Dear subscriber,

I am very excited to bring you this opportunity. It has been a while since I’ve felt so passionately bullish about anything in the speculative end of the exploration and mining markets. But the time is nigh for this story in particular - for reasons that will become clear when you read more.

Cascadero Copper is a special high risk and high reward situation. Although, the risk side is not nearly as stacked as as it would be for a typical exploration company because the flagship asset in Cascadero’s case (the Taron deposit) has already been discovered, and enough information is known to significantly reduce the uncertainty that accompanies an exploration stage company.

Still, since it is not a going concern, and much work is required to prove the asset’s economic viability, we advise that you treat these shares as you would other speculative companies whose survival is reliant on their ability to fund the project. Ultimately, Cascadero’s survival does not depend solely on the state of the market even though those prospects are improving.
It has enough assets to be able to rationalize and sell some in order to fund development of the current flagship (i.e., most advanced) asset: Taron, a completely new form of Cesium deposit.

The investment offers a rare opportunity to gain from a coming supply shock in the production of the rare metal (Cesium), which is the primary element in Cascadero’s Taron, and the re-rating of the shares as it develops the resource and completes an economic study. Taron is the only primary source of Cesium in the world large enough to fill the supply vacuum that has arrived.

The cost of developing this asset (proving it up) is relatively low at around $2 million, and can be accomplished within a year. There are a number of large specialty chemical, plastics, and oil drilling companies that need the compounds Cesium can provide, and are watching with keen interest. Cascadero has signed confidentiality agreements with some of them already.

I believe the asset is ultimately going to be worth between $200 and $500 million, assuming no other significant primary source of Cesium is found and developed sooner, and assuming they can establish its economic parameters under the preliminary economic assessment planned for later this year (after an indicated resource has been established with further drilling). If we are right that is a potential C$1 or C$2 per share -target price- over a one or two year time frame.

Those kind of gains don’t happen overnight. They will take time and work to realize.

Nevertheless, as you will see, there is even more meat to the story and several other properties that the company intends to explore, including five gold and silver projects.

And you are getting in almost at the ground floor.

As a bit of disclosure, I have been accumulating shares in this stock since 2014 from 3 to 5 cents, early in its restructuring, when it still had a lot of fleas and we weren’t sure it would survive.

We have also earned options to buy more shares at 5c in exchange for advising the company on its restructuring and capital plan. I am biased and I believe in the deal. It was previously too risky for subscribers. In fact, we almost lost everything when the BC Securities Commission took it off the exchange in October. It took the company several months of pain to get reinstated, which just happened last month. It is a great story and not many people know about it yet - even fewer understand it - but please do not chase the stock past 10 cents per share for now.

There will be more liquidity as time goes on but on the first day or two of this report the buying may be lopsided. If you chase it over ten cents chances are you will only be outbidding each other. The value is there but it will take some corporate development to realize it and I don’t think the shares can support a market cap that is too high until work on the properties starts.

Finally, for accredited investors, there may be an opportunity to acquire shares directly from the company’s treasury at this price, with a warrant, as part of a capital raise that is likely
to announce. I will keep you posted but if you are accredited and are interested in the future financing of this company, let me know personally at ebugos@dollarvigilante.com

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Summary of the Investment Features

>> **One of the world’s rarest metals Cesium (Cs) is in play as the world’s predominant source of supply to 85% of the market (Tanco mine) is likely almost depleted**, and has recently been shut down over geotechnical and environmental issues. The mine has chosen to ration availability of cesium products to select consumers, and the industry may be headed for a supply shock. While above ground stockpiles still remain at the Tanco mine, no other large sources of Cesium exist around the globe capable of sustaining the presently growing demand other than the Taron deposit being developed by Cascadero Copper. **Cascadero offers the only pure play on this story.**

>> **The demand for Cesium compounds has been growing for two decades, but new applications are being discovered at an increasing rate.** The most marketable compound is Cesium Formate, an environmentally friendly brine with stable viscosity at high temperatures and pressures used by oil & gas drillers to control reservoir back pressure and complete wells.

>> **in 2004, Cascadero Copper, discovered the Taron deposit, a completely unique (i.e., newly recognized) style of Cs deposit** in Salta, Argentina; a sediment hosted epithermal polymetallic deposit containing significant quantities of Cesium, Thallium, Arsenic and Manganese, with subordinate values of copper, zinc, silver, barium, cobalt, lithium, and rubidium. Based on data from 7 core holes drilled in 2009 and thousands of metres of trenching and assays Cascadero management believes Taron is one of the largest known accumulations of Cesium on the planet. Importantly, it is a completely newly discovered way that Cesium is found to form. A huge milestone in itself.

>> **The extraction method for the Cesium compounds is patentable.** On January 29th, 2016 Cascadero Copper Corporation applied for a United States Provisional Patent Application No.62/288,884 Filed January 29, 2016. "RECOVERY OF CESIUM FROM EPITHERMAL MINERAL DEPOSITS". If anyone discovers this type of Cesium deposit in the future within the jurisdictions that Cascadero’s patent is filed they will have to negotiate a use of recovery process with Cascadero involved.

>> **Cascadero plans to drill out a 10-20 million tonne maiden resource (~50 holes), complete a preliminary economic assessment (PEA), and to carry out a sampling and mapping program at five of its best 100% owned silver targets in Argentina at a cost of less than $2 million in 2016.**

>> **Taron possesses several potential advantages in mining over its predecessor and only other competing mine: Tanco.** Taron is open pittable while the Tanco mine (owned by Cabot Corp in Manitoba) is underground and under a lake. An underground operation involves sinking shafts and raises. Getting to the ore at Tanco requires drilling, blasting and tramming it from hard rock 60 metres below a lake. The remaining pillars at the Tanco mine are in question after 20 years
of mining. Continued mining there has increasingly drawn environmentalist protests. Conversely, the Taron deposit sits atop a hill with minimal stripping required to extract the minerals.

**Metallurgical** work conducted by UBC staff on Taron drill core samples demonstrated a high degree of confidence that the mineral and compounds can be extracted efficiently and cheaply.

**Several large conglomerates** in the specialty chemicals and brines industries, which have been consolidating, have shown an interest in Taron and signed confidentiality agreements with Cascadero in order to share information. Cascadero has sent one a 28 kg sample of ore to confirm the results of metallurgical studies undertaken by Cascadero and the University of BC.

**Possibility of limited dilution going forward** if First Quantum (FM) buys the La Sarita group of nine Au/Ag/Cu properties that have mineral potential, in which FM already has a 50% interest in two properties with Cascadero holding 50%, and a 100% interest in five properties. In addition to the mineral potential of the La Sarita group, which adjoins Taca Taca to the west, that Cascadero’s management believes is strategic to the development of First Quantum’s billion dollar Taca Taca base metal deposit in Argentina. In theory, Cascadero could get through its resource calculation and PEA on a very small financing given the existence of nearly 40 million options and warrants exercisable from 5 - 10 cents (approx. $2 million worth). However, the La Sarita properties, while prospective, are not core for Cascadero, and could be sold to First Quantum, ensuring that the company’s development needs are funded for some time going forward.

Most of the company’s properties are located in Argentina, previously impoverished by the corrupt socialist-peronist policies of the former government under Cristina Kirchner. Argentina’s new government has already scrapped the foreign exchange controls, which were crushing its farmers and other export oriented sectors, freed up trade again, fired a bunch of soul sucking bureaucrats, and is trying to liberalize energy prices and reverse capital controls to make the place attractive for foreign investment again. For almost a decade the previous government had sucked the life out of the nation’s economy, and when the resource bust came it devastated the prospects for many companies and businesses, including those of Cascadero Copper’s. It is one of the many factors behind the company’s fall in value after 2008, and especially after 2012.

In Argentina, Cascadero subsidiaries are the registered owner of a 100% interest in 20 properties (47,692 Has); a 50% interest in two (2) properties (2,300 Has); and, a 33 1/3% interest in two (2) properties for a total of 24 properties. Cascadero also holds a 49% working interest in the Toodoggone property in central British Columbia (Canada) joint ventured with the Gold Fields Ltd. In addition to developing its flagship Taron Cesium deposit, Cascadero intends to map and sample three (3) of its gold-silver properties in the next few months.

The 3 year long corporate restructuring is almost complete. The company was able to separate interests on all properties joint ventured with its previous Brazilian partner, which was unable to satisfy the requirements of its partnership -in part owing to the downturn in the
commodity and resource sector following 2012. This part of the restructuring took almost two and a half years. The second part of the restructuring resulted in the arrival of a new joint venture partner (Regberg Ltd.) for a 25% beneficial interest in the Taron project (i.e., SESA LLC) for an advance of $850,000 (plus the right to acquire an additional 5% for $175,000).

>> While valuation is still speculative, based on Cabot Corp’s (the Tanco mine’s owner) financial statements and other information we can impute annual revenues of at least $100 million, and imagine a net present value somewhere north of that figure (the average S&P 500 company trades at 1.8 times sales these days), leaving lots of reward in relation to the risk at the present market capitalization of C$8 million (plus C$2 million in enterprise value including options and warrants). This excludes the Company’s many other prospects in Argentina or BC, the realizable value of its La Sarita group of properties, as well as the value of its patent on Cesium extraction.

>> Catalysts include the completion of its restructuring (followed by a financing to develop its flagship Cesium asset: Taron), the shutting down of the Tanco mine in Manitoba that supplies 80-90 percent of the market’s current needs for Cesium, the new government in Argentina, and a new resource cycle. The timing to develop these assets has rarely been better, and the time to buy this stock is unique as the market does not yet know about the Cesium story and still sees Cascadero as a defunct former prospect generator that has joined the TSX’s list of zombies.

Management

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<th>DIRECTORS / MANAGEMENT</th>
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<tr>
<td>BOARD</td>
<td>TITLE</td>
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<tr>
<td>Bill McWilliam</td>
<td>President, CEO, Director &amp; Chairman</td>
<td>2003</td>
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<tr>
<td>Tom McCabe</td>
<td>Director</td>
<td>2014</td>
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<td>Dr. David Trueman</td>
<td>Director</td>
<td>2014</td>
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<tr>
<td>Judith Harder</td>
<td>Corporate Secretary</td>
<td>2011</td>
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<td>Sharon Lewis</td>
<td>CFO</td>
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ADVISORY BOARD:

Peter Barnes
Bruce Downing
Dr. Mohammad Mokmeli
Terry Lyons
George Gale
John Haag
Michael Denega
The company is headed up by Bill McWilliam who has led it since 2003. Mr. McWilliam was a financial and securities analyst in the eighties, and has managed exploration for various companies for almost twenty years. It was he and Dr. David Trueman who discovered the Taron deposit and who created Cascadero as it is today.

Dr. Trueman has been involved with rare metals deposits since the late 1970’s when he joined Tantalum Mining Corp. of Canada (TANCO), which, at that time, was producing some 70% of the world's newly won tantalum. He later joined Highwood Resources to work on the Thor lake project and has since worked on rare metal deposits through the Arctic in Canada, Greenland, the US and USSR, and in Australia, Namibia, Malawi, South Africa, India, the PRC, Brazil, Argentina, Saudi Arabia, Spain, France, Wales, Denmark, and East Germany. Over the years Dr. Trueman has variously been a member of the Canadian Institute of Mining & Metallurgy, the Geological Association of Canada, the Prospectors & Developers Association, the Manitoba Association of Professional Engineers and Geoscientists and other professional associations.

The board includes Tom McCabe, a former BMO banker, and the company’s advisory board consists of several high profile players including: Peter Barnes, former Silver Wheaton CEO; Terry Lyons, former chairman of Northgate Minerals and Lead Independent Director and Chairman of the Audit Committee of Canaccord Genuity Group Inc. as well as a Director of Canaccord’s subsidiaries in the UK, US, Canada, Australia and Asia; Bruce Downing, a geoscientist with 30 years in the industry; and Dr. Mohammad Mokmeli, who oversaw the metallurgical study contracted by UBC late last year.

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**Company Overview and Description,**

**Cascadero Copper (CCD:TSXV, 151,692,528 shares issued)** is a TSX Venture listed explorer and resource development company led by Bill McWilliam and Dave Trueman who have discovered and toiled on a very large and unique style of Cesium and rare metal deposit in Argentina since 2009. It may represent the largest accumulation of Cesium known to exist on the planet, and it has suddenly taken on new significance -as the main competing source has effectively run out.

A recent (2015) metallurgical study completed by hydrometallurgists at the University of BC has shown processing of the ore and recovery of the cesium to be simple and inexpensive.

Cascadero plans to drill out a maiden indicated resource and complete a PEA during 2016-17.

Formerly an Argentine prospect generator, Cascadero has been through a restructuring of interests that has taken three years to complete, and which involved a painful break up of what was supposed to be a lucrative partnership with Cypress River Holdings in Argentina.

[The partnership dissolved over disagreements surrounding the fall out from the bursting of the commodity bubble and the deteriorating economic situation in both Argentina and Brazil.]
Following the restructuring, Cascadero has emerged as a resource development Company focused on bringing the Taron deposit into production or selling it to the highest bidder.

In 2015, Cascadero sold a 25% interest in its Argentine Operating Joint Venture, which included a financing agreement with Regberg Ltd., a private company based in Singapore. Regberg has the right to purchase an additional 5% interest in the Joint Venture for US$175,000.

To date, Regberg has contributed US$600,000 to the JV of an agreed to US$1,025,000 including the exercise of the 5% option. Cascadero’s working interest in the Taron deposit will be 70%.

In addition to the Taron deposit, Cascadero’s Argentine subsidiaries have a 100% interest in a strong and diversified property portfolio. The properties are grouped in five different areas of north western Argentina within the province of Salta. Eleven (11) of the 24 properties are prospective for silver and gold.

In British Columbia, Cascadero holds a 49% interest in the Toodoggone Project, which consists of a contiguous ~31,000 hectare claim block that adjoins Aurico’s Kemess properties in north central BC. The area has excellent infrastructure including a high-tension power line, all-weather air strip, and a 26,000 tonne per day mining and milling complex that is on care and maintenance. The Toodoggone Project is subject to a Joint Venture with Gold Fields Ltd. who has earned a 51% interest and can increase its interest to 75% by pending another C$15 million.

The Toodoggone Project is prospective for copper-gold bulk mineable porphyry deposits and epithermal precious metal deposits.
What is Cesium,

“Cesium is another one of those elements that has found a multitude of uses since it was discovered in mineral water more than a 150 years ago in Durkheim, Germany. Among them, it increases the electrical conductivity of vacuum tubes, but it also helps us keep time because it’s used to help ensure the accuracy of the world’s atomic clocks. Plus, it’s used to regulate cell phone transmissions and the information flow on the Internet. But in a somewhat more unusual application, cesium formate brine is also used to lubricate drilling equipment on North Sea drilling rigs where prior to its use, an average of one accident occurred on almost every gas well built in the North Sea.” CMJ; Aug 1, 2014

“Cesium formate brines are naturally very heavy and with no solids in the fluids so the risk of losing well stability and control is much reduced. As a result, there have been no well control safety incidents in over 150 deep gas well operations using cesium formate brines.” Facility Manager for TANCO Mine’s cesium operation at Bernic Lake, Manitoba

Cesium (Caesium) is a soft silvery rare alkali metal discovered in the late 19th century with properties similar to potassium (K) and rubidium (Rb), elements that share the same column but higher levels on the periodic table of elements. In its pure metal form Cesium is even more reactive with air and water but in its mineral form within known deposits it is inert. It has the atomic number 55 and symbol Cs. Possessing the lowest hardness of all the elements, the pure
Cs metal will melt in your hand at 28 °C. Its only stable isotope is Cs-133, which has been used to set atomic clocks since 1967. Since it has the viscosity of water but is 2.2 times denser it finds major use in the petroleum industry for drilling and finishing high temperature and high pressure oil and gas wells. In the 1990s, Cabot Corp (CBT:NYSE) pioneered applications of the compound Cesium formate to stabilize the viscosity of specialty drilling fluids so they can be used at high temperatures (like when an oil company is drilling several kilometers beneath the surface). The function of cesium formate as a drilling fluid is to lubricate drill bits, to bring rock cuttings to the surface, and to maintain pressure on the formation during drilling of the well.

It competes with Lithium and other brines but is considered to be the crème de la crème in the specialty fluids business. Cesium formate brines help oil and gas companies drill faster (up to 100% faster) than the competing brines and they are environmentally friendly (85% recyclable).

This allows oil and gas companies save on drilling and development costs, maximize their well performance, reduce the need for future well interventions, and even define reserves better.

And because it is recyclable, Cabot leases it instead of sells it, which compounds the difficulty in calculating its value, but is a definite plus. Cabot has invested significantly in downstream facilities all over the world for this purpose alone. For all these reasons demand for this product has grown phenomenally since Cabot started developing its market in the nineties. Cesium also has a range of applications in the production of electricity, in electronics, as well as chemistry.

It is also used as a catalyst for accelerating or moderating other chemical processes such as the manufacture of plastics and coatings. Fission byproducts cesium-131 and cesium-137 are used to treat cancer. The radioactive isotope caesium-137 is widely used in industrial gauges, mining and geophysical instruments, and for sterilization of food, sewage, and surgical equipment.

Cesium isotopes can be used in metallurgy to remove gases and other impurities, and in vacuum tubes. Demand has also been growing for Cesium compounds as a reagent in the high end plastics industry. Cesium chloride is used in analytical chemistry applications as a reagent, in high-temperature solders, as an intermediate in cesium metal production, in isopycnic centrifugation, as a radioisotope in nuclear medicine, as repellents in agricultural applications, and in specialty glasses. Cesium carbonate is used in the alkylation of organic compounds and in energy conversion devices, such as fuel cells, magneto-hydrodynamic generators, and polymer solar cells. Cesium bromide is used in infrared detectors, optics, photoelectric cells, scintillation counters, and spectrophotometers. Cesium hydroxide is used as an electrolyte in alkaline storage batteries. The demand for the other compounds are also on the rise. Lesser known uses include a coloriser and oxidant in pyrotechnics, in cesium iodide crystals for photomultiplier tubes in scintillometers and in other opto-electronics such as photovoltaic cell coatings and night vision equipment where it lends response to infrared and ultraviolet sensitivity.

PETE or Photon Enhanced Thermionic Emission promises to double the power of silicon solar cells by utilizing the ultraviolet and infrared portions of the electromagnetic spectrum in a process that gains efficiency with heat. In some specialty glasses, it imparts a corrosion resistance and is a preferred material for solar panels protection. Cascadero believes the
possibilities are endless and may even include applications in dense media separation, like mining and even in the average car radiator. But these latter applications are still far away.

**Prices of Cesium Metal and Compounds**

Information on production and prices of Cesium compounds is difficult to obtain because Cabot Corp has a virtual monopoly on the product chain. However, I have accumulated data from the USGS, the company’s geologists, and through my own independent due diligence. Canada is the leading producer and current estimates for world wide annual demand are 30,000 to 50,000 kg.

Cascadero estimates the potential demand for Cesium compounds at $100 million per year.

Regarding prices, the USGS says,

“In 2015, one company offered 1-gram ampoules of 99.8% (metal basis) cesium for $59.70 and 99.98% (metal basis) cesium for $73.40, the same as those in 2014, and an increase of 3.9% and 4.1%, respectively, from those in 2013.”

This compares with $42.5 and $55.90 in 2006, respectively, for the different grades, and $40.80 for the higher grade (99.98%) metal in 1995. **However, the real market is in ‘compounds’ and they go for less.** For example, the USGS notes, the prices that “a company offered for 50 grams of 99.9% (metal basis) cesium acetate, cesium bromide, cesium carbonate, cesium chloride, and cesium nitrate were $111.40, $67.70, $95.80, $96.60, and $173.00, respectively. The price for a
cesium-plasma standard solution (10,000 micrograms per milliliter) was $81.40 for 50 milliliters and $124.00 for 100 milliliters.” Cascadero estimates prices from 38 cents up to $1.10 per gram for compounds such as Cesium Carbonate, Cesium Hydroxide, Cesium Chloride, Cesium Nitrate, Cesium Acetate, and the most important one at the moment, Cesium formate ($0.38 per gram).

Production and Supply: Inventories Overestimated

The Tanco Mine in Canada, the Bikita Mine in Zimbabwe, and the Yichun granite in China are recognized as significant sources of cesium. Lesser and non-systematic production is seen from Namibia. The extent of Bikita’s pollucite or lepidolite resources are unknown, but have been depleted over 65 years of production. The Yichun granite has a low-grade resource.

“Cesium deposits, especially large mineable ones, are rare in nature and replacing mined reserves is problematic for the industry as a whole”, says David Trueman (the only geologist in the world that has visited and studied the Tanco Cesium Mine and the Taron Cesium Deposit).

Cabot Corporation’s Tanco tantalum-lithium-cesium mine in Canada is an underground deposit located beneath Bernic Lake in Manitoba, Canada. It supplies over 80% of the present world demand for Cesium formate and has essentially been a monopoly producer and supplier of cesium formate since 1994. Estimates of Tanco’s production vary but in 1997 the commissioned nameplate capacity for cesium formate production was 12,000 barrels per year. Production in 1997 was reported at 500 barrels a month and expanded in 1999 to 700 barrels per month.

At the time the mine had roughly 400,000 tons of pollucite grading roughly 23% Cesium Oxide (estimated pre-mining average ore grade in 1997), or roughly 120,000 tons of Cesium Oxide.

The USGS still lists world reserves as follows,

| World Cesium Reserves, Metric Tonnes (USGS) |
|----------------------|---------------|
| Canada               | 120,000       |
| Namibia              | 30,000        |
| Zimbabwe             | 60,000        |
| **Total**            | **210,000**   |

However, the USGS has never adjusted the 120,000 tons for depletion in its own data - I went back through several years of publications to find that the figures have remained the same.

Moreover, the reserves are probably not even of very good quality since they were focused on delineating mainly tantalum reserves back when the mine started up, and probably were a bit loose footed in defining the Cesium quantities to begin with. The mine has been operating for 19 years now, however, and Cesium formate production from Canada has been estimated at around 6,000 tons per year, including 4,000 tons of cesium from 17,000 tons of pollucite ore.
Uh Oh, Major Supply Disruption!

That suggests there is less than 40,000 tons left at the Tanco mine in Canada. But here’s where our story gets really exciting. Cabot has had to shut down Tanco over issues with its crown pillar.

The USGS hasn’t reported this yet, although it notes most recently that,

“In early 2013, the underground mining operation at Bernic Lake, Manitoba, Canada, experienced a partial collapse in the area of the mine’s crowning pillar (USGS). A similar event had taken place in 2010 (USGS). In 2015, mining continued at [a reduced rate] while work to stabilize the area progressed.” US Geological Survey, Caesium

In 2010, the Tanco Mine suffered a “fall of ground” which was followed in 2013 by a “second fall of ground.” These occurrences have curtailed pollucite production from the mine and sterilized parts of the ore bodies. And since it is under a lake it has riled local environmentalist groups.

Cabot has now shut it down, without explanation (yet).

It has begun to ration Cesium formate, and has had to limit its availability in response.

As far as Zimbabwe is concerned, Cascadero’s chief geologist Dave Trueman who has been working as a geologist in the industry for decades and is familiar with all the known targets – he has visited more Cesium projects than anyone else – says, “The pollucite at Bikita (Zimbabwe) was mined years ago and put to stockpile. It is now a salvage operation…” As for Namibia, he says, Namibian “pegmatites have small size and systematic production problems.”

All this means is that the Cesium industry, for which demand is proliferating in many directions, is heading for an acute supply shortage if it isn’t experiencing one already.

Cascadero has the only primary Cesium deposit capable of sustaining this growing demand -we hear of a few explorers looking in Canada but they are very small underground targets.

A Totally Unique Cesium Style of Deposit

But our story gets even more interesting.

Traditionally, cesium is found as part of the minerals pollucite and lepidolite, as is the case at Tanco. Pollucite forms in association with lithium-rich, lepidolite-bearing or petalite-bearing zoned granite pegmatites. It is mined as a co-product of the lithium mineral lepidolite.

In contrast, Cascadero’s Taron cesium deposit in Argentina is a newly recognized type of deposit formed from epithermal fluids circulating in a shallow crustal environment, forming a variety of minerals, colloids, glasses and clays collectively termed “geyserites”.
This has important implications for geology, but also, for patentability.

**Geography & Geology**

The cesium bearing mineralization outcrops over a large area, as you can see in this graphic on the right.

The Taron cesium project is located in Salta Province in northwestern Argentina as shown in the map below. It is located about 6 hours drive NW of the city of Salta (300 kms) and three hours from the town of San Antonio de los Cobres. It is readily accessible by roads which lead to a number of former, small, manganese mines, and producing borax mines which pre-date the discovery of the cesium deposit in 2004. The Taron property consists of 8 segmented / contiguous mineral tenures, approximating 15,114 hectares.

The Tenures are 100% owned by Cascadero Minerals S.A. a subsidiary of **Cascadero Copper**. No permanent habitations are located within 50 kms of the Taron prospect and no cultivated land exists in the area. Sheep are pastured locally but no infrastructure exists, other than access roads to the former manganese and producing borax operations.

The deposit has been widely sampled in three dimensions through trenching and drilling. Widely spaced drilling conducted in 2009 (7 core holes in 900 meters) and 6,000 meters of trenching in 2006 suggest a large resource of cesium may exist at Taron perhaps four times as large as the resources at the Tanco mine before production started in the late nineties.
The Taron deposit also remains open at depth and laterally. The areal extent of the Taron mineralization encompasses at least 630,000 m². Given a depth of 70 vertical metres and an arbitrary specific gravity of 2.5, this equates to approximately 110,250,000 tonnes or about 1,575,000 tonnes per vertical metre. At a Cs grade of 0.45 kgs per tonne, it may contain a resource of over 496,125,000 kgs of cesium (or 496,125 tonnes). It is believed that the cesium mineralization occurs over a much larger area to the north east and south east of the trenched and drilled area. For comparison purposes, Cabot’s Tanco had resources of 400,000 tonnes grading 24% Cs or an approximate 90,000,000 kgs of cesium before they mined it out.

Metallurgical Work

Metallurgical testwork conducted by SGS Lakefield Research on two bulk samples in 2006 demonstrated an amenability to inexpensive processing with >78% cesium recoveries.

This work showed that the mineralization was soluble in both hot acid and alkali and that it showed excellent recoveries in both cases. Cesium solubility was excellent in both acid and caustic leaches, however, no attempt was made by SGS to further separate, purify or sequester the other elements in solution. The program was terminated in 2007, but re-initiated in 2014.

In 2015 Cascadero awarded a contract to the University of British Columbia to demonstrate the viability of producing cesium hydroxide and cesium formate from ore from the Taron deposit.

This work was completed successfully in December of 2015 and has now been taken to patent.

Patents Pending

On January 29, 2016 a provisional application was filed with the United States Patent and Trademark Office for the process involved in extracting the Cesium and producing a compound.

The company is looking at filing a like patent for other geographical regions wherever there is a likelihood of the existence of this type of deposit. This way if anyone discovers a Cesium deposit in one of these regions they will have to negotiate with Cascadero in producing the compounds.

Development Plan

For Taron, the way forward is simple: Cascadero has to drill out a high confidence resource and move to a continuous processing pilot plant in order to study its economics. Management is still contemplating the specifics but believe that it will be sufficient to drill out a small section of the deposit first: an area of 250m x 250 x 75m, which would equal 10 million tonnes at a 2.2 SG.

That’s only 1/10 of the total prospective mineralization as mentioned above, but that would still be enough to supply the market’s current needs and compute a valuation. The first step will be to estimate the quantity of Cesium within that tonnage, which will require 50-65 drill holes each about 75 meters long (vertical). A program like that may cost $1.5 to $2.0 million. Due to
the seasons and altitude of the deposit, drilling won’t be able to start until the fall. However, from there it should not take long to come up with an estimate of the size of the orebody. Perhaps by this time next year we can expect a maiden resource estimate accompanied by an economic study.

Meanwhile, the company plans to map and sample five of its early stage silver targets also in Argentina. This kind of work is relatively inexpensive and could be done for $125,000.

Trenching and geochemistry would follow.

In order to accomplish these things Cascadero will likely be announcing a small financing for insiders and friends. Combined with options and warrants, if the stock can stay above 10 cents the company would see inflows of over $2 million in its treasury. It is also in talks with First Quantum about the sale of its La Sarita claims adjoining its Taca Taca base metal deposit.

Those claims could be worth anywhere from a few million up to $20 million, but they are not likely to be sold until the new year when First Quantum is formulating a new budget. By then the company should have completed a PEA on the Taron cesium deposit.

**Valuation**

It is way too early to determine valuation. At the moment there is a window of opportunity to buy the shares cheap because the rest of the market may still see only a defunct Argentine prospect generator when they go to the website. But the company is moving to development, and believes the Taron Cesium deposit is going to be valuable under current circumstances.

How valuable is anyone’s guess. The deposit has been discovered, and Cascadero only needs to put in a couple million to demonstrate its size and economic viability. Early signs are promising.

Based on information that Cabot was producing 2,200 metric tonnes per year (8,000 bbls of Cs formate) out of Tanco we can deduce a potential total annual revenue of US$100 million.

Anecdotally and based on the metallurgical work to date, management believes the economics will work. But based on the price to sales ratio of the average S&P 500 company we can deduce a potential value of US$185 million, or US$130 million for its 70% net working interest. In terms of Canadian dollars this means C$165 million, or almost C$1.00 per share. This could be our one year target, assuming our analysis holds up through the drilling program and economic study.

In addition to this, however, the company has 17 other properties with gold and silver targets in Argentina, which it intends to follow up on. Don’t discount them just because I didn’t cover them in the initiation of this company in our portfolio. They are very prospective on their own, but still earlier in the development pipeline. Finally, the value of the patent should not be forgotten. Not many mining processes are amenable to patenting but in this case, since it was able to find out that Cabot patented Tanco’s metallurgical process, Cascadero filed its own.
Regardless, the stock will not go to $1 or higher over night. Work has to be done and as the various milestones are reached and the project incrementally de-risked, values get realized.

The shares are a buy up to 10 cents but I would put present value at closer to 25 cents.

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