

**CASTILLO COPPER LIMITED**  
**ACN 137 606 476**  
**NOTICE OF ANNUAL GENERAL MEETING**

Notice is given that the Meeting will be held at:

**TIME:** 11:00 am (WST)

**DATE:** Tuesday, 30 November 2021

**PLACE:** 45 Ventnor Avenue, West Perth WA 6005

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

***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.***

***The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 11:00 am (WST) on Sunday, 28 November 2021.***

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## BUSINESS OF THE MEETING

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### AGENDA

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#### 1. FINANCIAL STATEMENTS AND REPORTS

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2021 together with the declaration of the Directors, the Director's report, the Remuneration Report and the auditor's report.

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#### 2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

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

*"That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's annual financial report for the financial year ended 30 June 2021."*

**Note: the vote on this Resolution is advisory only and does not bind the Directors or the Company.**

A voting prohibition statement applies to this Resolution. Please see below.

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#### 3. RESOLUTION 2 – ELECTION OF DIRECTOR – MR GEOFF REED

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 12.3(j) of the Constitution, Listing Rule 14.4 and for all other purposes, Mr Geoff Reed, a Director who was appointed as an additional Director on 16 August 2021, retires, and being eligible, is elected as a Director."*

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#### 4. RESOLUTION 3 – RE-ELECTION OF DIRECTOR – MR GERRARD HALL

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 12.3 of the Constitution and for all other purposes, Mr Gerrard Hall, a Director, retires by rotation, and being eligible, is re-elected as a Director."*

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#### 5. RESOLUTION 4 – APPROVAL OF 7.1A MANDATE

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

*"That, for the purposes of Listing Rule 7.1A and for all other purposes, approval is given for the Company to issue up to that number of Equity Securities equal to 10% of the issued capital of the Company at the time of issue, calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and otherwise on the terms and conditions set out in the Explanatory Statement."*

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**6. RESOLUTION 5 – APPROVAL TO ISSUE SHARES TO DEPCO DRILLING**

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

*"That, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue 1,502,387 Shares on the terms and conditions set out in the Explanatory Statement."*

A voting exclusion statement applies to this Resolution. Please see below.

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**7. RESOLUTION 6 – ISSUE OF OPTIONS TO RELATED PARTY – MR GEOFF REED**

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

*"That, for the purposes of Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 3,000,000 Options to Mr Geoff Reed (and/or his nominees) on the terms and conditions set out in the Explanatory Statement."*

A voting exclusion statement and voting prohibition statement applies to this Resolution. Please see below.

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**Dated: 29 October 2021**

**By order of the Board**

**Mr Dale Hanna  
Company Secretary**

## Voting Prohibition Statements

<b>Resolution 1 – Adoption of Remuneration Report</b>	<p>A vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:</p> <ul style="list-style-type: none"> <li>(a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or</li> <li>(b) a Closely Related Party of such a member.</li> </ul> <p>However, a person (the <b>voter</b>) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:</p> <ul style="list-style-type: none"> <li>(a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or</li> <li>(b) the voter is the Chair and the appointment of the Chair as proxy: <ul style="list-style-type: none"> <li>(i) does not specify the way the proxy is to vote on this Resolution; and</li> <li>(ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.</li> </ul> </li> </ul>
<b>Resolution 6 – Issue of Options to Related Party - Mr Geoff Reed</b>	<p>A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:</p> <ul style="list-style-type: none"> <li>(a) the proxy is either: <ul style="list-style-type: none"> <li>(i) a member of the Key Management Personnel; or</li> <li>(ii) a Closely Related Party of such a member; and</li> </ul> </li> <li>(b) the appointment does not specify the way the proxy is to vote on this Resolution.</li> </ul> <p>However, the above prohibition does not apply if:</p> <ul style="list-style-type: none"> <li>(a) the proxy is the Chair; and</li> <li>(b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.</li> </ul>

## Voting Exclusion Statements

In accordance with Listing Rule 14.11, the Company will disregard any votes cast in favour of the Resolution set out below by or on behalf of the following persons:

<b>Resolution 5 – Approval to issue Shares to Depco Drilling</b>	<p>A 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 Company) (namely, Depco Drilling (and its nominees)) or an associate of that person or those persons.</p>
<b>Resolution 6 – Issue of Options to Related Party - Mr Geoff Reed</b>	<p>Mr Geoff Reed (and/or his nominees) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons.</p>

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

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:

- For personal use only
- (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.

### **Voting by proxy**

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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, Shareholders are advised that:

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

Shareholders and their proxies should be aware 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.

### **Voting in person**

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

***Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company on +61 8 9389 4407.***

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## EXPLANATORY STATEMENT

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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.

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### 1. FINANCIAL STATEMENTS AND REPORTS

In accordance with the Corporations Act, the business of the Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2021 together with the declaration of the Directors, the Directors' report, the Remuneration Report and the auditor's report.

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so. The Company's annual financial report is available on its website at **[www.castillocopper.com](http://www.castillocopper.com)**.

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### 2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

#### 2.1 General

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the company or the directors of the company.

The remuneration report sets out the company's remuneration arrangements for the directors and senior management of the company. The remuneration report is part of the directors' report contained in the annual financial report of the company for a financial year.

The chair of the meeting must allow a reasonable opportunity for its shareholders to ask questions about or make comments on the remuneration report at the annual general meeting.

#### 2.2 Voting consequences

A company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene a shareholder meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

All of the directors of the company who were in office when the directors' report (as included in the company's annual financial report for the most recent financial year) was approved, other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting those persons whose election or re-election as directors of the company is approved will be the directors of the company.

## 2.3 Previous voting results

At the Company's previous annual general meeting the votes cast against the remuneration report considered at that annual general meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for this Annual General Meeting.

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## 3. RESOLUTION 2 – ELECTION OF DIRECTOR – MR GEOFF REED

### 3.1 General

The Constitution allows the Directors to appoint at any time a person to be a Director either to fill a casual vacancy or as an addition to the existing Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

Pursuant to the Constitution and Listing Rule 14.4, any Director so appointed holds office only until the next annual general meeting and is then eligible for election by Shareholders but shall not be taken into account in determining the Directors who are to retire by rotation (if any) at that meeting.

Mr Geoff Reed, having been appointed by other Directors on 16 August 2021 in accordance with the Constitution, will retire in accordance with the Constitution and Listing Rule 14.4 and being eligible, seeks election from Shareholders.

### 3.2 Qualifications and other material directorships

Mr Reed, who is based in New South Wales, is a geologist with over 25 years' experience focused on GIS and 3D technical work. Most of Mr Reed's experience relates to underground / open-cut metalliferous mining and various exploration projects.

During his career, Mr Reed has undertaken geological and resource management roles across several regions in Australia including Mt Isa / Century in Queensland and Broken Hill / Cobar in New South Wales.

Incrementally, Mr Reed has worked on numerous international projects in Europe (Finland, Ireland, Portugal, Spain, Sweden), Africa (Angola, South Africa), Asia (China, Indonesia, Mongolia) and Canada.

Prior to establishing his own consultancy in 2008, Mr Reed held positions as a mine geologist with MIM/Xstrata in Mt Isa and Pasinco / Perilya in Broken Hill.

Whilst Mr Reed is well versed in base-and-precious metals, he has worked on numerous copper-gold projects and has spent a considerable amount of time in the Mt Isa region. Consequently, this knowledge will be invaluable to CCZ as it progresses development work at the Big One Deposit and Arya Prospect in the Mt Isa copper-belt.

Mr Reed can provide Mineral Resource Estimations for metalliferous projects as a Competent Person in accordance with the JORC Code or a Qualified Person for technical reports that meet NI-43-101 standards.

Further, Mr Reed has a Bachelor of Applied Science (Geology) from the University of Technology (Sydney), with memberships at the Australian Institute of Geoscientists and Australasian Institute of Mining and Metallurgy.



### 3.3 Independence

Mr Reed has no interests, position or relationship that might influence, or reasonably be perceived to influence, in a material respect his capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the Company as a whole rather than in the interests of an individual security holder or other party.

If elected, the Board considers Mr Reed will be an independent Director.

### 3.4 Other material information

The Company undertakes comprehensive reference checks prior to appointing a director or putting that person forward as a candidate to ensure that person is competent, experienced, and would not be impaired in any way from undertaking the duties of director. The Company undertook such checks prior to the appointment of Mr Reed.

Mr Reed has confirmed that he considers he will have sufficient time to fulfil his responsibilities as a Non-Executive Director of the Company and does not consider that any other commitment will interfere with his availability to perform his duties as a Non-Executive Director of the Company.

### 3.5 Board recommendation

The Board has reviewed Mr Reed's performance since his appointment to the Board and considers that Mr Reed's skills and experience will continue to enhance the Board's ability to perform its role. Accordingly, the Board supports the election of Mr Reed and recommends that Shareholders vote in favour of Resolution 2.

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## 4. RESOLUTION 3 – RE-ELECTION OF DIRECTOR – MR GERRARD HALL

### 4.1 General

The Constitution sets out the requirements for determining which Directors are to retire by rotation at an annual general meeting.

Mr Gerrard Hall, who has served as a Director since 23 June 2019 and was elected on 6 November 2019, retires by rotation and seeks re-election.

### 4.2 Qualifications and other material directorships

For the past several years, Mr Hall has been aligned with SI Capital, working as a director in corporate finance and broking division. Mr Hall's core responsibilities encompass managing corporate relationships, broadening the HNW client base and business development.

In a varied career, spanning circa 25 years, Mr Hall has gained considerable frontline and managerial experience across a broad spectrum of financial products, with notable institutions. From 1994-2004, he worked with JP Morgan then UBS, focused mostly on trading equity & treasury derivatives as a primary trader and on behalf of clients, generating significant alpha during this period.

Subsequently, Mr Hall spent six years in Bahrain, mostly with Saudi National Commercial Bank, as a Business Head of Asset Management & Treasury Products. Notably, he established the Structured Investment Product division and grew it into sub-business unit that generated US\$20m in annual revenues within four years.

Upon returning to the UK in 2010, Mr Hall joined Barclays Wealth as a Head of Strategic Appliances for the MENA region. In this role, he negotiated distribution agreements with Middle East banks and expanded the footprint across the Gulf States and into Egypt primarily.

Following a two-year hiatus to complete post-graduate studies, Mr Hall established his own strategic management consultancy in mid-2013 and has undertaken engagements for blue-chip groups including BFC Bank, Northern Trust Natixis and HSBC.

Mr Hall has a Bachelor of Arts, with honours in Economics & Finance from the University of Greenwich as well as an MBA and Masters of Science in Financial Management from Edinburgh Business School.

#### **4.3 Independence**

If re-elected, the Board considers Mr Hall will be an independent Director.

#### **4.4 Board recommendation**

The Board has reviewed Mr Hall's performance since his appointment to the Board and considers that Mr Hall's skills and experience will continue to enhance the Board's ability to perform its role. Accordingly, the Board supports the re-election of Mr Hall and recommends that Shareholders vote in favour of Resolution 3.

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### **5. RESOLUTION 4 – APPROVAL OF 7.1A MANDATE**

#### **5.1 General**

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.

However, under Listing Rule 7.1A, an eligible entity may seek shareholder approval by way of a special resolution passed at its annual general meeting to increase this 15% limit by an extra 10% to 25% (**7.1A Mandate**).

An 'eligible entity' means an entity which is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300,000,000 or less. The Company is an eligible entity for these purposes.

As at the date of this Notice, the Company is an eligible entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of \$46.73 million (based on the number of Shares on issue and the closing price of Shares on the ASX on 11 October 2021).

Resolution 4 seeks Shareholder approval by way of special resolution for the Company to have the additional 10% placement capacity provided for in Listing Rule 7.1A to issue Equity Securities without Shareholder approval.

If Resolution 4 is passed, the Company will be able to issue Equity Securities up to the combined 25% limit in Listing Rules 7.1 and 7.1A without any further Shareholder approval.

If Resolution 4 is not passed, the Company will not be able to access the additional 10% capacity to issue Equity Securities without Shareholder approval under Listing

Rule 7.1A, and will remain subject to the 15% limit on issuing Equity Securities without Shareholder approval set out in Listing Rule 7.1.

## **5.2 Technical information required by Listing Rule 7.1A**

Pursuant to and in accordance with Listing Rule 7.3A, the information below is provided in relation to Resolution 4:

### **(a) Period for which the 7.1A Mandate is valid**

The 7.1A Mandate will commence on the date of the Meeting and expire on the first to occur of the following:

- (i) the date that is 12 months after the date of this Meeting;
- (ii) the time and date of the Company's next annual general meeting; and
- (iii) the time and date of approval by Shareholders of any transaction under Listing Rule 11.1.2 (a significant change in the nature or scale of activities) or Listing Rule 11.2 (disposal of the main undertaking).

### **(b) Minimum price**

Any Equity Securities issued under the 7.1A Mandate must be in an existing quoted class of Equity Securities and be issued at a minimum price of 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed by the entity and the recipient of the Equity Securities; or
- (ii) if the Equity Securities are not issued within 10 trading days of the date in Section 5.2(b)(i), the date on which the Equity Securities are issued.

### **(c) Use of funds raised under the 7.1A Mandate**

The Company intends to use funds raised from issues of Equity Securities under the 7.1A Mandate for:

- (i) the potential acquisition of new resources, assets and investments (including expenses associated with such an acquisition);
- (ii) continued exploration, feasibility studies and project development expenditure on the Company's current assets; and/or
- (iii) general working capital.

### **(d) Risk of Economic and Voting Dilution**

Any issue of Equity Securities under the 7.1A Mandate will dilute the interests of Shareholders who do not receive any Shares under the issue.

If Resolution 4 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 7.1A Mandate, the economic and voting dilution of existing Shares would be as shown in the table below.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in Listing Rule 7.1A.2, on the basis of the closing market price of Shares and the number of Equity Securities on issue or proposed to be issued as at 11 October 2021.

The table also shows the voting dilution impact where the number of Shares on issue (Variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 7.1A Mandate.

Number of Shares on Issue (Variable A in Listing Rule 7.1A.2)		Shares issued – 10% voting dilution	Dilution		
			Issue Price		
			\$0.018	\$0.036	\$0.054
			50% decrease	Issue Price	50% increase
			Funds Raised		
Current	1,299,505,355	129,950,535	\$2,339,109	\$4,678,219	\$7,017,328
50% increase	1,949,258,033	194,925,803	\$3,508,664	\$7,017,328	\$10,525,993
100% increase	2,599,010,710	259,901,071	\$4,678,219	\$9,356,438	\$14,034,657

\*The number of Shares on issue (Variable A in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issue or scrip issued under a takeover offer) or that are issued with Shareholder approval under Listing Rule 7.1.

**The table above uses the following assumptions:**

1. There are currently 1,298,002,968 Shares on issue being the existing Shares on issue as at the date of this Notice of Meeting plus 1,502,387 Shares to be issued the subject of Resolution 5.
2. The issue price set out above is the closing market price of the Shares on the ASX on 11 October 2021 (being \$0.036).
3. The Company issues the maximum possible number of Equity Securities under the 7.1A Mandate.
4. The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in Listing Rule 7.2 or with approval under Listing Rule 7.1.
5. The issue of Equity Securities under the 7.1A Mandate consists only of Shares. It is assumed that no Options are exercised into Shares before the date of issue of the Equity Securities. If the issue of Equity Securities includes quoted Options, it is assumed that those quoted Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
6. The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
7. This table does not set out any dilution pursuant to approvals under Listing Rule 7.1 unless otherwise disclosed.

8. The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
9. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 7.1A Mandate, based on that Shareholder's holding at the date of the Meeting.

Shareholders should note that there is a risk that:

- (i) the market price for the Company's Shares may be significantly lower on the issue date than on the date of the Meeting; and
- (ii) the Shares may be issued at a price that is at a discount to the market price for those Shares on the date of issue.

(e) **Allocation policy under the 7.1A Mandate**

The recipients of the Equity Securities to be issued under the 7.1A Mandate have not yet been determined. However, the recipients of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the recipients at the time of the issue under the 7.1A Mandate, having regard to the following factors:

- (i) the purpose of the issue;
- (ii) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue, share purchase plan, placement or other offer where existing Shareholders may participate;
- (iii) the effect of the issue of the Equity Securities on the control of the Company;
- (iv) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;
- (v) prevailing market conditions; and
- (vi) advice from corporate, financial and broking advisers (if applicable).

(f) **Previous approval under Listing Rule 7.1A**

The Company previously obtained approval from its Shareholders pursuant to Listing Rule 7.1A at its annual general meeting held on 26 November 2020 (**Previous Approval**).

During the 12-month period preceding the date of the Meeting, being on and from 30 November 2020, the Company issued 97,502,707 Shares pursuant to the Previous Approval (**Previous Issues**), which represent approximately 6.37% of the total diluted number of securities on issue in the Company on 30 November 2020, which was 1,530,833,479.

Further details of the issues of Equity Securities by the Company pursuant to Listing Rule 7.1A.2 during the 12 month period preceding the date of the Meeting are set out in Schedule 1.

### 5.3 Voting Exclusion Statement

As at the date of this Notice, the Company is not proposing to make an issue of Equity Securities under Listing Rule 7.1A. Accordingly, a voting exclusion statement is not included in this Notice.

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## 6. RESOLUTION 5 – APPROVAL TO ISSUE SHARES TO DEPCO DRILLING

### 6.1 General

The Company is proposing to issue an aggregate of 1,502,387 Shares (subject to rounding) to Depco Drilling (and/or its nominees) in part consideration for drilling services provided by Depco Drilling (**Consideration Shares**) on the following basis:

- (a) 591,396 Consideration Shares to satisfy 20% of an invoice dated 7 September 2021 totalling \$97,580.40 (excluding GST) (**First Invoice**) using a deemed issue price of \$0.033; and
- (b) 910,991 Consideration Shares to satisfy 20% of an invoice dated 3 August 2021 totalling \$136,648.56 (excluding GST) (**Second Invoice**) using a deemed issue price of \$0.030.

### 6.2 Listing Rule 7.1

As summarised in Section 5.1 above, 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 shares it had on issue at the start of that period.

The proposed issue of the Consideration Shares does not fit within any of the exceptions set out in Listing Rule 7.2. While the issue does not exceed the 15% limit in Listing Rule 7.1 and can therefore be made without breaching that rule, the Company wishes to retain as much flexibility as possible to issue additional equity securities in the future without having to obtain Shareholder approval under Listing Rule 7.1. Accordingly, the Company is seeking Shareholder approval pursuant to Listing Rule 7.1 so that it does not use up any of its 15% placement capacity under Listing Rule 7.1.

### 6.3 Technical information required by Listing Rule 14.1A

If Resolution 5 is passed, the Company will be able to proceed with the issue of the Consideration Shares. In addition, the issue of the Consideration Shares will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 5 is not passed, the issue of the Consideration 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.

Resolution 5 seeks Shareholder approval for the purposes of Listing Rule 7.1 for the issue of the Consideration Shares.

### 6.4 Technical information required by Listing Rule 7.1

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to Resolution 5:

- For personal use only
- (a) the Consideration Shares will be issued to Depco Drilling (and/or its nominees);
  - (b) the maximum number of Consideration Shares to be issued is 1,502,387. The Consideration 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;
  - (c) 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 Listing Rules) and it is intended that issue of the Consideration Shares will occur on the same date;
  - (d) the Consideration Shares will be issued at a nil issue price, in consideration for drilling services provided by Depco Drilling in order to satisfy part payment of the First Invoice and the Second Invoice;
  - (e) the purpose of the issue of the Consideration Shares is to satisfy the Company's obligations to satisfy part payment of the First Invoice and the Second Invoice for drilling services as detailed at Section 6.1 above;
  - (f) the Consideration Shares are not being issued under an agreement; and
  - (g) the Consideration Shares are not being issued under, or to fund, a reverse takeover.

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## **7. RESOLUTION 6 – ISSUE OF OPTIONS TO RELATED PARTY – MR GEOFF REED**

### **7.1 General**

The Company has agreed, subject to obtaining Shareholder approval, to issue 3,000,000 Options (**Options**) to Mr Geoff Reed (and/or his nominees) on the terms and conditions set out below.

Resolution 6 seeks Shareholder approval for the issue of the Options to Mr Reed (and/or his nominees).

### **7.2 Chapter 2E of the Corporations Act**

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

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

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

The issue of Options to Mr Reed (and/or his nominees) constitutes giving a financial benefit and Mr Reed is a related party of the Company by virtue of being a Director.

The Directors (other than Mr Reed who has a material personal interest in the Resolution) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the grant of Options because the

agreement to issue the Options, reached as part of the remuneration package for Mr Reed, is considered reasonable remuneration in the circumstances and was negotiated on an arm's length basis.

### **7.3 Listing Rule 10.11**

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

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

unless it obtains the approval of its shareholders.

The issue of Options falls within Listing Rule 10.11.1 and does not fall within any of the exceptions in Listing Rule 10.12. It therefore requires the approval of Shareholders under Listing Rule 10.11.

Resolution 6 seeks the required Shareholder approval for the issue of the Options to Mr Reed (and/or his nominees) under and for the purposes of Listing Rule 10.11.

### **7.4 Technical information required by Listing Rule 14.1A**

If Resolution 6 is passed, the Company will be able to proceed with the issue of the Options to Mr Reed (and/or his nominees) within one month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules). As approval pursuant to Listing Rule 7.1 is not required for the issue of the Options (because approval is being obtained under Listing Rule 10.11), the issue of the Options will not use up any of the Company's 15% annual placement capacity.

If Resolution 6 is not passed, the Company will not be able to proceed with the issue of the Options to Mr Reed (and/or his nominees). As a result, the Board may consider other forms of performance linked incentive components to the remuneration package of Mr Reed.

### **7.5 Technical Information required by Listing Rule 10.13**

Pursuant to and in accordance with Listing Rule 10.13, the following information is provided in relation to Resolution 6:

- (a) the Options will be issued to Mr Reed (and/or his nominees), who falls within the category set out in Listing Rule 10.11.1 as Mr Reed is a related party of the Company by virtue of being a Director;



- For personal use only
- (b) the maximum number of Options to be issued is 3,000,000;
  - (c) the terms and conditions of the Options are set out in Schedule 2;
  - (d) the Options will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that issue of the Options will occur on the same date;
  - (e) the issue price of the Options will be nil. The Company will not receive any other consideration in respect of the issue of the Options (other than in respect of funds received on exercise of the Options);
  - (f) the purpose of the issue of the Options is to provide a performance linked incentive component in the remuneration package for Mr Reed to motivate and reward his performance as a Director and to provide cost effective remuneration to Mr Reed, enabling the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to Mr Reed;
  - (g) the current total remuneration package for Mr Reed is \$60,000 per annum, comprising of directors' fees and is inclusive of statutory superannuation. If the Options are issued, the total remuneration package of Mr Reed, for the June 2022 financial year, will increase by \$56,271 to \$116,271, being the value of the Options (based on the Black Scholes methodology using certain inputs determined reasonable by the Company); and
  - (h) the Options are not being issued under an agreement.

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## GLOSSARY

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\$ means Australian dollars.

**7.1A Mandate** has the meaning given in Section 5.1.

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

**ASIC** means the Australian Securities & Investments Commission.

**Associate** has the meaning given to that term in the Listing Rules.

**ASX** means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

**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.

**Chair** means the chair of the Meeting.

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

- (i) a spouse or child of the member;
- (j) a child of the member's spouse;
- (k) a dependent of the member or the member's spouse;
- (l) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (m) a company the member controls; or
- (n) a person prescribed by the Corporations Regulations 2001 (Cth) for the purposes of the definition of 'closely related party' in the Corporations Act.

**Company** means Castillo Copper 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.

**Equity Securities** includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security.

**Explanatory Statement** means the explanatory statement accompanying the Notice.

**Key Management Personnel** has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or

indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

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

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

**Option** means an option to acquire a Share.

**Optionholder** means a holder of an Option.

**Proxy Form** means the proxy form accompanying the Notice.

**Remuneration Report** means the remuneration report set out in the Director's report section of the Company's annual financial report for the year ended 30 June 2021.

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

**Section** means a section of the Explanatory Statement.

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

**Shareholder** means a registered holder of a Share.

**Variable A** means "A" as set out in the formula in Listing Rule 7.1A.2.

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

## SCHEDULE 1 – ISSUES OF EQUITY SECURITIES UNDER LISTING RULE 7.1A SINCE 30 NOVEMBER 2020

Date	Recipients	Number and Class of Equity Securities Issued	Issue price and discount to Market Price (if applicable) <sup>3</sup>	Total Cash Consideration and Use of Funds
Issue – 15 June 2021 Appendix 2A – 15 June 2021	Professional and sophisticated investors as part of a placement announced on 4 June 2021. The placement participants were identified through a bookbuild process, which involved CPS Capital Group Pty Ltd seeking expressions of interest to participate in the placement from non-related parties of the Company.	97,502,707 Shares <sup>1,2</sup>	\$0.042 per Share (2.33% discount to the market price).	<p>Amount raised: \$4,095,114 (from Shares issued under the Company's 7.1A placement capacity only)</p> <p>Amount spent: \$nil<sup>5</sup></p> <p>Use of funds: to progress the Company's exploration campaigns at its Mt Oxide and Zambia pillar, along with potentially designing exploration campaigns at its Cangai and Broken Hill pillars and for general working capital purposes.</p> <p>Amount remaining: \$4,095,114</p> <p>Proposed use of remaining funds<sup>4</sup>: to progress the Company's exploration campaigns at its Mt Oxide and Zambia pillar, along with potentially designing exploration campaigns at its Cangai and Broken Hill pillars and for general working capital purposes.</p>

### Notes:

1. Fully paid ordinary shares in the capital of the Company, ASX Code: CCZ (terms are set out in the Constitution).
2. The Company passed a resolution to ratify this issue of 97,502,707 Shares on 30 July 2021 pursuant to the Company's Extraordinary General Meeting held on that date. Refer to the Company's announcement in relation to the Notice of Extraordinary General Meeting on 30 June 2021 and results of the meeting on 30 July 2021.
3. Market Price means the closing price of Shares on ASX (excluding special crossings, overnight sales and exchange traded option exercises). For the purposes of this table the discount is calculated on the Market Price on the last trading day on which a sale was recorded prior to the date of issue of the relevant Equity Securities.
4. This is a statement of current intentions as at the date of this Notice. As with any budget, intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way the funds are applied on this basis.
5. On 4 June 2021, the Company announced to ASX that it had raised gross proceeds of \$11.7m. At the date of this Notice of Meeting, only funds raised under 7.1 and cash reserves that existed at the time had been utilised. Funds raised under 7.1A funds are yet to be utilised.

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## SCHEDULE 2 – TERMS AND CONDITIONS OF OPTIONS

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### 1. Entitlement

The Options entitle the holder to subscribe for one Share upon exercise of each Option.

### 2. Exercise Price and Expiry Date

The Options have an exercise price of \$0.08 (**Exercise Price**) and an expiry date of 5.00pm (WST) on 31 July 2024 (**Expiry Date**).

### 3. Exercise Period

The Options are exercisable at any time on or prior to the Expiry Date. If an Option is not exercised before the Expiry Date it will automatically lapse (and thereafter be incapable of exercise).

### 4. Notice of Exercise

The Options may be exercised by notice in writing to the Company (Notice of Exercise) and payment of the Exercise Price for each Option being exercised.

### 5. 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 by the Company as cleared funds of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

### 6. Shares issued on exercise

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

### 7. Quotation of Shares on exercise

Application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Options.

### 8. Timing of issue of Shares

Within 5 Business Days after the later of the following:

- (a) the Exercise Date; and
- (b) 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,

the Company will:

- (c) allot and issue the Shares pursuant to the exercise of the Options;
- (d) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act or lodge a prospectus with ASIC that qualifies the Shares for resale under section 708A(11) of the Corporations Act; and

- (e) apply for Official Quotation on ASX of Shares issued pursuant to the exercise of the Options.

**9. Participation in new issues**

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

**10. Adjustment for bonus issue 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):

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

**11. Adjustment for rights issue**

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

**12. Adjustment for reorganisation**

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

**13. Quotation of Options**

The Company will not apply for Official Quotation of the Options on ASX.

**14. Options transferable**

The Options are transferable provided that the transfer of the Options complies with section 707(3) of the Corporations Act and with prior written consent of the Board.

**15. Vesting**

The Options are exercisable at any point between the date of issue and up to and including the Expiry Date.



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Castillo Copper Limited | ACN 137 606 476

# Proxy Voting Form

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

Holder Number:

Your proxy voting instruction must be received by **11.00am (WST) on Sunday, 28 November 2021**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

## SUBMIT YOUR PROXY VOTE ONLINE

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

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

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



## SUBMIT YOUR PROXY VOTE BY PAPER

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

### YOUR NAME AND ADDRESS

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

### STEP 1 – APPOINT A PROXY

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

### DEFAULT TO THE CHAIR OF THE MEETING

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

### STEP 2 - VOTES ON ITEMS OF BUSINESS

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

### APPOINTMENT OF SECOND PROXY

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

### SIGNING INSTRUCTIONS

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

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

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

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

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

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

### CORPORATE REPRESENTATIVES

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

