



15 March 2021

Hawsons Iron Project Ownership Transaction

Carpentaria Resources Limited (ASX: CAP) wishes to advise that it has been assisting the liquidator that was appointed in January 2021 in respect of Ample Source International Limited (**ASI**), which was announced on 4 February 2021. ASI is the principal shareholder of the Company's current co- Hawsons Iron Project joint venturer, Pure Metals Pty Ltd, and also controls Silvergate Capital Pty Ltd, which holds 20,944,506 Carpentaria shares.

In parallel with the discussions with the ASI liquidator, the Company has sought to take all necessary steps to complete the Hawsons ownership consolidation process (approved by shareholders at the Company's annual general meeting on 2 November 2020). The sale and purchase agreement relating to that transaction (the **SPA**) remains conditional upon the approval of the Foreign Investment Review Board (**FIRB**). FIRB has indicated that the new monetary thresholds that came into effect on 1 January 2021 mean that the FIRB application lodged by Pure Metals in relation to the transactions contemplated by the SPA may be withdrawn. This effectively means that the FIRB condition precedent is no longer required and could be removed by amending the SPA by a simple side agreement between the Company and Pure Metals. To date Pure Metals has not executed the side agreement proposed by the Company.

Under the SPA, Carpentaria will upon completion issue to Pure Metals 90.8 Million shares, and completion of the SPA is important to the Company's capital-raising plans. The Company has formally notified Pure Metals that it is in breach of the SPA by not taking all steps that it can reasonably take to satisfy the remaining condition precedent. Pure Metals was also formally put on notice that if the breach is not remedied, the Company may commence legal proceedings.

Released by authority of the Executive Chairman
Carpentaria Resources Ltd
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