Castillo Copper Limited
30 June 2020 Annual Report

ABN 52 137 606 476

Corporate Directory

Directors
Robert Scott (Non-Executive Chairman)
Simon Paull (Managing Director)
Gerrard (Ged) Hall (Non-Executive Director)

Company Secretary
Dale Hanna

Registered Office and Principal Place of Business
45 Ventnor Avenue,
West Perth, WA 6005 Australia
Telephone: + 618 6558 0886
Facsimile: + 618 6316 3337

Share Registry
Automic Registry Services Pty Ltd
Level 2
267 St Georges Terrace
PERTH WA 6000
Telephone: 1300 288 664

Auditors
HLB Mann Judd (WA Pertnership)
Level 4
130 Stirling Street
Perth, WA 6000 Australia

Securities Exchange Listing
Australian Securities Exchange
(Home Exchange: Perth, Western Australia)
ASX Code: CCZ

London Stock Exchange
LSE Code: CCZ

Contents

Chairman's Address

Dear Shareholders,

In my 2019 annual address, the Board broadly outlined an ambitious strategic agenda to:

- *Secure Castillo Copper's position financially;*
- *Progress developing our three core copper projects – Mt Oxide in Queensland, Cangai Copper Mine in New South Wales and four Zambian properties; and*
- *Dual list on the London Stock Exchange.*

Pleasingly, against the COVID 19 related restrictions globally, we have achieved all these goals, thanks to the support of our new and legacy shareholders in Australia and UK. As such, Castillo Copper is now adequately funded to commence drilling the Big One Deposit and Arya Prospects within our priority Mt Oxide Project in Queensland's copper-belt.

The Board's decision to commission a geological review into the Mt Oxide Project's potential has uncovered a wealth of information that has materially enhanced the exploration potential of this high-quality asset. Holistically, there are at least 10 prospects with varying styles of copper mineralisation that deliver a significant pipeline of forward work ahead. Consequently, across Australia, most of the Board's efforts in the second half of the financial year have been directed towards expediting development work on the Mt Oxide Project.

Our geology team in Zambia has been focusing efforts on the Luanshya and Mkushi Projects, which has resulted in some sizeable anomalous areas being identified. The next phase of the exploration program will entail geophysical surveys which can then lead to the formation of initial drilling programs.

In addition, we were fortunate to be able to optimise our other New South Wales assets with the formation of the Broken Hill Alliance. We are evaluating options on how to move forward, as new advanced insights from Geoscience Australia suggests the tenure is prospective for Broken Hill Type (BHT) and Iron-Oxide-Copper-Gold (IOCG) style mineralisation.

The Board looks forward with a high degree of optimism after successfully navigating an exceptionally difficult period and coming out stronger on the other side. Moreover, we are in the midst of a base metal upcycle and positioned with high quality copper assets that we are ramping up to develop over the balance of the 2021 financial year.

On behalf of the Board, I'd like to extend my appreciation to all key stakeholders for their hard work and support over the 2020 financial year.

Rob Scott

Chairman

Perth, Western Australia

30 September 2020

Managing Director's Address

Dear Shareholders,

As the Chairman has outlined, Castillo Copper hit all key milestones articulated at this juncture 12-months ago and we now stand in a very sound position on the eve of drilling commencing at the Mt Oxide Project. We have a strong Statement of Financial Position and our forward exploration agenda is now fully funded. Moreover, we successfully dual listed on the London Stock Exchange in August 2020, though much of the hard work that brought this to fruition was undertaken during the 2020 financial year.

Reflecting on the 2020 financial year, much of the momentum was derived from our strategic intent to evolve into a copper producer through developing our three core assets, namely, Mt Oxide Project in Queensland's copper region, Cangai Copper Mine in northern New South Wales and the four properties in Zambia's copper-belt. A closer look at these assets follows:

Mt Oxide Project
This has evolved into the top priority project in Australia after our forensic geology team uncovered historic field, drilling and production reports verifying high-grade copper mineralisation at the Big One Deposit and Boomerang Mine. In addition, commissioning a full geological review of the key prospects has provided insights to eight incremental target areas, including the primary Arya Prospect which has a sizeable interpreted potential massive sulphide target 1,500m by 450m by 130m at a depth of 430m. This led to the formulation of plans to drill the Big One Deposit and Arya Prospect which are set to get underway during the 2021 financial year.

Zambia Projects
The formal acquisition of the four Zambia Projects closed in February 2020. However, from desktop and field work undertaken during the financial year, we have been able to outline some highly anomalous areas within the primary Luanshya and Mkushi Projects. The next phase of exploration will comprise geophysical surveys and, once reconciled with geochemistry results, the formulation of inaugural drilling programs.

Cangai Copper Mine
All conditions required by the New South Wales Resources Regulator were satisfied in February 2020 which allowed the resumption of exploration activities. However, due to COVID 19 restrictions in New South Wales, all planned field work was suspended for the balance of the 2020 financial year.

Broken Hill Alliance
In February 2020, Castillo Copper aligned with Impact Minerals and Squadron Resources to form the Broken Hill Alliance, which combined has a large footprint proximal to the world-class Broken Hill silver-zinc-lead-deposit. As recent insights from Geoscience Australia suggest the ground is prospective for BHT and IOCG style mineralisation, the strategy to develop BHA moving forward is now being reviewed.

Corporate
During the 2020 financial year, Castillo Copper completed its environmental rehabilitation obligations for Cangai Copper Mine with the NSWRR which enabled trading in the company's securities to resume in August 2019.

In addition, as a result of formulating a focused strategy, Castillo Copper was able to successfully raise circa $4m from current and new investors during the financial period.
Subsequent to the review period, in August 2020, Castillo Copper commenced trading on the London Stock Exchange and raised a £1.345m (A$2.4m) before costs.

Prospects
Despite the COVID 19 crises impact, the Board has navigated Castillo Copper into a position of strength and we now look forward, with a high degree of optimism, as developing the core projects ramps up. The Board is cognisant of current developments within the global copper market and keenly focused on fine tuning the strategic objective to ensure we optimise creating value for our stakeholders.

Simon Paull

Managing Director
Perth, Western Australia
30 September 2020

The Directors of Castillo Copper Limited and its subsidiaries ("Castillo", "CCZ" or the "Group") submit the financial report of the Group for the year ended 30 June 2020. In order to comply with the provisions of the Corporations Act 2001, the Directors report as follows:

DIRECTORS

The names, qualifications and experience of the Company's Directors in office during the year and until the date of this report are as follows. Directors were in office for the entire financial year unless otherwise stated.

Mr Robert Scott
Non-Executive Chairman

Mr Scott has been on Sandfire Resources' Board since 2010 and has overseen the development and commercialisation of the world-class, high-grade Degrussa Copper-Gold Mine in Western Australia as well as its ongoing exploration commitment.

Current Board experience in the mining and energy sectors includes RTG Mining Inc which has advanced copper & gold exploration interests in the Philippines and Bougainville. Previously, he served on the Boards of CGA Mining Ltd (a major gold producer in the Philippines) and NASDAQ-listed, Lonestar Resources US Inc which is a Texas-based producer of shale oil.

Mr Scott is a Chartered Accountant with over 35 years' experience as a corporate advisor at major accounting firms. He retired as an international partner from Arthur Anderson to pursue Non-Executive Director roles. Mr Scott is a fellow of the Institute of Chartered Accountants, member of the Taxation Institute of Australia and of the Australian Institute of Company Directors.

Mr Simon Paull – appointed 23 August 2019
Managing Director

Mr Paull initially trained as an accountant in Perth prior to moving into the mining services industry as a financial controller. In the mid-1990s, Mr Paull moved to Ghana in West Africa with ASX-listed Ausdrill to oversee the finance and administration functions.

In-mid-2000, Mr Paull moved to Tanzania with Sandvik, where he was subsequently promoted to MD East Africa, with responsibilities for nine countries including Kenya, Uganda, Ethiopia, Eritrea and Sudan that comprised 350 employees. This roll entailed significant travel across the region, coupled with successfully navigating local customs and cultures to achieve positive outcomes.

During his tenure, Sandvik's market share across the East African Market Area expanded 300%. In addition, Mr Paull was on Sandvik's regional African executive management team which oversaw a near doubling in revenues to US$1.2bn over 2006-11.

Upon returning to Perth in 2014, Mr Paull worked for Danish emergency services group, Falck, as CEO. A notable achievement during his four-year stint was to almost triple work on hand through expanding customer relationships and staying in front of changing market dynamics.

Mr Paull has a Masters in Commerce & MBA from the University of New England. In addition, Mr Paull holds memberships with of the Institute of Public Accountants & Australian Institute of Directors.

Mr Gerrard (Ged) Hall
Non-Executive Director

For the past several years, Mr Hall has been aligned with SI Capital, working as a director in the corporate finance and broking division. Mr Hall's core responsibilities encompass managing corporate relationships, broadening the HNW client base and business development.

In a varied career, spanning circa 25 years, Mr Hall has gained considerable frontline and managerial experience across a broad spectrum of financial products, with notable institutions. From 1994-2004, he worked with JP Morgan then UBS, focused mostly on trading equity & treasury derivatives as a primary trader and on behalf of clients, generating significant alpha during this period.

Subsequently, Mr Hall spent six years in Bahrain, mostly with Saudi National Commercial Bank, as a Business Head of Asset Management & Treasury Products. Notably, he established the Structured Investment Product division and grew it into sub-business unit that generated US$20m in annual revenues within four years.

Upon returning to the UK in 2010, Mr Hall joined Barclays Wealth as a Head of Strategic Alliances for the MENA region. In this role, he negotiated distribution agreements with Middle East banks and expanded the footprint across the Gulf States and into Egypt primarily.

Following a two-year hiatus to complete post-graduate studies, Mr Hall established his own strategic management consultancy in mid-2013 and has undertaken engagements for blue-chip groups including BFC Bank, Northern Trust Natixis and HSBC.

Mr Hall has a Bachelor of Arts, with honours, in Economics & Finance from the University of Greenwich as well as MBA and Masters of Science in Financial Management from Edinburgh Business School.

Mr Alan Armstrong – resigned 23 August 2019
Executive Director

Mr Peter Smith – resigned 31 December 2019
Non-Executive Director

Mr Matthew Bull – appointed 31 December 2019, resigned 30 April 2020
Non-Executive Director

DIRECTORS' MEETINGS
During the financial year, in addition to regular Board discussions, the number of meetings of Directors held and the number of meetings attended by each director were as follows:

Director	Number of Meetings Eligible to Attend	Number of Meetings Attended
Mr. Robert Scott	2	2
Mr. Simon Paull	2	2
Mr. Peter Smith	2	2
Mr. Gerrard Hall	2	1
Mr. Matthew Bull	-	-
Mr. Alan Armstrong	1	1

DIRECTORSHIPS IN OTHER LISTED ENTITIES

Directorships of other listed entities held by current Directors of the Company during the last 3 years immediately before the end of the year are as follows:

Director	Company	Period of Directorship From	To
Robert Scott	Sandfire Resources Limited RTG Mining Inc. Twenty Seven Co. Limited Resimac Group Limited	30 July 2010 28 March 2013 12 April 2019 9 November 2000	Current Current Current 26 November 2018
Simon Paull	Nil		
Gerrard Hall	Nil		

COMPANY SECRETARY

On 1 April 2020, Mr. Dale Hanna was appointed as Company Secretary. Mr. Hanna has 20 years experience working in CFO, Company Secretary, corporate advisory and governance roles. Mr Hanna commenced his career with Ernst & Young, Perth. Subsequently, he has worked with many listed-ASX groups primarily involved in the mining and natural resources sectors, ranging from exploration, development and production phases.

Mr Hanna is a Chartered Accountant and Secretary, with current memberships at the Institute of Chartered Accountants Australia and New Zealand and Governance Institute of Australia respectively. In addition, Mr Hanna has a Bachelor of Commerce degree from Curtin University.

Mr Hanna's appointment coincided with the departure of Mr Tim Slate who advised the Board earlier in the year he would be leaving at the end of March 2020 to progress other business interests.

REMUNERATION REPORT (AUDITED)

This report outlines the remuneration arrangements in place for Directors and executives of Castillo Copper Limited in accordance with the requirements of the *Corporation Act 2001* and its Regulations. For the purpose of this report, Key Management Personnel (KMP) of the Group are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, including any officer (whether executive or otherwise) of the Group.

The remuneration report is set out under the following main headings:

- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional disclosures relating to key management personnel

Principles used to determine the nature and amount of remuneration

The Board is responsible for determining and reviewing compensation arrangements for the Directors. The Board assesses the appropriateness of the nature and amount of emoluments of such officers on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality board and executive team. The Group does not link the nature and amount of the emoluments of such officers to the Group's financial or operational performance. The expected outcome of this remuneration structure is to retain and motivate Directors.

As part of its Corporate Governance Policies and Procedures, the Board has adopted a formal Remuneration Committee Charter. Due to the current size of the Group and number of Directors, the Board has elected not to create a separate Remuneration Committee but has instead decided to undertake the function of the Committee as a full Board under the guidance of the formal charter.

The rewards for Directors have no set or pre-determined performance conditions or key performance indicators as part of their remuneration due to the current nature of the business operations. The Board determines appropriate levels of performance rewards as and when they consider rewards are warranted. The Group has a policy which disallows executives and Directors entering into contracts to hedge their exposure to options or shares granted as part of their remuneration package.

The table below shows the performance of the Group as measured by loss per share.

As at 30 June	**2020**	**2019**	**2018**	**2017**	**2016**
Net profit/(loss) before tax ($)	(1,842,170)	(1,924,982)	(2,402,843)	(529,642)	(434,291)
Net profit/(loss) after tax ($)	(1,842,170)	(1,924,982)	(2,402,843)	(529,642)	(434,291)
Share price at end of year	0.026	0.016	0.033	0.019	0.015
Basic loss per share (cents per share)	(0.25)	(0.31)	(0.45)	(0.24)	(0.07)
Diluted loss per share (cents per share)	(0.25)	(0.31)	(0.45)	(0.24)	(0.07)
Return on capital	(0.080)	(0.108)	(0.143)	(0.052)	(0.045)

Details of Remuneration

Details of Key Management Personnel

Mr. Robert Scott (Non-Executive Chairman)

Mr. Simon Paull (Managing Director) – appointed 23 August 2019

Mr. Gerrard Hall (Non-Executive Director)

Mr. Alan Armstrong (Executive Director) – resigned 23 August 2019

Mr. Peter Smith (Non-Executive Director) – resigned 31 December 2019

Mr. Matthew Bull (Non-Executive Director) - appointed 31 December 2019, resigned 30 April 2020

Details of the nature and amount of each element of the emolument of each Key Management Personnel of the Group for the financial year are as follows:

	Short term		Options	Post-employment		
2020	Directors' Fees $	Consulting Fees $	Share-based Payments $	Superannuation $	Total $	Remuneration linked to performance %
Director						
Mr. Robert Scott	48,000	-	-	-	48,000	-
Mr. Simon Paull[1]	42,732	78,100	25,056	-	145,888	17.2
Mr. Gerrard Hall[5]	36,062	-	13,920	-	49,982	27.9
Mr. Alan Armstrong[2]	12,000	21,850	-	-	33,850	-
Mr. Peter Smith[3]	24,000	31,725	13,920	-	69,645	20.0
Mr. Matthew Bull[4]	14,000	-	-	-	14,000	-
	176,794	**131,675**	**52,896**	**-**	**361,365**	**14.6**

[1]Mr. Simon Paull was appointed on 23 August 2019
[2] Mr. Alan Armstrong resigned as a director on 23 August 2019 and was appointed Chief Financial Officer (until 31 December 2019).
[3] Mr. Peter Smith resigned on 31 December 2019
[4] Mr. Matthew Bull was appointed on 31 December 2019 and resigned on 30 April 2020
[5] Mr Gerrard Hall is employed by SI Capital & his entitlement to director fees are included in SI Capital's mandate. Amount is equivalent to £20,000 at date of payment.

	Short term		Options	Post-employment		
2019	Directors' Fees $	Consulting Fees $	Share-based Payments $	Superannuation $	Total $	Remuneration linked to performance %
Director						
Mr. Robert Scott[1]	26,450	-	27,738	-	54,188	51.2
Mr. Simon Paull[3]	-	-	-	-	-	-
Mr. Peter Smith	48,000	87,900	-	-	135,900	-
Mr. Gerrard Hall[2]	-	-	-	-	-	-
Mr. Alan Armstrong[5]	48,000	36,000	-	-	84,000	-
Mr. Peter Meagher[4]	48,000	-	--	4,560	52,560	-
	170,450	**123,900**	**27,738**	**4,560**	**326,648**	**8.5**

[1] Mr. Robert Scott was appointed on 13 December 2018.
[2] Mr. Gerrard Hall was appointed on 24 June 2019
[3] Mr. Simon Paull was appointed on 23 August 2019
[4] Mr. Peter Meagher resigned on 24 June 2019
[5] Mr. Alan Armstrong resigned as a director on 23 August 2019 and was appointed Chief Financial Officer.

There were no other key management personnel of the Group during the financial years ended 30 June 2020 and 30 June 2019.

Service Agreements

Managing Directors' remuneration

In addition to his Executive Director fee entitlement ($48,000 p.a.), Mr Paull is entitled to an Executive Consultant fee of $120,000 p.a. All fees are on an "as required" basis and as such, have no fixed termination clauses. Full details were announced to the ASX on 20 December 2019.

Non-Executive Directors' remuneration

The aggregate remuneration for non-executive Directors has been set at an amount not to exceed $500,000 per annum. This amount may only be increased with the approval of Shareholders at a general meeting.

Share-based compensation

Issue of shares

There were no shares issued to Directors and other key management personnel as part of compensation during the year ended 30 June 2020.

Options

On 6 November 2019, Mr Hall, Mr Smith & Mr Paull were each issued 3 million options exercisable at $0.05 each before 2 December 2022 in recognition of their services to the Company and to further incentivise their performance. These options were issued for nil cash consideration, were valued at $41,761 in total and were recognised as share-based payments for the year ended 30 June 2020.

Mr Paull also received a further 3 million options exercisable at $0.05 each before 2 December 2022, valued at $13,920 of which $4,136 was brought to account during the year. These did not vest until such date as the Company successfully listed on the London Stock Exchange and completion of an associated capital raising. The Company listed on the LSE subsequent to year end.

	Number of options	Vesting date and exercisable date	Expiry date	Exercise price	Fair value per option at grant date
Mr. Robert Scott	-	-	-	-	-
Mr. Simon Paull	6,000,000	6/11/2019*	2/12/2022	$0.05	$0.0036
Mr. Gerrard Hall	3,000,000	6/11/2019	2/12/2022	$0.05	$0.0036
Mr. Alan Armstrong	-	-	-	-	-
Mr. Peter Smith	3,000,000	6/11/2019	2/12/2022	$0.05	$0.0036
Mr. Matthew Bull	-	-	-	-	-

*3 million options did not vest until such date as the Company successfully listed on the London Stock Exchange and completion of an associated capital raising. The Company listed on the LSE 4 August 2020 and as such the remaining options vested at that date.

No options have been granted since the end of the financial year.

Additional disclosures relating to key management personnel

Key Management Personnel Options

The number of options in the company held during the financial year ended 30 June 2020 by key management personnel of Castillo Copper Limited, including their personally related parties, is set out below.

	Balance at the start of the year	Balance at appointment	Granted during the year as compensation	On exercise of share options	Other changes during the year	Balance at resignation	Balance at the end of the year
Mr. Robert Scott	5,000,000	-	-	-	-	-	5,000,000
Mr. Simon Paull	-	-	6,000,000	-	-	-	6,000,000
Mr. Gerrard Hall	-	-	3,000,000	-	-	-	3,000,000
Mr. Alan Armstrong	3,000,000	-	-	-	-	3,000,000	-
Mr. Peter Smith	-	-	3,000,000	-	-	3,000,000	-
Mr. Matthew Bull	-	-	-	-	-	-	-

Key Management Personnel Shareholdings

The number of shares in the company held during the financial year ended 30 June 2020 held by key management personnel of Castillo Copper Limited, including their personally related parties, is set out below.

	Balance at the start of the year	Balance at appointment	Granted during the year as compensation	On exercise of share options	Other changes during the year	Balance at resignation	Balance at the end of the year
Mr. Robert Scott	-	-	-	-	1,405,361	-	1,405,361
Mr. Simon Paull	-	-	-	-	1,000,000	-	1,000,000
Mr. Gerrard Hall	-	-	-	-	5,100,000		5,100,000
Mr. Alan Armstrong	850,000	-	-	-	-	850,000	-
Mr. Peter Smith	-	-	-	-	-	-	-
Mr. Matthew Bull	-	106,000	-	-	14,625,000	14,731,000	-

Key Management Personnel Performance Shares

During the year, Mr Bull was granted 23,437,500 Class A and 23,437,500 Class B performance shares as a vendor of the Zed Copper acquisition. Class A performance shares convert to an equal number of CCZ shares on delineation of a JORC resource of 200,000 tonnes of contained copper at a minimum grade of 0.5% within 5 years of execution of the Share Sale Agreement. Class B performance shares convert to an equal number of CCZ shares on completion of a preliminary feasibility study demonstrating an internal rate of return greater than 25% within 5 years of execution of the Share Sale Agreement.

No other key management personnel hold performance shares of any class.

Other transactions with key management personnel

Yingyang Pty Ltd, a company of which Mr Paull is a director, charged the Group director's fees of $41,032 (2019: $Nil) and executive fees of $70,000 (2019: $Nil). There was $30,800 outstanding at 30 June 2020 (2019: $Nil).

Loup Solitaire Pty Ltd, a company of which Mr Armstrong is a director, charged the Group director's fees of $12,000 (2019: $48,000) and executive fees of $21,850 (2019: $36,000). There was Nil outstanding at 30 June 2020 (2019: $7,700).

Yoda Consulting Pty Ltd, a company of which Mr. Smith is a director, charged the Group director's fees of $24,000 (2019: $48,000) and geological consulting fees of $31,725 (2019: $87,900). There was $Nil outstanding at 30 June 2020 (2019: $11,950).

Coverley Management Services Pty Ltd, a company of which Mr Scott is a director, charged the Group director's fees of $48,000 (2019: $26,450). There was $11,000 outstanding at 30 June 2020 (2019: $4,400).

Resource Corporation Pty Ltd, a company of which Matthew Bull is a director and shareholder, was one of the Vendors of Zed Copper Pty Ltd. The purchase consideration that Resource Corporation Pty Ltd received was:

- $25,000 in cash,
- 15,625,000 fully ordinary shares,
- 23,437,500 class A performance shares, converting to an equal number of Buyer Shares on delineation of a JORC resource of 200,000 tonnes of contained copper within 5 years of execution of the Share Sale Agreement,
- 23,437,500 class B performance shares, converting to an equal number of Buyer Shares on completion of a pre-feasibility study demonstrating an internal rate of turn return greater than 25% within 5 years of execution of the Share Sale Agreement, and
- A royalty deed providing from a net smelter return royalty of 1% on the sale of concentrates from the Projects, payable to sellers.

Transactions with key management personnel were made at arm's length at normal market prices and normal commercial terms. All remuneration amounts noted above are included in the remuneration table on page 6.

END OF REMUNERATION REPORT

INTERESTS IN THE SECURITIES OF THE GROUP

As at the date of this report, the interests of the Directors in the securities of Castillo Copper Limited were:

Director	Ordinary Shares	Unlisted Options	Performance Shares
Mr. Robert Scott	1,405,361	5,000,000	-
Mr. Simon Paull	1,000,000	6,000,000	-
Mr. Gerrard Hall	5,100,000	3,000,000	-

RESULTS OF OPERATIONS

The net loss of the Group for the year after income tax was $1,842,170 (2019: $1,924,982) and the net assets of the Group as at 30 June 2020 were $8,494,325 (2019: $4,858,927).

DIVIDENDS

No dividend was paid or declared by the Group during the year and up to the date of this report.

CORPORATE STRUCTURE

Castillo Copper Limited is a company limited by shares that is incorporated and domiciled in Australia.

NATURE OF OPERATIONS AND PRINCIPAL ACTIVITIES

During the financial year, the principal activity of the Group was mineral exploration and examination of new resource opportunities. The Group currently holds copper projects in Queensland and New South Wales in Australia as well as copper projects in Zambia.

EMPLOYEES

Other than the Directors, the Group had no employees at 30 June 2020 (2019:Nil).

REVIEW OF OPERATIONS

During the financial period, the principal activity of the Group was mineral exploration primarily focused on the Mt Oxide Project in Queensland and the Zambian Copper Projects.

Mt Oxide[1]

In October 2019, CCZ detailed that a geological review uncovered two historic deposits at the Mt Oxide Project (Figure 1) which is in the heart of Queensland's copper-belt. Notably, a forensic geological review discovered heritage reports and data within the Queensland government's mining & resources records that verified the existence of two historic deposits within the Mt Oxide Project:

- The Boomerang Mine - located in the southern central part of the tenure and comprises an 800m strike length which has previously been drill tested for copper mineralisation; and
- The Big One Deposit – located in the northern central part of the project area where historic exploration, including 21 drill-holes focused on copper-cobalt mineralisation was conducted.

Furthermore, these new discoveries complemented the Arya Prospect which was interpreted as a potential massive sulphide exploration target (refer below) discovered by an aero-electromagnetic survey conducted by Geoscience Australia.

On 16 December 2019, CCZ confirmed it was acquiring important historic data that elevated the Mt Oxide Project status to a higher priority. The information acquired comprised important historic drilling and resource data, undertaken in 1993 by then ASX-listed West Australian Metals (WME), which materially changed the prospectivity of the Mt Oxide Project.

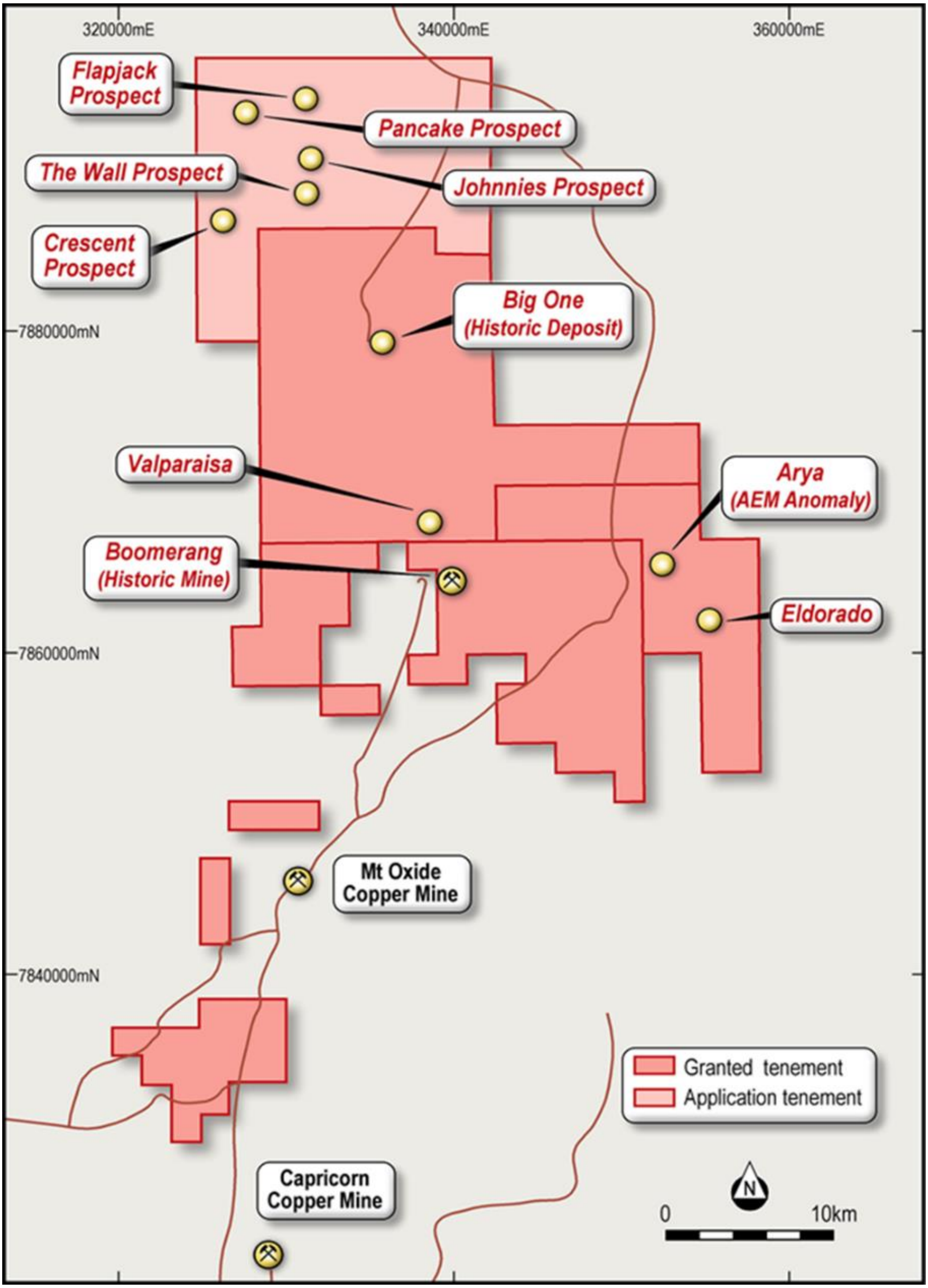
On 14 January 2020, CCZ released results of the WME historic drill data that verified grades up to 28.4% Cu from less than 50m in supergene ore at Big One Deposit. As a result of forensic geology work, CCZ secured the original logs and assay results from the 27-hole (1,673m) RC drilling campaign. The results produced excellent economic copper intercepts, which enhanced the Mt Oxide Project's exploration potential, including:

- **B07: 3m @ 12.25% Cu from 42m incl: 2m @ 17.87% Cu from 43m; and 1m @ 28.40% Cu from 44m**
- **B05: 8m @ 2.33% Cu from 44m incl: 6m @ 3.00% Cu from 45m; and 5m @ 3.28% Cu from 45m**
- **B06: 4m @ 2.20% Cu from 44m incl: 2m @ 3.19% Cu from 46m and 1m @ 3.63% Cu from 47m**
- **B25: 6m @ 1.55% Cu from 66m incl: 5m @ 1.79% Cu from 66m and 2m @ 2.08% Cu from 66m**
- **B26: 3m @ 1.36% Cu from 73m incl: 2m @ 2.29% Cu from 73m and 1m @ 1.02% Cu from 74m**
- **B02: 2m @ 1.45% Cu from 36m incl: 1m @ 2.48% Cu from 37m**

Further, in 1997, circa 4,400t of supergene ore was mined from the Big One Deposit within the historic mining lease (ML5481) at an average achieved grade of ~3.5% Cu. In addition, historic production records for Boomerang Mine from 1944-74 verified that 4,211t of oxide ore was mined grading circa 6% Cu, with output of 251t copper metal.

On 10 February 2020, CCZ announced work undertaken by Geoscience Australia, in collaboration with CSIRO, that used machine learning techniques – analysing aero-magnetic survey data – to generate mineral suite maps which highlighted the Mt Oxide Project could be prospective for Iron-oxide-copper-gold (IOCG) mineralisation. Encouragingly, these insights from a conference in December 2019, show the Mt Oxide Project sits within a new area that is defined as prospective for IOCG mineralisation which includes the Big One Deposit and Arya Prospect. Holistically, this newly discovered area is adjacent to the Mt Isa resource hub, in a region that is known to be highly prospective for copper mineralisation. Interestingly, Geoscience Australia identified CCZ, along with Anglo American, as groups to take up and expand new ground within this region.

FIGURE 1: MT OXIDE PROJECT



On 19 February 2020, CCZ announced standout insights from analysing extensive incremental historic reports, from former mining leases that intersected the Mt Oxide Project, which inferred the mineralisation is consistent with mines and deposits across Mt Isa's globally renowned mining province. Across the Mt Oxide Project, interpretations by CCZ's geology team – from reviewing the newly obtained historical reports – confirm there are several mineralisation styles, and when aggregated, enhance the overall exploration upside, including:

- ❖ High-grade shallow copper within supergene ore;
- ❖ Mt Isa style signatures based on high-grade copper-zinc-lead-gold-silver readings in surface outcrop;
- ❖ Large massive sulphide targets identified from airborne electro-magnetic (AEM) surveys;
- ❖ IOCG targets identified from federal government agencies / in-house research; and
- ❖ Notable visible gold-silver identified at surface.

CCZ's geology team have performed considerable work on the prospects and reported significant details on each of them during and post the financial period (Table 1). This is based on having reviewed >15,000 assay values across >3,000 historic data locations at the Mt Oxide Project.

TABLE 1: MINERALISATION SUMMARY FOR THE MT OXIDE PROJECT PROSPECTS	
Arya	Sizeable massive sulphide anomaly with IOCG potential
The Wall	Mt Isa style mineralisation
Pancake	Mt Isa style mineralisation with IOCG potential
Johnnies	Shear-hosted copper and supergene ore potential
Crescent	IOCG target with Mt Isa style mineralisation potential
Flapjack	IOCG target with Mt Isa style mineralisation potential
Big One Deposit	Shallow high-grade supergene ore up to 28.4% Cu from drilling intercepts
Boomerang Mine	Historically produced circa 4,211t high-grade oxide ore grading circa 6% Cu, with an output of circa 251t Cu
Valparaisa Prospect	Structurally controlled copper
Eldorado Prospect	Structurally controlled copper

Encouragingly, there is potential for these prospects to deliver high-grade, near surface deposits suitable for open-pit operations that could feed into a centralised onsite or external third-party processing facility. A brief assessment on the remaining prospects – not discussed above – follows:

- ➢ The Pancake prospect has potential for IOCG mineralisation. This was determined after reconciling haematitic alterations with the IOCG perspectivity observed by Geoscience Australia. Other than IOCG potential, the initial work on Pancake verified it was prospective for Mt Isa style mineralisation based on alteration characteristics and high-grade surface results which included:
  - ❖ Soil samples up to 670ppm Cu, 1,320ppm Pb & 4,600ppm Zn; and
  - ❖ Rock chips up to 433ppm Cu, 2,460ppm Pb & 7,140ppm Zn

  Moreover, analysing historic geochemical data holistically enabled a sizeable zinc-lead with copper anomalous zone to be identified – the dimensions circa 950m E-W by 150m N-S. Historic aerial & ground electro-magnetic surveys identified two sub-surface anomalies: one characterised as a shallow source adjacent to mapped north west trending faults, with the other modelled as moderate depth source dipping to the east.

- The Wall Prospect (Mt Isa style), in the northern quadrant, has an anomalous zone (400m by 225m) with soil samples that assayed up to 7,163ppm Zn, 2,023ppm Pb and 1,464ppm Cu coincident with an aerial GEOTEM conductor.

- The Johnnies prospect, verified shear hosted copper-zinc-lead mineralisation potential based on high-grade assayed surface samples, including Rock chip assays up to 59,100ppm Cu, 9,500ppm Zn, 45,000ppm Pb.

  In addition, two 16m long costeans (A & B) were dug-out, parallel to historic workings, to test near-surface mineralisation, that delivered highly encouraging assays:

  - Costean A: significant anomalous values from the one sample – 63,000ppm Zn, 21,700ppm Pb &1,750ppm Cu; and
  - Costean A: from a 5m composite sample – 16,532ppm Zn, 5,658ppm Pb & 782ppm Cu.

  Complementing the geochemical work, an induced polarisation survey identified two anomalies: one with a low phase response that is potentially sulphide mineralisation continuing down plunge, while the other is a north trending downwards plunging anomaly.

- The Crescent prospect has a circa 2.2km by 0.5km IOCG target, which is the largest in the Mt Oxide Project. The target zone, which is in Crescent's western section, is structurally controlled between two parallel ENE-WSW trending faults. Moreover, the zone between the faults has haematitic-quartz veins laced with elevated gold surface assays and evidence of IOCG style alteration.
  Key facts comprise:

  - Visible alluvial gold has been panned in stream sediments, with assays up to 170ppb Au recorded;
  - This complements high copper surface readings which includes rock chip assays up to 262ppm Cu; and
  - Providing a specific drill target is an aerial GEOTEM magnetic survey which identified a circa 300m by 400m sub-surface anomaly.

  In Crescent's eastern section, fresh evidence uncovered a NNW target zone, circa 1.2km by 0.35km, that is highly prospective for Mt Isa style mineralisation (MIM):

  - The MIM target zone was defined by surface readings for zinc, with rock chip assays delivering maximum results up to 435ppm Zn and 275ppm Pb; and
  - Further, the MIM target zone is coincident with two shallow sub-surface ground magnetic anomalies.

- On 20 May 2020, CCZ announced that a large mineralised system, with IOCG targets, had been identified at the Mt Oxide Project. Notably, detailed work on Flapjack (an IOCG target) interpreted it to be part of a larger mineralised system that comprises the Crescent (IOCG) and Johnnies (shear hosted copper/supergene ore) prospects.

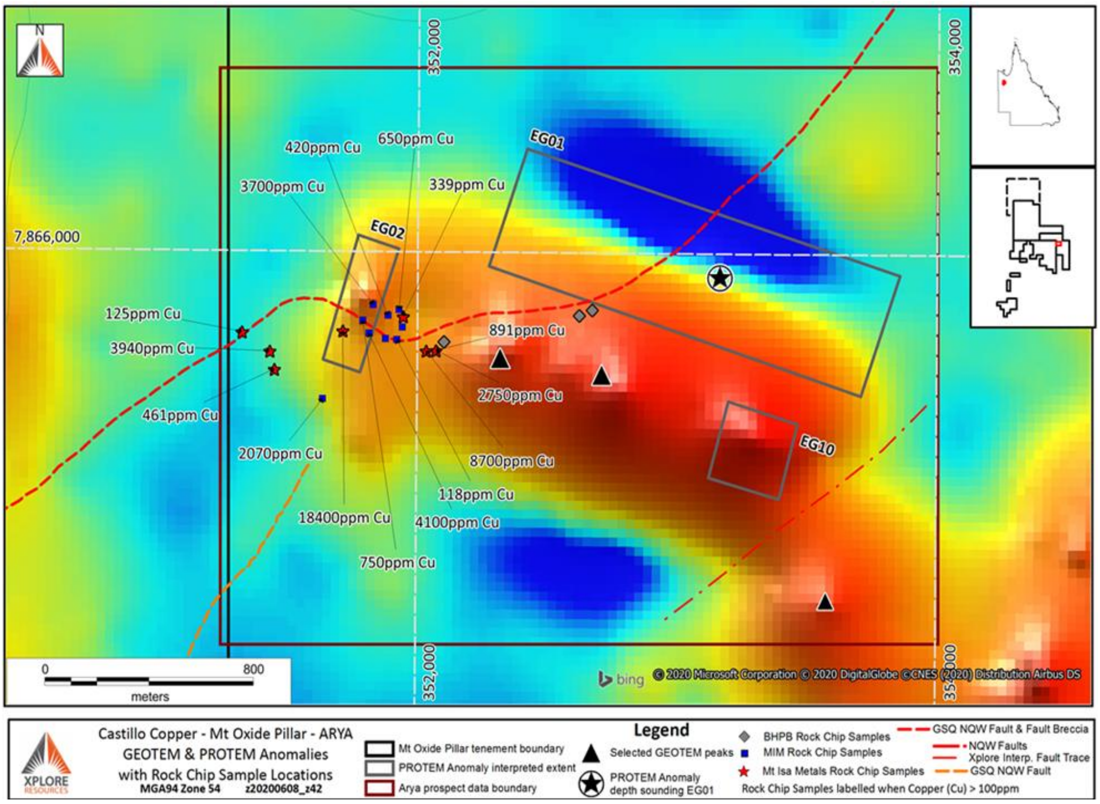
  Flapjack, which is within a zone of structurally controlled ENE trending haematitic-quartz veins, is on a circa 10km alteration trend that follows fault lines that closely passes Johnnies then connects with the IOCG target zone in the Crescent prospect. Historic reports on the Flapjack prospect verify the presence of gold within the haematitic-quartz veins and a distinct chlorite alternation which is a potential indicator for IOCG mineralisation. Moreover, high-grade surface assays for coincident gold-copper occurrences provide further support to the presence of potential IOCG mineralisation, including:

  - Rock chip: up to 1.37ppm Au and 606ppm Cu;
  - Stream sediment: up to 820ppb Au and 50ppm Cu; and
  - Soil: up to 81ppb Au and 292ppm Cu.

Around 600m south-west of Flapjack's soil-grid is a circa 250m by 150m sub-surface anomaly, discovered by an aeromagnetic GEOTEM survey and on the fault line, which is a future primary drill target, subject to follow up field work verification.

- On 10 June 2020, CCZ announced that an interpreted ~130m thick potential massive sulphide drilling target was identified at the Arya prospect, as a result of analysing ground & aerial electromagnetic geophysical surveys. The primary drill target (EG01) is interpreted to contain potential massive sulphides, as it is an exceptional circa 130m thick, circa 1,500m by 450m and circa 426m below surface (Figure 2).

FIGURE 2: BEDROCK CONDUCTORS & ROCK CHIP OCCURRENCES AT ARYA PROSPECT



The two secondary drill targets (EG02 and EG10) have the potential to be supergene mineralisation – both circa 25m below surface and circa 25m thick, with dimensions at circa 160m by 50m and circa 270m by 280m respectively. All three targets were identified by BHP in the late 1990s and earmarked for priority follow up exploration which never materialised – possibly due to weak base metal prices at the time.

Complementing its geophysics work, BHP undertook rock chip sampling above EG01 & EG02 – along a mineralised brecciated fault, with assays confirming high-grade supergene copper mineralisation at surface up to 7,400ppm Cu. In addition, several other groups have completed numerous rock chip sampling programs at the Arya prospect – above the bedrock conductors – reporting high-grade assays up to a significant 18,400ppm Cu. This is significant as there is typically a clear nexus between supergene copper mineralisation at surface and massive sulphides at depth.

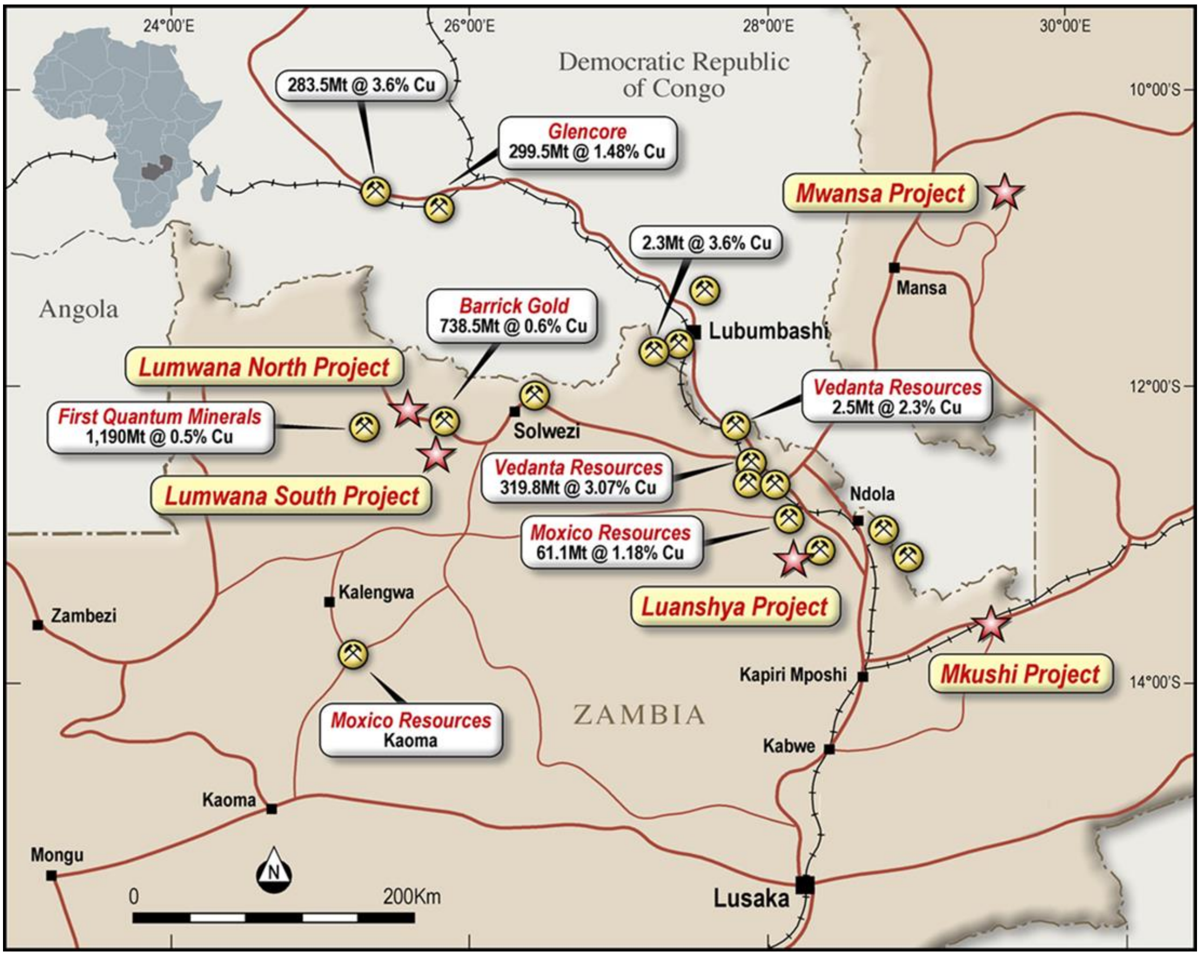
- On 11 May 2020, CCZ's Board resolved to expedite commencing drilling campaigns at the Arya prospect and the Big One Deposit.

[1] Refer to ASX announcements from 1 July 2019 up to and including the date of this report

Zambia[1]

On 10 July 2019, as part of the Board's three-pillared strategic intent to transform CCZ into a mid-tier copper group, it was announced four highly prospective copper projects, covering circa 1,050km^2 in Zambia were to be acquired from Zed Copper. Encouragingly, the four projects are located near large scale producing mines operated by global groups such as Glencore and Barrick Gold, which delivers CCZ material exploration upside (Figure 3).

FIGURE 3: FOUR PROJECTS ACROSS ZAMBIA'S COPPER BELT



In brief:

- ➢ The Luanshya project, to be developed first, is near London-based Moxico Resources' advanced Mimbula venture which has a JORC compliant Inferred Resource of 61.1Mt @ 1.18% Cu. Further, the Luanshya project is in the traditional "copper-belt" on NW-SE trending structures, called the Lufilian Arc, that hosts several operating mines including Kankola Mine which has an Inferred Resource of 319.8Mt @ 3.07% Cu.

- ➢ 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 copper-gold mineralisation. Notably, the tenure hosts several brownfield targets in granitic intrusions/schists within a major mineralised shear zone.

- ➢ Development work on the Mwansa and Lumwana North & South Project will be progressed 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. Importantly, copper is a strategic mineral to Zambia given its material contribution to exports, GDP and employment.

On 2 October 2019, CCZ announced exploration activities by the geology team at the Luanshya project confirmed extensive structural targets for copper mineralisation within the tenure boundaries. Encouragingly, this followed a field trip to the Luanshya project, which is 6-10km south of China Nonferrous Mining Corp's three operating mines, which has a combined JORC (2012) compliant Proven & Probable Reserves at 52.3mt @ 1.26% Cu.

On 21 October 2019, CCZ verified high priority structural targets were identified for copper mineralisation in the Mkushi project. Further, on 11 November 2019, it was announced an exploration campaign at the high priority Mkushi project would commence. Specifically, CCZ's geology team will progress a systematic soil sampling program that will encompass high priority structural targets – including the 4km strike zone – around the Mkushi project.

On 22 January 2020, CCZ announced a comprehensive copper-focused soil sampling campaign was completed at the Mkushi project around Shi Yang Group's (SYG) operating mining lease, comprising 1,126 data points, and delivered the following outcomes:

- Five new, well-defined, anomalous areas identified, with respective strike lengths ranging from 2-7km (20.5km in aggregate); and
- Relative to Mushiwemba Copper Mine (MCM) and artisanal pits along the northern high-grade shear zone, which are currently being mined, the five new anomalous areas are located circa 2-7km SW – NE on the same over-riding system.

Subject to verification by geophysics, the five new anomalous areas could potentially extend the known shear zones – from the high-grade areas currently being mined in SYG's ground – further into the Mkushi project.

On 15 April 2020, CCZ released a Zambia pillar update which highlighted the discovery of a large anomaly, with 6km strike identified at Luanshya project. This resulted from a comprehensive soil sampling program that analysed 913 data points. Significantly, the newly identified anomalous area coincides with a previously identified NW-SE trend-line, that is ~5-10km wide in places. Moreover, it intersects the Luanshya project and is known to host copper mineralisation.

[1] Refer to ASX announcements from 1 July 2019 up to and including the date of this report

Cangai Copper Mine[1]

On 2 September 2019, CCZ announced receiving encouraging assay results for legacy stockpiles at Smelter Creek and along the line of lode at Cangai Copper Mine (CCM), with head grades averaging 2.03% and 1.23% Cu respectively. Leveraging earlier metallurgical test-work results, which demonstrated copper concentrate recoveries >80% and grades up to 22%, there are compelling arguments to process the stockpiles to generate early stage cashflow.

On 6 November 2019, CCZ outlined plans to develop the CCM pillar, starting with a Scoping Study, then ultimately through to Bankable Feasibility Study. Notably, CCZ's geology team are optimistic the known orebody can be extended through drill testing massive sulphide targets already identified.

Meanwhile, on 3 December 2019, CCZ announced metallurgy test-work verified that CCM ore produces commercial grade copper concentrate. Using a representative massive sulphide ore sample extracted from drill hole CC0023R at CCM, a commercial grade concentrate of 22.2% Cu & 7.4% Zn with a recovery of 79.3% of total contained copper was achieved, using standard metallurgical flotation methods.

On 4 May 2020, CCZ announced that future exploration work – surface sampling & ground geophysics – at Cangai Copper Mine will focus on extending known mineralisation in the North-East quadrant. This is an area which extends 400-500m north-east from the line of lode and 500m to the south-east. In addition, documentation to extend the three exploration licences at Cangai Copper Mine was lodged with the NSW Resources Regulator.

[1] Refer to ASX announcements from 1 July 2019 up to and including the date of this report

Broken Hill Alliance[1]

On 24 February 2020, CCZ announced it had signed a non-binding Memorandum of Understanding (MOU) to develop a sizeable Broken Hill project that is highly prospective for base metals. The vehicle housing the project, Broken Hill Alliance (BHA), was a newly formed equal coalition initially comprising CCZ, Impact Minerals (ASX: IPT) & private group Squadron Resources (SR). Subsequently, IPT withdrew from BHA.

BHA is set to own one of the largest tenement footprints surrounding the world-class Broken Hill zinc-lead-silver deposit in NSW. CCZ will contribute its highly prospective tenure to BHA, which complements quality tenements from its stakeholder. BHA's project area is highly prospective for base metals. Whilst several priority targets have been identified, the project area has been under-explored over the past two decades. Moving forward, BHA's stakeholders will progress this project and commence discussions with potential strategic partners to expedite development.

[1] Refer to ASX announcements from 1 July 2019 up to and including the date of this report

Corporate

Convertible Loan Note (CLN)

On 9 August 2019, CCZ announced it was raising GBP450,000 via a CLN in two tranches, with SI Capital organising Tranche I via UK investors. Tranche I, comprising GBP300,000 (A$537,000) was completed within the existing placement capacity while Tranche II (GBP150,000; A$268,000) was subsequently approved by shareholders. Tranche II was later increased to GBP192,000 (A$344,000). This is a 12-month facility with a 10% coupon, conversion at the higher of A$0.012 or 90% of 10-day VWAP and 1 for 1 attached option convertible at A$0.05 expiring 1 August 2022.

Enforceable undertaking agreement finalised

On 26 August 2019, CCZ finalised the enforceable undertaking agreement (EUA) with the NSW Resources Regulator, paving the way for a resumption in exploration activities and trading in CCZ shares.

Trading in CCZ shares resumed / investor presentation released

On 29 August 2019, CCZ's shares resumed trading following the EUA being finalised and funds via the CLN from UK investors. In addition, CCZ released an Investor Presentation which articulated the forward strategy and overview of the three pillars.

Conversion of CLN

On 27 September 2019, UK investors holding Tranche I of the CLN agreed to convert their holdings into equity, resulting in the issue of 34,811,255 shares and unlisted options.

New constitution

On 6 November 2019, CCZ confirmed that shareholders had approved a new Constitution at the General Meeting.

Share sale agreement executed

On 20 February 2020, CCZ executed the Share Sale Agreement ("SSA") with Zed Copper Pty Ltd ("Zed Copper") to acquire four high-quality projects across the copper belt in Zambia.

Zambia copper pillar acquisition complete

On 25 February 2020, CCZ completed the acquisition of Zed Copper, which owns the four prime assets across Zambia's copper-belt that make up the third strategic copper pillar. As per the terms set out in the Heads of Agreement, which was announced on 10 July 2019, CCZ paid the Zed Copper Vendors $25,000 upon signing the SSA. Note, CCZ had already paid $25,000 post executing the HoA in mid-2019. At completion and in accordance with the terms of the SSA, CCZ issued to the Zed Copper Vendors in their respective proportions:

A) 31,250,000 fully paid ordinary shares (subject to a 12-month escrow period);

B) 46,875,000 performance shares, converting to an equal number of CCZ shares on delineation of a JORC resource of 200,000 tonnes of contained copper at a minimum grade of 0.5% within 5 years of execution of the SSA; and

C) 46,875,000 performance shares, converting to an equal number CCZ shares on completion of a preliminary feasibility study demonstrating an internal rate of return greater than 25% within 5 years of execution of the SSA. In addition, the vendors can execute a royalty deed providing for a net smelter return of 2% on the sale of concentrates from the projects.

Funding secured to expedite drilling campaign at the Mt Oxide pillar

On 23 June 2020, CCZ successfully completed a placement to sophisticated and institutional investors that raised circa $2.1m (before costs) – the transaction was well supported by current and new Australian shareholders. CCZ issued 95,454,545 new shares at a price of $0.022 per share, representing a 12% discount to the closing price on 16 June 2020, and one free attaching unlisted option for each share subscribed for, exercisable at $0.05, expiring three years from date of issue.

Board Changes

On 23 August 2019, Perth-based Simon Paull joined the Board as Managing Director. Mr Paull is a senior operational and finance executive with >25 years' experience in the resources / mining services sectors mostly in Africa.

On 31 December 2019, Mr Matt Bull was appointed as a Non-Executive Director, replacing Mr Peter Smith who stepped down.

On 30 April 2020, CCZ announced that Mr Matthew Bull resigned from the Board as a result of accepting a full-time executive position with a UK based group.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There were no significant changes in the state of affairs of the Group during the year, other than as outlined elsewhere in this report.

SIGNIFICANT EVENTS AFTER THE BALANCE DATE

On 4 August 2020, the Company completed an initial capital raise of £1,345,000 via the placing of 79,117,618 new ordinary shares at a price of 1.7 pence per share and commenced trading on the London Stock Exchange Plc.

As announced on 30 September 2020, Castillo Copper Ltd, via its 100% owned subsidiary Broken Hill Alliance Pty Ltd, entered into a binding agreement with private group, Wyloo Metals Pty Ltd, to acquire EL8434 and EL8435. Under the terms of the agreement, CCZ will pay Wyloo $215,000 cash plus assign a 2% NSR in the event of future mining operations materialising.

Subject to securing NSW ministerial approval and completing tenement transfers by 31 July 2021, CCZ is set to own EL8434 (611.9 km2) and EL8435 (72.4 km2). On an aggregated basis, this lifts CCZ's tenure package in the region to 801.3km2 from 117km2 previously.

Other than the above, there are no other known material significant events from the end of the financial year to the date of this report that have significantly affected, or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial periods.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

Castillo Copper remains focused on progressing its three (3) pillared strategy which includes continued exploration efforts at Mt Oxide in Queensland, Cangai Copper Mine in New South Wales and its four Zambian properties.

ENVIRONMENTAL REGULATION AND PERFORMANCE

The operations of the Group are presently subject to environmental regulation under the laws of the Commonwealth of Australia and the States of Queensland and New South Wales and the Republic of Zambia. The Group is, to the best of its knowledge, at all times in full environmental compliance with the conditions of its licenses.

SHARE OPTIONS

As at the date of this report, there were 263,462,786 unissued ordinary shares under options. The details of the unlisted options at the date of this report are as follows:

Number	Exercise Price $	Expiry Date
15,000,000	0.05	1 February 2022
5,000,000	0.05	31 December 2023
17,000,000	0.10	31 December 2023
57,716,574	0.05	1 August 2022
55,291,667	0.05	2 December 2022
9,000,000	0.05	31 December 2022
104,454,545	0.05	30 June 2023

In addition to the unlisted options, there are 61,500,000 listed options (ASX:CCZO), with an exercise price of $0.05 per option and an expiry date of 27 March 2023.

No option holder has any right under the options to participate in any other share issue of the Group or any other entity.

PERFORMANCE SHARES

As part of the Zed Copper acquisition, the Group issued 2 classes of performance shares to the vendors on 20 February 2020:

46,875,000 Class A performance shares

Conditions precedent - converting to an equal number of CCZ shares on delineation of a JORC resource of 200,000 tonnes of contained copper at a minimum grade of 0.5% within 5 years of execution of the Share Sale Agreement.

46,875,000 Class B performance shares

Conditions precedent - converting to an equal number CCZ shares on completion of a preliminary feasibility study demonstrating an internal rate of return greater than 25% within 5 years of execution of the Share Sale Agreement.

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

The Group has made an agreement indemnifying all the Directors and Officers of the Group against all losses or liabilities incurred by each Director or Officer in their capacity as Directors or Officers of the Group to the extent permitted by the Corporation Act 2001. The indemnification specifically excludes wilful acts of negligence. The Group paid insurance premiums in respect of Directors' and Officers' Liability Insurance contracts for current officers of the Group. The liabilities insured are damages and legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the Officers in their capacity as Officers of entities in the Group. The total amount of insurance premiums paid has not been disclosed due to confidentiality reasons.

PROCEEDINGS ON BEHALF OF THE GROUP

No person has applied for leave of the court to bring proceedings on behalf of the Group or intervene in any proceedings to which the Group is a party for the purpose of taking responsibility on behalf of the Group for all or any part of those proceedings. The Group was not a party to any such proceedings during the year.

INDEMNITY AND INSURANCE OF AUDITOR

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

CORPORATE GOVERNANCE

In recognising the need for the highest standards of corporate behaviour and accountability, the Directors of Castillo Copper Limited support and have adhered to the principles of sound corporate governance. The Board recognises the recommendations of the Australian Securities Exchange Corporate Governance Council and considers that Castillo Copper is in compliance with those guidelines to the extent possible, which are of importance to the commercial operation of a junior listed resources company. During the financial year, shareholders continued to receive the benefit of an efficient and cost effective corporate governance policy for the Group. The Group's Corporate Governance Statement and disclosures can be found at https://www.castillocopper.com/corporate-governance/

AUDITOR'S INDEPENDENCE AND NON-AUDIT SERVICES

Section 307C of the Corporations Act 2001 requires the Group's auditors to provide the Directors of Castillo Copper Limited with an Independence Declaration in relation to the audit of the financial report. A copy of that declaration is included on page 54.

Non-audit services provided by the Group's auditor amounted to $5,000 in relation to verifying documents in anticipation of the upcoming LSE Listing.

Signed in accordance with a resolution of the Directors.

On behalf of the Directors.

Simon Paull

Managing Director

30 September 2020

Competent Person's Statement

The information in this report that relates to Exploration Results for the Mt Oxide pillar contained in this announcement is based on a fair and accurate representation of the publicly available information at the time of compiling the ASX Release, and is based on information and supporting documentation compiled by Matthew Stephens, a Competent Person who is Fellow of the Australian Institute of Geoscientists. Mr Stephens is Consultant Resource Geologist employed by Xplore Resources Pty Ltd. Mr Stephens 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'. Mr Stephens consents to the inclusion in the report of the matters based on his information and the form and context in which it appears.

The information on the page that relates to Exploration Results for the Luanshya Project is based on information compiled or reviewed by Mr Matt Bull, a consultant to Castillo Copper Limited. Mr Bull is a member of the Australian Institute of Geoscientists and has sufficient experience of relevance to the styles of mineralisation and types of deposits under consideration, and to the activities undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Bull consents to the inclusion in this report of the matters based on information in the form and context in which it appears.

The information on the page that relates to Exploration Results is based on information compiled or reviewed by Mr Mark Biggs, a consultant of Castillo Copper Limited. Mr Biggs is a member of the Australian Institute of Mining and Metallurgy (member #107188) and has sufficient experience of relevance to the styles of mineralisation and types of deposits under consideration, and to the activities undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, and Mineral Resources . Mr Biggs holds a AusIMM Online Course Certificate in 2012 JORC Code Reporting. Mr Biggs also consents to the inclusion in this report of the matters based on information in the form and context in which it appears.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

for the year ended 30 June 2020

	Notes	2020 $	2019 $
Interest received		708	2,197
Other income	25	81,005	2,716
		81,713	**4,913**
Listing and public company expenses		(122,175)	(89,205)
Accounting and audit expenses		(130,892)	(170,623)
Consulting and Directors' fees		(612,824)	(343,178)
Impairment of deferred exploration and evaluation expenditure	7	(19,011)	(976,819)
Share-based payments	22	(229,095)	(27,738)
Finance expense		(60,220)	-
Other expenses	4	(749,666)	(322,332)
LOSS BEFORE INCOME TAX		**(1,842,170)**	**(1,924,982)**
Income tax expense	5	-	-
LOSS AFTER INCOME TAX		**(1,842,170)**	**(1,924,982)**
OTHER COMPREHENSIVE INCOME *Item that may be reclassified subsequently to profit or loss*			
Foreign currency translation		(28,520)	7,173
TOTAL OTHER COMPREHENSIVE INCOME		**(28,520)**	**7,173**
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		**(1,870,690)**	**(1,917,809)**
Basic and diluted loss per share (cents per share)	14	(0.25)	(0.31)

The accompanying notes form part of these financial statements.

Consolidated Statement of Financial Position

as at 30 June 2020

	Notes	2020	2019
		$	$
CURRENT ASSETS			
Cash and cash equivalents	13	3,129,958	177,972
Other receivables	6	63,718	21,933
TOTAL CURRENT ASSETS		**3,193,676**	**199,905**
NON-CURRENT ASSETS			
Other receivables	6	117,100	106,100
Deferred exploration and evaluation expenditure	7	5,748,198	4,777,776
Other non-current assets	8	-	25,000
TOTAL NON-CURRENT ASSETS		**5,865,298**	**4,908,876**
TOTAL ASSETS		**9,058,974**	**5,108,781**
CURRENT LIABILITIES			
Trade and other payables	9	443,559	128,764
Rehabilitation provision	10	121,090	121,090
TOTAL CURRENT LIABILITIES		**564,649**	**249,854**
TOTAL LIABILITIES		**564,649**	**249,854**
NET ASSETS		**8,494,325**	**4,858,927**
EQUITY			
Issued capital	11	23,034,322	17,870,979
Reserves	12	3,214,470	2,900,245
Accumulated losses		(17,754,467)	(15,912,297)
TOTAL EQUITY		**8,494,325**	**4,858,927**

The accompanying notes form part of these financial statements.

Consolidated Statement of Changes in Equity
for the year ended 30 June 2020

	Issued capital $	Share based payment reserve $	Foreign currency translation reserve $	Accumulated losses $	Total $
Balance at 1 July 2019	**17,870,979**	**3,023,570**	**(123,325)**	**(15,912,297)**	**4,858,927**
Loss for the year	-	-	-	(1,842,170)	**(1,842,170)**
Other comprehensive loss	-	-	(28,520)	-	**(28,520)**
Total comprehensive loss	**-**	**-**	**(28,520)**	**(1,842,170)**	**(1,870,690)**
Transactions with owners in their capacity as owners					
Shares issued to sophisticated investors	3,920,013	-	-	-	**3,920,013**
Shares issued to advisors	75,000	-	-	-	**75,000**
Conversion of convertible notes	880,610	-	-	-	**880,610**
Shares issued to consultants	128,970	-	-	-	**128,970**
Shares issued per Zed Copper	562,500	-	-	-	**562,500**
Share issue costs	(403,750)	-	-	-	**(403,750)**
Share-based payments	-	169,125	-	-	**169,125**
Option payments	-	113,400	-	-	**113,400**
Equity component on convertible notes	-	60,220	-	-	**60,220**
Balance as at 30 June 2020	**23,034,322**	**3,366,315**	**(151,845)**	**(17,754,467)**	**8,494,325**

	Issued capital $	Share based payment reserve $	Foreign currency translation reserve $	Accumulated losses $	Total $
Balance at 1 July 2018	**16,767,910**	**2,943,901**	**(130,498)**	**(13,987,315)**	**5,593,998**
Loss for the year	-	-	-	(1,924,982)	**(1,924,982)**
Other comprehensive loss	-	-	7,173		**7,173**
Total comprehensive loss	**-**	**-**	**7,173**	**(1,924,982)**	**(1,917,809)**
Transactions with owners in their capacity as owners					
Shares issued to sophisticated	1,230,000	-	-	-	**1,230,000**
Share based payments	-	27,738	-	-	**27,738**
Share issue costs	(126,931)	51,931	-		**(75,000)**
Balance as at 30 June 2019	**17,870,979**	**3,023,570**	**(123,325)**	**(15,912,297)**	**4,858,927**

The accompanying notes form part of these financial statements.

Consolidated Statement of Cash Flows

for the year ended 30 June 2020

	Notes	2020 $	2019 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Interest received		708	2,197
Other receipts – insurance proceeds	25	81,005	-
Payments to suppliers and employees		(1,126,983)	(887,103)
NET CASH USED IN OPERATING ACTIVITIES	13	**(1,045,270)**	**(884,906)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Tenement expenditure guarantees		(18,500)	(86,100)
Refund from rent		23,993	-
Proceeds from sale of plant and equipment		-	2,716
Payments for subsidiaries	8	(25,000)	(25,000)
Exploration and evaluation expenditure		(376,194)	(1,704,236)
NET CASH USED IN INVESTING ACTIVITIES		**(395,701)**	**(1,812,620)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from share issue	11	3,920,013	1,230,000
Proceeds from convertible note issue	24	880,610	-
Prepayment for issue of shares		(10,000)	10,000
Share issue costs	11	(403,750)	(75,000)
NET CASH FROM FINANCING ACTIVITIES		**4,386,873**	**1,165,000**
Net (decrease) / increase in cash and cash equivalents		2,945,902	(1,532,526)
Cash and cash equivalents at beginning of year		**177,972**	**1,710,498**
Foreign exchanges variances on cash		6,084	**-**
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	13	**3,129,958**	**177,972**

The accompanying notes form part of these financial statements.

1. Corporate Information

The financial report of Castillo Copper Limited and its subsidiaries ("Castillo Copper" or "the Group") for the year ended 30 June 2020 was authorised for issue in accordance with a resolution of the Directors on 30 September 2020.

Castillo Copper Limited is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange and London Stock Exchange. The nature of the operations and the principal activities of the Group are described in the Directors' Report.

2. Summary of Significant Accounting Policies

(a) Basis of Preparation

The financial report is a general-purpose financial report, which has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001. The Group is a for profit entity for financial reporting purposes under Australian Accounting Standards.

The financial report has been prepared on an accrual basis and is based on historical costs. Material accounting policies adopted in preparation of this financial report are presented below and have been consistently applied unless otherwise stated.

The presentation currency is Australian dollars.

(b) Statement of Compliance

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS).

(c) Adoption of new and revised standards

Standards and Interpretations applicable 30 June 2020

In the year ended 30 June 2020, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Company and effective for the current annual reporting period. As a result of this review, the Directors have determined that there is no material impact of the new and revised Standards and Interpretations on the Group and, aside from the implementation of AASB 16 Leases as outlined below, therefore, no material change is necessary to Group accounting policies.

Standards and interpretations in issue not yet adopted

The Directors have also reviewed all Standards and Interpretations in issue not yet adopted for the period 30 June 2020. As a result of this review the Directors have determined that there is no material impact of the Standards and Interpretations in issue not yet adopted on the Company.

Change in Accounting Policy

AASB 16 Leases supersedes AASB 117 Leases. The Group has adopted AASB 16 from 1 July 2019 which has resulted in changes in the classification, measurement and recognition of leases. The changes result in almost all leases where the Group is the lessee being recognised on the Statement of Financial Position and removes the former distinction between 'operating' and 'finance' leases. The new standard requires recognition of a right-of-use asset (the leased item) and a financial liability (to pay rentals). The exceptions are short-term leases and leases of low value assets.

The Group has adopted AASB 16 using the modified retrospective approach under which the reclassifications of the adjustments arising from the new leasing rules are recognised in the opening Statement of Financial Position on 1 July 2019. Under this approach, there is no initial impact on accumulated losses, and comparatives have not been restated.

Prior to 1 July 2019, leases were classified as operating leases. Payments made under operating leases were charged to profit and loss on a straight-line basis over the period of the lease.

From 1 July 2019, where the Company is the lessee, the Group recognises a right-of-use asset and a corresponding liability at the date which the lease asset is available for use by the Group (i.e. commencement date). Each lease payment is allocated between the liability and the finance cost.

The finance cost is charged to profit or loss over the lease period so as to produce a consistent period rate of interest on the remaining balance of the liability for each period.

The lease liability is initially measured at the present value of the lease payments that are not paid at commencement date, discounted using the rate implied in the lease. If this rate is not readily determinable, the Group uses its incremental borrowing rate.

Lease payments included in the initial measurement if the lease liability consist of:

- Fixed lease payments less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at commencement date;
- Any amounts expected to be payable by the Group under residual value guarantees;
- The exercise price of purchase options, if the Group is reasonably certain to exercise the options; and
- Termination penalties of the lease term reflects the exercise of an option to terminate the lease.

Subsequent to initial recognition, the lease liability is measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made. The lease liability is remeasured (with a corresponding adjustment to the right-of-use asset) whenever there is a change in the lease term (including assessments relating to extension and termination options), lease payments due to changes in an index or rate, or expected payments under guaranteed residual values.

Right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before commencement date, less any lease incentives received and any initial direct costs. These right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses.

Where the terms of lease require the Group to restore the underlying asset, or the Group has an obligation to dismantle and remove a leased asset, the provision is recognised and measured in accordance with AASB 137. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset.

Right-of-use assets are depreciated on a straight-line basis over the term of the lease (or the useful life of the leased asset if this is shorter). Depreciation starts on commencement date of the lease. Where leases have a term of less than 12 months or relate to low value assets, the group applies the optional exemptions to not capitalise these leases and instead accounts for the lease expense on a straight-line basis over the lease term.

The Group does not have any leases that AASB16 is applicable to and there is no material impact from adopting this standard.

(d) Going Concern

This report has been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and settlement of liabilities in the normal course of business.

The Group incurred a net loss for the year ended 30 June 2020 of $1,842,170 and net cash outflows from operating activities of $1,045,270, net cash outflows from investing activities of $395,701 and net cash inflows from financing activities of $4,386,873. At 30 June 2020, the Group had a net asset position of $8,494,325. The cash and cash equivalents balance at 30 June 2020 was $3,129,958.

On 4 August 2020, the Company completed an initial capital raising of £1,345,000 (~AUD$2,460,000) via placing of 79,117,618 new ordinary shares at a price of 1.7 pence each and commenced trading on the London Stock Exchange Plc.

The directors have reviewed the Group's financial position and are of the opinion that the use of the going concern basis of accounting is appropriate.

(e) Basis of Consolidation

The consolidated financial statements comprise the financial statements of Castillo Copper Limited and its subsidiaries as at 30 June each year ('the Company').

Subsidiaries are all those entities (including special purpose entities) over which the Company has control. The Company controls an entity when the company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the Group.

The financial statements of the subsidiaries are prepared for the same reporting period as the parent Company, using consistent accounting policies.

In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profit and losses resulting from intra-company transactions have been eliminated in full.

Subsidiaries are fully consolidated from the date on which control is obtained by the Company and cease to be consolidated from the date on which control is transferred out of the Company.

A change in the ownership interest of a subsidiary that does not result in a loss of control, is accounted for as an equity transaction.

(f) Foreign Currency Translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Company's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The functional and presentation currency of Castillo Copper Limited is Australian dollars. The functional currency of the Chilean subsidiary is Chilean Peso.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

(iii) Group entities

The results and financial position of all the Company entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- income and expenses for each statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities are taken to foreign currency translation reserve.

When a foreign operation is sold or any borrowings forming part of the net investment are repaid, a proportionate share of such exchange differences are recognised in the statement of comprehensive income, as part of the gain or loss on sale where applicable.

(g) Plant and Equipment

Each class of plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment losses.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. Repairs and maintenance expenditure is charged to the statement of comprehensive income during the financial period in which it is incurred.

Depreciation

The depreciable amount of all fixed assets is depreciated on a straight line basis over their useful lives to the Group commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	*Depreciation Rate*
Furniture, Fixtures and Fittings	10%
Computer and software	20% - 35%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each statement of financial position date.

Derecognition

Additions of plant and equipment are derecognised upon disposal or when no further future economic benefits are expected from their use or disposal.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are recognised in the statement of comprehensive income.

(h) Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets of the Group. In such cases the asset is tested for impairment as part of the cash generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at revalued amount (in which case the impairment loss is treated as a revaluation decrease).

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase.

After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

(i) Exploration and evaluation expenditure

Exploration and evaluation expenditure incurred by or on behalf of the Group is accumulated separately for each area of interest. Such expenditure comprises net direct costs and an appropriate portion of related overhead expenditure, but does not include general overheads or administrative expenditure not having a specific nexus with a particular area of interest.

Each area of interest is limited to a size related to a known or probable mineral resource capable of supporting a mining operation.

Exploration and evaluation expenditure for each area of interest is carried forward as an asset provided that one of the following conditions is met:

- such costs are expected to be recouped through successful development and exploitation of the area of interest or, alternatively, by its sale; or
- exploration and evaluation activities in the area of interest have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in relation to the area are continuing.

Expenditure which fails to meet the conditions outlined above is impaired; furthermore, the Directors regularly review the carrying value of exploration and evaluation expenditure and make write downs if the values are not expected to be recoverable.

Identifiable exploration assets acquired are recognised as assets at their cost of acquisition, as determined by the requirements of AASB 6 Exploration for and evaluation of mineral resources. Exploration assets acquired are reassessed on a regular basis and these costs are carried forward provided that at least one of the conditions referred to in AASB 6 is met.

Exploration and evaluation expenditure incurred subsequent to acquisition in respect of an exploration asset acquired, is accounted for in accordance with the policy outlined above for exploration expenditure incurred by or on behalf of the entity.

Acquired exploration assets are not written down below acquisition cost until such time as the acquisition cost is not expected to be recovered.

When an area of interest is abandoned, any expenditure carried forward in respect of that area is written off.

Expenditure is not carried forward in respect of any area of interest/mineral resource unless the Group's rights of tenure to that area of interest are current.

(j) Trade and Other Receivables

Trade receivables, which generally have 30 – 90 day terms, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts.

Impairment of trade receivables is continually reviewed and those that are considered to be uncollectible are written off by reducing the carrying amount directly. An allowance account is used when there is objective evidence that the Group will not be able to collect all amounts due according to the original contractual terms. Furthermore, the Group applies the simplified approach permitted by AASB 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. Factors considered by the Group in making this determination include known significant financial difficulties of the debtor, review of financial information and significant delinquency in making contractual payments to the Group. The impairment allowance is set equal to the difference between the carrying amount of the receivable and the present value of estimated future cash flows, discounted at the original effective interest rate. Where receivables are short-term, discounting is not applied in determining the allowance.

The amount of the impairment loss is recognised in the statement of comprehensive income within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the statement of comprehensive income.

(k) Cash and Cash Equivalents

Cash and short term deposits in the statement of financial position include cash on hand, deposits held at call with banks and other short term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown as current liabilities in the statement of financial position. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as described above.

(l) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of comprehensive income net of any reimbursement.

Provisions are measured at the present value or management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money, and where appropriate, the risks specific to the liability.

Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Restoration and rehabilitation

Refer to Note 2(n) for the Group's policy in respect of restoration and rehabilitation.

(m) Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Capitalised exploration and evaluation expenditure

The future recoverability of capitalised exploration and evaluation expenditure is dependent on a number of factors, including whether the Group decides to exploit the related lease itself or, if not, whether it successfully recovers the related exploration and evaluation asset through sale.

Factors which could impact the future recoverability include the level of proved, probable and inferred mineral resources, future technological changes which could impact the cost of mining, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

To the extent that capitalised exploration and evaluation expenditure is determined not to be recoverable in the future, this will reduce profits and net assets in the period in which this determination is made.

In addition, exploration and evaluation expenditure is capitalised if activities in the area of interest have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves. To the extent that it is determined in the future that this capitalised expenditure should be written off, this will reduce profits and net assets in the period in which this determination is made.

Share-based payment transactions
The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using a Black and Scholes model, using the assumptions detailed in note 11.

Rehabilitation provision

The Group's mining and exploration activities are subject to various laws and regulations governing the protection of the environment. The Group recognises management's best estimate for asset retirement obligations in the period in which they are incurred. Actual costs incurred in the future periods could differ materially from the estimates. Additionally, future changes to environmental laws and regulations, life of mine estimates and discount rates could affect the carrying amount of this provision.

(n) Rehabilitation provision
A provision for rehabilitation and restoration is recognised when there is a present obligation as a result of activities undertaken, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the provision can be measured reliably. The estimated future obligations include the costs of abandoning sites, removing facilities and restoring the affected areas.

The provision for future restoration costs is the best estimate of the present value of the expenditure required to settle the restoration obligation at the balance date. Future restoration costs are reviewed annually and any changes in the estimate are reflected in the present value of the restoration provision at each balance date.

The initial estimate of the restoration and rehabilitation provision is capitalised into the cost of the related asset and amortised on the same basis as the related asset, unless the present obligation arises from the production of inventory in the period, in which case the amount is included in the cost of production for the period. Changes in the estimate of the provision for rehabilitation are treated in the same manner, except that the unwinding of the effect of discounting on the provision is recognised as a finance cost rather than being capitalised into the cost of the related asset.

(o) Income Tax
Deferred income tax is provided for on all temporary differences at balance date between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes.

No deferred income tax will be recognised from the initial recognition of goodwill or of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss. No deferred income tax will be recognised in respect of temporary differences associated with investments in subsidiaries if the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary differences will not reverse in the near future.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the statement of comprehensive income except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised for all deductible temporary differences, carry forward of unused tax assets and unused tax losses to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on tax rates (and tax laws) that have been enacted or substantially enacted at the balance date and the anticipation that the Group will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law. The carrying amount of deferred tax assets is reviewed at each balance date and only recognised to the extent that sufficient future assessable income is expected to be obtained. Income taxes relating to items recognised directly in equity are recognised in equity and not in the statement of comprehensive income.

(p) Issued capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(q) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue is capable of being reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Interest income

Revenue is recognised as the interest accrues (using the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument) to the net carrying amount of the financial asset.

(r) Earnings / loss per share

Basic earnings / loss per share

Basic earnings / loss per share is calculated by dividing the profit/loss attributable to equity holders of the Group, excluding any costs of servicing equity other than dividends, by the weighted average number of ordinary shares, adjusted for any bonus elements.

Diluted earnings / loss per share

Diluted earnings / loss per share is calculated as net profit/loss attributable to members of the Group, adjusted for:

- costs of servicing equity (other than dividends) and preference share dividends;
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares; and
- divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus elements.

(s) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

The net amount of GST recoverable from, or payable to, the Australian Tax Office is included as part of receivables or payables in the statement of financial position.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(t) Trade and other payables

Liabilities for trade creditors and other amounts are measured at amortised cost, which is the fair value of the consideration to be paid in the future for goods and services received that are unpaid, whether or not billed to the Group.

(u) Share-based payment transactions

The Group provides benefits to individuals acting as, and providing services similar to employees (including Directors) of the Group in the form of share based payment transactions, whereby individuals render services in exchange for shares or rights over shares ('equity settled transactions').

The cost of these equity settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by using the Black Scholes formula taking into account the terms and conditions upon which the instruments were granted, as discussed in note 22.

In valuing equity settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of Castillo Copper Limited ('market conditions').

The cost of the equity settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ('vesting date').

The cumulative expense recognised for equity settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the number of awards that, in the opinion of the Directors of the Group, will ultimately vest. This opinion is formed based on the best available information at balance date. No adjustment is made for the likelihood of the market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The statement of comprehensive income charge or credit for a period represents the movement in cumulative expense recognised at the beginning and end of the period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition.

Where the terms of an equity settled award are modified, as a minimum, an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any increase in the value of the transaction as a result of the modification, as measured at the date of the modification.

Where an equity settled award is cancelled, it is treated as if it had vested on the date of the cancellation, and any expense not yet recognised for the award is recognised immediately. However if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph. The cost of equity-settled transactions with non-employees is measured by reference to the fair value of goods and services received unless this cannot be measured reliably, in which case the cost is measured by reference to the fair value of the equity instruments granted. The dilutive effect, if any, of outstanding options is reflected in the computation of loss per share (see note 14).

(v) Comparative information

When required by Accounting Standards, comparative information has been reclassified to be consistent with the presentation in the current year.

(w) Operating segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

(x) Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principle market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interest. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified, into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed each reporting date and transfers between levels are determined based on a reassessment of the lowest level input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

(y) Parent entity financial information

The financial information for the parent entity, Castillo Copper Limited, disclosed in Note 18 has been prepared on the same basis as the consolidated financial statements, except as set out below.

Investments in subsidiaries, associates and joint venture entities

Investments in subsidiaries, associates and joint venture entities are accounted for at cost in the parent entity's financial statements. Dividends received from associates are recognised in the parent entity's profit or loss, rather than being deducted from the carrying amount of these investments.

3. Segment Information

Management has determined the operating segments based on the reports reviewed by the Board of Directors that are used to make strategic decisions. The entity has two geographical segments being exploration in Australia (non-current assets of $5,153,368) and Africa (non-current assets of $711,930). Revenue attributable to both segments is immaterial.

4. Other expenses

	2020	2019
	$	$
Travel and accommodation	64,789	59,305
Legal	444,101	116,432
Other	240,776	146,595
Total other expenses	749,666	322,332

5. Income Tax

	2020 $	2019 $
(a) Income tax expense		
Major component of tax expense for the year:		
Current tax	-	-
Deferred tax	-	-
	-	-

(b) Numerical reconciliation between aggregate tax expense recognised in the statement of comprehensive income and tax expense calculated per the statutory income tax rate

A reconciliation between tax expense and the product of accounting result before income tax multiplied by the Group's applicable tax rate is as follows:

Loss from continuing operations before income tax expense	(1,842,170)	(1,924,982)
Tax at the Australian rate of 30% (2019: 27.5%)	(552,651)	(529,370)
Income tax benefit not bought to account	552,651	529,370
Income tax expense	-	-

(c) The following deferred tax balances have not been bought to account:

	2020	2019
Assets	$	$
Total losses available to offset against future taxable income	7,125,637	6,007,944
Total accrued expenses	72,184	19,986
Total share issue costs deductible over five years	322,869	13,428
Deferred tax liability on capitalised exploration costs	(77,548)	(407,831)
Deferred tax assets not brought to account as realisation is not regarded as probable	(7,443,142)	(5,633,527)
Deferred tax asset recognised	-	-

	2020	2019
	$	$
(d) Unused tax losses		
Unused tax losses	24,810,474	20,572,409
Potential tax benefit not recognised at 30% (2019: 27.5%)	7,443,142	5,657,413

The benefit for tax losses will only be obtained if:

(i) the Group derives future assessable income in Australia of a nature and of an amount sufficient to enable the benefit from the deductions for the losses to be realised;

(ii) the Group continues to comply with the conditions for deductibility imposed by tax legislation in Australia; and

(iii) no changes in tax legislation in Australia, adversely affect the Group in realising the benefit from the deductions for the losses.

6. Other Receivables

Current		
GST/VAT receivable	44,143	16,460
Prepayments	19,575	5,473
	63,718	**21,933**
Non-Current		
Tenement guarantees	**117,100**	**106,100**

There are no current tenement guarantees.

7. Deferred Exploration and Evaluation Expenditure

Exploration and evaluation phase:		
Opening balance	4,777,776	3,978,765
Exploration and evaluation expenditure on acquisition of Zed Copper Pty Ltd[1]	612,500	-
Exploration and evaluation expenditure during the period	376,933	1,654,740
Rehabilitation capitalised against asset	-	121,090
Impairment[2]	(19,011)	(976,819)
Closing balance	**5,748,198**	**4,777,776**

The recoupment of costs carried forward in relation to areas of interest in the exploration and evaluation phase is dependent on the successful development and commercial exploration or sale of respective areas.

[1]Expenditure acquired on completion of the acquisition of Zed Copper Pty Ltd.

[2]These impairments relate predominantly to the Marlborough Project in the current year as the tenements were relinquished. In the prior year it related to the Broken Hill project as the Directors did not plan to expend further funds on this project at that time.

8. Asset Acquisition

The Group completed the acquisition of Zed Copper Pty Ltd ("Zed") on 20 February 2020 for a total purchase consideration of

- $25,000 in cash, on execution of the Terms Sheet (paid in June 2019).
- $25,000 in cash, on execution of the Share Sale Agreement.
- On completion of the sale and purchase of the Sale Shares:
  - 31,250,000 fully ordinary shares,
  - 46,875,000 class A performance shares, converting to an equal number of Buyer Shares on delineation of a JORC resource of 200,000 tonnes of contained copper within 5 years of execution of the Share Sale Agreement, and
  - 46,875,000 class B performance shares, converting to an equal number of Buyer Shares on completion of a pre-feasibility study demonstrating an internal rate of turn return greater than 25% within 6 years of execution of the Share Sale Agreement.
  - A royalty deed providing from a net smelter return royalty of 2% on the sale of concentrates from the Projects, payable to sellers.

Zed is not considered a business under AASB 3 Business Combination; and the acquisition is accounted for as an acquisition of exploration assets.

Consideration paid

	2020 **$**	**2019** **$**
Cash	50,000	25,000
31,250,000 ordinary shares	562,500	-
46,875,000 class A performance shares[1]	-	-
46,875,000 class B performance shares[1]	-	-
Total	612,500	25,000

[1]As the performance conditions are dependent upon future exploration results, no value has been ascribed to the Class A & Class B Performance Shares as at balance date.

9. Trade and other payables

	2020	2019
Current	**$**	**$**
Trade and other payables	130,270	46,089
Accruals	313,289	72,675
Prepayment for unissued share capital[1]	-	10,000
	443,559	**128,764**

[1]Castillo received payment for the subscription to 500,000 Castillo shares at 2 cents per share, under the same terms as the Placement, subject to shareholder approval. Shareholder approval was received on 29 January 2019, the issue did not eventuate. The amount was repaid during the 2020 year.

Trade and other payables are non-interest bearing and payable on demand. Due to their short-term nature, the carrying value of trade and other payables is assumed to approximate their fair value.

10. Rehabilitation Provision

	2020	2019
	$	**$**
Rehabilitation provision	121,090	121,090
	121,090	**121,090**

Rehabilitation provision		
Opening balance	121,090	-
Provided during the year	-	121,090
Closing balance	**121,090**	**121,090**

11. Issued Capital

	2020	2019
(a) Issued and paid up capital	**$**	**$**
Ordinary shares fully paid	**23,034,322**	**17,870,979**

	2020		2019	
	Number of shares	**$**	**Number of shares**	**$**
(b) Movements in ordinary shares on issue				
Opening balance	641,594,475	17,870,979	580,094,475	16,767,910
Shares issued to sophisticated investors	186,329,545	3,920,013	61,500,000	1,230,000
Shares issued to advisors	3,750,000	75,000		
Conversion of convertible notes	57,716,574	880,610		
Shares issued to consultants	6,082,471	128,970		
Shares issued per Zed Copper acquisition (Note 8)	31,250,000	562,500	-	-
Transaction costs on share issue	-	(403,750)	-	(126,931)
	926,723,065	23,034,322	641,594,475	17,870,979

(c) Ordinary shares

The Group does not have authorised capital nor par value in respect of its issued capital. Ordinary shares have the right to receive dividends as declared and, in the event of a winding up of the Company, to participate in the proceeds from sale of all surplus assets in proportion to the number of and amounts paid up on shares held. Ordinary shares entitle their holder to one vote, either in person or proxy, at a meeting of the Company.

(d) Share options

At 30 June 2020 there were 95,000,000 (2019: 104,500,000) unlisted options with various exercise prices and expiry dates and 61,500,000 listed options (ASX:CCZO), with an exercise price of $0.05 per option and an expiry date of 27 March 2023 on issue.

The following share-based payment arrangements for options in existence during the period:

Series	Number	Grant date	Expiry date	Exercise price $	Fair value at grant date	Vesting date
1	15,000,000	5 July 2017	5 July 2020[2]	$0.03	$0.008	5 July 2017
2	6,000,000	5 July 2017	30 June 2020[2]	$0.03	$0.0085	5 July 2017
3	4,000,000	19 October 2017	30 June 2020[2]	$0.03	$0.0229	19 October 2017
4	42,500,000	24 October 2017	24 October 2019[2]	$0.065	$0.0159	24 October 2017
5	17,000,000	16 May 2018	31 December 2023	$0.10	$0.018	16 May 2018
6	15,000,000	1 February 2019	1 February 2022	$0.05	$0.0035	1 February 2019
7	5,000,000	1 February 2019	31 December 2023	$0.05	$0.0054	1 February 2019
8	22,000,000	6 November 2019	2 December 2022	$0.05	$0.0046	6 November 2019
9	3,000,000	6 November 2019	2 December 2022	$0.05	$0.0023	Subject to vesting conditions
10	3,000,000	27 November 2019	31 December 2022	$0.05	$0.0054	27 November 2019
11	6,000,000	31 December 2019	31 December 2022	$0.05	$0.0042	Subject to vesting conditions
12[1]	9,000,000	23 June 2020	30 June 2023	$0.05	$0.0126	23 June 2020

Notes

1. Issued to a corporate adviser for broker services rendered in relation to the Placement. Total value of $113,400, included in transaction costs on share issue.
2. Expired during the year/post year end unexercised.

Weighted remaining contractual life (years)	2.43
Weighted average exercise price	$0.002

Options granted as equity compensation benefits to Key Management Personnel during the year are set out in the audited remuneration report.

(e) Weighted average fair value

The fair value of the equity-settled options granted is estimated as at the date of grant using the Black & Scholes model taking into account the terms and conditions upon which they were granted, and the following inputs:

	Series										
	1	2	3	4	5	6	7	8	9	10	11
Expected volatility (%)	120	120	112	100	87	87	92	92	92	92	100
Risk-free interest rate (%)	2.2	2.2	1.9	1.9	1.9	1.9	0.77	0.77	0.77	0.77	0.27
Expected life of option (years)	3	3	3	5.6	3	4.9	3	3	3	3	3
Exercise price (cents)	3	3	3	10	5	5	5	5	5	5	5
Grant date share price (cents)	1.8	1.8	4.4	3.9	1.6	1.6	1.8	1.8	2.0	1.7	2.6

The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome. No other features of options granted were incorporated into the measurement of fair value.

No other options expired during the year, no options were issued or exercised during the year and no options have been issued or exercised since the end of the financial year.

(f) Performance Shares – issue for Zed Copper Pty Ltd acquisition

During the year, 46,875,000 Class A performance shares and 46,875,000 Class B performance shares were issued to vendors of Zed Copper Pty Ltd.

46,875,000 Class A performance shares

Conditions precedent - converting to an equal number of CCZ shares on delineation of a JORC resource of 200,000 tonnes of contained copper at a minimum grade of 0.5% within 5 years of execution of the Share Sale Agreement.

46,875,000 Class B performance shares

Conditions precedent - converting to an equal number CCZ shares on completion of a preliminary feasibility study demonstrating an internal rate of return greater than 25% within 5 years of execution of the Share Sale Agreement.

12. Reserves

Share based payment reserve

The share based payment reserve is used to record the value of equity benefits provided to Directors and executives as part of their remuneration and non-employees for their services.

Foreign currency translation reserve

The foreign exchange differences arising on translation of balances originally denominated in a foreign currency into the functional currency are taken to the foreign currency translation reserve. The reserve is recognised in profit or loss when the net investment is disposed of.

13. Cash and cash equivalents

Reconciliation of operating loss after tax to net the cash flows used in operations	**2020 $**	**2019 $**
Loss from ordinary activities after tax	(1,842,170)	(1,924,982)
Non-cash items		
Exploration expenditure impaired	19,011	976,819
Share-based payments	229,095	27,738
Foreign exchange gain/(loss)	(28,520)	7,173
Finance expense	60,220	-
Profit on sale of property, plant and equipment	-	(2,716)
Changes in assets and liabilities:		
Increase / (decrease) in trade and other payables	560,675	33
(Increase) / decrease in other receivables	(43,581)	31,029
Net cash flow used in operating activities	(1,045,270)	(884,906)

(b) Reconciliation of cash

Cash balance comprises:		
Cash at bank	3,129,958	177,972

Cash at bank earns interest at floating rates based on daily bank deposit rates.

14. Loss per Share

	2020	2019
	$	$
Loss used in calculating basic and dilutive EPS	(1,842,170)	(1,924,982)
	Number of Shares	
Weighted average number of ordinary shares used in calculating basic loss per share:	744,344,197	613,793,105
Effect of dilution:		
Share options		
Adjusted weighted average number of ordinary shares used in calculating diluted loss per share:	744,344,197	613,793,105
Basic and diluted loss per share (cents per share)	(0.25)	(0.31)

There have been no transactions involving ordinary shares or potential ordinary shares that would significantly change the number of ordinary shares or potential ordinary shares outstanding between the reporting date and the date of completion of these financial statements.

There are no potential ordinary shares on issue that are considered to be dilutive, therefore basic earnings per share also represents diluted earnings per share.

15. Auditor's Remuneration

The auditor of Castillo Copper Limited is HLB Mann Judd.

Amounts received or due and receivable for:

	2020	2019
Audit or review of the financial report of the entity and any other entity in the Group	35,166	31,500
Non-audit services – verifying documents for LSE listing	5,000	-
	40,166	31,500

16. Related party disclosures

a) Key management personnel

Compensation of key management personnel	2020 $	2019 $
Short term employee benefits	308,469	294,350
Post-employment benefits	-	4,560
Share-based payments	52,896	27,738
Total remuneration	361,365	326,648

b) Other transactions with key management personnel

Yingyang Pty Ltd, a company of which Mr Paull is a director, charged the Group director's fees of $41,032 (2019: $Nil) and executive fees of $70,000 (2019: $Nil). There was $30,800 outstanding at 30 June 2020 (2019: $Nil).

Loup Solitaire Pty Ltd, a company of which Mr Armstrong is a director, charged the Group director's fees of $12,000 (2019: $48,000) and executive fees of $21,850 (2019: $36,000). There was Nil outstanding at 30 June 2020 (2019: $7,700).

Yoda Consulting Pty Ltd, a company of which Mr. Smith is a director, charged the Group director's fees of $24,000 (2019: $48,000) and geological consulting fees of $31,725 (2019: $87,900). There was $Nil outstanding at 30 June 2020 (2019: $11,950).

Coverley Management Services Pty Ltd, a company of which Mr Scott is a director, charged the Group director's fees of $48,000 (2019: $26,450). There was $11,000 outstanding at 30 June 2020 (2019: $4,400).

Resource Corporation Pty Ltd, a company of which Matthew Bull is a director and shareholder, was one of the Vendors of Zed Copper Pty Ltd. The purchase consideration Resource Corporation Pty Ltd received was:

- $25,000 in cash,
- 15,625,000 fully ordinary shares,
- 23,437,500 class A performance shares, converting to an equal number of Buyer Shares on delineation of a JORC resource of 200,000 tonnes of contained copper within 5 years of execution of the Share Sale Agreement,
- 23,437,500 class B performance shares, converting to an equal number of Buyer Shares on completion of a pre-feasibility study demonstrating an internal rate of turn return greater than 25% within 5 years of execution of the Share Sale Agreement, and
- A royalty deed providing from a net smelter return royalty of 1% on the sale of concentrates from the Projects, payable to sellers.

c) Subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of Castillo Copper Limited and the following subsidiaries:

Name of Entity	**Country of Incorporation**	**Equity Holding**	
		2020	**2019**
Castillo Copper Chile SPA	Chile	100%	100%
Castillo Exploration Limited	Australia	100%	100%
Qld Commodities Pty Ltd	Australia	100%	100%
Total Iron Pty Ltd	Australia	100%	100%
Total Minerals Pty Ltd	Australia	100%	100%
Atlantica Holdings (Bermuda)	Bermuda	75%	-
Zed Copper Pty Ltd	Australia	100%	-

Castillo Copper Limited is the ultimate Australian parent entity and ultimate parent of the Group.

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and not disclosed in this note. Details of transactions between the Group and other related entities are disclosed below.

Trading transactions

The following balances were outstanding at the end of the reporting period.

	Consolidated			
	Amounts owed by related parties		Amounts owed to related partied	
	2020 $	2019 $	2020 $	2019 $
Castillo Copper Chile SPA	-	-	-	-
Castillo Exploration Limited	-	-	-	-

The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received.
There were no other related party disclosures for the year ended 30 June 2020.

17. Financial Risk Management

Exposure to interest rate, liquidity, and credit risk arises in the normal course of the Group's business. The Group does not hold or use derivative financial instruments. The Group's principal financial instruments comprise mainly of deposits with banks. The totals for each category of financial instruments are as follows:

	2020	2019
	$	$
Financial Assets		
Cash and cash equivalents	3,129,958	177,972
Other receivables (current and non-current)	161,243	128,033
	3,291,201	306,005
Financial Liabilities		
Trade and other payables	443,559	120,764

The Group uses different methods as discussed below to manage risks that arise from these financial instruments. The objective is to support the delivery of the financial targets while protecting future financial security.

(a) Capital risk management

The Group's capital comprises share capital and reserves less accumulated losses. As at 30 June 2020, the Group has net assets of $8,494,325 (2019: $4,858,927). The Group manages its capital to ensure its ability to continue as a going concern and to optimise returns to its shareholders.

(b) Liquidity Risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities.

The Group manages liquidity risk by maintaining sufficient cash facilities to meet the operating requirements of the business and investing excess funds in highly liquid short term investments. The responsibility for liquidity risk management rests with the Board of Directors.

Alternatives for sourcing future capital needs include the cash position and future equity raising alternatives. These alternatives are evaluated to determine the optimal mix of capital resources for our capital needs. The Board expects that, assuming no material adverse change in a combination of our sources of liquidity, present levels of liquidity will be adequate to meet expected capital needs.

Maturity analysis for financial liabilities

Financial liabilities of the Group comprise trade and other payables. As at 30 June 2020 any financial liabilities that are contractually maturing within 60 days have been disclosed as current. Trade and other payables that have a deferred payment date of greater than 12 months have been disclosed as non-current.

(c) Interest Rate Risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair value of financial instruments.

The Group's exposure to changes to interest rate risk relates primarily to its earnings on cash and term deposits. The Group manages the risk by investing in short term deposits.

	2020 $	2019 $
Cash and cash equivalents	3,129,958	177,972

Interest rate sensitivity

The following table demonstrates the sensitivity of the Group's statement of comprehensive income to a reasonably possible change in interest rates, with all other variables constant.

Change in Basis Points	Effect on Post Tax Loss ($) Increase/(Decrease)		Effect on Equity including retained earnings ($) Increase/(Decrease)	
	2020	**2019**	**2020**	**2019**
Increase 100 basis points	31,300	1,780	31,300	1,780
Decrease 100 basis points	(31,300)	(1,780)	(31,300)	(1,780)

A sensitivity of 100 basis points has been used as this is considered reasonable given the current level of both short term and long term Australian Dollar interest rates. This would represent two to four movements by the Reserve Bank of Australia.

(d) Credit Risk Exposures

Credit risk represents the risk that the counterparty to the financial instrument will fail to discharge an obligation and cause the Group to incur a financial loss. The Group's maximum credit exposure is the carrying amounts on the statement of financial position. The Group holds financial instruments with credit worthy third parties.

At 30 June 2020, the Group held cash at bank. These were held with financial institutions with a rating from Standard & Poors of AA or above (long term). The Group has no past due or impaired debtors as at 30 June 2020.

(e) Fair Value Measurement

There were no financial assets or liabilities at 30 June 2020 requiring fair value estimation and disclosure as they are either not carried at fair value or in the case for short term assets and liabilities, their carrying values approximate fair value.

(f) Foreign Exchange

The Group undertakes certain transactions denominated in foreign currencies hence exposures to exchange rate fluctuations arise. The Group does not manage these exposures with foreign currency derivative products. The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the balance date expressed in Australian dollars are as follows:

Chilean Peso (CLP)

	2020 $	2019 $
Assets	98,205	3,629
Liabilities	(11,760)	4,338
	86,445	(759)

British Pound Sterling (GBP)

	2020	2019
	$	$
Assets	46,934	-
Liabilities	-	-
	46,934	-

The Group is exposed to Chilean Peso (CLP) and British Pound Sterling (GBP) currency fluctuations.

The following table details the Group's sensitivity to a 10% increase and decrease in the Australian dollar against the relevant foreign currencies. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represent management's assessment of the possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. The sensitivity analysis includes external loans as well as loans to foreign operations within the Group where the denomination of the loan is in a currency other than the currency of the lender or the borrower. A positive number indicates an increase in profit and equity where the Australian Dollar weakens against the respective currency. For a strengthening of the Australian Dollar against the respective currency there would be an equal and opposite impact on the profit and equity and the balances below would be negative.

10% Increase

	2020	2019
	$	$
Profit/(loss) and equity – CLP	8,645	(76)
Profit/(loss) and equity – GBP	4,693	-
	13,338	(76)

10% Decrease

	2020	2019
	$	$
Profit/(loss) and equity – CLP	(8,645)	76
Profit/(loss) and equity – GBP	(4,693)	-
	(13,338)	76

18. Parent Entity Information

The following details information related to the parent entity, Castillo Copper Limited, at 30 June 2020. The information presented here has been prepared using consistent accounting policies as presented in note 2.

	2020 $	2019 $
Current assets	3,192,418	190,275
Non-current assets	3,395,588	3,157,096
Total assets	**6,588,006**	**3,347,371**
Current liabilities	552,890	249,854
Non-current liabilities	-	-
Total liabilities	**552,890**	**249,854**
Net assets	**6,035,116**	**3,097,517**
Issued capital	23,034,322	17,870,979
Reserves	3,366,314	3,023,570
Accumulated losses	(20,365,520)	(17,797,032)
Total equity	**6,035,116**	**3,097,517**
Loss of the parent entity	(2,568,488)	(3,679,219)
Other comprehensive income for the year	-	-
Total comprehensive loss of the parent entity	**(2,568,488)**	**(3,679,219)**

a) Guarantees
Castillo Copper Limited has not entered into any guarantees in relation to the debts of its subsidiary.

b) Other Commitments and Contingencies
Castillo Copper Limited has not entered into any commitments and does not have any known contingent liabilities at year end.

19. Contingent liabilities

The Company has entered into the following royalty agreements:

- 1% net smelter return royalty in respect of the area covered by the tenements acquired from Qld Commodities Pty Ltd vendors (or their nominee);
- 3% net smelter return royalty in respect of the area covered by the tenements acquired from Total Minerals Pty Ltd vendors (or their nominee);
- 3% net smelter return royalty in respect of the area covered by the tenements acquired from Total Iron Pty Ltd vendors (or their nominee).
- 2% net smelter return royalty in respect of the area covered by the tenements acquired from Zed Copper Pty Ltd vendors (or their nominee).

Other than outlined above, there are no contingent liabilities.

20. Commitments

In order to maintain current contractual rights concerning its mineral projects, the Group has certain commitments to meet minimum expenditure requirements. The current minimum commitments at balance date but not recognised as liabilities are as follows:

	2020 $	2019 $
Within one year	420,719	306,428
After one year but not more than five years	1,255,000	1,455,500
Longer than five years	-	-
	1,675,719	1,761,928

21. Dividends

No dividend was paid or declared by the Group in the period since the end of the financial year, and up to the date of this report. The Directors' do not recommend that any amount be paid by way of a dividend for the financial year ended 30 June 2020.

The balance of the franking account is Nil at 30 June 2020 (2019: Nil).

22. Share-based payments

(a) Shares issued to suppliers During the year, 6,082,471 fully paid ordinary shares were issued to suppliers in lieu of cash payment of invoices.

(b) Reconciliation to share based payments expense in profit or loss:

	$
Options issued to advisors and consultants	176,199
Options issued to directors	52,896
	229,095

(c) Fair value of options

The fair value of all options noted above have been determined using the Black & Scholes model taking in to account the inputs outlined in Note 11(e).

(d) Performance Rights

During the year, 46,875,000 Class A performance shares and 46,875,000 Class B performance shares were issued to vendors of Zed Copper Pty Ltd. As the performance conditions are dependent upon future exploration results, no value has been ascribed to the Class A & Class B Performance Shares as at balance date

46,875,000 Class A performance shares

Conditions precedent - converting to an equal number of CCZ shares on delineation of a JORC resource of 200,000 tonnes of contained copper at a minimum grade of 0.5% within 5 years of execution of the Share Sale Agreement.

46,875,000 Class B performance shares

Conditions precedent - converting to an equal number CCZ shares on completion of a preliminary feasibility study demonstrating an internal rate of return greater than 25% within 5 years of execution of the Share Sale Agreement.

23. Subsequent events

On 4 August 2020, CCZ announced that it commenced trading on the London Stock Exchange as a dual-listed entity via the placing of 79,117,618 ordinary shares at a price of 1.7 pence each, raising £1,345,000 (~AUD$2,460,000) before costs.

As announced on 30 September 2020, Castillo Copper Ltd, via its 100% owned subsidiary Broken Hill Alliance Pty Ltd, entered into a binding agreement with private group, Wyloo Metals Pty Ltd, to acquire EL8434 and EL8435. Under the terms of the agreement, CCZ will pay Wyloo $215,000 cash plus assign a 2% NSR in the event of future mining operations materialising. Subject to securing NSW ministerial approval and completing tenement transfers by 31 July 2021, CCZ is set to own EL8434 (611.9 km2) and EL8435 (72.4 km2). On an aggregated basis, this lifts CCZ's tenure package in the region to 801.3km2 from 117km2 previously.

Other than set out above, there were no known material significant events from the end of the financial year to the date of this report that have significantly affected, or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial periods.

24. Borrowings

	2020 $	2019 $
Borrowings		
Convertible Notes – Host debt liability	-	-
	-	-
Derivative Liability		
Convertible Notes – Embedded derivative liability at fair value	-	-
	-	-
Total Borrowings	**-**	**-**

Refer to Note 24(b) in relation to movements in borrowings during the year

On 27 August 2019, the Company issued 26,850,000 convertible notes ('the August Notes') with a maturity date of 3 August 2020 which were convertible into ordinary shares and free attaching options at a conversion rate of $0.02 per share or at 90% of the 10 day Volume Weighted Average Price ('VWAP') provided the conversion is above $0.012. The August notes were converted into ordinary shares on 27 September 2019.

On 19 November 2019, the Company issued 3,755,500 convertible notes ('the November Notes') with a maturity date of 19 November 2020 which were convertible into ordinary shares and free attaching options at the same rate as the August Notes. The November notes were converted into ordinary shares on 3 December 2019.

On 11 December 2019, the Company issued 13,425,000 convertible notes ('the December Notes') with a maturity date of 6 December 2020 which are convertibles into ordinary shares and free attaching options at the same rate as the August Notes. The December notes were converted into ordinary shares on 23 January 2020.

a) Classification of convertible notes

In classifying the components of the convertible notes issued during the year as debt and/or equity, the Group has considered the terms of the note agreements and has determined that, as the convertible notes can be converted to share capital at the option of the holder, and the number of shares to be issued is not fixed (i.e. is determined by reference to a VWAP and denominated in a foreign currency), each contains an embedded derivative liability and host debt contract. The embedded derivative liability is calculated (at fair value) first and the residual value is assigned to the host debt contract. The embedded derivative liability is subsequently measured at fair value and movements in fair value are reflected in the statement of profit or loss and other comprehensive income.

In assessing the fair value of the embedded derivative liability, the Group engaged an independent valuation expert who applied a Monte Carlo simulation methodology, based on a variety of significant unobservable inputs. As a result, the valuation of the derivative liabilities represent a level 2 measurement within the fair value hierarchy. The key inputs to the valuation model were as follows:

	August Notes	November Notes	December Notes
Share price on issue date	$0.016	$0.020	$0.017
Implied Volatility	70%	70%	70%
Time to maturity	1 year	1 year	1 year
Risk free rate	1 to 1.5%	1 to 1.5%	1 to 1.5%
Dividend Yield	Nil	Nil	Nil

Conversion price
a) A$0.02 per share; or
b) 90% of 10-day VWAP provided the conversion is above $0.012;

Modelling
1. 1000 price iterations were run for each trading day;
2. It was assumed that the Notes would run to maturity for valuation purposes;
3. For the Notes outstanding on 31 December 2019, the maturity of the Notes was 6 December 2020

b) Reconciliation of movement in value of host debt liability

		2020	
Date	**Details**	**No. of convertible notes**	**$**
1 Jul 2019	Opening balance	-	-
27 Aug 2019	Issue of August Notes	26,850,000	462,235
27 Sep 2019	Conversion of August Notes	(26,850,000)	(462,235)
19 Nov 2019	Issue of November Notes	3,755,500	61,030
3 Dec 2019	Conversion of November Notes	(3,755,500)	(61,030)
11 Dec 2019	Issue of December Notes	13,425,000	228,740
23 Jan 2020	Conversion of December Notes	(13,425,00)	(228,740)
	Closing balance	**-**	**-**

(c) Reconciliation of movement in value of embedded derivative liability at fair value

Date	**Details**	**2020 $**
1 Jul 2019	Opening balance	-
27 Aug 2019	Issue of August Notes	38,320
27 Sep 2019	Conversion of August Notes	(38,320)
19 Nov 2019	Issue of November Notes	6,280
3 Dec 2019	Conversion of November Notes	(6,280)
11 Dec 2019	Issue of December Notes	22,300
23 Jan 2020	Conversion of December Notes	(22,300)
	Closing balance	**-**

Changes in liabilities arising from financing activities

	2020 Convertible notes $	2020 Derivative liability $	2020 Total $'
Opening balance – 1 July 2019	-	-	-
Proceeds from convertible notes issue	880,610	-	880,610
Derivative on inception	(66,900)	66,900	-
Equity component on convertible notes	(60,220)	-	(60,220)
Changes in fair value	60,220	-	60,220
Conversion of convertible notes	(813,710)	(66,900)	(880,610)
Closing balance – 30 June 2020	-	-	-

	2019 Convertible notes $	2019 Derivative liability $	2019 Total $'
Opening balance – 1 July 2018	-	-	-
Proceeds from convertible notes issue	-	-	-
Derivative on inception	-	-	-
Equity component on convertible notes	-	-	-
Changes in fair value	-	-	-
Conversion of convertible notes	-	-	-
Closing balance – 30 June 2019	-	-	-

25. Other Income

	2020 $	2019 $
Interest received	708	2,197
Insurance proceeds[1]	81,005	2,716
	81,713	**4,913**

[1]Insurance proceeds received are in relation to a claim made against costs incurred for rehabilitation works at Cangai.

The directors of the company declare that:

1. in the directors' opinion, the financial statements and accompanying notes set out on pages 21 to 50 are in accordance with the *Corporations Act 2001* and:

    a. comply with Accounting Standards and the *Corporations Regulations 2001*, professional reporting requirements and all other mandatory requirements; and

    b. give a true and fair view of the Group's financial position as at 30 June 2020 and of its performance for the year ended on that date;

2. in the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;

3. the directors have been given the declarations by the Chief Executive Officer (or equivalent) and Chief Financial Officer (or equivalent) required by section 295A.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the directors by:

Simon Paull
Managing Director
30 September 2020

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the consolidated financial report of Castillo Copper Limited for the year ended 30 June 2020, I declare that to the best of my knowledge and belief, there have been no contraventions of:

a) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

b) any applicable code of professional conduct in relation to the audit.

Perth, Western Australia	**M R Ohm**
30 September 2020	**Partner**

hlb.com.au

HLB Mann Judd (WA Partnership) ABN 22 193 232 714
Level 4, 130 Stirling Street, Perth WA 6000 / PO Box 8124 Perth BC WA 6849
T: +61 (0)8 9227 7500 E: mailbox@hlbwa.com.au

HLB MANN JUDD
ADVISORY AND ACCOUNTING

INDEPENDENT AUDITOR'S REPORT
To the members of Castillo Copper Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Castillo Copper Limited ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2020, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

a) giving a true and fair view of the Group's financial position as at 30 June 2020 and of its financial performance for the year then ended; and
b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How our audit addressed the key audit matter
Carrying amount of deferred exploration and evaluation expenditure Refer to Note 7	
In accordance with AASB 6 *Exploration for and Evaluation of Mineral Resources*, the Group capitalises all exploration and evaluation expenditure, including acquisition costs and	Our procedures included but were not limited to the following: - We obtained an understanding of the key processes associated with

hlb.com.au

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subsequently applies the cost model after recognition. We considered this to be a key audit matter due to its materiality, its importance for the users' understanding of the financial statements as a whole and the degree of audit effort involved.	management's review of the carrying values of each area of interest; - We considered the Directors' assessment of potential indicators of impairment; - We obtained evidence that the Group has current rights to tenure of its areas of interest; - We examined the exploration budget and discussed with management the nature of planned ongoing activities; - We enquired with management, reviewed ASX announcements and reviewed minutes of Directors' meetings to ensure that the Group had not resolved to discontinue exploration and evaluation at any of its areas of interest; and - We examined the disclosures made in the financial report.
Asset acquisition Refer to Notes 7 and 8	
During the year, the Group completed the acquisition of Zed Copper Pty Ltd for consideration of $50,000, 31,250,000 ordinary shares, 46,875,000 class A performance shares and 46,875,000 class B performance shares. The acquisition was accounted for as an acquisition of exploration assets with exploration expenditure of $612,500 recognised. We focused on this area as a key audit matter due to the material nature of the transaction and the complexity of the accounting for it.	Our procedures included but were not limited to the following: - We reviewed the key contractual terms in the sale agreement; - We determined whether the acquisition should be treated as an asset acquisition or a business combination; - We considered whether the accounting treatment was appropriate in accordance with relevant accounting standards; - We considered if the classification of the acquired tenements as exploration expenditure was appropriate under AASB 6 Exploration for and Evaluation of Mineral Resources; and - We assessed the adequacy of the disclosures in the financial report.

Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2020, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included within the Directors' Report for the year ended 30 June 2020.

In our opinion, the Remuneration Report of Castillo Copper Limited for the year ended 30 June 2020 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

M R Ohm
Partner

Perth, Western Australia
30 September 2020

ASX Additional Information

Additional information required by the Australian Stock Exchange Ltd and not shown elsewhere in this report is as follows. The information is current at 28 September 2020.

Distribution of Share Holders

	Ordinary Shares	
	Number of Holders	Number of Shares
1 - 1,000	47	6,611
1,001 - 5,000	14	39,349
5,001 - 10,000	50	452,064
10,001 - 100,000	1,196	52,696,270
100,001 - and over	868	956,744,428
TOTAL	**2,175**	**1,009,938,722**

There were 847 holders of ordinary shares holding less than a marketable parcel.

Quoted equity securities as at 28 September 2020

Equity Security	Quoted
Ordinary Shares	1,009,938,722
CCZO – Listed Options	61,500,000

Voting Rights

Each fully paid ordinary share carries the rights of one vote per share.

Unquoted Securities

The number of unquoted securities on issue at 28 September 2020:

Unquoted Securities	Number on Issue	Exercise Price	Expiry Date
Unquoted Options[1]	17,000,000	10c	31/12/2023
Unquoted Options[2]	5,000,000	5c	31/12/2023
Unquoted Options[3]	15,000,000	5c	1/02/2022
Unquoted Options[4]	57,716,574	5c	1/08/2022
Unquoted Options	55,291,667	5c	3/12/2022
Unquoted Options[5]	9,000,000	5c	31/12/2022
Performance Shares – Class A	46,875,000	Nil[6]	-
Performance Shares – Class B	46,875,000	Nil[7]	-
Unquoted Options	104,454,545	5c	30/06/2023

Persons holding more than 20% of a given class of unquoted securities as at 28 September 2020:

1. 47% held by Zenix Nominees Pty Ltd, 29% held by Bond Street Custodians Limited
2. 100% held by Ferber Holdings Pty Ltd <Scott Super Fund>.
3. 53% held by Zenix Nominees Pty Ltd
4. 60% held by BNP Paribas Nominees Pty Ltd
5. 33% held by Zenix Nominees Pty Ltd, 33% held by JBO Assets Pty Ltd, 33% held by TWW Assets Pty Ltd.
6. converting to an equal number of CCZ shares on delineation of a JORC resource of 200,000 tonnes of contained copper at a minimum grade of 0.5% within 5 years of execution of the Share Sale Agreement. 50% held by N & E Beltz Pty Ltd and 50% held by Resource Corporate Pty Ltd.
7. converting to an equal number CCZ shares on completion of a preliminary feasibility study demonstrating an internal rate of return greater than 25% within 5 years of execution of the Share Sale Agreement. 50% held by N & E Beltz Pty Ltd and 50% held by Resource Corporate Pty Ltd.

Substantial Shareholders

There are no substantial shareholders.

Restricted Securities

There are no restricted securities under ASX imposed escrow.

Stock Exchange

The Company is listed on the Australian Securities Exchange and has been allocated the code "CCZ". The "Home Exchange" is Perth.

The Company is also listed on the London Stock Exchange and has been allocated the code "CCZ".

Other information

Castillo Copper Limited, is incorporated and domiciled in Australia, and is a publicly listed company limited by shares.

On-Market Buy-Back

There is currently no on-market buy-back in place.

Twenty largest holders of quoted securities as at 28 September 2020

Name	No. of Shares	%
COMPUTERSHARE CLEARING PTY LTD <CCNL DI A/C>	77,712,338	7.69%
NATIONAL NOMINEES LIMITED	29,902,447	2.96%
SUNSET CAPITAL MANAGEMENT PTY LTD <SUNSET SUPERFUND A/C>	26,000,000	2.57%
TWW ASSETS PTY LTD <TWW ASSETS A/C>	24,459,524	2.42%
JBO ASSETS PTY LTD <JBO ASSETS A/C>	24,259,525	2.40%
TAKA CUSTODIANS PTY LTD <TAKA A/C>	19,043,750	1.89%
BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	16,650,228	1.65%
N & E BELTZ PTY LTD <N & E BELTZ FAMILY A/C>	15,312,500	1.52%
GUINA GLOBAL INVESTMENTS PTY LIMITED	15,000,000	1.49%
REBECCA BRADLEY	15,000,000	1.49%
RESOURCE CORPORATE PTY LTD <SOUTHERN RIVER INVEST A/C>	14,625,000	1.45%
GREEN MOUNTAINS INVESTMENTS LTD	11,500,000	1.14%
AGENS PTY LTD <THE MARK COLLINS S/F A/C>	11,133,333	1.10%
HOLDSWORTH BROS PTY LTD <HOLDSWORTH BROS S/F A/C>	10,000,000	0.99%
MR THOMAS FRITZ ENSMANN	10,000,000	0.99%
MR BRADLEY JOHN KENNEY	10,000,000	0.99%
NETWEALTH INVESTMENTS LIMITED <SUPER SERVICES A/C>	8,996,153	0.89%
FOUCART PTY LTD <CRB A/C>	8,507,500	0.84%
JD SQUARED INVESTMENTS PTY LTD	8,000,000	0.79%
REDIMA PTY LTD	7,155,887	0.71%
Total	**397,513,159**	**39.36%**

Tenement information as required by Listing Rule 5.3.3

JACKADERRY		
New England Orogen in NSW		
Tenement ID	Ownership at end of year	Status
EL8635	100%	Granted
EL8625	100%	Granted
EL8601	100%	Granted

BROKEN HILL		
located within a 20km radius of Broken Hill, NSW		
Tenement ID	Ownership at end of year	Status
EL8599	100%	Granted
EL8572	100%	Granted

MT OXIDE		
Mt Isa region, northwest Queensland		
Tenement ID	Ownership at end of year	Status
EPM 26513	100%	Granted
EPM 26525	100%	Granted
EPM 26574	100%	Granted
EPM 26462	100%	Granted
EPM27440	100^%	Application

Zambia		
Tenement ID	Ownership at end of year	Status
23914-HQ-SEL	100%	Granted
23913-HQ-SEL	100%	Granted
24659-HQ-LEL	100%	Granted
22448-HQ-LEL	0%*	Granted
25195-HQ-LEL	55%*	Granted
25273-HQ-LEL	55%*	Granted
25261-HQ-LEL	100%	Granted

*CCZ can earn up to 80% by meeting previously disclosed milestones
^ Indicates the tenement is still under application