



Carpentaria Exploration Ltd Resources and Energy Symposium Broken Hill

May 21-23rd 2012

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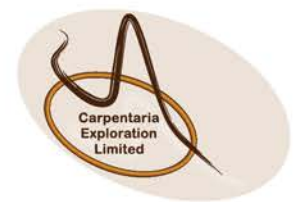
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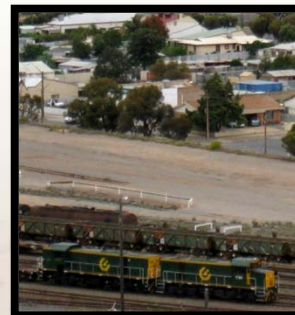
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HAWSONS IRON PROJECT

Key Messages



- Very strong project that continues to improve
- Ongoing work maintains momentum
- Competitive globally
- Ownership options all favourable for CAP share holders



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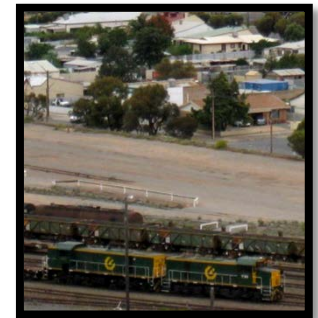
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HAWSONS IRON PROJECT

Broken Hill NSW



- **Current Project Financials** (Nov. 11 PFS update)
 - 20 Mtpa concentrate – over 23years
 - NPV \$3.2 billion, IRR 23% , CAPEX \$2.9 billion
 - Estimated FOB costs \$50/t (AUD)
- **Large Resource and potential – 50yrs plus**
- **High Grade Pellet Feed Concentrate - price premium**
 - 69.9%Fe and 2.50% SiO₂
- **Existing Infrastructure**
 - 13mtpa rail capacity confirmed, 20-30mtpa port option, water, power all available for start up

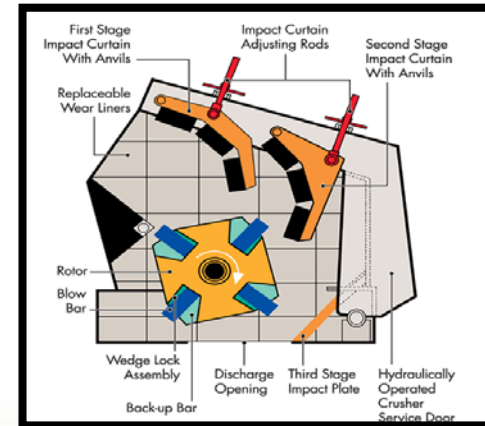
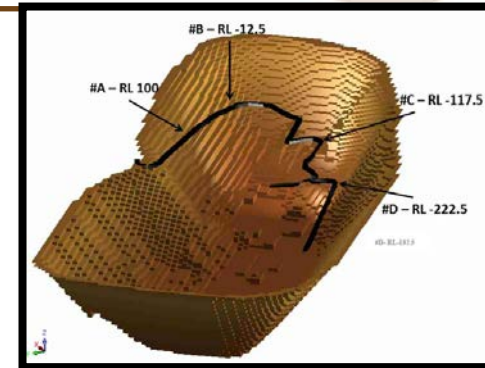


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Moving forward



- **Maintaining Momentum – Project continues to get stronger**
 - Mining option study improved the base case
 - Metallurgical testing
 - crushing circuit complete
 - grinding circuit underway
 - Further cost reductions expected
 - Feasibility Study to upgrade Port Pirie to 20-30mtpa (Flinders Ports under MOU)
 - New port option allows production to be brought forward
 - Production scheduled for second half of 2015
 - Update conservative financial base case



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Ownership



Carpentaria (CAP) 60%,
BMG Pty Ltd (in Liquidation) 40% (For Sale)

May 15th , 2012

- BMG elects not to continue in JV
- Carpentaria reserves its rights
- Clear path opens for new partner



Options for incoming partner

- Reach agreement on a new JV with CAP and buy BMG share for a fixed \$13m and fund development
- Buy BMG share without agreement with CAP and stay at 40%

CAP preference for a new JV partner

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China, Korea, Japan and India



Demand still strong

RIO estimates sea borne iron ore demand from China to increase at 100mt p.a. until 2020 (source RIO Chart Book Mar 2012)

Forecast new production

- political risk is high esp. over 50 years
- Remote and capital intensive
- delays are common

Still looking to secure supply

- April 2012 – CAN 194m deal on Kami deposit Canada (Hebei Iron and Steel)
- April 2012 – AUD 1.5bn invested in Roy Hill WA (POSCO)
- March 2012 – \$50-80m * invested in Southdown WA (Kobe Steel, *estimated)
- Indian companies NMDC and Jindal recently made acquisitions

Hawsons

- 50 years plus potential mine life
- very stable democracy
- Low operating costs
- Low capital intensity
- high grade low impurity concentrate
- existing infrastructure

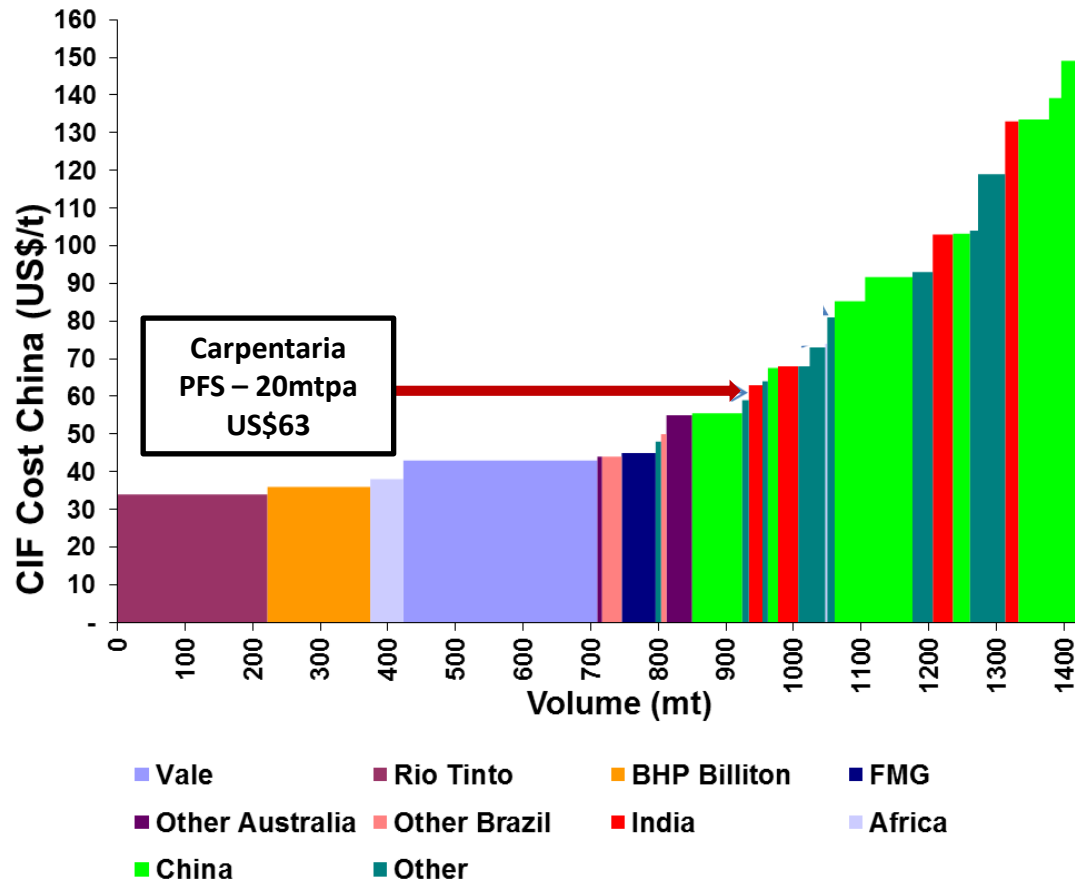


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CIF China Comparison June 2011



Supply curve to Chinese market for iron ore fines



Source:
Macquarie Bank

Note :

The CIF costs are at production grade eg hematite producers est. at 60% Fe

High grade concentrate producers – magnetite will attract 10 – 20% premium.

This offsets processing and transport costs *not reflected in graph*

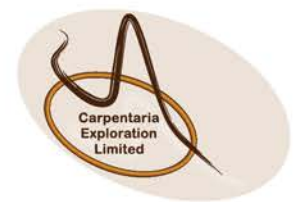
Makes magnetite attractive

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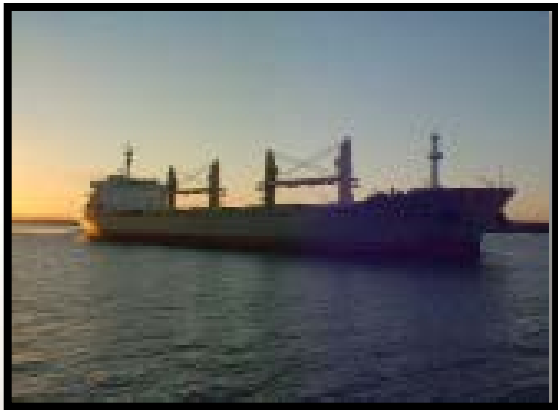
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Capital Intensity Peer Comparison

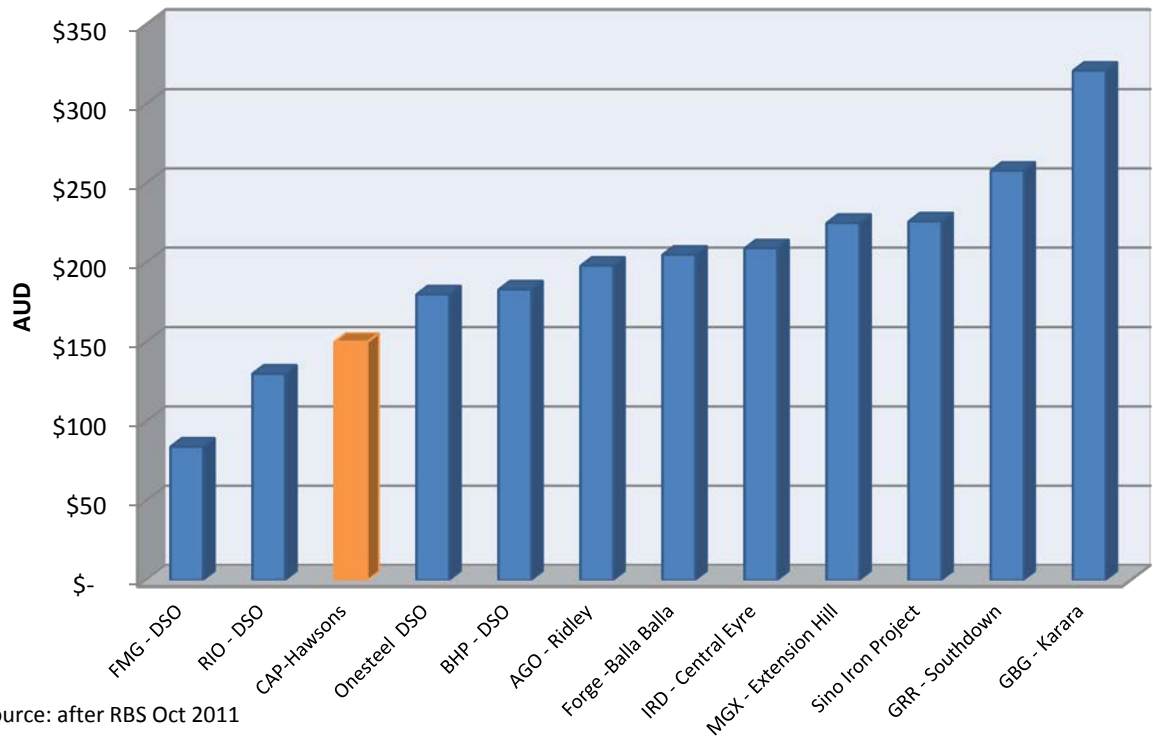


Benefits of Existing

- Rail
- Water
- Power
- Workforce



Capital Expenditure per tonne production capacity Australian Hematite and Magnetite Projects



Source: after RBS Oct 2011

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Summary



- Very strong project that continues to improve
- Ongoing work maintains momentum
- Competitive globally
- Ownership options all favourable for CAP share holders
- Future
 - Secure transport chain
 - Secure development partner
 - Commence Detailed Feasibility Study

Carpentaria Exploration – Set to Reward Investors

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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.