



**CASTILLO COPPER  
LIMITED**

**ASX Release**

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CCZ

## **Large targets under 6km copper strike at Luanshya Project in Zambia**

- **Work on the Induced Polarisation (IP) survey across the Luanshya Project in Zambia's copper-belt – focusing on a 6km strike delineated from previous soil sampling campaigns<sup>1</sup> – is progressing to plan, with eight lines now complete**
- **Pleasingly, multiple high chargeability targets have been identified within three interpreted lines that potentially indicate the presence of sulphides**
- **Reconciling the IP survey findings with the previous geochemical results confirmed the high chargeability targets are directly coincident – this significantly enhances the probability for a discovery**
- **As such, CCZ's geology team in Zambia can now formulate the inaugural drilling campaign and, pending the outcome of discussions with service providers, potentially commencing work in the fourth quarter of 2021.**
- **The IP survey, which is being conducted by Geophex Surveys (a Zambian based geophysics consultancy<sup>2</sup>), will soon finish up at Luanshya then progress to the Mkushi Project**
- **Further updates on progress in Zambia will be forthcoming as developments materialise**
- **Meanwhile, the second drilling campaign at the Big One Deposit has concluded – the laboratory, which is processing a huge number of samples from many explorers across the Mt Isa region, is expected to return all assays shortly:**
  - ❖ **This will enable the geology team to progress work on formulating the next drilling campaign at Big One.**
- **In addition, all key service providers are on track to commence mobilisation at the Arya Prospect during September 2021, targeting several well-defined bedrock conductors**

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**Castillo Copper's Managing Director Simon Paull commented:** "Our exploration efforts at the Luanshya Project are bearing fruit, as we now have multiple high-quality targets to test-drill along the 6km copper strike. Moving forward, the Board's goal is to commence the inaugural drilling campaign during the fourth quarter. This will place Castillo Copper in a strong position strategically, with development work progressing concurrently on prime projects in the Zambia and Mt Isa copper-belts."

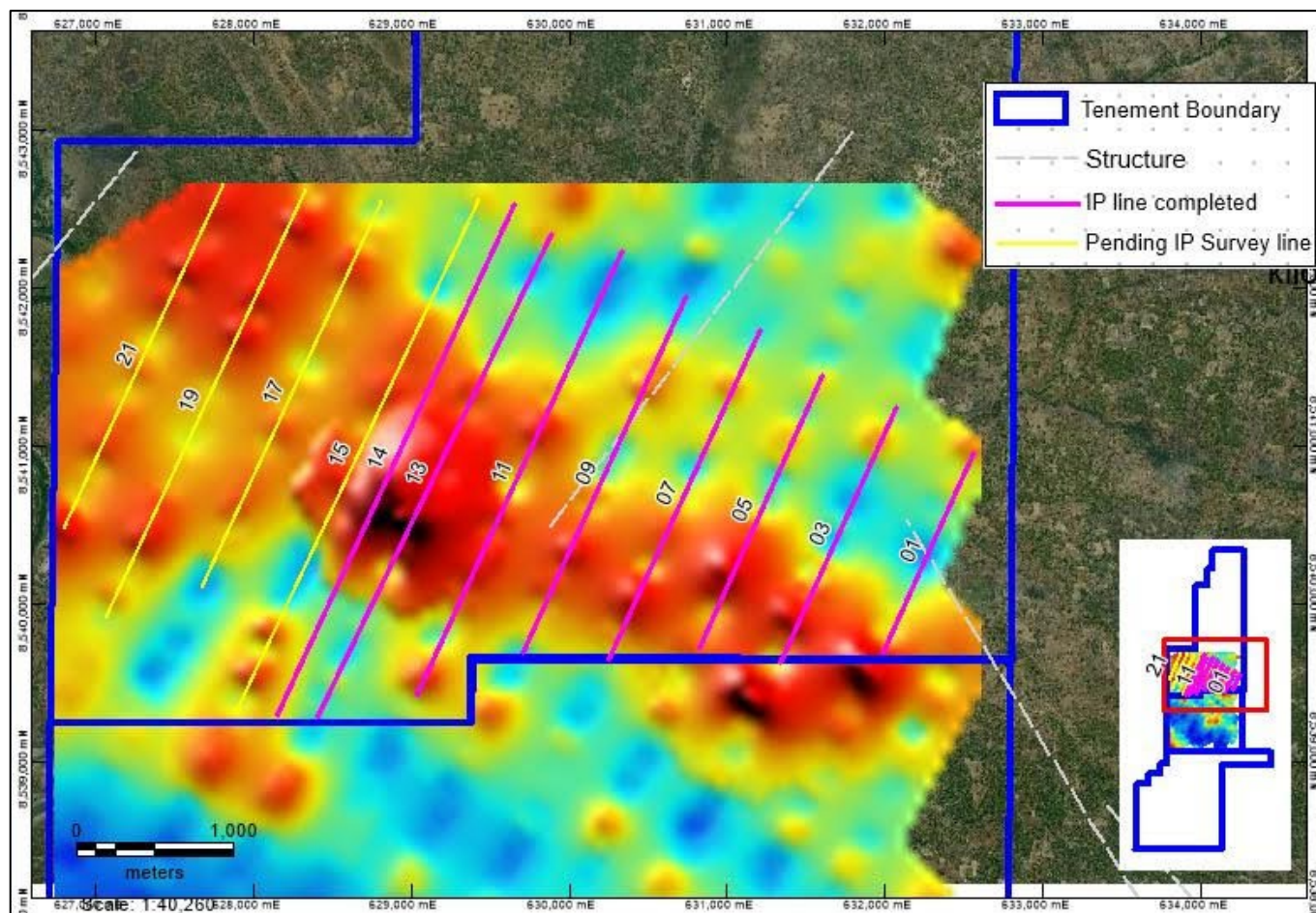
Castillo Copper Limited (“CCZ”) is pleased to announce that multiple targets for test-drilling have been identified at the Luanshya Project in Zambia’s copper-belt, following the completion of eight IP survey lines.

### COMPELLING TARGETS

#### IP survey

So far, the geophysics consultancy, Geophex Surveys, has completed eight IP survey lines at the Luanshya Project. The focus area is the 6km copper strike that was previously delineated by soil geochemistry<sup>1</sup> (Figure 1). CCZ’s geology team in Zambia decided to use the IP survey method, rather than alternatives, due to its deep penetration and high levels of resolution.

**FIGURE 1: IP SURVEY LINES OVER A 6KM COPPER STRIKE AT LUANSHYA PROJECT**



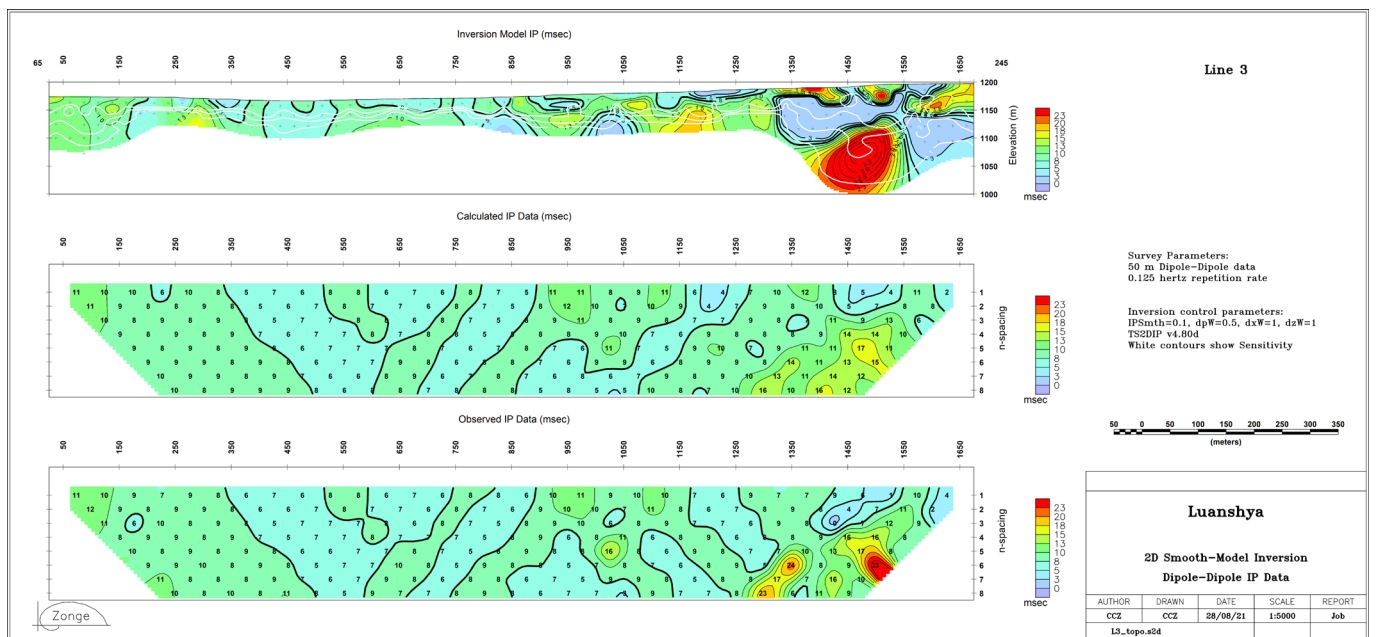
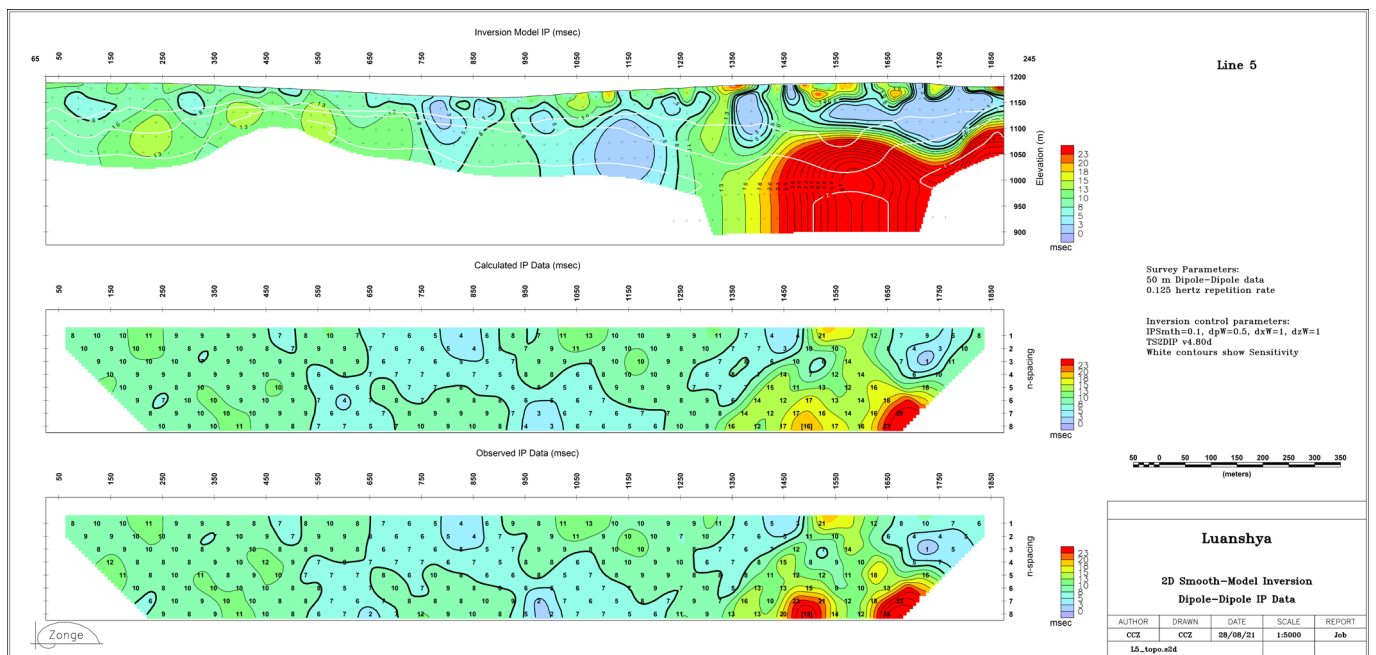
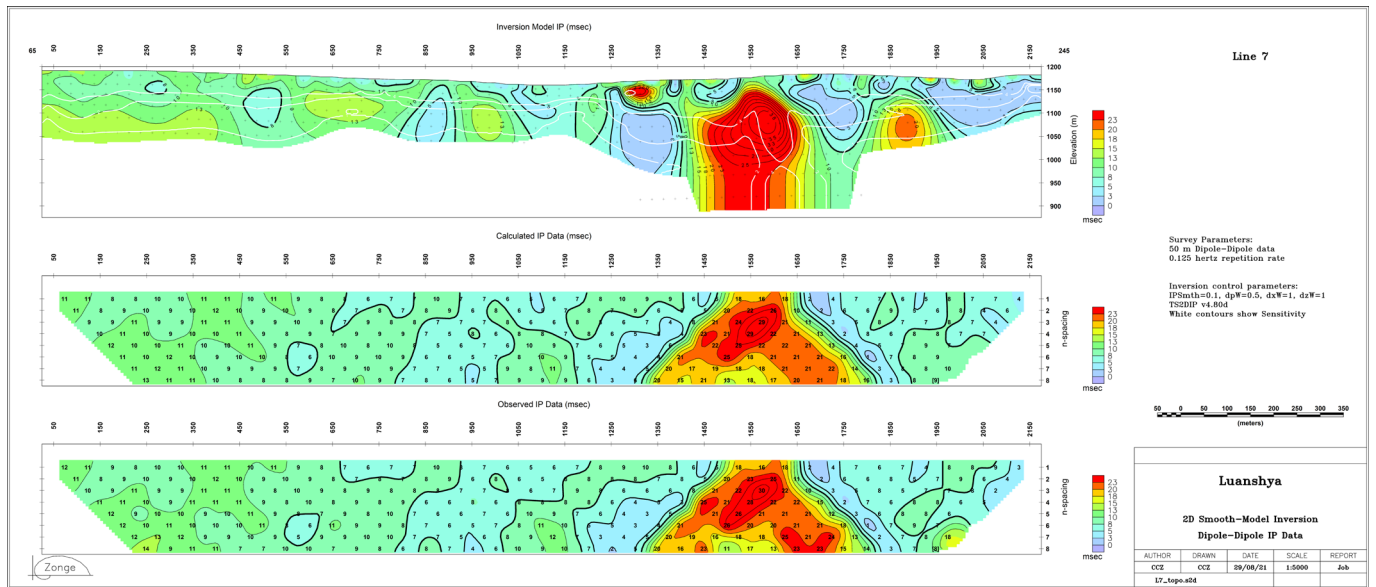
Source: CCZ geology team

As such, interpretations for three lines resulted in multiple high chargeability anomalies being identified (Figure 2 – inversion model – red zones are clear targets in lines 3, 5 & 7), which are potentially indicative of underlying sulphides. Moreover, as these chargeability anomalies are directly coincident with soil geochemistry results, they make compelling targets to test-drill. Notably, the clear nexus between the geophysical and geochemical results, materially enhances the probability for a discovery.

Based on the results to date, CCZ’s geology team in Zambia can now commence formulating the inaugural drilling campaign for the Luanshya Project. Depending on the outcome of discussions with service providers and key approvals, drilling can potentially commence in the fourth quarter of 2021.

In the interim period however, IP survey work will be completed at Luanshya and then progress to the Mkushi Project.

**FIGURE 2: INVERSION MODEL – RED ZONES ARE TARGETS IN LINES 3, 5 & 7**



Source: CCZ geology team

## **Prospective copper region**

The Luanshya Project is located in Zambia's traditional copper-belt, a globally known region that houses numerous copper deposits and operating mines. Moreover, the Luanshya Project is located ~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% Cu<sup>3</sup>. Of significance, the Luanshya Project is on the same NW-SE trendline, which is ~5-10km wide, that hosts two of CNMC's operating copper mines<sup>3</sup>.

## **Next steps**

There are several ongoing steps for the Zambia operations, including:

- Complete the IP survey at the Luanshya & Mkushi Projects then analyse the results for incremental targets for test-drilling; and
- Commence work on the inaugural drilling campaign for the Luanshya Project.

In Queensland, the following is set to take place over the next few weeks:

- Return of all assays from the laboratory which will enable the geology team to formulate the next drilling campaign.
- Commencement of drilling at the Arya Prospect, as all key service providers are ready to deploy to site.

**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 – 1 July 2021
- 2) Geophex Surveys Limited. Available at: <<http://africa.geovale.com/associates/geophex-surveys-limited/>>
- 3) CCZ ASX Release – 16 September 2019 & 15 April 2020

### Competent Person Statement

The information in this announcement that relates to exploration results is based on and fairly represents information reviewed or compiled by Mr Matt Bull, a Competent Person who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Bull is a beneficiary of Southern River Investments, a trust which is a shareholder of Castillo Copper Limited. Mr Bull is a shareholder and director of Trilogy Metals Pty Ltd, a company which provides ad hoc geological consultancy services to Castillo Copper Limited. Mr Bull is a Consultant of Castillo Copper Limited. Mr Bull has sufficient experience that is relevant to the styles of mineralisation and types 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 Bull has provided his prior written consent to the inclusion in this announcement 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 A: JORC Code, 2012 Edition – Table 1

## Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> <li>Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.</li> <li>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</li> <li>Aspects of the determination of mineralisation that are Material to the Public Report.</li> <li>In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.</li> </ul>	<ul style="list-style-type: none"> <li>Not applicable for induced Polarization survey program reporting. There was no drilling conducted.</li> </ul>
Drilling techniques	<ul style="list-style-type: none"> <li>Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).</li> </ul>	<ul style="list-style-type: none"> <li>Not applicable no drilling was conducted.</li> </ul>
Drill sample recovery	<ul style="list-style-type: none"> <li>Method of recording and assessing core and chip sample recoveries and results assessed.</li> <li>Measures taken to maximise sample recovery and ensure representative nature of the samples.</li> <li>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</li> </ul>	<ul style="list-style-type: none"> <li>Not applicable no drilling was conducted.</li> </ul>
Logging	<ul style="list-style-type: none"> <li>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</li> <li>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</li> </ul>	<ul style="list-style-type: none"> <li>Not applicable no drilling was conducted.</li> </ul>

	<ul style="list-style-type: none"> <li>• <i>The total length and percentage of the relevant intersections logged.</i></li> </ul>	
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> <li>• <i>If core, whether cut or sawn and whether quarter, half or all core taken.</i></li> <li>• <i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i></li> <li>• <i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i></li> <li>• <i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i></li> <li>• <i>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</i></li> <li>• <i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Not applicable no drilling was conducted.</li> </ul>
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> <li>• <i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i></li> <li>• <i>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i></li> <li>• <i>Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Induced polarization survey completed on 8 SW-NE lines</li> <li>• The Survey utilizing a 2 second pulse and a Dipole-Dipole array with the potential electrodes preceding the current electrodes.</li> <li>• Dipole spacing of 50m with reading levels from n=1 to n=8.</li> <li>• Survey carried in lines spaced at 500m in base line of 6km</li> <li>• Base station corrections are done daily.</li> <li>• Digital data associated with this report are provided in WGS84 and Projected at UTM zone 35S</li> </ul>
Verification of sampling and assaying	<ul style="list-style-type: none"> <li>• <i>The verification of significant intersections by either independent or alternative company personnel.</i></li> <li>• <i>The use of twinned holes.</i></li> <li>• <i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i></li> <li>• <i>Discuss any adjustment to assay data.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Not applicable for IP survey</li> </ul>
Location of data points	<ul style="list-style-type: none"> <li>• <i>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i></li> <li>• <i>Specification of the grid system used.</i></li> <li>• <i>Quality and adequacy of topographic control.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Positions were collected using hand held GPS with accuracy of +/-3m and is considered more than sufficient for the survey being conducted.</li> <li>• All the data are reported using a WGS84 datum and projection UTM zone 19S</li> </ul>

<i>Data spacing and distribution</i>	<ul style="list-style-type: none"> <li>• <i>Data spacing for reporting of Exploration Results.</i></li> <li>• <i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i></li> <li>• <i>Whether sample compositing has been applied.</i></li> </ul>	<ul style="list-style-type: none"> <li>• IP lines had 50m dipole spacings with lines running SW-NE and spaced 500m.</li> <li>• The data is sufficient to establish continuity.</li> </ul>
<i>Orientation of data in relation to geological structure</i>	<ul style="list-style-type: none"> <li>• <i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i></li> <li>• <i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i></li> </ul>	<ul style="list-style-type: none"> <li>• The SW-NE lines direction are perpendicular to the interpreted strike of geochemical anomaly.</li> </ul>
<i>Sample security</i>	<ul style="list-style-type: none"> <li>• <i>The measures taken to ensure sample security.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Not applicable for IP Survey</li> </ul>
<i>Audits or reviews</i>	<ul style="list-style-type: none"> <li>• <i>The results of any audits or reviews of sampling techniques and data.</i></li> </ul>	<ul style="list-style-type: none"> <li>• No audits or reviews have yet been under taken</li> </ul>



## Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
<b>Mineral tenement and land tenure status</b>	<ul style="list-style-type: none"> <li>• <i>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</i></li> <li>• <i>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</i></li> </ul>	<ul style="list-style-type: none"> <li>• The tenements referred to in this release are 25195-HQ-LEL owned by Belmt Resources Mining Company Ltd.</li> </ul>
<b>Exploration done by other parties</b>	<ul style="list-style-type: none"> <li>• <i>Acknowledgment and appraisal of exploration by other parties.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Castillo is not aware of any previous exploration or evaluation of permit</li> </ul>
<b>Geology</b>	<ul style="list-style-type: none"> <li>• <i>Deposit type, geological setting and style of mineralisation.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Copper Mineralization is of the sedimentary hosted copper type</li> </ul>
<b>Drill hole Information</b>	<ul style="list-style-type: none"> <li>• <i>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:</i> <ul style="list-style-type: none"> <li>○ <i>easting and northing of the drill hole collar</i></li> <li>○ <i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i></li> <li>○ <i>dip and azimuth of the hole</i></li> <li>○ <i>down hole length and interception depth</i></li> <li>○ <i>hole length.</i></li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• There is no exploration done in the area known to Castillo Copper.</li> </ul>

	<i>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</i>	
<b>Data aggregation methods</b>	<ul style="list-style-type: none"> <li><i>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.</i></li> <li><i>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</i></li> <li><i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i></li> </ul>	<ul style="list-style-type: none"> <li>Data aggregation was not used</li> </ul>
<b>Relationship between mineralisation widths and intercept lengths</b>	<ul style="list-style-type: none"> <li><i>These relationships are particularly important in the reporting of Exploration Results.</i></li> <li><i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i></li> <li><i>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').</i></li> </ul>	<ul style="list-style-type: none"> <li>Not applicable</li> </ul>
<b>Diagrams</b>	<ul style="list-style-type: none"> <li><i>Appropriate maps and sections (with scales) and tabulations of</i></li> </ul>	<ul style="list-style-type: none"> <li>A map showing the IP Lines locations are shown in figure 1</li> </ul>

	<i>intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</i>	
<b>Balanced reporting</b>	<i>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</i>	<ul style="list-style-type: none"> <li>• Not applicable</li> </ul>
<b>Other substantive exploration data</b>	<ul style="list-style-type: none"> <li>• <i>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Soil geochemical sampling information and results previously reported</li> <li>• Digitized regional geological information</li> </ul>
<b>Further work</b>	<ul style="list-style-type: none"> <li>• <i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i></li> <li>• <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i></li> </ul>	<ul style="list-style-type: none"> <li>• A drilling program to follow up the results of the IP and soil sampling programs is planned.</li> </ul>