

Comprehensive surface sampling campaign undertaken at Litchfield Lithium Project

FIGURE 1: SURFACE SAMPLING – LITCHFIELD LITHIUM PROJECT



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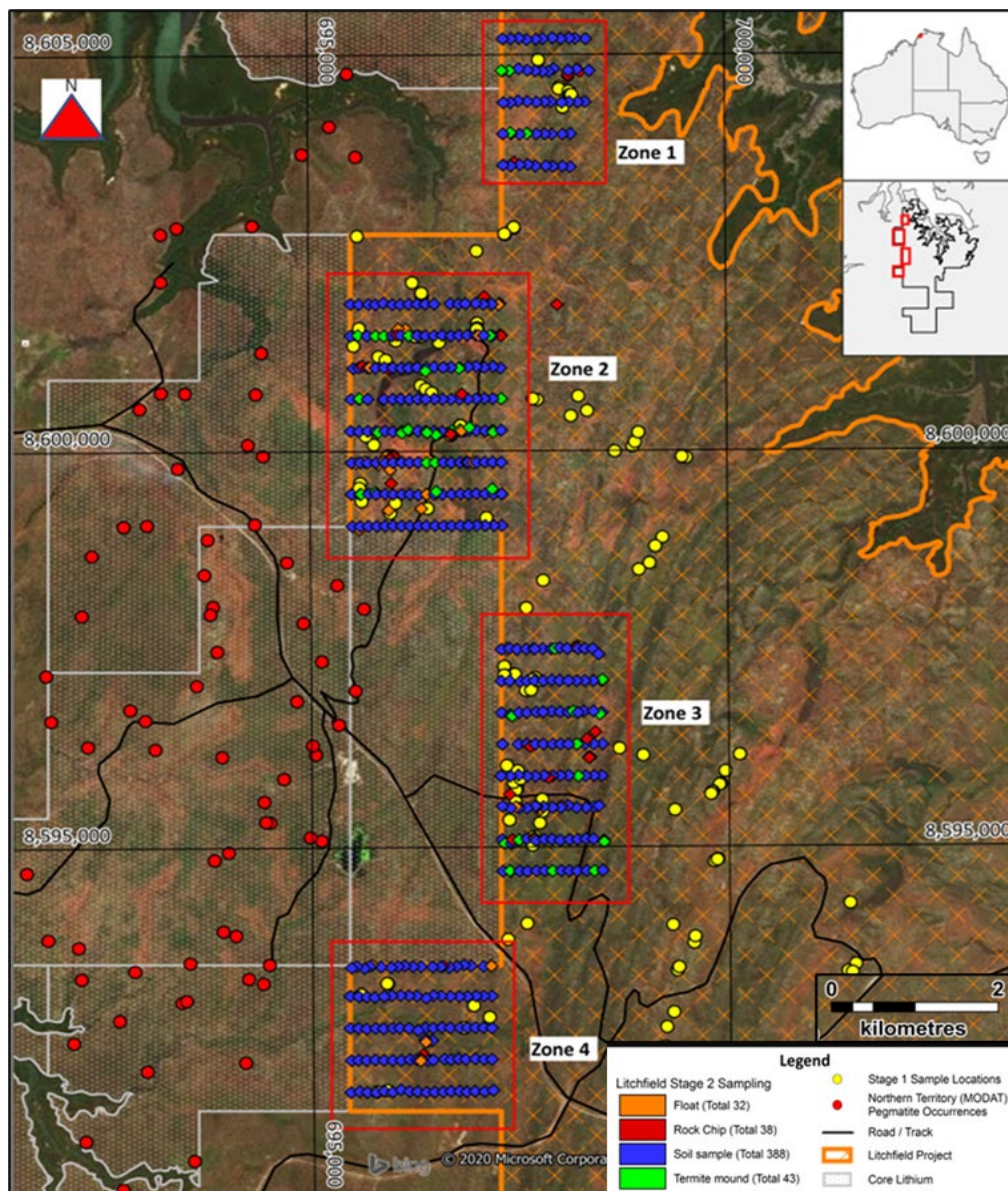
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Source: CCZ geology team

- **CCZ is the only third-party to have reviewed extensive site visit reports to the Litchfield Lithium Project, arranged by the Vendor Group’s geology consultant, which highlight the following:**
 - ❖ **Four targeted zones, where comprehensive surface sampling has been undertaken, along the western boundary contiguous to Core Lithium’s (ASX: CXO) Finnis Lithium Project¹ and coincident with known pegmatite occurrences² (Figure 1)**
- **As satellite imagery³ confirms comparable geology between the Litchfield Lithium Project (NW quadrant) and CXO’s proximal ground, pending assays on 657 surface samples (from Zones 1-4) should provide key insights if contiguous lithium mineralisation is apparent**

CCZ’s Managing Director, Simon Paull, commented: “The depth of the surface sampling program conducted by the Vendor Group’s geology consultant is impressive, especially as it covers our main area of interest within the tenure. Favourable assay results should make the case for the Litchfield Lithium Project significantly more compelling and hasten our due diligence efforts.”

Castillo Copper Limited's ("CCZ") Board is pleased to report that it is the only third-party to date which has reviewed extensive site visit reports on the Litchfield Lithium Project that were arranged by the Vendor Group's geology consultant.

The reports highlighted four target zones where comprehensive surface sampling was undertaken, primarily along the western boundary which is contiguous to CXO's Finnis Lithium Project¹ and coincident with government mapped pegmatite occurrences² (Figure 1 & Appendix A).

With satellite imagery³ already confirming there is comparable geology between the Finnis and Litchfield Lithium Projects, assay results for 657 surface samples are likely to have a key bearing on the due diligence process, especially if the lithium mineralisation is proved contiguous (refer Appendix B).

COMPREHENSIVE SAMPLING PROGRAM

The sampling program was conducted in two stages. The first focused on pegmatite dykes, which at surface are highly weathered and leave a quartz dyke trace, with 156 samples collected.

Leveraging insights from Stage 1, coupled with historical reports, Stage 2 comprised soil sampling across four grids – 400m spacing by 100m intervals – within four zones on the western boundary contiguous to CXO's Mt Finnis Lithium Project. Overall, 501 samples were collected from any outcrop, float or termite mounds found to be of significant size or interest (similar to Figure 2A and 2B below).

FIGURE 2A: PEGMATITE OUTCROPPING – LITCHFIELD LITHIM PROJECT



Location: mE 697018 mN 8601570

Source: CCZ geology team

FIGURE 2B: QUARTZ VEINING & TERMITE MOULD – LITCHFIELD LITHIUM PROJECT



Location: mE 697018 mN 8601570

Source: CCZ geology team

Exploration was concentrated in the western and central portion of the Litchfield Lithium Project as it is proximal to CXO's Bynoe pegmatite field. Notably, significant sampling was undertaken in Zones 1 and 2, as these areas potentially host a representational suite of all different surface expressions for pegmatites and quartz dykes within tenure boundaries (refer Figure 1).

The main geological formation observed within the Litchfield Lithium Project are metamorphic rocks associated with the Burrell Creek formation comprising conglomerates, quartzites, schists and slates. In general, this unit represents the host rock for the regional occurrences of pegmatites that can potentially host lithium mineralisation. Encouragingly, conglomerates – a Burrell Creek formation indicator – were observed extensively in the western portion of the Litchfield Lithium Project which further supported focusing the sampling campaigns on this area.

Due diligence

Reviewing historical data, as well as the extensive site visit reports, has provided considerable insight into the Litchfield Lithium Project's exploration potential. However, the pending assay results – which are due to be received in coming weeks – should advance the due diligence progress significantly.

Next steps

For the lithium projects:

- Ongoing due diligence for the Picasso and Litchfield Lithium Projects, including return of assay results for surface sampling campaigns.

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

- Updates on drilling at Arya Copper Prospect.

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

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

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 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) CXO ASX Release – 21 September 2021 (Annual Report) & CCZ ASX Release – 29 September 2021
- 2) Frater, K. (2005). Tin-Tantalum Pegmatite Mineralisation of the Northern Territory - Report 16 ISSN 0814-7477. Northern Territory Geological Survey; and, Rawlings, D. (2017, March). Lithium-rich pegmatites of the Bynoe Field. AGES 2017 Proceedings, NT Geological Survey (p. 3pp). Northern Territory Government.
- 3) Satellite imagery from Geological Survey of Western Australia. Available at: <https://www.dmp.wa.gov.au/Geological-Survey/Geological-Survey-262.aspx> & CCZ ASX Release – 29 September 2021

Competent Person Statement

The information in this report that relates to Exploration Results for "Litchfield" and "Picasso" is based on information compiled or reviewed by Mr Geoffrey Reed, a Non- Executive Director of CCZ. Mr Reed is both a shareholder and director of Bluespoint Mining Services, a company which is a shareholder of Castillo Copper Limited. Bluespoint Mining Services provides ad hoc geological consultancy services to Castillo Copper Limited. Mr Reed is a member of the Australian Institute of Mining and Metallurgy (CP) (member #250422) 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 Reed is a member of the Australian Institute of Geoscientists. Further, Mr Reed consents to the inclusion in this report of the matters based on information in the form and context in which it appears.

Mr Reed has not verified any of the information regarding any of the properties or projects referred to herein other than the "Litchfield" and "Picasso" Properties.

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

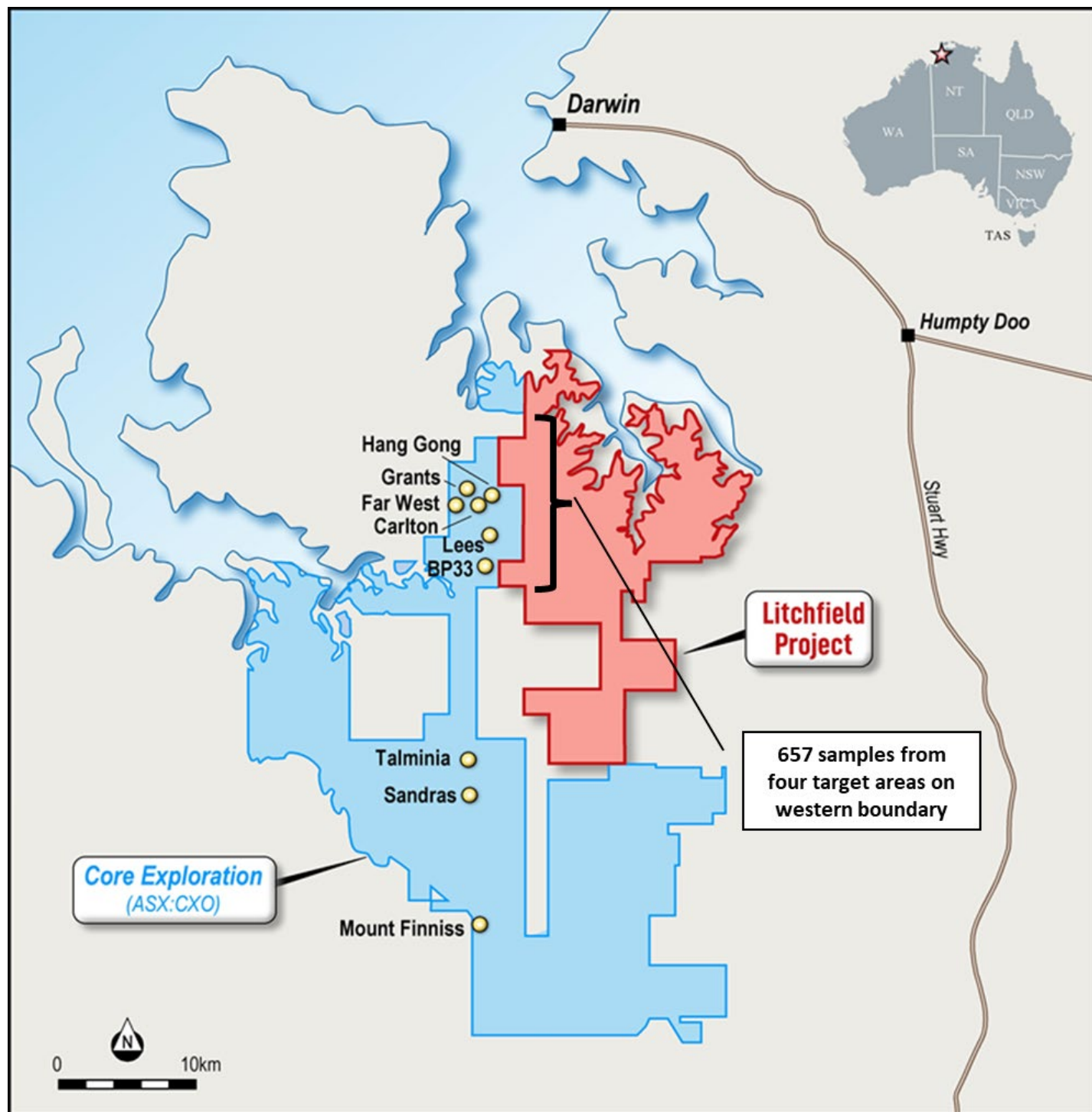
Disclaimer Regarding Forward Looking Statements

This ASX announcement (Announcement) contains various forward-looking statements. All statements other than statements of historical fact are forward-looking statements. Forward-looking statements are inherently subject to uncertainties in that they may be affected by a variety of known and unknown risks, variables and factors which could cause actual values or results, performance, or achievements to differ materially from the expectations described in such forward-looking statements.

Castillo Copper Limited does not give any assurance that the anticipated results, performance, or achievements expressed or implied in those forward-looking statements will be achieved.

APPENDIX A: REGIONAL MAP

FIGURE A1: LITCHFIELD LITHIUM PROJECT



Source: CCZ geology team

APPENDIX B: JORC CODE, 2012 EDITION – TABLE 1

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> • <i>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.</i> • <i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i> • <i>Aspects of the determination of mineralisation that are Material to the Public Report.</i> • <i>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.</i> 	<ul style="list-style-type: none"> • Litchfield <p>The Litchfield project and surrounds has a very limited amount of publicly available soil geochemistry survey results.</p>
Drilling techniques	<ul style="list-style-type: none"> • <i>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).</i> 	<ul style="list-style-type: none"> • Litchfield <p>There are no reported drill holes located within the Litchfield tenement</p>
Drill sample recovery	<ul style="list-style-type: none"> • <i>Method of recording and assessing core and chip sample recoveries and results assessed.</i> • <i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i> • <i>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.</i> 	<ul style="list-style-type: none"> • Litchfield <p>N/A</p>
Logging	<ul style="list-style-type: none"> • <i>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.</i> • <i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i> 	<ul style="list-style-type: none"> • Litchfield <p>N/A</p>

Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> • The total length and percentage of the relevant intersections logged. • If core, whether cut or sawn and whether quarter, half or all core taken. • If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. • For all sample types, the nature, quality and appropriateness of the sample preparation technique. • Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. • 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. • Whether sample sizes are appropriate to the grain size of the material being sampled. 	<ul style="list-style-type: none"> • Litchfield N/A
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> • The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. • 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. • 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. 	<ul style="list-style-type: none"> • Litchfield N/A
Verification of sampling and assaying	<ul style="list-style-type: none"> • The verification of significant intersections by either independent or alternative company personnel. • The use of twinned holes. • Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. • Discuss any adjustment to assay data. 	<ul style="list-style-type: none"> • Litchfield N/A
Location of data points	<ul style="list-style-type: none"> • 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. • Specification of the grid system used. • Quality and adequacy of topographic control. 	<ul style="list-style-type: none"> • Litchfield N/A
Data spacing and distribution	<ul style="list-style-type: none"> • Data spacing for reporting of Exploration Results. • 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. • Whether sample compositing has been applied. 	<ul style="list-style-type: none"> • Litchfield N/A

Orientation of data in relation to geological structure	<ul style="list-style-type: none"> • Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. • 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. 	<ul style="list-style-type: none"> • Litchfield N/A
Sample security	<ul style="list-style-type: none"> • The measures taken to ensure sample security. 	<ul style="list-style-type: none"> • Litchfield N/A
Audits or reviews	<ul style="list-style-type: none"> • The results of any audits or reviews of sampling techniques and data. 	No formal audit or review of sampling techniques has been undertaken

Section 2 Reporting of Exploration Results

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

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	<ul style="list-style-type: none"> • <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> • <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> 	<ul style="list-style-type: none"> • Litchfield <p>See Appendix A.</p> <p>The majority of the Litchfield tenement is classified under Primary Land Use as 'Conservation and Natural Environment, Production and Agriculture' use. The majority of the tenement is classified as vacant crown land (other) owned by the North Territory Government. The tenement lays within the Darwin Rural Water Control District and northern portions of the lease are noted to be within the Darwin Harbour District sensitive area of conservation significance. There are no Native Title Determinations over the Litchfield project area</p>
Exploration done by other parties	<ul style="list-style-type: none"> • <i>Acknowledgment and appraisal of exploration by other parties.</i> 	<ul style="list-style-type: none"> • Litchfield <p>The large majority of historical exploration, even in recent times, has focussed on the known tin occurrences and workings dating back as far as the late 1800's. Even where there is significant new ground to explore and expand on, recent exploration has focused on previous workings. It appears very little attention has been paid to reconnaissance over other nearby areas such as the western portion of the Litchfield project. This includes limited work by Grigm Resources and Altura Lithium Operations, who have held ground over the Litchfield project (from 2008 to 2014) (Grigm Resources, 2014) (Altura Exploration, 2012).</p>
Geology	<ul style="list-style-type: none"> • <i>Deposit type, geological setting and style of mineralisation.</i> 	<ul style="list-style-type: none"> • Litchfield <p>Localised late-stage pegmatites have intruded into the heavily deformed Burrell Creek meta-sediment units in the immediate area. The pegmatites, which are the targets for lithium mineralisation in the Litchfield project area, are believed to ultimately originate from the Two Sisters Granite.</p>
Drill hole information	<ul style="list-style-type: none"> • <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"> ○ <i>easting and northing of the drill hole collar</i> ○ <i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i> 	<ul style="list-style-type: none"> • Litchfield <p>N/A</p>

	<ul style="list-style-type: none"> ○ dip and azimuth of the hole ○ down hole length and interception depth ○ hole length. ● 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. 	
Data aggregation methods	<ul style="list-style-type: none"> ● 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. ● 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. ● The assumptions used for any reporting of metal equivalent values should be clearly stated. 	<ul style="list-style-type: none"> ● . Litchfield <p>N/A</p>
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> ● These relationships are particularly important in the reporting of Exploration Results. ● If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. ● 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'). 	<ul style="list-style-type: none"> ● Litchfield <p>N/A</p>
Diagrams	<ul style="list-style-type: none"> ● Appropriate maps and sections (with scales) and tabulations of 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. 	Maps for each project are included in the announcement
Balanced reporting	<ul style="list-style-type: none"> ● 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. 	Not applicable.
Other substantive exploration data	<ul style="list-style-type: none"> ● 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. 	Commencement of due diligence on the Litchfield Lithium Project
Further work	<ul style="list-style-type: none"> ● The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling). ● Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, 	For the Litchfield Lithium Project, return of assays for 657 surface samples.

provided this information is not commercially sensitive.