Oct 27th 2011

Carpentaria Exploration Limited

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

CARPENTARIA

We Find It

We Prove It

We Make It Possible

Strategy :
Discover and Develop mineral resources and become a producer with an income to fund further discoveries and grow shareholder value

Abilities :
Strong geoscientific team

Track Record :
- Established Resource at Hawsons
- Tin / Tungsten near Broken Hill
- Coal – Hughenden, Qld (sold)
- Gold – Lachlan Fold Belt
- Nickel – North of Broken Hill

Disclaimer

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Exploration and Value Creation Strategy

Discovery

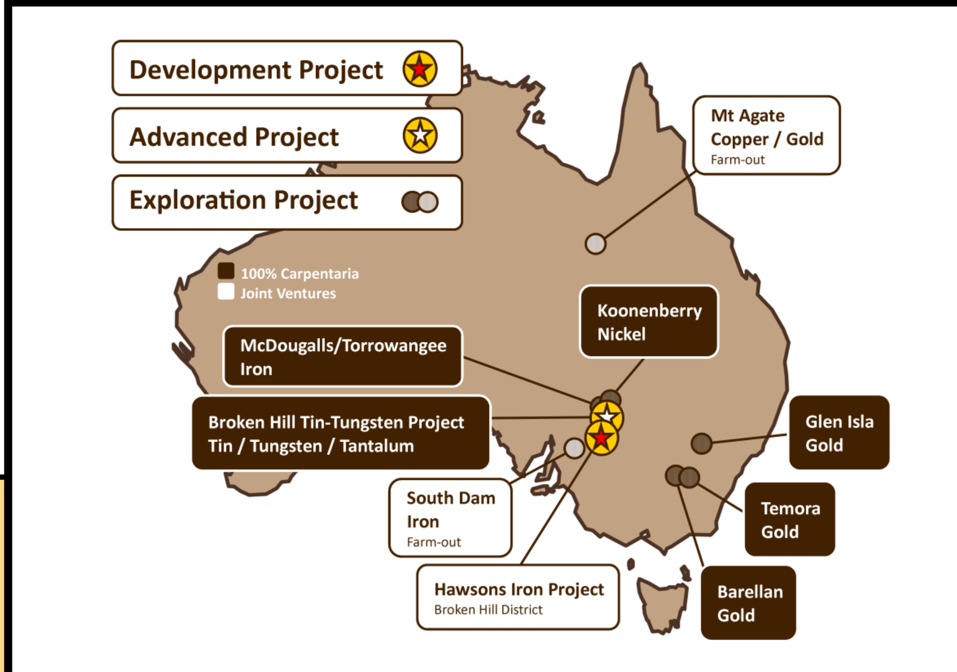
- Explore in areas for favourable for rapid discovery
- Move projects through pipeline - advance or considered divestment

Development of Hawsons

- to provide long term cash flows, and
- near term cash payments

Acquisition

- advanced projects, operations, and other opportunities



Achievements to Date

2007 - November IPO - $7.5m

2008 - Kept exploring through GFC
- Acquisition of Coal tenements in Gallilee

2009 - Discovery Hawsons Iron Project – magnetite iron
- Discovery Tin at Mt Euriowie

2010 - Sign JV with BMG on Hawsons ($81m deal- $13m upfront)
- Options exercised raises $6m
- Inferred Resource at Hawsons

2011 - Prefeasibility delivered at Hawsons
- Realized profit on Hughenden Coal Project ($4m + royalty)
- Acquired Koonenberry Nickel-Copper Project
- Acquired Yanco Glen Tin-Tungsten (resource)

2012 - $25m cash payment from BMG due by May 2012

Company Snapshot

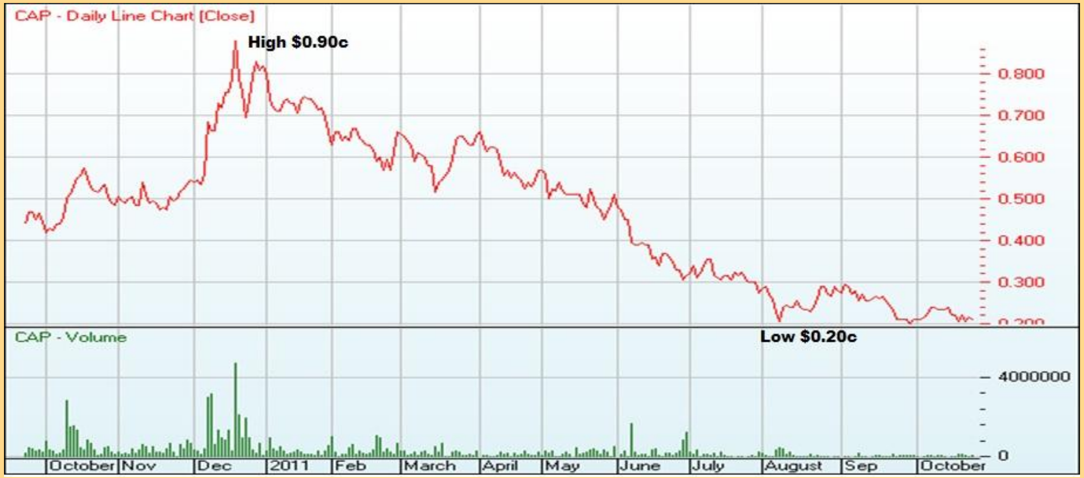
ASX : CAP
FINANCIAL 25th Oct 2011
Cash A$9.4 million

QUOTED SECURITIES
99.0 m shares

LARGEST SHAREHOLDERS

Aust' Conglin Int' Inv'	**: 10.6%**
Conglin Yue	**: 3.7%**
Atlas Iron Ltd	**: 8.7%**
Directors & Management (inc' unlisted Options)	**: 12.61%**

INVESTMENTS
2.2 m Guildford Coal Ltd fully paid shares – value $2.2m 25th Oct

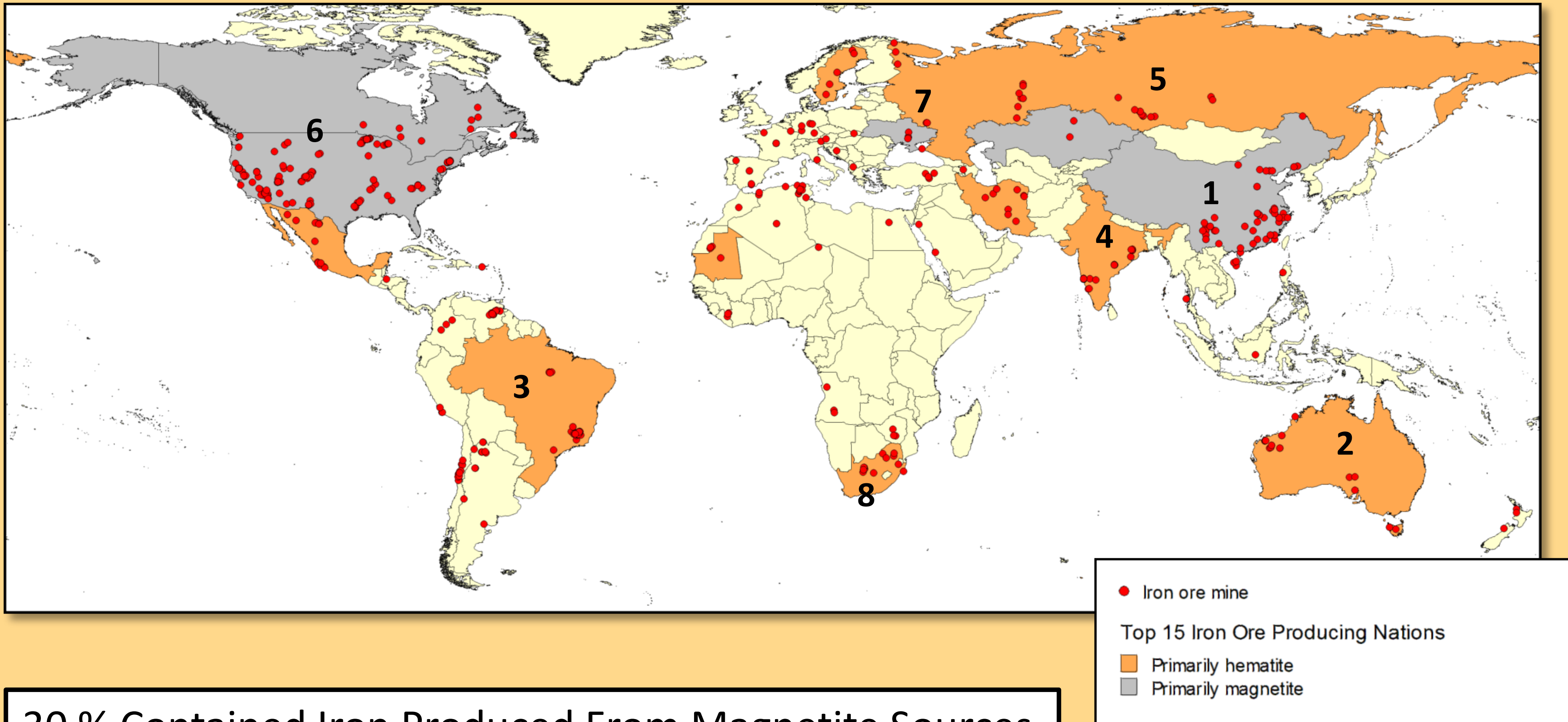


Share Price and Volume 12 months

KEY ASSET – Hawsons Iron Project JV – Carpentaria 60%

HAWSONS IRON PROJECT
Largest Magnetite Project in NSW

WHY MAGNETITE ?
Global Iron Production

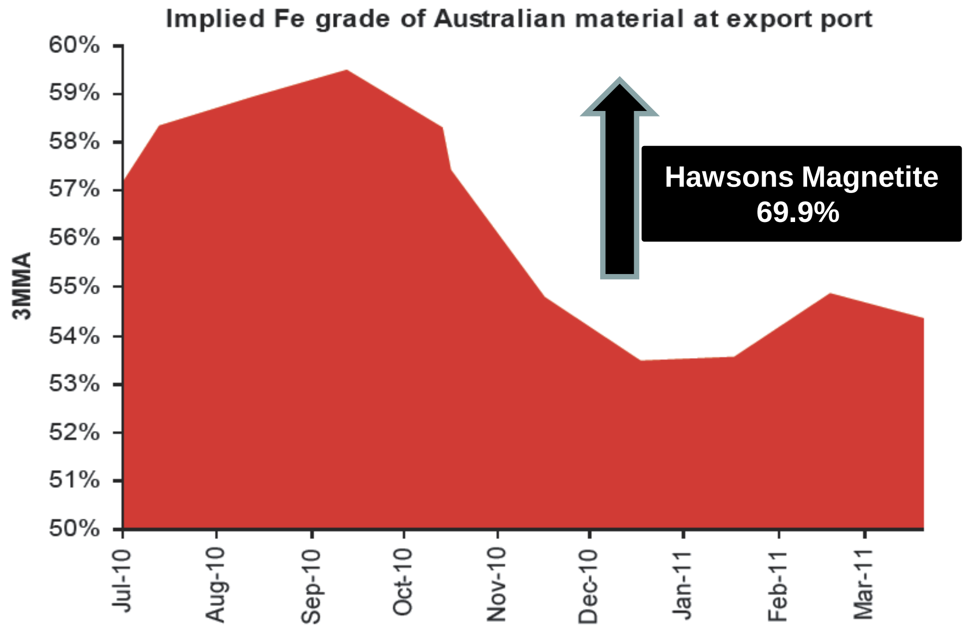


30 % Contained Iron Produced From Magnetite Sources
Source USGS

2010 Production Rankings

Source USGS

The Truths the Hematite Producers Do not want us to know



Source: ABS, Platts, Macquarie Research, June 2011

Macquarie Commodities Research – June 8th 2011 Quote :

"suppliers are continually striving to stand still in terms of grades".

Analysis of Australian export trade values, using the Platt's 62% index (FOB Australia basis) has assessed implied export grade – see graph.

"…it does still suggest average grades are down"

Makes magnetite – high grade low deleterious material - more and more valuable

WHY MAGNETITE
Price Premium (Platt's)

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The McGraw-Hill Companies

platts

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Platts Daily Iron Ore Price Assessment

For years the Iron Ore market has been priced on an annual basis resulting in huge annual price swings. Due to price volatility, increasing numbers of Steel and Iron Ore enterprises are now favoring quarterly prices linked to the physical spot market.

The worlds leading mining companies, steel makers, freight companies, traders, brokers and banks are increasingly turning to the Platts Iron Ore spot market assessment (IODEX) for reliable and transparent pricing. Here's why:

- **Price coverage you can trust** -- the world's longest published transparent daily iron ore Fe 62% North China price assessment
- **Real insight behind price moves** -- pro-active reporting and in-depth commentary on prices go beyond the headlines
- **Platts data is reliable** -- over 100 years of robust spot price reporting and a strict compliance procedure, means you can make decisions with confidence

ACCESS IRON ORE PRICES AND NEWS

Date:	Commodity:	\$/dmt	Midpoint	Change	%change
Oct 24, 2011	IODEX 62% Fe CFR North China	138.00-139.00	138.50	-5.50	-3.82

Platts daily iron ore price and commentary are updated at approximately 14.00 GMT (09.00 EST)

Platts daily iron ore commentary and historical price chart are available for free on a daily basis, including:

- Access to Platts 62% Fe assessment historical price chart – charting back to June 2008 when Platts first began the daily series
- Unique market commentary written by Platts iron ore experts explaining the day's price assessment and market direction
- Daily access to all Platts.com premium online content across all energy and metals commodities.

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Related Information

- Platts IODEX explained (English)
- Platts IODEX explained (Chinese)
- Iron ore methodology
- Steel and ferrous scrap methodology
- Metals methodology
- Platts benchmark assessment of iron ore (wmv)
- Steel markets podcast
- Contact Sales

Related Products

Oct 25th :

Price /t for 62% Fe – U\$138.5 (Hematite)

Thus for 69% Fe ~ U\$154.1 (Magnetite)*

**Simple extrapolation but would expect a premium for high quality con' with low impurities*

AUSTRALIAN IRON PRODUCERS
And Deposits (Generalised)

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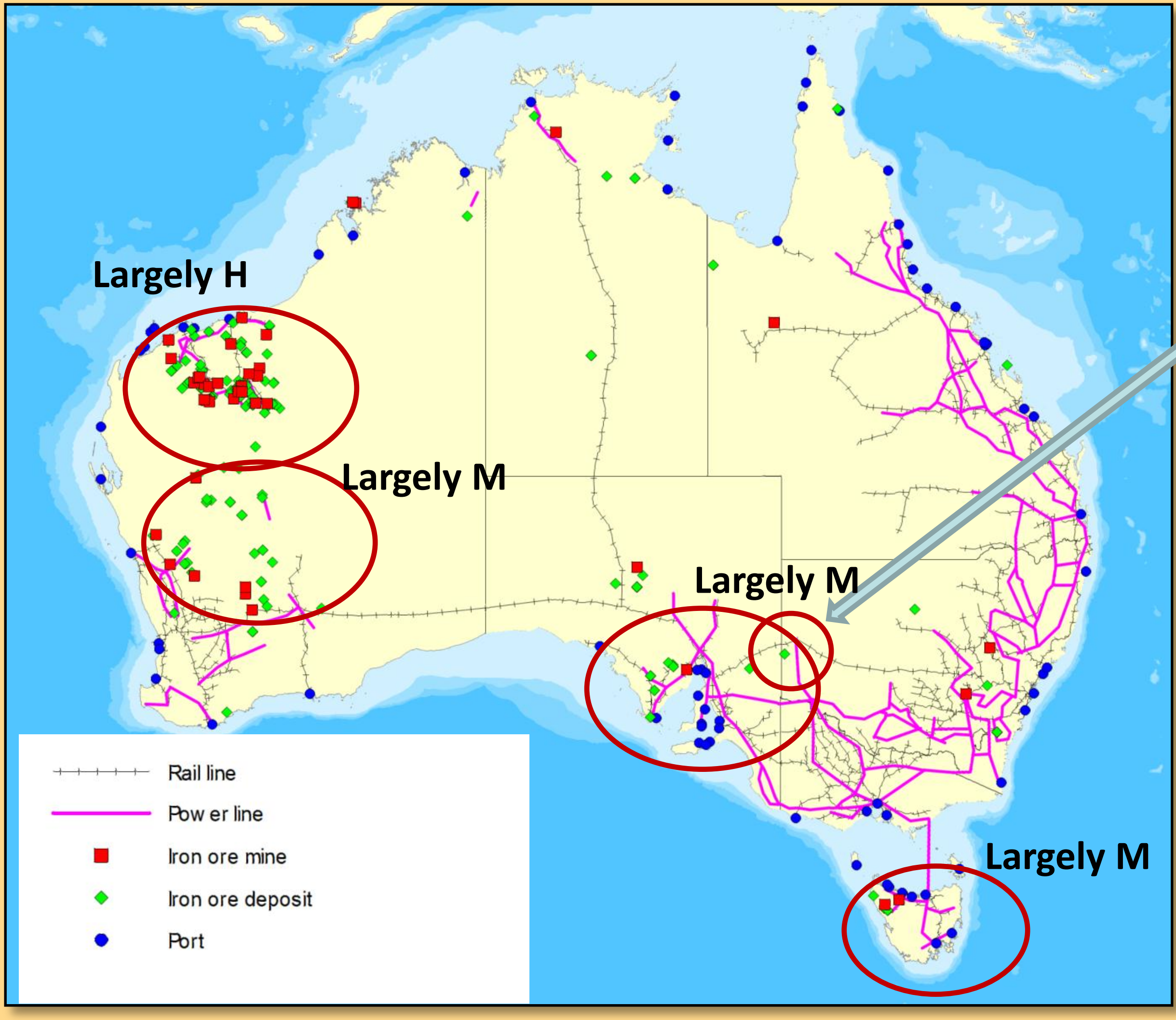


Hawsons Project :

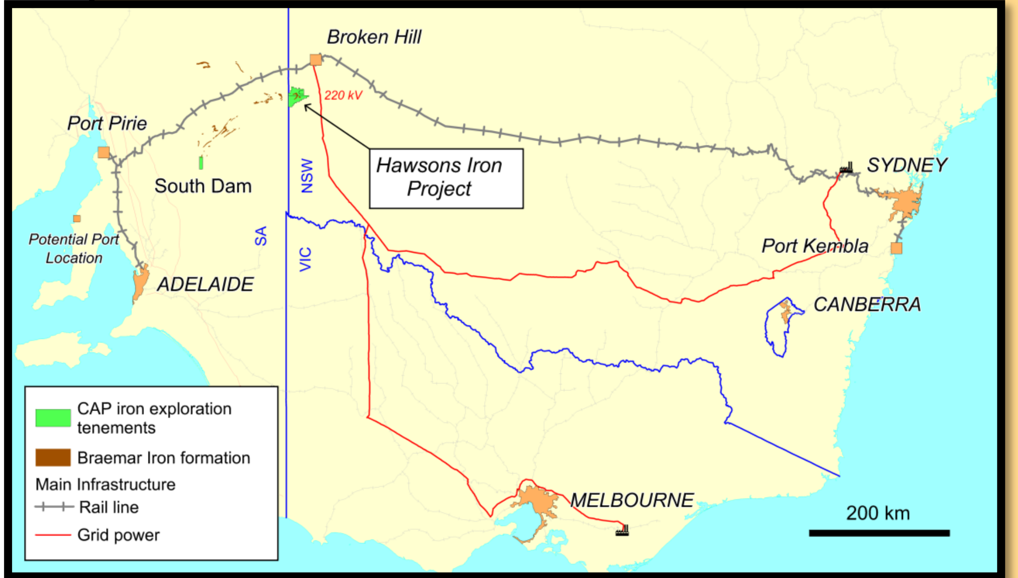
Power
Rail
Water
No Native Title

M = magnetite

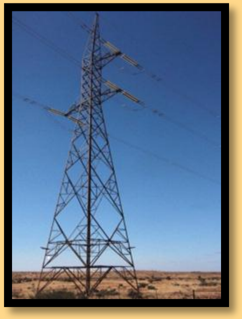
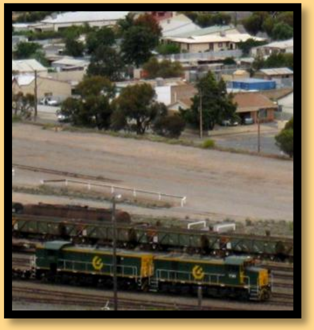
H = Hematite

HAWSONS IRON PROJECT

- ***Prefeasibility Study*** – positive
- ***Resource*** – very large with potential for 50 year mine life
- ***Magnetite*** – premium price for quality product, strong demand
- ***Infrastructure*** – water, power and transport all available for start up
- ***Mining*** – very low unit costs because low strip ratio, very wide mining widths, low abrasion index and single pit
- ***Processing*** - comparatively very low cost because of very soft mineralised rock

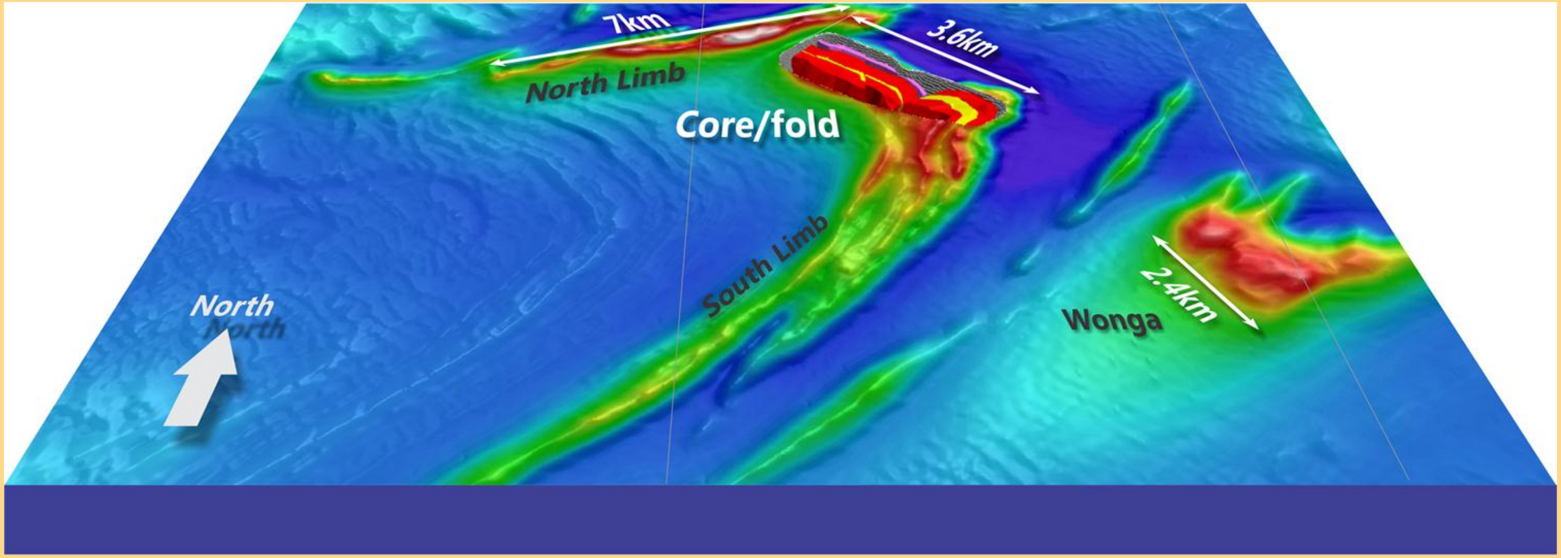


Native Title has been extinguished


HAWSONS IRON PROJECT
Exploration Target

- **Exploration Target[1]** ***<u>6 to 11 Billion Tonnes</u>***
- **DTR 14-17% magnetite**
- **Concentrate Grade of 69-71% Fe**
- **Contained Iron : 700 - 1,700 million tonnes**



As big as some of the larger Pilbara resources

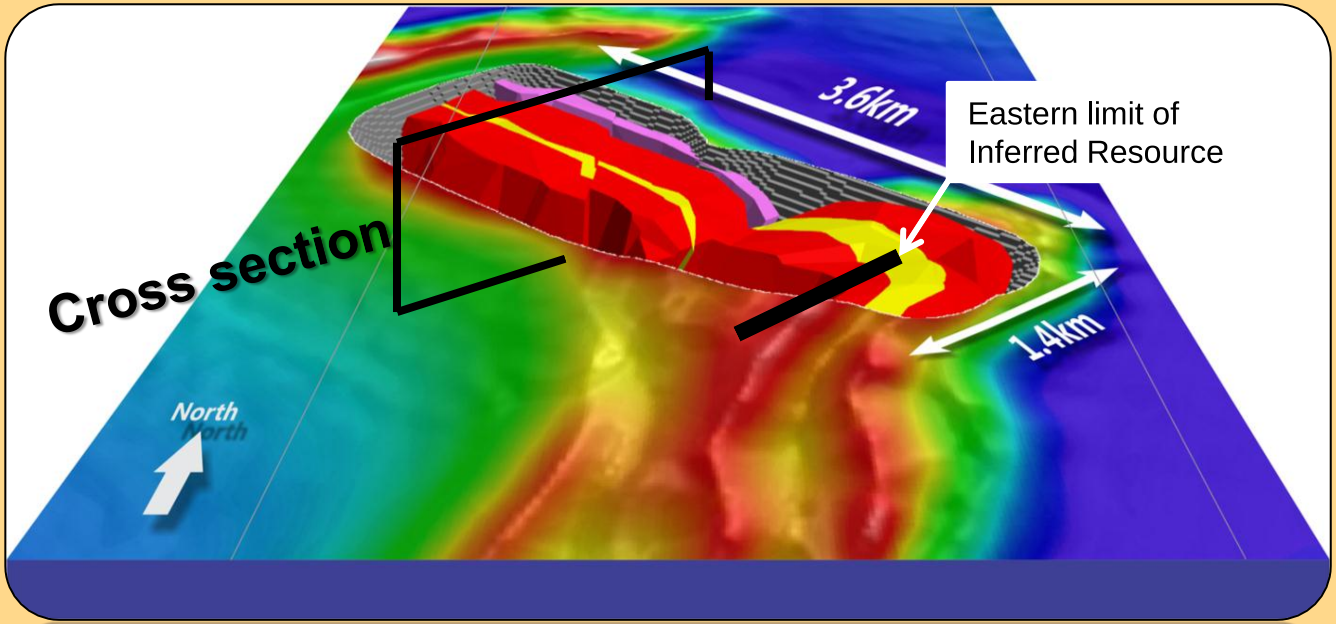
[1] The potential quantity and grade of the exploration targets is conceptual in nature and there has been insufficient exploration to define a Mineral Resource. It is uncertain if further exploration will result in the determination of a Mineral Resource.

HAWSONS IRON PROJECT
Inferred Resource

Maiden Inferred Iron Resource Published (Dec 2010)

1.4 Billion Tonnes

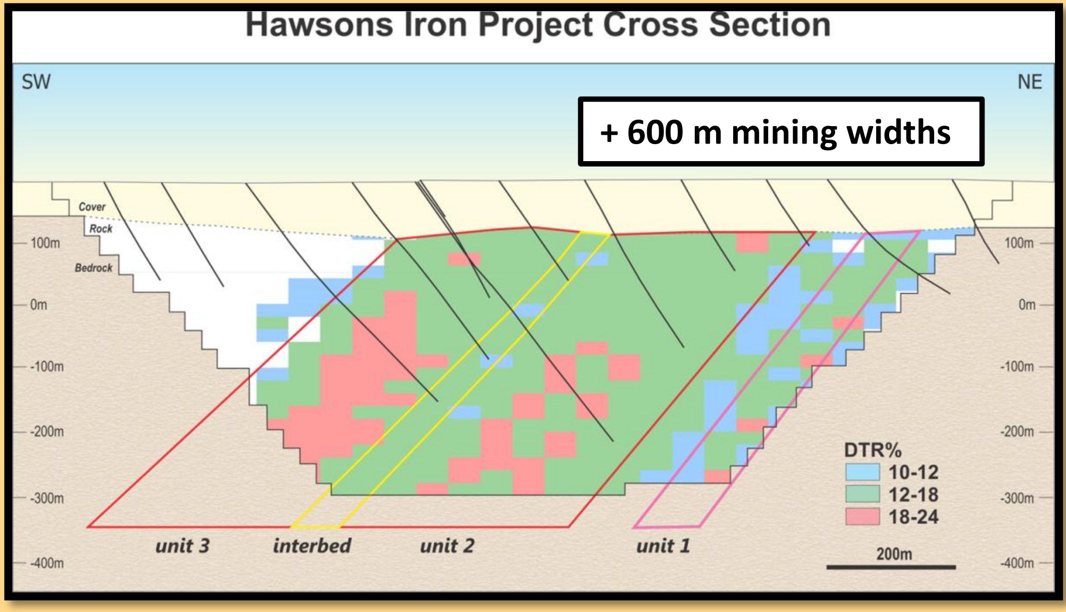
- **Davis Tube Recovered Grade (DTR) 15.5% (cut off grade 12%)**
- **Concentrate Grade – 69.9% Fe, 2.5% SiO_2**
- **Contained Iron : 220 million tonnes**



Modelled deposit (Red, yellow, purple all iron units) and PFS Pit Shell over the Aeromagnetic image

HAWSONS IRON PROJECT
Mining

Simple Open Cut
- Waste to ore ratio – 0.26 : 1
- Pre strip – start mining east end
- Truck and Shovel operation
- Blasting



Pit Area

Pit dimension ~ 3.6 km x 1.4 km
Depth 490 m

HAWSONS IRON PROJECT
PFS Results (July 20th)

- Pre-Feasibility Study (PFS) Base Case produce 20 million tonnes (mtpa) of high grade concentrate (69.9% Fe) over 20 year plus life
- Start up mine 5mtpa using existing transport and port facilities
- Development capital expenditure (20 mtpa) estimated at A$2.8 billion
- Operating cost at mine gate of A$36.64/tonne of concentrate

	NPV 9%	**IRR**	**Annual ave. Gross Profit**	**Payback**
Base Case Life of Mine $88 US/DMT, (69% Fe) A$0.85:US$1.00	$2.8 Bn	21%	$688 m	6.5yrs

- Using Sept' 26 2011 prices annual gross profit averages $2.1bn

The positive result from the pre-feasibility study provides confidence to proceed with further development and a detailed feasibility study for the Hawsons Iron Ore Project

HAWSONS IRON PROJECT
Processing

- Use low risk "off the shelf" processing technologies
- Ore 50-75% softer and 60-70% less abrasive than other magnetite ores
  - Bond Work Index 6.3 kWh/t (very low cf WA magnetites)
  - Abrasion Index 0.09 cc

Very Low Processing Costs

Test work at CSIRO / ALS produces
High grade premium marketable products

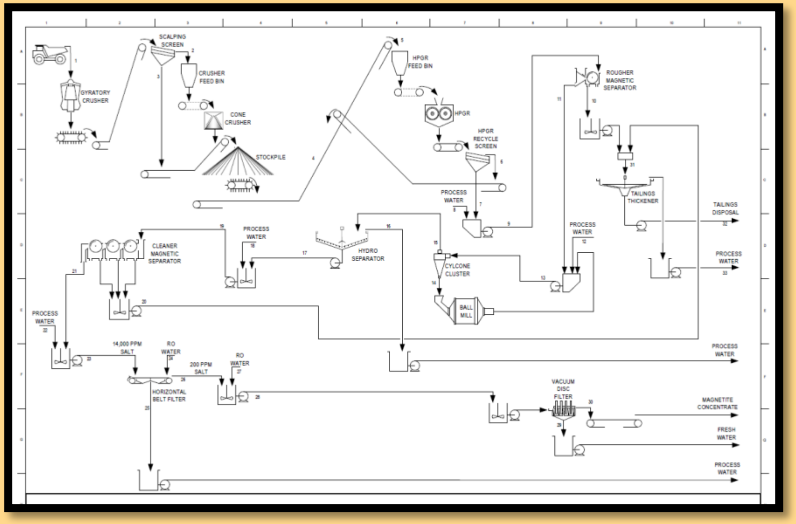
38 micron fines

Pellets using local clay

HAWSONS IRON PROJECT
Independent Audit

Independent audit of PFS

- **PFS based on conventional mining and processing method**
- **Cost estimates are reasonable and appropriate**
- **Identified priority areas to assist in DFS inc' optimising production schedule**

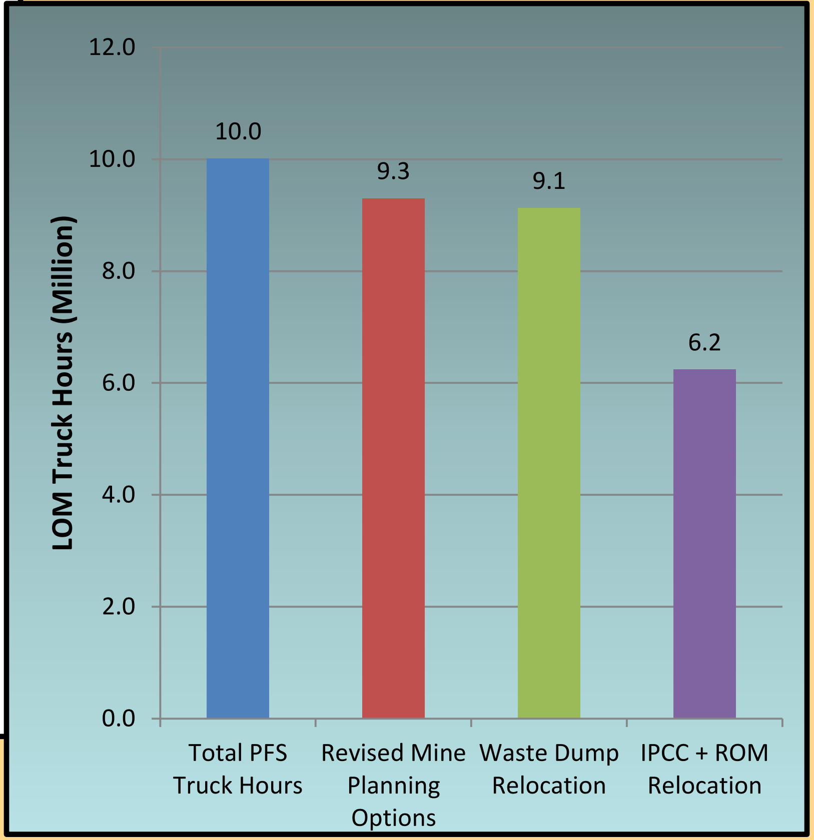


HAWSONS IRON PROJECT
"Priority Areas" Study

Objectives:

- Minimise the trucking hours – the major operating cost in PFS
- Investigate potential Mining Improvements
  - Revised Mine Planning Options
    - Mining Rates
    - Stockpile Minimisation
  - Waste Dump Relocation
  - In Pit Crushing, Conveying & ROM Relocation

Study results to be Optimised



Reduction 3.8 M hrs

HAWSONS IRON PROJECT
Work Program – 6 months

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- Undertaking Environmental studies
    - Field measurements continuing
- Metallurgical studies
    - Determine optimum crushing circuit
    - Develop pilot plant tests
- Mining
    - Optimising mining scenarios
    - Minimising stockpiles
- Geological
    - Reviewing resource model
- Optimising transport options

Aim :

- Reduce Operating costs
- Reduce Capex
- Secure Approvals
- Secure transport
- Produce a solid base to start Definitive Feasibility (DFS) study (to commence when BMG provides funding)
- BMG has until 15th May 2012 to make this election

HAWSONS IRON PROJECT
JV Deal

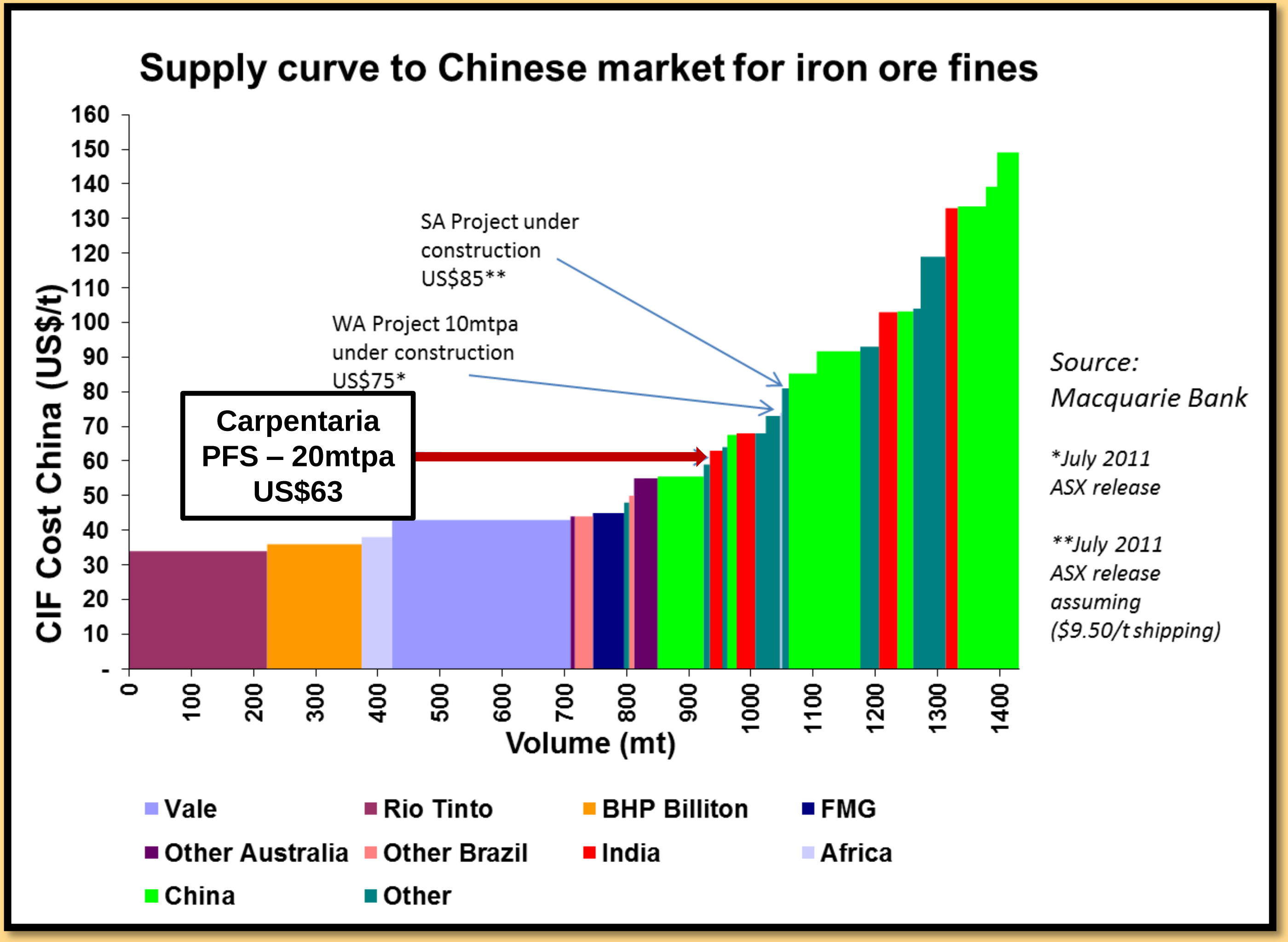
Bonython Metal Group Ltd (BMG) earning in

- ✓ **BMG vested 40%**
- **$25m cash to CAP and ~ $20m for BFS**
  - **BMG vests 51%**
  - **Before 15 May 2012**
- **On completion BFS (within 2 years)**
  - **$23m cash to CAP - BMG vests 80%**
- **On decision to mine**
  - ***CAP has free carried to production of 20mtpa***
  - ***CAP receives profits on 20% production at zero cost***

Advantage to CAP

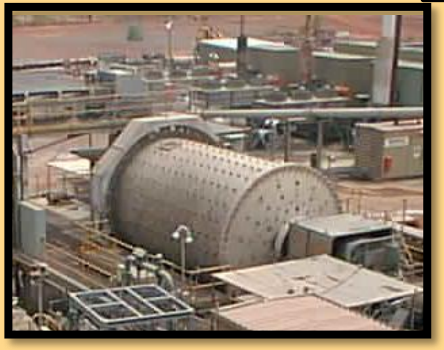
- **No scrip issued**
- **Project deal only**
- **Cash to CAP Total $53.0m**
- **Free Carried**
  - **Huge value**
- **CAP to market 4 million tonnes con' in own right**

HAWSONS IRON PROJECT
CIF China Comparison June 2011



DEVELOPMENT OF HAWSONS
Conclusion

- Hawsons is a very robust project
- Many advantages over peers including
  - Power, water, rail, near mining culture
  - Soft, low abrasive ore
  - Many tonnes – long life mine
- Cash flow early using existing infrastructure
- Rapid pay back for investors



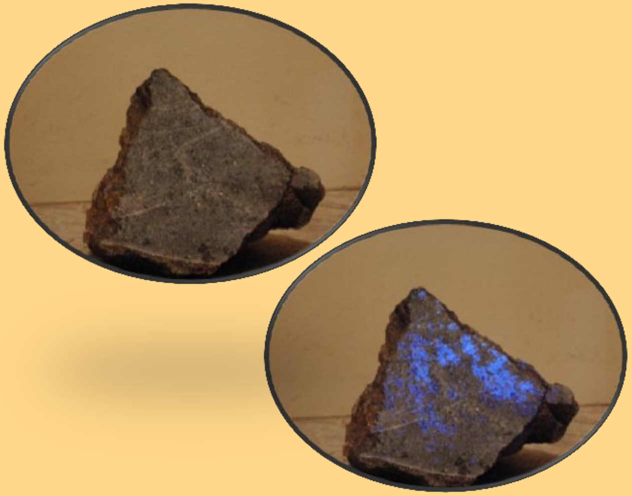
Project Pipe Line Status

Development

- ***Hawsons Iron Project (NSW):*** Magnetite
    - PFS Finalised, gearing up for DFS

Drilling

- ***Koonenberry (NSW) (100% CAP)***: Nickel-Copper
    - Drilling post lambing (Nov’ 2011)
- ***Broken Hill Tin-Tungsten Project (NSW) (100% CAP)***:
    - Drilling –2012
        - upgrade tungsten resource
    - Concept Study underway
        - Develop economic model – early cash flow ?
- ***Torrawangie (NSW) (100% CAP)***: Iron (Mar 2012 ?)
    - Mapping, magnetics drilling



Project Pipe Line Status (Cont')

- ***Temora (NSW) (100% CAP)***: ***:*** Gold
  - Awaiting access - drilling (Dec?)
  - Mapping defining other gold targets

Project Generation

- ***Barellan (NSW) (100% CAP)***: Gold – Awaiting grant
- ***Kantappa (NSW) (100% CAP)***: ***:*** Tin – Awaiting grant

JV's

Mt Agate (Qld) (ActivEX Ltd earning in): copper / gold

- drill targets being defined

South Dam (SA) (BMG earning in): magnetite

- Drill targets defined

Divestment and reappraisal

- ***McDougalls (NSW)***
- ***Hughenden Coal – completed***

CARPENTARIA
In Brief

GROWTH THROUGH SUCCESS

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The information in this presentation that relates to Exploration Results and Resources is based on information compiled by S.N.Sheard, who is a Fellow 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 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. S.N.Sheard 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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