



Carpentaria Exploration Ltd Investor Presentation

Mining 2012, Brisbane October 31, 2012

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



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Carpentaria



We Find It



We Prove It



We Make It Possible

Aim :

Discover, Develop and Mine to

- grow shareholder value; and
- fund further discoveries in E. Australia

Track Record :

- Discovery of the giant Hawsons magnetite deposit
 - ✓ Positive PFS released
- Tin / Tungsten near Broken Hill
 - ✓ Doubled resource recently
- Growing Gold portfolio in Eastern Australia

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CARPENTARIA

Board of Directors



Nick Sheard - Exec' Chairman

- 40 years industry experience
- Vice President – Exploration INCO Limited
- Global Exploration Manager MIM Holdings

Mr Bob Hair

- 30yrs experience as a lawyer including 17yrs in resource sector
- Current CEO of AIM listed Ferrum Crescent

Dr Neil Williams

- 40 years experience
- Most recent 15 yrs CEO of Geoscience Australia
- One of Australia's eminent geoscientists

Mr Paul Cholakos

- 25 yrs experience in resources
- Mining Engineer
- Current Executive General Manager Project Development –Oil Search (Market Cap \$8.5bn)

Mr Bin Cai – Mr Conglin Yue representative on the Board

- 17 years experience investing in emerging resource companies

Hawsons Project Director – Ray Koenig

40 years process engineering experience across all commodities - including Magnetite

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Company Snapshot October 30th 2012

ASX : CAP

FINANCIAL 30th Oct 2012

Cash A\$5.8 million

ISSUED SHARES

105,991,301 shares

LARGEST SHAREHOLDERS

Silvergate : 17.36%

Aust' Conglin Int' Inv' : 9.89%

Conglin Yue : 3.5%

**Directors &
Management**

(inc' unlisted Options : 13.31%)

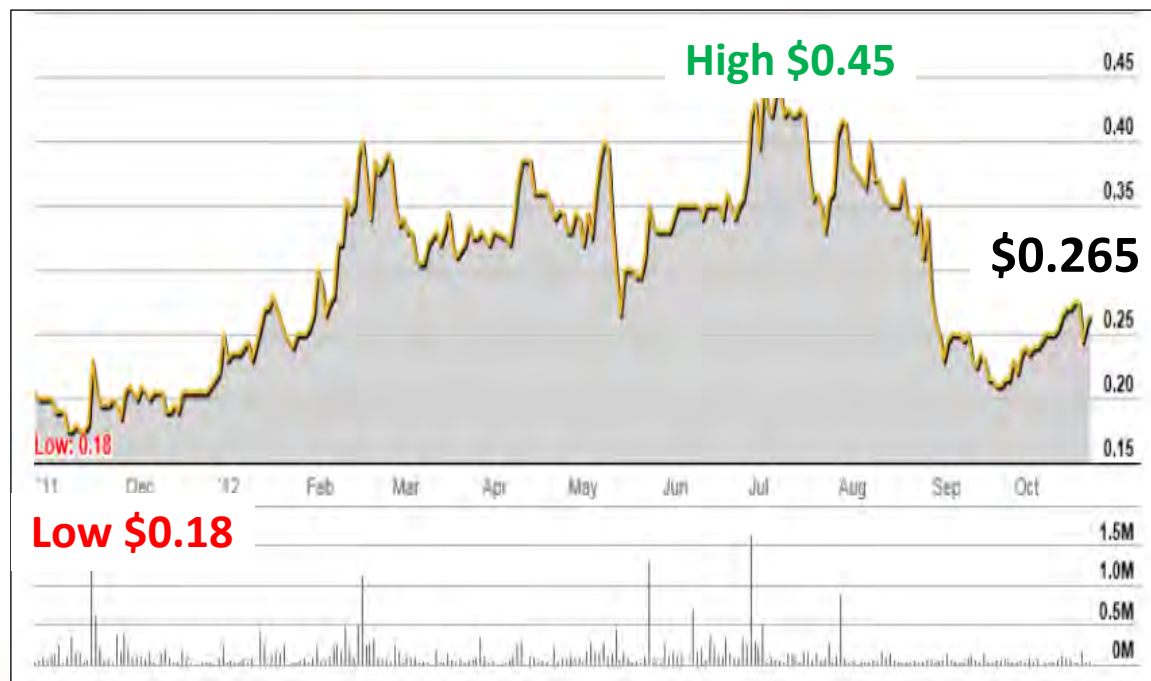
INVESTMENTS

**2.2 m Guildford Coal Ltd fully paid
shares ~ value \$1m 30th Oct**

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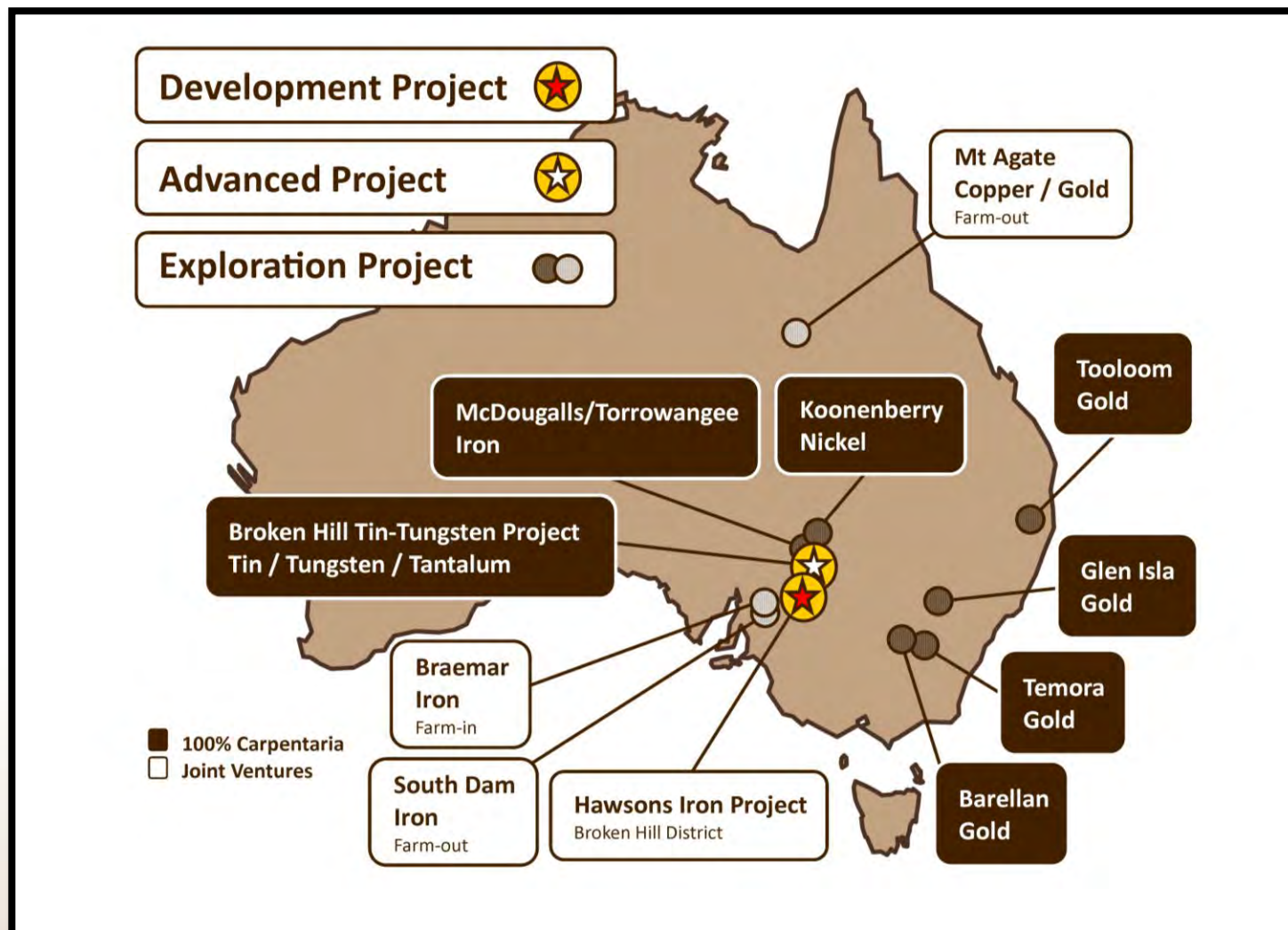
Share Price and Volume 12 months



KEY ASSET

Hawsons Iron Project JV – Carpentaria 60%

Carpentaria Current Projects



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Growth Prospects

Significant growth through Hawsons

Well funded to

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



Potential for Discovery

- Braemar Iron
- Yanco Glen Tungsten
- Gold Projects eg 60m at 1.5g/t Au (untested)



HAWSONS IRON PROJECT



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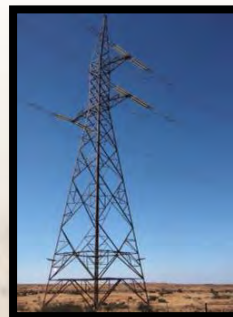
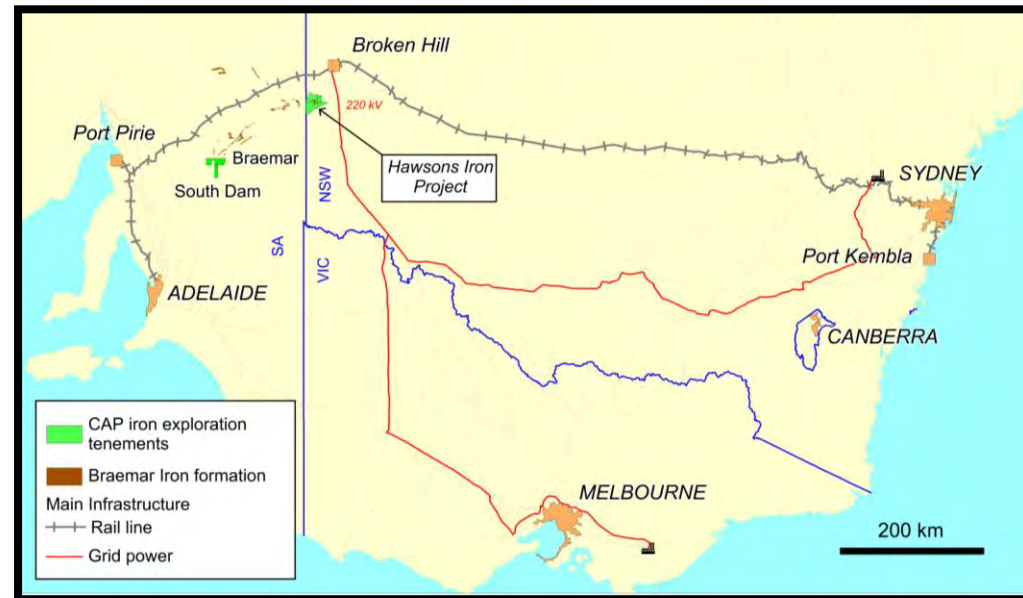
HAWSONS IRON PROJECT

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



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HAWSONS IRON PROJECT

PFS November 2011



- Inferred Resource - **1.4Bt at 15.5% Mass recovery for 220mt concentrate**
- Exploration target¹ - **6-11Bt at 14-17% Mass recovery for 900-1900 mt concentrate**
- Concentrate quality **69.9%Fe, 2.50% SiO₂** (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

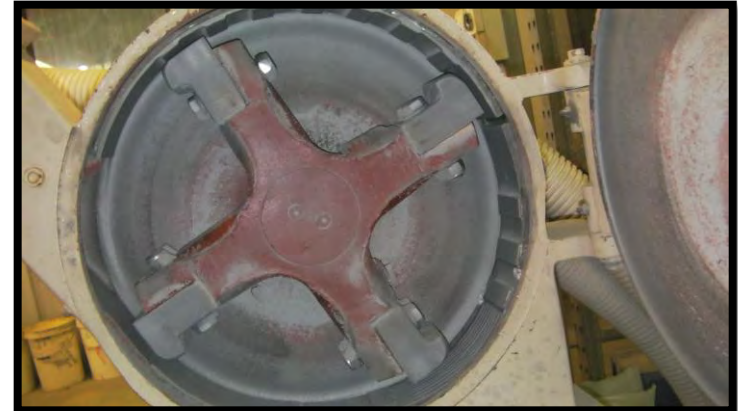
¹ The potential quantity and grade of the exploration targets is conceptual in nature and there has been insufficient exploration to define a Mineral Resource. It is uncertain if further exploration will result in the determination of a Mineral Resource. (DTR is Davis Tube Recovery)

HAWSONS IRON PROJECT

Improvements on PFS- Early BFS works



- **Improved process design**
 - 15-20% less power
 - Lower capital
- **Transport options**
 - Potential to bring 10 -15 Mt production (and revenue) forward
- **Other Possibilities**
 - Reduce water consumption to reduce tailings dam costs
 - Lower cost removal of overburden

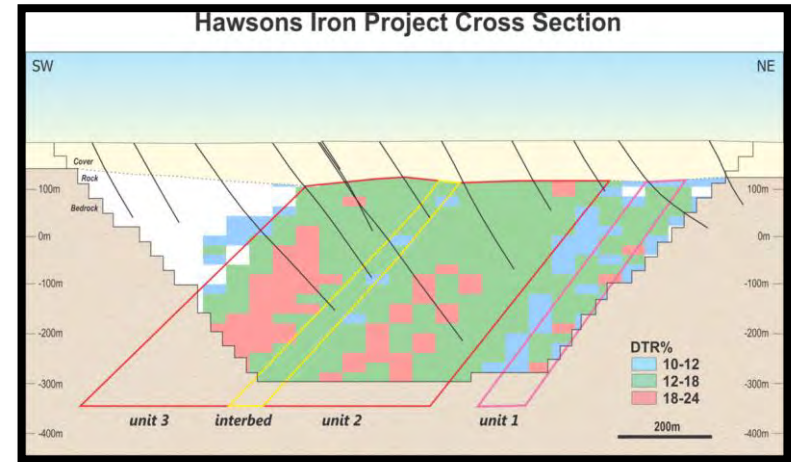


HAWSONS IRON PROJECT

At 15.5% DTR - Why Does it Work ?

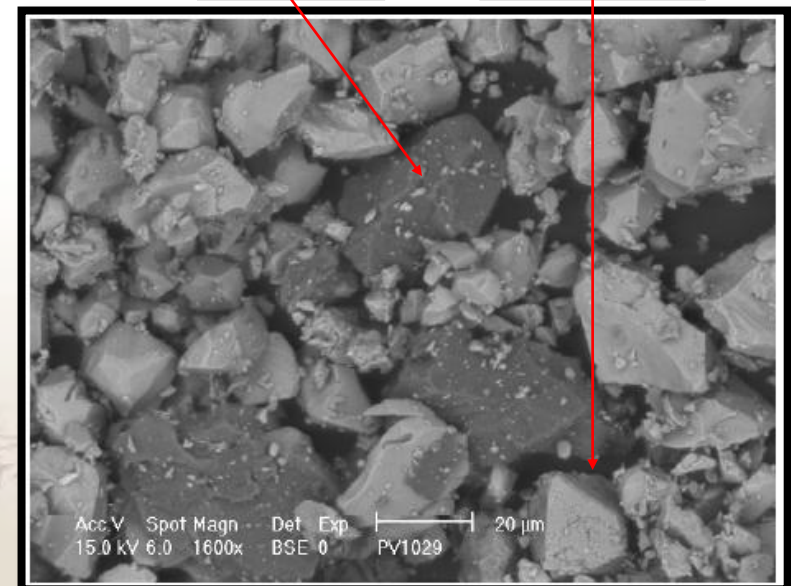


1. Low waste to Ore ratio (0.3:1)
2. Large mining widths and single 24 yr pit
 - Utilise in pit crushing and conveying
3. Soft Ore
 - Lower mining costs (compared to BIF's)
 - Lower grinding (processing costs)
 - Conventional circuit
 - Reduce CAPEX
4. High grade concentrate with low contaminants
5. Infrastructure
 - Power, water, rail, mining community
 - Port availability



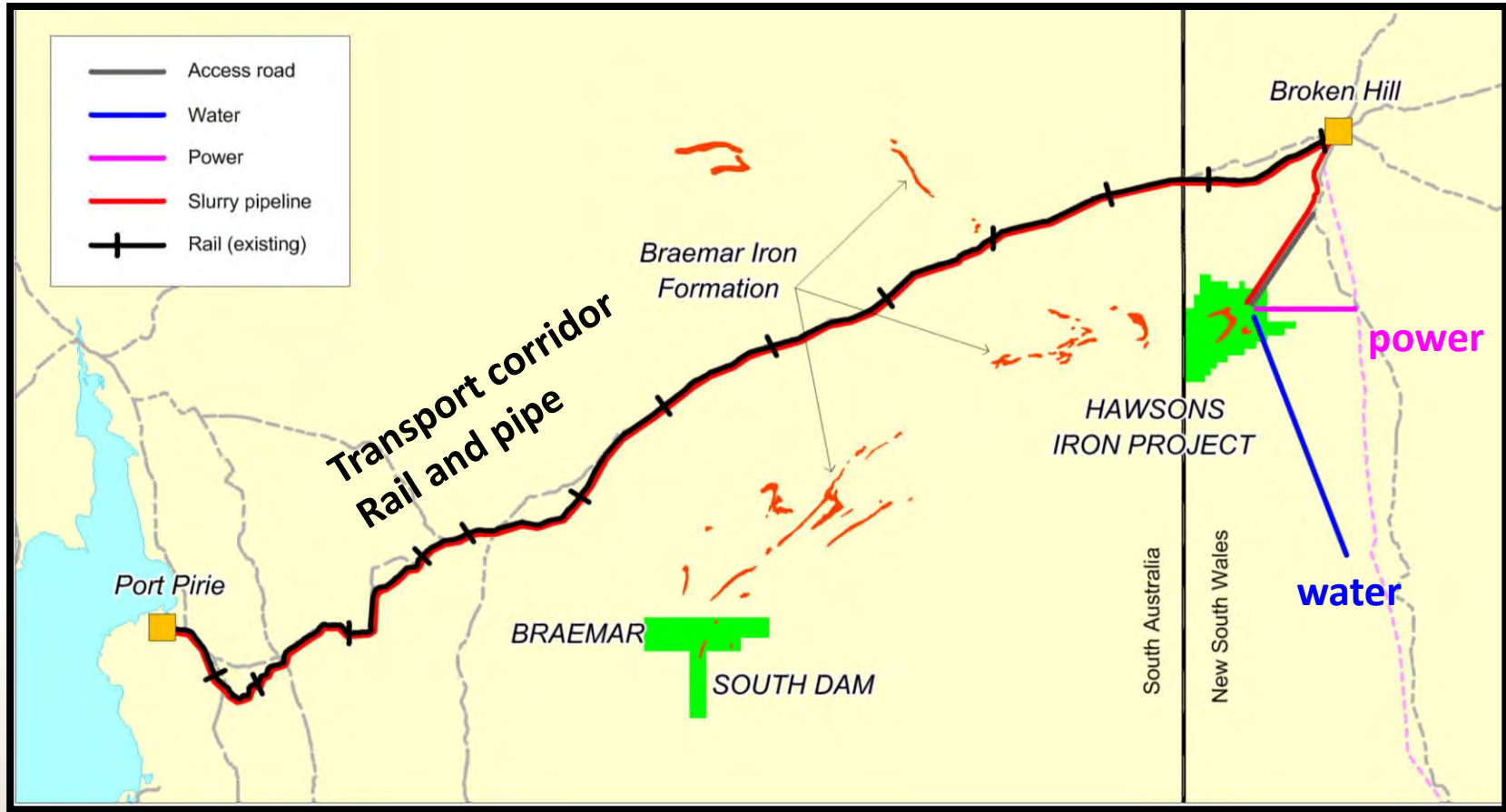
Quartz

Magnetite



HAWSONS IRON PROJECT

Infrastructure and Transport Options



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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



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Current Work



- Small scale pilot plant work nearing completion
- Environmental approvals underway – EIS terms pending
- Additional early BFS works
 - Reduction of water – paste thickeners
 - Efficient overburden removal
- Schedule

2013 - Resource Drilling , Pilot Plant

2014 - Mining Lease

2016 - Production



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Current Work



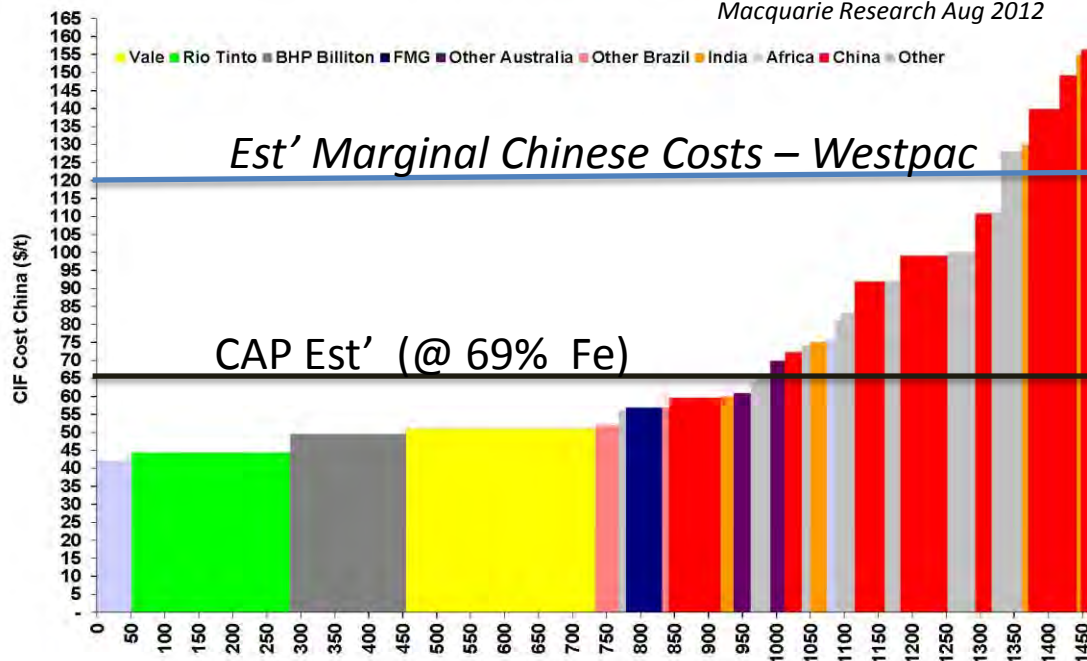
- Secure right development partner
 - Advanced discussions with a number of parties
- Resolve ownership
 - Current JV partner BMG (in Liquidation) 40%
 - Asset for sale
 - Carpentaria well placed
 - First right of refusal
 - Right of third party introduced by Carpentaria to buy for \$13m



Where are we placed ?

Supply curve to Chinese market for iron ore fines

Macquarie Research Aug 2012



Implications – all in US\$:

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



Where are we placed ?

Revenue Calculation (@ spot)		RIO	BHP	FMG	AGO	MGX	GRR	BCI	CAP**
Iron ore fines US\$/dmt cfr price - 62% Fe		93	93	93	93	93	93	93	93
Rec'd price* A\$/wmt FOB		77	77	66	65	65	92	66	77
Total Costs* A\$/wmt FOB		38	44	57	83	67	118	56	55
EBITDA Margin	A\$/t	47	40	14	(5)	2	(8)	12	22

* After UBSe and company fillings, adjusted for D &A, moisture, Fe content, impurities, freight

** 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

Summary

Significant growth through Hawsons

Strong team in place and well funded to

- Move Hawsons up the value curve
- Secure the right development partner
- Potential low cost and long life



Potential for further discovery

- Braemar Iron
- Yanco Glen Tungsten
- Gold Projects



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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@CARPEXPLORE



Appendix 1



UBS research

Legend

BHP

RIO

FMG – Fortescue Metals

AGO – Atlas Iron

MGX – Mt Gibson

GRR - Grange Resources

BCI - BC Iron

CAP – Carpentaria Exp'

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	22
EBIT Margin	A\$/t	40	34	9	(18)	(2)	(26)	10	32

Source: Company filings and UBS.

Note : Carpentaria's costs are estimated at \$50FOB (dry) in its PFS. However wet, they are reduced by 9%.