



CASTILLO COPPER
LIMITED

ASX Release

29 October 2021

**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
Geoff Reed

Company Secretary:

Dale Hanna

ASX/LSE Symbol:

CCZ

SEPTEMBER 2021 QUARTERLY ACTIVITIES REPORT

HIGHLIGHTS

▪ Big One Deposit:

- The initial assays were received for drill-holes BO_315-317RC verify up to 9.19% Cu and clearly extended known mineralisation – the best intercepts being:
 - ❖ 9m @ 1.42% Cu from 88m including 4m @ 3.06% Cu from 92m & 1m @ 9.19% Cu from 92m (BO_317RC)
 - ❖ 5m @ 1.06% Cu from 141m (BO_316RC)
 - ❖ 3m @ 1.22% Cu from 65m (BO_315RC)¹

▪ Lithium Projects:

- CCZ secured an option for 90 days to acquire, subject to successful due diligence, two prospective lithium projects in prime locations:
 - Litchfield Lithium Project, NT, contiguous to Core Lithium (ASX: CXO) strategies Finnis Lithium Project which has JORC compliant ore reserves (7.4Mt @ 1.3% Li₂O)¹; and
 - Picasso Lithium Project (Norseman region, WA) is proximal to Liontown's Resources' (ASX: LTR) Buldania Project, with a JORC compliant resource at 14.9Mt @ 0.97% Li₂O, and has mapped pegmatites that potentially host lithium mineralisation¹

▪ Zambia Projects:

- Large targets were identified from an Induced Polarisation (IP) survey across the Luanshya Project in Zambia's copper belt
 - Reconciling the IP survey findings with previous geochemical results confirmed the high chargeability targets are directly coincident – this significantly enhances the potential for a discovery¹

▪ Corporate:

- CCZ announced the appointment of Mr Geoff Reed as Non-Executive Director¹

Castillo Copper Limited's ("CCZ" or "the Company") is pleased to present shareholders its latest quarterly report for the period 1 July to 30 September 2021.

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

DEVELOPMENT WORK

CCZ has its core project in Mt Isa's copper-belt, four assets across Zambia's copper-belt, a large footprint near Broken Hill's world class silver-zinc-lead deposit and the historic Cangai Copper Mine located in New South Wales.

MT ISA COPPER-BELT, QUEENSLAND

Big One Deposit & Arya Prospects

On 15 July 2021, CCZ announced the intersection of significant visible copper mineralisation in drill-hole BO_318RC in two distinct zones – 11m from 89-100m and 34m from 153-187m (apparent thickness)¹.

Reconciling these new data points with the geological modelling completed to date, clearly verified material extensions to known mineralisation and potentially a larger underlying system than initially envisaged.

A key feature behind the success of the current campaign (Figure 1) has been the significantly improved targeting, resulting from the effective utilisation of geophysical insights to refine and reshape the drilling program to boost the collective exploration potential¹.

FIGURE 1: DRILL RIG AT BIG ONE DEPOSIT



Location: 7,880,306E, 335,422N

Source: CCZ geology team

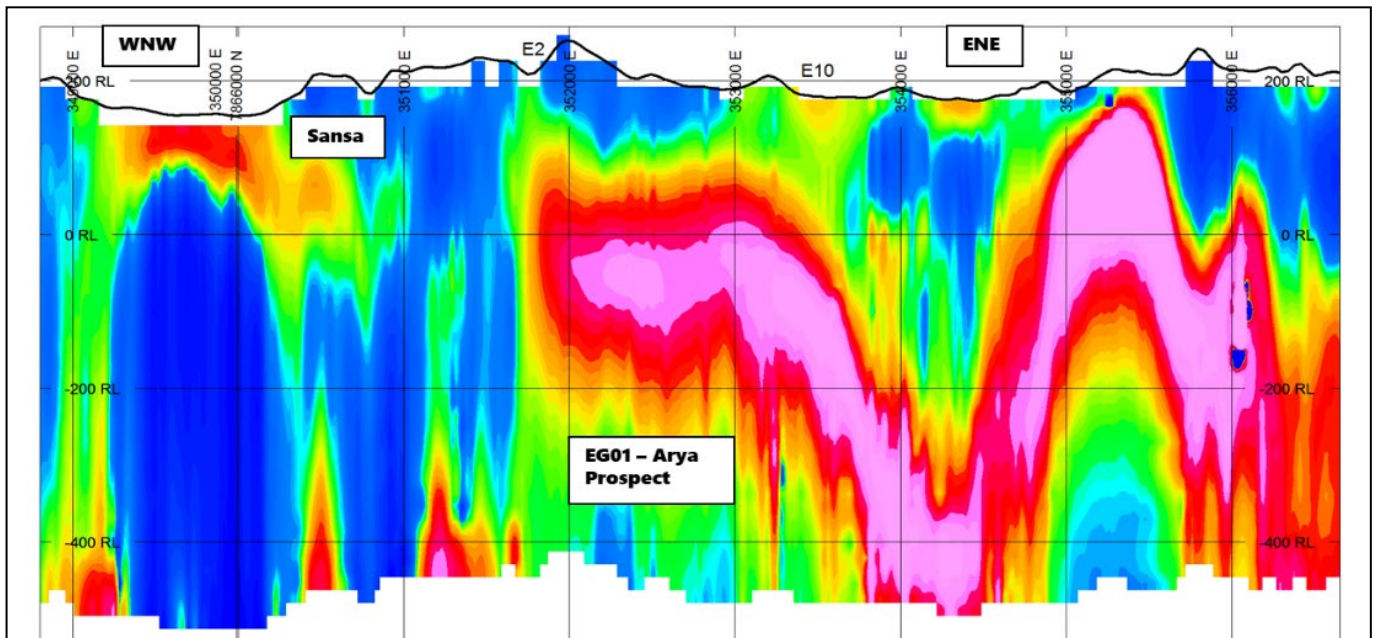
On 26 July 2021, CCZ announced up to 9% copper in Big One Deposit assays plus more visible mineralisation up to 26m thick. Initial assays for drill-holes BO_315-317RC verified up to 9.19% Cu and clearly extended known mineralisation – the best intercepts are summarised below:

- ❖ 9m @ 1.42% Cu from 88m including 4m @ 3.06% Cu from 92m & 1m @ 9.19% Cu from 92m (BO_317RC),
- ❖ 5m @ 1.06% Cu from 141m (BO_316RC) and
- ❖ 3m @ 1.22% Cu from 65m (BO_315RC)¹.

On 10 August 2021, CCZ announced logistics were in place to test drill the 130m thick target at the Arya Prospect. All key logistics to enable work to commence at the prime Arya Prospect were finalised during the September 2021¹.

A re-interpretation of legacy data by CCZ’s geophysicist consultant – which enabled better targeting at the Big One Deposit – provided new insights and re-emphasised the Arya Prospect’s merits as a major exploration target in Mt Isa’s copper-belt. Notably, re-processing data from AusAEM Survey, commissioned by Geoscience Australia, shows the EG01 anomaly – interpreted to be 130m thick, 1,500m long & 450m wide – is only around 100-200m deep¹ (Figure 2).

FIGURE 2: RE-PROCESSED AUSAEM SURVEY DATA



Source: CCZ geology team

This is a significant finding, as it highlighted EG01 is much shallower than the initial ~430m depth estimate based on analysing data from BHP, which discovered the Arya Prospect in the mid-1990s and recommended it be drill-tested¹.

Post period close

At the Big One Deposit, results from the second drilling campaign (out of three planned) verified the known system runs for ~400m along the strike event then intersects at a sharp angle with a major regional fault¹.

The third drilling campaign at Big One Deposit, comprising at least 22 drill-holes, will target several prime areas including the sizeable bedrock conductor on the north side of the dacite dyke¹.

In addition, across the Big One Deposit are 12 separate legacy stockpiles from mid-1990 mining operations, which were assessed to comprise – 7,407t @ 1.17% Cu, while assayed rock chip samples returned up to 3.32% Cu¹.

At the Arya Prospect, drilling commenced around 15 October 2021, with all equipment heli-lifted to site¹.

LITHIUM PROJECTS

On 29 September 2021, CCZ announced they had secured an option over two prime lithium targets. The Litchfield Lithium Project in the Northern Territory, contiguous to Core Lithium (ASX: CXO) strategies Finnis Lithium Project which has JORC compliant ore reserves (7.4Mt @ 1.3% Li₂O)¹. Analysing satellite imagery shows potential for lithium pegmatite bodies to be apparent along Litchfield's north-west boundary; this is the primary exploration target area¹.

The second being the Picasso Lithium Project (Norseman region, WA) proximal to Liontown's Resources' (ASX: LTR) Buldania Project, with a JORC compliant resource at 14.9Mt @ 0.97% Li₂O and has mapped pegmatites that potentially host lithium mineralisation¹.

Post period close

On 4 October 2021, CCZ announced their due diligence had verified significant lithium surface occurrences across the Picasso Lithium Project. The surface occurrences aligned with pegmatites outcropping mapped by the Geological Society of Western Australia (GSWA), which confirmed 69 mapped pegmatites¹.

A preliminary site visit by the Geological Consultant, organised by the Vendor Group, took numerous photographs of pegmatite outcropping and collected over 30 samples from within the tenure (east quadrant) which have been sent to the laboratory for analysis¹.

On 7 October 2021, CCZ announced significant pegmatite outcropping along Litchfield Lithium Project's western boundary. The follow up site visit to the Litchfield Lithium Project in the Northern Territory, arranged by the Vendor Group's geological consultant, has highlighted significant pegmatite outcropping (Figure 3) along the western boundary. This is contiguous to Core Lithium's (ASX: CXO) Finnis Lithium Project which has JORC compliant ore reserves (7.4Mt @ 1.3% Li₂O)¹.

FIGURE 3: PEGMATITE OUTCROPPING – LITCHFEILD LITHIUM PROJECT



Location: mE 698222 mN 8600701 Source: CCZ geology team

With satellite imagery verifying the geology in the Litchfield Lithium Project (NW quadrant) is comparable to CXO's ground, CCZ is awaiting assay results on 657 surface samples (taken along the NW boundary) to determine the potential for contiguous mineralisation. Encouragingly, the site-visit geological reports noted the areas sampled mostly comprised metamorphic rocks linked to the Burrell Creek formation – a host rock for the regional occurrences of pegmatites¹.

NEW SOUTH WALES PROJECTS

➤ BHA Project

On 5 August 2021, CCZ announced their Broken Hill assets are set to IPO, subject to achieving all regulatory requirements and shareholder approvals. 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) Project which comprises a large footprint proximal to Broken Hill's world class zinc-lead-silver deposit¹.

A new entity, Newco, will be formed to house the BHA Project, with CCZ slated to retain a significant minority interest post-IPO. 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 Project¹.

To recap, sophisticated work by Geological Survey of NSW (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 Zone¹.

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 Zambia¹.

➤ **Cangai Copper Mine**

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

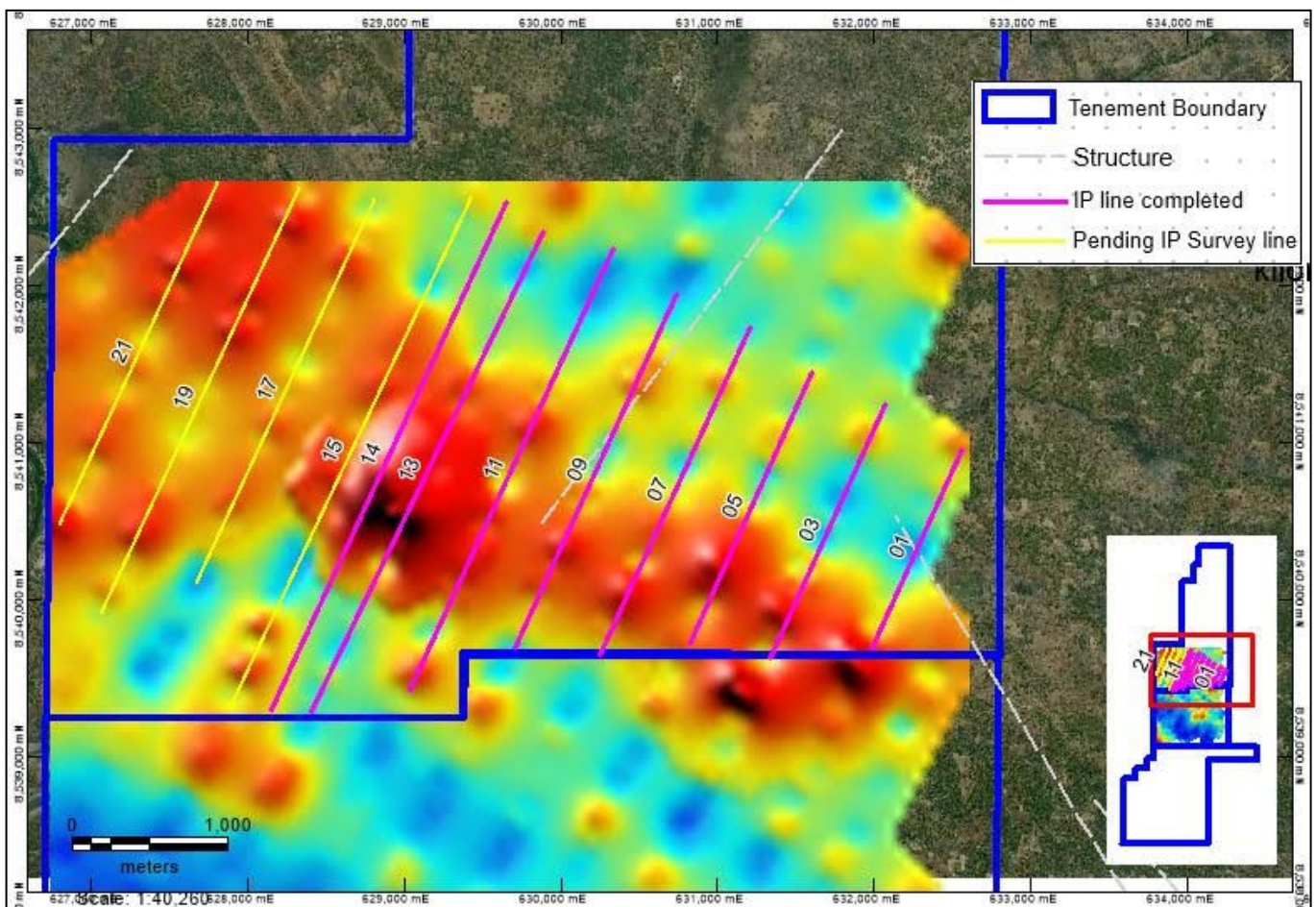
ZAMBIA PROJECTS

On 1 July 2021, CCZ announced the commencement of a comprehensive geophysical campaign across their key Zambian projects. The campaign was estimated to take 6-8 weeks to complete and fully analyse the results, reconciling with known anomalous areas at surface to identify priority targets to drill¹.

On 31 August 2021, CCZ announced multiple targets for test-drilling had been identified at the Luanshya Project in Zambia’s copper-belt, following the completion of eight IP survey lines¹.

Work on the IP survey across the Luanshya Project in Zambia’s copper-belt – focusing on a 6km strike delineated from previous soil sampling campaigns¹ – is progressing to plan, with eight lines now complete (Figure 4).

FIGURE 4: IP SURVEY LINES OVER A 6KM COPPER STRIKE AT LUANSHYA PROJECT



Source: CCZ geology team

Pleasingly, multiple high chargeability targets were 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 potential 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), will soon finish up at Luanshya then progress to the Mkushi Project.

CORPORATE

- **New Director Appointed:** On 16 August 2021, CCZ announced the appointment of Mr Geoff Reed as Non-Executive Director.

Mr Reed, who is an experienced geologist and has worked with MIM/Xstrata in the Mt Isa region, will provide invaluable oversight of CCZ's exploration programs in north-west Queensland and Zambia. Mr Reed's appointment will ensure that development work progresses at a steady pace and that every opportunity is leveraged to create shareholder value.

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

\$100,000 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
Cangai	\$59,000	\$10,000
Broken Hill Alliance	\$15,000	\$14,000
Mt Isa	\$1,365,000	\$16,000
Zambia	\$55,000	Nil

The Board of Castillo Copper Ltd authorised the release of this announcement to the ASX.

Simon Paull

Managing Director

References

- 1) Note – All information referenced is from CCZ ASX Releases, as dated in text, from 1 June 2021 to 7 October 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.
- Option over two prime lithium projects, the Litchfield Lithium Project in the Northern Territory near the Port of Darwin and contiguous to high profile peers, and the Picasso Lithium Project in Western Australia (Norseman region).

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 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 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.

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