



CASTILLO COPPER LIMITED

ACN 52 137 606 476

12 October 2015

Dear Shareholder,

PARTICIPATION IN PRO-RATA RENOUNCEABLE ENTITLEMENT ISSUE

As announced to ASX on 9 October 2015, Castillo Copper Limited (**Castillo**) is undertaking a pro-rata renounceable entitlement issue of approximately 422,997,732 fully paid ordinary shares in the capital of the Company (**Shares**) at an issue price of \$0.002 per Share to its shareholders who are registered as shareholders at 4pm (WST) on 20 October 2015 (**Record Date**) to raise approximately \$845,995 (**Entitlement Issue**).

The Offer is being made on the basis of 1 new Share for every 1 Share held by eligible shareholder's registered at the Record Date. All of the Shares offered under the prospectus will rank equally with the Shares on issue at the date of the prospectus.

The entitlements under the Offer (**Entitlements**) are renounceable, which means that all or part of an eligible shareholder's rights to subscribe for Shares under the Offer may be traded on ASX.

The Company has lodged a prospectus in relation to the Entitlement Issue (**Prospectus**) with the Australian Securities & Investments Commission and the ASX and is available on the ASX website at asx.com.au for inspection. This document will be despatched to shareholders of the Company on 23 October 2015 and will outline the Entitlement Issue in detail.

Key Dates

The proposed timetable for the Entitlement Issue is as follows:

Lodgement of Prospectus with the ASIC	9 October 2015
Lodgement of Prospectus & Appendix 3B with ASX	9 October 2015
Notice sent to Shareholders	12 October 2015
Ex date	16 October 2015
Rights start trading	16 October 2015
Record Date for determining Entitlements	20 October 2015
Prospectus sent out to Shareholders & Company announces this has been completed	23 October 2015
Rights stop trading	30 October 2015
Shares quoted on a deferred settlement basis	2 November 2015
Last day to extend the Closing Date	3 November 2015
Closing Date (5:00 pm WST)*	6 November 2015
Notify ASX of under subscriptions	11 November 2015
Issue date/Shares entered into Shareholders' security holdings	13 November 2015
Quotation of Shares issued under the Offer	16 November 2015

These dates are subject to change and are indicative only. Subject to the ASX Listing Rules the Corporations Act 2001(Cth) the Directors reserve the right to vary the dates for the Entitlement Issue at their discretion.

The funds raised from the Offer are planned to be used in accordance with the table set out below:

Item	Proceeds of the Offer	(\$)	%
1.	Existing creditors	332,334	33.28
2.	Consultants	200,000	23.64
3.	Working Capital	236,098	27.91
4.	Expenses of the Offer	77,563	9.17
	Total	845,995	100

The above table is a statement of current intentions as of the date of this Prospectus. As with any budget, intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis.



CASTILLO COPPER LIMITED

ACN 52 137 606 476

The effect of the Offer on the capital structure of the Company, assuming the Offer is fully subscribed is set out below:

Shares	Number
Shares currently on issue	422,997,732
Shares to be issued pursuant to the Offer	422,997,732
Total Shares on issue after completion of the Offer	845,995,464

In calculating entitlements under the Entitlement Issue, fractions will be rounded up to the nearest whole number.

Applicants

The Entitlement Issue is made to shareholders with registered addresses in Australia and New Zealand only.

Your acceptance of the Offer must be made on the Entitlement and Acceptance Form accompanying the Prospectus. Your acceptance must not exceed your Entitlement as shown on that form. If it does, your acceptance will be deemed to be for the maximum Entitlement.

You may participate in the Offer by:

- (a) taking up all of your Entitlement;
- (b) taking up a proportion of your Entitlement and allowing the balance to lapse; or
- (c) allowing all of your Entitlement to lapse.

If you wish to accept all or part of your Entitlement, you must:

- (a) complete the Entitlement and Acceptance Form and attach your cheque, drawn on an Australian bank or bank draft made payable in Australian currency, for all or part of the amount indicated on the Entitlement and Acceptance Form; or
- (b) pay the appropriate application monies for all or part of your Entitlement through the BPay® facility described in the Prospectus and the Entitlement and Acceptance Form. If you make your payment by BPay®, you do not need to return the Entitlement and Acceptance Form.

Ineligible Shareholders

The Offer is being made to all shareholders of the Company (**Shareholders**) named on its register of members at 4pm (WST) on 20 October 2015, whose registered address is in Australia or New Zealand. Overseas shareholders should contact the Company Secretary with any queries.

Full details of the Entitlement Issue will be contained in the Prospectus that will be mailed to eligible shareholders who are registered on the Record Date. Shareholders eligible to participate should read the Prospectus carefully.

Should you have any queries in relation to this matter, please do not hesitate to contact the Company on (+61 8) 9200 4491.

Yours sincerely

Jack James
Company Secretary
CASTILLO COPPER LIMITED