

Castillo Copper Ltd

09:20 12 Oct 2017

Castillo Copper attracts Speculative Buy from Perth broker

Castillo Copper Ltd (ASX:CCZ) is well-funded and is set to receive \$3.4 million from a heavily oversubscribed capital raising.

Castillo's recent exploration success has attracted a Speculative Buy from Perth broker CPS Securities. The following is an extract from the report.

Overview

CCZ is an emerging Cu-Co-Zn-Ni explorer with four highly prospective projects across NSW/QLD.

The maiden JORC compliant Inferred Resource was 3.2Mt @ 3.35% Cu for the historic Cangai Copper Mine: it contains supergene ore up to 35% Cu / 10% Zn in unmined working sections which delivers re-opening potential.

Management's strategic intent is to define four JORC compliant resources across the project groups.

With an experienced executive team and differentiated low-capex business plan, which allows CCZ to expedite ore to market, we initiate coverage with a Speculative BUY.

Investment Highlights

Recent acquisition increases footprint.

Following the completion of a recent acquisition, CCZ now has a large mineralised footprint with 11 highly prospective Cu-Co-Zn-Ni tenures in NSW/QLD including the historic Cangai Copper Mine - with supergene ore up to 35% Cu / 10% Zn - spread across four project groups: Jackaderry and Broken Hill in NSW; Mt Oxide and Marlborough in QLD.

High-grade maiden JORC Inferred Resource at Cangai Copper Mine.

Applying high-tech 3D modelling to the Cangai Copper Mine (within Jackaderry) using legacy data, resulted in an exceptionally high-grade maiden JORC compliant Inferred Resource of 3.2MT @ 3.35% Cu being generated ; this is arguably one of the highest-grade Cu resources in Australia with contained Cu of circa 108,000Mt - a clear re-opening candidate for the unmined working sections.

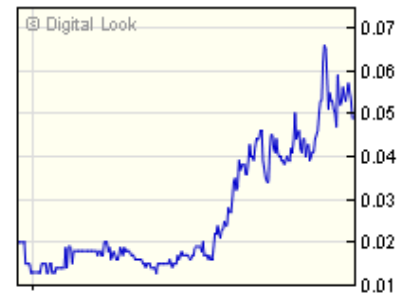
Direct shipping of ore to generate higher margins.

Leveraging excellent existing transportation infrastructure, supergene ore from Cangai Copper Mine potentially enables CCZ to directly ship ore to key north Asian markets via Newcastle Port.

Price: A\$0.05

Market Cap: A\$28.99M

1 Year Share Price Graph



Share Information

Code: CCZ

Listing: ASX

52 week High Low
0.07p 0.013p

Sector: General Mining

Website: www.castillocopper.com

Company Synopsis:

Castillo Copper Ltd (ASX:CCZ) is focused on copper exploration in Chile.

Author:

Proactive Investors Australia

+61 (0)2 9280 0700

action@proactiveinvestors.com.au

This avoids large-scale capital expenditure and enables CCZ to quickly monetise the current base-metal upcycle.

This is clearly CCZ's most differentiated selling point.

Targeting three additional incremental JORC compliant Inferred Resources.

Post Cangai, the next target is to use cost effective legacy data where possible (otherwise it requires drilling) to JORC model significant high-grade zinc and cobalt mineralisation areas in the Broken Hill Project.

Two more JORC compliant Inferred Resources for the Mt Oxide (Cu-Co) and Marlborough (Ni-Co) projects will progress post the inaugural drilling program, which will commence at Cangai Copper Mine before year-end.

Valuation

Factoring in the start of a base metal upcycle and comparing the market capitalisations of similar Cu-Co-Zn-Ni ASX-listed stocks, especially Corazon (CZN; MC: \$24m) which owns 51% of the tenement directly adjacent to the Jackaderry Project, CCZ's current market capitalisation (\$20m) is undemanding.

Furthermore, when building in incremental exploration and resource size upside across the four project groups, CCZ's undervaluation argument relative to peers becomes far more compelling:
Speculative Buy.

Proactive Investors facilitate the largest global investor network across 4 continents in 4 languages. With a team of analysts journalists & professional investors Proactive produce independent coverage on 1000's of companies across every sector for private investors, private client brokers, fund managers and international investor communities.

Contact us +61 (0)2 9280 0700 action@proactiveinvestors.com.au

No investment advice

The information on this Site is of a general nature only. It does not take your specific needs or circumstances into consideration, so you should look at your own financial position, objectives and requirements and seek financial advice before making any financial decisions. You acknowledge and understand that neither the Company, its related bodies corporate, the information providers or their affiliates will advise you personally about the nature, potential value or suitability of any particular security, portfolio of securities, transaction, investment strategy, or other matter. You should read our FSG and any other relevant disclosure documents and if necessary seek persona advice prior to making any investment decision.

You understand and agree that no Content (as defined below) published on the Site constitutes a recommendation that any particular security, portfolio of securities, transaction, or investment strategy is suitable or advisable for any specific person.

You understand that in certain circumstances the Company, its related bodies corporate, the information providers or their affiliates may have received, or be entitled to receive, financial or other consideration in connection with promoting, and providing information about, certain entities on the Site and in communications otherwise provided to you.

You understand that price and other data is supplied by sources believed to be reliable, that the calculations herein are made using such data, and that neither such data nor such calculations are guaranteed by these sources, the Company, the information providers or any other person or entity, and may not be complete or accurate. From time to time, reference may be made in our marketing materials to prior articles and opinions we have published. These references may be selective, may reference only a portion of an article or recommendation, and are likely not to be current. As markets change continuously, previously published information and data may not be current and should not be relied upon.

Before you act on any general advice we provide, please consider whether it is appropriate for your personal circumstances.