22 October 2014

12.6g/t GOLD, 746g/t SILVER, 14.96% LEAD AT CHANAPE SUMMIT

- Very high grade gold (Au), silver (Ag) and lead (Pb) values recorded in channel sampling in the summit and southern areas of Chanape
- Peak values of two-metre channel samples include:
  - M183375: **12.65g/t Au, 746g/t Ag, 14.95% Pb**
  - M183365: **9.11g/t Au, 88.40g/t Ag**
  - M183356: **7.25g/t Au, 94.10g/t Ag**
  - M183419: 4.17g/t Au, 17.30g/t Ag, 1.85% Pb
  - M183413: 3.96g/t Au, 59.20g/t Ag, 2.28% Pb
- Results indicate high grade epithermal mineralisation in undrilled tourmaline breccia zones
- Concurrent Induced Polarisation ("IP") data remodelling identifies large chargeability anomaly coincident with new high-grade epithermal zones at summit
- Same chargeability anomaly extends 1.5kms from summit to known porphyry mineralisation

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Inca Minerals Limited ("Inca" or the "Company") has recently completed a channel-sample program and a geophysics review at Chanape. The channel-sample program targeted previously sampled, but as yet undrilled, breccia occurrences in the summit and southern areas of Chanape. The geophysics review included the calibration of IP data across different surveys and the 3D modelling of corrected data.

Channel sampling identified high grade mineralisation

Inca's channel-sample program identified a number of high grade breccia zones in the summit and southern areas of Chanape (Figure 1). The very high values of Au, Ag and Pb are indicative of strong epithermal mineralisation which is a style of mineralisation that typically occurs above porphyry deposits. Elevated levels of copper (Cu) and molybdenum (Mo) are also recorded in this part of the project and are an indication that hotter mineralising conditions, like that associated with porphyry mineralisation, occur in proximity to the summit and southern areas.

The peak sample result of this program, a two-metre channel sample with **12.65g/t Au, 746g/t Ag, 14.95% Pb**, corresponds to an undrilled breccia structure within a widely mineralised part of the project.

"At each location, the channel sample traverses were conducted perpendicular to the breccia trend and each individual sample comprised a continuous, unselective two metre section of breccia. To have such high grades of mineralisation in such circumstances is both unusual and very exciting" says Inca's Managing Director Ross Brown.

"The fact that these high grade zones of mineralisation are being recovered where a strong chargeability anomaly occurs at the surface adds considerable excitement to these new sample results. That the same chargeability anomaly defines a potential sulphide body up to 1.5km long, 0.75km across and 0.5km deep, is an unprecedented result for the Company. For the first time we have a modelled 3D shape – a discrete target that helps us quantify the upside potential of Chanape."

Geophysics review identifies very large chargeability anomaly

The Company also reviewed its IP geophysical data of the Chanape Project. The data of two IP surveys were remodelled and new 3D inversions were generated. Two discrete chargeability anomalies have been identified at Chanape (Figure 2). The largest is a twin-bell-shaped anomaly approximately 1,500m x 750m in area (surface projection). The second chargeability anomaly is smaller but is open to the north (occurring on the limit of the IP survey).

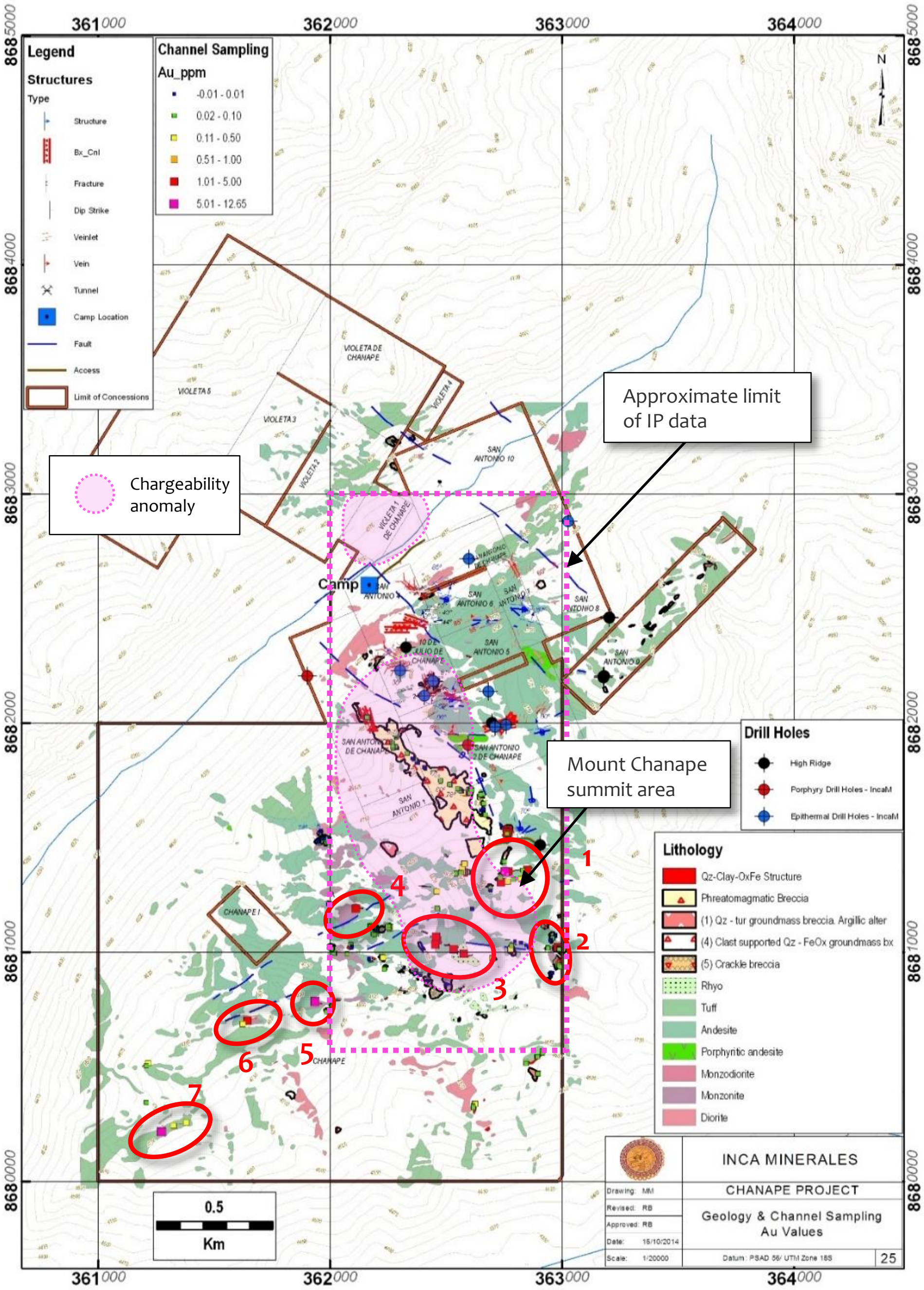


Figure 1: Channel-sample results (Au) with the highlighted breccia zones with strong Au mineralisation. The seven breccias with >1g/t Au are indicated by red circles. The very high Ag and Pb values largely coincide with the Au-bearing breccias. The polymetallic nature of the breccias at the summit reflect the relatively higher position this area has in relation to the porphyry system occurring below.

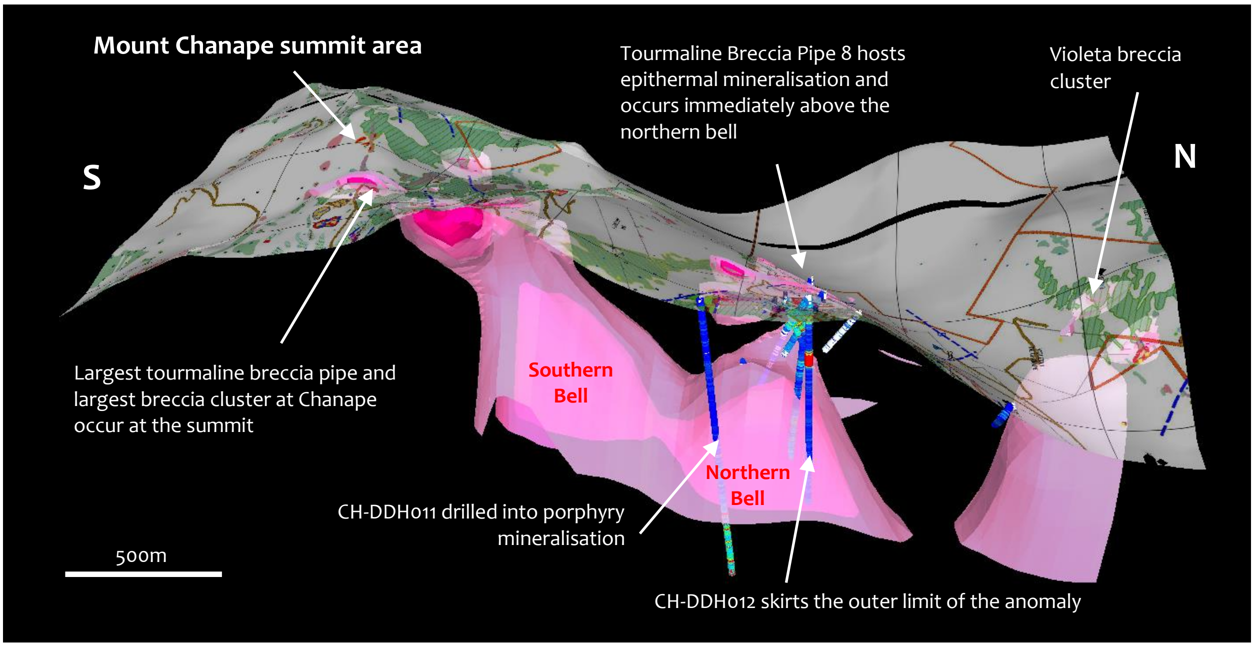


Figure 2: A 3D projection facing WSW showing chargeability anomalies (pink/red) and drill hole projections. The main chargeability anomaly closely coincides with the known porphyry and extends to and surfaces at the summit. The second chargeability anomaly, further north, occurs below the Violeta cluster of breccia pipes.

Chargeability associated with porphyry deposits

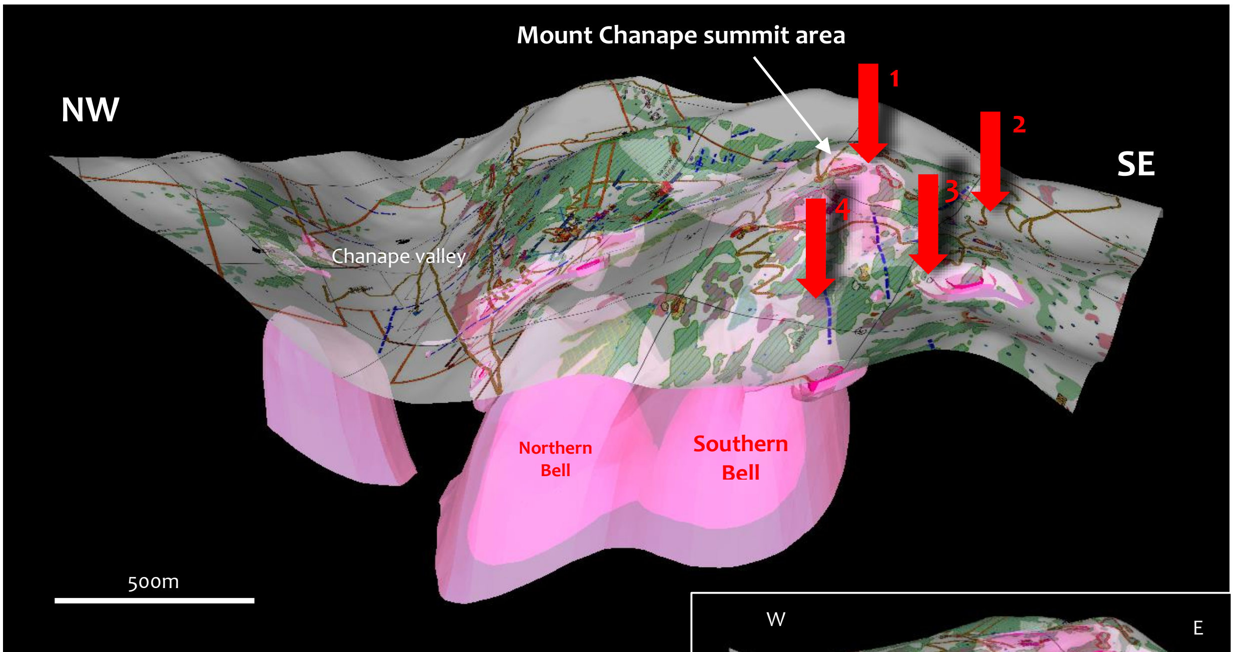
Chargeability is a method of IP (a geophysical tool) that is regularly applied to porphyry exploration and is attributed to numerous notable porphyry discoveries. It identifies metal sulphides that occur in porphyry systems; including pyrite, which is prominent in the sericite-quartz-pyrite zone of the porphyry, and chalcopyrite (a copper-ore sulphide), which is a major component of porphyry ore. The chalcopyrite zone typically occurs central to or "inside" the pyrite zone, though geometries alter significantly from deposit to deposit.

Chargeability at Chanape

The recently generated chargeability anomaly at Chanape is volumetrically extensive, defining a conjoined double bell-shaped volume approximately 1.5km in length, 0.75km in width and 500m in vertical extent. The "bells" are roughly aligned on a north-south axis and both expand at depth.

The southern bell part of the chargeability anomaly has an angled (or plunging) bell shape that expands at depth and towards the surface. It "breaches" the surface at Chanape summit where Inca's high grade Au, Ag, Pb channel samples have just been recorded [subject of this announcement] (Figure 3).

The northern bell part of the chargeability anomaly closely coincides with the known extent of the porphyry. CH-DDH011 (containing 284m at 0.32% Cu, 83ppm Mo and 6.73g/t Ag) enters the chargeability anomaly on its eastern flank (Figure 2). This 284m mineralised interval, which is in fact open-ended at depth, extends well beyond the interpretable depth of the IP data. In other words, mineralisation extends beyond the chargeability anomaly.



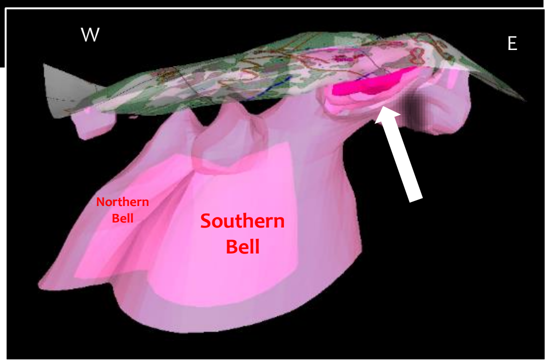


Figure 3: A 3D projection facing NE showing chargeability anomalies (pink/red) and four of the seven high-grade Au-Ag epithermal zones associated with breccia structures occurring at the summit (locations indicated by red arrows). INSERT: Facing N showing the inner high-intensity chargeability anomaly (red part of the anomaly indicated by the white arrow) immediately below the high grade epithermal zones, presenting drill priority targets.

Significance of results

The mutual occurrence of very high grade epithermal mineralisation and strong chargeability at the summit is highly encouraging. The wider implications of these results are extremely positive. That:

- A volumetrically expansive and discrete sulphide zone is now known in 3D at Chanape.
- This discrete sulphide zone gets bigger at depth.
- Where the southern bell of the chargeability anomaly occurs to the surface - there is known high grade epithermal mineralisation, the largest individual tourmaline breccia pipe at Chanape, the largest concentration of breccia bodies at Chanape, pervasive argillic/phyllic alteration and broad Cu-Mo-Au-Ag rock-chip and talus sampling anomalies.
- Where the northern bell of the chargeability anomaly occurs at depth, there is known porphyry Cu-Mo-Ag±Au mineralisation (CH-DDH001, CH-DDH011).
- Where the northern bell of the chargeability anomaly nears the surface there is known high grade epithermal Cu-Mo-Au-Ag-W mineralisation (CH-DDH012).
- The chargeability anomaly extends above the height of the Chanape valley floor – an observation with positive implications for possible mining.

Implications for future exploration

Exploration by Inca at Chanape continues to build on the potential and understanding of the project. In recent months Inca has: (i) reported its best drill hole results, (ii) discovered the largest tourmaline breccia pipe found on the property, (iii) produced positive talus sampling results and (iv) identified the occurrence of high grade tungsten in re-assaying. With the recent channel sampling and geophysical remodelling now generating rich gold and silver results and a discrete 1.5km x 0.75km x 0.5km open-ended sulphide target, the Company keenly awaits the resumption of drilling on the project. Drilling will resume as soon the 22,500m sdEIA drill permit is granted.

As previously announced, the Company has not been provided with a firm date by the Peruvian authorities as to when the permit may be granted but will advise shareholders as soon as further information becomes available. Importantly, the Chanape exploration camp remains open for use and the drill rig is onsite and on standby. In the meantime, the Company will continue to refine its drill targets.

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Competent Person Statements

The information in this report that relates to epithermal and porphyry style mineralisation for the Chanape Project, located in Peru, is based on information compiled by Mr Ross Brown BSc (Hons), MAusIMM, SEG, MAICD Managing Director, Inca Minerals Limited, who is a Member of the Australian Institute of Mining and Metallurgy. He has sufficient experience, which is relevant to the style of mineralisation and types of deposits under consideration, and to the activity which has been undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Brown is a full time employee of Inca Minerals Limited and consents to the report being issued in the form and context in which it appears.

Some of the information in this report may relate to previously released epithermal and porphyry style mineralisation for the Chanape Project, located in Peru, and subsequently prepared and first disclosed under the JORC Code 2004. It has not been updated to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported, and is based on the information compiled by Mr Ross Brown BSc (Hons), MAusIMM, SEG, MAICD Managing Director, Inca Minerals Limited, who is a Member of the Australian Institute of Mining and Metallurgy. He has sufficient experience, which is relevant to the style of mineralisation and types of deposits under consideration, and to the activity which has been undertaken, to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Brown is a full time employee of Inca Minerals Limited and consents to the report being issued in the form and context in which it appears.

Appendix 1: Channel Sample Assay Results for gold (Au), silver (Ag) and lead (Pb)

Yellow highlighted cells = Au > 0.1g/t; Gray highlighted cells = Ag > 5.0g/t; Blue highlighted cells = Pb > 3000ppm (or 0.3%)

SAMPLE NUMBER	Au (g/t)	Ag (g/t)	Pb (ppm)	SAMPLE NUMBER	Au (g/t)	Ag (g/t)	Pb (ppm)
M183173	0.005	<0.5	161	M183213	0.023	1.3	162
M183174	0.006	0.8	722	M183214	0.034	1.2	186
M183175	0.008	0.9	518	M183215	0.041	0.8	41
M183176	0.005	0.7	440	M183216	0.005	<0.5	12
M183177	<0.005	1.3	850	M183217	0.005	<0.5	15
M183178	<0.005	2.7	1840	M183218	0.011	0.5	39
M183179	0.011	1.2	494	M183219	0.009	0.6	70
M183180	0.01	2.9	520	M183220	0.007	<0.5	19
M183181	0.01	1.2	325	M183221	0.42	7.3	1280
M183182	0.005	1.3	151	M183222	0.179	14.3	123
M183183	0.006	<0.5	20	M183223	1.98	104	9910
M183184	0.007	<0.5	23	M183224	1.885	77.3	8240
M183185	1.425	6.8	767	M183225	1.78	109	1785
M183186	0.006	1	103	M183226	1.315	30.6	2900
M183187	0.007	0.8	26	M183227	2.68	32.5	5870
M183188	0.011	0.6	59	M183228	0.018	2.4	142
M183189	0.008	<0.5	8	M183229	0.012	1.5	34
M183190	0.013	<0.5	52	M183230	0.017	1.7	47
M183191	0.012	<0.5	72	M183231	0.006	0.6	186
M183192	0.013	<0.5	5	M183232	0.007	1.6	95
M183193	0.008	<0.5	2	M183233	<0.005	0.5	112
M183194	0.012	<0.5	10	M183234	0.011	1.1	267
M183195	0.006	0.9	162	M183235	<0.005	<0.5	130
M183196	0.005	<0.5	17	M183236	0.008	0.9	220
M183197	<0.005	<0.5	13	M183237	0.005	1.5	305
M183198	<0.005	<0.5	32	M183238	0.007	0.6	98
M183199	0.008	1	32	M183239	<0.005	0.5	61
M183200	<0.005	<0.5	20	M183240	0.01	1.6	289
M183201	<0.005	<0.5	10	M183241	0.025	1.5	298
M183202	<0.005	<0.5	38	M183242	0.069	18.2	94
M183203	<0.005	<0.5	11	M183243	0.087	5.2	262
M183204	<0.005	<0.5	6	M183244	<0.005	<0.5	126
M183205	0.016	0.9	103	M183245	<0.005	<0.5	24
M183206	0.012	0.5	60	M183246	0.051	2	208
M183207	0.012	0.7	114	M183247	0.035	5.8	131
M183208	0.095	0.9	39	M183248	0.019	3	1360
M183209	0.02	1.8	12	M183249	0.037	1.8	401
M183210	0.214	0.9	109	M183250	0.117	4.5	1280
M183211	0.006	2	228	M183251	0.008	1.3	409
M183212	0.008	1.4	92	M183252	0.005	0.9	409

Appendix 1 cont.: Channel Sample Assay Results for gold (Au), silver (Ag) and lead (Pb)

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SAMPLE NUMBER	Au (g/t)	Ag (g/t)	Pb (ppm)	SAMPLE NUMBER	Au (g/t)	Ag (g/t)	Pb (ppm)
M183254	0.221	26.3	2450	M183294	0.014	1.4	83
M183255	0.013	0.8	84	M183295	0.013	1.5	272
M183256	0.028	5.1	301	M183296	0.012	1.4	690
M183257	0.032	4.5	285	M183297	0.006	0.6	23
M183258	0.047	6	338	M183298	0.005	0.8	87
M183259	0.588	4.4	324	M183299	0.005	<0.5	15
M183260	0.101	3.2	111	M183300	0.02	8.9	1965
M183261	0.043	7.1	553	M183301	0.01	8.1	941
M183262	0.015	3	183	M183302	0.013	8.5	1040
M183263	0.058	3.4	142	M183303	0.008	3	334
M183264	0.014	2.8	168	M183304	<0.005	2.1	252
M183265	0.163	6.6	166	M183305	<0.005	1.8	562
M183266	0.188	4.4	227	M183306	0.051	2.3	358
M183267	0.121	5	231	M183307	0.012	10.6	3300
M183268	0.022	7.2	291	M183308	0.018	6.1	1280
M183269	0.017	7.4	1985	M183309	0.094	3.3	249
M183270	0.069	5.7	1380	M183310	0.041	1.9	85
M183271	0.029	2.4	187	M183311	0.046	1.5	52
M183272	0.011	9	2630	M183312	0.024	2	77
M183273	0.014	8	2590	M183313	0.021	2.3	261
M183274	0.01	9.9	2860	M183314	0.005	1.2	181
M183275	0.026	3	294	M183315	<0.005	1.2	291
M183276	0.01	1.1	126	M183316	0.009	1.2	208
M183277	0.037	2.8	302	M183317	0.017	1	143
M183278	0.011	8.1	1880	M183318	0.022	2.1	373
M183279	0.013	9.4	3010	M183319	0.007	0.8	123
M183280	0.015	9.6	2960	M183320	0.007	0.8	127
M183281	0.021	9.4	3400	M183321	0.021	0.7	139
M183282	0.027	9.2	2500	M183322	0.013	0.8	137
M183283	0.019	2.2	225	M183323	0.013	0.6	124
M183284	0.016	3.5	404	M183324	<0.005	<0.5	12
M183285	0.014	2.4	304	M183325	<0.005	<0.5	23
M183286	0.016	3.8	539	M183326	<0.005	<0.5	39
M183287	0.011	9.3	2130	M183327	0.005	<0.5	37
M183288	0.014	9.6	2870	M183328	<0.005	<0.5	38
M183289	0.012	8.3	3060	M183329	0.013	0.6	68
M183290	0.019	10.9	3800	M183330	0.053	1.3	59
M183291	0.053	8.3	864	M183331	0.015	<0.5	48
M183292	0.159	4.5	340	M183332	0.038	0.8	121
M183293	0.451	7.2	558	M183333	0.008	0.6	69

Appendix 1 cont.: Channel Sample Assay Results for gold (Au), silver (Ag) and lead (Pb)

Yellow highlighted cells = Au > 0.1g/t; Gray highlighted cells = Ag > 5.0g/t; Blue highlighted cells = Pb > 3000ppm (or 0.3%)

SAMPLE NUMBER	Au (g/t)	Ag (g/t)	Pb (ppm)	SAMPLE NUMBER	Au (g/t)	Ag (g/t)	Pb (ppm)
M183334	0.01	1.5	115	M183374	1.04	19.2	5780
M183335	<0.005	<0.5	11	M183375	12.65	746	149500
M183336	<0.005	<0.5	13	M183376	1.59	17.3	10850
M183337	0.005	<0.5	37	M183377	0.047	1.4	85
M183338	0.021	1	147	M183378	0.1	4.9	668
M183339	<0.005	<0.5	28	M183379	0.045	3.8	220
M183340	<0.005	<0.5	36	M183380	0.072	3.4	116
M183341	<0.005	<0.5	19	M183381	0.014	0.8	113
M183342	0.006	<0.5	85	M183382	0.009	<0.5	85
M183343	<0.005	0.5	53	M183383	0.008	1	58
M183344	0.009	7.5	156	M183384	0.011	1	25
M183345	1.06	7.7	384	M183385	<0.005	<0.5	25
M183346	0.063	6.9	867	M183386	0.005	0.5	16
M183347	0.019	6.6	600	M183387	0.088	10.4	2950
M183348	0.018	1.4	139	M183388	0.05	9.2	2280
M183349	0.019	1.6	98	M183389	0.192	4.5	379
M183350	0.03	2.2	72	M183390	0.066	3.1	383
M183351	0.04	1.2	52	M183391	0.072	2.3	507
M183352	0.021	2.8	329	M183392	0.046	5.5	313
M183353	0.019	5.5	136	M183393	0.029	6.3	647
M183354	0.053	4.2	177	M183394	1.915	32.4	4320
M183355	0.015	1.9	114	M183395	0.034	3.5	983
M183356	7.25	94.1	8600	M183396	2.73	23.7	3730
M183357	2.09	87.4	41200	M183397	0.492	17.8	3770
M183358	0.365	10.1	11900	M183398	0.066	9.5	2280
M183359	0.428	19.7	2250	M183399	0.146	34.7	4270
M183360	0.083	11.1	5810	M183400	0.348	41	4050
M183361	0.008	0.9	170	M183401	0.21	28.5	2380
M183362	0.011	0.9	140	M183402	0.046	5.8	2910
M183363	0.068	24.2	265	M183403	0.072	5	1045
M183364	0.031	2.3	121	M183404	0.068	5.6	349
M183365	9.11	88.4	6320	M183405	0.138	26.8	2270
M183366	0.222	8.3	1060	M183406	0.054	5.1	480
M183367	0.102	9	909	M183407	0.341	13.3	4340
M183368	0.899	4.8	252	M183408	0.283	10.1	884
M183369	1.725	6.7	733	M183409	0.289	9.4	682
M183370	0.175	5.1	1405	M183410	0.276	7.3	1075
M183371	0.036	1	237	M183411	0.109	1.8	398
M183372	0.098	7.5	584	M183412	0.096	0.7	116
M183373	0.243	6.3	1050	M183413	3.96	59.2	22800

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SAMPLE NUMBER	Au (g/t)	Ag (g/t)	Pb (ppm)	SAMPLE NUMBER	Au (g/t)	Ag (g/t)	Pb (ppm)
M183414	0.061	1.1	194	M190404	0.015	13.3	5060
M183415	0.024	<0.5	144	M190405	0.012	10.4	5380
M183416	1.31	12.4	6140	M190406	0.015	5	2760
M183417	2.02	14.7	4780	M190407	0.015	1.6	756
M183418	0.072	11.5	586	M190408	0.009	1.5	1255
M183419	4.17	17.3	18550	M190409	0.011	0.9	321
M183420	0.048	4.7	463	M190410	0.016	0.6	280
M183421	0.01	0.5	20	M190411	0.015	<0.5	19
M183422	0.014	<0.5	45	M190412	0.02	<0.5	14
M183423	0.006	<0.5	18	M190413	0.013	<0.5	11
M183424	<0.005	<0.5	6	M190414	0.013	<0.5	12
M183425	0.005	<0.5	18	M190415	0.012	0.7	21
M183426	0.008	<0.5	8	M190416	0.01	0.5	67
M183427	0.007	<0.5	9	M190417	0.011	0.5	70
M183428	0.072	14.7	2880	M190418	0.014	0.6	26
M183429	0.064	2.9	414	M190419	0.013	<0.5	20
M183430	0.256	1.2	421	M190420	0.009	<0.5	52
M183431	0.141	1	661	M190421	0.009	<0.5	105
M183432	0.14	1.4	248	M190422	0.019	1.1	214
M183433	0.065	1.9	321	M190423	0.027	1.6	657
M183434	0.175	1.1	535	M190424	0.01	<0.5	52
M183435	0.125	1.4	881	M190425	0.011	0.7	114
M183436	0.053	<0.5	1065	M190426	0.011	0.8	178
M183437	0.047	1.3	766	M190427	0.012	1.5	386
M183438	0.071	1.9	571	M190428	0.029	1.6	343
M183439	0.029	10.8	4860	M190429	0.011	0.5	68
M183440	0.023	7.3	3280	M190430	0.009	<0.5	43
M183441	0.017	5.8	2820	M190431	0.009	<0.5	26
M183442	0.014	3.8	1810	M190432	0.008	<0.5	14
M183443	0.019	1	104	M190433	0.008	<0.5	18
M183444	0.02	1	139	M190434	0.006	<0.5	21
M183445	0.018	1.4	166	M190435	0.009	<0.5	39
M183446	0.013	1.4	163	M190436	0.007	<0.5	21
M183447	0.016	1.5	137	M190437	0.007	<0.5	28
M183448	0.024	2.4	302	M190438	0.009	1.6	720
M183449	0.042	3	618	M190439	0.008	<0.5	47
M183450	0.061	2.4	329	M190440	0.011	0.5	51
M190401	0.224	6.9	1015	M190441	0.014	<0.5	74
M190402	0.089	21.7	3490	M190442	0.056	0.6	250
M190403	0.113	32.2	5590	M190443	0.006	<0.5	59

Appendix 1 cont.: Channel Sample Assay Results for gold (Au), silver (Ag) and lead (Pb)

Yellow highlighted cells = Au > 0.1g/t; Gray highlighted cells = Ag > 5.0g/t; Blue highlighted cells = Pb > 3000ppm (or 0.3%)

SAMPLE NUMBER	Au (g/t)	Ag (g/t)	Pb (ppm)	SAMPLE NUMBER	Au (g/t)	Ag (g/t)	Pb (ppm)
M190444	0.005	0.5	38	M190467	0.008	3.4	147
M190445	<0.005	0.5	61	M190468	0.016	1.7	120
M190446	0.007	0.5	48	M190469	0.026	1.4	98
M190447	0.018	0.9	41	M190470	0.188	3.5	215
M190448	0.006	<0.5	45	M190471	0.125	2	303
M190449	0.007	<0.5	34	M190472	0.061	2.6	349
M190450	0.007	0.5	37	M190473	0.112	0.7	282
M190451	0.008	0.5	46	M190474	0.145	2.1	224
M190452	0.018	1.2	99	M190475	0.094	1.7	156
M190453	0.015	<0.5	28	M190476	0.094	1.7	487
M190454	0.016	<0.5	60	M190477	0.078	1.4	308
M190455	0.021	0.8	54	M190478	0.037	1.1	785
M190456	0.021	2	238	M190479	0.077	0.8	636
M190457	0.035	0.8	61	M190480	0.005	<0.5	15
M190458	0.016	0.8	25	M190481	<0.005	<0.5	10
M190459	0.026	0.8	124	M190482	0.009	<0.5	14
M190460	0.048	1.1	420	M190483	0.008	<0.5	35
M190461	0.013	<0.5	24	M190484	0.11	6.8	460
M190462	0.015	<0.5	31	M190485	0.13	2.7	140
M190463	0.012	0.8	87	M190486	0.055	1.9	421
M190464	0.011	<0.5	27	M190487	0.019	0.7	140
M190465	0.01	<0.5	25	M190488	0.076	3.2	676
M190466	0.011	<0.5	30				

Appendix 2

The following information is provided to comply with the JORC Code (2012) requirements for the reporting of channel sampling and geophysical results on the mining concessions known as Chanape, San Antonio 1, San Antonio 2 de Chanape, San Antonio 3 de Chanape (located in Peru).

Section 1 Sampling Techniques and Data

CRITERIA	JORC CODE EXPLANATION	COMMENTARY
Sampling techniques	*Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or hand-held XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.*	This announcement refers to assay results of 364 channel samples. The announcement discusses these results in relation to re-modelled IP [chargeability] data and subsequent 3D inversion imagery.
	Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.	Channel sampling is a method of rock chip sampling that reduces the visual bias towards mineralisation. Each sample comprises rock chips from a continuous 2m section of rock outcrop. Sampling protocols and QAQC are as per industry best-practice procedures. Geophysics re-modelling was based on the recalibration of previous data with specific refinements and treatment of unreliable data.
	Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1m samples from which 3 kg was pulverised to produce a 30g charge for fire assay'). In other cases more explanation may be required, such as where there is a coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.	Channel sampling was conducted at industry best standards. Individual samples (described above) were bagged separately. Samples were sent to Australian Laboratory Services ("ALS") for multi-element analysis: Gold via FA-A finish (with detection limit 0.005ppm), multi-elements: Four Acid Digest ICP-AES (various detection limits).
Drilling techniques	*Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).*	NA – no drill sampling was referred to in this announcement.
Drill sample recovery	*Method of recording and assessing core and chip sample recoveries and results assessed.*	NA – no drill sampling was referred to in this announcement.
	Measures taken to maximise sample recovery and ensure representative nature of the samples.	NA – no drill sampling was referred to in this announcement.
	Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	NA – no drill sampling was referred to in this announcement.
Logging	*Whether core and chip samples have been geologically and geo-technically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.*	NA – no drill sampling was referred to in this announcement.

CRITERIA	JORC CODE EXPLANATION	COMMENTARY
Logging cont…	*Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.*	NA – no drill sampling was referred to in this announcement.
	The total length and percentage of the relevant intersections logged.	NA – no drill sampling was referred to in this announcement.
Sub-sampling techniques and sample preparation	*If core, whether cut or sawn and whether quarter, half or all core taken.*	NA – no drill sub-sampling was referred to in this announcement.
	If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.	Channel sampling followed industry best-practice procedures.
	For all sample types, the nature, quality and appropriateness of the sample preparation technique.	Core sampling followed industry best-practice procedures.
	Quality control procedures adopted for all sub-sampling stages to maximise "representivity" of samples.	No sub-sampling procedures were undertaken by the Company.
	Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.	Channel sampling followed industry best practice procedures. Channel sampling is a technique specifically designed to remove "visual selection bias" from rock chip sampling whereby continuous rock chips over a prescribed distance (ie. 2m's in this case) are taken. The orientation of the "channel" in all cases was perpendicular to possible/known mineralisation.
	Whether sample sizes are appropriate to the grain size of the material being sampled.	The sample sizes are considered appropriate for the material being sampled and the mineralisation prevalent at each sample location.
Quality of assay data and laboratory tests	*The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.*	Assay and laboratory procedures used for the channel samples are considered best-practice, with low-level detection levels designed to identify subtle elevations of rock geochemistry.
	For geophysical tools, spectrometers, hand-held XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.	An aspect of the geophysical remodelling program was to remove unreliable data from existing data sets to generate more representative interpretations/outcomes. Subsequent 3D inversions were limited to best-practice depths of interpretation.
	Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.	Blanks, duplicates and standards were introduced into the sample stream (without notification of ALS). This is an addition to ALS QAQC procedures, which follow industry best practices.
Verification of sampling and assaying	*The verification of significant intersections by either independent or alternative company personnel.*	The sample assay results are independently generated by ALS who conduct QAQC procedures, which follow industry best-practice.
	The use of twinned holes.	NA – no drill sampling was referred to in this announcement.

CRITERIA	JORC CODE EXPLANATION	COMMENTARY
Verification of sampling and assaying cont…	*Documentation of primary data, data entry procedures, date verification, data storage (physical and electronic) protocols.*	Primary data (regarding assay results) is supplied to the Company from ALS in two forms: EXCEL and PDF form (the latter serving as a certificate of authenticity. Both formats are captured on Company laptops which are backed up from time to time. Following critical assessment (price sensitivity) when time otherwise permits the data is entered into a database by a Company GIS personnel.
	Discuss any adjustment to assay data.	No adjustments were made.
Location of data points	*Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.*	The channel sample locations were determined using a hand-held GPS.
	Specification of the grid system used.	PSAD56.
	Quality and adequacy of topographic control.	Topographic control is achieved via the use of government topographic maps, in association with GPS and Digital Terrain Maps (DTM's), the latter generated during antecedent detailed geophysical surveys.
Data spacing and distribution	*Data spacing for reporting of Exploration Results.*	The 364 channel sample locations subject of this announcement were based on industry best-practice methods and specifically located to test the perpendicular extent of known mineralisation based on previous rock chip sampling. Where "targets" were elongate, multiple channel traverses were carried out.
	Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.	No representations of extensions, extrapolations or otherwise continuity of grade are made in this announcement.
	Whether sample compositing has been applied.	Sample compositing was not applied.
Orientation of data in relation to geological structure	*Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.*	Channel sampling followed industry best-practice procedures. Channel sampling is a technique specifically designed to remove "visual selection bias" from rock chip sampling whereby continuous rock chips over a prescribed distance (ie. 2m's in this case) are taken. The orientation of the "channel" in all cases was perpendicular to possible/known mineralisation.
	If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	NA – no drill sampling was referred to in this announcement.
Sample security	*The measures taken to ensure sample security.*	Pre-assay sample security is managed by the Company in line with industry best-practice.

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CRITERIA	JORC CODE EXPLANATION	COMMENTARY
Audits or reviews	*The results of any audits or reviews of sampling techniques and data.*	The current sampling regime is appropriate for mineralisation prevalent at this project location.

Section 2 Reporting of Exploration Results

CRITERIA	JORC CODE EXPLANATION	COMMENTARY
Mineral tenement and land tenure status	*Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.*	Tenement Type: Peruvian mining concession. Concession Names: Chanape, San Antonio 1, San Antonio 2 de Chanape, San Antonio 3 de Chanape. Ownership: The Company has a 5-year mining assignment agreement whereby the Company may earn 100% outright ownership of the concessions. This is registered as a public deed in Peru's national record of notarised agreements.
	The security of the land tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	With further reference to above, the mining assignment agreement is in good standing at the time of writing. The concessions are all in good standing.
Exploration done by other parties	*Acknowledgement and appraisal of exploration by other parties.*	The channel sampling subject of this announcement was carried out by Inca personnel. Assaying was completed by ALS –Lima, Peru. Geophysical data review and modelling was carried out by Southern Geoscience Consultants (SGC) – Perth, Australia.
Geology	*Deposit type, geological setting and style of mineralisation.*	The geological setting of the area subject to channel sampling as reported in this announcement is that of Mesozoic subduction zone, mountain-building terrain comprising of acidic and intermediate volcanics and intrusives. Porphyry intrusions and associated brecciation have widely affected the volcanic sequence, introducing epithermal, porphyry and possible porphyry-related mineralisation.
Drill hole information	*A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* • *Easting and northing of the drill hole collar* • *Elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar.* • *Dip and azimuth of the hole.* • *Down hole length and interception depth.*	NA – no drill sampling was referred to in this announcement.

CRITERIA	JORC CODE EXPLANATION	COMMENTARY
Drill hole information cont…	• *Hole length.*	
	If the exclusion of this information is justified on the basis that the information is not material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.	NA – no drill sampling was referred to in this announcement.
Data aggregation methods	*In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.*	Not applicable – no weighting averages nor maximum/minimum truncations were applied.
	Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations shown in detail.	Not applicable – no weighting averages nor maximum/minimum truncations were applied.
	The assumptions used for any reporting of metal equivalent values should be clearly stated.	Not applicable – no equivalents were used in this announcement.
Relationship between mineralisation widths and intercept lengths	*These relationships are particularly important in the reporting of Exploration Results.* *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').*	Channel sampling is a technique specifically designed to remove "visual selection bias" from rock chip sampling whereby continuous rock chips over a prescribed distance (ie. 2m's in this case) are taken. The orientation of the "channel" in all cases was perpendicular to possible/known mineralisation.
Diagrams	*Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not limited to a plan view of drill hole collar locations and appropriate sectional views.*	An adequate plan showing the position of the channel samples is made part of this announcement. With respect to the geophysics results, adequate 3D imagery is provided showing the extent of the chargeability anomaly.
Balanced reporting	*Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	The Company believes the ASX announcement provides a balanced report on the channel-sample program and the geophysics results.
Other substantive exploration data	*Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	This announcement also makes reference to talus sample results announced 7 October 2014.
Further work	*The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).*	By nature of early phase exploration, further work is necessary to better understand the mineralisation systems that appear characteristic of this area.

CRITERIA	JORC CODE EXPLANATION	COMMENTARY
	Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	A plan showing the position of the channel samples is provided in this announcement. The plan shows a corridor of mineralised bodies extending across the project area.

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Chanape: Looking north across the breccia zone in the vicinity of a gold-silver-copper-tungsten-bearing tourmaline breccia referred to as Breccia Eight. The discolouration of this area is similar to that of the breccia zone at the summit (INSET right).