

26 March 2018

SUPERGRADE IRON

Right product, right
place, right time.

Quentin Hill, Managing Director

Carpentaria
RESOURCES

WORLD'S
BEST IRON
ORE PRODUCT

MISSION

Carpentaria
RESOURCES

WORLD'S
BEST IRON
ORE PRODUCT

+ To deliver the
world's best iron
ore product



- + Carpentaria Resources (ASX:CAP) is an emerging producer of low cost, premium quality iron ore products
- + The Company's flagship Hawsons Iron Project near Broken Hill, NSW has been rated by analysts as the world's leading undeveloped high quality iron concentrate and pellet feed project

Listed: 2007
Shares: 199m
Cash : \$1.7M 31 Dec 2017

Hawsons Iron Project
(CAP 66.5%, Pure Metals 33.5%)

Major Shareholders
Silvergate Capital 10.5%
SG Hiscock and Company 7.8%
Australia Conglin Int. Group 7.1%

Cautionary Statement

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STRATEGY - OFFTAKE - LED

- + 100% focused on developing the Hawsons Iron Project
- + Hawsons is the world's leading undeveloped iron ore pellet feed and direct reduction feed (DR) project
- + They are high growth, high value and tightly supplied markets
- + Off-takers in these markets are strongly motivated by commercial opportunity and supply risk management to bring the best new independent sources of supply to market
- + This has driven early competition and non-binding support for Hawsons Supergrade®, the world's best iron ore product

STRATEGY

- + We are confident offering binding off-take opportunities now will drive funding support from our off-takers and “would be” off-takers
- + Current off-take partners combined revenue is ~US\$130b/yr
- + Some off-takers have largely completed due diligence on Hawsons with the intent of investment
- + Discussions are progressing with multiple parties regarding off-take linked BFS and construction funding
- + Success will de-risk and re-rate ASX:CAP

CARPENTARIA IS DELIVERING

+ Product offtake
LOIs

+ Resource
upgrade

+ PFS delivery



- + Outstanding prefeasibility study (PFS) results:
 - Cash flow positive at benchmark 62%Fe under US\$30/t
 - excellent returns
 - high project value

Refer slide 28 and 29 for assumptions

PFS COST ESTIMATES

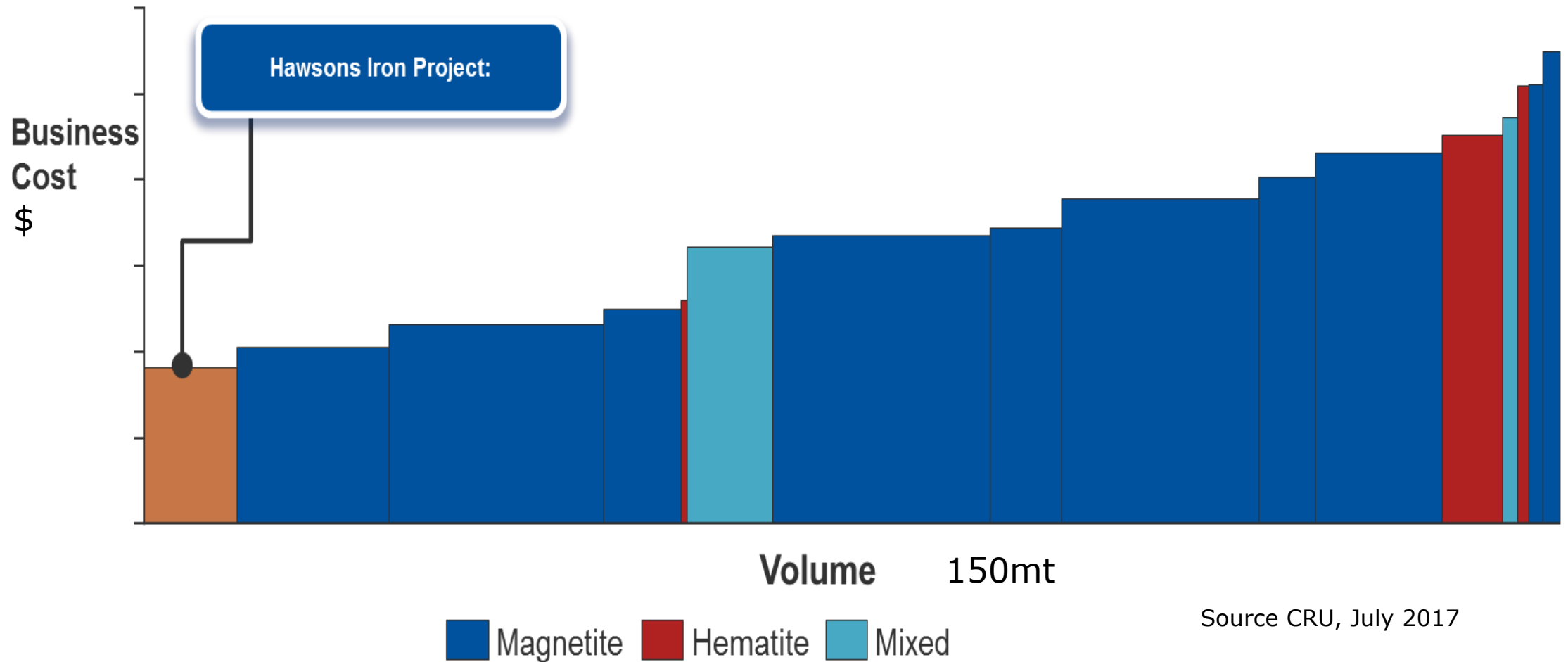
Operating costs - C1 FOB	US\$33.08
Operating costs - All in	US\$39.74
Operating costs - CFR China	US\$48.03
Supergrade price premium	US\$25.00
Equivalent 62%Fe CFR cost	US\$23.03
Capital cost inclusive of contingency	US\$1.40Bn

PFS FINANCIALS

Annual profit margin	US\$401m
Equity IRR	29.9%
Equity NPV	US\$1,091m
tonne of Supergrade (70%Fe)	201m
Mine life / pay back period	20 / 3-4 years
62%Fe price assumption	US\$63/t

HAWSONS IRON PROJECT

- + World's leading undeveloped iron concentrate/pellet feed project for operating cost, quality adjusted.

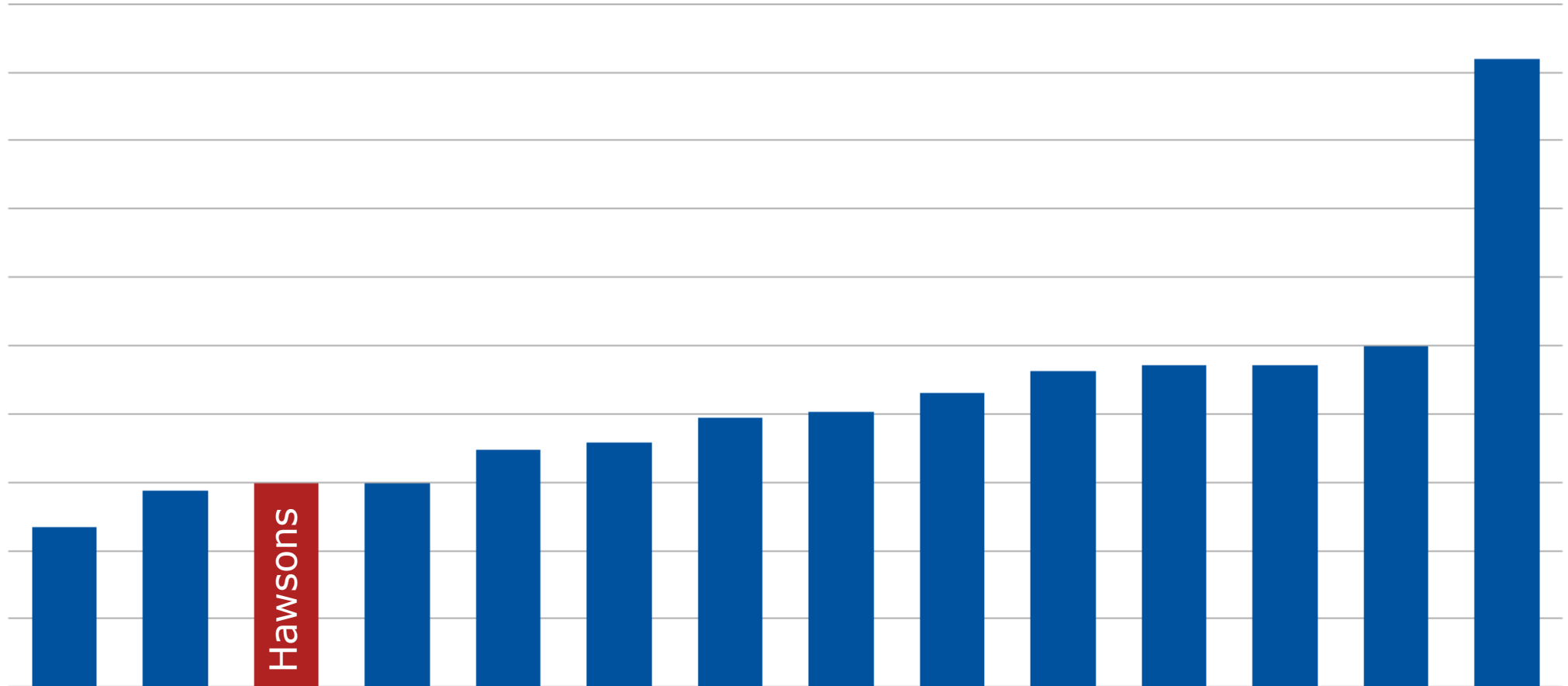


Source CRU, July 2017

HAWSONS IRON PROJECT

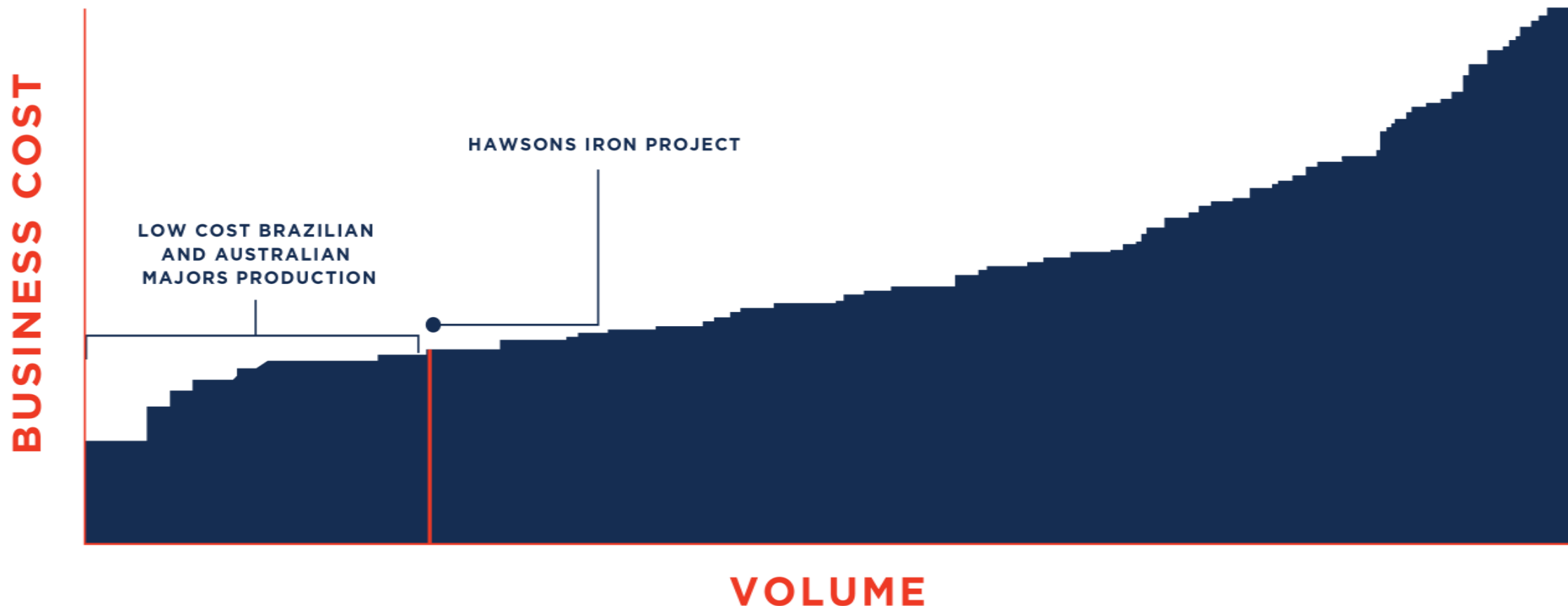
- + Hawsons is one of the world's lowest capital cost undeveloped iron concentrate/ pellet feed projects.

Capital
cost
per
tonne
of
product
\$



HAWSONS IRON PROJECT

- + First quartile, quality adjusted; sustainable through the cycle; project of choice for off-takers.



Global iron ore supply curve (business costs includes quality adjustment, after CRU, July 2017)

DEMAND FOR HIGH QUALITY ORES IS SURGING

Global Iron Ore and Forecast Conference, Perth March 2018

Quality differentials to remain for the foreseeable future *Wood Mackenzie*

Pricing shift likely structural due to changing Chinese steel mill structure – ~162 old blast furnaces to be replaced with 62 larger furnaces by 2024 *Wood Mackenzie*

Winter production cuts to remain a feature of Chinese steelmaking *CRU*

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DEMAND FOR HIGH QUALITY ORES IS SURGING

- + Larger furnaces, located closer the coast in China to drive increased pellet share of feed to maintain furnace stability
- + Steel production in China increased during north China's winter environmental industrial shut downs as high grade ore and scrap use facilitated increased productivity in other regions
- + High grade ore can increase productivity by 20% over low grade ores *(Wood Mackenzie, conference panel March 2018)*

DEMAND FOR HIGH QUALITY ORES IS SURGING

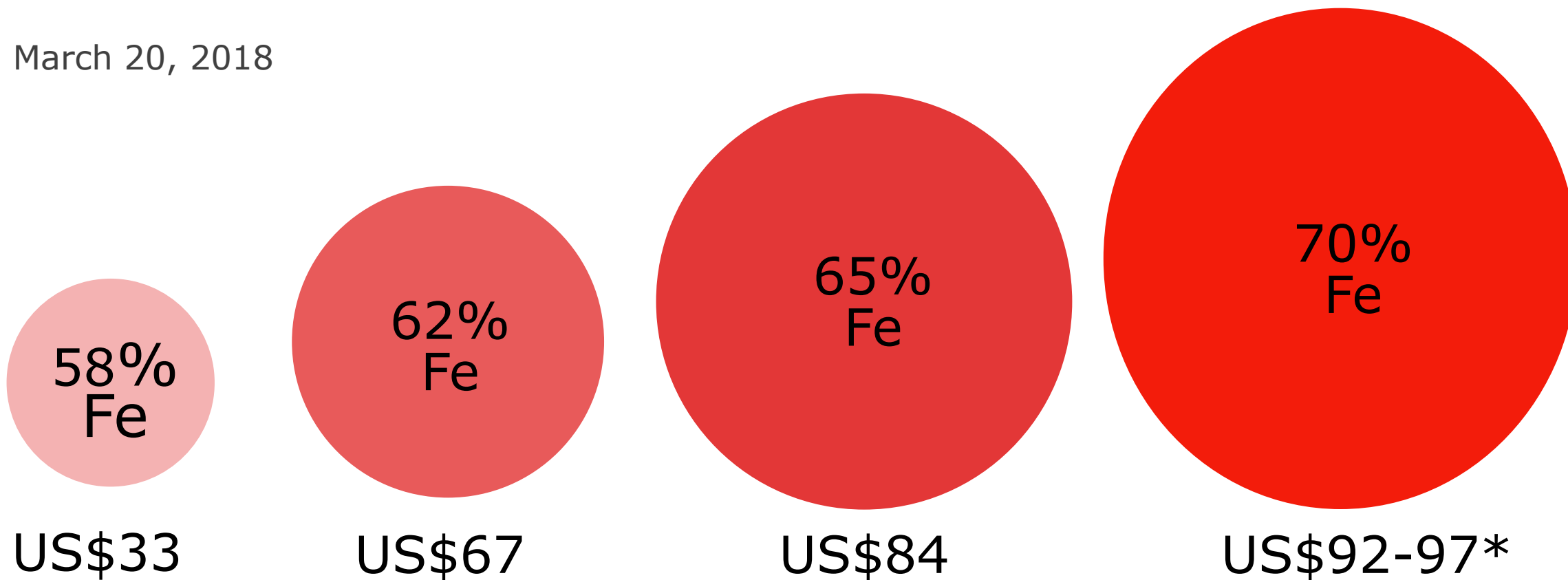
- + RIO - To lift output they need higher- grade iron ore, and that's what we're seeing
Chris Salisbury, chief executive of Rio Tinto's iron ore division (Reuters Dec 20, 2017).
- + Vale - Chinese efforts to reduce pollution will boost demand for its high quality iron ore
(Reuters, January 31, 2017)
- + FMG - We are looking at pathways to achieve a target of the majority of our product being above 60% iron
(Reuters Dec 20, 2017)

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HAWSONS SUPERGRADE® PRODUCT

+ The world's highest iron content iron ore (70% Fe)

March 20, 2018



BF Pellet ~ US\$128/t, DR Pellet ~ US\$135

HAWSONS SUPERGRADE® PRODUCT

+ World's best pellet feed

+ Highest iron content,
+ DR spec. - 70%Fe,
 <2% Silica

+ Ideal physical
properties for pellets

+ Excellent metallurgical
properties

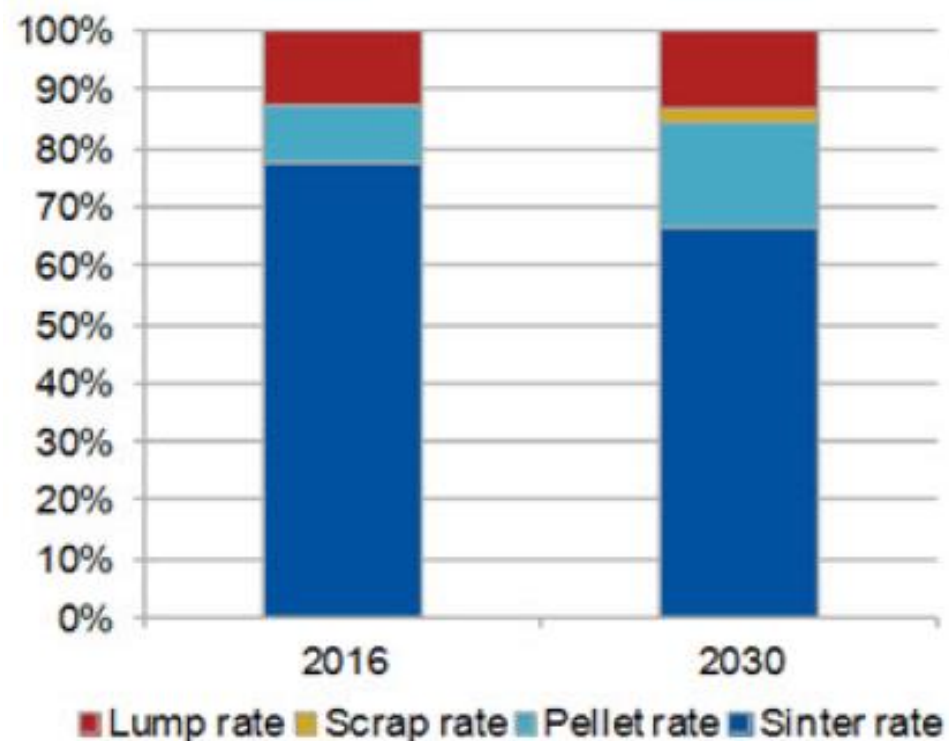
Elements and Compounds		Supergrade Pellet Feed (ALS, CISRI)	Supergrade pellets (CISRI) Fired at 1230°C	Midrex DR Specifications*
chemical Analysis (%) (on dry basis)	Fe	70.3	67.80	67.00 min.
	SiO ₂	1.99	2.39	
	Al ₂ O ₃	0.29	0.44	
	SiO ₂ + Al ₂ O ₃	2.28	2.83	3.00 max.
	CaO	0.11	0.15	
	MgO	0.2	0.22	
	P	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 ₂ O	0.032	0.056	
	K ₂ O	0.05	0.054	
Physical Properties	Blaine Index (cm ² /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.°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*

THE PELLET MARKET NEEDS NEW SUPPLY SOURCES

A push for productivity will see pellet rates increase, at the expense of sinter...

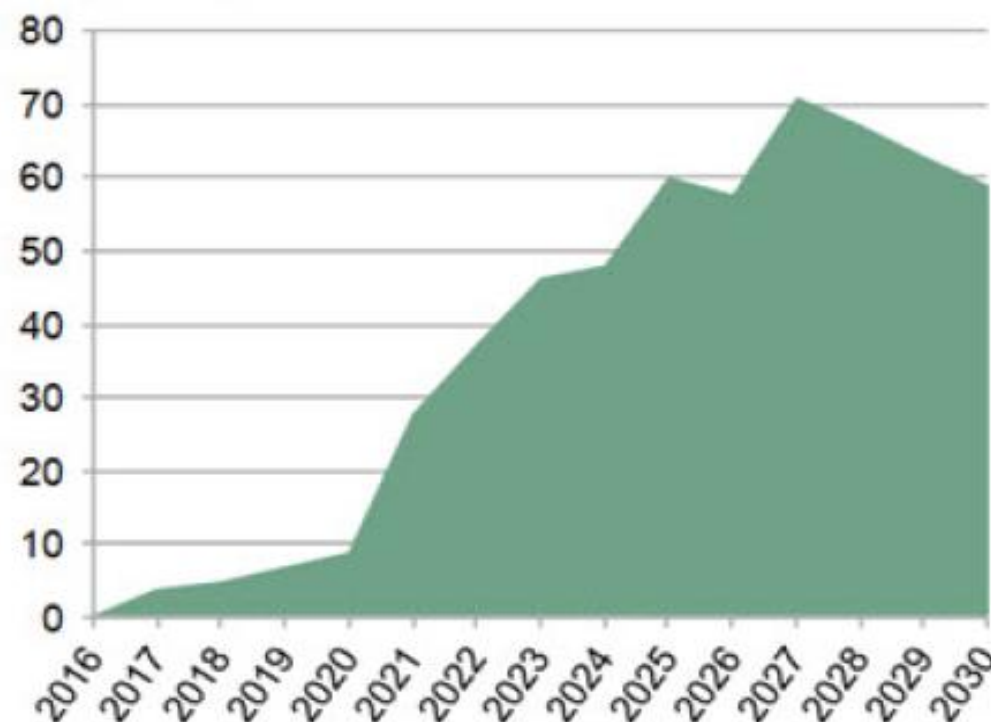
Chinese blast furnace burden rates, % of burden



Data: CRU

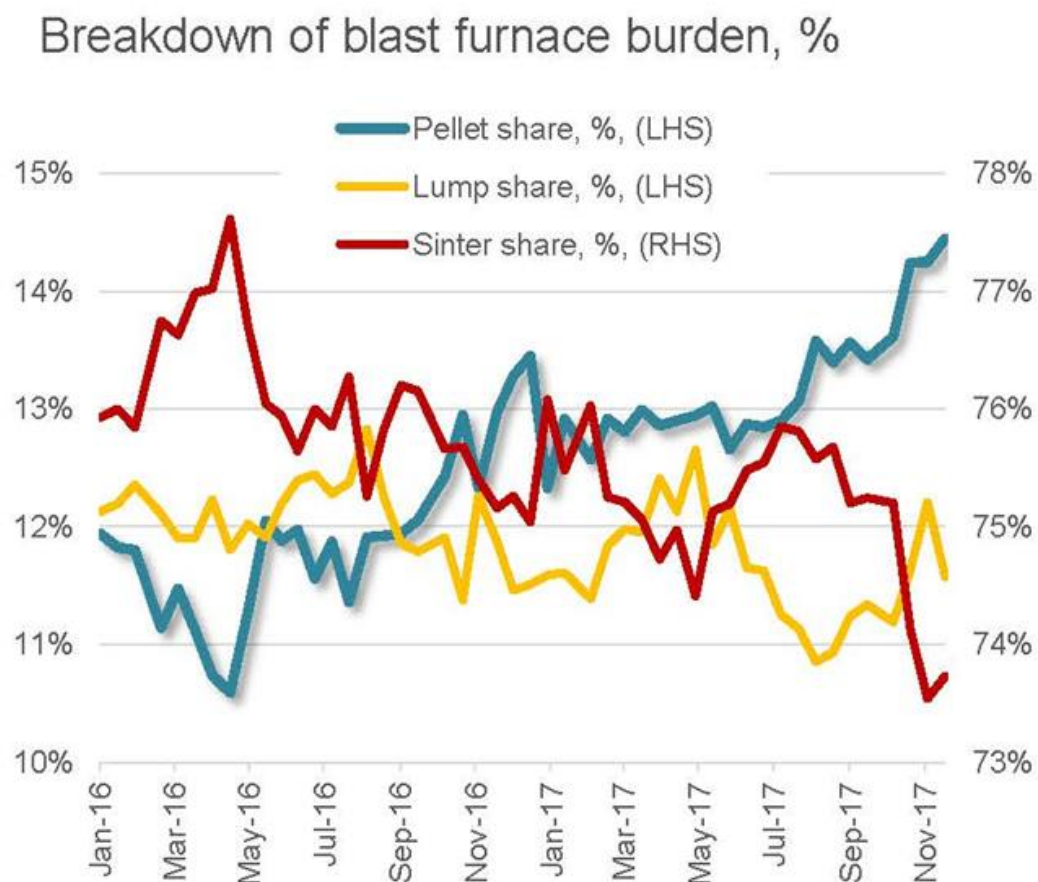
...creating additional demand for imports of pellet feed into China.

Imports of pellet feed above 2016 level, Mt



Data: CRU

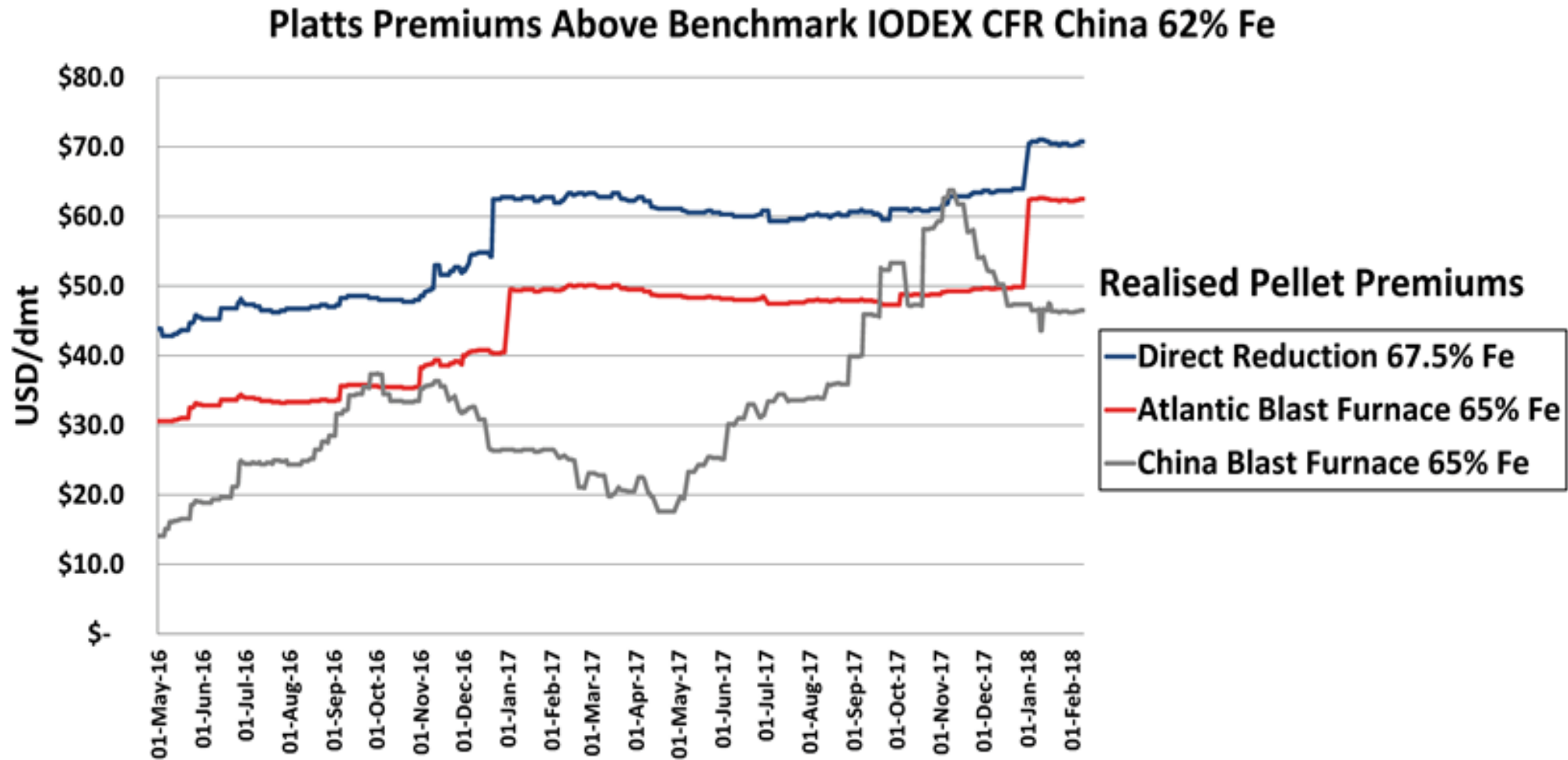
PELLET SHARE INCREASING



+ Pellet share in Chinese overburden increased by 4.0% pp.

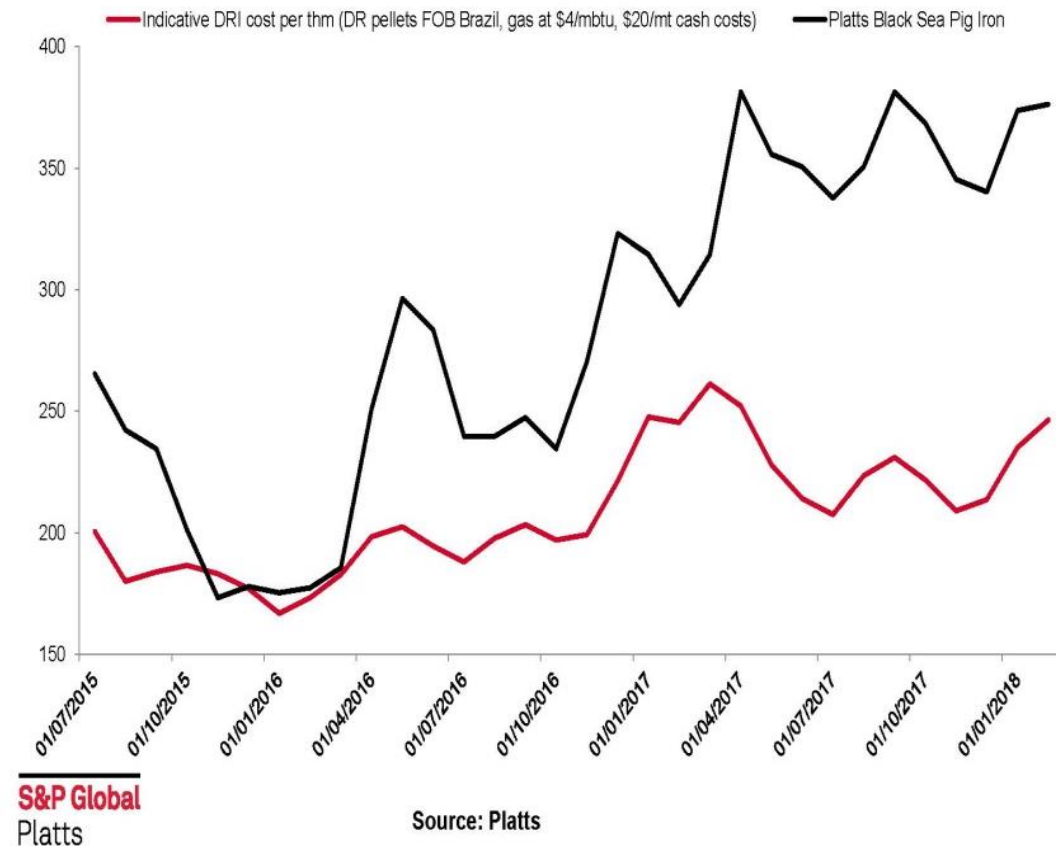
Source: Platts, Mysteel, Vale

PELLET PREMIUMS HEADING UP



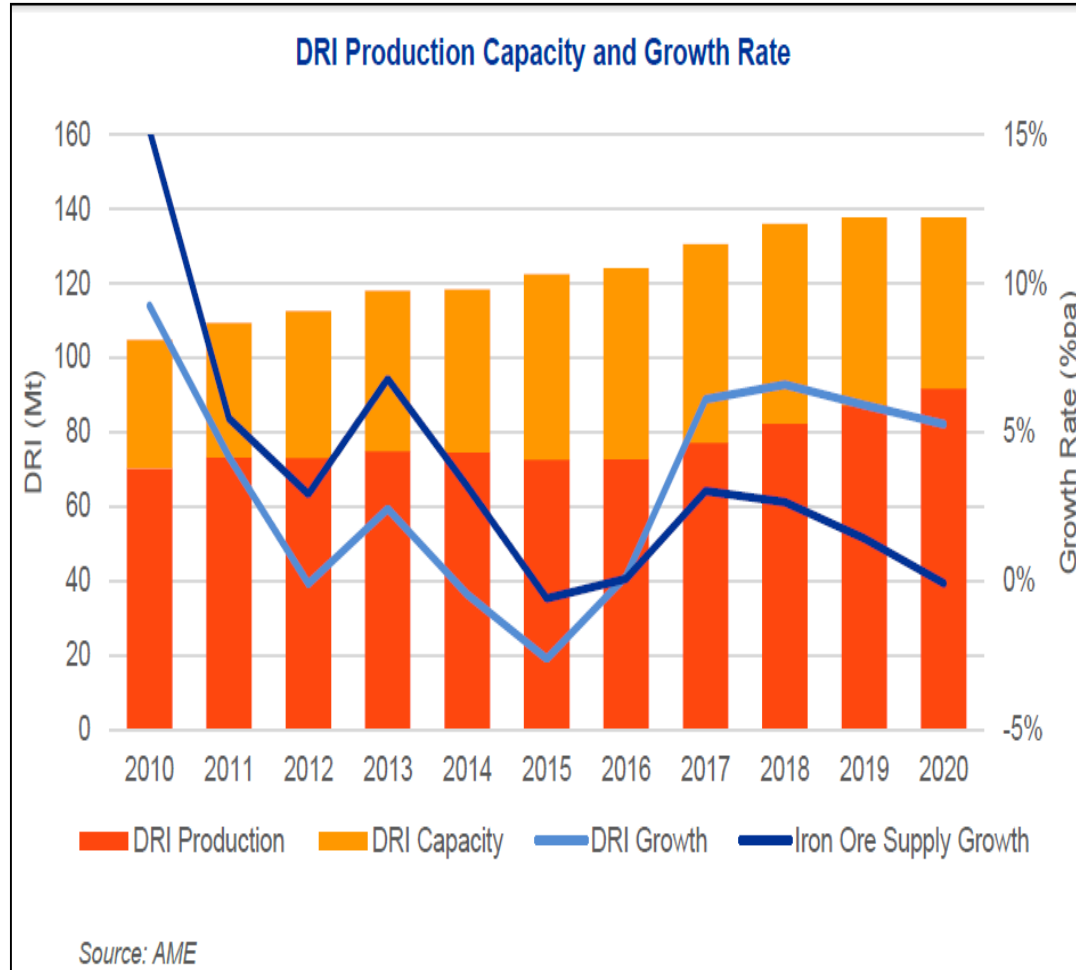
THE DR MARKET NEEDS NEW SUPPLY SOURCES

Metallics, scrap pricing highlights DR Pellet relative competitiveness



- + DRI is competitive
- + Oil price rises support steel demand in the Middle East

THE DR MARKET NEEDS NEW SUPPLY SOURCES



- + DRI capacity growth is strong
- + DRI ore supply growth is constraining capacity utilisation and growth
- + Supply constrained by
 - + under performance of Brazilian projects
 - + restrictions on wet processing in Brazil limiting product upgrading
 - + Fall in iron ore prices

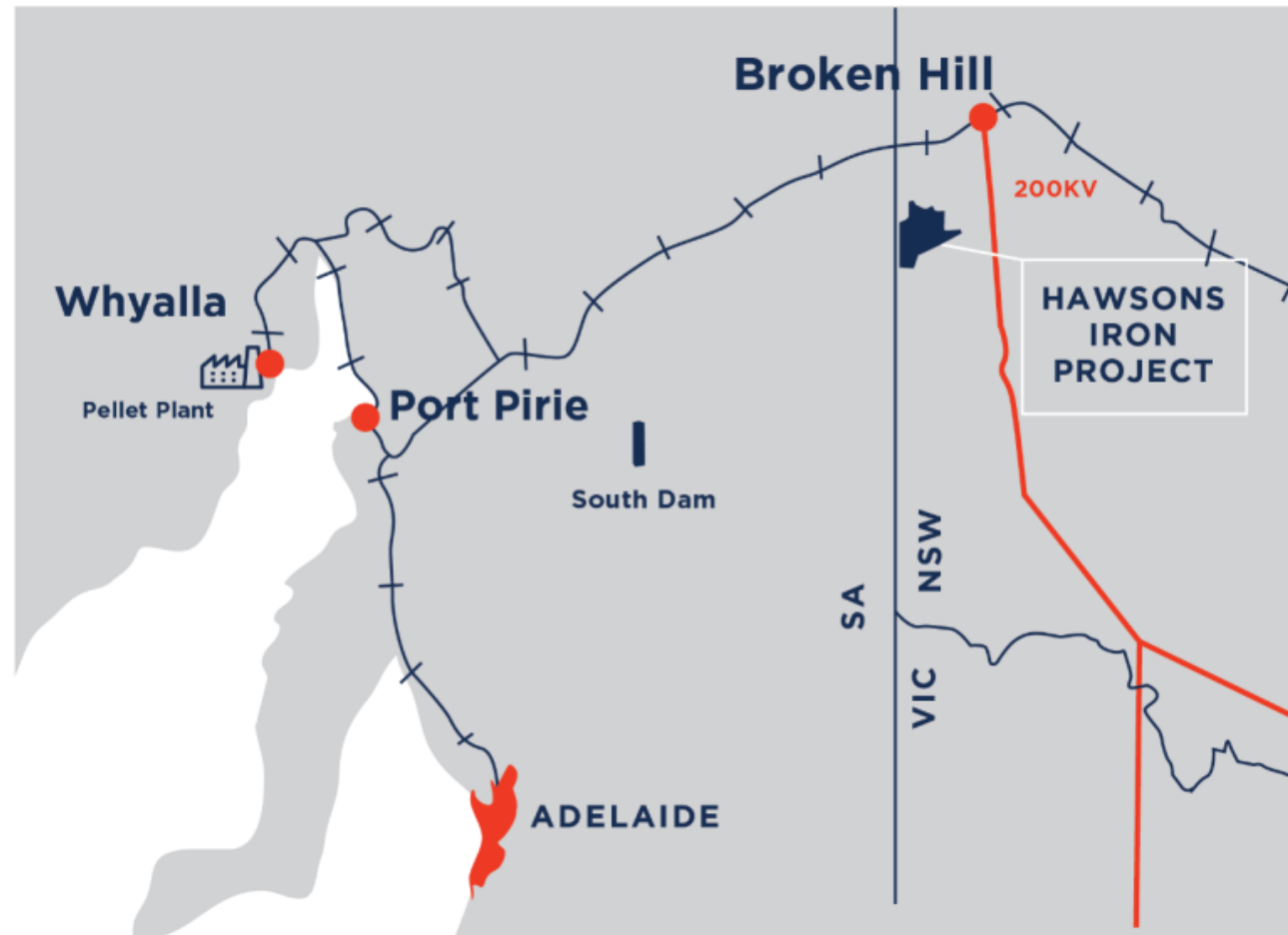
OFF-TAKE DEMAND FOR HAWSON'S SUPERGRADE® PRODUCT

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

- + Companies signed Letters of intent with ASX:CAP
- + Combined annual revenue >US\$130 billion
- + Reflects the market analysis

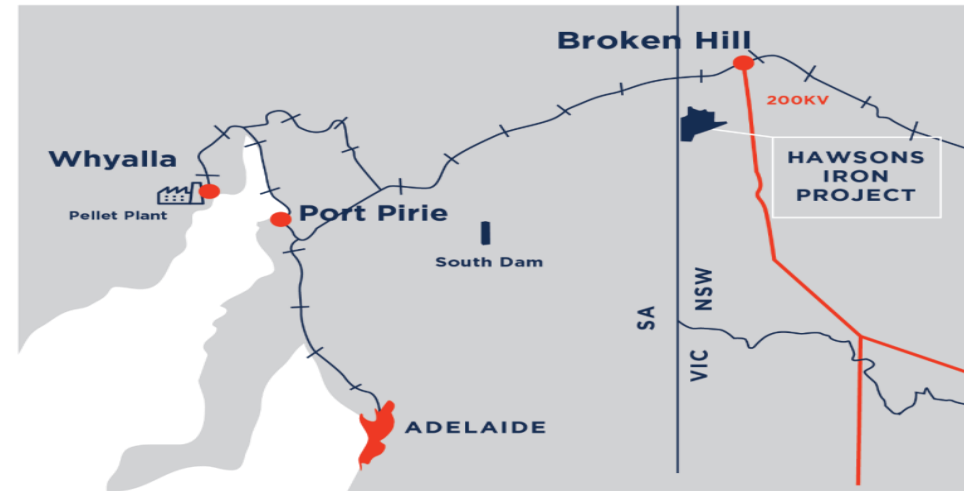
PROJECT SUMMARY

- + Located 60km SW of Broken Hill
- + 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
- + Workforce in Broken Hill



logistics

- + Slurry product 55km in pipeline to Broken Hill
- + Rail to Port Pirie or Whyalla on existing rail (12 Mtpa spare capacity)
- + Transshipment to Capesize vessels to customers in Asia and Middle East



THE PATHWAY TO PRODUCTION – OFF-TAKE LED

Task	2018				2019				2020				2021
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Approvals													
BFS Test work													
BFS Engineering													
Construction													
First Production													

Funding dependent project schedule

- + Bankable feasibility study (BFS) cost ~A\$25-30 million
- + Discussions are progressing with multiple parties regarding off-take linked BFS and construction funding
- + Some off-takers' due diligence largely completed, some ongoing
- + Success will de-risk and re-rate ASX:CAP

Development strategy – Off-take led

- + Industry trends support development
- + CAP has a record of delivery
- + Success will re-rate ASX:CAP

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SUPERGRADE®**

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A decorative graphic consisting of a grid of white-outlined hexagons. Some of the hexagons are filled with a grayscale image of a forest or wooded area, while others are empty, creating a mosaic effect.

PROJECT PREFEASIBILITY STUDY RESULTS

Hawsons PFS preproduction costs (yr 1-2)	USD (m)	Hawsons operating and sustaining costs (after prestrip, ~YR 3-22)	USD/dmt product
Preproduction mining costs including pre-strip	194	Mining	12.14
Mining	242	Processing	8.23
Processing	398	Infrastructure and admin.	1.48
Infrastructure and administration	359	rail and port	11.23
Rail and port	208	Total C1 FOB	33.08
Total^{1,2,3}	1401	sustaining capital ^{4,5}	3.48
¹ incl EPCM 12.5% / contract management 3% of US\$127m		royalties	3.18
² incl. contingency and design growth (av. 16.5%)		Total all in FOB	39.74
³ excludes finance costs		sea freight	8.29
		Total CFR China	48.03
⁴ excludes new in-pit conveyor in yr 5 of US\$120m		less Supergrade premium	25.00
⁵ net of salvage		62%Fe equivalent total CFR	23.03

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.

PROJECT PREFEASIBILITY STUDY RESULTS

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

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.

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/MW hr

RESOURCE – 30+ YEAR MINE LIFE

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 38 micron grind.