



# JUNE 2022 QUARTERLY ACTIVITIES REPORT



## Highlights

- EAST ZONE, BHA PROJECT
  - ❖ Maiden Mineral Resource Estimate (MRE) to the JORC (2012) Code for BHA Project's East Zone is 64Mt @ 318 ppm Co for 21,556t contained metal at relatively shallow depths<sup>1</sup>
  - ❖ Further, the global MRE includes 44,260t of contained copper (63Mt @ 0.07% Cu)<sup>1</sup>
- ZAMBIA
  - ❖ London-based, Hyperion Copper, granted a 12-month option to acquire 100%-owned subsidiary, Zed Copper (Zed), which owns four assets in Zambia's copper-belt including the prime Luanshya and Mkushi Projects<sup>1</sup>
  - ❖ Hyperion Copper paid a non-refundable US\$100,000 fee (~A\$142,000) for the exclusive option and, if exercised, will issue £2.25m (~A\$4m) in Hyperion shares to acquire 100% of the issued capital of Zed<sup>1</sup>
  - ❖ Further, CCZ will receive £1.5m (~A\$2.7m) in Hyperion shares upon a global MRE of 200,000t contained copper metal being delineated<sup>1</sup>

# ACTIVITIES REPORT

Castillo Copper Limited’s (“CCZ”) Board is pleased to present shareholders its latest quarterly report for the period 1 April to 30 June 2022.

During the period, most of the focus remained on developing the cobalt potential at the East Zone, BHA Project in Broken Hill and successfully negotiating an option to sell the Zambia Projects.

An overview of key events follows:

## DEVELOPMENT WORK

CCZ has four properties comprising the NWQ Copper Project in Mt Isa’s copper-belt, the BHA Project near Broken Hill’s world class silver-zinc-lead deposit in NSW, the historic Cangai Copper Mine and four assets across Zambia’s copper-belt.

### East Zone, BHA Project, NSW

On 13 April 2022, CCZ announced compelling new assays uncovered at the Fence Gossan and Ziggy’s Hill Prospects within the Defined Target Area which provided incremental evidence there is potentially an extensive cobalt system apparent within the BHA Project’s East Zone<sup>1</sup> (Figure A1, Appendix A).

The new cobalt assays, especially from Fence Gossan, are relatively shallow (from surface to circa 100m) and include several standout intercepts which align with earlier results at the Tors & Reef Tank<sup>1</sup> Prospects (Figure 1 & 2).

**FIGURE 1: BEST ASSAYED INTERCEPTS – DEFINED TARGET AREA**

Prospect	Best Intercepts
New – Fence Gossan Prospect:	<p>23m @ 660ppm Co from 28m including</p> <p>3m @ 1,300ppm Co from 37m (3E49N)</p> <p>4m @ 925ppm Co from 53m including</p> <p>2m @ 1,300ppm Co from 55m (3E45N)</p> <p>4m @ 647ppm Co from 46m including</p> <p>1m @ 1,700ppm Co from 48m (TT05W10N)</p> <p>3m @ 620ppm Co from 52m including</p> <p>1m @ 1,100ppm Co from 54m (TT05W14N)</p> <p>2m @ 500ppm Co from 7m (TT4W035S)<sup>1</sup></p>
New – Ziggy’s Hill Prospect:	<p>14m @ 262ppm Co from 84m including</p> <p>1m @ 600ppm Co from 93m (ZIG01)</p> <p>6m @ 336ppm Co from 39m (RABZIG097)</p> <p>7m @ 250ppm Co from 5m (ZH0210W)<sup>1</sup></p>
Reported – Tors & Reef Tank Prospects:	<p>15m @ 760ppm Co from 67m including</p> <p>3m @ 1,500ppm Co from 70m (3E51N)</p> <p>5m @ 1,200ppm Co from 15m (AGSO2740)</p> <p>10m @ 510ppm Co from 5m including</p> <p>5m @ 690ppm Co from 10m (AGSO2716)</p> <p>7m @ 1,600ppm Co from 30m (1800E1180N)</p> <p>10m @ 520ppm Co from surface (2925E1240S)</p> <p>5m @ 520ppm Co from 45m (TT05W10N)<sup>1</sup></p>

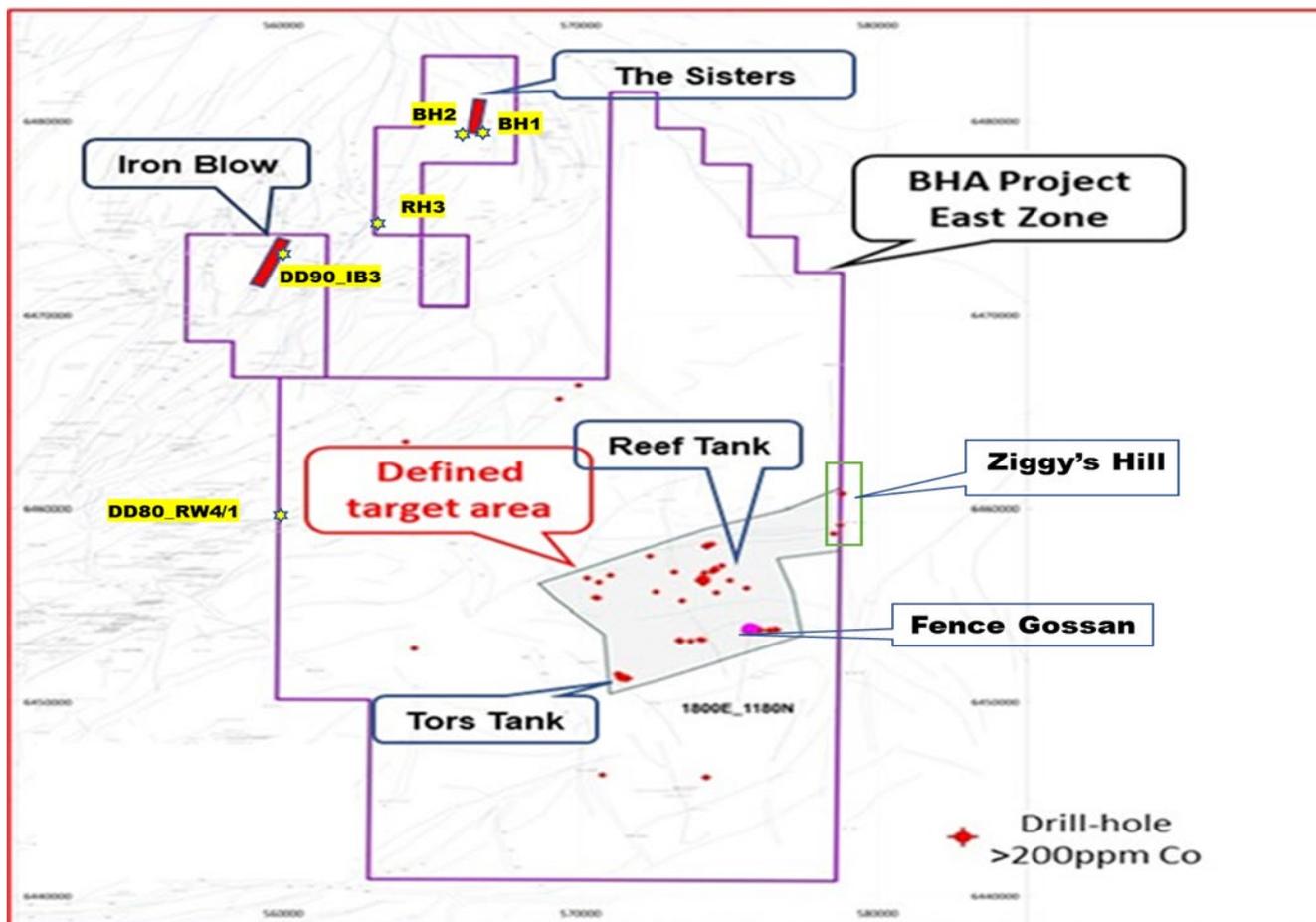
Source: CCZ geology team

On 5 May 2022, diamond core assay results for drill-hole BH1 at The Sisters Prospect confirmed significant cobalt mineralisation, with the best intercept:

**24m @ 424ppm Co from 103m including 2m @ 1,120ppm Co from 107m; 1m @ 873ppm Co from 120m; and 2m @ 486ppm Co from 125m (BH1)<sup>1</sup>**

Notably, the new assays are in line with previously reported results from within the Defined Target Area<sup>1</sup> (Figure 2).

**FIGURE 2: DRILL-HOLES & PROSPECTS; EAST ZONE, BHA PROJECT**



Source: CCZ geology team

On 1 June 2022, CCZ announced the maiden MRE to the JORC (2012) Code for BHA's Project's East Zone totaled 64Mt @ 318 ppm Co for 21,556t contained cobalt metal (Figure 3) at relatively shallow depths (0-80m). Furthermore, the global MRE has 44,260t (64Mt @ 0.07% Cu) of contained copper metal that enhances the overall result<sup>1</sup>.

**FIGURE 3: JORC RESOURCE TONNAGES BHA EAST ZONE PROSPECTS**

Deposit	Prospect Area Mask	Model Surface Area	Cut-off	Inferred	Co	Cu	Contained Cobalt	Contained Copper
	Ha	Ha	Co ppm	Mt	ppm	%	t	t
<b>Fence Gossan</b>	2,335	218	125	<b>22.1</b>	315	0.08	6,962	17,680
<b>Reefs Tank</b>	5,363	2362	180	<b>42.3</b>	345	0.06	14,594	26,580
				<b>64.4</b>	<b>318</b>	<b>0.07</b>	<b>21,556</b>	<b>44,260</b>

Notes: (1) Contained content reported is insitu at 100%, no mining assumptions or dilution yet applied.

Source: CCZ geology team

Moving forward, to extend known cobalt mineralisation, primary targets have already been factored into an inaugural drilling campaign which the Board plans to progress. Further, the Board intends to open discussions with potential off-take partners keen to lock in future cobalt supply chains and actively participate in the NSW government's critical minerals initiative<sup>1</sup>.

## Zambia

On 5 April 2022, an Induced Polarisation survey campaign undertaken at the Mkushi Project highlighted multiple zones of high chargeability coincident with known copper soil anomalies.

More significantly, according to the geophysicist's interpretation, these are potential bodies of disseminated copper sulphide mineralisation and prime targets to test drill.

On 22 June 2022, in a landmark deal, CCZ announced that it granted London-based Hyperion Copper a 12-month option to acquire 100%-owned subsidiary, Zed, which owns four projects in Zambia's copper-belt – including the prime Luanshya and Mkushi Projects (Figure A2, Appendix A) – for total consideration of £3.75m (A\$6.7m) in a value creating transaction.

The Board believes this is an excellent outcome for all stakeholders since it secures a strategic partner that is committed to fully develop the exploration potential of the Zambia projects. Moreover, with Hyperion Copper planning to list on the LSE's AIM market in 2H 2022, CCZ is set to accrue benefits via retaining its shareholding in Hyperion post listing.

Hyperion is positioning itself as an Africa-focused, copper-gold explorer as it owns 100% of the Yansse Gold Project in Burkina Faso. Notably, the Yansse Gold Project which is located in the highly prolific West African Birimian Terrane, which is host to some of the world's largest gold deposits.

## CORPORATE

- **Board changes:** On 1 April 2022, CCZ announced that Mr Ged Hall (non-executive director based in London) was promoted to Chairman and Dr Dennis Jensen to Managing Director (from CEO). These promotions follow on post the retirement of long-standing Chairman, Mr Rob Scott, with effect from 31 March 2022.
- **Strategic update:** On 7 June 2022, Managing Director Dr Dennis Jensen summarised CCZ's latest strategy: *"The Board's strategic intent is to create value for shareholders via developing the core projects. With cobalt remaining over US\$70,000/t, the priority is to extend known mineralisation across the BHA Project's East & West Zones via targeted drilling campaigns and formalising a clear path to market. Similarly, with copper above US\$9,000/t, the Board will apply the same formula for the Big One Deposit within the NWQ Copper Project. Concurrently, the Board intends to align with development partners to advance the Cangai Copper Mine and four prospective copper projects in Zambia."*

## POST PERIOD EVENT

- **Big One Deposit, NWQ Copper Project:** On 19 July 2022, preliminary metallurgical test-work on samples extracted from drill-hole BO\_318RC1 at the Big One Deposit, produced a concentrate with confirmed upgrades ranging from 5x to 10x for copper metal, with the best result: 0.72% Cu head-grade to 7.2% Cu post-test-work.

# INFORMATION REQUIRED UNDER ASX LISTING RULES

## 1. ASX LR 5.3.5

During the quarter \$98,000 was paid to related parties of the Company relating to executive director consulting fees and non- executive director fees.

## 2. ASX LR 5.3.1

The exploration and evaluation activity spend for the quarter consisted of:

	<b>Consulting fees</b>	<b>Rates and mines departments fees</b>
Cangai	\$36,000	-
Broken Hill Alliance	\$141,000	\$1,000
Mt Isa	\$45,000	\$26,000
Zambia	\$15,000	-
<b>Total</b>	<b>\$237,000</b>	<b>\$27,000</b>

## 3. ASX LR 5.3.3

Please refer to Appendix C for details of the Company's interests in exploration and mining tenements.

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

**Dr Dennis Jensen**

**Managing Director**

1) Note – All information referenced is from CCZ ASX Releases, as dated in text, from 1 January 2022 to 28 April 2022 inclusive

# 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

**Gerrard Hall**

**Dr Dennis Jensen**

**Geoff Reed**

## ASX/LSE Symbol

**CCZ**

## Contact

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**Managing Director**

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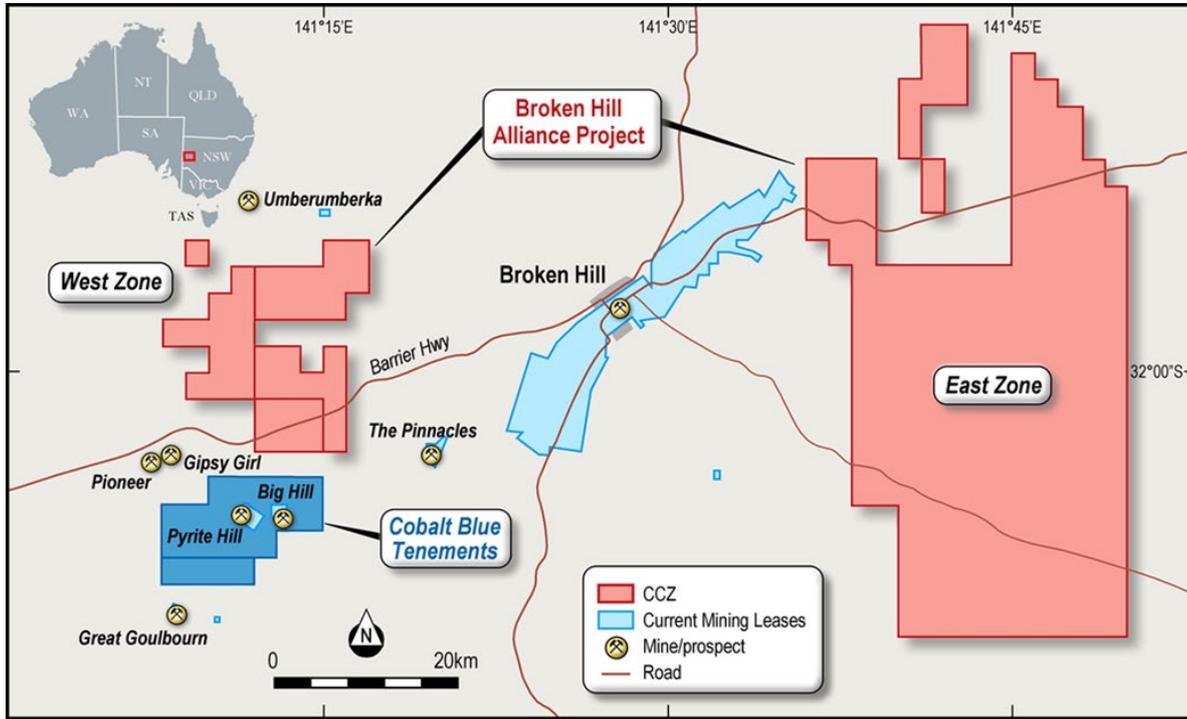
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**FOR THE LATEST NEWS** [www.castillocopper.com](http://www.castillocopper.com)



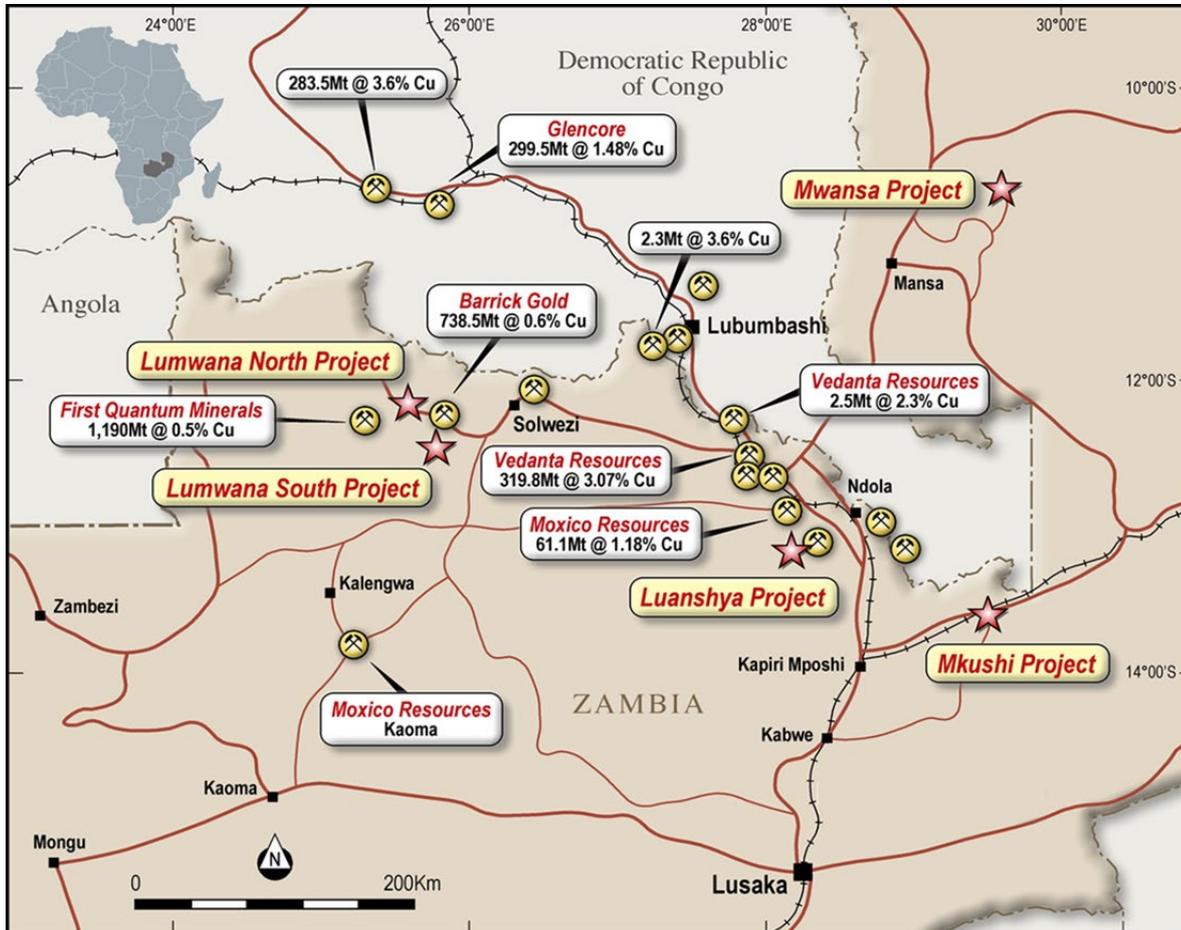
# APPENDIX A: KEY PROJECTS

**FIGURE A1: WEST AND EAST ZONE – BHA PROJECT, BROKEN HILL REGION**



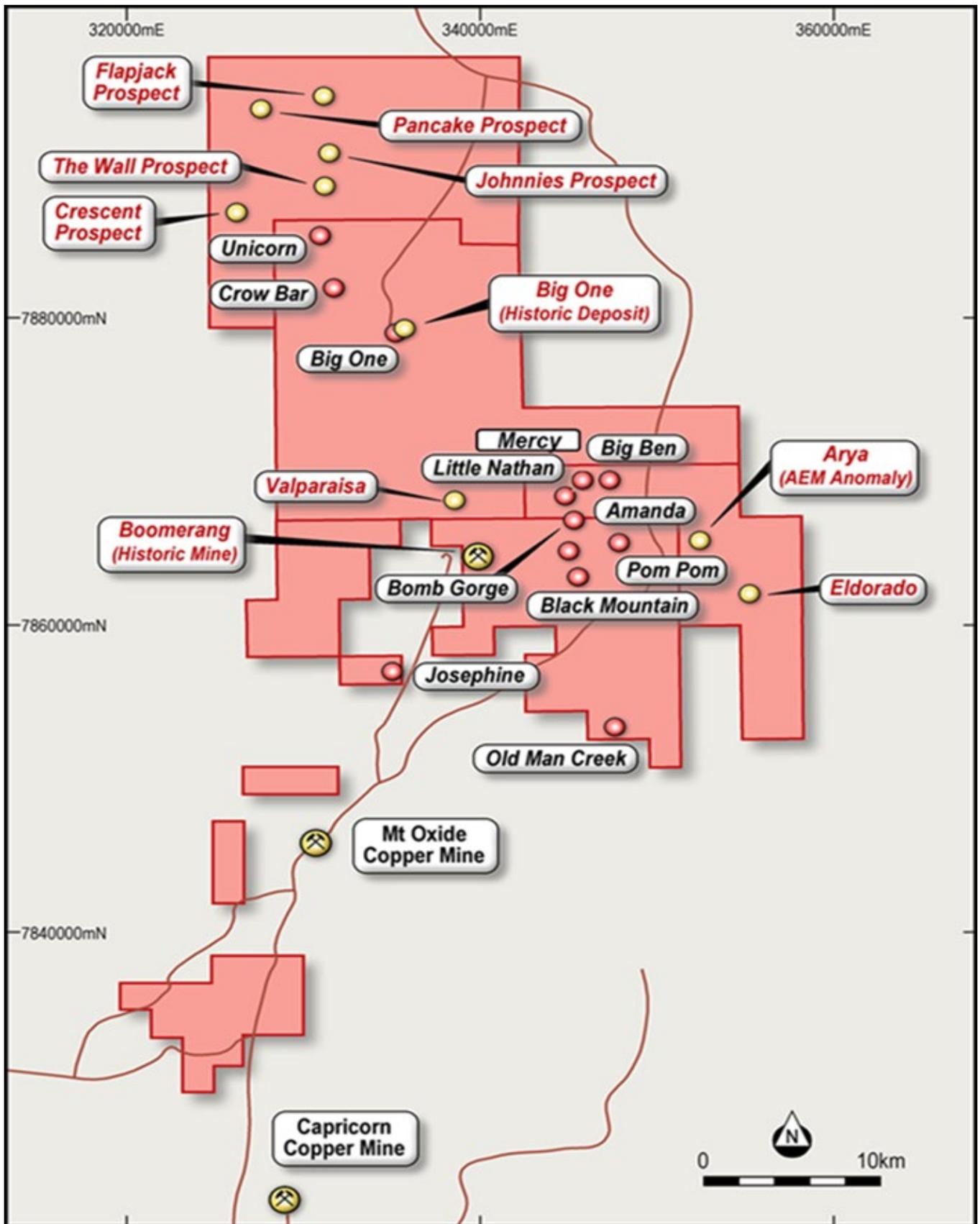
Source: CCZ geology team

**FIGURE A2: ZAMBIA COPPER-BELT PROJECTS**



Source: CCZ geology team

**FIGURE A3: NWQ COPPER PROJECT, MT ISA REGION**



Source: CCZ geology team

## Appendix B: Competent Person Statement

The information in this report that relates to Exploration Results for “Big One Deposit” is based on information compiled or reviewed by Mr Mark Biggs. Mr Biggs is both a shareholder and 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 information in this announcement that relates to exploration results is based on and fairly represents information reviewed or compiled by Mr Matt Bull, a Competent Person who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Bull is a beneficiary of Southern River Investments, a trust which is a shareholder of Castillo Copper Limited. Mr Bull is a shareholder and director of Trilogy Metals Pty Ltd, a company which provides ad hoc geological consultancy services to Castillo Copper Limited. Mr Bull is a Consultant of Castillo Copper Limited. Mr Bull has sufficient experience that is relevant to the styles of mineralisation and types 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 Bull has provided his prior written consent to the inclusion in this announcement of the matters based on information in the form and context in which it appears.

The information in this report that relates to Exploration Results for “Litchfield” and “Picasso” is based on information compiled or reviewed by Mr Geoffrey Reed, a Non- Executive Director of CCZ. Mr Reed is both a shareholder and director of Bluespoint Mining Services, a company which is a shareholder of Castillo Copper Limited. Bluespoint Mining Services provides ad hoc geological consultancy services to Castillo Copper Limited. Mr Reed is a member of the Australian Institute of Mining and Metallurgy (CP) (member #250422) 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 Reed is a member of the Australian Institute of Geoscientists. Further, Mr Reed consents to the inclusion in this report of the matters based on information in the form and context in which it appears. Mr Reed has not verified any of the information regarding any of the properties or projects referred to herein other than the “Litchfield” and “Picasso” Properties.

The Australian Securities Exchange has not reviewed and does not accept responsibility for the accuracy or adequacy of this release.

## APPENDIX C: INTEREST IN EXPLORATION MINING TENEMENTS HELD

<b>JACKADERRY (CANGAI)</b>			
New England Orogen in NSW			
Tenement ID	Ownership at start of Quarter	Ownership at end of Quarter	Change during the Quarter
EL8635	100%	100%	-
EL8625	100%	100%	-
EL8601	100%	100%	-

<b>BROKEN HILL</b>			
located within a 20km radius of Broken Hill, NSW			
Tenement ID	Ownership at start of Quarter	Ownership at end of Quarter	Change during the Quarter
EL8599	100%	100%	-
EL8572	100%	100%	-
EL 8434	-	100%	100%
EL 8435	-	100%	100%

<b>MT OXIDE</b>			
Mt Isa region, northwest Queensland			
Tenement ID	Ownership at start of Quarter	Ownership at end of Quarter	Change during the Quarter
EPM 26513	100%	100%	-
EPM 26525	100%	100%	-
EPM 26574	100%	100%	-
EPM 26462	100%	100%	-
EPM 27440	-	100%	100%

<b>ZAMBIA</b>				
Project	Tenement ID	Ownership at start of Quarter	Ownership at end of Quarter	Change during the Quarter
Lumwana North	23914-HQ-SEL	100%	100%	-
Lumwana North	23913-HQ-SEL	100%	100%	-
Mkushi	24659-HQ-LEL	100%	100%	-
Luanshya *	22448-HQ-LEL	-	-	-
Luanshya	25195-HQ-LEL	55%	55%	-
Luanshya	25273-HQ-LEL	55%	55%	-
Mwansa	25261-HQ-LEL	100%	100%	-

\*CCZ can earn up to 80% by meeting previously disclosed milestones