



Carpentaria Exploration Ltd

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Investor Presentation

25 February 2014



Disclaimer



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Company Snapshot



ASX Code : CAP

IPO : Nov 2007

CASH: A\$6.2 million

ISSUED SECURITIES: 124 m shares

Top Shareholders:

Silvergate: 17.2%

Conglin Group*: 11.4%

NEFCO: 4.5%

Directors & Management
(inc' unlisted Options): 15.5%

Company Assets:

1. Hawsons Iron Ore Project
2. Discovery/Exploration Projects

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* Associates interest

Share Price and Volume 12 months



KEY ASSET

Hawsons Iron Project JV – Carpentaria 60%

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Hawsons Iron Project - Investment Highlights



**Hawsons: large resource,
long life project in NSW**

- JORC Inferred Resource 1.4bn tonnes for 220m tonnes con'.*
- Exploration target¹ over 1000 Mt magnetite concentrate

**Robust development case
set, utilising existing
infrastructure**

- Development work based on utilising the 10 Mtpa of available transport infrastructure
- Potential low capital costs and short development time frames

- Inferred Resource 1.4 bt at 15.5% mass recovery at 69.9%Fe and 2.5% SiO₂
- Exploration target 6-11 Billion tonnes at 14-17% mass recovery 69%Fe 2.5% SiO₂

*This information was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported

¹ The term "target" should not be misunderstood or misconstrued as an estimate of Mineral Resources and Reserves as defined by the JORC Code (2012), this information was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported. Refer ASX Announcement released 23 March 2011. 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.

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Hawsons Iron Project - Investment Highlights



**Feasibility study ongoing
with potential low costs**

- Potential low free on board (FOB) costs by exploiting low power needs, low strip ratio, simple processing
- Potential low capital costs exploiting existing infrastructure

Strategy

- Carpentaria to pursue development and be a producer
- Introduce the right partner at the right time to underwrite initial construction funding

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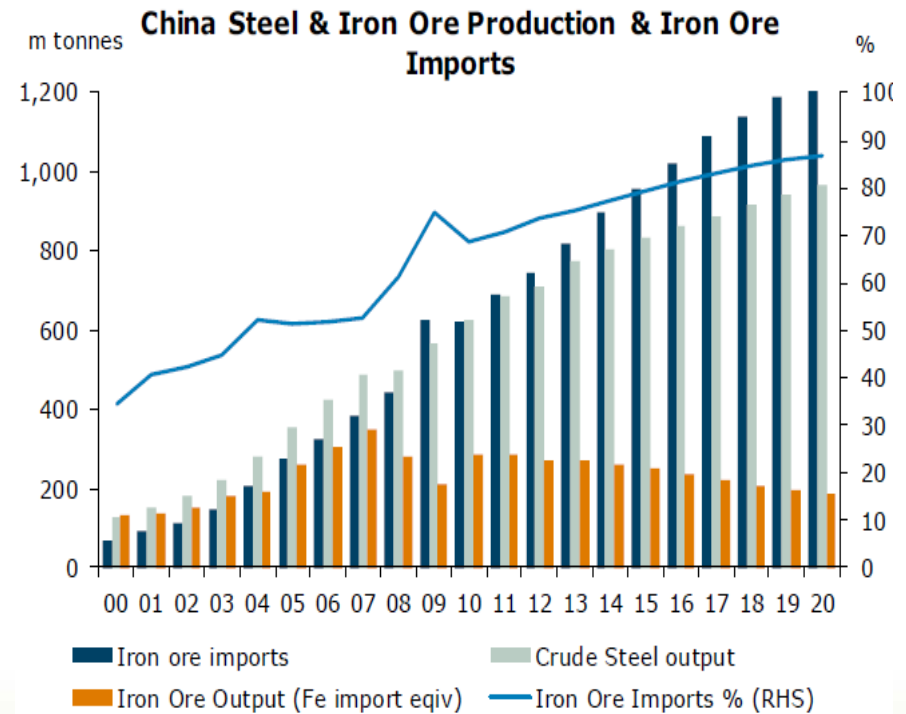
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The World Needs More Iron Ore



Demand

- World steel demand to almost double 2010 - 2030
- Iron ore demand in China continues strong growth; Jan 2014 – imports all time high of 86mt
- China's leadership committed to growth and urbanisation
- Growth off a high base generates large incremental demand increases in China
- Chinese iron ore production to fall and iron ore imports to increase
- Indian demand to increase substantially based on significant infrastructure spending
- Gradual global recovery to gain strength and add to world steel production and iron ore demand



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The World Needs More Iron Ore

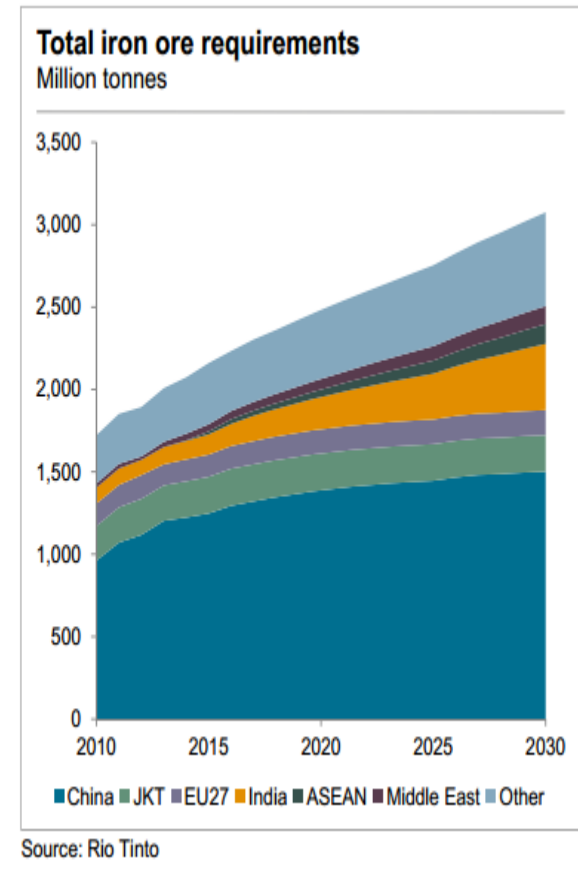


Supply

- Recent forecasts of new supply consistently wrong, reflects delays due to higher cost, higher risk, infrastructure constrained projects
- Chinese domestic iron ore increasingly costly – relocation of steel plants to port cities, supporting stronger imports

Expectations

- World iron ore production needs to be almost double in the next 20-25 years to meet expected demand
- China to have increasing dependence on imported iron ore
- Chinese steel makers seek to control more imports by investing offshore in low cost, long life projects;
 - » secure supply
 - » hedge price risk and protect diminishing margins
 - » diminish big four pricing power
- Chinese and global drive to higher efficiency and less pollution will also support stronger relative growth in high iron products



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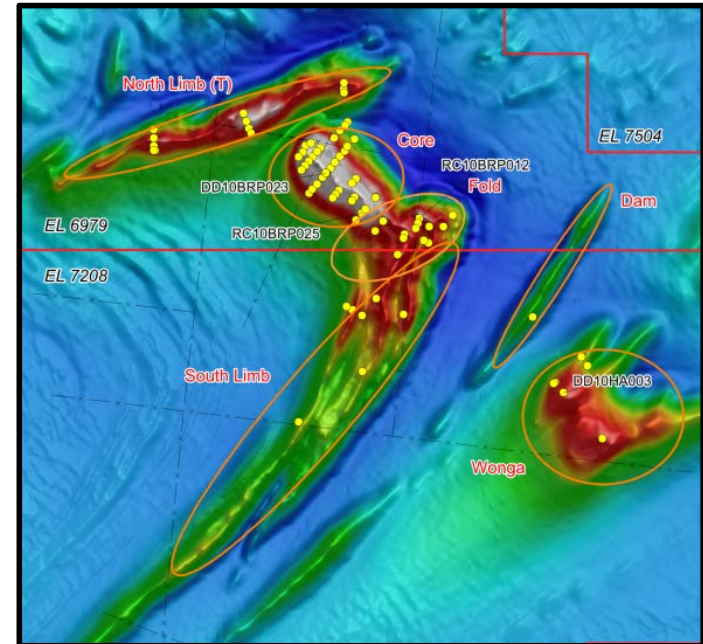
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Hawsons Iron Ore Project - Different to other magnetite



Points of Difference

- **Long life project**
 - Large resource 220 Mt concentrate*
 - Exploration Target over 1000 Mt concentrate*
- **Premium iron concentrate**
 - Pellet feed concentrate
 - High iron
 - Very low phosphorous



Potential product specifications

Fe	SiO ₂	P ₂ O ₅	Al ₂ O ₃
69.5%	3.1%	0.001%	0.22%

* JORC Inferred Resource 1.4 Billion tonnes at 15.5% mass recovery for 69.9%Fe and 2.50% SiO₂
Exploration target 6-11 Billion tonnes at 14-17% mass recovery 69%Fe 2.5% SiO₂

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Hawsons Iron Ore Project - Different to other magnetite



Points of Difference

Existing Infrastructure

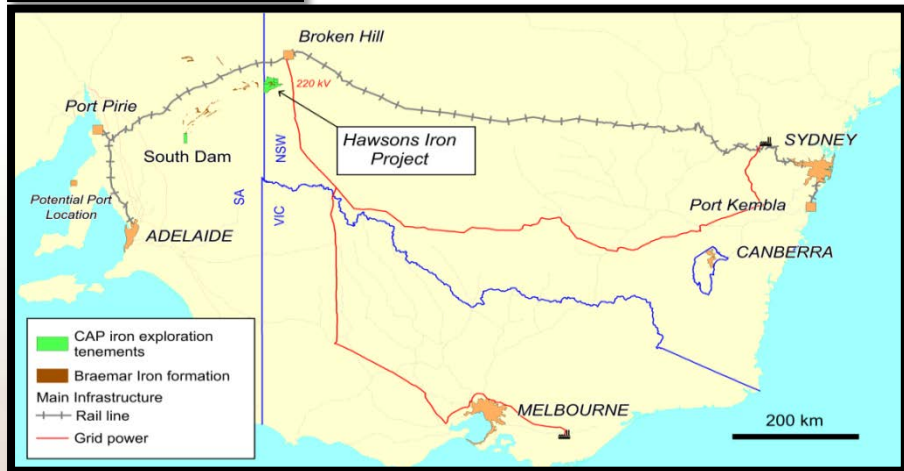
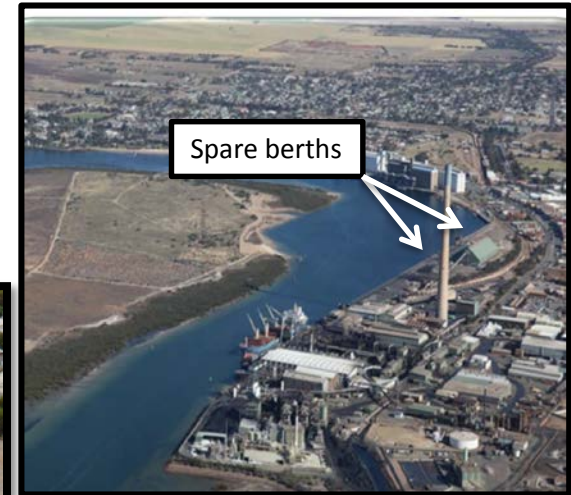
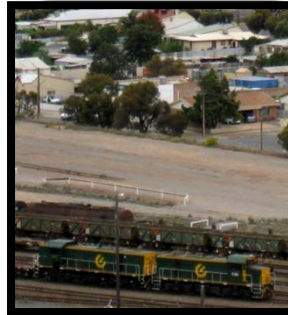
Potentially low capital costs

- existing rail to port - 13Mtpa spare capacity 50km from site
- existing port – spare berths, requires only stockpile, conveyors, loaders
- existing power line 35km from site

Potentially high margin

- low FOB costs, high price received
- low strip ratio, large scale
- soft rock, low power
- high grade 69.5%Fe

Shortest lead times to development due to existing infrastructure



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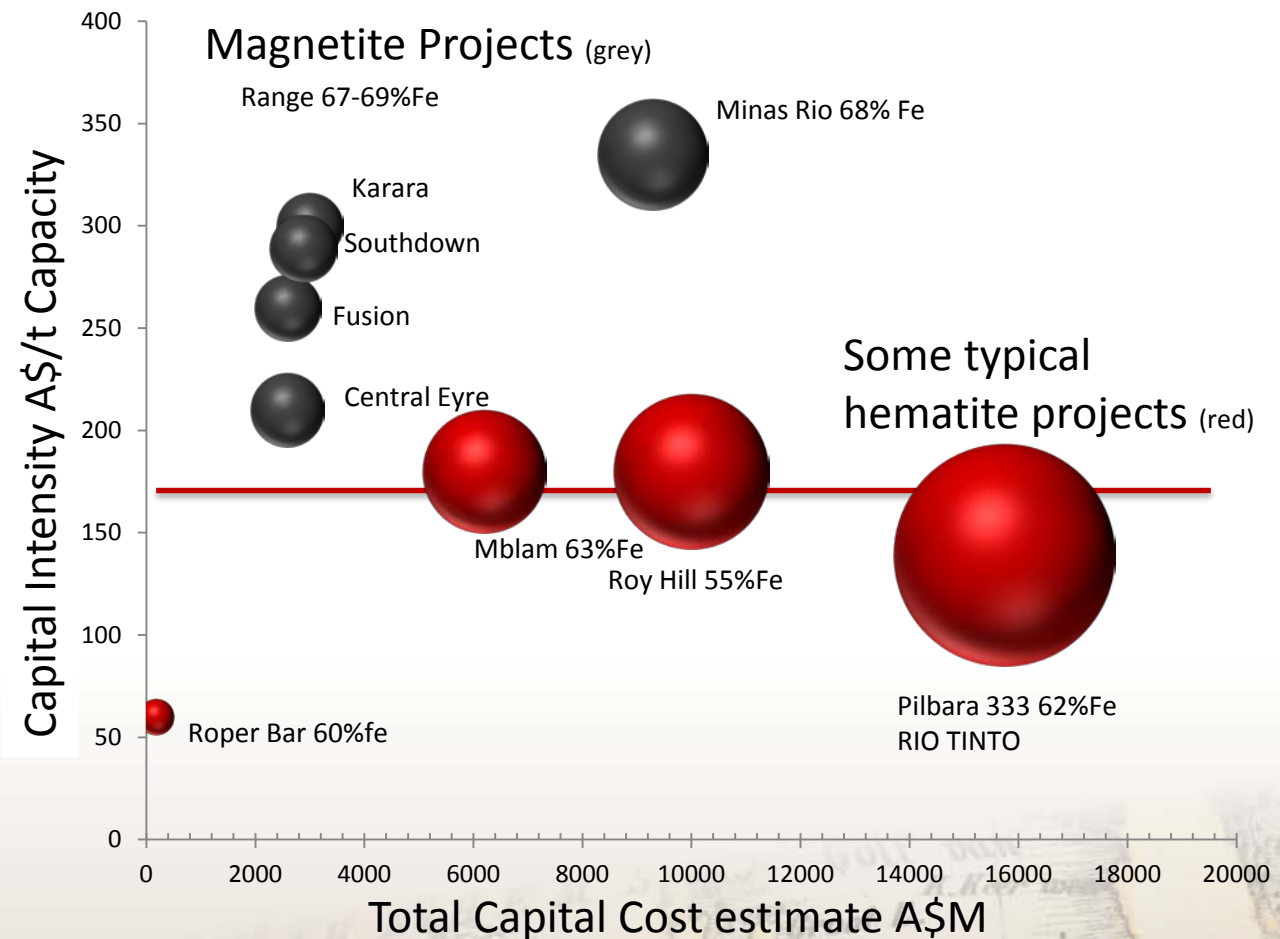
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Hawsons Iron Ore Project – Low Capital Intensity



Development case set utilising existing infrastructure to aim for;

- Low capital cost per tonne of capacity (capital intensity)
- Capital intensity similar to hematite projects
- Lower than comparable magnetite projects
- Low capital service costs
- Ahead of the pack



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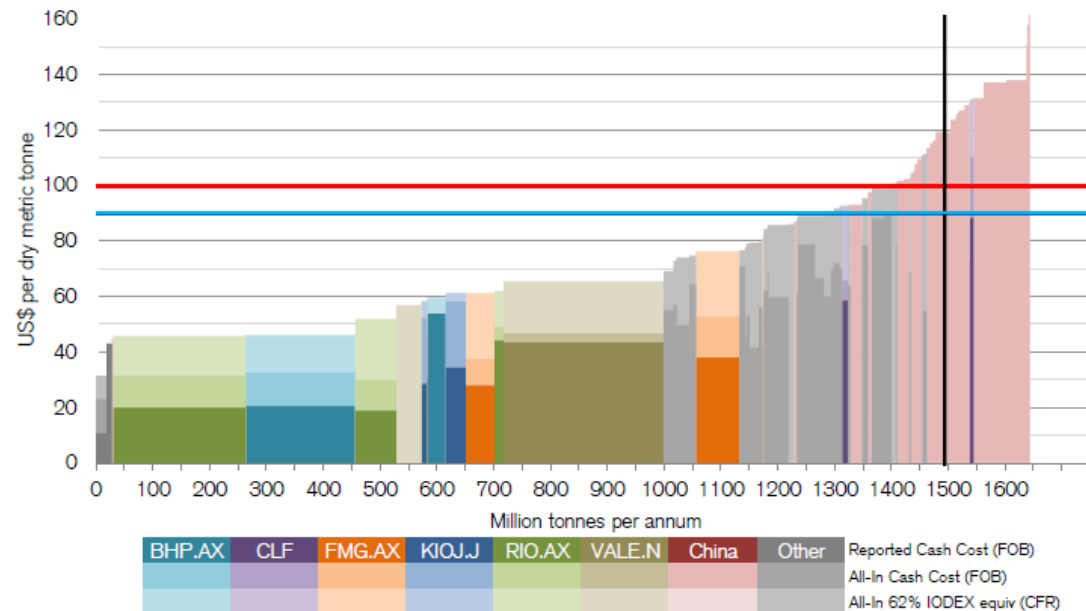
Position on the 2016 cost curve



- Development case set to aim for second quartile of the cost curve indexed to 62% Fe equivalent
- Potential to withstand price fluctuations
- Demonstrates advantages of 69% Fe product
- Ahead of the pack

Exhibit 2: 2016 curve (China: 250mtpa, excl domestic freight)

Blue = CS price fcst, Red = consensus price, Black = demand



Source: Company data, Credit Suisse Securities Research & Analytics and Commodities Research estimates.

Source - After Credit Suisse 21 August 2013

1 Reported cash costs are C1 costs

2 all-in cash costs include royalties, sustaining capital, corporates costs but not finance costs

3 includes a freight adjustment to CFR China and indexed to a 62% product

4 exchange rate 1USD = 1.17AUD

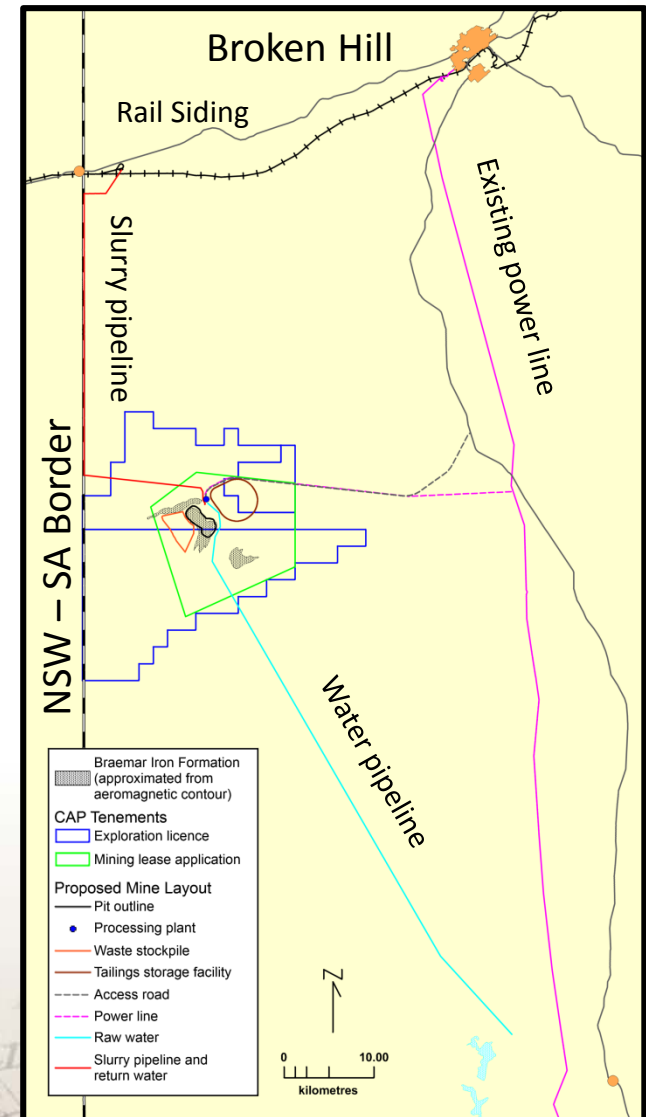
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Hawsons Iron Ore Project – Development Case Set



Robust Development Case set

- Capacity fits within existing infrastructure
- Reflect tight capital markets
- Long term iron ore prices
- Minimises costs
- Shortens development timeframes
- Sets framework for port, rail, and power advanced negotiations
- Current feasibility works continue
- On track for environmental submission early 2015
- Next stage work program to focus on value adding steps



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Two Growth Streams.....

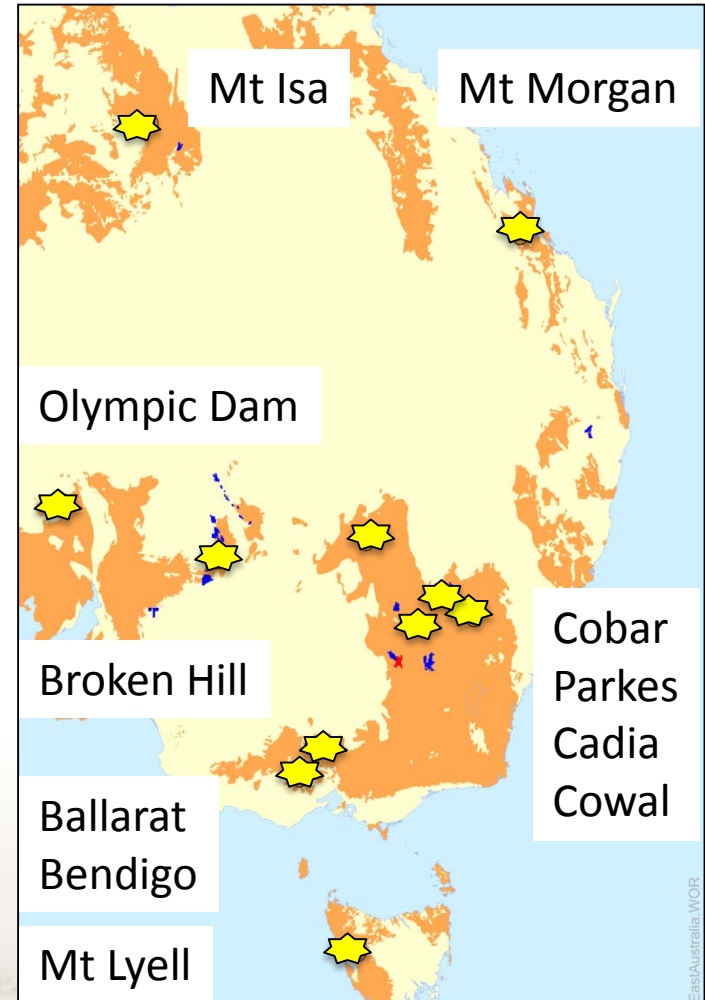


1. Hawsons Iron Ore Project

- Mining lease application lodged
- Major magnetite deposit
- Potential for excellent returns over long life
- Bankable feasibility study underway

2. Discovery Projects

- Great potential, strategic gold portfolio of quality projects
- Proven method
 - Low cost acquisition
 - Low cost decision points
 - Rapid development
 - Proven address
 - Leverages shareholder funds



Blue and red CAP tenements and applications

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To find out more, visit us at

www.capex.net.au



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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 2004 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.



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APPENDIX



Project	Operator	Capex A\$M	Annual M Tonnes	Capex/Tonne A\$M	Product %Fe
Roy Hill ₁	Hancock	[10,000]	55	[180]	[55]
Karara ₂	Karara JV	3000	10	300	68
Central Eyre ₃	Iron Road	2590	12.4	210	67
Fusion ₄	Eyre Iron	2600	10	260	67
Mbalam ₅	Sundance	4700-7830	35	134-224	63
Southdown ₆	Grange	2885	10	289	69
Minas Rio ₈	Anglo	9300	26.5-30	350-310	68
Pilbara 333 ₉	Rio	15740	113	139	62
Roper Bar ₁₁	West Desert	180	3	60	60

¹ <http://www.royhill.com.au/sites/default/files/Tim%20Treadgold%27s%20article.pdf>

² <http://gindpublic.powercreations.com.au/images/gind---iebohvaiti.pdf>

³ <http://www.ironroadlimited.com.au/images/files/projects/20110614%20Iron%20Road%20-%20CEIP%20Prefeasibility%20.pdf>

⁴ <http://centrexmetals.com.au/wp-content/sharelink/20120503-mine-and-port-scoping-study-completed-and-dfs-commenced-87554443598698511.pdf>

⁵ <http://www.sundanceresources.com.au/IRM/Company/ShowPage.aspx/PDFs/2675-51552764/PresentationResourcesRisingStars>

⁶ <http://www.grangeresources.com.au/clients/grange/downloads/item150/southdown dfs presentation - albany 16 may 2012.pdf>

⁸ <http://www.angloamerican.com/business/ironore/projects.aspx>, <http://www.mining-technology.com/projects/minas-rio-iron-ore-brazil/>

⁹ http://www.riotinto.com/documents/110324_New_opportunities_for_industry_growth_Sam_Walsh.pdf

¹¹ [ASX550 : Investor Notice of Presentation 20 Sep 2013.pdf](#)

USD/AUD conversion at 0.94

HAWSONS IRON PROJECT

APPENDIX



JORC Inferred Resource

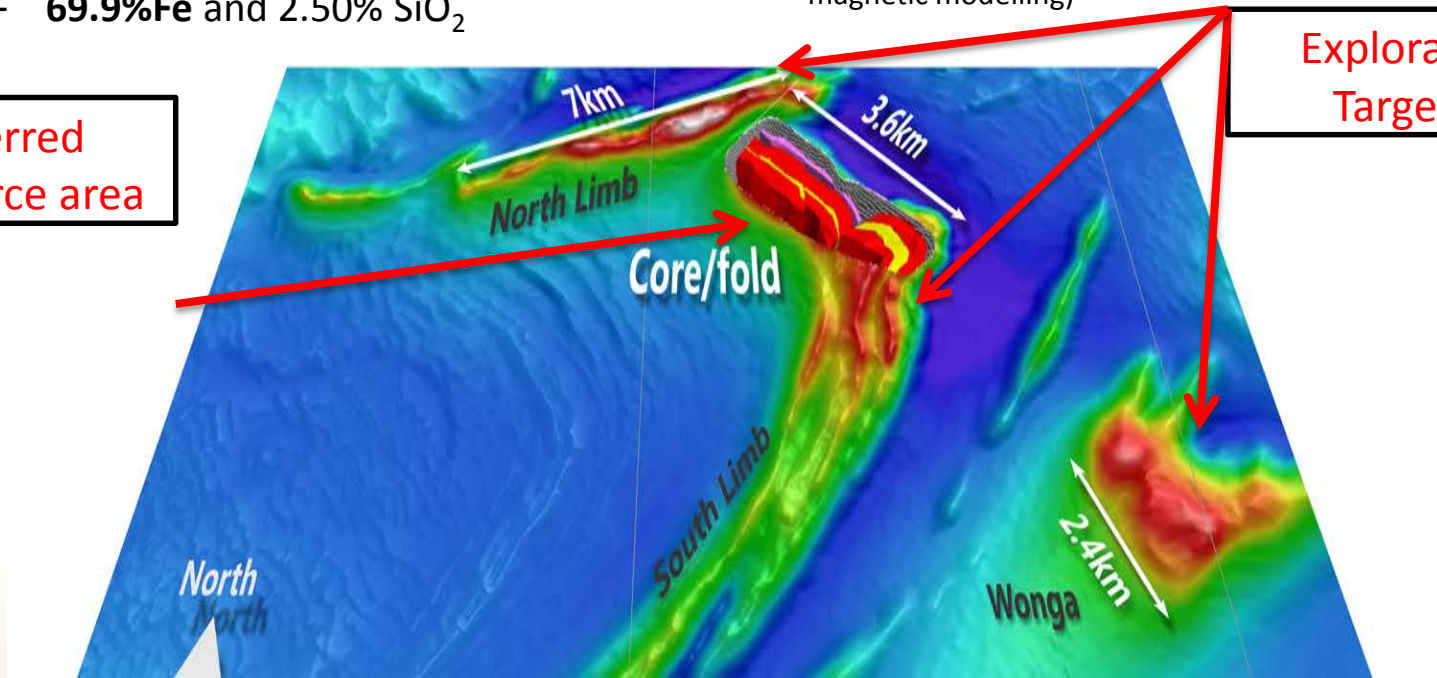
- 1.4 Billion tonnes for **220 Million tonnes con'**.
- 15.5% mass recovery
- **69.9%Fe** and 2.50% SiO_2

Exploration Target ¹

- **6-11 Billion tonnes** at 14-17% mass recovery 69%Fe 2.5% SiO_2 (defined by drilling and assaying all magnetic anomalies combined with detailed magnetic modelling)

Inferred
Resource area

Exploration
Targets¹



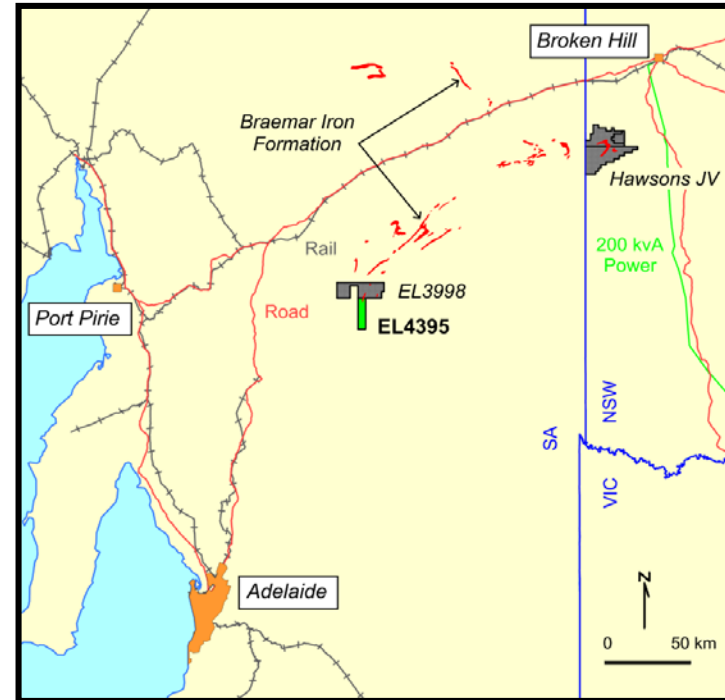
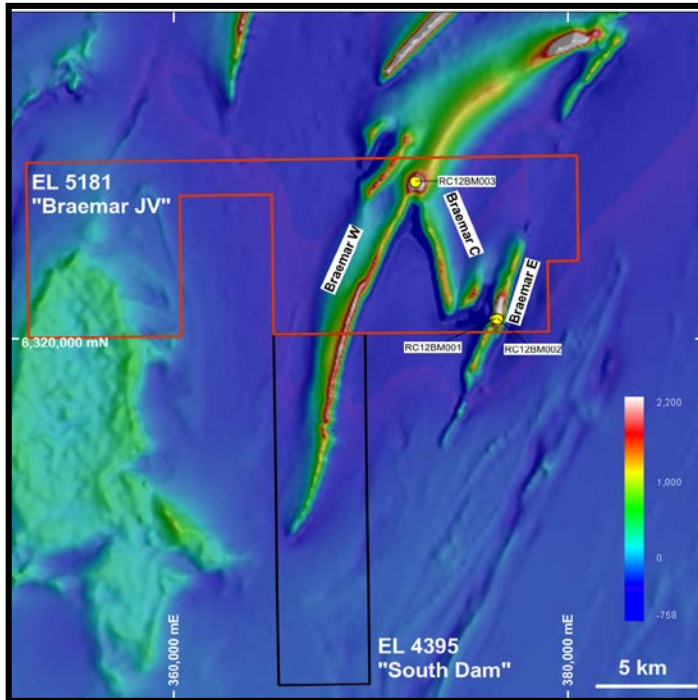
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Braemar South



Braemar South Exploration Target – 1.7 – 3.1 billion tonnes at 12-27% mass recovery for 200 – 900Mt concentrate at 63-67% Fe

¹ The data that relates to Exploration Target is based on information evaluated by Mr Simon Tear who is a Member of The Australasian Institute of Mining and Metallurgy (MAusIMM) and who has sufficient experience relevant to the style of mineralisation 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 (the "JORC Code"). Mr. Tear is a Director of H&S Consultants Pty Ltd and he consents to the inclusion in the report of the Exploration Target in the form and context in which they appear. Refer ASX Announcement released 29 November 2013.

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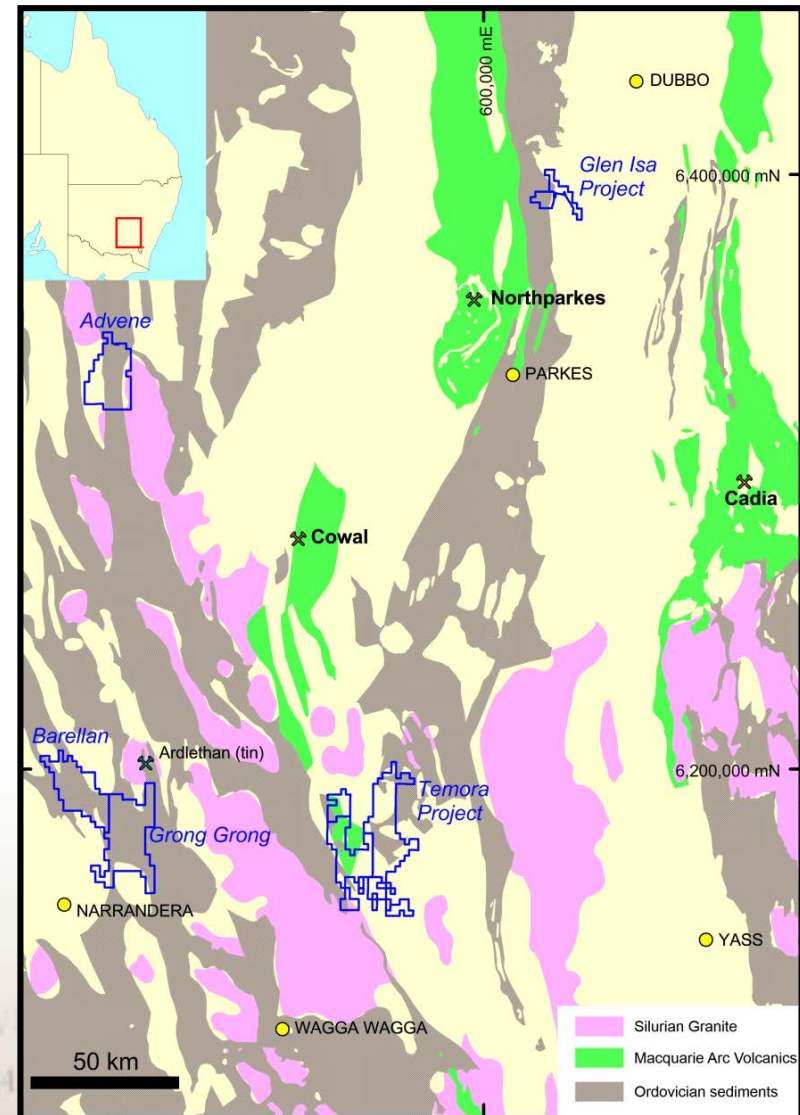
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Eastern Australia Gold Focus



- Quality drill ready targets
- Early mover Intrusion Related Gold Systems IRGS – underrecognised in E Aust.
- IRGS can be multi million ounce company makers (eg Kidston 4.5Moz, Fort Knox 9.2Moz)
- **Advene** – Historic Channel 16m at 6.95g/t au
- Two lode zones, 1000m strike defined,
- 20km potential
- **Grong Grong** –drilling 26m at 2.12 g/t Au
- **Barellan** – Historic channel sample 60m at 1.5g/t Au – work program surface sampling, drilling



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Advene – Central Lachlan

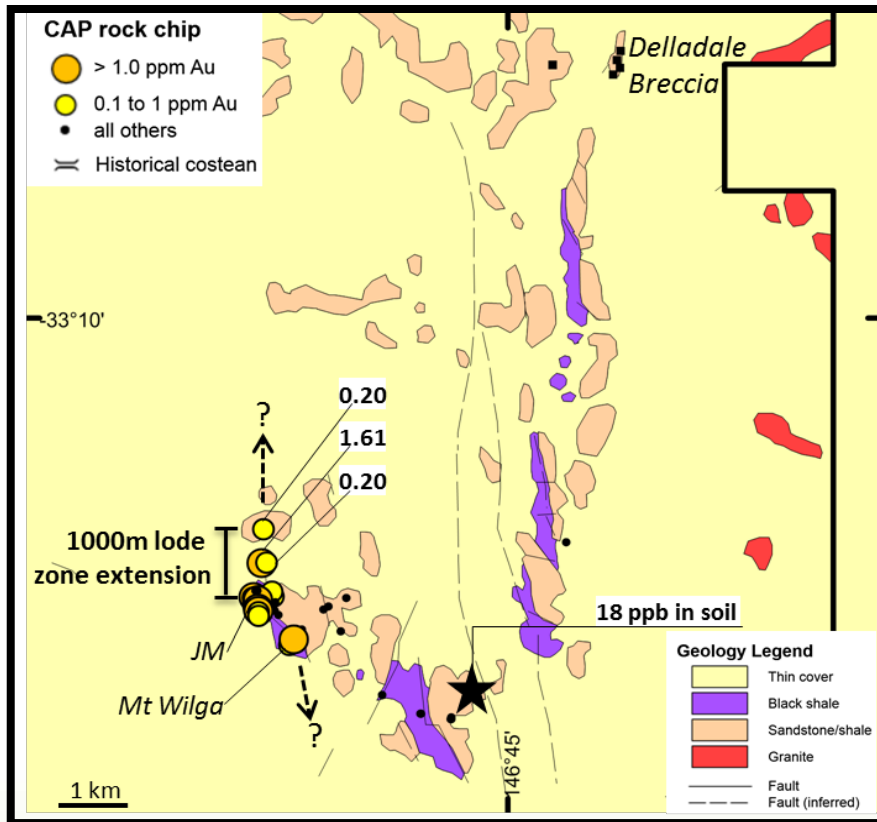


Figure 1. Project Regional plan, showing historic sample sites and CAP rock chip channel sampling

Classic Intrusion related setting
Broad zones of anomalism

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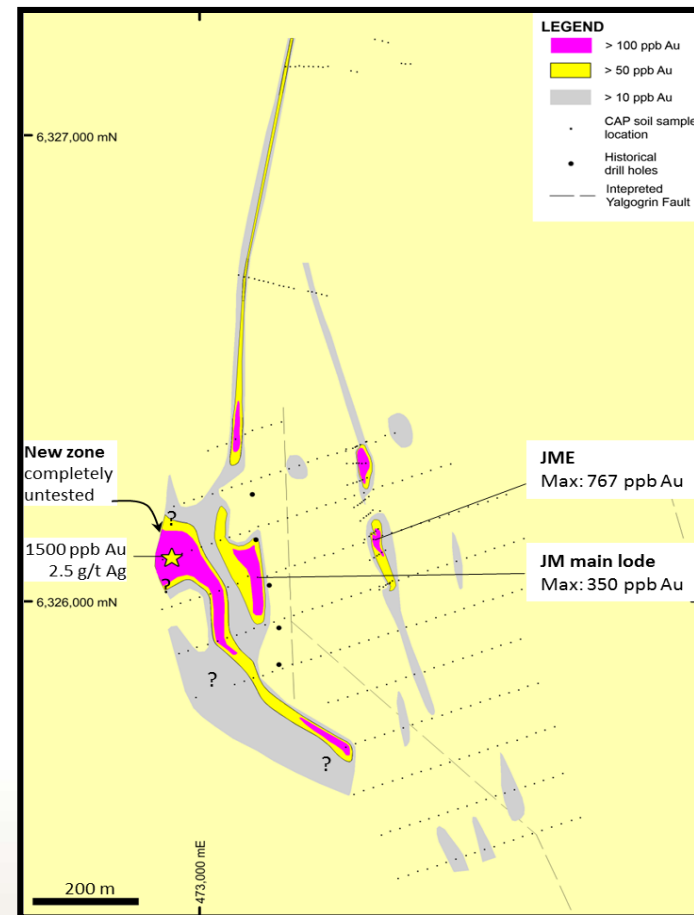


Figure 2. Josephine Moulder prospect area gold in soil results

Significant extensions and parallel lodes
Regionally very poorly explored

Figure 2. Josephine Moulder prospect area gold in soil results

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Grong Grong



Gold mineralisation remains open



LEGEND

- Zintoba/Bolnisi DH
- SHELL DH
- DH trace

PNG 5*: 10m @ 1.16ppm Au from 28 mbc
: 24m @ 1.15ppm Au from 44 mbc

GG95-1*: 26m @ 0.5ppm Au from 38 mbc
(inc. 7m @ 1.0 ppm Au)

GG95-2*: 21m @ 2.5ppm Au from 20 mbc

GG95-13*: 20m @ 2.2ppm Au from 71 mbc

Golden Splay Fault zone

6,170,750 mN

50 m

480,000 mE

480,250 mE

Harry Smith prospect plan view

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