



Further exploratory work approved for Luanshya Project in Zambia



Highlights

- CCZ's Board has approved incremental development work on known key targets – scheduled to commence in 1H2023 – focusing on the highly prospective Luanshya Project which is in the heart of Zambia's copper belt
- The geology team plan to roll out an Induced Polarisation (IP) geophysics campaign to build on earlier work undertaken in 2021 which focused on a 6km zone of copper surface anomalism that delineated up to 14 chargeable zones¹:
 - ❖ A key focus of the upcoming IP campaign will be to refine targets for test drilling and enhance the confidence of finding structurally controlled copper mineralisation¹
- The plans for development work follow London-based, Metallea Group's (previously Hyperion Copper) decision to cancel plans to list on the Alternative Investment Market (AIM) of the London Stock Exchange (LSE)², due to extremely difficult equity market conditions
- As this was a key requirement to secure funds to progress development work, Metallea has further advised it will not be exercising the option – which delivered a US\$100,000 non-refundable deposit to CCZ – to acquire the Zambia assets
- Moving forward, as CCZ's Board remains committed to aligning with a development partner or undertaking a trade sale for the Zambia copper assets, efforts will be re-doubled to deliver this outcome during 2023

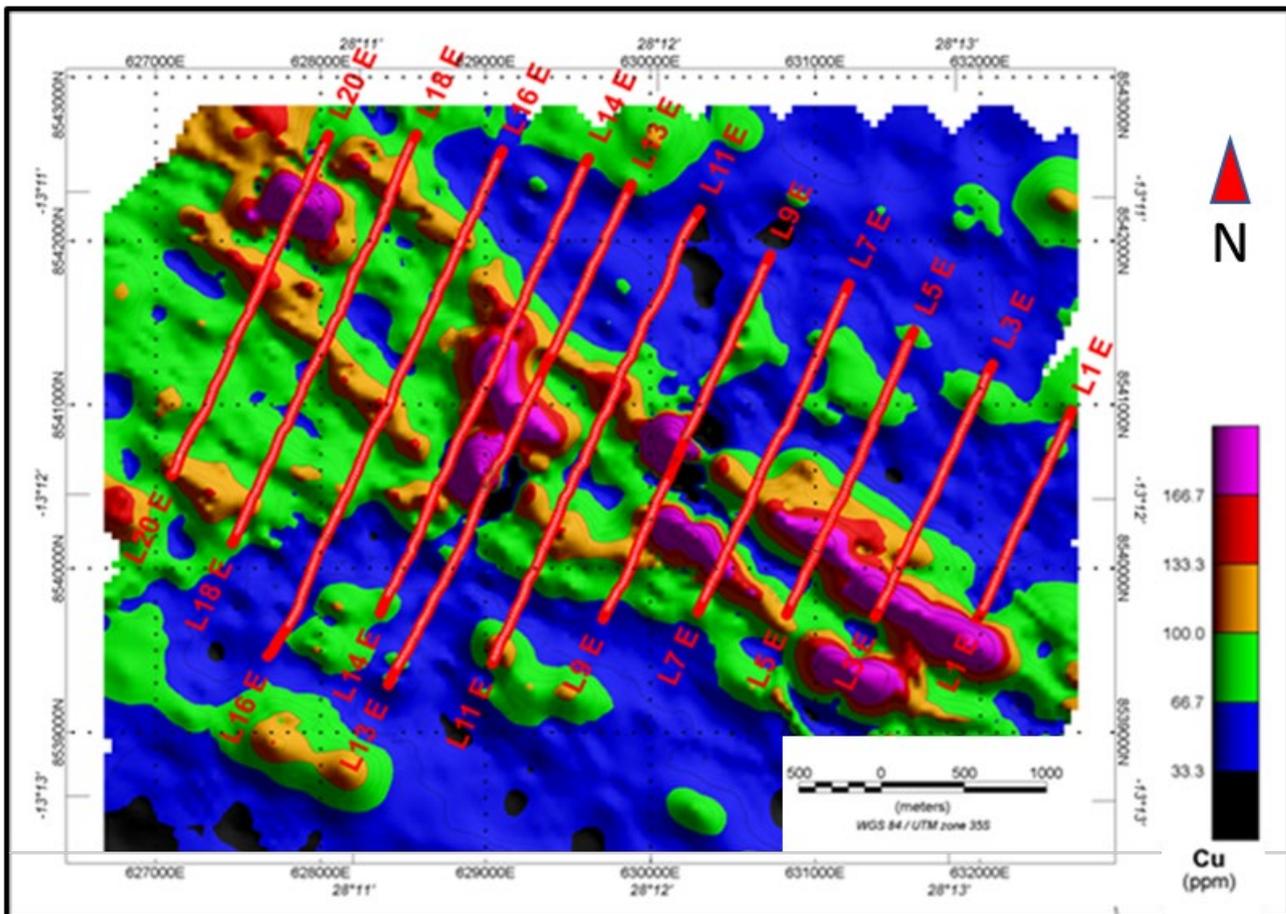
Castillo Copper's MD Dr Dennis Jensen commented: "CCZ's Board is determined to align with a new development partner or undertake a trade sale for the Zambia copper assets to crystallise value for shareholders. All the exploratory work undertaken to date indicates the Luanshya and Mkushi Projects are highly prospective for copper mineralisation."

Advancing Zambia copper projects

Castillo Copper Limited's ("CCZ") Board has approved further work on known targets within the highly prospective Luanshya Project in Zambia's copper belt (Figure 1). Based on current plans, the work is schedule to progress during 1H2023.

Focusing on a 6km zone of copper surface anomalism, where 14 chargeable zones¹ were delineated, the geology team plan to conduct an infill IP campaign. The core objective is to further refine key targets and boost the confidence in identifying structurally controlled copper mineralisation.

FIGURE 1: HISTORICAL IP SURVEY RELATIVE TO COPPER SURFACE ANOMALISM



Source: CCZ geology team

Metalea AIM listing

Due to extremely difficult equity market conditions, London-based Metalea Group (previously Hyperion Copper) have cancelled plans to list on AIM / LSE². As a result, CCZ's Board has been advised the option to acquire the Zambia assets will not be exercised. Note, Metalea Group paid CCZ a US\$100,000 (A\$142,000) non-refundable deposit for the option.

Strategic intent unchanged

With all previous exploratory work indicating the Luanshya and Mkushi Projects are highly prospective for copper mineralisation, the Board remains committed to creating value for shareholders which could include 1) aligning with a development partner; or, 2) undertaking a trade sale for the Zambia copper assets or a transaction of a similar nature.

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

Dr Dennis Jensen
Managing Director

References

- 1) CCZ ASX Release – 25 October 2021
- 2) CCZ ASX Release – 22 June 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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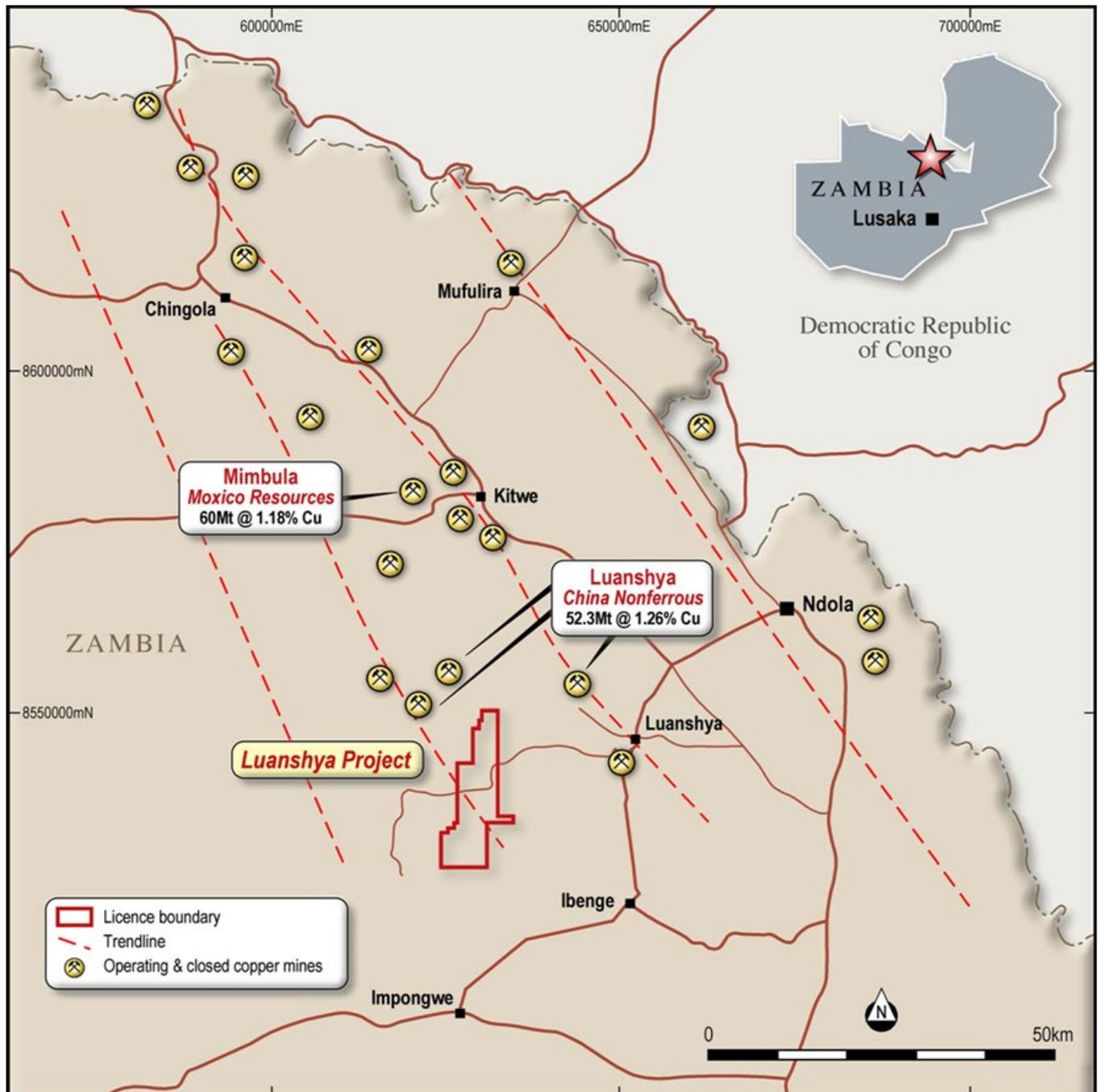
APPENDIX A: LUANSHYA & MKUSHI PROJECTS

The Luanshya Project is 6-10km south of China Nonferrous Mining Corp's (CNMC) three operating mines (Figure A1), with a combined JORC (2012) compliant Proven & Probable Reserves at 52.3mt @ 1.26% Cu¹.

Across the region are four NW-SE trendlines, which are ~5-10km wide, that host numerous historic / current operating mines & deposits¹.

Notably, two trendlines hosts CNMC's three mines, with one directly intersecting the middle of the project coincident with Lower Roan Formation¹.

FIGURE A1: LUANSHYA PROJECT

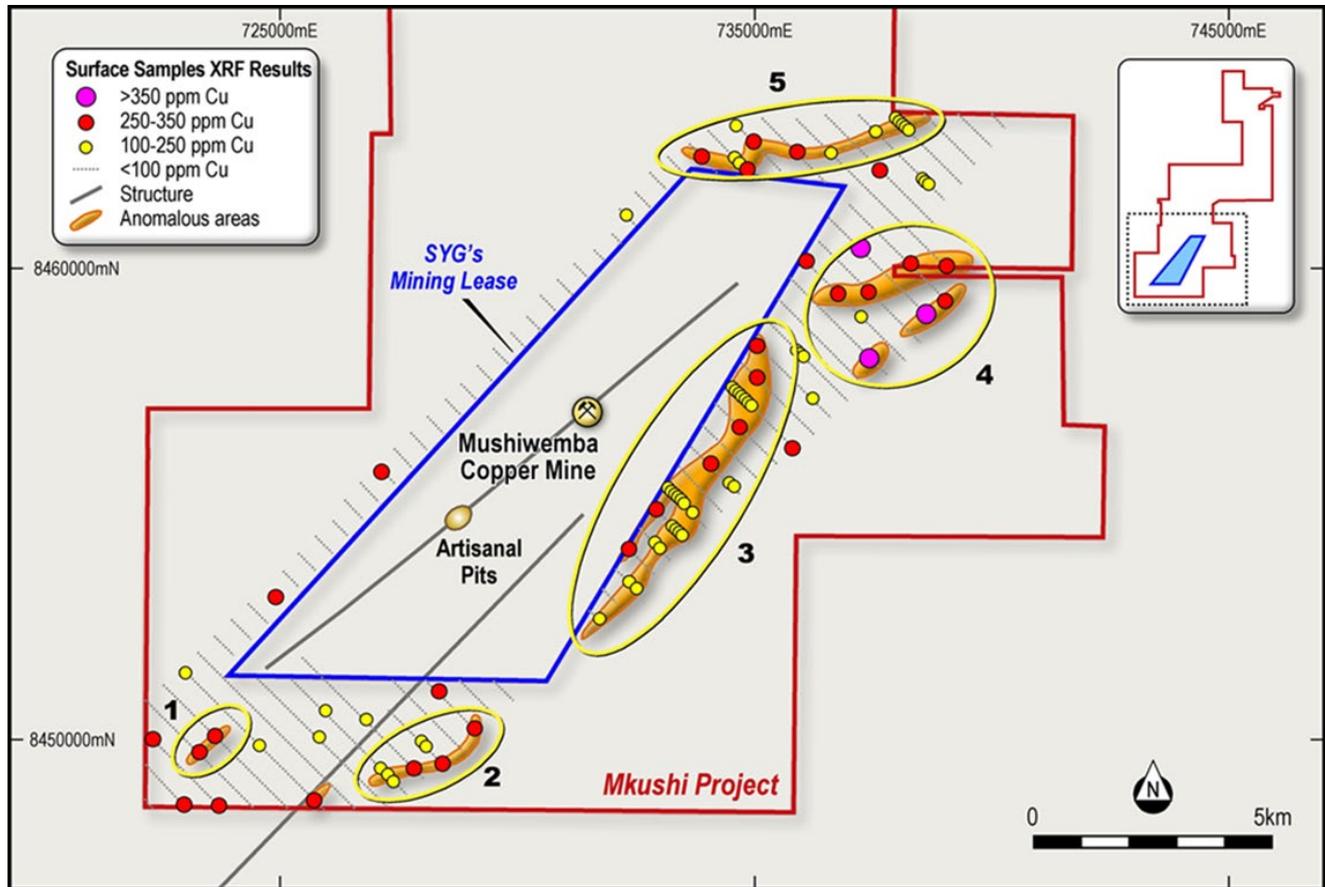


Source: CCZ geology team

At the Mkushi Project (Figure A2), a comprehensive soil sampling campaign completed around Shi Yan Group's operating mining lease², comprising >1,000 data points², delivered the following outcomes:

- Five new, well-defined, anomalous areas identified by Portable XRF (coded 1 to 5), with respective strike lengths ranging from 2-7km (20.5km in aggregate)²; and
- Relative to Mushiwemba Copper Mine and artisanal pits along the northern high-grade shear zone, the five anomalous areas are located circa 2-7km SW – NE on the same over-riding system².

FIGURE A1: MKUSHI PROJECT



Source: CCZ geology team

