29 November 2016

42.77% Zinc in First Program at Cerro Rayas Project

HIGHLIGHTS

- Very high grade mineralisation recorded at Company's Cerro Rayas Project
- **Peak values: 42.77% zinc (Zn); 258g/t silver (Ag); 26.1% lead (Pb)**
- Wari Mine working sample averages: **30.55% Zn, 177.3g/t Ag, 21.21% Pb**
- Vilcapuquio Mine working sample averages: **18.78% Zn, 3.2g/t Ag, 2.60% Pb**

Inca Minerals Limited (**Inca** or the **Company**) (ASX code: ICG) has received assay results for samples collected during a brief mapping and sampling program (**CR-Program 1**) at its Cerro Rayas Project in October. Cerro Rayas is the Company's second Zn-Ag-Pb-focussed project in Peru, located 15km from Riqueza. CR-Program 1 focussed on two old mine workings, Vilcapuquio in the north of the concession and Wari in the south of the concession (as previously described in ASX announcement 9 November 2016) (location Figure 6). Representative samples of mineralisation were collected during detailed mapping of the interior walls of the mine workings.

Rock chip sample assay results are particularly pleasing from both the Wari and Vilcapuquio old mine workings. Based on assay results, Wari is strongly mineralised in Zn, Ag and Pb with averages of **30.55% Zn, 177.3g/t Ag, 21.21% Pb**. Peak vales at Wari include: **30.96% Zn, 258g/t Ag and 26.06% Pb**. This contrasts with Vilcapuquio that is strongly mineralised in Zn only. Its averages are **18.78% Zn, 3.2g/t Ag, 2.60% Pb**. Peak vales at Vilcapuquio include: **42.77% Zn**, 7.7g/t Ag and 7.98% Pb.

Figure 1: **LEFT** Photo of a rock sample taken from the Vilcapuquio mine working. The sample grades 42.77% Zn, 3.4g/t Ag and 2.73% Pb (See also Figure 2).

Wall rock exposures inside both sets of mine workings show broad zones of mineralised calcite stockwork (Figures 2 and 3). At Vilcapuquio, visible mineralisation includes galena (Pb sulphide) and secondary zinc minerals, smithsonite ($ZnCO_3$) and possibly hydrozincite ($Zn_5(CO_3)_2(OH)_6$) (Figures 1, 2 and 3). At Wari, visible mineralisation includes galena and rich Fe-oxides/gossan (Figure 4).

The stockwork zones at both locations are believed to have resulted from regional fault activity.

"Vilcapuquio and Wari appear to be separate structure-related mineralised systems almost certainly associated with geological faults" says Inca Minerals' Managing Director, Mr Ross Brown. "This being the case, we now have a minimum of two high quality exploration targets at Cerro Rayas."

Figure 2: **ABOVE LEFT** Wall rock photo inside the Vilcapuquio mine working (upper level) showing a broad zone of highly altered stockwork veining (brown discolouration). **ABOVE RIGHT** Photo of a rock sample taken from this section of the mine.

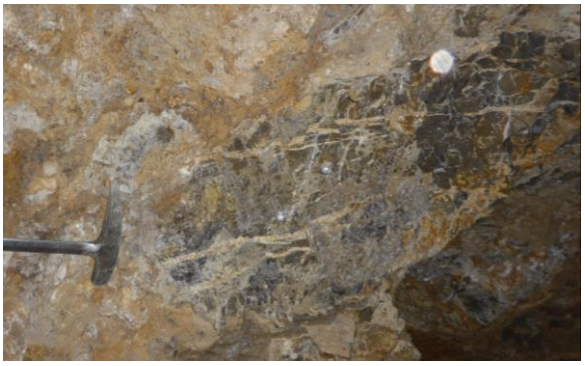

Figure 3: **ABOVE LEFT** Close-up of wall rock photo inside the Vilcapuquio mine working (upper level) showing stockwork veining (cream coloured lines) in less altered limestone (dark grey colouring). **ABOVE RIGHT** Photo of a rock sample taken from this section of the mine.

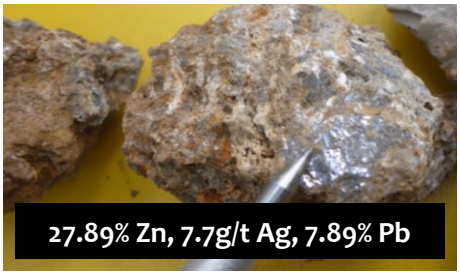

Figure 4: **LEFT** Photo of a rock sample taken from the Vilcapuquio mine working (lower level). The photo is included to show galena (Pb sulphide) mineralisation that is otherwise less prominent in the upper levels of the mine.

Based on preliminary sampling, mineralisation at Wari appears quite different to that at Vilcapuquio. Wari has considerably higher grades of Ag and Pb (Table 1) and levels of iron-oxides (limonite/haematite). Hence, the stockwork material at Wari is noticeably "redder" and has more visible galena (Figure 5) than at Vilcapuquio.

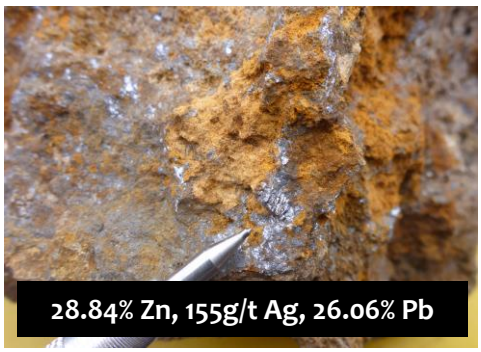

Figure 5: **LEFT** Photos of rock samples from the Wari old mine working showing greater Fe-oxide content, relative to those from Vilcapuquio, and remnants of fresh galena.

Comparison of Cerro Rayas and Riqueza

Cerro Rayas is located only 15kms from Riqueza and, like Riqueza, is a Zn-Ag-Pb focused project (in the case of Riqueza - also gold). There are several important similarities between the two projects; primary among these is the broad category of mineralisation and the host unit. At Humaspunco - Riqueza and Cerro Rayas mineralisation is replacement-style Zn-Ag-Pb within a limestone sequence. The Zn-grade is high at both Cerro Rayas and Riqueza. A further interesting similarity includes the prevalence of stockwork veining at Cerro Rayas and at Uchpanga - Riqueza (but not at Humaspunco).

Cerro Rayas – Next Steps

The intention of CR-Program 1 was to determine the broad characteristics of mineralisation occurring at the two mine workings located within the project area. Knowledge pertaining to the style, strike direction and width of mineralisation, alteration, metal-mix, broad geology and structure are all important in shaping future exploration.

Future programs will focus on identifying additional zones of mineralisation along known mineralised structures and identifying additional mineralised structures. The Company anticipates several phases of mapping and sampling being completed at Cerro Rayas in 2017. Depending on results, the Company would then apply for a drill permit to test targets.

Riqueza – Update

Riqueza is six to nine months ahead of Cerro Rayas on the exploration curve as highlighted by the ASX announcement 8 November 2016 which outlined the mapping results of the fourth exploration program at Riqueza in October of this year and for which assay results are pending. The 1:2,000 scale mapping and systematic sampling at Humaspunco programs are on-going.

As previously announced, the Company is keenly awaiting the granting of the Riqueza DIA drill permit. Recent informal discussions with Peruvian authorities suggest Inca can anticipate granting in the near-future. The Company will keep shareholders informed.

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Competent Person Statements

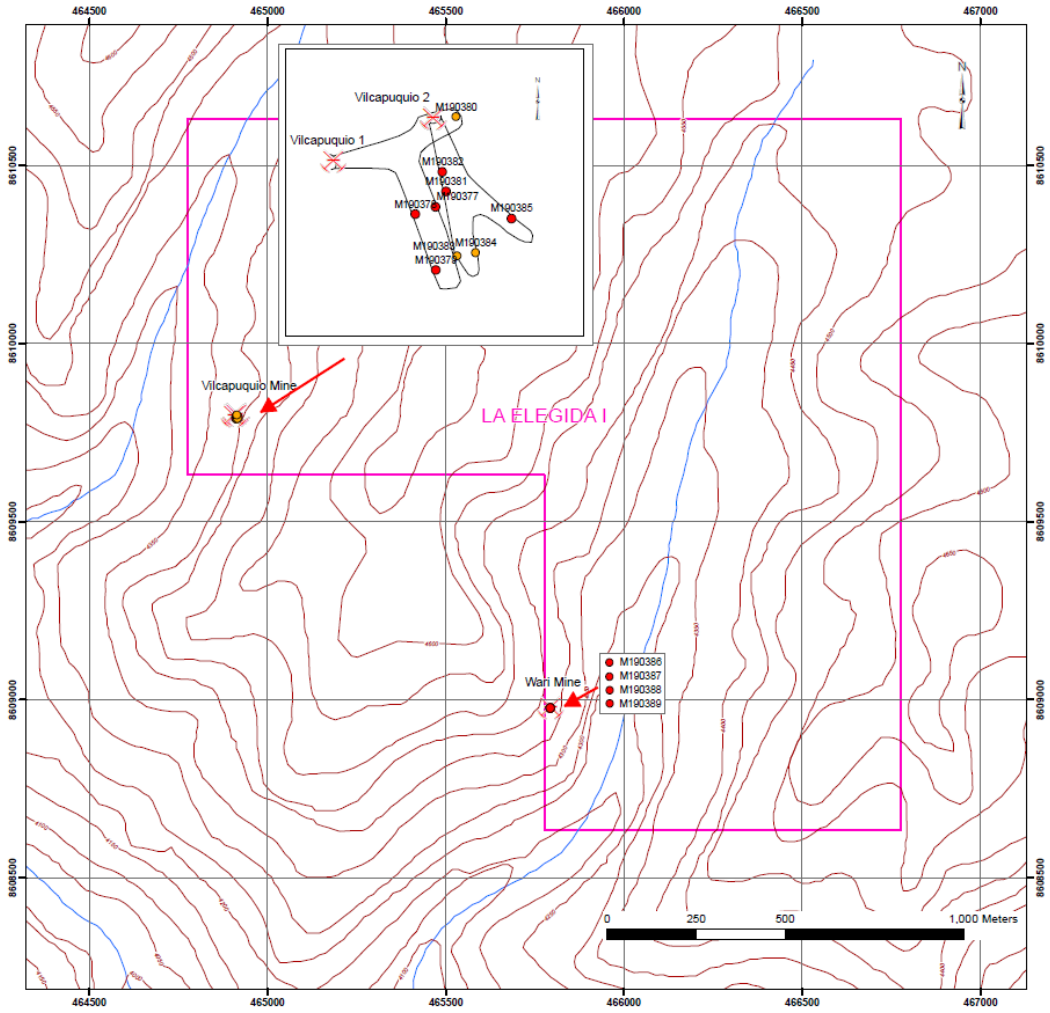
The information in this report that relates to mineralisation for the Cerro Rayas Project and the Riqueza Project, located in Peru, is based on information compiled by Mr Ross Brown BSc (Hons), MAusIMM, SEG, MAICD Managing Director, Inca Minerals Limited, who is a Member of the Australasian Institute 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 fulltime 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 Cerro Rayas Project and 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 fulltime employee of Inca Minerals Limited and consents to the report being issued in the form and context in which it appears.

Table 1: Assay Results – Cerro Rayas (Vilcapuquio, Wari)

Element	Project Prospect	Ag	Ag	Ag g/t	Pb	Pb	Pb	Pb %	Zn	Zn	Zn	Zn %
Unit		PPM	G/T		PPM	%	%		PPM	%	%	
Method		ICP40B	AAS41B		ICP40B	CON29G	AAS41B		ICP40B	AAS41B	CON21B	
M190377	Vilcapuquio	2.4		2.4	>10000		1.76	1.76	>10000	>20	22.25	22.25
M190378	Vilcapuquio	7.7		7.7	>10000		7.98	7.98	>10000	>20	27.89	27.89
M190379	Vilcapuquio	4.7		4.7	>10000		6.21	6.21	>10000	11.99		11.99
M190380	Vilcapuquio	<0.2		0.2	303			0.03	1255			0.13
M190381	Vilcapuquio	3.4		3.4	>10000		2.73	2.73	>10000	>20	42.77	42.77
M190382	Vilcapuquio	4.2		4.2	2588			0.26	>10000	>20	32.36	32.36
M190383	Vilcapuquio	2.4		2.4	8265			0.83	>10000	4.91		4.91
M190384	Vilcapuquio	2.5		2.5	>10000		3.01	3.01	>10000	4.31		4.31
M190385	Vilcapuquio	1.4		1.4	6088			0.61	>10000	>20	22.4	22.40
Prospect average				**3.2**				**2.60**				**18.78**
M190386	Wari	>100	161	161	>10000	24.31	>20	24.31	>10000	>20	30.96	30.96
M190387	Wari	>100	135	135	>10000		12.21	12.21	>10000	>20	32.5	32.50
M190388	Wari	>100	155	155	>10000	26.06	>20	26.06	>10000	>20	28.84	28.84
M190389	Wari	>100	258	258	>10000	22.26	>20	22.26	>10000	>20	29.9	29.90
Prospect average				**177.3**				**21.21**				**30.55**

Figure 6: Sample Location Plan



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 La Elegida 1 (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 13 rock chip samples (individual rock chip and channel-sampling methods) taken from wall rock exposures within old mine workings during a recent mapping and sampling program.
	Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.	The sample locations of those mentioned above were determined by tape measurements (within the mine working). Sampling protocols and QAQC are as per industry best practice procedures.
	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 at a specific location of geological interest. By virtue of its purpose, rock chip sampling is selective. Samples were also taken via channel-sampling methods conducted across visible mineralisation. 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.

CRITERIA	JORC CODE EXPLANATION	COMMENTARY
Logging cont…	*The total length and percentage of the relevant intersections logged.*	N/A – no drilling or drill results were referred to in this announcement.
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 drill results were 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 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.	Individual rock chip and channel sampling are techniques (described above) that directly samples *in situ* rock. In the case of sampling subject of this announcement, the *in situ* rock comprises mineralised stockwork exposed in 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 ICP and atomic emission spectrometry. Over 20% 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 SGS Del Peru (SGS) who conduct QAQC procedures, which follow industry best practice.

CRITERIA	JORC CODE EXPLANATION	COMMENTARY
Verification of sampling and assaying *cont…*	*The use of twinned holes.*	N/A – no drilling or drill results were 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 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 a 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 were determined using tape measurements. The location of the adits were determined using 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 and channel 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 and Ore Reserve estimation has been provided in this announcement. The sample population of that released in this announcement is insufficient to obtain an Exploration Target and 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 sample location, rock was collected; in the case of individual rock chip sampling, from outcrop within a 0.5m radius; in the case of channel sampling from outcrop in a linear range of 1m.
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.
	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.*	Sample security was managed by Inca 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 was 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. Concession Name: La Elegida 1. Ownership: The Company has a 2-year Mining Assignment and Purchase Option Agreement ("Agreement") whereby the Company may acquire 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 refers to mineralisation at Cerro Rayas identified in historic mine workings. No past mining product figures are known.
Geology	*Deposit type, geological setting and style of mineralisation.*	The geological setting of the area is that of folded sequence of Jurassic limestones of the Pucará Group; subsequently affected by a series of near vertical Zn-Ag-Pb structures (faults).
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 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.

CRITERIA	JORC CODE EXPLANATION	COMMENTARY
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.*	N/A – no weighting averages nor 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 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.* *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').*	No representations of mineralisation width have been made in this announcement.
Diagrams	*Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not limited to a plan view of drill hole collar locations and appropriate sectional views.*	Plans showing the position of the old mine sites from which the samples were collected are presented in this announcement. Inserts also show the sample locations determined by tape measurement inside the mine(s).
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 program and relation of it to 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.*	This announcement makes reference to sampling and mapping activities which relate to assay results subject of this announcement. These sampling and mapping activities were made part of ASX announcement 9 November 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 appear 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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