

Hawsons Iron Project

New Ore type, New Opportunity

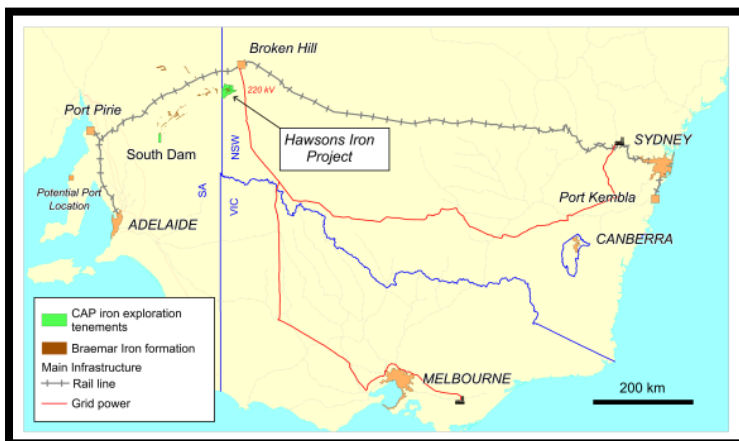
- ▶ **Prefeasibility Study** – completed, Positive NPV, Favourable IRR
- ▶ **Inferred Resource** - outlined
- ▶ **Huge upside** - potential for in excess 1,000Mt high grade concentrate
- ▶ **Magnetite** - very high quality, premium price, strong demand
- ▶ **Infrastructure** – water, power and transport all available for start up
- ▶ **Processing** – very low cost due to soft ore (BWI 6.3kwh/t)
- ▶ **Mining** – very low unit costs, 0.3 waste:ore strip ratio, very wide mining widths



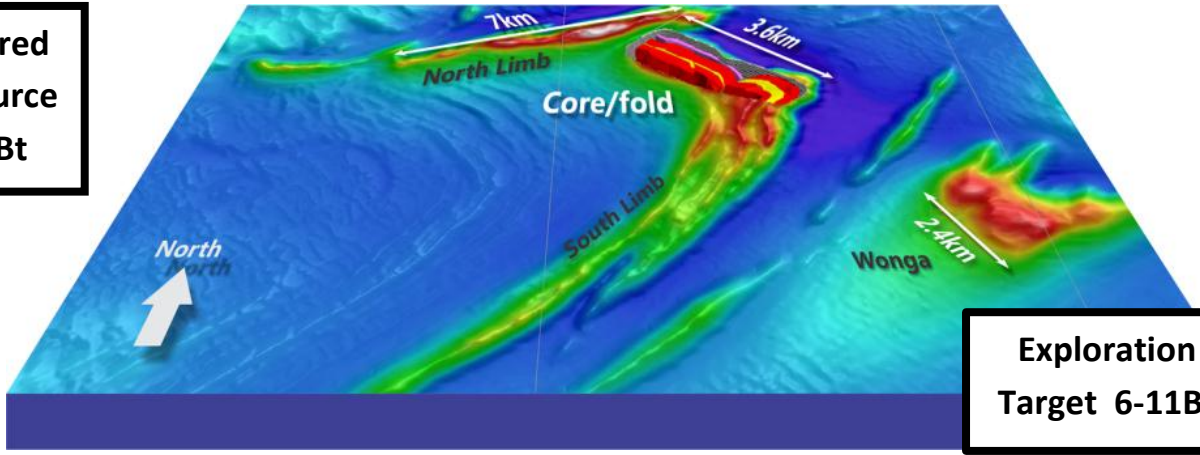
Summary

Hawsons Iron Project is located in the emerging Braemar Iron Province south of Broken Hill in NSW. The magnetite is hosted in the Braemar Ironstone, a magnetite siltstone characterised by very large deposits and very soft rock with potential to provide huge cost savings over other conventional BIF hosted magnetite projects in South Australia and Western Australia.

The unique ore type, the size and shape of the resource with its huge potential to grow, and location near existing rail, grid power and project water elevates the Hawsons Iron Project above its competitors.



**Inferred Resource
1.4Bt**

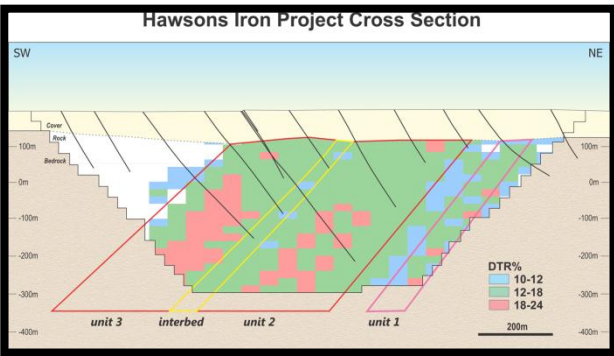


The Hawsons Inferred Resource is 1.4 billion tonnes at a Davis Tube Weight Recovery of 15.5% for 220 million tonnes of high grade iron concentrate (69.9% Iron and 2.5% silica) with no other notable deleterious elements. The resource covers only a part of the magnetic anomalies and a total project Exploration Target of 6-11 Billion tonnes at 14-17%DTR for 900-1900Mt of concentrate provides confidence in a long life operation.



Hawsons 38micron Concentrate

The material is easily processed with costs expected to be well below BIF deposits because the ore is very soft by comparison (Bond Work Index of 6.3 compared to 14-30 for BIF deposits). This figure includes grind size requirements because the siltstone “naturally” separates to 30-50micron. This provides huge processing cost savings.



Mining studies show that because of its large size, homogenous nature and geometry mining costs are very low at \$2.04/t material mined with potential for further reduction.

The Project is located less than 30km to rail providing a route to market either east or west with capacity available for 5mtpa start-up mine.

It is 30km to grid power providing low cost power on top of low power consumption for huge potential cost savings and sufficient project water has been identified near by.

A Prefeasibility Study completed in May 2011 (and revised in November ASX Announcement 21 November, 2011) was based on 20Mtpa concentrate production (69.9% iron) using conventional mining methods, processing and transport methods determined a \$3.2Bn NPV_{9%} and an IRR of 23% with a CAPEX of \$2.9Bn. Carpentaria expects improvement on these very robust figures once a final option has been determined.



Carpentaria owns 60% with BMG (40%) earning in. BMG is required to pay \$25m and commence funding a Detailed Feasibility Study by 15 May 2012 to guarantee further participation in the JV and move to 51%.

