



Completed auger sampling campaign targets 6.5km² REE mineralisation zone



Highlights

- Following the receipt of drill assays for the Fence Gossan, Tors Tank and partly Reefs Tank Prospects, which confirmed that shallow Rare Earth Element (REE) mineralisation is more widely apparent across the BHA Project's East Zone than initially envisaged¹, the Board commissioned an extensive auger sampling campaign
- The auger sampling campaign, which has now concluded and covered a 6.5km² area proximal to the Fence Gossan Prospect, was designed to identify the full extent of REE mineralisation and new targets to test-drill:
 - ❖ All samples have been sent to the laboratory for further analysis, with results expected back for full interpretation in the next 4 to 6 weeks
- In addition, the Board expects to receive the final three RC drill assays for Reefs Tank and diamond core for Tors Tank in the next 4 to 6 weeks
- The Board will provide a full review once all the results are assessed holistically, as collectively they will aid charting the next phase of REE-focused exploration across the BHA Project's East Zone
- During 1Q 2023, CCZ's geology team plan to visit several prospects at the NWQ Copper Project to determine the potential to host copper mineralisation – further details will be published shortly

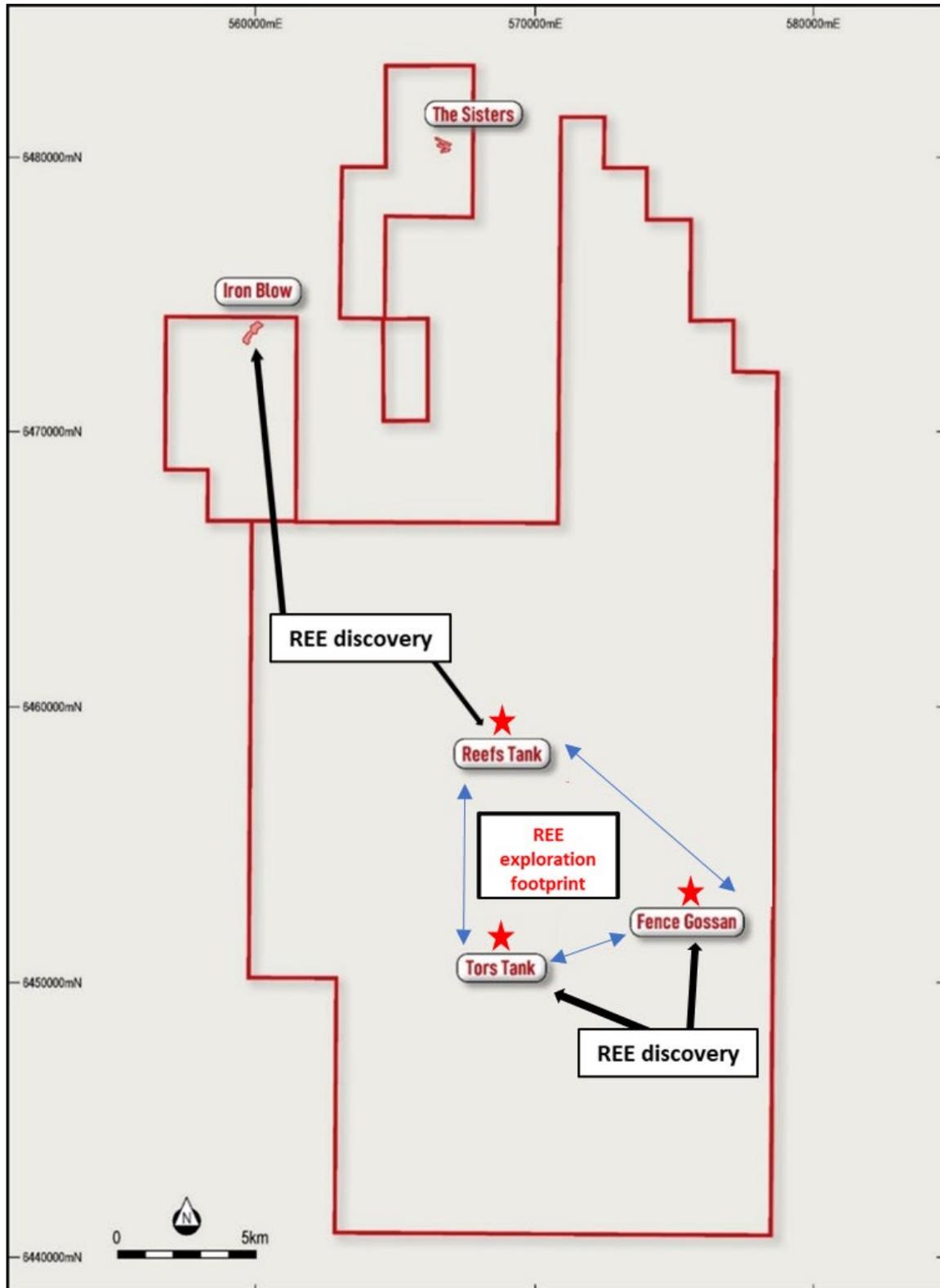
Castillo Copper's Managing Director Dr Dennis Jensen commented: *"Without question, the highlight event for 2022 has been the shallow REE discovery within BHA Project's East Zone. The Board is eagerly awaiting assay results from the drilling and auger sampling campaigns, as they will enable us to chart the next phase of exploration. In addition, the Board has commissioned a site visit to several prospects within the NWQ Copper Project during 1Q 2023 to determine which should be prioritised for further development work. Overall, the Board remains focused on developing projects within the portfolio that deliver the greatest potential to create value for shareholders."*

Auger sampling campaign targets REE mineralisation

Castillo Copper Limited's ("CCZ") Board is pleased to announce that an auger sampling campaign, focused on a 6.5km² area proximal to the Fence Gossan Prospect – within the REE exploration footprint – has now been completed (Figure 1 & Appendix A). The objective of the auger sampling campaign is to determine the full extent of REE mineralisation within the area sampled and identify new targets to test-drill. Samples have been taken at depths of 0.1 - 0.4m by hand auger.

The geology team dispatched all samples to the laboratory for follow up analyses, with results likely back in four to six weeks to enable a full interpretation of the REE mineralisation potential.

FIGURE 1: BHA PROJECT'S EAST ZONE EXTENSIVE REE MINERALISATION



Source: CCZ geology team

The decision to commission the auger sampling campaign follows the receipt of drill assays for Fence Gossan, Tors Tank and partly Reefs Tank (refer Figure 2) which confirmed shallow REE mineralisation is more widely apparent within the BHA Project's East Zone than initially expected¹.

Once assays for the auger sampling campaign and final three RC drill results for Reefs Tank / diamond core for Tors Tank are returned, the Board will determine the next phase of REE-focused exploration across the BHA Project's East Zone.

FIGURE 2: BEST INTERCEPTS – FENCE GOSSAN / TORS & REEFS TANK PROSPECTS
❖ 20m @ 1,780ppm TREO (28.9% Magnet REO) from surface including 4m @ 2,410ppm TREO from 16m (FG_003RC)¹
❖ 11m @ 1,078 TREO (24.7% Magnet REO) from 8m (RT_001RC)¹
❖ 7m @ 1,048ppm TREO (29.9% Magnet REO) from 12m (TT_002RC)¹
❖ 11m @ 862ppm TREO (29.0% Magnet REO) from 58m (FG_001RC)¹
❖ 19m @ 847ppm TREO (29.6% Magnet REO) from surface (TT_003RC)¹
❖ 8m @ 773ppm TREO (24.0% Magnet REO) from 48m (FG_004RC)¹
❖ 4m @ 732ppm TREO (27.1% Magnet REO) from 24m (TT_001RC)¹
❖ 19m @ 661ppm TREO (28.0% Magnet REO) from surface (FG_002RC)¹
❖ 32m @ 636ppm TREO (25.7% Magnet REO) from 52m (FG_003RC)¹
❖ 28m @ 614ppm TREO (27.8% Magnet REO) from 4m (FG_004RC)¹
❖ 20m @ 609ppm TREO (29.5% Magnet REO) from surface incl. 4m @ 1,709ppm TREO from 8m (FG_001RC)¹

Source: CCZ geology team

NWQ Copper Project

CCZ's geology team have been reviewing all the prospects within the NWQ Copper Project and have selected several to visit during 1Q 2023. The key objective of the upcoming site visit will be to ascertain the potential for these to host copper mineralisation and further follow up development work. More details on the prime targets will be published shortly.

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 – 15 & 23 November 2022

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."

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ASX/LSE Symbol

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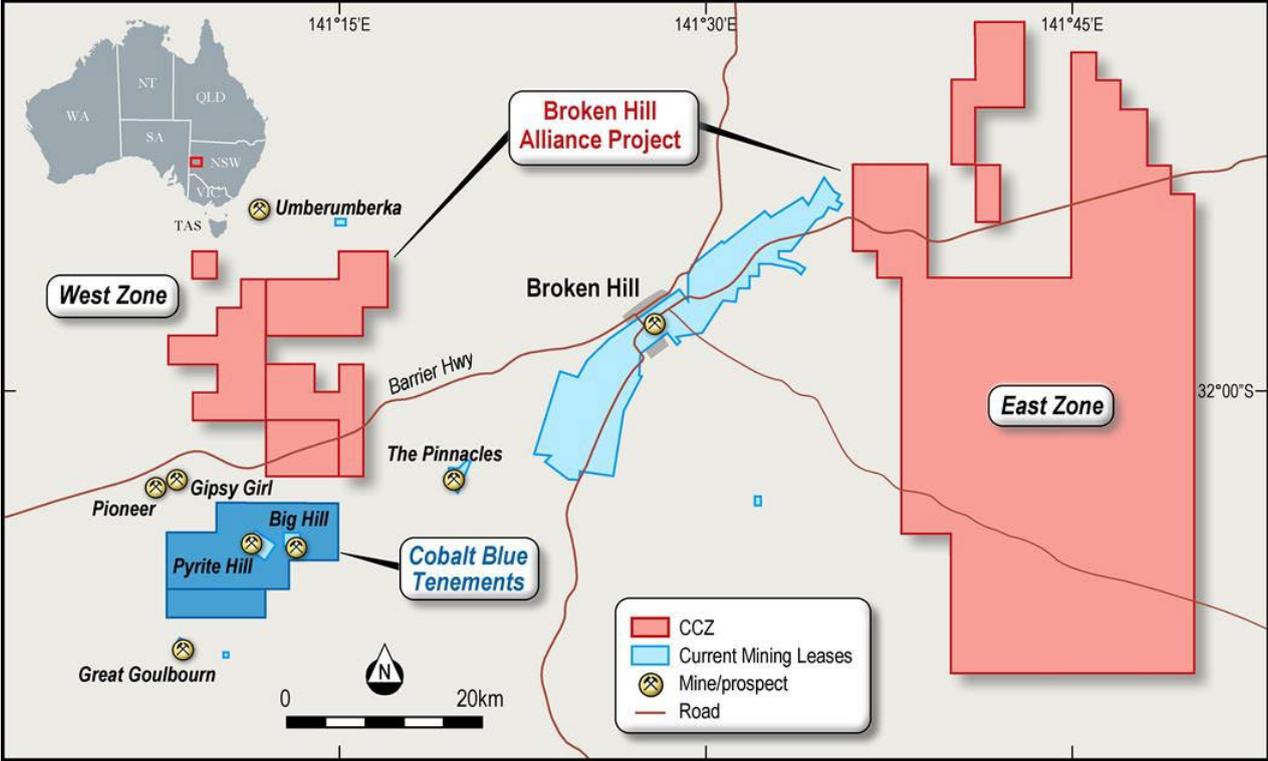
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APPENDIX A: BHA PROJECT'S EAST ZONE

FIGURE A1: BHA PROJECT



Source: CCZ geology team