INCA MINERALS LTD
ACN: 128 512 907

**ASX ANNOUNCEMENT**
**ASX Code: ICG**

15 December 2017

# STRONG MINERALISATION IN RIQUEZA VEIN MINE

## HIGHLIGHTS

- Underground channel samples of vein HV-02 return strong zinc (Zn), silver (Ag) and lead (Pb) grades:
  - **9.79% Zn, 74.5g/t Ag, 7.39% Pb** Sample IM-426 over 0.28m (true width) within
    - **5.43% Zn, 64.7g/t Ag, 5.09% Pb** over 0.88m (true width) - channel 4, gallery 1
  - **9.43% Zn, 79.9g/t Ag, 8.88% Pb** Sample IM-416 over 0.28m (true width) within
    - **4.34% Zn, 49.8g/t Ag, 3.96% Pb** over 1.02 m (true width) - channel 1, gallery 1
- Drill hole RDDH-023 assays results
- Callancocha phase 2 trench program results expected in 7 to 10 business days

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Inca Minerals Limited (**Inca** or the **Company**) (ASX code: ICG) has received assay results for a detailed mapping and channel-sampling program from a recently opened underground mine working at Humaspunco East, Riqueza Project. The mine working, comprising a single 30m long gallery, allows direct sampling of vein HV-02.

Table 1 presents channel sample results of HV-02 (NW to SE along the gallery) which include:

- Channel 1 grade averages: **4.34% Zn, 49.8g/t Ag, 3.96% Pb** (1.02m true width)
- Channel 2 grade (one sample only): **2.31% Zn, 38.6g/t Ag, 2.95% Pb** (0.28m true width)
- Channel 3 grade averages: **1.46% Zn, 94.5g/t Ag, 2.67% Pb** (0.87m true width)
- Channel 4 grade averages: **5.43% Zn, 64.7g/t Ag, 5.09% Pb** (0.88m true width)

| Sample Number | Sample Coordinates | | Channel Sample Location (Gallery, Channel Series) | Channel Sample | | | Zn | | | Ag | | | Pb | | | Cu | Zn+Pb |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | Width | Length | Orientation | Method (ICP40B) | Method (AAS41B) | % | Method (ICP40B) | Method (AAS41B) | oz/t | Method (ICP40B) | Method (AAS41B) | % | Method (ICP40B) | |
| | Easting | Northing | | | | | ppm | % | | g/t | | | ppm | % | | ppm | |
| IM-000416 | 455937 | 8594953 | Gallery 1, Channel 1 | 0.20 | 0.28 | NE-SW | 94300 | 9.43 | 9.43 | 79.9 | – | 2.6 | 88800 | 8.88 | 8.88 | 584.5 | 18.31 |
| IM-000417 | 455937 | 8594953 | Gallery 1, Channel 1 | 0.20 | 0.29 | NE-SW | 1827 | – | 0.18 | 0.5 | – | 0.0 | 551 | – | 0.06 | 13.6 | 0.24 |
| IM-000418 | 455938 | 8594954 | Gallery 1, Channel 1 | 0.20 | 0.45 | NE-SW | 38600 | 3.86 | 3.86 | 62.9 | – | 2.0 | 34200 | 3.42 | 3.42 | 208.5 | 7.28 |
| | | | | | **1.02** | | | | **4.34** | **49.8** | | **1.6** | | | **3.96** | | **8.31** |
| IM-000419 | 455939 | 8594952 | Gallery 1, Channel 2 | 0.20 | 0.28 | NE-SW | 23100 | 2.31 | 2.31 | 38.6 | – | 1.2 | 29500 | 2.95 | 2.95 | 322.9 | 5.26 |
| | | | | | **0.28** | | | | **2.31** | **38.6** | | **1.2** | | | **2.95** | | **5.26** |
| IM-000421 | 455944 | 8594948 | Gallery 1, Channel 3 | 0.20 | 0.3 | NE-SW | 24600 | 2.46 | 2.46 | 178 | 178 | 5.7 | 24400 | 2.44 | 2.44 | 1532.2 | 4.90 |
| IM-000422 | 455944 | 8594948 | Gallery 1, Channel 3 | 0.20 | 0.29 | NE-SW | 2199.3 | – | 0.22 | 15.2 | – | 0.5 | 3962 | – | 0.40 | 153.1 | 0.62 |
| IM-000423 | 455944 | 8594948 | Gallery 1, Channel 3 | 0.20 | 0.28 | NE-SW | 16800 | 1.68 | 1.68 | 87.3 | – | 2.8 | 52600 | 5.26 | 5.26 | 825.2 | 6.94 |
| | | | | | **0.87** | | | | **1.46** | **94.5** | | **3.0** | | | **2.67** | | **4.13** |
| IM-000424 | 455947 | 8594945 | Gallery 1, Channel 4 | 0.20 | 0.3 | NE-SW | 36300 | 3.54 | 3.63 | 81.7 | – | 2.6 | 21400 | 5.04 | 2.14 | 897.1 | 5.77 |
| IM-000425 | 455947 | 8594945 | Gallery 1, Channel 4 | 0.20 | 0.3 | NE-SW | 31500 | 3.15 | 3.15 | 38.5 | – | 1.2 | 29900 | 2.99 | 2.99 | 604.3 | 6.14 |
| IM-000426 | 455948 | 8594945 | Gallery 1, Channel 4 | 0.20 | 0.28 | NE-SW | 97900 | 9.79 | 9.79 | 74.5 | – | 2.4 | 73900 | 7.39 | 7.39 | 643.4 | 17.18 |
| | | | | | **0.88** | | | | **5.43** | **64.7** | | **2.1** | | | **4.10** | | **9.53** |

Table 1 **ABOVE:** Assay results for the underground channel sample program of HV-02 subject of this announcement. Refer Figure 1 for channel sample location plan.

The above-mentioned channel sampling program follows on from a previous underground channel sampling program (conducted in September 2017) which also sampled vein Hv-02 and did so at a lower level via access from a large mine working (ASX announcement 2 October 2017). The results from the September 2017 program are presented in Table 2 and include:

- Channel 7 grade averages: **5.23% Zn, 192.6g/t Ag, 14.77% Pb** (0.85m true width)
- Channel 8 grade averages: **6.12% Zn, 34.6g/t Ag, 2.59% Pb** (1.75m true width)
- Channel 9 (one sample only): **6.25% Zn, 99.0g/t Ag, 4.30% Pb** (0.4m true width)
- Channel 10 grade averages: **1.05% Zn, 10.8g/t Ag, 0.54% Pb** (1.15m true width)

"The direct sampling of vein HV-02 at different underground levels provides valuable information regarding vertical and horizontal grade variations of vein mineralisation" says Inca's Managing Director, Mr Ross Brown. "As part of the bigger objective, the results contribute to a growing data base of the *in situ* grades of the vein mineralisation occurring at Humaspunco."

| Sample Number | Vein | Channel Number (length m's) Sample Sequence | Channel Number (Figure 1) | Channel Length | Zn | | Av Zn Ch % | Ag | Av Ag Ch g/t | Pb | | Av Pb Ch % |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | ppm | % | | g/t | | ppm | % | |
| IM-000251 | HV-02 | 1SE(1.75m) | Channel 8 | 0.35 | >10000 | 21.71 | 6.12 | 2.4 | 34.6 | 3760 | 0.38 | 2.59 |
| IM-000252 | | | | 0.45 | >10000 | 11.50 | | 163.0 | | >10000 | 12.40 | |
| IM-000253 | | | | 0.50 | >10000 | 2.00 | | 15.9 | | 9531 | 0.95 | |
| IM-000254 | | | | 0.45 | >10000 | 2.71 | | 5.6 | | 3721 | 0.37 | |
| IM-000255 | | 2SE (0.4m) | Channel 9 | 0.40 | >10000 | 6.26 | 6.26 | 99.0 | 99.0 | >10000 | 4.30 | 4.30 |
| IM-000256 | | 3SE (1.15m) | Channel 10 | 0.30 | >10000 | 7.51 | 1.05 | 36.4 | 10.8 | >10000 | 1.64 | 0.54 |
| IM-000257 | | | | 0.55 | >10000 | 1.63 | | 33.0 | | >10000 | 2.07 | |
| IM-000258 | | | | 0.30 | 3647.5 | 0.36 | | 14.7 | | 1243 | 0.12 | |
| IM-000259 | | 1NW (0.85m) | Channel 7 | 0.30 | >10000 | 5.31 | 5.23 | 113.0 | 192.6 | >10000 | 10.31 | 14.77 |
| IM-000261 | | | | 0.55 | >10000 | 5.19 | | 236.0 | | >10000 | 17.21 | |
| IM-000262 | | 2NW (0.77m) | Channel 6 | 0.45 | >10000 | 1.02 | 0.86 | 94.1 | 61.7 | >10000 | 8.88 | 5.55 |
| IM-000263 | | | | 0.32 | 6299.1 | 0.63 | | 16.1 | | 8624 | 0.86 | |
| IM-000264 | | 3NW (2.00m) | Channel 5 | 0.20 | 3078.7 | 0.31 | 0.57 | 29.0 | 71.4 | >10000 | 2.01 | 5.57 |
| IM-000265 | | | | 0.80 | >10000 | 1.07 | | 130.0 | | >10000 | 10.41 | |
| IM-000266 | | | | 0.50 | 1750.7 | 0.17 | | 61.8 | | >10000 | 4.67 | |
| IM-000267 | | | | 0.50 | 2799.7 | 0.28 | | 4.1 | | 1369 | 0.14 | |
| IM-000268 | | 4NW (5.70m) | Channel 4 | 0.50 | >10000 | 5.74 | 1.72 | 66.2 | 74.4 | >10000 | 5.24 | 6.02 |
| IM-000269 | | | | 1.00 | >10000 | 3.65 | | 130.0 | | >10000 | 11.75 | |
| IM-000271 | | | | 0.60 | 8827.1 | 0.88 | | 22.5 | | >10000 | 2.86 | |
| IM-000272 | | | | 1.00 | >10000 | 1.31 | | 63.7 | | >10000 | 5.16 | |
| IM-000273 | | | | 0.60 | 4103.4 | 0.41 | | 21.8 | | >10000 | 1.21 | |
| IM-000274 | | | | 1.00 | >10000 | 1.06 | | 162.0 | | >10000 | 11.75 | |
| IM-000275 | | | | 1.00 | 1429 | 0.14 | | 8.8 | | 5843 | 0.58 | |

Table 2 **ABOVE:** Assay results from underground channel sampling of vein HV-02 accessed from a mine working in September 2017. This table first appears in ASX announcement 2 October 2017.

### *Importance of Results - Underground Channel Sample Program*

A clearer understanding is emerging of the potential *in situ* grades of the vein mineralisation at Humaspunco. A point in case is vein HV-02, just one of the many dozens of veins occurring at Humaspunco. Direct channel-sampling within two mine galleries at two different levels, an upper level (this ASX announcement) and a lower level (ASX announcement 2 October 2017) has returned much stronger *in situ* grades than those achieved in drilling (vein HV-02 was intersected in drill hole RDDH-004 reported in ASX announcement 1 August 2017, and drill hole RDDH-013 reported in ASX announcement 18 September 2017.

Further analysis of *in situ* grades of vein mineralisation at Humaspunco is planned, including further channel sampling of vein mine workings and the possibility of bulk sampling.

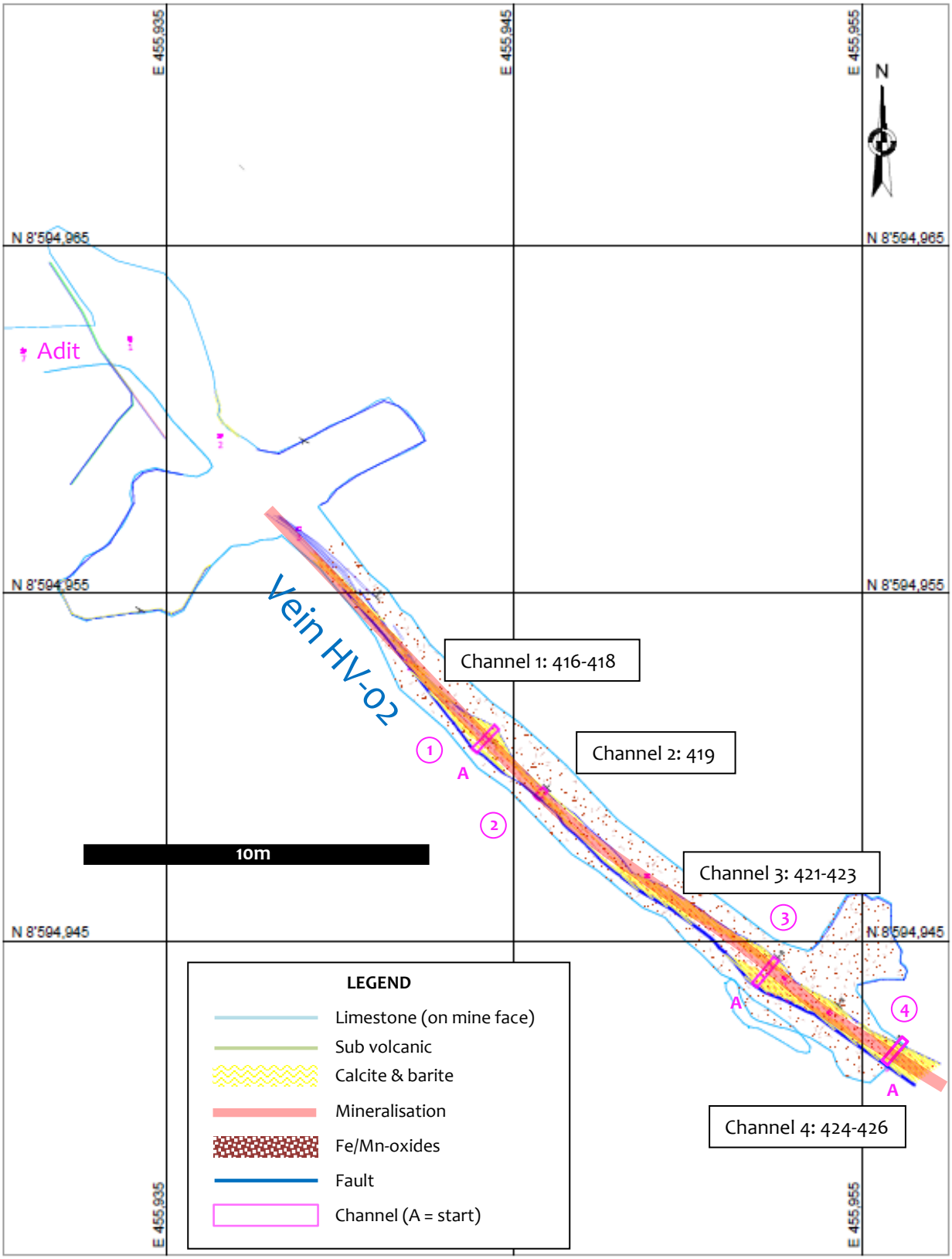


Figure 1 **ABOVE:** Channel sample location plan.

### *DRILL HOLE RDDH-023 RESULTS*

Detailed logging and assay results for the final drill hole of Phase 1, Part 2 drilling at Riqueza have been received. Drill hole RDDH-023 was drilled at Uchpanga targeting a high-grade vein which was the subject of historic mining at the Rita Maria Mine. No significant mineralisation was intersected in RDDH-023. While the vein material that was mined at this location remains unidentified in drilling, the occurrence of high grade Au, Ag, Zn and Pb mineralisation at Uchpanga is unquestioned as it has been confirmed by Inca in two separate sampling programs.

| Hole | Prospect (sub-prosect area) | Hole Parameters | | | | | Platform | Hole Depth (m's) | Assays Received |
|---|---|---|---|---|---|---|---|---|---|
| | | Azimuth | Dip | Coordinates | | Elevation (m's above sea level) | | | |
| | | | | Easting | Northing | | | | |
| RDDH-012 | Humaspunco (Callancocha Structure) | 254° | 45° | 456081 | 8595212 | 4572 | SRP-02 | 107.20 | YES |
| RDDH-013 | Humaspunco (East) | 215° | 45° | 456012 | 8595030 | 4529 | SRP-03 | 260.90 | YES |
| RDDH-014 | Humaspunco (East) | 35° | 45° | 456012 | 8595030 | 4529 | SRP-03 | 58.50 | YES |
| RDDH-015 | Humaspunco (Callancocha Structure) | 305° | 45° | 456012 | 8595030 | 4529 | SRP-03 | 150.90 | YES |
| RDDH-016 | Humaspunco (East) | 125° | 45° | 456336 | 8595088 | 4532 | SRP-10 | 200.00 | YES |
| RDDH-017 | Humaspunco (East) | 142° | 45° | 456336 | 8595088 | 4532 | SRP-10 | 72.00 | YES |
| RDDH-018 | Humaspunco (East) | 215° | 45° | 456336 | 8595088 | 4532 | SRP-10 | 162.00 | YES |
| RDDH-019 | Humaspunco (East) | 215° | 45° | 456139 | 8594935 | 4503 | SRP-09 | 175 | YES |
| RDDH-020 | Humaspunco (East) | 215° | 45° | 456248 | 8595102 | 4556 | SRP-07 | 111 | YES |
| RDDH-021 | Humaspunco (West) | 35° | 45° | 455822 | 8595378 | 4627 | SRP-15 | 156 | YES |
| RDDH-022 | Humaspunco (South) | 0° | 45° | 455954 | 8594397 | 4295 | SRP-18 | 126 | YES |
| **RDDH-023** | **Uchpanga (Rita Maria)** | **197°** | **45°** | **454518** | **8593015** | **4296** | **SRP-19** | **82.60** | **YES** |
| | *Subject of this announcement* | | | | | | | 1662.10 | |

Table 3 **ABOVE**: Drill hole parameters for the phase 1, part 2 drill program.

Such mineralisation has hitherto been difficult to identify in drilling at Uchpanga. This may be due to veins such as this "pinching and swelling" along its strike length and the Company is investigating the apparent disparity between the results in RDDH-023 and those produced in the Company's previous sampling. No remaining results are outstanding for the Company's phase 1, part 2 drilling program. A total of 11 holes and 1,662.10m metres were drilled at an average hole depth of 151.1m.

With the completion of all holes making up phase 1, part 2 of the drilling campaign, the next stages of the Company's advanced exploration program can be finalised. As well as the above-mentioned vein mineralisation analysis, all other forms of mineralisation at Riqueza are being assessed for drill testing. A second program of trench sampling at Callancocha has recently been completed and results are expected in 7 to 10 business days. Further channel sample programs across Riqueza are planned as well as possible geophysical surveys.

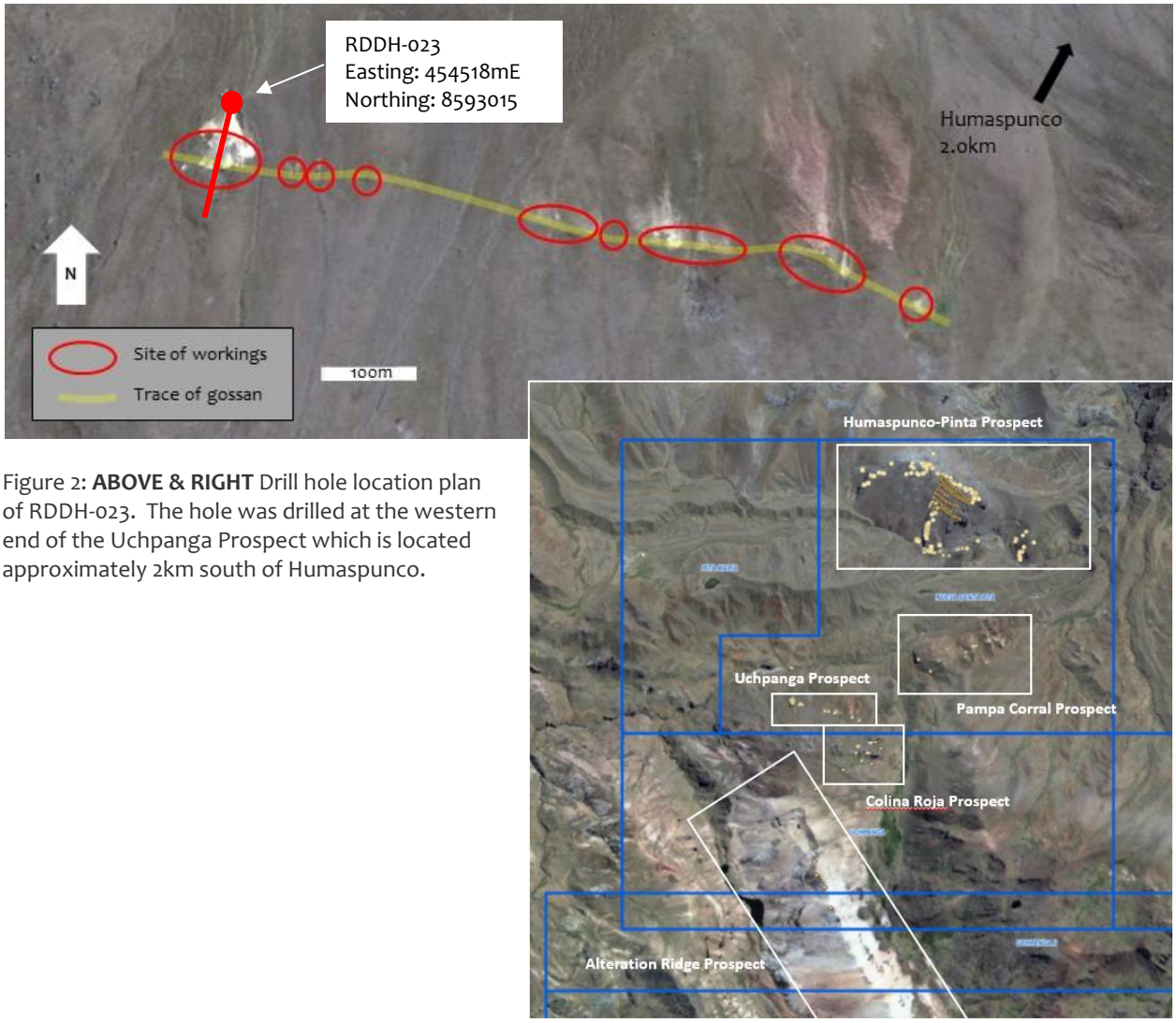


Figure 2: **ABOVE & RIGHT** Drill hole location plan of RDDH-023. The hole was drilled at the western end of the Uchpanga Prospect which is located approximately 2km south of Humaspunco.

***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 JORC Code (2012) requirements for reporting of channel sampling and drilling 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 |
|---|---|---|
| **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 new assay results from 10 underground channel samples from a mine working. This announcement also refers to results from one drill hole (RDDH-023). Whilst no significant mineralisation was identified, the drill core sampling and assay testing process are included in this table. |
| | *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* | Channel sample intervals are determined through tape measurements by Company geologists with reference to gallery and stope positions within the underground mine relative to a GPS located marker (outside the mine). Drill core sample intervals are determined through tape measurements by Company geologists with reference to down hole depths provided by the drilling contractor. |
| | *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.* | Channels perpendicular to the exposed mineralisation were used to obtain continuous samples approximately 2kg in weight and between 0.28m and 0.3m long. Diamond core drilling was used to obtain samples approximately 2kg in weight with various core lengths, generally <1m long. Approximately half of the drill core sample interval was sampled 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.).* | The drilling technique used is diamond core from surface to end-of-hole. The core diameter used is HQ (63.5mm). Core was orientated. |
| **Drill sample recovery** | *Method of recording and assessing core and chip sample recoveries and results assessed.* | Core barrel and core length measurements were made. No significant core loss was experienced. |
| | *Measures taken to maximise sample recovery and ensure representative nature of the samples.* | No significant core loss was experienced. |
| | *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 – refer above. With no sample loss, no bias based on sample loss would occur. |

| CRITERIA | JORC CODE EXPLANATION | COMMENTARY |
|---|---|---|
| **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.* | On-site geologist(s) log structure, lithology, alteration, mineralisation on a shift basis in the case of drilling. Core recoveries are noted. In the case of underground sampling the same applies but not on a shift basis. |
| | *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.* | Core logging is both qualitative and quantitative. Core photos were taken for every core-tray. |
| | *The total length and percentage of the relevant intersections logged.* | 100% of the core hosting zones of mineralisation were logged. |
| **Sub-sampling techniques and sample preparation** | *If core, whether cut or sawn and whether quarter, half or all core taken.* | The drill core underwent geotechnical logging (described below) and was only then sawn in half. One half was bagged and labelled, the remaining half was returned to the core tray. |
| | *If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.* | N/A –sampling of the current drill program (described above) is diamond core. |
| | *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* | Core sampling and channel sampling follows industry best practice. |
| | *Quality control procedures adopted for all sub-sampling stages to maximise "representivity" of samples.* | No sub-sampling procedures were undertaken. |
| | *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.* | In the case of channel sampling, the orientation of the channel was aligned perpendicular to the known visible zone of mineralisation. In the case of the core sawing orientation was such that apparent mineralisation was equally represented in both halves of the core. Sample intervals are determined by down hole vein and manto widths and were collected as either sub-one, one or plus-one metre samples. In the case of vein and manto core sampling, sampling was subject to visible signs of mineralisation. In all cases, measures to ensure representative sampling took place. |
| | *Whether sample sizes are appropriate to the grain size of the material being sampled.* | The sample sizes are adequate in terms of the nature and distribution of mineralisation visible in the core and channel. Where mineralised intervals are sub-one, one and plus-one metre. |
| **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 assay technique used in elemental testing of the core and channel samples for non-Au was 4-acid digestion and HCl leach (considered a complete digestion for most material types and industry best practice). Elemental analysis was via ICP and atomic emission spectrometry. Au techniques included fire assay with AA finish. |

| CRITERIA | JORC CODE EXPLANATION | COMMENTARY |
|---|---|---|
| **Quality of assay data and laboratory tests cont…** | *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 channel sample and core 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 procedures. The Company also entered blanks, duplicates and standards as an additional QAQC measure. |
| **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. |
| | *The use of twinned holes.* | N/A – the one hole reported in this announcement has not been twinned with another hole. |
| | *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/desktops/iPads which are backed up from time to time. Following critical assessment (eg price sensitivity, *inter alia*), when time otherwise permits, the data is entered into a database by 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 drill hole location was determined using hand held GPS. |
| | *Specification of the grid system used.* | WGS846-18L. |
| | *Quality and adequacy of topographic control.* | In the case of underground sample locations, tape measures and compass bearings were taken from a fixed location coordinates established by GPS. In the case of drilling, 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.* | In the case of channel sampling, the channels were spaced regularly along the known mineralisation with individual samples taken 0.28m to 0.45m lengths along each channel. In the case of drilling, the hole subject of geological reporting and sampling was logged over the entire |

| CRITERIA | JORC CODE EXPLANATION | COMMENTARY |
|---|---|---|
| **Data spacing and distribution cont…** | | length. Sampling and subsequent assay data were reported wherever visible mineralisation was recorded. As mentioned above, individual samples were generally <1m intervals. Data spacing is considered industry best practice. |
| | *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 reference to grade continuity were made in this announcement. Extensions of host veins are included in this report and based on overlapping angle hole projections, tied in with surface occurrences. |
| | *Whether sample compositing has been applied.* | No sample compositing had been applied to generate assay results subject of this announcement. |
| **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.* | Assay results subject of this announcement are believed associated with replacement manto and vein-hosted mineralisation. The dip of mantos and veins in question are relatively well known. The drilling orientation to mineralisation is therefore relatively well defined. Intervals nevertheless are down hole intervals only. The veins exposed in the underground mine working were accurately mapped during sampling. |
| | *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.* | Refer immediately above. |
| **Sample security** | *The measures taken to ensure sample security.* | Sample security was managed by the Company in line with industry best practice. |
| **Audits or reviews** | *The results of any audits or reviews of sampling techniques and data.* | Geological reviews of core logging are performed on site by senior geological staff. Where considered appropriate, assay data is independently audited. None were required in relation to assay data subject of this announcement. |

## 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.<br>Concession Name: Nueva Santa Rita.<br>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:*<br>• *Easting and northing of the drill hole collar*<br>• *Elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar.*<br>• *Dip and azimuth of the hole.*<br>• *Down hole length and interception depth.*<br>• *Hole length.* | Drill hole parameters: Refer to Table 3. |
| | *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.* | A/a. |
| **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 an average grade is calculated over intervals comprising different individual sample core and channel lengths. No maximum/minimum truncations were applied. |

| CRITERIA | JORC CODE EXPLANATION | COMMENTARY |
|---|---|---|
| **Data aggregation methods (ctd)** | *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 of this nature were applied, 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.*<br>*If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.*<br>*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').* | In the channel sampling, the widths are considered true widths, commencing and finishing at the foot and hanging walls of the visible mineralisation. In the case of drilling, no mineralisation was reported 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 the drill holes (new hole and previous holes) subject of this announcement and channel samples of this announcement. |
| **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 exploration results 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 refers to three previous ASX announcements dated: 1 August 2017, 18 September 2017 and 2 October 2017. |
| **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, channel sampling and further work is necessary to better understand the mineralisation and results appearing in the channel samples and drill hole subject of this announcement. |
| | *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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