



ASX Release

12 August 2016

**THE CARAJAS COPPER
COMPANY LIMITED
ACN 076 390 451**

22 Lindsay Street
PERTH, WA
Australia

Tel: +61 8 9200 3467
Fax: +61 9200 4469

Contact:

Mr Gregory Wood

E-mail:

info@carajascopper.com

Directors

Mr Gregory Wood –
Non-Executive Chairman

Mr Mark Reilly –
Non-Executive Director

Ms Paula Cowan –
Non-Executive Director/
Joint Company Secretary

Ms Kelly Snyman –
Joint Company Secretary

Issued Capital:

392.92 million Shares
90 million Performance
Shares
30 million Unlisted Options

ASX Symbol:

CJC

Unmarketable Parcel Share Sale Facility

The Directors of The Carajas Copper Company Limited ('the Company') are pleased to announce the establishment of a share sale facility ('Facility') for holders of unmarketable parcels of shares in the Company. The Facility is subject to the terms and conditions set out in the attached documents.

An unmarketable parcel of shares is a parcel of shares that has a market value of less than \$500. As at 5.00pm WST on 11 August 2016 ('Record Date') the Directors have determined an unmarketable parcel of shares is any shareholding of less than 100,000 ordinary shares ('Unmarketable Parcel') based on a price of \$0.005 per share, being the closing price of shares on the Australian Securities Exchange on Record Date.

Currently, of the Company's 7,736 shareholders, 7,570 hold an Unmarketable Parcel. The Company is providing the Facility to allow investors with small holdings to dispose of their Unmarketable Parcel who might otherwise find it difficult to sell their shares due to the small size of their holding. The Company is also looking to reduce the administrative costs associated with maintaining a large number of small shareholders on its register.

Attached is a copy of the letter to shareholders and share retention form which will be dispatched to all shareholders holding an Unmarketable Parcel of shares on the Record Date.

For further information please contact:

**Gregory Wood
Chairman**



THE CARAJAS COPPER COMPANY

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ABN 88 076 390 451

12 August 2016

Dear The Carajas Copper Company Limited Shareholder,

Notice of Intention to Sell Shares of Less than a Marketable Parcel

The Carajas Copper Company Limited (**Carajas** or **Company**) is pleased to offer eligible shareholders the opportunity to sell their small shareholding without incurring any brokerage or handling costs.

This offer applies to shareholders who at 5:00pm WST on 11 August 2016 (**Record Date**) were holders of ordinary shares in Carajas (**shares**) valued at less than \$500 (**Unmarketable Parcel**) based on a price of \$0.005 per share, being the closing price of shares on the Australian Securities Exchange on Record Date.

Carajas is offering this facility as it provides the following benefits:

- Holders of less than a marketable parcel have the opportunity to sell their shares without incurring a brokerage or handling cost which, in proportion to the value of their holding, may otherwise render a sale unattractive or uneconomical; and
- The expense and administration involved in maintaining shareholders with less than a marketable parcel is reduced.

The Company has approximately 7,736 shareholders of which approximately 7,570 hold less than a marketable parcel of shares that in aggregate represent approximately 11.85% of all issued shares.

Our records show that you are the holder of an Unmarketable Parcel as at the Record Date and accordingly your shareholding is eligible to participate in this share sale facility. You may choose to sell all of your holding or retain your existing holding as explained below.

The options are described below:

1. **Sell all of your Unmarketable Parcel**

If you wish to sell your shares without incurring brokerage or handling costs, you do not need to take any action other than completing a Direct Credit Facility form (enclosed). Carajas is authorised under Clause 31 of its Constitution to sell your shares following the closing date of 26 September 2016 (**Closing Date**). Your shares will be pooled with other shares under this facility and sold as soon as practicable after the Closing Date.

Carajas will appoint an execution-only broker on behalf of shareholders to effect any sales under this facility.

The price that you receive for your shares under the Facility will be determined by when and how the shares are sold. Carajas Directors may sell your shares on market or in any other way they consider fair and reasonable in the circumstances. If the shares are sold on market the price will depend on a number of factors, including market conditions at the time of sale. You will not have control over the time at which your shares are sold, the price you receive may be different from the price appearing in the newspaper or quoted by ASX on any day, may not be the best price on the day that your shares are sold and may be an average price per share based on the price obtained for all the shares sold under the facility. If the Carajas Directors sell your shares other than on market, the price will be the price that the Carajas Directors have been able to negotiate with the acquirer or acquirers.

Carajas may also consider buying your shares back under a minimum holding buy-back. Any shares bought back by Carajas will be at a price equal to the simple average of the closing price of the Company's shares quoted on ASX for the ten trading days prior to the date on which your shares are bought back. If Carajas decides to proceed with the sale of your shares under a minimum holding buy-back, your shares will be transferred to Carajas, and will then be immediately cancelled in accordance with the Corporations Act 2001 (Cth).

Sale proceeds will be paid to you in Australian dollars by direct credit. You must complete and return the enclosed Direct Credit Facility form. Non-resident holders who do not have an account with an Australian Financial Institution will be paid in Australian dollars by cheque.

There is an option on the Share Sale Facility Form to choose to donate the proceeds of your sale to the Australian Red Cross. Amounts less than \$100 which remain unclaimed at the conclusion of the statutory period for unclaimed monies will be donated to the Australian Red Cross.

All costs associated with the sale or buy-back of your Shares will be borne by the Company. No brokerage will be payable by you.

If your shares are held in a CHESS holding, Carajas may, after the closing date initiate a holding adjustment to move your shares to the issuer sponsored sub-register for the purpose of this facility.

Any tax consequences arising from the sale or buy-back of your shares will be your responsibility.

2. Retain your existing holding

If you wish to retain your existing holding then you must either:

- correctly complete, sign and return the enclosed Share Retention Form so that it is received by 5.00pm AEST on 26 September 2016, being the Closing Date of this facility;
- if you hold shares in multiple holdings, arrange to have these holdings merged into one holding which has 100,000 or more shares on the Closing Date; or
- make your own arrangements outside this facility to purchase additional shares so that you are the registered holder of 100,000 or more shares on the Closing Date.

If you successfully take one of these steps, Carajas will not be entitled to sell or buy back your shares.

Important information

Carajas reserves the right to vary, delay or terminate this sale facility by notice to the ASX.

Carajas is not bound to sell or buy back any or all of the shares that may be available for it to sell under this facility, and there is no guarantee that Carajas will be able to sell your shares or that it will buy them back. In addition, the sale proceeds may differ from the market value of your shares on the Record Date, depending on movements in the market price of the shares and on the Company appointed broker's ability to procure purchasers.

The Company will determine whether a shareholder has a less than marketable parcel as at the Record Date. The Company will not have any reference to any increase in the price of shares after the Record Date in determining whose shares may be sold or bought back pursuant to this facility.

If you have a less than marketable parcel as at the Record Date, then unless you take one of the steps outlined in section 2 of this letter, Carajas will be entitled to sell or buy back your shares under this facility.

None of Carajas or any other person involved in the facility shall be liable for failure to sell the shares or at a particular price. The price of Carajas shares is subject to change and an up-to-date price can be obtained from the ASX website (www.asx.com.au) under the code "CJC".

Carajas does not make any recommendation or provide any advice to you regarding whether to sell your holding under this facility or retain your existing holding.

If you require advice as to whether to sell your shares, please consult your legal, financial or taxation adviser.

For further information, please contact the Company on +61 8 9200 3467 between the hours of 8.30am and 5.00pm WST Monday to Friday.

Yours faithfully

On behalf of the Board of The Carajas Copper Company Limited

Greg Wood
Chairman

INSTRUCTIONS FOR COMPLETION OF THIS FORM

REGISTRATION DETAILS – NAME AND ADDRESS

SRN/HIN - this is your holder number for the purposes of identifying you on the Company register (see below for consolidation of holdings).

SUBREGISTER – if your holding is on the CHESS subregister and you require any amendments to your registration details, then you must notify your sponsoring broker. ISSUER SPONSORED holders should contact our share registry Automic Registry Services whose details are on the front of this form.

SHARES HELD – this is the number of shares you held at 5.00pm (WST) on 11 August 2016.

CONSOLIDATION OF HOLDINGS

If you have more than one holding on the The Carajas Copper Company Limited register, you should consider consolidating them. You can download a “Consolidation of Holdings” form by visiting our share registry’s website – www.automic.com.au – and clicking on the “FORMS” tab.

NOTE: If any of your holdings you wish to consolidate is held on the CHESS subregister, you must contact your sponsoring broker.

A RETENTION OF SHARES

If you wish to retain your shares, please place a tick in the box provided. Should you validly sign the form but fail to place a tick in the box, it will be at the Company’s discretion as to whether or not it is your intention to retain your shares.

B DONATING YOUR SALE PROCEEDS TO CHARITY

If you wish to donate your share sale proceeds to the charity chosen by the company, please place a tick in the box provided.

C REQUEST FOR DIRECT CREDITING OF PAYMENTS

Do not complete this section if you wish to retain your shares. If you provide your direct credit instruction details in this section you are agreeing to the sale of your shares even if you have placed a tick in Box A.

D SIGNING REQUIREMENTS

Individual: Where the holding is in one name, the Shareholder must sign.

Joint holding: Where the holding is in more than one name, all of the Shareholders must sign.

Power of Attorney: If any signatory signs under Power of Attorney, please attach an originally certified photocopy of the Power of Attorney to this Form when you return it.

Companies: To be signed in accordance with your Constitution. Please sign in the box which indicates the office held by you.

E CONTACT DETAILS

Please enter a contact number we may reach you on between the hours of 9:00am and 5:00pm. We may use this number to contact you regarding completion of this Form.

HOW TO LODGE YOUR SHARE SALE FACILITY FORM

To assist you in lodging your Form a reply paid envelope has been enclosed for your use. No postage stamp is required if it is posted within Australia. Alternatively, if you have lost the reply paid envelope your completed Form can be mailed or delivered to either of the below addresses. The postal rule does not apply so please ensure your Form is received by the registry no later than 5.00pm (AEST) on 26 September 2016.

Mailing Address

The Carajas Copper Company Limited
C/- Automic Registry Services
PO Box 2226
Strawberry Hills NSW 2012

Hand Delivery (*Please do not use this address for mailing purposes*)

The Carajas Copper Company Limited
C/- Automic Registry Services
Suite 310
50 Holt Street
Surry Hills, NSW 2010

**YOUR SHARE SALE FACILITY FORM MUST BE RECEIVED BY NO LATER THAN
5.00PM (AEST) ON 26 SEPTEMBER 2016**