

Culpeo Minerals Ltd. (ASX:CPO)

Lana Corina Drilling Confirms High-Grade Mo Zone at Depth

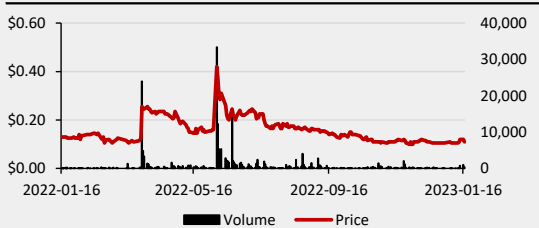
Exploration Update

January 17, 2023

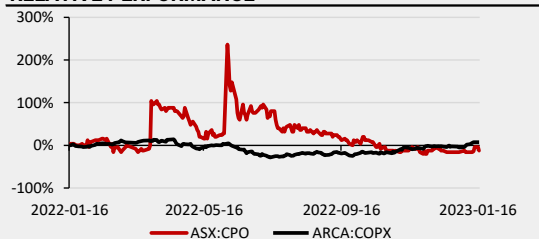
(Currency is AUD\$ unless noted otherwise)

Closing Price (A\$/sh)	\$0.11	
Rating	NA	
Target (A\$/sh)	NA	
Return to Target	NA	
52 Week Low / High	\$0.10 / \$0.48	
CAPITALIZATION	Basic	Diluted
Shares Outstanding (M)	71.3	72.5
Market Capitalization (A\$M)	\$7.8	
Enterprise Value (A\$M)	\$4.7	
Cash and Equivalents (A\$M)	\$3.2	
Total Debt (A\$M)	\$0.0	

STOCK CHART



RELATIVE PERFORMANCE



RELATIVE VALUATION

	EV (A\$M)
Culpeo Minerals Limited	\$4.7
Peer Group*	\$20.1

*RCS Estimates and S&P Capital IQ

MAJOR SHAREHOLDERS

Management (26%), Credit Suisse (3.59%), Acuity Capital Investment (3.22%), Pac Partners (2.46%), Mastsail Holdings Limited (1.2%)

DISCLOSURE CODE:

3

(Please refer to the disclosures listed on the back page)

Source: RCS, Company Information, Capital IQ

Impact: Positive

Culpeo Minerals announced assays for an additional three holes from its Phase 2 drill program at its Lana Corina project (option for 85%) located in the Coquimbo region of Chile, 240km north of Santiago (Figure 1). Lana Corina is prospective for copper-molybdenum (Cu-Mo) breccia pipe/porphyry mineralization and is in proximity to Antofagasta's (LSE:ANTO) Los Pelambres Cu-Au-Mo mine, and ~70km south from Teck's (TSX:TECK.B) Andacollo mine. To-date, mineralization has been identified in outcropping Cu bearing breccia pipes over ~3km of strike (Figures 2 & 3). **We continue to be impressed with drilling results from Lana Corina which have returned broad intervals of Cu and Mo mineralization. We believe the existing zone of mineralization has significant potential to grow with more drilling. In our view, the newly confirmed high-grade Mo zone indicates that there is a large, deep-rooted porphyry system below the near-surface breccia pipe hosted mineralization.**

- **High-grade Mo zone confirmed at depth.** CMLCD013 was designed to target extensions of known mineralization to the north and at depth. It returned multiple intercepts of +0.20% CuEq, including 1) **0.85% Cu and 24ppm Mo (0.91% CuEq) over 72m** from 352m depth and 2) **0.14% Cu and 1,704ppm Mo (0.84% CuEq) over 35m** from 570m depth. We note that it intersected a high-grade, mineralized porphyry at depth, suggesting the system could be quite large and that there is likely ample expansion potential (Figure 4). The second intercept from hole -013 also hit the same high-grade Mo mineralization encountered in CMLCD003 reported in Jun/22, thus confirming a high-grade zone.
- **Mo a key metal for the steel industry.** Among other uses, Mo is mainly used to make alloys and as a lubricant additive. As per the USGS, ~300kt of Mo was produced in 2021. The 1-month LME contract price is up ~50% since Aug/22 (at \$29.83/lb) due to supply constraints in major producing countries including Chile, Peru, China and the U.S.
- **Mineralized zone extended 100m to the south and to >700m depth.** CMLCD011 intercepted **0.35% Cu and 36ppm Mo (0.38% CuEq) over 100m** from 334m depth, which extended known mineralization 100m south of the main Lana Corina breccia complex and confirmed the existing T10 geophysical anomaly (Figure 5). We note that the system remains open in all directions and at depth. We expect the company's focus to be to the NE where mapping and fieldwork has identified surface mineralization and historical small scale mine workings.
- **Next steps at Lana Corina.** Culpeo is currently completing detailed surface geochemical sampling and plans follow-up drilling based on an updated targeting framework incorporating recent results.

Valuation:

We do not currently have a rating or target price for Culpeo Minerals. If Culpeo continues to report positive assays and/or make a discovery, particularly at Lana Corina, we would expect a re-rating. We also note that Culpeo is relatively undervalued on an EV basis, as it is currently trading at \$4.7M vs. peers at \$20.1M (Figure 6). **Upcoming catalysts:** 1) Drill results for Lana Corina (ongoing) and 2) Surface geochemical results (H1/23).

About Culpeo Minerals:

Focused on exploring for high-grade copper systems in Chile.

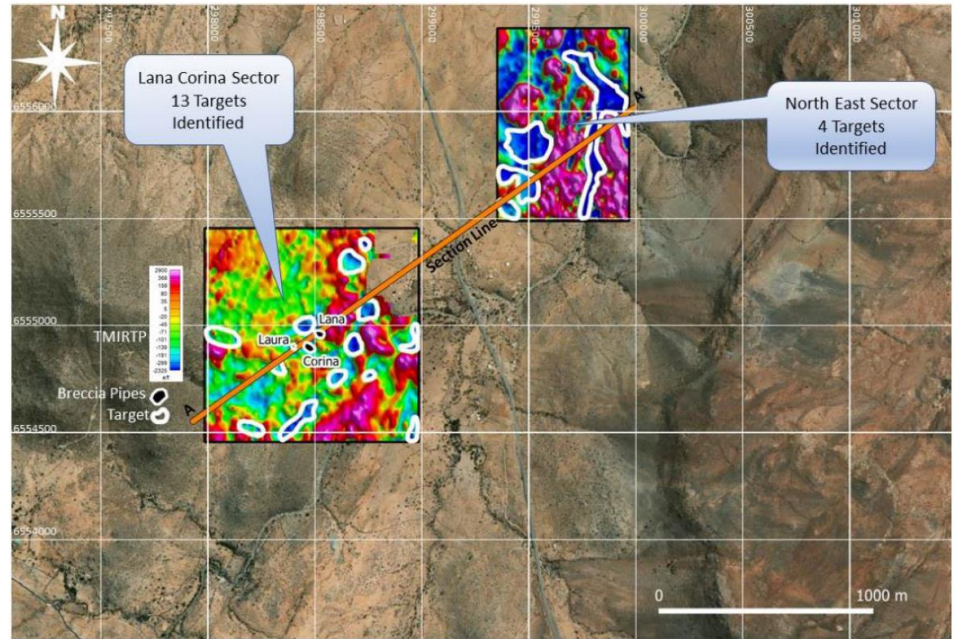
Although the company's flagship project is the Lana Corina project, it also has interests in two earlier stage assets, Quelon (option for 85%) and Las Petacas (66% interest), which offer exploration upside. While Quelon has never been drill tested, sampling results have returned up to 3.5% Cu. At Las Petacas, Cu oxides have been returned in outcrop and historical drilling has returned high-grade Cu mineralization. All projects are located in the vicinity of other major deposits such as El Espino and Candelaria and have access to adequate infrastructure. Drilling programs are planned at all three of its projects in 2023, including ~5,000m at Lana Corina.

Figure 1: Map of Chile showing Culpeo's Lana Corina and Quelon project locations relative to other deposits and infrastructure



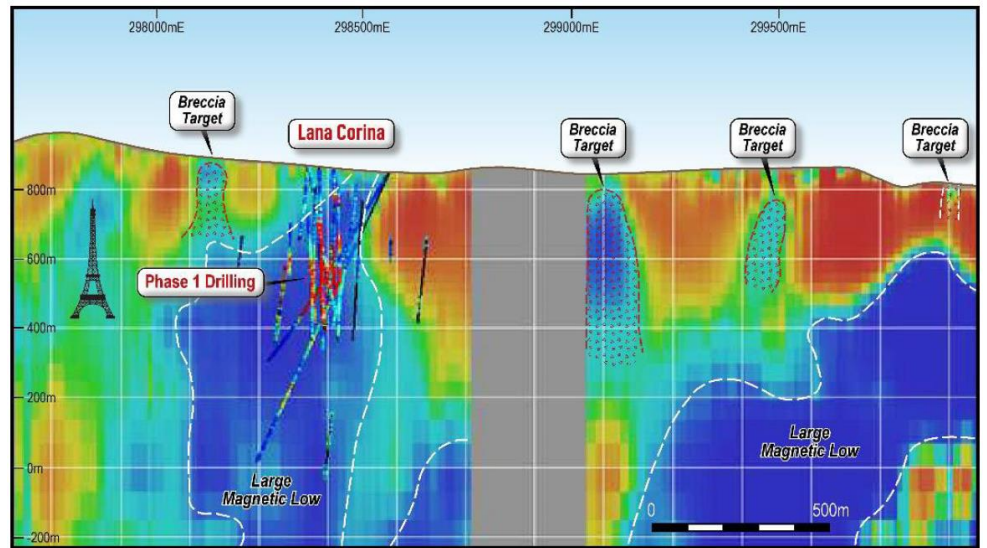
Source: Company Reports

Figure 2: Lana Corina project map showing prospectivity defined over 3km of strike length



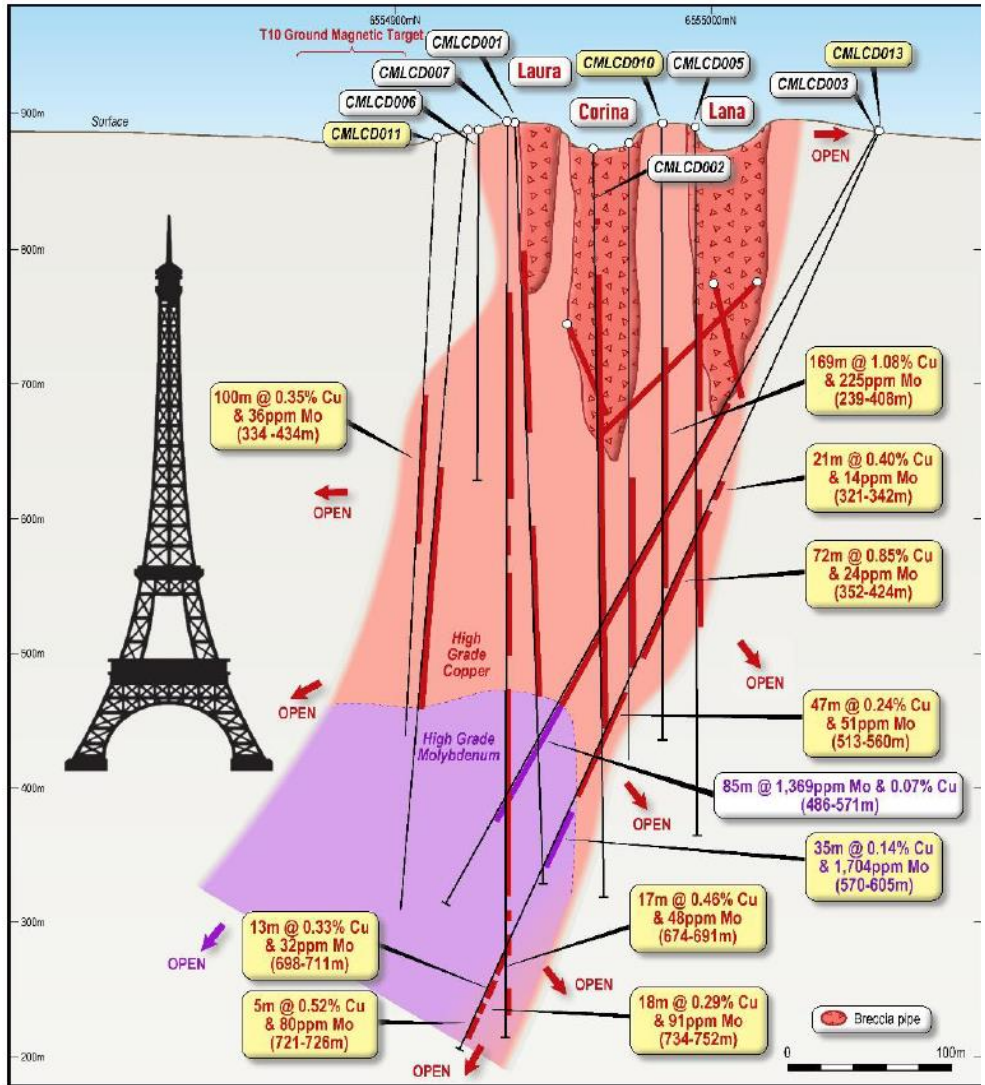
Source: Company Reports

Figure 3: Section (line shown in Figure 2) showing magnetic inversion model with additional targets over 3km of strike length



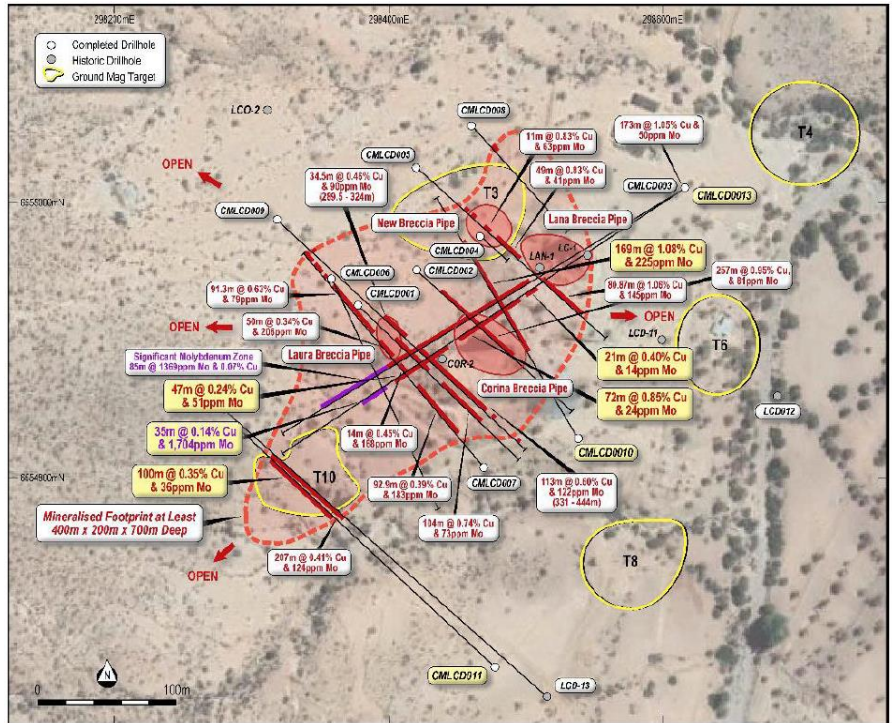
Source: Company Reports

Figure 4: Schematic long section looking NW showing significant drilling results and high-grade Mo zone at depth



Source: Company Reports

Figure 5: Plan view of recent drilling results and geophysical target areas – note where CMLCD011 confirmed anomaly T10



Source: Company Reports

Figure 6: Comparable companies' analysis

Company	Ticker	Price (A\$/sh)	YTD Perf.	Shares (M)	Mkt. Cap A\$M	Cash A\$M	Debt A\$M	EV A\$M
Culpeo Minerals Limited	ASX:CPO	\$0.12	14%	71.3	\$8.6	\$3.2	\$0.0	\$5.4
Kodiak Copper Corp.	TSXV:KDK	\$1.28	14%	61.1	\$78.0	\$15.9	\$0.0	\$62.2
Battery Mineral Resources Corp.	TSXV:BMR	\$0.15	0%	171.7	\$25.8	\$1.6	\$11.4	\$35.7
Max Resource Corp.	TSXV:MAX	\$0.30	26%	163.1	\$48.1	\$20.7	\$0.0	\$27.4
C3 Metals Inc.	TSXV:C3CM	\$0.06	7%	590.3	\$34.8	\$8.5	\$0.0	\$26.3
Surge Copper Corp.	TSXV:SURG	\$0.17	33%	172.1	\$28.6	\$2.4	\$0.1	\$26.3
Vizsla Copper Corp.	TSXV:VCU	\$0.35	52%	69.9	\$24.4	\$2.6	\$0.1	\$21.9
QC Copper and Gold Inc.	TSXV:QCCU	\$0.18	11%	156.1	\$28.5	\$11.2	\$0.0	\$17.2
Alpha Copper Corp.	CNSX:ALCU	\$0.25	23%	87.6	\$21.6	\$6.0	\$0.0	\$15.6
Pampa Metals Corporation	CNSX:PM	\$0.24	61%	53.9	\$13.0	\$0.1	\$0.0	\$12.9
Libero Copper & Gold Corporation	TSXV:LBC	\$0.14	-10%	97.4	\$13.6	\$2.0	\$0.5	\$12.0
Infinitum Copper Corp.	TSXV:INFI	\$0.08	-11%	49.5	\$4.0	\$0.3	\$0.1	\$3.7
Kintavar Exploration Inc.	TSXV:KTR	\$0.05	-100%	111.2	\$5.6	\$3.4	\$1.1	\$3.4
Fabled Copper Corp.	CNSX:FABL	\$0.01	7%	173.7	\$1.9	\$0.0	\$0.0	\$1.9
							Median	\$17.2
							Average	\$20.6

Notes:
Financial and share metrics as of last financial statements

Source: Company Reports, S&P Capital IQ

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Updated January 17, 2023

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			BUY (S)	25%
			HOLD	0%
			TENDER	2%
			NA	2%
			UNDER REVIEW	2%

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Company Name	Ticker Symbol	Disclosures
Culpeo Minerals Ltd.	ASX:CPO	3

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