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A COPY OF THIS PRELIMINARY PROSPECTUS HAS BEEN FILED WITH THE SECURITIES REGULATORY AUTHORITIES IN THE PROVINCES OF BRITISH COLUMBIA, ONTARIO, AND ALBERTA, BUT HAS NOT YET BECOME FINAL FOR THE PURPOSE OF THE SALE OF SECURITIES. INFORMATION CONTAINED IN THIS PRELIMINARY PROSPECTUS MAY NOT BE COMPLETE AND MAY HAVE TO BE AMENDED. THE SECURITIES MAY NOT BE SOLD UNTIL A RECEIPT FOR THE PROSPECTUS IS OBTAINED FROM THE SECURITIES REGULATORY AUTHORITIES.

No securities regulatory authority has expressed an opinion about these securities and it is an offense to claim otherwise. This prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and only by persons permitted to sell these securities. The securities offered by this prospectus have not been, and will not be, registered under the United States Securities Act of 1933, as amended, and, subject to certain exceptions, may not be offered or sold within the United States of America. See "Plan of Distribution".

Initial Public Offering **Preliminary Prospectus**

Proposal by Participate, 2004

CASCADERO COPPER CORPORATION

Units	Minimum Offering: 3,000,000 Units at $0.50 Maximum Offering: 4,000,000 Units at $0.50
Flow-Through Shares	Minimum Offering: 4,000,000 Flow-Through Shares at $0.65 Maximum Offering: 6,250,000 Flow-Through Shares at $0.65

Cascadero Copper Corporation ("Cascadero") offers for sale (the "Offering") up to 4,000,000 Units at a price of $0.50 per Unit and up to 6,250,000 Flow-Through Shares at a price of $0.65 per Flow-Through Share. The minimum subscription is 3,000,000 Units and 4,000,000 Flow-Through Shares.

Each Unit consists of one common share (the "Unit Shares") and one half share purchase warrant (the "Warrants"). Each whole Warrant entitles the holder to acquire one additional common share (the "Warrant Shares") for a period of two years following closing of the Offering at a price of $0.70 in the first year or $0.80 in the second year. This prospectus also qualifies the distribution of Warrant Shares on exercise of the Warrants.

	Price to Public	Agent's Commission (1) (2)	Net Proceeds to Cascadero (1) (2) (3)
Per Security:			
Units	$0.50	$0.040	$0.460
Flow-Through Shares	$0.65	$0.052	$0.598
Minimum Offering:			
3,000,000 Units	$1,500,000	$120,000	$1,380,000
4,000,000 Flow-Though Shares	$2,600,000	$208,000	$2,392,000
Total – Minimum Offering	**$4,100,000**	**$328,000**	**$3,772,000**
Maximum Offering:			
4,000,000 Units	$2,000,000	$160,000	$1,840,000
6,250,000 Flow-Though Shares	$4,062,500	$325,000	$3,737,500
Total – Maximum Offering	**$6,062,500**	**$485,000**	**$5,577,500**

Notes:

(1) The Agent will receive a commission of 8% of the gross amount raised in the Offering, which will be paid from the Offering proceeds. In addition, the Agent will receive an option (the "Agent's Option") to purchase a number of common shares equal to 10% of the aggregate number of Units and Flow-Through Shares sold pursuant to the Offering. The Agent's Option is exercisable for a period of two years at a price of $0.70 per share. This prospectus also qualifies the grant of the Agent's Option and the distribution of common shares on exercise of the Agent's Option. See "Plan of Distribution".

(2) Cascadero has granted the Agent an option (the "Over-Allotment Option"), exercisable until 60 days following closing of the Offering, to offer an additional number of Units and Flow-Through Shares, up to 15% of the

number of Units and Flow-Through Shares sold in the Offering, at the same price per Unit or Flow-Through Share as the case may be. If the Over-Allotment Option is exercised in full, the gross proceeds, Agent's commission, and net proceeds to Cascadero will be $6,971,875, $557,750, and $6,414,125, respectively. This prospectus also qualifies the grant of the Over-Allotment Option, the distribution of Units and Flow-Through Shares on the exercise of the Over-Allotment Option, and the distribution of common shares on the exercise of any Warrants included in the Units. See "Plan of Distribution".

(3) Offering expenses, estimated at $225,000, will be paid from Cascadero's existing working capital.

The prices for the Units and Flow-Through Shares (collectively the "Securities") were determined by negotiation between Cascadero and Pacific International Securities Inc. (the "Agent"). The Agent conditionally offers the Units and Flow-Through Shares on a "best efforts" basis, if, as, and when issued by Cascadero and accepted by the Agent in accordance with the conditions contained in the Agency Agreement referred to under "Plan of Distribution". The latest date that the Offering will remain open is ?.

Cascadero has applied to the TSX Venture Exchange (the "Exchange") to list the common shares of Cascadero. Listing of the shares will be subject to Cascadero fulfilling all of the listing requirements of the Exchange. The requirements of the Exchange include distribution of common shares to a minimum number of public shareholders. See "Plan of Distribution".

Investment in the Securities is highly speculative, owing to the nature of Cascadero's business and its early stage of development. Only investors who can afford to lose their entire investment should consider purchasing the Securities. See "Risk Factors".

Subject to applicable laws and in connection with the Offering, the Agent may over-allot or effect transactions which stabilize or maintain the market price of the common shares of Cascadero. The effect of these transactions may be to raise the market price of the shares above the price which would otherwise prevail. These transactions, if commenced, may be discontinued at any time without notice. See "Plan of Distribution".

Subscriptions for Units and Flow-Through Shares are subject to rejection or allotment, in whole or in part, and the right is reserved to close the subscription books at any time without notice. Cascadero expects that the closing of the Offering will take place on approximately ?. Closing of the Offering is subject to certain conditions. See "Plan of Distribution".

Flow-Through Shares are designed for individuals in the highest income tax bracket. There can be no assurance that income tax laws will not be changed in a manner which will fundamentally alter the tax consequences to parties holding or disposing of the Flow-Through Shares. There is a further risk that expenditures incurred with proceeds from the Flow-Through Shares will not qualify as Canadian Exploration Expenses. Investors should consult their own professional advisors on the income tax, legal, and other aspects of investing in the Securities.

AGENT:

Pacific International Securities Inc.
666 Burrard Street, Park Place
19th Floor
Vancouver, BC V6C 3N1

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PROSPECTUS SUMMARY

The following is a summary of the principal features of this distribution and should be read together with the more detailed information and financial data contained elsewhere in this prospectus. The Glossary contains definitions of certain technical terms used in this prospectus.

The Issuer

Cascadero was incorporated on October 30, 2003 under the *Business Corporations Act* (Alberta). On June 3, 2004 Cascadero was continued as a company under the *Business Corporations Act* (British Columbia).

Cascadero is presently a wholly owned subsidiary of Stealth Minerals Limited, a public company trading on the TSX Venture Exchange. Following the Offering, Stealth will continue to own a controlling interest in Cascadero. If the maximum Offering is fully subscribed, Stealth will own approximately 70% of the outstanding shares of Cascadero following the Offering. If only the minimum Offering is completed, Stealth will own approximately 77% of the outstanding shares of Cascadero.

The Offering

Cascadero offers up to:

4,000,000 Units at a price of $0.50 per Unit; and
6,250,000 Flow-Through Shares, at a price of $0.65 per Flow-Through Share.

Each Unit consists of one Unit Share and one half Warrant. Each whole Warrant entitles the holder to acquire one Warrant Share for a period of two years at a price of $0.70 in the first year or $0.80 in the second year.

The Offering is subject to a minimum subscription of 3,000,000 Units and 4,000,000 Flow-Through Shares.

Closing of the Offering is subject to meeting the minimum subscription amounts set out above and to other conditions. Subscription proceeds will be paid into the trust account of the Agent pending fulfillment of those conditions. See "Plan of Distribution".

In connection with the Flow-Through Shares, Cascadero will use its best efforts to incur, and to renounce in favour of purchasers of the Flow-Through Shares, Canadian Exploration Expenses in an amount equal to the purchase price of the Flow-Through Shares. See "Description of Securities to be Distributed" and "Canadian Income Tax Considerations".

Developments to Date

Pursuant to a Property Transfer Agreement dated May 10, 2004, Cascadero has acquired 109 mineral claims consisting of a total of 1,315 claim units from Stealth Minerals Limited. In consideration of the transfer, Cascadero issued 21,000,000 common shares to Stealth. Stealth began acquiring the claims in 1996, and carried out exploration programs on the claims between 1996 and 2003. See "Description of Business".

In addition, Cascadero has issued 3,000,001 common shares to Stealth for cash proceeds of $300,001, to provide initial working capital.

Cascadero's current business consists of the exploration and development of the mineral claims it acquired from Stealth Minerals Limited.

Mineral Claims

The Cascadero property consists of 109 claims in the Toodoggone River region of north central British Columbia. The claims include 1,315 units and cover an area of approximately 32,875 hectares. The claims host 22 mineral prospects and showings, eight of which are classified as advanced exploration prospects and are being prepared for diamond drill programs. Cascadero owns a 100% interest in the claims, subject to a 3% net smelter return royalty.

The Toodoggone volcanic arc has been subject to exploration programs by several major and junior companies from the 1960s to the present. The Toodoggone region is recognized geologically as a densely mineralized area with three styles of mineralization: porphyry copper-gold, epithermal gold-silver with base metals, and skarn gold-silver with base metals.

The Toodoggone area is host to several developed epithermal gold-silver deposits and undeveloped epithermal prospects, four past-producing epithermal gold and silver mines, several porphyry prospects that require more exploration, and undeveloped skarn showings. The area currently hosts the producing 250 tonne per day gold-silver Baker mine controlled by Sable Resources Ltd. It also hosts the Kemess South mine, a 50,000 tonne-per-day open pit porphyry copper-gold mine, and the developed Kemess North copper-gold porphyry deposit, both controlled by Northgate Minerals Corporation. The centre of the Cascadero property is approximately 18 kilometres north of Kemess South, and approximately 13 kilometres north of Kemess North.

Based on data compiled from recent and historical exploration, the Cascadero property is believed to be geologically prospective for large-scale mineral resource discovery. The property hosts prospects that have styles of mineralization and alteration assemblages similar to those found at Kemess South and Kemess North. The property also has epithermal prospects that exhibit potential for the epithermal style gold and silver mineralization found at the Lawyers, Baker, and Shasta deposits, which are related to a major northwest trending fault system that cuts through the western part of the Cascadero property. Skarn mineralization is also present on the VIP prospect, where Stealth Minerals drilled skarn targets in 2003.

The structural and geological settings at the Cascadero property are similar to the ore controls that exist at Kemess South and North. These structures are present on the Cascadero property, and continue through the property to the north and south in the form of dominant large-scale regional northwest trending faults, with smaller-scale north, northeast, and east trending cross-cutting regional faults. The intersection of this structural setting provides the ground conditions for mineral deposition and appears to be the loci of certain prospects on the Cascadero property.

The dominant styles of mineralization expected on the Cascadero property are intrusion and volcanic hosted porphyry copper-gold systems. The property also has potential for new discoveries, as the structural and geological settings are favourable for continued grassroots exploration. This is supported by widespread evidence of gold, silver and base metal mineralization in soil, silt and rock geochemistry in data from current and historic fieldwork.

Use of Proceeds

If the Offering is fully subscribed, Cascadero will receive proceeds of $5,577,500 after deduction of the Agent's commission. The working capital of Cascadero as at June 30, 2004 was $235,000. Cascadero intends to use the funds available to it following completion of the Offering as follows:

1. To pay the balance of estimated Offering costs:	$150,000
2. Exploration of the Cascadero mineral claims:	$2,696,000
3. General and administrative expenses (12 mo.):	$500,000
4. Unallocated working capital:	$2,466,500
Total	$5,812,500

Cascadero's unallocated working capital will be available for further exploration work on the Cascadero claims, if such work is warranted based on results from the program currently planned. If not required for further work on the Cascadero claims, those funds will be available for acquisition, exploration, or development of other properties. See "Use of Proceeds".

Risk Factors

An investment in shares of Cascadero is highly risky.

Cascadero is a junior company in the mineral exploration business, which is inherently a high risk business. None of Cascadero's properties has yet been shown to contain an economic ore body, and there is no assurance that an economic ore body will be discovered on any of its properties. Most mineral exploration programs fail to discover an economic ore body.

Cascadero is subject to numerous other risks, including fluctuations in metal prices, the risk that Cascadero will be unable to obtain required permits, and costs that may be incurred to comply with environmental and other applicable laws. Cascadero will also have to raise additional capital to continue its exploration programs, and may not be able to do so. See "Risk Factors".

Summary Financial Information

Cascadero has not completed a full fiscal year, and has not incurred material expenditures up to May 31, 2004, the date of the audited financial statements included in this preliminary prospectus.

The following table gives summary balance sheet information for Cascadero as at May 31, 2004, and also on a pro forma basis reflecting the completion of the acquisition of mineral claims from Stealth Minerals Limited.

	May 31, 2004	**Pro Forma**
Assets		
Cash and cash equivalents	$235,004	$235,004
Prepaid expenses	$74,996	$74,996
Mineral Property Costs	-	$6,295,586
Total Assets	$310,000	$6,605,586
Liabilities		
Current liabilities	$9,999	$9,999
Total liabilities	$9,999	$9,999
Shareholders' Equity		
Common shares	$300,001	$6,595,587
Total liabilities and Equity	$310,000	$6,605,586

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

This prospectus contains forward-looking statements which deal with the intentions, beliefs, and expectations of Cascadero. These forward-looking statements also include information regarding the financial condition and business of Cascadero, as they exist at the date of this prospectus and as they are expected to be after the Offering. Forward-looking statements most often contain words like "will", "believes", "plans", "expects", "intends", "estimates", "anticipates", or other phrases of similar intent. Cascadero believes the forward-looking statements in this prospectus are reasonable. However, forward-looking statements involve risks and uncertainties, both known and unknown, which may cause the actual results of Cascadero's business to be materially different from any results expressed or implied in the forward-looking statements. There is no assurance that forward-looking statements will prove to be accurate, and undue reliance should not be placed on them.

This prospectus includes many cautionary statements, including those stated under the heading "Risk Factors". You should read these cautionary statements as being applicable to all related forward-looking statements wherever they appear in this prospectus.

EXCHANGE RATE INFORMATION

If Cascadero is successful in developing a producing mine, its products will most likely be sold in markets where the prevailing currency is the United States dollar. As its mining properties are located in Canada, Cascadero will likely incur most of its operating expenses in Canadian dollars. The following table states, for each year indicated, the high, low, annual average, and closing exchange rates for one Canadian dollar in exchange for United States currency, as quoted by the Bank of Canada. As at *, 2004, the closing rate was C$1.00 equals US$0.*.

	Period ended May 31,	**Year ended December 31,**		
	2004	**2003**	**2002**	**2001**
High	0.7885	0.7788	0.6654	0.6711
Low	0.7141	0.6338	0.6179	0.6230
Year average	n/a	0.7135	0.6368	0.6458
Period end	0.7356	0.7713	0.6338	0.6278

CASCADERO COPPER CORPORATION

Cascadero was incorporated under the *Business Corporations Act* of the Province of Alberta on October 30, 2003 as a wholly owned subsidiary of Stealth Minerals Limited. Stealth is a public company whose shares trade on the TSX Venture Exchange. On June 3, 2004, Cascadero was continued as a company under the *Business Corporations Act* of British Columbia.

Cascadero is presently a wholly owned subsidiary of Stealth Minerals Limited, and Stealth will continue to be a majority shareholder of Cascadero following the Offering. If the maximum Offering is fully subscribed, Stealth will own approximately 70% of the issued and outstanding shares of Cascadero following the Offering, excluding any shares which may be issued pursuant to the Warrants, the Over-Allotment Option, or the Agent's Option. If only the minimum Offering is completed, Stealth will own approximately 77% of the issued and outstanding shares of Cascadero. In either case, Stealth Minerals Limited will hold a controlling interest in Cascadero.

The head office of Cascadero is at #301-260 West Esplanade, North Vancouver, British Columbia V7M 3G7. The registered and records offices of Cascadero are at 1910 – 777 Hornby Street, Vancouver, British Columbia, V6Z 1S4. Cascadero has no subsidiaries.

All Securities being offered under this prospectus will be newly issued securities of Cascadero. No shares owned by Stealth are being offered for sale under this prospectus.

GENERAL DEVELOPMENT OF THE BUSINESS

Acquisition of Claims

Pursuant to a Property Transfer Agreement dated May 10, 2004, Cascadero has acquired 109 mineral claims from its sole shareholder, Stealth Minerals Limited. In consideration for the claims, Cascadero issued 21,000,000 common shares to Stealth. Stealth acquired the claims under an Option and Joint Venture Agreement dated October 7, 1996 from Electrum Resource Corp.

The claims are located in the Omineca Mining Division of British Columbia. By air, the claims are located approximately 955 kilometres north of Vancouver, BC, approximately 465 kilometres northwest of Prince George, BC, and approximately 270 kilometres northeast of Stewart, BC. Exploration work to date has identified 22 mineral prospects and showings on the claims, of which 8 prospects are considered advanced exploration prospects, and are being prepared for diamond drilling. The 2004 drill program consists of 34 drill holes for a total of 11,900 metres of diamond drilling on those eight prospects. Five of the prospects are road accessible (24 drill holes, 8,300 metres). Three prospects require helicopter support (10 drill holes, 3,600 metres of drilling). The dominant style of mineralization expected on all eight prospects is porphyry copper-gold.

Three of the prospects to be drilled (Pine, Tree and Wrich Hill) have been subject to previous drill programs. The remaining five prospects will be subject to first-time drill programs. Additional information on previous work conducted by Stealth Minerals and others on the Cascadero property is contained under "Description of the Business". Exploration and development of the property is the principal business of Cascadero.

Metal Priee Trends

At the date of this prospectus, none of the prospects owned by Cascadero has an economic ore body or established reserve. However, exploration work to date indicates that the metals most likely to be found in economically recoverable quantities are gold, silver, and copper. The value of any ore body which Cascadero locates will be heavily influenced by the market prices for metals which may be produced from the properties, including principally gold, silver, and copper.

The following table shows the closing morning gold fixing for gold and silver prices on the London Bullion Market and the average copper prices quoted by the London Metals Exchange for the perlods indicated.

Year	Closing Gold Price (US$/oz)	Closing Silver Price (US$/oz)	Average Copper Price (US$/lb)
1990	391.00	4.19	1.21
1991	353.40	3.86	1.06
1992	332.90	3.67	1.04
1993	390.65	5.11	0.87
1994	382.50	4.85	1.05

1995	386.70	5.14	1.33
1996	369.55	4.80	1.04
1997	289.20	6.00	1.03
1998	287.45	5.00	0.75
1999	290.85	5.33	0.71
2000	272.65	4.58	0.82
2001	276.50	4.52	0.72
2002	342.75	4.66	0.71
2003 Q1	335.35	4.46	0.75
2003 Q2	345.15	4.50	0.74
2003 Q3	384.50	5.12	0.80
2003 Q4	417.25	5.96	0.93
2004 Q1	423.00	7.82	1.23

DESCRIPTION OF THE BUSINESS

Unless otherwise stated, information concerning the Cascadero mineral claims and the business of Cascadero is taken or summarized from the report titled "A Technical Review of Porphyry Copper-Gold, Epithermal Gold-Silver, and Gold-Silver-Copper Skarn Prospects, Toodoggone Region, North Central British Columbia" dated July 12, 2004 (the "Technical Report") prepared by Dr. Kenneth M. Dawson, who is a "qualified person" as defined in National Instrument 43-101 ("NI 43-101"). Dr. Dawson is the principal of Terra Geological Consultants of North Vancouver, BC.

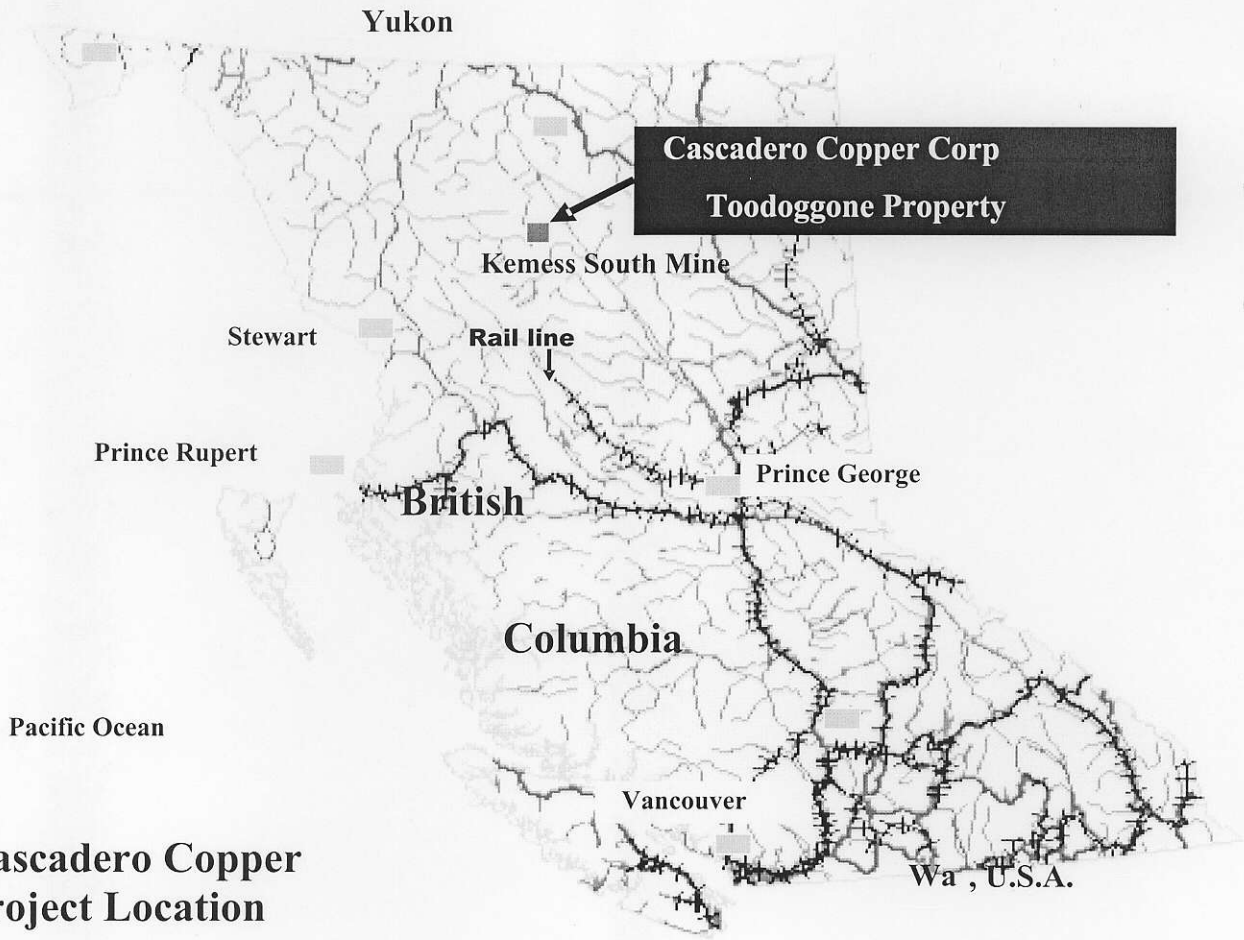
The following information is based on the Technical Report, and portions of the following information are based on assumptions, qualifications, and procedures which are set out fully in the Technical Report. For a complete description of the assumptions, data, maps, tables, qualifications, and procedures associated with the following information, reference should be made to the full text of the Technical Report which is available for review on the System for Electronic Document Analysis and Retrieval (SEDAR) located at the following website: www.sedar.com. Alternatively, the Technical Report may be inspected during normal business hours at the offices of Wilcox & Company Law Corporation, Suite 1910, 777 Hornby Street, Vancouver, BC V6Z 1S4 during the period of the distribution and for 30 days thereafter.

Description and Location of the Cascadero Claims

The Cascadero property consists of 1,315 units located in the Omineca Mining Division of British Columbia. A "unit" is an area 500 metres by 500 metres, equivalent to 250,000 square metres, 25 hectares, or 0.25 square kilometres. A claim can consist of up to 20 units.

By air, the centre of the claims is approximately 465 kilometres north of Prince George, BC, and approximately 270 kilometres northeast of Stewart, BC. The center of the Cascadero property is approximately 18 kilometres north of the Kemess South mine, a 50,000 tonne per day porphyry style open pit copper-gold mine operated by Northgate Minerals Corporation.

The 22 principal exploration prospects and mineral showings within the Cascadero property are: Pine, Tree, Fin, Pine North, Ryan Creek, Mex, 10K, Wrich Hill, Goat, McAburn Creek, Pine Southwest, Dry Pond, VIP, L Lake, Electrum, Beaverdam, Mina de Ray, Concha 29, Concha 31, Steel, 343 Creek, and Dawn. The total area covered by the claims is approximately 328.75 square kilometres, or approximately 32,875 hectares. The following maps and table show the general location of the Cascadero property, the locations of the principal mineral showings, prospects, and related infrastructure, and the individual claims owned by Cascadero.



Cascadero Copper Project Location

(insert map of claims)

Cascadero Mineral Claims

Claim	Tenure #	Units	Claim	Tenure #	Units	Claim	Tenure #	Units
Fin 3	238305	1	Black 2	352923	18	ELE 10	396818	1
Fin 11	240089	20	Black 3	352924	18	ELE 1	396854	1
Fin 12	240090	20	Black 4	352925	15	ELE 2	396855	1
Fin 14	240091	20	Black 5	352928	1	ELE 3	396856	1
Fin 16	240092	6	Black 6	352929	1	ELE 4	396857	1
Fin 17	240093	8	Black 7	352930	1	ELE 5	396858	1
Fin 18	240094	12	Black 8	352931	1	ELE 6	396859	1
Fin 19	240095	6	Black 9	352932	1	Sky 6	400566	20
Fin 20	241595	20	Black 10	352933	1	Sky 7	400567	20
Fin 21	241596	16	Fin 971	358929	20	Sky 8	400568	20
Easter 1	241918	16	Fin 972	358930	20	Sky 9	400569	20
Easter 2	241919	12	Fin 973	358931	20	Sky 10	400570	20
Easter 3	241920	20	Fin 974	358932	20	Sky 11	400571	20
Paula	300641	20	Sky 1	363244	18	Sky 12	400572	20
Easter Seal	303156	20	Sky 2	363245	18	Sky 13	400573	20
Fin 21	308119	20	Sky 3	363246	18	Sky 20	400603	16
Fin 22	308120	20	Tax 1	363247	18	Sky 21	400604	6
Fin 23	308121	20	Gov	363248	20	Sky 22	400602	14
Fin 25	308123	20	N.D.P.	363249	20	Sky 23	400605	16
Fin 26	308124	20	S.K	363250	20	Sky 24	400606	16
Song 3	310038	1	C-K	363251	20	Sky 25	400607	15
Song 4	310039	1	MR.	363252	20	Sky 26	400608	20
Song 5	310040	1	GLEN	363253	20	Tuff 1	400745	18
Song 6	310041	1	CLARK	363254	20	Tuff 2	400746	12
Song 7	310042	1	Tax 2	363255	1	Tuff 3	400747	18
Song 8	310043	1	Tax 3	363256	1	Tuff 4	400748	12
Song 9	310044	1	Tax 4	363257	1	Tuff 5	400749	20
Song 10	310045	1	Kath 5	367803	12	Tuff 6	400750	20
LY 2	310060	1	Sky 4	395990	20	Tuff 7	400751	20
LY 3	310061	1	Sky 5	395991	20	Sky 14	400574	9
LY 4	310062	1	TAX 5	396811	1	Sky 15	400575	15
Song 2	310064	20	TAX 6	396812	1	Sky 16	400576	18
Egg 2	310066	15	TAX 7	396813	1	Sky 17	400577	12
Song 1	310079	20	TAX 8	396814	1	Sky 18	400578	18
LY 5	310080	1	ELE 7	396815	1	Sky 19	400579	20
LY 1	310081	20	ELE 8	396816	1		**Total**	1,315
Black 1	352922	18	ELE 9	396817	1			

Cascadero is recorded as the 100% owner of each of the mineral claims listed above under the *Mineral Title Act* (British Columbia). Each of the claims is subject to a 3% net smelter return royalty reserved to Electrum Resource Corporation under the Royalty Agreement dated April 8, 2004 between Electrum and Stealth.

All of the Cascadero mineral claims are located on Crown land.

Accessibility, Climate, Local Resources, Infrastructure, and Physiography

The Cascadero claims are located in north central British Columbia, which is a relatively remote region. Infrastructure is limited, but there is road access to the Cascadero claims. The Omineca Resource Road connects the Kemess South mine to British Columbia Highway 97 at Mackenzie, BC. British Columbia Highway 97 in turn connects Mackenzie to Prince George, to other links to the Trans-Canada highway system, and to major urban centres such as Kamloops and Vancouver.

Access to the Cascadero base camp runs from the Kemess South mine turn-off on the Omineca Resource Road, over 22 km of public gravel road, then over 16 km of improved dirt road on the Cascadero property. Within the boundaries of the Cascadero property, gravel and dirt roads provide access to the Pine, Tree, Fin, VIP, Electrum, Beaverdam, and Mina de Ray prospects. Trails suitable for all-terrain vehicles, drilling equipment, and excavators provide access to the Wrich Hill, McAburn Creek, Goat, and 10K prospects. Local roads are included in the map of the Cascadero property, above. The Ryan Creek, Pine North, Pine Southwest, Mex, Dry Pond, Steel, and 343 Creek prospects are not currently connected by roads or trails sufficient for drilling equipment.

Airstrips exist at the Kemess South mine and at Sturdee River, 20 km and 30 km respectively by road from the Cascadero turn-off. On business days, private commuter flights connect the Kemess South mine with Smithers, Prince George, and Vancouver. During summer months there are three scheduled flights weekly between Smithers and Dease Lake. These flights can be requested to stop for passengers at the Sturdee River airstrip.

The nearest population centers to the Cascadero property are Mackenzie, Prince George, and Smithers, which are respectively 7, 10, and 14 hours away by road. Hospital care is available at Smithers and Prince George. Emergency medical care is also available at the Kemess South mine. The Kemess South mine is connected to the British Columbia provincial electrical power grid, but there is no connection to the Cascadero property. Electricity is provided at the Cascadero base camp by diesel powered generators. Camp supplies and equipment are available primarily from Prince George. Heavy equipment, such as bulldozers, excavators, and graders with qualified operators, is available locally.

The local climate typically limits the exploration season to approximately 6 months, from May to October. Seasonal temperatures vary from approximately -35^0 Celsius in January to over 30^0 Celsius in July. Snow cover of up to two metres is common in winter. Diamond drilling can be conducted in most winter months but costs increase materially.

The local rivers contain several species of fish but no commercial fishery is present or likely to exist, as the dominant species in the drainage are not commercially attractive. River and lake fishing is available for sport, but the area is not considered attractive, as the local species are not widely sought by sports fisherman. Other tourist activities, such as river rafting, bike riding, and hiking, are not common. There are no resorts or service stations in the area capable of accommodating even a small volume of tourists, and local supplies are not available. The rivers in the area, specifically the Toodoggone, Finlay, and Chuckitchida, flow easterly into Williston Lake and then to the Arctic Ocean. There are no salmon or steelhead in the local rivers.

The forestry resources are principally pine and spruce, and are large enough in some areas, below 1,300 metres elevation, to be commercially attractive. The area is, however, 350 kilometres by road to the nearest sawmill, which precludes commercial logging.

There is hunting for moose, caribou, bear, goat, ducks, and geese in the area in the autumn and winter months, but due to the area's remote location, hunting is conducted primarily by residents of Smithers, Prince George, and other local communities. There are no licensed outfitters or guides resident in the area.

Elevation at the Cascadero camp is approximately 1,000 metres, and adjacent mountain peaks rise to elevations of approximately 2,000 metres. The topography is varied, including regions of gentle slopes and rugged mountain terrain. Local vegetation consists of pine and spruce at lower elevations, and stunted alpine varieties at higher elevations. There are no glaciers in the area.

Geological Setting

Regional geology

The Yukon-Tanana terrane, basement to Stikinia, the terrane that hosts the Toodoggone district, was formed from fragments of the continental margin of North America rifted away from the western margin in Late Devonian to Early Mississippian time. The rifting opened the Slide Mountain and Seventymile Oceans. In Pennsylvanian time the older parts of the Stikinia-Quesnellia arc, that is the Stikine Assemblage including the Asitka Group, started to deposit upon the Yukon-Tanana terrane. In Permian time, the major part of the Stikinia arc formed upon the Yukon-Tanana terrane as the Stikine Assemblage, including the Asitka Group in the Toodoggone region, and Permian granites in the Yukon.

The Stikinia-Quesnellia island arc continued to form offshore of North America with ongoing subduction of the Cache Creek and Seventymile Oceans in the Late Triassic time. Oroclinal warping of the arc and associated subduction zones began as a result of oblique-sinistral convergence between the ancestral Pacific Ocean and North American plates. The Stuhini-Takla part of Stikinia formed stratigraphically on the Stikine Assemblage. Subduction and obduction of parts of the Cache Creek Ocean formed the Cache Creek terrane. The Stikinia-Quesnellia arc and subduction zones continued to form in Early to Mid-Jurassic time, oroclinal counterclockwise warping continued, and the onset of accretion to the ancestral continental margin of North America began approximately 185 million years ago. On the outer, western limb of the Stikinia-Quesnellia arc, granite plutons coeval with Hazelton volcanic rocks were emplaced as the initial stage of mountain building in the North American Cordillera.

As accretion and emergence progressed, the essentially submarine volcanics and sediments of the Takla, Stuhini and Hazelton groups gave way to subaerial volcanic units of the Toodoggone Formation and coeval plutons of the Black Lake Suite. With continuing intrusion and uplift in Cretaceous time, clastics shed from the Omineca and Coast crystalline belts were deposited unconformably over Toodoggone rocks as the Sustut Group.

Regional stratigraphy

The Cascadero Copper property lies within the Intermontane Belt, underlain mainly by felsic to intermediate subaerial volcanic rocks of the Toodoggone Formation, intermediate to mafic submarine volcanic and sedimentary rocks of the Stuhini (Takla) Group, and felsic to intermediate intrusive rocks of the Black Lake Suite. Oldest rocks in the area are the Permian and Pennsylvanian andesitic to rhyolitic volcanic rocks, plus marine sedimentary limestone, siltstone and chert of the Asitka Group. Blocks of

Asitka marble plus chert and siltstone are exposed in the region as uplifted remnants on the flanks of Black Lake plutons.

Widespread Upper Triassic volcanic rocks of the Stuhini Group that unconformably overlie Asitka Group rocks are characterized by clinopyroxene-phyric basalt and andesite flows. Rocks of the Lower Jurassic Toodoggone Formation of the Hazelton Group that unconformably overlie the Stuhini Group are predominantly subaerial fragmentals of dacite-andesite composition characterized by quartz eyes. Lava flows and rhyolitic flows and breccia are less common.

Plutons of the Black Lake Suite are coeval and cogenetic with the Toodoggone volcanics. Clastic rocks of the Upper Cretaceous Sustut Group include conglomerate, sandstone, and siltstone, and minor felsic tuffite lie in unconformable contact upon Stuhini and Hazelton Group rocks.

Intrusive rocks

Plutons of the Black Lake Suite are mainly calc-alkaline stocks and batholiths elongated parallel to the northwest tectonic grain of the Omineca Crystalline Belt. The plutons are commonly composite, and consist mainly of medium to coarse-grained granodiorite to quartz monzonite. Dykes and sills of monzonite, quartz monzonite, trachyandesite, basalt and latite cut older intrusions. The Black Lake stock is granodiorite to quartz monzonite. The Giegerich and Duncan Lake stocks are hornblende-biotite granodiorite. The Sovereign stock, which hosts the Kemess South deposit, is also hornblende-biotite granodiorite, but with relatively prominent quartz phenocrysts. Late Triassic ultramafic intrusions occur east of Kemess North, and possibly southwest of the Mex prospect. Plutons of the Black Lake Suite are coeval with Toodoggone fragmental volcanics which were deposited in two episodes, firstly from approximately 200 to 197 million years ago and secondly from approximately 194 to 190 million years ago, and appear to be coeval with closely associated porphyry, skarn, and vein deposits. The northwesterly trending contacts of the Giegerich pluton with the Toodoggone volcanics are the loci of porphyry mineralization at the Pine, Tree, Fin, and Mex prospects.

Regional structure

The most prominent structures are faults that strike north-northwest at an azimuth between 120° and150° parallel to major terrane-bounding strike-slip faults, and include the Drybrough, Saunders-Wrich and Pil faults. These profound faults control the deposition of Toodoggone Formation volcanics by creating elongate basins through regional dextral strike-slip translation and transtensional sag. These faults formed elongate volcanic vents and conduits for synvolcanic intrusions. The Saunders-Wrich fault is a regional structure about 30 km long with up to 4 km of right-lateral displacement. Parallel faults also exhibit normal displacement, with local juxtaposition of the Stuhini Group and Toodoggone Formation at Kemess North and Wrich Hill.

Northeasterly trending high angle faults cut and displace northwesterly trending structures, and tilt and rotate monoclinal strata. The presence of epithermal gold-silver veins emplaced at high levels in proximity to the Saunders-Wrich fault at Wrich Hill, and also at the Electrum zone at lower elevations to the north, supports post-mineral, north-side-down displacement along a northeasterly trending fault in the Finlay River valley. This structure corresponds to the Cascadero fault that apparently influences porphyry mineralization in the Pine-Fin-Tree zone. Northerly trending right-lateral strike slip faults are prominent along the eastern margin of the pluton, and are Cretaceous and Early Tertiary in age.

Geophysical surveys – summary of results near the Finlay River

Existing exploration data is most heavily concentrated in the prospects near the Finlay River. The Pine, Fin, and Tree prospects to the south of the river, and the Ryan Creek and Pine North prospects to the north of the river, have received the majority of the exploration expenditures in this area.

Widely spaced induced polarization surveys over the Pine, Tree, Fin, Ryan Creek and Pine North zones reveal northeasterly trending zones of moderate to strong chargeability, each of which is potentially 6 km long and 1.0 to 2.0 km wide. The Pine-Tree-Fin zone on the south side of the Finlay River is open to the southwest, northeast, southeast, and at depth. Mineralization responsible for the induced polarization anomaly is interpreted to be both cut by unmineralized dykes and offset across northwest trending faults. The Ryan Creek and Pine North zone lies immediately to the north, across the Finlay River, but not enough work has been completed to establish that this zone may be one continuous mineralized area similar to the Pine-Tree-Fin zone described above. Attenuation and contrast within theses geophysical anomalies are related to overburden, lithology, structure and alteration in addition to associated metallic minerals. No drilling has occurred on the north side of the Finlay River in this area.

Pyrite occurs in concentrations from 0.5% to 10%, commonly as fine grained disseminations with quartz, sericite and other sulphide minerals, as replacements of mafic minerals, and less commonly as medium to coarse-grained clots in veinlets and late stage veins. Coarse-grained pyrite peripheral to the main chargeability anomaly is present in the same concentration as in the center of the anomaly. The large grain size is interpreted to be responsible for the lower chargeability response. Fine-grained chalcopyrite is associated with silica, replaces mafic minerals, magnetite and sericite, and occurs locally with clay. It also occurs as massive veinlets, and with pyrite and magnetite in quartz veins. Some coarse-grained clots occur with late stage gypsum-anhydrite veins. Three zones of greater than 0.1% copper and from 0.1 to 0.7 g/t gold correspond to the core of the chargeability anomalies over the Pine, Tree, and Fin zones.

Southwest of Fin Lake, airborne magnetic surveys show a generally northeast trending strong magnetic anomaly, about 1.8 km long and 0.7 to 1.0 km wide, over the Pine zone, with a northwest and an easterly lobe. The surveys demonstrate that the Tree zone has a magnetic anomaly 1.2 km long and 0.7 to 0.9 km wide that trends northwest. Magnetic anomalies also occur across the Finlay River to the northwest, over the Pine North, and Ryan Creek zones of porphyry mineralization. A good correlation exists between the concentration of chalcopyrite-magnetite mineral assemblages and magnetic susceptibility of the mineralized zone in the Pine and Tree zones.

Geochemical Surveys – summary of results

Rock and soil samples have been taken for geochemical analyses over the majority of the Cascadero property and assayed primarily for gold, silver, copper, molybdenum, lead, and zinc as part of a 36 element ICP-MS assay. Assays that are above detection limits for gold and silver are typically fire assayed. Geostatistically significant ranges for gold, silver and base metal values are noted for 23 prospects. Previous exploration work includes diamond drilling where surface rock and soil samples showed a geochemically significant response on 9 prospects: Wrich Hill, VIP, Pine, Tree, Fin, Electrum, Beaverdam, Mina de Ray and Dawn. Diamond or percussion drilling on eight of these prospects intersected intervals of geochemically significant mineralization. Prospects that have significant geochemistry in soils or rocks, but which have not been drilled tested include Dry Pond, Steel, L Lake, 343 Creek, Pine North, Pine Southwest, McAburn Creek, Goat Mountain, 10K, and Ryan Creek.

Generally, the geochemistry from ICP-MS assays collected from the property is anomalously low in mercury, arsenic and antimony. Elevated levels of mercury are noted in rock samples at the Dawn low-sulphidation gold and silver prospect. PIMA was used to identify certain clay minerals that are important

in the location of a range of depositional temperature zones in areas where the original lithologies are completely altered. The Toodoggone area has large alteration systems that are typically metal deficient on surface but indicate that large volumes of hydrothermal fluids were historically present and altered the original texture and chemical composition of lithologies. Some of the more important clay minerals that the technology accurately identifies, especially in searching for epithermal systems, are smectite, illite, dickite, alunite, adularia, pyrophyllite and sericite.

Complete data and maps are available in the Technical Report referred to above.

Individual Prospects – Prospects to be Drilled

Cascadero believes that the five most important prospects, in order of potential economic importance, are Pine, Mex, Wrich Hill, Ryan Creek and Pine North. These prospects are all included in the 2004 drilling program. Drilling is also planned for the 10K, Tree, and McAburn Creek prospects.

Drilling on the Pine, 10K, McAburn Creek, Wrich Hill, and Tree prospects can be supported by road access. Drilling on these prospects is expected to cost approximately $160 per metre.

Drilling programs on the Mex, Ryan Creek, and Pine North prospects will require helicopter support. Drilling on these prospects is expected to cost approximately $180 per metre.

The individual prospects to be drilled are listed in descending order of the amount of drilling to be conducted on each.

Pine *(previously drilled)*

Previous exploration work on the Pine prospect has frequently been combined with work on the Fin and Tree prospects, owing to their proximity. Prior to being acquired by Stealth, this area was explored by the following companies:

- Kennco Exploration Ltd. (1968 - 1973) conducted airborne magnetometer, induced polarization, geological, and geochemical surveys, principally over the Fin porphyry prospect, and drilled one diamond drill hole.

- Rio Tinto Limited (1979 - 1981) discovered the Pine copper-gold porphyry prospect and drilled fourteen diamond drill holes.

- Skylark Resources Ltd. (1989) carried out five small soil grids and heavy mineral stream sampling on the Pine and Tree prospects.

- Cominco Ltd. (1990) conducted induced polarization and ground magnetometer surveys, and completed 1,460 metres of percussion drilling on the Fin and Tree prospects.

- Romulus Resources Ltd. (1992 – 1993) conducted induced polarization surveys, soil and rock geochemical sampling, detailed geological mapping, aerial photography, survey control, additional sampling of 1980-81 drill core, and compilation of all pre-existing data. Romulus also drilled approximately 2,500 metres of large diameter HQ and diamond drill holes.

Geology, structure, and mineralization

The Pine prospect is hosted by dacite crystal tuff of the Attycelly Member of the Toodoggone Formation, and other fine grained pyroclastic rocks too altered to be classified precisely. The rocks are commonly quartz and feldspar-phyric and dacitic to andesitic in composition. The tuffs are intruded by pre-to-syn-mineral hornblende-biotite, granodiorite and monzodiorite of the Giegerich pluton of the Black Lake Suite. At the Fin and Tree prospects in the northeastern part of the zone, the tuffs are intruded by stocks, sills and dykes of intra-mineral quartz-monzonite and monzonite, and by post-mineral dykes of quartz latite, trachyte and basalt. Within the Pine zone, the intra-mineral intrusions are dominantly a quartz monzonite porphyry sill that dips gently east to southeast. Post-mineral dykes trend north to north-northwest. Mineralization of the Toodoggone volcanics has been generated by this suite of intrusions that follow a set of north-northwest and northeast-trending faults along the western margin of the Giegerich stock. Exploration, primarily by diamond drilling of the Pine prospect, has partly defined an oval-shaped mineralized zone about 500 metres wide and 2,000 metres long.

At the Pine zone, host quartz monzonite is fractured, and contains 2% to 8% magnetite and 2% to 4% total sulphide including pyrite, chalcopyrite, minor bornite and lesser molybdenite and sphalerite as fracture-fillings, disseminations and as quartz-sulphide veins. Study of polished sections of intrusion-hosted hypogene mineralization indicates that gold is commonly associated with chalcopyrite, but may also be enclosed in silicate gangue. No native gold or other gold phases were found enclosed in pyrite. Copper-gold-silver-zinc mineral assemblages occur both in the quartz monzonite intrusion and in the host dacite tuff. Higher concentrations of copper and gold are associated with zones of intense quartz stockwork veining accompanied by intensely developed K-feldspar vein selvages, locally intense quartz-magnetite flooding, and ubiquitous disseminated and fracture-controlled magnetite. Lower copper grades are typically associated with less intense quartz stockwork and moderate to intensely developed sericitization. This phyllic alteration assemblage flanks the Pine mineralized zone on the southeast and grades outwards to a large zone of propylitic alteration typified by ubiquitous epidote and lesser chlorite.

Anhydrite veins, which accompany hypogene sulphide mineralization and silicate alteration at depth, hydrate to gypsum under surficial conditions and are dissolved, rendering the remaining rock blocky and friable. Leaching of the anhydrite-gypsum stockwork extends downward to depths in excess of 100 metres. The "gypsum line" that marks the transition from oxidized to unoxidized material is more or less planar at an elevation of about 1,000 metres. Limonitic rocks have probably undergone surficial copper depletion, accompanied by formation of secondary malachite, azurite, chalcocite, and neotocite or "copper pitch".

In several localities epithermal mineralization involving intense silicification, chalcedony and vuggy quartz veins and breccia fillings, intense clay and hematite alteration, and elevated gold and silver values accompanies late stage dykes. Extensive zones of clay alteration superimposed on phyllic and propylitic assemblages southeast of Pine indicate that an extensive late stage epithermal overprint of the porphyry system has occurred.

Exploration results

Principal geophysical and geochemical results relating to the Pine property have been summarized above.

The history of drilling in the area of the Pine, Fin, and Tree prospects is summarized in the following table:

Summary of Drilling on and near Pine Deposit

Company	Year	Type	Number	Meters
Kennco	1972	X-Ray	1	25
Rio Tinto	1979	BQ	2	489
Rio Tinto	1980	BQ	12	1,354
Cominco	1990	Percussion	23	1,460
Romulus	1992	HQ	4	783
Romulus	1993	HQ	9	1,702.3
Stealth M.C.	1997	NQ	12	1,902
Stealth M.C.	1998	NQ	7	1,290
Stealth M.L.	1999	NQ	3	745.4
Total core drilling			50	8,266.7

The following table summarizes significant drill intersections from drilling on the Pine prospect.

Significant drill intersections - Pine Prospect

Hole #	From (m)	To (m)	Width	Gold g/t	Copper %
80-4	10.8	99.1	88.3	0.93	0.17
92-38	14.0	44.1	30.1	1.12	0.21
and	53.5	192.2	138.7	0.38	0.09
92-40	14.0	49.3	35.2	1.53	0.21
and	54.6	140.0	85.5	0.30	0.18
93-41	61.0	113.0	52.0	0.67	0.12
97-2	96.0	157.7	61.7	0.54	0.08
97-8	126.4	273.4	147.0	0.48	0.17
99-1	68.0	161.6	93.6	0.36	0.13
and	171.3	212.9	41.6	0.35	0.20

The drill holes listed in the above table were angle holes between -55^0 and -65^0 dip at an azimuth of 270^0, with the exception of drill hole 80-4, which was vertical. The results presented in the table are not intended to represent expected average deposit grade, but to demonstrate that drilling to date has yielded copper and gold values of potential economic interest over significant widths.

The compiled results of all work conducted on the Pine prospect, including drill holes, geophysics, surface mapping, and soil and rock sampling, have indicated the existence of a mineralized zone approximately 600 metres wide and 1,700 metres long. The accompanying alteration assemblage is typically quartz-sericite with disseminated pyrite-magnetite. Mineralization consists of chalcopyrite, minor bornite, sphalerite, and molybdenite. Copper concentration typically varies from 0.02% to 0.2%, and gold from 0.1 g/t to 0.5 g/t. Zinc values are lower and less systematically distributed than copper, and tend to be associated with elevated silver and gold assays. Siliceous and potassic dykes are associated with more intense alteration, notably quartz and K-feldspar, and higher grades of copper (0.1 – 0.40 %) and gold (0.30 – 1.0 g/t). In addition, very elevated gold assays are associated with silicification, chalcedony and quartz-breccias with vuggy and coxcomb textures in proximity to late stage dykes. Associated anhydrite, gypsum, hematite and clay support the existence of a late stage epithermal overprint.

In addition to the evidence in drill core of widespread copper-gold porphyry style mineralization that displays an epithermal overprint, epithermal style mineralization occurs in drill hole 99-4, which intersected two intervals with quartz veining and stringers with associated high-grade gold values, such as 215.9 g/t gold and 0.32% copper over a core interval of 1.3 metres between 74.0 and 75.3 metres

downhole, and 36.1 g/t gold and 0.28% copper over a core interval of 3.0 metres between 150.0 and 153.0 metres down hole.

The economic feasibility of the Pine prospect cannot be assessed from the existing drill data as no resource calculation is possible. In addition, there are important mining, metallurgical, environmental, transport and other economic factors that have to be considered, and no studies are available or have been commissioned for any of these factors. Importantly, however, mineralization occurs in both volcanic and intrusive lithologies. In addition, the deepest drill hole on the prospect when projected to surface is only in the order of 160 metres, and mineralization is encountered to that depth, so the system is open to depth as well as to the east and west. A deeper step-out and infill drill program is recommended to test the prospect for its potential to host a large volume of copper-gold mineralization and for continuity of high-grade epithermal style gold and copper mineralization.

Results from current exploration drilling at Kemess North, in addition to confirming its similarity to Pine in alteration and mineralogy, demonstrate that copper and gold values are lowest near surface but increase and continue to depths in excess of 400 metres in unoxidized material. The Kemess North geological analogue confirms the requirement for deeper drilling in the Pine zone.

Planned program

Cascadero plans to carry out an initial program on the Pine prospect of 10 diamond drill holes to a depth of at least 400 metres each, for a total of approximately 4,000 metres. The objectives of the initial program are:

- to test for mineralization at greater depth than previous drilling programs;
- to test for mineralization in areas which have not been previously drilled, but where induced polarization and geochemical analysis of soils and rocks indicate potential for mineralization; and
- to determine whether the property contains a large-scale volcanic and/or intrusion hosted copper-gold deposit.

Cascadero expects that approximately half of the initial 10 drill holes will be in areas of previous drilling, and the remainder will be in areas of potential new mineralization. The precise locations of the drill holes will be decided following a re-evaluation of existing induced polarization data and historic drill hole analysis.

Depending on the results of this program, a follow-up program of 20 fill-in and 20 step-out drill holes may be conducted.

Mex *(not previously drilled)*

In 1977, 1981 and 1990, Cominco Ltd. carried out regional geological mapping, collected rock and soil samples for geochemical analyses, and conducted petrographic and mineralogical studies. Cominco also conducted soil, silt, moss mat, and rock chip geochemical sampling and geological mapping in the surrounding area. Electrum Resource Corporation acquired control of the Mex property from Cominco in 1996 and it was included in the Stealth-Electrum Joint Venture Agreement.

Geology, structure, and mineralization

The Mex prospect is underlain by dacitic lithic crystal, lapilli and ash flow tuff of the Toodoggone Formation intruded by granodiorite, quartz monzonite and quartz diorite of the Giegerich pluton of the intrusive Black Lake Suite and K-feldspar phyric dacite, monzonite and monzodiorite dykes. The contact zone forms a gossanous ridge between 1,500 and 1,800 metres elevation, about 500 metres wide, and extending across the ridge down into the adjaeent valleys about 1,000 metres to the northeast and southwest.

The structural setting is best described as a series of monzonite dykes that intrude dacitic Toodoggone tuff. The dykes typically strike northeast and are parallel to the main intrusive contact. The argillic alteration zone is a prominent gossan. Mineralized veins and fractures generally parallel the dominant northeast dyke trend.

Pyrite, chalcopyrite and magnetite occur as fracture fillings, within quartz veinlets and stockwork, and as disseminations. Oxidized outcroppings, consisting of limonite, hematite, goethite, jarosite, chalcocite, malachite, azurite, chrysocolla, pyrolusite and neotocite (copper pitch), occur as boxworks, crusts and coatings. Pyrite and magnetite contents each vary between 1% and 7%. Occasionally massive slabs of magnetite occur within fault zones. A quartz-magnetite stockwork zone, accompanied by K-feldspar envelopes, outcrops in the gossan zone and extends down slope northeastward into overburden in the valley.

Soil, silt and rock sampling programs performed intermittently since 1979 by various companies have returned widespread anomalies of gold, and lesser copper values. The highest values returned to date are:

- Rock: 0.63% copper and 1.93 g/t gold;
- Soil: 0.06% copper and 3.32 g/t gold;
- Silt: 0.82% copper and 0.6 g/t gold.

The geology, alteration, mineralization and presence of widespread gold and copper values from rock, soil, and silt sampling suggest that the Mex prospect is underlain by a gold-copper porphyry system with a leached cap, and may be in part controlled by the contact with the Giegerich granodiorite extending northwest to the Tree zone, a distance of approximately one kilometre.

Hornblende granodiorite east of the intrusive contact with dacitic tuff is propylitically altered to chlorite-epidote, plus pink zeolite and clay. Volcanic and dyke rocks northwest of the contact are progressively weakly to strongly silicified. This is mapped as a zone of intense quartz-sericite-pyrite alteration. Within this 500 metre wide zone rocks are fractured, display argillic alteration, and are leached. Limonite, goethite and locally jarosite replace primary rock minerals with a boxwork texture. Secondary iron, copper and manganese minerals are common. Northwest of the gossan, volcanic and dyke rocks are moderately propylitically altered, and locally sericitized. Northeast down slope stockwork quartz-magnetite +/- chalcopyrite veins are enveloped by pink K-feldspar, the magnetite is altered partially or completely to hematite, and the host rocks are pervasively sericitized.

Exploration results

Stealth Minerals conducted a reconnaissance ground magnetometer, induced polarization, and resistivity survey over the Mex prospect in 2002. Three parallel northwest-trending lines were run.

- Line M1 showed a broad moderately high chargeability response 450 metres wide.
- Line M2 showed a broad moderately high chargeability response 800 metres wide.

- Line M3 showed a moderate chargeability high about 200 metres wide, which correlated with a magnetic high, and is thus less significant than data on lines M1 and M2.

A total magnetic field anomaly is centred over the intrusive contact. Quartz-magnetite veins are abundant in the host rock immediately northwest of the contact. The data indicated a magnetite-bearing body 100 to 150 metres wide, striking roughly northeast-southwest, dipping steeply northwest and open along strike in both directions.

Stealth Minerals also conducted geochemical sampling in the form of soils, silts and rock sampling of the Mex prospect between 1998 and 2002. The surveys supported and confirmed the results of previous work and identified an area of mineralization similar to past surveys conducted by Cominco.

Data from the surveys by Cominco and Stealth have determined that high potential exists at Mex for a significant porphyry copper-gold deposit. The dominantly geochemical surveys by Cominco have been confirmed and extended by Stealth Minerals and the geology reinterpreted to a setting similar to that at Pine. Results of the induced polarization and magnetometer survey conducted by Stealth indicate that a strong magnetic high associated with an isolated chargeability and resistivity high may represent a magnetite-bearing body dipping to the northwest.

The geologic setting, alteration and sulphide mineral assemblages, geochemical profile, and induced polarization and magnetic anomalies all support the existence of a potassic core with elevated hypogene copper and gold values beneath the phyllic alteration zone and leached cap.

Planned program

Cascadero plans an initial drill program consisting of six 400 metre drill holes, for a total of 2,400 metres, on the Mex property. Two holes will be drilled from each of three collars, with azimuth and dip to be determined in the field. The purpose of the holes is to test for the sub-surface existence of a magnetite bearing mineralized body, approximately 150 metres thick, that has been indicated by chargeability anomalies, surface geology and geochemistry, as described under "Exploration Results", above.

10K *(not previously drilled)*

The 10K property was included in regional surveys, including soil sampling, by Cominco and Skylark Resources. However, exploration work on the property was minimal prior to its acquisition by Stealth Minerals. In 2003, Stealth prospectors discovered previously unknown near-surface poly-metallic mineralization over a large area and follow-up trenching suggests that mineralization may exist in bedrock. Induced polarization and soil geochemical surveys over a large area revealed the existence of multiple anomalies, which are the focus of current interest and future exploration.

Geology, structure, and mineralization

The 10K area is underlain by dark green augite phyric andesite flows of the Takla Group. In the vicinity of mineralization discovered by Stealth Minerals, andesite is intruded by stocks and dykes of quartz monzonite that are extrapolated southeastward to connect with similar intrusive rocks that cross the Pine road as two large dykes, some 1,500 metres to the southeast. Southwest of the 10K showings two outcroppings of hornblende-biotite granodiorite represent outlying stocks of the Duncan Lake pluton, which is exposed on the VIP property 2,000 metres northwest on the north side of the Finlay River. The plutonic-Takla volcanic contact, although not exposed, is presumed to parallel the Finlay River along its northwest bank, and possibly projects into the Cascadero fault north of 10K. Another stock of Duncan

Lake plutonic affinity outcrops on the Pine road near the quartz monzonite dykes, and both intrusive units are in contact with limestone of the Asitka Group.

Quartz monzonite dykes at the 10K showing strike southeast and dip steeply to the southwest. Quartz-sulphide veins mainly strike in a parallel trend, apparently mineralized by the quartz monzonite intrusions.

Quartz veins up to 0.75 metres wide contain an assemblage of pyrite, pale to brown sphalerite, galena and chalcopyrite. Samples were generally elevated in base metals, silver and gold. Trenching defined an area 50 metres by 300 metres that strikes 120°, with an average grade of 0.05% copper, 0.21% lead, 0.21% zinc, 7.0 g/t silver and 0.13 g/t gold. The zone is sub-parallel to a quartz monzonite dyke, and flanks a quartz monzonite stock on the south. Numerous samples from trenches and rock outcroppings assayed over 50 g/t silver. Many veins show open space-filling textures with banding, vugs and coxcomb quartz textures.

Takla andesite is propylitically altered adjacent to quartz-sulphide veins to chlorite-epidote-calcite. Quartz monzonite is pervasively silicified adjacent to quartz-sulphide veins.

In the southwestern part of the grid, a granodiorite stock outcrops and has mineralized Takla andesite at the intrusive contact. Quartz-pyrite veins occur in a fine-grained border phase of the stock with K-feldspar, calcite and epidote. Pyrite veinlets and disseminations are abundant in silicified andesite. Skarn mineralization, consisting of magnetite-pyrrhotite-chalcopyrite in Takla andesite, is present about 300 metres northwest of this showing. The skarn may be related to an intrusive contact with a partially outcropping stock of granodiorite adjacent on the east containing quartz-K-feldspar-pyrite-chalcopyrite veins. This is one of two historic Minfile showings (Concha 29) consisting of pyrite, chalcopyrite, sphalerite and galena in quartz veins in andesite in the area.

Exploration results

Stealth Minerals conducted 3-D inversion induced polarization, resistivity, and magnetic survey over the 10K grid during 2003. Five principal chargeability anomalies were revealed and are recommended for further delineation and exploration.

- In the northern grid, an area of high chargeability is near surface and corresponds closely with the contact of a granodiorite stock, and a soil geochemical anomaly in zinc.

- Two additional anomalies lie in the southeastern grid. One chargeability anomaly reaches maximum intensity at depth of 200 metres below surface, and may connect to anomalies in the south-central zone. Moderate soil geochemical anomalies in silver and zinc occur in this area. Another chargeability anomaly occurs further south near the south edge of the grid and lines up with an inferred north-south fault to the north, indicating the chargeability source lies within a fault zone.

- In the southwestern grid one chargeability anomaly from mainly surface sources is in the vicinity of an interesting resistivity anomaly. Soil zinc and gold values are elevated in this part of the grid.

- In the south-central grid a chargeability anomaly appears strongest just north of a strong resistivity feature.

Soil sampling was conducted over the southern part of the 10K property, and samples assayed for copper, lead, zinc, silver and gold. The area is underlain by glacial terrace deposits of varying depth and

composition, along the valley of the Finlay River. In some areas, for example the 10K discovery zone, overburden is thin to non-existent, but over most of the area it is thick and composed of glacially deposited silt and sand. Drumlinoid hills and glacial melt water channels are present. The soil horizon is generally poorly formed and thin. Hydromorphic transport of metal ions probably is influenced more by glacially transported material in the substrate rather than by underlying bedrock.

The copper tenor of grid soil samples is low, with only 9 samples exceeding 75 ppm copper and over 50% less than 25 ppm copper. Zinc is more abundant than copper in soil samples, with 23 of 289 samples exceeding 125 ppm zinc, mainly in the western grid. Lead is less abundant than zinc, but also tends to be elevated in the western and southwestern parts of the grid. Silver tends to correlate well with lead and zinc, probably reflecting polymetallic vein mineralization as at 10K. Gold values tend to be low and scattered except for a small concentration of high values (202 to 472 ppb gold) in the southwest corner of the grid.

Rock samples collected at and near the 10K discovery show elevated values in lead, zinc, silver and gold, as indicated by the mineralogy of the veins sampled. Copper ranges up to 1.84% in the trenched area, and up to 9.3% at the Concha 29 skarn occurrence. Gold is less than 1 g/t in all samples, and commonly less than 0.25 g/t.

Several rock samples collected along and east of the Cascadero camp were anomalous in base metals, apparently due to skarn and vein mineralization in and adjacent to contacts between dyke-like bodies of quartz monzonite and a block of Asitka limestone. Several elevated gold samples may reflect mineralization controlled by large northwesterly faults.

The results of mapping and trenching of the 10K discovery area show the polymetallic veins to be closely related to a quartz monzonite stock and dyke. Similar mineralization is located at quartz monzonite-limestone contacts 1,500 metres to the southeast. Two stocks of granodiorite-quartz monzonite within the western part of the 10K grid are also associated with mineralization, but dominantly copper rather than zinc-lead. These intrusions are interpreted to be satellites of the Duncan Lake pluton, the contact of which lies just 1,500 metres to the northwest of the 10K showing.

Interpretation of the geophysical data supports the existence of several similar intrusive bodies at shallow depths below the 10K grid. Several strong chargeability anomalies indicate that these features may be mineralized porphyry plutons. The location of these anomalies within the Cascadero fault zone a few kilometres north of the Kemess North deposit supports a recommendation for drilling in this area.

Planned program

Cascadero plans to conduct additional induced polarization, geophysical, and soil sampling surveys over the existing grid area. This will be followed by an initial drill program of five 300 metre NQTW drill holes on the 10K prospect. The objective of the initial program is to test each of the five induced polarization chargeability anomalies, as described above.

If anomalies on the existing 10K grid prove to be generated by mineralized plutons in initial drill testing, Cascadero plans to extend the existing grid to the north, northeast and to the southwest, and to conduct additional induced polarization surveys and additional drilling.

Wrich Hill, McAburn Creek, Goat, and Pine Southwest *(previous drilling on Wrich Hill only)*

These four showings and prospects are contiguous in an area approximately 4 km by 4km. Previous work on each is summarized below.

- Cheni Gold carried out geological mapping and geochemical sampling on the Wrich Hill prospect in 1981 and 1982. Cheni Gold also carried out geophysical surveys in 1985 and drilled 5 diamond drill holes on the Wrich Hill prospect in 1987.
- In 1987, the Goat property was optioned to Skylark Resources, who conducted geological mapping and geochemical sampling.
- Limited work is recorded for the Goat and Pine Southwest prospects, prior to their acquisition by Stealth.
- No work is recorded for McAburn Creek prior to its acquisition by Stealth.

Geology, structure, and mineralization

Volcanic and minor sedimentary rocks of the Toodoggone Formation and Takla (Stuhini) Group underlie the area, and sedimentary rock of the Asitka Formation underlies the western part of the Goat area. At Pine Southwest and Wrich Hill, the Attycelly Member of the Toodoggone Formation is mainly green, grey and mauve lithic crystal and lapilli-ash tuff. Takla host rocks at Goat are dark green hornblende-plagioclase phyric andesite flows with local volcanic breccia, agglomerate and volcaniclastic sediments.

At Pine Southwest dacite porphyry dykes up to 18 metres wide are medium to coarse-grained, strongly magnetic, and characterized by alteration of hornblende and plagioclase phenocrysts to actinolite, in a matrix of K-feldspar-plagioclase-quartz. Andesite and dacite porphyry dykes are present in shear zones along the footwall veins at Goat, strike between 070° and 115°, and dip steeply southward.

Dykes at Pine Southwest trend north and northeast. A fault trends northeast, dips moderately northwest, and has horizontal slickenside indicating strike-slip movement. The Takla and Toodoggone units are in contact at the Goat prospect and strike between 140° and 160°.

Structures mapped at Wrich Hill include faults, veins, veinlets, breccias and fracture joints. The dominant fault direction is northwest and is parallel to the Saunders-Wrich fault, a regional structure with about 5 kilometres of right lateral offset that is mapped immediately west of Wrich Hill. Veins, veinlets, quartz-chalcedony breccia and silicified zones coalesce to form two broad silica-flooded zones 20 and 50 metres wide with strike between 130° and 150° in the hanging wall of the Saunders-Wrich fault. These veins, joints and dykes commonly dip steeply northeast.

At Pine Southwest pyrite is the dominant sulphide mineral, occurring in quartz veinlets with or without chalcopyrite, and as disseminations. Gypsum and calcite veins up to 8 cm wide strike northwest and dip moderately to steeply northeast. The pyritized rock is strongly altered to quartz-sericite, and secondary limonite, jarosite, goethite, hematite and zeolite are present. The pervasive phyllic alteration indicates the zone may be related to a porphyry copper deposit.

At Goat, veins composed of laminated and bladed quartz and calcite range from 5 cm to 40 cm wide, and contain varying amounts of pyrite, galena, sphalerite and chalcopyrite. Host andesite is altered to quartz, K-feldspar, epidote +/- chlorite, and sericite adjacent to veins. The southern most Black vein gave the highest assay of 297.9 g/t gold and 272.4 g/t silver. Four sub-parallel veins are hosted in an advanced argillic alteration zone 200 metres wide that dips about 80° S. The veins are open down slope to the east, but do not appear on the east side of McAburn Creek, indicating that they may be cut off by a splay of the

Wrich fault. Several other polymetallic veins with elevated values in gold and silver occur to the north and north-northwest of the argillic alteration zone. Quartz veins with calc-silicate alteration, that is, garnet and pyroxene, occur on the west side of Goat Lake, close to a northeasterly trending syenite dyke.

Exploration results

Between 1980 and 1985 Cheni Gold conducted regional programs of soil, silt and rock sampling in the area of Wrich Hill. Geochemistry defined a target closely associated with a prominent gossan. Cheni Gold subjected the property to 5 drill holes. The results were not encouraging and Cheni Gold dropped the property.

In 1987 and 1988, Skylark Resources carried out an extensive prospecting, mapping and geochemical sampling program that included soil geochemical grids on the Goat property and two grids on the skarn claims to the northwest. Rock samples of polymetallic quartz-carbonate veins produced some elevated assays on the order of copper 1%, lead 3%, zinc 2%, silver 1 to 200 g/t and gold 50 to 200 g/t. Historic work on the Wrich Hill prospect included soil geochemistry that identified an anomaly roughly corresponding to the gossan on Wrich Hill. Soil geochemistry also identified other areas of interest to the northeast, northwest and in McAburn Creek, none of which has been followed up with trenching or drilling.

During 1999, Stealth Minerals carried out a prospecting and rock sampling program over the Goat zone and noted both polymetallic quartz-carbonate veins and low sulphidation-type banded calcite veins with elevated gold and silver values that ranged up to 20.3 g/t gold and 225 g/t silver in the former, and up to 39.2 g/t gold and 108 g/t silver in the latter. The geology, alteration and style of mineralization support an interpretation of both vein types as low-sulphidation type epithermal gold-silver veins.

During 2002, Stealth Minerals compiled the historic data for the area and conducted an exploration program which included:

- ground-based prospecting on the Wrich Hill, McAburn Creek and Goat prospects;
- large-scale excavator trenching on the Wrich Hill prospect;
- induced polarization and resistivity geophysical surveys on the Wrich Hill and McAburn Creek prospects; and
- geochemical sampling on the Wrich Hill prospect.

Ground-based prospecting discovered several pieces of float material variably silicified with epithermal textures which assayed from 0.01 to 81.0 g/t gold, mainly on the west side of Wrich Hill and along the east flank of McAburn Creek. Encouraging values of gold and silver mineralization were discovered in outcrop in the area of the gossan and confirmed historical work. Prospecting also confirmed the existence of gold, silver and base metal values in a set of east west trending intermediate type quartz-carbonate veins on the east slope of Goat Mountain hosted in Takla volcanics.

The 2002 excavator trenching program conducted by Stealth Minerals on the Wrich Hill prospect consisted of four trenches totaling 495 metres in length that exposed the altered and mineralized zone over a strike length of 150 metres. All trenches intersected two sub-parallel silicified zones contained within an altered and variably silicified zone over 100 metres wide. The best assay from trench sampling yielded 0.81 g/t gold and 9.2 g/t silver over 105 metres. The highest grade zone was in the east zone of Trench 1, which assayed 1.87 g/t gold and 7.0 g/t silver over 34 metres. A similar zone in the east zone along strike in Trench 2 assayed 1.51 g/t gold and 10.9 g/t silver over 38 metres.

During 2003 Stealth completed two additional trenches, totaling 238 metres in length, which extended the mineralized zone to the southwest and northwest for an additional 100 metres. Two mineralized zones are present and are variable in width, but exist in all six trenches over a strike length of 250 metres. Two other trenches totaling 120 metres in length tested additional targets to the east and west of the main trenches, but assays yielded no significant values.

The geophysical survey conducted in 2002 consisted of 3 lines across the known altered and geochemically anomalous area. The results corroborated the potential existence of a 100 metre wide resistive zone with variable chargeability. Line 3 of the geophysical survey also revealed a resistivity anomaly coincident with the above mentioned gold-in-soil anomaly in McAburn Creek. Prospecting in the McAburn Creek area has identified potassic alteration in intrusive rocks at an elevation approximately 100 metres below the gossan on Wrich Hill. This area generally is believed to be at or near the contact of the Takla and Toodoggone volcanic suites. Deep overburden in the area precludes trenching.

The geochemical sampling program of Stealth Minerals included eleven samples taken from the McAburn Creek area west of Wrich Hill. All showed elevated copper, lead, and arsenic values, and three showed anomalous gold values of 176 ppb, 48 ppb, and 23 ppb. Sampling also included 76 grab, rock chip and float material samples in this area. The following three samples showed the highest gold and silver values:

- Sample 02-BM-48: 81 g/t gold, 110 g/t silver;
- Sample 02-DB-11: 0.19 g/t gold, 410g/t silver, 50.7% lead;
- Sample 02-BM-23: 0.16g/t gold, 405 g/t silver, 79.7% lead.

On the Pine Southwest prospect, three samples taken near an intrusive contact between propylitized monzonite and andesite crystal tuff yielded the following assay results: 161 ppb gold from breccia, and 1.69 to 1.95 g/t gold from monzonite. A rock chip sample from outcrop assayed 0.84 g/t gold and 19.5 g/t silver across 0.35 metres. 29 grab and continuous chip rock samples were taken from various gossans and mineralized outcrops and all returned low precious metal assays.

Sampling of selected quartz-carbonate vein outcropping on the Goat prospect in 2002 returned elevated gold, silver and base metal assays from two veins:

- Sample 02DB134: gold 165.87 g/t, silver 396.5 g/t, copper 0.006%, lead 3.92%, zinc 9.81%;
- Sample 02DB135: gold 0.95 g/t, silver 57.7 g/t, copper 0.65%, lead 1.09%, zinc 0.34%.

During 2003, Stealth Minerals conducted a diamond drilling program consisting of 7 drill holes, totaling 1,112.1 metres, on the Wrich Hill prospect. The drilling program tested the area of the surface trenches, described above, over a strike length of approximately 350 metres.

- Drill hole W-03-01 was drilled at the southern end of the fence of 2003 drill holes. The hole intersected the strongly oxidized zone consisting of strong clay altered dacitic pyroclastic rocks containing 10-20% broken zones containing limonite, goethite and jarosite after pyrite. A strongly jarositic section near the base of the oxide zone returned 12.5 g/t silver over 1.4 metres from 77.6-79.0 metres down hole.

- Drill hole W-03-02 encountered broken and fractured rock conditions with consequential poor core recovery at the top of the hole. Drill hole W-03-02 intersected a surface oxide zone carrying 11.0 g/t silver over 6.4 metres with minor lead values and 1.93 g/t gold and 10.2 g/t silver over 0.7 metres in a siliceous breccia 25 metres down hole.

- Drill hole W-03-03 was collared at the same location at the same azimuth as W-03-02, but at steeper dip and with larger diameter drilling equipment. Drill hole W-03-03 recovered more of the near surface oxide material, with a section returning 0.10 g/t gold and 9.9 g/t silver over 18.0 metres in the oxide zone and 16.4 g/t silver plus anomalous copper over 19.4 metres at the base of the oxide zone.

- Drill hole W-03-04 intersected several parallel silica breccias with associated potassic alteration in the oxidized zone above the fault. Long sections (83 metres) returned 10-20 g/t silver assays with anomalous copper values.

- Drill hole W-03-05 was similar in content and mineralization to W-03-04 with several silica and adularia breccia zones containing increasing values of gold, silver and copper down-dip to the north. A 67.0 metre interval returned 0.26 g/t gold, 11.3 g/t silver and 0.04% copper, including highs of 72 g/t silver over 2.0 metres and 2.75 g/t gold over 2.0 metres.

- Drill hole W-03-06 intersected quartz adularia zones in the oxide zone from surface to the fault returning 98.2 metres grading 0.11 g/t gold, 8.1 g/t silver, and 0.03% copper, including a high of 145 g/t silver over 2.0 metres. Below the fault in the sulphide zone a section including clay and bladed barite returned 39.1 metres of 0.29 g/t gold, 1.9 g/t silver and 0.04% copper, including a high of 1.64 g/t gold and 11.4 g/t silver over 1.0 metre.

- Drill hole W-03-07 encountered an oxide zone, which returned 82.8 metres grading 0.12 g/t gold, 13.4 g/t silver and 0.03% copper from zones of quartz +adularia with sericite and dickite alteration.

Approximately 90% of the core was analyzed. The results from the drilling program were lower than values obtained in 2002 and 2003 surface trenching, but returned encouraging widths containing low grade gold, silver, and copper values, and demonstrated the large tonnage potential of this system.

Two programs of diamond drilling have not established the presence of an economically significant epithermal gold-silver resource at Wrich Hill. The mineralization encountered to date is interpreted to be the high-level expression of deeper seated porphyry-style copper-gold mineralization and possibly representative of the transitional class of epithermal deposits. On the basis of the available data, the porphyry copper-gold potential of the area is interpreted to be of greater significance than the epithermal to transitional vein potential, and should be explored with geophysics and deep drilling.

Planned program

The area covered by the Wrich Hill, McAburn Creek and Goat prospects is approximately 4,000 metres east west by 4,000 metres north south. Previous exploration has produced evidence of widespread epithermal style gold, silver and base metal mineralization. However, as a result of the exploration work and analysis conducted by Stealth Minerals, the focus of exploration has changed to a search for porphyry-style copper-gold systems.

Cascadero plans to conduct an induced polarization survey to cover an area to the northwest of and down dip of drill hole W03-07, and to develop an exploration model that focuses on the potential intrusive source or sources of the surface and subsurface mineralization discovered to date. There is a high probability that mineralization in this area may be closely associated with the Takla-Toodoggone volcanic contact and a major northwest trending fault system that may be sub-parallel to this contact. Based on the interpretation of this data, Cascadero also plans to drill three 400 metre NQTW drill holes on the Wrich

Hill prospect, for a total of 1,200 metres. Spacing of the drill holes will be determined based on the results of the geophysical survey.

Cascadero also plans to drill two 400 metre NQTW drill holes in the McAburn Creek and Goat prospect areas. The objective of these drill holes is to test the nature and significance of coincident geochemistry and geophysical anomalies. This area has a favourable geological setting that exists east of high-grade mineralization in veins on Goat Mountain, and in proximity to the postulated Takla-Toodoggone contact in this area.

The Pine Southwest prospect is located close to the 10K area northeast of Wrich Hill. Cascadero does not presently plan any exploration work on the Pine Southwest prospect unless drilling on the 10K prospect is successful in locating copper and gold mineralization in porphyry plutons.

Pine North and Ryan Creek *(not previously drilled)*

These two zones have been identified on the north side of the Finlay River and were covered, in part, by regional geochemical, airborne magnetic and prospecting surveys by Kennco in 1968 to 1973. Between 1980 and 1991, Rio Tinto, British Newfoundland Company, and Cominco also conducted exploration programs in this area. In 1992, Romulus Resources conducted a large scale program designed to define porphyry copper-gold targets in this general area. Romulus Resources extended soil geochemical grids on the Pine-Tree-Fin zones, and established a soil geochemical grid on the Pine North prospect across the Finlay River. The Ryan Creek prospect appears to be a new grassroots discovery by Stealth geologists during the 2003 field season.

Geology, structure, and mineralization

The Ryan Creek prospect is underlain by a stock of biotite monzonite in intrusive contact with dacite and andesite of the Hazelton Group. No outcrop was observed at Pine North, but granodiorite of the Giegerich pluton is projected into the area from the southeast on the basis of a similar airborne magnetic low on both sides of the Finlay River.

North-northwest structures dominate the observed geology on the north side of the Finlay River, notably the contact between the pluton and the Toodoggone volcanics, and the extrapolated strike of mineralized and post-mineral dykes north from the Pine-Tree area. Mineralization at Ryan Creek apparently is controlled, in part, by fractures that strike parallel to the northwest trend of Ryan Creek itself and dip shallowly to the southwest. Fracture density in outcrop at the Ryan Creek prospect is 5 to 10 fractures per metre.

Lack of mineralized rock outcroppings at the Pine North prospect precludes description of mineralization and alteration. Mineralized monzonite is best exposed in a canyon on Ryan Creek, where mineral assemblages are dominantly pyrite, lesser chalcopyrite and sphalerite, and minor amounts of molybdenite on fractures in monzonite with and without quartz. Chalcopyrite may be disseminated in the monzonite host up to several centimeters from a mineralized fracture. Sericite and chlorite accompany sulphide in fractures, and biotite is replaced by chlorite.

Exploration results

Airborne magnetometer surveys flown by Kennco revealed a magnetic high over Pine North that is flanked to the southwest by a magnetic low that is interpreted to follow the contact of the Giegerich pluton north to northwest. Induced polarization surveys by Cominco and Romulus Resources generated chargeability anomalies of moderate-to-high intensity over Pine North. A 3D-inversion induced

polarization survey of Ryan Creek by Stealth Minerals in 2003 revealed a high-intensity lobate shaped chargeability anomaly southwest of Ryan Creek that opens southwestward and increases in size with depth. This anomaly is apparently continuous with the anomalies at Pine North.

Cominco and Romulus Resources conducted soil geochemical surveys over Pine North between 1990 and 1992. The results show that copper and gold anomalies are coincident with induced polarization anomalies.

Stealth conducted additional geochemical surveys on the prospects during 2003. Copper soil values exceeding 100 ppm are not common on the Ryan Creek grid, but are common on the Pine North grid. Molybdenum soil geochemical anomalies exceeding 10 ppm at Ryan Creek and exceeding 15 ppm at Pine North correlate well with copper anomalies. Rock samples from Ryan Creek and Pine North showed 6 samples with copper exceeding 1,000 ppm, 3 samples with gold exceeding 0.25 g/t, 3 samples with molybdenum exceeding 40 ppm, 10 samples with zinc exceeding 1,000 ppm, and 4 samples with silver exceeding 10 ppm. Sampling was concentrated in the few areas of outcrop on Ryan Creek, near the center of the Pine North grid, and in the headwaters of Ryan Creek.

Geophysical surveys suggest that the geological setting at Pine, which consists of Toodoggone dacitic tuff intruded by several synmineral and post-mineral dykes, apparently continues northwest across the Finlay River to Pine North. An intrusive contact between a monzonite pluton and Hazelton Group volcanic rocks exposed at Ryan Creek may be the northern extension of a similar contact south of the Finlay River at the Tree prospect.

An extensive induced polarization chargeability anomaly is almost continuous through the Ryan Creek and Pine North zones. This indicates that this area probably contains a zone of mineralization similar and parallel to the mineralized zone at Pine-Tree-Fin, on the south side of the Finlay River.

Gold, copper, and molybdenum values in soil samples in the two zones indicate that concentrations of these elements are accentuated to the northeast by glacial transport, as inferred from geochemical patterns at Pine-Tree-Fin. However, rock geochemical assays from Pine North that are anomalous in copper, gold, molybdenum and zinc suggest that significant porphyry mineralization may be present in the underlying bedrock lithologies over a large area.

Planned program

Cascadero plans an initial program of four 300 metre BQTW drill holes, two each on the Pine North and Ryan Creek prospects. One hole will be drilled near the centre of the anomalies detected on each prospect. Subsequent holes will be located depending on the results of the first holes. The principal objective of the drilling on these prospects is to determine whether a similar large scale system of mineralization, which has been identified on the Pine, Fin, and Tree prospects, exists on the north side of the Finlay River.

Fin – Tree *(previously drilled)*

Prior to being acquired by Stealth, the Fin and Tree properties were explored by Kennco Exploration, Rio Tinto, Skylark Resources, Cominco, and Romulus Resources. The timing of the exploration was approximately similar to the Pine prospect, as described above.

Geology, structure, and mineralization

The geology of the Fin-Tree area is similar to the Pine area. The main distinction is that the Fin-Tree area is underlain by a contact between hornblende granodiorite-monzodiorite of the Giegerich pluton of the plutonic Black Lake Suite and dacitic tuff of the Toodoggone Formation, whereas the Toodoggone Formation at Pine is extensively intruded by stocks, dykes and sills of quartz monzonite, monzonite and quartz latite that probably post-date the Black Lake plutons and are coeval with the Toodoggone volcanic rocks.

Pyrite is more abundant in volcanic than in plutonic rock, and is associated with quartz and sericite, notably in the Tree zone adjacent to Rio Tinto drill holes 80-9 and 80-12. Pyrite in the granodiorite rarely exceeds 3%. Chalcopyrite occurs in two mineral associations. Firstly, it occurs with molybdenite and minor amounts of pyrite as disseminations, fracture coatings and in quartz veins in hornblende granodiorite commonly with associated sericite alteration and low gold tenor. Secondly, it occurs with magnetite, pyrite and significant gold values in dacitic tuff, with K-feldspar, sericite and chlorite alteration and replacement magnetite streaks in the host rock.

The best copper mineralization recorded in the granodiorite host rock was in the Kennco drill hole 72-1 which graded 0.24% copper over its entire 96 foot length. The adjacent Cominco percussion hole PH-12 or 90-25 assayed 0.14% copper over its 250 foot length. Molybdenum values were only slightly elevated, with the best recorded in drill hole PH-12 that graded 51.5 ppm molybdenum over its 250 foot length. Commonly, scattered molybdenum values related to occurrence of rosettes of molybdenite along fractures in granodiorite. The best gold values were encountered southwest of the granodiorite contact with Toodoggone volcanics, in drill holes PH-3, 4, 5 and 7, the best of which was from 230-300 feet in PH-4, which graded 0.09% copper and 0.274 g/t gold. Only weakly elevated molybdenum (less than 10 ppm) is present with elevated gold.

The soil geochemical anomalies in copper and molybdenum over Fin-Tree can be accounted for, in the case of copper, largely by glacial transport from the southwest, and in the case of molybdenum, by erratically distributed coarse grained rosettes of molybdenite along fractures in granodiorite.

The induced polarization chargeability anomalies are explained largely by the concentration of pyrite, present in considerable excess of chalcopyrite, in the host rocks. Magnetic anomalies reflect the contact between the Giegerich granodiorite pluton and Toodoggone dacitic tuff, and elevated magnetite associated with copper-gold mineralization in the latter.

The presence of elevated gold, slightly elevated copper, and anomalous induced polarization chargeability associated with dacitic tuff and felsic dykes in the Tree zone indicates that the best potential for economic mineralization lies to the southwest and south of Fin-Tree, in and adjacent to the Pine prospect.

Exploration results

Cominco Ltd. carried out a program of percussion drilling on the Fin-Tree in 1990, completing 23 two inch diameter holes for a total of 1480 metres. Nine drill holes reached a target depth of 91.5 metres (300 feet). The highest copper values were intersected in holes close to Kennco hole 72-1, which assayed 0.24% copper over its whole 96 foot length. Drill holes PH-8, 9, 12, 13 and 14 define a roughly circular area about 1,000 metres in circumference underlain by granodiorite immediately east of its intrusive contact with Toodoggone dacitic tuff.

Elevated gold and slightly elevated copper values were encountered on the Tree prospect in three of the percussion holes drilled by Cominco adjacent to the arcuate chargeability anomaly southwest of the red

dyke marking the plutonic-volcanic contact. The holes intersected mineralized material over an average thickness of 220 feet or 68 metres at an average grade of 0.04% copper and 0.12 g/t gold.

The pattern and density of the Cominco drilling in the Fin and Tree prospects are not sufficient to calculate a mineral resource.

Planned program

Cascadero plans to drill two 400 metre drill holes on the Tree prospect. Both holes will be located in areas of previous drilling, in the area southwest of the granodiorite pluton-Toodoggone tuff contact. The purpose of the program is to determine whether the copper-gold mineralization defined in the existing shallow drill holes exists at greater depth, and whether the mineralization increases in grade at depth, as demonstrated at Kemess North. Further exploration work on the Tree prospect will be dependent on the results of the two drill holes, and on the results of the drilling on the Pine prospect, as described above. No work is planned for the Fin prospect.

Individual Prospects – Advanced Exploration

Cascadero intends to spend $300,000 to advance three prospects to the drill stage for the 2005 field season. Cascadero has compiled all the historical data from each prospect including the recent work by Stealth Minerals in 2002 and 2003. The Dry Pond, Electrum, and Dawn prospects display evidence of widespread copper-gold or gold-silver mineralization in three styles of mineralization: low-sulphidation epithermal (Dawn, Electrum); porphyry (Dry Pond); and, skarn (Dry Pond).

Dry Pond *(no previous drilling)*

The area has been previously staked and prospected for its skarn and porphyry potential, but no work was recorded in government assessment reports on the copper-gold showings discovered by Stealth in 2003.

Geology, structure, and mineralization

The Dry Pond prospect is located at the intrusive contacts of the Black Lake stock with two inliers of volcanic and sedimentary rocks of the Asitka Group. Porphyritic quartz monzonite and medium to coarse-grained equigranular hornblende granodiorite of the Duncan Lake stock underlie a 1,500 metre by 3,000 metre xenolithic slab of Asitka siltstone and mafic tuff that strikes westerly and dips gently to the northeast. Intrusive rock southeast and west of Dry Pond is quartz monzonite porphyry and hornblende granodiorite outcrops to the south and southwest of Dry Pond. A second, wedge shaped block of Asitka siltstone, tuff and minor limestone, 5,000 metres long, is intruded by felsic granitic dykes with a northwesterly trend. The northeastern contact of this Asitka block with Takla pyroxene basalt flows is a fault contact along the strike of the Saunders-Wrich fault. In the northern part of the property, Takla basalt is stratigraphically overlain by Toodoggone dacitic crystal tuff that is also dextrally offset by the Saunders fault. To the northwest along the Saunders-Wrich fault, the Toodoggone tuff underlying Cascadero's Dawn East property is also in fault contact with Takla basalt to the southwest on the Shastex property.

A group of three monzonite porphyry dykes, 20 to 60 metres wide, intrude marble, siltstone and mafic tuff of the Asitka Group 1,000 metres north of Dry Pond. Northeastern contacts of the northwest-striking and steeply dipping dykes are in reverse fault contact with their Asitka host rocks. The northernmost dyke is also in dextral strike-slip contact with Takla basalt across the Saunders-Wrich fault.

Asitka mafic tuff, well exposed in the canyon of Pond Creek draining Dry Pond, strikes northwesterly and dips moderately southwestward, and is cut by faults and fractures parallel to the dominant northwesterly trend of the dyke swarm and the Saunders fault, several of which are mineralized with quartz-pyrite-chalcopyrite.

In 2003, Stealth prospecting crews discovered quartz-magnetite-pyrite-chalcopyrite veins in silicified and sericitized quartz monzonite porphyry 500 metres west of Dry Pond. Veins are often enveloped by pink K-feldspar, and may be accompanied by a propylitic alteration assemblage of chlorite, epidote, clay and zeolite. Minor amounts of magnetite are disseminated in the wallrocks of veins. In a cirque southwest of the discovery zone, quartz monzonite is in contact with Asitka pale gray-green siltstone and blue-gray lithic tuff. Rosettes of tremolite occur on fractures in tuff. Veins follow a well defined set of fractures that strike at 100° to 130° and dip steeply southwest to vertically. The veins occur over an area 800 metres long by 250 metres wide that follows the plutonic Asitka contact south of Dry Pond.

A second zone of veins and mineralized fractures 250 metres wide strike 110° to 135° parallel to the first, from the north side of Dry Pond to a fault contact between quartz monzonite and Asitka tuff in the canyon of Pond Creek. Mineralized fractures in tuff in the canyon could be interpreted to extend this vein zone to the northeast another 1,000 metres in width. Veins are dominantly composed of quartz, pyrite and chalcopyrite, lesser molybdenite, and rare sphalerite and galena. Pink K-feldspar and epidote, and abundant disseminated pyrite accompany veins in tuff and siltstone. Veins in the northern part of this zone, in a southeastward flowing branch of Pond Creek, contain massive chalcopyrite and pyrite, and visible molybdenite in the pyritized contact zone of a monzonite porphyry dyke. Although largely obscured by overburden, scattered outcroppings indicate vein mineralization occurs over an area following the trend of the Asitka inlier of 1,500 metres by 1,500 metres.

A third mineralized zone is skarn and lesser veins in a body of marble near the northeastern contact of the wedge-shaped Asitka inlier. Skarn is developed at the contacts of monzonite and quartz monzonite dykes with marble. Most skarn exposures are associated with the middle member of a family of three dykes, over a strike length of 300 metres. Prograde skarn is an assemblage of pyrite, magnetite, chalcopyrite, and lesser sphalerite, bornite and galena with green diopside and orange to yellow-green garnet. Garnet and pyroxene are retrograde altered to brownish-green actinolite, epidote and chlorite. Sulphide-rich skarn is oxidized to limonite, pyrolusite and malachite-azurite. A second skarn zone in the Asitka inlier occurs 1,500 metres southeast of the first zone, in a lens of marble exposed on a ridge near the faulted off southeastern limit of the block. Mineralization is mainly quartz-pyrite-chalcopyrite in sheared marble adjacent to the Saunders fault.

Exploration results

Stealth Minerals conducted a geochemical sampling program during 2003.

A 4.5 metre trench at the discovery zone, west of Dry Pond, was cut with hand tools in quartz-sericite-pyrite altered quartz monzonite porphyry, with disseminated magnetite. Samples from the trench returned 0.34% copper, 2.93 g/t silver and 0.22 g/t gold with anomalous molybdenum, lead and zinc.

Rock outcrop samples of interest include:

- #133485: copper 2.11%, silver 25.1 g/t, gold 144.4 ppb;
- #133502: copper 0.96%, silver 30.8 g/t, gold 220.4 ppb;
- #132164: molybdenum 176 ppm, copper 5.44%, silver 66.7 g/t, gold 26.1 ppb;
- #132169: copper 2.29%, zinc 0.05%, silver 54 g/t, gold 115.2 ppb.

Chip samples in various areas assayed as follows:

- #132076: molybdenum 84.3 ppm, copper 0.12%, lead 0.57%, zinc 0.36%, silver 40.4 g/t, gold 0.15g/t over 2 metres;
- #132079: molybdenum 10.6 ppm, copper 0.014%, lead 0.37%, zinc 0.28%, silver 207 g/t, gold 0.05 g/t over 2 metres.

In the Main Creek zone, below the junction with Pond Creek, 3 select grab samples of massive chalcopyrite veins assayed:

- 5.7% copper and 91 g/t silver;
- 5.7% copper and 60 g/t silver;
- 1.8% copper, 25.7 g/t silver and 0.19% molybdenum.

A quartz monzonite porphyry phase of the Duncan Lake pluton contains porphyry-style copper-silver-gold-molybdenum mineralization below, to the north, and to the east of its contact with an inlier of Asitka siltstone and mafic tuff. The mineral and alteration mineral assemblages resemble those occurring in plutons of the Black Lake Suite elsewhere in the Toodoggone region. Significant assays in copper, gold and silver have been recorded that occur within an extensive zone of fracturing, and support the interpretation of significant porphyry copper-gold mineralization nearby.

The best rock assay from skarn outcrop returned 14 g/t gold and 1,014 g/t silver. Most of the skarn outcrop samples returned values below 1 g/t gold and low values in silver.

Planned program

Cascadero plans a program of prospecting, geological mapping and induced polarization geophysics. Wherever possible, excavator trenching will be conducted in areas of mineralization in order to map the structures to determine the controls of the mineralization. The objective of the exploration program is to elevate the prospect to drill status for the 2005 field season. The property has not been subject to previous drilling.

Electrum, Beaverdam, and Mina de Ray *(all previously drilled)*

The claim area was originally staked in 1973 by Amax Exploration, who carried out 23 line-km of magnetic surveys, geochemical soil sampling and geological mapping. The Electrum, Beaverdam, Mina de Ray and several new showings in surface outcrop represent discreet showings within an area roughly 4 km by 4 km. The area adjoins the VIP prospect to the west.

During 1986 Asitka Resource Corp. conducted airborne magnetic surveys, which were followed by detailed soil sampling, magnetic and VLF surveys.

Skylark Resources Ltd. optioned a portion of these properties from Asitka Resource Corp. in 1987 and carried out regional geological mapping, prospecting, and rock, soil and silt geochemical sampling. Skylark also conducted a diamond drill program of 22 holes and 92 percussion drill holes. The properties were subsequently acquired by Electrum Resource Corp. and were included in the Joint Venture Agreement between Electrum and Stealth Minerals.

Geology, structure, and mineralization

The Electrum, Beaverdam and Mina de Ray prospects are underlain by dacitic crystal and lapilli tuff of the Toodoggone Formation. The tuff is in fault contact with the Black Lake stock and the Takla Assemblage to the southwest across the Saunders Wrich fault. In several zones of the Electrum prospect, quartz crystal lapilli tuff is altered by chlorite and epidote and is maroon in colour. Electrum and argentite, with minor base metal sulphide, occur in quartz-chalcedony breccia, and quartz, and ealcite veins. Mineralized structures appear within northwest trending shear and fault zones, offset along northeast trending faults

Pyrite, ohalcopyrite, galena and sphalerite are either absent from chalcedony and quartz filled structures, or present in very minor amounts. Argillic alteration accompanies shear and fracture-hosted mineralization.

On surface, the Electrum zone is 1 to 5 metres in width and up to 75 metres long, and strikes northwest and dips steeply to the east. The Beaverdam property, immediately east of the Electrum zone, has similar mineralization and alteration, but with higher pyrite content of 2% to 5%, in quartz vein breccia. The Mina de Ray zone is a 5-metre wide banded quartz-chalcedony breccia that strikes northwest.

Several structurally controlled quartz-chalcedony breccia zones with argentite and electrum were intersected in drill holes in a 25 by 25 metre grid. The best drill interval (DD88-16) returned 4.90 g/t gold and 459.62 g/t silver over 2.40 metres at a depth of 50 metres. Drill holes conducted on the Beaverdam zone failed to intersect any significant values. A percussion drilling program designed to sample overburden and the first 10 feet of bedrock located several areas of elevated gold-silver values over a large area that encompassed parts of all three zones. A six drill hole program was conducted on the Mina de Ray outcrop area and returned an average of 93 ppb gold over a 250 metre width. One hole in the Mina de Ray showing returned a narrow interval that assayed 1.03 g/t gold and 51.5 g/t silver.

Exploration results

Geochemical sampling on the Electrum-Beaverdam-Mina de Ray area was conducted in 1986 and 1987 by Asitka Resource Corp and in 1988 and 1989 by Skylark Resources Ltd.

In 1986 Asitka collected 196 soil samples and 16 rock samples in the south-central part of the area. Three clusters of copper values between 100 and 660 ppm were associated with anomalous silver values up to 1.4 g/t and arsenic values up to 188 ppm. Only scattered gold anomalies of up to 80 ppb were detected. Quartz-cemented breccia in outcrop contained anomalous gold, up to 170 ppb, and silver, up to 1.7 ppm.

In 1987 Asitka collected a total of 99 rock and soil samples. Gold, arsenic and lead were anomalous but were generally single data points and may not be statistically important.

During 1988 Skylark collected 93 rock samples and 232 soil and silt samples from a grid located in the central-northeastern part of the claims. Regional prospecting and stream silt sampling led to the discovery of two silicified quartz-chalcedony vein systems, 70 metres apart, in the Beaverdam area. The "West Zone" was traced by soil sampling, hand trenching, and boulder tracing. Assays up to 0.107 oz/ton gold (3.67 g/t) were obtained from a trench 1.1 metre wide on the discovery showing, located about 30 metres north of the main Electrum zone on the south side of Beaverdam Creek. This area was the focus of subsequent diamond drilling.

In 1988, Skylark also conducted a drilling program in the Electrum-Beaverdam zone consisting of 22 NQ diamond drill holes totaling 1,903 metres. In 1989, Skylark drilled a further 92 percussion holes, totaling

1,974 metres. The following table summarizes drilling results from the Skylark programs in 1988 and 1989.

Electrum Hole	From (m)	To (m)	Width (m)	Au (g/t)	Ag (g/t)
88-2	22.5	27.2	4.7	2.95	263.42
88-3	27.5	28.2	0.7	7.85	149.89
88-4	42.0	43.0	1.0	4.39	200.31
88-6	76.0	77.0	1.0	1.72	164.64
88-8	63.8	65.8	2.0	4.76	200.71
88-9	49.0	51.0	2.0	3.80	209.92
88-16	61.6	64.0	2.4	4.90	459.62
Mina de Ray	**From (ft)**	**From (ft)**	**Width (ft)**	**Au (g/t)**	**Ag (g/t)**
APH-70	0.0	10.0	10.0	0.43	21.1
APH-71	90.0	100	10.0	0.47	49.6
APH-71	150	160	10.0	0.45	12.4
and	160	170	10.0	1.03	51.5
APH-72	130	170	40.0	0.17	14.8
Electrum	**From (ft)**	**From (ft)**	**Width (ft)**	**Au (g/t)**	**Ag (g/t)**
APH-80	10.0	20.0	10.0	1.03	4.9

During 2003 Stealth Minerals conducted a drill program consisting of three holes totaling 613 metres on the Electrum property.

- Drill hole E03-01 intersected two sections of one and two stage epithermal style chalcedonic silica breccia. The intervals returned 20.3 g/t silver and 0.23 g/t gold over 11.0 metres from 91.5-102.5 metres. The maximum value in the interval was 64.3 g/t silver and 0.77 g/t gold over 1.0 metre. The second zone, from 111.0 metres to 119.6 metres, returned 6.0 g/t silver and 0.05 g/t gold over 8.6 metres.

- Drill hole E03-02 intersected a similar package of propylitic and argillic-altered dacite fragmental rocks. Again two separate zones of veining were intersected. The top zone returned values of 14.3 g/t silver and 0.18 g/t gold over 1.0 metre from 77.0- 78.0 metres. The lower zone returned 12.4 g/t silver and 0.21 g/t gold over 2.5 metres from 84.4-86.9 metres.

- Drill hole E03-03 intersected moderately propylitically altered dacite fragmental rocks and minor shearing and chalcedonic veining which returned anomalous values of 0.3-1.5 g/t silver and 0.03 g/t gold.

The drilling on the Electrum zone has indicated the presence of at least two separate, probably en-echelon structurally controlled veins that exist within a structural ladder-type zone trending north-northeast between the northwest trending Saunders-Wrich fault and a similar fault to the southeast. Alteration consists of early propylitic alteration (epidote) cut by polypbase banded quartz veins rimmed by adularia selvages. The style of mineralization is evident a further 300 metres southeast from the Electrum prospect, and east of the Beaverdam prospect, where a 2003 sample from surface outcrop assayed 67 g/t gold. Additional zones may occur between and peripherally to these zones, and to the north as indicated by the percussion drilling anomalies.

Diamond drilling has revealed encouraging gold and silver values in a significant structural zone over a large area. The drilling has extended the known mineralized zone, improved the structural interpretation

of the mineralization, and has permitted interpretation of textures and mineralogy as typical of the upper part of a low-sulphidation epithermal system.

In 2003, Stealth also conducted ground based prospecting in the Electrum area. Prospecting discovered several new areas such as an outcrop sample that assayed 80 g/t gold approximately 1,500 metres northeast of all previously identified mineralization.

Historic exploration and drilling programs support the view that there is a large hydrothermal mineralizing system present that may contain significant gold and silver values in discreet structurally controlled zones. The area is structurally complex but is prospective for low-sulphidation gold and silver deposits.

Planned program

Cascadero does not presently plan to conduct any drilling on the Electrum, Beaverdam, or Mina de Ray prospects. Cascadero plans to continue the ground based prospecting initiated by Stealth and to conduct geological mapping in these areas. Future programs consisting of geophysics and geologic mapping are required to elevate the area to drill status. Drilling will also be contingent on the identification of structurally permissive areas and more evidence of gold and silver mineralization in outcrop.

Dawn *(previously drilled)*

The Dawn prospect is located at the northwest corner of the Cascadero property. Between 1985 and 1988, Esso Minerals conducted a program consisting of geological mapping, sampling and two short drill holes. No further work is recorded on the Dawn prospect until it was staked by Stealth Minerals in 2002. Stealth Minerals compiled the historic data and conducted a surface prospecting, sampling, PIMA, and mapping program in 2003. The Dawn prospect is likely an extension of the same vein set within a similar geological setting that hosts the mineralization in the adjacent Shasta mine workings to the northwest, now under exploration and development by Sable Resources. The results of Stealth's work in 2003 are encouraging and the prospect is believed to have significant epithermal gold and silver resource potential, especially at depth and below the level of the historic Esso drilling.

Geology, structure, and mineralization

The Dawn prospect is underlain by Triassic Takla formation subaqueous mafic to intermediate rocks, and by Jurassic Toodoggone formation subareal dacitic volcanic rocks, intruded by elements of the lower Jurassic granodiorite-monzonite intrusive Black Lake Suite. The volcanic rocks are in fault contact at the Saunders Fault along the northwesterly axis of the claims. This regional scale fault is traceable for 15 kilometres to the northwest and 25 kilometres to the southeast from the Dawn. The fault is a major northwest trending mineralizing structure parallel and adjacent to the western margin of the mineral rich Toodoggone Jurassic volcanic arc. This portion of the Toodoggone arc is host to developed, producing and past producing epithermal precious metal deposits such as Shasta, Baker, Lawyers and Al, as well as large scale gold copper porphyry deposits such as the currently operating Kemess South mine and the developed copper-gold deposit at Kemess North.

On the east side of the Saunders fault, Toodoggone pyroclastic rocks are weakly propylitized and cut by steep shear zones hosting vuggy silica and illite at higher elevations. At lower elevations in the stratigraphy, structurally controlled silica and stratigraphically controlled argillic and locally advanced argillic alteration are present. The clay dominant minerals, as determined by PIMA, are dickite and muscovite. Alunite was not commonly present. The stratigraphically controlled pervasive clay alteration is restricted to a coarse lapilli tuff and layers of massive grey dickite that lie horizontally across the hill up

to 1.5 metres thick. The faulted contact between the Toodoggone volcanics on the east and primarily Takla volcanics on the west is marked by a series of gossans containing limonite with muscovite, kaolinite and dickite. Quartz and carbonate veins host most of the known precious metal mineralization adjacent to and to the west of the Saunders fault. These structurally controlled quartz and quartz-carbonate veins contain barite, pyrite, sphalerite, galena with associated precious metal values. The area has very poor outcrop exposure out of the cirque walls west of the fault.

Exploration results

In 2003, Stealth collected and assayed 114 rock samples. Assay values ranged from less than 0.01 g/t to 1.66 g/t gold, and from less than 0.01 to 149.1 g/t silver. The geochemical results support the structural interpretation that two sub-parallel northwest trends of anomalous gold and silver occur. One is approximately 600 metres in length to the southwest, and a second near Shastex Peak, is approximately 2,500 metres in length. Both occur within Takla Group andesite in proximity with the regional Saunders fault. Copper, lead and zinc values occur with gold and silver around Shastex Peak. Barium values occur along Shastex ridge to north, and anomalous mercury values occur within the Toodoggone Formation to the northeast of the Saunders fault within intermediate to advanced argillic alteration.

Planned program

Stealth's prospecting, mapping and sampling has established that the structures that host the mineralization at the adjoining Shasta mine to the northwest extend through the Dawn prospect for at least 2,500 metres. The evidence of favourable structures, surface mineralization and the nature and style of alteration assemblages at the Dawn prospect suggest that is has potential to host significant gold and silver mineralization. Cascadero plans a program of excavator trenching on the areas of known mineralization in outcrop and detailed geological sampling and mapping. The objective is to elevate the prospect to drill status for the 2005 field season.

USE OF PROCEEDS

The proceeds from the Offering will be used for exploration of the Cascadero mineral claims, to pay the costs of the Offering, to pay general administrative expenses, and to provide working capital.

Available Funds

The following table shows the estimated available funds for Cascadero following completion of the Offering, assuming that the Offering is fully subscribed, but excluding any proceeds from the Over-Allotment Option, the Agent's Option, or any exercise of the Unit Warrants.

Source	Amount
Working capital as at June 30, 2004	$235,000
Net Offering proceeds	$5,577,500
Total Available Funds	$5,812,500

Principal Purposes

The following table shows the principal purposes for which Cascadero plans to use its available funds.

Purpose	Amount
Drilling program and exploration	
Pine prospect – drilling (10 holes, 4,000 m)	$640,000
Mex prospect – drilling (6 holes, 2,400 m)	$432,000
10K prospect – drilling (5 holes, 1,500 m)	$240,000
Wrich Hill prospect – drilling (3 holes, 1,200 m)	$192,000
McAburn Creek prospect – drilling (2 holes, 800 metres)	$128,000
Pine North prospect – drilling (2 holes, 600 m)	$108,000
Ryan Creek prospect – drilling (2 holes – 600 m)	$108,000
Tree prospect – drilling (2 holes – 800 m)	$128,000
Geophysics-Wrich Hill and 10K prospects	$200,000
Drill target development – remaining prospects	$300,000
Road and base camp infrastructure	$220,000
Sub-total	$2,696,000
General and Administrative expenses (12 months)	$500,000
Balance of Offering costs (estimated)[1]	$150,000
Unallocated working capital	$2,466,500
Total use of funds	$5,812,500

(1) Excludes $75,000 advance paid to the Agent prior to the date of this prospectus.

Any funds received from the exercise of the Over-Allotment Option, the Agent's Option, or the Warrants will be added to Cascadero's working capital.

Cascadero's unallocated working capital will be available for further exploration work on the Cascadero claims, if the results of the program described above warrant additional exploration work. If those funds are not utilized for additional exploration work on the Cascadero claims, they will be available for the acquisition, exploration, or development of additional mining properties.

Cascadero expects that even if only the minimum Offering is completed, the proceeds from the Offering will be sufficient to complete the exploration program described above. However, if Cascadero is unable to conduct the full exploration program described above, Cascadero's available funds will be utilized according to the following priorities:

- Payment of Offering costs and general and administrative expenses; and
- Exploration programs on the Pine, Mex, and Wrich Hill prospects.

SELECTED FINANCIAL INFORMATION

Cascadero has not completed a fiscal year. Up to May 31, 2004, the date of the financial statements attached to this prospectus, Cascadero has also not conducted material business transactions other than the acquisition of its mineral claims from Stealth Minerals Limited and the issuing of private placement shares.

The following table gives the balance sheet of Cascadero:

- as at May 31, 2004, the date of the audited financial statements attached hereto; and
- on a pro forma basis, including the acquisition of the Stealth mineral claims.

	May 31, 2004	**Pro Forma**
Assets		
Cash and cash equivalents	$235,004	$235,004
Prepaid expenses	$74,996	$74,996
Mineral Property Costs -		$6,295,586
Total Assets	$310,000	$6,605,586
Liabilities		
Current liabilities	$9,999	$9,999
Total liabilities	$9,999	$9,999
Shareholders' Equity		
Common shares	$300,001	$6,595,587
Total liabilities and Equity	$310,001	$6,605,586

The pro forma Mineral Property Costs shown above were determined in accordance with the Property Transfer Agreement dated May 10, 2004 between Cascadero and Stealth Minerals Limited. The Property Transfer Agreement provided that the purchase price for mineral claims transferred by Stealth (which did not represent all of the claims owned by Stealth) would be equal to 60% of the total Mineral Property Costs of Stealth to May 10, 2004, as shown on the books and records of Stealth. The Property Transfer Agreement further provided that the purchase price would be paid and satisfied by the issuance of 21,000,000 common shares of Cascadero to Stealth Minerals Limited.

The total Mineral Property Costs of Stealth Minerals Limited up to May 10, 2004, and the 60% allocation to the purchase price of the mineral claims transferred to Cascadero, were as follows:

Item	Mineral Property Costs of Stealth Minerals Ltd. ($)	60% Allocated to Purchase Price ($)
Acquisition cost		
Cash	$665,000	$399,000
Shares	$5,076,520	$3,045,912
Exploration costs	$4,751,124	$2,850,674
Total	$10,492,644	$6,295,586

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULT OF OPERATIONS

The only material transactions conducted by Cascadero up to May 31, 2004, the date of the financial statements attached to this preliminary prospectus, were the following:

- On May 31, 2004, Cascadero issued 3,000,000 shares to Stealth Mineral Limited at a price of $0.10 per share, to obtain initial working capital.

- Cascadero has paid $75,000 to the Agent, as an advance against expenses of the Agent in connection with the Offering, and the corporate finance fee to be charged by the Agent in connection with the Offering and the listing of Cascadero's shares on the Exchange.

In addition, on July 14, 2003, Cascadero completed the acquisition of its mineral claims from Stealth Minerals Limited pursuant to a Property Transfer Agreement dated May 10, 2004. In consideration for the transfer, Cascadero issued 21,000,000 common shares to Stealth. The Property Transfer Agreement specified that the agreed value of the shares would be equal to 60% of the total Mineral Property Costs incurred by Stealth up to May 10, 2004. In accordance with that agreement, Cascadero has recorded Mineral Property Costs in the amount of $6,295,586, and a similar amount as stated capital in respect of the shares issued to Stealth. This amount does not reflect cash expenditures by Cascadero. It reflects the value attributed to the 21,000,000 common shares issued to Stealth.

The issuance of 3,000,000 shares to Stealth and the payment to the Agent, as described above, were completed prior to May 31, 2004, and are reflected in the audited financial statements of Cascadero as at May 31, 2004, as attached to this prospectus. Completion of the Property Transfer Agreement occurred subsequent to May 31, 2004, and is included in the pro forma financial statements attached to this prospectus.

DIVIDEND POLICY

Cascadero has never declared or paid cash dividends on any of its shares, and does not expect to do so in the foreseeable future.

DESCRIPTION OF SECURITIES TO BE DISTRIBUTED

Units

Each Unit consists of one Unit Share and one half Warrant. The Unit Shares are common shares in the capital of Cascadero.

Common shares

The holders of common shares are entitled to receive notice of, attend, and vote at all meetings of Cascadero shareholders. The common shares carry one vote per share. All common shares participate equally in any winding up or dissolution, subject to the rights of any senior securities (of which none have been issued up to the date of this prospectus). The holders of common shares are entitled to receive dividends if, as, and when declared by the Cascadero board of directors. The common shares carry no pre-emptive rights, conversion rights, redemption provisions, sinking fund provisions, or liability to further calls or assessment. There are no restrictions on the ability of Cascadero to issue additional common shares, except as may be imposed by applicable securities laws or regulatory authorities. There are no restrictions on the repurchase or redemption of the common shares by Cascadero, except under applicable securities laws and to the extent that any such repurchase or redemption would render Cascadero insolvent.

Warrants

Each whole Warrant entitles the holder to purchase one common share for a period of two years following closing of the Offering, at a price of $0.70 per share in the first year or $0.80 during the second year.

In addition, the Warrants provide for adjustment to the exercise price of the Warrants, and for the number of Warrant Shares to be issued pursuant to the Warrants, in specified circumstances, such as a consolidation or subdivision of shares, a rights offering by Cascadero, or an amalgamation with another company.

Flow-Through Shares

The Flow-Through Shares are common shares of Cascadero in respect of which Cascadero has agreed to use its best efforts to renounce in favour of subscribers Canadian Exploration Expenses, as defined in the *Income Tax Act* (Canada), in an amount equal to the gross proceeds of the sale of Flow-Through Shares.

The subscription agreement which investors must execute to subscribe for Flow-Through Shares provides that by December 31, 2004, Cascadero will use its best efforts to incur and renounce in favour of the subscriber Canadian Exploration Expenses which qualify as flow-through mining expenditures in an amount equal to the purchase price of the Flow-Through Shares. Additional information is contained under "Canadian Income Tax Considerations". In all other respects, the attributes of Flow-Through Shares are the same as for common shares, as described above.

CANADIAN INCOME TAX CONSIDERATIONS

In the opinion of Thorsteinssons, tax counsel to Cascadero, the following is a summary of the principal Canadian federal income tax consequences applicable to a purchaser who acquires Units or Flow-Through Shares in the Offering.

This summary is based upon the current provisions of the *Income Tax Act* (Canada) (the "Tax Act"), the regulations thereunder, any proposed amendments to the Tax Act or regulations previously announced by the Federal Minister of Finance to the date of this prospectus, and counsel's understanding of the current administrative and assessing policies of the Canada Customs and Revenue Agency ("CCRA"). This summary does not otherwise take into account or anticipate any changes to the law or administrative practice, whether by way of judicial, governmental, or legislative decision or action, nor does it take into account provincial, territorial, or foreign tax legislation or considerations.

This summary is applicable only to investors who are resident in Canada, who deal at arm's length with Cascadero and are not affiliated with Cascadero, and who will hold their Flow-Through Shares and Units as capital property. Provided that an investor does not hold such securities in the course of carrying on a business and has not acquired such securities as an adventure in the nature of trade, such securities will generally be considered to be capital property to the investor. Depending on the investor's particular circumstances, the Unit Shares and Warrant Shares may also be deemed to be capital property where the election in subsection 39(4) of the Tax Act has been made by a Canadian resident eligible to make such election. The Flow-Through Shares are not eligible for the election permitted under subsection 39(4) of the Tax Act.

This summary is not applicable to an investor that is a partnership, a financial institution as defined in subsection 142.2(1) of the Tax Act or a "principal business corporation" within the meaning of subsection 66(15) of the Tax Act, or whose business includes trading or dealing in rights, licenses or privileges to explore for, drill for, or take minerals, petroleum, natural gas or other related hydrocarbons.

This summary is of a general nature only and is not intended to be, nor should it be construed to be, legal or tax advice to any particular investor. **Accordingly, each investor should consult the investor's own tax advisors regarding the income tax consequences of acquiring Units and Flow-Through Shares with respect to the investor's own particular circumstances.**

This summary is based upon the following representations and covenants provided by Cascadero in the Agency Agreement:

- Cascadero is and will continue to be at all relevant times a "principal-business corporation" within the meaning of subsection 66(15) of the Tax Act;

- the Flow-Through Shares will not be "prescribed shares" as such term is defined for the purposes of the definition of "flow-through shares" in the Tax Act;

- Cascadero will make all necessary filings in respect of the issue of the Flow-Through Shares and the renunciation of Canadian exploration expenses (as defined below) in the manner and within the time required by the Tax Act and the Regulations; and

- Cascadero will incur and renounce to investors Canadian exploration expenses (as defined below) in an amount equal to the subscription proceeds from the Flow-Through Shares no later than March 31, 2005*-date correct?.

Canadian Exploration Expense and Flow-Through Shares

Cascadero may, in certain circumstances, renounce Canadian exploration expenses or "CEE" to investors in respect of their Flow-Through Shares provided that such shares are "flow-through shares" for purposes of the Tax Act. CEE is defined in subsection 66.1(6) of the Tax Act to include certain expenses incurred for the purpose of determining the existence, location, extent or quality of a mineral resource in Canada. A "flow-through share" is a share of a "principal business corporation" (other than a prescribed share) that is issued to a person under a written agreement under which the corporation agrees to, among other things, incur and renounce CEE.

Cascadero may renounce to an investor CEE that it incurs in the period that begins on the day a Flow-Through Agreement is made and ends 24 months after the end of the month in which the agreement is made effective on a date on or after which such CEE is incurred. Such CEE as are properly renounced by

Cascadero to an investor will be deemed to have been incurred by the investor on the effective date of the renunciation.

Notwithstanding the foregoing, the Tax Act permits Cascadero to make a renunciation by March 31 of a calendar year in respect of certain CEE which Cascadero plans to incur or has incurred in the calendar year and such renunciation will be effective as of December 31 of the previous calendar year. In the event that Cascadero fails to incur, in *date, CEE equal to the amount of CEE renounced to investors in January, February or March of *date effective December 31, *date, Cascadero will be required to pay interest to the federal government for the period before May *date on any increase in income tax payable as a result of such adjustment.

An investor who does not claim any deduction in respect of any CEE deemed to be incurred by the investor adds any such CEE to the investor's cumulative Canadian exploration expenses ("CCEE") account. In computing income for tax purposes from all sources for a taxation year, an investor may deduct up to 100 per cent of the investor's CCEE account at the end of that taxation year. An investor may generally carry forward indefinitely any portion of the investor's undeducted CCEE account and may deduct the amount of such CCEE account against the investor's income for subsequent taxation years.

An investor who is an individual (other than a trust) and who holds Flow-Through Shares will be entitled to a non-refundable investment tax credit equal to 15 per cent of a "flow-through mining expenditure" renounced to the investors. A "flow-through mining expenditure" is defined to include certain CEE incurred in mining exploration. The investment tax credit may be deducted in accordance with the detailed rules in the Tax Act against tax payable under the Tax Act in the taxation year in which the flow-through mining expenditure is incurred or carried back three years and forward ten years.

The CCEE account of an investor is reduced by the amount deducted by the investor in prior years in respect of the investor's CCEE account. An amount equal to any investment tax credit claimed in a taxation year in respect of a flow-through resource expenditure will be deducted from the investor's CCEE account at the beginning of the taxation year following deduction of the tax credit and subsequent to the CEE being incurred.

If at the end of a taxation year of an investor, the reductions in calculating the investor's CCEE account exceed the additions thereto, the excess must be included in computing the investor's income for that year and the investor's CCEE account will then have a nil balance. The sale or other disposition of Flow-Through Shares, of itself, will not result in the reduction of any investor's CCEE account.

Adjusted Cost Base

For purposes of computing the investor's capital gain and capital loss on the disposition of Flow-Through Shares, the cost to the investor of the Flow-Through Shares is nil. The cost of an investor's Unit Shares and Warrant Shares must be averaged with the cost of any other common shares of Cascadero which are not Flow-Through Shares to determine the adjusted cost base of the investor's Unit Shares and Warrant Shares, for purposes of determining the investor's capital gain or capital loss on the disposition of Unit Shares or Warrant Shares. Additional information on the tax treatment of capital gains and losses is contained below under "Capital Gains and Losses".

Capital Gains and Losses

An investor's capital gain (or capital loss) from the disposition of any capital property is calculated as the amount by which the investor's proceeds of disposition exceed (or are less than) the aggregate of the investor's adjusted cost base of the property disposed of and any reasonable outlays or expenses incurred to make the disposition. The investor's taxable capital gain (or allowable capital loss) is one-half of this

amount. The investor must include any such taxable capital gains realized in that same taxation year. Subject to the detailed rules contained in the Tax Act, any unused allowable capital loss may generally be applied to reduce net taxable capital gains realized by the investor in the three preceding and in all subsequent taxation years.

Recognition of capital losses otherwise realized may be denied where arising in various circumstances set out in the Tax Act, including transactions involving "affiliated persons". In certain cases, the amount of any capital loss realized on the disposition or deemed disposition of a share may be reduced by the amount of dividends received or deemed to have been received on the share by an investor that is a corporation to the extent and under the circumstances prescribed by the Tax Act. Similar rules may apply where a corporation is a member of a partnership or a beneficiary of a trust that owns the shares or where a trust or partnership of which a corporation is a beneficiary or a member is a member of a partnership or a beneficiary of a trust that owns the shares.

An investor that is a Canadian-controlled private corporation is subject to an additional refundable tax of 6 2/3 per cent on the lesser of any such corporation's: (i) "aggregate investment income" (including taxable capital gains); and (ii) taxable income (less any amount claimed in respect of the small business deduction) for the year. This additional tax will be refunded to the investor at the rate of $1 for every $3 of taxable dividends paid while it is a private corporation.

Alternative Minimum Tax

The Tax Act provides that tax payable for a year by individuals (including certain trusts) is the greater of the tax otherwise payable under the Tax Act without regard to any federal surtax and an alternative minimum tax determined by reference to the amount by which the taxpayer's "adjusted taxable income" for the year exceeds the investor's basic exemption which, in the case of an individual, other than certain trusts, is $40,000. In calculating the taxpayer's adjusted taxable income, certain deductions and credits otherwise available are disallowed or restricted and certain amounts not other wise included are included. For these purposes, 80 per cent of net capital gains is included. Deductions in respect of CCEE are generally limited to the amount of the taxpayer's resource profits. Carrying charges incurred by an investor for Flow-Through Shares may be disallowed for these purposes.

A federal tax rate of 16 per cent is applied to the amount subject to minimum tax, from which the individual's "basic minimum tax credit for the year" is deducted. Included in the basic minimum tax credit are certain specified personal and other credits available to an individual under the Tax Act as deductions from tax payable for the year but not the investment tax credit. Generally, if the minimum tax so calculated exceeds the tax otherwise payable under the Tax Act, the minimum tax will be payable.

Whether and to what extent the tax liability of a particular individual investor will be increased by these provisions will depend on the amount of the investor's income, the sources from which it is derived and the nature and amounts of any deductions the investor claims. Any additional tax payable for a year as a result of the application of the alternative minimum tax will be deductible in any of the seven following taxation years in computing the amount that would, but for the alternative minimum tax, be the taxpayer's tax otherwise payable for such year.

CAPITALIZATION

The following table shows the capitalization of Cascadero as at May 31, 2004, and after giving effect to the following transactions:

- completion of the acquisition of mineral claims from Stealth Minerals Limited; and

- completion of the Offering (both as fully subscribed and according to the minimum Offering).

Designation of Security	Authorized	Outstanding as at May 31, 2004 (audited)	Outstanding after giving effect to the Offering	
			Minimum	Maximum
Common shares	Unlimited	$300,001 (3,000,001 shares)	$10,367,587 (31,000,001 shares)	$12,173,087 (34,250,001 shares)

OPTIONS TO PURCHASE SECURITIES

Concurrently with the closing of the Offering, Cascadero intends to grant options to purchase 6,850,000 shares as follows:

Optionees	Number of Shares	Exercise Price
Individuals who are directors and executive officers (2)	2,400,000	$0.50 per share
Directors who are not executive officers (4)	2,200,000	$0.50 per share
Officers who are not directors (1)	600,000	$0.50 per share
Employees (3)	550,000	$0.50 per share
Consultants (2)	1,100,000	$0.50 per share

The options will be granted pursuant to Cascadero's Stock Option Plan 2004 (the "Plan"). All of the options will expire five years following the closing of the Offering, unless earlier terminated in accordance with the Plan or the provisions of applicable stock option agreements.

The number of options included in the above table was determined on the assumption that the maximum Offering will be completed, and that the number of common shares of Cascadero issued and outstanding on completion of the Offering will be 34,250,001. If the maximum Offering is not completed, such that policies of the TSX Venture Exchange do not permit Cascadero to grant all of the options listed above, the number of options granted to each optionee will be reduced on a pro rata basis.

The purpose of the Plan is to attract, retain and motivate management, staff and consultants by providing them with the opportunity, through share options, to acquire a proprietary interest in Cascadero and benefit from its growth. Options under the Plan are non-assignable and may be granted for a term not exceeding that permitted by the regulatory authorities having jurisdiction, currently five years under Exchange policies.

Other material aspects of the Plan are as follows:

- The maximum number of shares reserved for issuance under the Plan is 6,850,000 common shares. This amount was set as 20% of the number of common shares which Cascadero expects to have outstanding on completion of the Offering, on the assumption that the maximum Offering is completed. Policies of the Exchange provide that the number of shares reserved for issuance under the Plan cannot exceed 20%. Accordingly, the Plan provides that if fewer than 34,250,000 shares are issued and outstanding on completion of the Offering, the number of shares reserved for issuance under the Plan will be automatically reduced to 20% of the number of shares issued and outstanding on completion of the Offering.

- Following the termination of an optionee's employment, directorship or consulting agreement, the optionee's option shall terminate upon the expiry of such period of time following

termination, not to exceed 90 days, or 30 days in the case of persons providing investor relations services, as has been determined by the directors.

- Options under the Plan will terminate one year following the death of an optionee or termination of an optionee's position with Cascadero due to disability.

- The total number of shares which may be reserved for issuance to any one person, whether granted pursuant to the Plan or otherwise, shall not exceed 5% of the total number of issued and outstanding common shares from time to time.

- Options issued to any single consultant during a 12 month period can not exceed 2% of the issued and outstanding shares of Cascadero.

- As long as the shares of Cascadero are listed only on the Exchange, exercise prices for options granted under the Plan will comply with Exchange rules governing option exercise prices.

- Any amendment of the terms of an option shall be subject to any required regulatory approvals.

- In the event of a reorganization of Cascadero or the amalgamation, merger, or consolidation of the shares of Cascadero, the Cascadero board of directors shall make such appropriate provision for the protection of the rights of the optionee as it may deem advisable.

As the number of shares authorized for issuance under the Plan is expected to exceed 10% of the issued and outstanding shares of Cascadero following the Offering, the options described above will be subject to vesting period schedules in accordance with policies of the TSX Venture Exchange. Each of the options will vest over a period of 18 months following closing of the Offering, with 25% of each option vesting on closing of the Offering, and further tranches of 25% vesting six, nine, and eighteen months following closing of the Offering.

PRIOR SALES OF SECURITIES

Cascadero has issued the following shares.

- On October 30, 2004, Cascadero issued one initial share to Stealth Minerals Limited for $1.00.

- On May 31, 2004, Cascadero issued 3,000,000 common shares to Stealth Minerals Limited for total consideration of $300,000.

- On July 14, 2004, Cascadero issued 21,000,000 common shares to Stealth Minerals Limited pursuant to a Property Transfer Agreement dated May 10, 2004. The shares were issued in consideration of the transfer to Cascadero of the Cascadero mineral claims. The Property Transfer Agreement provided that completion of the transaction was subject to approval thereof by a special resolution of the shareholders of Stealth. Stealth received that approval at a shareholders' meeting held June 17, 2004.

ESCROWED SECURITIES

All of the shares held by Stealth Minerals Limited will be subject to escrow in accordance with National Policy 46-201. The following table shows the shares that will be held in escrow.

Name and Munieipality Of Shareholder	Designation of Security	No. Held in Escrow	Percentage of Class[(1)]
Stealth Minerals Limited Toronto, ON	Common shares	24,000,001	70.1%

(1) Calculated on the assumption that the maximum Offering will be completed, and that there will be 34,250,001 common shares issued and outstanding on completion of the Offering.

In accordance with National Policy 46-201, the principal terms of the escrow will be as follows:

- 10% of the escrow shares will be released from escrow upon closing of the Offering.
- The remaining escrow shares will be released in 6 tranches of 15% every six months following closing of the Offering.
- While in escrow, none of the escrow shares can be transferred, either directly or indirectly through a change in control of a holding company, without the consent of the Exchange.
- If Cascadero is elevated to the status of a Tier 1 issuer on the Exchange at any time, release of the escrow shares will be accelerated in accordance with Exchange policies.

Cascadero will enter into an Escrow Agreement containing the above terms with Computershare Trust Company of Canada, as escrow holder, concurrently with the completion of the Offering.

PRINCIPAL SHAREHOLDERS AND PROMOTERS

Stealth Minerals Limited is currently the sole shareholder of Cascadero, and also a promoter of Cascadero.

Stealth Minerals Limited owns 24,000,001 common shares of Cascadero. If the Offering is fully subscribed, the shares owned by Stealth will constitute approximately 70.1% of the issued and outstanding shares of Cascadero following the Offering, exclusive of any shares to be issued pursuant to the Over-Allotment Option, the Agent's Option, or the Unit Warrants. If only the minimum Offering is completed, the shares owned by Stealth will constitute approximately 77.4% of the issued and outstanding shares of Cascadero following the Offering.

Stealth Minerals is a public company whose shares trade on the TSX Venture Exchange. To the best of the knowledge of Stealth, no person owns or controls 20% or more of the issued and outstanding shares of Stealth. No shares of Stealth are being sold as part of the Offering.

DIRECTORS AND OFFICERS

Directors and Officers

The names and municipalities of residence of the directors and officers of Cascadero, positions held by them with Cascadero, and their principal occupations for the past five years are as set forth below.

Name and Municipality of Residence	Current Office With Cascadero	Principal Occupation	Director or Officer Since
William J. McWilliam[(1)(2)] North Vancouver, British Columbia	Chief Executive Officer, Director	Self-employed businessman. Since January 2003, Chief Executive Officer of Stealth Minerals Limited.	October 30, 2003
Bradley L. Jones[(1)(2)] Toronto, Ontario	Chairman, Chief Financial Officer, Director	Chairman, President, and CFO of Stealth Minerals Limited since 1996.	October 30, 2003
Russell McQueen[(1)(2)] North Vancouver, British Columbia	Director	Employee, Building Services, North Vancouver School District since 1990..	July 20, 2004
Michael Denega[(2)] Toronto, Ontario	Director	Consultant in the areas of personal and corporate tax planning sinc 1997.	July 20, 2004
Thomas Richards[(2)] Calgary, Alberta	Director	Consulting geologist since 1979.	July 20, 2004
John Haag[(2)] Toronto, Ontario	Director	Chartered Accountant from 1975 to 2003. Independent Financial consultant from 2003 to present.	July 20, 2004
Brian Fagan Blaine, Washington, USA	Vice President, Corp. Dev.	Newsletter publisher from 1994 to 2004.	July 20, 2004

(1) Member of the Audit Committee.
(2) On completion of the Offering, Cascadero expects to grant its directors options to purchase the following shares: William J. McWilliam – 1,200,000 shares, Bradley L. Jones – 1,200,000 shares, Russell McQueen – 400,000 shares, Michael Denega – 700,000 shares, Thomas Richards – 700,000 shares, John Haag – 400,000 shares. All of the options will have an exercise price of $0.50 per share, and expire five years following the date of grant.

Messrs. McWilliam, Jones, McQueen, and Denega are also directors of Stealth Minerals Limited. Other than incentive stock options, and other than in their capacities as directors of Stealth, none of the directors of Cascadero individually beneficially owns, directly or indirectly, or exercises control or direction over, any shares of Cascadero.

Biographical information for each member of Cascadero's board of directors is set out below. No member of management is a full time employee of Cascadero. However, William J. McWilliam and Bradley L. Jones devote the majority of their time to the affairs of Stealth Minerals Limited and Cascadero. No member of Cascadero management is currently subject to a non-competition or non-disclosure agreement with Cascadero.

William J. McWilliam. Mr. McWilliam worked for over 25 years in the securities and related industries in research, corporate finance, consulting and underwriting capacities with a focus on the resource sector. He has also managed exploration programs for junior companies in Newfoundland and Mexico in his capacity as president, chief executive officer and director. Since January 2003, Mr. McWilliam has been a director and CEO of Stealth Minerals Limited, the principal shareholder of Cascadero. Mr. McWilliam will have principal operational direction or the day to day operations of Cascadero.

Bradley L. Jones, C.A.. Mr. Jones received a Bachelor of Arts, Business Administration from Bishop's University in Lennoxville, Quebec, in 1968. Mr. Jones was awarded his Chartered Accountant's designation in 1972 and is a member of the Institutes of Chartered Accountants of Ontario and Quebec. Between 1978 and 1990, Mr. Jones was a partner at the accounting form KPMG with responsibility for major client engagements and for coordination of that firm's work in the securities industry. From 1990 to 1993, Mr. Jones was a senior member of the Corporate Finance Department at Coopers & Lybrand (now PriceWaterhouseCoopers) responsible for client advisory services including public and private financings, restructuring, mergers, acquisitions, valuations, and related fairness opinions. Since 1993, Mr. Jones has been engaged in private practice in the corporate finance field and is a Limited Market Dealer registered with the Ontario Securities Commission. Since 1996, Mr. Jones has also been a director and Chairman of Stealth Minerals Limited, the principal shareholder of Cascadero. Mr. Jones will have prinical direction of the accounting, financial reporting, and legal affairs of Cascadero.

Russell McQueen. Mr. McQueen received his Marketing Management Diploma from the British Columbia Institute of Technology in 1972. Between 1972 and 1989, Mr. McQueen worked as a marketing representative for several consumer and industrial products. Since 1990, Mr. McQueen has been employed by the School Board of the District of North Vancouver in building services, and has also worked privately as a prospector engaged in the exploration for precious and base minerals. From September 1996 to *, Mr. McQueen served as the President of the North Vancouver Seymour Liberal Association. Since 1996, Mr. McQueen has also been a director of Stealth Minerals Limited, the principal shareholder of Cascadero.

Michael Denega, C.A. Mr. Denega is a graduate of the University of Alberta in Commerce. Mr. Denega is a Chartered Accountant (FCA) and was awarded the CICA Gold Medal in 1960. Mr. Denega was National Director of Tax at Clarkson Gordon, the predecessor firm to Ernst & Young, where he was a senior tax partner until 1997. Mr. Denega has also served as a member of Revenue Canada's Tax Advisory Committee. Since 1997, Mr. Denega has been engaged in private practice in the areas of personal, corporate, trust, and partnership taxation and tax planning in a variety of industry sectors.

Dr. Thomas Richards. Dr. Richards is a professional geologist and prospector. Dr. Richards received his Ph.D. from the University of British Columbia in 1971, and has worked as a consulting geologist for the past 27 years. During that time, Dr. Richards has directed or worked on exploration projects in B.C., California, Nevada, Oregon, Mexico and Alaska. From 1994 to June 2001, Dr. Richards also directed an extensive exploration and geological evaluation of northwestern Argentina under contract to Mansfield Minerals Inc. and Teck Corp. Prior to commencing his consulting practice, Dr. Richards worked with the Geological Survey of Canada, and was involved in mapping the Smithers, Hazelton, McConnell, Toodoggone, Fort Ware, Terrace, Bowser Lake, Whitesail and Nechako areas. Dr. Richards is the author or co-author of numerous geologic maps and publications on the geology of B.C., and has also been active in both public and First Nations education programs on geology and prospecting.

John G. Haag, C.A. Mr. Haag received a Bachelor of Commerce from Queen's University in Kingston Ontario in 1965 and was awarded his Chartered Accountant's designation in 1968. Mr. Haag had a lengthy career with Ernst & Young, where he was a senior tax partner in international taxation and

finance until 2003. Mr. Haag is now engaged in private practice as a consultant specializing in international business structuring and fiscal affairs.

Committees of the Board of Directors

The Board of Directors has only one committee, an Audit Committee. The current members of the Audit Committee are Bradley L. Jones, William McWilliam, and Russell McQueen. Apart from his position as a director of Stealth Minerals Limited, Mr. McQueen is an independent member of the Audit Committee within the meaning of Multilateral Instrument 52-110. Cascadero plans to appoint additional independent members to the Audit Committee as and when required by applicable regulations.

Other Reporting Issuers

The following table shows the Cascadero directors and officers that are, or have been within the last five years, directors, officers, or promoters of other reporting issuers.

Name	Name and Jurisdiction of Reporting Issuer	Position	From	To
William J. McWilliam	Stealth Minerals Limited	Director	01/03	Present
	Stealth Minerals Limited	CEO	01/03	Present
	Starcore Resources Ltd.	Director	10/98	10/03
	Centram Explorations	Director	01/04	Present
Bradley L. Jones	Stealth Minerals Limited	Director	03/97	Present
	Stealth Minerals Limited	Chairman	03/97	Present
	Stealth Minerals Limited	CFO	03/97	Present
	Stealth Minerals Limited	CEO	03/97	01/03
Michael Denega	Stealth Minerals Limited	Director	08/02	Present
Russell McQueen	Stealth Minerals Limited	Director	03/97	Present

Penalties and Sanctions, and Bankruptcy

No director or officer of Cascadero has been a director, officer, or promoter of any issuer that was the subject of a cease trade or similar order, was denied any securities law exemption, became bankrupt or made a proposal under any bankruptcy legislation, or had a receiver or trustee appointed to hold its assets.

No director or officer of Cascadero has become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, been subject to or instituted any proceedings relating to bankruptcy or insolvency, or had a receiver or trustee appointed to hold his assets.

No proposed director or officer of Cascadero has been subject to any penalties or sanctions relating to securities legislation imposed by a court or regulatory authority, or entered into a settlement agreement with a securities regulatory authority.

Conflicts of Interest

The directors and senior officers of Cascadero are directors or officers of other corporations with businesses that may conflict with the proposed business of Cascadero. In addition, four of the six Cascadero directors are also directors of Stealth Minerals Limited, which owns the majority of the shares in Cascadero.

In accordance with the laws of British Columbia, the directors and officers of Cascadero are required to act honestly, in good faith, and in the best interests of Cascadero. In determining whether or not Cascadero will take a proposed course of action, the directors will primarily consider the degree of risk to which Cascadero may be exposed and Cascadero's financial position at the time, after full disclosure of all direct or indirect conflicting interests.

EXECUTIVE COMPENSATION

Compensation Summary

Cascadero has not at any time up to the date of this prospectus paid salary or bonus, or provided any other form of compensation, to any of its directors or officers.

Stock Options

Effective on closing of the Offering, Cascadero expects to grant stock options to purchase a total of 6,850,000 shares to its directors, officers, and consultants. Cascadero has not granted any other stock options, and has no other stock options outstanding as at the date of this prospectus. The following table sets forth a summary of options to purchase common shares which Cascadero expects to grant to William J. McWilliam, CEO, and Bradley L. Jones, Chairman and CFO (the "Named Executive Officers"):

Name	Options Granted (# shares)	% of Total Options Granted	Exercise Price ($/share)	Market Value of Securities Underlying Option ($/share)	Expiration Date
William J. McWilliam	1,200,000	17.5%	$0.50	n/a	5 years after Offering
Bradley L. Jones	1,200,000	17.5%	$0.50	n/a	5 years after Offering

Cascadero has no long term incentive plan, stock appreciation plan, or retirement or pension plan, and does not intend to implement any such plan in the foreseeable future.

Remuneration Arrangements

Up to the date of this prospectus, no director or officer of Cascadero has received any salary or other form of remuneration.

Cascadero expects that following completion of the Offering, it will commence paying a salary of $75,000 per year each to William J. McWilliam, Chief Executive Officer, and Bradley L. Jones, Chairman, President, and Chief Financial Officer.

Cascadero does not anticipate paying salary remuneration to any other director or officer.

INDEBTEDNESS OF DIRECTORS AND OFFICERS

No director or officer of Cascadero has been indebted to Cascadero at any time.

PLAN OF DISTRIBUTION

The Offering

Pursuant to the Agency Agreement, the Agent has agreed to act as agent for Cascadero to offer up to 4,000,000 Units and 6,250,000 Flow-Through Shares for sale to the public on a best efforts basis in the Provinces of Ontario, British Columbia, and Alberta.

The Agent will receive a commission equal to 8% of the gross proceeds of the Offering, including any Units or Flow-Through Shares issued pursuant to the Over-Allotment Option, described below. In addition, the Agent will receive eompensation options entitling the Agent to purchase a number of common shares equal to 10% of the total number of Units and Flow-Through Shares sold pursuant to the Offering. The Agent's Option is exercisable for a term of two years following the Offering at a price of $0.70 per share. This prospectus qualifies distribution of the Agent's compensation option, together with any common shares issued on exercise of the Agent's compensation option.

Cascadero will also pay the Agent's out of pocket expenses incurred in conducting the Offering, and has agreed to indemnify the Agent against liabilities which it may incur as a result of the Offering, or to contribute to payments which the Agent is required to make in respect thereof.

Cascadero has granted to the Agent the Over-Allotment Option to offer an additional number of Units and Flow-Through Shares, up to 15% of the number of Units and Flow-Through Shares sold in the Offering, at the same price per Unit or Flow-Through Share as the case may be. The maximum numbers of Units and Flow-Through Shares which can be issued pursuant to the Over-Allotment Options are 600,000 Units and 937,500 Flow-Through Shares. If the Over-Allotment Option is exercised in full, the gross proceeds, Agent's commission, and net proceeds to Cascadero will be $6,971,875, $557,750, and $6,414,125, respectively.

The Over-Allotment Option is exercisable from time to time in whole or in part for a period 60 days from the closing of the Offering for the purpose of covering over-allotments, if any, and for market stabilization purposes. The Agency Agreement provides that the Agent may, subject to applicable laws and in connection with the Offering, over-allot or effect transactions which stabilize or maintain the market price of Cascadero common shares. The effect of these transactions may be to alter the market price of the common shares from the price which would otherwise prevail, either by increasing or decreasing the market price. These transactions, if commenced, may be discontinued at any time without notice.

For a period of 180 days following closing of the Offering, Cascadero has agreed not to issue or sell, or offer to issue or sell, any common shares or other securities convertible into common shares without the consent of the Agent, such consent not to be unreasonably withheld. This restriction does not apply to the Over-Allotment Option or to any options or shares issued pursuant to Cascadero's stock option plan or any other share based compensation arrangement.

The Agent may terminate its obligations under the Agency Agreement at its discretion on the basis of its assessment of the financial markets and if certain specific events occur.

The offering price for the Units and Flow-Through Shares was determined through negotiation between Cascadero and the Agent.

Minimum Subscription and Conditions of Closing

Closing of the Offering is subject to conditions which are set out in the Agency Agreement. The principal conditions are the following:

- The minimum subscription levels must be achieved.

- The TSX Venture Exchange must approve Cascadero's common shares for listing. Cascadero has applied to list its common shares on the TSX Venture Exchange. Listing will be subject to Cascadero fulfilling all of the listing requirements of the TSX Venture Exchange. The listing conditions of the Exchange include, inter alia, that at least 20% of the issued and outstanding shares of Cascadero be held by members of the public following the Offering. Cascadero expects that this requirement will be met even if only the minimum Offering is completed.

The minimum subscription levels for the Offering are:

- 3,000,000 Units; and
- 4,000,000 Flow-Through Shares.

If only the minimum Offering is completed, the gross proceeds, Agent's commission, and net proceeds of the Offering to Cascadero will be $4,100,000, $328,000, and $3,772,000, respectively.

All subscription proceeds will be paid to the Agent in trust, and held by the Agent in trust, pending attainment of the minimum subscription levels and fulfillment of the other conditions set out in the Agency Agreement. If the minimum subscription levels are not attained, or if the Offering is not closed for any other reason, funds received from subscribers will be returned to the subscribers unless the subscribers have otherwise instructed the Agent. The Agent will release those funds to Cascadero on closing of the Offering.

The Offering will not continue for a period of more than 90 days following the issuance of a final receipt for this prospectus, unless each subscriber to the Offering during that period consents to the continuation.

United States Considerations

The securities to be issued under the Offering have not been and will not be registered under the United States *Securities Act of* 1933, as amended (the "1933 Act") and, subject to certain exceptions, may not be offered or sold directly or indirectly, in the United States. The Agency Agreement, however, permits the Agent (acting through its United States broker-dealer affiliate) to offer and sell the securities to accredited investors in the United States, provided such offers and sales are exempt from registration under the United States federal securities laws pursuant to Rule 506 of Regulation D promulgated under the 1933 Act. The Agency Agreement provides further that the Agent will not take any actions which would make the safe harbour provided under Regulation S of the United States federal securities laws unavailable in connection with the offering and sale of the Shares outside the United States. Such regulation provides an exemption from registration under such laws in connection with the initial offer and sale of such shares outside the United States. Any securities sold in and outside the United States will be restricted securities within the meaning of Rule 144(a)(3) of the 1933 Act.

RISK FACTORS

An investment in the Units or Flow-Through Shares entails certain risks, including those listed below, which should be carefully reviewed and considered by prospective investors before investing in the Securities offered under this prospectus.

No known body of ore

None of Cascadero's mining claims contain a known body of commercial ore and any exploration programs thereon are exploratory searches for ore. There can be no assurance that any body of commercial ore will be found on any of Cascadero's mineral claims.

Mineral exploration is inherently risky.

The exploration of mineral deposits is a business of high risk. Most exploration programs fail to locate a body of commercial ore. All exploration and mining programs face a risk of unknown and unanticipated geological conditions. Promising indications from early results may not be borne out in further exploration work. While the discovery of an ore body may result in substantial rewards, few properties which are explored are ever developed into producing mines.

A mineral exploration program often requires substantial cash investment, which can be lost in its entirety if it does not result in the discovery of a commercial ore body. Mineral exploration involves risks which even a combination of careful evaluation, experience, and knowledge can not eliminate.

Cascadero may not be able to raise additional capital it requires.

If the results of Cascadero's exploration programs warrant further exploration work, Cascadero will likely have to raise additional capital to complete that work. Additional capital will also be required to develop any of Cascadero's properties into a producing mine, if a commercial ore body is discovered.

There is no assurance that Cascadero will be able to raise additional capital it requires, on terms favourable to existing shareholders or at all. Cascadero also has no means of predicting the amount of additional capital it may require. To raise additional capital, Cascadero may have to issue additional shares, which may dilute the interests of existing shareholders substantially, or it may have to sell whole or partial interests in its properties.

Failure to raise required capital may prevent Cascadero from realizing the benefit of a commercial ore body, even if one is contained in Cascadero's properties.

Commodity prices are volatile and unpredictable.

The profitability of any mining operation will be significantly affected by changes in the market price for any metals being produced. Metal prices fluctuate on a daily basis, and are affected by numerous factors beyond Cascadero's control. These factors include, but are not limited to:

- world supply and demand factors;
- interest and inflation rates;
- political developments; and
- the overall worldwide economic climate and rate of economic growth.

A decrease in metal prices could reduce the market value of any properties owned by Cascadero, and could render any ore body that Cascadero discovers uneconomic. A reduction in metal prices could also reduce the attractiveness of investment in mining companies generally, making it more difficult for Cascadero to raise capital, and causing a decline in the value of Cascadero shares.

Governmental regulation may impose costs on Cascadero.

Cascadero's proposed activities are subject to extensive federal, provincial, and local laws and regulations. Those laws and regulations affect many aspects of Cascadero's current and potential operations, including without limitation the following:

- mining practices;
- employment practices, including mandatory wage levels;
- environmental protection, and liability for remediating any damage to the environment; and
- reclamation of mining and exploration sites.

Complying with applicable laws and regulations may impose significant costs on Cascadero. Those costs may reduce the profitability of any mine which Cascadero develops, or render any ore body which Cascadero discovers uneconomic.

In addition, applicable laws and regulations may be amended, or new laws and regulations may be enacted, imposing additional costs on Cascadero. Cascadero has no means of either predicting or controlling any future changes to the laws and regulations it will be subject to, or the resulting costs that will be imposed on Cascadero. Costs resulting from laws and regulations may force Cascadero to abandon proposed exploration or mining projects.

Cascadero may not be able to obtain permits it needs.

Permits from a variety of regulatory authorities are required for many aspects of mineral exploration, mine development, and mine operation. Even if it discovers an economic ore body, Cascadero will likely have to complete a lengthy and expensive process of applications to regulatory authorities, and regulatory review of any proposed mining operations, before it receives permits required to develop a producing mine. Any regulatory review will likely include, among other things, an analysis of the environmental impact of proposed mining operations. Cascadero may be denied required permits if proposed mining operations do not meet environmental or other criteria imposed by regulatory authorities. Cascadero has not commissioned any studies to determine whether, and has no assurance that, mining operations on its mineral claims will be able to meet criteria imposed by regulatory authorities. Cascadero may not be able to obtain permits that it requires to develop a mine, or to continue mining operations. The delays and costs involved in obtaining required permits may reduce the profitability of any mine which Cascadero develops, or render any ore body which Cascadero discovers uneconomic.

The conditions and criteria applied by regulatory authorities are also subject to change. Cascadero has no means of either predicting or controlling what changes may be made to applicable regulations, or the requirements that may be imposed upon it in the future to obtain required permits. Future changes in the conditions or criteria which Cascadero must meet to obtain required permits may result in additional costs or delays, which may render any ore body which Cascadero discovers uneconomic.

Environmental laws or claims may impose additional costs on Cascadero

Cascadero may incur large additional costs to comply with government laws and regulations intended to protect the environment. These costs may include, but are not limited to:

- additional development and construction costs to ensure that any mine which Cascadero develops complies with environmental laws and regulations;
- additional operating costs to ensure that contaminants and waste are not discharged into the environment in contravention of environmental laws and regulations;
- costs of remediating environmental damage caused by the discharge of contaminants or waste; or
- fines or penalties imposed for the discharge of contaminants or waste.

In addition, environmental laws can in some circumstances confer a private right of action on private individuals or corporations to recover the cost of remediating environmental damage.

Costs resulting from environmental laws and regulations may render any ore body which Cascadero discovers uneconomic, or may force Cascadero to abandon proposed exploration or mining projects.

Title to Cascadero's properties may be challenged.

Cascadero is satisfied that evidence of title to each of its mining properties is adequate and acceptable by prevailing industry standards with respect to the current stage of exploration on that property. Nevertheless, there is no guarantee that title to the mining properties held by Cascadero will not be challenged or impugned by third parties or that the applicable governmental authorities will not significantly alter the legal conditions under which Cascadero holds mineral properties, or revoke Cascadero's right to hold those properties. There is no certainty that the current rights which Cascadero holds in respect of its mineral properties or any additional rights applied for will continue or be granted, as the case may be, on terms beneficial to Cascadero or at all.

Claims and rights of First Nations may affect the operations of Cascadero

First Nations have advanced extensive claims to large areas of land within British Columbia. The status of First Nations claims is uncertain, and has not been resolved despite lengthy and expensive court proceedings. Cascadero is not presently involved in any legal disputes involving claims of First Nations. However, claims of First Nations may affect Cascadero's mining claims in the future. Even if no successful claim is made against the land containing the Cascadero mining claims, delay and expense caused by First Nations claims may render any ore body which Cascadero discovers uneconomic, or cause Cascadero to abandon work on the claims. In addition, representatives of First Nations may be authorized to participate in, or may be consulted in, review by regulatory authorities of any proposed mining operations of Cascadero. Cascadero may be unable to obtain required permits if its existing or proposed operations conflict with the interests or claims of First Nations.

Cascadero cannot insure against many of the risks it faces.

Many of the risks faced by exploration and mining companies are not insurable. These include without limitation environmental hazards, industrial accidents, labour disputes, encountering unusual or unexpected geological formations, cave-ins, flooding, and periodie interruptions due to inelement weather. Such conditions could result in damage to, or destruction of, mineral properties or producing facilities, personal injury, environmental damage, delays in exploration or mining programs, and possible

legal liability. Insurance against environmental risks, including potential liabilities for environmental contamination, will not be generally available to Cascadero or to other companies in the industry.

Cascadero will face competition in the mining industry.

Metal mining is a worldwide industry. If Cascadero is able to develop a producing mine, it will be forced to supply its products at competitive prices. Competing producers may be able to exploit better ore deposits, or they may operate in jurisdictions where labour and other costs are lower. Lower cost producers may put downward pressure on metal prices, making any mining operations of Cascadero uneconomic.

Cascadero will also face competition in the search for, and acquisition of, new mining properties. Competitors of Cascadero may have greater financial and technical resources than Cascadero. Cascadero may be unable to acquire properties which it considers desirable, on terms it considers acceptable or at all.

The directors of Cascadero will have conflicts of interest.

Cascadero's directors and officers may also be or become directors or officers of other companies, or have shareholdings in other companies, involved in natural resource exploration and development. To the extent that such other companies may participate in ventures in which Cascadero may participate, the directors of Cascadero may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation.

In particular, the majority of Cascadero's directors are also directors of Stealth Minerals Limited, which owns a majority of the voting shares of Cascadero. Circumstances may arise in which the interests of Cascadero are in conflict with the interests of Stealth Minerals Limited.

There may be no active market for the Cascadero shares.

There is currently no public market through which the shares of Cascadero can be sold. Following the Offering, Cascadero will be a reporting issuer in the Provinces of British Columbia, Ontario, and Alberta, and its common shares will be listed for trading on the Exchange. However, there is no assurance that a significant public market or significant trading in Cascadero shares will develop or be sustained. If an active public market Cascadero shares does not develop, the liquidity of an investment in Cascadero shares may be limited. The market price for Cascadero shares may also be subject to significant fluctuation, and the price per share may decline below the offering price.

Cascadero's expenditures may not qualify for tax deduction.

Cascadero will use its best efforts to ensure that expenditures it incurs qualify as Canadian exploration expenses within the meaning of the *Income Tax Act* (Canada), and are eligible for deduction by purchasers of Flow-Through Shares. However, the application and interpretation of the *Income Tax Act* are in some instances uncertain, and the expenditures incurred by Cascadero may not qualify as Canadian exploration expenses. The potential result is that purchasers of Flow-Through Shares may not receive the tax benefit of being able to deduct expenditures incurred by Cascadero.

In addition, income tax laws are subject to change, and there is no assurance that income tax laws will not be changed in a manner which will fundamentally alter the tax consequences to parties holding or disposing of the Flow-Through Shares.

Stealth Minerals Limited will control Cascadero.

Immediately after the Offering, Stealth Minerals Ltd. will own in excess of 70% of the issued and outstanding shares of Cascadero, and will be a control person of Cascadero. Stealth Minerals Limited will likely be able to exercise effective control over all matters depending on either the voting or approval of shareholders, including the election of all directors and approval of significant corporate transactions.

INVESTOR RELATIONS ARRANGEMENTS

Directors, officers, or employees of Cascadero will handle routine shareholder communications and circulate information concerning Cascadero to the financial services industry. Otherwise, there are no promotional or investor relations arrangements.

LEGAL PROCEEDINGS

Cascadero is not presently subject to any legal proceedings.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Stealth Minerals Limited is a promoter of Cascadero. Stealth has acquired 21,000,000 common shares of Cascadero in consideration for the transfer of mining claims to Cascadero. In addition, Stealth has acquired 3,000,001 shares from Cascadero by private placement for total consideration of $300,001.

Certain directors and officers of Cascadero are also insiders of Stealth, and hold shares in Stealth. The following table shows the shareholdings of current directors and officers of Cascadero in Stealth as at June 30.

Name and Position with Corporation	No. of Stealth shares beneficially owned	Percentage of Class
William J. McWilliam, CEO	2,582,166	2.9%
Bradley L. Jones, Chairman, CFO	5,405,392	6.3%
Russell McQueen, director	152,533	0.2%
Michael Denega, director	2,848,564	3.3%
Thomas Richard, director	nil	nil
John Haag, director	nil	nil

Electrum Resource Corp. is the owner of a 3% net smelter return royalty over the Cascadero properties. Electrum Resource Corp. is also an insider of Stealth Minerals Limited. To the best of the knowledge of Cascadero management, as at June 30, 2004, Electrum Resource Corp. and its principals beneficially own, directly or indirectly, 13,006,899 common shares of Stealth, which represent approximately 15% of the issued and outstanding shares of Stealth.

AUDITORS, TRANSFER AGENT, AND REGISTRAR

The auditor for Cascadero is Ellis Govenlock, Chartered Accountants, #2, 9363 – 50 Street, Edmonton, Alberta, T6B 2L5.

The Registrar and Transfer Agent for Cascadero is Computer Trust Company of Canada. Computershare Trust Company of Canada has an office in British Columbia at 510 Burrard Street, 2nd Floor, Vancouver, British Columbia, V6C 3B9. Administration of the Cascadero account is handled out of the Calgary office of Computershare, at 600, 530 8th Ave S.W., Calgary, Alberta, T2P 3S8.

MATERIAL CONTRACTS

- Property Transfer Agreement dated May 10, 2004 between Cascadero and Stealth Minerals Limited. See "General Development of the Business – Acquisition of claims".
- Agency Agreement dated ? between Cascadero and the Agent. See "Plan of Distribution".
- Stock Option Plan dated 2004. See "Options to Purchase Securities".

Royalty Agreement dated April 8, 2004 between Stealth Minerals Limited and Electrum Resource Corp. See "Description of Business – Acquisition of Claims".

The above contracts may be inspected at the registered and records office of Cascadero at 1910 – 777 Hornby Street, Vancouver, B.C. V6Z 1S4 during the distribution and for 30 days thereafter.

EXPERTS

Information contained under "Canadian Income Tax Consequences" is based on the opinion of Thorsteinssons, a law firm.

Flow-Through Shares are designed for individuals in the highest income tax bracket. Investors should consult their own professional advisors on the income tax, legal, and other aspects of investing in the Flow-Through Shares.

Information on the Cascadero mining claims is taken or summarized from the report titled "A Technical Review of Porphyry Copper-Gold, Epithermal Gold-Silver, and Gold-Silver-Copper Skarn Prospects, Toodoggone Region, North Central British Columbia" dated July 12, 2004 (the "Technical Report") prepared by Dr. Kenneth M. Dawson, who is a "qualified person" as defined in National Instrument 43-101.

PURCHASERS' STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

Securities legislation in certain provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus or any amendment. In several of the provinces, securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. **The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights and consult a legal advisor.**

GLOSSARY OF TECHNICAL TERMS

"alteration" means changes in the chemical or mineralogical composition of a rock, typically from weathering or hydrothermal solutions.

"alunite" means a white, grey, or pink mineral commonly found in feldspars.

"andesite" means a dark colored, fine grained extrusive rock composed primarily of feldspars.

"anhydrite" means a mineral, copper sulphate, commonly left over after water evaporation, and which commonly turns to gypsum in the presence of water.

"aplite" means a dyke rock consisting mainly of quartz and feldspar.

"augite" means a dark mineral that is a basic constituent of many basic igneous rocks.

"azurite" means a dark blue mineral, an ore of copper.

"basalt" means a dark rock, usually extrusive, containing plagioclase and pyroxene, a group of rock forming metals commonly including silicon, iron, and Mg.

"biotite" means a mineral of the mica group.

"basement" means the undifferentiated rocks that underlie the rocks of interest in a given area.

"bornite" means a reddish brown mineral, an ore of copper.

"boxwork" means a network of intersecting blades or plates of minerals deposited in cavities and long fracture planes.

"BQ" means the caliber or diameter of core recovered from diamond drilling with a BQ sized drill bit, which produces a 1.432" or 36.5mm diameter core.

"BQTW" means the caliber or diameter of core recovered from diamond drilling with BTW (Thin Wall) drilling equipment which produces a 1.654" or 42mm sized drill bit- 1.432" or 36.5mm diameter core.

"breccia" means a coarse grained clastic rock, formed from broken fragments.

"chalcedony" means a variety of quartz which often occurs as a deposit filing or lining rock cavities.

"chalcocite" means a black or dark gray mineral, an important ore of copper.

"chalcopyrite" means a bright brass-yellow mineral, the most important ore for copper.

"chlorite" means a group of green minerals commonly found in , similar to the micas, often found in metamorphic rocks.

"chrysocolla" means a green or blue-green mineral which occurs in thin seams in copper sulphide deposits.

"claim" means an individual mining claim staked under the *Mineral Tenure Act* (British Columbia). One claim can consist of up to 20 units.

"clastics" means rocks composed principally from fragments of other rocks transported some distance from their places of origin.

"coxcomb" means an aggregate composed of flaky or tabular crystals that seem adjoined from a base, with grooves between long, slender, arc-like crystals.

"Cretaceous Period" means the geological period approximately 65 million to 135 million years ago.

"dacite" means a find grained extrusive rock containing feldspars and quartz, similar to andesite but with more quartz.

"Devonian Period" means the geological period approximately 345 million to 400 million years ago (preceding the Mississippian Period).

"dextral" means inclined or spiraling to the right.

"dissemination" means a scattered distribution of generally fine grained metal bearing minerals.

"dyke" means a tabular body of igneous rock that cuts across the structure of adjacent rocks.

"envelope" means the outer or covering part of a fold.

"epidote" means a green mineral common in metamorphic rocks derived from limestone.

"epithermal" means a mineral deposit formed by the action of hot liquid, within about 1km of the earth's surface, and in the temperature range of 50 degrees to 200 degrees Celsius.

"extrusive" means an igneous rock that has been erupted onto the earth's surface.

"fault" means a fracture or fracture zone in the earth's crust, along which there has been displacement in the earth's crust.

"feldspar" means a group of rock forming minerals, the most common in the earth's crust.

"foliated" means having a planar structure or arrangement.

"galena" means a grey metallic mineral, the principal ore of lead.

"gangue" means the valueless rock in an ore.

"goethite" means a yellow, red, or brown mineral forming the commonest component of limonite.

"gossan" means iron bearing weathered material overlying a sulphide deposit.

"granitoid" means a rock composed of granite.

"granodiorite" means a group of coarse-grained plutonic rocks frequently containing quartz, andesite, and feldspar.

"greenschist" means a green metamorphic rock containing chlorite.

"hematite" means a common iron-bearing mineral.

"hornblende" is a mineral.

"host" means a rock which is older than rocks or minerals introduced in it.

"hypogene" means occurring on the earth's surface.

"induced polarization" means a technology and device that measure the electrical properties of rock that can be mapped with inductive electromagnetic methods, or using galvanic methods. The technology can detect elevated levels of sulphide and elevated levels of silica present in rocks. Resistivity and induced polarization profiling are usually performed together.

"intrusion" means the process of emplacement of magma in pre-existing rock.

"jarosite" means a yellow-brown hydrous sulphate of iron and potassium.

"Jurassic Period" means the geological period approximately 135 million to 190 million years ago.

"lapilli" means pyroclastic rocks in the range 2 to 64 millimetres.

"latite" means a porphyritic extrusive rock having phenocrysts of plagioclase and potassium feldspar in nearly equal amounts, with little or no quartz.

"limonite" means a group of brown compounds formed by oxidation of iron-bearing materials.

"mafic" means dark igneous rock bearing iron and magnesium mineralization.

"magma" means naturally occurring molten rock.

"magnetite" means a black, strongly magnetic mineral, an important ore of iron.

"malachite" means a bright green mineral, a minor ore of copper.

"martite" means a common iron mineral.

"molybdenite" means a lead-gray mineral, the principal ore of molybdenum.

"monzonite" means a group of plutonic rocks containing approximately equal amounts of feldspar and plagioclase, with little or no quartz.

"Mississippian Period" means the geological period approximately 320 million to 345 million years ago.

"neotocite" means a secondary mineral from the alteration of manganese silicates that can contain copper and other economically important elements.

"NQ" means the caliber or diameter of core recovered from diamond drilling with a NQ sized drill bit, which produces 1.875" or 47.6mm diameter core.

"NQTW" means the caliber or diameter of core recovered from diamond drilling with NTW (Thin Wall) drilling equipment, which produces 2.205" or 56.0mm diameter core.

"obduction" means is the overlapping of a continental crust by oceanic crust.

"oblique" means inclined at an angle, neither parallel nor perpendicular.

"oroclinal" means bending of a geologic band, usually through horizontal bending of the earth's crust.

"Pennsylvanian Period" means the geological period approximately 280 million to 320 million years ago.

"Permian Period" means the geological period approximately 225 to 280 million years ago.

"phenocrysts" means a relatively large and conspicuous crystal often found in porphyries.

"phyllic" means a metamorphosed rock, intermediate in grade between slate and mica.

"PIMA" means Portable Infrared Mineral Analyzer, which is a technology for determining the composition of clay minerals.

"plagioclase" means a group of minerals in the feldspar category.

"plutons" means rocks formed at great depth.

"porphyry" means an igneous rock of any composition containing conspicuous phenocrysts.

"propylitic" means and andesitic type of rock consisting of such minerals as calcite, chlorite, dpidote, serpentine, quartz, pyrite, and iron oxides.

"pyrite" means a yellow mineral which often contains smaller amounts of other metals.

"pyroclastic" means rocks composed principally from fragments of other rocks and ejected from a volcano.

"pyroluste" means a black or dark gray mineral, the most important ore of managanese.

"quartz" means a crystalline mineral composed of silica, and is the most common mineral after feldspar.

"resistivity". See "induced polarization".

"sediment" means solid, fragmented material deposited by water, wind, or ice.

"selvage" means the zone of rock on the margin of another rock zone, such as a dyke.

"sericitization" means the depositing of white, fine-grained potassium mica.

"silicification" means the introduction or replacement of silica, commonly in the form of quartz, chalcedony, or opal.

"sill" means a tabular igneous intrusion that parallels the planar structure of the surrounding rock.

"sphalerite" means a yellow, brown, or black mineral, a common ore of zinc.

"stock" means an igneous intrustion less than 100 sq. km in surface exposure, usually placed unconformably.

"stockwork" means a mineral deposit consisting of a network of veinlets spaced closely enough so that the whole mass can be mined.

"sulphides" means a mineral composed by the linkage of sulphur with another metal.

"sinistral" means twisted or spiraling in a counter-clockwise direction.

"skarn" means rocks composed mostly of limestone, in which large amounts of Silicon, Aluminum, Iron, or Magnesium have been introduced.

"stratigraphically" means according to layers, or in layers.

"stratigraphy" means the arrangement of rock in layers, especially according to geographic position or chronological order of sequence.

"subduction" means the process of one tectonic plate sliding beneath another.

"subaerial" means formed or existing on the land's surface.

"syenite" means a group of plutonic rocks, containing different types of minerals, but usually little or no quartz.

"terrane" means a rock or group of rocks and the area in which they crop out.

"trachyte" means a group of fine grained, generally porphyritic, extrusive rocks alkali feldspar and minor mafic minerals as the main components.

"Triassic Period" means the geological period approximately 190 million to 225 million years ago.

"tuff" means a general term for consolidated pyroclastic rocks.

"unconformably" means rock strata which do not succeed the underlying rocks in immediate order of age or parallel position.

"volcanics" means the rock types of a volcano.

"vuggy" means containing small cavities, frequently lined by a different mineral or minerals.

"xenolithic" means a foreign inclusion in igneous rock.

FINANCIAL STATEMENTS

CERTIFICATE OF CASCADERO COPPER CORPORATION

DATED:

The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the *Securities Act* (British Columbia), Part 9 of the *Securities Act* (Alberta) and Part XV of the *Securities Act* (Ontario), and by the respective regulations made thereunder.

(signed) "*William J. McWilliam*"
William J. McWilliam
Chief Executive Officer, Director

(signed) "*Bradley L. Jones*"
Bradley L. Jones
Chairman, Chief Financial Officer, Director

Director

Director

STEALTH MINERALS LIMITED

By: (signed) *"Bradley L. Jones"*
Bradley L. Jones
Chairman, President, Chief Financial Officer, Director

CERTIFICATE OF THE AGENT

DATED:

To the best of our knowledge, information, and belief, the foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the *Securities Act* (British Columbia), Part 9 of the *Securities Act* (Alberta) and Part XV of the *Securities Act* (Ontario), and by the respective regulations made thereunder.

PACIFIC INTERNATIONAL SECURITIES INC.

By: (signed) "*"

CONSENT OF THE AUDITORS

We have read the prospectus of Cascadero Copper Corporation (the "Company") dated ?, 2004 relating to the issue and sale of Units and Flow-Through Shares of the company. We have complied with Canadian generally accepted accounting standards for an auditor's involvement with offering documents.

We consent to the use in the above mentioned prospectus of our report to the directors of the Company on the balance sheets of the Company as at November 30, 2003 and May 31, 2004 and statements of income, retained earnings and cash flows for the one month period ended November 30, 2003 and the six month period ended May 31, 2004. Our report is dated June 29, 2004.

We also consent to the use in the prospectus of our compilation report dated ?, 2004, to the directors of the Company on the compilation of the pro forma consolidated balance sheet of the Company as at May 31, 2004 and the pro forma statements of income, retained earnings and cash flows for the six months ended May 31, 2004.

This letter is provided solely for the purpose of assisting the securities regulatory authorities to which it is addressed in discharging their responsibilities and should not be used for any other purpose. Any use that a third party makes of this letter, or any reliance or decisions based on it, are the responsibility of such third parties. We accept no responsibility for loss or damages, if any, suffered by any third party as a result of decisions made or actions taken based on this letter.

Calgary, Canada
July ?, 2004

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Chartered Accountants