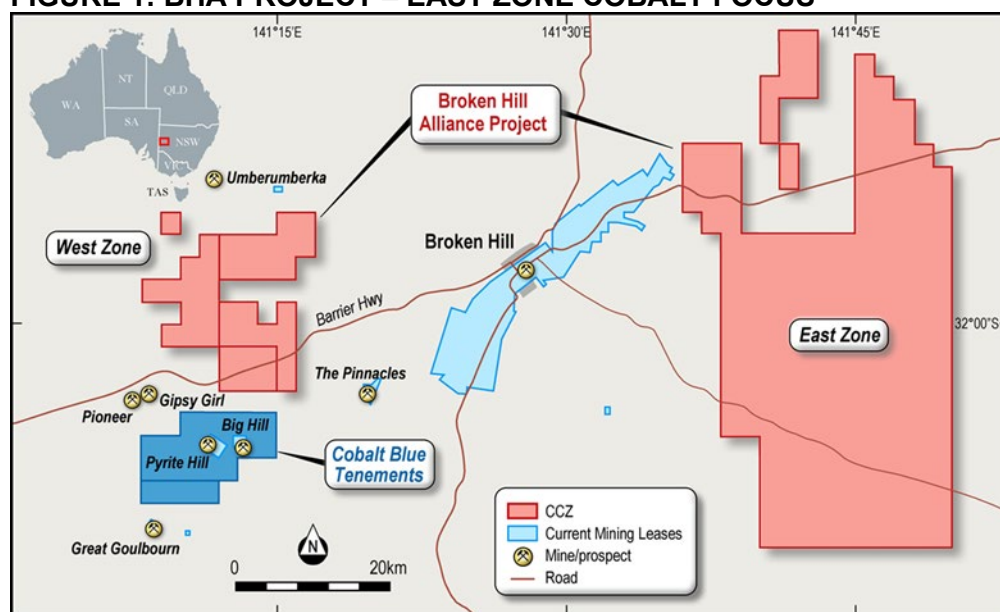


Strategic focus to develop significant cobalt mineralisation potential at BHA Project

Comment from Castillo Copper's CEO Dr Dennis Jensen: "After a strategic review, the Board has prioritised modelling up a global JORC 2012 mineral resource estimate for cobalt across the BHA Project's East Zone. Further forensic work has identified up to 6,182 drill-holes, undertaken by the North Broken Hill Group¹, which provides a substantial potential data pool to build into the model. Pleasingly, there are seven reverse circulation and diamond drill core samples¹ that will be re-analysed for cobalt mineralisation which should increase confidence in the final modelled outcome. With documented cobalt readings between >200ppm Co up to 9,500ppm Co from only 108 drill-holes processed², the Board's priority is to fast-track codifying all the data then produce an initial JORC 2012 compliant mineral resource estimate."

FIGURE 1: BHA PROJECT – EAST ZONE COBALT FOCUS



Source: CCZ geology team

- **With further forensic work uncovering up to 6,182 drill-holes across the East Zone¹ (BHA Project) – undertaken by North Broken Hill Group – the Board has prioritised codifying the data then modelling up a JORC 2012 compliant cobalt mineral resource estimate:**
 - ❖ **Incrementally, the seven reverse circulation and diamond drill-core samples (in the GSNSW core library) will be tested for cobalt mineralisation; and**
 - ❖ **As all previous drilling / assays completed by North Broken Hill Group meet current QAQC requirements, there should be a high degree of confidence in the final mining modelled result**
- **Given encouraging results from the initial 108 drill-holes, all delivering assays from >200ppm Co up to 9,500ppm Co², spinning-off the BHA Group³ (via an IPO) has been deferred – this will enable the Board to focus on expediting the development of the East Zone**
- **Overall, identifying the cobalt potential within the East Zone is timely, with the battery metal upcycle ongoing and the NSW government listing the BHA Project on its Critical Minerals list⁴**



**CASTILLO COPPER
LIMITED**

ASX Release

9 February 2022

**CASTILLO COPPER
LIMITED**
ACN 137 606 476

45 Ventnor Avenue,
West Perth,
Western Australia 6005

Tel: +61 8 9389 4407

Contact:

Dr Dennis Jensen
Chief Executive Officer

E-mail:

info@castillocopper.com

For the latest news:

www.castillocopper.com

Directors:

Mr Rob Scott
Mr Geoff Reed
Mr Ged Hall

Officers:

Dr Dennis Jensen (CEO)

ASX/ LSE Symbol:
CCZ

Castillo Copper Limited's ("CCZ") Board undertook a strategic review and determined modelling up a JORC 2012 mineral resource estimate for cobalt, across the BHA Project's East Zone, was now the key priority. As a result, the previously announced intent to spin out and list the BHA Group on the ASX has been deferred³.

COBALT FOCUS AT BHA PROJECT – EAST ZONE

The ongoing upcycle for battery metals, driven by strong down-stream demand for electric vehicles, makes the case for cobalt increasingly compelling. In addition, the NSW government's new critical minerals policy⁴, which includes cobalt and specifically lists CCZ's Broken Hill assets, provided extra impetus for the Board to prioritise developing the BHA Project's East Zone. Notably, the NSW government's strategic intent is to build a viable downstream industry for processing critical minerals (including cobalt) and establish a global supply hub in the state's central west region⁴.

Recent forensic work has uncovered up to 6,182 drill-holes across the East Zone, which was undertaken by the reputable North Broken Hill Group¹ (NBH Group). This is important as a large portion of the drilling undertaken by NBH Group and other more recent explorers meets current QAQC requirements, implying there should potentially be a high degree of confidence from utilising this ample data to model a JORC 2012 compliant mineral resource estimate.

Once the geology team complete codifying the data, then geological modelling work will commence. In tandem, as there are seven reverse circulation and diamond core samples in storage, the geology team will re-assay these for cobalt and rare earth element mineralisation. Potentially, this will increase the confidence in the final modelled result.

Overall, with encouraging results from the initial 108 drill-holes, which all delivered assays from >200ppm Co up to 9,500ppm Co², the Board is determined to accelerate developing the East Zone in order to produce a primary JORC 2012 compliant cobalt mineral resource estimate.

NEXT STEPS

In NSW:

- JORC 2012 compliant mineral resource estimate for the BHA Project East Zone; and
- Cangai ground gravity and magnetics survey.
-

In Queensland:

- Assay results for Arya Prospect; and
- Big One Deposit – JORC 2012 compliant mineral resource estimate.

In Zambia:

- Complete geophysical report on the Mkushi Project; and
- Complete work on the inaugural drilling campaign for the Luanshya Project.

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

Dr Dennis Jensen

CEO

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 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. Leyh W.R., 1977 Progress Report on Farmcote Exploration Licenses 780 and 782, Farmcote Area, Broken Hill, NSW for the three months to 27 October 1978, North Broken Hill Limited for the NSW Geological Survey, (GS1977-078) and Leyh W.R., 1978 Progress Report on Exploration Licenses 1099 and 1100 for the six months to 27 October 1978, North Broken Hill Limited for the NSW Geological Survey, (GS1978-407)
2. CCZ ASX Release – 14 January 2021
3. CCZ ASX Release – 5 August 2021N
4. SW government – Critical Minerals. Available at: <https://www.regional.nsw.gov.au/meg/nsw-resources/critical-minerals>

Competent Person Statement

The information in this report that relates to Exploration Results for is based on information compiled or reviewed by Mr Mark Biggs. Mr Biggs is a 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 Australian Securities Exchange has not reviewed and does not accept responsibility for the accuracy or adequacy of this release.