



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

ASX/ LSE Symbol:
CCZ

Comprehensive geophysical campaign to commence across key Zambia projects

- A comprehensive Induced Polarisation (IP) survey will commence shortly across the key Luanshya and Mkushi Projects located in Zambia's copper-belt
- Given the scale of the campaign, it will take 6-8 weeks to complete and fully analyse the results; however, reconciling these findings with known anomalous areas at surface should identify priority targets to drill
- During 2020, wide-spread soil sampling programs were undertaken at the Luanshya and Mkushi Projects, which resulted in the following:
 - ❖ A 6km strike event was delineated at the Luanshya Project, ~6-10km south of China Nonferrous Mining Corp's three operating mines, with combined 2012 JORC compliant Proven & Probable Reserves totalling 52.3mt @ 1.26% Cu¹
 - ❖ Within the Mkushi Project are five anomalous areas with strike lengths ranging from 2-7km (~20.5km in total) that are on a high-grade shear zone which links to Shi Yan Group's operating Mushiwemba Copper Mine² (5km north-west)
- Zambia-based, Geophex Surveys³ (GS), has been appointed to carry out the IP surveys across the Luanshya and Mkushi Projects:
 - ❖ GS has significant experience undertaking geophysical survey work on various copper-gold projects in Zambia and Democratic Republic of Congo, resulting in the successful delineation of ore zones and target identification³
- With CCZ having secured ample funding following the recently completed capital raising, the Board is now focused on rapidly advancing the Mt Oxide and key Zambia Projects

Castillo Copper's Managing Director Simon Paull commented: "Having already completed soil sampling campaigns that have delineated anomalous areas across the Luanshya and Mkushi Projects, undertaking comprehensive IP surveys will potentially facilitate identifying targets to test drill. Overall, the Board looks forward to receiving the geophysicists interpretations, as the Luanshya and Mkushi Projects deliver significant exploration potential."

Castillo Copper Limited (“CCZ”) is pleased to announce the appointment of Geophex Surveys³ (GS), an experienced geophysical consultancy firm, to under-take comprehensive IP surveys across the Luanshya and Mkushi Projects which are located within Zambia’s copper-belt.

GEOPHYSICAL CAMPAIGNS

To accelerate identifying targets that can be drill-tested within the Luanshya and Mkushi Projects, CCZ has appointed GS³ to conduct comprehensive IP surveys which will take 6-8 weeks to complete then fully analyse the readings. The results will be reconciled against known anomalous areas at surface, which should enable target areas to be identified.

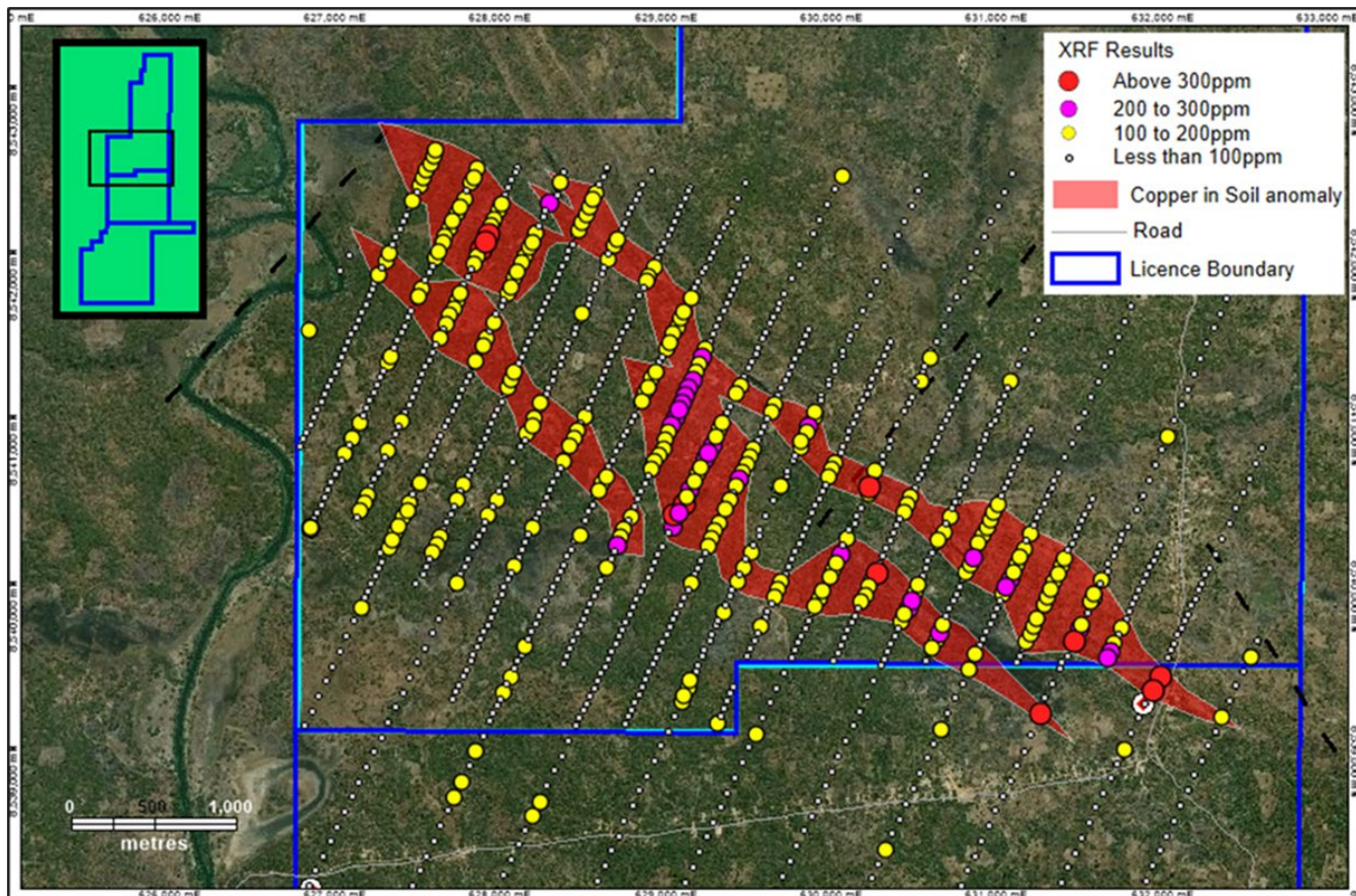
During 2020, comprehensive soil sampling campaigns were undertaken across the Luanshya and Mkushi Projects^{1,2}, which mapped out highly prospective areas for copper mineralisation.

Luanshya Project

The Luanshya Project is 6-10km south of China Nonferrous Mining Corp’s (CNMC) three operating mines, with combined JORC (2012) compliant Proven & Probable Reserves of 52.3mt @ 1.26% Cu¹. Further, across the region are four NW-SE trendlines, which are ~5-10km wide, that host numerous historic / current operating mines & deposits. Of these, two trendlines host CNMC’s three mines, with one directly intersecting the middle of the Luanshya Project and is coincident with Lower Roan Formation¹.

Previous surface sampling defined a 6km strike event within the Luanshya Project¹ (Figure 1) that is highly prospective for copper mineralisation.

FIGURE 1: 6KM STRIKE EVENT AT LUANSHYA PROEJCT



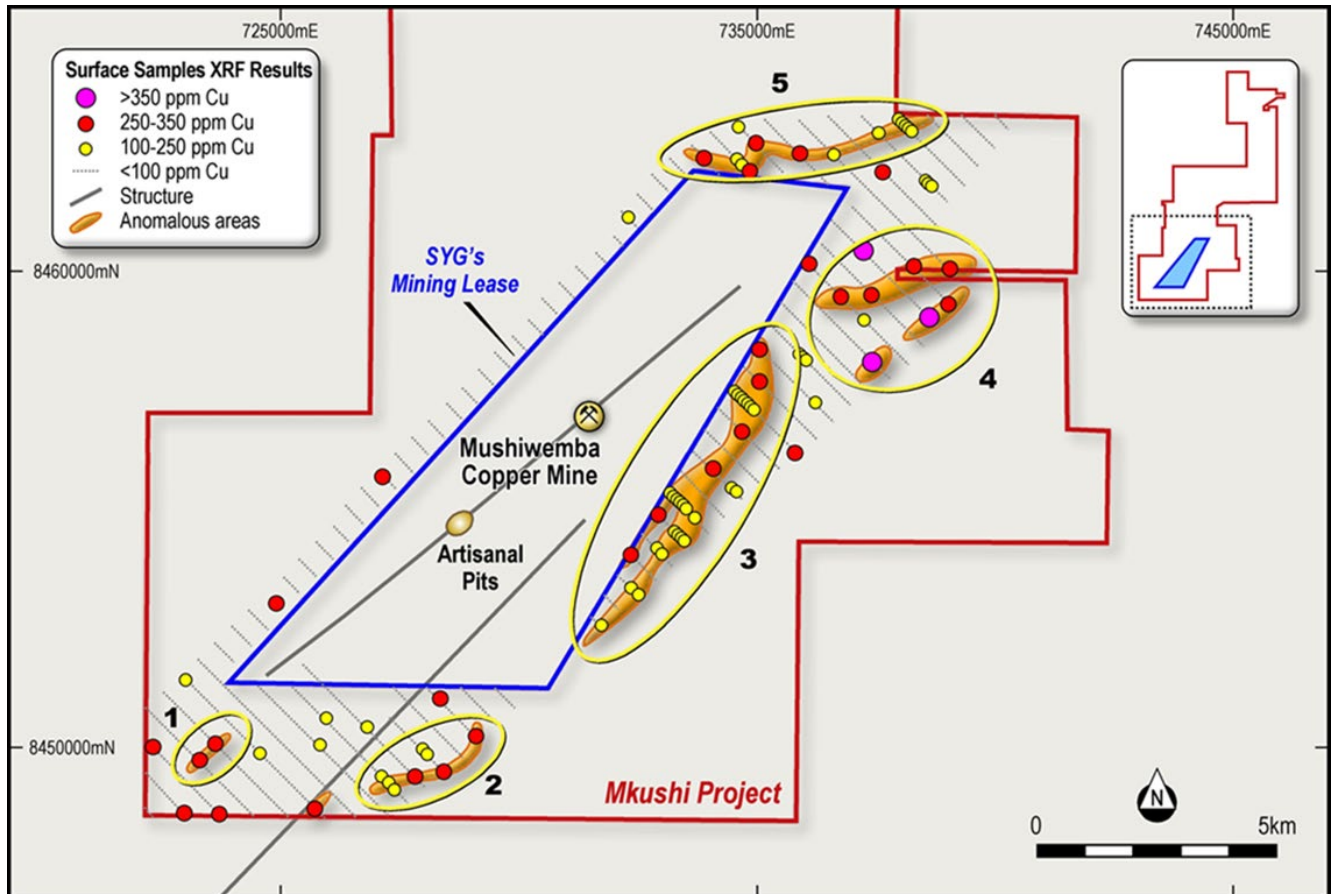
Source: CCZ geology team – 3 September 2020

Mkushi Project

There are two parallel, NE-SW shear zones, 2-3km apart that originate in Shi Yan Group's (SYG)² contiguous mining lease (Figure 2). The operating Mushiwemba Copper Mine² is within the north shear zone and constrained within SYG's ground. However, the south shear zone, which comprises similar geological structures, trends into the Mkushi Project and is a clear target area².

In addition, the soil sampling campaign highlighted five, well-defined, anomalous areas with respective strike lengths ranging from 2-7km (20.5km in aggregate)². Given these anomalous zones are proximal to the shear zone, they are likely part of the same over-riding system².

FIGURE 2: SURFACE ANOMALIES AT MKUSHI PROJECT



Source: CCZ geology team – 23 January 2020

Next steps

Exploration work is now moving into top gear, with several events set to commence, including:

- Progress report on the Big One Deposit drilling campaign;
- Update on preliminary downhole geophysical work at Big One Deposit; and
- Update on geophysics overview on the Arya Project ahead of drilling getting underway.

For and on behalf of Castillo Copper

Simon Paull

Managing Director

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."

References

- 1) CCZ ASX Release – 16 September 2019 & 15 April 2020
- 2) CCZ ASX Release – 23 January 2020
- 3) Geophex Surveys Limited. Available at: <<http://africa.geovale.com/associates/geophex-surveys-limited/>>

Competent Person Statement

The information in this report that relates to Exploration Results for "Zambia Projects" 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.