HAWSONS IRON PROJECT

Right product, right place, right time

Quentin Hill, Managing Director
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Carpentaria Resources (ASX: CAP) is an emerging producer of low cost, premium quality iron ore products.

The Company’s flagship Hawsons Iron Project near Broken Hill, NSW has been rated by analysts as the world’s leading undeveloped high quality iron concentrate and pellet feed project.
Hawsons is a leading development project in a growth market.

+ Hawsons Supergrade® is the world’s best iron ore product
+ Customer-led development plan is driving Hawsons’ development, amid very strong market fundamentals
+ Positive PFS showed strong financial case and funding potential, enhanced by:
  + Mitsui funding support, and
  + structural supply gap of magnetite and direct reduction (DR) pellet feed
  + severe disruptions of pellet feed production in Brazil
+ BFS funding negotiations progressing
BFS funding update

- Negotiations are active with multiple parties regarding equity and non-dilutive offtake linked BFS and construction funding
- CAP is moving through the internal processes of our multiple counterparties
- CAP continues to receive offtake enquiries this quarter 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
QUENTIN HILL  
MANAGING DIRECTOR (~5yrs)
Geologist, >20 years’ experience  
Integral part of Hawsons discovery team, driving development

RAY KOENIG  
PROJECT DIRECTOR
One of Australia’s leading magnetite engineers; ex-Savage River magnetite and pellets. Olympic Dam, Pilbara hematite and magnetite

ADAM WHEATLEY  
PROJECT FINANCING DIRECTOR
Past projects, Gindalbie/Kararra, Hancock/Hope Downs, Aztec/Koolan Island

LOU JELENICH  
PRODUCT MARKETING DIRECTOR
Iron ore marketing and steel expert  
Ex-BHPB lead iron ore technical marketer
TIER ONE PEOPLE

JON PARKER
NON-EXECUTIVE DIRECTOR
Former General Manager
Commercial Rio Tinto Iron Ore,
MD Felix Resources,
MD Norton Goldfields

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NON-EXECUTIVE DIRECTOR
Mining engineer, currently
Executive General Manager,
Technical Services, Oil Search
(ASX: OSH)

NEIL WILLIAMS
CHAIRMAN
Former Chief Geologist
Exploration MIM, ex-CEO
Geoscience Australia

ROBERT HAIR
COMPANY SECRETARY
Former GM Commercial Highlands
Pacific, Commercial Manager
MIM Exploration
The world’s best quality iron ore (70% Fe).

19 March 2019

62% Fe
$US87/t
Source: Platts

65% Fe
$US99/t
Source: Platts

70%+ Fe
>$US110/t

Source: Formula as per Hawsons prefeasibility study announced on 28 July 2017, 65% Fe (Platts) + VIU (Platts) + Magnetite premium (SMM) – see appendix for assumptions.
CARPENTARIA IS DELIVERING

Single-minded focus on realising the >$1 billion NPV* of Hawsons

Delivered
1. Product offtake LOIs
2. Resource upgrade
3. PFS
4. Mitsui commits support

* Refer Appendix
CUSTOMER SUPPORT AND PRODUCT QUALITY

+ Has customer acceptance
+ 140% of production under letters of intent, blast furnace and DRI customers
+ Premium ~USD$25/t over 62%Fe benchmark
+ World’s highest iron content
+ DR spec. - 70%Fe, <2% Silica
+ Ideal physical properties
+ Magnetite favoured by pelletisers

<table>
<thead>
<tr>
<th>COMPANY</th>
<th>VOLUME</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mitsui &amp; Co</td>
<td>2.0 Mtpa**</td>
</tr>
<tr>
<td>Formosa Plastics</td>
<td>2.6 Mtpa*</td>
</tr>
<tr>
<td>Bahrain Steel</td>
<td>3.0 Mtpa*</td>
</tr>
<tr>
<td>Shagang</td>
<td>2.5 Mtpa*</td>
</tr>
<tr>
<td>Mitsubishi Corp. RtM</td>
<td>1.0 Mtpa*</td>
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<tr>
<td>Gunvor</td>
<td>1.0 Mtpa*</td>
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<tr>
<td>Kuwait Steel</td>
<td>1.0 Mtpa*</td>
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<tr>
<td>Emirates Steel</td>
<td>0.9 Mtpa*</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>14.0 Mtpa</strong></td>
</tr>
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</table>

*Non-binding LOI
**Secured option
PREFEASIBILITY STUDY RESULTS – STRONG FINANCIAL CASE

Outstanding independent (GHD) prefeasibility study (PFS) results:

- Cash flow positive at benchmark 62% Fe under US$30/t
- Excellent returns
- High margin
- High project value
- 10 Mtpa production

Refer Appendix for assumptions

PFS COST ESTIMATES

<table>
<thead>
<tr>
<th></th>
<th>PFS Price Assumption</th>
<th>Iron Ore Price Assumption 65%Fe US$95/t</th>
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</thead>
<tbody>
<tr>
<td>Operating costs - C1 FOB</td>
<td>US$33.08</td>
<td>US$33.08</td>
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<tr>
<td>Operating costs - All in</td>
<td>US$39.74</td>
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<td>Operating costs - CFR China</td>
<td>US$48.03</td>
<td>US$48.03</td>
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<tr>
<td>Supergrade price premium</td>
<td>US$25.00</td>
<td>US$38.03</td>
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<td><strong>Equivalent 62%Fe CFR cost</strong></td>
<td>US$23.03</td>
<td>US$10.00</td>
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<tr>
<td>Capital cost inclusive of contingency</td>
<td>US$1.40Bn</td>
<td>US$1.40Bn</td>
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PFS FINANCIALS

<p>| | |</p>
<table>
<thead>
<tr>
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<tbody>
<tr>
<td>Annual profit margin</td>
<td>US$401m</td>
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<tr>
<td><strong>Equity IRR</strong></td>
<td>29.9%</td>
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<td>Equity NPV</td>
<td>US$1,091m</td>
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<td>tonne of Supergrade (70%Fe)</td>
<td>201m</td>
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<tr>
<td>Mine life / pay back period</td>
<td>20 / 3-4 years</td>
</tr>
<tr>
<td>62%/65%Fe price assumption</td>
<td>US$63/75/t</td>
</tr>
</tbody>
</table>

Iron Ore Price Assumption 65%Fe US$95/t
First quartile of the quality adjusted global cost curve

- Cash flow positive at under US$30/t benchmark iron ore price
- Supports downside price risk management for investors and lenders.
Carpentaria RESOURCES

PROJECTED 2025 COST CURVE

2025 seaborne export 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.

Source: Wood Mackenzie
HAWSONS A STANDOUT PROJECT

+ Hawsons is the standout independent iron ore development project globally

+ Well placed to compete for capital

+ Likely first magnetite project incentivised at long term forecast prices

+ Hawsons’ competitive advantages include:
  + Product quality
  + Costs

+ Market forces will trigger investment in the best high quality iron ore projects.
Use of reported material assumptions.

*All projects except Hawsons at BFS 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

*Marillana IRR based on trucking to port. It is currently investigating a rail option that may change the project economics

*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)
MARKET IS READY FOR HAWONS SUPERGRADE® PRODUCT

+ Iron ore outlook robust based on modest steel demand growth in China, declining Chinese iron ore production, increasing iron ore demand in India.

+ 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
  + Environmental costs are here to stay

+ Pellet premiums reflect the shift

+ A market supply gap of ~50Mtpa by ~2022 according to CRU and Vale

+ Pre tailings accident in Brazil China pellet feed production falling (high cost)

+ Supply opportunity very significant

+ CAP is the worlds leading pellet feed project

+ Significant pull factor for Hawsons development
DR quality raw material supply is typically expensive to produce because of:
- 10-20% yield losses in upgrade step
- wet processing

DRI production is expanding, greater expansion is constrained by lack of raw material

China influence on pellet market causing cost and quality pressures on supply

Use of less efficient blast furnace quality pellets forced (up to 30%) as producers have low incentive to upgrade

Supply market highly concentrated, requires diversification of supply sources to balance market power

Hawsons is the leading project

AME in October 2018:
“Supply of DR quality ferrous feed remains tight and with the expected increases in DRI production this market condition is expected to continue”
Post accident in Brazil – a market fundamental game changer

• Seaborne supply disruptions appear >50-60mtpa*
  • 10-15Mtpa pellets
  • ~4Mtpa DRI pellets

• The forecast pellet feed market supply gap of 50mtpa likely to be larger now

Short term fill

• China magnetite production to restart production while prices are high

• DRI pellet buyers suffer on availability, price and quality further

Longer term

• Minas Gerais a significant pellet feed producer
  • projects to shift to dry stacking of tailings
  • increasing cost and complexity of existing projects and new projects

• Overall ore quality will suffer unless
  • premiums remain high
  • substitute mines are developed

• Hawsons is the leading project

• Development pull factors are becoming irresistible

*Fast Markets, Wood Mackenzie early March 2019 plus a recent 13mtpa closure
+ Very strong market fundamentals to trigger investment

+ Secure remaining 80% (~A$22m) BFS funding from a mix of funding methods and Tier 1 sources, including non-dilutive methods to preserve shareholder value (Mitsui conditionally committed A$5.4m, 20% of BFS funding)

+ Project finance plan is similar to recent successful Australian iron ore project financing and developed after consultation with leading project finance banks. Guidelines include:

  + sell an asset level interest to strategic investors before construction, a sale will
  + contribute to CAP’s project equity requirements, managing its funding costs
  + provide lenders required comfort

+ 65:35 senior debt to equity split

+ secure prepayment /mezzanine debt for potential overruns supplied or procured by off-takers (eg Mitsui US$60m facility)
Market fundamentals driving development

+ Company moving through internal processes of multiple counterparties for BFS funding and is considering a mix of funding methods

+ Company well known to market players

+ Strong business cases support strategic investment in Hawsons
  + Secure offtake for existing operations and expansions in a supply constrained market in DRI and blast furnace pellet feed
  + Growing trading business by securing a marketing edge
  + Creating extra value by product blending with Supergrade magnetite pellet feed
Hawsons’ project advantages extend from soft homogeneous ore through to access to the highest value markets.
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
- Transhipment to Capesize vessels to customers in Asia and Middle East
- Product quality 70% Fe (tested by customers)
- Federal Govt. Major Project Status (April 2018)
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**

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

**EXISTING INFRASTRUCTURE**

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

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Hawsons PFS site power estimates include processing and other power (excludes in pit conveyor) Typical WA magnetite ore DTR defined as yield 25-35%, BWI18-36Kwh/t, result scaled by 1.4 for ancillary power draw BWI is indicative of power draw only, as full pilot testing is required.
Key to the projects leading position – cost control

**SOFT ORE**

- Simple circuit minimises risk of ramp up delay
  - No HPGR’s, no fine grinding, no flotation

**SINGLE ORE TYPE**

- Process simplicity
  - Mining simplicity
  - Concentrate on volumes

**EXISTING INFRASTRUCTURE**

- Reduces design complexity
- Reduces completion risk
NEXT STEPS

+ Secure BFS funding on acceptable terms
+ Complete BFS and Approvals 12-15 months
+ Finance and construct 18 – 24 months
+ Production 3 years from BFS funding

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<td>BFS Engineering and Finance</td>
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<td>First Production</td>
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Hawsons is a leading development project in a growth market

- Hawsons Supergrade® is the world’s best iron ore product
- Customer-led development plan is driving Hawsons’ development, amid compelling market fundamentals
- Positive PFS showed strong financial case and funding potential, enhanced by -
  - Mitsui funding support, and
  - structural supply gap of magnetite and direct reduction pellet feed amplified by Brazilian supply disruptions
- BFS funding negotiations progressing
APPENDIX
### PROJECT PREFEASIBILITY STUDY RESULTS

<table>
<thead>
<tr>
<th>Hawsons PFS preproduction costs (yr 1-2)</th>
<th>USD (m)</th>
<th>Hawsons operating and sustaining costs (after prestrip, ~YR 3-22)</th>
<th>USD/dmt product</th>
</tr>
</thead>
<tbody>
<tr>
<td>Preproduction mining costs including pre-strip</td>
<td>194</td>
<td>Mining</td>
<td>12.14</td>
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<tr>
<td>Mining</td>
<td>242</td>
<td>Processing</td>
<td>8.23</td>
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<tr>
<td>Processing</td>
<td>398</td>
<td>Infrastructure and admin.</td>
<td>1.48</td>
</tr>
<tr>
<td>Infrastructure and administration</td>
<td>359</td>
<td>rail and port</td>
<td>11.23</td>
</tr>
<tr>
<td>Rail and port</td>
<td>208</td>
<td><strong>Total C1 FOB</strong></td>
<td><strong>33.08</strong></td>
</tr>
<tr>
<td><strong>Total</strong>&lt;sup&gt;1,2,3&lt;/sup&gt;</td>
<td><strong>1401</strong></td>
<td>sustaining capital&lt;sup&gt;4,5&lt;/sup&gt;</td>
<td>3.48</td>
</tr>
<tr>
<td>&lt;sup&gt;1&lt;/sup&gt; incl EPCM 12.5% / contract management 3% of US$127m</td>
<td></td>
<td>royalties</td>
<td>3.18</td>
</tr>
<tr>
<td>&lt;sup&gt;2&lt;/sup&gt; incl. contingency and design growth (av. 16.5%)</td>
<td></td>
<td><strong>Total all in FOB</strong></td>
<td><strong>39.74</strong></td>
</tr>
<tr>
<td>&lt;sup&gt;3&lt;/sup&gt; excludes finance costs</td>
<td></td>
<td>sea freight</td>
<td>8.29</td>
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<tr>
<td><strong>Total CFR China</strong></td>
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<td></td>
<td><strong>48.03</strong></td>
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<tr>
<td>&lt;sup&gt;4&lt;/sup&gt; excludes new in-pit conveyor in yr 5 of US$120m</td>
<td></td>
<td>less Supergrade premium</td>
<td>25.00</td>
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<tr>
<td>&lt;sup&gt;5&lt;/sup&gt; net of salvage</td>
<td></td>
<td>62%Fe equivalent total CFR</td>
<td><strong>23.03</strong></td>
</tr>
</tbody>
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Base case 10 Mtpa
Hawsons Supergrade® production exported through Port Pirie

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Base case 10 Mtpa Hawsons Supergrade® production exported through Port Pirie.

### Project Prefeasibility Study Results

<table>
<thead>
<tr>
<th>Hawsons PFS key economic results</th>
<th>Base case</th>
<th>at August 20, 2018 prices 65%Fe fines</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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<tr>
<td>Equity IRR (post tax, geared)</td>
<td>29.90%</td>
<td>43.04%</td>
</tr>
<tr>
<td>Equity NPV (10%) (post tax, geared)</td>
<td>US$1,091m</td>
<td>US$1,973m</td>
</tr>
<tr>
<td>Project IRR (post tax, ungeared)</td>
<td>17.80%</td>
<td>25.63%</td>
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<tr>
<td>Project NPV (10%) (post tax, ungeared)</td>
<td>US$867m</td>
<td>US$1,793m</td>
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<tr>
<td>Life of mine ave. annual revenue</td>
<td>US$881m</td>
<td>US$1,059m</td>
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<tr>
<td>Life of mine ave. annual all in costs</td>
<td>US$480m</td>
<td>US$490m</td>
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<tr>
<td>Life of mine annual margin (EBITDA)</td>
<td>US$401m</td>
<td>US$569m</td>
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### Key Hawsons PFS assumptions

<table>
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<tr>
<th></th>
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<th>AUD:USD</th>
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<tbody>
<tr>
<td>total ore mined</td>
<td>1423mt</td>
<td>62% Fe fines benchmark*</td>
<td>US$63/t</td>
<td>0.75</td>
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<tr>
<td>total waste mine</td>
<td>717mt</td>
<td>65%Fe fines benchmark*</td>
<td>US$75/t</td>
<td>debt:equity 65:35</td>
</tr>
<tr>
<td>total product</td>
<td>201mt</td>
<td>plus 5 x Fe 1% US$1.10</td>
<td>US$5.50/t</td>
<td>corporate tax 30%</td>
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<tr>
<td>product specification</td>
<td>70%Fe</td>
<td>plus magnetite premium</td>
<td>US$7.50/t</td>
<td>loan term 10.5 yrs</td>
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<tr>
<td>annual production</td>
<td>10mt</td>
<td>product revenue (dmt)</td>
<td>US$88.00/t</td>
<td>delivered rebated diesel price A$0.89/L</td>
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<tr>
<td>moisture</td>
<td>8%</td>
<td>*ave. (mean) price forecast for 2020-2030 (real 2016)</td>
<td></td>
<td>delivered power price A$95/MWhr</td>
</tr>
</tbody>
</table>

* 62% Fe fines benchmark**: US$63/t; 65%Fe fines benchmark**: US$75/t
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

<table>
<thead>
<tr>
<th>Category</th>
<th>Mt</th>
<th>DTR %</th>
<th>DTR Mt</th>
<th>Fe Head %</th>
<th>Concentrate Grades</th>
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<td>Fe %</td>
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<td>Probable Reserves</td>
<td>755</td>
<td>14.7</td>
<td>111</td>
<td>17.5</td>
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<td>Indicated (incl. Reserves)</td>
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<td>Inferred</td>
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<td>Total</td>
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</tbody>
</table>

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.
PROJECT RESOURCE AND RESERVE

Davis tube mass recovery DTR %
Supergrade from unique siltstone ore, a technological step change

Natural grain size <50um easily achieved

Crushing stage generates high proportion of fines ~30% <150um

45% rejection at first magnetic separation

Ball Milling
100% <40um
7kwh/t

After second magnetic separation 66%Fe

Elutriation removes free silica upgrade > 69%Fe
➢ Simple proven flow sheet
➢ Non chemical processing
➢ On site processing
➢ Significant water recycling
➢ Benign tailings *NO Acid Mine Drainage*
Hawsons siltstone naturally liberates into fine clean mineral grains.

Typical magnetite ores, ore mineral requires unlocking from a fused silica matrix.
**EXISTING INFRASTRUCTURE**

- **Low development risk**

- **Port Pirie Spare Berths**

- **Cape Size Capacity**

- **25 t axle load rail, 12 Mtpa spare capacity**

- **Closer to markets**
### Elements and Compounds

<table>
<thead>
<tr>
<th>Elements and Compounds</th>
<th>Supergrade Pellet Feed (ALS, CISRI)</th>
<th>Supergrade pellets (CISRI) Fired at 1230°C</th>
<th>Midrex DR Specifications*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fe</td>
<td>70.3</td>
<td>67.80</td>
<td>67.00 min.</td>
</tr>
<tr>
<td>SiO₂</td>
<td>1.99</td>
<td>2.39</td>
<td></td>
</tr>
<tr>
<td>Al₂O₃</td>
<td>0.29</td>
<td>0.44</td>
<td></td>
</tr>
<tr>
<td>SiO₂ + Al₂O₃</td>
<td>2.28</td>
<td>2.83</td>
<td>3.00 max.</td>
</tr>
<tr>
<td>CaO</td>
<td>0.11</td>
<td>0.15</td>
<td></td>
</tr>
<tr>
<td>MgO</td>
<td>0.2</td>
<td>0.22</td>
<td></td>
</tr>
<tr>
<td>P</td>
<td>0.007</td>
<td>0.008</td>
<td>0.030 max.</td>
</tr>
<tr>
<td>S</td>
<td>0.001</td>
<td>0.003</td>
<td>0.008 max.</td>
</tr>
<tr>
<td>TiO₂</td>
<td>0.11</td>
<td>0.10</td>
<td>0.15 max.</td>
</tr>
<tr>
<td>Na₂O</td>
<td>0.032</td>
<td>0.056</td>
<td></td>
</tr>
<tr>
<td>K₂O</td>
<td>0.05</td>
<td>0.054</td>
<td></td>
</tr>
<tr>
<td>Blaine Index (cm²/g)</td>
<td>1910</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tumble (% +6.3mm)</td>
<td>96.53</td>
<td>NA</td>
<td></td>
</tr>
<tr>
<td>Abrasion (% -0.5mm)</td>
<td>2.99</td>
<td>NA</td>
<td></td>
</tr>
<tr>
<td>CCS (Kg/pellet)</td>
<td>324</td>
<td>&gt;250</td>
<td></td>
</tr>
<tr>
<td>Reducibility Index (%)</td>
<td>62.04</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reduction swelling index (%)</td>
<td>13.92</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Softening/Melting (Kpa.°C)</td>
<td>551</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Hawsons’ indicative specifications based on bulk pellet feed test work (ASX Announcement, 14 October 2015) and China Iron and Steel Research Institute test work (CISRI) in Beijing February 2016). *P8 The Midrex Process by Midrex 2015

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+ Has customer acceptance
+ Premium ~USD$25/t over 62% Fe benchmark
+ World’s highest iron content
+ World’s best pellet feed
+ DR spec. - 70% Fe, <2% Silica
+ Ideal physical properties
+ Excellent metallurgical properties
Project pathway clear and achievable

- No Native Title – it is extinguished on the mining and easement areas
- Mining Lease Application lodged
- Federal government Major Project status
- Environmental Impact Assessment guidelines received, a NSW State Significant Development
- Ecology and cultural heritage surveys largely complete, no showstoppers identified
- NSW activities not a controlled action under the EPBC