



CASTILLO COPPER
LIMITED

ASX Release

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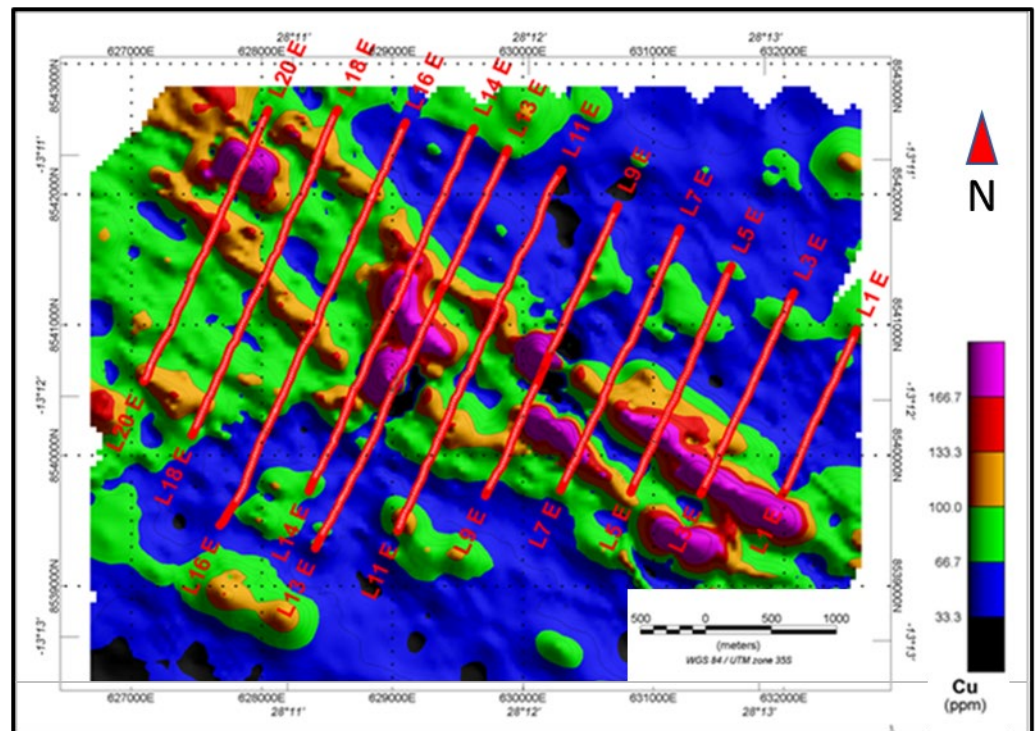
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ASX/ LSE Symbol:
CCZ

Up to 14 drill targets identified at Luanshya Project post-IP survey

- Up to 14 chargeable zones identified in the recent Induced Polarisation (IP) survey – within a 6km zone of copper surface anomalism – which represent excellent drill targets at the Luanshya Project in Zambia's copper-belt¹ (Figure 1)
- Modelling was undertaken by CCZ's consultant geophysicist, who interpreted the IP survey results, which covered the 6km long soil anomaly, which were defined after extensive soil sampling campaigns

FIGURE 1: IP SURVEY RELATIVE TO COPPER SURFACE ANOMALISM



Source: CCZ geology team

- **More encouragingly, the geophysicist noted there are “several zones of high chargeability with associated copper anomalism, which are potential bodies of disseminated copper sulphide mineralisation”**
- **In addition, the geophysicist highlighted the high-chargeability zones are coincident with a previously identified NW-SE trendline^{2,3} that is ~5-10km wide and hosts historic / current operating mines & deposits³**
 - ❖ **This is positive as it suggests any underlying mineralisation could be structurally controlled, with the potential for mafic sources of copper anomalism in the region²**
- **There is now ample data to fully map out an inaugural drilling campaign for the Luanshya Project to test the identified targets, and commence negotiations with drilling contractors to formalise a timeline**
- **Meanwhile, the IP survey is now underway at the Mkushi Project, focusing on areas delineated from previous sampling campaigns**

CCZ's Managing Director, Simon Paull, commented: “The geophysicists' interpretations on the Luanshya Project is welcomed news and highlight the exploration potential across this 6km soil anomaly. With the global copper market in the midst a strong upcycle, due to perceived tight supplies, the Board is moving forward to expedite developing the Zambia copper assets. This provides geographic exploration diversity across our copper asset portfolio, whilst we concurrently progress due diligence on the Litchfield & Picasso Lithium Projects.”

Castillo Copper Limited's ("CCZ") Board is pleased to announce the completion of the IP survey campaign at the Luanshya Project in Zambia's copper-belt (Appendix A). The program focused on a 6km long soil anomaly that was previously delineated via running two surface sampling campaigns¹. The final geophysicist's report, which reconciled the geochemical and geophysical results, identified up to 14 targets for test-drilling which potentially comprise disseminated copper sulphide mineralisation.

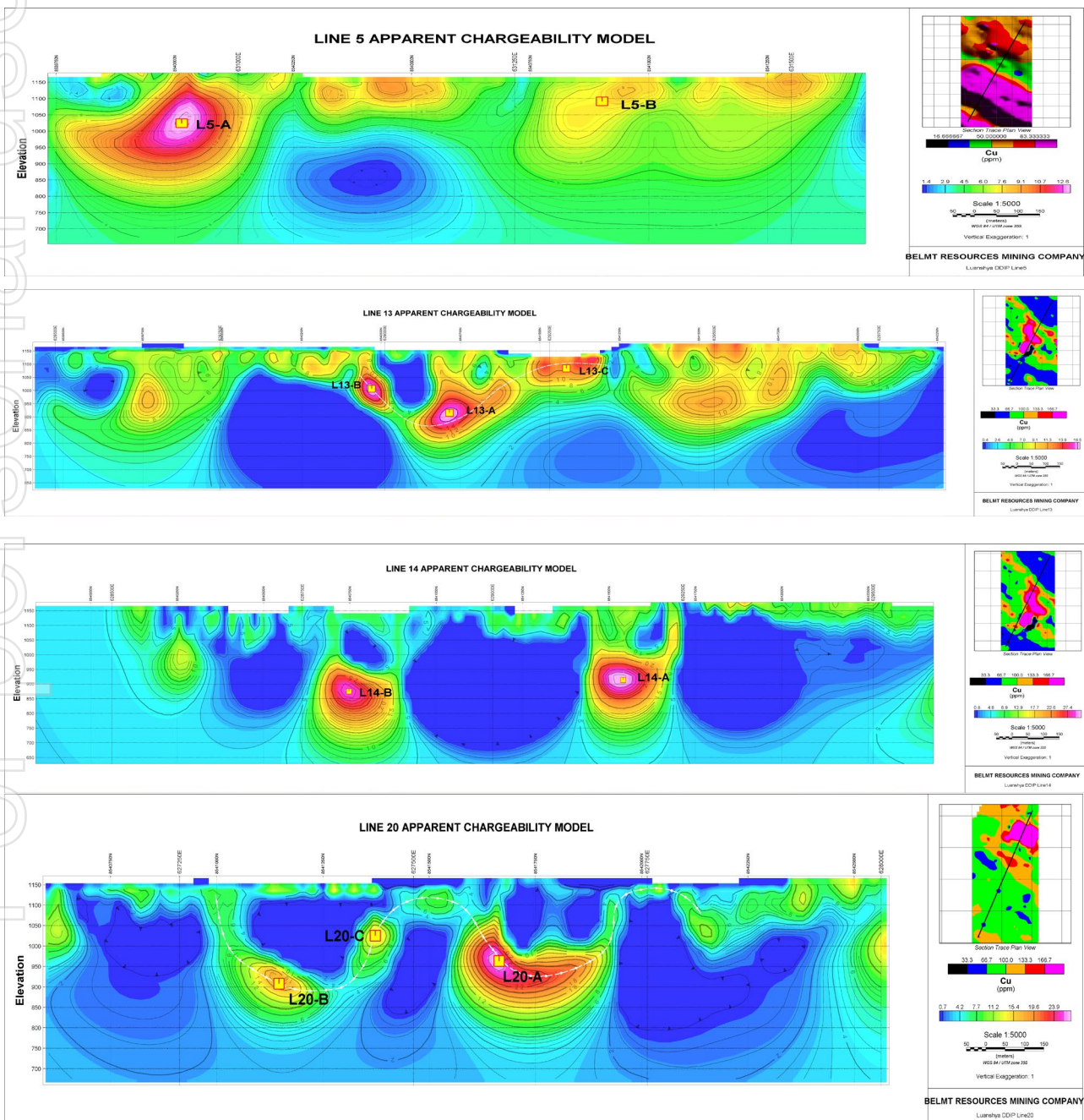
INTERPRETED DRILLABLE TARGETS

The geophysicists' terms of reference were to interpret and map potential disseminated copper sulphide mineralisation, associated with observed soil copper geochemical anomalism across the 6km strike event at the Luanshya Project. Out of the IP survey lines completed, 11 were selected for closer analysis.

Of these, Lines 3, 5, 7, 9, 11, 13, 14, 16, 18 & 20 had chargeability linked to copper surface anomalism which identified up to 14 drillable targets (Figure 2 – selected illustrations). For Line 1, however, the chargeability was not associated with copper surface anomalism, rather anti-formal structures.

Overall, the geophysicist noted in the report there are *“several zones of high chargeability with associated copper anomalism, which are potential bodies of disseminated copper sulphide mineralisation”*.

FIGURE 2: SELECTED CHARGEABILITY MODELS – LINES 5, 13, 14 & 20

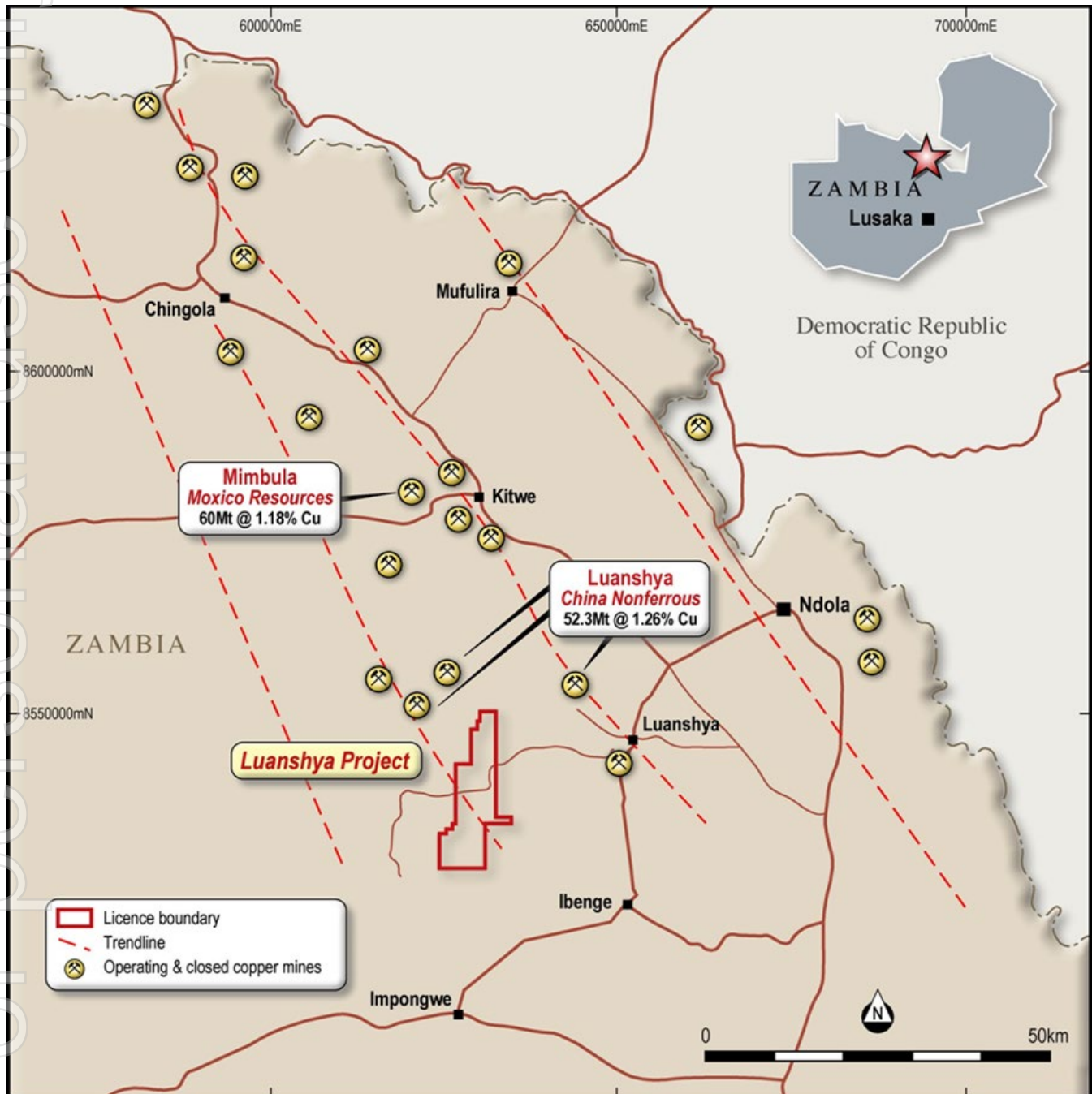


Note: 1) BELMT Resources Mining Co is a subsidiary of CCZ; 2) Refer Appendix B Lines 16, 18, 20. Source: CCZ geology team

A key point the geophysicist highlighted was the fact all the chargeability zones are coincident with a previously identified NW-SE trendline that is ~5-10km wide and hosts historic / current operating mines & deposits³ (Figure 3).

This is positive as it suggests any underlying mineralisation could be structurally controlled, with the potential for mafic sources of copper mineralisation in the region².

FIGURE 3: NW-SE TREND LINE INTERSECTING LUANSHYA PROJECT



Source: CCZ geology team

Based on the foregoing, there is now ample data to fully map out an inaugural drilling campaign for the Luanshya Project to test the identified targets and commence negotiations with drilling contractors to formalise a timeline.

Next steps

There are several ongoing steps for the Zambia operations, including:

- IP survey progress updates at the Mkushi Project then analyse the results for incremental targets for test-drilling; and
- Commence work on the inaugural drilling campaign at the Luanshya Project.

For the lithium projects:

- Ongoing due diligence for the Picasso and Litchfield Lithium Projects, including return of assay results for surface sampling campaigns.

In Queensland, the following is set to take place over the coming weeks:

- Updates on drilling at Arya Copper Prospect.

For and on behalf of Castillo Copper

Simon Paull

Managing Director

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 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 zinc-silver-lead-copper-gold.
- 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 – 1 July and 31 August 2021
- 2) Geophex Surveys Limited. Available at: <<http://africa.geovale.com/associates/geophex-surveys-limited/>>
- 3) CCZ ASX Release – 16 September 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 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 Australian Securities Exchange has not reviewed and does not accept responsibility for the accuracy or adequacy of this release.

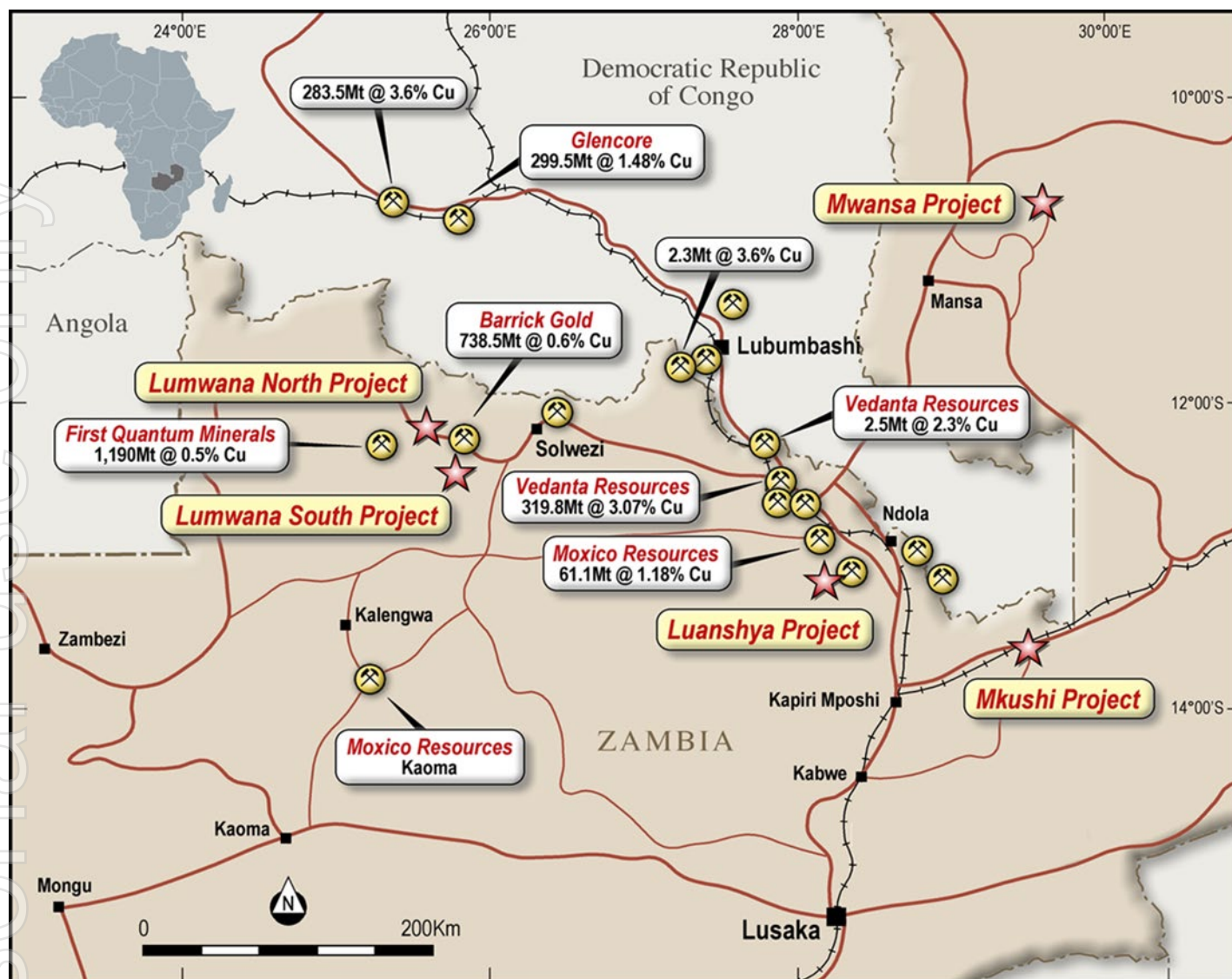
Disclaimer Regarding Forward Looking Statements

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: REGIONAL MAP

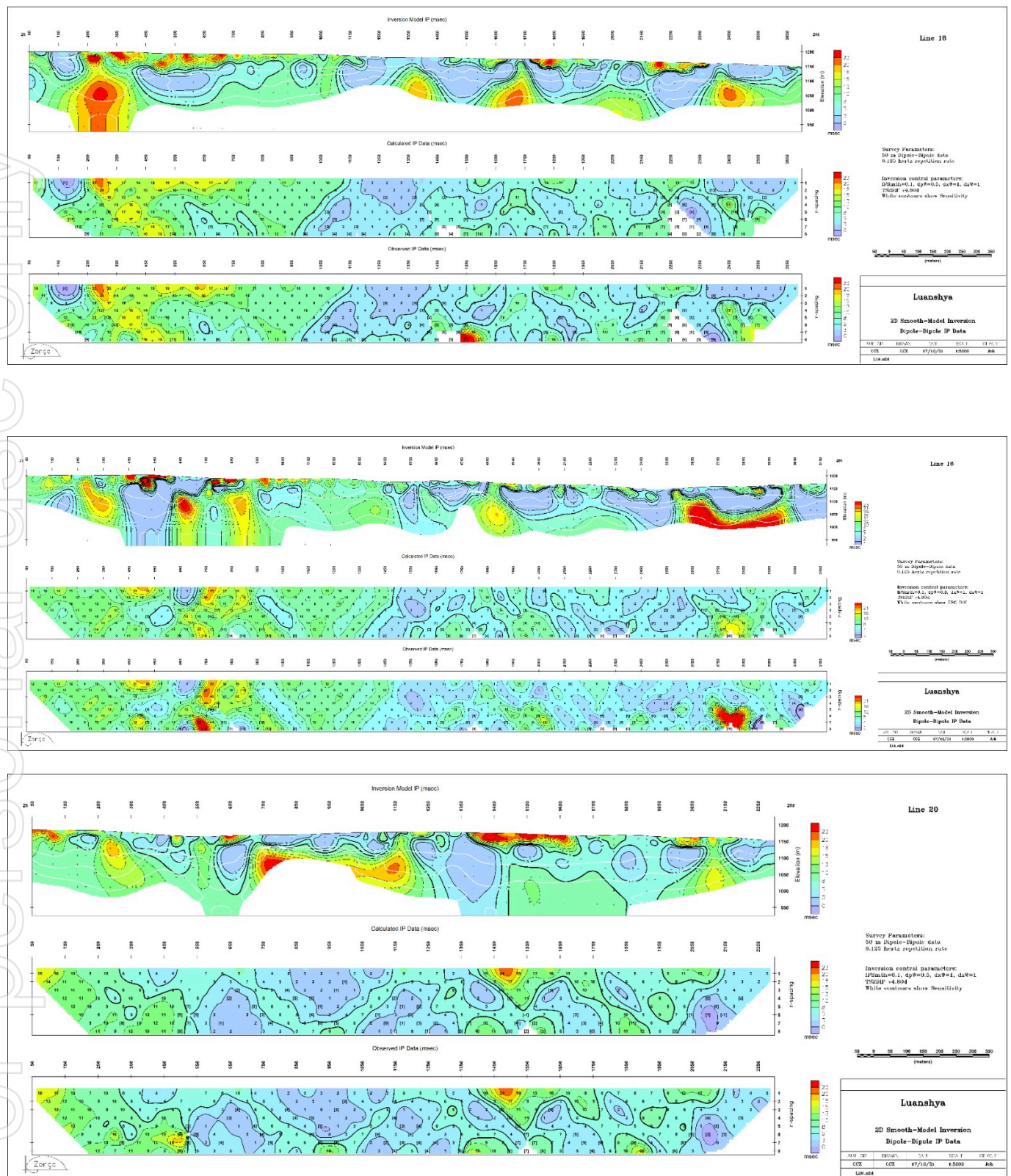
FIGURE A1: ZAMBIA COPPER PROJECTS



Source: CCZ geology team

APPENDIX B: INCREMENTAL IP SURVEY RESULTS

FIGURE B1: MODELLED IP LINES 16 18 AND 20



Source: CCZ geology team

APPENDIX B: JORC CODE, 2012 EDITION – TABLE 1

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Not applicable for induced Polarization survey program reporting. There was no drilling conducted.
Drilling techniques	<ul style="list-style-type: none"> 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). 	<ul style="list-style-type: none"> Not applicable no drilling was conducted.
Drill sample recovery	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Not applicable no drilling was conducted.
Logging	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Not applicable no drilling was conducted.

	<ul style="list-style-type: none"> The total length and percentage of the relevant intersections logged. 	
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Not applicable no drilling was conducted.
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Not applicable for IP survey
Location of data points	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> • <i>Data spacing for reporting of Exploration Results.</i> • <i>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.</i> • <i>Whether sample compositing has been applied.</i> 	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • <i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i> • <i>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.</i> 	<ul style="list-style-type: none"> • The SW-NE lines direction are perpendicular to the interpreted strike of geochemical anomaly.
Sample security	<ul style="list-style-type: none"> • <i>The measures taken to ensure sample security.</i> 	<ul style="list-style-type: none"> • Not applicable for IP Survey
Audits or reviews	<ul style="list-style-type: none"> • <i>The results of any audits or reviews of sampling techniques and data.</i> 	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> The tenements referred to in this release are 25195-HQ-LEL owned by Belmt Resources Mining Company Ltd.
Exploration done by other parties	<ul style="list-style-type: none"> Acknowledgment and appraisal of exploration by other parties. 	<ul style="list-style-type: none"> Castillo is not aware of any previous exploration or evaluation of permit
Geology	<ul style="list-style-type: none"> Deposit type, geological setting and style of mineralisation. 	<ul style="list-style-type: none"> Copper Mineralization is of the sedimentary hosted copper type
Drill hole Information	<ul style="list-style-type: none"> 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: <ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> There is no exploration done in the area known to Castillo Copper.

	<p><i>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.</i></p>	
Data aggregation methods	<ul style="list-style-type: none"> <i>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.</i> <i>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.</i> <i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i> 	<ul style="list-style-type: none"> Data aggregation was not used
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> <i>These relationships are particularly important in the reporting of Exploration Results.</i> <i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i> <i>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').</i> 	<ul style="list-style-type: none"> Not applicable
Diagrams	<ul style="list-style-type: none"> <i>Appropriate maps and sections (with scales) and tabulations of</i> 	<ul style="list-style-type: none"> A map showing the IP Lines locations are shown in figure 1

	<i>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.</i>	
Balanced reporting	<i>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.</i>	<ul style="list-style-type: none"> • Not applicable
Other substantive exploration data	<ul style="list-style-type: none"> • <i>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.</i> 	<ul style="list-style-type: none"> • Soil geochemical sampling information and results previously reported • Digitized regional geological information
Further work	<ul style="list-style-type: none"> • <i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i> • <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i> 	<ul style="list-style-type: none"> • A drilling program to follow up the results of the IP and soil sampling programs is planned.