



**CASTILLO COPPER  
LIMITED**

ASX Release

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20 November 2018

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

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

**Directors / Officers:**

Peter Meagher  
Alan Armstrong  
Peter Smith

**Issued Capital:**

580.1 million shares  
84.5 million options

**ASX Symbol:**  
CCZ

## Update: Noble Group stockpile MOU off-take

- As part of its agreement with Noble Group (SGX: CGP)<sup>1</sup>, CCZ's geology team have collected samples from the stockpiles around Cangai Copper Mine and the old smelter:
  - The samples have been sent to a specialist metallurgical group offshore for third party verification and optimisation
  - Metallurgical test-work undertaken to date on samples from McDonoughs' stockpile demonstrated copper concentrate recoveries >80%, with grades up to 22%<sup>2</sup>
  - The team anticipates these results can be improved upon – shareholders will be informed when these materialise
- Upon acceptable completion of this process, CCZ will aim to complete a binding off-take agreement with Noble Group to distribute up to 200,000t of copper concentrate
- Meanwhile, work on the current drilling program has continued – the Board intends to release field and assays results for the diamond and RC drilling campaigns imminently
- In addition, the latest phase of the drill-hole electromagnetic (DHEM) survey work has concluded, with updated findings to be reported shortly

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**Castillo Copper's Chairman Peter Meagher commented:** *"Behind the scenes, CCZ's various teams have been working extremely hard to progress the Board's strategic agenda to re-open Cangai Copper Mine. Once the metallurgical results for the various stockpiles are returned, we hope to finalise our agreement with Noble Group, as this will be an important source of early stage cash flow. Incrementally, the Board is looking forward to presenting an update to shareholders on the drilling campaign targeting high grade ore and DHEM survey findings at Cangai Copper Mine."*

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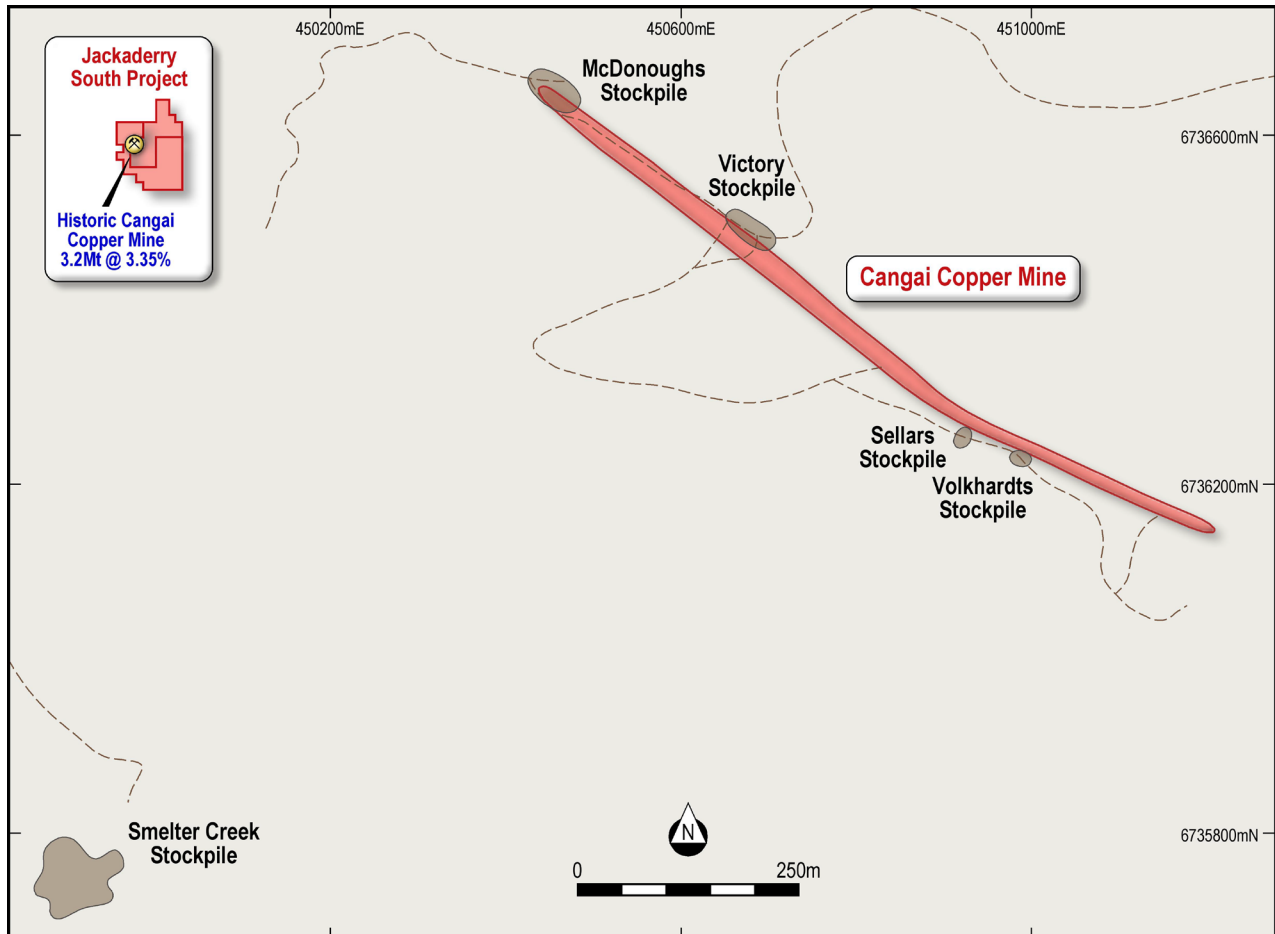
**Castillo Copper Limited's ("CCZ" or "the Company")** Board is pleased to provide an update on its arrangements with Noble group to progress metallurgical test-work on all legacy stockpiles.

## METALLURGICAL TEST-WORK ON STOCKPILES PROGRESSING

To date, Cangai's geology team have only had metallurgical test-work undertaken on the McDonoughs' stockpile, which returned copper concentrate recovery grades greater than 80%, with the grade up to 22%<sup>2</sup>.

Over the past few weeks, the geology team have wrapped up getting samples from the stockpiles (Figure 1) and sent these to a specialist offshore metallurgist group for third party verification and optimisation.

**FIGURE 1: LEGACY STOCKPILES AT CANGAI COPPER MINE**



Source: CCZ geology team

Once these results are returned, which the team anticipates will show some improvement on initial testwork conducted at McDonoughs' stockpile, then the Board aims to finalise the agreement with Noble Group to sell and distribute up to 200,000t of copper concentrate.

To reiterate, securing this agreement with Noble Group is important as it will validate the high-grade polymetallic nature of the ore body at Cangai Copper Mine and provide early stage cashflow.

### Next steps

Castillo Copper will shortly be providing an update on the drilling campaigns and DHEM survey findings at Cangai.

For and on behalf of Castillo Copper

**Alan Armstrong**  
**Executive Director**

**References:**

- 1) CCZ ASX Release 25 October 2018
- 2) CCZ ASX Release 2 August 2018

**PHOTO GALLERY: SMELTER CREEK STOCKPILE**



Location: 450000mE, 6735800mN

Source: CCZ geology team

## ABOUT CASTILLO COPPER

Castillo Copper Limited (ASX: CCZ) is an ASX-listed base metal explorer that's flagship project is the historic Cangai Copper Mine near Grafton in northeast NSW. The project comprises a volcanogenic massive sulphide ore deposit, with one of Australia's highest grade Inferred Resources for copper: 3.2Mt @ 3.35% Cu Inferred Resource reported according to the guidelines of the JORC Code (2012) (6 September 2017). In terms of contained metal, the Inferred Resource is 107,600t Cu, 11,900t Zn, 2.1Moz Ag and 82,900 Moz Au. A notable positive is the presence of supergene ore with up to 35% copper and 10% zinc which is ideal feedstock for direct shipping ore. Incrementally, the project holds five historic stock piles of high-grade ore located near Cangai Copper Mine.

In brief, CCZ's Australian assets are 100% owned and comprise four tenure groups detailed briefly as follows:

- **NSW assets:** Consists of two projects: 1) Jackaderry, which includes Cangai Copper Mine, is in an area highly prospective for copper-cobalt-zinc and made up of three tenements; and, 2) Broken Hill which consists of two contiguous tenements prospective for cobalt-zinc that are located within a 20km radius of Broken Hill and just north of Cobalt Blue's ground (ASX: COB).
- **Queensland assets:** Comprises two projects: 1) Mt Oxide made up of four prospects (three are contiguous) in the Mt Isa region, northwest Queensland, and are well known for copper-cobalt systems; and, 2) Marlborough which includes three prospects located north-west of Gladstone (adjacent to Queensland Nickel mining leases) in **an area** with proven high-grade cobalt-nickel systems.