



# *“Building a Mid-tier Copper Group”*

Leveraging three copper pillars across Australia & Zambia



Investor Presentation  
August 2019





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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.





# Building a mid-tier copper group

## Key components in place to build a copper business:

- Strong & experienced management team
- London listing progressing
- Unique three pillared copper strategy delivers significant exploration upside:
  - ❖ Pillar 1: Cangai Copper Mine – one of the highest grading historic copper mines in Australia
  - ❖ Pillar 2: Mt Oxide project – home to a large massive sulphide conductor yet to be explored
  - ❖ Pillar 3: Five prospective Zambia copper projects near established mines with JORC compliant resources
- All projects selected for potential to develop economic mineral resources
- Longer-term macro outlook for copper remains bullish, especially prospective demand from new energy sector

## Corporate Snapshot

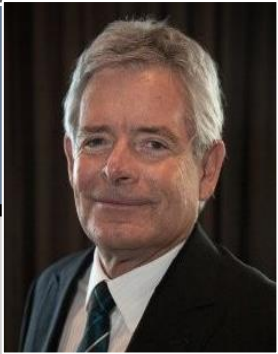


Note: <sup>^</sup>Pricing @ 20 Dec 2018; \* Est @ 23 Aug 2019

Major shareholders	
Top 20	51%
Board & Management	>1%



# Experienced Board of Directors



**Rob Scott**  
Chairman

Long-term Board member of several groups and, since 2010, Sandfire Resources where he has overseen the commercialisation of the world-class, high-grade Degussa Copper-Gold Mine in Western Australia. A chartered accountant with >35 years' experience as a corporate advisor at major accounting firms, fellow of the Institute of Chartered Accountants, memberships with Taxation Institute of Australia and Australian Institute of Company Directors.



**Simon Paull**  
Managing Director

Experienced finance & operational executive with >25 years' experience in the resources / mining services industry mostly in Africa. Former MD for Sandvik's East African operations overseeing nine countries and CEO for Falck Australia's platform. Memberships with the Institute of Public Accountants & Australian Institute of Directors with MComm & MBA from the University of New England.



**Gerrard Hall**  
Non-Executive Director

Senior front office finance professional with a strong grounding in proprietary trading, derivatives structuring and asset management gained from working with blue-chip investment banks including JP Morgan and UBS over the past 20 years. Currently, based in London but spent nearly a decade in the Middle East. Holds an MBA and MSc in Financial Management from Edinburgh Business School.



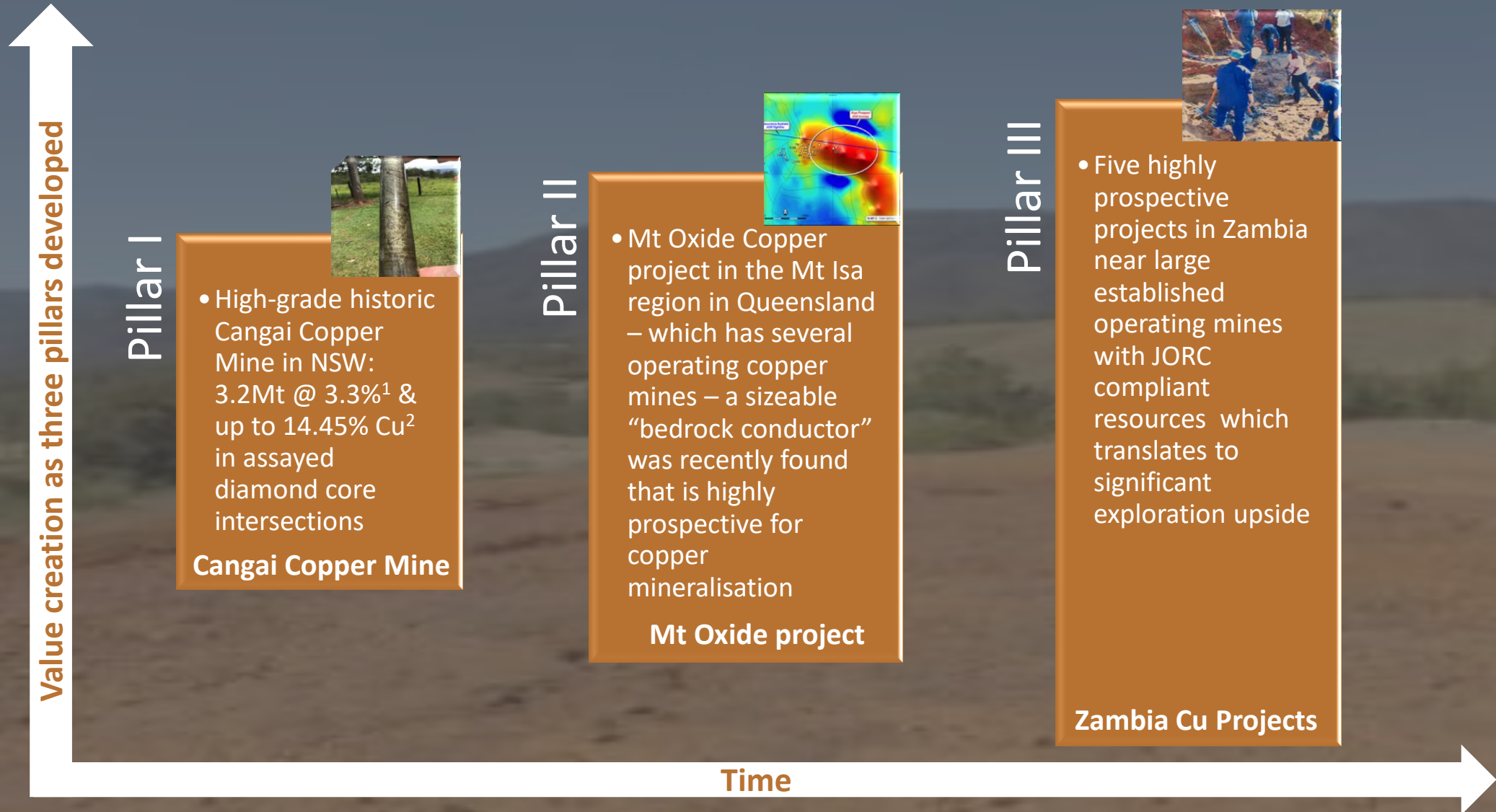
**Peter Smith**  
Non-Executive Director

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



# CCZ's three strategic copper pillars

Critical building blocks to a mid-tier copper group







# PILLAR I: Cangai Copper Mine

One of Australia's highest-grade legacy copper mines

## Strategic imperative to re-open Cangai Copper Mine in northern NSW

- JORC compliant inferred resource 3.2Mt @ 3.35%<sup>1</sup>
- Diamond drill assays delivered up to 14.45% Cu, 5.93% Zn & 40.1g/t Ag<sup>2</sup>
  - ❖ Extracted from highly mineralised 9.6m diamond drill core from a shallow 50m intersecting massive sulphides<sup>2</sup>
- RC drilling campaign delivered excellent assay results: up to 10.25% Cu, 6.04% Zn and 32.5g/t Ag<sup>3</sup>
  - ❖ Best intersection 11m @ 5.94% Cu from 40m incl: 1m @ 10.25% Cu; 3m @ 8.1% Cu; 1m @ 7.53% Cu from 41m<sup>3</sup>

CANGAI COPPER MINE - INFERRED RESOURCE											
	Mass	Cu	Co	Zn	Au	Ag	Cu	Co	Zn	Au	Ag
	(Tonnes)	(%)	(%)	(%)	(g/t)	(g/t)	(Tonnes)	(Tonnes)	(Tonnes)	(Oz)	(Oz)
Oxide	814,267	4.1	0.010	0.63	0.06	27.34	33,391	78	5,165	14,550	715,667
Fresh	2,397,342	3.1	0.003	0.28	0.89	17.74	74,198	75	6,762	68,349	1,367,456
<b>Total</b>	<b>3,211,609</b>	<b>3.35</b>	<b>0.005</b>	<b>0.37</b>	<b>0.8</b>	<b>20.17</b>	<b>107,589</b>	<b>153</b>	<b>11,927</b>	<b>82,899</b>	<b>2,083,123</b>

Source: ASX Release 6 September 2017



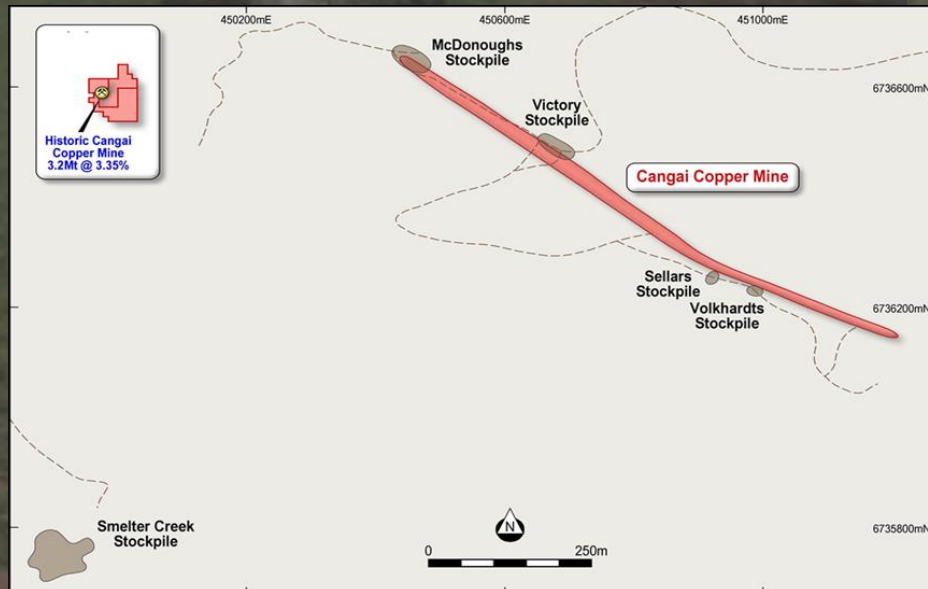


# PILLAR I: Cangai Copper Mine

Creating value from historic stockpiles

## MOU off-take agreement with Noble Group for legacy stockpiles up to 200kt copper concentrate

- Deal in principle to monetise stockpile ore with Noble Group<sup>4</sup>
- Metallurgical test-work shows stockpile ore can be beneficiated materially, with recoveries >80% and grading up to 22% Cu<sup>4</sup>
- Strong lead indicator on potential recoveries from five other stockpiles
- Upon securing regulatory approval, the stockpile ore can potentially be sold to third party processors, which could generate early stage cashflow



Source: ASX Release 2 August 2018



Location: 450200mE 6736650mN (Source: ASX Release 2 August 2018)





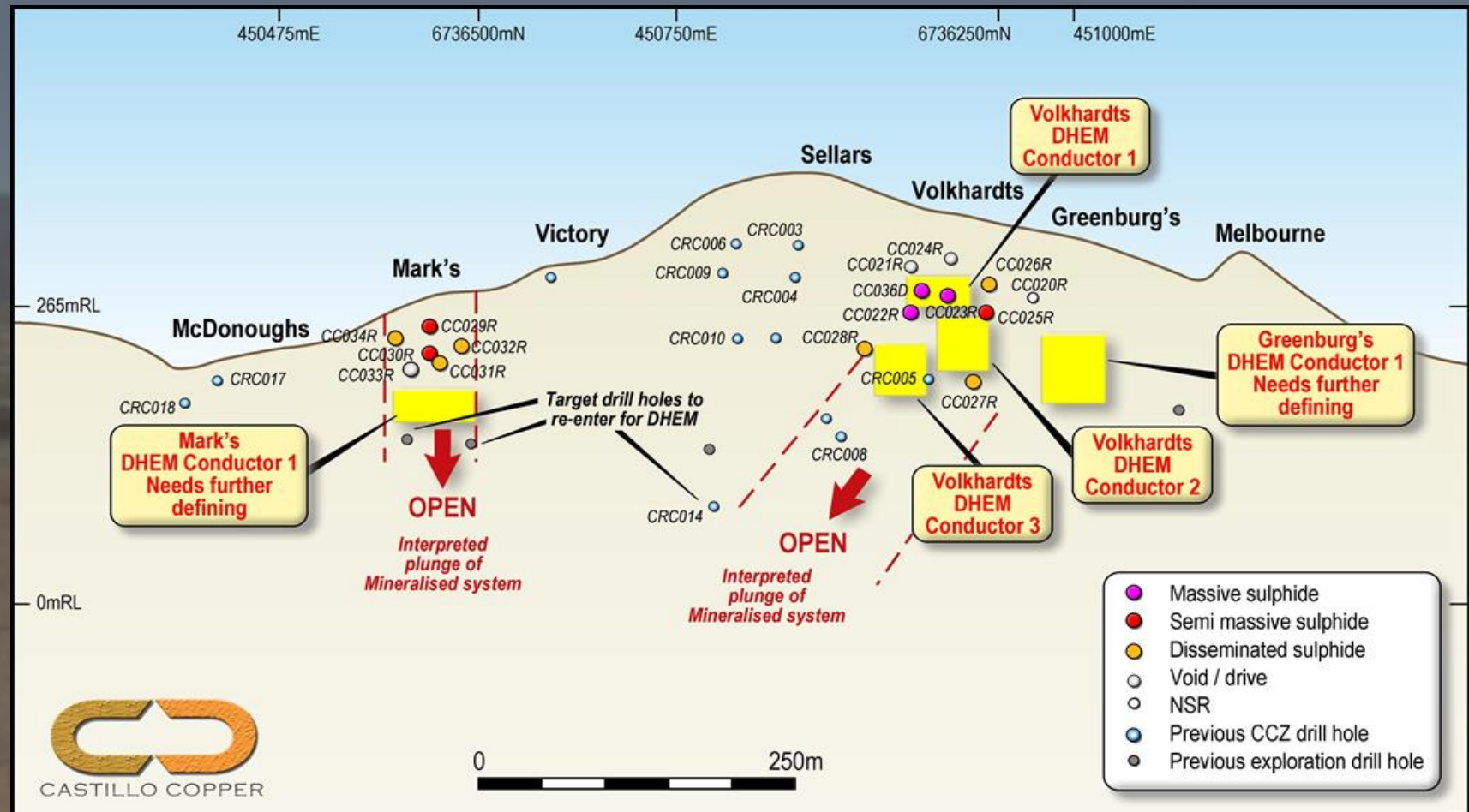
# PILLAR I: Cangai Copper Mine

Massive sulphide conductors open @ depth = scale

- DHEM results highlight sizeable massive sulphide conductors; further, new targets open at depth deliver significant exploration upside and highlights potential scalability of the deposit<sup>5</sup>

## NEXT STEPS

- Scoping study to take a comprehensive review of Cangai Copper Mine's underlying geology
- Determine extensions to known ore body then undertake modelling to upgrade resource size
- Potential to monetise legacy stockpiles



Source: ASX Release 27 November 2018

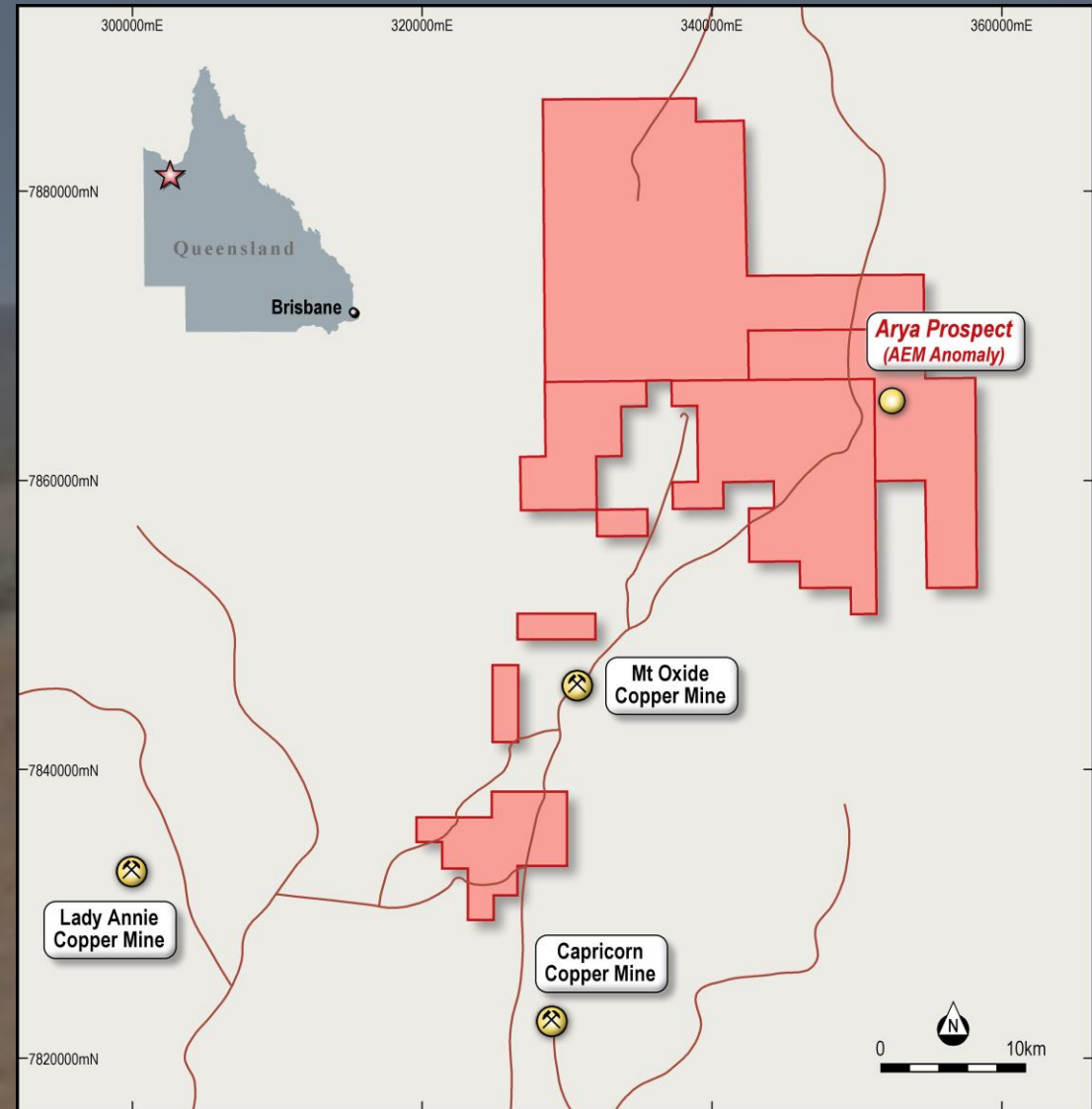




## PILLAR II: Mt Oxide Project

### Significant conductor boosts exploration upside

- The Mt Oxide Copper project, located in the Mt Isa region in Queensland, is highly prospective
- The project is relatively close to several historic / currently operating copper mines including Lady Annie, Mt Oxide and Capricorn Copper (which is on track to produce 30ktpa of copper concentrate)<sup>6</sup>
- In addition, historic assay results within the project boundary show surface readings up to circa 3% Cu<sup>7</sup>
- More significantly, in mid-March 2019, an aero electromagnetic (AEM) survey by Geoscience Australia<sup>8</sup> found a sizeable AEM anomaly / bedrock conductor in the eastern part of the project (named Arya prospect) which is a high priority massive sulphide target





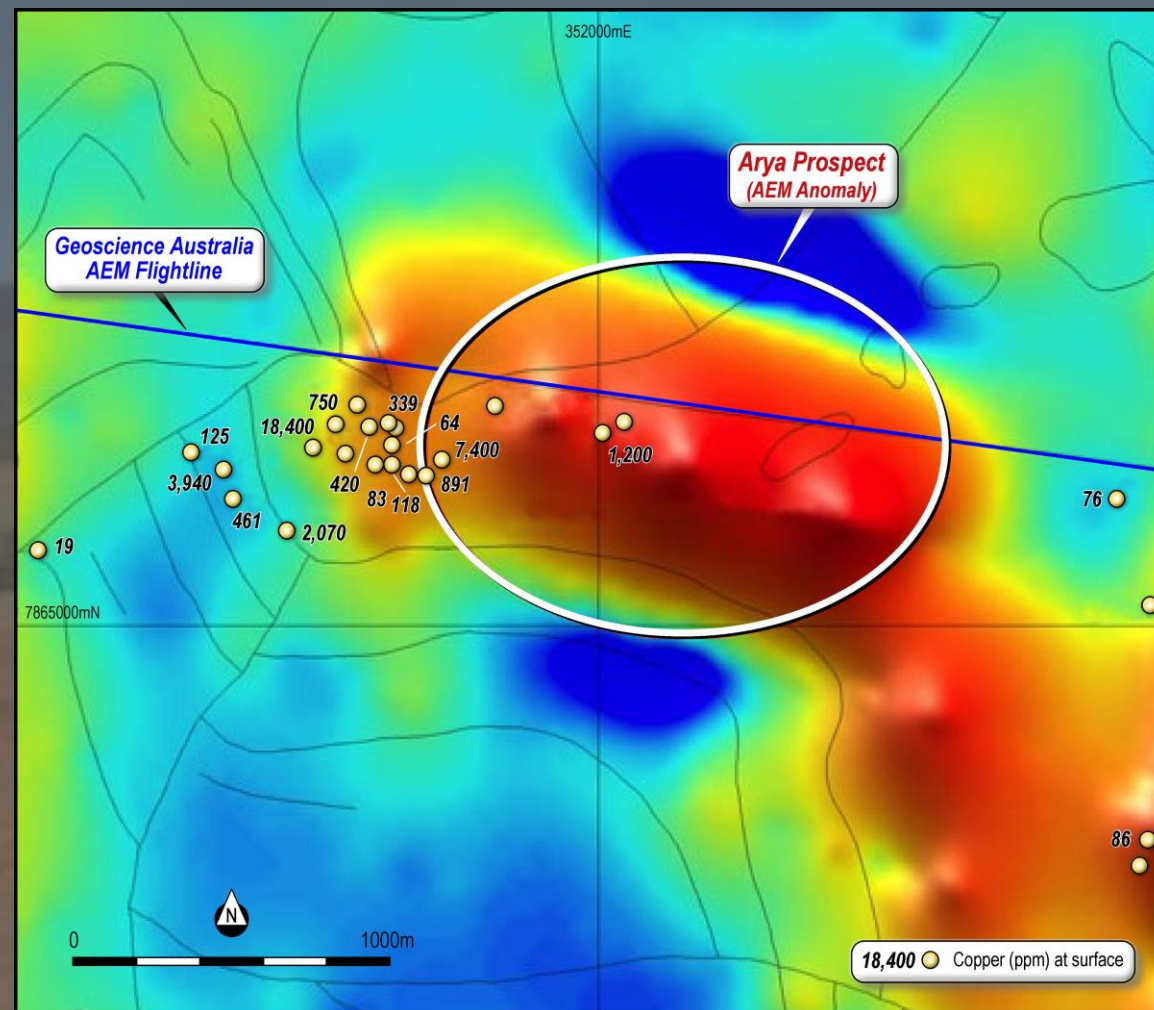
## PILLAR II: Mt Oxide Project

Highly prospective for copper mineralisation

- Rock chips up to 1.84% Cu<sup>8</sup> are present at interpreted up-dip extensions to the main sulphide body which correlates with the bedrock conductor
- Further, it is interpreted the massive sulphide target is a down plunge extension of the brecciated copper mineralisation identified at surface
- In 1997, BHP originally discovered the bedrock conductor and recommended follow up drilling after a field trip<sup>9</sup> but this never materialised

### NEXT STEPS

- Progress a high-priority field trip and conduct: drone air-photography, soil / rock-chip geochemistry, geological mapping, ground magnetic / EM surveys to formulate inaugural drilling campaign for the massive sulphide target



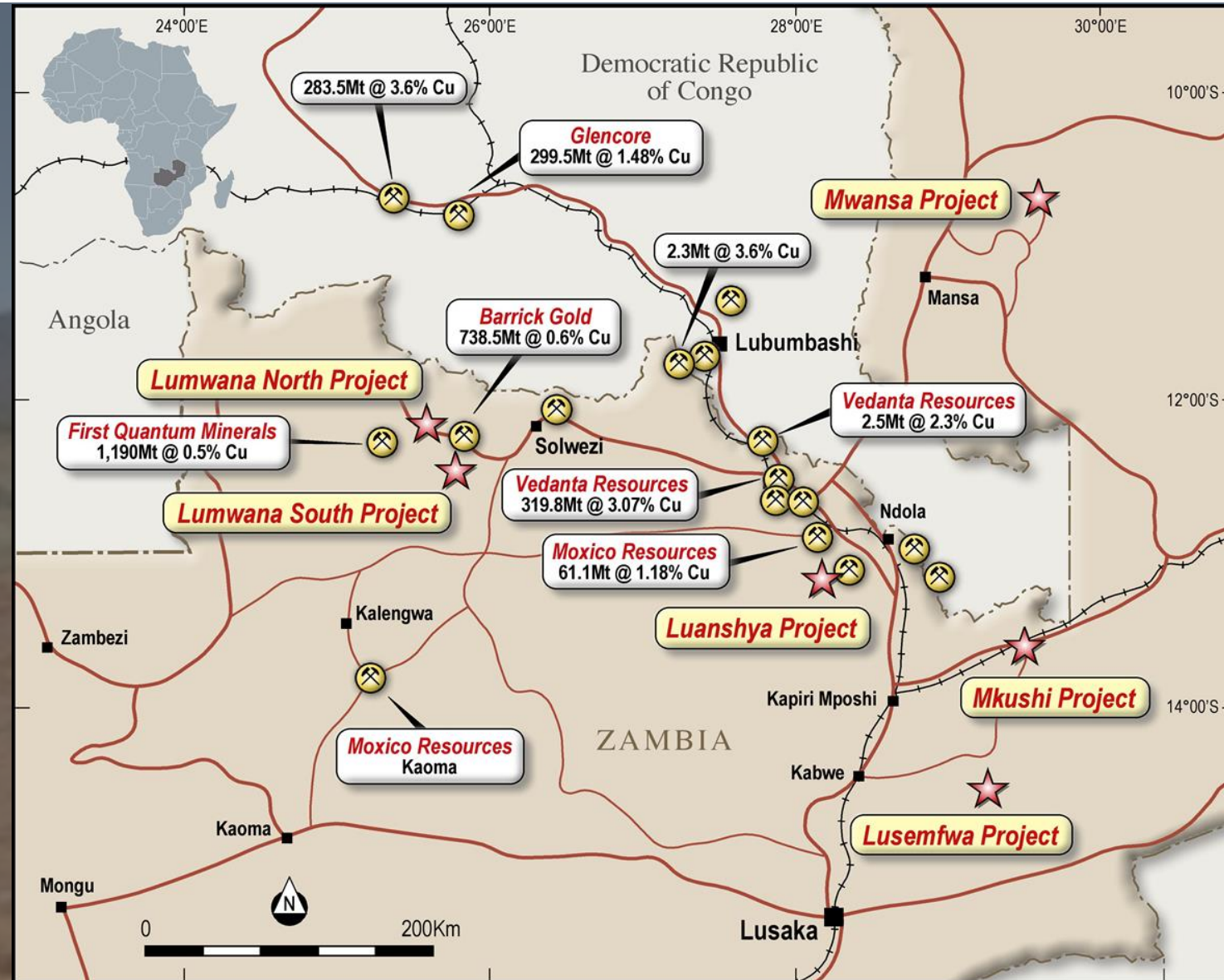




# Pillar III: Zambia Copper Projects

Highly prospective footprint across Zambia

- Comprises five projects – covering ~1,050km<sup>2</sup> – located on highly prospective ground across Zambia near operating mines and proven JORC compliant mineral resources under development





# Pillar III: Zambia Copper Projects

Zambia delivers significant exploration upside / scale

- Key salient points for each project which are ranked in order of exploration priority
- Furthermore, in general, the projects deliver significant exploration upside and scalability from applying modern tools over brown-field targets located near high-grade operating mines

Project	Salient points
Luanshya	<ul style="list-style-type: none"><li>➤ Located in the traditional “copper-belt” on NW-SE trending structures, known as the Lufilian Arc, that houses several operating mines , for example, Vedanta Resources’ Kankola Mine which is 80km to the northwest and has an inferred resource – circa 320Mt @ 3.07% Cu<sup>10</sup> (refer map on slide 10 for context)</li><li>➤ Close to <b>Moxico Resources plc’ advanced Mimbula project (61Mt @ 1.18% Cu)<sup>11</sup></b> (refer map on slide 10)</li></ul>
Mkushi	<ul style="list-style-type: none"><li>➤ <b>Surrounds an operating open-pit copper mine, with LOM &gt;15-years</b>, operated by China-based, Shi &amp; Man Mining Development<sup>12</sup></li><li>➤ Mkushi tenement has a number of brownfield targets hosted in granitic intrusions and schists within the major Mtuga shear zone; extensive legacy geological, geochemical and geophysical data available</li><li>➤ Complementary to copper, there is potential to discover gold mineralisation in the Mtuga shear zone</li></ul>
Lumwana North/South	<ul style="list-style-type: none"><li>➤ Comprises two near-equal sized tenements (covering 10km<sup>2</sup>) near to Barrick Gold’s giant Lumwana project (<b>738.5Mt @ 0.6% Cu)<sup>10</sup></b> (refer map on slide 10 for context)</li></ul>
Mwansa	<ul style="list-style-type: none"><li>➤ Located in NE Zambia in an area largely unexplored yet highly prospective for Cu-Zn; relatively close to the Mansa manganese deposit<sup>3</sup> (30km away)</li></ul>
Lusemfwa	<ul style="list-style-type: none"><li>➤ Located in central Zambia, with similar geological characteristics to the Mkushi tenement, which make it highly prospective ground for discovering copper mineralisation</li></ul>





## Pillar III: Zambia Copper Projects

### Artisanal miners at work

- Extensive artisanal mining operations at the Lusemfwa tenement (see picture gallery) indicating outcropping copper mineralisation
- Artisanal miners are amenable to working closely with tenement owners to facilitate scaling up mining operations and securing regular employment



Location: 746021.53 m E, 8387731.25 m S  
Source: Zed Copper geology team



## Pillar III: Zambia Copper Projects

Artisanal miners at work

On a risk weighted basis, Zambia is arguably a preferred investment destination over regional peers:

- Politically stable country with a legal framework that caters to the mining industry's requirements;
- Copper is a strategic mineral given its contribution to exports, GDP and employment;
- English speaking work-force; and
- International groups, like Glencore & Barrick Gold, have large footprints within the mining industry

A PESTLE analysis highlights some of the positives relative to regional neighbours<sup>13</sup>:

PESTLE Criteria	Remarks
Political	Regarded as political stable with open trade policies
Economic	Ranks highly on economic factors due to low cost of living, abundant English speaking labour force and solid trading practices
Social	Ranks well on socio-economic and employment agreements, but foreign groups need to evolve their own effective corporate culture
Technological	Relies heavily on foreign investment for new technology, IP & infrastructure
Legal	Highly rated mining & employment laws due to well formulated policies
Environment	Solid geographical location & climate, but environment laws need tightening





## Pillar III: Zambia Copper Projects

**NEXT STEPS: Accelerating exploration program**

### NEXT STEPS

- Top-tier priority is to commence resource definition drilling on the Luanshya tenement
- The second priority is the Mkushi tenement then Lumwana N&S, Mwansa and Lusemfwa
- Leveraging the availability of high-quality geology teams at relatively low costs, the initial exploratory work will entail:
  - ❖ Gathering all historic data and prioritising drill targets;
  - ❖ Geological mapping concurrent with geochemical sampling and geophysical surveys; and
  - ❖ Conducting ground IP / magnetic surveys over high priority targets to further delineate structures and conductive bodies for drilling
- Deliverable objective is to prove up a JORC compliant resource within 12-18 months



### Pillar I: Cangai Copper Mine

- Commence a scoping study to take a comprehensive review of Cangai Copper Mine’s underlying geology;
- Determine extensions to known ore body then undertake modelling to upgrade resource size; and
- Ascertain potential to monetise legacy stockpiles

### Pillar II: Mt Oxide project

- Progress a high-priority field trip and conduct: drone air-photography, soil / rock-chip geochemistry, geological mapping, ground magnetic / EM surveys to formulate inaugural drilling campaign for the massive sulphide target

### Pillar III: Zambia Projects

- Top-tier priority is to commence resource definition drilling on the Luanshya project followed by Mkushi then Lumwana N&S, Mwansa and Lusemfwa
- Leveraging availability of high-quality geology teams at relatively low costs, the initial exploratory work will entail:
  - ❖ Gathering all historic data and prioritising drill targets;
  - ❖ Geological mapping concurrent with geochemical sampling and geophysical surveys; and
  - ❖ Conducting ground IP / magnetic surveys over high priority targets to delineate structures / conductive bodies for drilling
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# References

- 1) CCZ ASX Release 6 September 2017
- 2) CCZ ASX Release 11 December 2018
- 3) CCZ ASX Release 3 September 2018
- 4) CCZ ASX Release 20 November 2018
- 5) CCZ ASX Release 27 November 2018
- 6) Capricorn Copper Release dated 22 February 2018 <<http://www.capricorncopper.com>>
- 7) 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
- 8) Mt Isa Metals Ltd open file report (CR64491, Isa North Project, Annual Report 4 June 2010) held within the QLD, QDEX open-file Exploration Reporting System
- 9) BHP Minerals open file report (CR29726, Alsace Project, Annual Report 19 Dec 1997) held within the QLD, QDEX open-file Exploration Reporting System
- 10) USGS Zambia Mineralisation Database
- 11) Moxico Resources plc <[www.moxicoresources.com](http://www.moxicoresources.com)>
- 12) Lusaka Times 16 September 2018 <[www.lusakatimes.com/2018/09/16/central-province-poised-for-massive-development-in-mining-and-energy-sectors/](http://www.lusakatimes.com/2018/09/16/central-province-poised-for-massive-development-in-mining-and-energy-sectors/)>
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