



CASTILLO COPPER

Exploration with Purpose

Optimising Big One Deposit



Highlights

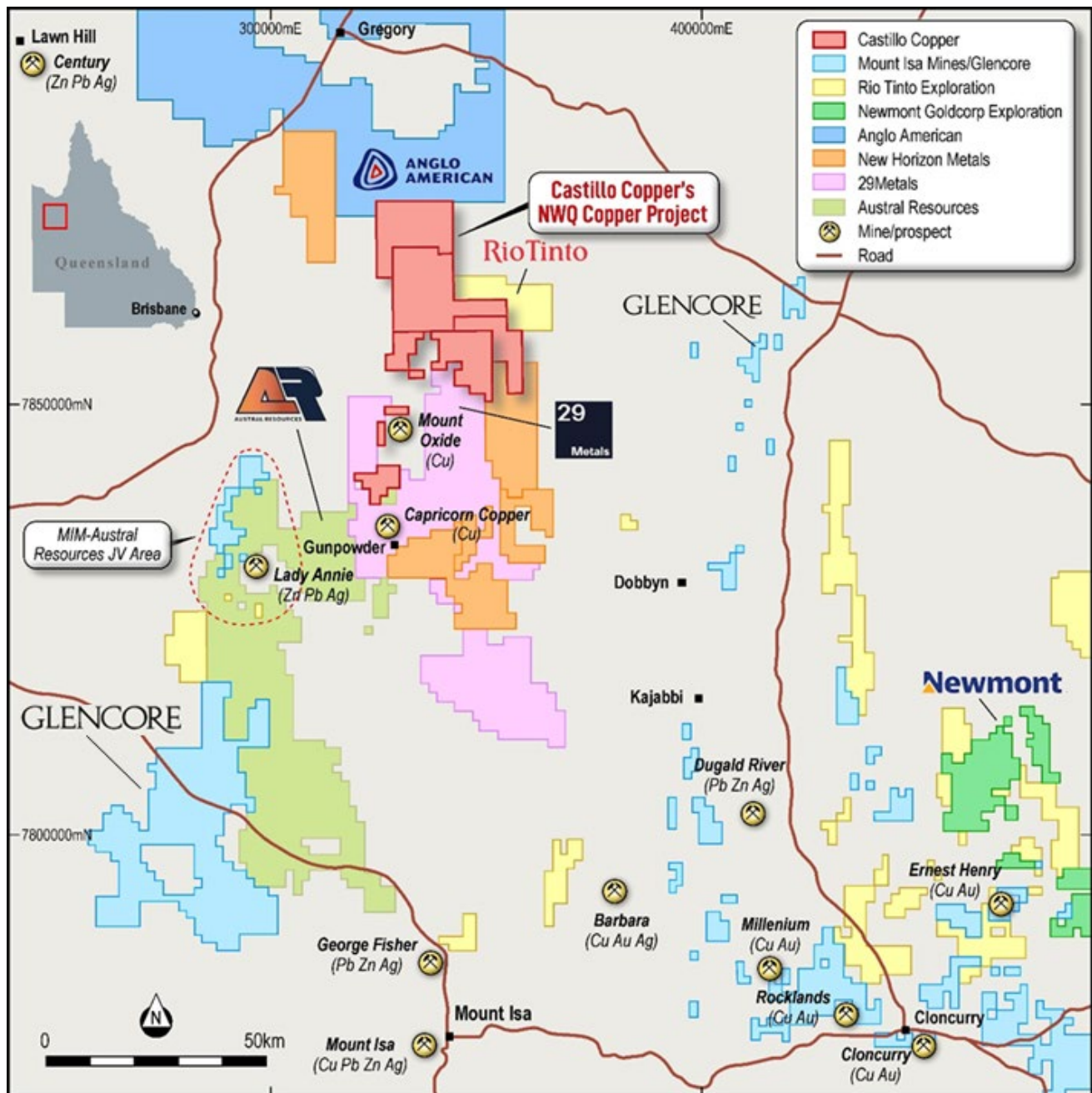
- Complementing efforts at the BHA Project's East Zone, the Board has approved plans to assess optimising the Big One Deposit (within the NWQ Copper Project in the Mt Isa copper-belt) via implementing the following:
 - ❖ Commissioning an independent engineering contractor to conduct a pit optimisation study on the viability of commencing copper mining operations, utilising prospective third-party processors and effective path to market
 - ❖ Re-formulating optimal plans for a third drilling campaign and companion geophysical surveys to extend known mineralisation beyond the line of lode
- To recap, the Big One Deposit has an inferred Mineral Resource Estimate (MRE) at 2.1Mt @ 1.1% Cu for 21,886t² copper metal – with best intercepts comprising:
 - 40m @ 1.64% Cu from surface incl: 11m @ 4.40% Cu from 24m, 5m @ 7.34% Cu from 28m & 1m @ 16.65% Cu from 29m (303RC)³
 - 44m @ 1.19% Cu from surface incl: 14m @ 3.55% Cu from 27m, 3m @ 10.88% Cu from 37m & 1m @ 12.6% Cu from 37m (301RC)³
 - 34m @ 1.51% Cu from surface incl: 21m @ 2.25% Cu from surface, 12m @ 3.44% Cu from 3m, 6m @ 4.79% Cu from 3m and 1m @ 9.4% Cu from 9m (B0017)³
- Post upcoming site visits to several targets – including Arya, Valparaisa, Boomerang and Josephine – the Board will rank the exploration potential then present the opportunity to prospective development partners in the Mt Isa region:
 - ❖ Note, several global mining groups have operations proximal to CCZ's ground including Rio Tinto, Glencore and Anglo American
- Meanwhile, initial metallurgy test-work results for rare earth elements from the BHA Project's East Zone are due back shortly

Castillo Copper's Chairman Ged Hall commented: "Following a recent strategic asset review, the Board approved an optimisation study for the Big One Deposit which should ideally articulate a clear pathway to commence copper mining operations. With exploratory work ramping up at the NWQ Copper and BHA Projects, the Board is increasingly optimistic about the group's prospects for 2023."

Big One Deposit – Optimisation plans

Castillo Copper Limited's ("CCZ") Board completed a strategic asset review which approved several initiatives on how to maximise value from developing the NWQ Copper Project in the Mt Isa copper-belt (complementing work in Broken Hill). Moreover, with the macro-outlook for copper remaining positive and several majors – including Rio Tinto, Glencore and Anglo American – active in the Mt Isa region (Figure 1), there is a compelling case to ramp up exploration activities.

FIGURE 1: NWQ COPPER PROJECT VS MT ISA REGIONAL PEERS



Source: CCZ geology team

Big One Deposit Optimisation

As the only prospect within the NWQ Copper Project that has an inferred MRE (**2.1Mt @ 1.1% Cu; 21,886t copper metal; Figure 2**), the Board had no issues approving potentially value creating plans, comprising:

- ❖ Commissioning an independent engineering contractor to conduct a pit optimisation study on the viability of commencing copper mining operations, utilising prospective third-party processors and effective path to market; and,
- ❖ Re-formulating optimal plans for a third drilling campaign and companion geophysical surveys to extend known mineralisation beyond the line of lode.

FIGURE 2: RESOURCE TONNAGES BIG ONE DEPOSIT

Tenure Name	Ore Type	Inferred (Mt)	Indicated (Mt)	Measured (Mt)	Copper Grade (%)	Silver Grade g/t	Contained Copper (t)	Contained Silver (kg)
Mine Dumps	Oxidised	-	0.007	-	1.2	4.0	86	29
Mine Insitu	Oxidised	1.7	-	-	1.0	1.1	17,000	1,870
Mine Insitu	Fresh	0.4	-	-	1.2	1.4	4,800	560
Sub-Totals		2.1	0.007	0			21,886	2,459

Source: CCZ geology team

Since the 1970s, the Big One Deposit has been drilled by three different groups (including CCZ), while there were limited mining operations during the 1990s⁴. The best intercepts (shown below) highlight the shallow nature of the known ore body:

40m @ 1.64% Cu from surface incl: 11m @ 4.40% Cu from 24m, 5m @ 7.34% Cu from 28m & 1m @ 16.65% Cu from 29m (303RC)³

44m @ 1.19% Cu from surface incl: 14m @ 3.55% Cu from 27m, 3m @ 10.88% Cu from 37m & 1m @ 12.6% Cu from 37m (301RC)³

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Site visit and targeting prospective development partners

As outlined in CCZ's recent ASX Release (23 January 2023), the geology team intend to visit several prospects within the NWQ Copper Project including Arya, Valparaisa, Boomerang and Josephine (Appendix A). Once the post visit review write-ups are complete and exploration potential ranked, the Board intend to present this opportunity to prospective development partners in the Mt Isa region.

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 "BHA Project, East Zone" 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 – 30 January 2022
- 2) CCZ ASX Release – 28 February 2022
- 3) Katz (1970) (CR5353); CCZ ASX Release – 14 January 2020 and West Australian Metals NL (WME) ASX Release – 31 January 1994; and CCZ ASX Release – 11 January 2021
- 4) CCZ ASX Release – 14 January 2020

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 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

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ASX/LSE Symbol

CCZ

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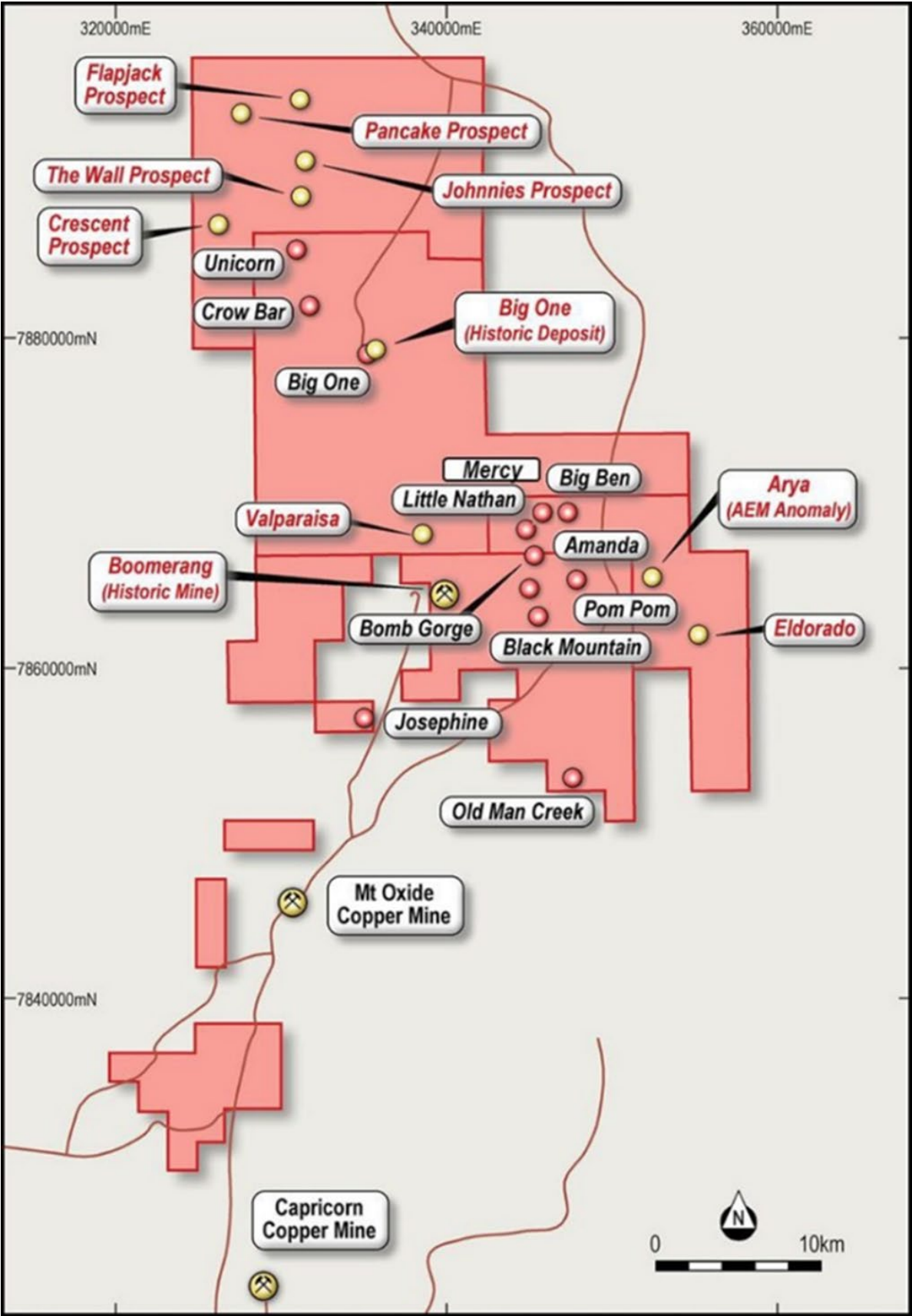
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APPENDIX A: NWQ COPPER PROJECT

FIGURE A1: PROSPECTS WITHIN NWQ COPPER PROSPECT



Source: CCZ geology team