



CASTILLO COPPER
LIMITED

ASX Release

23 June 2020

CASTILLO COPPER
LIMITED
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Directors / Officers:

Rob Scott
Simon Paull
Gerrard Hall

Issued Capital:

830.4 million shares
245.5 million options
93.7 million performance
shares

ASX Symbol:
CCZ

Funding secured to expedite drilling campaign at the Mt Oxide pillar

- CCZ has secured funding to expedite drilling the Arya prospect within the Mt Oxide pillar in Queensland's copper-belt
- Notably, the Arya prospect has an **interpreted massive sulphide target (EG01) circa 130m thick with dimensions circa 1,500m by 450m¹ at a circa 426m depth:**
 - Complementing EG01 are two shallow interpreted **supergene ore targets (EG02 & EG10) that are circa 25m thick with dimensions circa 160m by 50m and circa 270m by 280m respectively¹**
- CCZ has approval in principle to progress the drilling campaign at the Arya prospect, subject to finalising timelines with a drilling contractor and ratification from the landowner
- Further, CCZ now has approval to send a team to the Arya prospect to conduct non-invasive field work to finalise the targets to test-drill ahead of the campaign getting underway
- This follows successfully completing a placement to sophisticated and institutional investors that raised circa \$2.1m (before costs) – the transaction was well supported by current & new Australian and United Kingdom shareholders
- CCZ will issue 95,454,545 new shares at a price of \$0.022 per share, representing a 12% discount to the closing price on 16 June 2020, and one free attaching unlisted option for each share subscribed for, exercisable at \$0.05, expiring three years from date of issue
- CCZ is in the final stages of completing its listing on the Standard Board of the London Stock Exchange
- Please refer to the accompanying INVESTOR PRESENTATION that provides an overview of all developments disclosed to date

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Castillo Copper's Managing Director Simon Paull commented: "Our immediate priority is to commence drilling the Arya prospect, targeting the interpreted massive sulphide and supergene ore targets. Encouragingly, with eight additional prospects on the radar, there remains a substantial pipeline of exploratory work ahead to complete at the Mt Oxide pillar. Overall, the Board appreciates the support from current and new shareholders, as it represents a significant vote of confidence in our forward agenda to transform CCZ into a leading mining group."

Castillo Copper Limited (“CCZ” or “the Company”) is pleased to confirm it has raised \$2.1m (pre-costs) after successfully completing a placement to current and new sophisticated and institutional investors to expedite the drilling campaign at the Mt Oxide pillar in Queensland’s copper-belt.

FUNDS SECURED TO EXPEDITE DRILLING CAMPAIGN

Arya prospect

CCZ has secured the necessary funding to expedite drilling the Arya prospect, within the Mt Oxide pillar. Of significance, the Arya prospect has an **interpreted massive sulphide target (EG01) circa 130m thick with dimensions circa 1,500m by 450m¹** at a circa 426m depth.

In addition, there are two shallow **interpreted supergene ore targets (EG02 & EG10 – circa 25m deep) which are circa 25m thick with dimensions circa 160m by 50m and circa 270m by 280m¹** respectively.

CCZ has secured approval in principle to progress the drilling campaign at the Arya prospect, though it is subject to finalising timelines with a drilling contractor and full ratification from the landowner for access / compensation. As the landowner is a large corporate agricultural group, the process to secure agreement has been relatively smooth.

Incrementally, CCZ now has approval to send a team to the Arya prospect to conduct non-invasive field work to finalise the targets to test-drill ahead of the campaign getting underway.

Further, the funds will be utilised for assessing the other eight prospects across the Mt Oxide pillar; ongoing development of the Cangai Copper Mine and Zambia pillars; and general working capital.

Placement

The placement was taken up by current & new sophisticated and institutional investors from Australia and the United Kingdom, raising circa \$2.1m (before costs). Whilst the Company has not appointed a lead broker/ manager it will pay a 6% stamping fee and issue 9m unlisted options (exercisable at \$0.05, expiring three years from date of issue) for assistance with the capital raise.

As a result, CCZ will issue 95,454,545 fully paid ordinary shares, priced at \$0.022 per share (representing a 12% discount to the closing price on 16 June 2020), and one free attaching unlisted option exercisable at \$0.05 expiring three years from the date of issue. For full clarity, the options will be issued with the shares on the basis of one option for every 10 shares issued.

The placement shares and options will be issued in a single tranche without shareholder approval under CCZ’s existing placement capacity pursuant to ASX Listing Rules 7.1 (12,935,940 shares and 104,454,545 options) and 7.1A (82,518,605 shares).

LSE SECONDARY LISTING

CCZ is in the final stages of completing its listing on the Standard Board of the London Stock Exchange.

INVESTOR PRESENTATION

Please refer to the accompanying investor presentation for a detailed overview of recent developments disclosed to date.

Next steps

Further details on the upcoming drilling campaign at the Arya prospect within the Mt Oxide pillar.

Authorised by the Board of Castillo Copper Limited,

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 – 9 June 2020

Competent Person Statement

The information in this report that relates to Exploration Results for the Mt Oxide pillar Arya prospect contained in this announcement is based on a fair and accurate representation of the publicly available information at the time of compiling the ASX Release, and is based on information and supporting documentation compiled by Nicholas Ryan, a Competent Person who is a Member of The Australasian Institute of Mining and Metallurgy. Nicholas Ryan is Consultant Resource Geologist employed by Xplore Resources Pty Ltd. Mr Ryan has been a Member of the Australian Institute of Mining and Metallurgy for 14 years and is a Chartered Professional (Geology). Mr Ryan is employed by Xplore Resources Pty Ltd. Mr Ryan 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'. Mr Ryan consents to the inclusion in the report of the matters based on his information and 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