9 May 2017

# VISIBLE MINERALISATION AT BOTH UCHPANGA AND HUMASPUNCO

## HIGHLIGHTS

- **Strong visible mineralisation in first hole at Humaspunco**
- **As previously reported – five structures identified in Uchpanga drilling host multiple types and styles of sulphides, including veinlets and disseminations of sphalerite (sulphide containing zinc), galena (sulphide containing lead), chalcopyrite (sulphide containing copper) and pyrite**
- **Mineralisation zones in drill hole RDDH-009 at Uchpanga persist to end-of-hole**

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Inca Minerals Limited (**Inca** or the **Company**) (ASX code: ICG) has received core photos of mineralised structures encountered in drilling at its Riqueza Project's Uchpanga Prospect (ASX announcement 28 April 2017), which reveal open-ended mineralisation with multiple forms of sulphide matched with intense alteration (Figure 1).

Figure 1: **ABOVE** The last core tray of RDDH-009 (Uchpanga) containing EOH core showing altered sulphide-bearing volcanic breccia.

In addition, photos received overnight from the first hole at Riqueza's Humaspunco Prospect reveal strong visible mineralisation associated with a brecciated vein or manto. Sulphides include coarse galena (lead sulphide) and sphalerite (zinc sulphide). Secondary minerals include copper-bearing malachite (Figure 2).

Figure 2: **ABOVE** Photos taken at the drill site showing contents of the first core trays coming from RDDH-001 (Humaspunco). The core is highly brecciated with multiple forms of mineralisation.

The photos of Uchpanga drill core indicate a strong association between structure, rock type, sulphides and alteration. The sulphide-bearing structures coincide with porous rock types (volcaniclastics) and with silicic and/or argillic alteration. The sulphides 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.

"This makes sense" says Inca's Managing Director, Ross Brown, "metal-bearing fluids, moving outwards from a hot intrusion, flow along susceptible pathways like porous layers of breccia. The intense alteration that goes with the sulphide veinlets and disseminations illustrates the hot nature of the metal-bearing fluids."

Figure 3: **RIGHT** Highly altered porous volcaniclastic rock (between 137.1m to 137.4m) with veinlets of sphalerite, galena and chalcopyrite in RDDH-009 (Uchpanga).

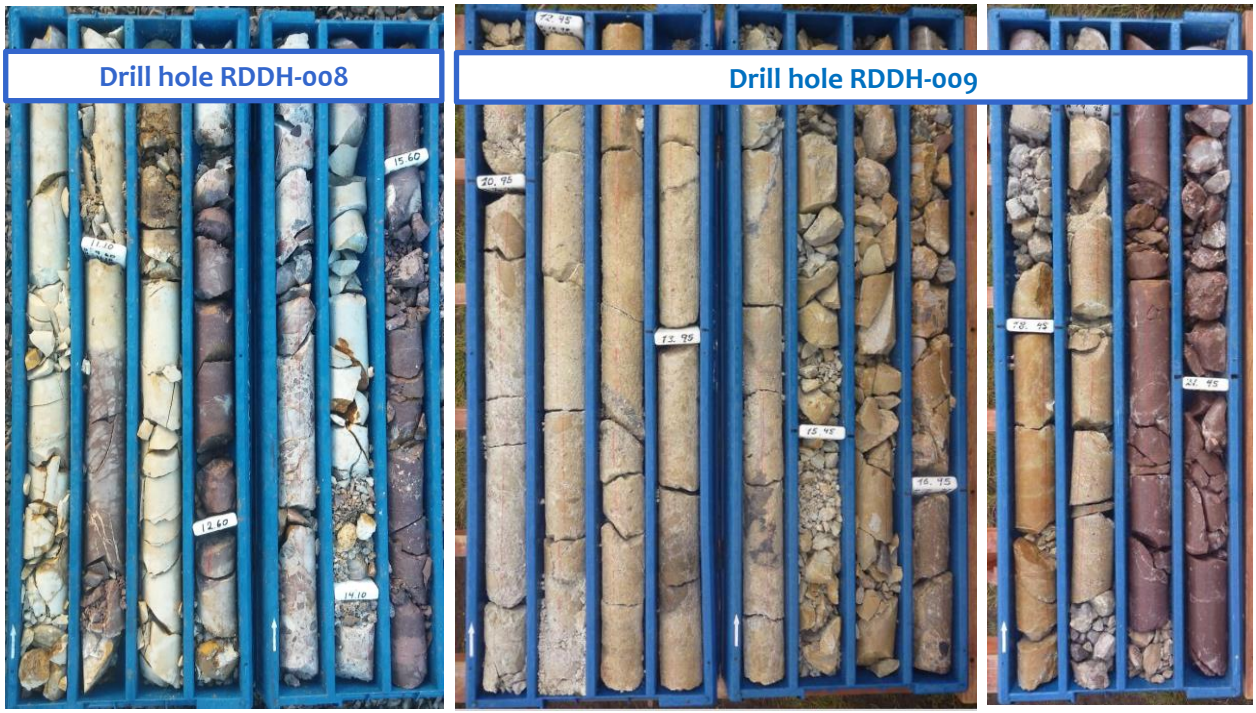


Figure 4: **ABOVE LEFT** Core tray of RDDH-008 (±9.5m to 15.8m) with pervasive argillic alteration and **ABOVE RIGHT** core tray of RDDH-009 at the approximate same interval (±10.2m to 23.0m).

The upper mineralised structure in RDDH-009 is also recognised in RDDH-008, lining up with the position of the Rita Maria workings to indicate a southern dip direction of mineralisation.

| Hole | Hole Parameters | | | | Platform | Drill Depth (m's) |
|---|---|---|---|---|---|---|
| | Azimuth | Dip | Coordinates | | | |
| RDDH-005 | 35° | 60° | 455904 | 8594395 | SRP-18 | 200.00 |
| RDDH-006 | 17° | 65° | 454617 | 8592910 | SRP-20 | 50.00 |
| RDDH-007 | 0° | 90° | 454617 | 8592910 | SRP-20 | 80.00 |
| RDDH-008 | 17° | 65° | 454529 | 8592933 | SRP-19 | 50.00 |
| RDDH-009 | 0° | 90° | 454529 | 8592933 | SRP-19 | 174.45 |
| RDDH-001 | 215 | 45° | 456091 | 8595226 | SRP-01 | 37.00 |

Table 1: **ABOVE** Holes drilled to date. RDDH-005 was drilled at Humaspunco South, RDDH-006 to RDDH-009 was drilled at Uchpanga and RDDH-001 is currently being drilled at Humaspunco.

For the purposes of describing intervals of interest in RDDH-009 the following core photos and brief descriptions are provided.

Figure 5: **LEFT** RDDH-009 core photo from first mineralised structure zone; fine grained pyrite and galena as disseminations with sphalerite veinlets within intensely argillic altered volcaniclastics.

Figure 6: **LEFT** RDDH-009 core photo from second mineralised structure zone; very fine grained "grey coloured" [oxidised] sulphides within strongly silicic altered volcaniclastics.

Figure 7: **ABOVE** RDDH-009 core photos from fourth mineralised structure zone; strong sulphide development as zoned disseminations or open veins comprising pyrite, galena, sphalerite and chalcopyrite within argillic altered volcaniclastics.

Figure 8: **RIGHT** RDDH-009 (Uchpanga) core photo from the deepest mineralised structure zone; at the end of the hole, with disseminated pyrite in matrix material within a volcaniclastic breccia. Breccias such as this and other porous volcaniclastic rocks within the sequence are susceptible to infiltration of mineralising fluids causing sulphide development and alteration.

### Uchpanga Results To Date

With assay results pending, it is too early to assess the importance of early drilling at Uchpanga. However, rocks within the volcaniclastic sequence, such as breccias, appear susceptible to mineralisation and alteration associated with the infiltration of metal-bearing hydrothermal fluids. These early drilling results are entirely consistent with the exploration model of Riqueza and recent exploration discoveries.

**Whereas the sulphides at Humaspunco occur as coarse-grained sphalerite-galena aggregates (or blebs), the sulphides at Uchpanga occur as fine-grained pyrite, sphalerite, galena and chalcopyrite disseminations and veinlets. They are different types of the same large mineralised system.**

"We know from previous sampling that Uchpanga contains plus gram per tonne gold, very high levels of silver, up to two thousand grams per tonne, and pyrite. This makes it very different from Humaspunco" says Mr Brown. "It is believed Uchpanga formed at hotter temperatures than Humaspunco essentially because it is closer to the intrusive stocks, which generate the heat and fluid movement. The Company looks forward to assay results from drilling at Uchpanga."

### Hole One at Humaspunco

The Company is also pleased to have received overnight reports that its first hole at Humaspunco has intersected significant visible mineralisation, including sphalerite, galena and secondary copper. Photos, received ahead of detailed logging, show various forms of sulphide as veins, blebs and disseminations associated with a brecciated (and partially oxidised) limestone breccia. The principal sulphides are sphalerite and galena. Also present are secondary copper minerals (Figure 9) and gossan (weathered sulphides).

Figure 9: **LEFT** Core photo RDDH-001 (Humaspunco) showing gossan (weathered sulphides) and fresh sulphide (galena blebs) in a brecciated limestone.


Figure 10: **ABOVE** Core tray photo of RDDH-001 near to its current depth (at the time of writing). The core shows strong brecciated and development of gossan horizons (weathered sulphides).

Figure 11: **ABOVE** Core photo of upper parts of RDDH-001 (Humaspunco) showing a mineralised brecciated manto or vein. Several clasts are gossanous (dark red-brown). Coarse galena blebs occur in the matrix of the breccia.

**Hole RDDH-001, the first hole at Humaspunco, is projected to intersect all of the known manto horizons and at least six of the known mineralised veins (in downhole order HV-09 to HV-04).**

"With detailed logging and analysis of the core orientation, we will be able to determine whether these sulphides relate to manto and/or vein mineralisation" says Mr Brown. "Suffice to say, at this stage, we are exceedingly pleased with the upper parts of the maiden hole at Humaspunco. With weather conditions clearing at Riqueza, the Company can anticipate good progress with future drilling and recapture lost time with core logging and sampling."

***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.

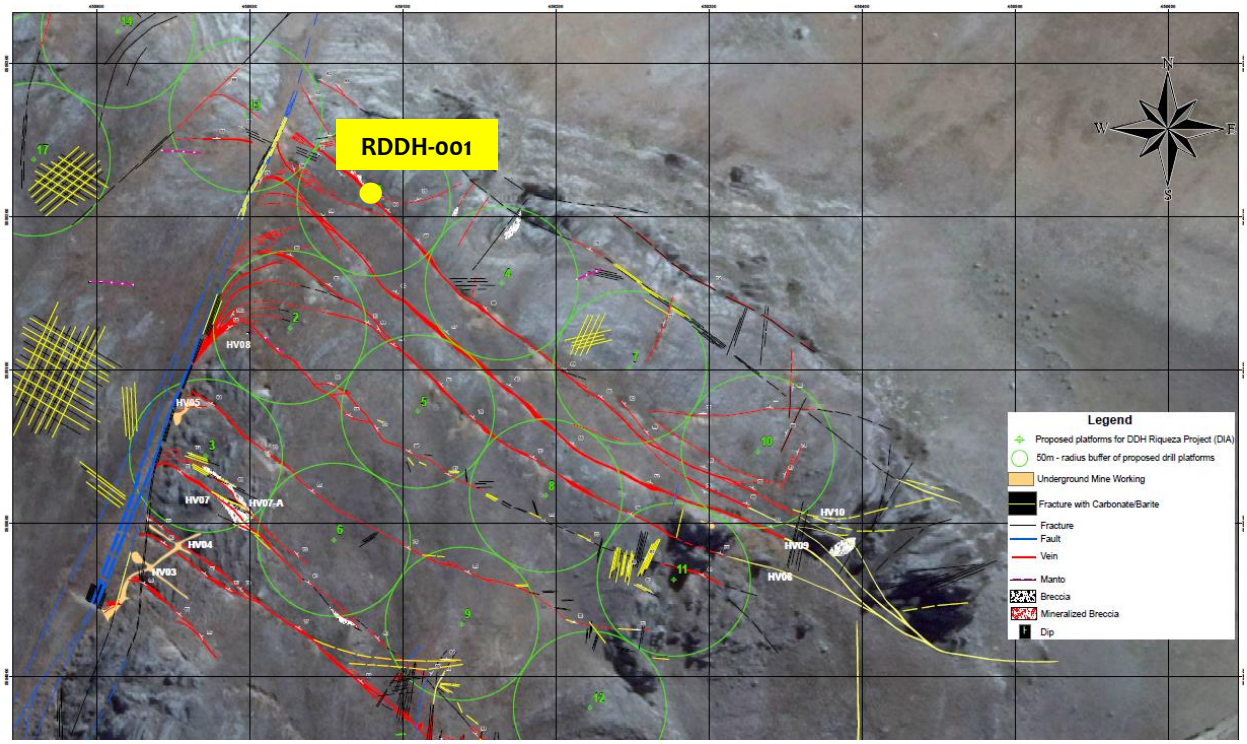


Figure 12: **ABOVE** Drill hole location plan of RDDH-001 at Humaspunco.
Figure 13: **BELOW** Drill hole location plan (drill holes at black dot) of RDDH-006 to RDDH-009 at Uchpanga.

## Appendix 1

The following information is provided to comply with the JORC Code (2012) requirements for the reporting of drilling results (core photos) 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 are nevertheless referred to in the context of visible mineralisation in drill core photos No quantitative 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.).* | This announcement includes core photos from several diamond core holes. The announcement does not refer to any metal grade associated with these holes. The drilling technique used was diamond core from surface to end-of-hole. The core diameter used is HQ (63.5mm). |
| **Drill sample recovery** | *Method of recording and assessing core and chip sample recoveries and results assessed.* | Core barrel and 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. |
| | *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. |

| CRITERIA | JORC CODE EXPLANATION | COMMENTARY |
|---|---|---|
| **Sub-sampling techniques and sample preparation** | *If core, whether cut or sawn and whether quarter, half or all core taken.* | 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 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. |
| **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. |

| 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.* | 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.<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 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:*<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.* | Drill hole parameters: Refer to Table 1 (in-text). |
| | *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 in Table 1 (in-text). |
| **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.*<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').* | The orientation of the zones of mineralisation encountered in the drill holes 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 holes 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 makes reference to a previous ASX announcement dated 28 April 2017. |
| **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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