



**CASTILLO COPPER
LIMITED**

ASX Release

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**CASTILLO COPPER
LIMITED**
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Drilling logistics largely finalised ahead of campaign commencing at the Mt Oxide Project

- CCZ's geology team have largely finalised all necessary logistics with key stakeholders, enabling the drilling campaign at the Mt Oxide Project to commence by mid-month as planned:
 - ❖ Notably, the contract with Depco Drilling¹ has been formalised, with compensation terms including a material proportion in script and voluntary escrow period reflecting the driller's confidence in the Mt Oxide Project
- In principle, the landowner has agreed suitable access routes which is expected to result in drilling starting at the high-grade Big One Deposit² then move on to the Arya Prospect³
- Members of the geology and logistic teams recently visited the Arya Prospect to facilitate refining the best access route and fully optimise the test-drill targets:
 - ❖ They reaffirmed the drilling program for the Arya Prospect comprises 3,432m over 14 drill-holes, within an area 1,500m by 1,000m that targets near surface and deeper geophysical anomalies³
 - ❖ Notably, three deep vertical drill-holes will target the **interpreted massive sulphide bedrock conductor (EG01) that is ~130m thick with dimensions ~1,500m by ~450m and ~426m deep³**
 - ❖ The remaining drill-holes will focus on shallow anomalies, **EG02 & EG10, interpreted to be supergene mineralisation – both are ~25m below surface and ~25m thick, with dimensions ~160m by 50m / ~270m by 280m respectively³**
- BHP, which found EG01, EG02 and EG10 in the 1990s, and other groups conducted rock chip sampling⁴ at surface, with assays confirming high-grade supergene copper mineralisation up to 7,400ppm Cu⁴ and 18,400ppm Cu⁵ respectively
- The overall objective of the campaign at the Arya Prospect is proving a clear nexus between the interpreted supergene copper mineralisation at surface and massive sulphides at depth

Castillo Copper's Managing Director Simon Paull commented: "It's pleasing to report that all logistics to commence the drilling campaign at the Mt Oxide Project are now in place. In particular, we are delighted our drilling contractor has agreed to be partly compensated in script, as that reflects a high degree of confidence in the Mt Oxide Project. Work is slated to commence at the high-grade Big One Deposit, then move on to the Arya Prospect where there are three principle interpreted targets including a sizeable potential massive sulphide conductor that is 130m thick."

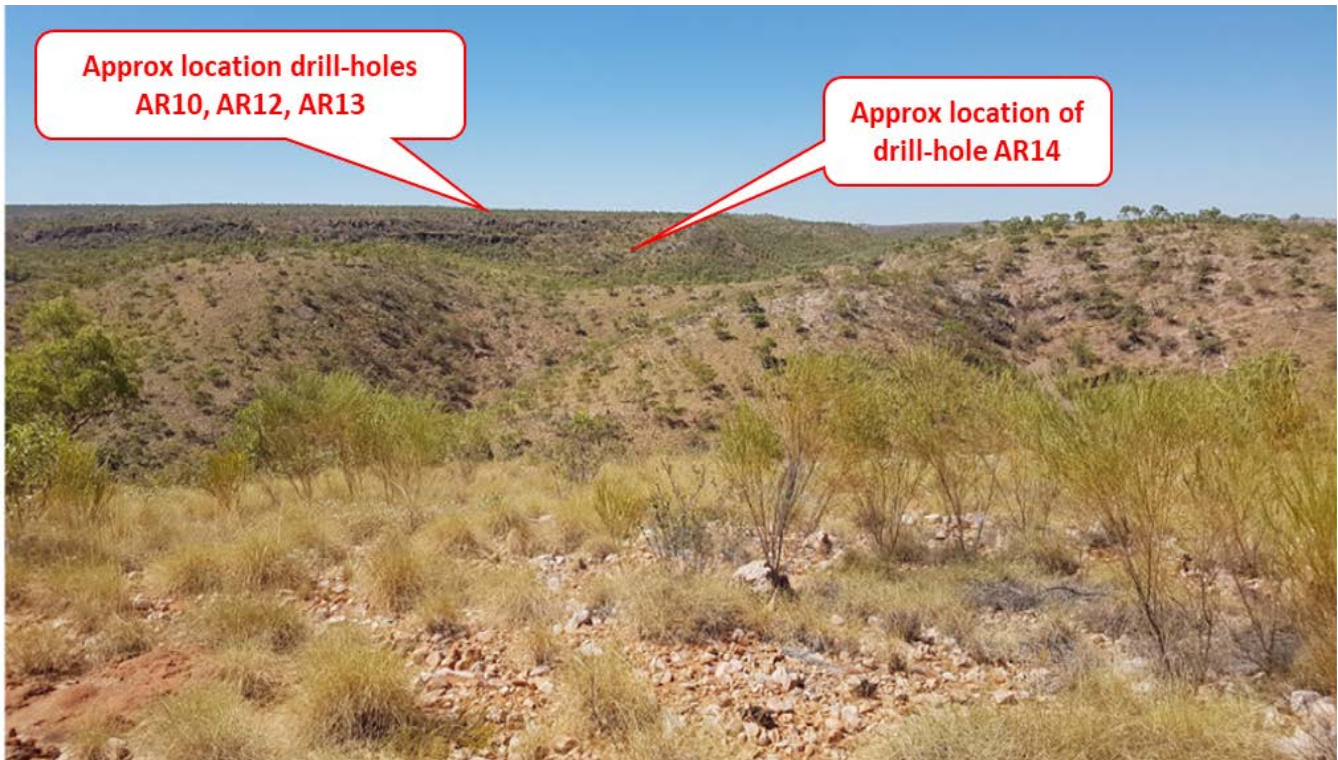
Castillo Copper Limited (“CCZ”) is pleased to announce that all drilling logistics for the upcoming campaign the Mt Oxide Project (Appendix A) are now finalised. As such, the program is on track to commence by mid-month, with agreement from the principle landowner that work will commence at the high-grade Big One Deposit followed by the Arya Prospect.

Pleasingly, the contract with Depco Drilling has now been formalised, with compensation terms comprising a significant proportion in script which will be voluntarily escrowed for a period, which clearly reflects the driller’s confidence in the Mt Oxide Project.

SITE VISIT TO ARYA PROSPECT

Members of the geology and logistic teams recently visited the Arya Prospect (Figures 1 & 2) in order to determine the ideal access route and fully optimise the test drill targets. Under the current plan, while the drilling team are working on Big One Deposit, which is estimated to take 3-4 weeks, the logistics team will complete the access road to Arya Project so it can accommodate heavy equipment. Concurrently, the geology team will conduct more thorough site inspections and then peg the drill sites ahead.

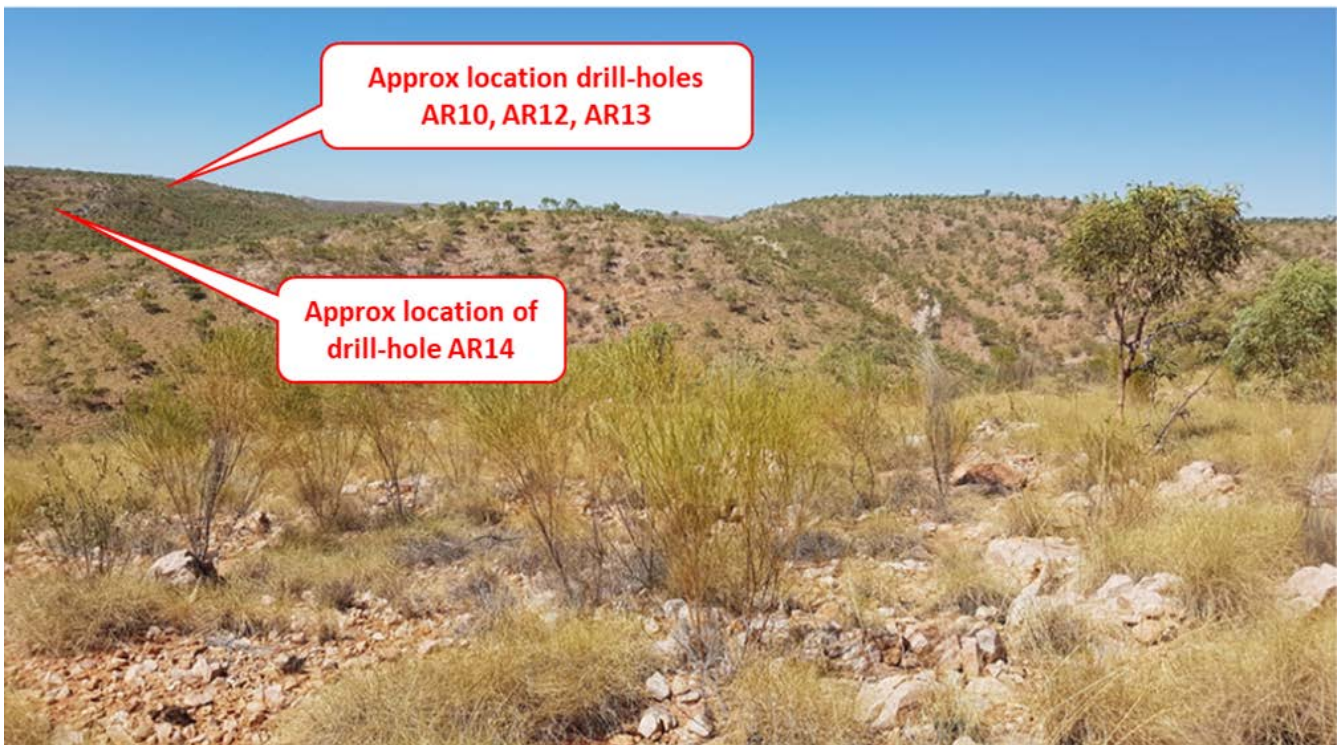
FIGURE 1: SITE VISIT TO ARYA PROSPECT – LOOKING 30 DEGREES NORTH



Position: Looking 30°mag north from 350981mE 7865292mN

Source: CCZ geology team

FIGURE 2: SITE VISIT TO ARYA PROSPECT – LOOKING 70 DEGREES NORTH



Location: Looking 70°mag north from 350981mE 7865292mN

Source: CCZ geology team

To recap, the drilling campaign for the Arya prospect will comprise 3,432m over 14 drill-holes within an area 1,500m by 1,000m that will target near surface and deeper geophysical anomalies (Figure 3).

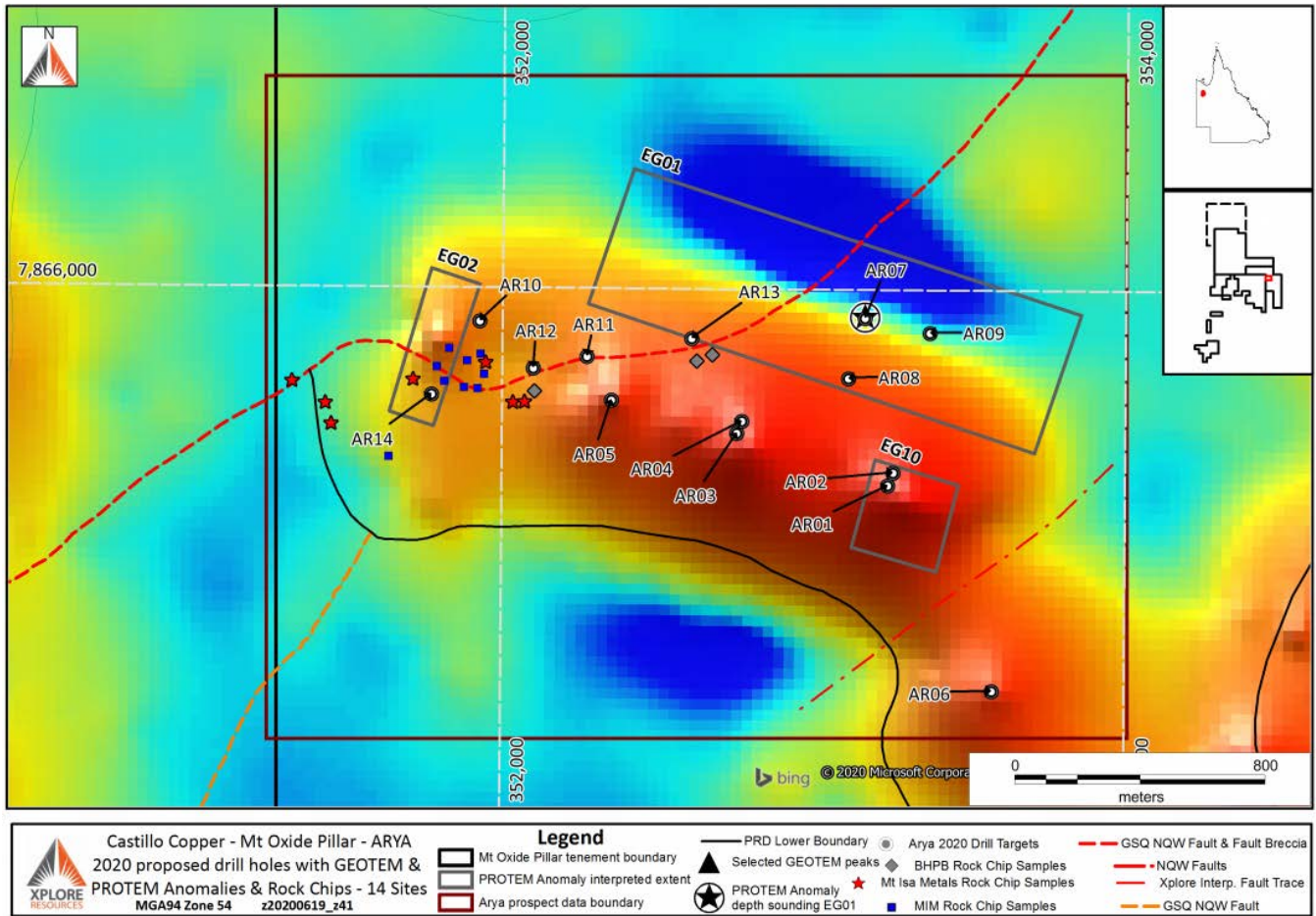
In terms of specifics, three deep vertical drill-holes, that are spaced ~210m apart, are slated for the **interpreted potential massive sulphide bedrock conductor EG01. This anomaly is interpreted to be 130m thick, with dimensions 1,500m by 450m, and ~426m deep³.**

The remaining 11 drill-holes will target EG02, EG10 and several highly anomalous peaks at shallower depths. Specifically, **EG02 and EG10, which are interpreted to comprise supergene mineralisation, are 25m below surface, 25m thick with dimensions ~160m by 50m / ~270m by 280m respectively¹.**

Further, work done by BHP⁴ and other groups confirmed high-grade supergene copper mineralisation at surface, based on assayed rock chip samples, up to **7,400ppm Cu⁴ and 18,400ppm Cu⁵** respectively. More significantly, BHP⁴ discovered EG01, EG02 and EG10 in the 1990s but due to exogenous factors at the time, possibly the prevailing base metal downturn, did not follow through and drill the targets.

As there is a probable link between supergene copper mineralisation at surface and massive sulphides at depth, the primary objective of CCZ's upcoming campaign at the Arya prospect is to secure demonstrable proof.

FIGURE 3: DRILLING TARGETS AT ARYA PROSPECT



Source: Xplore Resources (refer to CCZ ASX Release – 10 June 2020)

Next steps

There are several upcoming mutually exclusive events, including:

- Drilling commencing at Mt Oxide Project,
- Updates on Cangai Copper Mine and Broken Hill Projects; and
- Update on Mkushi Project in Zambia.

For and on behalf of Castillo Copper

Simon Paull

Managing Director

ABOUT CASTILLO COPPER

Castillo Copper Limited (ASX: CCZ) is a base metal explorer primarily focused on copper then zinc & nickel.

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

- **Pillar I:** The Mt Oxide project in the Mt Isa copper-belt district, north-west Queensland, which delivers significant exploration upside through having several high-grade targets and a sizeable untested anomaly within its boundaries in a copper-rich region.
- **Pillar II:** Four high-quality prospective assets across Zambia's copper-belt which is the second largest copper producer in Africa.
- **Pillar III:** Cangai Copper Mine in northern New South Wales, which is one of Australia's highest grading historic copper mines.

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

References

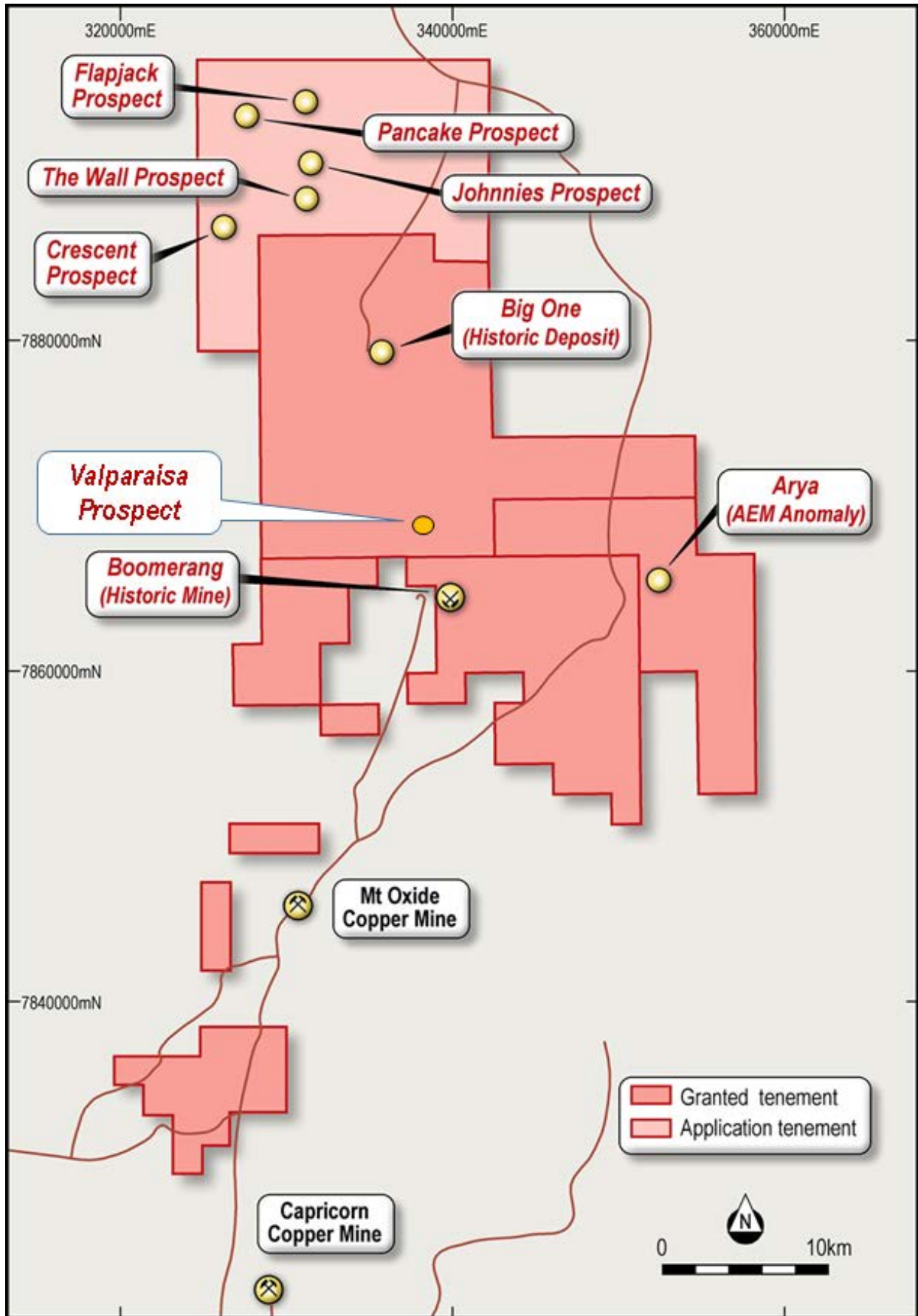
- 1) CCZ ASX Release – 31 August 2020
- 2) CCZ ASX Release – 3 June 2020
- 3) CCZ ASX Release – 10 June 2020
- 4) BHP Minerals Pty Ltd, 1998. EPM 11383 (Alsace Camp), 11452 (Epsilon), Combined Annual/Final Report for the Period Ending 19/12/98. QDEX Report number: 30750 and BHP Minerals Pty Ltd, 1997. EPM 11383 (Alsace Camp), 11452 (Epsilon), Combined Annual Report for the Period Ending 19/12/97. QDEX Report number: 29762.
- 5) Mt Isa Metals Ltd, 2010. EPM 15767, Myally Tenement, Annual Report for the Period 5/06/2009 to 4/6/2010. QDEX Report number: 64491

Competent Person Statement

The information in this report that relates to Exploration Results for the "Mt Oxide Project" 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 a Fellow of The Australian Institute of Geoscientists. Matthew Stephens is a Senior Consultant Geologist consulting to Xplore Resources Pty Ltd. Mr Stephens has been a Fellow of the Australian Institute of Geoscientists for 11 years and 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 Australian Securities Exchange has not reviewed and does not accept responsibility for the accuracy or adequacy of this release.

APPENDIX A: MT OXIDE PILLAR



Source: CCZ ASX Release – 14 January 2020 & CCZ geology team