

## Carpentaria Resources Share Purchase Plan Offer

Dear Shareholder,

You have received this information pack as you may be eligible to participate in the Carpentaria Resources Limited Share Purchase Plan (**SPP** or **Offer**), announced via the ASX on 8 October 2020.

Enclosed you will find the Offer Booklet which contains the terms and conditions of the Offer. In addition, you will find your personal Application Form with all the information required for you to participate in this Offer.

### **How to Participate?**

Shareholders can also request their personalised Application Form at:  
<https://carpentariaresources.investorportal.com.au/spp-form/>

***Please note all funds must be received and cleared no later than 5.00pm (Sydney time) on 23 October 2020.***

### **BPAY®**

In order to participate, the only action required is to BPAY® the funds for the amount you would like to invest in this Offer, using your unique Reference number. The action of BPAY® the funds will constitute your acceptance of the Offer, and there is no need for you to return the paper Application Form enclosed. Your unique BPAY® details can be found in the bottom left corner of your personalised Application Form.

Due to COVID-19 restrictions and for the purposes of public health and safety, the Company will not be accepting cheque or money order payments for the SPP. Please follow the instructions as provided on the Application Form to make your payment via EFT or BPAY.

Reach Markets are the advisers assisting with this Offer and further information on the Offer can be found at: <https://carpentariaresources.investorportal.com.au/spp/>

## Reach Markets Interactive Session

Reach Markets will also be hosting a live interactive session with the Company's Chairman, Peter Graham, where he will be discussing the immediate plans and longer-term vision for the Company. This will be an online, interactive session and you can reserve a place here:

<https://carpentariaresources.investorportal.com.au/live-investor-briefing/>

If you have any questions, Reach Markets can be contacted by email to [admin@reachmarkets.com.au](mailto:admin@reachmarkets.com.au), or by phone on (03) 8080 5795.

## Share Purchase Plan

The Share Purchase Plan (**SPP**) provides Eligible Shareholders (being shareholders who were recorded on the share register as a holder of one or more fully paid ordinary shares as at 7.00pm (Sydney time) on 7 October 2020 (**Record Date**) with a registered address in Australia or New Zealand and who are not acting for the account or benefit of a person in the United States), with an opportunity to acquire up to approximately \$30,000.00 worth of new fully paid ordinary shares (**Shares**) at an issue price of \$0.035 per Share (which represents approximately 1.4%, 4.1% and 28.6% discount to the volume weighted average market price of Shares calculated over the last 5, 10 and 30 trading days respectively on which trades in the shares were recorded immediately prior to the Announcement Date) without incurring brokerage or any other transaction costs.

The maximum amount to be raised under the SPP is \$1,190,000 (without incurring brokerage or any other transactions costs). All new Shares issued under the SPP will rank equally with existing Shares from the date of issue.

The SPP is currently expected to close on 23 October 2020 and is not subject to shareholder approval. The Company reserves the right to alter the dates, including closing the Offer as soon as the Offer is fully subscribed, in its absolute discretion and without prior notice.

This letter and its attachments, including the Terms and Conditions and the Application Form, sets out the details of the SPP. We encourage Eligible Shareholders to read the enclosed material and seek their own financial and tax advice before deciding whether to participate in the SPP.

## Indicative timetable

Record Date	7.00pm (Sydney time) on 7 October 2020
Announcement Date	8 October 2020
Opening Date of Offer	9.00am (Sydney time) on 12 October 2020
Closing Date of Offer	5.00pm (Sydney time) on 23 October 2020
SPP allocation announcement and any scale-back	27 October 2020
Issue of Shares under the SPP	29 October 2020

Carpentaria Resources Limited (**CAP** or the **Company**) may vary any of the above dates by lodging a revised timetable with the ASX.

For further information visit [www.carpentariares.com.au](http://www.carpentariares.com.au) or contact:

### Carpentaria Resources Limited

Mr Quentin Hill (Managing Director) or Mr Bob Hair (Company Secretary)

T: +61 (07) 3220 2022

E: [info@carpentariares.com.au](mailto:info@carpentariares.com.au)

## Share Purchase Plan Offer Booklet

### **NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES**

This Offer Booklet requires your immediate attention. This document is not a prospectus under the Corporations Act and has not been lodged with the Australian Securities and Investments Commission.

These materials do not constitute an offer to sell, or a solicitation of an offer to buy, any Shares or other securities in the United States. The Shares to be offered and sold under the SPP have not been, and will not be, registered under the United States Securities Act of 1933 (the U.S. Securities Act) or the securities laws of any state or other jurisdiction of the United States, and therefore will only be offered and sold to Eligible Shareholders in Australia or New Zealand in “offshore transactions” (as defined in Rule 902(h) under the U.S. Securities Act) in reliance on Regulation S under the U.S. Securities Act.

8 October 2020

Dear Shareholder

### **Invitation to Participate in Shareholder Share Purchase Plan**

On 8 October 2020, Carpentaria Resources Limited (**CAP** or the **Company**) announced its intention to offer Eligible Shareholders the chance to participate in a share purchase plan to subscribe for additional Shares in the Company (**SPP**).

The board of directors of the Company (**Board**) is now pleased to make this offer to Eligible Shareholders on the terms and conditions set out in this Offer Booklet (**Offer**).

### **Shareholders Eligible to Participate in the SPP**

The Offer is available exclusively to Eligible Shareholders. You are an Eligible Shareholder if you are a registered holder of fully paid Shares on the Record Date, if your registered address is in Australia or New Zealand and if you are not acting for the account or benefit of a person in the United States.

Participation in the SPP is entirely voluntary. If you do not wish to participate in the SPP, no action is required on your part.

### **Offer of Shares under the SPP**

The SPP entitles Eligible Shareholders, irrespective of the number of Shares held by them, to purchase up to approximately \$30,000.00 worth of Shares at an Issue Price of \$0.035 per Share free of brokerage and commission. The Issue Price represents an approximate 5.4% discount to the closing Share price of \$0.037 on 7 October 2020 and approximately 1.4%, 4.1% and 28.6% discount to the volume weighted average market price of Shares calculated over the last 5, 10 and 30 trading days respectively on which trades in the shares were recorded immediately prior to the Announcement Date without incurring brokerage or any other transaction costs.

Details of the Offer are set out in this letter and the enclosed Terms and Conditions and Application Form.

### **Current Activities**

Details of the Company's current activities are set out in the announcements made to the ASX and are available from the ASX or the Company's website at [www.carpentariares.com.au](http://www.carpentariares.com.au).

### **Use of funds**

Depending upon the final amount raised through the Offer, the total aggregate funds raised by the Offer will, together with the Company's existing funds, be used for working capital for the next 12 months as the Company develops a commercialisation strategy for the Hawsons Iron Project.

## How Much Can Eligible Shareholders Invest?

Eligible Shareholders may acquire a maximum of 857,142 (or \$30,000.00) of new Shares under the SPP, regardless of the number of Shares they hold on the Record Date, but subject to any scale-back.

If you receive more than one copy of this Offer, or if you hold Shares in more than one capacity (e.g. because you are both a sole and joint holder of Shares), the maximum amount you may apply to invest under the SPP in all capacities, and in aggregate, is \$30,000.00. **By applying to purchase Shares under the SPP (including by making a BPAY® payment), you certify that the aggregate application price for the following does not exceed this \$30,000.00 limit:**

- a. the new Shares that are the subject of your Application;
- b. any other Shares applied for by you under the SPP (or any similar arrangement in the 12 months prior to the Application), whether:
  - i. in your own right, or
  - ii. jointly with one or more persons, or
  - iii. in your capacity as a Participating Beneficiary,
- c. any other Shares or interests in the class which you have instructed a Custodian to acquire on your behalf under the SPP; and
- d. any other Shares or interests in the class issued to a Custodian under an arrangement similar to the SPP in the 12 months before your Application under the SPP as a result of you instructing the Custodian or another Custodian, which resulted in you holding a beneficial interest in the Shares or interests.

## Subscription and Application Procedure

If you would like to participate in the SPP, please follow the application instructions in the Offer Booklet and the enclosed Application Form. Please note that the closing date of the Offer is **5.00pm (Sydney time) on 23 October 2020 (Closing Date)**. No late Applications will be accepted unless the Company extends the offer by releasing a revised timetable on ASX.

Eligible Shareholders may participate by selecting one of the following Offers to purchase Shares under the SPP:

	Amount	Number of Shares
<b>Offer A</b>	\$29,999.97	857,142
<b>Offer B</b>	\$9,999.99	285,714
<b>Offer C</b>	\$5,000.03	142,858

Once an Application has been made it cannot be revoked.

## **Calculation of the Issue Price and acceptance of risk factors**

On 7 October 2020, the closing price of the Shares traded on ASX was \$0.037. The market price of the Shares in the Company may rise and fall between the date of the Offer and the date that any Shares are issued to you as a result of your acceptance of this Offer. As such, the Issue Price may differ from the market price of Shares on the day the Shares are issued or allotted to you, and the market price may be higher or lower, at any time, than the Issue Price of the Shares you receive.

By accepting the Offer and applying for Shares under the SPP, each Eligible Shareholder will be acknowledging that, although the Issue Price is at a discount to the market price on the trading day immediately before the Announcement Date, Shares are a speculative investment and the price of Shares on ASX may change between the Announcement Date and the date of issue of Shares under the Offer and that the price and/or value of the Shares received under the SPP may rise or fall accordingly. Key risks associated with holding Shares and participating in the SPP are further detailed later in this Offer Booklet.

The Board recommends that you obtain your own financial advice in relation to the Offer and consider price movements of Shares in the Company prior to accepting this Offer. This Offer Booklet does not purport to contain all of the information that you need to make an investment decision.

### **Non-renounceable**

The Offer cannot be transferred and the Board reserves the right to reject any Application over \$30,000.00.

### **Issue of Shares**

It is intended that Shares issued under the SPP will be issued on 29 October 2020. Application for quotation on ASX of the new Shares will be made immediately following the issue of those Shares.

### **Oversubscription and scale-back**

The maximum number of Shares that may be issued pursuant to this Offer is approximately 34,000,000. In the event of an oversubscription, the Directors may, in their absolute discretion, scale-back Applications. The Company may take into consideration the size of an applicant's shareholding when determining the amount of any potential scale-back and therefore the extent of the scale-back may differ between Applications.

If the Company rejects or scales-back an Application, the Company will promptly return to the Shareholder the relevant application monies, without interest.

The Company reserves the right to close the Offer early, at its absolute discretion, once the Offer is fully subscribed.

### **No underwriting**

The Offer is not underwritten.

### **Taxation**

You should consult your own taxation adviser about the tax status of the investment in the Shares.

### Indicative Timetable

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The above dates are indicative only. The Company may vary the dates and times of the Offer by lodging a revised timetable with ASX. Accordingly, Eligible Shareholders are encouraged to submit their Application Forms as early as possible.

Should you wish to discuss any information contained in this Offer Booklet, do not hesitate to contact the Company Secretary (Bob Hair) on +61 (07) 3220 2022.

Yours faithfully

**Quentin Hill**

Managing Director  
Carpentaria Resources Limited

## **SHAREHOLDER SHARE PURCHASE PLAN – KEY RISKS**

### **Introduction**

Subscribing for securities involves a number of risks. Shareholders should consider the risk factors described below, together with information contained elsewhere in this Offer Booklet, before deciding whether to apply for the Shares under the Offer.

CAP is an exploration company and you should consider that an investment in the Company is speculative. You should consult your professional advisers before deciding whether to apply for Shares pursuant to this Offer.

The risk factors set out below and others not specifically referred to below must not be taken as exhaustive of the risks faced by the Company or by investors in the Company.

These risk factors may materially affect the financial performance of the Company and the value of the Shares. Accordingly, the Shares to be issued pursuant to this Offer Booklet carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares. Some risks can be mitigated by the use of appropriate safeguards, systems and controls by the Company. However, some are unpredictable and outside the control of the Company and the extent to which they can be mitigated or managed is very limited.

### **Key risks specific to the Company**

#### **1. 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.

The capacity and willingness of the co-owner of the Hawsons Iron Project to fund its proportionate share of capital and other expenditure to progress the Hawsons Iron Ore Project through to development are uncertain. In addition, it is uncertain whether the joint venture ownership structure of the Hawsons Iron Project will make the obtaining of project and other financing for its development more difficult.

## **2. Feasibility studies, construction and commissioning risk**

The bankable feasibility study into the future development of a mining operation at the Hawsons Iron Project is dependent upon, and may be affected by, a number of factors including, but not limited to, failure to determine feasibility to economically recover ore bodies, 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 bankable feasibility study for the Hawsons Iron Project will not reflect the results of the Hawsons Iron Project Prefeasibility Study, which may adversely affect the prospects and economics of the project. Alternatively, even if the feasibility of production is confirmed, there is an inherent risk that the Hawsons Iron Project construction may not be completed on schedule, or that the construction cost may exceed budget, or that significant problems in the 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.

The Company cannot guarantee that the tenements will be renewed beyond their current expiry date and there is a material risk that, in the event the holder of those tenements is unable to renew any of them beyond their current expiry date, all or part of the Company's interests in the corresponding projects may be relinquished.

Further, there is no guarantee that any applications for mining or environmental tenements or other approvals or authorisations will be granted or granted on conditions satisfactory to the Company.

## **3. Access to infrastructure**

Iron ore produced from the Company's Hawsons Iron 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 increase 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 the Port of Whyalla or Port Pirie from existing owners, in order for the Company to be able to maximise its production capacity at the Hawsons Iron Project. There is a possibility that the Company may not secure this additional capacity from existing users at the Port of Whyalla or Port Pirie.

The Company has commenced discussions with existing users and potential providers of both rail and port capacity. To date, no definitive agreements have been entered into, and there is a possibility that the Company will not enter into arrangements with existing users, rail providers and port owners for use of services or will not be able to enter into arrangements on terms acceptable to the Company.

## **4. Resource and reserve estimates**

The Company has previously announced resource and reserve estimates. Resource and reserve 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.

In addition, by their very nature, resource and reserve 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 and reserve estimation risk, there is no assurance that this approach will alter the risk. As further information becomes available through additional fieldwork and analysis, resource and reserve 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.

## **5. Failure to enter into sales or offtake 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, as well as a legally-binding but conditional agreement with Mitsui & Co., Ltd, whereby Mitsui commits to the provision of funding for the BFS in return for an option to purchase 2Mtpa of offtake from the Hawsons Iron Project. To date, no other 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 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 on 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.

## **6. Limited operating history**

No assurances can be given that the Company will achieve commercial viability through the successful exploration and/or mining of its tenements or any other tenements acquired by the Company. Until the Company is able to realise value from the Hawsons Iron Project or any project it may in the future acquire an interest in, it is likely to incur ongoing operating losses.

## **7. Additional requirements for capital**

The Company's capital requirements depend on numerous factors. Depending on the Company's ability to generate income from its operations, the Company may require further financing in addition to amounts raised under the Offer. Any additional equity financing will dilute existing shareholdings, and debt financing (if available) may involve restrictions on future financing and operating activities. If the Company is unable to obtain additional financing as needed or unable to obtain it on acceptable terms (whether or not due to the Company's circumstances or economic and share market conditions or both), it may be required to reduce the scope of its operations and scale-back its exploration programmes. This could have a material adverse effect on the Company's activities and the value of the Shares.

## **8. Exploration costs**

The exploration costs of the Company are based on certain assumptions with respect to the method and timing of exploration. By their nature these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and

assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the Company's operating and financial performance and the value of the Shares.

## **9. Liquidity risk**

There is no guarantee that there will be an ongoing liquid market for Shares. If illiquidity arises, there is a real risk that Shareholders will be unable to realise their investment in the Company.

## **Industry risks**

### **1. Operating risks**

The current and future operations of the Company, including exploration, project appraisal and possible production activities may be affected by various factors which can limit or prevent such activities. Such factors may include failure to locate or identify mineral deposits, failure to achieve predicted grades in exploration and mining, operational and technical difficulties encountered in surveying, drilling, other exploration activities and/or production activities, difficulties in commissioning and operating plant and equipment, electrical or mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, adverse weather conditions, industrial and environmental accidents, industrial disputes and unexpected shortages or increases in the costs of skilled labour, consumables, spare parts, plant and equipment.

### **2. Commercial risk**

The mining industry is competitive and there is no assurance that, even if commercial quantities of minerals are discovered by the Company on the Hawsons Iron Project or future projects it may acquire an interest in, a profitable market will exist for sales of such minerals. There can be no assurance that the quality of any such minerals will be such that they can be mined economically.

### **3. Commodity price volatility and exchange rate risks**

If the Company achieves success leading to mineral production, the revenue it will derive through the sale of iron ore or any other minerals it may discover exposes the potential income of the Company to commodity price and exchange rate risks. Commodity prices fluctuate and are affected by many factors beyond the control of the Company. Such factors include supply and demand fluctuations for steel and base metals, technological advancements, forward selling activities and other macro-economic factors such as inflation expectations, interest rates and general global economic conditions.

Furthermore, international prices of various commodities are denominated in United States dollars whereas the income and expenditure of the Company are and will be taken into account in Australian currency. This exposes the Company to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar as determined in international markets.

If the price of commodities declines this could have an adverse effect on the Company's exploration, development and possible production activities, and its ability to fund these activities, which may no longer be profitable.

### **4. Insurance risks**

Exploration for and development of minerals involves hazards and risks that could result in the Company incurring losses or liabilities that could arise from its operations. If the Company incurs losses or liabilities which are not covered by its insurance policies, the funds available for exploration and development will be reduced and the value and/or title to the Company's assets may be at risk.

The Company endeavours to insure its operations in accordance with industry practice. However, in certain circumstances the Company's insurance may not be of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered or fully covered by

insurance could have a material adverse effect on the business, financial condition and results of the Company.

Insurance against all risks associated with mining exploration and production is not always available and, where available, the costs can be prohibitive or not adequate to cover all claims.

## **5. Environmental risks**

The operations and proposed activities of the Company are currently subject to New South Wales, South Australian and Commonwealth of Australia laws and regulations concerning the environment. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. Future legislation and regulations governing exploration, development and possible production may impose significant environmental obligations on the Company.

The cost and complexity of complying with the applicable environmental laws and regulations may prevent the Company from being able to develop potential economically viable mineral deposits. The Company may require approval from the relevant authorities before it can undertake activities that are likely to impact the environment. Failure to obtain such approvals or to obtain them on terms acceptable to the Company may prevent the Company from undertaking its desired activities. The Company is unable to predict the effect of additional environmental laws and regulations, which may be adopted in the future, including whether any such laws or regulations would materially increase the Company's cost of doing business or affect its operations in any area.

There can be no assurances that new environmental laws, regulations or stricter enforcement policies, once implemented, will not oblige the Company to incur significant expenses and undertake significant investments in such respect which could have a material adverse effect on the Company's business, financial condition and results of operations.

## **General risks**

### **1. General economic conditions**

General economic conditions, introduction of tax reform, new legislation, the general level of activity within the resources industry, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration, development and possible production activities, as well as on its ability to fund those activities both in Australia and overseas.

### **2. Share 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:

- (a) general economic outlook;
- (b) the introduction of tax reform or other new legislation (such as royalties);
- (c) interest rates and inflation rates;
- (d) currency fluctuations;
- (e) changes in investor sentiment toward particular market sectors in Australia and/or overseas (such as the exploration industry or iron ore sector within that industry);
- (f) the demand for, and supply of, capital; and
- (g) terrorism or other hostilities.

The market price of the Shares can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular, which influences are beyond the Company's control and which are unrelated to the Company's performance. Neither the Company nor the Directors warrant the future performance of the Company or the Shares and subsequently any return on an investment in the Company. Shareholders who decide to sell their Shares after the Company is admitted to the ASX may not receive the entire amount of their original investment.

### **3. Volatility in global credit and investment markets**

Global credit, commodity and investment markets have recently experienced a high degree of uncertainty and volatility. The factors which have led to this situation have been outside the control of the Company and may continue for some time resulting in continued volatility and uncertainty in world stock markets (including the ASX). This may impact the price at which the Shares trade regardless of operating performance and affect the Company's ability to raise additional equity and/or debt to achieve its objectives, if required.

### **4. Government and legal risk**

The introduction of new legislation or amendments to existing legislation by governments (including introduction of tax reform), developments in existing common law or the respective interpretation of the legal requirements in any of the legal jurisdictions which govern the Company's operations or contractual obligations, could impact adversely on the assets, operations and ultimately the financial performance of the Company and its Shares. The same adverse impact is possible by the introduction of new government policy or amendments to existing government policy.

### **5. Unforeseen expenditure risk**

Expenditure may need to be incurred that has not been considered in this Offer Booklet. Although the Company is not aware of any such additional expenditure requirements, if such expenditure is subsequently incurred, this may adversely affect the expenditure proposals and activities of the Company, as the Company may be required to reduce the scope of its operations and scale-back its exploration programmes. This could have a material adverse effect on the Company's activities and the value of the Shares.

## SHAREHOLDER SHARE PURCHASE PLAN - TERMS AND CONDITIONS

### Purpose

The purpose of the SPP is to offer Eligible Shareholders the opportunity to acquire additional Shares in the Company worth up to a maximum of \$30,000.00 (subject to any scale-back) at an Issue Price of \$0.035 per Share without the need to pay brokerage costs and without the need for the Company to issue a prospectus. The Issue Price represents approximately 1.4%, 4.1% and 28.6% discount to the volume weighted average market price of Shares calculated over the last 5, 10 and 30 trading days respectively on which trades in the shares were recorded immediately prior to the Announcement Date without incurring brokerage or any other transaction costs.

### Shareholders eligible to participate

You may participate in the SPP if you are an Eligible Shareholder. Due to foreign securities laws, it is not practical for other shareholders to be offered the opportunity to participate in the SPP.

Participation in the SPP is optional and is subject to these Terms and Conditions.

### Non-renounceable

The Offers made under the SPP are non-renounceable (i.e. Eligible Shareholders may not transfer their rights to any Shares offered under the SPP).

### Custodians, trustees and nominees

If you are an Eligible Shareholder and hold Shares as a custodian (as defined in ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547 (refer below) (**Custodian**) or in any more specific ASIC relief granted to the Company in relation to the SPP), you may apply for up to the maximum of new Shares for each beneficiary for whom you act as Custodian provided you annex to your Application Form a certificate to the Company (**Custodian Certificate**) with the following information:

- that you held Shares in the Company on behalf of one or more other persons with a registered address in either Australia and New Zealand and who is not acting for the account or benefit of a person in the United States (each a **Participating Beneficiary**) at 7.00pm (Sydney time) on the Record Date who have subsequently instructed you to apply for Shares under the SPP on their behalf;
- the number of Participating Beneficiaries and their names and addresses;
- the number of Shares that you hold on behalf of each Participating Beneficiary;
- the dollar amount of Shares that each Participating Beneficiary has instructed you, either directly or indirectly through another custodian, to apply for on their behalf;
- that the application price for Shares applied for under the SPP for each Participating Beneficiary for whom you act plus the application price for any other Shares issued to you as custodian for that Participating Beneficiary under any arrangement similar to the SPP in the prior 12 months does not exceed \$30,000;
- that a copy of this Offer Booklet was given to each Participating Beneficiary; and
- where you hold shares on behalf of a Participating Beneficiary indirectly, through one or more interposed custodians, the name and address of each interposed custodian.

For the purposes of ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547, you are a 'Custodian' if you are a registered holder of Shares that:

- holds an Australian financial services licence that allows you to perform custodian or depositary services (as defined in ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547);

- is exempt from the requirement to hold an Australian financial services licence for the provision of a custodial or depositary service;
- holds an Australian financial services licence covering the operation of an IDPS or is a responsible entity of an IDPS-like scheme;
- is a trustee of a self-managed superannuation fund or a superannuation master trust; or
- is a registered holder of shares or interests in the class and is noted on the Company's register of members as holding the shares on account of another person.

If you hold Shares as a trustee or nominee for another person or persons but are not a Custodian as defined above, you cannot participate for beneficiaries in the manner described above. In this case, the rules for multiple single holdings (above) apply.

Custodians should request a Custodian Certificate when making an Application on behalf of Participating Beneficiaries. To request a Custodian Certificate, or if you would like further information on how to apply, you should contact Reach Markets by email to [admin@reachmarkets.com.au](mailto:admin@reachmarkets.com.au), or by phone on +61 (03) 8080 5795.

The Company reserves the right to reject any Application for Shares to the extent it considers that the Application (whether alone or in conjunction with other Applications) does not comply with these requirements, or otherwise in accordance with these Terms and Conditions.

### Price of Shares

The Issue Price of Shares represents approximately 1.4%, 4.1% and 28.6% discount to the volume weighted average market price of Shares calculated over the last 5, 10 and 30 trading days respectively on which trades in the shares were recorded immediately prior to the Announcement Date without incurring brokerage or any other transaction costs.

On 7 October 2020, the closing price of the Shares traded on ASX was \$0.037. The market price of the Shares in the Company may rise and fall between the date of the Offer and the date that any Shares are issued to you as a result of your acceptance of the Offer. As such, the Issue Price may differ from the market price of Shares on the day the Shares are issued or allotted to you, and the market price may be higher or lower, at any time, than the Issue Price of the Shares you receive.

By accepting the Offer and applying for Shares under the SPP, each Eligible Shareholder will be acknowledging that, although the Issue Price is at a discount to the market price, Shares are a speculative investment and the price of Shares on ASX may change between the date of the Company announcing its intention to make an Offer and the date of issue of Shares under that Offer and that the price and/or value of the Shares received under the SPP may rise or fall accordingly.

The Board recommends that you obtain your own financial advice in relation to the Offer and consider price movements of Shares in the Company prior to accepting this Offer. This Offer Booklet does not purport to contain all of the information that you need to make an investment decision.

### Number of shares

Eligible Shareholders may acquire a maximum of 857,142 (or \$30,000.00) of new Shares under the SPP, regardless of the number of Shares they hold on the Record Date of the Offer, but subject to any scale-back.

If you receive more than one copy of this Offer, or if you hold Shares in more than one capacity (e.g. because you are both a sole and joint holder of Shares), the maximum amount you may apply to invest under the SPP in all capacities, and in aggregate, is \$30,000.00. **By applying to purchase Shares under the SPP (including by making a BPAY® payment), you certify you have not exceeded this \$30,000.00 limit.**

## Applications and Notices

Notices and statements made by the Company to participants may be given in any manner prescribed by its Constitution.

### Acknowledgements

By making an Application you:

- (a) represent that you are, and each person for whom you are acting is, an Eligible Shareholder;
- (b) agree to provide (and, if applicable, direct your Custodian to provide) any requested substantiation of your eligibility to participate in the SPP;
- (c) authorise the Company (and its officers or agents) to correct any error in, or omission from, your Application Form and to complete the Application Form by the insertion of any missing details;
- (d) agree that the Company may determine that your Application Form is valid and in accordance with these Terms and Conditions, even if it is incomplete, contains errors or is otherwise defective;
- (e) accept the risk associated with any return of application monies (for example, in the event of a rejected Application) or other refunds that may be despatched to you to your address shown on the Company's share register;
- (f) agree to indemnify the Company for, and to pay to the Company within five (5) business days of demand, any dishonor fees or other costs the Company may incur in presenting a cheque or bank draft for payment which is dishonoured;
- (g) acknowledge that none of CAP, its advisers or agents, or the Registry has provided you with investment advice, financial product advice or taxation advice, and that none of them has any obligation to provide this advice, concerning your decision to apply for and purchase Shares;
- (h) acknowledge and agree to be bound by these Terms and Conditions and the Constitution of the Company;
- (i) agree not to send any materials relating to the SPP to any person outside Australia and New Zealand; and
- (j) certify that the aggregate of the application price for the following does not exceed \$30,000:
  - a. the new Shares that are the subject of your Application;
  - b. any other Shares applied for by you under the SPP (or any similar arrangement in the 12 months prior to the Application), whether:
    - i. in your own right, or
    - ii. jointly with one or more persons, or
    - iii. in your capacity as a Participating Beneficiary,
  - c. any other Shares or interests in the class which you have instructed a Custodian to acquire on your behalf under the SPP; and
  - d. any other Shares or interests in the class issued to a Custodian under an arrangement similar to the SPP in the 12 months before your Application under the SPP as a result of you instructing the Custodian or another Custodian, which resulted in you holding a beneficial interest in the Shares or interests,

but not including in your capacity as a trustee or nominee where it is expressly noted on the Company's register of members that your shareholding is held on account of another person.

If 2 or more persons are recorded in the register of members as jointly holding the Shares to which this entitlement relates, they are taken to be a single registered Shareholder and the above confirmations and acknowledgements are taken to be given by all of them.

If a trustee or nominee is expressly noted on the Company's register of members as holding the Shares to which this entitlement relates on account of another person (the "beneficiary"), the above acknowledgement and undertakings are taken to be given by the beneficiary in respect of him/her/itself (and not the trustee or nominee).

## **Oversubscription and scale-back**

The maximum number of Shares that may be issued pursuant to this Offer is approximately 34,000,000. If the Offer is oversubscribed, the Directors may, in their absolute discretion, scale-back Applications. The Company may take into consideration the size of an applicant's shareholding when determining the amount of any potential scale-back and therefore the extent of the scale-back may differ between Applications.

Without limiting the Directors' discretion, new Shares will not be issued to an applicant if the issue, either alone or in conjunction with the issue of new Shares under other Applications received by the Company, would contravene any law or regulation, including the Listing Rules and any ASIC Class Order.

If the Company rejects or scales-back an Application or purported Application, the Company will promptly return to the Shareholder the relevant portion of its Application Payment, without interest.

## **No underwriting**

The Offer is not underwritten.

## **Issue of Shares**

Shares to be issued under the SPP will be issued on 29 October 2020 or such other date announced by the Company via the ASX.

Shares issued under the SPP will rank equally in all respects with all other Shares in the Company from the date of issue.

Shareholding statements or CHESS notifications will be issued in respect of all Shares issued under the SPP. The Company will, promptly after the issue of Shares under the SPP, make an application for those Shares to be listed for quotation on the official list of ASX.

## **Modification and Termination of the SPP**

The Company may modify or terminate the SPP at any time. The Company will notify ASX of any modification to, or termination of, the SPP. An omission to give notice of any modification to, or termination of, the SPP or the failure of ASX to receive such notice will not invalidate the modification or termination.

Without limiting the above, the Company may issue to any person fewer Shares than the person applied for under the SPP if the issue of the Shares applied for would contravene any applicable law (including ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547) or the Listing Rules.

## **Dispute Resolution**

The Company may, in any manner it thinks fit, settle any difficulties, anomalies or disputes which may arise in connection with or by reason of the operation of the SPP, whether generally or in relation to any participant, Application or Shares. The decision of the Company in this respect will be conclusive and binding on all Shareholders and other persons to whom that determination relates.

The Company reserves the right to waive strict compliance with any provision of these Terms and Conditions. The powers of the Company under these conditions may be exercised by the directors of the Company or any delegate of the directors of the Company.

## **Privacy**

Chapter 2C of the Corporations Act requires information about Shareholders (including their name, address and details of the securities they hold) to be included in the public register of the entity in which they hold securities. This information must continue to be included in the public register even if they cease to be a Shareholder.

CAP and the Registry may collect personal information to process Applications and implement the SPP, and to administer holdings of Shares. The personal information contained in the Company's share register is also used to facilitate payments and corporate communications (including financial results, annual reports and other information to be communicated to Shareholders) and to ensure compliance with legal and regulatory requirements, including taxation laws and the Corporations Act.

Shareholders who are individuals and the other individuals in respect of whom personal information is collected, as outlined above, have certain rights to access, correct or update the personal information held about them, subject to some exceptions allowed by law.

Personal information regarding Shareholders may be disclosed to joint investors, the Registry, securities brokers, third party service providers (including print and mail service providers, technology providers, and professional advisers), related entities of the Company and each of their agents and contractors, and ASX and other regulatory authorities, and in any case, where disclosure is required or allowed by law (which may include disclosures to the Australian Taxation Office and other government or regulatory bodies or where you have consented to the disclosure). In some cases, the types of organisations referred to above to whom the Company will disclose personal information may be located overseas.

The main consequence of not providing the personal information outlined in the above would be that the Company may be hindered in, or prevented from, processing Applications, and from conducting and implementing the SPP.

Reach Markets are the advisors assisting with the management of this Offer. The Reach Privacy policy is available here - <https://reachmarkets.com.au/privacy-reach/> and their FSG is available here - <https://reachmarkets.com.au/financial-services-guide/>

The Registry's privacy policy is available on their website:  
<https://issuers.linkmarketservices.com.au/Help/Privacy/>.

### **Questions and Contact Details**

To request a Custodian Certificate, or if you would like further information on how to apply, you should contact Reach Markets by email to [admin@reachmarkets.com.au](mailto:admin@reachmarkets.com.au) , or by phone on +61 (03) 8080 5795.

If you have any other questions regarding the SPP or how to deal with this Offer, please contact your stockbroker or professional adviser or Bob Hair, Company Secretary on +61 (07) 3220 2022.

### **Governing Law**

This Offer Booklet and the Application Form are governed by the laws in force in Queensland.

## Definitions

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

<b>\$</b>	Australian Dollars.
<b>Announcement Date</b>	The announcement date of the Offer, being 8 October 2020.
<b>Application</b>	A correctly completed and submitted Application Form (including a deemed application form in the same terms, where a valid BPAY® payment is made).
<b>Application Form</b>	The personalised application form relating to the SPP that you received with this Offer Booklet, including the instructions (including a deemed application form in the same terms, where a valid BPAY® payment is made).
<b>Application Payment</b>	The application monies paid via EFT or BPAY® in accordance with the instructions set out in the Application Form.
<b>ASX</b>	ASX Limited ABN 98 008 624 691 or the market operated by it, as the context requires.
<b>Board</b>	The board of directors of the Company.
<b>Closing Date</b>	5.00pm (Sydney time) on 23 October 2020.
<b>Company or CAP</b>	Carpentaria Resources Limited (A.C.N. 095 117 981)
<b>Constitution</b>	The Company's constitution.
<b>Corporations Act</b>	<i>Corporations Act 2001</i> (Cth).
<b>Directors</b>	The directors of the Company (and each a <b>Director</b> ).
<b>Eligible Shareholders</b>	Shareholders who were recorded on the share register as a holder of one or more Shares as at 7:00pm (Sydney time) on 7 October 2020 (being the Record Date) with a registered address in Australia or New Zealand and who are not acting for the account or benefit of a person in the United States.
<b>Hawsons Iron Project</b>	The project carried out by CAP in joint venture with Pure Metals Pty Ltd A.C.N. 151 066 321 located close to the Broken Hill mining centre and which is within the Braemar Iron Formation in New South Wales, Australia.
<b>Issue Price</b>	\$0.035 per Share, which represents approximately 1.4%, 4.1% and 28.6% discount to the volume weighted average market price of Shares calculated over the last 5, 10 and 30 trading days respectively on which trades in the shares were recorded immediately prior to the Announcement Date without incurring brokerage or any other transaction costs.

<b>JORC Code</b>	<i>Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (2004)</i> prepared by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia.
<b>Listing Rules</b>	The Listing Rules of the ASX and any other rules of the ASX which are applicable while the Company is admitted to the official list of the ASX, each as amended or replaced from time to time, except to the extent of any express written waiver by the ASX.
<b>Offer</b>	The offer made to Eligible Shareholders to participate in the SPP on the terms set out in this Offer Booklet.
<b>Offer Booklet</b>	This offer booklet in respect of the SPP.
<b>Offer Period</b>	The period during which the Offer is open for acceptance, being 9.00am (Sydney time) 12 October 2020 to 5.00pm (Sydney time) on 23 October 2020.
<b>Record Date</b>	7.00pm (Sydney time) on 7 October 2020.
<b>Registry</b>	The Company's designated share registry, being Link Market Services Pty Ltd.
<b>Share</b>	A fully paid ordinary share in the Company.
<b>Shareholder(s)</b>	Holder(s) of Shares.
<b>SPP</b>	The shareholder share purchase plan, on the terms set out in this Offer Booklet.
<b>Terms and Conditions</b>	The terms and conditions of the SPP set out in this Offer Booklet, including these definitions and the Application Form.