August 2018

SUPERGRADE IRON

Right product, right place, right time.

Quentin Hill, Managing Director

Carpentaria RESOURCES

WORLD'S BEST IRON ORE PRODUCT

Key message

Carpentaria RESOURCES | WORLD'S BEST IRON ORE PRODUCT

- Iron ore market has shifted to quality
- Hawsons is the world's leading high quality iron ore project
- Negotiating off-take linked funding, Mitsui committed
- Best people are delivering a customer led development plan, it's working

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Development Plan – Customer-led

Carpentaria RESOURCES | WORLD'S BEST IRON ORE PRODUCT

- Iron ore market has structurally shifted to high quality ore
- Hawsons is the world's leading undeveloped high quality iron ore project
- Customers' self interest will support development
- Mitsui first to commit, citing wish to service its customers

CARPENTARIA IS DELIVERING

Carpentaria RESOURCES

Delivered

1. Product offtake LOIs
2. Resource upgrade
3. PFS
4. Mitsui commit

Corporate

+ Shares 200m
+ Cash (June 30) $1.0m
+ Hawsons nom. 68.7%

Top Shareholders

+ Silvergate Capital 10.7%
+ S.G. Hiscock 7.8%
+ Australia Conglin 7.1%

MR QUENTIN HILL
MANAGING DIRECTOR (~5yrs)

Geologist, >20 years experience
Integral part of Hawsons discovery team, driving development, formerly Delta Gold

RAY KOENIG
PROJECT DIRECTOR

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

- Technical feasibility
- Risk reduction

ADAM WHEATLEY
PROJECT FINANCING DIRECTOR

(Past projects, 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 lead iron ore technical marketer

- Marketing saleable product
- Offtake arrangements

Carpentaria Resources Board of Directors
Dr Neil Williams Chairman- Former - Chief Geologist Exploration MIM, CEO Geoscience Australia
Mr Paul Cholakos NED - Mining Engineer, currently Executive General Manager, Technical Services Oil Search (ASX:OSH)
Mr Jon Parker NED - Former General Manager Commercial Rio Tinto Iron ore, MD Felix Resources, MD Norton Goldfields
Mr Quentin Hill – Managing Director

HAWSONS IRON PROJECT

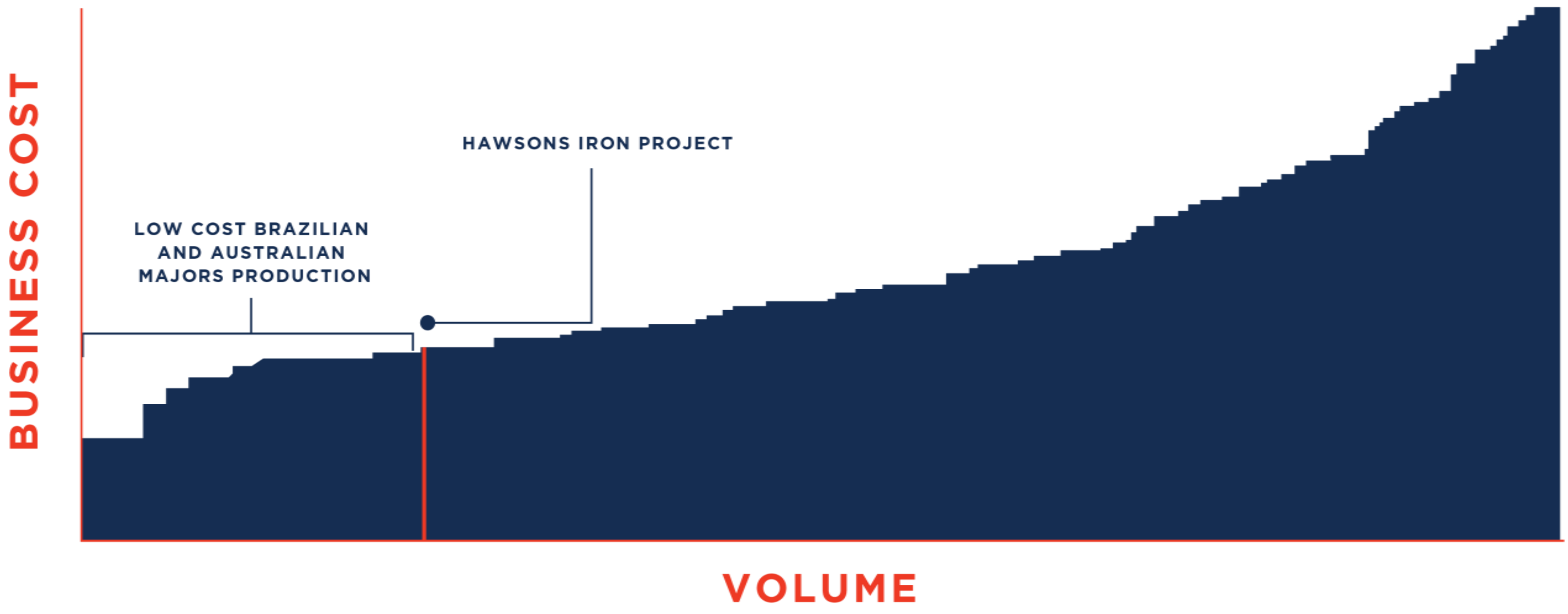
+ Outstanding prefeasibility study (PFS) results;
  - Cash flow positive at benchmark 62%Fe under US$30/t
  - excellent returns
  - high project value
  - 10mtpa production

PFS COST ESTIMATES	PFS price assumption	Todays iron ore price assumption
Operating costs - C1 FOB	US$33.08	US$33.08
Operating costs - All in	US$39.74	US$39.74
Operating costs - CFR China	US$48.03	US$48.03
Supergrade price premium	US$25.00	US$38.00
Equivalent 62%Fe CFR cost	US$23.03	US$10.00
Capital cost inclusive of contingency	US$1.40Bn	US$1.40Bn
PFS FINANCIALS		
Annual profit margin	US$401m	US$569m
Equity IRR	29.9%	43.0%
Equity NPV	US$1,091m	US$1.973
tonne of supergrade (70%Fe)	201m	201m
Mine life / pay back period	20 / 3-4 years	20 / 3 years
62%Fe price assumption	US$63/t	US$67.95

Refer slide 20 and 21 for assumptions

HAWSONS IRON PROJECT

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



Global iron ore supply curve (business costs is quality adjusted) (after CRU, July 2017)

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Mitsui funding deal

- Mitsui commits A$5.4 million to Hawsons JV bankable feasibility study, available once the balance of BFS funding is secured (20% of BFS funding)
- Mitsui gains option to secure 2.0mtpa of Hawsons Supergrade® product offtake for 20 years and exclusivity to sell the pellet feed in Japan
- Product price in line with market, which today is in line with CAP's PFS assumptions
- Option exercise condition is for Mitsui to commit a US$60m mezzanine debt facility for Hawsons' construction

Benefits to CAP

- Non-dilutive to CAP interests, preserving value for shareholders
- Enhances bankability with potential for long term off take contract
- Reduces project funding requirements, addressing key project delivery risks
- Endorses CAP's view of the market and the project potential
- Potential to lead to additional similar agreements

CUSTOMER DEMAND

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COMPANY	VOLUME
Mitsui & Co	2.0 Mtpa*
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	**14.0 Mtpa**

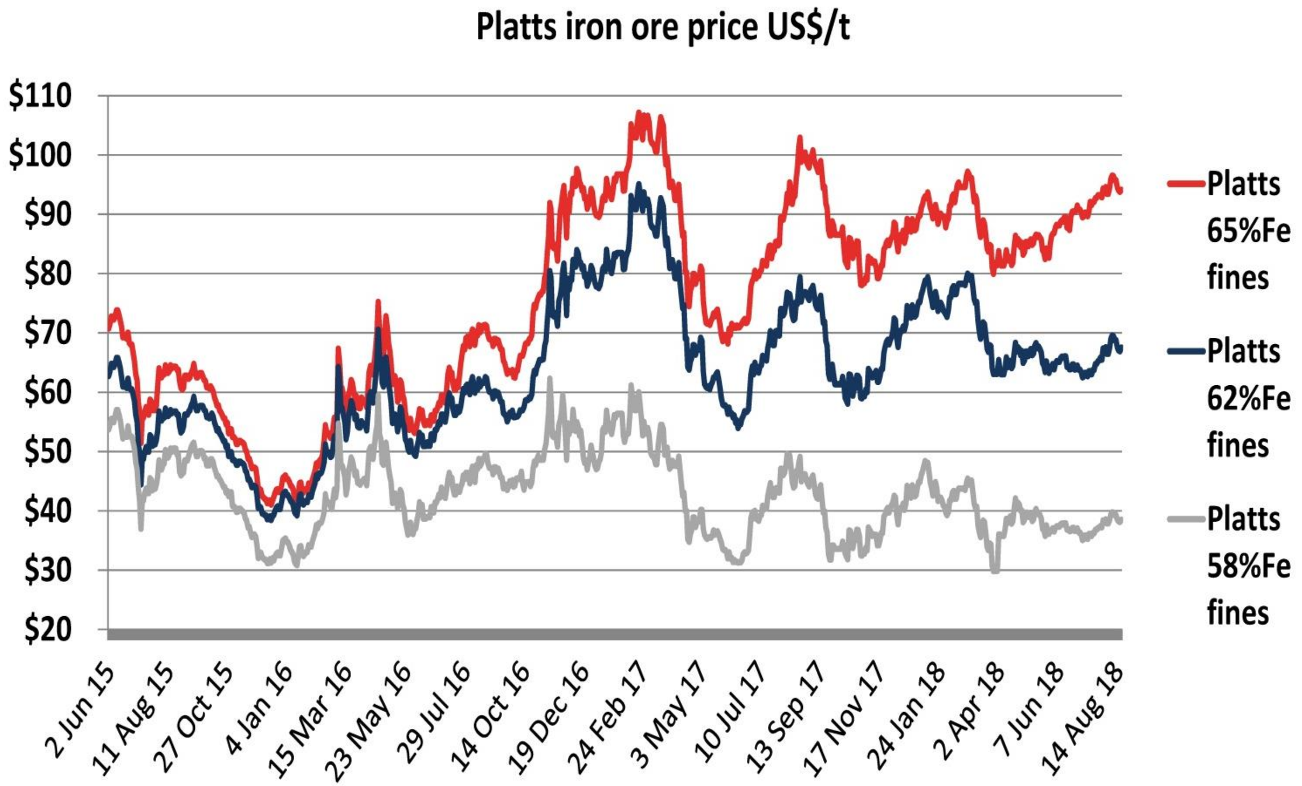
** Secured option*

- Companies signed letters of intent (LOI) with ASX:CAP
- Combined annual revenue >US$170 billion
- 150% of remaining 8mtpa under LOI
- Competition for offtake to drive development

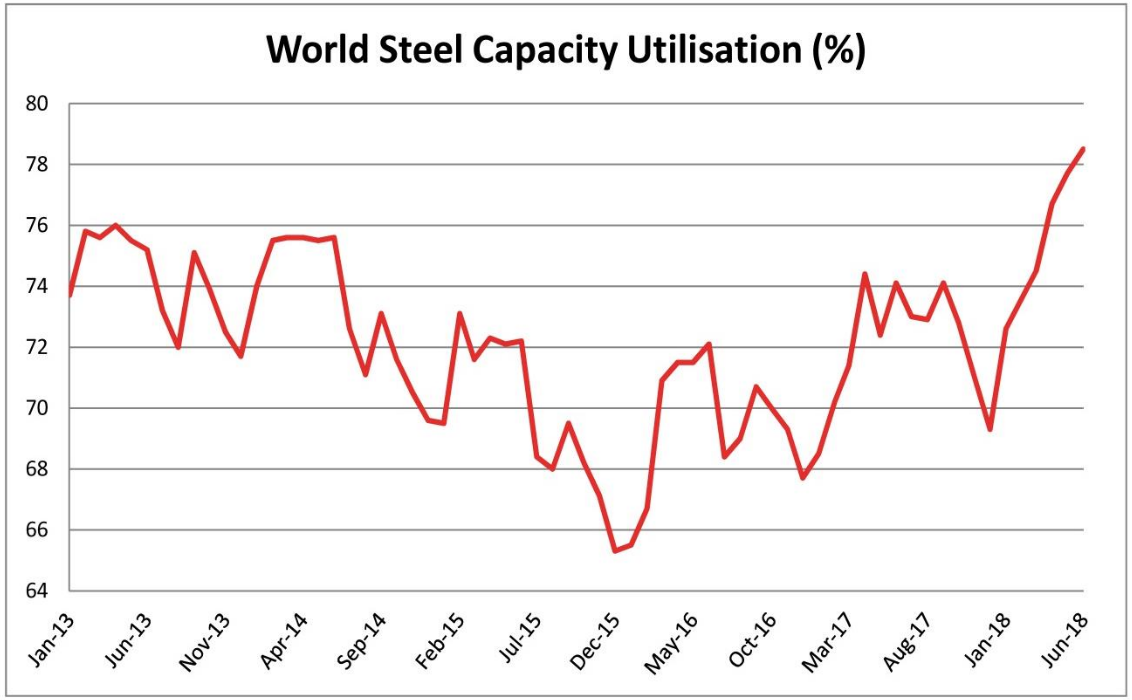
IRON ORE STRUCTURAL SHIFT

+ Structural shift in iron ore pricing
+ Hawsons Supergrade® at today's prices ~US$105/t
  (see P21 for formula)

+ Result of higher steel margins driven by increased capacity utilisation, strong demand and Chinese industrial reform



World Steel July 2018



RESULTS OF STRUCTURAL REFORMS OF CHINA'S INDUSTRY

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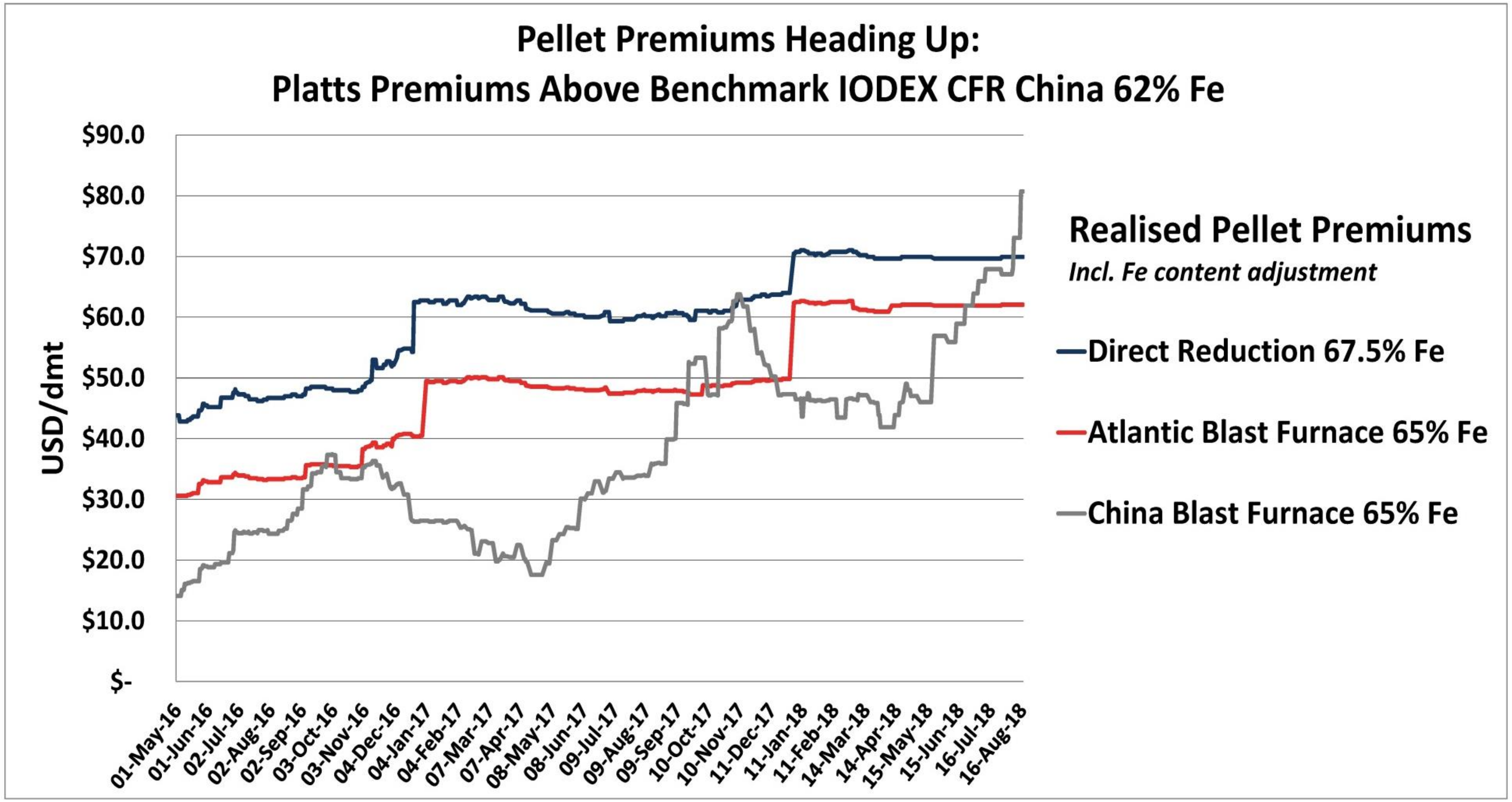

Drivers to pellets same as for high grade ore

- Higher productivity
- Lower pollution
- Bigger blast furnaces
- Lower domestic iron ore production
- Higher pellet usage

China now competing with Japan, Korea, MENA and Europe in seaborne pellet and pellet feed market

THE PELLET MARKET NEEDS NEW SUPPLY SOURCES

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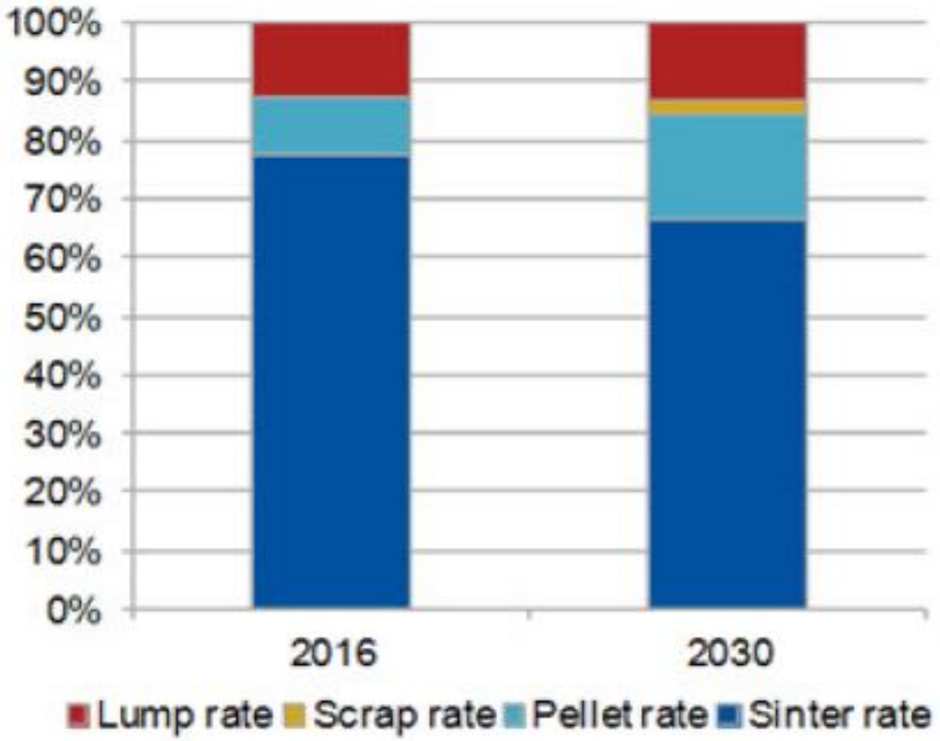
Hawsons is the world's leading undeveloped pellet feed project

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

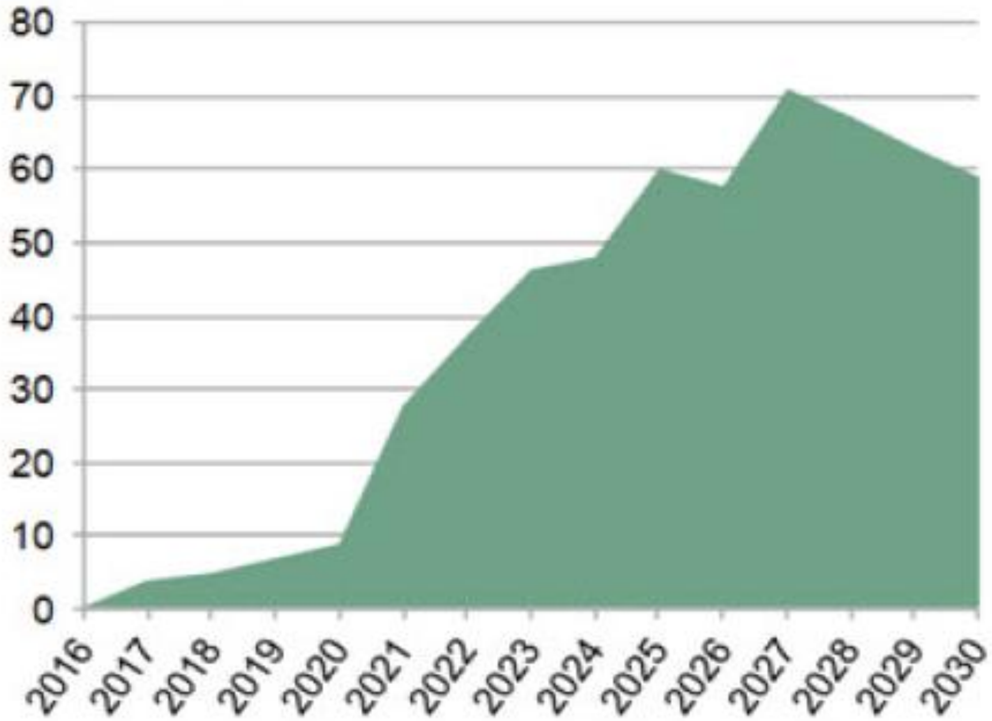
Chinese blast furnace burden rates, % of burden



Data: CRU

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

Imports of pellet feed above 2016 level, Mt



Data: CRU

HAWSONS SUPERGRADE® PRODUCT

+ World's best pellet feed,

+ Highest iron content,
+ DR spec. - 70%Fe, <2% Silica
+ Ideal physical properties
+ Excellent metallurgical properties

	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*

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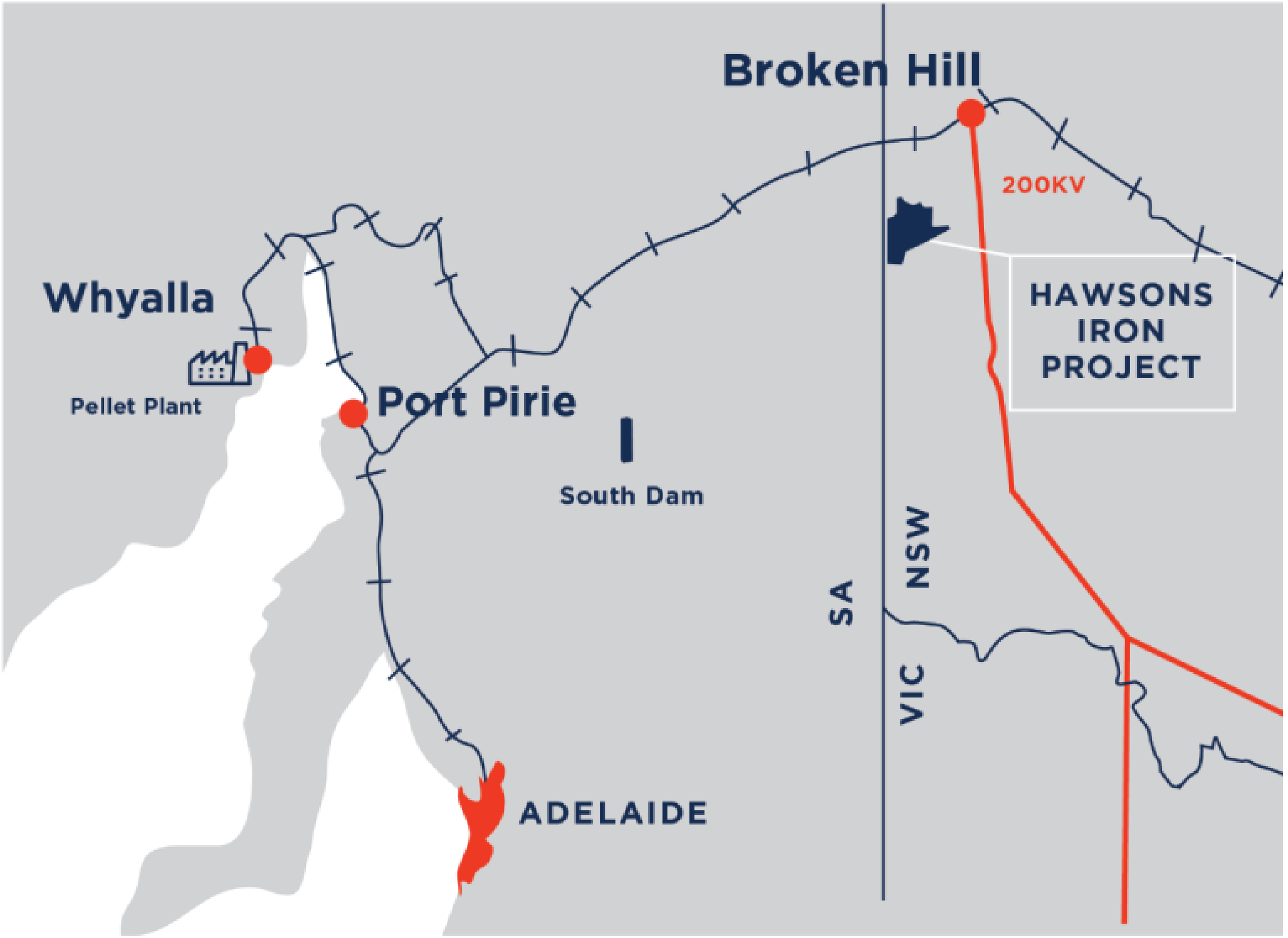
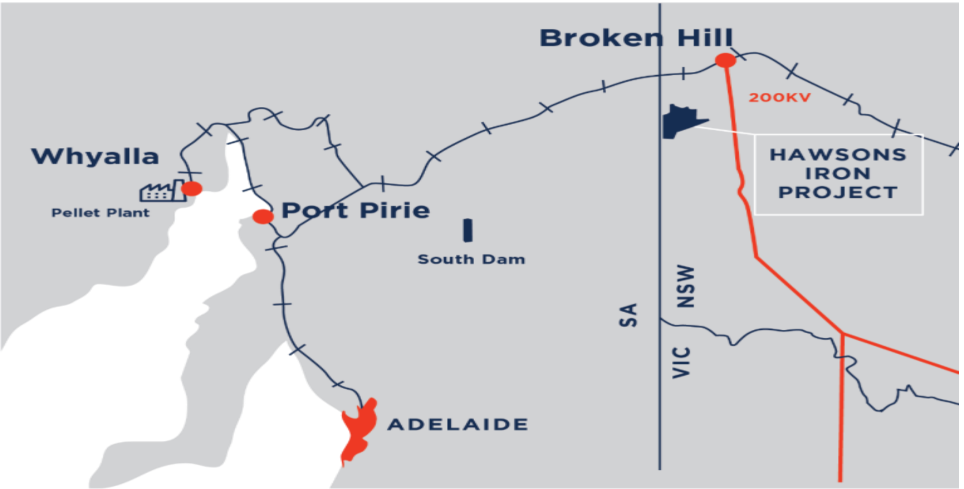
PROJECT SUMMARY

- Located 60km SW of Broken Hill
- Power from reliable eastern states grid
- Water from defined high yield saline aquifer 90km south
- Mine and process on site for 10mtpa concentrate production
- Hawsons' unique soft ore makes the difference on cost and product quality
- Workforce in Broken Hill
- *See appendix for more detail*



Logistics and approvals

+ Slurry product 55km in pipeline to Broken Hill
+ Rail to Port Pirie or Whyalla on existing rail (12 mtpa spare capacity) we have engagement with all the infrastructure owners
+ Transhipment to Capesize vessels to customers in Asia and Middle East
+ Product quality 70% Fe, (tested by customers)
+ Federal Govt. Major Project Status March 2018
+ *See appendix for more detail*



CARPENTARIA IS DELIVERING

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Planned milestones

1. Funding
2. Resource upgrade
3. BFS delivered
4. Mining lease approval
5. Final investment decision
6. First production

Task	2018				2019				2020				2021	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Approvals								4						
BFS Test work					2									
BFS Engineering and Finance							3		5					
Construction														
First Production														6

Schedule conditional on funding

Key message

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Carpentaria RESOURCES

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Quentin Hill Managing Director

Email quentin.hill@capres.net.au

Phone +61 7 3220 2022

Mobile +61 4 2396 8786

www.carpentariares.com

PROJECT PREFEASIBILITY STUDY RESULTS

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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

Carpentaria RESOURCES

Hawsons PFS key economic results	Base case	at August 20, 2018 prices 65%Fe fines US$94.55/t 62%Fe price US$67.95
Equity IRR (post tax, geared)	29.90%	43.04%
Equity NPV (10%) (post tax, geared)	US$1,091m	US$1,973m
Project IRR (post tax, ungeared)	17.80%	25.63%
Project NPV (10%) (post tax, ungeared)	US$867m	US$1,793m
Life of mine ave. annual revenue	US$881m	US$1059m
Life of mine ave. annual all in costs	US$480m	US$490m
Life of mine annual margin (EBITDA)	US$401m	US$569m

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

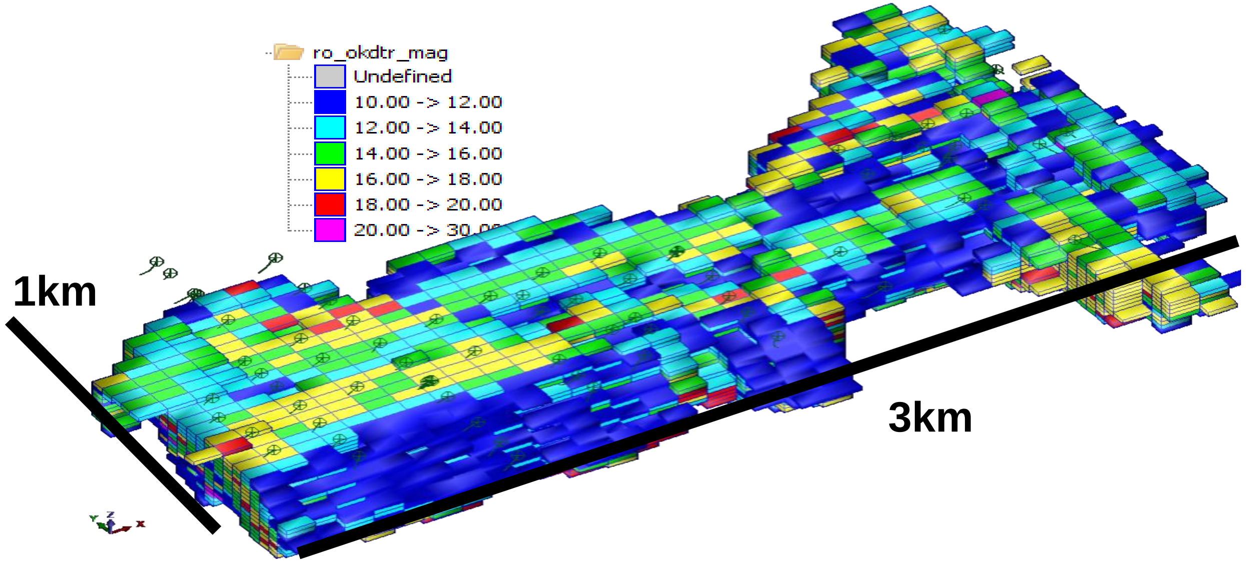
Base case 10mtpa Hawsons Supergrade® production exported through Port Pirie

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.

Resource increase, 30+ year mine life

Carpentaria RESOURCES | LOW COST PREMIUM QUALITY IRON ORE

- 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



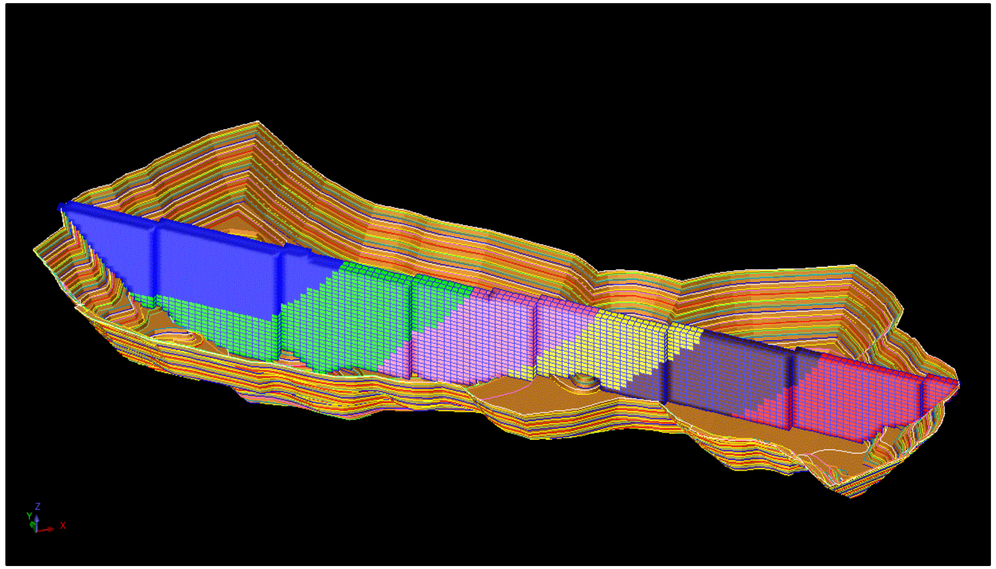
Category	Mt	DTR %	DTR Mt	Fe Head %	Concentrate Grades						
					Fe %	Al2O3 %	P %	S %	SiO2 %	TiO2 %	LOI %
Probable Reserves	**755**	**14.7**	**111**	**17.5**	**69.9**	**0.19**	**0.003**	**0.002**	**2.60**	**0.03**	**-3.03**
Indicated (incl. Reserves)	840	14.5	121	17.4	69.9	0.19	0.004	0.002	2.61	0.03	-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**

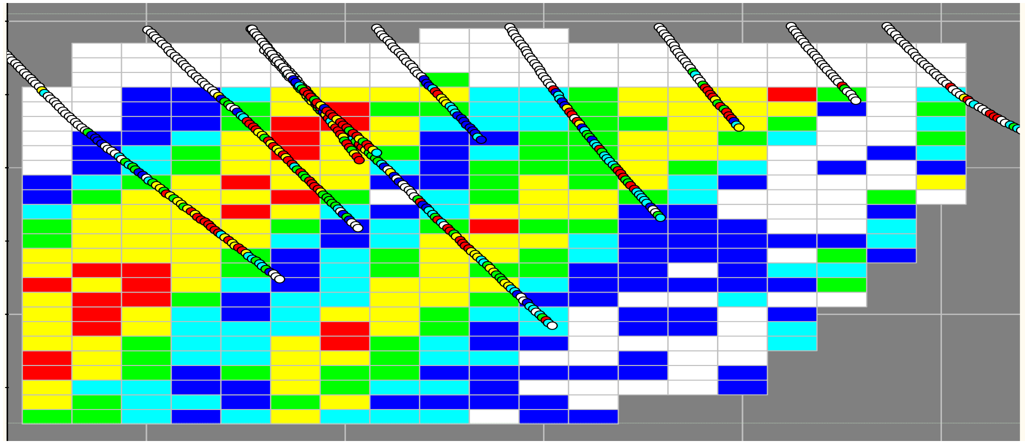
The Company confirms that all assumptions and technical parameters underpinning the resource estimates continue to apply and have not materially changed since first reported on 28 July 2017. Reported at a 9.5%DTR cut off grade, and 38micron grind.

Hawsons Iron Project – Mining

Carpentaria RESOURCES | LOW COST PREMIUM QUALITY IRON ORE

- Very large size and little internal dilution,
- low strip ratio (~ 0.5:1 waste:ore, near zero year 9
- “Bath tub” geometry ideal for simple bulk mining
- Truck and shovel switching to in-pit conveying when economics supports (~yr 5)
- Bulk material movement, non selective, same fleet for ore and waste

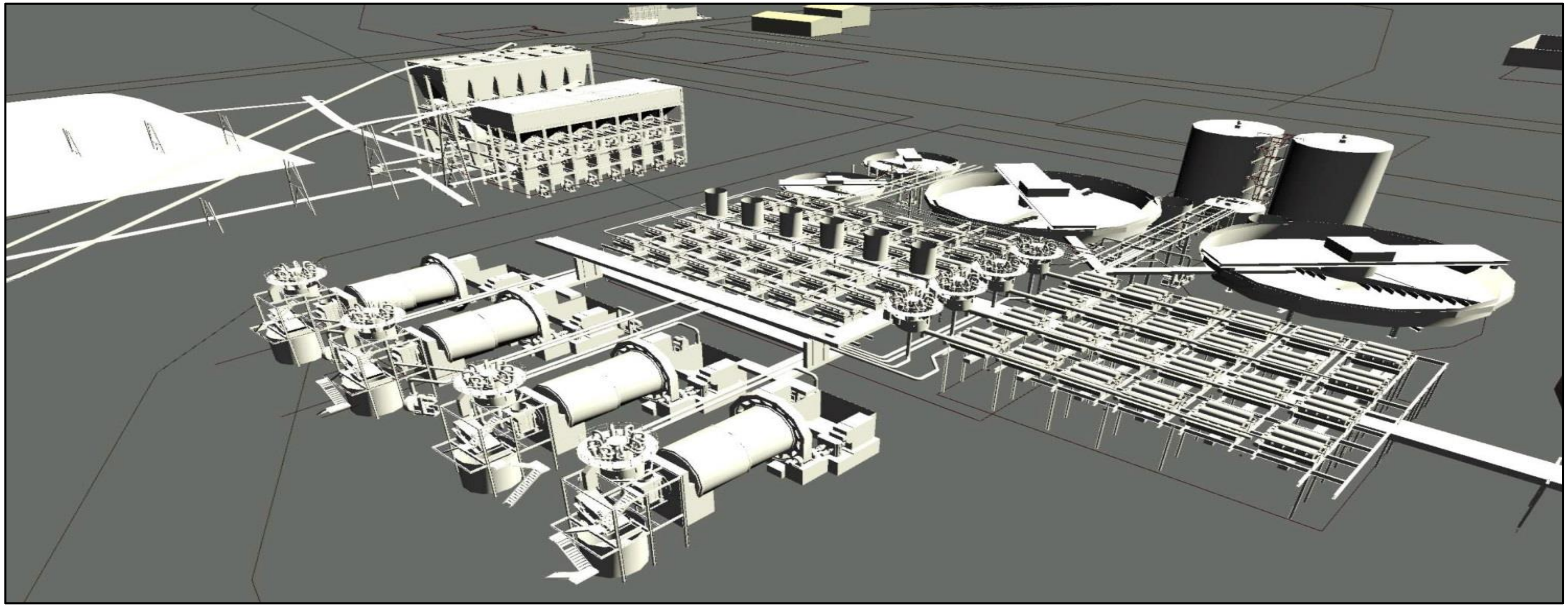




Cross section

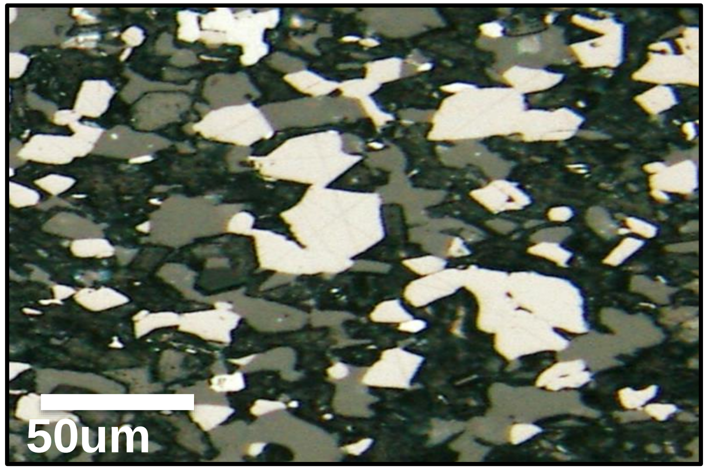
Mineral Processing – soft ore makes the difference

Carpentaria RESOURCES | LOW COST PREMIUM QUALITY IRON ORE

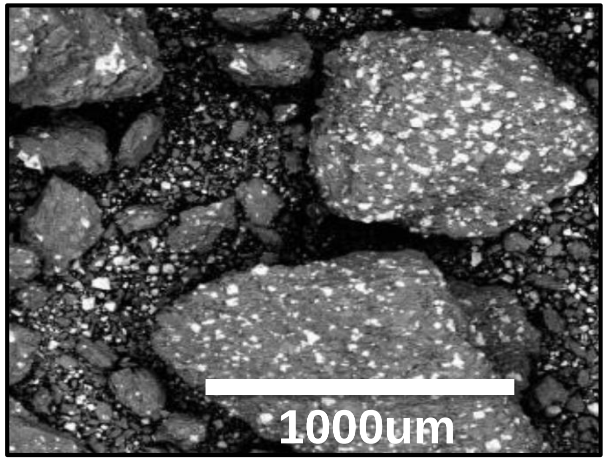


- Plant average load to get to <40um and 70%Fe av. 63MW
- Savings also made on grinding media due to very low abrasion index (0.12 cf 0.50)

Processing - Supergrade from unique siltstone ore, a technological step change



Natural grain size <50um easily achieved

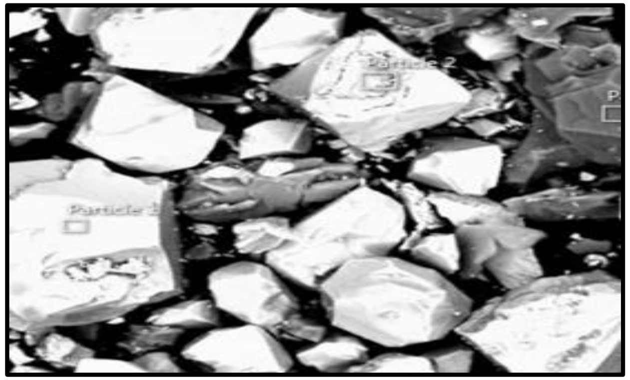


Crushing stage generates high proportion of fines ~30% <150um

45% rejection at first magnetic separation

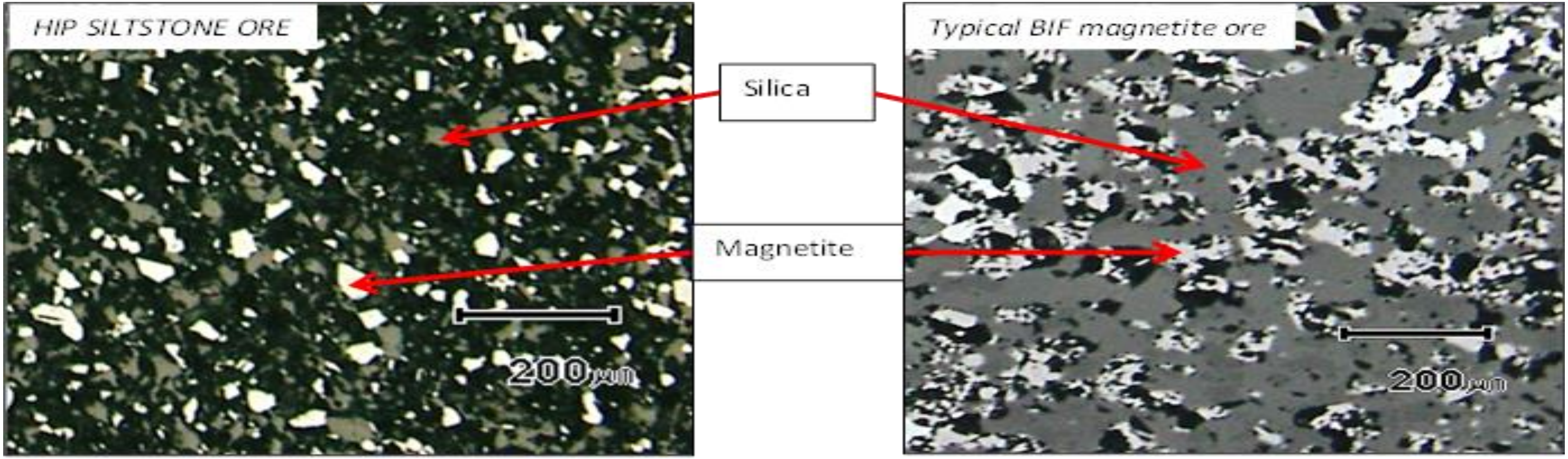
Ball Milling
100% <40um
7kwh/t

After second magnetic separation 66%Fe



Elutriation removes free silica upgrade > 69%Fe

Processing - Supergrade from unique siltstone ore, a technological step change



Hawsons siltstone naturally liberates into fine clean mineral grains

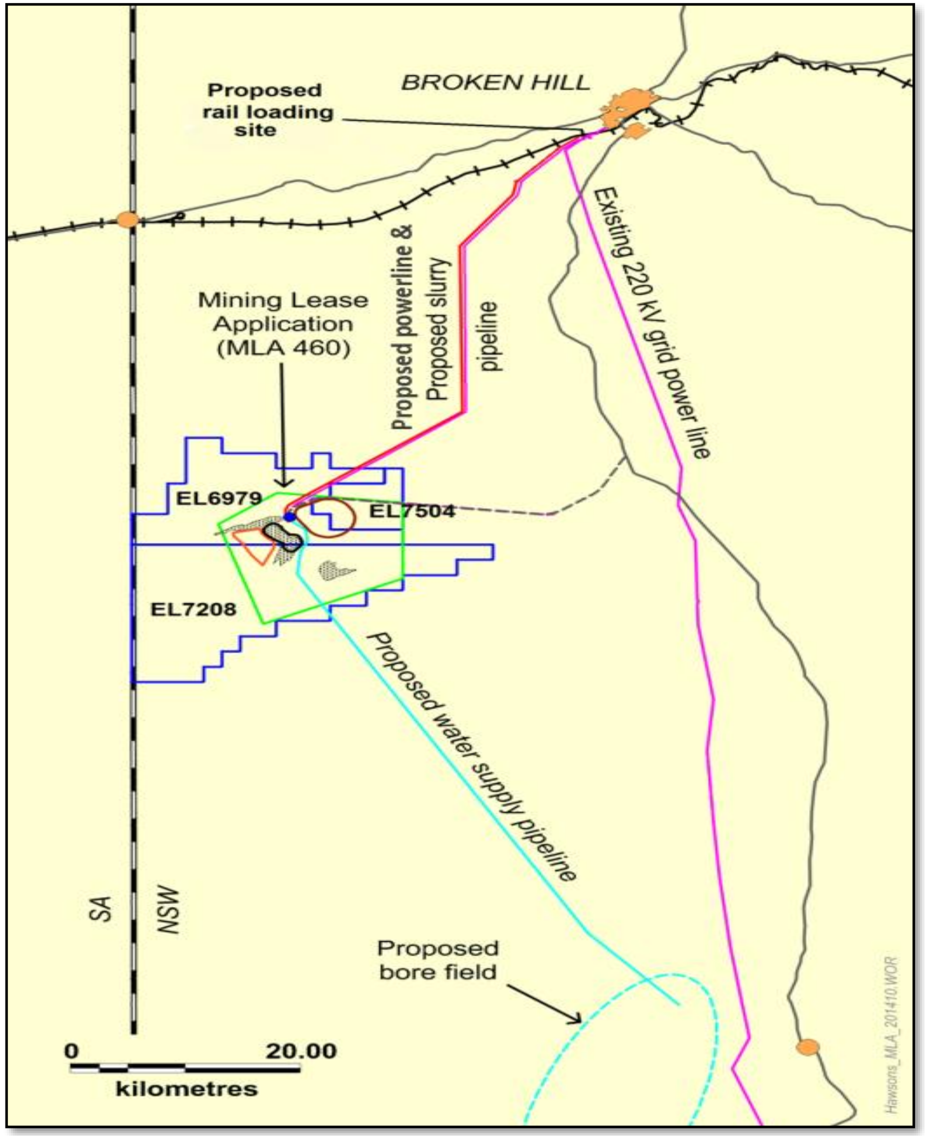
Typical magnetite ores, ore mineral requires unlocking from a fused silica matrix.

Existing Infrastructure - Low development risk

- Workforce – close by in Broken Hill, birth place of BHP, and Australia’s most famous mining town, mostly town based workforce

- Power from eastern states grid
  - Sufficient for project needs
  - Main power draw - process plant and in pit conveyor

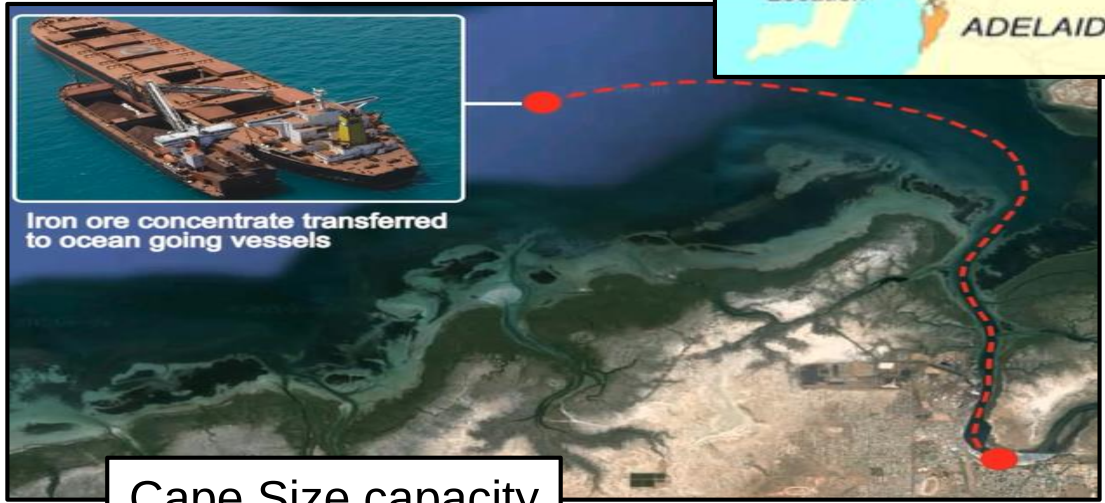
- Water
  - high yield saline aquifer south of site, able to be allocated under existing regulations



Existing Infrastructure - Low development risk

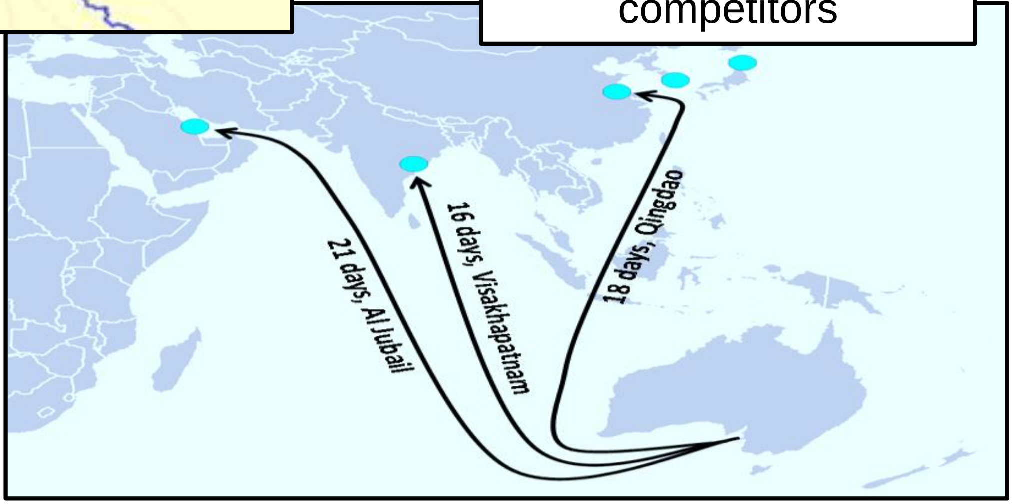
25 t axle load rail,
12 Mtpa spare capacity

Port Pirie Spare Berths



Cape Size capacity

Closest to markets 25-50% closer than competitors



Approvals – Project pathway clear and achievable

Carpentaria RESOURCES | LOW COST PREMIUM QUALITY IRON ORE

- No Native Title – it is extinguished on the mining and easement areas
- Mining Lease Application lodged
- Federal government major project status
- Environmental Impact Assessment guidelines received, a NSW State Significant Development
- Ecology and cultural heritage surveys largely complete, no showstoppers identified