



ASX Release

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Strategic intent to recommence mining operations at Big One Deposit

- With the forward global demand for copper highly favourable due to potential supply bottlenecks maintaining upward pressure on the LME price, CCZ's Board has re-shaped its strategic intent for Big One Deposit to capitalise on this prevailing dynamic
- As CCZ's geology consultant is expected to complete modelling the inaugural JORC compliant resource for Big One Deposit shortly, the Board is firming up plans to apply for a mining lease
- The compelling arguments to take this assertive position stems from Big One Deposits key fundamental attributes, which comprise:
 - ❖ A demonstrable high-grade shallow copper system that was mined in 1997 – **producing 4,400t supergene ore, averaging 3.5% Cu¹** – via several open pits
 - ❖ Recent and historical drilling campaigns that have produced exceptional high-grade intercepts, including:
 - ❖ 303RC: 40m @ 1.64% fm surface incl: 11m @ 4.40% fm 24m, 5m @ 7.34% fm 28m & 1m @ 16.65% fm 29m
 - ❖ 301RC: 44m @ 1.19% Cu fm surface incl: 14m @ 3.55% fm 27m, 3m @ 10.88% fm 37m & 1m @ 12.6% fm 37m
 - ❖ BO017: 34m @ 1.51% Cu from surface incl: 21m @ 2.25% Cu fm surface, 12m @ 3.44% Cu fm 3m, 6m @ 4.79% Cu fm 3m and 1m @ 9.4% fm 9m
 - ❖ B07: 3m @ 12.25% Cu from 42m incl: 2m @ 17.87% Cu from 43m; and 1m @ 28.4% Cu from 44m
 - ❖ B05: 8m @ 2.33% Cu from 44m incl: 6m @ 3.00% Cu from 45m; and 5m @ 3.28% Cu from 45m
 - ❖ B06: 4m @ 2.20% Cu from 44m incl: 2m @ 3.19% Cu from 46m and 1m @ 3.63% Cu from 47m
 - ❖ BO015: 18m @ 0.86% Cu fm 11m incl: 6m @ 1.85% Cu fm 20m, 3m @ 2.98% Cu fm 20m and 1m @ 8% fm 20m
 - ❖ 213RC: 12m @ 0.79% Cu fm 52m incl: 8m @ 1.06% Cu fm 57m, 3m @ 2.03% Cu fm 58m, 1m @ 4.27% Cu fm 59m & 1m @ 1.46% Cu fm 62m²
 - ❖ Located in the world-class Mt Isa copper-belt, which has excellent supportive mining infrastructure and third-party processors with excess milling capacity that CCZ is now actively canvassing
- Further work is planned to extend known mineralisation and Big One Deposit's potential scale, commencing with an Induced Polarisation (IP) survey to identify incremental test-drill targets
- Once ground conditions improve, post the wet-season, drilling will resume at Big One Deposit then move to Arya Prospect which has an interpreted **130m thick potential massive sulphide anomaly (1,500m by 450m) that is highly prospective for copper mineralisation³**

Castillo Copper's Managing Director Simon Paull commented: "Buoyant global demand for copper has been a key catalyst for the Board to sharpen its strategic intent for Big One Deposit. With outstanding assays, the Board is highly optimistic further planned exploratory work has the potential to extend known mineralisation. Consequently, the Board believes it is prudent to start preparing the ground-work to potentially recommence mining operations."

Castillo Copper Limited (“CCZ”) is pleased to outline its strategic intent for Big One Deposit, within the Mt Oxide Project (Appendix A) in Queensland’s copper-belt, due to favourable forecast global demand-supply dynamics for copper.

STRATEGIC INTENT: RECOMMENCE MINING OPERATIONS AT BIG ONE DEPOSIT

The prevailing solid outlook for the global copper market has prompted CCZ’s Board to re-shape its strategic intent for Big One Deposit to capitalise on this prevailing opportunity. In addition, the Board is cognisant of the improving fundamentals for the global cobalt market, as the recent drilling campaign verified there is ore grade cobalt mineralisation² apparent at Big One Deposit too.

The starting point is to firm up plans to apply for a new mining lease, ahead of CCZ’s geology consultant releasing an inaugural JORC compliant resource.

The arguments in favour of taking this assertive stance are compelling, as Big One Deposit already has several high-quality fundamental strengths, including:

- ❖ A known high-grade shallow copper system that was mined in 1997 – **producing 4,400t supergene ore, averaging 3.5% Cu¹** – via several open pits;
- ❖ Recent and historical drilling campaigns that have produced exceptional high-grade intercepts (Figure 1);

FIGURE 1: TOP INTERCEPTS FROM RECENT / HISTORICAL DRILLING CAMPAIGNS

303RC: 40m @ 1.64% fm surface incl: 11m @ 4.40% fm 24m, 5m @ 7.34% fm 28m & 1m @ 16.65% fm 29m

301RC: 44m @ 1.19% Cu fm surface incl: 14m @ 3.55% fm 27m, 3m @ 10.88% fm 37m & 1m @ 12.6% fm 37m

BO017: 34m @ 1.51% Cu from surface incl: 21m @ 2.25% Cu fm surface, 12m @ 3.44% Cu fm 3m, 6m @ 4.79% Cu fm 3m and 1m @ 9.4% fm 9m

B07: 3m @ 12.25% Cu from 42m incl: 2m @ 17.87% Cu from 43m; and 1m @ 28.4% Cu from 44m³

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B06: 4m @ 2.20% Cu from 44m incl: 2m @ 3.19% Cu from 46m and 1m @ 3.63% Cu from 47m³

BO015: 18m @ 0.86% Cu fm 11m incl: 6m @ 1.85% Cu fm 20m, 3m @ 2.98% Cu fm 20m and 1m @ 8% fm 20m

213RC: 12m @ 0.79% Cu fm 52m incl: 8m @ 1.06% Cu fm 57m, 3m @ 2.03% Cu fm 58m, 1m @ 4.27% Cu fm 59m & 1m @ 1.46% Cu fm 62m²

Source: CCZ geology team (refer to References 1 & 2)

- ❖ Excellent location in the world-class Mt Isa copper-belt, which is a well-established mining region with solid infrastructure and ready access to a skilled labour pool; and
- ❖ Moreover, there are several third-party processors in the region with excess milling capacity that CCZ’s management team are now actively canvassing.

EXPLORATION PLANS

Moving forward, further work is planned to extend known mineralisation and Big One Deposit's potential scale, starting with an Induced Polarisation (IP) survey to identify incremental test-drill targets.

In addition, once ground conditions improve, post the wet-season, drilling will resume at Big One Deposit then move to Arya Prospect which has an **interpreted 130m thick potential massive sulphide anomaly (1,500m by 450m) that is highly prospective for copper mineralisation³**.

Next steps

Release of inaugural JORC compliant resource and updates on next phase of exploration.

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 – 14 January 202, Wilson, D., 2011. 'Big One' Copper Mine Lease 5481 Memorandum – dated 7 May 2011 and Wilson, D., 2015. 'Big One' Mining Lease Memorandum – dated 25 May 2015
- 2) CCZ ASX Release – 14 January 2020, 11 January 2021 and 10 February 2021
- 3) CCZ ASX Release – 10 June 2020

Competent Person Statement

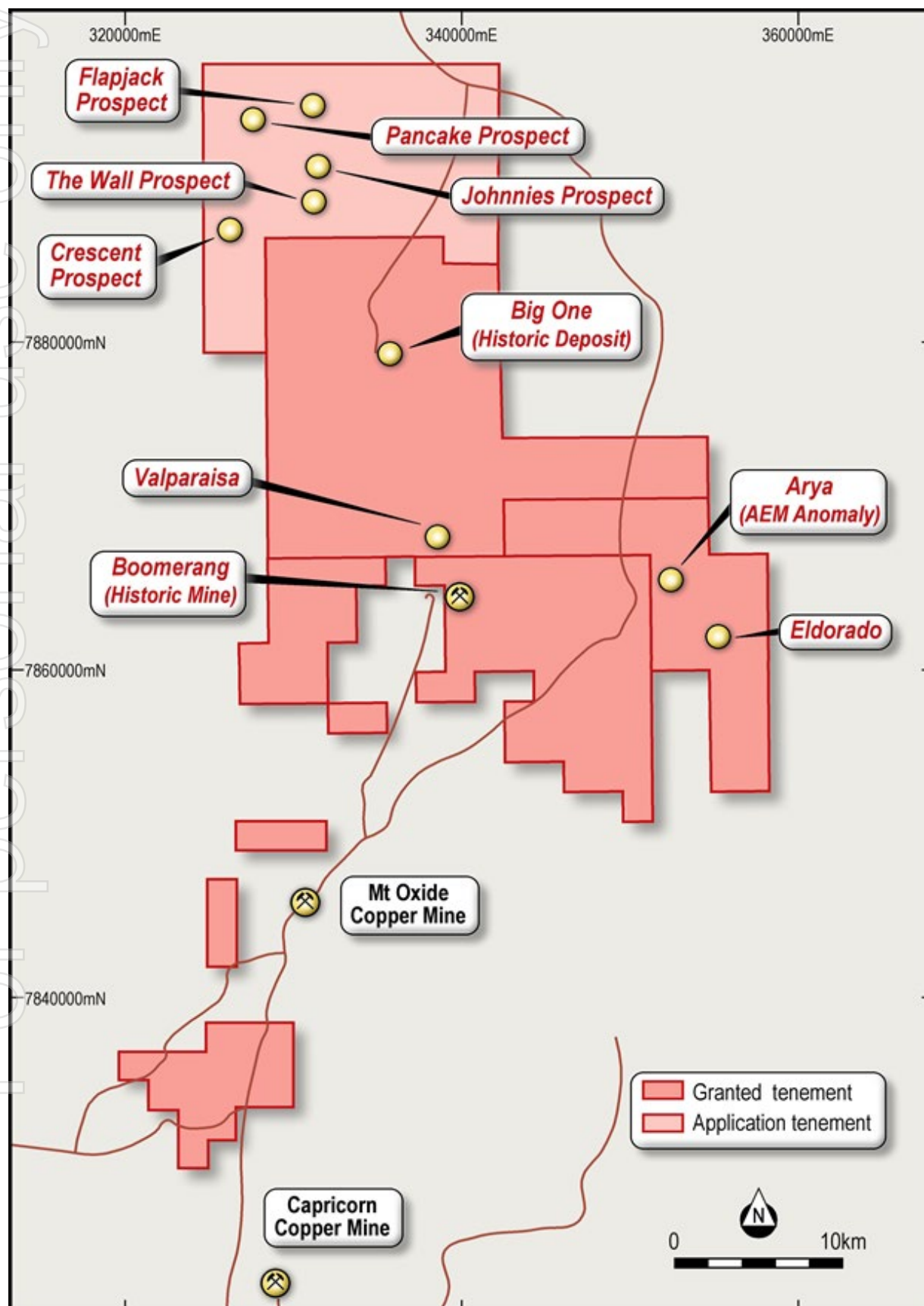
The information in this report that relates to Exploration Results for the "Big One Deposit" relates to Exploration Results is based on information compiled or reviewed by Mr Mark Biggs, a consultant to Castillo Copper Limited. Mr Biggs is a member of the Australian Institute of Mining and Metallurgy (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 Australian Securities Exchange has not reviewed and does not accept responsibility for the accuracy or adequacy of this release.

APPENDIX A: LOCATION OF THE MT OXIDE PROJECT

The Mt Oxide Project consists of EPM 26462, EPM 26513, EPM 26525, EPM 26574 and EPM 27440 in Northwest Queensland, as shown in Figure A1 below.

FIGURE A1: LOCATION OF THE MT OXIDE PROJECT



Source: CCZ geology team (refer CCZ ASX Release – 14 January 2020)