

NOTICE OF GENERAL MEETING

Accompanied by an Explanatory Statement
& Proxy Form

This *notice of general meeting*,
explanatory statement and *proxy form* should be read in their entirety.

If you are in doubt as to how you should vote, you should seek advice from your accountant, solicitor or other professional advisor prior to voting.

If you wish to discuss this *notice of general meeting* or the accompanying documents, please do not hesitate to contact the *company secretary* on +61 (0) 8 6558 0886.

General Meeting to be held at the office of Blackwall Legal at Level 26, 140 St Georges Terrace, Perth, Western Australia on Friday, 27 March 2020, commencing at 10.00am WST

Castillo Copper Limited

ACN 137 606 476

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Key dates

25 March 2020 snapshot date for eligibility to vote

25 March 2020 last day for receipt of *proxy forms* *

27 March 2020 *general meeting*

* *proxy forms* received after 10.00am WST will be disregarded.

Notice of General Meeting

Notice is hereby given that the *general meeting* of Castillo Copper Limited ACN 137 606 476 (*CCZ* or *company*) will be held at **the office of Blackwall Legal at Level 26, 140 St Georges Terrace, Perth, Western Australia** on **Friday, 27 March 2020**, commencing at **10.00am WST**.

The *explanatory statement*, which accompanies and forms part of this *notice*, describes the various matters to be considered.

Terms used in this *notice*, unless the context otherwise requires, have the meanings given to them in the *glossary* set out in the *explanatory statement*.

Agenda

resolution Ratification of issue of placement securities

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

That the issue of 25,875,000 shares and 30,291,667 options to the 2019 placement participants is approved under and for the purposes of listing rule 7.4.

resolution Ratification of issue of broker securities

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

That the issue of 3,000,000 shares and 10,000,000 options to nominees of Merchant is approved under and for the purposes of listing rule 7.4.

resolution Ratification of issue of shares

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

That the issue of 750,000 shares to Samsco is approved under and for the purposes of listing rule 7.4.

resolution Ratification of issue of broker options

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

That the issue of 3,000,000 options to Hartleys (or its nominees) is approved under and for the purposes of listing rule 7.4.

resolution Approval for the issue of 2018 placement options

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

That the issue of 61,500,000 options to the 2018 placement participants is approved under and for the purposes of listing rule 7.1.

resolution Approval for the issue of broker shares

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

That the issue of 2,000,000 shares to Merchant (or its nominees) is approved under and for the purposes of listing rule 7.1.

resolution Approval for the issue of shares under the public offer

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

That the issue of up to 180,000,000 shares under the public offer in support of the company's proposed LSE dual listing is approved under and for the purposes of listing rule 7.1.

By order of the board of directors

Tim Slate
Company Secretary

24 February 2020

Proxy appointment, voting and meeting instructions

Lodgement of a proxy form

The *proxy form* (and any power of attorney or other authority, if any, under which it is signed) or a copy or facsimile which appears on its face to be an authentic copy of the *proxy form* (and the power of attorney or other authority) must be lodged with the *company* no later than **10.00am WST on Wednesday, 25 March 2020** being not later than 48 hours before the commencement of the *general meeting*. Any *proxy form* received after that time will not be valid. *Proxy forms* may be lodged:

online Automic Registry Services
As set out in the *proxy form*

by hand Automic Registry Services
Level 5
126 Phillip Street
Sydney NSW 2000

by mail Automic Registry Services
PO Box 5193
Sydney NSW 2001

Appointment of a proxy

A member of the *company* entitled to attend and vote at the *general meeting* is entitled to appoint a proxy. The proxy may, but need not be, a *shareholder* of the *company*.

If you wish to appoint the *chairman* as your proxy, mark the box. If the person you wish to appoint as your proxy is someone other than the *chairman*, please write the name of that person. If you leave this section blank, or your named proxy does not attend the *meeting*, the *chairman* will be your proxy.

You are entitled to appoint up to two persons as proxies to attend the *meeting* and vote on a poll. If you wish to appoint a second proxy, an additional *proxy form* may be obtained by telephoning the company secretary on +61 (0) 8 6558 0886 or you may photocopy the *proxy form*.

To appoint a second proxy, you must on each *proxy form* state (in the appropriate box) the percentage of your voting rights which are the subject of the relevant proxy. If both *proxy forms* do not specify that percentage, each proxy may exercise half your votes. Fractions of votes will be disregarded.

Corporate shareholders

Corporate *shareholders* should comply with the execution requirements set out on the *proxy form* or otherwise with the provisions of section 127 of the *Corporations Act*. Section 127 of the *Corporations Act* provides that a company may execute a document without using its common seal if the document is signed by:

- (a) two directors of the company;
- (b) a director and a company secretary of the company; or
- (c) for a proprietary company that has a sole director who is also the sole company secretary – that director.

Corporate representatives

A corporation may elect to appoint an individual to act as its representative in accordance with section 250D of the *Corporations Act*, in which case the *company* will require a certificate of appointment of the corporate representative executed in accordance with the *Corporations Act*. The certificate of appointment must be lodged with the *company* before the *general meeting* or at the registration desk on the day of the *general meeting*.

Votes on resolutions

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

Voting entitlement (snapshot date)

For the purposes of determining voting and attendance entitlements at the *general meeting*, *shares* will be taken to be held by the persons who are registered as holding the *shares* at **10.00am WST on Wednesday, 25 March 2020**. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the *general meeting*.

Voting exclusion statements

The *Corporations Act* and the *listing rules* require that certain persons must not vote, and the *company* will disregard any votes cast in favour by or on behalf of certain persons and their *associates*, on some of the *resolutions* to be considered at the *meeting*.

However, the *company* need not disregard a vote if it is cast in favour of a *resolution* by:

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

The *company* will disregard any votes cast in favour on a *resolution* as set out in the table below:

Resolution	Nature of resolution	Persons excluded from voting
1	Ratification of issue of <i>placement securities</i>	The 2019 <i>placement participants</i> , or any <i>associates</i> of those persons.
2	Ratification of issue of <i>broker securities</i>	The nominees of <i>Merchant</i> , or any <i>associates</i> of those persons.
3	Ratification of issue of <i>shares</i>	<i>Samso</i> , or any <i>associates</i> of <i>Samso</i> .
4	Ratification of issue of <i>broker options</i>	<i>Hartleys</i> , or any <i>associates</i> of <i>Hartleys</i> .
5	Approval for the issue of 2018 <i>placement options</i>	The 2018 <i>placement participants</i> , or any <i>associates</i> of those persons.
6	Approval for the issue of <i>broker shares</i>	<i>Merchant</i> , or any <i>associates</i> of <i>Merchant</i> .
7	Approval for the issue of <i>shares</i> under the <i>public offer</i>	Any person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the <i>company</i>), or any <i>associates</i> of those persons.

Explanatory statement

This *explanatory statement* has been prepared for the information of *shareholders* in relation to the business to be conducted at the *general meeting*.

The purpose of this *explanatory statement* is to provide *shareholders* with all information known to the *company* which is material to a decision on how to vote on the *resolutions* in the accompanying *notice of general meeting*.

This *explanatory statement* should be read in conjunction with the *notice of general meeting*.

Italicised terms in this *explanatory statement* and in the *notice* are defined in the *glossary* in *Schedule 1*.

1. RATIFICATION OF ISSUE OF 2019 PLACEMENT SECURITIES

1.1. Background

1.1.1. On 3 December 2019, the *company* issued 90,875,000 *shares* (**2019 placement shares**) and 30,291,667 *options* (**2019 placement options**) in a share placement to sophisticated and professional investors (**2019 placement**). The *2019 placement* raised \$1,817,500 (before costs).

1.1.2. 25,875,000 *2019 placement shares* and 30,291,667 *2019 placement options* were issued in accordance with *listing rule 7.1*. The balance of the *2019 placement shares* were issued in accordance with *listing rule 7.1A*.

1.2. Requirement for shareholder approval

1.2.1. Broadly speaking, and subject to a number of exceptions, *listing rule 7.1* limits the amount of *equity securities* that a listed company can issue without the approval of its shareholders over any 12-month period to 15% of the fully paid ordinary securities it had on issue at the start of that period. The *2019 placement* does not fit within any of these exceptions and, as it has not yet been approved by *shareholders*, it effectively uses up part of the 15% limit in *listing rule 7.1*, reducing the *company's* capacity to issue further *equity securities* without *shareholder* approval under *listing rule 7.1* for the 12-month period following the date of the *2019 placement*.

1.2.2. *Listing rule 7.4* allows the shareholders of a listed company to approve an issue of *equity securities* after it has been made or agreed to be made. If they do, the issue is taken to have been approved under *listing rule 7.1* and so does not reduce the

company's capacity to issue further *equity securities* without shareholder approval under that rule.

- 1.2.3. The *company* wishes to retain as much flexibility as possible to issue additional *equity securities* into the future without having to obtain *shareholder* approval for such issues under *listing rule 7.1*. To this end, *resolution 1* seeks *shareholder* approval for the *2019 placement* under and for the purposes of *listing rule 7.4*.
- 1.2.4. If *resolution 1* is passed, the *2019 placement* will be excluded in calculating the *company's* 15% limit in *listing rule 7.1*, effectively increasing the number of *equity securities* it can issue without *shareholder* approval over the 12-month period following the *2019 placement*.
- 1.2.5. If *resolution 1* is not passed, the *2019 placement* will be included in calculating the *company's* 15% limit in *listing rule 7.1*, effectively decreasing the number of *equity securities* it can issue without *shareholder* approval over the 12-month period following the date of the *2019 placement*.
- 1.2.6. Relevant information for the purposes of the *listing rules* is provided at *section 1.3*.

1.3. Required information – listing rules

Pursuant to *listing rule 7.5*, the following information is provided in respect of *resolution 1*:

- (a) on 3 December 2019, the *company* issued 25,875,000 *2019 placement shares* and 30,291,667 *2019 placement options* in accordance with *listing rule 7.1*;
- (b) the *2019 placement shares* issued in accordance *listing rule 7.1* with were issued at an issue price of \$0.02 and raised a total of \$517,500 (before costs);
- (c) the *2019 placement options* were issued for nil consideration, *the 2019 placement participants* having been offered one free attaching *option* for every three *2019 placement shares* subscribed for;
- (d) the *2019 placement shares* are fully paid ordinary shares in the capital of the *company* issued on the same terms and conditions as the *company's existing shares*; and
- (e) *shares* issued on exercise of *2019 placement options* 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) the securities issued under the *2019 placement* were issued to sophisticated and professional investors who are clients of *Merchant*, the lead manager;
- (g) the *2019 placement options* were issued on the terms set out in Schedule 3;

- (h) the funds raised under the *2019 placement* will be used for:
 - (i) exploration activities at the *company's* projects in NSW, Queensland and, on completion of the acquisition of *Zed Copper, Zambia*;
 - (ii) costs associated with the *LSE listing* process; and
 - (iii) the *company's* general working capital purposes;
- (i) if the maximum number of *2019 placement options* are exercised, the *company* will raise \$1,514,583; and
- (j) in accordance with *listing rules 7.5.8* and *14.11*, a voting exclusion statement is included in the *notice* in respect of *resolution 1*.

1.4. Directors' recommendation

The *directors* unanimously recommend that *shareholders* vote in favour of *resolution 1*.

2. RATIFICATION OF ISSUE OF BROKER SECURITIES

2.1. Background

On 3 December 2019, the *company* issued 3,000,000 *shares* and 10,000,000 *options* (***Merchant options***) to nominees of *Merchant* as a fee in respect of the *2019 placement* (***broker securities***) and in accordance with *listing rule 7.1* (***retainer***). The obligation to pay the *retainer* arose pursuant to an agreement dated 1 November 2019 pursuant to which *Merchant* agreed to provide capital raising and corporate advisory services to the *company* in consideration of:

- (a) a capital raising fee of 6.0% of the total amount of new capital raised by *Merchant* in any equity capital raising by the *company*;
- (b) the *retainer*; and
- (c) the issue of 2,000,000 *shares* at a nominal value of \$0.00001 per *share* as a success fee in respect of the *LSE listing* (noting that *resolution 6* seeks approval for the issue of these *shares*).

2.2. Requirement for shareholder approval

- 2.2.1. Broadly speaking, and subject to a number of exceptions, *listing rule 7.1* limits the amount of *equity securities* that a listed company can issue without the approval of its shareholders over any 12-month period to 15% of the fully paid ordinary securities it

had on issue at the start of that period. The issue of the *broker securities* does not fit within any of these exceptions and, as it has not yet been approved by *shareholders*, it effectively uses up part of the 15% limit in *listing rule 7.1*, reducing the *company's* capacity to issue further *equity securities* without *shareholder* approval under *listing rule 7.1* for the 12-month period following the date of issue of the *broker securities*.

- 2.2.2. *Listing rule 7.4* allows the shareholders of a listed company to approve an issue of *equity securities* after it has been made or agreed to be made. If they do, the issue is taken to have been approved under *listing rule 7.1* and so does not reduce the company's capacity to issue further *equity securities* without shareholder approval under that rule.
- 2.2.3. The *company* wishes to retain as much flexibility as possible to issue additional *equity securities* into the future without having to obtain *shareholder* approval for such issues under *listing rule 7.1*. To this end, *resolution 2* seeks *shareholder* approval for the issue of the *broker securities* under and for the purposes of *listing rule 7.4*.
- 2.2.4. If *resolution 2* is passed, the *broker securities* will be excluded in calculating the *company's* 15% limit in *listing rule 7.1*, effectively increasing the number of *equity securities* it can issue without *shareholder* approval over the 12-month period following the date of issue of the *broker securities*.
- 2.2.5. If *resolution 2* is not passed, the *broker securities* will be included in calculating the *company's* 15% limit in *listing rule 7.1*, effectively decreasing the number of *equity securities* it can issue without *shareholder* approval over the 12-month period following the date of issue of the *broker securities*.
- 2.2.6. Relevant information for the purposes of the *listing rules* is provided at section 2.3.

2.3. Required information

Pursuant to *listing rule 7.5*, the following information is provided in respect of *resolution 2*:

- (a) on 3 December 2019, the *company* issued 3,000,000 *shares* and 10,000,000 *options* pursuant to *listing rule 7.1*;
- (b) the *shares* were issued at an issue price of \$0.00001 and raised a total of \$30 (before costs);
- (c) the *Merchant options* were issued at an issue price of \$0.00001 and raised a total of \$100 (before costs);
- (d) the *shares* are fully paid ordinary shares in the capital of the *company* issued on the same terms and conditions as the *company's* existing *shares*;

- (e) *shares* issued on exercise of *Merchant options* 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) the *broker securities* were issued to nominees of *Merchant* as a retainer fee in respect of the *2019 placement*;
- (g) the *Merchant options* will be issued on the terms set out in Schedule 4;
- (h) the funds raised will be used for working capital purposes;
- (i) if the maximum number of *Merchant options* are exercised, the *company* will receive \$500,000; and
- (j) in accordance with *listing rules 7.5.8* and *14.11*, a voting exclusion statement is included in the *notice* in respect of *resolution 2*.

2.4. Directors' recommendation

The *directors* unanimously recommend that *shareholders* vote in favour of *resolution 2*.

3. RATIFICATION OF ISSUE OF SHARES

3.1. Background

On 3 December 2019, the *company* issued 750,000 *shares* (***Samso shares***) to *Samso* in consideration of digital content creation services provided by *Samso* and in accordance with *listing rule 7.1*.

3.2. Requirement for shareholder approval

- 3.2.1. Broadly speaking, and subject to a number of exceptions, *listing rule 7.1* limits the amount of *equity securities* that a listed company can issue without the approval of its shareholders over any 12-month period to 15% of the fully paid ordinary securities it had on issue at the start of that period. The issue of the *Samso shares* does not fit within any of these exceptions and, as it has not yet been approved by *shareholders*, it effectively uses up part of the 15% limit in *listing rule 7.1*, reducing the *company's* capacity to issue further *equity securities* without *shareholder* approval under *listing rule 7.1* for the 12-month period following the date of issue of the *Samso shares*.
- 3.2.2. *Listing rule 7.4* allows the shareholders of a listed company to approve an issue of *equity securities* after it has been made or agreed to be made. If they do, the issue is taken to have been approved under *listing rule 7.1* and so does not reduce the company's capacity to issue further *equity securities* without *shareholder* approval under that rule.

- 3.2.3. The *company* wishes to retain as much flexibility as possible to issue additional *equity securities* into the future without having to obtain *shareholder* approval for such issues under *listing rule 7.1*. To this end, *resolution 3* seeks *shareholder* approval for the issue of the *Samsø shares* under and for the purposes of *listing rule 7.4*.
- 3.2.4. If *resolution 3* is passed, the *Samsø shares* will be excluded in calculating the *company's* 15% limit in *listing rule 7.1*, effectively increasing the number of *equity securities* it can issue without *shareholder* approval over the 12-month period following the date of issue of the *Samsø shares*.
- 3.2.5. If *resolution 3* is not passed, the *Samsø shares* will be included in calculating the *company's* 15% limit in *listing rule 7.1*, effectively decreasing the number of *equity securities* it can issue without *shareholder* approval over the 12-month period following the date of issue of the *Samsø shares*.
- 3.2.6. Relevant information for the purposes of the *listing rules* is provided at *section 3.3*.

3.3. Required information – listing rules

Pursuant to *listing rule 7.5*, the following information is provided in respect of *resolution 3*:

- (a) on 3 December 2019, the *company* issued 750,000 *shares* to *Samsø* pursuant to *listing rule 7.1*;
- (b) the *Samsø shares* were issued at a deemed issue price of \$0.02;
- (c) the *Samsø shares* are fully paid ordinary shares in the capital of the *company* issued on the same terms and conditions as the *company's existing shares*; and
- (d) the *Samsø shares* were issued as consideration under an agreement for the provision of digital content creation services to be provided by *Samsø* for a 3-month period commencing on 1 October 2019; accordingly, no funds were raised by the issue of the *Samsø shares*; and
- (e) in accordance with *listing rules 7.5.8* and *14.11*, a voting exclusion statement is included in the *notice* in respect of *resolution 3*.

3.4. Directors' recommendation

The *directors* unanimously recommend that *shareholders* vote in favour of *resolution 3*.

4. RATIFICATION OF ISSUE OF BROKER OPTIONS

4.1. Background

On 31 December 2019, the *company* issued 3,000,000 *options* (***broker options***) to *Hartleys* as a broker fee in respect of an issue of convertible notes approved by *shareholders* at a general meeting of the *company* held on 6 November 2019 and in accordance with *listing rule 7.1* (***convertible notes***).

4.2. Requirement for shareholder approval

- 4.2.1. Broadly speaking, and subject to a number of exceptions, *listing rule 7.1* limits the amount of *equity securities* that a listed company can issue without the approval of its shareholders over any 12-month period to 15% of the fully paid ordinary securities it had on issue at the start of that period. The issue of the *broker options* does not fit within any of these exceptions and, as it has not yet been approved by *shareholders*, it effectively uses up part of the 15% limit in *listing rule 7.1*, reducing the *company's* capacity to issue further *equity securities* without *shareholder* approval under *listing rule 7.1* for the 12-month period following the date of issue of the *broker options*.
- 4.2.2. *Listing rule 7.4* allows the shareholders of a listed company to approve an issue of *equity securities* after it has been made or agreed to be made. If they do, the issue is taken to have been approved under *listing rule 7.1* and so does not reduce the company's capacity to issue further *equity securities* without shareholder approval under that rule.
- 4.2.3. The *company* wishes to retain as much flexibility as possible to issue additional *equity securities* into the future without having to obtain *shareholder* approval for such issues under *listing rule 7.1*. To this end, *resolution 4* seeks *shareholder* approval for the issue of the *broker options* under and for the purposes of *listing rule 7.4*.
- 4.2.4. If *resolution 4* is passed, the *broker options* will be excluded in calculating the *company's* 15% limit in *listing rule 7.1*, effectively increasing the number of *equity securities* it can issue without *shareholder* approval over the 12-month period following the date of issue of the *broker options*.
- 4.2.5. If *resolution 4* is not passed, the *broker options* will be included in calculating the *company's* 15% limit in *listing rule 7.1*, effectively decreasing the number of *equity securities* it can issue without *shareholder* approval over the 12-month period following the date of issue of the *broker options*.
- 4.2.6. Relevant information for the purposes of the *listing rules* is provided at section 4.3.

4.3. Required information

Pursuant to *listing rule 7.5*, the following information is provided in respect of *resolution 4*:

- (a) on 31 December 2019, the *company* issued 3,000,000 *options* pursuant to *listing rule 7.1*;
- (b) the *broker options* were issued to *Hartleys* for nil cash consideration pursuant to a mandate with *Hartleys* whereby *Hartleys* agreed to act as lead manager for the issue of the *convertible notes*; the mandate also provided for the payment of a fee of 3% of the amount raised on issue of the *convertible notes*;
- (c) *shares* issued on exercise of the *broker options* 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*;
- (d) the *broker options* were issued to *Hartleys* as a retainer fee in respect of the issue of convertible notes;
- (e) the *broker options* will be issued on the terms set out in Schedule 5;
- (f) if the maximum number of *Hartleys options* are exercised, the *company* will receive \$150,000; and
- (g) in accordance with *listing rules 7.5.8* and *14.11*, a voting exclusion statement is included in the *notice* in respect of *resolution 4*.

4.4. Directors' recommendation

The *directors* unanimously recommend that *shareholders* vote in favour of *resolution 4*.

5. APPROVAL FOR THE ISSUE OF 2018 PLACEMENT OPTIONS

5.1. Background

5.1.1. On 11 December 2018, the *company* issued 61,500,000 *shares* to the 2018 *placement participants (2018 placement)*. Under the terms of the *placement*, the 2018 *placement participants* are entitled to one free attaching *option* for every *share* subscribed for under the 2018 *placement (2018 placement options)*.

5.1.2. On 6 November 2019, *shareholders* approved the issue of the 2018 *placement options*. However, due to a typographical error, the expiry period for the 2018 *placement options*

was mis-stated. Accordingly, *resolution 5* seeks *shareholder* approval for the issue of the *2018 placement options* on terms inclusive of the correct expiry period.

5.2. Requirement for shareholder approval

- 5.2.1. Broadly speaking, and subject to a number of exceptions, *listing rule 7.1* limits the amount of *equity securities* that a listed company can issue without the approval of its shareholders over any 12-month period to 15% of the fully paid ordinary securities it had on issue at the start of that period. The issue of the *2018 placement options* does not fit within any of these exceptions.
- 5.2.2. Subject to *shareholders* ratifying the prior issues of *equity securities* under *resolutions 1 to 4*, the issue of the *2018 placement options* will not exceed the 15% limit in *listing rule 7.1* and can therefore be made without breaching that rule. However, the *company* wishes to retain as much flexibility as possible to issue additional *equity securities* into the future without having to obtain *shareholder* approval under *listing rule 7.1*. To do this, the *company* is asking *shareholders* to approve the issue of the *2018 placement options* under *listing rule 7.1* so that it does not use up any of the 15% limit on issuing *equity securities* without *shareholder* approval set out in *listing rule 7.1*.
- 5.2.3. To this end, *resolution 5* seeks *shareholder* approval to the issue of the *2018 placement options* under and for the purposes of *listing rule 7.1*.
- 5.2.4. If *resolution 5* is passed, the issue of the *2018 placement options* can proceed without using up any of the *company's* 15% limit on issuing *equity securities* without *shareholder* approval set out in *listing rule 7.1*.
- 5.2.5. If *resolution 5* is not passed, the issue of the *2018 placement options* can still proceed but it will reduce, to that extent, the *company's* capacity to issue *equity securities* without *shareholder* approval under *listing rule 7.1* for 12 months following the issue of the *2018 placement options*.

5.3. Required information

Pursuant to *listing rule 7.3*, the following information is provided in respect of *resolution 5*:

- (a) the *2018 placement options* will be issued to the *2018 placement participants*, being clients of *Hartleys*, the lead manager of the *2018 placement*;
- (b) the maximum number of *2018 placement options* to be issued is 61,500,000;
- (c) the *2018 placement options* will be issued no later than 3 months after the date of the *meeting* (or such later date permitted by any modification of the *listing rules*) and it is intended to issue all *2018 placement options* on the same date;

- (d) the 2018 *placement options* will be issued for nil consideration, 2018 *placement participants* having been offered one free attaching *option* for every *share* subscribed for under the 2018 *placement*; accordingly, no funds will be raised;
- (e) *shares* issued on exercise of 2018 *placement options* 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) the 2018 *placement options* will be issued on the terms set out in Schedule 6;
- (g) no funds will be raised by the issue of the *placement options*; however, if all 2018 *placement options* are exercised, the *company* will receive \$3,075,000; and
- (h) in accordance with *listing rules 7.3.9* and *14.11*, a voting exclusion statement is included in the *notice* in respect of *resolution 5*.

5.4. Directors' recommendation

The *directors* unanimously recommend that *shareholders* vote in favour of *resolution 5*.

6. APPROVAL FOR THE ISSUE OF BROKER SHARES

6.1. Background

The *company* has agreed to issue 2,000,000 *shares* to *Merchant* (or its nominees) as a success fee in respect of the *LSE listing (broker shares)*.

6.2. Requirement for shareholder approval

- 6.2.1. Broadly speaking, and subject to a number of exceptions, *listing rule 7.1* limits the amount of *equity securities* that a listed company can issue without the approval of its shareholders over any 12-month period to 15% of the fully paid ordinary securities it had on issue at the start of that period. The issue of the *broker shares* does not fit within any of these exceptions.
- 6.2.2. Subject to *shareholders* ratifying the prior issues of *equity securities* under *resolutions 1* to *4*, the issue of the *broker shares* will not exceed the 15% limit in *listing rule 7.1* and can therefore be made without breaching that rule. However, the *company* wishes to retain as much flexibility as possible to issue additional *equity securities* into the future without having to obtain *shareholder* approval under *listing rule 7.1*. To do this, the *company* is asking *shareholders* to approve the issue of the *broker shares* under *listing rule 7.1* so that it does not use up any of the 15% limit on issuing *equity securities* without *shareholder* approval set out in *listing rule 7.1*.

- 6.2.3. To this end, *resolution 6* seeks *shareholder* approval to the issue of the *broker shares* under and for the purposes of *listing rule 7.1*.
- 6.2.4. If *resolution 6* is passed, the issue of the *broker shares* can proceed without using up any of the *company's* 15% limit on issuing *equity securities* without *shareholder* approval set out in *listing rule 7.1*.
- 6.2.5. If *resolution 6* is not passed, the issue of the *broker shares* can still proceed but it will reduce, to that extent, the *company's* capacity to issue *equity securities* without *shareholder* approval under *listing rule 7.1* for 12 months following the issue of the *2018 placement options*.

6.3. Required information

Pursuant to *listing rule 7.3*, the following information is provided in respect of *resolution 6*:

- (a) the *broker shares* will be issued to *Merchant* or its nominees;
- (b) the maximum number of *broker shares* to be issued is 2,000,000;
- (c) the *broker shares* will be issued no later than 3 months after the date of the *meeting* (or such later date permitted by any modification of the *listing rules*) and it is intended to issue all *broker shares* on the same date;
- (d) the *broker shares* to be issued will be issued for \$0.00001 per *share*, raising a total of \$20;
- (e) the *broker shares* to be issued under *resolution 6* will be issued to *Merchant* (or its nominees) and will not be issued to any person who is a *related party* of the *company*;
- (f) the *broker shares* are fully paid ordinary shares in the capital of the *company* issued on the same terms and conditions as the *company's existing shares*; and
- (g) in accordance with *listing rules 7.3.9* and *14.11*, a voting exclusion statement is included in the *notice* in respect of *resolution 6*.

6.4. Directors' recommendation

The *directors* unanimously recommend that *shareholders* vote in favour of *resolution 6*.

7. APPROVAL FOR THE ISSUE OF SHARES UNDER THE PUBLIC OFFER

7.1. Background

- 7.1.1. *Resolution 7* seeks *shareholder* approval for the issue of up to 180,000,000 *shares* in a public offer (**public offer**) to facilitate the *company's* dual listing on the LSE (**LSE listing**). The issue of *shares* under the *public offer* will raise up to a total of £1,800,000 (before costs).
- 7.1.2. The *company* is currently pursuing the LSE listing with a view to applying for admission to the LSE in early 2020, subject to equity market conditions and the *company* receiving necessary regulatory approvals.
- 7.1.3. The *board* considers the LSE listing will be beneficial as it will allow the *company* to access a sizeable and diversified investor base in London that understands Australian and emerging African opportunities.
- 7.1.4. Further details of the LSE listing are set out in the *company's* announcement to ASX on 17 June 2019 and 10 July 2019.
- 7.1.5. The *directors* note that *shareholders* approved the *public offer* on 29 November 2019. However, the *listing rules* require that *shares* to be issued under the *public offer* be issued within 3 months of approval being obtained. Whilst it is possible that the *public offer* will be completed by the end of February 2020, the *directors* consider it more likely that it will be completed in March-April 2020; accordingly, they are taking the opportunity to “refresh” the *public offer* deadline to late April 2020.

7.2. Requirement for shareholder approval

- 7.2.1. Broadly speaking, and subject to a number of exceptions, *listing rule 7.1* limits the amount of *equity securities* that a listed company can issue without the approval of its shareholders over any 12-month period to 15% of the fully paid ordinary securities it had on issue at the start of that period. The issue of *shares* under the *public offer* does not fit within any of these exceptions and exceeds the 15% limit in *listing rule 7.1*. It therefore requires the approval of *shareholders* under *listing rule 7.1*.
- 7.2.2. *Resolution 7* seeks the required *shareholder* approval to the issue of *shares* under the *public offer* under and for the purposes of *listing rule 7.1*.
- 7.2.3. If *resolution 7* is passed, the issue of *shares* under the *public offer* can proceed and the *company* will be sufficiently capitalised to undertake its proposed exploration programs in Australia and Zambia. In addition, the issue of *shares* under the *public*

offer will be excluded from the calculation of the number of *equity securities* that the *company* can issue without *shareholder* approval under *listing rule 7.1*.

- 7.2.4. If *resolution 7* is not passed, the *company* intends to proceed with the issue of *shares* under the *public offer* utilising the *company's* placement capacity under *listing rule 7.1*. However, the extent to which the *company's* placement capacity under *listing rule 7.1* will accommodate the *public offer* will be dependent on the voting results for *resolutions 1 to 3* and *6*. If *shareholders* approve *resolutions 1 to 3* and *6* (and the *broker shares* are issued), the *company* will have the capacity to issue approximately 100 million *shares* under the *public offer*, raising approximately £1,000,000. If none of *resolutions 1 to 3* and *6* are approved, then the *company's* placement capacity under *listing rule 7.1* will be insufficient to proceed with the *public offer* and the *company* will re-evaluate its *LSE listing* strategy.

7.3. Required information – listing rules

Pursuant to *listing rule 7.3*, the following information is provided in respect of *resolution 7*:

- (a) *shares* to be issued under the *public offer* will be issued to subscribers to a prospectus to be lodged with the UK Financial Services Authority as part of the *company's* *LSE listing* strategy (**prospectus**);
- (b) the maximum number of *shares* that may be issued is 180,000,000;
- (c) the number of *shares* to be issued will be calculated using the below formula:

$$\frac{\pounds 1,800,000 \times \text{fx rate}}{\text{issue price}}$$

A sensitivity analysis of the number of *shares* that may be issued is set out below:

Proposed £1,800,000 raising		GBP issue price		
		£ 0.010	£ 0.013	£ 0.016
<i>fx rate</i> £1 = \$1.70	<i>shares</i> issued	180,000,000	138,561,538	112,500,000
	funds raised	\$3,060,000	\$3,060,000	\$3,060,000
	A\$ issue price	\$0.0170	\$0.0221	\$0.0272
<i>fx rate</i> £1 = \$1.80	<i>shares</i> issued	180,000,000	138,561,538	112,500,000
	funds raised	\$3,240,000	\$3,240,000	\$3,240,000
	A\$ issue price	\$0.0180	\$0.0234	\$0.0288
<i>fx rate</i> £1 = \$1.90	<i>shares</i> Issued	180,000,000	138,561,538	112,500,000
	funds raised	\$3,420,000	\$3,420,000	\$3,420,000
	A\$ issue price	\$0.0190	\$0.0247	\$0.0304

- (d) the *shares* will be issued no later than 3 months after the date of the *meeting* (or such later date permitted by any modification of the *listing rules*) and it is intended to issue all *shares* on the same date;
- (e) the *shares* will be issued at a price of at least 80% of the *volume-weighted average price volume-weighted average price* of the *company's shares* as traded on *ASX* over the 5-day period on which sales in the *company's shares* are recorded preceding the date of the *prospectus*;
- (f) the *shares* issued will be issued on the same terms and conditions as the *company's existing shares*.
- (g) the *company* proposes to use the funds raised under the *public offer* as follows:

Use of funds	A\$*
Scoping study for the Cangai Copper Mine	550,000
Geological mapping, geochemistry, ground physics and drone magnetic surveys to identify optimal test drilling targets at the Mt Oxide Project	650,000
Exploring the <i>company's</i> <i>Zambian</i> projects within 18 months from the date of the completion of the acquisition of <i>Zed Copper</i>	950,000
General corporate purposes supporting the <i>company's</i> exploration programs	650,000
Expenses incurred in connection with the <i>LSE listing</i>	600,000

(*Based on achieving maximum subscription under the *public offer* and an exchange rate of £1 equals A\$1.90.)

- (h) in accordance with *listing rules 7.3.9* and *14.11*, a voting exclusion statement is included in the *notice* in respect of *resolution 7*.

7.4. Directors' recommendation

The *directors* unanimously recommend that *shareholders* vote in favour of *resolution 7* so as to enable the *company* to undertake the *public offer* and pursue the *LSE listing*.

Schedule 1 – Glossary

2018 placement	has the meaning given in section 5.1.1 of the <i>explanatory statement</i> .
2018 placement options	has the meaning given in section 5.1.1 of the <i>explanatory statement</i> .
2018 placement participants	participants in the <i>2018 placement</i> .
2019 placement	has the meaning given in section 1.1.1 of the <i>explanatory statement</i> .
2019 placement options	has the meaning given in section 1.1.1 of the <i>explanatory statement</i> .
2019 placement options	has the meaning given in section 1.1.1 of the <i>explanatory statement</i> .
2019 placement participants	participants in the <i>2019 placement</i> .
associate	has the meaning given in Part 1.2, Division 2 of the <i>Corporations Act</i> , and shall be applied: (a) in accordance with the note to <i>listing rule 14.11</i> ; and (b) in respect of the disclosure required by <i>ASIC regulatory guide 74</i> .
ASIC	the Australian Securities and Investments Commission.
ASX	ASX Limited ACN 008 624 691, or where the context requires, the Australian Securities Exchange which it runs.
broker options	has the meaning given in section 4.1 of the <i>explanatory statement</i> .
broker securities	has the meaning given in section 2.1 of the <i>explanatory statement</i> .
broker shares	has the meaning given in section 0 of the <i>explanatory statement</i> .
business day	a day (other than a Saturday or a Sunday) on which banks in Perth, Western Australia are open for normal business.
chairman	the chairman of the <i>meeting</i> .
company	Castillo Copper Limited ACN 137 606 476, a public company registered in Australia and listed on <i>ASX</i> .
company secretary	the company secretary of the <i>company</i> .
Corporations Act	the <i>Corporations Act 2001</i> (Cth).

<i>director</i>	a director of the <i>company</i> .
<i>dollar, \$, A\$ or AUD</i>	the lawful currency for the time being of the Commonwealth of Australia.
<i>equity securities</i>	has the meaning given to that term in the <i>listing rules</i> .
<i>existing shares</i>	<i>shares</i> held by <i>shareholders</i> as at the date of this <i>notice</i> .
<i>explanatory statement</i>	this explanatory statement which accompanies and forms part of the <i>notice of general meeting</i> .
<i>fx rate</i>	the A\$/pound sterling exchange rate.
<i>general meeting or meeting</i>	the general meeting of <i>shareholders</i> convened by the <i>notice of general meeting</i> , or any meeting adjourned thereof.
<i>glossary</i>	this glossary of terms.
<i>Hartleys</i>	Hartleys Limited ACN 104 195 057 AFSL 230052.
<i>listing rules</i>	the official listing rules of <i>ASX</i> from time to time.
<i>LSE</i>	the London Stock Exchange.
<i>LSE listing</i>	has the meaning given in section 7.1.1 of the <i>explanatory statement</i> .
<i>Merchant</i>	Merchant Corporate Advisory Pty Ltd ACN 617 902 646 AFSR 1252806
<i>Merchant options</i>	has the meaning given in section 2.1 of the <i>explanatory statement</i> .
<i>notice of general meeting or notice</i>	this notice of general meeting.
<i>option</i>	an option to acquire a <i>share</i> .
<i>proxy form</i>	the proxy form accompanying this <i>notice of general meeting</i>
<i>public offer</i>	has the meaning given in section 7.1.1 of the <i>explanatory statement</i> .
<i>quotation</i>	official quotation as defined in the <i>listing rules</i> .
<i>related body corporate</i>	has the meaning given in sections 9 and 50 of the <i>Corporations Act</i> .
<i>related party</i>	has the meaning given in sections 9 and 228 of the <i>Corporations Act</i> .
<i>resolution</i>	a resolution set out in the <i>notice</i> .
<i>Samso</i>	Samso Pty Ltd ACN 612 163 925.
<i>schedule</i>	a schedule of the <i>explanatory statement</i> .

securities has the meaning given in section 92 of the *Corporations Act*.

share a fully paid ordinary share in the capital of the *company*.

shareholders the holders of *shares* from time to time.

WST Western Standard Time, being the time in Perth, Western Australia.

Zed Copper Zed Copper Pty Ltd ACN 634 154 331.

Schedule 2 – Additional information

1. SCOPE OF DISCLOSURE

- 1.1. The law requires this *explanatory statement* to set out all other information which is known to the *company* that is reasonably required to enable *shareholders* to decide whether or not it is in the *company's* interests to pass the *resolutions*.
- 1.2. The *company* is not aware of any relevant information that is material to a decision on how to vote on the *resolutions* other than as is disclosed in this *explanatory statement* or has been previously disclosed to *shareholders* by announcement to the *ASX*.

2. RECOMMENDATIONS, VOTING INTENTIONS AND INTERESTS OF DIRECTORS

- 2.1. The *directors* recommend that *shareholders* vote in favour of all *resolutions*.
- 2.2. As at the date of the *notice*:
 - (a) Ferber Holdings Pty Ltd ATF Scott Superannuation Fund, an entity associated with Mr Robert Scott, a *director*, holds 1,000,000 *shares* and 5,000,000 *options* – Mr Scott intends to cause Ferber Holdings Pty Ltd to vote in favour of all *resolutions*;
 - (b) Paulkiner Pty Ltd ATF the Paulkiner Superannuation Fund, an entity associated with Mr Simon Paull, a *director*, holds 1,000,000 *shares* and 6,000,000 *options* – Mr Paull intends to cause Paulkiner Pty Ltd to vote in favour of all *resolutions*.
 - (c) Mr Matthew Bull, a *director*, holds 106,000 *shares* – Mr Bull intends to vote in favour of all *resolutions*;
 - (d) Mr Gerrard Hall, jointly with Ms A Hall, holds 2,500,000 *shares* and Mr Gerrard Hall holds 3,000,000 *options* - Mr Hall and Ms Hall intend to vote in favour of all *resolutions*.

3. INDICATIVE VALUE OF NEW SECURITIES

The quantum of benefit to be received by holders of new *securities* proposed to be issued pursuant to *resolutions 5 to 7* will depend on the price at which *shares* may trade on *ASX*.

4. ASX ROLE

The fact that the *notice*, *explanatory statement* and other relevant document has been received or reviewed by *ASX* should not be taken as an indication of the merits of the *resolutions* or the *company* itself. *ASX* and its respective officers take no responsibility for any decision a *shareholder* may take in reliance on any of that documentation.

Schedule 3 –Terms and conditions of 2019 placement options

references to options	Each reference to <i>options</i> in this Schedule 3 is a reference to <i>2019 placement options</i> .
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entitlement	(a) Each <i>option</i> will entitle the holder to subscribe for one <i>share</i> . (b) All <i>shares</i> issued upon the exercise of the <i>options</i> will rank equally in all respects with the <i>company's</i> existing <i>shares</i> .
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exercise price	Each <i>option</i> will have an exercise price of \$0.05 (exercise price).
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exercise of options	(a) The <i>options</i> will expire at 5.00pm on 2 December 2022 (expiry date). (b) <i>Options</i> may be exercised at any time prior to the <i>expiry date</i> by completing and delivering a duly completed form of notice of exercise (exercise notice) to the registered office of the <i>company</i> , together with the payment of the <i>exercise price</i> in immediately available funds for the number of <i>shares</i> in respect of which the <i>options</i> are exercised (exercise payment). (c) Any <i>option</i> not exercised on or before the <i>expiry date</i> will lapse. (d) <i>Shares</i> issued pursuant to the exercise of <i>options</i> will be issued, and a holding statement in respect of those <i>shares</i> provided, not more than 15 <i>business days</i> after the receipt of a duly completed <i>exercise notice</i> and the <i>exercise payment</i> .
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quotation	(a) Application will not be made to <i>ASX</i> for quotation of the <i>options</i> . (b) Provided the <i>company</i> is listed on <i>ASX</i> at the time, application will be made for quotation of the <i>shares</i> issued upon exercise of <i>options</i> not later than 15 <i>business days</i> after the date of issue. (c) If required, the <i>company</i> will give <i>ASX</i> a notice that complies with section 708A(5)(e) of the <i>Corporations Act</i> , or, if such a notice delivered is for any reason not effective to ensure that an offer for sale of the <i>shares</i> does not require disclosure to investors, the <i>company</i> must, no later than 20 <i>business days</i> after becoming aware of such notice being ineffective, lodge with <i>ASIC</i> a prospectus prepared in accordance with the <i>Corporations Act</i> and do all such things necessary to satisfy section 708A(11) of the <i>Corporations Act</i> to ensure that an offer for sale of the <i>shares</i> does not require disclosure to investors.
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shareholder and regulatory approvals	(a) Notwithstanding any other provision of these terms and conditions, exercise of <i>options</i> into <i>shares</i> will be subject to the <i>company</i> obtaining all required (if any) <i>shareholder</i> and regulatory approvals for the purpose of issuing the <i>shares</i> to the holder. (b) If exercise of <i>options</i> would result in any person being in contravention of section 606(1) of the <i>Corporations Act</i> then the exercise of each <i>option</i> that would cause the contravention will be deferred until such time or times that
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the exercise would not result in a contravention of section 606(1) of the *Corporations Act*.

- (c) Holders must give notification to the *company* in writing if they consider that the exercise of *options* may result in the contravention of section 606(1) of the *Corporations Act*, failing which the *company* will be entitled to assume that the exercise of the *ptions* will not result in any person being in contravention of section 606(1) of the *Corporations Act*.
-

***participation
and
entitlements***

- (a) There are no participating rights or entitlements inherent in the *options* and holders will not be entitled to participate in new issues of *securities* offered to *shareholders* during the currency of the *options*.
- (b) The *company* must give notice to the holders of *options* of any new issue before the record date for determining entitlements to the issue in accordance with the *listing rules* so as to give holders the opportunity to exercise their *options* before the date for determining entitlements to participate in any issue.
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***reorganisation
of share capital***

In the event of a reorganisation (including consolidation, subdivision, reduction or return) of the issued capital of the *company*, all rights of holders of *options* shall be changed to the extent necessary to comply with the *Corporations Act* and the *listing rules* applying to a reorganisation of capital at the time of the reorganisation.

bonus issue

If, from time to time, before the expiry of the *options* the *company* makes a pro-rata issue of *shares* to *shareholders* for no consideration, the number of *shares* over which an *option* is exercisable will be increased by the number of *shares* which the *holder* would have received if the *option* had been exercised before the date for calculating entitlements to the pro-rata issue.

Schedule 4 – Terms and conditions of Merchant options

<i>references to options</i>	Each reference to <i>options</i> in this Schedule 4 is a reference to <i>Merchant options</i> .
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<i>entitlement</i>	(a) Each <i>option</i> will entitle the holder to subscribe for one <i>share</i> . (b) All <i>shares</i> issued upon the exercise of the <i>options</i> will rank equally in all respects with the <i>company's existing shares</i> .
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<i>exercise price</i>	Each <i>option</i> will have an exercise price of \$0.05 (<i>exercise price</i>).
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<i>exercise of options</i>	(a) The <i>options</i> will expire at 5.00pm on 2 December 2022 (<i>expiry date</i>). (b) <i>Options</i> may be exercised at any time prior to the <i>expiry date</i> by completing and delivering a duly completed form of notice of exercise (<i>exercise notice</i>) to the registered office of the <i>company</i> , together with the payment of the <i>exercise price</i> in immediately available funds for the number of <i>shares</i> in respect of which the <i>options</i> are exercised (<i>exercise payment</i>). (c) Any <i>option</i> not exercised on or before the <i>expiry date</i> will lapse. (d) <i>Shares</i> issued pursuant to the exercise of <i>options</i> will be issued, and a holding statement in respect of those <i>shares</i> provided, not more than 15 <i>business days</i> after the receipt of a duly completed <i>exercise notice</i> and the <i>exercise payment</i> .
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<i>quotation</i>	(a) Application will not be made to <i>ASX</i> for quotation of the <i>options</i> . (b) Provided the <i>company</i> is listed on <i>ASX</i> at the time, application will be made for quotation of the <i>shares</i> issued upon exercise of <i>options</i> not later than 15 <i>business days</i> after the date of issue. (c) If required, the <i>company</i> will give <i>ASX</i> a notice that complies with section 708A(5)(e) of the <i>Corporations Act</i> , or, if such a notice delivered is for any reason not effective to ensure that an offer for sale of the <i>shares</i> does not require disclosure to investors, the <i>company</i> must, no later than 20 <i>business days</i> after becoming aware of such notice being ineffective, lodge with <i>ASIC</i> a prospectus prepared in accordance with the <i>Corporations Act</i> and do all such things necessary to satisfy section 708A(11) of the <i>Corporations Act</i> to ensure that an offer for sale of the <i>shares</i> does not require disclosure to investors.
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<i>shareholder and regulatory approvals</i>	(a) Notwithstanding any other provision of these terms and conditions, exercise of <i>options</i> into <i>shares</i> will be subject to the <i>company</i> obtaining all required (if any) <i>shareholder</i> and regulatory approvals for the purpose of issuing the <i>shares</i> to the holder.
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- (b) If exercise of *options* would result in any person being in contravention of section 606(1) of the *Corporations Act* then the exercise of each *option* that would cause the contravention will be deferred until such time or times that the exercise would not result in a contravention of section 606(1) of the *Corporations Act*.
- (c) Holders must give notification to the *company* in writing if they consider that the exercise of *options* may result in the contravention of section 606(1) of the *Corporations Act*, failing which the *company* will be entitled to assume that the exercise of the *options* will not result in any person being in contravention of section 606(1) of the *Corporations Act*.
-

***participation
and
entitlements***

- (a) There are no participating rights or entitlements inherent in the *options* and holders will not be entitled to participate in new issues of *securities* offered to *shareholders* during the currency of the *options*.
- (b) The *company* must give notice to the holders of *options* of any new issue before the record date for determining entitlements to the issue in accordance with the *listing rules* so as to give holders the opportunity to exercise their *options* before the date for determining entitlements to participate in any issue.
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***reorganisation
of share capital***

In the event of a reorganisation (including consolidation, subdivision, reduction or return) of the issued capital of the *company*, all rights of holders of *options* shall be changed to the extent necessary to comply with the *Corporations Act* and the *listing rules* applying to a reorganisation of capital at the time of the reorganisation.

bonus issue

If, from time to time, before the expiry of the *options* the *company* makes a pro-rata issue of *shares* to *shareholders* for no consideration, the number of *shares* over which an *option* is exercisable will be increased by the number of *shares* which the *holder* would have received if the *option* had been exercised before the date for calculating entitlements to the pro-rata issue.

Schedule 5 - Terms and conditions of broker options

references to options	Each reference to <i>options</i> in this Schedule 5 is a reference to <i>broker options</i> .
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entitlement	<p>(a) Each <i>option</i> will entitle the holder to subscribe for one <i>share</i>.</p> <p>(b) All <i>shares</i> issued upon the exercise of the <i>options</i> will rank equally in all respects with the <i>company's</i> existing <i>shares</i>.</p>
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exercise price	Each <i>option</i> will have an exercise price of \$0.05 (exercise price).
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exercise of options	<p>(a) The <i>options</i> will expire at 5.00pm on the day that is 3 years from the date of issue (expiry date).</p> <p>(b) <i>Options</i> may be exercised at any time prior to the <i>expiry date</i> by completing and delivering a duly completed form of notice of exercise (exercise notice) to the registered office of the <i>company</i>, together with the payment of the <i>exercise price</i> in immediately available funds for the number of <i>shares</i> in respect of which the <i>options</i> are exercised (exercise payment).</p> <p>(c) Any <i>option</i> not exercised on or before the <i>expiry date</i> will lapse.</p> <p>(d) <i>Shares</i> issued pursuant to the exercise of <i>options</i> will be issued, and a holding statement in respect of those <i>shares</i> provided, not more than 15 <i>business days</i> after the receipt of a duly completed <i>exercise notice</i> and the <i>exercise payment</i>.</p>
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quotation	<p>(a) Application will not be made to <i>ASX</i> for quotation of the <i>options</i>.</p> <p>(b) Provided the <i>company</i> is listed on <i>ASX</i> at the time, application will be made for quotation of the <i>shares</i> issued upon exercise of <i>options</i> not later than 15 <i>business days</i> after the date of issue.</p> <p>(c) If required, the <i>company</i> will give <i>ASX</i> a notice that complies with section 708A(5)(e) of the <i>Corporations Act</i>, or, if such a notice delivered is for any reason not effective to ensure that an offer for sale of the <i>shares</i> does not require disclosure to investors, the <i>company</i> must, no later than 20 <i>business days</i> after becoming aware of such notice being ineffective, lodge with <i>ASIC</i> a prospectus prepared in accordance with the <i>Corporations Act</i> and do all such things necessary to satisfy section 708A(11) of the <i>Corporations Act</i> to ensure that an offer for sale of the <i>shares</i> does not require disclosure to investors.</p>
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shareholder and regulatory approvals	<p>(a) Notwithstanding any other provision of these terms and conditions, exercise of <i>options</i> into <i>shares</i> will be subject to the <i>company</i> obtaining all required (if any) <i>shareholder</i> and regulatory approvals for the purpose of issuing the <i>shares</i> to the holder.</p> <p>(b) If exercise of <i>options</i> would result in any person being in contravention of section 606(1) of the <i>Corporations Act</i> then the exercise of each <i>option</i> that would cause the contravention will be deferred until such time or times that</p>
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the exercise would not result in a contravention of section 606(1) of the *Corporations Act*.

- (c) Holders must give notification to the *company* in writing if they consider that the exercise of *options* may result in the contravention of section 606(1) of the *Corporations Act*, failing which the *company* will be entitled to assume that the exercise of the *options* will not result in any person being in contravention of section 606(1) of the *Corporations Act*.
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***participation
and
entitlements***

- (a) There are no participating rights or entitlements inherent in the *options* and holders will not be entitled to participate in new issues of *securities* offered to *shareholders* during the currency of the *options*.
- (b) The *company* must give notice to the holders of *options* of any new issue before the record date for determining entitlements to the issue in accordance with the *listing rules* so as to give holders the opportunity to exercise their *options* before the date for determining entitlements to participate in any issue.
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***reorganisation
of share capital***

In the event of a reorganisation (including consolidation, subdivision, reduction or return) of the issued capital of the *company*, all rights of holders of *options* shall be changed to the extent necessary to comply with the *Corporations Act* and the *listing rules* applying to a reorganisation of capital at the time of the reorganisation.

bonus issue

If, from time to time, before the expiry of the *options* the *company* makes a pro-rata issue of *shares* to *shareholders* for no consideration, the number of *shares* over which an *option* is exercisable will be increased by the number of *shares* which the *holder* would have received if the *option* had been exercised before the date for calculating entitlements to the pro-rata issue.

Schedule 6 - Terms and conditions of 2018 placement options

<i>references to options</i>	Each reference to <i>options</i> in this Schedule 6 is a reference to <i>2018 placement options</i> .
<i>entitlement</i>	<ul style="list-style-type: none">(a) Each <i>option</i> will entitle the holder to subscribe for one <i>share</i>.(b) All <i>shares</i> issued upon the exercise of the <i>options</i> will rank equally in all respects with the <i>company's existing shares</i>.
<i>exercise price</i>	Each <i>option</i> will have an exercise price of \$0.05 (<i>exercise price</i>).
<i>exercise of options</i>	<ul style="list-style-type: none">(a) The <i>options</i> will expire at 5.00pm on the day that is 3 years from the date of issue (<i>expiry date</i>).(b) <i>Options</i> may be exercised at any time prior to the <i>expiry date</i> by completing and delivering a duly completed form of notice of exercise (<i>exercise notice</i>) to the registered office of the <i>company</i>, together with the payment of the <i>exercise price</i> in immediately available funds for the number of <i>shares</i> in respect of which the <i>options</i> are exercised (<i>exercise payment</i>).(c) Any <i>option</i> not exercised on or before the <i>expiry date</i> will lapse.(d) <i>Shares</i> issued pursuant to the exercise of <i>options</i> will be issued, and a holding statement in respect of those <i>shares</i> provided, not more than 15 <i>business days</i> after the receipt of a duly completed <i>exercise notice</i> and the <i>exercise payment</i>.
<i>quotation</i>	<ul style="list-style-type: none">(a) Application will be made to <i>ASX</i> for quotation of the <i>options</i>.(b) Provided the <i>company</i> is listed on <i>ASX</i> at the time, application will be made for quotation of the <i>shares</i> issued upon exercise of <i>options</i> not later than 15 <i>business days</i> after the date of issue.(c) If required, the <i>company</i> will give <i>ASX</i> a notice that complies with section 708A(5)(e) of the <i>Corporations Act</i>, or, if such a notice delivered is for any reason not effective to ensure that an offer for sale of the <i>shares</i> does not require disclosure to investors, the <i>company</i> must, no later than 20 <i>business days</i> after becoming aware of such notice being ineffective, lodge with <i>ASIC</i> a prospectus prepared in accordance with the <i>Corporations Act</i> and do all such things necessary to satisfy section 708A(11) of the <i>Corporations Act</i> to ensure that an offer for sale of the <i>shares</i> does not require disclosure to investors.
<i>shareholder and regulatory approvals</i>	<ul style="list-style-type: none">(a) Notwithstanding any other provision of these terms and conditions, exercise of <i>options</i> into <i>shares</i> will be subject to the <i>company</i> obtaining all required (if any) <i>shareholder</i> and regulatory approvals for the purpose of issuing the <i>shares</i> to the holder.

- (b) If exercise of *options* would result in any person being in contravention of section 606(1) of the *Corporations Act* then the exercise of each *option* that would cause the contravention will be deferred until such time or times that the exercise would not result in a contravention of section 606(1) of the *Corporations Act*.
- (c) Holders must give notification to the *company* in writing if they consider that the exercise of *options* may result in the contravention of section 606(1) of the *Corporations Act*, failing which the *company* will be entitled to assume that the exercise of the *options* will not result in any person being in contravention of section 606(1) of the *Corporations Act*.
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***participation
and
entitlements***

- (a) There are no participating rights or entitlements inherent in the *options* and holders will not be entitled to participate in new issues of *securities* offered to *shareholders* during the currency of the *options*.
- (b) The *company* must give notice to the holders of *options* of any new issue before the record date for determining entitlements to the issue in accordance with the *listing rules* so as to give holders the opportunity to exercise their *options* before the date for determining entitlements to participate in any issue.
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***reorganisation
of share capital***

In the event of a reorganisation (including consolidation, subdivision, reduction or return) of the issued capital of the *company*, all rights of holders of *options* shall be changed to the extent necessary to comply with the *Corporations Act* and the *listing rules* applying to a reorganisation of capital at the time of the reorganisation.

bonus issue

If, from time to time, before the expiry of the *options* the *company* makes a pro-rata issue of *shares* to *shareholders* for no consideration, the number of *shares* over which an *option* is exercisable will be increased by the number of *shares* which the *holder* would have received if the *option* had been exercised before the date for calculating entitlements to the pro-rata issue.
