
CASTILLO COPPER LIMITED

ACN 137 606 476

NOTICE OF GENERAL MEETING

TIME: 3:00 PM (WST)

DATE: Friday, 6 May 2016

PLACE: Level 1, 330 Churchill Avenue
Subiaco, WA 6008

This Notice of General Meeting is an important document and requires your immediate attention. Please read it carefully. If you are in doubt as to what you should do, please consult your professional adviser.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on (+61 8) 9200 1847

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IMPORTANT INFORMATION

VENUE

The General Meeting of the Shareholders of Castillo Copper Limited which this Notice of General Meeting relates to will be held at 3:00PM (WST) on Friday, 6 May 2016 at:

Level 1
330 Churchill Avenue
Subiaco, WA 6008

VOTING IN PERSON

To vote in person, attend the General Meeting on the date and at the place set out above.

VOTING BY PROXY

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that changes to the Corporations Act made in 2011 mean that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Further details on these changes are set out below.

Proxy vote if appointment specifies way to vote

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, **if it does:**

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed); and
- if the proxy has 2 or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands; and
- if the proxy is the chair of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- if the proxy is not the chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

Transfer of non-chair proxy to chair in certain circumstances

Section 250BC of the Corporations Act provides that, if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- the appointed proxy is not the chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
 - the proxy is not recorded as attending the meeting;
 - the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

BUSINESS OF THE MEETING

Notice is given that the General Meeting of Shareholders of Castillo Copper Limited will be held at Level 1, 330 Churchill Avenue, Subiaco, Western Australia 6008 at 3:00 PM (WST) on Friday, 6 May 2016.

The Explanatory Statement provides additional information on matters to be considered at the General Meeting. The Explanatory Statement and the Proxy Form are part of this Notice of Meeting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the General Meeting are those who are registered Shareholders of the Company on Wednesday, 4 May 2016 at 5:00 PM (WST).

The business of the General Meeting affects your shareholding and your vote is important.

Terms and abbreviations used in this Notice and Explanatory Statement are defined in the Glossary.

AGENDA

1. RESOLUTION 1 – CONSOLIDATION OF CAPITAL

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, pursuant to section 254H of the Corporations Act and for all other purposes, the issued capital of the Company be consolidated on the basis that every four (4) Shares be consolidated into one (1) Share and, where this Consolidation results in a fraction of a Share being held, the Company be authorised to round that fraction up to the nearest whole Share."

DATED: 4 APRIL 2016

**JACK JAMES
COMPANY SECRETARY**

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of the Shareholders of the Company in connection with the business to be conducted at the General Meeting to be held at Level 1, 330 Churchill Avenue, Subiaco, Western Australia 6008 at 3:00 PM (WST) on Friday, 6 May 2016.

This purpose of this Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolution in the Notice of Meeting.

Unless otherwise stated all references to Shares in this Notice are on a pre-Consolidation basis.

1. RESOLUTION 1 – CONSOLIDATION OF CAPITAL

1.1 Background

If Resolution 1 is passed, the number of Shares on issue as at the date of this Notice, will be reduced from 845,995,464 to 211,498,866 (subject to rounding).

1.2 Legal requirements

Section 254H of the Corporations Act provides that a company may, by resolution passed in a general meeting, convert all or any of its shares into a larger or smaller number.

1.3 Fractional entitlements

Not all Shareholders will hold that number of Shares which can be evenly divided by four. Where a fractional entitlement occurs, the Company will round that fraction up to the nearest whole Share.

1.4 Taxation

It is not considered that any taxation implications will exist for Shareholders arising from the Consolidation. However, Shareholders are advised to seek their own tax advice on the effect of the Consolidation and the Company does not accept any responsibility for the individual taxation implications arising from the Consolidation.

1.5 Holding statements

From the date of the Consolidation, all holding statements for Shares will cease to have any effect, except as evidence of entitlement to a certain number of Shares on a post-Consolidation basis.

After the Consolidation becomes effective, the Company will arrange for new holding statements for Shares to be issued to holders of those Shares.

It is the responsibility of each Share Holder to check the number of Shares held prior to disposal or exercise (as the case may be).

1.6 Effect on capital structure

The effect which the Consolidation will have on the Company's capital structure is set out in the table below.

| Capital Structure | Shares |
|---|--------------------|
| Current Shares on issue at date of Notice | 845,995,464 |
| <i>Total Pre-Consolidation</i> | 845,995,464 |
| Post Consolidation of Shares | 211,498,866 |

1.7 Indicative timetable*

If Resolution 1 is passed, the reduction of capital will take effect in accordance with the following timetable (as set out in Appendix 7A (paragraph 8) of the ASX Listing Rules):

| Action | Date |
|---|--------------|
| Company announces Consolidation and sends out Notice of Meeting. | 4 April 2016 |
| Company tells ASX that Shareholders have approved the Consolidation. | 6 May 2016 |
| Last day for pre-Consolidation trading. | 9 May 2016 |
| Post-Consolidation trading starts on a deferred settlement basis. | 10 May 2016 |
| Last day for Company to register transfers on a pre-Consolidation basis. | 12 May 2016 |
| First day for Company to send notice to each holder of the change in their details of holdings. | 13 May 2016 |

| Action | Date |
|---|-------------|
| First day for the Company to register Shares on a post-Consolidation basis and first day for issue of holding statements. | |
| Change of details of holdings date. Deferred settlement market ends. | 19 May 2016 |
| Last day for Shares to be entered into holders' Share holdings. | |
| Last day for the Company to send notice to each holder of the change in their details of holdings. | |

2. ENQUIRIES

Shareholders should contact the Company Secretary on +61 8 9200 4491 if they have any queries in respect of the matters set out in this Notice of Meeting.

GLOSSARY

ASIC means the Australian Shares and Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by it, as the context requires.

AUD\$ means Australian dollars.

Board means the board of directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Chair means the chair of the Meeting.

Consolidation means the consolidation of the Company's issued capital being the subject of Resolution 1.

Company or **Castillo** means Castillo Copper Limited (ACN 137 606 476).

Corporations Act means the *Corporations Act 2001* (Cth).

Directors mean the current directors of the Company.

General Meeting or **Meeting** means the meeting convened by the Notice.

Notice or **Notice of Meeting** or **Notice of General Meeting** means this notice of General Meeting including the Explanatory Statement.

Proxy Form means the proxy form accompanying the Notice.

Section means a section of the Explanatory Statement unless indicated otherwise.

Shares mean all Shares of the Company, including Shares.

Share means a share in the Company.

Shareholder means a holder of a Share in the Company.

Voting Power means the voting power determined in accordance with Section 610 of the Corporations Act.

WST means Western Standard Time as observed in Perth, Western Australia.

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APPOINTMENT OF PROXY

CASTILLO COPPER LIMITED
ACN 137 606 476

GENERAL MEETING

I/We

of

being a member of Castillo Copper Limited entitled to attend and vote at the General Meeting, hereby

Appoint

Name of proxy

OR

the Chair of the General Meeting as your proxy

or failing the person so named or, if no person is named, the Chair of the General Meeting, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit, at the General Meeting to be held at 3:00 PM (WST), on Friday, 6 May 2016 at Level 1 330 Churchill Avenue Subiaco WA 6008 and at any adjournment thereof.

If no directions are given, the Chair will vote in favour of the Resolution in which the Chair is entitled to vote undirected proxies.

Voting on Business of the General Meeting

Voting on business of the General Meeting

FOR

AGAINST

ABSTAIN

Resolution 1 Consolidation of Capital

Please note: If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not to be counted in computing the required majority on a poll.

If two proxies are being appointed, the proportion of voting rights this proxy represents is _____%

Signature of Shareholder (s):

Date:

Individual or Shareholder 1

Sole Director/Company Secretary

Shareholder 2

Director

Shareholder 3

Director/Company Secretary

Contact Name: _____ **Contact Ph (daytime):** _____

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Instructions for Completing 'Appointment of Proxy' Form

1. **(Appointing a Proxy):** A member entitled to attend and vote at a General Meeting is entitled to appoint not more than two proxies to attend and vote on a poll on their behalf. The appointment of a second proxy must be done on a separate copy of the Proxy Form. Where more than one proxy is appointed, such proxy must be allocated a proportion of the member's voting rights. If a member appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half the votes. A duly appointed proxy need not be a member of the Company.
2. **(Direction to Vote):** A member may direct a proxy how to vote by marking one of the boxes opposite each item of business. Where a box is not marked the proxy may vote as they choose. Where more than one box is marked on an item the vote will be invalid on that item.
3. **(Signing Instructions):**
 - **(Individual):** Where the holding is in one name, the member must sign.
 - **(Joint Holding):** Where the holding is in more than one name, all of the members should sign.
 - **(Power of Attorney):** If you have not already provided the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.
 - **(Companies):** Where the company has a sole director who is also the sole company secretary, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held.
4. **(Attending the Meeting):** Completion of a Proxy Form will not prevent individual members from attending the General Meeting in person if they wish. Where a member completes and lodges a valid Proxy Form and attends the General Meeting in person, then the proxy's authority to speak and vote for that member is suspended while the member is present at the General Meeting.
5. **(Return of Proxy Form):** To vote by proxy, please complete and sign the enclosed Proxy Form and return by:
 - (a) deliver the proxy form by hand to the Company's registered office at Level 1, 330 Churchill Avenue, Subiaco, Western Australia;
 - (b) mail the proxy form to the Company's registered office at PO Box 540 Subiaco, Western Australia, 6904; or
 - (c) send the proxy form by facsimile to the Company on facsimile number +61 8 9200 4469,so that it is received not later than 3:00 PM (WST) on 4 May 2016.

Proxy forms received later than this time will be invalid.

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