28 April 2017

MINERALISED STRUCTURES IDENTIFIED IN DRILLING AT UCHPANGA

- **Early drilling at Uchpanga identifies five mineralised structures (assay results pending)**
- **Structures host multiple types and styles of sulphides, including:**
  - **Veinlets of sphalerite (sulphide containing zinc), galena (sulphide containing lead), chalcopyrite (sulphide containing copper) and pyrite**
  - **Disseminated galena and sphalerite**
  - **Chalcopyrite increases with depth and is dominant sulphide in deepest structure**
  - **Structures also host argillic and silicic alteration**
- **Whole-rock analysis confirms pervasive hydrothermal alteration at Uchpanga and at new intrusive prospect**
- **Second rig to begin drilling at Humaspunco**

Inca Minerals Limited (**Inca** or the **Company**) (ASX code: ICG) is pleased to report that multiple, stacked mineralised structures have been identified in drilling at Uchpanga. The structures range in down-hole width from 0.3m to 8.75m and are believed to dip[1] to the south within a sequence of volcaniclastics. The structures occur over a down hole interval of 131.0m with the upper most structure occurring at 6.45m to the deepest structure occurring at 137.5m.

"This is very good news. What appears at surface to be a single zone of mineralisation associated with a 750m long gossan and line of workings has developed at depth into a plus-100m wide zone of interest, hosting multiple mineralised structures that hints at mineralising processes far more pervasive than previously thought" says Inca's Managing Director, Mr Ross Brown.

The sulphides occurring in the mineralised structures include sphalerite, galena, pyrite and chalcopyrite which occur as veinlets and as disseminations within argillic and silicic halos. Chalcopyrite levels in the structures increase down-hole.

"Chalcopyrite increases from subordinate to dominant levels within the mineralised structures at depth" says Mr Brown. "This is indicative of metal zoning associated with intrusive-related mineralisation. Assays will determine if gold, known to occur at gram per tonne levels at the surface, has a similar trend, as might be expected in this model."

Figure 1: **RIGHT** Inca geologist inspecting core at Riqueza.

[1] Detailed examination of the two holes drilled from this platform will assist in determining the angle of mineralisation.

The occurrence of stacked mineralised structures and chalcopyrite zoning in early drilling at Uchpanga is highly encouraging and consistent with intrusive-related mineralisation.

Whole-rock analysis of two hand specimens taken from different outcrops in the area where an intrusive stock was recently discovered strongly indicates multiple phases of intrusive activity and widespread hydrothermal alteration (Figures 2 & 3).

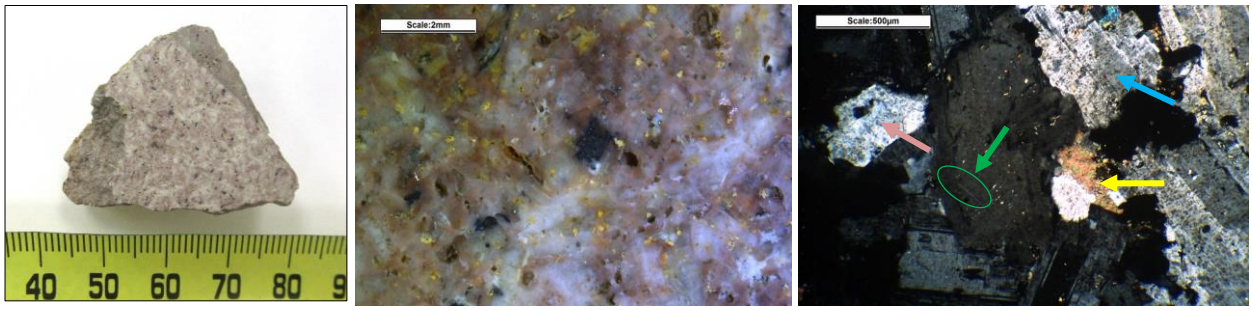

Figure 2: **ABOVE LEFT** Hydrothermally altered monzonite – a rock formed by the slow cooling of an intrusive granitic magma; **MIDDLE** magnified portion of the surface showing albite (white), orthoclase (pink) and ankerite/Fe-bearing dolomite (brown-yellow flecks); **RIGHT** Thin-section (polarised light) showing albite (blue arrow), orthoclase (pink arrow), ankerite/Fe-bearing dolomite (yellow arrow), apatite (green arrow).

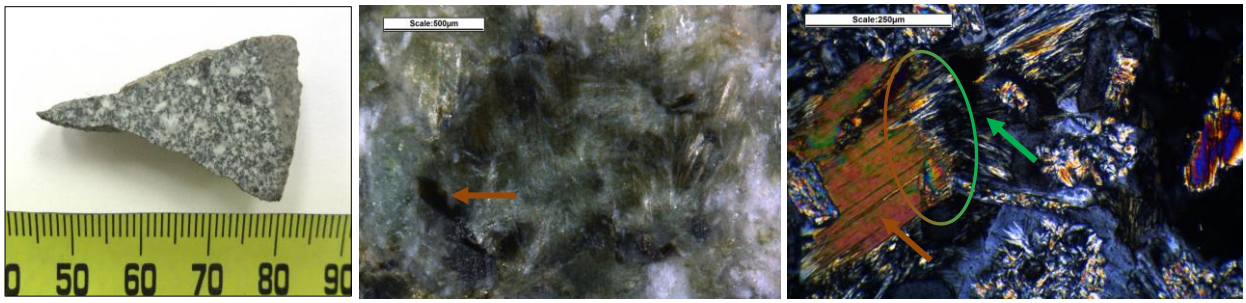

Figure 3: **ABOVE LEFT** Hydrothermally altered meta-gabbro[2] – a rock formed by the slow cooling of an intrusive mafic magma and subsequent metamorphism caused by an emplacement of an adjacent intrusion; **MIDDLE** magnified portion of the surface showing fibrous actinolite, relict feldspar (white) and biotite (brown arrow); **RIGHT** Thin-section (polarised light) showing the replacement of relict pro-grade biotite (brown arrow) with fibrous retrograde actinolite (green arrow).

Importance of Results

Recent knowledge gained from early drilling at Uchpanga and whole-rock analysis of rock specimens collected from adjacent intrusive stock outcrop strongly supports the Company's exploration model for Riqueza—that Riqueza hosts a large intrusive-related mineralised system comprising hydrothermal Zn-Ag-Pb-Au-Cu mineralisation at Uchpanga and replacement Zn-Ag-Pb mineralisation at Humaspunco.

The multiple phases of stock emplacement in the southern half of Riqueza, and the fact that these stocks are hydrothermally altered is direct evidence of persistent and/or repeated igneous activity—such igneous activity being the "engine-room" for widespread intrusive-related mineralisation. There are nine intrusive-related mines and mineral deposits in the near vicinity to Riqueza that show that such mineralising processes are commonplace in the vicinity.

[2] Formerly referred to as a monzodiorite

Figure 4: **ABOVE** Satellite image of the southern half of the Riqueza Project showing the location of the Uchpanga Prospect, the intrusive complex, the approximate locations of the outcrop from which hand specimens were taken for whole-rock analysis and the location of the drill hole at Uchpanga which intersected several mineralised structures. **INSERT** Satellite image covering a larger area, including areas covered by Inca's other concession applications. A very large area, approximately 4km x 2km, shows marked discolouration possibly associated with widespread alteration.

The multiple mineralised structures with an overall metal zoning characteristic of a pervasive heat-source are entirely consistent with persistent and/or repeated igneous activity.

"That which occurs on a macro scale, can often be reflected in a micro scale" says Mr Brown. "Whole-rock analysis of a rock specimen from Uchpanga mimics the broader mineralising conditions in this part of the project." Detailed analysis of a Zn-Ag-Pb-Au-bearing sample collected from the Rita Maria working at the western end of Uchpanga reveals a sequence of sulphide mineralising events that reflects the broader mineralising conditions. The sample comprises four recognisable bands (Figure 5) each with a different sulphide and alteration mineral assemblage.

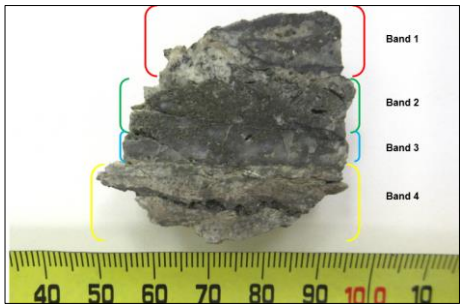

Figure 5: **LEFT** Vein material from the Rita Maria working at the western end of Uchpanga. Originally a chert, the rock specimen has four recognisable bands, Band 1: chert with galena, sphalerite, stibnite (antimony sulphide) and barite; Band 2: Quartz with pyrite and sphalerite; Band 3: Recrystallised quartz vein with sphalerite; and Band 4: Quartz with clays. Material such as this in previous sampling by Inca has returned plus-gram per tonne gold and bonanza grade silver.

Figure 6: **RIGHT** Core photo of the upper most mineralised structure zone with disseminated galena and pyrite associated with argillic and silicic alteration. It is very similar to the material pictured in Figure 5 and therefore highly prospective for gold and silver.

Drilling at Humaspunco

The Company will commence drilling at Humaspunco after completing initial drilling at Humaspunco South and Uchpanga. Drilling at Humaspunco was expected to commence shortly after the formal commencement date was provided. However, persistent heavy rains and frequent storms created unsafe conditions at this prospect. Therefore, a decision was made not to cut access for drilling at Humaspunco due to unstable soil conditions and the possibility of excessive erosion. With safety conditions now having been addressed, the second drill rig has been winched into position at Humaspunco and drilling thereat will commence 1 May 2017. Drilling will start at Platform 1 with the angled holes across the Zn-Ag-Pb-bearing vein and manto systems.

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 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 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.

Appendix 1

The following information is provided to comply with the JORC Code (2012) requirements for the reporting of drilling and petrographic 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 does not refer to any sample assay results. Various metal sulphides, referred to in petrographic results from four samples, are mentioned in this announcement. No quantitive assessment of these sulphides has been put forward.
	Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.	This announcement does not refer to any sample assay results.
	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.	This announcement does not refer to any sample assay results.
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.).*	In addition to petrographic descriptions, this announcement discusses zones of mineralisation identified in one diamond-core drill hole. The announcement does not refer to any metal grade associated with these zones of mineralisation. The drilling technique used was diamond core from surface to end-of-hole. The core diameter used are HQ (63.5mm). The angled hole was orientated as per industry best practice.
Drill sample recovery	*Method of recording and assessing core and chip sample recoveries and results assessed.*	Core barrel v's core length measurements were made. No significant core loss was experienced.
	Measures taken to maximise sample recovery and ensure representative nature of the samples.	No significant core loss was experienced.
	Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	N/A – refer above. With no sample loss, no bias based on sample loss would occur.
Logging	*Whether core and chip samples have been geologically and geo-technically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.*	On-site geologist(s) log structure, lithology, alteration, mineralisation on a shift basis. Core recoveries are noted.

CRITERIA	JORC CODE EXPLANATION	COMMENTARY
Logging cont…	*Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.*	Core logging is both qualitative and quantitative. Core photos were taken for every core-tray.
	The total length and percentage of the relevant intersections logged.	100% of the core hosting zones of mineralisation were logged.
Sub-sampling techniques and sample preparation	*If core, whether cut or sawn and whether quarter, half or all core taken.*	No core sample assay results were mentioned in this announcement. Notwithstanding this, in the broader context of the drill program (described above) core will be sawn in half. One half will be bagged and labelled, the remaining half will be returned to the core tray
	If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.	N/A – future sampling of the current drill program (described above) will be core.
	For all sample types, the nature, quality and appropriateness of the sample preparation technique.	Core sampling will follow industry best practice.
	Quality control procedures adopted for all sub-sampling stages to maximise "representivity" of samples.	No sub-sampling procedures will be undertaken.
	Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.	The core sawing orientation will be such that [apparent] mineralisation will be equally represented in both halves of the core. Sample intervals will be determined by either down-hole vein and manto intervals or by whole-metre intervals, and be collected as either a one or part metre samples. In the case of vein and manto sampling, sampling will be subject to visible signs of mineralisation. In all cases, measures to ensure representative sampling will take place.
	Whether sample sizes are appropriate to the grain size of the material being sampled.	The sample sizes will be adequate in terms of the nature and distribution of mineralisation visible in the core. Where vein and manto intervals are sub-one metre, sampling will be sub-one metre.
Quality of assay data and laboratory tests	*The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.*	N/A – No assay results are referred to in this announcement.
	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 assay results are referred to in this announcement.
	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.	N/A – No assay results are referred to in this announcement.

CRITERIA	JORC CODE EXPLANATION	COMMENTARY
Verification of sampling and assaying	*The verification of significant intersections by either independent or alternative company personnel.*	N/A – No assay results are referred to in this announcement.
	The use of twinned holes.	N/A – No assay results are referred to in this announcement.
	Documentation of primary data, data entry procedures, date verification, data storage (physical and electronic) protocols.	N/A – No assay results are referred to in this announcement.
	Discuss any adjustment to assay data.	N/A – No assay results are referred to in this announcement.
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 sample locations for the four petrographic samples 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.*	Exploration results mentioned in this announcement include petrographic results from four hand specimens (un-related to drilling) and core logging results. In this context, data spacing is not applicable.
	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.
	Whether sample compositing has been applied.	N/A – No assay results are referred to in this announcement.
Orientation of data in relation to geological structure	*Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.*	N/A – No assay results are referred to in this announcement.
	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.	Several mineralised intervals recorded in a drill hole were mentioned in this announcement. The orientation of the mineralisation is unknown at this time, therefore, the intervals remain defined as down-hole intervals with true thicknesses unknown.
Sample security	*The measures taken to ensure sample security.*	N/A – No assay results are referred to in this announcement.
Audits or reviews	*The results of any audits or reviews of sampling techniques and data.*	N/A – No assay results are referred to in this announcement.

Section 2 Reporting of Exploration Results

CRITERIA	JORC CODE EXPLANATION	COMMENTARY
Mineral tenement and land tenure status	*Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.*	Tenement Type: Peruvian mining concession. Concession Name: Nueva Santa Rita. Ownership: The Company has a 5-year concession transfer option and assignment agreement ("Agreement") whereby the Company may earn 100% outright ownership of the concession.
	The security of the land tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	The Agreement and concession are in good standing at the time of writing.
Exploration done by other parties	*Acknowledgement and appraisal of exploration by other parties.*	This announcement does not refer to exploration conducted by previous parties.
Geology	*Deposit type, geological setting and style of mineralisation.*	The geological setting of the area is that of a gently SW dipping sequence of Cretaceous limestones and Tertiary "red-beds", on a western limb of a NW-SE trending anticline; subsequently affected by a series of near vertical Zn-Ag-Pb bearing veins/breccia and Zn-Ag-Pb [strata-parallel] mantos.
Drill hole information	*A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* • *Easting and northing of the drill hole collar* • *Elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar.* • *Dip and azimuth of the hole.* • *Down hole length and interception depth.* *Hole length.*	Drill hole parameters: • Datum: WGS84-zone18S • Easting: 454533.84mE • Northing: 8592982.45mN • Dip: 90 degrees • Azimuth: N/A • Depth: 174.45m
	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 – drill parameters are provided above.
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.

CRITERIA	JORC CODE EXPLANATION	COMMENTARY
Relationship between mineralisation widths and intercept lengths	*These relationships are particularly important in the reporting of Exploration Results.* *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').*	The orientation of the zones of mineralisation encountered in the drill hole referred to in this announcement are unknown. The drill core is however orientated and once geotechnical logging has been completed true thicknesses can be calculated.
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 is provided showing the position of the drill hole and whole-rock sample locations subject of this announcement.
Balanced reporting	*Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	The Company believes the ASX announcement provides a balanced report of its exploration results referred to in this announcement.
Other substantive exploration data	*Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	This announcement does not make substantial reference to other exploration data.
Further work	*The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).*	By nature of early phase exploration, further work is necessary to better understand the mineralisation appearing in the drill hole subject of this announcement.
	Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	N/A: Refer above.

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