
CASTILLO COPPER LIMITED

ACN 137 606 476 (COMPANY)

NOTICE OF EXTRAORDINARY GENERAL MEETING & EXPLANATORY STATEMENT

Notice is given that an Extraordinary General Meeting of the Company will be held as follows:

TIME: 10.00am (Perth, WST).

DATE: 2 October 2020

PLACE: 45 Ventnor Ave, West Perth WA 6005

As this is an important document, please read it carefully and in its entirety. If you do not understand it please consult your professional advisors.

If you are unable to attend the Extraordinary General Meeting, please complete the proxy form enclosed and return it in accordance with the instructions set out on that form.

INTRODUCTION

Notice is given that the Extraordinary General Meeting of Shareholders of the Company will be held at the offices of Castillo Copper Ltd, 45 Ventnor Ave, West Perth, Western Australia 6005 on 2 October 2020 commencing at 10.00am (Perth, WST). The Explanatory Statement to this Notice of Meeting provides additional information on matters to be considered at the Extraordinary General Meeting. The Explanatory Statement and the Proxy Form are part of this Notice of Meeting.

The terms and abbreviations used in this Notice and Explanatory Statement are defined in the attached Glossary.

COVID-19 MEETING PROTOCOLS

The Company advises Shareholders that the Meeting will be held to comply with the Government's recommendations in relation to gatherings of persons during the current COVID-19 situation. As at the date of this notice, Government directives and recommendations on gatherings mean that Shareholders may not be able to attend the Meeting in person. The Company therefore strongly encourages Shareholders who wish to vote on the business of the Meeting to do so by lodging a directed proxy prior to the date of Meeting as per the instructions on the Proxy Form.

Shareholders who wish to participate and vote at the Meeting can so indicate on the Proxy Form attached and provide their email address for the Company to send them details on how to participate. Shareholders can also submit any questions in advance of the Meeting by emailing them to info@castillocopper.com.

The Meeting will consider only the business detailed in the Agenda below. The Company does not intend for there to be a Company update presentation made to Shareholders.

AGENDA

1 RESOLUTION 1 – RATIFICATION OF PRIOR ISSUE OF SHARES

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“That for the purpose of Listing Rule 7.4 and for all other purposes, Shareholders approve and ratify the prior issue of 95,454,545 Shares on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person who participated in the issue or is a counterparty to the agreement being approved.

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

2 RESOLUTION 2 – RATIFICATION OF PRIOR ISSUE OF OPTIONS

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“That for the purpose of Listing Rule 7.4 and for all other purposes, Shareholders approve and ratify the prior issue of 104,454,545 Options on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person who participated in the issue or is a counterparty to the agreement being approved.

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or

- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
- the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

3 RESOLUTION 3 – RATIFICATION OF PRIOR ISSUE OF SHARES TO CORPORATE ADVISER

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“That for the purpose of Listing Rule 7.4 and for all other purposes, Shareholders approve and ratify the prior issue of 236,000 Shares to JD Squared Limited Pty Ltd on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of:

- (a) JD Squared Limited Pty Ltd; or
- (b) an associate of JD Squared Limited Pty Ltd,

or any person who participated in the issue or is a counterparty to the agreement being approved or an associate of that person or those persons.

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
- the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

4 RESOLUTION 4 – RATIFICATION OF PRIOR ISSUE OF SHARES TO CORPORATE ADVISER

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“That for the purpose of Listing Rule 7.4 and for all other purposes, Shareholders approve and ratify the prior issue of 600,000 Shares to Report Card Pty Ltd on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of:

- (a) Report Card Pty Ltd; or
- (b) an associate of Report Card Pty Ltd,

or any person who participated in the issue or is a counterparty to the agreement being approved or an associate of that person or those persons.

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
- the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

5 RESOLUTION 5 – RATIFICATION OF PRIOR ISSUE OF SHARES TO CORPORATE ADVISER

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“That for the purpose of Listing Rule 7.4 and for all other purposes, Shareholders ratify and approve the prior issue of 2,500,000 Shares to MBM Resources on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of:

- (a) MBM Resources; or
- (b) an associate of MBM Resources,

or any person who participated in the issue or is a counterparty to the agreement being approved or an associate of that person or those persons.

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

6 RESOLUTION 6 – RATIFICATION OF PRIOR ISSUE OF SHARES TO CORPORATE ADVISER

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“That for the purpose of Listing Rule 7.4 and for all other purposes, Shareholders ratify and approve the prior issue of 2,222,222 Shares to Report Card Pty Ltd on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of:

- (a) Report Card Pty Ltd; or
- (b) an associate of Report Card Pty Ltd,

or any person who participated in the issue or is a counterparty to the agreement being approved or an associate of that person or those persons.

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

7 RESOLUTION 7 – RATIFICATION OF PRIOR ISSUE OF SHARES TO CORPORATE ADVISER

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“That for the purpose of Listing Rule 7.4 and for all other purposes, Shareholders ratify and approve the prior issue of 524,249 Shares to JD Squared Limited Pty Ltd on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of:

- (a) JD Squared Limited Pty Ltd; or
- (b) an associate of JD Squared Limited Pty Ltd,

or any person who participated in the issue or is a counterparty to the agreement being approved or an associate of that person or those persons.

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

8 RESOLUTION 8 – APPROVAL TO ISSUE OPTIONS

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“That, for the purpose of Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue 76,176,442 Options on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of any person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue of Equity Securities under this Resolution (except a benefit solely by reason of being a holder of ordinary securities in the Company) if the Resolution is passed and any associates of that person (or those persons).

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

9 RESOLUTION 9 – APPROVAL TO ISSUE OPTIONS TO MR SIMON PAULL

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“That for the purpose of Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 6,000,000 Options to Mr Simon Paull (or his nominee(s)) on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of:

- (a) Mr Paull (or his nominee(s)); or
- (b) an associate of Mr Paull (or his nominee(s)),

and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company).

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or

- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting Prohibition: In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the person is either a member of the Key Management Personnel or a Closely Related Party; and
- (b) the appointment does not specify the way the proxy is to vote on the Resolution.

However, the above prohibition does not apply if:

- (c) the person is the Chair; and
- (d) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

10 RESOLUTION 10 – APPROVAL TO ISSUE OPTIONS TO MR ROBERT SCOTT

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“That for the purpose of Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 3,000,000 Options to Mr Robert Scott (or his nominee(s)) on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of:

- (a) Mr Scott (or his nominee(s)); or
- (b) an associate of Mr Scott (or his nominee(s)),

and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company).

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee(s), trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting Prohibition: In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the person is either a member of the Key Management Personnel or a Closely Related Party; and
- (b) the appointment does not specify the way the proxy is to vote on the Resolution.

However, the above prohibition does not apply if:

- (c) the person is the Chair; and
- (d) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

11 RESOLUTION 11 – APPROVAL TO ISSUE OPTIONS TO MR GERRARD HALL

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“That for the purpose of Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 3,000,000 Options to Mr Gerrard Hall (or his nominee(s)) on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of:

- (a) Mr Hall (or his nominee(s)); or
- (b) an associate of Mr Hall (or his nominee(s)),

and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company).

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee(s), trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting Prohibition: In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the person is either a member of the Key Management Personnel or a Closely Related Party; and
- (b) the appointment does not specify the way the proxy is to vote on the Resolution.

However, the above prohibition does not apply if:

- (c) the person is the Chair; and
- (d) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

12 RESOLUTION 12 – APPROVAL TO ISSUE SECURITIES TO MR GERRARD HALL

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“That for the purpose of Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 2,941,176 Shares and 2,941,176 Options to Mr Gerrard Hall (or his nominee(s)) on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of:

- (a) Mr Hall (or his nominee(s)); or
- (b) an associate of Mr Hall (or his nominee(s)),

and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company).

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee(s), trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

13 RESOLUTION 13 – APPROVAL TO ISSUE OPTIONS TO SI CAPITAL LIMITED

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“That for the purpose of Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue 1,582,353 Options to SI Capital Limited (or its nominee(s)) on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of:

- (a) SI Capital Limited (or its nominee); or
- (b) an associate of SI Capital Limited (or its nominee),

and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company).

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

The Directors have determined pursuant to regulation 7.11.37 of the Corporations Regulations that the persons eligible to vote at the Meeting are those who are registered as Shareholders of the Company at 5pm (Perth, WST) on 30 September 2020.

By Order of the Board

Dale Brian Hanna
Company Secretary
3 September 2020

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of Shareholders of Castillo Copper Limited (**Company**) in connection with the business to be conducted at the Extraordinary General Meeting of the Company to be held at the offices of Castillo Copper Ltd, 45 Ventnor Ave, West Perth, Western Australia 6005 commencing at 10am, 2 October 2020 (Perth, WST).

This Explanatory Statement should be read in conjunction with the accompanying Notice of Meeting. The 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 Resolutions in the Notice of Meeting.

A Proxy Form has been dispatched with the Notice of Meeting and Explanatory Statement.

1 BACKGROUND TO PREVIOUS ISSUES OF SECURITIES

1.1 General

As previously announced by the Company:

- (a) on 23 June 2020, the Company announced a capital raising to sophisticated and professional investors of a total of:
 - (i) 95,454,545 Shares at an issue price of \$0.022 per Share; and
 - (ii) 104,454,545 free attaching Options exercisable at \$0.05 on or before 23 June 2023, to raise approximately \$2.1 million before costs (**Placement**);
- (b) on 15 June 2020, the Company issued 836,000 Shares at a deemed issue price of \$0.025 per Share to the following corporate advisers in settlement of corporate advisory and investor relations services:
 - (i) 236,000 Shares were issued to JD Squared Limited Pty Ltd; and
 - (ii) 600,000 Shares were issued to Report Card Pty Ltd; and
- (c) on 12 May 2020, the Company issued 5,246,471 Shares at a deemed issue price of A\$0.0178 per Share to the following corporate advisers in settlement of corporate advisory and investor relations services:
 - (i) 2,500,000 Shares were issued to MBM Resources;
 - (ii) 2,222,222 Shares were issued to Report Card Pty Ltd; and
 - (iii) 524,249 Shares were issued to JD Squared Limited Pty Ltd.

Resolutions **Error! Reference source not found.** to 7 (inclusive) seek Shareholder ratification of the:

- 95,454,545 Shares issued by the Company on 23 June 2020 under the Placement;
- 104,454,545 Options issued by the Company on 23 June 2020 under the Placement;
- 236,000 Shares issued by the Company on 15 June 2020 to JD Squared Limited Pty Ltd;
- 600,000 Shares issued by the Company on 15 June 2020 to Report Card Pty Ltd;
- 2,500,000 Shares issued by the Company on 12 May 2020 to MBM Resources;
- 2,222,222 Shares issued by the Company on 12 May 2020 to Report Card Pty Ltd; and
- 524,249 Shares issued by the Company on 12 May 2020 to JD Squared Limited Pty Ltd.

2 RESOLUTION 1 – RATIFICATION OF PRIOR ISSUE OF SHARES

2.1 General

Resolution 1 seeks Shareholder ratification pursuant to Listing Rule 7.4 for the issue of 95,454,545 Shares by the Company pursuant to the Placement.

2.2 Listing Rules 7.1 and 7.4

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of Equity Securities that a listed company can issue without the approval of shareholders over any 12 month period to 15% of the fully paid Shares it had on issue at the start of that period.

The issue of the 95,454,545 Shares the subject of Resolution 1 does not fit within any of the exceptions in Listing Rule 7.2 and, as it has not yet been approved by Shareholders, it effectively uses up part of the 15% limit in Listing Rule 7.1, reducing the Company's capacity to issue further Equity Securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the date of issue of the Shares.

Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of Equity Securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rule 7.1 and so does not reduce the Company's capacity to issue further Equity Securities without Shareholder approval under that rule.

The Company wishes to retain as much flexibility as possible to issue additional Equity Securities into the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1.

To this end, Resolution 1 seeks Shareholder approval to the issue of the 95,454,545 Shares the subject of Resolution 1 for the purposes of Listing Rule 7.4.

2.3 Technical information required by Listing Rule 14.1A

If Resolution 1 is passed, the issue of the 95,454,545 Shares will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of Equity Securities it can issue without Shareholder approval over the 12 month period following the date of issue of the Shares.

If Resolution 1 is not passed, the issue of the 95,454,545 Shares will be included in calculating the Company's 15% limit in Listing Rule 7.1, effectively decreasing the number of Equity Securities the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Shares.

2.4 Technical information required by Listing Rule 7.5

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to Resolution 1:

- (a) the Shares were issued to sophisticated and professional investors, none of whom are a related party of the Company, a member of Key Management Personnel, a substantial holder in the Company, an adviser to the Company or an associate of any such person. The Shares were issued to sophisticated and professional investors who are clients of Hartleys Limited, Subiaco Capital Pty Ltd and CPS Capital Group Pty Ltd. The recipients were identified through a bookbuild process, where expressions of interest to participate in the capital raising from non-related parties of the Company were sought;
- (b) 95,454,545 Shares were issued;
- (c) the Shares were issued on 30 June 2020;
- (d) the issue price of the Shares under the Placement was \$0.022 per Share;
- (e) the purpose of the issue of the Shares under the Placement was to raise approximately \$1.2 million (before costs), which will be used to fund:
 - (i) the advancement of the Mt Oxide Project's exploration work, which includes a proposed 4,385m RC drilling campaign over 35 drill-holes followed by an incremental 160m diamond drilling campaigns at the Big One Deposit and Arya prospect; and
 - (ii) the Company's general working capital purposes, which includes cost of the capital raising and corporate overheads;
- (f) the Shares are all fully paid ordinary shares in the capital of the Company issued on the same terms as the Company's existing Shares;
- (g) a voting exclusion statement is included in this Notice.

3 RESOLUTION 2 – RATIFICATION OF PRIOR ISSUE OF OPTIONS

3.1 General

Resolution 2 seeks Shareholder ratification pursuant to Listing Rule 7.4 for the issue of 104,454,545 Options by the Company pursuant to the Placement.

3.2 Listing Rules 7.1 and 7.4

A summary of Listing Rules 7.1 and 7.4 is set out in Section **Error! Reference source not found.** above.

The issue of the 104,454,545 Options the subject of Resolution 2 does not fit within any of the exceptions in Listing Rule 7.2 and, as it has not yet been approved by Shareholders, it effectively uses up part of the 15% limit in Listing Rule 7.1, reducing the Company's capacity to issue further Equity Securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the date of issue of the Options.

The Company wishes to retain as much flexibility as possible to issue additional Equity Securities into the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1.

To this end, Resolution 2 seeks Shareholder approval to the issue of the 104,454,545 Options the subject of Resolution 2 for the purposes of Listing Rule 7.4.

3.3 Technical information required by Listing Rule 14.1A

If Resolution 2 is passed, the issue of the 104,454,545 Options will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of Equity Securities it can issue without Shareholder approval over the 12 month period following the date of issue of the Options.

If Resolution 2 is not passed, the issue of the 104,454,545 Options will be included in calculating the Company's 15% limit in Listing Rule 7.1, effectively decreasing the number of Equity Securities the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Options.

3.4 Technical information required by Listing Rule 7.5

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to Resolution 2:

- (a) the Options were issued to sophisticated and professional investors, none of whom are a related party of the Company, a member of Key Management Personnel, a substantial holder in the Company, an adviser to the Company or an associate of any such person. The Options were issued to sophisticated and professional investors who are clients of Hartleys Limited, Subiaco Capital Pty Ltd and CPS Capital Group Pty Ltd. The recipients were identified through a bookbuild process, where expressions of interest to participate in the capital raising from non-related parties of the Company were sought;
- (b) 104,454,545 Options were issued;
- (c) the Options were issued on 30 June 2020;
- (d) the issue price per Option under the Placement was nil as the options were free attaching to the Shares on a one for one basis;
- (e) the purpose of the issue of the Options under the Placement was to raise approximately \$1.2 million (before costs), which will be used to fund:
 - (i) the advancement of the Mt Oxide Project's exploration work, which includes a proposed 4,385m RC drilling campaign over 35 drill-holes followed by an incremental 160m diamond drilling campaigns at the Big One Deposit and Arya prospect; and
 - (ii) the Company's general working capital purposes, which includes cost of the capital raising and corporate overheads;
- (iii) the Options were issued on the terms and conditions set out in Appendix 1; and
- (f) a voting exclusion statement is included in this Notice.

4 RESOLUTION 3 – RATIFICATION OF PRIOR ISSUE OF SHARES TO CORPORATE ADVISER

4.1 General

Resolution 3 seeks Shareholder ratification pursuant to Listing Rule 7.4 for the issue of 236,000 Shares by the Company to JD Squared Limited Pty Ltd.

4.2 Listing Rules 7.1 and 7.4

A summary of Listing Rules 7.1 and 7.4 is set out in Section 2.2 above.

The issue of the 236,000 Shares the subject of Resolution 3 does not fit within any of the exceptions in Listing Rule 7.2 and, as it has not yet been approved by Shareholders, it effectively uses up part of the 15% limit in Listing Rule 7.1, reducing the Company's capacity to issue further Equity Securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the date of issue of the Shares.

The Company wishes to retain as much flexibility as possible to issue additional Equity Securities into the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1.

To this end, Resolution 3 seeks Shareholder approval to the issue of the 236,000 Shares the subject of Resolution 3 for the purposes of Listing Rule 7.4.

4.3 Technical information required by Listing Rule 14.1A

If Resolution 3 is passed, the issue of the 236,000 Shares will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of Equity Securities it can issue without Shareholder approval over the 12 month period following the date of issue of the Shares.

If Resolution 3 is not passed, the issue of the 236,000 Shares will be included in calculating the Company's 15% limit in Listing Rule 7.1, effectively decreasing the number of Equity Securities the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Shares.

4.4 Technical information required by Listing Rule 7.5

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to Resolution 3:

- (a) the Shares were issued to JD Squared Limited Pty Ltd, who is a corporate adviser to the Company but is not a related party of the Company, a member of Key Management Personnel, a substantial holder in the Company, or an associate of any such person;
- (b) 236,000 Shares were issued;
- (c) the Shares were issued on 15 June 2020;
- (d) the deemed issue price of the Shares was \$0.025 per Share;
- (e) the purpose of the issue of the Shares was to settle outstanding fees owing for corporate advisory and investor relations services, which amounted to \$5,900 and which included preparation of investor presentations;
- (f) no funds were raised from the issue of the Shares;
- (g) a summary of the material terms of the agreement pursuant to which the Shares were issued is set out in item 1 of Appendix 5;
- (h) the Shares are all fully paid ordinary shares in the capital of the Company issued on the same terms as the Company's existing Shares; and
- (i) a voting exclusion statement is included in this Notice.

5 RESOLUTION 4 – RATIFICATION OF PRIOR ISSUE OF SHARES TO CORPORATE ADVISER

5.1 General

Resolution 4 seeks Shareholder ratification pursuant to Listing Rule 7.4 for the issue of 600,000 Shares by the Company to Report Card Pty Ltd.

5.2 Listing Rules 7.1 and 7.4

A summary of Listing Rules 7.1 and 7.4 is set out in Section 2.2 above.

The issue of the 600,000 Shares the subject of Resolution 4 does not fit within any of the exceptions in Listing Rule 7.2 and, as it has not yet been approved by Shareholders, it effectively uses up part of the 15% limit in Listing Rule 7.1, reducing the Company's capacity to issue further Equity Securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the date of issue of the Shares.

The Company wishes to retain as much flexibility as possible to issue additional Equity Securities into the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1.

To this end, Resolution 4 seeks Shareholder approval to the issue of the 600,000 Shares the subject of Resolution 4 for the purposes of Listing Rule 7.4.

5.3 Technical information required by Listing Rule 14.1A

If Resolution 4 is passed, the issue of the 600,000 Shares will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of Equity Securities it can issue without Shareholder approval over the 12 month period following the date of issue of the Shares.

If Resolution 4 is not passed, the issue of the 600,000 Shares will be included in calculating the Company's 15% limit in Listing Rule 7.1, effectively decreasing the number of Equity Securities the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Shares.

5.4 Technical information required by Listing Rule 7.5

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to Resolution 4:

- (a) the Shares were issued to Report Card Pty Ltd, who is a corporate adviser to the Company but is not a related party of the Company, a member of Key Management Personnel, a substantial holder in the Company, or an associate of any such person;
- (b) 600,000 Shares were issued;
- (c) the Shares were issued on 15 June 2020;
- (d) the deemed issue price of the Shares was \$0.025 per Share;
- (e) the purpose of the issue of the Shares was to settle outstanding fees owing for corporate advisory and investor relations services, which amounted to \$15,000 and which included digital media promotion;

- (f) no funds were raised from the issue of the Shares;
- (g) a summary of the material terms of the agreement pursuant to which the Shares were issued is set out in item 2 of Appendix 5;
- (h) the Shares are all fully paid ordinary shares in the capital of the Company issued on the same terms as the Company's existing Shares; and
- (i) a voting exclusion statement is included in this Notice.

6 RESOLUTION 5 – RATIFICATION OF PRIOR ISSUE OF SHARES

6.1 General

Resolution 5 seeks Shareholder ratification pursuant to Listing Rule 7.4 for the issue of 2,500,000 Shares by the Company to MBM Resources.

6.2 Listing Rules 7.1 and 7.4

A summary of Listing Rules 7.1 and 7.4 is set out in Section 2.2 above.

The issue of the 2,500,000 Shares the subject of Resolution 5 does not fit within any of the exceptions in Listing Rule 7.2 and, as it has not yet been approved by Shareholders, it effectively uses up part of the 15% limit in Listing Rule 7.1, reducing the Company's capacity to issue further Equity Securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the date of issue of the Shares.

The Company wishes to retain as much flexibility as possible to issue additional Equity Securities into the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1.

To this end, Resolution 5 seeks Shareholder approval to the issue of the 2,500,000 Shares the subject of Resolution 5 for the purposes of Listing Rule 7.4.

6.3 Technical information required by Listing Rule 14.1A

If Resolution 5 is passed, the issue of the 2,500,000 Shares will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of Equity Securities it can issue without Shareholder approval over the 12 month period following the date of issue of the Shares.

If Resolution 5 is not passed, the issue of the 2,500,000 Shares will be included in calculating the Company's 15% limit in Listing Rule 7.1, effectively decreasing the number of Equity Securities the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Shares.

6.4 Technical information required by Listing Rule 7.5

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to Resolution 5:

- (a) the Shares were issued to MBM Resources, who is a corporate adviser to the Company but is not a related party of the Company, a member of Key Management Personnel, a substantial holder in the Company, or an associate of any such person;
- (b) 2,500,000 Shares were issued;
- (c) the Shares were issued on 12 May 2020;
- (d) the deemed issue price of the Shares was \$0.0178 per Share;
- (e) the purpose of the issue of the Shares was to settle outstanding fees owing for corporate advisory and investor relations services, which amounted to \$44,500 and which included promotion of the Company into mainland Europe;
- (f) no funds were raised from the issue of the Shares;
- (g) a summary of the material terms of the agreement pursuant to which the Shares were issued is set out in item 3 of Appendix 5;
- (h) the Shares are all fully paid ordinary shares in the capital of the Company issued on the same terms as the Company's existing Shares; and
- (i) a voting exclusion statement is included in this Notice.

7 RESOLUTION 6 – RATIFICATION OF PRIOR ISSUE OF SHARES

7.1 General

Resolution 6 seeks Shareholder ratification pursuant to Listing Rule 7.4 for the issue of 2,222,222 Shares by the Company to Report Card Pty Ltd.

7.2 Listing Rules 7.1 and 7.4

A summary of Listing Rules 7.1 and 7.4 is set out in Section 2.2 above.

The issue of the 2,222,222 Shares the subject of Resolution 6 does not fit within any of the exceptions in Listing Rule 7.2 and, as it has not yet been approved by Shareholders, it effectively uses up part of the 15% limit in Listing Rule 7.1, reducing the Company's capacity to issue further Equity Securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the date of issue of the Shares.

The Company wishes to retain as much flexibility as possible to issue additional Equity Securities into the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1.

To this end, Resolution 6 seeks Shareholder approval to the issue of the 2,222,222 Shares the subject of Resolution 6 for the purposes of Listing Rule 7.4.

7.3 Technical information required by Listing Rule 14.1A

If Resolution 6 is passed, the issue of the 2,222,222 Shares will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of Equity Securities it can issue without Shareholder approval over the 12 month period following the date of issue of the Shares.

If Resolution 6 is not passed, the issue of the 2,222,222 Shares will be included in calculating the Company's 15% limit in Listing Rule 7.1, effectively decreasing the number of Equity Securities the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Shares.

7.4 Technical information required by Listing Rule 7.5

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to Resolution 6:

- (a) the Shares were issued to Report Card Pty Ltd, who is a corporate adviser to the Company but is not a related party of the Company, a member of Key Management Personnel, a substantial holder in the Company, or an associate of any such person;
- (b) 2,222,222 Shares were issued;
- (c) the Shares were issued on 12 May 2020;
- (d) the deemed issue price of the Shares was \$0.0178 per Share;
- (e) the purpose of the issue of the Shares was to settle outstanding fees owing for corporate advisory and investor relations services, which amounted to \$39,555 and which included digital media promotion;
- (f) no funds were raised from the issue of the Shares;
- (g) a summary of the material terms of the agreement pursuant to which the Shares were issued is set out in item 2 of Appendix 5;
- (h) the Shares are all fully paid ordinary shares in the capital of the Company issued on the same terms as the Company's existing Shares; and
- (i) a voting exclusion statement is included in this Notice.

8 RESOLUTION 7 – RATIFICATION OF PRIOR ISSUE OF SHARES

8.1 General

Resolution 7 seeks Shareholder ratification pursuant to Listing Rule 7.4 for the issue of 524,249 Shares by the Company to JD Squared Limited Pty Ltd.

8.2 Listing Rules 7.1 and 7.4

A summary of Listing Rules 7.1 and 7.4 is set out in Section 2.2 above.

The issue of the 524,249 Shares the subject of Resolution 7 does not fit within any of the exceptions in Listing Rule 7.2 and, as it has not yet been approved by Shareholders, it effectively uses up part of the 15% limit in Listing Rule 7.1, reducing the Company's capacity to issue further Equity Securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the date of issue of the Shares.

The Company wishes to retain as much flexibility as possible to issue additional Equity Securities into the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1.

To this end, Resolution 7 seeks Shareholder approval to the issue of the 524,249 Shares the subject of Resolution 7 for the purposes of Listing Rule 7.4.

8.3 Technical information required by Listing Rule 14.1A

If Resolution 7 is passed, the issue of the 524,249 Shares will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of Equity Securities it can issue without Shareholder approval over the 12 month period following the date of issue of the Shares.

If Resolution 7 is not passed, the issue of the 524,249 Shares will be included in calculating the Company's 15% limit in Listing Rule 7.1, effectively decreasing the number of Equity Securities the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Shares.

8.4 Technical information required by Listing Rule 7.5

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to Resolution 7:

- (a) the Shares were issued to JD Squared Limited Pty Ltd, who is a corporate adviser to the Company but is not a related party of the Company, a member of Key Management Personnel, a substantial holder in the Company, or an associate of any such person;
- (b) 524,249 Shares were issued;
- (c) the Shares were issued on 12 May 2020;
- (d) the deemed issue price of the Shares was \$0.0178 per Share;
- (e) the purpose of the issue of the Shares was to settle outstanding fees owing for corporate advisory and investor relations services, which amounted to \$9,332 and which included preparation of investor presentations;
- (f) no funds were raised from the issue of the Shares;
- (g) a summary of the material terms of the agreement pursuant to which the Shares were issued is set out in item 1 of Appendix 5;
- (h) the Shares are all fully paid ordinary shares in the capital of the Company issued on the same terms as the Company's existing Shares; and
- (i) a voting exclusion statement is included in this Notice.

9 RESOLUTION 8 – APPROVAL TO ISSUE OPTIONS

9.1 General

As announced by the Company on 28 July 2020, the Company has recently lodged a prospectus (**Prospectus**) for admission to the London Stock Exchange (**LSE**) and was admitted to trading on the LSE on 4 August 2020.

Pursuant to the Prospectus and in accordance with approval granted at the general meeting of Shareholders held on 27 March 2020, the Company is proposing to issue 79,117,618 Shares (**Placing Shares**) each at an issue price of 1.7 pence, together with one free attaching Option for each Placing Share, exercisable at GBP0.028 on or before 1 September 2023. Resolution 8 seeks approval for the issue of 76,176,442 of the 79,117,618 Options while Resolution 12 seeks approval for the issue of the remaining 2,941,176 Options to Mr Gerrard Hall.

Resolution 8 seeks Shareholder approval pursuant to Listing Rule 7.1 for the issue of 76,176,442 Options to those parties who participated in the Placing.

9.2 Listing Rule 7.1

A summary of Listing Rule 7.1 is set out in section 2.2 above.

The proposed issue of Options the subject of Resolution 8 does not fit within any of the exceptions in Listing Rule 7.2 and exceeds the 15% limit in Listing Rule 7.1. It therefore requires the approval of Shareholders under Listing Rule 7.1.

9.3 Technical information required by Listing Rule 14.1A

If Resolution 8 is passed, the Company will be able to proceed with the issue of the Options the subject of Resolution 8. In addition, the issue of the Options will be excluded from the calculation of the number of Equity Securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 8 is not passed, the Company may not be able to proceed with the issue of the Options the subject of Resolution 8.

9.4 Technical information required by Listing Rule 7.3

The following information is provided to Shareholders for the purpose of Listing Rule 7.3 in relation to Resolution 8:

- (a) the Options will be issued to those parties who participated in the Placing, none of whom are a related party of the Company, a member of Key Management Personnel, a substantial holder in the Company, an adviser to the Company or an associate of any such person. The recipients were identified through a bookbuild process, where expressions of interest to participate in the capital raising from non-related parties of the Company were sought;
- (b) the number of Options to be issued pursuant to Resolution 8 is 76,176,442;
- (c) the Options are anticipated to be issued on or around 30 September 2020 and, in any event, by no later than 3 months after the date of the Meeting;
- (d) the Options will be granted for nil consideration as they are being issued as free-attaching to the Placing Shares issued under the Prospectus;
- (e) the Company intends to use the funds raised from the Placing to fund:
 - (i) the advancement of the Mt Oxide Project's exploration work, which includes a proposed 4,385m RC drilling campaign over 35 drill-holes followed by an incremental 160m diamond drilling campaigns at the Big One Deposit and Arya prospect; and
 - (ii) the Company's general working capital purposes, which includes cost of the capital raising and corporate overheads;
- (f) a summary of the material terms to which the Options will be issued is set out in Appendix 2; and
- (g) a voting exclusion statement is included in the Notice of Meeting.

10 RESOLUTIONS 9, 10 AND 11 – ISSUE OF OPTIONS TO MR SIMON PAULL, MR ROBERT SCOTT AND MR GERRARD HALL

10.1 General

The Company has agreed, subject to obtaining Shareholder approval, to issue a total of 12,000,000 Options to its Directors, being Mr Simon Paull, Mr Robert Scott and Mr Gerrard Hall. Resolutions 9, 10 and 11 seek Shareholder approval pursuant to Listing Rule 10.11 and for all other purposes to issue:

- (a) 6,000,000 Options to Mr Simon Paull (or his nominee(s));
- (b) 3,000,000 Options to Mr Robert Scott (or his nominee(s)); and
- (c) 3,000,000 Options to Mr Gerrard Hall (or his nominee(s)).

Options remain a cost-effective way of remunerating Directors in circumstances where Director obligations and commitments have increased at a far greater pace than real cash remuneration levels. The Company believes that the grant of Options to the Directors encourages them to have a stronger alignment of interest in the achievement of the Company's objectives by participating in the future growth and prosperity of the Company through Share ownership.

It is considered that the incentives represented by the grant of the Options will be a cost effective and efficient means for the Company to reward and incentive the Directors commensurate with the increase in their obligations and commitments as the Company actively advances the development of its projects.

The options to be issued to Messrs Paull, Scott and Hall have been valued internally by the Company using the Black-Scholes option valuation methodology. Using the Black-Scholes option model and based on the assumptions set out below, the Options were ascribed the following values:

Assumptions	
Valuation Date	30 July 2020
Market price of Shares (closing price)	\$0.046
Number of Options (aggregate)	12,000,000
Exercise Price	\$0.05
Expiry Date	30 September 2023
Risk free interest rate	0.27%
Volatility	100%
Indicative value per Option	\$0.0279
Total value of Options	\$334,531

Based on the table above, the Company values the Options to be issued to Mr Paull at \$167,265, the Options to be issued to Mr Scott at \$83,333 and the Options to be issued to Mr Hall at \$83,333.

10.2 Listing Rule 10.11

Listing Rule 10.11 provides that unless one of the exceptions in Listing Rule 10.12 applies, a listed company must not issue or agree to issue equity securities to:

- (a) a related party;
- (b) a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (30%+) holder in the company;
- (c) a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (10%+) holder in the company and who has nominated a director to the board of the company pursuant to a relevant agreement which gives them a right or expectation to do so;
- (d) an associate of a person referred to in Listing Rules 10.11.1 to 10.11.3; or
- (e) a person whose relationship with the company or a person referred to in Listing Rules 10.11.1 to 10.11.4 is such that, in ASX's opinion, the issue or agreement should be approved by its shareholders,

unless it obtains the approval of its shareholders.

The proposed issue of Options to Messrs Paull, Scott and Hall, each a Director, in each case falls within Listing Rule 10.11.1 and does not fall within any of the exceptions in Listing Rule 10.12. It therefore requires the approval of the Company's Shareholders under Listing Rule 10.11.

Resolutions 9, 10 and 11 seek the required Shareholder approval to the issue of the Options to Messrs Paull, Scott and Hall respectively under and for the purposes of Listing Rule 10.11.

If Resolution 9 is passed, the Company will be able to proceed with the issue of the 6,000,000 Options to Mr Paull.

If Resolution 9 is not passed, the Company will not be able to proceed with the issue of the 6,000,000 Options to Mr Paull and will be required to consider other means of remunerating Mr Paull.

If Resolution 10 is passed, the Company will be able to proceed with the issue of the 3,000,000 Options to Mr Scott.

If Resolution 10 is not passed, the Company will not be able to proceed with the issue of the 3,000,000 Options to Mr Scott and will be required to consider other means of remunerating Mr Scott.

If Resolution 11 is passed, the Company will be able to proceed with the issue of the 3,000,000 Options to Mr Hall.

If Resolution 11 is not passed, the Company will not be able to proceed with the issue of the 3,000,000 Options to Mr Hall and will be required to consider other means of remunerating Mr Hall.

10.3 Information Required by ASX Listing Rule 10.13

The following information is provided to Shareholders for the purposes of Listing Rule 10.13 in relation to Resolutions 9, 10 and 11:

- (a) the Options will be issued to Mr Simon Paull, Mr Robert Scott and Mr Gerrard Hall (or their respective nominee(s));
- (b) Mr Simon Paull, Mr Robert Scott and Mr Gerrard Hall are each a Director and are therefore each a Related Party of the Company for the purposes of Listing Rule 10.11.1;
- (c) the number of Options to be issued pursuant to Resolutions 9, 10 and 11 is 12,000,000 comprising:
 - (i) 6,000,000 under Resolution 9 to Mr Paull or his nominee(s);
 - (ii) 3,000,000 under Resolution 10 to Mr Scott or his nominee(s); and
 - (iii) 3,000,000 under Resolution 11 to Mr Hall or his nominee(s);
- (d) the Options are anticipated to be issued on or around 30 September 2020 and, in any event, by no later than 1 month after the date of the Meeting;
- (e) the Options will be granted for nil cash consideration;
- (f) no funds will be raised from the issue of the Options;
- (g) the purpose of the issue of the Options is to allow the Company to reasonably incentivise Directors for the achievement of strategic objectives which will result in increased value to Shareholders whilst at the same time preserving the Company's cash position;
- (h) the current total remuneration packages for Mr Paull, Mr Scott and Mr Hall are shown in the table below:

Remuneration Component	Mr Paull	Mr Scott	Mr Hall
Salaries and fees	\$48,000	\$48,000	\$48,000
Share based payments	\$19,488 ¹	\$27,738 ²	\$13,920 ²

¹ 12 months ending June 2019

² 6 months ending December 2019

- (i) a summary of the material terms pursuant to which the Options will be issued is set out in Appendix 3; and
- (j) a voting exclusion statement is included in the Notice of Meeting.

10.4 Chapter 2E of the Corporations Act

For a public company, or an entity that the public company controls, to give a financial benefit to a Related Party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

Resolutions 9, 10 and 11 relate to the proposed issue of Options, which constitutes giving a financial benefit. Mr Simon Paull, Mr Robert Scott and Mr Gerrard Hall are each a Related Party of the Company by virtue of being a Director.

Section 211 of the Corporations Act provides that Shareholder approval under section 208 is not required if:

- (a) the financial benefit to be provided to the Related Party is remuneration as an officer or employee of a public company; and
- (b) to give the remuneration would be reasonable given:
 - (i) the circumstances of the public company or entity giving the remuneration; and
 - (ii) the Related Party's circumstances (including the responsibilities involved in the office or employment).

The Board (except for Mr Paull in relation to Resolution 9, Mr Scott in relation to Resolution 10 and Mr Hall in relation to Resolution 11) has determined that the proposed grant of Options the subject of Resolutions 9, 10 and 11 forms part of the reasonable remuneration of the Directors, having regard to the circumstances of the Company and the responsibilities of the Directors. The proposed issue of Options is accordingly considered to fall within the exception in section 211 of the Corporations Act and Shareholder approval is therefore not sought for the purposes of Chapter 2E of the Corporations Act.

11 RESOLUTION 12 – APPROVAL TO ISSUE SECURITIES TO MR GERRARD HALL

11.1 General

Pursuant to Resolution 12 the Company is seeking Shareholder approval for the issue of 2,942,176 Shares at an issue price of GBP0.017 per Share and 2,942,176 free attaching Options to Mr Gerrard Hall (or his nominee(s)) to raise approximately GBP50,000. The Company is proposing to issue these Shares and Options by virtue of Mr Hall participating in the Placing.

11.2 Listing Rule 10.11

A summary of Listing Rule 10.11 is set out in Section 10.2 above.

Mr Hall's participation in the Placing involves the issue of Shares and Options to a Related Party of the Company. Shareholder approval pursuant to Listing Rule 10.11 is accordingly required unless an exception applies. It is the view of the Directors that the exceptions set out in Listing Rule 10.12 do not apply in the current circumstances.

If Resolution 12 is passed, Mr Hall will be able to participate in the Placing and the Company will be able to proceed with the issue of 2,942,176 Shares and 2,942,176 Options to Mr Hall (or his nominee(s)).

If Resolution 12 is not passed, Mr Hall will not be able to participate in the Placing and the Company will not issue any Shares or Options to Mr Hall (or his nominee(s)).

11.3 Information Required by ASX Listing Rule 10.13

The following information is provided to Shareholders for the purposes of Listing Rule 10.13 in relation to Resolution 12:

- (a) the Shares and Options will be issued to Mr Gerrard Hall (or his respective nominee(s));
- (b) Mr Gerrard Hall is a Director and is therefore a Related Party of the Company for the purposes of Listing Rule 10.11.1;
- (c) the number of Shares to be issued pursuant to Resolution 12 is 2,942,176;

- (d) the number of Options to be issued pursuant to Resolution 12 is 2,942,176;
- (e) the Shares and Options are anticipated to be issued on 30 September 2020 and, in any event, by no later than 1 month after the date of the Meeting;
- (f) the Shares will be issued at an issue price of GBP0.017 per Share, being the same price as all other Shares issued under the Placing;
- (g) the Options will be granted for nil consideration as they are being issued as free-attaching to the Placing Shares issued under the Prospectus;
- (h) the Shares are fully paid ordinary shares in the capital of the Company issued on the same terms as the Company's existing shares. A summary of the material terms to which the Options will be issued is set out in Appendix 2;
- (i) the funds raised from the issue of the Shares (being approximately GBP50,000) will be used to fund:
 - (i) the advancement of the Mt Oxide Project's exploration work, which includes a proposed 4,385m RC drilling campaign over 35 drill-holes followed by an incremental 160m diamond drilling campaigns at the Big One Deposit and Arya prospect; and
 - (ii) the Company's general working capital purposes, which includes cost of the capital raising and corporate overheads;
- (j) the purpose of the issue of the Shares and Options is to allow Mr Hall to participate in the Placing; and
- (k) A voting exclusion statement is included in the Notice of Meeting.

11.4 Chapter 2E of the Corporations Act

A summary of Chapter 2E of the Corporations Act is set out in Section 10.4 above.

Mr Hall's participation in the Placing will result in the issue of Shares and Options, which constitutes giving a financial benefit. Mr Hall is a Related Party of the Company by virtue of being a Director.

The Directors (other than Mr Hall who has a material personal interest in the Resolution) consider Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of Mr Hall's participation in the Placing because the Shares and Options will be issued to Mr Hall on the same terms as Shares and Options issued to non-related party participants in the Placing and as such the giving of the financial benefit is on arm's length terms.

12 RESOLUTION 13 – APPROVAL TO ISSUE OPTIONS TO SI CAPITAL LIMITED

12.1 General

Resolution 13 seeks Shareholder approval pursuant to Listing Rule 7.1 for the issue of 1,582,353 Options to SI Capital for services provided by SI Capital in connection with the Placing.

12.2 Listing Rule 7.1

A summary of Listing Rule 7.1 is set out in section 2.2 above.

The proposed issue of Options the subject of Resolution 13 does not fit within any of the exceptions in Listing Rule 7.2.

Whilst the issue does not exceed the 15% limit in Listing Rule 7.1 and can therefore be made without breaching that rule, the Company wishes to retain as much flexibility as possible to issue additional Equity Securities in the future without having to obtain Shareholder approval under Listing Rule 7.1. To do this, the Company is asking Shareholders to approve the issue of Options the subject of Resolution 13 under Listing Rule 7.1 so that it does not use up any of the 15% limit on issuing Equity Securities without Shareholder approval set out in Listing Rule 7.1.

12.3 Technical information required by Listing Rule 14.1A

If Resolution 13 is passed, the Company will be able to proceed with the issue of the Options the subject of Resolution 13. In addition, the issue of the Options will be excluded from the calculation of the number of Equity Securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 13 is not passed, the Company may not be able to proceed with the issue of the Options the subject of Resolution 13.

12.4 Technical information required by Listing Rule 7.3

The following information is provided to Shareholders for the purpose of Listing Rule 7.3 in relation to Resolution 13:

- (a) the Options will be issued to SI Capital, who is a corporate adviser to the Company but is not a related party of the Company, a member of Key Management Personnel, a substantial holder in the Company, or an associate of any such person;

- (b) the number of Options to be issued pursuant to Resolution 13 is 1,582,353;
- (c) the Options are anticipated to be issued on or around 30 September 2020 and, in any event, by no later than 3 months after the date of the Meeting;
- (d) the Options will be granted for nil cash consideration as they are being issued to SI Capital at a deemed value of \$44,147 for services provided in connection with the Placing, which included management of the Capital Raising;
- (e) no funds will be raised from the issue of the Options;
- (f) a summary of the material terms to which the Options will be issued is set out in Appendix 2 and a summary of the material terms of the Placing Agreement is set out in Appendix 4; and
- (g) a voting exclusion statement is included in the Notice of Meeting.

GLOSSARY

\$ means Australian dollars.

Appendix means an appendix to this Notice.

ASX means ASX Limited ABN 98 008 624 691 and, where the context permits, the Australian Securities Exchange operated by ASX Limited.

ASX Listing Rules or **Listing Rules** means the Listing Rules of ASX.

Board means the Directors acting as the board of directors of the Company or a committee appointed by such board of directors.

Business Day means a day (other than a Saturday or Sunday) on which banks in Perth, Western Australia are open for normal business.

Chair or **Chairman** means the chair of the Extraordinary General Meeting.

Closely Related Party of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the Corporations Regulations.

Company means Castillo Copper Limited ACN 137 606 476.

Constitution means the Company's Constitution.

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

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

Director means a current director of the Company.

Directors' Report means the annual directors' report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities.

Equity Securities has the same meaning as given in the Listing Rules.

Explanatory Statement means the explanatory statement accompanying the Notice of Meeting.

GBP means pounds sterling, the currency of the United Kingdom.

Key Management Personnel has the same meaning as in the accounting standards and broadly includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company.

LSE means the London Stock Exchange.

Meeting means the meeting convened by the Notice of Meeting.

Mt Oxide Project means a copper mining operation located approximately 150 kms north of Mount Isa in northwest Queensland where the Company holds exploration licenses.

Notice or **Notice of Meeting** means the notice of meeting which forms part of this Explanatory Statement.

Option means an option to acquire one Share.

Ordinary Share or **Share** means a fully paid ordinary share in the capital of the Company.

Placement means the capital raising announced by the Company on 15 June 2020.

Placing means the conditional placing of 79,117,618 Placing Shares by the Company each at the Placing Price and on the terms and subject to the conditions of the Placing Agreement.

Placing Agreement means the agreement dated 27 July 2020 between the Company, the Directors and SI Capital relating to the Placing, further information of which is set out in Appendix 1.

Placing Price means 1.7 pence.

Placing Shares means the new Shares to be allotted and issued by the Company pursuant to the Placing.

Prospectus means the prospectus lodged by the Company for admission to the LSE as announced by the Company on 28 July 2020.

Proxy Form means the enclosed appointment of proxy form.

Related Party is defined in section 228 of the Corporations Act.

Resolutions means the resolutions set out in the Notice, or any one of them, as the context requires.

Section means a section contained in this Explanatory Statement.

Shareholder means a registered holder of a Share.

Trading Day means a day determined by ASX to be a trading day in accordance with the Listing Rules.

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

Entitlement

Subject to paragraph **Adjustment for bonus issues of Shares**, below, each Option entitles the holder to subscribe for one Ordinary Share upon exercise of the Option.

Exercise Price and Expiry Date

Subject to paragraphs **Reconstruction of capital** and **Adjustments for rights issue**, below, the amount payable upon exercise of each Option will be \$0.05 (**Exercise Price**).

Expiry Date

Each Option will expire at 5.00 pm (WST) on 30 June 2023 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

Exercise Period

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

Notice of Exercise

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

Exercise Date

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

Timing of issue of Shares on exercise

Within 15 Business Days after the later of the following:

- (i) the Exercise Date; and
- (ii) when excluded information in respect to the Company (as defined in section 708A(7) of the Corporations Act) (if any) ceases to be excluded information,

but in any case no later than 20 Business Days after the Exercise Date, the Company will:

- (iii) allot and issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (iv) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (v) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under (iv) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

Shares issued on exercise

Shares issued on exercise of the Options rank equally with the then issued Shares of the Company.

Quotation of Shares issued on exercise

If admitted to the official list of ASX at the time, application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Options.

Reconstruction of capital

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

Participation in new issues

There are no participation rights or entitlements inherent in the Options and Optionholders will not be entitled to participate in new issues of capital offered to Ordinary Shareholders during the currency of the Options without exercising the Options.

Adjustment for rights issue

In the event the Company proceeds with a pro rata issue (except a bonus issue) of securities to Ordinary Shareholders after the date of issue of the Options, the Exercise Price may be reduced in accordance with the formula set out in ASX Listing Rule 6.22.2.

Adjustment for bonus issues of Shares

If the Company makes a bonus issue of Shares or other securities to existing Ordinary 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 an Option will be increased by the number of Shares which the Optionholder would have received if the Optionholder had exercised the Option before the record date for the bonus issue; and (ii) no change will be made to the Exercise Price.

Unlisted

The Options will be unlisted options.

Transferability

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

Entitlement

Subject to paragraph **Adjustment for bonus issues of Shares**, below, each Option entitles the holder to subscribe for one Ordinary Share upon exercise of the Option.

Exercise Price and Expiry Date

Subject to paragraphs **Reconstruction of capital** and **Adjustments for rights issue**, below, the amount payable upon exercise of each Option will be 2.8 pence (in respect of the options issued to placees), and 1.7 pence (in respect of the options issued to SI Capital Limited (**Exercise Price**)).

Expiry Date

Each Option will expire at 5.00 pm (WST) on 1 September 2023 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

Exercise Period

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

Notice of Exercise

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Great British Pounds by electronic funds transfer or other means of payment acceptable to the Company.

Exercise Date

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

Timing of issue of Shares on exercise

Within 15 Business Days after the later of the following:

- (i) the Exercise Date; and
- (ii) when excluded information in respect to the Company (as defined in section 708A(7) of the Corporations Act) (if any) ceases to be excluded information,

but in any case no later than 20 Business Days after the Exercise Date, the Company will:

- (iii) allot and issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;

- (iv) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and

- (v) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under (iv) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

Shares issued on exercise

Shares issued on exercise of the Options rank equally with the then issued Shares of the Company.

Quotation of Shares issued on exercise

If admitted to the official list of ASX at the time, application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Options.

Reconstruction of capital

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

Participation in new issues

There are no participation rights or entitlements inherent in the Options and Optionholders will not be entitled to participate in new issues of capital offered to Ordinary Shareholders during the currency of the Options without exercising the Options.

Adjustment for rights issue

In the event the Company proceeds with a pro rata issue (except a bonus issue) of securities to Ordinary Shareholders after the date of issue of the Options, the Exercise Price may be reduced in accordance with the formula set out in ASX Listing Rule 6.22.2.

Adjustment for bonus issues of Shares

If the Company makes a bonus issue of Shares or other securities to existing Ordinary 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 an Option will be increased by the number of Shares which the Optionholder would have received if the Optionholder had exercised the Option before the record date for the bonus issue; and (ii) no change will be made to the Exercise Price.

Unlisted

The Options will be unlisted options.

Transferability

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

Entitlement

Subject to paragraph **Adjustment for bonus issues of Shares**, below, each Option entitles the holder to subscribe for one Ordinary Share upon exercise of the Option.

Exercise Price and Expiry Date

Subject to paragraphs **Reconstruction of capital** and **Adjustments for rights issue**, below, the amount payable upon exercise of each Option will be \$0.05 (**Exercise Price**).

Expiry Date

Each Option will expire at 5.00 pm (WST) on 30 September 2023 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

Exercise Period

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

Notice of Exercise

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

Exercise Date

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

Timing of issue of Shares on exercise

Within 15 Business Days after the later of the following:

- (i) the Exercise Date; and
- (ii) when excluded information in respect to the Company (as defined in section 708A(7) of the Corporations Act) (if any) ceases to be excluded information,

but in any case no later than 20 Business Days after the Exercise Date, the Company will:

- (iii) allot and issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (iv) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (v) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under (iv) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

Shares issued on exercise

Shares issued on exercise of the Options rank equally with the then issued Shares of the Company.

Quotation of Shares issued on exercise

If admitted to the official list of ASX at the time, application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Options.

Reconstruction of capital

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

Participation in new issues

There are no participation rights or entitlements inherent in the Options and Optionholders will not be entitled to participate in new issues of capital offered to Ordinary Shareholders during the currency of the Options without exercising the Options.

Adjustment for rights issue

In the event the Company proceeds with a pro rata issue (except a bonus issue) of securities to Ordinary Shareholders after the date of issue of the Options, the Exercise Price may be reduced in accordance with the formula set out in ASX Listing Rule 6.22.2.

Adjustment for bonus issues of Shares

If the Company makes a bonus issue of Shares or other securities to existing Ordinary 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 an Option will be increased by the number of Shares which the Optionholder would have received if the Optionholder had exercised the Option before the record date for the bonus issue; and (ii) no change will be made to the Exercise Price.

Unlisted

The Options will be unlisted options.

Transferability

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

APPENDIX 4 – MATERIAL TERMS OF PLACING AGREEMENT

The Company shall pay to SI Capital an annual retainer fee of £30,000 plus VAT, payable on admission, quarterly thereafter in advance. The first such fee shall be due and payable on the admission date. The annual retainer fee shall be reviewed annually, and any variation shall be agreed in writing by SI Capital and the Company.

The Company also agrees to pay SI Capital a success fee of £30,000 payable in shares at the placing price at the time, for admission to the Standard segment of the London Stock Exchange.

The Company agrees to pay SI Capital a commission of 7% of all funds raised by SI Capital in connection with any placing/placement of securities undertaken by the Company and 2% on all other capital raisings (payable in shares on the same terms at the time), project finance or M&A where SI Capital is engaged in the introduction or administration. The commission will become payable at the time when we enter into a placing agreement with you. The commission will be deducted from the proceeds of the fundraising paid to you in accordance with the terms and conditions of such placing agreement.

The Company agrees to pay to issue to SI Capital options equivalent to 2% of the gross proceeds of the total funds raised by SI Capital in connection with a placing/subscription of securities undertaken by the Company. They will be exercisable during a period of three years from Admission to subscribe for new ordinary shares in Castillo Copper Ltd. The exercise price per Warrant will be at the relevant placing and/or subscription price at the time. Warrants will convert to new ordinary shares on a 1:1 basis.

APPENDIX 5 – MATERIAL TERMS OF CORPORATE ADVISER AGREEMENTS

1. Material terms Agreement with JD Squared Limited Pty Ltd

Preparation of investor presentations

\$100 per hour

No fixed term

2. Material terms of Agreement with Report Card Pty Ltd

Digital media promotion

The term of the engagement will be for 8 weeks.

Fee estimate of \$44,480 + GST which can be paid in cash and/ or shares

3. Material terms of Agreement with MBM Resources

Assistance in the promotion of Castillo Copper into Germany and other European countries.

Arrange for the current investor presentation to be translated into German and any further revisions required

Periodical market releases to be summarised in German and sent to data base, contacts and social media platforms.

Create a marketing campaign throughout our data base and apply to social media platforms.

COVID-19 MEETING PROTOCOLS

The Company advises Shareholders that the meeting will be held to comply with the Government's recommendations in relation to gatherings of persons during the current COVID-19 situation. As at the date of this notice, Government directives and recommendations on gatherings mean that Shareholders may not be able to attend the meeting in person. The Company therefore strongly encourages Shareholders who wish to vote on the business of the meeting to do so by lodging a directed proxy prior to the date of meeting as per the instructions below.



CASTILLO COPPER

Castillo Copper Limited | 137 606 476

GM Registration Card

If you are attending the meeting in person, please bring this with you for Securityholder registration.

Holder Number:

Vote by Proxy: CCZ

Your proxy voting instruction must be received by **10.00am (WST) on Wednesday, 30 September 2020**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

SUBMIT YOUR PROXY VOTE ONLINE

Vote online at <https://investor.automic.com.au/#/loginsah>

Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting form.

- ✓ **Save Money:** help minimise unnecessary print and mail costs for the Company.
- ✓ **It's Quick and Secure:** provides you with greater privacy, eliminates any postal delays and the risk of potentially getting lost in transit.
- ✓ **Receive Vote Confirmation:** instant confirmation that your vote has been processed. It also allows you to amend your vote if required.



SUBMIT YOUR PROXY VOTE BY PAPER

Complete the form overleaf in accordance with the instructions set out below.

YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: <https://investor.automic.com.au/#/home> Shareholders sponsored by a broker should advise their broker of any changes.

VOTING UNDER STEP 1 - APPOINTING A PROXY

If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that Individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chairman of the Meeting will be appointed as your proxy by default.

DEFAULT TO THE CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Voting Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by marking one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided

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 should sign.

Power of attorney: If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Voting Form when you return it.

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

Email Address: Please provide your email address in the space provided.

By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at <https://automic.com.au>.

ATTENDING THE MEETING

Completion of a Proxy Voting Form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Voting Form and attends the Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Meeting.

POWER OF ATTORNEY

If a representative as power of attorney of a Shareholder of the Company is to attend the Meeting, a certified copy of the Power of Attorney, or the original Power of Attorney, must be received by the Company in the same manner, and by the same time as outlined for proxy forms.

