



Optimising Cangai Copper Mine



Highlights

- Following a recent visit to Cangai Copper Mine (one of Australia's highest grading historic copper mines) by geologist and director David Drakeley, the Board has approved plans to update and enhance the confidence in the 2017 inferred JORC Mineral Resource Estimate (MRE) – **107,589t contained copper metal (3.2Mt @ 3.35%)¹**
- Considerable drilling work post-2017, which includes 34 RC and two HQ diamond core drill-holes for a total of 5,222m^{2,3}, will be factored into the updated geological model – the best intercepts from these campaigns comprised:
 - 11m @ 5.94% Cu; 2.45% Zn & 19.13g/t Ag from 40m including:**
 - 3m @ 8.1% Cu; 2.84% Zn & 23.42g/t Ag from 41m**
 - 1m @ 10.25% Cu; 1.68% Zn & 32.50g/t Ag from 48m**
 - 1m @ 7.53% Cu; 6.04% Zn & 30.60g/t Ag from 50m (CC0023R)²**
 - 5m @ 1.56% Cu, 4.43g/t Ag & 0.4% Zn from 92m including:**
 - 3m @ 2.22% Cu, 6.38g/t Ag & 0.60% Zn (CC004RC)⁴**
 - 4.39m @ 5.06% Cu, 2.56% Zn and 20.1 g/t Ag from 49.9m (CC0036D)³**
- Furthermore, the model will factor in bulk sampling done on several historic stockpiles (which should support a higher confidence Indicated MRE), drone topographic survey and re-positioned mine workings that are accurately geo-referenced
- Pleasingly, Cangai Copper Mine still delivers material exploration potential as six down-hole electro-magnetic (DHEM) surveys identified two untested off-hole bedrock conductors interpreted to be open at depth¹
- Once the work is complete, which is expected to take 4-8 weeks, the Board will review the findings and determine the optimal way to further develop Cangai Copper Mine's full potential

Castillo Copper's geologist & director David Drakeley commented: "Cangai Copper Mine's underlying geology is impressive, but more work is required to fully understand the system. As such, the Board sees considerable potential to create incremental value for shareholders by updating the 2017 MRE for subsequent drilling campaigns and geophysical surveys. Moreover, as a standalone project, Cangai Copper Mine still delivers significant exploration potential with two bedrock conductors, open at depth, yet to be drill-tested. Once the updated MRE and key geological interpretations are complete, the Board looks forward to outlining optimal steps to fully develop Cangai Copper Mine."

OPTIMISING CANGAI COPPER MINE

Castillo Copper Limited's ("CCZ") Board has approved plans to update and enhance the confidence in the 2017 inferred JORC MRE (Figure 1) for Cangai Copper Mine – one of Australia's highest grading historic copper mines – following a recent site visit by David Drakeley, his first since being appointed as geologist and Director of CCZ.

FIGURE 1: CANGAI COPPER MINE – INFERRED JORC MRE

CANGAI COPPER MINE - INFERRED RESOURCE											
	Mass (Tonnes)	Cu (%)	Co (%)	Zn (%)	Au (g/t)	Ag (g/t)	Cu (Tonnes)	Co (Tonnes)	Zn (Tonnes)	Au (Oz)	Ag (Oz)
Oxide	814,267	4.1	0.010	0.63	0.06	27.34	33,391	78	5,165	14,550	715,667
Fresh	2,397,342	3.1	0.003	0.28	0.89	17.74	74,198	75	6,762	68,349	1,367,456
Total	3,211,609	3.35	0.005	0.37	0.8	20.17	107,589	153	11,927	82,899	2,083,123

Source: CCZ geology team (Reference 1)

The Board believes updating the MRE is likely to enhance the confidence in the final result, especially given the following facts:

- Significant drilling work post-2017, which includes 34 RC and two HQ diamond core drill-holes for a total of 5,222m^{2,3}, will now be factored into the updated geological model.

The best intercepts from these campaigns comprised:

11m @ 5.94% Cu; 2.45% Zn & 19.13g/t Ag from 40m including:

3m @ 8.1% Cu; 2.84% Zn & 23.42g/t Ag from 41m

1m @ 10.25% Cu; 1.68% Zn & 32.50g/t Ag from 48m

1m @ 7.53% Cu; 6.04% Zn & 30.60g/t Ag from 50m (CC0023R)²

5m @ 1.56% Cu, 4.43g/t Ag & 0.4% Zn from 92m including:

3m @ 2.22% Cu, 6.38g/t Ag & 0.60% Zn (CC004RC)⁴

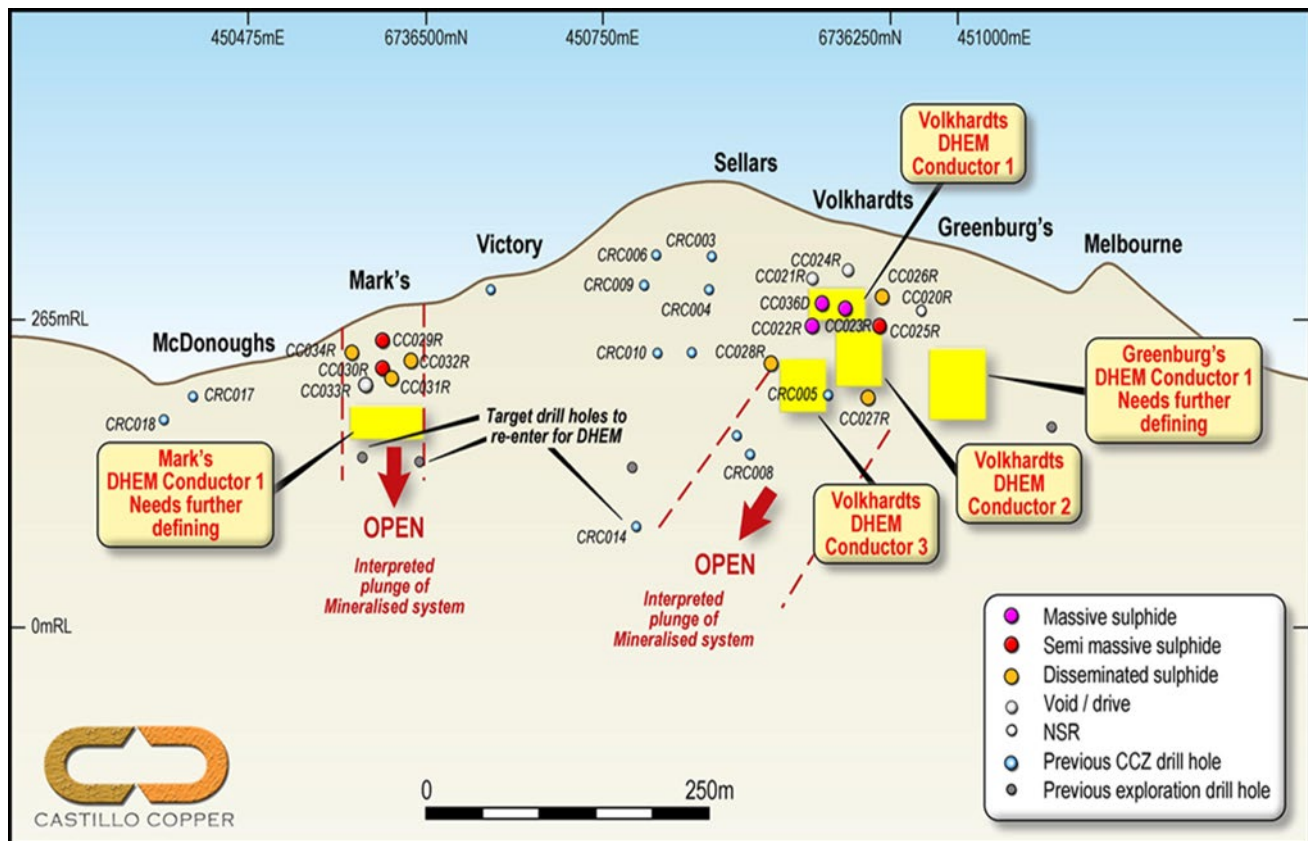
4.39m @ 5.06% Cu, 2.56% Zn and 20.1 g/t Ag from 49.9m (CC0036D)³

- In addition, the geological model will include bulk sampling and metallurgical sampling done on several historic stockpiles (which is likely to support a higher confidence classification Indicated MRE), drone topographic survey and re-positioned mine workings that are accurately geo-referenced.

Exploration upside

Cangai Copper Mine still delivers exploration potential as there are at least two untested bedrock conductors, which are open at depth, that were discovered during DHEM surveys across 2018-19 (Figure 2).

FIGURE 2: CANGAI COPPER MINE – CONDUCTORS & DRILL-HOLES



Source: CCZ geology team

The Board of Castillo Copper Limited authorised the release of this announcement to the ASX.

Dr Dennis Jensen

Managing Director

Competent Person's Statement

The information in this report that relates to Exploration Results and Mineral Resource Estimates for "Cangai Copper Mine" is based on information compiled or reviewed by Mr Mark Biggs. Mr Biggs is a director of ROM Resources, a company which is a shareholder of Castillo Copper Limited. ROM Resources provides ad hoc geological consultancy services 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.

References

- 1) CCZ ASX Release – 28 September 2018 (Annual Report 2018), 3 September 2018, 19 February 2020 & 28 April 2020
- 2) CCZ ASX Release – 3 September 2018
- 3) CCZ ASX Release – 11 December 2018
- 4) CCZ ASX Release – 3 March 2018

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 its core projects:

A large footprint 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.

Four high-quality prospective assets across Zambia's copper-belt which is the second largest copper producer in Africa.

A large tenure footprint proximal to Broken Hill's world-class deposit that is prospective for cobalt-zinc-silver-lead-copper-gold and platinoids.

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."

Directors

Gerrard Hall

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Jack Sedgwick

David Drakeley

ASX/LSE Symbol

CCZ

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