

Operational Update: Copper and Lithium Assets

Castillo Copper's Managing Director Simon Paull commented: "The Board is delighted to confirm the initial drilling campaign at the Arya Prospect has finished. Our team on site has done a superb job completing five drill-holes in demanding conditions. Moving forward, the Board is optimistic the geological interpretations will be positive and enthusiastically await assay results. Furthermore, the Board hopes to receive assays for the Litchfield and Picasso Lithium Projects shortly which should conclude the due diligence process."

OPERATIONAL UPDATE

Since the last operational update¹, Castillo Copper ("CCZ" or "the Company") has made further progress developing its copper operations in Queensland and Zambia. However, due to ongoing delays of processing assays, the option agreement to acquire the Litchfield and Picasso Lithium Project has been extended.

Arya Prospect, North-West Queensland Copper Project

The drilling campaign at the Arya Prospect has concluded (Figure 1), with five drill-holes completed and all samples having been despatched to the laboratory for analysis.

Based on indicative field observations from the team at site, the Board is optimistic that geological interpretations will affirm the exploration potential of the Arya Prospect. If this is validated, then a fuller drilling campaign will be commissioned in 1H 2022.

FIGURE 1: DRILLING OPERATIONS AT ARYA PROSPECT



Location: 352,500mN; 7865500mE Source: CCZ geology team



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Litchfield Lithium Project, Northern Territory

Due to ongoing delays at the laboratory, which is holding up assay results for over 650 surface samples from the Litchfield Lithium Project¹, the option acquisition agreement was extended until due diligence can be finalised.

The Board, however, is positive that observed pegmatite outcropping in the Litchfield Lithium Project – noted in geological reports provided by the vendor group – could potentially host lithium mineralisation (Figure 2). Consequently, reviewing and validating the assay results could potentially confirm mineralisation is contiguous between the Litchfield Lithium Project and Core Lithium's (ASX: CXO) Finniss Lithium Project (JORC compliant ore reserves: 7.4Mt @ 1.3% Li₂O; Appendix A)².

FIGURE 2: PEGMATITE OUTCROPPING – LITCHFIELD LITHIUM PROJECT



Location: mE 697018 mN 8601570

Source: CCZ geology team

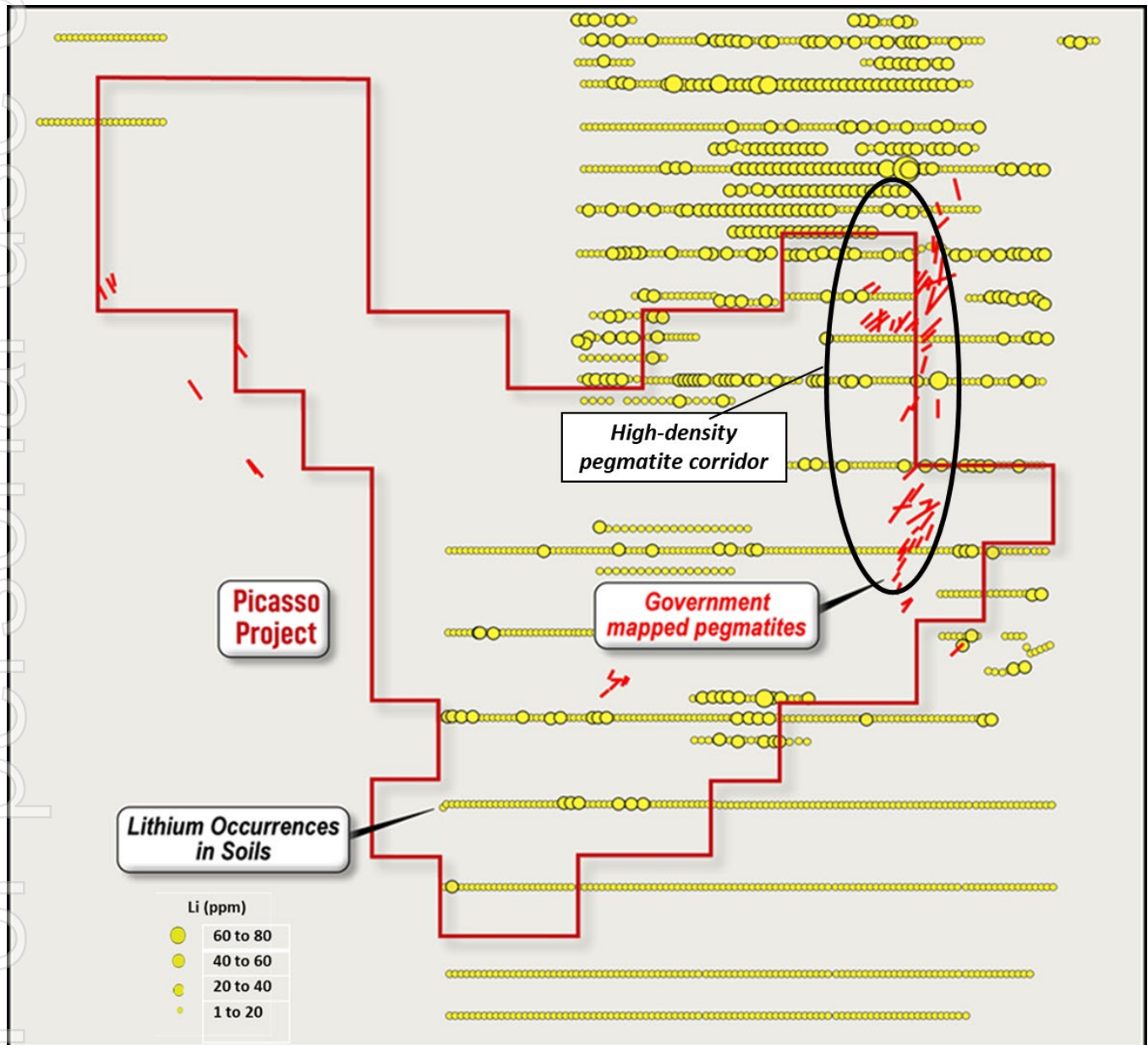
Picasso Lithium Project, Western Australia

During November 2021, members of CCZ's geology team spent several days at the Picasso Lithium Project reviewing pegmatite outcropping in the high-density corridor.

The geology team noted that a ~10km zone of pegmatite occurrences was confirmed in the north-eastern part of the tenure (Figure 3), which significantly exceeds government mapping.

Due to heavy over-growth, the team was unable to review outcropping pegmatites on the western boundary. However, this is an area of significance for future exploration given this part of the tenure is proximal to Liontown Resources' (ASX: LTR) Buldania Project (Appendix A) which has a JORC compliant resource at 14.9Mt @ 0.97% Li_2O^4 .

FIGURE 3: SURFACE LITHIUM OCCURRENCES, PICASSO LITHIUM PROJECT



Source: CCZ geology team

Luanshya Project, Zambia

The Zambian geology team are now working on the inaugural drilling campaign for the Luanshya Project, with 14 potential targets having been interpreted⁵ post the recent Induced Polarisation (IP) survey.

Mkushi Project, Zambia

The IP survey team are currently at the Mkushi Project (Figure 4) progressing the campaign and focusing on areas with known surface copper anomalies⁶. Once complete, a geophysicist will interpret the results, reconciling these with historical geochemical findings, and detail potential targets for follow up drill-testing.

FIGURE 4: IP SURVEY TEAM – MKUSHI PROJECT



Location: 845,1000mN; 725,800mE Source: CCZ geology team

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

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 – 9 November 2021
- 2) CXO ASX Release – 21 September 2021 (Annual Report)
- 3) CCZ ASX Release – 22 November 2021
- 4) LTR ASX Release – 2 August 2021 and CCZ ASX Release – 29 September 2021, 4 October 2021 & 22 November 2021
- 5) CCZ ASX Release – 25 October 2021
- 6) CCZ ASX Release – 1 July 2021

Competent Persons Statement

The information in this report that relates to Exploration Results for "Arya Prospect" 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.

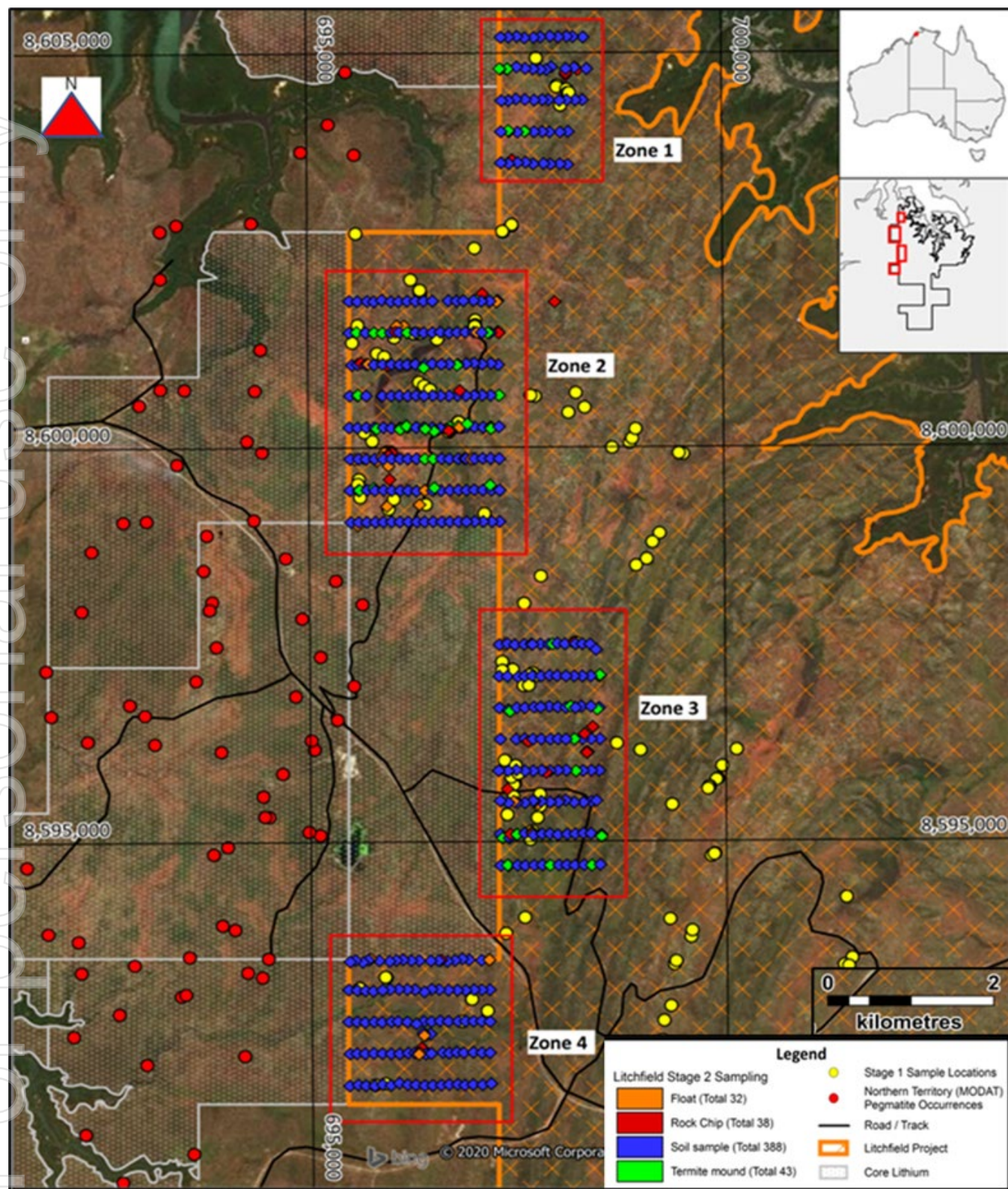
The information in this report that relates to Exploration Results for the Picasso and Litchfield Lithium Projects is based on information compiled or reviewed by Mr Geoffrey Reed, a Non- Executive Director of CCZ. Mr Reed is both a shareholder and director of Bluespoint Mining Services, a company which 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.

The information in this announcement that relates to exploration results for the Zambia assets 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.

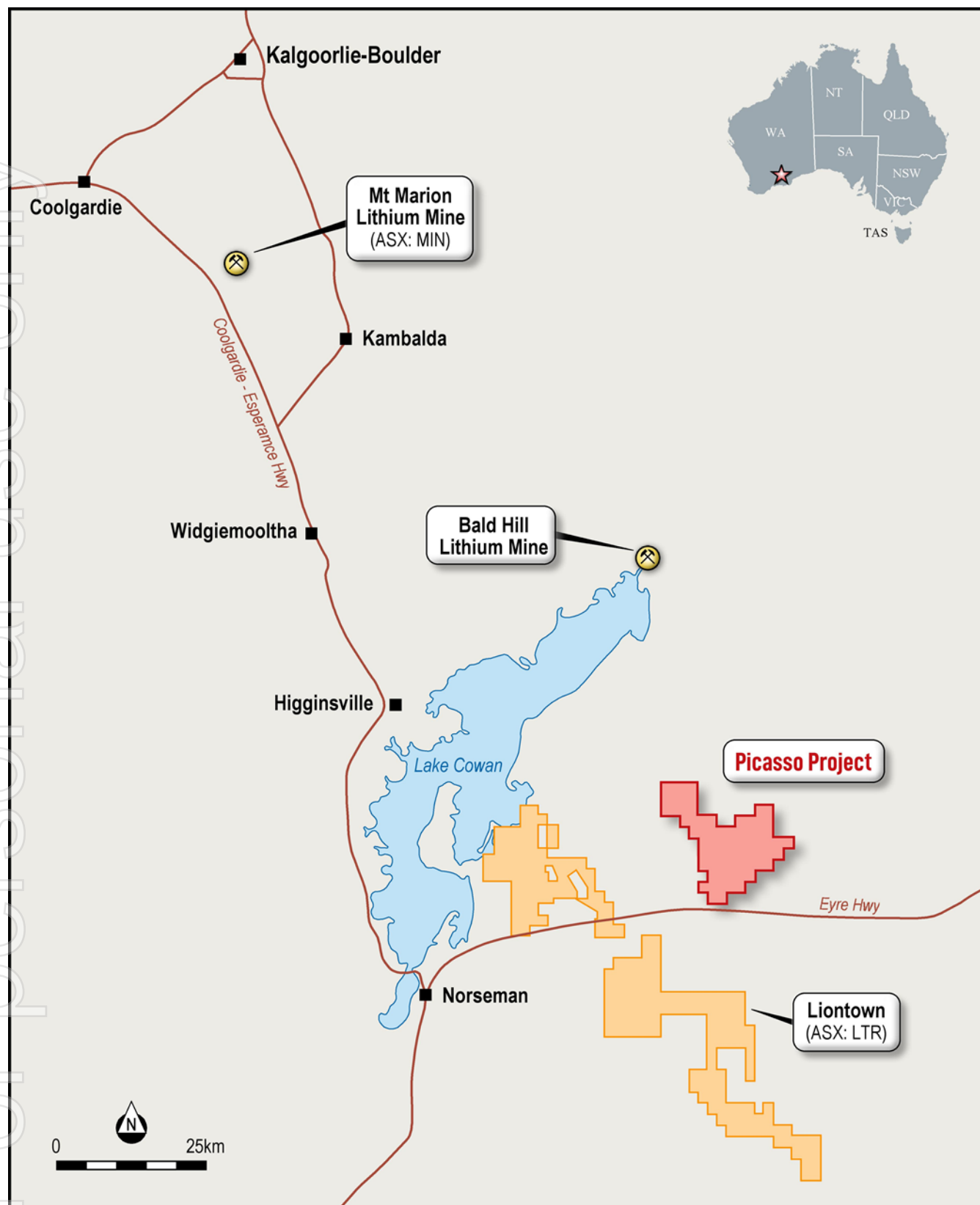
APPENDIX A: LITCHFIELD & PICASSO LITHIUM PROJECTS

FIGURE A1: LITCHFIELD LITHIUM PROJECT RELATIVE TO CXO'S GROUND



Source: CCZ geology team

FIGURE A2: PICASSO LITHIUM PROJECT RELATIVE PEERS, INFRASTRUCTURE



Source: CCZ geology team