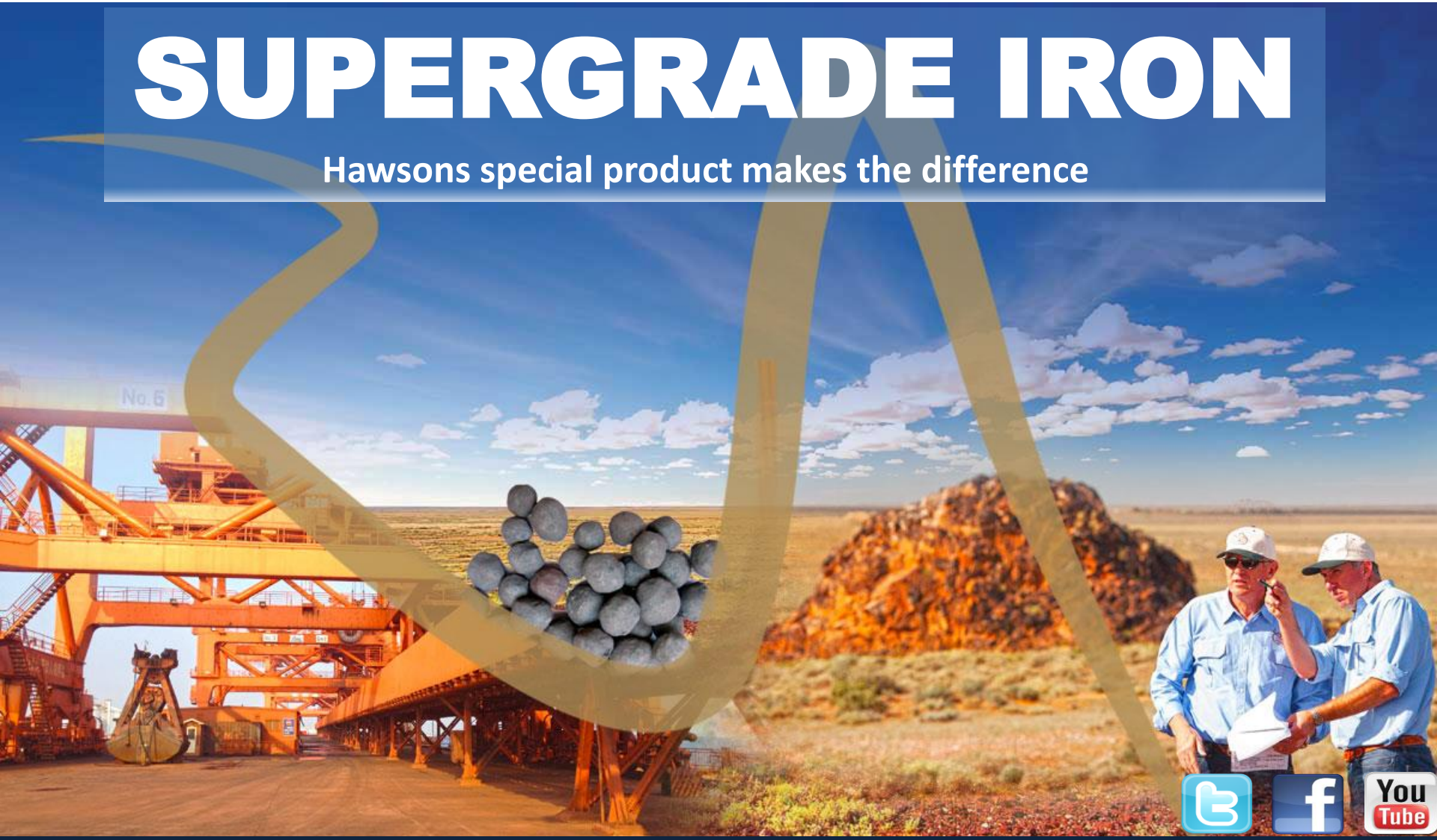
Hawsons Iron Project
Investor Presentation
April 2016

Carpentaria EXPLORATION LIMITED

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

SUPERGRADE IRON

Hawsons special product makes the difference



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Hawsons Supergrade product and project is special

- Supergrade product is a standout, amongst the finest in the world >70% Fe
- Ore type is soft - means lower costs, simpler processing
- Accomplished project team is successfully promoting a clear development strategy focussed on buyers

Buyers determine which independent projects get developed

Hawsons special product
- is very attractive to buyers
- is suitable and outstanding in several different market segments
- provides access to greatest number of buyers

Recent achievements

- October 2015 - bulk upgrade tests confirm Hawsons can produce >70%Fe pellet feed with low processing power and cost at a commercial scale

- February 2016 – pelletising test work at CISRI confirms
  - Hawsons amongst the world's best pellet feed
  - Hawsons pellets are amongst the world's best iron making raw material including direct reduction (DR) Specification

- March 2016 – Letter of Intent with Mitsubishi RtM signed for 1 mtpa of Supergrade pellet feed. The marketing program is ongoing and more LOIs are anticipated

Development plans and targets

- 2016 continue product marketing, targeting additional letters of intent from:
  - Middle East direct reduction customers seeking independent sources of supply
  - Asian steel mills seeking independent sources of high grade supply to improve productivity and reduce pollution
  - Chinese steel mills seeking magnetite pellet feed to replace shut in domestic production for magnetite geared pellet plants and to provide better environmental outcomes
- In order to be ready for expected market upturn and demand for new iron projects in late 2017:
  - Resource upgrade
  - Bankable Feasibility Study (inside two years)
  - Develop binding and bankable contracts to facilitate financing
  - Production by early 2020

Carpentaria - Snapshot

Carpentaria EXPLORATION LIMITED

Our Goal

Be the preferred supplier of Supergrade iron products to growing markets in Asia and the Middle East to benefit our shareholders, customers and communities

ASX : CAP

Listed: 2007

SHARES: 124 M

CASH : $2.19 M December 31, 2015

Dr Neil Williams - Chairman

Mr Quentin Hill - Managing Director

Mr Bin Cai - Director (non-exec.)

Mr Paul Cholakos - Director (non-exec.)

Mr Robert Hair - (Company Secretary)

100% focussed on Hawsons Iron Project (CAP 62%, Pure Metals PL 38% (diluting))

Major Shareholders

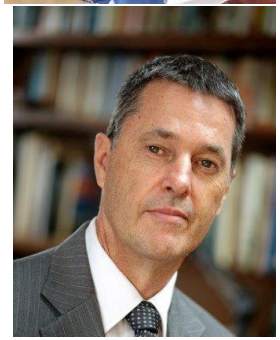
Silvergate Capital 18.2%

Australia Conglin Int. Group 11.4%

Project Team - Experts in their field

Ray Koenig - Consultant

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



Adam Wheatley - Consultant

- Iron ore financing expert
- (e.g. Gindalbie/Kararra, Hancock/Hope Downs, Aztec/Koolan Island)

Lou Jelenich - Consultant

- Iron ore marketing and steel expert
- Ex-BHPB iron ore technical marketer

- Technical feasibility
- Risk reduction

- Project financing and bankability

- Marketing saleable product
- Offtake arrangements

Steel and iron ore market

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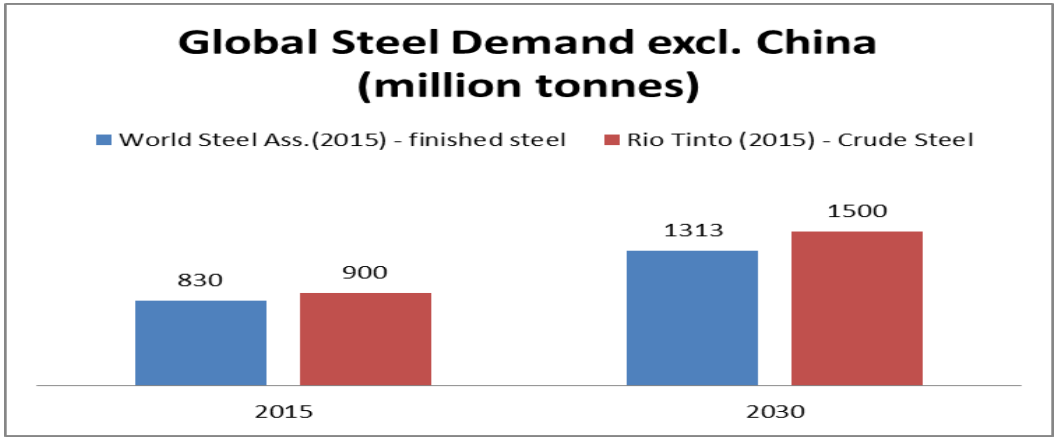
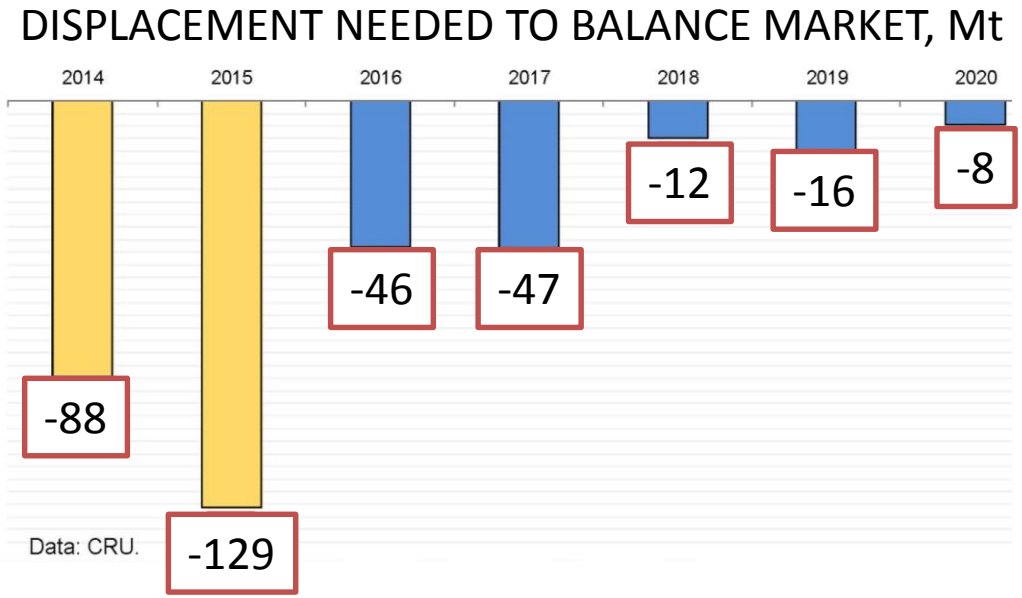
Global long term steel demand fundamentals are good

- 480-600mtpa of new steel (and iron ore) are required to 2030 (excl. China)
- That's 30-40mt demand growth each year

Supply fundamentals are well understood

- ~100mt of new supply over the next two years, with very little from start 2018
- Metal Bulletin Research expects 70-90mt new supply online in 2016





**World Steel Association, May and October 2015, **Rio Tinto, March 2015, CRU March 2016*

China steel demand – Mixed signals, has demand peaked?

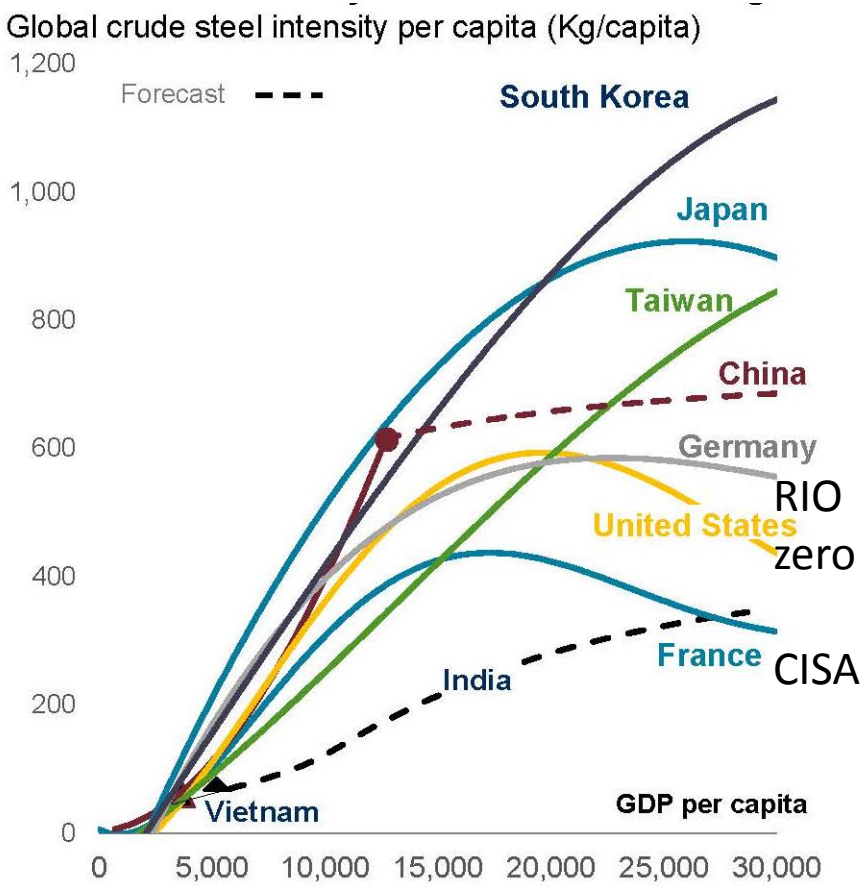
Forecasts

- Chinese domestic steel demand forecasts by 2030 (ie excl. exports) range from
  - minus 170mtpa CISA*(March 2016)
  - plus ~ 100mtpa Rio Tinto (Sept. 2015)
- "long term demand story remains the same" CRU March 2016

Fundamentals

- China set 60% urbanisation target by 2020, or 72 million people from today (more than UK population)
- Trend to 70% by 2030 for over 200m people
- Chinese officials say no hard landing, govt. has flexibility
- USD375bn roads, bridges and rail projects announced in March 2016.

*Li Xinchuang, head of the China Metallurgical Industry Planning and Research Institute, Vice President China Iron and Steel Association (CISA)March 2016)

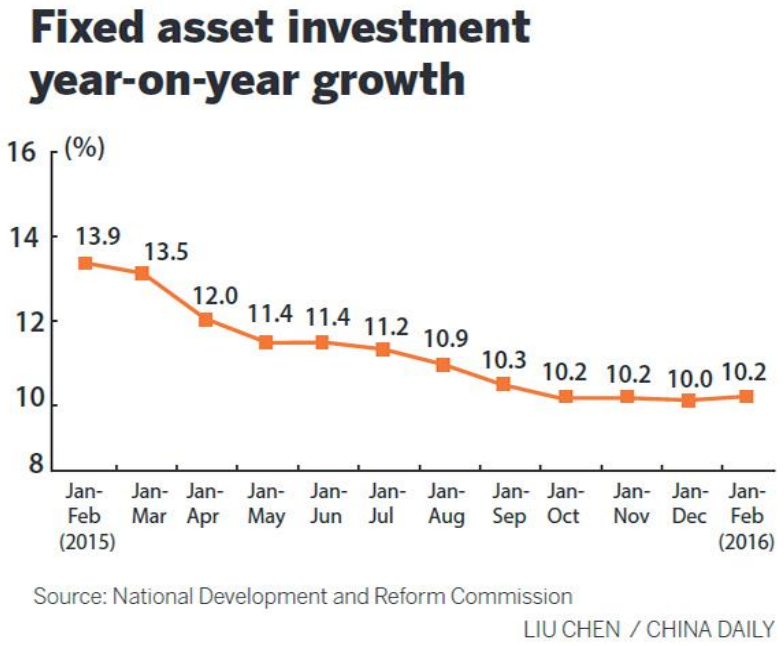


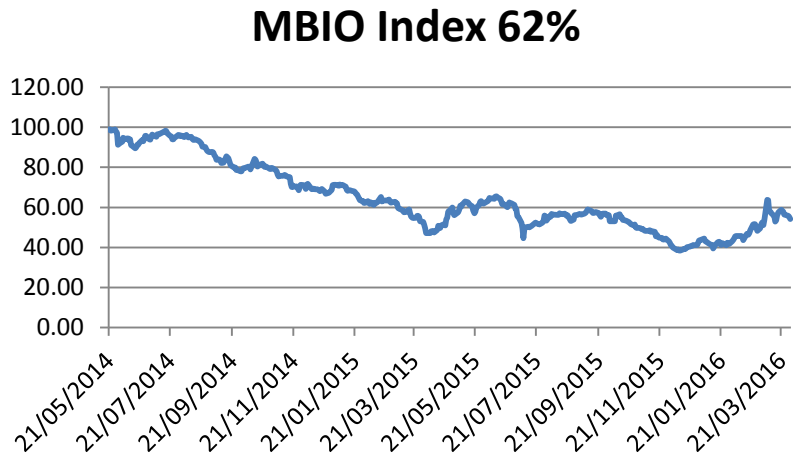
Source: World Steel, Maddison, Correlates of War, Global Insight, E&M China Forecasts
Note: Stylised intensity curves

After Rio Tinto, 2015

Market outlook

- Current market factors are new supply and uncertain Chinese steel demand outlook
- New supply to diminish in 2017-2018
- Chinese demand to become clearer in 2017 (reflect fundamentals?) some indicators may be set to recover but signals are mixed
- Global fundamentals suggest 30-40mtpa new iron ore demand each year to 2030 excl. China
- New projects will be required before 2020
- Sentiment to change and resource company valuations to appreciate when this becomes clear
- CAP targeting a late 2017 development window to align with strong demand and limited new supply





Price outlook

- CISA, representing the world's largest buying group, forecasts USD55-70/t for 2019 and 2020 *
- Iron ore production cost deflation has been a feature of the past 18 months
- CRU and CISA (March 2016) agree production cost inflation out to 2020 will be driven by
  - Increasing oil price
  - Increasing freight rates
  - Strengthening producer currencies
  - Increasing steel mill profitability
  - Monopolised production
- Increasing steel mill profitability and pollution costs likely to restore pellet and high quality premiums
- Hawson Supergrade pricing to benefit

*Li Xinchuang, head of the China Metallurgical Industry Planning and Research Institute, Vice President China Iron and Steel Association (CISA)March 2016

Hawsons Iron Project - Highlights

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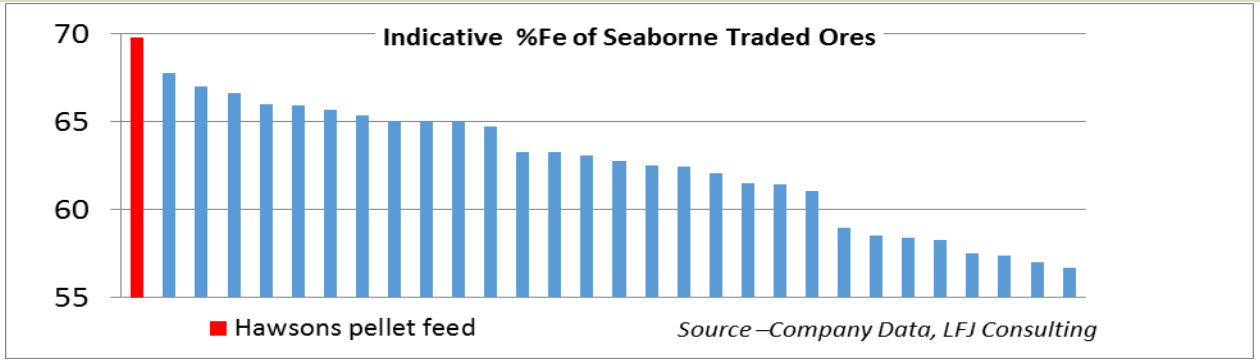
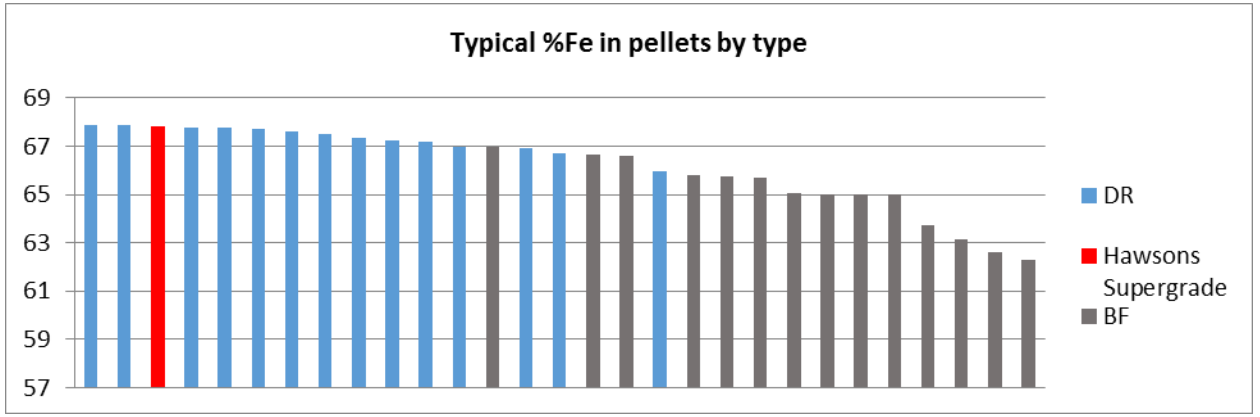
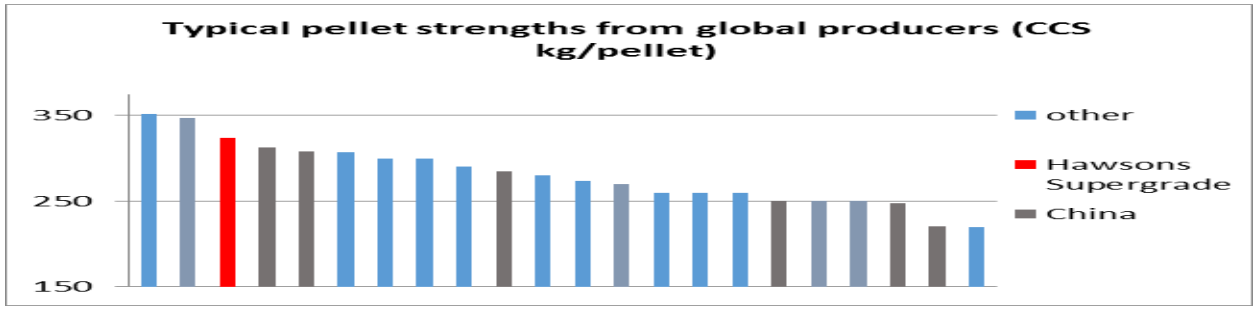
- Amongst the world's best products will:
  - attract significant premiums
  - attract offtake interest and investment
- Soft ore enables low cost targets – first half of the cost curve on a 62% basis
- Low development risk because of existing infrastructure
- Very large resource with significant optimisation opportunities

Hawsons Supergrade product

- Highest grade seaborne traded ore
- Amongst the world's best iron making raw material
- Outstanding chemistry, physical and metallurgical properties
- One of ~12 projects that can meet direct reduction specifications
- Improves iron making and pelletising performance when added to typical blends







Source, Company data, lab data, Poveromo 2015

Price premiums and off take interest in key markets

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Premiums – Value in use

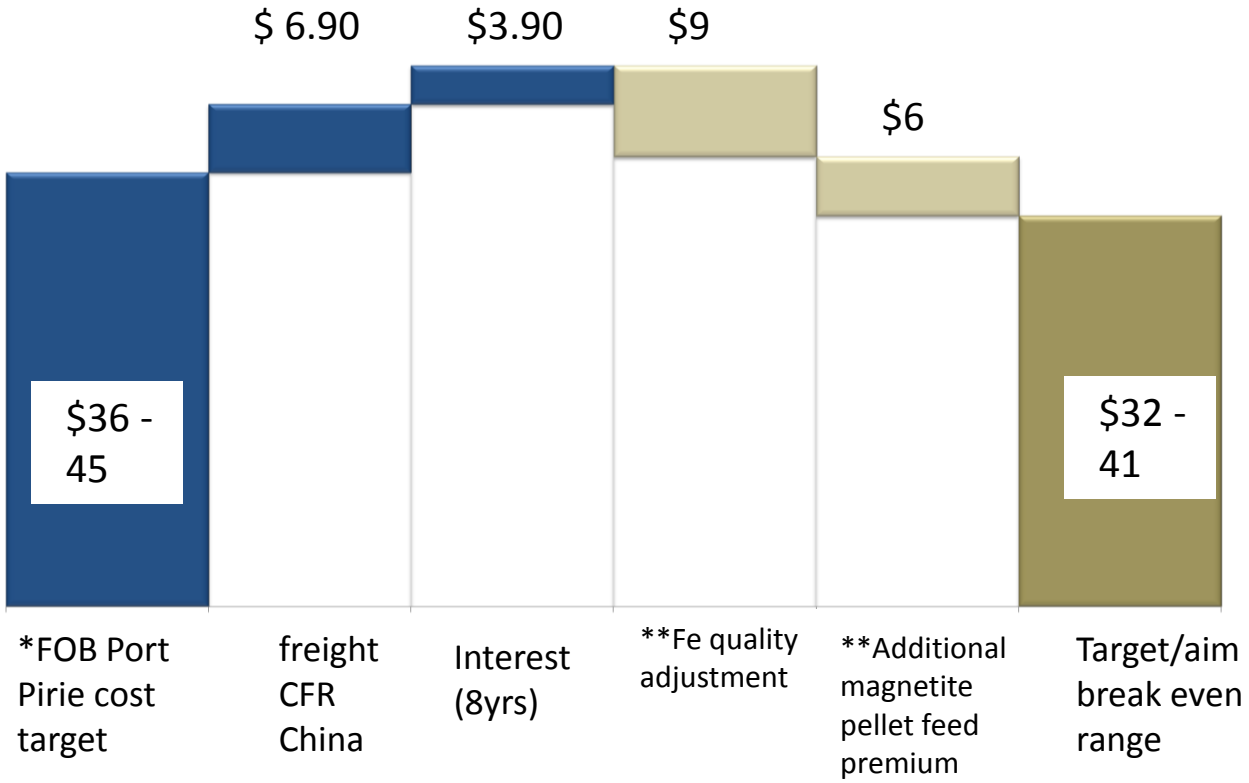
- Supergrade improves productivity with ~ 8-13% more iron than a 62%Fe product
- 75%-50% less silica and alumina waste than 62%Fe is melted in the furnace, giving further significant energy savings
- Premiums for pellet feed and pellets have been approximately ~$24- 50*/t because of this

*DR Pellet (USD)

Offtake markets – significant interest from all markets

- Middle East direct reduction (DR) customers seeking independent sources of supply , currently 4 producers supply over 75% of the market
- Asian mills seeking independent high grade sources to improve productivity and reduce pollution – gradual grade decline over time
- Chinese mills seeking magnetite pellet feed to replace shut in domestic production for their pellet plants - ~200mtpa of domestic supply closures

Hawson cost targets/aims – first half of the cost curve on a 62%Fe basis



- Based on PFS level engineering and Inferred Resources
- Competitive capital cost target for 10Mtpa concentrate capacity of USD1.4-2.0bn (inclusive of preproduction cost and contingency)
- CFR China cost target in normal market conditions, adjusted to 62%Fe, USD 19-28/t

**Potential revenues based on base 62% Fe price plus premium $24/t concentrate derived from index based pricing formula from recent Shanghai Metals Market survey of prices paid by Chinese steel mills (covering 25% of industry) for pellet feed in May2015 (discounted to reflect potential lowest case in the break even scenario).

- LOM ,Includes royalties, sustaining capital, 1AUD buys 0.72USD

Mining and processing cost advantages

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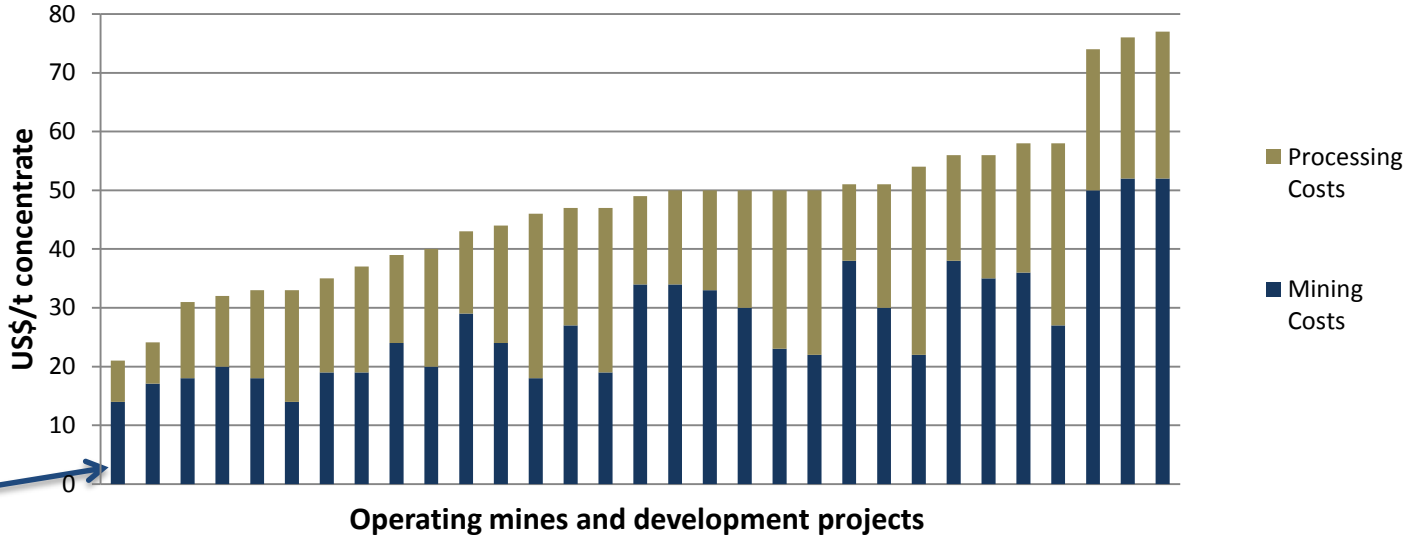
High quality concentrate mining and processing cost estimates 2020, not corrected for grade



Hawsons targets, life of mine

Source after Metalytics, company data

Hawsons

- Grade 69-70% Fe (rarely achieved by others)
- Low cost processing (US$6-8), geology allows super high grades at low cost

Typical magnetite concentrates

- Grade 65-68% Fe
- Requires high cost processing (ave. US$20/t)
- Cost and geology typically prohibit higher grades (more grinding, impurities within magnetite)

Super Location - Low development risk

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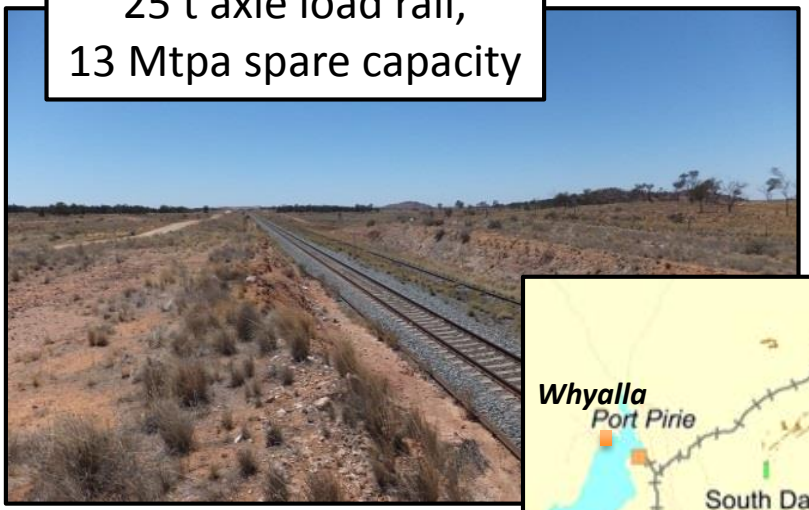
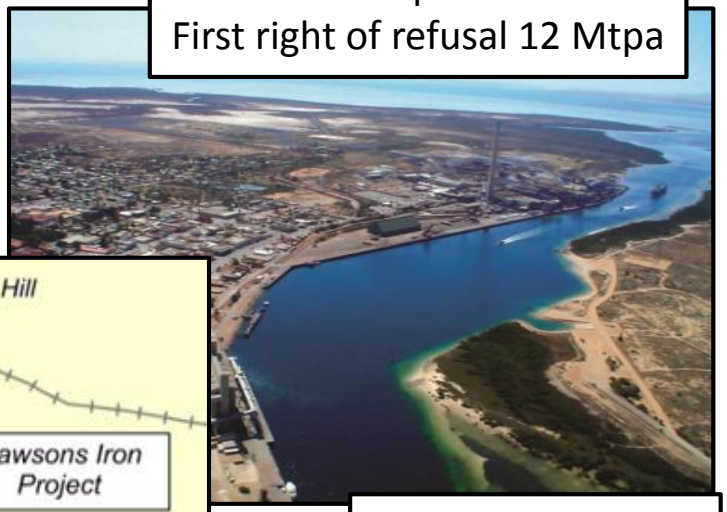
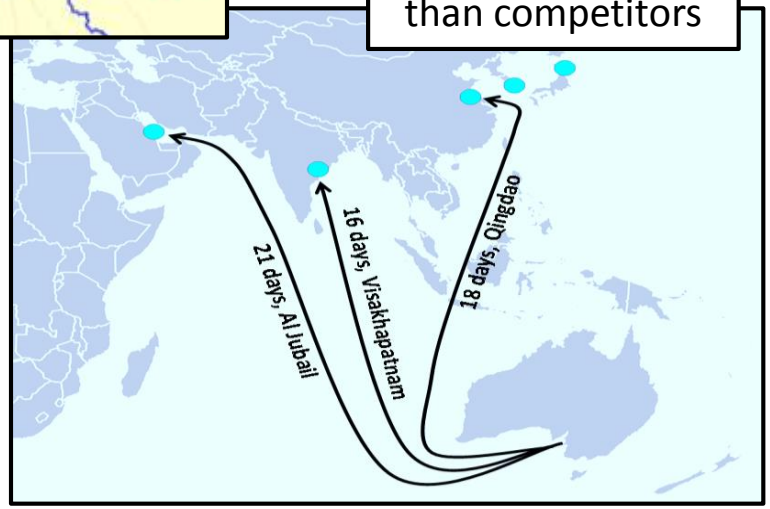
25 t axle load rail,
13 Mtpa spare capacity



Port Pirie Spare Berths
First right of refusal 12 Mtpa



Closest to markets
25-50% closer
than competitors



Cape Size capacity

Large resource, optimisation opportunities

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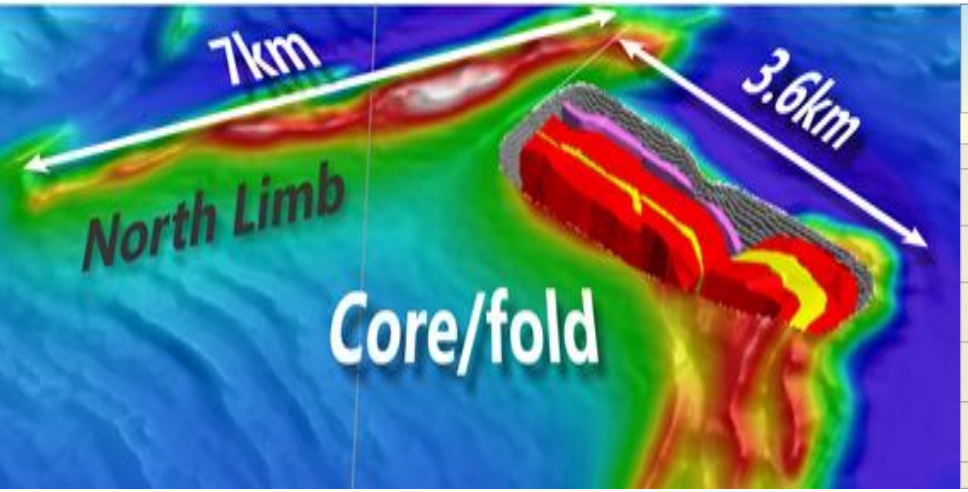
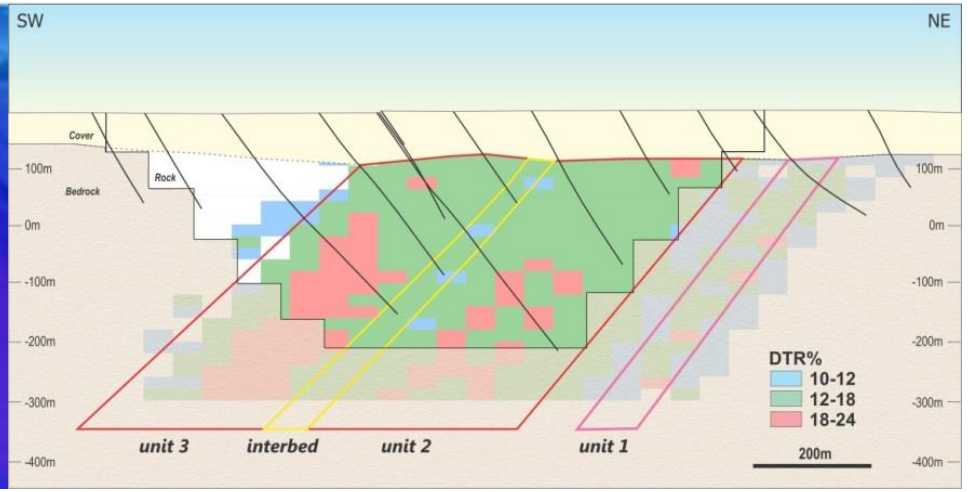


Hawsons Iron Project Cross Section



Resource JORC Inferred (88%) plus indicated (12%)

- 1.8 Bt at 15% mass recovery for 263 Mt of 69.7% Fe concentrate
- 26 years at 10Mtpa, significant exploration potential to support over 40 years mine life in a single pit

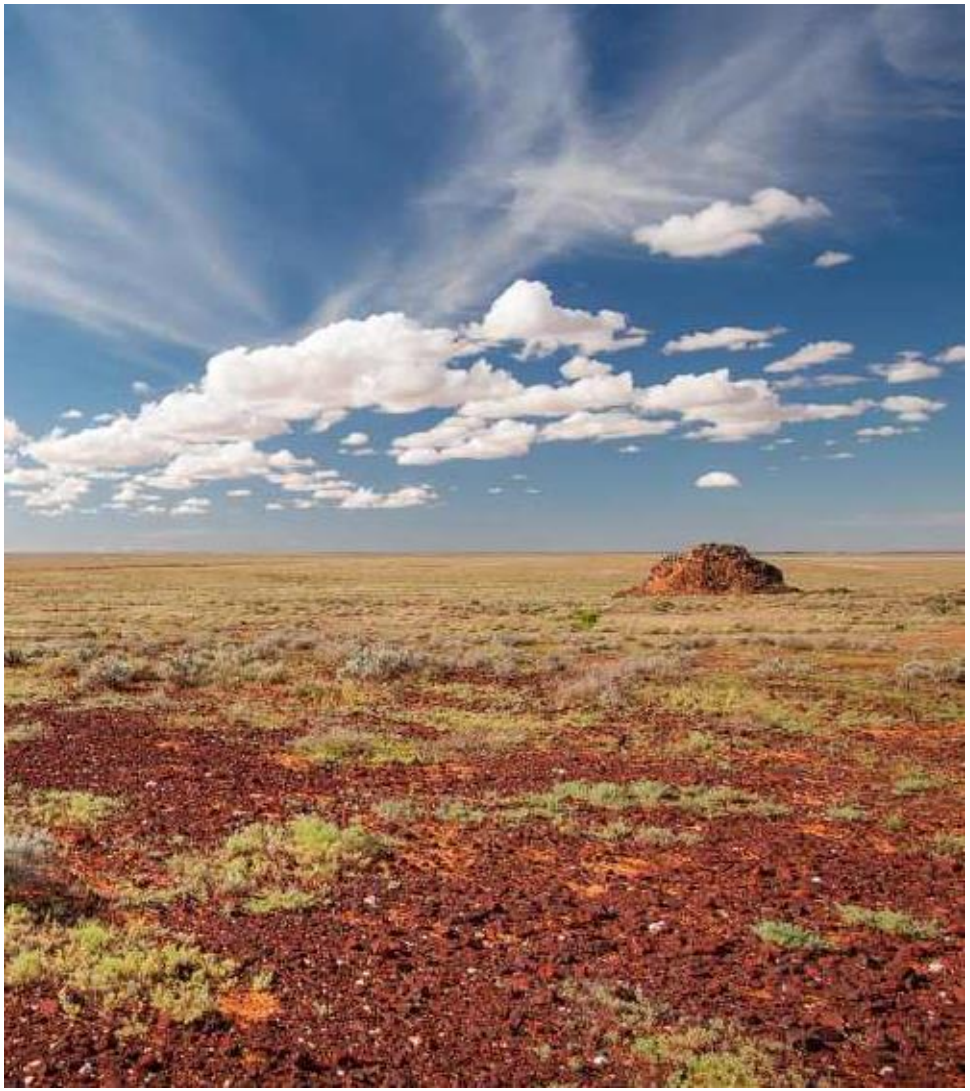
Mining:

- Low strip ratio 0.47:1 waste:ore, falling to near zero by year 8
- Low cost bulk mining methods – in-pit crushing and conveying
- Rock strength soft
  - Unconfined compressive strength (UCS) 50-90 Mega Pascals (Mpa), cf. 350 MPa.
- Large optimisation opportunities

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 26 March 2014.

Approvals – Project pathway clear and achievable

- No Native Title – it is extinguished on the mining and easement areas
- Mining Lease Application lodged
- Environmental Impact Assessment guidelines received
- Ecology and cultural heritage surveys largely complete, no showstoppers identified



Key points

- Hawsons Supergrade product is special, amongst the finest in the world >70% Fe
- Buyers determine which independent projects get developed and are attracted by Hawsons outstanding quality and low cost targets
- Accomplished project team is successfully promoting a clear development strategy focussed on buyers
- Long term iron ore fundamentals are strong with growth outside China expected to require 30-40mtpa of new iron ore each year to 2030
- Market sentiment will likely change and stimulate revaluations of the right resource development companies
- Hawsons is aiming to complete studies to be ready for the financing window late 2017

Thank you for your attention

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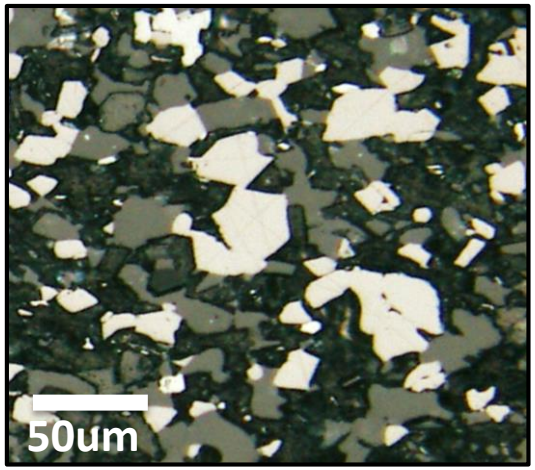
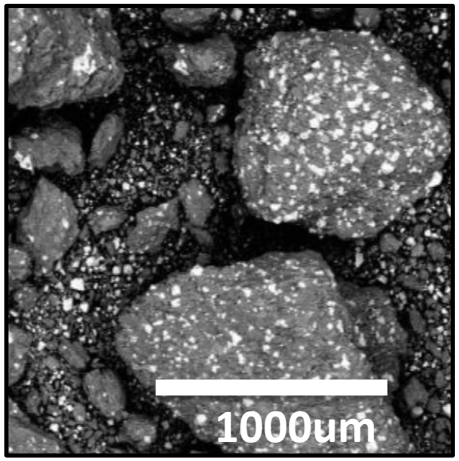
The information in this presentation that relates to Exploration Results, Exploration targets and Resources is based on information compiled by Q.S. Hill, who is a member of the Australian Institute of Geoscientists and has had sufficient experience which is relevant to the style of mineralization and 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.

Supergrade from unique siltstone ore



Natural grain size <50um easily achieved

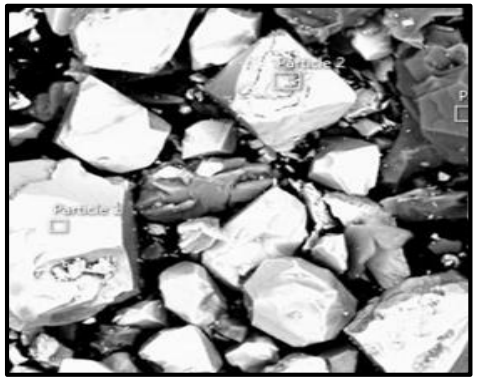


Crushing stage generates high proportion of fines ~30% <150um

45% rejection at first magnetic separation

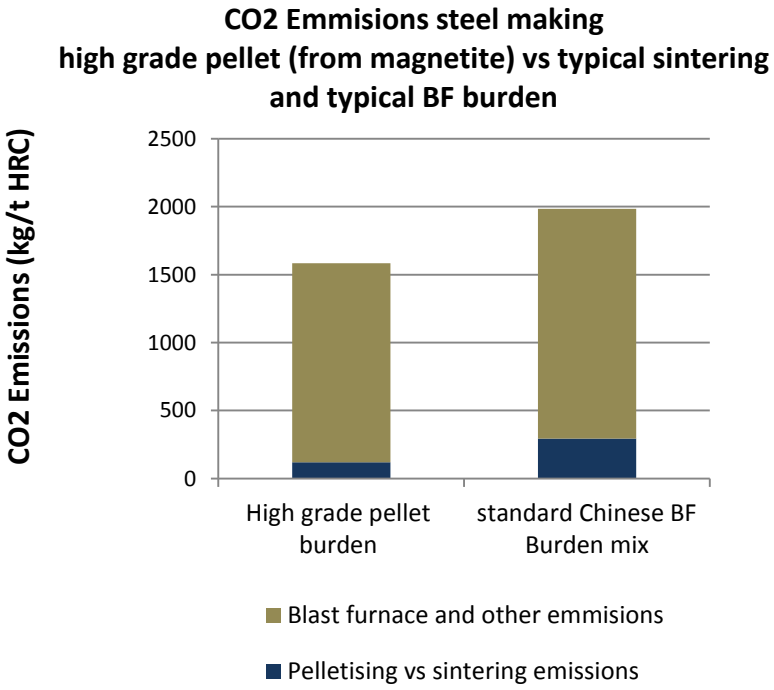
Ball Milling
100% <40um
7kwh/t

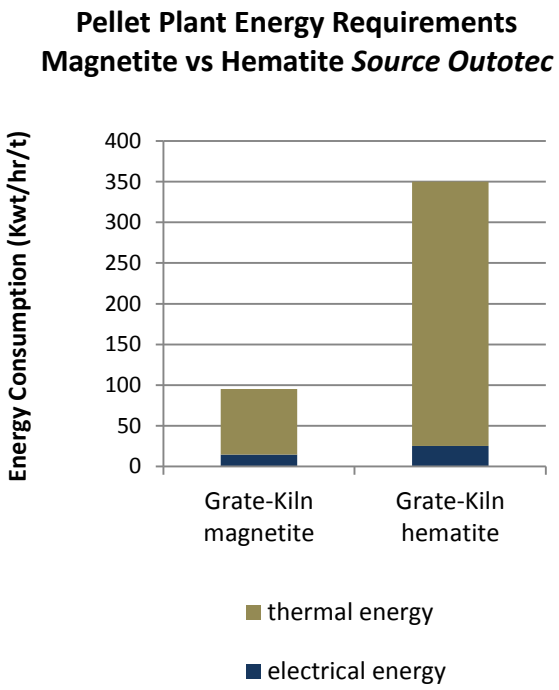
After second magnetic separation 66%Fe



Elutriation removes free silica upgrade > 69%Fe

Value of magnetite pellet feed to the pellet producer and BF steel maker is substantial





- Making steel from super grade products in the blast furnace burden
  - Lowers slag volume, lowers coke rate and hot metal phosphorous
  - Improved and controlled physical characteristics of pellets leads to higher blast furnace productivity
  - Lower coke rate and less sinter gives higher grade steel
  - 20% less energy/CO2 emissions per tonne of Hot Rolled Coil (HRC)

Product quality

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*