



CASTILLO COPPER
LIMITED

ASX Release

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CASTILLO COPPER
LIMITED
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Issued Capital:

579.7 million shares
67.5 million options

ASX Symbol:
CCZ

Green light for drilling to commence at Cangai Copper Mine

- The NSW Department of Planning and Environment has approved CCZ's drilling program at the Cangai Copper Mine
- This is an exciting development for CCZ as drilling will commence pre-Christmas and continue through January
- Geological contractors and field crew are on site, with RC drill rig currently mobilising to site
- Existing tracks have been cleared and drill pads can now be constructed ready for rig arrival
- The initial plan is to commence work from drill pad DP3¹, as it is positioned adjacent to the JORC modelled lodes that exhibit significant Cu-Ag-Au mineralisation
- This should enable early pXRF analysis and assay results to provide some clear insights and confirmation to the extent of the resource beyond what has been JORC modelled (3.2Mt @ 3.35% Cu; 0.8g/t Au and 20.2g/t Ag)²
- The inaugural drilling campaign will comprise ~2,250m RC drilling across 12-drill holes¹
- FLEM and topographical contour surveys have now been successfully completed surrounding the main lode, and are being modelled by Newexco Services, which will enable follow-up drilling to target current and new anomalies

Castillo Copper's Executive Director Alan Armstrong commented:
"The Board is delighted to get regulatory approval to commence the inaugural drilling program at Cangai Copper Mine before Christmas. As the drilling team have been on standby, they have now mobilised to site and will be able to make a quick start into the JORC modelled lodes that exhibit the highest grade Cu-Ag-Au mineralisation.

In addition, with the completion of the topographical and FLEM surveys, the drilling program can be further optimised to achieve the best outcome across new and existing anomalies. Looking forward, the Board is optimistic the drilling campaign will facilitate materially increasing the JORC Resource size."

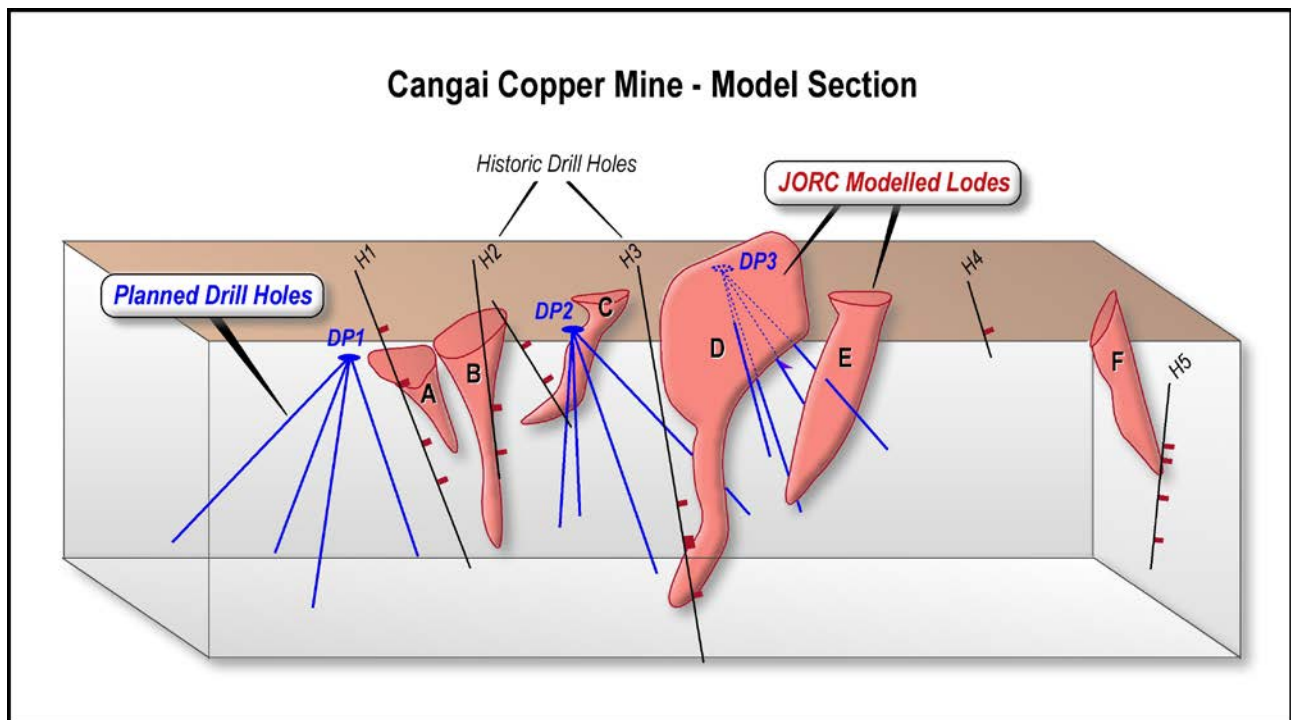
Castillo Copper Limited's ("CCZ" or "the Company") Board is delighted to announce it has received regulatory approval to commence the inaugural drilling program at the Cangai Copper Mine. This is the first step towards putting in place tangible measures to upgrade the existing Cu-Ag-Au deposit at Cangai and allowing for an upgraded JORC 2012 compliant resource to be generated.

DRILLING CAMPAIGN COMMENCING

As the drilling team has been on standby awaiting regulatory approval, the equipment is currently being deployed to site immediately with substantial work to commence pre-Christmas and continue through January. The initial plan will be to start drilling from DP3 (Figure 1), given this is adjacent to the highest grade JORC modelled lodes. Consequently, this should enable early pXRF analysis, and subsequently assay results, to provide some clarity on the extent of the resource in addition to what has been JORC modelled (3.2Mt @ 3.35% Cu; 0.8g/t Au and 20.2g/t Ag)².

Whilst awaiting regulatory approval, CCZ employed the landholder to upgrade existing access tracks to make access safer and easier for the geological crew and the drill rig, once on site later this week. Now that the regulatory approval has been received, the bulldozer can now shift focus to building the drill pads, which can be relatively easily constructed at the top of the deposit.

FIGURE 1: PLANNED DRILLING PROGRAM AT CANGAI¹



Ore Zone Legend: A) McDonoughs Lens; B) Marks Lens; C) Victory Lens; D) Sellars Lens; E) Volkhardt's Shaft Lens; F) Melbourne Lens

Topographical and EM surveys

The key strategy for the drilling program is to thoroughly test the JORC modelled lodes and the extent of the mineralisation halo in order to prove that mineralisation exists between the high-grade lodes as noted by CCZ's geologists during recent field mapping and sampling programs. Furthermore, with the completion of the topographical contour and FLEM geophysical surveys over the main lode area, the additional information gathered will assist with 3D positioning of the drilling program as well as the future drill targeting of new and existing anomalies. The FLEM survey data is currently being modelled and will encompass near mine anomalies and depth extensions/offsets within the deeper sulphide mineralised zones.

Of particular note, the survey results are currently being modelled and interpreted by Newexco Services ("**Newexco**"). Newexco have been credited with numerous sulphide ore discoveries in Australia. Amongst those discoveries are several high profile Australian deposits, including similar copper ore projects owned by Sandfire Resources³ (ASX: SFR). CCZ looks forward to leveraging this experience to help grow the Cangai Copper Mine.

Conclusion

With the approvals now granted, Castillo Copper is now fast tracking the drilling program at Cangai, in order to prove the existing known high-grade copper lodes, expand the existing JORC Resource base between the high-grade lodes and to unearth new mineralisation outside the existing modelled JORC Resource.

CCZ will update the market as results are received.

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.

1 – ASX Release dated 24 November 2017

2 – ASX Release dated 20 September 2017

3 – Refer to <http://www.newexco.com/discoveries/>