



Company Profile

Castillo Copper (LSE/ASX: CCZ) is an explorer focused on developing copper assets. Currently, CCZ holds three copper projects across Australia and Zambia.



www.castillocopper.com

Stock Data

Listing	LSE / ASX
52-week range	1.99(1.75-3.2)
Market Cap	£20.59m
No. Shares	1.01b

Broker – SI Capital

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Castillo Copper (LSE/ASX: CCZ)

Castillo Copper (“Castillo”) holds a bullish long-term macro-outlook on copper with projects in Queensland, New South Wales and across the Zambian copper-belt. Most recently Castillo have focused their efforts on the Mt Oxide project in Queensland, Australia, where historic mining activity and exploration data indicate numerous targets that are either un-tested or overlooked. Analysing historic data from across the Mt Oxide Copper Project has identified two stand-out targets that deliver potential scale and exploration upside: Big One Deposit and Arya Prospect. Both targets are due to be drill tested in the current 2020 campaign where the team search for shallow high-grade supergene copper mineralisation and massive sulphides at depth.

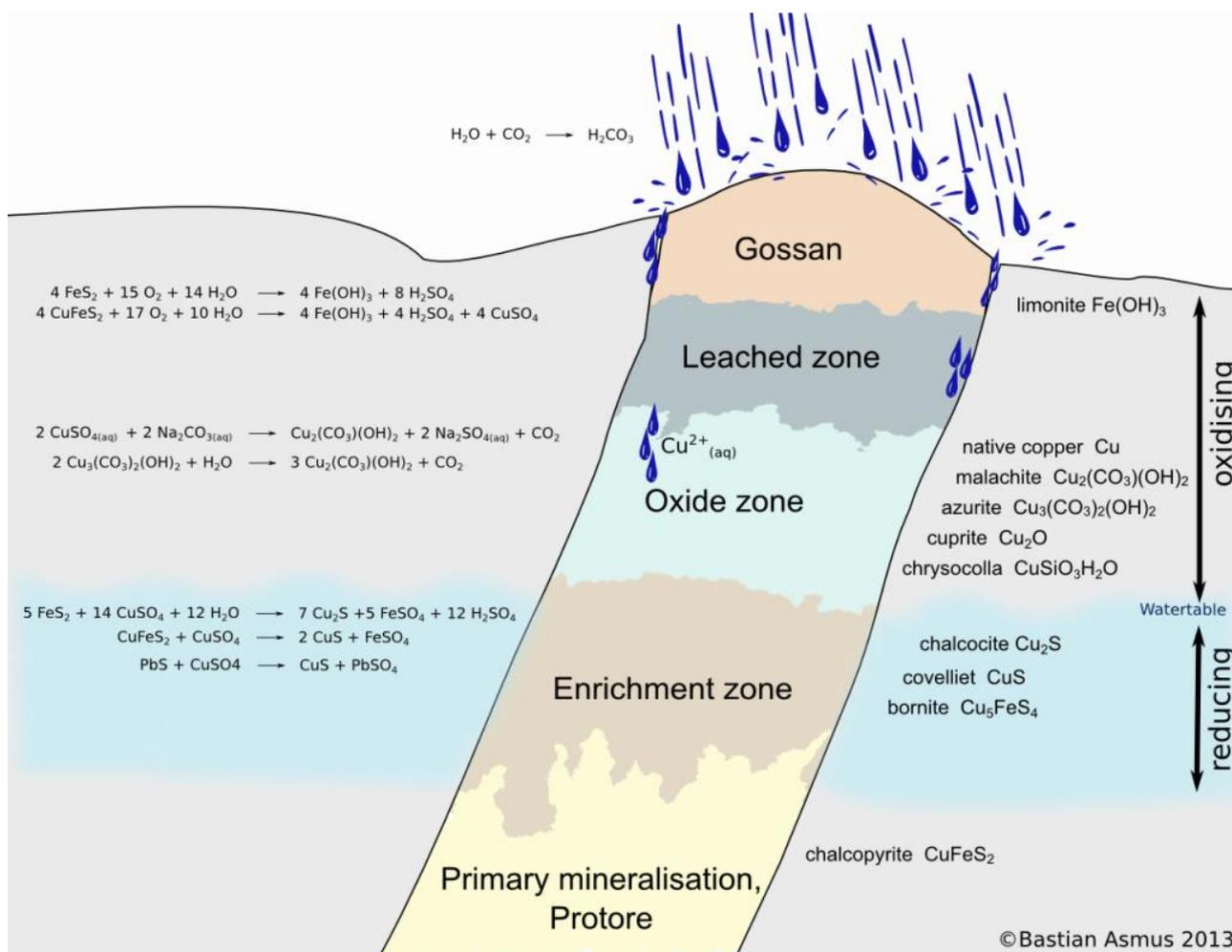
The Big One and geologically enriched mineralisation

Castillo Copper, the multi-jurisdiction early-stage copper exploration company are currently on hole 14 at the Big One target which is part of the 36-hole maiden RC drilling campaign at the Mt Oxide project. The team have focused on mineralisation associated with three historic shallow copper-oxide pits and have proven that the primary mineralization continues to depth. Following mapping at surface, step out drilling along strike has continued to show the system is open both to the north-east and south-west.

Recent drill results at Mt Oxide have intercepted both primary copper mineralization (sulphides of pyrite and chalcopyrite) as well as secondary sulphide copper mineralization (chalcocite). If the results are consistent it is subsequently referred to as a chalcocite-blanket, a naturally occurring near surface copper-sulphide upgraded zone. The process that forms such a zone is known as supergene enrichment where primary sulphides near surface are mobilized and re-deposited at a redox zone (water table) leaving behind copper oxide staining (malachite, azurite and black copper oxides). Supergene enrichment is of particular interest to miners as it creates a shallow, high-grade zone along the length of the porphyry and

could indicate that other such deposits in the area hold such enriched systems.

Being that Castillo's Mt Oxide-license area is endowed in multiple historic and untested targets the Big One could both develop into a substantial standalone asset or provide significant near term, high grade copper ore to a proximal larger discovery. One such significant target is Arya, a deep but extensive geophysical target which the team intend to drill test as part of the 2020 drill campaign.



Schematic of supergene enrichment where a fresh porphyritic dyke has been exposed by weathering to the surface, resulting in copper being re-mobilised and transported down to the redox zone, enriching the horizon (en.archaeometallurgie.de/gossan-iron-cap/).

Project Comparisons: Supergene enrichment

A similar example to the Big One target could be the Kverno Bolnisi deposit of London listed company Empire Metals (previously Georgian Mining), located in the Republic of Georgia. The primary ore body is different to that of the Big One as it is an epithermal phreatomagmatic pipe but, the secondary supergene processes are similar. Here a low grade primary copper-gold orebody become supercharged by weathering events creating a highly endowed copper horizon at the redox boundary. An in-situ copper-gold inferred resource of 947,000 tonnes at 0.94% copper and 0.15 grams gold was produced with further extensions to the orebody and is still yet to be tested.

Company Comparison: Early-stage Copper exploration

Chesterfield Resources is a London listed exploration company focused on copper-gold projects in Cyprus. The company secured a significant regional land package across both the North and western Troodos, conducting a number of geophysical and geochemical surveys to both target define, refine and rank. These surveys led to their Q1, 2020 auger campaign that used multiple shallow holes to test shallow geophysical targets for geochemical signatures. Following this work the team conducted a Q3 Dimond drilling campaign, focusing on two of these targets and refining the Cyprus-style mineralisation model. Despite the COVID-restrictions, Chesterfield Resources' work in identifying numerous un-tested targets and following up on the 2018 drill tested targets has caught the attention of major producer Polymetal. POLY like many producers, has made it clear that they are looking to invest and earn-into early-stage projects that show good exploration potential.

For more information on the company reviews, broker notes or analysis of other opportunities, please feel free to contact Charlie at charlie.stephenson@sicapital.co.uk.



By Charlie Stephenson **Mining Specialist ECM Analyst**

Charlie is an exploration and mining geologist with a wealth of knowledge. Charlie started his career in 2013 as a Junior geologist in Turkey and has since worked on a range of projects across Europe, East Africa, Australia, and Chile. In November 2019 Charlie joined the team as an ECM Analyst and Broker in Training, producing research notes and developing the SI Capital Research and Marketing Package.

Charlie holds a MSc in Mining Geology from Camborne School of Mines and a BSc in Geology from the University of Southampton.

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