

QUARTERLY ACTIVITIES REPORT

FOR THE PERIOD ENDED 30 SEPTEMBER 2023

Culpeo Minerals Limited (**Culpeo** or the **Company**) (ASX:CPO, OTCQB:CPORF) is pleased to report on its activities for the quarter ended 30 September 2023 (the **Quarter**).

HIGHLIGHTS

- **Completed acquisition of 80% interest in the untested Fortuna Project**, increasing copper exploration landholdings by 300% in the highly prospective coastal metallogenic belt of Chile¹.
- **Fortuna Project hosts multiple broad zones of copper mineralisation that outcrop at surface**, measuring >1,000m in length and up to 500m in width. Historic surface channel sampling returned wide zones, including:
 - 150m @ 1.31% CuEq;
 - 102m @ 1.25% CuEq; and
 - 173m @ 0.86% CuEq.
- **High Priority El Quillay North target defined at Fortuna Project** in the northern portion of the 3km long El Quillay mineralised trend².
- Mine records show **approximately 200,000 tonnes @ 2% Cu extracted historically** [open pit and underground] at the Fortuna Project. Historical underground sampling² returned **high-grade zones**, including:
 - 3m @ 6.92% Cu;
 - 15m @ 1.50% Cu;
 - 5m @ 1.18% Cu; and
 - 5m @ 2.70% Cu.
- **Fortuna Project package extended** with new tenement applications covering 2,250 hectares, filed with the Chilean Judicial Authority (**Civil Court**), the authority responsible for the granting of new tenements³.
- Placement to institutional and sophisticated investors, raising approximately A\$1.3 million (before costs)⁴.
- Post quarter end, shareholder approval was received for Tranche 2 of the raising; the Company issued approximately 18.9 million Placement Shares and receipted approximately A\$0.6 million, providing cash and equivalents of approximately A\$0.9 million.

1. Refer to ASX announcement 7 August 2023

2. Refer to ASX announcement 11 September 2023

3. Refer to ASX announcement 4 October 2023

4. Refer to ASX announcement 1 September 2023.



Operating Activities

During the Quarter, the Company announced the acquisition of the Fortuna Project, located 10km north of its Lana Corina Project and consisting of four encouraging prospects: **La Florida**, **El Quillay North**, **Vaca Muerta** and **Piedra Dura** (Figure 1). Extensive outcropping copper mineralisation and historic small scale mining operations are present throughout the project area.

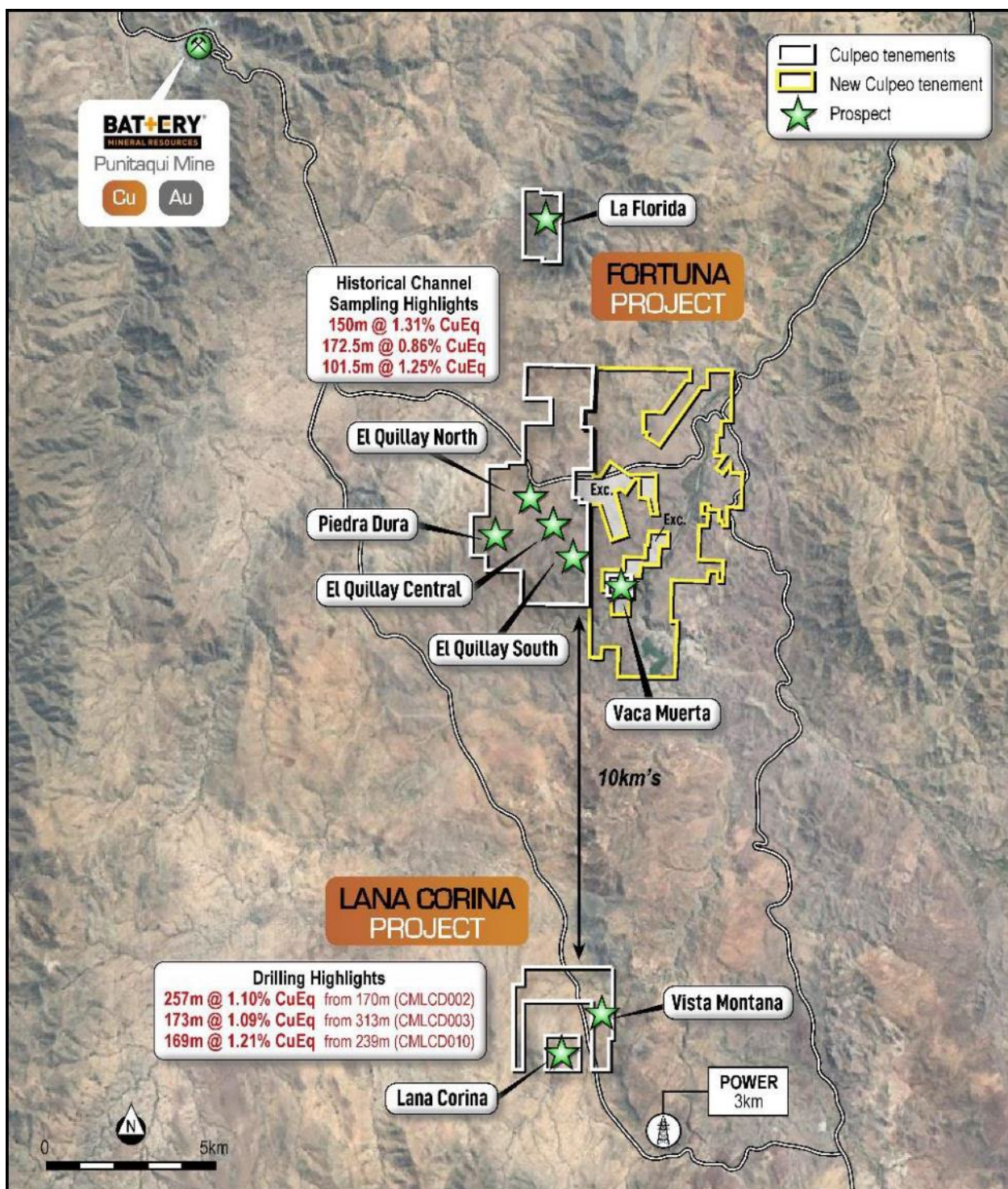


Figure 1: Regional map showing location of new Fortuna concessions adjacent to the Lana Corina Project (ASX announcement 11 September 2023).



El Quillay North Prospect

The El Quillay North Prospect is hosted within a >3km long regional fault zone in an area previously exploited by both open cut and underground mining. Mineralisation is present as a series of parallel mineralised bodies with elevated levels of copper, gold and silver.

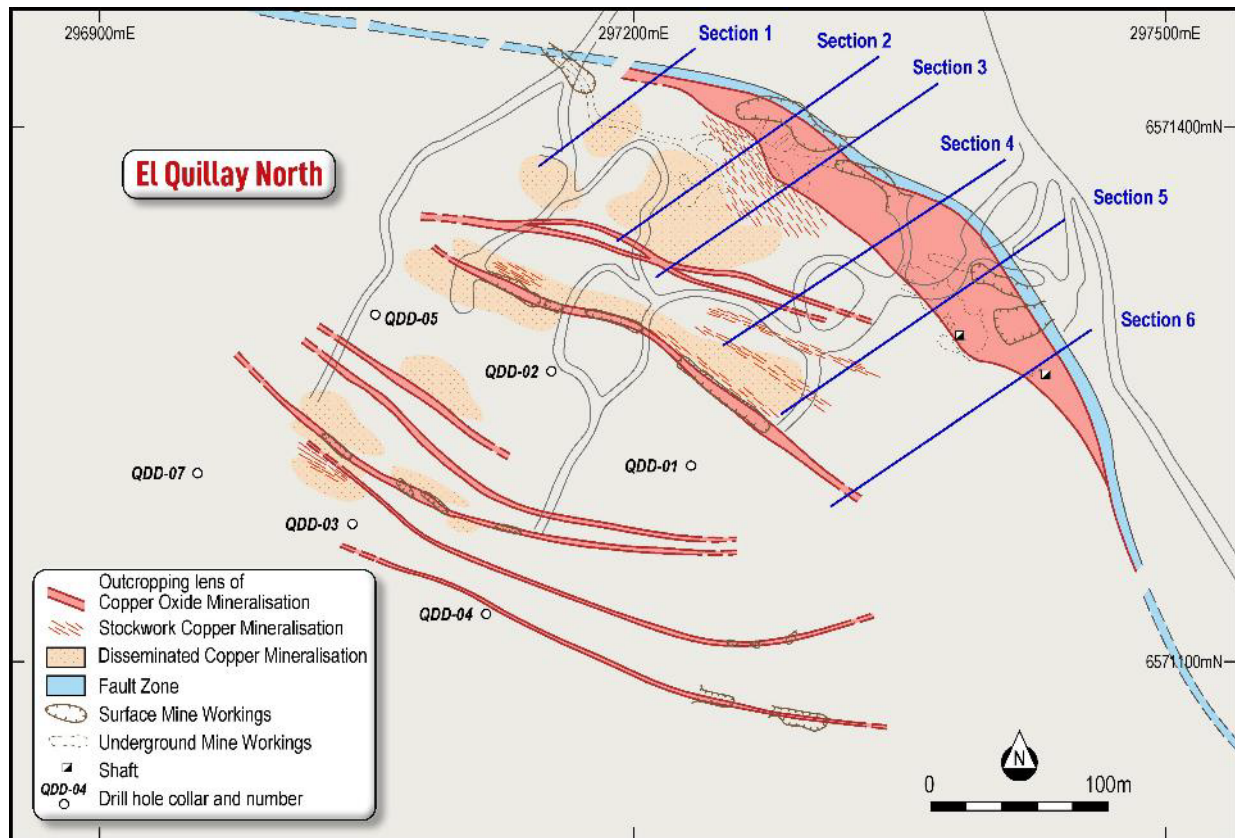


Figure 2: Surface geology map of El Quillay North showing the position of mineralised zones and historic mine workings (ASX announcement 11 September 2023).

Mineralised zones are hosted within andesitic lithologies (Figure 2) and show hydrothermal alteration present as sericite, albite-adularia, chlorite-epidote and hematite (specularite). Along the mineralised regional structure at El Quillay, three exploration targets have been identified (**North, Central and South**), with multiple mineralised zones recognised in each area. The zones measure up to 1,000m long, 50m wide and 200m deep.

Records indicate that since the 1950's, copper mineralisation at El Quillay North has been periodically exploited by small scale mining activities both from the surface and underground. Several shafts were sunk to a maximum depth of 80m, extracting predominantly sulphide mineralisation in the form of chalcopyrite and bornite.

Historic mapping and sampling programs were undertaken in the area, with 294 samples taken from both the surface and underground (Figure 3).

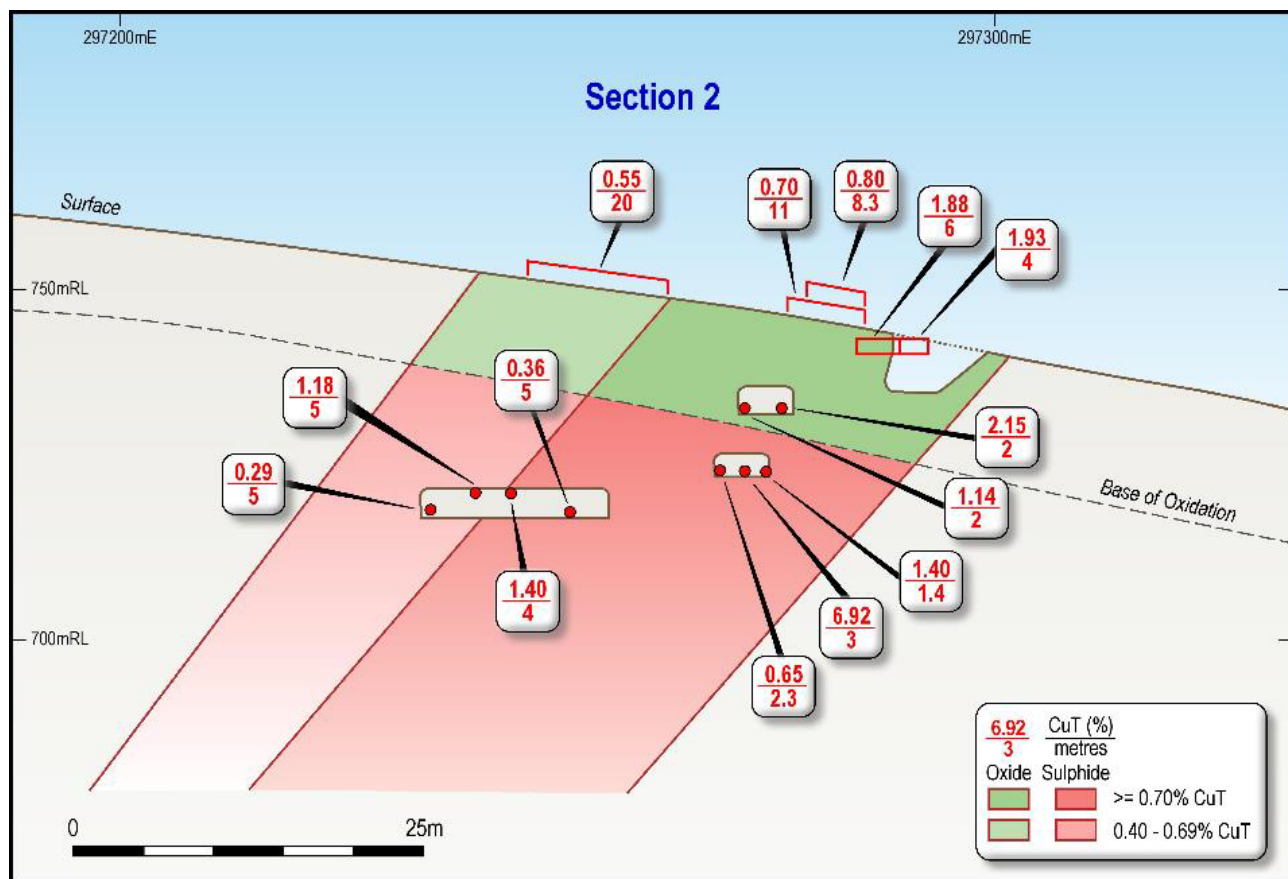


Figure 3: Cross Section through the El Quillay Prospect showing widths of mineralisation and historic sampling results (ASX announcement 11 September 2023).

Vaca Muerta Prospect

Vaca Muerta includes, a series of outcropping structurally controlled, breccia hosted mineralised bodies, significantly enriched in Cu and Ag. Mineralisation is located within a corridor approximately 1,000m long and up to 500m wide (Figure 4), and hosted within porphyritic volcanic rocks displaying strong albite alteration replacing plagioclase and also as veinlets and small clusters accompanied by quartz.

Surface copper rich zones have individual lenses between 400 and 800m strike, and widths between 25 and 150m, mapping and sampling of historic underground workings has shown mineralisation to be present to at least 100m below the surface and open at depth. Historic channel sampling reported significant widths and grades of copper mineralisation including:

- 150m @ 1.31% CuEq;
- 101.5m @ 1.25% CuEq; and
- 172.5m @ 0.86% CuEq.

Copper mineralisation occurs in outcrop in the form of chrysocolla and malachite transitioning into chalcopryrite and bornite in the primary sulphide zone. The oxide zone is approximately 25m in depth, below which the primary sulphides extend to >100m.

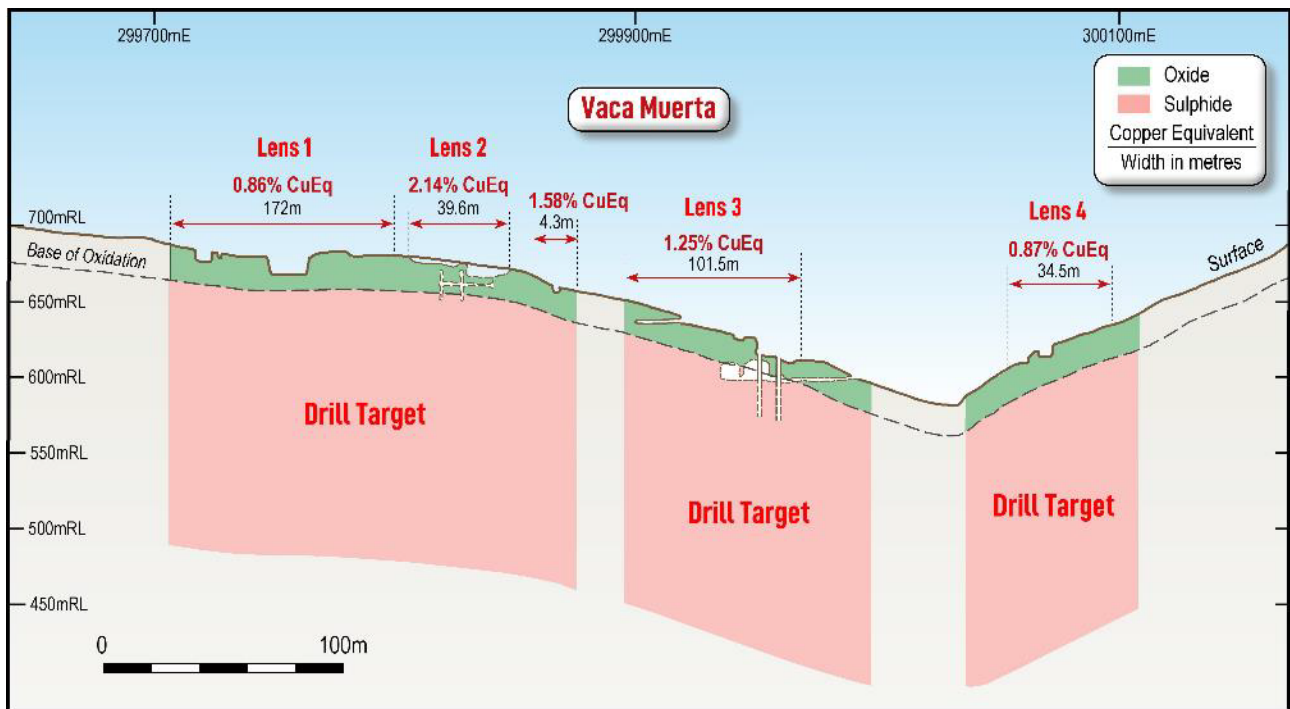


Figure 4: Vaca Muerta Prospect long section looking east, showing drill ready targets (ASX announcement 7 August 2023).

La Florida Prospect

La Florida contains a large outcropping north-south trending mineralised zone approximately 1,300m long and 400m wide. Host rocks consist of andesitic volcanic rocks and intrusive rocks, mostly consisting of quartz-feldspar porphyry.

A large alteration / stockwork zone is present on the surface at La Florida (Figure 5) and covers a surface area of >300m of strike and >200m in width. Historical mapping identified hydrothermal alteration hosted within the quartz-feldspathic intrusive rocks with argilisation, silicification and sericitation recognised in the core of the system and epidote-chlorite and minor clays present in the outer halo. Limonite is associated with these alteration minerals and is interpreted to be derived mainly from pyrite hosted as disseminations and within quartz veins, within this zone the erratic presence of copper oxides is also noted.

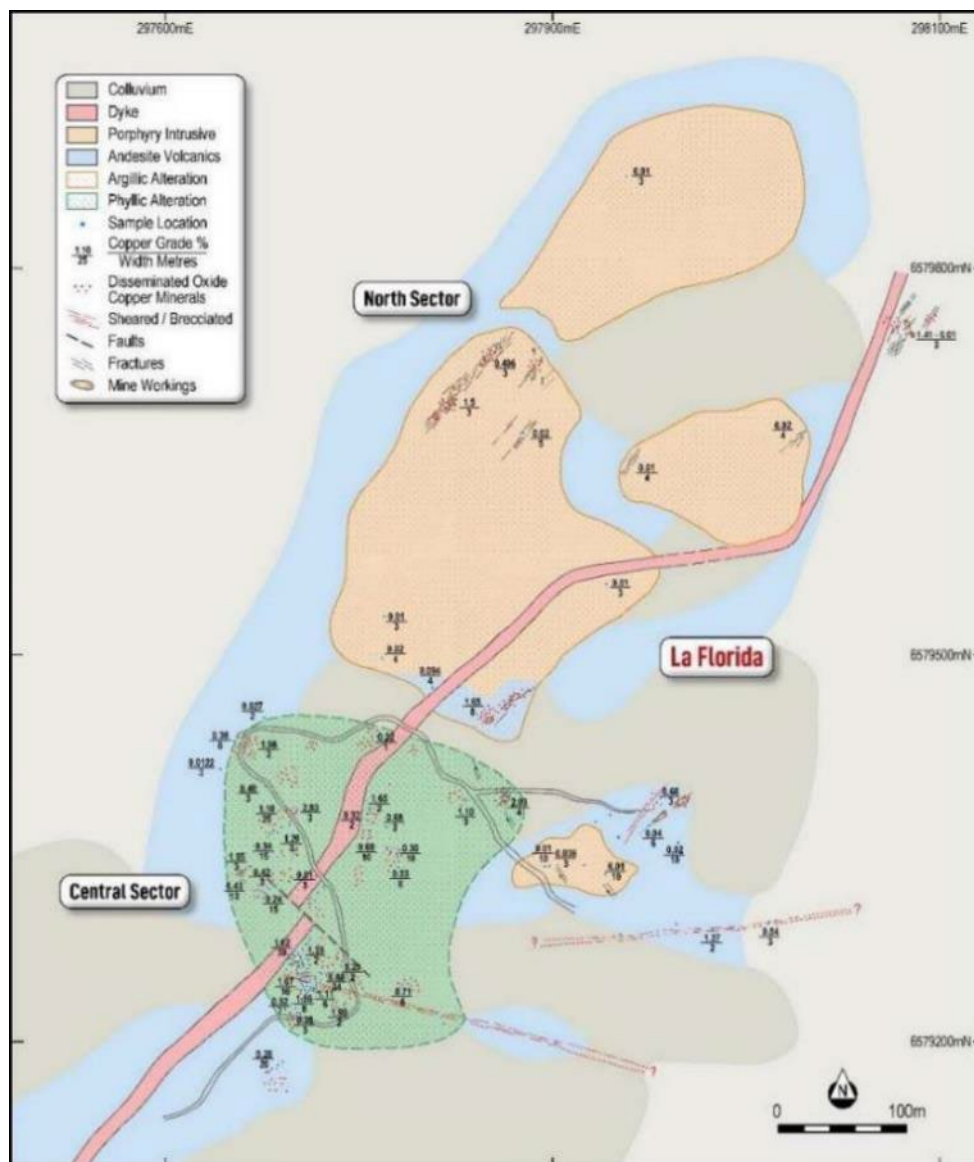


Figure 5: La Florida Prospect, plan view showing large copper bearing alteration zone outcropping at surface (ASX announcement 7 August 2023).

Piedra Dura Prospect

Piedra Dura is located 1.8km west of El Quillay with outcropping copper mineralisation over at least 500m of strike and up to 50m wide observed. Copper oxide mineralisation at Piedra Dura has been historically exploited with both surface and underground mining methods.

Quelon Project

No exploration activities were completed during the Quarter.

San Sebastian Project

No exploration activities were completed during the Quarter.

Las Petacas Project

No exploration activities were completed during the Quarter.



Fortuna Project Option Agreement: Key terms

Culpeo has acquired an 80% interest in the Fortuna Project via an option agreement with private Chilean company Inversiones Em Dos Limitada (**Option Agreement**). The Company and Inversiones Em Dos Limitada have an existing relationship through the earn-in agreement over the Company's Lana Corina Project (refer to the Company's ASX announcement dated 20 March 2023 for details).

Key terms of the Option Agreement are set out below:

- (a) **Acquisition:** Culpeo has acquired an 80% interest in the Fortuna Project.
- (b) **Option Payments:** to retain its 80% interest, Culpeo must make option payments totalling US\$600,000 (comprising of US\$10,000 per month) over a 5-year period (**Option Term**).
- (c) **Option:** Culpeo may cease making the option payments for Fortuna at any time during the Option Term at its election, in which case it must return the Fortuna Project to the vendors and the Fortuna option agreement will terminate.
- (d) **Rights:** During the Option Term, Culpeo has the right to explore for minerals on the Fortuna Project as operator.
- (e) **Minimum Expenditure:** In addition to making the option payments, Culpeo must satisfy a minimum expenditure requirement of US\$1,500,000 across both the Fortuna Project and the Company's existing Lana Corina Project (with allocation of expenditure to be at the sole discretion of the Company).
- (f) **Buy-out Option:** Upon Culpeo completing all option payments (US\$600,000) and has satisfied the minimum expenditure requirement at the Fortuna and Lana Corina Projects, the Company can elect to purchase 100% of the Fortuna Project, for a negotiated amount at the relevant time.

New Tenement Applications and Prospectivity

Post Quarter end, a new tenement application was made for an area of approximately 2,250 ha (Figure 1). The application area contains numerous historic shafts and evidence of small-scale mining (Figure 6). The lithological and structural setting is similar to the known copper occurrences at Fortuna, but has not been subject to modern exploration.

A preliminary geological assessment of the surface geology in the application area has identified the presence of similar lithologies and alteration types that are observed at Fortuna and Lana Corina indicating that the area is highly prospective for hosting the high-grade copper mineralisation that exists in the district, such as at Lana Corina.

Mapping and geochemical sampling is planned to rapidly define new drill targets.



Figure 6: Numerous historic shafts and small-scale mining operations exist on the new application area (ASX announcement 4 October 2023).

Copper Equivalent (Cu Eq) values: Assumed commodity prices for the calculation of Copper Equivalent (Cu Eq) is Cu US\$3.00/lb, Au US\$1,700/oz, Mo US\$14/lb and Ag US\$20/oz. Recoveries are assumed from similar deposits: Cu = 85%, Au = 65%, Ag = 65%, Mo = 80%, Cu Eq (%) was calculated using the following formula:

$$((\text{Cu}\% \times \text{Cu price 1\% per tonne} \times \text{Cu recovery}) + (\text{Au(g/t)} \times \text{Au price per g/t} \times \text{Au recovery}) + (\text{Mo ppm} \times \text{Mo price per g/t} \times \text{Mo recovery}) + \text{Ag ppm} \times \text{Ag price per g/t} \times \text{Ag recovery})) / (\text{Cu price 1\% per tonne} \times \text{Cu recovery}).$$

$$\text{Cu Eq (\%)} = \text{Cu (\%)} + (0.54 \times \text{Au (g/t)}) + (0.00037 \times \text{Mo (ppm)}) + (0.0063 \times \text{Ag (ppm)})$$

It is the Company's opinion that all elements included in the metal equivalents have a reasonable potential to be recovered.



Corporate Activities

During the period, the Company announced the proposed issue of approximately 38.25 million new fully paid ordinary shares in the Company to professional and sophisticated investors at an issue price of \$0.032 per share (**Placement Shares**), to raise approximately \$1.224 million (before costs) comprising:

- Tranche 1: Approximately \$0.62 million via the issue of approximately 19.37 million Placement Shares within the Company's placement capacity under ASX Listing Rule 7.1 and 7.1A; and
- Tranche 2: Approximately \$0.6 million via the issue of approximately 18.87 million Placement Shares, subject to obtaining shareholder approval at a General Meeting of the Company's shareholders (**GM**).

The Offer Price was \$0.032 per Placement Share reflecting a:

- 20.0% discount to the last close price of \$0.040 on 29 August 2023; and
- 25.4% discount to the 5-day volume weighted average price of \$0.043.

Placement participants received 1 free attaching option for every 2 Placement Shares subscribed for, on the terms and conditions set out in the Explanatory Memorandum accompanying the Notice of Meeting, which were subject to shareholder approval at the GM (**Attaching Options**). The Attaching Options are intended to be unquoted with an exercise price of \$0.048 and the expiry date (exercisable anytime) two years from the date of issue.

The Company engaged Unified Capital Partners Pty Ltd (**UCP**) as Lead Manager to the Placement (**Lead Manager**) (excluding the Tranche 2 North America placement). The Lead Manager (or its nominee) will receive a 6% management and selling fee on all funds raised under the Placement. The Company will also issue the Lead Manager (or its nominees) 2,000,000 Options (Lead Manager Options) upon full subscription of the Placement, subject to Shareholder approval to be sought at the GM. The Lead Manager Options will be issued on the same terms as the Attaching Options.

Salary Sacrifice Plan

At the GM, the Company sought shareholder approval for a Salary Sacrifice Plan to enable executives, employees and directors of the Company to receive share rights in the Company, in lieu of remuneration or fees. The Salary Sacrifice Plan has been designed to further align participants (being executives, employees and directors of the Company) with shareholder interests whilst being an effective way for the Company to conserve capital. Directors, Messrs McNamara, Tuesley and Schmiede have each received shareholder approval at the GM to participate in the Salary Sacrifice Plan.

Use of Funds

The Company spent approximately A\$232k on exploration activities during the Quarter, predominantly relating to sampling and drilling programs on the Lana Corina Copper and Molybdenum Project. In addition, Option earn-in payment of \$30k respecting the newly acquired Fortuna Project. Included in the working capital below are the exploration activities on the Lana Corina and Fortuna Projects of A\$221k and \$39k, respectively .



The Company's cash balance as at 30 September 2023 was A\$230k. Post quarter end, shareholder approval was received for Tranche 2 of the raising; the Company issued approximately 18.9 million Placement Shares and receipted approximately A\$0.6 million, providing cash and equivalents of approximately A\$0.9 million. Pursuant to ASX Listing Rule 5.3.4, the Company provides its actual expenditure on the individual items in the two year "use of funds" statement in its IPO prospectus since the date of its admission to ASX's Official List (being 10 September 2021) against the estimated expenditure on those items and an explanation of any material differences:

	Prospectus	Actual	Actual
	24-month period	Q1 FY24	TOTAL
	A\$	A\$	A\$
Exploration Las Petacas Project	2,486,340	-	1,621,084
Exploration Quelon Project	1,868,453	2,087	570,093
Exploration San Sebastian Project	300,000	-	473
Expenses of the Offer	243,890	-	309,432
Administration Costs	845,000	-	845,000
Working Capital (includes Lana Corina expenditure)	790,709	585,208	5,703,815
Total	6,534,392	587,295	9,049,897

Summary of Material Variances

The Company exceeded budgeted expenditure since admission to the ASX predominantly due to the strong results from the Phase 1 and 2 drilling programs and subsequent fast-tracking of exploration activities at the Lana Corina Project.

Payments to Related Parties

As outlined in the Appendix 5B for the quarter ending 30 September 2023 (Sections 6.1 and 6.2), approximately A\$136k in payments were made to related parties and/or their associates, which comprised remuneration for the Managing Director, Non-Executive Director fees and Consulting fees.

This announcement has been authorised by the Board of Directors of Culpeo Minerals Limited

CONTACT

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ABOUT CULPEO MINERALS LIMITED

Culpeo Minerals is a copper exploration and development company with assets in Chile, the world's number one copper producer. The Company is exploring and developing high grade copper systems in the coastal Cordillera region of Chile.

The Company has recently acquired the Lana Corina Copper and Molybdenum Project situated in the Coquimbo region of Chile, where near surface breccia hosted high-grade copper mineralisation offers walk up drilling targets and early resource definition potential.

The Company has two additional assets, the Las Petacas Project, located in the Atacama Fault System near the world-class Candelaria Mine. Historic exploration has identified significant surface mineralisation with numerous outcrops of high-grade copper mineralisation which provide multiple compelling exploration targets. The Quelon Project located 240km north of Santiago and 20km north of the regional centre of Illapel, in the Province of Illapel, Region of Coquimbo. Historical artisanal mining has taken place within the Quelon Project area, but modern exploration in the project area is limited to rock chip sampling and geophysical surveys.

Culpeo Minerals has a strong board and management team with significant Chilean country expertise and has an excellent in-country network. All these elements enable the company to gain access to quality assets in a non-competitive environment. We leverage the experience and relationships developed over 10 years in-country to deliver low cost and effective discovery and resource growth. We aim to create value for our shareholders through exposure to the acquisition, discovery and development of mineral properties which feature high grade, near surface copper mineralisation.



COMPETENT PERSONS' STATEMENTS

The information in this announcement that relates to Exploration Results is based on information compiled by Mr Maxwell Donald Tuesley, BSc (Hons) Economic Geology, MAusIMM (No 111470). Mr Tuesley is a member of the Australian Institute of Mining and Metallurgy and is a shareholder and Director of the Company. Mr Tuesley has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Tuesley consents to the inclusion in this report of the matters based on this information in the form and context in which it appears.



Appendix A Culpeo Minerals Exploration Concessions as at 30 September 2023

Project	Licence	Company	Area (Ha)	Grant	Expiry
Lana - Corina	San Agustin	SCM Antares	1	1951	None
	Socavon	SCM Antares	1	1951	None
	Lana Segunda	SCM Antares	1	1951	None
	Corina	SCM Antares	1	1951	None
	Laco 1 1 – 10	SCM Antares	10	2015	None
	Sara 1 – 20	Antofagasta Minerals S.A.	90	2006	None
	Patty 2 1 – 75	SCM Antares	75	2019	None
	Patty 3 1 – 260	SCM Antares	260	2019	None
	Patty 4 1 - 111	SCM Antares	111	2019	None
Total – Lana Corina			550 Ha		
Petacas	Peta 31/55	EM DOS	120	11-Nov-89	None
	Peta 91/96	EM DOS	10	11-Nov-89	None
	Peta 15/28	EM DOS	70	06-Nov-89	None
	La Rosa 27/28	EM DOS	6	26-Dec-89	None
	La Rosa 31/46	EM DOS	80	28-Jun-11	None
	La Rosa 1/30	EM DOS	300	25-Nov-91	None
	Corredor 2, 1/12	EM DOS	12	18-Feb-15	None
	Corredor 3, 1/6	EM DOS	6	18-Feb-15	None
	Cachorro 1/20	EM DOS	20	11-Nov-14	None
	Cachorro 1,1/160	EM DOS	160	28-Jul-15	None
	Cachorro 2, 1/95	EM DOS	95	18-Feb-15	None
	Cachorro 3, 1/24	EM DOS	242	18-Feb-15	None
	Cachorro 4, 1/173	EM DOS	173	18-Feb-15	None
	Cachorro 5, 1/87	EM DOS	87	18-Feb-15	None
	Almudena 1,1	EM DOS	1	22-May-15	None
	Amudena 2, 1/3	EM DOS	3	22-May-15	None
	Almudena 3, 1/2	EM DOS	2	22-May-15	None
	Almudena 4, 1/7	EM DOS	7	22-May-15	None
	Almudena 5, 1/6	EM DOS	6	22-May-15	None
	Almudena 6,1	EM DOS	1	22-May-15	None
	Almudena 7,1	EM DOS	1	22-May-15	None
	Almudena 8,1/4	EM DOS	4	22-May-15	None
Total – Las Petacas			1,406 Ha		
Quelon	Angela 10 1/20	Vasco Minera	191	19-Aug-13	None
	Angela 1 1/15	Vasco Minera	150	19-Aug-13	None
	Angela 11 1/10	Vasco Minera	63	22-Dec-15	None
	Angela 12 1/10	Vasco Minera	66	20-Jan-16	None
	Angela 13 1/30	Vasco Minera	255	28-Dec-15	None
	Angela 14 1/20	Vasco Minera	200	08-Jan-13	None
	Angela 15 1/14	Vasco Minera	70	08-Jan-13	None
	Angela 3 1/30	Vasco Minera	170	30-Nov-15	None
	Angela 4 1/29	Vasco Minera	205	13-Feb-14	None
	Angela 5 1/18	Vasco Minera	108	13-Jan-14	None
	Angela 6 1/30	Vasco Minera	236	13-Feb-14	None
	Angela 7 1/30	Vasco Minera	236	02-Dec-14	None
	Angela 8 1/20	Vasco Minera	131	02-Dec-14	None
	Angela 9 ½	Vasco Minera	17	13-Feb-14	None
	San Andres 10 1/24	Vasco Minera	216	13-Jun-17	None
	San Andres 1 1/15	Vasco Minera	114	03-Jun-17	None
	San Andres 11 1/24	Vasco Minera	216	03-Jun-17	None
	San Andres 13 1/19	Vasco Minera	102	03-Jun-17	None
	San Andres 14 1/15	Vasco Minera	102	03-Jun-17	None
	San Andres 15, 1-30	Vasco Minera	290	01-Feb-19	None
	San Andres 16, 1-30	Vasco Minera	330	06-Jul-19	None
	San Andres 17 1-30	Vasco Minera	324	01-Feb-19	None
	San Andres 18, 1-10	Vasco Minera	100	14-May-19	None
	San Andres 2, 1-10	Vasco Minera	57	12-Nov-17	None
	San Andres 4 1/5	Vasco Minera	23	13-Jun-17	None
	San Andres 5 ¼	Vasco Minera	36	03-Jun-17	None
	San Andres 6 1/20	Vasco Minera	200	03-Jun-17	None
	San Andres 7 1/20	Vasco Minera	200	03-Jun-17	None
	San Andres 8 1/20	Vasco Minera	200	03-Jun-17	None
	San Andres 9 1/20	Vasco Minera	161	03-Jun-17	None
	Teresa 1 1/30	Vasco Minera	279	21-Oct-13	None
	Teresa 2 1/15	Vasco Minera	150	21-Oct-13	None
	Teresa 3 1/20	Vasco Minera	200	21-Oct-13	None
	Teresa 4 1/20	Vasco Minera	155	21-Oct-13	None
Total – Quelon			5,553 Ha		
San Sebastian	San Sebastian 1/16 (2/16)	Minera Panga SpA	45	1998	None
	San Sebastian 1/16 (1)	Minera Panga SpA	5	1998	None
	Total – San Sebastian		50 Ha		



Project	Licence	Company	Area (Ha)	Grant	Expiry
Fortuna	LA FLORIDA 1/20	SCM Antares	100	2007	None
	LA FLORIDA II 1/20	SCM Antares	100	2010	None
	PIEDRA DURA 1/20	SCM Antares	96	2006	None
	EL QUILLAY 5A 1/100	SCM Antares	17	2011	None
	EL QUILLAY 4A 1/25	SCM Antares	25	2011	None
	Bastis 29CB 1/16	SCM Antares	127	2011	None
	Bastis 29CB 17/20	SCM Antares	35	2011	None
	LOS QUILLAYES 1/4 (3/4)	SCM Antares	10	1984	None
	LA ESPERANZA 1/10	SCM Antares	50	1960	None
	PRETECATAMO 1/XX	SCM Antares	100	1953	None
	Antares 1 al 200	SCM Antares	165	2011	None
	MATILDE 2 1/50	SCM Antares	200	2011	None
	El Quillay 2 1/224	SCM Antares	224	2011	None
	El Quillay 3 1/236	SCM Antares	236	2011	None
	El Quillay 4A 1/89	SCM Antares	89	2011	None
	El Quillay 4B 1/40	SCM Antares	40	2011	None
	El Quillay 5A 1	SCM Antares	1	2011	None
	El Quillay 5C 1/98	SCM Antares	98	2011	None
	El Quillay 6 1/13	SCM Antares	13	2011	None
	El Quillay 6A 1/7	SCM Antares	7	2011	None
	La Escondida 1-14	SLM La Escondida	42	2005	None
		Total – Fortuna	1775 Ha		