



cascaderocopper

***PANCHO ARIAS DISTRICT***

***2011 DIAMOND DRILL PROGRAM***

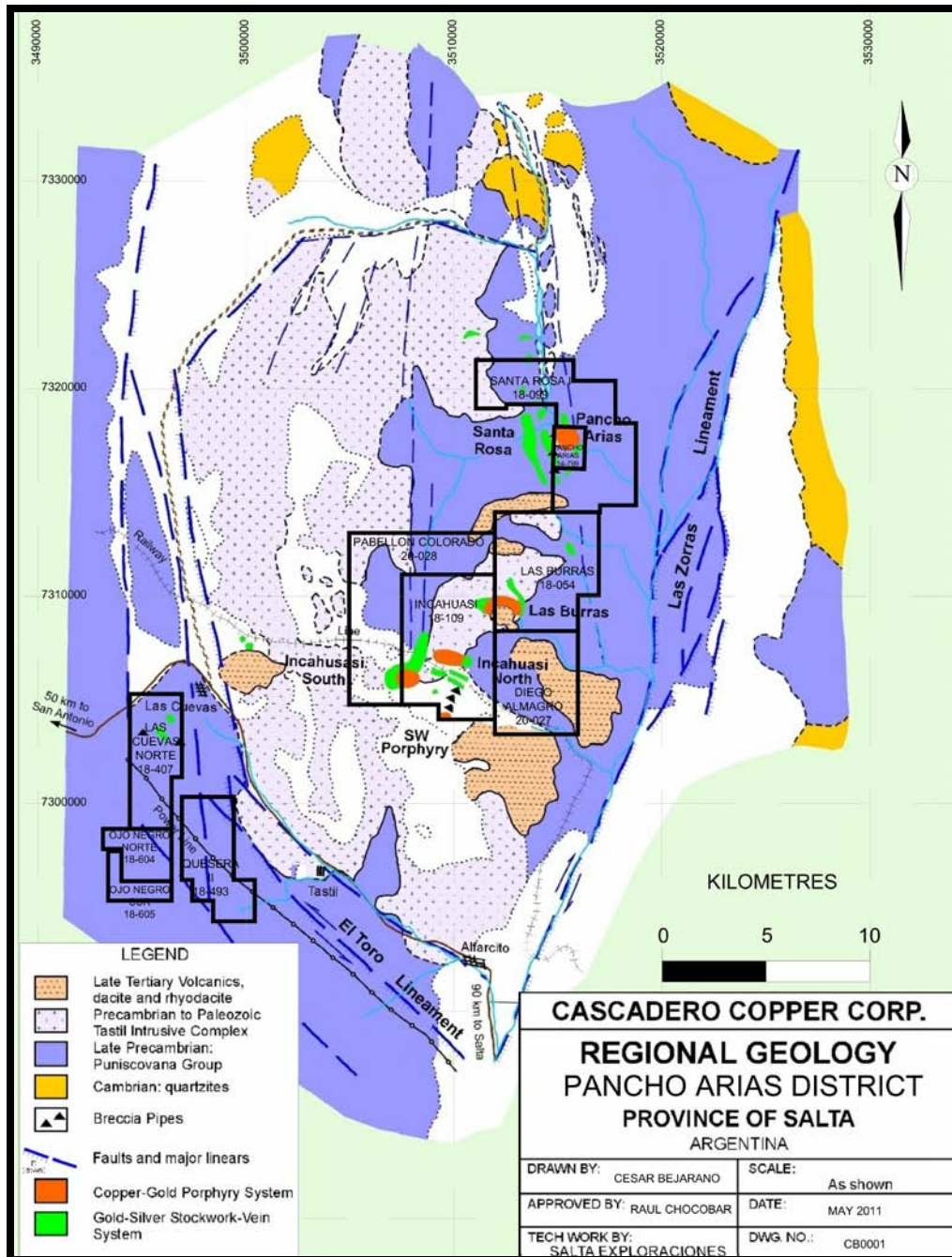
***AUGUST 2011***

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# CASCADERO COPPER EXPLORATION UPDATE AUGUST 24<sup>th</sup> 2011

The following is the first segment of a continuous report on Cascadero Copper's progress at its Pancho Arias Mineral District exploration and its projects in British Columbia and Ontario. Argentina is the principal focus of the Company's work at this time.

## MAP ONE Pancho Arias Mineral District



**TABLE ONE**  
**Pancho Arias Mineral District**  
**Property Details**

Property Name	Hectares	Deposit Type	Target Metals	Salta % Interest	Subjects
Las Burras	4,693	Porphyry	Cu-Mo-Au	100%	None
Incahuasi	5,691	Porphyry	Cu-Mo-Au	100%	None
Pancho Arias	300	Porphyry	Cu-Mo-Au	100%	Option
Las Cuevas	1,500	Sediment Hosted	Au	100%	None
Santa Rosa	2,987	Sediment Hosted	Au	100%	None
<b>5</b>	<b>15,171</b>				

### **SUMMARY**

*The Pancho Arias District is a relatively small area that consists of three large-scale Cu-Mo-Au porphyry showings and two high-grade sediment hosted gold showings. The porphyries are closely spaced and probably have the same structural control and magmatic origin. The Incahuasi showing, the most southerly, is about 14 kms south of Pancho Arias and the Las Burras showing is situated about 1/3rd of the way from Incahuasi to Pancho Arias. The gold showings are Las Cuevas, which is about 15kms southwest of Incahuasi and Santa Rosa, which surrounds Pancho Arias to the north, east and south.*

*Pancho Arias is the only showing that is subject to a historic drill program. In the 1970s, a total of six holes were drilled and we have the drill logs. This will be discussed in a future report.*

*The District has excellent infrastructure for the development of a large-scale mining operation:*

- *500 Kv power line to Chile passes through the Las Cuevas property*
- *railway to the Pacific Ocean port of Antofagasta passes through the Incahuasi property*
- *natural gas line to Pocitos, Argentina (Hombre Muertos lithium mine) is a few kilometres northwest of Las Cuevas*
- *National Highway 51 is also a few kilometres northwest of Las Cuevas*

*The planned reconnaissance style exploration program consists of 34 core holes with an estimated total of 6,900 metres at an estimated cost of US\$2,300,000. Approximately US\$480,000 is already invested in Las Burras.*

*The exploration rationale is to complete an initial reconnaissance style core drilling program on each showing. There are two objectives. First, to verify that the mineralization in surface outcrop extends to the subsurface; and second, to establish that the mineralization has sufficient grade and size that the cumulative potential tonnage of the five mineral systems is large enough to support long-life Cu-Mo-Au mining and milling operation. The porphyries would produce a concentrate and the mineralized material from the gold showings could potentially upgrade the gold content of the concentrate.*

*The Company's is optimistic that Pancho Arias has potential to host sufficient mineralization of sufficient grade to host a large-scale mining and milling complex. For reference, large-scale means an aggregate of 1.5 billion tonnes of mineralization that would support a ~100,000 tonne per day mining and milling operation for at least 25 years.*

**TABLE TWO**  
**Pancho Arias Mineral District**  
**Property Drilling Schedule**

Property	Deposit Type	Target Metals	Core Holes	Metres Planned	Metres Completed	Status
Las Burras	Porphyry	Cu-Mo-Au	6	1,500	1,667	Initial Program Complete
Las Cuevas	Sed Hosted	Au	7	1,400	180*	Initial Program Underway
Santa Rosa	Sed Hosted	Au	10	1,000	N/A	Permit in place
Incahuasi	Porphyry	Cu-Mo-Au	6	1,500	N/A	Permit in place
Pancho Arias	Porphyry	Cu-Mo-Au	5	1,500	N/A	Permit applied for
<b>Totals</b>			<b>34</b>	<b>6,900</b>	<b>1,847</b>	

\* As of August 21-11

The following geological information regarding what is known about the first two of the five mineralized showings is as follows:

#### Las Burras

From 2005 to 2008, the surface area of the showing was mapped and over 100 rock samples from outcrop were assayed for Au-Ag and base metals. In 2009, the area was subject to widely spaced IP/Res/Mag ground based geophysical survey, which identified a chargeability anomaly (iron-rich) that is 2,200 metres east west by 1,200 metres north south. In 2010 an MMI geochemical program carried out over the chargeability anomaly revealed a copper-rich environment in the basal sub-soil. In 2011, three drill holes tested a 1,00 metre cross section of the coincident geophysical and geochemical anomaly. Each drill hole intersected significant intervals of chalcopyrite mineralization ("CuFeS<sub>2</sub>" = copper + iron + sulphur) from surface to end of hole (EOH) at 300 metres. The mineralization also contains valuable amounts of molybdenum and gold. The best interval in LB11-03 grades 0.42% copper, 0.02% moly, 0.097 g/t gold over 112 metres. At current metal prices, this equals a gross ore value of >US\$50 per tonne. The three drill holes explained the anomalies and demonstrate that the surface mineralization extends to depth. This technically converts Las Burras from a "showing" to a "Cu-Mo-Au deposit". If the chalcopyrite mineralization exists within the chargeability envelop, the anomaly has potential to host >500 million tonnes of mineralization. ***If this volume of mineralization averaged 0.30% Cu, 0.02% Mo, 0.90 g/t Au, it could host 3.3 billion pounds of copper, 220 million pounds of moly and 1.5 million ounces of gold.***

#### Las Cuevas

The Las Cuevas showing was discovered in 2004 by Salta Exploraciones SA. In 2005, Salta collected and assayed 390 regional prospecting samples of which 144 are >100 ppb. Of these 53 are > 1.0 g/t (1,000 ppb) and 16 are >10 g/t gold (1,0000 ppb) and eight samples are > 31 g/t (8 samples exceeded one ounce per tonne). In 2005 and 2006, the area was mapped and trenched to focus in on the areas with a higher density of high-gold values. Two significant zones with gold values in outcrop are present.

The Discovery Zone, the most northerly, was subject to about 680 metres of hand trenching that identified an area of alteration consisting of FeOx, sericite, silicification and quartz veins with stock work that returned several multi-gram gold assays over 40- to 100-metre widths. Coarse visible gold was noted. The mineralized sector in Discovery Zone has a an area of 440 metres north south by 320 metres east west that consists of a density of veins and stock work and high-gold Au values within a larger geochemically anomalous envelop.The Discovery Zone is part of a local fault system that is traced on surface for ~1,500 metres.

The second gold bearing area is known as the Hilda Zone, which is 1,200 metres south of the Discovery Zone and is part of the same fault system. This zone consists of two discreet gold bearing out crops, Hilda Abra and Hilda Abajo, both of which assayed high-gold values with high copper values and strong to moderate anomalies of other base metals. The two zones are about 200 metres apart and may be connected at depth under overburden. The zones are open along the strike of the fault to the north, south and east. Hilda Abra outcrops over an area of 100 metres east west by 300 metres north south. Gold values of up to 58.8 gm/t with 97 ppm silver are present in areas of strongly sericite altered sediments cut by veinlets, stockworks and quartz veins. Hilda Abajo outcrops over an area of 100 metres east west by 500 metres north south contains a large area of veins swarms with some quartz veins up to one-metre thick. This area has the highest grade gold in the Salta geochem sample database of 370 g/t gold (11.9 ounces per tonne).

The Company is currently conducting 1,500 metre seven core hole drill program on the Discovery Zone. The program is designed to test the subsurface mineralization over in a target area of some 15 million tonnes. The drill holes are spaced at 25-metre centres and given gold mineralization down hole, this will provide data required for an resource calculation. The objective of this drill program is to define the presence of a 500,000 ounce inferred gold resource. The resource is targeted as an open pit prospect.

Salta is on the third hole of this program The following photos are of drill core from LC11-01 and LC11-02.

#### **DRILL CORE LC11-01**



**Drill core with quartz veins-veinlets, limonitic fractures (post- pyrite), FeOx in fractures and sandstone host rock**

**DRILL CORE  
LC11-02**



**Highly altered and fractured drill core with breccia, veinlets, limonitic fractures (post- pyrite) and FeOx in fractures and a sandstone host rock**

The next exploration update will have information on the drill program completed by Gold Fields on the MEX copper-gold porphyry in northern BC, much more on Argentina and some very exciting developments on the Company's 100% owned gold prospects in Ontario.

Bill McWilliam  
August 24th 2011