

12 September 2016

Carpentaria Exploration Limited Placement and Non Renounceable Rights Offer

Carpentaria Exploration Limited (ACN 095 117 981) (ASX: CAP) (**CAP** or the **Company**) is pleased to announce the successful placement of 16,372,846 new fully paid ordinary shares (the **Placement**) at an issue price of \$0.049 per share to raise \$802,269.47.

In conjunction with the Placement, the Company's Directors are also pleased to provide notice to Eligible Shareholders for the opportunity to participate in a 1:2.6 pro-rata, non-renounceable rights offer (**Rights Offer**) to raise up to \$2,643,373.31.

The Company's Directors unanimously support the Rights Offer, and all Directors that hold CAP shares intend to take up their full pro-rata entitlement.

The shares issued pursuant to the Rights Offer will be issued at the same price as issued under the Placement, being \$0.049 per share. The Offer Price reflects a 13.5% discount to the 30 day volume weighted average trading price (VWOP) of the Company's shares for the period ending on 8 September 2016. The Placement and, if fully subscribed, the Rights Offer, will raise \$3,445,642.76.

Use of funds

The funds raised from the Placement and Rights Offer (net of offer expenses) will be used by the Company as follows.

Use of Funds	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
Total	\$3,275,000

Placement

The Placement involved an allocation of 16,372,846 new ordinary shares to sophisticated and professional investors at a price of \$0.049 per share, raising a total of \$802,269.47. Investors that participated in the Placement will be eligible to participate in the Rights Offer.

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

Rights Offer

The Rights Offer will comprise an issue of a total of 53,946,394 fully paid ordinary shares (**Rights Offer Shares**) at an issue price of \$0.049 per share (**Offer Price**) to raise up to \$2,643,373.31.

The Rights Offer is made up of three separate offers as follows:

- (1) a non-underwritten, pro-rata non-renounceable rights offer, of new fully paid ordinary shares in the Company (**New Shares**) to Eligible Shareholders on the basis of one 1 New Share for every 2.6 existing Shares held on the Record Date, at an issue price of \$0.049 per New Share (**Offer Price**) to raise up to \$2,643,373.31 (**Priority Offer**);
- (2) any New Shares not applied for under the Priority Offer (**Shortfall Shares**) will be offered to Eligible Shareholders, who may, subject to conditions, apply for additional New Shares in excess of their entitlement under the Priority Offer, at the same Offer Price as the Priority Offer (**Shortfall Offer**);
- (3) 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, the remaining shares will be available for subscription to both existing Eligible Shareholders and the public at the same Offer Price as the Priority Offer and Shortfall Offer (**Public Offer**).

The number of shares on offer to the public under the Public Offer will balance available (if any) after take up of the Priority Offer and Shortfall Offer outlined above.

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

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

The Rights Offer is not underwritten.

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

Eligibility to participate in the Rights Offer

The Priority Offer and Shortfall Offer are being made to Eligible Shareholders on the basis of the number of ordinary shares held in the Company at 7.00 pm (AEST) on 21 September 2016 (**Record Date**).

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

Rights Offer timetable

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

CAP will send a prospectus (**Offer Document**) and Entitlement and Acceptance Form by 23 September 2016 to Eligible Shareholders.

Date	Event
Monday, 12 September 2016 (before commencement of trading)	Rights Offer and Placement Announcement Date
Wednesday, 14 September 2016	Lodgement of Prospectus and Appendix 3B with ASIC and ASX
Friday, 16 September 2016	The Company sends letter to eligible and non-eligible shareholders containing information of the Rights Offer and Rights Offer timetable
Tuesday, 20 September 2016	Rights Offer Ex Date Company shares trade on an ex-basis for the Rights Offer
Wednesday, 21 September 2016	Rights Offer Record Date
Friday, 23 September 2016	Rights Offer Opening Date Rights Offer opens Prospectus dispatched to Eligible Shareholders
	The Company announces that dispatch has been completed
	The Company sends letter to non-eligible shareholders
Thursday, 27 October 2016	Rights Offer Closing Date
Friday, 28 October 2016	Rights Offer – Quotation on a deferred settlement basis
Monday, 31 October 2016	Rights Offer Shortfall Notification Date Company announces results of Rights Offer and notifies ASX of under-subscriptions
Wednesday, 2 November 2016	Rights Offer Settlement Date Settlement of the Rights Offer Shares
Thursday, 3 November 2016	Rights Offer Allotment Date Issue date under Offer – Deferred settlement trading ends
	Rights Offer Dispatch Date Dispatch of holding statements
Friday, 4 November 2016	Rights Offer Trading Date

Date	Event
	Normal trading of Rights Offer Shares

The timetable above is indicative only and may be subject to change.

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

An Appendix 3B for shares to be issued pursuant to the Rights Offer and the Offer Document will be lodged in accordance with the timetable above.

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

For further information please contact:

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