



# cascaderocopper

## MANAGEMENT DISCUSSION AND ANALYSIS FOR THE YEAR ENDED NOVEMBER 30, 2013

The following discussion and analysis of the operations, results, and financial position of Cascadero Copper Corporation (“the Company”) prepared as of March 27, 2014, should be read in conjunction with the Company’s audited consolidated financial statements and related notes attached hereto. The MD&A for the year ended November 30, 2013 reflects the Company’s adoption of International Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). The effective date of this report is March 27, 2014. All figures are presented in Canadian dollars unless otherwise indicated.

### FORWARD-LOOKING STATEMENTS

Forward-looking statements look into the future and provide an opinion as to the effect of certain events and trends on the business. Forward-looking statements may include words such as “plans”, “intends”, “anticipates”, “should”, “estimates”, “expects”, “believes”, “indicates”, “suggests” and similar expressions.

This MD&A contains forward-looking statements. These forward-looking statements are based on current expectations and various estimates, factors and assumptions and involve known and unknown risks, uncertainties and other factors. Information concerning mineral resource estimates and the interpretation of drill results may also be considered as a forward-looking statement; as such information constitutes a prediction of what mineralization might be found to be present if and when a project is actually developed.

It is important to note that:

- Unless otherwise indicated, forward-looking statements in this MD&A describe the Company’s expectations as of March 27, 2014.
- Readers are cautioned not to place undue reliance on these statements as the Company’s actual results, performance or achievements may differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements if known or unknown risks, uncertainties or other factors affect the Company’s business, or if the Company’s estimates or assumptions prove inaccurate. Therefore, the Company cannot provide any assurance that forward-looking statements will materialize. Factors that could cause results or events to differ materially from current expectations expressed or implied by the forward-looking statements, include, but are not limited to, possible variations in mineral resources, labour disputes, operating or capital costs; availability of sufficient financing to fund planned or further required work in a timely manner and on acceptable terms; failure of equipment or processes to operate as anticipated; and political, regulatory, environmental and other risks of the mining industry.
- Subject to applicable laws, the Company assumes no obligation to update or revise any forward-looking statement, whether as a result of new information, future events or any other reason.

For a description of material factors that could cause the Company’s actual results to differ materially from the forward-looking statements in this MD&A, please see “Risks and Uncertainties”.

### **GENERAL**

Cascadero Copper Corporation (the “Company” or “Cascadero”) was incorporated pursuant to the Alberta Business Corporations Act on October 30<sup>th</sup> 2003 and continued into the Province of British Columbia on June 3<sup>rd</sup> 2004. The Company is listed on the TSX Venture Exchange and trades under the symbol “CCD”.

Additional information related to the Company is available on its website at [www.cascadero.com](http://www.cascadero.com) and on SEDAR at [www.sedar.com](http://www.sedar.com).

## **DESCRIPTION OF BUSINESS**

The Company is engaged, through its 50% interest in SESA Holdings LLC (SESA), in the acquisition, exploration and development of resource properties in northwestern Argentina. SESA holds a 100% interest in Salta Exploraciones S.A. (SALTA), which is a mineral exploration business based in Salta City, Province of Salta, Republic of Argentina. SALTA is the registrant of the property portfolio. Additionally, Gold Fields Ltd, the Company's Joint Venture partner is vested as to a 51% interest in the Toodoggone Project, located in north central British Columbia, Canada. During 2013 the Company decided to discontinue exploration in Ontario and no further work is planned.

## **PERFORMANCE SUMMARY**

### **2009**

In December 2008, the Company paid US\$200,000 and TSX Venture Exchange approval was granted for the Company to issue 28,000,000 of its common shares with a fair value of \$700,000 to Argentine Frontier Resources Inc. (AFRI) a private BC incorporated company. AFRI and the Company had certain directors in common. AFRI held a 50% interest in SESA Holdings LLC (SESA), a limited liability company formed under the laws of the State of Nevada, USA. SESA is the legal and/or beneficial holder of 100% of the issued and outstanding equity interest in SALTA, a company duly formed under the laws of the Republic of Argentina, which holds from 33.33% to 100% in certain mineral rights mostly located in Salta province, north western Argentina.

In March 2009, the Company entered into a Joint Venture Agreement with Gold Fields Toodoggone Exploration Corporation (GFTE) a subsidiary of Gold Fields Ltd on its Toodoggone Project in British Columbia. The agreement enables GFTE to earn a 51% interest in the Company's Toodoggone property by spending C\$5 million over three years. GFTE has a second option to increase its interest to 75% by spending an additional C\$15 million over the next 3 years. The first year exploration program started in April 2009 and ended in October 2009. In 2009, GFTE spent approximately C\$3 million on exploring the Company's Toodoggone Project. Due to a GFTE force majeure applied to the Agreement in 2010, the first option period was extended by one-year.

In 2009, the total cash advances of \$416,673 by Cascadero to AFRI to the year ended November 30<sup>th</sup>, 2008 were settled by issuing 3,400,626 shares of Cascadero Copper Corp.

The Company uses the equity method of accounting for its investment in Salta. The Company's long-term investments are as follows:

		<b>November 30, 2013</b>		<b>November 30, 2012</b>
Acquisition cost of Sesa Holdings LLC	\$	947,540	\$	947,540
Equity income (loss) in Sesa Holdings LLC		(947,539)		(947,539)
Carrying value of Sesa Holdings LLC	\$	1	\$	1

### **2010**

Stealth Minerals Ltd. ("Stealth"), a shareholder of the Company, commenced legal proceedings against a former officer of Stealth and the Company, to recover 4,000,000 shares of the Company that were transferred from Stealth's brokerage account to a brokerage account of a former officer for purported payment of amounts claimed to be owing to the former officer. The former officer threatened to advance a counterclaim against the Company and certain directors and officers of the Company. Management of the Company does not believe the threatened counterclaim has any merit. In early 2011 the litigation with the former officer and director was settled and 4.2 million Cascadero shares were returned to the Stealth treasury. In 2010, Stealth held a 19.3% interest in the Company.

### **2011**

The above mentioned litigation was settled and Stealth Minerals received the shares subject of the litigation. The Company has active exploration programs in British Columbia, Ontario and Argentina.

## **2012**

The Company is actively exploring for its own account and with Joint Venture partners in British Columbia, Ontario and Argentina.

## **HISTORIC EXPLORATION INFORMATION**

### **BRITISH COLUMBIA**

#### **2004 to 2007**

Dr. Ken Dawson PhD., P. Geo., oversaw the preparation of the NI 43-101 Technical Report dated November 16<sup>th</sup>, 2004, which contains a review of historic data and a recommended exploration program with respect to the Company's British Columbia Resource Properties.

On July 14<sup>th</sup> 2004, the Company acquired a British Columbia mineral property, The Toodoggone Project, by a Property Transfer Agreement dated May 10<sup>th</sup> 2004 between the Company and Stealth Minerals Limited, a related company. The Property Transfer Agreement provided a purchase price for 109 contiguous mineral claims that would equal to 60% of the total mineral property costs incurred by Stealth as at May 10<sup>th</sup> 2004. Accordingly, the Company acquired the mineral properties for \$6,295,586 and issued 21,000,000 shares to Stealth. The 109 mineral claims were converted to 75 British Columbia mineral tenures on November 6<sup>th</sup> 2005, November 8<sup>th</sup> 2005 and April 3<sup>rd</sup> 2007.

The Company's Toodoggone Project consists of a contiguous claim group of 75 converted mineral tenures aggregating 31,409.35 hectares in the Toodoggone volcanic arc, where four styles of mineralization are present. The Project borders Northgate Minerals (now Aurico Gold Inc.) Kemess property to the north. The Company has discovered all four styles of mineralization in outcrop and drill core. The tenures are subject to a 3% net smelter return royalty (NSR) in favour of Electrum Resource Corp, which can be purchased down to a 1% NSR on base metal and a 1-½% NSR on precious metal.

The Toodoggone region is an Island Arc accretion assemblage of a conformable sequence of Permian, Triassic and Jurassic quartz monzonite and related aerial volcanic rocks. The quartz monzonite intrusions may be mineralized with economic porphyry style copper-gold-moly-silver values. The intrusions may also cause the formation of low- and high-sulphidation gold and silver epithermal style deposits discretely or related to the intrusions and hosted within either or both Triassic and Jurassic aged rocks. In addition, skarn mineralization is present locally.

In 2005, the Company drill tested the Ryan Creek showing and the MEX showing with mixed results on both prospects. In 2007, the Company drill tested the Pine North showing, which produced sub-economic values of copper and gold. Up to November 30<sup>th</sup> 2007, the Company spent about \$8 million on its Toodoggone Project. The Company does not have a direct interest in any other property.

#### **2008**

During the 2008 fiscal year due to poor equity financing conditions no exploration occurred on the Company's British Columbia properties.

#### **2009**

On March 6<sup>th</sup> 2009, Cascadero Copper Corporation ("Cascadero") signed an Option and Joint Venture Exploration Agreement (the "Option Agreement") with Gold Fields Toodoggone Exploration Corporation ("GFTE"), a wholly owned subsidiary of Gold Fields Netherlands Services BV ("Gold Fields Netherlands") and a member of the Gold Fields Limited group of companies. Pursuant to the Option Agreement Gold Fields can earn a 51% interest in Cascadero's Toodoggone Project in British Columbia, Canada, by spending at least C\$5 million over an initial three-year option period. Gold Fields can earn a further 24% interest by completing a feasibility study or sole funding a further C\$15 million in expenditures. The agreement is subject to a finder fee of \$15,000 to a third party.

During the initial option period Gold Fields was required to subscribe for units in Cascadero at agreed prices. At the time of signing the Option Agreement in March 2009, Gold Fields Netherlands subscribed for 500,000 units at \$0.10 per unit. If Gold Fields continues to explore the Toodoggone Project, Gold Fields Netherlands will make three further \$100,000 investments in Cascadero at anniversary intervals over the initial three year option period.

In April 2009, Gold Fields Toodoggone Exploration Corporation ("GFTE") commenced an airborne geophysical survey of the Toodoggone Project and initiated field operations in early June 2009. The program budgeted was for approximately C\$3.0 million and was completed on October 9<sup>th</sup> 2009. The Company received a 2009 Toodoggone Project program report from GFTE. Gold and copper values are present in drill core but the grades and intervals are not sufficient to indicate or define the presence of a mineral resource. GFTE did not test all targets. At the time of the report GFTE expressed an interest in returning for the 2010 field season.

## **2010**

In December 2009, at a consultation meeting with certain first nations representatives, GFTE was presented a letter that expressed a concern about GFTE's continued exploration activity in the Finlay River watershed. The Toodoggone Project is substantially within the Finlay watershed. In January 2010, Gold Fields declared an event of Force Majeure as a result of objections raised by first nations to continuing exploration work on the Company's Toodoggone mineral claims. Gold Fields advised the Company that it intends to suspend further exploration work on the claims until the situation is resolved. No timetable was provided for the resumption of exploration work.

Company management believes that the exercise of Force Majeure by GFTE may be a temporary measure and the concerns of the first nations may be resolved in time for a full 2010 field season. However, management believes the event of Force Majeure by GFTE could impair the value of its mineral tenures should it remain in place for an extended period.

During the period certain reclamation work and some geochemistry were undertaken to confirm earlier positive results in the area of the MEX copper-gold porphyry prospect, which is a significant showing in the south eastern part of the Toodoggone Project. The Option Agreement with Gold Fields is in a force majeure condition.

As of October 28<sup>th</sup> 2010, the Company holds the exploration rights to 75 contiguous mineral tenures in British Columbia aggregating approximately 31,409.35 hectares. The tenures are in good standing until March 31<sup>st</sup> 2014.

## **2011**

In early 2011, Gold Fields advised the Company that it is continuing to explore the Toodoggone Project and has removed the Force Majeure. Gold Fields Netherlands has now made its second investment in Cascadero by subscribing for 400,000 units at \$0.25 each. Each unit is comprised of one common share and one warrant, whereby the warrant entitles the holder to purchase an additional common share at \$0.25 each for a period of one-year from closing. The units are subject to a four-month hold period. Exploration is expected to commence in July 2011.

In July 2011, the Company's Joint Venture partner Gold Fields Ltd completed seven (7) core holes totaling 2,488 metres on the MEX copper-gold porphyry prospect, which is one of the showings in the Toodoggone Project. Gold Fields can earn a 75% in the Project by spending up to \$20 million. Gold Fields spent about \$4 million to date and is required to spend a minimum of \$5 million to earn an initial 51% interest in the project. Assays and a Toodoggone Project Report were received by the Company and published in a news release dated February 27<sup>th</sup> 2012.

## **2012**

In early 2012, Gold Fields advised the Company that it was continuing to explore the Toodoggone Project and plans to spend enough to become vested as to a 51% in the Toodoggone Project. Gold Fields made its last equity investment in Cascadero by subscribing for 400,000 units at \$0.16 per unit. A unit is comprised of one common share and one warrant, whereby the warrant entitles the holder to purchase an additional common share at \$0.19 each for a period of one-year from closing. The units are subject to a four-month hold period. Exploration was expected to commence in July 2012.

In July, Gold Fields mobilized an exploration crew to continue work on the Company's Toodoggone Project in north central British Columbia. Gold Fields intends to reach the C\$5 million expenditure threshold that enables it to vest with a 51% interest in the Toodoggone project. The majority of the 2012 program consisted of core drilling on the MEX Cu-Au porphyry system. Magnetic anomalies were also tested in previously undrilled alteration areas.

In March 2013 Gold Fields completed the final private placement of \$100,000 consisting of 1,000,000 Units at \$0.10 per Unit. A Unit consists of one common share and one full warrant exercisable into one common share at \$0.12 per share over a one-year period. Gold Fields advised the Company that it intended to vest as to a 51% interest in the Toodoggone Joint Venture.

## **2013**

In March 2013 Gold Fields exercised its option to vest a 51% interest in the Company's Toodoggone Joint Venture. A final payment of \$100,000 was received by the Company. Gold Fields did not present a budget or an exploration program to the Joint Venture for the 2013 season.

## **Cascadero Toodoggone Project Summary of British Columbia Mineral Tenures**

<b>Mineral Tenures #</b>	<b>Map Number</b>	<b>Good To Date</b>	<b>Status</b>	<b>Area (ha)</b>	<b>NSR</b>
75	094E	July 1-2020	Good	31,409.35	Yes
12	094E	July 1-2020	Good	1,367.408	No
<b>87</b>				<b>32,776.76</b>	

### **ONTARIO**

#### **2010 and 2011**

The Company has acquired by purchase and staking a 100% interest in certain Ontario mineral prospects in the Timmins, Swayze and Porcupine areas. The Company acquired the right to earn by way of option agreements a 100% interest in two properties in the Sudbury area. The Company by way of Letter of Understanding acquired the right to earn an interest in certain mineral properties in the Sudbury, Swayze and Timmins areas. Exploration is underway with a focus on four properties in the Sudbury area. Programs include soil geochemistry, IP/Res/Mag ground based geophysical surveys and detailed outcrop rock sampling. Exploration began in April 2010 and is continuing.

#### **2012**

As of July 27<sup>th</sup> 2012 Gold Fields has completed five (5) core holes on the Marble Mountain copper-gold prospect. Assays are pending. The Company intends to report results as soon as Gold Fields releases the results to the Company.

In July 2012 the Company announced the sub economic gold assay results from the Marble Mountain drill program and Gold Fields advised the Company it did not intend to execute further work on the property. Accordingly, the Company terminated its Option Agreement with the Optionor. The Company's attempts to find an Option Partners for its Jovan and Jerome properties have not resulted in an agreement to date.

The Company is preparing a soil survey program on certain Timmins and Swayze properties for assessment filing purposes. This program is a follow up due diligence program. The Company is receiving reports from its consultant and intends to prepare Letters of agreement on recommended properties over the next few months.

In October to November the Company carried out an expensive geochemical program on certain properties in the Swayze and Timmins areas. The Company has received seven (7) reports of the compiled and interpreted MMI data. Once completed a news release is planned.

#### **2013**

The Company finished its planned initial exploration programs, which included property scale geochemistry and geophysics on certain properties. The Company cancelled its option agreement on Marble Mountain due to lower than expected drill results. Option agreements on the Jovan and Jerome properties were allowed to lapse. The Company is seeking an option partner on its remaining early stage properties. The remaining early stage properties expire in May 2014 and the Company is not planning any further work in Ontario.

### **ARGENTINA**

#### **2004 to 2008**

Salta Exploraciones SA (SALTA) was incorporated in 2004 as a subsidiary of Argentine Frontier Resources Inc. Until July 2008, SALTA was controlled by AFRI, a Canadian private company that had certain common directors with the Company. From 2005 to 2007, the Company advanced funds to AFRI for its exploration programs in Argentina. From inception to July 2008, AFRI provided about US\$3.3 million of exploration funding to SALTA. From 2003 to 2008, Salta reviewed over 100 Argentine mineral properties and acquired exploration rights to over 40 properties. A detailed description of the SALTA property portfolio can be viewed in Cascadero's 2008 Information Circular dated Oct 23<sup>rd</sup> 2008.

In March 2006, Silex Inc., a wholly owned subsidiary of Apex Silver Ltd. and SALTA entered into an option agreement on Salta's El Quevar silver prospect. Silex could earn a 100% interest in the property by paying SALTA US\$2 million over a five year option term. If completed SALTA would transfer title to El Quevar and retain a 1% net smelter return royalty. By November 30<sup>th</sup> 2008, Silex had made US\$ payments to SALTA of US\$400,000.

In October 2008, Silex Argentina SA optioned the Campo Viejo property from SALTA. Silex can earn a 60% interest in Viejo Campo by spending US\$1,000,000 over a four year term and paying SALTA a total of US\$600,000. If Silex elects to acquire a 60% interest in the property, it can at its discretion, elect to form a 60/40 joint venture or acquire an additional 20% interest in the property by taking the property to feasibility stage within three (3) years and paying to SALTA US\$250,000. If Silex elects to form a 60/40 joint venture SALTA has a onetime option to convert its 40% interest into a 3% NSR on precious metal and a 1% NSR on base metal. Silex has the right to acquire 50% of the precious metal NSR for US\$2 million and 50% of the base metal NSR for US\$1 million within the first three years of commercial production.

## **2009**

On March 9<sup>th</sup> 2009, Silex made its third anniversary payment of US\$200,000 to SALTA with respect to the Silex agreement for SALTA's Castor-Quevar II property.

In 2009, SALTA drilled three properties: Valle Grande, Guadalquivir and Taron, which collectively were subject to extensive exploration totaling about US\$800,000 in 2004, 2005, 2006 and 2007. The properties were drilled consecutively starting in April 2009. Financing is forwarded to SALTA from SESA. Cascadero is not responsible for any part of this budgeted amount.

In October 2009, Silex made its first anniversary payment of US\$100,000 on the Campo Viejo property option agreement.

### **Valle Grande**

The property was subject to two core holes. Visual inspection of the core was discouraging and the program was aborted. Assays from the two drill holes confirmed the decision to abandon the program early as the assays were well below expectations. The existence of the base metal rich MnO vein array over a large area at Valle Grande and its source are not explained.

### **Guadalquivir**

Once the Valle Grande program was aborted, management decided to drill one core hole at Guadalquivir subject to permitting. SALTA applied to the Minister of Mines, Salta Province, for an emergency permit, which was granted. Guadalquivir is about 15 kms north of Valle Grande. The single core hole G-09-01, was abandoned at 64 metres due to caving and lost circulation. Assays from G-09-01 were reported in a Company news release of August 10<sup>th</sup> 2009. The results indicate that Guadalquivir is a promising Lithium discovery in an evaporate setting of unknown size. G-09-01 encountered Lithium values over a 46-metre interval and the drill hole ended in mineralization. The Lithium values are lower than in typical brine operations in South America. For the project to have economic potential, the Lithium mineral compound has to leach from the sandstone-tuffaceous host in as few steps as possible to obtain a marketable product, such as LiCl. Initial mineralogy tests failed to identify the Lithium mineral present in drill core and metallurgical and leaching tests have not been conducted.

### **Taron**

Epithermal style mineralization highly anomalous in cesium, rubidium, manganese, thallium, arsenic, zinc and silver was discovered by SALTA geologists and prospectors in 2004. In 2005 and 2006, SALTA's work included about 5,600 metres of hand and excavator trenching across the mesa and down its western bluff. The trenches outlined a potential large-scale rare metal resource in three dimensions. Approximately US\$500,000 was spent on trenching and sampling. Metallurgy was conducted by SGS, Lakeview, Ontario. The program was funded by a major USA based international oilfield supply company. The industrial product of interest is a CsCl, a compound that may be used as a substrate to produce Cesium Formate.

This work suggested the presence of an epithermal system that is approximately 1,600 metres north-south by 1,000 metres east-west and has ~70 metres of vertical relief. The mineralized zone could host a potentially large volume of Cs-Rb-Zn-Tl-As-Mn-Ag mineralization. Initial metallurgical work suggests that the mineralization has excellent leaching kinetics with both sulphuric acid and sodium hydroxide as solvents.

In May 2009, SALTA completed seven core holes on the property. The furthest south drill hole is about 1,50 metres from the furthest north. Each drill hole encountered highly anomalous Cs-Rb-Zn-Tl-As-Mn-Ag mineralization over significant intervals, which confirmed that Taron has potential to host a world class rare metal deposit with by-product metal credits.

## **Other**

Exploration, including geophysical programs, mineralogy and geochemistry is ongoing on other properties in the SALTA portfolio with a view to developing drill targets and properties for its own account and for option to third parties. The Company shifted its exploration focus to Cu-Mo-Au porphyries.

## **2010**

In January 2010, SALTA and its Brazilian partner agreed on a 5,600 metre drill program on two copper-gold porphyry prospects and one bulk tonnage gold-silver prospect. Mobilization was planned for the third week of March and the drill program completed in 120 days. The program was budgeted for a total expenditure of US\$1.6 million and Cascadero was required to advance US\$500,000 of this.

In January, Silex announced that a second stage drill program on Campo Viejo was underway. In September, Silex advised SALTA it had drilled an additional 4 core holes and that it would be terminating its option to acquire an interest in Campo Viejo.

As of March 12<sup>th</sup> 2010, on SALTA's Castor-Quevar II silver prospect, Silex announced it had completed in excess of 38,500 metres of core drilling, which has outlined an underground mineralized zone that contains an inferred resource of 43 million ounces of silver at a grade of approximately 450 g/tn. Golden Minerals (formerly Apex Silver) conducted further resource evaluation drilling and prepared a pre-feasibility study. The NI 43-101 compliant Technical Report on the El Quevar project is available the public website [www.SEDAR.com](http://www.SEDAR.com) or from the Golden Minerals website.

In March 2010 SALTA received its third anniversary payment of US\$500,000 from Golden Minerals Inc (Silex Argentina) for the Castor-Quevar II option agreement.

In 2010, the Company experienced the highest level of overall activity in its history and the pace of exploration and development of the SESA 46 property portfolio was expected to accelerate into Q3 and Q4 and all of 2011. The Cascadero-Coralbrook SESA Operating Agreement expired on July 17<sup>th</sup> 2010 and was restructured as a 50/50 Joint Venture, which was effective October 10<sup>th</sup> 2010. Julio Carvalho represents Coralbrook Ltd. (50% of SHL) and Bill McWilliam represents Cascadero Copper (50%).

SESA financed the exploration on the SALTA properties with additional capital from option agreements. Cascadero contributes 50% of the proposed exploration expense through the SESA Joint Venture.

During the period, SALTA completed the following:

- completed three drill holes on La Sarita
- ground magnetic survey on Las Cuevas
- IP/Res/Mag survey on Las Burras and partially completed IP/Res/Mag on Incahuasi
- reviewed Incamayo, Tolillar, Purmamarca, Taron, Guadalquivir, Antuco and Guayos mineral prospects
- reviewed data on its Tocomar geothermal prospect
- commissioned Technical Reports on two properties, Las Burras and Incahuasi that were subject to IP/Res/Mag surveys

During the year, exploration was focused on Incahuasi and Las Burras. Work included geophysics, trenching and a program of MMI geochemistry.

SALTA optioned its Incahuasi property to Brigadier Gold. SALTA retains a 30% interest in this property subject to certain exploration expenditures and cash and share issuances by Brigadier.

The exploration planned for Q4-10 was delayed by a combination of factors, most recently unusually heavy seasonal rain that caused road wash outs and mud slides over a large area in the Puna. The Las Burras drill program is delayed until April 2011.

## **2011**

During Q4-10 and Q1-11 SALTA acquired mineral properties in the Oculito and La Sarita districts. Environmental reports and certain community work are required before proceeding with exploration. SALTA received a very positive report on its Incahuasi copper-gold porphyry prospect that adjoins Las Burras to the west and south. More surface work is required prior to drilling.

In early March 2011, Silex Argentina made a US\$1,100,000 payment to SALTA as the final property payment on the Castor-Quevar II option agreement. Salta retains a 1% NSR. Silex has the right to purchase 50% of this NSR for US\$1,000,000. The decision to mine the property as an underground operation was abandoned and work is focused on developing the property as an open pit and underground operation. An updated resource and development plan by Golden Minerals are expected in early 2012.

Salta completed five core holes on the Las Cuevas sediment hosted gold showing. Assays results are disappointing except for a one-metre interval that assayed 11 g/t Au. Management believes the property holds exploration and requires more core drilling.

Salta acquired the right to purchase a 100% interest in the Pancho Arias Cu-Mo porphyry deposit, including 100% of the NSR. A drill program is in the planning stage. Pancho Arias is the most northerly of the three Miocene porphyry showings in the Santa Rosa Mineral District.

In the El Oculito Mineral District, Salta acquired a 100% interest in one property for cash and holds the exclusive right by option to acquire a 100% interest in a second property for cash and a NSR.

In 2011, Salta added to its claim position to the west and southwest of Taca Taca, an advanced stage mid-size Cu-Mo-Au deposit in Salta province north western Argentina.

Salta is focused on three principal minerals districts: the Santa Rosa Mineral district,, the Oculito Mineral district and Taca Taca Mineral district. In addition, follow up exploration is planned on several other prospects.

In June 2011 Salta completed six core holes on the Las Burras Cu-Mo-Au porphyry prospect. Assays in drill core suggest the presence of a potentially large Cu-Mo-Au mineral system at Las Burras.

## **2012**

In the Taca Taca Mineral district, the Taca Taca Bajo Cu-Au-Mo deposit was drilled by Lumina Copper. Salta Expl has interests ranging from 33.3% to 100% in seven (7) properties that adjoin Taca Bajo to the west. The Company mobilized an exploration crew to initiate the first phase of a three phase program, which includes trenching, MMI and ICP geochemistry and drilling.

The Company completed seven drill holes on the Pancho Arias Cu-Mo porphyry prospect and five drill holes on Incahuasi Cu-Mo-Au porphyry prospect in the Santa Rosa Mineral district. Assays are pending. Please refer to the Company's news release of May 22<sup>nd</sup> 2012. The Company issued a news release on August 1<sup>st</sup> 2012 with encouraging molybdenum assays over long intervals from surface outcrop to total depth. The drill program on Incahuasi confirmed the property has porphyry style mineralization and significant potassic alteration with pyrite/chalcopyrite mineralization from surface to total depth. Cu values are in the 0.10% range over 200+ metre intervals. The geology of Incahuasi is complex and more exploration and is recommended.

In June 2012, Salta completed a geochemical reconnaissance program on Francisco I, Francisco II and Sarita Este, which properties are in the Taca Taca Mineral district. The program consisted of 103 rock chip samples and 270 MMI samples. Assays for the 103 rock chip samples were analyzed using ICP, which revealed gold and copper values over the large area sampled. The MMI assays to the west of Taca Taca indicate a highly anomalous zone with potential for underlying Cu-Au mineralization.

In June 2012, SESA LLC signed an option and joint venture agreement with OZ Minerals, which enables OZ to earn up to a 75% interest in the Centenarito-Jorge property. OZ is based in Australia.

The First Option enables OZ to earn a 51% interest in the Property by completing an exploration program, at its discretion, which includes 3,000 metres of core drilling and paying US\$350,000 over two (2) years. During the First Option period, the exploration program will be supported by Salta under a Services Agreement with OZ.

The Second Option, enables OZ to earn an additional 24% interest for a total of 75% in the Property by completing an exploration program under JORC or NI-43-101 guidelines by spending an additional US\$20 million and paying US\$300,000 over three (3) years. If OZ exercises the Second Option, Salta and OZ will enter a pro-rata industry standard Joint Venture to continue the development of the Property. Salta has signed confidentiality agreements and initiated data transfer on certain properties in Argentina.

## **2013**

During Q1 2013, Salta completed the OZ Minerals exploration program on the Centenarito project. OZ Minerals concluded from the compilation and interpretation of drill hole assays that the project results were below expectations and OZ terminated its option to acquire an interest in the property. Salta in turn advised the optionor of the Jorge prospect that adjoins Centenarito to the north, that it was terminating its option to acquire an interest in the property. The Centenarito property is 100% owned by Salta with minimal provincial tax payments. All reclamation is complete and no further expenses are expected.



Cascadero has advised Salta that due to weak capital markets the funding for the Argentine program would be decreased and employee layoffs are necessary. These austerity measures are underway. The Company intends to maintain the property portfolio. The Company continues to attract third parties to option certain properties that are ready for further exploration.

Due to a need to reduce the Company's cash reserves the exploration program on its Argentine properties is on hold until required funding or joint venture partners can be secured.

As of March 27 2014 the Company's Argentine operations continue on a care and maintenance basis.

## SELECTED ANNUAL INFORMATION

### Selected Annual Information

The following table provides a brief summary of the Company's annual financial operations. For more detailed information, refer to the audited consolidated financial statements.

ITEM	November 30, 2013	November 30, 2012	November 30, 2011
	\$	\$	\$
Working Capital	(417,442)	866,884	322,121
Deficit	(10,151,717)	(8,855,240)	(7,530,439)
Net Income (loss)	(1,296,477)	(1,324,801)	(1,063,222)
Basic and Diluted loss per share	(0.01)	(0.01)	(0.01)
Total Assets	13,546,779	14,533,508	11,406,398

The Company earns interest revenue from cash held in banks. The Company has no present intention of paying dividends on its common shares as it anticipates that all available funds will be invested to finance the growth of its business.

### QUARTERLY INFORMATION

The following are selected financial data from the Company's unaudited financial statements for the last eight quarters ending with the most recently completed quarter, being the three months ended November 30<sup>th</sup> 2013.

	November 30, 2013	August 31, 2013	May 31, 2013	February 28, 2013
Total assets	\$ 13,546,779	\$ 14,206,865	\$ 14,289,565	\$ 14,360,843
Mineral properties	9,709,593	10,502,601	10,502,601	10,485,648
Working capital	(417,442)	(195,614)	(81,925)	162,430
Shareholder's equity	12,910,756	13,715,800	13,823,841	13,862,292
Net gain (loss)	(828,035)	(108,040)	(138,447)	(221,955)
Net loss per share	(0.005)	(0.001)	(0.001)	(0.002)

### Three Month Period Ended

	November 30, 2012	August 31, 2012	May 31, 2012	February 29, 2012
Total assets	\$ 14,533,508	\$ 13,081,874	\$ 12,447,625	\$ 12,348,855
Mineral properties	10,409,580	10,697,161	10,718,870	10,530,889
Working capital	866,884	1,790,584	1,056,876	1,289,465
Shareholder's equity	14,084,248	12,368,182	11,656,930	11,702,285
Net gain (loss)	(694,378)	(122,584)	(231,502)	(276,337)
Net loss per share	(0.005)	(0.001)	(0.03)	(0.00)

### Results of Operations

Significant expenses incurred during the year ended November 30, 2013 are as follows: \$210,030 (2012 - \$160,000) in management fees, \$250,560 (2012 - \$391,227) in office and miscellaneous, \$58,625 (2012 - \$106,425) in accounting and audit fees, \$16,080 (2012 - \$50) in professional fees and \$19,455 (2012 - \$59,800) in filing and sustaining fees.

Significant changes in key financial data from 2013 to 2012 can be attributed to an increase in long term investments.

## Liquidity

The Company finances its activities by raising capital in the equity markets and has no regular source of revenue or cash flow. The Company is dependent upon its ability to obtain the necessary financing to generate sufficient amounts of cash and cash equivalents, in the short and long term to meet its obligations as they become due and finance its exploration programs.

The financial statements have been prepared on a going concern basis which assumes that the Company will be able realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The continuing operations of the Company are dependent upon its ability to continue to raise adequate financing and to commence profitable operations in the future.

Net cash used in operating activities for the period consists primarily of the operating loss and a change in non-cash working capital.

Net cash used for operating activities for the year ended November 30, 2013 was \$(415,251) compared to net cash used for operating activities of \$(593,347) for the year ended November 30, 2012.

Financing activities for the year ended November 30, 2013 was \$(548,190) compared to financing activities of \$1,893,721 for the year ended November 30, 2012.

Investing activities provided cash of \$(156,593) during the year ended November 30, 2013 compared to \$(371,202) for the year ended November 30, 2012.

## Related Party Transactions

- a) The Company has the following balances owed to and from related entities as at November 30, 2013:
  - i. \$71,223 due to Stealth Minerals Ltd., a related Company (2012: \$83,216). This amount is unsecured, has no specific terms of repayment, and bears interest at a rate of 7.5% per year.
  - ii. \$ 104,570 due to Bill McWilliam an officer and director of the Company (2012: \$17,662).
  - iii. \$62,530 due to Judith Harder, an immediate family member of the President of the Company (2012: \$12,500) for services provided.
  - iv. \$10,924 due to Sharon Lewis, the CFO of the Company (2012: \$6,901).
  - v. Advances of \$3,616,423 to Argentine Frontier Resources Inc., and SESA Holdings LLC (2012: \$2,803,941) equity affiliates or the Company.
  
- b) During the year ended November 30, 2013, the Company had the following transactions with related parties:
  - i. Charged \$5,011.25 in interest expense on advances payable to a Stealth Minerals Ltd., a Company with a common President (2012: \$5,897).
  - ii. Incurred \$160,000 in management fees to Bill McWilliam, a director of the Company (2012: \$160,000)
  - iii. Reimbursed Bill McWilliam, a director of the Company \$43,631 (2012: \$46,960) for amounts paid on the Company's behalf for office expenses, travel, telecommunications and vehicle expenses.
  - iv. Incurred \$50,030 in administrative fees charged by Judith Harder, an immediate family member of a director of the Company (2012: \$18,000).
  - v. Incurred \$30,625 in accounting fees paid to Sharon Lewis, the CFO (2012: \$38,925).

## FINANCIAL INSTRUMENTS

### Fair Value of Financial Instruments

The Company's financial instruments consist of cash, accounts receivables, and accounts payable and accrued liabilities. The fair value of these financial instruments approximates their carrying value due to the immediate or short term maturity of these items.

### Financial Risk Factors

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

#### *Credit risk*

Credit risk is the risk of loss associated with counterparty's inability to fulfill its payment obligations. The Company's believes it has no significant credit risk.

### Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due.

### Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

#### (a) Interest rate risk

The Company has cash balances and no interest-bearing debt. The Company is satisfied with the credit ratings of its banks.

#### (b) Foreign currency risk

The Company is exposed to foreign currency risk on fluctuations related to cash and accounts payable and accrued liabilities that are denominated in US Dollars (US).

#### (c) Price risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices of oil, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

### Outstanding Share Capital As at March 27, 2014

**Authorized** Unlimited number of no par value common shares,  
Unlimited number of preferred shares

<b>Issued and Outstanding common shares</b>	151,692,528
Stock Options	13,850,000
Warrants	<u>42,139,275</u>
Common shares (fully diluted)	207,681,803

### Stock Options outstanding at March 27, 2014 (expiry date order)

OPTIONS ISSUED	EXERCISE PRICE C\$ PER SHARE	EXPIRY DATE
6,000,000	\$0.10	APR 8, 2014
1,200,000	\$0.15	SEP 20, 2014
1,050,000	\$0.15	NOV 5, 2014
850,000	\$0.25	APR 14, 2014
950,000	\$0.12	NOV 14, 2015
1,650,000	\$0.12	DEC 23, 2016
850,000	\$0.12	JUL 31, 2017
1,000,000	\$0.12	AUG 1, 2017
300,000	\$0.10	OCT 24, 2017
13,850,000		

## Warrants Issued at March 27, 2014

At March 27, 2014 there are five issues of warrants outstanding:

- 8,295,000 C\$0.12 August 31, 2014
- 16,965,109 C\$0.12 September 18, 2014
- 4,169,167 C\$0.14 October 23, 2014
- 12,709,999 C\$0.25 February 13, 2015

42,139,275

## DISCLOSURE CONTROLS AND PROCEDURES

In connection with National Instrument 52-109 (Certificate of Disclosure in Issuer's Annual and Interim Filings) ("NI 52-109) the Chief Executive Officer and Chief Financial Officer of the Company have filed a Venture Issuer Basic Certificate with respect to the financial information contained in the audited financial statements for the year ended November 30<sup>th</sup> 2013 and this accompanying MD&A.

In contrast to the full certificate under NI 52-109 the Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109. For further information the reader should refer to the Venture Issuer Basic Certificates filed by the Company with the Interim Filings on SEDAR at [www.sedar.com](http://www.sedar.com).

## Commitments and Contingent Liability

Canada Revenue Agency ("CRA") has disallowed certain exploration expenditures incurred by the Company as non-eligible exploration expenditures that do not qualify for transfer of the tax deduction to holders of the flow-through shares. In this connection, the Company has been assessed by CRA on Part XII.6 tax, in respect of certain flow-through shares issued in the 2004 taxation year, in the amount of \$237,976 (November 30, 2011: \$237,976; December 1, 2010: \$237,976) plus interest of approximately \$37,648 (November 30, 2011: \$24,524; December 1, 2010: \$12,024) for a total of \$275,624 (November 30, 2011:\$262,500; December 1, 2010: \$250,000). Of this total in tax and interest, the Company will not contest an amount of \$181,060 (November 30, 2011: \$172,440; December 1, 2010: \$164,229). Accordingly, the full amount, contested and not contested, has been included in accrued liabilities in the Company's financial statements.

The balance of \$94,564 in assessed Part XII.6 tax and interest is being formally contested by the Company as management disagrees with CRA's position on this amount. The outcome of this matter cannot be determined at this time. A provision has been made in these financial statements for the total amount of the contingent liability.

## Risks and Uncertainties

The exploration and development of mineral deposits involves significant risks which even a combination of careful evaluation, experience and knowledge may not be successful in overcoming. Few mineral properties which are explored ultimately develop into producing mines. There has been no commercial production of minerals on properties held by the Company to date and there is a high degree of risk that commercial production of minerals will not be achieved.

Locating mineral deposits depends on a number of factors, not the least of which is the technical skill of the exploration personnel involved. The mining industry is intensely competitive. The commercial viability of a mineral deposit depends on a number of factors including the particular attributes of the deposits (principally size and grade), proximity to infrastructure, the impact of mine development on the environment, environmental regulations imposed by various levels of government and the competitive nature of the industry which causes mineral prices to fluctuate substantially over short periods of time. There can be no assurance that the minerals can be marketed profitably or in such a manner as to provide an adequate return on invested capital.

The operations of the Company are subject to all of the risks normally associated with the operation and development of mineral properties and the development of a mine, including encountering unexpected formations or pressures, caving, flooding, fires and other hazards, all of which could result in personal injuries, loss of life and damage to property of the Company and others. In accordance with customary industry practice, the Company is not fully insured against all of these risks and insurance may not be available for such risks.

The operations of the Company's properties will be subject to various laws and regulations relating to the environment, prospecting, development, production, waste disposal and other matters. Amendments to current laws and regulations governing activities related to the Company's mineral properties may have material adverse impact on operations.

The Company will need additional funding to complete its short and long term objectives. The ability of the Company to fund its operations in the future will depend on the prevailing market conditions, as well as the business performance of the Company. There can be no assurances that the Company will be successful in its efforts to raise additional financing on terms satisfactory to the Company. If adequate funds are not available or not available on acceptable terms, the Company may not be able to take advantage of opportunities, to develop new projects or to otherwise respond to competitive pressures.

#### **Subsequent Events**

Due to a dispute regarding a significant underfunding of Zoneplan Ltd.'s capital contribution to SESA, a Plan of Arrangement was negotiated to separate the interests of each member of SESA. In December 2013, Cascadero and Zoneplan Ltd. agreed to a Plan of Arrangement that has the following terms and conditions:

- Cascadero consents to removing Zoneplan Ltd as a Member of SESA LLC;
- Cascadero is the sole Member of SESA LLC.
  
- SALTA assigns the Silex S.A. 1% Castor-Quevar II NSR royalty to Zoneplan Ltd;
- SALTA grants Zoneplan Ltd a 1% NSR on certain Cateos and PMDs;
- SALTA retains a 100% interest in the Argentine property portfolio.
  
- Zoneplan Ltd advances US\$118,614 to Cascadero of which US\$60,000 was advanced, the balance of which is due on completion of the NSR agreements;
- Zoneplan Ltd returns its 19,415,333 common voting shares of Cascadero to the Cascadero treasury;
- Zoneplan Ltd gives up its right to acquire 50% of the common voting shares of SALTA.

All material events to March 27, 2014 are disclosed herein.