

Carpentaria Resources Entitlements Offer

You have received this information pack as you are eligible to participate in the current Carpentaria Resources Ltd (**CAP** or **the Company**) Entitlements Offer (**EO** or **the Offer**) to raise up to \$27.4 million, as announced on the ASX on 6 July 2021.

Enclosed you will find the Transaction Specific Prospectus, which contains the terms and conditions of the Offer as well as your personal application form with all the information required for you to participate in this Offer. We encourage you to read this materially carefully and seek independent financial advice if you require.

The issue price under the EO is 15 cents per share (Issue Price). The Issue Price represents a discount of 30.23% to Carpentaria's closing price of \$0.215 on 1 July 2021 (being the last trading day prior to the announcement of the EO), a discount of 13.5% to the 20 day volume weighted average price (VWAP) to that date and a premium of 1.3% to the 30 day VWAP.

How to participate

To request an electronic copy of your application form, please visit
<https://events.miraqle.com/cap-offer>

BPAY

To participate in the Offer by BPAY 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 form enclosed.

Your unique BPAY details can be found in the middle of the first page on your Entitlements Offer Application Form.

Mail

The Company will accept cheque or Money order payments, and the Entitlements Offer Application should be mailed with the cheque or money order to:

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

The Company's share registry, Link Market Services will email the form to you. You can also contact Link on 1300 666 437 or +61 1300 666 437 (from outside Australia) with any questions relating to the Offer.

Acceptances and payment must be received by Link before 5.00 pm (Sydney time) on 23 July 2021.

CAP would like to thank you for being a loyal Shareholder and for your ongoing support.

Prospectus

In relation to

A fully underwritten pro-rata non-renounceable Rights Issue of one (1) New Share for every 2.6 Shares held at an issue price of 15 cents (\$0.15) per New Share, as well as a Placement and Conditional Placement of 15 cents (\$0.15) per Share.

The Rights Issue closes at 5pm (Brisbane time) on Friday, 23 July 2021.

This Prospectus is a transaction specific prospectus issued in accordance with section 713 of the Corporations Act. If you are an Eligible Shareholder, this is an important document and should be read in its entirety. If you do not understand any part of this document or are in doubt as to what you should do, you should contact your professional adviser immediately. You should have regard to all publicly available information concerning the Company.

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES OR TO U.S. PERSONS

Lead Manager and Underwriter:

Shaw and Partners Limited (ACN 003 221 583)

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IMPORTANT INFORMATION

General

This Prospectus is dated 6 July 2021 and was lodged with ASIC on that date for Carpentaria Resources Limited ACN 095 117 981 (**Carpentaria or Company**). ASIC and ASX take no responsibility for the content of this Prospectus or the merits of the investment to which this Prospectus relates.

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

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

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may be reasonably expected to be known to investors and professional advisers whom potential investors may consult.

You should read this entire Prospectus carefully before deciding whether to invest in New Shares. In particular, you should consider the key risks that could affect the performance of the Company or the value of an investment in the Company, details of which are outlined in section 4 of this Prospectus.

No financial advice

The information provided in this Prospectus is not financial product advice and has been prepared without taking into account your investment objectives, financial circumstances or particular needs. Before deciding whether to apply for New Shares, you should consider whether they are a suitable investment for you in light of your own investment objectives and financial circumstances and having regard to the merit or risks involved. If, after reading this Prospectus, you have any questions about the Rights Issue, you should contact your stockbroker, solicitor, banker, financial adviser, accountant or other professional adviser.

Electronic Prospectus

This Prospectus will also be issued as an electronic prospectus. A copy of this Prospectus can be downloaded from the Company's website at <https://carpentariares.com.au>

If you are accessing the electronic version of this Prospectus for the purpose of making an investment in the Company, you must be an Australian or New Zealand resident and must only access this Prospectus from within Australia. The Corporations Act prohibits any person passing onto another person an Application 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.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

Persons who access the Prospectus in electronic form should ensure that they download and read the entire Prospectus.

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Disclaimer

Except as required by law, and only then to the extent so required, neither the Company nor any other person warrants the future performance of the Company or any return on any investment made under this Prospectus. An investment in New Shares offered by this Prospectus should be considered speculative.

The Company has prepared this document based on information available to it at the time of preparation.

Forward-looking statements

This Prospectus contains forward-looking statements that have been based on current expectations about future acts, events and circumstances. These statements may be in respect of the financial condition, results of operations, projects and business of Carpentaria. Such statements involve known and unknown risks, uncertainties, assumptions and other factors which are subject to change without notice, as many of these are outside the control of the Company and that could cause those acts, events and circumstances to differ materially from the expectations described in such forward-looking statements. Carpentaria gives no assurance that the anticipated results, performance or achievements expressed or implied in those forward-looking statements will be achieved and this Prospectus details some important factors and risks that could cause the Company's actual results to differ from the forward-looking statements in this Prospectus (details of which are outlined in section 4 of this Prospectus).

The pro-forma financial information provided in this Prospectus is for illustrative purposes only and is not represented as being indicative of the Company's view on its future financial condition and/or performance.

Restrictions

This Prospectus does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States or to, or for the account or benefit of, any 'US person' (as defined in Regulation S under the US Securities Act of 1933, as amended (**US Person**)). Shares may not be offered or sold in the United States or to, or for the account or benefit of, any US Person absent registration or an exemption from registration. This Prospectus has been prepared for publication only in Australia and New Zealand and may not be released elsewhere.

Definitions

Capitalised terms have the meaning given to them in section 7.

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MESSAGE FROM THE EXECUTIVE CHAIRMAN

6 July 2021

Dear Shareholder,

On behalf of your Directors, I am pleased to invite you to participate in this Rights Issue providing you with the opportunity to subscribe for one (1) New Share for every 2.6 Shares held on the register at 7pm (Brisbane time) on Friday, 9 July 2021 (**Record Date**) at an issue price of 15 cents (\$0.15) per New Share.

The Issue Price represents a discount of approximately 30.23% to the last closing price and a discount of approximately 22.08% to the theoretical ex-rights price (**TERP**)¹.

The Rights Issue is an offer to raise approximately \$27.4 million, which together with the Placement and Conditional Placement will raise approximately \$35.6 million. The Rights Issue, Placement and Conditional Placement are fully underwritten by Shaw and Partners Limited ACN 003 221 583 (**Underwriter**).

This Prospectus contains details about the Rights Issue, including information about how to participate, and relevant risk factors.

Rights Issue

This Prospectus relates to the Rights Issue, which offers Eligible Shareholders the opportunity to subscribe for one (1) New Share for every 2.6 Shares.

Use of Funds

The net proceeds of the Rights Issue, Placement and Conditional Placement (together with the Company's existing cash) will be used to fund the Bankable Feasibility Study, including drilling, pilot plant run and engineering and design, additional working capital to bolster the executive team and for payment of the costs of the Rights Issue - see section 1.15 for further information.

Actions required to take up your Entitlement

The Rights Issue closes at **5pm (Brisbane time) on Friday, 23 July 2021**. To participate, you need to ensure that either your completed Entitlement and Acceptance Form and Application Money or your Application Money submitted by BPAY[®] are received by the Company's Share Registry before this time in accordance with the instructions set out on the form and in section 3 of this Prospectus.

Entitlements are non-renounceable and will not be tradeable. Shareholders who do not take up their Entitlements in full will not receive any value in respect of the Entitlements they do not take up, and their percentage shareholding in the Company will be reduced following the issue of New Shares.

A total of approximately 183 million New Shares will be issued pursuant to the Rights Issue with any New Shares not subscribed for under the pro rata Rights Issue offer forming the Shortfall to be issued to the Underwriter. An additional total of approximately 54.33 million New Shares will be issued pursuant to the Placement and Conditional Placement. The New Shares will rank equally with the Company's existing Shares on issue.

It is important that you carefully read this Prospectus and the other publicly available information about the Company on our website (<https://carpentariares.com.au>) and consider in particular the risk factors set out in section 4 before making any investment decision.

With this Prospectus you will also find your Entitlement and Acceptance Form which details your Entitlement and provides instructions on how to participate in the Rights Issue.

¹ TERP is the theoretical price at which Shares should trade immediately after the ex-date for the Offer assuming 100% take-up of the Offer. The theoretical ex-rights price is a theoretical calculation only and the actual price at which Shares trade immediately after the ex-date for the Offer will depend on many factors and may not be equal to the theoretical ex-rights price. TERP is calculated by reference to the closing price of Carpentaria's shares on ASX of \$0.215 on 1 July 2021.

On behalf of the Directors, I invite you to consider this opportunity and thank you for your continued support.

Yours sincerely

A handwritten signature in black ink, appearing to read "bryan granzien".

Mr Bryan Granzien
Executive Chairman

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KEY FEATURES OF THE RIGHTS ISSUE

Summary of Rights Issue

Issue Price	15 cents (\$0.15) per New Share.
Discount	30.23% to Carpentaria's closing price of \$0.215 on 1 July 2021. 22.08% to the theoretical ex-rights price (TERP).
Entitlement	One (1) New Share for every 2.6 Shares held on the Record Date (7:00pm (Brisbane time) on Friday, 9 July 2021).
Amount to be raised under the Rights Issue	Approximately \$27.4 million
Approximate New Shares available under the Rights Issue	182,977,000 New Shares

Important Dates (all times are Brisbane local time)

Lodgement of Prospectus with ASIC and ASX	Tuesday, 6 July 2021
Record Date to determine Entitlements	7:00pm on Friday, 9 July 2021
Rights Issue opens	Tuesday, 13 July 2021
Dispatch of Prospectus and Entitlement and Acceptance Forms	Tuesday, 13 July 2021
Closing Date of Rights Issue (Last date for lodgement of Entitlement & Acceptance Forms and payment of Application Money)	5:00pm on Friday 23 July 2021
Rights Issue shortfall notified	Monday, 26 July 2021
Shortfall settled	Thursday, 29 July 2021
Normal trading of New Shares expected to commence on ASX	Thursday, 29 July 2021
Transaction confirmation statements for New Shares expected to be dispatched	Thursday, 29 July 2021
Expected general meeting of the Company	Tuesday, 10 August 2021

Eligible Shareholders that wish to participate in the Rights Issue are encouraged to subscribe for New Shares as soon as possible after the Rights Issue opens. The Company, in consultation with the Underwriter, reserves the right, subject to the Corporations Act, the Listing Rules and other applicable laws, to vary the dates of the Rights Issue (including extending the Rights Issue or accepting late applications) without notice.

FREQUENTLY ASKED QUESTIONS (FAQS)

What is the Rights Issue?	The Rights Issue is a pro-rata non-renounceable entitlement to Eligible Shareholders to apply to purchase one (1) New Share for every 2.6 existing Shares held as at the Record Date.	Section 1.1.
What is the Placement and Conditional Placement?	Immediately prior to the Rights Issue, the Company has agreed to a Placement of New Shares to raise approximately an additional \$2.0 million and to a Conditional Placement, which (if approved by shareholders) will raise approximately an additional \$6.15 million. The issue price under the Placement and the Conditional Placement is the same price of 15 cents (\$0.15) per New Share as under the Rights Issue.	Section 1.1.
What is my Entitlement?	Each Eligible Shareholder is entitled to subscribe for one (1) New Share for every 2.6 existing Shares held at the Record Date.	Section 1.1.
What is the Issue Price?	15 cents (\$0.15) per New Share.	Sections 1.1 and 1.2.
Am I an Eligible Shareholder?	Eligible Shareholders are those holders of Shares who: <ul style="list-style-type: none"> • are registered as a holder of Shares on the Record Date; • have a registered address in Australia or New Zealand; • are not in the United States, are not a US Person and are not acting for the account or benefit of a person in the United States or a US Person; • are eligible under all applicable securities laws to receive an offer under the Rights Issue without any requirement for a prospectus or offer document to be lodged or registered in any jurisdiction other than Australia. 	Section 1.3.
What happens if I am a Shareholder on the Record Date but not an Eligible Shareholder?	You will not be entitled to subscribe for New Shares under the Rights Issue. Ineligible Shareholders will have their percentage holding in the Company (held at the Record Date) diluted as a result of the Rights Issue.	Section 1.3.
How much will be raised from the Rights Issue, Placement and Conditional Placement?	The Rights Issue will raise approximately \$27.45 million (before costs). The Placement will raise approximately an additional \$2.0 million and (if approved by shareholders) the Conditional Placement will raise approximately an additional \$6.15 million, for a total additional capital raising of approximately \$35.6 million (before costs). Even if not fully subscribed, the Rights Issue, Placement and Conditional Placement are each fully underwritten so the Company is confident the full amount will be raised under the Rights Issue.	Section 1.1.

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<p>What is the purpose of the Rights Issue, Placement and Conditional Placement and how will the funds raised be used?</p>	<p>The funds raised under the Rights Issue, Placement and Conditional Placement (net of expenses), together with the Company's existing cash and funds received from the Rights Issue, will be used to fund the Bankable Feasibility Study, including drilling, pilot plant run and engineering and design and for payment of the costs of the Rights Issue.</p>	<p>Section 1.15, 2.5 and 5.22.</p>
<p>Is the Rights Issue, Placement and Conditional Placement underwritten?</p>	<p>Yes, the Rights Issue, Placement and Conditional Placement are fully underwritten to approximately \$35.6 million by the Lead Manager and Underwriter, Shaw and Partners ACN 003 221 583.</p> <p>The Lead Manager and Underwriter's fee arrangements are further detailed at sections 1.13, 1.14, 2.4(b), 5.4 and 5.22.</p>	<p>Sections 1.13, 1.14, 2.4(b), 5.4 and 5.22.</p>
<p>What are the tax implications of participating in the Rights Issue?</p>	<p>Taxation implications will vary depending upon the specific circumstances of individual Shareholders. Investors should obtain their own professional advice as to the particular tax treatment that will apply to them.</p>	<p>Section 5.15.</p>
<p>Are there any risks?</p>	<p>There are risks associated with an investment in the Company. These include risks relating to the Company's business, risks relating to the Rights Issue and risks associated with financial investments generally. These risks are set out in more detail in section 4 of this Prospectus.</p> <p>In particular, key risks associated with an investment in the Company include:</p> <ul style="list-style-type: none"> • Feasibility Studies, Construction and Commissioning Risk; • Additional Requirements for Capital; • Access to Infrastructure; • Resource and Reserve Estimates; • Failure to Enter into Sales or Offtake Agreements; • Limited Operating History; • Exploration Costs; • Liquidity Risk; • Personnel; • Operating Risks; • Commercial Risk; • Commodity Price Volatility and Exchange Rate Risks; • Insurance Risks; • Environmental Risks; • General Economic Conditions; • Share Market Conditions; • Volatility in Global Credit and Investment Markets; • Government and Legal Risk; and • Unforeseen Expenditure Risk. 	<p>Sections 4 and 5.19.</p>

<p>What effect will the issue of the New Shares have on the Company?</p>	<p>The potential effect that the issue of New Shares will have on the capital structure and financial position of the Company are set out in sections 2.2, 2.3 and 2.5.</p> <p>The Rights Issue will increase the current number of Shares on issue. If you do not take up your Entitlement, your shareholding will be diluted.</p>	<p>Sections 2.2, 2.3 and 2.5.</p>
<p>What effect will the issue of the New Shares have on the control of the Company?</p>	<p>It is not expected that the issue of the New Shares will have any material consequences on the control of the Company.</p> <p>Other potential effects that the issue of New Shares will have on the control of the Company, and the consequences of that effect, depends on a number of factors, including investor demand. See section 2.4 for more details.</p>	<p>Section 2.4.</p>
<p>What interests do the Directors, Related Parties and any other persons have in the Rights Issue?</p>	<p>Paul Cholakos is the only Director who currently holds shares in the Company. As the Rights Issue is being made on the same basis to all shareholders of the Company, Paul Cholakos will be entitled to participate to the extent of his Entitlement. He has indicated that he will participate in his Entitlements under the Rights Issue. Paul Cholakos will accept approximately 783,900 Shares, which represents an investment of approximately \$117,585.</p> <p>Details of the interests of Paul Cholakos and potential implications are set out in section 5.6.</p> <p>There are no other related party interests or transactions with related parties to disclose.</p>	<p>Sections 5.6, 5.8 and 5.9.</p>
<p>Where can I find more information about the Company?</p>	<p>For more information on the Company please see the Company's website (https://carpentariares.com.au) and the Company's ASX announcements (also available on the Company's website and the ASX's website (www.asx.com.au)).</p>	<p>Section 1.2.</p>

1 Details of the Rights Issue

1.1 Overview of the Rights Issue, Placement and Conditional Placement

Immediately prior to the Rights Issue, Carpentaria has agreed to a Placement of New Shares to raise approximately an additional \$2.0 million and to a Conditional Placement, which (if approved by shareholders) will raise approximately an additional \$6.15 million, each at an issue price of 15 cents (\$0.15) per New Share.

Carpentaria proposes to raise approximately \$27.45 million under the Rights Issue through the issue of approximately 183 million New Shares, which, together with the proceeds from the Placement and the Conditional Placement, will result in a total raising of approximately \$35.6 million.

Under the Rights Issue, Carpentaria is offering Eligible Shareholders the opportunity to subscribe for one (1) New Share for every 2.6 existing Shares held at the Record Date, at the Issue Price of 15 cents (\$0.15) per New Share.

Where fractions arise in the calculation of an Entitlement, they will be rounded up to the next whole number of New Share.

1.2 The Rights Issue

Eligible Shareholders are invited to participate in a pro-rata non-renounceable Rights Issue. The Rights Issue will be conducted on the basis of one (1) New Share for every 2.6 Shares held on the Record Date, at an Issue Price of 15 cents (\$0.15) per New Share, which is payable in full on application.

The Issue Price represents:

- a discount of approximately 22.08% to the TERP; and
- a discount of approximately 30.23% to Carpentaria's closing price on 1 July 2021.

You should also consider publicly available information about Carpentaria available at www.asx.com.au and <https://carpentariares.com.au>

1.3 Eligible Shareholders

This Prospectus contains an offer of New Shares to Eligible Shareholders. Eligible Shareholders are those holders of Shares who:

- (a) are registered as a holder of Shares on the Register on the Record Date;
- (b) have a registered address in Australia or New Zealand;
- (c) are not in the United States, are not a US Person and are not acting for the account or benefit of a person in the United States or a US Person; and
- (d) are eligible under all applicable foreign securities laws to receive an offer under the Rights Issue without any requirement for a prospectus or offer document to be lodged or registered in any jurisdiction other than Australia.

Shareholders that are not Eligible Shareholders are Ineligible Shareholders.

As at the Record Date, the Company had no other securities on issue other than the 475,740,645 Shares, and 12,600,000 options. The Company has agreed to issue an additional 13,333,333 New Shares under the Placement, and those New Shares are expected to be issued after the Record Date and are not eligible to participate in the Rights Issue. The Company has agreed to issue an additional 41,000,000 New Shares under the Conditional Placement (assuming the Conditional Placement is approved by Shareholders) which, if approved, will also be issued after the Record Date and will not be eligible to participate in the Rights Issue.

1.4 **Ranking of New Shares**

New Shares issued under the Rights Issue will rank equally with existing Shares. For further details of the rights attaching to the New Shares, please refer to section 5.3.

1.5 **Withdrawal of Rights Issue**

The Board reserves the right to withdraw all or part of the Rights Issue at any time before the issue of New Shares, in which case the Company will refund Application Money without payment of interest.

1.6 **No cooling off rights**

Cooling off rights do not apply to an investment in New Shares. You cannot withdraw your application or payment once it has been accepted, except as allowed by law.

1.7 **Renunciation and trading**

Entitlements are non-renounceable and will not be tradeable on ASX or otherwise transferable. Shareholders who do not take up their Entitlements in full will not receive any value in respect of the Entitlements they do not take up, and their percentage shareholding in the Company will be reduced following the issue of New Shares.

1.8 **Discretion to deal with shortfall**

To the extent there is any shortfall in subscriptions for New Shares under the Rights Issue, the Directors reserve the right to allocate top up Shares or place any shortfall at their discretion (subject to the terms of the Underwriting Agreement) within three months of the close of the Rights Issue, provided that such Shares will be issued at a price not less than the price of the New Shares.

1.9 **Minimum subscription**

There is no minimum subscription for the Rights Issue.

1.10 **Rounding of Entitlements**

Where fractions arise in the calculation of Entitlements, they will be rounded up to the nearest whole number of New Shares.

1.11 **Opening and Closing Date for applications**

The Rights Issue opens for acceptances on Tuesday, 13 July 2021 and all Entitlement and Acceptance Forms and payments of Application Money must be received by no later than 5pm (Brisbane time) on Friday, 23 July 2021, subject to the Directors being able to vary the Closing Date in accordance with the Listing Rules. The Directors reserve the right in their absolute discretion to accept late applications or payments.

1.12 **Allotment of New Shares and ASX quotation**

It is expected that allotment of the New Shares will take place as soon as practicable after the Closing Date. It is expected that the New Shares issued under the Rights Issue will be allotted no later than Monday, 26 July 2021. However, if the Closing Date is extended, the date for allotment may also be extended.

No allotment of New Shares will be made until permission is granted for their quotation by ASX.

Application for official quotation by ASX of the New Shares will be made as soon as possible and in any event within 7 days after the date of this Prospectus.

If approval is not obtained from ASX before the expiration of 3 months after the date of issue of this Prospectus, or such period as varied by ASIC, the Company will not issue any New Shares and will repay all Application Money for the New Shares within the time prescribed by under the Corporations Act, without interest.

The anticipated date of commencement of official quotation of the New Shares issued in accordance with the Prospectus is Thursday, 29 July 2021, subject to ASX's discretion and compliance with the Listing Rules.

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 now offered for subscription.

1.13 Lead Manager and Underwriter

Shaw and Partners Limited ACN 003 221 583 (**Shaw and Partners**) has been appointed as Lead Manager and Underwriter to the Rights Issue on usual commercial terms. In addition to certain cash underwriting and management fees payable as set out in section 5.4, the Underwriter, (following completion of the Rights Issue) may acquire up to 27.227% of Shares of the Company if no other Shareholder takes up their Entitlement (on an undiluted basis). For further details of the Underwriter's interest in the Company and the effect on control of the Company upon completion of the Rights Issue, please refer to Section 2.4. Shaw and Partners have also underwritten the Placement and the Conditional Placement.

1.14 Underwriting

The Rights Issue, Placement and Conditional Placement are each fully underwritten by Shaw and Partners, for the entire aggregate amount of approximately \$35.6 million.

The Underwriting Agreement is in a standard form for transactions of this size and type and contains customary covenants, indemnities, representations and warranties by the Company and terminating events which if they occur, will relieve the Underwriter of its underwriting obligations.

Further details and a summary of the key terms of the Underwriting Agreement are set out in Section 5.4.

1.15 Purpose of Rights Issue and intended use of funds

The Rights Issue is proposed to raise \$27.45 million and is fully underwritten. The table below details the proposed allocation of funds (including the amounts raised under the Placement and Conditional Placement).

Combined with the Company's existing cash reserves, the funds raised, net of expenses, will be used as follows:

Funds Available	(\$)
Existing Cash Reserves ¹	\$2,496,661
Proceeds of the Placement	\$2,000,000
Proceeds of the Conditional Placement ²	\$6,150,000
Proceeds of the Rights Issue	\$27,446,576
Total	\$38,093,237
Allocation of funds	(\$)
Working Capital	\$2,496,661
Costs of the Offer ³	\$1,900,000
Build and Maintain Owner's Team and Company Capability	\$2,200,000
Community and Landholder Engagement	\$200,000
Approval Submissions	\$4,775,000

Resource Upgrade - BFS Testwork, Drilling and Pilot Plant	\$11,740,000
Engineering and Design	\$8,800,000
Infrastructure and Consulting Contracts	\$2,940,000
Project Finance – Banking Due Diligence	\$1,000,000
CPI Adjustment – 3%	\$950,000
Contingency Allowance	\$1,091,576
Total	\$38,093,237

Notes

¹ This amount is the total cash at the end of the quarter ended 31 May 2021 as recorded in the Company's pro forma accounts.

² This assumes that the Conditional Placement is approved by Shareholders.

³ For further details of the Rights Issue costs refer to Section 5.22..

This is a statement of present intention only. In the event that circumstances change, business opportunities vary from expected or other beneficial opportunities arise, the Directors reserve the right to vary the proposed use of funds.

There is no minimum subscription under the Rights Issue and it is fully underwritten. On completion of the Rights Issue, the Directors believe the Company will have sufficient working capital to achieve its objectives.

1.16 **CHES**

The Company participates in the Clearing House Electronic Subregister System (**CHES**). ASX Settlement, a wholly owned subsidiary of ASX, operates CHES in accordance with the ASX Listing Rules and ASX settlement operating rules.

Under CHES, applicants will not receive a certificate but will receive a statement of their holding of New Shares. If your shareholding is held on a broker sponsored sub-register, ASX Settlement will send you a CHES statement.

The CHES statement will set out the number of New Shares issued to you under this Prospectus and provide details of your holder identification number and the participant identification number of the sponsor.

If your shareholding is held on the CHES company-sponsored sub-register, your statement will be despatched by the Share Registry and will contain the number of New Shares issued to you under this Prospectus and your security holder reference number.

A CHES statement or Company statement will routinely be sent to Shareholders at the end of any calendar month during which the balance of their shareholding changes. Shareholders may request a statement at any other time. However, a charge may be incurred for additional statements.

2 Effect of the Rights Issue on the Company

2.1 Purpose of the Rights Issue

The intended use of funds raised under the Rights Issue is detailed in section 1.155.

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2.2 Effect of the Rights Issue

The principal effect of the Rights Issue will be to:

- (a) increase cash reserves by \$27,446,575.65 immediately after completion of the Rights Issue, before deducting the estimated expenses of the Rights Issue; and
- (b) increase the total number of Shares on issue from 475,740,645 as at the date of this Prospectus by an additional 182,977,171 Shares.

2.3 Effect on the Company's capital structure

(a) Share capital

The principal effect of the Rights Issue on Carpentaria's capital structure will be to increase the total number of issued Shares. The capital structure of Carpentaria following the issue of the New Shares under the Rights Issue will be as follows:

Event	Approximate number of Shares issued	Resulting in approximate total number of Shares in the Company
Shares on issue as at 1 July 2021	475,740,645	
Shares agreed to be issued under the Placement	13,333,333	489,073,978
New Shares to be issued under the Rights Issue	182,977,171	672,051,149*
Shares agreed to be issued under the Conditional Placement (subject to approval of Shareholders)	41,000,000	713,051,149

These numbers are approximate and may vary slightly based upon a variety of factors. The final number of Shares in the Company is subject to reconciliation after Rights Issue. The number of shares issued under the Rights Issue is approximate and is subject to directors' discretions and the underwriting agreement.

* Includes the Placement, assuming that it is completed after the Record Date.

2.4 Effect on control and dilutionary impact of the Rights Issue

(a) General

It is not expected that the Rights Issue will have any material consequences on the control of the Company as at the date of this document.

The potential effect that the issue of New Shares under the Rights Issue will have on the control of the Company, and the consequences of that effect, will depend on a number of factors, including investor demand.

The level of control of all Eligible Shareholders that do not subscribe for their full Entitlement will decrease and their percentage interests in the issued Share capital of the Company will be diluted.

(b) Underwriter and sub-underwriter

The Rights Issue is fully underwritten by the Underwriter. The Underwriter is not presently a shareholder of the Company and is not a related party of the Company for the purposes of the Corporations Act. Due to the Underwriter's sub-underwriting arrangements and disbursement

strategy, the Underwriter's underwriting commitment is not expected to have any effect on the control of the Company, however, the extent to which New Shares are issued to the Underwriter pursuant to the Underwriting Agreement will increase the Underwriter's voting power in the Company.

Following completion of the Rights Issue, the Underwriter may acquire up to 27.227% of Shares of the Company if no other Shareholder takes up their Entitlement (on an undiluted basis). In the event of a shortfall under the Rights Issue, the Company and the Underwriter will employ a dispersion strategy so it is expected that the Underwriter's interest will actually be a lower proportion upon completion of the Rights Issue.

Issues of Shares	Total Company Shares	Assumptions	Shares potentially acquired by Underwriter	Underwriter's % of total Shares
Current Shares	475,740,645	Nil	0	0
182,977,141 Rights Issue Shares	672,051,149	If 50% Entitlements are accepted by Shareholders	91,488,586	13.61%
		If 30% Entitlements are accepted by Shareholders	128,084,020	19.06%
		If 15% Entitlements are accepted by Shareholders	155,530,595	23.14%
		If no Shareholders accept any Entitlements	182,977,171	27.23%

Further information regarding the underwriting arrangements is set out in section 5.4.

(c) **Major shareholders/Directors' interests**

Based on publicly available information, the largest Shareholders in the Company as at the date of this Prospectus are set out below:

Name	Number of Existing Shares Held	% of Existing Shares
Regal Funds Management Pty Ltd	22,114,583	4.648%
Silvergate Capital Pty Ltd	20,944,506	4.4%

Paul Cholakos has indicated that he intends to take up his Entitlement to approximately 783,900 New Shares, representing an investment of approximately \$117,500 in the Company, but that he does not intend to take up the balance of his Entitlements or to participate in any Shortfall.

The following table sets out the effect on the control of the Company if Mr Cholakos subscribes approximately \$117,500 towards Entitlements, and the effect on control that will occur based on the lapse of the Entitlements of the other three largest Shareholders who have indicated they do not intend to accept their Entitlements:

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Name	Voting Power as at July 2021	Voting Power after the Rights Issue
Mr Paul Cholakos	0.43%	0.42% ²
Mr Bryan Gordon Granzien	0%	0% ¹
Mr Jon Brereton Parker	0%	0% ¹

1 Assumes no participation in Rights Issues or Shortfall.

2 Assumes acceptance of 783,900 New Shares and does not accept the balance of his Entitlements or participate in any Shortfall.

2.5 Effect on the Company's financial position

This section provides relevant financial information for Shareholders to consider when assessing whether to participate in the Rights Issue, including details of the potential impact of the Rights Issue on the Company's financial position.

The pro-forma financial information should be read in conjunction with the limitations set out in the 'Important Information' section of this Prospectus.

Pro-forma Statement of Financial Position

The pro-forma statement of financial position comprises the audited Statement of Financial Position for the Company as at 31 December 2020, adjusted for the net proceeds of the Rights Issue.

The pro-forma Statement of Financial Position has been prepared on the basis of accounting policies normally adopted by the Company. The 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.

The pro-forma Statement of Financial Position illustrates the effect of the abovementioned pro forma adjustments and in particular the effect of the Rights Issue on the assets and liabilities of the Company as if it had been successfully completed as at 23 July 2021. It is not intended to represent the actual financial position of the Company upon completion of the Rights Issue and is provided only as an illustration of the effect of the Rights Issue and the other pro-forma adjustments. The actual impact on the Company is dependent on a range of factors, many of which are outside the control of the Company.

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Balance Sheet
Carpentaria Resources Limited
As at 31 December 2020
CAP and HIP JV Combined

	31 Dec 2020	31/05/2021		Conditional	Entitlement	
	Combined	Combined	Placement	Placement	Offer	Proforma
	Reviewed	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
Assets						
Bank						
WBC Bank Account	\$ 999,870	\$ 2,535,194	\$ 1,865,000	\$ 5,785,000	\$ 26,046,576	\$ 36,231,770
Total Bank	\$ 999,870	\$ 2,535,194	\$ 1,865,000	\$ 5,785,000	\$ 26,046,576	\$ 36,231,770
Current Assets						
Accounts Receivable	\$ 21,360	\$ 21,360				\$ 21,360
Prepayments	\$ 31,358	\$ 19,090				\$ 19,090
Total Current Assets	\$ 52,718	\$ 40,450	\$ 0	\$ 0	\$ 0	\$ 40,450
Fixed Assets						
Computer Equip- Accum Depn	-\$ 121,127	-\$ 112,102				-\$ 112,102
Computer Equipment @ Cost	\$ 122,915	\$ 118,532				\$ 118,532
Motor Vehicles @ Cost	\$ 59,699	\$ 0				\$ 0
Motor Vehicles- Accum Depn	-\$ 59,699	\$ 0				\$ 0
Office Equip - Accum Depn	-\$ 26,258	-\$ 26,258				-\$ 26,258
Office Equipment @ Cost	\$ 27,567	\$ 23,067				\$ 23,067
Total Fixed Assets	\$ 3,097	\$ 3,240	\$ 0	\$ 0	\$ 0	\$ 3,240
Non-current Assets						
Advene - EL 8095	\$ 1,017,266	\$ 1,017,266				\$ 1,017,266
Barellan - EL 7896	\$ 225,733	\$ 225,733				\$ 225,733
Bonds/Deposits	\$ 34,304	\$ 34,304				\$ 34,304
Burta - EL7208	\$ 2,421,874	\$ 2,421,874				\$ 2,421,874
Combaning - EL 6901	\$ 1,124,411	\$ 1,124,411				\$ 1,124,411
HIP JV Cash Calls	\$ 6,132,244	\$ 6,177,244				\$ 6,177,244
HIP JV DFS	\$ 157,832	\$ 157,832				\$ 157,832
HIP Management Fee Offset	-\$ 307,759	-\$ 307,759				-\$ 307,759
HIP Marketing BD	-\$ 794,005	-\$ 794,005				-\$ 794,005
HIP R&D Offsets	-\$ 1,957,993	-\$ 1,957,993				-\$ 1,957,993
HIP Reimbursements	-\$ 3,073,249	-\$ 3,073,249				-\$ 3,073,249
Impairment Non-HIP Projects	-\$ 2,421,639	-\$ 2,421,639				-\$ 2,421,639
Impairment Wilyama Loan	-\$ 800,641	-\$ 800,641				-\$ 800,641
Little Peak - EL 7504	\$ 183,763	\$ 183,763				\$ 183,763
Loan - Wilyama Prospecting	\$ 800,641	\$ 800,641				\$ 800,641
Redan JV - EL 6979	\$ 1,758,609	\$ 1,758,609				\$ 1,758,609
South Dam-SA - EL 4395	\$ 54,229	\$ 54,229				\$ 54,229
Total Non-current Assets	\$ 4,555,619	\$ 4,600,619	\$ 0	\$ 0	\$ 0	\$ 4,600,619
Total Assets	\$ 5,611,304	\$ 7,179,504	\$ 1,865,000	\$ 5,785,000	\$ 26,046,576	\$ 40,876,080
Liabilities						
Current Liabilities						
Accounts Payable	\$ 37,917	\$ 53,748				\$ 53,748
GST	-\$ 33,513	-\$ 26,868				-\$ 26,868
Other Accruals	\$ 20,000	\$ 20,000				\$ 20,000
PAYG Owing	\$ 7,005	\$ 14,698				\$ 14,698
Provision-Hol.Pay/LSL	\$ 84,892	\$ 3,299				\$ 3,299
Rounding	\$ 1	\$ 1				\$ 1
Superannuation Payable	\$ 0	\$ 1,979				\$ 1,979
Total Current Liabilities	\$ 116,302	\$ 66,856	\$ 0	\$ 0	\$ 0	\$ 66,856
Non-Current Liabilities						
Other payable - ResCon	\$ 633,509	\$ 633,509				\$ 633,509
Total Non-Current Liabilities	\$ 633,509	\$ 633,509	\$ 0	\$ 0	\$ 0	\$ 633,509
Total Liabilities	\$ 749,811	\$ 700,365	\$ 0	\$ 0	\$ 0	\$ 700,365
Net Assets	\$ 4,861,494	\$ 6,479,138	\$ 1,865,000	\$ 5,785,000	\$ 26,046,576	\$ 40,175,714
Equity						
Costs Related to Cap Raising	-\$ 1,069,111	-\$ 1,177,724	-\$ 135,000	-\$ 365,000	-\$ 1,400,000	-\$ 3,077,724
Current Year Earnings	-\$ 307,820	-\$ 1,128,230				-\$ 1,128,230
Issued Capital	\$ 30,284,588	\$ 32,786,255	\$ 2,000,000	\$ 6,150,000	\$ 27,446,576	\$ 68,382,831
Retained Earnings	-\$ 38,985,230	-\$ 38,985,230				-\$ 38,985,230
Share Based Payments Reserve	\$ 2,410,774	\$ 2,410,774				\$ 2,410,774
Cash Calls	\$ 12,528,294	\$ 12,573,294				\$ 12,573,294
Total Equity	\$ 4,861,494	\$ 6,479,138	\$ 1,865,000	\$ 5,785,000	\$ 26,046,576	\$ 40,175,714
* \$2,000,000 = 13,333,333 * .15c						
** \$6,150,000 = 41,000,000 * .15c						
*** \$27,446,550 = 182,977,000 * .15c						
Note: Excludes June 2021 Transactions, EOFY adjustments and EOFY BS/PL Reconciliation entries						

3 How to participate

3.1 What you may do — choices available

Before taking any action you should carefully read this Prospectus and the other publicly available information about the Company on our website (<https://carpentariares.com.au>) and consider the risk factors set out in section 4.

The number of New Shares to which Eligible Shareholders are entitled is shown on the Entitlement and Acceptance Form. If you are an Eligible Shareholder you may:

Alternatives	See section
<ul style="list-style-type: none"> • Take up your Entitlement in full or in part 	3.2
<ul style="list-style-type: none"> • Allow your Entitlement to lapse 	3.6

3.2 If you wish to accept your Entitlement in full or in part

Either:

Payment by cheque or bank draft

If you are paying for your New Shares by cheque, bank cheque or bank draft, complete and return the Entitlement and Acceptance form with your payment. The Share Registry must receive your completed Entitlement and Acceptance Form together with full payment for the number of New Shares for which you are applying by no later than **5pm (Brisbane time) on Friday, 23 July 2021**.

Your cheque, bank cheque or bank draft must be paid in Australian currency and be drawn on an Australian branch of an Australian financial institution. Your payment must be for the full amount required to pay for the New Shares applied for. Payments in cash will not be accepted.

Cheques must be made payable to 'Carpentaria Resources Limited' and crossed 'Not Negotiable'.

You must ensure that your cheque account has sufficient funds to cover your payment, as your cheque will be presented for payment on receipt. If your bank dishonours your cheque your application will be rejected. We will not re-present any dishonoured cheques.

Or:

Pay by BPAY®

If you are paying for your New Shares by BPAY®, please refer to your personalised instructions on your Entitlement and Acceptance Form. Please note that should you choose to pay by BPAY®:

- you do not need to complete or return the Entitlement and Acceptance Form but are taken to have made the declarations on that personalised Entitlement and Acceptance Form;
- amounts received by the Company in excess of the Issue Price multiplied by your Entitlement (**Excess Amount**) will be refunded by the Company;
- if you do not pay for your full Entitlement, you are deemed to have taken up your Entitlement in respect of such whole number of New Shares as is covered in full by your Application Money.

When completing your BPAY[®] payment, please make sure to use the specific Biller Code and unique reference number provided on your personalised Entitlement and Acceptance Form. If you receive more than one personalised Entitlement and Acceptance Form (i.e. where you have multiple holdings), please only use the reference number specific to the Entitlement on that form. If you inadvertently use the same reference number for more than one of your Entitlements, you will be deemed to have applied only for New Shares on the Entitlement to which the reference number applies.

You should be aware that your own financial institution may implement earlier cut-off times with regard to electronic payment, and you should therefore take this into consideration when making payment. It is your responsibility to ensure that funds submitted through BPAY[®] are received by **5pm (Brisbane time) on Friday, 23 July 2021**.

Excess Application Money that is not sufficient to subscribe for a number of New Shares multiplied by the Issue Price will be refunded to you except where that amount is less than \$2.00, in which case it will be retained by the Company. The method by which you receive the refund will be at the discretion of the Company. No interest will be paid to Eligible Shareholders on any Application Money received or refunded.

3.3 Acceptance of the Rights Issue

By completing, and the Company receiving, your personalised Entitlement and Acceptance Form with the requisite Application Money or making a payment by BPAY[®], you:

- (a) agree to be bound by the terms of this Prospectus and the provisions of the Company's constitution;
- (b) authorise the Company to register you as the holder(s) of the New Shares allotted to you;
- (c) declare that all details and statements made in the Entitlement and Acceptance Form are complete and accurate;
- (d) declare that you are over 18 years of age and have full legal capacity and power to perform all your rights and obligations under the Rights Issue;
- (e) acknowledge that once the Company receives the Entitlement and Acceptance Form or your payment by BPAY[®], you may not withdraw it except as allowed by law;
- (f) agree to apply for, and be issued with up to, the number of New Shares that your payment will pay for at the Issue Price per New Share;
- (g) authorise the Company and its officers or agents to do anything on your behalf necessary for the New Shares to be issued to you, including to act on instructions of the Share Registry upon using the contact details set out in the Entitlement and Acceptance Form;
- (h) declare that you were the registered holder(s) at the Record Date of the Shares indicated on the Entitlement and Acceptance Form as being held by you on the Record Date;
- (i) acknowledge that the information contained in this Prospectus is not investment advice or a recommendation that New Shares are suitable for you, given your investment objectives, financial situation or particular needs, and that the Prospectus is not a prospectus, does not contain all of the information that you may require in order to assess an investment in the Company and is given in the context of the Company's past and ongoing continuous disclosure announcements to ASX;
- (j) acknowledge the statement of risks in section 4, and that investments in the Company are subject to risks;
- (k) represent and warrant that the law of any place (other than Australia and New Zealand) does not prohibit you from being given this Prospectus or making an application for New Shares; and

- (l) represent and warrant that you are an Eligible Shareholder and have read and understood this Prospectus and the Entitlement and Acceptance Form and that you acknowledge the matters, and make the warranties and representations and agreements contained in this Prospectus and the Entitlement and Acceptance Form.

3.4 Acknowledgement of acceptance of Rights Issue

By completing, and the Company receiving, your personalised Entitlement and Acceptance Form with the requisite Application Money or making a payment by BPAY®, you will also be deemed to have acknowledged, represented and warranted on behalf of each person on whose account you are acting that you:

- (a) are not in the United States and are not a US Person (see section 5.13 below), and are not acting for the account or benefit of, a US Person and are not otherwise a person to whom it would be illegal to make an offer or issue New Shares under the Rights Issue;
- (b) acknowledge that the Entitlements and the New Shares have not been, and will not be, registered under the US Securities Act or the securities laws of any state or other jurisdiction in the United States, or in any other jurisdiction outside Australia or New Zealand, and accordingly, the Entitlements may not be taken up, and the New Shares may not be offered, sold or otherwise transferred except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and any other applicable securities laws;
- (c) agree that if in the future you decide to sell or otherwise transfer the New Shares you will only do so in regular transactions on ASX where neither you nor any person acting on your behalf knows, or has reason to know, that the sale has been pre-arranged with, or that the purchaser is, in the United States or a U.S. Person;
- (d) agree to provide (and direct your nominee and custodian to provide) any requested substantiation of your eligibility to participate in the Rights Issue and of your holding of Shares on the Record Date; and
- (e) have not and will not send any materials relating to the Rights Issue to any person in the United States or that is a US Person, or is acting for the account or benefit of a US Person.

3.5 Address details and enquiries

Completed Entitlement and Acceptance Forms (including payment of Application Money) should be forwarded in the enclosed reply-paid envelope to the Company's Share Registry by mail to the following address:

Mailing address

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

If you would like further information you can:

- Contact your stockbroker, accountant or other professional adviser;
- Call the Carpentaria Rights Issue Information Line on 1300 666 437 (within Australia) at any time from 8:30 am to 5:30 pm (Brisbane time) Monday to Friday (excluding public holidays) during the Rights Issue period. If you are outside Australia, call on +61 1300 666 437; or
- Visit the online application microsite link at <https://events.miraqle.com/cap-offer>.

3.6 If you do not wish to accept all or any part of your Entitlement

To the extent you do not accept all or any part of your Entitlement, it will lapse.

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Entitlements are non-renounceable and will not be tradeable on ASX or otherwise transferable. Shareholders who do not take up their Entitlements in full will not receive any value in respect of the Entitlements they do not take up, and their percentage shareholding in the Company will be reduced following the issue of New Shares.

4 Risk factors

4.1 General

An investment in the Company is subject to risk. The existence of risk means that the performance of the Company could be adversely affected.

The Directors have identified what they believe to be the major risks that may affect the Company. While the Company has endeavoured to disclose all material risks, you should be aware that the risks contained in this Section are not exhaustive. This Section should be treated as a general guide only.

Due to the existence of risk, it is recommended that before deciding whether or not to invest you:

- read the Prospectus in its entirety;
- consider the nature, probability and materiality of the risks described in this Section; and
- seek independent advice from an Australian financial services licensee, in light of your particular needs, objectives, financial circumstances and investment preferences.

While the Company may be able to minimise the impact of some risks through various risk management techniques, many of the risks we have identified in this section are beyond our control and as such cannot be eliminated or their impact minimised.

You may personally be able to manage the impact of risk by obtaining independent professional advice tailored to your own investment objectives, financial situation and particular needs. You should:

- consider carefully whether an investment in the New Shares is an appropriate investment for you;
- appreciate that the price of shares listed on ASX can fall as well as rise; and
- regard an investment in the New Shares as a speculative investment.

4.2 Key Risks specific to the Company

Feasibility Studies, Construction and Commissioning Risk

The Bankable Feasibility Study (“BFS”) 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 BFS 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.

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.

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.

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.

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. 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.

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.

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.

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.

Personnel

The Company is reliant on a limited number of key personnel that possess a strong knowledge of the operations and history of Carpentaria. Should any of these key personnel become unavailable, the Company may be adversely impacted.

4.3 Industry Risks

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.

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.

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.

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.

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.

4.4 General Risks

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.

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.

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.

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, including without limitation government policy or amendments addressing mitigating adverse climate change effects.

Unforeseen Expenditure Risk

Expenditure may need to be incurred that has not been considered in this Prospectus. 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.

5 Important information for Shareholders

5.1 Prospectus availability

Eligible Shareholders can obtain a copy of this Prospectus during the Rights Issue period on the Company's website at <https://carpentariares.com.au> or by contacting the Share Registry by phone on 1300 666 437 within Australia (or on +61 1300 666 437 if you are overseas) during the Rights Issue period. If you access the electronic version of this Prospectus, you should ensure that you download and read the entire Prospectus.

The electronic version of this Prospectus on the Company's website will not include a personalised Entitlement and Acceptance Form. You will only be entitled to accept the Rights Issue by completing and returning your personalised Entitlement and Acceptance Form, which accompanies this Prospectus, or by making payment via BPAY[®] using the information provided on your personalised Entitlement and Acceptance Form (refer to section 3 of this Prospectus for further information).

The Corporations Act prohibits any person from passing the Entitlement and Acceptance Form on to another person unless it is attached to a hard copy of this Prospectus or a complete and unaltered electronic version of this Prospectus.

5.2 Continuous disclosure and inspection of documents

The Company is a 'disclosing entity' (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, accordingly, 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 value of the securities in the Company.

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 the Company and the rights attaching to securities. 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 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, and in particular the Investor Presentation, in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made all enquiries 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 12 months before the issue of this Prospectus which required the Company to notify ASX 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 (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of ASIC;
- (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 most recently lodged by the Company with ASIC;
 - (ii) Disclosure documents given by the Company to ASX in accordance with Listing Rules as referred to in section 674(1) of the Corporations Act after the lodgement of the annual financial report referred to in paragraph (i) and before the lodgement of this Prospectus with ASIC. These include the following announcements:

Date lodged	Announcement
28/08/2020	Appendix 4G
02/09/2020	Hawsons JV reset and Board appointment
07/09/2020	Initial Directors' Interests
02/10/2020	AGM notice of meeting
08/10/2020	Change of Registered Office
08/10/2020	Presentation to Investors
08/10/2020	CAP launches Share Purchase Plan to raise up to \$1.19m
08/10/2020	Proposed issue of Securities – CAP
08/10/2020	SPP Booklet
12/10/2020	Cleansing Statement
19/10/2020	Quarterly Reports
22/10/2020	Share Purchase Plan Close

30/10/2020	Appendix 2A
02/11/2020	Chairman's AGM address
02/11/2020	MD's AGM presentation
02/11/2020	Results of AGM
04/11/2020	Change of Director's Interests
05/11/2020	Ceasing to be a substantial holder
10/11/2020	Receipt of shareholder notice
10/11/2020	Change of Director's Interest
23/11/2020	Receipt of Second Shareholder Notice
25/11/2020	Letter from Starlight Investment Company
26/11/2020	Notice of Extraordinary General Meeting
09/12/2020	Members' Statement
10/12/2020	Contract Variations
10/12/2020	Members' Statement
16/12/2020	Director's Statement under s203D(5) Corporations Act
17/12/2020	Corporate Update – Managing Director's Statement
21/12/2020	Director's Statement
24/12/2020	Letter from Mitsui & Co., Ltd
29/12/2020	Resignation of Director
29/12/2020	Appendix 3Z
30/12/2020	Results of Meeting and Appointment of New Chairman
30/12/2020	Appendix 3X
28/01/2021	Quarterly Report
29/01/2021	Management Changes
29/01/2021	Final Director's Notice
04/02/2021	Liquidation of Ample Source International Limited
08/02/2021	Resignation of Director
08/02/2021	Final Directors' Interests
11/02/2021	Executive Chairman Contract
11/02/2021	New Carpentaria Contract
11/02/2021	Initial Director's Interest
15/02/2021	Half-Yearly Accounts
15/03/2021	Hawsons Iron Project Ownership Transaction
19/03/2021	Hawsons Joint Venture
29/03/2021	Company Update
15/04/2021	Trading Halt
19/04/2021	Private Placement

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19/04/2021	Proposed Issue of Securities – CAP
27/04/2021	Response to ASX Price Query
27/04/2021	Placement
27/04/2021	Cleansing Notice
27/04/2021	Appendix 2A
28/04/2021	Quarterly Report
10/05/2021	Pause in Trading
10/05/2021	Trading Halt
12/05/2021	Hawsons Iron Project The Path Forward
18/05/2021	Completion of Hawsons Joint Venture Sale Agreement
18/05/2021	Appendix 2A
20/05/2021	Cleansing Notice
20/05/2021	Becoming a substantial holder
21/05/2021	Substantial Shareholder Notice
24/05/2021	Substantial Shareholder Notice
24/05/2021	Appendix 2A
24/05/2021	Cleansing Notice
24/05/2021	Appendix 3Y
25/05/2021	Completion of Hawsons Sale Agreement
26/05/2021	Substantial Shareholder Notice
27/05/2021	Hawsons Preferred Offtake Update
28/05/2021	Change in substantial holding
31/05/2021	Ceasing to be a substantial holder
01/06/2021	Change in substantial holding
03/06/2021	Company Update
04/06/2021	Correction Company Update
07/06/2021	Change in substantial holding
15/06/2021	Appointment of Chief Financial Officer
22/06/2021	Response to ASX Price Query
23/06/2021	Change in substantial holding
24/06/2021	Change in substantial holding
29/06/2021	Ceasing to be a substantial holder
02/07/2021	Trading Halt
06/07/2021	Appendix 3B
06/07/2021	Underwritten Placement and Entitlement Offer

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5.3 Rights of the New Shares

The following is a summary of the more significant rights attaching to New Shares being offered under 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 address.

(a) Share capital

Subject to the constitution:

- (i) all matters relating to the issue of shares shall be under the control of the Directors who may issue, allot or otherwise dispose of the same to such person or persons on such terms and conditions and with such rights and privileges attached and at such times as the Directors may think fit; and
- (ii) any resolution passed in accordance with the constitution for the alteration of capital, the Directors may issue new shares with or without any special conditions, preferences or priority either as to dividends or capital or both with any other special rights or advantages. In the absence of any special conditions or rights, such new shares when issued shall be held upon the same conditions as if they had been ordinary shares in the original capital, and shall be subject to the provisions of the constitution that relate to ordinary shares in the Company.

(b) Voting rights

Subject to the constitution and to any rights or restrictions attached to any class or classes of Shares, at a general meeting:

- (i) each Shareholder entitled to vote may vote in person or by proxy, representative or attorney;
- (ii) on a show of hands, every Shareholder present has one vote; and
- (iii) on a poll, every Shareholder present has one vote for each share held by the Shareholder entitling the Shareholder to vote, except for partly paid shares, each of which confers on a poll only the fraction of one vote which the amount paid (not credited) bears to the total amounts paid or payable (excluding amounts credited) on the share. An amount paid in advance of a call is disregarded for this purpose.

(c) General meetings

Shareholders are entitled to receive written notice of and attend and vote at general meetings of the Company. Annual general meetings of the Company are held in accordance with the Corporations Act.

(d) Dividend rights

Subject to the Corporations Act, the Company's profits which the Directors determine to distribute by way of dividends are divisible amongst the holders of Shares in proportion to the amounts paid (excluding any amount paid or credited as paid in advance of a call) on the Shares at the date of declaration of the dividend.

(e) Transfer of Shares

Generally, all Shares are freely transferable subject to the procedural requirements of the constitution and to the provisions of the Corporations Act, Listing Rules and ASX Settlement and Transfer Corporation Pty Limited (**ASTC**) Settlement Rules. If, when permitted to do so, the Directors refuse to register a transfer of shares, the Company

must give notice of the refusal and the precise reasons for such action within 5 business days after the date on which the transfer was lodged by the Company.

(f) **Winding-up**

Subject to the rights of holders of Shares issued on special terms and conditions, on a winding up of the Company, the liquidator, with the sanction of a special resolution of the Company, may:

- (i) divide in specie among the contributories of the Company any part of the surplus assets (being those assets of the Company which, upon the winding up of the Company, remain after payment of debts and liabilities of the Company and the costs of winding up); and
- (ii) may vest any part of the surplus assets in trustees on such trusts for the benefit of the contributories or any of them as the liquidator shall think fit.

(g) **Variation of rights**

At present, the Company only has ordinary Shares on issue and has no current plans to create further classes of Shares. The rights and restrictions attaching to a class of the Company's Shares shall not at any time, be varied without:

- (i) the consent in writing of the holders of 75% of the issued shares of that class; or
- (ii) the sanction of a special resolution passed at a separate meeting of holders of the shares of that class.

(h) **Number of Directors**

The constitution provides that the Company may from time to time by resolution at a meeting increase or reduce the number of Directors. Currently, the number of Directors must not be less than 3 or more than 9.

5.4 **Underwriting arrangements**

On 5 July 2021, Carpentaria entered into the Underwriting Agreement under which Shaw and Partners has agreed to manage the Rights Issue (and fully underwrite the Rights Issue of approximately \$35.6 million).

The following is a summary of the principal provisions of the Underwriting Agreement.

(a) **Conditions**

The obligations of the Lead Manager to underwrite the Rights Issue in accordance with the Underwriting Agreement are conditional upon:

- (i) the continued satisfaction (or waiver) by the Lead Manager of the conditions relating to the conditional Lead Manager's obligations under clause 3.1 of the Underwriting Agreement;
- (ii) the Lead Manager receiving a Shortfall notice;
- (iii) the results of the offer being announced to ASX by Carpentaria in accordance with the timing set out in clause 3.2.3 of the Underwriting Agreement;
- (iv) ASX not having indicated to Carpentaria or the Lead Manager that it will not grant permission for the official quotation of the Offer Shares to be issued in respect of the Offer, in accordance with the timing set out in clause 3.2.4 of the Underwriting Agreement;
- (v) the Lead Manager receiving a duly executed Certificate in accordance with the timing set out in clause 3.2.5 of the Underwriting Agreement; and

- (vi) the Lead Manager receiving a new circumstances certificate from each member of the Due Diligence Committee (except the Lead Manager) in the form contemplated in the Due Diligence Planning Memorandum in the form satisfactory to the Lead Manager, in accordance with the timing set out in clause 3.2.6 of the Underwriting Agreement.

(b) **Company's representations, warranties and undertakings**

The Company is required to give a number of representations, warranties and undertakings in the Underwriting Agreement. The particular representations, warranties and undertakings are customary for an agreement of this nature.

(c) **Termination events**

The obligation of the Underwriter to underwrite the Shares is subject to certain standard events of termination. The Underwriter may terminate its obligations under the Underwriting Agreement on a number of events occurring. These termination events are customary for an agreement of this nature.

(d) **Fees, costs and expenses**

The Underwriter will receive, exclusive of GST:

- (i) a selling and management fee of 3% of the gross proceeds payable on completion of the Rights Issue;
- (ii) an underwriting/placement fee of 2% of the gross proceeds of the value of all New Shares issued by Carpentaria and fully underwritten by Shaw and Partners;
- (iii) payment of its legal fees.

Additionally, the Underwriter may also be reimbursed for reasonable costs of, and incidental to, the Rights Issue.

5.5 Lead Manager Mandate

On 25 May 2021, Carpentaria and Shaw and Partners entered into a Mandate in relation to Shaw and Partners' engagement as Lead Manager and Underwriter of the Offer, the terms of which are reflected in the Underwriting Agreement.

5.6 Placement

Immediately prior to the Rights Issue, the Company has agreed to a Placement of New Shares to raise approximately an additional \$2,000,000 and to a Conditional Placement, which (if approved by shareholders) will raise approximately an additional \$6,150,000.

The issue price under the Placement and the Conditional Placement is the same price of 15 cents (\$0.15) per New Share as under the Rights Issue.

Shaw and Partners have agreed to underwrite the Placement and the Conditional Placement on equivalent terms to their underwriting (including in relation to applicable selling and management, and underwriting/placement fees) of the Rights Issue.

5.7 Directors' interests

Other than as set out below or elsewhere in this Prospectus, no Director nor any firm in which such a Director is a partner:

- (a) has or had within 2 years before the lodgement of this Prospectus with ASIC, any interest in:
 - (i) the formation or promotion of the Company; or

- (ii) any property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Rights Issue under this Prospectus; or
- (iii) the Rights Issue under this Prospectus, or
- (b) has been paid or has agreed to be paid or has received or has agreed to receive any benefits:
- (i) to induce them to become or to qualify as a Director; or
- (ii) for services rendered by them in connection with the formation or promotion of the Company or the Rights Issue under this Prospectus.

The relevant interests of each of the Directors in the securities of the Company as at the date of this Prospectus, together with their respective Entitlement, is set out in the table below. The combined interests of the Directors and other holders is also shown on an undiluted basis.

Director	Shares held as at July 2021	% of Company Shares as at July 2021	Entitlements (New Shares) Intended to be accepted ¹	Value of New Shares to be subscribed (\$)
Mr Paul Cholakos	2,038,141	0.43%	783,900	\$117,585
Mr Bryan Gordon Granzien	0	0	0	0
Mr Jon Brereton Parker	0	0	0	0
Total	2,038,141	0.43%	783,900	\$117,585

Mr Paul Cholakos has committed to take up his Entitlement subject to compliance with the Corporations Act. Refer to Section 2.4 for differing scenarios.

5.8 Related party disclosure

From time to time the Company may be party to transactions with related parties including:

- (a) Employment and service arrangements;
- (b) Issue of securities to Directors or entities associated with Directors; and
- (c) Payment of Director's fees.

The Company believes that it has made appropriate disclosure of past related party transactions and other than the further disclosure made in this section Prospectus does not intend to make any further disclosure of such transactions, which will either proceed on an 'arm's length basis', be reasonable remuneration or be approved by Shareholders in general meeting.

5.9 Interests of experts and advisers

Except as set out in this Prospectus, no 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:

- (a) has any interest, or has had any interest during the last two years, in the formation or promotion of the Company, or in property acquired or proposed to be acquired by the Company in connection with its formation or promotion, or the Offer of the New Shares; or
- (b) has been paid, or has agreed to be paid, any amount and has received or has agreed to receive any benefit that has been given, or agreed to be given, in connection with the services provided by the person in connection with the formation or promotion of the Company, or the Offer of the New Shares.

GRT Lawyers have acted as legal adviser to the Rights Issue and have generally advised in relation to due diligence enquiries and are entitled to receive \$34,500 plus outlays and GST in respect of these services. Further amounts may be paid to GRT Lawyers in accordance with their usual time-based charge-out rates.

The Lead Manager and Underwriter is entitled to receive the fees and expenses set out in section 5.22 of this Prospectus.

5.10 Consents to be named

The following persons have given and have not, prior to the lodgement of this Prospectus with ASIC, withdrawn their written consent to be named in this Prospectus in the form and context in which they are named.

- (a) GRT Lawyers has consented in writing to be named in this Prospectus as solicitors for the Company and has not withdrawn that consent prior to this Prospectus being lodged with ASIC.
- (b) Shaw and Partners has consented in writing to be named in this Prospectus as Lead Manager and Underwriter and has not withdrawn that consent prior to this Prospectus being lodged with ASIC.
- (c) Link Market Services has consented in writing to be named in this Prospectus as the share registry for the Company and has not withdrawn that consent prior to this Prospectus being lodged with ASIC.

5.11 Market price of Shares

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on the ASX. The highest, lowest and last market sale prices of the Shares on ASX during the three calendar months immediately preceding the date of issue of this Prospectus is set out below:

	Date	Price
3 month high	1 July 2021	\$0.215
3 month low	6 April 2021	\$0.036
Last market sale price	1 July 2021	\$0.215

5.12 Subsequent events

There has not arisen, at the date of this Prospectus any item, transaction or event of a material or unusual nature not already disclosed in this Prospectus, the Investor Presentation or other ASX disclosures which is likely, in the opinion of the Directors, to affect substantially the operations of the Company, the results of those operations or the state of affairs of the Company.

5.13 Shareholders outside Australia and New Zealand

(a) General restrictions

This Prospectus and accompanying Entitlement and Acceptance Form do not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer.

No action has been taken to register or qualify the New Shares or to otherwise permit an offering of New Shares outside Australia and New Zealand. The New Shares may not be offered in a jurisdiction outside Australia and New Zealand where such an offer is not made in accordance with the laws of that place.

The distribution of this Prospectus in jurisdictions outside Australia and New Zealand may be restricted by law and therefore persons who come into possession of this

document outside Australia and New Zealand should seek advice on and observe any such restrictions. A failure to comply with these restrictions may constitute a violation of applicable securities laws.

It is the responsibility of any applicant to ensure compliance with any laws of the country relevant to their application. Return of a duly completed Entitlement and Acceptance Form and/or payment of Application Money will be taken by the Company to constitute a representation that there has been no breach of such laws and that the applicant is physically present in Australia and New Zealand.

(b) **New Zealand securities law requirements**

The New Shares are not being offered or sold to the public in New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of New Shares is being made in reliance on the transitional provisions of the *Financial Markets Conduct Act 2013* (New Zealand) and the *Securities Act (Overseas Companies) Exemption Notice 2013* (New Zealand).

This Prospectus contains an offer to eligible shareholders of continuously quoted securities and 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 *Financial Markets Conduct Act 2013* (New Zealand). This Prospectus is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

(c) **United States**

The New Shares have not been, and will not be, registered under the US Securities Act or the securities laws of any state of the United States and may not be offered or sold, directly or indirectly, in the United States or to, or for the account or benefit of, a US person, except in a transaction exempt from the registration requirements of the US Securities Act and applicable United States state securities laws.

This Prospectus is neither an offer to sell nor a solicitation of an offer to buy securities as those terms are defined under the US Securities Act. The Rights Issue is not being made to US persons or persons in the United States.

(d) **Ineligible Shareholders**

The Company is not extending the Rights Issue to Ineligible Shareholders having regard to the cost of complying with legal and regulatory requirements outside Australia or New Zealand, the number of Ineligible Shareholders and the number and value of New Shares which could be offered to Ineligible Shareholders.

Where this Prospectus has been dispatched to Ineligible Shareholders, it is provided for information purposes only.

In limited circumstances the Company may elect to treat as Eligible Shareholders certain Shareholders who would otherwise be ineligible Shareholders, provided the Company is satisfied that it is not precluded from lawfully issuing New Shares to such Shareholders either unconditionally or after compliance with conditions which the Board in its sole discretion regards as acceptable and not unduly onerous.

5.14 **Notice to nominees and custodians**

Nominees and custodians which hold Shares as nominees or custodians will have received, or will shortly receive, a letter from Carpentaria. Nominees and custodians should carefully consider the contents of the letter and note in particular that the Rights Issue is not available to Ineligible Shareholders.

Carpentaria is not required to determine whether or not any registered holder is acting as a nominee or the identity or residence of any beneficial owners of securities. Where any nominee or custodian is acting on behalf a foreign person, that holder, in dealing with its beneficiary, will need to assess whether indirect participation by the beneficiary in the Rights Issue is compatible with applicable foreign laws. Any person in the United States or any US Person with a holding through a nominee may not participate in the Rights Issue. Nominees and custodians may not distribute any part of this Prospectus in the United States or in any other country outside of Australia or New Zealand.

5.15 **Taxation consequences**

The taxation consequences of any investment in New Shares will depend upon your particular circumstances. Potential investors must make their own enquiries concerning the taxation consequences of an investment in the Company. Applicants should consult their tax adviser for advice applicable to their individual needs and circumstances.

5.16 **Privacy**

If you complete an Entitlement and Acceptance Form and apply for New Shares, you will be providing personal information to Carpentaria, its agents, contractors and third-party service providers. Carpentaria, its agents, contractors and third-party service providers will collect, hold and use that information to assess your acceptance, carry out administration of your shareholding, service your needs as a Shareholder and facilitate corporate communications.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, print service providers, mail houses and the Share Registry.

Failure to provide the required personal information may mean that your acceptance is not able to be processed efficiently, if at all.

You may request access to your personal information held by (or on behalf of) Carpentaria and by the Share Registry. You can request access to, or the updating of, your personal information by telephoning or writing to Carpentaria or the Share Registry using the details shown in the Corporate Directory.

The collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1988* (Cth) and the Corporations Act.

5.17 **Forward looking statements**

Forward looking statements are provided as a general guide only and there can be no assurance that actual outcomes will not differ materially from these statements. Except as required by law, and only to the extent so required, no person warrants or guarantees the future performance of the Company or any return on any investment made pursuant to this Rights Issue.

5.18 **Past performance**

Past Share price performance provides no guarantee or guidance as to future Share price performance. Past performance information given in this Prospectus is provided for illustrative purposes only and should not be relied upon as (and is not) an indication of future performance. The historical information in this Prospectus is or is based upon information that has been released to the market. For further information, please see past announcements released to the ASX.

5.19 Risks

Please consult with your stockbroker, accountant or other independent professional adviser if you have any queries or are uncertain about any aspect of the Rights Issue.

Section 4 details important factors and risks that could affect the financial and operating performance of Carpentaria. You should consider these risk factors carefully in light of your personal circumstances, including financial and taxation issues, before making an investment decision in connection with the Rights Issue.

5.20 Disclaimer of representations

No person is authorised to give any information or make any representation in connection with the Rights Issue, which is not contained in this Prospectus. Any information or representation not contained in this Prospectus may not be relied on as having been authorised by Carpentaria in connection with the Rights Issue. Except as required by law, and only to the extent so required:

- (a) none of Carpentaria, or any person, warrants or guarantees the future performance of Carpentaria or any return on any investment made pursuant to the information contained in this Prospectus; and
- (b) Carpentaria, its officers, employees and advisers disclaim all liability that may otherwise arise due to the Prospectus being inaccurate or incomplete in any respect.

5.21 ASX waivers and ASIC relief

The Company has confirmed that no waivers from the ASX Listing Rules are required in relation to the Rights Issue.

5.22 Expenses of the Rights Issue

The approximate \$35.6 million represents the total funds to be raised under the Rights Issue.

The total expenses of raising funds under the Rights Issue are estimated to be approximately \$1.9 million (excluding GST).

The proportion of these attributable to the Rights Issue, and proposed application of funds, are set out in the following table:

Expense	Total Fees	Proportion of Total Fees attributable to the Rights Issue	Proportion of Total Fees attributable to the Rights Issue, as a % of total funds raised
ASIC fees	\$3,500	0.0128%	0.0098%
ASX fees	\$42,000	0.1530%	0.1180%
Legal fees	\$34,500	0.1257%	0.0969%
Lead Manager Management Fee	\$1,050,000	3.8256%	2.9497%
Underwriting Fee	\$725,000	2.6415%	2.0367%
Legal costs of Underwriter	\$25,000	0.0911%	0.0702%
Share registry fee (including printing and dispatch)	\$20,000	0.0729%	0.0562%
TOTAL	\$1,900,000	\$27,447,576	\$35,596,576

5.23 **Authorisation and disclaimers**

This Prospectus is issued by, and is the sole responsibility of, Carpentaria Resources Limited.

None of the parties referred to in the Corporate Directory of the Prospectus (other than Carpentaria), has:

- (a) authorised or caused the issue of this Prospectus; or
- (b) made or authorised the making of any statement that is included in this Prospectus or any statement on which a statement in this Prospectus is based.

To the maximum extent permitted by law, each of the parties referred to in the Corporate Directory of this Prospectus (other than Carpentaria) expressly disclaims and takes no responsibility for any statements in or omissions from this Prospectus.

In particular, Link Market Services has had no involvement in the preparation of any part of the Prospectus other than being named as Share Registrar to the Company.

5.24 **Governing law**

This Prospectus, the Rights Issue and the contracts formed on acceptance of applications are governed by the laws applicable in Queensland, Australia.

5.25 **Interpretation**

Some capitalised words and expressions used in this Prospectus have meanings which are explained in section 7.

A reference to time in this Prospectus is to the local time in Brisbane, Australia, unless otherwise stated. All financial amounts in this Prospectus are expressed in Australian dollars, unless otherwise stated.

5.26 **No handling fees**

There will be no handling fees payable to brokers for Entitlement and Acceptance Forms lodged by them on behalf of Eligible Shareholders.

6 Directors' authorisation

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with ASIC.

Dated: 6 July 2021



Mr Bryan Granzien
Executive Chairman

For and on behalf of
Carpentaria Resources Limited

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7 Definitions

Application Money	Money received in respect of an application for New Shares.
ASIC	The Australian Securities and Investments Commission.
ASX	ASX Limited ACN 008 624 691 or the Australian Securities Exchange, as applicable.
Board	The board of Directors.
Closing Date	The last day for payment of Application Money and return of Entitlement and Acceptance Forms being, 5pm (Brisbane time) on Friday, 23 July 2021 (unless extended).
Company or Carpentaria	Carpentaria Resources Limited ACN 095 117 981.
Conditional Placement	A placement offer of New Shares to raise approximately \$6.15 million at an issue price of 15 cents (\$0.15) per New Share, conditional on approval of Shareholders.
Corporations Act	<i>Corporations Act 2001</i> (Cth).
Director	A director of the Company.
Eligible Shareholder	A shareholder to whom Listing Rule 7.7.1(a) does not apply and who received an offer under the Rights Issue and as described in section 1.3 of this Prospectus.
Entitlement	The entitlement to one (1) New Share for every 2.6 Shares held on the Record Date. The entitlement of each Eligible Shareholder is shown on the personalised Entitlement and Acceptance Form.
Entitlement and Acceptance Form	The entitlement and acceptance form accompanying this Prospectus.
Ineligible Shareholder	A Shareholder: <ul style="list-style-type: none"> • who has a registered address outside Australia and New Zealand and any other jurisdictions as Carpentaria and the Underwriter agree in the Underwriting Agreement; and • to whom Listing Rule 7.7.1(a) applies.
Investor Presentation	The investor presentation announced to the ASX.
Issue Price	15 cents (\$0.15) per New Share.
Lead Manager	Shaw and Partners Limited ACN 003 221 583.
Listing Rules	The official listing rules of ASX, as amended or waived by ASX from time to time.
Management	The senior management team of the Company.
New Shares	Shares offered under the Rights Issue.
Option	An option to acquire a Share.

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Prospectus	This document.
Placement	The placement offer of New Shares to raise approximately \$2.0 million at an issue price 15 cents (\$0.15) per New Share.
Record Date	7pm (Brisbane time) on Friday, 9 July 2021.
Register	The register of Shareholders required to be kept under the Corporations Act.
Rights Issue	The pro-rata non-renounceable rights issue to subscribe for New Shares on the basis of one (1) New Share for every 2.6 Shares held by each Eligible Shareholder as at Record Date.
Share	A fully paid ordinary share in the Company.
Share Registry	Link Market Services Limited ACN 083 214 537.
Shareholder	A holder of Shares.
TERP	The theoretical price at which Shares should trade immediately after the ex-date for the Rights Issue assuming 100% take-up of the Rights Issue. The theoretical ex-rights price is a theoretical calculation only and the actual price at which Shares trade immediately after the ex-date for the Rights Issue will depend on many factors and may not be equal to the theoretical ex-rights price.
Underwriter	Shaw and Partners Limited ACN 003 221 583.
Underwriting Agreement	the underwriting agreement between Carpentaria and the Underwriter dated on or about 5 July 2021.
US or United States	United States of America, its territories and possessions, any State of the United States of America and the District of Columbia.
US Person	The meaning given in Regulation S under the US Securities Act.
US Security Act	The <i>United States Securities Act of 1933</i> , as amended.

CORPORATE DIRECTORY

Directors

Paul Cholakos (Non-executive Director)
Bryan Gordon Granzien (Executive Chairman)
Jon Brereton Parker (Non-executive Director)

Company Secretary

Robert William Hair

Registered Office

C/- Republic Public Relations Pty Ltd
333 Adelaide Street
Brisbane QLD 4000

Lead Manager and Underwriter

Shaw and Partners Limited
Level 7, Chifley Tower, 2 Chifley Square
Sydney NSW 2000

Lawyers to the Company

GRT Lawyers
Level 27, 111 Eagle Street
Brisbane QLD 4000

Share Registry

Link Market Services Limited
GPO Box 3560
Sydney NSW 2001

Contact Details

Web: <https://carpentariares.com.au>
Email: bryan.granzien@capres.net.au
Telephone: 07 3220 2022

ASX Code: CAP

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IID:

SRN/HIN:

Entitlement Number:

**Number of Eligible Shares held as
at the Record Date, 7:00pm (Brisbane time)
on 9 July 2021:**

**Entitlement to New Shares
(on a 1 New Share for 2.6 basis):**

**Amount payable on full acceptance
at A\$0.15 per Share:**

Offer Closes 5:00pm (Brisbane time):	23 July 2021
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ENTITLEMENT AND ACCEPTANCE FORM

As an Eligible Shareholder you are entitled to acquire 1 New Share for every 2.6 Existing Shares that you hold on the Record Date, at an Offer Price of A\$0.15 per New Share. This is an important document and requires your immediate attention. If you do not understand it or you are in doubt as how to deal with it, you should contact your accountant, stockbroker, solicitor or other professional adviser.

IMPORTANT: The Offer is being made under the Prospectus dated 6 July 2021. The Prospectus contains information about investing in the New Shares. Before applying for New Shares, you should carefully read the Prospectus. This Entitlement and Acceptance Form should be read in conjunction with the Prospectus.

If you do not have a paper copy of the Prospectus, you can obtain a paper copy at no charge, by calling the Carpentaria Resources Limited Offer Information Line on 1300 666 437 (within Australia) or +61 1300 666 437 (from outside Australia).

PAYMENT OPTIONS

If you wish to take up all or part of your entitlement, you have two payment options detailed below.

OPTION 1: PAYING BY BPAY®

If paying by BPAY®, refer to the instructions overleaf. **You do NOT need to return the acceptance slip below if you elect to make payment by BPAY®.** Payment must be received via BPAY® before 5:00pm (Brisbane time) on 23 July 2021. You should check the processing cut off-time for BPAY® transactions with your bank, credit union or building society to ensure your payment will be received by the Registry in time. By paying by BPAY® you will be deemed to have completed an Application Form for the number of Shares subject of your application payment.

OPTION 2: PAYING BY CHEQUE, BANK DRAFT OR MONEY ORDER

If paying by cheque, bank draft or money order, complete and return the acceptance slip below with your Application Monies. No signature is required on the acceptance slip. The acceptance slip with your Application Monies must be received by the Registry before 5:00pm (Brisbane time) on 23 July 2021.



Billers Code: [XXXXXXX]
Ref:

Telephone & Internet Banking – BPAY®

Contact your bank or financial institution to make this payment from your cheque, savings, debit or transaction account. More info: www.bpay.com.au

® Registered to BPAY Pty Ltd ABN 69 079 137 518

See overleaf for details and further instructions on how to complete and lodge this Entitlement and Acceptance Form.

THIS IS A PERSONALISED FORM FOR THE SOLE USE OF THE SHAREHOLDER AND HOLDING RECORDED ABOVE.

Please detach and enclose with payment

IID:
SRN/HIN:
Entitlement Number:



A Number of New Shares accepted (being not more than your Entitlement shown above)

B Payment amount
(Multiply the number in section A by A\$0.15)

A\$

C PLEASE INSERT CHEQUE, BANK DRAFT OR MONEY ORDER DETAILS – Cheques, bank drafts or money orders must be drawn on an Australian branch of a financial institution in Australian currency, made payable to “Carpentaria Resources Limited” and crossed “Not Negotiable”.

Drawer	Cheque Number	BSB Number	Account Number	Amount of Cheque
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

D CONTACT DETAILS – Telephone number

Telephone number – after hours

Contact name

CARPENTARIA RESOURCES LIMITED

The Entitlement Offer to which this Entitlement and Acceptance Form relates is not being made to investors located or resident outside of Australia and New Zealand. In particular the Entitlement Offer is not being made to any person in the U.S. or to a U.S. person. The Prospectus and Entitlement and Acceptance Form do not constitute an offer or invitation to acquire Shares in any place in which, or to any person to whom, it would be unlawful to make such an offer or invitation.

ACCEPTANCE OF ENTITLEMENT OFFER

By either returning the Entitlement and Acceptance Form with payment to the Registry, or making payment received by BPAY®:

- you represent and warrant that you have read and understood the Prospectus and that you acknowledge the matters, and make the warranties and representations;
- you provide authorisation to be registered as the holder of New Shares acquired by you and agree to be bound by the Constitution of Carpentaria Resources Limited.

HOW TO APPLY FOR NEW SHARES

1. IF PAYING BY BPAY® (AVAILABLE TO SHAREHOLDERS WITH AN AUSTRALIAN BANK ACCOUNT ONLY)

If you elect to make payment using BPAY® you must contact your bank or financial institution to make this payment from your cheque, savings, debit or transaction account. For more information on paying by BPAY®: www.bpay.com.au

Work out the total amount payable by you. To calculate the total amount, multiply the number of New Shares you wish to apply for by A\$0.15.

Refer overleaf for the Biller Code and Reference Number. The Reference Number is used to identify your holding. If you have multiple holdings you will have multiple Reference Numbers. You must use the Reference Number shown on each personalised Entitlement and Acceptance Form when paying for any New Shares that you wish to apply for in respect of that holding.

3. HOW TO LODGE YOUR ENTITLEMENT AND ACCEPTANCE FORM

A reply paid envelope is enclosed for your use. No postage stamp is required if it is posted in Australia. Alternatively, if you have lost the reply paid envelope, or you have obtained the Prospectus electronically, your completed Entitlement and Acceptance Form with the payment for New Shares may be mailed to the postal address set out below. **If paying by BPAY® you do not need to complete or return the Entitlement and Acceptance Form.** You should check the processing cut off-time for BPAY® transactions with your bank, credit union or building society to ensure your payment will be received by the Registry by the close of the offer.

Mailing Address

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

Make sure you send your Acceptance Slip and application payment allowing enough time for mail delivery, so Link Market Services Limited receives them no later than 5:00pm (Brisbane time) on 23 July 2021. Please ensure sufficient cleared funds are held in your account, as your cheque will be banked as soon as it is received. Carpentaria Resources Limited reserves the right not to process any Acceptance Slips and cheques received after the Closing Date.

If you require further information on how to complete this Entitlement and Acceptance Form, please contact the Carpentaria Resources Limited Offer Information Line on 1300 666 437 (within Australia) or +61 1300 666 437 (from outside Australia) between 8:30am and 5:30pm (Brisbane time) Monday to Friday.

2. IF PAYING BY CHEQUE, BANK DRAFT OR MONEY ORDER

Complete all relevant sections of the Entitlement and Acceptance Form USING BLOCK LETTERS. These instructions are cross referenced to each section of the Entitlement and Acceptance Form.

A. Acceptance of New Shares

Enter into section A the number of New Shares you wish to apply for. The number of New Shares must be equal to or less than your Entitlement, which is set out overleaf.

B. Payment Amount

Enter into section B the total amount payable by you. To calculate the total amount multiply the number in Section A by A\$0.15.

C. Cheque, bank draft or money order details

Enter your cheque, bank draft or money order details in section C. Cheques, bank drafts or money orders must be drawn on an Australian branch of a financial institution in Australian currency, made payable to "Carpentaria Resources Limited" and crossed "Not Negotiable". Please ensure sufficient cleared funds are held in your account, as your cheque will be banked as soon as it is received. If you provide a cheque or money order for the incorrect amount, Carpentaria Resources Limited may treat you as applying for as many New Shares as your cheque, bank draft or money order will pay for.

D. Contact details

Enter your contact telephone number where we may contact you regarding your acceptance of New Shares, if necessary.