

Castillo Copper Ltd

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Castillo Copper surges after enhancing Mt Oxide upside with historic data revealing up to 28.4% copper

Castillo Copper Ltd (ASX:CCZ) has enhanced the exploration upside of the Mt Oxide pillar in Mt Isa's prolific copper-belt in Queensland with historic data verifying grades of up to 28.4% copper in supergene ore.

The data comes from the Big One deposit, which along with the Boomerang Mine and Arya prospect, will be prioritised for drill testing once approvals are secured.

Mt Oxide is one of three strategic pillars Castillo is targeting with the aim of becoming a mid-tier copper producer with the others being Cangai Copper Mine in northern NSW and several assets in Zambia.

New 12-month high

The company said the data materially enhanced the exploration upside of Mt Oxide and shares have surged almost 35% to a new 12-month high of 3.4 cents, up from 1.6 cents on December 27.

This coincides with increasing interest in the region by large blue-chip groups including Rio Tinto Limited (ASX:RIO), Mt Isa Mines and Newmont Corporation (NYSE:NEM).

Price: 0.022

Market Cap: \$17.07 m

1 Year Share Price Graph



Share Information

Code: CCZ

Listing: ASX

52 week	High	Low
	0.034	0.011

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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Blue-chip groups with ground near Castillo Copper's tenure.

"Tremendous windfall"

Castillo Copper's managing director Simon Paull said: "Locating this historic drilling, assay and production data for the Big One deposit and Boomerang Mine within the 961 square kilometre Mt Oxide pillar, which is in the heart of the Mt Isa copper-belt is a tremendous windfall."

The company has secured original logs and assay results from a 27-hole reverse circulation drilling campaign in 1993 by then-listed West Australian Metals (WME) at Big One deposit.

Economic intersections

Economic copper intersections from this campaign include:

- 3 metres at 12.25% copper from 42 metres, including 2 metres at 17.87% from 43 metres and 1-metre at 28.4% from 44 metres;
- 8 metres at 2.33% from 44 metres, including 6 metres at 3.00% from 45 metres and 5 metres at 3.28% from 45 metres; and
- 4 metres at 2.20% copper from 44 metres, including 2 metres at 3.19% from 46 metres and 1-metre at 3.63% from 47 metres.

The WME 1993 RC drilling campaign along a 600-metre strike zone at Big One deposit largely intersected shallow oxide mineralisation and there is no record of the underlying sulphide mineralisation being targeted.

The 1993 drill hole locations and historic open pits.

Data from previous holder

As the data is not held by the Queensland regulator Castillo's geology team had to track down the previous holder of the Big One Deposit mining tenure to secure the information.

Although these intercepts are suitable for the reporting of 'exploration results' for mineral prospectivity, further exploration work would need to be completed to produce a mineral resource.

Next steps

Paull said: "As a starting point, our geology team now has ample data points to start formulating a drilling campaign to re-test and potentially expand the known ore body at the Big One deposit then focus on Boomerang Mine and Arya prospect.

"This would be a great start to developing the high-priority Mt Oxide pillar and creating incremental value for shareholders."

In 1997 about 4,400 tonnes of ore was mined from the supergene zone of the ore body, with an average reported grade of approximately 3.5% copper and this output was sold to a nearby heap leach operation at Mt Cuthbert.

This mining was shallow and appears to expand upon remnant pits worked on in 1993.

According to historic reports, the mineralisation underpinning these drilling intercepts is supergene copper ore that includes malachite, azurite, cuprite and tenorite.

These are all associated with a northeast-trending fault that is intruded by a porphyry dyke.

1993 WME RC drill holes in a Big One plan view showing the porphyry dyke intercepts in red linking the footwall contact at surface to the drill hole intercepts.

Malachite, azurite, cuprite and tenorite have been observed in ore dumps at surface and in various, readily accessible, shallow open pit workings that targeted the porphyry dyke.

Big One upside

The exploration upside for Big One deposit is to primarily define the extent and grade of the supergene zone that could be mined by open pit methods.

Selected drill holes could potentially act as scout drilling to target and characterise the extent and grade of the sulphide ore underpinning the supergene enrichment.

CCZ's London-based director Ged Hall said: "The copper grades found at the Big One deposit are excellent and clearly highlight the potential upside apparent from developing the Mt Oxide pillar.

"More significantly, the timing is near text-book as we work towards securing regulatory approval to dual list CCZ on the Standard Board of the London Stock Exchange."

Boomerang Mine review

At Boomerang Mine a review of legacy mineral production records from 1944 to 1974 verified that circa 4,211.2 tonnes of oxide ore had been mined grading about 6%, producing 250.9 tonnes of copper metal.

While the historical data is encouraging for this deposit, fieldwork is now imperative to determine the optimal next steps in developing a staged exploration campaign.

Bundling Big One and Boomerang with the large massive sulphide target at Arya prospect delivers a significant pipeline of future development work for Castillo.

The company is now focused on putting in place a timeline to conduct a comprehensive site visit to the three priority areas as all three reinforce the importance of developing the Mt Oxide pillar.

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