

6 October 2017

## **Carpentaria Exploration Limited Placement and Non Renounceable Rights Offer**

Carpentaria Exploration Limited (ACN 095 117 981) (ASX: CAP) (**CAP** or the **Company**) is pleased to announce the successful placement of approximately 10,800,000 new fully paid ordinary shares (the **Placement**) at an issue price of \$0.072 per share to raise \$777,600, including a significant proportion to new and existing institutional investors.

In conjunction with the Placement, the Company's Directors are also pleased to provide notice to Eligible Shareholders of the opportunity to participate in a 1:10 pro-rata, non-renounceable rights offer (**Rights Offer**) to raise up to \$1,297,898.

The Company's Directors unanimously support the Rights Offer.

The shares issued pursuant to the Rights Offer will be issued at the same price as issued under the Placement, being \$0.072 per share. The Offer Price reflects a 9.2% discount to the 15 day volume weighted average trading price (VWAP) of the Company's shares for the period ending on 5 October 2017. The Placement and, if fully subscribed, the Rights Offer, will raise \$2,075,498.

### **Use of funds**

The Company, as manager of the Hawsons Iron Project joint venture (Carpentaria 66.5%, Pure Metals Pty Ltd 33.5%), is currently undertaking elements of a bankable feasibility study (**BFS**) in relation to the potential development of the Hawsons Iron Project near Broken Hill in New South Wales. The BFS is directed to confirming the economic viability of low cost, long term supply of a high grade, ultra-low impurity iron concentrate (Hawsons Supergrade® product) to a growing premium iron market, including the direct reduction market.

The funds raised from the Entitlement Offer and the Placement (net of offer expenses) will be used for working capital and to partially fund the abovementioned BFS studies including aspects of the Hawsons Iron Project environmental impact study.

The Company will use the first AUD\$1,000,000 raised under the Entitlement Offer and Placement for critical path items of the environmental assessment of the Hawsons Project, including final ecology surveys, water monitoring drilling within the proposed pit area and other required works to ensure the Hawsons project schedule is maintained. The balance of the funds raised will provide on-going working capital for the Company and to meet the ongoing commitments of the joint venture while the Company seeks the most appropriate funding for completing the Hawsons Iron Project BFS.

### **Placement**

The Placement involved an allocation of 10,800,000 new ordinary shares to sophisticated and professional investors at a price of \$0.072 per share, raising a total of \$777,600. Investors that participated in the Placement will be eligible to participate in the Rights Offer.

### **Rights Offer**

The Rights Offer will comprise an issue of a total of 18,026,356 fully paid ordinary shares (**Rights Offer Shares**) at an issue price of \$0.072 per share (**Offer Price**) to raise up to \$1,297,898.

The Rights Offer is a non-underwritten, pro-rata non-renounceable rights offer, of new fully paid ordinary shares in the Company (**New Shares**) to Eligible Shareholders on the basis of one 1 New Share for every 10 existing Share held on the Record Date, at an issue price of \$0.072 per New Share (**Offer Price**) to

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raise up to \$1,297,898. The Rights Offer will have a shortfall facility which may allow shareholders to apply for shares in excess of their entitlements.

The Rights Offer is non-renounceable. Accordingly, there will be no trading of rights on the ASX, and Shareholders may not dispose of their rights to subscribe for shares under the Rights Offer to any other party.

All Rights Offer Shares issued under the Rights Offer will rank equally with existing ordinary shares on issue in the Company.

The Rights Offer is not underwritten. The Directors reserve the right to place any New Shares which are not subscribed for by Eligible Shareholders at their sole and absolute discretion.

The net funds raised from the Rights Offer will be used by the Company as outlined above.

#### **Eligibility to participate in the Rights Offer**

The Rights Offer is being made to Eligible Shareholders on the basis of the number of ordinary shares held in the Company at 7.00 pm (AEDT) on 11 October 2017 (**Record Date**).

Eligible Shareholders are those shareholders on the Record Date with a registered address in Australia or New Zealand (**Eligible Shareholders**).

#### **Rights Offer timetable**

The proposed timetable for the Rights Offer is set out below. The dates are indicative only and the Company reserves the right to vary the dates, including the right to extend the Closing Date, or to withdraw the Rights Offer (subject to the *Corporations Act 2001 (Cth)* (the **Act**) and the ASX Listing Rules).

CAP will send an offer booklet (**Offer Document**) and Entitlement and Acceptance Form by Friday, 13 October 2017 to Eligible Shareholders.

<b>Date</b>	<b>Event</b>
Friday, 6 October 2017 (before commencement of trading)	<b>Rights Offer and Placement Announcement Date</b>
Friday, 6 October 2017	Lodgement of Offer Document and Appendix 3B with ASX
Monday, 9 October 2017	The Company sends letter to eligible and non-eligible shareholders containing information of the Rights Offer and Rights Offer timetable
Tuesday, 10 October 2017	<b>Rights Offer Ex Date</b> Company shares trade on an ex-basis for the Rights Offer

Date	Event
7:00pm AEDT Wednesday, 11 October 2017	<b>Rights Offer Record Date</b>
Friday, 13 October 2017	<b>Rights Offer Opening Date</b> Rights Offer opens Offer Document dispatched to Eligible Shareholders
	The Company announces that dispatch has been completed
	The Company sends letter to non-eligible shareholders
5:00pm AEDT Tuesday, 31 October 2017	<b>Rights Offer Closing Date</b>
Wednesday, 1 November 2017	<b>Rights Offer – Quotation on a deferred settlement basis</b>
Friday, 3 November 2017	<b>Rights Offer Shortfall Notification Date</b> Company announces results of Rights Offer and notifies ASX of under-subscriptions
Friday, 3 November 2017	<b>Rights Offer Allotment Date</b> Issue date under Offer – Deferred settlement trading ends
	<b>Rights Offer Dispatch Date</b> Dispatch of holding statements
Monday, 6 November 2017	<b>Rights Offer Trading Date</b> Normal trading of Rights Offer Shares

The Company reserves the right to amend any or all of these dates and times, subject to the Corporations Act, the ASX Listing Rules, and any other applicable laws. In particular, the Company reserves the right, to extend the Closing Date or to withdraw the Rights Offer without prior notice. Any extension of the Closing Date will have a consequential effect on the date for the allotment of Rights Offer Shares.

An Appendix 3B for shares to be issued pursuant to the Rights Offer and the Offer Document will follow this announcement.

This announcement is **not** an Offer Document. Any person considering acquiring shares under the Rights Offer should read the Offer Document carefully. Applications for shares under the Rights Offer may only be made using the Entitlement and Acceptance Form to be attached to, or accompanying, the Offer Document. Securities will only be issued on the basis of an Entitlement and Acceptance Form issued together with the Offer Document.

For further information please contact:

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