

March 2019 Global iron ore and steel forecast conference, Perth WA

HAWSONS IRON PROJECT

Right product, right
place, right time

Quentin Hill, Managing Director

Carpentaria
RESOURCES

WORLD'S
BEST IRON
ORE PRODUCT

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- + Carpentaria Resources (ASX:CAP) is an emerging producer of low cost, premium quality iron ore products.
- + The Company's flagship Hawsons Iron Project near Broken Hill, NSW has been rated by analysts as the world's leading undeveloped high quality iron concentrate and pellet feed project.

Listed: 2007
Shares: 213.8m
Cash : \$1.195M 31 Dec 2018

Hawsons Iron Project
(CAP 68.7%, Pure Metals 31.3%)

Major Shareholders
Silvergate Capital 9.8%
SG Hiscock and Company 7.8%

Hawsons is a leading development project in a growth market.

- + Hawsons Supergrade® is the world's best iron ore product
- + Customer-led development plan is driving Hawsons' development, amid very strong market fundamentals
- + Positive PFS showed strong financial case and funding potential, enhanced by:
 - + Mitsui funding support, and
 - + structural supply gap of magnetite and direct reduction (DR) pellet feed
 - + severe disruptions of pellet feed production in Brazil
- + BFS funding negotiations progressing

BFS funding update

- + Negotiations are active with multiple parties regarding equity and non-dilutive offtake linked BFS and construction funding
- + CAP is moving through the internal processes of our multiple counterparties
- + CAP continues to receive offtake enquiries this quarter by credible, substantial end users particularly those most affected by Brazilian supply disruptions
- + CAP is confident the market pull for development is very strong and will result in successful completion of the remaining BFS funding

TIER ONE PEOPLE



QUENTIN HILL
MANAGING DIRECTOR (~5yrs)

Geologist, >20 years' experience
Integral part of Hawsons discovery team, driving development



RAY KOENIG
PROJECT DIRECTOR

One of Australia's leading magnetite engineers; ex-Savage River magnetite and pellets. Olympic Dam, Pilbara hematite and magnetite



ADAM WHEATLEY
PROJECT FINANCING DIRECTOR

Past projects, Gindalbie/Kararra, Hancock/Hope Downs, Aztec/Koolan Island



LOU JELENICH
PRODUCT MARKETING DIRECTOR

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

TIER ONE PEOPLE



JON PARKER
NON-EXECUTIVE DIRECTOR

Former General Manager
Commercial Rio Tinto Iron Ore,
MD Felix Resources,
MD Norton Goldfields



PAUL CHOLAKAS
NON-EXECUTIVE DIRECTOR

Mining engineer, currently
Executive General Manager,
Technical Services, Oil Search
(ASX:OSH)



NEIL WILLIAMS
CHAIRMAN

Former Chief Geologist
Exploration MIM, ex-CEO
Geoscience Australia

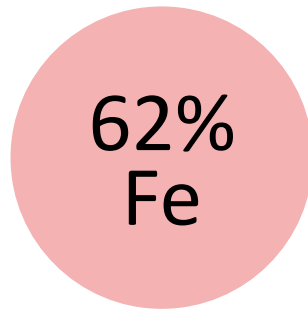


ROBERT HAIR
COMPANY SECRETARY

Former GM Commercial Highlands
Pacific, Commercial Manager
MIM Exploration

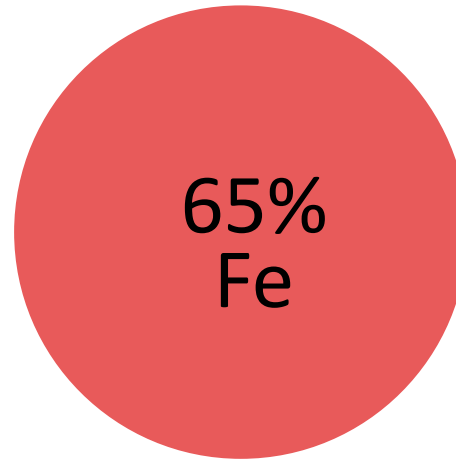
The world's best quality iron ore (70% Fe).

19 March 2019



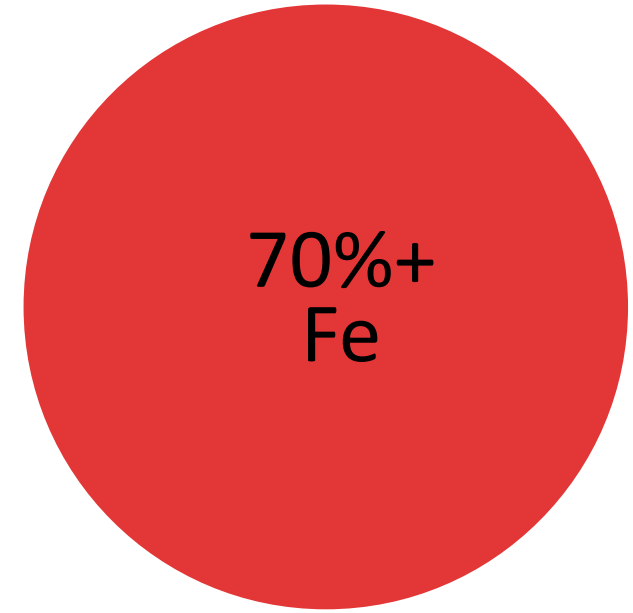
\$US87/t

Source: Platts



\$US99/t

Source: Platts



>\$US110/t

Source: Formula as per Hawsons prefeasibility study announced on 28 July 2017, 65% Fe (Platts) + VIU (Platts) + Magnetite premium (SMM) – see appendix for assumptions.

Single-minded focus on realising the >\$1 billion NPV* of Hawsons

Delivered

1. Product offtake LOIs
2. Resource upgrade
3. PFS
4. Mitsui commits support

* Refer Appendix



CUSTOMER SUPPORT AND PRODUCT QUALITY

- + Has customer acceptance
- + 140% of production under letters of intent, blast furnace and DRI customers
- + Premium ~USD\$25/t over 62%Fe benchmark
- + World's highest iron content
- + DR spec. - 70%Fe,
<2% Silica
- + Ideal physical properties
- + Magnetite favoured by pelletisers

COMPANY	VOLUME
Mitsui & Co	2.0 Mtpa**
Formosa Plastics	2.6 Mtpa*
Bahrain Steel	3.0 Mtpa*
Shagang	2.5 Mtpa*
Mitsubishi Corp. RtM	1.0 Mtpa*
Gunvor	1.0 Mtpa*
Kuwait Steel	1.0 Mtpa*
Emirates Steel	0.9 Mtpa*
Total	14.0 Mtpa

**Non-binding LOI*

***Secured option*

PREFEASIBILITY STUDY RESULTS – STRONG FINANCIAL CASE

Outstanding independent (GHD) prefeasibility study (PFS) results:

- Cash flow positive at benchmark 62% Fe under US\$30/t
- Excellent returns
- High margin
- High project value
- 10 Mtpa production

Refer Appendix for assumptions

PFS COST ESTIMATES

	PFS Price Assumption	Iron Ore Price Assumption 65%Fe US\$95/t
Operating costs - C1 FOB	US\$33.08	US\$33.08
Operating costs - All in	US\$39.74	US\$39.74
Operating costs - CFR China	US\$48.03	US\$48.03
Supergrade price premium	US\$25.00	US\$38.03
Equivalent 62%Fe CFR cost	US\$23.03	US\$10.00
Capital cost inclusive of contingency	US\$1.40Bn	US\$1.40Bn

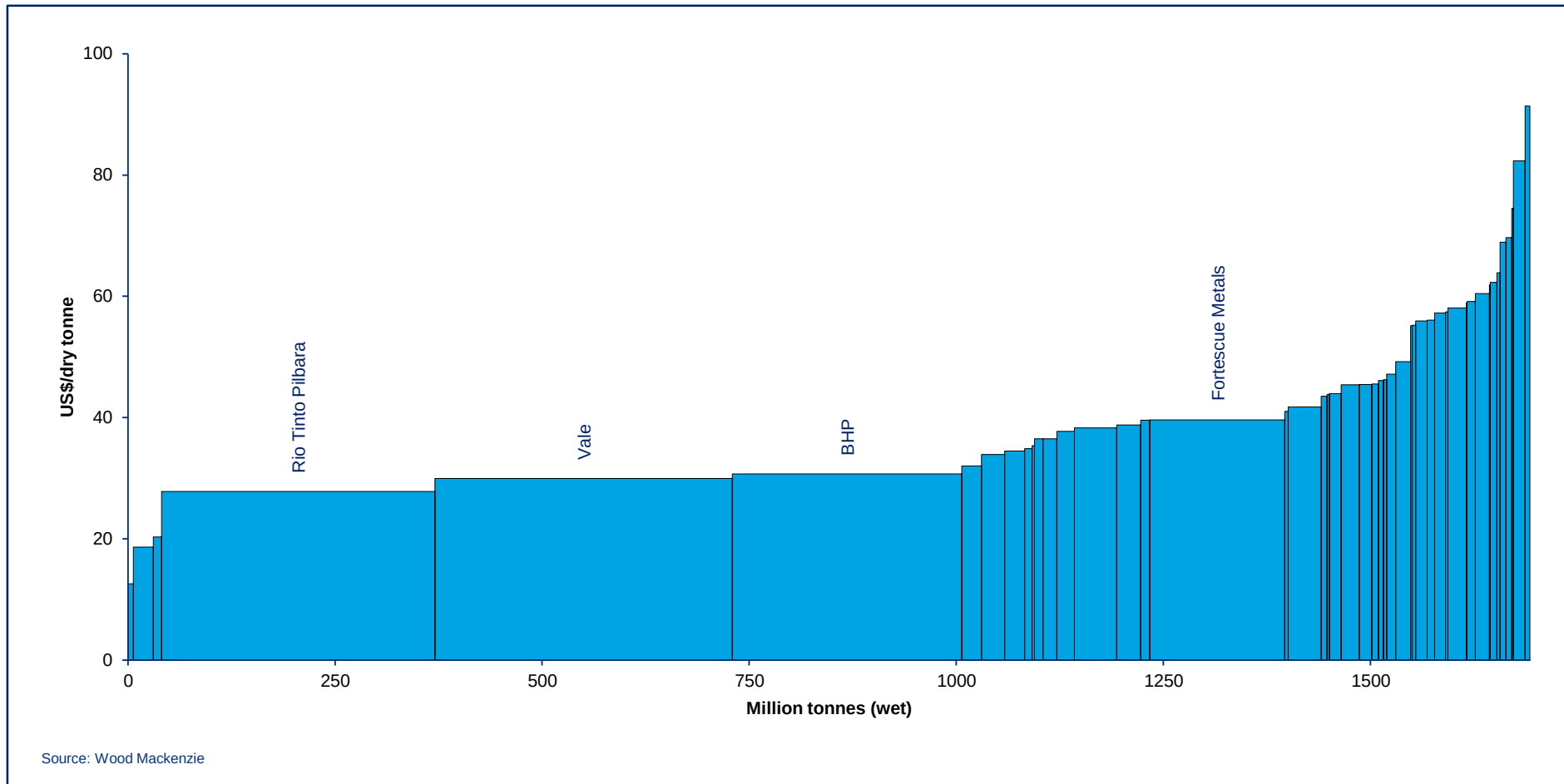
PFS FINANCIALS

Annual profit margin	US\$401m	US\$569m
Equity IRR	29.9%	43.0%
Equity NPV	US\$1,091m	US\$1,973m
tonne of Supergrade (70%Fe)	201m	201m
Mine life / pay back period	20 / 3-4 years	20 / 3 years
62%/65%Fe price assumption	US\$63/75/t	US\$83/95/t

- + First quartile of the quality adjusted global cost curve
- + Cash flow positive at under US\$30/t benchmark iron ore price
- + Supports downside price risk management for investors and lenders.

PROJECTED 2025 COST CURVE

2025 seaborne export VIU adjusted cost curve
(CFR China, 62% Fe fines basis, real Q2 FY 2019)

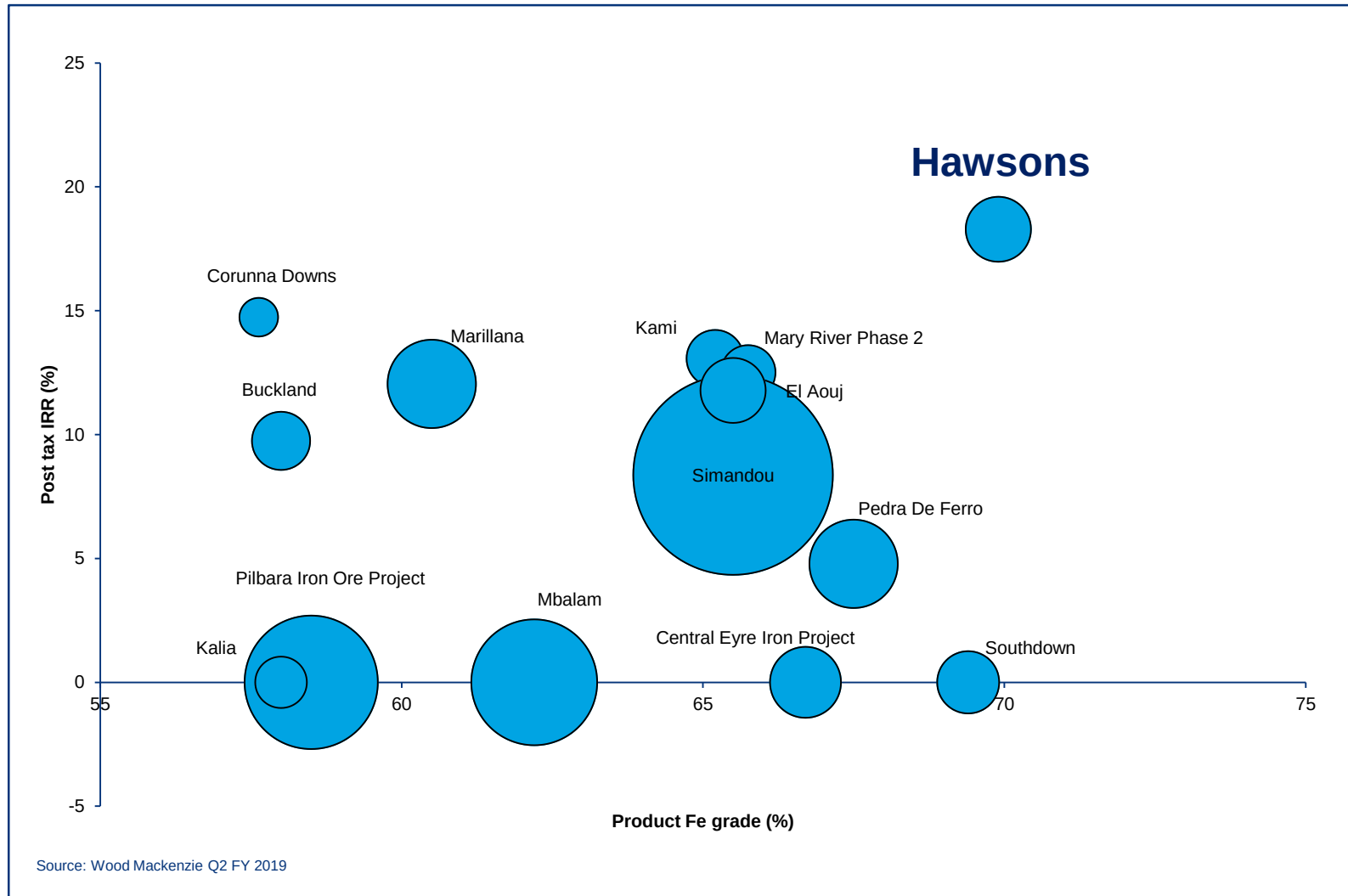


VIU adjusted cost curve is sourced from Wood Mackenzie and is based on actual costs of production by existing producers as derived from stock exchange compliant information, modified by regional input cost assumptions, macroeconomic assumptions and forecasts of VIU of iron products as reflected in actual pricing data. Carpentaria aspires to put Hawsons into production with outcomes that are at least as good as set out in the prefeasibility study announced on 28 July 2017, in which case it will be at the front of the first quartile, with a cost per dry tonne of \$20.31. The Company confirms that all assumptions and technical parameters underpinning the Resource and Reserve estimates and all material assumptions underpinning the production target or the forecast financial information derived therefrom continue to apply and have not materially changed since first reported on 28 July 2017.

- + Hawsons is the standout independent iron ore development project globally
- + Well placed to compete for capital
- + Likely first magnetite project incentivised at long term forecast prices
- + Hawsons' competitive advantages include:
 - + Product quality
 - + Costs
- + Market forces will trigger investment in the best high quality iron ore projects.

HAWSONS A STANDOUT PROJECT

IRR and product grades for unfinanced projects PFS stage or later



*All projects except Hawsons at BFS stage

*Assumes that Hawsons is in production and the outcomes are as set out in the prefeasibility study announced on 28 July 2017. The Company confirms that all assumptions and technical parameters underpinning the Resource and Reserve estimates and all material assumptions underpinning the production target or the forecast financial information derived therefrom continue to apply and have not materially changed since first reported on 28 July 2017.

*Bubble size represents annual production capacity

*Excludes replacement or expansion projects owned by established miners RIO, BHP, CSN, FMG

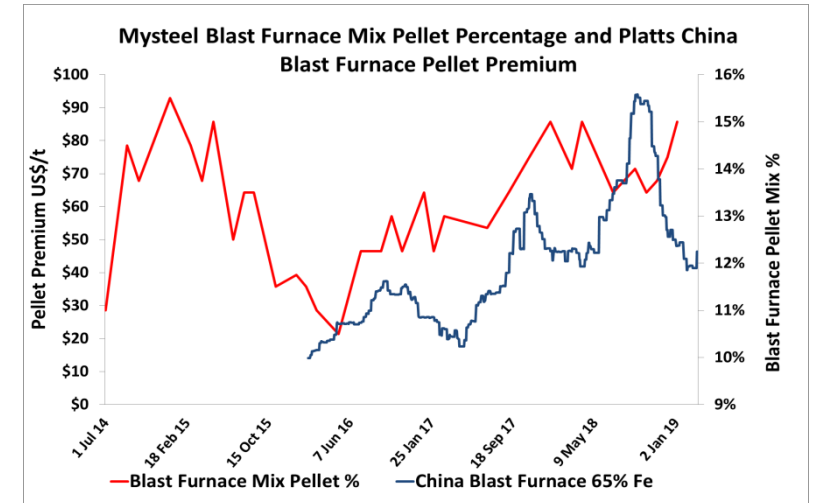
*Marillana IRR based on trucking to port. It is currently investigating a rail option that may change the project economics

*Based on Wood Mackenzie long term price forecasts

Source: Wood Mackenzie (developed from company's stock exchange compliant releases, modified uniformly by Wood Mackenzie by internal long term price and cost forecasts, Wood Mackenzie is not aware of any material omissions in the data)

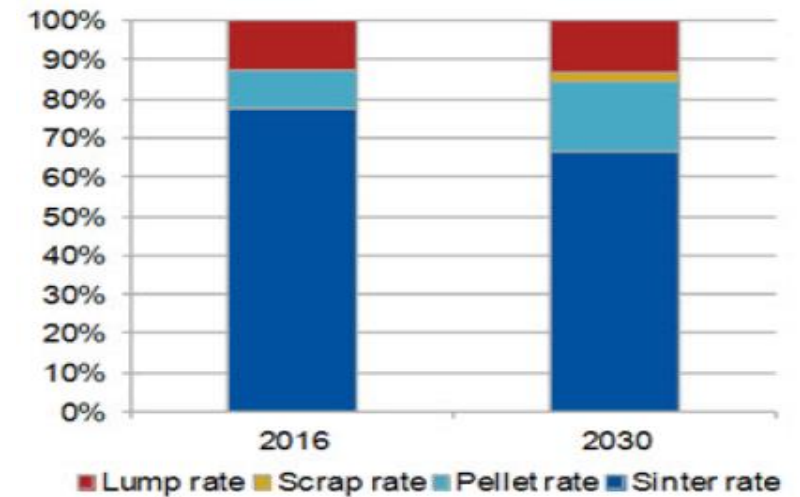
MARKET IS READY FOR HAWONS SUPERGRADE® PRODUCT

- + Iron ore outlook robust based on modest steel demand growth in China, declining Chinese iron ore production, increasing iron ore demand in India.
- + Pellet feed is the highest growth market, industry forecast a lift in pellet use in China from current 14% to ~18% due to
 - + Larger blast furnaces baking in higher pellet usage
 - + Environmental costs are here to stay
- + Pellet premiums reflect the shift
- + A market supply gap of ~50Mtpa by ~2022 according to CRU and Vale
- + Pre tailings accident in Brazil China pellet feed production falling (high cost)
- + Supply opportunity very significant
- + CAP is the worlds leading pellet feed project
- + Significant pull factor for Hawsons development



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

Chinese blast furnace burden rates, % of burden



Data: CRU

HIGH QUALITY SUPPLY NICHE – DIRECT REDUCTION

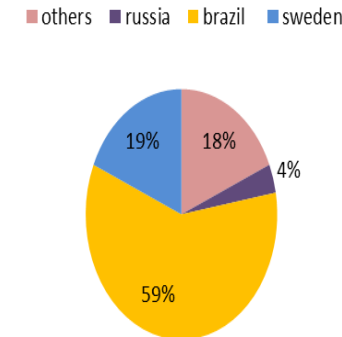
- + DR quality raw material supply is typically expensive to produce because of
 - + 10- +20% yield losses in upgrade step
 - + wet processing
- + DRI production is expanding, greater expansion is constrained by lack of raw material
- + China influence on pellet market causing cost and quality pressures on supply
- + Use of less efficient blast furnace quality pellets forced (up to 30%) as producers have low incentive to upgrade
- + Supply market highly concentrated, requires diversification of supply sources to balance market power
- + Hawsons is the leading project

AME in October 2018:

“Supply of DR quality ferrous feed remains tight and with the expected increases in DRI production this market condition is expected to continue”

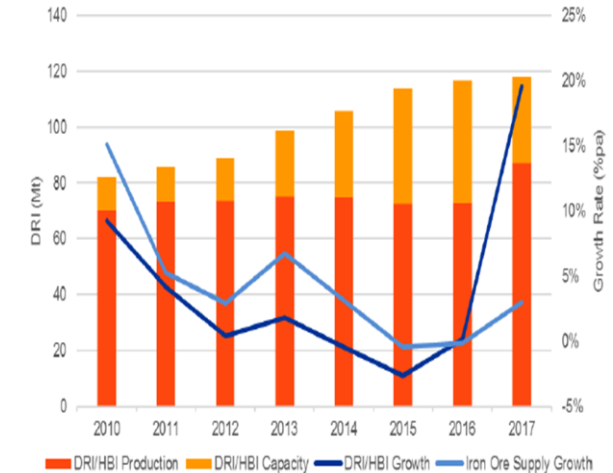
SLIDE | 17

2018 DR raw material source
MENA region



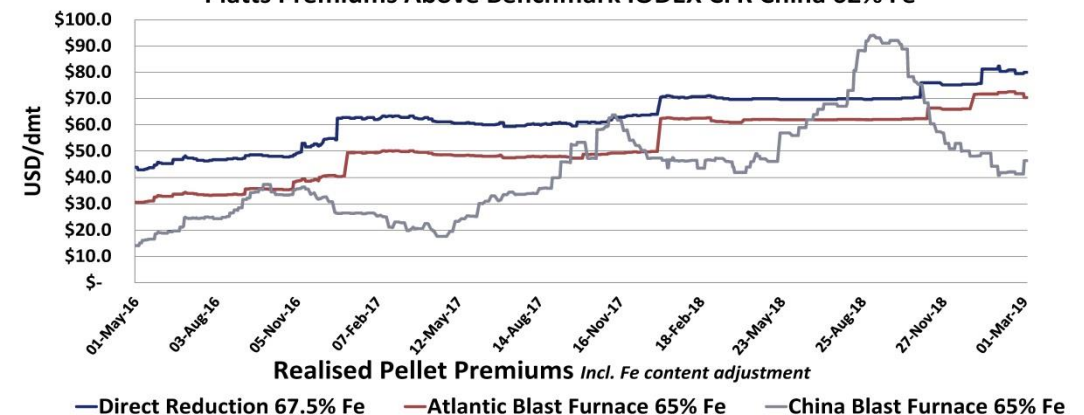
Carpentaria RESOURCES

DRI/HBI Production Capacity and Growth Rate



Source: AME

Pellet Premiums Heading Up:
Platts Premiums Above Benchmark IODEX CFR China 62% Fe



www.carpentariares.com

- Seaborne supply disruptions appear >50-60mtpa*
 - 10-15Mtpa pellets
 - ~4Mtpa DRI pellets
- The forecast pellet feed market supply gap of 50mtpa likely to be larger now

Short term fill

- China magnetite production to restart production while prices are high
- DRI pellet buyers suffer on availability, price and quality further

Longer term

- Minas Gerais a significant pellet feed producer
 - projects to shift to dry stacking of tailings
 - increasing cost and complexity of existing projects and new projects
- Overall ore quality will suffer unless
 - premiums remain high
 - substitute mines are developed
- Hawsons is the leading project
- Development pull factors are becoming irresistible

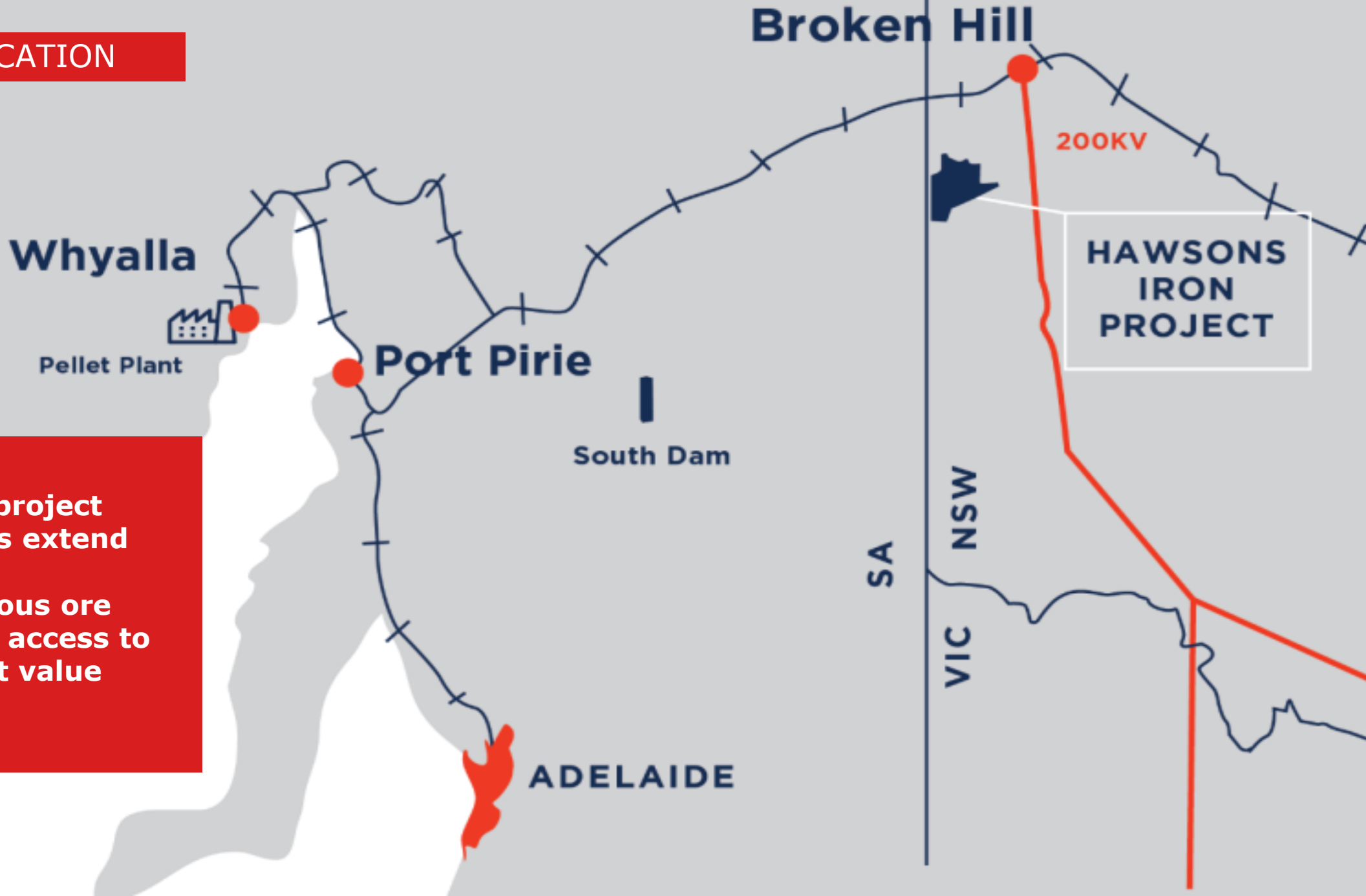
**Fast Markets, Wood Mackenzie early March 2019 plus a recent 13mtpa closure*

- + Very strong market fundamentals to trigger investment
- + Secure remaining 80% (~A\$22m) BFS funding from a mix of funding methods and Tier 1 sources, including non-dilutive methods to preserve shareholder value (Mitsui conditionally committed A\$5.4m, 20% of BFS funding)
- + Project finance plan is similar to recent successful Australian iron ore project financing and developed after consultation with leading project finance banks. Guidelines include:
 - + sell an asset level interest to strategic investors before construction, a sale will
 - + contribute to CAP's project equity requirements, managing its funding costs
 - + provide lenders required comfort
 - + 65:35 senior debt to equity split
 - + secure prepayment /mezzanine debt for potential overruns supplied or procured by off-takers (eg Mitsui US\$60m facility)

- + Company moving through internal processes of multiple counterparties for BFS funding and is considering a mix of funding methods
- + Company well known to market players
- + Strong business cases support strategic investment in Hawsons
 - + Secure offtake for existing operations and expansions in a supply constrained market in DRI and blast furnace pellet feed
 - + Growing trading business by securing a marketing edge
 - + Creating extra value by product blending with Supergrade magnetite pellet feed

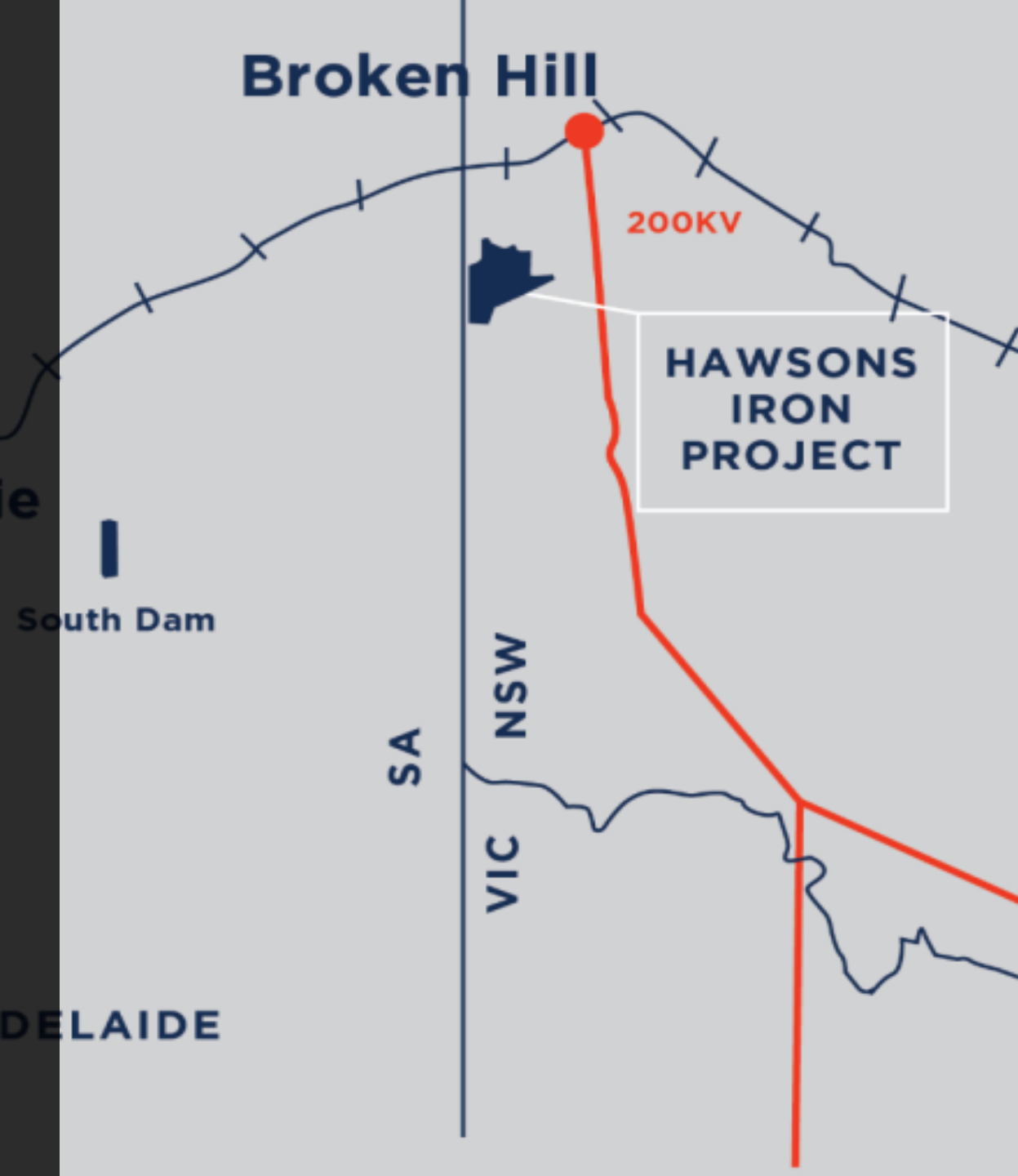
PROJECT LOCATION

Hawsons' project advantages extend from soft homogeneous ore through to access to the highest value markets



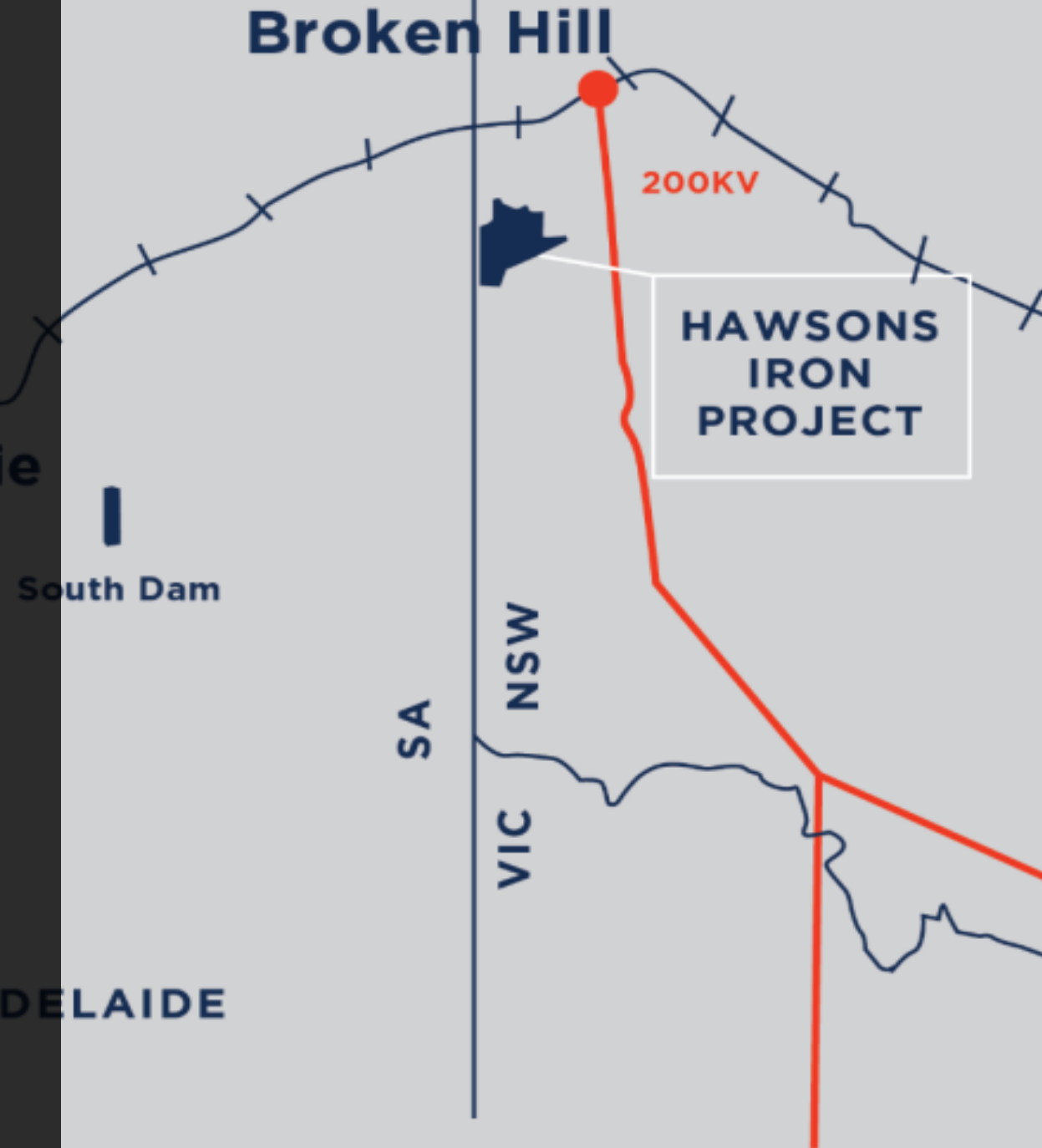
PROJECT SUMMARY

- + Located 60km SW of Broken Hill
- + Resource 330mt concentrate product
(refer Appendix)
- + Power from reliable eastern states grid
- + Water from defined high yield saline aquifer
90km south
- + Mine and process on site for 10 Mtpa
concentrate production
- + Hawsons' unique soft ore makes the
difference on cost and product quality
- + Workforce in Broken Hill



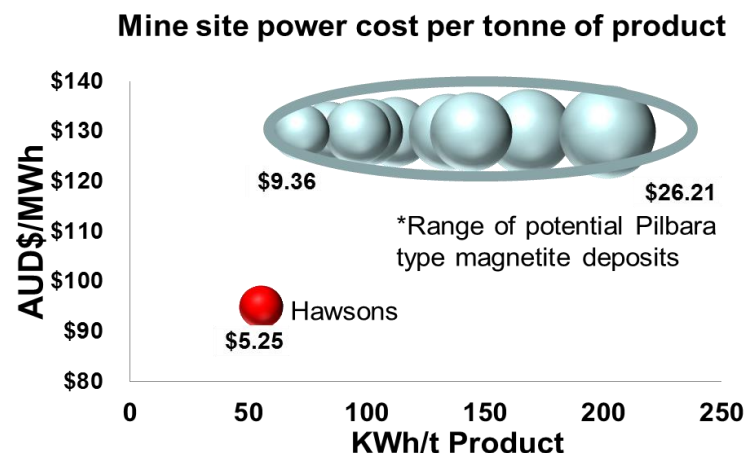
LOGISTICS & APPROVALS

- + Slurry product 55km in pipeline to Broken Hill
- + Rail to Port Pirie or Whyalla on existing rail (12 Mtpa spare capacity); CAP engaged with all infrastructure owners
- + Transshipment to Capesize vessels to customers in Asia and Middle East
- + Product quality 70% Fe (tested by customers)
- + Federal Govt. Major Project Status (April 2018)



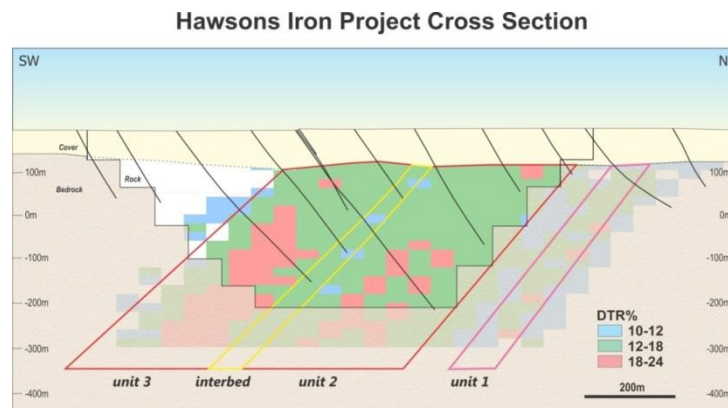
Key to the projects leading position - costs

SOFT ORE



- ~A\$4-\$21/t power cost savings over typical WA magnetite ores
- ~A\$10-20/t Revenue benefits over typical 65% Fe concentrate
- Up to A\$40 margin advantage

SINGLE ORE TYPE



- Process simplicity – no blending, no selectivity, no complexity
- Mining scale
 - In pit conveyor
 - Single smaller fleet
 - Electrical vertical lift

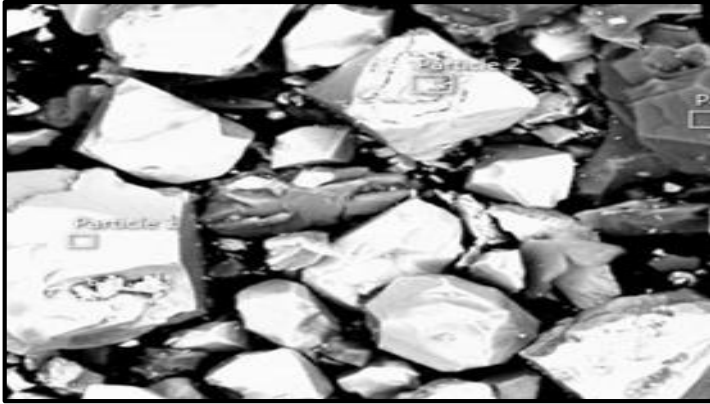
EXISTING INFRASTRUCTURE



- Access to rail, port, power and water existing infrastructure
- Capital cost saving transformational

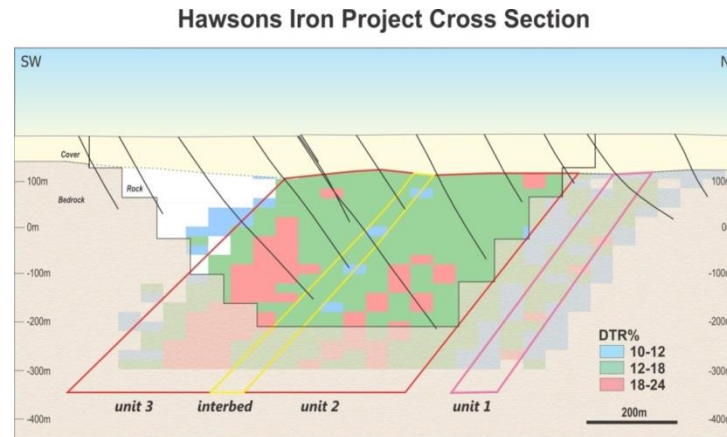
Key to the projects leading position – cost control

SOFT ORE



- Simple circuit minimises risk of ramp up delay
 - No HPGR's, no fine grinding, no flotation

SINGLE ORE TYPE



- Process simplicity
- Mining simplicity
- Concentrate on volumes

EXISTING INFRASTRUCTURE



- Reduces design complexity
- Reduces completion risk

NEXT STEPS

- + Secure BFS funding on acceptable terms
- + Complete BFS and Approvals 12-15 months
- + Finance and construct 18 – 24 months
- + Production 3 years from BFS funding



Task	2018				2019				2020				2021				2022
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Approvals																	
BFS Test work																	
BFS Engineering and Finance																	
Construction																	
First Production																	

Hawsons is a leading development project in a growth market

- + Hawsons Supergrade® is the world's best iron ore product
- + Customer-led development plan is driving Hawsons' development, amid compelling market fundamentals
- + Positive PFS showed strong financial case and funding potential, enhanced by -
 - + Mitsui funding support, and
 - + structural supply gap of magnetite and direct reduction pellet feed amplified by Brazilian supply disruptions
- + BFS funding negotiations progressing

APPENDIX



PROJECT PREFEASIBILITY STUDY RESULTS

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 10 Mtpa Hawsons Supergrade® production exported through Port Pirie

The Company confirms that all assumptions and technical parameters underpinning the Resource and Reserve estimates and all material assumptions underpinning the production target or the forecast financial information derived therefrom continue to apply and have not materially changed since first reported on 28 July 2017

PROJECT PREFEASIBILITY STUDY RESULTS

Hawsons PFS key economic results	Base case	at August 20, 2018 prices 65%Fe fines
		US\$94.55/t
		62%Fe price US\$67.95
Equity IRR (post tax, geared)	29.90%	43.04%
Equity NPV (10%) (post tax, geared)	US\$1,091m	US\$1,973m
Project IRR (post tax, ungeared)	17.80%	25.63%
Project NPV (10%) (post tax, ungeared)	US\$867m	US\$1,793m
Life of mine ave. annual revenue	US\$881m	US\$1059m
Life of mine ave. annual all in costs	US\$480m	US\$490m
Life of mine annual margin (EBITDA)	US\$401m	US\$569m

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

The Company confirms that all assumptions and technical parameters underpinning the Resource and Reserve estimates and all material assumptions underpinning the production target or the forecast financial information derived therefrom continue to apply and have not materially changed since first reported on 28 July 2017

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

Resource increase, 30+ year mine life

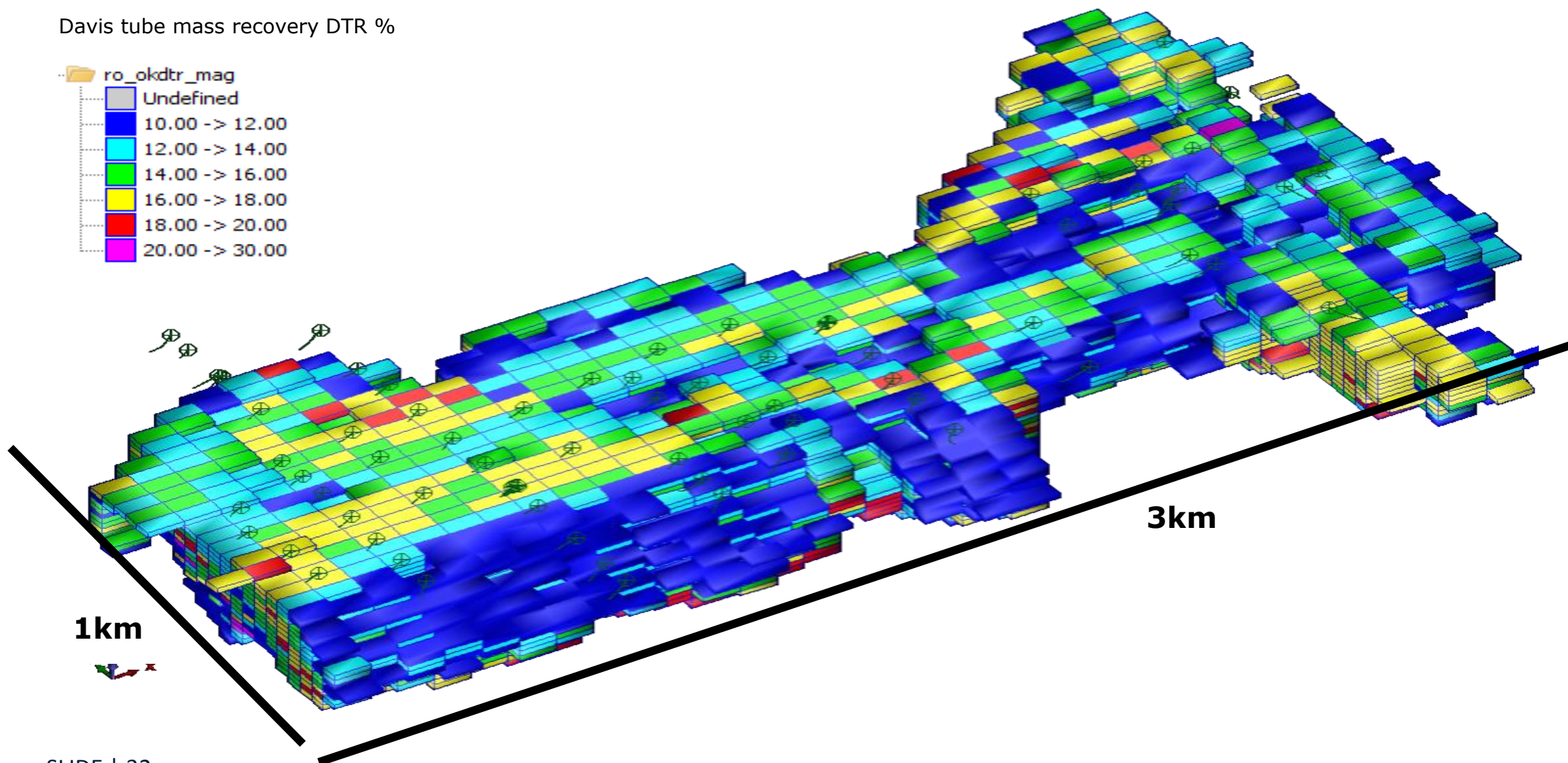
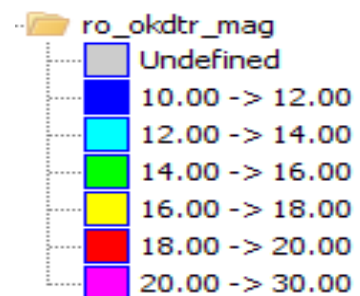
- + Total resources >330mt concentrate
- + High value concentrate grade and recovery unchanged after ~40% more data point
- + Conversion rate from Inferred to Indicated Resources was outstanding at 96%, giving confidence in future upgrades

Category	Mt	DTR %	DTR Mt	Fe Head %	Concentrate Grades						
					Fe %	Al ₂ O ₃ %	P %	S %	SiO ₂ %	TiO ₂ %	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.

PROJECT RESOURCE AND RESERVE

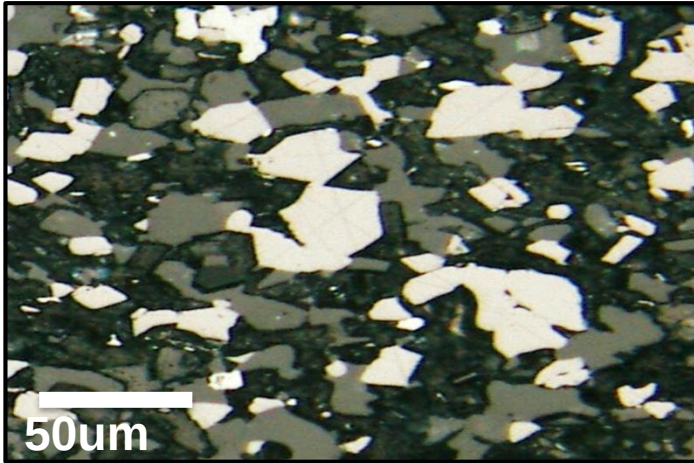
Davis tube mass recovery DTR %



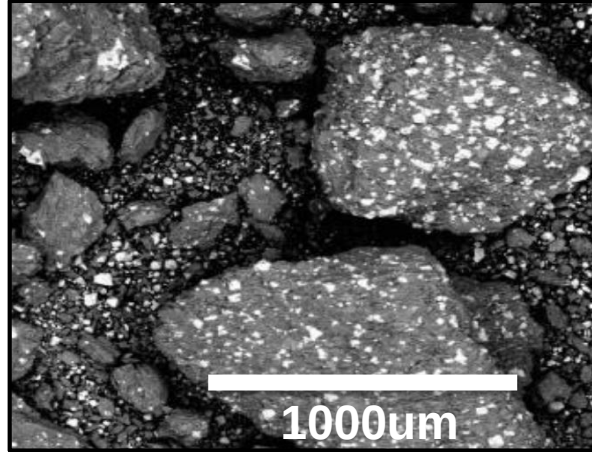
PROCESSING

Supergrade from unique siltstone ore, a technological step change

Carpentaria
RESOURCES



Natural grain size <50um easily achieved



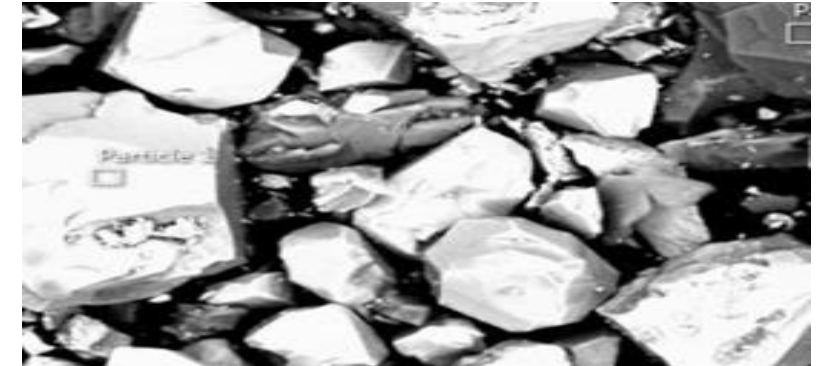
Crushing stage generates high proportion of fines ~30% <150um



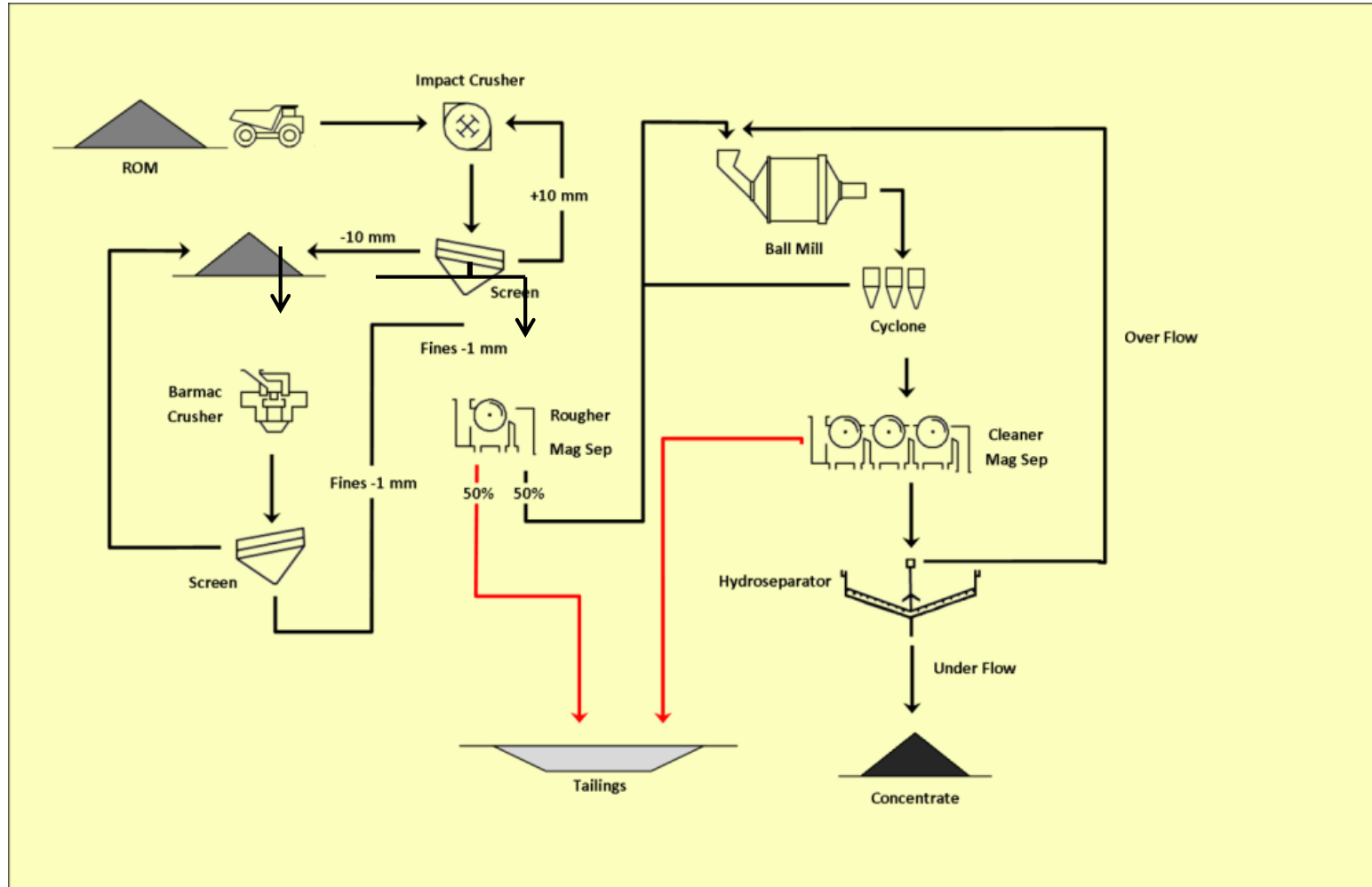
45% rejection at first magnetic separation



After second magnetic separation 66%Fe

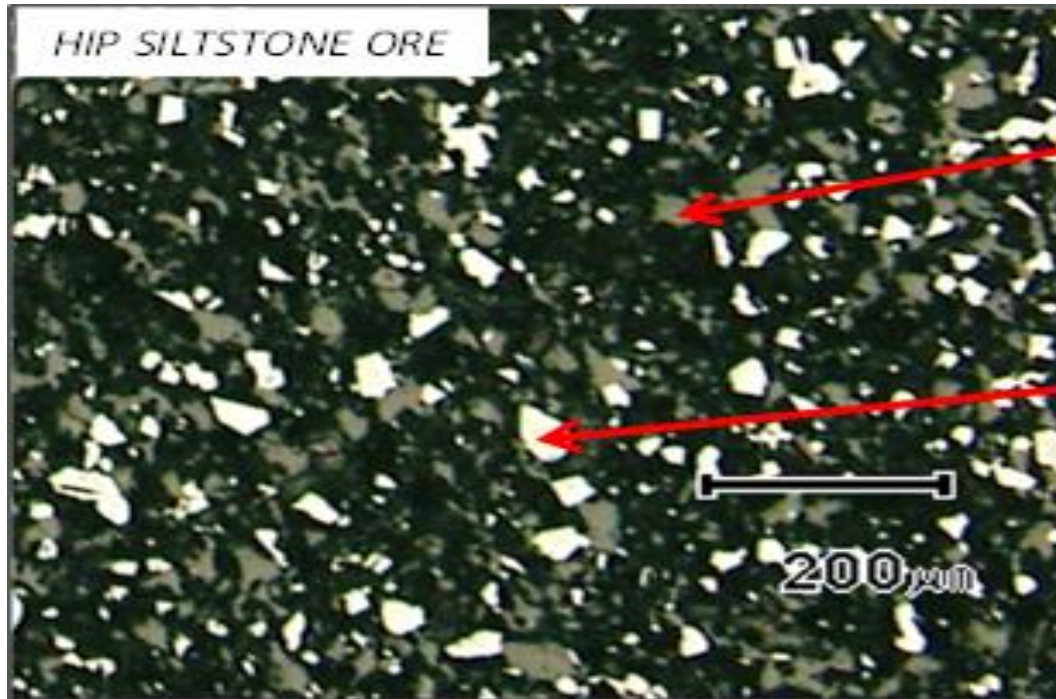


Elutriation removes free silica upgrade > 69%Fe



Flow sheet

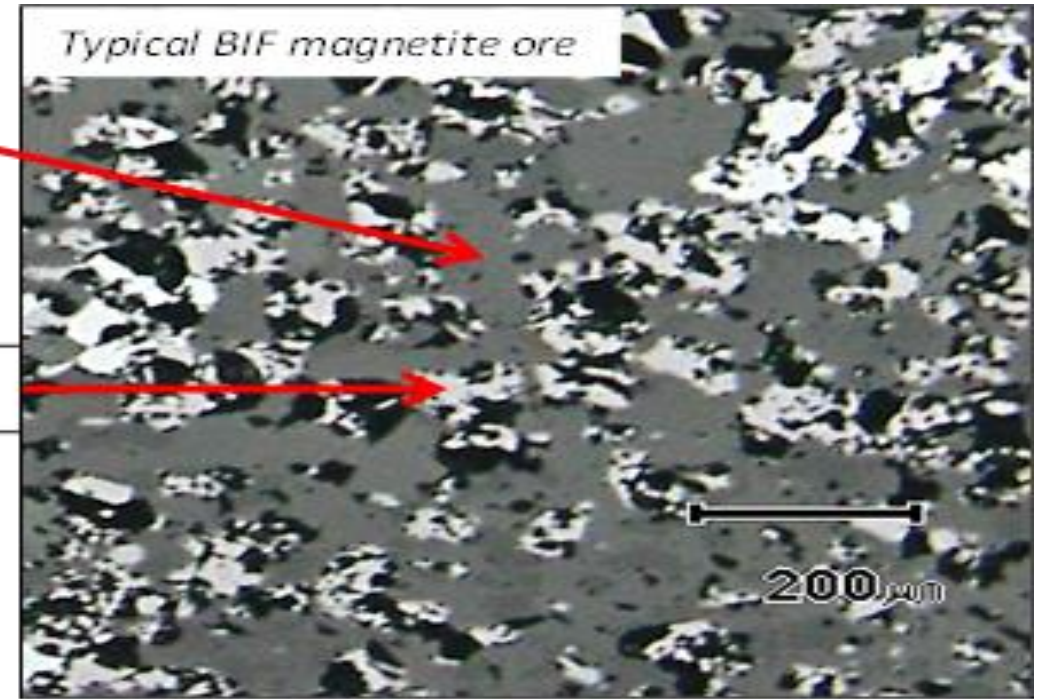
- Simple proven flow sheet
- Non chemical processing
- On site processing
- Significant water recycling
- Benign tailings *NO Acid Mine Drainage*



Hawsons siltstone naturally liberates into fine clean mineral grains

Silica

Magnetite



Typical magnetite ores, ore mineral requires unlocking from a fused silica matrix.

EXISTING INFRASTRUCTURE

Low development risk

25 t axle load rail, 12 Mtpa spare capacity



Port Pirie Spare Berths

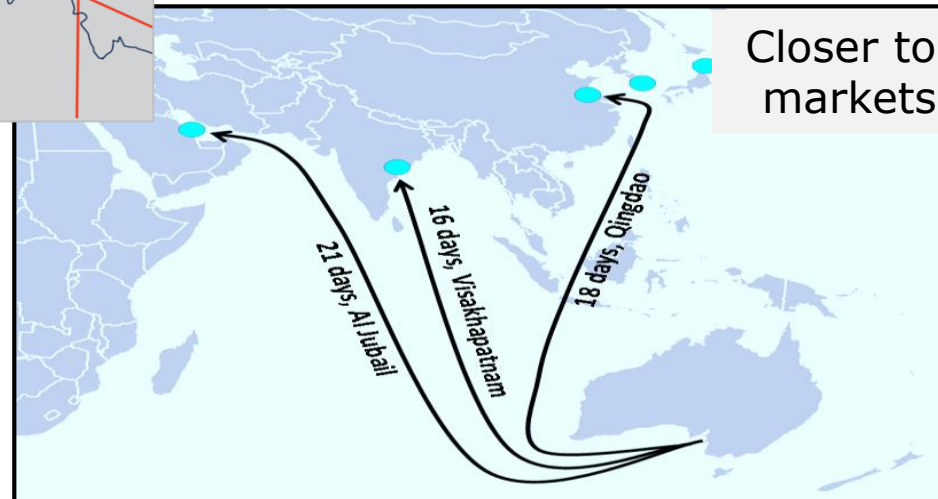


Iron ore concentrate transferred to ocean going vessels

Cape Size Capacity



Closer to markets



HAWSONS SUPERGRADE® PRODUCT

- + Has customer acceptance
- + Premium ~USD\$25/t over 62% Fe benchmark
- + World's highest iron content
- + World's best pellet feed
- + DR spec. - 70% Fe, <2% Silica
- + Ideal physical properties
- + Excellent metallurgical properties

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	After Wood Mackenzie
	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 (cm ² /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

Project pathway clear and achievable

- + No Native Title – it is extinguished on the mining and easement areas
- + Mining Lease Application lodged
- + Federal government Major Project status
- + Environmental Impact Assessment guidelines received, a NSW State Significant Development
- + Ecology and cultural heritage surveys largely complete, no showstoppers identified
- + NSW activities not a controlled action under the EPBC

Carpentaria

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