

5 April 2019

**Company update: Market pull for Hawsons' development strengthening following Iron Bridge approval**

Dear Shareholder

The market pull to develop Hawsons is strong and has become even stronger. In a signal that high quality ores will proportionally displace low quality ores, Fortescue Metals Group (**FMG**) is targeting a majority of its iron ore products to be higher quality with the approval of the Iron Bridge magnetite project, as announced by FMG on 2 April 2019.

Notably, Carpentaria's Hawsons Supergrade® product offers the world's highest iron ore content at 70% Fe. The market has shown its preference for higher grade ores, with the Platts 65% Fe index currently more than US\$100/t.

Iron Bridge and Hawsons are two Australian magnetite projects at the pre-bankable feasibility study stage where the quality of their output once in production is the key driver for development. Based on the Hawsons prefeasibility study results (refer ASX announcement 28 July 2017\*) and public data, Carpentaria expects a high profit margin and short payback period for Hawsons because of the Hawsons Supergrade® product's quality. (Refer to the appended table for a comparison). This quality, together with existing and available infrastructure and other advantages the project has, makes Hawsons a compelling development case.

Carpentaria continues to negotiate bankable feasibility study (BFS) funding for Hawsons and is currently moving through the internal processes with multiple tier-1 parties, for equity and non-dilutive offtake-linked BFS and construction funding. With already strong market fundamentals amplified by the recent events in Brazil, the compelling market pull for Hawsons' development, one of the leading high grade projects, has become even more obvious.

We encourage all shareholders to update their contact details to stay up to date with Company news and industry research here: <https://carpentariaresources.investorportal.com.au/>.

**For further information please contact:**

Quentin Hill

**Managing Director**

Carpentaria Resources Ltd

+61 7 3220 2022

*\* The Company confirms that all assumptions and technical parameters underpinning the Resource and Reserve estimates and all material assumptions underpinning the production target or the forecast financial information derived therefrom continue to apply and have not materially changed since first reported on 28 July 2017.*

**CONNECT WITH US:**



Level 6, 345 Ann St, Brisbane Queensland 4000  
PO Box 10919, Adelaide Street, Brisbane Queensland 4000  
Phone: + 61 7 3220 2022 Fax: + 61 7 3220 1291  
[info@capres.net.au](mailto:info@capres.net.au) [www.carpentariares.net.au](http://www.carpentariares.net.au)  
ABN 63 095 117 981 ASX : CAP

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Table 1 Comparison Table

	Iron Bridge <sup>1</sup>	Hawsons <sup>2</sup>
Product Fe%	67.0	70.0
Product silica %	5.6	2.0
Capital cost US\$M	2600	1400
Production (dry Mtpa)	20	10
Operating cost - all in sustaining CFR China US/t	50 <sup>3</sup>	48
<p>1 Based on FMG announcement 2nd April, 2019, Iron Bridge magnetite project approved</p> <p>2 Based on ASX:CAP announcement 28 July 2017</p> <p>3 Midpoint of range used for Iron Bridge (US\$45-55)</p>		