CASTILLO COPPER LIMITED

ASX Release

28 March 2018

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Peter Smith

Issued Capital:
580.1 million shares
67.5 million options

ASX Symbol:
CCZ

Cangai update: Drilling complete, plans to monetise legacy stockpiles

- **Phase I drilling at Cangai Copper Mine has concluded, with the seven out of the final nine drill-holes intersecting shallow mineralisation between 0-20m (refer Appendix A)**
- **Drill-hole 18 was notable with numerous 2-4m mineralised zones from 6 through to 40m**
- **With the drilling program intersecting mineralisation outside the JORC modelled zone, the geology team are optimistic Phase I may increase the resource size**
- **The regulatory application for Phase II drilling, which focuses on shallower supergene ore across 13 drill pads near legacy workings, is expected to be submitted shortly**
- **The Board is reviewing options on how to monetise legacy stockpiles, as assay results from McDonoughs channel sampling were encouraging with up to 2.13% Cu returned (laboratory assays; refer Appendix B)**
- **A preliminary study of the Smelter Creek slag stockpile, which is off the line of lode, highlighted it was larger in volume than the other legacy stockpiles**
- **The Board appointed Hetherington Exploration & Mining Title Services to navigate the fastest route to secure regulatory approval to create value from the stockpiles**
- **Clearly, with Cangai's proximity to Newcastle port and rail/road network, the ore can be shipped to customers in Asia or sold to third party processors**
- **Optimising the stockpiles and securing a cashflow stream at this early point in CCZ's evolution, would be utilised to fund on-going exploration at Cangai**

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Castillo Copper's Chairman Peter Meagher commented: *"The completion of Phase I of the Cangai drilling campaign is a significant milestone, as the Board progresses with plans to fast-track re-opening the mine. Once regulatory approval for Phase II is approved, drilling will commence across 13 drill pads closer to the legacy workings targeting high-grade supergene ore, which is expected to facilitate the commencement of JORC modelling. The Board is now exploring options on how to monetise the legacy stockpiles, which includes appointing Hetherington Exploration & Mining Title Services to provide holistic guidance on how progress this initiative."*

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Castillo Copper Limited's ("CCZ" or **"the Company")** Board is pleased to report Phase I of the drilling campaign has concluded, with all samples dispatched to the laboratory for assay interpretation and analysis. Further, the Board has appointed a third-party consultancy, Hetherington Exploration & Mining Title Services (HEMTS), to provide holistic guidance (regulatory, environmental, logistical) on how to monetise the five legacy stockpiles.

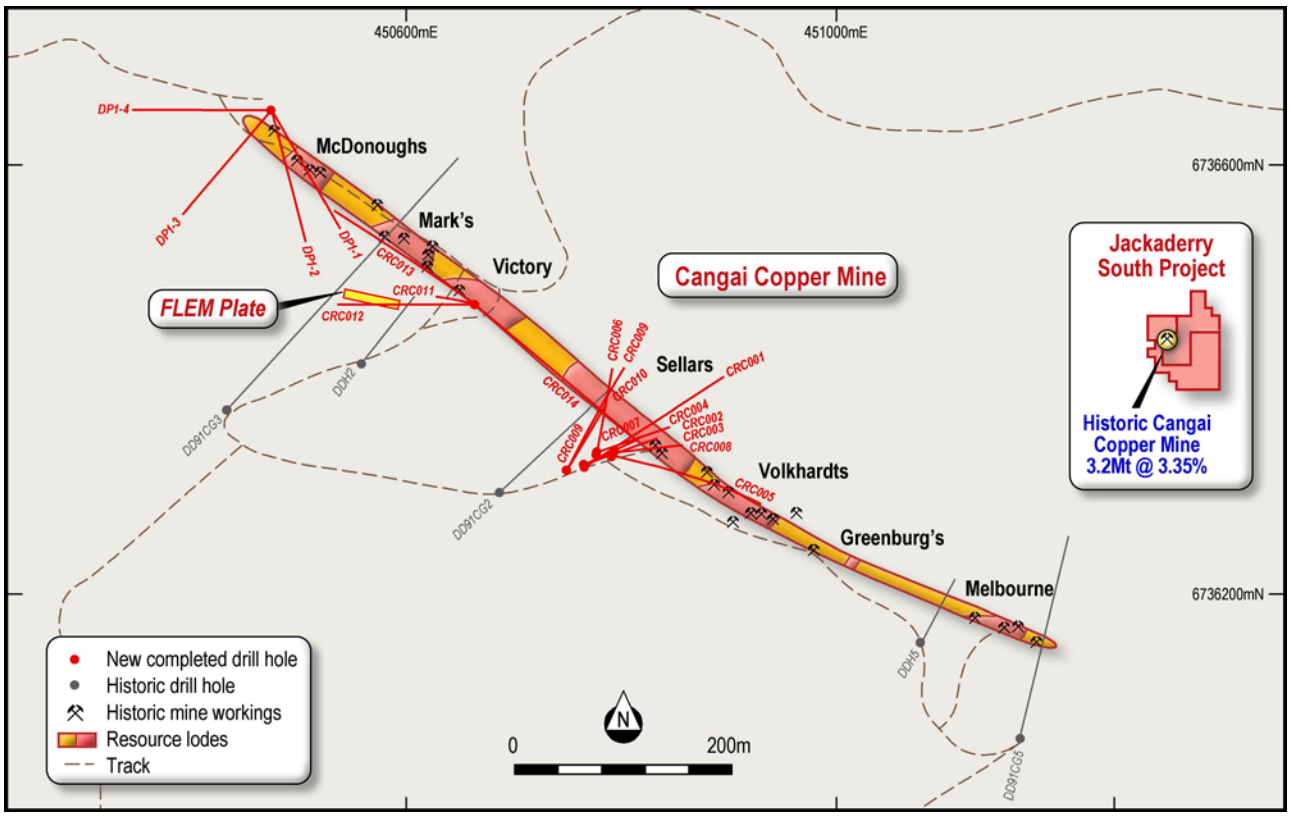
PHASE I DRILLING COMPLETE

Final 9 drill-holes

The drilling team concluded the final nine (out of 18) drill-holes of the first campaign (Figure 1) and dispatched samples to the laboratory for assay analysis – results are expected to take several weeks. However, key points from the drill site highlight the following:

- Seven out of nine drill-holes intersected shallow mineralisation between 0-20m (refer Appendix A);
- For drill-hole 18, there were numerous 2-4m mineralised zones from 6 through to 40m
- As most of the Phase I drilling focused on areas outside the JORC modelled zone, the geology team is optimistic the resource size may expand; however, the full extent of any increase won't become apparent until after the second drilling campaign is complete.

FIGURE 1: TOP DOWN VIEW OF COMPLETED DRILLING PROGRAM AT CANGAI



Source: CCZ geology team

The Board is now keen to progress to the next level and is finalising the regulatory application for Phase II, which is set to have 13 drill-pads targeting supergene ore near legacy working sections. As this program is progressed, the geology team are expected to start generating a revised 3D JORC model, which will provide more clarity on the extent of any resource size upgrade.

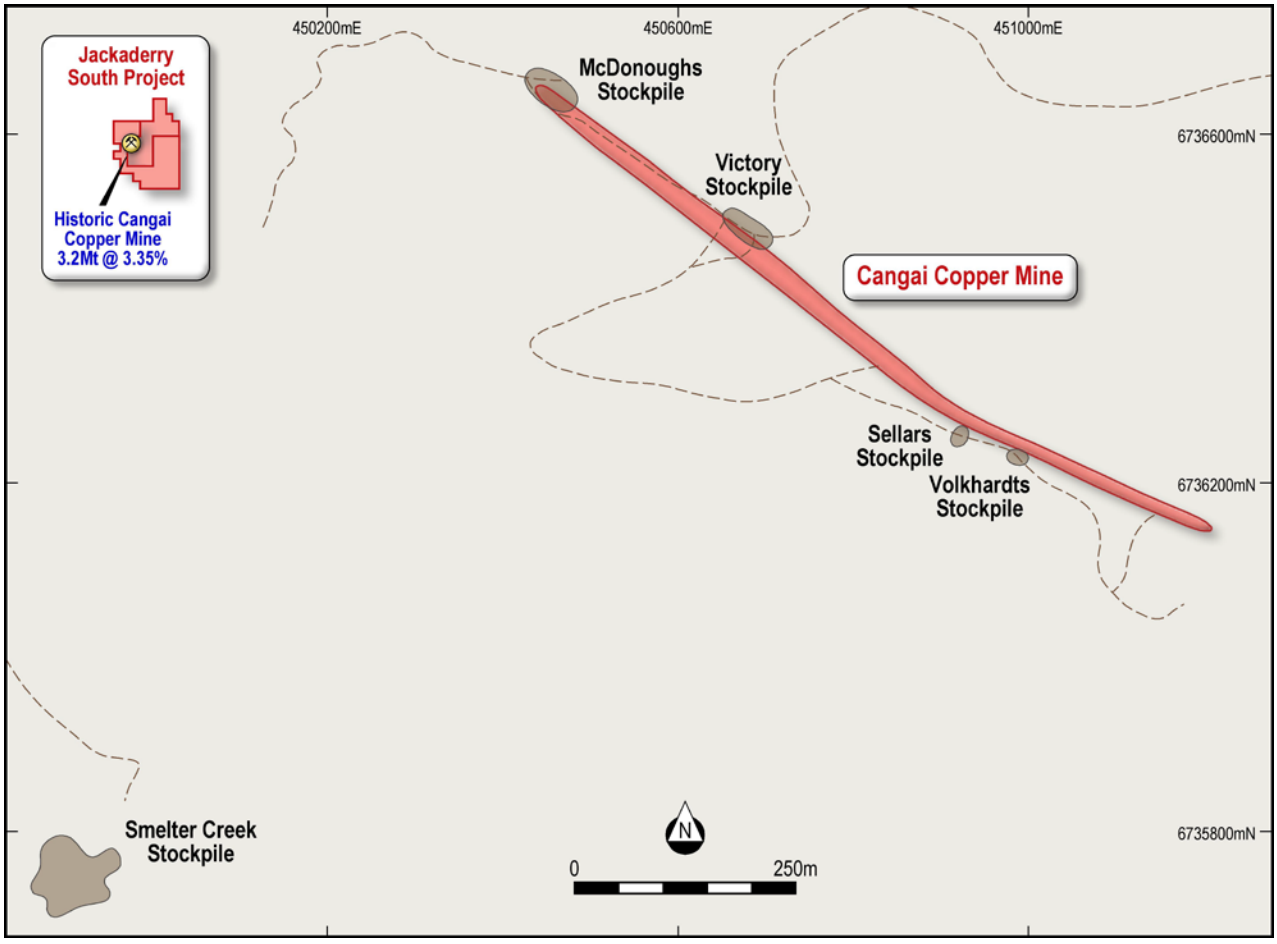
MONETISING LEGACY STOCKPILES

The Board has been reviewing a range of options on how to create value for shareholders in the near-term and believes monetising the legacy stockpiles is a realistic plan. Along the line of lode there are four stockpiles, while the largest is the former slag waste-pile when the smelter was in operation between 1904-17 (Figure 2).

Given complexities securing regulatory approval, the Board has appointed HEMTS to review all the options holistically on how to expedite progressing this plan. Whether the end outcome is direct shipping ore or transporting ore to domestic third-party processors, Cangai is located close to efficient transportation infrastructure.

To date, the geology team have reviewed the McDonoughs stockpile and were encouraged with assay results confirming up to 2.13% Cu (refer Appendix B). The Smelter Creek stockpile holds potential as it is larger in volume than the others along the line of lode. The team is progressing reviewing the stockpiles and sending samples to the laboratory for assay analysis. A full report on the estimated volumes and final assay results will be released in due course.

FIGURE 2: FIVE LEGACY STOCKPILES AT CANGAI COPPER MINE



Source: CCZ geology team

Next steps

The next priority is to secure regulatory approval for Phase II of the drilling campaign and establish a timeline for when it can commence.

Conclusion

The Board is pleased the first phase of the drilling campaign is complete and looks forward to reviewing the full assay results in due course. At the same time, the Board is keen to gain a greater understanding of how to realistically monetise the legacy stockpiles and looks forward to receiving guidance from HETMS.

For and on behalf of Castillo Copper

Alan Armstrong

Executive Director

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 Mark Biggs, a Competent Person who is amember of the Australasian Institute of Mining and Metallurgy. Mark Biggs is the Principal Geologist of ROM Resources Pty Ltd. Mark Biggs 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'. Mark Biggs 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 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 JORC compliant Inferred Resources for copper: 3.2Mt @ 3.35% (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 three prospects (two 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.

Finally, CCZ' holds six exploration concessions in Chile.

APPENDIX A: JACKADERRY SOUTH (CANGAI) DRILLING STAGE 1

Hole_ID	EAST	NORTH	RL	DIP	AZI_Mag	AZI_GDA	DEPTH-EOH	COMMENTS	Sulphide Zones
CRC001	450794	6736332	358	-45	42	53.65	174	Mineralised 40-45m	5m @ 0.16% Cu & 0.99g/t Ag
CRC002	450792	6736330	358	-50	45	56.65	58	Hit workings @ 52-58m	MINING VOID
CRC003	450793	6736330	358	-60	55	66.65	71	Mineralised 67-68m	1m @ 1.56% Cu, 3.7g/t Ag & 0.26% Zn
								Hit workings @ 68-71m	MINING VOID
CRC004	450778	6736331	357	-60	55.5	67.15	132	Hit Workings 79-81m	MINING VOID
								Hit Workings 85-87m	MINING VOID
								Mineralised 92-97m	5m @ 1.56% Cu, 4.43g/t Ag & 0.4% Zn
								Hit Workings 97-98m	MINING VOID
								Mineralised 98-105m	7m @0.29% Cu, 1.00g/t Ag, & 0.20% Zn
CRC005	450778	6736330	357	-60	81.5	93.15	252	Mineralised 221-224m	3m @ 1.76% Cu, 13.08g/t Ag & 1.33% Zn
CRC006	450778	6736330	357	-50	358	9.65	120	Mineralised 69-73m	4m @ 0.57% Cu, 3.34g/t Ag &0.38% Zn
CRC007	450765	6736320	356	-65	52	63.65	107	Hit workings @ 107-111m	MINING VOID
CRC008	450765	6736320	356	-70	56	67.65	240	Mineralised 210-213m	3m @ 1.01% Cu, 6.6g/t Ag & 0.34% Zn
								Mineralised 216-217m	1m @ 0.56% Cu, 3.84g/t Ag & 0.21% Zn
								Mineralised 228-232m	4m @ 0.88% Cu, 5.43g/t Ag &0.27% Zn
CRC009	450750	6736315	355	-55	11	22.65	174	Mineralised 100-102m	2m @ 0.72% Cu, 3.32g/t Ag & 0.16% Zn
CRC010	450750	6736315	355	-70	18	29.65	228	Mineralised 145-148m	Awaiting assays
CRC011	450664	6736470	280	-50	258.35	270	201	Mineralised 1-17m	Awaiting assays
CRC012	450664	6736470	280	-90	348.35	0	162	Mineralised 0-10m	Awaiting assays
CRC013	450664	6736470	280	-50	298.35	310	250	Mineralised 2-17m	Awaiting assays
CRC014	450664	6736470	280	-50	118.35	130	261	Mineralised 232-238m	Awaiting assays
CRC015	450473.6	6736651	202	-50	138.35	150	198	Mineralised 1-13m	Awaiting assays
CRC016	450473.6	6736651	202	-50	153.35	165	198	Mineralised 0-13m	Awaiting assays
CRC017	450473.6	6736651	202	-50	208.35	220	198	Mineralised ;4-7m; 5-6m	Awaiting assays
CRC018	450473.6	6736651	202	-50	258.35	270	198	Multiple zones 0-42m	Awaiting assays
						TOTAL	**3222m**		

Source: ROM Resources

APPENDIX B: MCDONOUGH'S PORTAL DUMP – ASSAY RESULTS OF BULK SAMPLES

										WEI-21	Au-AA26	ME-MS61	ME-MS61	ME-MS61/Cu-OG62	ME-MS61
ID	Sample Tag	Easting	Northing	AHD	From	to	Report/Job #	Method(s)	Recvd Wt.	Analyte	Au	Ag	Co	Cu	Zn
				m	m	m			kg	g	ppb	ppm	ppm	ppm	ppm
Site_1A	1012501	450466.4	6736647.2	205.2	0	2	OR18011817	WEI-21, Au-AA26, ME-MS61, Cu-OG62	18.68	200	40	1.02	28.6	2420	594
Site_1B	1012502	450466.4	6736647.2	203.2	2	4	OR18011817	WEI-21, Au-AA26, ME-MS61, Cu-OG63	12.90	200	80	1.65	34.2	5660	1100
Site_1C	1012503	450466.4	6736647.2	201.2	4	6	OR18011817	WEI-21, Au-AA26, ME-MS61, Cu-OG64	15.90	200	160	4.08	61.1	13250	1660
Site_2A	1012504	450472.6	6736639.9	204.8	0	1.5	OR18011817	WEI-21, Au-AA26, ME-MS61, Cu-OG65	12.72	200	150	7.09	55.7	11600	1500
Site_2B	1012505	450472.6	6736639.9	203.3	1.5	3	OR18011817	WEI-21, Au-AA26, ME-MS61, Cu-OG66	14.74	200	300	6.95	150.0	20000	2910
Site_2C	1012506	450472.6	6736639.9	201.8	3	4.5	OR18011817	WEI-21, Au-AA26, ME-MS61, Cu-OG67	15.36	200	270	7.12	79.7	21300	3370
Site_3A	1012507	450474.9	6736630.2	204.4	0	1.2	OR18011817	WEI-21, Au-AA26, ME-MS61, Cu-OG68	19.74	200	60	2.61	26.6	5580	2230
Site_3B	1012508	450474.9	6736630.2	203.2	1.2	2.4	OR18011817	WEI-21, Au-AA26, ME-MS61, Cu-OG69	16.30	200	50	1.96	27.1	6290	1860
Site_3C	1012509	450474.9	6736630.2	202	2.4	3.6	OR18011817	WEI-21, Au-AA26, ME-MS61, Cu-OG70	15.78	200	80	2.38	22.1	4650	1460

Source: ROM Resources

APPENDIX C: JORC CODE, 2012 EDITION – TABLE 1; CANGAI DRILLING PROGRAM UPDATE 23 MARCH 2018

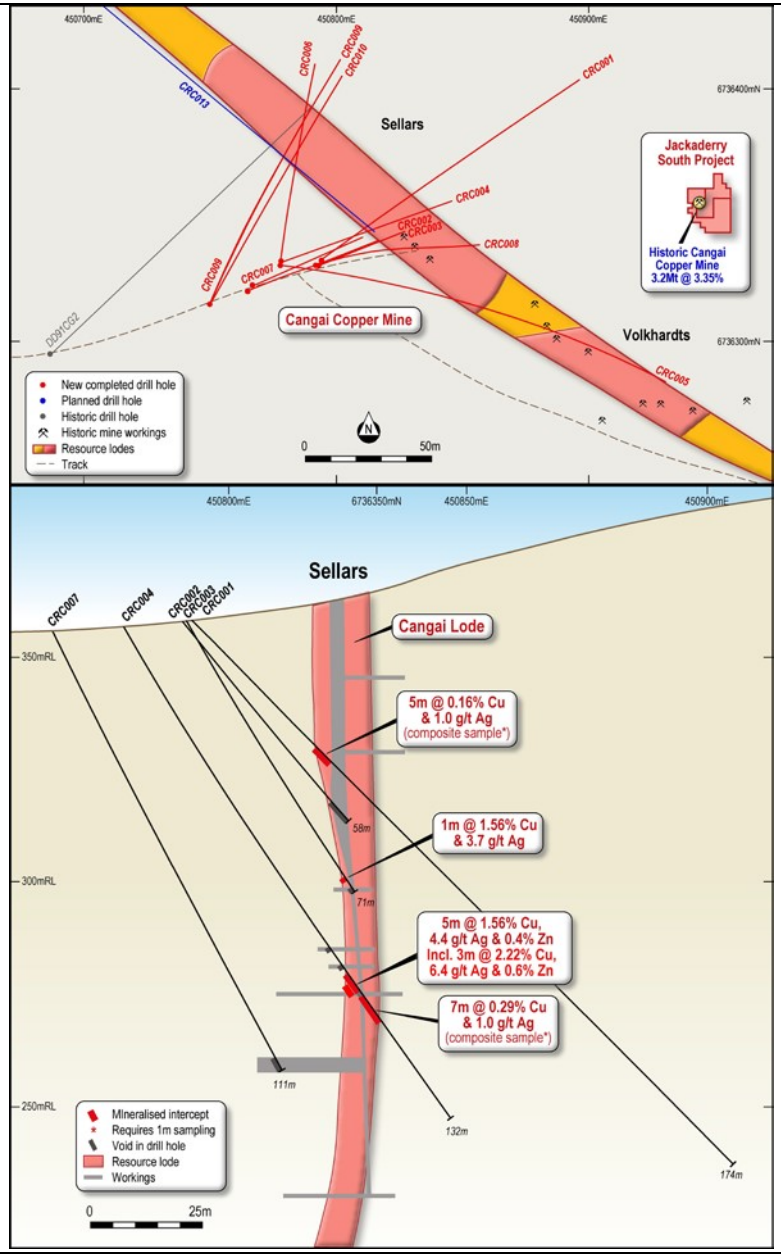
Section 1 Sampling Techniques and Data (Criteria in this section apply to all succeeding sections.)

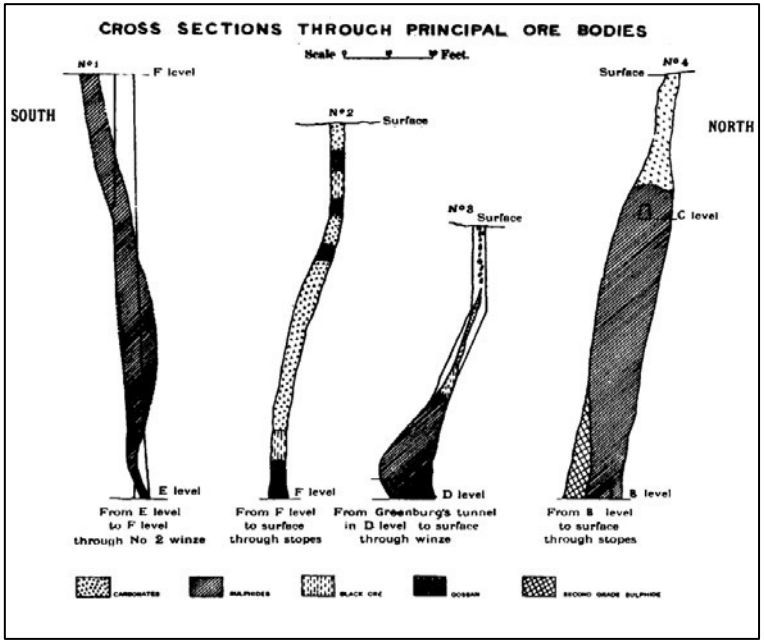
Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc.). 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 (e.g. submarine nodules) may warrant disclosure of detailed information.*	Samples from the Cangai drilling program were collected using the reverse circulation method of drilling on a 1 metre basis. Initially 20-25kg of chips and dust was collected and riffled down to a 1-2kg sample for further lab analysis. From drillhole CRC003, a portable XRF (pXRF) machine was available to initially analyse the final samples, again on a metre-by-metre basis to determine which sample are to be composited and which samples are to be submitted as priority 1m samples. The pXRF Analysis on RC samples was carried out by using a handheld NITON XLt3 950 Portable XRF analyser. Measurements were taken on the surface of the sample chips and dust in several positions to estimate average grades for the sample. The pXRF unit is used to selected samples which require individual analysis vs composite (5m) sampling of non mineralised samples. All samples are delivered for to ALS Laboratory in Orange NSW where the lab undertakes the splitting and compositing of the 5m composite samples and undertakes multi-element analysis on the 1m and 5m composite samples. The 1m samples were also sent to ALS Brisbane for a suite of major oxide and trace element determinations as described in later sections. The drilling program completed to date is shown in the Appendices within the report.
Drilling techniques	• *Drill type (e.g. 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.).*	Drilling was provided by Budd Drilling using a modified track-mounted UDH RC rig as illustrated below:

		Figure A1-1 Budd Drilling at Cangai 
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.*	Sample recovery was generally 90-100% for each metre except when mining cavities (workings >5m wide) were intersected. Circulation and sample was lost in CRC002, 3 & 7 as these holes terminated in workings, but CRC004 was able to progress through the cavity zones and mineralised wall rocks between the cavities to planned depth, even though the three workings intersected were 2 metres wide, in each instance. Drill recovery was lower through these zones.
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*	All drilling has been completed to high modern-day standard by a competent field teams & drill crew. Logging of the lithology has been to coded sheets for data entry into Excel and added to the geology database. Plastic chip trays were used to store sample on 1m intervals for future reference as illustrated below: No downhole geophysical logging has yet place, but downhole EM on selected drillholes is almost complete. Budd Drilling has provided a single shot tool for hole deviation. Readings are taken every 30m downhole. Hole deviations are in-line with expectations and follow the trend of the geological features.

		Figure A1-2 1M Sample chips preserved in plastic sample trays  CRC013 was planned as a vertical hole but deviated to the southwest.
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.*	RC sample are collected in 1m samples and riffle split in to calico bags at the rig. The samples are weighed details recorded. A pXRF unit is utilized to test the samples for mineralisation to determine which samples are tested as individual meters and which samples are to composited into 5m samples. Composite samples are being homogenized and riffle split at the labs prior to assaying. Industry acceptable standards and blanks were used as certified reference material to ensure satisfactory performance of the laboratory. Results are awaiting completion and assay results will be compared will be compared with expected results

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.*	Multi-suite analysis methodology (MS-ME61) which involves a four-acid digestion, is being completed by ALS in Brisbane QLD, for the following elements ; Ag, As, Se, Ca, K, S, Ba, Sb, Sn, Cd, Pd, Zr, Sr, Rb, Pb, Hg, Zn, W, Cu, Ni, Co, V, Ti, Au, Ga, Ge, LI, La, Fe, Mn, Cr, Sc, Mo, Th, U, Ta. Samples containing >1000ppm Cu are being tested for Au by fire assay method CU-OG62.
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.*	Field reading of multi-elements are estimated using NITON XLt3 950 Portable XRF analyser as conducted as in internal check prior to sending samples for laboratory analysis. Reading times using 2 beam Geochem Mode was employed via 30sec/beam for a total of 60 sec. All logging and sampling data is collected, and data entered into excel spread sheets. Data is send to consulting geologist in Brisbane and Perth for compilation, correlation and data base inclusion prior to being interpreted.
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.*	Drill pads were initial located using an RTK differential GPS. Drillholes collar locations have been picked using a Garmin handheld GPS to $\pm$3m. At completion all drill hole will be accurately surveyed. Collars RLs are corrected and tagged to a recently completed Drone DTM topography model which has accuracies for AHD of ±0.3m.
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.*	Eighteen (18) drill holes were completed at the Sellars Lode drill site (DP3), the Victory Lode drill site (DP2), and the McDonoughs/Marks drill site (DP1) with differing dips and orientations in order to intersect and wide spread of targets so as to determine geological and grade continuity for future mineral resource estimation work (refer to Figures A1-3 and A1-4, below) Assay results for hole CRC001-009 have been received and the remainder are pending. Other than field 5m composites the raw assay results returned from the labs have not been composited in the database (other than the 5m sample composites of non mineralised samples at the lab).


450700mE
450800mE
450900mE
6736400mN
6736300mN
CRC013
CRC006
CRC009
CRC010
CRC001
Sellars
Jackaderry South Project
Historic Cangai Copper Mine 3.2Mt @ 3.35%
CRC004
CRC002
CRC003
CRC008
CRC009
CRC001
DDHCG2
Cangai Copper Mine
Volkhardts
CRC005
New completed drill hole
Planned drill hole
Historic drill hole
Historic mine workings
Resource lodes
Track
0
50m
450800mE
6736350mN
450850mE
450900mE
Sellars
CRC007
CRC004
CRC002
CRC003
CRC001
Cangai Lode
350mRL
5m @ 0.16% Cu & 1.0 g/t Ag (composite sample*)
58m
1m @ 1.56% Cu & 3.7 g/t Ag
300mRL
71m
5m @ 1.56% Cu, 4.4 g/t Ag & 0.4% Zn Incl. 3m @ 2.22% Cu, 6.4 g/t Ag & 0.6% Zn
7m @ 0.29% Cu & 1.0 g/t Ag (composite sample*)
111m
250mRL
132m
174m
Mineralised intercept
Requires 1m sampling
Void in drill hole
Resource lode
Workings
0
25m

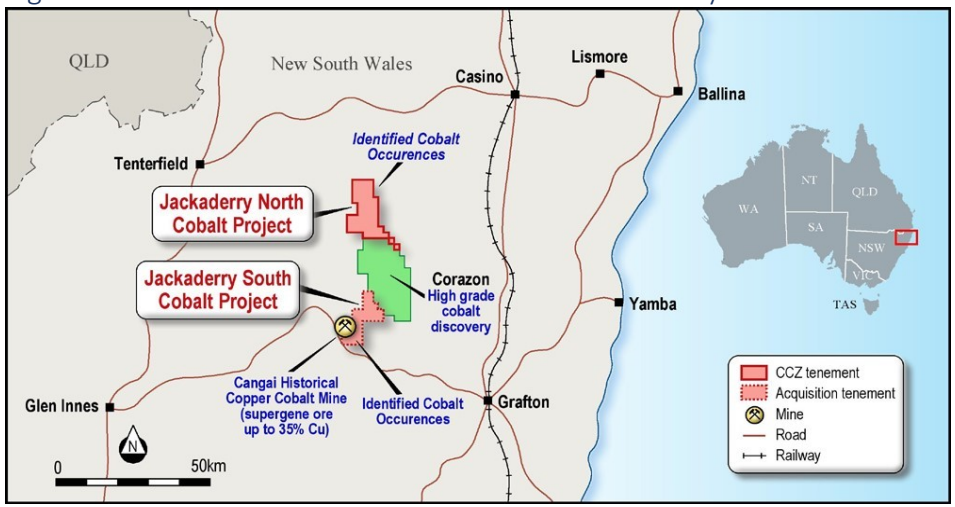
Orientation of data in relation to geological structure	• •	*Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	The drilling is planned to intersect workings and drill into data gaps between orebodies such that in general the intersections are where possible (due to restricted access) perpendicular to a strike of 126 degrees. 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, It should be noted that these orebody shapes were drawn at >13% Cu so that the width of the major orebody shapes shown by Figure A1-5, below: Figure A1-5: Orientation of Copper-Gold Mineralisation at the Cangai Mine  Modelled wireframes in the Maiden Resource estimate were cut at 1% Cu, but resource envelopes in future models will be enlarged to try to capture mineralisation down to 0.5% Cu.

Sample security	• *The measures taken to ensure sample security.*	Samples were bagged and have been delivered by Gnomic Exploration Staff to ALS Orange who on-freighted them to ALS Laboratories Brisbane. 1m sample results have been returned for CRC001-09 and the majority of the 5m composite samples are awaiting completion. Gold assays for samples returning >1000ppm Cu are also in progress (method Cu-OG62).
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	No audits or reviews have yet been undertaken. This will commence once all assay results have been received.

Table A1-1: Jackaderry South (Cangai) Drilling Stage 1

Hole_ID	EAST	NORTH	RL	DIP	AZI_Mag	AZI_GDA	DEPTH-EOH	COMMENTS	Sulphide Zones
CRC001	450794	6736332	358	-45	42	53.65	174	EOH	
CRC002	450792	6736330	358	-50	45	56.65	58	Hit workings @ 52m	
CRC003	450793	6736330	358	-60	55	66.65	71	Hit workings @ 69m	67-69m
CRC004	450778	6736331	357	-60	55.5	67.15	132	Cavity @ 79-81m, 85-87m & 97-98m	91-101m
CRC005	450778	6736330	357	-60	81.5	93.15	252	TD EOH	221-226m & 234-235m
CRC006	450778	6736330	357	-50	358	9.65	120	TD EOH	69-73m
CRC007	450765	6736320	356	-65	52	63.65	107	Hit workings @ 107-111m	106-107m
CRC008	450765	6736320	356	-70	56	67.65	240	TD EOH	209-239m
CRC009	450750	6736315	355	-55	11	22.65	174	Completed	99-107m
CRC010	450750	6736315	355	-70	18	29.65	228	TD EOH	Mineralised 145-148m
CRC011	450664	6736470	280	-50	258.35	270	201	Anom B FLEM Target	Mineralised 1-17m;
CRC012	450664	6736470	280	-90	348.35	0	162	Hole deviated	Mineralised 0-10m
CRC013	450664	6736470	280	-50	298.35	310	250	TD EOH	Mineralised 2-17m
CRC014	450664	6736470	280	-50	118.35	130	261	TD EOH	Mineralised 232-238m
CRC015	450473.6	6736651	202	-50	138.35	150	198	TD EOH	Mineralised 1-13m
CRC016	450473.6	6736651	202	-50	153.35	165	198	TD EOH	Mineralised 0-13m
CRC017	450473.6	6736651	202	-50	208.35	220	198	TD EOH	Mineralised ;4-7m; 5-6m
CRC018	450473.6	6736651	202	-50	258.35	270	198	TD EOH	Multiple zones 0-42m
						TOTAL	**3222m**		

Section 2: Reporting of Exploration Results (Criteria listed in the preceding section also apply to this section)

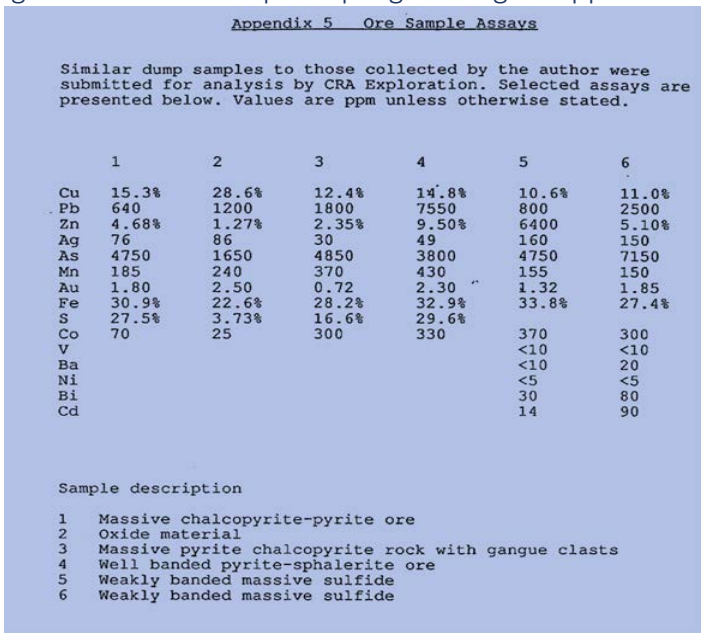
Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness 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 100% of EL 8625 & EL 8635. 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 A2-1 below: Figure A2-1: Location of EL 8625 and EL8635 Jackaderry South  The current drilling has all been completed on EL 8625 and EL 8635 Jackaderry South only.

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 • **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 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 A2-2). 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 A2-2: Rock Chip Sampling at Cangai Copper Mine



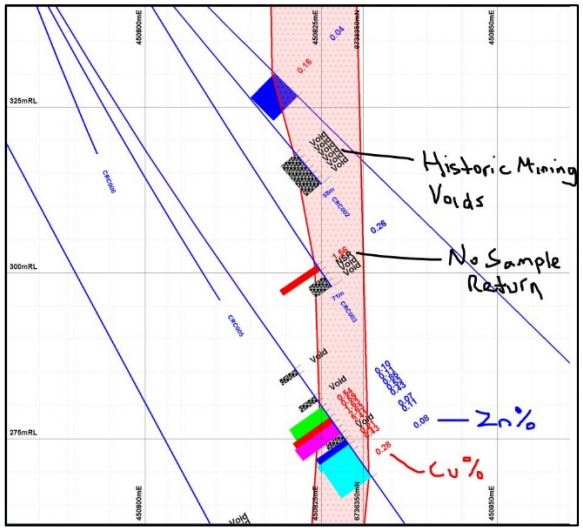
Appendix 5 Ore Sample Assays

Similar dump samples to those collected by the author were submitted for analysis by CRA Exploration. Selected assays are presented below. Values are ppm unless otherwise stated.

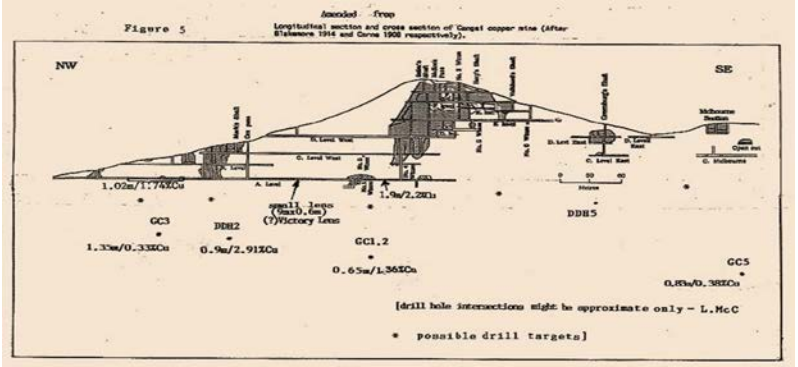
	1	2	3	4	5	6
Cu	15.3%	28.6%	12.4%	14.8%	10.6%	11.0%
Pb	640	1200	1800	7550	800	2500
Zn	4.68%	1.27%	2.35%	9.50%	6400	5.10%
Ag	76	86	30	49	160	150
As	4750	1650	4850	3800	4750	7150
Mn	185	240	370	430	155	150
Au	1.80	2.50	0.72	2.30	1.32	1.85
Fe	30.9%	22.6%	28.2%	32.9%	33.8%	27.4%
S	27.5%	3.73%	16.6%	29.6%		
Co	70	25	300	330	370	300
V					<10	<10
Ba					<10	20
Ni					<5	<5
Bi					30	80
Cd					14	90

Sample description

1 Massive chalcopyrite-pyrite ore
2 Oxide material
3 Massive pyrite chalcopyrite rock with gangue clasts
4 Well banded pyrite-sphalerite ore
5 Weakly banded massive sulfide
6 Weakly banded massive sulfide

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:* • *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* • *dip and azimuth of the hole* • *down hole length and interception depth* • *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*	Drill hole collar summary table and intersection summary tables are included as an Appendices in the report and shown in table A1-1 above. Mineralised zones are identified by the field geologist and flagged as geological/mineralised zones with an example shown in Figure A2-3, below: Figure A2-3 Drillhole CRC005 Intercepts 

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 top cuts have been applied to reporting of the Significant Intersections and lower cut of 0.5% (5,000ppm) Cu has generally been used. No more than 1m of lower internal dilution has been used in the calculations. Full detailed assay intervals for the key elements are included in the Appendices of this report

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').*	All intersections are reported as downhole widths. Once assays are returned and the geological controls are fully established, the 3D modelling package will determine true widths which will be reported in due course. The Lode is currently modelled to be 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 Volkardts, Melbourne, Marks, Sellers & Greenbergs lens. The secondary supergene zone grades averaged 20-35% Cu. The sulphide zone decreased to 8-10% Cu at depth. The Lode was largest at structural intersections. Breccia was recorded at D level. The host rock is massive fine-grained intermediate volcanic, and bedding is difficult to define. The deposit is structurally controlled with lodes following or adjacent to the shear zone. A temperature of formation is suggested to be about 380 degrees centigrade (Brauhart 1991). The NSW Geological Survey has characterized Cangai as a metahydrothermal structurally-controlled deposit. Figure A2-4, below is a cross-section showing the four (4) main near vertical mineralised zones at the Cangai Mine. Figure A2-4: NW to SE Cross-section of workings at Cangai Mine  Geo-registering was undertaken in August and September 2017, particularly the anomalous zones (which are in the process of being digitised off the 1908 and 1912 mine plans (Brauhart 1991), which become priority targets for geological mapping, ground magnetic and EM surveys. Data has also been extracted from a thorough UNSW Honours Thesis as referenced below: Brauhart, C. (1991). *The Geology & Mineralisation of the Cangai Copper Mine, Coffs Harbour Block Northeastern New South Wales*. CRAE Report No: 17739. University of NSW.

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.*	Appropriate diagrams have been included in the body text of the announcement.
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.*	All drillholes completed to date have been reported.
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, EM, and resistivity surveys over parts of the tenure area but this is yet to be collated. A new EM Survey has been undertaken and has been previously reported (Multiple conductors discovered from FLEM survey, drill program to be expanded 8th January ASX Release). DHEM surveying is currently being undertaken in selected drillholes, results to date are still being reviewed by NEWEXCO.
Future 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.*	A further 4 holes have been completed from drill pad DP1 near McDonough's Lode. Mineralised zones were encountered in all holes with off-lode mineralised zones (>1% Cu pXRF) described in CRC 018. A second Stage of drilling is currently being constructed. The aim is to infill the intersected mineralisation and further test the gaps within the oxide zone above the Cangai Lode and in between within the Halo Zone mineralisation. The Stage 2 program will require NSW Government approval as a variation to the existing EA permit, with this documentation in progress at the date of this release. Thirteen drill site pads and associated access tracks are being planned. In conjunction with the drilling program a program of comprehensive sampling and surveying of the reject ore and smelting slag stockpiles is in progress with the aim of reporting a JORC resource; Table A2-2 (below) lists the lab results already returned of some completed channel sampling (20kg bulk sample) at the McDonough's portal reject dump site. The regional exploration team for EL 8625 & 8635 (Jackaderry South) is also progressing a tenure-wide review of the other copper-gold occurrences that occur along strike to the east, with a view to preliminary ground mapping and EM survey.

Table A2-2: McDonough's Portal Dump - Assay results of Bulk Samples

									WEI-21	Au-AA26	ME-MS61	ME-MS61	ME-MS61/Cu-OG62	ME-MS61
ID	**Sample Tag**	**Easting**	**Northing**	**AHD**	**From**	**to**	**Report/Job #**	**Method(s)**	**Recvd Wt.**	**Analyte**	**Au**	**Ag**	**Co**	**Cu**	**Zn**
				m	m	m			kg	g	ppb	ppm	ppm	ppm	ppm
Site_1A	1012501	450466.4	6736647.2	205.2	0	2	OR18011817	WEI-21, Au-AA26, ME-MS61, Cu-OG62	18.68	200	40	1.02	28.6	2420	594
Site_1B	1012502	450466.4	6736647.2	203.2	2	4	OR18011817	WEI-21, Au-AA26, ME-MS61, Cu-OG62	12.90	200	80	1.65	34.2	5660	1100
Site_1C	1012503	450466.4	6736647.2	201.2	4	6	OR18011817	WEI-21, Au-AA26, ME-MS61, Cu-OG62	15.90	200	160	4.08	61.1	13250	1660
Site_2A	1012504	450472.6	6736639.9	204.8	0	1.5	OR18011817	WEI-21, Au-AA26, ME-MS61, Cu-OG62	12.72	200	150	7.09	55.7	11600	1500
Site_2B	1012505	450472.6	6736639.9	203.3	1.5	3	OR18011817	WEI-21, Au-AA26, ME-MS61, Cu-OG62	14.74	200	300	6.95	150.0	20000	2910
Site_2C	1012506	450472.6	6736639.9	201.8	3	4.5	OR18011817	WEI-21, Au-AA26, ME-MS61, Cu-OG62	15.36	200	270	7.12	79.7	21300	3370
Site_3A	1012507	450474.9	6736630.2	204.4	0	1.2	OR18011817	WEI-21, Au-AA26, ME-MS61, Cu-OG62	19.74	200	60	2.61	26.6	5580	2230
Site_3B	1012508	450474.9	6736630.2	203.2	1.2	2.4	OR18011817	WEI-21, Au-AA26, ME-MS61, Cu-OG62	16.30	200	50	1.96	27.1	6290	1860
Site_3C	1012509	450474.9	6736630.2	202	2.4	3.6	OR18011817	WEI-21, Au-AA26, ME-MS61, Cu-OG62	15.78	200	80	2.38	22.1	4650	1460

Notes:

1. pXRF results not included or compared as they were over-reading the mineralisation; i.e. Sample 1012501 recorded 6080ppm Cu, 4954ppm Zn and 419ppm Co from 6 pXRF readings
2. ALS Report OR18011817 March 2018
3. Original Report for location and sample description: Hobbs R., 2018 Mine Dump Sampling Cangai Copper Mine, unpublished report Gnomic Exploration for Castillo Copper, Jan 2018, 14pp