

Investor Presentation

December 2017

Carpentaria
RESOURCES

LOW COST
PREMIUM
QUALITY
IRON ORE

SUPERGRADE IRON

Right product - right time



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- Global steel industry increasingly needs high quality iron ore products and is paying a premium for it
- Hawsons Supergrade® will be the world's best iron ore product
- Hawsons Iron Project is the world's leading undeveloped high quality iron ore project for cost and quality
- Hawsons has the right product, in the right place, at the right time to attract strategic investment and deliver for shareholders



- CAP seeking A\$25-30m for bankable feasibility funding (BFS) on the right terms
- October 2017 - multiple third parties capable of substantially funding the BFS undertaking pre-transaction due diligence. (The nature of any transaction is uncertain).
- November and December 2017 - Following recent visits to China and Middle East additional market participants are also seeking to secure off-take and support project development.
- The additional parties are also undertaking due diligence and are capable of substantially funding the BFS. (The nature of any transaction is uncertain).

ASX : CAP

Listed: 2007

SHARES: 199M

CASH : \$2.3M 30 November, 2017

Deliver the worlds best iron ore to the worlds leading steel mills from the development of Hawsons Iron Project (CAP 66.5%, Pure Metals PL 33.5%)

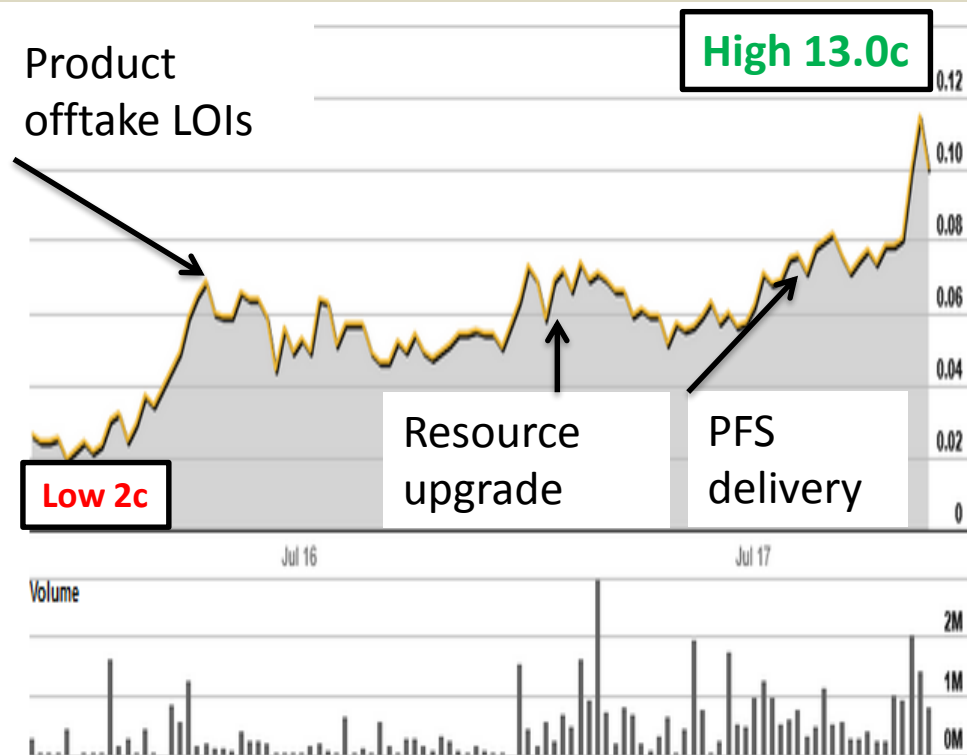
Dr Neil Williams - Chairman

Mr Quentin Hill - Managing Director

Mr Bin Cai - Director (non-exec.)

Mr Paul Cholakos - Director (non-exec.)

Mr Robert Hair - (Company Secretary)



Major Shareholders

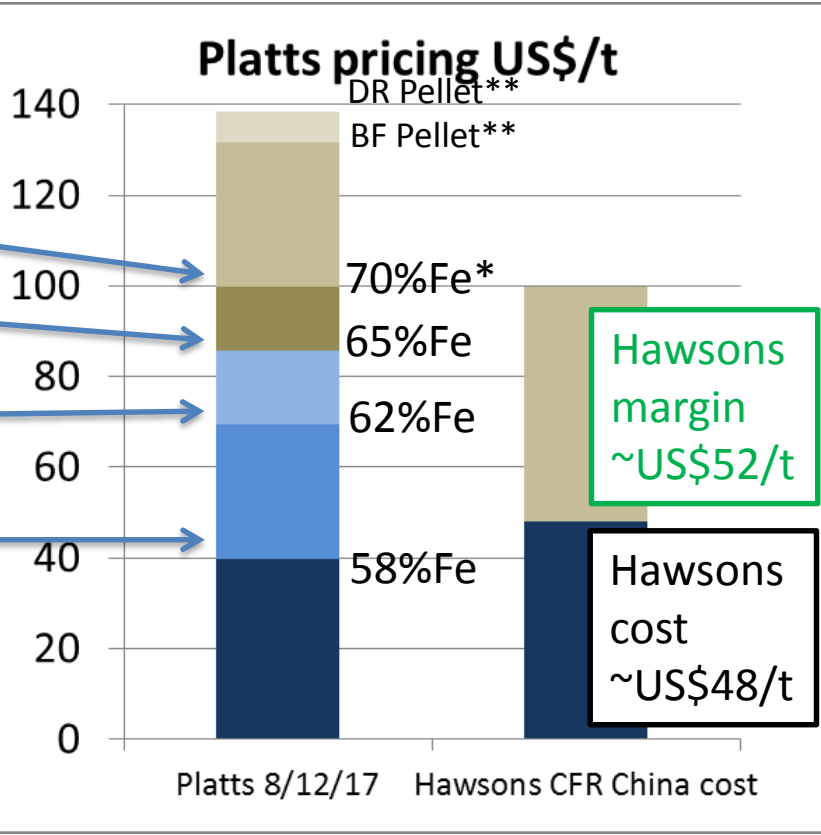
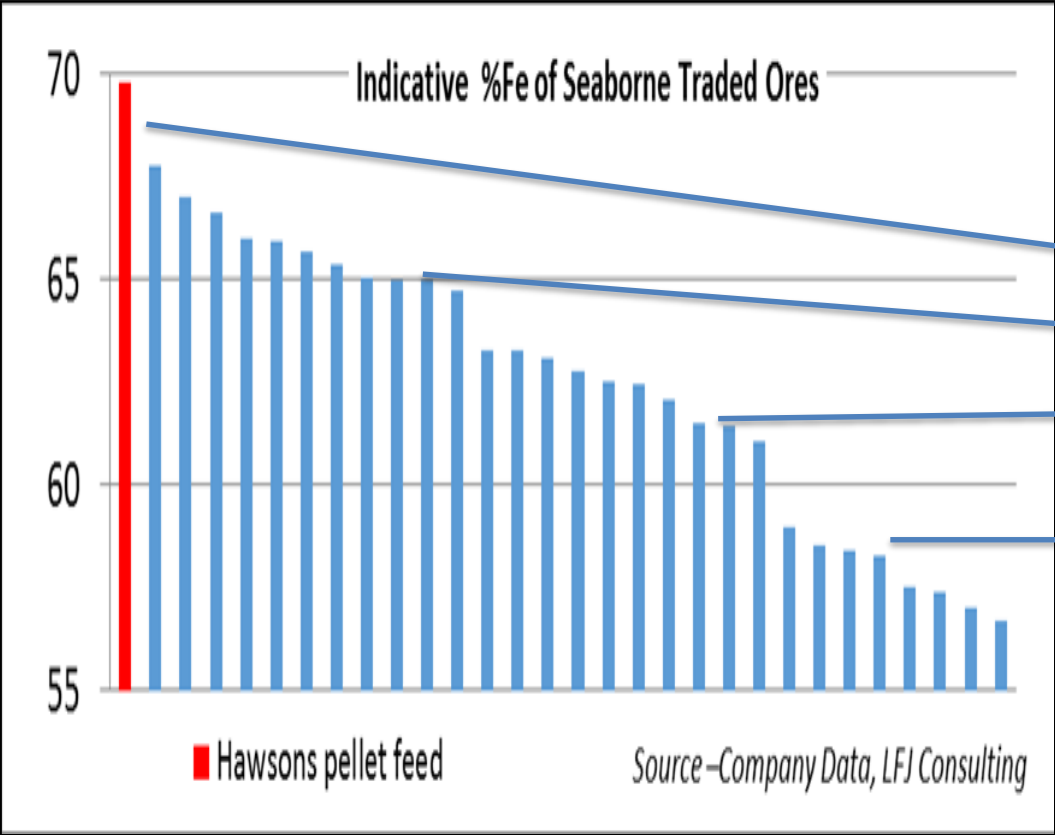
Silvergate Capital group 11.3%

SG Hiscock and Company 7.8%

Australia Conglin Int. group 7.0%

Hawsons Supergrade® will be the world’s best iron ore product at 70%Fe

Buyers are prepared to pay a premium for it



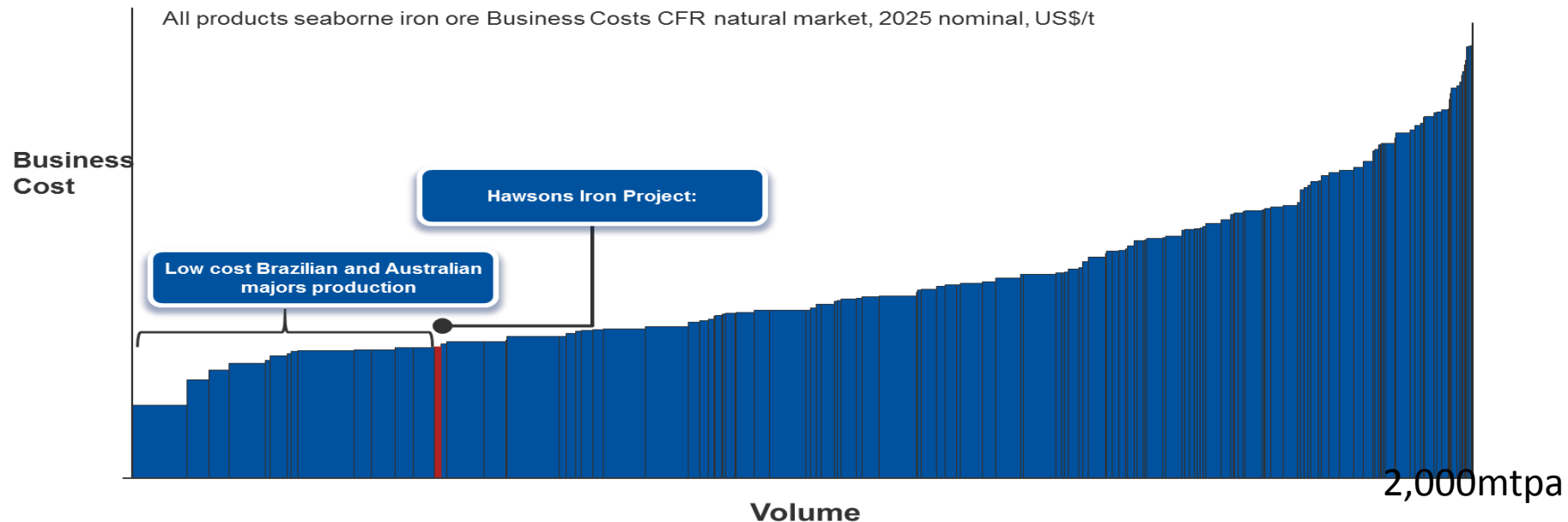
*under pricing formula in slide 21

** Vale stated 2018 pellet premium December 8, 2017 (plus iron adjustment) (DR pellet US\$62/t, BF US\$58/t)

Hawsons Iron Project – Highlights profitable and sustainable

- Prefeasibility study results**
- equity returns ~30% IRR
 - 62%Fe equivalent all in CFR cost US\$23/t

Hawsons is in the first quartile of the CRU global iron ore cost curve



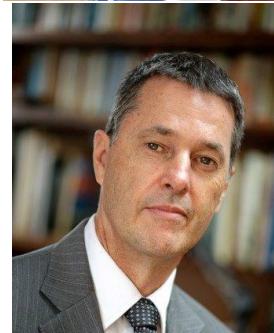
Source CRU, July 2017, Global iron ore business cost curve

CRU's Business Cost includes all costs of operations up to delivery at the buyers' port and also includes a value in use adjustment that normalises all operations to the benchmark 62% iron ore price delivered to China, to allow for direct comparison. Cost curve includes projects. CRU's adjustment for Hawsons Supergrade is ~US\$18.



Ray Koenig - Technical Director

- Australia's leading magnetite engineers; ex-Savage River magnetite and pellets



Adam Wheatley - Iron ore financing expert

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



Lou Jelenich - Product Marketing Director

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



- Technical feasibility
- Risk reduction

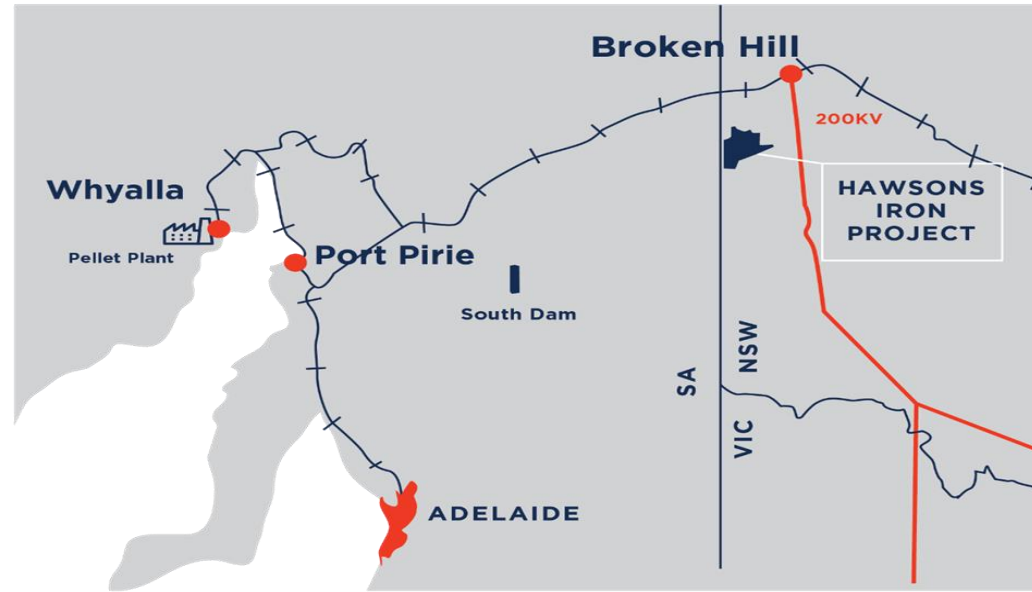


- Project financing and bankability



- Marketing saleable product
- Offtake arrangements

- Mine and process on site for 10Mtpa concentrate production
- Hawsons' unique soft ore makes the difference on cost and product quality
- Power from reliable eastern states grid
- Water from defined high yield saline aquifer 90km south
- Slurry product in pipeline to Broken Hill
- Rail to Port Pirie or port Whyalla on existing rail (13Mtpa spare capacity)
- Transshipment to Capesize vessels to customers in Asia and Middle East



Why Hawsons Supergrade? – Structural change in China favours high quality ore

Chinese steel industry restructure has changed the global iron ore market

- The Chinese industry is approaching structural profitability
- Pellet feed and pellets are favoured as the most efficient furnace feed

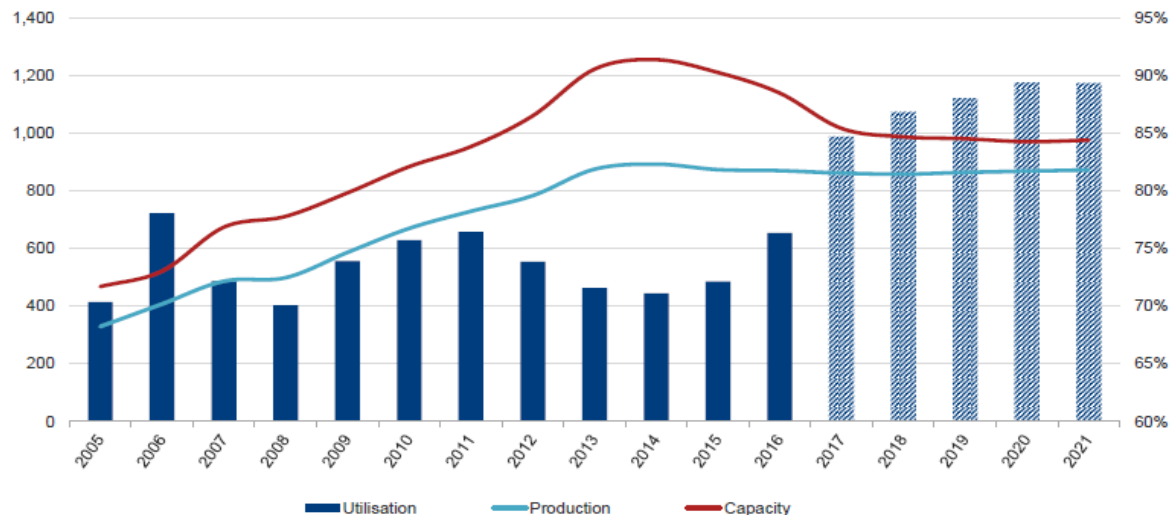
High quality iron ores are favoured today and over the long term because

- mills seeking higher productivity to maximise profits
- pollution costs are higher

CRU

China's steel industry is close to structural profitability

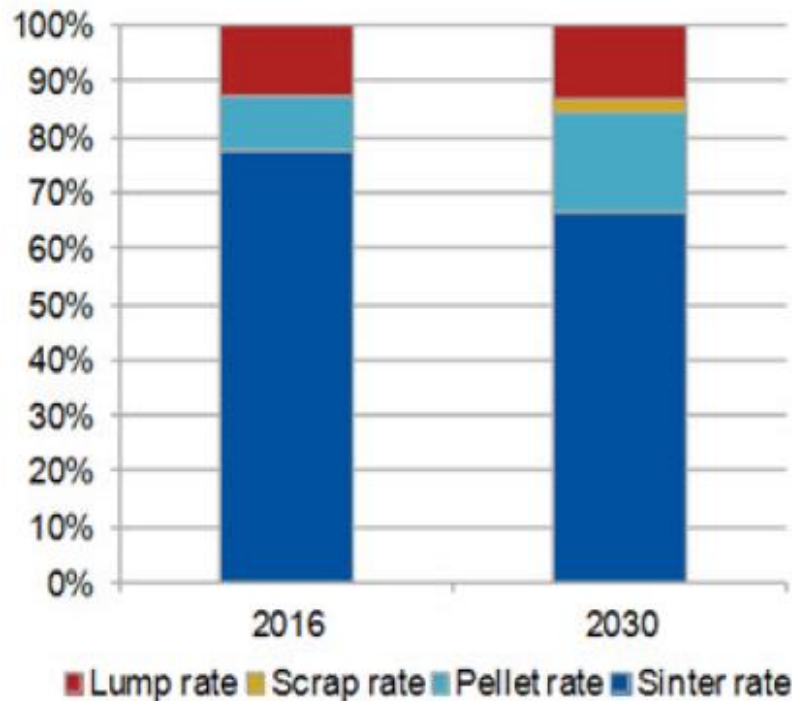
LHS: Chinese carbon crude steel **capacity** and **production**, Mt;
RHS: Implied carbon crude steel **capacity utilisation**, %



Why Hawsons Supergrade? – Pellet feed the real winner

A push for productivity will see pellet rates increase, at the expense of sinter...

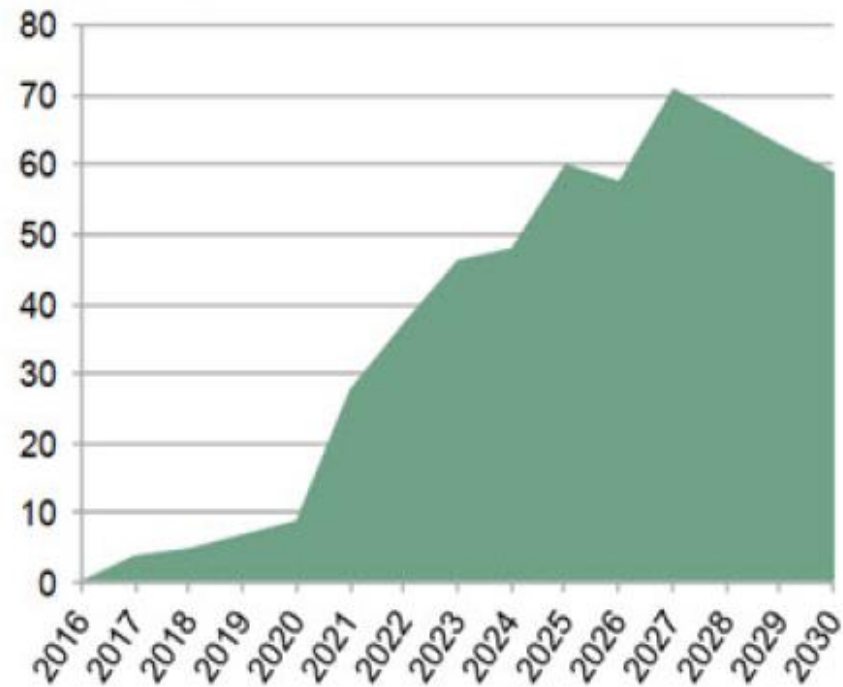
Chinese blast furnace burden rates, % of burden



Data: CRU

...creating additional demand for imports of pellet feed into China.

Imports of pellet feed above 2016 level, Mt

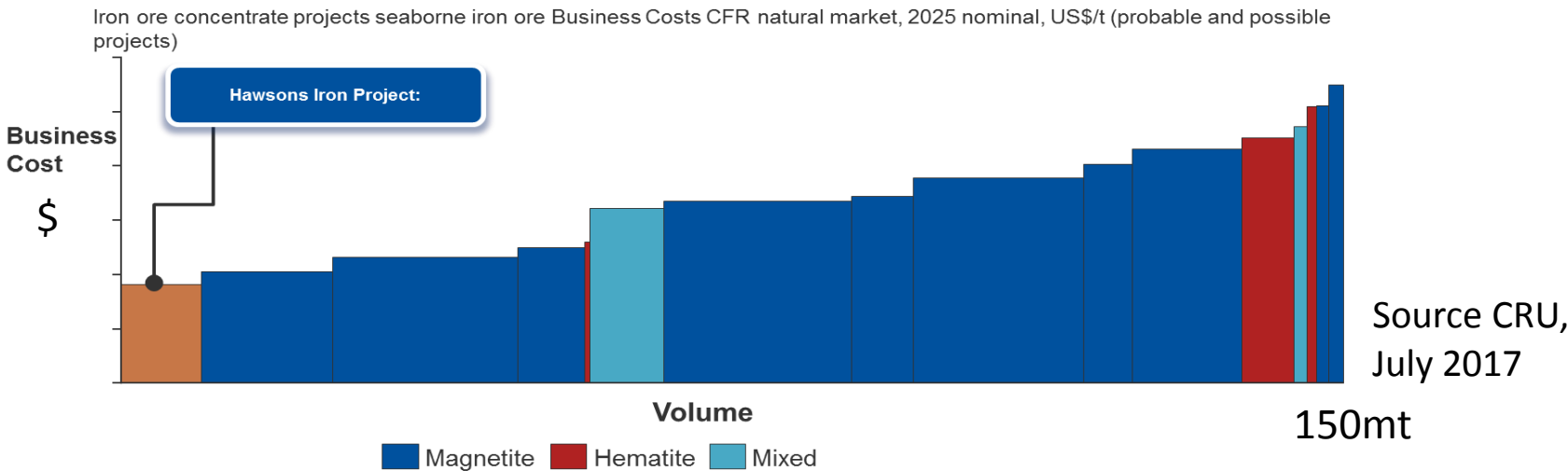


Data: CRU

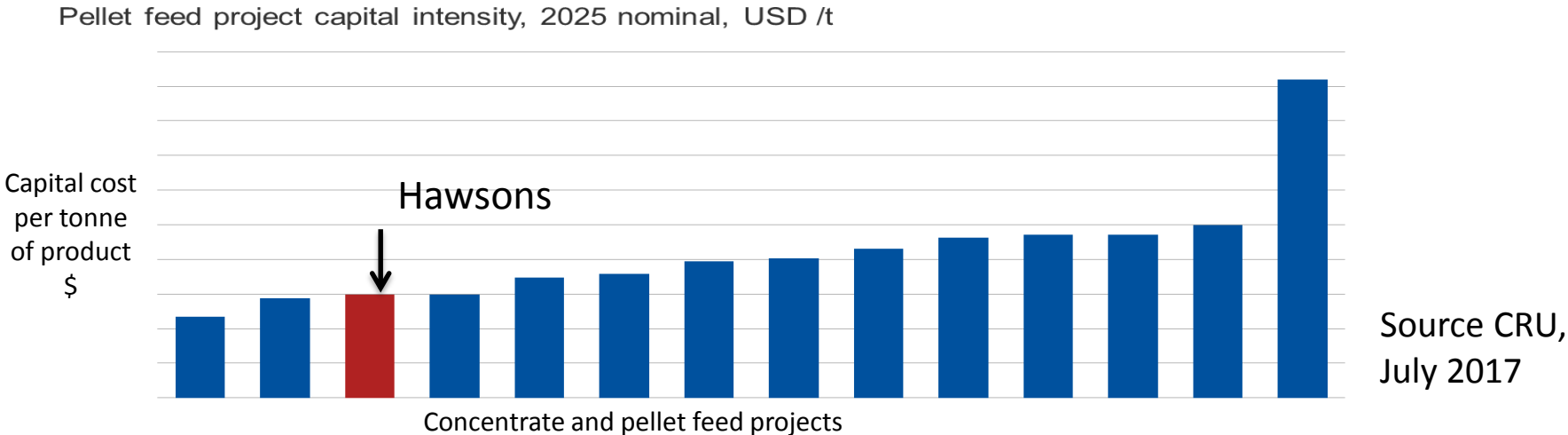
Hawsons Supergrade is the world's best pellet feed for chemical and physical properties, other pellet feed producers are under pressure.

Why Hawsons Supergrade? – World’s leading undeveloped concentrate project

Hawsons is the leading undeveloped iron concentrate/pellet feed project for operating costs



Hawsons is one of the lowest capital cost undeveloped iron concentrate/pellet feed projects



Structural increase in global pellet feed demand



New competition for scarce pellet feed across all markets



China taking market share from Middle East , Japan, Korea, Taiwan



Competition for scarce supply to drive strategic investment in Hawsons

Customer diversity underscores competition across different markets

Company	Volume	Product
Formosa Plastics	2.6 Mtpa	Concentrate/pellet feed
Bahrain Steel	3.0 Mtpa	Direct reduction (DR) pellet feed
Shagang	2.5 Mtpa	Pellet feed
Mitsubishi Corp. RtM	1.0 Mtpa	Pellet feed
Gunvor	1.0 Mtpa	Concentrate
Kuwait Steel	1.0 Mtpa	DR pellet feed
Emirates Steel	0.9 Mtpa	DR pellets
Total	12.0 Mtpa	

Bankable Feasibility study (BFS)

Cost ~A\$25-30 million

Time <18 months

- Multiple third parties capable of substantially funding the BFS undertaking pre-transaction due diligence. (The nature of any transaction is uncertain).
- CAP seeking the right solution for shareholders to benefit from potential uplift in project value during BFS

Project construction

Cost ~US\$1.4 billion

Time ~18 months

Funding options open as long as possible including project finance

- Leading project finance banks provided encouraging feedback on suitability of customers
- Equity component - potential from direct investment and prepayment from blue chip off take partners
- Shareholders to benefit from uplift in project value

- Project value is increasing, **equity investment to have excellent returns** (equity IRR ~30% - PFS July 28th, 2017 see appendix)
- Hawsons has **additional value to others** with funding capability, management focussed on realising this value

End users

- Supply chain security in a tight market
- Maximise capacity utilisation – higher capital efficiency and lower unit costs

Traders

- Secure rare, long term trading opportunities in a tight market

Infrastructure owners

- Secure volumes
- Capacity utilisation – higher capital efficiency and lower unit costs

- Environmental impact statement progressing, water monitoring drilling completed, environmental surveys completed.
- Logistics discussions underway with both port operators
- Experienced project team planning and reviewing options for-
 - BFS, construction and operations

Project Schedule- subject to funding

Task	2017				2018				2019				2020			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Phase 1 Approvals and bankable feasibility study test work					test work											
Phase 2 Bankable feasibility study and engineering																
Construction and production																

- Global steel industry increasingly needs high quality iron ore products and pay a premium for it
- Hawsons has the world's best iron ore product and is best placed to deliver
- A number of potential funding parties are engaged
- Hawsons has the right product, in the right place, at the right time to attract strategic investment and deliver for shareholders



Thank you for your attention

Please refer appendix for additional information

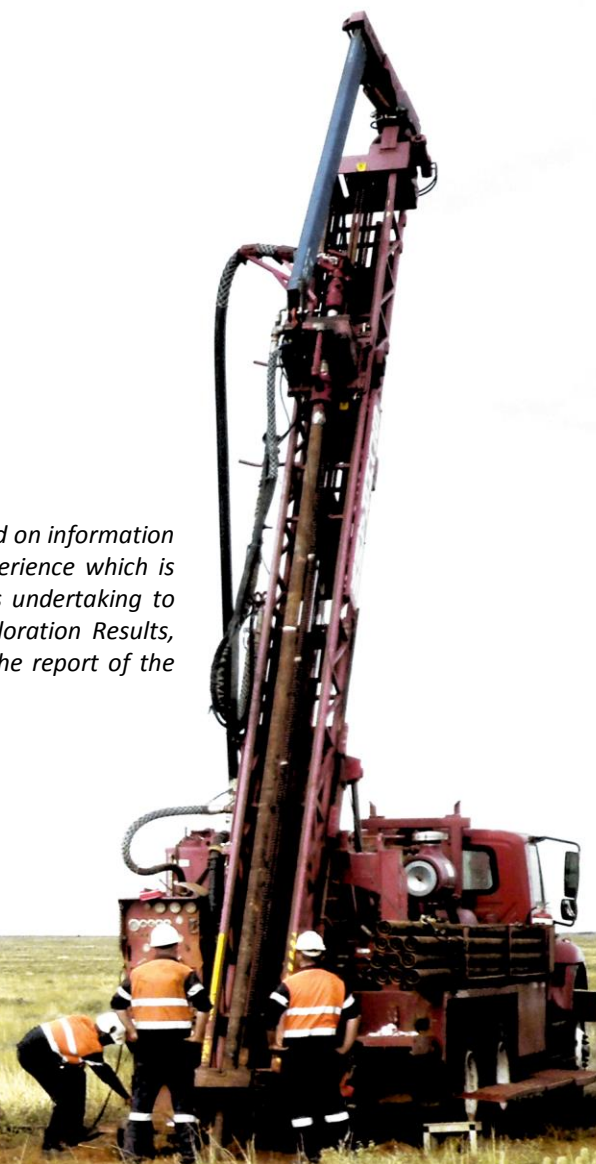
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The information in this presentation that relates to Exploration Results, Exploration targets and Resources is based on information compiled by Q.S. Hill, who is a member of the Australian Institute of Geoscientists and has had sufficient experience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



Hawsons Iron Project – PFS results cash flow positive at 62%Fe prices <US\$30/t

Hawsons PFS preproduction costs (yr 1-2)	USD (m)	Hawsons operating and sustaining costs (after prestrip, ~YR 3-22)	USD/dmt product
Preproduction mining costs including pre-strip	194	Mining	12.14
Mining	242	Processing	8.23
Processing	398	Infrastructure and admin.	1.48
Infrastructure and administration	359	rail and port	11.23
Rail and port	208	Total C1 FOB	33.08
Total^{1,2,3}	1401	sustaining capital ^{4,5}	3.48
¹ incl EPCM 12.5% / contract management 3% of US\$127m		royalties	3.18
² incl. contingency and design growth (av. 16.5%)		Total all in FOB	39.74
³ excludes finance costs		sea freight	8.29
		Total CFR China	48.03
⁴ excludes new in-pit conveyor in yr 5 of US\$120m		less Supergrade premium	25.00
⁵ net of salvage		62%Fe equivalent total CFR	23.03

Base case 10mtpa Hawsons Supergrade® production exported through Port Pirie

Hawsons Iron Project – Prefeasibility study results, outstanding returns

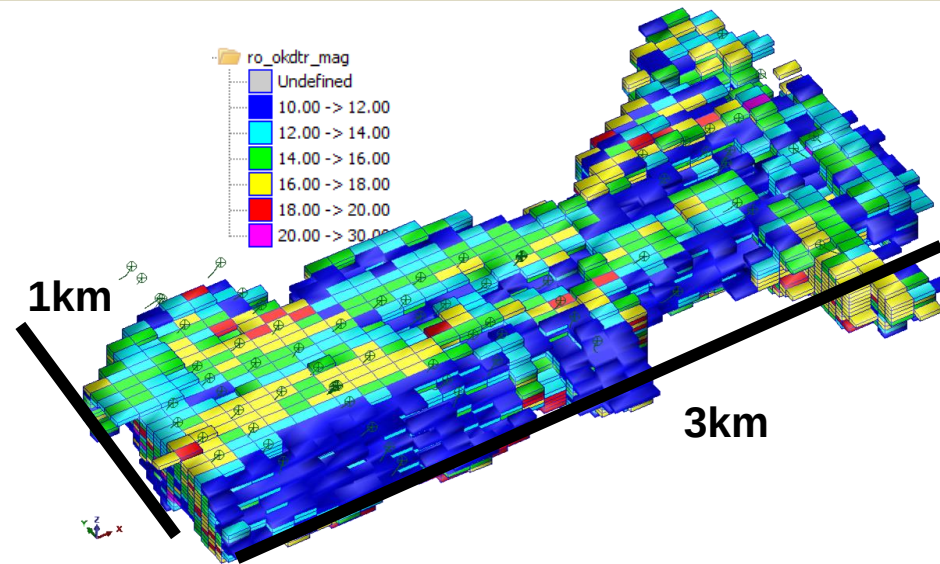
Hawsons PFS key economic results	Base case	at prices 65%Fe fines US\$85.40/t
Equity IRR (post tax, geared)	29.9%	37.9%
Equity NPV (10%) (post tax, geared)	US\$1,091m	US\$1,626m
Project IRR (post tax, ungeared)	17.8%	22.6%
Project NPV (10%) (post tax, ungeared)	US\$867m	US\$1,432m
Life of mine ave. annual revenue	US\$881m	US\$983m
Life of mine ave. annual all in costs	US\$480m	US\$486m
Life of mine annual margin (EBITDA)	US\$401m	US\$497m

Key Hawsons PFS assumptions					
total ore mined	1423mt	62% Fe fines benchmark*	US\$63/t	AUD:USD	0.75
total waste mine	717mt	65%Fe fines benchmark*	US\$75/t	debt:equity	65:35
total product	201mt	plus 5 x Fe 1% US\$1.10	US\$5.50/t	corporate tax	30%
product specification	70%Fe	plus magnetite premium	US\$7.50/t	loan term	10.5 yrs
annual production	10mt	product revenue (dmt)	US\$88.00/t	delivered rebated diesel price	A\$0.89/L
moisture	8%	*ave. (mean) price forecast for 2020-2030 (real 2016)		delivered power price	A\$95/MW hr

Base case 10mtpa Hawsons Supergrade® production exported through Port Pirie

The Company confirms that all assumptions and technical parameters underpinning the resource and reserve estimates continue to apply and have not materially changed since first reported on 28 July 2017.

- Total resources >330mt concentrate
- Conversion rate from Inferred to Indicated Resources was outstanding at 96%, giving confidence in future upgrades
- High value concentrate grade and recovery unchanged after ~40% more data point



Category	Mt	DTR %	DTR Mt	Fe Head %	Concentrate Grades						
					Fe %	Al2O3 %	P %	S %	SiO2 %	TiO2 %	LOI %
Probable Reserves	755	14.7	111	17.5	69.9	0.19	0.003	0.002	2.60	0.03	-3.03
Indicated (incl. Reserves)	840	14.5	121	17.4	69.9	0.19	0.004	0.002	2.61	0.03	-3.04
Inferred	1,660	13.6	227	16.8	69.7	0.20	0.004	0.003	2.91	0.03	-3.04
Total	2,500	13.9	348	17.0	69.7	0.20	0.004	0.002	2.81	0.03	-3.04

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 28 July 2017. Reported at a 9.5%DTR cut off grade, and 38micron grind.

Elements and Compounds		Supergrade Pellet Feed (ALS, CISRI)	Supergrade pellets (CISRI) Fired at 1230°C	Midrex DR Specifications*
chemical Analysis (%) (on dry basis)	Fe	70.3	67.80	67.00 min.
	SiO ₂	1.99	2.39	
	Al ₂ O ₃	0.29	0.44	
	SiO ₂ + Al ₂ O 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 ₂ O	0.032	0.056	
	K ₂ O	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.°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