CASTILLO COPPER LIMITED

ASX Release

8 January 2018

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Issued Capital:
579.7 million shares
67.5 million options

ASX Symbol:
CCZ

Multiple conductors discovered from FLEM survey, drill program to be expanded

- **Exceptional results from the recent FLEM survey at the high-grade Cangai Copper Mine, with five new large, relatively shallow, conductors identified within and external to the line of lode**
- **These FLEM results are a gamechanger that could significantly alter the scale of the current resource at the Cangai Copper Mine moving forward**
- **Given the extraordinary discovery of five new large conductors, the Board has approved to expand the drilling program – full details will be released in due course**
- **Remarkably, this is the first time a ground EM has been applied to Cangai Copper Mine and surrounding areas**
- **Interestingly, this result has similarities to Sandfire's (ASX: SFR) Degrussa project in WA, whereby high-grade supergene ore oxide material sits above larger volumes of highly-mineralised sulphides**
- **Drilling will recommence immediately following the Christmas and New Year break, while drilling samples will be assayed by ALS Laboratories (NSW) with results expected in coming weeks**
- **Initial geological interpretation suggests the new anomalies comprise highly mineralised sulphides not factored into the current JORC inferred resource (3.2Mt @ 3.35% Cu; 20.2 g/t Ag; 0.80 g/t Au[1]) which was primarily derived from historic drilling results (refer Appendix A Global Inferred Resource)**
- **Newexco Services Pty Ltd (Newexco) delivered a detailed report on the FLEM survey results: it highlighted five priority anomalies, with up to three category 1 conductors, requiring immediate follow up and recommended drilling**

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Castillo Copper's Executive Director Alan Armstrong commented:
The Board views this development as a pivotal point in Castillo Copper's evolution, as the EM survey has delivered an outcome that materially exceeds our expectations. Indeed, this new discovery is timely as the current drilling campaign moves into full swing. The Board highly values the work carried out by Newexco, as their experience in major copper discoveries, including work carried out on a massive sulphide deposit in Western Australia[2], is invaluable to evaluating the potential deposit at Cangai Copper Mine."

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Castillo Copper Limited's ("**CCZ**" or "**the Company**") Board is delighted to announce that it received a detailed report from Newexco, which has identified five significant electro-magnetic (EM) conductors at Cangai Copper Mine. The preliminary geological interpretation suggests there is substantial incremental sulphide mineralisation at depth and outside the JORC modelled zone that exceeds the geology team's expectations.

[1] Refer ASX Release – 6 September 2017
[2] http://www.newexco.com/discoveries/

This is a remarkable result and well above Board's expectations, since it is the first time a ground EM survey has been applied to the high-grade Cangai Copper Mine and surrounding areas. Moreover, this result is of significant interest as it resembles SFR's Degrussa project in WA, whereby supergene ore oxide along the line of lode sits above a much larger volume of highly-mineralised massive sulphides.

As a result, given the exceptional inaugural EM survey results, the Board has approved the following:

1) an expansion of the current drilling program;
2) an airborne EM survey over the entire tenure held in this region; and
3) to expedite preparation of a second drilling program and liaising with the department to fast-track approval.

Having recently raised >$3m from a placement, CCZ has adequate funds to progress an expanded exploration program at Cangai Copper Mine.

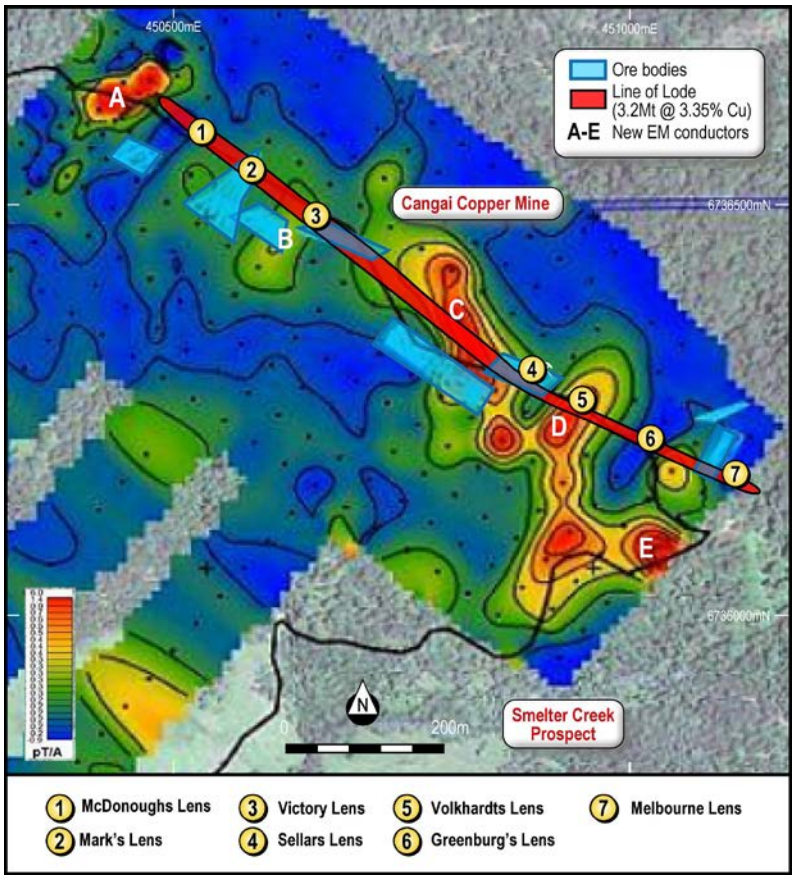
SIGNIFICANT CONDUCTORS UNCOVERED BY EM SURVEY

In December 2017, a fixed-loop electro-magnetic (FLEM) survey was undertaken at the Cangai Copper Mine. The primary objective was two-fold:

- Identify any additional deep conductors in and around known mineralised ore bodies; and
- Highlight prospective drill targets away from and underneath known legacy mining activity.

Newexco has worked with SFR as well as many other successful sulphide deposit explorers. Newexco took on management and processing of the Cangai FLEM survey, identifying numerous anomalies along the line of lode (Figure 1). More significantly was the discovery of new, relatively shallow, conductors off the line of lode that are likely to be sulphides hosting high-grade Cu-Au-Ag mineralisation.

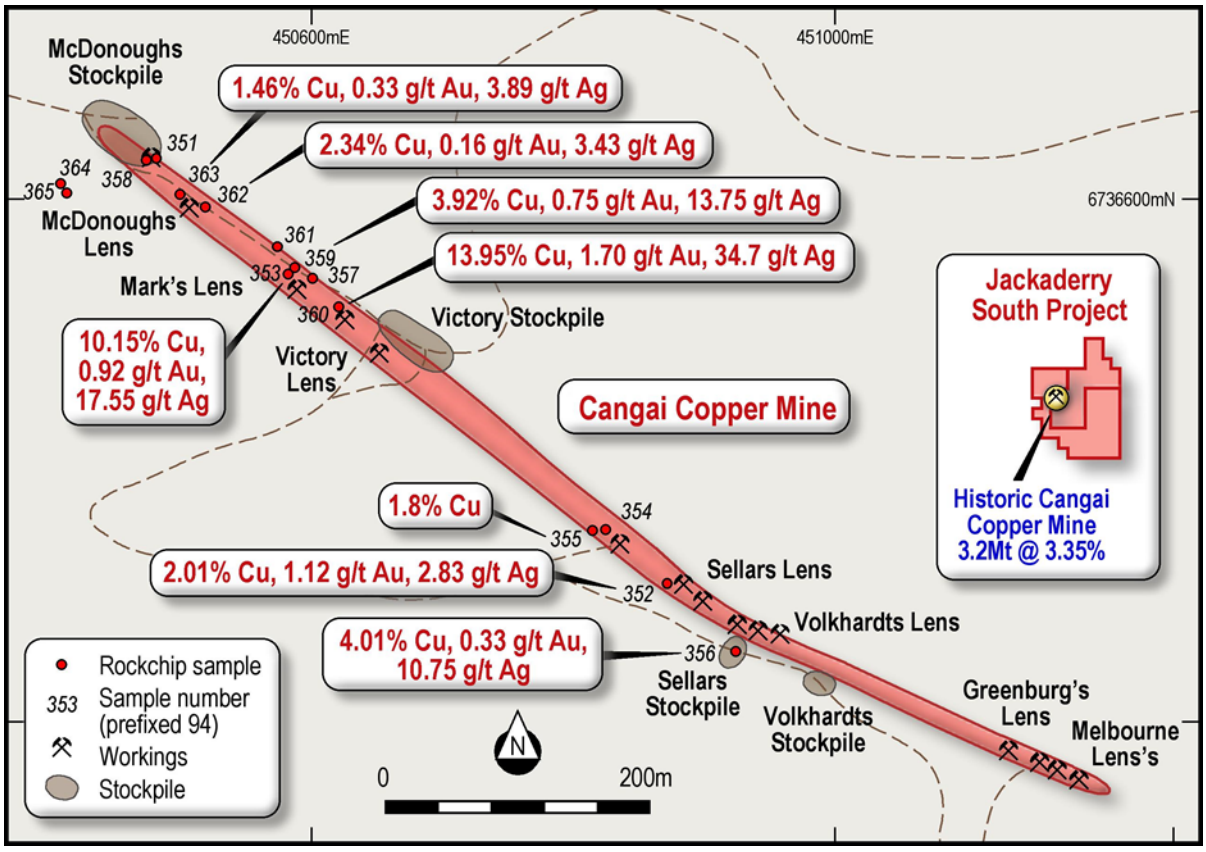
FIGURE 1: EM SURVEY RESULTS HIGHLIGHTING SIGNIFICANT ANOMALIES



Source: CCZ's geology team

Earlier desktop work, leveraging legacy drill-hole data, highlighted high-grade copper-gold-silver mineralisation along the line of lode (Figure 2). The results from the EM survey show conductors that are below or well outside the JORC modelled zone which generated an inferred resource of 107,600t Cu, 2,080,100oz Ag and 82,900oz Au[3]. Clearly, this highlights the significant potential resource size upside and necessity for the Board to immediately ramp up exploration activities at Cangai Copper Mine.

FIGURE 2: DETAILED LINE OF LODE AT CANGAI COPPER MINE



Source: CCZ's geology team; ALS (assay results)[4]

Newexco's recommendations

According to Newexco, there are five significant anomalies located proximal and/or below the line of the lode including two category 1s ("A and C"). These anomalies, plus potentially – "Anomaly E" – have been identified for immediate follow up comprising site investigation, modelling and probable inclusion in the current or next drilling program. The key points for each anomaly are as follows:

- **Anomaly A:** located north-west of the line of lode. Preliminary modelling shows the anomaly is at shallow depth (circa 80m), with responses to the EM survey caused by bedrock conductors within the base of oxidation. Newexco classifies this a category 1 anomaly that requires more modelling and site investigation. Note this extends beyond the known strike length of the current resource/line of lode.
- **Anomaly B:** this is on the line of lode and has a strike length of 250m. Geological interpretation suggests a peak-to-peak distance of circa 200m directly over the line of lode. This anomaly originates from a bedrock conductor located below the oxide zone and proximal to the previous workings. Newexco classifies this as a category 2 anomaly, with a high priority.
- **Anomaly C:** this has a circa 150m strike length, high amplitude and corroborating horizontal components. Given a complex response to the EM survey, this anomaly requires rigorous

[3] Refer ASX Release 30 October 2017

[4] Refer ASX Release 5 December 2017

modelling as it appears to strike/plunge across the line of the lode. Newexco rates this a category 1 anomaly that requires immediate follow up within the current drilling campaign.

- **Anomaly D:** this has a 150m strike length and is seen over three profiles with corroborating horizontal components and depth of at least 100m to top. Newexco classifies this a category 2 anomaly but further modelling work is required.
- **Anomaly E:** this is located on the eastern area that was EM surveyed (close to the Smelter Creek prospect) and is unclosed in that direction, with a depth of 75m to the top. However, further investigation and modelling is required, while any drilling in this area should consider the source to this anomaly being located east of the profile. Newexco considers this an exciting anomaly and if closed would be considered category 1.

Next steps

Given the exceptionally positive results from the EM survey, the Board has decided to immediately elevate Cangai to high-priority status. It has commissioned the following action points:

- Complete reorientation and expansion of the current RC-drilling program to factor in fresh information from the EM survey to optimise results;
- Drilling results to be assayed by ALS Laboratories in NSW; and
- Quotations are being obtained to fly an airborne EM survey over the entire tenure held by CCZ in this region; and
- Expedite the preparation of a second drilling program and liaising with the department to fast-track approval.

Conclusion

The EM results clearly indicate there are potentially significant, highly mineralised sulphides within the identified conductors, outside the line of lode that can materially build on the current JORC inferred resource. To facilitate the geology team collecting the necessary information to increase the current JORC compliant resource at Cangai, more funds are being allocated to expand the current drilling program and incremental surveys. The Board is highly encouraged by these developments and will keep shareholders informed as assay results from the current reoriented drilling campaign come to hand.

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.

APPENDIX A: CANGAI COPPER MINE – GLOBAL INFERRED RESOURCE

The global Inferred Resource for the Cangai Mine and how it transforms to the 3D model is shown in Figures A1 and A2 below[5]. Note, legacy drilling data was used to generate the 3D model.

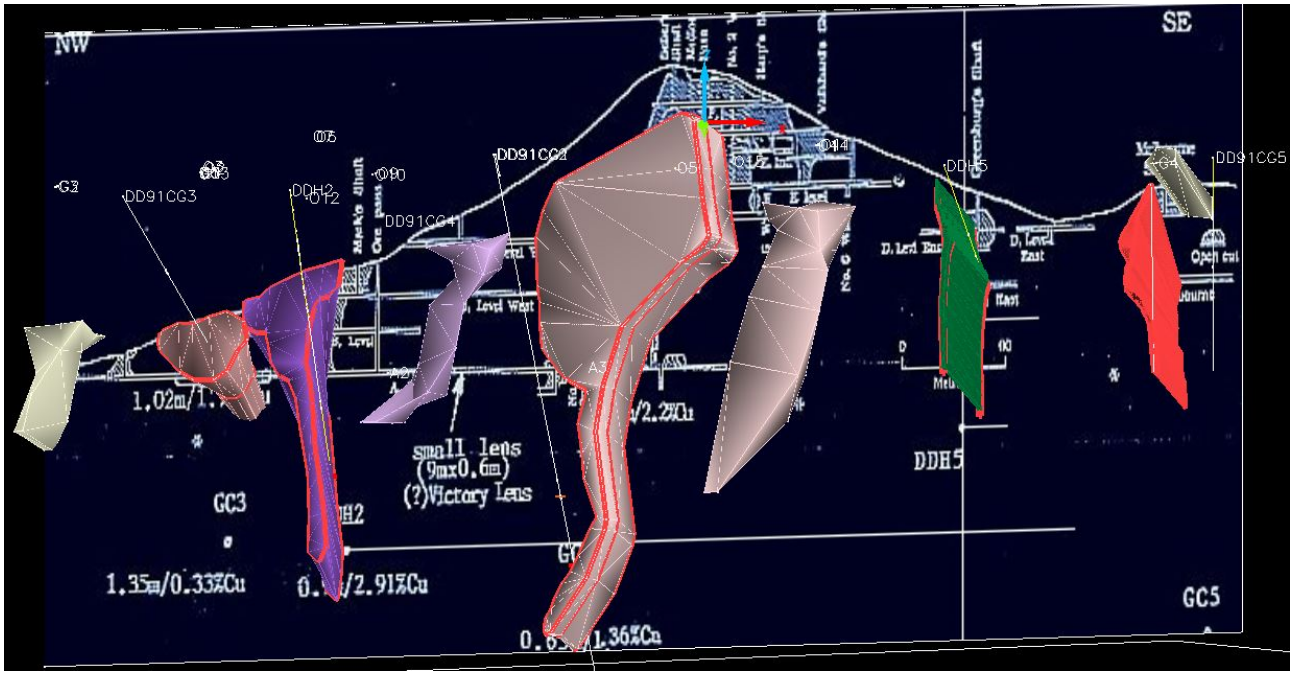
Figure A1: Global Inferred Resource

CANGAI COPPER MINE - GLOBAL INFERRED RESOURCE												
		Total	Cu	Co	Zn	Au	Ag	Cu	Co	Zn	Au	Ag
Lens Name	Zone	(Tonnes)	(%)	(%)	(%)	(g/t)	(g/t)	(Tonnes)	(Tonnes)	(Tonnes)	(oz)	(oz)
Greenberg's Lens	Oxide	1,754	4.05	0.010	0.57	0.00	32.09	71	0	10	0	1,810
Greenberg's Lens	Fresh	676,137	2.74	0.003	0.08	0.80	15.08	18,557	19	537	17,457	327,902
Marks Lens	Oxide	50,073	2.09	0.014	0.14	0.17	6.80	1,048	7	69	271	10,946
Melbourne Lens	Fresh	556,708	3.08	0.003	0.19	0.89	15.48	17,170	16	1078	15,931	277,066
Melbourne Open Cut	Oxide	15,656	3.32	0.002	0.49	0.07	14.58	520	0	76	36	7,341
Sellers Lens	Oxide	537,838	4.18	0.009	0.81	0.81	29.21	22,469	50	4339	13,955	505,181
Sellers Lens	Fresh	1,066,027	3.41	0.003	0.47	0.97	21.24	36,312	37	5036	33,152	728,077
Victory Lens	Oxide	29,889	2.89	0.010	0.16	0.25	9.31	864	3	48	236	8,946
Victory Lens	Fresh	13,928	2.25	0.003	0.02	0.47	11.69	313	0	3	212	5,237
Volkhardt's Shaft Lens	Oxide	179,044	4.70	0.009	0.35	0.01	31.52	8,420	17	623	52	181,437
Volkhardt's Shaft Lens	Fresh	84,542	2.18	0.003	0.13	0.59	10.73	1,846	2	108	1,701	29,174
		3,211,600	3.35	0.005	0.37	**0.80**	**20.17**	**107,600**	**152**	**12,000**	**82,900**	**2,083,100**

Note: Totals may sum exactly due to rounding. Cut-off grade used: 1.0% Cu with top-cut applied: 10.0% Cu.

Source: ROM Resources

Figure A2: 3D JORC model of Cangai Mine



Source: ROM Resources

[5] Refer ASX Release 6 September 2017

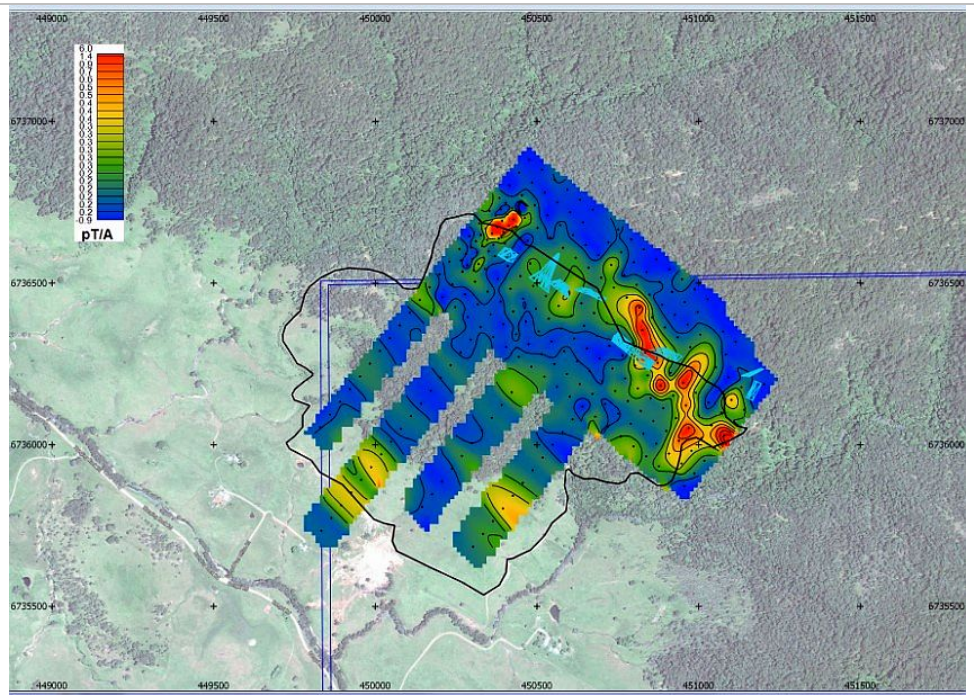
APPENDIX A: JORC CODE, 2012 EDITION – TABLE 1; GROUND FLEM SURVEY 2017

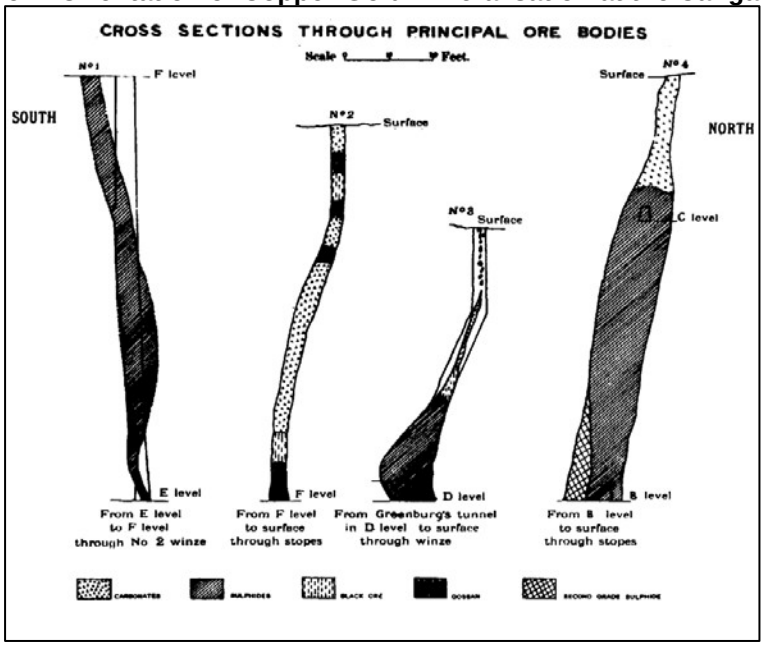
Section 1 Sampling Techniques and Data (Criteria in this section apply to all succeeding sections.)

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.*	The operating criteria for a FLEM survey carried out between the 1st and 8th December 2017 at Cangai Mine is as follows: • The Fixed Loop Electromagnetics FLEM were carried out by Khumsup Pty Ltd, a reputable geophysical contractor using a Smartem 24 and Smartfluxgate receiver and Zonge transmitter with a proprietary power supply operating at 2.0833hz base frequency in the Time Domain. Data were sampled at 24khz, stacked and windowed to Smartem standard channels. Component orientation were corrected for tilt and azimuth by the Smartem. • Khumsup completed the planned FLEM survey for a total of 22 profiles and 264 stations at 25m station intervals as shown. EMIT were commissioned to recalculate and present these data in a useable form. • All data were post processed by EMIT and Newexco Services Pty Ltd where some outlier results were rejected. Numerous samples were taken at each station using 256 pulses. • The resultant total field was calculated using program Maxwell. Models were erected using Maxwell version 7.3.120. Images were created using geosoft biline gridding with akimer interpolation across and along line colour stretches are linear.

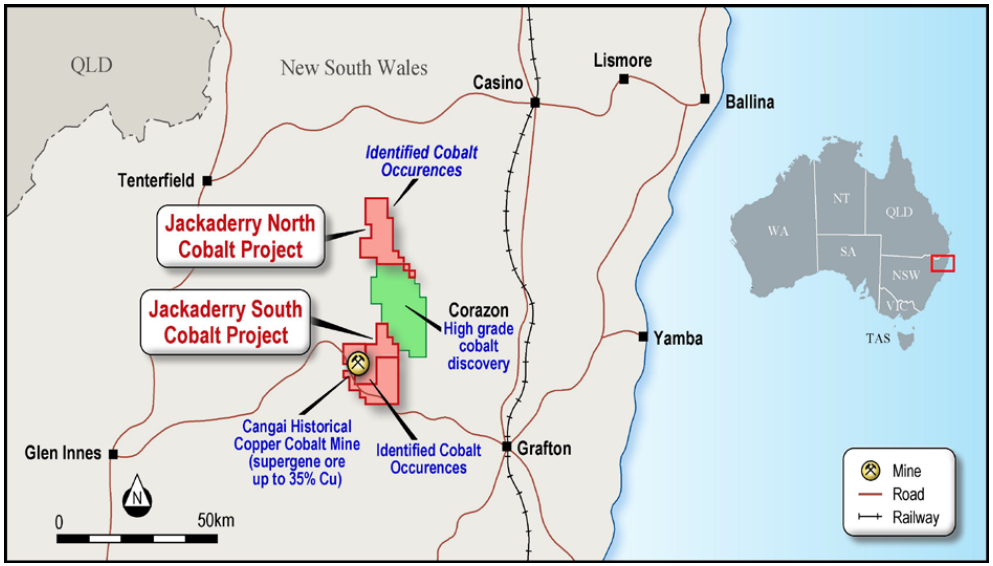
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).*	• Not applicable to this ASX release
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 ASX release.
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*	• This ASX release does not pertain to drilling
Subsampling 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.*	• No new surface or drillhole samples were obtained.

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.*	• No laboratory analyses were carried out
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.*	• Data verification and validation was undertaken by Newexco Pty Ltd personnel.
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.*	• Stations were located by predetermined points on a local grid using a 12 channel GPS and post- processed to GDA94 using the instruments GPS location as a check. Elevations were taken from the SRM model. • The survey location relative to the ore bodies previously defined is shown in Figure 1. **Figure 1: Location of the FLEM survey undertaken at the Cangai Mine**

		
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.*	• A large loop of approx. 1000 x 1000m was deployed and carried approximately 24 amperes a turn-off of 583us was used with an instrument delay of 300us. Stations were recorded on a 50m square grid with 25m infill.

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.*	• Additional surface bedding and foliation data, and that from some of the accessible underground mine adits was compiled from a UNSW Honours thesis (Brauhart 1991). Information is available from underground workings, open cut(s), shaft(s), adit(s), shallow pits and scrapings. The Lode sub-vertical to vertical, striking 126 degrees true north and pitching at 60 degrees to the west. The high-grade ore as mined, varies from 0.3m-3.9m wide • The known copper-gold mineralisation around Cangai strikes from 290-330 degrees, with the major orebody shapes shown by Figure 2, below: **Figure 2: Orientation of Copper-Gold Mineralisation at the Cangai Mine**  It should be noted that these orebody shapes were drawn at >13% Cu so that the modelled wireframes in this current resource have been enlarged to try to capture mineralisation down to 1% Cu
Sample security	• *The measures taken to ensure sample security.*	• No samples were required to be secured.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• No audits or reviews have yet 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.*	• Castillo Copper holds EL 8625 of 35 units (155 km^2). The tenure has been granted for a period of thirty-six months until 17th July 2020, for Group 1 minerals. The location of the tenure is shown in Figure 3 below: **Figure 3: Location of EL 8625 and EL 8635 Jackaderry South** 

Exploration done by other parties	*• Acknowledgment and appraisal of exploration by other parties.*	Some mining history and discovery information provided by North Broken Hill Ltd (1970) is as follows: **Cangai** The Cangai copper mine, located 10 km north west of Jackadgery, is one of the richest copper and gold mines in the region. This deposit was discovered in 1901 by J. Sellers and was subsequently mined by the Grafton Copper Mining Company Ltd from 1904 to 1917. A copper smelter was built and a substantial village with a sawmill developed. Recorded production is 5080 tonnes of copper, 52.7 kg of gold and 1035 kg of silver (Henley and Barnes 1992). The mine was unusual in that its discovery post-dated much of the initial mineral discoveries in New England. It had the distinction of paying its own way from ore produced from the mine and paid rich dividends to its shareholders as a result of the rich ore and the low production costs related to the self fluxing ore and that ore could be easily hauled downhill to the smelter. The mine prompted upgrades to roads and communications into the area. 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; Considerable exploration has taken place in and around the Cangai Copper Mine (closed) by several large explorers such as Western Mining and CRA Exploration, the results of which are covered in the Local Geology section

Geology	• *Deposit type, geological setting and style of mineralisation.*	**Regional Geology** The underlying geology is contained within the Coffs Harbour Block, east of the Demon Fault. The major basement unit is the Silurian-Devonian Silverwood Group (locally the Willowie Creek Beds), a mixed sequence of tuffaceous mudstones, intermediate to basic igneous rocks, slates, and phyllites, a low stage of regional metamorphism. Overlying this rock formation is a younger tectonic melange of Early Carboniferous age – the Gundahl Complex of slates, phyllites and schist, with chert, greenstone and massive lithic greywackes. These rocks are intruded by the Early Permian Kaloe Granodiorite (tonalite), which also in turn is intruded by numerous later-stage mafic (lamprophyre) dykes. **Local Geology** The local geology is well understood as considerable exploration has taken place in and around the Cangai Copper Mine (closed) by several major explorers such as Western Mining and CRA Exploration, the results of which are covered in the section below. The mineralisation is controlled by the presence of shear zones within the country rock and persistent jointing. Chloritic alteration is pervasive, with the major minerals identified (Henley and Barnes 1990) as: • **Azurite** major ore • **Chalcocite** major ore • **Chalcopyrite** major ore • **Native Copper** major ore • **Malachite** major ore • **Pyrite** major ore • **Pyrrhotite** major ore • **Arsenopyrite** minor ore • **Sphalerite** minor ore • **Cuprite** minor ore • **Gold** minor ore • **Limonite** minor ore • **Chlorite** major gangue • **Calcite** major gangue • **Quartz** major gangue • **Sericite** minor gangue

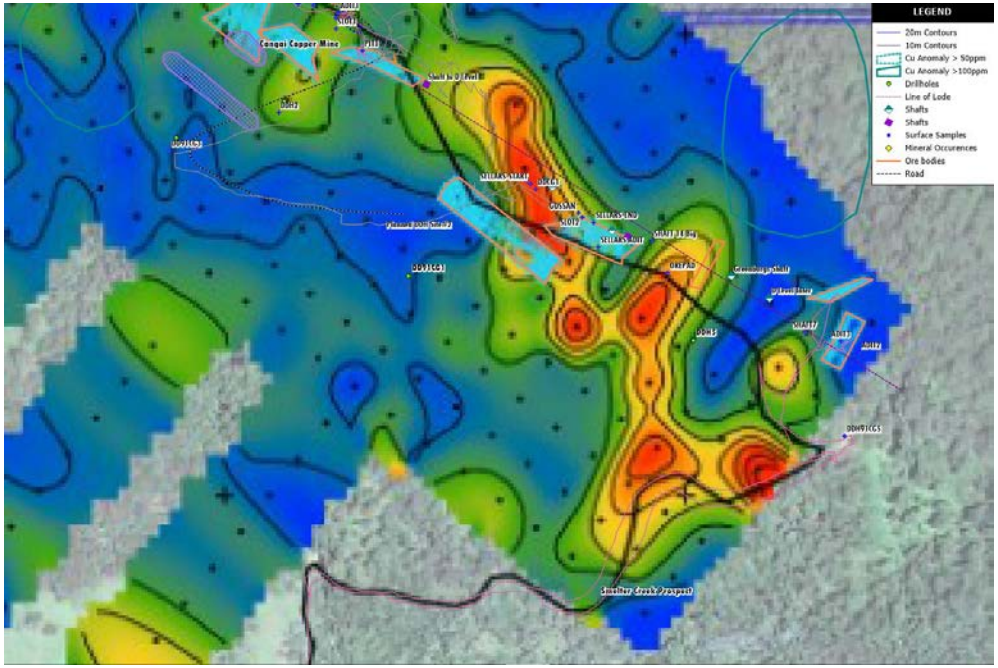
Western Mining Limited 1982-1984

Western Mining found that the recognition of substantial amounts of pyrrhotite in high grade ore collected from mine dumps led to the reappraisal of previous explorer's ground magnetics (Brown, 1984). Two soil anomalies were identified @ +60ppm Cu (max 1100ppm) and several strong linear magnetic anomalies (=250nT above background). Soil sampling and detailed ground inspections conducted over the linear magnetic high failed to identify any anomalous geochemistry or a possible source lithology. A 180m diamond drill hole was drilled to test the anomaly. Given the poor results of both the drilling and the follow-up stream sediment sampling, no further work was recommended. The decision was made to relinquish the licence in 1984.

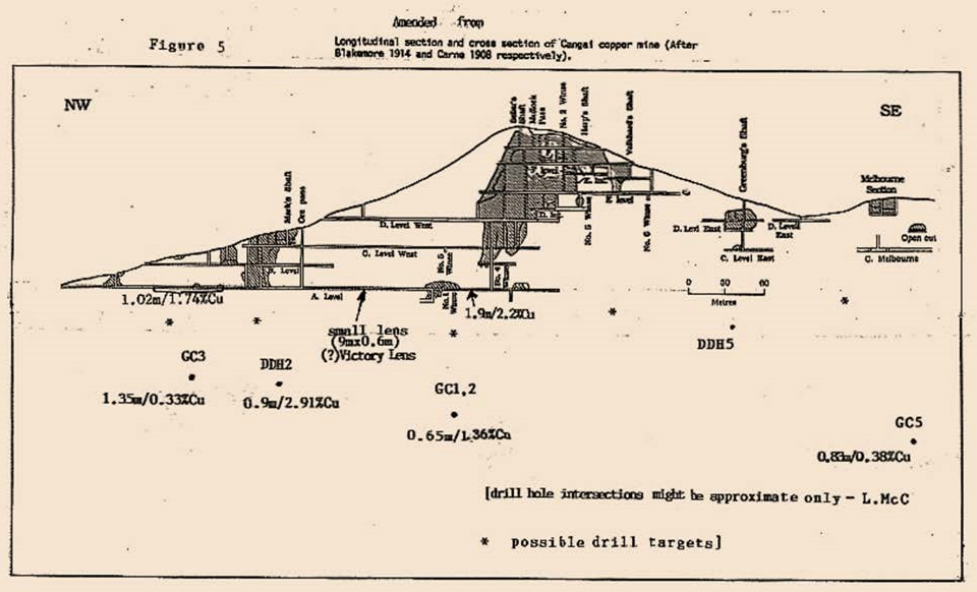
CRA Exploration 1991-1992

CRA Exploration examined the geological form, setting and genesis of the mineralisation at the Cangai Copper Mine over several years. The work carried out consisted of geological mapping, collection of rock chip samples, and underground investigations at the mine site. Drill core from a CRA exploration program and mine dumps were also inspected. They concluded that the Cangai Copper Mine is hosted by sedimentary rocks of the Siluro-Devonian Willowie Creek Beds of tuffaceous mudstones, tuffaceous sandstones and conglomerates. Mineralisation appears to be associated with steeply plunging ore shoots in and adjacent to the main shear zone (Figure 4). Massive primary ore consists of chalcopyrite, pyrite and pyrrhotite with lesser sphalerite and minor arsenopyrite and galena. A detailed, well documented report was produced, but no reasons were given for the relinquishment of the licence.

Figure 4: Location of FLEM Survey Relative to Known Ore Bodies



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.*	• Not applicable to this ASX release
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 data was composited.
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').*	• Lode sub-vertical to vertical, striking 126 degrees and pitching at 60 degrees west. Varies from 0.3m-3.9m wide. The main mining was from Melbourne, Marks, Sellers & Greenbergs lens. Secondary zone grades averaged 20-35% Cu. Sulphides zone decreased to 8-10% Cu at depth. The Lode largest at intersections. Breccia recorded at D level. Host rock is massive, and bedding is difficult to define. Structurally controlled with lodes following or adjacent to the shear zone. Temperature of formation is suggested to be about 380 degrees centigrade (Brauhart 1991). Metahydrothermal structurally-controlled deposit. • Figure 5, below is a cross-section showing the four (4) main near vertical mineralised zones at the Cangai Mine.

		Figure 5: NW to SE Cross-section of workings at Cangai Mine 
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.*	• The EM Survey maps have had their coordinates converted to MGA94, Zone 56.
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 avoiding misleading reporting of Exploration Results.*	• No data has been ignored or 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, downhole IP, and resistivity surveys over parts of the tenure area but this is yet to be completely collated. This survey represents a major progression forward in regional and local geophysical data collection of the deposit.

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.*	• Ongoing interpretation by Newexco will provide a table of the dimensions and depth-to-top of the anomalous conductive bodies, which can be used

Section 3 Estimation and Reporting of Mineral Resources - Not Required