



ASX Release

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Divestment strategies being considered for Prime Broken Hill asset, prospective for IOCG & BHT mineralisation

- Following a strategic review, factoring into account the excellent drill results from Big One Deposit, CCZ's Board believes it is an opportune time to capitalise on the prevailing base & precious metal upcycle to fast-track creating additional shareholder value
- With significant resurgence of interest in groups with footprints around Broken Hill, notably ASX listed Cobalt Blue (ASX: COB), CCZ is considering divestment opportunities including a possible spin-off of its sizeable Broken Hill asset¹ into a new vehicle which could be listed in either London or Australia
- The Board is currently liaising with its UK corporate advisor, SI Capital, on the optimal way to move this proposed corporate action forward in a timely manner
- CCZ's BHA (Broken Hill Alliance) Project¹ comprises a large footprint proximal to the world-class Broken Hill silver-zinc-lead deposit
- Notably, sophisticated work by the Geological Survey of NSW² (GSNSW), which generated advanced predictive geological models for major mineral systems, highlighted:
 - ❖ BHA's tenure is highly prospective for Broken Hill Type (BHT – silver-zinc-lead) in the West Zone and Iron Oxide Copper Gold (IOCG) mineralisation in the East Zone¹
- Consequently, this has generated numerous high priority drillable targets which delivers a significant pipeline of exploratory work ahead
- More significantly, much of the tenure has been under explored over the past two decades which underscores the upside potential from rolling out a comprehensive exploration campaign
- Successfully divesting the BHA Project, which could include a spin off into a new vehicle, would enable the Board to channel more resources into developing the core Mt Oxide Project in Queensland's copper-belt

Castillo Copper's Managing Director Simon Paull commented: "The resurgence of interest in the Broken Hill region is timely, as it provides an excellent opportunity for CCZ to optimise the BHA Project and create value for shareholders. Moreover, the ground is under-explored yet highly prospective for BHT and IOCG mineralisation, with multiple drill-test targets already identified."

Castillo Copper's London-based Director Ged Hall remarked: "The BHA Project is an excellent asset, as it comprises a substantial prospective footprint surrounding the world-famous Broken Hill silver-zinc-lead mine. We believe our intent to spin this asset out into a new vehicle will be well received and supported by UK investors."

Castillo Copper Limited (“CCZ”) is delighted to announce that, following a strategic review, taking into account the prevailing base/precious metal upcycle and excellent progress at Big One Deposit, the Board has decided to consider divestment opportunities of its prime BHA Project which could include a spin off into a new vehicle.

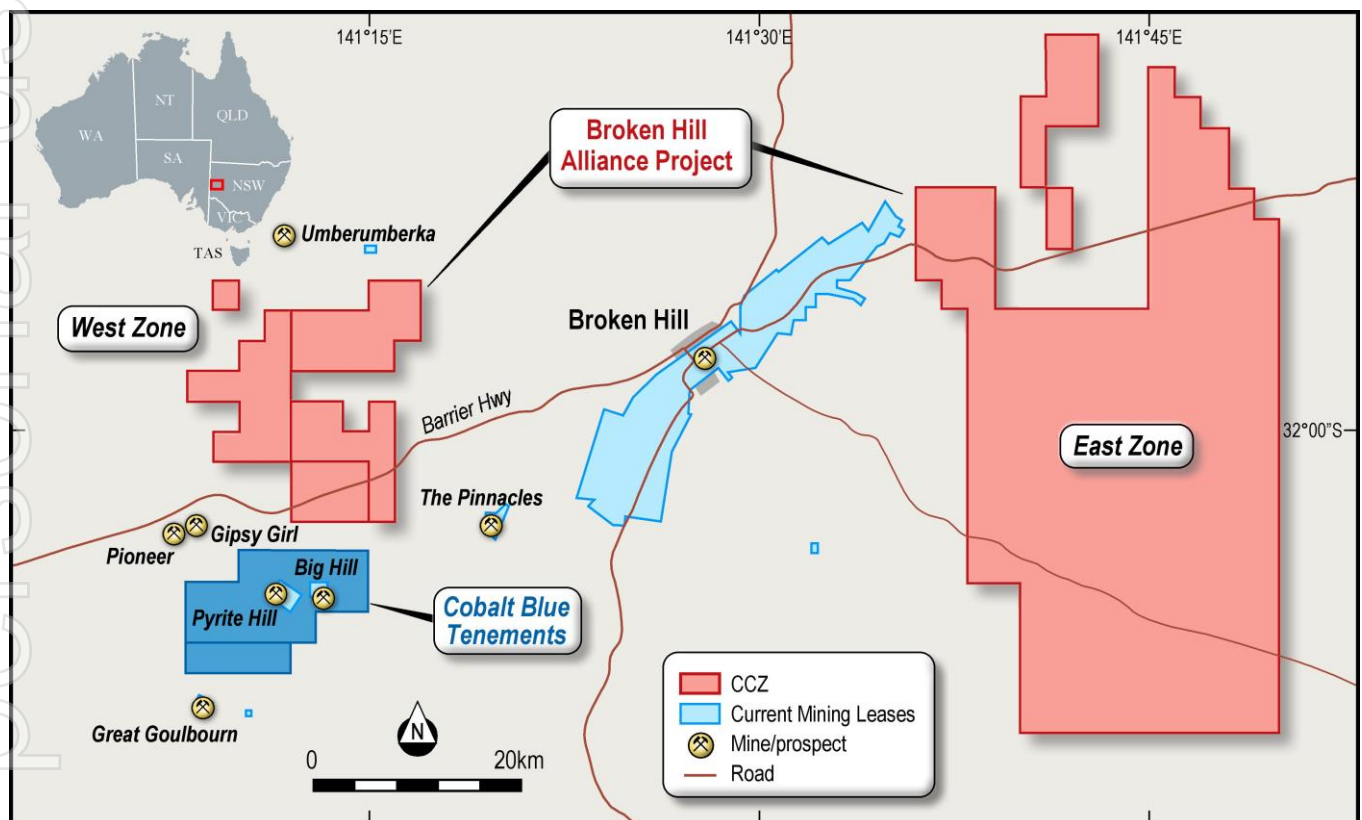
The Board believes this is an optimal way to create incremental value for shareholders while freeing up resources to channel more effort into developing the core Mt Oxide Project in Queensland’s copper-belt. Currently, the Board is liaising with its UK corporate advisor, SI Capital, on the ideal way to move this proposed corporate action forward in a timely manner.

BHA PROJECT: PRIME LOCATION IN BROKEN HILL

Proximal to world-class mine

The BHA Project comprises a sizeable, under explored footprint that is proximal to the world-class Broken Hill silver-zinc-lead deposit (Figure 1). The current base and precious metal upcycle has driven a resurgence of interest in the region, notably Cobalt Blue (ASX: COB) which has ground to the south of the West Zone.

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



Source: CCZ geology team

As announced on 30 September 2020¹, advanced predictive geological models developed by GSNSW highlight the BHA Project is prospective for BHT mineralisation in the West Zone and IOCG in the East Zone. Moreover, the model has identified a plethora of test-drill targets which provides a strong pipeline of exploratory work moving forward and significant upside potential.

Next steps

Formalising a workable plan with SI Capital on structuring an optimal, value creating corporate action.

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:

- 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.

The group is listed on the LSE and ASX under the ticker "CCZ."

References

- 1) CCZ ASX Release – 30 September 2020
- 2) GSNSW sources:
 - a) 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
 - b) 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.

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