



**CASTILLO COPPER
LIMITED**

ASX Release

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**CASTILLO COPPER
LIMITED**
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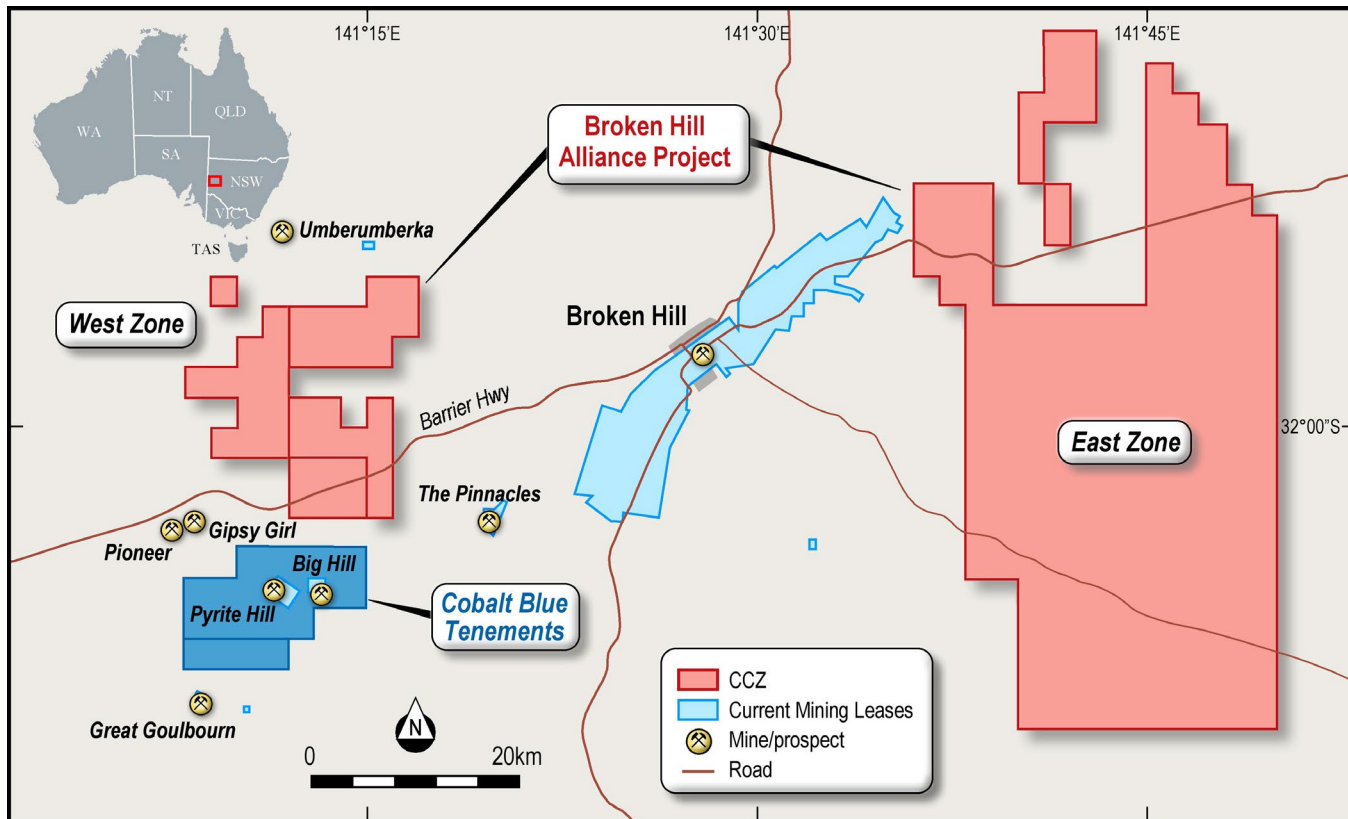
Prime Broken Hill assets set to IPO

- CCZ's Board has appointed CPS Capital Group, to restructure and then list, on a best endeavours basis, via an IPO on the ASX, its wholly-owned Broken Hill Alliance (BHA) Project¹ which comprises a large footprint proximal to Broken Hill's world-class zinc-lead-silver deposit
- CCZ has retained Steinepreis Paganin as its legal advisor
- A new entity, Newco, will be formed to house the BHA Project, with CCZ slated to retain a significant interest post-IPO
- Newco will be led by Managing Director, Dr Dennis Jensen, a former Federal Member of Parliament and CSIRO scientist who has significant experience consulting in the mining industry
- Subject to final approvals to progress the IPO, Newco is targeting to raise a minimum of \$4.5m up to a maximum of \$7.0m (and will include a preferential subscription allocation to CCZ shareholders) to fund a comprehensive exploration campaign to develop the BHA Project
- To re-cap, sophisticated work by Geological Survey of NSW² (GSNSW), which generated advanced predictive geological models for major mineral systems, highlighted:
 - ❖ The BHA Project is highly prospective for Broken Hill Type (BHT – Silver-Zinc-Lead) mineralisation in the West Zone and Iron-Oxide-Copper-Gold (IOCG) mineralisation in the East Zone²
- Notably, there are numerous high priority drillable targets which delivers a significant pipeline of exploratory work ahead
- Further, much of the tenure is under-explored which underscores the potential for implementing a broad exploration campaign
- For CCZ, spinning out the BHA Project is potentially a significant value creating event, while concurrently enabling the Board to focus resources on developing its project in Queensland and proving up suitable targets to test-drill in Zambia

Castillo Copper's Managing Director Simon Paull commented: "This is an excellent win-win outcome that enables CCZ to benefit materially from the development of the BHA Project through retaining a significant minority interest. Furthermore, it will enable the Board to channel more time and resources into developing the Queensland and primary Zambia Projects. Pleasingly, our strategic intent to evolve into a mid-tier copper group remains on track."

Castillo Copper Limited (“CCZ”) is delighted to announce that it has appointed CPS Capital Group to make the necessary arrangements to restructure then list, via an IPO on the ASX, its wholly-owned BHA Project which comprises a sizeable footprint proximal to Broken Hill’s world-class zinc-lead-silver deposit (Figure 1).

FIGURE 1: BHA PROJECT RELATIVE TO WORLD-CLASS BROKEN HILL MINE



Source: CCZ geology team

SPINNING OFF BROKEN HILL ASSETS

Planned IPO

As part of the pre-IPO restructuring plans, Newco will be formed to house the BHA Project. Post the IPO, which is targeting to raise a minimum of \$4.5m up to a maximum of \$7.0m (and will include a preferential subscription allocation to CCZ shareholders), CCZ will retain a significant interest.

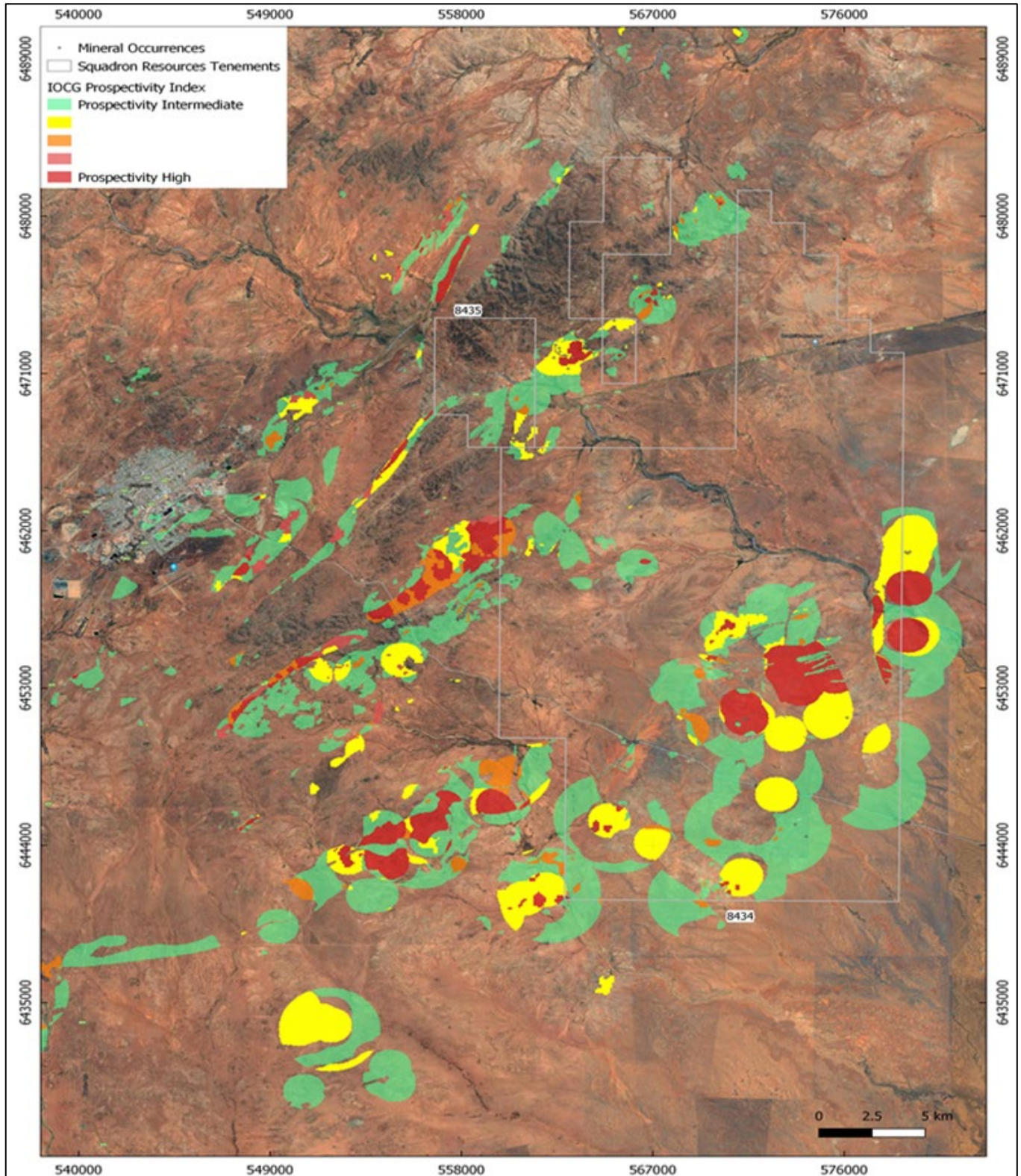
Newco will be led by Managing Director, Dr Dennis Jensen, a former Federal Member of Parliament and CSIRO scientist who has been consulting in the mining industry for the past few years.

Highly prospective assets

GSNSW's advanced predictive geological model² has massively changed the prospectivity for the BHA Project, with some significant new insights:

- ❖ The East Zone has numerous drill targets for IOCG (Iron Oxide Copper-Gold)² mineralisation which have never been drill tested (Figure 2); and

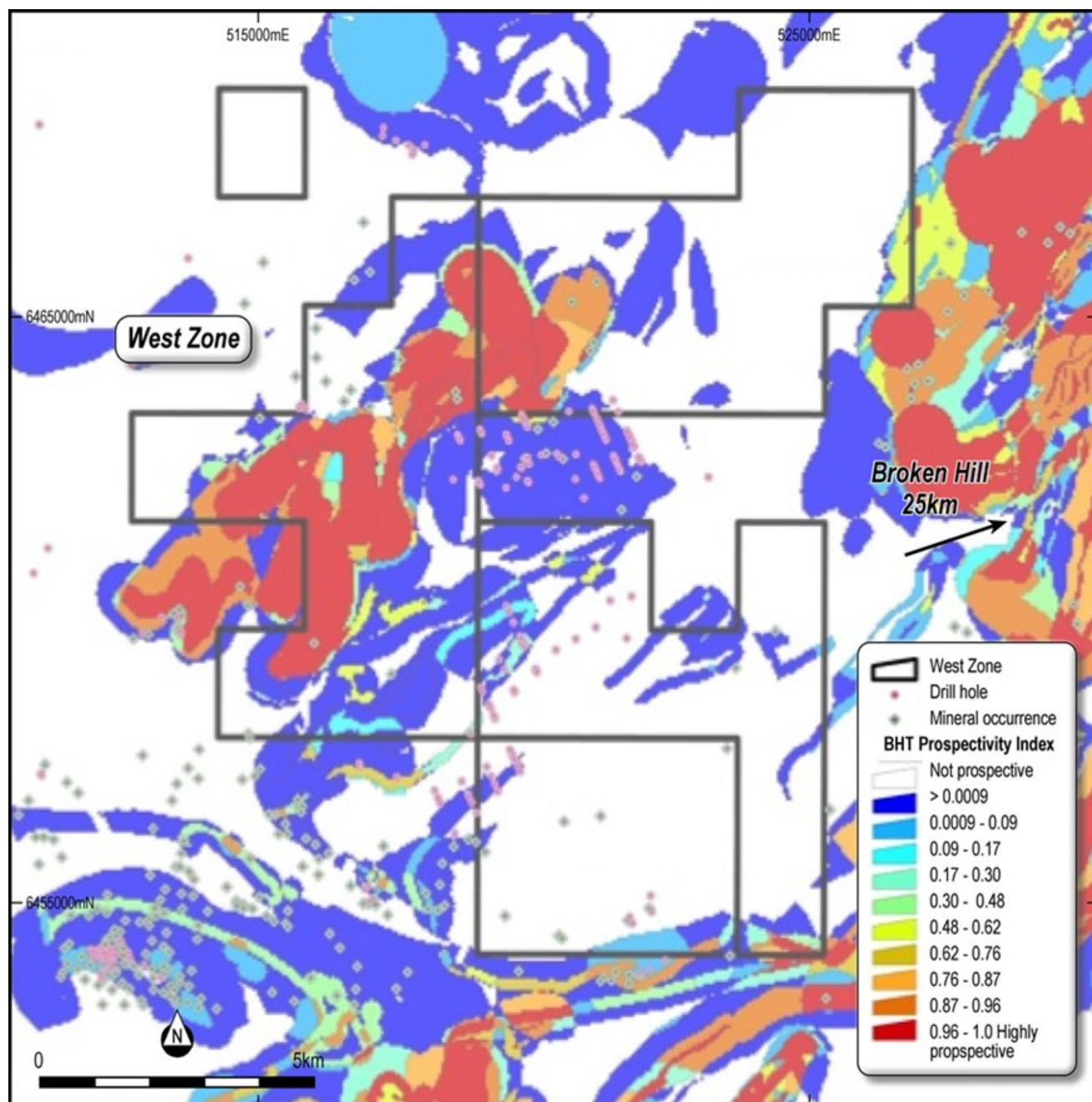
FIGURE 2: EAST ZONE – IOCG TARGETS



Source: GSNSW

- ❖ The West Zone has a plethora of drill targets for BHT (Broken Hill Type) Silver-Zinc-Lead² mineralisation and the potential to have similar underlying geology as the historic mining leases around Broken Hill (Figure 3).

FIGURE 3: WEST ZONE – BHT TARGETS



Source: GSNSW

Historical insights

Interestingly, previous exploration, using conventional techniques, missed the potential mineralised systems – outlined above – due to a 5m - 40m covering of surficial sand and clay.

CCZ's geology team undertook a fresh review of historical data which identified further mineralisation opportunities within the BHA Project. Within the East Zone, although further validation is necessary, there are robust surface results for **Cobalt-Copper-Gold including up to 9,500ppm Co, 1.1% Cu and 3.46ppm Au²**.

Meanwhile, the West Zone contains the same geological formation that hosts Cobalt Blue's (ASX: COB) Thackaringa cobalt-pyrite resource³. This has been verified through government mapping to be included within the BHA Project and confirmed by rock-chips up to 1,440ppm Co⁴.

There is a large amount of data which shows the potential for incremental BHT mineralisation throughout the region; however, it is believed to occur concurrently with IOCG mineralisation.

Overall, the IOCG and Co-Cu potential present within the East Zone, coupled with the cobaltian pyrite and Co-Cu (& BHT) prospectivity in the West Zone, delivers a target-rich project with significant exploration potential for Gold-Silver-Copper-Zinc-Lead mineralisation.

Value creating opportunity

For CCZ, this corporate transaction is strategic as it presents a significant value creating opportunity through continuing to own a significant stake in Newco as the BHA Project is developed. In addition, CCZ's Board can channel scarce resources into developing its priority copper projects in Queensland and Zambia.

Next steps

Securing necessary regulatory approvals and preparing the IPO prospectus.

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:

- A large footprint 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 – 30 September 2020
- 2) Geological Survey of New South Wales (GSNSW), which relates to advanced predictive geological model (described above) and historical surface / near surface assays:
 - Groves I. & Plimer I. 2017. Broken Hill Pb-Zn-Ag deposit. pp 641–646 In: Phillips N. ed. Australian Ore Deposits. Australasian Institute of Mining and Metallurgy Monograph 32, 879 pp.
 - Fitzherbert J.A., 2018, A Mineral System Model for Broken Hill Type Pb-Zn-Ag mineralisation In New South Wales, Geological Survey of New South Wales, May 2018, GS2018/0400
 - Ford A., Partington G., Peters K., Greenfield J., Blevin P., Downes P., and Fitzherbert J., 2018, Zone 54 - Curnamona Province and Delamerian-Thomson Orogen Mineral Potential Data Package, [Digital Dataset]. Geological Survey of New South Wales, Maitland.Available at: <https://www.resourcesandgeoscience.nsw.gov.au/miners-and-explorers/geoscience-information/geological-survey-of-nsw>
- 3) COB ASX Release – 10 September 2020 (Annual Report) and 8 March 2021. Available at: <https://www.cobaltblueholdings.com/>
- 4) CCZ ASX Release – 28 September 2018

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.

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