



**CASTILLO COPPER
LIMITED**

ASX Release

31 August 2020

**CASTILLO COPPER
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CCZ

Castillo selects Depco Drilling as lead contractor

- **CCZ has secured an agreement in-principle to appoint Depco Drilling¹ as the lead contractor for the upcoming reverse cycle (RC) and diamond drill (DD) campaigns at the Big One Deposit and Arya Prospect within the Mt Oxide Project**
- **Depco Drilling is a privately owned Queensland based group, which has been operating since the early 1960s and has significant experience across multiple projects in the Mt Isa Basin area**
- **In a major validation for the Mt Oxide Project, Depco Drilling have agreed, subject to Depco legal review and CCZ shareholder approval, to accept a material proportion of their fees in CCZ shares, with a six-month voluntary escrow period**
- **Mobilisation plans are now being ramped up and all necessary logistics are in place, as both CCZ and Depco Drilling are working towards an expedited timeline:**
 - ❖ **Note, as a Queensland based group, Depco Drilling has drilling equipment and teams within the state borders that are ready and available to deploy relatively fast**
- **As previously announced, the RC drilling campaign for the Arya Prospect comprises circa 3,432m over 14 drill-holes, within an area ~1,500m by ~1,000m, with targets near surface and deeper geophysical anomalies²**
- **For the Big One Deposit, there are two parts to the upcoming drilling program:**
 - ❖ **A 4,385m RC drilling campaign, over 35 drill-holes, which will focus on a strike zone (~580m by ~120m) to test for mineralisation from ~26m up to ~190m below surface; and**
 - ❖ **An incremental 160m diamond drilling campaign, targeting two drill-holes that are testing primarily for shallow mineralisation from ~26m up to ~52m below surface³**
- **In lead up to the commencement of the drilling campaign, the geology team – which have been on site for several weeks now – are due to re-visit the Arya Prospect for a closer review and peg drill sites**

Castillo Copper's Managing Director Simon Paull commented: "After a thorough process, we are delighted to reach an agreement in principle with Depco Drilling to spearhead our inaugural drilling campaign to the Big One Deposit and Arya Prospect within the Mt Oxide Project. This is a transformative development which puts CCZ squarely on the path to achieve its strategic objective to evolve into a mid-tier copper group."

Castillo Copper's UK Director Ged Hall commented: "This is an excellent result, as we now have an in-principle agreement with a specialist Queensland based driller that knows the Mt Oxide region well. Further, after all the hard work our geology team have done evaluating the Big One Deposit and Arya Prospect, we are now heading towards the pointy end of the exploration journey for these priority targets."

Castillo Copper Limited (ASX: CCZ) is delighted to announce it has secured an in-principle agreement with Queensland-based Depco Drilling¹ to appoint them as the lead contractor for the upcoming Mt Oxide drilling campaigns. The agreement is subject to Depco's lawyers reviewing the agreement along with shareholder approval at a soon to be announced General Meeting of shareholders.

DRILLING CAMPAIGN

Selection process

The process to select the right drilling contractor has been thorough, as the Board was keen to select a group that had a strong Queensland presence and experience in the Mt Isa Basin. Depco Drilling are a privately owned group, founded in 1963, with necessary equipment and teams available that can undertake the work at the Big One Deposit and Aryra Prospect.

According to Depco Drilling, they will use two types of drill rigs (Figure 1) to undertake work at the Big One Deposit and Aryra Prospect. Moreover, this equipment is capable of diamond drilling and going down several hundred metres to test geophysical anomalies.

FIGURE 1: DRILL RIGS THAT WILL BE USED AT MT OXIDE PROJECT



Model: UDR1200 - File Photo



Model: UDR650 – File Photo

Source: Depco Dilling (refer Reference 1)

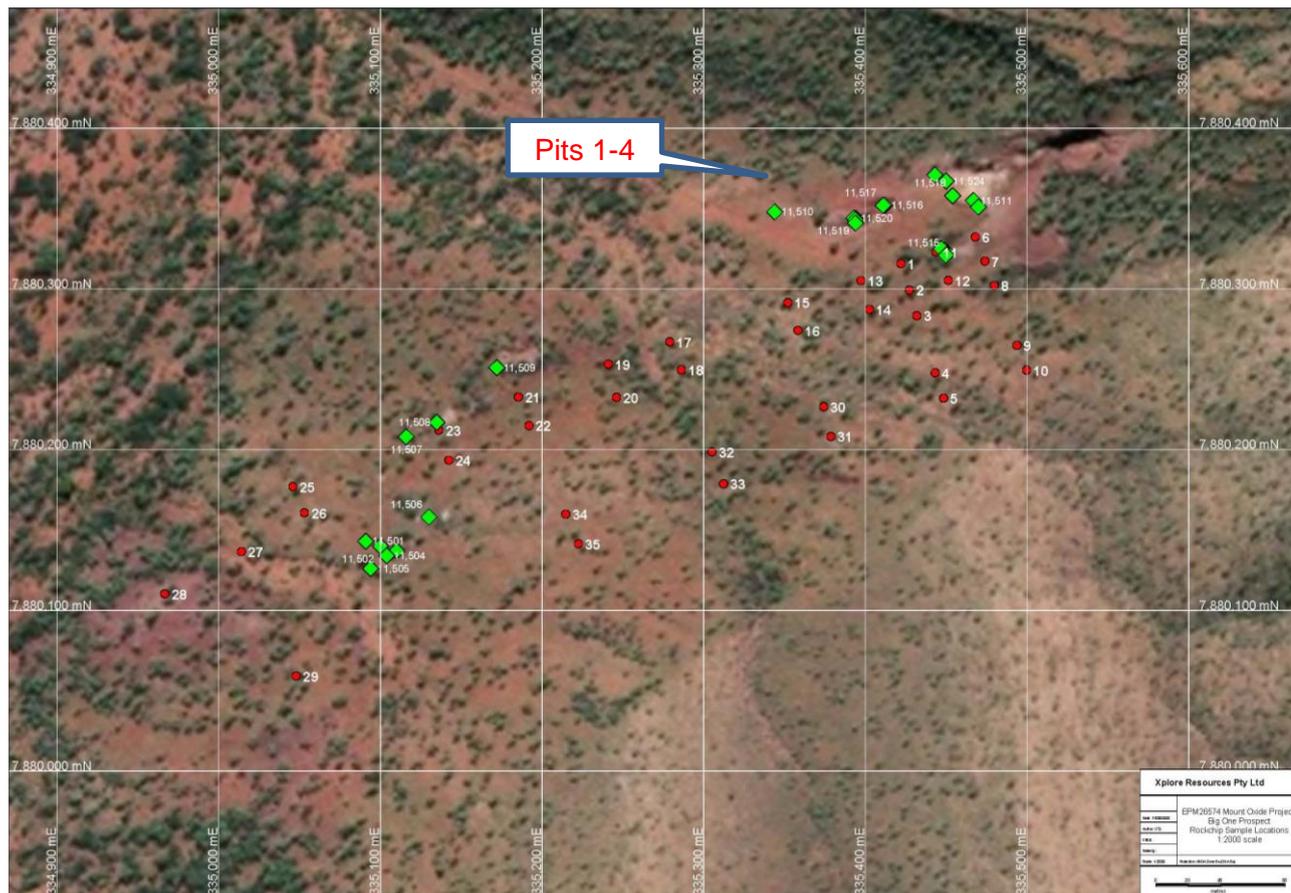
Mobilisation plans

CCZ's geology team, which have been at site for several weeks now, are now working at a feverish pace to ensure all necessary logistics are in place so the drilling campaign can get underway in a timely manner.

The team have already been to the Big One Deposit to peg drill sites and undertake a close review of the underlying geology⁴ (Figure 2-4). The planned program for the Big One Deposit comprises two parts:

- ❖ A 4,385m RC drilling campaign, over 35 drill-holes, which will focus on a strike zone (~580m by ~120m) to test for mineralisation from ~26m up to ~190m below surface; and
- ❖ An incremental 160m diamond drilling campaign, targeting two drill-holes that are testing primarily for shallow mineralisation from ~26m up to ~52m below surface³

FIGURE 2: BIG ONE DEPOSIT – PEGGED DRILL SITES / ROCK CHIP SAMPLES



Source: CCZ geology team (refer to CCZ ASX Release – 19 August 2020⁴)

FIGURE 3: BIG DEPOST – DRILL-SITE PEGGED



Note: Picture taken circa 15m from the peg in the approximate direction of the drilling rig/ drill-hole alignment (circa 160° magnetic) (Site #22)
Location 03: 335,190mE; 7,880,220mN

Source: CCZ geology team (refer to CCZ ASX Release – 19 August 2020⁴)

FIGURE 4: PIT 1 & 2 – SHEAR ZONE



Note: Pit 1 (P1) View along wavy shear surface with joint and shear surface coatings of malachite and hematite; note brittle shattered (silicified) hanging wall sediment with malachite-azurite fracture fill and coatings; felsic dyke is narrow and attenuated in shear zone.

Location 04: 335,400mE; 7,880,350mN



Note: Pit 2 (P2) Big One Shear Zone; multiple sub-vertical fractures; dyke rock altered and shattered with the main shear zone; silicified hanging wall sediments on right hand side.

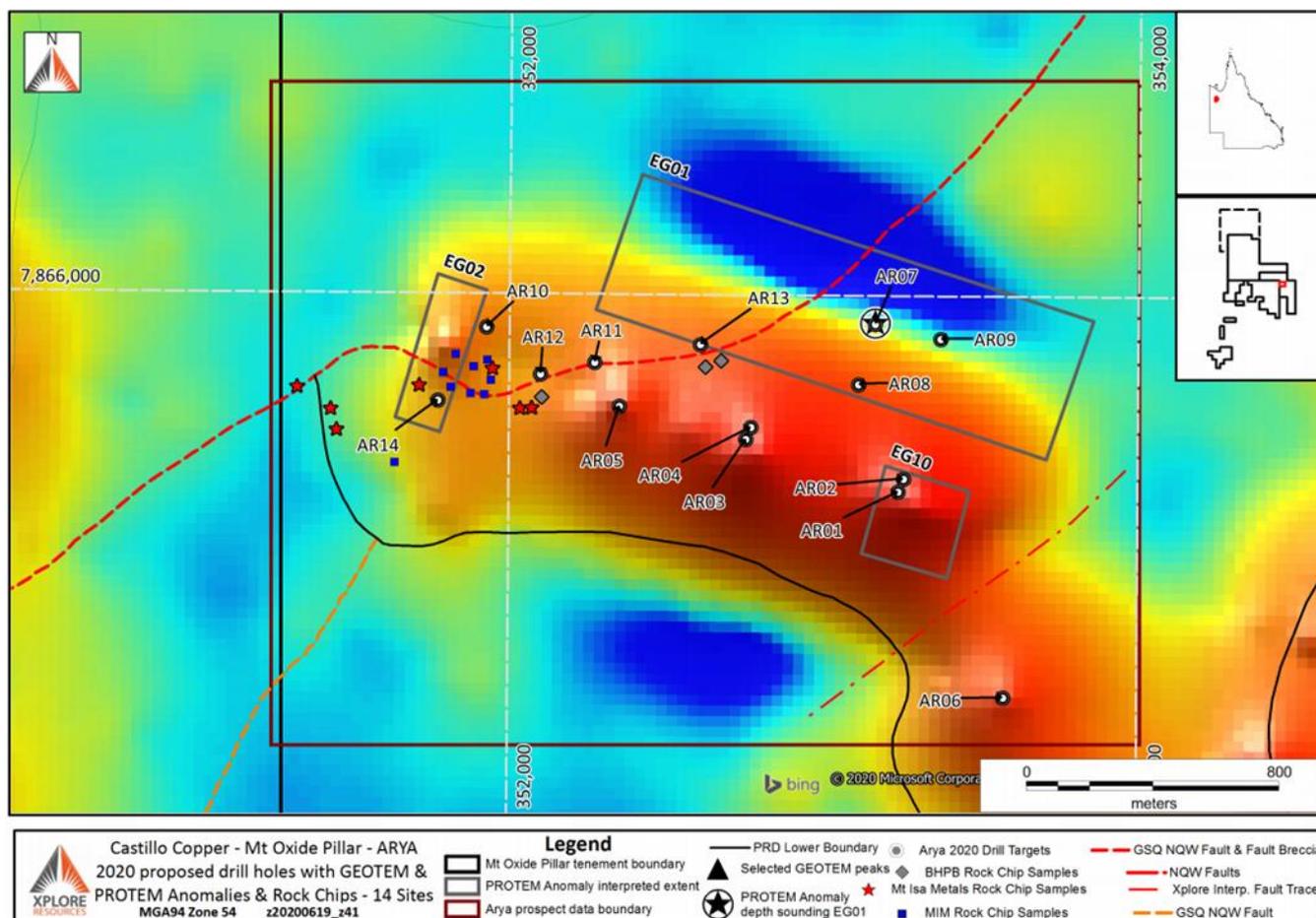
Location 05: 335,425mE; 7,880,360mN

Source: CCZ geology team (refer to CCZ ASX Release – 19 August 2020)

For the Arya Prospect, the RC drilling campaign² comprises circa 3,432m over 14 drill-holes, within an area ~1,500m by ~1,000m. The primary drill target (EG01) is an interpreted potential massive sulphide from a geophysical conductor ~130m thick, with dimensions ~1,500m by ~450m and ~426m below surface (Figure 5).

Further, complementing this are two secondary targets (EG02 & EG10) that are interpreted supergene copper mineralisation – both ~25m below surface and ~25m thick, with dimensions at ~160m by 50m and ~270m by 280m respectively⁵.

FIGURE 5: ARYA PROSPECT – PLANNED DRILL SITES



Source: CCZ geology team (refer to CCZ ASX Release – 1 July 2020²)

Next steps

These include:

- Peg Arya Prospect drill-sites and conduct surface geology review.
- Finalise drilling timelines.
- Reviews on Valparaisa and Eldorado prospects within the Mt Oxide Pillar.

For and on behalf of Castillo Copper

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ABOUT CASTILLO COPPER

Castillo Copper Limited is an Australian-based explorer primarily focused on copper across Australia and Zambia.

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.

The group is listed on the LSE and ASX under the ticker "CCZ."

Reference

- 1) Refer to Depco Drilling's website. Available at:
- 2) CCZ ASX Release – 1 July 2020
- 3) CCZ ASX Release – 14 July 2020
- 4) CCZ ASX Release – 19 August 2020