



ASX Release

11 May 2020

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Issued Capital:

825.2 million shares
245.5 million options
93.7 million performance
shares

ASX Symbol:

CCZ

Fast-tracking RC drilling campaigns at Arya Prospect & Big One Deposit in Mt Oxide pillar

- CCZ's Board has decided to expedite commencing RC drilling campaigns at the Arya Prospect and Big One Deposit within the Mt Oxide pillar
- Arya, which is prospective for **IOCG mineralisation** and comprises a **sizeable massive sulphide bedrock conductor¹**, was initially discovered via geophysics work in 1997 by BHP² and again by Geoscience Australia in 2019³:
 - ❖ Rock chips at surface **up to 1.84% Cu₄** were interpreted up-dip extensions to the main sulphide body that correlates with the bedrock conductor
 - ❖ BHP² recommended follow-up drilling but it was not carried out, likely due to the then down-turn in the base metal cycle
- The Big One Deposit, which comprises shallow high-grade supergene copper ore, was RC drilled in 1993 by West Australian Metals⁵ (27 drill-holes for 1,673m) and has excellent economic intercepts **up to 28.4% Cu₅**, including:
 - ❖ **B07: 3m @ 12.25% Cu from 42m incl: 2m @ 17.87% Cu from 43m; and 1m @ 28.4% Cu from 44m**
 - ❖ **B05: 8m @ 2.33% Cu from 44m incl: 6m @ 3.00% Cu from 45m; and 5m @ 3.28% Cu from 45m**
 - ❖ **B06: 4m @ 2.20% Cu from 44m incl: 2m @ 3.19% Cu from 46m and 1m @ 3.63% Cu from 47m**
 - ❖ **B25: 6m @ 1.55% Cu from 66m incl: 5m @ 1.79% Cu from 66m and 2m @ 2.08% Cu from 66m₅**
- Priority targets to test-drill at the Arya Prospect and Big One Deposit, tailored to deliver optimal results, have been finalised and drilling contractors are being invited to submit quotes
- With landholder and access agreements being completed and, subject to approval from Queensland's resources regulator, the drill-testing campaign can be readily expedited

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Castillo Copper's Managing Director Simon Paull commented: "Based on the underlying fundamentals of the prospects reviewed to date, the Board has decided to expedite drilling the Arya Prospect and Big One Deposit. With drill-test targets selected and most preliminary work complete, we anticipate drilling commencing once Queensland's resources regulator grants approval."

Castillo Copper Limited (“CCZ” or “the Company”) is delighted to inform shareholders that plans are underway to fast track securing approval to commence RC drilling campaigns at the priority Arya Prospect and Big One Deposit at the Mt Oxide pillar in Queensland’s copper-belt.

ACCELERATING RC DRILLING CAMPAIGNS

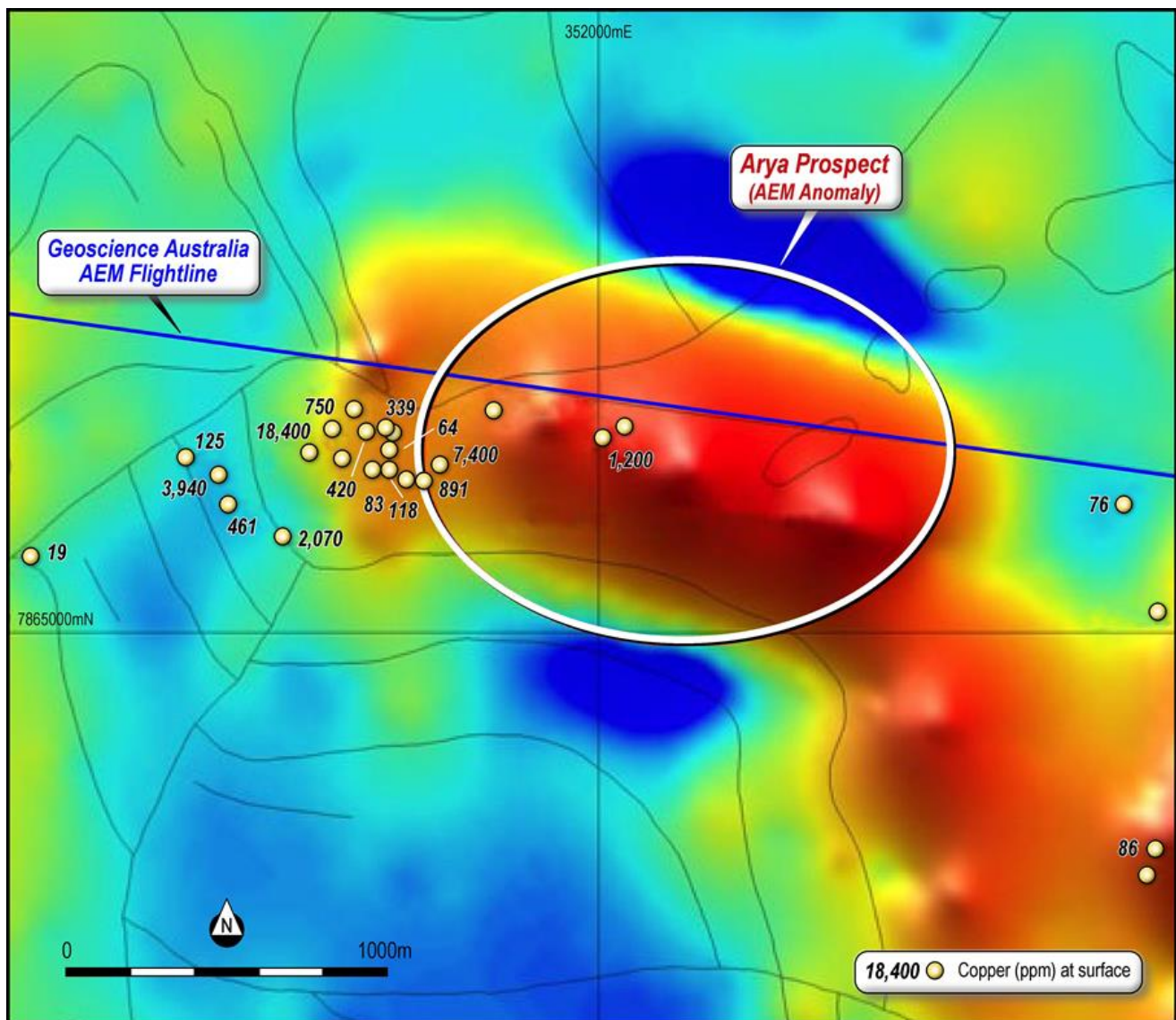
CCZ’s Board has decided, given there are ample data points to formulate optimal test-drill targets, to expedite commencing RC drilling campaigns at the Arya Prospect and Big One Deposit. Summary overviews, with key fundamentals, follow:

Arya Prospect

In March 2019, Geoscience Australia³ released the results of an airborne electromagnetic (AEM) survey which identified the anomaly below the then newly named Arya Prospect. Reconciling this finding with earlier work undertaken by BHP² in 1997, which originally discovered the anomaly via a ground electromagnetic survey, determined it was a **sizeable massive sulphide bedrock conductor**. This interpretation was made after assayed rock chips at surface, **up to 1.84% Cu₄**, were interpreted as up-dip extensions to the main sulphide body that correlated with the bedrock conductor.

BHP² noted Arya Prospect was prospective for IOCG mineralisation and recommended follow up drilling. However, this never materialised likely due a base-metal down-turn in the late 1990s.

FIGURE 1: ARYA PROSPECT – SURFACE ASSAYS AND AEM ANOMALY



Source: CCZ ASX Release – 4 September 2019

Big One Deposit

After an extensive search, CCZ secured original logs and assay results from previously listed West Australian Metals' (ASX: WME), the former owner of the Big One Deposit. In late 1992, WME undertook a 27-hole (1,673m) RC drilling campaign which delivered excellent economic copper intercepts **up to 28.4% Cu₅** (Figure 2). Notably, the drilling intersected shallow high-grade supergene copper ore.

Incrementally, in 1997, circa 4,400t of supergene ore was mined from the Big One Deposit within historic mining lease ML5481 that delivered an **average 3.5% Cu grade₆**.

FIGURE 2: HIGH GRADE ECONOMIC COPPER INTERCEPTS

B07 – 3m @ 12.25% Cu from 42m incl: 2m @ 17.87% Cu from 43m and 1m @ 28.40% Cu from 44m

B02 – 2m @ 1.45% Cu from 36m incl: 1m @ 2.48% Cu from 37m

B05 – 8m @ 2.33% Cu from 44m incl: 6m @ 3.00% Cu from 45m and 5m @ 3.28% Cu from 45m

B06 – 4m @ 2.20% Cu from 44m incl: 2m @ 3.19% Cu from 46m and 1m @ 3.63% Cu from 47m

B25 – 6m @ 1.63% Cu from 66m incl; 5m @ 1.79% Cu from 66m and 2m @ 2.08% Cu from 66m

B026 – 3m @ 1.69% Cu from 73m incl: 2m @ 2.29% Cu from 73m and 1m @ 1.02% Cu from 74m

B07 – 9m @ 0.84% Cu from 32m incl: 3m @ 1.69% Cu from 36m and 1m @ 2.37% Cu from 36m

B08 – 3m @ 0.80% Cu from 48m incl: 1m @ 1.18% Cu from 49m

Source: CCZ ASX Release – 14 January 2020

Progressing logistics and approvals

Priority targets to drill-test at the Arya Prospect and Big One Deposit have been tailored to deliver optimal results. Further, several drilling contractors are being invited to submit quotes to run the twin RC drilling campaigns.

Earlier work has already ensured most of the necessary landholder and accessibility agreements are in place. In addition, a contractor has been selected to clear access tracks, which were adversely affected following the wet season and severe cyclone that hit the Gulf of Carpentaria.

The application to progress the drilling campaigns will shortly be filed with Queensland's resources regulator and, once approval is secured, then the drilling teams will be fast-tracked to site.

Next steps

Ensuring all the necessary logistics are in place and following up with stakeholders to ensure key approvals are secured.

Authorised by and the Board of Castillo Copper Ltd

Simon Paull

Managing Director

ABOUT CASTILLO COPPER

Castillo Copper Limited (ASX: CCZ) is a base metal explorer primarily focused on copper then zinc & nickel.

The group is embarking on a strategic transformation to morph into a mid-tier copper group underpinned by three core pillars:

- **Pillar I:** The Mt Oxide project in the Mt Isa copper-belt district, north-west Queensland, which delivers significant exploration upside through having several high-grade targets and a sizeable untested anomaly within its boundaries in a copper-rich region.
- **Pillar II:** Four high-quality prospective assets across Zambia's copper-belt which is the second largest copper producer in Africa.
- **Pillar III:** Cangai Copper Mine in northern New South Wales, which is one of Australia's highest grading historic copper mines.

In addition, Castillo Copper is progressing a dual listing on the Standard Board of the London Stock Exchange.

References

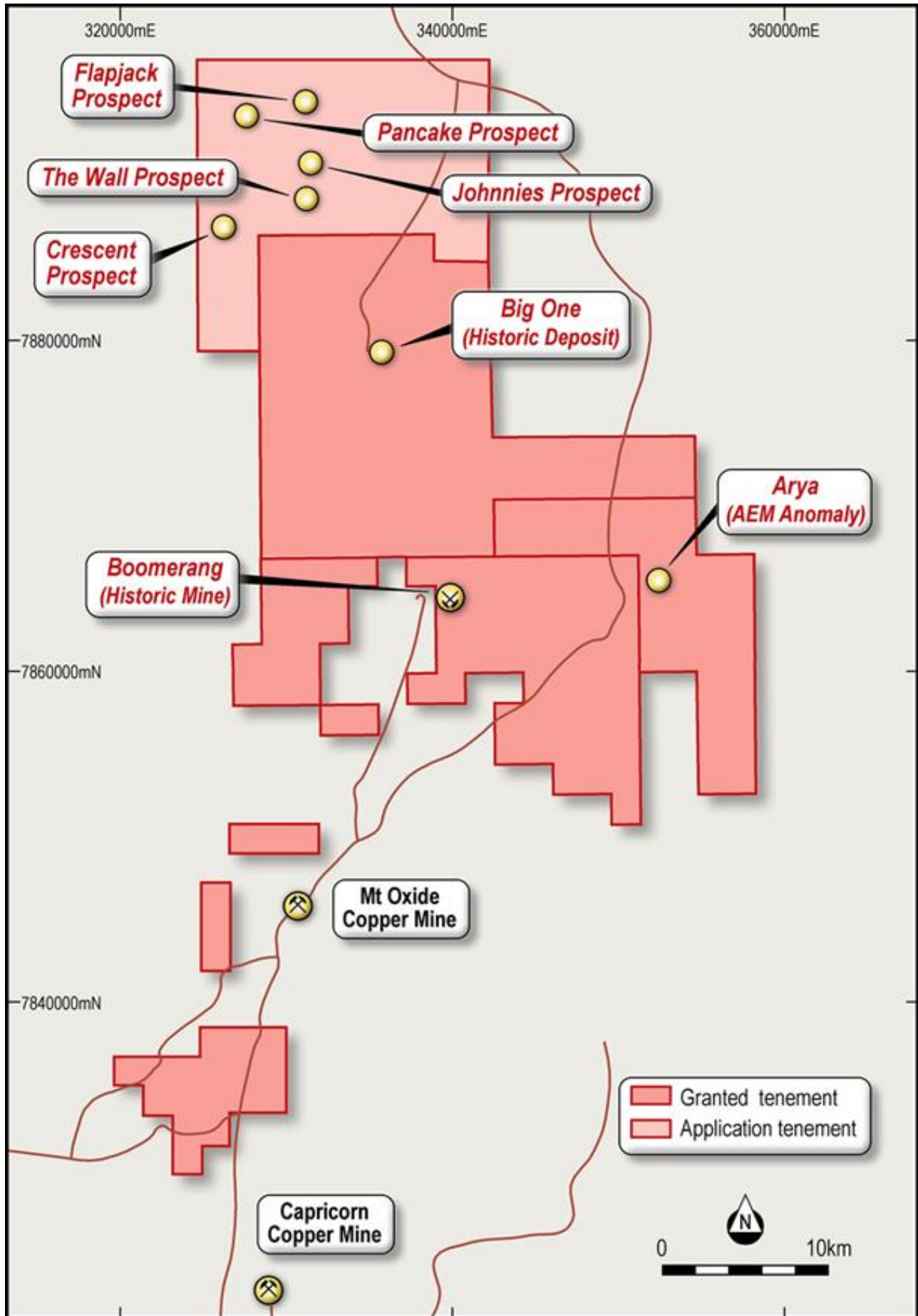
- 1) CCZ ASX Release – 18 March 2020
- 2) BHP Minerals open file report (CR29726, Alsace Project, Annual Report 19 Dec 1997) held within the QLD, QDEX open-file Exploration Reporting System & CCZ ASX Release – 4 September 2019
- 3) Geoscience Australia – 19 March 2019 <http://www.ga.gov.au/eftf/minerals/nawa/ausaem> & CCZ ASX Release – 6 May 2019
- 4) Mt Isa Metals Ltd open file report (CR64491, Isa North Project, Annual Report 4 June 2010) held within the QLD, QDEX open-file Exploration Reporting System & CCZ ASX Release – 4 September 2019
- 5) West Australian Metals NL, 1994. Drill Programme at the "Big One" Copper Deposit, North Queensland for West Australian Metals NL and CCZ ASX Release – 14 January 2020
- 6) Wilson, D., 2011. 'Big One' Copper Mine Lease 5481 Memorandum – dated 7 May 2011; Wilson, D., 2015. 'Big One' Mining Lease Memorandum – dated 25 May 2015 and CCZ ASX Release – 14 January 2020

Competent Person Statement

The information on the page that relates to Exploration Results is based on information compiled or reviewed by Mr Mark Biggs, a consultant to Castillo Copper Limited. Mr Biggs is a member of the Australian Institute of Mining and Metallurgy (member #107188) and has sufficient experience of relevance to the styles of mineralisation and types of deposits under consideration, and to the activities undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, and Mineral Resources. Mr Biggs holds an AusIMM Online Course Certificate in 2012 JORC Code Reporting. Mr Biggs also consents to the inclusion in this report of the matters based on 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.

APPENDIX A: PROSPECTS ACROSS MT OXIDE PILLAR



Source: CCZ geology team