



ASX Release

6 November 2019

**CASTILLO COPPER
LIMITED**
ACN 137 606 476

Level 26
140 St Georges Terrace
Perth WA, 6000
Australia

Tel: +61 8 6558 0886
Fax: +61 8 6316 3337

Contact:

Simon Paull
Managing Director

E-mail:

info@castillocopper.com

For the latest news:

www.castillocopper.com

Directors / Officers:

Rob Scott
Simon Paull
Peter Smith
Gerrard Hall

Chief Financial Officer:

Alan Armstrong

Issued Capital:

676.4 million shares
96.8 million options

ASX Symbol:

CCZ

Cangai Copper Mine pillar: Scoping Study intent

- SRK Exploration Services (SRK) Independent Technical Report¹ on Cangai Copper Mine (CCM) has been finalised, with specific recommendations to progress developing the project
- Further, SRK highlighted the use of downhole electromagnetic (DHEM) geophysics surveying as an additional tool in identifying new massive sulphide zones at depth beyond the known ore body
- Following an internal review, CCZ's geology team are optimistic the known orebody can be extended through drill testing these new massive sulphide targets
- Finalised plans to commence progressing CCM through to a Scoping Study which is critical to our ultimate goal of a Bankable Feasibility Study (BFS) comprise:
 - ❖ Leveraging historic assays & geophysics knowledge from earlier drill-holes to optimise the next RC and diamond drilling campaigns;
 - ❖ Conduct more DHEM surveys to find new and/or extensions to massive sulphide zones;
 - ❖ Undertake a systematic soil sampling & geological mapping program over historic targets surrounding CCM including multiple strike parallel mineralised structures with small scale workings; and
 - ❖ Implement comprehensive airborne magnetics / electro-magnetism surveys to identify other potential areas peripheral to the line of lode
- Metallurgical test-work is underway on massive sulphide RC chips from drill-hole CC0023R, which delivered a high-grade intersection – **11m @ 5.94% Cu; 2.45% Zn & 19.1g/t from 40m²**
- ❖ The objective is to verify if the massive sulphides intersected can produce a saleable concentrate through standard metallurgical flotation
- In collaboration with Noble Group, the Board is redoubling efforts to secure regulatory approval to remove the historic slag material and aiming to optimise test-work

+++

Castillo Copper's Managing Director Simon Paull commented: "The SRK technical review of CCM was very encouraging and the Board has taken note of the recommendations. Concurrently, CCZ's geology team have finalised initial plans to make the first steps towards the long term development of the the project through to a BFS, while we are on standby to receive metallurgical test-work results that can determine if CCM can produce a saleable concentrate.

CCZ's London based director Ged Hall remarked: "Our UK investors will be encouraged by SRK's independent findings for the Cangai Copper Mine. It implies there is further upside for moving forward to develop the project, while we eagerly await the metallurgical test-work results."

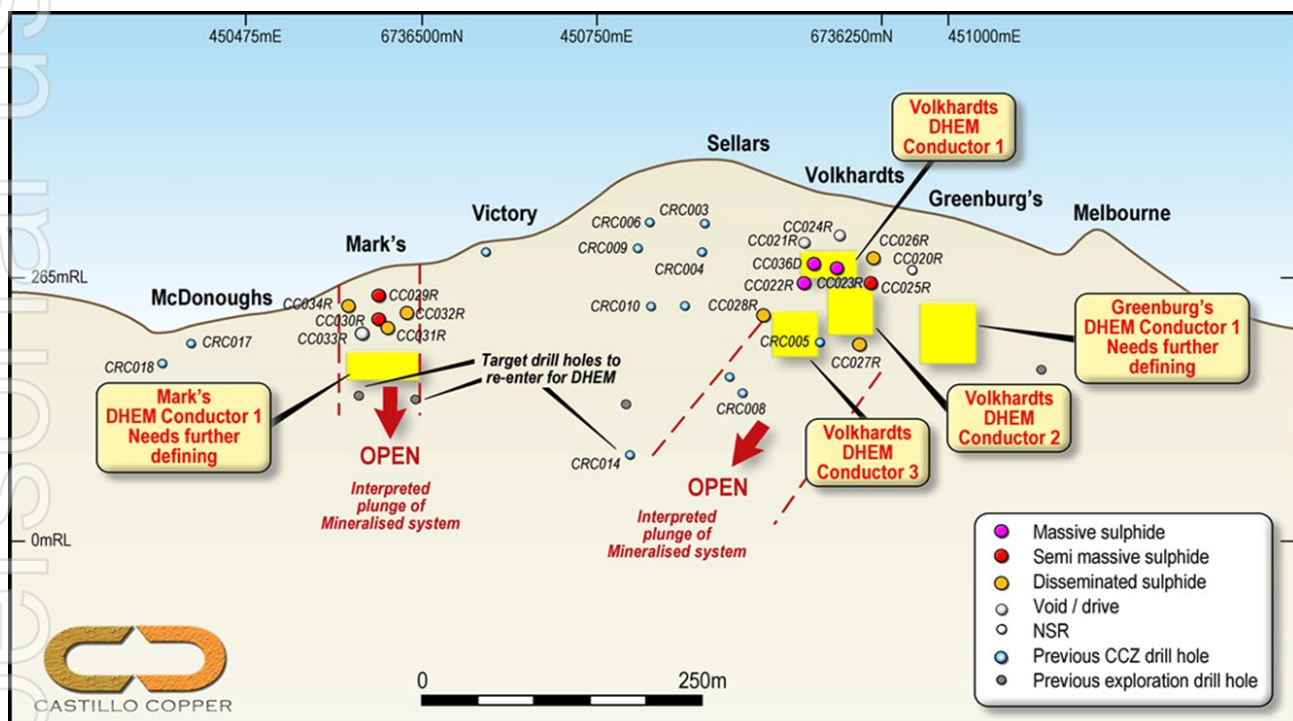
Castillo Copper Limited (“CCZ” or “the Company”) is pleased to confirm the geology team has formalised initial plans to commence progressing CCM – one of Australia’s highest grading historic copper deposits – toward a Scoping Study and ultimately through to a BFS. In addition, the Board has reviewed SRK’s Independent Technical Report (refer Photo Gallery below), which will be published in the LSE dual listing prospectus, and notes the findings were favourable with concrete recommendations to move ahead with development plans.

The objective of the plans will be to upgrade its Inferred JORC (2012) Resource and provide sufficient results to meet the requirements of the Scoping Study. Completing the scoping study will be a significant step towards meeting Castillo’s long term strategic plan to develop the project through to a BFS.

LONG TERM STRATEGY TOWARDS A BANKABLE FEASIBILITY STUDY

CCZ’s geology team have been reviewing work done to date at CCM and are optimistic the orebody can be extended materially, through focusing on testing the new massive sulphide targets that are open at depth (Figure 1).

FIGURE 1: UNTESTED MASSIVE SULPHIDE TARGETS OPEN AT DEPTH



Source: ASX Release 27 November 2018

Plans to commence progressing CCM through to a Scoping Study have now been broadly finalised and include the following:

- ❖ Utilise historic assays & geophysics knowledge from earlier drill-holes to better target the next RC and diamond drilling programs;
- ❖ Conduct a series of DHEM surveys to find more massive sulphide conductors;
- ❖ Undertake comprehensive soil sampling & geological mapping programs over historic areas surrounding CCM including multiple strike parallel mineralised structures with small scale workings; and
- ❖ Implement aerial magnetics / electro-magnetics surveys to identify other potential areas within tenure that are prospective for copper mineralisation.

METALLURGICAL TESTWORK

Currently, metallurgical test-work is underway on massive sulphide reverse circulation chips from drill-hole CC0023R, which intersected high-grade mineralisation, comprising:

11m @ 5.94% Cu; 2.45% Zn & 19.13g/t Ag from 40m including²:

- ❖ **3m @ 8.1% Cu; 2.84% Zn & 23.42g/t Ag from 41m**
- ❖ **1m @ 10.25% Cu; 1.68% Zn & 32.50g/t Ag from 48m**
- ❖ **1m @ 7.53% Cu; 6.04% Zn & 30.60g/t Ag from 50m**

The objective of this exercise is two-fold:

- Determine if the massive sulphides intersected are typical of what was mined historically in the early 1900s; and
- Verify a saleable concentrate can be produced through standard metallurgical flotation techniques.

Results of this important test-work will be released to the ASX once it is received back from the laboratory.

Next steps

Progress the metallurgical test-work for massive sulphides at CC0023R drill-hole and historic slag stockpiles.

For and on behalf of Castillo Copper

Simon Paull

Managing Director

PHOTO GALLERY – SRK'S GEOLOGIST AT CANGAI COPPER MINE – 25 SEPT 2019



Location: 29°30'30"S, 152°29'2"E

ABOUT CASTILLO COPPER

Castillo Copper Limited (ASX: CCZ) is an ASX-listed base metal explorer primarily focused on copper then nickel, zinc & cobalt.

The group is embarking on a strategic transformation to morph into a mid-tier copper group underpinned by three core pillars:

- **Pillar I:** Cangai Copper Mine in northern New South Wales, which is one of Australia's highest grading historic copper mines with a JORC inferred resource of 3.2Mt @ 3.35% Cu (ASX Announcement - 6 September 2017);
- **Pillar II:** The Mt Oxide project in the Mt Isa district, north-west Queensland, which delivers significant exploration upside through having a sizeable untested anomaly within its boundaries in a copper-rich region.
- **Pillar III:** Several high-quality prospective assets in Zambia, which is the second largest copper producer in Africa.

In addition, Castillo Copper is progressing a dual listing on the standard board of the London Stock Exchange.

References:

- 1) SRK Exploration's full report will be published in the London Stock Exchange dual listing prospectus.
- 2) CCZ ASX Release – 3 September 2019

Competent Person Statement

The information in this report that relates to Mineral Resources of the Cangai Copper Mine is based on information compiled by Peter Smith, a Competent Person who is a Member of the Australian Institute of Geoscientists. Peter Smith is employed by Castillo Copper Pty Ltd. Peter Smith has sufficient experience that is relevant to the style of mineralisation and type 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'. Peter Smith consents to the inclusion in the report of the matters based on his 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.