



**CASTILLO COPPER
LIMITED**

ASX Release

31 July 2019

**CASTILLO COPPER
LIMITED**
ACN 137 606 476

Level 26
140 St Georges Terrace
Perth WA, 6000
Australia

Tel: +61 8 6558 0886
Fax: +61 8 6316 3337

Contact:

Alan Armstrong
Executive Director

E-mail:

info@castillocopper.com

For the latest news:

www.castillocopper.com

Directors / Officers:

Rob Scott
Alan Armstrong
Gerrard Hall
Peter Smith

Issued Capital:

641.6 million shares
104.5 million options

ASX Symbol:
CCZ

JUNE QUARTERLY ACTIVITIES REPORT

HIGHLIGHTS

- Revised strategic intent published which highlighted the Board's plans to transform CCZ into a mid-tier copper group, with assets in Australia – Cangai Copper Mine (CCM) & Mt Oxide – and emerging Africa
- New South Wales Resources Regulator (NSWRR) grants approval for exploration work at CCM to resume but trading in CCZ shares to remain suspended pending formalising an enforceable undertaking agreement
- Plans to seek a dual listing on the London Stock Exchange underway, with the appointment of SI Capital – a leading UK corporate finance advisory firm with a strong track record in the resources and mining sector
- Appointment of London-based, Mr Ged Hall, as Non-Executive Director to spearhead the dual listing and promote CCZ to prospective UK investors
- Appointment of Mr Rob Scott to chairman, succeeding Mr Peter Meagher who retired
- Subsequent to the period close:
 - ❖ Proposed acquisition of five prospective copper assets in Zambia and launch of the three pillars strategy
 - ❖ Update on three pillared strategy that outlines building blocks in place and release of new corporate video likely to be finalised

+++

Castillo Copper Limited (“CCZ” or “the Company”) is pleased to present shareholders its latest quarterly report for the period 1 April to 30 June 2019.

NEW STRATEGIC INTENT

On 6 May 2019, following a review, Castillo announced a revised strategic intent to develop CCZ into a mid-tier copper group focused on three core assets – CCM, Mt Oxide project and emerging opportunities in the southern African copper-belt. Briefly, the reasons for targeting these three assets:

- CCM remains one of Australia's highest grading historic copper mines, further exploration work includes: a third drilling campaign targeting DHEM anomalies and aeromagnetic program. In addition, CCZ is continuing its work with Noble Group on the legacy stockpiles and hopes to finalise a binding agreement once all metallurgy test-work is complete.

- In a positive development, which delivers significant exploration upside, recently released government data shows a sizeable electromagnetic anomaly at the Mt Oxide project (in the Mt Isa basin and close to several producing mines). Named the Arya prospect, CCZ's geologist rates it "highly" prospective for copper – an exploration program is being formulated and site visit planned.
- To potentially diversify the asset base and deliver incremental exploration upside, the Board has reviewed highly prospective opportunities in the southern African copper belt near major operating mines.

CCM: APPROVAL GRANTED TO RESUME EXPLORATION

On 29 May 2019, the NSWRR granted approval for exploration work to resume at CCM. This was a positive development as CCM is one of the three pillars critical in transforming CCZ into a mid-tier copper group.

However, as further work is required to finalise an enforceable undertaking agreement, trading in CCZ shares will remain suspended until this materialises.

CORPORATE

- On 17 June 2019, CCZ announced that it had appointed SI Capital – a leading UK based corporate advisory firm with significant experience in the resources and mining sector – to facilitate a dual listing on the London Stock Exchange. In the Board's view, there are multiple benefits from pursuing a London listing including access to a sizeable and diverse investor base that understands emerging opportunities in Africa.
- On 24 June 2019, the Board appointed London-based, Mr Ged Hall, as a non-executive director. His initial responsibilities are to facilitate the London listing and enhance CCZ's profile with UK investors.

In addition, Mr Rob Scott was appointed chairman to replace Mr Peter Meagher who retired.

POST PERIOD EVENT

Acquisition of copper projects in Zambia

On 10 July 2019, as part of efforts to finalise the Board's three-pillared strategic intent to transform CCZ into a mid-tier copper group, it was announced that five prospective copper projects, covering circa 1,050km² in Zambia, are to be acquired.

The Luanshya project, to be developed first, is located in Zambia's traditional "copper-belt" along a key north-west structural trend known as the Lufilian Arc. Meanwhile, the second priority is the Mkushi project, which contiguously surrounds an operating open-pit copper mine, in a region proven to be highly prospective for Cu-Au mineralisation. Finally, development work on the remaining ground will start in due course.

On a relative risk weighted basis, Zambia is politically stable, with a common law legal framework that caters to the mining industry's requirements. Moreover, copper is a strategic mineral to Zambia given its material contribution to exports, GDP and employment.

Strategy update

On 22 July 2019, CCZ announced a general update which articulated all key blocks are in place for the Board to move forward executing its business plan to transform CCZ into a mid-tier copper group.

Notably, due diligence work is now commencing on the Zambia assets, while all necessary approvals are in place to undertake a site visit to Mt Oxide. For CCM, the Board is contemplating an economic scoping study given it is one of the highest grading mines in Australia.

The assets in Chile and the Marlborough project in Queensland are to be relinquished, while the Board is searching for a strategic partner to develop the Broken Hill tenure on a free-carried interest basis.

Work on the dual listing in London is moving forward and the aim is to have this in place by 4Q 2019. In addition, as part of the efforts to enhance CCZ's profile with Australian and UK investors, an updated corporate video was released (which is available on CCZ's [website](#)).

For and on behalf of Castillo Copper

Alan Armstrong

Executive Director

References

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original announcements, that all material assumptions and technical parameters underpinning the estimates in the original announcements continue to apply and have not materially changed and that the form and context in which the Competent Person's findings are presented have not been materially altered.

About Castillo Copper

The group is embarking on a strategic transformation to morph into a mid-tier copper group underpinned by three core pillars:

- **Pillar I:** Cangai Copper Mine in northern New South Wales, which is one of Australia's highest grading historic copper mines with a JORC inferred resource of 3.2Mt @ 3.35% Cu.
- **Pillar II:** The Mt Oxide project in the Mt Isa district, north-west Queensland, which delivers significant exploration upside through having a sizeable untested anomaly within its boundaries in a copper-rich region.
- **Pillar III:** Several high-quality prospective assets in Zambia, which is the second largest copper producer in Africa.

In addition, Castillo Copper is progressing a dual listing on the standard board of the London Stock Exchange.

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%*	Suspension lifted*
EL8625	100%*	Suspension lifted*
EL8601	100%	-

* Note – on 29 May 2019, CCZ was notified by the NSW Resources Regulator that exploration could recommence on EL8635 and EL8625 following the lifting of the suspension notices.

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	35
Broken Hill	-
Mt Oxide North	5
Marlborough	-
Huanta (Vicuna)	-
Total	40

Note:

- 1) Includes \$35,000 – NSW Resources Regulator related expenses as per the Appendix 5B.