22 May 2017

EIGHT VEINS INTERSECTED IN FIRST HOLE AT HUMASPUNCO

HIGHLIGHTS

- **First hole at Humaspunco (RDDH-001) intersects veins HV-10, HV-09, HV-06, HV-08, HV-05, HV-07, HV-04 & HV-03 (in down hole order)**
- **HV-10, HV-09, HV-06 and HV-08 all contain coarse sulphides in calcite-barite gangue**
- **HV-05, HV-07, HV-04 & HV-03 contain calcite-barite gangue**
- **Assays pending**

Coarse galena in HV-08

Inca Minerals Limited's (**Inca** or the **Company**) (ASX code: ICG) has completed its first hole (RDDH-001) at the Riqueza Project's Humaspunco Prospect. In addition to the first three veins (previously announced), latest drilling has successfully intersected a further five vein structures.

RDDH-001 now intersects eight veins, in down hole order, HV-10, HV-09, HV-06, HV-08, HV-05, HV-07, HV-04 and HV-03. The upper series (HV-10, HV-09, HV-06 and HV-08) all host visible coarse sulphides and, depending on weathering, varying amounts of smithsonite (a zinc carbonate), malachite (a copper carbonate) and/or gossan (oxidised sulphides). The lower series (HV-05, HV-07, HV-04 and HV-03) all host barite and calcite, which are gangue minerals very closely associated with sulphide mineralisation.

"The results are very pleasing" says Inca's Managing Director, Mr Ross Brown. "All the veins we've seen at surface are now known to extend well underground. Furthermore, the two largest veins appear to be getting wider at depth."

The highly mineralised zinc-silver-lead bearing veins occurring at surface at Humaspunco are being recognised in drilling—proving they extend well underground.

The mineralised veins in outcrop at Humaspunco and now in drill core in RDDH-001 display variable vein thickness, vein bifurcation, coarse and blebby sulphides and variable sulphide content which are all common features of replacement style vein mineralisation.

"The variable visible sulphide content in veins established during systematic sampling is also to be expected in drilling" says Mr Brown. "It simply reflects zones within each vein where coarse barite and calcite dominate over sulphides. We are seeing this variation, characteristic of replacement deposits, in the horizontal and vertical planes."

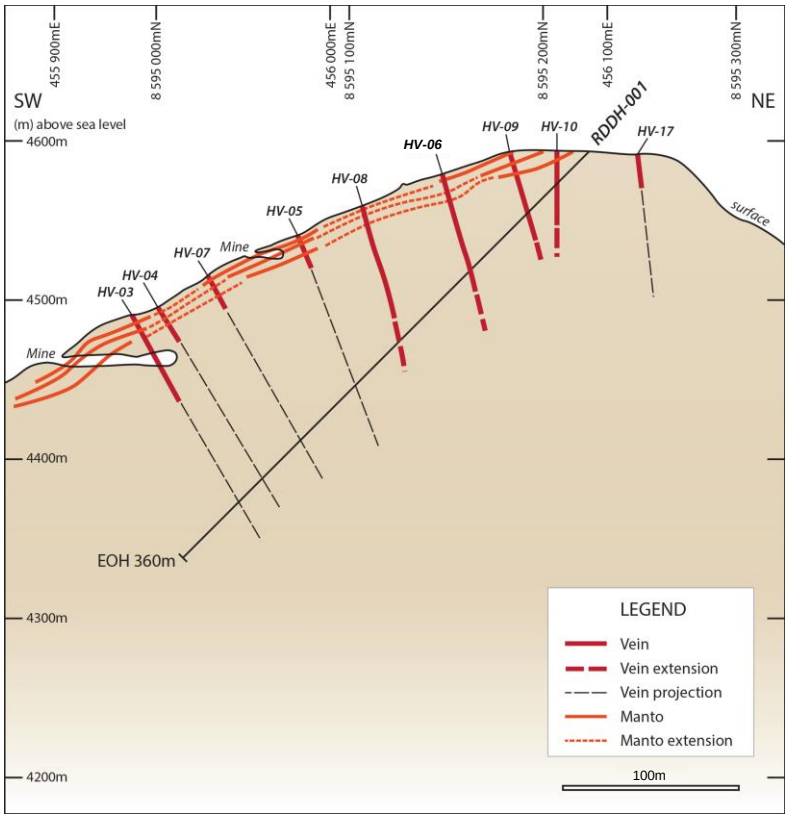

Figure 1 **RIGHT** Schematic SW-NE cross section through Humaspunco showing the reach of RDDH-001. Collared north of the mantos, RDDH-001 was designed to intersect HV-10 (north) to HV-03 (south). At the time of writing detailed logging is underway with only photos and descriptions of the upper vein intersects being available. Two small-scale underground workings are included in this cross-section that appear to have targeted manto and/or manto/vein intersections. As discussed in text, additional holes from the same platform will target the same set of veins further at depth and additional veins north of the platform (one of which is illustrated; HV-17). Drilling from other platforms will also target these veins and the known mantos.

Vein HV-10

At surface, Hv-10 has a total mapped length of 390m and an inferred total length of 450m. In surface channel sampling, it has an average grade of **8.58% Zn, 76.2g/t Ag and 4.98% Pb**, with peak values of **15.86% Zn, 327.0g/t Ag and 15.98% Pb**. HV-10 is recognised in RDDH-001 at down hole depths between 29.70m and 32.50m. Core orientation analysis estimates a true width of 2.50m. This compares to a true average thickness at surface of 0.70m meaning HV-10 widens at depth.

Figure 2: **ABOVE** HV-10 in outcrop - photo showing one of the channel sample sites; **MIDDLE** HV-10 rock specimen showing gossanous sulphides with visible galena (silver-grey); **RIGHT** HV-10 in drill core showing partially weathered sulphides (Fe-coated galena - brown) and visible malachite (green).

Vein HV-09

VH-09 is located south of and parallel to HV-10 and has a total mapped length of 370m and an inferred total length of 550m. In channel sampling, HV-09 has an average grade of **7.59% Zn, 114.8g/t Ag and 7.32% Pb**, with peak values of **10.00% Zn, 480.0g/t Ag and 18.56% Pb**. HV-09 is recognised in RDDH-001 at down hole depths between 52.35m and 55.70m. Core orientation analysis estimates a true width of 3.00m. This compares to a true average thickness at surface of 1.05m. Like HV-10, HV-09 appears to widen at depth.

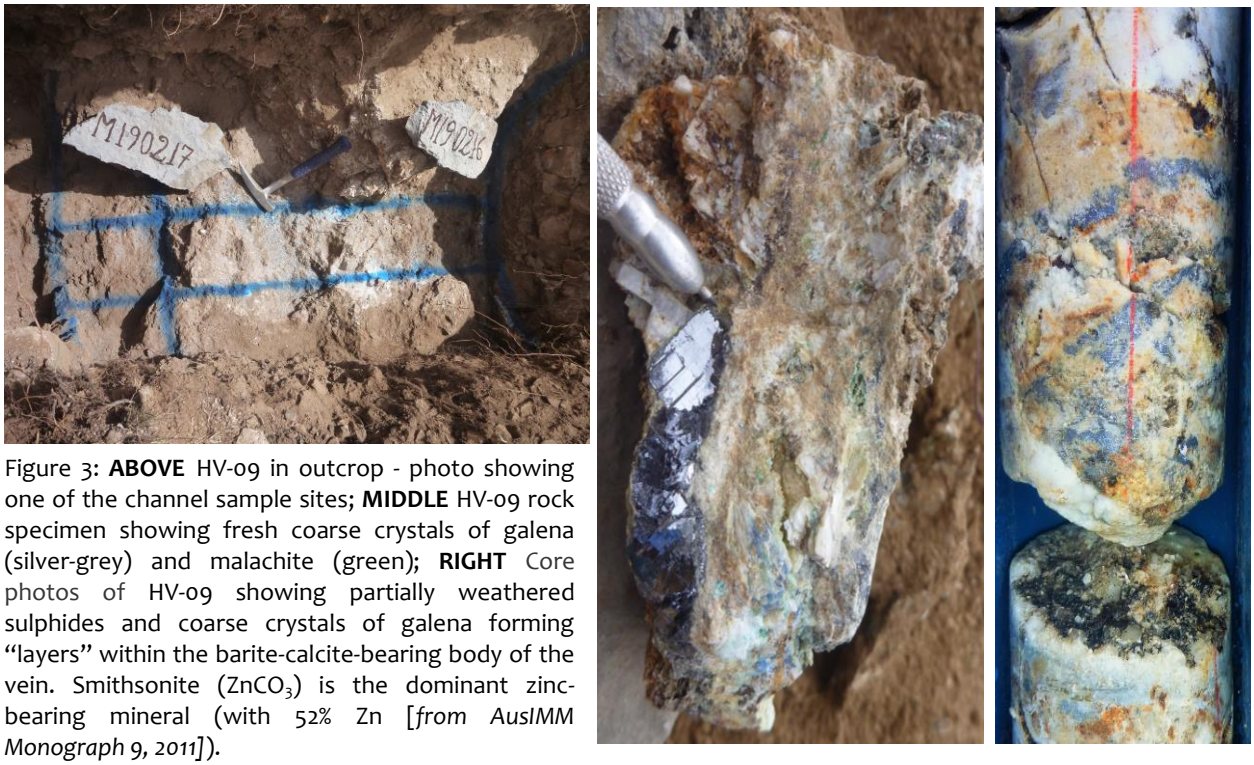

Figure 3: **ABOVE** HV-09 in outcrop - photo showing one of the channel sample sites; **MIDDLE** HV-09 rock specimen showing fresh coarse crystals of galena (silver-grey) and malachite (green); **RIGHT** Core photos of HV-09 showing partially weathered sulphides and coarse crystals of galena forming "layers" within the barite-calcite-bearing body of the vein. Smithsonite ($ZnCO_3$) is the dominant zinc-bearing mineral (with 52% Zn [*from AusIMM Monograph 9, 2011]*).

Vein HV-06

HV-06 is located south of and parallel to HV-09 and has a total mapped length of 380m and an inferred total length of 450m. In channel sampling, HV-06 has an average grade of **3.01% Zn, 95.8g/t Ag and 5.94% Pb**, with peak values of **14.59% Zn, 451.0g/t Ag and 26.88% Pb**. HV-06 is recognised in RDDH-001 at down hole depths between 102.30m and 103.30m. Core orientation analysis estimates a true width of 0.60m. This compares to a true average thickness at surface of 0.68m.

Vein HV-08

HV-08 is located south of and parallel to HV-06 and has a total mapped length of 120m and an inferred total length of 220m. In channel sampling, HV-08 has an average grade of **3.85% Zn, 100.5g/t Ag and 3.50% Pb**, with peak values of **7.08% Zn, 235.0g/t Ag and 9.06% Pb**. HV-08 is recognised in RDDH-001 at down hole depths between 169.95m and 170.55m. Core orientation analysis estimates a true width of 0.30m. This compares to a true average thickness at surface of 0.42m.

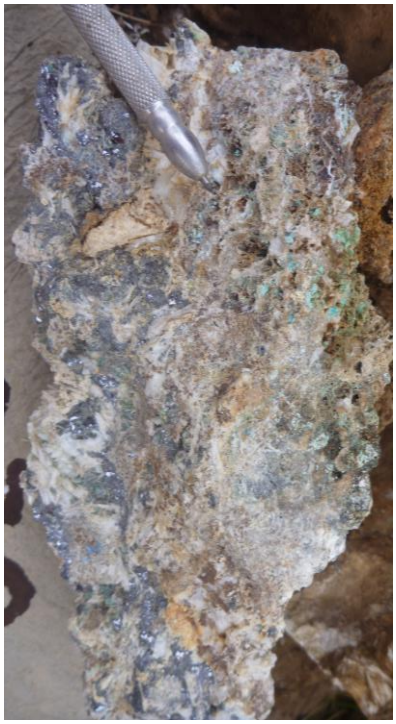

Figure 4: **ABOVE** HV-06 in outcrop - photo showing one of the channel sample sites; **MIDDLE** HV-06 rock specimen showing partially weathered sulphides with visible galena. Smithsonite and secondary copper are also present; **RIGHT** HV-06 in drill core showing highly weathered sulphides (Fe-coated galena - brown) with relict fresh galena visible (silver-grey patches).

Figure 5: **ABOVE** HV-08 in outcrop - photo showing one of the channel sample sites; **MIDDLE** HV-08 rock specimen showing sulphides with visible galena (silver-grey). Smithsonite is also present; **RIGHT** HV-08 in drill core showing very coarse galena within a barite-calcite gangue.

Veins HV-05 to HV-03

HV-05, HV-07, HV-04 and HV-03 (in order of down hole intersection) are located progressively south of and parallel to HV-08. HV-05 has total mapped length of 270m and an inferred total length of 315m; HV-07: 370m and 470m; HV-04: 280m and 450m; and HV-03: 100m (merging with HV-04 - Figure 7 Insert). At surface, measured widths are 0.59m, 1.00m, 0.82m and 1.20m, respectively.

In channel sampling, HV-05 has an average grade of **2.50% Zn, 87.5g/t Ag and 4.69% Pb**, with peak values of **7.49% Zn, 240g/t Ag and 11.55% Pb**; HV-07 has an average grade of **5.33% Zn, 60.0g/t Ag and 2.01% Pb**, with peak values of **79.68% Zn, 125.0g/t Ag and 5.58% Pb**; HV-04 has an average grade of **3.33% Zn, 72.4g/t Ag and 2.70% Pb**, with peak values of **12.95% Zn, 621.0g/t Ag and 15.70% Pb**.[1] True widths are not presently available.

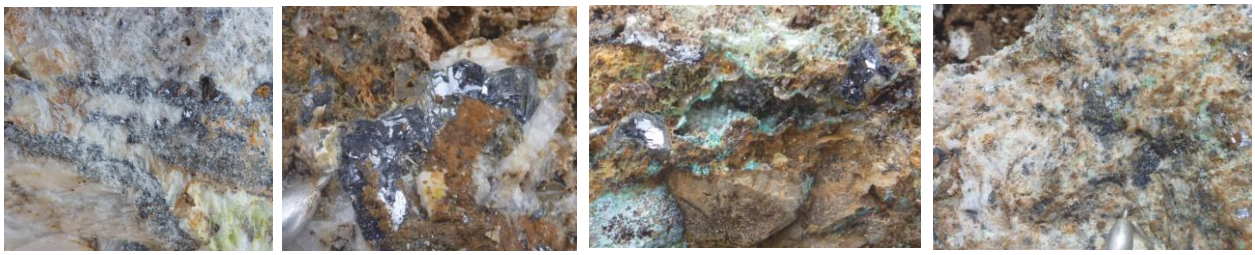

Figure 6: **ABOVE** vein rock specimens of HV-05, HV-07, HV-04 and HV-03 (left to right) showing the strong association with sulphides and the gangue minerals, barite and calcite.

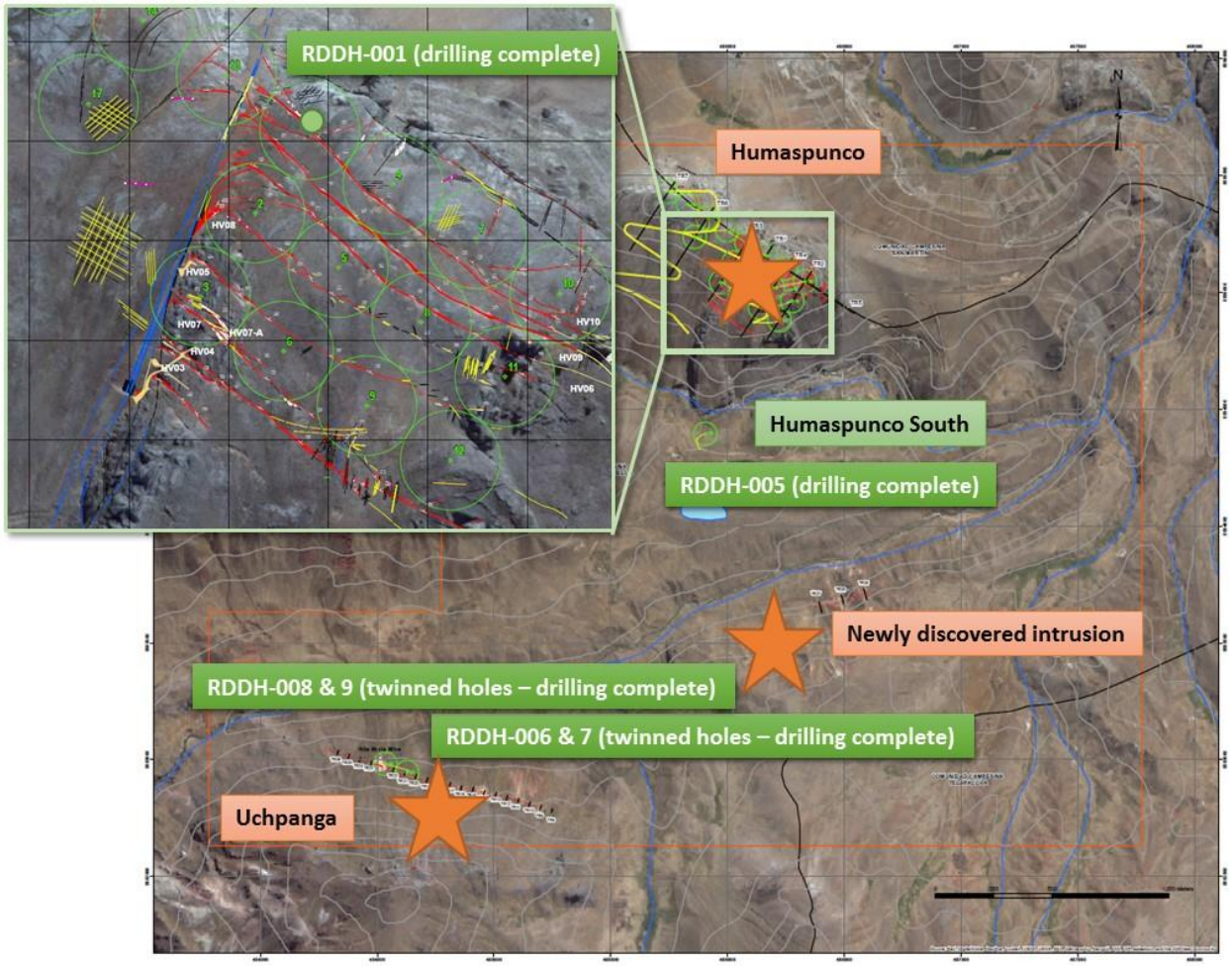

Figure 7: **ABOVE** Drill hole location plan showing relative position of completed drill holes RDDH-001 at Humaspunco, RDDH-005 at Humaspunco South, RDDH-006 to RDDH-009 at Uchpanga.

[1] Channel sampling was not completed for HV-03.

Importance of Results and Next Steps

The success of RDDH-001 illustrates that the veins belonging to the extensive EW vein set at Humaspunco extend well underground and, for the most part, contain coarse visible sulphides. Common minerals associated with these veins include visible fresh galena (lead sulphide), smithsonite (zinc carbonate), malachite (copper carbonate) and various degrees of gossan (iron-oxides after sulphides). Gangue minerals tend to be very coarse and include barite and calcite. From time to time, these gangue materials may "displace" the sulphides in the drill core. In appearance, the intersected veins are characteristic of replacement Zn-Ag-Pb vein deposits. Detailed logging is required to accurately determine vein orientations but the eight known veins were close to their anticipated down hole depths. Logging will also be required to determine all possible sulphide and alteration zones down the hole. This work will be accompanied with core photography. Once logging is complete, drill core samples of RDDH-001 will be submitted for analysis.

Whilst assay results from Uchpanga are pending, RDDH-002 is currently being drilled. RDDH-002 is designed to intersect the veins identified in RDDH-001 at greater depths (by having a steep drilling angle [or dip]). RDDH-003 is designed to investigate mineralisation that is north of the drill platform (Figure 7), *inter alia* vein HV-17. Holes drilled from platform 2, south of platform 1 (Figure 7) will test more veins and known mantos.

Table 1: Drill Hole Parameters

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	360.00

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Competent Person Statements

The information in this report that relates to mineralisation for the Riqueza Project, located in Peru, is based on information compiled by Mr Ross Brown BSc (Hons), MAusIMM, SEG, MAICD Managing Director, Inca Minerals Limited, who is a Member of the Australasian Institute of Mining and Metallurgy. He has sufficient experience, which is relevant to the style of mineralisation and types of deposits under consideration, and to the activity which has been undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Brown is a 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 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 new sample assay results but does include previously announced channel sample averages and peaks for a number of known mineralised veins. Various metal minerals are 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 refers to previously announced channel 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 refers to previously announced channel 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 one diamond core hole. The announcement does not refer to any metal grade associated with this hole. The drilling technique used is 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.

CRITERIA	JORC CODE EXPLANATION	COMMENTARY
Logging cont…	*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 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 drill core 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 drill core 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 drill core 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 drill core assay results are referred to in this announcement.

CRITERIA	JORC CODE EXPLANATION	COMMENTARY
Verification of sampling and assaying cont…	*The use of twinned holes.*	N/A – No drill core 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 drill core assay results are referred to in this announcement.
	Discuss any adjustment to assay data.	N/A – No drill core 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 drill hole location was 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 drill core photos only.
	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 drill core 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 drill core 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 predicted and actual down hole intervals of the targeted veins correspond to a high degree. Therefore, by extension, the angle of the veins appear same/similar at surface as underground. In this way, the angle of the hole to mineralisation is known and any bias may be corrected in later reporting.
Sample security	*The measures taken to ensure sample security.*	N/A – No drill core 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 drill core 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.*	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.* *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 holes referred to in this announcement are reasonably well known, for reasons discussed above. Nevertheless, the drill core is orientated and, once geotechnical logging has been completed, true thicknesses can be calculated thus providing further detail.
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 and cross section are 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 two previous ASX announcements dated 28 April 2017 and 9 May 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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