



Carpentaria Exploration Ltd

We find it. We prove it. We make it possible.

Mining 2014 Conference

29 – 30 October 2014 Hilton Hotel Brisbane



Disclaimer



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CARPENTARIA

Company Snapshot



ASX Code : CAP

FLOATED : Nov 2007

CASH: AUD 4.7 million (Sept. 30 2014)

QUOTED SECURITIES: 124 m shares

SHARE PRICE : \$0.062

Top Shareholders:

Silvergate:	18.2%
Conglin Group:	11.4%
Directors & Management:	5.3%

- Strong cash position
- History of good capital management
- Major asset Hawsons Iron Project 60%
- Focussed on development of Hawsons



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Company Focus



Company Aim

- Become a long term, low cost producer of premium iron products

In response to tight market conditions

- Focus on development of Hawsons Iron Project
- Reduced all costs by over half from previous year (target exp. circa \$2m for FY2014/15)
- Reduced administration costs after abnormals to circa \$500K /yr

Company near term goals

- Build a platform for further investment in Hawsons with targeted work programmes to increase certainty of key project aspects (expected to be completed end calendar 2014)
- Attract additional investment/project partners to advance bankable feasibility study and grow value
 - *Balance reducing costs with protecting and promoting Hawsons*
 - *Realise value from other tenements*

Balanced and Experienced Board and Management



Dr Neil Williams – Chairman

- 40 years experience
- Australia's Chief Government Geologist 1995 - 2010
- One of Australia's eminent geoscientists



Mr Bob Hair

- 30yrs experience as a lawyer
- Former General Manager Commercial MIM holdings
- Former CEO of AIM listed Ferrum Crescent



Mr Paul Cholakos

- 25 yrs experience in resources
- Mining Engineer
- Current Executive General Manager Project Development – Oil Search



Mr Quentin Hill – Managing Director

- 18 yrs experience in exploration, development and management
- Part of Hawsons discovery team
- Geologist



Ray Koenig - Hawsons Technical Director

- 45 years experience
- Chief Metallurgist Savage River Magnetite Mines
- Business Group Leader Mining and Metals for GHD
- Magnetite due diligence as a consultant



Mr Bin Cai

- Conglin Australia representative
- 18 years experience investing in emerging resource companies

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Hawsons Iron Project Concept



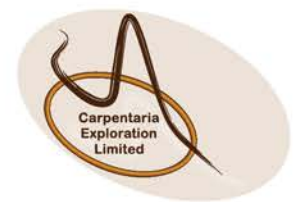
- Deliver 10 million tonnes per year of “best quality” pellet feed magnetite concentrate to end users needing high purity feed at premium prices over the long term
- Exploit very large resource with favourable mining and processing attributes and achieve very low cost production
- Use the existing, high capacity, power, water, rail, and workforce all less than 90km from site and existing port to achieve very competitive low capital and operating costs
- Gain requisite approvals on a timely and favourable basis



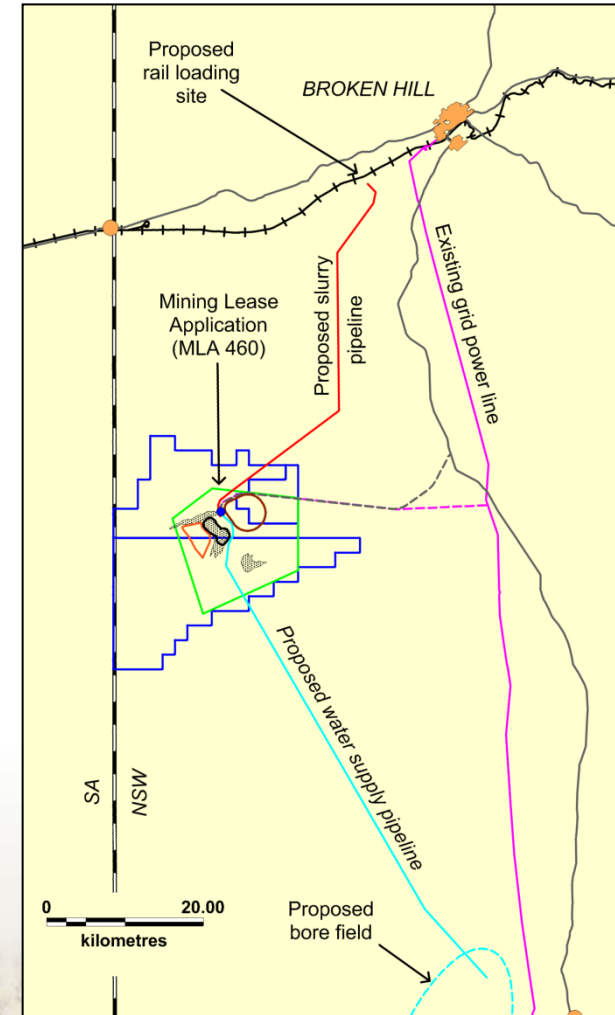
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Project Concept –Transport logistics



- Location is everything
- Mine to rail head via new slurry – 50km
- Existing open access rail to new stockpile at Port Pirie – 360km
- New stockpile to existing port berths via new conveyor
- Barge transport to 180,000t vessels – 15-30km



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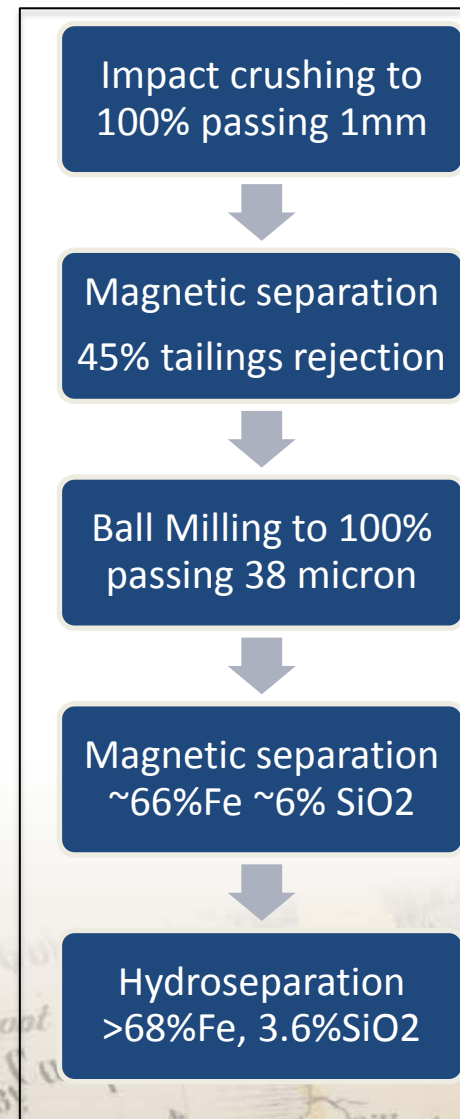
Key achievements last 12 months

Pilot plant achieves high grade



	Fe%	SiO ₂ %	Al ₂ O ₃ %	P%	S%
Hawsons flow sheet pilot plant test concentrate	68.3	3.56	0.39	0.007	<0.001
Hawsons floatation bench test concentrate	69.1	1.19	0.54	0.025	NA

- Tested new flow sheet at Iron Ore Technical Centre (ALS Ammtec, Perth)
 - Increases confidence in flow sheet assumptions and cost estimates
 - Confirms low energy, single stage ball milling can meet grain size and grade targets
 - Upgrading with Hydroseparator
- Separate floatation test work results from South Africa open new opportunity for direct reduction iron (DR) feed potential
- Results being finalised
- Over 1 tonne of concentrate to be produced for future test work
- Allows planning of larger pilot plant run



Key achievements last 12 month (cont.)



Technical Director Ray Koenig and the cleaner magnetic separator top, Hydroseparator column right



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Key achievements last 12 month (cont.)



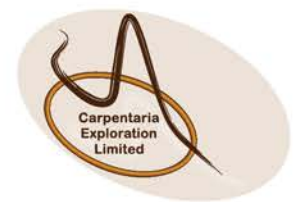
- Secured port access at Port Pirie - 12mtpa first right of refusal
- Defined a high yield water source with allocation limits suitable for project requirements 90km from site (4,136m of drilling)
- Commenced the rail –port – marine prefeasibility study jointly with Flinders Ports
- Set the development case at 10Mtpa for our studies, utilising existing infrastructure
- Maiden indicated resource
- Lodged Mining lease application



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Project key elements

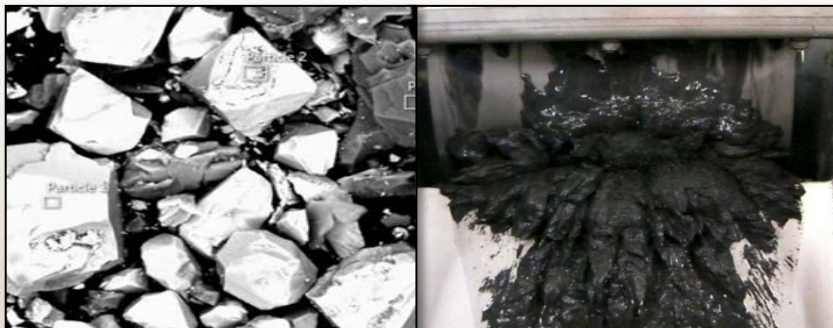


Resource

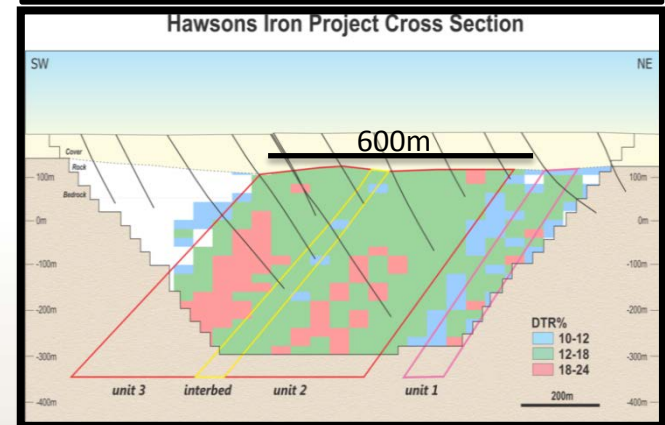
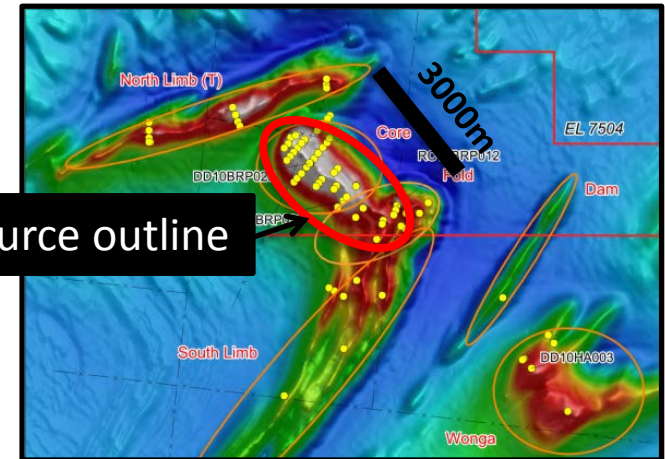
- JORC* resource 1.8 Billion tonnes at 15% mass recovery for 263Mt of 69.7% Fe, 2.9% SiO₂ concentrate (mine 100t to produce 15t concentrate)

Mining – detailed study work

- 3000m x 600m ore body –low mining costs
 - bulk mining methods
 - waste : ore 0.3 : 1
 - material movement and mining costs comparable to higher grade projects
- Potential for large resource extensions and long life
- Siltstone rock very soft - easy on mining equipment



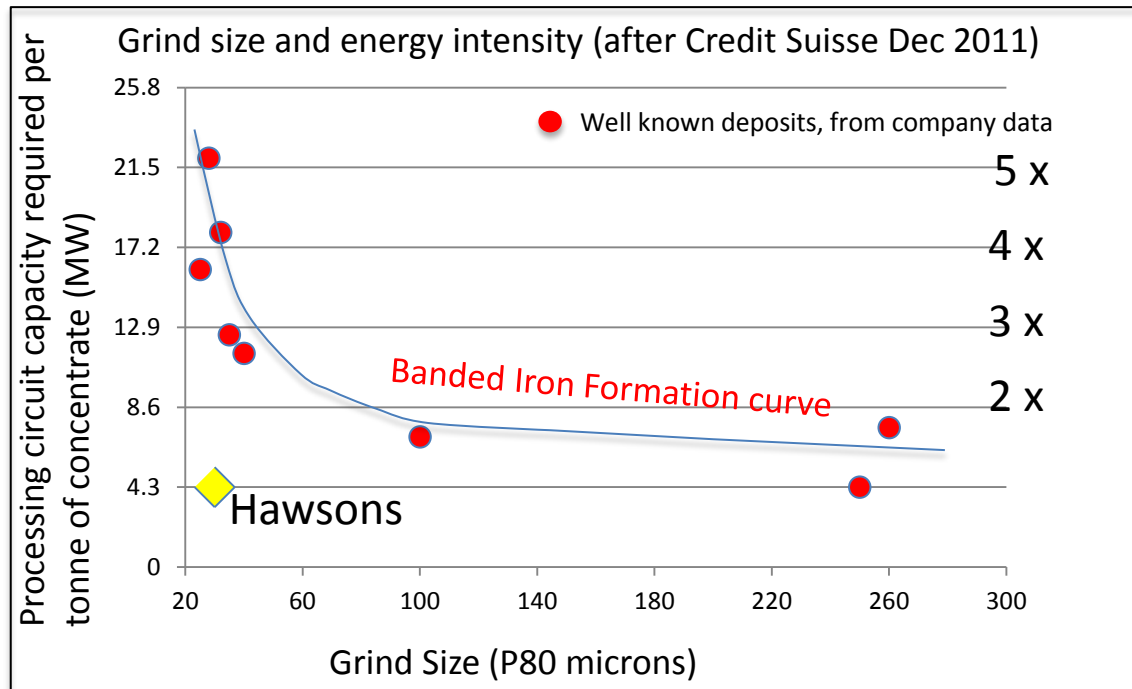
Resource outline



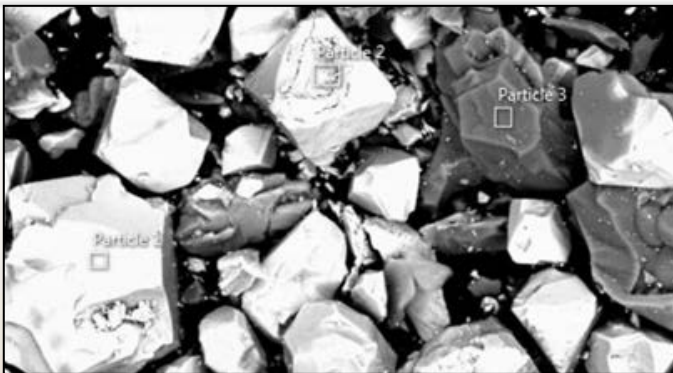
* Refer Appendix 1

Project key elements (cont.)

Siltstone ore is different to typical iron formations



- very different ore - soft
- natural grain size 10-50 microns, don't break the crystals
- ~ one quarter energy use of typical magnetite ores per tonne of concentrate (BWI 6-7)
- produces high purity concentrate
- large processing cost savings up to \$5-15/t concentrate
- Comparatively low technical risk
- Its about costs and quality not head grade



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Project pathway is clear and achievable

Differentiates Hawsons from others



		Hawsons	Others
resource	>250Mt concentrate potential for much more	✓	most
mining	standard and in pit crush and convey	✓	most
water	does not use sea water	✓	few
processing	one stage of grinding, no regrinding	✓	few
	two stages magnetic separation	✓	few
	DR feed option	✓	v.few
power	low cost grid power available	✓	few
transport	existing open access rail line	✓	few
	existing port access secured	✓	few
permitting	No Native Title	✓	few
	EIS seasonal surveys complete	✓	few
	Mining Lease Application lodged	✓	some
	Government support-State Significant Development	✓	most
	Stable low risk country	✓	some

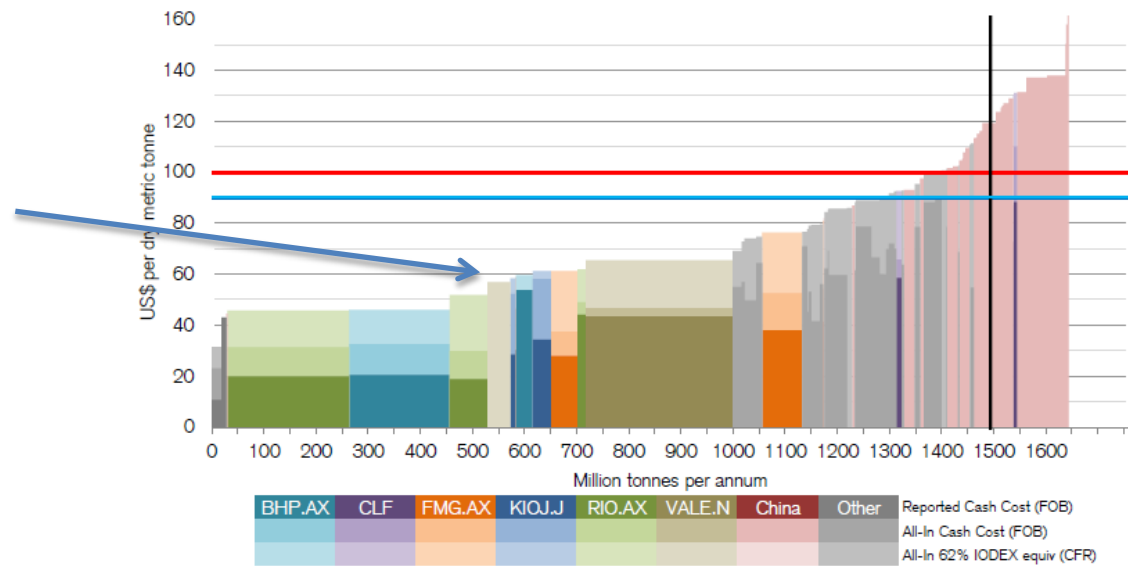
Targeted CFR China Costs



- Carpentaria is targeting the second quartile of the all in CFR China cost curve indexed to 62% Fe
 - Approx. US\$56
 - Approx. US\$64 (69% basis)
- Withstand price fluctuations
- Premium price expected

Exhibit 2: 2016 curve (China: 250mtpa, excl domestic freight)

Blue = CS price fcst, Red = consensus price, Black = demand



Source: Company data, Credit Suisse Securities Research & Analytics and Commodities Research estimates.

Source - After Credit Suisse 21 August 2013

1 Reported cash costs are C1 costs

2 all-in cash costs include royalties, sustaining capital, corporates costs but not finance costs

3 includes a freight adjustment to CFR China and indexed to a 62% product

4 exchange rate 0.85USD = 1.00AUD

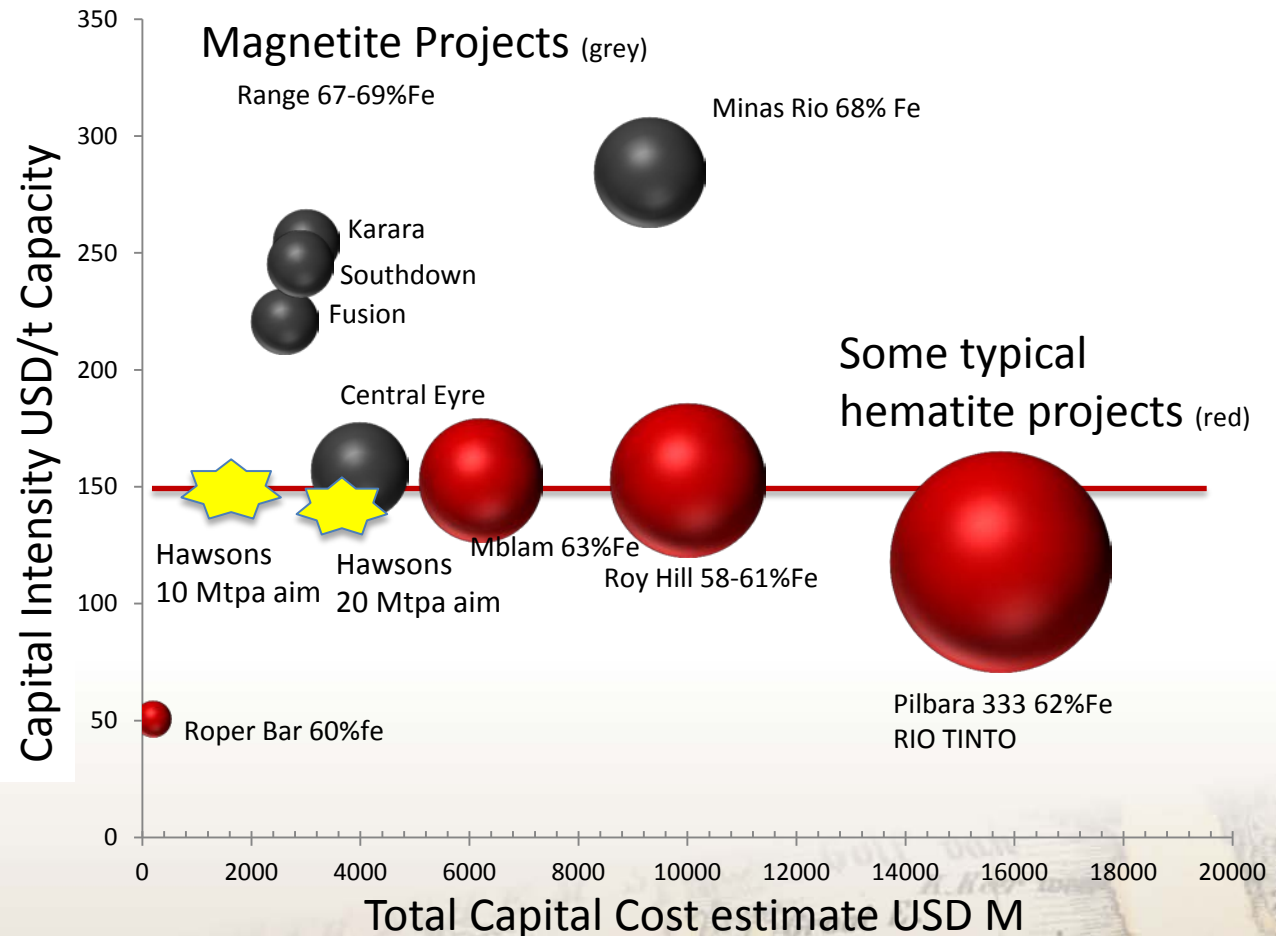
Capital Intensity – benefits of existing infrastructure



Low capital intensity

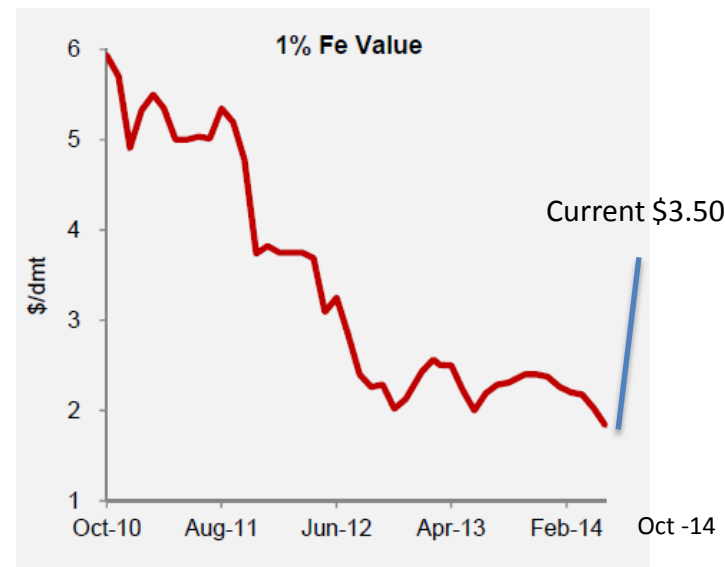
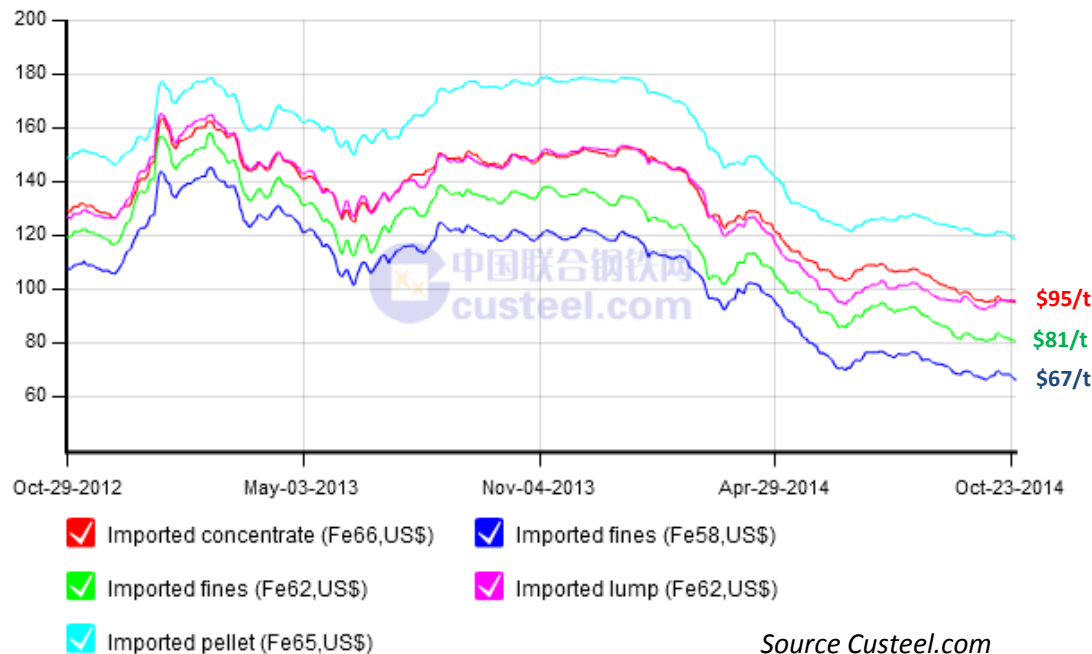
10Mtpa start up case
utilising existing
infrastructure targets:

- Low capital cost per tonne of capacity (capital intensity ~\$140-150USD)
- Capital intensity similar to hematite projects
- Lower than comparable magnetite projects
- Low capital service costs



Source - refer Appendix 4

Pricing premium approx. \$20/t



Premium currently \$3.50/%Fe (14/4%)

At 69% Fe reasonable to expect \$2.50-\$3.50/%Fe
Or \$17-\$25/t above 62% price

Discounts for lower grade are similar so conceivably a \$38 difference in 69%Fe price and 58%Fe

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Premiums driven by

- Efficiencies using higher grade
- Environmental pressures becoming stronger (long term trend)

Price forecasts



	2015	2016	Long term
Consensus	103	100	101
Maximum	117	116	121
Minimum	76	76	85

Source Metal Expert Consulting Global Iron ore forecast July 2014 compiled from widely used independent forecasts published in June and July 2014

- Market characterised by over supply – not weak demand, supply will be absorbed over time, and mine closures will restore balance
- We plan for trading in the lower part of the band,
- Hawsons still has potential for very attractive returns using long term price forecasts
- Still some bulls around – Westpac Economist Bill Evans in September 2014, predicted rise above \$100/t next year and beyond \$120/t in 2016.

Steel making trends new opportunity

Increase in DRI demand to feed electric arc furnaces



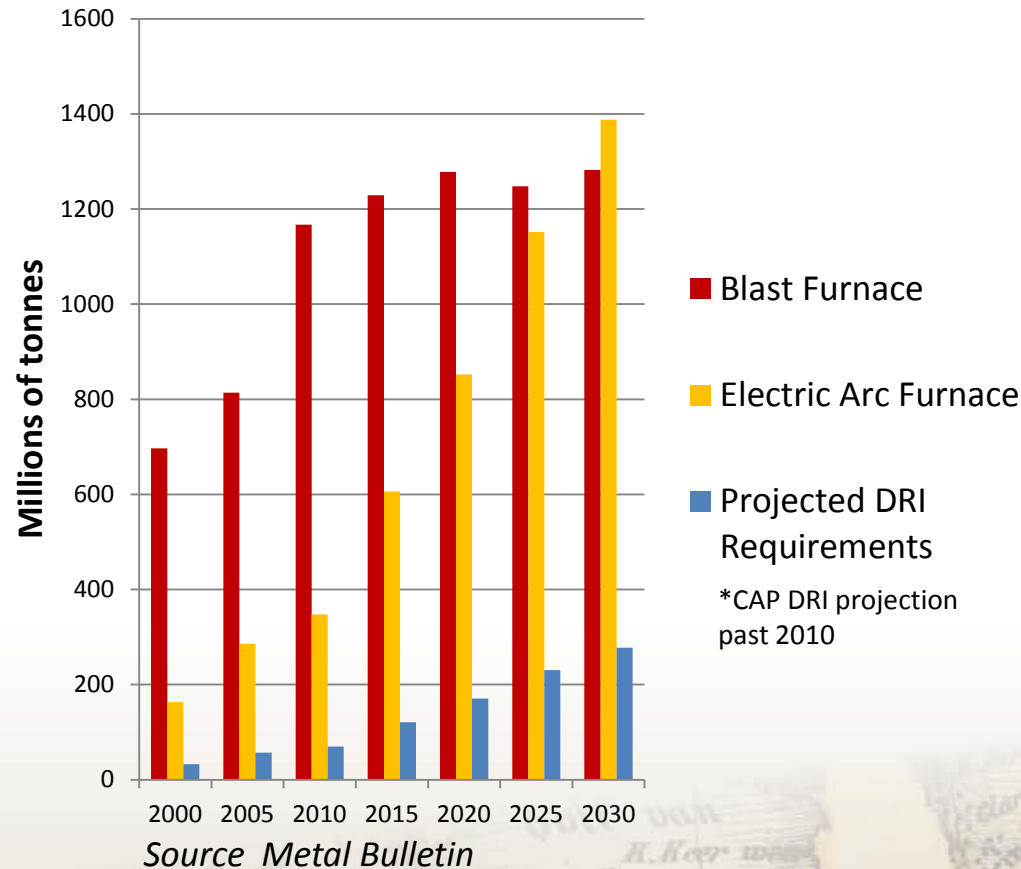
Electric Arc Furnace (EAF) steel making predicted to increase because

- more efficient
- lower energy requirements
- lower emissions
- esp India, Middle East

EAF feed

- EAF relies on high quality feed ($\text{SiO}_2 < 2\%$)
- Feed balance currently approx.
 - ~80% scrap metal
 - ~20% direct reduction iron (DRI)
- Demand for DRI feed set to increase
- DRI feed attracts added premium
- Few projects with a DR feed option
- New opportunity to explore for Hawsons

Global crude steel production by type



Current and future work



Current program designed to align all project elements
Build a platform for further investment
Complete December 2014

- Finalise process test work
- Rail – port -marine prefeasibility study
- Power network capability study
- Detailed plan of BFS work schedule
- Optimise business case based on new test work opportunities and traditional markets

Use this platform to attract additional funding partners

Targeted production and approval time frames subject to additional funding;

- Approvals and bankable feasibility study completion less than two years
- Production targeted in 3.5-4yrs



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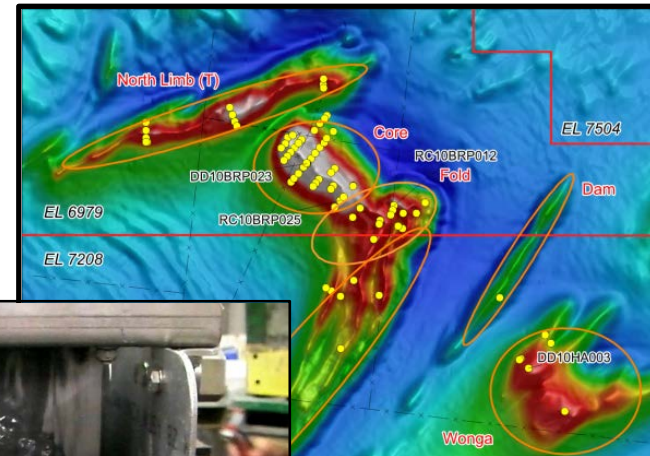
Summary



Project pathway is clear and achievable

Potentially attractive returns at forecast long term Fe prices from high grade concentrate

Clear strategy to attract funding partners and grow value



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To find out more, visit us at Booth 37

www.capex.net.au



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The information in this presentation that relates to Exploration Results, Exploration targets and Resources is based on information compiled by Q.S. Hill, who is a member of the Australian Institute of Geoscientists and has had sufficient experience which is relevant to the style of mineralization and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Q.S.Hill is an employee of Carpentaria and consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

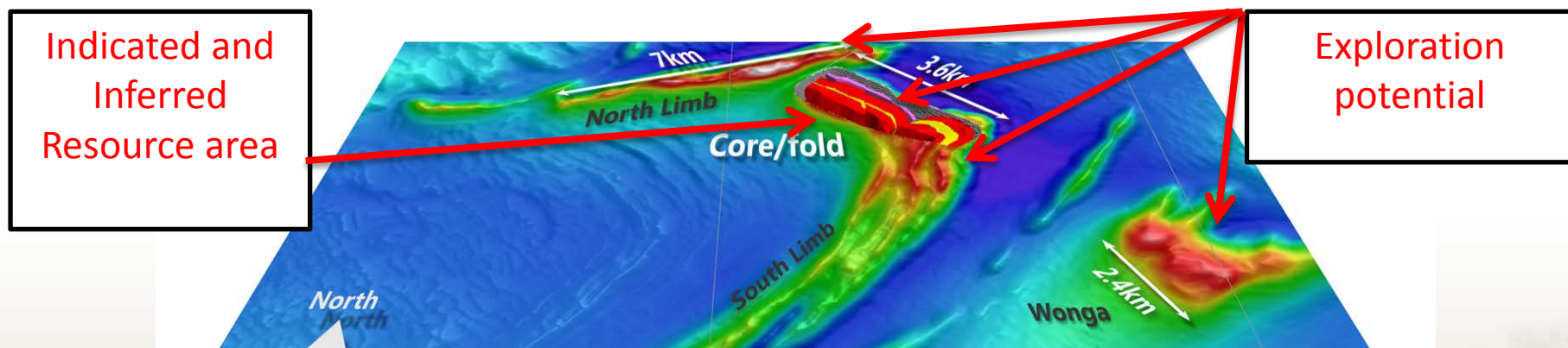


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APPENDIX 1 – Resources



			Concentrate Grades					
Category	Billion Tonnes	Magnetite DTR%	Fe%	Al ₂ O ₃ %	P% ¹	SiO ₂ %	LOI%	Contained Concentrate Million Tonnes
Inferred	1.554	14.7	69.6	0.20	0.004	2.9	-3.0	228
Indicated	0.215	16.2	69.8	0.20	0.005	2.8	-3.0	35
Total	1.769	14.9	69.7	0.20	0.004	2.9	-3.0	263



Reported under JORC 2012 – no material change since first published 26 March 2014

The Company is not aware of any new information or data that materially affects the information included in the relevant market announcement and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

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APPENDIX 2

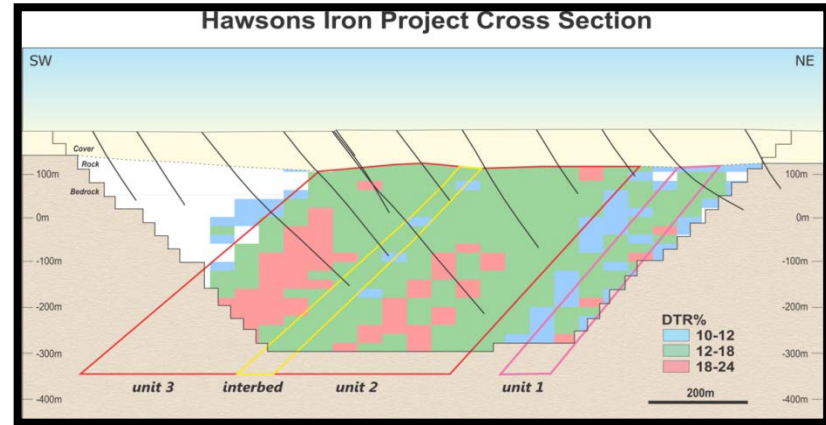


Mining

- low strip ratio 0.3:1 waste to ore falling to 0.1:1 by year 4
- Low cost bulk mining methods- in pit crush and convey
- 600m mining widths
- UCS 50-90Mpa cf 350Mpa

Processing

- simple flow sheet
- very low energy
- Don't break the magnetite
- very high grade product
- Bond Work Index 6-7Kwhr/t (cf 18-40)



magnetite

quartz



Photomicrograph of rock

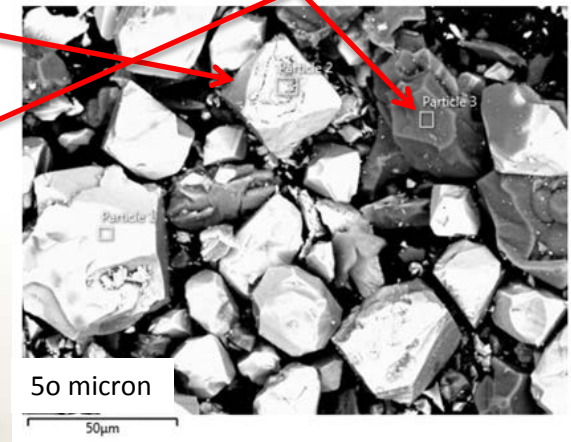
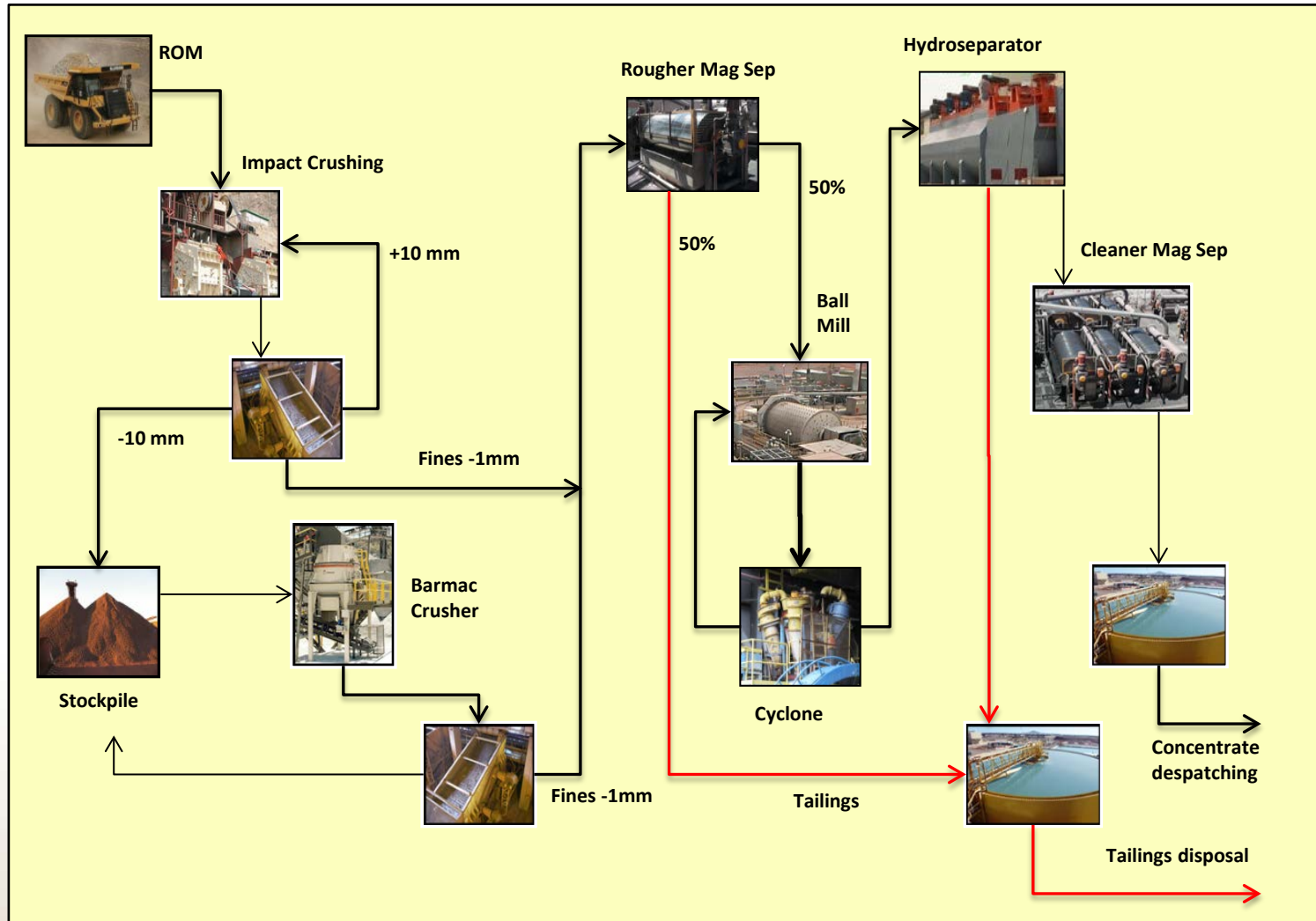


Image of concentrate

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APPENDIX 3 – Processing Flow Sheet



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APPENDIX 4 – Capital Intensity Chart



Project	Operator	Capex A\$M	Annual M Tonnes	Capex/Tonne A\$M	Product %Fe
Roy Hill ₁	Hancock	[10,000]	55	[180]	[55]
Karara ₂	Karara JV	3000	10	300	68
Central Eyre ₃	Iron Road	2590	12.4	210	67
Fusion ₄	Eyre Iron	2600	10	260	67
Mbalam ₅	Sundance	4700-7830	35	134-224	63
Southdown ₆	Grange	2885	10	289	69
Minas Rio ₈	Anglo	9300	26.5-30	350-310	68
Pilbara 333 ₉	Rio	15740	113	139	62
Roper Bar ₁₁	West Desert	180	3	60	60

¹ <http://www.royhill.com.au/sites/default/files/Tim%20Treadgold%27s%20article.pdf>

² <http://gindpublic.powercreations.com.au/images/gind---iebohvaiti.pdf>

³ <http://www.ironroadlimited.com.au/images/files/projects/20110614%20Iron%20Road%20-%20CEIP%20Prefeasibility%20.pdf>

⁴ <http://centrexmetals.com.au/wp-content/sharelink/20120503-mine-and-port-scoping-study-completed-and-dfs-commenced-87554443598698511.pdf>

⁵ <http://www.sundanceresources.com.au/IRM/Company/ShowPage.aspx/PDFs/2675-51552764/PresentationResourcesRisingStars>

⁶ http://www.grangeresources.com.au/clients/grange/downloads/item150/southdown_dfs_presentation_-_albany_16_may_2012.pdf

⁸ <http://www.angloamerican.com/business/ironore/projects.aspx>, <http://www.mining-technology.com/projects/minas-rio-iron-ore-brazil/>

⁹ http://www.riotinto.com/documents/110324_New_opportunities_for_industry_growth_Sam_Walsh.pdf

¹¹ [ASX550 : Investor Notice of Presentation 20 Sep 2013.pdf](#)

USD/AUD conversion at 0.94