



11 December 2017

## 18.23% ZINC AT CALLANCOCHA MINE SITE

### HIGHLIGHTS

- Underground channel samples return very strong zinc (Zn), silver (Ag) and lead (Pb) grades
- **18.23% Zn, 25.8g/t Ag, 0.29% Pb** Sample IM-374 over 0.58m (true width), and
- **10.54% Zn, 84.5g/t Ag, 7.71% Pb** Sample IM-375 over 0.33m (true width) within
  - **9.70% Zn, 29.4g/t Ag, 2.72% Pb** over 2.05m (true width) in channel 6, gallery 1
- **17.36% Zn, 55.3g/t Ag, 3.76% Pb** Sample IM-353 over 0.44m (true width), and
- **13.44% Zn, 126.0g/t Ag, 15.10% Pb** Sample IM-352 over 0.47m (true width) within
  - **5.93% Zn, 39.8g/t Ag, 3.90% Pb** over 3.11m (true width) in channel 2, gallery 1
- **15.45% Zn, 50.5g/t Ag, 7.86% Pb** Sample IM-368 over 0.60m (true width) within
  - **4.41% Zn, 15.9g/t Ag, 1.89% Pb** over 4.03m (true width) in channel 5, gallery 1
- **11.70% Zn, 20.0g/t Ag, 0.90% Pb** Sample IM-359 over 0.59m (true width), and
- **8.85% Zn, 269g/t Ag, 19.10% Pb** Sample IM-358 over 0.28m (true width) within
  - **8.68% Zn, 81.2g/t Ag, 5.58% Pb** over 1.19m (true width) in channel 3, gallery 1
- **10.25% Zn, 124.0g/t Ag, 11.50% Pb** Sample IM-415 over 1.00m (true width) within
  - **6.79% Zn, 53.4g/t Ag, 4.92% Pb** over 2.95m (true width) in channel 2, gallery 2SW
- Results of channel sample program of vein mine workings expected in 3 to 5 business days
- Callancocha phase 2 trench program results expected in 10 to 15 business days

Inca Minerals Limited (**Inca** or the **Company**) (ASX code: ICG) has received assay results for a detailed mapping and channel-sampling program of a recently opened underground mine working located at Callancocha, Riqueza Project. The mine working has three galleries on two levels with a total combined length of approximately 60m. Past artisanal mining appears to have followed a NE-SW trending fault-controlled breccia system comprising disseminated galena and strong Fe-oxides and Mn-oxides. Inca's assay results show that the breccia system is strongly mineralised in Zn, Ag and Pb.



Figure 1: **LEFT** Underground photo showing detail of channel sample IM-000358 (channel 3, gallery 1). The galena is very fine grained and disseminated (speckled grey). Fine-grained galena can contain high levels of Ag, as is the case with IM-000358. **IM-000358 grades 8.85% Zn, 269g/t Ag and 19.10% Pb.** The sulphides occur with calcite and barite as veins and/or veinlets (off white).



A total of 67 channel samples were taken from 14 continuous channels from within three galleries (Gallery 1, Gallery 2NE and Gallery 2SW) of a NE-SW-trending mine working located within the Callancocha Structure zone (**Callancocha Target** or **Callancocha**). Virtually all the channel samples (98%) contain Zn mineralisation and all of the channels show solid Zn-Ag-Pb mineralisation (Table 1).

Table 1 **BELOW:** Average Zn, Ag, Pb Grades in 14 Channels.

Gallery / Channels	Length (m)	Zn (%)	Ag (g/t)	Pb (%)
Gallery 1, Channel 1	3.52	5.37	38.6	2.97
Gallery 1, Channel 2	3.11	5.93	39.8	3.90
Gallery 1, Channel 3	1.19	8.68	81.2	5.58
Gallery 1, Channel 4	2.87	3.10	14.7	1.45
Gallery 1, Channel 5	4.03	4.41	15.9	1.89
Gallery 1, Channel 6	2.05	9.70	29.4	2.72
Gallery 1, Channel 7	4.58	1.53	18.8	2.09
Gallery 1, Channel 8	2.15	2.74	16.9	1.43
Gallery 2NE, Channel 1	2.79	5.03	35.8	4.82
Gallery 2NE, Channel 2	3.57	5.09	17.4	5.33
Gallery 2NE, Channel 3	4.23	3.19	21.5	2.11
Gallery 2NE, Channel 4	1.09	5.91	57.3	5.02
Gallery 2SW, Channel 1	3.00	3.67	14.4	1.41
Gallery 2SW, Channel 2	2.95	6.79	53.4	4.92

Exceptional grades are returned for channels 6, 2, 1 and 3 of gallery 1. Channel 6 contains **18.23% Zn, 25.8g/t Ag and 0.29% Pb** (sample IM-000374), and **10.54% Zn, 84.5g/t Ag and 7.71% Pb** (sample IM-000375). Channel 2 contains **17.36% Zn, 55.3g/t Ag and 3.76% Pb** (sample IM-000353) and **13.44% Zn, 126.0g/t Ag and 15.10% Pb** (sample IM-000352). Channel 1 contains **10.87% Zn, 42.2g/t Ag and 3.36% Pb** (sample IM-000348). Channel 3 contains **8.85% Zn, 269g/t Ag and 19.1% Pb** (sample IM-000358).

Strong grades are also present in gallery 2SW and gallery 2NE: Channel 2 (gallery 2SW) contains **10.25% Zn, 124.0g/t Ag and 11.50% Pb** (sample IM-000415). Channel 2 (gallery 2NE) contains **9.37% Zn, 21.5g/t Ag and 20.00% Pb** (sample IM-000395).

The top-10 average channel values from both galleries 1 and 2 are consistently very strong:

- The top-10 channel samples have Zn grades  $\geq 8.96\%$ , averaging 12.62% Zn.
- The top-10 channel samples have Ag grades  $\geq 76.7\text{g/t}$ , averaging 122.8g/t Ag.
- The top-10 channel samples have Pb grades  $\geq 7.88\%$ , averaging 12.26% Pb.



Figure 2 **ABOVE:** Underground photo of gallery 1, channel 6, which averages **9.7% Zn, 29.4g/t Ag, 2.72% Pb** over 2.05m.



Mineralisation exposed in the mine working is associated with a fault-related breccia. The predominant ore-forming minerals are galena and sphalerite, which occur as fine-grained disseminations. The fine grained sugary appearance of the galena (Figure 1) and sphalerite is very different from the very coarse and blebby nature of these minerals in vein and manto mineralisation. The exact cause of this is not currently known but may relate to variations in ore-forming processes. Smithsonite is also present and associated with Fe-oxides and Mn-oxides in the more weathered (water-affected) parts of the mineralised system.



Figure 3 **ABOVE LEFT:** Underground photo showing channel sample IM-000374. Mineralisation at this location is associated with a broad breccia zone. **ABOVE RIGHT:** Underground photo showing detail of channel sample IM-000374. The breccia clasts are sub-rounded to angular which is indicative of sustained and repeated brecciation (or rock breaking events). IM-000374 grades **18.23% Zn, 25.8g/t Ag, 0.29% Pb.**

### Importance of Results

The mineralisation exposed in a mine working and channel sampled (subject of this announcement) is hosted in a fault-related breccia within the Callancocha Structure zone (Figures 6 & 7). The ore-forming minerals are predominantly galena and sphalerite which form fine grained disseminated masses within the breccia.

“There is an important distinction between the disseminated sulphides of the Callancocha Structure and the coarse sulphides of the veins and mantos that occur at Humaspunco” says Inca’s Managing Director, Mr Ross Brown. “The disseminated style of sulphides at Callancocha is believed to be the result of pervasive mineralising processes related to structural mechanisms which are more widespread and enduring than those mechanisms forming the mineralised veins and mantos.”

**Callancocha Structure zone hosts an expanding inventory of strongly mineralised components, including veins, stockworks and breccias extending for a strike length of approximately 300m.**

Callancocha is an increasingly important and exciting target. It hosts at least three important zones of mineralisation which have all been discovered in recent exploration. These include:

- The strongly mineralised NE-SW vein in a large mine working that was channel sampled in September (ASX announcement 2 October 2017)
- The open ended strong vein and stockwork mineralisation in two new trenches (ASX announcement 20 October 2017). Four follow-up exploration trenches in the same vicinity have exposed additional mineralisation (first batch assay results expected within 10 – 15 business days)
- The fault-related strongly mineralised breccia (subject of this announcement).

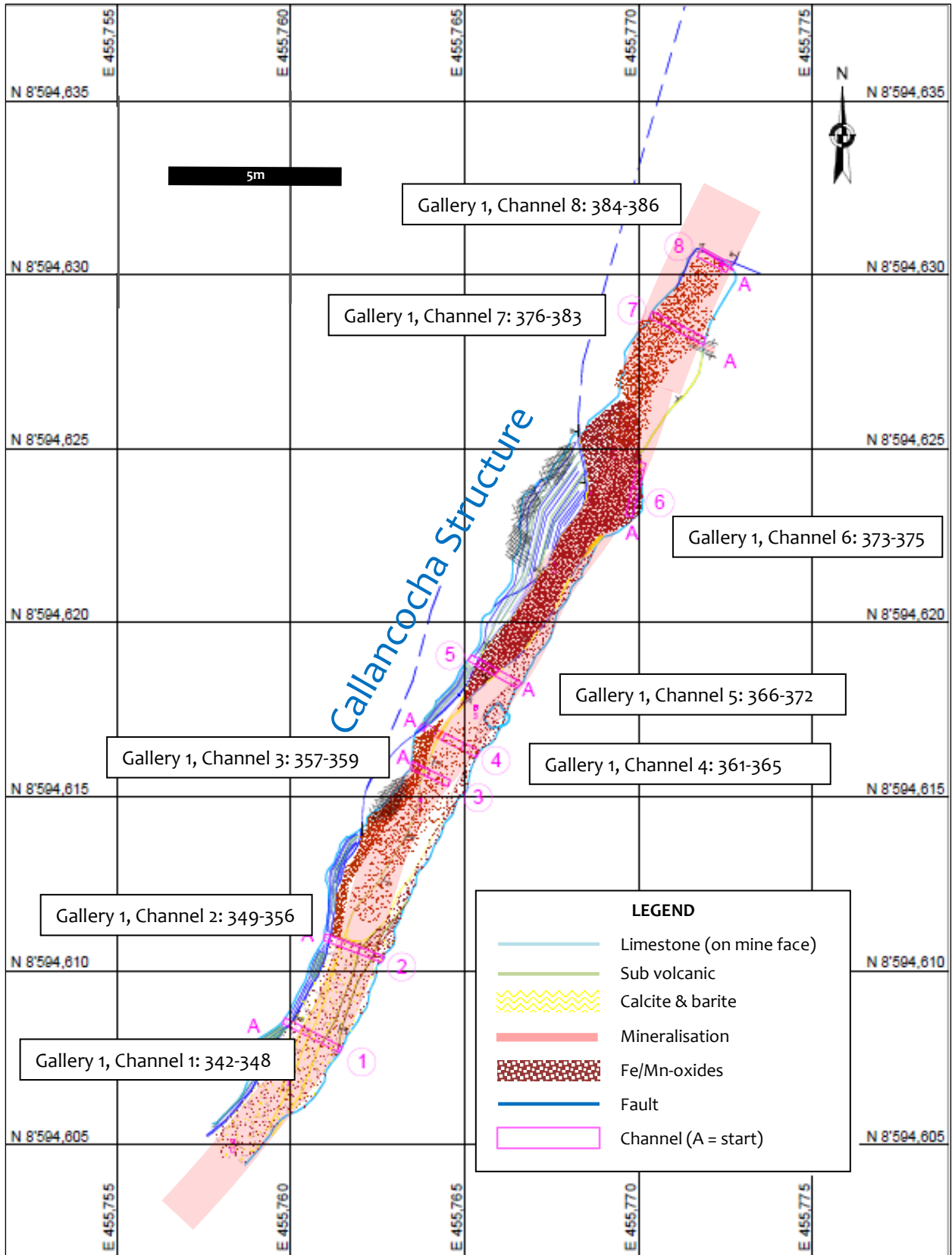


Figure 4 ABOVE: Channel sample location plan of Gallery 1 also showing the major features of the mineralised fault-related breccia system.

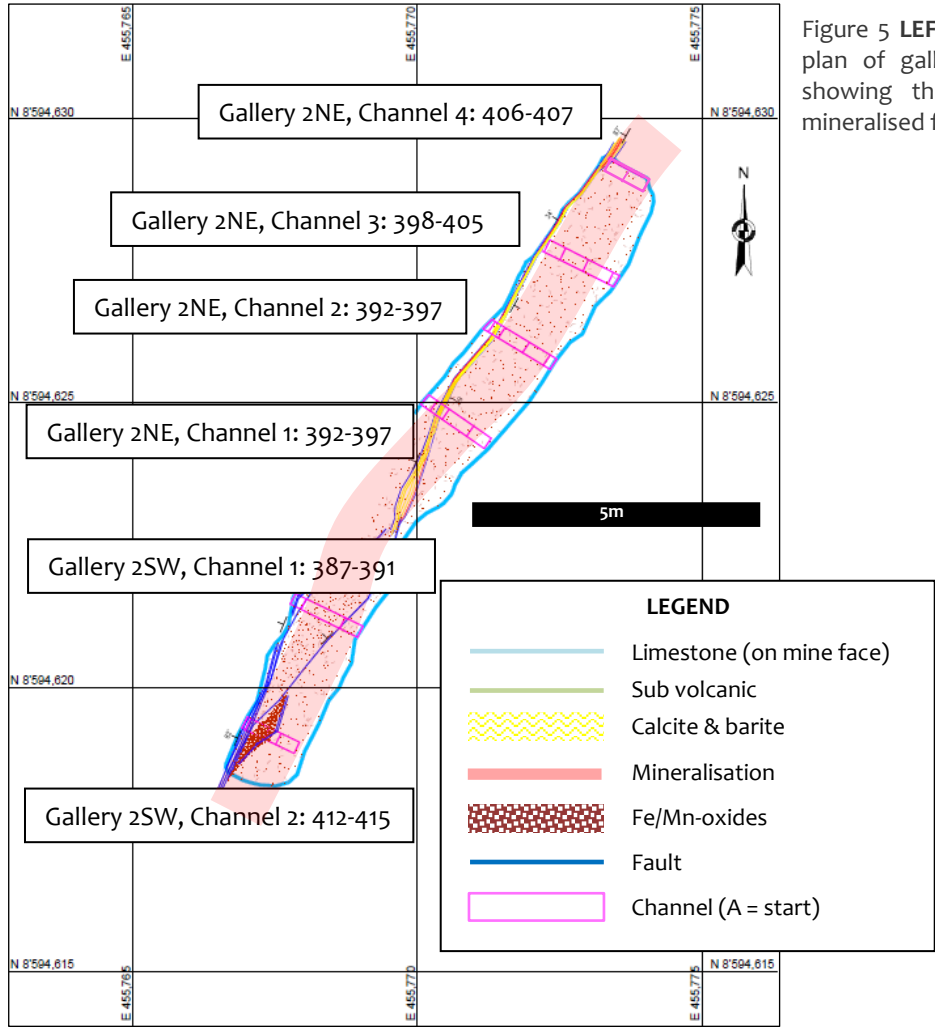


Figure 5 **LEFT**: Channel sample location plan of gallery 2NE and gallery 2SW showing the major features of the mineralised fault-related breccia system.

Figure 6 **RIGHT**: Satellite image showing Humaspunco and the location of the key new mineralised components of the Callancocha Structure zone (white boxes): i) the NE-SW trending mineralised vein in a large mine working (ASX announcement 2 October 2017); ii) open ended vein/stockwork mineralisation in two trenches (ASX announcement 20 October 2017) and the site of additional visible mineralisation in 4 new trenches (subject of ASX announcement in 10-15 business days); iii) disseminated fault-related breccia mineralisation (this announcement).

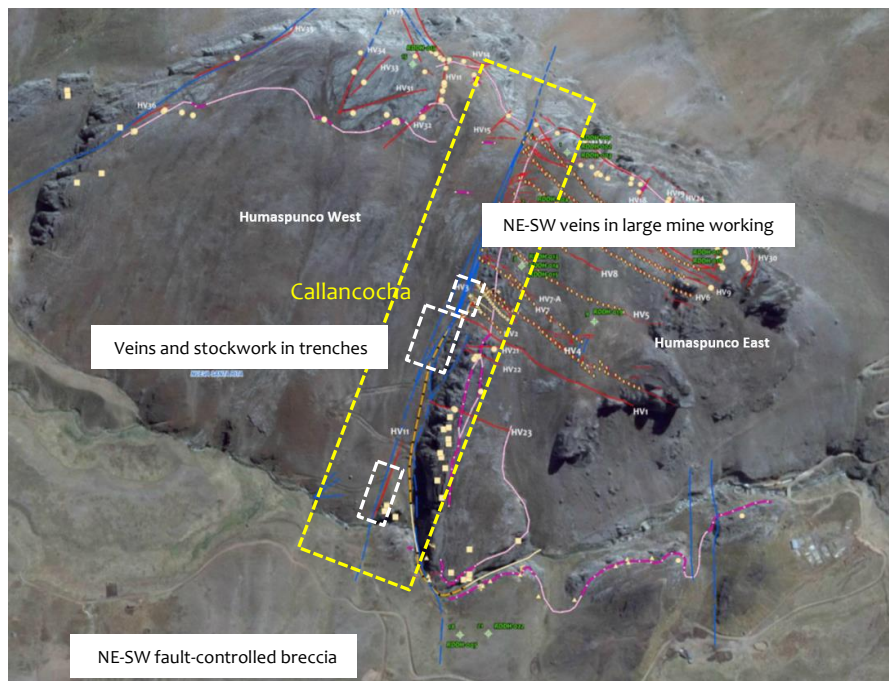




Table 2 BELOW: Underground channel sample assay results for Zn, Ag, Pb, Cu

Sample Number	Sample Coordinates		Channel Sample			Zn		Ag		Pb		Cu	
	Eastings	Northings	Width	Length	Orientation	Method (ICP40B)	Method (AAS41B)	Method (ICP40B)	Method (AAS41B)	Method (ICP40B)	Method (AAS41B)	Method (ICP40B)	Method (ICP40B)
						ppm	%	g/t	%	ppm	%	ppm	%
IM-000342	455759	8594608	0.20	0.90	NW-SE	807.8	0.08	0.5	0.02	88	0.01	9.1	0.09
IM-000343	455760	8594608	0.20	0.34	NW-SE	57100	5.71	14.6	0.47	13200	1.32	150.9	7.03
IM-000344	455760	8594608	0.20	0.30	NW-SE	71700	7.17	29.1	0.94	29000	2.9	182.5	10.07
IM-000345	455760	8594608	0.20	0.43	NW-SE	60300	6.03	29.9	0.96	22600	2.26	211.1	8.29
IM-000346	455761	8594607	0.20	0.50	NW-SE	53200	5.32	76.7	2.47	45100	4.51	364.7	9.83
IM-000347	455761	8594607	0.20	0.50	NW-SE	69800	6.98	94.6	3.04	81000	8.1	461.4	15.08
IM-000348	455761	8594610	0.20	0.55	NW-SE	108700	10.87	10.87	1.36	33600	3.36	463.3	14.23
IM-000349	455761	8594610	0.20	0.90	NW-SE	1710.5	0.17	38.60	1.24	295	0.03	30.2	8.33
IM-000351	455761	8594610	0.20	0.45	NW-SE	13000	1.3	12	0.39	14000	1.4	220.8	2.70
IM-000352	455762	8594610	0.20	0.47	NW-SE	134400	13.44	126	12.6	15100	15.1	971.7	28.54
IM-000353	455762	8594610	0.20	0.44	NW-SE	17360	17.36	55.3	1.78	37600	3.76	841.3	21.12
IM-000354	455762	8594610	0.20	0.28	NW-SE	48300	4.83	19.9	0.64	13900	1.39	47.3	6.22
IM-000355	455762	8594610	0.20	0.28	NW-SE	59200	5.92	92.5	2.97	78800	7.88	609.3	13.80
IM-000356	455762	8594610	0.20	0.29	NW-SE	25800	2.58	6.7	0.22	4598	0.46	169.9	3.04
IM-000357	455763	8594615	0.20	0.32	NW-SE	29600	2.96	39.8	1.28	24000	2.4	390	9.84
IM-000358	455763	8594615	0.20	0.28	NW-SE	88500	8.85	269	8.65	19100	19.1	240.4	27.95
IM-000359	455764	8594615	0.20	0.59	NW-SE	117000	11.7	20	0.64	8977	0.90	217.9	12.60
IM-000361	455763	8594617	0.20	0.90	NW-SE	4384.2	0.43	81.2	2.61	558	0.58	14.26	14.26
IM-000362	455764	8594616	0.20	0.30	NW-SE	15100	1.51	5.6	0.18	1830	0.18	159	0.62
IM-000363	455764	8594616	0.20	0.32	NW-SE	28600	2.86	19.2	0.62	18700	1.87	194.9	4.73
IM-000364	455764	8594616	0.20	0.60	NW-SE	48400	4.84	23	0.74	49100	4.91	106.1	9.75
IM-000365	455765	8594616	0.20	0.75	NW-SE	56400	5.64	17.1	0.55	5636	0.56	176.2	6.20
IM-000366	455766	8594618	0.20	1.22	NW-SE	41600	4.16	11.1	0.47	7296	0.73	156.2	4.55
IM-000367	455766	8594618	0.20	0.36	NW-SE	63300	6.33	35.9	1.15	41400	4.14	222.5	10.47
IM-000368	455766	8594618	0.20	0.60	NW-SE	15450	15.45	50.5	1.62	78600	7.86	293.7	23.31
IM-000369	455766	8594618	0.20	0.52	NW-SE	16800	1.68	7.5	0.24	7479	0.75	60.4	2.43
IM-000371	455765	8594618	0.20	0.97	NW-SE	2689.1	0.27	2.9	0.09	1194	0.12	46.6	0.39
IM-000372	455765	8594618	0.20	0.36	NW-SE	649.9	0.06	1.3	0.04	121	0.01	23.9	0.08
IM-000373	455769	8594623	0.20	1.14	N-S	51100	5.11	15.2	0.51	25100	2.51	100.2	6.30
IM-000374	455769	8594624	0.20	0.58	N-S	18300	18.23	25.8	0.83	2910	0.29	33.5	18.52
IM-000375	455770	8594624	0.20	0.33	N-S	105400	10.54	84.5	2.72	77100	7.71	1068	18.25
IM-000376	455771	8594628	0.20	0.96	NW-SE	5952.8	0.60	29.4	0.94	9132	0.91	28.9	12.42
IM-000377	455771	8594628	0.20	0.61	NW-SE	61900	6.19	38.9	1.25	46400	4.64	328.8	10.83
IM-000378	455771	8594628	0.20	0.44	NW-SE	16100	1.61	22.1	0.71	22800	2.24	328.5	3.89
IM-000379	455770	8594628	0.20	0.44	NW-SE	3249.4	0.32	9.6	0.31	6588	0.66	195.3	0.98
IM-000381	455770	8594628	0.20	1.02	NW-SE	4529.5	0.45	6.2	0.20	3225	0.32	116.8	0.78
IM-000382	455770	8594628	0.20	0.56	NW-SE	6362.7	0.64	10.7	0.34	19500	1.95	67	2.59
IM-000383	455770	8594628	0.20	0.55	NW-SE	18000	1.8	24.6	0.79	57200	5.72	76.3	7.52
			0.20	4.58		153	1.53	18.8	0.60		2.09		3.62



Table 2 continued **BELOW:** Underground channel sample assay results for Zn, Ag, Pb, Cu

Sample Number	Sample Coordinates		Channel Sample Location (Gallery, Channels)	Channel Sample			Zn		Ag		Pb		Cu	
	Easting	Northing		Width	Length	Orientation	Method (ICP40B) (AA541B)	%	Method (ICP40B) (AA541B)	g/t	Method (ICP40B) (AA541B)	%	Method (ICP40B)	ppm
IM-000384	455772	8594630	Gallery 1, Channel 8	0.20	0.80	NW-SE	12900	1.29	8.1	0.26	8450	0.85	70.1	2.14
IM-000385	455772	8594630	Gallery 1, Channel 8	0.20	0.60	NW-SE	67500	6.75	44.1	1.42	33800	3.38	332.4	10.13
IM-000386	455772	8594630	Gallery 1, Channel 8	0.20	0.75	NW-SE	10800	1.08	4.5	0.14	4862	0.49	40.8	1.57
IM-000387	455770	8594624	Gallery 2NE, Channel 1	0.20	2.15	NW-SE	32400	3.24	16.9	0.54	2381	1.43	101.3	4.17
IM-000388	455770	8594624	Gallery 2NE, Channel 1	0.20	1.10	NW-SE	89600	8.96	64.5	0.26	107100	10.71	280.9	3.48
IM-000389	455770	8594624	Gallery 2NE, Channel 1	0.20	0.65	NW-SE	69000	6.9	49.7	1.60	80900	8.09	197.4	14.99
IM-000391	455771	8594624	Gallery 2NE, Channel 1	0.20	0.75	NW-SE	45200	4.52	53.1	1.71	64200	6.42	242.2	10.94
IM-000392	455771	8594626	Gallery 2NE, Channel 2	0.20	2.79	NW-SE	46600	4.66	35.75	1.15	6821	4.82	84.6	9.85
IM-000393	455771	8594626	Gallery 2NE, Channel 2	0.20	0.50	NW-SE	20600	2.06	6.3	0.16	3593	0.68	117.7	5.34
IM-000394	455771	8594626	Gallery 2NE, Channel 2	0.20	0.27	NW-SE	85000	8.5	51.2	1.65	67700	6.77	245.4	15.27
IM-000395	455772	8594625	Gallery 2NE, Channel 2	0.20	0.65	NW-SE	93700	9.37	21.5	0.69	20000	2.00	159.5	29.37
IM-000396	455772	8594625	Gallery 2NE, Channel 2	0.20	0.45	NW-SE	30500	3.05	17.9	0.58	30500	3.05	101.4	6.10
IM-000397	455772	8594625	Gallery 2NE, Channel 2	0.20	0.95	NW-SE	47800	4.78	20	0.64	23500	2.29	125.6	7.13
IM-000398	455772	8594627	Gallery 2NE, Channel 3	0.20	3.57	NW-SE	20100	2.01	17.40	0.56	2010	5.33	10.43	10.43
IM-000399	455772	8594627	Gallery 2NE, Channel 3	0.20	0.95	NW-SE	44400	4.44	6.1	0.20	2010	0.20	135.2	2.21
IM-000401	455772	8594627	Gallery 2NE, Channel 3	0.20	0.26	NW-SE	49900	4.99	23.6	0.76	9828	0.98	290.4	5.42
IM-000402	455772	8594627	Gallery 2NE, Channel 3	0.20	0.27	NW-SE	79300	7.93	145	1.22	130000	13	710.8	17.99
IM-000403	455772	8594627	Gallery 2NE, Channel 3	0.20	0.55	NW-SE	97767	9.7767	37.9	1.22	49300	4.93	227.5	12.86
IM-000404	455773	8594627	Gallery 2NE, Channel 3	0.20	0.30	NW-SE	31900	3.19	2.8	0.09	1854	0.19	23.8	1.16
IM-000405	455773	8594627	Gallery 2NE, Channel 3	0.20	1.05	NW-SE	12800	1.28	5.2	0.17	3226	0.32	72.4	3.51
IM-000406	455773	8594629	Gallery 2NE, Channel 4	0.20	0.85	NW-SE	55200	5.52	14.9	0.48	22100	2.21	83.8	3.49
IM-000407	455773	8594629	Gallery 2NE, Channel 4	0.20	4.23	NW-SE	69800	6.98	3.19	0.69	35300	3.53	270.2	9.05
IM-000408	455768	8594621	Gallery 2SW, Channel 1	0.20	0.80	NW-SE	60300	6.03	29.2	0.94	91400	9.14	837.8	16.12
IM-000409	455768	8594621	Gallery 2SW, Channel 1	0.20	0.29	NW-SE	43800	4.38	135	4.34	11800	1.18	93	7.21
IM-000411	455767	8594621	Gallery 2SW, Channel 1	0.20	1.09	NW-SE	59209	5.9209	57.3	1.84	2114	5.02	100.3	7.21
IM-000412	455767	8594618	Gallery 2SW, Channel 2	0.20	1.00	NW-SE	44100	4.41	11.3	0.36	11800	1.18	100.3	7.21
IM-000413	455767	8594619	Gallery 2SW, Channel 2	0.20	0.35	NW-SE	89100	8.91	23.4	0.75	28300	2.83	200.3	7.21
IM-000414	455767	8594619	Gallery 2SW, Channel 2	0.20	1.00	NW-SE	102500	10.25	8.6	0.28	2114	2.11	200.3	0.81
IM-000415	455767	8594619	Gallery 2SW, Channel 2	0.20	3.00	NW-SE	102500	10.25	14.4	0.46	141	1.41	5.08	5.08
IM-000416	455767	8594619	Gallery 2SW, Channel 2	0.20	1.00	NW-SE	44100	4.41	17	0.55	15700	1.57	115.7	5.98
IM-000417	455767	8594619	Gallery 2SW, Channel 2	0.20	0.60	NW-SE	37700	3.77	28.3	0.91	26700	2.67	222.3	11.58
IM-000418	455767	8594619	Gallery 2SW, Channel 2	0.20	0.60	NW-SE	102500	10.25	11.2	0.36	8554	0.86	88	4.63
IM-000419	455767	8594619	Gallery 2SW, Channel 2	0.20	2.95	NW-SE	102500	10.25	124	3.99	115000	11.5	798.7	21.75
IM-000420	455767	8594619	Gallery 2SW, Channel 2	0.20	2.95	NW-SE	102500	10.25	53.43	1.72	492	4.92	11.71	11.71

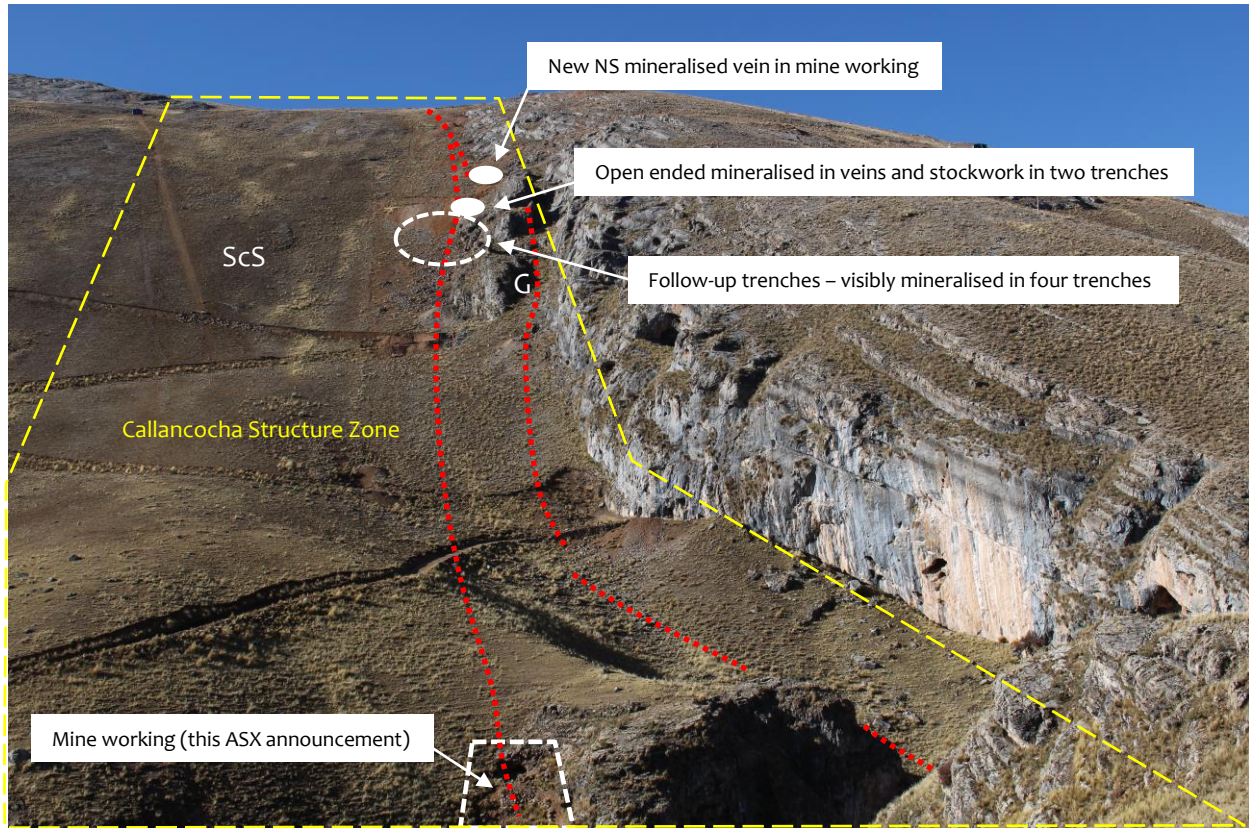


Figure 7 **ABOVE:** Landscape photo showing the geographical features and locations of important zones of mineralisation of the Callancocha Structure. The mine working, the subject of this announcement, is located in the centre foreground. Also marked to the north and uphill, are: i) the mine working in which a large NE-SW trending mineralised vein was sampled (ASX announcement 2 October 2017); ii) the site of the two trenches that exposes new open ended vein and stockwork mineralisation (ASX announcement 20 October 2017); and iii) the site of follow-up trench work in which preliminary mapping has identified visible mineralisation in four new trenches (subject of future ASX announcement 10-15 business days). Other salient topographic features include the prominent cliff face, which was created by west-block-down faulting; a deep surface gully, possibly related to weathering associated with underlying vein mineralisation (G); and a distinctive scree slope that has developed over much of the Callancocha Structure zone (ScS).

### Competent Person Statements

The information in this report that relates to exploration results and mineralisation for the greater 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 exploration results and 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.





**Appendix 1**

The following information is provided to comply with the JORC Code (2012) requirements for the reporting of channel sampling results 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
<b>Sampling techniques</b>	<i>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.</i>	This announcement refers to new assay results from 67 channel samples. The channel samples were taken from an underground mine working.
	<i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i>	Channel sample intervals are determined through tape measurements by Company geologists with reference to gallery positions within the underground mine relative to a GPS located marker (outside the mine).
	<i>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.</i>	The channel samples were taken perpendicularly to exposed mineralisation to obtain representative assay results. Each channel sample weighs approximately 2kg and is between 0.28m and 1.14m long.
<b>Drilling techniques</b>	<i>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.).</i>	N/A: No drilling and drill result is discussed in this announcement.
<b>Drill sample recovery</b>	<i>Method of recording and assessing core and chip sample recoveries and results assessed.</i>	N/A: No drilling results are discussed in this announcement.
	<i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i>	No significant core loss was experienced.
	<i>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.</i>	N/A: No drilling results are discussed in this announcement.
<b>Logging</b>	<i>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.</i>	N/A: No drilling results are discussed in this announcement.
	<i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.</i>	N/A: No drilling results are discussed in this announcement.
	<i>The total length and percentage of the relevant intersections logged.</i>	N/A: No drilling results are discussed in this announcement.



CRITERIA	JORC CODE EXPLANATION	COMMENTARY
<b>Sub-sampling techniques and sample preparation</b>	<i>If core, whether cut or sawn and whether quarter, half or all core taken.</i>	N/A: No drilling results are discussed in this announcement.
	<i>If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.</i>	N/A: No drilling results are discussed in this announcement.
	<i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i>	Channel sample preparation follows industry best practice.
	<i>Quality control procedures adopted for all sub-sampling stages to maximise “representivity” of samples.</i>	No sub-sampling procedures were undertaken.
	<i>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.</i>	Further to above, the orientations of the channels were aligned perpendicularly to the known visible zone of mineralisation wherever possible.
	<i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i>	The channel sample sizes are adequate in terms of the nature and distribution of mineralisation visible in the mine workings.
<b>Quality of assay data and laboratory tests</b>	<i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i>	The analytical assay technique used in the elemental testing of the channel samples for non-Au was 4-acid digestion and HCl leach, which is considered a complete digestion for most material types. Elemental analysis was via ICP and atomic emission spectrometry. Au techniques included fire assay with AA finish. The analytical assay technique used in the elemental testing is considered industry best practice.
	<i>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.</i>	N/A – No geophysical tool or electronic device was used in the generation of core and channel sample results other than those used by the laboratory in line with industry best practice.
	<i>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.</i>	Blanks, duplicates and standards were used as standard laboratory procedures. The Company also entered blanks, duplicates and standards as an additional QAQC measure.
<b>Verification of sampling and assaying</b>	<i>The verification of significant intersections by either independent or alternative company personnel.</i>	The channel sample assay results are independently generated by SGS Del Peru (SGS) who conduct QAQC procedures, which follow industry best practice.
	<i>The use of twinned holes.</i>	N/A: No drilling results are discussed in this announcement.
	<i>Documentation of primary data, data entry procedures, date verification, data storage (physical and electronic) protocols.</i>	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/desktops/iPads which are backed up from time to time. Following critical



CRITERIA	JORC CODE EXPLANATION	COMMENTARY
<b>Verification of sampling and assaying cont...</b>		assessment (eg price sensitivity, <i>inter alia</i> ), when time otherwise permits, the data is entered into a database by Company GIS personnel.
	<i>Discuss any adjustment to assay data.</i>	No adjustments were made.
<b>Location of data points</b>	<i>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.</i>	The channels were located using tape measurement and handheld GPS.
	<i>Specification of the grid system used.</i>	WGS846-18L.
	<i>Quality and adequacy of topographic control.</i>	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. In the case of underground sample locations, tape measures and compass bearings were taken from a fixed location coordinates established by GPS.
<b>Data spacing and distribution</b>	<i>Data spacing for reporting of Exploration Results.</i>	The channel samples were spaced as regularly as possible along the mine working galleries and where visible mineralisation was evident. Individual channel samples were between 0.28m and 1.14m long.
	<i>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.</i>	No representations of extensions, extrapolations or reference to grade continuity were made in this announcement. Extensions of hosts of mineralisation (veins, stockworks, breccias) are included in this report and are based on geological strike directions and geomorphological parameters.
	<i>Whether sample compositing has been applied.</i>	No sample compositing had been applied to generate assay results subject of this announcement.
<b>Orientation of data in relation to geological structure</b>	<i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i>	Assay results subject of this announcement are believed associated with brecciated hosted mineralisation associated with large scale vertical to near-vertical structures. The directions of the channel samples are all perpendicular to visible mineralisation (except one) and are therefore considered spatially unbiased.
	<i>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.</i>	N/A: No drilling results is discussed in this announcement.
<b>Sample security</b>	<i>The measures taken to ensure sample security.</i>	Sample security was managed by the Company in line with industry best practice.



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<b>Audits or reviews</b>	<i>The results of any audits or reviews of sampling techniques and data.</i>	Geological reviews of all sampling methods are performed on site by senior geological staff. Where considered appropriate, assay data is independently audited. No audit was required in relation to assay data subject of this announcement.

**Section 2 Reporting of Exploration Results**

CRITERIA	JORC CODE EXPLANATION	COMMENTARY
<b>Mineral tenement and land tenure status</b>	<i>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.</i>	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.
	<i>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.</i>	The Agreement and concession are in good standing at the time of writing.
<b>Exploration done by other parties</b>	<i>Acknowledgement and appraisal of exploration by other parties.</i>	This announcement does not refer to exploration conducted by previous parties.
<b>Geology</b>	<i>Deposit type, geological setting and style of mineralisation.</i>	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.
<b>Drill hole information</b>	<i>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:</i> <ul style="list-style-type: none"> <li>• Easting and northing of the drill hole collar</li> <li>• Elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar.</li> <li>• Dip and azimuth of the hole.</li> <li>• Down hole length and interception depth.</li> <li>• Hole length.</li> </ul>	N/A: No drilling results are discussed in this announcement.
	<i>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.</i>	N/A: No drilling results are discussed in this announcement.
<b>Data aggregation methods</b>	<i>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.</i>	Weighted averages were applied where an average grade is calculated over intervals comprising different individual channel sample lengths. No maximum/minimum truncations were applied.



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<b>Data aggregation methods cont...</b>	<i>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.</i>	N/A – no weighting averages of this nature were applied, nor maximum/minimum truncations were applied.
	<i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i>	N/A – no equivalents were used in this announcement.
<b>Relationship between mineralisation widths and intercept lengths</b>	<i>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').</i>	N/A: No drilling results are discussed in this announcement.
<b>Diagrams</b>	<i>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.</i>	Plans are provided showing the channel samples of this announcement.
<b>Balanced reporting</b>	<i>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.</i>	The Company believes the ASX announcement provides a balanced report of its exploration results referred to in this announcement.
<b>Other substantive exploration data</b>	<i>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.</i>	This announcement makes reference to two previous ASX announcements dated: 2 October 2017 and 20 October 2017.
<b>Further work</b>	<i>The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).</i>	By nature of early phase exploration, further work is necessary to better understand the mineralisation appearing in the channel samples subject of this announcement.
	<i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i>	N/A: Refer above.

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