

**ASX ANNOUNCEMENT (ASX: CAP)**

ASX Limited  
Market Announcements Office  
14 September 2016

**Lodgement of Prospectus and Appendix 3B**

Carpentaria Exploration Limited (ACN 095 117 981) (ASX: CAP) (the **Company**) today lodged a prospectus (the **Prospectus**) with the Australian Securities and Investments Commission (**ASIC**), in relation to the Rights Offer announced by the Company on 12 September 2016 (**Rights Offer**).

The Prospectus and an Appendix 3B with respect to the Rights Offer follow.

For further information please contact:

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ABN 63 095 117 981 ASX : CAP

**We find it, We prove it, We make it possible**



# Appendix 3B

## New issue announcement, application for quotation of additional securities and agreement

*Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.*

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

Carpentaria Exploration Limited

ABN

63 095 117 981

We (the entity) give ASX the following information.

### Part 1 - All issues

*You must complete the relevant sections (attach sheets if there is not enough space).*

- |   |   |  |
|---|---|--|
| 1 | +Class of +securities issued or to be issued  | Fully paid ordinary shares ("Ordinary Shares")   |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued   | Up to 53,946,394 Ordinary Shares pursuant to a non-renounceable entitlement, and retail offer ("New Shares"), as described in the ASX Announcement lodged with ASX on 12 September 2016 ("Offer"). |
| 3 | Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | The New Shares will be issued on the terms set out in the Prospectus dated 14 September 2016, and lodged with ASX and ASIC on the same day ("Prospectus").   |

+ See chapter 19 for defined terms.

4	<p>Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?</p> <p>If the additional +securities do not rank equally, please state:</p> <ul style="list-style-type: none"> <li>• the date from which they do</li> <li>• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment</li> <li>• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment</li> </ul>	<p>Yes, the New Shares will rank equally with existing Ordinary Shares from the date of allotment.</p>
5	Issue price or consideration	\$0.049 per share
6	<p>Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>The proceeds from the Offer will be applied by CAP towards the following:</p> <ul style="list-style-type: none"> <li>(a) Resource upgrade drilling</li> <li>(b) Completion of the Hawsons Iron Ore Project Prefeasibility Study</li> <li>(c) Product marketing</li> <li>(d) Corporate development</li> <li>(e) Working capital</li> </ul>
6a	<p>Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i</p>	No.
6b	The date the security holder resolution under rule 7.1A was passed	Not Applicable
6c	Number of +securities issued without security holder approval under rule 7.1	Not Applicable
6d	Number of +securities issued with security holder approval under rule 7.1A	Not Applicable

6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	Not Applicable	
6f	Number of +securities issued under an exception in rule 7.2	Not Applicable	
6g	If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.	Not Applicable	
6h	If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	Not Applicable	
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	Not Applicable	
7	+Issue dates  Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A.  Cross reference: item 33 of Appendix 3B.	Thursday 3 November 2016	
8	Number and +class of all +securities quoted on ASX (including the +securities in section 2 if applicable)	Number	+Class
		194,207,017	Ordinary fully paid shares

+ See chapter 19 for defined terms.

	Number	+Class
9	Number and +class of all +securities not quoted on ASX (including the +securities in section 2 if applicable)	Nil.
		+Class
		Not Applicable
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	No existing dividend policy.

## Part 2 - Pro rata issue

11	Is security holder approval required?	No.
12	Is the issue renounceable or non-renounceable?	Non-renounceable
13	Ratio in which the +securities will be offered	1 New Share for every 2.6 Ordinary Shares held
14	+Class of +securities to which the offer relates	Ordinary Shares
15	+Record date to determine entitlements	7:00pm (AEST) on Wednesday 21 September 2016
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	No.
17	Policy for deciding entitlements in relation to fractions	Where fractions arise in the calculation of entitlements under the Offer they will be rounded up to the next whole number of shares.
18	Names of countries in which the entity has security holders who will not be sent new offer documents  Note: Security holders must be told how their entitlements are to be dealt with.  Cross reference: rule 7.7.	All countries other than Australia and New Zealand.
19	Closing date for receipt of acceptances or renunciations	5:00pm (AEDT) on Thursday 27 October 2016

20	Names of any underwriters	The Offer is not underwritten, either in whole or in part.
21	Amount of any underwriting fee or commission	Nil.
22	Names of any brokers to the issue	Not Applicable
23	Fee or commission payable to the broker to the issue	Not Applicable
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	Not Applicable
25	If the issue is contingent on security holders' approval, the date of the meeting	No.
26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	Friday 23 September 2016
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	Not Applicable
28	Date rights trading will begin (if applicable)	Not Applicable
29	Date rights trading will end (if applicable)	Not Applicable
30	How do security holders sell their entitlements <i>in full</i> through a broker?	Not Applicable
31	How do security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	Not Applicable

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+ See chapter 19 for defined terms.

- 32 How do security holders dispose of their entitlements (except by sale through a broker)? Not Applicable
- 33 <sup>+</sup>Issue date Thursday 3 November 2016

### Part 3 - Quotation of securities

*You need only complete this section if you are applying for quotation of securities*

- 34 Type of <sup>+</sup>securities  
(tick one)

(a) ☒ <sup>+</sup>Securities described in Part 1

(b) ☐ All other <sup>+</sup>securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

### Entities that have ticked box 34(a)

#### Additional securities forming a new class of securities

*Tick to indicate you are providing the information or documents*

- 35 ☐ If the <sup>+</sup>securities are <sup>+</sup>equity securities, the names of the 20 largest holders of the additional <sup>+</sup>securities, and the number and percentage of additional <sup>+</sup>securities held by those holders
- 36 ☐ If the <sup>+</sup>securities are <sup>+</sup>equity securities, a distribution schedule of the additional <sup>+</sup>securities setting out the number of holders in the categories
- 1 - 1,000  
1,001 - 5,000  
5,001 - 10,000  
10,001 - 100,000  
100,001 and over
- 37 ☐ A copy of any trust deed for the additional <sup>+</sup>securities

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<sup>+</sup> See chapter 19 for defined terms.

## Entities that have ticked box 34(b)

38	Number of +securities for which +quotation is sought	Not Applicable	
39	+Class of +securities for which quotation is sought	Not Applicable	
40	<p>Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?</p> <p>If the additional +securities do not rank equally, please state:</p> <ul style="list-style-type: none"><li>the date from which they do</li><li>the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment</li><li>the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment</li></ul>	Not Applicable	
41	<p>Reason for request for quotation now</p> <p>Example: In the case of restricted securities, end of restriction period</p> <p>(if issued upon conversion of another +security, clearly identify that other +security)</p>	Not Applicable	
42	Number and +class of all +securities quoted on ASX (including the +securities in clause 38)	Number	+Class
		Not Applicable	Not Applicable

+ See chapter 19 for defined terms.

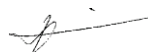


## Quotation agreement

- 1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.
- 2 We warrant the following to ASX.
  - The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
  - There is no reason why those +securities should not be granted +quotation.
  - An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty
  - Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
  - If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.
- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- 4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here:



(Company secretary)

Date: 14 September 2016

Print name: Robert Hair

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+ See chapter 19 for defined terms.

## Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12 Amended 04/03/13

### Part 1

Rule 7.1 – Issues exceeding 15% of capital	
<b>Step 1: Calculate “A”, the base figure from which the placement capacity is calculated</b>	
<b>Insert</b> number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue	
<b>Add</b> the following: <ul style="list-style-type: none"> <li>• Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2</li> <li>• Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval</li> <li>• Number of partly paid +ordinary securities that became fully paid in that 12 month period</li> </ul> <b>Note:</b> <ul style="list-style-type: none"> <li>• <i>Include only ordinary securities here – other classes of equity securities cannot be added</i></li> <li>• <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i></li> <li>• <i>It may be useful to set out issues of securities on different dates as separate line items</i></li> </ul>	
<b>Subtract</b> the number of fully paid +ordinary securities cancelled during that 12 month period	
<b>“A”</b>	

+ See chapter 19 for defined terms.

<b>Step 2: Calculate 15% of “A”</b>	
<b>“B”</b>	0.15 <i>[Note: this value cannot be changed]</i>
<b>Multiply “A” by 0.15</b>	
<b>Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used</b>	
<p><b>Insert</b> number of +equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> <li>• Under an exception in rule 7.2</li> <li>• Under rule 7.1A</li> <li>• With security holder approval under rule 7.1 or rule 7.4</li> </ul> <p><i>Note:</i></p> <ul style="list-style-type: none"> <li>• <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i></li> <li>• <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i></li> <li>• <i>It may be useful to set out issues of securities on different dates as separate line items</i></li> </ul>	
<b>“C”</b>	
<b>Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1</b>	
<p>“A” x 0.15</p> <p><i>Note: number must be same as shown in Step 2</i></p>	
<p><b>Subtract “C”</b></p> <p><i>Note: number must be same as shown in Step 3</i></p>	
<b>Total [“A” x 0.15] – “C”</b>	<i>[Note: this is the remaining placement capacity under rule 7.1]</i>

+ See chapter 19 for defined terms.

## Part 2

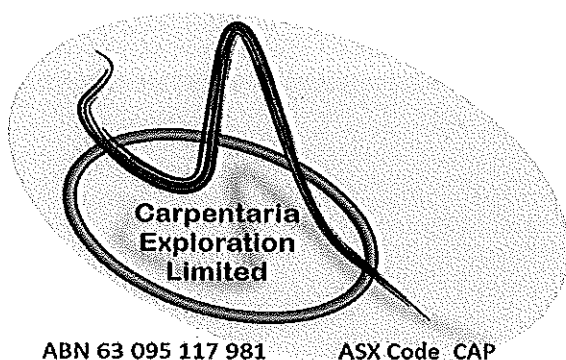
<b>Rule 7.1A – Additional placement capacity for eligible entities</b>	
<b>Step 1: Calculate “A”, the base figure from which the placement capacity is calculated</b>	
<b>“A”</b>  <i>Note: number must be same as shown in Step 1 of Part 1</i>	
<b>Step 2: Calculate 10% of “A”</b>	
<b>“D”</b>	0.10  <i>Note: this value cannot be changed</i>
<b>Multiply “A” by 0.10</b>	
<b>Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used</b>	
<b>Insert</b> number of +equity securities issued or agreed to be issued in that 12 month period under rule 7.1A  <b>Notes:</b> <ul style="list-style-type: none"> <li>• This applies to equity securities – not just ordinary securities</li> <li>• Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed</li> <li>• Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained</li> <li>• It may be useful to set out issues of securities on different dates as separate line items</li> </ul>	
<b>“E”</b>	

+ See chapter 19 for defined terms.

<b>Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A</b>	
<b>“A” x 0.10</b>  <i>Note: number must be same as shown in Step 2</i>	
<b>Subtract “E”</b>  <i>Note: number must be same as shown in Step 3</i>	
<b>Total</b> [“A” x 0.10] – “E”	<i>Note: this is the remaining placement capacity under rule 7.1A</i>

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+ See chapter 19 for defined terms.



## Carpentaria Exploration Limited

### Prospectus

For the Offers as follows:

- (1) a non-underwritten, pro-rata, non-renounceable rights offer to Eligible Shareholders on the basis of one (1) New Share for every 2.6 Shares held on the Record Date at an issue price of A\$0.049 per New Share to raise approximately \$2.643 million (**Priority Offer**);
- (2) an offer of Shortfall Shares to Eligible Shareholders on the terms set out in Section 1.3 (**Shortfall Offer**); and
- (3) to the extent that the number of Shares applied for under the Priority Offer and the Shortfall Offer is less than 53,946,394, the remaining Shares will be available for subscription to Eligible Shareholders and the public at the same Offer Price as the Priority Offer and Shortfall Offer (**Public Offer**).

**OPENING DATE:** 23 September 2016

**CLOSING DATE:** 5.00pm AEDT on 27 October 2016

#### IMPORTANT NOTICE

This document is a transaction specific prospectus issued in accordance with section 713 of the Corporations Act. This Prospectus contains important information about the Offers. This Prospectus is an important document and requires immediate attention. It should be read in its entirety. If you do not understand it, or are in doubt as to how to act, you should consult your financial or other professional adviser. The securities offered by this Prospectus should be considered a speculative investment.

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**Important Notices**

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This Prospectus has been issued by Carpentaria Exploration Limited (ACN 095 117 981) (ASX:CAP) (CAP, Carpentaria or the Company) and was lodged with ASIC and ASX on 14 September 2016 and is dated 14 September 2016. Neither ASIC nor ASX takes any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

Application for quotation of the New Shares will be made to ASX within 7 days of the date of this Prospectus. The fact that ASX may quote the New Shares is not to be taken in any way as an indication of the investment to which this Prospectus relates.

No New Shares will be allotted or issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

Carpentaria is an ASX listed company whose securities are granted official quotation by ASX. In preparing this Prospectus, regard has been had to the fact that Carpentaria is a disclosing entity for the purpose of the Corporations Act and that certain matters may reasonably be expected to be known to investors and professional advisers whom investors may consult.

Before deciding whether to accept the Offer, you should read and understand the entire Prospectus and, in particular, you should consider the risk factors that could affect Carpentaria's performance. You should carefully consider these factors in light of your personal circumstances (including financial and taxation issues) and seek advice from your professional adviser before deciding to invest. **Investing in Carpentaria involves risks. See 'Risk Factors' in Section 6 for a discussion of certain risk factors that you should consider before deciding to accept the Offer.**

No person is authorised to give any information or to make any representation in connection with this Prospectus which is not contained in the Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

**Nature of this Prospectus**

The New Shares that will be issued under this Prospectus are continuously quoted securities (as defined in the Corporations Act). This Prospectus is a transaction specific prospectus to which the special content rules under section 713 of the Corporations Act apply. That provision allows for the issue of a more concise prospectus in relation to an offer of securities in a class that has been continuously quoted by ASX in the three (3) months prior to the date of the prospectus. In general terms transaction specific prospectuses are only required to contain information in relation to the effect of the issue of New Shares on the Company and the rights attaching to the New Shares. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus contains information only to the extent to which it is reasonable for investors and their professional advisers to expect to find the information in it. It does not include all of the information that would be included in a prospectus for an initial public offer.

**Prospectus availability**

This Prospectus will be issued in paper form, and as an electronic Prospectus.

An electronic copy of this Prospectus can be downloaded from [www.carpentariaex.com.au](http://www.carpentariaex.com.au) and [www.asx.com.au](http://www.asx.com.au).

If you are accessing the electronic version of this Prospectus, you should ensure that you download and read the entire Prospectus.

If you are accessing the electronic version of this Prospectus for the purposes of making an investment in the Company, you must be an Australian resident and must only access this Prospectus from within Australia.

The Corporations Act prohibits any person passing on to another person an Entitlement & Acceptance Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. You may obtain a hard copy of this Prospectus free of charge by contacting the Company.

### **Exposure Period**

No exposure period applies to the New Shares offered under this Prospectus due to the relief granted by ASIC Corporations (*Exposure Period*) Instrument 2016/74, as the Shares offered are in a class of securities that are quoted on the ASX.

### **Forward-looking statements**

This Prospectus includes or may include forward-looking statements that have been based on current expectations about future acts, events and circumstances. These forward-looking statements are, however, subject to risks, uncertainties and assumptions that could cause those acts, events and circumstances to differ materially from the expectations described in such forward-looking statements. These factors include, among other things, commercial and other risks associated with the meeting of objectives and other investment considerations, as well as other matters not yet known to the Company or not currently considered material by the Company. Forward-looking statements include those containing such words as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', 'intends', 'anticipates' and other similar words that involve risks and uncertainties. The statements reflect views held only at the date of this Prospectus. In light of these risks, uncertainties, and assumptions the forward-looking statements contained in this Prospectus might not occur. Investors are therefore cautioned not to place undue reliance on these statements.

### **Restrictions on distribution**

This Prospectus contains an offer to Eligible Shareholders in Australia and New Zealand.

This Prospectus does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. No action has been taken to lodge this Prospectus in any jurisdiction outside of Australia or to otherwise permit a public offering of New Shares in any jurisdiction outside Australia. This Prospectus is not to be distributed in, and no offer of New Shares is to be made in, countries other than Australia or New Zealand.

It is the responsibility of Applicants to ensure compliance with any laws of the country relevant to their application. Return of a duly completed Entitlement and Acceptance Form will be taken by Carpentaria as a representation by the Applicant that there has been no breach of such laws, that the Applicant is an Eligible Shareholder and that the Applicant is physically present in Australia or New Zealand.

Neither this Prospectus nor the New Shares have been, or will be, registered under the *Securities Act of 1933* (US) or the securities laws of any state of the United States and the Offer is not being made in the United States or to persons resident in the United States. Without limitation, neither this Prospectus nor the accompanying Entitlement and Acceptance Form may be sent to investors in the United States or otherwise distributed in the United States.

### New Zealand

The New Shares are not being offered or sold to the public within New Zealand other than to existing Shareholders with registered addresses in New Zealand, to whom the offer of New Shares is being made in reliance on the *Securities Act (Overseas Companies) Exemption Notice 2013* (New Zealand).

This Prospectus has been prepared in accordance with section 713 of the Australian Corporations Act. This Prospectus has not been registered, filed with, or approved by any New Zealand regulatory authority under the *Securities Act 1978* (New Zealand). This Prospectus is not an investment statement or prospectus under New Zealand law and is not required to, and may not, contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

### Representations and warranties

No person is authorised to give any information or to make any representation in connection with the Offer which is not contained in this Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with the Offer.

### Defined terms and time

Defined terms used in this Prospectus are contained in Section 9. All references to time are references to AEST unless otherwise specified.

### Privacy

If you complete an application by way of an Entitlement & Acceptance Form for New Shares, you will be providing personal information to the Company (directly or via the Share Registry). The Company will collect, hold and will use that information to assess your Application, service your needs as a Shareholder, facilitate distribution payments and corporate communications to you as a Shareholder and carry out administration.

By submitting an Entitlement & Acceptance Form, each Applicant agrees that the Company may use the information provided by an Applicant on the Entitlement & Acceptance Form for the purposes set out in this privacy disclosure statement and may disclose it for those purposes to the Share Registry, the Company's related bodies corporate, agents, contractors and third party service providers, including mailing houses and professional advisers, and to ASX and regulatory authorities.

The Corporations Act requires the Company to include information about the Shareholder (including name, address and details of the Shares held) in its public register.

The information contained in the Company's public register must remain there even if that person ceases to be a Shareholder. Information contained in the Company's register is also used to facilitate distribution payments and corporate communications (including the Company's financial results, annual reports and other information that the Company may wish to communicate to its security holders) and compliance by the Company with legal and regulatory requirements.

If you do not provide the information required on the Entitlement & Acceptance Form, the Company may not be able to accept or process your Application. An Applicant has the right to gain access to the information that the Company holds about that person subject to certain exceptions under law. A fee may be charged for access. Such requests must be made in writing to the Company's registered office.

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**Chairman's Letter**

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14 September 2016

Dear Investor,

On behalf of the Directors of Carpentaria Exploration Limited (ACN 095 117 981) (ASX:CAP) (Carpentaria or the Company) I am pleased to offer you the opportunity to acquire Shares in the Company.

This Prospectus contains an offer to existing Eligible Shareholders of the Company and an offer to both existing Eligible Shareholders and the public.

If you are an existing Eligible Shareholder, you are invited to subscribe for one (1) New Share for every 2.6 Shares you hold as at the Record Date at an Offer Price of \$0.049 per New Share. This is the **Priority Offer**.

Any New Shares not applied for under the Priority Offer will form the **Shortfall Offer**.

To the extent that the number of New Shares applied for under the Priority Offer and the Shortfall Offer is below 53,946,394, the remaining New Shares will form part of a general offer to Eligible Shareholders and the public. This is the **Public Offer**.

The Company is also pleased to announce that it has completed a private placement to institutional, professional and sophisticated investors of 16,372,846 Shares at \$0.049 per Share, raising a total of \$802,269.45.

Settlement of the Placement has occurred, and accordingly those investors are entitled to participate in the Priority Offer and Shortfall Offer as an Eligible Shareholder.

The funds raised under the Placement and this Prospectus will be applied towards the following.

Use of Funds	Amount (A\$)
Resource upgrade drilling	2,200,000
Completion of Hawsons Iron Ore Project Prefeasibility Study	400,000
Product marketing	100,000
Corporate development	250,000
Working capital	325,000
<b>Total</b>	<b>\$3,275,000</b>

This Prospectus contains detailed information about the Offers and the Company's business, as well as the risks of investing in the Company. I encourage you to read it carefully.

Yours sincerely,

Dr Neil Williams  
Chairman

## Key Information

### Summary of the Offer

Offer Price of New Shares	\$0.049 per New Share
Maximum number of New Shares to be issued under the Offer	Up to 53,946,394
Maximum number of Shares on issue immediately after Completion of the Offer	Approximately 194,207,017 (based on the Company's undiluted share capital as at 14 September 2016, without taking into account the impact of rounding)
Entitlement	One (1) New Share for every 2.6 Shares held by that Eligible Shareholder as at the Record Date
Maximum amount to be raised from the Offer	\$2,643,373.31

### Indicative Offer timetable

The indicative timetable for the Offer is as follows.

Date	Event
Monday, 12 September 2016 (before commencement of trading)	Announcement of the Offer
Wednesday, 14 September 2016	Lodgement of Prospectus with ASIC and ASX, and lodgement of Appendix 3B with ASX
Friday, 16 September 2016	Company sends letter to Eligible and Non-Eligible Shareholders containing information of the Offer and Offer timetable
Tuesday, 20 September 2016	<b>Offer Ex Date</b> Company shares trade on an ex-basis for the Offer
At 7:00pm (AEST) on Wednesday, 21 September 2016	<b>Offer Record Date</b>
Friday, 23 September 2016	<b>Offer Opening Date</b> Offer opens

<b>Date</b>	<b>Event</b>
	Prospectus and Offer Entitlement & Acceptance Forms are dispatched to Eligible Shareholders
	Company announces that dispatch has been completed
	Company sends letter to Non-Eligible Shareholders
At 5:00pm (AEDT) on Thursday, 27 October 2016	<b>Offer Closing Date</b>
Friday, 28 October 2016	<b>Offer – Quotation on a deferred settlement basis</b>
Monday, 31 October 2016	<b>Offer Shortfall Notification Date</b> Company announces results of Offer and notifies ASX of under-subscriptions
Wednesday, 2 November 2016	<b>Offer Settlement Date</b> Settlement of the New Shares
Thursday, 3 November 2016	<b>Offer Allotment Date</b> Issue date under Offer – Deferred settlement trading ends
	<b>Offer Dispatch Date</b> Dispatch of holding statements for the New Shares
Friday, 4 November 2016	<b>Offer Trading Date</b> Normal trading of New Shares

This timetable is indicative only. Subject to the ASX Listing Rules and the Corporations Act, and any other applicable laws, the Directors reserve the right to vary any or all of the dates for the Offers at their discretion, without prior notice. Should this occur, then the extension will have a consequential effect on the anticipated date of issue and normal trading of the New Shares.

Shareholders should consult their professional advisers in regards to the definition of 'Ex' date and Record Date to ensure their entitlement to participate in the Offers is assured.

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**Corporate Directory**

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**Directors**

Dr Neil Williams	Non-Executive Chairman
Quentin Hill	Managing Director
Bin Cai	Non-Executive Director
Paul Cholakos	Non-Executive Director

**Secretary**

Robert William Hair

**ASX Code:** CAP

**Registered Office**

Level 6, 345 Ann Street  
Brisbane QLD 4000

Telephone: +61 7 3220 2022  
Facsimile: +61 7 3220 1291

**Share Registry**

Link Market Services Limited  
Level 15, 324 Queen Street  
Brisbane QLD 4000

**Auditor\***

BDO Audit Pty Ltd  
Level 10, 12 Creek Street  
Brisbane QLD 4000

**Lawyers**

CBW Partners  
Level 1, 159 Dorcas Street  
South Melbourne VIC 3205

**Corporate Advisers and Lead Manager**

Sequoia Corporate Finance Pty Ltd (Corporate Authorised Representative (No. 469074) of D2MX Pty Limited (AFSL No. 297950))  
Level 36, AMP Centre  
50 Bridge Street  
Sydney NSW 2000

**Website:** [www.carpentariaex.com.au](http://www.carpentariaex.com.au)

\*The name of the Auditor is included for information purposes only. They have not been involved in the preparation of this Prospectus, and have not consented to being named in this Prospectus.



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**1. Details of the Offer**

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**1.1 The Offers**

By this Prospectus, the Company offers for subscription up to 53,946,394 New Shares at \$0.049 per New Share (Offer Price) to raise up to \$2,643,373.31.

The Offers comprise:

- (a) a Priority Offer to Eligible Shareholders;
- (b) a Shortfall Offer to Eligible Shareholders; and
- (c) a Public Offer to Eligible Shareholders and new external investors.

Further information regarding the Priority Offer, the Shortfall Offer and Public Offer is set out in Sections 1.2 to 1.4 below. The New Shares offered under this Prospectus will rank equally with the existing Shares on issue.

Rights and liabilities attaching to the New Shares are summarised in Section 5 of this Prospectus.

The purpose of the Offers and the intended use of funds raised are set out in Section 2 of this Prospectus.

**1.2 Priority Offer**

The Company offers New Shares under this Prospectus to Eligible Shareholders, who are those Shareholders that:

- (a) are the registered holders of Shares as at 7:00pm (AEST) on the Record Date; and
- (b) have a registered address in Australia or New Zealand.

The Company reserves the right to reject any Application that it believes comes from a person who is not an Eligible Shareholder.

Eligible Shareholders will be entitled to apply for New Shares under the Priority Offer on the basis of one (1) New Share for every 2.6 existing Shares held as at the Record Date (Entitlement), at the Offer Price.

Eligible Shareholders will receive a personalised Priority Offer Entitlement & Acceptance Form setting out their Entitlement. If any of the New Shares available for Eligible Shareholders are not applied for by 5:00pm (AEDT) on the Closing Date, those Shares will form part of the Shortfall Offer.

The Company will accept all applications from Eligible Shareholders under the Priority Offer up to their Entitlement. To the extent that subscriptions from Eligible Shareholders under the Priority Offer exceed their Entitlement, the directors will treat such applications for excess Shares as applications for Shortfall Shares under the Shortfall Offer.

### 1.3 Shortfall Offer

Any New Shares not applied for under the Priority Offer will form part of the Shortfall Offer.

In addition to being able to apply for New Shares in the manner described in Section 1.2 above, Eligible Shareholders who subscribe for their full Entitlement will also have the opportunity to apply for additional New Shares that are not subscribed for under the Priority Offer (**Shortfall Shares**), subject to the limitations set out in Section 4.

If any Shortfall Shares available for Eligible Shareholders are not applied for by 5:00pm (AEDT) on the Closing Date, those Shortfall Shares will form part of the Public Offer.

### 1.4 Public Offer

To the extent that the number of New Shares and Shortfall Shares applied for under the Priority Offer and the Shortfall Offer is below 53,946,394, those New Shares will be available for subscription under the Public Offer (**Public Offer Shares**).

The Public Offer is a separate offer made under this Prospectus to both existing Eligible Shareholders and new external investors to the Company who will be treated equally in the allocation of New Shares.

The Offer Price for each New Share to be issued under the Public Offer will be \$0.049, being the Offer Price under the Priority Offer and Shortfall Offer.

Applicants should note that the Directors retain an overriding right to do any of the following at their discretion in relation to the Public Offer:

- (a) accept the Application in full;
- (b) accept the Application in respect of a lesser number of New Shares than applied for; or
- (c) decline the Application.

Where the number of New Shares issued under the Public Offer is less than the number applied for, or where no issue is made, surplus application money will be refunded without any interest to the Applicant as soon as practicable after the Closing Date.

### 1.5 Minimum subscription

There is no minimum subscription in respect of the Priority Offer or the Shortfall Offer.

### 1.6 Offers in Australia and New Zealand

The Company has determined, pursuant to ASX Listing Rule 7.7.1 that it would be unreasonable on this occasion to extend the Offer to Ineligible Shareholders having regard to the number of securities held by Ineligible Shareholders and the costs of complying with the legal and regulatory which would apply to an offer of securities to Ineligible Shareholders in those jurisdictions.

This Prospectus is not to be distributed in, and no offer of New Shares is to be made in, countries other than Australia or New Zealand.

**(a) New Zealand**

The Offers contained in this Prospectus to Eligible Shareholders with registered addresses in New Zealand are made in reliance on the *Securities Act (Overseas Companies) Exemption Notice 2013* (New Zealand).

Members of the public in New Zealand who are not existing Shareholders on the Record Date are not entitled to apply for any New Shares.

This Prospectus has been prepared in accordance with section 713 of the Australian Corporations Act. This Prospectus has not been registered, filed with, or approved by any New Zealand regulatory authority under the *Securities Act 1978* (New Zealand). This Prospectus is not an investment statement or prospectus under New Zealand law and is not required to, and may not, contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

**(b) Applicants outside Australia and New Zealand**

This Prospectus contains an offer to Eligible Shareholders in Australia and New Zealand.

This Prospectus does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation.

No action has been taken to:

- (i) register or qualify the New Shares or the Offer, or to otherwise permit an offering of the New Shares, in any jurisdiction other than as set out in this section;
- (ii) lodge this Prospectus in any jurisdiction outside of Australia or to otherwise permit a public offering of New Shares in any jurisdiction outside Australia.

This Prospectus is not to be distributed in, and no offer of New Shares is to be made in, countries other than Australia or New Zealand.

It is the responsibility of Applicants to ensure compliance with any laws of country relevant to their application. Return of a duly completed Entitlement and Acceptance Form will be taken by Carpentaria as a representation by the Applicant that there has been no breach of such laws, that the Applicant is an Eligible Shareholder and that the Applicant is physically present in Australia or New Zealand.

This document is not for publication or distribution, directly or indirectly, in or into the United States. This document is not an offer of securities for sale into the United States or to, or for the account or benefit of, US Persons.

Neither this Prospectus nor the New Shares have been, or will be, registered under the *Securities Act of 1933* (US) or the securities laws of any state of the United States and the Offer is not being made in the United States or to persons resident in the United States. Without limitation, neither this Prospectus nor the accompanying Entitlement and Acceptance Form may be sent to investors in the United States or otherwise distributed in the United States. No public offering of securities is being made in the United States.

Recipients may not send or otherwise distribute this Prospectus or the Entitlement and Acceptance Form to any person outside of Australia or New Zealand (other than to Eligible Shareholders).

#### **1.7 Rights issue exception not available**

No nominee has been appointed for Ineligible Shareholders under section 615 of the Corporations Act and, as such, Eligible Shareholders will not be able to rely on the exception for rights issues in Item 10 of section 611 of the Corporations Act. Accordingly, when an Eligible Shareholder applies for some or all of its Entitlement, it must have regard to the takeovers prohibition in section 606 of the Corporations Act (that is, the 20% voting power threshold). Eligible Shareholders who may be at risk of exceeding the 20% voting power threshold in section 606 of the Corporations Act as a result of acceptance of the Offer should seek professional advice before completing and returning the Entitlement & Acceptance Form.

#### **1.8 Custodians and nominees**

The Offers are being made to all Eligible Shareholders. Carpentaria is not required to determine whether or not any Eligible Shareholder is acting as a nominee or the identity or residence of any beneficial owners of Shares.

Where any registered holder that qualifies as an Eligible Shareholder is acting as a nominee for a foreign person, that registered holder, in dealing with its beneficiary, will need to assess whether indirect participation by the beneficiary in the Offers is compatible with applicable foreign laws.

Any person in the United States, or any person that is, or is acting for the account or benefit of a US Person with a holding through a nominee, may not participate in the Offer and the nominee must not take up any entitlement or send any materials into the United States or to any person that is, or is acting for the account or benefit of, a US Person.

#### **1.9 Non-Renounceable Offers**

The rights to New Shares under the Offers are non-renounceable. Accordingly, there will be no trading of rights on ASX, and you may not dispose of your rights to subscribe for New Shares under the Offers to any other party. If you do not take up your entitlement to New Shares under the Offers by the Closing Date, the offers to you will lapse.

Eligible Shareholders who choose not to take up their rights will receive no benefit and their shareholding in the Company will be diluted as a result.

#### **1.10 Underwriting**

The Offers are not underwritten.

#### **1.11 Fractional entitlements**

Any fractional entitlements to a New Share will be rounded up to the nearest whole number of New Shares.

**1.12 Issue of New Shares under the Offer**

The issue of New Shares offered by this Prospectus will take place as soon as practicable after the Closing Date.

Pending the issue of the New Shares or payment of refunds pursuant to this Prospectus, all application monies will be held by the Company in trust for the Applicants in a separate bank account as required under the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest.

Holding statements for New Shares issued under the Prospectus will be dispatched as soon as practicable after their issue.

**1.13 ASX Quotation**

Application for official quotation by ASX of the New Shares offered under this Prospectus has been made.

If the New Shares are not admitted to official quotation by ASX before the expiration of 3 months after the date of issue of this Prospectus, or such other period as varied by ASIC, the Company will not issue any New Shares and will repay all application monies for the New Shares within the time prescribed under the Corporations Act without interest.

The fact that ASX may grant official quotation to the New Shares is not to be taken in any way as an indication of the merits of the Company or the New Shares offered for subscription.

**1.14 Taxation implications**

Applicants should be aware that there may be taxation implications in participating in the Offer and subscribing for New Shares. The taxation consequences of participating in the Offer or acquiring New Shares may vary depending upon the individual circumstances of each Applicant. Before making a decision on whether or not to participate in this Offer, Applicants should consult their own professional taxation advisers to obtain advice in relation to the taxation laws and regulations applicable to their personal circumstances.

**2. Purpose and Effect of the Offer**

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**2.1 Purpose of the Offer**

The funds raised from the Placement and issue of New Shares through the Offers, are expected to provide the Company with \$3,445,643 in additional capital (before costs of the issue) on a fully subscribed basis.

The Company intends to allocate the funds raised under the Placement and Offers as set out in the tables below. However, in the event that circumstances change or other more favourable opportunities arise, the Directors reserve the right to vary the proposed use of funds to maximise the benefit to Shareholders.

To the extent that the Company does not raise the full amount of funds it is seeking to raise under the Placement and Offers, the Company will reduce its expenditure proportionally as required.

Source of Funds	Amount (A\$)
Placement	802,269
Proceeds from the Offer (fully subscribed)	2,643,373
Approximate costs of the Offer	(170,643)
<b>Proposed funds on completion of the Offer</b>	<b>\$3,275,000</b>

Approximate Use of Funds	Amount (A\$)
Resource upgrade drilling	2,200,000
Completion of Hawsons Iron Ore Project Prefeasibility Study	400,000
Product marketing	100,000
Corporate development	250,000
Working capital	325,000
<b>Total</b>	<b>\$3,275,000</b>

## Notes:

- The Company plans to undertake resource definition drilling at its Hawsons Iron Ore Project, with a view to potential upgrade of the resource sufficient to support the release of a prefeasibility study (the **Hawsons Iron Ore Project Prefeasibility Study**).
- Subject to there being sufficient upgrade of the resource, the Company also intends to carry out the revision of engineering studies and of the mine plan, as well as additional test work, in order to enable completion of the Hawsons Iron Ore Project Prefeasibility Study.
- Product marketing programmes will continue to build support for offtake of the Hawsons Iron Ore Project Supergrade pellet feed and pellets.
- Corporate development and working capital will allow the Company to pursue commercial opportunities that have presented.

## 2.2 Effect of the Offer

The principal effects of the Offers will be to:

- increase the Company's cash reserves after the Placement and Offers by approximately \$3.275 million on a fully subscribed basis after taking into account the costs of the Offer;

- (b) provide the Company will additional capital for the purposes referred to in Section 2.1; and
- (c) increase the total number of issued Shares (refer Section 2.3).

### 2.3 Effect of the Offer on capital structure

The effect of the Offers on the capital structure of the Company will be as follows:

Shares	Number
Number of Shares on issue at 8 September 2016 (the last practicable trading day prior to announcement of the Offers)	140,260,623
Maximum number of Shares to be issued under the Offers	53,946,394
Maximum number of Shares on issue following the Offers	194,207,017

The figures in the table above are approximate as individual Entitlements will be rounded up to the nearest whole figure.

### 2.4 Dilution

If Eligible Shareholders do not take up their full Entitlements under the Offer, then the interests of those Eligible Shareholders will be diluted.

The proportional interests of Ineligible Shareholders will be diluted because those Ineligible Shareholders are not entitled to participate in the Offers.

### 2.5 Effect of the Offer on financial position

A principal effect of the Offers on the Company, assuming that the Offers are fully subscribed (without taking into account the impact of rounding), will be that cash reserves will increase from \$1,682,599 as at 30 June 2016 to \$4,957,598 based on the pro forma balance sheet as at 30 June 2016 (assuming that the Placement and the Offers were completed as at this date) set out below.

A pro forma balance sheet as at 30 June 2016 has been prepared, and is set out below for illustrative purposes, but it has not been audited or reviewed. The pro forma balance sheet has been prepared on the basis of the accounting policies normally adopted by the Company, and reflect the changes to its financial position (assuming that the Placement and the Offers were completed as at 30 June 2016).

The pro forma balance sheet has been prepared on the basis that the Offers are fully subscribed, and there have been no material movements in assets and liabilities of the Company between 30 June 2016 and the date of this Prospectus other than:

- (a) impact of the Placement (net of expenses) on the cash balance;
- (b) impact of the Offers (net of expenses) on the cash balance; and
- (c) expenses of the Placement and Offers of approximately \$170,643.

The pro forma balance sheet has been prepared to provide Shareholders with information on the pro forma assets and liabilities of the Company as noted below. The historical and pro forma financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by the Australian Accounting Standards applicable to annual financial statements.

### Pro Forma Balance Sheet as at 30 June 2016

	30 June 2016 (unaudited) \$	30 June 2016 (post Placement & Offers) (unaudited) \$
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	1,682,599	4,957,598
Trade and other receivables	8,506	8,506
Financial assets at fair value through profit or loss	10,366	10,366
Other current assets	8,647	8,647
<b>TOTAL CURRENT ASSETS</b>	<b>1,710,118</b>	<b>4,985,117</b>
<b>NON-CURRENT ASSETS</b>		
Trade and other receivables	60,000	60,000
Plant and equipment	16,895	16,895
Exploration and evaluation assets	1,863,288	1,863,288
<b>TOTAL NON-CURRENT ASSETS</b>	<b>1,940,183</b>	<b>1,940,183</b>
<b>TOTAL ASSETS</b>	<b>3,650,301</b>	<b>6,925,300</b>
<b>CURRENT LIABILITIES</b>		
Trade and other payables	53,530	53,530
Provisions	83,917	83,917
<b>TOTAL CURRENT LIABILITIES</b>	<b>137,447</b>	<b>137,447</b>
<b>TOTAL LIABILITIES</b>	<b>137,447</b>	<b>137,447</b>
<b>NET ASSETS</b>	<b>3,512,854</b>	<b>6,787,853</b>
<b>EQUITY</b>		
Share capital	20,121,700	23,396,699
Share based payment reserve	1,835,063	1,835,063
Accumulated losses	(18,443,909)	(18,443,909)
<b>TOTAL EQUITY</b>	<b>3,512,854</b>	<b>6,787,853</b>

### Notes

- (1) The Placement as announced on 12 September 2016 raised \$802,269.45 through the issue of 16,372,846 fully paid ordinary shares at an issue price of \$0.049 per share.
- (2) In the event that the maximum number of New Shares are issued under the Offers, the Company's cash and issued capital balances will increase by approximately \$2.643 million.
- (3) The Company will also pay the expenses of the Placement and the Offers of approximately \$170,643.



## 2.6 Effect of the Offer on the control of the Company

If all Eligible Shareholders take up their full Entitlement, then each Eligible Shareholder's percentage ownership interest (and voting power) in the Company will remain the same and there will be no effect on the control of Carpentaria.

If an Eligible Shareholder does not take up all of their entitlement, its percentage ownership interest (and voting power) in Carpentaria will be diluted. The proportional ownership (and voting power) of Ineligible Shareholders will be diluted because such Shareholders are not entitled to take up New Shares under the Offer.

As the Company does not propose to apply to ASIC for approval of the appointment of a nominee for the purposes of section 615 of the Corporations Act, no person will be permitted to acquire New Shares under the Offers to the extent that such acquisition results in that person holding a relevant interest exceeding 20% of the issued share capital of the Company on a post issue basis.

The current substantial shareholders of Carpentaria as at the date of this Prospectus, according to substantial holding notices lodged with the Company, are as follows:

Substantial Shareholder	No. of Shares	% of current issued Share capital
Shareholder 1	20,944,506	14.93
Shareholder 2	10,479,000	7.47
Shareholder 3	6,122,449	4.37
Shareholder 4	3,667,482	2.61
Shareholder 5	3,550,000	2.53

Examples of how the dilution may impact Shareholders is set out in the table below:\*

Holder	Holding as at date of Prospectus	% as at date of Prospectus	Entitlements under Priority Offer	% post Offer if Entitlements not taken up
Shareholder 1	20,944,506	14.93	8,055,579	10.78
Shareholder 2	10,479,000	7.47	4,030,385	5.40
Shareholder 3	6,122,449	4.37	2,354,788	3.15
Shareholder 4	3,667,482	2.61	1,410,570	1.89
Shareholder 5	3,550,000	2.53	1,365,385	1.83

\* The dilutionary effect shown in the table is the maximum percentage on the assumption that those Entitlements not accepted are placed under either the Shortfall Offer or Public Offer.

## 2.7 Market price of Shares

The highest and lowest closing prices of the Shares for the 6 months up to 8 September 2016 were:

Highest	7.0 cents	6/05/2016
Lowest	3.0 cents	22/03/2016

The volume weighted average sale price (VWAP) on the ASX of the Shares for the periods set out below ending 8 September 2016 were:

5.94 cents VWAP for the 45 day trading period;

5.67 cents VWAP for the 30 day trading period;

4.97 cents VWAP for the 5 day trading period.

The closing price of the Company's Shares on ASX as at the close of business on 8 September 2016 was 5.8 cents.

No guarantee or assurance is given in relation to the market price of Shares at the Closing Date or at any time after the date of this Prospectus. Applicants should refer to Section 6.2 in the Risks Section.

## 3. How to accept the Offer

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### 3.1 How to take up all or part of your Entitlement under the Priority Offer

To subscribe for New Shares offered to you, please:

- (a) complete the accompanying **Priority Offer Entitlement & Acceptance Form** according to the instructions on the form for all, or that part of your Entitlement you wish to subscribe for; and
- (b) forward the completed form together with payment of the appropriate application monies to the Company's Share Registry in the manner provided in Section 3.5.

**If you apply and pay via BPAY, you do not need to return the Priority Offer Entitlement & Acceptance Form**, you simply need to make payment in accordance with the instructions on the accompanying Priority Offer Entitlement & Acceptance Form for the number of New Shares you wish to apply for, multiplied by the Offer Price.

Acceptances will not be valid if they are received after the Closing Date. If the Company does not accept an application under the Priority Offer for any reason, the Company will refund any excess application monies to the Applicant, without any interest, as soon as practicable after the Closing Date.

Refer to Section 3.2 for details of how to apply for Shortfall Shares in addition to your Entitlement.

### 3.2 How to apply for Shortfall Shares under the Shortfall Offer

If you wish to accept your Entitlement in full and apply for Shortfall Shares, please:

- (a) complete the accompanying **Priority Offer Entitlement & Acceptance Form** according to the instructions on the form;
- (b) fill in the number of Shortfall Shares you wish to apply for in the space provided on the **Priority Offer Entitlement & Acceptance Form**; and
- (c) forward the completed form together with payment of the appropriate application monies to the Company's Share Registry in the manner provided in Section 3.5.

If you apply and pay via BPAY, you do not need to return the **Priority Offer Entitlement & Acceptance Form**, you simply need to make payment in accordance with the instructions on the accompanying **Priority Offer Entitlement & Acceptance Form** for the number of New Shares you wish to apply for, multiplied by the Offer Price.

Acceptances will not be valid if they are received after **5:00pm (AEDT) on the Closing Date** or such later date as the Directors determine.

### 3.3 Lapse of rights

If you decide not to accept all or part of your Entitlement or fail to do so by the **Priority Offer Closing Date**, your Entitlement will lapse and will form part of the Shortfall Offer or the Public Offer. You will receive no benefit or New Shares.

### 3.4 Public Offer

To the extent that fewer than 53,946,394 New Shares are applied for under the Priority Offer and the Shortfall Offer, those New Shares will be available for subscription under the Public Offer.

Applications for New Shares under the Public Offer must be made using the **Public Offer Entitlement & Acceptance Form**. Applications must be for a minimum of 500 New Shares and thereafter in multiples of 50 New Shares.

If you wish to apply for New Shares under the Public Offer, please:

- (a) complete the accompanying **Public Offer Entitlement & Acceptance Form** according to the instructions on the form;
- (b) fill in the number of New Shares you wish to apply for in the space provided on the **Public Offer Entitlement & Acceptance Form**; and
- (c) forward the completed form together with payment of the appropriate application monies to the Company's Share Registry in the manner provided in Section 3.5.

If you apply for New Shares under the Public Offer, you cannot pay via BPAY. Payment under the Public Offer must be made with your acceptance by **5.00pm (AEDT) on the Closing Date**, or such later date as the directors determine, in accordance with Section 3.5 (a) only.

Acceptances will not be valid if they are received after 5:00pm (AEDT) on the Closing Date or such later date as the Directors determine.

### 3.5 Payment

Payments must be made with your acceptance by 5:00pm (AEDT) on the Closing Date, or such later date as the Directors determine, and must be made in Australian currency and by:

- (a) cheque drawn on and payable at any Australian bank;
- (b) bank draft drawn on and payable at any Australian bank; or
- (c) in the case of the acceptance of Entitlements under the Priority Offer and Shortfall only, BPAY.

Your Entitlement & Acceptance Forms, together with your cheque or bank draft for the appropriate application monies (at \$0.049 per New Share subscribed) must be sent to the Company's Share Registry, Link Market Services Limited, at:

**By Post:**

Carpentaria Exploration Limited  
C/- Link Market Services Limited  
GPO Box 3560  
Sydney NSW 2001

**By Delivery:**

Carpentaria Exploration Limited  
C/- Link Market Services Limited  
1A Homebush Bay Drive  
Rhodes NSW 2138

so that they reach the registry by no later than 5:00pm (AEDT) on the Closing Date or such later date as the Directors determine.

If you wish to pay by BPAY, in respect of the Priority Offer or Shortfall Offer only, you do not need to return the Entitlement & Acceptance Form, you simply need to follow the instructions on the relevant Entitlement & Acceptance Form. Different financial institutions may implement earlier cut of times with regards to electronic payment, so please take this into consideration when making payment. It is your responsibility to ensure that funds submitted through BPAY for the Priority Offer or Shortfall Offer are received by the Closing Date.

Your cheques or bank draft must be made payable to 'Carpentaria Exploration Limited' and crossed 'Not Negotiable'. Cash payments will not be accepted and receipts for payment will not be provided.

Application monies received under this Prospectus will be held on trust until the New Shares are issued or the application monies are returned (without interest) to the Applicants.

### 3.6 Effect of application

By applying for New Shares under the Offer (including by way of payment through BPAY), an Applicant is taken to:

- (a) agree to be bound by the terms and conditions set out in this Prospectus and the accompanying Entitlement and Acceptance Form;
- (b) acknowledge the statement of risks in Section 6 of this Prospectus and that investments in Carpentaria are subject to risk;
- (c) represent and warrant that they satisfy the criteria of being an Eligible Shareholder or Applicant as set out in this Prospectus;
- (d) authorise the Company to place the Applicant's name on the Company's shareholder register in respect of those New Shares; and
- (e) agree to be bound by the Company's Constitution.

Any application for New Shares under the Offer (including by way of payment through BPAY), once lodged, cannot be withdrawn.

#### **4. Shortfall Shares & Public Offer**

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Shortfall Shares will only be issued if the Priority Offer is undersubscribed. If there is any Shortfall, the Shortfall Shares will be allocated to Eligible Shareholders who have applied for Shortfall Shares at the discretion of the directors.

To the extent any shortfall remains after allocation to Eligible Shareholders who have applied for Shortfall Shares, Carpentaria will use its best endeavours to place those remaining Shortfall Shares under the Public Offer. Public Offer Shares will only be issued if the Priority Offer and Shortfall Offer are undersubscribed.

The Public Offer is a separate offer made under this Prospectus to both existing Eligible Shareholders and new external investors to the Company, who will be treated equally in the allocation of any Public Offer Shares.

To the extent that it is commercially practicable, and taking into account Carpentaria's requirement for funds, the directors (in consultation with the lead manager) will endeavour to allot the Shortfall Shares and Public Offer Shares to a spread of Applicants, in order to mitigate any control effects which may arise from issuing Shares to a single or small number of investors. In any event, no Applicant will be permitted to acquire Shares under the Shortfall Offer or Public Offer to the extent that such acquisition would result in that Applicant having a voting power in Carpentaria in excess of 20% (on a post issue basis).

Any Shortfall Shares or Public Offer Shares so issued will, in accordance with the Listing Rules, be issued within 3 months after the Closing Date and will be issued at a price that is not less than the Offer Price of the New Shares under the Offer.

The Company will not issue Shortfall Shares or Public Offer Shares where it is aware that to do so would result in a breach of the Corporations Act, the Listing Rules or any other relevant legislation or law. Eligible Shareholders wishing to apply for Shortfall Shares or Public Offer Shares must consider whether the issue of the Shortfall Shares or Public Offer Shares applied for would breach the Corporations Act or the Listing Rules having regard to their own circumstances.

The Directors reserve the right to reject any application for Shortfall Shares or Public Offer Shares, or to allot a lesser number of Shortfall Shares or Public Offer Shares than applied for. Application monies received but not applied towards subscriptions for Shortfall Shares or Public Offer Shares will be refunded as soon as practicable. No interest will be paid on application monies held and returned.

## **5. Rights and Liabilities Attaching to New Shares**

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The New Shares will rank equally in all respects with existing Shares.

The following is a summary of the more significant rights and liabilities attaching to New Shares being offered pursuant to this Prospectus. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights and liabilities attaching to Shares are set out in the Company's Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

### **5.1 Rank equally**

New Shares are ordinary shares in the capital of the Company and rank equally with all other ordinary shares issued by the Company. Currently all Shares issued by the Company are ordinary shares

### **5.2 Voting rights**

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at a general meeting of Shareholders:

- (a) each Shareholder is entitled to vote and may vote in person, or by proxy, attorney or representative;
- (b) on a show of hands, each person present who is a Shareholder, or a proxy, attorney or representative of a Shareholder has one vote; and
- (c) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder will, in respect of each fully paid Share held, or in respect of which the Shareholder appointed a proxy, attorney or representative, have one vote for each Share held, but in respect of partly paid Shares will have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

### **5.3 Dividends**

Subject to the Corporations Act, the Listing Rules, and any rights or restrictions attached to a class of shares, the Company may pay dividends as the Directors authorise.

### **5.4 Meetings and notices**

Each Shareholder is entitled to receive notice of, and to attend, general meetings of the Company and to receive all notices, accounts and other documents required to be sent to

Shareholders under the Constitution of the Company, the Corporations Act or the Listing Rules.

Shareholders may requisition meetings in accordance with the Corporations Act.

## **5.5 Winding up**

If the Company is wound up and the property of the Company is more than sufficient to pay the debts and liabilities of the Company and the costs of winding up, Shareholders will have the right to participate equally in the distribution of its property subject to any amounts unpaid on the Share.

## **5.6 Transfer of shares**

Subject to the Company's Constitution, the Corporations Act and any other laws and ASX Settlement Operating Rules and ASX Listing Rules, Shares are freely transferable.

## **5.7 Future increases in capital**

The allotment and issue of any Shares is under the control of the Directors. Subject to restrictions on the allotment of Shares in the ASX Listing Rules, the Company's Constitution and the Corporations Act, the Directors may allot Shares on such terms and conditions as they determine in their absolute discretion.

## **5.8 Variation of rights**

Under the Corporations Act, the Company may, with the approval of a special resolution passed at a meeting of Shareholders, vary or abrogate the rights attaching to Shares. If at any time the share capital is divided into different classes of shares unless the terms of issue of the Shares of a class state otherwise, the rights attaching to any class may be varied or abrogated with the approval of a special resolution passed at a meeting of Shareholders, together with the consent in writing of the holders of three quarters of the issued shares of that class, or a special resolution passed at a separate meeting of the holders of the shares of that class.

# **6. Risk Factors**

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## **6.1 Introduction**

The New Shares offered under this Prospectus are considered highly speculative. An investment in the Company is not risk free and the directors strongly recommend potential investors to consider the risk factors described below, together with information contained elsewhere in this Prospectus and to consult their professional advisers before deciding whether to apply for New Shares pursuant to this Prospectus.

There are specific risks which relate directly to the Company's business. In addition, there are other general risks, many of which are largely beyond the control of the Company and the Directors. The risks identified in this section, or other risk factors, may have a material impact on the financial performance of the Company and the market price of the New Shares.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

## 6.2 Specific risks

### (a) Additional requirements for capital

Failure to obtain sufficient financing for the Company's activities and future projects may result in delay and indefinite postponement of its activities and potential development programmes. There can be no assurance that additional finance will be available when needed or, if available, the terms of the financing might not be favourable to the Company and might involve substantial dilution to Shareholders. The Company is exposed to risks associated with its financial instruments, cash, receivables, accounts payable and accrued liabilities due to third parties from time to time. This includes the risk that a third party to a financial instrument fails to meet its contractual obligations, the risk that the Company will not be able to meet its financial obligations as they fall due and the risk that market prices may vary which will affect the Company's financial position and prospects.

Additional funding will be required in the event costs exceed the Company's estimates and also to effectively implement business and operations plans in the future, to take advantage of opportunities for acquisitions, joint ventures or other business opportunities, and to meet any unanticipated liabilities or expenses which the Company may incur. If such events occur, additional financing will be required. The Company may seek to raise further funds through equity or debt financing, joint ventures, licensing arrangements or other means. Failure to obtain sufficient financing for the Company's activities and future projects may result in delay and indefinite postponement of activities and potential development programmes. There can be no assurance that additional finance will be available when needed or, if available, the terms of the financing might not be favourable to the Company and might involve substantial dilution to Shareholders.

### (b) Feasibility studies, construction and commissioning risk

The prefeasibility study into the future development of a mining operation at the Hawsons Iron Ore Project is dependent upon, and may be affected by, a number of factors including, but not limited to, failure to determine feasibility to recover ore bodies economically, determination of unfavourable geological conditions, unanticipated technical and operational factors encountered when examining extraction and production methods, complexities determined with respect to operating plant and equipment, unexpected shortages or increases in the price of consumables, spare parts or plant and equipment, cost overruns, risk of access to the required level of funding and contracting risks from third parties providing essential services.

There is a risk that the prefeasibility study for the Hawsons Iron Ore Project will not reflect the Company's expectations for the project, which may adversely affect the prospects and economics of the project. Alternatively, even if the prefeasibility of production is confirmed, there is an inherent risk that the Hawsons Iron Ore Project construction may not be completed on schedule, or that the construction cost may exceed budget, or that significant problems in commissioning or metallurgical processes of the plant may arise.



In the event that the Company commences production, its operations may be disrupted by a variety of risks and hazards which are beyond its control, including environmental hazards, industrial accidents, technical failures, labour disputes, weather conditions, fires, explosions and other accidents.

**(c) Access to infrastructure**

Iron ore produced from the Company's Hawsons Iron Ore Project is intended to be transported to customers by a combination of pipeline, rail and sea.

A number of factors could disrupt these transport services, including any failure of rail or port infrastructure providers to provide capacity in order to meet future export requirements, key equipment and infrastructure failures, weather-related problems and industrial action, thereby impairing the Company's ability to supply iron ore to customers.

The Company would need to secure additional capacity at either the Port of Port Pirie or the Port of Whyalla from existing operators, in order for the Company to be able to maximise its production capacity at the Hawsons Iron Ore Project.

There is a possibility that the Company may not secure this additional capacity from existing operators.

The Company has commenced discussions with existing operators and potential providers of both rail and port capacity. While a conditional right of first refusal has been entered into in respect of Port Pirie, to date, no definitive agreements have been entered into, and there is a possibility that the Company will not enter into arrangements with existing operators, rail providers and port owners for use of services or will not be able to enter into arrangements on terms acceptable to the Company.

**(d) Resource estimates**

The Company has previously announced resource estimates. Resource estimates are based on relevant reporting codes, where required (refer to the JORC Code for further information on resource estimation), and judgements based on knowledge, skills and industry experience. Estimates that were valid when originally made may alter significantly when new information or techniques become available.

No assurance can be given that there will be an upgrade of the resource at Hawsons Iron Ore Project upon completion of the resource drilling and metallurgical tests.

By their very nature, resource estimates are imprecise and depend upon interpretations which may prove to be inaccurate, and whilst the Company will employ industry-standard techniques, including compliance with the JORC Code to reduce the resource estimation risk, there is no assurance that this approach will alter the risk. As further information becomes available through additional fieldwork and analysis, resource estimates may change. Actual mining results may materially differ from those estimates due to further findings and results not previously known or fluctuations in operating costs, exchange rates and metal prices. This may result in alterations to mining and development plans which may in turn adversely affect the

Company. The consequences for project economics may be either positive or negative.

**(e) Failure to enter into sales or off-take agreements**

The Company has entered into, and continues to enter into and engage in negotiations in respect of, various non-legally binding letters of intent with respect to sales or off-take agreements.

To date, no definitive sales or off-take agreements have been entered into in respect of any of the Company's planned production of iron ore from the Hawsons Iron Ore Project.

Assuming the Company is able to secure sales or off-take agreements in the future, the Company may depend upon a small number of large customers, the loss of any of which, or inability to collect payment from, could adversely affect the Company's results of operations and financial condition. Furthermore, the Company's ability to receive payment for iron ore sold and delivered under any future sales or off-take agreements will depend upon the continued creditworthiness of its customers. If the Company is unable to collect payments from any of its customers, the Company's financial condition and results of operations could be materially adversely affected.

Should the Company be unable to find customers to purchase its produced volume, its financial results may be adversely affected.

**(f) Research and development tax rebate**

The Company has received, and anticipates continuing to receive, research and development (R&D) tax rebates pursuant to the AusIndustry Research & Development Scheme. The Company's past claims with regard to R&D tax rebates are subject to regular compliance reviews. No assurance can be given that full or partial funding of the Company's prior, current or future R&D tax rebate claims will be available, or will be available on terms acceptable to the Company.

**(g) Commodity price volatility and exchange rate risks**

Commodity price volatility impacts both upon the value of the Company's projects and the potential revenue (if any) derived from those projects. Commodity prices fluctuate and are affected by many factors beyond the control of the Company. These factors include supply and demand fluctuations, forward selling activities and other macro-economic factors. Furthermore, international prices of various commodities are denominated in foreign currencies, whereas the income and expenditure of the Company are and will be taken into account in Australian currency, exposing the Company to the fluctuations and volatility of the rate of exchange between foreign currencies and the Australian dollar as determined in international markets.

### 6.3 General risks

#### (a) Forecasts

The Directors consider that it is not possible to accurately predict the future revenues or profitability of the Company or whether any revenues or profitability will eventuate. The business of the Company is dependent upon a number of factors and many of these factors are outside the control of the Company. Consequently the Company and the Directors do not make any forecast or representation in relation to the Company's future financial position or performance.

#### (b) Economic

General economic conditions, introduction of tax reform, new legislation, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's business activities and potential development programmes, as well as on the ability to fund those activities.

#### (c) Force majeure

The Company's business may be adversely affected by risks outside the control of the Company, including (but not limited to) labour unrest, civil disorder, subversive activities or sabotage, fires, floods, explosions or other catastrophes, epidemics or quarantine restrictions.

#### (d) Uninsured loss and liability

Exploration for and development of minerals involves hazards and risks that could result in the Company incurring losses and liabilities to third parties. There is a risk that the Company may not be insured against all potential losses or liabilities that could arise from its activities. If the Company incurs losses or liabilities that are not covered by its insurance policies, the funds available for its business and activities will be reduced and could create risk for the value of the Company's assets.

#### (e) Dependence upon outside parties

The Company may pursue a strategy that forms strategic business relationships with other organisations in relation to potential products and services. There can be no assurance that the Company will be able to attract such prospective organisations and to negotiate appropriate terms and conditions with these organisations or that any potential agreements with such organisations will be complied with.

#### (f) Market conditions

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- (i) general economic outlook;
- (ii) introduction of tax reform or other new legislation;
- (iii) interest rates and inflation rates;
- (iv) changes in investor sentiment toward particular market sectors;
- (v) the demand for, and supply of, capital; and
- (vi) terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and mining stocks in particular. Neither the Company nor the directors warrant the future performance of the Company or any return to Shareholders arising from the Offer or any other event or occurrence.

**(g) Reliance on key personnel**

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially upon senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment or if one or more of the Directors leaves the Board.

**(h) Government regulation risk**

The Company's tenements and activities may be subject to extensive regulation by local, state and federal governments in relation to exploration, development, production, exports, taxes and royalties, labour standards, occupational health, waste disposal, protection and rehabilitation of the environment, mine reclamation, mine safety, toxic and radioactive substances, native title and other matters. Compliance with such laws and regulations will increase the costs of exploring, drilling, developing, constructing, operating and closing mines and other production facilities. There is a risk that approvals required for exploration and development programs and mining operations may not be forthcoming, either at all or in a timely manner, or that they may not be able to be obtained on acceptable terms. A failure to obtain any approval would mean that the ability to participate in or develop any project, or possibly acquire any project, may be limited or restricted either in part or absolutely. There can be no assurance that future government policy will not change and this may adversely affect the long term prospects of the Company. In addition, future changes in governments, regulations and policies may have an adverse impact on the Company.

(i) **Investment speculative**

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the New Shares offered under this Prospectus.

Therefore, the New Shares to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those New Shares.

Potential investors should consider that the investment in the Company is highly speculative and should consult their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

## **7. Additional Information**

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### **7.1 Continuous disclosure obligations**

The Company is a 'disclosing entity' (as defined in the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company's securities.

This Prospectus is a 'transaction specific prospectus'. In general terms a 'transaction specific prospectus' is only required to contain information in relation to the effect of the issue of securities on a company and the rights attaching to the securities. It is not necessary to include general information in relation to all the assets and liabilities, financial position, profits and losses or prospectus of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the 3 months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act, states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with ASIC in relation to the Company may be obtained from, or inspected at, the offices of ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
  - (i) the annual financial report of the Company most recently lodged with ASIC before the lodgement of this Prospectus with ASIC;
  - (ii) any half-year financial report lodged by the Company with ASIC after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with ASIC; and
  - (iii) any continuous disclosure documents given by the Company to ASX in accordance with the ASX Listing Rules as referred to in Section 674(1) of the Corporations Act after the lodgement of this annual financial report referred to in (i) and before the lodgement of this Prospectus with ASIC.

Copies of all documents lodged with ASIC in relation to the Company can be inspected at the registered office of the Company during normal office hours.

Details of documents lodged by the Company with ASX since the date of lodgement of the Company's latest annual financial report and before the lodgement of this Prospectus with ASIC are set out in the table below:

Date	Description of Announcement
12/09/2016	Appendix 3B
12/09/2016	Cleansing Notice
12/09/2016	Private Placement & Rights Issue
08/09/2016	Trading Halt
31/08/2016	Investor Presentation
11/08/2016	Interview with Managing Director
26/07/2016	Quarterly Report
01/07/2016	Replacement Investor Presentation
29/06/2016	Investor Presentation
30/05/2016	Letter of Intent with Gunvor Group for Hawsons Offtake

Date	Description of Announcement
26/04/2016	Quarterly Report March Quarter 2016
18/04/2016	LOI signed with Bahrain Steel for 3mtpa from Hawsons
01/04/2016	CAP Investor Presentation
14/03/2016	Hawsons Supergrade Letter of Intent
07/03/2016	Half-Yearly Accounts
16/02/2016	Pelletising Tests Prove Outstanding Quality
27/01/2016	Farmout Agreement Barellan and Combaning
25/01/2016	Quarterly Report
01/12/2015	CAPunearthed Newsletter
30/11/2015	Changes of Director Interests
19/11/2015	Results of AGM
19/11/2015	MD's AGM Presentation
19/11/2015	Chairman's AGM Address
12/11/2015	CAP Investor Presentation
27/10/2015	Quarterly Report
19/10/2015	Notice of AGM
14/10/2015	Hawsons Testwork Update
01/10/2015	Appendix 4G
01/10/2015	Final Director's Interest Notice
30/09/2015	Annual Report to shareholders

## 7.2 No financial product advice

This document, and any document which accompanies it, are not, and may not be taken to be, financial product advice or a recommendation to acquire Shares. They have been prepared without taking into account the objectives, financial situation or needs of individuals. Before making an investment decision you should consider all relevant information having regard to your own objectives, financial situation and needs, and consult your stockbroker or other professional adviser.

**7.3 Authorised and unauthorised information and representations**

No person is authorised to give any information or make any representation in relation to the Offers which is not contained in this document, or in any document that accompanies it, or in any release by Carpentaria to ASX. Any information or representation in relation to the Offers which is not contained in this document or in any document that accompanies it may not be relied upon as having been authorised by Carpentaria or any of its officers.

**7.4 Directors' interests**

Other than as set out in this Prospectus, no Director or any entity in which a Director is a partner or director, has or has had in the last 2 years before the date of this Prospectus, any interest in:

- (a) the formation or promotion of the Company;
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion of the Offer; or
- (c) the Offer,

and no amounts have been paid or agreed to be paid, and no benefits have been given or agreed to be given to any Director or to any entity in which a Director is a partner or a Director:

- (d) as an inducement to become, or to qualify as, a Director; or
- (e) for services provided in connection with the formation or promotion of the Company or the Offer.

**Interest in existing securities**

As at the date of this Prospectus, the Directors have a direct or indirect interest in the following securities of the Company:

Shareholder	Shares	Options
<b>Directors</b>		
Quentin Hill	2,168,064	-

**Intentions in respect of Offer**

As at the date of this Prospectus, each of the Directors intends to accept their Entitlements under the Offer in full.



## Remuneration

Directors are entitled to be remunerated out of the funds of the Company, but the remuneration of non-executive Directors may not exceed a fixed sum per annum as may be determined by the Company in general meeting.

The Directors are currently or have been entitled to the following remuneration or directors' fees over the past 2 years:

Director	2014/2015 (A\$)	2015/2016 (A\$)
Neil Williams	57,486	53,207
Bin Cai	35,588	28,744
Paul Cholakos	35,588	28,744
Robert Hair*	35,588	8,213
Quentin Hill**	254,588	245,367

\* Resigned as a Director as at 30 September 2015

\*\* Managing Director

The Company also pays premiums to insure all of the Directors against liabilities for costs and expenses incurred by them in defending legal proceedings arising from their conduct whilst acting in the capacity as a Director of the Company. The Company has entered into indemnity, insurance and access deeds with each of the Directors (Deeds). Under the Deeds, the Company agrees to indemnify each of the Directors to the extent permitted by the Corporations Act against certain liabilities incurred by the Directors whilst acting as an officer of the Company, and to insure each Director against certain risks to which the Company is exposed as an officer of the Company. The Deeds also grant each Director a right of access to certain records of the Company for a period of up to 7 years after the Director ceases to be an officer of the Company.

## 7.5 Interests of experts and advisers

Except as set out in this Prospectus, no:

- (a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- (b) firm in which any of those persons is or was a partner;
- (c) company in which any of those persons is or was associated with,

has, or has had, in the 2 year period ending on the date of this Prospectus, any interest in:

- (d) the formation or promotion of the Company;
- (e) any property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer; or
- (f) the Offer.

CBW Partners have acted as solicitors to the Offer. In respect of this work, the Company will pay approximately \$26,345 (excluding GST and disbursements) in connection with the legal advice provided to the Company in respect of the Offer and the preparation or negotiation of documentation in connection with the Offer, including this Prospectus and associated documents. CBW Partners have not acted for the Company prior to the work in connection with the Offers.

Sequoia Corporate Finance Pty Ltd (Corporate Authorised Representative (No. 469074) of D2MX Pty Limited (AFSL No. 297950)) has acted as lead manager and corporate adviser to the Company in respect of the Placement and Offers, and is entitled to the fee, comprising approximately \$110,021.

This fee is subject to certain assumptions, having regard to the terms of engagement between the Company and D2MX Pty Ltd (AFSL 297950) regarding calculation of the corporate advisory fee, which is determined relative to permitted percentages (between 3% - 7%) attributable to certain funding sources.

## 7.6 Consents

Each of the parties referred to in this section:

- (a) has not authorised or caused the issue of this Prospectus;
- (b) has not made, or purported to make any statement in this Prospectus, or on which any statement made in this Prospectus is based, other than the statements referred in this section;
- (c) does not assume responsibility for any part of this Prospectus except for the statements referred to in this section 7.6; and
- (d) to the maximum extent permitted by law, disclaims any responsibility or liability for any part of this Prospectus, other than a reference to it or a statement to be included in this Prospectus with their consent as specified in this section 7.6.

Each of the following has consented in writing to being named in this Prospectus in the capacity noted below and in the form and context in which they have been named, and has not withdrawn such consent prior to the lodgement of this Prospectus with ASIC:

- (a) CBW Partners as legal adviser to the Company;
- (b) Link Market Services Limited as the Company's share registry;

- (c) Sequoia Corporate Finance Pty Ltd (Corporate Authorised Representative (No. 469074) of D2MX Pty Limited (AFSL No. 297950)) as lead manager and corporate adviser to the Company.

#### 7.7 Expenses of the Offer

The total expenses of the Offer are estimated to be approximately \$170,643 (excluding GST) and are expected to be applied towards the items set out in the table below:

Cost	A\$
ASIC fees	2,500
ASX fees	9,777
Legal fees	26,345
Corporate advisory fee	110,021
Printing, distribution and other expenses	22,000
<b>Total</b>	<b>\$170,643</b>

#### 7.8 Further information

If you have any questions about your entitlement to New Shares, please contact either:

- (a) Carpentaria Exploration Limited's Share Registry, Link Market Services Limited, on 1300 795 998 (within Australia) or +61 1300 795 998 (outside Australia); or
- (b) your stockbroker or professional adviser.

**8. Directors' Authorisation**

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Each Director has consented to the lodgement of this Prospectus with ASIC and has not withdrawn that consent.

Dated: 14 September 2016

A handwritten signature in black ink, appearing to read 'QH', with a small horizontal line at the end.

Quentin Hill  
Managing Director  
**CARPENTARIA EXPLORATION LIMITED**

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**9. Defined Terms**

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In this Prospectus, the following words have the following meanings unless the context requires otherwise:

<b>A\$ or \$</b>	Australian Dollars.
<b>AEST</b>	Australian Eastern Standard Time.
<b>AEDT</b>	Australian Eastern Daylight Time.
<b>Applicant</b>	A Shareholder or other party who applies for New Shares pursuant to one of the Offers.
<b>ASIC</b>	Australian Securities and Investments Commission
<b>ASX</b>	Australian Securities Exchange or ASX Limited (ACN 008 624 6910, as the context requires.
<b>Board</b>	The board of Directors of the Company.
<b>Business Day</b>	Has the meaning given in the Listing Rules.
<b>Closing Date</b>	The closing date of the Offer being 5:00pm (AEDT) on Thursday 27 October 2016.
<b>Company or Carpentaria</b>	Carpentaria Exploration Limited (ACN 095 117 981)
<b>Constitution</b>	The Company's constitution as at the date of this Prospectus.
<b>Corporations Act</b>	<i>Corporations Act</i> 2001 (Cth).
<b>Directors</b>	The directors of the Company (and each a <b>Director</b> ).
<b>Eligible Shareholder</b>	A registered holder of Shares with a registered address in Australia or New Zealand at the Record Date.
<b>Entitlement</b>	As defined in Section 1.2.
<b>Entitlement &amp; Acceptance Form</b>	The Priority Offer Entitlement & Acceptance Form or the Public Offer Entitlement & Acceptance Form as the case may be, attached to or accompanying this Prospectus relating to the relevant Offer.
<b>Ineligible Shareholder</b>	A registered holder of Shares on the Record Date with a registered address in a country outside of Australia or New Zealand.
<b>Listing Rules</b>	The official listing rules of ASX Limited.
<b>New Share</b>	A Share to be issued pursuant to this Prospectus at the Offer Price.

<b>Offer Price</b>	The price payable for each New Share, being \$0.049 per New Share.
<b>Offers</b>	The Priority Offer, Shortfall Offer, and Public Offer.
<b>Official List</b>	The official list of ASX.
<b>Placement</b>	Means the placement of 16,372,846 Shares at an issue price of \$0.049 per Share to institutional, professional and sophisticated investors raising \$802,269.45 as announced to ASX on 12 September 2016.
<b>Priority Offer</b>	The offer of New Shares to Shareholders on the terms set out in Section 1.2.
<b>Priority Offer Entitlement &amp; Acceptance Form</b>	The Priority Offer Entitlement & Acceptance Form attached to or accompanying this Prospectus relating to the Priority Offer.
<b>Prospectus</b>	The prospectus constituted by this document.
<b>Public Offer</b>	The offer of any New Shares remaining after allocation of the Priority Offer and the Shortfall Offer on the terms set out in Section 1.4.
<b>Public Offer Entitlement &amp; Acceptance Form</b>	The Public Offer application form attached to or accompanying this Prospectus relating to the Public Offer.
<b>Record Date</b>	7.00pm AEST on 21 September 2016.
<b>Quotation</b>	Official quotation on ASX.
<b>Share</b>	A fully paid ordinary share in the capital of the Company.
<b>Shareholder</b>	A holder of a Share as recorded in the register of the Company.
<b>Share Registry</b>	Link Market Services Limited.
<b>Shortfall Offer</b>	The offer of New Shares to Shareholders on the terms set out in Section 1.3.
<b>Shortfall Shares</b>	Those New Shares forming Entitlements or part of Entitlements not accepted under the Priority Offer.
<b>US</b>	The United States of America.
<b>US Person</b>	Has the meaning given to that term in Regulation S under the US Securities Act.
<b>US Securities Act</b>	The <i>United States Securities Act of 1933</i> , as amended.