



**CASTILLO COPPER  
LIMITED**

ASX Release

27 November 2017

**CASTILLO COPPER  
LIMITED**  
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For the latest news:

[www.castillocopper.com](http://www.castillocopper.com)

**Directors / Officers:**

David Wheeler  
Alan Armstrong  
Neil Hutchison

**Issued Capital:**

579.7 million shares  
67.5 million options

**ASX Symbol:**

CCZ

## Primary cobalt targets at Broken Hill

- With preparation for the exploration program at Cangai Mine moving ahead the Board is now finalising its high-level cobalt exploration strategy for the Broken Hill project
- Four separate primary cobalt zones have been identified by Castillo Copper's geological team post desktop studies and site visit
- Up to 2,060ppm Co from surface was discovered during the desktop review, whilst just outside the western boundary, but on strike running into the tenement drill-holes showed intersections with up to 7,000ppm Co
- A contracted geology team will be sent to site to commence mapping, soil sampling, identifying targets for geophysical surveying and detail a future drilling program at potentially four primary cobalt target areas
- Progressive work by neighbour Cobalt Blue (ASX: COB), which has proved up its total resource to 54.9Mt @ 910ppm Co, has identified multiple new targets to extend known cobalt mineralisation (COB ASX Release – 22 November 2017)
- Notably, the results achieved by Cobalt Blue are of particular interest to CCZ given the similarities in geological sequences
- The Board is optimistic there is considerable exploration upside in numerous unsampled areas covered by alluvial sand which could demonstrate extensions to known high-grade cobalt mineralisation
- To gain perspective on the unsampled zones, the Board will be utilising technology enabling hydromorphically imposed geochemical anomalies to be identified in surface sand cover above buried / blind mineralisation
- Castillo Copper's geological team believe with further exploration work that the four primary cobalt targets can be expanded

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**Castillo Copper's Executive Director Alan Armstrong commented:**  
*"With Gnomonic Exploration Services now proactively managing the drilling program at the Cangai Mine, the Board will concurrently focus on investigating key cobalt anomalies at Broken Hill. Working with our service providers, a geological team will visit the site with the goal of expanding the four primary cobalt target areas that are already highly prospective."*

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Castillo Copper Limited's ("CCZ" or "the Company") Board remains completely across the supply/demand dynamics in the global cobalt market, particularly a desire by a growing number of global multinational corporations to generate new supply chains from stable jurisdictions. As such, with the Cangai Mine exploration program now being managed by a competent and experienced service provider, the Board can concurrently ramp up the cobalt exploration plan at Broken Hill targeting four high grade cobalt zones.

## PROACTIVELY TARGETING COBALT AT BROKEN HILL

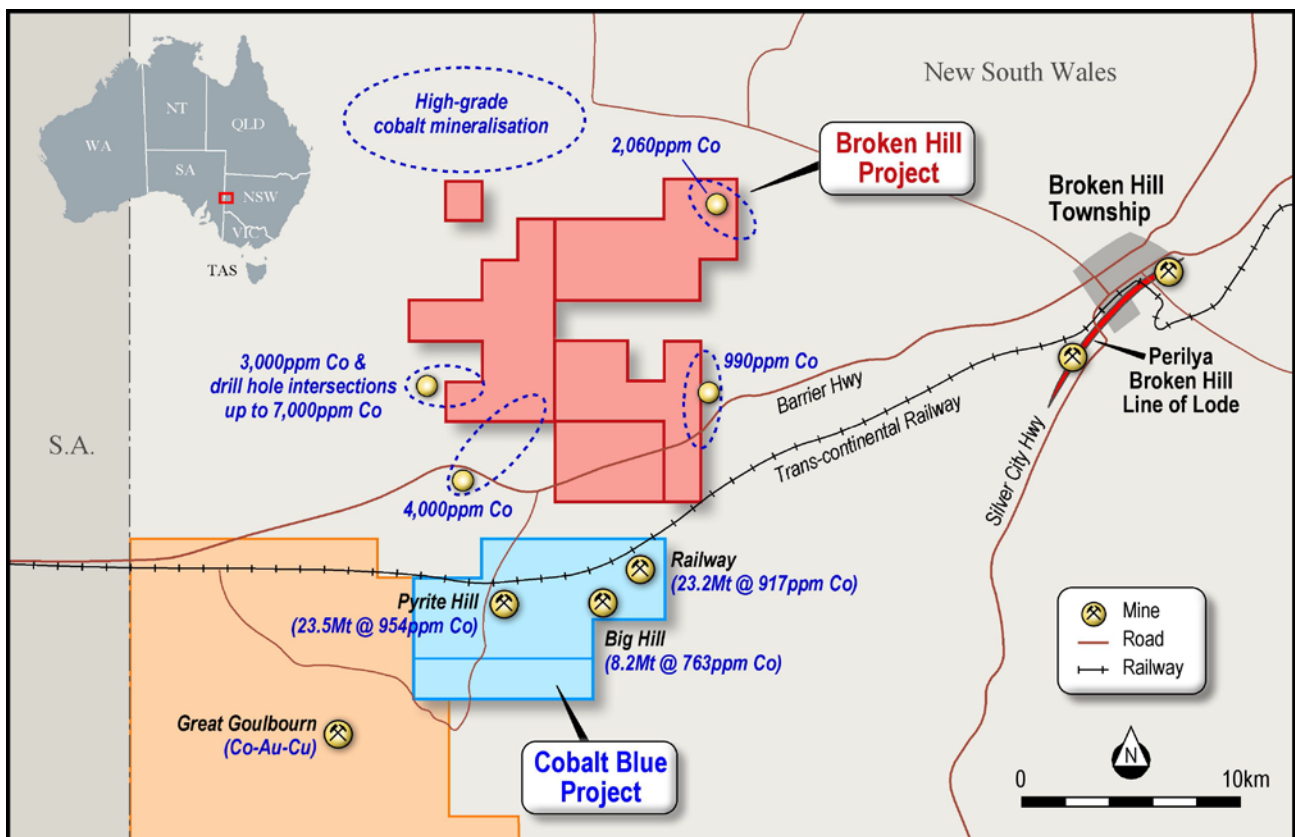
As accelerating take-up of electric vehicles / power storage utility equipment propels higher demand for lithium-ion batteries, the Board is moving to ramp up cobalt exploration activities at the Broken Hill project.

Legacy desktop work has already identified four primary target areas, with cobalt readings within and just outside the tenements ranging from 2,060ppm up to 7,000ppm respectively<sup>1</sup>. To progress the high-level exploration strategy at these priority areas, a contracted geology team will soon visit site to focus on mapping, taking soil samples, conduct optimal EM surveys and ultimately laying the foundations for the inaugural drilling program.

Aside from global dynamics, the case to ramp up targeted cobalt exploration at Broken Hill is encouraging given the significant progress neighbour Cobalt Blue has made proving up its total resource to 54.9Mt @ 910ppm. Further, in a 22 November 2017 ASX Announcement, Cobalt Blue detailed discovering incremental targets that can potentially extend the mineralisation and implicitly boost its resource size; the current target is a 40Mt indicated JORC compliant resource by Q2 2018.

Following successful desktop studies and site visits by Castillo's geological team the board is extremely keen to prove up and expand the identified four primary cobalt zones.

**FIGURE 1: BROKEN HILL PROJECT RELATIVE TO COBALT BLUE<sup>1,2</sup>**

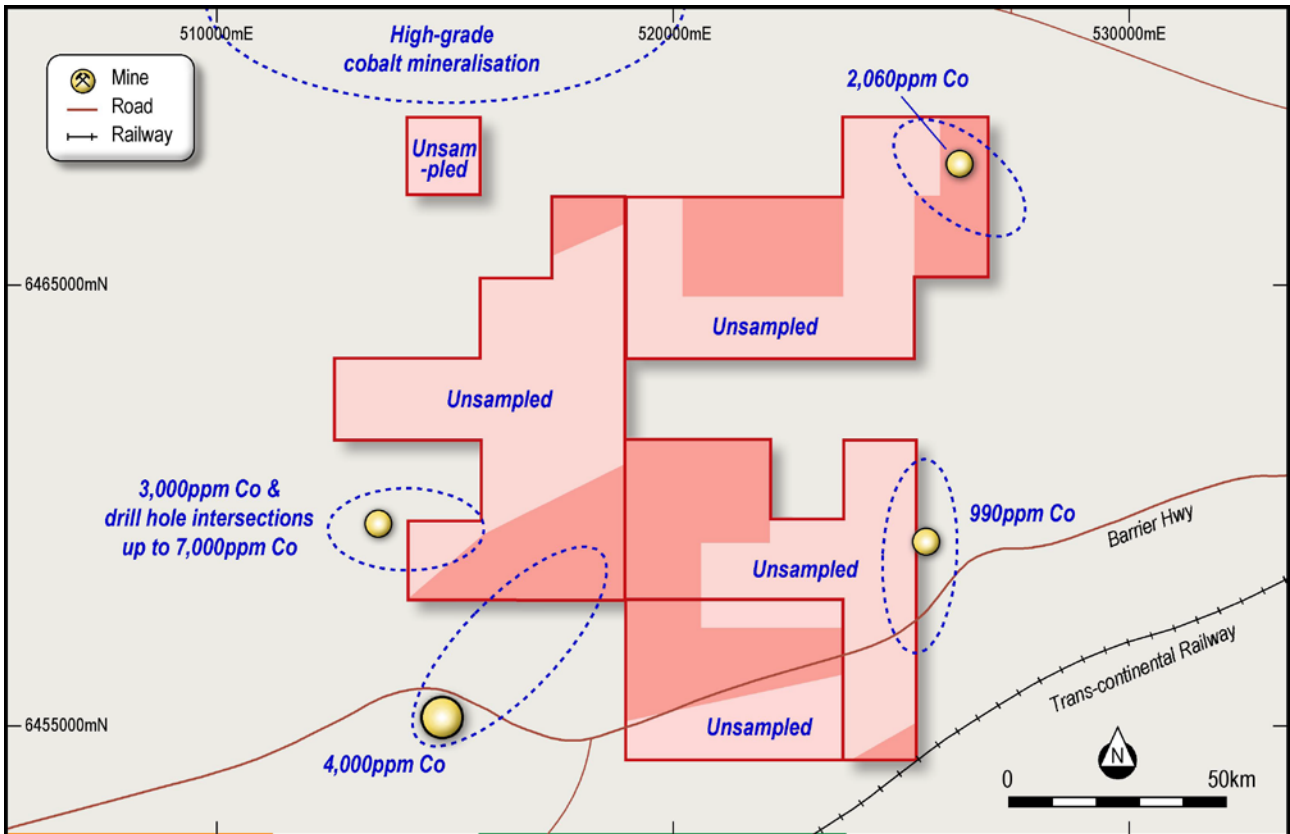


<sup>1</sup> ASX Announcement – 20 September 2017

<sup>2</sup> COB ASX Release – 5 June 2017

With the favourable news flow from Cobalt Blue to the south, the priority for CCZ is to evaluate the extent of cobalt mineralisation in unsampled areas which accounts for circa 50% of the tenure (Figure 2). Indeed, the Board believes there is potentially significant exploration upside for high-grade cobalt extensions to known mineralisation within the unsampled areas, as most of it is covered by alluvial sand.

**FIGURE 2: LARGE UNSAMPLED FOOTPRINT WITHIN PROJECT AREA<sup>1</sup>**



The Board has approved using a technology for the unsampled areas that enables hydromorphically imposed geochemical anomalies to be identified in surface soil above buried / blind mineralisation.

As such, once the geology team has evaluated key unsampled areas (Figure 2) the geochemical technology will be deployed throughout the project area to unearth incremental cobalt mineralisation. Generated geochemical targets will then be evaluated utilising necessary geophysical surveys to better target mineralisation prior to drill testing.

The Board will update shareholders on progress as news comes to hand.

**PHOTO GALLERY**



For and on behalf of Castillo Copper

**David Wheeler**  
**Chairman**

## COMPETENT PERSON STATEMENT

The information in this report that relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Neil Hutchison, a Competent Person who is a Member of the Australian Institute of Geoscientists. Neil Hutchison is an executive director of Castillo Copper Ltd.

Neil Hutchison 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'. Neil Hutchison consents to the inclusion in the report of the matters based on his 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.

## ABOUT CASTILLO COPPER

Castillo Copper Limited (ASX: CCZ) is an ASX-listed base metal explorer – primarily focused on copper, cobalt, zinc and nickel – that has the bulk of its core operating assets in eastern Australia.

The Australian assets comprise four tenure groups that collectively hold 11 highly prospective copper-cobalt-zinc-nickel project areas in New South Wales and Queensland, detailed briefly as follows:

- **Jackaderry Project** – comprises three prospects (two in the south that are contiguous) in the New England Orogen in NSW which are highly prospective for copper-cobalt-zinc. Of significance is the historic Cangai Copper Cobalt Mine (within Jackaderry South) as legacy data confirms the presence of supergene ore with up to 35% copper and 10% zinc which implies direct shipping ore is potentially feasible. On 6 September 2017, CCZ announced one of Australia's highest grade JORC compliant Inferred Resources for copper: 3.2Mt @ 3.35%.
- **Broken Hill Project** – consists of two contiguous tenements that are located within a 20km radius of Broken Hill, NSW, that are prospective for copper-cobalt-zinc. A key feature of the project is an area in the southern part of the tenure, which exhibits significant high-grade zinc mineralisation.
- **Mt Oxide Project** – made up of three prospects (two are contiguous) in the Mt Isa region, northwest Queensland, and are well known for copper-cobalt systems.
- **Marlborough Project** – includes three prospects that are located north-west of Gladstone (adjacent to Queensland Nickel mining leases) in an area, which is made up of proven high-grade cobalt-nickel systems. .

Castillo Copper also holds wholly-owned Chilean assets comprise of six exploration concessions across a total area of 1,800 hectares that are well known for high grade copper-gold projects.