



6 July 2021

Underwritten Placement and Entitlement Offer - A\$35.6 million funding for Hawsons Iron bankable feasibility study (BFS)

Carpentaria Resources Limited (ASX:CAP, **Carpentaria** or the **Company**) is pleased to announce it has received commitments to raise \$35.6 million via an underwritten placement of 54.3 million shares, and a 1-for-2.6 underwritten entitlement offer of 183.0 million shares.

Highlights:

- Carpentaria successfully raises \$35.6 million
- Strong demand from a number of Australia's leading small and mid-cap institutional fund managers, for both the placement and sub-underwriting of the entitlement offer
- Carpentaria is now fully funded to complete the BFS, (including drilling, demonstration plant run and engineering and design) and bolster the executive team
- Another significant step forward to unlock the full value of its Hawsons Iron Project

The capital raising was executed at the offer price of \$0.15 per share. The offer price represents a 1.3% premium to the 30-day volume-weighted average price (**VWAP**) the Company's shares up to Thursday 1 July 2021 and a 13.5% discount to the 20-day VWAP up to the same date.

The Placement

The Company will issue the Placement shares in two tranches. Settlement of Tranche 1, being an unconditional component of approximately \$2.0 million or 13.3 million shares, is expected to occur on Monday 12 July 2021. Settlement of Tranche 2 of approximately \$6.15 million or 41.0 million shares is expected to occur on Monday 16 August 2021 and is subject to shareholder approval. A notice of meeting will be sent to shareholders containing further details.

The Entitlement Offer

The Company is also pleased to announce that shareholders will have the opportunity to subscribe for CAP shares at the same price by means of an entitlement offer. The entitlement offer will raise approximately \$27.45 million before costs, under which eligible shareholders will be able to subscribe at \$0.15 per share for 1 new CAP share for every 2.6 CAP shares that they hold on the record date (**Entitlement Offer**). The Entitlement Offer will result in the issue of approx. 182,977,171 new shares and is fully underwritten.

The timetable and other documents relating to the Entitlement Offer will be released to the market over coming days. The record date for the Entitlement Offer will precede both Tranche 1 and Tranche 2 of the Placement to institutional investors described above.

The funds to be raised through the private placements and the Entitlements Offer total approximately \$35.6 million (before costs) and will be used to complete the Hawsons Iron Project bankable feasibility study (**BFS**) (including drilling, pilot plant run and engineering and design). Carpentaria is now fully funded to complete the BFS.

Any potential shortfall in the Entitlement Offer has been fully sub-underwritten by Australian institutional investors.

Shaw and Partners is the Lead manager and Underwriter on both the Entitlement Offer and the Placement.

“It is extremely encouraging that the Company has received such strong institutional support to carry out the Hawsons bankable feasibility study”, Carpentaria’s Executive Chairman, Bryan Granzien said. “We are now in the strong position of not requiring funding from potential off-take partners at this stage, which will enhance the Company’s position in any future off-take arrangement(s). We have worked hard over the last six (6) months to secure this strong commercial position prior to any off-take agreements, which in the end should result in the most favourable off-take terms to the Company and shareholders”.

He added, “Early in the year, we carried out strategic planning sessions in respect of the Hawsons Iron Project and its financing. We developed a plan and are carrying it out. BFS funding is a significant part of that plan, and we are confident this will lead to the successful development and operation at Hawsons.

“Following the raising of this \$35.6 million, the Company has a clear path to complete the BFS, which we are confident will further demonstrate that the Hawsons Iron Project is one of the world’s best undeveloped iron ore projects because it will be a low cost operation that can produce premium quality iron ore products. As such, Hawsons will help satisfy the ever-growing demand for high-quality iron ore products. In a world that is transitioning towards greener steelmaking, Hawsons Supergrade® product will be highly sought after to reduce carbon dioxide emissions and create green steel”.

Released by authority of the Board

Carpentaria Resources Ltd

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