The Next Major Peruvian Copper Deposit? All Signs Point to Significant Scale

COPPERNICO METALS (COPR.TO)

Cash: C$18M | Market Cap: C$88.6M | Share Price: C$0.50

Sombrero
Peru, South America

Shares Outstanding: 177.2M	**Avg. Volume 90 Day:** N/A	**CEO:** Ivan Bebek
Options: N/A	**52 Week High:** N/A	**SVP Corp Dev:** Christian Rios
Warrants: 36.2M (Avg. C$0.55)	**52 Week Low:** N/A	**VP Exp:** Tim Kingsley

Corporate PowerPoint: Coppernico Presentation | Cash position above from Corp. PPT.

Company Overview

Coppernico has assembled a world-class copper skarn/porphyry exploration project in southern Peru. The company has traced favourable lithologies and intrusive complexes that host some of the biggest copper mines in the world (i.e. Las Bambas) under a thin cover of younger volcanic rocks and has acquired a very strategic 100,000-hectare land package. After years of thorough mapping, geochemical sampling, age dating, geophysics, and social efforts, they have narrowed their land position to the most promising pieces of ground. Each area has strong geological indications that a large-scale copper mineralizing system is or may be present from surface. Coppernico has all the necessary permits to start drilling and plans to drill 15,000m over a four-phase exploration program. Their current permits allow for 49 holes from 38 pads, with drilling expected to begin in summer 2024. COPR shares should start trading July 2024.

With copper breaking out to US$4.50/lb and a recent string of M & A proposals (BHP -> Anglo / Silvercorp -> Adventus) and strategic investments (Zijin -> Solaris / Barrick -> Hercules Silver), it's time to choose your horses for this copper bull market. Enter Coppernico Metals, a rare & truly Tier 1 scale copper discovery opportunity.

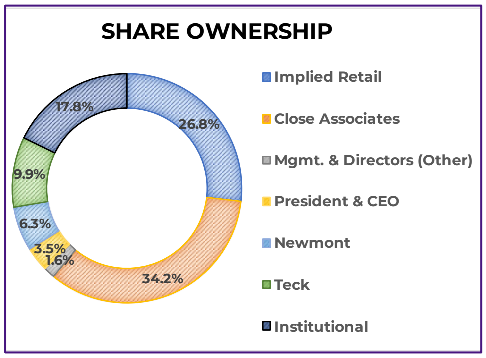

Figure 1. Share ownership of Coppernico Metals. *Source: Company website.*

The Investment Case

- **Sombrero is Analogous to the Largest Copper Deposits in Peru:** Sombrero Main is a drill-ready, high-quality copper project located west of and is a direct analogue to MMG's Las Bambas mine (~300kt of Cu production 2023, the top eight copper producer globally in 2020). Mineralizing Intrusives have been age-dated and are of the same age as at the Las Bambas (MMG), Tintaya and Antapaccay (Glencore) and Constancia (Hudbay) (Figure 5). The same stratigraphic formations that host copper mineralization at these deposits are all present at Sombrero (Figure 6), and thus far, a 7km trend of copper and gold mineralization with demonstrated "ore" grades and widths on/at surface has been outlined. If drilling confirms similar copper and gold values found on surface at depth, Sombrero Main could develop into a deposit with a scale suitable for the world's largest mining companies.
- **Demonstrated "Ore" Grade Copper and Gold Mineralization at/Near Surface:** Coppernico isn't going into Sombrero with the hope of finding copper and gold mineralization at grades and widths that would be considered ore grade at other Peruvian mines; they already have them (Figure 9 and 15). The question is how extensive the mineralization is at depth, along strike, and where the best grades are in the system. The limited surface trench sampling and historical drillhole assaying they have completed (Eight short historical holes not assayed for copper in the past) include results such as 232m of 0.47% Cu and 0.13 g/t Au, 109m of 0.67% Cu and 0.05 g/t Au, or 90m of 0.48% Cu and 0.05 g/t Au. These results help define a 7km trend where Coppernico expects copper and gold endo/exoskarn mineralization along the contact of mineralized intrusives and highly permissive limestone units.
- **Permits and Social Access in Hand, 2024 Discovery Drilling Next-Up:** Coppernico has a three-year social access agreement with the community their Sombrero Main target resides in and has all required permits to drill. They plan to systematically drill and scale the project, with an initial phase of up to 15,000m planned over 18 months, starting in mid-2024. Drill targets are well supported by surface sampling, geophysics, mapping and interpretation. Investors can expect a steady flow of discovery drilling news going forward, the type of catalyst that drives significant value.

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- **Top Tier Management, Board and Strategic Backers:** The team at Coppernico is headed by Ivan Bebek, who previously served as the president, co-founder, and CEO of Cayden Resources (Acquired by Agnico Eagle for C$205M) and was the former executive chair of Auryn Resources. The board of directors includes two ex-BHP VP's, Keenan Jennings and Antonio Arribas. Keenan (Joined January 17th, 2024) was the recent former VP of Metals and Exploration at BHP, and Antonio was the former VP of Geosciences at BHP. Having two former BHP executives on the board significantly validates the integrity and opportunity that lies ahead with Coppernico. Additional project validation is supported by Teck's participation in the most recent financing, taking a 9.9% ownership stake in the company.
- **Peru is Moving in the Right Direction:** Peru ranks in the top five of South America's biggest economies, with mining investment totalling $5.4B in 2022. The political environment in Peru has shifted towards a more centric political stance, which is viewed positively. The country has experienced multiple presidential changes (seven since Coppernico began operations in the country), but these shifts have not disrupted the mining sector. <u>We are seeing the pace of permit approval increase and major permits being issued, such as the February 2024 MEIA approval that allows for a $2B Antamina copper mine expansion</u>, a positive sign for mining and exploration in the country.
- **The Right Time for Copper:** Investing in South American copper projects with the potential for large-scale discoveries (>5Mt of Copper metal) is one of the best ways to participate in a copper bull run. South American super deposits that hit, like Filo or NGEX, get instant market love (Figure 28), and we believe Coppernico could follow a similar path with exploration success. With the halting of First Quantum's Cobre Panama mine in Panama and the lowering of future production guidance from major companies such as Anglo American, copper is expected to be in deficit in 2024 when only a few months ago it was expected to be in surplus. This, combined with the increase in future demand due to the green transition, means it is a highly opportunistic time to be in copper.
- **A Billion Dollar+ Idea if it Works:** It is extremely early to model mineral potential, but we have attempted to provide investors with an idea of the target size at Sombrero Main. We model out multiple scenarios based on a percentage of success in Figure 16 and Table 1 that range from 2.7 to 10+Mt of CuEq metal (5.9B - 23.9B Lbs of CuEq). Let's consider our 50% target case scenario of 5.4Mt of CuEq metal (11.9B lbs) and a range of acquisition prices per pound of CuEq between US$0.025 and US$0.10. An acquisition of this scale would fetch between US$300 million to US$1.2 billion and only represents one target area across the highly prospective Sombrero land package.

Upcoming Catalysts

- 15,000m of Discovery Drilling at Sombrero (Q3 2024 - Q4 2025)

Financial Snapshot

- **Current Cash Position (C$18M):** Coppernico raised C$19.4M in May 2024 as part of its go-public financing. The funds will be used for drilling, surface exploration and general working capital.
- **Recent Financings:**
  - May 2024: C$19.4M @ 0.50 Unit (1 half 2-yr warrant at $0.75 expiring May 2026)
  - Oct + Dec. 2023 / Jan 2024: C$2.4M @ $0.15 Unit (*1 full 5-yr warrant at $0.15 expiring August 2029)*
  - February 2023: C$2.6M @ $0.30 Unit

Figure 2. View of the project area and landscape. *Source: Company website.*

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A Brief History of Coppernico and Sombrero

Coppernico Metals originated with Auryn Resources, who, in 2015, optioned the Sombrero Main claims from Alturas Minerals. Sombrero, a copper skarn/porphyry mineralization style exploration property, was brought into the Auryn Portfolio as part of a $150M budget exploring for the world's next largest mines. In 2020, the Sombrero asset was spun out of Auryn into Coppernico Metals (Formerly Sombrero Resources). Each Auryn shareholder received one share of Coppernico in the spin-out priced at ~$0.30/sh (~$34M Mc). Between 2016 and 2023, ~$30M was spent performing surface exploration and sampling programs, claim expansion, claim validity fees, social programs, and permitting.

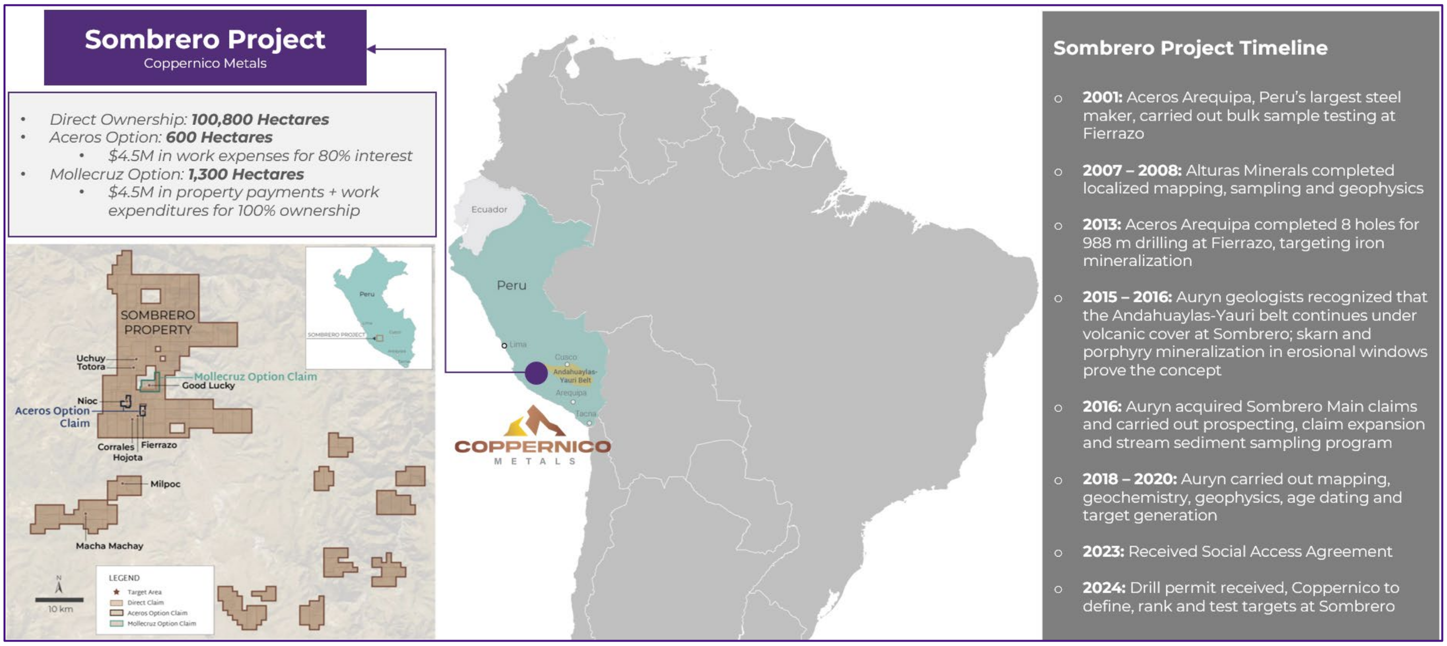

Figure 3. The location and project timeline of the Sombrero project in Peru, South America. *Source: Company website, 3L Capital.*

In 2007, Miguel Cardozo, credited with discovering the Yanacocha mine, facilitated the discovery of Sombrero as a potential large-scale copper-gold project through a 13 x 5km mapping and sampling program. The discovery relied on recognizing two erosional windows, a geological feature where younger rock layers have been locally eroded, revealing older rocks below. Miguel's team collected 96 rock samples, which returned high copper and gold values (Figure 4) and identified a large area of anomalous copper and gold. When Auryn got to surface sampling and trenching, they quickly recognized a substantial and robust mineralizing system like those that host world-class copper deposits just to the east within the Andahuaylas-Yauri belt. Soon after, they expanded their land position to capture the most prospective ground based on stream sediment and mapping programs.

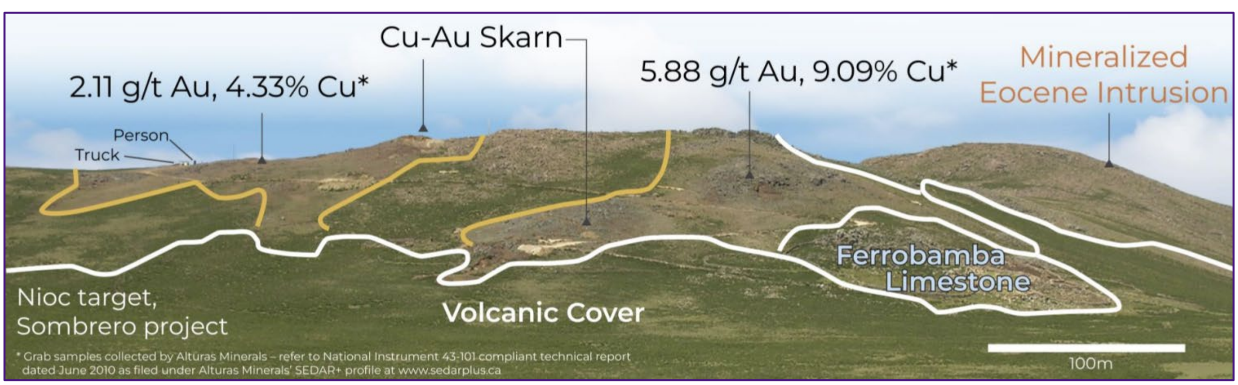

Figure 4. Nioc target area showcasing the erosional window that exposed copper and gold mineralization below younger volcanic cover. *Source: Company website.*

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Sombrero Project - *Same Age & Stratigraphy as Peru's Biggest Cu Mines, Proven Cu and Au at Surface*

High-Level Geology Summary in Italics

- *The Sombrero project is situated in the Andahuaylas-Yauri belt, which hosts major copper mines like Las Bambas. Sedimentary packages contain thick packages of carbonate units (i.e., limestone) that have been intruded by Eocene-aged intrusives, the perfect setting for substantial iron, copper, and gold skarn-style mineralization. Key areas at Sombrero, Nioc and Sombrero Main show extensive copper and gold anomalism through large stream sediment sampling and high-grade surface samples despite being largely covered by post-mineral volcanic/colluvial deposits.*

- *Stratigraphy includes multiple limestone/carbonate units known for hosting significant copper skarn mineralization at other major mines in Peru. There is ~300m to 600m of prospective stratigraphy between key formations such as the Ferrobamba and Mara. Iron-copper-gold skarn mineralization forms at the contact between these carbonate units and intrusives.*

- *Geophysical surveys, mainly magnetics and induced polarization (IP), correlate well with geological mapping and identified mineralization and suggest extensive and buried skarn mineralization beneath shallow volcanic cover (4 to 40m thick). Data from trenches and historical cores, previously not sampled/assayed for copper, have revealed encouraging copper-gold values, affirming mineralization continuity and grade (i.e. 109m of 0.67% Cu & 0.05 g/t Au).*

- *Initial exploration at Sombrero will target a 7km trend of interpreted exoskarn mineralization in the Sombrero Main area. Sombrero Main lies within an extensive 18x6 km Pb-Zn-Ag anomaly and a smaller, yet significant, Cu-Au anomaly.*

The Sombrero project is hosted in the northwestern extension of the Andahuaylas-Yauri belt, which hosts some of the world's largest copper mines and deposits, including MMG's Las Bambas Copper mine (Figure 5). The project area contains Eocene-aged, km-scale intermediate intrusives that have reacted with adjacent sedimentary units, mainly limestone, forming potentially significant amounts of skarn-style iron+/-copper+/- gold mineralization. The best exposed and most studied mineralized areas include the Nioc and Sombrero Main target areas. Large stream sediment sampling programs have identified extensive copper and gold anomalism, and limited surface sampling has shown high-grade copper and gold values. However, most of the interpreted mineralization is masked by ~4 to 40m of post-mineral volcanic/colluvial cover.

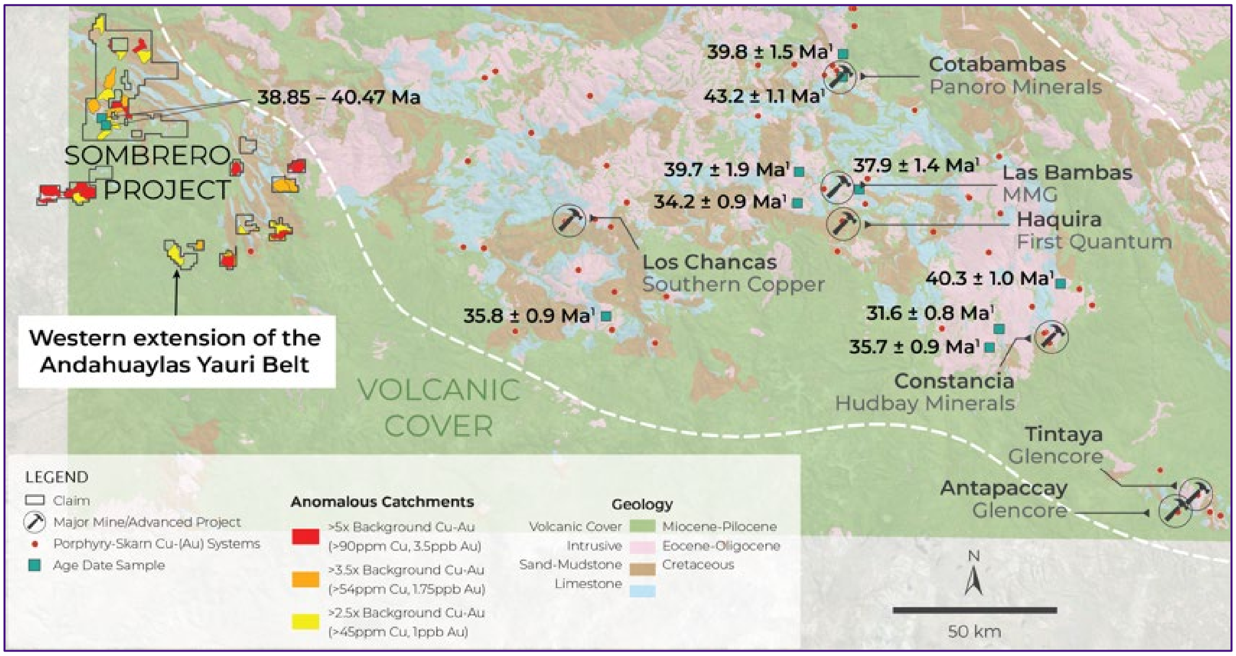

Figure 5. High-level geology of the Andahuaylas-Yauri belt near Sombrero, location of Sombrero, the age dates of intrusives in the area and anomalous Cu-Au in catchments on the Sombrero property. *Source: Company website.*

The initial exploration at Sombrero will focus on the Sombrero Main area, which resides within a large 18 x 6km Pb-Zn-Ag anomaly and a more minor but still multi-km copper-gold anomaly overlying mineralized intrusive and sedimentary rocks (Figure 6). The intrusives contain endoskarn iron-copper-gold mineralization and sedimentary (limestone/carbonate) packages that contact intrusive units host higher-grade iron-copper-gold exoskarn mineralization. The primary focus of initial exploration will be the exoskarn mineralization that formed along the contacts of the intrusive units where the limestones have been chemically altered by fluids emanating from the intrusive units (Figure 7).

Notably, the stratigraphy at Sombrero Main includes the same carbonate sedimentary formations, such as the Ferrobamba, Mara, and Gramadal, that host significant amounts of copper skarn mineralization at other large mines in Peru. The sedimentary package is shallow-dipping, and multiple carbonate units are interpreted to contact intrusions on the property (Figure 6). There is ~300m to 600m of prospective stratigraphy between the Ferrobamba and Upper Mara formations alone in the Sombrero Main area that should contact the younger mineralizing intrusive units and possibly host skarn-style iron-copper-gold mineralization.

In Figures 6 and 7 below, note the scale of the Pb-Zn-Ag and Cu-Au anomalies in the Sombrero Main area, the stratigraphic column that showcases which units host major mines east of Sombrero, and a cross section depicting the interpreted geology and skarn target areas (dark purple) along the intrusive contacts in the Sombrero Main and Nioc target areas.

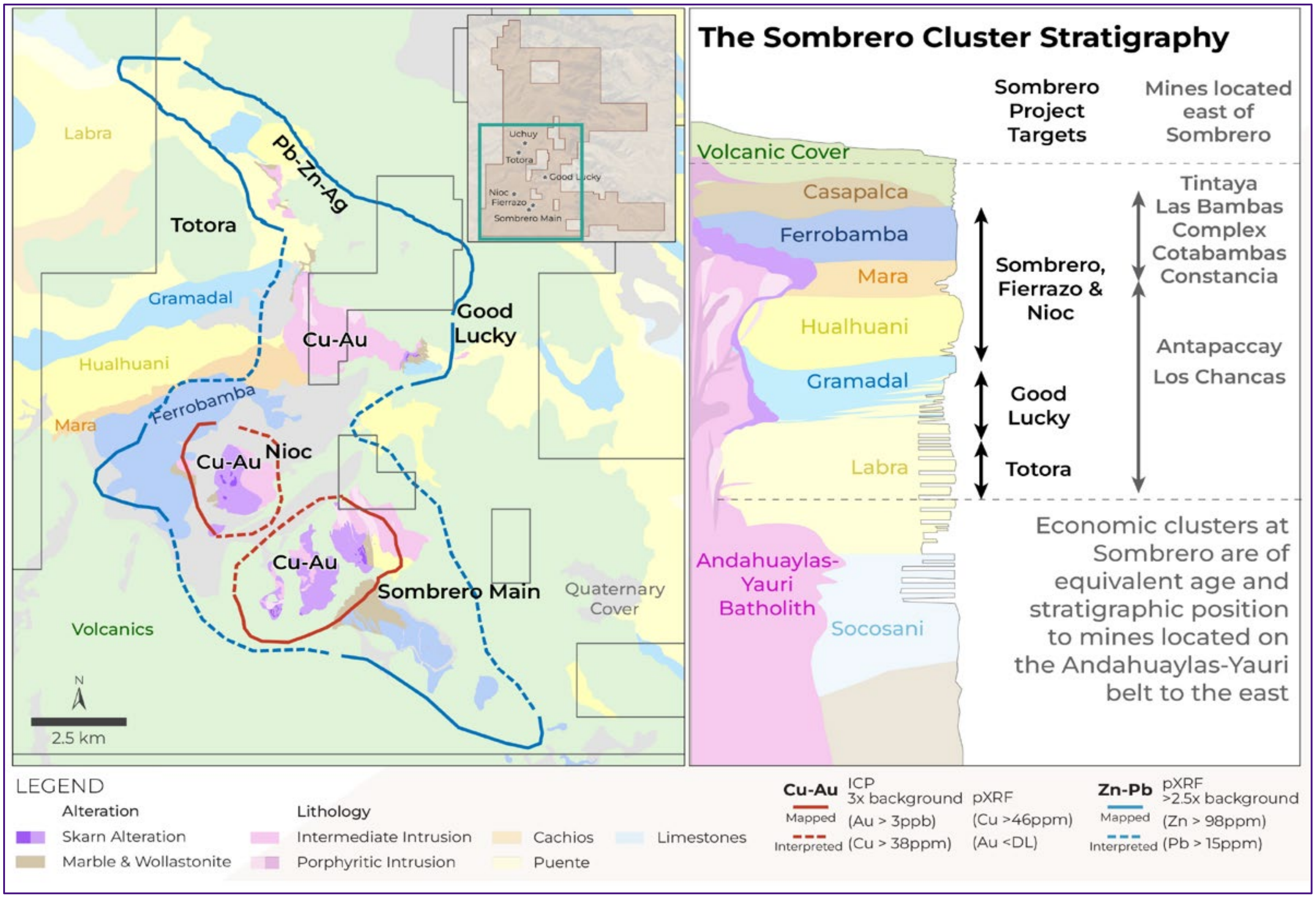

Figure 6. Plan view of geology, metal anomalism, and stratigraphy in the Sombrero Main area. *Source: Company website.*

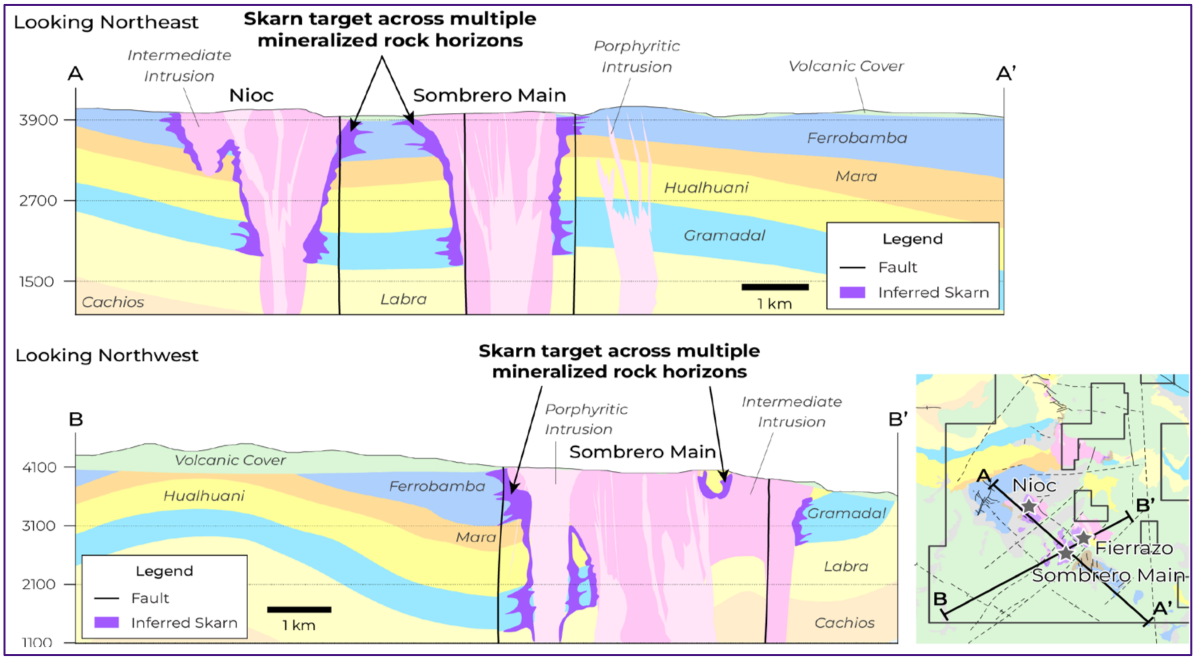

Figure 7. Cross section interpretation through the Sombrero Main area with skarn targets highlighted in dark purple. *Source: Company website.*

Geophysical surveys at Sombrero, mainly magnetics and induced polarization (IP) have correlated very well with geological mapping and copper and gold mineralization identified on surface. Magnetic highs have a notable spatial correlation with mapped magnetite and hematite skarn bodies at Nioc and Fierrazo, where surface sampling, trenching, and historical but limited diamond drilling have returned wide copper and gold mineralized intervals. The correlation suggests that other magnetic highs beneath younger post-mineral cover could represent additional magnetite skarn bodies and copper-gold mineralization. IP surveys have identified two large chargeability anomalies at Nioc and Sombrero Main, likely imaging disseminated sulphide bodies related to skarn alteration. The IP anomalies are located near mapped and interpreted contacts between the monzonite/monzodiorite/dioite intrusives and limestone or within the intrusions themselves. These chargeability anomalies often extend several hundred meters deep and frequently overlap the magnetic anomalies.

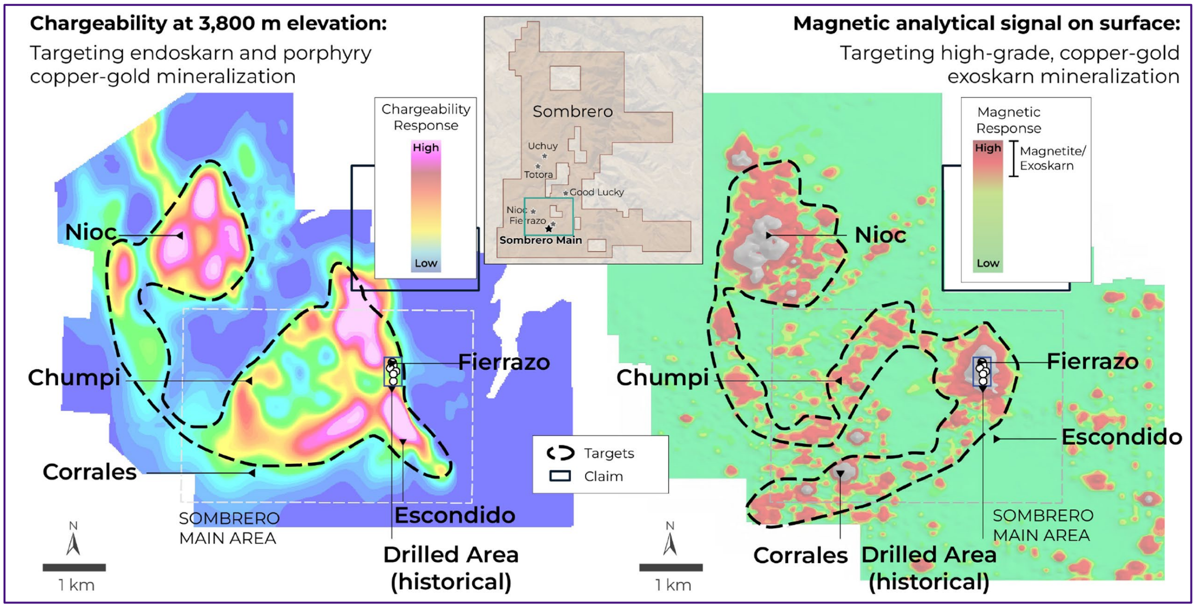

Figure 8. Chargeability and magnetic anomalies in the Sombrero Main area. These anomalies have been shown to correlate to iron-copper-gold skarns on the property. *Source: Company website.*

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Since acquiring the project in 2016, Coppernico has completed numerous surface trenches and assaying of historic core in the Fierazzo area that was never assayed for copper. Fierazzo represents a small, past-producing iron (magnetite) mine (mined between 2008 and 2009) where eight shallow drill holes were drilled (988.5m total). The operator at the time did not assay the core if copper oxide was noted, but when Auryn sampled it, significant copper-gold mineralization was noted (Figure 9 and 10). Assay results to date have been very promising, with excellent results in both endo and exoskarn mineralization. Broad intervals of copper-gold mineralization and individual rock samples taken across the property have returned multi-percent copper and gold assays. Historical drilling and surface trenching results are highlighted below.

Historical Drilling and Channel Samples:

- FE-DDH-01A: 90.4m @ 0.50% Cu and 0.05 g/t Au
- FE-DDH-02: 51m @ 0.43% Cu and 0.16 g/t Au
- FE-DDH-03A: 116m @ 0.42% Cu and 0.24 g/t Au
- Channel 18SRT-18: 109m of 0.67% Cu and 0.05 g/t Au
- Channel 19SRT-20/21: 232m @ 0.47% Cu and 0.13 g/t Au
- Channel 18SRT-08: 99m @ 0.37% Cu and 0.09 g/t Au

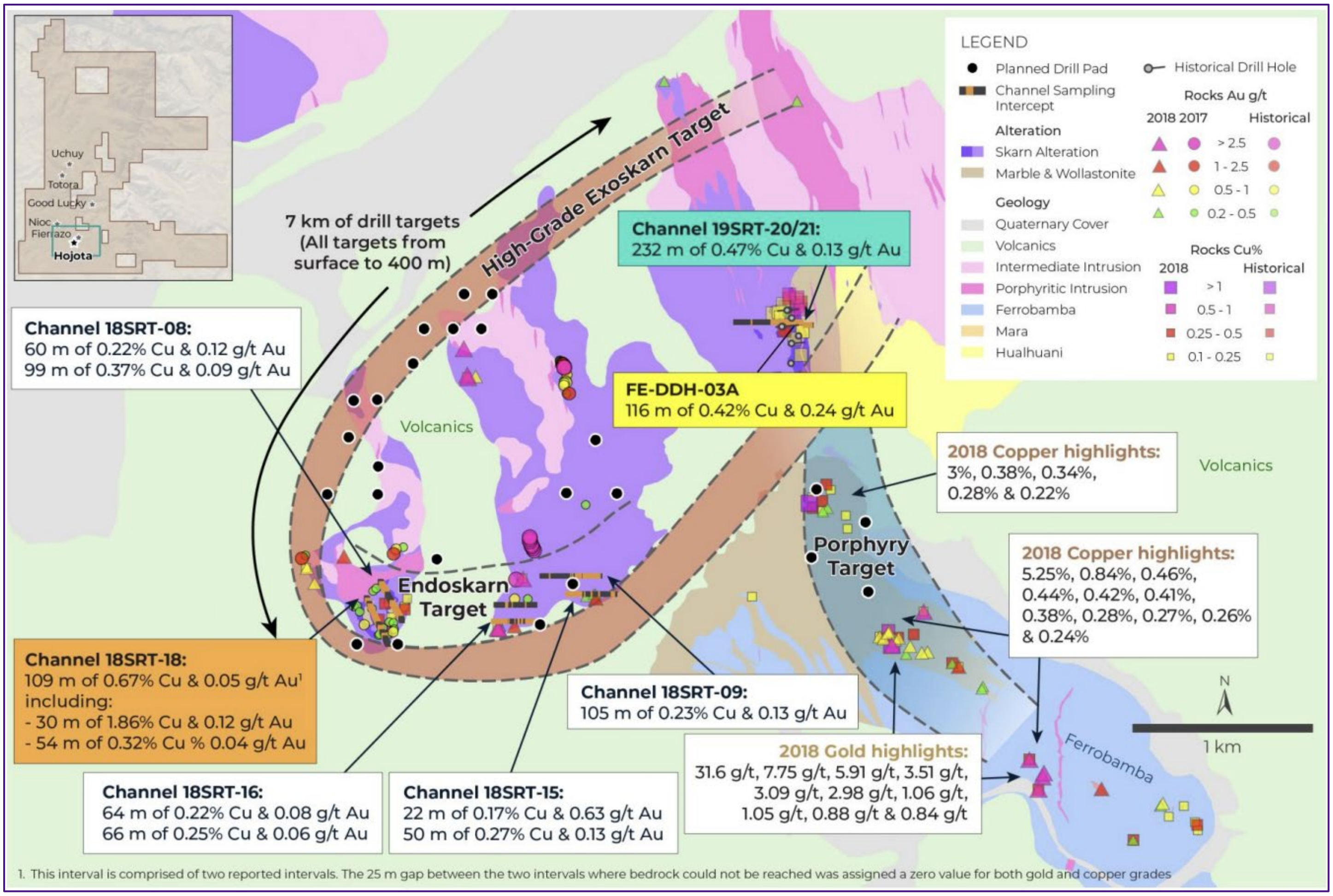

Figure 9. Exoskarn target outline and surface and drillhole sampling results. *Source: Company website.*

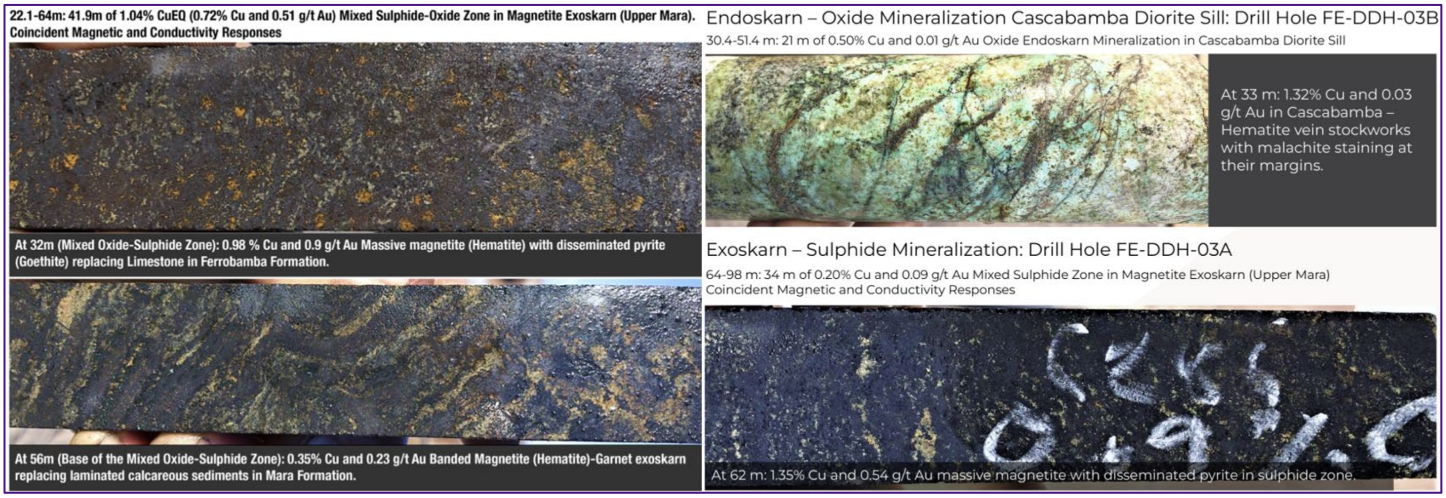

Figure 10. Examples of mineralization and grades intersected in historical drilling. *Source: Company website.*

Could these grades on surface be a function of supergene enrichment and grades in fresh rock drop off at depth? Primary copper sulphide mineralization at surface is not visually apparent, especially when compared to the flashy copper oxides such as Malachite and Chrysocolla. However, Coppernico has completed petrology on drill core samples and noted significant quantities of fine Chalcopyrite, Chalcocite, Covellite and Digenite (Copper sulphide minerals). These observations indicate primary sulphides are present but are often fine-grained, highly tarnished and mixed with iron sulphides (magnetite and hematite). Primary sulphides have been altered with some remobilization. However, there is a lot of neutralizing potential with all the limestone in the system. Even if copper has gone into solution, it likely hasn't been transported very far. Notably, the company has seen high copper grades in oxidized and fresh rock thus far.

This is a massive, polyphase intrusive system of the same age as mineralizing intrusives at other major copper mines in Peru and intruding into the same carbonate host rocks. Mapping and sampling have produced wide intervals of copper-gold mineralization associated with skarn alteration that correlate with geophysical anomalies that suggest mineralization could extend 400m+ below surface along a 7-10km trend.

Analogues and The Upside Value - *What is the Size of the Prize?*

The go-to analogue for what Sombrero could be is MMG's Las Bambas Mine (300kt of recovered Cu in 2023, 7.6Mt of Cu metal in resources). In Figure 11 below, we have shown MMG's Las Bambas and Hudbay's Constancia mines' annual production and grade and resources over the years. These figures provide an idea of the target size range and potential production profile we think Sombrero could have if drilling results were favourable and much of the interpreted skarn target was mineralized. For reference, 300Kt of Cu production at $8,818/t or $4.0/lb is US$2.65B of annual revenue.

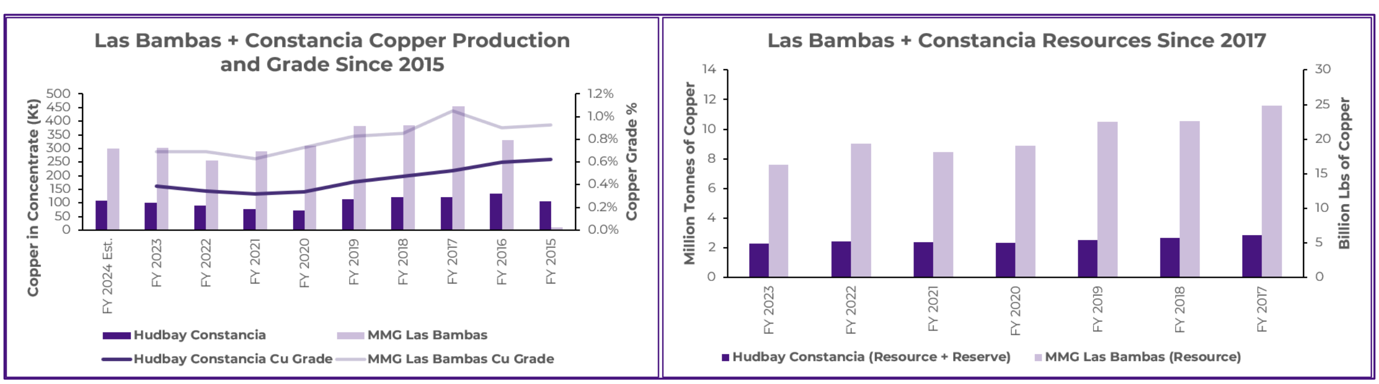

Figure 11. MMG's Las Bambas and Hudbay's Constancia mines' annual production, grade, and resources over time.
Source: Company filings, 3L Capital.

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Regarding scale, Figure 12 provides a visual size comparison of exoskarn mineralization at Las Bambas vs. mapped and interpreted exoskarn at Sombrero. The scales are very similar; remember, this is only one target cluster at Sombrero.

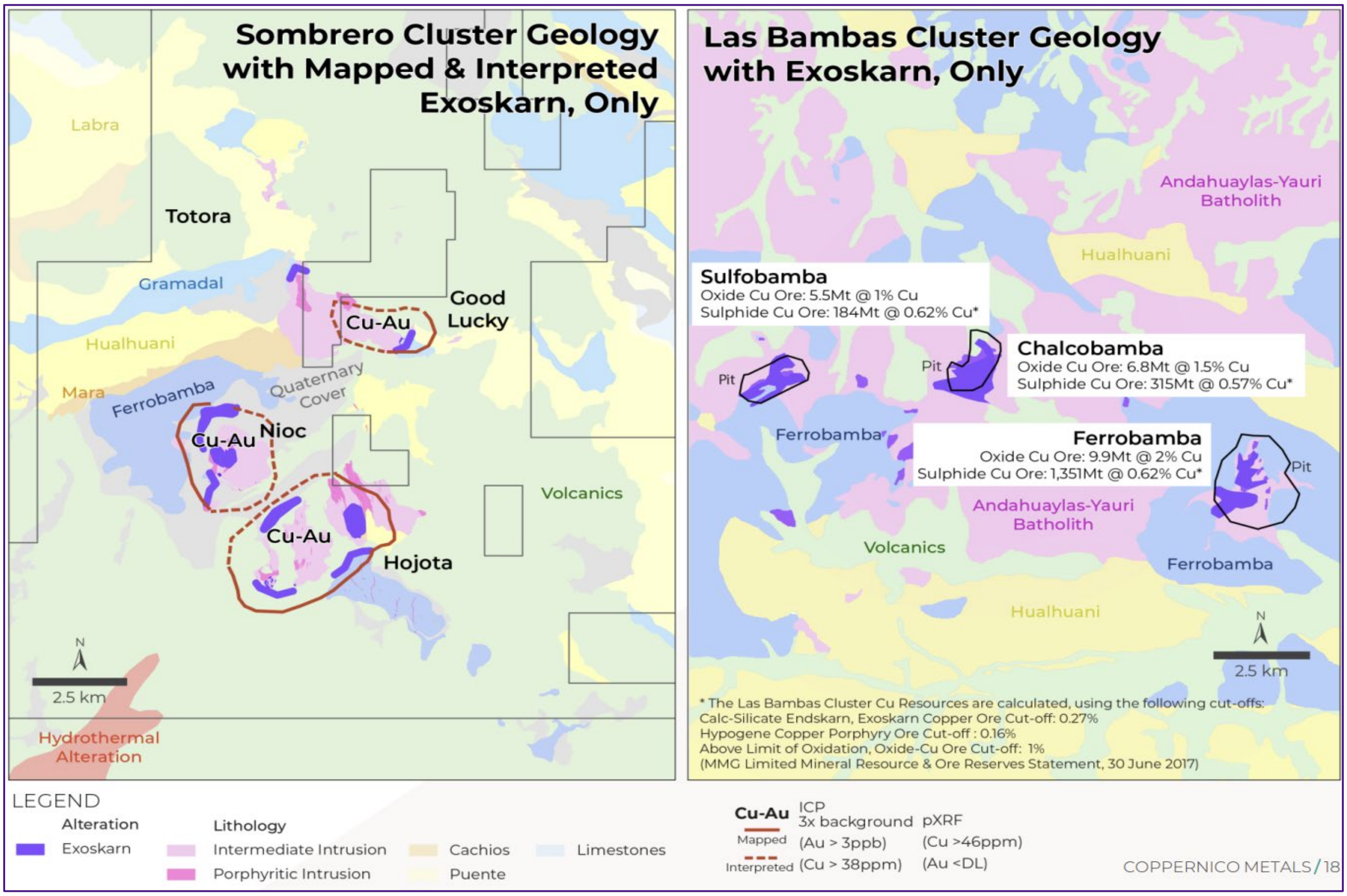

Figure 12. Sombrero Main/Nioc and Good Lucky mapped and interpreted exoskarn vs. Las Bambas exoskarn extents. *Source: Company website.*

What would an eventual open pit potentially look like? The figure below shows an aerial photograph and 3D copper assay data at the Tintaya deposit in Peru. The geometry shows that the pit targeted mineralization around an intrusive contact, just like what is expected at Sombrero.

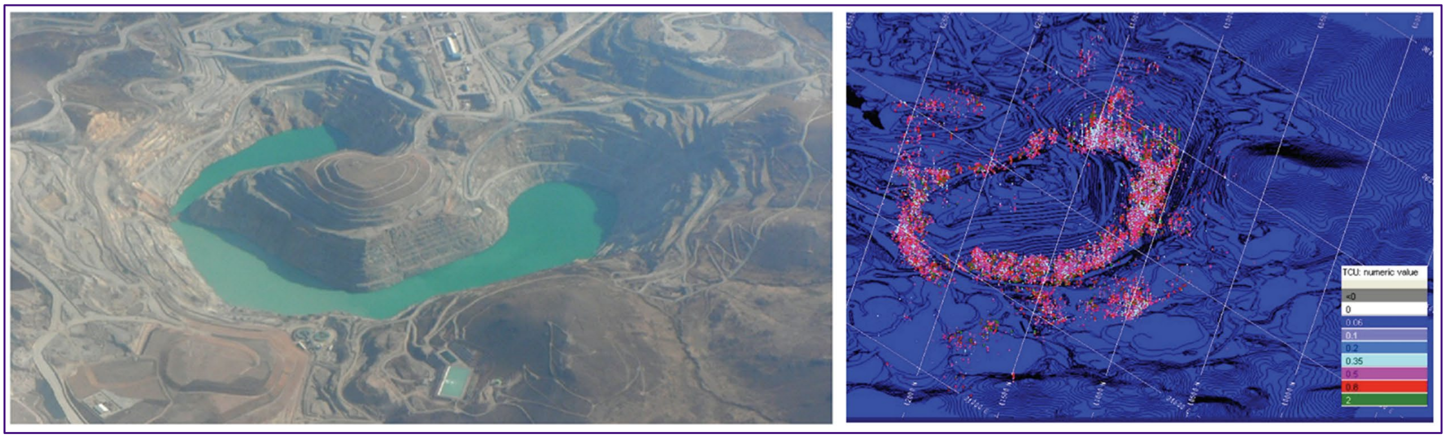

Figure 13. Tintaya mine aerial photo and 3D visualization of copper assays relative to mining. *Source: Company website.*

The main target at Sombrero is potential exoskarn mineralization that sits along an intrusive contact at Sombrero Main. If we look to Las Bambas as an analogue, you can see drilling targeting the exoskarn around an intrusive unit, with copper values highest in the sedimentary units at the contact. What we would hope to expect at Sombrero are similar drill intercepts between 20 and 150m wide grading between 0.2-1+% Cu around the intrusive contact, just like at Las Bambas.

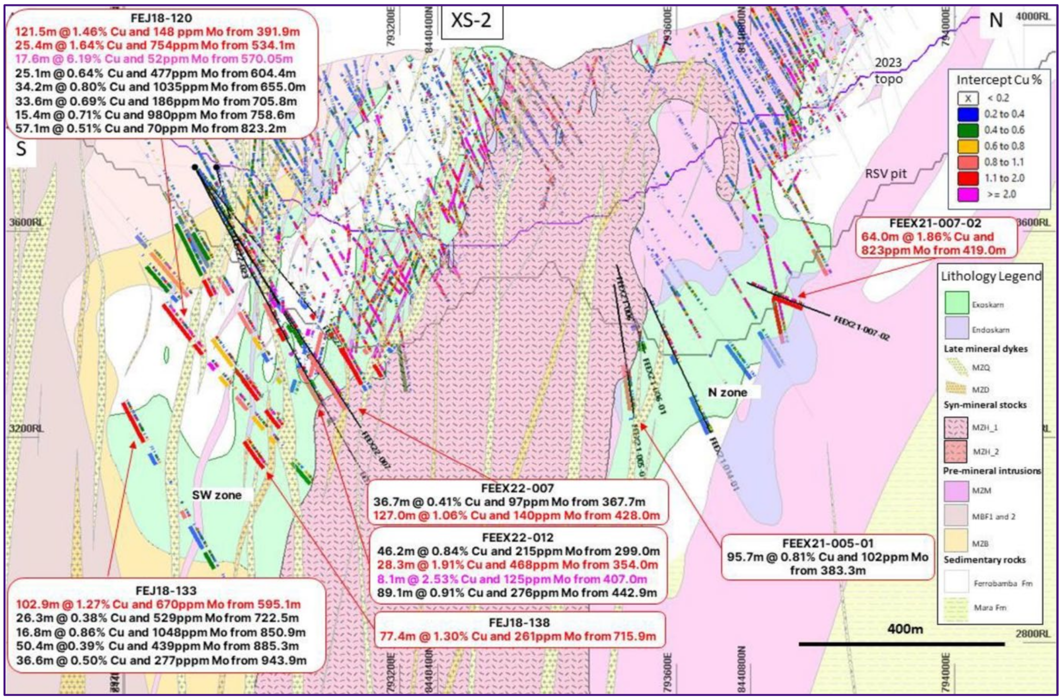

Figure 14. Cross section of Ferrobamba (Las Bambas) with highlight drill results. High-grade Cu-Au skarn mineralization in and around an intrusion with scale. *Source: Company filings.*

We have built a chart that plots drill results from Las Bambas released in 2020/2023, along with surface channel and historical drilling results from Sombrero Main. The plot shows an excellent overlap in the length and grade of intercepts between projects, and Coppernico has yet to drill a hole. Going forward, this chart can be used as a gauge as to whether results are meeting expectations.

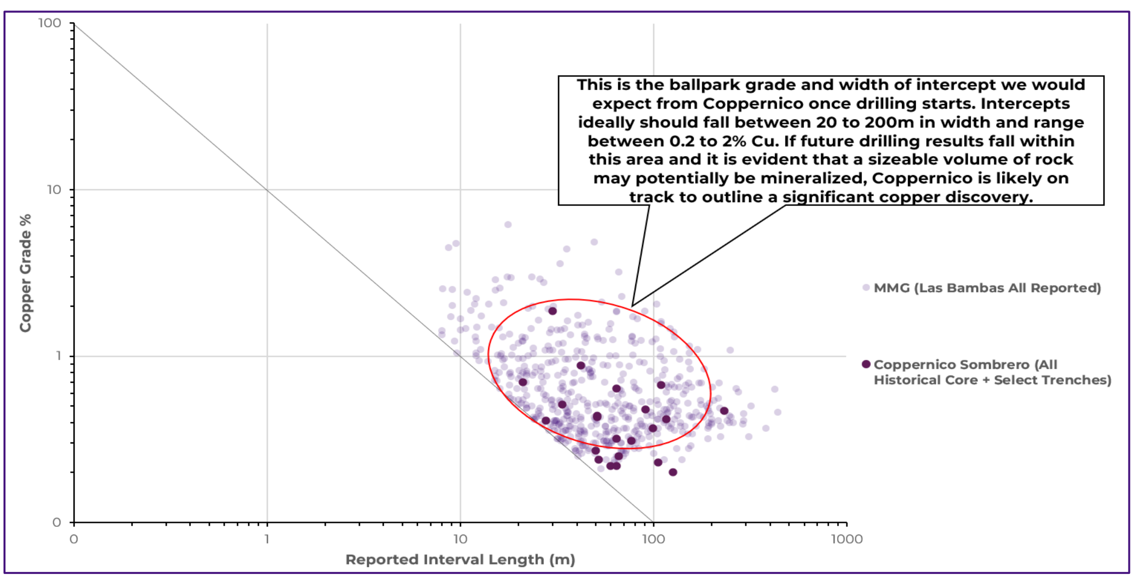

Figure 15. Grade x width plot of drill results from Las Bambas vs surface trenching and historical drilling at Sombrero Main. Results below 10(Cu%*m) have been filtered out. *Source: Company filings, 3L Capital.*

How Big Could Sombrero Main Be? Conceptual Target Sizes: We designed high-level and conceptual target sizes for different areas of Sombrero Main to provide an idea of the potential scale, tonnes, and grade one may expect in Table 1 and Figure 16 below. Estimates range from 10+Mt of CuEq to 2.7Mt of CuEq, similar to the initial resource bases at Las Bambas and Constancia. We are most confident in the Fierazzo target, defined by surface channels and eight historical drill holes, while the remaining targets are highly speculative. Grades for Fierazzo are estimated from existing data. In contrast, grades for the exoskarn are calculated by taking the approximate average production grade between Las Bambas and Constancia over the last nine years. An arbitrary 0.2% copper grade was utilized for endoskarn mineralization as it is expected to be a lower grade than the exoskarn. The values in Table 1 are only for the endo and exoskarn mineralization of Sombrero Main and do not include any potential mineralization at Nioc or porphyry mineralization at Escondida. We indicate values for 100% drill bit success, down to a 25% success rate. In the lower right of Figure 16, note the depth and extent of interpreted and potential skarn mineralization and how little of this our target areas cover.

Table 1. Sombrero Main conceptual target size and grades. The 100% success total and lower success rate totals are shown in yellow. *Source: 3L Capital.*

Target Zone	Length (m)	Width (m)	Depth (m)	Volume 000 m³	Tonnes (000)	Cu %	Au g/t	Cu Tonnes (000)	Au Oz (000)	CuEq (%)	CuEq Tonnes (000)	CuEq M Lbs
Fierazzo (Defined)	500	100	200	10,000	32,000	0.40	0.13	128	132	0.50	161	354
Fierazzo Exploration Upside	500	100	400	20,000	64,000	0.40	0.13	256	268	0.50	323	711
Endoskarn Mineralization	1250	750	100	93,750	300,000	0.20	0.13	600	1,254	0.30	913	2,012
Exoskarn 7km Trend	7000	150	400	420,000	1,344,000	0.60	0.13	8,064	5,617	0.70	9,465	20,867
100% Total				543,750	1,740,000	0.52	0.13	9,048	7,270	0.62	10,861	23,945
75% Of Target Total				407,812	1,305,000	0.52	0.13	6,786	5,452	0.62	8,146	17,959
50% Of Target Total				271,875	870,000	0.52	0.13	4,524	3,635	0.62	5,431	11,973
25% Of Target Total				135,937	435,000	0.52	0.13	2,262	1,818	0.62	2,715	5,986

** 3.2 t/m³ Bulk Density used.*

** Copper price of US$8,818/t (US$4/lb) and US$2,200/oz Au used for CuEq. 100% recoveries assumed in calculation.*

**** Note this is highly speculative and only serves as a guide as to the potential size of the prize if drilling is successful.***

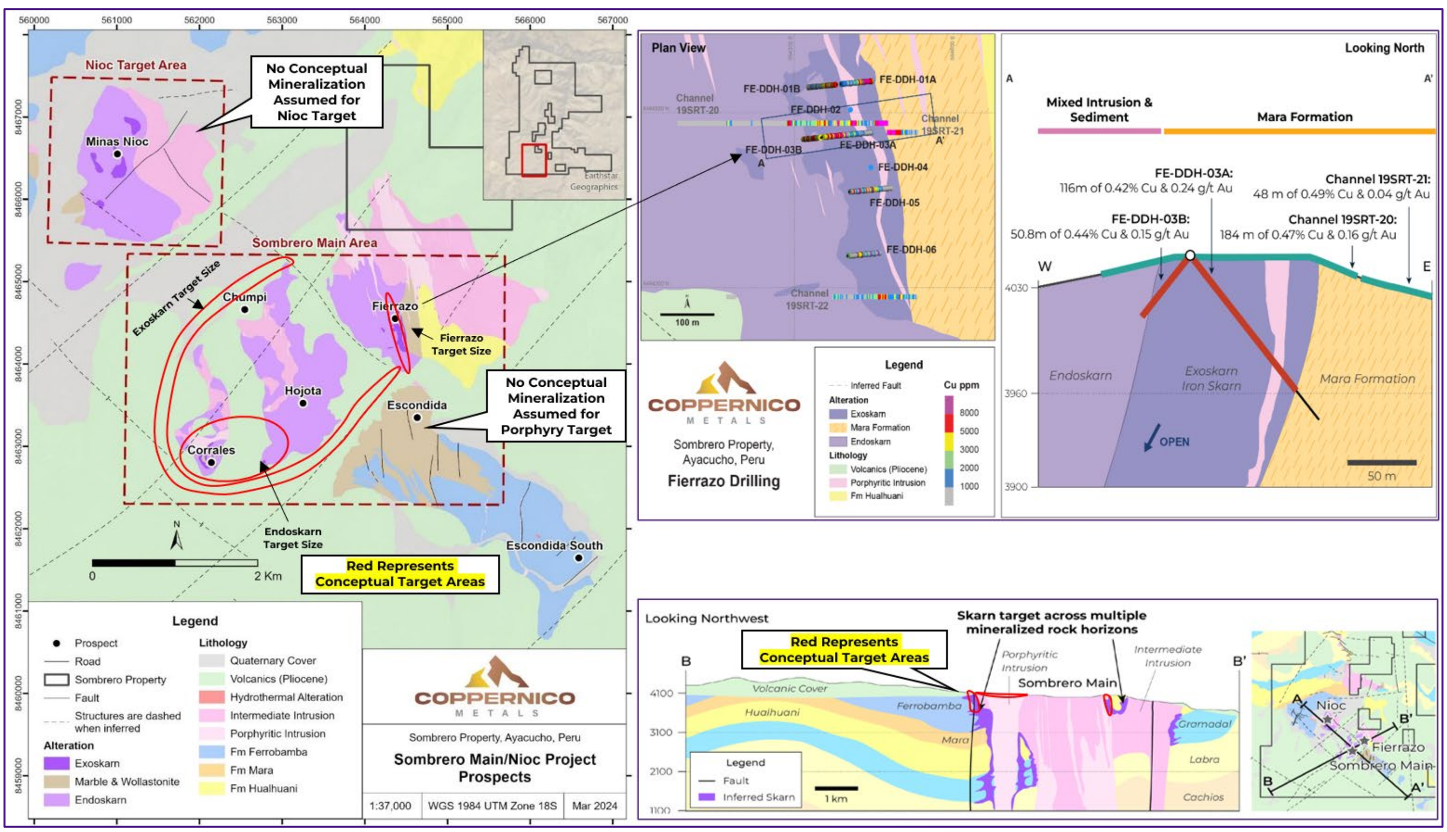

Figure 16. 3L Capital conceptual target areas in plan view and long section view. A close-up view of the Fierrazo area drilling is shown in the top right. *Source: 3L Capital, Company 43-101.*

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What Could Sombrero Be Worth with Exploration Success? Las Bambas was purchased by MMG in 2014 for ~US$0.25/ CuEq lb, but the project was well advanced and in construction. Constancia was acquired in Hudbays acquisition of Norsemont for ~US$0.085/lb CuEq. We believe a reasonable range for estimating what Sombrero may be acquired for if drilling is successful would be between US$0.04 and US$0.10/lb CuEq. This is based on historical transaction values per CuEq lb dating back to 2007 and on the fact that if Coppernico can show scale early, this could be taken out before we see a public resource estimate. Table 2 below shows a range of potential acquisition values based on our different target size scenarios in Table 1 above.

Table 2. Possible acquisition prices based on different exploration success and price scenarios. *Source: 3L Capital.*

Potential Acquisition Price Based on Target Size (US$M)						
Sombrero Main Target Scenario	Potential Acquisition Costs per Lb (US$c/lb Cu Eq.)					
	0.025	0.05	0.10	0.20	0.25	0.30
Total 25% of Target (5.9B lbs of CuEq)	150	299	599	1,197	1,497	1,796
Total 50% of Target (11.9B lbs of CuEq)	299	599	1,197	2,395	2,993	3,592
Total 75% of Target (17.9B lbs of CuEq)	449	898	1,796	3,592	4,490	5,388
Total 100% of Target (23.9B lbs of CuEq)	599	1,197	2,395	4,789	5,986	7,184

2024/2025 Exploration Pipeline and Plans - *Systematic to Show Scale Quickly*

Coppernico will complete four phases of drilling, 15km total, working around the southern intrusion/limestone contact and associated targets. The program will test the prospective targets of Corrales, Hojota and Escondida (Figure 17). Their expected all-in drilling cost is estimated to be US$595/m, and holes are expected to be less than 450m in length. Drilling will test buried geophysical anomalies along intrusive contacts where favourable carbonate units are in contact with the intrusive. The unanswered questions are how much of the contact is mineralized, what is the width and grade of mineralization around the contact, how far at depth it extends, how continuous the mineralization is, and whether copper and gold grades are maintained in fresh rock at depth.

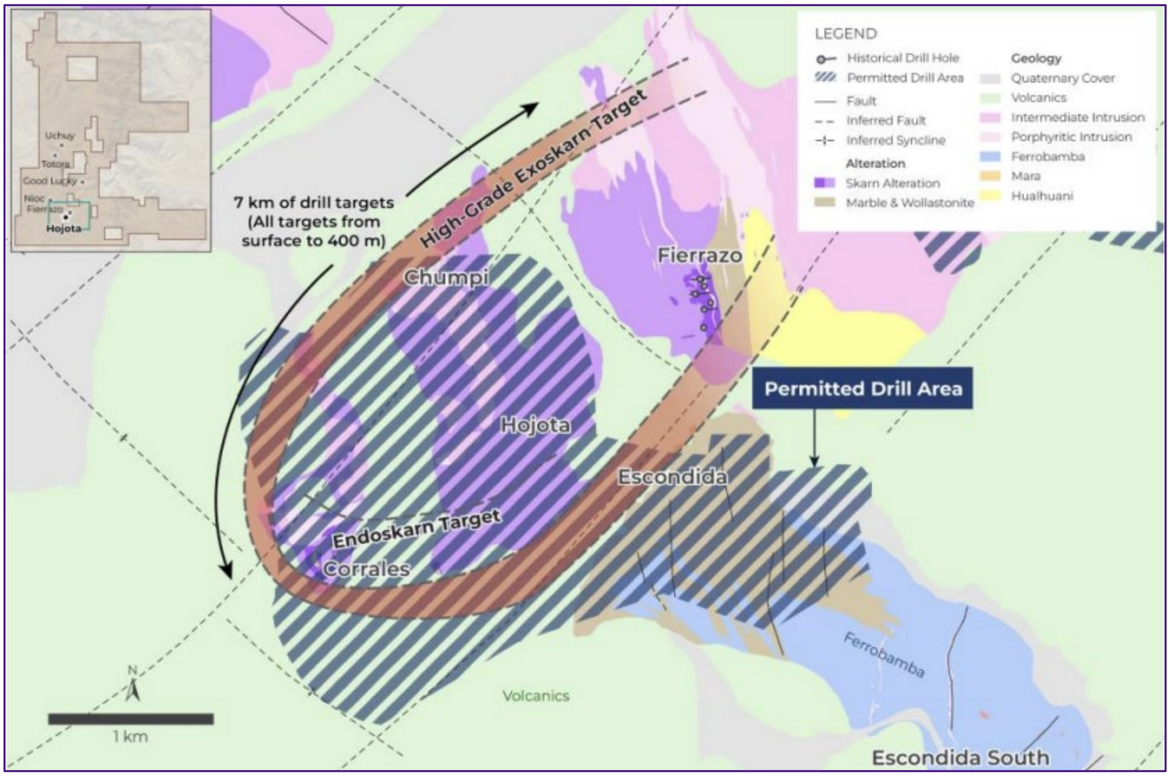

Figure 17. Sombrero Main permitted drill area. *Source: Company website.*

Additional Target Areas - *It's Not Just Sombrero Main*

Coppernico has a pipeline of high-quality exploration targets outside of Sombrero Main. Some of the target areas are covered by current access agreements (Macha Machay/Milpoc), but others require social access agreements with additional communities. Permits are currently needed to drill targets outside of the Sombrero Main area. Additional target areas include, but are not limited to, the following:

- **Nioc** - Just north of the permitted drill area, Nioc is defined by a large multi-km by multi-km chargeability and magnetic anomaly (Figure 8). These geophysical anomalies may represent a large area of endoskarn mineralization in the intrusive (chargeability high) and exoskarn mineralization in the surrounding sediments (magnetic highs).
- **Good Lucky** - A skarn body that has demonstrated high-grade copper-gold mineralization sampled over a 600m length and over 250m vertically (Figure 18). Rock samples graded up to 5.12 g/t gold and 4.29% copper in sulphide mineralization. The skarn mineralization encountered at Good Lucky occurs in the Gramadal limestone sequence below the Ferrobamba limestone sequence. This is significant because it demonstrates that there are multiple mineralized limestone sequences in the district, increasing the likelihood of discovery.
- **Milpoc** - A significant zone of oxide copper mineralization over a 1.2km x 500m 12km south of Sombrero. Rock samples have returned copper-oxide mineralization grades ranging from 0.1% to 8.45% and silver grades ranging from 0.06 g/t to 101 g/t (Figure 18). The stratiform mineralization is hosted within red bed sediments of the Casapalca formation and is the first mineralization observed stratigraphically above the Ferrobamba formation.
- **Macha Machay -** Contains the highest copper values in stream sediments observed in Auryn's regional exploration program, which screened approximately 7,000 km^2 of land on the western extension of the Andahuaylas-Yauri belt (Figure 18). Results demonstrate copper levels 1.5-3.5x vs. at Sombrero Main, Nioc and Good Lucky intrusive clusters, all characterized by high-grade copper-gold surface mineralization.

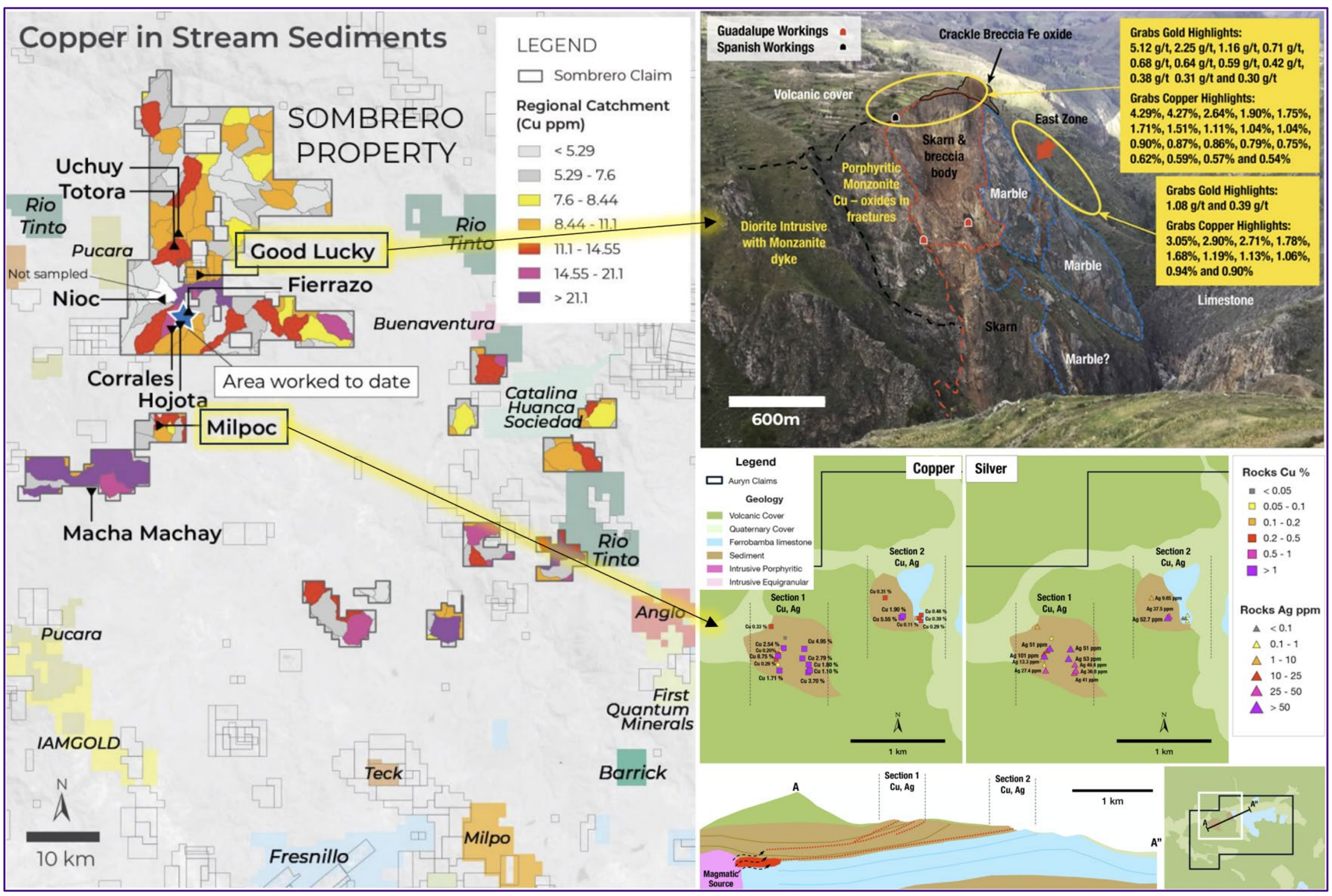

Figure 18. Target areas at Sombrero, highlighting Good Lucky and Milpoc on the right. *Source: Company website.*

Infrastructure and Site Access - *It Doesn't Get Much Better Than This in South America*

The project area includes paved roads and towns and abundant water access, and the government has installed high-tensile power lines (500kV) directly through the project (Figure 19). This infrastructure allows for relatively easy access and will help facilitate future mine development if exploration is successful. The terrain is moderate and sits at an elevation of ~4,000m. To access the site, you travel from Lima to Ayacucho and then drive to the project for four hours on paved roads. Drilling can occur year-round.

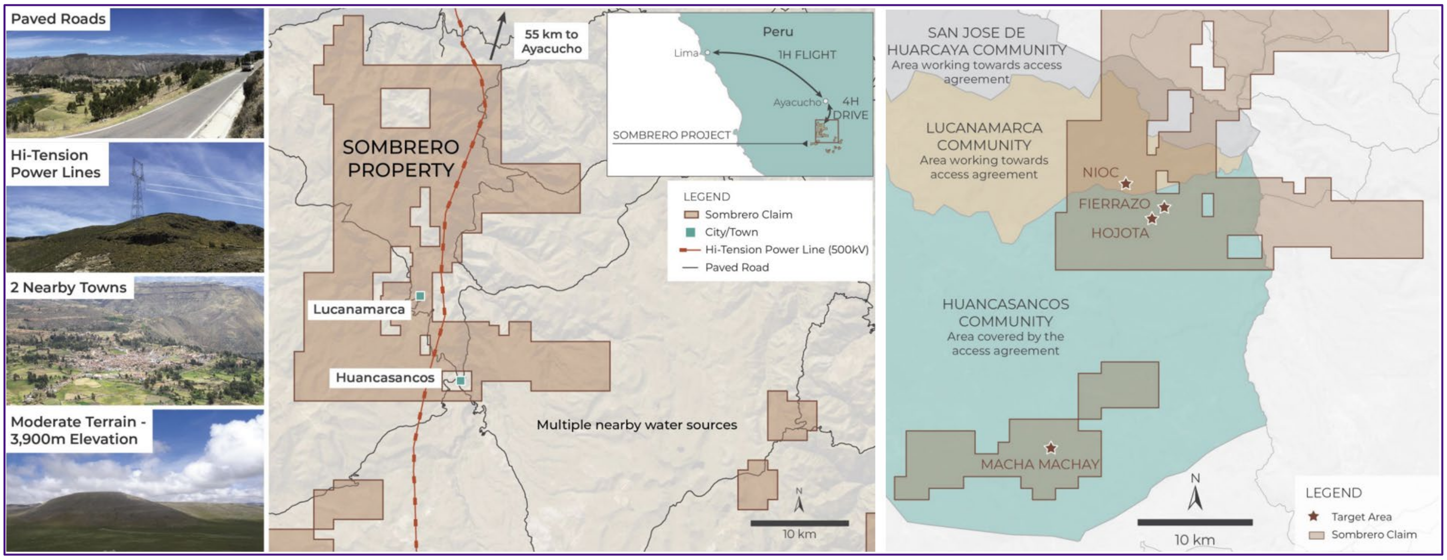

Figure 19. Sombrero Infrastructure and Access. *Source: Company website.*

Social Access and Permits - *A Long Time Coming, The Wait Has Paid Off*

Coppernico has successfully negotiated a three-year working access agreement with the Huancasancos community, which covers the Sombrero Main target area and other high-priority target areas such as Milpoc and Macha Machay (Figure 19). The company continues to work on additional social access agreements with the Lucanamarca and San Jose De Huarcaya communities to the north, where exploration targets such as Nioc and Good Lucky reside.

Coppernico has all the required permits to drill at the Sombrero Main target, including the water permit, start-of-activities permit, and environmental permit (DIA), which allows drilling up to 49 holes from 38 pads.

The company has proactively supported local communities through various initiatives and has helped local communities secure over US$400k in investment through various government programs, such as a lamb breeding or weaving program. Coppernico is also sponsoring applications for an additional US$4M of government-funded agricultural programs, which introduce activities like farming with French cows, Australian lambs, and fish farms. These initiatives not only support the local economy but also address issues like the shortage of red meat in the Andes.

Regardless of the project's success in terms of mineral discovery, the initiatives implemented by Coppernico are designed to benefit the local communities for decades. Their efforts have not only helped in building supporting relationships but have also set up a foundation for long-term community benefits. This summer, Coppernico can offer jobs to the local communities, which ensures local economic benefits from exploration and mining activities.

Peru as a Mining Jurisdiction - *2nd Largest Copper Producer Globally*

Peru is one of the top five economies in South America, and mining is a leading contributor. The mining sector accounts for around 10% of the country's GDP and 60% of its exports, attracting major mining companies such as BHP Billiton, Freeport-McMoRan, Glencore, Anglo American, MMG, Teck and others. In 2023, Peru set a record in copper production by producing over 2.75Mt. In terms of capacity, five of the top twenty largest copper mines globally are located in Peru.

Despite political challenges, the country's shift towards a more centrist political stance is viewed positively. Peru has undergone multiple presidential changes, with seven presidents since Auryn/Coppernico began operations there. Importantly, these political shifts have not led to major disruptions in the mining sector.

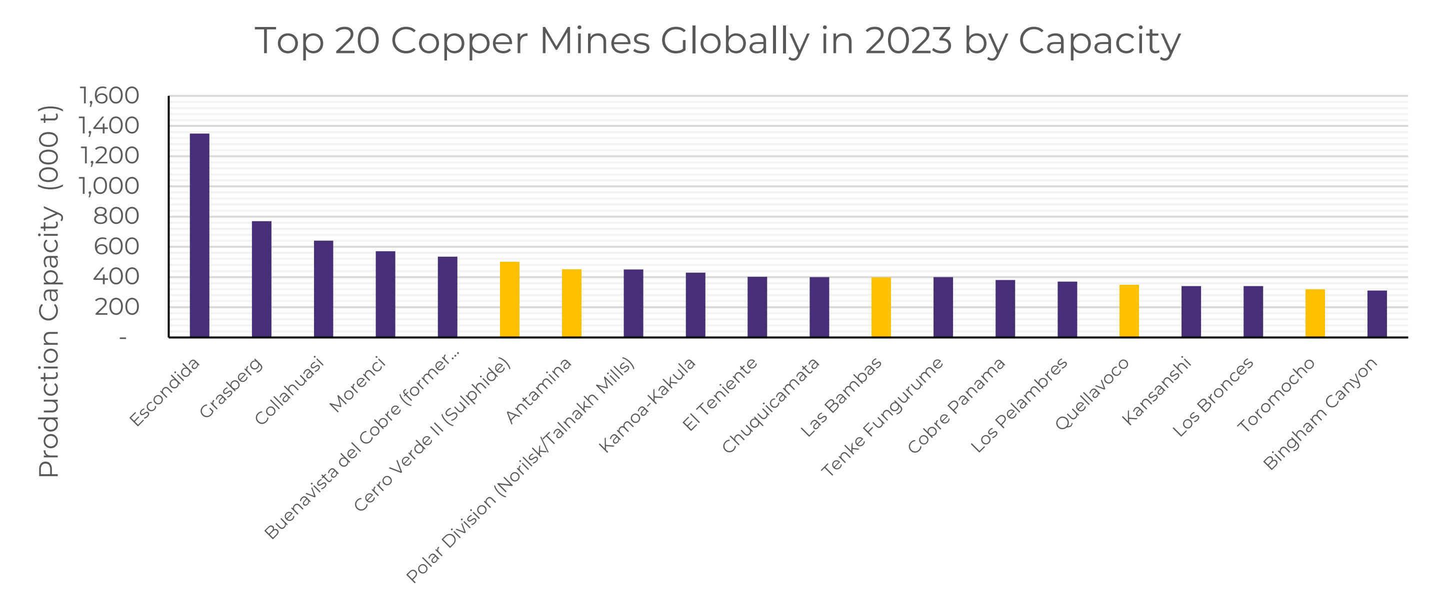

Figure 20. The top 20 copper mines globally by capacity. Peru contains 5 of the top 20 mines, highlighted in yellow.
Source: World Copper Factbook 2023, 3L Capital.

Recent news can be seen as positive regarding permitting timelines, which have been a deterrent for mining and exploration investment. At the International Mining and Resources Conference late last year, the Peruvian government noted that it is working on legal avenues to unblock mining projects. They are also looking at streamlining the consultation period before granting licenses as part of planned reforms to the country's mining rules. The reforms include creating a single-window digital information platform that aims to streamline administrative processes related to exploration permits. All this news trends toward a more favourable landscape for Peru's mining and mineral exploration investment.

Copper Fundamentals and Macro - *The Copper Market is Heating Up*

Copper prices have surged to US$4.50/lb, the highest since 2021, driven by solid demand from the economic recoveries in China and the US and growing markets for electric vehicles and AI. Supply constraints are exacerbated by US and UK sanctions on Russian copper, Chinese smelters cutting production by 5-10% due to overcapacity and raw material shortages, closures of key mines, protests, and extreme climate. These factors are tightening the copper market, potentially driving prices even higher.

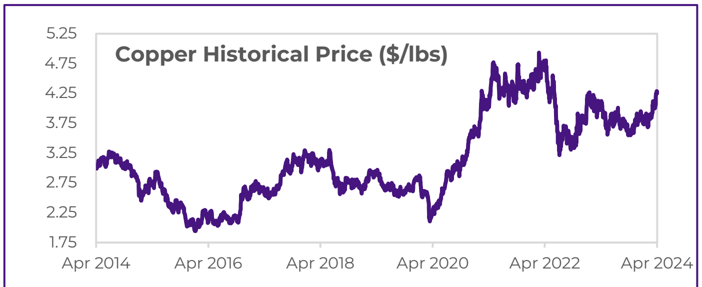

Figure 21. Copper Price. *Source: FactSet, 3L Capital.*

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Supply Crunch - Chinese Smelters Production Cut, Protests and Extreme Climate:

In addition to the ongoing sanctions on Russian copper, the supply crunch in the global copper market is further exacerbated by reduced activity at Chinese smelters. Accounting for over 44% of global refined copper production in 2023, primary Chinese smelters have recently initiated production cuts ranging from 5-10% at several of their less profitable plants. This strategic decision aims to mitigate the challenges posed by a shortage of raw materials and overcapacity in the sector. The impact of these measures is evident in the production figures: in the first two months of the year, China's refined copper output fell by 7.7% Y-O-Y.

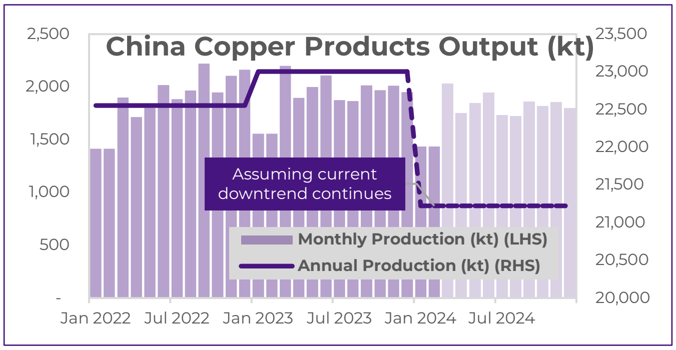

Figure 22. Copper Price. *Source: FactSet, 3L Capital.*

This decline in production aligns with an increase in smelter inactivity, which, according to the latest satellite data, averaged 8.5% in Q1 2024, up from 4.1% in Q1 2023. Despite efforts to stabilize the Treatment Costs (TC) and Refining Costs by setting a price floor through procurement, these costs continued to fall sharply. Fastmarkets reports that the spot TC plummeted to just $0.10 per tonne on April 12, a significant drop compared to the start of the year. Additionally, issues such as the shutdown of the Cobre Panama operation and ongoing production constraints due to a drought in Chile continue to affect the global supply.

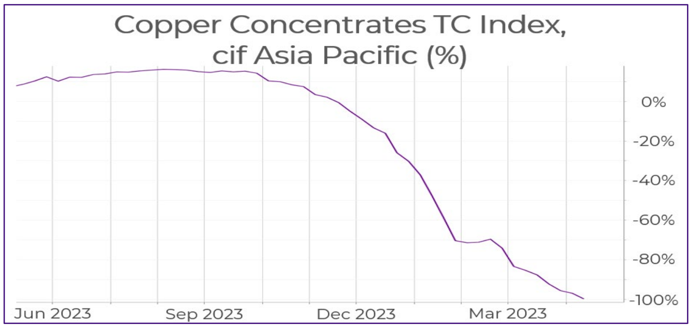

Figure 23. Chinese Refined Copper Production. *Source: FactSet, NBS, 3L Capital.*

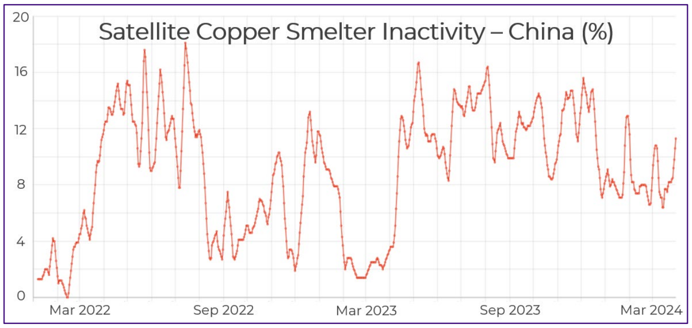

Figure 24. SAVANT Global Copper Monitoring Index - China. *Source: Earth-i,*

Copper Demand on the Upswing: Recent PMI data from the US and China shows an encouraging trend (US: 50.3 & China: 50.8), as both indicate a return to expansion territory (> 50), signalling a potential recovery in copper demand due to revitalized manufacturing activities. Coinciding with this, China's import data for copper ore and concentrates reflects a notable rebound. The initial months of 2024 have seen a marked improvement in import levels, with March importing 2.33 million tonnes, up from 2.02 million tonnes last year.

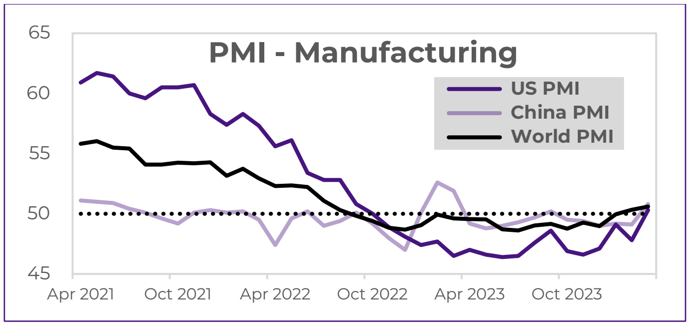

Figure 25. Manufacturing PMI. *Source: FactSet, 3L Capital.*

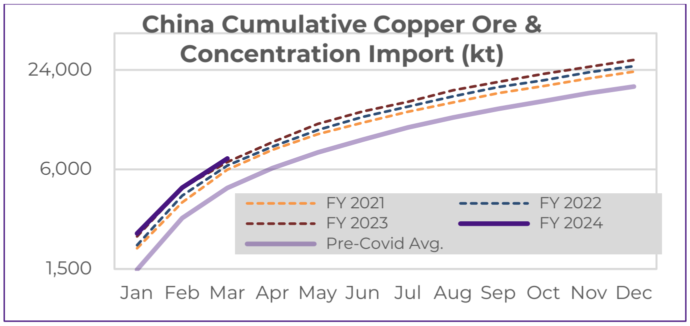

Figure 26. China Monthly Copper Ore & Concentration Import. *Source: FactSet, 3L Capital.*

Even with copper at ~US$4.50/lb, the prevailing supply and demand dynamics indicate a potential for further price increases. Ongoing sanctions, production reductions, protests and climate challenges, and lack of investment in new supply produce a tight supply situation. Simultaneously, a recovery in demand is evidenced by strong PMI readings from China and the US, further validated by China's rising import volumes. The tight supply and strengthening demand will likely exert continued upward pressure on copper prices. Current consensuses expect prices of US$4.21/lb in 2025, advancing to US$4.58/lb by 2027.

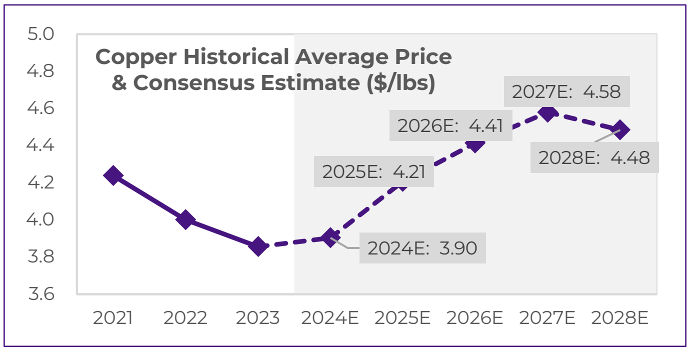

Figure 27. Copper Average Historical Price & Consensus Estimates. *Source: FactSet, 3L Capital.*

If You Are Going to Invest in Copper Explorers, Swing for the Fences: There is a dearth of investable names in the copper space. Many projects are large but too low grade with significant capex or tiny and high grade. However, the giant South American super deposits that hit, like Filo or NGEX, get instant market love (Figure 28). Coppernico could be one of these names which have returned over 2000% in gains over five years. Significant South American discoveries are worth billions.

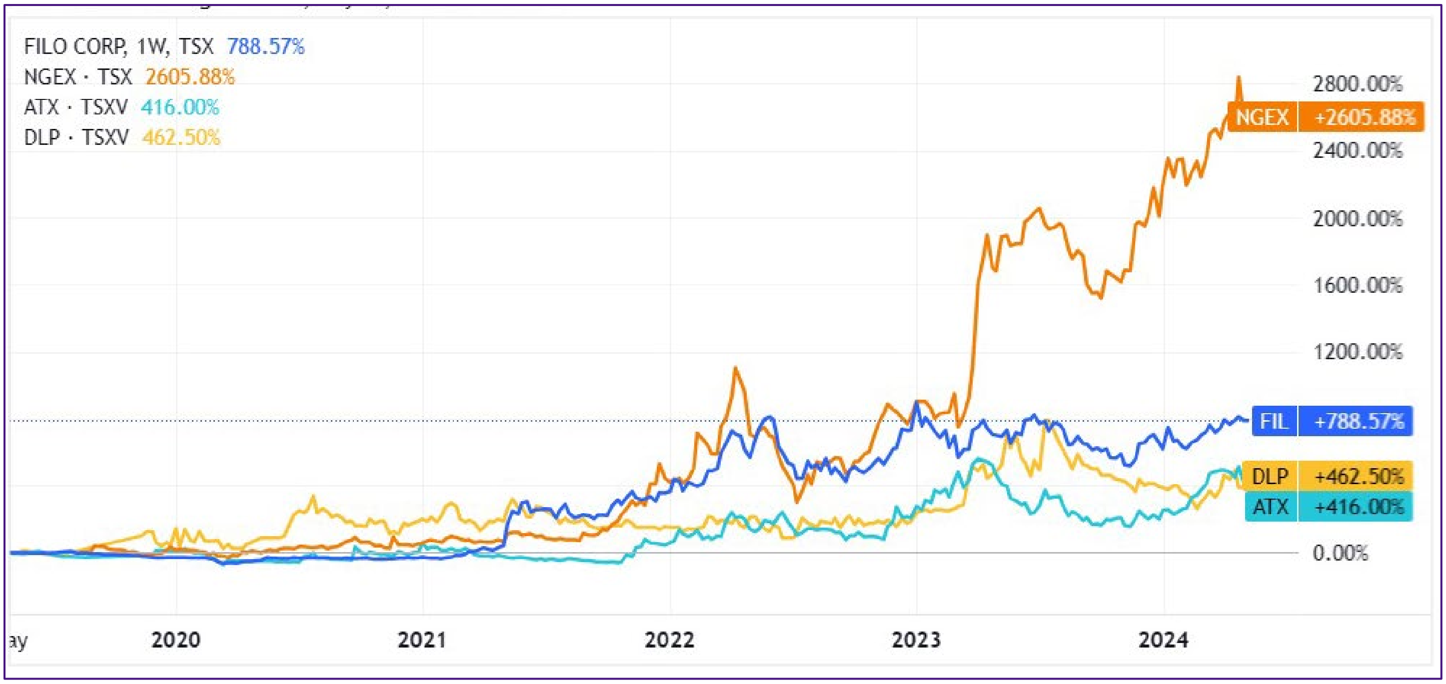

Figure 28. Share price performance of four South American copper discovery plays in Argentina, Chile and Peru. *Source: Seeking Alpha.*

Downside Risks

Exploration Risk: Coppernico's exploration drilling is not guaranteed to replicate surface and historical results and demonstrate significant scale. The mineralization near surface could be supergene enriched, and drill results in primary sulphides could yield low-grade results. The geophysical anomalies that correlate with mineralization at surface may not correlate with mineralization at depth. Exploration, particularly discovery drilling and drilling programs designed to show step changes in scale, are significant catalysts for junior exploration and development companies. Negative drill results that show limited upside could negatively impact the share price.

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Metallurgy Risk: While it is very early stage and no preliminary studies have been completed, the mineralization potentially encountered at Sombrero may not be amenable to conventional milling and processing techniques, may require a complex processing arrangement and higher capex vs other projects if a discovery eventually warrants a mine build or the final concentrate could contain penalty elements that reduce the revenue that a future mine could generate. As exploration advances and if exploration begins to show a deposit with scale exists, metallurgy will become more critical.

Permitting Risk: Coppernico has secured all necessary permits to explore and drill in the Sombrero Main area. However, there is no guarantee that existing social access agreements will be renewed in three years, they will obtain additional social access agreements with communities or be granted drill permits in other target areas on the Sombrero Property.

Dilution / Financing Risk: Coppernico has raised enough funds for 15,000m of drilling and should be able to demonstrate how large Sombrero Main could be with this drilling. If drilling results are positive, significant share price appreciation should ensue, reducing the amount of dilution in the future. Regardless, there is always a risk of dilution with junior exploration and development companies, as drilling and mine build funding depends on capital markets.

Management

Ivan Bebek - Co-Founder, Chair, CEO and Director

Mr. Bebek has over 20 years of experience in financing, foreign negotiations and acquisitions in the mineral exploration industry. His understanding of the capital markets and ability to position, structure and finance companies that he has been associated with has been instrumental in their successes. Mr. Bebek was formerly the President, CEO and Co-Founder of Cayden Resources, which was sold to Agnico Eagle Mines for $205M in November 2014, and a Co-Founder of Keegan Resources (now Galiano Gold). Mr. Bebek is also Chair and Director of Tier One Silver.

Stacy Rowa - CFO

Ms. Rowa has over 18 years of experience in accounting, auditing and corporate finance at various Canadian and US publicly listed companies, predominantly in the mineral exploration and mining industry. Previously, she was CFO at Auryn Resources and Torq Resources, and prior to this, she held various progressive roles at Elgin Mining (now Mandalay Resources), Aura Minerals and in KPMG's mining division. Ms. Rowa is a Canadian CPA and holds a Bachelor of Commerce in Accounting from the University of British Columbia. Ms. Rowa is also currently serving as CFO at Tier One Silver.

Christian Rios - SVP Corporate Development

Mr. Rios is a professional geologist (P.Geo.) responsible for leading the operations of Coppernico Metals' exploration activities in South America. Previously, he was the Vice President of Exploration at Bear Creek Mining where he was directly involved in the discovery of the world-class Santa Ana and Corani silver-lead-zinc deposits in Peru and was on the team that delivered the feasibility study on the Corani deposit. Mr. Rios has a Masters of Science in Economic Geology from the University of Arizona and over twenty years of experience in exploration, mining development and operations.

Tim Kingsley - VP of Exploration

Mr. Kingsley is an exploration geologist with over 18 years of precious and base metal exploration experience at multiple operations in the Americas (Peru, Canada, Alaska). He has held senior exploration roles at Whitehorse Gold Corp. and Trevali Mining Corp. and has a proven track record of discovery and project development. He holds a Master of Science (MSc) in Geological and Earth Sciences/Geosciences from the University of Idaho and a Bachelor of Science (BS) in Geology/Earth Science from the University of the Pacific.

Tracy George - Corporate Secretary

Ms. George has ten years of experience providing administrative, governance, regulatory compliance, AGM management and financing transaction support to numerous public companies, in the position of Group Corporate Secretary of Universal Mineral Services Ltd., a private company providing services to Coppernico Metals, Tier One Silver, Torq Resources and other publicly listed entities.

Directors

Ivan Bebek - Co-Founder, Chair, CEO and Director
As described above.

Antonio Arribas - Director
Mr. Arribas holds a BA and MSc in Geology from the Universidad de Salamanca and a PhD from the University of Michigan. He is a world-renowned expert on Au-Cu-Ag deposits with over 20 years of experience in the mineral exploration industry across multiple companies and geographic regions. Mr. Arribas has held a variety of positions including Vice President Geoscience at BHP Billiton Minerals Exploration in Singapore (2013), Senior Manager Geosciences at Newmont Mining Corp. in Denver, Colorado (2012), and Exploration Manager South America at Placer Dome Exploration in Reno, Nevada (2006). Mr. Arribas is currently a Professor in Economic Geology and holder of the Kenneth F. and Patricia Clark Distinguished Chair at the University of Texas at El Paso. In 2013, Mr. Arribas served as President of The Society of Economic Geologists Inc. (SEG), where he continues to be a member. He currently serves as a Director of Tier One Silver.

Keenan Jennings - Director
Prior to Coppernico, Mr. Jennings was VP, Metals Exploration at BHP where he led and enhanced BHP's global exploration efforts, delivering key discoveries such as the iron oxide copper-gold Oak Dam project in South Australia and the copper porphyry Ocelot project in Arizona, USA. He has over 35 years of experience in global mineral exploration, project evaluation and acquisition/divestiture, mine development and production, plus C-Suite strategy with some of the world's leading mining companies. Prior to BHP, Mr. Jennings acted as Exploration Manager for China and Mongolia for Rio Tinto, where he led the discovery and sale of a coal asset in Western Mongolia, was instrumental in China, establishing the first major joint venture with a state entity, Chinalco, and was responsible for establishing geoscience and resource management strategies at Oyu Tolgoi in Mongolia, one of the world's largest copper and gold deposits, which is now in production both as an open pit and underground mine. Through his career, Mr. Jennings has spent nearly twenty years in Chile, Argentina and Peru, which included working in various senior exploration roles with Anglo American and BHP. Mr. Jennings holds a Master of Science in Geology from the University of Auckland, New Zealand, and an MBA in Technology Management from Deakin University, Australia. He is a Fellow of the Society of Economic Geologists, a Chartered Geologist of the Geological Society and Member of the Australian Institute of Mining and Metallurgy.

Marie-Hélène Turgeon - Director
Ms. Turgeon is an ESG advisor with 20 years of experience in environmental management, legal compliance and stakeholder engagement, and has extensive experience working in Latin America. She has been supporting mining companies designing sustainable projects, assessing, and managing environmental and social impacts, as well as obtaining and maintaining social licenses to operate. Her experience in Latin America includes the Cobre Panama copper mine and the Cerro Blanco Project in Guatemala. Prior to becoming an independent advisor, Ms. Turgeon spent 12 years in various environmental manager roles, including seven years as the evironment manager for Detour Gold, leading the environmental management plans for the Detour Lake Mine. As a long-standing Ontario Mining Associate ("OMA") member she has served as Chair of the OMA Environment Committee, and also as a Director on the board of Women in Mining Canada (WIMC). Ms. Turgeon also serves as a Director for Torq Resources. She holds a BSc in Geology from McGill University and a Masters of Environment from Sherbrook University.

Gordon Fretwell - Director
Formerly a partner in a large Vancouver law firm, Mr. Fretwell has, since 1991, been a self-employed solicitor (Gordon J. Fretwell Law Corporation) in Vancouver, practicing primarily in the areas of corporate and securities law. He currently serves on the board of several public companies including Canada Rare Earth Corp., RE Royalties Ltd and Pucara Gold Ltd. Mr. Fretwell holds a B.Comm. degree and graduated from the University of British Columbia with his Bachelor of Law degree.

Jeffrey Mason - Director
Mr. Mason is a CPA and holds an ICD.D. He has extensive experience in the exploration, development, construction and operation of precious and base metals projects in the Americas, Asia and Africa, including 15 years as a Principal, Board Director and Chief Financial Officer for the Hunter Dickinson group of companies. He began his career with Deloitte LLP as a CPA, followed by six years at Barrick Gold Corporation. Overall, Mr. Mason has served as Chief Executive Officer, Chief Financial Officer, Corporate Secretary and Board Director for over 20 public companies listed on the TSX, TSXV, NYSE American and NASDAQ. Most recently, he was the Chair of the board and interim CEO of Great Panther Mining. Mr. Mason currently serves as the Chair of the Board for Wildpack Beverages Inc. and as a Director of Fury Gold Mines, Torq Resources and Tier One Silver.

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Appendix

Regional Geology - *Borrowed from Technical Reports*

The Yauri-Andahuaylas metallogenic belt is a rapidly emerging porphyry copper-gold belt in southeastern Peru. It hosts numerous world-class porphyry copper and porphyry-related skarn deposits linked to the Yauri-Andahuaylas batholith and the regionally significant Ferrobamba Formation.

The Sombrero Main/Nioc Project is underlain by several thousand meters of mainly Jurassic-Cretaceous marine clastic sediments and carbonates. The sedimentary sequence has been deformed into northwest trending fold and thrust belt related to several orogenic cycles which started approximately in the Eocene. The sequence has also been intruded by a batholith intrusive complex, the Andahuaylas-Yauri (A-Y) Batholith, which was emplaced within the Eocene to Early Oligocene and is generally responsible for copper and gold porphyry and skarn-related mineralization.

At the Sombrero Main target area, exoskarn occurs in areas immediately adjacent to the mapped extent of intrusive rocks. Endoskarn is present within the Sombrero intrusive complex hosted principally within a monzonite intrusion. Both the endo and exoskarn units contain varying amounts of Cu mineralization associated retrograde alteration mineral assemblages. Areas of Cu mineralization were likely sulphide-bearing but surface weathering has removed most of the sulphide minerals, which have been replaced by often abundant Cu oxides.

In the Greater Sombrero Property region, dismembered blocks of Precambrian metamorphic rocks form the basement. Mesozoic sequences, comprising several thousand metres of mainly Jurassic-Cretaceous marine clastic sediments and carbonates, were deposited in a broad marine shelf to deep water environments over this basement.

During the Eocene to Early Oligocene these sequences were intruded by an extensive Batholith complex, the AY Batholith, that broadly corresponds in time with the Incaic Orogeny. This orogeny folded the earlier Mesozoic sequences into moderate to tight folds with generally northwest-southeast axial planes. More or less synchronous with the intrusion of the Batholith and the Incaic Orogeny, continental red beds and fluviatile clastic sediments, plus volcanics, were deposited in northwest-southeast striking fault-controlled basins around the eastern margins of the currently outcropping magmatic belt.

Three main fault systems are recognized in the Greater Sombrero Property area. The oldest faults in the area have a NW-SE trend and are recognized by their long, mostly straight segments cutting through the Jurassic–Cretaceous units. The second fault system strikes NE-SW and controls most of the drainage systems in the area. The youngest recognized fault system is represented by E-W striking faults that affect mostly the Tertiary units and clearly overlaps the first two systems (Huerta, 2000).

The Sombrero Property lies on the boundary of two broad geological domains: a volcanic domain to the west (characterized by green colors), and a domain dominated by folded Mesozoic sedimentary sequences (blues, yellows and browns). The latter is intruded by Lower Tertiary intrusive stocks (purple and pink). Portions of the Greater Sombrero Property lie over erosional windows through the younger volcanic sequences exposing Mesozoic geologic units.

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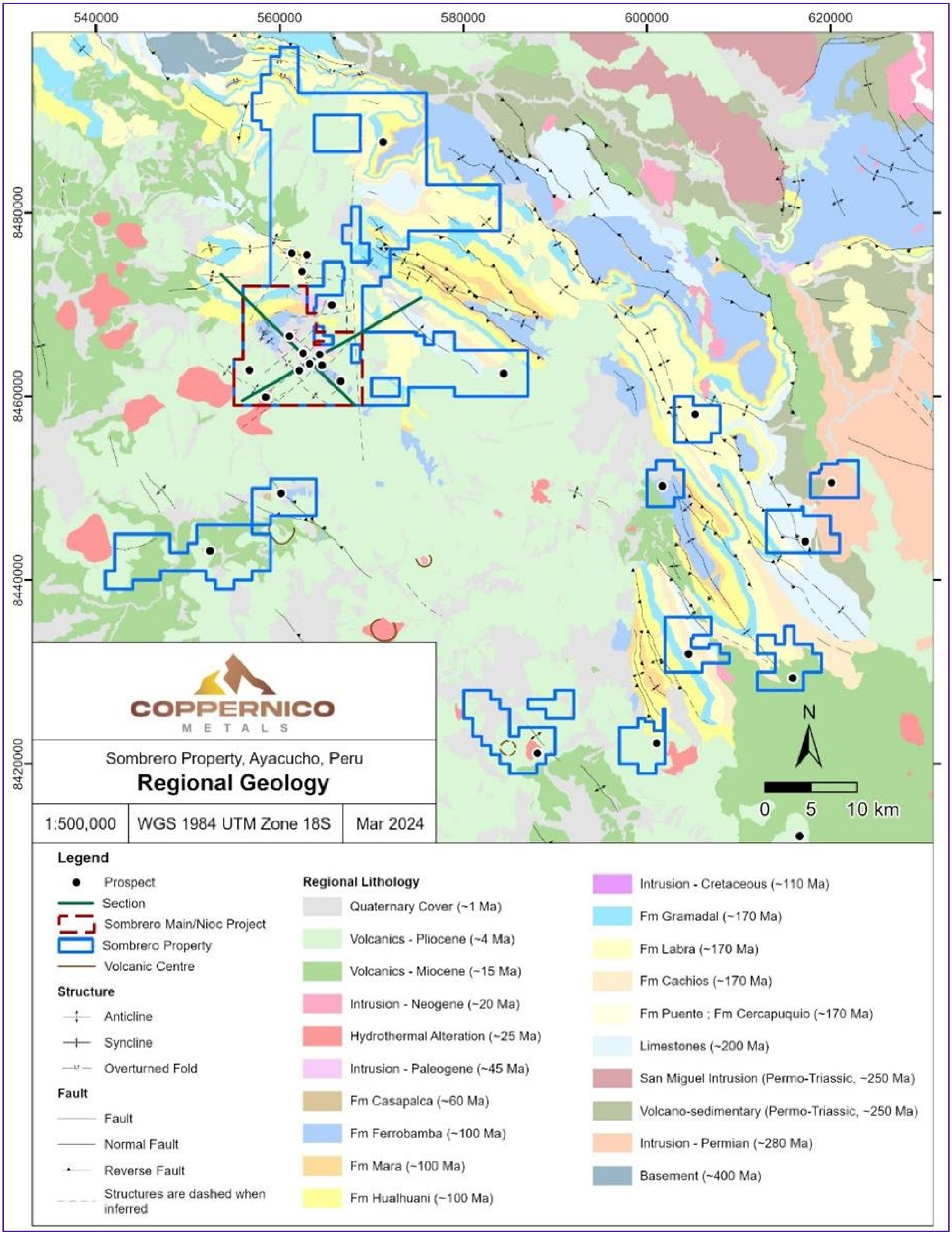

Figure 29. Regional geology of the Greater Sombrero property. *Source: Company 43-101.*

What Are Skarn Deposits? - *Borrowed from Coppernico 43-101*

Skarn mineralization can form in a number of different geological environments and can be isochemical (closed system) or metasomatic (open system). The most common skarn mineralization is fluid-controlled metasomatic skarn, which typically involves alteration and mineralization in carbonate rocks by hydrothermal fluids resulting from intrusive (exoskarn). Skarn alteration and mineralization can also occur within the source intrusion (endoskarn). The common characteristic of skarn mineralization is the replacement and/or recrystallization of host rocks, typically involving the destruction of primary textures by calc-silicate minerals (garnet, pyroxene and amphibole being the most common). Skarns are also commonly categorized by the primary commodity they host, which includes Fe, tungsten (W), Au, Cu, zinc (Zn), molybdenum (Mo) and tin (Sn).

Most copper skarns form in close proximity to the contacts of stocks, with a relatively oxidized skarn mineralogy dominated by andraditic garnet. Other mineral phases include diopsidic pyroxene, vesuvianite, wollastonite, actinolite and epidote. Hematite and magnetite are common in most deposits, and the presence of dolomitic wall rocks is coincident with massive magnetite lodes, which may be mined on a large scale for iron. As noted by Einaudi et al., (1981) copper skarns are commonly zoned, with massive garnetite near the pluton, increasing pyroxene away from the contact and, finally, vesuvianite and/or wollastonite occurring near the marble contact. In addition, garnet may be colour zoned from dark reddish-brown proximal to the pluton, to green and yellow varieties in distal occurrences. sulphide mineralogy and metal ratios may also be systematically zoned relative to the causative pluton. In general, pyrite and chalcopyrite are most abundant near the pluton, with chalcopyrite increasing away from the pluton and bornite finally occurring in wollastonite zones near the pluton contact.

The largest copper skarns are associated with mineralized porphyry copper plutons. These deposits can exceed 1 billion tonnes of combined porphyry and skarn ore, with more than 5 million tonnes recoverable from skarn ore. The mineralized plutons exhibit characteristic potassium silicate and sericitic alteration, which can be correlated with prograde garnet-pyroxene and retrograde epidote-actinolite, respectively, in the skarn. Intense retrograde alteration is common in copper skarns and may destroy most of the prograde garnet and pyroxene in some porphyry-related deposits. Endoskarn alteration of mineralized plutons is rare. In contrast, barren stocks associated with copper skarns contain abundant epidote-actinolite-chlorite endoskarn and less intense retrograde alteration of skarn.

Some skarns have a significant geophysical response. Almost all skarns are significantly denser than the surrounding rock and therefore may form a gravitational anomaly or seismic discontinuity. This is particularly evident in some of the large iron skarns which may contain more than a billion tonnes of magnetite (specific gravity 5.18). In addition, both skarns and associated plutons may form magnetic anomalies. Relatively oxidized plutons may contain enough primary magnetite to form a magnetic high, whereas reduced plutons typically contain ilmenite vs magnetite and may form a magnetic low.

Skarns may form a magnetic high due to large concentrations of magnetite or other magnetic minerals such as high-temperature pyrrhotite. Electrical surveys of skarns need to be interpreted carefully. Either disseminated or massive sulphide minerals may give strong IP, EM or magnetotelluric responses in skarn. However, metasomatism of carbonate rock necessarily involves the redistribution of carbon. The presence of carbonaceous matter, especially if it is in the form of graphite, can strongly affect electrical surveys. Such carbon-induced anomalies may be distant from or unrelated to skarn orebodies.

Skarn deposits are formed through the process of metasomatic replacement (infiltration of hydrothermal fluids) of sedimentary carbonate rocks (i.e. limestone or dolomite). This interaction alters the original rocks, leading to the formation of new mineral assemblages. These deposits are mostly located at the contact zones between intrusive igneous rocks and carbonate rocks. Hydrothermal fluids supersaturated with dissolved metal ions move through the carbonate rocks, fluid temperature drops and its acidity is neutralized. As this occurs, large amounts of calc-silicate minerals begin to precipitate in the carbonate country rock and change its composition. Metals are also dropped out of the solution.

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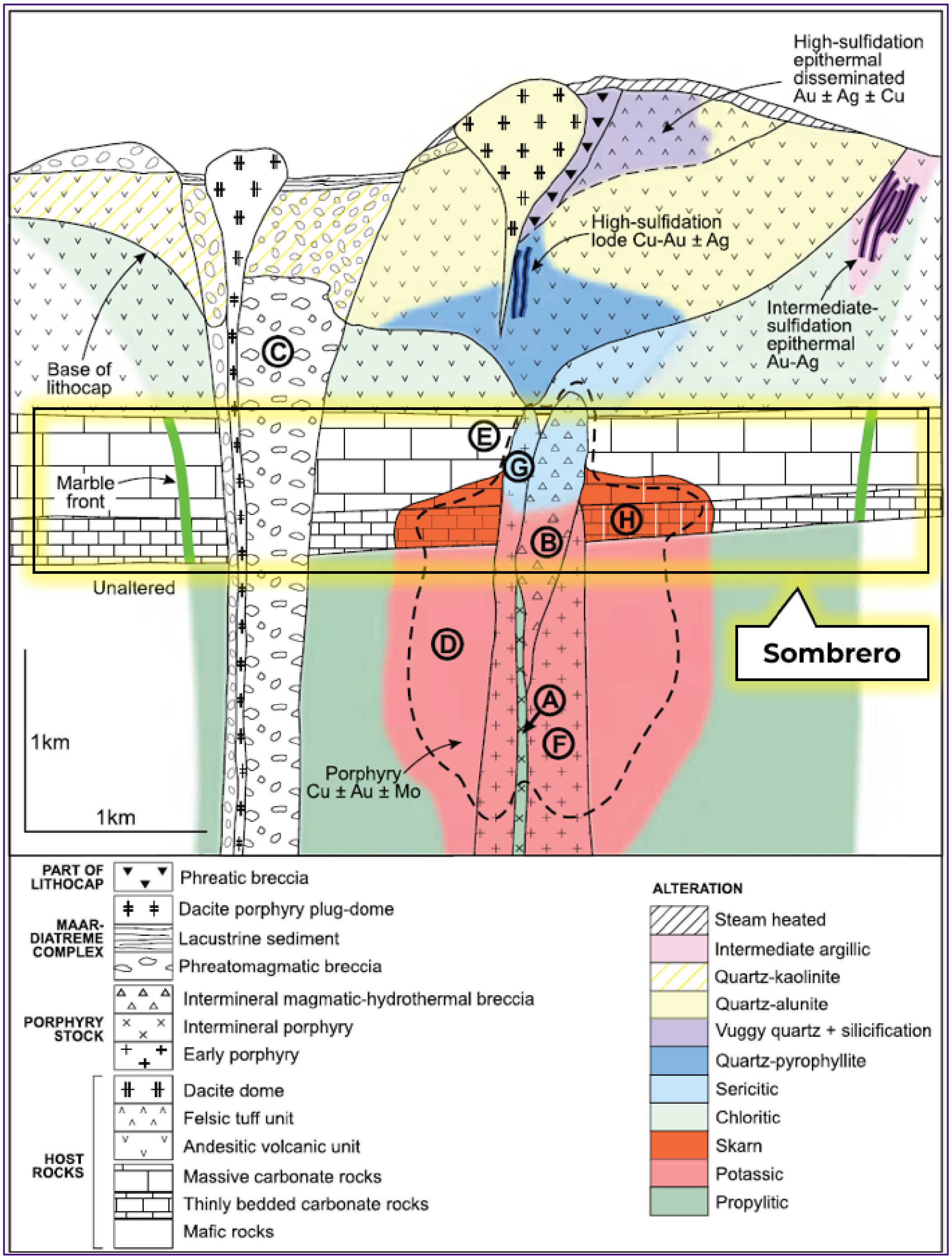

Figure 30. Anatomy of a non-eroded, telescoped porphyry copper system showing spatial interrelationships of a centrally located porphyry Cu ± Au ± Mo deposit in a porphyry stock and its immediate host rocks, including overlying high- and intermediate-sulfidation epithermal deposits in and alongside the lithocap environment. Not all depicted features are necessarily present in any single district. The legend explains the temporal sequence of rock types, with the porphyry stock predating maar-diatreme emplacement, which, in turn, overlaps lithocap development and related phreatic brecciation. Shallow alteration types generally overprint deeper ones. Circled letters highlight deposit-scale features that can enhance hypogene grade development: A. Minimal dilution caused by restricted volume of lower grade, intermineral and late-mineral porphyries; B. Large volume of well-mineralized magmatic-hydrothermal breccia; C. Late-stage, barren diatreme located beyond rather than within the ore zone; D. Mafic wall rocks induce effective copper precipitation; E. Massive, impermeable carbonate wall rocks inhibit dispersion of mineralizing fluids and favor internal copper precipitation and grade development; F. Presence of bornite and digenite in the deep, central parts of the potassic zone increases hypogene copper tenor; G. Hypogene enrichment by high sulfidation-state sulphide minerals in the roots of the sericitic zone; and H. Skarn development with copper tenors exceeding those in the adjacent porphyry stock. *Modified from Sillitoe (2010b).*

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