



CASTILLO COPPER
LIMITED

ASX Release

28 April 2017

CASTILLO
COPPER LIMITED
ACN 52 137 606 476

Level 6
105 St Georges Terrace
Perth WA, 6000
Australia

Tel: +61 8 6558 0886
Fax: +61 8 6316 3337

Contact:

David Wheeler
Chairman

E-mail:

info@castillocopper.com

For the latest news:

www.castillocopper.com

Directors / Officers:

David Wheeler
Joe Graziano
Nicole Fernandes

Issued Capital:

255 million shares
1 million options

ASX Symbol:

CCZ

MARCH 2017 QUARTERLY ACTIVITIES REPORT

Highlights

- Proposed acquisition of Qld Commodities which owns three copper-cobalt prospects in NSW and Queensland
- Kungabaran Hill prospect (NSW) proceeding to grant status
- Post-period close, due diligence complete and confirmed all three licensed areas highly prospective for copper-cobalt
- Excellent mineralization apparent at Kungabaran Hill
- Share sale agreement executed and \$500k raised, with initial consideration of \$150k paid and 10m shares issued

Castillo Copper Limited (“**CCZ**” or “**the Company**”) is pleased to provide shareholders with its report for the quarter ended 31 March 2017.

The key highlight, announced on 23 March 2017, was entering into a binding Heads of Agreement to acquire 100% of the issued capital of Australian copper and cobalt company Qld Commodities Pty Ltd (“**QComm**”).

This proposed acquisition is expected to close post the reporting period in June 2017, provided all conditions precedent are complete and regulatory approvals secured.

Overview of QComm

QComm was incorporated in November 2012 with the principal objective of applying for mineral tenements to explore and develop copper and cobalt production resources. To that end, on 23 March 2017 it had three applications targeting high grade copper and cobalt systems in NSW and Queensland, detailed as follows:

- (a) ELA 5446, an application for an exploration licence covering approximately 153 sq km prospective for copper / cobalt in the New England Orogen, NSW (**Kungabaran Hill application**). On 28 March 2017, CCZ announced NSW’s Department of Industry, Resources and Energy confirmed it is proposing to grant title for the land area covered by ELA 5446.
- (b) ELA 5447, an application for an exploration licence covering approximately 57 sq km prospective for copper / cobalt 16km southwest of Broken Hill, NSW (**Peak Hill application**).
- (c) EPM 26462, an exploration permit covering 214 sq km prospective for copper / cobalt in the Mt Isa region, northwest Queensland (**Mt Oxide application**).

On 18 April 2017, post the review period, CCZ announced, it was on track to complete the proposed acquisition of QComm. The conditions precedent completed are summarised below:

- **Due diligence:** both parties conducted thorough investigations into all materially relevant issues and have agreed this is complete. Notably, legacy work on the Kungabaran Hill tenement revealed excellent mineralisation for copper and chromite following historical desktop review.
- **Placement to raise \$500,000 complete:** CCZ issued 33,333,333 shares at \$0.015 to sophisticated investors on 11 April 2017.
- **Share sale agreement executed:** On 13 April 2017, the shareholders of QComm signed off on the share sale agreement and confirmed receipt of the initial consideration of \$150,000 and 10,000,000 shares.

Preliminary geological assessment of QComm's assets

A] Kungabaran Hill Application, NSW: ELA 5446

ELA 5446 is located in New England Orogen, which is a significant east Australian mineral province that hosts significant Cu-Au-Co deposits; it represents a new trend and district scale opportunity. CCZ is targeting high-grade areas to develop a primary Co system, as the prospect has been under explored and largely undrilled. Historical and recent drilling results by neighbouring ASX listed company, Corazon Mining Ltd (ASX: CZN), is very encouraging as it appears that tenement ELA 5446 is in the same geological ultramafic system.

There are >25 historical Cu-Au-Co-Fe workings and small mines in the area, with target modes identified in adjacent ground being:

- tourmaline breccia hosted Cu-Au-Co deposits;
- Cu-Au-Co-Fe skarns; and
- quartz-sulphide vein system (such as porphyry Cu-Au-Co deposits).

B] Peak Hill Application, NSW: ELA 5447

ELA 5447 is 16km southwest of Broken Hill and 10km northeast of Alloy Resources' Ophara project in the Broken Hill Region, NSW. Notably, large Cu-Au-Co deposits have been identified 3km to the south by Broken Hill Prospecting, while historical data highlights prospective targets of high-grade cobalt occurrences within ELA 5447.

C] Mt Oxide North Application, Queensland: EPM 26462

EPM 26426 is an exciting prospect located in the Mt Isa region, northwest Queensland. The prospect is adjacent to active Cu-Au gold explorers, Mt Oxide Pty Ltd and Capricorn Copper Pty Ltd; the latter is in the process of restarting the Mt Gordon/Gunpowder copper mine in Q2 2017. More broadly, the Queensland Department of Natural Resources and Mines reported that cobalt is associated with copper in brecciated sediment-hosted base metal deposits in northwest Queensland including Mount Isa, Mammoth and Mount Cobalt.

For further information about QComm's assets refer to the ASX announcement 'Acquisition of Copper Cobalt Projects' dated 23 March 2017.

Consideration

In consideration for the proposed acquisition of QComm, the holders of 100% of the issued capital (**vendors**) will receive the following from CCZ as conditions precedent are completed:

- (a) \$150,000 (paid 11 April 2017);
- (b) issued 10,000,000 CCZ shares (issued 23 March 2017), and
- (c) granted 76,666,668 performance rights (pending).

As soon as practicable following grant of all applications, CCZ will:

- a) pay the vendors \$200,000 pro-rata to their QComm shareholding; and
- b) enter into a royalty agreement with the vendors (or their nominee) pursuant to which CCZ will pay a 1% net smelter return royalty in respect of the area covered by the applications.

Indicative Timetable

An indicative timetable for completion of the proposed acquisition is set out below:

Event	Date (week ending)
Announcement of Proposed Transaction	24 March 2017
Despatch Notice of General Meeting	12 May 2017
Lodge prospectus and Public Offer opens	12 May 2017
Hold General Meeting	9 June 2017
Public Offer closes	16 June 2017
Completion of Proposed Acquisition and issue of Shares	23 June 2017

Please note that this timetable is indicative only and CCZ reserves the right to amend the timetable as required.

Chilean copper projects

CCZ did not perform any material exploration work on these projects.

For and on behalf of Castillo Copper

David Wheeler
Chairman

APPENDIX 1: INTEREST IN MINING TENEMENTS HELD

HUANTA (VICUÑA)	HECTARES	NATIONAL ROLL	INTEREST AT THE BEGINNING OF THE QUARTER %	INTEREST AT THE END OF THE QUARTER %	YEAR GRANTED	OWNER
TRUENO 1	300	04015-7483-7	100%	100%	In process	Castillo Copper Chile SpA
TRUENO 2	300	04015-7484-5	100%	100%	In process	Castillo Copper Chile SpA
TRUENO 4	300	04015-7486-1	100%	100%	In process	Castillo Copper Chile SpA
TRUENO 5	300	04015-7487-K	100%	100%	In process	Castillo Copper Chile SpA
TRUENO 6	300	04015-7488-8	100%	100%	In process	Castillo Copper Chile SpA
TRUENO 7	300	04015-7489-6	100%	100%	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.

APPENDIX 2: SUMMARY OF EXPLORATION EXPENDITURE INCURRED PER PROJECT

Project	Quarter Cash Spend \$A'000
Huanta (Vicuna)	4
Total	4