

**ASX Release**

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**CASTILLO COPPER LIMITED**

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**Directors / Officers:**  
**William Ryan**  
**Nicholas Lindsay**  
**Scott Funston**  
**Daniel Crennan**  
**David McEntaggart**

**Issued Capital**  
80.2 million shares  
17.1 million options

**ASX Symbol: CCZ**

# JUNE 2013 QUARTERLY ACTIVITIES REPORT

## HIGHLIGHTS

- **Completion of the acquisition of 100% of Castillo Exploration Pty Ltd (formerly Castillo Copper Limited).**
- **Completion of geophysical exploration on the Rio Rocin porphyry copper project in central Chile.**
- **Project is located within the Andrés-Amos porphyry copper cluster, with focus on supergene copper mineralisation.**
- **Three high quality geophysical (IP dipole-dipole) anomalies established and targeted for drilling.**
- **Exploration advanced on two other copper projects, now drill ready: Posada and Resguardo.**

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

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

## RIO ROCIN COPPER PROJECT

The Rio Rocin project consists of 4,650 hectares of concessions located approximately 140 km north of Santiago in the San Felipe Province of the Valparaiso Region, on the same structural trend that hosts giant porphyry copper mines such as El Teniente (Codelco), Los Bronces (Anglo American), Andina (Codelco) and Los Pelambres (Antofagasta Minerals). (Figure 1)



Figure 1. Location of Rio Rocin copper project in central Chile



Location of Castillo Projects in Chile

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

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

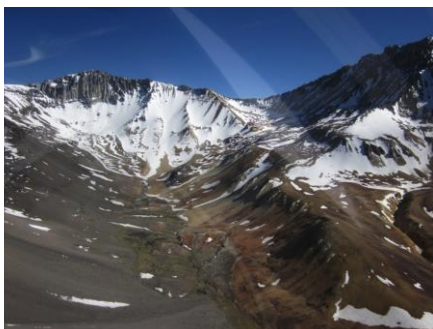
### Geology

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

Los Bayos sector is interpreted to be a leached cap over the mineralised porphyry, with El Chilón connected to the system by a north-south trending reverse fault. The principal target for exploration is supergene mineralisation which may provide a higher grade for development than might occur in the primary mineralisation (Figure 2). It is thought that the supergene which would be generated from strong acid leaching at Los Bayos, has been deposited below it, and laterally in the Chilón sector.



Looking due south from the leached cap at Los Bayos (foreground) down the principal regional structure in Quebrada Chilón.



Leached cap at Los Bayos

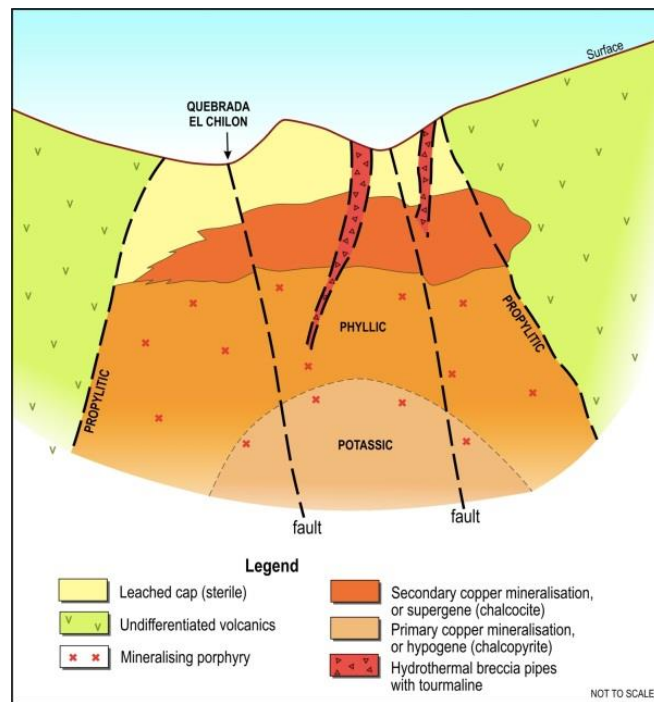


Figure 2. Schematic geological model of Los Bayos sector

## Exploration

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

The second phase comprised a comprehensive geophysical exploration, which included ground magnetics, induced polarisation (dipole-dipole) and resistivity. These results are reported here.

The **ground magnetics programme** (Figure 3) generated a magnetic low under Los Bayos sector and northern most part of the Chilón sector.



Aster satellite image of alteration associated with the Andrés-Amos porphyry copper cluster

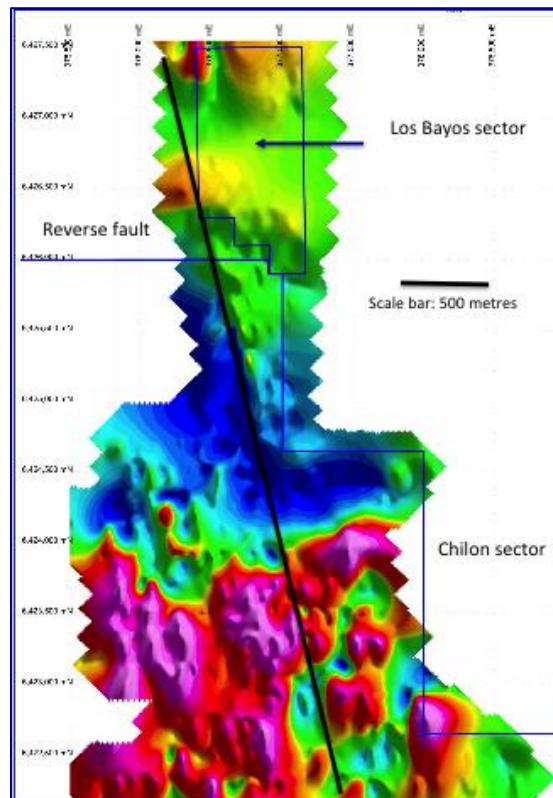
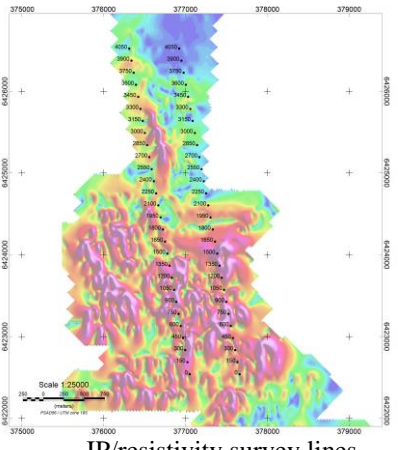


Figure 3. Ground magnetic map of Los Bayos (upper) and Chilón

On the basis of the ground magnetic work, two north-south lines were surveyed by **induced polarisation and resistivity methods**.

The IP/resistivity (dipole-dipole) programme was designed to penetrate 400 metres, which was deemed necessary to pick a full profile for potential mineralisation. The two lines were 4000 metres long and 500 metres apart, with measurements taken every 150 metres. The results of the IP and resistivity work (Figures 4 and 5) show the presence of three anomalies that require drill testing for supergene mineralisation. These coincide with the magnetic low at Los Bayos and northern Chilón.



IP/resistivity survey lines overlaying the ground magnetics

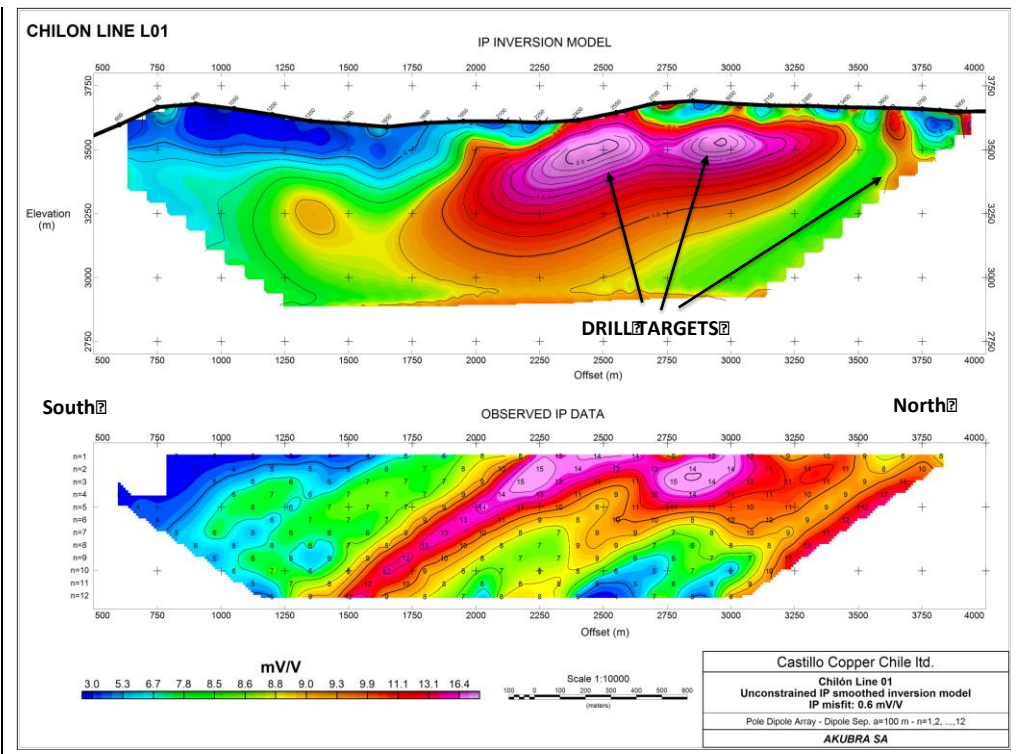


Figure 4. Induced polarisation (dipole-dipole) anomalies

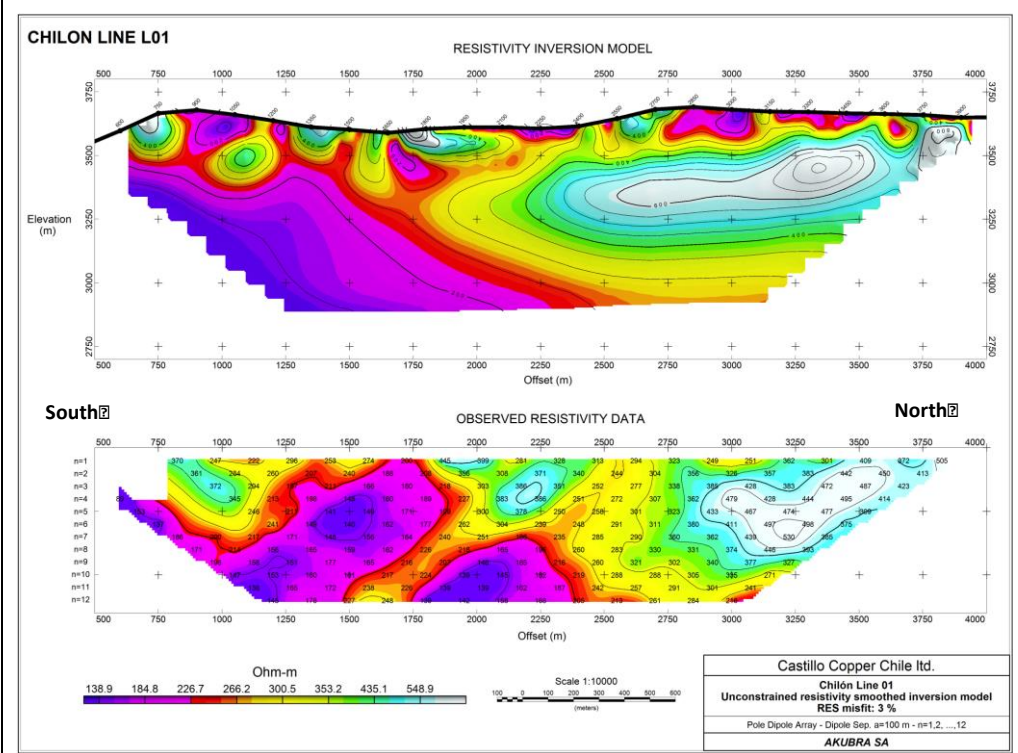


Figure 5. Resistivity anomalies

These are high quality anomalies that are thought to provide indicators of supergene sulphide mineralisation.

**Drilling**

The identification and definition of geophysical anomalies for testing is a major advance in this project. The next phase is drilling. A programme of 2000 metres of diamond drilling is being planned for execution in the early summer of 2013.

## POSADA AND RESGUARDO COPPER PROJECTS

### Posada

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

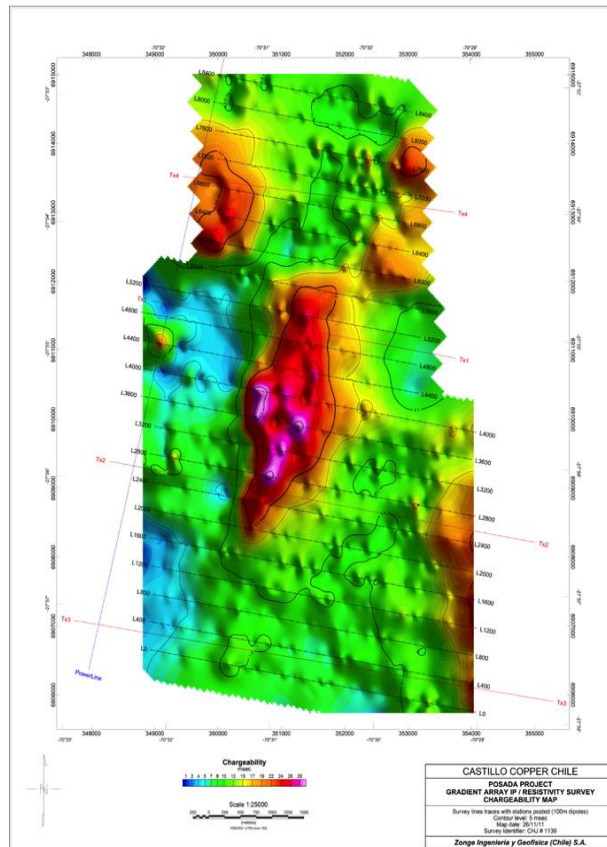


Figure 6. Posada 4 km long IP anomaly

### Resguardo

The Resguardo project area (1,840 hectares) is located 95 km north east of Copiapo on the Middle Tertiary porphyry copper belt. Exploration work has focused on expanding the metallogenic footprint of the copper breccia pipe and mine on the property, with alteration mapping and ground magnetics. This has revealed the structural elements and defined drill targets.

## CORPORATE

Shareholder approval for the acquisition of 100% of the shares in Castillo Exploration Pty Ltd was given at a general meeting of shareholders on 20 May 2013. At this meeting shareholders approved changing the Company name to Castillo Copper Limited to reflect its new focus on the exploration

and development of copper deposits in Chile.

Following completion of the acquisition of Castillo Exploration Pty Ltd, Mr William Ryan, Dr Nicholas Lindsay and Mr Daniel Crennan were appointed to the Board of Directors with Mr Matthew Wood and Mr Vernon Tidy resigning.

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

The Company is continuing a number of discussions with third party corporates with regard to funding the company and its projects.

Nicholas Lindsay  
Managing Director

#### **Competent Person 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 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Dr Lindsay consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.