

CARPATHIAN GOLD ADOPTS SHAREHOLDER RIGHTS PLAN

July 13, 2016

Toronto, Ontario, Canada

Carpathian Gold Inc. ("**Carpathian**" or the "**Company**") (CSE: CPN) announces that its Board of Directors (the "**Board**") has approved the adoption of a Shareholder Rights Plan (the "**Rights Plan**") pursuant to a Shareholder Rights Plan Agreement (the "**Rights Plan Agreement**") between the Company and TSX Trust Company. Shareholder approval of the Rights Plan will be sought at the Company's annual and special meeting of shareholders (the "**Meeting**") to be held on August 4, 2016. The Rights Plan is subject to shareholder ratification. In the event that the Company's shareholders do not ratify the Right Plan at the Meeting, the Rights Plan will be of no further force or effect.

The fundamental objectives of the Rights Plan are to provide adequate time for Carpathian's Board and shareholders to assess an unsolicited take-over bid for the Company; to provide the Board with sufficient time to explore and develop alternatives for enhancing and maximizing shareholder value if a take-over bid is made; and, to provide shareholders with an equal opportunity to participate in a take-over bid. The Rights Plan encourages a potential acquirer who makes a take-over bid (an "**Acquirer**") to ensure the take-over bid satisfies certain minimum standards designed to promote fairness, or to proceed with the concurrence of the Board (a "**Permitted Bid**"). If a take-over bid fails to meet these minimum standards and the Rights Plan is not waived by the Board, the Rights Plan provides that holders of common shares of the Company, other than the Acquirer, will be able to purchase additional common shares at a significant discount to market, thus exposing the Acquirer to substantial dilution of its holdings.

The Rights Plan has been prepared in alignment with recent amendments to the regulatory framework governing take-over bids published by the Canadian Securities Administrators, which came into effect on May 9, 2016. The Board considers that the adoption of the Rights Plan is desirable and in the interests of all of the Company's shareholders, and recommends shareholders vote in favour of the Rights Plan at its annual and special meeting scheduled for August 4, 2016. If the Rights Plan is ratified by the eligible shareholders at such meeting, it will have an initial term which expires at the annual meeting of shareholders of the Company to be held in 2019 unless terminated earlier. The Rights Plan may be extended beyond 2019 by approval of eligible shareholders at such 2019 meeting.

Pursuant to the Rights Plan, effective July 6, 2016 rights (the "**Rights**") have been issued and attached to all of Carpathian's outstanding common shares. A separate rights certificate will not be issued until such time as the Rights become exercisable (which is referred to as the "separation time"). The Rights will become exercisable only if a person, together with its affiliates, associates and joint actors, acquires or announces its intention to acquire beneficial ownership of Carpathian common shares which, when aggregated with its current holdings, total 20% or more of the outstanding Carpathian common shares (determined in the manner set out in the Rights Plan) other than as permitted under the Rights Plan. The Rights will effectively permit holders, other than an Acquirer and such related parties, to purchase common shares of the Company at a 50% discount to their market price (as defined in the Rights Plan Agreement).

The Rights Plan was not adopted by the Board in response to, or in anticipation of, any offer or take-over bid. The Company has no knowledge of any pending or threatened takeover bids for the Company, and has no reason to believe that any takeover offer for the Company's shares is imminent.

Additional details regarding the Rights Plan will be provided in the Management Information Circular that will be available for viewing on SEDAR and mailed to the shareholders of the Company prior to the Company's upcoming Meeting scheduled for August 4, 2016.

About Carpathian Gold

Carpathian is an exploration and development company whose primary business is focused on advancing its exploration and development plans on its 100% owned Rovina Valley Au-Cu Project located in Romania.

Cautionary Note Regarding Forward-Looking Statements

Statements and certain information contained in this press release and any documents incorporated by reference may constitute "forward-looking statements" within the meaning of applicable Canadian securities legislation which may include, but is not limited to, information with respect to the Corporation's expected production from, and further potential of, the Corporation's properties; the Corporation's ability to raise additional funds; the future price of minerals, particularly gold and copper; the estimation of mineral reserves and mineral resources; conclusions of economic evaluation; the realization of mineral reserve estimates; the timing and amount of estimated future production; costs of production; capital expenditures; success of exploration activities; mining or processing issues; currency exchange rates; government regulation of mining operations; and environmental risks. Often, but not always, forward-looking statements/information can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "believes" or variations (including negative variations) of such words and phrases, or statements that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. Forward-looking statements/information is based on management's expectations and reasonable assumptions at the time such statements are made. Estimates regarding the anticipated timing, amount and cost of exploration and development activities are based on assumptions underlying mineral reserve and mineral resource estimates and the realization of such estimates are set out herein.

Forward-looking information involves known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of Carpathian and/or its subsidiaries to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include: uncertainties of mineral resource estimates; the nature of mineral exploration and mining; variations in ore grade and recovery rates; cost of operations; fluctuations in the sale prices of products; volatility of gold and copper prices; exploration and development risks; liquidity concerns and future financings; risks associated with operations in foreign jurisdictions; potential revocation or change in permit requirements and project approvals; competition; no guarantee of titles to explore and operate; environmental liabilities and regulatory requirements; dependence on key individuals; conflicts of interests; insurance; fluctuation in market value of Carpathian's shares; rising production costs; equipment material and skilled technical workers; volatile current global financial conditions; and currency fluctuations; and other risks pertaining to the mining industry. Although Carpathian has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended.

Carpathian does not undertake to update any such forward-looking information, except in accordance with applicable securities laws. There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers are cautioned not to place undue reliance on forward-looking information.

The CSE does not accept responsibility for the adequacy or accuracy of this news release.

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