Carpentaria Exploration Ltd
Hawsons Iron Project

Mining South Australia
Whyalla 20th November 2012

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

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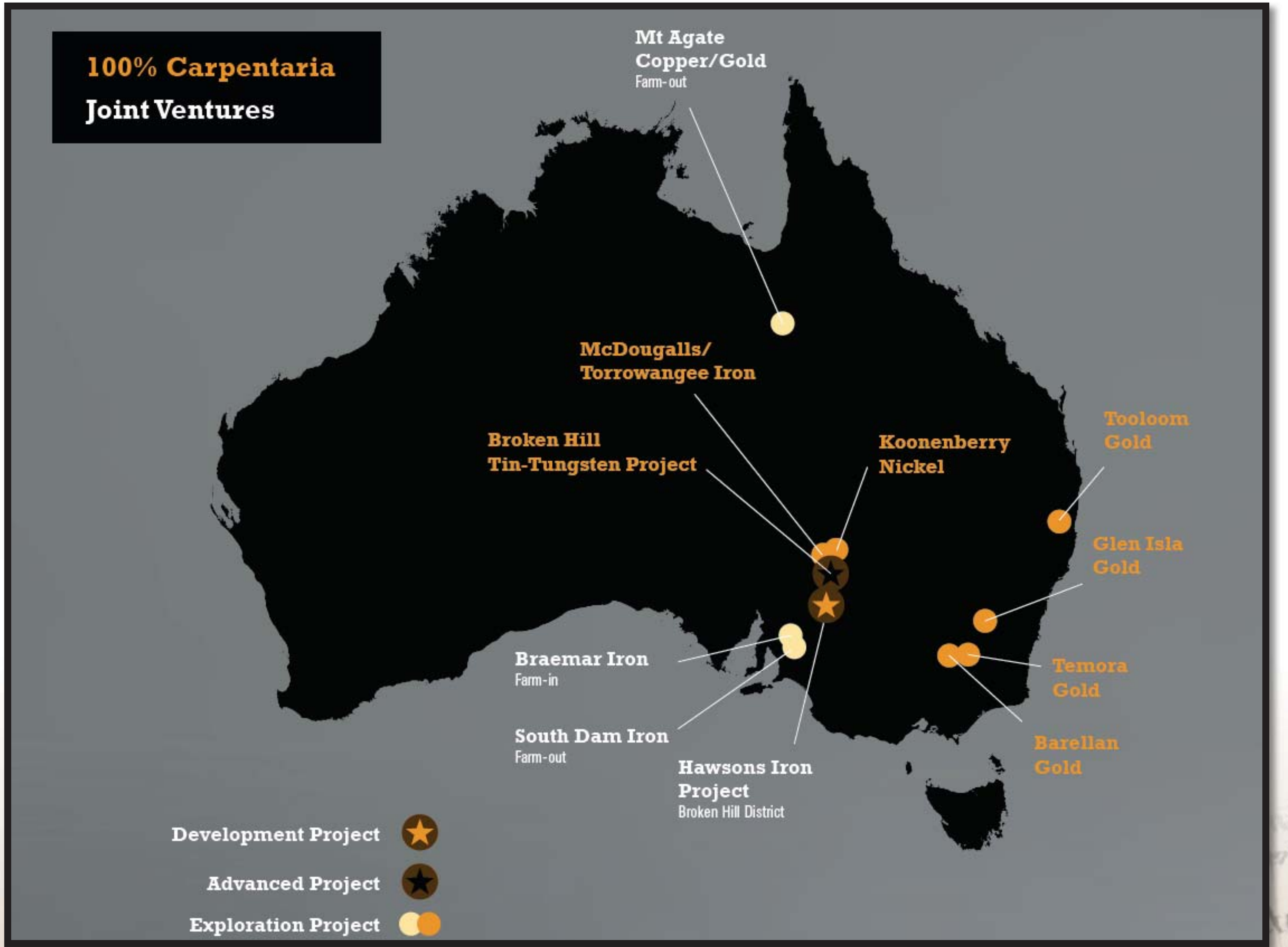
HAWSONS IRON PROJECT

Structure of Talk

- Is Iron Worth Pursuing ?
- How are we Placed ?
- Review of Hawsons Attributes
- Optimisation Studies
  - Mining
  - Processing
  - Transport
- Conclusions

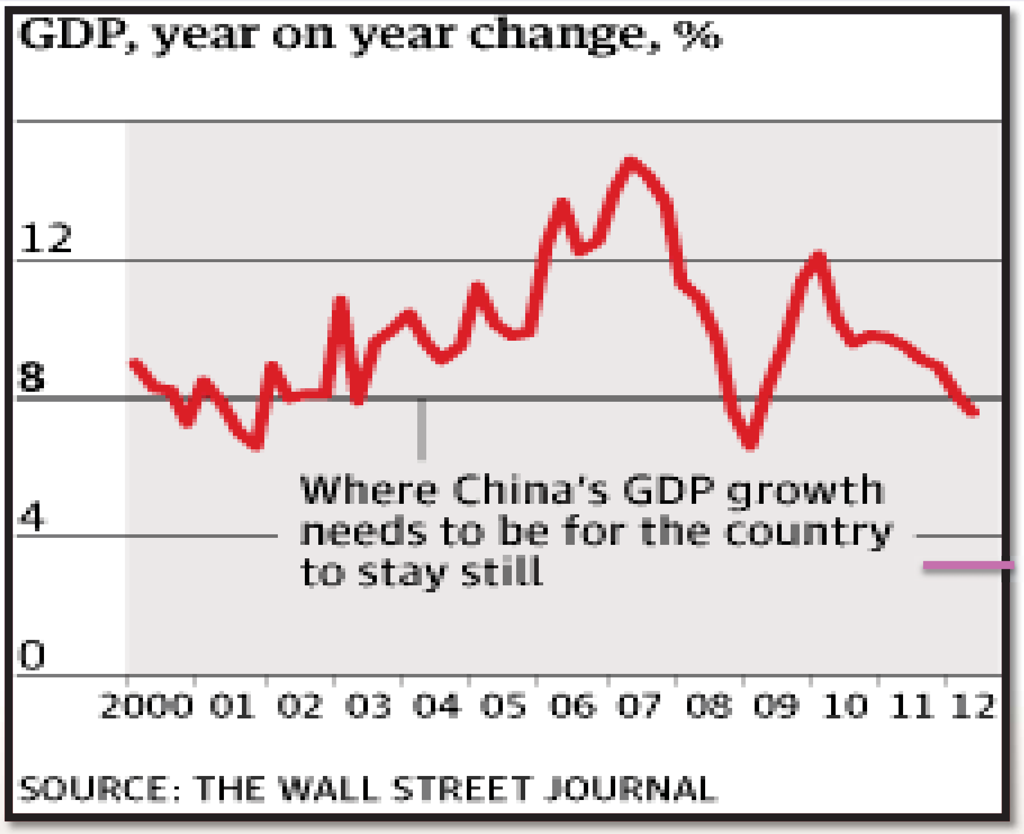
Carpentaria Current Projects



Carpentaria Exploration

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

AUSTRALIA MAGNETITE SYNOPSIS
Is Iron Still Worth It ?



The Chinese economy was expected to grow 7.8 per cent in 2012 and 8.2 per cent in 2013, the IMF said.
Oct 9th AAP

Australia's GDP growth estimated at 3.7%

Improved October data reinforced the view that China's growth stabilization is on track, Barclays said in a research note on Monday (12th Nov 2012).

This is a very good slow down !
Will still require raw materials

AUSTRALIA MAGNETITE SYNOPSIS
Slow Down in West – Huge Advantage to SA

BUSINESS • COMMODITIES

Western Australia sees Oakajee port project delayed 2-3 years

Tues Nov 13th

Reuters in Perth

Tuesday, 13 November, 2012, 1:13pm

Western Australia premier Colin Barnett. Photo: Bloomberg

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Commodities
Iron Ore

Western Australian Premier Colin Barnett said on Tuesday that he expects the state's Oakajee iron ore port and rail project to be delayed by two to three years, and is confident the development will go forward.

Japan's Mitsubishi put on hold plans to develop the A$5.9 billion ($6.15 billion) Oakajee port and rail project and the A$3.7 billion Jack Hills iron ore project last week as it was unable to line up a partner to help with funding.

"I wouldn't write Oakajee off. There's 13 billion tonnes of magnetite iron ore in that province, there's probably over US$3 billion in mainly Chinese investment in the area," Western Australian Premier Colin Barnett told reporters on the sidelines of a resources conference in Perth.

He added that the Western Australian government will pursue discussions with Chinese state-owned enterprises to develop the port and rail project.

"The project doesn't all have to happen in one go, it can be staged... There's also scope to build a port, initially, of a lesser standard," Barnett said.

For example, the port could operate for 250 days a year and grow with market demand instead of working all year round, he said.

Oakajee is one of several ports the state had hoped would be up and running by the middle of this decade but has become a casualty of the slowdown in Chinese growth and reluctance by Chinese companies to invest offshore after facing long delays and massive cost overruns on existing projects.

...y's ... t growing economy, thanks to A$167 ... is facing a slowdown as miners shelve ... ncertain demand and a persistently

... is Woodside Petroleum's Browse liquefied ... n northwestern Australia.

"I wouldn't write Oakajee off. There's 13 billion tonnes of magnetite iron ore in that province, there's probably over US$3 billion in mainly Chinese investment in the area," W... he sidelines of a r...

We nearly have this at Hawsons

Oakajee is one of several ports the state had hoped would be up and running by the middle of this decade but has become a casualty of the slowdown in Chinese growth and reluctance by Chinese compan... facing long delays and massive cost overruns on ex...

We have an operating port at Port Pirie

HAWSONS IRON PROJECT
Where are we placed at US$93/t?

Revenue Calculation (@ spot)		RIO	BHP	FMG	AGO	MGX	GRR	BCI	CAP**
Iron ore fines price - 62% Fe	US$/dmt cfr	**93**	**93**	**93**	**93**	**93**	**93**	**93**	**93**
Fe%		62%	62%	58%	58%	61%	66%	57%	68%
Rec'd price*	A$/wmt FOB	77	77	66	65	65	92	66	77
Cash Costs*	A$/wmt FOB	31	38	52	70	63	100	54	45
EBITDA Margin	A$/t	**47**	**40**	**14**	**(5)**	**2**	**(8)**	**12**	**32**

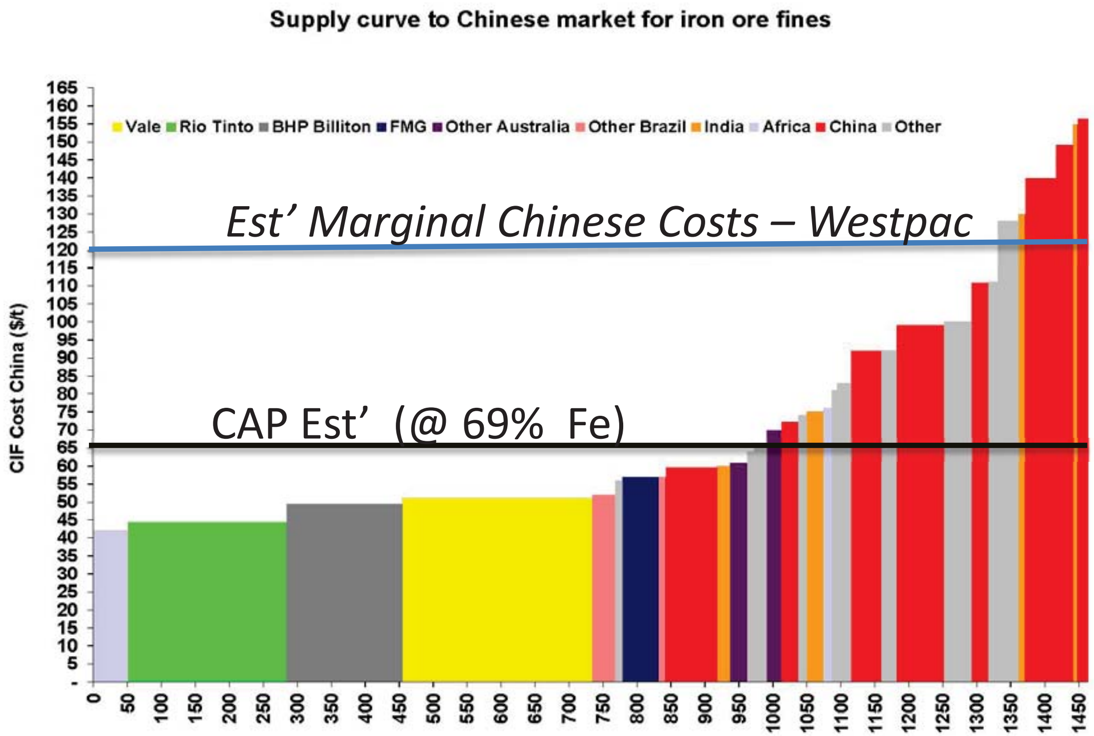
- After UBSe and company filiings, adjusted, moisture, Fe content, impurities, freight: 30.8.2012

** Nov 2011 PFS

- ➢ Received price varies depending on product quality
- ➢ Hawsons compares well to 2nd tier DSO producers
- ➢ Low cost producers will always have a strong business
- ➢ Hawson's is well placed in the long term

Legend
BHP
RIO
FMG – Fortescue Metals
AGO – Atlas iron
MGX – Mt Gibson
GRR – Grange Resources
BCI – BC Iron
CAP – Carpentaria Exp'

HAWSONS IRON PROJECT
Where are we placed – Costs to Port in China



Macquarie Research Aug 2012

Implications – all in U$:

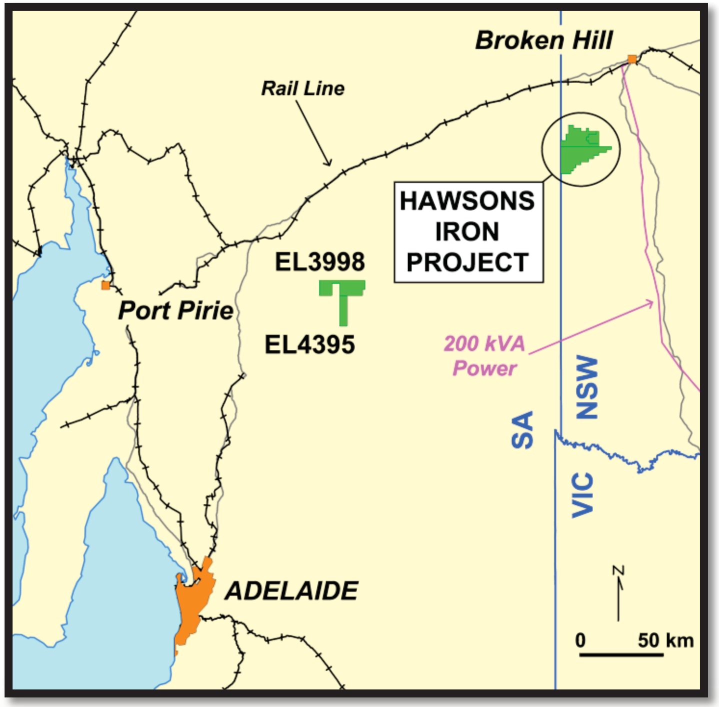
- **Probable Future Base cost for 62% $120/t**
- **CAP will realise a premium (69% Fe)**
- **Hawsons very profitable at $120/t (62% Fe)**

CARPENTARIA
Iron Growth Prospects

Significant growth through Hawsons

Well funded to :

- Continue early BFS works
- Move Hawsons up the value curve
- Secure the right development partner
  - Realize short term growth and
  - long term value



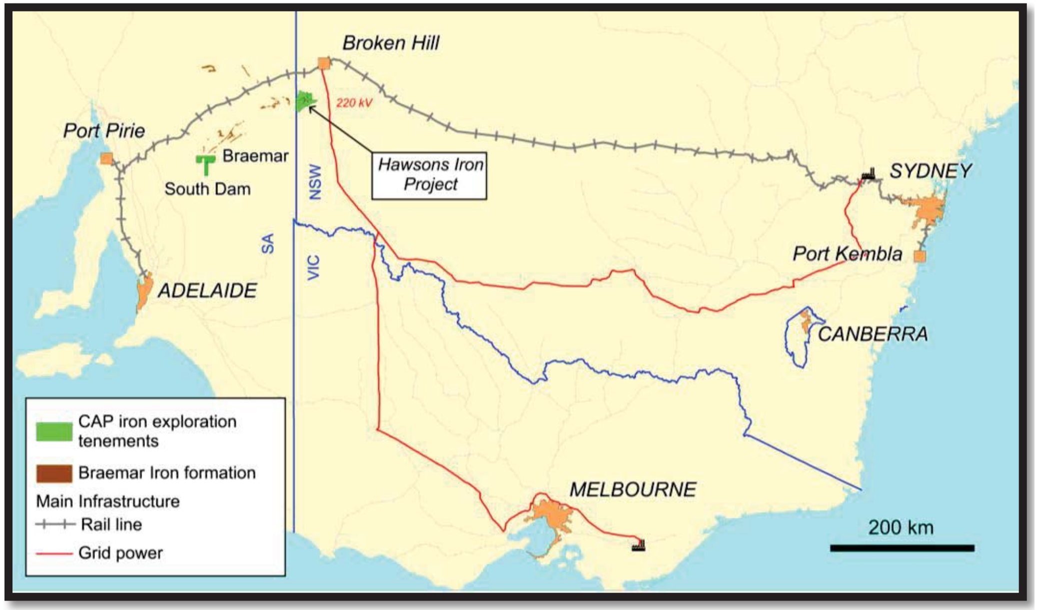
Potential for Discovery

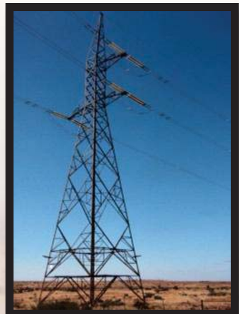
- Braemar JV – 3 initial holes in iron
- Awaiting DTR results
- Thick ~ 100m intersections magnetite siltstone
- Close to Adelaide / Port Pirie (Rail and Road)
- No native title

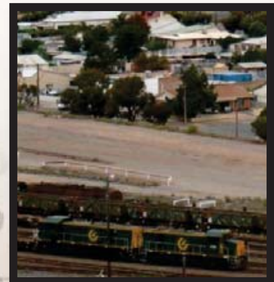
HAWSONS IRON PROJECT
Largest Magnetite Project in NSW

- ***Location*** – 60km SW Broken Hill
- ***Resource*** – very large with potential for 50 year plus mine life
- ***Completed Prefeasibility Study*** – Audited with opportunities to improve
- ***Low operating costs*** - FOB approx. $50/t – potential for high margins
- ***Infrastructure*** – water, power, transport and port all available for start up
- ***Approvals*** – low hurdles compared with other projects

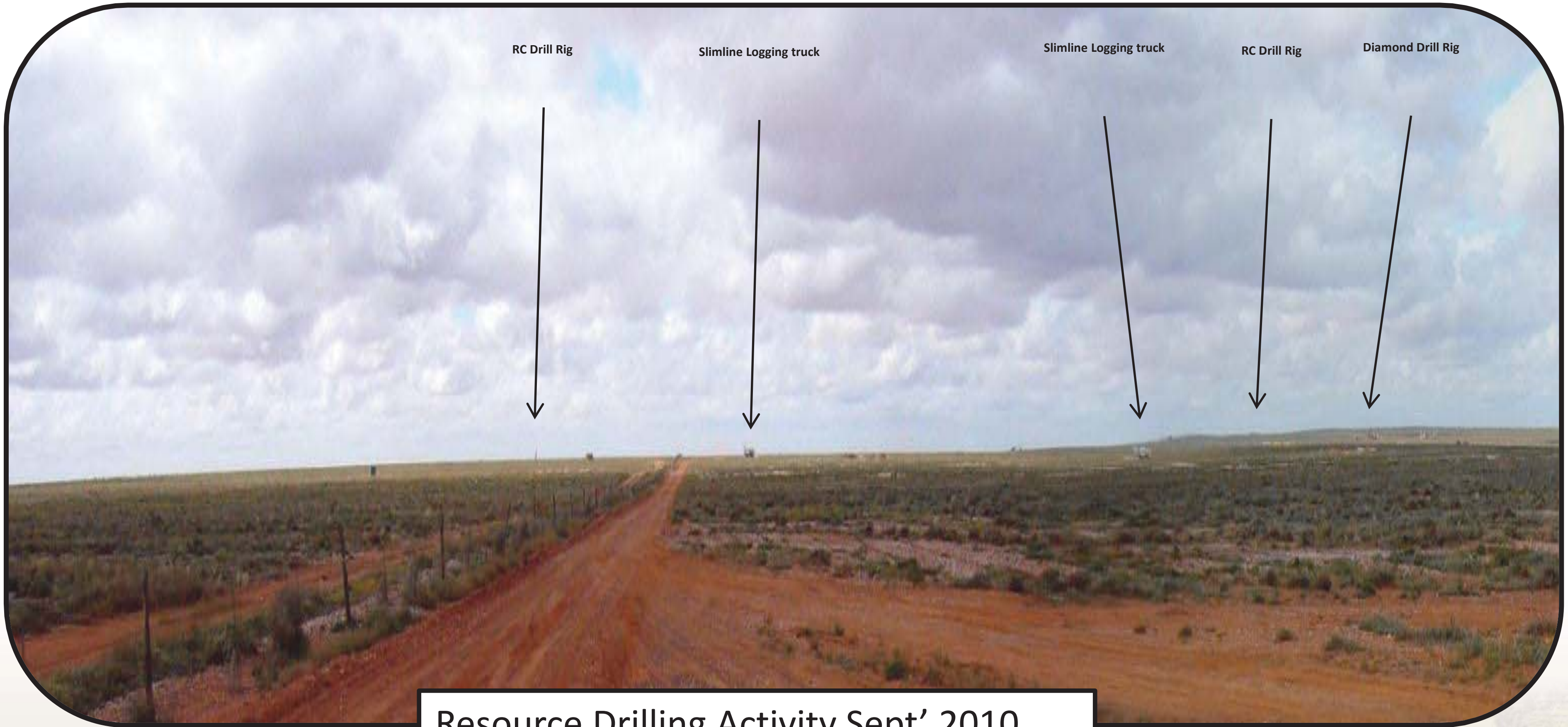
Native Title has been extinguished







HAWSONS IRON PROJECT
Resource Drilling



Resource Drilling Activity Sept' 2010

HAWSONS IRON PROJECT
NSW - State Significant Development

New South Wales Government declares :

Hawsons Iron Project *'State Significant Development'* project (14th November 2012)

Implications :

- **First step towards granting of mining licence at NSW's biggest magnetite discovery**
- **Carpentaria targeting 2014 for completion of Environmental Impact Statement**

HAWSONS IRON PROJECT

Hawsons Magnetite Advantages

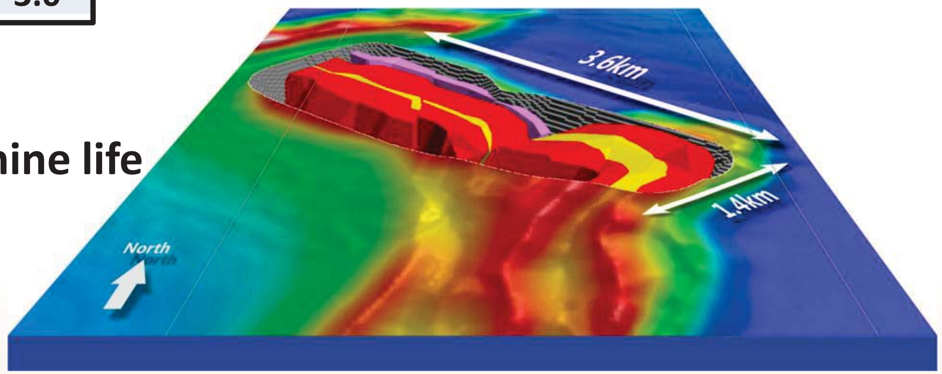
➢ **Size**

Category	BTonnes	Magnetite DTR %	Cut Off	In Situ Concentrate
Inferred	1.4	15.5	12%	220 M tonnes
Inferred	1.7	14.8	10%	250 M tonnes

➢ **Clean**

Concentrate Grades				
Fe%	Al_2O_3 %	P_2O_5%	SiO_2%	LOI%
69.9	0.22	0.002	2.5	-3.0

Over 1500 samples



➢ **Starter Pit – single pit over 20 years mine life @ 20Mtpa**

➢ **Waste to Ore 0.3 : 1 over life of mine**

➢ **Soft Ore – easy mining, lower power = lower cost processing options,**

HAWSONS IRON PROJECT
Hawsons Magnetite Advantages Contd'

Exploration Target[1]

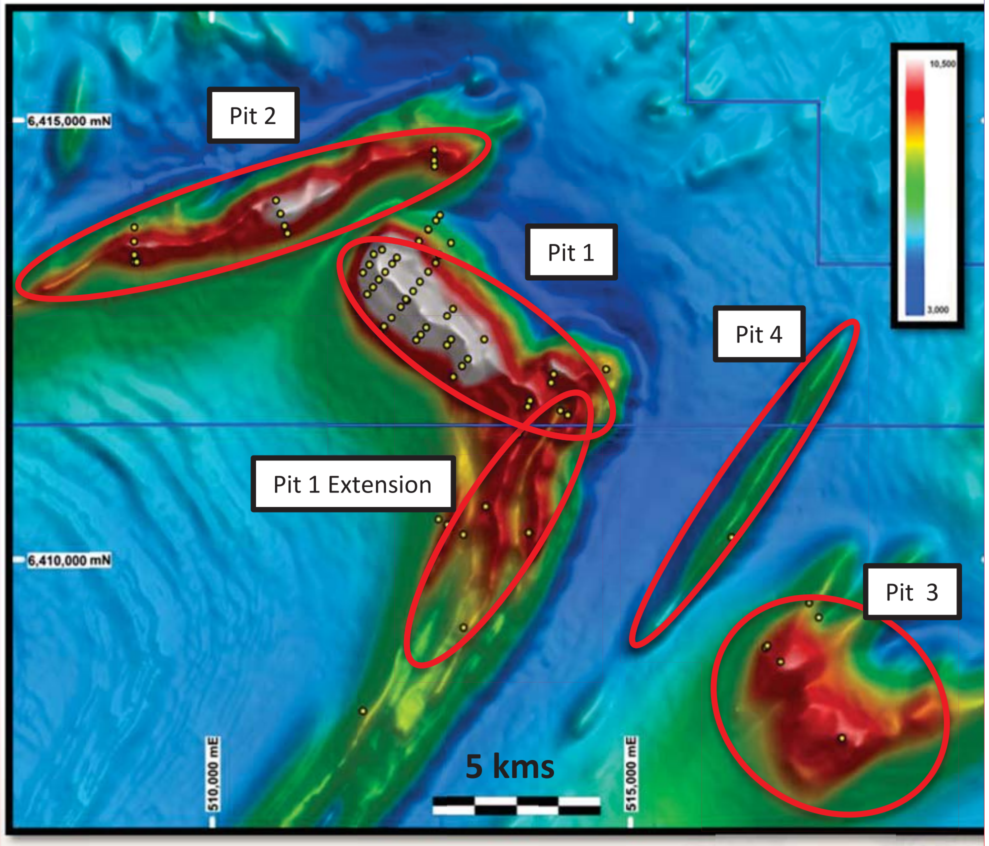
- 6 to 11 Billion Tonnes

DTR 14 – 17%, Con' grade 69 -71% Fe

900 – 1900 Mt contained concentrate

- Additional Pits (~ 3 additional)

~ *50 years mine life after Pit 1*



Idealised Pit Location over Life of Mine

[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. (DTR is Davis Tube Recovery)*

HAWSONS IRON PROJECT
Mining Optimisation

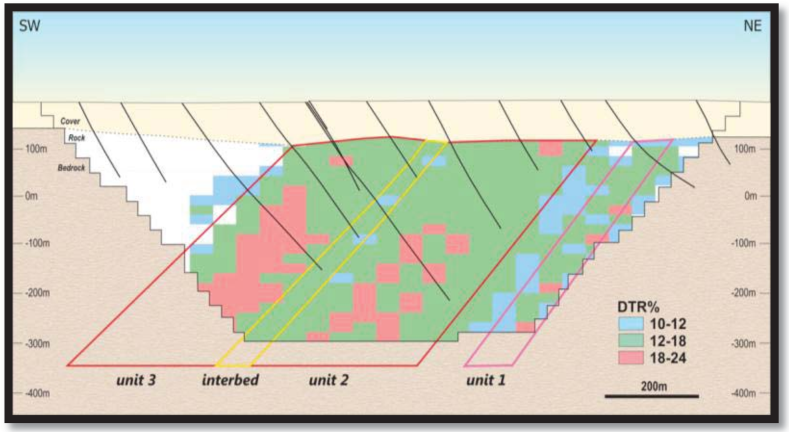
Prefeasibility Study

- 5Mtpa – 3yrs then step to 20Mtpa – 20 years
- Drill and blast to remove overburden
- Truck and shovel to extract the ore

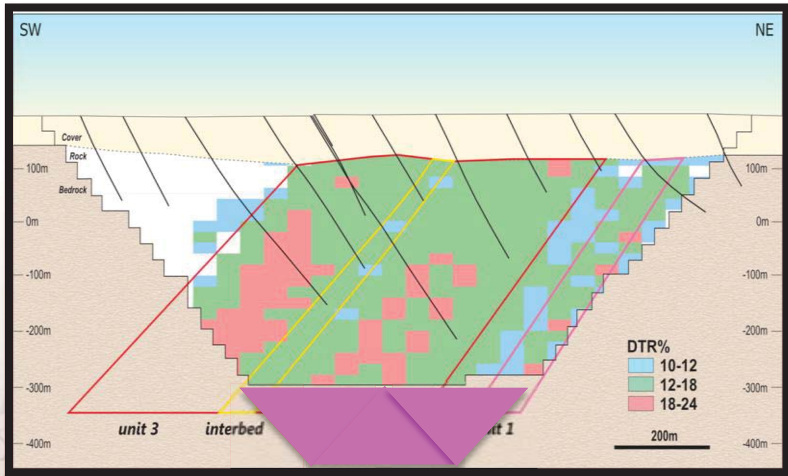
Optimisation Study

- 5Mtpa year 1 then ramp up to 20Mtpa
  - *More rapid financial returns*
- Better Stockpile management
  - *Less moving of material*
- Ripping of Overburden
  - *Not drill and blast*
- Efficient water use – tail thickeners
  - *Reduction in pumping requirements – earth works*
- In-Pit Crushing and Conveying (IPCC)
  - *Reduce truck hours*
  - *Additional material to mine*

Pit from original PFS



Additional material available using IPCC



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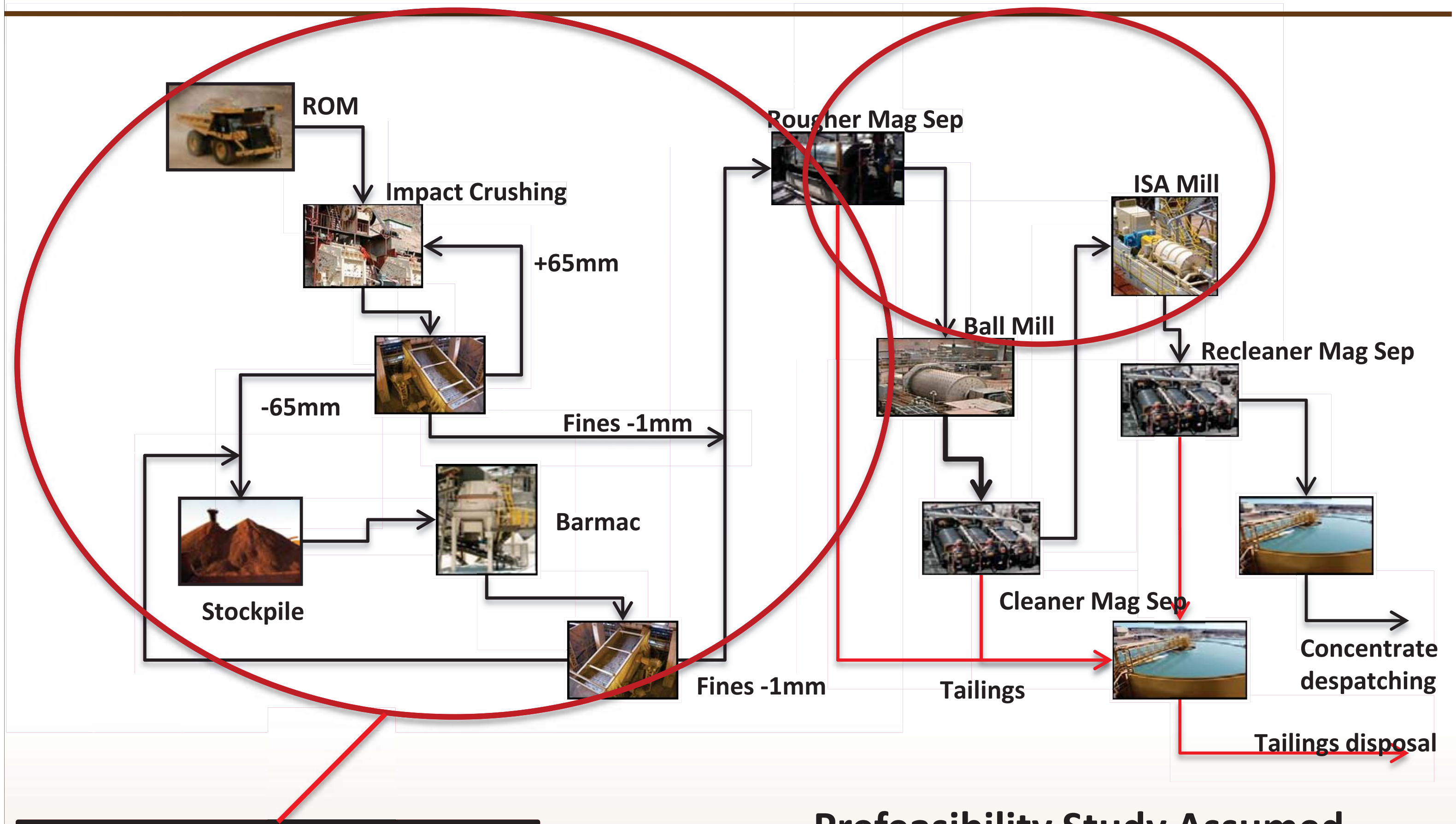
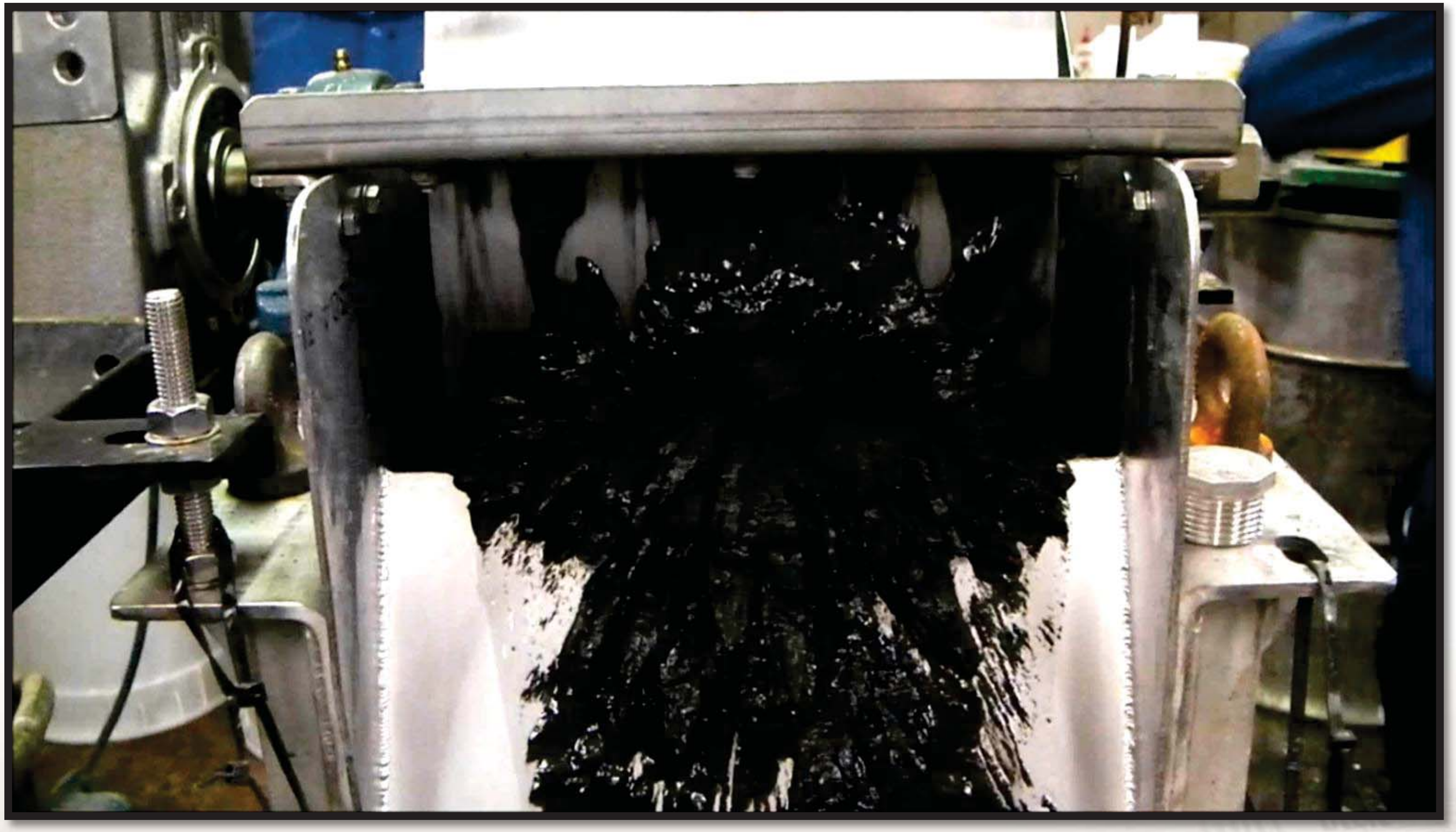
Processing Optimization Studies



Current Pilot Test Work

Prefeasibility Study Assumed
- **Typical Magnetite Process Flow**
  - **Assumed hard ore style**
  - **Conventional magnetite processing**
- **High Capital & Operating costs**

HAWSONS IRON PROJECT
Proof of Concept – Small Scale Pilot Plant



HAWSONS IRON PROJECT
Preliminary Results Achieved

Fresh Feed
100%

27%

73% (30% @ 53µm)

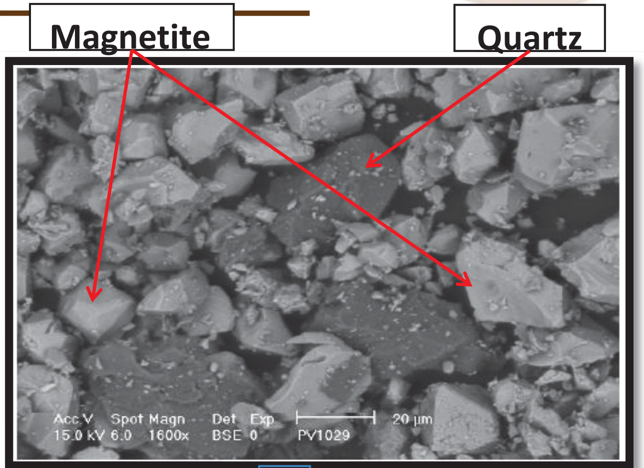
50% Rejected to Tails

100% @ 44µm

Rejected
to Tails

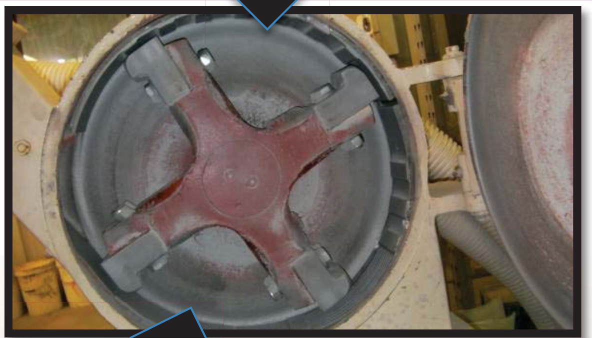
High Grade
Concentrate

HAWSONS IRON PROJECT
Proof of Concept – Small Scale Pilot Plant

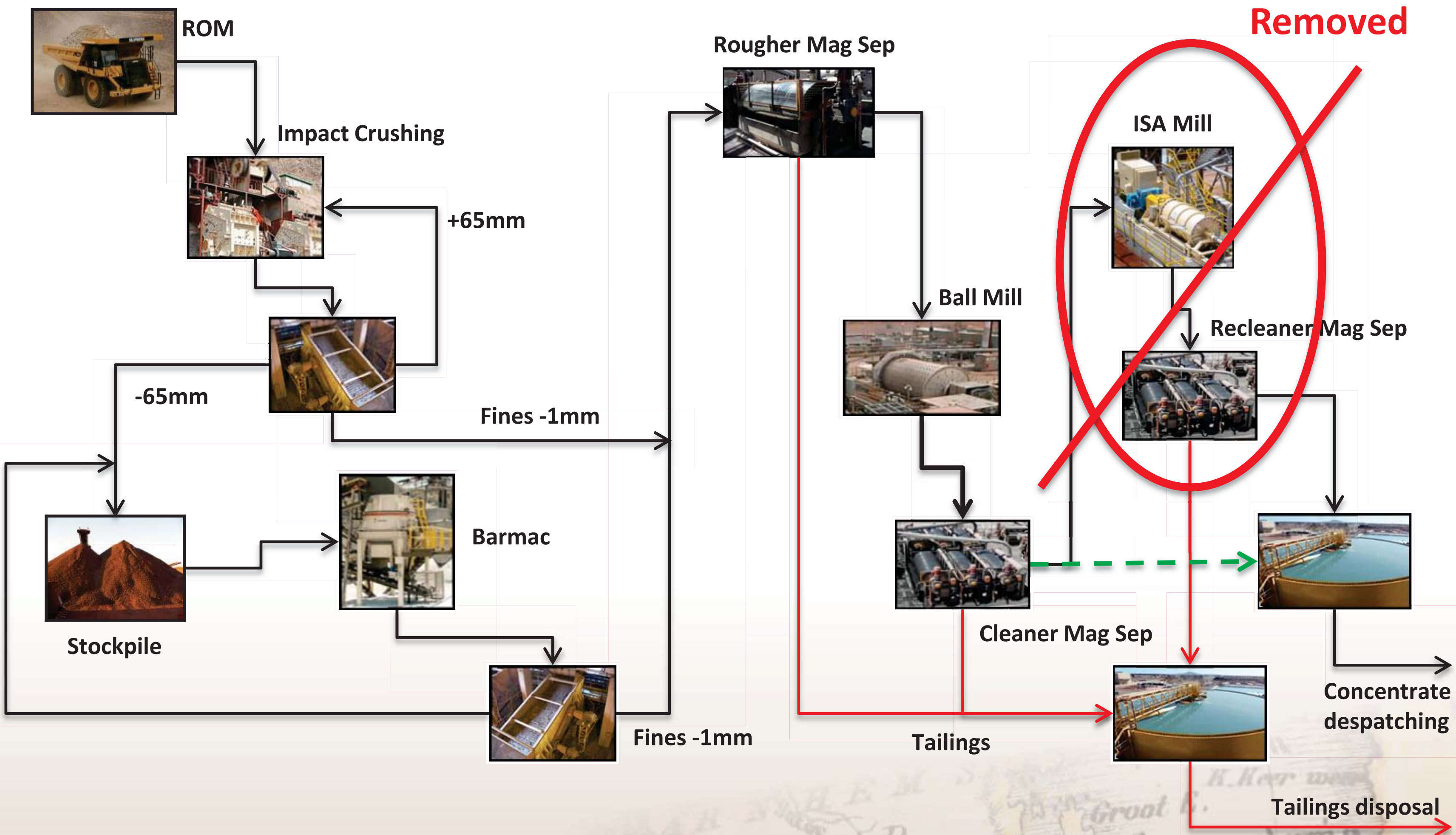


Small Scale Pilot Plant Testwork

- Impact Crusher pulverises ore ✓
  Reduces CAPEX (No HPGR)
  As opposed to BIF style magnetites
- Target fraction ~28 - 30% -53µm ✓
  Reduces CAPEX – no tertiary crushers required
- Target to reject >50% of input material as tails ✓
  Reduce CAPEX and OPEX – less mills
- Target 80% of ball mill output <75µm ✓
  Achieved 38 – 44µm
  Liberate magnetite early in circuit
  Reduces downstream Grinding requirements
  Reduces CAPEX and OPEX



HAWSONS IRON PROJECT
Optimization Studies – Simplified Flow Diagram



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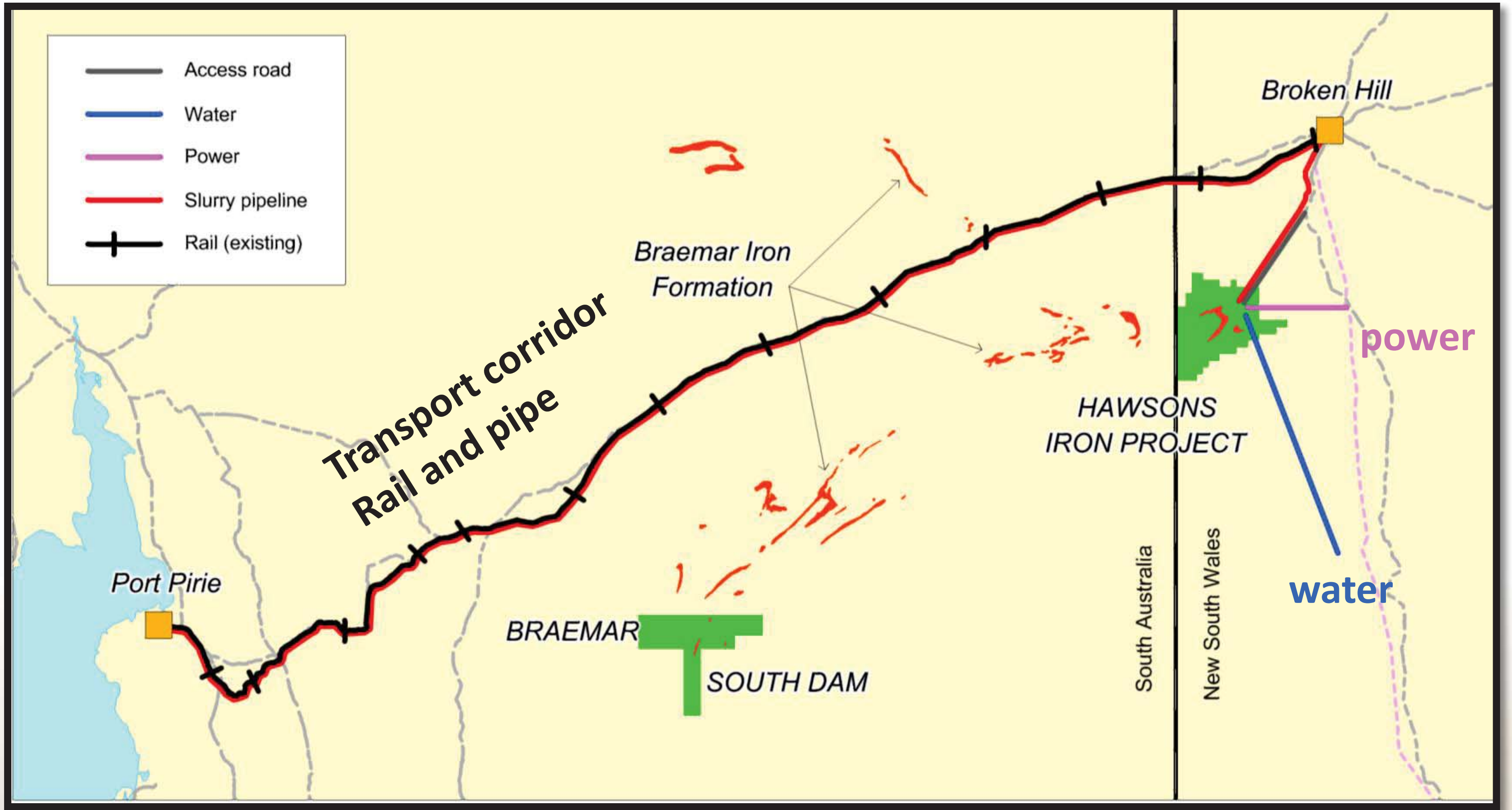
HAWSONS IRON PROJECT
Transport – Great Optionality

Recent Developments

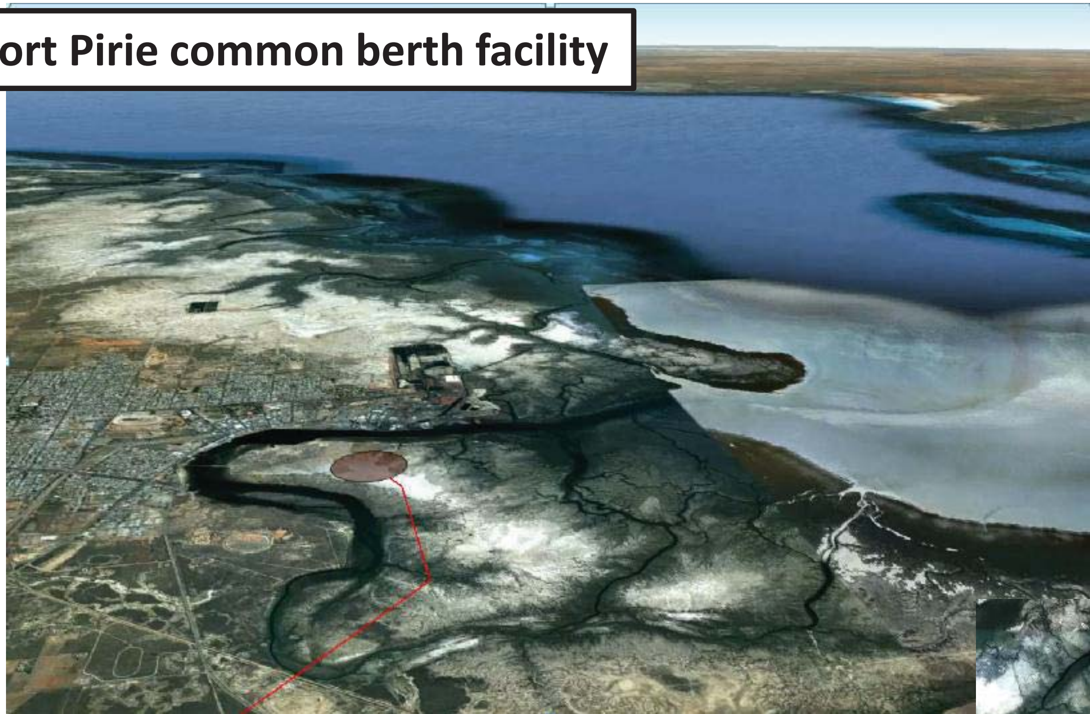
- 13mtpa spare capacity identified on the existing rail
- MOU signed with rail provider Genesee & Wyoming detailing transport for 5 Mtpa to Port Pirie with possible expansion
- MOU signed with Flinders Ports to determine long term handling, storage and loading solution at Port Pirie, South Australia
- Low cost Common User Facility for potential to export 20 – 30Mtpa of iron concentrate
  - Out of town stockpile, convey to port,
  - Large barges transfer to Cape size

HAWSONS IRON PROJECT
Infrastructure and Transport Options



HAWSONS IRON PROJECT
Transport – Great Optionality Port Pirie

Port Pirie common berth facility



Port Pirie
bottleneck solved
Away from town
stock pile and
conveyor

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

HAWSONS IRON PROJECT
Ongoing Work

- Small scale pilot plant work nearing completion
- Environmental approvals underway
- Ongoing discussions with Transgrid
- Additional early BFS works
  - Reduction of water usage – paste thickeners
  - Reduce tailing dam size
- Schedule

2013 - Resource Drilling , Pilot Plant

2014 - Mining Lease

2016 - Production

HAWSONS IRON PROJECT
Summary- A State Significant Development

Significant growth through Hawsons

Strong team in place and well funded to

- Move Hawsons up the value curve
- Secure the right development partner
- Unique ore type (Not BIF)
- Low cost producer
- Long life mine with Port, and Infrastructure

Potential for further discovery

- Braemar Iron JV
- Drill results very encouraging

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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Appendix 1

UBS research

Revenue Calculation (@ spot)		RIO	BHP	FMG	AGO	MGX	GRR	BCI	CAP
Iron ore fines price - 62% Fe	US$/dmt cfr	**93**	**93**	**93**	**93**	**93**	**93**	**93**	**93**
deduct freight	US$/t	(7)	(7)	(7)	(10)	(22)	(22)	(7)	(15)
Iron ore fines price - 62% Fe	US$/dmt FOB	86	86	86	83	71	71	86	78
Fe%		62%	62%	58%	58%	61%	66%	57%	68%
Adjust to Fe content	US$/dmt FOB	0	0	(6)	(6)	(1)	4	(7)	9
Quality adjustment	%	0%	0%	5%	5%	0%	0%	5%	0
Quality adjustment	US$/dmt FOB	0	0	(4)	(4)	0	0	(4)	0
Rec'd price	US$/dmt FOB	86	86	76	73	69	74	75	87
Moisture	%	6.0%	6.0%	9.0%	7.5%	3.0%	5.0%	8.0%	9%
Adjust for moisture	US$/mt FOB	(5)	(5)	(7)	(5)	(2)	(4)	(6)	(8)
Pellet premium (for GRR)	US$/wmt FOB						25		
Rec'd price	US$/wmt FOB	80	80	69	67	67	96	69	79
Rec'd price	A$/wmt FOB	77	77	66	65	65	92	66	77
Costs									
COGS guidance	A$/wmt FOB	**26**	33	45	66	59	95	**50**	**41**
royalties	%	7%	7%	11%	7%	7%	5%	7%	10%
plus royalties	A$/wmt FOB	5	5	7	4	4	5	4	4
Cash Costs	A$/wmt FOB	31	38	52	70	63	100	54	45
plus D&A	A$/wmt FOB	**7**	**6**	**5**	**13**	**4**	**18**	**2**	**10**
Total Costs	A$/wmt FOB	38	44	57	83	67	118	56	55
EBITDA Margin	A$/t	**47**	**40**	**14**	**(5)**	**2**	**(8)**	**12**	**32**
EBIT Margin	A$/t	**40**	**34**	**9**	**(18)**	**(2)**	**(26)**	**10**	**22**

Legend
BHP
RIO
FMG – Fortescue Metals
AGO – Atlas Iron
MGX – Mt Gibson
GRR - Grange Resources
BCI - BC Iron
CAP – Carpentaria Exp'

Source: Company filings and UBSe
30 August 2012
Note : Carpentaria's costs are estimated at $50FOB (dry) in its PFS. However wet, they are reduced by 9%.

HAWSONS IRON PROJECT
PFS November 2011

- Inferred Resource - **1.4Bt at 15.5% Mass recovery for 220mt concentrate**
- Exploration target[1] - **6-11Bt at 14-17% Mass recovery for 900-1900 mt** concentrate
- Concentrate quality **69.9%Fe, 2.50% SiO_2** (no notable deleterious elements)
- Production 20mtpa magnetite concentrate
- Operating costs 47-53/t concentrate
- Completed by GHD, Audited by Behre Dolbear Australia

	Capex	NPV	IRR	Annual ave. Gross Profit	Payback
Nov 2011 PFS Update (incl in pit crushing option)	$2.9Bn	$3.2 Bn	23%	$735 m	6.3yrs

Assumptions	Discount rate	AUD:USD	Life of Mine 69% Concentrate price*	Life of Mine equivalent 62% fines price*
	9%	1.00:0.85	US$88	US$79

[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. (DTR is Davis Tube Recovery)

(All currency in Australian $ unless otherwise defined) 28

HAWSONS IRON PROJECT
At 15.5% DTR - Why Does it Work ?

1. **Low waste to Ore ratio (0.3:1)**

2. **Large mining widths and single 24 yr pit**
   - **Utilise in pit crushing and conveying**

3. **Soft Ore**
   - **Lower mining costs (compared to BIF's)**
   - **Lower grinding (processing costs)**
   - **Conventional circuit**
   - **Reduce CAPEX**

4. **High grade concentrate with low contaminants**

5. **Infrastructure**
   - **Power, water, rail, mining community**
   - **Port availability**