

**ANNUAL GENERAL MEETING**  
**Brisbane 24<sup>th</sup> November, 2016**  
**Managing Director's Review of Operations**



**Carpentaria** EXPLORATION  
LIMITED

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



[carpentariaex.com.au](http://carpentariaex.com.au)

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## Near term goal

Position Hawsons first in the development queue, thereby maximising return to shareholders.

## Presentation Content

- benefits of company restructure
- project development
  - maximising opportunities
  - minimising development risk
  - attracting investment
- outlook for steel and iron ore
- company growth prospects
- summary





## Corporate costs controlled allowing focus on adding value

- restructure and refocus implemented in September 2015 have saved ~\$700,000 in non-project costs this year
- includes reduction in staff, board remuneration, corporate overheads, business development costs, promotion

## Carpentaria has benefitted

- sharpened focus on adding value and project development
- more efficient use of shareholder funds
- market capitalisation more than doubled



# Maximising opportunities

Explored the opportunities created by **Hawsons Supergrade**, the world's best pellet feed

Pellet testing achieved amongst the world's best iron making raw materials with outstanding

- chemical properties
- physical properties
- iron making properties

Supported a highly successful product marketing campaign resulting in letters of intent with tier one buyers

- **Bahrain Steel** 3mtpa of direct reduction(DR) pellet feed
- **Emirates Steel** 0.9mtpa of DR pellets
- **Formosa Plastics** 2mtpa of **Supergrade** concentrates
- **Mitsubishi RtM** 1mtpa of **Supergrade** pellet feed
- **Gunvor** 1mtpa of **Supergrade** concentrate for China

Added value to the Company with share price increase  
Customers are a key milestone in development strategy  
Opened dialogue with potential BFS investors (strategic and institutional)



# Reducing development risk

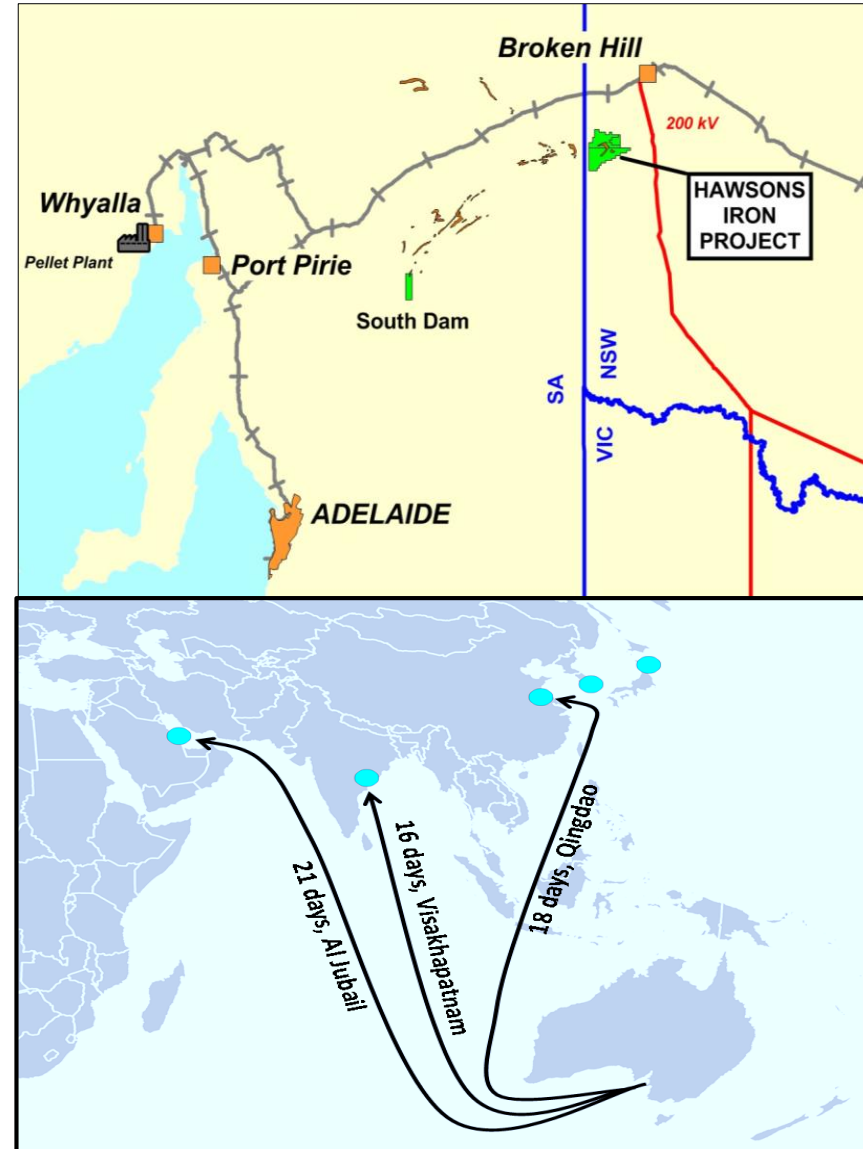
Our customers have potential as bankable offtake parties able support financing in time

Identified potential cost reductions

- power synergies with local wind and solar projects
- \$50m contingency released by government decision on Broken Hill town water

Identified additional infrastructure options

- Whyalla port may save capital and reduce risk
- Whyalla pellet plant has potential to value add to the world's best pellet feed
- Company investigating access options



# Attracting investment

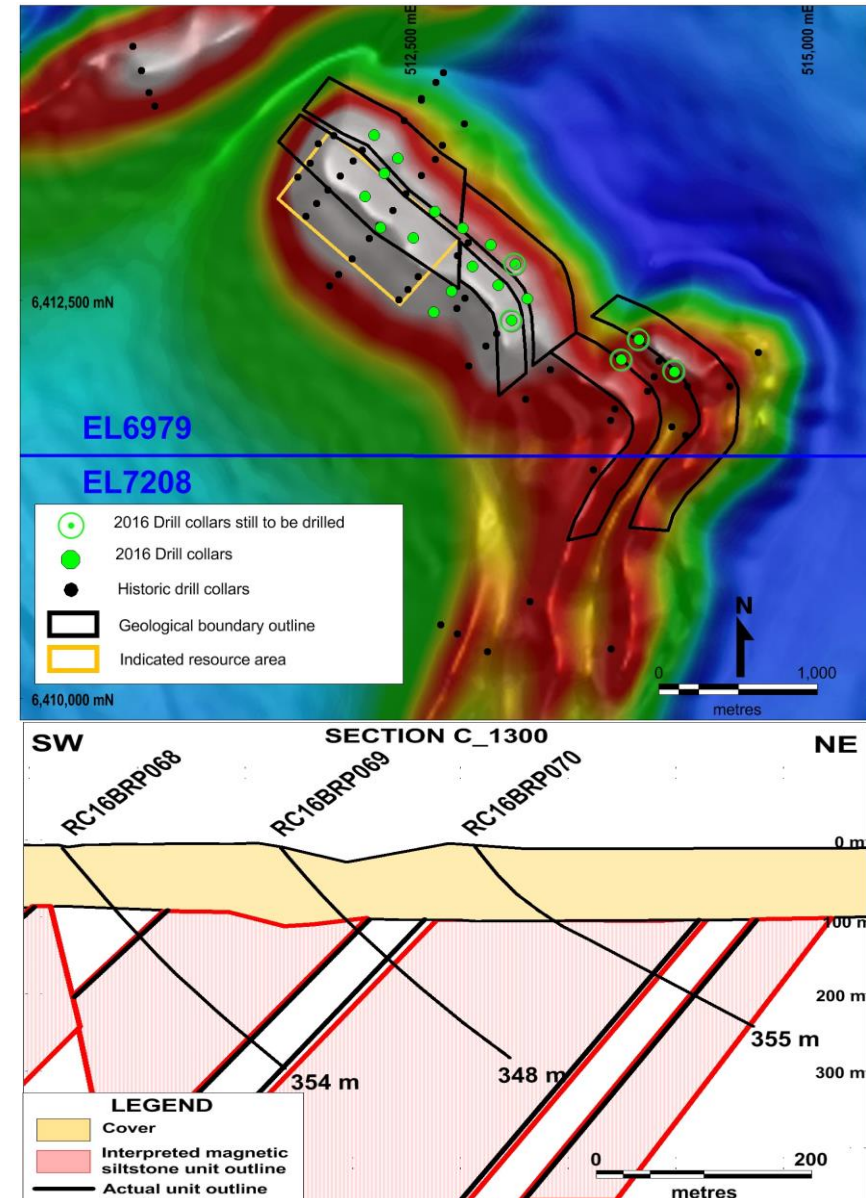
Successful project work provided the platform for capital raising

\$2.0m raised has increased issued capital by about a third, in a non dilutive issue for participants

New investors add balance to the register and support to the company

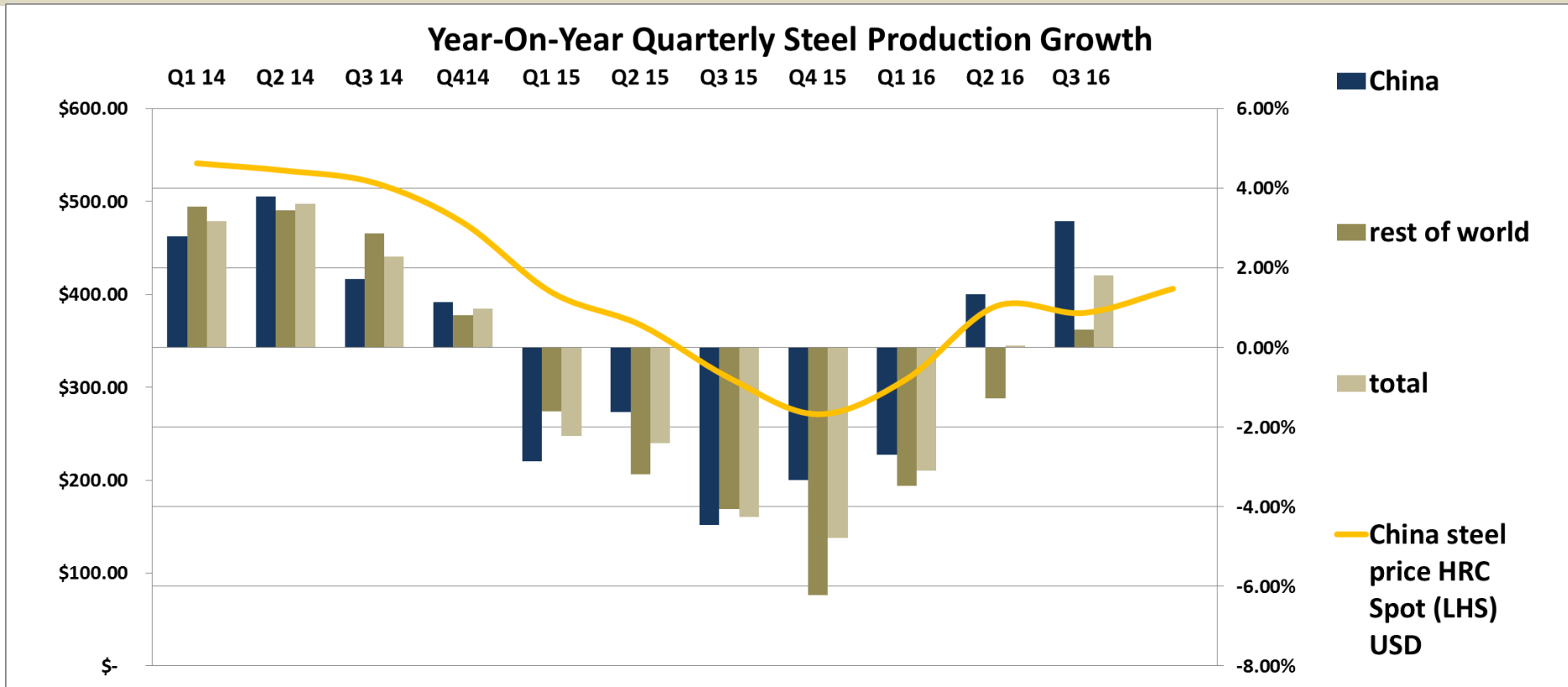
Funds are directed to adding value ie resource upgrade drilling, prefeasibility study

Successful completion aims to lift project to a higher investment grade potentially capable of attracting strategic and institutional investors and launch the BFS





# Iron ore and steel market outlook is best for two years – New projects will be required



- World steel production has returned to growth
- Long term demand story remains the same (CRU)
- 480-650mtpa of new steel (and iron ore ) is required to 2030, 30-40mtpa new iron demand each year
- Chinese steel industry restructure progressing apace
- Fears of demand collapse have passed
- Market in agreement the right new projects will be required to meet market demand ~2020
- Supply and demand timing suits our project
- We are aiming to be first in the queue



# Company growth and development prospects

## Near term growth

- Upgraded resource –January 2017
- PFS-target Q2 2017

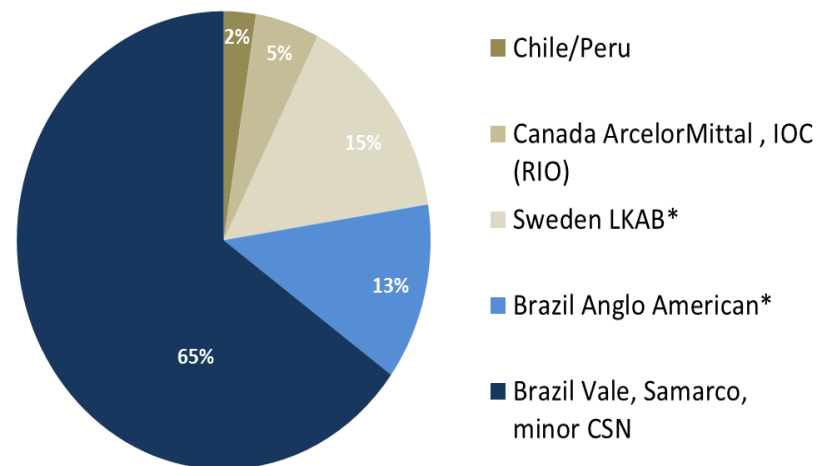
## Development prospects and medium term value underpinned by

- Strategic value to the DR market in Middle East and India
- Strategic value to the blast furnace market in Asia
- Strategic value to the port and pellet plant assets in Whyalla

## Timelines

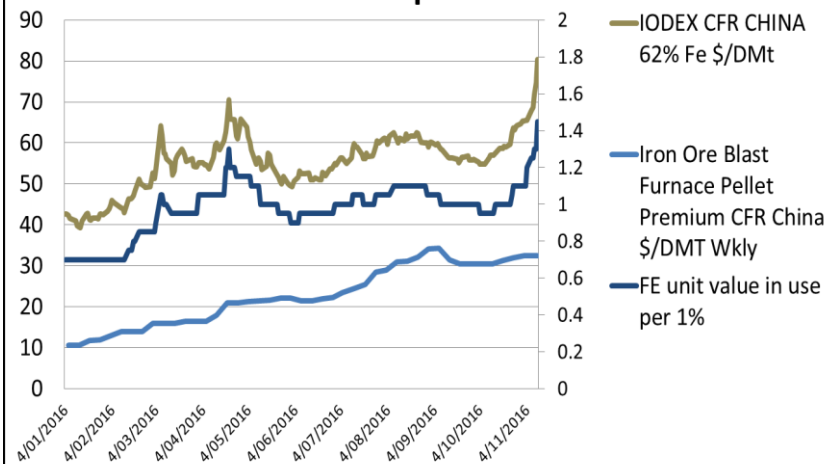
- PFS Q2 2017
- BFS funding , 2017 and completion 2018
- Project financing and start development 2018
- First production aimed for 2020

## 2015 Seaborne DR-pellet/feed supply source



Source: After Wood Mackenzie, \* minor others

## Iron ore price USD





- Clearly visible benefits of restructure is a sharpened focus
- Tier one customers for **Hawsons Supergrade** attracted additional investment
- New investors have added balance to the register and support to the company
- Work programs aim to achieve milestones that add value and attract BFS funding in near term,
- Project value underpinned by steel market forces
- Carpentaria has a lean, stable corporate structure from which to build
- Development progress is being made under difficult conditions ,we need to keep moving
- The biggest challenges are ahead of us, with the prospect of the highest returns

# Thank you for your attention

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