



ASX Release

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**CASTILLO COPPER  
LIMITED**

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**Directors:**

Rob Scott  
Gerrard Hall  
Geoff Reed

**Officers:**

Dennis Jensen

**ASX/ LSE Symbol:**  
CCZ

## Operational Update and Board Changes

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**Comment from Castillo Copper's Chairman, Mr Rob Scott:** *"The Board's current focus is to expedite modelling up JORC 2012 compliant mineral resources for the Big One Deposit and East Zone within the BHA Project. In addition, the NSW's government's new critical minerals policy is positive for resuming development of the Cangai Copper Mine which has an inferred JORC 2012 mineral resource comprising circa 108,000t of contained copper<sup>1</sup>. Whilst assays are still pending for the Arya Prospect, the Board is optimistic the observed mineralisation is indicative of a potential graphite discovery.*

*Moving on, I'm delighted to announce that Dr Dennis Jensen<sup>2</sup> has been promoted to Chief Executive Officer and Mr Geoff Reed to Executive Director with immediate effect. They will assume responsibility for executing the Board's revised strategic intent to prove up JORC 2012 mineral resources whilst continuing to develop the Arya Prospect. They take over from Mr Simon Paull who is retiring, effective 1 February 2022, after building up an excellent platform during his tenure with the group."*

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**Remarks from Castillo Copper's incoming CEO, Dr Dennis Jensen:** *"Moving forward, the Board's objective will be to prove up JORC 2012 resources and further develop the Arya Prospect located in the Mt Isa copper-belt. In addition, we expect to have multiple targets to drill-test across the Luanshya and Mkushi Projects in Zambia's copper-belt. This is an excellent opportunity and an ambitious exploration agenda. Furthermore, with a high-quality asset portfolio, the Board has the potential to create significant incremental value for shareholders. Finally, I'd like to thank my former colleague, Mr Simon Paull, for his tireless hard work over the past few years and wish him well with retirement."*

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### OPERATIONAL OVERVIEW

After considerable progress in 2021, Castillo Copper's ("CCZ") focus will pivot to focus on proving up JORC 2012 mineral resources for Big One Deposit (Queensland), BHA East Zone (Broken Hill, NSW) and Cangai Copper Mine (NSW). Concurrently, subject to upcoming assay and geophysical results, drilling is likely to be progressed at the Arya Prospect (Queensland) as well as Luanshya and Mkushi Projects in Zambia.

### North-West Queensland Copper Project

**Big One Deposit:** With sufficient data from the drilling campaigns undertaken over the past 15-months<sup>3</sup>, which demonstrated extensive shallow copper mineralisation, CCZ's geology team is now working on modelling up a JORC 2012 mineral resource estimate. The Board anticipates this will be finalised during 1Q 2022.

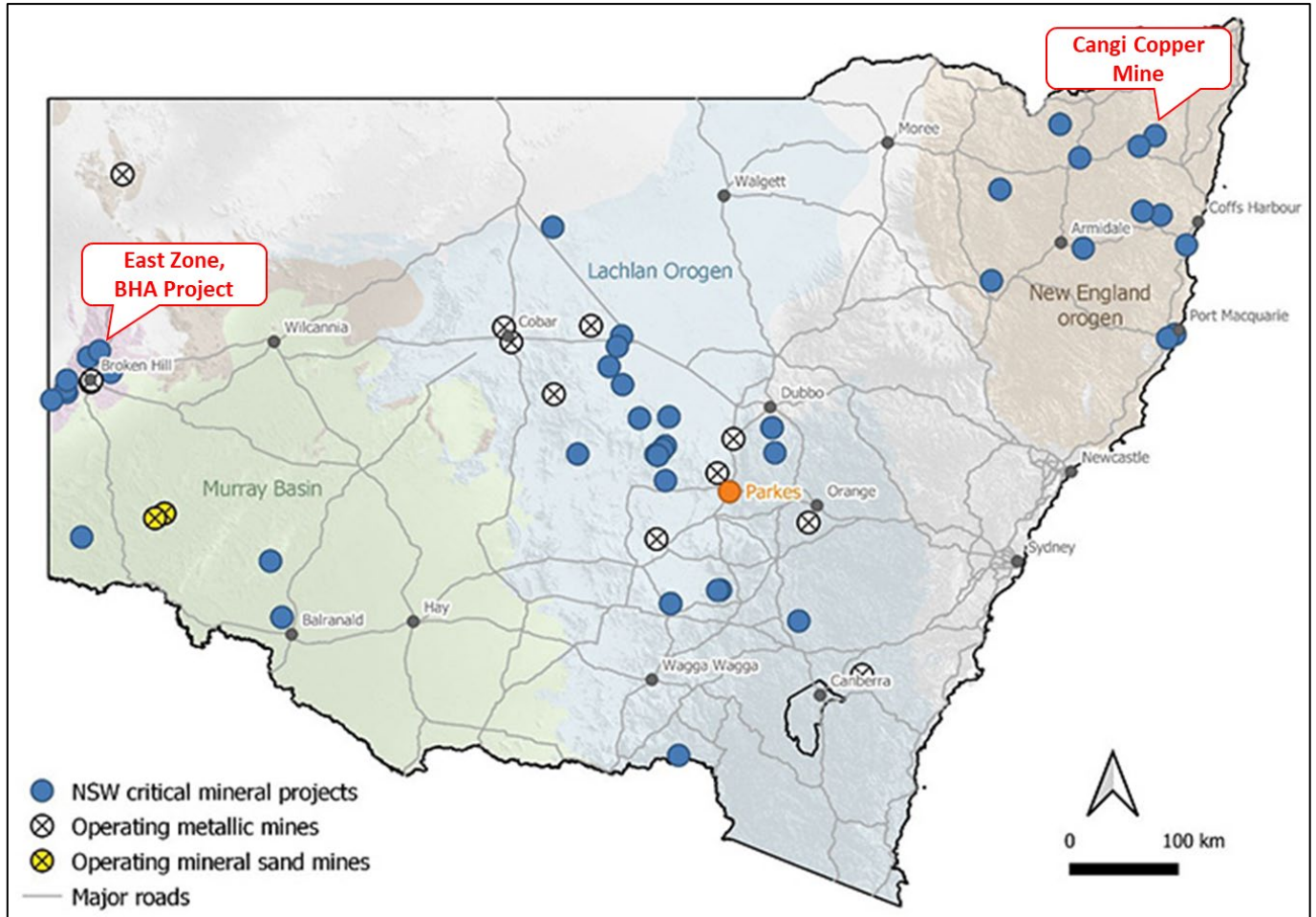
**Arya Prospect:** Initial observations and interpretations by CCZ's geology team highlighted the potential for a graphite discovery<sup>4</sup>, however, this is subject to confirmation by assays which are still at the laboratory. Confirmation of a graphite discovery would expand CCZ's portfolio of rechargeable battery related minerals, which is timely given the growing demand for electric vehicles globally.

Further exploratory work needs to be undertaken at the Arya Prospect to investigate a sizeable magnetic anomaly – a potential source of base metal mineralisation – which is coincident to the electro-magnetic anomaly that was drilled during 4Q 2021<sup>4</sup>.

## JORC 2012 mineral resources, New South Wales

On 14 January 2022<sup>5</sup>, the Board noted it was highly encouraged by the NSW government's new strategy, which targets building a viable downstream industry for processing critical minerals (including cobalt-copper-REE's) and establishing a global supply hub in the state's central west region (which includes the BHA Project). Further analysis of the NSW government's initiative shows that the Cangai Copper Mine is included within the critical minerals project list<sup>6</sup> (Figure 1).

**FIGURE 1: NSW CRITICAL MINERAL PROJECTS**



Source: NSW government – Critical Minerals. Available at: <https://www.regional.nsw.gov.au/meg/nsw-resources/critical-minerals>

This is an encouraging development for both projects and a key catalyst to accelerate work on modelling / updating a JORC 2012 mineral resources, which the Board is targeting to complete during 1H 2022 – further details follow:

**East Zone, BHA Project.** Further work by CCZ's geology team has uncovered over 1,500 incremental drill-holes within the tenure that have the potential to contain cobalt mineralisation. The Company is in the process of working through and interpreting this large volume of data and an announcement updating the market of the results of this work will be made in due course. These additional drill-holes complements the 108 drill-holes already documented that have cobalt readings ranging from >200ppm Co up to 9,500ppm Co<sup>5</sup>. Consequently, CCZ's geology team is optimistic there is adequate geological data to model up a JORC 2012 mineral resource for cobalt and potentially zinc.

**Cangai Copper Mine:** Previous work by CCZ's geology team produced a maiden JORC 2012 compliant inferred mineral resource of 3.2Mt @ 3.35% Cu implying circa 108,000t of contained copper<sup>1</sup>. As a result of being on the critical minerals list, the geology team will review previous work and use results from drilling undertaken in 2017-18 to update the mineral resource estimate.

## **Zambia**

Work on the Induced Polarisation (IP) campaign at the Mkushi Project is now complete and the results are now undergoing review by CCZ's geophysicist consultant. The final report and potential targets for test-drilling is expected within weeks.

The next phase of exploration is set to comprise drilling campaigns across both properties, starting with the Luanshya Project. Timing is contingent on securing a committed development partner – a number of proposals are currently being reviewed by the Board.

### **BOARD CHANGES**

#### **Chief Executive Officer**

Dr Dennis Jensen has been working with the CCZ Group since early August 2021 as founding Managing Director of subsidiary Broken Hill Alliance<sup>2</sup> which owns a substantial footprint around the world-class Broken Hill zinc-silver-lead deposit. During this period, Dr Jensen has worked closely with the Board to ensure the BHA Project is in good standing ahead of a planned listing on the ASX. As a result, the Board believed it was prudent to promote from within and elevate Dr Jensen to Chief Executive Officer of the CCZ Group.

In brief, Dr Jensen is a former MP, with 12 years' experience in federal politics, and research scientist with stints at CSIRO and DST (an agency of the Department of Defence). Since leaving politics, Dr Jensen consulted to several mining groups prior to joining the CCZ Group. Other than being a highly qualified and adaptable executive, Dr Jensen has an excellent understanding of how government private sectors interact, coupled with a first-rate network. Dr Jensen has a Masters in Science from Melbourne University and PhD from Monash University.

Dr Jensen's appointment date is effective 1 February 2022.

#### **Executive Director**

To strengthen management's geological expertise, the Board has promoted Geoff Reed to Executive Director. As a result, Mr Reed will take a more hands on roll with the geology work, particularly in NSW where he resides. Leveraging Mr Reed's expertise is timely, with the NSW critical minerals strategy providing impetus to ramp up exploration activities across the BHA Project and Cangai Copper Mine.

Mr Reed's appointment date is effective 1 February 2022.

### **For and on behalf of Castillo Copper**

**Rob Scott**

**Chairman**

## **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) CCZ ASX Release – 6 September 2017
- 2) CCZ ASX Release – 5 August 2021
- 3) CCZ ASX Release – 5 October 2021
- 4) CCZ ASX Release – 10 August 2021 & 17 November 2021
- 5) CCZ ASX Release – 14 January 2021
- 6) NSW 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 is based on information compiled or reviewed by Mr Geoffrey Reed, an Executive Director of CCZ. Mr Reed is both a shareholder and director of Bluespoint Mining Services, a company which is a shareholder of Castillo Copper Limited. Bluespoint Mining Services provides ad hoc geological consultancy services to Castillo Copper Limited. Mr Reed is a member of the Australian Institute of Mining and Metallurgy (CP) (member #250422) 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 Reed is a member of the Australian Institute of Geoscientists. Further, Mr Reed 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 1 – Summary of Key Terms of Executive Service Agreements**

Parties to the Consulting Agreement	Dr Dennis Jensen	Mr Geoff Reed
Position	Chief Executive Director	Executive Director
Commencement Date	1 February 2022	1 February 2022
Term	No fixed term	No fixed term
Remuneration	\$180,000 plus statutory superannuation	\$100,000 total package
Options	Unlisted options: 8,000,000 Expiry: 3 years from date of issue Strike: \$0.08	N/A
Termination	3 months written notice by either party	3 months written notice by either party