



CASTILLO COPPER
LIMITED

ASX Release

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CASTILLO COPPER
LIMITED
ACN 137 606 476

45 Ventnor Avenue,
West Perth,
Western Australia 6005

Tel: +61 8 9389 4407

Contact:

Simon Paull
Managing Director

E-mail:

info@castillocopper.com

For the latest news:

www.castillocopper.com

Directors / Officers:

Rob Scott
Simon Paull
Gerrard Hall

Company Secretary:

Dale Hanna

ASX/LSE Symbol:

CCZ

MARCH 2021 QUARTERLY ACTIVITIES REPORT

HIGHLIGHTS

▪ **Mt Oxide Project – Big One Deposit & Arya Prospect:**

❖ Assays confirm major copper discovery at the high-grade Big One Deposit, as two 40-44m wide intercepts from surface, with up to **16.65% Cu¹**, significantly extended known mineralisation

❖ The best apparent intercepts comprise:

303RC: 40m @ 1.64% from surface including 11m @ 4.40% from 24m, 5m @ 7.34% from 28m & 1m @ 16.65% from 29m¹

301RC: 44m @ 1.19% Cu from surface including 14m @ 3.55% from 27m, 3m @ 10.88% from 37m & 1m @ 12.6% from 37m¹

❖ Subsequent to quarter end, the compelling case for the Arya Prospect, which has an interpreted 130m thick potential massive sulphide target (circa 1,500m by 450m and 426m deep), was outlined post reviewing legacy BHP & MIM data

▪ **BHA Project:**

❖ Divestment strategies being considered for prime Broken Hill asset, which is prospective for IOCG & BHT mineralisation¹

Castillo Copper Limited's ("CCZ" or "the Company") is pleased to present shareholders its latest quarterly report for the period 1 January to 31 March 2021.

During the period, most of the focus remained on developing the Big One Deposit within the Mt Oxide Project in the Mt Isa copper-belt, north-west Queensland. An overview of key events follows:

DEVELOPMENT WORK

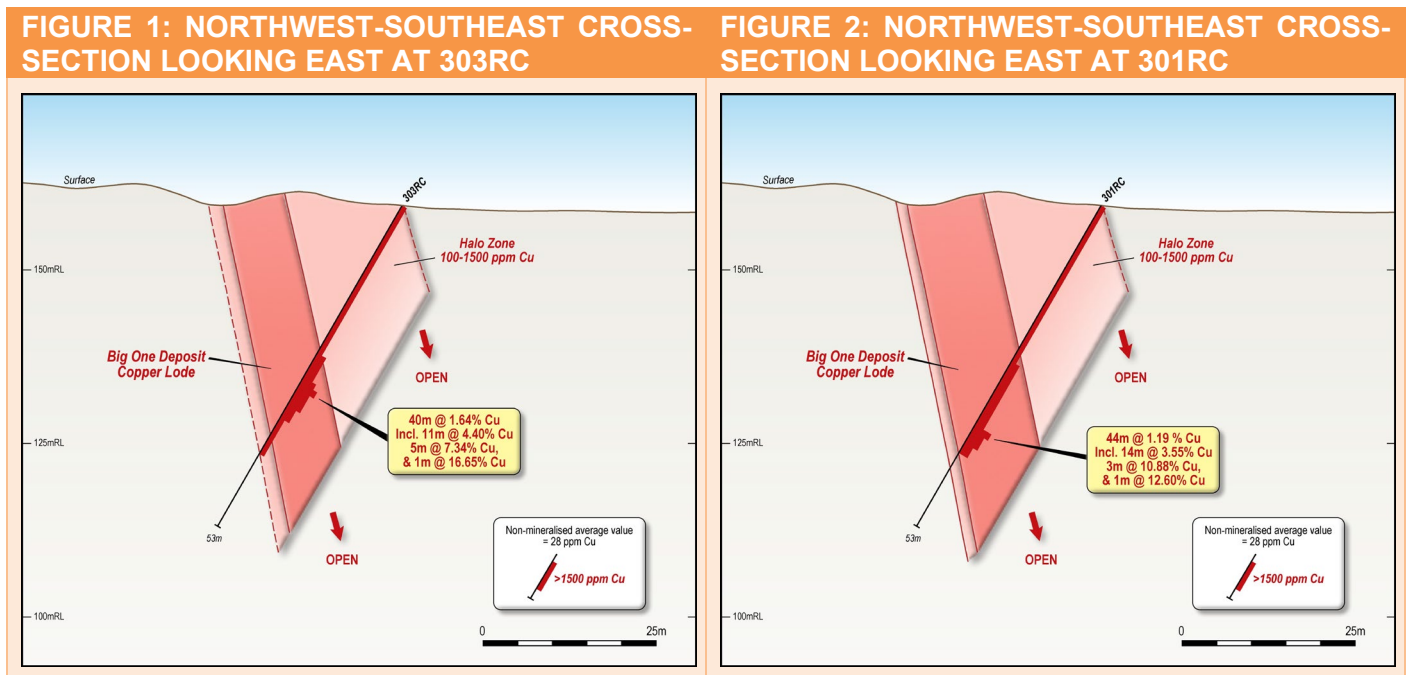
CCZ has four properties comprising the Mt Oxide Project in Mt Isa's copper-belt, four assets across Zambia's copper-belt, the historic Cangai Copper Mine and a large footprint near Broken Hill's world class silver-zinc-lead deposit in NSW.

Mt Oxide Project

On 11 January 2021, CCZ released assays, which comprised final laboratory reporting for the 200 (complete) and 300 (partial) series, including two 40-44m wide intercepts from surface, with **up to 16.65% Cu**:

303RC: 40m @ 1.64% from surface including 11m @ 4.40% from 24m, 5m @ 7.34% from 28m & 1m @ 16.65% from 29m (Figure 1)

301RC: 44m @ 1.19% Cu from surface including 14m @ 3.55% from 27m, 3m @ 10.88% from 37m & 1m @ 12.6% from 37m (Figure 2)



Source: CCZ geology team

These were excellent assays results, as they make the geological case more compelling via clearly confirming there is potential for a high-grade, shallow copper system to be apparent at the Big One Deposit. Notably, the latest assays significantly extend known mineralisation and build on high-grade historical intercepts which produced stellar intercepts from supergene copper mineralisation **up to 28.4% Cu¹**.

On 19 January 2021, CCZ announced the appointment of two key service providers to facilitate accelerating developing the new copper discovery at the Big One Deposit, detailed as follows:

- ROM Resources has been appointed to utilise legacy and current data to progress the modelling of an inaugural JORC compliant inferred resource; and,
- GeoDiscovery Group, has been mandated to undertake an extensive geophysical survey with two core goals:

- 1) Potentially extend known mineralisation through the identification of massive sulphide bedrock conductors along the 1,200m strike extent; and
- 2) Deliver fresh geophysical insights into several known yet under-explored nearby anomalies, particularly previously mapped gossanous outcrops north-east of the recent drilling campaign.

PHOTO GALLEY: SURFACE COPPER MINERALISATION AT BIG ONE DEPOSIT



Location: 335504mE; 7880388mN
Source: CCZ geology team

On 10 February 2021, CCZ's geology consultant, ROM Resources, uncovered comprehensive historical assays from a drilling campaign undertaken by previously listed Forsyth Minerals Exploration NL¹ (FME). Combining these findings from FME, with the final assay results from CCZ's 2020 campaign, clearly extended the known mineralisation at the Big One Deposit.

The best intercepts include the standout B0017 with up to **9.4% Cu¹**:

BO017: 34m @ 1.51% Cu from surface including 21m @ 2.25% Cu from surface, 12m @ 3.44% Cu from 3m, 6m @ 4.79% Cu from 3m and 1m @ 9.4% from 9m¹

BO015: 18m @ 0.86% Cu fm 11m including 6m @ 1.85% Cu from 20m, 3m @ 2.98% Cu from 20m and 1m @ 8% from 20m¹

Note: Due to the lack of QA/QC and a positional accuracy of ±10-20m, FME's drill-holes are regarded as historical "Exploration Results" and whilst providing support to the existing information cannot form the basis alone of any resource estimate.

On 3 March 2021, CCZ stated that due to the prevailing solid outlook for the global copper market, the Board decided to re-shape its strategic intent for the Big One Deposit to capitalise on this prevailing opportunity. In addition, the Board noted it is cognisant of the improving fundamentals for the global cobalt market, as the recent drilling campaign verified there is ore grade cobalt mineralisation also apparent at the Big One Deposit¹.

The starting point is to firm up plans to apply for a new mining lease, ahead of CCZ's geology consultant releasing an inaugural JORC compliant resource. The arguments in favour of taking this assertive stance are compelling, as the Big One Deposit already has several high-quality fundamental strengths, including:

- A known high-grade shallow copper system that was mined in 1997 – producing 4,400t of supergene ore, averaging 3.5% Cu¹ – via several open pits;
- Recent and historical drilling campaigns that have produced exceptional high-grade intercepts.

New South Wales Projects

➤ BHA Project

On 19 January 2021, following a strategic review, CCZ's Board decided it was an opportune time to capitalise on the prevailing base & precious metal upcycle to fast-track creating additional shareholder value. Noting a significant resurgence of interest in groups with footprints around Broken Hill, notably ASX listed Cobalt Blue (ASX: COB), the Board decided to consider divestment opportunities including a possible spin-off of its sizeable Broken Hill asset into a new vehicle which could be listed in either London or Australia.

➤ Cangai Copper Mine

No material work was undertaken on Cangai Copper Mine during the quarter.

Zambia Projects

No material work was undertaken on the Zambia Projects during the quarter.

CORPORATE

- **Proactive Webinar:** On 23 February 2021, CCZ released an investor presentation for a webinar event hosted by Proactive Investors.

POST QUARTER EVENT

On 7 April 2021, CCZ confirmed that improving weather conditions should enable a resumption of exploratory work at the core Mt Oxide Project in the Mt Isa copper-belt during May 2021. In addition, further forensic work has uncovered eleven targets and more details on the Arya Prospect's geological potential¹.

On 13 April 2021, CCZ outlined further compelling insights into the Arya Prospect, arising from reviewing historical reports undertaken by BHP and MIM that bolster the exploration potential ahead of a resumption in the drilling campaign. In addition, another deep bedrock conductor has been identified at the newly named Sansa Prospect, immediately west of the Arya Prospect. However, further interpretation work is required to formulate the dimensions and determine the prospectivity for copper mineralisation¹.

PAYMENTS TO, OR TO AN ASSOCIATE OF, A RELATED PARTY OF THE ENTITY DURING QUARTER DURING THE QUARTER

\$83,000 was paid to related parties of the Company relating to executive director salary and non-executive director fees.

SUMMARY OF THE EXPLORATION EXPENDITURE INCURRED DURING THE QUARTER

	Consulting fees	Rates and mines departments fees
NSW	\$85,000	\$18,000
QLD	\$454,000	-
Zambia	\$15,000	-
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	\$554,000	\$18,000

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."

Competent Person Statement

The information in this report that relates to Exploration Results for "Big One Deposit" is based on information compiled or reviewed by Mr Mark Biggs. Mr Biggs is both a shareholder and director of ROM Resources, a company which is a shareholder of Castillo Copper Limited. ROM Resources provides ad hoc geological consultancy services to 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 an 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.

The Australian Securities Exchange has not reviewed and does not accept responsibility for the accuracy or adequacy of this release.

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 **	-	100%	100%
EL 8435 **	-	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	-	100%	100%

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	-	-	-
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

** Funds for the acquisition of the tenements were paid in the previous quarter, however the actual transfer of the leases was completed during the March 2021 quarter