OAKLAND RESOURCES LIMITED
(TO BE RENAMED "CASTILLO COPPER LIMITED")
ACN 137 606 476

NOTICE OF GENERAL MEETING

TIME: 9.30am

DATE: Monday, 20 May 2013

PLACE: Level 1
33 Richardson Street
West Perth WA 6005

The Independent Expert has concluded that the transaction the subject of Resolution 2 outlined in this Notice of General Meeting is FAIR AND REASONABLE to Shareholders.

All Shareholders should refer to the Independent Expert's Report enclosed with this Notice of General Meeting.

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on (+61 8) 9200 4491.

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IMPORTANT INFORMATION

TIME AND PLACE OF MEETING

Notice is given that the general meeting of the Shareholders to which this Notice of Meeting relates will be held at 9.30am (WST) on 20 May 2013 at:

Level 1
33 Richardson Street
West Perth WA 6005

YOUR VOTE IS IMPORTANT

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

VOTING ELIGIBILITY

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the General Meeting are those who are registered Shareholders at 5:00pm (WST) on 18 May 2013.

VOTING IN PERSON

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

VOTING BY PROXY

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

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

- each member has a right to appoint a proxy;
- the proxy need not be a member of the Company; and
- a member who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If

the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

New sections 250BB and 250BC of the Corporations Act came into effect on 1 August 2011 and apply to voting by proxy on or after that date. Shareholders and their proxies should be aware of these changes to the Corporations Act, as they will apply to this General Meeting. Broadly, the changes mean that:

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

Further details on these changes is set out below.

Proxy vote if appointment specifies way to vote

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

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

Transfer of non-chair proxy to chair in certain circumstances

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

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

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

BUSINESS OF THE MEETING

AGENDA

1. RESOLUTION 1 – CHANGE IN NATURE AND SCALE OF ACTIVITIES

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

> *"That, subject to and conditional upon the passing of Resolutions 2 to 9, for the purpose of ASX Listing Rule 11.1.2 and for all other purposes, approval is given for the Company to make a significant change in the nature and scale of its activities as set out in the Explanatory Statement."*

Short Explanation: If successful, the Acquisition will result in the Company changing the nature and scale of its activities to include copper exploration projects in Chile. ASX Listing Rule 11.1.2 requires the Company to seek Shareholder approval where it proposes to make a significant change to the nature and scale of its activities. Please refer to the Explanatory Statement for details.

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

2. RESOLUTION 2 – ACQUISITION OF CASTILLO COPPER LIMITED

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

> *"That, subject to and conditional upon the passing of Resolutions 1 and 3 to 9, for the purposes of ASX Listing Rule 10.1 and for all other purposes, approval is given for the Company to acquire a substantial asset from a related party on the terms and conditions set out in the Explanatory Statement."*

Short Explanation: Shareholder approval is required by ASX Listing Rule 10.1 in order for an entity to acquire a substantial asset from a related party. Shareholders should read the explanation and disclosures in the Explanatory Statement for further details of the Acquisition.

Expert's Report: Shareholders should carefully consider the report prepared by the Independent Expert for the purposes of Shareholder approval under ASX Listing Rule 10.1. The Independent Expert's Report comments on the fairness and reasonableness of the transaction the subject of this Resolution to the non-associated Shareholders in the Company. **The Independent Expert has concluded that the transaction related to the Acquisition the subject of this Resolution 2 is FAIR AND REASONABLE to non-associated Shareholders**.

Voting Exclusion: The Company will disregard any votes cast on this Resolution by Mr Matthew Wood, Mr Scott Funston and Mr Mark Arundell (and their nominee(s)) and any of their associates. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, if it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

3. RESOLUTION 3 – ISSUE OF SHARES TO UNRELATED CASTILLO SHAREHOLDERS IN CONSIDERATION OF ACQUISITION OF CASTILLO COPPER LIMITED

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

> *"That, subject to and conditional upon the passing of Resolutions 1, 2 and 4 to 9 for the purposes of ASX Listing Rules 7.1 and for all other purposes, approval is given for the Company to issue 44,150,002 Shares to the Unrelated Castillo Shareholders, pursuant to the terms of the Implementation Agreement and otherwise on the terms and conditions set out in the Explanatory Statement."*

Short Explanation: the Company has entered into an Implementation Agreement with Castillo Copper Limited (**Castillo**) under which the Company has agreed to make separate offers of Shares to the Unrelated Castillo Shareholders in order to acquire (directly and indirectly) all of the issued share capital of Castillo. The Company seeks shareholder approval for the issue of the Shares in accordance with ASX Listing Rules 7.1.

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

4. RESOLUTION 4 – ISSUE OF SHARES TO MR MATTHEW WOOD IN CONSIDERATION OF ACQUISITION OF CASTILLO COPPER LIMITED

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

> "That, subject to and conditional upon the passing of Resolutions 1 to 3 and 5 to 9, *for the purposes of section 208 of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to allot and issue 3,025,001 Shares to Mr Matthew Wood (or his nominee), pursuant to the terms of the Implementation* Agreement and otherwise on the terms and conditions set out in the Explanatory Statement."

Short Explanation: the Company has entered into an Implementation Agreement with Castillo Copper Limited (**Castillo**) under which the Company has agreed to make separate offers of Shares to the Castillo Shareholders in order to acquire (directly and indirectly) all of the issued share capital of Castillo. The Company seeks shareholder approval for the issue of the Shares in accordance with section 208 of the Corporations Act and ASX Listing Rules 10.11.

Voting Exclusion: The Company will disregard any votes cast on this Resolution by Mr Matthew Wood (and his nominee(s)) and any of their associates. However the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

5. RESOLUTION 5 – ISSUE OF SHARES TO MR SCOTT FUNSTON IN CONSIDERATION OF ACQUISITION OF CASTILLO COPPER LIMITED

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

> "That, subject to and conditional upon the passing of Resolutions 1 to 4 and 6 to 9, *for the purposes of section 208 of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to allot* and issue 2,550,001 Shares to Mr Scott Funston *(or his nominee)*, pursuant to the terms of the Implementation Agreement and otherwise on the terms and conditions set out in the Explanatory Statement."

Short Explanation: the Company has entered into an Implementation Agreement with Castillo Copper Limited (**Castillo**) under which the Company has agreed to make separate offers of Shares to the Castillo Shareholders in order to acquire (directly and indirectly) all of the issued share capital of Castillo. The Company seeks shareholder approval for the issue of the Shares in accordance with section 208 of the Corporations Act and ASX Listing Rules 10.11.

Voting Exclusion: The Company will disregard any votes cast on this Resolution by Mr Scott Funston (and his nominee(s)) and any of their associates. However the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

6. RESOLUTION 6 – ISSUE OF SHARES TO MR MARK ARUNDELL IN CONSIDERATION OF ACQUISITION OF CASTILLO COPPER LIMITED

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

> "That, subject to and conditional upon the passing of Resolutions 1 to 5 and 7 to 9, *for the purposes of section 208 of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to allot* and issue 275,000 Shares to Mr Mark Arundell *(or his nominee)*, pursuant to the terms of the Implementation Agreement and otherwise on the terms and conditions set out in the Explanatory Statement."

Short Explanation: the Company has entered into an Implementation Agreement with Castillo Copper Limited (**Castillo**) under which the Company has agreed to make separate offers of Shares to the Castillo Shareholders in order to acquire (directly and indirectly) all of the issued share capital of Castillo. The Company seeks shareholder approval for the issue of the Shares in accordance with section 208 of the Corporations Act and ASX Listing Rules 10.11.

Voting Exclusion: The Company will disregard any votes cast on this Resolution by Mr Mark Arundell (and his nominee(s)) and any of their associates. However the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

7. RESOLUTION 7 – ISSUE OF SHARES TO GARRISON CAPITAL PTY LTD

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

> *"That, subject to and conditional upon the passing of Resolutions 1 to 6 and 8 to 9, for the purposes of section 208 of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to allot and issue 200,000 Shares, to Garrison Capital Pty Ltd on the terms and conditions set out in the Explanatory Statement."*

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

8. RESOLUTION 8 – ISSUE OF OPTIONS TO GARRISON CAPITAL PTY LTD

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

> *"That, subject to and conditional upon the passing of Resolutions* 1 to 7 and 9*, for the purposes of section 208 of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to allot and issue 5,000,000 Options to Garrison Capital Pty Ltd on the terms and conditions set out in the Explanatory Statement."*

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

9. RESOLUTION 9 – CHANGE OF COMPANY NAME

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

> *"That, subject to and conditional upon the passing of Resolutions* 1 to 8 (inclusive)*, for the purpose of Section 157(1)(a) of the Corporations Act and for all other purposes, approval is given for the name of the Company to be changed to Castillo Copper Limited."*

Short Explanation: The Company proposes to change its name to more accurately reflect the proposed future activities of the Company, subject to the Acquisition proceeding.

10. RESOLUTION 10 – RE-ELECTION OF A DIRECTOR - SCOTT FUNSTON

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

"That, for the purpose of clause 13.4 of the Constitution and for all other purposes, Scott Funston, a Director who was appointed on 19 November 2012, retires, and being eligible, is re-elected as a Director."

11. RESOLUTION 11 – RE-ELECTION OF A DIRECTOR – MATTHEW WOOD

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

"That, for the purpose of clause 13.4 of the Constitution and for all other purposes, Matthew Wood, a Director who was appointed on 19 November 2012, retires, and being eligible, is re-elected as a Director."

DATED: 16 APRIL 2013

BY ORDER OF THE BOARD

DAVID MCENTAGGART
COMPANY SECRETARY
OAKLAND RESOURCES LIMITED
(TO BE RENAMED "CASTILLO COPPER LIMITED")

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions which are the subject of the business of the Meeting.

1. OVERVIEW OF CHANGE OF ACTIVITIES

1.1 Background

Oakland Resources Limited (**Oakland** or the **Company**) is a public company listed on the official list of the ASX (ASX code: OKL) with a principal focus on gold and copper exploration in New South Wales. The Company currently has an interest in several projects that are prospective for gold and copper mineralisation, including the key projects of Wongoni, Apsley, Crosby and Billilingra (**Existing Projects**). The Company was incorporated in June 2009 and was admitted to the official list of the ASX on 14 December 2010.

In addition to its interests in the Existing Projects, the Company has been actively seeking to identify and evaluate potential new strategic investment opportunities in Australia and overseas suitable for acquisition and development by the Company.

1.2 Background to Change in Nature and Scale of Activities

As announced on ASX on 7 February 2013, the Company has entered into an implementation agreement with Castillo Copper Limited (**Castillo**) (**Implementation Agreement**), pursuant to which Oakland will acquire all of the issued capital in Castillo, an unlisted Australian public company (**Acquisition**).

Castillo has been focused on identifying and developing the next generation of large scale copper projects in Chile.

Castillo has secured three under-explored and highly prospective properties in porphyry copper and copper iron trends and one copper prospect, located in Chile. These projects are as follows:

(a) Posada, an IOCG project in the copper-iron belt of the Atacama Fault Zone in Northern Chile;

(b) Rio Rocin, a porphyry copper project in the highly productive Central Zone of Chile;

(c) Resguardo, a porphyry copper project associated with the lower Tertiary porphyry copper belt of Northern Chile; and

(d) Quebrada Huanta, porphyry copper-gold prospect near La Serena in Central Chile.

As at the date of this Notice, Castillo is in the process of receiving fully executed transfer forms in favour of Oakland from all the Vendors. Each of these offers however is conditional upon completion occurring in accordance with the terms of the Agreement.

The Projects are located in Chile and are prospective for copper mineralisation. Accordingly, Resolution 1 seeks approval from Shareholders for a change in the nature and scale of the activities of the Company to include copper exploration and development in Chile.

As outlined in Section 1.4 of this Explanatory Statement, the Company has entered into the Implementation Agreement for the purpose of acquiring an interest in the Projects, by acquiring 100% of Castillo.

Other information considered material to Shareholders' decision on whether to pass Resolution 1 is set out in this Explanatory Statement, and Shareholders are advised to read this information carefully.

1.3 The Projects

Posada Project

The Posada iron oxide copper gold project is located approximately 60 km south of Copiapo (800 km north of Santiago) in the productive Atacama Fault Zone of northern Chile, host to several major Chilean copper mines, including locally Candelaria (current Probable and Possible Ore Reserves of 339 Mt at 0.58% copper and 0.13 g/t gold[1]) and Mantoverde (current Measured+Indicated resource of 34.2 Mt at 0.38% copper oxide plus 114 Mt at 0.66 % copper

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[1] Freeport McMoran (2012). Freeport McMoran Copper & Gold Inc. Form 10-K, submitted to US Securities and Exchange Commission for year ended 31 December 2011. **www.fcx.com**

[2] Anglo American plc (2012). Annual Report 2011. www.angloamerican.com

[3] Anglo American plc (2012). Annual Report 2011. www.angloamerican.com

[4] Freeport McMoran (2012). Freeport McMoran Copper & Gold Inc. Form 10-K, submitted to US Securities and

sulphide[2]) which in 2011 between them produced 233,333 tonnes of copper and 101,000 ounces of gold (annual reports of Anglo American and Freeport McMoran[3 4]). Merits of the Posada project include:

- 7,700 hectares of exploration tenements;
- IOCG style copper mineralisation identified in strata and hydrothermal breccias;
- geophysical anomaly (Induced Polarisation – Resistivity) showing a well-defined chargeability anomaly for immediate drilling; and
- excellent infrastructure with water identified in an aquifer on the concessions.

Castillo's exploration target[5] is initially 1 to 3 million tonnes of copper hosted by mineralisation ranging from 100 to 300 million tonnes at 1.0 to 1.5% copper and is based on the original mineralisation of mines in the region such as Candelaria and Mantoverde.

Rio Rocin Project

The Rio Rocin project focuses on porphyry-style copper-molybdenum mineralisation, located approximately 150 km north of Santiago in the Central Zone of Chile. This Central Zone is host to a major porphyry copper belt and some of the world's largest producing copper deposits including El Teniente (current Measured+Indicated resource of 5,857 Mt at 0.70% copper[6]), Rio Blanco comprising Los Bronces (current Measured+Indicated resource of 1,134 Mt at 0.43% copper[7]) and Andina (current Measured+Indicated resource of 4,766 Mt at 0.70% copper[8]), and Los Pelambres (current Measured+Indicated resource of 1,595 Mt at 0.62% copper[9]), which collectively produced 1.27 million tonnes of copper in year 2011 (2011 annual reports of Codelco, Anglo American plc and Antofagasta plc)[6,3,9]. Merits of the Rio Rocin project include:

- 2,200 hectares of mining tenements granted;
- porphyry copper style alteration identified, including leached lithocap with relict sulphides, stockwork and tourmaline hydrothermal breccias; and
- immediate drill target is high grade secondary sulphide mineralisation under the lithocap surrounded by a 2 x 5 km phyllic zone.

Castillo's exploration target[10] is 4 to 8 million tonnes of copper hosted by mineralisation ranging 500 to 1000 million tonnes at 0.8 to 1.0% copper and is

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2 Anglo American plc (2012). Annual Report 2011. www.angloamerican.com

3 Anglo American plc (2012). Annual Report 2011. www.angloamerican.com

4 Freeport McMoran (2012). Freeport McMoran Copper & Gold Inc. Form 10-K, submitted to US Securities and Exchange Commission for year ended 31 December 2011. **www.fcx.com**

5 Target tonnages and grades contained are conceptual in nature and may or may not be realised through completion of further exploration and other studies on the targets described. As such, it is uncertain if further exploration will result in the determination of tonnages and grades that conform to mineral resources or ore reserves under the JORC code.

6 Codelco (2012). Memoria anual 2011. www.codelco.cl

7 Anglo American plc (2012). Annual Report 2011. www.angloamerican .com

8 Codelco (2012). Memoria anual 2011. www.codelco.cl

9 Antofagasta plc (2012). Annual Report 2011. www.antofagasta.co.uk

10 Target tonnages and grades contained are conceptual in nature and may or may not be realised through completion of further exploration and other studies on the targets described. As such, it is uncertain if further

based on reported inferred resources of exploration projects in the region such as West Wall (Inferred Resource of 750 Mt at 0.54% copper[11]) and Los Sulfatos (Inferred Resource of 1200 Mt at 1.46% copper[12]).

Resguardo Project

The Resguardo Project occurs on the flanks of Cerro Fraga, north east of Copiapó. It consists of 3,820 hectares of exploration tenements which include a closed underground copper mine. The latter has provided good exposure to the mineralisation and alteration, which appear to be consistent with a copper-mineralised hydrothermal breccia associated with a porphyry copper deposit. The form of this breccia is ellipsoidal with dimensions 2,000 x 100 metres, and at least 150 metres depth.

Regionally the deposit may be related to the Middle Tertiary porphyry copper belt that hosts the Salvador and Potrerillos copper mines. The current Measured+Indicated resource of Salvador was reported at 1,236 Mt at 0.49% copper[13], and produced 69,046 tonnes of copper in 2011. Merits of the Resguardo project include:

- 1,843 hectares of exploration and mining tenements, including old copper mine workings;
- copper mineralised hydrothermal breccias identified; with grades in old workings of the order of 2% copper; and
- immediate drill target is high grade sulphide mineralisation of the breccia zone.

Castillo's exploration target[14] is 500,000 to one million tonnes of copper hosted by mineralisation ranging 50 to 100 million tonnes at 1.0% copper and is based on original mineralisation of Salvador copper mine in the region.

Quebrada Huanta Project

Quebrada Huanta is a series of exploration concessions covering an area of 5,000 hectares inland from La Serena and near the exhausted El Indio copper-gold mine. It is a grass-roots project targeting porphyry copper-gold mineralisation in an underexplored area.

Project merits include:

- about 5,000 hectares of exploration tenements; and
- porphyry copper-gold style alteration confirmed on third party property (Rinconada) adjacent to Company tenements.

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exploration will result in the determination of tonnages and grades that conform to mineral resources or ore reserves under the JORC code.

[11] Anglo American plc (2012). Annual Report 2011. www.angloamerican.com

[12] Anglo American plc (2012). Annual Report 2011. www.angloamerican.com

[13] Codelco (2012). Memoria anual 2011. www.codelco.cl

[14] Target tonnages and grades contained are conceptual in nature and may or may not be realised through completion of further exploration and other studies on the targets described. As such, it is uncertain if further exploration will result in the determination of tonnages and grades that conform to mineral resources or ore reserves under the JORC code.

1.4 Acquisition Terms

The Company, Castillo and certain major shareholders in Castillo entered into the Implementation Agreement pursuant to which the Company has agreed to make separate offers (**Offers**) to the shareholders of Castillo (together, the **Castillo Shareholders** or **Vendors**) to acquire 100% of the issued capital of Castillo.

The Offers (and therefore the Acquisition) are conditional on:

(a) the Company obtaining all necessary regulatory and shareholder approvals required to complete the Acquisition, including amongst other standard approvals for an acquisition of this nature, approval to:

(b) change the nature and/or scale of the Company's activities in accordance with ASX Listing Rule 11.1.2;

(c) allot and issue the consideration shares to the Castillo Shareholders;

(d) allot and issue options in the Company to Garrison Capital Pty Ltd (**Garrison Capital**) as consideration for the payment of the corporate advisory fee in connection with the Acquisition; and

(e) the Company becoming entitled to acquire 100% of the Castillo Shares as a result of each Castillo Shareholder accepting the Offers.

As at the date of this Notice, Castillo is in the process of receiving fully executed transfer forms in favour of Oakland from all the Vendors.

The consideration to be paid to the Castillo Shareholders for 100% of Castillo Shares will be the issue of 50,000,004 Shares which will be apportioned amongst the Castillo Shareholders in proportion to their interests in Castillo (held either directly or indirectly).

Mr Scott Funston, a director of the Company, is both a director and shareholder of Castillo. Mr Matthew Wood, a director of the Company, and Mr Mark Arundell, a former director of the Company, are both shareholders of Castillo. Accordingly, Messrs Wood, Funston and Arundell will all be treated as related parties for the purposes of the Acquisition.

As part of the Acquisition, and as contemplated by Resolution 9, the Company will seek shareholder approval to change its name to "Castillo Copper Limited" to more accurately reflect the nature of the new business of the Company.

The Company will apply the escrow provisions set out in the ASX Listing Rules in accordance with the requirements of the ASX.

1.5 Proposed Directors

Upon completion of the Acquisition, the Board of the Company will be comprised of Mr Bill Ryan, Dr Nicholas Lindsay, Mr Daniel Crennan and Mr Scott Funston.

Mr Matthew Wood and Mr Vernon Tidy will resign as directors of the Company.

1.6 Pro forma capital structure

The capital structure of the Company following completion of the Acquisition is set out below:

SHARES	NUMBER
Shares currently on issue	30,000,000
Shares to be issued to the Castillo Shareholders (Resolutions 3, 4, 5, & 6)	50,000,004
Issued pursuant to loan fee on Castillo Loan[3]	200,000
Total	**80,200,004**

OPTIONS	NUMBER
Options currently on issue	12,100,000[1]
Options to be issued to Garrison Capital pursuant to Resolution 8	5,000,000[2]
Total	**17,100,000**

Notes

1. Options exercisable at $0.20 on or before 30 June 2014. Options held by Shareholders and employees of the Company.
2. Refer to section 6.2 of this Explanatory Statement for further details of the issue of options to Garrison Capital. Terms of the Options are set out in Schedule 2.
3. Castillo borrowed funds in the amount of $200,000 from Garrison Capital, a related party (**Loan**). The loan fee payable is one (1) Share for every $1 borrowed (200,000 Shares).

1.7 Indicative timetable

The anticipated timetable for completion of the Acquisition is set out below. However, the Directors reserve the right to change any of the below dates without notice subject to relevant laws:

Event	Date
Execution of Agreement and Announcement of Acquisition	7 February 2013
Dispatch Notice of Meeting seeking approval for Acquisition	19 April 2013
General Meeting to approve Acquisition and Change in Nature and Scale of Activities	20 May 2013
Settlement of Acquisition of Castillo	27 May 2013
Anticipated date Oakland securities commence trading on ASX	31 May 2013

1.8 Advantages of the Acquisition

The Directors are of the view that the following non-exhaustive list of advantages may be relevant to a Shareholder's decision on how to vote on the proposed Resolutions:

(a) the Acquisition represents a significant investment opportunity for the Company to diversify its interests to include copper exploration and development in Chile;

(b) the new Directors will add experience and skills to guide the growth of the Company;

(c) the acquisition of potentially valuable mineral projects in Chile provides the Company with the opportunity, upon a successful exploration program being achieved, to substantially increase the value of the Company; and

(d) the Company may be able to raise further funds at higher prices by way of share equity as a result of the Acquisition.

1.9 Disadvantages of the Acquisition

The Directors are of the view that the following non-exhaustive list of disadvantages may be relevant to a Shareholder's decision on how to vote on the proposed Resolutions:

(a) the Company will be changing the nature and scale of its activities to include copper exploration activities in Chile, which may not be consistent with the objectives of all Shareholders;

(b) the Acquisition will result in the issue of Shares to the Castillo Shareholders and new investors, which will have a dilutionary effect on the holdings of Shareholders;

(c) significant future outlays of funds will be required in the form of exploration commitments on the Projects; and

(d) there are inherent risks associated with the change in nature of the Company's activities associated with the Projects. Some of these risks are summarised in Section 1.10 below.

1.10 Risk factors

Shareholders should be aware that if the proposed Acquisition is approved, the Company will be changing the nature and scale of its activities. Based on the information available, a non-exhaustive list of risk factors are as follows:

Risks relating to the Change in Nature and Scale of Activities

Dilution Risk

The Company currently has 30,000,000 Shares and 12,100,000 Options on issue. On completion of the Acquisition, the Company proposes to issue a further 50,000,004 Shares by way of consideration to the Vendors, 200,000 Shares to Garrison Capital in payment of the Loan fee and issue of 5,000,000 Options to Garrison Capital.

If all these Shares are issued (being 50,200,004 Shares) (and provided no other Shares are issued or Options exercised), the interests of Shareholders in the Company will be diluted by approximately 62.5% following completion of the Acquisition. There is also a risk that the interests of Shareholders will be further diluted as a result of any future capital raisings required in order to fund future exploration.

Liquidity Risk

On completion of the Acquisition, the Company proposes to issue 50,200,004 Shares and 5,000,000 Options. Some of these securities may be subject to escrow restrictions in accordance with Chapter 9 of the ASX Listing Rules and will not be able to be traded freely for a period of time.

Contractual Risk

Pursuant to the Implementation Agreement, the key terms of which are summarised above, the Company has agreed to acquire 100% of Castillo (and in turn its interests in the Projects) from the Castillo Shareholders subject to the fulfilment of certain conditions.

The ability of the Company to achieve its stated objectives will depend on the performance by Castillo and the Castillo Shareholders of their respective obligations under the Agreement. If Castillo and/or the Castillo Shareholders default in the performance of their obligations, the Agreement may be terminated and it may be necessary for the Company to undertake legal proceedings to seek a legal remedy. Legal action can be costly and there can be no guarantee that a legal remedy will ultimately be granted on appropriate terms.

Risks relating to the Company's operations

Exploration and Development Risks

The business of copper exploration, project development and production, by its nature, contains elements of significant risk with no guarantee of success. Ultimate and continuous success of these activities is dependent on many factors such as:

(a) the discovery and/or acquisition of economically recoverable reserves;

(b) access to adequate capital for project development;

(c) design and construction of efficient development and production infrastructure within capital expenditure budgets;

(d) securing and maintaining title to interests;

(e) obtaining consents and approvals necessary for the conduct of copper exploration, development and production; and

(f) access to competent operational management and prudent financial administration, including the availability and reliability of appropriately skilled and experienced employees, contractors and consultants.

Whether or not income will result from the Projects undergoing an exploration and development program depends on successful exploration and establishment of production facilities. Factors including costs and reliability and commodity prices affect successful project development and operations.

Mining activities carry risk and as such, activities may be curtailed, delayed or cancelled as a result of weather conditions, mechanical difficulties, shortages or delays in the delivery of equipment.

Industry operating risks include fire, explosions, industrial disputes, unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment, mechanical failure or breakdown and environmental hazards such as accidental spills or leakages, or geological uncertainty. The occurrence of any of these risks could result in legal proceedings against the Company and substantial losses to the Company due to injury or loss of life, damage to or destruction of property, natural resources or equipment, pollution or other environmental damage, cleanup responsibilities, regulatory investigation, and penalties or suspension of operations. Damage occurring to third parties as a result of such risks may give rise to claims against the Company.

There is no assurance that any exploration on current or future interests will result in the discovery of an economic deposit of copper. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically developed.

General Economic and Political Risks

Changes in the general economic and political climate in Chile and on a global basis could impact on economic growth, copper prices, interest rates, the rate of inflation, taxation and tariff laws, domestic security which may affect the value and viability of any copper activity that may be conducted by the Company.

Licence applications and renewal risk

The Projects are located in Chile. The licences constituting the Projects are subject to applications for renewal or grant (as the case may be). The renewal or grant of the terms of each licence is usually at the discretion of the relevant government authority. Additionally, licences are subject to a number of specific legislative conditions. The inability to meet these conditions could affect the standing of a licence or restrict its ability to be renewed.

If a licence is not renewed or granted, the Company may suffer significant damage through the loss of opportunity to develop and discover mineral resources on that licence.

Environmental risk

The Projects are subject to rules and regulations regarding environmental matters including obtaining the approval of an environmental impact study or assessment depending on location and impacts. As with all mineral projects, the Projects are expected to have a variety of environmental impacts should development proceed. Development of the Projects will be dependent on the Company satisfying environmental guidelines and, where required, being approved by government authorities.

Failure to obtain such approvals will prevent the Company from undertaking its desired activities. The Company is unable to predict the effect of additional environmental laws and regulations that may be adopted in the future, including whether any such laws or regulations would materially increase the Company's costs of doing business or affect its operations in any area.

Seismic risk

Chile lies adjacent to the convergent boundary between the Nazca and South American tectonic plates. As such it is subject to frequent seismic activity and is home to numerous active volcanoes.

The Projects are potentially at risk from future seismic and volcanic events.

Sovereign risks

While Chile is considered to be one of South America's most politically stable and prosperous nations, it may nevertheless be subject to social and economic uncertainty. Civil and political unrest and outbreaks of hostilities in Chile could affect the Company's access to the Projects and subsequent exploration and development.

Adverse changes in government policies or legislation in Chile affecting foreign ownership of mineral interests, taxation, profit repatriation, royalties, land access, labour relations, and mining and exploration activities may affect the operations of the Company.

Commodity price fluctuations

In the event of exploration and development success, any future revenue derived through any future sales of copper exposes the potential income of the Company to commodity price and exchange rate risks. Commodity prices fluctuate and are affected by numerous factors beyond the control of the Company. These factors include world demand for commodities, forward selling by producers and the level of production costs in major commodity-producing regions. Moreover, commodity prices are also affected by macroeconomic factors such as expectations regarding inflation, interest rates and global and regional demand for, and supply of, commodities.

Exchange rate fluctuations

The expenditure of the Company is and will be taken into account in Australian, US and Chilean currencies, exposing the Company to the fluctuations and volatility of the rates of exchange between the US dollar, the Australian dollar and the Chilean peso as determined in international markets.

General Risks

Additional Requirements for Capital

The Company's capital requirements depend on numerous factors. The Company will require further financing in the future to satisfy Castillo's discretionary option payments. The availability of equity funding is subject to market risk at the time. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations, scale back its exploration programmes and may result in loss of tenure, as the case may be.

As outlined in section 9.10 of the Independent Experts Report the Castillo exploration commitments, planned expenditures and expenditure obligations pursuant to the Mining Assets are quite high. Option payments and exercise of various options to acquire mining concessions or companies with mining concessions total over $19,000,000 to 2017 and this excludes normal exploration and evaluation costs to be incurred. Should commercial minerals (mainly copper) be proven, to proceed to development Castillo might require significant additional capital, which would dilute the current shareholders even further. The number of shares that may be issued to raise additional capital is not yet known.

Potential Acquisitions

As part of its business strategy, the Company may make acquisitions of, or significant investments in, complementary companies or prospects although no such acquisitions or investments are currently planned. Any such transactions will be accompanied by risks commonly encountered in making such acquisitions.

Market Conditions

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

(a) general economic outlook;

(b) interest rates and inflation rates;

(c) currency fluctuations;

(d) changes in investor sentiment toward particular market sectors;

(e) the demand for, and supply of, capital; and

(f) terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

Reliance on Key Management

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.

Government policy changes

Adverse changes in government policies or legislation may affect ownership of mineral interests, taxation, royalties, land access, labour relations, and mining and exploration activities of the Company. It is possible that the current system of exploration and mine permitting in Chile may change, resulting in impairment of rights and possibly expropriation of the Company's properties without adequate compensation.

Investment Speculative

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above may, in the future, materially affect the financial performance of the Company and the value of the Company's securities.

1.11 Plans for the Company if the Resolutions are not passed

If the Resolutions are not passed and the acquisition of Castillo is not completed, the Company will continue to develop its existing activities and look for potential projects in order to take the Company forward.

1.12 Directors' Recommendation

The Directors of the Company, capable of voting, unanimously recommend the Acquisition (and change in nature and scale of the Company's activities) and that Shareholders vote in favour of the proposed Resolutions. It is the view of the Directors that the Acquisition will give the Company's Shareholders the opportunity to participate in a potentially significant exploration and development programme in respect of highly prospective copper projects.

1.13 Competent Person

The information in this Notice that relates to Mineral Resources and Exploration Results is based on information compiled by Dr Nicholas Lindsay who is a Member of the Australasian Institute of Mining and Metallurgy. Dr Lindsay is a Director of Castillo Copper Limited. Dr Lindsay has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Dr Lindsay consents to the inclusion in this notice of the matters based on his information and information presented to him in the form and context in which it appears.

2. RESOLUTION 1 – APPROVAL FOR CHANGE IN NATURE AND SCALE OF ACTIVITIES

2.1 General

Resolution 1 seeks the approval of Shareholders for a change in the nature and scale of the Company's activities to include copper exploration and development in Chile, via the 100% acquisition of Castillo.

As outlined in Section 1 of this Explanatory Statement, the Company has entered into the Implementation Agreement with Castillo and certain key stakeholders of Castillo to acquire 100% of the issued share capital in Castillo. Castillo in turn holds various interests in the Projects. As at the date of this Notice of Meeting, Castillo is in the process of receiving fully executed transfer forms in favour of Oakland from all the Castillo Shareholders. Each of these offers however is conditional upon completion occurring in accordance with the terms of the Implementation Agreement.

A detailed description of the proposed acquisition of Castillo is outlined in Section 1 above.

This Resolution is conditional on Resolutions 2 to 9 in this Notice of Meeting being approved.

2.2 ASX Listing Rule 11.1

ASX Listing Rule 11.1 provides that where an entity proposes to make a significant change, either directly or indirectly, to the nature and scale of its activities, it must provide full details to ASX as soon as practicable and comply with the following:

(a) provide to ASX information regarding the change and its effect on future potential earnings, and any information that ASX asks for;

(b) if ASX requires, obtain the approval of holders of its shares and any requirements of ASX in relation to the notice of meeting; and

(c) if ASX requires, meet the requirements of Chapters 1 and 2 of the ASX Listing Rules as if the company were applying for admission to the official list of ASX.

ASX has indicated to the Company that, given the significant change in the nature and scale of the activities of the Company upon completion of the acquisition of Castillo (and Castillo's interests in the Projects), it requires the Company to obtain the approval of its Shareholders for the proposed change of activities.

For this reason, the Company is seeking Shareholder approval for the Company to change the nature and scale of its activities under ASX Listing Rule 11.1.2.

Details of the assets to be acquired by the Company and the proposed changes to the structure and operations of the Company are set out throughout this Explanatory Statement.

3. RESOLUTION 2 – ACQUISITION OF CASTILLO COPPER LIMITED

3.1 Background

Refer to section 1 for background relating to the Acquisition and the proposed issue of Shares.

3.2 ASX Listing Rule 10.1

ASX Listing Rule 10.1 provides that an entity (or any of its subsidiaries) must not acquire a substantial asset from, or dispose of a substantial asset to, inter alia, a related party or a substantial holder (if the person and the person's associates have a relevant interest, or had a relevant interest at any time in the 6 months before the transaction, in at least 10% of the total votes attached to the voting securities).

An asset is substantial if its value, or the value of the consideration for it is, or in ASX's opinion is, 5% or more of the equity interests of the company as set out in the latest accounts given to ASX under the Listing Rules.

As stated on section 1.6, Mr Scott Funston, a director of the Company, is both a director and shareholder of Castillo. Mr Matthew Wood, a director of the Company, and Mr Mark Arundell, a former director of the Company, are both shareholders of Castillo. Accordingly, Messrs Wood, Funston and Arundell will all be treated as related parties for the purposes of the Acquisition (**Related Parties**).

Based on the Company's Half-year Financial Report for the period ending 31 December 2012, the Company's total equity interests equated to $1,081,961.

As a result, an asset will be deemed to be 'substantial' for the purposes of the Company if its value is at least 5% of this amount. The total Shares issued by the Company to the Related Parties is 5,850,002 Shares. The Shares have been given a preferred value by the independent expert of $0.042 per Share, and therefore the total Shares issued to the Related Parties as consideration for the Acquisition equates to a total value of $245,700, which clearly exceeds this amount. Refer to Section 6 of the Independent Expert's Report for details of the value attributed to the Shares.

Accordingly, Shareholder approval is being sought for the purposes of ASX Listing Rule 10.1 as the acquisition of those shares held by the Related Parties in Castillo (and the value of the Shares issued by the Company to the Related Parties by way of consideration for the Acquisition), represents the purchase of a 'substantial asset' from a related party.

In accordance with ASX Listing Rule 10.1, accompanying this Notice at Schedule 1 is an Independent Expert's Report prepared by Stantons International providing a detailed analysis of the proposed transaction. The report concludes that the acquisition of the Castillo shares from the Related Parties is **FAIR AND REASONABLE** to the non-associated Shareholders.

Please refer to the Independent Expert's Report at Schedule 1 of this Notice for further details, and in particular the advantages and disadvantages of the transaction set out in Sections 1.10 and 1.11.

4. RESOLUTION 3 – ISSUE OF SHARES TO UNRELATED CASTILLO SHAREHOLDERS IN CONSIDERATION OF ACQUISITION OF CASTILLO COPPER LIMITED

4.1 Background

As outlined in Section 1 of this Explanatory Statement, the Company has entered into an Implementation Agreement pursuant to which the Company has the right to acquire 100% of the issued share capital of Castillo, and accordingly, Castillo's interests in the Projects.

The Company has made separate offers to each of the Castillo Shareholders (conditional upon completion occurring in accordance with the Implementation Agreement) in order to acquire their Castillo shares.

In consideration for the acquisition of all the shares in Castillo, the Company is required, subject to Shareholder approval, to issue to the Unrelated Castillo Shareholders 44,150,002 Shares to be apportioned amongst the Unrelated Castillo Shareholders pro-rata to their holdings in Castillo. Resolutions 4, 5 and 6 seek approval to issue the consideration shares on the same pro-rata basis to the Related Shareholders that have an interest in Castillo.

4.2 ASX Listing Rule 7.1

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

The effect of Resolution 3 will be to allow the Company to issue Shares to the Unrelated Castillo Shareholders during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

4.3 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the issue of Shares to Unrelated Castillo Shareholders:

(a) the maximum number of Shares to be issued is 44,150,002;

(b) the Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that allotment will occur on the same date;

(c) the Shares will be issued for nil cash consideration in satisfaction of the acquisition of Castillo;

(d) the Shares will be allotted and issued to the Unrelated Castillo Shareholders, who are not a related parties of the Company;

(e) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;

(f) refer to Section 6 of the Independent Expert's Report for details of the value attributed to the Shares by the Independent Expert; and

(g) no funds will be raised from the Placement as the Shares are being issued in consideration for the acquisition of Castillo.

5. RESOLUTIONS 4, 5 AND 6 – ISSUE OF SHARES TO RELATED PARTIES IN CONSIDERATION OF THE ACQUISITION OF CASTILLO COPPER LIMITED

5.1 General

As referred to above, the Company has agreed, subject to obtaining Shareholder approval, to allot and issue a total of 5,850,002 Shares to Messrs Wood, Funston and Arundell (**Related Parties**) as part of the Acquisition of Castillo in order to acquire each of their respective interests in Castillo.

Messrs Wood, Funston and Arundell are all shareholders of Castillo, in addition to being Directors and Shareholders of the Company (or former Directors in the case of Mr Arundell). In the event that the Acquisition is completed, Messrs Wood, Funston and Arundell will be, as Castillo Shareholders, entitled to receive a portion of Shares issued in consideration of the Acquisition.

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.

The issue of the Shares constitutes giving a financial benefit and Messrs Wood, Funston and Arundell are related parties of the Company by virtue of being Directors (or former Directors) of the Company.

In addition, ASX Listing Rule 10.11 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

It is the view of the Company that the exceptions set out in sections 210 to 216 of the Corporations Act and ASX Listing Rule 10.12 do not apply in the current circumstances. Accordingly, Shareholder approval is sought for the issue of Shares to the Related Parties.

5.2 Shareholder Approval (Chapter 2E of the Corporations Act and Listing Rule 10.11)

Pursuant to and in accordance with the requirements of section 219 of the Corporations Act and ASX Listing Rule 10.13, the following information is provided in relation to the proposed issue of the Shares:

(a) the related parties are Messrs Wood, Funston and Arundell and they are related parties by virtue of being Directors (or former Directors) of the Company;

(b) the maximum number of Shares (being the nature of the financial benefit being provided) to be granted to the Related Parties is:

(i) 3,025,001 Shares to Mr Matthew Wood;

(ii) 2,550,001 Shares to Mr Scott Funston; and

(iii) 275,000 Shares to Mr Mark Arundell;

(c) the Shares will be issued to the Related Parties no later than 1 month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) and it is anticipated the Shares will be issued on one date;

(d) the Shares will be granted for nil cash consideration, accordingly no funds will be raised;

(e) the relevant interests of the Related Parties in securities of the Company are set out below:

Related Party	Shares	Options
Mr Matthew Wood	3,534,000	1,500,000[1]
Mr Scott Funston	315,000	Nil
Mr Mark Arundell	3,160,000	1,000,000[2]

[1] 1,500,000 Options exercisable at $0.20 each on or before 30 June 2014.

[2] 1,000,000 Options exercisable at $0.20 each on or before 30 June 2014.

(f) the remuneration and emoluments from the Company to the Related Parties for the previous financial year and the proposed remuneration and emoluments for the current financial year are set out below:

Related Party	2012	2013
Mr Matthew Wood[1]	Nil	$80,000
Mr Scott Funston[2] [3]	47,500	$50,000
Mr Mark Arundell[4]	129,750	$118,250

[1] Appointed as Executive Chairman on 19 November 2012.

[2] Payments in consideration of services provided as Company Secretary until 19 November 2012.

[3] Appointed as Executive Director on 19 November 2012.

[4] Resigned as Managing Director on 19 November 2012.

(g) refer to Section 6 of the Independent Expert's Report for details of the value attributed to the Shares by the Independent Expert;

(h) In the event that Resolutions 3 to 8 (inclusive) are passed, a total of 50,200,004 Shares will be allotted and issued. This will increase the number of Shares on issue from 30,000,000 to 80,200,004 (assuming that no other Options are exercised and no Shares other than those contemplated by the Resolutions of this Notice are issued) with the effect that the shareholding of existing Shareholders would be diluted by an aggregate of approximately 62%, comprising 55% by the issue of Shares to the Unrelated Castillo Shareholders, 4% by the issue of Shares to Mr Wood, 3% by Mr Funston and 0.3% by the issue of Shares to Mr Arundell.

As stated above, the Shares the subject of Resolutions 3 to 6 (inclusive) are being issued in consideration of the Company acquiring 100% of the issued share capital in Castillo from the Castillo Shareholders. The dilution figures set out above take into consideration all Shares to be issued to the Castillo Shareholders in consideration of the Acquisition.

(i) the trading history of the Shares on ASX in the 12 months before the date of this Notice is set out below:

	Price	Date
Highest	12.5 cents	15 June 2012
Lowest	4 cents	29 November 2012
Last	4.4 cents	15 April 2013

(j) the Shares are being issued to the Related Parties in consideration of the acquisition of Castillo by the Company;

(k) Mr Matthew Wood declines to make a recommendation to Shareholders in relation to Resolution 4 due to his material personal interest in the outcome of the Resolution on the basis that Mr Wood is to be issued Shares in the Company should Resolution 4 be passed. However, in respect of Resolutions 5 and 6, Mr Wood recommends that Shareholders vote in favour of those Resolutions;

(l) Mr Scott Funston declines to make a recommendation to Shareholders in relation to Resolution 5 due to his material personal interest in the outcome of the Resolution on the basis that Mr Funston is to be issued Shares in the Company should Resolution 5 be passed. However, in respect of Resolutions 4 and 6, Mr Funston recommends that Shareholders vote in favour of those Resolutions;

(m) Mr Arundell is no longer a Director of the Company and, accordingly, will be making no recommendation in relation to Resolutions 4 to 6 (inclusive);

(n) with the exception of Messrs Wood and Funston, no other Director has a personal interest in the outcome of Resolutions 4 and 5;

(o) Mr Vernon Tidy recommends that Shareholders vote in favour of Resolutions 4, 5 and 6 on the basis that the issue is necessary to complete the acquisition of Castillo; and

(p) the Board is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolutions 4 to 6.

Approval pursuant to ASX Listing Rule 7.1 is not required in order to issue the Shares to the Related Parties as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of Shares to the Related Parties will not be included in the 15% calculation of the Company's annual placement capacity pursuant to ASX Listing Rule 7.1.

6. RESOLUTIONS 7 AND 8 – ISSUE OF SHARES AND OPTIONS TO GARRISON CAPITAL

6.1 General

The Company has agreed, subject to obtaining Shareholder approval, to allot and issue a total of 200,000 Shares and 5,000,000 Options (**Related Party Options**) to Garrison Capital on the terms and conditions set out below.

The Shares, the subject of Resolution 7 are being issued to Garrison Capital as a loan fee in accordance with an agreement whereby Garrison Capital provided a loan to Castillo in the amount of $200,000. The terms of the agreement were that the loan fee shall be 1 ordinary fully paid share for every $1 borrowed. The Related Party Options, the subject of Resolution 8 are being issued to Garrison Capital in consideration for corporate advisory services provided in relation to the Acquisition.

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.

The issue of the Shares and Related Party Options constitutes giving a financial benefit and Garrison Capital is a related party of the Company by virtue of Mr

Matthew Wood being a director and shareholder of Garrison Capital and a director of the Company and Mr Scott Funston being an officeholder and shareholder of Garrison Capital and a director of the Company.

In addition, ASX Listing Rule 10.11 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

It is the view of the Company that the exceptions set out in sections 210 to 216 of the Corporations Act and ASX Listing Rule 10.12 do not apply in the current circumstances. Accordingly, Shareholder approval is sought for the issue of Shares and Related Party Options to Garrison Capital.

6.2 Shareholder Approval (Chapter 2E of the Corporations Act and Listing Rule 10.11)

Pursuant to and in accordance with the requirements of section 219 of the Corporations Act and ASX Listing Rule 10.13, the following information is provided in relation to the proposed grant of Related Party Options:

(a) the related party is Garrison Capital and it is a related party of the Company by virtue of Mr Matthew Wood being a director and shareholder of Garrison Capital and a director of the Company and Mr Scott Funston being an officeholder and shareholder of Garrison Capital and a director of the Company;

(b) the maximum number of Shares and Related Party Options (being the nature of the financial benefit being provided) to be issued to Garrison Capital is:

  (i) 200,000 Shares; and

  (ii) 5,000,000 Related Party Options.

(c) the Shares and Related Party Options will be granted to Garrison Capital no later than 1 month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) and it is anticipated the Shares and Related Party Options will be issued on one date;

(d) the Shares and Related Party Options will be granted for nil cash consideration, accordingly no funds will be raised;

(e) the terms and conditions of the Related Party Options to be issued pursuant to Resolution 8 are set out in Schedule 2;

(f) the value of the Related Party Options and the pricing methodology is set out in Schedule 3;

(g) the relevant interests of Messrs Wood and Funston in securities of the Company are set out below:

Related Party	Shares	Options
Mr Matthew Wood	3,534,000	1,500,000[1]
Mr Scott Funston	315,000	Nil

[1] 1,500,000 Options exercisable at $0.20 each on or before 30 June 2014.

(h) the remuneration and emoluments from the Company to Messrs Wood and Funston for the previous financial year and the proposed remuneration and emoluments for the current financial year are set out below:

Related Party	2012	2013
Mr Matthew Wood[1]	Nil	$80,000
Mr Scott Funston[2 3]	47,500	$50,000

[1] Appointed as Executive Chairman on 19 November 2012.

[2] Payments in consideration of services provided as Company Secretary until 19 November 2012.

[3] Appointed as Executive Director on 19 November 2012.

(i) In the event that Resolutions 3 to 7 (inclusive) are passed, a total of 50,200,004 Shares will be allotted and issued. This will increase the number of Shares on issue from 30,000,000 to 80,200,004 (assuming that no other Options are exercised and no Shares other than those contemplated by the Resolutions of this Notice are issued). This will have the effect of diluting the shareholding of existing Shareholders by an aggregate of approximately 62%. As stated above, if Resolution 7 is passed Garrison Capital will be issued 200,000 Shares, with the effect that the shareholding of existing Shareholders would be diluted by 0.25% on the basis of the expanded capital structure of the Company.

As stated above, the Shares the subject of Resolutions 3 to 7 (inclusive) are being issued in consideration of the Company acquiring 100% of the issued share capital in Castillo from the Castillo Shareholders. The dilution figures set out above take into consideration all Shares to be issued to the Castillo Shareholders and Garrison Capital in consideration of the Acquisition.

(j) In the event that Resolutions 3 to 7 (inclusive) are passed and if the Related Party Options, pursuant to Resolution 8 granted to Garrison Capital are exercised, a total of 5,000,000 Shares would be allotted and issued. This will increase the number of Shares on issue from 80,200,004 to 85,200,004 (assuming that no other Options are exercised and no Shares other than those contemplated by the Resolutions of this Notice are issued) with the effect that the shareholding of existing Shareholders would be diluted by 5.86%.

The market price for Shares during the term of the Related Party Options would normally determine whether or not the Related Party Options are exercised. If, at any time any of the Related Party Options are exercised and the Shares are trading on ASX at a price that is higher than the exercise price of the Related Party Options, there may be a perceived cost to the Company.

(k) the trading history of the Shares on ASX in the 12 months before the date of this Notice is set out below:

	Price	Date
Highest	12.5 cents	15 June 2012
Lowest	4 cents	29 November 2012
Last	4.4 cents	15 April 2013

(l) Mr Matthew Wood declines to make a recommendation to Shareholders in relation to Resolution 7 and 8 due to his material personal interest in the outcome of the Resolution on the basis that an entity he is related to is to be granted Shares and Related Party Options in the Company should Resolution 7 and 8 be passed;

(m) Mr Scott Funston declines to make a recommendation to Shareholders in relation to Resolution 7 and 8 due to his material personal interest in the outcome of the Resolution on the basis that an entity he is related to is to be granted Shares and Related Party Options in the Company should Resolution 7 and 8 be passed;

(n) with the exception of Messrs Wood and Funston, no other Director has a personal interest in the outcome of Resolution 7 and 8;

(o) Mr Vernon Tidy recommends that Shareholders vote in favour of Resolutions 7 and 8 on the basis that the issue is necessary to complete the acquisition of Castillo; and

(p) the Board is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolution 7 and 8.

Approval pursuant to ASX Listing Rule 7.1 is not required in order to issue the Shares and Related Party Options to the Related Parties as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of Related Party Options to the Related Parties will not be included in the 15% calculation of the Company's annual placement capacity pursuant to ASX Listing Rule 7.1.

7. RESOLUTION 9 - CHANGE OF COMPANY NAME

Section 157(1)(a) of the Corporations Act provides that a company may change its name if the company passes a special resolution adopting a new name.

Resolution 9 seeks the approval of Shareholders for the Company to change its name to Castillo Copper Limited.

If Resolution 9 is passed the change of name will take effect when ASIC alters the details of the Company's registration.

8. RESOLUTIONS 10 AND 11 – RE-ELECTION OF DIRECTORS – SCOTT FUNSTON AND MATTHEW WOOD

Clause 13.4 of the Constitution of the Company provides that the Directors may at any time appoint a person to be a Director as an addition to the existing Directors. Any Director so appointed holds office only until the next following general meeting and is then eligible for re-election, but shall not be taken into account in determining the Directors who are to retire by rotation at that meeting.

Scott Funston and Matthew Wood retire in accordance with the Constitution and, being eligible for re-election, offer themselves for re-election at the General Meeting.

GLOSSARY

$ means Australian dollars.

Agreement means the Implementation Agreement as detailed at Section 1.2.

Acquisition has that meaning as set out in Section 1.2.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited.

ASX Listing Rules means the Listing Rules of ASX.

Board means the current board of directors of the Company.

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

Castillo means Castillo Copper Limited (ACN 142 869 181).

Castillo Shareholder means each of the Shareholders of Castillo.

Company means Oakland Resources Limited (ACN 137 606 476).

Constitution means the Company's constitution.

Corporations Act means the Corporations Act 2001 (Cth).

Directors means the current directors of the Company.

Explanatory Statement means the explanatory statement accompanying the Notice.

Garrison Capital means Garrison Capital Pty Ltd (ACN 132 795 941).

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

Notice or **Notice of Meeting** or **Notice of General Meeting** means this notice of general meeting including the Explanatory Statement and the Proxy Form.

Option means an option to acquire a Share.

Optionholder means a holder of an Option.

Projects has that meaning as set out in Section 1.3.

Proxy Form means the proxy form accompanying the Notice.

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

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

Shareholder means a holder of a Share.

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

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21 March 2013

The Directors
Oakland Resources Limited
Level 1, 33 Richardson Street
WEST PERTH WA 6005

The Independent Expert has concluded that the transaction related to the Acquisition the subject of Resolution 2 outlined in this Notice of General Meeting is fair and reasonable to Shareholders of the Company (not associated with the Castillo Shareholders) as at the date of this report.

Dear Sirs

Re: OAKLAND RESOURCES LIMITED (ABN 52 137 606 476) ON THE PROPOSAL TO ACQUIRE CHILEAN MINERAL ASSETS BY ACQUIRING 100% OF THE ISSUED CAPITAL OF CASTILLO COPPER LIMITED AND ISSUING CONSIDERATION SHARES TO RELATED PARTIES. SHAREHOLDERS MEETING PURSUANT TO AUSTRALIAN SECURITIES EXCHANGE ("ASX") LISTING RULE 10.1

1. Introduction

1.1 We have been requested by the Directors of Oakland Resources Limited ("Oakland" or "the Company") to prepare an Independent Expert's Report to determine the fairness and reasonableness as noted in Resolution 2. Resolutions 2 to 6 relate to the proposals whereby Oakland will acquire from related and unrelated parties (Resolutions 4 to 6 refer to the related parties and Resolution 3 relates to the unrelated parties) and issue 50,000,004 shares ("Consideration Shares") in consideration for the acquisition of 100% of the issued share capital of Castillo Resources Limited ("Castillo""). The offer by Oakland for all of the shares in Castillo is based on one share in Oakland for every one share on issue in Castillo. Castillo owns 100% of the shares in Castillo Copper Chile SpA ("Castillo Chile") that has interests or is earning interests in various mineral tenements in Chile ("Mining Assets") as noted below. The acquisition of all of the shares in Castillo is for the purpose of this report known as the Acquisition. The Notice of Meeting ("Notice") and Explanatory Statement attached to the Notice ("ES") refers to the proposed acquisition of Castillo and the issue of shares to the Castillo shareholders.

1.2 In terms of an Implementation Agreement ("IA") entered into by Oakland and certain Castillo shareholders in February 2013 it is proposed that Oakland will make an offer to acquire 100% of the shares in Castillo, an unlisted private company incorporated in WA in March 2012 with 50,000,004 shares on issue. These include a 2,550,001 shareholding under the control of Scott Funston ("Funston") who also has a beneficial interest in 315,000 shares in Oakland, 3,025,001 shareholding under the control of Matthew Wood ("Wood") who has a beneficial interest in 3,534,000 shares in Oakland and 275,000 shareholding under the control of Mark Arundell ("Arundell") who has a beneficial interest in 3,160,000 shares in Oakland. Funston is a director of Oakland as well as a shareholder in and a director of Castillo. Wood is a director of Oakland as well as a shareholder in Castillo and Arundell was a former director of Oakland (resigned 19 November 2012) as well as a shareholder of Castillo. Messrs Funston, Wood and Arundell are deemed under ASX Listing Rule 10.1 to be Related Parties. The total number of Consideration Shares to be issued to the Related Parties will be 5,850,002. As noted, Castillo owns 100% of the shares in Castillo Chile that has or is acquiring the Mining Assets.

The only significant Mining Assets that Castillo Chile has an interest in are four Mining Assets, being the Posada iron oxide and copper project located 60km south of Copiapo (800km north of Santiago); the Rio Rocin project focusing on copper-molybdenum mineralisation approximately 150km north of Santiago and are on the same structural trend as the Los Broncos, Andina and Los Pelambres projects all of which are copper producers); the Resguardo project comprising 1,843 hectares of copper based exploration tenements, including old copper mines and the Quebranda Huanta copper-gold grass roots project covering approximately 5,000 hectares inland from La Serena and near the exhausted El Indio copper-gold mine.

Castillo has borrowed $200,000 ("Garrison Loan") from Garrison Capital Pty Ltd ("Garrison Capital") a company also associated amongst others with Messrs Funston and Wood. The Garrison Loan amount is interest free and unsecured but fees are payable by way of 1 share in Castillo for every one dollar lent (will become 1 Oakland share if the Acquisition proceeds). The Garrison Loan amount must be repaid by Castillo by 30 November 2013 or within 10 business days of Garrison serving notice on Castillo that the Garrison Loan amount must be repaid. $100,000 of the Garrison loan was made in December 2012 and a further $100,000 was made post 31 December 2012. In addition, in February 2013, Oakland lent Castillo the sum of $100,000 ("Oakland Loan") on an interest free basis and in the event that the Acquisition has not been settled by 30 June 2013 or such other date as agreed between the parties, the Oakland Loan is to be repaid within 10 business days of Oakland providing notice to Castillo that the Oakland Loan is to be repaid.

Further details on the Mining Assets owned or to be owned by Castillo Chile are referred to in the February 2013 report titled "Independent Valuation of the Mineral Assets Held by Castillo Copper Limited in Chile" ("SJS Valuation Report") of SJS Resource Management ("SJS") as referred to in paragraph 1.9 below and attached as Appendix B to this report.

It is also proposed that a total of 5,000,000 share options exercisable at 10 cents each, on or before 31 January 2017 ("Corporate Advisory Options") will be issued to Garrison Capital as consideration in advising the Company on the Acquisition. It is proposed that the Company will seek shareholder approval to have the Corporate Advisory share options issued and allotted and is the subject of Resolution 8 in the Notice.

It is proposed to issue 200,000 shares to Garrison Capital ("the Interest Shares") who lent the $200,000 of funds (the Garrison Loan) to Castillo so Castillo could meet financial commitments to acquire the Mining Assets and meet its working capital requirements. The issue of the Interest Shares is to satisfy the equivalent of fees payable to Garrison Capital under the Castillo Loan Agreement.

Immediately prior to the issue of the Consideration Shares, there will be 30,000,000 Oakland shares on issue. By acquiring all of the shares in Castillo, the Castillo shareholders collectively will increase their shareholding interest in Oakland from approximately 34,30% (pre the Acquisition as Funston already controls 315,000 shares in Oakland), Wood controls 3,534,000 shares in Oakland and Arundell controls 3,160,000 shares in Oakland and three other Castillo shareholders own 3,281,649 shares in Oakland) to approximately 75.18% of Oakland (approximately 62.34% before taking into account the existing 7,009,000 shares in Oakland controlled by the Related Parties) that assumes there will be on issue 80,200,004 shares. The existing Oakland shareholders' interest post the Acquisition and issue of the Interest Shares will be reduced to approximately 37.41% (approximately 28.67% excluding the interests of the Related Parties).

1.3 There are 11 resolutions being put to the shareholders. Resolution 1 relates to the approval to make a significant change in the nature and scale of activities; Resolution 2 relates to the proposal to acquire all of the shares in Castillo; Resolutions 3 to 6 relates to the approval for the Company to allot and issue 50,000,004 Consideration Shares to acquire 100% of the issued capital of Castillo Copper Limited; Resolution 7 relates to the issue of 200,000 shares to Garrison Capital; Resolution 8 refers to the proposed issue of 5,000,000 Corporate Advisory Options to Garrison Capital; Resolution 9 relates to the proposal to change the name of the Company to Castillo Mining Limited; Resolution 10 relates to the re-election of Scott Funston and Resolution 11 relates to the re-election of Matthew Wood as a director. We are not reporting on the merits or otherwise of Resolutions 1, 3 and 4 to 11 but note that for us to report on the proposal to acquire Castillo from Related parties (as noted in Resolution 2) we are in effect required to report on the fairness and reasonableness of the proposal under Resolutions 3 to 6 as well (to issue 44,150,002 Consideration Shares to non related parties and issue a total of 5,850,002 Consideration Shares to Related parties) as part of the proposal to acquire 100% of the issued capital of Castillo as noted in Resolution 2).

1.4 Listing Rule 10.1 of the ASX Listing Rules provides that shareholder approval is required before a listed company may acquire or dispose of a substantial asset to a related party or substantial shareholder where the substantial shareholder and the substantial shareholder's associates have a relevant interest (or had a relevant interest at any time in the 6 months before the relevant transaction) in at least 10% of the total votes attached to the voting securities. An asset is substantial for the purposes of ASX Listing Rule 10.1 if its value or the value of the consideration for it is, or in ASX's opinion is, 5% or more of the equity interests of the company as set out in the latest accounts given to ASX under the Listing Rules. For the purposes of ASX Listing Rule 10.1, Funston is a director of Oakland and also a substantial shareholder (and director) of Castillo; Wood is a director of Oakland and a substantial shareholder in Castillo and Arundell was a former director of Oakland and a shareholder of Castillo. The issue of the Consideration Shares would exceed 5% of the Oakland's equity interests as set out in the latest financial accounts given to ASX under the Listing Rules. As noted above it is proposed that Oakland will acquire all of the share capital of Castillo from the Castillo shareholders for the consideration of 50,000,004 Consideration Shares. Funston controls 2,550,001 shares in Castillo and thus he will be issued 2,550,001 Consideration Shares in Oakland to take his shareholding interests in Oakland to 2,865,001 shares representing approximately 3.57% of the expanded issued capital of Oakland post the Acquisition (but after the issue of 200,000 Interest Shares). Wood controls 3,025,001 shares in Castillo and thus he will be issued 3,025,001 Consideration Shares in Oakland to take his shareholding interests in Oakland to 6,559,001 shares representing approximately 8.18% of the expanded issued capital of Oakland post the Acquisition (but after the issue of 200,000 Interest Shares). Arundell controls 275,000 shares in Castillo and thus he will be issued 275,000 Consideration Shares in Oakland to take his shareholding interests in Oakland to 3,435,000 shares representing approximately 4.28% of the expanded issued capital of Oakland post the Acquisition (but after the issue of 200,000 Interest Shares). Oakland therefore requires shareholder approval under ASX Listing Rule 10.1 to issue a total of 5,850,002 Consideration Shares to the Related Parties under the Acquisition. Resolution 2 in effect is requesting approval to acquire Castillo (the substantial asset noted in the Resolution) from a related party and Resolutions 4 to 6 specifically refer to the issue of Consideration Shares to the Related Parties (Resolution 4 - 3,035,001 Consideration Shares to Wood, Resolution 5 – 2,550,001 Consideration Shares to Funston and Resolution 6 – 275,000 Consideration Shares to Arundell).

1.5 A notice prepared in relation to a meeting of shareholders convened for the purposes of ASX Listing Rules 10.1 must be accompanied by an Independent Expert's Report stating whether the proposal to acquire Castillo from Related Parties (notwithstanding that not all shareholders of Castillo are related parties to Oakland) is fair and reasonable to those shareholders not associated with the Related Parties. To assist shareholders in making a decision the directors have requested that Stantons International Securities prepare an Independent Expert's Report, which must state whether, in the opinion of the Independent Expert, the proposal to acquire Castillo from Related Parties is fair and reasonable to the non-associated shareholders of Oakland (not associated with the Related Parties). For us to conclude on such fairness and reasonableness, we have had to consider the fairness and reasonableness of the total Acquisition (and the issue of 55,000,004 Consideration Shares) as a whole.

It is noted that Mr William Ryan who is to become a director of Oakland following the completion of the Acquisition is a shareholder (and director) of Castillo and thus will receive 4,250,001 Consideration Shares, representing approximately 5.30% of the expanded post Acquisition capital of Oakland (assumes also the issue of 200,000 Interest Shares). It is noted that Dr Nicholas Lindsay who is to become a director of Oakland following the completion of the Acquisition is a shareholder (and director) of Castillo and thus will receive

5,500,001 Consideration Shares, representing approximately 6.86% of the expanded post Acquisition capital of Oakland (assumes also the issue of 200,000 Interest Shares).

It is noted that Mr Daniel Crennan who is to become a director of Oakland following the completion of the Acquisition is a shareholder (and director) of Castillo and thus will receive 500,000 Consideration Shares, representing approximately 0.62% of the expanded post Acquisition capital of Oakland (all percentages assumes also the issue of 200,000 Interest Shares to Garrison). Technically, shareholder approval to issue Consideration Shares to such proposed directors of Oakland is not required under ASX Listing Rule 10.1.

1.6 Apart from this introduction, this report considers the following:

- Summary of opinion
- Implications of the proposals
- Corporate history and nature of business of Oakland and Castillo
- Future direction of Oakland
- Basis of valuation of Oakland shares
- Value of consideration
- Basis of valuation of Castillo
- Conclusion as to fairness
- Reasonableness of the offer
- Conclusion as to reasonableness
- Sources of information
- Appendix A and our Financial Services Guide and the SJS Valuation Report attached as an Appendix to the Notice

1.7 In determining the fairness and reasonableness of the acquisition of 100% of the shares of Castillo, who owns 100% of Castillo Chile, whose Mining Assets are interests in various copper-iron-molybdenum prospects in Chile, we have had regard for the definitions set out by the Australian Securities and Investments Commission ("ASIC") in its Regulatory Guide 111, "Content of Expert Reports". Regulatory Guide 111 states that an opinion as to whether an offer is fair and/or reasonable shall entail a comparison between the offer price and the value that may be attributed to the securities under offer (fairness) and an examination to determine whether there is justification for the offer price on objective grounds after reference to that value (reasonableness). The concept of "fairness" is taken to be the value of the offer price, or the consideration, being equal to or greater than the value of the securities in the above mentioned offer. Furthermore, this comparison should be made assuming 100% ownership of the "target" and irrespective of whether the consideration is scrip or cash. An offer is "reasonable" if it is fair. An offer may also be reasonable, if despite not being "fair", there are sufficient grounds for security holders to accept the offer in the absence of any higher bid before the close of the offer. Although in this case the proposed acquisition of Castillo is not a takeover offer, we have considered the general principals noted above to determine our opinions on fairness and reasonableness.

1.8 **In our opinion, the proposal as outlined in paragraph 1.1 and 1.2 and resolution 2 may, on balance, taking into account the factors referred to in 9 below and elsewhere in this report (and assuming a capital raising is completed after the Acquisition), be considered to be <u>fair and reasonable</u> to the shareholders of Oakland (not associated with the Related Parties) as at the date of this report.**

1.9 The opinions expressed above must be read in conjunction with the more detailed analysis and comments made in this report, including the February 2013 SJS Valuation Report on the Mining Assets owned by the Castillo Group prepared by SJS a copy of which is attached as Appendix B to this report.

2. Implications of the Proposals

2.1 As at 20 March 2013, there were 30,000,000 ordinary fully paid shares on issue in Oakland. The top 20 shareholders list as at 7 March 2013 discloses the following:

Shareholder	No. of fully paid shares	% of issued fully paid shares
Jodama Pty Ltd	3,065,000	10.22
Mitchell Grass Holdings Pty Ltd (Wood Family A/C)	2,200,000	7.33
Celtic Capital Pty Ltd	1,719,149	5.73
Mitchell Grass Holdings Pte Ltd	834,000	2.78
	7,818,149	26.06

The top 20 shareholders as per the top 20 shareholders list at 7 March 2013 owned approximately 50.78% (15,232,649 shares) of the ordinary issued capital of the Company. Funston has a beneficial interest in 315,000 shares in Oakland. There are also on issue 12,100,000 share options ("Existing Options"), exercisable at 20 cents each, on or before 30 June 2014. The Related Parties as noted above and in the ES to the Notice own 7,009,000 shares, representing an approximate 23.36% shareholding interest in the Company as at 7 March 2013.

2.2 Garrison Capital, the adviser to the Acquisition will receive a total of 5,000,000 Corporate Advisory Options, exercisable at 10 cents each on or before 31 January 2017 and also receive 200,000 Interest Shares in Oakland as noted above.

2.3 If the Acquisition is completed, the collective shareholding of the Castillo shareholders would approximate 75.18% (includes the existing shareholding interests of the Related Parties in Oakland and the three other Castillo shareholders who are currently shareholders in Oakland, holding 3,281,649 Oakland shares as at 8 March 2013).

The movement in the issued capital of the Company will be:

	Number
Shares on issue at 20 March 2013	30,000,000
Issue of Consideration Shares to the Castillo Shareholders	50,000,004
Shares on Issue post the Acquisition	**80,000,004**
Potential issue of further shares	
Issue of Interest Shares to Garrison	200,000
Shares on issue post the Acquisition and issue of the Interest Shares	**80,200,004**
Exercise of the Corporate Advisory Share Options	5,000,000
Exercise of the Existing Options	12,100,000
Potential shares on issue	**97,300,004**

2.4 The current Board of Directors is expected to change in the near future as a result of the Acquisition. The Board is currently Scott Funston, Matthew Wood and Vernon Tidy. The Company Secretary is David McEntaggard. Messrs Wood and Tidy will resign and Mr William Ryan, Dr Nicholas Lindsay and Daniel Crennan will become new directors of Oakland from Completion (as defined) of the Acquisition.

2.5 Castillo and Castillo Chile will become legally wholly owned subsidiaries of Castillo. Castillo owns 100% of the issued capital of Castillo Chile.

2.6 In the event that the Consideration Shares are issued to the Castillo shareholders and 200,000 Interest Shares are issue to Garrison Capital, the Castillo shareholders would own approximately 71.08% of the expanded issued capital of Oakland (includes the 7,009,000 shares beneficially held by the Related Parties as at 7 March 2013). Funston would have a beneficial interest in approximately 3.57% of the expanded issued capital of Oakland. William Ryan would have a beneficial interest in approximately 5.30% of the expanded issued capital of Oakland; Nicholas Lindsay would have a beneficial interest in approximately 6.86% of the expanded issued capital of the Company and Daniel Crennan would have a 0.62% beneficial interest in Oakland.

2.7 We have been advised that the Company proposes to undertake a capital raising after Completion of the Acquisition and the gross amount to be raised may lie in the range of $1,500,000 to $2,000,000. The actual timing, amount and issue price per share has not yet been determined. In the event that a capital raising is completed, the shareholding interests of the Castillo Shareholders in Oakland may reduce.

3. **Corporate History and Nature of Businesses**

Oakland

3.1 Principal Activities and Significant Assets

Oakland is an ASX listed mineral exploration and evaluation company having achieved an ASX listing in December 2010 after raising a gross $3,000,000 (15,000 shares at 20 cents each) via a prospectus and initial public offering. The primary mineral commodity comprises copper and gold. Its more significant assets are as follows:

- Wongoni Project – a gold/copper base metal prospect in NSW. It is planned to undertake drilling activities in the near future to test identifiable targets.
- Cash at bank at 31 December 2012 of approximately $698,000 which is reducing at the rate of approximately $40,000 to $50,000 per month.

The Company has rationalised its NSW tenement holdings in the past six months.

Castillo and Castillo Chile

3.2 Castillo is incorporated in Australia as a non-listed private company. Castillo owns 100% of the issued capital of Castillo Chile, a company incorporated in Chile. The only significant Mining Assets that Castillo Chile has an interest in four Mining Assets, being the Posada iron oxide and copper project located 60km south of Copiapo (800km north of Santiago); the Rio Rocin project focusing on copper-molybdenum mineralisation approximately 150km north of Santiago and are on the same structural tend as the Los Broncos, Andina and Los Pelambres projects all of which are copper producers); the Resguardo project comprising 1,843 hectares of copper based exploration tenements, including old copper mines and the Quebranda Huanta copper-gold grass roots project covering approximately 5,000 hectares inland from La Serena and near the exhausted El Indio copper-gold mine.

Castillo Chile has direct 100% interests in 20 tenements comprising the Posada (Primera) Project, a 100% interest in 8 tenements forming part of the Posada (Cachiyuyo) Project and an 80% interest in one other tenement (80/20 joint venture with Sociedad Inversiones Gema). It also has a 100% interest in various tenements comprising the Resguarado Project but the tenements are currently not in the name of Castillo Chile. Castillo Chile owns 100% of various tenements comprising the Quebrada Huanta project. Castillo Chile has a 63% interest in one tenement and a 100% interest in 8 other tenements but currently not in the name of Castillo Chile and owns 100% of 11 tenements in its own name relating to the Rio Rocin project. Castillo Chile owns 100% of the Brasileira project (2 tenements).

Of the 7,700 hectares of exploration tenements that comprise Posade, 6,100 hectares is held 100% by Castillo Chile and is not subject to third party transactions. SCM Cachiyuyo, a joint venture company in which Castillo Chile has an 80% interest holds the remaining 1,588 hectares.

On 29 July 2010, Castillo Chile (a wholly owned subsidiary of Castillo Copper) entered into an agreement pursuant to which Sociedad de Inversiones Gema Limitada (199 shares) and Mr Jose Frutos Jara (1 share) granted to Castillo Chile an irrevocable right to purchase their 200 shares of Sociedad Contractual Minera Cachiyuyo. The price to acquire the remaining 200 shares in SCM is US$2,800,000 payable in the following terms:

- US$60,000 on or before 29 July 2011;
- US$60,000 on or before 29 July 2012;
- US$60,000 on or before 29 July 2013;
- US$60,000 on or before 29 July 2014; and
- US$2,560,000 on or before 29 July 2015.

The option may be exercised at any time during these dates providing all instalments due and payable before the date of exercise have been duly paid and the remainder is paid at the time of exercise. Furthermore, should exploration efforts be successful, a payment for resources in addition to the price quoted above, is also included in the contract as detailed below:

- Castillo Chile will pay the vendors US$500,000 for every 200,000 tonnes of Copper equivalent (Copper or Gold), declared as JORC (Measured and Indicated).
- Castillo Chile will pay the vendors US$1,000,000 for every 10,000,000 tonnes of Iron Ore, declared as JORC (Measured and Indicated).

During the term of the option contract, the responsibility for maintaining the exploration leases in good standing and all charges and fees required to do so will be borne by Castillo Chile. Castillo Chile can withdraw from ongoing payment obligations at any time by notifying the vendors of its intention to do so.

On 30 September 2011, an option contract for purchase of 63% of the shares of Sociedad Legal Minera Los Bayos was entered into pursuant to which Castillo Chile for US$4,095,000, payable in the following terms:

- US$22,050 upon signature of the agreement;
- US$28,350 on or before 6 months after signature;
- US$40,950 on or before 12 months after signature;
- US$63,000 on or before 18 months after signature;
- US$78,750 on or before 24 months after signature;
- US$173,250 on or before 30 months after signature;
- US$283,500 on or before 36 months after signature;
- US$346,500 on or before 42 months after signature;
- US$853,650 on or before 48 months after signature;
- US$157,500 on or before 60 months after signature;
- US$157,500 on or before 72 months after signature;
- US$157,500 on or before 84 months after signature; and
- US$1,732,500 on or before 96 months after signature

The option may be exercised at any time during these dates providing all instalments due and payable before the date of exercise have been duly paid and the remainder is paid at the time of exercise. No payment for resources in addition to the price quoted above is included in the contract. During the term of the option contract, the responsibility for maintaining the exploration leases in good standing and all charges and fees required to do so will be borne by Castillo.

On 3 August 2011 Castillo Chile entered into a "Rental Contract" with 63% of the Sociedad Legal Minera Los Bayos shareholding. This contract allows exploration activity and production of minerals as required for sampling and determination of the value and mineral resources of the property. The Rental Contract recommends the expenditure of agreed amounts during years 1 and 2 of the contract and beyond. The following amount was agreed to be paid to the shareholders (63%) of Sociedad Legal Minera Los Bayos as rent: 1,200,000 Chilean Pesos per year (AUD$2,495 at an exchange rate of 481CLP:1AUD until Castillo takes ownership. Castillo Chile can withdraw from ongoing payment obligations at any time by notifying the vendors of its intention to do so.

On 30 September 2011, an option contract for purchase of 100% of the shares within the legal mining entities as owners of the properties known as El Chilon, was entered into upon which Castillo Chile for US$6,500,000, payable in the following terms:

- US$35,000 upon signature of the agreement;
- US$45,000 on or before 6 months after signature;
- US$65,000 on or before 12 months after signature;
- US$100,000 on or before 18 months after signature;
- US$125,000 on or before 24 months after signature;
- US$275,000 on or before 30 months after signature;
- US$450,000 on or before 36 months after signature;
- US$550,000 on or before 42 months after signature;
- US$1,355,000 on or before 48 months after signature;
- US$250,000 on or before 60 months after signature;
- US$250,000 on or before 72 months after signature;
- US$250,000 on or before 84 months after signature; and
- US$2,750,000 on or before 96 months after signature

The option may be exercised at any time during these dates providing all instalments due and payable before the date of exercise have been duly paid and the remainder is paid at the time of exercise. No payment for resources in addition to the price quoted above is included in the contract. During the term of the option contract, the responsibility for maintaining the exploration leases in good standing and all charges and fees required to do so will be borne by Castillo Chile. Castillo Chile can withdraw from ongoing payment obligations at any time by notifying the vendors of its intention to do so.

Certain Resguardo mineral concessions are controlled by Sociedad de Inversiones Gema Limitada. On 22 March 2012 Castillo Chile entered into an option contract for the purchase of 100% of the Resguardo mineral concessions for US$6,500,000 payable in the following terms:

- US$72,917 on or before 5 June 2012;
- US$104,167 on or before 5 December 2012;
- US$145,833 on or before 5 June 2013;
- US$177,083 on or before 1 December 2013;
- US$500,000 on or before 1 September 2014;
- US$500,000 on or before 1 March 2015;
- US$500,000 on or before 1 September 2015;
- US$4,500,000 on or before 1 December 2015

The option may be exercised at any time during these dates provided all instalments due and payable before the date of exercise have been duly paid and the remainder is paid at the time of exercise. No payment for resources in addition to the price quoted above is included in the contract. During the term of the option contract, the responsibility for maintaining the exploration leases in good standing and all charges and fees required to do so will be borne by Castillo Chile.

Garrison Capital has lent $200,000 ($100,000 to 31 December 2012 and a further $100,000 post 31 December 2012) and a further $100,000 was lent by Oakland to Castillo in February 2013 to Castillo for working capital and meeting acquisition commitments in Chile. It is expected that the Garrison Loan will be repaid out of the proceeds of any future capital raising that is expected to take place in the second quarter of 2013 but must be paid by 30 November 2013 or within 10 business days of Garrison providing written notice to Castillo that the Garrison Loan amount is to be repaid. The fee payable to Garrison is the issue of 200,000 Interest Shares to be issued by Oakland (was Castillo). The Oakland Loan in the event that the Acquisition has not been settled by 30 June 2013 or such other date as agreed between the parties is to be repaid within 10 business days of Oakland providing notice to Castillo that the Oakland Loan is to be repaid.

3.3 We refer to the February 2013 SJS Valuation Report by SJS on Castillo Chile's Mining Assets) and the Explanatory Statement for more detailed information on Castillo and its assets.

3.4 A summary unaudited consolidated balance sheet (consolidated statement of financial position) of the Castillo Group as at 31 December 2012 as adjusted for the further $100,000 lent by Garrison in January 2013, the Oakland Loan lent to Castillo in February 2013 and estimated administration, exploration and option costs from 1 January 2013 to 31 March 2013 of $140,000 is noted elsewhere in this report.

4. **Future Directions of Oakland**

4.1 We have been advised by the directors and management of Oakland that:

- There are no proposals currently contemplated either whereby Oakland will acquire any further properties or assets from Castillo's shareholders (however Oakland will issue ordinary shares to the Castillo shareholders as outlined above in relation to the Acquisition) or where Oakland will transfer any of its property or assets to Castillo's shareholders;
- The composition of the Board will change in the short term as noted above;
- The Company may raise between $1,500,000 and $2,000,000 via a capital raising pursuant to a prospectus to be lodged with ASIC in due course (timing, amount and terms not agreed upon);
- The Company proposes to change its name to Castillo Copper Limited;

- No dividend policy has been set; and
- The Company will endeavour to enhance the value of its interests in the Mining Assets to be acquired via the Acquisition.

5. **Basis of Valuation of Oakland Shares**

5.1 Shares

5.1.1 In considering the proposal to acquire all of the shares in Castillo, we have sought to determine if the consideration payable by Oakland to the Castillo shareholders is fair and reasonable to the existing non-associated shareholders of Oakland.

5.1.2 The offer would be fair to the existing non-associated shareholders if the value of the ordinary shares in Castillo being acquired by Oakland is greater than the implicit value of the Consideration Shares (ordinary shares) in Oakland being offered as consideration. Accordingly, we have sought to determine a theoretical value that could reasonably be placed on Castillo shares for the purposes of this report.

5.1.3 The valuation methodologies we have considered in determining a theoretical value of an Oakland share (and also a Castillo share) are:

- Capitalised maintainable earnings/discounted cash flow;
- Takeover bid - the price at which an alternative acquirer might be willing to offer;
- Adjusted net asset backing and windup value; and
- The market price of Oakland shares (and Castillo shares).

5.2 Capitalised maintainable earnings and discounted cash flows.

5.2.1 Due to Oakland's current operations, a lack of a reliable long term profit history arising from business undertakings and the lack of a reliable future cash flow from current business activities, we have considered these methods of valuation not to be relevant for the purpose of this report. Oakland made a loss of approximately $361,000 for the six months ended 31 December 2012 and as at 31 December 2012 has unaudited losses of approximately $3,949,000 (prior to adjustments for post 31 December 2012 costs).

5.3 Takeover Bid

5.3.1 It is possible that a potential bidder for Oakland could purchase all or part of the existing shares, however no certainty can be attached to this occurrence. To our knowledge, there are no current bids in the market place and the directors of Oakland have formed the view that there are unlikely to be any takeover bids made for Oakland in the immediate future. However, if the agreement to acquire Castillo is completed, the Castillo Shareholders (and the Related Parties) collectively will control approximately 71.08% of the expanded ordinary issued capital of Oakland.

5.4 Adjusted Net Asset Backing

5.4.1 We set out below a reviewed balance sheet (statement of financial position) of Oakland (Balance Sheet "A") as at 31 December 2012, adjusted for the further $100,000 lent by Garrison in January 2013, the Oakland Loan lent to Castillo in February 2013 and estimated administration and other costs of $140,000 for the period 1 January 2013 to 31 March 2013. In addition, we disclose a pro-forma consolidated Balance Sheet "B" assuming the following:

- The acquisition of all of the shares in Castillo by way of an issue of 50,000,004 Consideration Shares at a deemed issue price of 4.8 cents per share for a total consideration of $2,400,000;
- Allowing for indirect costs of the Acquisition and Notice preparation of approximately $77,000;
- The issue of 5,000,000 Corporate Advisory Options at a deemed fair value of $84,758; and

- The issue of 200,000 Interest Shares at a deemed cost of $9,600 (4.8 cents per Interest Share).

In addition, we disclose the unaudited consolidated statement of financial position of the Castillo Group as at 31 December 2012 adjusted for the receipt of a further $100,000 from Garrison Capital in January 2013, the $100,000 Oakland Loan from Oakland in February 2013 and allowing for corporate, administration and exploration costs estimated at $400,000 for the period 1 January 2013 to 31 March 2013 of which $250,000 is capitalised as exploration costs. The figures for the Castillo Group as at 31 December 2012 are after converting from Chilean Pesos to Australian dollars on an approximate 496 Pesos to 1 Australian dollar in relation to the figures for Castillo Chile.

	Unaudited Adjusted 31 December 2012 Oakland $000 "A"	Unaudited Pro-forma 31 December 2012 Oakland (including consolidation of Castillo) $000 "B"	Unaudited Adjusted Consolidated Castillo 31 December 2012 $000
Current Assets			
Cash assets	598	815	294
Trade and Other Receivables	93	113	20
Total Current Assets	691	928	314
Non Current Assets			
Property, Plant and Equipment	1	2	1
Tenement guarantees (Bonds)	40	40	-
Capitalised exploration costs (refer below in paragraph 5.4.2)	454	3,286	1,537
Loan to Castillo	100	-	-
Total Non Current Assets	595	3,328	1,538
Total Assets	1,286	4,256	1,852
Current Liabilities			
Trade and Other Payables	344	792	448
Loan- Garrison	-	200	200
Loan - Oakland	-	-	100
Total Current Liabilities	344	992	748
Total Liabilities	344	992	748
Net Assets	942	3,264	1,104
Equity			
Issued Capital	3,403	5,812	1,410
Reserves	1,627	1,712	32
Accumulated Losses	(4,088)	(4,260)	(338)
Total Equity	942	3,264	1,104

The net asset (book value) backing per fully paid (pre acquisition of Castillo) ordinary Oakland share as at 31 December 2012 based on the unaudited adjusted balance sheet (Balance Sheet "A") and 30,000,000 ordinary shares on issue is approximately 3.14 cents (refer paragraph 5.4.5 below). The above pro-forma consolidated balance sheet "B" has been prepared on the basis that the acquisition of Castillo is not considered a business combination for accounting purposes under the accounting standard IFRS-3 "Business Combinations but the treatment of accounting for the Acquisition has been based on the excess of cost of acquisition over the book net assets acquired as being attributable to the value of the tenements being acquired via acquiring in this case, Castillo. The final figure for capitalised costs as disclosed in the pro-forma statement of financial position may be different if the Business Combination Standard was used and fair values attributed to the assets acquired.

5.4.2 The pro-forma statement of financial position discloses capitalised costs of $3,286,000 made up of the capitalised costs of $454,000 from Oakland, the $1,537,000 capitalised costs in Castillo with the balance represented by the excess of the cost of the acquisition of Castillo by Oakland ($2,400,000) over the net book assets of Castillo being acquired ($1,104,000) and this has been deemed an additional fair value to mineral interests and thus disclosed as capitalised exploration costs. Based on the unaudited pro-forma consolidated net asset book values, this equates to a value per fully paid ordinary share post the issue of 200,000 Interest Shares and the Acquisition and issue of 50,000,004 Consideration Shares and the issue of 5,000,000 share options as noted above (80,200,004 ordinary shares on issue) of approximately 4.06 cents per share (ignoring the value, if any, of non-booked tax benefits.

5.4.3 We have accepted the amounts as disclosed for all current assets and non-current assets. We have been advised by the management of Oakland that they believe the carrying value of all current assets, fixed assets and liabilities at 31 December 2012 (as adjusted as noted above) are fair and not materially misstated.

5.4.4 We note that the market has been informed of all of the current projects, joint ventures and farm in/farm out arrangements entered into between Oakland and other parties. We also note it is not the present intention of the Directors of Oakland to liquidate the Company and therefore any theoretical value based upon wind up value or even net book value (as adjusted), is just that, theoretical. The shareholders, existing and future, must acquire shares in Oakland based on the market perceptions of what the market considers an Oakland share to be worth.

5.4.5 The market has either generally valued the vast majority of mineral exploration (and oil and gas) companies at significant discounts or premiums to appraised technical values and this has been the case for a number of years although we also note that there is an orderly market for Oakland shares and the market is kept fully informed of the activities of the Company. However, it is noted that from Oakland's point of view as the legal parent company, the value ascribed to the 50,000,004 Consideration Shares to be issued to the Castillo Shareholders would be accounted for at the market value of an Oakland share at date of issue. The actual share price at the date of acquisition of Castillo cannot be determined at this point of time. For accounting purposes under Australian Equivalents to International Financial Reporting Standards ("IFRS"), the consideration for the issue of Oakland shares to acquire the shares in Castillo from the Castillo Shareholders will be booked at the fair value of the shares in Castillo or at the share price of an Oakland share at the date of Acquisition and not any perceived technical value. Accordingly, for the reasons outlined above, we believe that for the purpose of this report, it is not appropriate to use any technical value of an Oakland share in assessing whether the proposal for Oakland to acquire 100% of the shares in Castillo is fair and reasonable. We believe a market-based approach is a more suitable basis of assessing whether the proposed Acquisition is fair and/or reasonable. In the case of the Acquisition, the pre announcement prices have been taken as prior to 31 January 2013.

5.5 Market Price of Oakland Fully Paid Ordinary Shares

5.5.1 Share prices in Oakland as recorded on the ASX since 1 September 2012 up to and including 31 January 2013 (the day of the announcement of the proposed Acquisition) have been as follows:

	High Cents	Low Cents	Closing Price Cents	Volume 000's
September 2012	4.5	4.5	4.5	150
October 2012	4.5	4.5	4.5	75
November 2012	6.0	4.0	6.0	115
December 2012	-	-	-	-
January 2013	4.2	4.1	4.2	349

As can be seen from the trading volume on ASX, there was very little trading of the Oakland shares before the announcement of the Acquisition. The Castillo acquisition was announced to the market on 31 January 2013. There were many trading days since listing on 14 December 2010 where there were no trades of Oakland shares on ASX. Subsequent to the announcement of the Acquisition, the shares in Oakland traded on ASX had been between 4.1 cents and 8.4 cents with a last sale on 20 March 2013 of 4.4 cents (only 327,000 shares traded from 1 February 2013 to 20 March 2013).

5.5.2 The future value of an Oakland share will depend upon, inter alia:

- the future prospects of its mineral assets (effectively the Wongoni Project in NSW) and the Mining Assets being obtained via the Acquisition;
- the state of the gold, base metal and manganese markets (and prices) in Australia and overseas;
- the state of Australian and overseas stock markets;
- the strength and performance of the Board and management and/or who makes up the Board and management;
- Foreign exchange rates;
- general economic conditions;
- the liquidity of shares in Oakland; and
- possible ventures and acquisitions entered into by Oakland.

5.6 Conclusion on the Value of Oakland Shares

The Acquisition is currently not dependent on the raising of a gross between $1,500,000 and $2,000,000 as noted above but such a capital raising will need to take place soon after the Acquisition is completed. We have considered the pre-announcement share price of an Oakland share that falls mainly in the range of 4.1 cents to 4.5 cents and the net adjusted book value of an Oakland share that approximates 3.14 cents. As stated, the ASX share prices do not necessarily reflect fair values in the current economic circumstances of the Company but as the shares are freely tradable then the pre-announcement share prices could also be taken into account in determining the fairness of the Acquisition. The Directors of Oakland will need to consider the accounting standards in determining the final price attributable to the Consideration Shares to be issued to acquire Castillo.

6. Value of Consideration

6.1 Based on the pre announcement share price the consideration range would be:

	Low	Preferred	High
50,000,004 Consideration Shares	$2,050,000	$2,100,000	$2,250,000
Assumed share issue price	4.1 cents	4.2 cents	4.5 cents

We have excluded the indirect costs such as the Corporate Adviser Options (approximately $85,000) and legal and other fees.

It is noted that at the time of negotiation of the Acquisition, the Oakland directors considered that the fair market value of an Oakland share may have been around the 4.1 cents to 4.5 cents range.

If we used the 4.1 cent to 8.4 cent ASX share price since the Acquisition as noted above, the amounts attributable to the Consideration Shares would lie in the range of $2,050,000 to $4,200,000. Based on the last sale price on 11 February 2013, the deemed accounting consideration may approximate $2,400,000 (4.8 cents per share) and as at 20 March 2013, the consideration would be $2,200,000 (4.4 cents).

7. **Basis of Valuation of Castillo (and interests in the Mining Assets)**

7.1 The usual approach to the valuation of an asset is to seek to determine what an informed, willing but not anxious buyer would pay to an informed, willing but not anxious seller in an open market.

7.2 Castillo is an unlisted private company and therefore valuing the shares on a takeover basis and on a market based approach are not relevant. There are no indications that other parties wished to acquire all of the shares in Castillo other than Oakland. The shareholders in Castillo do not have an active market to trade their shares.

7.3 The Company as part of its negotiations with Castillo obtained a copy of the April 2012 Independent Geologist's Report on the Mineral Assets of the Castillo Group prepared by Michael Easdon prepared when Castillo was planning an initial public offering. In February 2013 the Company in conjunction with Castillo commissioned SJS to value the Mining Assets of Castillo Chile. The February 2013 SJS Valuation Report that is attached as Appendix B to this report contains an assessed valuation of the Mining Assets and outlines the prospectivity of the Mining Assets. Considerable sums will needed to be incurred by Castillo (via Oakland, if the Acquisition is completed successfully) and there is no guarantee that mineral resources or reserves will be increased (some have resources indicated) or located on the mining tenements.

7.4 The unaudited adjusted consolidated balance sheet of Castillo at 31 December 2012 is disclosed under paragraph 5.4.1 above. This consolidated balance sheet shows the Castillo Group net assets carried at a book value of $1,104,000 with the exploration and evaluation expenditure carried at a book value of $1,537,000.

7.5 Completion of the Acquisition is conditional on all necessary due diligence being undertaken on the ownership interests of Castillo, Castillo's shareholding and interests and ownership of the Mining Assets of Castillo Chile. We advise that we have not undertaken any further steps to ascertain ownership of Castillo, Castillo Chile and their assets and liabilities and the Mining Assets.

7.6 The February 20213 SJS Valuation Report is attached as Appendix B to this report. The SJS valuation Report should be read in its entirety.

7.7 We have used and relied on the SJS Valuation Report on the Mining Assets and have satisfied ourselves that:

- SJS is a suitably qualified consulting geological consulting firm and Julian Vearncombe is a suitably qualified consulting geologist and has relevant experience in assessing the merits of mineral projects and preparing mineral valuations;
- Julian Vearncombe and SJS are independent from Oakland and Castillo; and
- SJS has to the best of our knowledge employed recognised methodologies in the preparation of the February 2013 SJS Valuation Report on the Mining Assets.

7.8 SJS has provided a range of market values of the Mining Assets (not all yet registered in the name of Castillo Chile). SJS has ascribed a range of values to the Mining Assets (taking into account Castillo Chile's percentage interests in the tenements comprising the Mining Assets) as follows:

	Low	**Preferred**	**High**
	$	**$**	**$**
Rion Rocin	925,000	1,150,000	1,850,000
Quebrada Huanta	20,000	25,000	40,000
Posada	775,000	1,000,000	1,550,000
Resguardo	270,000	325,000	530,000
Mining Assets	**1,990,000**	**2,500,000**	**3,970,000**
Rounded to	**2,000,000**	**2,500,000**	**4,000,000**

SJS has noted that the absolute range is $1,300,000 to $8,000,000 but has then provided a table that discloses a rounded low of $2,000,000 to a rounded high of $4,000,000 with a rounded preferred value of $2,500,000.

7.9 Taking into account the 31 December 2012 adjusted Castillo Group other assets and liabilities, the net fair value of the Castillo Group may have a preferred fair value of $2,067,000 (low $1,567,000 and high $3,567,000). However, it is noted that the Mining Assets have prospectivity and the ultimate value may rise in the event of commercial success.

It is noted that the Castillo Group has estimated cash reserves of $294,000 but current liabilities totalling $748,000 (including $200,000 owing to Garrison Capital and $100,000 owing to Oakland). If the acquisition of the Castillo Group by Oakland is achieved, Oakland will need to meet the liabilities of the Castillo Group. Oakland does not have large cash reserves and will need to undertake a capital raising shortly after the Acquisition is completed. As discussed above, the Company may raise between $1,500,000 and $2,000,000 (before capital raising costs) in the second or third quarter of 2013. There are several agreements with various parties whereby Castillo Chile has the option to acquire various mining concessions or acquire companies that own mining concessions that Castillo Chile are exploring. Based on the initial contracts, the estimated option and exercise payments (if options are exercised) (excluding exploration expenditure on the mining concessions) may post 31 December 2012 total approximately $19,322,000 of which approximately $750,000 is due in 2013, $1,742,000 in 2014, $11,166,000 in 2015, $407,000 in each of 2016, 2017 and 2018 and $4,483,000 in 2019. Refer paragraph 3.2 above for further information on option contracts. If the concessions or rights to acquire companies with the mining concessions are exercised or Castillo Chile wishes to continue to pay option amounts, Castillo Chile will need to raise significant sums over the next few years.

8. Conclusion as to Fairness

8.1 The proposal to acquire the shares in Castillo that has as its only significant asset, the shares in Castillo Chile who in turn have an interest in the Mining Assets for the consideration noted in paragraph 6.1, is believed to be fair to Oakland's non-associated shareholders if the value of the consideration offered is equal to or less than the value of the shares in Castillo being acquired.

8.2 Due to the nature of the business of the Castillo Group, valuations are dependent upon the value placed on the Mining interests of Castillo Chile. The valuation of Mining interests and valuing future profitability and cash flows is extremely subjective as it involves assumptions regarding future events that are not capable of independent substantiation.

8.3 The actual consideration to the Castillo Shareholders is 50,000,004 Consideration Shares and based on the pre announcement (of the acquisition) issue price of around 4.2 cents per share, the consideration is $2,100,000 (see paragraph 6.1 above). Based on post announcement share prices, the deemed consideration may fall in the range of $2,050,000 to $4,200,000 but based on the closing share price of an Oakland share as at 11 February 2013 (4.8 cents), the deemed consideration may approximate $2,400,000 and based on the last sale price of 4.4 cents on 20 March 2013, the deemed consideration would be $2,200,000.

The Related Parties share of the total value attributable to Castillo based on our preferred methodology is considered to be approximately $245,700 based on the Related Parties collective 11.70% shareholding interest in Castillo. The Related Parties shareholding interest in the expanded Oakland after completion of the Acquisition will initially approximate 16.03% (12,859,002 shares) (before the exercise of any share options).

8.4 As noted above, the preferred net fair value of the Castillo Group may approximate $2,067,000 using the fair values attributed to the Mining Assets by SJS. The valuation of Mining interests and the valuation of future profitability and cash flows are extremely subjective as they involve assumptions regarding future events that are not capable of independent substantiation. The pre acquisition book value of an Oakland share (not the pre announcement share price) may approximate 3.14 cents (and the pre announcement market share price was around 4.1 cents to 4.5 cents (but on extremely low trading volumes).

Based on a 4.2 cent value attributable to the Consideration Shares, the Acquisition price is immaterially higher than the perceived fair value attributable to the shares in Castillo (that is mainly based on a subjective independent valuation of the Mining Assets owned by Castillo Chile) and on such a basis the Acquisition would be fair. On a low valuation (of the Mining Assets), the Consideration based on the last sale price as at 20 March 2013 would be materially greater than the low valuation of Castillo, however on a high valuation (of the Mining Assets), the Consideration based on the last sale price as at 20 March 2013 would be materially lower than the high valuation of Castillo.

8.5 **In our opinion, taking into account the factors noted in this report, and assuming that Oakland will raise further capital on 2013 to assist in funding exploration on the Castillo Chile Mining Assets, the proposal as outlined in paragraphs 1.1 and 1.2 and Resolution 2 may on balance be considered to be fair at the date of this report.** By implication, the proposals pursuant to Resolutions 4 to 6 are also fair at the date of this report.

The valuation of mining block interests and the valuation of future profitability and cash flows are extremely subjective as they involve assumptions regarding future events that are not capable of independent substantiation**.**

9. **Reasonableness of the Castillo Acquisition**

9.1 We set out below some of the advantages and disadvantages and other factors pertaining to the proposed Acquisition that we considered in arriving at our conclusion on the reasonableness of the Acquisition and in particular the proposal pursuant to Resolution 2.

Advantages

9.2 The Company, in effect moves from a near cash box company with only one mineral asset (albeit some longer term potential) to a new mineral exploration company with some prospectivity to move to production. Post to the Acquisition, Oakland may raise between $1,500,000 and $2,000,000 before capital raising costs via a capital raising. The Acquisition if successful could lead to potential mineral operations in Chile or the ability for Oakland to on-sell or farm-out the Mining Assets to another mineral focused company at a profit.

9.3 The Company may be better placed to raise further funds by way of share equity as a result of acquiring the Mining Assets (via acquiring all of the shares in Castillo).

9.4 There is an incentive to Oakland and Castillo, to successfully exploit the Mining Assets as the Castillo Shareholders including Funston will have significant shareholding interests in Oakland. The SJS Valuation Report notes the prospectivity pertaining to the Mining Assets.

9.5 Oakland currently has one mineral prospect of note, being the Wongoni Project in NSW. Should this project prove not to be commercially viable, diversification into the mineral sector in Chile by acquiring 100% of Castillo may reduce the risk (but at the same time Oakland is taking on significant exploration and option commitments). Refer section 7.8 above.

9.6 In the event of commercial success of the Mining Assets, the chances of the Existing Options on issue being exercised at 20 cents on or before 30 June 2014 (to raise a further $2,420,000) may be enhanced. This also applies to the 5,000,000 Corporate Advisory Options to be issued and exercisable at 10 cents per option. If exercised, the Company would raise an additional $500,000.

9.7 Existing shareholders may be given the opportunity to sell their shares in excess of the share prices existing prior to the Acquisition announcement. However, those shareholders who consider the risk of mineral exploration in Chile to be too high may wish to sell their shareholdings in Oakland.

9.8 The net book assets of Oakland are estimated at $942,000 whilst post the Acquisition, the net book assets of the Oakland Group that will include the Castillo Group is estimated to be an initial $3,264,000. The value attributable to the existing shareholders (excluding the Related Parties) approximates $935,000 compared with a current shareholding interest of approximately $722,000.

Disadvantages

9.9 Currently, the Castillo shareholders collectively have a beneficial interest in 7,009,000 shares in the Company (held by the Related Parties) and if Resolutions 2 to 7 are passed, the Castillo shareholders will increase their collective shareholding interest in Oakland to approximately 75.18% (before the exercise of any share options but after the issue of the Interest Shares). The Related Parties are receiving consideration as noted in paragraph 8.3 above. The existing shareholders (excluding the Related Parties) will be diluted from owning a current approximate 76.64% shareholding interest in Oakland and its underlying assets to a smaller shareholding of approximately 28.67% post the Acquisition.

9.10 The exploration commitments, planned expenditures and expenditure obligations pursuant to the Mining Assets are quite high. As noted above, option payments and exercise of various options to acquire mining concessions or companies with mining concessions total over $19,000,000 to 2017 and this excludes normal exploration and evaluation costs to be incurred. Should commercial minerals (mainly copper) be proven, to proceed to development may require significant additional capital which would dilute the current shareholders even further. The number of shares that may be issued to raise additional capital is not yet known.

9.11 In general terms, investments in Chilean mineral exploration companies are high risk however for those shareholders who consider that the proposed Acquisition from the Castillo Shareholders is a risk worth taking, then the proposed Acquisition under resolution 3 may be reasonable. The country of Chile is subject to various political, economic and other uncertainties, including, among other things, expropriation, nationalization, renegotiation or nullification of existing concessions, licenses, permits, approvals and contracts, taxation policies, foreign exchange and repatriation restrictions, changing political conditions, international monetary fluctuations, currency controls and foreign governmental regulations that favour or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction. In addition, in the event of a dispute arising from foreign operations, Castillo Chile may be subject to the exclusive jurisdiction of foreign courts or may not be successful in subjecting foreign persons to the jurisdiction of courts in Australia. Failure to comply strictly with applicable laws, regulations and local practices relating to mineral right applications and tenure, could result in loss, reduction or expropriation of entitlements.

9.12 The Mining Assets may not turn out to be commercially viable and thus losses may be incurred. Significant future funding will be required by the Company to support its payment obligations under the Tenement Sale Agreements entered into by Castillo Chile and to develop the Projects. There can be no assurance that such funding will be available on satisfactory terms or at all. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations in Chile and scale back the planned Chilean exploration programs as the case may be, which may adversely affect the business and financial condition of the expanded Oakland Group and its performance. Where Castillo Chile fails to comply with the terms of these agreements, particularly as they relate to the ongoing payment obligations, the Castillo Chile's interests in, and ability to carry out exploration on, the subject Tenements (part of the Mining Assets) may be lost.

9.13 The Castillo Group has cash reserves of $294,000 but current liabilities totalling $748,000 (including $200,000 owing to Garrison Capital and $100,000 owing to Oakland). If the acquisition of the Castillo Group by Oakland is achieved, Oakland will need to meet the liabilities (current and future) of the Castillo Group that may be material in nature. New capital will need to be raised in 2013 and as noted in this report the Company may seek between $1,500,000 and $2,000,000 (gross) in the second or third quarter of 2013. If exploration results are encouraging and to meet option payments and exploration commitments pertaining to the Mining Assets, large capital raisings post 2013 will be required.

Other Factors

9.14 It is noted that for accounting purposes in the books of Oakland, the Consideration Shares will be booked at the market value of the ordinary shares in Oakland at the date the Consideration Shares are issued to the Castillo shareholders. Oakland as the legal parent entity will account for the value of the Consideration Shares at the market value of the ordinary shares in Oakland that may be considered to be around 4.8 cents per share, being the last share price of an Oakland share trading on ASX as at 11 February 2013 or 4.4 cents based on the last share price on 20 March 2103. Thus, as the legal potential owner of the shares in Castillo, Oakland may record an investment in Castillo of approximately $2,400,000 or $2,200,000. The ultimate fair value of an investment in Castillo is at this stage unknown and write downs in the investment may be required at a later stage (particularly if commercial success is not forthcoming).

9.15 The number of fully paid ordinary shares on issue initially rises by 50,200,004 (Consideration Shares and Interest Shares) to 80,200,004 (before exercise of any share options and before any shares issued under capital raisings). This represents a substantial increase in the ordinary shares of the Company based on the number of shares on issue at the time of the announcement of the Acquisition on 31 January 2013.

9.16 The Company has lent Castillo the Loan Amount of $100,000 in February 2013. In the event that Acquisition is not approved by shareholders and Completion (as defined in the IA) of the Acquisition does not occur by 30 June 2013, the Oakland Loan amount must be repaid by Castillo within 10 business days of the Company serving notice on Castillo that the Oakland Loan Amount must be repaid. The Oakland Loan amount is interest free and unsecured. There is always a risk that the Oakland Loan Amount may not be recovered in full. In the event that the Acquisition proceeds, the Oakland Loan Amount remains and becomes an intercompany loan that is eliminated on consolidation. Recoverability of the Oakland Loan amount and other new advances made to Castillo may be a risk in the event of lack of commercial success over the Mining Assets. Castillo has also borrowed $200,000 from Garrison Capital. The Garrison Loan amount is interest free and unsecured but fees are payable by way of 1 share in Castillo for every one dollar lent (will become 1 Oakland share if the Acquisition proceeds). The Garrison Loan amount must be repaid by Castillo by 30 November 2013 or within 10 business days of Garrison serving notice on Castillo that the Garrison Loan amount must be repaid.

9.17 The Company will be required to issue to Garrison Capital 5,000,000 Corporate Advisory Options exercisable at 10 cents each, on or before 31 January 2017. If the Corporate Advisory Options were exercised, Oakland would receive $500,000 but it is noted that the market value of an Oakland share at the date of exercise of such options may well be materially in excess of the exercise price.

9.18 It is possible that in the event that Castillo Chile does not meet annual exploration commitments or pay various option payments it could lose the Mining Assets (or part thereof).

10. **Conclusion as to Reasonableness**

10.1 **After taking into account the factors referred to in 9 above and elsewhere in this report and assuming that the Company will undertake a capital raising in 2013 as noted in this report we are of the opinion that the advantages to the existing**

shareholders outweigh the disadvantages and thus the proposed Acquisition as noted in paragraphs 1.1 and 1.2 and Resolution 2 in the Notice may be considered, on balance, to be <u>reasonable</u> to the existing non-associated shareholders of Oakland at the date of his report. By implication, the proposals pursuant to Resolutions 4 to 6 are also reasonable at the date of this report

11. **Sources of Information**

11.1 In making our assessment as to whether the proposed Acquisition as noted in paragraphs 1.1 and 1.2 is fair and reasonable, we have reviewed relevant published available information and other unpublished information of the Company, Castillo, Castillo Chile and the Mining Assets that is relevant to the current circumstances. In addition, we have held discussions with the management of Oakland about the present and future operations of the Company. Statements and opinions contained in this report are given in good faith but in the preparation of this report, we have relied in part on information provided by the directors and management of Oakland.

11.2 Information we have received includes, but is not limited to:

a) Notice of Oakland and Explanatory Statements to Shareholders of February and March 2013;
b) Discussions with management of Oakland;
c) Details of historical market trading of Oakland ordinary fully paid shares recorded by ASX for the period 1 June 2012 to 20 March 2013;
d) Shareholding details of Oakland as supplied by the Company's share registry as at 8 February 2013 and 7 March 2013;
e) Audited balance sheet of Oakland as at 30 June 2012 and unaudited balance sheet as at 31 December 2012;
f) Reviewed balance sheet of Oakland as at 31 December 2011;
g) Announcements made by Oakland to the ASX from 1 January 2012 to 20 March 2013;
h) The Implementation Agreement between Oakland and certain Castillo Shareholders executed on 31 January 2013 for the proposed acquisition of all of the shares in Castillo;
i) The independent Geologist's Report of Michael Easdon of April 2012;
j) The February 2013 SJS Valuation Report by SJS on the Mining Assets;
k) The estimated annual minimum Mining expenditure commitments on the Mining Assets and a schedule of option payments;
l) The December 2012 Loan Agreement between Castillo and Garrison Capital relating to a $200,000 loan to Castillo;
m) The January 2013 Loan Agreement between Oakland and Castillo relating to a $100,000 loan to Castillo;
n) Un-audited balance sheet of the Castillo Group as at 31 December 2012; and
o) Permission correspondence from SJS allowing us to use, refer to and rely on the SJS Valuation Report.

.

11.3 Our report includes Appendix A and Appendix B (the SJS Valuation Report) and our Financial Services Guide attached to this report.

Yours faithfully
STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(Trading as Stantons International Securities)

J P Van Dieren - FCA
Director

APPENDIX A

AUTHOR INDEPENDENCE AND INDEMNITY

This annexure forms part of and should be read in conjunction with the report of Stantons International Securities dated 21 March 2013, relating to the acquisition of Castillo as outlined in paragraphs 1.1 and 1.2 of the report and Resolution 2 in the Notice of Meeting to Shareholders and the Explanatory Statement proposed to be distributed to the Oakland shareholders in April 2014.

At the date of this report, Stantons International Securities does not have any interest in the outcome of the proposals. There are no relationships with Oakland and Castillo other than acting as an independent expert for the purposes of this report. Before accepting the engagement Stantons International considered all independence issues and concluded that there were no independence issues in accepting the assignment to prepare the Independent Experts Report. There are no existing relationships between Stantons International Securities and the parties participating in the transaction detailed in this report which would affect our ability to provide an independent opinion. The fee to be received for the preparation of this report is based on the time spent at normal professional rates plus out of pocket expenses and is estimated at a maximum of $15,000. The fee is payable regardless of the outcome. With the exception of the fee, neither Stantons International Securities nor John P Van Dieren have received, nor will, or may they receive, any pecuniary or other benefits, whether directly or indirectly, for or in connection with the making of this report.

Stantons International Securities does not hold any securities in Oakland and Castillo. There are no pecuniary or other interests of Stantons International Securities that could be reasonably argued as affecting its ability to give an unbiased and independent opinion in relation to the proposal. Stantons International Securities and Mr J Van Dieren have consented to the inclusion of this report in the form and context in which it is included as an annexure to the Notice.

QUALIFICATIONS

We advise Stantons International Securities is the holder of an Australian Financial Services Licence (no 418019) under the Corporations Act 2001 relating to advice and reporting on mergers, takeovers and acquisitions that involve securities. The directors of Stantons International Audit and Consulting Pty Ltd are the directors of Stantons International Securities. Stantons International Securities has extensive experience in providing advice pertaining to mergers, acquisitions and strategic for both listed and unlisted companies and businesses.

Mr John P Van Dieren, FCA, the person responsible for the preparation of this report, has extensive experience in the preparation of valuations for companies and in advising corporations on takeovers generally and in particular on the valuation and financial aspects thereof, including the fairness and reasonableness of the consideration offered.

The professionals employed in the research, analysis and evaluation leading to the formulation of opinions contained in this report, have qualifications and experience appropriate to the task they have performed.

DECLARATION

This report has been prepared at the request of the Directors of Oakland in order to assist them to assess the merits of the proposed Acquisition as outlined in Resolutions 2 and 4 to 6 the Explanatory Statement (to shareholders) to which this report relates. This report has been prepared for the benefit of Oakland's shareholders and does not provide a general expression of Stantons International Securities opinion as to the longer term value of Oakland and the Castillo Group and their assets. Stantons International Securities does not imply, and it should not be construed, that is has carried out any form of audit on the accounting or other records of Oakland and the Castillo Group. Neither the whole nor any part of this report, nor any reference thereto may be included in or with or attached to any document, circular, resolution, letter or statement, without the prior written consent of Stantons International Securities to the form and context in which it appears.

DUE CARE AND DILEGENCE

This report has been prepared by Stantons International Securities with due care and diligence. The report is to assist shareholders in determining the fairness and reasonableness of the proposals set out in resolution 2 to the Notice and each individual shareholder may make up their own opinion as to whether to vote for or against resolution 2.

DECLARATION AND INDEMNITY

Recognising that Stantons International Securities may rely on information provided by Oakland and its officers (save whether it would not be reasonable to rely on the information having regard to Stantons International Securities experience and qualifications), Oakland has agreed:

(a) To make no claim by it or its officers against Stantons International Securities (and Stantons International Audit and Consulting Pty Ltd) to recover any loss or damage which Oakland may suffer as a result of reasonable reliance by Stantons International Securities on the information provided by Oakland; and

(b) To indemnify Stantons International Securities (and Stantons International Audit and Consulting Pty Ltd) against any claim arising (wholly or in part) from Oakland or any of its officers providing Stantons International Securities any false or misleading information or in the failure of Oakland or its officers in providing material information, except where the claim has arisen as a result of wilful misconduct or negligence by Stantons International Securities.

A draft of this report was presented to Oakland directors for a review of factual information contained in the report. Comments received relating to factual matters were taken into account, however the valuation methodologies and conclusions did not alter.

FINANCIAL SERVICES GUIDE
FOR STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(Trading as Stantons International Securities)
Dated 21 March 2013

1. Stantons International Securities ABN 84 144 581 519 and Financial Services Licence 418019 ("SIS" or "we" or "us" or "ours" as appropriate) has been engaged to issue general financial product advice in the form of a report to be provided to you.

2. **Financial Services Guide**

In the above circumstances we are required to issue to you, as a retail client a Financial Services Guide ("FSG"). This FSG is designed to help retail clients make a decision as to their use of the general financial product advice and to ensure that we comply with our obligations as financial services licensees.

This FSG includes information about:

- who we are and how we can be contacted;
- the services we are authorised to provide under our Australian Financial Services Licence, Licence No: 418019;
- remuneration that we and/or our staff and any associated receive in connection with the general financial product advice;
- any relevant associations or relationships we have; and
- our complaints handling procedures and how you may access them.

3. **Financial services we are licensed to provide**

We hold an Australian Financial Services Licence which authorises us to provide financial product advice in relation to:

- Securities (such as shares, options and notes)

We provide financial product advice by virtue of an engagement to issue a report in connection with a financial product of another person. Our report will include a description of the circumstances of our engagement and identify the person who has engaged us. You will not have engaged us directly but will be provided with a copy of the report as a retail client because of your connection to the matters in respect of which we have been engaged to report.

Any report we provide is provided on our own behalf as a financial services licensee authorised to provide the financial product advice contained in the report.

4. **General Financial Product Advice**

In our report we provide general financial product advice, not personal financial product advice, because it has been prepared without taking into account your personal objectives, financial situation or needs. You should consider the appropriateness of this general advice having regard to your own objectives, financial situation and needs before you act on the advice. Where the advice relates to the acquisition or possible acquisition of a financial product, you should also obtain a product disclosure statement relating to the product and consider that statement before making any decision about whether to acquire the product.

5. **Benefits that we may receive**

We charge fees for providing reports. These fees will be agreed with, and paid by, the person who engages us to provide the report. Fees will be agreed on either a fixed fee or time cost basis.

Except for the fees referred to above, neither SIS, nor any of its directors, employees or related entities, receive any pecuniary benefit or other benefit, directly or indirectly, for or in connection with the provision of the report.

6. **Remuneration or other benefits received by our employees**

All our employees receive a salary. Our employees are eligible for bonuses based on overall productivity but not directly in connection with any engagement for the provision of a report.

7. **Referrals**

We do not pay commissions or provide any other benefits to any person for referring customers to us in connection with the reports that we are licensed to provide.

8. **Associations and relationships**

SIS is ultimately a wholly division of Stantons International Audit and Consulting Pty Ltd a professional advisory and accounting practice. Stantons International Audit and Consulting Pty Ltd also trades as Stantons International that provides audit, corporate services, internal audit, probity, management consulting, accounting and IT audits.

From time to time, SIS and Stantons International Audit and Consulting Pty Ltd and/or their related entities may provide professional services, including audit, accounting and financial advisory services, to financial product issuers in the ordinary course of its business.

9. **Complaints resolution**

9.1 Internal complaints resolution process

As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial product advice. All complaints must be in writing, addressed to:

The Complaints Officer
Stantons International Securities
Level 2
1 Walker Avenue
WEST PERTH WA 6005

When we receive a written complaint we will record the complaint, acknowledge receipt of the complaints within 15 days and investigate the issues raised. As soon as practical, and not more than 45 days after receiving the written complaint, we will advise the complainant in writing of our determination.

9.2 Referral to External Dispute Resolution Scheme

A complainant not satisfied with the outcome of the above process, or our determination, has the right to refer the matter to the Financial Ombudsman Service Limited ("FOSL"). FOSL is an independent company that has been established to provide free advice and assistance to consumers to help in resolving complaints relating to the financial services industry.

Further details about FOSL are available at the FOSL website www.fos.org.au or by contacting them directly via the details set out below.

Financial Ombudsman Service Limited
PO Box 3
MELBOURNE VIC 8007

Toll Free: 1300 78 08 08
Facsimile: (03) 9613 6399

10. Contact details

You may contact us using the details set out above.

Telephone 08 9481 3188
Fax 08 9321 1204
Email jvdieren@stantons.com.au

SCHEDULE 2 – TERMS AND CONDITIONS OF RELATED PARTY OPTIONS

(a) **Entitlement**

Subject to paragraph (m), each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) **Exercise Price and Expiry Date**

Subject to paragraphs (j) and (l), the amount payable upon exercise of each Option will be $0.10 (**Exercise Price**).

(c) **Expiry Date**

Each Option will expire at 5.00pm (WST) on 30 June 2017 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

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

(e) **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.

(f) **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**).

(g) **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 (g)(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.

(h) **Shares issued on exercise**

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

(i) **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.

(j) **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.

(k) **Participation in new issues**

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

(l) **Adjustment for rights issue**

In the event the Company proceeds with a pro rata issue (except a bonus issue) of securities to 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.

(m) **Adjustment for bonus issues of Shares**

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

(i) the number of Shares which must be issued on the exercise of 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.

(n) **Unlisted**

The Options will be unlisted options.

(o) **Transferability**

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

SCHEDULE 3 – VALUATION OF RELATED PARTY OPTIONS

The Related Party Options to be issued to the Related Parties pursuant to Resolution 8 have been valued by internal management.

Using the Black & Scholes option model and based on the assumptions set out below, the Related Party Options were ascribed the following value:

Assumptions:	
Valuation date	15 April 2013
Market price of Shares	4.4 cents
Exercise price	10 cents
Expiry date (length of time from issue)	30 June 2017
Risk free interest rate	2.6%
Volatility (discount)	100%
Indicative value per Related Party Option	2.55 cents
Total Value of Related Party Options	$127,242

Note: The valuation noted above is not necessarily the market price that the Related Party Options could be traded at and is not automatically the market price for taxation purposes.

OAKLAND RESOURCES LIMTED (TO BE RENAMED "CASTILLO COPPER LIMITED"
ACN 137 606 476
GENERAL MEETING - PROXY FORM

I/We

of

being a member of Oakland Resources Limited (to be renamed "Castillo Copper Limited") entitled to attend and vote at the General Meeting, hereby

Appoint

Name of proxy

OR ☐ the Chair of the General Meeting as your proxy

or failing the person so named or, if no person is named, the Chair of the General Meeting, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit, at the General Meeting to be held at Level 1, 33 Richardson Street West Perth, Western Australia, on 20 May 2013 at 9.30am, and at any adjournment thereof.

Important for Resolutions 1 to 8, 10 & 11:

If you have not directed your proxy how to vote as your proxy in respect of Resolutions 1 to 8, 10 & 11 and the Chair is, or may by default be, appointed your proxy, you must mark the box below.

☐ I/we direct the Chair to vote in accordance with his/her voting intentions (as set out above) on Resolutions 1 to 8, 10 & 11 (except where I/we have indicated a different voting intention above) and acknowledge that the Chair may exercise my/our proxy even if the Chair has an interest in the outcome of Resolutions 1 to 8, 10 & 11 and that votes cast by the Chair for Resolutions 1 to 8, 10 & 11, other than as proxy holder, will be disregarded because of that interest.

If the Chair is, or may by default be, appointed your proxy and you do not mark this box and you have not directed the Chair how to vote, the Chair will not cast your votes on Resolutions 1 to 8, 10 & 11 and your votes will not be counted in calculating the required majority if a poll is called on Resolutions 1 to 8, 10 & 11.

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

OR

Voting on Business of the General Meeting

	FOR	AGAINST	ABSTAIN
Resolution 1 – Change in Nature and Scale of Activities	☐	☐	☐
Resolution 2 – Acquisition of Castillo Copper Limited	☐	☐	☐
Resolution 3 – Issue of Shares to Unrelated Castillo Shareholders in Consideration of Acquisition of Castillo Copper Limited	☐	☐	☐
Resolution 4 – Issue of Shares to Mr Matthew Wood in Consideration of Acquisition of Castillo Copper Limited	☐	☐	☐
Resolution 5 – Issue of Shares to Mr Scott Funston in Consideration of Acquisition of Castillo Copper Limited	☐	☐	☐
Resolution 6 – Issue of Shares to Mr Mark Arundell in Consideration of Acquisition of Castillo Copper Limited	☐	☐	☐
Resolution 7 – Issue of Shares to Garrison Capital Pty Ltd	☐	☐	☐
Resolution 8 – Issue of Options to Garrison Capital Pty Ltd	☐	☐	☐
Resolution 9 – Change of Name	☐	☐	☐
Resolution 10 – Re-election of a Director – Scott Funston	☐	☐	☐
Resolution 11 – Re-election of a Director – Matthew Wood	☐	☐	☐

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

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

Signature of Member(s): **Date:** ________________

Individual or Member 1	**Member 2**	**Member 3**
Sole Director/Company Secretary	**Director**	**Director/Company Secretary**

Contact Name: ____________________________________ **Contact Ph (daytime):** ____________________________

OAKLAND RESOURCES LIMITED
ACN 137 606 476
(to be renamed "Castillo Copper Limited")

Instructions for Completing 'Appointment of Proxy' Form

1. (**Appointing a Proxy**): A member entitled to attend and cast a vote at an General Meeting is entitled to appoint a proxy to attend and vote on their behalf at the meeting. If the member is entitled to cast 2 or more votes at the meeting, the member may appoint a second proxy to attend and vote on their behalf at the meeting. However, where both proxies attend the meeting, voting may only be exercised on a poll. The appointment of a second proxy must be done on a separate copy of the Proxy Form. A member who appoints 2 proxies may specify the proportion or number of votes each proxy is appointed to exercise. If a member appoints 2 proxies and the appointments do not specify the proportion or number of the member's votes each proxy is appointed to exercise, each proxy may exercise one-half of the votes. Any fractions of votes resulting from the application of these principles will be disregarded. A duly appointed proxy need not be a member of the Company.

2. (**Direction to Vote**): A member may direct a proxy how to vote by marking one of the boxes opposite each item of business. Where a box is not marked the proxy may vote as they choose. Where more than one box is marked on an item the vote will be invalid on that item.

3. (**Signing Instructions**):

   - (**Individual**): Where the holding is in one name, the member must sign.

   - (**Joint Holding**): Where the holding is in more than one name, all of the members should sign.

   - (**Power of Attorney**): If you have not already provided the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

   - (**Companies**): Where the company has a sole director who is also the sole company secretary, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held.

4. (**Attending the Meeting**): Completion of a Proxy Form will not prevent individual members from attending the General Meeting in person if they wish. Where a member completes and lodges a valid Proxy Form and attends the General Meeting in person, then the proxy's authority to speak and vote for that member is suspended while the member is present at the General Meeting.

5. (**Return of Proxy Form**): To vote by proxy, please complete and sign the enclosed Proxy Form and return by:

   (a) post to Oakland Resources Limited, PO Box 826, West Perth, WA, 6872; or

   (b) facsimile to the Company on facsimile number +61 8 9200 4469;

   (c) email to info@oaklandresources.com.au; or

   (d) return the proxy form by delivery to the Company's office at Level 1, 33 Richardson Street, West Perth, Western Australia,

   so that it is received not less than 48 hours before the Meeting.

   Proxy forms received later than this time will be invalid.

Independent Valuation of the Mineral Assets Held by Castillo Copper Limited in Chile

Report to Stantons International Securities

PO Box 1908, West Perth WA 6897

Copy to Oakland Resources Limited

PO Box 826, West Perth WA 6872

By

Julian Vearncombe BSc PhD FGS FSEG FAIG RPGeo

Compiled by Graham Conner BSc MSc

April 2013

SJS Resource Management Pty Ltd

PO Box 1093, Canning Bridge 6153 WA

+61-8-6555-4911 or +61-437-477220

julian@sjsresource.com.au

ABN: 26141857687

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Valuation of Castillo Copper Ltd

SJS Resource Management (SJS) have been commissioned by Stantons International Securities (SIS) to provide a Mineral Asset Valuation Report ("Report") on the mineral assets held by Castillo Copper Ltd (Castillo) in Chile. This report serves to present a market valuation for the assets based on the information in this Report.

The present status of the concessions listed in this report is based on information provided by Castillo and is set out in the Concession Schedule. The Report has been prepared on the basis that the concessions are lawfully accessible for evaluation, having reviewed an independent tenement report prepared by lawyers in Chile (Baker & McKenzie, 5 April 2013; the Lawyers have consented to the use of quotes from their report).

- Castillo is a small, unlisted exploration company based in West Perth, Australia, with an experienced management team based in Perth, Australia and Santiago, Chile.
- Castillo aims to identify and develop the next generation of major copper projects in Chile.
- Castillo has a competent and experienced small board.
- Castillo have three significant under-explored copper properties within porphyry copper and iron-oxide copper-gold (IOCG) belts within Chile, and one copper property at basic study level.
- Oakland Resources Ltd (Oakland) have entered into an Implementation Agreement to acquire 100% of Castillo, with Castillo shareholders to be offered 1 Oakland share for every 1 Castillo share.
- The acquisition is subject to shareholder approval.
- Oakland share price (11/3/2013) is A$0.041 giving a pre-acquisition market capitalisation (MC) of A$1.23 million.
- Oakland are acquiring all of the shares in Castillo Copper Limited by issuing 50,000,004 shares in Oakland Resources Limited to the Castillo Mining Limited shareholders, effectively valuing the acquisition at A$2,050,000.
- SJS Resource Management has prepared the valuation on the basis that all mineral concessions listed are in good standing and held as described. SJS have conducted no legal due diligence, and are not qualified to do so, however SJS have reviewed an independent tenement report prepared by lawyers in Chile (Baker & McKenzie, 5 April 2013).
- Valuation of exploration properties is exceptionally subjective. If an economic resource is subsequently identified then a new valuation will be dramatically higher, or alternatively if expenditure of further dollars is unsuccessful then it is likely to decrease the value of the Concessions.
- There are a number of generally accepted procedures for establishing value of exploration projects and, where relevant the use of more than one method is encouraged to enable a balanced analysis and check the result.
- We have examined data on 62 of recent mineral project transactions in Chile. However, few of these transactions are comparable being the acquisition of geologically prospective ground with little supporting drilling or assaying.
- For each project, SJS have estimated five values (detailed in Appendix 1). (1) An absolute minimum-value based on recent exploration expenditure and a prospectivity enhancement multiplier; (2) A LOW value that is the first value further multiplied by a concession and sovereign risk multiplier (mathematically this second value may be lower than the first value in areas of significant concession and/or sovereign risk); (3) A PREFERRED value, which is a valuation that SJS is comfortable with; (4) A HIGH value that takes into account the current global market sentiment with a multiplier of two; and (5) An absolute upper value that is a further multiplier of two.

Summary

- For the Castillo assets most methods of valuation are barely applicable due to the absence of Reserves, Resources, drill results and systematic ground sampling on all four projects.
- Using the simple Prospectivity Multiplier Method factoring recent exploration expenditure, Castillo is valued at about $1.3 million. This is an absolute minimum value for Castillo not allowing for the (favourable) sovereign risk situated in Chile.
- Using simple prospectivity and sovereign risk (including concession risk) multipliers on recent exploration expenditure values Castillo at about $2 million. This is a sensible value for Castillo, but does perhaps not factor current market sentiment.
- Factoring in the current market on the above simple prospectivity and sovereign risk multipliers of recent expenditure values Castillo at about $4 million. This value is highly dependant on the market factor, a subjective and often personal assessment.
- An upper-most value for Castillo is estimated at about $8 million.
- Using the Similar Transactions Method multiplied for concession area, Castillo is valued at about $19 million, a result that clearly fails the common sense test.
- SJS estimate the value of Castillo in the absolute range $1.3 million to $8 million with an inner range LOW value of $2 million and a HIGH of $4 million. The PREFERRED value is $2.5 million.

Project	**LOW value**	**PEFERRED value**	**HIGH value**
Rio Rocin	$925,000	$1,150,00	$1,850,000
Quebrada Huanta	$20,000	$25,000	$40,000
Posada	$775,000	$1,000,000	$1,550,000
Resguardo	$270,000	$325,000	$530,000
TOTAL	$1,990,000	$2,500,000	$3,970,000
ROUNDED TOTAL	**$2 million**	**$2.5 million**	**$4 million**

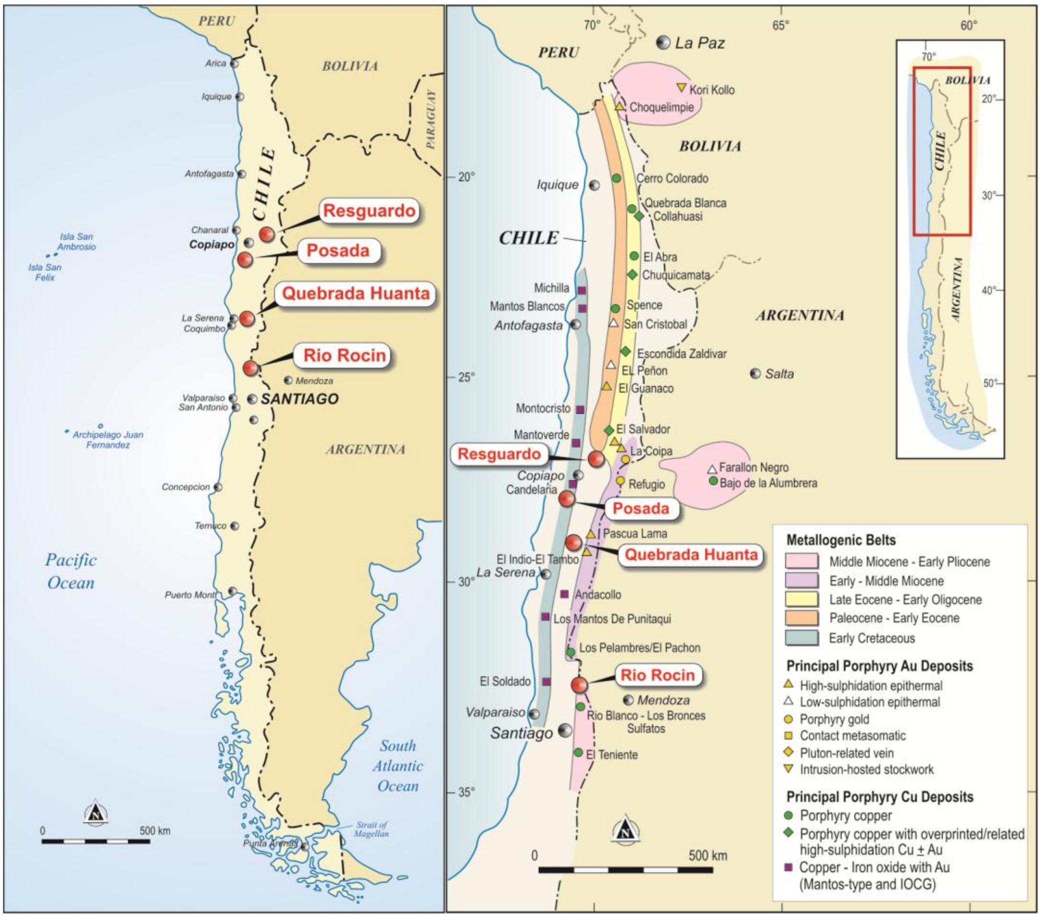

Figure 1 Location of the projects in Chile (Easdon, 2012)

Introduction

Relevant Codes and Guidelines

This Report is in accordance with the Code for the Technical Assessment and Valuation of Mineral and Petroleum Assets and Securities for Independent Expert Reports, The VALMIN Code, 2005 Edition.

Materiality

The statements and opinions in this report are formulated from information supplied from Castillo, which includes but is not limited to the Independent Geologist Report (Easdon, 2012), technical reports from consultants, an independent tenement report prepared by lawyers in Chile (Baker & McKenzie, 5 April 2013), information from past concession holders and other published or unpublished information on the project areas. Adequate referencing to information is supplied within the Report. SJS have not visited the project areas.

Competence

The person responsible for the Report demonstrates a high level of competence in relevant technical and commercial disciplines:

> ***Dr Julian Vearncombe*** *BSc (Hons) PhD FGS RPGeo FAIG FSEG*
>
> *Dr Julian Vearncombe is the Principal Consultant at SJS Resource Management. Julian has a record of highly successful exploration for base and precious metals, with an emphasis on quality management decisions, target generation, field structural geology, resource to reserve conversion, mine geology and training. Julian brings expertise in executive and strategic management, public listing experience, capital raising, the identification of key projects, technically-focused mineral exploration and resource evaluation. Julian has world-leading expertise in the process and application of structural geology to mineral exploration. His experience encompasses all continents except Antarctica, most commodity types and geological settings.*

Independence

I, Julian Vearncombe of SJS, am an independent specialist with no pecuniary or beneficial interest in the Company or related entities, any of the persons or assets that are the subject of this Report, the offerer company or the outcome of the valuation. The relationship between myself and the commissioning company is of a professional association between client and independent consultant. This Report is created in return for professional fees based upon agreed rates that are not dependent to the results of this Report.

General Comments

- Castillo and Oakland commissioned this report in a written agreement as required by Section 42 of VALMIN Code. SJS are to be paid A$9,000 plus GST for this report.
- This valuation project comprises about five days work.
- Clause 52 of the VALMIN code requires us to undertake suitable checks, enquiries, analyses and verification procedures. This we have not always been able to do, and we rely on the draft Independent Geologists Report (Easdon, 2012). We have contacted Mike Easdon, who has read this report and has given permission for us to quote from his report.
- No part of this report should be regarded as a due diligence. In all cases the author has used data as provided and assumes them to be correct, but without detailed checking. SJS have reviewed an independent tenement report prepared by lawyers in Chile (Baker & McKenzie, 5 April 2013). SJS are not qualified to provide legal advice. We recommend that the client seeks independent legal advice on the concessions standing, overlapping concessions, business agreements and liabilities that may be associated with Castillo.
- For each project held by Castillo we have attempted to review the factors that a potential purchaser would be both persuaded by and concerned for.

- This report assumes that the reader is familiar with Castillo Copper, the Independent Geologist's Report by Michael Easton and the Castillo Copper projects as described on their web page. This basic information is not repeated here.
- Castillo is acquiring the Concessions by a series of options payment. Initial option payments are modest but with larger final payments as per the attached table of option payments. This acquisition method enables Castillo (and subject to agreement Oakland) to commit to early "make or break" exploration to decide early whether they wish to continue exploration prior to the larger final or near final option payments.
- Values are recorded in US$ and Australian dollars (A$). A$1 = US$1 for the purpose of this report (February 2013).

Similar transactions

We have examined 62 transactions for the period 2006 to 2011. Of these only eight can be described as similar being the acquisition of green-fields concessions with no resources and little or no drilling. Of the eight only three have adequate information for us to assess the transaction value in a comparative format. These are:

- In 2011 Condor Blanco acquired 12 concessions (3100ha) at Carachapampa for $3million plus a $7million payment if a proven reserve is identified. Effectively valuing the tenements pre-drilling at $967 per hectare (Condor Blanco Mines, 2010).
- In 2011 Condor Blanco acquired 3 concessions (62ha) at Cautiva-Victoira for $227,000. Effectively valuing the tenements pre-drilling at $3,661 per hectare (Condor Blanco Mines, 2010).
- In 2010 Helix Resources Limited acquired 90% interest in 3000ha of Sherpa for $2,700,000, staged over four years. Effectively valuing the tenements pre-drilling at $1,000 per hectare. Sherpa is comparable to the Quebrada Huanta in that is within a promising geological location with very little previous exploration performed (Helix Resources Limted, 30/11/2010).

The average weighted cost per hectare of the three above transactions is $1,010. This compares with the proposed Castillo-Oakland transaction of 18,832 ha (excludes Chilon 1-11 application "in process" of 2500 ha) at value $2.4 million or $127 per hectare. Using the similar transactions method factored for area Castillo is valued at $19 million, a result that clear fails the common sense test.

Yours Faithfully

Julian R Vearncombe

Dr Julian Vearncombe BSc (Hons) PhD FGS RPGeo FAIG FSEG

Table of Option Payments

Posada:

1. Castillo Copper properties (6100 Ha) - 100% CAS, no payments
2. Cachiyuyo joint venture (1588 Ha) - CAS 80%, time-based payments with exit at any time

Jul-10	Jul-11	Jul-12	Jul-13	Jul-14	Jul-15	Total
40,000	60,000	60,000	60,000	60,000	2,520,000	2,800,000

Resguardo: 1843 Ha, Option payments - time based payments with exit at any time

Jun-11	Dec-11	Jun-12	Dec-12	Jun-13	Dec-13	Jun-14	Dec-14	Jun-15	Dec-15	Total
41,667	52,083	72,917	104,167	145,833	177,083	500,000	500,000	500,000	4,406,250	6,500,000

Rio Rocin:

1. Castillo Copper properties (2500 Ha) - 100% CAS, no payments
2. Los Bayos/El Chilon option (2200 Ha) - time-based payments with exit at any time

Sep-11	Feb-12	Sep-12	Feb-13	Sep-13	Feb-14	Sep-14	Feb-15	Sep-15	Feb-16	Sep-16	Feb-17	Sep-17	Total
57,050	73,350	105,950	163,000	203,750	448,250	733,500	896,500	2,208,650	407,500	407,500	407,500	4,482,500	10,595,000

Table 1 Option payments (Lindsay, 2013)

Concession Schedule

All tables reproduced here are copied directly from Baker & McKenzie, 5 April 2013. Inscription means that the granted tenement application as been entered into the public record. Expiry means that the tenement needs to be renewed or converted into a mining tenement. For exploration permits, there is every two years. In the case of mining tenements, they never expire but are held in perpetuity. In both cases, annual fees have to be paid.

BAKER & McKENZIE

PROYECT CHILON - LOS BAYOS[4]										
CHILON 1	300	767v	432	2012	DISCOVERY	PUTAENDO	PEDIMENTO	IN PROCESS	CASTILLO COPPER CHILE SpA	-
CHILON 2	300	769	433	2012	DISCOVERY	PUTAENDO	PEDIMENTO	IN PROCESS	CASTILLO COPPER CHILE SpA	-
CHILON 3	300	770v	434	2012	DISCOVERY	PUTAENDO	PEDIMENTO	IN PROCESS	CASTILLO COPPER CHILE SpA	-
CHILON 4	200	772	435	2012	DISCOVERY	PUTAENDO	PEDIMENTO	IN PROCESS	CASTILLO COPPER CHILE SpA	-
CHILON 5	200	773v	436	2012	DISCOVERY	PUTAENDO	PEDIMENTO	IN PROCESS	CASTILLO COPPER CHILE SpA	-
CHILON 6	200	775	437	2012	DISCOVERY	PUTAENDO	PEDIMENTO	IN PROCESS	CASTILLO COPPER CHILE SpA	-
CHILON 7	100	776v	438	2012	DISCOVERY	PUTAENDO	PEDIMENTO	IN PROCESS	CASTILLO COPPER CHILE SpA	-
CHILON 8	300	778	439	2012	DISCOVERY	PUTAENDO	PEDIMENTO	IN PROCESS	CASTILLO COPPER CHILE SpA	-
CHILON 9	200	779v	440	2012	DISCOVERY	PUTAENDO	PEDIMENTO	IN PROCESS	CASTILLO COPPER CHILE SpA	-
CHILON 10	200	781	441	2012	DISCOVERY	PUTAENDO	PEDIMENTO	IN PROCESS	CASTILLO COPPER CHILE SpA	-
CHILON 11	200	782v	442	2012	DISCOVERY	PUTAENDO	PEDIMENTO	IN PROCESS	CASTILLO COPPER CHILE SpA	-
TRAPICHE 1/60	300	16v	5	2001	PROPERTY	PUTAENDO	FINAL AWARD	GRANTED	SLM TRAPICHE	Indefinite duration
CONDOR 1/60	299	1v	2	2001	PROPERTY	PUTAENDO	FINAL AWARD	GRANTED	SLM CONDOR	Indefinite duration
MOROCHA 1/60	300	32	8	2001	PROPERTY	PUTAENDO	FINAL AWARD	GRANTED	SLM MOROCHA	Indefinite duration
CHILON 1/60	300	45	17	2001	PROPERTY	PUTAENDO	FINAL AWARD	GRANTED	SLM CHILON	Indefinite duration
LEON 1/60	300	11v	4	2001	PROPERTY	PUTAENDO	FINAL AWARD	GRANTED	SLM LEON	Indefinite duration
PEÑABLANCA 1/60	300	21v	6	2001	PROPERTY	PUTAENDO	FINAL AWARD	GRANTED	SLM PEÑABLANCA	Indefinite duration
RINCONCILLO 1/50	230	16v	7	2001	PROPERTY	PUTAENDO	FINAL AWARD	GRANTED	SLM RINCONCILLO	Indefinite duration
AGUILA 1/38	190	7	3	2001	PROPERTY	PUTAENDO	FINAL AWARD	GRANTED	SLM AGUILA	Indefinite duration
LOS BAYOS 1/904	105	5v	3	1993	PROPERTY	PUTAENDO	FINAL AWARD	GRANTED	SLM LOS BAYOS	Indefinite duration
SCHEDULE VI PROYECT BRASILEIRA	SURFACE	FOLIO	NUMBER	YEAR	REGISTER	REGISTRY	REGISTRATION	STATUS	HOLDER	EXPIRATION
BRASILEIRA 1	100	6332 V	$ 4,698	$ 2,011	DISCOVERY	COPIAPO	FINAL AWARD	GRANTED	CASTILLO COPPER CHILE SpA	3/22/2013
BRASILEIRA 2	100	6334 V	$ 4,699	$ 2,011	DISCOVERY	COPIAPO	FINAL AWARD	GRANTED	CASTILLO COPPER CHILE SpA	3/22/2013

[4] Note: Castillo Copper Chile SpA has a 63% interest in the property owned by SLM Los Bayos, and 100% interest in properties owned by SLM Trapiche, SLM Condor, SLM Aquila, SLM Morocha, SLM Chilon, SLM Rnconcillo, SLM Leon and SLM Penablanca.

Table 2 Concession schedule for Rio Rocin (Chilon – Los Bayos)

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POSADA PRIMERA 15	100	6522	4754	2012	DISCOVERY	COPIAPO	PEDIMENTO	IN PROCESS	CASTILLO COPPER CHILE SpA	-
POSADA PRIMERA 14	300	6520v	4753	2012	DISCOVERY	COPIAPO	PEDIMENTO	IN PROCESS	CASTILLO COPPER CHILE SpA	-
POSADA PRIMERA 13	100	6519	4752	2012	DISCOVERY	COPIAPO	PEDIMENTO	IN PROCESS	CASTILLO COPPER CHILE SpA	-
POSADA PRIMERA 12	300	6517v	4751	2012	DISCOVERY	COPIAPO	PEDIMENTO	IN PROCESS	CASTILLO COPPER CHILE SpA	-
POSADA PRIMERA 11	100	6516	4750	2012	DISCOVERY	COPIAPO	PEDIMENTO	IN PROCESS	CASTILLO COPPER CHILE SpA	-
POSADA PRIMERA 10	300	6514v	4749	2012	DISCOVERY	COPIAPO	PEDIMENTO	IN PROCESS	CASTILLO COPPER CHILE SpA	-
POSADA PRIMERA 9	300	6513	4748	2012	DISCOVERY	COPIAPO	PEDIMENTO	IN PROCESS	CASTILLO COPPER CHILE SpA	-
POSADA PRIMERA 8	200	6511v	4747	2012	DISCOVERY	COPIAPO	PEDIMENTO	IN PROCESS	CASTILLO COPPER CHILE SpA	-
POSADA PRIMERA 7	200	6510	4746	2012	DISCOVERY	COPIAPO	PEDIMENTO	IN PROCESS	CASTILLO COPPER CHILE SpA	-
POSADA PRIMERA 6	200	6508v	4745	2012	DISCOVERY	COPIAPO	PEDIMENTO	IN PROCESS	CASTILLO COPPER CHILE SpA	-
POSADA PRIMERA 5	300	6507	4744	2012	DISCOVERY	COPIAPO	PEDIMENTO	IN PROCESS	CASTILLO COPPER CHILE SpA	-
POSADA PRIMERA 4	300	6505v	4743	2012	DISCOVERY	COPIAPO	PEDIMENTO	IN PROCESS	CASTILLO COPPER CHILE SpA	-
POSADA PRIMERA 3	300	6504	4742	2012	DISCOVERY	COPIAPO	PEDIMENTO	IN PROCESS	CASTILLO COPPER CHILE SpA	-
POSADA PRIMERA 2	100	6502v	4741	2012	DISCOVERY	COPIAPO	PEDIMENTO	IN PROCESS	CASTILLO COPPER CHILE SpA	-
POSADA PRIMERA 1	300	6501	4740	2012	DISCOVERY	COPIAPO	PEDIMENTO	IN PROCESS	CASTILLO COPPER CHILE SpA	-
SCHEDULE IV[3] CACHIYUYO PROJECT	SURFACE	FOLIO	NUMBER	YEAR	REGISTER	REGISTRY	REGISTRATION	STATUS	HOLDER	EXPIRATION
CACHIYUYO PRIMERA 10	300	3486	2561	2012	DISCOVERY	COPIAPO	FINAL AWARD	GRANTED	CASTILLO COPPER CHILE SpA	10/5/2012
CACHIYUYO PRIMERA 12	100	3487 V	2562	2012	DISCOVERY	COPIAPO	PEDIMENTO	GRANTED	CASTILLO COPPER CHILE SpA	-
CACHIYUYO PRIMERA 1	300	8891	6336	2012	DISCOVERY	COPIAPO	PEDIMENTO	GRANTED	CASTILLO COPPER CHILE SpA	-
CACHIYUYO PRIMERA 2	300	8350 V	5981	2012	DISCOVERY	COPIAPO	PEDIMENTO	GRANTED	CASTILLO COPPER CHILE SpA	-
CACHIYUYO PRIMERA 3	200	8352	5892	2012	DISCOVERY	COPIAPO	PEDIMENTO	GRANTED	CASTILLO COPPER CHILE SpA	-
CACHIYUYO PRIMERA 4	200	8353 V	5983	2012	DISCOVERY	COPIAPO	PEDIMENTO	GRANTED	CASTILLO COPPER CHILE SpA	-
CACHIYUYO PRIMERA 15	300	11739 V	8693	2011	DISCOVERY	COPIAPO	FINAL AWARD	GRANTED	CASTILLO COPPER CHILE SpA	9/7/2013
CACHIYUYO PRIMERA 16	300	11741	8694	2011	DISCOVERY	COPIAPO	FINAL AWARD	GRANTED	CASTILLO COPPER CHILE SpA	9/7/2013
CACHIYUYO 2 1/20	188	1978	444	2011	PROPERTY	COPIAPO	FINAL AWARD	GRANTED	SCM CACHIYUYO	-
SCHEDULE V	SURFACE	FOLIO	NUMBER	YEAR	REGISTER	REGISTRY	REGISTRATION	STATUS	HOLDER	EXPIRATION

[3] Note: Castillo Copper Chile SpA has an 80% interest in properties owned by SCM Cachiyuyo.

Table 3 Concession schedule for Posada

BAKER & McKENZIE

Baker McKenzie Ltda.
Nueva Tajamar 481
Torre Norte, Piso 21
Las Condes, Santiago
Chile

Tel: +56 2 367 7000
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SCHEDULE I RESGUARDO PROJECT	SURFACE	FOLIO	NUMBER	YEAR	REGISTER	REGISTRY	REGISTRATION	STATUS	HOLDER	EXPIRATION
ROSA I[1]	300	10964	7695	2012	DISCOVERY	COPIAPO	FINAL AWARD	GRANTED	SCM RESGUARDO I	3/16/2014
ROSA II	300	10965	7696	2012	DISCOVERY	COPIAPO	FINAL AWARD	GRANTED	SCM RESGUARDO I	3/13/2014
ROSA III	300	10966	7697	2012	DISCOVERY	COPIAPO	FINAL AWARD	GRANTED	SCM RESGUARDO I	3/16/2014
ONCE	100	9907 V	6990	2012	DISCOVERY	COPIAPO	FINAL AWARD	GRANTED	SOC. INV. GEMA	9/25/2014
DOCE	200	9179	6534	2012	DISCOVERY	COPIAPO	FINAL AWARD	GRANTED	SOC. INV. GEMA	7/31/2014
TRECE	200	10349	7289	2012	DISCOVERY	COPIAPO	FINAL AWARD	GRANTED	SOC. INV. GEMA	10/16/2014
CANDIL 1	100	10968	7699	2012	DISCOVERY	COPIAPO	FINAL AWARD	GRANTED	SCM RESGUARDO I	7/11/2014
CANDIL 2	300	10969	7700	2012	DISCOVERY	COPIAPO	FINAL AWARD	GRANTED	SCM RESGUARDO I	10/16/2014
CANDIL 3	300	10970	7701	2012	DISCOVERY	COPIAPO	FINAL AWARD	GRANTED	SCM RESGUARDO I	8/22/2014
CANDIL 4	300	10971	7702	2012	DISCOVERY	COPIAPO	FINAL AWARD	GRANTED	SCM RESGUARDO I	10/16/2014
CANDIL 5	200	10972	7703	2012	DISCOVERY	COPIAPO	FINAL AWARD	GRANTED	SCM RESGUARDO I	8/22/2014
CANDIL 6	200	10973	7704	2012	DISCOVERY	COPIAPO	FINAL AWARD	GRANTED	SCM RESGUARDO I	10/16/2014
CANDIL 7	300	10975	7705	2012	DISCOVERY	COPIAPO	FINAL AWARD	GRANTED	SCM RESGUARDO I	8/31/2014
CANDIL 8	300	10975V	7706	2012	DISCOVERY	COPIAPO	FINAL AWARD	GRANTED	SCM RESGUARDO I	10/16/2014
CANDIL 9	100	10976	7707	2012	DISCOVERY	COPIAPO	FINAL AWARD	GRANTED	SCM RESGUARDO I	8/22/2014
RESGUARDO 1 1/20	100	1064	274	2009	PROPERTY	COPIAPO	FINAL AWARD	GRANTED	SLM RESGUARDO UNO DE LA SIERRA FRAGA	Indefinite duration
RESGUARDO 3 1/20	100	115 v	54	2009	PROPERTY	COPIAPO	FINAL AWARD	GRANTED	SLM RESGUARDO TRES DE LA SIERRA FRAGA	Indefinite duration
RESGUARDO 4 1/20	100	120 v	55	2009	PROPERTY	COPIAPO	FINAL AWARD	GRANTED	SLM RESGUARDO CUATRO DE LA SIERRA FRAGA	Indefinite duration
ROSA 1/10	20	10967	7698	2011	DISCOVERY	COPIAPO	APPLICATION	IN PROCESS	SCM RESGUARDO I	-

[1] Note: Castillo Copper Chile SpA has a 100% interest in properties owned by Inversiones Gema Ltda, SCM Resguardo I; SLM Resguardo 1 de la Sierra Fraga, SLM Resguardo 3 de la Sierra Fraga and SLM Resguardo 4 de la Sierra Fraga.

Table 4 Concession schedule for Resguardo

BAKER & MCKENZIE

SCHEDULE II VICUÑA PROJECT[2]	SURFACE	FOLIO	NUMBER	YEAR	REGISTER	REGISTRY	REGISTRATION	STATUS	HOLDER	EXPIRATION
EL PROFETA 1	300	16	9	2012	DISCOVERY	VICUÑA	FINAL AWARD	GRANTED	CASTILLO COPPER CHILE SpA	10/3/2013
EL PROFETA 2	300	18	10	2012	DISCOVERY	VICUÑA	FINAL AWARD	GRANTED	CASTILLO COPPER CHILE SpA	10/3/2013
EL PROFETA 3	300	20	11	2012	DISCOVERY	VICUÑA	FINAL AWARD	GRANTED	CASTILLO COPPER CHILE SpA	10/3/2013
EL PROFETA 4	300	1118	686	2012	DISCOVERY	VICUÑA	FINAL AWARD	GRANTED	CASTILLO COPPER CHILE SpA	12/29/2013
EL PROFETA 5	300	1121	687	2012	DISCOVERY	VICUÑA	FINAL AWARD	GRANTED	CASTILLO COPPER CHILE SpA	12/29/2013
PACHI 1	300	1148	696	2012	DISCOVERY	VICUÑA	FINAL AWARD	GRANTED	CASTILLO COPPER CHILE SpA	12/29/2013
PACHI 2	300	1151	697	2012	DISCOVERY	VICUÑA	FINAL AWARD	GRANTED	CASTILLO COPPER CHILE SpA	12/29/2013
PACHI 3	300	1154	698	2012	DISCOVERY	VICUÑA	FINAL AWARD	GRANTED	CASTILLO COPPER CHILE SpA	12/29/2013
CAMILA 1	300	1124	688	2012	DISCOVERY	VICUÑA	FINAL AWARD	GRANTED	CASTILLO COPPER CHILE SpA	12/29/2013
CAMILA 2	200	1127	689	2012	DISCOVERY	VICUÑA	FINAL AWARD	GRANTED	CASTILLO COPPER CHILE SpA	12/29/2013
CAMILA 3	300	1130	690	2012	DISCOVERY	VICUÑA	FINAL AWARD	GRANTED	CASTILLO COPPER CHILE SpA	12/29/2013
CAMILA 4	300	1133	691	2012	DISCOVERY	VICUÑA	FINAL AWARD	GRANTED	CASTILLO COPPER CHILE SpA	12/29/2013
CAMILA 5	300	1136	692	2012	DISCOVERY	VICUÑA	FINAL AWARD	GRANTED	CASTILLO COPPER CHILE SpA	12/29/2013
CAMILA 6	300	1139	693	2012	DISCOVERY	VICUÑA	FINAL AWARD	GRANTED	CASTILLO COPPER CHILE SpA	12/29/2013
CAMILA 7	300	1142	694	2012	DISCOVERY	VICUÑA	FINAL AWARD	GRANTED	CASTILLO COPPER CHILE SpA	12/29/2013
CAMILA 8	300	1145	695	2012	DISCOVERY	VICUÑA	FINAL AWARD	GRANTED	CASTILLO COPPER CHILE SpA	12/29/2013
CAMILA 9	300	1497	915	2012	DISCOVERY	VICUÑA	FINAL AWARD	GRANTED	CASTILLO COPPER CHILE SpA	4/27/2014
HOMERO 1	300	1491	913	2012	DISCOVERY	VICUÑA	FINAL AWARD	GRANTED	CASTILLO COPPER CHILE SpA	3/22/2014
HOMERO 2	300	1494	914	2012	DISCOVERY	VICUÑA	FINAL AWARD	GRANTED	CASTILLO COPPER CHILE SpA	3/22/2014
SCHEDULE III POSADA PROJECT	SURFACE	FOLIO	NUMBER	YEAR	REGISTER	REGISTRY	REGISTRATION	STATUS	HOLDER	EXPIRATION
POSADA PRIMERA 20	300	6529v	4759	2012	DISCOVERY	COPIAPO	PEDIMENTO	IN PROCESS	CASTILLO COPPER CHILE SpA	-
POSADA PRIMERA 19	300	6528	4758	2012	DISCOVERY	COPIAPO	PEDIMENTO	IN PROCESS	CASTILLO COPPER CHILE SpA	-
POSADA PRIMERA 18	300	6526v	4757	2012	DISCOVERY	COPIAPO	PEDIMENTO	IN PROCESS	CASTILLO COPPER CHILE SpA	-
POSADA PRIMERA 17	200	6525	4756	2012	DISCOVERY	COPIAPO	PEDIMENTO	IN PROCESS	CASTILLO COPPER CHILE SpA	-
POSADA PRIMERA 16	200	6523v	4755	2012	DISCOVERY	COPIAPO	PEDIMENTO	IN PROCESS	CASTILLO COPPER CHILE SpA	-

[2] Note: Castillo Copper Chile SpA has a 100% interest in properties owned by Castillo Copper Chile SpA.

Table 5 Concession schedule for Quebrada Huanta

Rio Rocin Project

- Rio Rocin consists of 2,200 hectares (and 2,500 hectares in the process of being granted, named Chilon 1 to 11), in the San Felipe Province of the Valparaiso Region (Easdon, 2012).
- Castillo has agreements over two separate sectors of Rio Rocin mining concessions; Los Bayos (105 hectares) and El Chilon (2,219 hectares) (Easdon, 2012).
- Castillo has 100% interest of the Chilon sector through an option agreement with the concession holders (Easdon, 2012).
- Castillo has 63% interest of the Los Bayos sector via an option (Easdon, 2012).

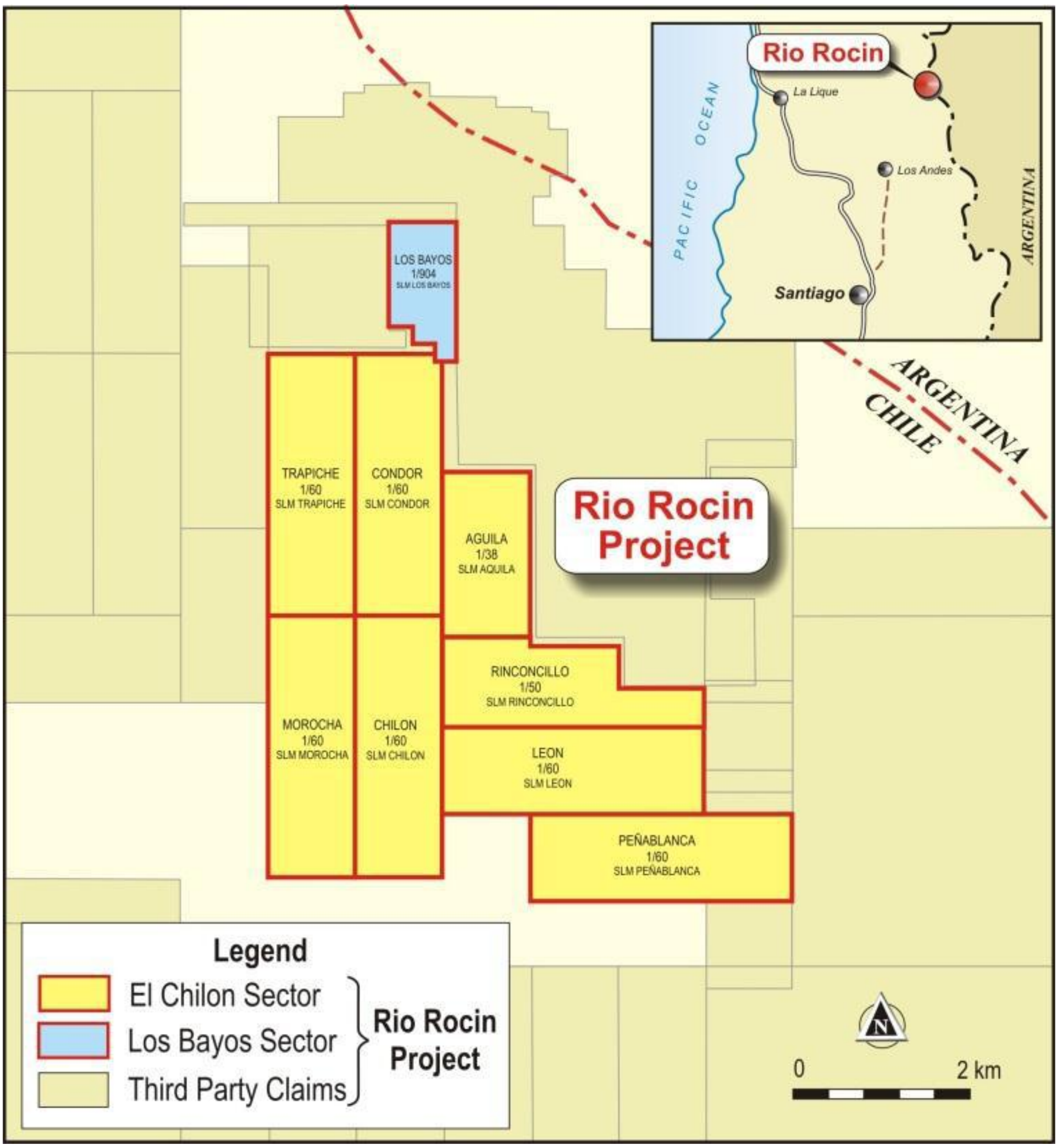


Figure 2 Concessions that compose the Rio Rocin project (Easdon, 2012)

- The Rio Rocin project is bounded by concessions held by Minera Teck Cominco Limitada, Antofagasta Minerals SA and Codelco Chile, all large copper producing companies, consequentially making the Rio Rocin project area attractive ground to hold (Easdon, 2012).

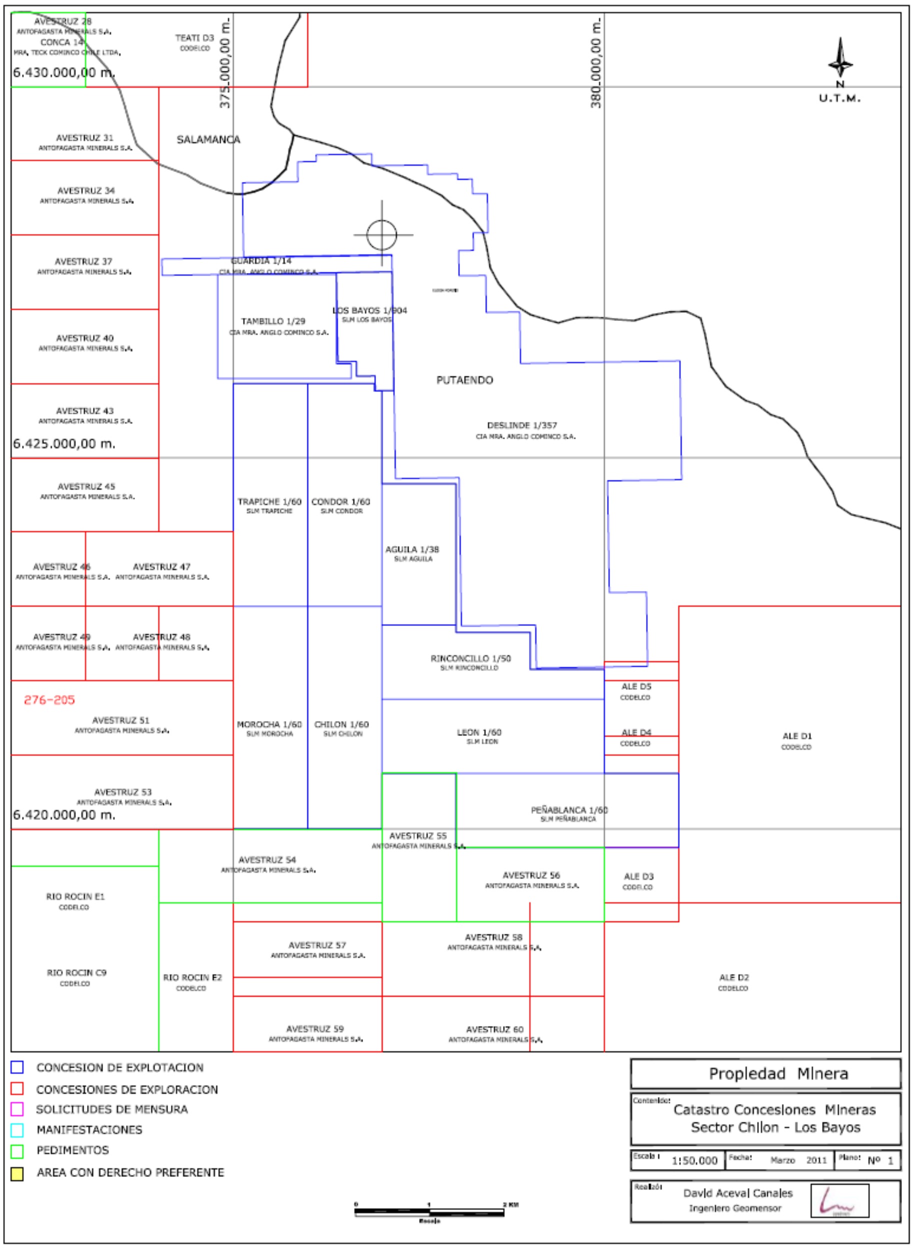


Figure 3 Concessions within the Rio Rocin project area (Lindsay, 2013)

- The project is located in the Central Chilean porphyry copper belt which hosts several billion tonne copper-molybdenum porphyries such as Los Pelambres, El Pachon, Las Bronces-Andina (Rio Blanco), Los Sulfatos and El Teniente (Easdon, 2012).
- The project area covers a significant portion of the northerly trending quartz-sericite-clay altered porphyritic intrusives, which penetrate the Upper Cretaceous-Lower Tertiary and Miocene volcano-sedimentary formations (Easdon, 2012).
- Intense hydrothermal, porphyry style alteration is observed in the Los Bayos sector, and not evident to the same extent in the Chilon Sector, which is considered distal (propylitic assemblages) and may host part of a supergene copper blanket leached from Los Bayos (Easdon, 2012).

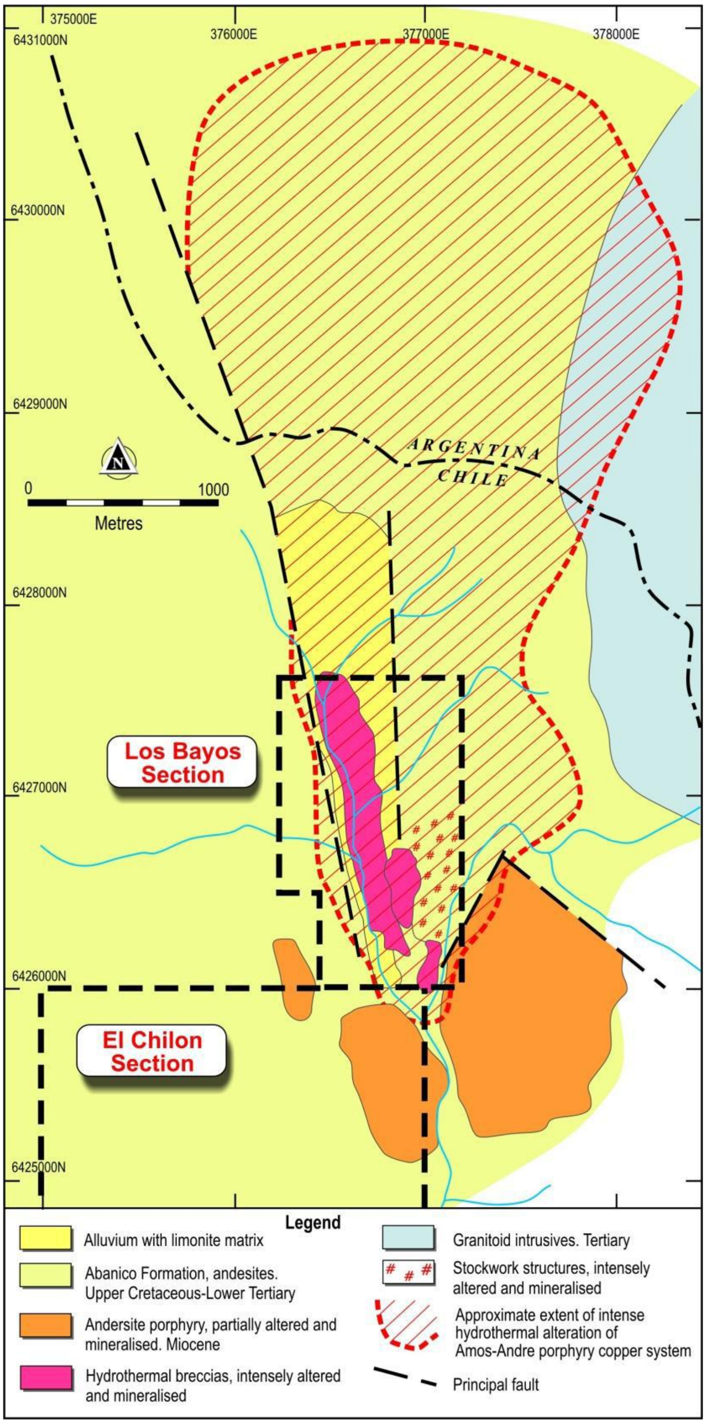


Figure 4 Geological map of Rio Rocin's Los Bayos sector (Easdon, 2012)

- Sulphide mineralisation (dominantly disseminated pyrite) at Los Bayos is largely oxidised and related to intensely altered stockworks of the earlier, deeper porphyry stage and a later hydrothermal breccia phase (Easdon, 2012).
- Red limonite staining of pyrite suggests the existence of a probable supergene enriched copper blanket below the surface lithocap (Easdon, 2012).
- Within the aforementioned breccias can be found variably oxidized and tarnished pyrite, magnetite and chalcopyrite films are occasionally occur on fractures surfaces with associated smears of covellite and chalcocite (Easdon, 2012).
- Possible mineralisation comprises of a shallower supergene-enriched deposit underlain by a primary copper porphyry deposit (Easdon, 2012).

- Rio Rocin is an exploration target for a 500 to 1000 million tonne copper deposit, with molybdenum or gold by-products in the range of 0.8 to 1.0% copper equivalent (Easdon, 2012).

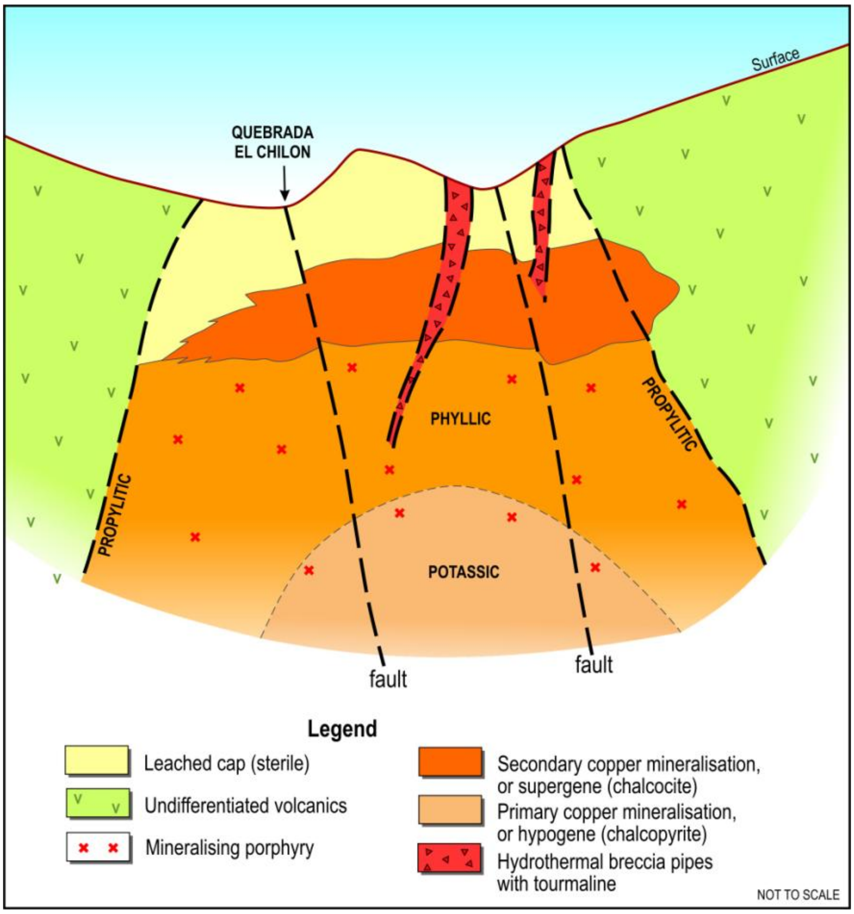


Figure 5 Geological model for Rio Rocin (Easdon, 2012)

- During the 2012 field season, a 1:5000 geological map of the Los Bayos concession was created, along with the collection of samples for analysis (Akubra S A, 2012).
- There is a geological map detailing lithology, alteration and structure (Akubra S A, 2012).
- Seven stream sediment, fifty-two rock chip and eleven talus samples were collected in or around the Los Bayos concession (Akubra S A, 2012).
- The two highest Au results (0.2ppm and 0.1ppm Au) were from talus samples North of the Los Bayos concession (Akubra S A, 2012).
- Seven rock chip, four talus and three stream sediment samples yielded anomalous Cu values (>100ppm Cu) (Akubra S A, 2012).
- Eleven historic rock-chip samples collected in 1982 from within the Los Bayos concession. They recorded five samples >300ppm Cu and a sample of 5ppm Au (Ingenieria Estudios y Negocios Mineros, 1982).
- Rio Tinto announced initial geological mapping and sampling in 2005 in the Amos-Andreas area, which led to identification of widespread near surface copper mineralisation which was confirmed by scout drilling in 2006. Results unknown. (Rio Tinto, 2006).
- Castillo Copper exploration expenses to date include the 2012 mapping and reconnaissance, $30,000 , logistics and access, $52,724 and IP/resistivity and Mag surveys, $225,799 (Lindsay, 2013).
- Near-term exploration at Rio Rocin will aim to locate and delineate enriched (secondary) sulphide mineralisation below and along structures from the leached cap at Los Bayos; this will include but not be limited to 5000m of diamond drilling with helicopter support and 50 line-km

of ground magnetic and IP surveys to refine targets over a two year program, totalling $3,830,100 (Easdon, 2012).

- Total option payments to September 2017 are $10,595,000 (Lindsay, 2013).
- We have assigned a prospectivity enhancement multiplier of two because the location (or “geological address”) is excellent and recent fieldwork, including mapping, makes this a drill ready target.
- We have assigned a Concession and sovereign risk multiplier of 1.5 to this Concession package. The Concessions are in a favourable low sovereign risk country, but the 37% interest by other parties in the most important Concession increase the risk of future delays and disputes.

Posada Project

- The Posada project comprises of 7,088 hectares, 60km south of Copiapo in the Atacama region (Oakland Resources , 7/02/2013).
- Castillo holds title to 6,900 hectares of exploration concessions known as Posada and controls a further 188 hectares in a 80:20 joint venture with Sodiedad Inversiones Gema Limitada (Oakland Resources , 7/02/2013).

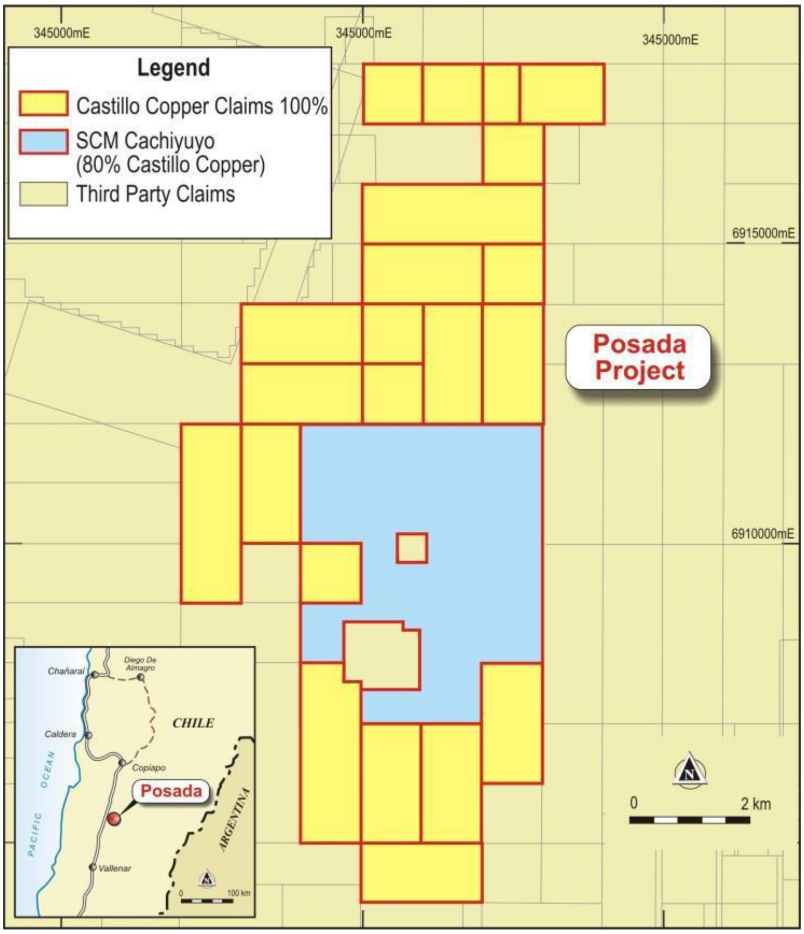


Figure 6 Concessions that compose the Posada *project (Easdon, 2012)**

- Regionally the Posada project is located within the IOCG belt of the Coastal Ranges of Northern Chile (Easdon, 2012)
- The Posada project is situated along a splay of the northerly-trending Atacama Fault Zone (AFZ), and is underlain by Early Cretaceous andesitic and sub-volcanic rocks, which are intruded by Tertiary intermediate to dioritic stocks (Easdon, 2012).
- Much of the project is covered by gravels and sands, under which previous drilling have not explored, creating exploration potential (Easdon, 2012).
- Locally the formations that occur at Posada host large-scale IOCG mines Candelaria (330Mt at 0.58% Cu and 0.13g/t (Freeport-McMoran, 2011) and Mantoverde (42.7Mt at 0.58% Cu total reserves (Anglo American, 2011).

*On some properties especially Posada/Cachiyuyo and Resguardo for historical reasons, there are overlapping concession blocks which result in a difference between the areal extent of the claim as viewed by map, and the actual hectares under concession as tabulated. In practise, these differences are minor and do not affect the integrity of the projects (Lindsay, 2013).

Figure 7 Location of Posada project with relation to Candelaria and Mantoverde mines (Easdon, 2012)

- Oxide copper mineralisation is within hydrothermally and metasomatically altered andesitic to porphyritic diorite stocks, as seen in outcrop and small workings (Easdon, 2012).
- The strike length of mineralisation can be approximated at 2-3km as seen in small pits and trenches (Easdon, 2012).
- Primary copper has been observed in drill cuttings, hosted by a porphyritic rock (historic microscopy work confirms andesitic volcanics and subvolcanic diorites) that has been stockworked, leached and replaced by quartz-limonite-copper oxides at surface.
- Some evidence of mineralised hydrothermal breccias (Easdon, 2012).
- Host rock alteration includes albite, quartz-sericite and chlorite, as well as alunite, suggesting a late stage high-sulphidation epithermal alteration. There is a presence of actinolite is in part evidence of regional metamorphism and local metasomatism (Easdon, 2012).
- Alteration is characteristic of the Candelaria deposit, where host andesites have alteration assemblages of albite-quartz-epidote-actinolite-scapolite (Porter Geoconsultancy, 2007).

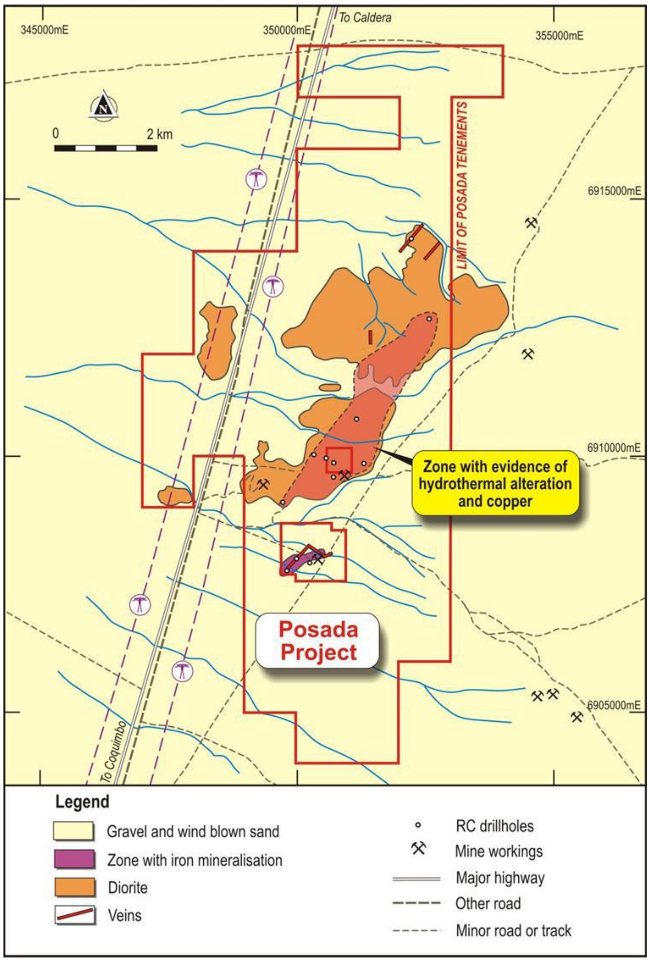


Figure 8 Geology and historic drilling at the Posada project (Easdon, 2012)

- Canada Tungsten is reported to have drilled two holes in the project area in 1994-1995, but no data has been made available (Easdon, 2012). We have assigned no value multiplier to these un-validated incomplete data.
- In 2008 Transasia commissioned a dipole-dipole Induced Potential (IP) - Resistivity survey, approximately 24,000 metres over 6 lines (profiles 1-6) at 400 metre intervals. It demonstrated the presence of a continuous anomalous zone over a 2000 metre interval, open at both ends (Easdon, 2012).
- In 2008 Transasia drilled ten RC holes (1776.2m) and three diamond tail holes (814.3m) totalling 2590m. Castillo does not have access to detailed validated assays or lithology logs of previous drilling (Transasia, 2008).

HOLE	LOCATION		UTM COORDINATES			Total	Feb-March	Sept-Nov			
N°	LINE	STAKE	EAST	NORTH	ELEVAT.	depth	R. Air	Diamond	Dip	Azimuth	Remarks
S1	P6	2000	350.551	6.910.026	511	150,0	150,0	-	70°	N100E	
S2	P6	2800	350.786	6.910.017	524	310,0	310,0	-	90°		
S3	P5	1900	350.521	6.910.436	540	253,0	253,0	-	70°	N100E	
S4	P5	2300	350.918	6.910.366	528	152,0	152,0	-	70°	N100W	
S5	P4	2700	351.380	6.910.691	525	450,1	150,1	300,0	90°		finished
S6	P6	2500	351.045	6.909.937	519	150,0	150,0	-	90°		
S7	P2	2400	351.224	6.911.532	517	449,4	234,9	214,4	90°		finished
S8	P3	2600	351.351	6.911.103	522	226,0	226,0	-	90°		
S10	P5	2900	351.507	6.910.264	530	450,1	150,2	299,9	90°		finished
S11	P6/5	2800	351.400	6.910.030	533	0,0	-		70°	N130W	pending
						2590,6 meters	1776,2 meters	814,3 Meters			

Table 6 Transasia drill hole summary from Cachiyuyo drilling campaigns (Transasia, 2008)

	AR CAMPAING				DIAMOND DRILL CAMPAIGN			
DRILL HOLE #	total samples	samples over detection limit	maximum value Cu T %	maximum value Au g/t	total samples	samples over detection limit	maximum value Cu T %	maximum value Au g/t
S - 1	20	7	0,22	--------				
S - 2	46	12	0,14	0,4				
S - 3	49	9	0,22	.-----------				
S - 4	29	16	0,1	0,07				
S - 5	21	3	.---	0,07	50	9	0,03	0,08
S - 6	20	9	0,16	0,05				
S - 7	33	5	0,11	0,03	67	10	0,16	0,2
S - 8	28	2	0,03	0,02				
S - 10	28	12	0,19	0,09	51	20	0.18	0,42
TOTAL	274	75			168	39		

Detection limits:	.01%Cu .01g/tAu

Table 7 Summary of drilling assay results from the Transasia drilling campaigns (Transasia, 2008)

- Microscope summaries exist for cuttings samples. Detailed reports are mentioned that discuss 'about 20' samples, but presumably are not available to Castillo Copper (Transasia, 2008).
- Intense hydrothermal and mesosomatic alteration was encountered in the drilling and microscope studies, but no K-feldspar alteration (Transasia, 2008).
- The IP geophysical anomaly discovered a flat iron ore body, 30m thick, 30-50million ton resource is estimated with a tentative average grade of 40-45 % Fe, using samples from the 2008 drilling on profile 5 of the anomaly (Frutos, n.d.).
- The geophysical anomaly that remains open to the south where its intensity increases. On profile 6 is an area of a significant iron mineralization (old abandoned mine) with characteristics of IOCG-type deposits (lots of metal sulphides (Cu, Pb)) accompanying haematin (partial magnetite) in a breccia and stockwork structure (Frutos, n.d.).

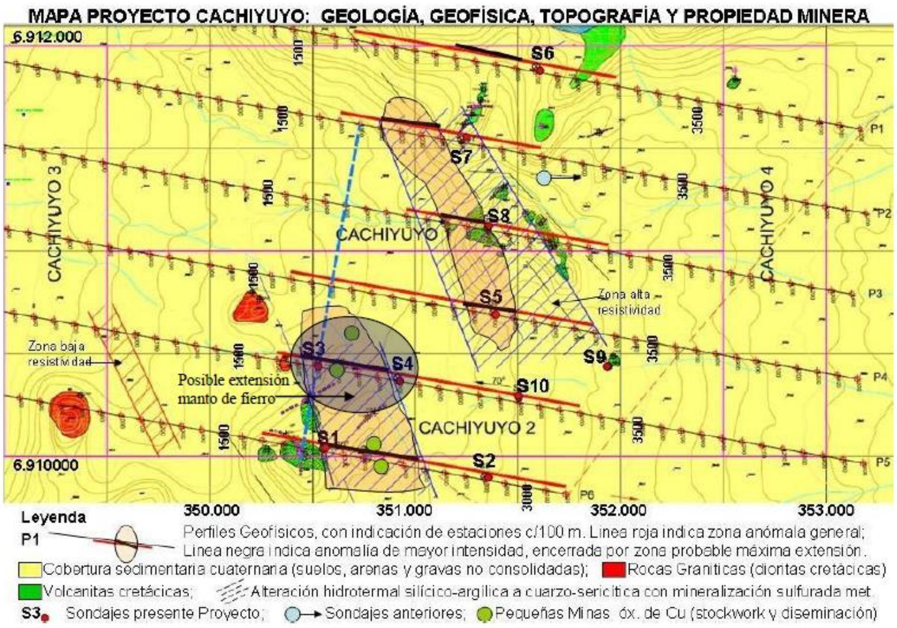
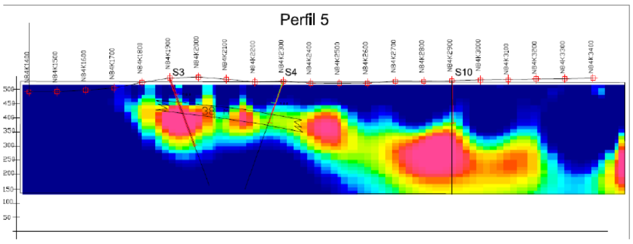


Figure 9 Map showing the 2008 IP-resistivity survey lines, anomaly outlines, 2008 drilling and small workings (Frutos, n.d.)

SONDAJE n° 3

	IDENTIFICACION DE LA MUESTRA	METODO ELEMENTO UNIDAD L.DE D.	GEO-126 Fe % 0,01
1	BLANCO		<0.01
2	84		25,33
3	86		44,74
4	88		50,38
5	90		53,12
6	92		49,64
7	94		42,62
8	96		49,01
9	98		30,54
10	100		42,56
11	102		33,41
12	102	Chq	33,48
13	104		30,75
14	106		28,23
15	108		26,54
16	110		26,30
17	112		11,57
18	STD		6,55
19	114		29,00
20	116		16,95
21	118		15,45

West



East

Figure 10 Above: Samples tested for Fe. Below: Profile 5 of the 2008 geophysical survey with 2008 drilling (Frutos, n.d.)

- Based upon regional and local geology as well as geophysics that have been performed and previous drilling, the exploration target is 100 to 300 million tonnes at a grade range of 1.0 to 1.5% copper equivalent (copper+gold) (Easdon, 2012).
- In November, 2011, Castillo contracted Zonge Geophysics to perform an IP/Resistivity survey. This work resulted in the identification of a distinctive 3.5 x 1.5 km IP anomaly (Easdon, 2012).

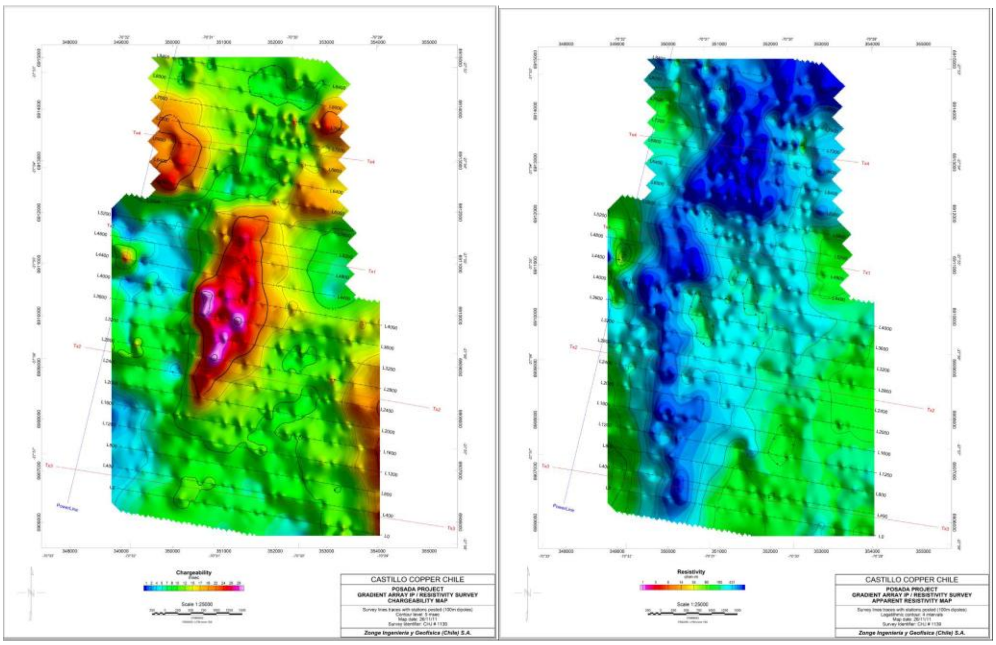


Figure 11 Posada gradient IP *profile (3.5 km in length): chargeability and resistivity (Easdon, 2012)*

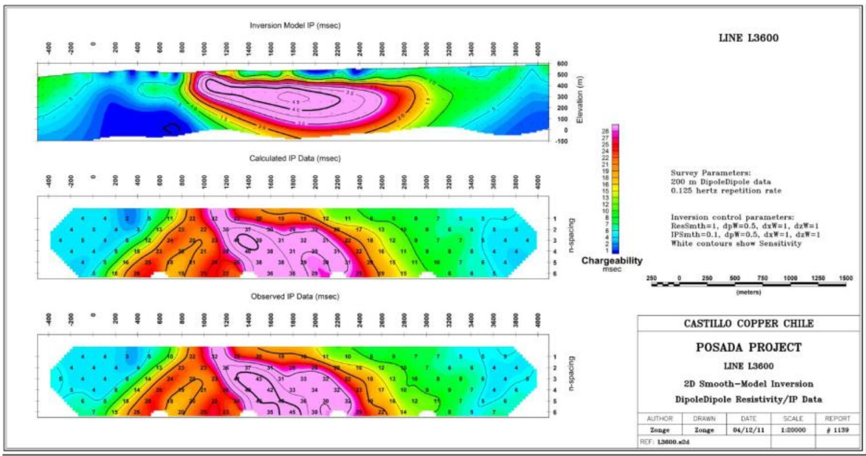


Figure 12 Dipole-dipole chargeability – line 3600 – through the centre of the IP anomaly at Posada (Easdon, 2012)

- Castillo Copper exploration expenses to date include mapping, $10,000, water exploration, $5,000, IP/Resistivity survey, $204,680 and magnetics, $39,240 (Lindsay, 2013).
- Near-term exploration at Posada is to test the large geophysical anomaly identified by the Zonge (2011) geophysical programme, and to delineate any mineralisation that might be; this will include but not be limited to 3000m of diamond drilling, 5000m of RC drilling and 200 line-km of ground magnetics to refine drill targets over a two year program, totalling $1,911,500 (Easdon, 2012).
- Total option payments to July 2015 are $2,800,000 (Lindsay, 2013).
- We have assigned a prospectivity enhancement multiplier of 2 because the recent geophysics has revealed a large anomaly and makes this a drill ready target. We have assigned no value for the iron mineralisation as there are no data to indicate that it could be mined, processed or sold as iron ore.
- We have assigned a concession and sovereign risk multiplier of 1.5 to this concession package. The concessions are in a favourable low sovereign risk country, but the 80%-20% JV over part of the project increases the risk of future delays and disputes.

Resguardo Project

- The Resguardo project comprises 3,820 hectares of concessions (Oakland Resources , 7/02/2013).
- The property contains a closed copper mine (formerly Mina Candelaria) (Easdon, 2012).
- Castillo has option agreements with Sociedad Inversiones Gema, SLM Resguardo 1 de la Sierra Fraga, SLM Resguardo 3 de la Sierra Fraga and SLM Resguardo 4 de la Sierra Fraga over 19 concession blocks which make up the project area (Oakland Resources , 7/02/2013).

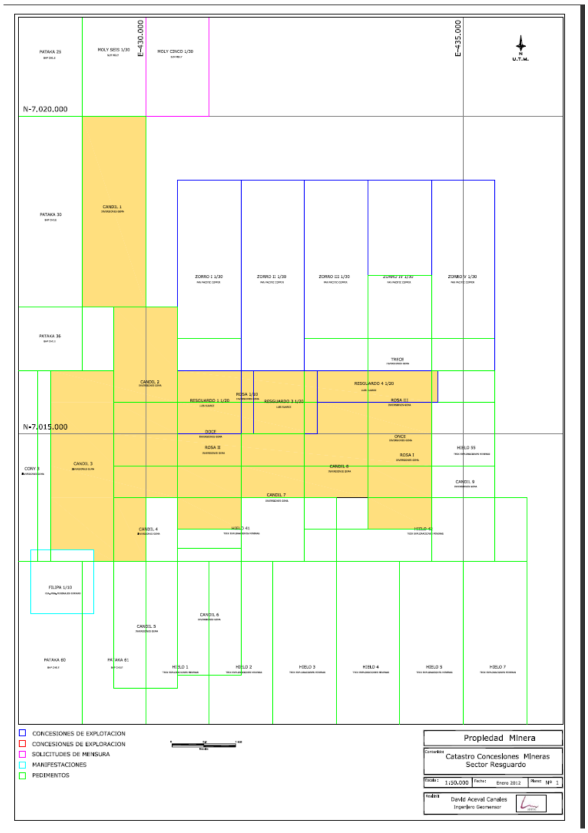


Figure 13 Concessions that compose the Resguardo project

- Located on the southern extent of a Middle Tertiary porphyry copper belt that hosts large scale El Salvador and Potrerillos copper mines (3,800 million tonnes at 0.45% copper and 1,030 million tonnes at 1% copper and 0.8 g/t gold) (Easdon, 2012).
- The host stratigraphy of the Resguardo project area is Late Paleozoic to Mesozoic continental and marine sediments, and volcanics, generally striking north to northeast. These are intruded by granodiorites of Middle Eocene age (Easdon, 2012).
- The area has complex structural relationships with north-east trending faults intersecting north-south regional structures of the Domeyko Fault System (Easdon, 2012).
- Porphyry mineralisation at Resguardo is associated with the Cerro Fraga dome (Eocene) which has intruded a sedimentary – volcanic sequence of Mesozoic age (Easdon, 2012).
- Copper, gold and silver is contained within hydrothermal breccias and stockworks. Mineralisation is found within an ellipsoid of silicic-argillic alteration, roughly 2000m long and 100-200m wide at surface (Easdon, 2012).
- High-grade material forms tabular bodes with an average width of 50-100m, possibly over the entire 2000m length of the altered ellipsoid (Easdon, 2012).
- Mineralisation at the surface is oxidised, the oxide zone is about 50m thick, below which sulphides occur (Easdon, 2012).

- There are lenses anomalous in silver in the south of the ellipsoid, and gold-bearing quartz veins associated with galena in the west of the ellipsoid (Easdon, 2012).
- There are existing pits and tunnels in the area; it has been estimated about 100,000 tonnes of mineralised material has been removed at grades in excess of 2% Cu (Easdon, 2012).
- Grades increase with depth suggesting a vectoring towards the source of mineralisation which is postulated to be a porphyry copper target (Easdon, 2012).
- The exploration target is a porphyry copper-gold deposit of the order of 50 to 100 million tonnes of mineralisation with grade in the range of 1.0 to 1.5% copper equivalent (Easdon, 2012).

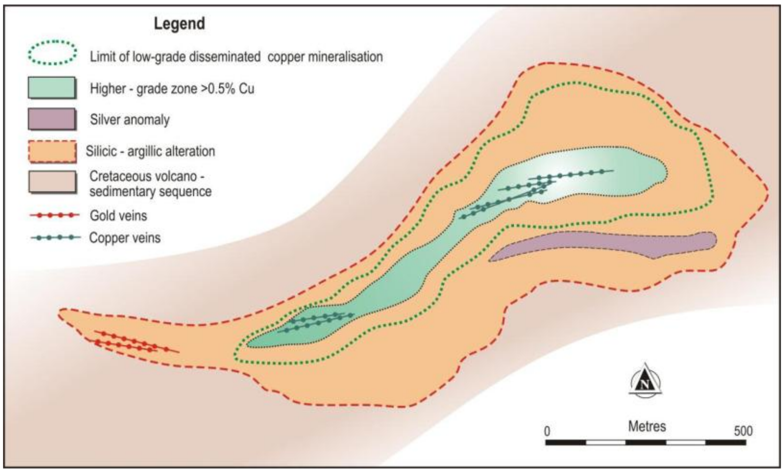


Figure 14 Geological map of Resguardo

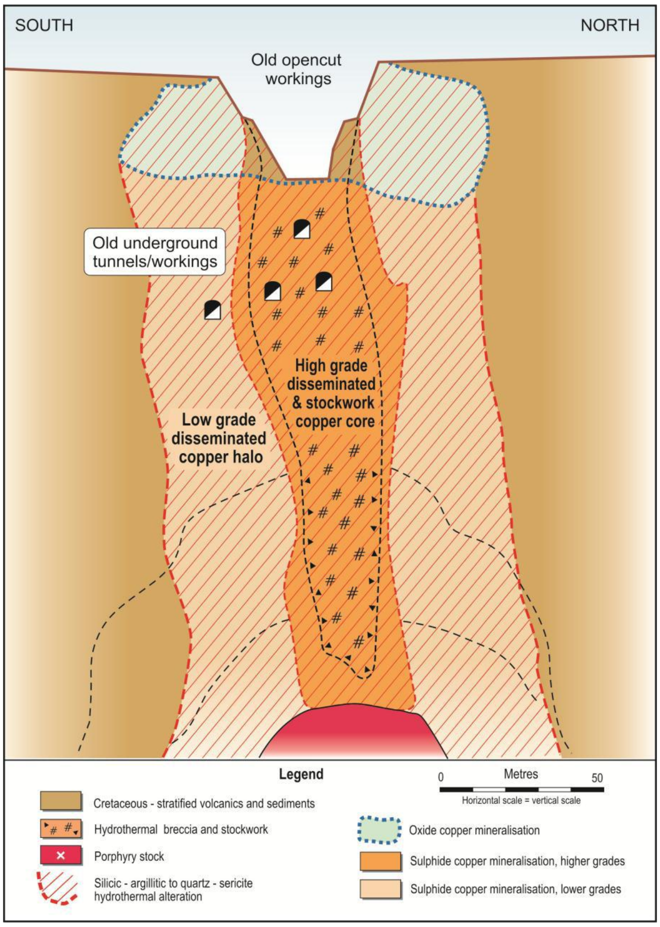


Figure 15 Resguardo geological model

- Since the acquisition of Resguardo Castillo have performed geological mapping costing $33,380 (Lindsay, 2013).
- Near-term exploration at Resguardo is to test the extent of the mineralisation exposed by the old mine workings, and to test for a porphyry copper source of the mineralisation; this will include but not limited to 4,000m of RC drilling and 50 line-km of ground magnetic surveys to refine drill targets over a two year program, totalling $977,800 (Easdon, 2012).
- Total option payments to December 2015 are $6,500,000 (Lindsay, 2013).
- We have assigned a prospectivity enhancement multiplier of 4 because past mining to a grade of about 2% Cu demonstrates the clear presence of metal. This a drill ready target.
- We have assigned a concession and sovereign risk multiplier of 2 to this concession package. The concessions are in a favourable low sovereign risk country, and there are no co-ownership or JV agreements.

Quebrada Huanta Project

- The Quebrada Huanta project 150 km north-east of the city of La Serena in the Coquimbo Region of Central Chile (Easdon, 2012).
- Castillo has 100% interest in 5,600 hectares of mineral concessions (Oakland Resources , 7/02/2013).
- No exploration work has been performed on this project to date (Easdon, 2012).
- This project is situated 2km to the west of the known Rinconada deposit (Easdon, 2012).
- The regional underlying geology of the area includes Triassic – Jurassic continental sediments and volcanics occurring in a graben overlying the Paleozoic basement (Guanta Formation) composed of intermediate to basic intrusives. This stratigraphic package has been intruded by Early Tertiary (Paleocene-Eocene) quartz diorites of the Cogati Formation (Easdon, 2012).
- Regional structures have allowed hydrothermal solutions to circulate creating the conditions for epithermal gold-copper (Easdon, 2012).
- Intrusives and associated hydrothermal alteration are seen as being responsible for the Rinconada copper-gold porphyry 2km away (Easdon, 2012).
- Noranda explored the Rinconada in early 2000's. Judging from what was observed in the sector included rock geochemical sampling, induced polarization profiles, trenches and at least 5 reverse circulation drill holes There are no analytical results of this work, but clearly Noranda identified a porphyry system with disseminated Cu mineralization (Rio Tinto, 2005).
- Beaufort Western Exploration conducted geochemical sampling over the Rinconada area. There are multiple samples >1g/t Au, >100g/t Ag and >1% Cu (Beaufort Western Exploration, 2003) .

SAMPLE LOCATIONS	LS03026017 Au-AA24	LS03026017 Ag-AA62	LS03026017 Cu-AA62
	Au	Ag	Cu
	ppm	ppm	%
	0.005	1	0.01
1 Las Lagunas	0.005	<1	<0.01
2 Rodado-1	3.820	136	0.24
3 CR-4452	0.437	201	1.18
4 CR-4729	1.865	380	1.14
5 Plataforma-3	0.013	1	0.01
6 Plataforma-5	0.013	1	0.79
7 CR-4634	3.430	232	4.6
8 Cordon Rodado Rojo	0.006	1	0.08
9 Veta Plat.1	<0.005	1	0.04
10 Afloram. Morro Rojo	0.021	2	0.09
11 Picados Pla-1	<0.005	1	0.2
12 CR-4906	3.160	316	2.87
13 Plat-7	0.015	1	4.98
14 CR-4558	0.226	54	0.15
15 Veta Ricon	1.090	232	0.74
16 Rodado-2	1.450	124	0.22
17 Plataforma-1	0.007	1	0.46
18 Picados Plat.3	0.011	2	9.95

Table 8 First analysis of samples from Rinconada (Beaufort Western Exploration, 2003)

- A three day reconnaissance was performed at the Rinconada project by Rio Tinto in 2005. During this visit were collected 12 samples, which were analyzed for Au (fire assay) and 30 other elements by ICP, among which include Cu, Ag, Mo, As, Pb and Zn, among others. The values obtained indicate a low-grade copper mineralization, with some anomalies of Au and Mo. The best value is 0.37% Cu and 34ppb Au (Rio Tinto, 2005).

- There is the presence of iron oxide alteration at the surface at Quebrada Huanta, similar to that seen at Rinconada, which could indicate the presence of sulphides in hydrothermal alteration (Easdon, 2012).

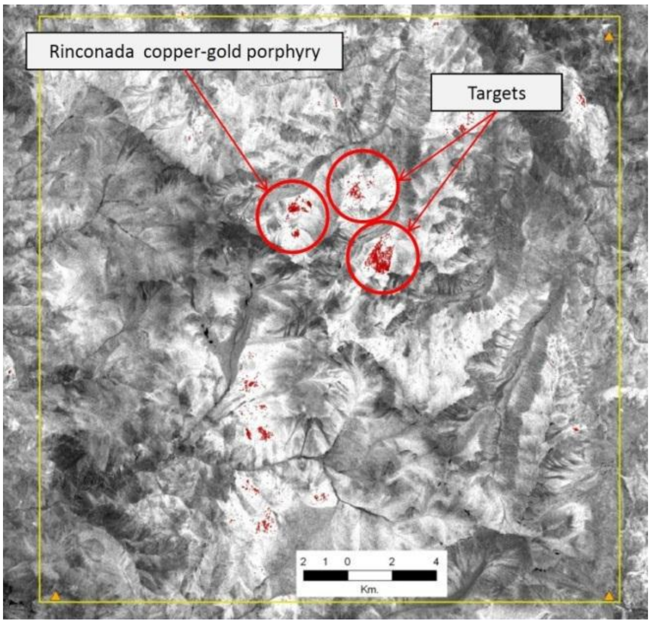


Figure 16 Processed ASTAR image showing iron oxide spectral zones at Quebrada Huanta and Rinconada (Easdon, 2012)

- Near-term exploration at Quebrada Huanta is to identify and qualify porphyry copper style alteration and mineralisation by stepping out from the known Rinconada system; this will include but not limited to geological mapping, geochemical sampling and 50 line-km of ground magnetic an IP geophysics to refine drill targets. This will be over a two year period, totalling $288,000 (Easdon, 2012).
- We have assigned a prospectivity enhancement multiplier of one because there are no drill ready targets.
- We have assigned a Concession and sovereign risk multiplier of 2 to this concession package. The concessions are in a favourable low sovereign risk country, and there are no co-ownership/interest issues.

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Appendix 1: Spread sheet of concessions, value drivers and value estimates

Project	Project detail	Holding %	Expenditure to date Technical	Acquisition (option payments)	Future cost Full acquistion (Includes $ paid)	Exploration $ (Castillio prediction for 2013 & 2014)	Concession size Hectares	Value drivers Positive	Neutral	Negative	Prospectvity Enhancement Multiplier	Soverign and Tenement Risk Multiplier	Market Optimism	High Multiplier	Value Minimum * technical multiplier only	LOW VALUE * soverign & concession risk	PREFERRED VALUE	HIGH VALUE *market optimism	Extreme *2
Rio Rocin	Los Bayos	63%					105	Porpyhry copper-stye alteration											
	El Chilon	100%					2219			Little alteration in El Chilon									
	Chilon 1-11 (In process)	100%	$ -	$ -	$ -		2500		In application, not included in the value assessment per km² and/or expenditure propsectivity multiplier										
	Combined		$308,523	$399,350	$10,595,000	$3,060,000	2324	Within Central Chilean copper belt Signifcant holding of quartz-sericite-clay altered porphyry Walk-up drill target Oxidised pyrite mineralisatoin at surface Probable surface lithocap with potential supergene Cu-enrichment beneath	No drilling No past mining	No economic level assays from surface material	2	1.5	2	2	$617,046	$925,569	$1,150,000	$1,851,138	$3,702,276
Quebrada Huanta			$0	$0	$0	$288,000	5600		No exploration to date 2km from Rinconada deposit	No walk-up drill targets Exploration drivers not clear	1	2	2	2	$10,000	$20,000	$25,000	$40,000	$80,000
Posada	Castillio	100%					6900												
	JV	80%					188												
	Combined		$258,920	$160,000	$2,800,000	$1,400,000	7088	Within IOCG belt Splay to Atacama Fault Proximal and sminlar geolgoy to large scale IOCG deposits Continuous IP anomaly 3000 * 1500m Walk-up drill target Geophysics anomaly open to S	Gravel and sand cover Best results to date 0.22% Cu and o.42g/t Au in legacy diamond and aircore programmes Drill data from other past work not available Tentative iron 30 to 50 milion tonnes at 40 to 45% Fe		2	1.5	2	2	$517,840	$776,760	$1,000,000	$1,553,520	$3,107,040
Resguardo		100%	$33,380	$270,833	$6,500,000	$977,800	3820	Closed copper mine Production reported to be 100,000 tonnes at 2% Cu Southern end of Middle Tertiary porphyry copper belt Walk-up drill target Complex fault intersections Breccias and stockwork			4	2	2	2	$133,520	$267,040	$325,000	$534,080	$1,068,160
TOTAL							18,832								$1,278,406	$1,989,369	$2,500,000	$3,978,738	$7,957,476