CASTILLO COPPER LIMITED

ASX Release

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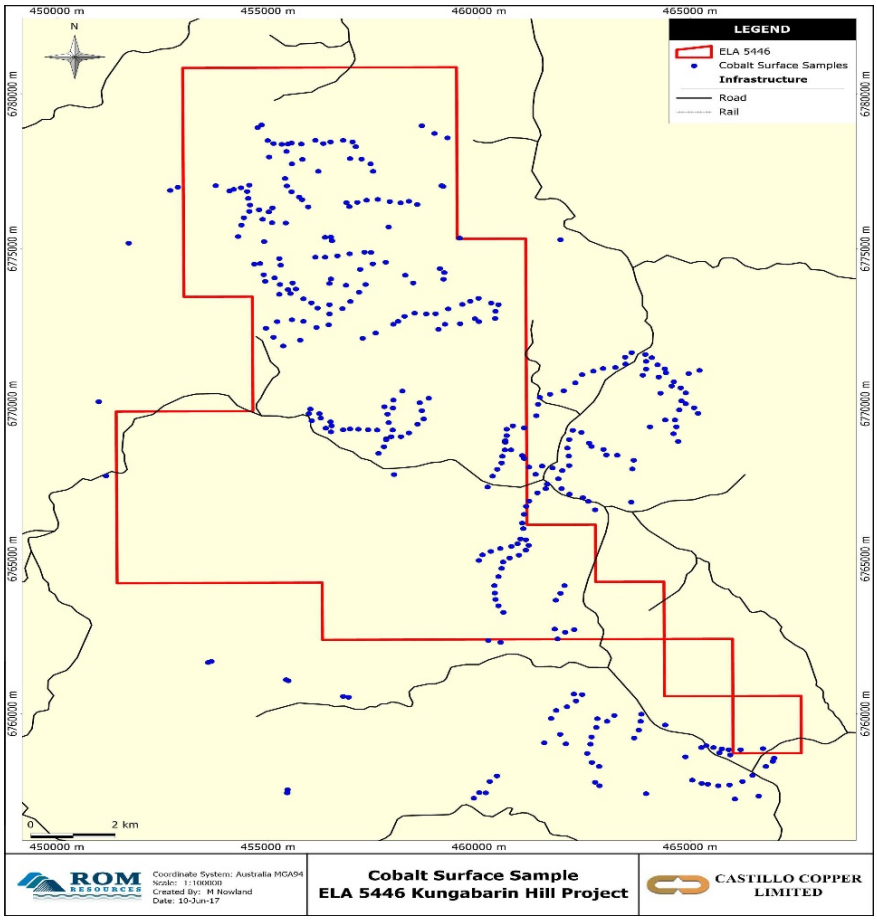
Issued Capital:
255 million shares
1 million options

ASX Symbol:
CCZ

EXTENSIVE COBALT SURFACE MINERALISAITON IDENTIFIED AT KUNGABARIN HILL

- **Desktop review shows extensive and consistent cobalt surface mineralisation (Figure 1) across Kungabarin Hill project area in NSW**
- **Several cobalt zones (>300ppm) identified, with up to 430ppm from surface**
- **Results comparable to surface anomalies identified by Corazon Mining Ltd (ASX: CZN) 51% owned Mt Gilmore Project in the adjacent tenure demonstrating similar cobalt mineralisation occurrence**
- **ELA 5446 application will be 100% owned by Castillo Copper and the tenure is subject to shareholder approval (28 June 2017)**
- **Results also confirmed Incrementally, high grade nickel (>3%) zones identified, with up to 5.2% Ni noted from surface**
- **Priority project area to progress with site visit and define initial drill targets**

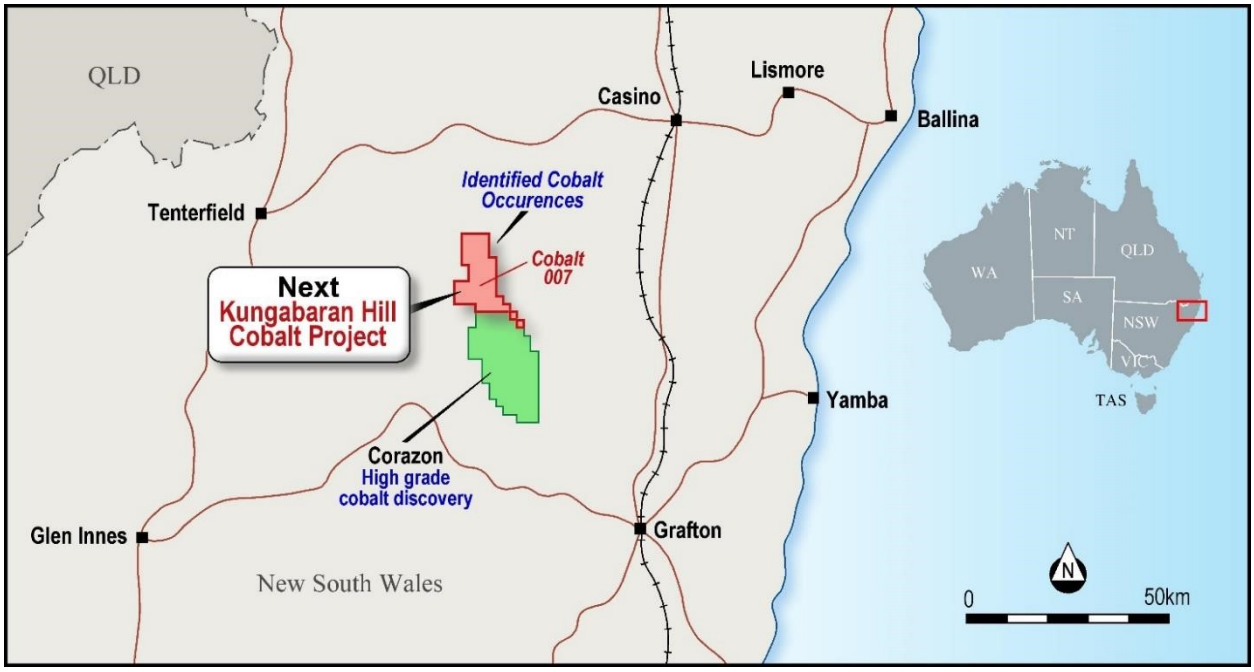
Castillo Copper Limited (**CCZ** or **Company**) is delighted to announce a desktop review by consultant ROM Resources Pty Ltd (**ROM Resources**) identified extensive cobalt surface mineralisation at ELA 5446 (named "Kungabarin Hill") in New South Wales (Figure 1).



The detailed study is a very encouraging start to the exploration process for Kungabarin Hill. This project area (which the NSW Department of Industry, Resources and Energy has advised Queensland Commodities Pty Ltd (QComm) it is proposing to grant an exploration licence) is 153 sq km and located in the New England Orogen of New South Wales (Figure 2), which is a significant mineral province for cobalt and copper-gold deposits.

Exploration for cobalt in these systems has been successfully drill-tested by Corazon Mining (ASX: **CZN**), which currently owns 51% equity in the neighbouring tenure to the south. On 9 June 2016, **CZN** announced (refer ASX release "New cobalt zones identified at Cobalt Ridge") that recent soil sampling results confirmed it had "Extensions defined to one of the highest-grade cobalt deposits in Australia." This is a positive development for CCZ as the Kungabarin Hill project area is on the same ultramafic system.

Figure 2: ELA 5446 Kungabarin Hill Cobalt Project Location



ROM Resources divided the desktop review into two phases to identify target drill areas:

- An initial assessment of legacy geochemical sample data (stream-sediment, soil and rock chip) and contouring for anomalous values of cobalt, nickel and rare earths; and

- Follow up work on the anomalous zones (which have been digitalised) that are likely to be priority targets for geological mapping, ground magnetic and EM surveys.

The initial results are very encouraging as anomalous cobalt (max 430ppm) and nickel (max 5.20%) were found in zones trending north-northwest (refer Appendix A). Notably, the extensive anomalous cobalt-nickel areas appear to follow the underlying serpentinite bedrock and, moreover, occur along the boundary with the Monzo-granite pluton. All previous exploration on Kungabarin Hill has focused on gold, chromite and magnetite.

Anomalous zones for ten rare earth elements combined identified a maximum of 341ppm. The rare earth anomalies are displaced west-ward from the cobalt-nickel anomalies and broadly follow the strike of the underlying Monzo-granite pluton.

Drilling plans and next steps

The Board is delighted the initial desktop results at Kungabarin Hill which have identified several high grade cobalt (>300 ppm) and nickel (>3.00%) zones. Consequently, the Board will prioritise sending a team to site to follow up with field mapping, ground magnetic and EM surveys to determine the target areas. CCZ's strategy following the Kungabarin Hill exploration licence application being granted will be to identify a JORC compliant resource as soon as practical. From here the Company's goal is to identify third party processors within range of the tenement which can be utilised to expedite production and cashflow generation.

Castillo Copper's Chairman David Wheeler commented:

"The consistency of the cobalt mineralisation identified at the Kungabarin Hill project area is a very encouraging result. Consequently, the Board will make it a priority to send in a team to conduct a site visit and follow up tests as soon as practical. The Board is pleased with the results, whilst the strategic focus remains on both copper and cobalt at present, given the zones identified and the favourable global demand-supply dynamics, the Company will pursue a cobalt resource on this tenement. CCZ has a very clear evolving plan to identify scalable JORC compliant cobalt resources within its tenements then utilise third party processors to fast track production."

For and on behalf of Castillo Copper

David Wheeler

Chairman

Competent Persons Statement

Regarding the Castillo Copper exploration tenures, the information in this report that relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mark Biggs, a Competent Person who is a Member of the Australasian Institute of Mining and Metallurgy. Mark Biggs is employed by ROM Resources Pty Ltd.

Mark Biggs has sufficient experience that is relevant to the style of mineralisation and type 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'. Mark Biggs consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

ABOUT CASTILLO COPPER

Castillo Copper Limited (ASX: CCZ) is an ASX listed exploration company that holds exploration concessions in Chile. The Trueno concessions are held 100% by Castillo Copper Chile SPA (100% subsidiary). There are 1,800 hectares held in 6 concession blocks. Trueno represents grass-root exploration in a zone known for high grade copper-gold projects such as El Indio but containing identified and underexplored porphyry copper-gold deposits.

On 23 March 2017, Castillo announced the execution of a binding heads of agreement with Qld Commodities Pty Ltd (QComm) for the acquisition of 100% of the issued capital in QComm. By entering into the acquisition, QComm will become a wholly-owned subsidiary of Castillo.

The proposed acquisition of QComm, is subject to shareholder approval and conditional on the offer conditions being satisfied. This acquisition signifies an important transforming event that will see Castillo focus its activities on the exploration and development of copper/cobalt projects in New South Wales and Queensland.

Appendix A: Key summary findings from desktop due diligence

This is the second desktop review that ROM Resources has conducted for CCZ. As such, it follows a similar process to that done for the Big Oxide North project area (refer ASX Announcement "Encouraging initial desktop results highlighting cobalt and copper potential" dated 8 June 2017).

Local geology

The Kungabarin Hill project area is dominated by serpentinite in the Permian Gordonbrook Serpentinite, and the Lower Permian Cottesbrook Monzogranite. Parts of the Gordonbrook Serpentinite have been metamorphosed to chrysotile (asbestos) which has been the dominant focus of legacy exploration activities. Basement rocks consist of Ordovician to Silurian sedimentary and volcanic rocks of the Silverwood Group. Triassic to Jurassic sedimentary rocks of the Clarence-Moreton Basin unconformably overlie this sequence to the east. Quaternary sediments obscure much of the outcrop in the tenure area.

Previous exploration

Chromite was extracted from the Gordonbrook Serpentinite during 1933-1935 and 1942-1945, with most surface ore removed.

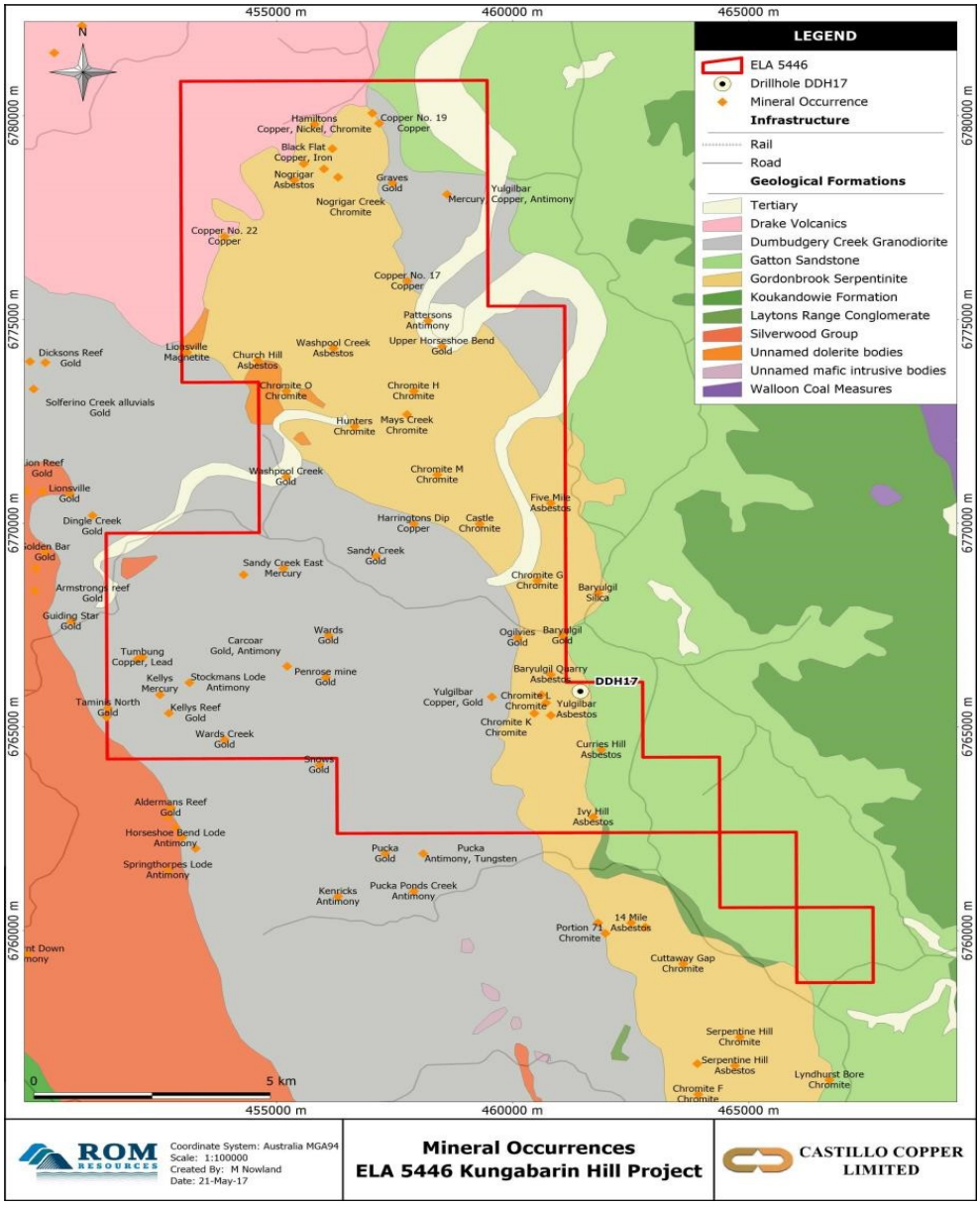
Several other smaller occurrences of copper-gold and alluvial gold were noted by the NSW geological Survey (Figure A1). This outlines the entire recorded mineral occurrences plotted against the bedrock geology.

A review of legacy final and relinquishment reports reinforced that the Kungabarin Hill project area is prospective for metals typically associated with ultrabasic rocks – cobalt, nickel, copper and platinum group elements. However, previous exploration activities for these metals appears to be limited. Further potential exists for reef-hosted gold mineralisation, akin to that in nearby Lionsville, in the monzogranites on the western half of the project area.

Previous explorers noted a basement window of exposed magmatic hydrothermal alteration and historical copper workings may represent the western and upper extent of a much larger hydrothermal system concealed under Mesozoic cover to the east, prospective for:

- Quartz-tourmaline-sulphide-cemented, magmatic-hydrothermal breccia hosted copper-gold-molybdenum-cobalt deposit;
- Concealed porphyry copper-gold-molybdenum-cobalt ore body associated with quartz diorite to tonalitic porphyry apophyses proximal to the tourmaline-sulphide cemented breccia's; and
- Potential exists for copper-gold skarn.

Figure A1: Other Identified Mineral Occurrences



Source: NSW Geological Survey (Feb 2017)

Current nearby exploration

Table A1 highlights the current exploration activity by neighbouring groups.

Table A1: Current exploration neighbouring groups

Tenure	Company	Commodity
ELA 5407	Mt Gilmore Resources Pty Ltd	copper-gold
EL 8739	Providence Gold and Minerals Pty Ltd	copper-gold
EL 8739	Corazon Mining	cobalt
EL 6074	Lionsville Gold Pty Ltd	gold
EL 8487	Newtech Exploration Pty Ltd	base metals, rare earths

Source: Company data

In December 2016, CZN, which holds the adjacent EL 8379, reported solid assay results from its drilling program for Cobalt Ridge (refer ASX announcement "High-grade cobalt results" dated 14 December 2016). These results confirmed the project's potential as a valuable, high-grade cobalt-dominant deposit. Indeed, excellent high-grade cobalt intersections were returned in targeted lode positions within broad shallow mineralisation. The assays returned for all six RC holes intersecting the main lode comprised:

- MGRC002 16m @ 0.65% cobalt from 135m, including 6m @ 1.48% cobalt and 0.14% copper;
- MGRC003 37m @ 0.14% cobalt from surface, including 2m @ 0.36% cobalt and 1.37% copper, 1m @ 1.20% cobalt and 1.02% copper;
- MGRC006 34m @ 0.23% cobalt from 42m, including 4m @ 0.48% cobalt and 0.27% copper, 5m @ 0.71% cobalt and 0.88% copper;
- MGRC007 15m @ 0.33% cobalt from 41m, including 3m @ 0.82% cobalt and 0.26% copper, 1m @ 0.61% cobalt and 0.67% copper;
- MGRC008 17m @ 0.35% cobalt from 97m, including 7m @ 0.72% cobalt and 0.02% copper; and
- MGRC009 28m @ 0.10% cobalt from 12m, including 1m @ 0.53% cobalt and 2.01% copper.

In addition, CZN reported that broader cobalt zones include high-grade copper and gold mineralisation open to the west, which provides further potential upside.

Current work

Geoscientific spatial data was sourced from the NSW Department of Resources and Energy. The dataset consisted of historical stream sediment, soil, and rock chip samples (Table A2).

Table A2: Summary of available data

Element	No. Samples	Threshold Value (ppm)
Cobalt	664	50
Copper	2,169	200
Nickel	657	1000

Source: NSW Department of Resources and Energy

The main objective was to identify surface anomalies for cobalt, copper, nickel and rare earth elements using the created database. The surface sampling data was gridded using a minimum curvature method and contoured. Anomalous areas were defined using the contour maps for cobalt and nickel, which highlighted some coincident anomalies. However, most anomalies trend along strike, mirroring the underlying serpentinite bedrock geology.

JORC Code, 2012 Edition – Table 1 report template

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 (e.g. 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 (e.g. '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.*	• Sampling used in this analysis was all historical from the period 1967-2016. The data was a combination of the NSW Geological Survey surface sampling database and historical annual and relinquishment reports revisited and additional data extracted. • Nearly 2,600 sample analyses from stream sediment, soil, and rock chip sources were collated and combined. • Many of the sampling programs, especially from the 1990's did include reference samples and duplicate analyses and other forms of QA/QC checking. • Sampling prior to 1985 generally has higher "below detection limits" and less QA/QC checks.
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. 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.).*	• Examination of the government data revealed that only one (1) drill hole (DDH17), was completed within the tenement limits (Appendix 1). Unfortunately, the core is not stored at the NSW Core Library, and therefore can't be re-tested. The drill hole intersected altered harzburgite and serpentinite and thin sections were cut to test chrysotile (asbestos) fibre size. Three (3) reports have been downloaded relating to DDH17, with some lithological and structural information available for the hole. • Another set of drillholes was completed on the Lantana Downs and Pulganbar Projects, south-east from Kungabarin Hill. Unfortunately, those drill holes don't have cores residing at the NSW Core Library either, however, there are geochemical results available for the Pulganbar holes. • There are several drillholes in close proximity to ELA 5446 that could be investigated for relevant and similar geology that are held

Criteria	JORC Code explanation	Commentary
		by the department, and could be retested. • The closest set of drill holes (nine (9) in total) with available core for analysis were drilled about 15km south of the tenure, at the Cangai copper mine. To the north of ELA 5446, seventeen (17) drill holes were completed for copper-gold exploration at the Just-in-Time mine and Coaldale Prospects. Those cores are also available from the NSW Core Library. Drilling was a combination of RAB, RC with limited diamond cored holes.
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.*	• Not applicable in this study.
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.*	• The drilling that did occur was completed to modern-day standards. • No downhole geophysical logging took place.
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.*	• Not applicable.
Quality of assay data and	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.*	• All of the analyses bar a few (<75 out 2,600) samples were laboratory tested in various NATA-registered laboratories throughout Australia. Many of the earlier CRA Exploration stream sediment and soil

Criteria	JORC Code explanation	Commentary
laboratory tests	• *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.*	samples were analysed by CRA internal laboratories.
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.*	• Over 220 samples have had their assays duplicated. • None of the historical data has been adjusted.
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.*	• In general, locational accuracy does vary, depending upon whether the samples were digitised off plans or had their coordinated tabulated. Many samples were reported to AGD66 or AMG84 and have been converted to MGA94. • Locational accuracy therefor varies between 2-50m
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.*	• The average sample spacing across the tenure varies per element, e.g. for cobalt the RMS spacing between sample points is 165m, ranging down to 124m for nickel. • No sample compositing has been applied.
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.*	• The current database does not contain any sub-surface samples.
Sample security	• *The measures taken to ensure sample security.*	• Not applicable.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• No audits or reviews have yet been under taken.

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.*	Castillo Copper holds ELA 5446 of 51 units (155 km^2). The tenure is yet to be formally granted, but this is in progress.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Over seventy-five (37) reports representing exploration in twenty-two historical tenures that cover or partially cover ELA 5446 are discussed in brief the report. • Previous exploration within the tenement is substantial, and was usually targeted to support several operating asbestos mines. Asbestos in the Gordonbrook Serpentinite was first developed during World War 1, with further production then occurring during World War 2 and into the 1970's (Brownlow, 1989). A number of smaller asbestos deposits were identified subsequently, but were never developed. • Chromite was also extracted from the Gordonbrook Serpentinite during the periods 1933-1935 and 1942-1945. Most of the surface ore has been removed during these periods of production. BHP investigated the deposits in 1964 but did not proceed further due to the refractory nature of the ore, confirming earlier smelter trials (David, 1892). • A large resource of magnetite ore was recorded at Lionsville, but has never been exploited (Wynn, 1963). The potential for this magnetite deposit to host cobalt minerals such as cobaltite has not been tested and warrants further investigation. • Several other smaller occurrences of copper-gold and alluvial gold are noted by the NSW geological Survey (refer to Figure 2), which outlines all the recorded mineral occurrences plotted against the bedrock geology (Brunker & Chesnut, 1976), (Henley, Brown, Brownlow, Barnes, & Stroud, 2001). • A review of historical final and relinquishment reports has reinforced that tenure ELA 5446 is prospective for metals typically associated

Criteria	JORC Code explanation	Commentary
		with ultrabasic rocks, such as nickel (Ni), copper (Cu), cobalt (Co) and the platinum group elements (PGE). Previous exploration activities for these metals appears to be limited. Further potential also exists for reef-hosted gold mineralisation, akin to that in nearby Lionsville, in the monzogranites on the western half of the exploration tenement. • Previous explorers (Brownlow, 1989) (Abraham-Jones, 2012) have noted that a 'basement window' of exposed magmatic hydrothermal alteration and historical copper workings may represent the western and upper extent of a much larger hydrothermal system concealed under Mesozoic cover to the east, prospective for: • Quartz-tourmaline-sulphide-cemented, magmatic-hydrothermal breccia hosted copper-gold-molybdenum-cobalt (Cu-Au-Mo-Co) deposit; • Concealed porphyry copper-gold-molybdenum-cobalt (Cu-Au-Mo-Co) ore body associated with quartz diorite to tonalitic porphyry apophyses proximal to the tourmaline-sulphide cemented breccia's; • Potential also exists for copper-gold (Cu-Au) skarn;
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The Project Area covers rocks of the New England Orogen (or New England fold belt), the Clarence-Moreton Basin and associated sub-basins, and younger rocks of Tertiary and Quaternary age (Table 1) which overlie these major provinces. The New England Orogen is a major geological zone which extends from the Newcastle area north to Far North Queensland. The Orogen comprises many rocks which formed in highly active geological regions where sedimentary rocks from the deep ocean were being subducted and thrust into the Australian land mass at that time (Barnes, et al., 1988). • The project area is dominated by serpentinite in the Permian Gordonbrook Serpentinite, and the Lower Permian Cottesbrook Monzogranite. Parts of the Gordonbrook Serpentinite have been metamorphosed to chrysotile (asbestos) which has been the dominant focus of historical exploration and mining activities. Basement rocks consist of Ordovician to Silurian sedimentary and volcanic rocks of the Silverwood Group. Triassic to Jurassic sedimentary rocks of the Clarence-Moreton Basin unconformably overlie this sequence to the east. Quaternary sediments obscure

Criteria	JORC Code explanation	Commentary
		much of the outcrop in the tenure area. • Whilst copper-gold (Cu-Au) mineralising systems have been identified in the area, the primary exploration objective for Castillo Copper is cobalt and nickel for this tenement. These two (2) elements have not been targeted as a priority by previous explorers, who were mainly looking for chromite, gold and magnetite.
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:* o *easting and northing of the drill hole collar* o *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* o *dip and azimuth of the hole* o *down hole length and interception depth* o *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.*	• No new drillholes have been completed yet.
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. 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.*	• No new assays are reported in this Announcement
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 (e.g. 'down hole length, true width not known').*	• In order to define drill target areas, the study was divided into two (2) phases. A preliminary assessment of available open-file geochemical sample data was the focus of Phase 1. This evaluation has concentrated on combining historical stream-sediment, soil and rock chip data into one dataset and contouring for anomalous values of cobalt and nickel (Co and Ni). A secondary objective was to identify if any anomalous rare earth elements were also present. • Anomalous cobalt (Co) (max 430 ppm) and nickel (Ni) (max 5,200 ppm) were found in zones trending north-northwest, and in

Criteria	JORC Code explanation	Commentary
		particular, the anomalous nickel areas (which are extensive), appear to follow the underlying serpentinite bedrock. They also occur along the boundary with the Monzo-granite pluton. • When compared to a plot of historical documented mineral occurrences, there are no obvious correlations however, in many cases the cobalt and nickel anomalies are slightly displaced from recorded chromite deposits by several hundred metres. • Anomalous zones of rare earth elements such as Ytterbium (Yb), Yttrium (Y), Tungsten (W), Thorium (Th), Samarium (Sm); Niobium (Nb), Lutetium (Lu), Lanthanum (La), Europium (Eu), Cerium (Ce), with a combined maximum of 341 ppm were identified. The rare earth anomalies are displaced westward from the cobalt-nickel anomalies and broadly follow the strike of the underlying Monzo-granite pluton. • Follow-up work is recommended (Phase 2), particularly the anomalous zones (which have been digitized), should become priority targets for geological mapping, ground magnetic and EM surveys.
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.*	• Current surface anomalies are shown on maps in the report. All historical surface sampling has had their coordinates converted to MGA94, Zone 54.
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.*	• No new exploration results have been reported, but regarding the surface sampling, no results other than duplicates or reference standard assays have been omitted.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; 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.*	• Historical explorers have also conducted airborne and ground gravity, magnetic, EM, and resistivity surveys over parts of the tenure area but this is yet to be collated.
Further work	• *The nature and scale of planned further work (e.g. 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.*	• While further desktop work is still required, as cobalt was not the focus of previous exploration activities, the Board intends to commence suitable fieldwork within the next few months to identify a resource to 2012 JORC standards. As the resource is likely to comprise several satellite deposits within the project area, CCZ's strategic intent is to use third party processors and not commit to building a facility onsite.

Section 3 Estimation and Reporting of Mineral Resources

(Criteria listed in section 1, and where relevant in section 2, also apply to this section.)

Criteria	JORC Code explanation	Commentary
Database integrity	• *Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.* • *Data validation procedures used.*	The database only consists of Excel spreadsheets at this stage, split per element. As evaluations continue, the data will be migrated to a more appropriate relational database
Site visits	• *Comment on any site visits undertaken by the Competent Person and the outcome of those visits.* • *If no site visits have been undertaken indicate why this is the case.*	• No site visits have yet been undertaken
Geological interpretation	• *Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.* • *Nature of the data used and of any assumptions made.* • *The effect, if any, of alternative interpretations on Mineral Resource estimation.* • *The use of geology in guiding and controlling Mineral Resource estimation.* • *The factors affecting continuity both of grade and geology.*	• This is a preliminary investigation of surface sampling and no mineral resource estimates have yet been, or could be, calculated. • Mineralisation, where present will exist in sedimentary rock-hosted breccia's in or near fault intersections and other structural disturbances. • The mineralisation appears to be coincident with the outcrop of
Dimensions	• *The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.*	• Currently defined surface anomalies are 200-1,500m long elongated zones contained within a much more extensive mineralised zone.
Estimation and modelling techniques	• *The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.* • *The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.* • *The assumptions made regarding recovery of by-products.* • *Estimation of deleterious elements or other non-grade variables of economic significance (eg Sulphur for acid mine drainage characterisation).* • *In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.* • *Any assumptions behind modelling of selective mining units.*	• No mineral resource estimates yet determined.

Criteria	JORC Code explanation	Commentary
	• *Any assumptions about correlation between variables.* • *Description of how the geological interpretation was used to control the resource estimates.* • *Discussion of basis for using or not using grade cutting or capping.* • *The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.*	
Moisture	• *Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.*	• Only limited moisture analyses were contained in the dataset.
Cut-off parameters	• *The basis of the adopted cut-off grade(s) or quality parameters applied.*	• No cut-off grades yet determined for nickel or cobalt
Mining factors or assumptions	• *Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.*	• Mining factors not yet determined
Metallurgical factors or assumptions	• *The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.*	• No assumptions made.
Environmental factors or assumptions	• *Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.*	• Not applicable.

Criteria	JORC Code explanation	Commentary
Bulk density	• *Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.* • *The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit.* • *Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.*	• No bulk density measurements obtained so far.
Classification	• *The basis for the classification of the Mineral Resources into varying confidence categories.* • *Whether appropriate account has been taken of all relevant factors (ie relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).* • *Whether the result appropriately reflects the Competent Person's view of the deposit.*	• Not applicable
Audits or reviews	• *The results of any audits or reviews of Mineral Resource estimates.*	• No audit has taken place.
Discussion of relative accuracy/ confidence	• *Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate.* • *The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.* • *These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.*	• No mineral estimate calculated.