



“Re-awakening Cangai Copper Mine”

Road to fast-track production taking shape

Investor Presentation | **September 2018**





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The information in this report that relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Peter Smith, a Competent Person who is a Member of the Australasian Institute of Mining and Metallurgy. Peter Smith is employed by Castillo Copper Pty Ltd. Peter Smith 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’. Peter Smith 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



Peter Meagher

Non-Executive Chairman

Globally experienced corporate finance and mining executive with 30 years experience as a director of listed groups including in the resources sector. Previously, Chairman of Extract Resources (ASX: EXT) and instrumental in building up its projects, which were eventually acquired by China Guangdong Nuclear Power Group through a takeover that valued Extract at over A\$2.1bn in 2012.



Peter Smith

Non-Executive Director

A geophysicist with 30 years base metal mineral exploration experience across Africa, Australia, Philippines, Pakistan, USA and Peru. Previously worked for Normandy, Pasminco and BHP Billiton on projects from exploration through to production. A qualified Competent Person, with memberships at the Australian Society of Exploration Geophysicists & Australian Institute of Geoscientists. Holds a Bachelor of Science from the University of Sydney.



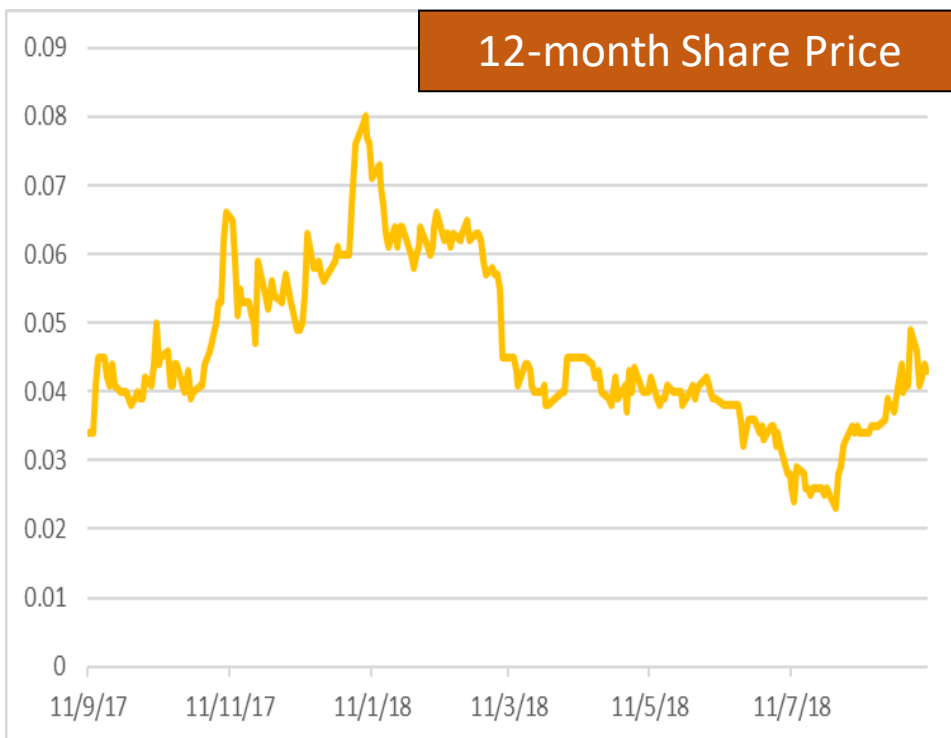
Alan Armstrong

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 a 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



Major shareholders

Top 20	51%
Board & Management	>1%

ASX CODE: CCZ

SHARE PRICE: \$0.043

SHARES: 580.1m

OPTIONS: 84.5 m

MARKET CAP: \$24.9m

CASH AT BANK: \$1.7m*

Note: Pricing @ 7 Sep 2018; Y/E cash at 30 Jun 2018



INVESTMENT THEME

Road to fast-track production taking shape

➤ Core strategy to re-open Cangai Copper Mine gaining momentum

- Shallow massive sulphide mineralisation confirmed outside of existing Resources¹
- High-grade assay results – up to 10.25% Cu, 6.04% Zn and 32.5g/t Ag
- Best intersection 11m @ 5.94% Cu from 41m incl: 1m @ 10.25% Cu; 3m @ 8.1% Cu; 1m @ 7.53% Cu¹

➤ Focus on extending known ore body along the line of lode

- Multiple DHEM surveys to optimise the current (39 hole, Phase II) drilling campaign

➤ Potential for high-grade north-east trending extensions

- High grade soil and rock-chip assay results up to 1,660ppm Cu and 23.9% Cu respectively²

➤ Positive metallurgy confirmed

- Test-work confirms stockpile ore can be beneficiated materially, with concentrate recoveries >80% and grading up to 22% Cu³
- Interested third parties discussing potential offtake

➤ Strong cobalt potential at Broken Hill Project

- “Area 1” – standout target at Broken Hill with assays confirming 291ppm Co at surface within Himalaya Formation⁴

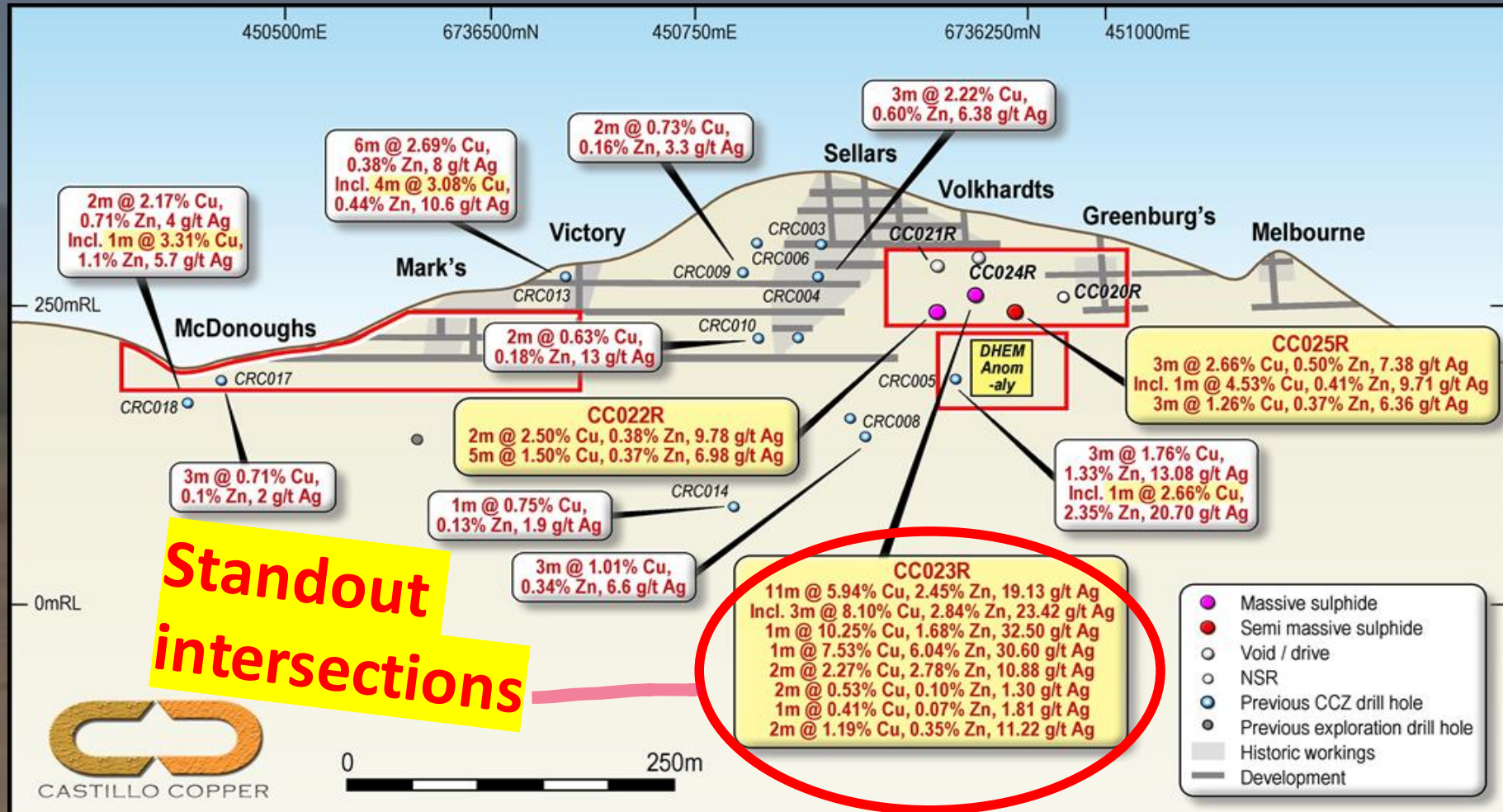
➤ Executing deals to maximise value from non-core assets



Flagship Cangai Copper Mine

Assay results up to 10.25% Cu, 6.04% Zn & 32.5g/t Ag

➤ Developing into a high-grade multi-base metal asset, given excellent recent assay results from massive sulphide intersections up to 10.25% Cu, 6.04% Zn & 32.5g/t Ag – a solid intersection report card for Phases I & II so far¹



Source: ASX Release 10 September 2018



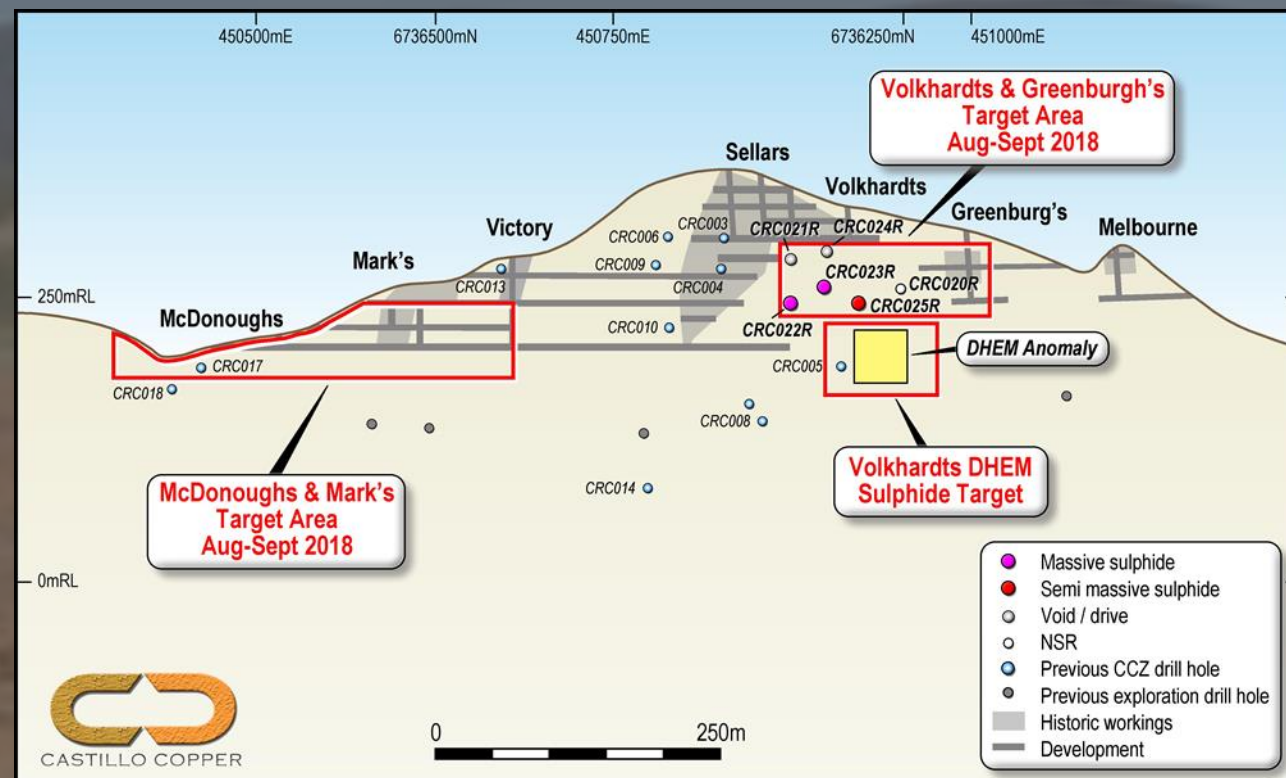
Flagship Cangai Copper Mine

Strategic processes to extend known orebodies

- The geology team will deploy multiple DHEM surveys to find conductors with massive sulphide mineralisation (LHS), so the trajectory of the remaining 34 drill-holes can be optimally fine-tuned in priority target areas (RHS)
 - To ramp up the campaign a diamond drill rig will deploy to site to commence follow up infill drilling



Note: Massive sulphide mineralisation from CR0023R
Source: ASX Release 3 September 2018



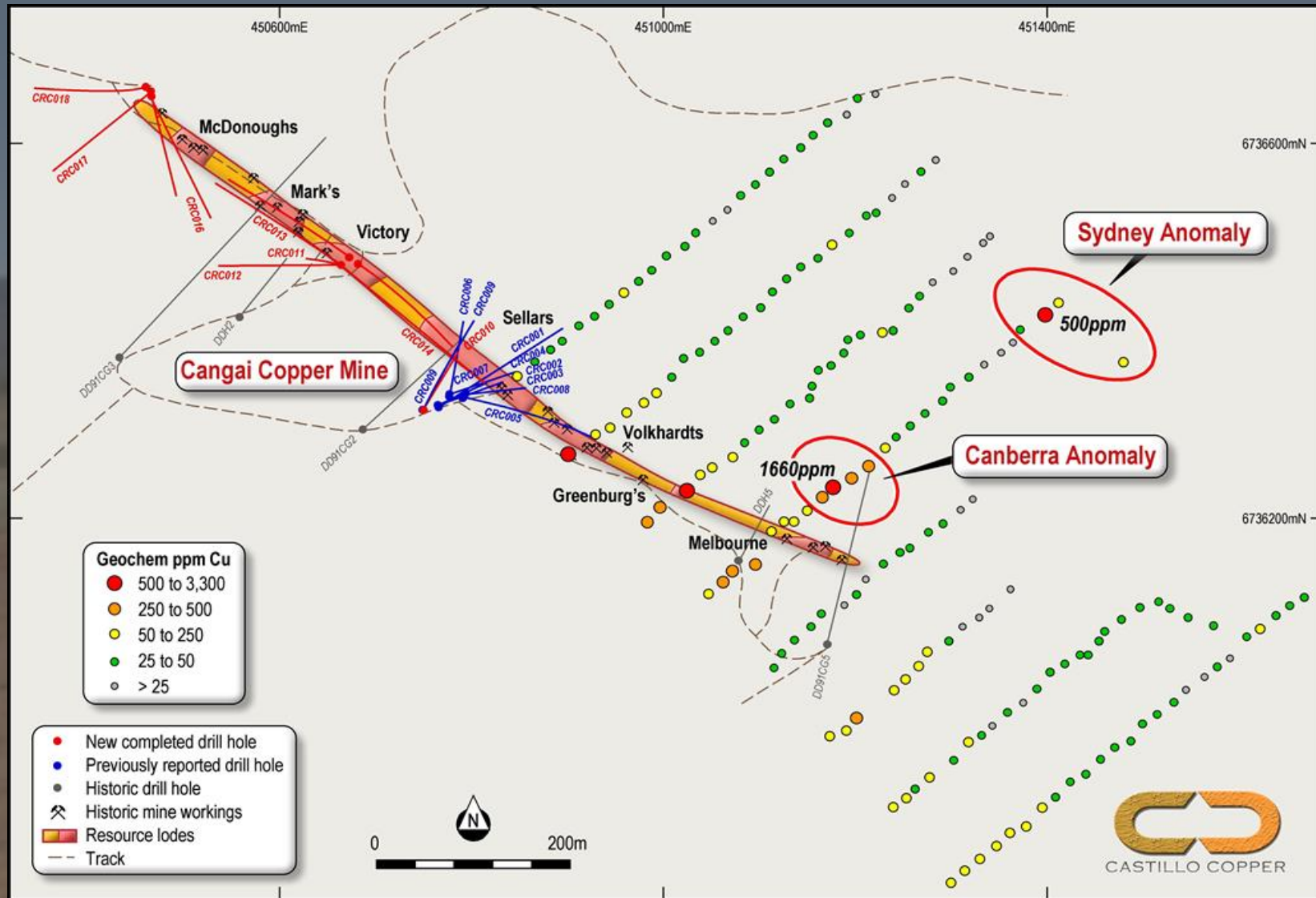
Source: ASX Release 20 August 2018



Flagship Cangai Copper Mine

Assays infer north-east mineralisation extension

- Potential high-grade north-east trending mineralised extension inferred from assays
- Two anomalies, “Canberra” and “Sydney”, had soil readings – 1,660ppm Cu & 500ppm Cu respectively²
- Rock-chip results in same area up to 23.9% Cu & 55.5g/t Ag recorded²
- Discovery supports geology team’s belief mineralised footprint at Cangai is scalable – further investigations to proceed



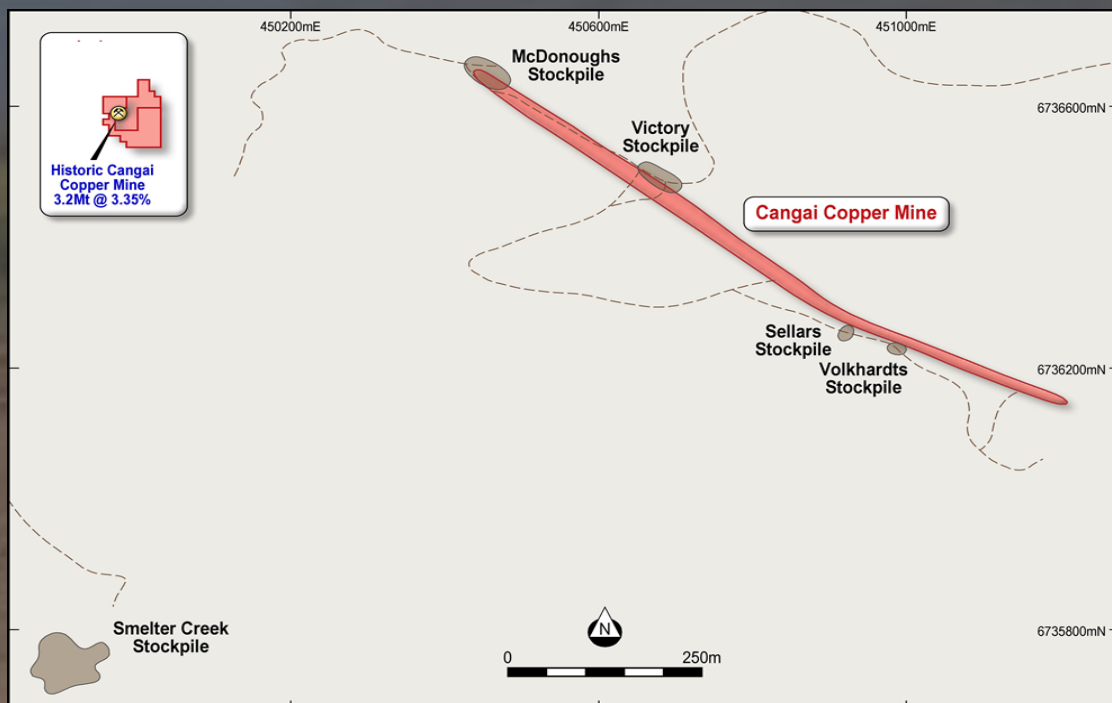
Source: ASX Release 10 September 2018



Flagship Cangai Copper Mine

Creating value from historic stockpiles

- Metallurgical test-work from McDonoughs stockpile can be beneficiated materially – with copper concentrate recoveries >80%, grading up to 22%; moreover, there is potential for incremental improvement
- Strong lead indicator on potential recoveries from five other stockpiles
- The Board is requesting official guidance from the regulator how to remove the stockpiles for third party processing – they are an asset and could potentially generate early cashflow

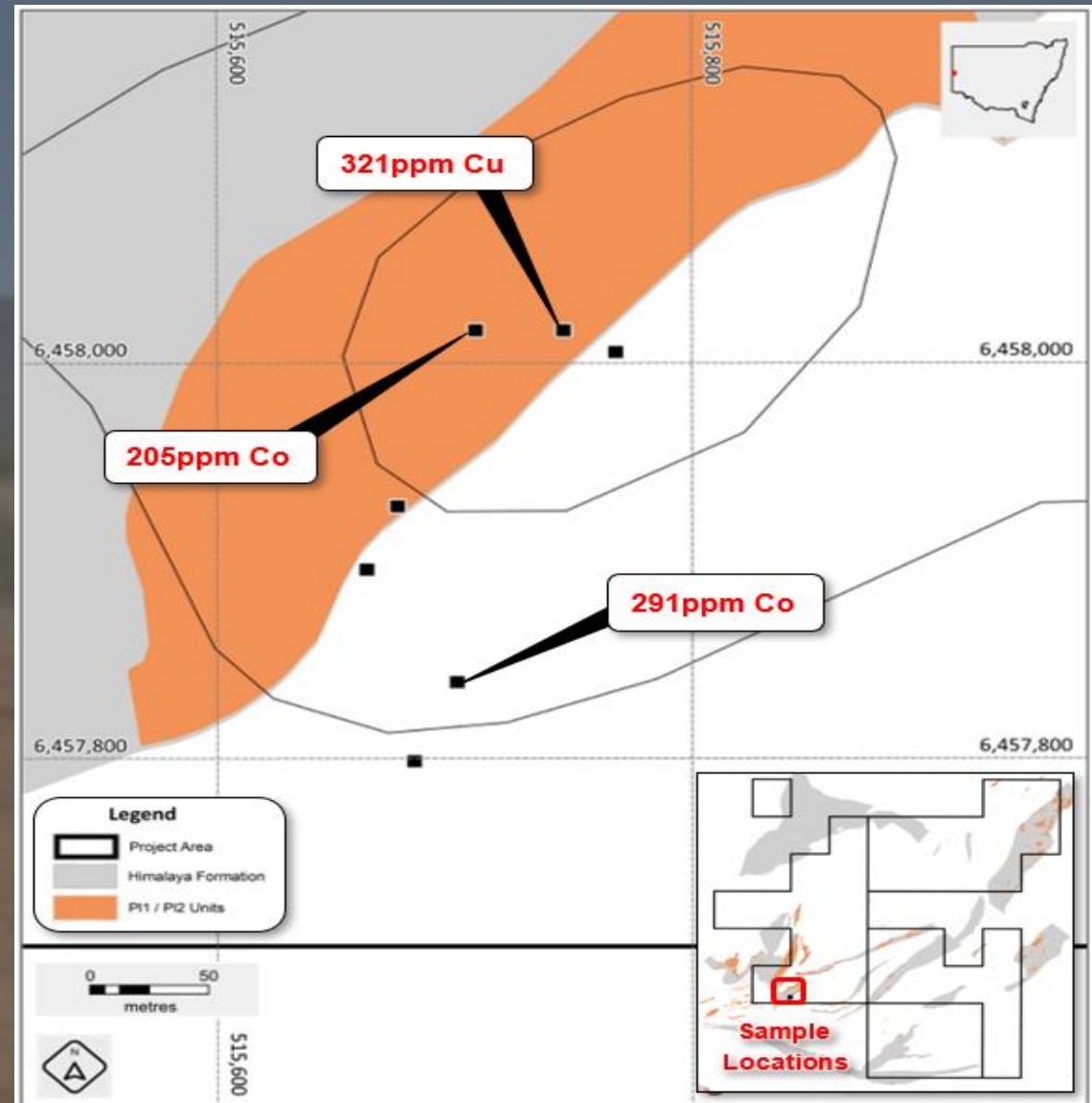




“Area 1” @ Broken Hill Project

Ramping up exploration – drilling campaign planned

- “Area 1” assay results confirm cobalt mineralisation up to 291ppm Co at surface within Himalaya Formation⁴
- CCZ now compiling data to formulate inaugural drilling campaign
- Secondary mineralisation potential south of “Area 1” for zinc-lead-copper judging by solid historic assays up to 5,300ppm Zn; 12,800ppm Pb; 2,900ppm Cu⁴
- Distinct comparative advantages, relative to some peers in the region:
 - Full mineral rights
 - 100%-tenure ownership



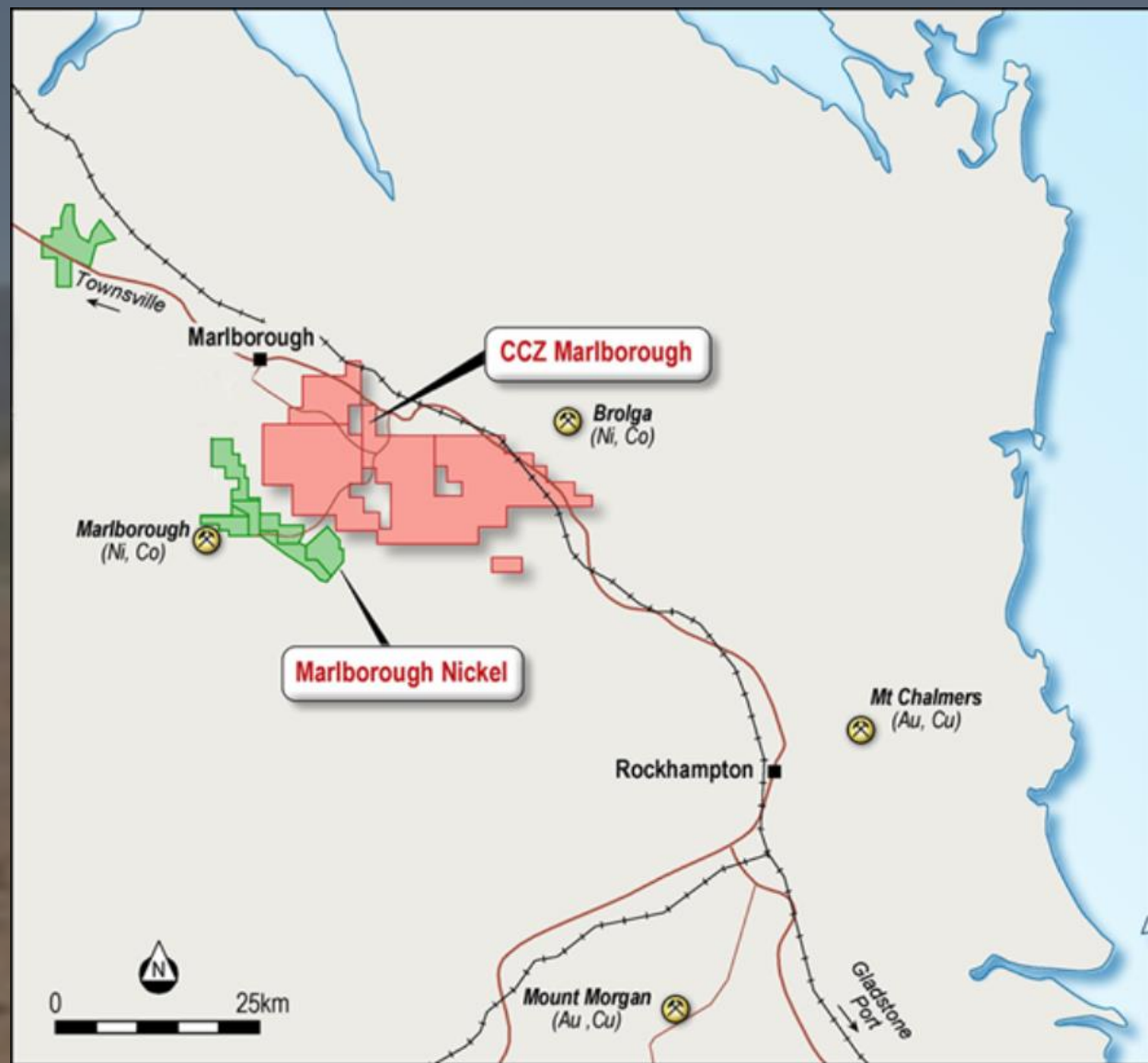
Source: ASX Release 31 July 2018



Marlborough Project Optimised

Free-carried to BFS with 40%-stake

- A-Cap Resources (ASX: ACB), has agreed to invest \$2.25m through to BFS for 60% earn in; CCZ is free-carried with 40%⁵
- Excellent outcomes through partnering with ACB
 - 2.25 million of funding to be spent on advancing the project by ACB
 - ACB brings expertise and experience in Ni-Co laterites
 - ACB's Board has strong connections with prospective investors and end-users in China
 - Allows Castillo management to focus on core NSW projects

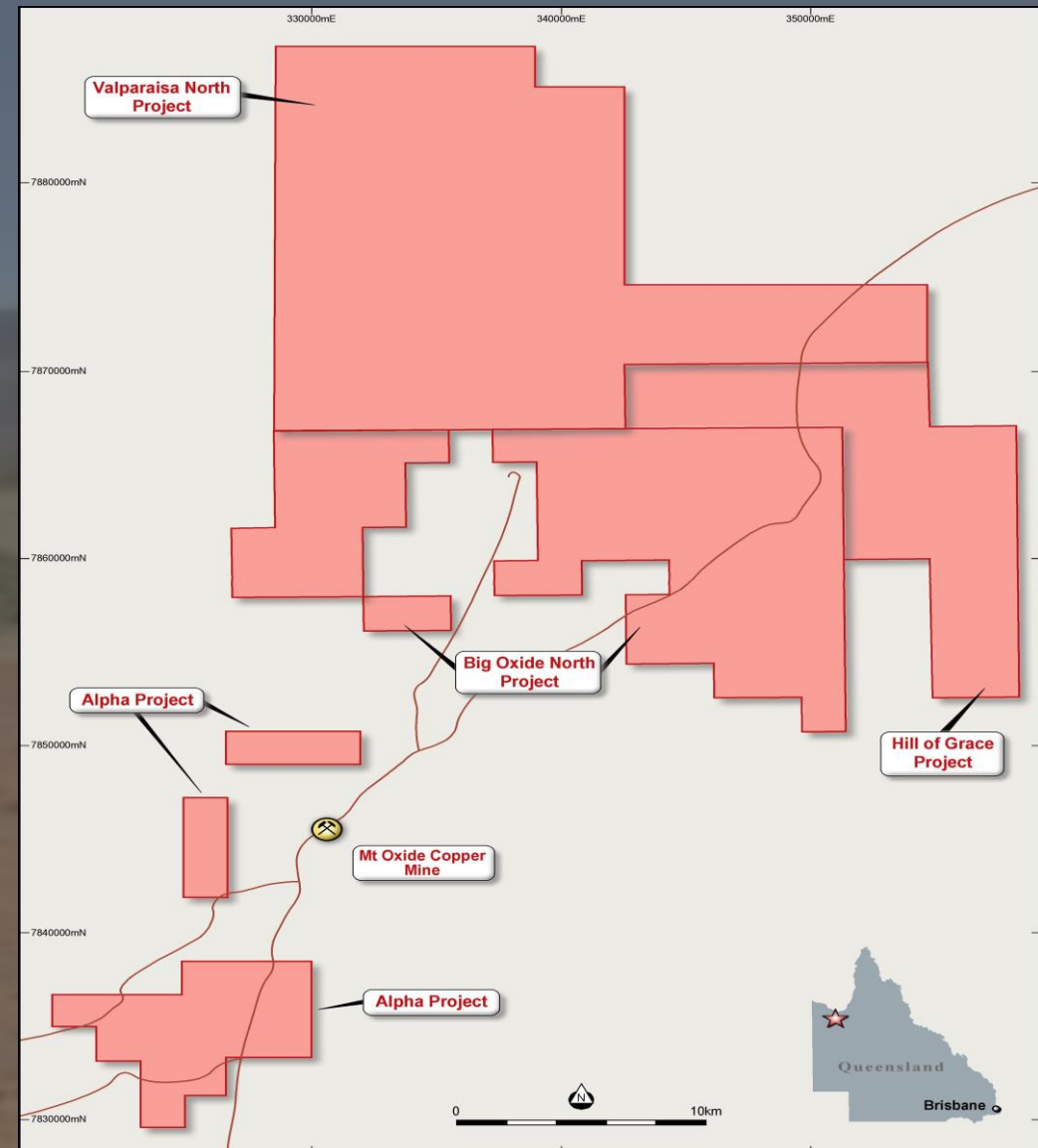




Optimising Mt Oxide Project

Targeting to develop viable Cu-Co mining operation

- With the right high-calibre strategic partner, CCZ is targeting to develop a viable Cu-Co mining operation at its highly prospective Mt Oxide project – which has a large mineralised footprint near Mt Isa
- This ambition reflects a revival in activity within the region post-Capricorn Copper Mine re-opening in 2017 (target: 30ktpa concentrate) and delivering its first sale in February 2018⁷
- Encouragingly, historic assay results within CCZ's ground (which includes Alpha, Hill of Grace, Mt Oxide North, Valparaisa North) show surface readings up to 2,400ppm Co⁸ and 29,900ppm Cu⁹
- The project is close to supporting infrastructure, ready access to skilled labour and third party processors amenable to off-take arrangements



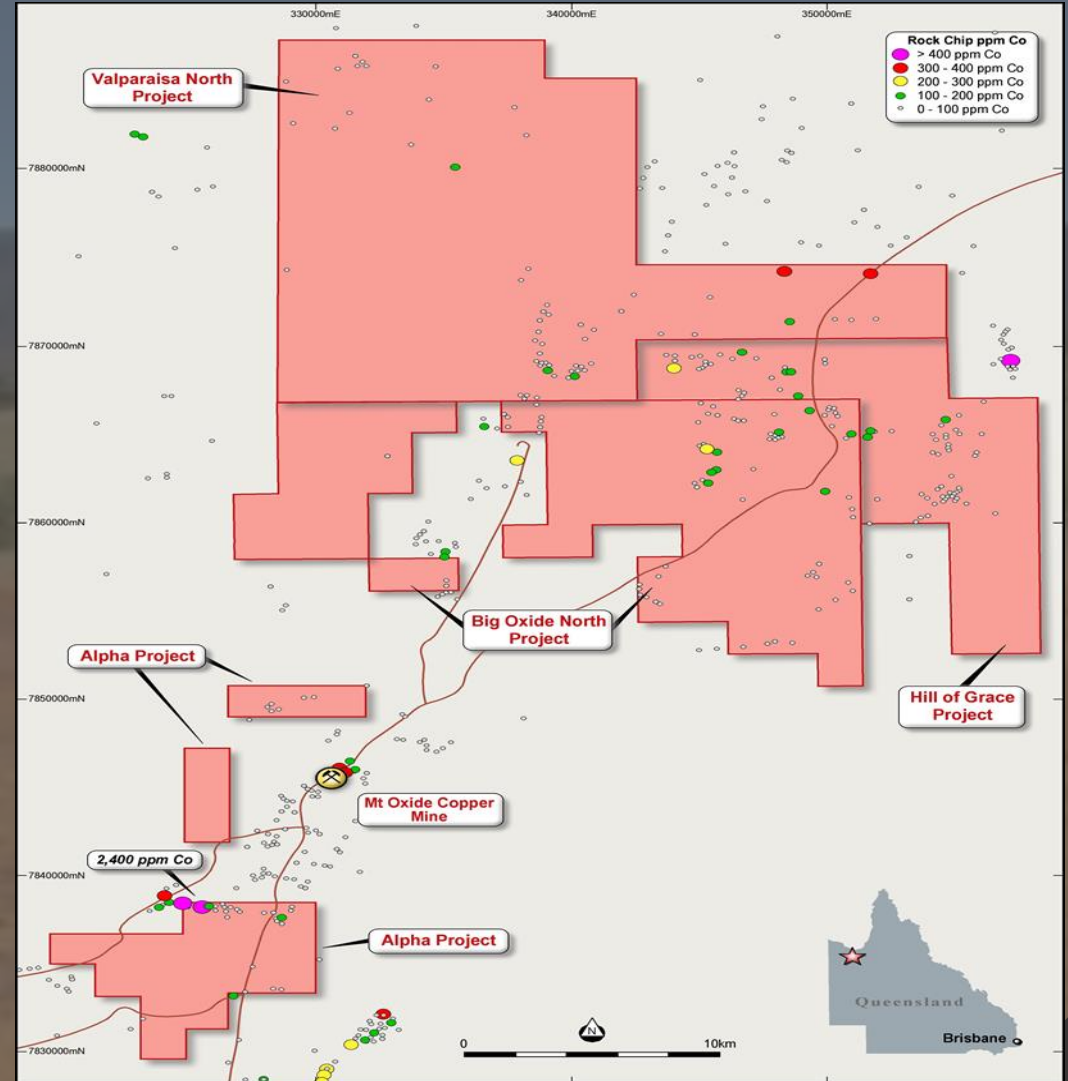
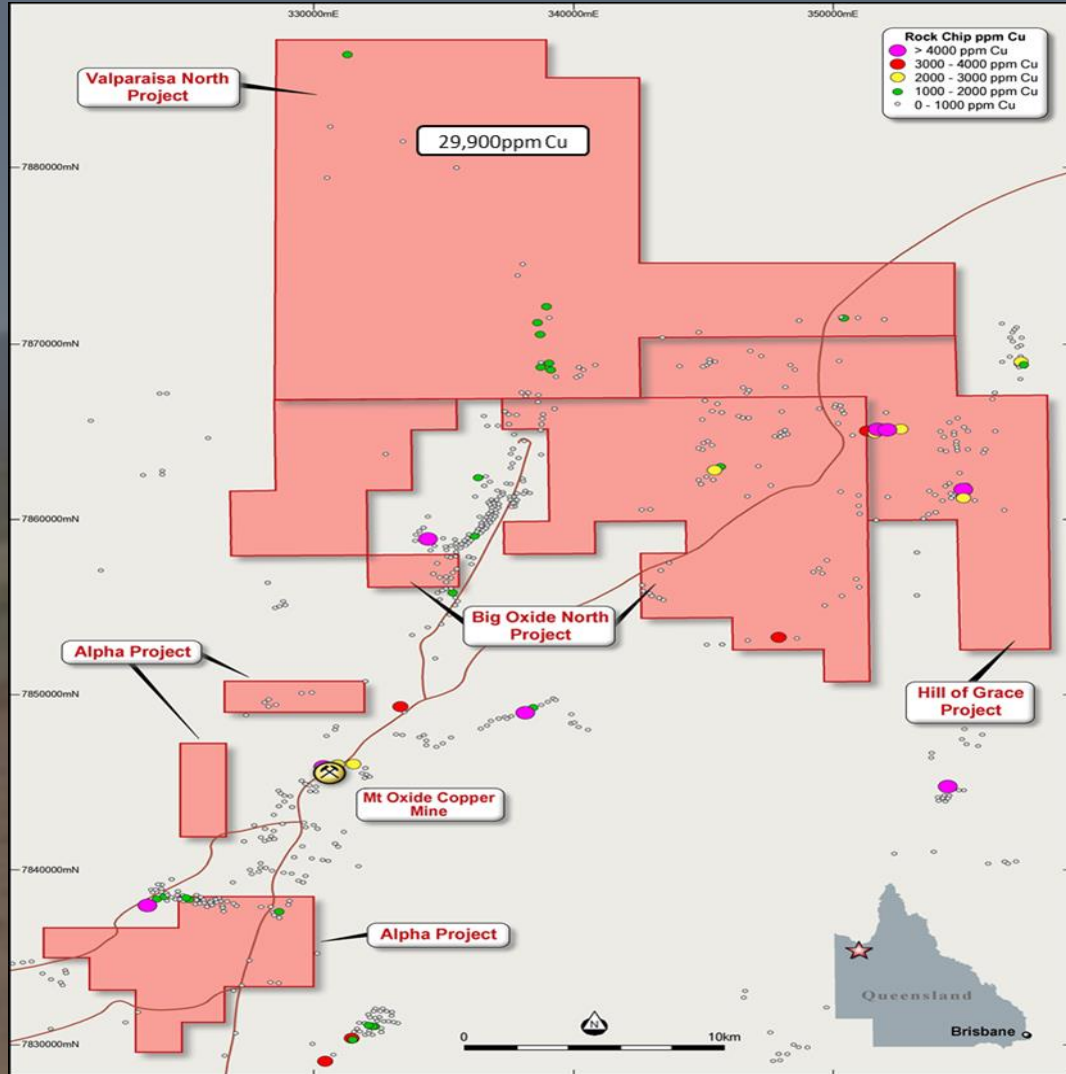


Optimising Mt Oxide Project

High surface copper-cobalt surface values

High values, up to 2.9%, for copper mineralisation

Encouraging cobalt occurrences up to 2,400ppm



KEY TAKEAWAYS

Cangai Copper Mine

- Phase II drilling campaign uncovered significant massive sulphide mineralisation with up to 10.25% Cu, 6.04% Zn & 32.5g/t Ag
 - Best intersection: 11m @ 5.94% Cu including 1m @ 10.25%; 3m @ 8.1%; 1m @ 7.25%
- Multiple DHEM surveys planned to facilitate optimising remaining 34 drill-holes to extend known orebody
- Soil & rock-chip assays - up to 1,660ppm Cu & 23.9% Cu - infer potential high-grade NE trending mineralised extension
- Progressing work on monetising stockpiles - metallurgical test-work: Cu concentrate recoveries >80% and grading 22%

Broken Hill Project

- “Area 1” standout target for inaugural drilling program, with assays highlighting 291ppm Co within Himalaya Formation outcrop
- Solid potential for secondary Zn-Pb-Cu mineralisation, given historic assays up to 5,300ppm Zn; 12,800ppm Pb; 2,900ppm Cu

Marlborough Project

- ACB investing \$2.25m over two years for 60% interest, with CCZ free carried for 40% stake

Mt Oxide Project

- Targeting to develop viable Cu-Co mining operation with right high calibre strategic partner
- Highly prospective ground with surface readings up to 2,400ppm Co and 29,900ppm Cu



References

- 1) CCZ ASX Release 3 September 2018
- 2) CCZ ASX Release 10 September 2018
- 3) CCZ ASX Release 2 August 2018
- 4) CCZ ASX Release 4 July 2018
- 5) CCZ ASX Release 25 July 2018
- 6) CCZ ASX Release 10 August 2018
- 7) Capricorn Copper Release dated 22 February 2018 <<http://www.capricorncopper.com>>
- 8) Consolidated Gold Fields & Mitsubishi (1974)
- 9) The Mount Isa West Block: Queensland Exploration Geochemistry and Drill-hole Database, Jan 2016, Queensland Department of Natural Resources and Mines, Queensland Geological Survey, 36pp

CONTACT US

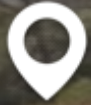


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