



CASTILLO COPPER  
LIMITED

ASX Release

25 October 2018

CASTILLO COPPER  
LIMITED  
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For the latest news:

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**Directors / Officers:**

Peter Meagher  
Alan Armstrong  
Peter Smith

**Issued Capital:**

580.1 million shares  
84.5 million options

**ASX Symbol:**  
CCZ

## MOU with commodity trader Noble Group to facilitate monetising legacy stockpiles

- Global base metal and commodities trader, Noble Group (SGX; CGP), has signed a Memorandum of Understanding (MOU) with CCZ to facilitate monetising legacy stockpiles at Cangai Copper Mine
- Both groups will work towards delivering a binding off-take agreement enabling Noble Group to exclusively distribute up to 200,000t of copper concentrate from existing stockpile ore
- Upon signing a binding off-take agreement, which the parties aim to expedite, Noble Group will pay CCZ a A\$500,000 pre-payment for working capital purposes, subject to satisfactory due diligence and definitive long form documents
- CCZ continues to undertake metallurgical test-work on the stockpile ore which has already demonstrated copper concentrate recoveries >80%, with the grade up to 22% Cu<sup>1</sup>
- Meanwhile, CCZ's advisory team are closely following the legislative process necessary to secure the relevant ministerial consent to remove the stockpile ore – the Board will keep shareholders informed of progress
- The diamond drilling and down-hole electromagnetic (DHEM) teams have resumed working at Cangai Copper Mine, with updates expected soon (recent inclement weather had slowed the campaign over the past two weeks), with the key focus being the massive sulphide conductors identified by the earlier DHEM survey program

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**Castillo Copper's Chairman Peter Meagher commented:** *"We are delighted to have signed a collaboration agreement with Noble Group, with the objective being to generate early cash flow by processing of the legacy stockpiles at Cangai, provided regulatory approval can be secured and further test work on the stockpiles is successful. The Board intends to work diligently with our counterparts from Noble Group to ensure a binding off-take agreement can be achieved in a timely manner. Concurrently, our legal team are working through the necessary legislative protocols that should hopefully deliver the necessary ministerial consent to remove the stockpiles."*

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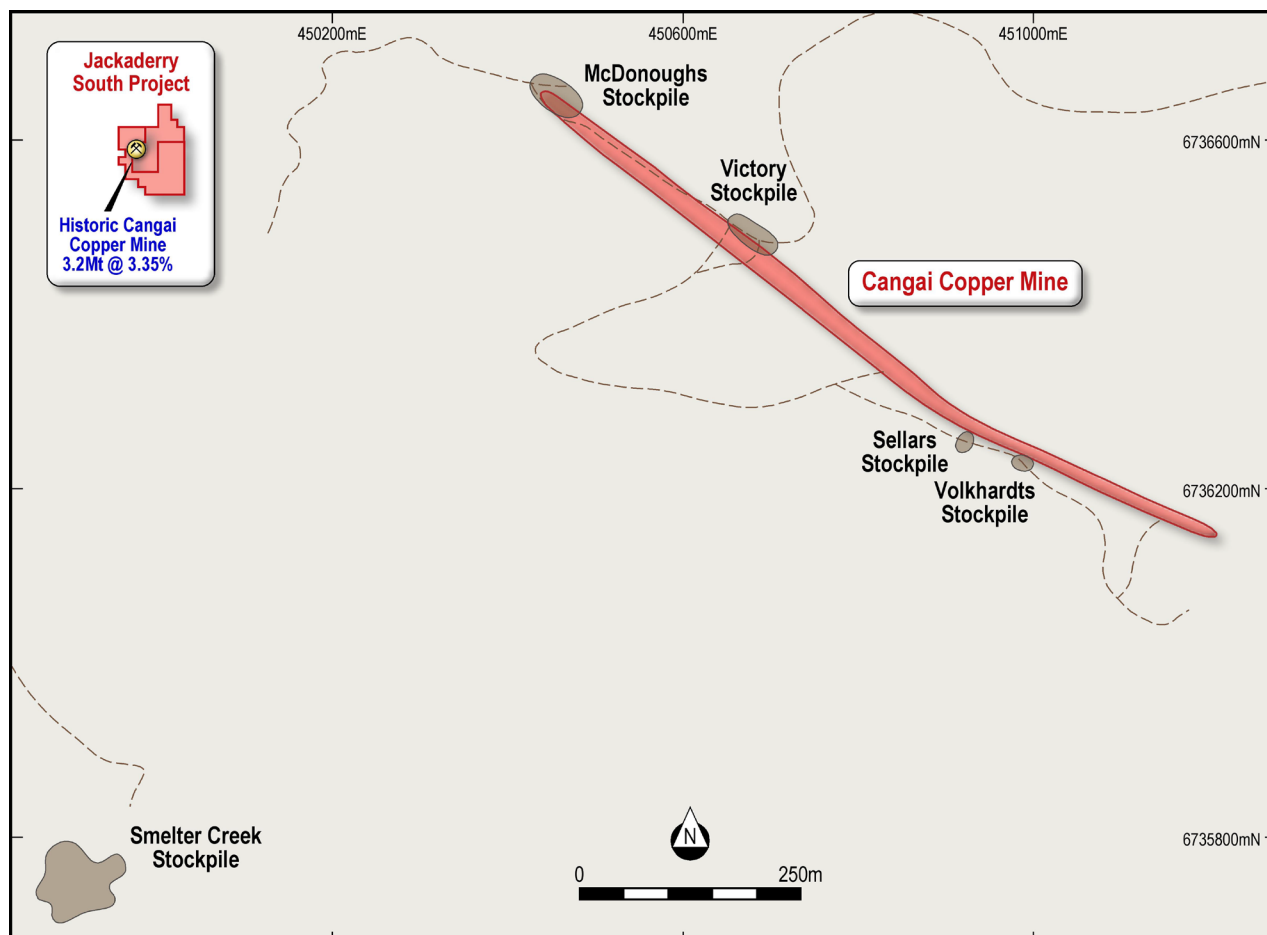
**Castillo Copper Limited's ("CCZ" or "the Company") Board is delighted to announce it has signed an MOU with global base metal and commodities trader, Noble Group, that provides a clear avenue to monetise the legacy stockpiles at Cangai Copper Mine.**

## NOBLE GROUP AGREEMENT

### Monetising legacy stockpiles

After initially announcing its strategic intention to monetise the legacy stockpiles around Cangai Copper Mine (Figure 1) to generate early stage cashflow, CCZ has found a collaborative partner in global base-metal and commodities trader, Noble Group.

**FIGURE 1: LEGACY STOCKPILES AT CANGAI COPPER MINE**



Source: CCZ geology team

Under the terms of the MOU between the two parties, CCZ and Noble Group have agreed to progress the following:

- Work collaboratively towards finalising a binding off-take agreement that delivers Noble Group exclusive rights to distribute up to 200,000t of copper concentrate from the five existing stockpiles around Cangai Copper Mine;
- Upon signing a binding off-take agreement, Noble Group will pay CCZ A\$500,000 as a pre-payment for working capital to commence removing the stockpile ore;
- CCZ to continue progressing metallurgical test-work across the five existing stockpiles to further beneficiate up the ore to ensure it meets desired specifications (note, it has already achieved copper concentrate recoveries >80%, with the grade up to 22%<sup>1</sup>);
- Both sides, where feasible, to work towards sourcing third-party processors, transport facilities, logistics for direct shipping ore product and required financing, if required; and
- Noble Group to facilitate forward product sales, if practical, for all base-precious metals held within the stockpiles.

## Regulatory approval process

CCZ's advisory team are currently closely following the legislative protocols necessary to secure the relevant ministerial consent to remove the stockpiles. Work will continue in an attempt to expedite the process, in parallel with CCZ moving towards crystallising the binding off-take agreement.

**FIGURE 2: MCDONOUGH'S PORTAL STOCKPILE**



450200mE 6736650mN  
Source: CCZ geology team

## Next steps

Work towards formalising an off-take agreement and securing regulatory approval to remove the stockpiles.

Progressing the diamond drilling campaign at Cangai Copper Mine, focusing on massive sulphide conductors identified during the first DHEM survey program. At the same time, the DHEM survey team will be commencing work on drill-holes from the Phase I campaign to evaluate conductors found from the fixed loop electromagnetic program.

Updates on these two programs will be reported to shareholders once the information comes to hand.

For and on behalf of Castillo Copper

**Alan Armstrong**  
**Executive Director**

## References:

- 1) CCZ ASX Release 2 August 2018

## ABOUT CASTILLO COPPER

Castillo Copper Limited (ASX: CCZ) is an ASX-listed base metal explorer that's flagship project is the historic Cangai Copper Mine near Grafton in northeast NSW. The project comprises a volcanogenic massive sulphide ore deposit, with one of Australia's highest grade Inferred Resources for copper: 3.2Mt @ 3.35% Cu Inferred Resource reported according to the guidelines of the JORC Code (2012) (6 September 2017). In terms of contained metal, the Inferred Resource is 107,600t Cu, 11,900t Zn, 2.1Moz Ag and 82,900 Moz Au. A notable positive is the presence of supergene ore with up to 35% copper and 10% zinc which is ideal feedstock for direct shipping ore. Incrementally, the project holds five historic stock piles of high-grade ore located near Cangai Copper Mine.

In brief, CCZ's Australian assets are 100% owned and comprise four tenure groups detailed briefly as follows:

- **NSW assets:** Consists of two projects: 1) Jackaderry, which includes Cangai Copper Mine, is in an area highly prospective for copper-cobalt-zinc and made up of three tenements; and, 2) Broken Hill which consists of two contiguous tenements prospective for cobalt-zinc that are located within a 20km radius of Broken Hill and just north of Cobalt Blue's ground (ASX: COB).
- **Queensland assets:** Comprises two projects: 1) Mt Oxide made up of four prospects (three are contiguous) in the Mt Isa region, northwest Queensland, and are well known for copper-cobalt systems; and, 2) Marlborough which includes three prospects located north-west of Gladstone (adjacent to Queensland Nickel mining leases) in an area with proven high-grade cobalt-nickel systems.

## ABOUT NOBLE GROUP

Noble Group, which is headquartered in Hong Kong and listed in Singapore (SGX: CGP), is a leading supply chain manager that buys physical commodities and transforms them into customised, consumable products that meet its customers' requirements through:

- Logistics and transportation services;
- Price risk management and hedging services;
- Processing and blending capabilities; and
- Structured and trade financing solutions.

Noble Group seeks partners, rather than competitors, with its producer customers and with investors looking to invest in productive assets. This ensures Noble Group can focus on delivering best-in-class execution outcomes.