14 May 2018

STRONG GRADES INCREASE RASTRILLO'S POTENTIAL - RIQUEZA

HIGHLIGHTS

- Strong grades in channel sampling extends Rastrillo southeast:
  - **6.89% Zn, 317g/t Ag, 16.36% Pb over 3.0m**
  - **5.64% Zn, 93.99g/t Ag, 3.82% Pb over 4.0m**
  - **5.28% Zn, 97.28g/t Ag, 2.73% Pb over 2.0m**
- Potential for Callancocha Structure to host several Rastrillo-like deposits
- Greater Riqueza geophysical survey helicopter to mobilise 14 May 2018

Inca Minerals Limited's (**Inca** or the **Company**) Managing Director, Mr Ross Brown has recently returned from a successful trip to Peru visiting the Rastrillo Deposit (**Rastrillo**) and the Callancocha Structure area at the Greater Riqueza Zn-Ag-Pb Project (**Riqueza**). Significant new visible mineralisation representing important extensions of mineralisation at Rastrillo and possible additional Rastrillo-like deposits along the Callancocha Structure has been discovered.

SE Extension of Rastrillo (Batch 17)

Channel sample results of batch 17, southeast of batch 14 (Figure 2), show strong mineralisation over significant widths (Table 2) associated with vein HV-02. Results include: **6.89% Zn, 317g/t Ag, 16.36% Pb** over 3.0m (channel 4); and **5.64% Zn, 93.99g/t Ag, 3.82% Pb** over 4.0m (channel 10). These grade-over-width values show economic potential.

Figure 1: **RIGHT:** The Callancocha Structure with Rastrillo in the background and new exploration uncovering additional mineralisation in the foreground (to be part of batches 18, 19 and 20). As discussed later in this announcement, the Chonta Fault runs along the southern edge of Humaspunco. It, and associated faults, are known to play a major role in the distribution of mineralisation within a 100- kilometre long corridor (Figures 5 & 6).

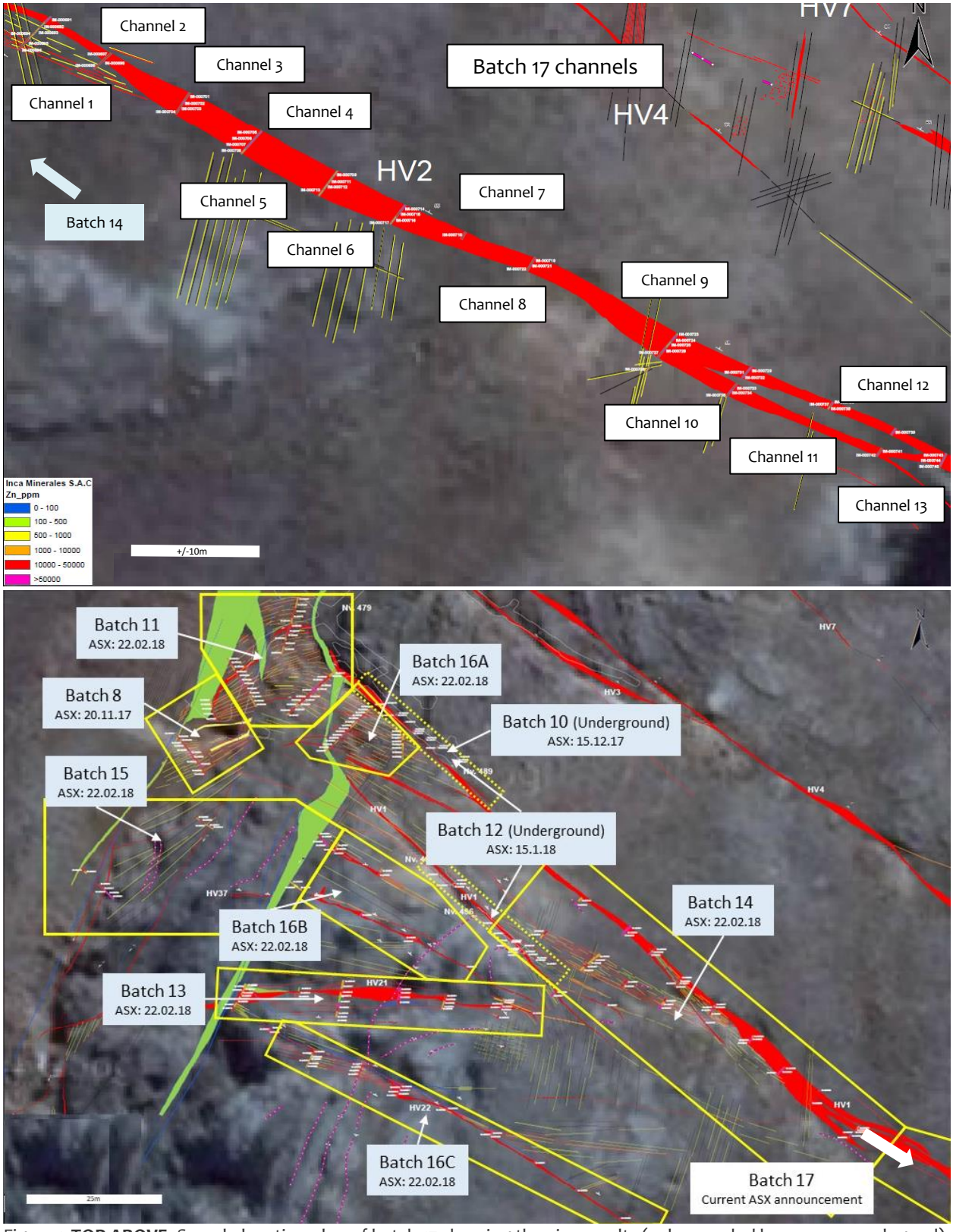


Figure 2 **TOP ABOVE:** Sample location plan of batch 17 showing the zinc results (colour-coded bars are as per legend). **ABOVE** Batch 17 represents a SE continuation of batch 14 of the major mineralised vein HV-02 which is a part of the Rastrillo Deposit.

These new results add to the growing inventory of significant grade-over-width values at Rastrillo previously announced to the market (ASX Announcement 22 February 2018). Past results include:

- **2.72% Zn, 95.72g/t Ag, 6.30% Pb** over 4.6m (batch 8).
- **3.57% Zn, 70.01g/t Ag, 4.04% Pb** over 10.1m (batch 8).
- **2.79% Zn, 69.77g/t Ag, 3.13% Pb** over 11.47m (batch 11).
- **2.31% Zn, 67.92g/t Ag, 4.05% Pb** over 14.65m (batch 16A).

"Rastrillo continues to demonstrate potential with consistent strong grades of zinc, lead and silver, which in places, is over ten metres wide" says Mr Brown. "The tenor of combined metal grades is certainly encouraging."

Rastrillo is a Zn-Ag-Pb deposit made up of multiple components including mineralised faults, veins, stockworks, breccias and mantos. It is believed to have formed at the intersection between the Callancocha Structure and a set of perpendicular faults/joints when metal-bearing fluids infiltrated weaknesses or cavities caused by faulting, wrenching and brecciation.

Additional Deposits Along the Callancocha Structure

Mapping north and south of Rastrillo is indicating that "Rastrillo-like" deposits are repeating along the length of the Callancocha Structure at Humaspunco. To the north, a pattern of northeast-southwest faults intersecting northwest-southeast veins with curvilinear tension gash veins and stockworks has been identified (Figures 3 & 4). To the south a similar pattern is emerging where new HV-veins are intersecting the Callancocha Structure (Figure 4).

"We are in the process of determining if we have three Rastrillo-like deposits along the Callancocha Structure or one large Rastrillo deposit extending for the entire eight hundred metre length of the structure" says Mr Brown. "It is the intention of the Company to fully examine the economic potential and possible resource of this unfolding area."

Mapping and sampling south of Rastrillo along the Callancocha Structure is well advanced with batches 18 to 20 pending. Following completion of the mapping and sampling in the southern area, work will switch to north of Rastrillo.

Figure 3 **RIGHT**: Trench exposing a mineralised NE-SW vein and stockwork adjacent to the Callancocha Structure. Visible ore-forming minerals include galena and smithsonite. The vein is one of several that trend towards and most likely intersect NW-SE vein HV-11, which has been mined in the past (Mine 4229-4301) (ASX announcement 11 December 2017).

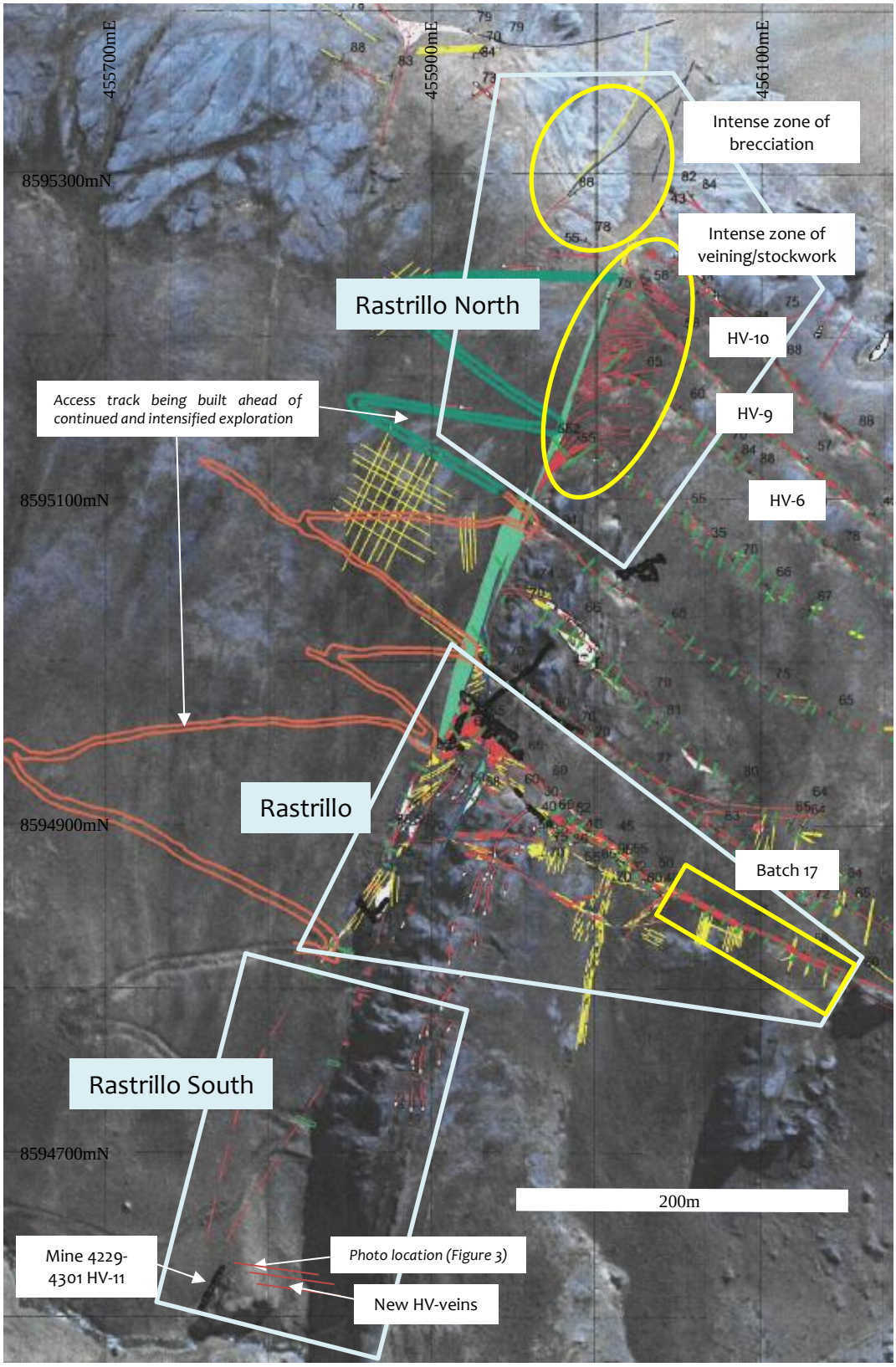


Figure 4 **ABOVE:** Satellite image of the Callancocha Structure area of Humaspunco showing the location of batch 17 samples, Rastrillo, Rastrillo North and South, Figure 3 photo location and the new veins near Mine 4229-4301.

Table 1 **BELOW:** Batch Summary.

Samples		Batch	Location	Target	Exploration Method	Reporting Status
From	To					
IM-000251	IM-000322	#7	Mine 4479	HV-02, HV-03, HV-04, new NS vein	Underground channel sampling	ASX Announcement 2 October 2017
IM-000323	IM-000341	#8	Adit area of mine 4479	Discovery of NS veins, stockworks at Callancocha	Channel sampling along two trenches	ASX Announcement 20 November 2017
IM-000342	IM-000415	#9	Mine 4229-4301	HV-11	Underground channel sampling	ASX Announcement 11 December 2017
IM-000416	IM-000426	#10	Mine 4489	HV-02	Underground channel sampling	ASX Announcement 15 December 2017
IM-000427	IM-000471	#11	Adit area of mine 4479	Following up NS veins, stockworks at Callancocha	Channel sampling along three trenches	ASX Announcement 22 February 2018
IM-000472	IM-000478	#12	Mine 4489	HV-02 - sampling gaps from previous program	Underground channel sampling	ASX Announcement 15 January 2018
IM-000479	IM-000484	#12	Mine 4494	HV-01	Underground channel sampling	ASX Announcement 15 January 2018
IM-000485	IM-000501	#12	Mine 4496	HV-01	Underground channel sampling	ASX Announcement 15 January 2018
IM-000502	IM-000544	#13	Adit area of mine 4479	HV-21	Channel sampling along several trenches	ASX Announcement 22 February 2018
IM-000545	IM-000599	#14	HV-02 area	HV-02 and tension gash vein SE of Batch #10	Channel sampling along several trenches	ASX Announcement 22 February 2018
IM-000600	IM-000621	#15	South of Mine 4479	Faults, veins, stockworks of the Callancocha Structure	Channel sampling along several trenches	ASX Announcement 22 February 2018
IM-000622	IM-000689	#16A-C	Various locations in and about Rastrillo	16A: Stockwork zone b/n HV-01 and HV-02; 16B: HV-37 & 38; 16C: HV-22	Channel sampling along several trenches	ASX Announcement 22 February 2019
IM-000691	IM-000745	#17	Rastrillo east (HV-02)	HV-02	Channel sampling along several trenches	Current ASX Announcement
IM-000746	IM-000919	#18	Rastrillo south	Faults, veins, stockworks of the Callancocha Structure	Channel sampling along several channel	TBD
IM-000921	TBD	#19	Rastrillo south	Faults, veins, stockworks of the Callancocha Structure	Channel sampling along several trenches	TBD
TBD	TBD	#20	Rastrillo south	Faults, veins, stockworks of the Callancocha Structure	Channel sampling along several trenches	TBD

Callancocha Structure Associated with the Chonta Fault

The Chonta Fault is a well-documented northwest-southeast trending regional structure that is believed to control the distribution of mineral deposits/mines in the central Peruvian polymetallic mineral belt (Figures 5 & 6). Recent research locates the Chonta Fault immediately south of Humaspunco, forming the southern boundary of the Humaspunco Hill (INSERT Figure 5). The Callancocha Structure, long since recognised by the Company as an important control in project-scale Zn-Ag-Pb mineralisation at Riqueza, is now considered a wrench fault extending northeast from the Chonta Fault.

The very-near proximity of the Chonta Fault to Humaspunco and its genetic link to the Callancocha Structure greatly enhances the prospectivity of the area.

The Chonta Fault extends for more than 100kms in Central Peru and defines, what the Company refers to as, the Chonta polymetallic mineral belt (**CPMB**). Major structures within the CPMB control dozens of deposits/mines along its course, including several mineralised porphyry systems and dozens of replacement polymetallic Zn-Ag-Pb deposits (Figures 5 & 6). "Based on my recent investigations, porphyry-focussed exploration is definitely on the increase in this area" says Mr Brown.

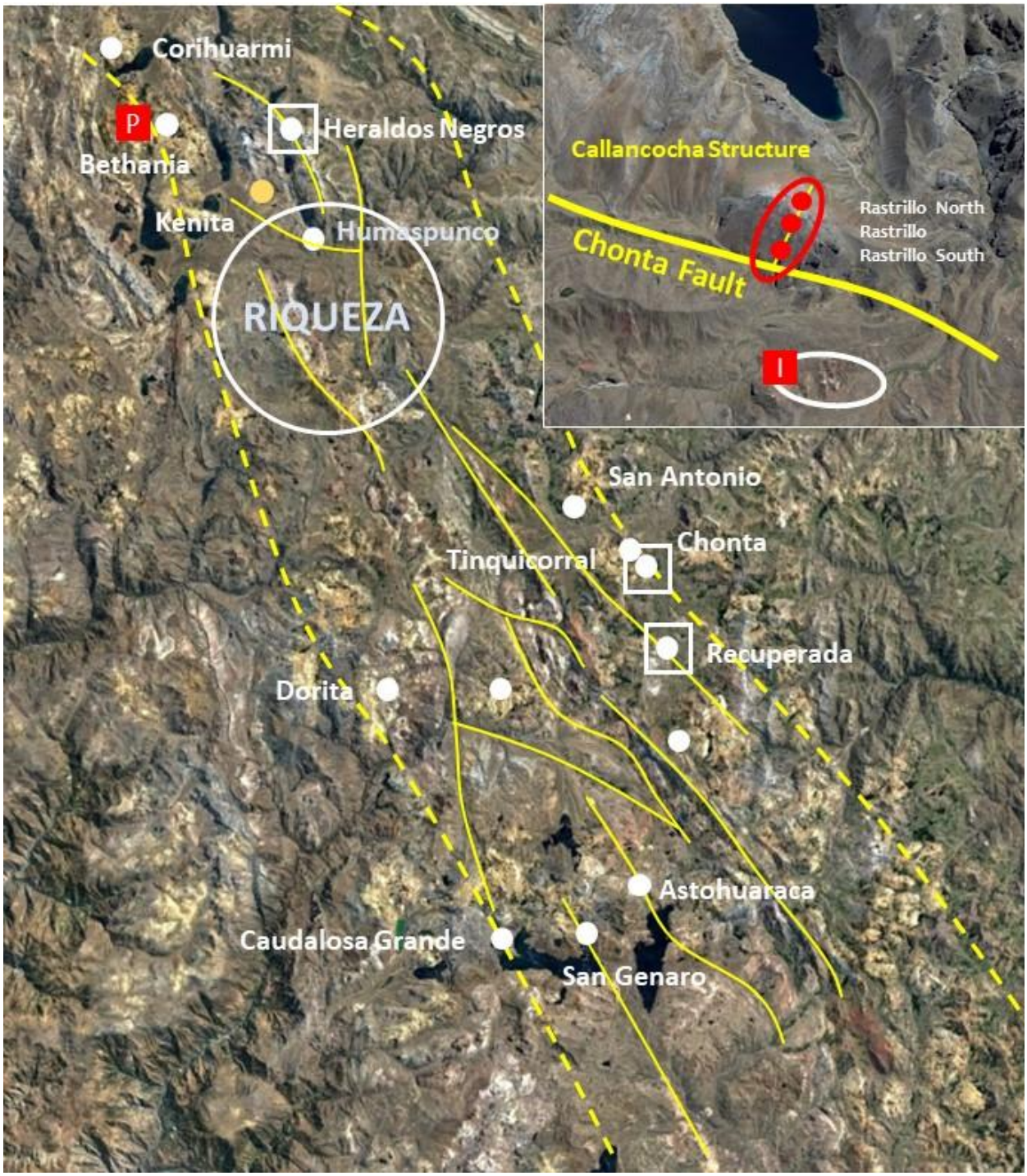


Figure 5 **ABOVE:** Satellite image of the CPMB. The Chonta Fault is the principal structure of a network of branching structures that generally trend northwest-southeast across central Peru. Several of the +30 mines/deposits that occur in this area are marked by white dots. There are several active treatment plants within this area (three indicated by white squares). Porphyries also occur in the CPMB; One occurs within 15kms of Riqueza at Bethania (P). **INSERT:** Close-up of Humaspunco showing the location of the Chonta Fault, the Callancocha Structure and the Rastrillo Deposit(s). The insert also shows the location of the intrusive stock (I) at the Pampa Corral Prospect which the Company discovered in 2017.

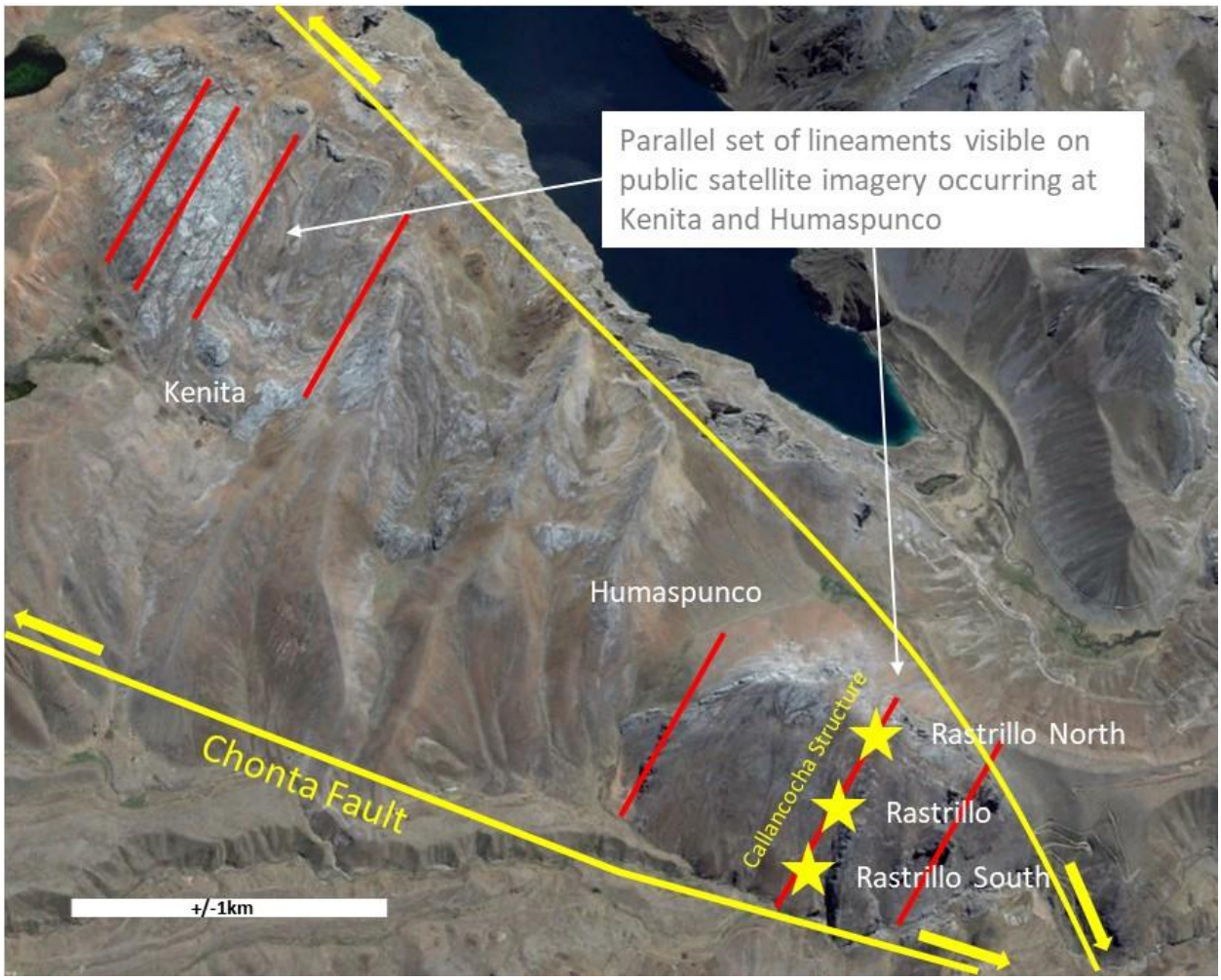


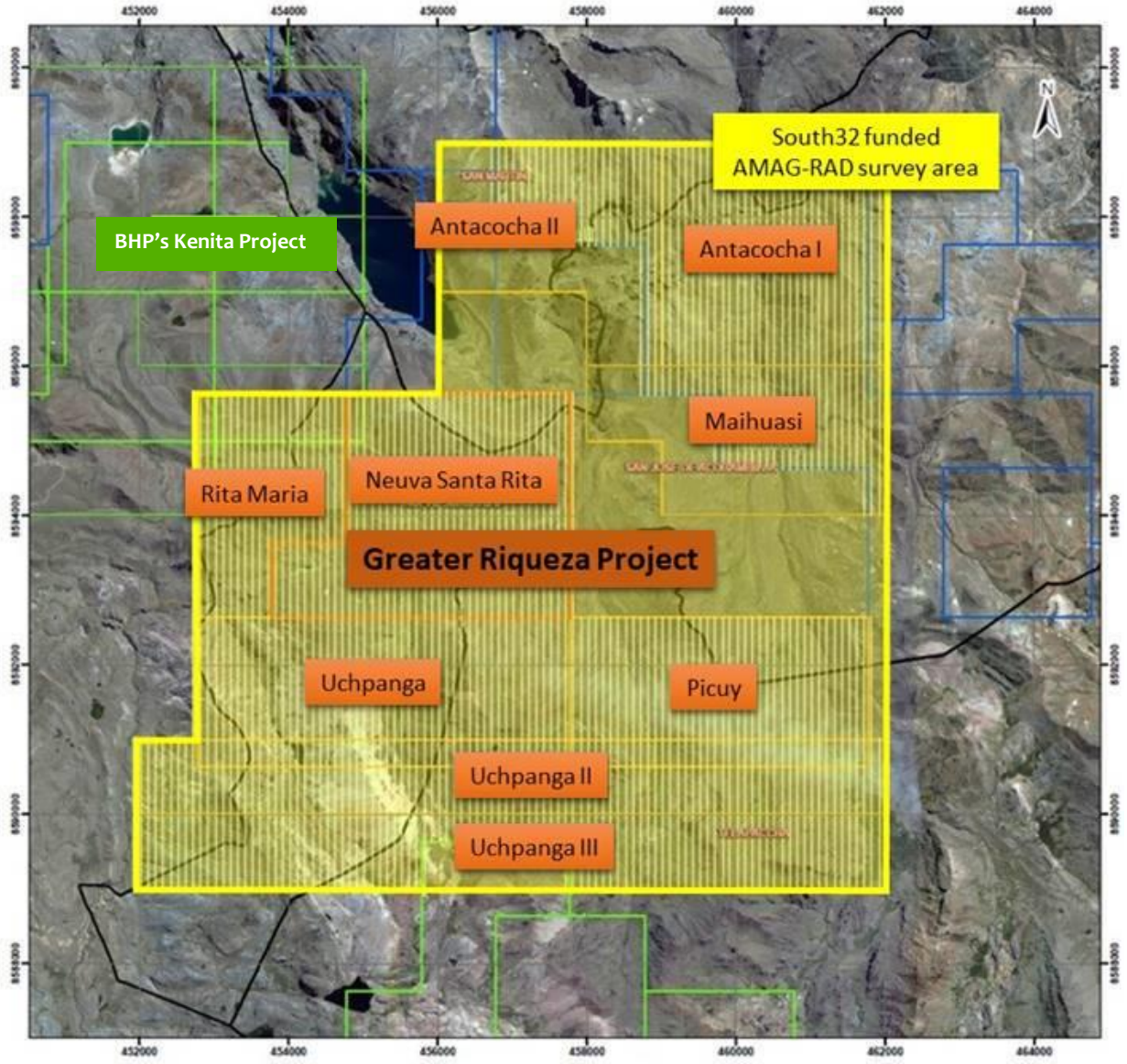
Figure 6 **ABOVE:** Satellite image showing Humaspunco and Kenita. Also shown is a set of northeast-southwest trending lineaments (red lines), including the Callancocha Structure. The Callancocha Structure, which hosts the Rastrillo Deposit, is now believed to be a splay fault from the regional-scale, ore-controlling Chonta Fault (yellow line). The Chonta Fault continues northwest where it influences the Bethania Zn-Ag-Pb Mine (and porphyry) and the Corihuarmi Au Mine. The second large fault marked in the diagram continues northwest where it influences the Heraldos Negros Zn-Ag-Pb Mine.

Geophysics Program Update

The 1,884-line kilometre airborne magnetics-radiometrics (**AMAGRAD**) survey at Greater Riqueza remains on schedule. Mobilisation and establishment of the operations base has been completed with the survey helicopter set to mobilise on 14 May 2018 (weather permitting). Production flights are scheduled to commence shortly thereafter.

Knowledge of the occurrence of deep crustal structures like the Chonta Fault at Riqueza is well timed ahead of the South32-Inca geophysical survey. "Features such as the Chonta Fault and the Callancocha Structure might be expected to have a distinctive geophysical signature" says Mr Brown.

Figure 6 **BELOW:** Coverage of the upcoming geophysical survey.



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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.

Table 2: Batch 17 Assay Results

Batch Number	Sample Number	Sample Location - Coordinates			Target	Channel Description			Zinc			Silver			Lead			
		Easting (ms)	Northing (ms)	Elevation (masl)		Channel	Sample Width	Sample Length	ICP40B ppm	AAS41B %	%	ICP40B ppm	AAS41B g/t	g/t	ICP40B ppm	AAS41B %	CON29C %	%
Batch 17	IM-000691	456043.5	8594863.9	4477	HV-02	Channel 1 (6m)	0.20	1.00	51800	5.18	5.18	76	-	76	50000	5.00	-	5.00
Batch 17	IM-000692	456042.9	8594863.3	4477	HV-02		0.20	1.00	1934.6	-	0.19	1.9	-	1.9	1105	-	-	0.11
Batch 17	IM-000693	456042.1	8594862.5	4477	HV-02		0.20	1.00	4429.1	-	0.44	17	-	17	3486	-	-	0.35
Batch 17	IM-000694	456041.4	8594861.9	4477	HV-02		0.20	1.00	6401.6	-	0.64	9.8	-	9.8	6735	-	-	0.67
Batch 17	IM-000695	456040.8	8594861.2	4477	HV-02		0.20	1.00	11000	1.1	1.1	11.8	-	11.8	7915	-	-	0.79
Batch 17	IM-000696	456040.1	8594860.5	4477	HV-02		0.20	1.00	29500	2.95	2.95	12.6	-	12.6	5852	-	-	0.59
Batch 17	IM-000697	456051.2	8594859.4	4479	HV-02	Channel 2 (3m)	0.20	1.00	43500	4.35	4.35	23.9	-	23.9	20000	2.00	-	2.00
Batch 17	IM-000698	456050.5	8594858.7	4479	HV-02		0.20	1.00	37300	3.73	3.73	56.5	-	56.5	51100	5.11	-	5.11
Batch 17	IM-000699	456049.7	8594858.0	4479	HV-02		0.20	1.00	38500	3.85	3.85	34.9	-	34.9	35100	3.51	-	3.51
Batch 17	IM-000701	456061.2	8594854.3	4472	HV-02	Channel 3 (3.2m)	0.20	1.00	22100	2.21	2.21	41.5	-	41.5	35100	3.51	-	3.51
Batch 17	IM-000702	456060.7	8594853.5	4472	HV-02		0.20	0.70	64300	6.43	6.43	264	264	264	101400	10.14	-	10.14
Batch 17	IM-000703	456060.3	8594852.9	4472	HV-02		0.20	1.00	24200	2.42	2.42	10.9	-	10.9	3814	-	-	0.38
Batch 17	IM-000704	456059.9	8594852.2	4472	HV-02		0.20	0.50	17500	1.75	1.75	6	-	6	2282	-	-	0.23
Batch 17	IM-000705	456070.3	8594849.5	4471	HV-02	Channel 4 (3.9m)	0.20	1.00	69200	6.92	6.92	498	498	498	202500	>20	20.25	20.25
Batch 17	IM-000706	456069.6	8594848.7	4471	HV-02		0.20	1.00	62200	6.22	6.22	246	246	246	170200	17.02	-	17.02
Batch 17	IM-000707	456068.9	8594848.0	4471	HV-02		0.20	1.00	75200	7.52	7.52	207	207	207	118200	11.82	-	11.82
Batch 17	IM-000708	456068.3	8594847.3	4471	HV-02		0.20	0.90	1154.5	-	0.12	6.5	-	6.5	1071	-	-	0.11
Batch 17	IM-000709	456079.9	8594844.4	4471	HV-02	Channel 5 (4.0m)	0.20	1.00	4207.9	-	0.42	4.8	-	4.8	4254	-	-	0.43
Batch 17	IM-000711	456079.3	8594843.6	4471	HV-02		0.20	1.00	4279.3	-	0.43	6.4	-	6.4	4463	-	-	0.45
Batch 17	IM-000712	456078.8	8594842.8	4467	HV-02		0.20	1.00	1458.1	-	0.15	2.8	-	2.8	1157	-	-	0.12
Batch 17	IM-000713	456078.4	8594842.4	4467	HV-02		0.20	1.00	1173.6	-	0.12	2.1	-	2.1	567	-	-	0.06
Batch 17	IM-000714	456088.6	8594840.0	4466	HV-02	Channel 6 (3.1m)	0.20	1.00	98300	9.83	9.83	42.7	-	42.7	44500	4.45	-	4.45
Batch 17	IM-000715	456088.0	8594839.3	4466	HV-02		0.20	0.80	40800	4.08	4.08	271	271	271	174900	17.49	-	17.49
Batch 17	IM-000716	456087.4	8594838.6	4466	HV-02		0.20	1.00	3445.4	-	0.34	7.6	-	7.6	2436	-	-	0.24
Batch 17	IM-000717	456087.0	8594838.1	4466	HV-02		0.20	0.30	4212.8	-	0.42	14.5	-	14.5	8897	-	-	0.89
Batch 17	IM-000718	456096.2	8594836.5	4466	HV-02	Channel 7 (1.0m)	0.20	1.00	16800	1.68	1.68	71.5	-	71.5	90300	9.03	-	9.03
Batch 17	IM-000719	456105.0	8594833.3	4466	HV-02	Channel 8 (2.0m)	0.20	1.00	46700	4.67	4.67	168	168	168	98900	9.89	-	9.89
Batch 17	IM-000721	456104.6	8594832.7	4466	HV-02		0.20	0.50	17600	1.76	1.76	87.6	-	87.6	27500	2.75	-	2.75
Batch 17	IM-000722	456104.3	8594832.3	4466	HV-02		0.20	0.50	27400	2.74	2.74	378	378	378	210800	>20	21.08	21.08
Batch 17	IM-000723	456123.2	8594823.9	4464	HV-02	Channel 9 (4.8m)	0.20	0.30	2485.8	-	0.25	10.5	-	10.5	1621	-	-	0.16
Batch 17	IM-000724	456122.8	8594823.4	4464	HV-02		0.20	1.00	63500	6.35	6.35	66.9	-	66.9	60300	6.03	-	6.03
Batch 17	IM-000725	456122.1	8594822.6	4464	HV-02		0.20	1.00	3087.3	-	0.31	11.9	-	11.9	5967	-	-	0.60
Batch 17	IM-000726	456121.5	8594821.9	4464	HV-02		0.20	0.80	138100	13.81	13.81	153	153	153	113800	11.38	-	11.38
Batch 17	IM-000727	456121.0	8594821.3	4464	HV-02		0.20	0.70	12600	1.26	1.26	3.3	-	3.3	1790	-	-	0.18
Batch 17	IM-000728	456119.4	8594819.5	4464	HV-02		0.20	1.00	2123.4	-	0.21	3.6	-	3.6	2771	-	-	0.28
Batch 17	IM-000729	456132.4	8594819.5	4462	HV-02	Channel 10 (4.0m)	0.20	1.00	80200	8.02	8.02	47	-	47	37900	3.79	-	3.79
Batch 17	IM-000731	456131.9	8594819.0	4462	HV-02		0.20	0.40	83100	8.31	8.31	51.6	-	51.6	29000	2.90	-	2.90
Batch 17	IM-000732	456131.6	8594818.6	4462	HV-02		0.20	0.50	61000	6.1	6.1	28.7	-	28.7	17200	1.72	-	1.72
Batch 17	IM-000733	456130.6	8594817.3	4462	HV-02		0.20	1.00	35100	3.51	3.51	53.5	-	53.5	15800	1.58	-	1.58
Batch 17	IM-000734	456130.1	8594816.7	4460	HV-02		0.20	0.65	62100	6.21	6.21	264	264	264	115000	11.50	-	11.50
Batch 17	IM-000735	456129.7	8594816.3	4460	HV-02		0.20	0.45	13700	1.37	1.37	153	153	153	9048	-	-	0.90
Batch 17	IM-000736	456142.9	8594815.2	4457	HV-02	Channel 11 (2.1m)	0.20	0.30	52500	5.25	5.25	95.3	-	95.3	112400	11.24	-	11.24
Batch 17	IM-000737	456142.7	8594815.0	4457	HV-02		0.20	0.30	24500	2.45	2.45	24.3	-	24.3	3839	-	-	0.38
Batch 17	IM-000738	456142.5	8594814.7	4457	HV-02		0.20	0.50	7960	7.96	7.96	23	-	23	2104	-	-	0.21
Batch 17	IM-000739	456150.7	8594811.6	4457	HV-02	Channel 12 (2.9m)	0.20	1.00	65300	6.53	6.53	148	148	148	28000	2.80	-	2.80
Batch 17	IM-000741	456149.0	8594809.2	4453	HV-02		0.20	0.70	27100	2.71	2.71	131	131	131	82200	8.22	-	8.22
Batch 17	IM-000742	456148.6	8594808.7	4453	HV-02		0.20	0.50	63300	6.33	6.33	160	160	160	35400	3.54	-	3.54
Batch 17	IM-000743	456157.2	8594808.5	4449	HV-02	Channel 13 (2.0m)	0.20	0.70	51900	5.19	5.19	128	128	128	33800	3.38	-	3.38
Batch 17	IM-000744	456156.8	8594807.8	4449	HV-02		0.20	1.00	62500	6.25	6.25	97	-	97	28100	2.81	-	2.81
Batch 17	IM-000745	456156.5	8594807.2	4449	HV-02		0.20	0.30	22400	2.24	2.24	26.5	-	26.5	9691	-	-	0.97

Key Words Used in this Announcement *(order of appearance)*

Deposit	A [mineral] deposit is a naturally occurring accumulation or concentration of metals or minerals of sufficient size and concentration that might, under favourable circumstances, have economic value (Geoscience Australia). It is not a defined term in the JORC Code 2012 for Australasian Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC 2012).
Geophysics	An exploration method using instruments to collect and analyse sub-surface data of such properties as magnetics, radioactivity, gravity, electronic conductivity, etc. Instruments can be located on surface (ground survey) or above the ground (airborne survey).
Grade-over-width	A measurement of grade across a width of mineralisation.
Channel Sampling	A sampling technique whereby a continuous length of rock is collected for assay testing, usually in a perpendicular orientation to mineralisation. A single channel sample is typically one metre long in length or shorter. A series of channel samples may extend for tens of metres. This technique is often used in trenches or across large expanses of rock outcrop.
Batch	A group of samples submitted to a laboratory for geochemical analysis. Grouping samples into a *Batch* is a cost-effective means of transporting samples from the field. A *Batch* can often coincide with a specific sampled target.
Fault	A surface or zone of rock fracture along which there has been displacement.
Vein	A tabular or sheet-like form of mineralisation, often resulting from in-filling a vertical or near-vertical fracture. They often cut across *Country Rock*.
Stockwork	A mineral deposit in the form of a network of veinlets diffused in the Country Rock.
Country Rock	Rock that encloses or is cut by mineralisation. And more broadly, rock that makes up the geology of an area. The Country Rock at Humaspunco is limestone and to a lesser extent sub volcanic.
Brecciation/Breccia	At Humaspunco, taken to mean broken or fragmented rock. Breccia *Veins* which are common at Humaspunco, are narrow fissures containing numerous rock fragments. The rock fragments are called *Clasts* and the space around the clasts is called the *Matrix*. Often the matrix in the breccia veins at Humaspunco contains the *Ore-forming Minerals*.
Manto	A tabular or sheet-like form of mineralisation, often resulting from replacement along layers of limestone. They often lay parallel to *Country Rock*.
Clasts	The coarse component of a *Breccia*, at Humaspunco generally meaning angular fragments of *Country Rock* (limestone) but could also mean fragments of *Vein* material.
Matrix	The fine component of a *Breccia*, occurring between the *Clasts*.
Ore-forming Minerals	Minerals which are economically desirable, as contrasted to *Gangue Minerals*. In mineralisation at Humaspunco they include *Sphalerite*, *Smithsonite* and *Galena* and are indicative of *Carbonate Replacement* mineralisation.
Galena	Lead sulphide mineral with the chemical formula PbS with 86.60% Pb by mol. weight.
Sphalerite	Zinc sulphide mineral with the chemical formula ZnS with 64.06% Zn by mol. weight.
Smithsonite	Zinc carbonate mineral with the chemical formula $ZnCO_3$ with 52.15% Zn by mol. weight.
Gangue Minerals	Valueless minerals. In mineralisation at Humaspunco they are *Calcite* and *Barite*.
Calcite	A common carbonate mineral with the chemical formula $CaCO_3$.
Barite	A barium sulphate mineral with the chemical formula $BaSO_4$.

Carbonate Replacement	A process in which carbonate minerals are "replaced" by another mineral or minerals. A *Manto* is a form of *Carbonate Replacement* inasmuch as the carbonate minerals of a limestone layer are "replaced" by *Ore-forming Minerals* like *Sphalerite* and *Galena*.
Structure	A very broad and widely used geological term, but used at Riqueza to mean a large linear feature either a geological fault or a lineament.
Tension Gash Vein	A structure which has been caused by *Faulting*. The walls of a *Tension Gash Vein* are often "pulled apart" diagonally to the *Fault* direction.
Porphyry (Deposit)	A type of *Deposit* containing *Ore-forming Minerals* occurring as disseminations and veinlets in a large volume of rock. The rock is typically porphyritic (a texture of large crystals in a fine groundmass). *Porphyry Deposits* are economically very significant.
Veinlets	A small and narrow mineral filling of a fracture in country rock that is tabular or sheet-like in shape. *Veinlets* are narrow versions of veins.
Mineral Belt	A term that describes a particular area that hosts a concentration of *Deposits*.
Polymetallic	A term that describes for multi-element nature of a *Deposit* or *Mineral Belt*.
Magnetic Survey	Measures variations in the intensity of the earth's magnetic field caused by the contrasting content of rock-forming magnetic minerals in the Earth's crust. This allows sub-surface mapped of geology, including *Structures*. An airborne survey is flown either by plane or helicopter with the magnetometer kept at a constant height above the surface.
Radiometric Survey	Or gamma-ray spectrometric survey measures concentrations of radio-elements potassium (K), uranium (U) and thorium (Th), specifically the gamma rays emitted by isotopes of these elements. All rocks and soils contain radioactive isotopes and almost all gamma-rays detected at surface are the result of radioactive decay of K, U and Th. Radiometrics is therefore capable of directly detecting potassic alteration which is associated with hydrothermal processing and formation of *Deposits*.

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Q: How did the Chonta Fault form and why is it and Callancocha Structure so important?

A: The Chonta Fault and related structures (the Chonta Fault System - CFS) was first created by the forces of crustal compression relating to the subduction of the Pacific Plate below the South American continent. These forces led to the development of northwest-southeast orientated regional-scale folding and reverse thrusting. Episodes of regional compression and relaxation led to strike-slip movement of the CFS and creation of splay structures. The Callancocha Structure at Humaspunco is one such splay fault. Because the CFS is a deep seated crustal feature, it has acted as a conduit for metal-bearing hydrothermal fluids and igneous stocks. Dozens of deposits and porphyry intrusions are located along CFS faults and structures.

Q: How is a geophysical survey conducted? What will be the outcome of the survey?

A: A helicopter fitted with magnetic and radiometric sensors will be used for the AMAGRAD geophysical survey. The helicopter will traverse the survey area along a pre-designed flight-path with lines 50 metres apart and at a constant 50-metre elevation above the surface. Data is collected and verified in real time (allowing production flights to be repeated if necessary). After the survey is completed and the data verified, the data is closely analysed. This includes "geo-referencing" (which means the data is fixed to exact locations on the surface) and modelling to produce magnetic and radiometric anomalies. Analysis also includes the integration of non-geophysical data such as drill hole information, channel sample results, mapping results which aids in the process prioritised target generation. The company conducting the geophysical survey is Canadian-based New-Sense Geophysics Limited. The company conducting analysis and target generation is Perth-based Resource Potentials.

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
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 50 channel samples (of batch #17). The channel samples were taken from surface trenches manually excavated across vein HV-02.
	Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.	Channel sample locations were determined by GPS. The spatial configuration of the channels was perpendicular across mineralisation and equally-spaced along mineralisation.
	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 associated with vein Hv-02 were used to obtain continuous samples approximately 2kg in weight and between 0.3m and 1.0m long across the target.
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 drilling or drilling results are referred to in this announcement.
Drill sample recovery	*Method of recording and assessing core and chip sample recoveries and results assessed.*	N/A – no drilling or drilling results are referred to in this announcement.
	Measures taken to maximise sample recovery and ensure representative nature of the samples.	N/A – no drilling or drilling results are 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 drilling or drilling results are 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 drilling or drilling results are referred to in this announcement.
	Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.	N/A – no drilling or drilling results are referred to in this announcement.
	The total length and percentage of the relevant intersections logged.	N/A – no drilling or drilling results are referred to in this announcement.

CRITERIA	JORC CODE EXPLANATION	COMMENTARY
Sub-sampling techniques and sample preparation	*If core, whether cut or sawn and whether quarter, half or all core taken.*	N/A – no drilling or drilling results are referred to in this announcement.
	If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.	N/A – no drilling or drilling results are referred to in this announcement.
	For all sample types, the nature, quality and appropriateness of the sample preparation technique.	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. With all samples, 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 channel.
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 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.
	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 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 channel 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 – no drilling or drilling results are 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/desktops/iPads which are backed

CRITERIA	JORC CODE EXPLANATION	COMMENTARY
Verification of sampling and assaying cont…		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.*	N/A – no drilling or drilling results are referred to in this announcement.
	Specification of the grid system used.	WGS846-18L.
	Quality and adequacy of topographic control.	In the case of channel sampling, location coordinates were established by GPS.
Data spacing and distribution	*Data spacing for reporting of Exploration Results.*	In the case of channel sampling, the channels were spaced as regularly as possible along the known mineralisation with individual samples taken in <1m lengths, between 0.3m (shortest length) and 1.0m (longest length). 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.
	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 vein-hosted mineralisation. The vein channel sampled, subject of this announcement, was accurately mapped during sampling with dip and contact measurements taken. The results are considered true widths of mineralisation and representative of *in situ* grades.
	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 drilling results are referred to in this announcement.
Sample security	*The measures taken to ensure sample security.*	Sample security is 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 sampling procedures 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. 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 drilling or drilling results are 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 drilling or drilling results are referred to in this announcement.
Data aggregation methods	*In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.*	Weighted averages were applied where an average grade is calculated over intervals comprising different individual channel lengths. No maximum/minimum truncations were applied.
	Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations shown in detail.	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.

CRITERIA	JORC CODE EXPLANATION	COMMENTARY
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').*	In the channel sampling, the widths are considered true widths, commencing and finishing at the foot and hanging walls of the visible mineralisation.
Diagrams	*Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not limited to a plan view of drill hole collar locations and appropriate sectional views.*	Plans are provided showing the position of 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 makes reference to two previous ASX announcements dated: 11 December 2017 and 22 February 2018.
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 appearing in underground mines that were channel sampled, 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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