



**CASTILLO COPPER  
LIMITED**

**ASX Release**

**7 December 2016**

**CASTILLO  
COPPER LIMITED**  
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For the latest news:

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**Directors / Officers:**

David Wheeler  
Joe Graziano  
Nicole Fernandes

**Issued Capital:**

211 million shares  
1 million options

**ASX Symbol:**

CCZ

## PLACEMENT TO SOPHISTICATED INVESTORS

The Board of Directors of Castillo Copper Limited (**Company**) (ASX Code: **CCZ**) is pleased to announce that it has executed a Mandate with to raise up to \$500,000 via the issue of up to 25,000,000 fully paid ordinary shares at \$0.02 on a best endeavour basis (**Placement**).

The Placement will be issued under the Company's placement capacity in accordance with ASX Listing Rule 7.1.

The funds will be used for working capital and preliminary due diligence on a number of corporate opportunities that have been presented.

The Mandate appoints CPS Capital Group Pty Ltd (**CPS Capital**) to manage the Placement.

The Mandate also engages CPS to seek to introduce potential assets that CCZ may be interested in acquiring and to provide general ongoing corporate advice.

The Mandate also provides that, CPS Capital and or its Nominee will be issued 15,000,000 Options (**Corporate Options**) at a nominal issue price of \$0.0001. upon the completion of any acquisition in the future of an asset introduced to CCZ by CPS Capital.

Each of the Corporate Options entitles the holder to one fully paid ordinary share in the Group. The 15,000,000 Corporate Options have been issued at \$0.0001 each, exercisable at \$0.03 on or before 31 Dec 2018 and will otherwise be issued on the terms set out in Annexure A.

*Listing Rule 7.1*

Listing Rule 7.1 provides that, subject to certain exceptions, prior approval of shareholders is required for an issue of securities by a company if those securities, when aggregated with the securities issued by the company without approval and which were not subject to an exception during the previous 12 months, exceed 15% of the number of shares on issue at the commencement of that 12 month period.

Listing Rule 7.1 provides that where a company approves an issue of securities, the company's 15% capacity will be replenished and the company will be able to issue further securities up to that limit.

Accordingly, the Company will seek approval for the issue of up to 15,000,000 Corporate Options for the purpose of satisfying the requirements of Listing Rule 7.1 at the General Meeting to approve any acquisition in the future of an asset introduced to CCZ by CPS Capital. If approved, the Corporate Options and the Shares issued upon any exercise of the Corporate Options will not affect the capacity of the Company to issue shares.

**Tim Slate**  
**Company Secretary**

## ANNEXURE A – TERMS OF CORPORATE OPTIONS

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The Corporate Options will entitle the holder to subscribe for Shares on the terms and conditions set out below.

a) **Entitlement**

Each Corporate Option will entitle the holder to subscribe for one Share upon exercise of the Corporate Option.

b) **Issue Price**

\$0.0001 each.

c) **Expiry Date**

Each Corporate Option will expire at 5.00pm (WST) on 31 December 2018 (**Expiry Date**).

d) **Exercise Price**

Each Corporate Option will have an exercise price equal to \$0.03 (**Exercise Price**).

e) **Exercise period and lapsing**

Subject to clause (j), Corporate Options may be exercised at any time after the date of issue and prior to the Expiry Date. After this time, any unexercised Corporate Options will automatically lapse.

f) **Exercise Notice and payment**

Corporate Options may be exercised by notice in writing to the Company (**Exercise Notice**) together with payment of the Exercise Price for each Corporate Option being exercised. Any Exercise Notice for a Corporate Option received by the Company will be deemed to be a notice of the exercise of that Corporate Option as at the date of receipt. Cheques paid in connection with the exercise of Corporate Options must be in Australian currency, made payable to the Company and crossed "Not Negotiable".

g) **Shares issued on exercise**

Shares issued on exercise of Corporate Options will rank equally in all respects with existing Shares on issue.

h) **Quotation of Shares**

Provided that the Company is quoted on ASX at the time, application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Corporate Options.

i) **Timing of issue of Shares**

Subject to clause (j), within 5 Business Days after the later of the following:

- i. receipt of an Exercise Notice given in accordance with these terms and conditions and payment of the Exercise Price for each Corporate Option being exercised by the Company if the Company is not in possession of excluded information (as defined in section 708A(7) of the Corporations Act); and
- ii. the date the Company ceases to be in possession of excluded information with respect to the Company (if any) following the receipt of the Notice of Exercise and payment of the Exercise Price for each Corporate Option being exercised by the Company,

the Company will:

- iii. allot and issue the Shares pursuant to the exercise of the Corporate Options;
- iv. give ASX a notice that complies with section 708A(5)(e) of the Corporations Act (to the extent that it is legally able to do so); and
- v. apply for official quotation on the ASX of the Shares issued pursuant to the exercise of the Corporate Options.

j) **Shareholder and regulatory approvals**

Notwithstanding any other provision of these terms and conditions, exercise of Corporate Options into Shares will be subject to the Company obtaining all required (if any) Shareholder and regulatory approvals for the purpose of issuing the Shares to the holder. If exercise of the Corporate Options would result in any person being in contravention of section 606(1) of the Corporations Act then the exercise of each Corporate Option that would cause the contravention will be deferred until such time or times that the exercise would not result in a contravention of section 606(1) of the Corporations Act. Holders must give notification to the Company in writing if they consider that the exercise of the Corporate Options may result in the contravention of section 606(1) of the Corporations Act, failing which the Company will be entitled to assume that the exercise of the Corporate Options will not result in any person being in contravention of section 606(1) of the Corporations Act.

k) **Participation in new issues**

There are no participation rights or entitlements inherent in the Corporate Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Corporate Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least four Business Days after the issue is announced. This is intended to give the holders of Corporate Options the opportunity to exercise their Corporate Options prior to the announced record date for determining entitlements to participate in any such issue.

l) **Adjustment for bonus issues of Shares**

If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment):

- i. the number of Shares which must be issued on the exercise of a Corporate Option will be increased by the number of Shares which the holder would have received if the holder had exercised the Corporate Option before the record date for the bonus issue; and
- ii. no change will be made to the Exercise Price.

m) **Adjustment for rights issue**

If the Company makes an issue of Shares pro rata to existing Shareholders there will be no adjustment to the Exercise Price.

n) **Adjustments for reorganisation**

If there is any reconstruction of the issued share capital of the Company, the rights of the holders may be varied to comply with the Listing Rules which apply to the reconstruction at the time of the reconstruction.

o) **Quotation**

The Company will not apply for quotation of the Corporate Options on ASX.

p) **Transferability**

Corporate Options can only be transferred with the prior written consent of the Company (which consent may be withheld in the Company's sole discretion).