



“Re-awakening Cangai Copper Mine”

Putting the components in place to fast-track production

Investor Presentation | **December 2017**



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- **Competent Person Statement**
- The information in this report that relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Neil Hutchison, a Competent Person who is a Member of the Australian Institute of Geoscientists. Neil Hutchison is an executive director of Castillo Copper Ltd.
- Neil Hutchison has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the ‘Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves’. Neil Hutchison consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.
- The Australian Securities Exchange has not reviewed and does not accept responsibility for the accuracy or adequacy of this release.

BOARD OF DIRECTORS



David Wheeler

Non-Executive Chairman

More than 30 years of Executive Management, Directorship, and Corporate Advisory experience. Foundation Director & Partner of Pathways Corporate. Successfully engaged in business projects in USA, UK, Europe, NZ, China, Malaysia, Singapore & Middle East. Fellow of Australian Institute of Company Directors - serves on public and private company boards, holding a number of Directorships and Advisory positions in Australian ASX listed companies.



Neil Hutchison

Technical Executive Director

Experienced geologist with 25 years mining industry including senior positions with Jubilee Mines and Troy Resources. In 2007, joined Poseidon Nickel as GM – Geology, while in 2014 became Non-Executive Director with Kairos Minerals. First Class Honours (Geology) from the University of Southern Queensland, membership of the Australasian Institute of Geoscientists (2004) and is qualified Competent Person.



Alan Armstrong

Executive Director

Experienced chartered accountant and former MD of Tanzanian-focused graphite explorer, Volt Resources (ASX: VRC), which he was instrumental in transforming from a start-up to business with a \$180m market capitalisation across 2014-16. Bachelor of Business from Charles Sturt University, member of the Institute of Australian Chartered Accountants and Australian Institute of Company Directors.



CORPORATE OVERVIEW

12-month Share Price



Major shareholders

Top 20	51%
Board & Management	>1%

ASX CODE: CCZ

SHARE PRICE: \$0.056

SHARES: 579.7 m

OPTIONS: 67.5 m

MARKET CAP: \$30.7 m

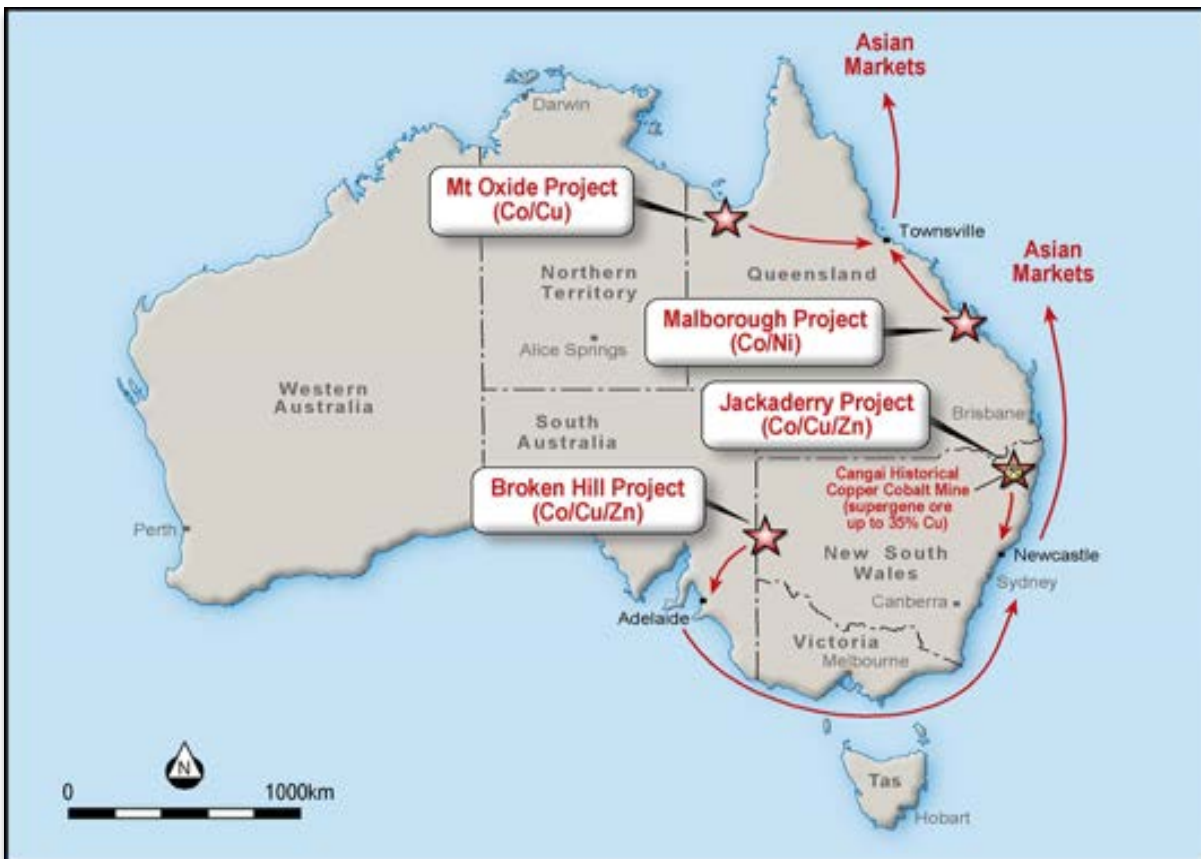
CASH AT BANK*: \$3.6 m

*estimated at 31 Oct



INVESTMENT THEME

CLEAR STRATEGY TO FAST TRACK PRODUCTION AT CANGAI TO KEY ASIAN MARKETS



The Jackaderry Project, which contains Cangai, is **close to excellent road/rail infrastructure** that connects to Newcastle Port

With supergene ore at Cangai, up to **35% Cu and 10% Zn**, it can be **directly shipped** to key export markets at relatively low cost which is a significant competitive advantage²

Incrementally, CCZ has a differentiated strategic business plan which entails **utilising third party concentrate processors within range of projects** then selling end-product via the LME expedite generating cash flow

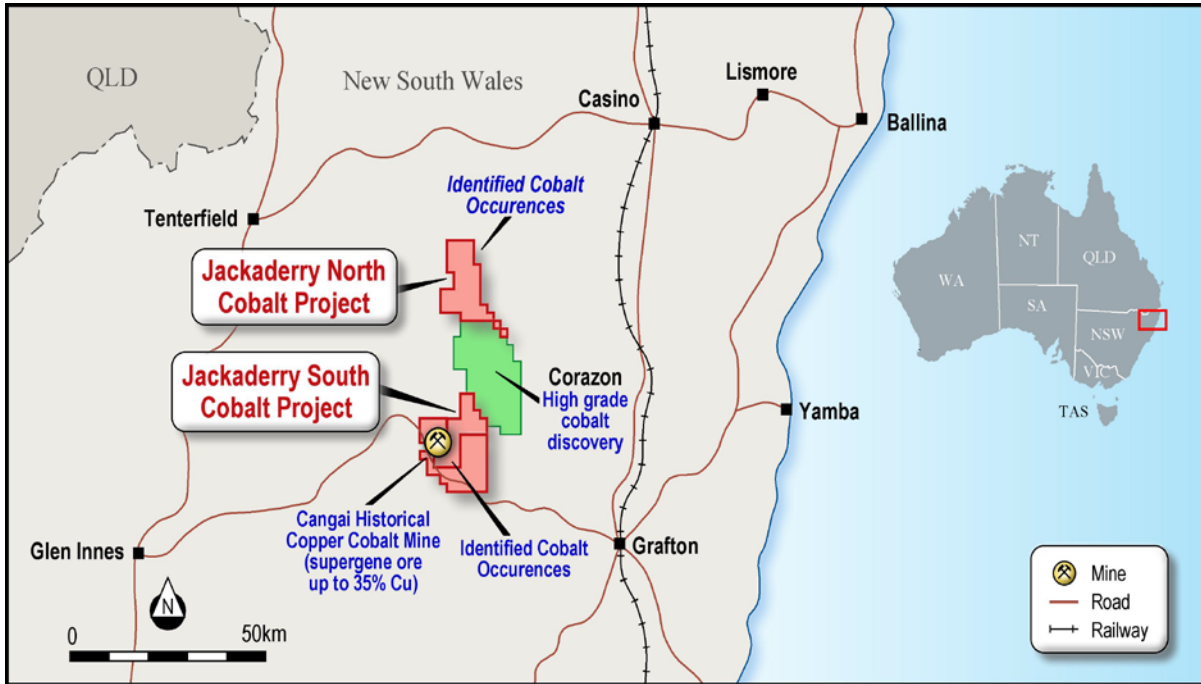
Refer to ASX announcement 24/08/2017

2 Refer to ASX Release - dated 7 August 2017



CANGAI COPPER MINE

INAUGURAL JORC INFERRED RESOURCE DEFINED @ CANGAI; NOW PROGRESSING TO NEXT LEVEL



Refer to ASX announcement 24/08/2017

Putting the components in place to fast-track production



Cangai delivered one of **Australia's highest-grade** JORC Inferred Resources¹ modelled from legacy data: 3.2Mt @ 3.35% Cu



Excellent new assay results on samples collected from Cangai within/external to JORC modelled boundary, post CCZ's geology team's field trip, were up to a maximum 14% Cu, 1.7g/t Au, 34.7 g/t Ag, 12,000ppm Zn and 2,150ppm Pb³



With funding secured from the recent \$3.4m placement, the Board has appointed **Gnomic Exploration Services** to oversee a drone survey and roll out 12-RC drill program.

Focus is on unmined working sections & mineralisation halo, targeting **supergene ore which is open in all directions** along a 900m strike as soon as possible – data will then be utilised to generate a JORC compliant Indicative Resource.



CCZ's geology team anticipates **material resource size upside for copper** (current JORC Inferred Resource: 107,600 tonnes), silver (2.08m oz) and gold (82,900oz)³

¹ Refer ASX Release – dated 6 September 2017; ³ ASX Release – dated 30 October 2017



CANGAI COPPER MINE - INFERRED RESOURCE

	Mass (Tonnes)	Cu (%)	Co (%)	Zn (%)	Au (g/t)	Ag (g/t)	Cu (Tonnes)	Co (Tonnes)	Zn (Tonnes)	Au (Oz)	Ag (Oz)
Oxide	814,267	4.1	0.010	0.63	0.06	27.34	33,391	78	5,165	14,550	715,667
Fresh	2,397,342	3.1	0.003	0.28	0.89	17.74	74,198	75	6,762	68,349	1,367,456
Total	3,211,609	3.35	0.005	0.37	0.8	20.17	107,589	153	11,927	82,899	2,083,123

Note: Totals may not sum exactly due to rounding. Cut-off grade used: 1.0% Cu with top-cut applied: 10.0% Cu.



With one of the highest-grade maiden JORC Inferred Resources in Australia (3.2MT @ 3.35% Cu; equating to 108Kt contained Cu¹), further proving up and expanding the resource at Cangai Copper Mine (Cangai; Jackaderry Project) is now management's top priority.



Following the recent \$3.4m placement, Gnostic Exploration Services have been mandated to undertake a 12-hole RC-Drilling program at pre-selected targets at Cangai focused on unmined working sections and mineralisation halo as soon as possible; moreover, a drone aerial survey is set to be undertaken before year end



Comprehensive desktop reviews will be progressed on the Broken Hill, Mt Oxide and Marlborough Projects with drilling programs slated for 2018 in the absence of strategic partners becoming involved at the project level



CANGAI MINE TIMELINE & SIGNIFICANT EVENTS ^



Pictures illustrate the mine entrance and tramway constructed in 1910-11



CRA Exploration (CRAE; now Rio Tinto) conducted tests in 1990-92 and concluded Western Mining drilled in the wrong location

CCZ acquired the mine in mid-2017 as part of the Jackaderry Project

1904

Cangai Copper Cobalt Mine was in production from 1904-17

1910

Only ore with > 15% copper was extracted, utilising manual labour

1980

Western Mining conducted tests on the mine in the early 1980s and did one unsuccessful drill hole but relinquished the tenement in 1984

1990

1992

CRAE stated “there is potential for further economic mineralisation” but relinquished the tenement in 1992 as Australia was in a deep recession

2017

^ Certain information sourced from Honours thesis by Carl Brauhart UNSW (1991) “The Geology & Mineralisation of the Cangai Copper Mine, Coffs Harbour Block North Eastern NSW,” CRAE Report No: 17739

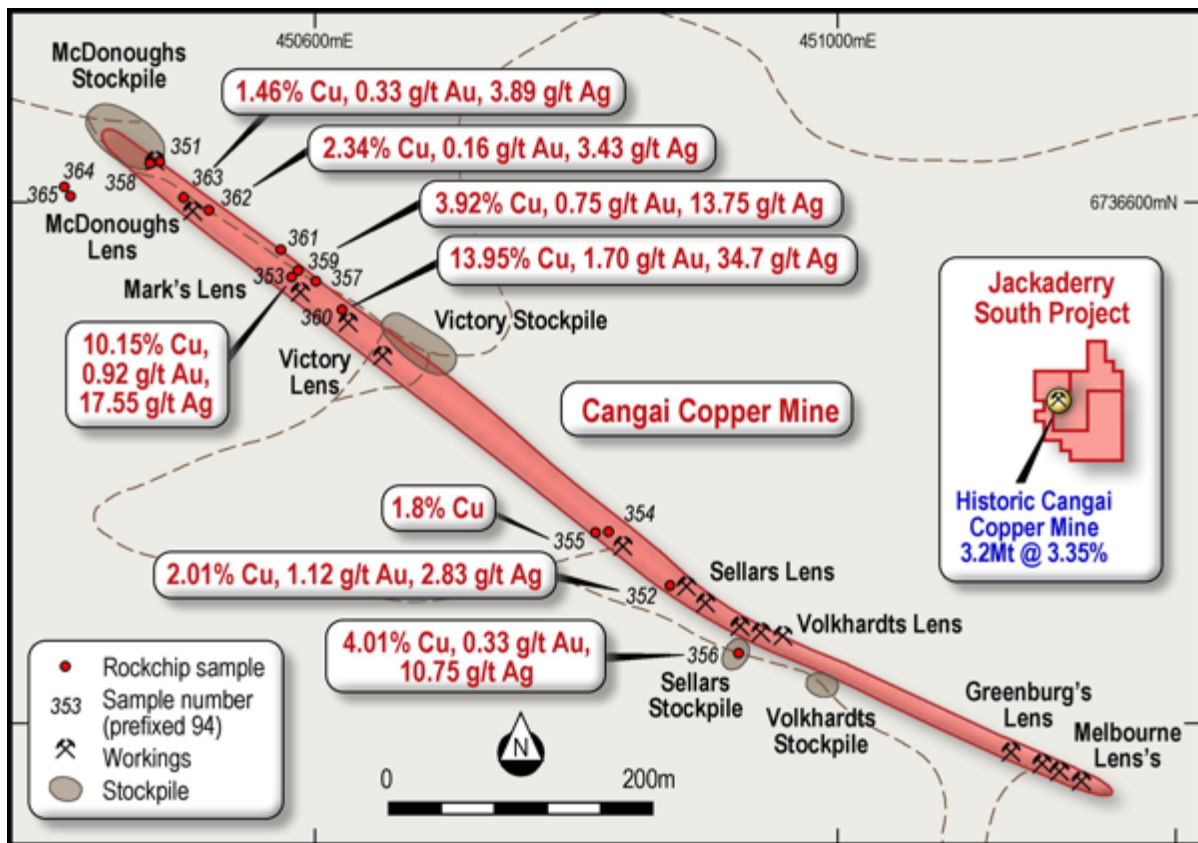




INVESTMENT THEME

EXCELLENT NEW ASSAY RESULTS RECEIVED FOR COPPER-GOLD-SILVER POST CANGAI SITE VISIT

Assay results from samples within the JORC modelled boundary confirmed excellent copper-gold-silver mineralisation, implying material resource size upside



Sample Number	Location Description	Cu	Au	Ag	Pb	Zn
		%	g/t	g/t	ppm	ppm
352	Surface gossan	2.01	1.12	2.83	2150	161
353	Waste-ore stockpile	10.15	0.92	17.55	667	215
355	Discovery outcrop-mineralised	1.80	0.04	1.61	68.1	93
356	Waste-ore stockpile-ore rock	4.01	0.33	10.75	1070	8510
359	Shaft-unmined ore	3.92	0.75	13.75	1410	5040
360	Waste-Ore stockpile-ore rock	13.95	1.70	34.7	1630	12000
362	Waste-Ore stockpile in creek	2.34	0.16	3.43	196	7300
363	Unmined wall rock	1.46	0.33	3.89	149.5	2000

Note: Refer to Appendix A for detailed sample analysis
Source: CCZ's geology team; ALS (assay results)

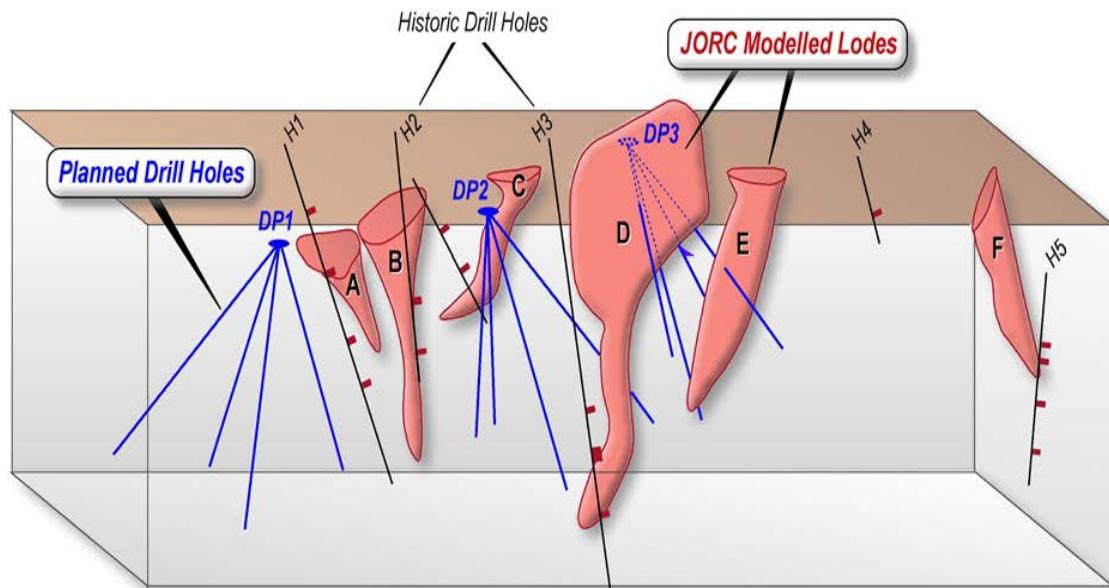
Source: CCZ's geology team; ALS (assay results), refer to ASX announcement 30/10/2017



INVESTMENT THEME

PLANNED DRILLING PROGRAM AT CANGAI TO EXPAND THE CURRENT RESOURCE MATERIALLY

Cangai Copper Mine - Model Section



Ore Zone Legend: 1) Marks Lens; 2) Victory Lens; 3) Sellars Lens; 4) Volkhardt's Shaft Lens; 5) Greenberg's Lens; 6) Melbourne Lens

Source: CCZ's geology team

Drilling team on standby and ready to proceed once regulatory approval is secured



All preparation work to site has been finalised, while drone aerial photography, topographic and EM surveys are complete or underway



Gnomic Exploration Services have finalised the pre-site inaugural 2,250m RC-drilling program comprising 12-holes from three drill pads



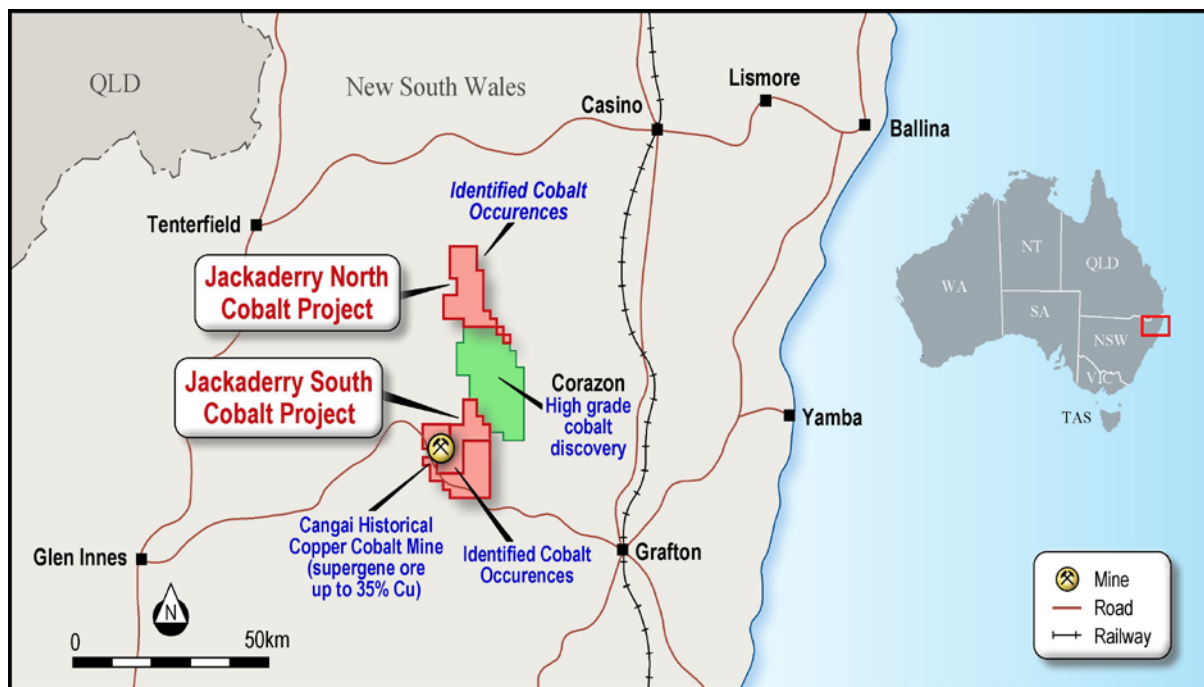
Drilling program designed to build on legacy work done groups in the 1980s and 1990s which enabled the JORC inferred resource of 3.2Mt @ 3.35% to be generated

The three drill pads have been positioned to thoroughly test the extent of the mineralisation halo and JORC modelled lodes



JACKADERRY PROJECT

EXPLORATION UPSIDE ACROSS ENTIRE PROSPECT



Refer to ASX announcement 24/08/2017



Further exploration upside across the entire Jackaderry Project is in the mix, as the intention is to progress a more thorough desktop review to the areas that have not been studied



Importantly, Jackaderry is on an **ultramafic system well known for high grade copper-cobalt**



Within Jackaderry South, there are **known satellite copper deposits** as well as the Smelter Creek Copper Mine.

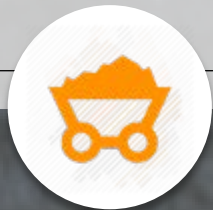
Some of these areas will be targeted in the next phase of the drilling program.



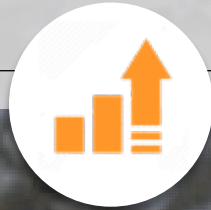
CANGAI MINE IN FOCUS

SUPERGENE ORE A GAME CHANGER

- Discovering supergene ore, which implies the presence on an enriched copper resource, at Cangai is a game changer
- It is a material point of difference from numerous rivals



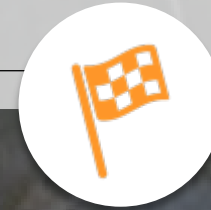
Mine records show supergene ore occurred with azurite and malachite ore grading at 20% to 35% copper, 10% zinc and elevated cobalt levels²



The ore occurred close to surface, passed into chalcocite ore with a similar grade below surface and is open in all directions - this translates to significant exploration upside



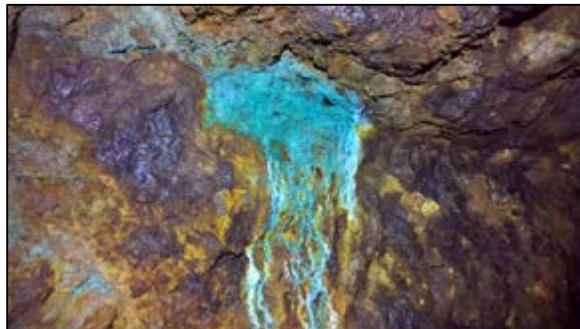
Further, it delivers CCZ a strategic competitive advantage as the direct shipment of ore to end-users is a reality, which saves immeasurably on operating costs





CANGAI MINE IN FOCUS

UNCOVERED HIDDEN COPPER ASSET



Pictures from recent site visit highlight extensive copper mineralisation at surface outcrops, within working sections and historic stockpiles as well as high grade ore



BROKEN HILL PROJECT

SIGNIFICANT ZINC MINERALISATION...

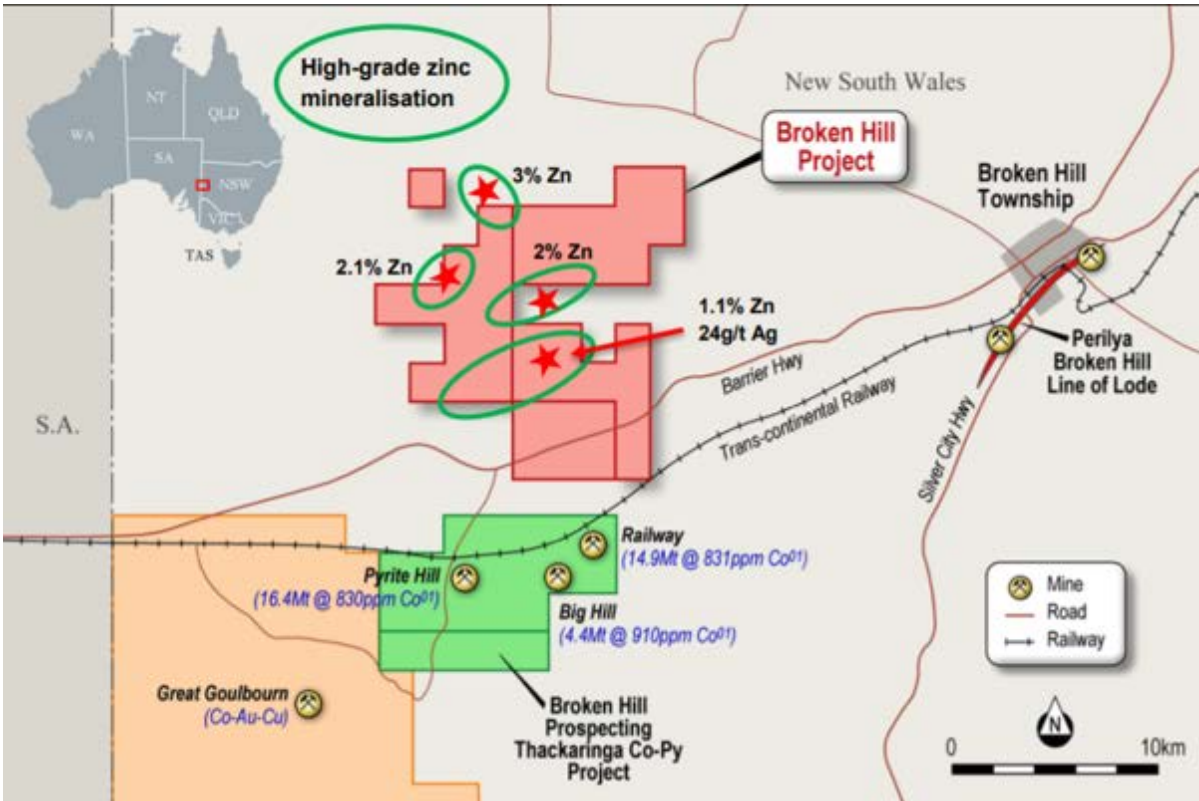
SECONDARY FOCUS



Within the Broken Hill project there are **several areas exhibiting high-grade zinc mineralisation** up to 2.1% Zn within the tenure and up to 3%⁴ on strike running into CCZ's area



Legacy data can potentially be leveraged a JORC Inferred Resource but further desktop work is required in tandem with an inaugural drilling program to ensure a more reliable outcome



⁴ Refer to ASX Release "High-Grade Cobalt Surface Mineralisation Discovered at Broken Hill Project" dated 20 September 2017



BROKEN HILL PROJECT

...EXCELLENT COBALT MINERALISATION

SECONDARY FOCUS

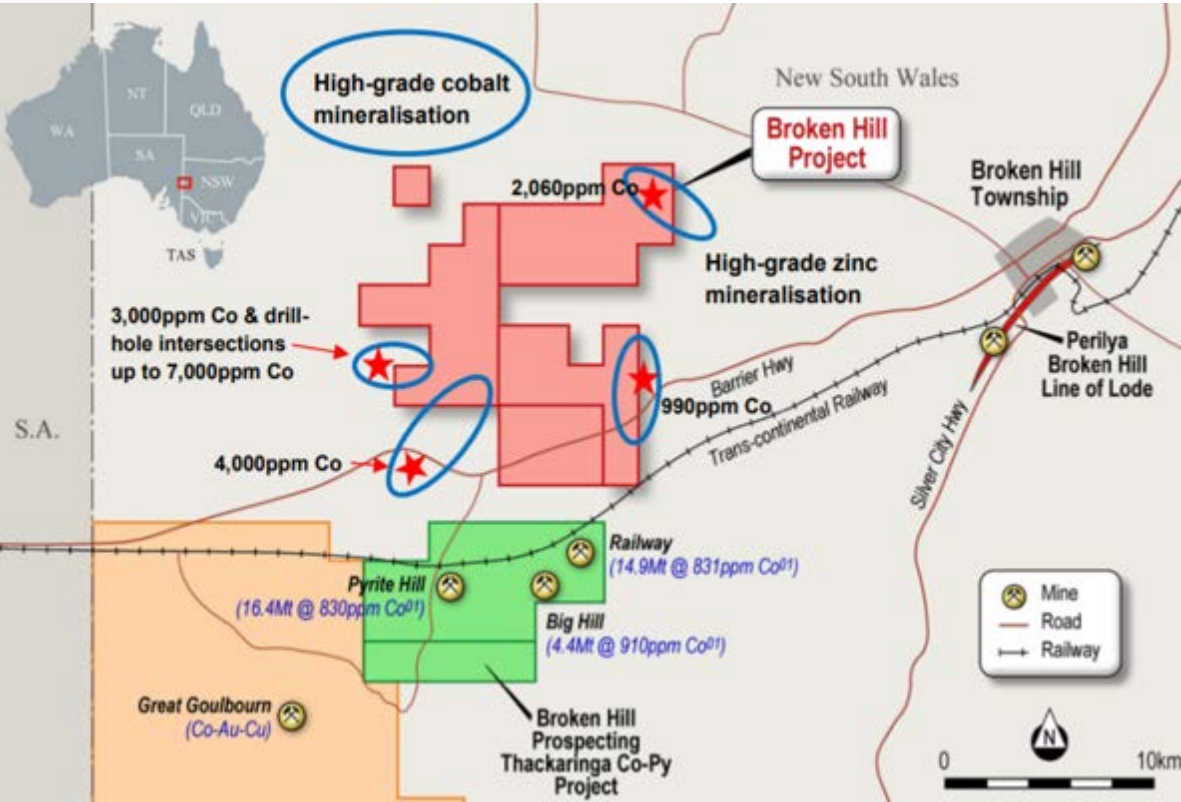


High grade cobalt mineralisation discovered with **2,060ppm Co** recorded **within the tenure and up to 7,000ppm Co⁴** in historic drill-holes slightly outside to the western boundary but on strike running into CCZ's project area



Further exploration upside exists within unexplored areas in the centre of the tenure as **materially more buried Co-Zn mineralisation may occur** under alluvial sand cover holds⁴

In 2018, post the Cangai drilling program, the Board is likely to appoint a contractor with technology able to ascertain the extent of mineralisation under the alluvial sand cover, assuming no corporate activity

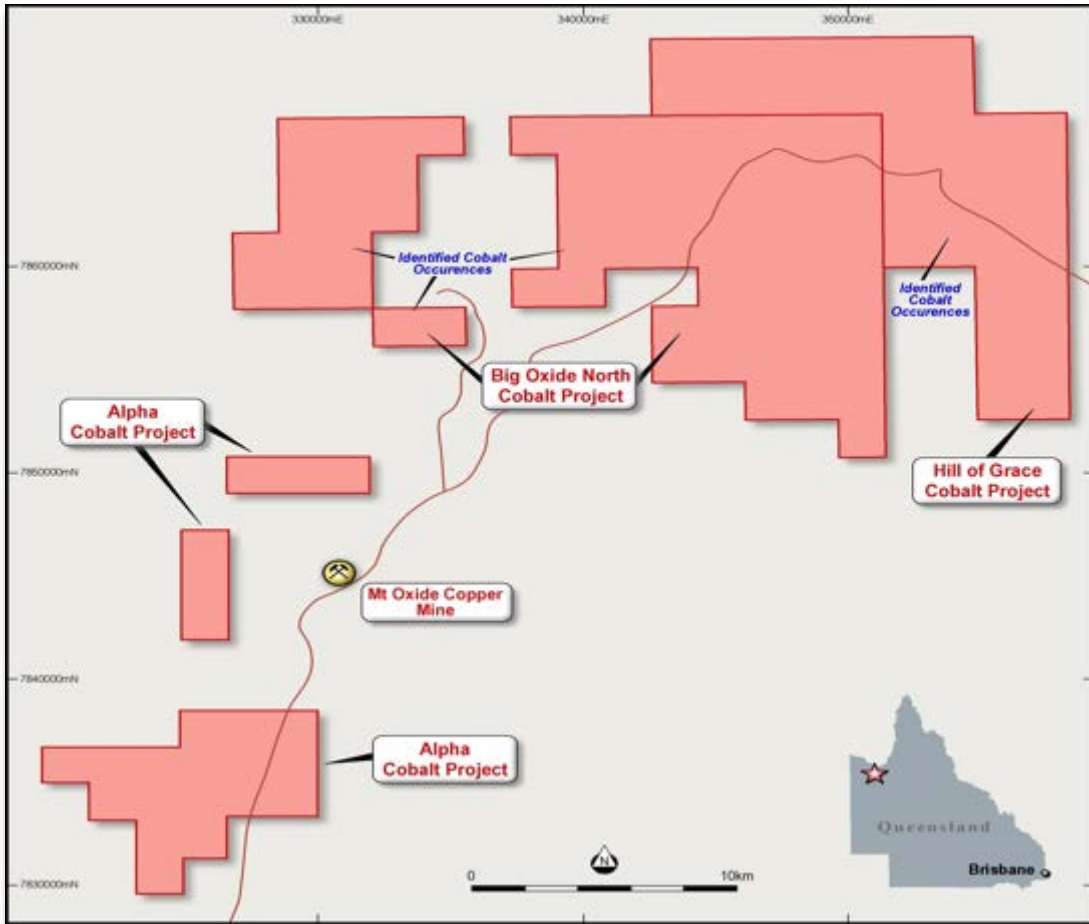


⁴ Refer to ASX Release "High-Grade Cobalt Surface Mineralisation Discovered at Broken Hill Project" dated 20 September 2017



MT OXIDE PROJECT

DRILL TARGETS IDENTIFIED



The initial desktop review identified **several excellent copper-cobalt anomalies** with best results 0.09% cobalt and 18% copper in the tenure neighbourhood⁵



Notably, within the tenure, **significant cobalt mineralised zones detected**, generating early targets for the maiden drilling program



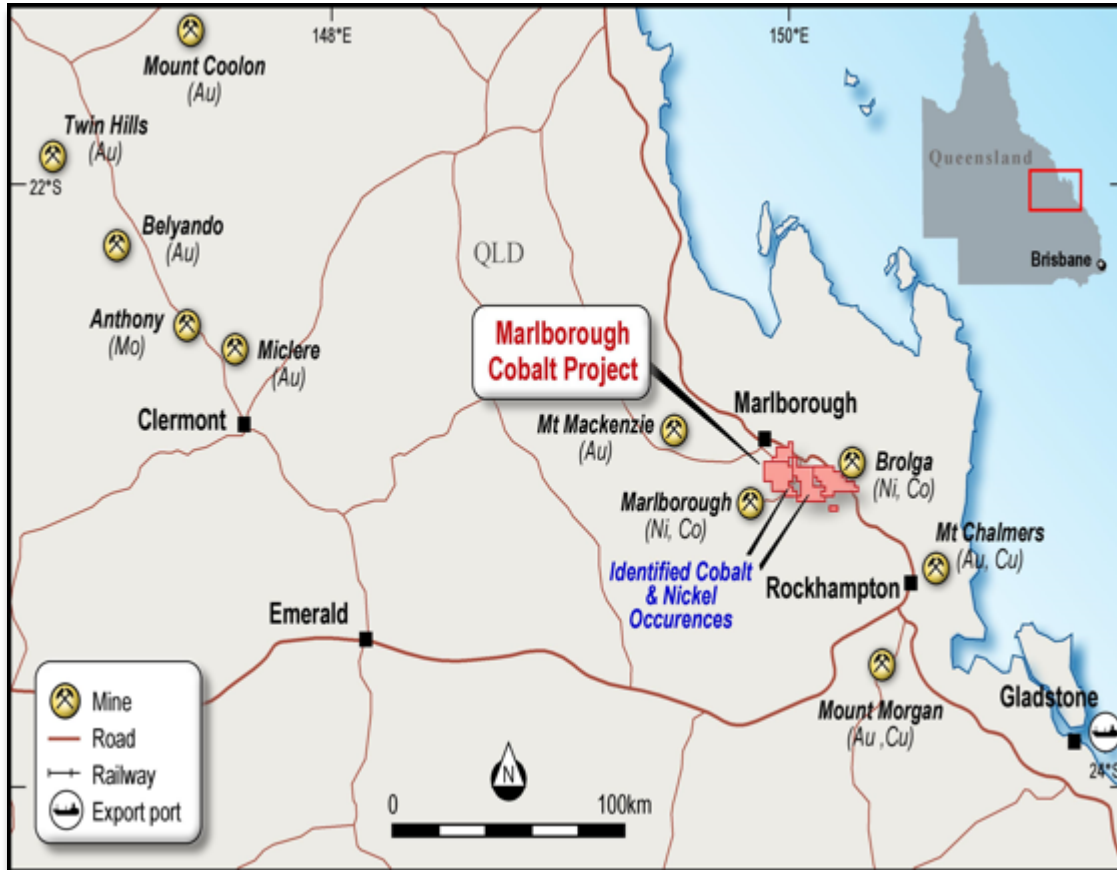
Work on generating a JORC compliant Inferred Resource for copper-cobalt will **commence immediately post the inaugural drilling campaign** – slated for 2018, assuming no corporate action

⁵ Refer to ASX Release “Encouraging initial desktop results highlighting cobalt and copper potential ” dated 8 June 2017



MARLBOROUGH PROJECT

DESKTOP REVIEW UNDERWAY



The Board has ordered a **detailed desktop review of the Marlborough Project**, given it was only recently acquired.



Legacy data shows the area covered by the Marlborough project and Queensland Nickel **contains proven and probable reserves of 48.7Mt at 0.94% nickel and 0.06% cobalt⁶**



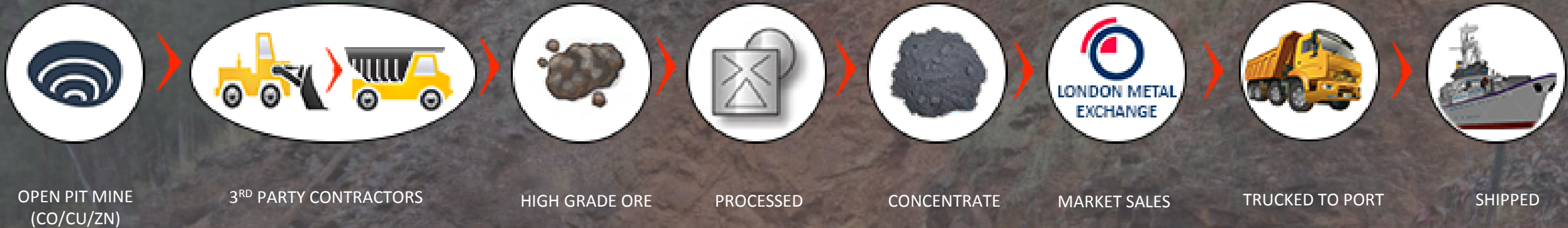
Upon completion of the desktop review, the Board will **assess key targets and timing** for the maiden drilling campaign, slated for 2018, in the absence of corporate activity

⁶ Silver & Base Metals, Queensland's metalliferous and industrial minerals 2014, Department of Natural Resources and Minerals, Queensland



STRATEGIC INTENT

HIGHLY DIFFERENTIATED BUSINESS MODEL



To fast track production – assuming a commercially viable Co-Cu-Zn-Ni resource is identified at one of the projects areas, CCZ will then use **3rd party processors to make concentrate** which is sold via the LME (likely to Asian clients) and shipped from the nearest port

Materially **fast-tracks production, avoids huge capex and generates cash flow earlier** in the project lifecycle



Re-discovering Cangai Copper Mine

- Hidden asset with supergene ore up to 35% Cu & 10% Zn open in all directions – can be directly shipped to end-users
- JORC Inferred Resource 3.2Mt @ 3.35% Cu is one of highest grades in Australia, with significant resource upside for copper, silver and gold confirmed by site visit and assay results
- Cangai has ready access to mains power / water and excellent transportation infrastructure (road/rail) connecting to Newcastle Port 500km south of the mine



Steps evolving to re-open the mine

- Fund raising exercise delivers \$3.4m
- Geology consultant appointed to oversee drilling program which will target unmined working sections and mineralisation halo at Cangai Mine to model JORC Indicative Resource as soon as practical – due to start as soon as approval secured



Timely

- Copper, Cobalt, Zinc & Nickel are on an upcycle at present, with all facing forward supply deficits
- For cobalt specifically, many large global tech groups are looking for new supply chains from stable countries which have properly regulated mining practices



Experienced management team

- Neil Hutchison on geology & Alan Armstrong on corporate



Simplified outsourced business model

- Leverage third party contractors / processors to avoid costly and time consuming process to build plant on site, which is a huge competitive advantage in fast-tracking production
- Sell product on the LME then deliver from nearest port nearer contract settlement time to generate cash flow

APPENDIX A



ASSAY RESULTS FROM CANGAI COPPER MINE

Sample Number	Easting MGA_94	Northing MGA_94	Location Description	Mineralisation Description	Cu %	Au g/t	Ag g/t	Pb ppm	Zn ppm
94351*	450479	6736630	Footwall volcanics inside McDonough's Adit	Barren, minor sulphides	0.03	-	0.03	6.9	134
94352	450871	6736308	Surface gossan to south of Sellars Shaft	Iron rich gossan; goethite-hematite-limonite	2.01	1.12	2.83	2150	161
94353	450584	6736543	Waste-Ore stockpile near Mark/A1 Shafts	Malachite rich volcanics	10.15	0.92	17.55	667	215
94354*	450824	6736347	Sellars Lode; discovery outcrop	Non mineralised volcanic hostrock	0.73	0.01	0.49	10.5	80
94355	450814	6736346	Sellars Lode; discovery outcrop	Green copper stained volcanics on outcrop surface	1.80	0.04	1.61	68.1	93
94356	450922	6736255	Waste-Ore stockpile-Sellars Lode	Sulphide rich ore from bottom of Sellars Mine	4.01	0.33	10.75	1070	8510
94357*	450600	6736537	Waste-Ore stockpile-Host rock	Barren siderite-iron stained volcanics	0.07	-	0.16	6.4	104
94358*	450477	6736629	Host rock from McDonoughs Lode Adit	Barren altered volcanics	0.09	-	0.1	18.2	213
94359	450584	6736544	A1/A2 Shaft Side wall-unmined ore	Malachite-iron stained volcanics	3.92	0.75	13.75	1410	5040
94360	450620	6736517	Waste-Ore stockpile; Victory Lens	Malachite and azurite-rich altered volcanic	13.95	1.70	34.7	1630	12000
94361	450573	6736563	Waste-Ore stockpile; Marks Lode	Metasedimentary host rock	0.07	-	0.12	14.4	225
94362	450519	6736593	Waste-Ore stockpile in creek; McDonough's Adit	Malachite-rich rock with calcite	2.34	0.16	3.43	196	7300
94363	450499	6736603	Marks' slot unmined wall rock	Malachite-rich and calcite rock	1.46	0.33	3.89	149.5	2000
94364*	450409	6736609	150m above McDonough's adit	Barren insitu volcanics-background reading sample	0.01	-	0.18	10.5	55
94365*	450413	6736604	150m above McDonough's adit	Insitu volcanics-Mn and Fe stained-background reading sample	0.04	-	0.09	9.2	212

CONTACT US

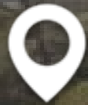


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