

ASX ANNOUNCEMENT
8th October 2020

CARPENTARIA RESOURCES

Presentation

Following is a webinar presentation being made to investors this morning.

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October 2020

Hawsons Iron Project

Summary Presentation



Carpentaria
RESOURCES

WORLD'S
BEST IRON
ORE PRODUCT

Hawsons Iron Project - World's best undeveloped high-quality iron ore project

- Independently confirmed as the leading high-quality iron ore project
 - supported by Mitsui
 - highest project viability of its type (Wood Mackenzie analysis (slide 5))
- World's highest iron content product
 - 70% Fe, <3% (silica + alumina)
- Low risk technical and permitting development platform
 - independent prefeasibility study positive (GHD)
 - independent project due diligence positive (CSA Global, refer ASX Announcement 2nd October, 2020)
- Demand for high quality product growing, extremely limited viable development opportunities



Hawsons ownership reset a game changer

Carpentaria to own 94% of Hawsons Iron Project

Current Hawsons joint venture

Carpentaria Resources Ltd 69.8% Pure Metals 30.2%

Proposed Transaction

Carpentaria Resources issues 90.8m shares to Pure Metals Pty Ltd and increases stake in Hawsons project to 94%

New Hawsons Joint Venture

Carpentaria Resources 94.0% Starlight Investment Company 6.0%

Ms Linda Lau to join the Carpentaria Board

*Transaction subject to shareholder and foreign investment review board approval, refer Notice of Meeting released October 2nd 2020.

Carpentaria to own 94% of Hawsons Iron Project

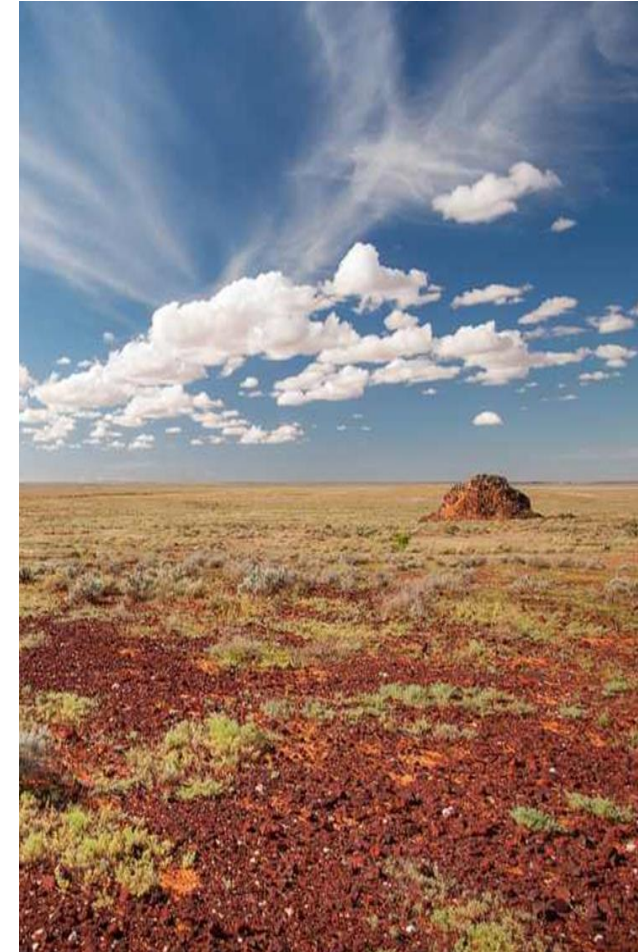
Transaction benefits

Adds value

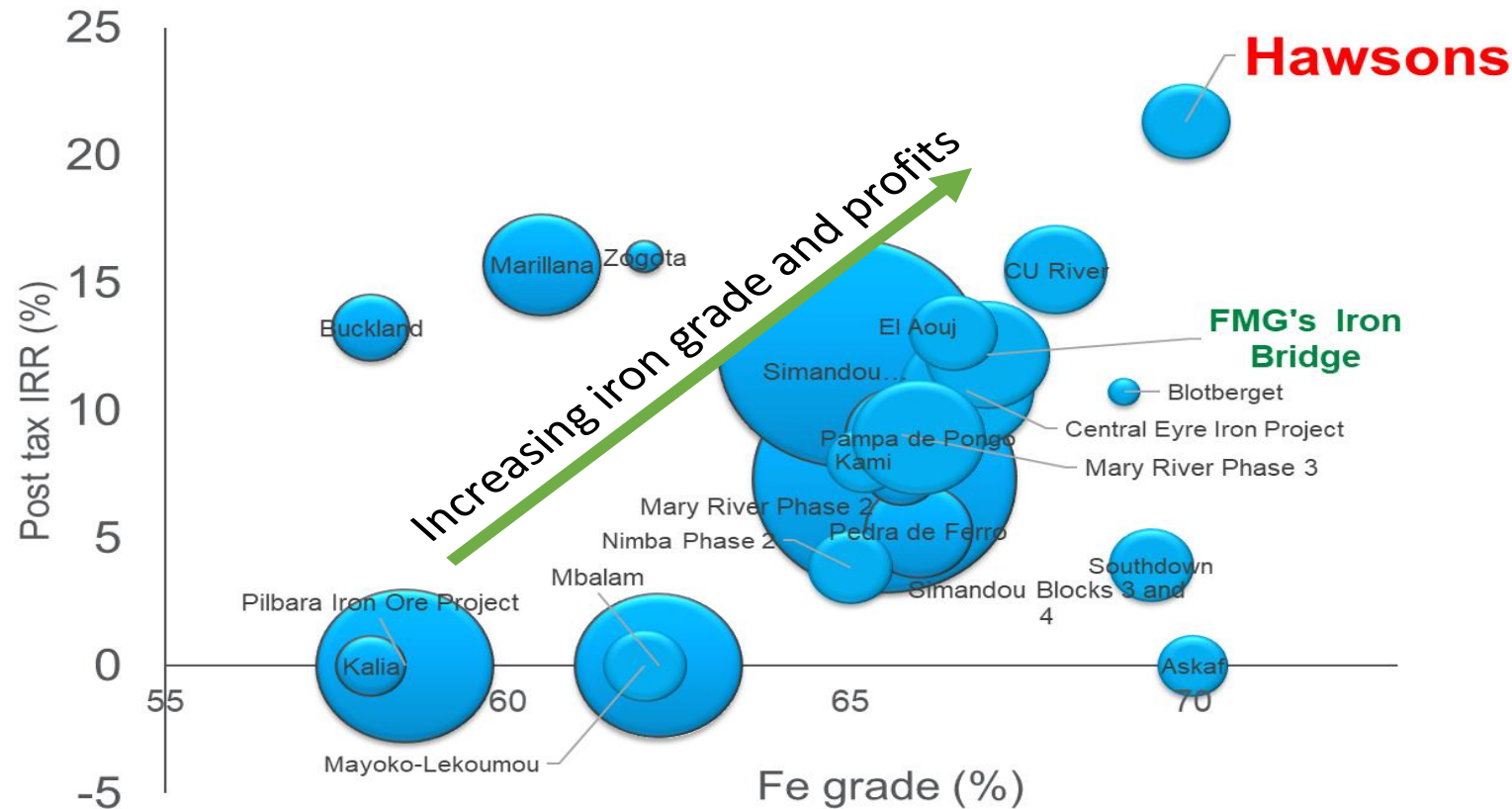
- 94% interest, and a clear and controllable development path reduces risk, adds value (CAP can independently deal with offtake and funding)

Opens up funding pathways to move project forward

- can more easily transact at asset level with strategic partners
- more attractive investment case for private equity
- New 6% joint venture partner Starlight intends to fund its share of feasibility works
- Appointment of Ms Lau
 - aligns major ownership interests,
 - increases industry links, especially in China



World's best high-quality iron ore project - Viable development opportunities are extremely limited



Source: Wood Mackenzie Q3 2020 data

IRR and product grades for unfinanced greenfield iron ore projects PFS stage or later

*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, Champion

*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) Disclaimer. The data and information provided by Wood Mackenzie should not be interpreted as advice and you should not rely on it for any purpose. You may not copy or use this data and information except as expressly permitted by Wood Mackenzie in writing. To the fullest extent permitted by law.

World's best high-quality iron ore project – Viability demonstrated by prefeasibility study

- World leading metrics
- 70%Fe product
- US\$48/t opex. CFR China
- US\$1.4 Bn capital cost pay back in <3 years at US\$100/t (65%Fe)
- Production 10Mtpa for 20 years, potential to expand and extend
- Production targeted in 3 years

PFS COST ESTIMATES	PFS Price Assumption	Iron Ore Price Assumption 65%Fe US112/t 1 July, 2020
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\$27.68
Equivalent 62%Fe CFR cost	US\$23.03	US\$20.35
Capital cost inclusive of contingency	US\$1.40Bn	US\$1.40Bn
PFS FINANCIALS		
Annual profit margin	US\$401m	US\$797m
Equity IRR	29.9%	>59%
Equity NPV	US\$1,091m	~US\$3,078m
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\$100, 112/t

Refer slide 11 and appendix for full costs, results and assumptions

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Low technical and permitting risk - the unique ore and infrastructure rich location lowers risk

Lower technical risk....

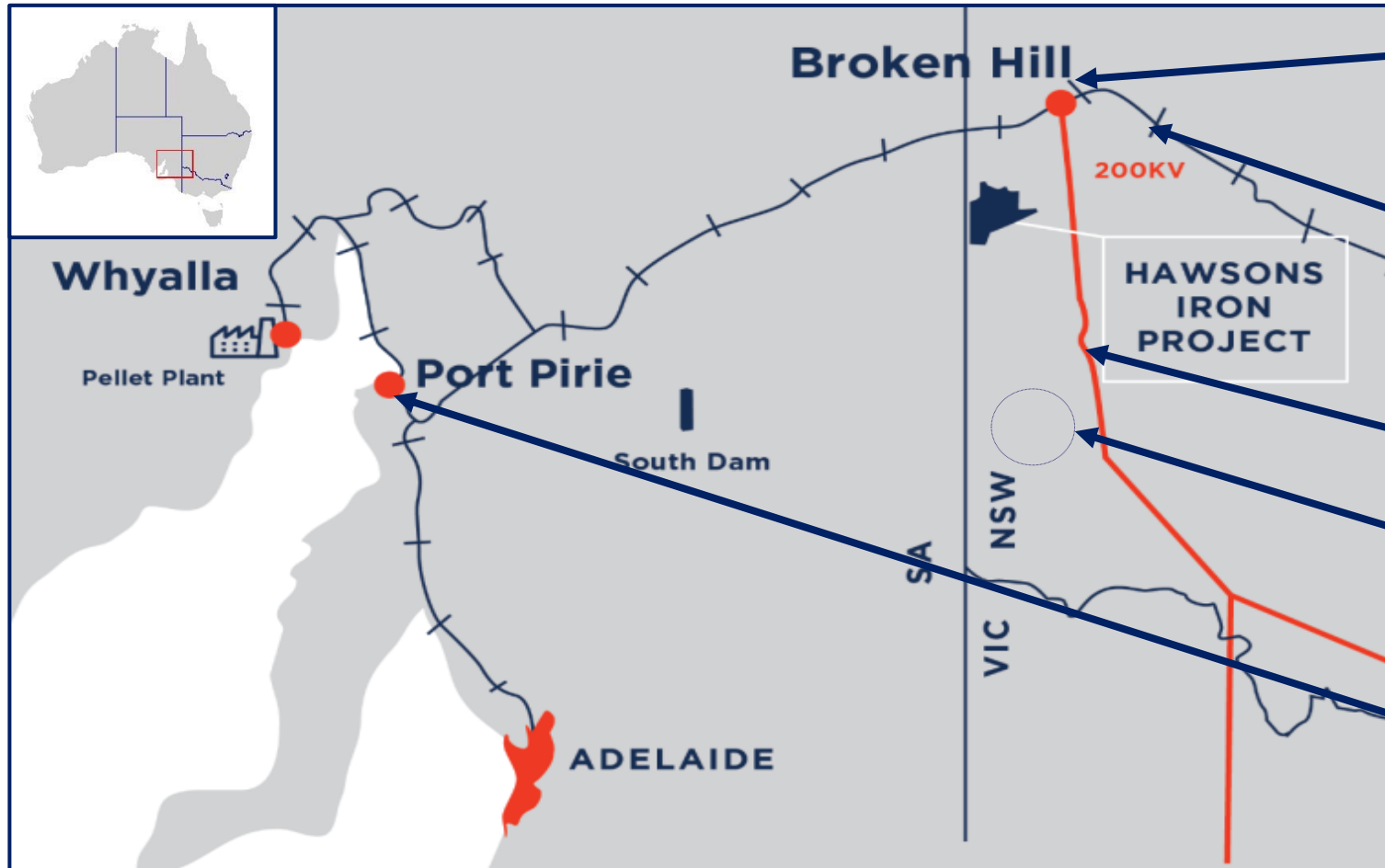
- Unique soft ore and ore mineralogy
 - low cost and low power processing
 - Hawsons Supergrade® product upgraded without typical yield losses
- High ore predictability....
 - Exploit low cost bulk mining and processing

Lower construction risk as services in place...

- Infrastructure rich
 - existing power and rail infrastructure
 - two existing port options
 - clear permitting path



Hawsons Iron Project – Infrastructure rich



Established mining town (pop.~18,000), 60km from site

Rail line 396km to Port Pirie, 12mtpa spare capacity

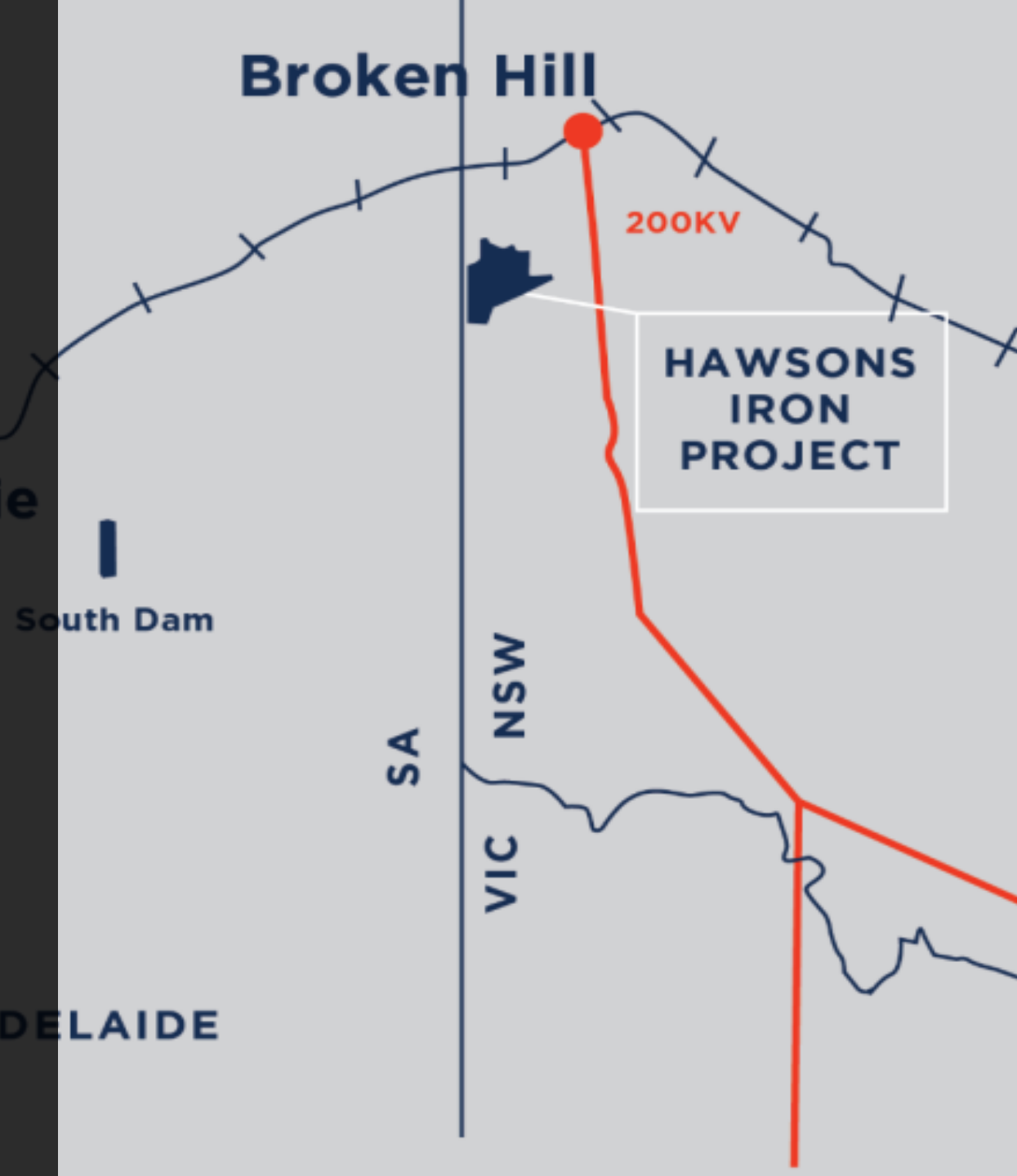
Grid power 35km from site, ~150MW spare capacity

Project water 90km south of site, spare allocation

Port options:
Port Pirie ~20Mtpa capacity
Whyalla 11Mtpa spare capacity

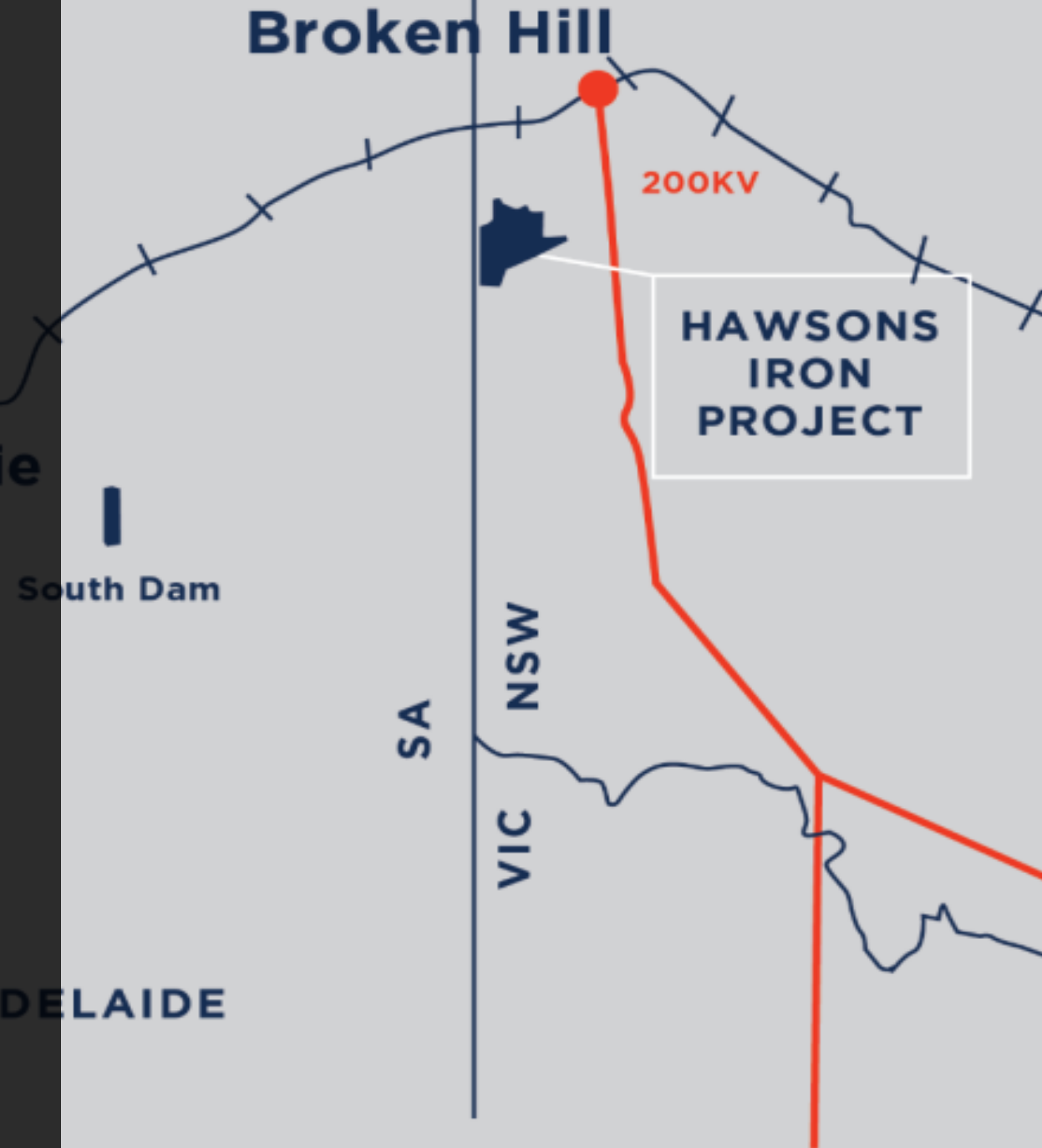
PROJECT SUMMARY

- + Located 60km SW of Broken Hill
- + Resource 330mt concentrate product
- + 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)



Prefeasibility study results – Returns and assumptions

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

The background of the entire image is a dark, moody photograph of a person standing in a field of tall grass or reeds. A white hexagonal grid pattern is overlaid on the bottom right portion of the image, extending from the bottom edge upwards. A solid dark blue rectangular block covers the upper left and center of the image, serving as a backdrop for the text.

Carpentaria

RESOURCES

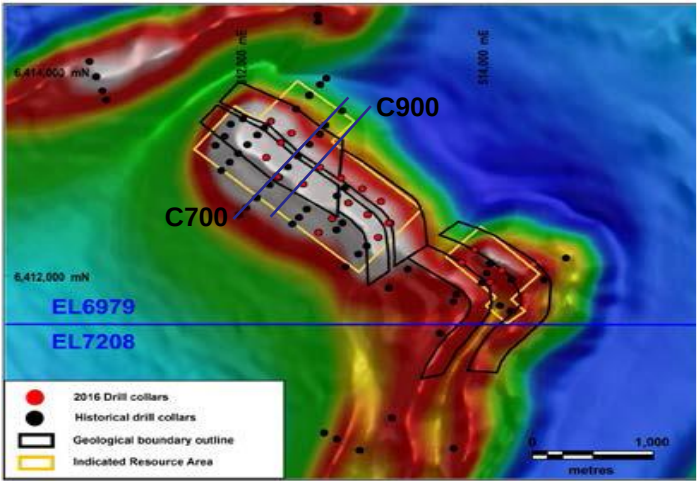
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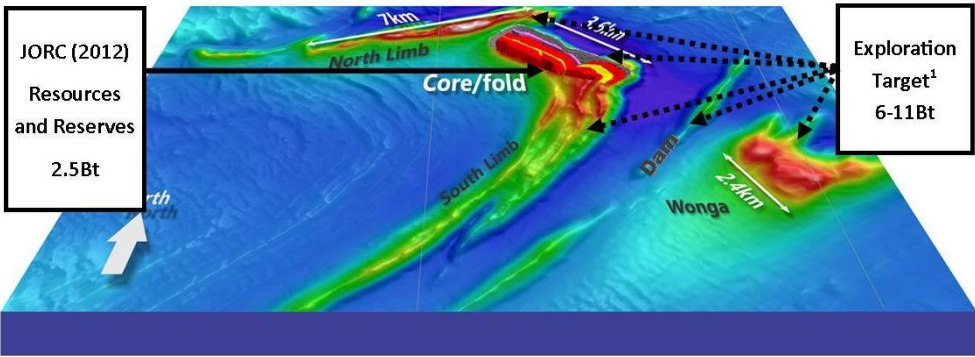
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Category	Mt	DTR %	DTR Mt	Fe Head %	Concentrate Grades						
					Fe %	Al2O3 %	P %	S %	SiO2 %	TiO2 %	LOI %
Probable Reserves	755	14.7	111	17.5	69.9	0.19	0.003	0.002	2.60	0.03	-
Indicated (incl. Reserves)	840	14.5	121	17.4	69.9	0.19	0.004	0.002	2.61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



- 21,429m drilling: 3,929m core, 17,500m reverse circulation
- Nominal 200m x 100m drill hole spacing (Indicated Resources), 200 x 200-400m (Inferred Resources)
- 2,400 Davis Tube Magnetic Recovery (DTR) samples
- 9.5% DTR cut-off, grind size 38 micron



¹ The term "Target" should not be misunderstood or misconstrued as an estimate of Mineral Resources and Reserves as defined by the JORC Code (2004), and therefore the terms have not been used in this context. It is uncertain if further exploration or feasibility study will result in the determination of a Mineral Resource or mineral Reserve

Prefeasibility study results - Costs

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

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