

29 January 2024

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By email: [raj.logarajah@asx.com.au](mailto:raj.logarajah@asx.com.au) and [ListingsCompliancePerth@asx.com.au](mailto:ListingsCompliancePerth@asx.com.au)

Dear Raj

**Culpeo Minerals Limited (ASX: CPO) – Visual Estimate of Mineralisation - Query**

Culpeo Minerals Limited (“CPO” or “Company”) refers to your letter dated 23 January 2024 entitled “Culpeo Minerals Limited (‘CPO’): Visual Estimate of Mineralisation - Query” (“Letter”) in which you requested certain information.

The Company’s responses to your queries are detailed below. Capitalised terms used in the response have the same meaning as given in the Letter unless otherwise required:

- 1. Please provide a detailed explanation regarding the processes and methodologies followed to achieve the Visual Estimate. Please include details regarding whether the Competent Person considered these processes and methodologies sufficient to ensure the Visual Results were representative of the corresponding samples.**

The onsite geologist collated detailed drill core logging information of the sample area and high-resolution photographs of the drill core. These were carefully analysed by the Competent Person, who also visually inspected the drill core photographs and discussed the results of the logging with the onsite geologist. Based on the detailed logging information and review of the drill core photographs, the Competent Person compiled a table of visual estimates of copper minerals present, which indicated that the Visual Results were representative of the corresponding sampled drill core intervals. Accordingly, the Competent Person considered these processes and methodologies sufficient to ensure the Visual Results were representative of the corresponding sampled drill core intervals. The table of visual estimates was included as ‘Table 1 – Copper Intervals – Visual Estimates – Drillhole CMEQD002’ in Announcement 1.

- 2. Please confirm who drafted/prepared the Visual Estimate for release on MAP.**

CPO confirms that Maxwell Tuesley (MAusIMM – No 111470) drafted/prepared the Visual Estimate for release on MAP.

- 3. Commenting specifically on the significant difference between the Visual Estimate (6% Copper) and Assay Results (0.8% Copper), could you please explain:**

**3.1 how CPO's directors were satisfied there was a reasonable basis upon which to release the Visual Estimate on MAP; and**

CPO notes that the 6% Visual Estimate of Copper Mineral detailed in Announcement 1 referred to copper mineral occurrence in the drill core and was not a reference to copper grade. Table 1 detailed that the copper mineral, consisting of both chalcopyrite and bornite, was detected in the core logging and upon visual inspection of the core photographs.

CPO further notes that the Assay Results referred to in Announcement 2, referred to an 0.8% copper grade, which is dissimilar from the chalcopyrite and bornite copper mineral occurrence referred to in Announcement 1.

The visual estimates were made of copper mineral occurrence in the drill core, and when comparing the mineral intercept from the assay results to that made in the visual estimate, the width of mineralisation is very accurate. The estimate of copper mineral occurrence was based on what the Competent Person identified in the core and matched the assay results for the minerals that were identified.

In view of the above, and upon detailed review and discussion of the visual estimate process with the Competent Person as part of its internal review processes, CPO's directors were satisfied there was a reasonable basis upon which to release the Visual Estimate on MAP.

**3.2 whether CPO and the Competent Person consider the Visual Estimate to be in compliance with the:**

**3.2.1 ASX Listing Rules (including Listing Rule 3.1 and Chapter 5 of the Listing Rules);**

Yes, CPO and the Competent Person consider the Visual Estimate to be in compliance with the ASX Listing Rules. As required by Listing Rule 3.1, it is accurate, complete and not misleading. The announcement makes it clear that it is based solely on a visual inspection of the core sample and that the sample is yet to be assayed and analysed and contains sufficient detail and material information for investors or their professional advisers to understand the ramifications of the Visual Estimate and to assess its impact on CPO's share price.

CPO and the Competent Person consider the Visual Estimate to comply with Chapter 5 of the Listing Rules as it:

1. includes as an appendix to the announcement, a separate report providing all information that is material to understanding the Visual Estimate in relation to each of the criteria in section 1 (sampling techniques and data) and section 2 (reporting of exploration results) of Table 1 in Appendix 5A (JORC Code) as required by Listing Rule 5.7.1 (refer to sections 1 and 2 of Appendix A to the announcement);
2. includes a separate table setting out the information required pursuant to Listing Rule 5.7.2 with respect to drill holes (refer to the table included in Appendix B to the announcement); and

3. includes a competent person's statement that complies with Listing Rule 5.22 (refer to the statement on page 8 of the announcement).

### **3.2.2 ASX Compliance Update; and**

Yes, CPO and the Competent Person consider the announcement of the Visual Estimate to be in compliance with the ASX Compliance Update due to the style of mineralisation and what was apparent from the visual inspection.

CPO considers that the announcement containing the Visual Estimate complies with ASX's Compliance Update as it contains the following information (which is consistent with the Best Practice note published by the Australian Institute of Geoscientists (AIG) and ASX Guidance Note 8- Example D):

1. it describes the nature of mineral occurrence (e.g. massive, disseminated, in veins, forming veins or bands concordant or discordant with bedding or a penetrative foliation observable in the host rock);
2. it identifies the minerals observed;
3. it estimates the abundances of any minerals observed (in the form of a table with an estimate of the abundances at each interval of the applicable hole or sample); and
4. it states the anticipated timing for the release of assay results in respect of the visual estimates (being, mid-January 2024).

It also contains the proximate cautionary statement to any reported visual estimates that is suggested in the Compliance Update.

### **3.2.3 the JORC Code (including clause 4 of the JORC code),**

Yes, CPO and the Competent Person consider the Visual Estimate to be in compliance with the requirements of Appendix 5A (JORC Code), including clause 4 of the JORC Code. CPO and the Competent Person are cognitive of the principles governing the operation and application of the JORC Code as set out in clause 4 (transparency, materiality and competence) and consider the Visual Estimate to be compliant with these principles as:

1. the information is sufficient, clear, unambiguous and not misleading;
2. the Visual Estimate contains all the relevant information which investors and their professional advisers would reasonably require, and reasonably expect to find in the report, for the purpose of making a reasoned and balanced judgement regarding the Visual Estimate; and
3. the Visual Estimate was based on work that is the responsibility of suitably qualified and experienced persons who are subject to an enforceable professional code of ethics.

**if the answer is yes, please explain the basis for this conclusion.**

The basis for each conclusion is detailed above.

4. **On what date did CPO receive the assay results for the downhole interval of 30 metres to 55 metres for drill hole CMEQD002?**

CPO received the final assay results for the downhole interval of 30 metres to 55 metres for drill hole CMEQD002 on 12<sup>th</sup> January 2024.

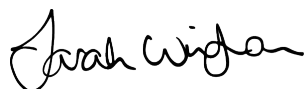
5. **Please confirm that CPO is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.**

CPO confirms that it is complying with Listing Rules and, in particular, Listing Rule 3.1.

6. **Please confirm that CPO's responses to the above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of CPO with delegated authority from the board to respond to ASX on disclosure matters.**

CPO confirms that the above responses have been authorised and approved by the Board of Directors.

Yours sincerely



Sarah Wilson  
Company Secretary



23 January 2024

Reference: 87137

Sarah Wilson  
Company Secretary  
Culpeo Minerals Limited

By email

Dear Sarah

**Culpeo Minerals Limited ('CPO'): Visual Estimate of Mineralisation - Query**

ASX refers to the following:

A. CPO's announcement entitled, "Broad Zones of Shallow, Visible Copper Intersected", lodged on the ASX Market Announcements Platform ('MAP') marked by CPO as 'price sensitive' and released at 9:20am AEDT on 19 December 2023 ('Announcement 1') disclosing the following, among other things:

- (i) in 'Table 1 – Copper Intervals – Visual Estimates – Drillhole CMEQD002' on page 4 of Announcement 1, visual estimate of copper mineralisation of 6% in drill hole CMEQD002 within the downhole interval of 30 metres to 55 metres ('Visual Estimate'):

Hole ID	From (m)	To (m)	Interval (m)	Mineralisation Style	Copper Mineral	Visual Estimate of Copper Mineral
CMEQD002	30	55	25	Vein / Breccia	Chalcopyrite / Bornite	6%

- (ii) under the header 'Competent Persons' Statements' on page 8 of Announcement 1, a statement from Mr. Maxwell Donald Tuesley ('Competent Person') in relation to exploration results included in Announcement 1:

*"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."*

B. CPO's announcement entitled, "Drilling Returns Significant Wide Copper Intersections", lodged on MAP marked by CPO as 'price sensitive' and released at 9:20am AEDT on 16 January 2024 ('Announcement 2') disclosing the following, among other things:

- (i) in 'Table 2: Significant Assay Results from Drillhole CMEQD002' on page 4 of the Announcement 2, breakdown of the Assay results CPO in relation to drill hole CMEQD002 within the downhole interval of 30 metres to 55 metres ('Assay Results'):

Hole ID	From	To	Width	Au g/t	Cu %	Mo ppm	Ag g/t	CuEq %
CMEQD002	30	31	1	0.0025	0.32	10	0.05	0.33

CMEQD002	31	32	1	0.0025	0.20	10	0.05	0.21
CMEQD002	32	33	1	0.01	0.85	10	0.05	0.86
CMEQD002	33	34	1	0.0025	0.27	5	1	0.28
CMEQD002	34	35	1	0.0025	0.18	5	0.05	0.18
CMEQD002	35	36	1	0.02	0.95	5	0.05	0.96
CMEQD002	36	37	1	0.01	1.65	5	0.05	1.66
CMEQD002	37	38	1	0.0025	0.41	5	1	0.42
CMEQD002	38	39	1	0.01	0.89	5	0.05	0.89
CMEQD002	39	40	1	0.01	0.80	5	1	0.81
CMEQD002	40	41	1	0.009	0.66	5	1	0.67
CMEQD002	41	42	1	0.006	0.19	5	1	0.20
CMEQD002	42	43	1	0.013	0.57	5	0.05	0.57
CMEQD002	43	44	1	0.025	1.72	5	1	1.75
CMEQD002	44	45	1	0.012	0.68	5	1	0.69
CMEQD002	45	46	1	0.008	0.60	5	1	0.61
CMEQD002	46	47	1	0.009	0.88	5	0.05	0.89
CMEQD002	47	48	1	0.006	0.17	5	1	0.18
CMEQD002	48	49	1	0.005	0.37	5	1	0.38
CMEQD002	49	50	1	0.014	0.19	10	1	0.20
CMEQD002	50	51	1	0.007	0.22	10	2	0.24
CMEQD002	51	52	1	0.066	2.09	5	2	2.14
CMEQD002	52	53.1	1.1	0.035	2.02	5	2	2.05
CMEQD002	53.1	55	1.9	0.01	1.61	5	1	1.62

(ii) in the body of Announcement 2 on page 2:

*“From a downhole depth of 29m until 55m, a wider zone of sulphide mineralisation (Figure 2 and 3) was intersected returning 26m and grading 0.81% CuEq. This wider intersection also returned a high grade zone of 4m of 1.87% CuEq from 51 to 55m including 1m of 2.16% CuEq from 51m.”*

(iii) under the header ‘Competent Persons’ Statements’ on page 9 of Announcement 2, a statement from the Competent Person in relation to exploration results included in Announcement 2:

*“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.”*

C. The change in CPO’s share price from a closing price of \$0.10 on 12 January 2024 to a closing price of \$0.047 on 16 January 2024 following release of the assay results contained in Announcement 2.

D. ASX Guidance Note 8 (section 4.15) which states:

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- (i) *'Wherever possible, an announcement under Listing Rule 3.1 should contain sufficient detail for investors or their professional advisers to understand its ramifications and to assess its impact on the price or value of the entity's securities.'*
- (ii) *'An announcement under Listing Rule 3.1 must be accurate, complete and not misleading. A listed entity cannot satisfy its obligation to disclose market sensitive information under Listing Rule 3.1 by disclosing information that is materially inaccurate, incomplete or misleading.'*
- E. ASX Guidance Note 8- Example D, which states in relation to announcements containing visual estimates of mineralisation:
- "Whether disclosure is required at this stage would depend on the circumstances. In many cases, information derived solely from a visual inspection of a core sample and before it has been assayed and analysed, would be a matter of supposition and insufficiently definite to warrant disclosure. In those circumstances, disclosure of the drilling results would not normally be expected until the drill core had been assayed and analysed.*
- There may be cases, however, depending on the style of mineralisation and what is apparent from the visual inspection, where an announcement would be appropriate at this stage. In those cases, the announcement should make it clear that it is based solely on a visual inspection of the core sample and that the sample is yet to be assayed and analysed. It would generally be inappropriate to make any comments about the grade or quality of the mineralisation in the announcement in the absence of an assay.*
- Regardless of whether the announcement is made on the basis of an assay and analysis or a visual inspection of the core sample, the announcement must comply with the requirements in Chapter 5 and Appendix 5A of the Listing Rules for reporting exploration results."*
- F. Listed at ASX Compliance Update no. 04/23 ('ASX Compliance Update'), which states:
- "ASX does not encourage the reporting of estimates of mineralisation based only on visual observations. ASX's existing guidance states that it would generally be inappropriate for an entity to comment about the grade or quality of mineralisation in the absence of an assay. In many cases, information derived solely from a visual inspection of a core sample before it has been assayed and analysed could give a misleading impression of the extent of mineralisation."* Clause 4 of the JORC Code, which states:
- "Transparency requires that the reader of a Public Report is provided with sufficient information, the presentation of which is clear and unambiguous, to understand the report and not be misled by this information or by omission of material information that is known to the Competent Person."*

### **Request for information**

Having regard to the above, ASX asks CPO to respond separately to each of the following questions and requests for information:

1. Please provide a detailed explanation regarding the processes and methodologies followed to achieve the Visual Estimate. Please include details regarding whether the Competent Person considered these processes and methodologies sufficient to ensure the Visual Results were representative of the corresponding samples.
2. Please confirm who drafted/prepared the Visual Estimate for release on MAP.
3. Commenting specifically on the significant difference between the Visual Estimate (6% Copper) and Assay Results (0.8% Copper), could you please explain:
  - 3.1 how CPO's directors were satisfied there was a reasonable basis upon which to release the Visual Estimate on MAP; and
  - 3.2 whether CPO and the Competent Person consider the Visual Estimate to be in compliance with the:

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- 3.2.1 ASX Listing Rules (including Listing Rule 3.1 and Chapter 5 of the Listing Rules);
- 3.2.2 ASX Compliance Update; and
- 3.2.3 the JORC Code (including clause 4 of the JORC code),
- if the answer is yes, please explain the basis for this conclusion.
4. On what date did CPO receive the assay results for the downhole interval of 30 metres to 55 metres for drill hole CMEQD002?
5. Please confirm that CPO is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.
6. Please confirm that CPO's responses to the above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of CPO with delegated authority from the board to respond to ASX on disclosure matters.

#### **When and where to send your response**

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **2:30 PM AWST Wednesday, 31 January 2024**. You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, CPO's obligation is to disclose the information 'immediately'. This may require the information to be disclosed before the deadline set out in the previous paragraph and may require CPO to request a trading halt immediately.

Your response should be sent to me by e-mail at [ListingsCompliancePerth@asx.com.au](mailto:ListingsCompliancePerth@asx.com.au). It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

#### **Trading halt**

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in CPO's securities under Listing Rule 17.1. If you wish a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted. You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

#### **Suspension**

If you are unable to respond to this letter by the time specified above, ASX will likely suspend trading in CPO's securities under Listing Rule 17.3.

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### **Listing Rules 3.1 and 3.1A**

In responding to this letter, you should have regard to CPO's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure*: Listing Rules 3.1 – 3.1B. It should be noted that CPO's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

### **Release of correspondence between ASX and entity**

ASX reserves the right to release all or any part of this letter, your reply and any other related correspondence between us to the market under Listing Rule 18.7A.

### **Questions**

If you have any questions in relation to the above, please do not hesitate to contact me.

Yours sincerely

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**Raj Logarajah**  
Senior Adviser, Listings Compliance