

ASX ANNOUNCEMENT

ASX: CIG

26 November 2012

Yerba Project, Naltagua Copper District, CHILE

Highlights

- **Additional strong surface channel-sample results, including 10 metres at 1.73% Cu and 20 metres at 0.52% Cu.**
- **Copper mineralization identified along a 700 metres zone - no previous drilling.**
- **Copper mineralization coincident with a 1.2 kilometres long geophysical anomaly.**
- **Statutory approval to commence drilling anticipated within 10 days.**
- **A drill contract signed.**

The Board of Caspian is pleased to announce a number of key developments at the company's Yerba Project, located within the Naltagua Copper District (Figure 1), 80 kilometres southwest of Santiago, Chile.

Surface channel-sampling of recently discovered copper mineralization has returned a number of new results including 10 metres at 1.73% Cu and 20 metres at 0.52% Cu in altered andesite. Sampling has been limited by the paucity of outcrop. These results extended the area of known copper mineralization to over 700 metres of strike. The mineralization occurs coincident with a 1.2 kilometres long, 50 metres wide Induced Polarisation (IP) resistivity anomaly (Figure 2). The historic Yerba Workings (disseminated bornite in brecciated andesite) also falls on this resistivity anomaly.

Good potential exists for the discovery of additional outcropping copper mineralization along this zone.

Drilling Permit

Statutory approval from the Chilean Government to commence drilling is anticipated within 10 days and a drilling contract has been signed.

Background

Caspian acquired an interest in the Naltagua Copper District (Naltagua) in Chile by purchasing un-listed public Australian company Equus Resources Limited. Shareholders approved the acquisition at a General Meeting held on the 31 August 2012.

Naltagua is located 80 kilometres southwest of Santiago and 75 kilometres southeast of the port city of San Antonio and is well serviced by major infrastructure. Caspian is initially targeting the Yerba and Araya project areas at Naltagua; both of which show geological similarities to the large, Anglo American-owned El Soldado Cu-Ag deposit (200 Million tonnes @1.35% Cu) – a manto-type deposit located 135 kilometres north of Naltagua (Figure 3).

Caspian holds an option to acquire 100% of a contiguous group of 14 mining licences covering an area of 18.05 square kilometres and 75% of the known extent of the Naltagua Copper System. Under the terms of the option agreement, Equus has the right (but not the obligation) to acquire the mining licences on an outright basis by making a payment of US\$100,000 in September 2013 and a final payment of US\$4.3 million in September 2014 to the licence holder.

For further information please contact:-

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Information in this report that relates to Exploration Results for Naltagua is based on information compiled by Mr Robert Perring, who is a Member of the Australian Institute of Geoscientists. Mr Perring is a consultant to Caspian and a non-executive director of Caspian's subsidiary, Equus Resources Limited and has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activities reported on to qualify as a Competent Person as defined in the 2004 Edition of the 'Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Perring consents to the inclusion of the information in this report of the matters based on information in the format and context in which it appears.

Sampling and assaying: Sampling has been conducted by qualified geologists using a sample interval of 2m and 5m. Assay results have been composited (weighted arithmetic mean) to give an average grade estimate for the interval sampled. The samples were assayed for copper (and 33 other elements) by aqua regia digest ICP-ES/ICP-MS at Acme Analytical Laboratories, Santiago, Chile.

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Figure 1

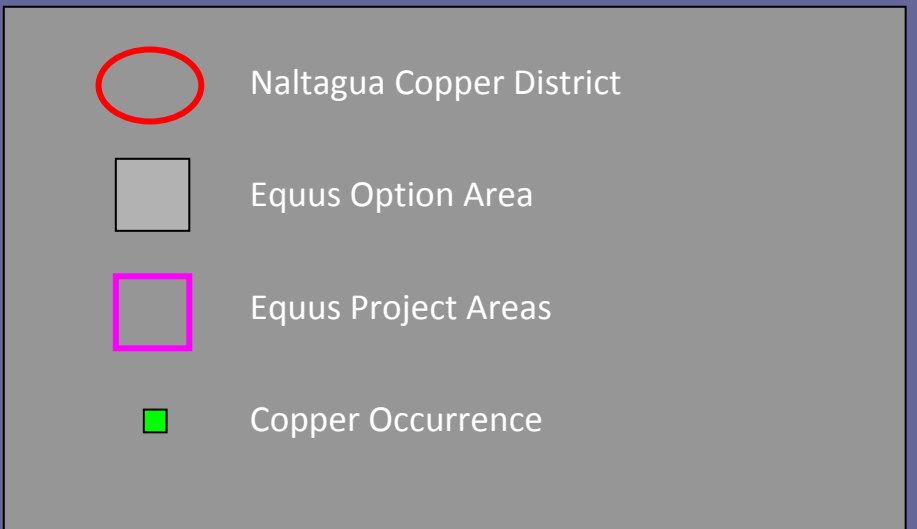
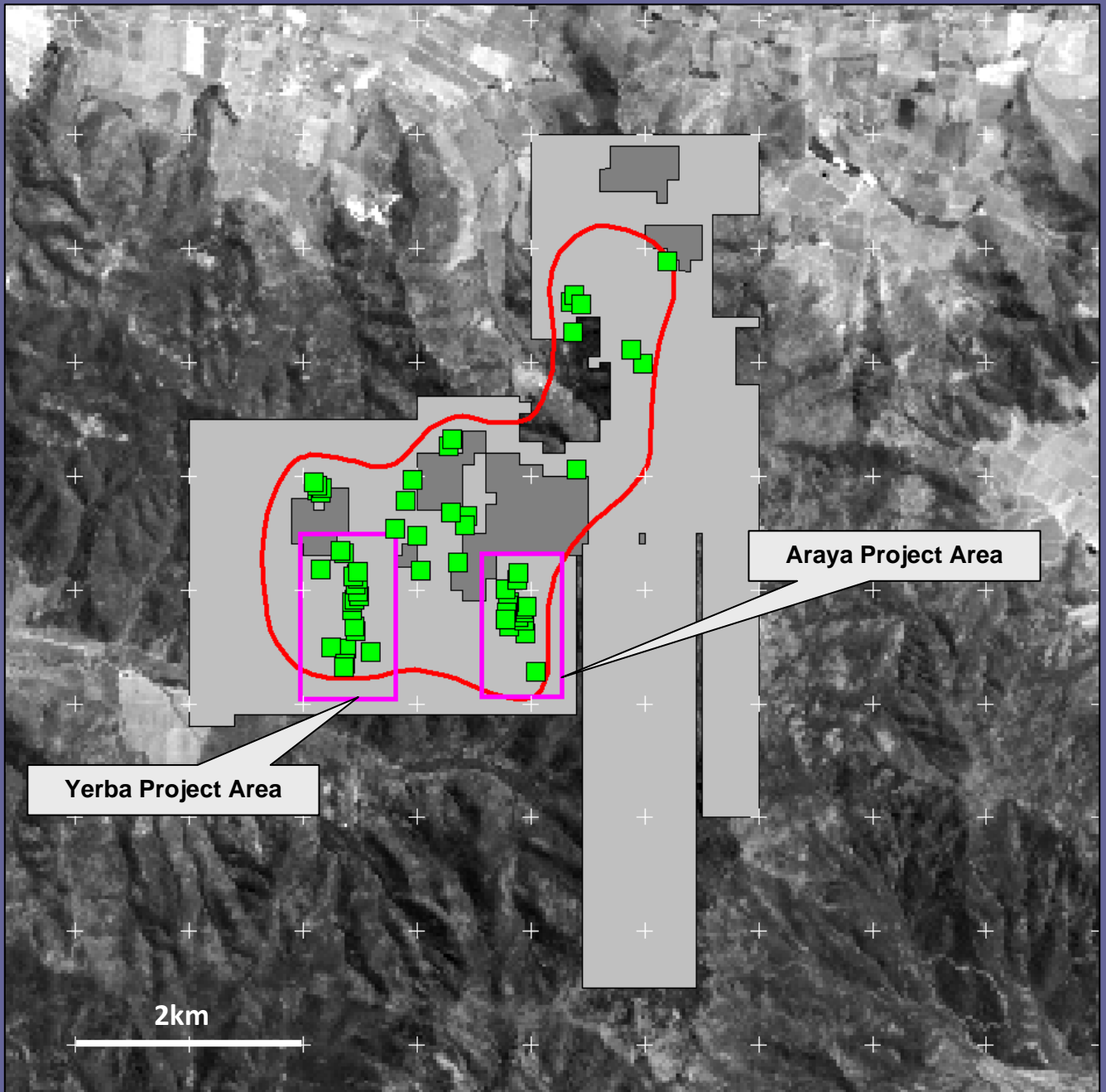


Figure 2

33m @ 0.88% Cu

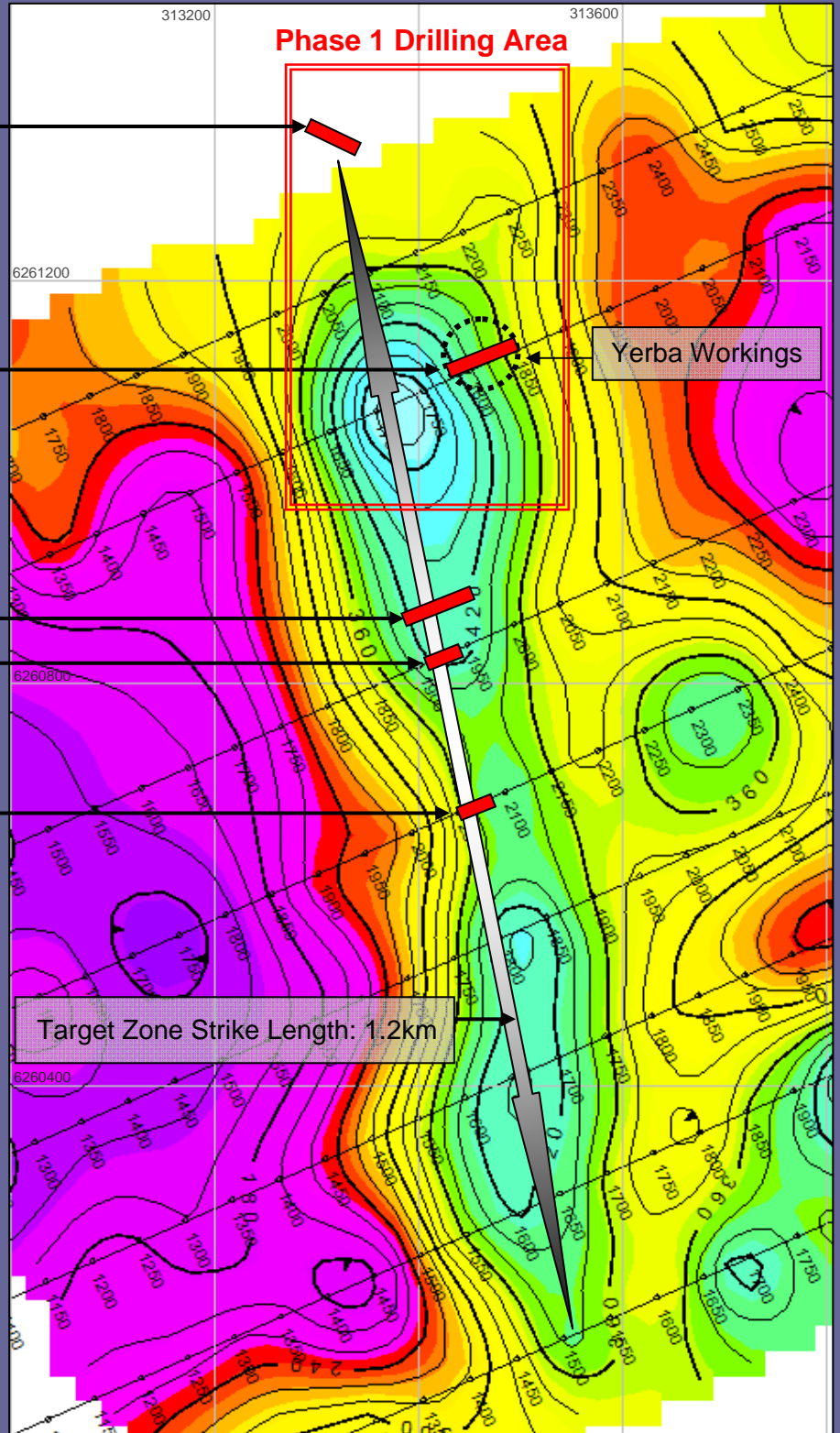
48m @ 1.35% Cu

55m @ 0.27% Cu
10m @ 1.73% Cu

20m @ 0.52% Cu

*Contoured Induced
Polarisation
Resistivity Data.*

*Rock channel sections
limited by outcrop.*



High Resistivity (Geophysical Anomaly)

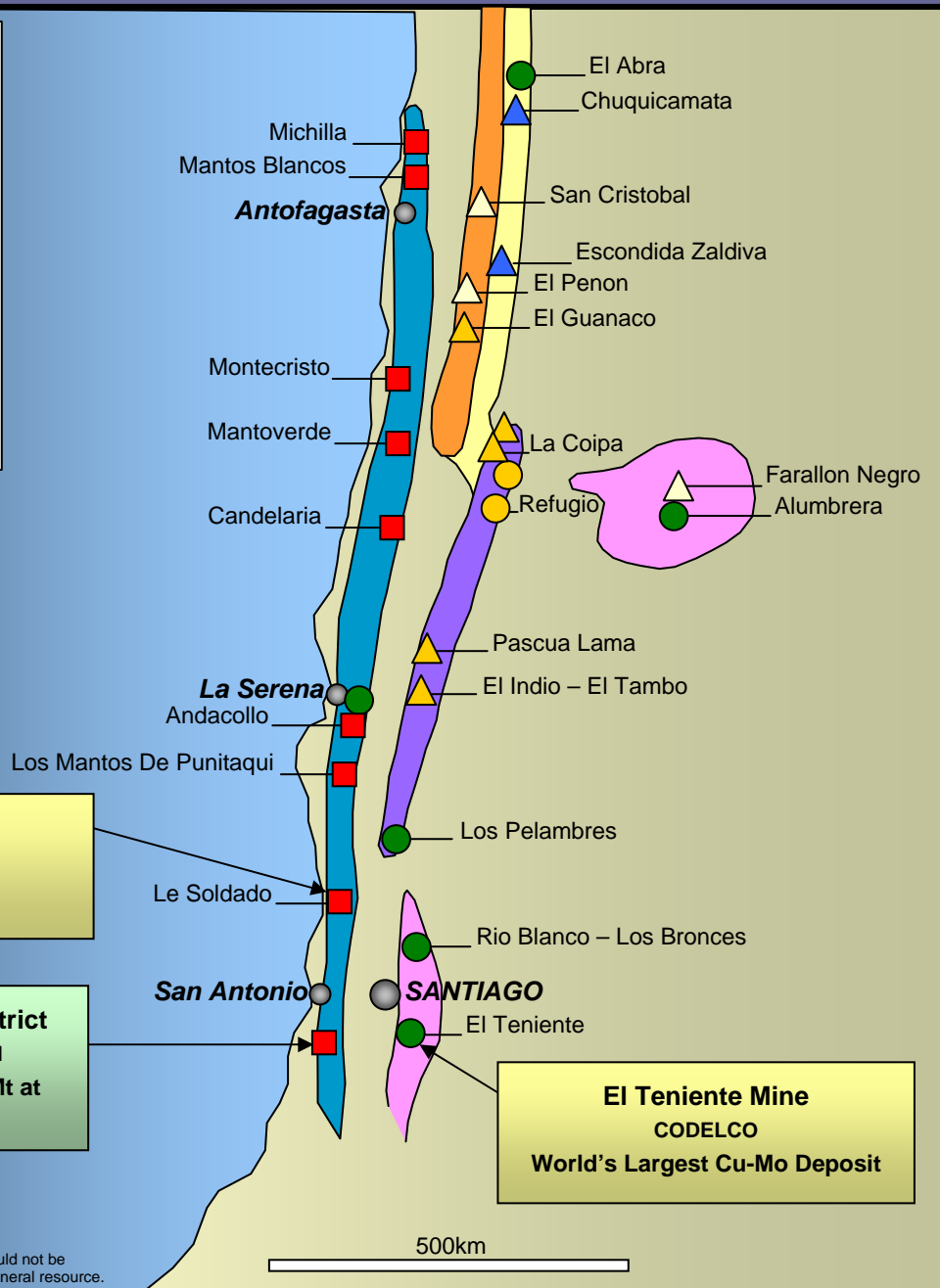


Surface Rock Channel Geochemistry (2m & 5m composites)

0.5km



Figure 3



* The target size is conceptual in nature and should not be construed to indicate a JORC Code compliant mineral resource.

Principal Copper Deposits

- Manto-type and Iron Oxide-type
- Porphyry-type
- ▲ Porphyry-type + high sulphidation overprint

Principal Gold Deposits

- ▲ High sulphidation-type
- ▲ Low sulphidation-type
- Porphyry-type

Metallogenic Belts

- Middle Miocene - Early Pliocene
- Early - Middle Miocene
- Late Eocene - Early Oligocene
- Palaeocene - Early Eocene
- Early Cretaceous