



27 May 2014

55m of 3% Copper Equivalent in New Breccia at Chanape

HIGHLIGHTS

CH-DDH012 ASSAY RESULTS: 55 METRE DOWN HOLE INTERVAL OF 3.0% CuEQ NEAR SURFACE IN NEW BRECCIA AND COMPRISED OF:

- 55 m down hole interval @ 2.3% Cu, 0.60g/t Au and 42.90g/t Ag from 155m including:
 - 10m @ 5.35% Cu, 0.015% Mo, 0.96g/t Au, 83.68g/t Ag [6.7% Cueq] from 186m, including:
 - 4m @ 8.9%Cu, 0.025% Mo, 1.14g/t Au, 130.5g/t Ag [10.9% Cueq] from 188m
- CH-DDH012 assay results from a second and upper breccia includes:
 - 67m down hole interval @ 0.97g/t Au, 25.31g/t Ag from surface, including:
 - 16m @ 1.86g/t Au, 58.96g/t Ag from 24m, and
 - 8m @ 2.30g/t Au from 52m, and
 - 13m @ 21.18g/t Ag from 52m
 - 24m down hole interval @ 0.52% Cu from 50m, including
 - 3m @ 2.06% Cu from 62m
- Newly discovered style of copper mineralisation in CH-DDH012 now provides nexus to underlying porphyry-copper
- Multiple zones of mineralisation in CH-DDH012, and in holes CH-DDH001, CH-DDH006, CH-DDH007 and CH-DDH011 now define a copper zone covering a vertical distance of 800m

Inca Minerals Limited ("Inca" or the "Company") has received assay results for the upper section of its fourth deep hole (CH-DDH012) drilled at Chanape. Results confirm that the two mineralised tourmaline breccia zones intersected at shallow depths (ASX announcement 12 May 2014) host high-grade copper (Cu), molybdenum (Mo), gold (Au) and silver (Ag) mineralisation.



Section of core containing massive chalcopyrite at 190m in CH-DDH012. The chalcopyrite occurs in the matrix of the breccia.



CH-DDH012 has intersected two tourmaline breccias [tourmaline is a high temperature mineral typically associated with (hot) hydrothermal conditions]. The upper breccia body intersected in CH-DDH012 occurs between 18.6m and 65.5m and has a down-hole width of 46.9m. Mineralisation associated with this breccia includes: **67m @ 0.97g/t Au and 25.31g/t Ag from surface**. Au and Ag mineralisation extends well above the upper contact of breccia into the hanging-wall volcanics (tuff). Cu also occurs in this upper breccia but appears more concentrated in the lower (down hole) half of the breccia, extending into the footwall volcanics. The spatial separation of the Au-Ag and Cu mineralisation indicates possible separate mineralising events. The alteration of the breccia is primarily advanced argillic with quartz (qtz) and tourmaline. Its metal composition is Au-Ag-Cu.

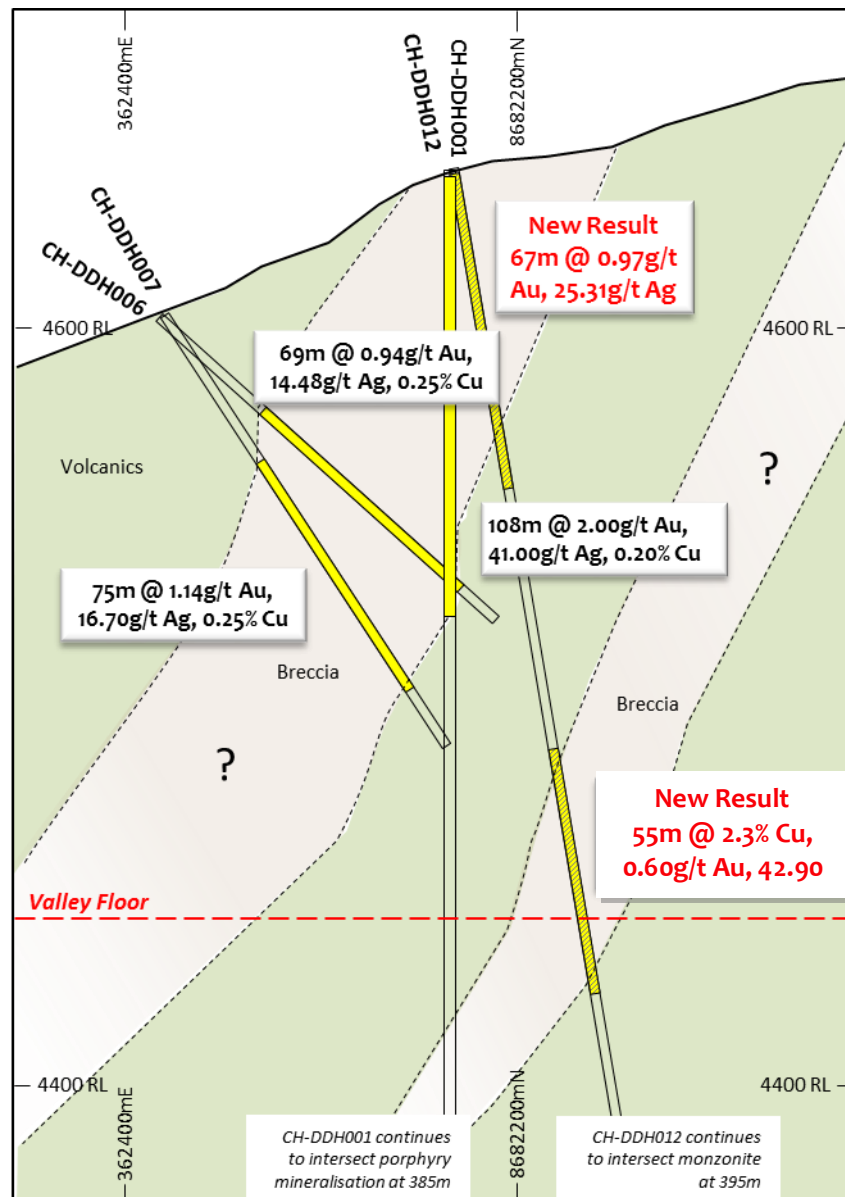


Figure 1: A SW-NE section showing Au, Ag, Cu mineralisation, an upper hydrothermal breccia (HBx 8) and a new hydrothermal breccia recently drilled in CH-DDH012. The two breccia bodies dip steeply to the SW.



The second breccia was intersected between 157.75m and 205.2m. It has a down-hole width of 47.45m. The breccia appears to be sub-parallel to the upper breccia (Figure 1). Mineralisation associated with this second breccia includes: **55m at 2.3% Cu, 0.60g/t Au, 42.90g/t Ag and 48.09ppm Mo**. Its metal signature, Cu-Ag-Au, is significantly different to that of the upper breccia and is perhaps more related to the Cu-zone “below” the upper breccia. The alteration of the breccia is primarily phyllic, with qtz and common to abundant tourmaline.

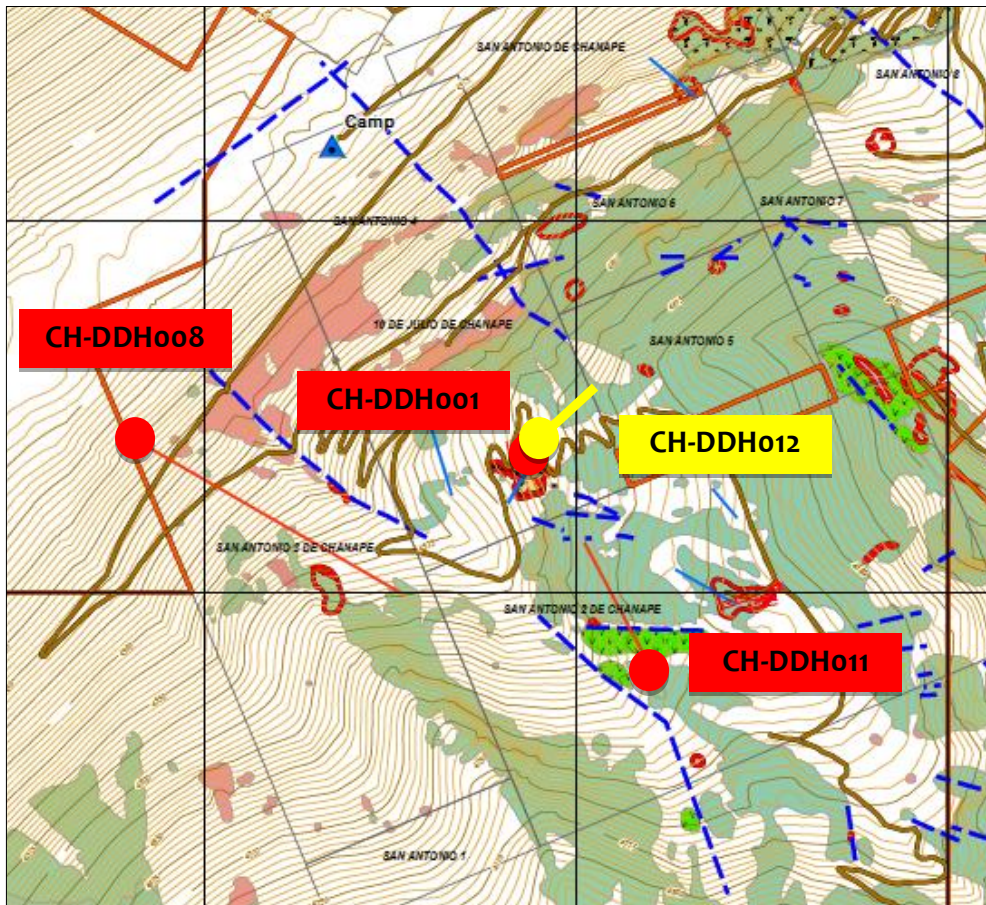


Figure 2: Drill hole location showing the four deep holes drilled at Chanape. Outcropping volcanics are shaded green and outcropping monzodiorite is shaded pink. Outcropping breccias have a red outline and structures are marked in blue. A cross-section showing a solid geology interpretation of CH-DDH008 - CH-DDH001 - CH-DDH011 is provided in Figure 4.

Significance of Results

The occurrence of high-grade Cu mineralisation (as well as Mo, Au & Ag) in these stacked breccia bodies is tremendously important. Including mineralisation in the upper breccia and that of the new “underlying breccia” Cu is now known to extend from surface to beyond 200m depth (Figure 1). The occurrence of Au and Ag mineralisation in the new breccia is also of significance as it demonstrates that the inventory of potential gold-bearing bodies at Chanape is not limited to the +70 breccia pipes or gold bearing veins mapped to date.



The occurrence of strong copper mineralisation in the upper parts of CH-DDH012 has three-fold significance: **i) The copper mineralisation is ore-grade:** averaging 2.3% Cu over a down hole interval of 55m; **ii) Significant copper mineralisation [in all holes] is now known to occur over a vertical distance of 800m;** and **iii) The copper mineralisation is hosted by a tourmaline breccia.**

Copper mineralisation is potentially ore-grade

In CH-DDH012 the copper grades are the highest seen to date at Chanape. They include:

- 55m @ 2.3% Cu, 0.60g/t Au and 42.90g/t Ag, from 155m, [3.0% Cueq] including:
 - 10m @ 5.35% Cu, 0.015% Mo, 0.96g/t Au, 83.68g/t Ag [6.7% Cueq] from 186m including:
 - 4m @ 8.90% Cu, 0.025% Mo, 1.14g/t Au, 130.50g/t Ag [10.9% Cueq] from 188m.

This result adds to the existing inventory of important Cu intersections. In two of the three previous deep porphyry holes copper mineralisation includes:

- CH-DDH001: 220m @ 0.13% Cu from 385m (open-ended);
- CH-DDH011: 284m @ 0.32% Cu, 82.9ppm Mo from 763m (open-ended) including:
 - 154m @ 0.38% Cu, 282ppm Mo
 - 84m @ 0.31% Cu, 82.9ppm Mo

The copper mineralisation covers a vertical distance of 800m

The occurrence of strong Cu-Mo mineralisation (in association with Au-Ag) at shallow depths is important in terms of future possible surface mining developments. The new breccia provides a mineralised corridor (a mining nexus) to the underlying Cu-Mo-Ag porphyry mineralisation.

Ross Brown, Inca's Managing Director has said: "We now have contiguous Cu mineralisation at Chanape over a vertical distance of 800 metres. This is just short [in height] of the tallest building in the world. The composite mineralised zone comprises 200 vertical metres of breccia-hosted Cu mineralisation, which we have recently added to by virtue of CH-DDH012; and 600 vertical metres of porphyry-hosted Cu mineralisation, which we previously identified in drill holes CH-DDH001 and CH-DDH011 (Figure 4). This is an unambiguously positive result and indicative of a large porphyry system."

The copper mineralisation [in CH-DDH012] is hosted by a tourmaline breccia

For the first time at Chanape, the Company has identified +1% Cu in a tourmaline breccia. The significance of this discovery is that copper-bearing tourmaline breccias can host exceptionally large and economically important deposits. An example is the Los Bronces/Rio Blanco Deposit. It is a porphyry-related tourmaline breccia complex that contains 5,000Mtonnes @ 1% Cu and 200ppm Mo.

Ross Brown, has added: "Interestingly, Los Bronces/Rio Blanco occurs within a cluster of super-mega-sized porphyry deposits that are concentrated at the regional juncture between the [NS] Andean porphyry belt and a subducted ocean ridge. The same regional scenario is repeated in the Chanape-Toromocho area. It [the juncture] affects a number of things including metal content and size of porphyry."

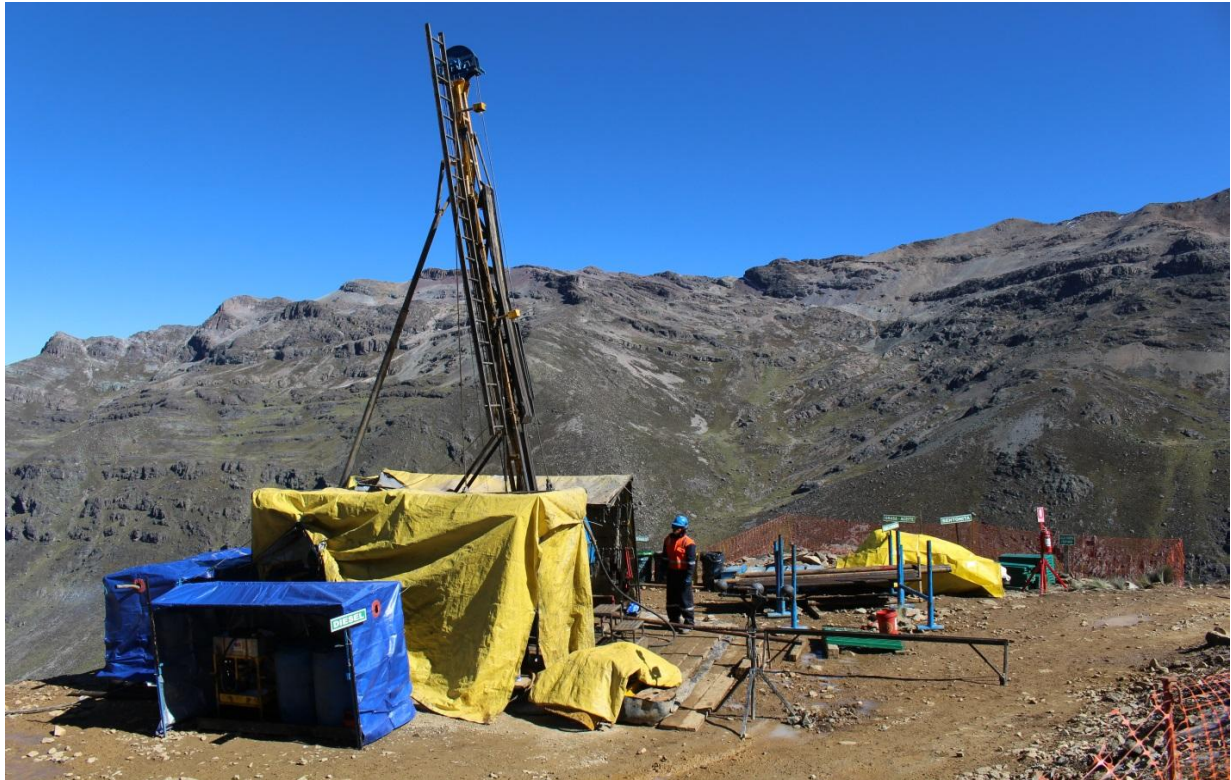


Figure 3: Drill hole CH-DDH012.

Brief Geological Summary

The geological interpretation presented in Figure 4 helps visualise the nature and distribution of mineralisation. It shows that in drill holes CH-DD001, CH-DD008 and CH-DD011 (location plan provided - Figure 2), four separate intrusive rocks are present. From oldest (intruded first) to youngest (intruded last):

- i) Monzodiorite (occurring at the surface and in all holes);
- ii) Monzonite/Qtz monzonite (occurring in all holes but not in outcrop);
- iii) Qtz-monzonite porphyry (occurring in all holes but not in outcrop); and
- iv) Breccias.

The qtz-monzonite porphyry is considered to be the intrusion that has caused Cu-Mo-Ag mineralisation and is referred to as the intermineral porphyry. At or near its contact the *older* monzonite is extensively mineralised (in CH-DDH011). The breccias are the last event and it is likely that there are several pulses of these (based on different metal contents). It is likely that the breccias' metal payload is either derived from the intermineral porphyry and/or from possible additional intermineral porphyries below.

Ross Brown added: *"The sequence of events at Chanape that is now interpreted adds great understanding to the potential of this porphyry system. It is entirely possible that Chanape may host several individual intermineral porphyries. It's worth noting that we have drilled only a very small section of the large SP anomaly."*

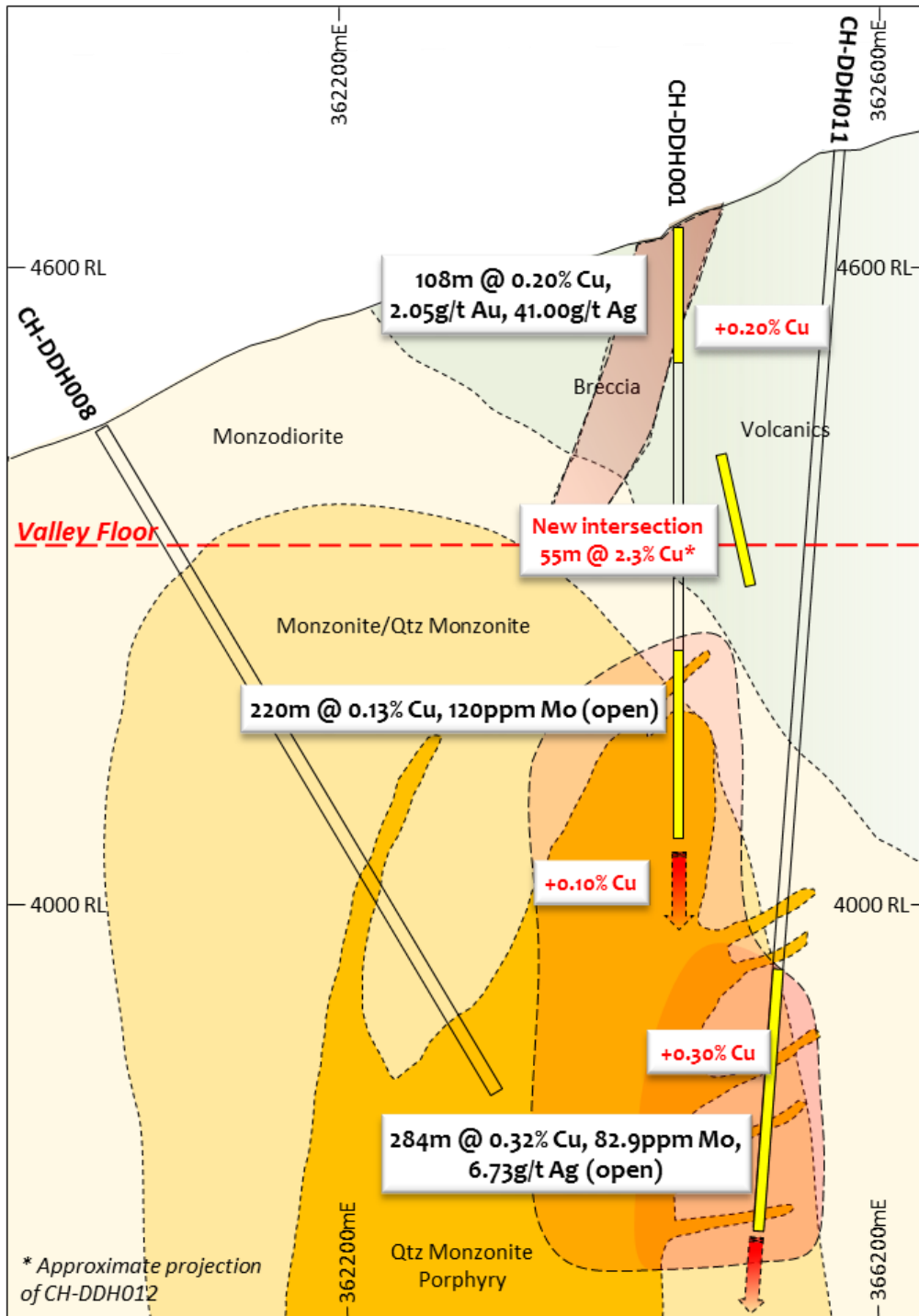


Figure 4: West to east section with interpreted geology and Cu intersections of CH-DDH001, CH-DDH008 and CH-DDH011. The relationship between three igneous intrusions and the hydrothermal breccia is seen. The vertical extent of Cu mineralisation in this immediate area is 800m with three different but related forms of mineralisation, i) uppermost Au-Ag-Cu hydrothermal breccia, ii) middle Cu-Mo-Au-Ag tourmaline breccia and iii) porphyry Cu-Mo-Au. Note: Drill hole CH-DDH012 does not occur on this projection. The Cu mineralisation in CH-DDH012 is an approximate projection ("into the page") and is provided to show its RL in relation to the other Cu intersections.



Next Steps

Pre-CH-DDH012 3D modelling is available to Inca in the next few days. New data from CH-DDH012 will be added to 3D modelling and the Company anticipates this will be available in the coming few weeks. This modelling will provide spatial information regarding the distribution of mineralisation, alteration and geology in the vicinity of drilling. Importantly it will provide information regarding the 800m vertical section of contiguous copper mineralisation now known to occur in this area. This will provide early resource parameters for the Company.

The Company will also continue to develop drill targets across the remaining expanse of the 2.5km x 1km SP anomaly.

“Timing is everything” Ross Brown says: “The discovery of Cu-Mo rich tourmaline breccia in CH-DDH012 and the significance of it in terms of heightened project prospectivity, has coincided with several site inspections by majors and occurred at a time when our exiting DIA drill permit is to be replaced by our new sdEIA. The additional metres permissible under our new sdEIA (22,500m) when it is granted, will certainly allow a broader purview of drilling.”

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Competent Person Statements

The information in this report that relates to epithermal and porphyry style mineralisation for the Chanape 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 Australian 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 “Australian 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 epithermal and porphyry style mineralisation for the Chanape 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 Australian 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 “Australian 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.

Table 1: Drill Hole Parameters

Hole Number	Coordinates			Height above sea level	Azimuth	Dip	Total Depth
	Easting	Northing	Datum				
CH-DDH012	362445mE	8682184mN	PSAD56	4,638m	45°	80°	660m



Table 2: Assay Results (Au, Ag, Cu, Mo) of CH-DDH012 (0m – 80m)

Sample #	Interval		Au	Ag	Cu	Mo	Sample #	Interval		Au	Ag	Cu	Mo
	From	To	ppm	ppm	ppm	ppm		From	To	ppm	ppm	ppm	ppm
M182448	0	1	0.49	2.5	342	2	M182492	40	41	0.31	20.2	518	5
M182449	1	2	0.28	3.5	366	3	M182493	41	42	0.37	11.9	294	6
M182450	2	3	0.27	6.2	422	2	M182494	42	43	0.92	11.7	482	15
M182451	3	4	0.39	11.2	777	17	M182495	43	44	0.36	7.3	389	16
M182452	4	5	0.13	15.1	894	3	M182496	44	45	0.5	21.6	1090	33
M182453	5	6	0.15	1.1	265	2	M182497	45	46	0.18	22.3	1590	32
M182454	5	6	0.29	2.7	326	5	M182498	46	47	0.64	21.5	1130	54
M182455	6	7	0.13	11.8	449	3	M182499	47	48	0.38	19	1270	27
M182456	7	8	0.1	14.9	241	1	M182501	48	49	0.25	12.4	541	19
M182457	8	9	0.19	7.7	313	1	M182502	49	50	0.18	7.6	796	8
M182458	9	10	0.15	9.7	348	1	M182503	50	51	0.15	7.6	2130	7
M182459	10	11	0.65	9.1	364	3	M182504	51	52	0.16	9.6	3190	5
M182460	11	12	0.12	4.3	276	2	M182505	52	53	2.73	10.1	2360	12
M182461	12	13	0.11	1.4	328	3	M182506	53	54	5.29	11.3	2370	44
M182462	13	14	0.15	1.9	222	3	M182507	54	55	0.79	22.3	3020	26
M182463	14	15	0.24	21.2	184	6	M182508	55	56	1.81	18.4	1820	28
M182464	15	16	0.35	10.3	324	3	M182509	56	57	3.57	14.3	3380	28
M182466	16	17	0.59	10.6	634	2	M182511	57	58	2.13	11.4	3410	35
M182467	17	18	0.43	6.6	204	2	M182512	58	59	0.99	10.2	3200	105
M182468	18	19	1.06	17.5	198	2	M182513	59	60	1.06	7.1	2350	40
M182469	19	20	0.29	15	665	2	M182514	60	61	0.84	8.9	6950	19
M182470	20	21	0.38	14.4	1580	3	M182515	61	62	0.51	7.2	3320	39
M182471	21	22	0.2	15.1	1020	3	M182516	62	63	1.46	96.7	33600	3
M182472	22	23	0.33	17.9	1260	3	M182517	63	64	1.02	31.2	16800	6
M182473	23	24	0.18	15.6	1200	3	M182518	64	65	0.25	26.3	11300	7
M182474	24	25	1.12	24.3	396	4	M182519	65	66	0.07	11.6	4620	2
M182475	25	26	0.24	22.7	1250	4	M182520	66	67	0.05	7.3	2190	2
M182477	26	27	0.59	7.1	209	2	M182521	66	67	0.06	9	2610	3
M182478	27	28	1.6	55.3	492	10	M182522	67	68	0.03	1.6	708	1
M182479	28	29	0.5	185	196	2	M182523	68	69	0.05	12.8	5920	5
M182480	29	30	0.48	85.6	567	2	M182524	69	70	0.05	6.4	2010	9
M182481	30	31	0.4	60.2	223	2	M182525	70	71	0.04	4.6	1920	14
M182482	31	32	0.29	8.6	289	3	M182526	71	72	0.03	5.6	2000	12
M182483	32	33	0.23	15	263	3	M182527	72	73	0.08	8.5	4000	8
M182484	33	34	1.31	10.4	434	3	M182528	73	74	0.02	1.6	484	1
M182485	34	35	4.55	23.4	430	2	M182529	74	75	0.01	1.4	442	1
M182486	34	35	8.71	54.8	577	4	M182530	75	76	0.01	0.5	183	1
M182487	35	36	1.44	23.3	324	3	M182531	76	77	0.01	0.6	204	1
M182488	36	37	3.37	63.7	341	6	M182532	77	78	0.01	0.5	183	1
M182489	37	38	3.92	204	569	2	M182534	78	79	0.01	0.5	148	1
M182490	38	39	1.08	100	679	1	M182535	79	80	0.01	0.5	87	1
M182491	39	40	0.49	56.7	562	3	End of selected data (not end of hole)						



Table 2: Assay Results (Au, Ag, Cu, Mo) of CH-DDH012 (150m – 210m)

Sample #	Interval		Au	Ag	Cu	Mo	Sample #	Interval		Au	Ag	Cu	Mo
	From	To	ppm	ppm	ppm	ppm		From	To	ppm	ppm	ppm	ppm
M182612	150	151	0.009	0.8	128	2	M182644	180	181	0.826	53.5	33900	39
M182613	151	152	0.027	1.4	207	3	M182646	181	182	0.637	55.9	32300	61
M182614	152	153	0.007	0.8	102	2	M182647	182	183	0.379	37.4	17650	42
M182615	153	154	0.008	0.7	92	3	M182648	183	184	0.404	61.3	29400	38
M182616	154	155	0.005	0.5	46	8	M182649	184	185	0.821	57.5	27300	34
M182617	155	156	0.598	4.2	199	4	M182650	185	186	0.682	35	20200	44
M182618	156	157	0.132	1.2	267	3	M182651	186	187	2.31	56.1	32300	63
M182619	157	158	0.139	8.8	2970	2	M182652	187	188	0.98	66	42200	281
M182621	158	159	0.144	5.4	1800	3	M182653	188	189	0.8	107	71300	186
M182622	159	160	0.1	3.4	1100	2	M182654	189	190	1.585	106	70900	241
M182623	160	161	0.498	30	9260	2	M182656	190	191	1.395	186	134500	306
M182624	161	162	0.264	22.4	7510	2	M182657	191	192	0.777	123	80700	261
M182625	162	163	0.346	21.9	6450	2	M182658	192	193	0.38	37.4	19100	67
M182626	163	164	0.144	9.3	3490	2	M182659	193	194	0.224	34.1	21300	60
M182627	164	165	0.182	9.4	3460	3	M182660	194	195	0.545	66.6	32600	28
M182628	165	166	0.237	9.8	3620	2	M182661	195	196	0.639	54.6	29800	35
M182629	166	167	0.191	17.6	6890	2	M182662	196	197	0.152	37.7	22100	54
M182630	167	168	0.245	13.1	5000	3	M182663	197	198	0.527	57.8	32400	58
M182631	168	169	0.159	7.6	3020	3	M182664	198	199	0.716	29.4	20700	29
M182632	169	170	0.284	32.7	13700	7	M182665	199	200	0.963	26.6	15400	32
M182633	169	170	0.166	35.8	14200	6	M182666	199	200	0.721	25.2	14450	19
M182634	170	171	1.105	79.5	30800	11	M182667	200	201	0.851	103	29000	58
M182635	171	172	0.828	26	11050	19	M182668	201	202	0.646	39.4	21700	57
M182636	172	173	0.836	57.9	25500	29	M182669	202	203	0.559	87.6	32500	56
M182637	173	174	0.565	21.1	9610	46	M182670	203	204	2.17	84.1	47000	74
M182638	174	175	0.391	33.3	20200	33	M182671	204	205	0.393	14.7	3170	11
M182639	175	176	0.539	74.6	42600	27	M182672	205	206	0.265	2.6	1260	2
M182640	176	177	0.839	47.8	28500	36	M182673	206	207	0.117	2.9	1320	3
M182641	177	178	0.812	44.4	24500	32	M182674	207	208	0.123	5.9	1230	3
M182642	178	179	0.903	47.3	26400	37	M182675	208	209	0.037	0.5	112	1
M182643	179	180	0.85	40.9	25100	85	M182676	209	210	0.011	0.6	190	1

End of selected data (not end of hole)



Appendix

The following information is provided to comply with the JORC Code (2012) requirements for the reporting of the above diamond drilling results on the mining concessions known as San Antonio 2 de Chanape, San Antonio 4 and Chanape (located in Peru).

Section 1 Sampling Techniques and Data

CRITERIA	JORC CODE EXPLANATION	COMMENTARY
Sampling techniques	<i>Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or hand-held XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.</i>	This announcement refers to assay results from one drill hole (CH-DDH012) drilled to 660m. A total of 140 metres of drill core assays are referred to in this announcement in two intervals: 0m-80m and 150m-210m. Note: not the end-of-hole EOH). Results of key elements are presented in Table 2.
	<i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i>	The drill hole location was determined by hand-held GPS. Drill core was logged noting lithology, alteration, mineralisation, structure. Sampling protocols and QAQC are as per industry best-practise procedures.
	<i>Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1m samples from which 3 kg was pulverised to produce a 30g charge for fire assay'). In other cases more explanation may be required, such as where there is a coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.</i>	Each metre of drill core (of above) was cut (longitudinally) and bagged separately. Samples were sent to Australian Laboratory Services ("ALS") for multi-element analysis: Gold via FA-A finish (with detection limit 0.005ppm), multi-elements: Four Acid Digest ICP-AES (various detection limits).
Drilling techniques	<i>Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).</i>	The drilling technique used in the generation of reported geology was diamond core. Core diameter was HQ (63.5mm dia) and NQ (47.6mm dia) and BQ (36.5mm). The angled hole was orientated as per industry best-practise procedures.
Drill sample recovery	<i>Method of recording and assessing core and chip sample recoveries and results assessed.</i>	Core barrel vs core length measurements were made. No significant core loss was experienced.
	<i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i>	No significant core loss was experienced.
	<i>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</i>	Not applicable - No significant core loss was experienced.
Logging	<i>Whether core and chip samples have been geologically and geo-technically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</i>	On-site geologist(s) log lithology, alteration, mineralisation on a shift basis. Core recoveries are noted.
Logging cont...		



CRITERIA	JORC CODE EXPLANATION	COMMENTARY
	<i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.</i>	Core logging is both qualitative and quantitative. Core photos were taken.
	<i>The total length and percentage of the relevant intersections logged.</i>	100% of the core was logged.
Sub-sampling techniques and sample preparation	<i>If core, whether cut or sawn and whether quarter, half or all core taken.</i>	Core was sawn in half. One half was bagged and labelled, the remaining half was returned to the core tray.
	<i>If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.</i>	Not applicable – all samples subject of this announcement were core.
	<i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i>	Core sampling followed industry best practise procedures.
	<i>Quality control procedures adopted for all sub-sampling stages to maximise “representivity” of samples.</i>	No sub-sampling procedures were undertaken by the Company.
	<i>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</i>	The core sawing orientation was such that [apparent] <u>mineralisation</u> was equally represented in both values of the core. Sample intervals are FIXED to metre interval (in this case 1m interval) and NOT subject to visible signs of mineralisation.
	<i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i>	The sample sizes are considered adequate in terms of the nature and distribution of [apparent] mineralisation <u>visible</u> in the core.
Quality of assay data and laboratory tests	<i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i>	The analytical assay technique used in the elemental testing of core for Au was four-acid digest. The four acid digest technique involves hydrofluoric, nitric, perchloric and hydrochloric acids and is considered a “complete” digest for most material types. Non-Au techniques included ICP/OES.
	<i>For geophysical tools, spectrometers, hand-held XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i>	No geophysical tool or electronic device was used in the generation of sample results other than those used by ALS in line with industry best practice.
	<i>Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.</i>	Blanks, duplicates and standards were introduced into the sample stream (without notification of ALS). This is an addition to ALS QAQC procedures, which follow industry best practices.
Verification of sampling and assaying	<i>The verification of significant intersections by either independent or alternative company personnel.</i>	The sample assay results are independently generated by ALS who conduct QAQC procedures, which follow industry best practices.
	<i>The use of twinned holes.</i>	This announcement refers to one drill hole only.
	<i>Documentation of primary data, data entry procedures, data verification, data storage (physical</i>	Primary data (regarding assay results) is supplied to the Company from ALS in two



CRITERIA	JORC CODE EXPLANATION	COMMENTARY
Verification of sampling and assaying cont...	<i>and electronic) protocols.</i>	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. <u>Following</u> critical assessment (price sensitivity) when time otherwise permits the data is entered into a database by a Company GIS personnel.
	<i>Discuss any adjustment to assay data.</i>	No adjustments were made.
Location of data points	<i>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i>	The drill hole location had been determined using a hand-held GPS.
Location of data points cont...	<i>Specification of the grid system used.</i>	PSAD56.
	<i>Quality and adequacy of topographic control.</i>	Topographic control is achieved via the use of government topographic maps, in association with GPS and Digital Terrain Maps (DTM's), the latter generated during antecedent detailed geophysical surveys.
Data spacing and distribution	<i>Data spacing for reporting of Exploration Results.</i>	The one hole subject of geological reporting and sampling was logged and sampled every metre (refer to above). Spacing (distance) between data sets with respect to geology and sampling is in line with industry best practices.
	<i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i>	No representations of extensions, extrapolations or otherwise continuity of grade are made in this announcement.
	<i>Whether sample compositing has been applied.</i>	Sample compositing was not applied.
Orientation of data in relation to geological structure	<i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i>	This announcement refers to two zones of mineralisation. It is believed the upper zone dips steeply to the SE. As such the upper interval is not perpendicular to CH-DDH012 and host mineralisation may be narrower accordingly. The lower zone of mineralisation is newly discovered, occurring only in CH-DDH012. Although it is likely the lower zone is "sub-parallel" to the upper zone, and represented in section as such, no other information is currently available to indicate "perpendicularity" to drill hole CH-DDH012. If the lower zone is sub-parallel to the upper zone then host mineralisation may be narrower accordingly.
	<i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i>	There is no information pertaining to the orientation of the host lithology that is currently available to suggest that the sampling was biased in terms of orientation.



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Sample security	<i>The measures taken to ensure sample security.</i>	Pre-assay sample security is managed by the Company in line with industry best practices.
Audits or reviews	<i>The results of any audits or reviews of sampling techniques and data.</i>	The current sampling regime is appropriate for mineralisation prevalent at this project location.

Section 2 Reporting of Exploration Results

CRITERIA	JORC CODE EXPLANATION	COMMENTARY
Mineral tenement and land tenure status	<i>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</i>	Tenement Type: Peruvian mining concession. Concession Name: 10 De Julio de Chanape. Ownership: The concession is registered on INGEMMET (Peruvian Geological Survey) in the name of the Company. The Company has a 5-year mining assignment agreement whereby it may earn 100% outright ownership of the concession.
	<i>The security of the land tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</i>	With further reference to above, the mining assignment agreement is in good standing at the time of writing. The concessions are all in good standing.
Exploration done by other parties	<i>Acknowledgement and appraisal of exploration by other parties.</i>	The drill hole subject of this announcement was carried out by Bramsa MDH – a drilling company that adheres to industry best practises.
Geology	<i>Deposit type, geological setting and style of mineralisation.</i>	The geological setting of the area subject to drilling (subsequently reported in this announcement) is that of Mesozoic subduction zone, mountain-building terrain comprising of acidic and intermediate volcanics and intrusives. Porphyry intrusions and associated brecciation have widely affected the volcanic sequence, introducing epithermal, porphyry and possible porphyry-related mineralisation.
Drill hole information	<i>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:</i> <ul style="list-style-type: none"> <i>Easting and northing of the drill hole collar</i> <i>Elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar.</i> <i>Dip and azimuth of the hole.</i> <i>Down hole length and interception depth.</i> <i>Hole length.</i> 	Coordinates of CH-DDH012: 362445mE, 8682184mN (PSAD56) RL: 4,638m Dip and azimuth: 80°: 45° respectively. Down hole length of mineralisation: Mineralisation in this instance means sulphide mineralisation (which does not imply grade). Hole depth: 660m.



CRITERIA	JORC CODE EXPLANATION	COMMENTARY
Drill hole information cont...	<i>If the exclusion of this information is justified on the basis that the information is not material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</i>	Not applicable – the information has been provided (refer above).
Data aggregation methods	<i>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.</i>	Not applicable – no weighting averages nor maximum/minimum truncations were applied.
	<i>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations shown in detail.</i>	Not applicable – no weighting averages nor maximum/minimum truncations were applied.
	<i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i>	Cueq determined using US\$1,300/oz Au, US\$20.00/oz Ag, US\$3.17/lb Cu and US\$14.20/lb Mo. It is reasonable to use Cueq in this case as: i) the mineralisation is genetically related and ii) all elements must be recovered in mining.
Relationship between mineralisation widths and intercept lengths	<p><i>These relationships are particularly important in the reporting of Exploration Results.</i></p> <p><i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i></p> <p><i>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').</i></p>	Where ever mineralisation is reported in this announcement, clear reference to it being “down hole” width/thickness is made.
Diagrams	<i>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not limited to a plan view of drill hole collar locations and appropriate sectional views.</i>	A plan showing hole location and terrain images with coordinates was provided to locate the hole subject of this announcement.
Balanced reporting	<i>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</i>	The Company believes the ASX announcement provides a balanced report on drill hole CH-DDH012.
Other substantive exploration data	<i>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i>	This announcement also makes reference to <u>geological results</u> of CH-DDH001, CH-DDH008 and CH-DDH011. Announcements pertaining to CH-DDH001 were made on 29 Jan. 2013, 6 Feb. 2013 and 27 Feb. 2013. Announcements pertaining to CH-DDH008 were made on 13 Dec. 2013 and 10 Jan. 2014 and an announcement pertaining to CH-DDH011 was made on 12 March 2014. An announcement concerning CH-DDH012 was made on 12 May 2014. It also makes reference to the discovery other the “visible” mineralisation of the two mineralised zones referred to in this announcement on 23 May 2014.



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Further work	<i>The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).</i>	By nature of early phase exploration, further work is necessary to better understand the mineralisation systems that appear characteristic of this area.
	<i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i>	A plan showing the position of the three drill holes referred to in this announcement provides relative positioning of the porphyry intersections, and by virtue of this shows the surface projection of the “open-endedness” of the porphyry.



Drill camp at Chanape