22 February 2017

DRILLER MOBILISED AND GLOBAL MAJOR BECOMES NEIGHBOUR AT RIQUEZA

HIGHLIGHTS

- **Drillers mobilised at Riqueza**
- **Systematic mapping identifies many more mineralised veins + size of known veins increases**
- **BHP Billiton apply for ground adjacent to Riqueza**

Inca Minerals Limited's (**Inca** or the **Company**) (ASX code: ICG) drilling contractor, Energold Drilling Corp (**Energold**), has completed mobilisation to Riqueza. Mobilisation has occurred in expectation the Company should soon be formally advised by authorities of the official drilling start date. "Riqueza is well accessed by sealed and all-weather gravel roads," says Inca's Managing Director Mr Ross Brown. "The local byways connect several mining operations near to Riqueza (Figure 1) and are maintained on a regular basis. Energold's rigs have now safely arrived at Riqueza."

Mobilisation of the diamond core rigs marks the beginning of the Company's maiden drill campaign at Riqueza. A total of approximately 48 holes are planned under the DIA permit.

As mentioned in previous ASX announcements the Company's DIA drill permit has a total capacity of 16,800m (14,000m + *20% top-up* of 2,800m), which will be divided into three phases. The first phase of *circa* 5,600m is planned to test targets at Humaspunco, Humaspunco South and Uchpanga.

Figure 1: **ABOVE** Energold mobilised their drill rigs using all weather roads that link several mines north west of Riqueza. Pictured is the Corihuarmi Mine as seen from the road-side.

Systematic Mapping and Sampling

Systematic mapping and sampling has resumed at Riqueza's Humaspunco prospect. The previously stated objective of this ongoing program is to map and channel sample the original (pre-Inca) veins at Humaspunco (veins HV1 to HV10) that were not subject of the Company's reconnaissance mapping and sampling in 2016. To date HV1-HV10 have been mapped and HV5-HV10 have been sampled. Interim vein parameters are listed in Table 1.

Detailed mapping results show that HV1-HV10 veins are considerably more extensive than previously believed with significant strike extensions in the southeast direction. Veins HV6, 9 and 10, for example, extend a further 200m to the southeast where they appear to coalesce (Figure 6).

Figure 2: **RIGHT** Geological assistants measuring the width of one of the large EW veins during systematic mapping and sampling. The veins were trenched every 10m and channel sampled margin to margin.

"The veins identified prior to Inca's involvement at Riqueza, which we call veins HV1 to HV10, were believed limited to a small part of Humaspunco" says Mr Brown. "Our work now indicates that these veins are longer and more extensive down the steeper sections of Humaspunco Hill toward the new Pinta Prospect (Figure 6)." The revised total combined strike length of the HV1-HV10 veins and new associated veins, now being uncovered, is approximately 4,500m. It is important to note that most of these veins remain open to the southeast and northwest. Previously, the total combined length of the 36 named veins at Humaspunco was approximately 4,000m. The revised total vein length (including HV1 to HV36) is now in the order of 6,000m and this figure does not include combined lengths of the myriad of other newly discovered veins.

Systematic mapping has also identified innumerable interstitial veins and veinlets, many of which are curvilinear and bifurcated (Figures 4 & 6). These appear concentrated at the western and eastern exposures of the main EW vein set. It is believed many of these veins and veinlets are tension gashes (or dilation veins) formed as a result of lateral fault movement of the Callancocha Structure. "Tension gashes can be highly mineralised in mineral deposits when fault movement coincides with mineralisation. At Humaspunco, these tension gashes are mineralised. We believe the Callancocha Structure was active when metal-bearing fluids were introduced into the Humaspunco sequence - entirely consistent with the Callancocha Structure being a feeder zone, as per exploration model" says Mr Brown.

Figure 3: **LEFT** A veinlet with coarse galena (lead sulphide) and sphalerite (zinc sulphide) occurring with barite along the margin of one of the large EW veins. There are innumerable such veinlets that appear to be concentrated near the Callancocha Structure (Figures 4 & 6).

Additional large scale veins have also been identified for the first time during systematic mapping and sampling. Of particular interest is a series of NS veins (the widest is 5m across) which are parallel/sub-parallel to and believed part of the Callancocha Structure. Further trenching is needed to determine the full extent of these new veins but extant trenches to the NE indicate the prevalence of numerous additional mineralised veins and carbonate-barite bearing fractures (Figures 4 & 6).

The Company's latest mapping now shows that the Callancocha Structure comprises a complex system of faults and veins and is up to 75m across and 800m long (open to the north and south and at depth) (Figures 4 & 6). It defines a broad zone of structural weakness believed to be a large mineralised feeder zone comprising numerous mineralised veins, tension gashes, fractures and faults.

"The Callancocha Structure [feeder zone] is emerging as a very attractive target. It comprises strongly mineralised veins already sampled (HV11, HV15 and HV16) and several newly discovered mineralised veins yet to be sampled (including a 5m wide vein). It now also comprises multiple splays and appears responsible for the numerous mineralised tension gashes. It clearly influences mineralisation and is now a high priority drill target" says Mr Brown.

Three additional breccias have also been identified at Humaspunco. These are closely associated with veins HV10, Hv17, and several new NS un-sampled veins (Figure 6 INSERT).

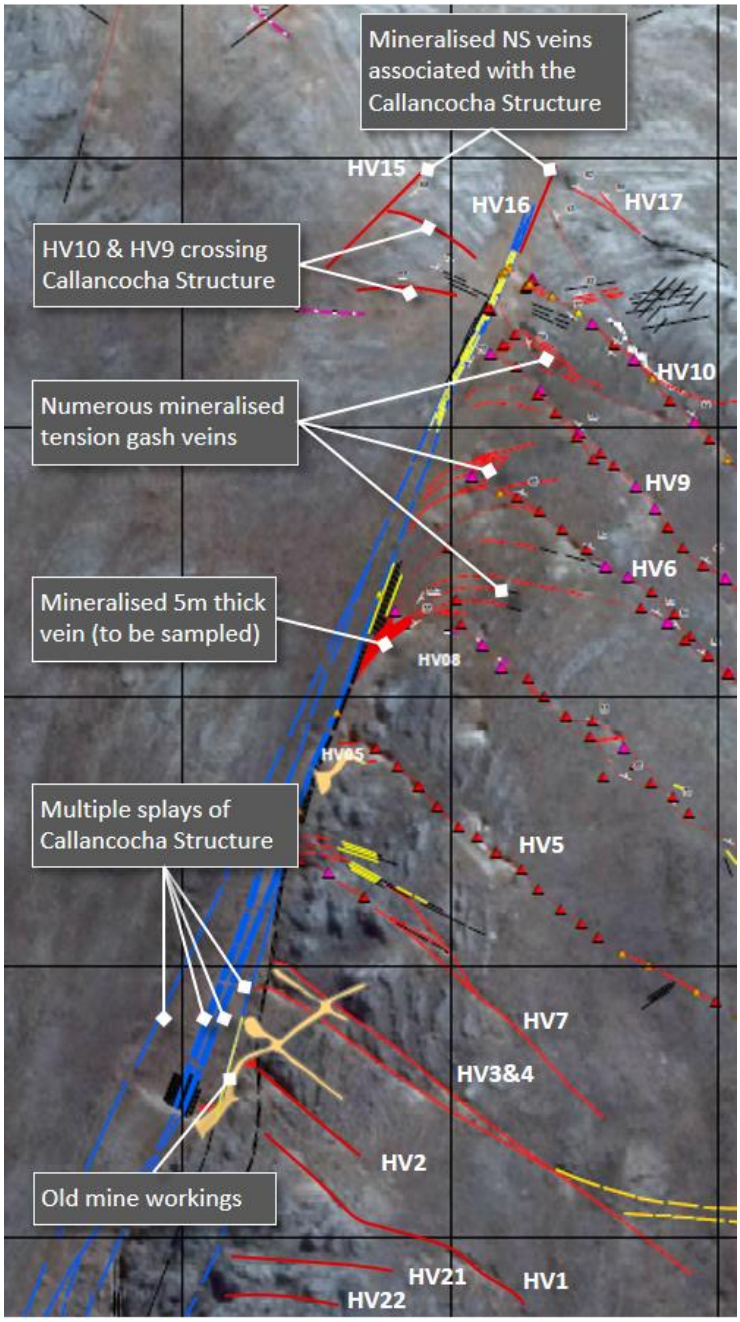

Figure 4: **RIGHT** Satellite image of the Callancocha Structure showing its many mineralised and structural components.

The grades of HV5 to HV10 show considerable variation compared to the uniformly high grades achieved in the reconnaissance programs. This is a function of the nature of channel sampling (non-selective continuous sampling at fixed intervals) and the highly "vuggy" nature of the sulphides (meaning coarse aggregates of galena and sphalerite within a gangue of barite and calcite in this case). The vugs, typically irregular in shape, develop in solution and/or breccia related cavities which are characteristic of replacement-style mineralisation. "The high frequency of these features [cavities] at Humaspunco, as evidenced by the abundance of brecciated veins, mantos; breccia chimneys; tension gashes and solution cavities, is very positive in terms of potential sites of sulphide concentration" says Mr Brown.

Table 1: **BELOW** Vein parameters from the ongoing systematic mapping and sampling program.

Vein	HV1	HV2	HV3	HV4	HV5	HV6	HV7	HV8	HV9	HV10
Total length (m)	N/A	N/A	N/A	280	270	380	370	120	370	390
Total inferred length (m)	N/A	N/A	N/A	**450**	**315**	**450**	**470**	**221**	**550**	**450**
Maximim width (m)	N/A	N/A	N/A	2.6	1.95	2.00	2.00	0.70	2.90	1.60
Minimum width (m)	N/A	N/A	N/A	0.20	0.15	0.15	0.20	0.15	0.25	0.15
Average width (m)	N/A	N/A	N/A	0.82	0.59	0.68	1.00	0.42	1.05	0.70
Maximum Ag grade (ppm)	N/A	N/A	N/A	N/A	240.13	451	125.00	235	480	327
Minimum Ag grade (ppm)	N/A	N/A	N/A	N/A	1.10	3.6	32.15	14.9	2.7	0.8
Average Ag grade* (ppm)	N/A	N/A	N/A	N/A	**87.47**	**95.8**	**60.0**	**100.5**	**114.8**	**76.2**
Average Ag grade (oz/t)	N/A	N/A	N/A	N/A	**2.65**	**2.90**	**1.82**	**3.05**	**3.48**	**2.31**
Maximum Pb grade (ppm)	N/A	N/A	N/A	N/A	115500	268800	55800	90600	185600	159800
Minimum Pb grade (ppm)	N/A	N/A	N/A	N/A	680	2942	2346	1760	1717	660
Average Pb grade (ppm)	N/A	N/A	N/A	N/A	46862	59405	20051	34979	73240	49800
Average Pb grade (%)	N/A	N/A	N/A	N/A	**4.69**	**5.94**	**2.01**	**3.50**	**7.32**	**4.98**
Maximum Zn grade (ppm)	N/A	N/A	N/A	N/A	74900	145900	96800	70800	100000	15860
Minimum Zn grade (ppm)	N/A	N/A	N/A	N/A	1558	1497	24100	14900	1712	221
Average Zn grade (ppm)	N/A	N/A	N/A	N/A	25049	30122	53286	38484	75890	85750
Average Zn grade (%)	N/A	N/A	N/A	N/A	**2.50**	**3.01**	**5.33**	**3.85**	**7.59**	**8.58**

***** Average grade of sample population per vein

The average grades of the sample-batches of each vein (HV5 to HV10) are presented in Table 1. The level of mineralisation in these veins is highly encouraging, ranging from **2.50%** to **8.58% Zn**, **60.0g/t** to **114.8g/t Ag** and **2.01%** to **7.32% Pb**. To highlight this, the sample-batch grades of HV5-Hv10 compare very favourably to grades of developing zinc mines presented in Table 3.

BHP Billiton Apply for Concessions Adjacent to Riqueza

BHP Billiton World Exploration Incorporated (**BHP**) has applied for four concessions immediately adjacent to and in some cases appear partially overlapping Riqueza (Figure 5). BHP's applications, Kenita 01-04 (Figure 5 – Pink), were lodged in early 2017, well after Inca's applications (Figure 5 – see Orange and Green Cross-Hatched). Recent changes to Peru's geographic datum system has caused BHP's subsequent concession applications to appear to overlap with Inca's prior concessions. However, Inca's concession applications pre-date and prevail over those of BHP and no Inca ground will be lost.

"The BHP applications cover ground between Riqueza and the Bethanja mine and are therefore on the mineral trend that Inca identified as being a regional control on intrusive-related replacement deposits. It appears BHP agree" says Mr Brown. BHP own 33.75% of the Antamina Cu-Zn mine in Peru, a large tonnage, low cost operation. Antamina is one of the largest Cu-Zn mines in the world and has a remaining life of mine of 15 years.

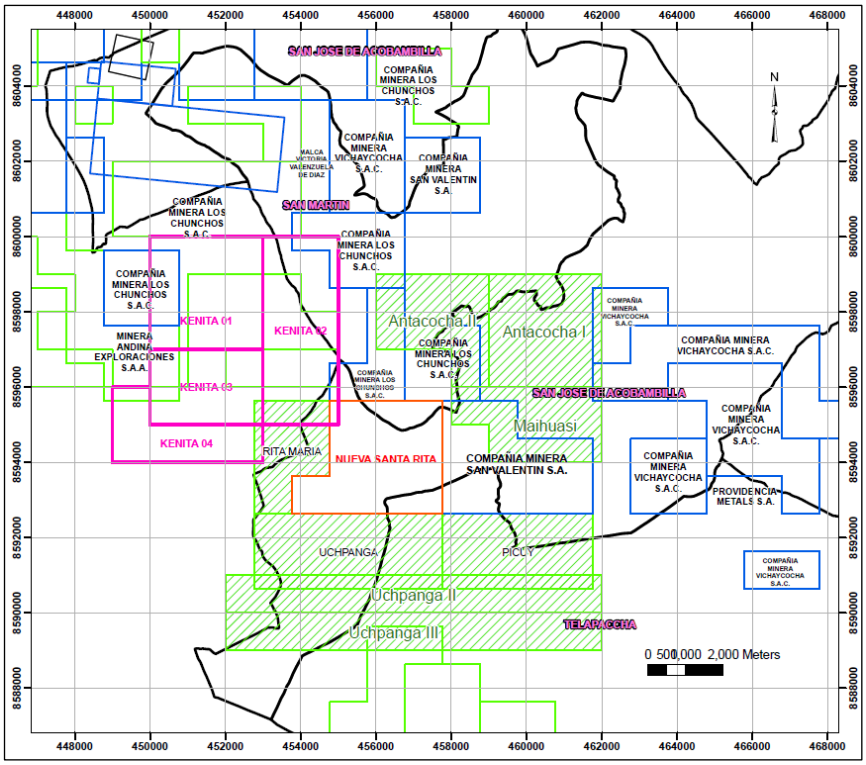

Figure 5: **LEFT** Concession plan at Riqueza.

Orange outlined area: Inca's granted concession.

Green cross hatched area: Inca's concession applications.

Pink outlined area: BHP concession applications.

Inca's concession applications pre-date and prevail over those of BHP.

Next Steps

With announcement of the drilling commencement date now imminent, Phase 1 drilling is expected to commence very soon. "We expect a conservative monthly meterage of between 1,000m and 1,200m" says Mr Brown. "We then expect a two to four week turnaround in assay results. This is a rough timeline for the first available assay results."

The Company has previously outlined details of the planned Riqueza drilling campaign in its ASX announcement 7 February 2017. Some 16,800m of metres of drilling are planned and the three main phases of the campaign are listed in Table 2.

Drill Phase 1

Number of holes:	22
Total metres:	5,675m
Maximum hole depth:	440m
Minimum hole depth:	40m
Average hole depth:	260m

Drill Phase 2

Number of holes:	13
Total metres:	3,790m
Maximum hole depth:	420m
Minimum hole depth:	140m
Average hole depth:	291m

Drill Phase 3

Number of holes:	13
Total metres:	4,535m
Maximum hole depth:	420m
Minimum hole depth:	245m
Average hole depth:	349m

DIA		
	Metres:	***14,000m***
	Extra capacity:	***2,800m***
	Total metres:	***16,800m***
	Total # holes:	***48+***

Table 2: **LEFT** Drilling parameters of the DIA drill campaign at Riqueza. As the maiden drilling campaign, actual drilling conditions, ground penetration rates and bit-wear are unknown.

Phase 1 is the largest of the three phases and intended to achieve a broad understanding of the resource potential of Humaspunco, Humaspunco South (a recently described prospect south of Humaspunco) and Uchpanga. It will feature broad-spaced angled holes spread along strike with closer-spaced, overlapping angled holes spread across strike. "Phase 1 should provide an indication of the tonnage potential of Humaspunco and a better idea of the nature of mineralisation at Uchpanga, an enigmatic zone of bonanza grade Zn-Ag-Pb-Au mineralisation at Riqueza" says Mr Brown.

The objective of Phases 2 and 3 is to systematically in-fill and extend mineralised sections (achieved in Phase 1) to generate an interconnecting matrix of mineralisation. The intention is to begin the process of resource building and, should the results prove positive, deliver the Company, in a timely manner, a JORC-compliant Exploration Target (expressed as a range of tonnes at a range of grades).

"We are optimistic that the mineralised veins, mantos and breccias at Humaspunco-Pinta may prove to form a coherent deposit" says Mr Brown. "Certainly, simple projections based on outcrop position and dip and strike measurements indicate that the veins and mantos will regularly intersect and on that basis may form a broad network of mineralisation. Should we also find that Humaspunco is potentially linked to Uchpanga, then Riqueza might develop into a very significant Zn-Ag-Pb+(Au-Cu) project indeed."

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Competent Person Statements

The information in this report that relates to mineralisation for the Riqueza 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 Australasian 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 fulltime 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 information concerning mineralisation for the Riqueza 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 Australasian 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 fulltime employee of Inca Minerals Limited and consents to the report being issued in the form and context in which it appears.

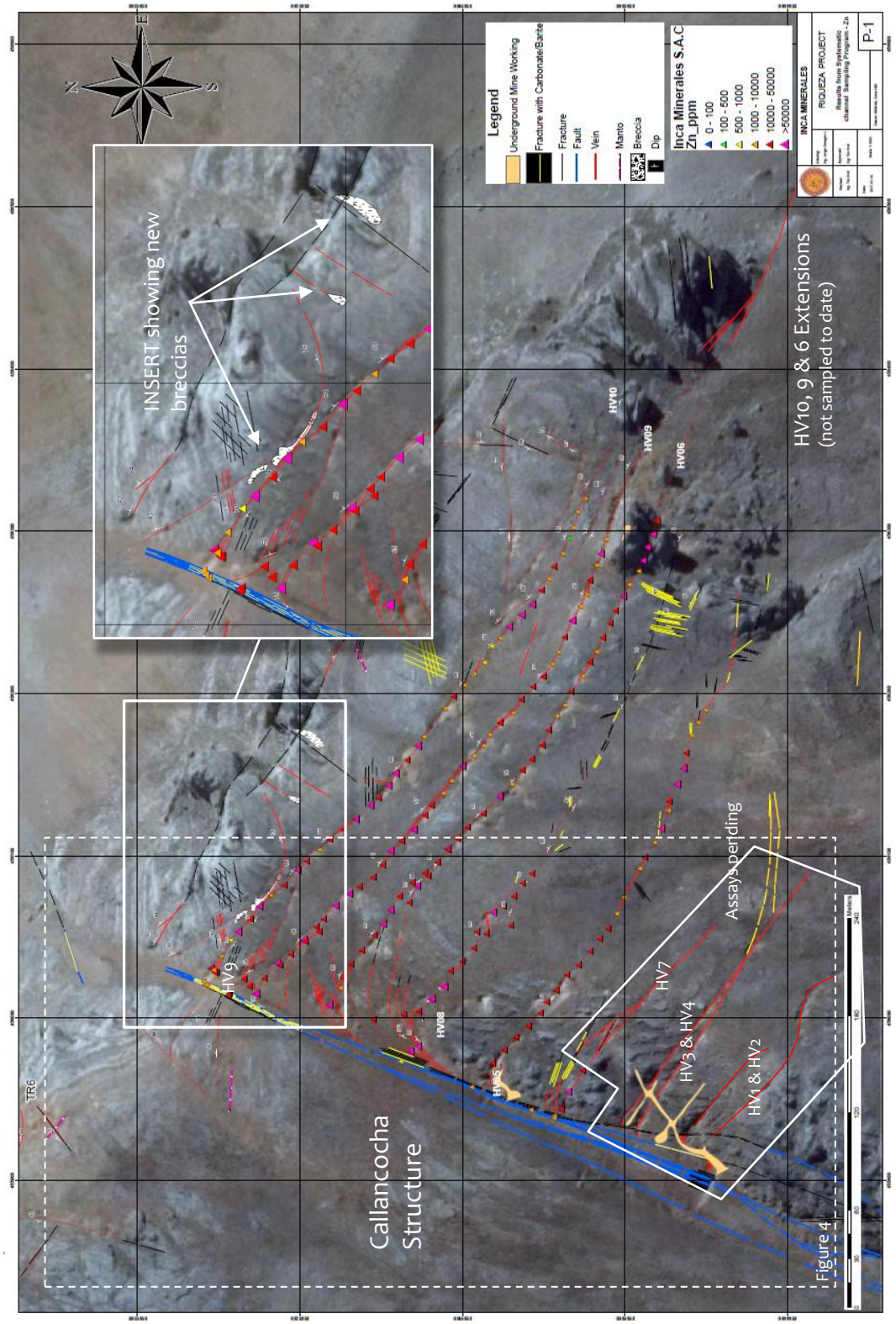

Figure 6: **ABOVE** Systematic sample and mapping plan showing zinc channel sample results and detailed mapping results. Interesting new developments include the extent and complexity of the Callancocha Structure, the extensions of veins HV6, 9 & 10 and the abundance of tension gash-like interstitial vein/veinlets, all containing galena and sphalerite.

Project/Deposit	Country	Operator	Status (drilling)	Resource Category	Reporting
Santander	Peru	Trevali Mining	43,997m in 198 holes	INDMR: 6.264Mt @3.62% Zn, 1.30% Pb, 43g/t Ag, 0.07% Cu @ 3% Zneq*co*	43-101 Technical Report
				INFMR: 13.845Mt @4.62% Zn, 0.40% Pb, 21g/t Ag, 0.11% Cu @ 3% Zneq*co*	
Citronen	Greenland	Ironbark Zinc	67,069m in 313 holes	MMR: 43.09Mt @ 4.08% Zn, 0.48% Pb	Feasibility Study
				INDMR: 51.19Mt @ 4.14% Zn, 0.44% Pb	
				INFMR: 37.72Mt @ 3.80% Zn, 0.41% Pb	
Ayawilco	Peru	Tinka Resources	36,250m in 124 holes	INFMR: 18.8Mt @ 5.90% Zn, 0.20% Pb, 74g/t In*, 15g/t Ag	43-101 Technical Report
AZOD (Accha & Yanque)	Peru	Zincore Metals	60,828m in 345 holes	A:MMR: 2.119Mt @ 8.11% Zn, 0.93% Pb @ 2.2% Zneq*co* (open-cut)	43-101 Preliminary Feasibility Study
				A: INDMR: 4.494Mt @ 5.55% Zn, 0.71% Pb @ 2.2% Zneq*co* (open-cut)	
				A: INFMR: 0.197Mt @ 4.60% Zn, 0.51% Pb @ 2.2% Zneq*co* (open-cut)	
				Y: INDMR: 26.491Mt @ 3.87% Zn, 2.18% Pb @ 1.67% Zneq*co*	
				Y: INFMR: 1.169Mt @ 2.17% Zn, 1.09% Pb @ 1.67% Zneq*co*	
Mt Bonnie	Australia	PNX Metals	circa 10,390m in 105 holes	INDMR: 1.375Mt @ 3.96% Zn, 1.15% Pb, 0.23% Cu, 128g/t Ag, 1.41g/t Au	JORC Compliant Resource Update ASX announcement
				INFMR: 0.171Mt @ 2.11% Zn, 0.87% Pb, 0.16% Cu, 118g/t Ag, 0.80g/t Au	

MMR:	*Measured Mineral Resource*
INDMR:	*Indicated Mineral Resource*
INFMR:	*Inferred Mineral Resource*
Zneqco:	*Zinc equivalent cut-off (grade)*

* In: chemical symbol for Indium

Table 3: **ABOVE** Comparison of various Zn±Pb±Ag±Cu±Au mineral deposits

Appendix 1

The following information is provided to comply with the JORC Code (2012) requirements for the reporting of rock chip sampling by the Company on one concession known as Nueva Santa Rita (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 a systematic channel sample program targeting 10 mineralised vein structures. The samples were taken from trenches spaced 10m apart, cut perpendicularly across the vein structures. Veins were sampled from hanging wall margin to footwall margin with individual samples representing a continuous 1m section.
	Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.	The sample locations of those mentioned above were determined by tape measurements and hand-held GPS. Sampling protocols and QAQC are as per industry best practice.
	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 is a widely used sampling technique deployed in early to mid-phases of exploration. The technique is preferred where rock exposure is good (approaching 100%) across sample-target zones of visible or possible mineralisation. Each sample was bagged separately and labelled. Samples were sent to a laboratory for multi-element analysis.
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.).*	N/A – no drill results were referred to in this announcement.
Drill sample recovery	*Method of recording and assessing core and chip sample recoveries and results assessed.*	N/A – no drill results were referred to in this announcement.
	Measures taken to maximise sample recovery and ensure representative nature of the samples.	N/A – no drill results were 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.	N/A – no drill results were 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.*	N/A – no drill results were referred to in this announcement.
	Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.	N/A – no drill results were referred to in this announcement.

CRITERIA	JORC CODE EXPLANATION	COMMENTARY
Logging cont…	*The total length and percentage of the relevant intersections logged.*	N/A – no drill results were 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.*	N/A – no drill results were referred to in this announcement.
	If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.	N/A – no drill results were referred to in this announcement.
	For all sample types, the nature, quality and appropriateness of the sample preparation technique.	The sample preparation technique was appropriate. Each sample was bagged separately and labelled. Samples were sent to a laboratory for multi-element analysis.
	Quality control procedures adopted for all sub-sampling stages to maximise "representivity" of samples.	N/A – sub-sampling procedures were not 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 is a technique that directly *samples in situ* rock. In the case of sampling subject of this announcement, the *in situ* rock comprises mineralised veins exposed by trenching at regular 10m intervals.
	Whether sample sizes are appropriate to the grain size of the material being sampled.	The sample sizes are considered adequate in terms of the nature and distribution of *in situ* rock and geological target 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.*	The analytical assay technique used in the elemental testing of the samples for non-Au was four-acid digestion and HCl leach, which is considered a "complete" digest for most material types. Elemental analysis was via ICP and atomic emission spectrometry. Over 20% detection analysis includes additional titration analysis. Au techniques included Fire Assay with AA finish. The analytical assay technique used in the elemental testing is considered industry best practice.
	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.	N/A - No geophysical tool or electronic device was used in the generation of sample results other than those used by the laboratory in line with industry best practice.
	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 used as standard laboratory QAQC procedures.
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 SGS Del Peru (**SGS**) who conduct QAQC procedures, which follow industry best practice.

CRITERIA	JORC CODE EXPLANATION	COMMENTARY
Verification of sampling and assaying *cont…*	*The use of twinned holes.*	N/A – no drilling or drill results were referred to in this announcement.
	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 SGS 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 (including 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 tape measurements and hand-held GPS.
	Specification of the grid system used.	WGS846- Zone 18S.
	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 distribution of the channel samples follows industry best practice. Trench spacing of 10m is considered adequate based on the strike-length of the sampled veins (typically long than 100m). The trench orientations were perpendicular to the vein structure direction.
	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.	Please refer immediately above. Note that no Mineral Resource and Ore Reserve estimation has been provided in this announcement. The sample population of that released in this announcement is insufficient to obtain an Exploration Target and additional sampling, to achieve this, would be required.
	Whether sample compositing has been applied.	Sample compositing was applied, in so far as, assay results of individual samples from trenches were averaged where the vein was greater in width than 1m (necessitating more than one sample).
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.*	The distribution of the channel samples follows industry best practice.
	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.	N/A – no drilling or drill results were referred to in this announcement.
Sample security	*The measures taken to ensure sample security.*	Sample security was managed by Inca in line with industry best practice.

CRITERIA	JORC CODE EXPLANATION	COMMENTARY
Audits or reviews	*The results of any audits or reviews of sampling techniques and data.*	The channel sampling regime was considered appropriate for the objective of the program.

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 Name: Nueva Santa Rita. Ownership: The Company has a 5-year concession transfer option and assignment agreement ("Agreement") whereby the Company may earn 100% outright ownership of the concession.
	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.	The Agreement and concession are in good standing at the time of writing.
Exploration done by other parties	*Acknowledgement and appraisal of exploration by other parties.*	This announcement does not refer to exploration conducted by previous parties.
Geology	*Deposit type, geological setting and style of mineralisation.*	The geological setting of the area is that of a gently SW dipping sequence of Cretaceous limestones and Tertiary "red-beds", on a western limb of a NW-SE trending anticline; subsequently affected by a series of near vertical Zn-Ag-Pb bearing veins/breccia and Zn-Ag-Pb [strata-parallel] mantos.
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.* • *Hole length.*	N/A – no drill results were referred to in this announcement.
	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.	N/A – no drill results were referred to in this announcement.

CRITERIA	JORC CODE EXPLANATION	COMMENTARY
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.*	Weighted averages were applied where margin to margin channel sample lengths, across the vein structure were part of a metre. For example, where two adjacent channel samples represent one continuous metre and a half of the continuous metre (because the vein is 1.5m across) a weighted average was used.
	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.	N/A – no weighting averages nor maximum/minimum truncations were applied.
	The assumptions used for any reporting of metal equivalent values should be clearly stated.	N/A – 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').*	Average vein widths, listed on Table 1, are provided, however, no representations of mineralisation width are made in this announcement.
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.*	Plans are provided showing the position of each trench from which channel samples were taken.
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 of its sampling program and relation of it to previously reported exploration referred to in this announcement.
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 does not make substantial reference to other exploration data.
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 that appear characteristic of the channel-sampled veins. The Company is embarking on a campaign of drill testing to achieve is improved knowledge.
	Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	N/A: Refer above.

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