



CASTILLO COPPER
LIMITED

ASX Release

29 January 2021

CASTILLO COPPER
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CCZ

DECEMBER 2020 QUARTERLY ACTIVITIES REPORT

HIGHLIGHTS

▪ **Mt Oxide Project:**

- ❖ **Drilling campaign at Big One Deposit commenced**
- ❖ **Subsequent to the period close, game changing assays confirmed major copper discovery at high-grade Big One Deposit – two 40-44m wide potentially economic intercepts from surface, with up to 16.65% Cu¹, significantly extending known mineralisation**

❖ **Best intercepts comprised:**

303RC: 40m @ 1.64% Cu from surface including:

- **11m @ 4.40% Cu from 24m**
- **5m @ 7.34% Cu from 28m &**
- **1m @ 16.65% Cu from 29m**

301RC: 44m @ 1.19% Cu from surface including:

- **14m @ 3.55% Cu from 27m,**
- **3m @ 10.88% Cu from 37m &**
- **1m @ 12.66% Cu from 37m¹**

▪ **Zambia Projects:**

- ❖ **Sampling at Mkushi Project identified up to 4.2km strike next to operating copper mine¹**

Castillo Copper Limited's ("CCZ" or "the Company") is pleased to present shareholders with its latest quarterly report for the period 1 October to 31 December 2020.

During the period, most of the focus remained on advancing the RC drilling campaign at Big One Deposit within the Mt Oxide Project in Queensland's copper-belt. An overview of key events follows:

DEVELOPMENT WORK

CCZ has four properties comprising the Mt Oxide Project in Mt Isa's copper-belt, four assets across Zambia's copper-belt, the historic Cangai Copper Mine and a large footprint near Broken Hill's world class silver-zinc-lead deposit in NSW.

Mt Oxide Project

On 6 October 2020, CCZ's geology team completed the study on all ten prospects within the Mt Oxide Project. The final part of the study reviewed the Eldorado target area which is circa 4km south-east from the Arya Prospect. The geology team interpreted the Eldorado target is prospective for structurally controlled copper mineralisation but a detailed follow up field trip is necessary to formulate a thorough exploration plan¹.

On 9 October 2020, CCZ's geology team confirmed they had largely finalised all necessary logistics with key stakeholders, enabling the drilling campaign at the Mt Oxide Project to commence¹.

On 27 October 2020, CCZ announced the RC drilling campaign at Big One Deposit had commenced. The program comprised 4,385m over 35 drill-holes, which focused on a strike zone (~580m by ~120m) to test for mineralisation from ~26m up to ~190m below surface. Further, an incremental 160m diamond drilling campaign, targeting two drill-holes, tested primarily for shallow mineralisation from ~26m up to ~52m below surface¹.

FIGURE 1: DRILLING STARTING AT BIG ONE DEPOSIT



Source: Location: 7,880,306E, 335,422N Source: CCZ geology team (ASX Release – 27 October 2020)

On 16 November 2020, CCZ announced, after inspecting samples from the first seven drill-holes completed at Big One Deposit, that the geology team had observed visible copper oxide (malachite) and sulphide (chalcocite) mineralisation in wide intercepts up to 13m at shallow depths.

On 30 November 2020, CCZ announced that assays verified shallow copper mineralisation **up to 4.14% Cu¹** at Big One Deposit. The results, which were based on visually logged mineralised intersects, highlighted shallow copper mineralisation apparent within four drill-holes, with the best economic intercepts being:

- **RC_213: 7m @ 1.37% Cu from 57m incl: 3m @ 2.18% Cu from 58m**
- **RC_211: 1m @ 4.14% Cu from 65m**
- **RC_206: 7m @ 0.54% Cu from 55m incl: 2m @ 1.35% Cu from 60m**
- **RC_207: 4m @ 0.43% Cu from 85m incl: 2m @ 1.03% Cu from 85m¹**

On 14 December 2020, CCZ announced a further six drill-holes completed at Big One Deposit had all intersected visible, shallow copper oxides & sulphides up to 12m indicating potential extensions to known mineralisation at depth providing a compelling case for scalability. These included:

- **BO_301RC: 12m cumulative – 3m from 28-31m & 9m from 32-41m – Black copper oxides and malachite (oxide)**
- **BO_303RC: 10m cumulative - 3m from 25-28m & 7m from 28-35m – Black copper oxides, malachite (oxide), and chalcocite (sulphide)**
- **BO_306RC: 7m cumulative – 4m from 93-97m and 3m from 99-102m – Malachite, pyrite, and chalcocite**
- **BO_305RC: 5m cumulative – 4m from 30-34m & 1m from 39-40m – Malachite and chalcocite**
- **BO_302RC: 3m from 36-39m – Black copper oxides**
- **BO_304RC: 1m from 81-82m – Azurite and malachite¹**

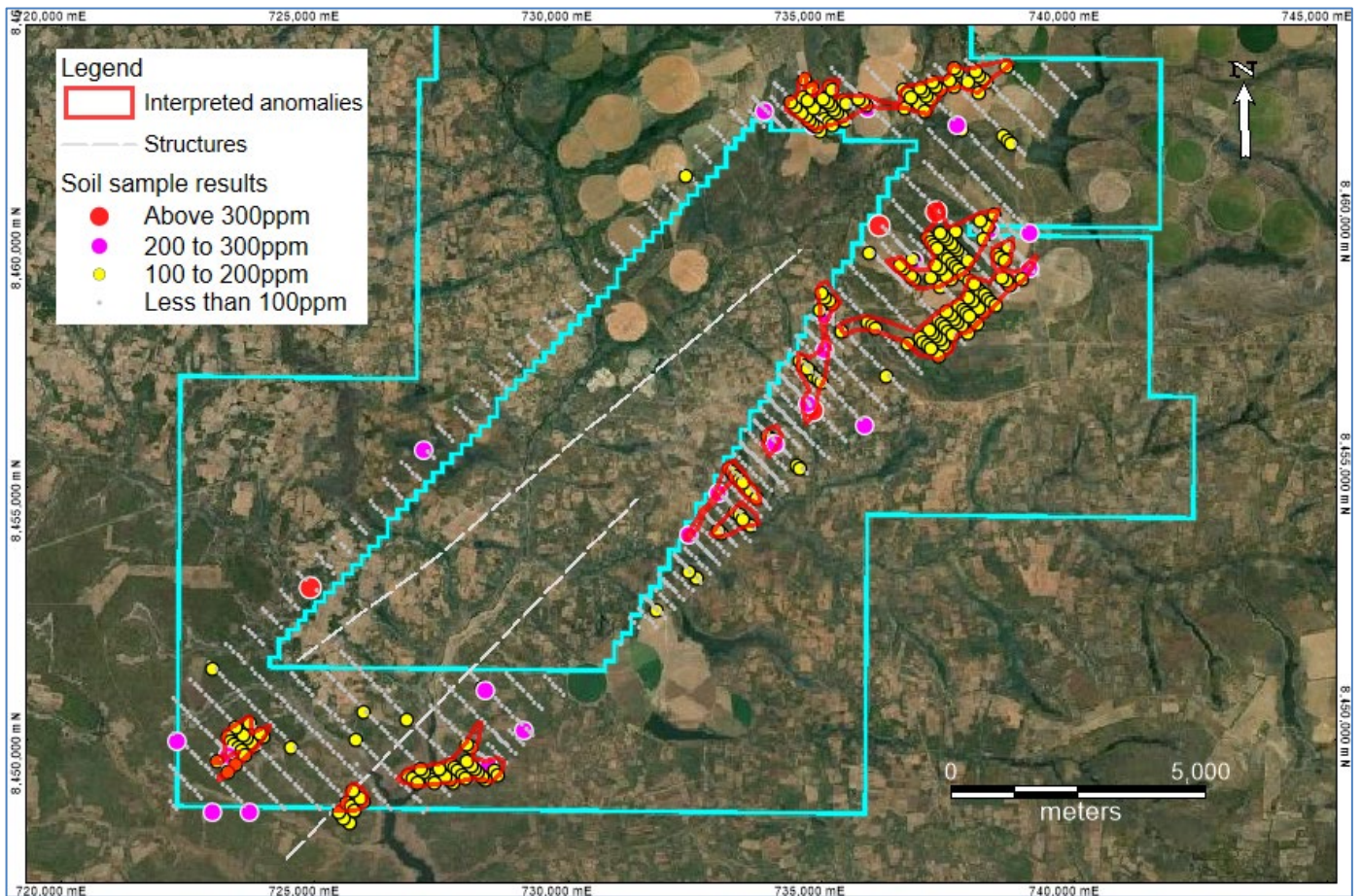
During the quarter, the Company paid \$513,000 in consultants fees.

Zambia Pillar

On 2 November 2020, CCZ's Zambian geology team completed a systematic infill soil sampling campaign at the prospective Mkushi Project in Zambia's copper-belt. The campaign, which comprised 702 infill samples, was undertaken to derive a better understanding of copper anomalism apparent within the tenure boundaries.

The samples were analysed using a portable XRF analyser which is consistent with previous field work. Overall, the results confirmed eight target areas with significant copper anomalism and extended strike lengths, ranging 1.5km - 4.2km¹, compared with the January 2020 campaign.

FIGURE 2: SOIL SAMPLES XRF RESULTS (OLD / INFILL) COLOURED BY GRADE RANGES



Note: Shows spatial distribution of previous and infill soil sample results coloured using their copper grades
Source: CCZ Zambian geology team (ASX Release – 2 November 2020)

During the quarter, the Company paid \$19,000 in consultants fees.

New South Wales Assets

No material work was undertaken on the NSW assets, comprising Cangai Copper Mine and Broken Hill Alliance tenure, during the review period. All tenures were successfully renewed for five (5) year terms.

During the quarter, the Company paid \$27,000 in consultants fees and \$215,000 for the acquisition of Broken Hill tenements from Wyloo Metals.

CORPORATE

- **Results of EGM:** On 2 October 2020, CCZ advised that all 13 resolutions – published in the Notice of Meeting on 3 September 2020 – were passed.
- **Notice of AGM and results:** On 19 October 2020, CCZ announced the AGM would be held on 26 November 2020 with eight resolutions being presented for shareholder approval. Subsequently, on 26 November 2020, CCZ announced that all resolutions were passed.

During the quarter \$54,000 was paid to related parties of the Company relating to executive director salary, non- executive director fees.

POST PERIOD EVENT

On 4 January 2021, CCZ confirmed during 4Q 2020, the drilling contractor completed 20 drill-holes at the Big One Deposit comprising:

- Six drill-holes for the 200 series with partial assays for visible copper confirming up to 4.1% Cu; and
- Fourteen drill-holes for the 300 series with visible copper mineralisation apparent in BO_301-06RC¹.

Subject to the receipt of final interpretations and full assays from the laboratory, the Board is targeting to release completed drill logs and relevant observations for all 20 drill-holes in two to three batches¹.

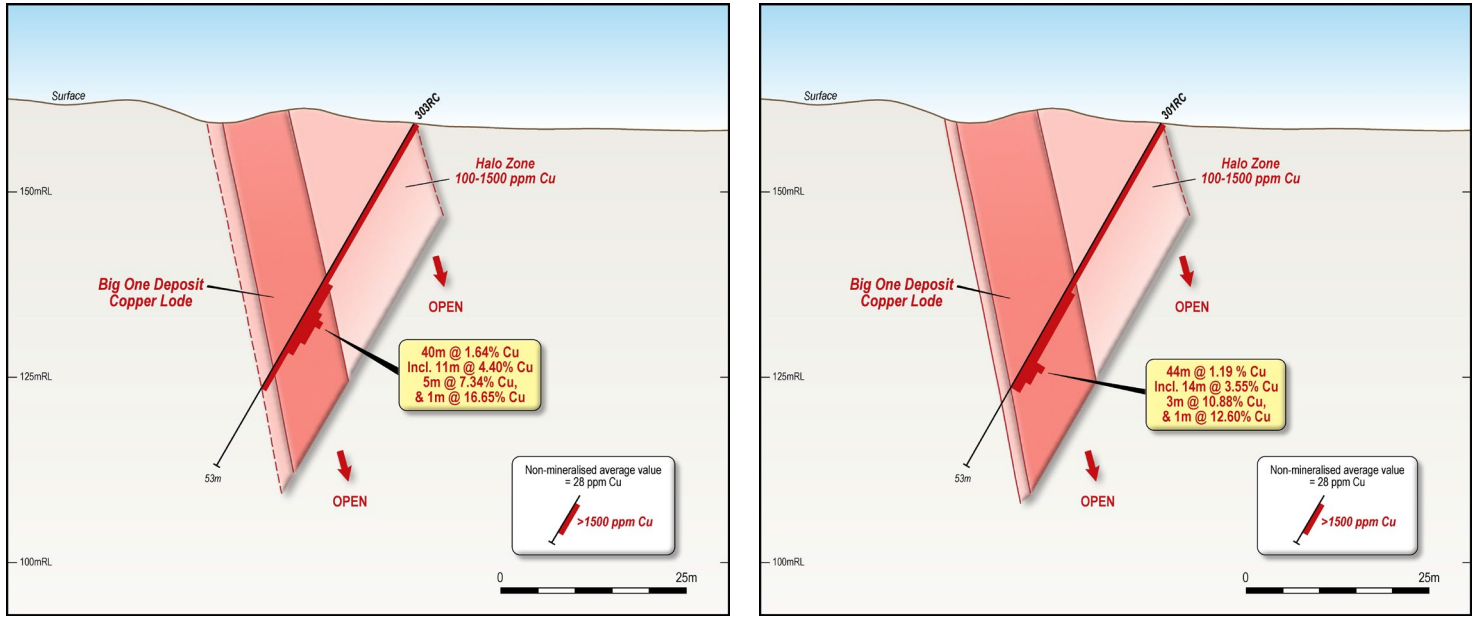
On 11 January 2021, CCZ announced assays confirming a major copper discovery at high-grade Big One Deposit. Notably, these game changing assays comprised two 40-44m wide potentially economic intercepts from surface, with **up to 16.65% Cu¹**, that significantly extended known mineralisation.

The best apparent intercepts comprise:

- **303RC: 40m @ 1.64% Cu from (fm) surface incl: 11m @ 4.40% fm 24m, 5m @ 7.34% fm 28m & 1m @ 16.65% fm 29m**
- **301RC: 44m @ 1.19% Cu fm surface incl: 14m @ 3.55% fm 27m, 3m @ 10.88% fm 37m & 1m @ 12.6% fm 37m**
- **213RC: 12m @ 0.79% Cu fm 52m incl: 8m @ 1.06% Cu fm 57m, 3m @ 2.03% Cu fm 58m, 1m @ 4.27% Cu fm 59m & 1m @ 1.46% Cu fm 62m**
- **207RC: 8m @ 0.47% fm 84m incl: 2m @ 1.10% Cu fm 85m & 1m @ 1.49% fm 86m**
- **306RC: 8m @ 0.41% Cu fm 16m and 4m @ 0.97% fm 96m incl: 2m @ 1.30% fm 96m**
- **206RC: 8m @ 0.42% Cu fm 54m incl: 3m @ 1.02% Cu fm 59m, 1m @ 1.75% Cu fm 60m**
- **302RC: 5m @ 0.66% Cu fm 35m incl: 1m @ 1.30% fm 37m**
- **305RC: 5m @ 0.53% Cu fm 34m incl: 1m @ 1.19% Cu fm 38m¹**

Assay results also revealed minor-moderate Cobalt mineralisation, and minor silver, bismuth, and gold mineralisation, with the gold mineralisation not associated with the copper.

FIGURE 3: CROSS-SECTIONS FOR 301RC & 303RC AT BIG ONE DEPOSIT



Source: CCZ geology team

**Simon Paull
Managing Director**

1) Note – All information referenced is from CCZ ASX Releases, as dated in text, from 1 October 202 to 28 January 2021 inclusive

About Castillo Copper

Castillo Copper Limited is an Australian-based explorer primarily focused on copper across Australia and Zambia. The group is embarking on a strategic transformation to morph into a mid-tier copper group underpinned by its core projects:

- 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.
- Four high-quality prospective assets across Zambia’s copper-belt which is the second largest copper producer in Africa.
- A large tenure footprint proximal to Broken Hill’s world-class deposit that is prospective for zinc-silver-lead-copper-gold.
- Cangai Copper Mine in northern New South Wales, which is one of Australia’s highest grading historic copper mines.

The group is listed on the LSE and ASX under the ticker "CCZ."

APPENDIX 1: INTEREST IN MINING TENEMENTS HELD

JACKADERRY (CANGAI)			
New England Orogen in NSW			
Tenement ID	Ownership at start of Quarter	Ownership at end of Quarter	Change during the Quarter
EL8635	100%	100%	-
EL8625	100%	100%	-
EL8601	100%	100%	-

BROKEN HILL			
located within a 20km radius of Broken Hill, NSW			
Tenement ID	Ownership at start of Quarter	Ownership at end of Quarter	Change during the Quarter
EL8599	100%	100%	-
EL8572	100%	100%	-
EL 8434	0%	100%**	100%**
EL 8435	0%	100%**	100%**

MT OXIDE			
Mt Isa region, northwest Queensland			
Tenement ID	Ownership at start of Quarter	Ownership at end of Quarter	Change during the Quarter
EPM 26513	100%	100%	-
EPM 26525	100%	100%	-
EPM 26574	100%	100%	-
EPM 26462	100%	100%	-
EPM 27440	-	-	Application

Zambia				
Project	Tenement ID	Ownership at start of Quarter	Ownership at end of Quarter	Change during the Quarter
Lumwana North	23914-HQ-SEL	-	100%	100%
Lumwana North	23913-HQ-SEL	-	100%	100%
Mkushi	24659-HQ-LEL	-	100%	100%
Luanshya	22448-HQ-LEL	-	0%*	0%*
Luanshya	25195-HQ-LEL	-	55%	55%*
Luanshya	25273-HQ-LEL	-	55%^	55%^*
Mwansa	25261-HQ-LEL	-	100%^	100%^

*CCZ can earn up to 80% by meeting previously disclosed milestones

^ Indicates the tenement is still under application

** Funds for the acquisition of the tenements were paid during the quarter, however the actual transfer of the leases was completed after the end of the quarter