



**TSXV: CCD**

**EXPLORATION UPDATE  
VOLUME 4  
October 11<sup>th</sup> 2011**

This Exploration Update presents the Cascadero exploration rationale, plan and available supporting geological data for the Pancho Arias Mineral District. The operating period is the next six to nine months. Included are property information, prospect type, infrastructure, drill hole data and location. The Company invests in gold prospects in Ontario and porphyry systems in BC and Argentina because it believes the current commodity cycle that emerged in 2001 is likely to exist for multiple years of high-metal prices. The majority of Company prospects have potential to host large-scale open pit mineable mineral systems. This is the type of property that provides liquidity to the shares and attracts the attention of major companies. This update also has data that provide a valuation metric from buy-sell transactions for undeveloped porphyry deposits, which is intended to give shareholders an idea of the deposits in-situ present value. But first an update on Marble Mountain in Ontario.

**Ontario**

The Company is focused on the Sudbury area where we hold the right to acquire a 100% interest in four gold-copper-silver properties. The most advanced property is Marble Mountain where previous drill holes encountered gold and copper values in a pyrite unit underlying a sequence of marble-quartzite. Cascadero completed data review, sampling, MMI geochemistry, petrography and geophysics. All of the data suggest the property has high-potential for hosting a gold-copper system in a felsic intrusion. There are three anomalies of interest that require drilling. The data are peer reviewed and CCD has received a letter from a major company expressing an interest in Marble Mountain. Negotiations are underway. The property is ready to drill.

**Argentina**

The Company is focused on the Pancho Arias Mineral District (Pancho), which hosts three identified large-scale porphyry systems: Pancho Arias; Las Burras; and, Incahuasi. In addition, each porphyry has sediment hosted gold +/- silver +/- base metal bearing mineralization in veins and breccia peripheral and related to the intrusions. Data, presented later in this update from the USGS, outlines the three types of copper porphyries: copper only; copper-gold; and, copper-moly-gold. The USGS data focuses on size, deposit type and metal grade for 422 deposits. The data are instructive as the Pancho porphyries appear to have tonnage potential above world average and with indications of economic metal grade.

The objective of the Pancho exploration plan is to complete surface mapping, outcrop sampling, geochemistry, trenching and geophysics on the porphyries. These data layers are complete and compiled. The Company has initiated reconnaissance style drilling on each of the three porphyries. Reconnaissance style drilling is the last step in the exploration process and its sole purpose is to

determine if the mineralization identified by geochemical and geophysical technologies extends to the subsurface. It is also the first step in deposit definition and the beginning of a valuation metric.

**TABLE ONE** below lists some well known major mining companies with its commodity focus and the current market cap of each. CCD's business plan is to create mineral property opportunities that are attractive to a segment of these major companies by generating properties that can **'move the needle'** or in other words, have an effect on the majors' balance sheet.

**TABLE ONE**  
**Junior Company Shopping List**  
**Global Mining Equities**  
**Market Capitalization**

Company	Market Cap (US\$ b)	Commodities
BHP	\$177.6	Iron Ore, Copper, Oil-Gas, Coal, Aluminum, Silver-Lead-Zinc, Uranium, Diamonds, Nickel, Manganese,
Vale	\$123.5	Iron Ore, Nickel, Copper, Coal, Gold, Zinc, Aluminum, Ferro-alloys, Manganese, Energy
Barrick	\$49.1	Gold, Silver, Copper
Rio Tinto		Aluminum, Copper, Diamonds, Coal, Iron Ore, Gold, Borates, Moly, Salt, Talc, Oil-Gas
Anglo American	\$48.5	Copper, Coal, PGM, Diamonds, Nickel
Goldcorp	\$38.9	Gold, Copper
Xstrata	\$37.0	Coal, Copper, Alloys, Nickel, Zinc,
Freeport McMoRan	\$32.9	Gold, Copper
Newmont	\$30.6	Gold, Copper
Newcrest	\$26.8	Gold, Copper
Teck Corp	\$18.0	Coal, Copper
Kinross	\$16.6	Gold
Gold Fields	\$11.1	Gold, Copper
Yamana	\$10.9	Gold, Copper
Ivanhoe	\$10.3	Gold, Copper, Moly, Coal
Iamgold	\$7.2	Gold
Osisko	\$5.1	Gold
Semafo	\$2.4	Gold
AuRico	\$1.7	Gold, Silver
Hud Bay	\$1.7	Gold, Copper, Zinc
Taseko	\$0.6	Copper, Gold

The list is instructive in several ways. The companies with the largest market cap have the broadest exposure to the range of commodities. They also own the largest deposits with the longest life. Barrick is the largest gold producer in the world but its market cap is only 28% the size of BHP. Barrick's recent purchase of Equinox was questioned but diversification is the principal way to growth. Properties with a 30 to 50 year life span are the focus of large companies as they enable the mine to go through several metal cycles, which smooth out the earnings over decades. The really big companies also focus on basic commodities such as aluminum, iron ore, oil-gas, copper and coal whose demand is driven by demographics, especially increasing income per capita. Large deposits also enable a larger front end capital expenditure on infrastructure. It is now common to see US\$1.6 billion copper mine and mill expansions (Los Bronces, Anglo American) and >US\$6 billion new mines such as Oyu Tolgoi (Ivanhoe, Rio Tinto). At this time, there is no credible capital cost estimate for the Barrick-Antofagasta massive Reko Diq Cu-Au deposit in Pakistan. We believe that new discoveries and properties that have >one-billion tonnes of Cu-Mo-Au mineralization, which has a gross metal value of ~US\$35 per tonne are in great demand. These deposits are found principally in underexplored parts of the globe in

underdeveloped countries usually with limited infrastructure. There is additional risk in countries where jurisprudence is not as sacred with respect to contracts as is the developed world. This exposes the companies to increased risk, large capital expenditures and long lead times, all of which materially affect present value. The is juxtaposed with permitting and other bureaucratic issues in developed countries. Mineral deposits can be viewed by governments as natural monopolies and can attract special taxes or country risk super royalties that materially impact present value, but more on this in a later Update.

Four of the companies on the list, Ivanhoe, Rio Tinto, Barrick and Taseko, are currently having a direct experience with different forms of country risk with respect to major capital investments in copper-gold properties that host large-scale resources.

**Some Facts - United States Geological Survey (USGS)**

In 2008, the USGS published an update to its 2002 database that details world porphyry copper deposits. The database displays the distribution of tonnage, copper, silver, molybdenum and gold grades for 422 "well-explored" deposits. The study is relevant as it suggests that the data can be employed as a model for the grade and tonnage of **undiscovered** deposits. Sixteen of the 422 deposits are >3.2 billion tonnes and four are >10 billion. Forty-eight percent of the porphyry deposits are >250 million tonnes and 10 percent (42 deposits) are >1.4 billion tonnes. Interestingly, the majority of the deposits do not produce metal primarily due to size.

Fifty percent of the deposits are >0.44% Cu and only 10 percent are >0.75% Cu. In terms of Mo, fifty percent are >0.0023% (23 ppm) Mo and only 10% are >0.03% (300 ppm) Mo. In terms of contained gold fifty percent are >0.05 g/t Au (50 ppb) and 10% are >0.50 g/t Au with the highest being 1.3 g/t Au. The copper porphyries are not rich in silver as only 10% are >4 g/t Ag (4 ppm).

Of the 422 deposits, 115 are copper-gold with a median tonnage of 200 million tonnes and median grade 0.44% Cu and 0.38 g/t Au. Of the 422 deposits, 51 are Cu-Mo with a median tonnage of 280 million tonnes and median grade 0.48% Cu and 0.032%. Based on these facts, one could conclude that a one-billion tonne porphyry that graded 0.40% copper, 0.035% moly and 0.30 g/t gold would be an acquisition candidate for several companies on the **TABLE ONE** list.

**TABLE TWO  
USGS  
Global Porphyry  
Copper Deposit Statistics**

Porphyry Deposit Type	N =	Median Size (mt)	Median Grade Cu %	Median Grade Mo ppm	Median Grade Au g/t	Median Grade Ag g/t	US\$ Metal Value/t*
Porphyry Cu	422	240	0.44	23	0.05	3.8	\$32.70
Porphyry Cu-Au	115	200	0.44	65	0.38	4.0	\$49.85
Porphyry Cu-Mo	51	280	0.48	320	0.009	0.9	\$38.65

\* Copper @ US\$2.75/lb, Gold @ US\$1,500/oz, Moly @ US\$12/lb, Silver @ US\$25

The purpose of this data exercise is to demonstrate the importance of some undeveloped copper bearing porphyries and the relative scarcity of large Cu-Mo-Au bearing deposits. The valuation metric is the emphasis of the data in **TABLE THREE** below, which highlights the valuation of five buy-sell transactions for porphyry systems in four different countries. Three of the transactions are between major and junior companies. Porphyries with higher-gold content and larger deposits are more valuable per tonne in-situ. Deposits with high-gold and size are most valuable as is clearly demonstrated in **TABLE FOUR** on Page 4 below.

The purchase price in column '**PV US\$**' is the value just for the deposit. In most cases, there is a potentially material issue with respect infrastructure, its presence or lack of, its cost, geopolitical risk, the percentage of each metal that comprises the deposit and metallurgy, any of which can affect the present

value of the deposit. Said differently, if a deposit is close to good infrastructure, with good metallurgy and in a low-risk geopolitical setting it can yield a higher present value than an equivalent deposit with poor infrastructure. Large porphyry mines require cheap power (hydro), cheap freight (railway) and fresh water (close by). Building infrastructure from scratch is very expensive and large front end expenditures negatively affect the present value and rate of return on a mining project.

**TABLE THREE**  
**Valuation Metric**  
**Completed Transactions**  
**Porphyry Copper-Moly-Gold Moly Deposits**

Property	Country	Tonnes (mm)	Metal Value US\$/t	PV US\$	in situ US\$ per t	% Metal Value	% Cu	% Au	% Mo
Mt. Milligan Terrane-Thompson	Canada	706	\$27	\$650	\$0.92	3.4%	52%	48%	n/a
Cerro Casale Kinross-Barrick	Chile	335	\$38	\$475	\$1.42	3.7%	43%	57%	n/a
Haquira Antares-First Quantum	Peru	975	\$47	\$535	\$0.55	1.1%	94%	6%	n/a
Agua Rica Goldcorp-Xstrata-Yamana	Argentina	909	\$51	\$650	\$0.72	1.4%	61%	22%	18%
Altar Peregrine-Stillwater	Argentina	1,287	\$24	\$450	\$0.35	1.5%	91%	9%	n/a

**TABLE FOUR**  
**Un-developed**  
**Cu-Mo-Au Porphyry Deposits**

Property Name	Ownership Company (s)	Country	Deposit Tonnes (billion)	Cu %	Mo %	Au g/t	US\$ per tonne	Metal Value US\$ (billion)
Oyu Tolgoi	Ivanhoe (66%) Mongolia (34%) Rio Tinto (49% of IVN)	Mongolia	2.73	1.11	n/s	0.34	\$83.50	\$228.0
Reko Diq	Barrick (37.5%) Antofagasta (37.5%) Pakistan (25%)	Pakistan	6.56	0.46	n/s	0.22	\$38.50	\$252.6
Pebble	Northern Dynasty (50%) Anglo American (50%)	USA	5.94	0.42	0.025	0.35	\$48.80	\$289.9
Agua Rica	Yamana (100%)	Argentina	0.91	0.49	0.031	0.23	\$51.35	\$46.7
Cerro Casale	Barrick (75%) Kinross (25%)	Chile	1.34	0.21	n/s	0.36	\$31.80	\$42.6
Altar	Peregrine (100%)	Argentina	1.28	0.35	n/s	0.059	\$24.00	\$30.7
Taca Abajo	Lumina (100%)	Argentina	1.31	0.39	0.016	0.09	\$32.15	\$42.1
Fish Lake	Taseko (100%)	BC	1.01	0.24	n/s	0.41	\$34.00	\$34.3
Lindero	Mansfield (100%)	Argentina	0.20	0.010	n/s	0.66	\$37.75	\$7.6

None of the average mineral grade in this list is exceptional. The highest metal value per tonne is Oyu Tolgoi and the bulk of its resource is calculated at a 0.60% copper cut-off grade, which is because the principal production volume is from an underground deposit with a much higher mining cost per tonne. With the possible exception of Taca Abajo, all the other deposits are bulk mineable open pits and the cut-off grade varies from 0.20% to 0.30% copper. The size of the deposits, however, is exceptional.

**TABLE FIVE** below details the amount of each metal contained in the deposits. As you can see, a 900-million tonne deposit, such as Agua Rica, that grades 0.23 g/t Au contains 6.7 million ounces of gold. This

is equivalent to discovering a 9.9 million tonne lode deposit that grades 20.7 g/t or 0.67 oz/t. To put these deposits in perspective, the size, grade and tonnage of an open pit porphyry would be an open pit 900 metres wide, 1,000 metres long and 400 metres deep and grade 0.23 g/t Au. The equivalent volume of a lode (vein) deposit would be 6 metres wide, 1,200 metres long and 550 metres deep and grade 20.7 g/t Au. To put the same calculation in terms of copper, if the open pit porphyry graded 0.40% Cu it would contain 7.9 billion pounds of copper. The equivalent copper grade of the lode deposit would be 36.2% copper. It is fairly obvious that in both cases the lode deposit would have the higher present value but what is the probability of finding a 9.9 million tonne copper deposit grading 36.2% copper?

So, large-scale volumes of mineralization available to open-pit mining is the principal issue. Then, grade and deposit location with respect to the required infrastructure for a 100,000 tonne per day mining and milling complex. A large-scale open pit mining and milling complex equals lower cost per tonne and enables mining of low-grade material.

**TABLE FIVE**  
**Undeveloped Porphyry Deposits**  
**Gross Metal Content**

Name	Company(s)	Country	Tonnes (billion)	Cu ts (mil)	Au oz (mil)	Mo (Mil lb)	Ag oz (mil)
Oyu Tolgoi	Rio Tinto Ivanhoe	Mongolia	2.73	34.4	29.4	n/s	n/s
Reko Diq	Barrick Antofagasta	Pakistan	6.56	29.5	59.6	n/s	n/s
Pebble	Northern Dynasty Anglo American	USA	5.94	25.0	66.9	3,280	n/s
Agua Rica	Xstrata-Goldcorp- Yamana	Argentina	0.91	4.4	6.7	629	102.3
Cerro Casale	Barrick (75%) Kinross (25%)	Chile	1.34	2.2	6.7	n/s	11.6
Altar	Peregrine	Argentina	1.28	4.5	2.4	n/s	n/s
Taca Abajo	Lumina	Argentina	1.00	5.1	3.8	458.6	n/s
Fish lake	Taseko (100%)	BC	1.01	2.5	13.2	n/s	n/s

### **Pancho Arias Mineral District – The Vision**

The following part of this Update is highly speculative in nature and content. It is a thought exercise that fits the available data together and sketches a hypothetical case for Pancho. The reader is cautioned that the information and conclusions regarding the potential of the Pancho District are based on incomplete data. The Company's optimism for success at Pancho, however, is based on quality geochemical and geophysical data, and two of the prospects, Pancho Arias (Cu+Mo) and Las Burras (Cu+Mo+Au), have porphyry style mineralization in drill holes. The third, Incahuasi does not have a drill hole in it. The geophysical signatures of the three porphyries provides substantive evidence that the Pancho Arias District could develop a large volume of open pit available material in three deposits, which are very close to one another. The average grade and the inferred resources can only be determined by core drilling programs.

The Pancho Arias Mineral District has three potentially large tonnage copper porphyries in a relatively small area. Each of these porphyries has potential for Au +/- Ag +/- base metal deposits peripheral and related to the intrusions. The mining concept the Company is attempting to establish is the viability of three open pit deposits plus one or more open pit gold deposits. The idea is to establish a large (>2 billion tonnes) Cu-Mo-Au resource from the six possible deposits with a combined metal grade that reaches the economic threshold sufficient for developing a large, long life mineral deposit. Two things are relatively certain: there is a high-probability that the volume of mineralization required is present; and, the infrastructure, which includes a railway to a Pacific Ocean port, Antofagasta, Chile, a high-tension, 500Kv

power line to northern Chile, a major natural gas pipeline and abundant fresh water are all within the Pancho District. The primary risk is the tenure of the average grade of the combined deposits.

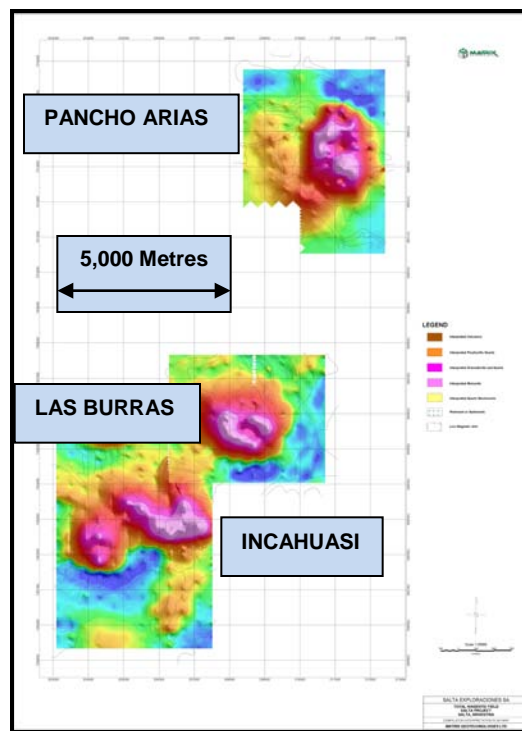
**TABLE SIX** below displays the size of each property in hectares and the dimensions of the Induced Polarization (Chargeability) anomaly in metres. The calculation of potential tonnage multiplies the east west by north south dimensions by a depth expectation of 300 metres. The specific gravity of a tonne is 2.6 g/cm<sup>3</sup>. The total volume is then risked (reduced) by 67%.

**TABLE SIX  
PANCHO MINERAL DISTRICT  
PORPHYRY SURFACE DIMENSIONS  
CONDUCTIVITY ANOMALIES**

Property Name	Has	Deposit Type	Target Metals	IP Anomaly Size (metres)	Potential Tonnes	Mineralized Drill Holes
Las Burras	4,693	Porphyry	Cu-Mo-Au	2,000 X 1,200	>500,000,000	4 Core (2011)
Incahuasi	5,691	Porphyry	Cu-Mo-Au	3,000 X 1,500	>800,000,000	Drill Ready
Pancho Arias	300	Porphyry	Cu-Mo-Au	2,500 X 2,000	>900,000,000	10 Core (1973)
	10,684				>2,200,000,000	

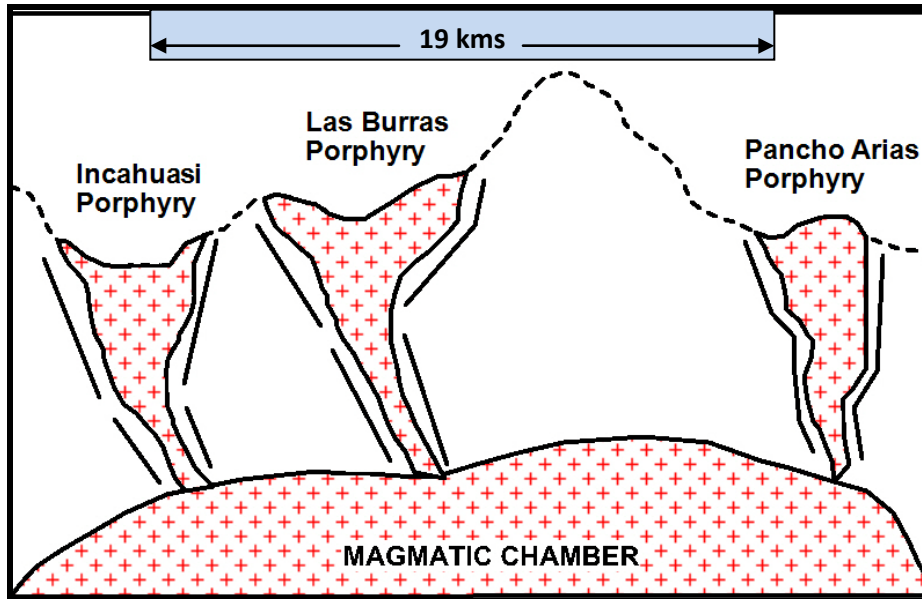
**MAP ONE** below shows the relative location of the IP anomalies for Pancho Arias, Las Burras and Incahuasi.

**MAP ONE  
RELATIVE LOCATION IP GEOPHYSICAL ANOMALIES  
PANCHO ARIAS - LAS BURRAS - INCAHUASI**

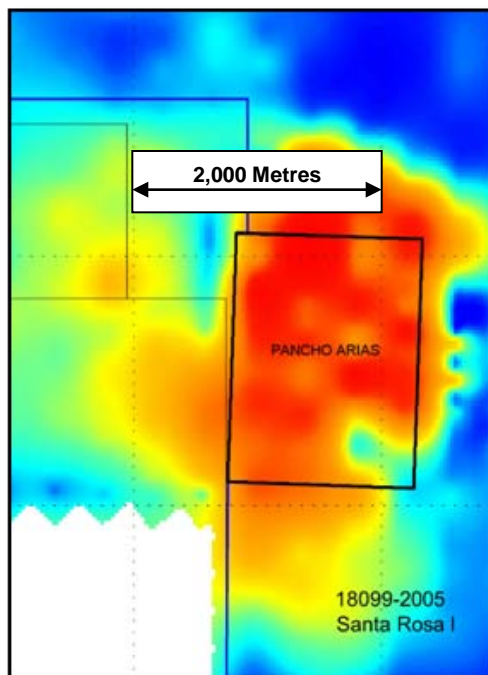


**MAP TWO** below displays a cross section of the hypothetical magma chamber and the location of each porphyry.

**MAP TWO  
CROSS SECTION  
PANCHO - LAS BURRAS - INCAHUASI**

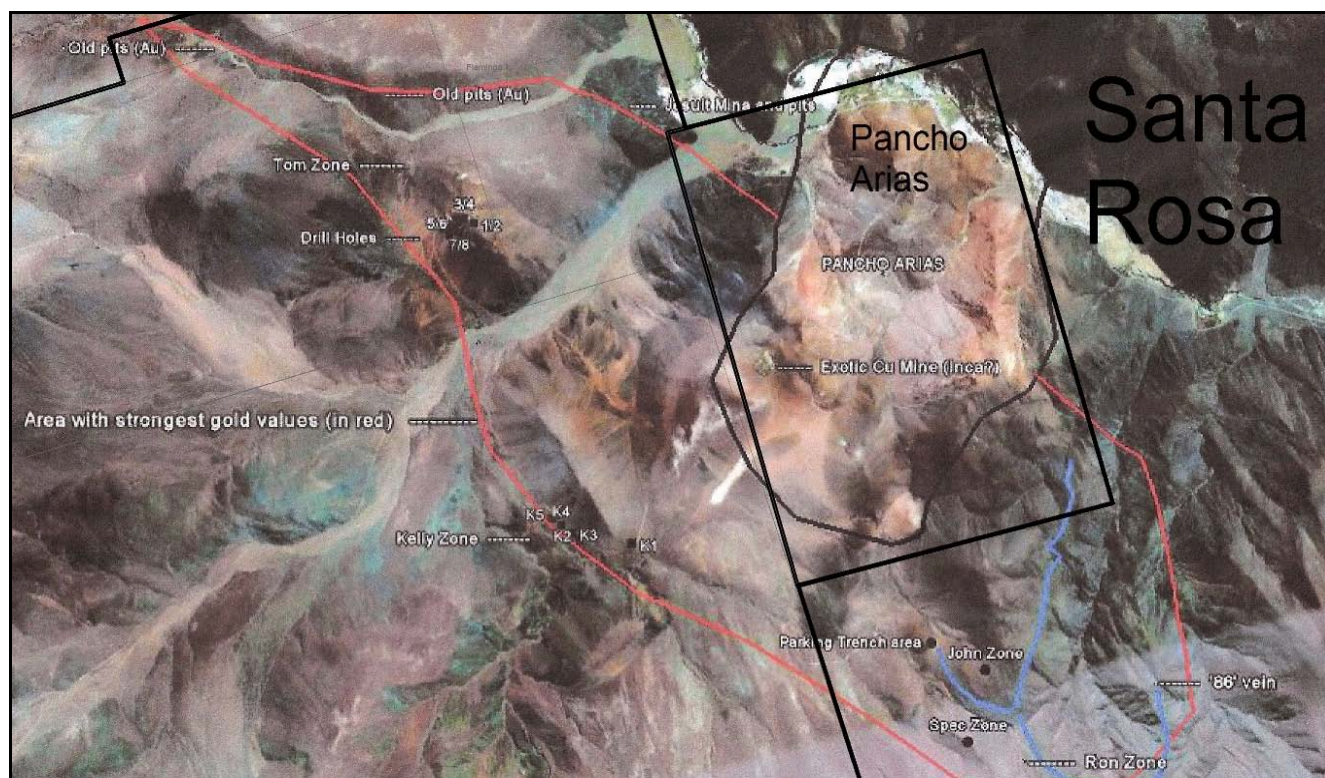


**MAP THREE  
PANCHO ARIAS IP ANOMALY**



**MAP FOUR  
GOOGLE IMAGE**

## PANCHO ARIAS ALTERATION AREA



### **PANCHO ARIAS**

Pancho Arias hosts a multi-phase calc alkaline porphyry intrusion. Each of the four stocks is about 350 metres in diameter at surface and the contact zones are shaped so that the intrusions appear to extend under the Precambrian host rocks as dykes and apophyses of the main intrusion. Pancho is a low-sulphide system with pyrite as the dominate sulphide throughout the porphyry. Molybdenite and chalcopyrite are concentrated on the wall rock side of the intrusive contacts. Average pyrite +/- other sulphide is between 1.5% to 2%. Most mineralization is disseminated in the intrusion and is disseminated plus veinlets in the hornfels near the intrusions. Sulphide content increases quickly at the boundary of quartz-sericite-pyrite alteration. There is increased sulphide content in the phyllic alteration zones, which presents very promising untested drill targets. Where intrusive contacts coincide with a transition of potassic to phyllic alteration, higher concentrations of chalcopyrite are expected. Zones of leached-cap alteration on surface may cause local sub-surface zones of chalcocite with higher copper grade.

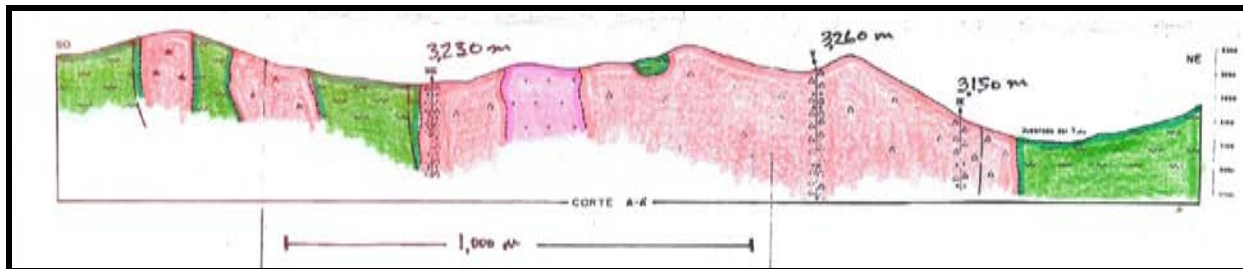
Very few faults cut the mineralized intrusive complex suggesting that no major distortions or displacements occur to any segment of the system

The size of the alteration halos and the potential continuity of mineralization around the intrusive cluster presents a target area of up to 950 million tonnes of disseminated and stockwork porphyry copper-moly mineralization for every 500 metres of vertical depth. The mineralized intrusion outcrops to an elevation of ~3,300 metres which is about 200 metres above the elevation of the Rio El Toro. It is too early to say for sure but the stripping and waste to-mineralization ratios could be quite favourable at least for the first 200 metres that outcrops.

**MAP FIVE** below displays a geological cross section of Pancho Arias (looking northwest) compiled in the early 1970s. The rocks in "green" are the host meta-sediments and the rocks in 'pink' and 'red' are porphyry intrusive rocks and magmatic intrusive breccia. Three drill holes are also plotted VIII, V and IX from south to north. Assays from the 10 holes are not available but estimates were compiled from drill

logs that included histograms. For example, drill hole III is estimated at 0.043% Mo over 244 metres; IV is estimated at 0.26% Cu, 0.023% Mo over 128 metres; and VII at 0.055% Mo over 148 metres. All drill holes contained Cu and Mo values from surface to end of hole. As noted, the ten historic drillholes on Pancho were not assayed for gold or silver. Of course, we intend to do this. With gold at US\$1,600 gold per ounce, a small value such as 200ppb gold (2/10<sup>ths</sup> of a gram) is worth about US\$10 per tonne which goes a long way to cover mining and milling costs. The assays done in 1973-4 were likely standard ICP, which alone does not provide a reliable assay for gold, silver or moly. In addition, the detection and accuracy levels of new ICP technology has vastly improved. However, today's standard ICP is not a reliable gauge for moly, gold or silver. We intend to fire assay the samples to determine accurate Au, Ag and Mo values. Importantly, the grade profile in drill holes does not change significantly in tenure as from lithology to lithology.

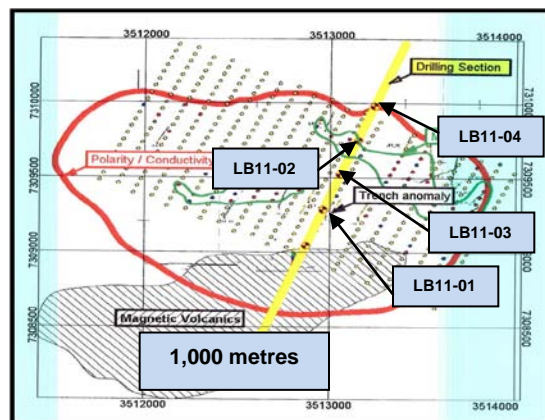
**MAP FIVE  
PANCHO ARIAS  
GEOLOGICAL CROSS SECTION**



**LAS BURRAS**

In early 2011, the Company drilled four core holes at Las Burras into the porphyry body identified by the IP/Res/Mag anomaly. The drill holes were collared at ~200-metre spacing to test a ~1,000 metre cross section of the IP anomaly. Each drill hole encountered Cu-Mo-Au mineralization from surface to ~250-metres vertically. The best interval was in LB11-03 that assayed 0.42% Cu, 0.02% Mo and 0.097 g/t Au over 112 metres. The combined metal value of this interval is ~US\$35.50 per tonne.

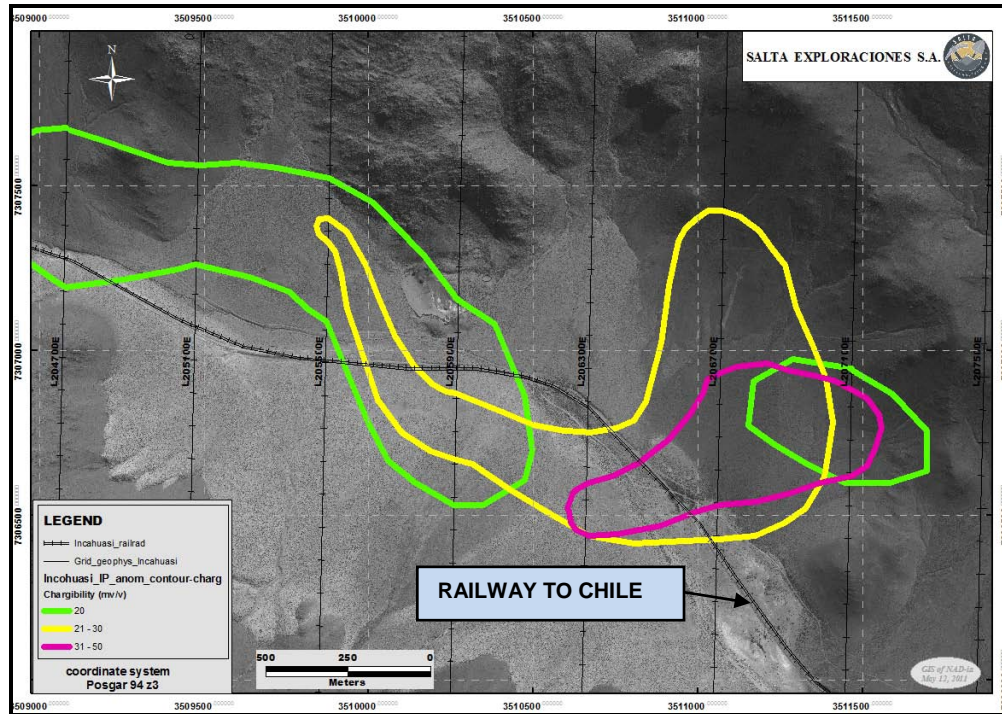
**MAP SIX  
LAS BURRAS  
CONDUCTIVITY ANOMALY**



**INCAHUASI** Incahuasi is the most westerly of the three porphyries in the Pancho Arias District. It is also the largest geophysical anomaly and the area and may have two or more porphyry occurrences. We have completed an initial IP/Res/Mag survey over the north western part of the property, which adjoins Las Burras to the south. The geophysical program identified a +4,000 metre east west by 1,500 metre north

south chargeability anomaly that is open to the east and west. This anomaly can be viewed in 3D on the Cascadero website.

## MAP SEVEN PLAN VIEW INCAHUASI IP GEOPHYSICAL ANOMALY



To summarize, The Pancho Arias Mineral District has several features critical to the development of a large mining and milling complex:

- Railway to Pacific Ocean port passes through property
- High-tension power line within 10 kms
- Natural gas pipeline within 10kms
- Argentine National highway to Chile
- Surface fresh water
- Three potentially large Cu-Mo-Au porphyries close to each other
- Two porphyries with Cu +/-Mo +/- Au mineralization from surface to 250 metres vertically in drill holes
- Resource potential is greater than 2 billion tonnes
- Au-Ag + base metal veins and breccia peripheral to the intrusions
- A supportive community
- Valuation per tonne if evidence that 2 billion tonnes is possible?
- In-situ @ five cents per tonne (?)= \$100 million present value = \$50 million to CCD market cap?
- CCD market cap = ~\$12 million, so there is a lot of discovery leverage with further upside with development drilling

The Company's business plan is relatively simple: it requires financing to drill test the three porphyries and develop a plan to monetize the prospects to the next stage of resource drilling.

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