



ASX Announcement

1 September 2020

LESS THAN A MARKETABLE PARCEL SHARE SALE FACILITY

Castile Resources Limited (ASX:CST) (“Castile” or “the Company”) announces details of a share sale facility (“**Facility**”) it has established for holders of less than a marketable parcel of shares in the issued capital of Castile (“**Castile Shares**”) (defined in the ASX Listing Rules as a parcel of securities of not less than \$500 in value) (“**Less Than a Marketable Parcel**”).

Based on the closing price on ASX on 28 August 2020 of \$0.27 per Castile Share, a Less Than a Marketable Parcel of Castile Share is any holding of 1,851 Castile Shares or fewer. As at 5pm AWST on the Record Date, there are 4,191 holdings of Castile Shares of Less Than a Marketable Parcel (from a total of 6,123 holdings), totalling 2,044,884 Castile Shares and constituting approximately 1.02% of the 199,710,121 total Castile Shares on issue.

Castile is providing the Facility to holders (including custodians and nominees) of Less Than a Marketable Parcels to sell their Castile Shares without difficulty, and without incurring any costs that might otherwise make a sale of their shares uneconomic. In addition, Castile expects to reduce the administrative costs associated with maintaining such a large number of relatively small holdings on its share register, in particular costs associated with printing and mailing documents to shareholders.

Cannaccord Genuity (Australia) Limited has been appointed as broker for the shares to be sold under the Facility. Castile will forward all sale proceeds to participating shareholders as soon as practicable following settlement. All associated costs and brokerage fees will be paid by Castile, excluding any tax consequences which are the responsibility of participating shareholders.

Castile will arrange to complete the Less Than a Marketable Parcel share sale process as soon as practicable after the closing date for the Facility of 19 October 2020.

The key dates for the Facility are detailed below.

EVENT	DATE
Less Than a Marketable Parcel Record Date	5pm AWST, 28 August 2020
Castile Announces Less Than a Marketable Parcel Share Sale Facility	1 September 2020
Letter Sent to Holders of Less Than a Marketable Parcel of Castile Shares	4 September 2020
Closing Date for Receipt of Share Retention Forms	19 October 2020

You do not need to take any action if you want your Less Than a Marketable Parcel of Castile Shares to be sold under the Facility.

An Information Sheet about the Facility and a copy of the letter that will be sent to all Castile shareholders on the Record Date holding Less Than a Marketable Parcel of Castile Shares are attached to this announcement.

Please contact Castile at info@castile.com.au for further information about the Facility.

This announcement was approved for release by Castile’s Managing Director, Mark Hepburn.



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INFORMATION SHEET LESS THAN A MARKETABLE PARCEL SHARE SALE FACILITY

1. What is a Less Than a Marketable Parcel?

A Less Than a Marketable Parcel is a parcel of shares in Castile Resources Limited valued at less than \$500. Based on the closing share price of Castile's shares on the Record Date of 28 August 2020, this is equivalent to a parcel of 1,851 Castile Shares or fewer.

2. What was the closing price of Castile Shares on the Record Date?

The closing price of a Castile Share on the Record Date was \$0.27 per share.

3. Why is the Facility being offered?

Castile is providing the Facility to enable you to sell your Less Than a Marketable Parcel without difficulty, and without incurring brokerage or handling costs that might otherwise make a sale of your Less a Than Marketable Parcel of Castile Shares uneconomic or difficult. The Facility will assist Castile to reduce administrative costs associated with maintaining a large number of relatively small holdings of Castile Shares. Additionally, Castile expects that the Facility will reduce the costs associated with maintaining its share register, and with printing and mailing of documents such as annual reports and notices of meetings, and any other general correspondence that is required to be printed and mailed to shareholders.

4. What do I need to do to sell my Castile Shares?

You do not need to do anything (unless you are a custodian or nominee) – your Less Than a Marketable Parcel of Castile Shares will be sold through the Facility unless you return a completed Share Retention Form by no later than the Closing Date of 19 October 2020.

5. How will my Castile Shares be sold under the Facility?

Your Castile Shares will be sold by Cannaccord Genuity (Australia) Limited, the appointed broker for the Facility, on the Australian Securities Exchange ("**ASX**"), subject to prevailing market conditions and available liquidity. The Castile Shares sold under the Facility may be sold in a single or multiple parcels, and may be sold at different parcels on different days.



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6. What price will I receive for my Castile Shares sold through the Facility?

The shares will be sold at the market price of Castile Shares on ASX (ASX code: CST) as soon as practicable after the Closing Date of 19 October 2020, subject to prevailing market conditions and available liquidity. You will receive a proportionate share of the total sale proceeds of all Castile Shares sold under the Facility. You will not have control over the time at which your Castile Shares are sold, and the price you receive may differ from the price appearing in the media or quoted by the ASX on any day, and may not be the best price on the day your shares are sold. If on the Closing Date the value of your holding of Castile Shares has increased due to an increase in the number of shares you hold, your shares will **not** be sold.

7. Do I need to pay anything if I participate in the Facility?

No, Castile will pay all costs and fees associated with the Facility, however, any tax consequences arising from the sale of your Castile Shares under the Facility are your responsibility.

8. When will I receive the proceeds for the shares sold?

Payment will be forwarded to you following settlement of all Castile Shares sold under the Facility, or otherwise as soon as it is practicable. If your address requires updating, you can amend your details online through Computershare's Investor Centre website at www.computershare.com.au/easyupdate/CST (you cannot elect to retain your Less Than a Marketable Parcel of Castile Shares through this website). Payment will be made in Australian Dollars.

9. What are the advantages and disadvantages of participating in the Facility?

Advantages include:

- receiving a cash payment from the sale of your Less Than a Marketable Parcel Castile Shares;
- avoiding any brokerage or related selling expenses;
- utilising a cost-effective way of disposing of a Less Than a Marketable Parcel of shares; and
- the sale price being determined by reference to the market price.

Disadvantages include:

- no longer holding any Castile Shares (unless you subsequently buy more);
- possible capital gains tax being payable following the sale of your Castile Shares; and
- the price of the Castile Shares may subsequently rise.

10. What if I do not wish to sell my Less Than Marketable Parcel?

If you do not wish to sell your Less Than a Marketable Parcel of Castile Shares, ***you must complete and return the Share Retention Form by mail***, so that it is received by Computershare Investor Services, Castile's share registry, by no later than 5pm AEST on 19 October 2020. If Computershare has not received your completed Share Retention Form by no later than 5pm AEST on 19 October 2020, your shareholding will be sold under the Facility.

The address to which you need to return by mail your Share Retention Form, if you wish to keep your Less Than a Marketable Parcel of Castile Shares, is detailed on the Share Retention Form.



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11. Will I retain my holding if I buy more Castile Shares?

Castile will not sell your shares if you increase your holding (or the beneficial holding of the beneficiary for whom or on whose behalf you hold Castile Shares) to a marketable parcel, being a parcel of shares with a market value of at least \$500 based on the closing price of Castile Shares on ASX on the Record Date (being \$0.27 per Castile Share). Any additional Castile Shares acquired must be registered by the Closing Date, under the same name and address and with the same holder number (SRN or HIN) as set out in the Share Retention Form you will receive (and if you are a custodian or nominee, together with an updated Beneficiary Schedule).

12. What if I hold multiple Less Than a Marketable Parcels of Castile Shares?

If you hold multiple Less Than a Marketable Parcels of Castile Shares, you must complete and return a Share Retention Form for each separate Less Than a Marketable Parcel of Castile Shares you wish to retain, or make arrangements to amalgamate your holdings by contacting your broker or Castile's share registry, Computershare Investor Services.

13. What if my holding of Castile Shares is a CHESS Holding?

If your shares remain in a CHESS Holding, Castile may move those shares to an Issued Sponsored Holding and the shares will then be sold under the Facility.

14. How is Castile able to sell my shares under the Facility?

Clause 6.8 of Castile's Constitution entitles Castile to sell Less Than a Marketable Parcels of Castile securities provided it complies with the process set out in that clause. The Facility established by Castile complies with clause 6.8 of Castile's Constitution and with ASX Listing Rule 15.13.

15. How can I obtain further information about the Facility?

You can obtain further information about the Facility by contacting Castile at info@castile.com.au.

16. Important Notes

If you are in doubt about what to do, you should consult a financial, legal, taxation or other professional advisor. This Information Sheet does not constitute advice about what you should do regarding the Facility, nor is it a recommendation to sell, buy or hold Castile Shares.

Castile reserves its right to change any of the dates referred to in the ASX announcement dated 1 September 2020, this Information Sheet, or the Share Retention Form and accompanying letter by written notice to the ASX.

Before a sale is effected under the Facility, Castile may elect to suspend or terminate the Facility either generally, or in specific cases.



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1 September 2020

Dear Shareholder

SELLING YOUR LESS THAN A MARKETABLE PARCEL OF CASTILE SHARES

Castile Resources Limited (ASX:CST) (“Castile” or “the Company”) has many shareholders holding a small number of shares in the issued capital of Castile (“**Castile Shares**”). Castile knows that small holdings may be difficult or expensive to sell, and as such is offering you a convenient and economic way to sell your Castile Shares through a share sale facility (“**Facility**”) at market prices and free of charge for holders of less than a marketable parcel of Castile Shares (defined in the ASX Listing Rules as a parcel of securities of not less than \$500 in value) (“**Less Than a Marketable Parcel**”).

The Facility also benefits Castile by reducing the number of shareholders with a small holding of Castile Shares, and allowing Castile to better manage its share registry costs and reduce its costs for printing and mailing documents to shareholders.

The Facility is available to all Castile shareholders who held 1,851 Castile Shares or fewer (valued at less than \$500 based on the closing price of \$0.27) at 5pm AWST on the Record Date of 28 August 2020. Castile’s share register shows that you hold Less Than a Marketable Parcel of Castile Shares as at the Record Date. Shareholders with a Less Than Marketable Parcel of Castile Shares are not obliged to sell their shares. ***You do not need to do anything if you wish to sell your Castile Shares in the Facility.***

If you do not wish to sell your Castile Shares in the Facility, you must return the enclosed Share Retention Form by mail to the address detailed on the form so that it is received by Castile’s share registry, Computershare Investor Services, by no later than 19 October 2020. If your Share Retention Form is not received by that date, Castile will sell your shares through the Facility, in accordance with its entitlement under clause 6.8 of Castile’s Constitution. The proceeds of the sale will be sent to you as soon as practicable after settlement of all Castile Shares sold under the Facility. The Castile Shares sold under the Facility will be sold at market prices, subject to prevailing market conditions and available liquidity. You will receive a proportionate share of the total sale proceeds of all Castile Shares sold under the Facility.

This letter is the first and final notice to holders of Less Than a Marketable Parcel of Castile Shares regarding the Facility.

What are your options?

You should read the Information Sheet attached to Castile’s ASX announcement dated 1 September 2020.

If you wish to sell your Castile Shares in the Facility, you do not need to take any action. By not taking any action, you will be deemed to have appointed Castile as your agent to sell your Less Than a Marketable Parcel of Castile Shares through an orderly on-market sale and without any cost being incurred by you, to have appointed Castile and its directors as your attorney and to act on your behalf to effect all documents required to effect the sale under the Facility, and to deal with the proceeds of the sale as set out in this letter and the Information Sheet attached to Castile’s ASX announcement dated 1 September 2020.

If you do not wish to sell your Castile Shares in the Facility, you must complete and return the enclosed Share Retention Form by mail so that it is received by 5pm AEST on 19 October 2020. Please carefully read the instructions on the Share Retention Form before completing it.

If you are in doubt about what to do, you should consult a financial, legal, taxation or other professional advisor. This letter does not constitute advice about what you should do regarding the Facility, nor is it a recommendation to sell, buy or hold Castile Shares.

The Information Sheet attached to Castile's ASX announcement dated 1 September 2020 contains further details about the Facility which you should read before making any decision – available at <https://www.asx.com.au/asx/share-price-research/company/CST>. Please contact Castile at info@castile.com.au if you require further information or have any queries about the Facility.

Yours sincerely

Ben Secrett

Company Secretary

For and on behalf of Castile Resources Limited

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- What is a Less Than a Marketable Parcel of Castile Shares? A parcel of Castile Shares valued at less than \$500 as at close of trade on the Record Date of 28 August 2020 – being 1,851 Castile Shares at a closing price of \$0.27 per Castile Share.
 - What price will I receive for Castile Shares sold through the Facility? The price that you receive for your Castile Shares under the Facility will be determined subject to prevailing market conditions and available liquidity. You will receive a proportionate share of the total sale proceeds of all Castile Shares sold under the Facility. You will not have control over the time at which your Castile Shares are sold, and the price you receive may differ from the price appearing in the media or quoted by the ASX on any day, and may not be the best price on the day your shares are sold. If on the Closing Date the value of your holding of Castile Shares has increased due to an increase in the number of shares you hold, your shares will **not** be sold.
 - How much will the sale of Shares through the Facility cost? Nothing, Castile will bear all costs associated with the sale of the Less Than a Marketable Parcel of Castile Shares. Tax consequences from the sale of Castile Shares under the Facility are your responsibility.
 - When will the proceeds from the sale of Castile Shares be sent to me? The proceeds to which you are entitled from the sale of your shares will be remitted to you in Australian dollars as soon as practicable after settlement of the sale of all Castile Shares under the Facility. Payment will be made via a direct credit to your bank account at an Australian financial institution (where we have your details or upon nomination by you of a relevant bank account), or otherwise by cheque in Australian dollars sent to your postal address as recorded in the Castile's share register.
 - If I buy more Castile Shares, will I retain my holding? Yes, Castile will treat any purchase of additional shares taking your shareholding total to above \$500 (based on the Record Date closing price of \$0.27) registered at 5.00pm AEST on 19 October 2020 as an indication that you do not want your Castile Shares to be sold through the Facility. For a purchase to be an effective notification that you wish to retain your Castile Shares, any additional shares must be registered by 5.00pm AEST on 19 October 2020 under the same name and address and with the same holder number (SRN or HIN) as set out in Share Retention Form accompanying this letter.
 - Where can I get further information? See the Information Sheet attached to Castile's ASX announcement dated 1 September 2020, or contact Castile at info@castile.com.au.

Important notes

Castile reserves the right to change any of the dates referred to in this letter by notice to the ASX.

After 19 October 2020, for the purpose of selling Less Than a Marketable Parcels of Castile Shares that are held in a CHESS Facility holding, Castile may initiate a holding adjustment to move those shares from the CHESS holding to an issuer sponsored holding or certificated holding.

This letter does not constitute advice nor a recommendation to buy, sell or hold Castile Shares, nor advice about what you should do regarding the Facility.