



ASX Release

30 April 2019

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LIMITED**
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Directors / Officers:

Peter Meagher
Alan Armstrong
Peter Smith
Robert Scott

Issued Capital:

641.6 million shares
84.5 million options

ASX Symbol:

CCZ

MARCH QUARTERLY ACTIVITIES REPORT

HIGHLIGHTS

- The Board has worked diligently towards securing regulatory approval to recommence exploration activities at Cangai Copper Mine – the status is as follows:
 - All required rehabilitation work has been completed as per instructions from the NSW Resources Regulator;
 - The independent auditor has undertaken a site inspection and prepared a final report that was submitted to the NSW Resources Regulator (Regulator) on 1 February; and
 - Following the Regulator’s receipt of the independent auditors report, and its subsequent own site inspection, the Board awaits a formal response from the Regulator regarding regulatory approval for the recommencement of exploration activities on the exploration licences.

Castillo Copper Limited (“**CCZ**” or “**The Company**”) presents its latest quarterly report for the period 1 January 2019 to 31 March 2019.

Cangai Copper Mine

Suspension

On 21 December 2018, CCZ noted an announcement by the NSW Resources Regulator regarding suspension notices issued to its subsidiaries Total Minerals Pty Ltd and Total Iron Pty Ltd (holders of exploration licences EL 8625 and EL 8635 respectively). As a result, all exploration activity at Cangai Copper Mine was suspended pending rectification of compliance issues identified by the NSW Resources Regulator during an inspection. Rehabilitation work had already commenced voluntarily at the site, prior to any formal correspondence being received by the NSW Resources Regulator.

CCZ engaged with the NSW Resources Regulator and provides the following progress update:

- Thorough rehabilitation was completed at Cangai early this year;
- Controls have been implemented to ameliorate impacts to the environment associated with prospecting operations;
- In December 2018, a suitably qualified expert was appointed to complete a site-based performance and risk assessment of surface disturbances associated with prospecting operations to identify deficient or absent controls employed to prevent environmental harm;

- Adequate controls recommended by the expert have been developed and implemented to minimise, so far as is reasonably practicable, any potential for harm to the environment arising from activities carried out under the licences including any emerging or potential risks;
- On 20 January 2019, CCZ submitted a report to the NSW Resources Regulator that details actual and potential impacts to the environment identified by the site-based performance and risk assessment and control actions implemented to ameliorate impacts / minimise risk carried out by the expert;
- On 17 January 2019, a suitably qualified independent expert completed an independent compliance audit of the exploration activities undertaken, with the independent audit detailing the adequate rehabilitation of the land.;
- The independent compliance audit of the exploration activities undertaken to date was submitted to the Regulator on 1 February 2019;
- A subsequent site visit was conducted by delegates of the Resources Regulator on 5 March 2019 and no further rehabilitation of the area was recommended; and
- In addition to the completion of rehabilitation, the removal of all excess material has also now been carried out and all invoices have been paid.

The Board is working diligently with the Resources Regulator in order to come to an agreement on the resumption of activities at Cangai. The Board will await the formal agreement from the Regulator regarding regulatory approval for the recommencement of exploration activities on the exploration licences.

Furthermore, CCZ continues to actively confer with its contractors to ensure all compliance requirements are adhered to, and best practice methods are applied to the projects moving forward once the suspension is lifted.

Broken Hill

No material exploration was carried out on the Broken Hill tenements during the quarter.

Queensland projects

No material exploration was carried out on the Queensland tenements during the quarter.

On 23 January 2018, CCZ announced it had mutually agreed with A-Cap Resources (ASX: ACP) not to proceed with the proposed joint venture agreement which was announced on 25 July 2018.

As CCZ's strategic intent for its Queensland assets remains unchanged, the Board will seek appropriate experienced strategic third parties for both the Mt Oxide and Marlborough projects.

Chilean Copper Projects

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

Corporate

Placement

On 12 December 2018, CCZ issued 61.5m shares to sophisticated and professional investors at 2 cents per share (Placement), with one free 3-year option for every share subscribed for exercisable

at 5 cents (Placement Options). This raised \$1.23m (before costs) to continue developing the NSW projects primarily.

At a general meeting of shareholders held on 29 January 2019, CCZ received shareholder approval to issue the Placement Options, the intends to issue a prospectus for the issue of the Placement Options once the status of its exploration tenements is known.

At a general meeting of shareholders held on 29 January 2019, CCZ Directors, Messrs Smith, Armstrong and Meagher received shareholder approval to participate in the Placement and subscribe for shares up to the value of \$20,000 being \$10,000, \$5,000 and \$5,000 respectively indicating their support for CCZ's current direction and strategy.

Share Purchase Plan

On 23 January 2019, CCZ announced that it was withdrawing the SPP, with refunds slated to be returned to shareholders that took up the offer by 29 January 2019. At a general meeting of shareholders held on 29 January 2019, CCZ received shareholder approval to complete the SPP. The Company intends to issue a prospectus on the same terms as the SPP Offer once the status of its exploration tenements is known.

CCZ continues to appraise its current projects as well as new project opportunities both within Australia and overseas.

CCZ looks forward to updating investors on new developments in the near future.

For and on behalf of Castillo Copper

Alan Armstrong

Executive Director

COMPETENT PERSON STATEMENT

The information in this document that relates to Exploration Results is based on, and fairly represents, information and supporting documentation prepared by Mr Peter Smith, BSc (Geophysics) (Sydney) AIG ASEG, who is a Member of The Australasian Institute of Geoscientists (AIG). Mr Smith 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 2012 Edition of the "Australasian Code for Reporting of Mineral Resources and Ore Reserves" (JORC Code). Mr Smith has approved and consented to the inclusion in this document 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.

APPENDIX 1: INTEREST IN MINING TENEMENTS HELD

JACKADERRY		
New England Orogen in NSW		
Tenement ID	Ownership at end of Quarter	Change during the Quarter
EL8635	100%*	Suspended*
EL8625	100%*	Suspended*
EL8601	100%	-

* Note – on 19 December 2018, CCZ was notified EL8635 and EL8625 would be suspended pending rectification of compliance issues identified by the NSW Resources Regulator.

BROKEN HILL		
located within a 20km radius of Broken Hill, NSW		
Tenement ID	Ownership at end of Quarter	Change during the Quarter
EL8599	100%	-
EL8572	100%	-

MT OXIDE		
Mt Isa region, northwest Queensland		
Tenement ID	Ownership at end of Quarter	Change during the Quarter
EPM 26513	100%	-
EPM 26525	100%	-
EPM 26574	100%	-
EPM 26462	100%	-

MARLBOROUGH		
North-west of Gladstone		
Tenement ID	Ownership at end of Quarter	Change during the Quarter
EPM 26522	100%	-
EPM 26528	100%	-
EPM 26541	100%	-

HUANTA (VICUÑA)		
Chile		
Tenement ID	Ownership at end of Quarter	Change during the Quarter
04015-7483-7	100%	-
04015-7484-5	100%	-
04015-7486-1	100%	-
04015-7487-K	100%	-
04015-7488-8	100%	-
04015-7489-6	100%	-

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
Jackaderry ¹	284
Broken Hill	-
Mt Oxide North	6
Marlborough	1
Huanta (Vicuna)	1
Total	292

Note:

- 1) Includes \$264,000 – NSW Resources Regulator related expenses as per the Appendix 5B.