CASTILLO COPPER LIMITED

ABN 52 137 606 476

Annual Report

30 June 2015

Corporate Directory

Directors

Mr. David Wheeler (Non-Executive Director)
Mr. Giuseppe (Joe) Graziano (Non-Executive Director)
Mr. Jack James (Non-Executive Director)

Company Secretary

Mr. Jack James

Registered Office and Principal Place of Business

Level 1
330 Churchill Avenue,
Subiaco, WA 6008 Australia
Telephone: + 618 9200 4491
Facsimile: + 618 9200 4469

Share Registry

Automic Registry Services Pty Ltd
Level 1
7 Ventnor Ave
WEST PERTH WA 6005
Telephone: + 618 9324 2099
Facsimile: + 618 9321 2337

Auditors

HLB Mann Judd
Level 4
130 Stirling Street
Perth, WA 6000 Australia

Stock Exchange Listing

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

Contents

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 2015. 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 David Wheeler

Non-Executive Director (appointed 13 August 2015)

Mr Wheeler has more than 30 years of executive management experience, through general management, CEO and managing director roles across a range of companies and industries. He has worked on business projects in the USA, UK, Europe, New Zealand, China, Malaysia, and the Middle East (Iran). David has been a Fellow of the Australian Institute of Company Directors (FAICD) since 1990.

Mr Wheeler is currently a director of ASX listed Oz Brewing Limited (appointed 15 April 2011), Eumeralla Resources Limited (appointed 1 October 2014), TW Holdings Limited (appointed 18 November 2014), Antares Mining Limited (appointed 12 August 2015) and Premiere Eastern Energy Limited (appointed 22 August 2014). He has not held any other listed directorships over the past three years.

Mr Giuseppe (Joe) Graziano

Non-Executive Director (appointed 13 August 2015)

Mr Graziano has 25 years of experience providing a wide range of business, financial and taxation advice to small cap unlisted and listed public companies and privately owned businesses in Western Australia's resource-driven industries, particularly mining, banking and finance, professional services and logistics.

He has the knowledge and experience in Corporate Advisory and strategic planning with Corporations and Private Businesses going through a growth phase and restructuring those businesses to assist with the next phase of their growth strategy. He also has experience in Capital Raisings, ASX compliance and regulatory requirements.

Mr Graziano is currently a director of ASX listed Oz Brewing Limited (appointed 15 April 2011), Lithex Resources Limited (appointed 5 December 2013), Antares Mining Limited (appointed 12 August 2015) and Kin Mining NL (appointed 30 September 2013). He has not held any other listed directorships over the past three years.

Mr Jack James

Non-Executive Director (appointed 13 August 2015) / Company Secretary (appointed 14 July 2014)

Mr James provides accounting, secretarial and advisory advice to private and public companies, government and other stakeholders. Mr James has over 15 years of experience in chartered accounting specialising in corporate advisory and reconstruction. Mr James has a Bachelor of Business from the Queensland University of Technology and is a Chartered Accountant.

Mr James is currently a director of Eumeralla Resources Ltd (appointed 22 August 2011, resigned 14 May 2015, appointed 21 May 2015), Antares Mining Limited (appointed 15 October 2014) and Premiere Eastern Energy Limited (appointed 18 March 2015). Mr James was a director of Sunseeker Minerals Limited (appointed 9 August 2012, resigned 28 February 2013), Firestone Energy Limited (appointed 5 February 2013, resigned 13 June 2013) and Lithex Resources Limited (appointed 12 December 2013, resigned 29 January 2015). He has not held any other listed directorships over the past three years.

Mr. Brian McMaster

Executive Chairman (resigned 13 August 2015)

Mr. McMaster is a Chartered Accountant and has 20 years of 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 Paradigm Metals Limited (appointed 14 September 2013), Wolf Petroleum Limited (appointed 24 April 2012), Black Star Petroleum Limited (appointed 9 August 2012), Harvest Minerals Limited (appointed 1 April 2014), Haranga Resources Limited (1 April 2014) and The Carajas Copper Company Limited (appointed 27 August 2014). Mr. McMaster was a director of The Waterberg Coal Company (appointed 12 April 2012, resigned 17 March 2014), Antares Mining Limited Limited (appointed 2 December 2011, resigned 12 August 2015), Firestone Energy Limited (appointed 14 June 2013, resigned 18 March 2014) and Lindian Resources Limited (appointed 20 June 2011, resigned 16 September 2014). He has not held any other listed directorships in the past three years.

Dr. Nicholas Lindsay

Managing Director (resigned 13 August 2015)

Dr. Lindsay has over 25 years of 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 Paradigm Metals Limited (appointed 13 October 2014). Dr. Lindsay was a director of Antares Mining Limited (appointed 30 October 2014, resigned 31 March 2015) and The Carajas Copper Company Limited (appointed 12 June 2009, resigned 1 October 2014). He has not held any other listed directorships in the past three years.

Mr. Matthew Wood

Executive Director (resigned 13 August 2015)

Mr. Wood has over 20 years of 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 and a graduate certificate in mineral economics from the Western Australian School of Mines and is a member of the AusIMM. Mr. Wood is a founding Director in venture capital and advisory firm Garrison Capital Pty Limited.

Mr Wood is currently a director of Harvest Minerals Limited (appointed 1 April 2014), The Carajas Copper Company Limited (appointed 12 June 2009), Haranga Resources Limited (appointed 2 February 2010), Wolf Petroleum Limited (appointed 24 April 2012) and Black Star Petroleum Limited (appointed 28 February 2013). Mr Wood was a director of Avanco Resources Limited (appointed 4 July 2007, resigned 22 September 2014), Lindian Resources Limited (appointed 5 May 2011, resigned 3 October 2014) and Antares Mining Limited (appointed 29 May 2009, resigned 12 August 2015). He has not held any other listed directorships over the past three years.

Mr. Daniel Crennan

Non-Executive Director (resigned 13 August 2015)

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 Wolf Petroleum Limited (appointed 5 January 2015). Mr. Crennan was previously a director of The Waterberg Coal Company Limited (appointed 12 April 2012, resigned 7 May 2014) he was also previously a director of Hunnu Coal Limited. He has not held any other listed directorships over the past three years.

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. Jack James	-	-
Mr. David Wheeler	-	-
Mr. Joe Graziano	-	-
Mr. Brian McMaster	-	-
Mr. Matthew Wood	-	-
Dr. Nicholas Lindsay	-	-
Mr. Daniel Crennan	-	-

All formal resolutions by the Board were effected by way of circular resolution.

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.

The remuneration report is set out under the following main headings:

- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional disclosures relating to key management personnel

Principles used to determine the nature and amount of remuneration

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.

As at 30 June	**2015**	**2014**	**2013**	**2012**	**2011**
Loss per share (cents)	(1.05)	(0.58)	(1.78)	(5.29)	(7.71)

DETAILS OF REMUNERATION

Details of Key Management Personnel

Mr. Jack James (Non-Executive Director) – appointed 13 August 2015
Mr. David Wheeler (Non-Executive Director) – appointed 13 August 2015
Mr. Joe Graziano (Non-Executive Director) – appointed 13 August 2015
Mr. Brian McMaster (Executive Chairman) – resigned 13 August 2015
Dr. Nicholas Lindsay (Managing Director) – resigned 13 August 2015
Mr. Matthew Wood (Executive Director) – resigned 13 August 2015
Mr. Daniel Crennan (Non-Executive Director) – resigned 13 August 2015

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		Relative proportions of remuneration of KMP that are linked to performance	
2015	Directors' Fees $	Consulting Fees $	Share-based Payments $	Superannuation $	Total $	Fixed Remuneration %	Remuneration linked to performance %
Director							
Mr. Jack James[1]	-	-	-	-	-	100%	-
Mr. David Wheeler[1]	-	-	-	-	-	100%	-
Mr. Joe Graziano[1]	-	-	-	-	-	100%	-
Mr. Brian McMaster[2]	-	96,000	-	-	96,000	100%	-
Dr. Nicholas Lindsay[2]	-	70,000			70,000	100%	-
Mr. Matthew Wood[2]	-	30,000	-	-	30,000	100%	-
Mr. Daniel Crennan[2]		15,000	-	-	15,000	100%	-
		211,000	**-**	**-**	**211,000**	100%	**-**

[1] Mr. Jack James, Mr. David Wheeler and Mr. Joe Graziano were appointed 13 August 2015.

[2] Mr. Brian McMaster, Dr. Nicholas Lindsay, Mr. Matthew Wood and Mr. Daniel Crennan resigned on 13 August 2015.

	Short term		Options	Post employment		Relative proportions of remuneration of KMP that are linked to performance	
2014	Directors' Fees $	Consulting Fees $	Share based Payments $	Superannuation $	Total $	Fixed Remuneration %	Remuneration linked to performance %
Director						100%	
Mr. Brian McMaster[1]		80,000	-	-	80,000		-
Dr. Nicholas Lindsay	-	195,000			195,000	100%	-
Mr. Matthew Wood[2]	-	5,000	-	-	5,000	100%	-
Mr. Scott Funston[2]	-	45,000	-	-	45,000	100%	-
Mr. Daniel Crennan	22,500	-	-	-	22,500	100%	-
Mr. William Ryan[1]	8,596	-	-	-	8,596	100%	-
	31,096	**325,000**	**-**	**-**	**356,096**	**-**	

[1] Mr. William Ryan resigned and Mr. Brian McMaster appointed on 31 August 2013.

[2] Mr. Scott Funston resigned and Mr. Matthew Wood appointed on 1 April 2014.

There were no other key management personnel of the Group during the financial years ended 30 June 2015 and 30 June 2014. No remuneration is performance related.

Service Agreements

Executive Directors' Remuneration

The Managing Director, Dr. Nicholas Lindsay was paid an annual consulting fee on a monthly basis. The agreement commenced on 20 May 2013 and was for a term of two years unless extended by both parties. Dr. Lindsay may have terminated the agreement by giving three months written notice. The Group may have terminated 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. The agreement was concluded on 13 August 2015.

Mr. Brian McMaster and Mr. Matthew Wood were paid an annual consulting fee on a monthly basis. Their services may have been terminated by either party at any time.

Non-Executive Director' remuneration

Mr. Jack James, Mr. David Wheeler and Mr. Joe Graziano are paid an annual consulting fee on a monthly basis. Their services may be terminated by either party at any time.

Mr. Daniel Crennan was paid an annual consulting fee on a monthly basis. His services may have been 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.

Share-based compensation

Issue of shares

There were no share issued to Directors and other key management personnel as part of compensation during the year ended 30 June 2015.

Options

There were no grants of options over ordinary shares affecting remuneration of Directors and other key management personnel in this financial year or future reporting years.

Additional disclosures relating to key management personnel

Key Management Personnel Options

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.

	Balance at the start of the year	Balance at appointment	Granted during the year as compensation	On exercise of share options	Other changes during the year	Balance at resignation	Balance at the end of the year
Mr. Jack James	-	-	-	-	-	-	-
Mr. David Wheeler	-	-	-	-	-	-	-
Mr. Joe Graziano	-	-	-	-	-	-	-
Dr. Nicholas Lindsay	-	-	-	-	-	-	-
Mr. Brian McMaster	2,500,000	-	-	-	-	2,500,000	-
Mr. Matthew Wood	2,500,000	-	-	-	-	2,500,000	-
Mr. Daniel Crennan	-	-	-	-	-	-	-

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.

	Balance at the start of the year	Balance at appointment	Granted during the year as compensation	On exercise of share options	Other changes during the year	Balance at resignation	Balance at the end of the year
Mr. Jack James	-	-	-	-	-	-	-
Mr. David Wheeler	-	-	-	-	-	-	-
Mr. Joe Graziano	-	1,050,000	-	-	-	-	1,050,000
Dr. Nicholas Lindsay	7,765,001	-	-	-	500,000	8,265,001	-
Mr. Brian McMaster	3,800,000	-	-	-	-	3,800,000	-
Mr. Matthew Wood	27,409,001	-	-	-	-	27,409,001	-
Mr. Daniel Crennan	500,000	-	-	-	-	500,000	-

Other transactions with key management personnel

Lindsay Rueda Services Pty Ltd, a company of which Dr. Lindsay is a director, is owed $48,750 (2014: 11,000) at year end.

Vega Funds Pty Ltd, a company of which Mr. McMaster is a director, is owed $52,800 (2014: $8,800) at year end.

Gemstar Investments Ltd, a company of which Mr. McMaster is a director, is owed $24,000 (2014: $nil) at year end.

Garrison Capital Pty Ltd, a company of which Mr. Wood and Mr. McMaster are directors and shareholders, provided the Group with a fully serviced office including administration and information technology support and charged $30,000 for the year ended 30 June 2015 (2014: $120,000) for these services, plus reimbursement of payment for corporate advisory services, company secretary fees, accounting services, courier and other minor expenses of $70,520 (2014: $123,007) were charged during the year. $33,880 (2014: $20,113) was outstanding at year end.

Palisade Business Consulting Pty Ltd, a company of which Mr. James is a director, provided the Group with a fully serviced office including administration and information technology support and charged $45,000 for the year ended 30 June 2015 (2014: $Nil) for these services, plus reimbursement of payment for corporate advisory services, company secretary fees, accounting services, courier and other minor expenses of $68,900 (2014: $Nil) were charged during the year. $87,032 (2014: $Nil) was outstanding at year end.

Resource International Consulting Pty Ltd, a company which Mr. Funston is a director, is owed $Nil (2014: $2,750) at year end.

Mr. Wood is owed $17,700 (2014: $2,950) at year end.

Mr. Crennan is owed $8,250 (2014: $Nil) at year end.

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

END OF REMUNERATION REPORT

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
Mr. Jack James	-	-
Mr. David Wheeler	-	-
Mr. Joe Graziano	1,050,000	-
B. McMaster	-	-
N. Lindsay	-	-
M. Wood	-	-
D. Crennan	-	-

RESULTS OF OPERATIONS

The net loss of the Group for the year after income tax was $4,454,154 (2014: $1,945,775) and the net liabilities of the Group at 30 June 2015 was $139,670 (2014: net assets of $4,186,763).

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 of the Group was mineral exploration and examination of new resource opportunities. The Group currently holds copper projects in Chile and gold projects in Australia.

EMPLOYEES

Other than the Directors, the Group had no employees at 30 June 2015 (2014:Nil).

REVIEW OF OPERATIONS

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

POSADA COPPER PROJECT

The Posada copper project currently occupies 2,188 hectares of exploration concessions on the northern Chilean copper-iron belt, and is 60 km south of Copiapo. The copper-gold target is hosted within Mesozoic island arc volcanics, and comprises a 4 x 1 km geophysical (induced polarisation/low resistivity) anomaly. Known mineralisation on the property includes small artisanal gold and copper mines. Previous exploration by the Company has identified extensive zones of hydrothermal alteration, represented by sericite and quartz in stockwork, with abundant disseminated magnetite and sulphide mineralisation, principally pyrite. This style of alteration is consistent with the presence of porphyry copper deposits of Mesozoic age in the Coastal Ranges. In the current year the Group has made a decision to not continue exploration work on these projects.

RIO ROCIN COPPER PROJECT

The Rio Rocin project consists of 2,200 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 project area comprising sectors Los Bayos and El Chilon, covers a significant portion of a northerly trending quartz-sericite-clay altered, mineralised diorite porphyry known as Andrés-Amos, 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 copper mineralised Amos porphyry, with El Chilón connected to the system by a regional north-south trending reverse fault. The principal target for exploration is supergene copper mineralisation, which may provide a higher grade for development than might occur in the primary copper 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 contiguous Chilón sector using the principal regional structure (Chilon fault) as a conduit.

Previous exploration by the Company comprised a comprehensive geophysical programme, which included ground magnetics, induced polarisation (dipole-dipole) and resistivity, which 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. In the current year the Group has made a decision to not continue exploration work on these projects.

CORPORATE

Castillo Copper has engaged CPS Capital Group Pty Ltd to seek and introduce potential assets that the Company may be interested in acquiring and to provide general ongoing corporate advice.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

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

SIGNIFICANT EVENTS AFTER THE BALANCE DATE

On 25 August 2015, the Company announced it will undertake a fully underwritten renounceable entitlements issue of approximately 634,496,600 Shares at an issue price of $0.001 on the basis of one and a half (1.5) new Shares for every one (1) Share held by Shareholders on the record date, to raise approximately $634,496 (Offer) before costs. Funds raised will be used to satisfy the Company's pending working capital requirements.

Other than the above, there were no known significant events from the end of the financial year to the date of this report that have significantly affected, or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial periods.

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 5,000,000 unissued ordinary shares under options (5,000,000 at the reporting date). The details of the unlisted options at the date of this report are as follows:

Number	Exercise Price $	Expiry Date
5,000,000	0.10	30 June 2017

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.

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.

INDEMNITY AND INSURANCE OF AUDITOR

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

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.

Signed in accordance with a resolution of the Directors.
On behalf of the Directors.

Jack James
Non-Executive Director
24 September 2015

Competent Person’s Statement

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 2013 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.

Consolidated Statement of Comprehensive Income *for the year ended 30 June 2015*

	Notes	2015 $	2014 $
REVENUE			
Interest received		6,118	32,302
TOTAL REVENUE		**6,118**	**32,302**
Listing and public company expenses		(27,169)	(35,941)
Accounting and audit expenses		(112,843)	(113,092)
Consulting and Directors' fees		(330,544)	(269,227)
Impairment of exploration expenditure	6	(3,875,556)	(1,398,486)
Other expenses	4	(114,160)	(161,331)
LOSS BEFORE INCOME TAX EXPENSE FROM CONTINUING OPERATIONS		**(4,454,154)**	**(1,945,775)**
Income tax expense	5	-	-
LOSS AFTER INCOME TAX EXPENSE FOR THE YEAR		**(4,454,154)**	**(1,945,775)**
OTHER COMPREHENSIVE INCOME / (LOSS)			
Item that may be reclassified subsequently to profit or loss			
Foreign currency translation		149,328	(294,504)
TOTAL OTHER COMPREHENSIVE INCOME / (LOSS)		**149,328**	**(294,504)**
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		**(4,304,826)**	**(2,240,279)**
Loss per share attributable to owners of Castillo Copper Limited			
Basic and diluted loss per share (cents per share)	13	(1.05)	(0.58)

The accompanying notes form part of these financial statements.

Consolidated Statement of Financial Position *as at 30 June 2015*

	Notes	2015	2014
		$	$
CURRENT ASSETS			
Cash and cash equivalents	11	37,565	812,266
Other receivables	7	107,951	105,224
TOTAL CURRENT ASSETS		**145,516**	**917,490**
NON-CURRENT ASSETS			
Deferred exploration and evaluation expenditure	6	-	3,328,152
Plant and equipment		205	1,165
Other receivables	7	10,000	20,000
TOTAL NON-CURRENT ASSETS		**10,205**	**3,349,317**
TOTAL ASSETS		**155,721**	**4,266,807**
CURRENT LIABILITIES			
Trade and other payables	8	295,391	80,044
TOTAL CURRENT LIABILITIES		**295,391**	**80,044**
TOTAL LIABILITIES		295,391	**80,044**
NET (LIABILITIES) / ASSETS		**(139,670)**	**4,186,763**
EQUITY			
Issued capital	9	8,836,027	8,857,634
Reserves	10	1,644,842	1,495,514
Accumulated losses		(10,620,539)	(6,166,385)
TOTAL EQUITY		**(139,670)**	**4,186,763**

The accompanying notes form part of these financial statements.

Consolidated Statement of Changes in Equity *for the year ended 30 June 2015*

	Issued capital $	Share based payment reserve $	Foreign currency translation reserve $	Accumulated losses $	Total $
Balance at 1 July 2014	**8,857,634**	**1,773,742**	**(278,228)**	**(6,166,385)**	**4,186,763**
Loss for the year	-	-	-	(4,454,154)	**(4,454,154)**
Other comprehensive income	**-**	**-**	149,328	**-**	**149,328**
Total comprehensive loss	**-**	**-**	**149,328**	**(4,454,154)**	**(4,304,826)**
Transactions with owners in their capacity as owners					
Shares buy-back during the year	(21,607)				**(21,607)**
Costs of issue	-		-	-	-
Balance as at 30 June 2015	**8,836,027**	**1,773,742**	**(128,900)**	**(10,620,539)**	**(139,670)**

	Issued capital $	Share based payment reserve $	Foreign currency translation reserve $	Accumulated losses $	Total $
Balance at 1 July 2013	**5,601,778**	**1,773,742**	**16,276**	**(4,220,610)**	**3,171,186**
Loss for the year	-	-	-	(1,945,775)	(1,945,775)
Other comprehensive loss	**-**	**-**	(294,504)	**-**	(294,504)
Total comprehensive loss	**-**	**-**	**(294,504)**	**(1,945,775)**	**(2,240,279)**
Transactions with owners in their capacity as owners					
Shares issued during the year	3,500,000	-	-	-	3,500,000
Costs of issue	(244,144)	-	-	-	(244,144)
Balance as at 30 June 2014	**8,857,634**	**1,773,742**	**(278,228)**	**(6,166,385)**	**4,186,763**

The accompanying notes form part of these financial statements.

Consolidated Statement of Cash Flows *for the year ended 30 June 2015*

	Notes	2015	2014
		$	$
CASH FLOWS FROM OPERATING ACTIVITIES			
Interest received		9,965	28,454
Payments to suppliers and employees		(396,323)	(908,275)
NET CASH USED IN OPERATING ACTIVITIES	11	**(386,358)**	**(879,821)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Tenement expenditure guarantees refunded		10,000	70,000
Loans repaid		-	(200,000)
Exploration and evaluation expenditure		(376,973)	(1,592,124)
NET CASH USED IN INVESTING ACTIVITIES		**(366,973)**	**(1,722,124)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from share issue		-	3,500,000
Payment for share buy-back	9	(21,607)	-
Share issue costs		-	(250,570)
NET CASH FROM / (USED) IN FINANCING ACTIVITIES		**(21,607)**	**3,249,430**
Net (decrease) / increase in cash and cash equivalents		(774,938)	647,485
Cash and cash equivalents at beginning of year		812,266	145,581
Net foreign exchange differences		237	19,200
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	11	**37,565**	**812,266**

The accompanying notes form part of these financial statements.

1. Corporate Information

The financial report of Castillo Copper Limited and its subsidiaries ("Castillo Copper" or "the Group") for the year ended 30 June 2015 was authorised for issue in accordance with a resolution of the Directors on 24 September 2015.

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. 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.

(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 not yet effective

Standards and Interpretations applicable to 30 June 2015

In the year ended 30 June 2015, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Company and effective for the current annual reporting period.

As a result of this review, the Directors have determined that there is no material impact of the new and revised Standards and Interpretations on the Company and, therefore, no material change is necessary to Group accounting policies.

Standards and Interpretations in issue not yet adopted

The Directors have also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the year ended 30 June 2015. As a result of this review the directors have determined that there is no material impact, of the new and revised Standards and Interpretations on the Group and, therefore, no change is necessary to Group accounting policies.

(d) 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.

The Group incurred a net loss for the year ended 30 June 2015 of $4,454,154 and experienced net cash outflows from operating activities of $386,358 and net cash outflows for investing activities of $366,973. At 30 June 2015, the Group had a net liability position of $139,670. The cash and cash equivalents balance at 30 June 2015 was $37,565.

Subsequent to year end, on 25 August 2015, the Company announced it will undertake a fully underwritten renounceable entitlements issue of approximately 634,496,600 shares at an issue price of $0.001 on the basis of one and a half (1.5) new shares for every one (1) share held by shareholders on the record date, to raise approximately $634,496 (Offer) before costs. Funds raised will be used to satisfy the Company's pending working capital requirements.

In considering the above, the directors have reviewed the Group's financial position and are of the opinion that the use of the going concern basis of accounting is appropriate as they believe the Group will be able to secure funds to meet creditors.

There are a number of inherent uncertainties relating to the Group's future plans including but not limited to:

- whether the Company will be able to raise equity in this current market; and
- whether the Group would be able to secure any other sources of funding.

Accordingly, there is a material uncertainty that may cast significant doubt whether the Group will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

The financial report does not contain any adjustments relating to the recoverability and classification of recorded assets or to the amounts or classification of recorded assets or liabilities that might be necessary should the Group not be able to continue as a going concern.

(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 control. The Company controls an entity when the company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the 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*
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 21.

Functional currency translation reserve

Under the Accounting Standards, each entity within the Group is required to determine its functional currency, which is the currency of the primary economic environment in which the entity operates. Management considers the Chilean subsidiary to be foreign operations with Chilean Peso as the functional currency. In arriving at this determination, management has given priority to the currency that influences the labour, materials and other costs of exploration activities as they consider this to be a primary indicator of the functional currency.

(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/loss 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/loss 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 21.

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 13).

(u) Comparative information

When required by Accounting Standards, comparative information has been reclassified to be consistent with the presentation in the current year.

(v) Operating segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

(w) Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principle market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interest. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified, into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed each reporting date and transfers between levels are determined based on a reassessment of the lowest level input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

(x) Parent entity financial information

The financial information for the parent entity, Castillo Copper Limited, disclosed in Note 17 has been prepared on the same basis as the consolidated financial statements, except as set out below.

Investments in subsidiaries, associates and joint venture entities

Investments in subsidiaries, associates and joint venture entities are accounted for at cost in the parent entity's financial statements. Dividends received from associates are recognised in the parent entity's profit or loss, rather than being deducted from the carrying amount of these investments.

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 reviews internal management reports on a monthly basis that is consistent with the information provided in the consolidated statement of comprehensive income, consolidated statement of financial position and consolidated 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

	2015	2014
	$	$
Occupancy	80,000	120,000
Travel and accommodation	6,791	25,210
Legal	4,358	3,824
Other	23,011	12,297
Total other expenses	114,160	161,331

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	(4,454,154)	(1,945,775)
Tax at the company rate of 30%	(1,336,246)	(583,733)
Income tax benefit not bought to account	1,336,246	583,733
Income tax expense	-	-

The following deferred tax balances have not been bought to account:

Liabilities		
Total exploration and evaluation expenditure	121,581	404,958
Offset by deferred tax assets	(121,581)	(404,958)
Deferred tax liability	-	-

	2015	2014
Assets	$	$
Total losses available to offset against future taxable income	2,795,517	2,440,332
Total accrued expenses	18,525	5,505
Total share issue costs deductible over five years	45,122	114,680
Deferred tax assets offset against deferred tax liabilities	(121,581)	(404,959)
Deferred tax assets not brought to account as realisation is not regarded as probable	(2,737,583)	(2,155,558)
Deferred tax asset recognised	-	-

(d) Unused tax losses

Unused tax losses	9,318,391	8,134,391
Potential tax benefit not recognised at 30%	2,795,517	2,440,317

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;

(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	3,328,152	3,586,803
Exploration expenditure during the year	405,271	1,349,860
Net exchange differences on translation	142,133	(210,025)
Impairment expense[1]	(3,875,556)	(1,398,486)
Total exploration and evaluation	**-**	**3,328,152**

[1] The impairment expense relates to the decision to not continue exploration work on Australian and Chilean tenements and accordingly the carrying value has been written down to $nil. The recoupment of costs carried forward in relation to areas of interest in the exploration and evaluation phase is dependent on the successful development and commercial exploration or sale of respective areas.

7. Other Receivables

Current		
GST/VAT receivable	102,672	99,340
Tenement guarantees	-	-
Other	5,279	5,884
	107,951	**105,224**
Non-Current		
Tenement guarantees	**10,000**	**20,000**

There are no current tenement guarantees.

8. Trade and other payables

	2015	2014
Current	**$**	**$**
Trade creditors	230,081	61,694
Accruals	65,310	18,350
	295,391	**80,044**

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.

9. Issued Capital

(a) Issued and paid up capital

Ordinary shares fully paid	**8,857,634**	**8,857,634**

	2015		2014	
	Number of shares	$	Number of shares	$
(b) Movements in ordinary shares on issue				
Opening balance	430,200,004	8,857,634	80,200,004	5,601,778
Share buy-back	(7,202,272)	(21,607)	-	-
Shares issued via placement	-	-	350,000,000	3,500,000
Transaction costs on share issue	-	-	-	(244,144)
	422,997,732	8,836,027	430,200,004	8,857,634

(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 2015 there were 5,000,000 (2014: 5,000,000) unissued ordinary shares under unlisted options. The details of the options are as follows:

Number	Exercise Price $	Expiry Date
5,000,000	0.10	30 June 2017

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

10. Rese

Share based payment reserve

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.

10. Reserves (continued)

Foreign currency translation reserve

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.

11. Cash and cash equivalents

Reconciliation of operating loss after tax to net the cash flows used in operations	**2015 $**	**2014 $**
Loss from ordinary activities after tax	(4,454,154)	(1,945,775)
Non-cash items		
Exploration expenditure written off	3,875,556	1,398,486
Foreign exchange gain	-	(19,200)
Depreciation expense	960	1,161
Changes in assets and liabilities:		
Increase / (decrease) in trade and other payables	179,776	(324,395)
(Increase) / decrease in other receivables	11,504	9,902
Net cash flow used in operating activities	(386,358)	(879,821)

(b) Reconciliation of cash

Cash balance comprises:		
Cash at bank	37,565	812,266

Cash at bank earns interest at floating rates based on daily bank deposit rates.

12. Subsequent events

Subsequent to year end, on 25 August 2015, the Company announced it will undertake a fully underwritten renounceable entitlements issue of approximately 634,496,600 Shares at an issue price of $0.001 on the basis of one and a half (1.5) new Shares for every one (1) Share held by Shareholders on the record date, to raise approximately $634,496 (Offer) before costs. Funds raised will be used to satisfy the Company's pending working capital requirements.

Other than the above, there were no known significant events from the end of the financial year to the date of this report that have significantly affected, or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial periods.

13. Loss per Share

Loss used in calculating basic and dilutive EPS	(4,454,154)	(1,945,775)
	Number of Shares	
Weighted average number of ordinary shares used in calculating basic loss per share:	425,089,351	335,268,497
Effect of dilution:		
Share options	-	-
Adjusted weighted average number of ordinary shares used in calculating diluted loss per share:	425,089,351	335,268,497
Basic and diluted loss per share (cents per share)	(1.05)	(0.58)

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.

There are no potential ordinary shares on issue that are considered to be dilutive, therefore basic earnings per share also represents diluted earnings per share.

	2015	2014
	$	$
14. Auditor's Remuneration		
The auditor of Castillo Copper Limited is HLB Mann Judd.		
Amounts received or due and receivable for:		
- HLB Mann Judd Western Australia for audit or review of the financial report of the entity and any other entity in the Group	22,000	-
- non HLB Mann Judd Western Australia audit firms for audit or review of the financial report of the entity and any other entity in the Group	-	-
- RSM Bird Cameron Partners for audit or review of the financial report of the entity and any other entity in the Group	-	24,500
- non RSM Bird Cameron Partners audit firms for audit or review of the financial report of the entity and any other entity in the Group	-	-
	22,000	24,500

15. Related party disclosures

a) Key management personnel

Compensation of key management personnel

	2015	2014
Short term employee benefits	211,000	356,096
Post-employment benefits	-	-
Share-based payments	-	-
Total remuneration	211,000	356,096

For Director related party transactions please refer to the Audited Remuneration Report. During the year, the total aggregate related party transactions for consulting services, services office costs and reimbursements as provided by key management personnel and their related parties was $214,420 (2014: $243,007). The outstanding balance relating to the above transactions at balance date was $120,918 (2014: $12,806).

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	
		2015	2014
Castillo Copper Chile SPA	Chile	100%	100%
Castillo Exploration Limited	Australia	100%	100%
Atlantica Holdings (Bermuda) Ltd	Bermuda	75%	75%

Castillo Copper Limited is the ultimate Australian parent entity and ultimate parent of the Group.

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and not disclosed in this note. Details of transactions between the Group and other related entities are disclosed below.

Trading transactions
The following balances were outstanding at the end of the reporting period.

	Consolidated			
	Amounts owed by related parties		Amounts owed to related partied	
	2015	2014	2015	2014
	$	$	$	$
Castillo Copper Chile SPA	4,613,307	3,347,410	-	-
Castillo Exploration Limited	2,100,601	1,742,675	372,817	372,500

The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received. No expense has been recognised in the current or prior periods for bad or doubtful debts in respect of the amounts owed by related parties.

There were no other related party disclosures for the year ended 30 June 2015.

16. 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:

	2015	**2014**
	$	**$**
Financial Assets		
Cash and cash equivalents	37,565	812,266
Other receivables (current and non-current)	117,951	125,224
Financial Liabilities		
Trade and other payables	295,391	80,044

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) Capital risk management

The Group's capital comprises share capital and reserves less accumulated losses. As at 30 June 2015, the Group has net liabilities of $139,670 (2014: net assets of $4,186,763). The Group manages its capital to ensure its ability to continue as a going concern and to optimise returns to its shareholders.

(b) 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 2015 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.

(c) 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.

	2015 $	2014 $
Cash and cash equivalents	37,565	812,266

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)	
	2015	**2014**	**2015**	**2014**
Increase 100 basis points	376	8,123	376	8,123
Decrease 100 basis points	(376)	(8,123)	(376)	(8,123)

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.

(d) 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 2015, 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 2015.

(e) Fair Value Measurement

There were no financial assets or liabilities at 30 June 2015 requiring fair value estimation and disclosure as they are either not carried at fair value or in the case for short term assets and liabilities, their carrying values approximate fair value.

17. Parent Entity Information

(a) Parent Financial Information

The following details information related to the parent entity, Castillo Copper Limited, at 30 June 2015. The information presented here has been prepared using consistent accounting policies as presented in note 2.

	2015 $	2014 $
Current assets	22,492	814,249
Non-current assets (i)	10,107	3,445,003
Total assets	**32,599**	**4,259,252**
Current liabilities	285,326	72,489
Non-current liabilities	-	-
Total liabilities	**285,326**	**72,489**
Net assets	**(252,727)**	**4,186,763**
Issued capital	8,836,027	8,857,634
Reserves	1,773,743	1,773,743
Accumulated losses	(10,862,497)	(6,444,613)
Total equity	**(252,727)**	**4,186,763**
Loss of the parent entity	(4,417,884)	(2,240,278)
Other comprehensive income for the year	-	-
Total comprehensive loss of the parent entity	**(4,417,884)**	**(2,240,278)**

(i) Non-current assets include intercompany loans owed by subsidiary entities, which are considered recoverable based on cash flow projections

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.

18. Contingent liabilities

There are no known contingent liabilities as at 30 June 2015 (2014: Nil).

19. Commitments

The Group entered a service agreement with Palisade Business Consulting Pty Ltd for certain administrative services and office space for a term of 3 years commencing in October 2014. The Group is required to give 3 months' written notice to terminate the agreement.

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

	2015 $	2014 $
Within one year	120,000	120,000
After one year but not more than five years	30,000	150,000
Longer than five years	-	-
	150,000	270,000

Option Payments

In accordance with option agreements entered into for the Posada project, Rio Rocin project and Resguardo project, the Group has option installment payments amounting to the following:

	2015	2014
Within one year	-	780,857
After one year but not more than five years	-	6,471,482
Longer than five years	-	5,671,408
	-	12,923,747

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. In the current year the Group has made a decision to not continue exploration work on these projects.

20. 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 2015.

The balance of the franking account is Nil at 30 June 2015 (2014: Nil).

21. Share based payments

(a) Recognised share based payment transaction

Share based payment transactions recognised are either as exploration expenditure on the statement of financial position or operating expenses on the statement of comprehensive income.

(b) Share based payment to suppliers and vendors

Exploration Expenditure

During the 2013 financial year 5,000,000 unlisted 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)			3	-	-	-	2	2
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 no share based payments made to suppliers during the 30 June 2014 and 30 June 2015 financial year.

Castillo Copper Limited – Director's Declaration

In accordance with a resolution of the Directors of Castillo Copper Limited ("the Company"), 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 2015 and of its performance, for the year ended on that date; and

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

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

   (c) the financial statements and notes also comply with International Financial Reporting Standards as disclosed in note 2(b).

2. This declaration has been made after receiving the declarations required to be made to the directors in accordance with section 295A of the Corporations Act 2001 for the financial year ended 30 June 2015.

On behalf of the board

Jack James
Non-Executive Director
24 September 2015

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the consolidated financial report of Castillo Copper Limited for the year ended 30 June 2015, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

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

Perth, Western Australia
24 September 2015

L Di Giallonardo
Partner

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HLB Mann Judd

Accountants | Business and Financial Advisers

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 ("the company"), which comprises the consolidated statement of financial position as at 30 June 2015, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated 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 for the Group. The Group comprises 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 report complies 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. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance 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 Group'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 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.

Our audit did not involve an analysis of the prudence of business decisions made by directors or management.

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

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HLB Mann Judd

Accountants | Business and Financial Advisers

Auditor's 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 Group's financial position as at 30 June 2015 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).

Emphasis of matter

Without qualifying our opinion, we draw attention to Note 2(d) to the financial statements which indicates that the ability of the Group to continue as a going concern is dependent on the ability to raise equity in the current market or securing other sources of funding.

Should the Group not be able to raise sufficient equity or secure other sources of funding, there is a material uncertainty that may cast significant doubt whether the Group will continue as a going concern and therefore, whether it will realise its assets and extinguish its liabilities in the normal course of business.

Report on the Remuneration Report

We have audited the remuneration report included in the directors' report for the year ended 30 June 2015. 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.

Auditor's opinion

In our opinion the remuneration report of Castillo Copper Limited for the year ended 30 June 2015 complies with section 300A of the *Corporations Act 2001*.

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

L Di Giallonardo
Partner

Perth, Western Australia
24 September 2015

This statement has been approved by the Board. It is current as at 31 July 2015.

Castillo Copper approach to Corporate Governance

This Statement addresses how Castillo Copper implements the ASX Corporate Governance Council's, 'Corporate Governance Principles and Recommendations – 3rd Edition (referred to as either ASX Principles or Recommendations).

Principle 1: Lay solid foundations for management and oversight

Recommendation 1.1 *– A listed entity should disclose:*

a) the respective roles and responsibilities of its board and management;
b) those matters expressly reserved to the board and those delegated to management.

Role of the Castillo Copper Board ('the Board")
The Board is responsible for the governance of Castillo Copper. The role of the Board is to provide overall strategic guidance and effective oversight of management. The Board derives its authority to act from Castillo Copper Constitution.

The Board's responsibilities are set out in a formal Charter which the Board reviews every two years. The Charter was most recently reviewed in July 2015.

The major powers the Board has reserved to itself are:

- Appointment of the Chief Executive Officer and other senior executives and the determination of their terms and conditions including remuneration and termination;
- Driving the strategic direction of the Company, ensuring appropriate resources are available to meet objectives and monitoring management's performance;
- Reviewing and ratifying systems of risk management and internal compliance and control, codes of conduct and legal compliance;
- Approving and monitoring the progress of major capital expenditure, capital management and significant acquisitions and divestitures;
- Approving and monitoring the budget and the adequacy and integrity of financial and other reporting;
- Approving the annual, half yearly and quarterly accounts;
- Approving significant changes to the organisational structure;
- Approving the issue of any shares, options, equity instruments or other securities in the Company (subject to compliance with ASX Listing Rules);
- Ensuring a high standard of corporate governance practice and regulatory compliance and promoting ethical and responsible decision making;
- Recommending to shareholders the appointment of the external auditor as and when their appointment or re-appointment is required to be approved by them (in accordance with the ASX Listing Rules); and
- Meeting with the external auditor, at their request, without management being present.

Recommendation 1.2 *– A listed entity should disclose:*

a) undertake appropriate checks before appointing a person or putting forward to security holders a candidate for election, as a director;
b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.

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.

When considering the appointment of a new Director, the Board may engage the services of an executive recruitment firm to assist identify suitable candidates to be shortlisted for consideration for appointment to the Board and to carry out appropriate reference checks before the Board makes an offer to a preferred candidate.

Newly appointed directors must stand for reappointment at the next subsequent AGM. The Notice of Meeting for the AGM provides shareholders with information about each Director standing for election or re-election including details of relevant skills and experience.

***Recommendation 1.3** – A listed entity should have a written agreement with each director and executive setting out the terms of their appointment.*

New Directors consent to act as a Director and receive a formal letter of appointment which sets out duties and responsibilities, rights, and remuneration entitlements.

***Recommendation 1.4** – The company secretary of a listed entity should be accountable directly to the chair, on all matters to do with the proper functioning of the board.*

Castillo Copper Company Secretary fulfils a broad range of management responsibilities in addition to company secretarial duties. As a result, the formal reporting line of the Company Secretary is to the Chair. For any matter relevant to the company secretarial duties or conduct of the Board, the Company Secretary has an indirect reporting line, and is accountable, to the Chair of the Board.

***Recommendation 1.5** – A listed entity should:*

a) have a diversity policy which includes requirements for the board to or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;

b) disclose that police or a summary of it; and

c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them and either:

1. the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or

2. if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.

The Group has not disclosed its policy concerning diversity, its measurable objectives for achieving gender diversity and its progress towards achieving those objectives. The Board continues to monitor diversity across the organization however 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.

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 discloses there were no women employed in the organization or on the Board of the Group as at the date of this report.

***Recommendation 1.6** – A listed entity should:*

a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors;

b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.

<u>Evaluation of Board and individual Directors</u>
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 given its size.

***Recommendation 1.7** – A listed entity should:*

a) have and disclose a process for periodically evaluating the performance of its senior executives; and

b) disclose, in relation to each reposting period, whether a performance evaluation *was undertaken in the reporting period in accordance with that process.*

The Board of Castillo Copper does not conduct performance reviews of senior executives given there are currently no such roles in the organisation.

Principle 2: Structure the Board to add value

Castillo Copper Constitution provides for a minimum of three directors and a maximum of nine.

The Directors of Castillo Copper at any time during the financial year are listed with a brief description of their qualifications, appointment date, experience and special responsibilities on pages **1** and **3** of the Annual Report.

The Board met regularly throughout the course of the financial year to discuss the Company's operational and financial activities, however only one formal meetings was held.

Recommendation 2.1 – *The Board of a listed entity should:*

a) *have a nomination committee which:*
   1. *Has at least three members, a majority of whom are independent directors; and*
   2. *Is chaired by an independent director;*

   and disclose:

   3. *the charter of the committee;*
   4. *the members of the committee; and*
   5. *as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or*

b) *if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable to discharge its duties and responsibilities effectively.*

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.

Recommendation 2.2 – *The listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.*

The Group does not have an established board skills matrix on the mix of skills and diversity for Board membership. The Board continues to monitor the mix of skills and diversity on the Board however, due to the size of the Group, the Board does not consider it appropriate at this time to formally set matrix on the mix of skills and diversity for Board membership.

Recommendation 2.3 – *A listed entity should disclose:*

a) *the names of the directors considered by the board to be independent directors;*
b) *if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion and*
c) *the length of service of each director.*

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 judgement.

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 Act 2001) of the Group or an officer of, or otherwise associated, directly or indirectly, with a substantial shareholder of the Group;
- has not within the last three years been employed in an executive capacity by the Group or another Group member, or been a Director after ceasing to hold any such employment;
- is not a principal of a professional adviser to the Group or another Group member;
- is not a significant consultant, supplier or customer of the Group or another Group 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 Group or another Group member other than as a Director of the Group;
- 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 Group."

In accordance with the definition of independence above, one Director is considered independent. Accordingly, a majority of the Board is not independent. Given the size of the Group the current Board is deemed appropriate. 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
Mr. David Wheeler	1 month
Mr. Joe Graziano	1 month
Mr. Jack James	1 month

Recommendation 2.4 *– The majority of the Board of a listed entity should be independent Directors.*

As at 30 June 2015, the Board comprised one independent, non-executive Directors and three executive Directors. In accordance with the definition of independence above, only Mark Reilly is considered independent. Accordingly, a majority of the Board is not independent.

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.

Recommendation 2.5 *– The Chair of the Board of a listed entity should be an independent Director and, in particular, should not be the same person as the CEO of the entity.*

Under Castillo Copper Constitution, the Board elects a Chairman from amongst the Directors. If a Chairman ceases to be an independent Director then the Board will consider appointing a lead independent Director.

Castillo Copper Chairman, Jack James is considered an independent Director. The Directors consider that the current Chairman of the Board is appropriate to the size and nature of operations of the Group.

Recommendation 2.6 *– The listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.*

The formal letter of appointment and an induction pack provided to Directors contain sufficient information to allow the new Director to gain an understanding of:

- The rights, duties and responsibilities of Directors;
- The role of Board Committees;
- The Code of Conduct; and
- Castillo Copper financial, strategic, and operational risk management position.

Directors are encouraged to take appropriate professional development opportunities approved by the Board.

Principle 3: Promote ethical and responsible decision making

Recommendation 3.1 *– A listed entity should:*

a) have a code of conduct for its directors, senior executives and employees; and

b) *disclose that code or a summary of it.*

Castillo Copper has a Code of Conduct that applies to Castillo Copper and its Directors, employees and contractors (all of which are referred to as "employees" in the Code).

The Code of Conduct sets out a number of overarching principles of ethical behaviour which cover:

- Personal and Professional Behaviour;
- Conflict of Interest;
- Public and Media Comment;
- Use of Company Resources;
- Security of Information;
- Intellectual Property/Copyright
- Discrimination and Harassment;
- Corrupt Conduct;
- Occupational Health and Safety;
- Legislation;
- Fair Dealing;
- Insider Trading;
- Responsibilities to Investors;
- Breaches of the Code of Conduct; and
- Reporting Matters of Concern.

Training about the Code of Conduct is part of the induction process for new Castillo Copper Directors.

Castillo Copper Code of Conduct is available on Castillo Copper website.

Principle 4: Safeguard integrity in corporate reporting

Recommendation 4.1 *– A board of a listed entity should:*

a) *have an audit committee which:*
   1. *has at least three members, all of whom are non-executive directors and a majority of whom are independent; and*
   2. *is chaired by an independent director, who is not the chair of the board,*

   and disclose:

   3. *the charter of the committee;*
   4. *the relevant qualifications and experience of the members of the committee; and*
   5. *in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or*

b) *if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard that integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.*

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. The Directors consider this as appropriate to the size and nature of operations of the Group.

Charter of the 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.

Recommendation 4.2 *– The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.*

The officers of the Company assuming the roles of CEO and CFO have provided the Board with written assurances that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal compliance and control and that the system is operating effectively in all material respects in relation to financial reporting risks.

Recommendation 4.3 *– A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.*

The external auditor attends Castillo Copper Annual General Meeting. Shareholders may submit written questions to the auditor to be considered at the meeting in relation to the conduct of the audit and the preparation and content of the Independent Audit Report by providing the questions to Castillo Copper at least five business days before the day of the meeting. No questions were sent to the auditor in advance of the 2014 Annual General Meeting. Shareholders are also given a reasonable opportunity at the meeting to ask the auditor questions relevant to the conduct of the audit, the Independent Audit Report, the accounting policies adopted by Castillo Copper and the independence of the auditor.

Principle 5: Make timely and balanced disclosure

Recommendation 5.1 *– A listed entity should:*

a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and
b) disclose that policy or a summary of it.

Disclosure
Castillo Copper Disclosure Policy describes Castillo Copper continuous disclosure obligations and how they are managed by Castillo Copper. The Policy is reviewed bi-annually and is published on Castillo Copper website. It was most recently reviewed in July 2015.

Accountability
The Company Secretary reports to the Board quarterly on matters that were either notified or not notified to the ASX. Directors receive copies of all announcements immediately after notification to the ASX. All ASX announcements are available on the Castillo Copper website.

Financial market communications
Communication with the financial market is the responsibility of the full Board. Communication with the media is the responsibility of the Chairman. The Disclosure Policy covers briefings to institutional investors and stockbroking analysts, general briefings, one-on-one briefings, blackout periods, compliance and review as well as media briefings.

The substantive content of all market presentations about the half year and full year financial results and all statements relating to Castillo Copper future earnings performance must be referred to, and approved by, the Board before they are disclosed to the market.

Principle 6: Respect the rights of shareholders

Recommendation 6.1 *– A listed entity should provide information about itself and its governance to investors via its website.*

Castillo Copper website at www.castillocopper.com,au provides detailed information about its business and operations. Details of Castillo Copper Board Members can be found on the website.

The Investor Relations link on Castillo Copper website provides helpful information to shareholder. It allows shareholders to view all ASX and media releases for the last year; various investor presentations; a copy of the most recent Annual Report and Annual Reports for at least the two previous financial years; and the notice of meeting and accompanying explanatory material for the most recent Annual General Meeting and the Annual General Meetings for at least the two previous financial years.

Shareholders can find information about Castillo Copper corporate governance on its website at under the ‘Corporate’ link. This includes Castillo Copper Corporate Governance Plan.

The Corporate Governance Plan includes:

- Board Charter
- Corporate Code of Conduct
- Committee Charters
- Performance evaluation processes
- Continuous disclosure processes
- Risk management processes
- Trading policy
- Diversity policy
- Shareholder communications strategy

Recommendation 6.2 *– A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.*

Castillo Copper is committed to communicating effectively with its shareholders and making it easier for shareholders to communicate with the Group.

Castillo Copper promotes effective communication with shareholders and encourages effective participation at general meetings, information is communicated to shareholders:

- Through the release of information to the market via the ASX;
- Through the Annual Report, half yearly report and quarterly reports;
- Through the distribution of the annual report and notices of annual general meeting;
- Through shareholder meetings and investor relations presentations; and
- 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.

Recommendation 6.3 *– A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.*

Notices of meeting sent to Castillo Copper shareholders comply with the “Guidelines for notices of meeting” issued by the ASX in August 2007. Shareholders are invited to submit questions before the meeting and, at the meeting, the Chairman attempts to answer as many of these as is practical.

The Chairman also encourages shareholders at the meeting to ask questions and make comments about Castillo Copper operations and the performance of the Board and senior management. The Chairman may respond directly to questions or, at his discretion, may refer a question to another Director.

New Directors or Directors seeking re-election are given the opportunity to address the meeting and to answer questions from shareholders.

Recommendation 6.4 *– A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.*

Shareholders have the option of electing to receive all shareholder communications by e-mail. Castillo Copper provides a printed copy of the Annual Report to only those shareholders who have specifically elected to receive a printed copy. Other shareholders are advised that the Annual Report is available on the Castillo Copper website.

All announcements made to the ASX are available to shareholders by email notification when a shareholder provides the Castillo Copper Share Registry with an email address and elects to be notified of all Castillo Copper

ASX announcements.

The Castillo Copper Share Register is managed and maintained by Automic Share Registry Services Pty Ltd. Shareholders can access their shareholding details or make enquiries about their current shareholding electronically by quoting their Shareholder Reference Number (SRN) or Holder Identification Number (HIN), via the Automic Share Registry Investor Online Login or by emailing info@automic.com.

Principle 7: Recognise and manage risk

Recommendation 7.1 *– A board of a listed entity should:*

a) have a committee or committees to oversee risk, each of which:
  1. has at least three members, all of whom are non-executive directors and a majority of whom are independent; and
  2. is chaired by an independent director, who is not the chair of the board,
  and disclose:
  3. the charter of the committee;
  4. the members of the committee; and
  5. as at the end of each reporting period the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or

b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.

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.

Details of the structure and Charter of the Audit and Risk Management Committee are set out in Recommendation 4.1.

Recommendation 7.2 *– The board or a committee of the board should:*

a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and

b) disclose, in relation to each reporting period, whether such a review has taken place.

<u>Risk Management Policies</u>
Castillo Copper has a number of other policies that directly or indirectly serve to reduce and/or manage risk. These include, but are not limited to:

- Directors and Executive Offices' Code of Conduct
- Code of Business Conduct
- Dealing in Company Securities
- Communications Strategy
- Disclosure Policy
- Risk Management and Internal Control Policy

<u>Roles and responsibilities</u>
The Risk Management Policy, and the other policies listed above, describes the roles and responsibilities for managing risk. This includes, as appropriate, details of responsibilities allocated to the Board.

The Board is responsible for reviewing and approving changes to the Risk Management Policy and for satisfying itself that Castillo Copper has a sound system of risk management and internal control that is operating effectively. The Board annually reviews and approves Castillo Copper main risk exposures and the mitigating actions.

Recommendation 7.3 *– A listed entity should disclose:*

a) If it has an internal audit function, how the function is structured and what role it performs; or

b) If it does not have an internal audit function, that fact and the processes it *employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.*

The Group does not have an established internal audit function given the size of its current operations. The risk management functions of the board are summarised under recommendations 7.1 and 7.2.

Recommendation 7.4 *– A listed entity should disclose whether it has any material exposure to economic and social sustainability risks and, if it does, how it manages or intends to manage those risks.*

The Board of Castillo Copper informally monitors and manages the Groups exposure to economic, environment and social responsibility risks. The Board considers that the current approach that it has adopted with regard to the sustainability risk management process is appropriate to the size and nature of operations of the Group.

Principle 8: Remunerate fairly and responsibly

Recommendation 8.1 *– A board of a listed entity should:*

a) have a remuneration committee which:

1. has at least three members, all of whom are non-executive directors and a majority of whom are independent; and

2. is chaired by an independent director,

and disclose:

3. the charter of the committee;

4. the members of the committee; and

5. as at the end of each reporting period the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or

b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.

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.

Recommendation 8.2 *– A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.*

Castillo Copper remuneration structure distinguishes between Executive and Non-Executive Directors. A Remuneration Report required under Section 300A(1) of the Corporations Act is provided in the Directors' Report on pages **2** to **13** of the Annual Report.

Recommendation 8.3 *– A listed entity which has an equity-based remuneration scheme should:*

a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and

b) disclose that policy or a summary of it.

Castillo Copper does not have a policy on whether participants in equity based remuneration schemes are able to enter into transactions which limit the economic risk of participating in those schemes as the Group does not have an equity based remuneration scheme.

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 September 2015.

Distribution of Share Holders

	Ordinary Shares	
	Number of Holders	Number of Shares
1 - 1,000	2	11
1,001 - 5,000	1	5,000
5,001 - 10,000	4	40,000
10,001 - 100,000	29	1,589,985
100,001 - and over	284	421,362,736
TOTAL	320	422,997,732

There were 70 holders of ordinary shares holding less than a marketable parcel.

Substantial Shareholders
Nil

Voting Rights

The voting rights attached to the ordinary shares are governed by the Constitution.

On a show of hands every person present who is a Member or representative of a Member shall have one vote and on a poll, every Member present in person or by proxy or by attorney or duly authorised representative shall have one vote for each share held. None of the options have any voting rights.

1. The name of the Company Secretary is Mr Jack James.

2. The address of the principal registered office in Australia is Level 1, 330 Churchill Avenue, Western Australia 6008, Telephone + 61 (08) 9200 4491..

3. The register of securities is held at;

Automic Registry Services Pty Ltd, Level 1, 7 Ventnor Ave, West Perth WA 6005, Telephone +61 (08) 9324 2099.

4. Securities Exchange Listing

Quotation has been granted for 422,997,732 ordinary shares on all member exchanges of the Australian Securities Exchange Limited ("ASX") and trade under the symbol 'CCZ'.

5. There are no unquoted ordinary shares at the date of this report.

6. Detailed schedules of exploration and mining tenements held are included on page 50.

7. Directors' interests in share capital are disclosed in the Directors' Report.

8. There are no unlisted options at the date of this report.

9. There is currently no on-market buy-back in place.

10. For the current financial year, the entity used its cash and assets in a form readily convertible to cash in a manner consistent with its business activities.

Top Twenty Share Holders

Name	No. of Shares	%
MR JASON PETERSON & MRS LISA PETERSON <J & L PETERSON S/F A/C>	18,915,000	4.47
NEFCO NOMINEES PTY LTD	17,409,001	4.12
MR JOHN DELLA BOSCA <JA & JG DELLA BOSCA FAMILY A/C>	10,750,000	2.54
MR MATTHEW GADEN WESTERN WOOD	10,000,000	2.36
DEJUL TRADING PTY LTD <EDDINGTON TRADING A/C>	9,000,000	2.13
MR RAMESWARA SWAMINATHAN ANNAMALAI	8,000,000	1.89
SCINTILLA CAPITAL PTY LTD	7,500,000	1.77
MS YUE LI	5,900,000	1.39
MS SILVANA ALEXANDRA RUEDA SAEZ	5,500,001	1.30
KOUTO HOLDINGS PTY LTD <WOOD FAMILY SUPER FUND A/C>	5,250,000	1.24
MR DANIEL EDDINGTON & MRS JULIE EDDINGTON <DJ HOLDINGS A/C>	5,000,000	1.18
MR JOHN ANTHONY DELLA BOSCA & MRS JONINA GUDBJORG DELLA BOSCA <JA & JG DELLA BOSCA S/F A/C>	5,000,000	1.18
AGENS PTY LIMITED <THE MARK COLLINS FAMILY A/C>	5,000,000	1.18
MR MARTIN JAMES REED <EAST SYDNEY UNIT A/C>	5,000,000	1.18
ABN AMRO CLEARING SYDNEY NOMINEES PTY LTD <CUSTODIAN A/C>	4,591,109	1.09
NURRAGI INVESTMENTS PTY LTD	4,515,000	1.07
PERIZIA INVESTMENTS PTY LTD	4,305,014	1.02
EMINENT HOLDINGS PTY LTD	4,250,000	1.00
MS LENA LIU	4,190,000	0.99
BELL POTTER NOMINEES LTD <BB NOMINEES A/C>	4,100,000	0.97
TOTAL	**144,175,125**	**34.08**

Tenement Table

Australia

Tenement	Property Name	Project	Tenure Status
EL 7980	Wongoni	Ordovician	Granted

Chile

RIO ROCIN	HECTARES	NATIONAL ROLL	YEAR GRANTED	OWNER
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.

POSADA	HECTARES	NATIONAL ROLL	YEAR GRANTED	OWNER
POSADA PRIMERA 17	200	03203-A013-9	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

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	03201-I188-1	2011	Castillo Copper Chile SpA
CACHIYUYO PRIMERA 16	300	03201-I189-1	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).

HUANTA (VICUÑA)	HECTARES	NATIONAL ROLL	YEAR GRANTED	OWNER
TRUENO 1	300	04015-7483-7	In process	Castillo Copper Chile SpA
TRUENO 2	300	04015-7484-5	In process	Castillo Copper Chile SpA
TRUENO 4	300	04015-7486-1	In process	Castillo Copper Chile SpA
TRUENO 5	300	04015-7487-K	In process	Castillo Copper Chile SpA
TRUENO 6	300	04015-7488-8	In process	Castillo Copper Chile SpA
TRUENO 7	300	04015-7489-6	In process	Castillo Copper Chile SpA

Note: Castillo Copper Limited has a 100% interest in properties owned by Castillo Copper Chile SpA. They were originally granted in 2011, and inscribed as El Profeta 1 to 5, Pachi 1 to 3, Camila 1 to 9 and Homero 1 to 2.