Investor Presentation
October 2017

Carpentaria EXPLORATION LIMITED

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

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Hawsons Iron Project – Key messages

Rights issue open to raise ~$1.3m (Placement $778k on 13 Oct.)

Use of funds

- maintain project schedule (EIS works)
- working capital while appropriate BFS solution achieved

Positioned for strategic investment in bankable feasibility study (BFS)

Blast furnace feed (BF) - structural shift in iron ore pricing evidence of relative scarcity of high quality inputs, declining global ore quality and increasing long term emphasis on productivity and pollution

Direct reduction feed (DR)– steel makers seeking new independent suppliers, DR growth constrained by supply

High quality ore scarce due to high cost from extra processing and yield losses. Very few high quality projects incentivised at long term prices

Hawsons is the world's leading high quality BF, DR pellet feed project

Traders, steelmakers and financial investors are attracted to Hawsons to secure world's highest iron content feed and robust long term returns

Carpentaria is delivering

ASX : ***CAP***

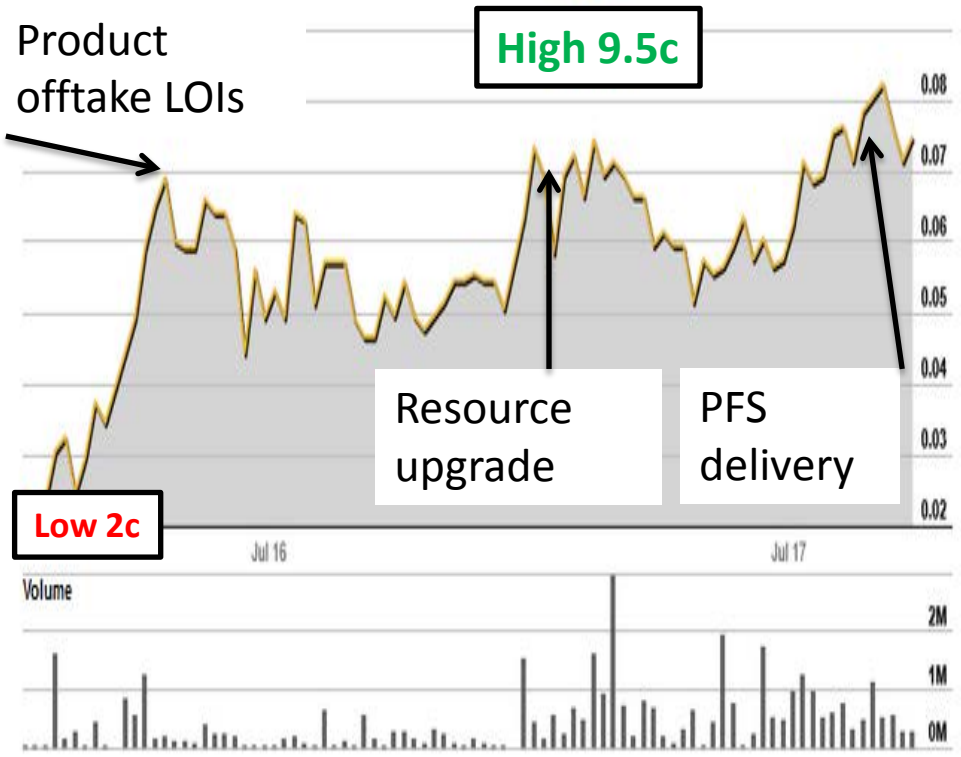
Listed: ***2007***

SHARES: ***180M***

CASH : ***$1.37 M 13 October, 2017***

100% focussed on Hawsons Iron Project development

(CAP 66.5%, Pure Metals PL 33.5%)



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 12.5%

Australia Conglin Int. Group 7.8%

SG Hiscock and Company 5.5%

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

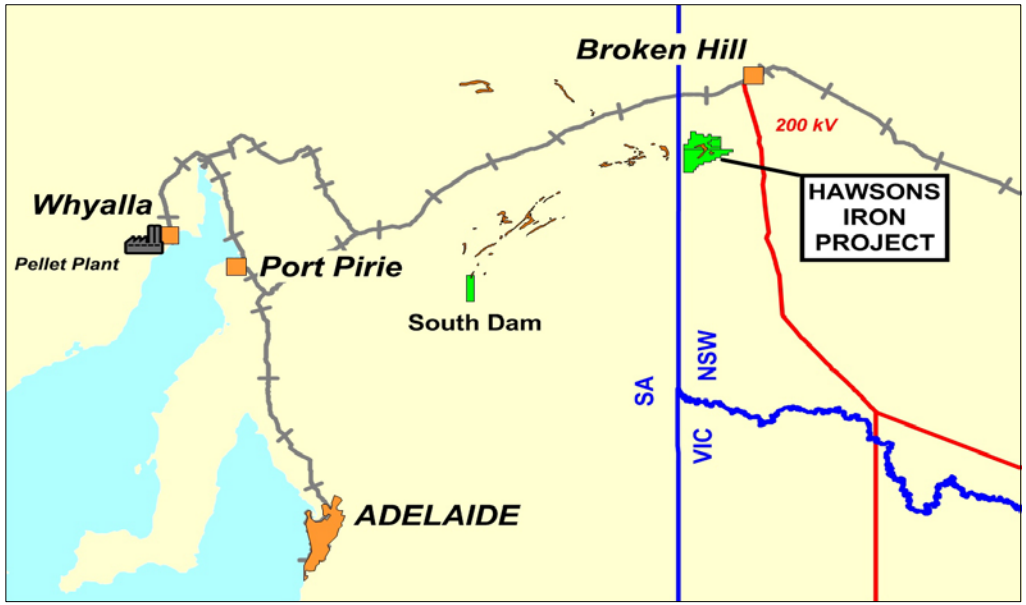
Lou Jelenich – Product Marketing Director

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

- Marketing saleable product
- Offtake arrangements

Hawsons Iron Project - Concept

- Mine and process on site for 10mtpa concentrate production
- Hawsons unique soft ore makes the difference on cost and product quality
- 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)
- Transhipment to Capesize vessels to customers in Asia and Middle East



Hawsons Iron Project – PFS results cash flow positive at 62%Fe prices <US$30/t

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Hawsons PFS preproduction costs (yr 1-2)	USD (m)
Preproduction mining costs including pre-strip	194
Mining	242
Processing	398
Infrastructure and administration	359
Rail and port	208
Total[1,2,3]	**1401**
[1] *incl EPCM 12.5% / contract management 3% of US$127m*	
[2] *incl. contingency and design growth (av. 16.5%)*	
[3] *excludes finance costs*	
[4] *excludes new in-pit conveyor in yr 5 of US$120m*	
[5] *net of salvage*	

Hawsons operating and sustaining costs (after prestrip, ~YR 3-22)	USD/dmt product
Mining	12.14
Processing	8.23
Infrastructure and admin.	1.48
rail and port	11.23
Total C1 FOB	**33.08**
sustaining capital[4,5]	3.48
royalties	3.18
Total all in FOB	**39.74**
sea freight	8.29
Total CFR China	**48.03**
less Supergrade premium	25.00
62%Fe equivalent total CFR	**23.03**

Base case 10mtpa Hawsons Supergrade® production exported through Port Pirie

Hawsons Iron Project – Prefeasibility study results, outstanding returns

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Hawsons PFS key economic results	Base case	At 5 October 2017 prices 65%Fe fines US$86.55/t (62%Fe fines US$61.35/t)
Equity IRR (post tax, geared)	29.9%	38.4%
Equity NPV (10%) (post tax, geared)	US$1,091m	US$1,667m
Project IRR (post tax, ungeared)	17.8%	22.9%
Project NPV (10%) (post tax, ungeared)	US$867m	US$1,475m
Life of mine ave. annual revenue	US$881m	US$997m
Life of mine ave. annual all in costs	US$480m	US$486m
Life of mine annual margin (EBITDA)	US$401m	US$511m

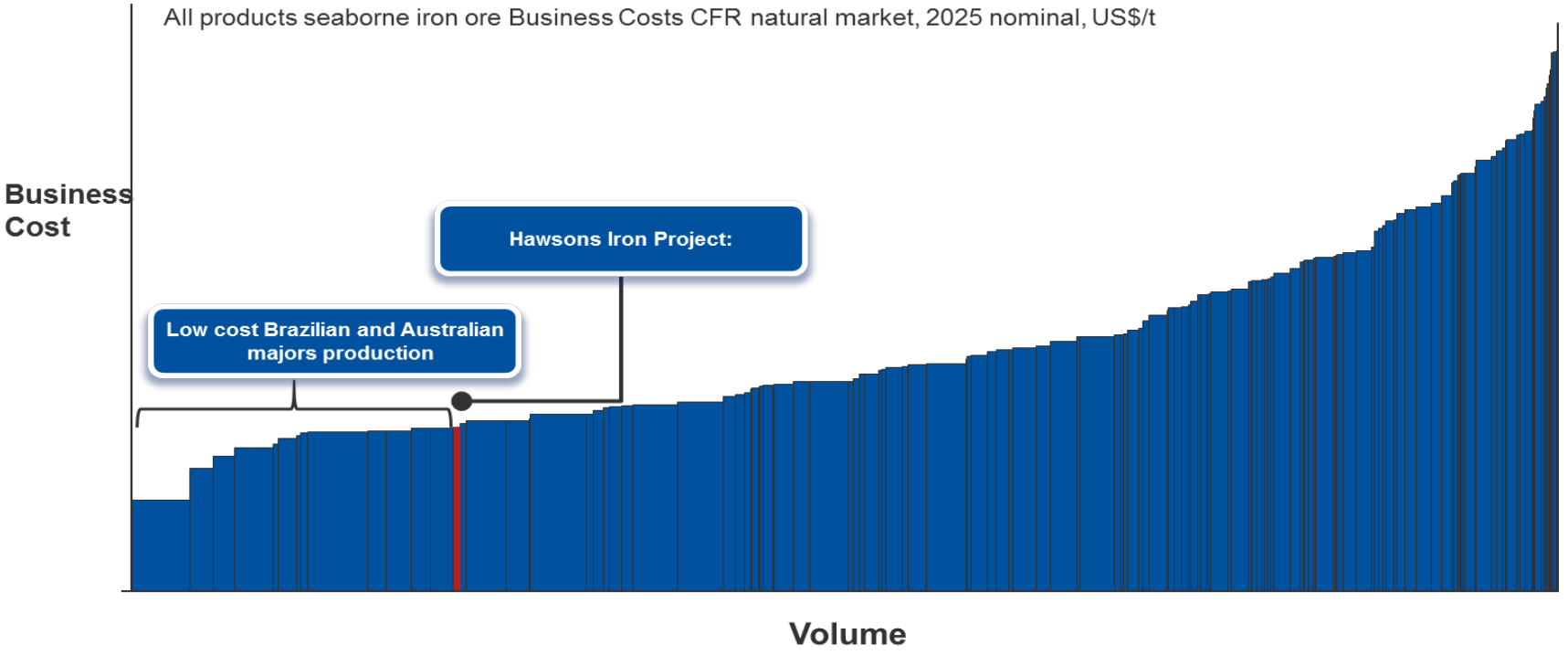
Key Hawsons PFS assumptions					
total ore mined	1423mt	62% Fe fines benchmark*	US$63/t	AUD:USD	0.75
total waste mine	717mt	65%Fe fines benchmark*	US$75/t	debt:equity	65:35
total product	201mt	plus 5 x Fe 1% US$1.10	US$5.50/t	corporate tax	30%
product specification	70%Fe	plus magnetite premium	US$7.50/t	loan term	10.5 yrs
annual production	10mt	product revenue (dmt)	US$88.00/t	delivered rebated diesel price	A$0.89/L
moisture	8%	*ave. (mean) price forecast for 2020-2030 (real 2016)		delivered power price	A$95/MWhr

Base case 10mtpa Hawsons Supergrade® production exported through Port Pirie

The Company confirms that all assumptions and technical parameters underpinning the resource and reserve estimates continue to apply and have not materially changed since first reported on 28 July 2017.

Hawsons Iron Project – 1st quartile costs, robust through the cycle

Hawsons is in the first quartile of the CRU global iron ore cost curve

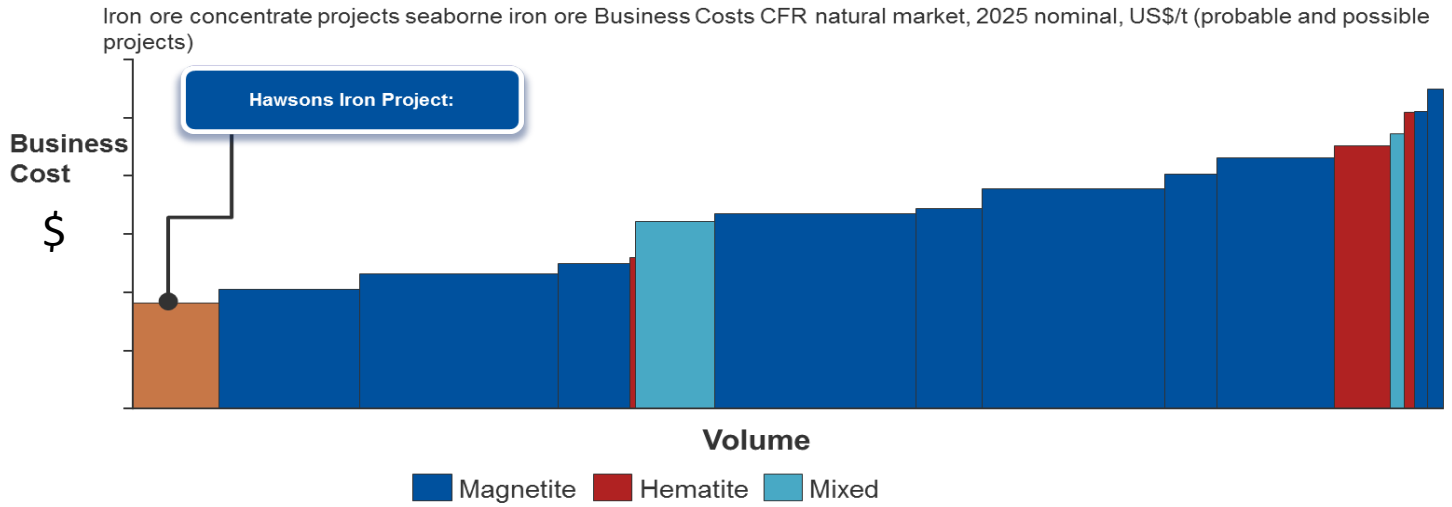


Source CRU, July 2017, Global iron ore business cost curve

CRU's Business Cost includes all cost sof operations up to delivery at the buyers' port and also includes a value in use adjustment that normalises all operations to the benchmark 62% iron ore price delivered to China, to allow for direct comparison. Cost curve includes projects. CRU's adjustment for Hawsons Supergrade is ~US$18.

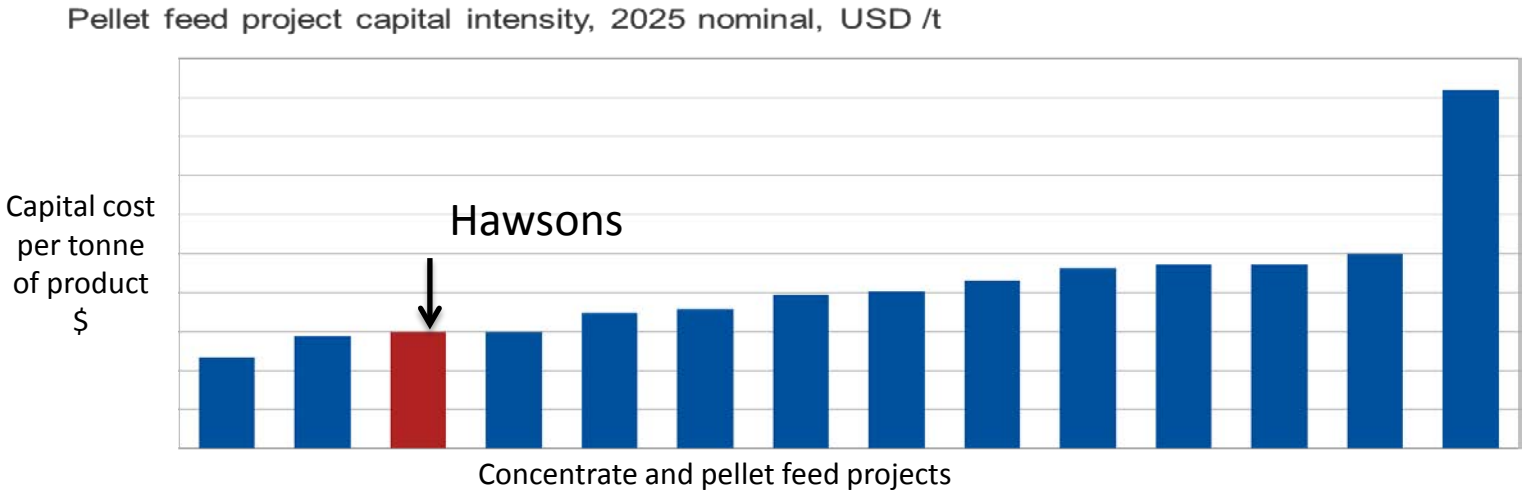
Hawsons Iron Project – World's leading undeveloped concentrate project

Hawsons is the leading undeveloped iron concentrate/pellet feed project operating costs



Source CRU, July 2017

Hawsons is one of the lowest capital cost undeveloped iron concentrate/pellet feed projects



Source CRU, July 2017

Iron ore and steel demand – strong fundamentals

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Finished steel forecast demand 2017 *(World Steel Oct. '17)*

- China forecast up 23 mtpa (~3%) *
- Rest of world forecast up 26mtpa (~2.6%)

Population growth, urbanisation rates and economic development underscore long term demand growth, esp. India, Middle East and ASEAN

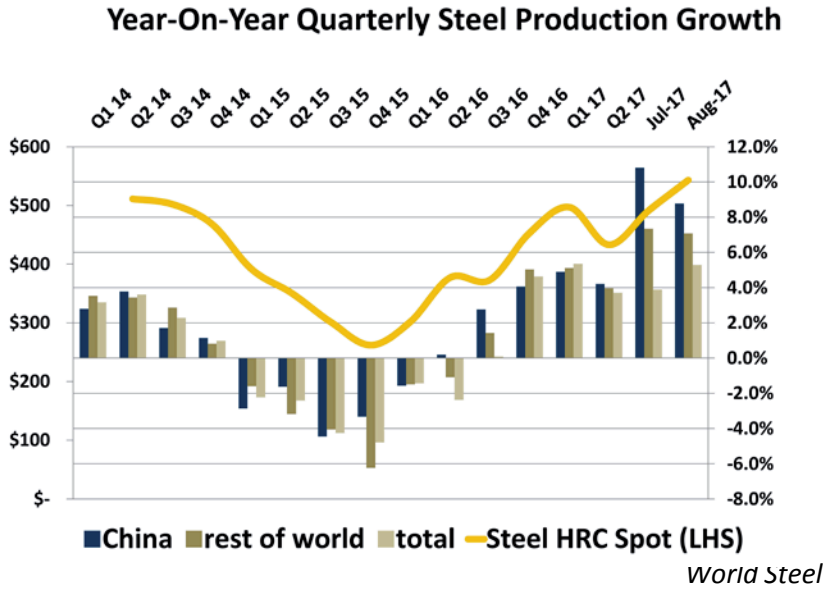
- BHP forecasts CAGR of 1.9-2.1% in steel production out to 2030

- That is 35-40mtpa new steel each year

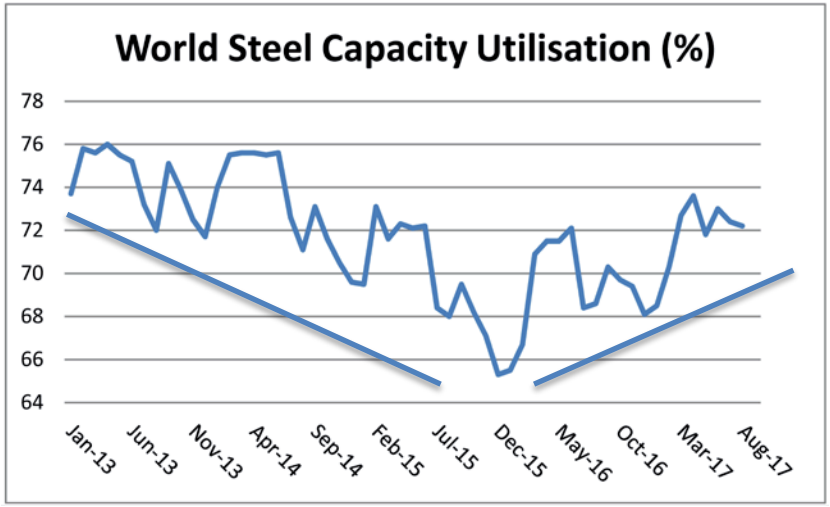
Supply gap 2019-2021

- New supply from majors** estimates at only 12mtpa in 2020.
- Mills and traders are planning now

**corrected for production outside official figures*
***RIO, BHP, Vale, FMG, Roy Hill from company data, reports*

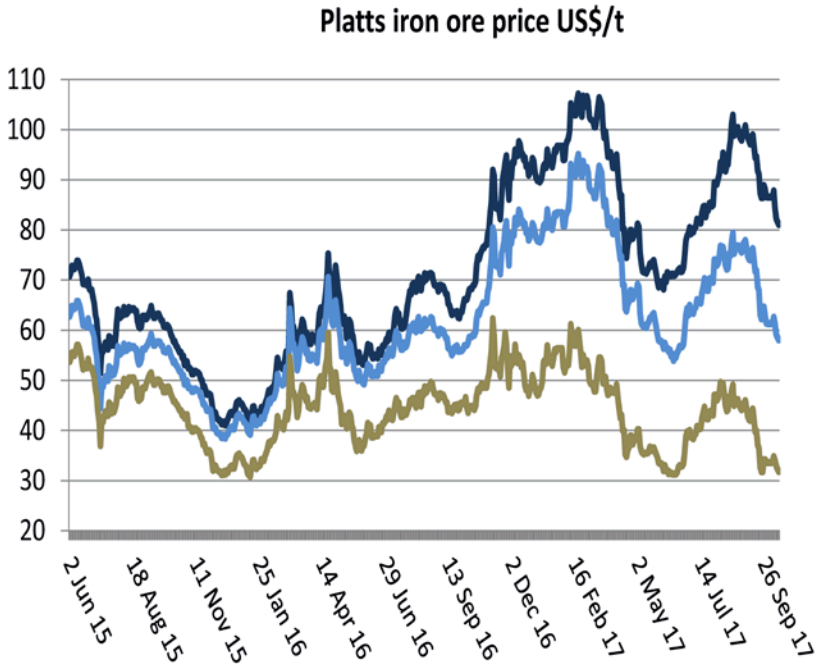


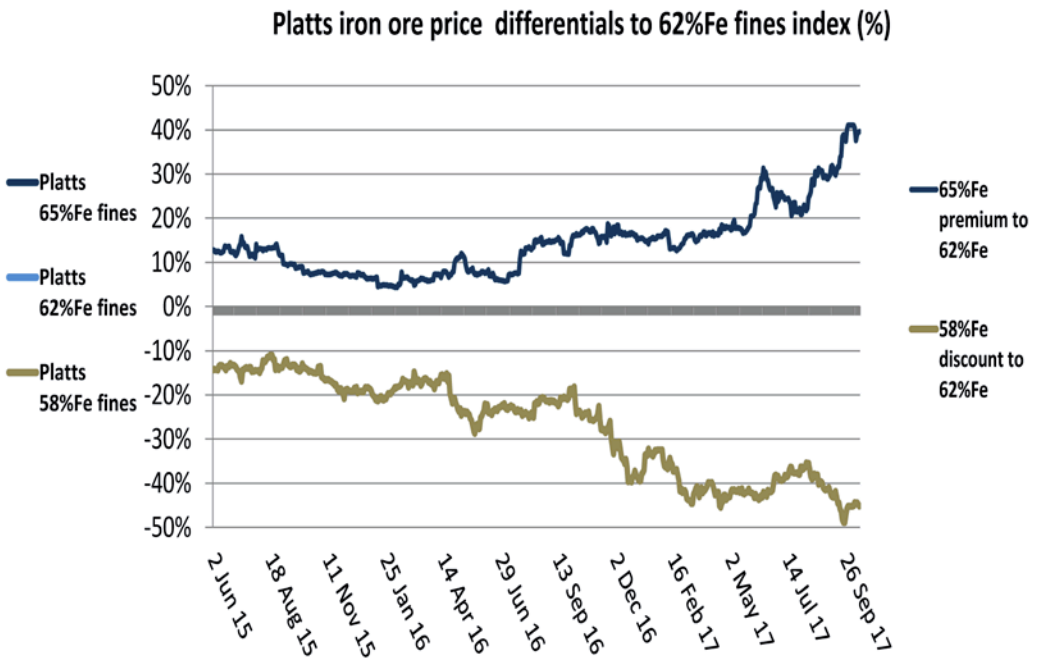
World Steel



World Steel

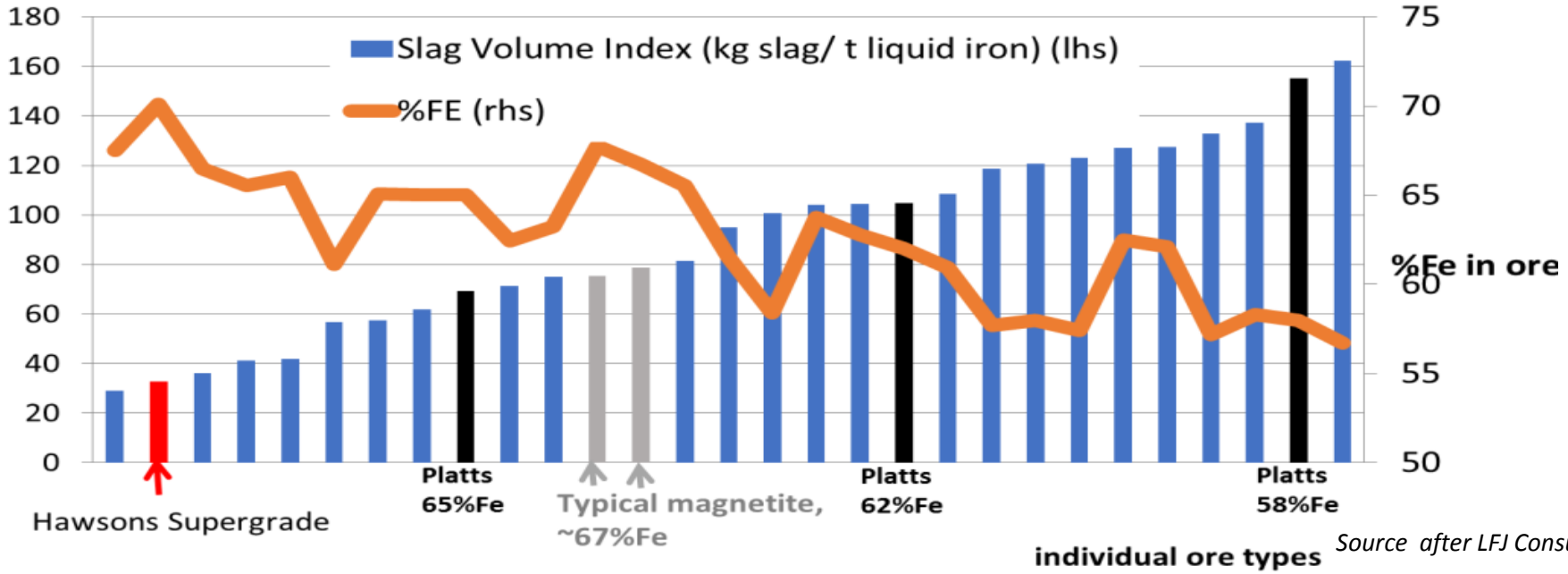
Iron ore and steel demand- shift to productivity driven steel making





- Record high quality differentials reflect current productivity driven steel making in China
- Forecast to be a structural shift over time as China shifts to the same blast furnace operating practices 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".
- Increasing environmental regulation enforcement and increasingly frequent production shut downs mean high productivity ores at a premium

Productivity driven steel making is all about the slag volume



Source after LFJ Consulting

- Magnetite is not always better than hematite, only >68%Fe magnetite gives productivity improvements over the benchmark hematite 65%Fe fines product
- Blast furnace has a fixed volume therefore the more iron vs slag in the furnace, the more iron is produced per unit of time and energy ie higher productivity, less pollution
- Silica is rising in Brazilian ores and phosphorous is rising in Australian ores
- 169mtpa of mine depletion from majors over the next 5-7 years *(Vale Nov. 2016)*
- *Hawsons has the world's highest iron content*

**Slag Volume Index (SVI) – slag generators (silica + alumina)/ iron content*

Unique strategic value of Hawsons Supergrade – Blast furnace value in use

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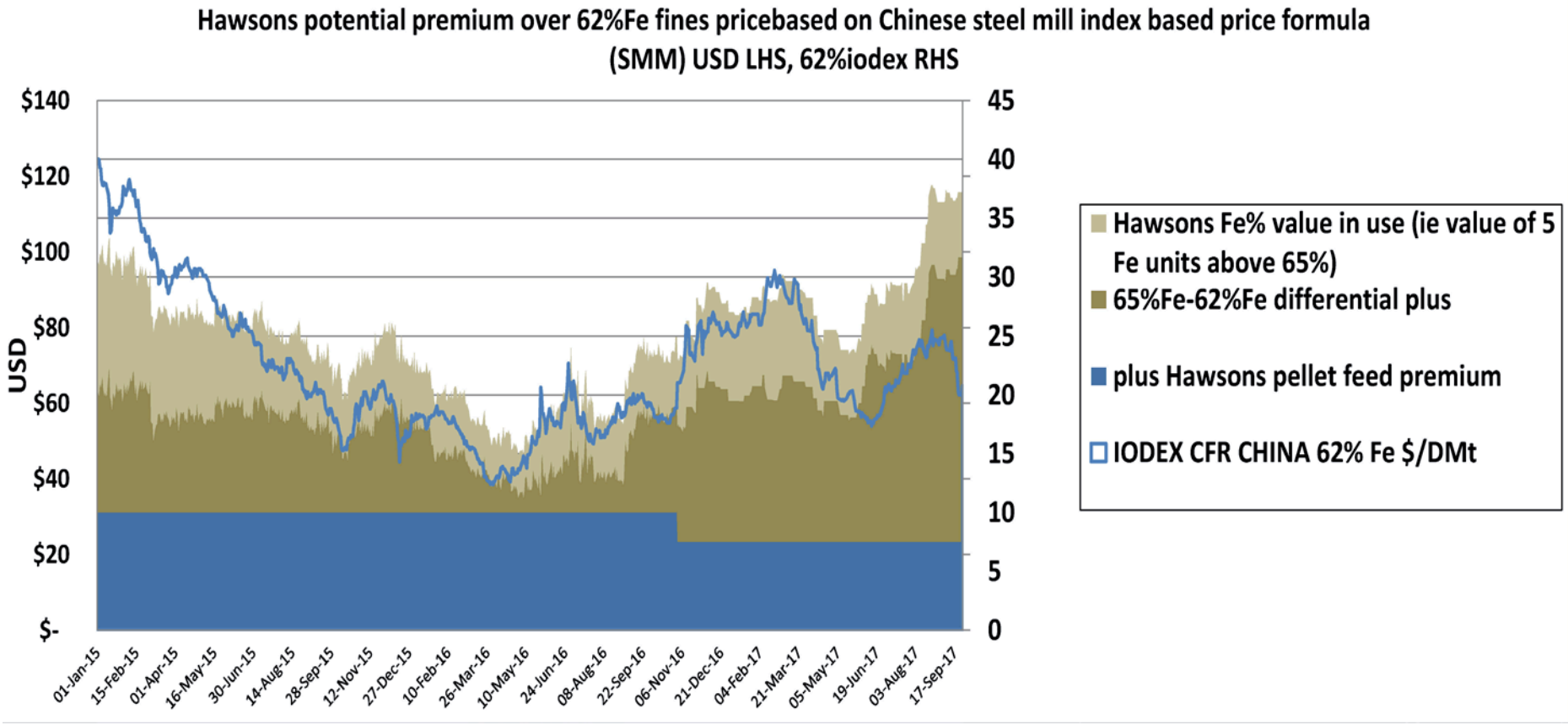
Hawsons premium ~US$25/t over the 62%Fe benchmark, long term, currently ~US$35/t



Unique strategic value of Hawsons – DR pellets ~US$135/t (Oct. '17)

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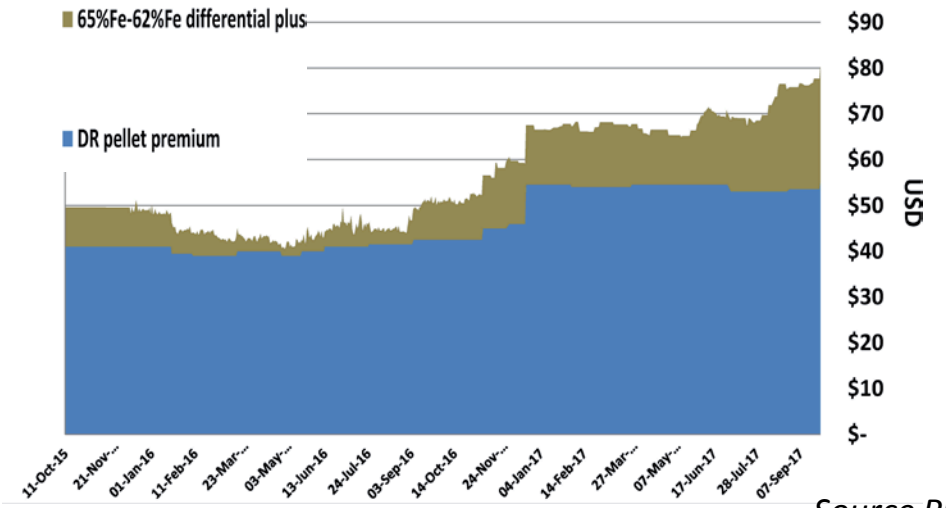
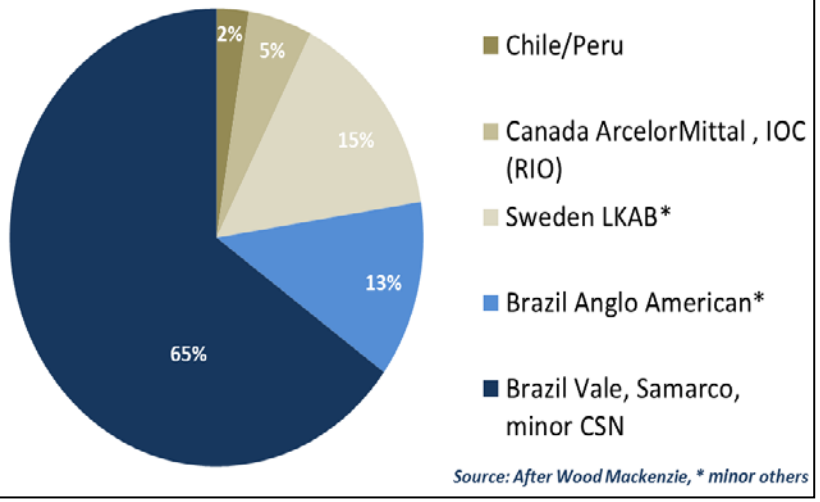
DR Pellet premium over 62%Fe fines price



Source Platts

2015 Seaborne DR-pellet/feed supply source



DR feed highest value iron ore product – DR pellet currently 62%Fe fines plus ~US$75

DR product quality is rare
- supply concentrated by four majors (~90%)*
- supplied by ~ 10 projects **

New and diversified sources of direct reduction feed required in the Middle East to

1. support DRI industry growth
2. offset pricing power of existing producers

Bahrain Steel, Emirates Steel and Kuwait Steel have signed for 4.9Mtpa of Hawsons DR feed under LOI demonstrating strategic interest

** Wood Mackenzie, 2015, **MBR, 2015*

Hawsons Iron Project – Preparing for development

- 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**

- Discussions commenced with leading project finance banks, initial feedback on customer quality and project metrics is encouraging

- Bankable feasibility study (BFS) funding sought ~A$25-30m

- Engaged with multiple third parties capable of substantially funding the BFS
- These parties are undertaking pre-transaction due diligence, and therefore the nature of any transaction that may possibly result is uncertain

Hawsons Iron Project – Placement and Rights issue

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Capital raising

13th October, Placement of 10,800,000 new shares at $0.072 for $777,600 substantially to new and existing institutional shareholders.

31st October, Rights Offer closes - 1 new share for 10 existing shares at $0.072 to raise $1.3m

Use of funds

Maintain project schedule – EIS works, final spring ecology, water bore drilling etc

Working capital while the most appropriate BFS solution is sought (A$25-30m)

Project Schedule- subject to funding

Task	2017				2018				2019				2020			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Phase 1 Approvals and bankable feasibility study test work					test work											
Phase 2 Bankable feasibility study and engineering																
Construction and production																

Hawsons Supergrade is in demand, CAP taking the right steps

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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 because they recognise

- Hawsons targeted metrics make it the leading project
- Hawsons development risk is relatively low
- Hawsons product can help their business
- New high quality ore projects are required to maintain global productivity
- New iron ore supply required 2019-2020

CAP is taking the right steps to build a bankable project, with global leaders.

Thank you for your attention

Please refer appendix for additional information

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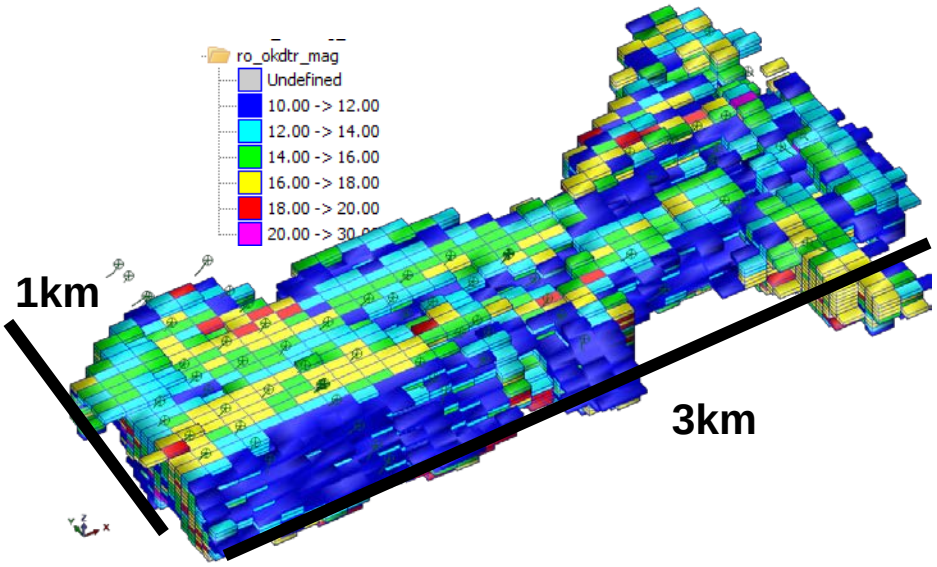
The information in this presentation that relates to Exploration Results, Exploration targets and Resources is based on information compiled by Q.S. Hill, who is a member of the Australian Institute of Geoscientists and has had sufficient experience which is relevant to the style of mineralization and 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.

Resource increase, 30+ year mine life

- Total resources >330mt concentrate
- Conversion rate from Inferred to Indicated Resources was outstanding at 96%, giving confidence in future upgrades
- High value concentrate grade and recovery unchanged after ~40% more data point



Category	Mt	DTR %	DTR Mt	Fe Head %	Concentrate Grades						
					Fe %	Al2O3 %	P %	S %	SiO2 %	TiO2 %	LOI %
Probable Reserves	**755**	**14.7**	**111**	**17.5**	**69.9**	**0.19**	**0.003**	**0.002**	**2.60**	**0.03**	**-3.03**
Indicated (incl. Reserves)	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 and reserve estimates continue to apply and have not materially changed since first reported on 28 July 2017. Reported at a 9.5%DTR cut off grade, and 38micron grind.

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*

Appendix - Direct reduction iron

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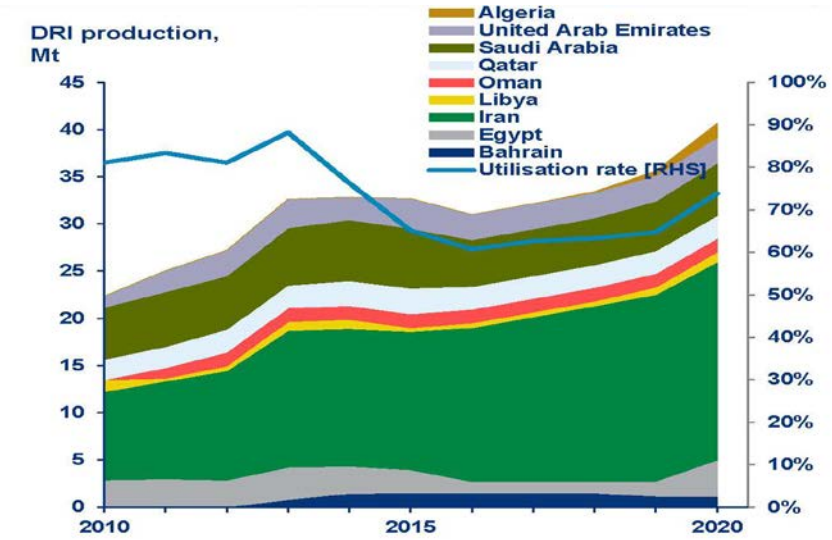
Benefits of DRI / EAF vs Blast furnace

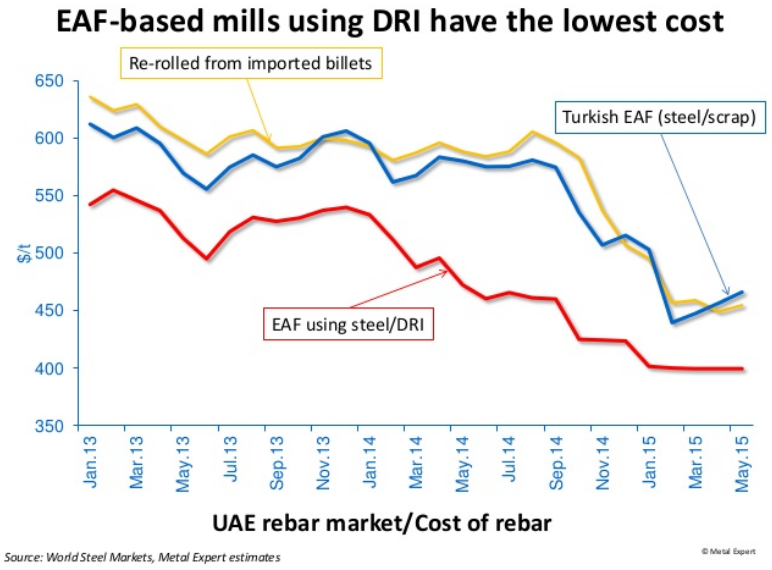
- Less capital investment
- Lower operating costs
- Shorter construction period
- Relies on availability of natural gas
- Boosted by shortage of coking coal
- Flexibility of production capacity, can be on or off more easily than a BF
- fewer CO2 emissions

DRI production to increase in MENA to 2020

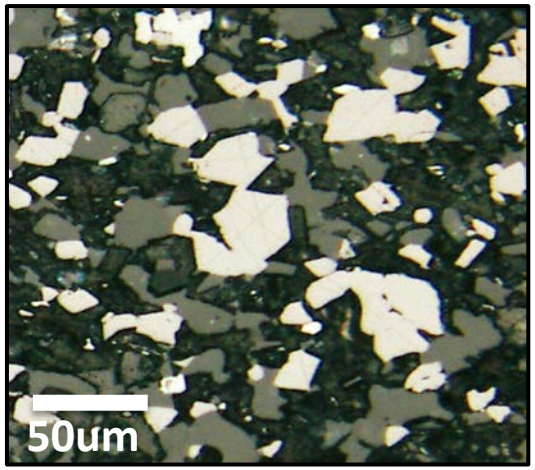
- DRI reduction agent is gas not metallurgical coal
- As metallurgical prices rise, DRI becomes more competitive
- India would benefit from a supplement to its hematite and goethite DR feed to increase productivity



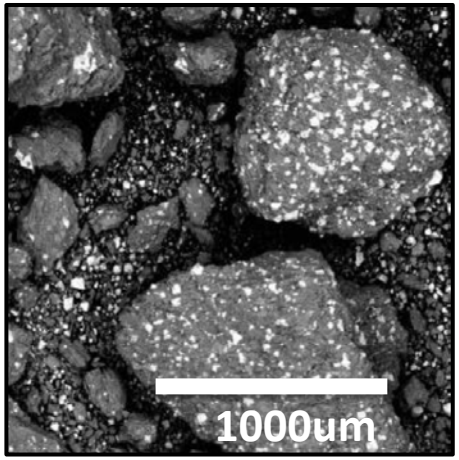
Source World Steel, Midrex , Wood Mackenzie May 2016



Appendix - Supergrade from unique siltstone ore



Natural grain size <50um easily achieved

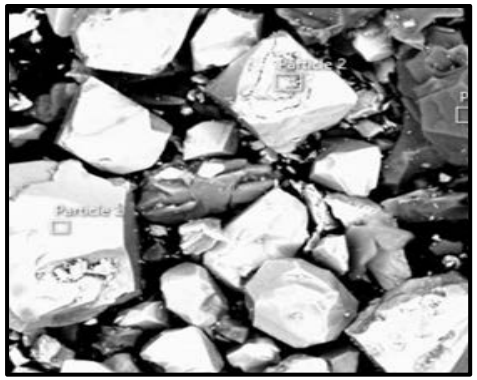


Crushing stage generates high proportion of fines ~30% <150um

45% rejection at first magnetic separation

Ball Milling
100% <40um
7kwh/t

After second magnetic separation 66%Fe



Elutriation removes free silica upgrade > 69%Fe