



CAPUNEARTHED

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

HAWSONS A GLOBAL LEADER

Carpentaria Exploration's Hawsons Iron Project is a global leader. That's the message from the Company's successful prefeasibility study (PFS), which showed that the Broken Hill project is ahead of the pack among high-quality iron ore projects globally.

Conducted by independent consultants GHD, July's PFS showed that Hawsons is perfectly placed to attract strategic investment:

- **Low costs**, estimated in the 1st quartile of CRU's global iron ore supply cost curve (adjusted to 62% Fe (iron))
- **Low capital intensity**, estimated near the lowest of CRU's basket of concentrate/pellet feed projects globally
- **High grade**, with the Hawsons Supergrade® product achieving the highest concentrate grade globally
- **High return**, with an estimated net present value of US\$1.1 billion (A\$1.4 billion) and 30% internal rate of return at a long-term 62% Fe price of US\$63 per tonne.

"We're delighted with the results, which have proven that Hawsons is the world's leading undeveloped high quality concentrate and pellet feed project," said Carpentaria's Managing Director, Quentin Hill.

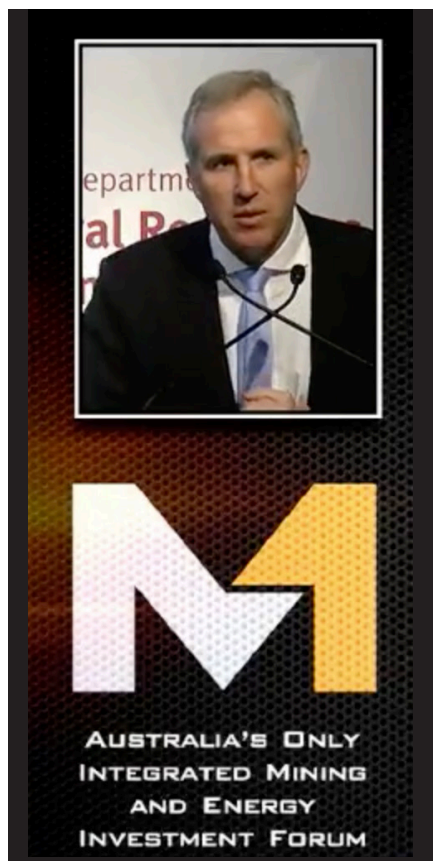
"Blue-chip buyers from across Asia and the Middle East have already oversubscribed for our initial planned production of 10 million tonnes per annum (Mtpa), for which we already have established infrastructure.

"The next step is securing funding for a bankable feasibility study (BFS) that will prove the project's financial viability to lenders. At this moment, a number of third parties are reviewing the project data and we are working hard to attract the necessary investment.

"We have also initiated discussions with leading project finance banks, with initial feedback encouraging."

Having substantially de-risked the Hawsons project over the past 18 months, the Company's efforts are set to pay off in what could become the Silver City's next big mine, potentially by the end of the decade.

For Carpentaria and Broken Hill, it's a case of the right project at the right time, as the Company takes the next big steps towards production in the birthplace of Australia's mining industry.



Carpentaria's Quentin Hill addresses the Mining 2017 conference in Brisbane.

WHAT'S IN A NAME?

Quite a lot as it turns out, according to some famous examples.

Ever heard of a company called BackRub, Blue Ribbon Sports or Tokyo Tsushin Kogyo? If you haven't, it might be because they rebranded themselves as Google, Nike and Sony – and have done quite well since.

In this month's Annual General Meeting (see page 4), Carpentaria shareholders will be asked to vote on changing the Company's name, from Carpentaria Exploration Limited to Carpentaria Resources Limited.

Having resources in our title marks our evolution to a genuine developer with real assets and focus on becoming a miner, not just one among the many hundreds of ASX-listed explorers.

Importantly too, the name change will be achieved at minimum cost, without the need for a major rebrand.

But the results could be priceless indeed – just ask Google and co.



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Dr Neil Williams
Chairman

NEIL'S NOTES

RIGHT PROJECT, RIGHT TIME

The right project, in the right place, at the right time. That's the happy trifecta which Carpentaria is currently enjoying as we race towards delivering our flagship Hawsons Iron Project for the benefit of all stakeholders.

Recent progress has been outstanding, including 120% oversubscription for Hawsons Supergrade® product from blue-chip offtakers from across Asia and the Middle East; a threefold rise in the Indicated Resource; a maiden Probable Reserve statement; and a successful PFS completed by GHD, a leading professional services company.

Fortunately for shareholders, the recent rise in the Company's market value shows that investors are starting to recognise the project's potential too.

I am confident that all the conditions are now in place for Carpentaria to secure the necessary strategic investment and start to unlock the billion-dollar value seen in our project.

RIGHT PROJECT

Hawsons is the right project, with the PFS placing it as the leading undeveloped high-quality iron ore project in the world, on a quality-adjusted operating cost curve.

According to GHD, Hawsons will remain in the first quartile of the global iron ore cost curve through to 2025, when the project is expected to be fully ramped up.

Importantly, this makes Hawsons comparable with low-cost major Australian and Brazilian projects, while putting it at the head of the queue in total business costs, as shown by the graph below.

Notably, the PFS shows Hawsons is cash-flow positive at a 62% Fe iron ore price of below US\$30/t, with a low capital intensity and development risk due to existing infrastructure.

RIGHT PLACE

Hawsons is in the right place, given its location just 60 kilometres south-west of Australia's famous mining city, Broken Hill. With the Hawsons soft rock differing from traditional hard rock magnetite, Carpentaria will benefit from lower cost mining and processing.

In addition, the necessary rail, road, port and power infrastructure is all in place for our planned start-up operation of 10 Mtpa, while the Silver City has an established skilled mining workforce.

RIGHT TIME

Hawsons is being advanced **at the right time**, which is fortunate given the cyclical nature of the mining business.

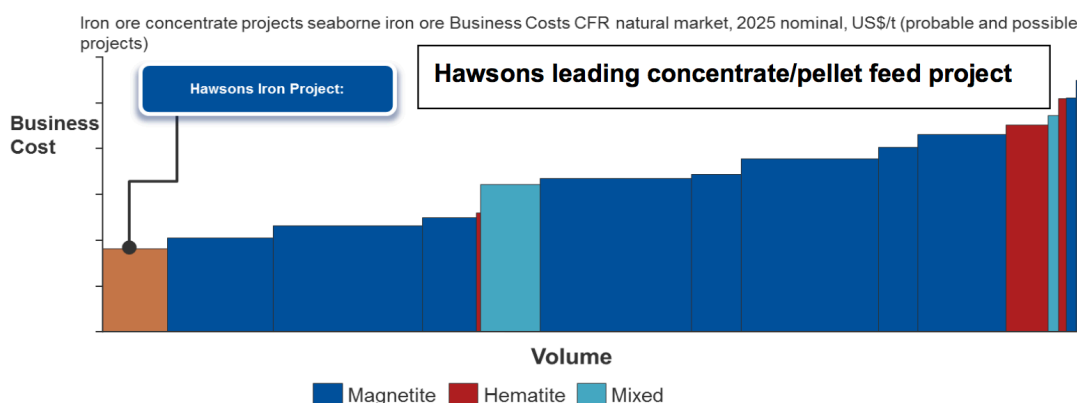
Discovered during the mining boom, Hawsons is set to be developed amid a structural shift this decade in the iron ore market. Steel makers are now seeking higher-grade product which can boost productivity and give them a competitive edge, and they are prepared to pay a premium for it.

According to CRU, the pellet feed market of around 400 Mtpa is the fastest growth segment in iron ore with an estimated increase in demand of 76 Mtpa by 2030. In the direct reduction market, currently around 100 Mtpa, Middle Eastern producers are suffering from a lack of suitable feed, with an estimated 5 Mtpa of spare pelletising capacity.

In China, the price differential between high and low grade iron ore has now become a structural feature, due to the restructuring of its steel industry. This restructuring has resulted in higher margins and more stable long-term demand, particularly for high-grade product.

In short, thanks to our strategy, Hawsons is now perfectly placed to deliver on its potential for shareholders.

There is a famous quote by Warren Buffett about investing: "The stock market is a device for transferring money from the impatient to the patient." While we are all naturally impatient for success, we know that our patience and that of our shareholders is set to be rewarded.





RACING AHEAD

CARPENTARIA IN THE COMMUNITY

The sport of kings has rarely seen such a unique location. Running since 1945, Broken Hill's Nanua Picnic Races and Gymkhana has helped keep the Broken Hill community together with its unique bush experience.

Hosted by Kimberley Station, some 140km south-west of Broken Hill, the outback event has become a tourist drawcard for visitors near and far.

"This is God's country isn't it? That's why I came," visitor "Rowdy" told **ABC News** about a recent meeting.

The event attracts station and town people not only from Broken Hill, but from as far away as Adelaide and coastal New South Wales, all in search of a new experience.

Past events have included 70s-themed music and karaoke nights, outback contests including whipcracking and novelty events such as musical chairs.

This year's event, from October 20-21, promises to be no different with a Hawaiian night planned for the Friday evening and a live band for the Saturday night, along with a variety of events for all ages.

"As a Gold Sponsor, Carpentaria is proud to support this year's event as part of the Company's contribution to the Broken Hill community," Hawsons Technical Director Ray Koenig said.

"Events such as the Nanua races are vital for bringing the whole community together, and we're happy to play a small role in ensuring their success."

For those looking to attend the meet, admission is just \$15, including entertainment, gate prizes for adults and kids, shower facilities and power.

For more details, please visit www.nanua.net.

Carpentaria's community engagement activities have also included supporting the Royal Flying Doctor Service, a provider of vital emergency medical services for those living in remote areas such as Broken Hill.

And with the Hawsons Iron Project building momentum, Carpentaria looks forward to increasing its contribution to the community, in the form of new jobs, investment and wealth for Australia's historic mining city.



NANUA



"I've been there, why haven't you"

Picnic Races & Gymkhana 20th & 21st October 2017



www.nanua.net

Friday Night

Hawaiian

Costume Prizes Awarded

Bar Opens at 6.30pm

LOADS OF FUN!

ADMISSION: \$15

includes entertainment, gate prize for adults & kids, shower facilities & power

DRINKS BOOTH & FULL FOOD CATERING
All Weekend

No glass bottles or cups. No ATM or EFTPOS

KIMBERLEY RACECOURSE

MUDMAP on website with directions
140 km south of Broken Hill, - 240 km north of Renmark,
250 km north of Mildura - 260 km East of Burra

Saturday

Gymkhana Events
start at 9.30am

Office Opens 8.30am
Bar Opens at 10.30am

Toy Library for the kids
throughout the day

LIVE BAND at night

MAJOR SPONSOR



Thanks to all past sponsors including the following 2016 Gold Sponsors

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Gary Radford & Sons Pty Ltd

Carpentaria Exploration Ltd
Barrier Social Demo Club
Getting There Enterprises
Demo Club

To sponsor Nanua in 2017 please email secretary@nanua.net
or head to our website www.nanua.net

Also check out our facebook page www.facebook.com/nanuaraces

AGM & CAPITAL RAISING

Carpentaria shareholders have been urged to support the Company's growth strategy at the October 25 Annual General Meeting in Brisbane. Proxy forms must be received by **11am (Brisbane time) Monday, October 23**, in a vote that could decide the future of the Hawsons Iron Project's development.

"Over the past 18 months, the Company has made some very significant steps towards the development of the Hawsons project, the results of which have been increasing value in the Company and considerable de-risking and value adding to the project," said Carpentaria's Chairman, Dr Neil Williams.

"With the increasing focus towards high grade iron by global steel makers, these results have positioned Hawsons as the world's leading undeveloped high-quality iron ore project.

"The Board's long held vision and ambition to bring Hawsons into production has never been closer. I urge shareholders to support our strategy by backing the Board at our AGM, providing a vote for growth in shareholder value and for jobs and investment for Broken Hill."

The Board urges shareholders to:

- **Vote FOR the adoption of the Remuneration Report (Resolution 1)**
- **Vote FOR the re-election of Bin Cai as a director (Resolution 2)**
- **Vote FOR the change of company name (Resolution 3)**
- **Vote AGAINST holding a spill meeting (Resolution 4).**

The fourth resolution will only be put to a vote in the event that the first resolution does not receive the required 75% approval. Under the Corporations Act, such a spill motion must be put to shareholders if the remuneration report is not approved at two consecutive AGMs.

Shareholders are welcome to attend the AGM, which will be held from 11am (Brisbane time) on October 25 at the Flinders Room, Christies Building, 320 Adelaide St, Brisbane.

For more information on the AGM, including the Notice of Annual General Meeting, please visit our website, **www.carpentariaex.com.au**.

The meeting proxy form should be returned to Link Market Services Limited at Locked Mail Bag A14, Sydney, NSW, 1235, or via facsimile on (02) 9287 0309. Alternatively, shareholders who have permitted online communication from the Company can lodge their vote via the email link provided on September 25.

RIGHTS ISSUE

Carpentaria has launched a rights issue to raise around \$1.3 million following a successful placement to largely institutional investors of \$777,600. The funds raised will support critical project expenditures, including the final substantial ecology surveys and water bore drilling, along with working capital needs.

The Company has been pleased with the engagement from investors in the placement and from those capable of substantially funding the BFS, which is estimated at costing \$25-\$30 million.

Carpentaria in the news

Carpentaria continues to attract media interest in its activities. Here's some of the latest coverage:

Advertiser

"Iron-clad profit case"
(July 29, 2017)

Australian Resources and Investment

"Iron ore: stronger for longer"
(June 2017)

Barrier Daily Truth

"Hawsons hope high"
(August 16, 2017)

MiningNews

"Carpentaria's Hawsons ahead"
(July 28, 2017)

Paydirt

"Instinct pays off for Carpentaria"
(September 2017)

Southern Cross GTS/BKN Broken Hill

Interview with Quentin Hill
(August 1, 2017)

Investor calendar

Key upcoming dates for shareholders include:

October

23 - Closing date for proxy forms for Annual General Meeting (due by 11am)

25 - Annual General Meeting

31 - Rights Offer closing date

January 2018

December quarterly report
(due January 31)

Company updates

Keep updated on Carpentaria's activities by joining the mailing list.

To subscribe, visit the website, www.carpentariaex.com.au and click on the link "Subscribe" on the homepage.

Don't forget to follow us on Facebook, Twitter (@CARPEXPLORE) and YouTube!

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