

May 2019 – Carpentaria Resources Share Purchase Plan

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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Right Product, Right Place, Right Time

- + High project value (US \$1.1 billion NPV*, \$2.7 billion at today's prices);
- + 20 year mine life, 10 Mtpa production,
- + Hawsons Supergrade ® ~ US \$120/t, >\$70/t margin at today's prices;
- + World leading position gives market confidence in Project, Product and to attract Tier 1 Partners;
- + Scale of opportunity – Right Product, Right Place, Right Time.



THE CURRENT IRON ORE MARKET

- + Global steel demand continues to grow year on year.
 - + Declining Chinese iron ore production and increasing iron ore demand in India creates supply opportunity.
 - + 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 and higher quality inputs;
 - + Environmental costs are here to stay.
- + A market supply gap of ~50Mtpa by ~2022 according to CRU and Vale.
- + Tragic Brazilian disaster has significantly reduced global supply of fines and pellet/feed.
- + Supply opportunity reflected in price rise from \$65/t to \$90+/t for standard 62% Fe.
- + Resulting share price spikes of major iron miners since start of 2019:
BHP (+18%), RIO (+31%) and FMG (+75%).

IRON ORE PRICE CHART



SPP DETAILS

- Offer to existing shareholders
- Right to subscribe for up to \$15,000 in shares
- Issue price \$0.048
- Offer managed by Reach Markets –
(03) 8080 5795
admin@reachmarkets.com.au
- Offer closes – 14 May, 2019
- Issue date – 20 May, 2019

USE OF FUNDS

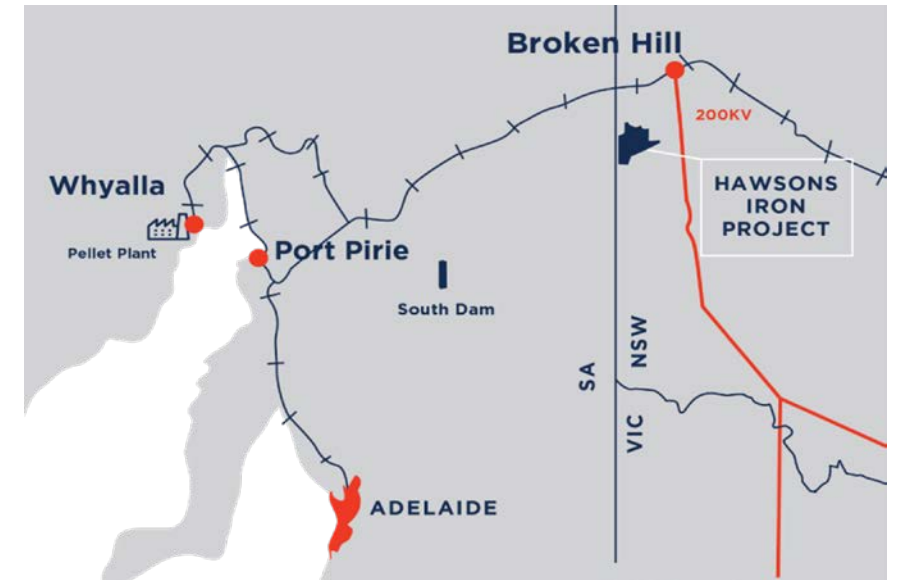
- Complete negotiations for Bankable Feasibility Study funding round;
- Securing of purchase options over potential land required to develop production facilities at Hawsons Iron Project;
- Technical framework development to source power from the National Electricity Grid for mining, beneficiation and production.

	Amount	Shares
Offer A	\$15,000.00	312,500
Offer B	\$9,999.99	208,333
Offer C	\$5,000.02	104,167

Hawsons Iron Project

- + Hawsons Supergrade® is the world's best iron ore product.
- + 10 Mtpa Prefeasibility study completed in 2017* identified:
 - Leading global position;
 - Excellent returns;
 - High margin;
 - High project value (USD \$1.1 billion NPV*).
- + A\$5.4m commitment from Mitsui secured for Bankable Feasibility Study.
- + Established nearby infrastructure to roads, rail, power, water and workforce.

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

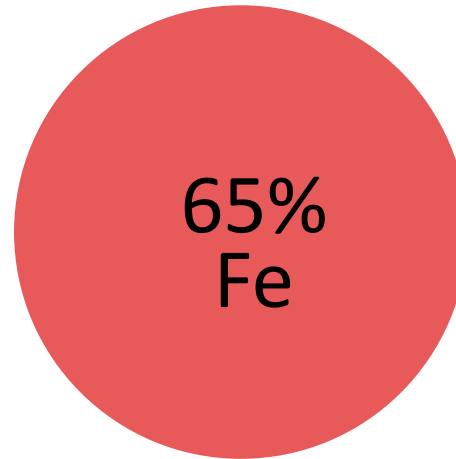
+ Wide range of markets, high revenue

29 April 2019



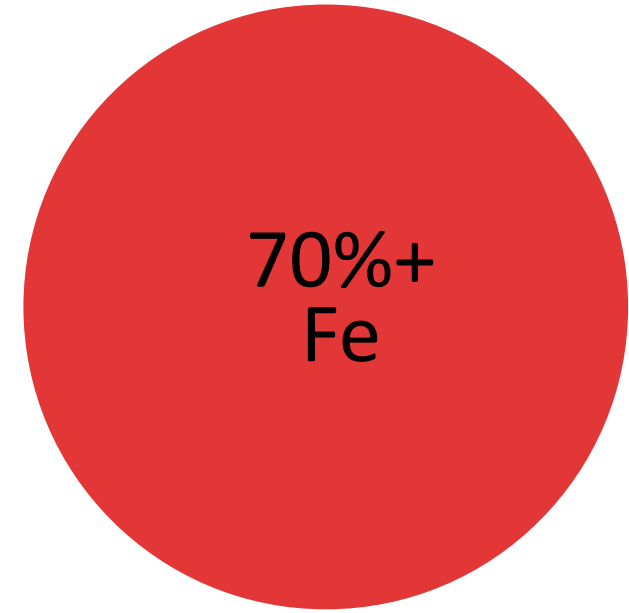
\$US93/t

Source: Platts



\$US108/t

Source: Platts



>\$US120/t

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

CUSTOMER SUPPORT AND PRODUCT QUALITY

- + 140% of production under letters of intent, blast furnace and DRI customers;
- + Demand for top quality >65%Fe;
- + World's highest iron content;
- + DR spec. - 70%Fe,
<2% Silica;
- + Ideal physical properties;
- + Magnetite favoured by pelletisers;
- + Supports customer led development plan.

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 prefeasibility study (PFS) results:

- High margins
- Excellent returns
- High project value
- 10 Mtpa production
- 20 year mine life
- ~ \$120/t revenue at today's prices

PFS COST ESTIMATES

	PFS Price Assumption	Iron Ore Price Assumption 65 %Fe US\$108 /t 29 April, 2019
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\$28.03
Equivalent 62 %Fe CFR cost	US\$23.03	US\$20.00
Capital cost inclusive of contingency	US\$1.40Bn	US\$1.40Bn

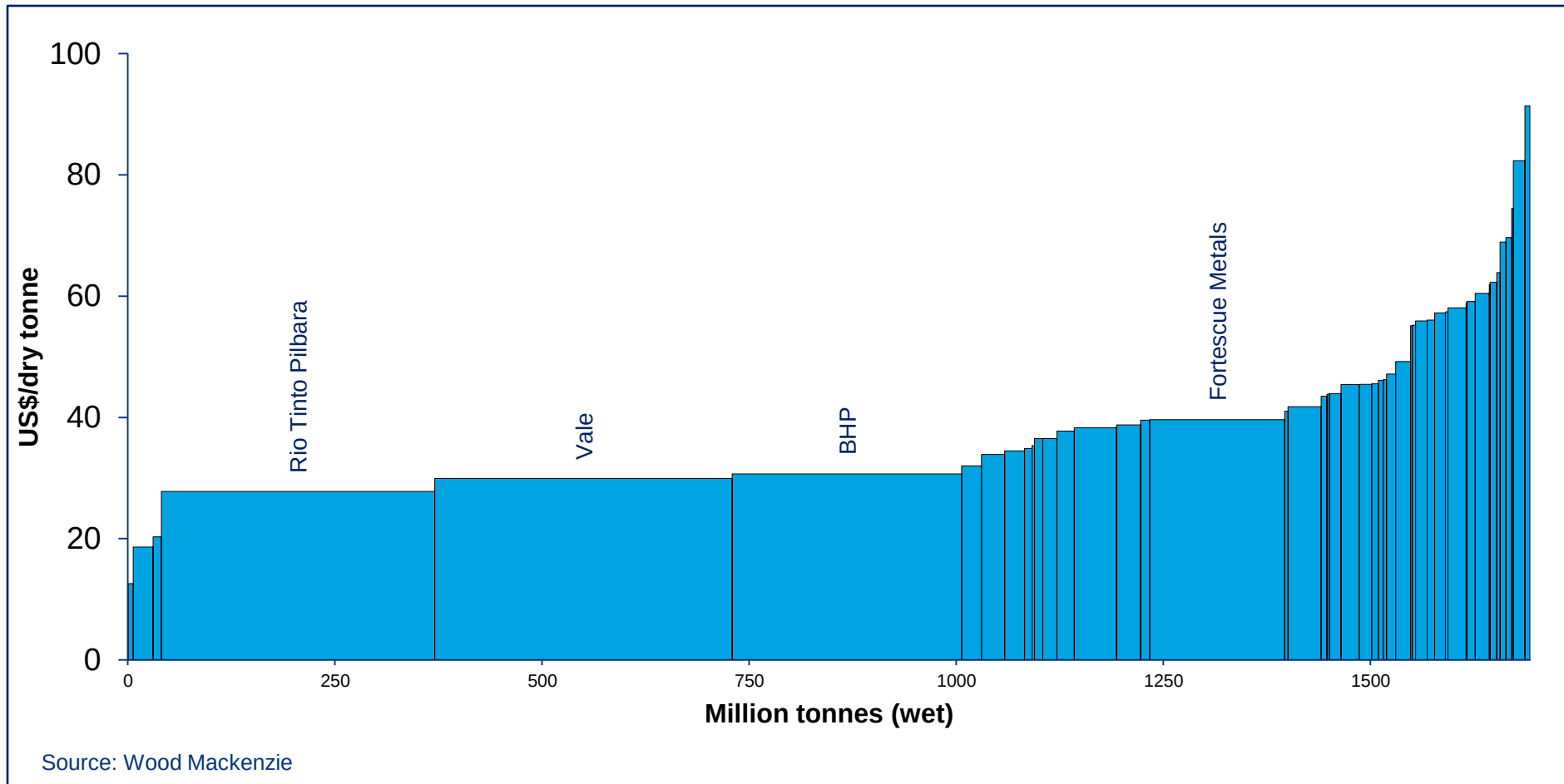
PFS FINANCIALS

Annual profit margin	US\$401m	US\$740m
Equity IRR	29.9%	>50%
Equity NPV	US\$1,091m	~US\$2,700m
tonne of Supergrade (70%Fe)	201m	201m
Mine life / pay back period	20 / 3-4 years	20 / ~2 years
62%, 65%Fe price assumption	US\$63, 75/t	US\$93, 108/t

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PROJECTED 2025 COST CURVE

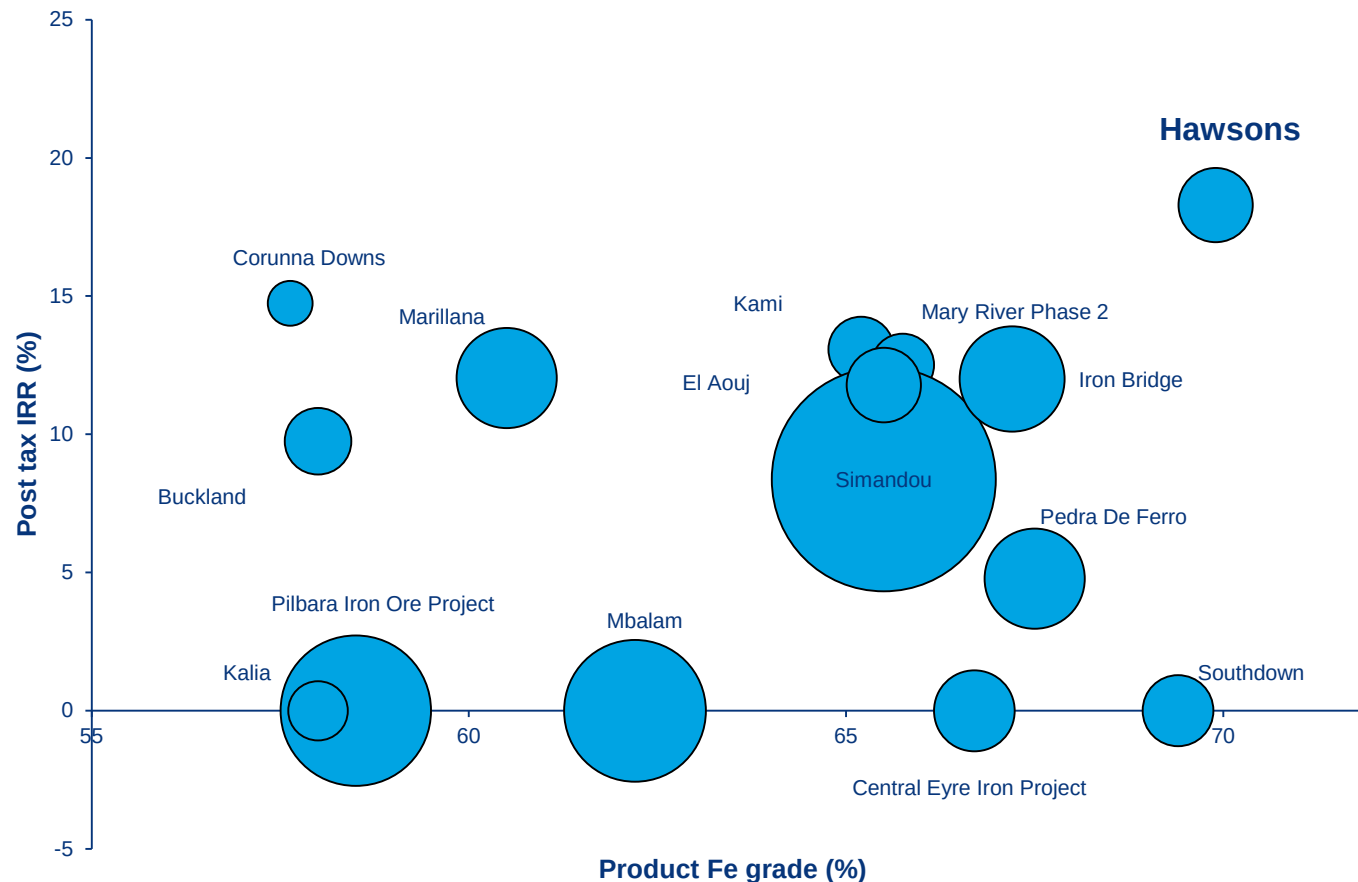
2025 seaborne export 62%Fe quality (VIU) adjusted cost curve
(CFR China, 62% Fe fines basis, real Q2 FY 2019)



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 A STANDOUT PROJECT

IRR and product grades for unfinanced projects PFS stage or later



Source: Wood Mackenzie Q3 FY2019

*All projects except Hawsons at BFS stage . Hawsons at PFS 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

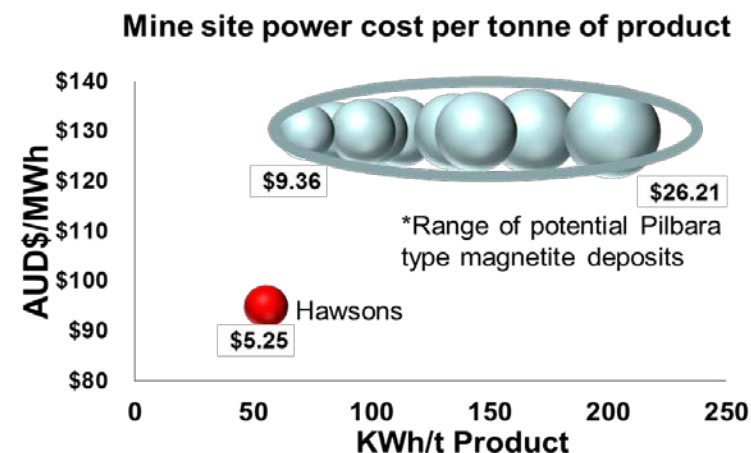
*Excludes replacement or expansion projects owned by established miners RIO, BHP, CSN, FMG

*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)

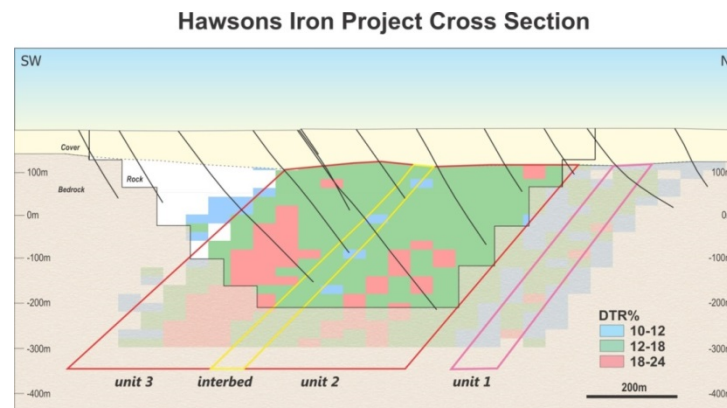
Key to the projects leading position - COSTS

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



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

EXISTING INFRASTRUCTURE



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

BFS funding update

- + Negotiations are active with multiple tier 1 parties regarding non-dilutive offtake linked BFS and construction funding and equity;
- + CAP is moving through the internal processes of our multiple counterparties;
- + Offtake enquiries 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 providing a catalyst for rerating of company value.

NEXT STEPS

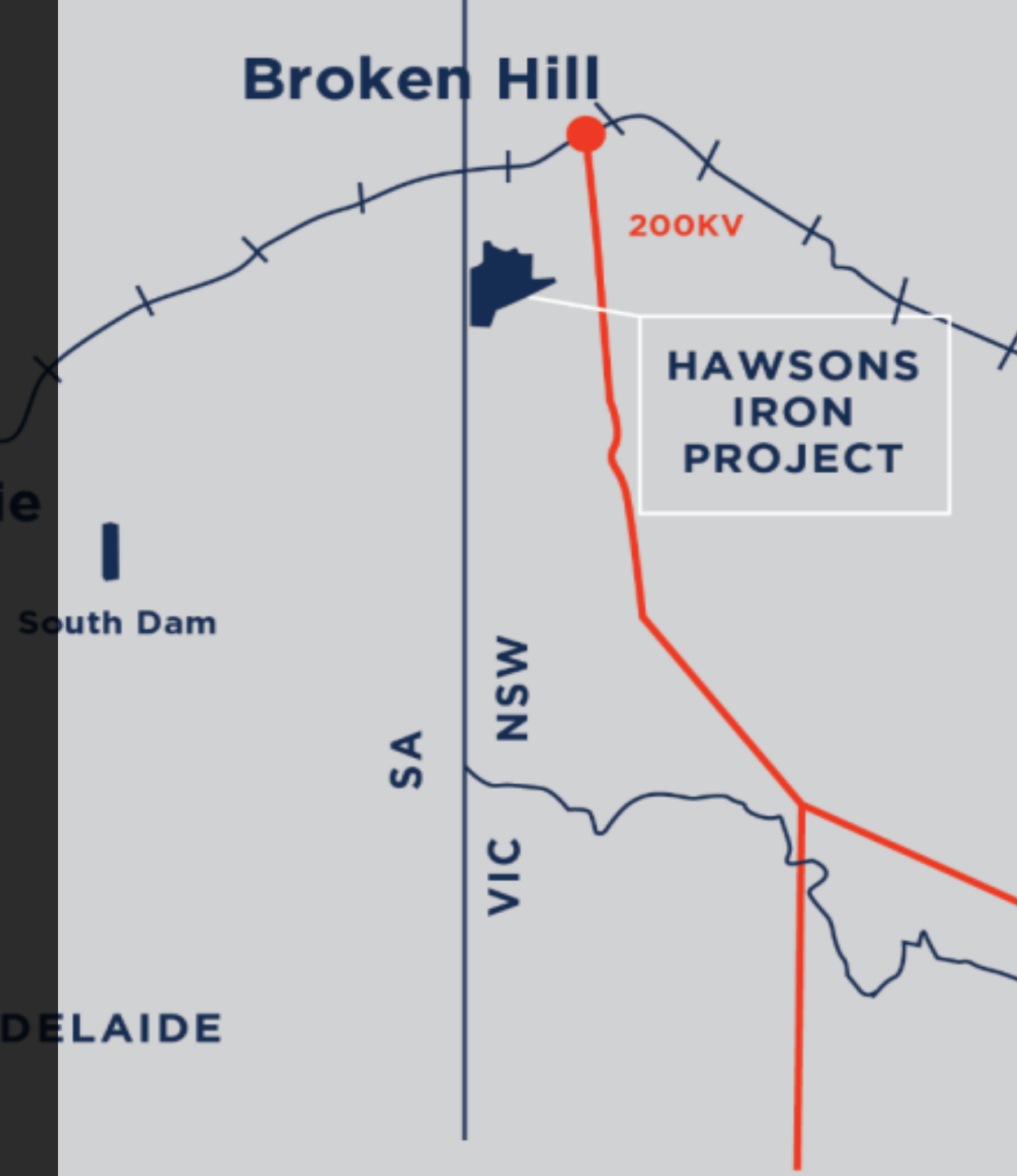
- + Secure BFS funding on acceptable terms
- + Complete BFS and Approvals 12-18 months
- + Finance and construct 18 – 24 months
- + Production 3 years from BFS funding



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

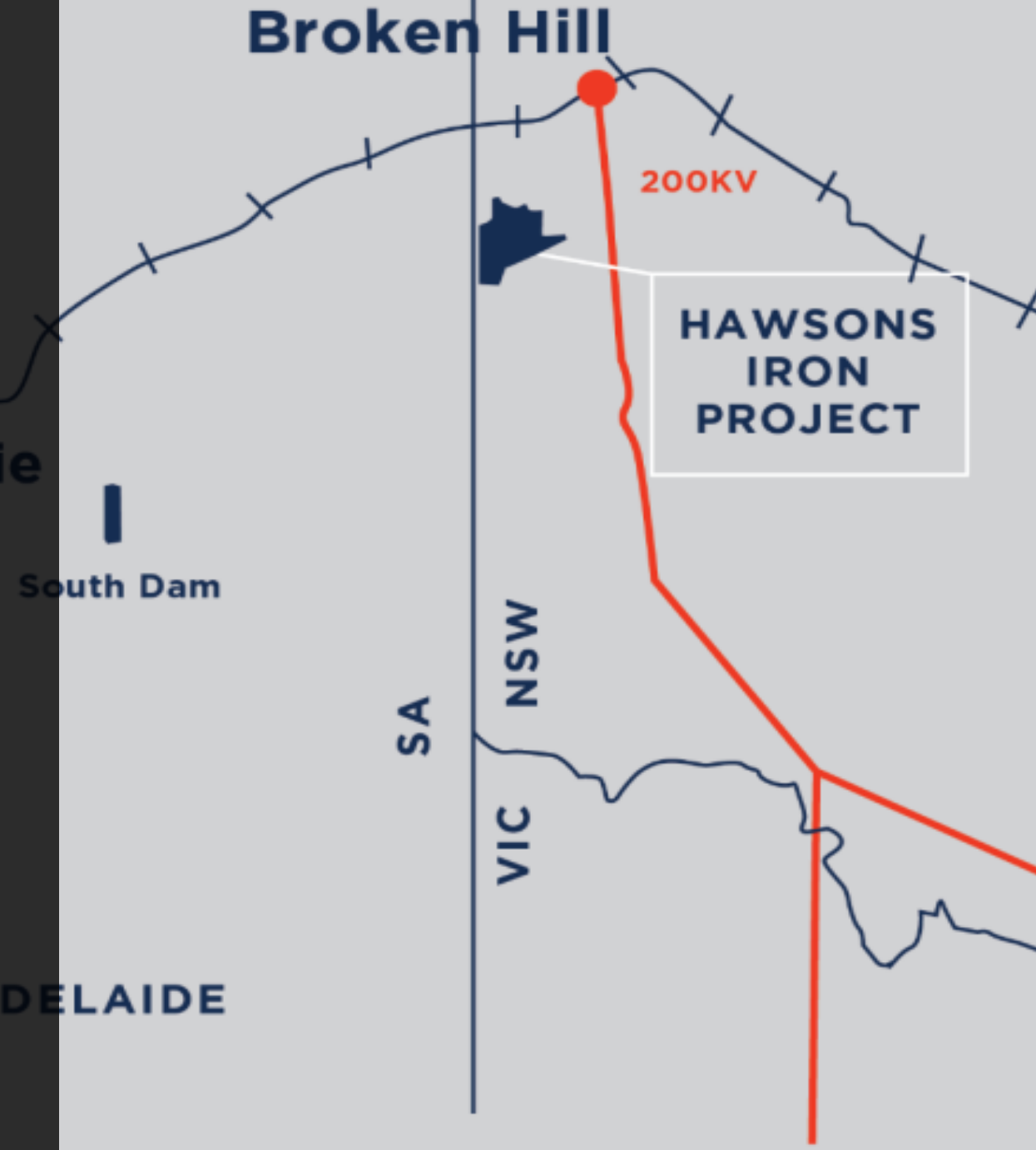
PROJECT SUMMARY

- + 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)



Right Product, Right Place, Right Time

- + High project value (US \$1.1 billion NPV*, \$2.7 billion at today's prices);
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USE OF FUNDS

- Finalise the balance of funding required to complete Bankable Feasibility Study;
- Securing of purchase options over potential land required to develop production facilities at Hawsons Iron Project;
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Questions?

Carpentaria

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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

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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.