CASTILLO COPPER LIMITED

(formerly known as Oakland Resources Limited)

ABN 52 137 606 476

Annual Report

30 June 2013

Corporate Directory

Directors

Mr. Brian McMaster (Non-Executive Chairman)
Dr. Nicholas Lindsay (Managing Director)
Mr. Scott Funston (Executive Director)
Mr. Daniel Crennan (Non-Executive Director)

Company Secretary

Mr. David McEntaggart

Registered Office and Principal Place of Business

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330 Churchill Avenue,
Subiaco, WA 6008
Australia
Telephone: + 618 9200 4491
Facsimile: + 618 9200 4469

Share Registry

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Level 2, Reserve Bank Building
45 St Georges Terrace
Perth, WA 6000
Telephone: + 618 9323 2000
Facsimile: + 618 9323 2033

Auditors

RSM Bird Cameron Partners
8 St Georges Terrace
Perth WA 6000 Australia

Stock Exchange Listing

Australian Securities Exchange
(Home Exchange: Perth, Western Australia)
ASX Code: CCZ

Contents

Castillo Copper Limited - Directors' Report

The directors of Castillo Copper Limited and its subsidiaries ("Castillo" or the "Group") submit the financial report of the Group for the year ended 30 June 2013. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

DIRECTORS

The names, qualifications and experience of the Group's Directors in office during the year and until the date of this report are as follows. Directors were in office for this entire financial year unless otherwise stated.

Mr. Brian McMaster –Non-Executive Chairman (appointed 31 August 2013)

Mr. McMaster is a Chartered Accountant and has 20 years' experience in the area of corporate reconstruction and turnaround / performance improvement. Mr. McMaster's experience includes numerous reorganisations and turnarounds, including being instrumental in the recapitalisation and listing of 12 Australian companies on the ASX. Mr. McMaster was a previous partner of the restructuring firm, Korda Mentha, and prior to that was a partner at Ernst & Young. His experience includes significant working periods in the United States, South America, Asia and India.

Mr. McMaster is currently a Director of Lindian Resources Limited (appointed 20 June 2011), Caravel Energy Limited (appointed 2 December 2011), Wolf Petroleum Limited (appointed 24 April 2012), The Waterberg Coal Company Limited (appointed 17 April 2012), Black Star Petroleum Limited (appointed 9 August 2012), Paradigm Metals Limited (appointed 14 September 2012) and Firestone Energy Limited (appointed 14 June 2013). He has not held any other listed directorships in the past three years.

Dr. Nicholas Lindsay - Executive Director (appointed 21 May 2013)

Dr. Lindsay has over 25 years' experience in the global mining industry, with focus on the technical and commercial assessment, and the development of new business opportunities in various commodities including copper, gold and iron ore in Australia, Former Soviet Union, South Africa and South America (Chile, Peru and Argentina). He has worked in both the major and junior mining sectors, and as an Independent Consultant based in Chile, a country with which he has a long association. He has a BSc Honours degree in Geology and an MBA from the University of Otago (New Zealand), and a PhD from the University of the Witwatersrand (South Africa).

Dr. Lindsay is a member of the Australian Institute of Geoscientists and the AusIMM. Dr. Lindsay's key experience is the recognition, assessment and management of new business opportunities in the copper, zinc, gold, titanium mineral sands, coal and iron ore sectors; including mergers and acquisitions, portfolio restructuring and disposals. Dr. Lindsay also has extensive experience with the commercial development of mineral properties.

Dr. Lindsay is currently a director of Voyager Resources Limited (appointed 12 June 2009) and a director of Laguna Resources Limited which has now been delisted (appointed 6 August 2009, delisted 15 February 2012).

Scott Funston - Executive Director (appointed 19 November 2012)

Mr. Funston is a qualified Chartered Accountant and Company Secretary with more than 10 years' experience in the mining industry and the accounting profession. His expertise is financial management, regulatory compliance and corporate advice. Mr. Funston possesses a strong knowledge of the Australian Securities Exchange requirements and currently assists or has previously assisted a number of resources companies operating throughout Australia, South America, Asia, USA and Canada with financial accounting, stock exchange compliance and regulatory activities.

Mr. Funston is currently a Director of Lindian Resources Limited (appointed 5 May 2011), Avanco Resources Limited (appointed 17 March 2009), The Waterberg Coal Company Limited (appointed 5 April 2013) and Highfield Resources Limited (appointed 2 November 2012). He has not held any other listed Directorships over the past three years.

Mr. Daniel Crennan – Non-Executive Director (appointed 21 May 2013)

Mr. Crennan completed his Articles at Griffith Hack Patent and Trade Mark Attorneys, Lawyers. He also completed a research internship at the International Criminal Tribunal for former Yugoslavia in the Hague under Judge Richard May. Daniel co-authored the Law Council of Australia submission to the Joint Standing Committee on Treaties in relation to the establishment of the International Criminal Court. Whilst undertaking his law degree, Mr. Crennan studied Public International Law at Leiden University, the Netherlands. Mr. Crennan appears primarily in major commercial disputes or prosecutions conducted by regulators.

Mr. Crennan is currently a director of ASX listed Haranga Resources Limited (appointed 28 March 2012) and The Waterberg Coal Company Limited (appointed 12 April 2012). He was also previously a director of Hunnu Coal Limited.

Mr. William Ryan –former Non-Executive Chairman (appointed 21 May 2013, resigned 31 August 2013)

Mr Ryan holds a Masters degree in Chemical Engineering and has over 40 years' experience in mining, metallurgy and management. His career has included 4 years in metallurgical research at Amdel in Adelaide, 11 years at Endeavour Resources Limited in Melbourne, and a brief role at Bond Resources in 1981 to 1982. Following this, Mr Ryan provided consultancy services through Rytech Pty Ltd. In 1987, Mr Ryan took control of what became Titan Resources NL and resigned from that position after 17 years in June 2004.

Mr Ryan was the President of the influential mining lobby group AMEC for 5 years (1995 – 2000), a Councillor of the WA Chamber of Minerals and Energy for 2 years and an inaugural Councillor of the Australian Gold Council. He is a Fellow of the Australasian Institute of Mining and Metallurgy and a Fellow of the Australian Institute of Company Directors.

Mr. Matthew Wood – former Executive Chairman (appointed 19 November 2012, resigned 21 May 2013)

Mr. Wood has over 20 years' experience in the resource sector with both major and junior resource companies and has extensive experience in the technical and economic evaluation of resource projects throughout the world. Mr. Wood's expertise is in project identification, negotiation, acquisition and corporate development. Mr. Wood has an Honours degree in Geology from the University of New South Wales in Australia and a graduate certificate in mineral economics from the Western Australian School of Mines.

Mr. Vernon Tidy – former Non-Executive Director (resigned 21 May 2013)

Mr. Tidy has more than 25 years' experience in the resource sector. He was previously a partner with Ernst & Young where he headed that firm's Perth office Mining and Metals group. He has also worked in their Sydney and Port Moresby offices.

During his time at Ernst & Young he worked with a broad range of companies ranging from multi-national mining, multi commodity producers and junior explorers through to support companies to the industry. He primarily serviced listed companies. His experience includes dealing with major industry transactions, fund raisings, restructures and initial public offers. He has assisted companies listing on ASX, AIM and TSX.

Mr. Tidy has a Bachelor of Business degree from Curtin University, is a Fellow of the Institute of Chartered Accountants in Australia and is a member of the Australian Institute of Company Directors.

Mr. Mark Arundell – former Managing Director (resigned 19 November 2012)

Mr. Arundell has over 25 years' experience in the mining industry working for major companies such as Rio Tinto, North Ltd and Renison Goldfields Consolidated. Mr. Arundell has a Masters of Economic Geology degree from the University of Tasmania, an Honours degree in Geology from the University of Melbourne and a Graduate Certificate in Management from Deakin University. Mr. Arundell is a member of the Australian Institute of Geoscientists.

Mr. Arundell has extensive experience in New South Wales having been involved in the development of the Lucky Draw gold mine (RGC), discovery and evaluation of the Hackneys Creek and Spring Gully gold deposits and as exploration leader for the Northparkes and Lake Cowal projects (North). Mr. Arundell has also worked at Mt Lyell and Henty and thus brings a wealth of experience in gold related Volcanic Massive Sulphide mineralisation to the Company.

Mr. Anthony Polglase – former Non-Executive Director (resigned 19 November 2012)

With over 30 years multi-disciplined mining experience across ten different countries, Mr. Polglase is qualified in mechanical and electrical engineering with an Honours degree in Metallurgy from the Camborne School of Mines, UK. Mr. Polglase has acquired detailed knowledge relating to the development and operation of gold, copper, lead, zinc and tin projects and has either been responsible for or closely involved with the commissioning of more than seven mining projects. Project management including critical evaluation, implementation and commissioning are Mr. Polglase's strengths. Mr. Polglase has a demonstrated ability of successfully bringing projects on line in the most challenging of environments.

Mr. David McEntaggart – Company Secretary (appointed 19 November 2012)

Mr. McEntaggart has a Bachelor of Commerce and is a qualified Chartered Accountant with experience in the mining industry and accounting profession. His experience includes exposure to Australian and international resource companies. Mr. McEntaggart provides services to a number of companies specialising in financial accounting and securities exchange compliance.

INTERESTS IN THE SECURITIES OF THE GROUP

As at the date of this report, the interests of the Directors in the securities of Castillo Copper Limited were:

Director	Ordinary Shares	Options over ordinary shares exercisable at 10 cents
B. McMaster	1,270,000	1,750,000
N. Lindsay	5,765,001	-
S. Funston	2,895,001	750,000
D Crennan	500,000	-

RESULTS OF OPERATIONS

The net loss of the Group for the year after income tax was $633,333 (2012: $1,587,680) and the net assets of the Group at 30 June 2013 was $3,171,186 (2012: $1,443,367).

DIVIDENDS

No dividend was paid or declared by the Group in the year and up to the date of this report.

CORPORATE STRUCTURE

Castillo Copper Limited is a company limited by shares that is incorporated and domiciled in Australia.

NATURE OF OPERATIONS AND PRINCIPAL ACTIVITIES

During the financial year, the principal activity was mineral exploration and examination of new resource opportunities. The Group currently holds copper projects in Chile and gold projects in Australia.

EMPLOYEES

The Group had no employees at 30 June 2013 (2012:Nil).

REVIEW OF OPERATIONS

During the year the Company completed the acquisition of Castillo Exploration Limited (formerly Castillo Copper Limited). The acquisition of Castillo Exploration enhanced the project portfolio of the Company through ownership of highly prospective Chilean Copper projects.

Exploration activity on the Chilean properties was completed in preparation for drilling in the spring and summer of 2013/14.

RIO ROCIN COPPER PROJECT

The Rio Rocin project consists of 4,650 hectares of concessions located approximately 140 km north of Santiago in the San Felipe Province of the Valparaiso Region, on the same structural trend that hosts giant porphyry copper mines such as El Teniente (Codelco), Los Bronces (Anglo American), Andina (Codelco) and Los Pelambres (Antofagasta Minerals).

The two sectors of the project (2,200 ha) known as El Chilón and Los Bayos are granted mining concessions under option and positioned within the Andrés-Amos porphyry copper cluster. This was discovered by the Anglo Cominco joint venture in the 1980s and is now partially held by Teck Resources. Los Bayos (63% Castillo) forms a classic leached cap overlying porphyry copper mineralisation, whereas Chilón (100% Castillo) is the southern sector contiguous with Los Bayos.

The Company also has 2,450 hectares of additional exploration claims in the vicinity of Los Bayos and Chilón sectors. These are yet to be tested.

Geology

The project area covers a significant portion of a northerly trending quartz-sericite-clay altered, mineralised diorite porphyry, which intrudes the Upper Cretaceous-Lower Tertiary and Miocene volcano-sedimentary formations of central Chile.

Los Bayos sector is interpreted to be a leached cap over the mineralised porphyry, with El Chilón connected to the system by a regional north-south trending reverse fault. The principal target for exploration is supergene mineralisation which may provide a higher grade for development than might occur in the primary mineralisation. It is thought that the supergene, which would be generated from strong acid leaching at Los Bayos, has been deposited below it and laterally in the Chilón sector using the principal structure as a conduit.

Exploration

Two phases of exploration have been undertaken and completed. In the first phase, detailed geological mapping confirmed the identification and nature of the Andrés-Amos porphyry copper cluster and the location of Rio Rocin properties within that feature.

The second phase comprised a comprehensive geophysical exploration, which included ground magnetics, induced polarisation (dipole-dipole) and resistivity. The ground magnetics programme generated a magnetic low under Los Bayos sector and northern-most part of the Chilón sector. On the basis of the ground magnetic work, two north-south lines were surveyed by induced polarisation and resistivity methods.

The IP/resistivity (dipole-dipole) programme was designed to penetrate 400 metres, which was deemed necessary to pick a full profile for potential mineralisation. The two lines were 4,000 metres long and 500 metres apart, with measurements taken every 150 metres. The results of the IP and resistivity work show the presence of three anomalies that require drill testing for supergene mineralisation. These coincide with the magnetic lows at Los Bayos and northern Chilón and are high quality anomalies that are thought to provide indicators of supergene sulphide mineralisation.

Drilling

The identification and definition of geophysical anomalies for testing is a major advance in this project. The next phase is drilling. A programme of 2,000 metres of diamond drilling is being planned for execution in the early summer of late 2013.

POSADA AND RESGUARDO COPPER PROJECTS

Posada

The Posada project area (6,100 hectares) is located 60 km south of Copiapo on the copper-iron belt of Northern Chile. Exploration work has focused on the identification of an iron oxide copper gold (IOCG) target hosted within the Mesozoic arc volcanics. Induced Polarisation (IP) and resistivity work conducted in 2012 identified a large 4 x 1 km anomaly. Recent ground magnetics has helped elucidate structural features and assisted in planning the next stage in exploration, which is drilling. A programme of 2,000 metres of reverse circulation and diamond drilling is planned to test the anomaly for mineralisation.

Resguardo

The Resguardo project area (1,840 hectares) is located 95 km north east of Copiapo at the southern end of the Middle Tertiary porphyry copper belt that hosts the Salvador and Potrerillos porphyry copper mines. Exploration work has focused on expanding the metallogenic footprint of the copper breccia pipe and mine on the property, with alteration mapping and ground magnetics. This has revealed the structural elements and defined drill targets. About 2,000 metres of reverse circulation drilling is being planned.

CORPORATE

Following completion of the acquisition of Castillo Exploration Ltd, Mr William Ryan, Dr Nicholas Lindsay and Mr Daniel Crennan were appointed to the Board of Directors with Mr Matthew Wood and Mr Vernon Tidy resigning. Mr Scott Funston was appointed to the Board during the year whilst Mr Mark Arundell and Mr Anthony Polglase also resigned during the year. On 31 August 2013, Mr Brian McMaster was appointed to the Board as Non-Executive Chairman following the resignation of Mr William Ryan.

Castillo Copper maintains an aggressive position in continuous assessment of new opportunities as they arise in Chile, and has acquired substantial areas of exploration concessions. In addition, it continues to rationalise its tenement holdings in New South Wales.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

During the year the Group acquired 100% of the shares in Castillo Exploration Ltd, resulting in the acquisition of a portfolio of Copper projects in Chile.

There were no other significant changes in the state of affairs of the Group during the year.

SIGNIFICANT EVENTS AFTER THE BALANCE DATE

On 28 August 2013 the Group announced that it had signed a mandate on a best endeavours basis to raise $3.5 million (before costs) through the issue of 350 million shares at $0.01 per share. The funds raised will be used to advance the Company's copper projects in Chile with drilling programmes planned and allow the Company to continue to evaluate new opportunities as they arise.

On 31 August 2013 Mr Brian McMaster was appointed as Non-Executive Chairman of the Company following the resignation of Mr William Ryan.

There were no other known significant events from the end of the financial year to the date of this report.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

Likely developments in the operations of the Company are set out in the above review of operations. Disclosure of any further information has not been included in this report because, in the reasonable opinion of the Directors, to do so would be likely to prejudice the business activities of the Group and is dependent upon the results of future exploration and evaluation.

ENVIRONMENTAL REGULATION AND PERFORMANCE

The operations of the Group are presently subject to environmental regulation under the laws of the Commonwealth of Australia and the State of New South Wales and the Republic of Chile. The Group is, to the best of its knowledge, at all times in full environmental compliance with the conditions of its licenses.

SHARE OPTIONS

As at the date of this report, there were 17,100,000 unissued ordinary shares under options (17,100,000 at the reporting date). The details of the options at the date of this report are as follows:

Number	Exercise Price $	Expiry Date
12,100,000	0.20	30 June 2014
5,000,000	0.10	30 June 2017

On 20 May 2013, 5,000,000 unlisted options exercisable at 10c before 30 June 2017 were issued as consideration for corporate advisory services. No other options were issued during the financial year.

No option holder has any right under the options to participate in any other share issue of the Group or any other entity. No options expired or were exercised during the financial year or since the end of the financial year.

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

The Group has made an agreement indemnifying all the Directors and Officers of the Group against all losses or liabilities incurred by each Director or Officer in their capacity as Directors or Officers of the Group to the extent permitted by the Corporation Act 2001. The indemnification specifically excludes wilful acts of negligence. The Group paid insurance premiums in respect of Directors' and Officers' Liability Insurance contracts for current officers of the Group. The liabilities insured are damages and legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the Officers in their capacity as Officers of entities in the Group. The total amount of insurance premiums paid has not been disclosed due to confidentiality reasons.

DIRECTORS' MEETINGS

During the financial year, in addition to regular Board discussions, the number of meetings of directors held during the year and the number of meetings attended by each director were as follows:

Director	Number of Meetings Eligible to Attend	Number of Meetings Attended
Mr. William Ryan	2	2
Mr. Matthew Wood	-	-
Dr. Nicholas Lindsay	2	2
Mr. Scott Funston	2	2
Mr. Daniel Crennan	2	1
Mr. Vernon Tidy	1	1
Mr. Mark Arundell	1	1
Mr. Anthony Polglase	1	-

PROCEEDINGS ON BEHALF OF THE GROUP

No person has applied for leave of the court to bring proceedings on behalf of the Group or intervene in any proceedings to which the Group is a party for the purpose of taking responsibility on behalf of the Group for all or any part of those proceedings. The Group was not a party to any such proceedings during the year.

CORPORATE GOVERNANCE

In recognising the need for the highest standards of corporate behaviour and accountability, the Directors of Castillo Copper Limited support and have adhered to the principles of sound corporate governance. The Board recognises the recommendations of the Australian Securities Exchange Corporate Governance Council, and considers that Castillo Copper is in compliance with those guidelines to the extent possible, which are of importance to the commercial operation of a junior listed resources company. During the financial year, shareholders continued to receive the benefit of an efficient and cost effective corporate governance policy for the Group. The Group's Corporate Governance Statement and disclosures are contained elsewhere in the annual report.

AUDITOR'S INDEPENDENCE AND NON-AUDIT SERVICES

Section 307C of the Corporations Act 2001 requires the Group's auditors to provide the Directors of Castillo Copper Limited with an Independence Declaration in relation to the audit of the financial report. A copy of that declaration is included within this report.

There were no non-audit services provided by the Group's auditor.

REMUNERATION REPORT (AUDITED)

This report outlines the remuneration arrangements in place for directors and executives of Castillo Copper Limited in accordance with the requirements of the *Corporation Act 2001* and its Regulations. For the purpose of this report, Key Management Personnel (KMP) of the Group are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, including any officer (whether executive or otherwise) of the Group.

Details of Key Management Personnel

Mr. Brian McMaster (Non-Executive Chairman)
Dr. Nicholas Lindsay (Managing Director)
Mr. Scott Funston (Executive Director)
Mr. Daniel Crennan (Non-Executive Director)
Mr. William Ryan (former Non-Executive Chairman)
Mr. Matthew Wood (former Executive Chairman)
Mr. Vernon Tidy (former Non-Executive Director)
Mr. Mark Arundell (former Managing Director)
Mr. Anthony Polglase (former Non-Executive Director)

Remuneration Policy

The Board is responsible for determining and reviewing compensation arrangements for the Directors. The Board assesses the appropriateness of the nature and amount of emoluments of such officers on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality board and executive team. The Group does not link the nature and amount of the emoluments of such officers to the Group's financial or operational performance. The expected outcome of this remuneration structure is to retain and motivate Directors.

As part of its Corporate Governance Policies and Procedures, the Board has adopted a formal Remuneration Committee Charter. Due to the current size of the Group and number of directors, the Board has elected not to create a separate Remuneration Committee but has instead decided to undertake the function of the Committee as a full Board under the guidance of the formal charter.

The rewards for Directors' have no set or pre-determined performance conditions or key performance indicators as part of their remuneration due to the current nature of the business operations. The Board determines appropriate levels of performance rewards as and when they consider rewards are warranted. The Group has no policy on executives and directors entering into contracts to hedge their exposure to options or shares granted as part of their remuneration package.

The table below shows the performance of the Group as measured by loss per share since incorporation in June 2009:

As at 30 June	**2013**	**2012**	**2011**	**2010**
Loss per share (cents)	(1.78)	(5.29)	(7.71)	(2.30)

Details of the nature and amount of each element of the emolument of each Director and Executive of the Group for the financial year are as follows:

	Short term			Options	Post employment		
2013	Base Salary $	Directors' Fees $	Consulting Fees $	Share based Payments $	Superannuation $	Total $	Option Related %
Director							
Mr. William Ryan [1][4]	-	3,305	-	-	-	3,305	-
Mr. Matthew Wood [2]	-	-	70,000	-	-	70,000	-
Dr. Nicholas Lindsay[1]	-	-	26,600	-	-	26,600	-
Mr. Scott Funston [2]	-	-	55,000	-	-	55,000	-
Mr. Daniel Crennan[1]	-	3,305	-	-	-	3,305	-
Mr. Vernon Tidy[2]	-	15,000	-	-	-	15,000	-
Mr. Mark Arundell[3]	-	-	108,250	-	-	108,250	-
Mr. Anthony Polglase[3]	-	6,250	-	-	-	6,250	-
	-	**27,860**	**259,850**	**-**	**-**	**287,710**	**-**

[1] Mr. William Ryan, Dr. Nicholas Lindsay and Mr. Daniel Crennan were appointed on 21 May 2013.

[2] Mr. Matthew Wood and Mr. Scott Funston were appointed on 19 November 2012. Mr. Wood and Mr. Vernon Tidy resigned on 21 May 2013.

[3]Mr. Mark Arundell and Mr. Anthony Polglase resigned on 19 November 2012.

[4]Mr. William Ryan resigned on 31 August 2013.

	Short term			Options	Post employment		
2012	Base Salary $	Directors' Fees $	Consulting Fees $	Share based Payments $	Superannuation $	Total $	Option Related %
Director							
Mr. Vernon Tidy	-	23,750	-	-	-	23,750	-
Mr. Mark Arundell	-	-	129,750	-	-	129,750	-
Mr. Anthony Polglase	-	23,750	-	-	-	23,750	-
	-	47,500	129,750	-	-	177,250	-
Company Secretary							
Mr. Scott Funston	-	-	47,500	-	-	47,500	-
	-	**47,500**	**177,250**	**-**	**-**	**224,750**	-

There were no other key management personnel of the Group during the financial years ended 30 June 2013 and 30 June 2012. No remuneration is performance related.

Executive Directors

The Managing Director, Dr. Nicholas Lindsay is paid an annual consulting fee on a monthly basis. The agreement commenced on 20 May 2013 and is for a term of two years unless extended by both parties. Dr. Lindsay may terminate the agreement by giving three months written notice. The Group may terminate the agreement by giving three months written notice and by paying an amount equivalent to twelve months fees (based on agreed consulting fee) or without notice in the case of serious misconduct.

Mr. Scott Funston, Executive Director, is paid an annual consulting fee on a monthly basis. His services may be terminated by either party at any time.

Non-Executive Director

The Non-Executive Directors, Mr. William Ryan and Mr. Daniel Crennan, are paid an annual consulting fee on a monthly basis. Their services may be terminated by either party at any time.

The aggregate remuneration for non-executive Directors has been set at an amount not to exceed $500,000 per annum. This amount may only be increased with the approval of Shareholders at a general meeting.

End of Remuneration Report

Signed in accordance with a resolution of the Directors.

On behalf of the Directors.

Nicholas Lindsay
Managing Director
3 September 2013

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

Castillo Copper Limited – Corporate Governance Statement

The Board of Directors of Castillo Copper Limited ("Castillo Copper" or "the Group") is responsible for corporate governance of the Group. The Board guides and monitors the business and affairs of the Group on behalf of the shareholders by who they are elected and to whom they are accountable.

The Group has established a set of corporate governance policies and procedures. These were based on the Australian Securities Exchange Corporate Governance Council's (the Council's) "Principles of Good Corporate Governance and Best Practice Recommendations" (the Recommendations). In accordance with the Council's recommendations, the Corporate Governance Statement must now contain certain specific information and must disclose the extent to which the Group has followed the guidelines during the period. Where a recommendation has not been followed, that fact must be disclosed, together with the reasons for the departure. For further information on corporate governance policies adopted by the Group, refer to our website: www.castillocopper.com.

Structure of the Board

The skills, experience and expertise relevant to the position of Director held by each Director in office at the date of the annual report is included in the Directors' Report. Directors of the Group are considered to be independent when they are independent of management and free from any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the exercise of their unfettered and independent judgment.

The Board has accepted the following definition of an Independent Director:

"An Independent Director is a Director who is not a member of management, is a Non-executive Director and who:

- is not a substantial shareholder (under the meaning of Corporations Law) of the Company or an officer of, or otherwise associated, directly or indirectly, with a substantial shareholder of the Company;
- has not within the last three years been employed in an executive capacity by the Company or another Company member, or been a Director after ceasing to hold any such employment;
- is not a principal of a professional adviser to the Company or another Company member;
- is not a significant consultant, supplier or customer of the Company or another Company member, or an officer of or otherwise associated, directly or indirectly, with a significant consultant, supplier or customer;
- has no significant contractual relationship with the Company or another Company member other than as a Director of the Company;
- is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the Company."

In accordance with the definition of independence above, Mr. Daniel Crennan is considered independent. Accordingly, a majority of the board is not considered independent.

There are procedures in place, as agreed by the board, to enable Directors to seek independent professional advice on issues arising in the course of their duties at the Group's expense. The term in office held by each Director in office at the date of this report is as follows:

Name	**Term in office**
Brian McMaster	1 month
Nicholas Lindsay	4 months
Scott Funston	10 months
Daniel Crennan	4 months

Nomination Committee

The Board has formally adopted a Nomination Committee Charter but given the present size of the Group, has not formed a separate Committee. Instead the function will be undertaken by the full Board in accordance with the policies and procedures outlined in the Nomination Committee Charter. At such time when the Group is of sufficient size a separate Nomination Committee will be formed.

Audit and Risk Management Committee

The Board has formally adopted an Audit and Risk Management Committee Charter but given the present size of the Group, has not formed a separate Committee. Instead the function of the Committee will be undertaken by the full Board in accordance with the policies and procedures outlined in the Audit and Risk Management Committee Charter. At such time when the Group is of sufficient size a separate Audit and Risk Management Committee will be formed.

It is the Board's responsibility to ensure that an effective internal control framework exists within the entity. This includes both internal controls to deal with both the effectiveness and efficiency of significant business processes, the safeguarding of assets, the maintenance of proper accounting records, and the reliability of financial and non-financial information. It is the Board's responsibility for the establishment and maintenance of a framework of internal control of the Group.

Performance

The Board of Castillo Copper conducts its performance review of itself on an ongoing basis throughout the year. The small size of the Group and hands on management style requires an increased level of interaction between Directors and Executives throughout the year. Board members meet amongst themselves both formally and informally. The Board considers that the current approach that it has adopted with regard to the review of its performance provides the best guidance and value to the Group.

Remuneration

It is the Group's objective to provide maximum stakeholder benefit from the retention of a high quality board by remunerating Directors fairly and appropriately with reference to relevant employment market conditions. The Group does not link the nature and amount of executive and directors' emoluments to the Group's financial and operational performance.

For details of remuneration of Directors and Executives please refer to the Directors' Report.

The Board is responsible for determining and reviewing compensation arrangements for executive directors. The Board has formally adopted a Remuneration Committee Charter however given the present size of the Group, has not formed a separate Committee. Instead the function will be undertaken by the full Board in accordance with the policies and procedures outlined in the Remuneration Committee Charter. At such time when the Group is of sufficient size a separate Remuneration Committee will be formed.

There is no scheme to provide retirement benefits, other than statutory superannuation, to non-executive Directors.

Diversity Policy

The Group is committed to workplace diversity and to ensuring a diverse mix of skills and talent exists amongst its directors, officers and employees, to enhance Group performance. The Board has adopted a Diversity Policy which addresses equal opportunities in the hiring, training and career advancement of directors, officers and employees.

In accordance with this policy, the Board provides the following information pertaining to the proportion of women across the organisation at the date of this report.

	Actual	
	Number	**Percentage**
Women in the whole organisation	-	-
Women in senior executive positions	-	-
Women on the board	-	-

Trading Policy

Under the Group's securities trading policy, an executive or director must not trade in any securities of the Group at any time when they are in possession of unpublished, price-sensitive information in relation to those securities.

Before commencing to trade, an executive must first obtain the approval of the Managing Director to do so and a Director must first obtain approval of the Chairman. Only in exceptional circumstances will approval be forthcoming inside of the period commencing on the tenth day of the month in which the Group is required to release its Quarterly Activities Report and Quarterly Cashflow Report and ending two days following the date of that release.

Assurance

The CEO and CFO (or equivalent) periodically provide formal statements to the Board that in all material aspects:

- the Group's financial statements present a true and fair view of the Group's financial condition and operational results; and
- the risk management and internal compliance and control systems are sound, appropriate and operating efficiently and effectively.

This assurance forms part of the process by which the Board determines the effectiveness of its risk management and internal control systems in relation to financial reporting risks.

Shareholder Communication Policy

Pursuant to Principle 6, the Group's objective is to promote effective communication with its shareholders at all times.

Castillo Copper Limited is committed to:

- Ensuring that shareholders and the financial markets are provided with full and timely information;
- Complying with continuous disclosure obligations contained in the ASX listing rules and the *Corporations Act* in Australia; and
- Communicating effectively with its shareholders and making it easier for shareholders to communicate with the Group.

To promote effective communication with shareholders and encourage effective participation at general meetings, information is communicated to shareholders:

- Through the release of information to the market via the ASX;
- Through the distribution of the annual report and notices of annual general meeting;
- Through shareholder meetings and investor relations presentations; and
- By posting relevant information on the Group's website: www.castillocopper.com

The external auditors are required to attend the annual general meeting and are available to answer any shareholder questions about the conduct of the audit and preparation of the audit report.

Corporate Governance Compliance

During the financial year Castillo Copper has complied with each of the 8 Corporate Governance Principles and the corresponding Best Practice Recommendations, other than in relation to the matters specified below:

Best Practice Recommendation	Notification of Departure	Explanation of Departure
2.1	The Group does not have a majority of independent directors	The Directors consider that the current structure and composition of the Board is appropriate to the size and nature of operations of the Group.
2.2	The Chairman is not an independent director	The Directors consider that the current structure and composition of the Board is appropriate to the size and nature of operations of the Company.
2.4	The Group does not have a Nomination Committee	The role of the Nomination Committee has been assumed by the full Board operating under the Nomination Committee Charter adopted by the Board.
3.3	The Group has not disclosed in its annual report its measurable objectives for achieving gender diversity and progress towards achieving them.	The Board continues to monitor diversity across the organization. Due to the size of the Group, the Board does not consider it appropriate at this time, to formally set measurable objectives for gender diversity.
4.1 and 4.2	The Group does not have an Audit and Risk Management Committee	The role of the Audit and Risk Management Committee has been assumed by the full Board operating under the Audit and Risk Management Committee Charter adopted by the Board.
8.1	The Group does not have a Remuneration Committee	The role of the Remuneration Committee has been assumed by the full Board operating under the Remuneration Committee Charter adopted by the Board.

Consolidated Statement of Comprehensive Income *for the year ended 30 June 2013*

	Notes	2013 $	2012 $
REVENUE			
Interest received		20,772	60,911
TOTAL REVENUE		**20,772**	**60,911**
Listing and public company expenses		(33,287)	(22,886)
Accounting and audit expenses		(56,616)	(58,474)
Consulting and directors' fees		(209,688)	(166,327)
Impairment of exploration expenditure	6	(143,206)	(1,208,796)
Other expenses	4	(211,308)	(192,108)
LOSS FROM CONTINUING OPERATIONS BEFORE INCOME TAX		**(633,333)**	**(1,587,680)**
Income tax expense	5	-	-
LOSS FROM CONTINUING OPERATIONS AFTER INCOME TAX		**(633,333)**	**(1,587,680)**
OTHER COMPREHENSIVE INCOME *Item that may be reclassified subsequently to operating result*			
Foreign currency translation		16,276	-
TOTAL OTHER COMPREHENSIVE INCOME		**16,276**	**-**
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		**(617,057)**	**(1,587,680)**
Loss per share attributable to owners of Castillo Copper Limited			
Basic and diluted loss per share (cents per share)	15	(1.78)	(5.29)

Consolidated Statement of Financial Position *as at 30 June 2013*

	Notes	2013 $	2012 $
CURRENT ASSETS			
Cash and cash equivalents	13	145,581	958,392
Other receivables	7	133,844	75,485
TOTAL CURRENT ASSETS		**279,425**	**1,033,877**
NON CURRENT ASSETS			
Deferred exploration and evaluation expenditure	6	3,586,803	413,143
Plant and equipment		2,325	1,396
Other receivables	7	20,000	40,000
TOTAL NON CURRENT ASSETS		**3,609,128**	**454,539**
TOTAL ASSETS		**3,888,553**	**1,488,416**
CURRENT LIABILITIES			
Trade and other payables	8	174,524	45,049
TOTAL CURRENT LIABILITIES		**174,524**	**45,049**
NON CURRENT LIABILITIES			
Trade and other payables	8	342,843	-
Borrowings	9	200,000	-
TOTAL NON CURRENT LIABILITIES		**542,843**	**45,049**
TOTAL LIABILITIES		**717,367**	**45,049**
NET ASSETS		**3,171,186**	**1,443,367**
EQUITY			
Issued capital	10	5,601,778	3,402,780
Reserves	11	1,790,018	1,627,864
Accumulated losses	12	(4,220,610)	(3,587,277)
TOTAL EQUITY		**3,171,186**	**1,443,367**

Consolidated Statement of Changes in Equity *for the year ended 30 June 2013*

	Issued capital $	Share based payment reserve $	Foreign currency translation reserve $	Accumulated losses $	Total $
Balance at 1 July 2012	**3,402,780**	**1,627,864**	**-**	**(3,587,277)**	**1,443,367**
Loss for the year	-	-	-	(633,333)	(633,333)
Other comprehensive income	**-**	**-**	16,276	**-**	16,276
Total comprehensive income/ (loss)	**-**	**-**	**16,276**	**(633,333)**	**(617,057)**
Transactions with owners in their capacity as owners					
Shares issued on acquisition	2,200,000	-	-	-	2,200,000
Shares issued as loan fee	8,800	-	-	-	8,800
Costs of issue	(9,802)	-	-	-	(9,802)
Share based payment	-	145,878	-	-	145,878
Balance as at 30 June 2013	**5,601,778**	**1,773,742**	**16,276**	**(4,220,610)**	**3,171,186**
Balance as at 1 July 2011	**3,402,780**	**1,627,864**	**-**	**(1,999,597)**	**3,031,047**
Loss for the year	-		-	(1,587,680)	(1,587,680)
Total comprehensive loss for the year	**-**	**-**	**-**	**(1,587,680)**	**(1,587,680)**
Transactions with owners in their capacity as owners	-	-	-	-	-
Balance as at 30 June 2012	**3,402,780**	**1,627,864**	**-**	**(3,587,277)**	**1,443,367**

Consolidated Statement of Cash Flows *for the year ended 30 June 2013*

	Notes	2013 $	2012 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Interest received		20,772	60,911
Payments to suppliers and employees		(166,269)	(488,054)
NET CASH USED IN OPERATING ACTIVITIES	13	**(145,497)**	**(427,143)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Tenement expenditure guarantees refunded / (paid)		10,000	(20,000)
Purchase of plant and equipment		-	(1,718)
Loans advanced to Castillo Exploration Ltd (pre-acquisition)		(170,000)	-
Cash acquired on acquisition of subsidiary		12,212	-
Exploration and evaluation expenditure		(509,724)	(919,171)
NET CASH USED IN INVESTING ACTIVITIES		**(657,512)**	**(940,889)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Share issue costs		(9,802)	-
NET CASH USED IN FINANCING ACTIVITIES		**(9,802)**	**-**
Net decrease in cash and cash equivalents		(812,811)	(1,368,032)
Cash and cash equivalents at beginning of year		958,392	2,326,424
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	13	**145,581**	**958,392**

1. Corporate Information

The financial report of Castillo Copper Limited and its subsidiaries ("Castillo Copper" or "the Group") for the year ended 30 June 2013 was authorised for issue in accordance with a resolution of the directors on 3 September 2013.

Castillo Copper Limited is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange. The nature of the operations and the principal activities of the Group are described in the Directors' Report.

2. Summary of Significant Accounting Policies

(a) Basis of Preparation

The financial report is a general-purpose financial report, which has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001. The Group is a for profit entity for financial reporting purposes under Australian Accounting Standards.

The financial report has been prepared on an accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. Material accounting policies adopted in preparation of this financial report are presented below and have been consistently applied unless otherwise stated.

The presentation currency is Australian dollars.

Going Concern

This report has been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and settlement of liabilities in the normal course of business.

As disclosed in the financial statements, the Company and the Group incurred losses after tax for the year ended 30 June 2013 of $617,058 and $633,333 respectively. The Group had net cash outflows from operating activities of $145,497 and net cash outflows from investing activities of $657,512.

The Directors believe that it is reasonably foreseeable that the Company and the Group will continue as going concerns and that it is appropriate to adopt the going concern basis in the preparation of the financial report after consideration of the following factors:

- The ability to issue additional shares under the *Corporation Act 2001* to raise further working capital. This is evidenced by a mandate signed with a third party to raise equity capital as disclosed in Note 14; and
- The Group has the ability to scale down its operations in order to curtail expenditure, in the event capital raisings are delayed or insufficient cash is available to meet projected expenditure.

(b) Statement of Compliance

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS).

(c) New accounting standards and interpretations issued but not yet effective

The following applicable accounting standards and interpretations have been issued or amended but are not yet effective. These standards have not been adopted by the Group for the year ended 30 June 2013 and no change to the Group's accounting policy is required.

Reference	Title	Summary	Impact on Group's financial report	Application date for Group
AASB 9	Financial Instruments	AASB 9 includes requirements for the classification and measurement of financial assets. It was further amended by AASB 2010-7 to reflect amendments to the accounting for financial liabilities. These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. The main changes are described below. (a) Financial assets that are debt instruments will be classified based on (1) the objective of the entity's business model for managing the financial assets; (2) the characteristics of the contractual cash flows. (b) Allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument. (c) Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases. (d) Where the fair value option is used for financial liabilities the change in fair value is to be accounted for as follows: ► The change attributable to changes in credit risk is presented in other comprehensive income (OCI) ► The remaining change is presented in profit or loss If this approach creates or enlarges an accounting mismatch in the profit or loss, the effect of the changes in credit risk are also presented in profit or loss. Consequential amendments were also made to other standards as a result of AASB 9, introduced by AASB 2009-11 and superseded by AASB 2010-7 and 2010-10.	The Group has not yet determined the impact on the Group's financial statements.	1 July 2015
AASB 10	Consolidated Financial Statements	AASB 10 establishes a new control model that applies to all entities. It replaces parts of AASB 127 *Consolidated and Separate Financial Statements* dealing with the accounting for consolidated financial statements and UIG-112 *Consolidation – Special Purpose Entities.*	The Group has not yet determined the impact on the Group's financial statements.	1 July 2013

Reference	Title	Summary	Impact on Group's financial report	Application date for Group
		The new control model broadens the situations when an entity is considered to be controlled by another entity and includes new guidance for applying the model to specific situations, including when acting as a manager may give control, the impact of potential voting rights and when holding less than a majority voting rights may give control. Consequential amendments were also made to other standards via AASB 2011-7.		
AASB 12	Disclosure of Interests in Other Entities	AASB 12 includes all disclosures relating to an entity's interests in subsidiaries, joint arrangements, associates and structures entities. New disclosures have been introduced about the judgments made by management to determine whether control exists, and to require summarised information about joint arrangements, associates and structured entities and subsidiaries with non-controlling interests.	The Group has not yet determined the impact on the Group's financial statements.	1 July 2013
AASB 13	Fair Value Measurement	AASB 13 establishes a single source of guidance for determining the fair value of assets and liabilities. AASB 13 does not change when an entity is required to use fair value, but rather, provides guidance on how to determine fair value when fair value is required or permitted. Application of this definition may result in different fair values being determined for the relevant assets. AASB 13 also expands the disclosure requirements for all assets or liabilities carried at fair value. This includes information about the assumptions made and the qualitative impact of those assumptions on the fair value determined. Consequential amendments were also made to other standards via AASB 2011-8.	The Group has not yet determined the impact on the Group's financial statements.	1 July 2013
AASB 124	Related Party Disclosures	AASB 124 establishes guidance for disclosure of related party transactions and outstanding balances that could impact on an entity's financial position and profit or loss. Amendment AASB 2011-4 removes the disclosure requirements for individual key management personnel. The adoption of these amendments will remove the duplication of information relating to individual KMP in the notes to the financial statements and the directors' report.	The Group has not yet determined the impact on the Group's financial statements.	1 July 2013

The Group has not elected to early adopt any new Standards or Interpretations.

(d) Changes in accounting policies and disclosures

In the year ended 30 June 2013, the Group has reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for the current annual reporting period.

It has been determined by the Group that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change is necessary to Group accounting policies.

(e) Basis of Consolidation

The consolidated financial statements comprise the financial statements of Castillo Cooper Limited and its subsidiaries as at 30 June each year ('the Company').

Subsidiaries are all those entities (including special purpose entities) over which the Company has the power to govern the financial and operating policies so as to obtain benefits from their activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether a Company controls another entity.

The financial statements of the subsidiaries are prepared for the same reporting period as the parent Company, using consistent accounting policies.

In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profit and losses resulting from intra-company transactions have been eliminated in full.

Subsidiaries are fully consolidated from the date on which control is obtained by the Company and cease to be consolidated from the date on which control is transferred out of the Company.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. The acquisition method of accounting involves recognising at acquisition date, separately from goodwill, the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the acquiree. The identifiable assets acquired and the liabilities assumed are measured at their acquisition date fair values.

The difference between the above items and the fair value of the consideration (including the fair value of any pre-existing investment in the acquiree) is goodwill or a discount on acquisition.

A change in the ownership interest of a subsidiary that does not result in a loss of control, is accounted for as an equity transaction.

(f) Foreign Currency Translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Company's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The functional and presentation currency of Castillo Cooper Limited is Australian dollars. The functional currency of the overseas subsidiaries is Chilean Peso.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income.

(iii) Group entities

The results and financial position of all the Company entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- income and expenses for each statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities are taken to foreign currency translation reserve.

When a foreign operation is sold or any borrowings forming part of the net investment are repaid, a proportionate share of such exchange differences are recognised in the statement of comprehensive income, as part of the gain or loss on sale where applicable.

(g) Plant and Equipment

Each class of plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment losses.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. Repairs and maintenance expenditure is charged to the statement of comprehensive income during the financial period in which it is incurred.

Depreciation

The depreciable amount of all fixed assets is depreciated on a straight line basis over their useful lives to the Group commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	*Depreciation Rate*
Plant and equipment	25% – 50%
Furniture, Fixtures and Fittings	10%
Computer and software	20% - 35%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each statement of financial position date.

Derecognition

Additions of plant and equipment are derecognised upon disposal or when no further future economic benefits are expected from their use or disposal.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are recognised in the statement of comprehensive income.

(h) Impairment of non financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets of the Group. In such cases the asset is tested for impairment as part of the cash generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at revalued amount (in which case the impairment loss is treated as a revaluation decrease).

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase.

After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

(i) Exploration and evaluation expenditure

Exploration and evaluation expenditure incurred by or on behalf of the Group is accumulated separately for each area of interest. Such expenditure comprises net direct costs and an appropriate portion of related overhead expenditure, but does not include general overheads or administrative expenditure not having a specific nexus with a particular area of interest.

Each area of interest is limited to a size related to a known or probable mineral resource capable of supporting a mining operation.

Exploration and evaluation expenditure for each area of interest is carried forward as an asset provided that one of the following conditions is met:

- such costs are expected to be recouped through successful development and exploitation of the area of interest or, alternatively, by its sale; or
- exploration and evaluation activities in the area of interest have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in relation to the area are continuing.

Expenditure which fails to meet the conditions outlined above is impaired; furthermore, the directors regularly review the carrying value of exploration and evaluation expenditure and make write downs if the values are not expected to be recoverable.

Identifiable exploration assets acquired are recognised as assets at their cost of acquisition, as determined by the requirements of AASB 6 Exploration for and evaluation of mineral resources. Exploration assets acquired are reassessed on a regular basis and these costs are carried forward provided that at least one of the conditions referred to in AASB 6 is met.

Exploration and evaluation expenditure incurred subsequent to acquisition in respect of an exploration asset acquired, is accounted for in accordance with the policy outlined above for exploration expenditure incurred by or on behalf of the entity.

Acquired exploration assets are not written down below acquisition cost until such time as the acquisition cost is not expected to be recovered.

When an area of interest is abandoned, any expenditure carried forward in respect of that area is written off.

Expenditure is not carried forward in respect of any area of interest/mineral resource unless the Group's rights of tenure to that area of interest are current.

(j) Trade and Other Receivables

Trade receivables, which generally have 30 – 90 day terms, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts.

Impairment of trade receivables is continually reviewed and those that are considered to be uncollectible are written off by reducing the carrying amount directly. An allowance account is used when there is objective evidence that the Group will not be able to collect all amounts due according to the original contractual terms. Factors considered by the Group in making this determination include known significant financial difficulties of the debtor, review of financial information and significant delinquency in making contractual payments to the Group. The impairment allowance is set equal to the difference between the carrying amount of the receivable and the present value of estimated future cash flows, discounted at the original effective interest rate. Where receivables are short-term, discounting is not applied in determining the allowance.

The amount of the impairment loss is recognised in the statement of comprehensive income within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the statement of comprehensive income.

(k) Cash and Cash Equivalents

Cash and short term deposits in the statement of financial position include cash on hand, deposits held at call with banks and other short term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown as current liabilities in the statement of financial position. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as described above.

(l) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of comprehensive income net of any reimbursement.

Provisions are measured at the present value or management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money, and where appropriate, the risks specific to the liability.

Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(m) Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Capitalised exploration and evaluation expenditure

The future recoverability of capitalised exploration and evaluation expenditure is dependent on a number of factors, including whether the Group decides to exploit the related lease itself or, if not, whether it successfully recovers the related exploration and evaluation asset through sale.

Factors which could impact the future recoverability include the level of proved, probable and inferred mineral resources, future technological changes which could impact the cost of mining, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

To the extent that capitalised exploration and evaluation expenditure is determined not to be recoverable in the future, this will reduce profits and net assets in the period in which this determination is made.

In addition, exploration and evaluation expenditure is capitalised if activities in the area of interest have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves. To the extent that it is determined in the future that this capitalised expenditure should be written off, this will reduce profits and net assets in the period in which this determination is made.

Share-based payment transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using a Black and Scholes model, using the assumptions detailed in note 24.

(n) Income Tax

Deferred income tax is provided for on all temporary differences at balance date between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes.

No deferred income tax will be recognised from the initial recognition of goodwill or of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss. No deferred income tax will be recognised in respect of temporary differences associated with investments in subsidiaries if the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary differences will not reverse in the near future.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the statement of comprehensive income except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised for all deductible temporary differences, carry forward of unused tax assets and unused tax losses to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on tax rates (and tax laws) that have been enacted or substantially enacted at the balance date and the anticipation that the Group will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law. The carrying amount of deferred tax assets is reviewed at each balance date and only recognised to the extent that sufficient future assessable income is expected to be obtained. Income taxes relating to items recognised directly in equity are recognised in equity and not in the statement of comprehensive income.

(o) Issued capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(p) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue is capable of being reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Interest income

Revenue is recognised as the interest accrues (using the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument) to the net carrying amount of the financial asset.

(q) Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Group, excluding any costs of servicing equity other than dividends, by the weighted average number of ordinary shares, adjusted for any bonus elements.

Diluted earnings per share

Diluted earnings per share is calculated as net profit attributable to members of the Group, adjusted for:

- costs of servicing equity (other than dividends) and preference share dividends;
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares; and

divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus elements.

(r) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

The net amount of GST recoverable from, or payable to, the Australian Tax Office is included as part of receivables or payables in the statement of financial position.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(s) Trade and other payables

Liabilities for trade creditors and other amounts are measured at amortised cost, which is the fair value of the consideration to be paid in the future for goods and services received that are unpaid, whether or not billed to the Group.

(t) Share based payment transactions

The Group provides benefits to individuals acting as, and providing services similar to employees (including Directors) of the Group in the form of share based payment transactions, whereby individuals render services in exchange for shares or rights over shares (‘equity settled transactions’).

The cost of these equity settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by using the Black Scholes formula taking into account the terms and conditions upon which the instruments were granted, as discussed in note 24.

In valuing equity settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of Castillo Copper Limited (‘market conditions’).

The cost of the equity settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ('vesting date').

The cumulative expense recognised for equity settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the number of awards that, in the opinion of the Directors of the Group, will ultimately vest. This opinion is formed based on the best available information at balance date. No adjustment is made for the likelihood of the market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The statement of comprehensive income charge or credit for a period represents the movement in cumulative expense recognised at the beginning and end of the period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition.

Where the terms of an equity settled award are modified, as a minimum, an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any increase in the value of the transaction as a result of the modification, as measured at the date of the modification.

Where an equity settled award is cancelled, it is treated as if it had vested on the date of the cancellation, and any expense not yet recognised for the award is recognised immediately. However if a new award is substituted for the cancelled award, and
designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph. The cost of equity-settled transactions with non-employees is measured by reference to the fair value of goods and services received unless this cannot be measured reliably, in which case the cost is measured by reference to the fair value of the equity instruments granted.
The dilutive effect, if any, of outstanding options is reflected in the computation of loss per share (see note 15).

(u) Comparative information

When required by Accounting Standards, comparative information has been reclassified to be consistent with the presentation in the current year. The Group incorporated a subsidiary on 22 October 2012 and acquired subsidiaries on 20 May 2013. The current period balances reflect the consolidated entity (Group) while the comparatives reflect only the balances of the parent entity.

3. Segment Information

Management has determined the operating segments based on the reports reviewed by the board of directors that are used to make strategic decisions. The entity does not have any operating segments with discrete financial information.

The Board of Directors review internal management reports on a monthly basis that is consistent with the information provided in the statement of comprehensive income, statement of financial position and statement of cash flows. As a result no reconciliation is required because the information as presented is what is used by the Board to make strategic decisions.

4. Other expenses

	2013	2012
	$	$
Occupancy	120,000	120,000
Insurance	13,428	14,452
Travel and accommodation	4,890	16,467
Legal	44,009	28,926
Other	28,981	12,263
Total other expenses	211,308	192,108

5. Income Tax

(a) Income tax expense

Major component of tax expense for the year:		
Current tax	-	-
Deferred tax	-	-
	-	-

(b) Numerical reconciliation between aggregate tax expense recognised in the statement of comprehensive income and tax expense calculated per the statutory income tax rate

A reconciliation between tax expense and the product of accounting result before income tax multiplied by the Group's applicable tax rate is as follows:

Loss from continuing operations before income tax expense	(633,333)	(1,587,680)
Tax at the company rate of 30%	(190,000)	(476,304)
Equity based payment expense	-	-
Income tax benefit not bought to account	190,000	476,304
Income tax expense	-	-

The following deferred tax balances have not been bought to account:	2013 $	2012 $
Liabilities		
Total exploration and evaluation expenditure	1,032,278	123,943
Offset by deferred tax assets	(1,032,278)	(123,943)
Deferred tax liability	-	-
Assets		
Total losses available to offset against future taxable income	1,835,720	721,779
Total accrued expenses	4,893	4,275
Total share issue costs deductible over five years	40,260	59,927
Deferred tax assets offset against deferred tax liabilities	(1,032,278)	(123,943)
Deferred tax assets not brought to account as realisation is not regarded as probable	(848,595)	(662,038)
Deferred tax asset recognised	-	-

(d) Unused tax losses

Unused Tax Losses	2,828,650	2,206,793
Potential tax benefit not recognised at 30%	848,595	662,038

The benefit for tax losses will only be obtained if:

(i) the Group derives future assessable income in Australia and Chile of a nature and of an amount sufficient to enable the benefit from the deductions for the losses to be realised, and

(ii) the Group continues to comply with the conditions for deductibility imposed by tax legislation in Australia and Chile and

(iii) no changes in tax legislation in Australia and Chile, adversely affect the Group in realising the benefit from the deductions for the losses.

6. Deferred Exploration and Evaluation Expenditure

At beginning of the year	413,143	857,141
Exploration expenditure during the year	622,517	764,798
Acquisition of exploration tenements	2,676,987[1]	-
Net exchange differences on translation	17,362	-
Impairment expense	(143,206)	(1,208,796)
Total exploration and evaluation	**3,586,803**	**413,143**

[1]Acquisition of exploration tenements includes the fair value of the shares issued to vendors of Castillo Exploration Ltd (refer to note 24 and note 25). The ultimate recoupment of costs carried forward for exploration expenditure is dependent on the successful development and commercial exploitation or sale of the respective mining areas. The impairment loss relates to the withdrawal from various tenements held that the Group has made a decision to not continue exploration work and accordingly wrote down the carrying value to nil.

7. Other Receivables

	2013	2012
Current	**$**	**$**
GST/VAT Receivable	62,139	11,985
Tenement guarantees	70,000	60,000
Other	1,705	3,500
	133,844	**75,485**
Non-Current		
Tenement guarantees	**20,000**	**40,000**

Tenement guarantees are classified as current if expected to be refunded within 12 months upon relinquishment of exploration tenement.

8. Trade and other payables

Current		
Trade creditors	158,219	30,799
Accruals	16,305	14,250
	174,524	**45,049**

Trade and other payables are non-interest bearing and payable on demand. Due to their short term nature, the carrying value of trade and other payables is assumed to approximate their fair value.

Non-Current		
Trade creditors	**342,843**	**-**

Non-current trade creditors are payables to related parties that are non-interest bearing.

9. Borrowings

Non-Current		
Loan payable	**200,000**	**-**

The loan from Garrison Capital Pty Ltd is interest free and has a deferred payment date of at least twelve months.

10. Issued Capital

(a) Issued and paid up capital

Ordinary shares fully paid	**5,601,778**	**3,402,780**

	2013		2012	
	Number of shares	**$**	**Number of shares**	**$**
(b) Movements in ordinary shares on issue				
Opening Balance	30,000,000	3,402,780	30,000,000	3,402,780
Acquisition of Castillo Exploration Ltd	50,000,004	2,200,000	-	-
Shares issued as loan fee	200,000	8,800	-	-
Transaction costs on share issue	-	(9,802)	-	-
	80,200,004	5,601,778	30,000,000	3,402,780

(c) Ordinary shares

The Group does not have authorised capital nor par value in respect of its issued capital. Ordinary shares have the right to receive dividends as declared and, in the event of a winding up of the Group, to participate in the proceeds from sale of all surplus assets in proportion to the number of and amounts paid up on shares held. Ordinary shares entitle their holder to one vote, either in person or proxy, at a meeting of the Group.

(d) Share options

At 30 June 2013 there were 17,100,000 unissued ordinary shares under options (2012: 12,100,000). The details of the options are as follows:

Number	Exercise Price $	Expiry Date
12,100,000	0.20	30 June 2014
5,000,000	0.10	30 June 2017

During the year 5,000,000 unlisted options, exercisable at 10c before 30 June 2017 were issued as consideration for corporate advisory services.

No other options were issued during the year, no options were exercised or expired during the year and no options have been issued or exercised since the end of the financial year.

(e) Capital risk management

The Group's capital comprises share capital and reserves less accumulated losses. As at 30 June 2013, the Group has net assets of $3,171,186 (2012: $1,443,367). The Group manages its capital to ensure its ability to continue as a going concern and to optimise returns to its shareholders. Refer to note 19 for further information on the Group's financial risk management policies.

11. Reserves

	2013 $	2012 $
Share based payments reserve	1,773,742	1,627,864
Foreign currency translation reserve	16,276	-
	1,790,018	**1,627,864**

Movements in Reserves:

	2013	2012
Share based payment reserve		
At beginning of the period	1,627,864	1,627,864
Share based payment expense	145,878	-
Balance at the end of the year	1,773,742	1,627,864

The share based payment reserve is used to record the value of equity benefits provided to directors and executives as part of their remuneration and non-employees for their services.

	2013	2012
Foreign currency translation reserve		
At beginning of the period	-	-
Foreign currency translation	16,276	-
Balance at the end of the year	16,276	-

The foreign exchange differences arising on translation of balances originally denominated in a foreign currency into the functional currency are taken to the foreign currency translation reserve. The reserve is recognised in profit and loss when the net investment is disposed of.

12. Accumulated losses

	2013 $	2012 $
Movements in accumulated losses were as follows:		
Opening balance	3,587,277	1,999,597
Loss for the year	633,333	1,587,680
As at 30 June	**4,220,610**	**3,587,277**

13. Cash and cash equivalents

Reconciliation of operating loss after tax to net the cash flows used in operations

Loss from ordinary activities after tax	(633,333)	(1,587,680)
Non-cash items		
Exploration expenditure written off	143,206	1,208,796
Shares issued for loan fee	8,800	-
Depreciation expense	501	322
Changes in assets and liabilities:		
Increase / (decrease) in trade and other creditors	340,392	(77,291)
(Increase) / decrease in trade and other receivables	(5,063)	28,710
Net cash flow used in operating activities	(145,497)	(427,143)

(b) Reconciliation of cash

Cash balance comprises:		
Cash at bank	145,581	958,392

Non-cash financing and investing activities in the current and previous financial year are as follows:

- Share-based payments (to directors, employees and suppliers) as discussed in note 24;
- Issue of shares to acquire exploration projects as discussed in note 6 and note 25;
- Issue of shares for loan fee as discussed in note 10(b) and 17(d).

14. Subsequent events

On 28 August 2013 the Group announced that it had signed a mandate on a best endeavours basis, to raise $3.5 million (before costs) through the issue of 350 million shares at $0.01 per share. The funds raised will be used to advance the Company's copper projects in Chile with drilling programmes planned and allow the Company to continue to evaluate new opportunities as they arise.

On 31 August 2013 Mr Brian McMaster was appointed as Non-Executive Chairman of the Company following the resignation of Mr William Ryan.

There were no other known significant events from the end of the financial year to the date of this report.

15. Loss per Share

	2013	2012
	$	$
Loss used in calculating basic and dilutive EPS	(633,333)	(1,587,680)
	Number of Shares	
Weighted average number of ordinary shares used in calculating basic loss per share:	35,638,905	30,000,000
Effect of dilution:		
Share options	-	-
Adjusted weighted average number of ordinary shares used in calculating diluted loss per share:	35,638,905	30,000,000

There have been no transactions involving ordinary shares or potential ordinary shares that would significantly change the number of ordinary shares or potential ordinary shares outstanding between the reporting date and the date of completion of these financial statements.

16. Auditor's Remuneration

	2013	2012
The auditor of Castillo Copper Limited is RSM Bird Cameron Partners	$	$
Amounts received or due and receivable for:		
- RSM Bird Cameron Partners an audit or review of the financial report of the entity and any other entity in the Group	24,000	-
- non RSM Bird Cameron Partners audit firms an audit or review of the financial report of the entity and any other entity in the Group	-	18,350
- other assurance related services	-	-
	24,000	18,350

17. Key management personnel disclosures

(a) Details of Key Management Personnel

Mr. William Ryan (Non-Executive Chairman) - Resigned on 31 August 2013
Mr. Brian McMaster (Non-Executive Chairman) – Appointed on 31 August 2013
Dr. Nicholas Lindsay (Managing Director)
Mr. Scott Funston (Executive Director)
Mr. Daniel Crennan (Non-Executive Director)
Mr. Matthew Wood (former Executive Chairman)
Mr. Vernon Tidy (former Non-Executive Director)
Mr. Mark Arundell (former Managing Director)
Mr. Anthony Polglase (former Non-Executive Director)

(b) Compensation of Key Management Personnel

	2013	2012
Short term employee benefits	287,710	224,750
Post employment benefits	-	-
Share based payments	-	-
Total remuneration	**287,710**	**224,750**

(c) Shareholdings and option holdings of key management personnel

Share holdings

The number of shares in the company held during the financial year held by key management personnel of Castillo Copper Limited, including their personally related parties, is set out below. There were no shares granted during the current financial year as compensation.

30 June 2013	Balance at the start of the year	Granted during the year as compensation	On exercise of share options	Other changes during the year	Balance at the end of the year
Dr. Nicholas Lindsay[1]	-	-	-	5,765,001[4]	5,765,001
Mr. William Ryan[1] [6]	-	-	-	4,500,001[4]	4,500,001
Mr. Scott Funston[2]	315,000	-	-	2,550,001[4]	2,895,001[5]
Mr. Daniel Crennan[1]	-	-	-	500,000[4]	500,000
Mr. Matthew Wood[2]	-	-	-	-	-
Mr. Mark Arundell[3]	3,160,000	-	-	(3,160,000)	-
Mr. Anthony Polglase[3]	175,000	-	-	(175,00)	-
Mr. Vernon Tidy[2]	100,000	-	-	(100,000)	-

[1] Mr. William Ryan, Dr. Nicholas Lindsay and Mr. Daniel Crennan were appointed on 21 May 2013.
[2] Mr. Matthew Wood and Mr. Scott Funston were appointed on 19 November 2012. Mr. Wood and Mr. Vernon Tidy resigned on 21 May 2013.
[3] Mr. Mark Arundell and Mr. Anthony Polglase resigned on 19 November 2012.
[4] This includes shares issued on acquisition of Castillo Exploration Limited.
[5] Includes Mr Funston's interest in shares held by Garrison Capital Pty Ltd, a Company in which he is a director and shareholder.
[6] Mr. William Ryan resigned on 31 August 2013

30 June 2012	Balance at the start of the year	Granted during the year as compensation	On exercise of share options	Other changes during the year	Balance at the end of the year
Mr. Vernon Tidy	100,000	-	-	-	100,000
Mr. Mark Arundell	3,095,000	-	-	65,000	3,160,000
Mr. Anthony Polglase	175,000	-	-	-	175,000
Mr. Scott Funston	315,000	-	-	-	315,000

Option holdings

The number of options in the company held during the financial year by key management personnel of Castillo Copper Limited, including their personally related parties, is set out below.

30 June 2013	Balance at the start of the year	Granted during the year as compensation	On exercise of share options	Other changes during the year	Balance at the end of the year
Dr. Nicholas Lindsay[1]	-	-	-	-	-
Mr. William Ryan[1]	-	-	-	-	-
Mr. Scott Funston[2]	-	-	-	750,000[4]	750,000
Mr. Daniel Crennan[1]	-	-	-	-	-
Mr. Matthew Wood[2]	-	-	-	-	-
Mr. Mark Arundell[3]	1,000,000	-	-	(1,000,000)	-
Mr. Anthony Polglase[3]	500,000	-	-	(500,00)	-
Mr. Vernon Tidy[2]	500,000	-	-	(500,000)	-

[1] Mr. William Ryan. Dr. Nicholas Lindsay and Mr. Daniel Crennan were appointed 21 May 2013
[2] Mr. Matthew Wood and Mr. Scott Funston were appointed 19 November 2012. Mr. Wood and Mr. Vernon Tidy resigned 21 May 2013
[3]Mr. Mark Arundell and Mr. Anthony Polglase resigned 19 November 2012
[4]Includes Mr Funston's interest in options issued to Garrison Capital Pty Ltd of which Mr Funston is a director and shareholder.

30 June 2012	Balance at the start of the year	Granted during the year as compensation	Exercised during the year	Other changes during the year	Balance at the end of the year
Mr. Vernon Tidy	500,000	-	-	-	500,000
Mr. Mark Arundell	1,000,000	-	-	-	1,000,000
Mr. Anthony Polglase	500,000	-	-	-	500,000
Mr. Scott Funston	-	-	-	-	-

There were no alterations to the terms and conditions of options granted as remuneration since their grant date. There were no forfeitures and no options lapsed during the year ended 30 June 2013.

There were no other key management personnel to disclose for the year ended 30 June 2013.

(d) Other transactions with key management personnel

Lindsay Rueda Services Pty Ltd, a company of which Dr. Lindsay is a director, charged the Group consulting fees of $26,600 (2012: nil) and reimbursements of expenses, at cost, paid on behalf of the Group of $1,042 (2012: nil) during the year. The consulting fees are included in Note 17(b) "Remuneration of key management personnel". $26,600 (2012: nil) was outstanding at year end.

Resourceful International Consulting Pty Ltd, a company in which Mr. Funston is a director, charged the Group consulting fees of $55,000 for the year ended 30 June 2013 (2012: $47,500). This amount is included in Note 17(b) "Compensation of key management personnel". $57,500 (2012: $2,750) was outstanding at year end.

Mineral Quest Pty Ltd, a company of which Mr. Wood is a director, charged the Group consulting fees of $70,000 (2012: nil) and reimbursement of payments for secretarial expenses, at cost for $3,150 (2012: nil) during the year.

The consulting fees are included in Note 17(b) "Remuneration of key management personnel". $73,150 (2012: nil) was outstanding at year end.

Arundell Geoscience Pty Ltd, a company in which Mr. Mark Arundell is a director, charged the Group consulting fees of $108,250 (2012: $129,750) and reimbursements of expenses, at cost, paid on behalf of the Group of $16,952 (2012: $89,561). The consulting fee is included in Note 17(b) "Compensation of key management personnel". Nil (2012: $4,917) was outstanding at year end.

Mazuma Consulting, a trust in which Mr. Tidy is a trustee, charged the Group director's fees of $15,000 for the year ended 30 June 2013 (2012: $23,750). This Director's fee is included in Note 17(b) "Compensation of key management personnel". $15,000 (2012: $2,625) was outstanding at year end.

Kernow Mining Consultants Pty Ltd, a company in which Mr. Polglase is a director, charged the Group director's fees of $6,250 for the year ended 30 June 2013 (2012: $23,750). This Director's fee is included in Note 17(b) "Compensation of key management personnel". $7,500 (2012: $1,375) was outstanding at year end.

Garrison Capital Pty Ltd, a company of which Mr. Wood, Mr. McMaster and Mr Funston are directors and shareholders, provided the Group with a fully serviced office including administration and information technology support and charged $120,000 for the year ended 30 June 2013 (2012: $120,000) for these services, plus reimbursement of payment for company secretary fees, accounting services, courier and other minor expenses of $27,521 (2012: $51,304) were charged during the year. $154,425 (2012: $14,568) was outstanding at year end. During the year, 5,000,000 unlisted options, exercisable at 10c before 30 June 2017 were issued to Garrison Capital Pty Ltd as consideration for corporate advisory services. Garrison Capital Pty Ltd loaned Castillo Exploration Limited $200,000 pre-acquisition by the Company, with the full amount outstanding at year end as disclosed in Note 9. As part of the loan agreement, there was a loan fee paid during the year of 200,000 shares at $0.044 per share for an issuance of capital of $8,800 as disclosed in Note 10(b).

Transactions with key management personnel were made at arm's length at normal market prices and normal commercial terms.

There were no other transactions with key management personnel for the year ended 30 June 2013.

18. Related party disclosures

a) Key management personnel

For Director related party transactions please refer to Note 17 "Key management personnel disclosures".

b) Subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of Castillo Copper Limited and the following subsidiaries:

Name of Entity	**Country of Incorporation**	**Equity Holding**	
		2013	**2012**
Castillo Copper Chile SPA	Chile	100%	-
Castillo Exploration Limited	Australia	100%	-
Atlantica Holdings (Bermuda) Ltd	Bermuda	75%	-

There were no other related party disclosures for the year ended 30 June 2013.

19. Financial Risk Management

Exposure to interest rate, liquidity, and credit risk arises in the normal course of the Group's business. The Group does not hold or use derivative financial instruments. The Group's principal financial instruments comprise mainly of deposits with banks. The totals for each category of financial instruments are as follows:

	2013 $	2012 $
Financial Assets		
Cash and cash equivalents	145,581	958,392
Trade and other receivables	153,844	115,485
Financial Liabilities		
Trade and other payables	517,367	45,049
Borrowings	200,000	-

The Group uses different methods as discussed below to manage risks that arise from these financial instruments. The objective is to support the delivery of the financial targets while protecting future financial security.

(a) Liquidity Risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities.

The Group manages liquidity risk by maintaining sufficient cash facilities to meet the operating requirements of the business and investing excess funds in highly liquid short term investments. The responsibility for liquidity risk management rests with the Board of Directors.

Alternatives for sourcing future capital needs include the cash position and future equity raising alternatives. These alternatives are evaluated to determine the optimal mix of capital resources for our capital needs. The Board expects that, assuming no material adverse change in a combination of our sources of liquidity, present levels of liquidity will be adequate to meet expected capital needs.

Maturity analysis for financial liabilities

Financial liabilities of the Group comprise trade and other payables. As at 30 June 2013 any financial liabilities that are contractually matured within 60 days have been disclosed as current. Trade and other payables that have a deferred payment date of greater than 12 months have been disclosed as non-current.

(b) Interest Rate Risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair value of financial instruments.

The Group's exposure to changes to interest rate risk relates primarily to its earnings on cash and term deposits. The Group manages the risk by investing in short term deposits.

	2013 $	2012 $
Cash and cash equivalents	145,581	958,392

Interest rate sensitivity

The following table demonstrates the sensitivity of the Group's statement of comprehensive income to a reasonably possible change in interest rates, with all other variables constant.

Change in Basis Points	Effect on Post Tax Loss ($) Increase/(Decrease)		Effect on Equity including retained earnings ($) Increase/(Decrease)	
	2013	**2012**	**2013**	**2012**
Increase 100 basis points	1,456	9,584	1,456	9,584
Decrease 100 basis points	(1,456)	(9,584)	(1,456)	(9,584)

A sensitivity of 100 basis points has been used as this is considered reasonable given the current level of both short term and long term Australian Dollar interest rates. This would represent two to four movements by the Reserve Bank of Australia.

(c) Credit Risk Exposures

Credit risk represents the risk that the counterparty to the financial instrument will fail to discharge an obligation and cause the Group to incur a financial loss. The Group's maximum credit exposure is the carrying amounts on the statement of financial position. The Group holds financial instruments with credit worthy third parties.

At 30 June 2013, the Group held cash at bank. These were held with financial institutions with a rating from Standard & Poors of AA or above (long term). The Group has no past due or impaired debtors as at 30 June 2013.

20. Parent Entity Information

(a) Parent Financial Information

The following details information related to the parent entity, Castillo Copper Limited, at 30 June 2013. The information presented here has been prepared using consistent accounting policies as presented in note 2.

	2013 $	2012 $
Current assets	222,260	1,033,877
Non-current assets	3,364,258	454,539
Total assets	**3,586,518**	**1,488,416**
Current liabilities	72,489	45,049
Non-current liabilities	342,843	**-**
Total liabilities	**415,332**	**45,049**
Net assets	**3,171,186**	**1,443,367**
Issued capital	5,601,778	3,402,780
Reserves	1,773,743	1,627,864
Accumulated losses	(4,204,335)	(3,587,277)
Total equity	**3,171,186**	**1,443,367**
Loss of the parent entity	(617,058)	(1,587,680)
Other comprehensive income for the year	-	-
Total comprehensive income of the parent entity	**(617,058)**	**(1,587,680)**

b) Guarantees

Castillo Copper Limited has not entered into any guarantees in relation to the debts of its subsidiary.

c) Other Commitments and Contingencies

Castillo Copper Limited has not entered into any commitments and does not have any known contingent liabilities at year end.

21. Contingent liabilities

There are no known contingent liabilities as at 30 June 2013 (2012:Nil).

22. Commitments

At 30 June 2013 the Group has commitments of $670,072 (2012: $1,218,219) relating to exploration expenditure on the Group's Australian tenements.

Commitments at balance date but not recognised as liabilities are as follows:

	2013 $	**2012 $**
Within one year	600,072	685,219
After one year but not more than five years	70,000	533,000
Longer than five years	-	-
	670,072	1,218,219

The Group has the right to relinquish the tenements at any time which will release the Group from future payments. These amounts are not recognised in the statement of financial position.

Option Payments

In accordance with option agreements entered into in July 2010 for the Posada project, October 2011 for the Rio Rocin project and March 2012 for the Resguardo project, the Group has option installment payments amounting to the following:

	2013 $	**2012 $**
Within one year	793,506	-
After one year but not more than five years	14,534,042	-
Longer than five years	5,354,327	-
	20,681,875	-

The Group has the pre-emptive rights to withdraw from the contracts at any time which will release the Group from future payments. These amounts are not recognised in the statement of financial position.

23. Dividends

No dividend was paid or declared by the Group in the period since the end of the financial year, and up to the date of this report. The Directors' do not recommend that any amount be paid by way of a dividend for the financial year ended 30 June 2013.

The balance of the franking account is Nil at 30 June 2013 (2012: Nil).

24. Share based payments

(a) Recognised share based payment transaction

Share based payment transactions recognised either as exploration expenditure on the statement of financial position or operating expenses on the statement of comprehensive income, were as follows:

	2013 $	2012 $
Exploration expenditure		
Share based payments to vendors	2,200,000	-
Share based payment to supplier	145,878	-
	2,345,878	
Operating expenses		
Share based payments to supplier	8,800	-

(b) Employee share option plan

The Group has established an employee share option plan (ESOP). The objective of the ESOP is to assist in the recruitment, reward, retention and motivation of employees of Castillo Copper Limited. Under the ESOP, the Directors may invite individuals acting in a manner similar to employees to participate in the ESOP and receive shares or options. An individual may receive the options, or shares, or nominate a relative or associate to receive the options or shares. The plan is open to executive officers, nominated consultants and employees of Castillo Copper Limited.

The fair value at grant date of options granted during the financial year was determined using the Black Scholes option pricing model that takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share and the risk free interest rate for the term of the option.

The table below summarises options granted under the ESOP in the previous financial years:

Grant Date	Expiry date	Exercise price	Balance at start of the year Number	Granted during the year Number	Exercised during the year Number	Expired during the year Number	Balance at end of the year Number	Exercisable at end of the year Number
* 26 June 2010	30 June 2014	$0.20	1,500,000	-	-	-	1,500,000	1,500,000
* 18 October 2010	30 June 2014	$0.20	500,000	-	-	-	500,000	500,000
# 24 February 2011	30 June 2014	$0.20	1,100,000	-	-	-	1,100,000	1,100,000
			3,100,000	-	-	-	3,100,000	3,100,000

Options were issued under the ESOP

* Options were not issued under the ESOP

Weighted remaining contractual life (years)	2	-	-	-	1	1
Weighted average exercise price	$0.20	-	-	-	$0.20	$0.20

There were no other employee share options granted during the 30 June 2013 or 30 June 2012 financial year.

(c) Share based payment to suppliers and vendors

Exploration Expenditure

During the financial year 50,000,004 shares were issued to the shareholders of Castillo Exploration Limited. The fair value of the shares of $2,200,000 was determined by reference to the market value on the Australian Securities Exchange on the date the transaction was approved by shareholders.

During the financial year 5,000,000 options in total were issued to Garrison Capital Pty Ltd for their role as advisors to the acquisition of Castillo Exploration Limited. The fair value of the options of $145,878 was determined using the Black Scholes option pricing model. The options are exercisable at $0.10 on or before 30 June 2017. These options are included in the table below.

Grant Date	Expiry date	Exercise price	Balance at start of the year	Granted during the year	Exercised during the year	Expired during the year	Balance at end of the year	Exercisable at end of the year
			Number	Number	Number	Number	Number	Number
21 May 2013	30 June 2017	$0.10	-	5,000,000	-	-	5,000,000	5,000,000
			-	5,000,000	-	-	5,000,000	5,000,000
Weighted remaining contractual life (years)			-	4	-	-	4	4
Weighted average exercise price			-	$0.10	-	-	$0.10	$0.10

The model inputs, not included in the table above, for options granted during the year ended 30 June 2013 included:

(a) options are granted for no consideration and vest immediately;
(b) Expected life of options is four years;
(c) share price at grant date was $0.044;
(d) expected volatility of 113%;
(e) expected dividend yield of Nil; and
(f) a risk free interest rate of 2.717%

Operating expenses

There were 200,000 shares issued to Garrison Capital Pty Ltd as a loan fee on the loan acquired upon acquisition of Castillo Exploration Limited. The fair value of the shares of $8,800 was determined by reference to the market value on the Australian Securities Exchange on the date the transaction.

There were no other share based payments made to suppliers during the 30 June 2012 and 30 June 2013 financial year.

25. Acquisition of Subsidiary – Castillo Exploration Limited

During the financial year, the Group acquired 100% of the voting shares of Castillo Exploration Limited.

The total cost of the acquisition was $2,200,000 and comprised an issue of equity instruments. The Group issued securities as described in note 24(c) with an issue price based on the quoted price of ordinary shares at the date the transaction was approved by shareholders.

The acquisition does not constitute a business combination and the cost of the acquisition has been allocated to exploration and evaluation assets as disclosed in note 6.

The fair value of the identifiable assets and liabilities of Castillo Exploration Limited and its subsidiary as at the date of acquisition are:

	Recognised on acquisition $
Cash and cash equivalents	12,212
Trade and other receivables	45,108
Property, plant and equipment	1,430
Tenement interests, exploration and evaluation expenditure	2,676,987
Trade and other payables	(189,859)
Borrowings	(200,000)
Fair value of identifiable net assets	2,345,878
Cost of the acquisition:	
Securities issued, at fair value	2,345,878
Total cost of the acquisition	2,345,878

Castillo Copper Limited – Director's Declaration

In accordance with a resolution of the Directors of Castillo Copper Limited, I state that:

1. In the opinion of the directors:

   (a) the financial statements and notes of the Group are in accordance with the Corporations Act 2001, including:

      (i) giving a true and fair view of the financial position of the Group as at 30 June 2013 and of its performance, for the year ended on that date; and

      (ii) complying with Australian Accounting Standards, the Corporations Regulations 2001, professional reporting requirements and other mandatory requirements; and

   (b) there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable; and

   (c) The financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standard Board.

2. This declaration has been made after receiving the declarations required to be made by the Chief Executive Officer and Chief Financial Officer in accordance with sections 295A of the Corporations Act 2001.

On behalf of the board

Nicholas Lindsay
Managing Director
3 September 2013

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Castillo Copper Limited for the year ended 30 June 2013, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

RSM Bird Cameron Partners

RSM BIRD CAMERON PARTNERS

Perth, WA
Dated: 3 September 2013

TUTU PHONG
Partner

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CASTILLO COPPER LIMITED

Report on the Financial Report

We have audited the accompanying financial report of Castillo Copper Limited, which comprises the statement of financial position as at 30 June 2013, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 2(b), the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

RSM Bird Cameron Partners

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Castillo Copper Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion:

(a) the financial report of Castillo Copper Limited is in accordance with the *Corporations Act 2001*, including:

 (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2013 and of its performance for the year ended on that date; and

 (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

(b) the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 2(b).

Report on the Remuneration Report

We have audited the Remuneration Report contained within the directors' report for the year ended 30 June 2013. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001.* Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion the Remuneration Report of Castillo Copper Limited for the year ended 30 June 2013 complies with section 300A of the *Corporations Act 2001*.

RSM Bird Cameron Partners

RSM BIRD CAMERON PARTNERS

Perth, WA
Dated: 3 September 2013

TUTU PHONG
Partner

ASX Additional Information

Additional information required by the Australian Stock Exchange Ltd and not shown elsewhere in this report is as follows. The information is current at 21 August 2013.

Substantial Share Holders
The names of shareholders who have notified the Group in accordance with Section 671B of the Corporations Act 2001 are:

Shareholder Name	No. of Ordinary Shares	Percentage %
Matthew Wood	6,629,001	8.27
Jason Peterson	6,391,357	7.97
Nicholas Lindsay	5,600,001	6.98
William Ryan	4,250,001	5.30

Distribution of Share Holders

	Ordinary Shares	
	Number of Holders	Number of Shares
1 - 1,000	3	8
1,001 - 5,000	3	7,771
5,001 - 10,000	74	720,950
10,001 - 100,000	206	9,247,894
100,001 - and over	95	70,223,381
TOTAL	381	80,200,004

There were 94 holders of ordinary shares holding less than a marketable parcel.

Top Twenty Share Holders

Name	Number of Shares held	%
MS SILVANA ALEXANDRA RUEDA SAEZ	5,500,001	6.86
RYTECH PTY LTD <RYTECH SUPER FUND>	4,250,001	5.30
MR JASON PETERSON + MRS LISA PETERSON <J & L PETERSON S/F A/C>	3,915,000	4.88
MITCHELL GRASS HOLDING SINGAPORE PTE LTD	3,784,000	4.72
JODAMA PTY LTD	3,065,000	3.82
MITCHELL GRASS HOLDING SINGAPORE PTE LTD	3,025,001	3.77
MR TIMOTHY JAMES FLAVEL <THE FLAVEL INVESTMENT A/C>	2,925,000	3.65
TAYCOL NOMINEES PTY LTD	2,925,000	3.65
MR FRANCIS SCOTT FUNSTON + MS VICTORIA ALEXIS SUZANNE FUNSTON <FUNSTON INVESTMENT A/C>	2,865,001	3.57
MR DANIEL EDDINGTON + MRS JULIE EDDINGTON <DJ HOLDINGS A/C>	2,478,000	3.09
CELTIC CAPITAL PTY LTD <THE CELTIC CAPITAL A/C>	2,249,690	2.81
MR FREDY BUSTOS	2,000,000	2.49
NEFCO NOMINEES PTY LTD	1,589,000	1.98
REEVE VENTURES PTY LTD <THE VEGA A/C>	1,200,000	1.50
MR MICHAEL FOSTER BLACK + MS LYNETTE ROBIN BLACK, <PER SUR SUPP CP STF S/F2 A/C>	1,100,000	1.37
BRIJOHN NOMINEES PTY LTD <NELSONIO A/C>	1,035,000	1.29
MR HUGO ITUCAYASI VELASQUEZ	1,000,000	1.25
MS MARNIE JANE EDDINGTON <G & K FAMILY A/C>	900,000	1.12
MR MICHAEL ANDREW WHITING + MRS TRACEY ANNE WHITING <WHITING FAMILY S/F A/C>	881,250	1.10
CORPORATE PROPERTY SERVICES PTY LTD <K W SHARE A/C>	831,250	1.04
Total	47,518,194	59.26

Restricted Securities

There are 5,850,002 ordinary shares escrowed until 20 May 2014.

On-Market Buy Back

There is no current on-market buy back.

Tenement Table

Australia

Tenement	Property Name	Project	Tenure Status
EL 7412	Spion Kop	Boorowa	Granted
EL 7408	Rose Vale	Boorowa	Granted
EL 7754	Apsley	Mullions Range	Granted
EL 7426	Michelago	Michelago	Granted
EL 7980	Wongoni	Ordovician	Granted
ELA 4639	Dunedoo	Ordovician	Application

Chile

RIO ROCIN	HECTARES	NATIONAL ROLL	YEAR GRANTED	OWNER
CHILON 1 to 11	2,500	N/A		Castillo Copper Chile SpA
TRAPICHE 1/60	300	05604-0304-6	2001	SLM TRAPICHE
CONDOR 1/60	299	05604-0310-0	2001	SLM CONDOR
MOROCHA 1/60	300	05604-0307-0	2001	SLM MOROCHA
CHILON 1/60	300	05604-0303-8	2001	SLM CHILON
LEON 1/60	300	05604-0309-7	2001	SLM LEON
PEÑABLANCA 1/60	300	05604-0305-4	2001	SLM PEÑABLANCA
RINCONCILLO 1/50	230	05604-0306-2	2001	SLM RINCONCILLO
AGUILA 1/38	190	05604-0308-9	2001	SLM AGUILA
LOS BAYOS 1/904	105	05604-0163-9	1982	SLM LOS BAYOS

Note: Castillo Copper Chile SpA has a 63% interest in the property owned by SLM Los Bayos, and 100% interest in properties owned by SLM Trapiche, SLM Condor, SLM Aquila, SLM Morocha, SLM Chilon, SLM Rnconcillo, SLM Leon and SLM Penablanca. Castillo Copper Chile SpA also has 100% interest in the properties Chilon 1 to 11.

POSADA	HECTARES	NATIONAL ROLL	YEAR GRANTED	OWNER
POSADA PRIMERA 20	300	03203-A016-3	2011	Castillo Copper Chile SpA
POSADA PRIMERA 19	300	03203-A015-5	2011	Castillo Copper Chile SpA
POSADA PRIMERA 18	300	03203-A014-7	2011	Castillo Copper Chile SpA
POSADA PRIMERA 17	200	03203-A013-9	2011	Castillo Copper Chile SpA
POSADA PRIMERA 16	200	03203-A012-0	2011	Castillo Copper Chile SpA
POSADA PRIMERA 15	100	03203-A011-2	2011	Castillo Copper Chile SpA
POSADA PRIMERA 14	300	03203-9982-3	2011	Castillo Copper Chile SpA
POSADA PRIMERA 13	100	03203-9981-5	2011	Castillo Copper Chile SpA
POSADA PRIMERA 12	300	03203-9980-7	2011	Castillo Copper Chile SpA
POSADA PRIMERA 11	100	03203-9979-3	2011	Castillo Copper Chile SpA
POSADA PRIMERA 10	300	03203-9978-5	2011	Castillo Copper Chile SpA
POSADA PRIMERA 9	300	03203-A009-0	2011	Castillo Copper Chile SpA
POSADA PRIMERA 8	200	03203-A008-2	2011	Castillo Copper Chile SpA
POSADA PRIMERA 7	200	03203-A007-4	2011	Castillo Copper Chile SpA
POSADA PRIMERA 6	200	03203-A006-6	2011	Castillo Copper Chile SpA
POSADA PRIMERA 5	300	03203-9977-7	2011	Castillo Copper Chile SpA
POSADA PRIMERA 4	300	03203-9976-9	2011	Castillo Copper Chile SpA
POSADA PRIMERA 3	300	03203-9975-0	2011	Castillo Copper Chile SpA
POSADA PRIMERA 2	100	03203-9974-2	2011	Castillo Copper Chile SpA
POSADA PRIMERA 1	300	03203-9973-4	2011	Castillo Copper Chile SpA

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

CACHIYUYO (POSADA)	HECTARES	NATIONAL ROLL	YEAR GRANTED	OWNER
CACHIYUYO 10	300	03201-A394-5	2010	Castillo Copper Chile SpA
CACHIYUYO 12	100	03201-A563-8	2010	Castillo Copper Chile SpA
CACHIYUYO 1	300	03201-D782-3	2011	Castillo Copper Chile SpA
CACHIYUYO 2	300	03201-D783-1	2011	Castillo Copper Chile SpA
CACHIYUYO 3	200	03201-A095-3	2011	Castillo Copper Chile SpA
CACHIYUYO 4	200	03201-A096-1	2011	Castillo Copper Chile SpA
CACHIYUYO PRIMERA 15	300	N/A	2011	Castillo Copper Chile SpA
CACHIYUYO PRIMERA 16	300	N/A	2011	Castillo Copper Chile SpA
CACHIYUYO 2 1/20	188	03201-7760-K	2010	SCM Cachiyuyo

Note: Castillo Copper Limited has a 100% interest in properties owned by Castillo Copper Chile SpA, and an 80% interest in properties owned by SCM Cachiyuyo (80:20 joint venture with Sociedad Inversiones Gema).

RESGUARDO	HECTARES	FOLIO	NUMBER	YEAR GRANTED	OWNER
ROSA I	300	6002	4454	2011	Soc. Inversiones Gema
ROSA II	300	6003	4455	2011	Soc. Inversiones Gema
ROSA III	300	6146	4460	2011	Soc. Inversiones Gema
ONCE	100	10645	7955	2011	Soc. Inversiones Gema
DOCE	200	10647	7956	2011	Soc. Inversiones Gema
TRECE	200	10648	7957	2011	Soc. Inversiones Gema
CANDIL 1	100	12158	9005	2011	Soc. Inversiones Gema
CANDIL 2	300	12160	9006	2011	Soc. Inversiones Gema
CANDIL 3	300	12161	9007	2011	Soc. Inversiones Gema
CANDIL 4	300	12163	9008	2011	Soc. Inversiones Gema
CANDIL 5	200	12164	9009	2011	Soc. Inversiones Gema
CANDIL 6	200	12166	9010	2011	Soc. Inversiones Gema
CANDIL 7	300	12167	9011	2011	Soc. Inversiones Gema
CANDIL 8	300	12169	9013	2011	Soc. Inversiones Gema
CANDIL 9	100	12170	9013	2011	Soc. Inversiones Gema
RESGUARDO 1 1/20	100	164	274	2009	SLM Resguardo 1 de la Sierra Fraga
RESGUARDO 3 1/20	100	115	54	2009	SLM Resguardo 3 de la Sierra Fraga
RESGUARDO 4 1/20	100	120	55	2009	SLM Resguardo 4 de la Sierra Fraga
ROSA 1/10	20	5921	4399	2011	Soc. Inversiones Gema

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

QUEBRADA HUANTA (VICUÑA)	HECTARES	FOLIO	NUMBER	YEAR GRANTED	OWNER
EL PROFETA 1	300	450	243	2011	Castillo Copper Chile SpA
EL PROFETA 2	300	451	244	2011	Castillo Copper Chile SpA
EL PROFETA 3	300	452	245	2011	Castillo Copper Chile SpA
EL PROFETA 4	300	453	246	2011	Castillo Copper Chile SpA
EL PROFETA 5	300	454	247	2011	Castillo Copper Chile SpA
PACHI 1	300	470	263	2011	Castillo Copper Chile SpA
PACHI 2	300	471	264	2011	Castillo Copper Chile SpA
PACHI 3	300	472	265	2011	Castillo Copper Chile SpA
CAMILA 1	300	460	253	2011	Castillo Copper Chile SpA
CAMILA 2	200	461	254	2011	Castillo Copper Chile SpA
CAMILA 3	300	462	255	2011	Castillo Copper Chile SpA
CAMILA 4	300	463	256	2011	Castillo Copper Chile SpA
CAMILA 5	300	464	257	2011	Castillo Copper Chile SpA
CAMILA 6	300	465	258	2011	Castillo Copper Chile SpA
CAMILA 7	300	466	259	2011	Castillo Copper Chile SpA
CAMILA 8	300	467	260	2011	Castillo Copper Chile SpA
CAMILA 9	300	468	261	2011	Castillo Copper Chile SpA
HOMERO 1	300	1317	799	2011	Castillo Copper Chile SpA
HOMERO 2	300	1318	800	2011	Castillo Copper Chile SpA

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