

Castillo Copper Ltd

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Castillo Copper intends to progress Cangai Copper Project to scoping study

Castillo Copper Ltd (ASX:CCZ) has formalised plans to progress the Cangai Copper Project in northern NSW towards a scoping study and ultimately through to a bankable feasibility study (BFS).

The project, one of Australia's highest grading historic copper deposits, includes the historic Cangai Copper Mine (CCM) and is one of three pillars CCZ is developing with an aim to become a mid-tier copper producer.

An internal review has provided the company's geology team with optimism that the known ore body can be extended through drill testing new massive sulphide targets.

Technical report "encouraging"

This is supported by an independent technical report by SRK Exploration Services which includes specific recommendations to progress project development.

SRK highlighted the use of downhole electromagnetic (DHEM) geophysics surveying as an additional tool in identifying new massive sulphide zones at depth beyond the known ore body.

These factors have encouraged the company to formalise plans to take the project to a scoping study.

LSE dual listing plan

CCZ's Board has reviewed SRK's independent report, which will be published in the LSE dual listing prospectus.

The company's managing director Simon Paull said: "The SRK technical review of CCM was very encouraging and the Board has taken note of the recommendations.

"Concurrently, CCZ's geology team has finalised initial plans to make the first steps towards the long-term development of the project through to a BFS, while we are on standby to receive metallurgical test work results that can determine if CCM can produce a saleable concentrate."

Shares are up 12.5% today to 1.8 cents.

Work plans

The plans to progress to a scoping study and then BFS comprise:

- Leveraging historical assays and geophysics knowledge from earlier

Price: 0.0145

Market Cap: \$11.97 m

1 Year Share Price Graph



August 2019 December 2019 March 2020

Share Information

Code: CCZ

Listing: ASX

52 week High Low
0.034 0.006

Sector: General mining & base metals

Website: www.castillocopper.com

Company Synopsis:

Castillo Copper Ltd (ASX:CCZ) has formulated a three-tier strategy to achieve its aim of becoming a mid-tier copper producer.

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- drill holes to optimise the next RC and diamond drilling campaigns;
- Conduct more DHEM surveys to find new and/or extensions to massive sulphide zones;
- Undertake a systematic soil sampling and geological mapping program over historic targets surrounding CCM including multiple strike parallel mineralised structures with small-scale workings; and
- Implement comprehensive airborne magnetics/electromagnetics surveys to identify other potential areas peripheral to the line of lode.

The objective of these plans will be to upgrade the inferred JORC (2012) resource and provide sufficient results to meet the requirements of the scoping study.

Completing this study will be a significant step towards meeting the long-term strategic plan to develop the project through to a BFS.

Test work progresses

Metallurgical test work is underway on massive sulphide reverse circulation chips from drill-hole CC0023R, which delivered a high-grade intersection of 11 metres at 5.94% copper, 2.45% zinc and 19.1 g/t silver from 40 metres.

The objectives of this work are to determine if the massive sulphides intersected are typical of what was mined historically in the early 1900s and to verify if these can produce a saleable concentrate through standard metallurgical flotation.

CCZ's London-based director Ged Hall said: "Our UK investors will be encouraged by SRK's independent findings for the Cangai Copper Mine.

"It implies there is further upside for moving forward to develop the project, while we eagerly await the metallurgical test-work results."

In collaboration with Noble Group, the CCZ Board is also redoubling efforts to secure regulatory approval to remove the historic slag material and aiming to optimise test work.

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