



CASTILLO COPPER  
LIMITED

ASX Release

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**Directors / Officers:**

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Simon Paull  
Peter Smith  
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**Chief Financial Officer:**

Alan Armstrong

**Issued Capital:**

641.6 million shares  
104.5 million options  
26.8 million convertible  
notes

**ASX Symbol:**

CCZ

## Mt Oxide pillar in focus: Targeting to develop a viable copper mining operation

Castillo Copper Limited (“CCZ” or “the Company”), in the lead up to the Standard Listing on the London Stock Exchange (LSE), has decided to systematically profile the three core pillars in more depth. This is already taking place with the Zambia assets as several more geological reviews are still to be published.

The appended presentation highlights several prospective fundamental factors that highlight the Mt Oxide project’s prospectivity. In turn, these largely explain the Board’s intent to target developing Mt Oxide into a viable copper mining operation.

Currently, the main highlight is the Exploration Target, known as the Arya Prospect, that was identified via an AEM (Airborne Electromagnetic) Survey undertaken by Geoscience Australia<sup>1</sup>.

Whilst the potential quantity and grade of the Exploration Target is conceptual in nature, there has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of Mineral Resource.

The geology team has planned several site visits over the balance of the year that will follow up geochemical sampling, and geophysical surveys on known Exploration Targets to facilitate an inaugural test drilling campaign. In addition, a team from SRK Consulting will be undertaking a field trip as part of the LSE listing requirements for an independent geology report to be produced.

For and on behalf of Castillo Copper

**Simon Paull**

**Managing Director**

## ABOUT CASTILLO COPPER

Castillo Copper Limited (ASX: CCZ) is an ASX-listed base metal explorer primarily focused on copper then nickel, zinc & cobalt.

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 (ASX Announcement - 6 September 2017);
- **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.

### References

- 1) CCZ ASX Release dated 6 May 2019;

### Competent Person Statement

*The information in this report that relates to Mineral Resources of the Cangai Copper Mine and Exploration Targets of the Mt Oxide Project is based on information compiled by Peter Smith, a Competent Person who is a Member of the Australian Institute of Geoscientists. 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.



“Mt Oxide pillar: targeting to develop viable copper mining operation”

Investor Briefing | 3Q 2019





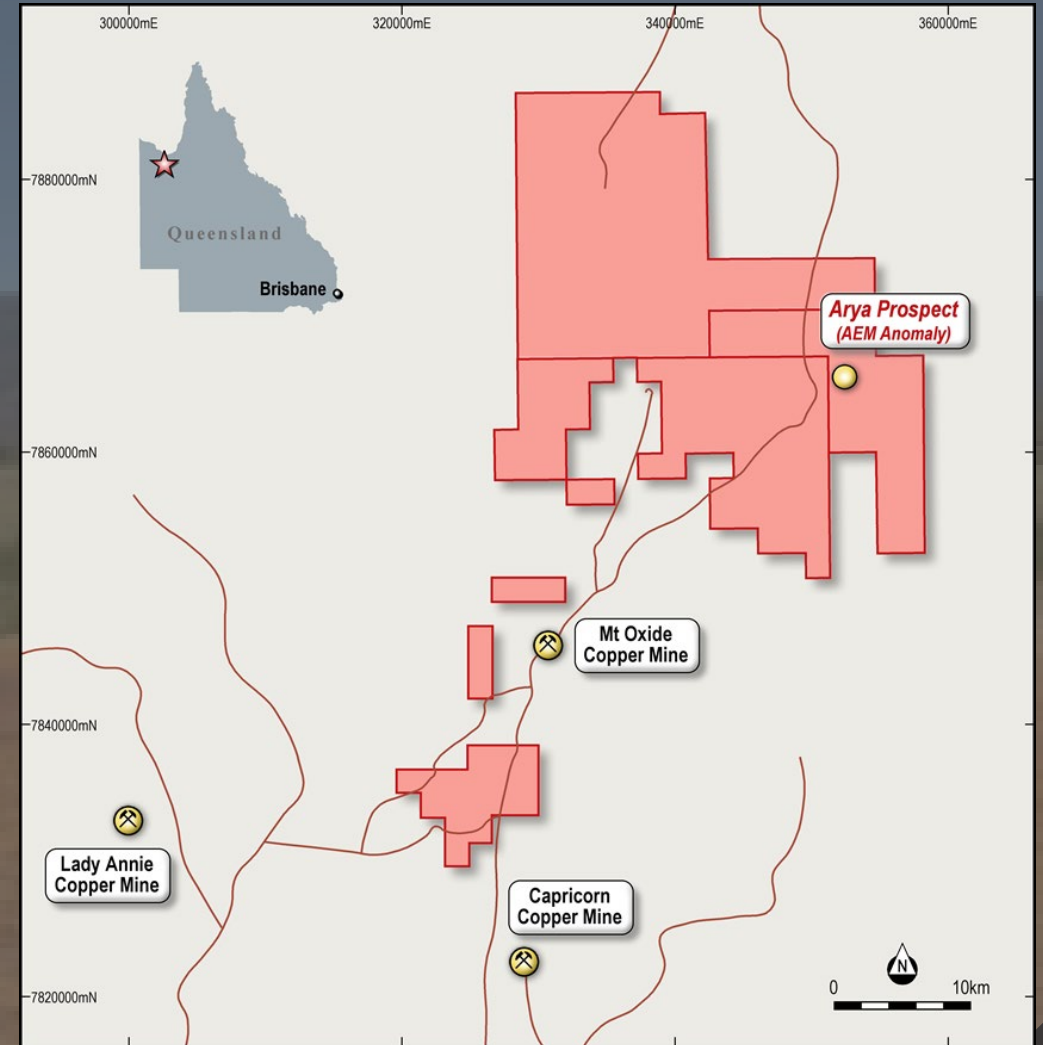
# INVESTMENT THEME

## Targeting to develop viable copper mine

- CCZ is targeting to develop a viable copper mining operation at its prospective Mt Oxide project – which is 150km north of Mt Isa in a known structural copper district
- The project is near 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>1</sup>
- The main highlight is the exploration target, known as the Arya Prospect, that was identified via an AEM (airborne electromagnetic) survey undertaken by Geoscience Australia<sup>2</sup>

Note: Whilst the potential quantity and grade of the exploration target is conceptual in nature, there has been insufficient exploration to estimate a mineral resource and it is uncertain if further exploration will result in the estimation of mineral resource.

- The geology team has planned several site visits that will follow up with geochemical sampling and geophysical surveys on known exploration targets to facilitate an inaugural test drilling campaign







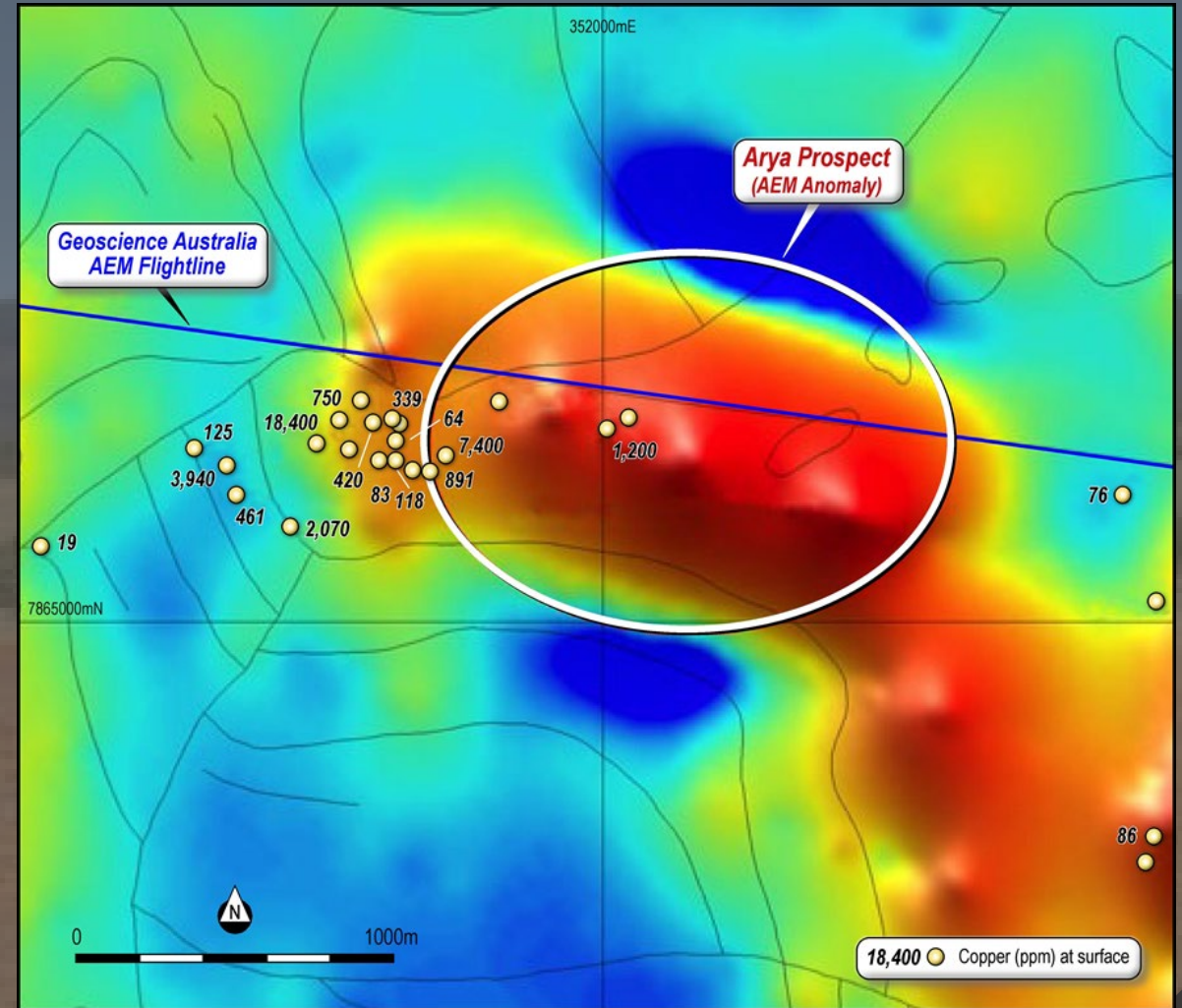
# PRIORITY DRILL TARGET

High priority massive sulphide anomaly to test drill

- Rock chips up to 1.84% Cu<sup>3</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 first pass ground electromagnetic survey<sup>4</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



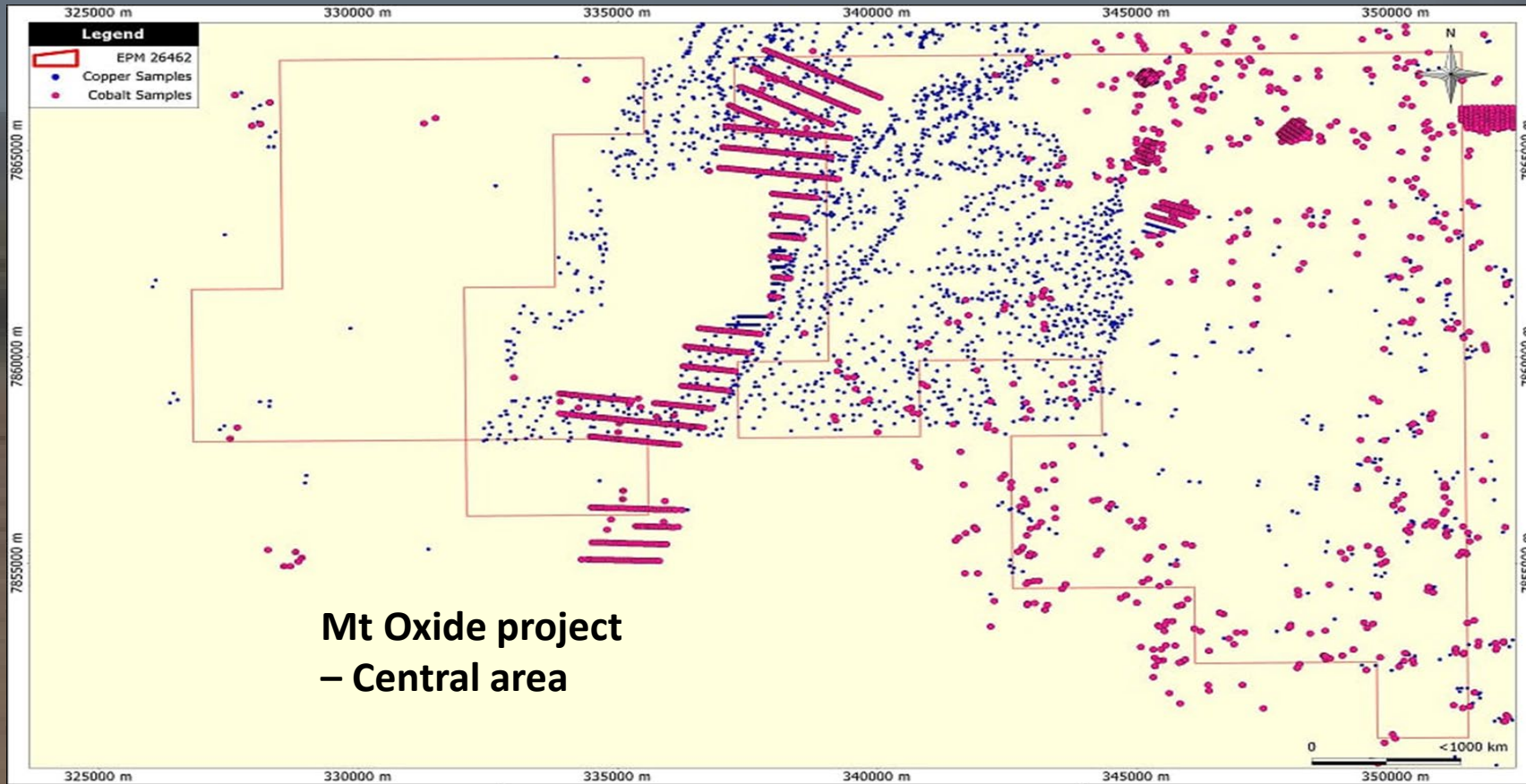
Note: Geoscience Australian AEM flight long and open-file rock-chips on BHP AEM CHZ5 channel image



# NUMEROUS SURFACE SAMPLES

Extensive copper surface mineralisation

- Across the centre of the project area, over 5,000 historic surface samples have been collected and analysed from the Mt Oxide project<sup>5</sup>
- Multiple Cu-Co samples across the central part of the Mt Oxide project illustrate demonstrable surface mineralisation occurrences



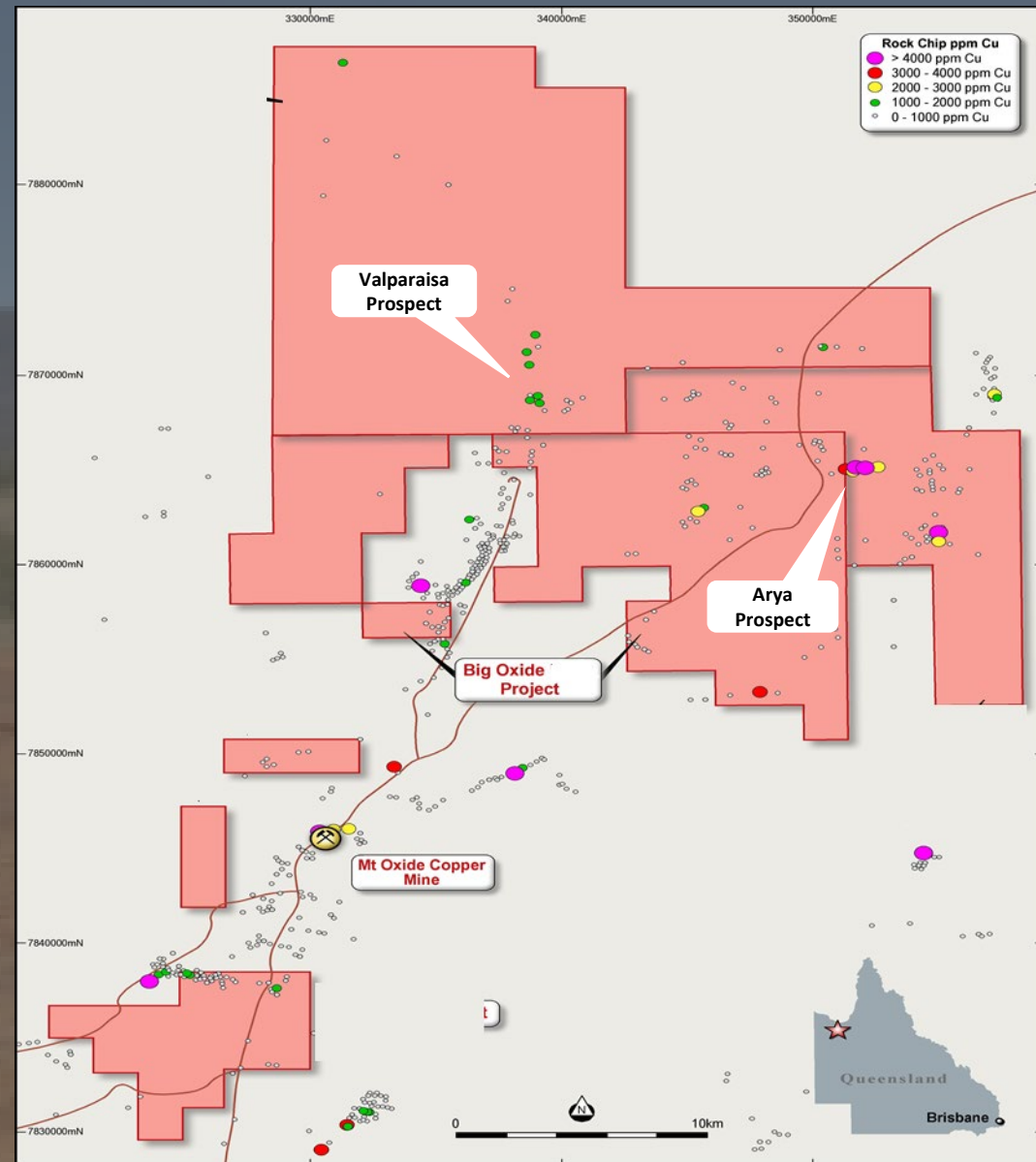




# REGIONAL COPPER UPSIDE

High values for copper mineralisation

- Demonstrable occurrences of copper featured at the historic Mt Oxide Copper Mine highlight the exploration upside within the region; key historic facts include -
  - ❖ Mined from 1927-43 and 1955-60 with higher grade ore worked by underground methods
  - ❖ Open-cut from 1967-71 for lower-grade envelope and remnants of high-grade ore
  - ❖ Underground mining produced 79,000t of ore @ 15.9% Cu; open-cut 355,000t of ore @ 2.5% Cu<sup>6</sup>
- Within the tenure, high grade assay readings from rock chip samples, are clear incremental priority targets warranting further investigation





# REACTIVATED COPPER MINE

Targeting to emulate Capricorn Copper Mine

- In April 2017, Capricorn Copper Mine was reopened after a 4-year hiatus (previously Mt Gordon and Gunpowder Copper Mine) by Capricorn Copper:
  - ❖ It is one of the largest copper development projects completed in Australia during the last decade
- Key operating targets: 30,000tpa of metal concentrate over a 10-year mine life; first sale and shipment was booked in mid-February 2018<sup>1</sup>



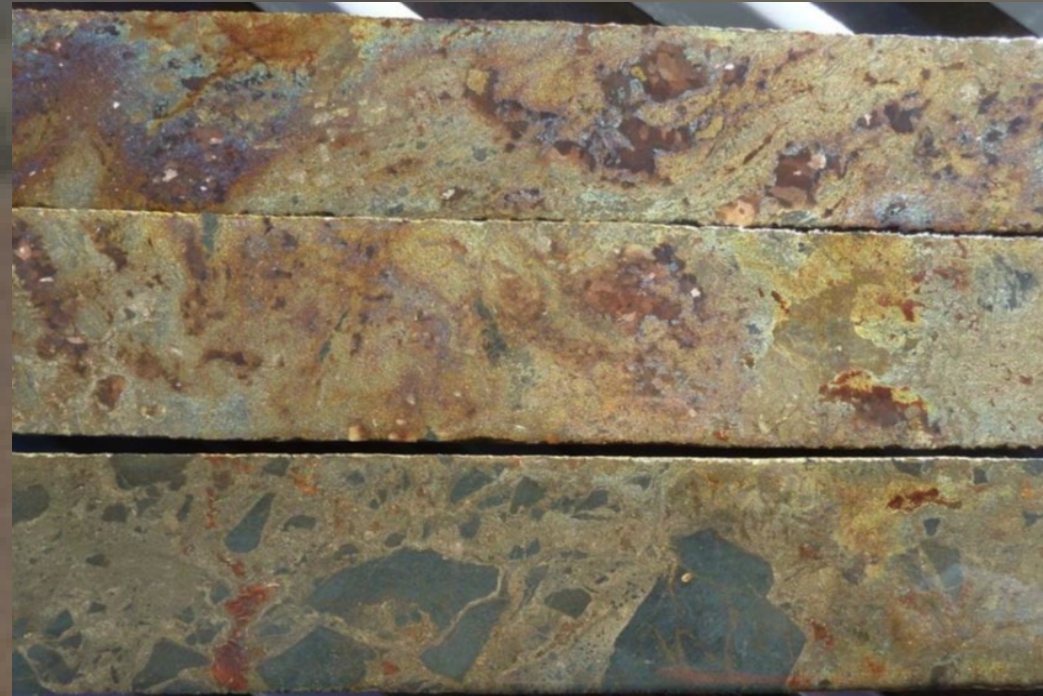




# GEOLOGICAL SNAPSHOT

## Local geology highlights primary sulphides

- Mt Oxide and Mt Gordon, the two main orebodies<sup>6</sup>, are manifest as a breccia and replacement zones associated with interconnecting faults
- The Mt Gordon Mammoth deposit is hosted by brittle quartzites, whereas the Esperanza Deposit is hosted by carbonaceous shales
- Mineralisation is associated with the Isan Orogeny, while primary sulphides in both deposits include chalcopyrite, pyrite and chalcocite
- Primary sulphides in both deposits include:
  - ❖ Chalcopyrite (adjacent);
  - ❖ Pyrite; and
  - ❖ Chalcocite.
- Quartzites host breccias to massive sulphides





### Timely

- Copper faces potential forward supply deficits over the next 5-10 years
- Arguably many large global tech groups (building smart devices; EVs) are looking for new supply chains from stable countries which have properly regulated mining practices



### Mt Isa region an attractive location

- Within the Mt Oxide project are several high-quality anomalies including the massive sulphide target identified by Queensland Geological Survey that is a priority to test drill
- Significant surface readings in a known structural copper mining district further highlight Mt Oxide's exploration upside
- CCM reopening and achieving its first shipment is a huge vote of confidence in the region, especially its close proximity to the Mt Oxide project



### Asset optimisation

- CCZ is seeking to develop the asset and ramp up exploration activities in 2019-20.



# References

- 1) Capricorn Copper Release dated 22 February 2018 <<http://www.capricorncopper.com>>
- 2) Geoscience Australia (19 March 2019)
- 3) 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
- 4) BHP Minerals open file report (CR29726, Alsace Project, Annual Report 19 Dec 1997) held within the QLD, QDEX open-file Exploration Reporting System
- 5) Database - Department of Natural Resources and Mines, Queensland and CCZ ASX Release 8 June 2018
- 6) Mount Oxide Mine Remediation Project (2011), Department of Natural Resources and Mines (QLD)

## Contact us

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## **Competent Person Statement**

The information in this report that relates to Exploration Results and Exploration Targets of the Mt Oxide Project is based on information compiled by Peter Smith, a Competent Person who is a Member of the Australian Institute of Geoscientists. 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.

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