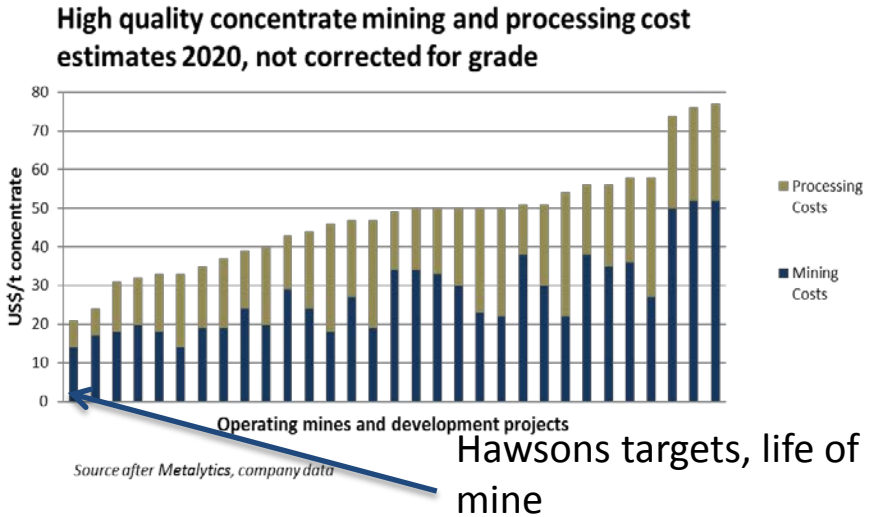


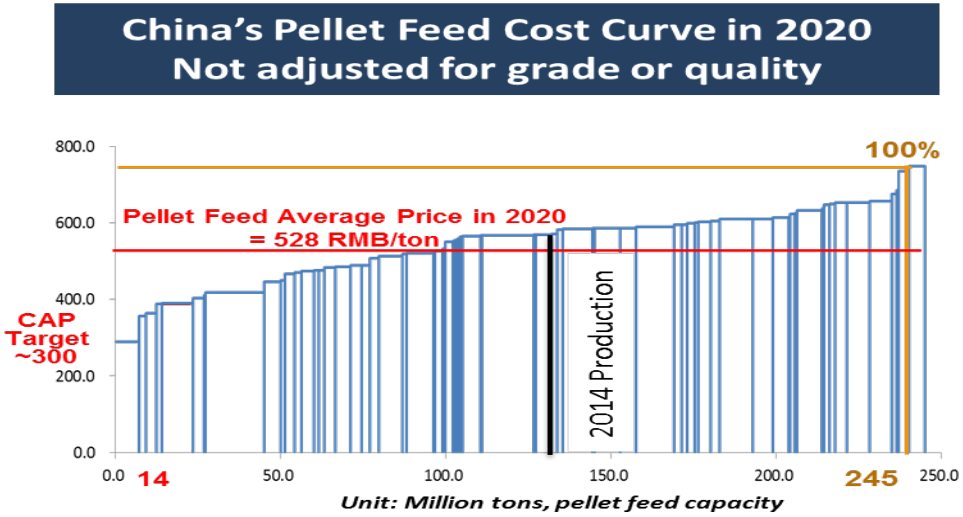
Source after LFJ Consulting

- Magnetite is not always better than hematite
- Productivity gains greatest using 65%Fe hematite benchmark product or better (ie>68%Fe magnetite)
- Higher pellet levels aid productivity by promoting efficient gas flow
- Blast furnace has a fixed volume therefore the more iron vs slag in the furnace, the more iron can be produced per unit of time ie higher productivity
- Measured by Slag Volume Index (SVI) – slag generators (silica + alumina)/ iron content

Hawsons is well positioned to meet growing high quality supply opportunity

- Long term 62%Fe iron ore prices are forecast to be US$55-65 long term
- Few high quality iron ore projects can be incentivised at these prices because of
  - High processing costs
  - Yield losses during upgrade
- Pellet feed is typically high cost because of grinding
- Hawsons ' unique ore type has potential to deliver the lowest grinding costs and the least losses meaning very cost competitive
- Supply opportunity into China and direct reduction market in Middle East as competition for higher quality increases





Source: SMM, 2015; Unit - RMB/wmt (excl. VAT, ex-work, includes depreciation, port surcharge); 6.1RMB : 1 USD: 0.75 AUD

Hawsons Supergrade is in demand

Iron ore market is more complex and sophisticated than is generally understood by investors in Australia

Steel industry participants recognise the value of securing high quality iron ore as global quality declines

Those that can access high quality will have an advantage over their rivals

CAP's offtake partners have signed up aware that:

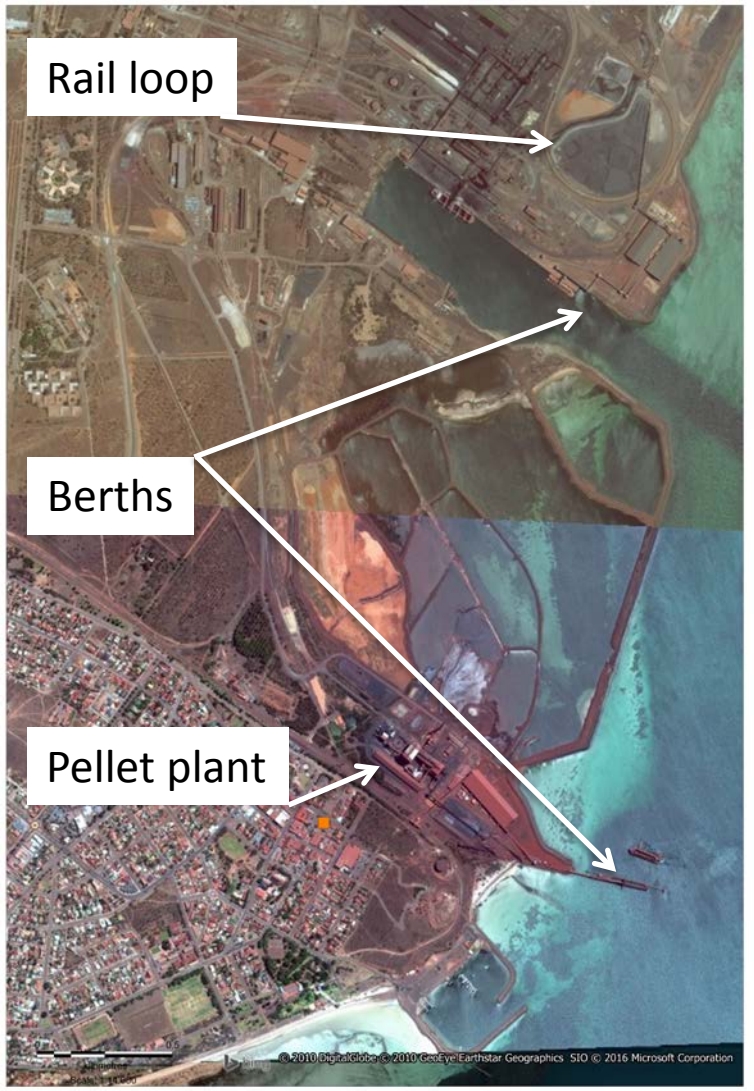
- Hawsons targeted metrics are very competitive
- Hawsons development risk is relatively low
- Hawsons product can help their business

Hawsons Supergrade® product fills a specific and important niche in the global supply of metallics for steel making as evidenced by strong offtake demand across three markets

Unique strategic value – Whyalla infrastructure

Hawsons is suitable for long term use of Whyalla port and pellet plant assets

- New owners, new philosophy
- Rail from Broken Hill direct to Whyalla
- Port ~16mtpa capacity
- ~2mtpa pelletising plant



Arrium Whyalla facility

Next Steps

- Deliver prefeasibility study end July 2017
- Continue to explore value adding infrastructure options
- Secure funding for Mining Lease approvals and bankable feasibility study (BFS) maximising shareholder benefit
- Deliver BFS and Mining Lease 2018
- Secure finance
- First output targeted 2020

Hawsons Iron Project – First in the queue for development

Right project– competitive cost targets and existing infrastructure →low development risk

Right product – Supergrade, the world's best pellet feed one of the few products that meet the highest growth end of the steel industry→ low market risk

Right strategy –

- develop end user support
- complete PFS to achieve investment grade for strategic and institutional BFS funding for shareholder benefit
- secure end user support to build the project and meet the market demand for new iron ore

Right Company to leverage Asia and MENA's continuing development, near term and long term

Thank you for your attention

Please refer appendix for additional information

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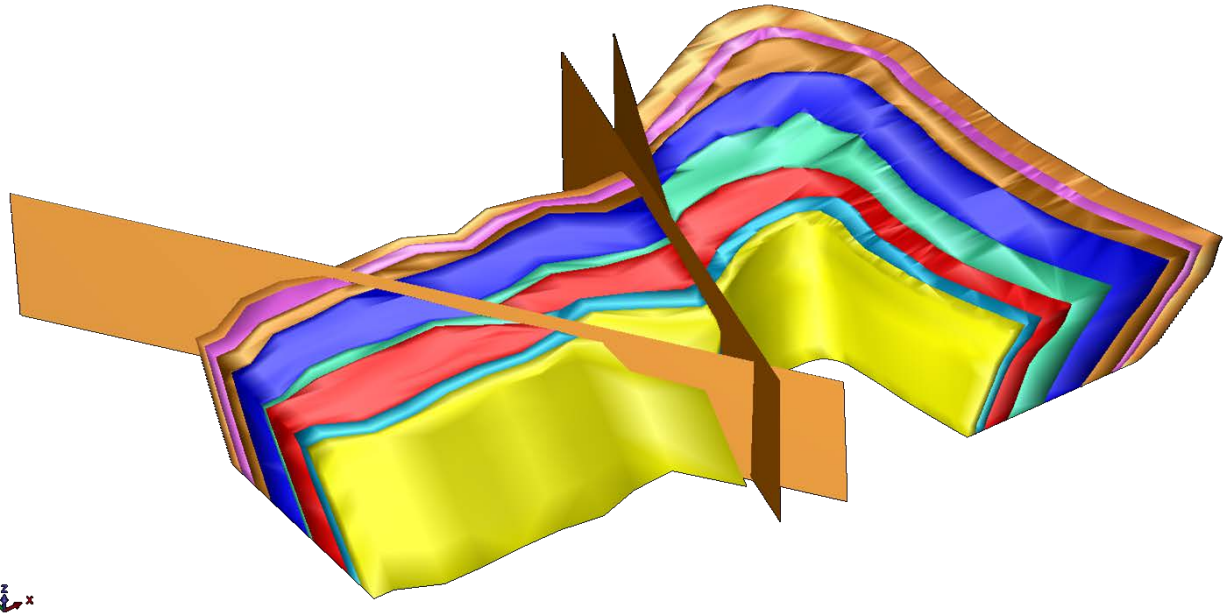
The information in this presentation that relates to Exploration Results, Exploration targets and Resources is based on information compiled by Q.S. Hill, who is a member of the Australian Institute of Geoscientists and has had sufficient experience which is relevant to the style of mineralization and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Q.S.Hill is an 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.

Appendix – Resource at 9.5% DTR cut off grade



Category	Mt	DTR %	DTR Mt	Fe Head %	Concentrate Grades						
					Fe %	Al2O3 %	P %	S %	SiO2 %	TiO 2 %	LOI %
Indicated	840	14.5	121	17.4	69.9	0.19	0.004	0.002	2.61	0.03	-3.04
Inferred	1,660	13.6	227	16.8	69.7	0.20	0.004	0.003	2.91	0.03	-3.04
Total	2,500	13.9	348	17.0	69.7	0.20	0.004	0.002	2.81	0.03	-3.04

The Company confirms that all assumptions and technical parameters underpinning the resource estimates continue to apply and have not materially changed since first reported on 27 February 2017 and July 3 2017. Reported at a 9.5%DTR cut off grade, and 38micron grind.

Appendix - Suggested pricing for CAP's pellet feed

Shanghai Metals Market

Suggested Pricing for CAP's Pellet Feed and Pellet

Benchmark

Platts 65%	Fe	S	Si	Al	P	$/dmt	Fe Differential ($/dmt)
	65%	0.02%	3.50%	1%	0.075%	68.75	1.2

Pellet Feed

CAP Pellet Feed	Fe	S	Si	Al	P
	70%	0.002%	1.50%	0.23%	0.004%

Benchmark Price ($/dmt)	Fe Adjustment			Pellet Feed Premium ($/dmt)	Price ($/dmt)
Platts 65%	Fe Differential against Benchmark	Unit Fe adjustment ($/dmt)	Total Fe Adjustment		
68.75	5	1.2	6	10*	84.75

Pellet

CAP Pellet	Fe	S	Si	Al	P
	68%	0.002%	1.50%	0.23%	0.004%

Benchmark Price ($/dmt)	Fe Adjustment			Pellet Premium ($/dmt)	Price ($/dmt)
Platts 65%	Fe Differential against Benchmark	Unit Fe adjustment ($/dmt)	Total Fe Adjustment		
68.75	3	1.2	3.6	30	102.35

Note: Platts price here is based on 22nd May US$60.25/t for 62%Fe fines.

Result based on survey of Chinese steel plants totalling 25% of Chinese industry
*This adjustment varied in the survey between US$4-12/t depending on source and product

Appendix – Hawsons product quality

Elements and Compounds		Supergrade Pellet Feed (ALS, CISRI)	Supergrade pellets (CISRI) Fired at 1230^{0}C	Midrex DR Specifications*
chemical Analysis (%) (on dry basis)	Fe	70.3	67.80	67.00 min.
	SiO_2	1.99	2.39	
	Al_2O_3	0.29	0.44	
	SiO_2 + Al_2O_3	2.28	2.83	3.00 max.
	CaO	0.11	0.15	
	MgO	0.2	0.22	
	P	0.007	0.008	0.030 max.
	S	0.001	0.003	0.008 max.
	TiO_2	0.11	0.10	0.15 max.
	Na_2O	0.032	0.056	
	K_2O	0.05	0.054	
Physical Properties	Blaine Index (cm2/g)	1910		
	Tumble (% +6.3mm)		96.53	NA
	Abrasion (% -0.5mm)		2.99	NA
	CCS (Kg/pellet)		324	>250
Metallurgical Properties	Reducibility Index (%)		62.04	
	Reduction swelling index (%)		13.92	
	Softening/Melting (Kpa.^{0}C)		551	

*Hawsons indicative specifications based on bulk pellet feed test work (ASX Announcement, 14 October 2015) and China Iron and Steel Research Institute test work (CISRI) in Beijing February 2016). *P8 The Midrex Process by Midrex 2015*