



CASTILLO COPPER
LIMITED

ASX Release

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CASTILLO COPPER
LIMITED
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Directors / Officers:

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Alan Armstrong
Peter Smith
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Issued Capital:

641.6 million shares
104.5 million options

ASX Symbol:
CCZ

Approval granted to recommence exploration at Cangai

- The NSW Resources Regulator (NSWRR) advised CCZ that exploration activities may resume at Cangai Copper Mine (CCM)
- This is a positive development and highly complementary with the Board's strategic intent to develop CCZ into a mid-tier copper group focused on CCM, its Mt Oxide project and emerging opportunities in known copper regions in Africa
- The Board has recently held a number of positive discussions regarding its revised strategic intent – focusing on CCM, Mt Oxide and new African copper opportunities – with prospective investors in Sydney, Hong Kong and London
- CCZ will request a resumption of trading of its shares once an enforceable undertaking agreement with the NSWRR is finalised
- The Company will keep shareholders apprised of further developments once they materialise

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Castillo Copper's Chairman Peter Meagher commented: "The Board is very pleased that exploration activities can resume at Cangai Copper Mine, as this forms a pillar for our plans to transform CCZ into a mid-tier copper group."

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Castillo Copper Limited's ("CCZ" or "the Company") Board is pleased to advise the NSW Resources Regulator (NSWRR) has approved the resumption of exploration work at CCM (refer to Appendix 1). However, as the Board is still negotiating an enforceable undertaking with NSWRR, trading will remain suspended until this agreement is finalised.

This is an important development as it forms an important part of the Board's plans to develop CCZ into a mid-tier copper group anchored around CCM, the Company's Mt Oxide project and emerging opportunities in Africa. The Board has held positive discussions around its revised strategic intent with prospective investors in Sydney, Hong Kong and London.

The Board's plans to increase the scale of CCM through exploration, undertake follow up ground exploration at the Arya prospect (within Mt Oxide) and review emerging high-quality African copper opportunities. The Board will keep shareholders informed of any new developments once they have materialised.

Cangai Copper Mine

In allowing exploration activities to recommence at CCM, the NSWRR noted that CCZ's subsidiaries Total Minerals Pty Ltd (TMPL) & Total Iron Pty Ltd (TIPL), which hold exploration licences EL 8625 and EL 8635 respectively, complied with the NSWRR's requirements and were responsive in remedying all outstanding issues satisfactorily.

Notably, over the past six months, CCZ has undertaken the following measures:

- Implemented controls to ameliorate impacts to the environment associated with prospecting operations;
- Appointed a suitably qualified independent expert to complete a site-based performance and risk assessment of surface disturbances associated with prospecting operations;
- Developed and implemented adequate controls recommended by the independent expert to minimise harm to the environment arising from prospecting activities;
- Submitted a report detailing impacts to the environment identified by the site-based performance and risk assessment then implemented control actions to ameliorate impacts/ minimise risk carried out by an independent expert; and
- Appointed an independent expert to complete a compliance audit.

All disturbed sites have been effectively rehabilitated costing approximately \$300,000 (excluding GST) and environmental harm has been avoided.

Castillo has done the following in order to ensure compliance going forward:

- Commenced preparing new quality assurance protocols that will be implemented which require any kind of disturbance activity be signed off by a number of parties including the Environmental Manager and the Exploration Manager;
- Updated their mandatory induction process; and
- Commenced training of all contractors and employees about the Exploration Licences.

CCZ is now in negotiations with NSWRR to secure an enforceable undertaking agreement whereby TMPL and TIPL will each agree to a series of measures to ensure the ongoing safe management of CCM and protect the surrounding environment.

Upon execution of the enforceable undertaking, CCZ will detail all key terms and request a resumption in trading.

For and on behalf of Castillo Copper

Alan Armstrong

Executive Director

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.

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.



Resources Regulator

Resources Regulator revokes suspensions on exploration leases near Grafton

28th May 2019

The NSW Resources Regulator has lifted the suspension notices (<https://www.resourcesregulator.nsw.gov.au/news/2018/resources-regulator-suspends-exploration-licenses>) previously issued for two exploration licences held by mining companies Total Mineral Pty Ltd and Total Iron Pty Ltd.

On 5 December 2018 Exploration Licences 8625 and 8635 were suspended due to a number of serious compliance issues being identified during an inspection. Statutory notices were also issued to the companies requiring remedial actions be carried out.

Following completion of the remedial actions and verification through further site inspection, on 24 May 2019 the Regulator revoked the suspension notices.

The Resources Regulator will continue to monitor compliance with exploration licences 8625 and 8635, and take appropriate compliance action where required.