Carpentaria Exploration Ltd
SAREIC
May 01

Carpentaria Exploration Limited

Carpentaria's Hawsons Iron Project
Braemar Iron Formation and a new magnetite industry for SA / NSW

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

Carpentaria

We Find It

We Prove It

We Make It Possible

Aim :

Discover, Develop and Mine mineral resources to grow shareholder value and fund further discoveries in Eastern Australia

Abilities :

Strong geoscientific and engineering team

Track Record :

- Established Resource at Hawsons
  - ✓ Positive PFS released
- Tin / Tungsten near Broken Hill
  - ✓ Tungsten Resource
- Gold – Lachlan Fold Belt
- Nickel – North of Broken Hill

Disclaimer

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Company Snapshot

ASX : CAP

FINANCIAL 5th March 2012

Cash A$7.5 million

INVESTMENTS

2.2 m Guildford Coal Ltd fully paid shares ~ value $1.4m 28th April

QUOTED SECURITIES

99.2 m shares

LARGEST SHAREHOLDERS

Aust' Conglin Int' Inv' : 10.6%

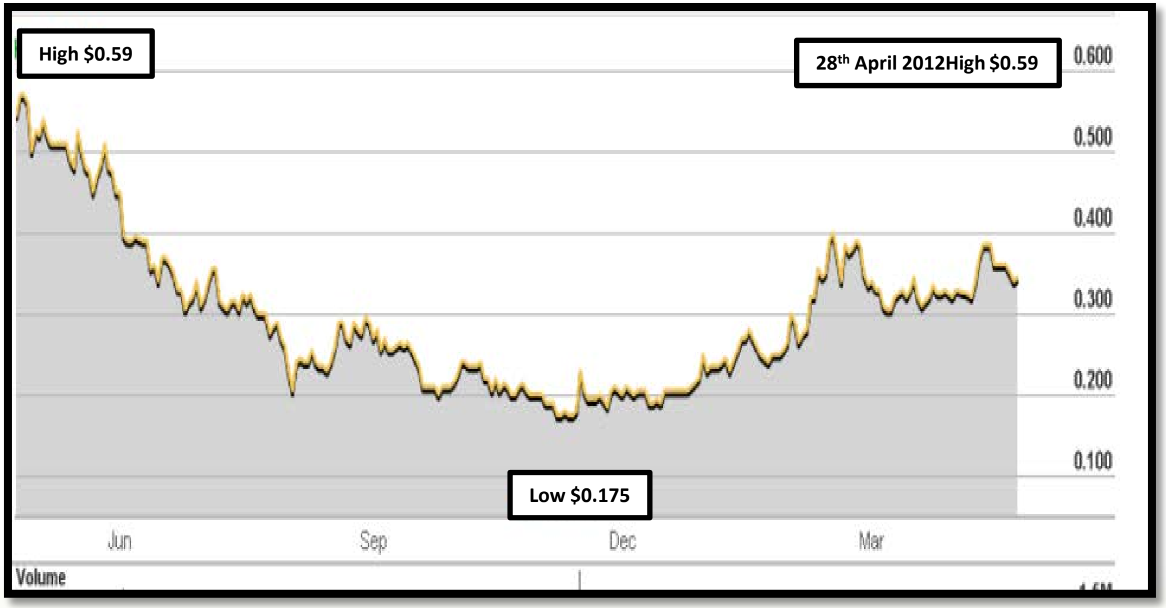
Conglin Yue : 3.7%

Atlas Iron Ltd : 8.7%

Directors & Management

(inc' unlisted Options) : 12.3%

Share Price and Volume 12 months



KEY ASSETS

Hawsons Iron Project JV – Carpentaria 60%

Tungsten / Tin Project Carpentaria 100%

HAWSONS IRON PROJECT
Largest Magnetite Project in NSW

What Makes Magnetite Look Good ?

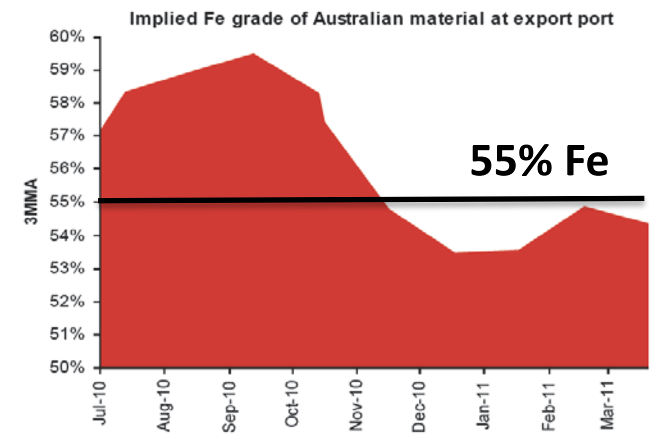
Global hematite iron ore grades are declining

Cause :

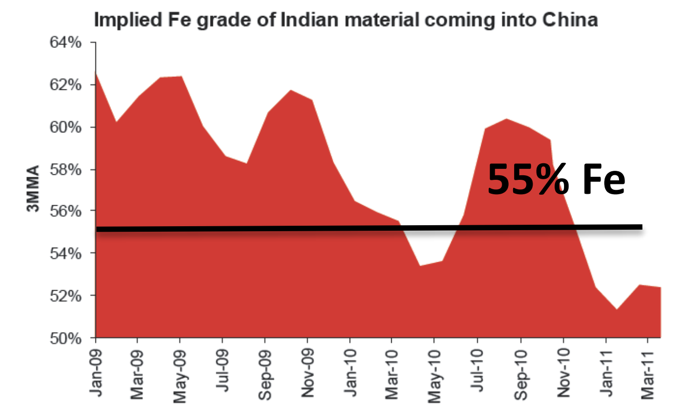
- **Increased production in low grades**
- **Lack of “new” high grade coming on**

Effect :

- **Trend towards direct charge iron**
  - **Increased pellet demand**
  - **Increase in magnetite consumption**



Source: ABS, Platts, Macquarie Research, June 2011



Source: Chinese Customs, Platts, Macquarie Research, June 2011

Macquarie Commodities Research – June 8th 2011

What Makes Magnetite Look Good ? Price Advantage

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on Ore Fines 62% Fe spot (CFR Tianjin port)
ne + Add to Portfolio

Security Type: Rate

D 145.40000 1.60000 1.11%

More on TSIPIO62
Snapshot
Chart

Snapshot for China import Iron Ore Fines 62% Fe spot (CFR Tianjin port) USD/metric tonne (TSIPIO62)

Open:	145.40000	High:	145.40000	Low:	145.40000

Rate Chart for TSIPIO62 »

Interactive TSIPIO62 Chart »

Rate Profile Information for TSIPIO62

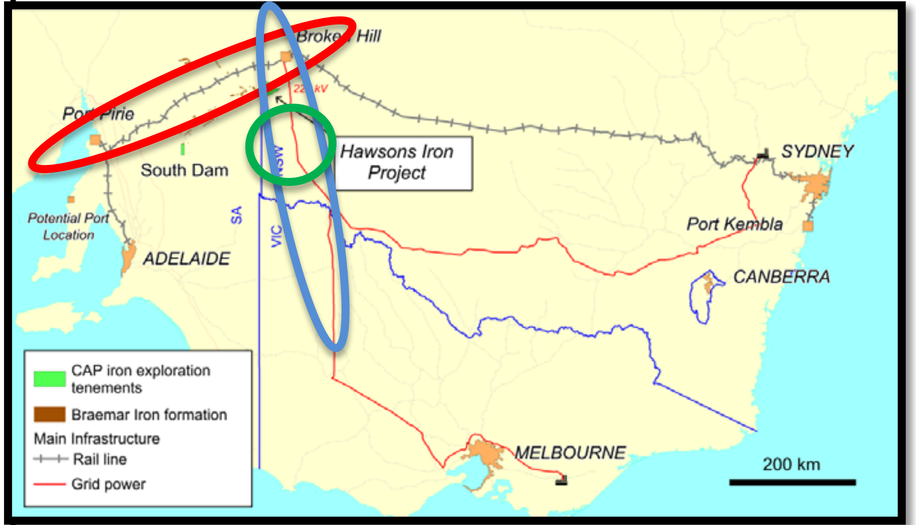
April 29th :
Iron price /t in US$

- **for 62% Fe** **$145.40**
- **Hematite 55%** **$128.98**
- **Magnetite con' 69%** **+ $161.81**

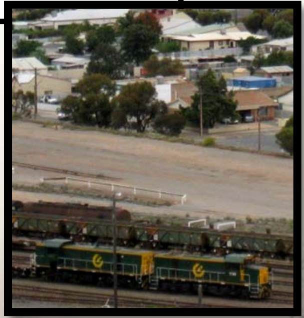
A $32.83 premium which offsets processing costs

HAWSONS IRON PROJECT - SUMMARY

- *Prefeasibility Study* – Start up at 5mtpa ramp to 20 mtpa concentrate production, 20 year mine life
  - NPV $3.2 billion, IRR 23% (November 2011)
  - CAPEX of $2.9b
  - Life of mine Fe price U$87/t @ 69%
  - Est. cost in China US$63 – 68 /t
  - PFS Audited Sept 2011 – all ok
- *Infrastructure* – Port, rail capacity, water, and power all available for start up
- *Mining and Processing* –low unit costs because low strip ratio, wide mining widths and soft ore
- *Marketing* - Saleable concentrate low silica, no impurities



Native Title has been extinguished



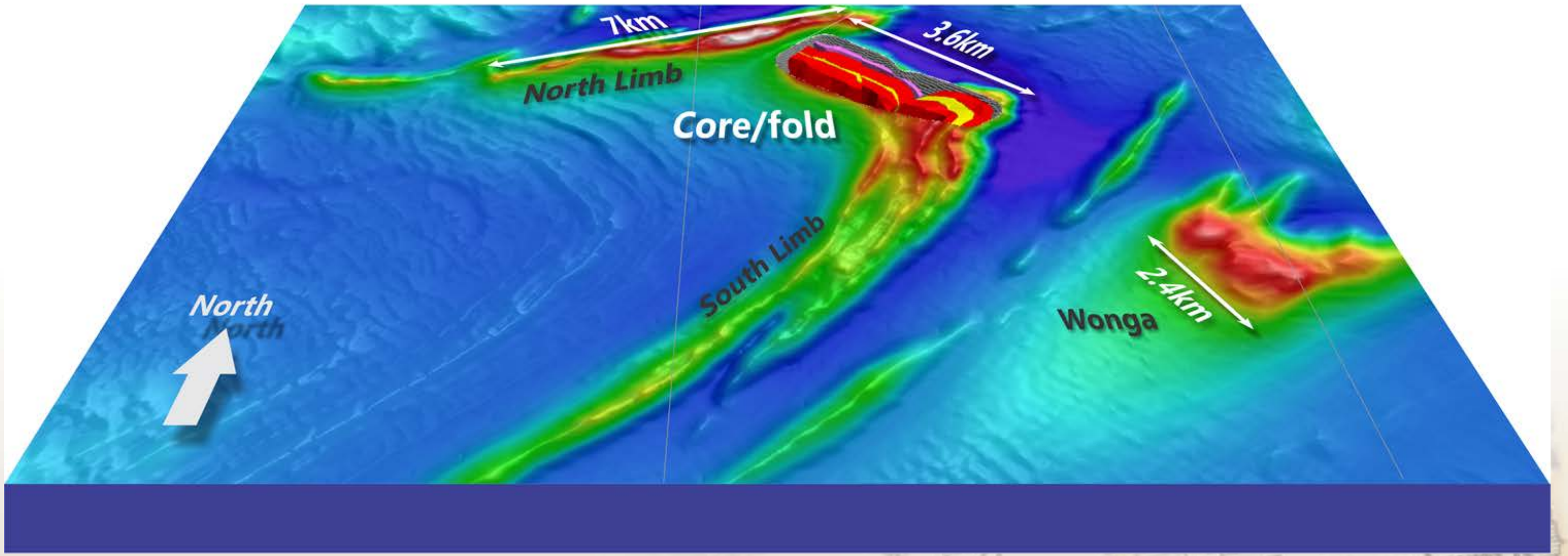
HAWSONS IRON PROJECT
Resource and Exploration Target[1]

Inferred Iron Resource (Dec 2010)

1.4 Billion Tonnes **Davis Tube Recovered Grade (DTR) 15.5% (cut off grade 12%)**

- **Concentrate Grade – 69.9% Fe, 2.50% SiO_2, no other impurities**
- **Contained Iron concentrate: 220 million tonnes**

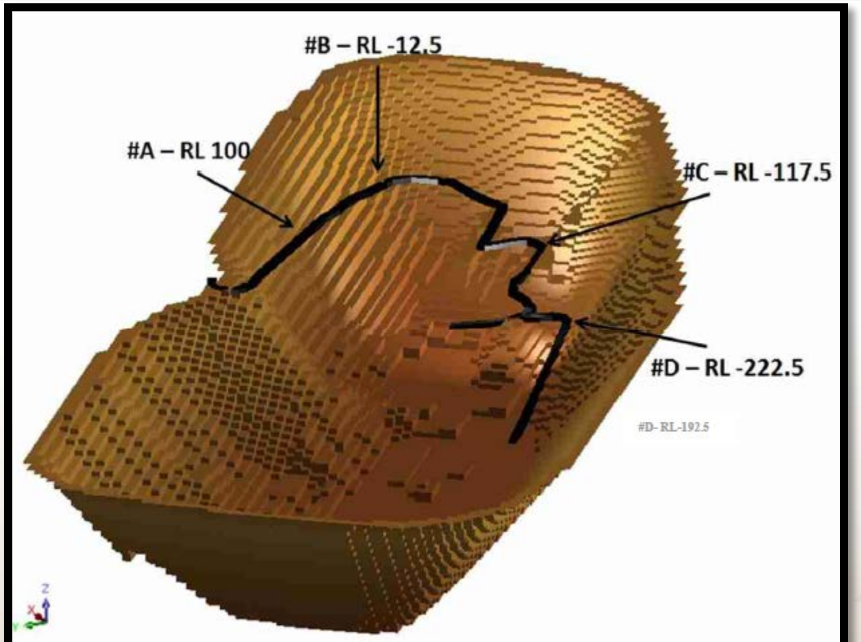
- **Exploration Target[1]** ***6 to 11 Billion Tonnes***
- **DTR 14-17% magnetite**
- **Concentrate Grade of 69-71% Fe**
- **Contained Iron : 800 - 1,900 million tonnes**

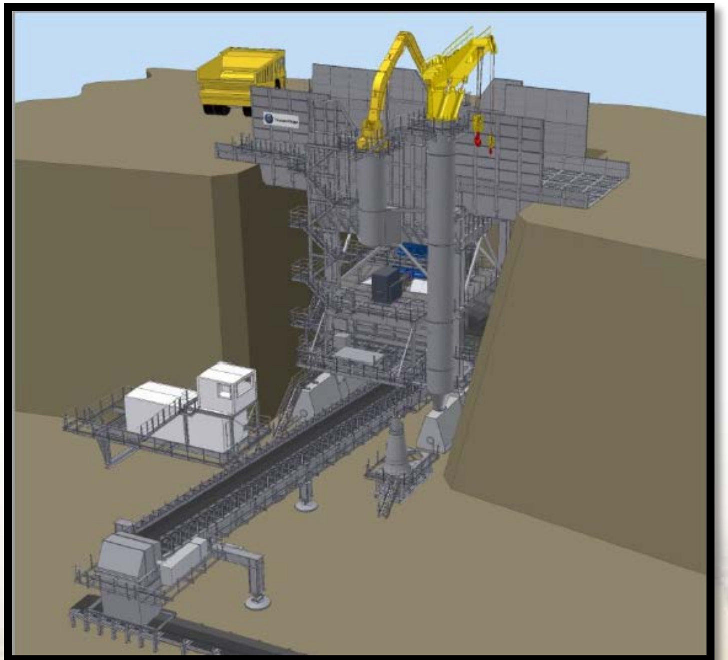


[1] The potential quantity and grade of the exploration targets is conceptual in nature and there has been insufficient exploration to define a Mineral Resource. It is uncertain if further exploration will result in the determination of a Mineral Resource.

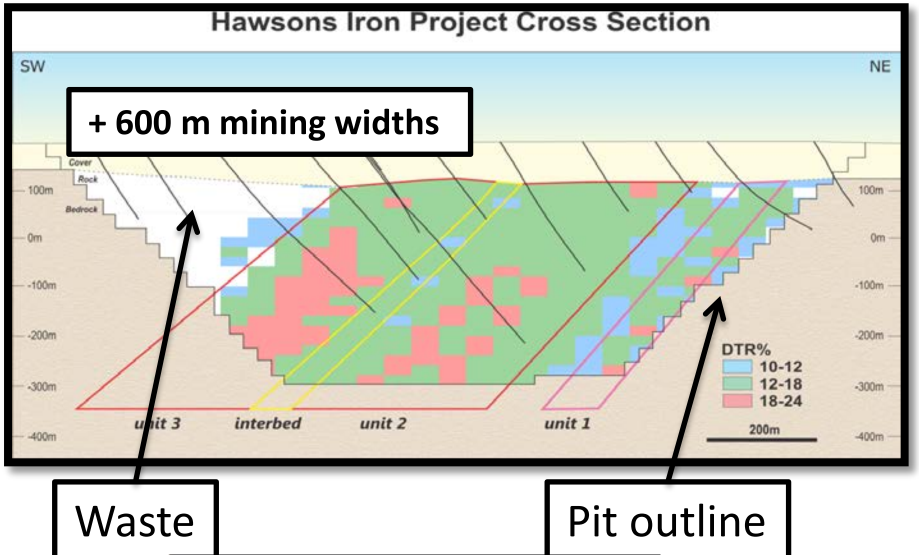
HAWSONS IRON PROJECT
Optimization Studies – Mining (Nov 2011)

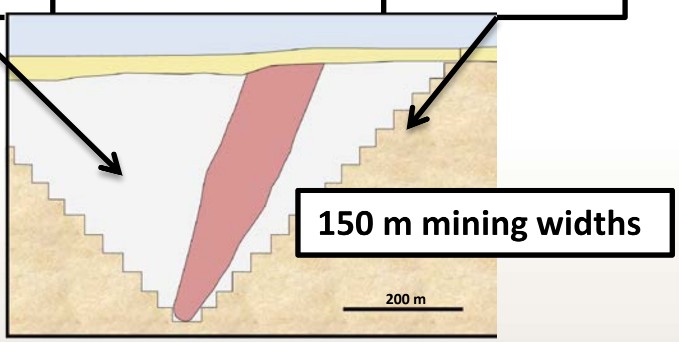
- **Low cost mining operation**
  - **Economies of scale**
  - **Waste to ore ratio – 0.3 : 1**
  - **Pre strip – start mining east end**
  - **In Pit Crushing and Conveying**
- **Cost estimate - $15/t of concentrate**





HAWSONS IRON PROJECT
Value of low Waste : Ore





Example at same scale

Waste to ore 0.3 : 1, 15.5% DTR

Mine 130t material to produce 100t of ore

100t ore gives 15.5t of concentrate

8.4 t material moved
produces 1 tonne concentrate

Waste to ore 2.3: 1, 36% DTR

Mine 330t material to produce 100t of ore

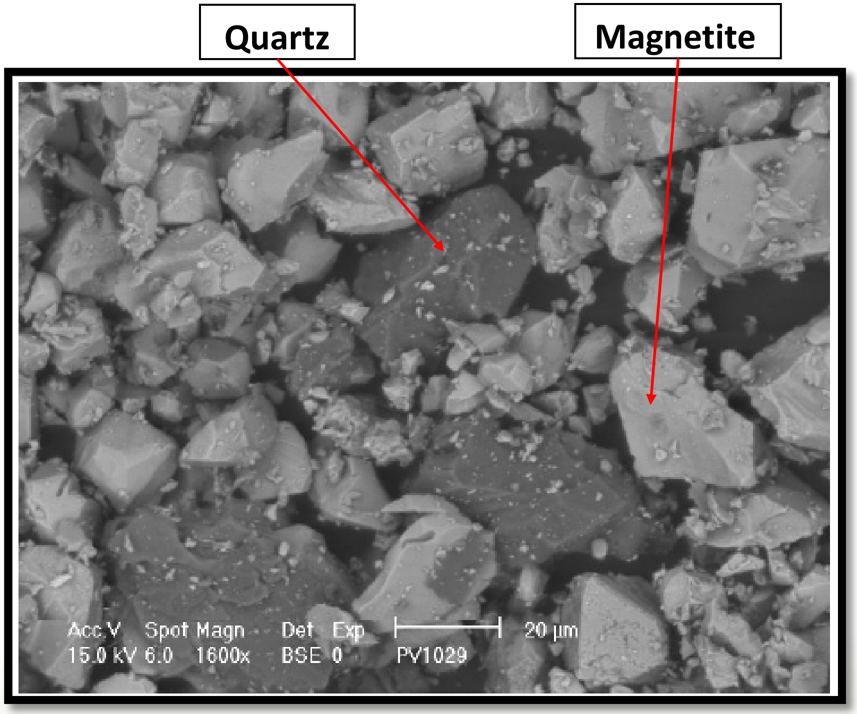
100t ore gives 36t of concentrate

9.2 t material moved
produces 1 tonne concentrate

HAWSONS IRON PROJECT
Optimization Studies – Processing

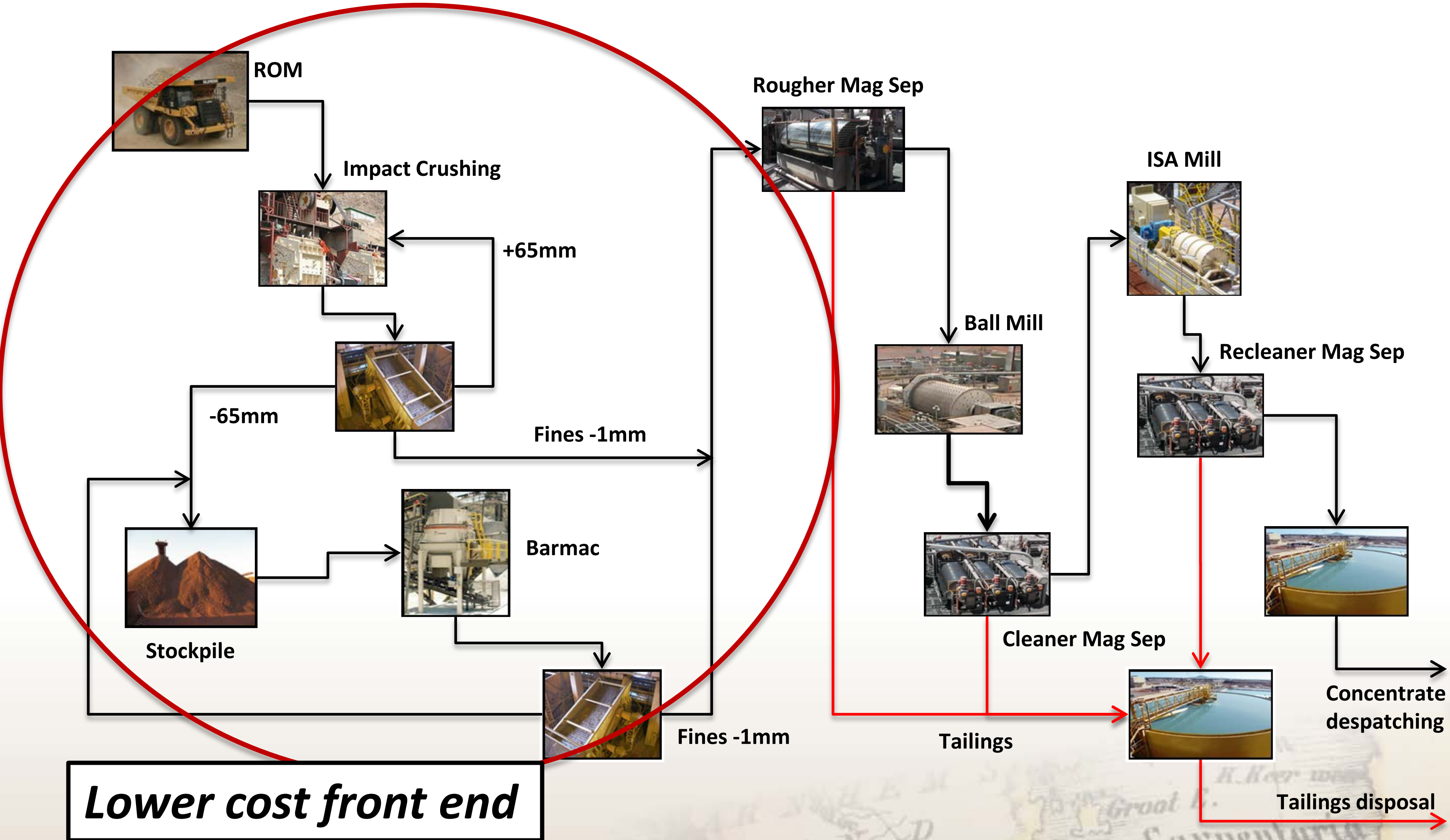
Unique Metallurgical Characteristics :

- **Low bond work index of 6 - 8 kw hrs /t** ***(BIF's ~ 15 – 25 kw hrs/t)***
- **Low abrasion index ~ 0.09** ***(BIF's ~ 0.78 and taconites 0.62)***
- **Grain size 30 – 100 µm**
- **Ideal for pellet production**
- **Ideal for slurry pipe operation**
- **Lab' trials – suitable for impact crushing**
- **Lower processing (power) costs**
- **Cost estimate - $11/t of concentrate**



HAWSONS IRON PROJECT

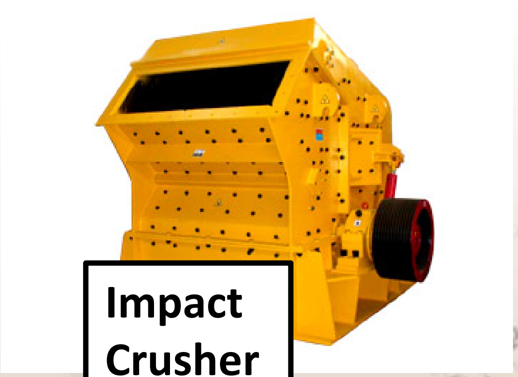
Optimization Studies – Simplified Flow Diagram



HAWSONS IRON PROJECT
Optimization Studies - Processing

Preliminary Costings for 5mtpa module

Equipment	5Mtpa (equivalent)		Installed Power kW	Estimated Costs M AUD	Option Study 5Mtpa (Anticipated)		Installed Power kW	Estimated Costs M AUD
Primary Crushers	Gyratory	1	1,200	4.5	Impact Crusher	2	2,400	2.0
Secondary Crushers	Cone	2	1,900	7.0	Barmac	5	3,000	2.5
Tertiary Crushers	HPGR	4	16,000	31.2	-	-	-	
Total			19,100	42.7			*5,400*	*4.5*



Impact Crusher

Barmac Crusher

HAWSONS IRON PROJECT
Transport Options – Availability of Bulk Handling Port

Start Up (5mtpa)

- **13Mtpa available using existing rail to Port Pirie**
- **MOU with Flinders Ports Pty Ltd to establish 20 – 30 mtpa option**
  - **Barge to Capesize /Panamax**

Full Production 20mtpa options

- **Rail plus slurry pipeline**

***Port Pirie bottleneck solved**
Two spare berths
Out of town stock pile and conveyor

Port Pirie common berth facility

Availability of long-term handling and storage facility - great advantage over many other proposed magnetite projects

HAWSONS IRON PROJECT
Ownership

- Carpentaria 60%, BMG 40%
- Partner BMG has till May 15th 2012 to start next stage - $25m cash to CAP and pay for a BFS
- Has to complete BFS within 2 years
- If no funds received by May 15th, 2012
  - Third party can buy BMG's share ($13m) or
  - Subsidiary of CAP could also purchase for $13m and CAP would regain 100% of project

HAWSONS IRON PROJECT
Cost Summary

Costs per tonne concentrate	AUD
Mining Costs	\$15
Processing Costs	\$11*
Other (incl' Royalties)	\$8
Transport to and onto Ship	\$13[a]- 19[b]
Total FOB Port Pirie	**\$47-53**

[a] Long term pipeline estimate
[b] Rail to Port Pirie estimate
** Original PFS estimate*

- **FOB costs highly competitive (av. Closer to \$60)**
- **Average operating costs drop over life of mine after Pre Strip**

FOB – Free on board

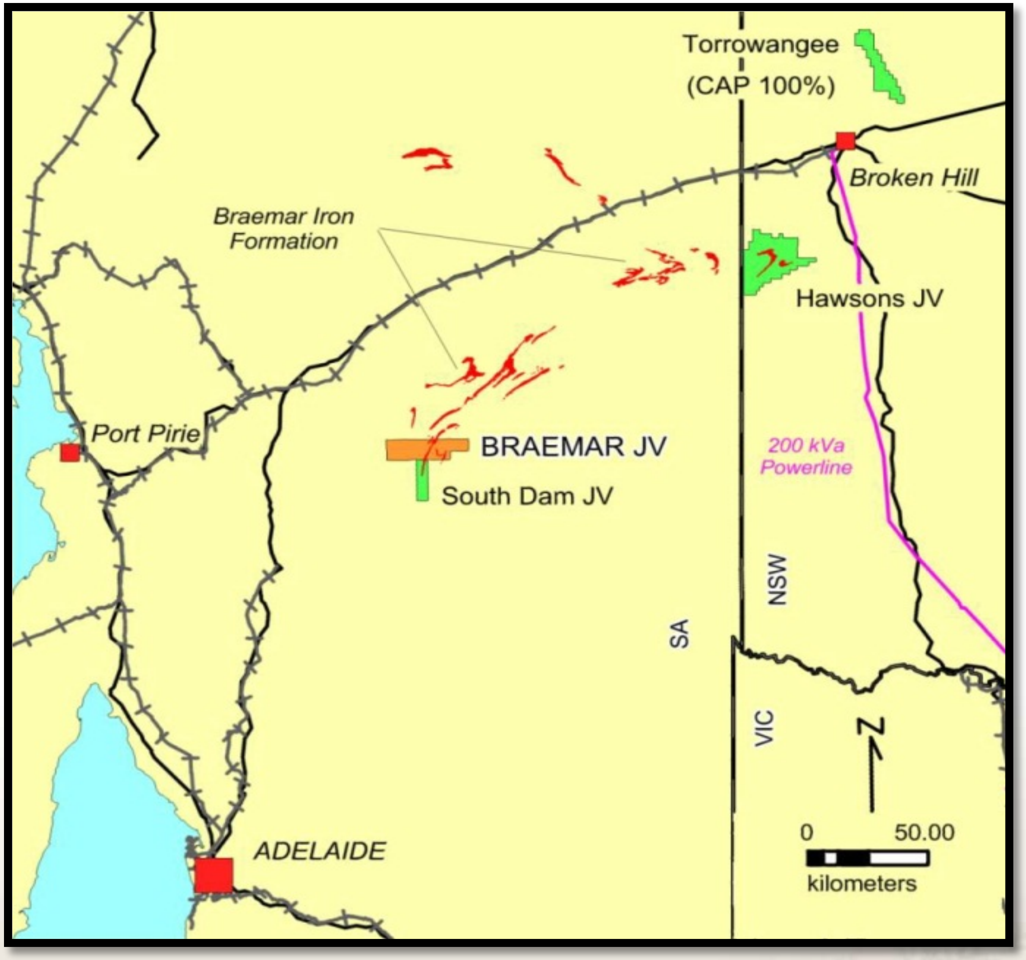
HAWSONS IRON PROJECT
Future Work Program

BFS :

- **Obtain regulatory approvals**
  - **Full access agreements**
  - **Mining Leases**
- **Define full transport options**
- **Continue environmental studies**
- **Upgrade resource - drilling**
- **Bulk sampling for pilot plant test work**
- **Geotechnical work**
- **Refine mining / processing options**

Pit Area

HAWSONS IRON PROJECT
Other Iron Projects



Torrowagee NSW :
- 100% CAP
- Previous intersections
- To be drilled

Braemar SA :
- Farm in
- Can earn 100%
- Recon' work

South Dam :
- Farm out
- Potential revert 100% CAP

HAWSONS IRON PROJECT
In Summary

- Long mine life project
- Positive PFS
- Unique soft ore provides low cost options
- Optimizing studies reducing costs further
- BFS to start mid year
- Power, water available
- Transport and port options existing today
- Close to Broken Hill with mining culture
- No native title issues
- Additional high potential Braemar Magnetite Projects

A project that will create jobs / industry in rural SA and NSW

Carpentaria Exploration

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

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To find out more, visit us at
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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.