CASTILLO COPPER LIMITED

ASX Release

22 November 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

ASX/ LSE Symbol:
CCZ

Field trip identifies 10km zone of pegmatites at the Picasso Lithium Project

***

CCZ's Managing Director, Simon Paull, commented: *"The geology team's visit to the Picasso Lithium Project delivered encouraging news, confirming that a 10km zone of pegmatites is apparent in the tenure's north-east quadrant. The Board's preliminary conclusion, based on due diligence undertaken to date, is the Picasso Lithium Project is prospective for lithium mineralisation and delivers significant incremental exploration potential."*

***

- **CCZ's geology team spent several days at the Picasso Lithium Project – mapping and collecting samples – focusing on the high-density corridor[1], resulting in the following determinations:**
  - **A circa 10km zone of pegmatite occurrences was confirmed in the north-eastern part of the tenure (Figure 1), which significantly exceeds government mapping; and**
  - **The observed pegmatites are potentially related to lithium mineralisation which enhances prospectivity of the tenure's north-eastern quadrant**

FIGURE 1: PEGMATITE INTRUDING GRANITE IN THE NE QUADRANT

Location: E 443,160m N 6,469,245m, MGA94 Zone51
Source: CCZ geology team

- **Due diligence for the Litchfield Lithium Project is progressing with the laboratory expected to return assays within 2-3 weeks**

Castillo Copper Limited's ("CCZ") Board is pleased to announce the geology team had a successful field trip to the Picasso Lithium Project confirming a 10km zone of pegmatites in the tenure's north-east quadrant (Figure 2). The Picasso Lithium Project is in a lithium rich region, with the Mt Marion and Bald Hill Mines being located within 120km to the north-west of the tenure. Moreover, the Picasso Lithium Project is proximal to LTR's Buldania Project (Appendix A) which has a JORC compliant resource at 14.9Mt @ 0.97% Li_2O[2].

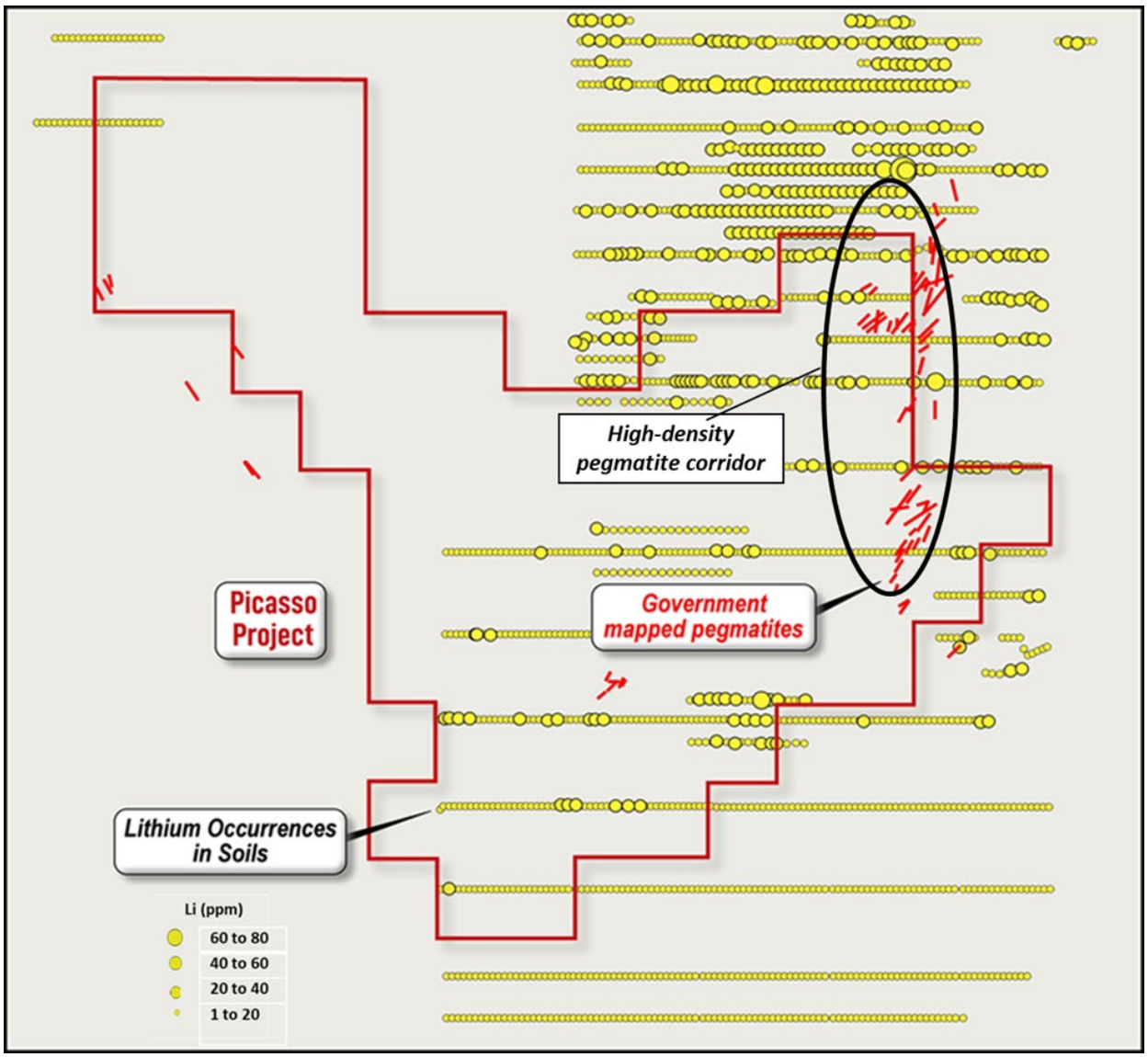
FIELD TRIP FINDINGS

CCZ's geology team undertook considerable mapping across the Picasso Lithium Project, though much of the time was focused on the tenure's north-east quadrant where the high-density pegmatite corridor[1] is located (Figure 2).

Encouragingly, a circa 10km zone of pegmatite occurrences was confirmed in the tenure's north-east quadrant which is the best exposed part of the Picasso Lithium Project. Notably, the pegmatites potentially host lithium mineralisation though this is subject to further investigation.

Note, Figure 1 is typical of the pegmatites observed which are trending in a north-south direction.

FIGURE 2: PICASSO LITHIUM PROJECT – SURFACE SAMPLES & MAPPED PEGMATITES



Location: E 443,200m N 6,468,662m, MGA94 Zone51

Source: CCZ geology team

There are several areas of outcropping basement where granite is the dominant rock type (Figure 3). Interestingly, there is potential to discover further pegmatites across the tenure as there is significant shallow sand cover.

FIGURE 3: GRANITE OUTCROP WITH EXTENSIVE AREAS OF PEGMATITE INTRUSION

Location: E 443,180m N 6,470,182m, MGA94 Zone51

Source: CCZ geology team

Next steps

For the lithium projects:

- Ongoing due diligence for the Picasso and Litchfield Lithium Projects.

In Queensland:

- Further updates on drilling campaign at the Arya Prospect.

In Zambia:

- Update on IP survey at the Mkushi Project.
- Commence work on the inaugural drilling campaign for the Luanshya Project.

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:

- A large footprint in the 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) Satellite imagery from Geological Survey of Western Australia. Available at: https://www.dmp.wa.gov.au/Geological-Survey/Geological-Survey-262.aspx and CCZ ASX Release – 4 October 2021
2) LTR ASX Release – 2 August 2021 and CCZ ASX Release – 29 September 2021 & 4 October 2021

Competent Person Statement

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

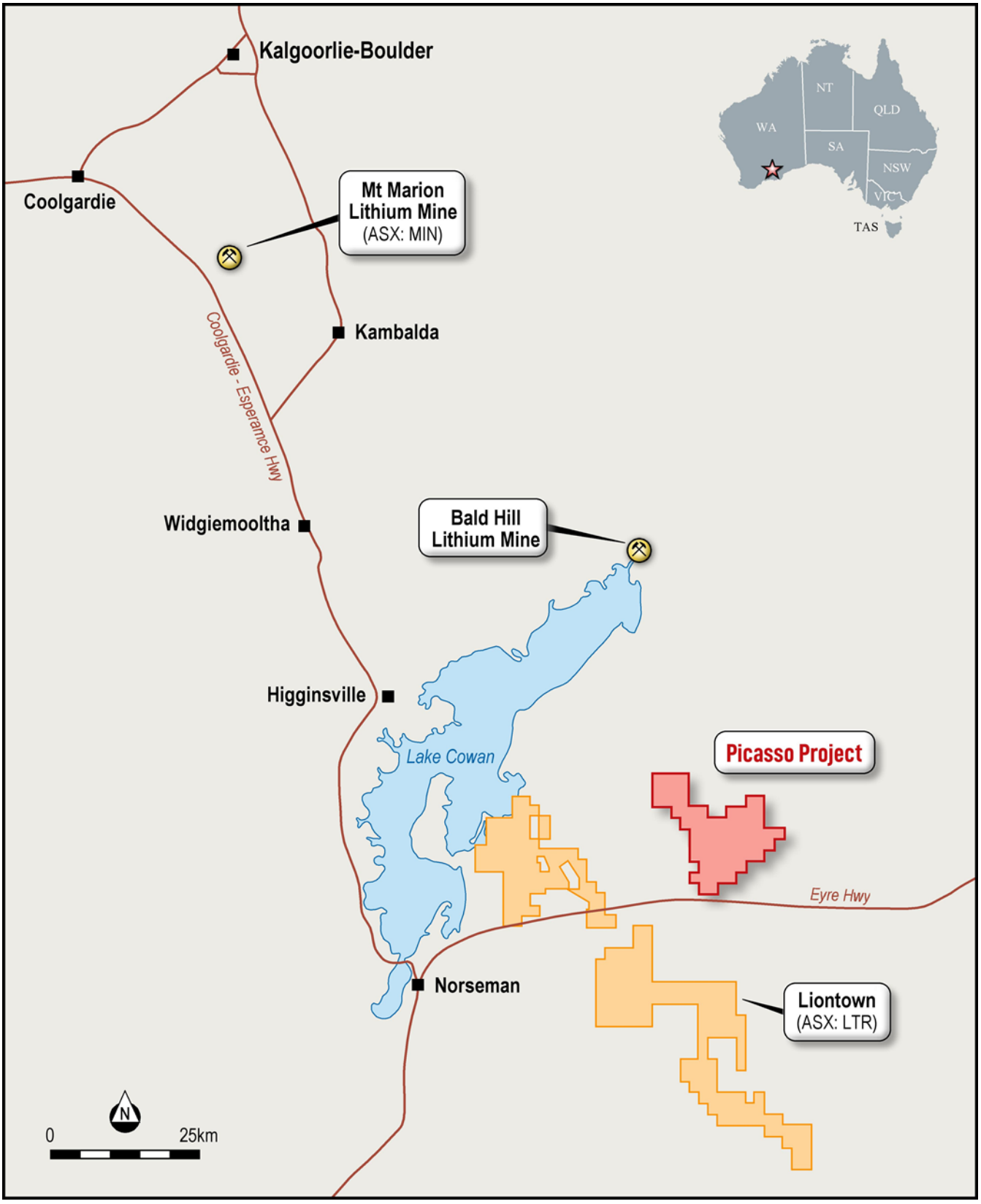
Disclaimer Regarding Forward Looking Statements

This ASX announcement (Announcement) contains various forward-looking statements. All statements other than statements of historical fact are forward-looking statements. Forward-looking statements are inherently subject to uncertainties in that they may be affected by a variety of known and unknown risks, variables and factors which could cause actual values or results, performance, or achievements to differ materially from the expectations described in such forward-looking statements.

Castillo Copper Limited does not give any assurance that the anticipated results, performance, or achievements expressed or implied in those forward-looking statements will be achieved.

APPENDIX A: LOCATION OF PICASSO LITHIUM PROJECT

FIGURE A1: PICASSO LITHIUM PROJECT RELATIVE PEERS, INFRASTRUCTURE



Source: CCZ geology team

APPENDIX B: JORC CODE, 2012 EDITION – TABLE 1

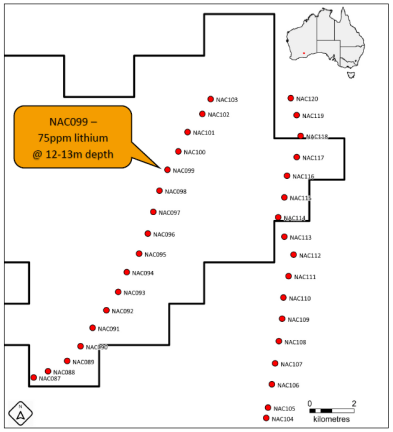
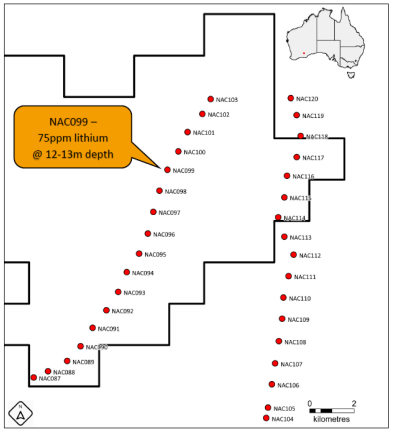
Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• Picasso Regional aircore drilling was undertaken within tenements E15/946 and E63/1083-1084 (Now part of Picasso) in late 2010. Bostech Drilling was contracted to complete this work utilising their light truck mounted Bostech Drillboss 200 (Atlas Copco XRV9, Compressor — capacity 350psi & 600cfm). Holes were drilled to blade refusal along existing tracks in a program of regional traverses. These traverses were completed to better understand the depth of cover and the regolith environment and to gain an understanding of the basement geology. All air core samples were submitted to Genalysis Intertek Laboratory Services for analysis. At the laboratory, samples were dried in an oven at 120 degrees and then pulverised in an LMS mill to a nominal size of -75 microns. The milled pulps were weighed out (to 25g) and underwent stepwise aqua regia digestion in a temperature-controlled laboratory. The analyte was then presented to a graphite-furnace AAS (method AR25/GF) for gold analysis, with the detection limit for this method being 1 ppb Au. 1,743 unique surface geochemistry samples – historical company samples (Anglo Gold[11]). The majority of the geochemical sampling had been completed by Anglo Gold Ashanti Australia focussed solely on gold mineralisation. This program was not specifically targeting lithium, though results show elevated lithium, including over 40ppm (Figure 1). It is apparent that outcropping granite and/or pegmatites may have been a hindrance to soil sampling in areas and in fact contributed to less sampling near known pegmatites. Rock chip sampling was not conducted in the area as granites/pegmatites were historically not considered a target. Low-impact surface sampling by LV-mounted mechanical auger was completed by Prodrill Pty Ltd. Auger holes were drilled to a maximum depth of 2.5m, with single samples taken from the zone of greatest carbonate reactivity down-hole. Samples were not sieved and averaged approximately 300—500g. Sample hole locations were acquired using a GPS device attached to a Trimble Nomad rugged PDA. Standards and blanks were routinely submitted approximately every 50 samples as part of quality control.

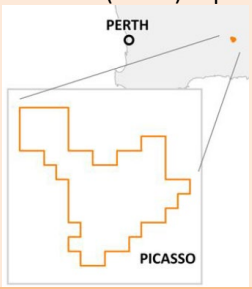
Criteria	JORC Code explanation	Commentary
		Auger Samples were sent to Genalysis in Perth for preparation and analysis. Samples were dried in an oven at 100 degrees and then pulverised in an LM2-sized robotic mill to a nominal size of -75 microns. The milled pulps were weighed out at 25g and underwent stepwise aqua regia digestion in a temperature-controlled laboratory. The analyte was then presented to a graphite-furnace and AAS for gold analysis (method code B25/EETA or B/ETA), followed by ICP mass spectrometry (B25/MS) and optical emission spectrometry (method code B25/OES) for multi-element analysis.
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• Picasso Regional aircore drilling and auger soil sampling was undertaken within tenements E15/946 and E63/1083-1084 (Now part of Picasso) in late 2010.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• Picasso Drilling to blade refusal was utilised to identify the distribution of anomalous gold. Collar locations were surveyed using a hand-held GPS with a nominal accuracy of +10 m. Drill holes were pegged in the field using GPS and then the actual location of the hole was picked up after drilling.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• Picasso Aircore drilling was geology, Alteration and weathering logged
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• Picasso Aircore Samples were collected from the cyclone in single meter intervals and laid on the ground in rows of ten for geological logging. Four-meter composite samples weighing approximately 3kg in total were collected from the sample piles using a scoop and submitted for gold analysis. The magnetic susceptibility of these samples was measured, in the bag, with a KT9 magnetic susceptibility meter Auger Samples were sent to Genalysis in Perth for preparation and analysis. Samples were dried in an oven at 100 degrees and then pulverised in an LM2-sized robotic mill to a nominal size of -75 microns. The milled pulps were weighed out at 25g and underwent stepwise aqua regia digestion in a temperature-controlled laboratory. The analyte was then presented to a graphite-furnace and AAS for gold analysis (method code B25/EETA or B/ETA),

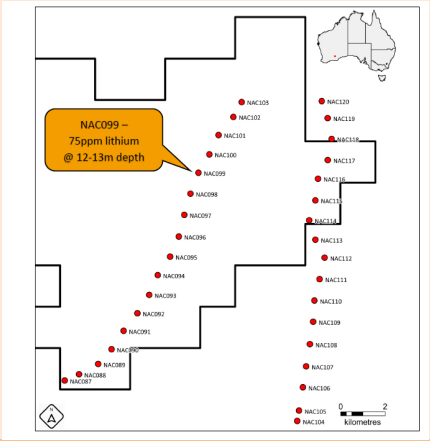
Criteria	JORC Code explanation	Commentary
		followed by ICP mass spectrometry (B25/MS) and optical emission spectrometry (method code B25/OES) for multi-element analysis
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• Picasso . A 750g composite sample of the last meter (or two meters, if bottom of hole sample recovery is inadequate) in each hole was collected using a scoop and submitted for multi-element analysis. Blanks and standards were routinely submitted for quality control purposes, at a nominal ratio of 1 in 40 samples. All aircore samples were submitted to Genalysis Intertek Laboratory Services for analysis. At the laboratory, samples were dried in an oven at 120 degrees and then pulverised in an LMS mill to a nominal size of -75 microns. The milled pulps were weighed out (to 25g) and underwent stepwise aqua regia digestion in a temperature-controlled laboratory. The analyte was then presented to a graphite-furnace AAS (method AR25/GF) for gold analysis, with the detection limit for this method being 1 ppb Au. All Auger Samples were sent to Genalysis in Perth for preparation and analysis. Samples were dried in an oven at 100 degrees and then pulverised in an LM2-sized robotic mill to a nominal size of -75 microns. The milled pulps were weighed out at 25g and underwent stepwise aqua regia digestion in a temperature-controlled laboratory. The analyte was then presented to a graphite-furnace and AAS for gold analysis (method code B25/EETA or B/ETA), followed by ICP mass spectrometry (B25/MS) and optical emission spectrometry (method code B25/OES) for multi-element analysis
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• Picasso No adjustment is made to any historical assay data.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	Picasso

Criteria	JORC Code explanation	Commentary
		
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• Picasso 
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• Picasso It is apparent that outcropping granite and/or pegmatites may have been a hindrance to soil sampling in areas and in fact contributed to less sampling near known pegmatites. Rock chip sampling was not conducted in the area as granites/pegmatites were historically not considered a target.
Sample security	• *The measures taken to ensure sample security.*	• Picasso Chain of Custody procedure by Anglo Gold[11]
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	No formal audit or review of sampling techniques has been undertaken

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• Picasso The area has been classified entirely as 'minimal use' by the Australian Government's Department of Agriculture and Water Resources, which are areas of land that are largely unused. Synergy Prospecting Pty Ltd ("Synergy Prospecting") holds one (1) Western Australia ("WA") Exploration Licence ("E") 63/1888, the Picasso project 
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Picasso Historic exploration data was compiled from DMP open file (WAMEX) reports and other sources. Exploration has occurred within the project area for at least 40 years with many companies exploring for a number of different commodities during that time. Goldfields, Newmont, Sipa, Avoca and WMC amongst others, explored for lode style gold mineralization whereas Epsilon and CRA explored for uranium/lignite in palaeo-channels. Asarco, as one of the earlier explorers in the area explored for palaeo-placer deposits of both gold and uranium.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• Picasso Pegmatites occur in the greenstones at the Mt Belches-Bald Hill pegmatite belt. Further, pegmatites have also been mapped in the Archaean granite in the Picasso Project. There are a large number of pegmatite occurrences, with 69 government mapped pegmatites throughout the Picasso Project area. The majority of the pegmatites occur in the east of the project area, though pegmatites are also recorded in the south and west of the project.
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* ○ *easting and northing of the drill hole collar*	• Picasso Reported in attached Table B1

Criteria	JORC Code explanation	Commentary
	○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* ○ *dip and azimuth of the hole* ○ *down hole length and interception depth* ○ *hole length.* • *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• Picasso 
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• Picasso Down-hole lengths reported in attached Table B1
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	Maps for Picasso Lithium Project are included in the announcement
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	Not applicable.
Other substantive	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations;*	Commencement of due diligence on the Picasso Lithium Project

Criteria	JORC Code explanation	Commentary
exploration data	*geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	Commencement of due diligence on the Picasso Lithium Project. For the Picasso Lithium Project, return of assays for circa 30 surface samples.

TABLE B1: PICASSO DRILLING DETAILS

Hole_ID	MGA_North (m)	MGA_East (m)	AHD_RL	Total Depth (m)	Dip	Azimuth	Grid_ID	DrillDate	Hole_Type
NAC087	6454217.53	432545.8	347	33	-90	360	MGA51_94	12/12/2010	AC
NAC088	6454499.12	433188.06	345	13	-90	360	MGA51_94	12/12/2010	AC
NAC089	6454964.3	434047.27	336	23	-90	360	MGA51_94	12/12/2010	AC
NAC090	6455624.62	434645.26	329	13	-90	360	MGA51_94	12/12/2010	AC
NAC091	6456451.31	435179.29	319	13	-90	360	MGA51_94	12/12/2010	AC
NAC092	6457241.91	435793.71	315	48	-90	360	MGA51_94	12/12/2010	AC
NAC093	6458064.62	436321.52	317	26	-90	360	MGA51_94	12/12/2010	AC
NAC094	6458947.88	436697.52	319	20	-90	360	MGA51_94	12/12/2010	AC
NAC095	6459777.13	437250.49	327	13	-90	360	MGA51_94	12/12/2010	AC
NAC096	6460677.14	437633.9	329	16	-90	360	MGA51_94	12/12/2010	AC
NAC097	6461649.86	437873.71	322	31	-90	360	MGA51_94	12/12/2010	AC
NAC098	6462594.06	438145.5	330	13	-90	360	MGA51_94	12/12/2010	AC
NAC099	6463530.86	438497.13	337	13	-90	360	MGA51_94	12/12/2010	AC
NAC100	6464357.73	438985.3	337	31	-90	360	MGA51_94	12/12/2010	AC
NAC101	6465223.1	439392.89	338	15	-90	360	MGA51_94	12/12/2010	AC
NAC102	6466036.42	440055.5	334	43	-90	360	MGA51_94	12/12/2010	AC
NAC103	6466702.1	440423.38	340	49	-90	360	MGA51_94	11/12/2010	AC
NAC114	6461438.7	443489.47	321	13	-90	360	MGA51_94	13/12/2010	AC
NAC115	6462329.98	443763	334	31	-90	360	MGA51_94	13/12/2010	AC
NAC116	6463296.98	443875.8	335	13	-90	360	MGA51_94	13/12/2010	AC
NAC117	6464132.15	444309.43	330	13	-90	360	MGA51_94	13/12/2010	AC