Mkushi Project lights up, with multiple follow-up targets to drill-test

CASTILLO COPPER LIMITED

ASX Release

5 April 2022

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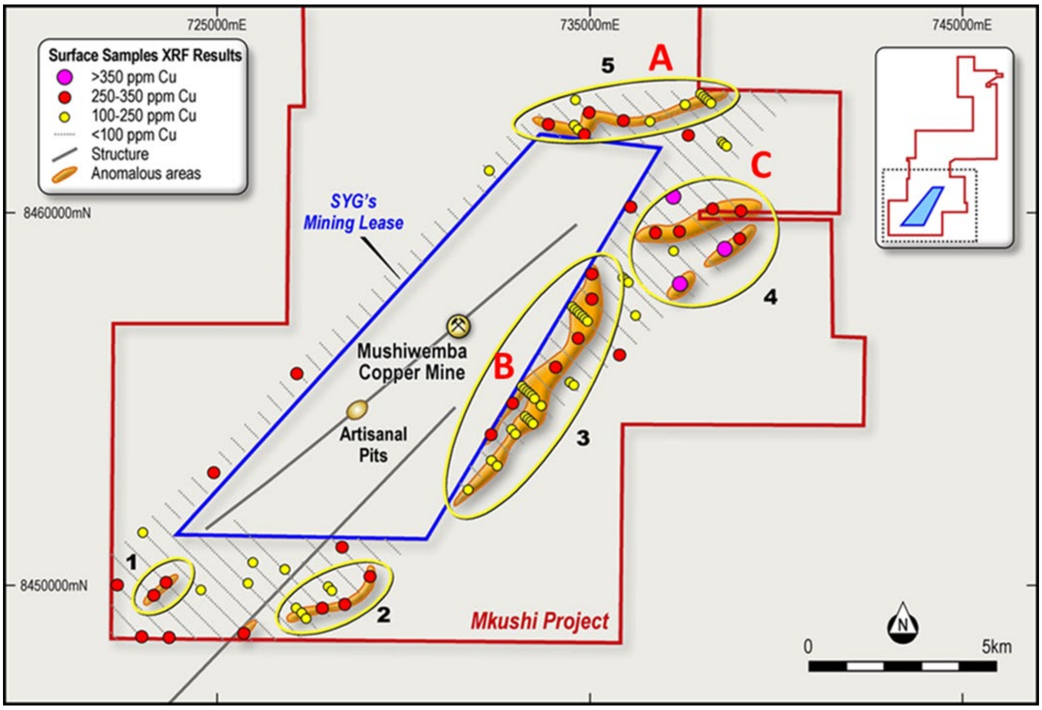
- **The Induced Polarisation (IP) survey campaign undertaken at the Mkushi Project in Zambia highlighted multiple zones of high chargeability coincident with known copper soil anomalies[1]**
- **More significantly, according to the geophysicist's interpretaitons[2], these are potential bodies of disseminated copper sulphide mineralisation and prime targets to test drill (Appendix A):**
  - ❖ **With sufficient geological data, formulating a drilling campaign is the next step to further developing the Mkushi Project**
- **To conduct the survey, 40 pre-selected IP Lines across 54km were utilised to test soil geochemical anomalism for potential disseminated copper mineralisation across three target areas – A, B, C (Figure 1)**

FIGURE 1: IP LINE LOCATIONS OVER COPPER SOIL GEOCHEMISTRY



Source: CCZ geology team

- **With multiple prime targets for drill-testing now identified across the Mkushi and Luanshya Projects[3], which enhances their exploration potential significantly, the Board is now seeking a strategic partner to further develop the Zambia assets (Appendix B)**

Castillo Copper's CEO Dr Dennis Jensen commented: *"The IP survey results from the Mkushi Project are outstanding, especially as they throw off numerous potential targets to test-drill for copper mineralisation. More significantly, it complements the results from the Luanshya Project which has 14 identified primary targets. Moving forward, the Board is now actively seeking to align with a strategic partner to fully develop the Zambian assets."*

Castillo Copper Limited's ("CCZ") Board is pleased to announce that multiple targets for drill-testing, with potential to host copper mineralisation, have been identified at the Mkushi Project in Zambia. These are the findings of the final geophysicists report[2] which interpreted the IP survey results against three areas of known copper soil anomalies with strike lengths ranging from circa 4-7km long[1] (Figure 1).

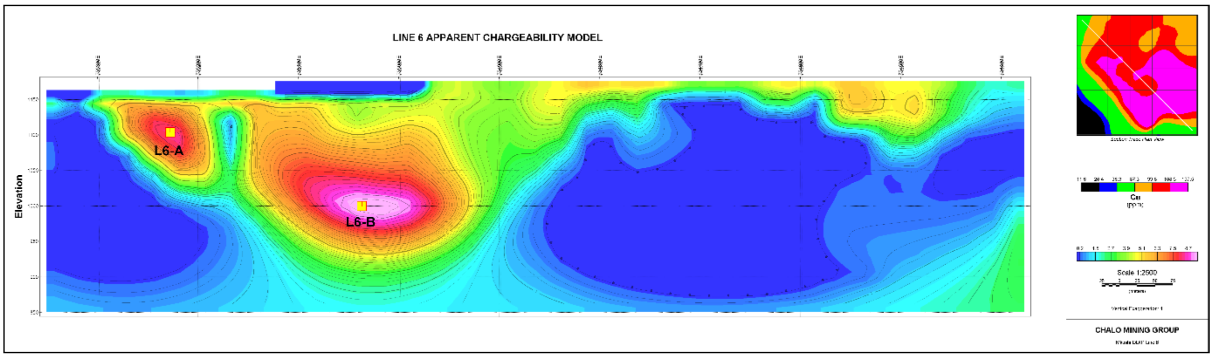
MULTIPLE TARGETS TO DRILL TEST

Overall, a total of 40 pre-selected IP Lines across 54km were surveyed using a 50m-spaced dipole-dipole electrode configuration. These were aligned to test soil geochemical anomalism for potential disseminated copper mineralisation across three target areas (A, B & C), ranging from 4-7km long (Figure 1).

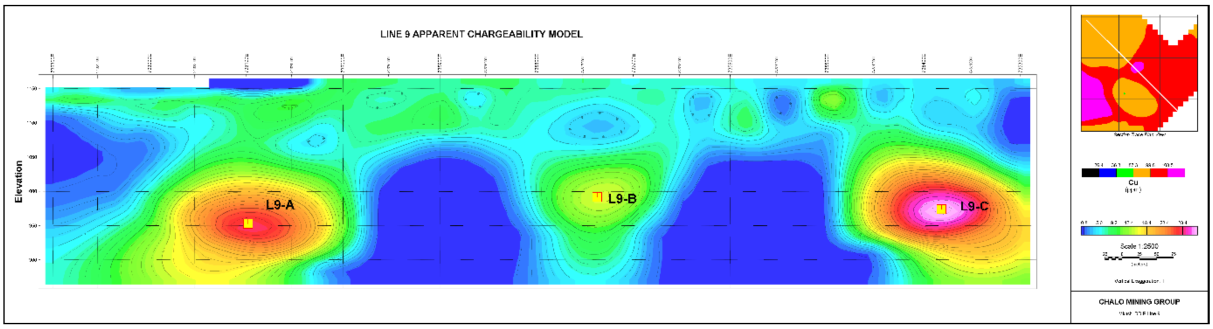
The geophysicist's report, which reconciled the geochemical and geophysical results, identified multiple high-priority areas to potentially follow up with test drilling including Lines 5, 6, 7, 8, 9, 10, 11, 12, 13, 15, 19, 21, 42, 44, 46, 48, 50, 52, 54 & 56 (Appendix A).

Of these, Lines 5, 8, 9, 11 are clear illustrations of potential targets for test drilling as high-chargeability is associated with copper anomalism at surface (Figure 2).

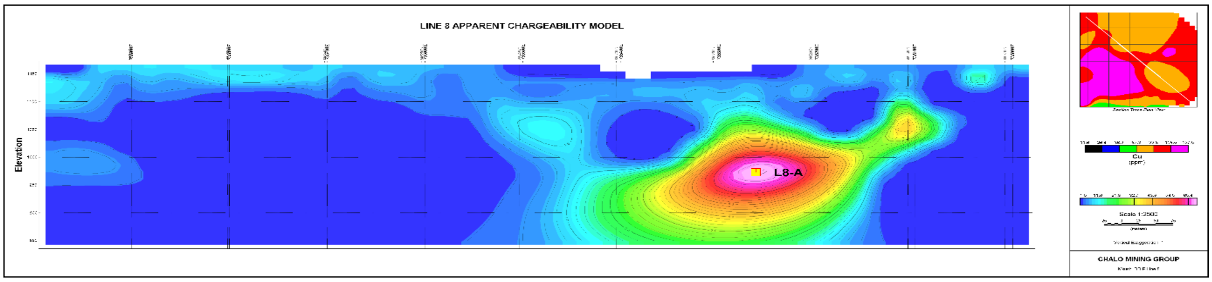
FIGURE 2: SELECTED CHARGEABILITY MODELS – LINES 5, 8, 9 & 10



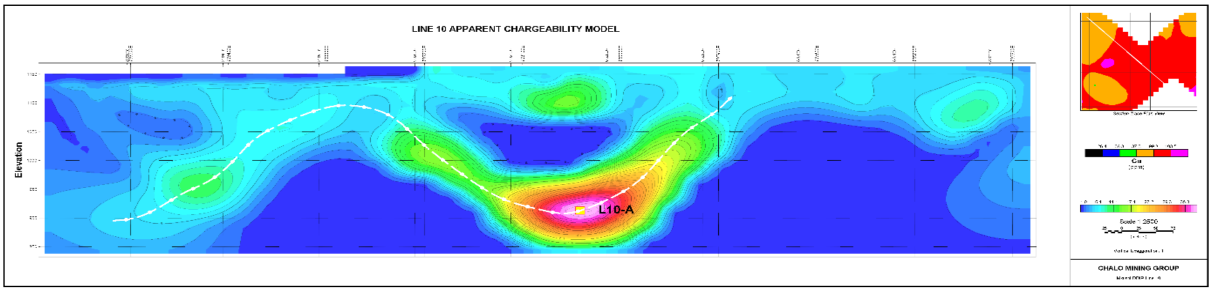
Comment: Medium chargeability anomalies **L6-A** and **L6-B** with associated Cu anomalism



Comments: **L9-A**, **L9-B** and **L9-C**v discrete highly chargeable bodies within a zone of generally high Cu anomalism



Comment: Extremely chargeable body **L8-A** with proximal high Cu anomalism



Comments: Anomaly **L10-A** is a discrete high chargeability zone within an interpreted synform with associated Cu anomalism

Source: CCZ geology team

In addition, the geophysicist's report noted there is a major NE trending fault that cuts across the Mkushi Project which could potentially be the source of mineralising fluids in the region.

This is consistent with earlier findings by CCZ's geology team which identified two parallel shear zones 2-3km apart trending NE-SW that originates in Shi Yan Group's (SYG) contiguous mining lease. Note, the north shear zone is in SYG's ground which is currently an operating copper mine[4].

The fault structures and anomalous areas that were previously delineated – Areas A, B & C are on the north and east boundaries of SYG's operation (refer to Figure 1).

Strategic partner

With multiple primary targets for test drilling identified at the Mkushi and Luanshya Projects, which boosts their exploration potential materially, the Board has decided to seek a strategic partner to further develop the Zambian assets.

Next steps

In NSW:

- JORC 2012 compliant mineral resource estimate for the BHA Project, East Zone.

In Queensland:

- Awaiting assay results for the Arya Prospect.
- Big One Deposit – formalising timing for next drilling campaign.

In Zambia:

- Complete work on the inaugural drilling campaigns for the Luanshya & Mkushi Projects.

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

Dr Dennis Jensen
CEO

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."

References

1) CCZ ASX Release – 2 November 2020,
2) Geophex Surveys Limited. Available at: <http://africa.geovale.com/assosciates/geophex-surveys-limited/>
3) CCZ ASX Release – 25 October 2021
4) CCZ ASX Release – 21 October 2019

Competent Person Statement

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

Disclaimer Regarding Forward Looking Statements

This ASX announcement (Announcement) contains various forward-looking statements. All statements other than statements of historical fact are forward-looking statements. Forward-looking statements are inherently subject to uncertainties in that they may be affected by a variety of known and unknown risks, variables and factors which could cause actual values or results, performance, or achievements to differ materially from the expectations described in such forward-looking statements.

Castillo Copper Limited does not give any assurance that the anticipated results, performance, or achievements expressed or implied in those forward-looking statements will be achieved.

APPENDIX A: IP SURVEY RESULTS

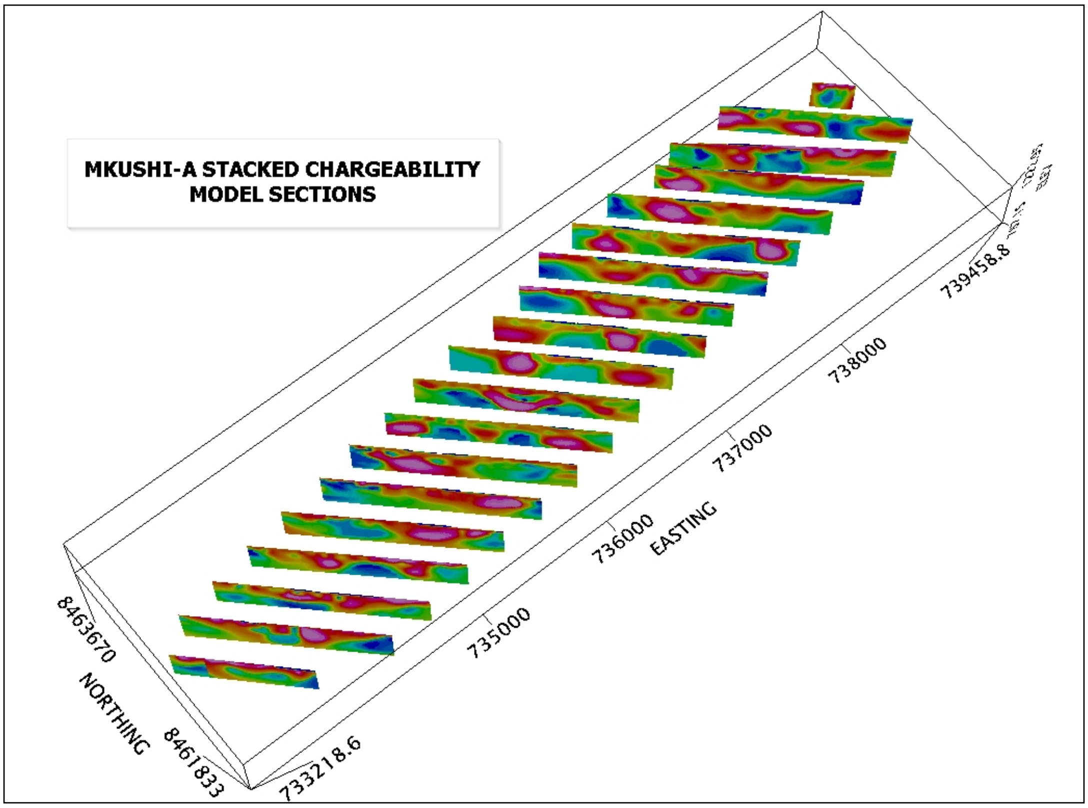
FIGURE A1: ANOMALY SUMMARY AND PRIORITISATION
P1= High Priority, P2= Medium Priority, P3= Low Priority

ANOMALY	COMPONENTS	AMPLITUDE(mV/V)	PRIORITIZATION
L1-A	Low chargeability, no Cu, possibly formational	4	**P3**
L2-A	Medium chargeability, no Cu	8	**P3**
L3-A	Medium chargeability, no Cu	7	**P3**
L3-B	Low chargeability, associated low amplitude Cu	4	**P2**
L4-A	Medium chargeability, no direct geochem but proximal.	8	**P2**
L4-B	Medium chargeability, no direct geochem but proximal.	6	**P2**
L4-C	Medium chargeability, no direct geochem but proximal.	7	**P2**
L5-A	Medium chargeability, Cu, possible antiform	7	**P1**
L5-B	Medium chargeability, Cu, possible antiform	8	**P1**
L6-A	Medium chargeability, High Cu, magnetic association	8.2	**P1**
L6-B	Medium chargeability, High Cu, magnetic association	9.4	**P1**
L7-A	Medium chargeability, High Cu	8.1	**P1**
L8-A	Extreme high chargeability, medium Cu, possible fold hinge	70	**P1**
L9-A	High chargeability, high Cu, possible fold hinge	28	**P1**
L9-B	High chargeability, high Cu	15	**P1**
L9-C	High chargeability, high Cu	32	**P1**
L10-A	High chargeability, high Cu	39	**P1**
L11-A	High chargeability	31	**P2**
L11-B	High chargeability, High Cu	17.45	**P1**
L12-A	Extreme chargeability, high Cu, fault structure	69	**P1**
L12-B	High chargeability, medium Cu	27.4	**P1**
L13-A	Medium chargeability, High Cu	8.6	**P1**
L13-B	Medium chargeability, medium Cu	7.2	**P2**
L14-A	Low chargeability, Cu, possible folded unit	6.7	**P3**
L14-B	Low chargeability, Cu, possible folded unit	6.2	**P3**
L15-A	High chargeability, high Cu, possible structural control	21	**P1**
L15-B	Medium chargeability, high Cu	8.3	**P3**
L15-C	High chargeability, high Cu	13.8	**P1**
L16-A	High chargeability, high Cu, magnetic association	15	
L16-B	Medium chargeability, high Cu	8.7	**P2**
L17-A	High chargeability, no Cu	11	**P3**
L17-B	Low chargeability, high Cu, possible structural control	6.2	**P3**
L18-A	Medium chargeability, deep-seated, possible structural control, Cu.	7.4	**P2**
L18-B	Medium chargeability, shallow, Cu	8.8	**P3**
L19-A	Extreme chargeability, no soils	62	**P2**
L19-B	Extreme chargeability, low Cu	61	**P3**
L19-C	High chargeability, high Cu	29.2	**P1**
L20-A	Shallow, medium chargeability, possible overburden response. Cu possibly from underlying magnetic unit.	8	**P3**
L21-A	Medium chargeability, high Cu, magnetic association	10.1	**P1**
L22-A	Low chargeability, Cu, low mag association	4.5	**P3**
L22-B	Low chargeability, Cu, low mag association	5	**P3**
L23-A	Low chargeability, high Cu	4.3	**P2**
L24-A	Shallow low chargeability, high Cu	4.23	**P2**
L25-A	Dipping, low chargeability, high Cu	4	**P2**
L26-A	Low chargeability, high Cu	5.0	**P2**
L35-A	Low chargeability, high Cu, possible structural control	5	**P2**
L36-A	Medium chargeability, Cu	6	
L37-A	Low chargeability, high Cu	4.3	**P2**
L37-B	Low chargeability, low Cu	4.1	**P3**
L38-A	Medium chargeability, low Cu, low mag association, possibly formational	8	**P3**
L40-A	Low chargeability, shallow, dipping, Cu	4.7	**P2**
L42-A	High chargeability, high Cu, low mag association	21.6	**P1**
L42-B	High chargeability, high Cu, low mag association	33	**P1**
L44-A	Medium chargeability, high Cu	7.5	**P1**

ANOMALY	COMPONENTS	AMPLITUDE(mV/V)	PRIORITIZATION
L44-B	Medium chargeability, high Cu	7.3	P1
L44-C	Medium chargeability, high Cu	6.9	P1
L46-A	Medium chargeability, high Cu, possible structural control	8.0	P1
L46-B	Medium chargeability, low Cu	6.2	P2
L48-A	Medium chargeability, high Cu	7	P1
L50-A	Medium chargeability, high Cu	8	P1
L50-B	Low chargeability, high Cu, possible structural control	5	P2
L52-A	Discrete high chargeability, Cu	10.3	P1
L52-B	Low chargeability, low Cu	5.5	P3
L52-C	Shallow, High chargeability, high Cu	15	P1
L54-A	High chargeability, possible synform, low Cu	34	P3
L54-B	High chargeability, high Cu	41	P1
L54-C	High chargeability, high Cu	29	P1
L56-A	Discrete, high chargeability, high Cu	16	P1
L56-B	Discrete high chargeability, moderate Cu	41	P1
L56-C	High chargeability, low Cu, adjacent high Cu	58	P2
L58-A	Shallow, low chargeability, low Cu	4	P3
L58-B	Dipping low chargeability, low Cu	3.6	P3

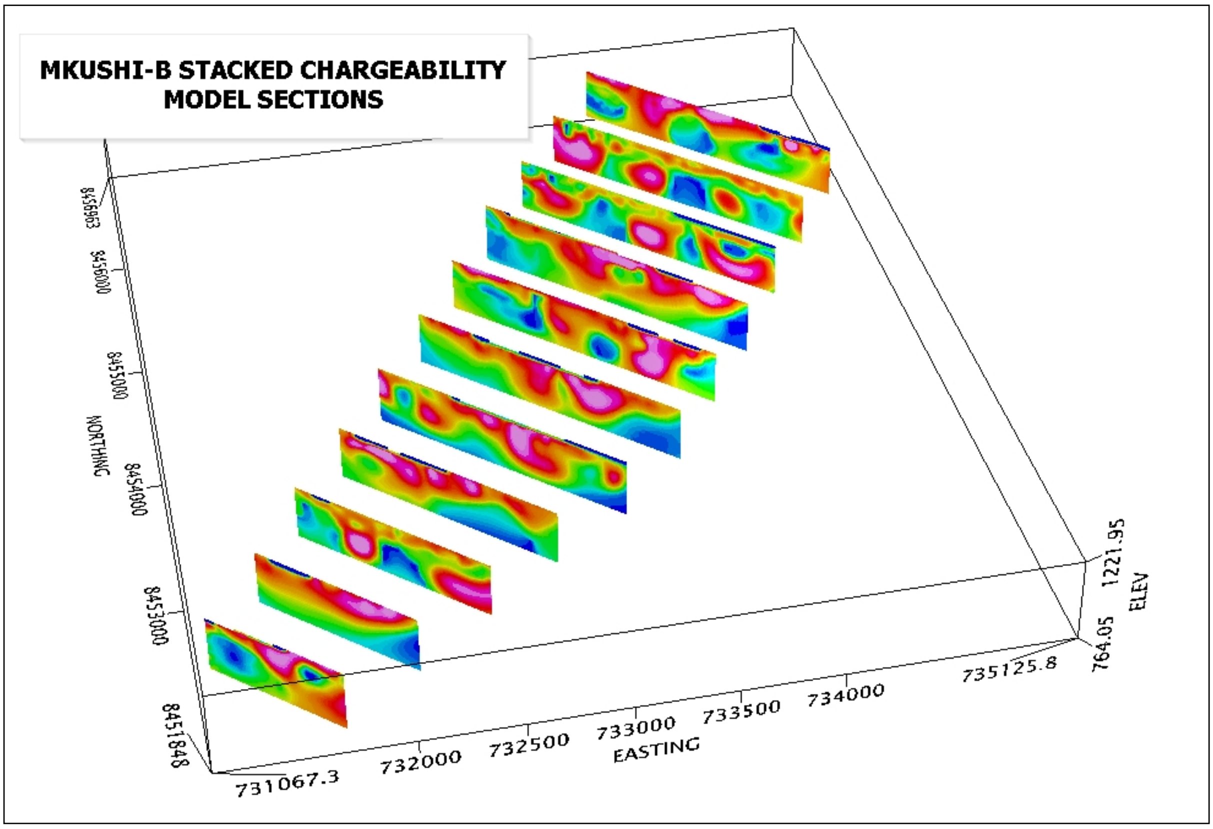
Source: CCZ geology team

FIGURE A2: MKUSHI-A STACKED APPARENT CHARGEABILITY SECTIONS



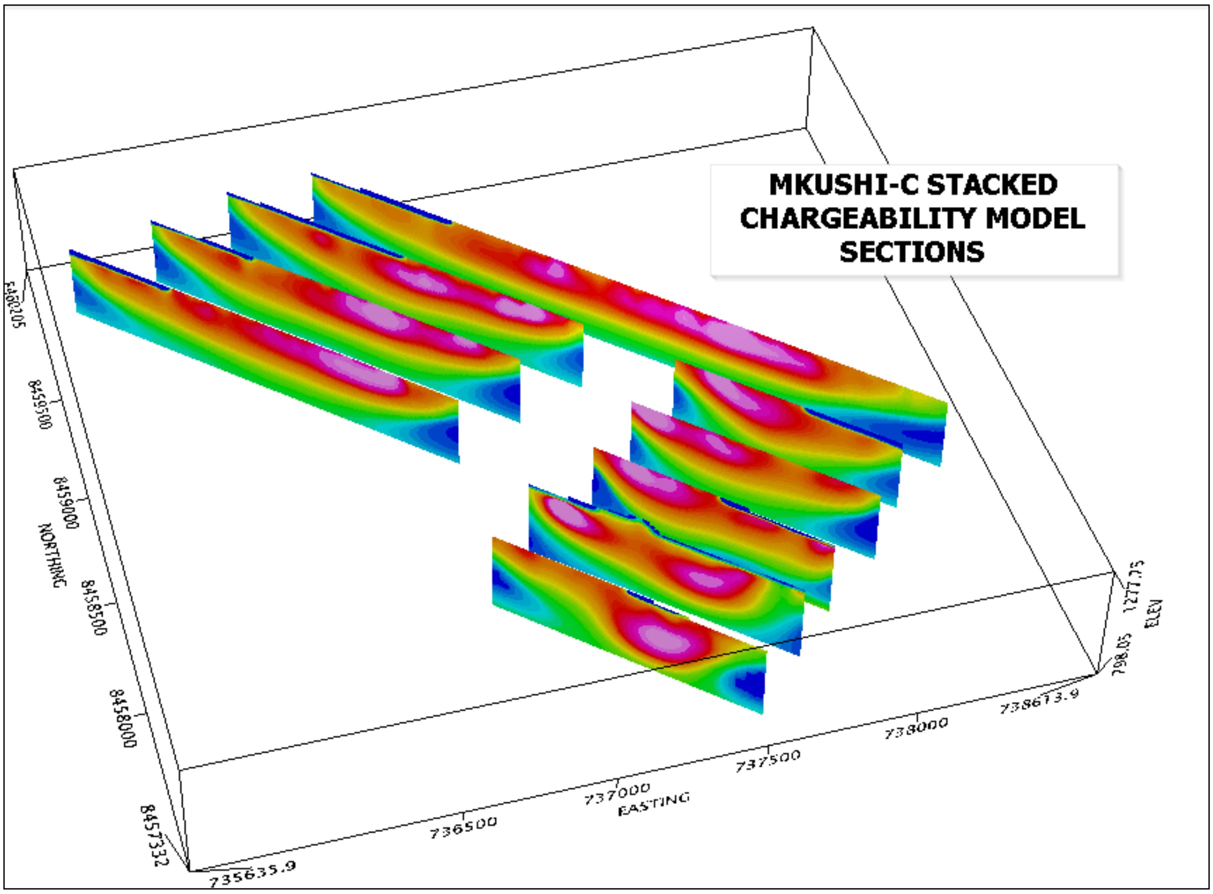
Source: CCZ geology team

FIGURE A3: MKUSHI-B STACKED APPARENT CHARGEABILITY SECTIONS



Source: CCZ geology team

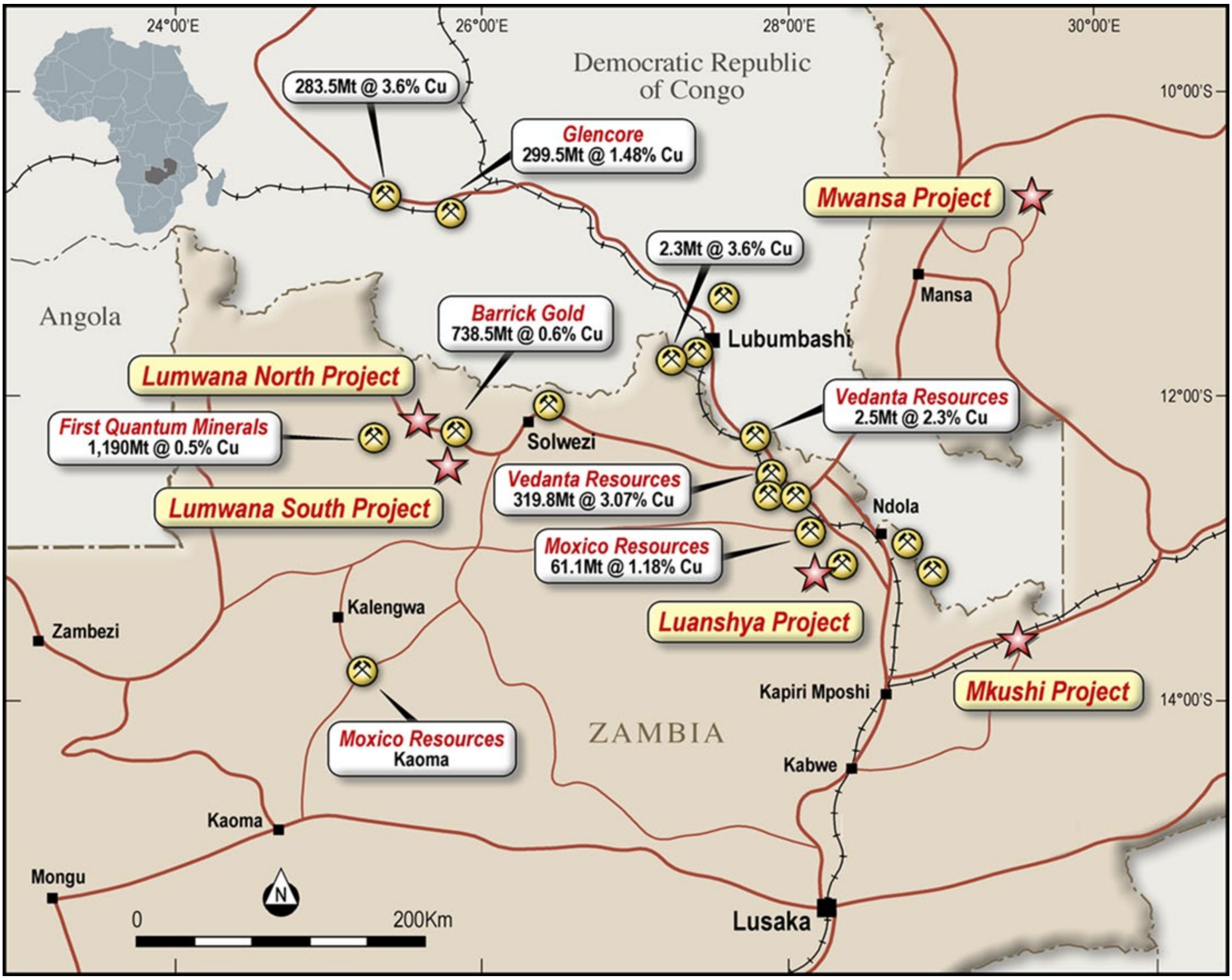
FIGURE A4: MKUSHI-C STACKED APPARENT CHARGEABILITY SECTIONS



Source: CCZ geology team

APPENDIX B: REGIONAL MAP

FIGURE B1: ZAMBIA COPPER PROJECTS



Source: CCZ geology team

APPENDIX C: JORC CODE, 2012 EDITION – TABLE 1

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• Not applicable for induced Polarization survey program reporting. There was no drilling conducted.
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• Not applicable no drilling was conducted.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• Not applicable no drilling was conducted.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.*	• Not applicable no drilling was conducted.

	• *The total length and percentage of the relevant intersections logged.*	
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• Not applicable no drilling was conducted.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• Induced polarization survey completed on 8 SW-NE lines • The Survey utilizing a 2 second pulse and a Dipole-Dipole array with the potential electrodes preceding the current electrodes. • Dipole spacing of 50m with reading levels from n=1 to n=8. • Survey carried in lines spaced at 500m in base line of 6km • Base station corrections are done daily. • Digital data associated with this report are provided in WGS84 and Projected at UTM zone 35S
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• Not applicable for IP survey
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• Positions were collected using hand held GPS with accuracy of +/-3m and is considered more than sufficient for the survey being conducted. • All the data are reported using a WGS84 datum and projection UTM zone 19S

Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• IP lines had 50m dipole spacings with lines running SW-NE and spaced 500m. • The data is sufficient to establish continuity.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• The SW-NE lines direction are perpendicular to the interpreted strike of geochemical anomaly.
Sample security	• *The measures taken to ensure sample security.*	• Not applicable for IP Survey
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• No audits or reviews have yet been under taken

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• The tenements referred to in this release are 25195-HQ-LEL owned by Belmt Resources Mining Company Ltd.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Castillo is not aware of any previous exploration or evaluation of permit
Geology	• *Deposit type, geological setting and style of mineralisation.*	• Copper Mineralization is of the sedimentary hosted copper type
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* ○ *easting and northing of the drill hole collar* ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* ○ *dip and azimuth of the hole* ○ *down hole length and interception depth* ○ *hole length.*	• There is no exploration done in the area known to Castillo Copper.

	If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.	
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• Data aggregation was not used
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• Not applicable
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of*	• A map showing the IP Lines locations are shown in figure 1

	intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.	
Balanced reporting	*Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• All results are reported
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• Soil geochemical sampling information and results previously reported • Digitized regional geological information
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• A drilling program to follow up the results of the IP and soil sampling programs is planned.