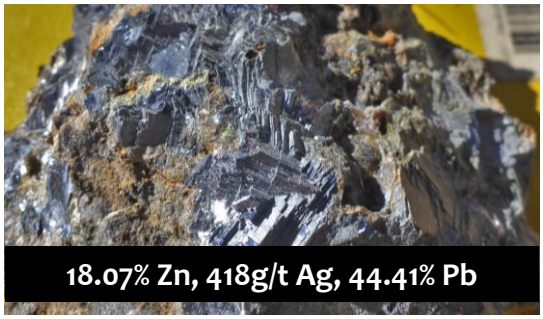
2 June 2016

# Strong Zinc, Bonanza Silver and Now Gold at Riqueza

## HIGHLIGHTS

- Very strong zinc (Zn) and lead (Pb), bonanza[1] silver (Ag) and **now strong gold** (Au) in assays from recent Riqueza sampling programme
- Sampling of small-scale mine workings and gossan at Uchpanga Prospect:
  - Peak values: **20.96% Zn, 920g/t Ag, 16.71% Pb, 2.65g/t Au**
  - Gossan and workings traceable over 750+m
- Sampling southern extension of high grade Zn-Ag-Pb outcropping manto at Humaspunco Prospect:
  - Peak values: **18.06% Zn, 418g/t Ag, 44.41% Pb**
  - Average values: **7.54% Zn, 98.29g/t Ag, 9.76% Pb**
- Targets at Uchpanga and Humaspunco open-ended in multiple directions

**20.96% Zn, 920g/t Ag, 16.71% Pb & 2.65g/t Au**



**18.07% Zn, 418g/t Ag, 44.41% Pb**

Inca Minerals Limited (**Inca** or the **Company**) (ASX code: ICG) has received highly encouraging assay results from a recently completed mapping and sampling programme at the Company's exciting new Zn-Ag-Pb Riqueza Project. The purpose of the programme was to investigate the southern extension of a known high-grade manto deposit at the Humaspunco Prospect (**Humaspunco**) and also to investigate an extensive gossan and a series of small-scale mine workings at the Uchpanga Prospect (**Uchpanga**). Mapping and assay results confirm the very high prospectivity of both areas.

Table 1 shows the results of the sample programme with peak assay values from sampling including:

- Zn: **20.96%** (Uchpanga); **18.06%** (Humaspunco)
- Ag: **920g/t (29.58 oz/t)** (Uchpanga); **418g/t (13.44 oz/t)** (Humaspunco)
- Pb: **16.71%** (Uchpanga); **44.41%** (Humaspunco)
- Au: **2.65g/t** (Uchpanga)

The discovery of bonanza grade Ag and strong Au at the Uchpanga Prospect is a particularly pleasing result. Although Riqueza is first-and-foremost a Zn-Ag-Pb focussed project with very strong results once again generated in the current sampling programme, the high grade of Au adds an exciting dimension to this rapidly expanding project.

[1] Bonanza grade is a term used to describe very high grades, typically for gold >1 oz/t and for silver >5 oz/t.

| Sample | Coordinnates | | | Prospect & | Zn | | Ag | Pb | | Au | Cu |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Number | Easting | Northing | Datum | Mineralisation Type | ppm | % | g/t | ppm | % | g/t | ppm |
| RR005401 | 454495 | 8592977 | WGS846-18L | Uchpanga - gossan | 727 | | 0.7 | 570 | | 0.005 | 74 |
| RR005402 | 454492 | 8592978 | WGS846-18L | Uchpanga - gossan | >10000 | 1.25 | 20.1 | 4122 | 0.41 | 0.094 | 242 |
| RR005403 | 454525 | 8592969 | WGS846-18L | Uchpanga - fresh vein | >10000 | 20.96 | 920 | >10000 | 16.71 | 2.651 | 4445 |
| RR005404 | 454518 | 8592974 | WGS846-18L | Uchpanga - gossan | 4089 | 0.41 | 3.3 | 1590 | 0.16 | 0.019 | 74 |
| RR005405 | 454515 | 8592943 | WGS846-18L | Uchpanga - gossan | 3491 | 0.30 | 17.8 | 3113 | 0.31 | 0.059 | 423 |
| RR005406 | 454586 | 8592946 | WGS846-18L | Uchpanga - gossan | 8090 | 0.81 | 26.5 | 4044 | 0.40 | 0.403 | 274 |
| RR005407 | 454578 | 8592932 | WGS846-18L | Uchpanga - gossan | 841 | | 166.5 | 1322 | 0.13 | 0.66 | 534 |
| RR005408 | 454609 | 8592932 | WGS846-18L | Uchpanga - gossan | 282 | | 0.6 | 21 | | 0.005 | 3 |
| RR005409 | 454838 | 8592866 | WGS846-18L | Uchpanga - gossan | 923 | | 1.2 | 182 | | 0.014 | 237 |
| RR005410 | 454875 | 8592862 | WGS846-18L | Uchpanga - gossan | 260 | | 0.4 | 108 | | 0.02 | 340 |
| RR005411 | 454938 | 8592844 | WGS846-18L | Uchpanga - gossan | 5083 | 0.51 | 0.7 | 61 | | 0.015 | 489 |
| RR005412 | 455114 | 8592802 | WGS846-18L | Uchpanga - gossan | 6452 | 0.65 | 7 | 3725 | 0.37 | 0.198 | 110 |
| RR005413 | 455189 | 8592771 | WGS846-18L | Uchpanga - gossan | 1559 | 0.16 | 14.6 | 5131 | 0.51 | 0.556 | 194 |
| RR005414 | 454500 | 8593308 | WGS846-18L | Uchpanga - gossan | 3069 | 0.31 | 132.8 | >10000 | 2.99 | 0.876 | 277 |
| RR005415 | 455846 | 8594528 | WGS846-18L | Humaspunco - manto | >10000 | 5.16 | 16.7 | 9035 | 0.90 | 0.11 | 155 |
| RR005416 | 455846 | 8594528 | WGS846-18L | Humaspunco - manto | >10000 | 1.27 | 21.8 | >10000 | 1.98 | 0.038 | 57 |
| RR005417 | 455849 | 8594497 | WGS846-18L | Humaspunco - manto | >10000 | 8.30 | 96.1 | >10000 | 10.76 | 0.017 | 750 |
| RR005418 | 455851 | 8594490 | WGS846-18L | Humaspunco - manto | >10000 | 1.21 | 99.1 | >10000 | 7.91 | 0.005 | 476 |
| RR005419 | 455944 | 8594480 | WGS846-18L | Humaspunco - manto | >10000 | 17.22 | 96.4 | >10000 | 2.19 | 0.019 | 782 |
| RR005420 | 455957 | 8594488 | WGS846-18L | Humaspunco - manto | >10000 | 18.07 | 418 | >10000 | 44.41 | 0.064 | 1437 |
| RR005421 | 455957 | 8594488 | WGS846-18L | Humaspunco - manto | >10000 | 5.52 | 84.7 | >10000 | 5.31 | 0.054 | 752 |
| RR005422 | 456009 | 8594499 | WGS846-18L | Humaspunco - manto | >10000 | 12.62 | 108.6 | >10000 | 11.66 | 0.015 | 403 |
| RR005423 | 456041 | 8594462 | WGS846-18L | Humaspunco - manto | >10000 | 3.03 | 20.9 | >10000 | 2.16 | 0.005 | 114 |
| RR005424 | 456104 | 8594456 | WGS846-18L | Humaspunco - manto | >10000 | 2.85 | 31.1 | >10000 | 2.87 | 0.005 | 63 |
| RR005425 | 456176 | 8594514 | WGS846-18L | Humaspunco - manto | >10000 | 14.89 | 77.9 | >10000 | 5.90 | 0.021 | 610 |
| RR005426 | 456196 | 8594526 | WGS846-18L | Humaspunco - manto | >10000 | 6.21 | 58.2 | >10000 | 5.47 | 0.007 | 416 |
| RR005427 | 456198 | 8594520 | WGS846-18L | Humaspunco - manto | >10000 | 8.82 | 117.7 | >10000 | 12.34 | 0.012 | 802 |
| RR005428 | 456239 | 8594528 | WGS846-18L | Humaspunco - manto | 4693 | 0.47 | 128.9 | >10000 | 13.95 | 0.005 | 47 |

Table 1: **ABOVE** Sample results.

### *Results from the Uchpanga Prospect*

The mapping and sampling programme investigated various mineralised occurrences at the Uchpanga Prospect, including mineralised veins/dykes exposed in old workings and sections of a gossan known to occur in the area. Relatively fresh sulphide-bearing material from the Rita Maria working (Figure 1) has returned very strong mineralisation, **20.96% Zn, 920g/t Ag, 16.71% Pb** and **2.65g/t Au** (Table 1). **With +25% combined Zn-Pb, bonanza grade Ag (29.44 oz/t) and very strong gold (>2g/t). This result is arguably the best to date at Riqueza.** The majority of samples taken at Uchpanga were from a highly weathered, Fe-oxide rich layer referred to as gossan (Figure 1), where sphalerite (Zn-sulphide) and galena (Pb-sulphide) minerals are mostly replaced by Fe-oxides. The relatively high levels of Zn, Ag, Pb, despite the highly weathered nature of the sampled material, indicates that the gossan represents a very significant horizon of rich sulphide mineralisation that, through mapping, is known over a total strike length of 750+m.

Figure 1: **FAR LEFT** Rock chip sample photo of RR005405 containing **20.96% Zn, 920g/t Ag, 16.71% Pb and 2.65g/t Au**. The sample is fresh vein material found at the Rita Maria small-scale mine. It comprises coarse grained galena (not pictured), fine grained sphalerite and pyrite. **LEFT** Rock chip sample photo of RR005406 where the sulphides are weathered away and/or replaced by Fe-oxides. Its low sulphur content (±0.5%) is proof of the degree of weathering, yet it contains significant levels of Au, Ag, Zn & Pb.

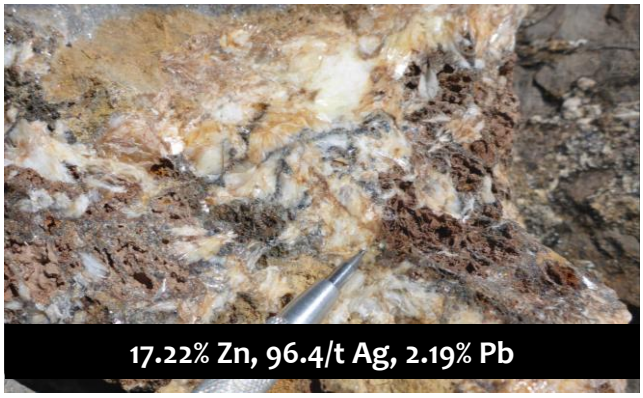
***Results from the Humaspunco Prospect***

The mapping and sampling programme investigated a prospective area along the southern flank of Humaspunco Hill where manto style mineralisation is known in outcrop over at least 500m. Past pre-Inca sampling, shows that Zn, Ag and Pb grades are consistently high and mapping shows that the manto dips into the ground to the south. The purpose of the recent programme was to confirm manto grades, to map the manto in greater detail and to inspect small-scale mine workings occurring in the area.

Mapping and sampling results now confirm the prevalence of manto-style mineralisation over a total strike length of at least 800m along the southern base of Humaspunco Hill. The strong average grades of **7.54% Zn, 98.29g/t Ag, 9.76% Pb** from this sample programme are consistent with and, improve upon earlier average grades of the manto of **7.11% Zn, 165.56g/t Ag, 9.30% Pb** (ASX announcement 5 April 2016).

Highlight results include:

- RR5420: **18.07% Zn, 418g/t Ag, 44.41% Pb**
- RR5419: **17.22% Zn, 96.4g/t Ag, 2.19% Pb**
- RR5425: **14.89% Zn, 77.9g/t Ag, 5.90% Pb**
- RR5422: **12.62% Zn, 108.6g/t Ag, 11.66% Pb**




The manto sequence (comprising three known manto layers) is now known to outcrop over a total distance of 1,500m. It occurs near the top of a line of limestone exposures on the southern flank of Humaspunco Hill (discussed above) and along the western and eastern exposures of the perpendicular ridge traversing Humaspunco Hill. The eastern face of the ridge showing exposed manto is seen in Figure 2.

Figure 2: **ABOVE** Landscape photo looking west showing the eastern ridge that runs perpendicularly across the southern flank of Humaspunco Hill. The narrow white boxes trace the mantos down-slope. The dark colouration of the otherwise pale grey limestone indicates the presence of [weathered] sulphides and dolomite alteration. To the south (left) the mantos dip into the ground and are open-ended. There are at least half a dozen adits built into the mantos along their exposure, one highlighted in the photo.

In detail, the manto sequence comprises a number of massive to semi-massive sphalerite (Zn-sulphide) and galena (Pb-sulphide) rich horizons characteristically occurring with the mineral barite, Fe-oxides and Fe-carbonates. Individual galena crystals are up to 2cm across (Figure 3), whilst sphalerite crystals are typically finer grained. Where the sulphide layers are highly weathered the sulphides are replaced by Fe-oxides making the layers gossanous in appearance (Figure 3). The manto sequence can also be commonly brecciated, comprising Fe-oxidised limestone clasts and a sulphide/barite matrix material.

Figure 3: **ABOVE LEFT** A large galena crystal adjacent to highly weathered fine grained sphalerite (with brown sandy appearance) (RR005422: **12.62% Zn, 108.6g/t Ag, 11.66% Pb**). **ABOVE RIGHT** The sulphide rich layer is gossanous with sphalerite mostly replaced by Fe-oxides. In this photo gossanous material (lower left) is adjacent to manto breccia (brown clasts of limestone with galena rims) and starkly white barite as the matrix material (RR005428: **0.47% Zn, 128.9g/t Ag, 13.95% Pb**).

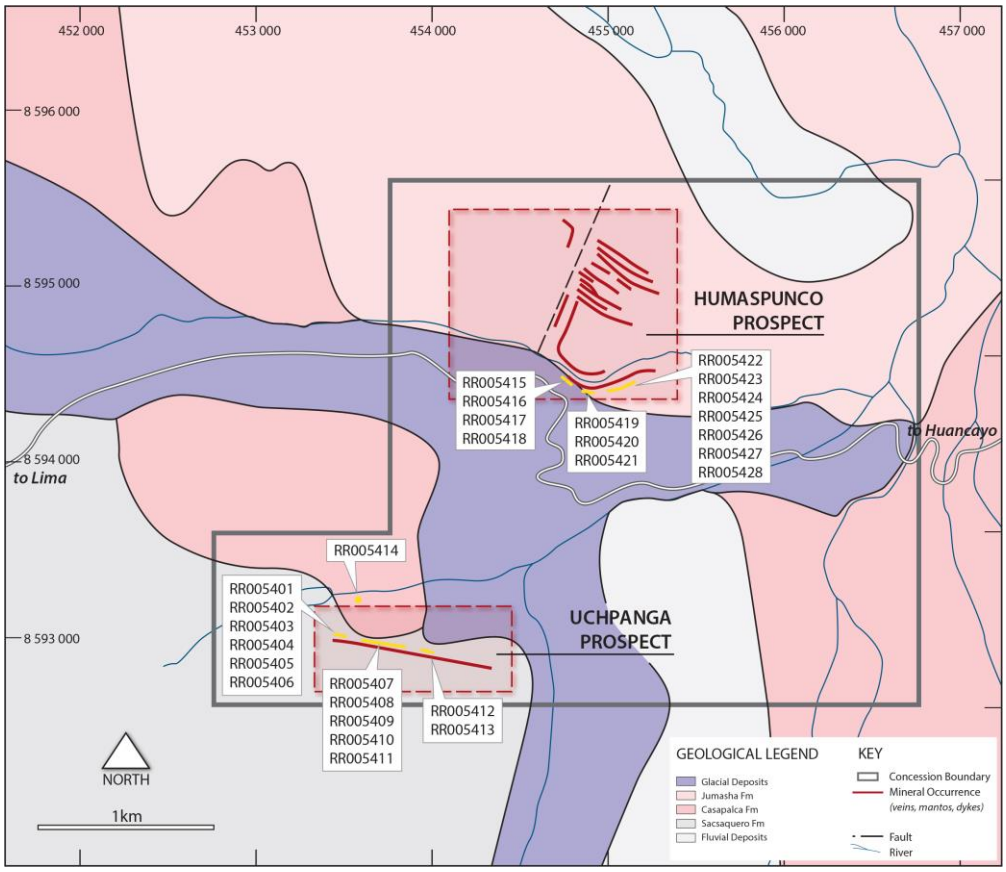



Figure 4: Sample location plan showing simplified geology and the mineralised occurrences at the Humaspunco and Uchpanga prospects.

### *Significance of Results*

*Zn-Ag-Pb-Au Mineralisation at Uchpanga*: Mapping and sampling shows that a gossan, approximately 750+m in length, occurs at Uchpanga. The gossan is believed to represent a very extensive layer (or horizon) of sulphide mineralisation that, at surface, comprises Fe-Mn oxides (Figure 1). Where fresh sulphide material was sampled (sample RR005403 – Figure 1) grades are significantly high. **Indeed, the Zn and Pb grades are 20.96% and 16.71% respectively. The Ag grade is considered bonanza level at 920g/t (or 29.44 oz/t) and the gold grade also very strong at 2.65g/t**. Sample RR005403 was collected from the Santa Rita small-scale mine that with another five workings spreads out along the length of the gossan (Figure 5).

Figure 5: **ABOVE** Panorama view of the Uchpanga Prospect. The gossan is marked by a pale double line. The Rita Maria working is located at the far right (a pale area). The trace of the gossan is concordant with bedding that is clearly seen along the crest of the hill. The gossan is believed to represent a high grade

The combination of Au with Zn-Ag-Pb (and also Mn-Cu), the prevalence of pervasive alteration and the development of stockwork veining associated with the gossan within a volcanic sequence at Uchpanga is significantly different from the style of mineralisation at Humaspunco. "In addition to Humaspunco, Uchpanga provides an extra level of expectation at Riqueza" says Inca's Managing Director, Mr. Brown. "Uchpanga hosts Zn-Ag-Pb mineralisation (in fresh material) at least as strong as Humaspunco and it also hosts gold mineralisation, hitherto not seen at Humaspunco. Indeed the gossan is one of our largest individual targets on the property."

*Manto Zn-Ag-Pb Mineralisation at Humaspunco*: Mapping and sampling shows that the Humaspunco mantos are strongly mineralised along the southern flank of Humaspunco Hill. Furthermore, the outcrop pattern of the mineralised manto sequence strongly indicates that it is preserved "down dip" into the ground to the south, and therefore open-ended in this direction.

"The southern extension of the manto sequence is confirmed by this field trip. Due to favourable geology we are also confident that the same mantos extend west across Humaspunco" says Mr Brown. "As the manto sequence in detail comprises multiple layers of massive to semi-massive sulphide mineralisation, there is a likelihood that further mineralised layers have developed at depth; a way to visualise this is to think of a layer-cake rather than a sponge-cake."

By way of conclusion, based on current interpretations of exploration data, it is believed the Humaspunco Prospect hosts intrusion-related replacement style Zn-Ag-Pb mineralisation. Individual deposits that collectively comprise the mineralised prospect include multiple veins, mantos, feeder-zones and breccias.

***Future Exploration***

"Strong zinc mineralisation in over a dozen vein, manto, dyke and breccia deposits, and now gold mineralisation in our largest mineralised feature, a 750m long gossan, greatly enhances Riqueza's prospectivity" says Inca's Managing Director, Mr. Brown. "There is now strong evidence to support several episodes of mineralisation having occurred at Riqueza."

The Company is quickly establishing a base camp at Riqueza to assist field operations. Future exploration will include additional mapping and sampling along the gossan at Uchpanga. The principal aim of this work is to determine the surface extent Zn-Ag-Pb-Au mineralisation. The western parts of Humaspunco will also be targeted for mapping and sampling. The principal aim of this work will be to identify and record extensions of the mineralised veins and mantos; to map and sample new structures/veins identified in satellite imagery and to examine the cause of the +1% Zn soil anomaly. Several mineralised breccias that are located at the Humaspunco Prospect will be also closely examined. Different geophysical survey methods are currently being assessed to maximise coverage and target generation. Geophysics can run at the same time as mapping and sampling.

Mr Brown is planning to be on site for the immediate upcoming mapping and sampling programme at Riqueza. "Among other things, I am very keen to follow up on possible vein extensions along the crest of Humaspunco that we've noticed in satellite imagery. And naturally, I am keen to see first-hand the gold-bearing gossan at Uchpanga."

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**Competent Person Statements**

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

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

## Appendix 1

The following information is provided to comply with the JORC Code (2012) requirements for the reporting of rock chip sampling by the Company on one concession known as Nueva Santa Rita (located in Peru).

### Section 1 Sampling Techniques and Data

| CRITERIA | JORC CODE EXPLANATION | COMMENTARY |
|---|---|---|
| **Sampling techniques** | *Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or hand-held XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.* | This announcement refers to assay results from 28 rock chip samples collected by the Company. Results for the elements Zn, Ag, Pb, Zn, Au and Cu are presented in Table 1. Reference is made to results of previous exploration in Section 2 of this Appendix. |
| | *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* | The sample locations were determined by hand-held GPS. Sampling protocols and QAQC are as per industry best practice. |
| | *Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1m samples from which 3 kg was pulverised to produce a 30g charge for fire assay'). In other cases more explanation may be required, such as where there is a coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.* | Rock chip sampling is a very widely used sampling technique in early exploration, typically combined with geological mapping to determine the presence of mineralisation in a specific geological body. By virtue of its purpose, rock chip sampling is selective. Each sample was bagged separately and labelled. Samples were sent to a laboratory for multi-element analysis. |
| **Drilling techniques** | *Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).* | N/A – no drilling or drill results were referred to in this announcement. |
| **Drill sample recovery** | *Method of recording and assessing core and chip sample recoveries and results assessed.* | N/A – no drilling or drill results were referred to in this announcement. |
| | *Measures taken to maximise sample recovery and ensure representative nature of the samples.* | N/A – no drilling or drill results were referred to in this announcement. |
| | *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.* | N/A – no drilling or drill results were referred to in this announcement. |
| **Logging** | *Whether core and chip samples have been geologically and geo-technically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* | N/A – no drilling or drill results were referred to in this announcement. |
| | *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.* | N/A – no drilling or drill results were referred to in this announcement. |
| | *The total length and percentage of the relevant intersections logged.* | N/A – no drilling or drill results were referred to in this announcement. |
| | *If core, whether cut or sawn and whether quarter, half or all core taken.* | N/A – no drilling or drill results were referred to in this announcement. |

| CRITERIA | JORC CODE EXPLANATION | COMMENTARY |
|---|---|---|
| **Sub-sampling techniques and sample preparation** | *If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.* | N/A – no drilling or drill results were referred to in this announcement. |
| | *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* | The sample preparation technique was appropriate. Each sample was bagged separately and labelled. Samples were sent to a laboratory for multi-element analysis. |
| | *Quality control procedures adopted for all sub-sampling stages to maximise "representivity" of samples.* | N/A – sub-sampling procedures were not undertaken by the Company. |
| | *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* | Rock chip sampling is a technique (described above) that directly samples *in situ* rock. In the case of sampling subject of this announcement, the *in situ* rock comprises mineralised veins and mantos cropping out within and proximal to adits of previous mining operations. |
| | *Whether sample sizes are appropriate to the grain size of the material being sampled.* | The sample sizes are considered adequate in terms of the nature and distribution of *in situ* rock and geological target at each sample location. |
| **Quality of assay data and laboratory tests** | *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* | The analytical assay technique used in the elemental testing of the samples for non-Au was four-acid digestion and HCl leach, which is considered a "complete" digest for most material types. Elemental analysis was via inductive coupled plasma and atomic emission spectrometry. Over-10-30% detection analysis includes additional titration analysis. Au techniques included Fire Assay with AA finish. The analytical assay technique used in the elemental testing is considered industry best practice. |
| | *For geophysical tools, spectrometers, hand-held XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* | N/A - No geophysical tool or electronic device was used in the generation of sample results other than those used by the laboratory in line with industry best practice. |
| | *Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.* | Blanks, duplicates and standards were used as standard laboratory QAQC procedures. |
| **Verification of sampling and assaying** | *The verification of significant intersections by either independent or alternative company personnel.* | The sample assay results are independently generated by Bureau Veritas Minerals (**BVM**) who conduct QAQC procedures that follow industry best practice. |
| | *The use of twinned holes.* | N/A – no drilling or drill results were referred to in this announcement. |

| CRITERIA | JORC CODE EXPLANATION | COMMENTARY |
|---|---|---|
| **Verification of sampling and assaying cont…** | *Documentation of primary data, data entry procedures, date verification, data storage (physical and electronic) protocols.* | Primary data (regarding assay results) is supplied to the Company from BVM in two forms: EXCEL and PDF form (the latter serving as a certificate of authenticity). Both formats are captured on Company laptops which are backed up from time to time. Following critical assessment (including price sensitivity) when time otherwise permits, the data is entered into a database by 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 rock chip sample locations are determined using a hand-held GPS. |
| | *Specification of the grid system used.* | WGS846-18L. |
| | *Quality and adequacy of topographic control.* | Topographic control is achieved via the use of government topographic maps, in association with GPS and Digital Terrain Maps (DTM's), the latter generated during antecedent detailed geophysical surveys. |
| **Data spacing and distribution** | *Data spacing for reporting of Exploration Results.* | The distribution of the rock chip samples follows industry best practice and to a large degree was subject to the location of visible direct (sulphides) and indirect (alteration) signs of mineralisation. |
| | *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* | Please refer immediately above. Note that no Mineral Resource or Ore Reserve estimation have been provided in this announcement. It is further acknowledged that the sample population of that released in this announcement is insufficient to obtain an Exploration Target and that additional sampling, to achieve this, would be required. |
| | *Whether sample compositing has been applied.* | Sample compositing was applied, in so far as, at any one rock chip location, rock was collected from an array of outcrop within a 0.5m to 2m radius. |
| **Orientation of data in relation to geological structure** | *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* | The distribution of rock chip samples follows industry best practice. Sample orientations were perpendicular to trends of visible mineralisation and/or alteration / veining/stockworking. |
| | *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.* | N/A – no drilling or drill results were referred to in this announcement. |
| **Sample security** | *The measures taken to ensure sample security.* | Pre-assay sample security is managed by the Company in line with industry best practice. |

| CRITERIA | JORC CODE EXPLANATION | COMMENTARY |
|---|---|---|
| **Audits or reviews** | *The results of any audits or reviews of sampling techniques and data.* | The rock chip sampling regime is appropriate for outcrop conditions prevalent at this project location. |

## Section 2 Reporting of Exploration Results

| CRITERIA | JORC CODE EXPLANATION | COMMENTARY |
|---|---|---|
| **Mineral tenement and land tenure status** | *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* | Tenement Type: Peruvian mining concession.<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 also discusses exploration carried out at Riqueza by previous parties. Previous exploration was the subject of a Canadian standard Ni 43-101 Report (with equivalent reporting Standards to JORC 2012). |
| **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 effected by a series of near vertical Zn-Ag-Pb bearing veins/breccia and Zn-Ag-Pb [strata-bound] 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.* | N/A – no drilling or drill results were referred to in this announcement. |
| | *If the exclusion of this information is justified on the basis that the information is not material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.* | N/A – no drilling or drill results were referred to in this announcement. |
| **Data aggregation methods** | *In reporting Exploration Results, weighted 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.* | N/A – no weighted averages nor maximum/minimum truncations were applied. |

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| | *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations shown in detail.* | N/A – no weighting averages nor maximum/minimum truncations were applied. |
| | *The assumptions used for any reporting of metal equivalent values should be clearly stated.* | N/A – no equivalents were used in this announcement. |
| **Relationship between mineralisation widths and intercept lengths** | *These relationships are particularly important in the reporting of Exploration Results.*<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').* | No reference to mineralisation widths and intercept lengths (in non-drilling circumstances implied to mean "strike length across the surface") were made in relation to the Company's samples. The Company's samples are consistent with mineralisation reported by previous parties (refer above), which are reported to relate to veins and mantos for which dimensions are provided. |
| **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.* | A plan showing the position of the 28 samples has been provided in 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 sampling programme and previously reported exploration referred to in this announcement. |
| **Other substantive exploration data** | *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.* | As well as discussing the Company's mapping and assay results, this announcement discusses exploration carried out at Riqueza by previous parties. Such previous exploration was the subject of a Canadian standard Ni 43-101 Report (with equivalent reporting Standards to JORC 2012). This work has been described by the Company in ASX announcements with the following dates: 4 April 2016, 22 April 2016, 5 May 2016 and 11 May 2016 |
| **Further work** | *The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).* | By nature of early phase exploration, further work is necessary to better understand the mineralisation that appears characteristic of this area. |
| | *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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