30 August 2017

RIQUEZA UPDATE – ALL ACTIVITIES PRODUCING STRONG RESULTS

HIGHLIGHTS

- **Phase 1, Part 2 drilling rates better than expected**
- **Visible galena and smithsonite in mantos and veins in latest drilling at Humaspunco**
- **Wide mineralised vein parallel to Callancocha Structure identified in large mine working at Humaspunco**
- **Significant discoveries at Colina Roja Prospect (Palcacandha), including:**
  - **Outcrop with visible copper in brecciated volcanic**
  - **Large continuous outcrop with gossanous veins and stockwork**
- **Widespread alteration and multiple semi-gossanous structures discovered at Alteration Ridge**
- **Assays pending for latest drilling and reconnaissance sampling**
- **Another concession granted at Palcacandha Project**

Inca Minerals Limited's (**Inca** or the **Company**) (ASX code: ICG) Managing Director, Mr Ross Brown, has recently returned from Peru with an update of current activities conducted within the Company's greater Riqueza project area.

"As well as undertaking the Phase One Drilling Program at the Humaspunco Prospect, the Company has now completed a first-pass mapping and sampling program of one of the larger underground mine workings occurring at Humaspunco, just recently made accessible," says Mr Brown. "We are also progressing reconnaissance exploration at the new Palcacandha Project focussing on the Colina Roja and Alteration Ridge prospects. There is a great deal of work currently underway which is beginning to generate exciting results and lay the foundation for further drilling and surface discoveries."

Drilling at Humaspunco

The phase one drilling program at Riqueza has progressed rapidly with better than anticipated drilling penetration rates of between 50 and 80 metres per day. Whilst it is pleasing to encounter near-optimal drilling conditions, the Company is cognisant of the need to maintain the highest possible level of core sample integrity (JORC compliant and QAQC best-practices). "Logging core containing many different forms of mineralisation cannot be rushed," says Mr Brown. "It is essential to accurately discern between the various styles of mineralisation, for example, manto or NS or EW vein mineralisation. On so many levels this is important, in creating reliable samples, in calculating true thicknesses and in planning follow-up drilling. Having said this, assays for holes RDDH-012, RDDH-013 and RDDH-014 (Figure 8) are expected shortly."

Whilst on site, as well as other activities, Mr Brown inspected and noted several key drill intersections.

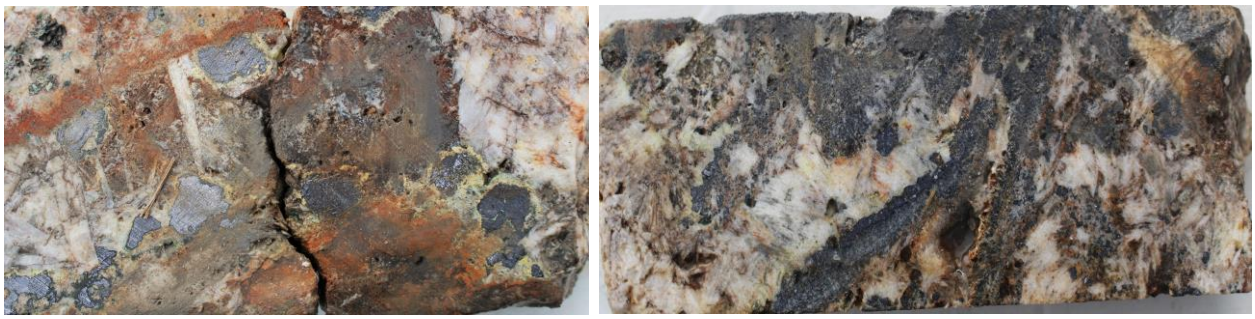

Figure 1: Core photos of different forms of mineralisation in RDDH-013. **ABOVE LEFT** Coarse galena (grey) with smithsonite rims (pale green). **ABOVE RIGHT** Fine-grained galena (grey) occurring with barite-calcite gangue material.

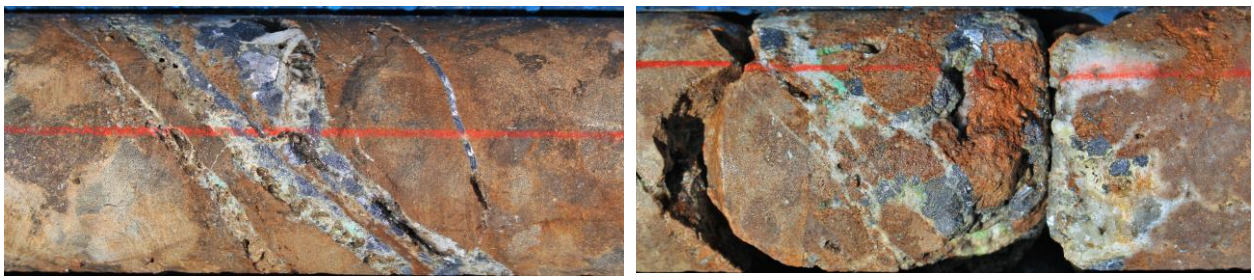

Figure 2: Core photos of different forms of mineralisation in RDDH-014. **ABOVE LEFT** Vein galena (grey) with smithsonite (pale green). **ABOVE RIGHT** Coarse-grained galena (grey) occurring with smithsonite and secondary copper. Both samples are gossanous to semi-gossanous (ex-sulphides) indicative of deep weathering.

Preliminary observations reveal strong visible galena (lead sulphide) and smithsonite (zinc carbonate) with well developed gossan (indicating ex-sulphides) in holes RDDH-013 and 14. These holes were drilled to test for manto and manto mineralisation.

Underground Mapping and Sampling

Access to one of the largest mine workings at Humaspunco, with over 100m of drives and stopes, was recently improved to provide safe passage for mapping and sampling. Subsequent inspection of the mine faces has revealed a large 2 to 3 metre-wide (true thickness) NS trending vein. The vein is well mineralised and both strongly brecciated and gossanous where it intersects vein HV-02 (Figure 3). The vein is believed traceable at surface (Figure 3) and is believed part of the Callancocha Structure. All mineralised surfaces within the mine working will undergo detailed sampling and the new NS vein will be added to the list of drilling targets.

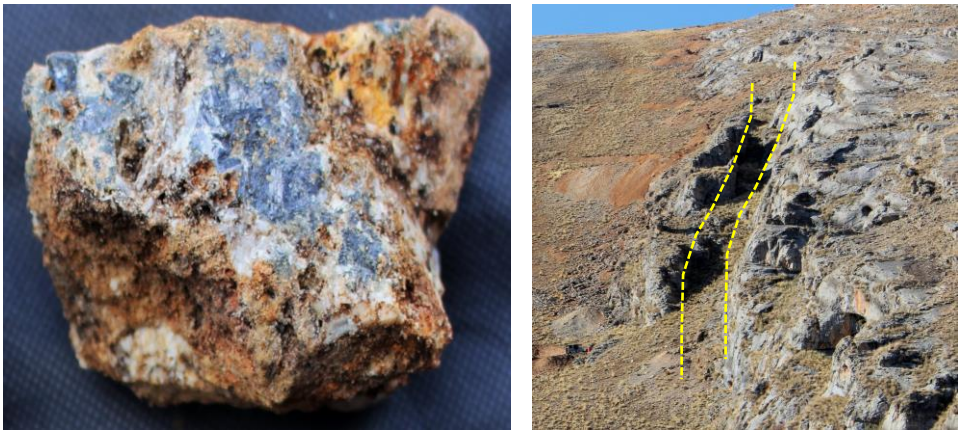

Figure 3: **RIGHT** Hand specimen of the NS vein exposed in the underground mine working showing coarse sulphides and gossan after sulphides **FAR RIGHT** The NS vein, that is exposed in the underground working, occurring at surface.

Reconnaissance Mapping and Sampling at Colina Roja and Alteration Ridge

A first pass reconnaissance mapping and sampling program was recently conducted at the Colina Roja and Alteration Ridge prospects within the Palcacandha Project. Several important discoveries were made including a large NE-SW trending vein and stockwork zone (Figure 4). This ridge-forming feature is characterised by a system of small gossanous and semi-gossanous veins (<15cm wide) and pervasive stockwork (random veinlets individually less than 2mm wide). This large feature is considered prospective for epithermal gold as other stockwork occurrences in the vicinity report gold values.

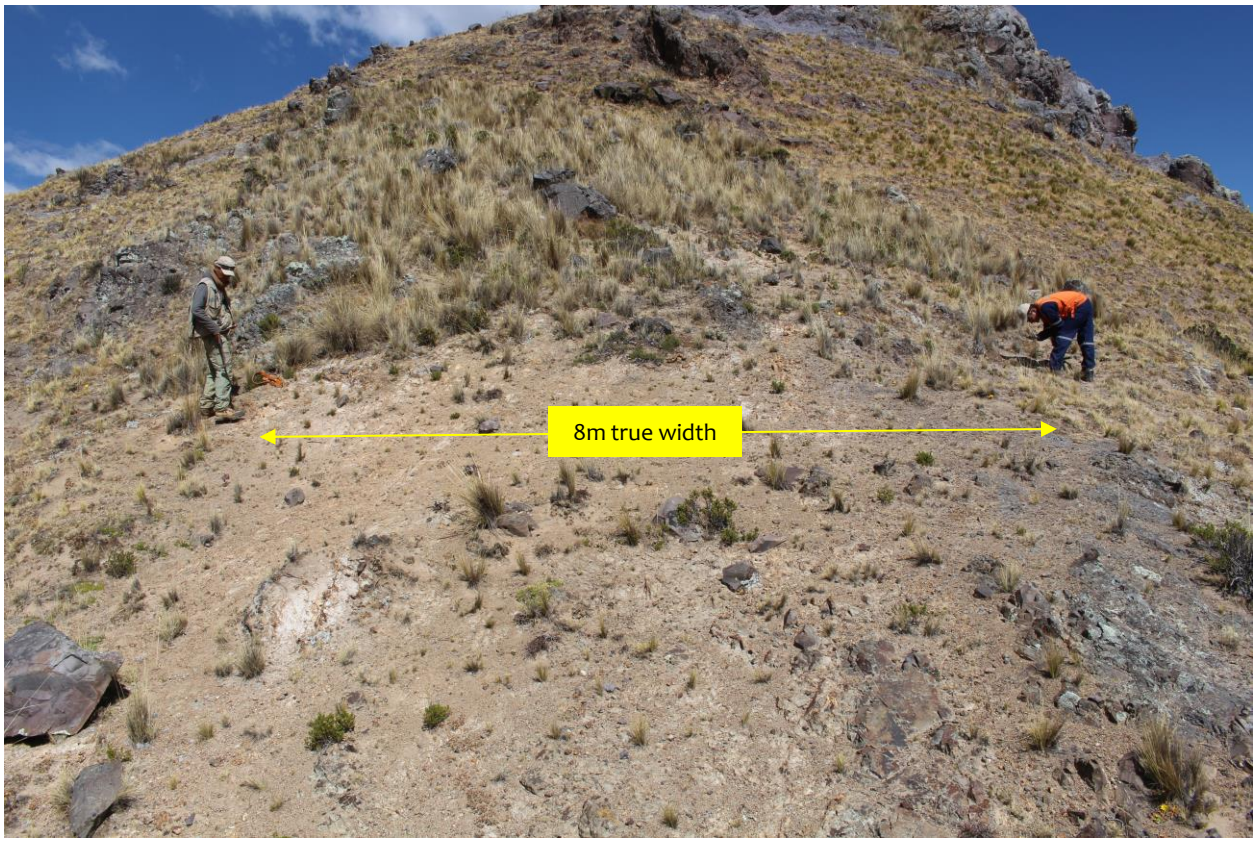

Figure 4: **ABOVE** Outcrop photo of a large vein and stockwork system a minimum of 8m wide discovered at Colina Roja. The feature was channel sampled with assays pending.

The area in the vicinity of a previously discovered high grade zinc, silver, lead vein (ASX announcement 24 July 2017) was subject of follow-up reconnaissance. This work resulted, among other results, in the discovery of an outcrop showing well developed secondary copper mineralisation (Figure 5).

Colina Roja is now known to host zinc, lead, gold, silver and copper mineralisation. Like Uchpanga and Alteration Ridge, it is believed to be the epithermal part of the intrusive-related mineralised system occurring within the greater Riqueza project area.

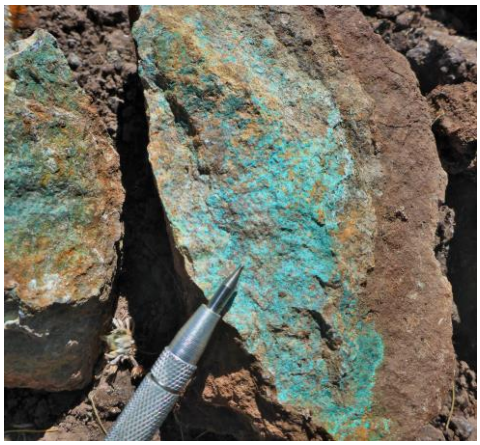

Figure 5: **RIGHT** Hand specimen of a volcanic rock showing strong secondary copper mineralisation.

A traverse along the crest of Alteration Ridge has revealed a succession of semi-gossanous structures affecting pervasively altered volcanics. Several such structures were sampled with assays pending.

Figure 6: **ABOVE** Rock samples of semi-gossanous silicic volcanic tuff at Alteration Ridge.

Importance of Results and Another Concession Granted

Exploration recently conducted at the greater Riqueza project (specifically at Riqueza and Palcacandha) continues to impress with very significant discoveries being made, increasing the number of prospects and drill targets. Whilst drilling at Humaspunco has continued in recent months, the Company is also actively adding quality targets for future drill testing.

Recent phase one drilling at Humaspunco has identified significant manto intersections. Detailed core logging is required to obtain representative samples and reliable assay data. Assays for RDDH-12, RDDH-13 and RDDH-14 are nevertheless expected shortly. Drill holes RDDH-015 - RDDH-019 have recently been completed and updates will be provided in future announcements.

A large strongly mineralised NS-trending vein has been identified in a large underground mine working at Humaspunco. Hitherto unknown, it is believed part of the Callancocha Structure. It is believed to extend to surface and down Humaspunco Hill, forming a distinctive steep-sided gully. It will be added to the future drilling as a priority.

The new Colina Roja Prospect in the Palcacandha Project continues to deliver exciting results. With assay results pending, a large vein and stockwork system has been discovered which appears prospective for gold. Copper mineralisation has also been discovered in outcrop. These results confirm the epithermal credentials of this part of the greater Riqueza project area.

The Uchpanga II concession has recently been granted. It covers part of the Alteration Ridge Prospect (Figure 7). All prospects are now fully covered by granted concessions. Formal granting of only three concessions in the greater Riqueza project area remain outstanding and all are located NE of the original concession.

Competent Person Statements

The information in this report that relates to mineralisation for the greater Riqueza project area, 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 greater Riqueza project area, 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.

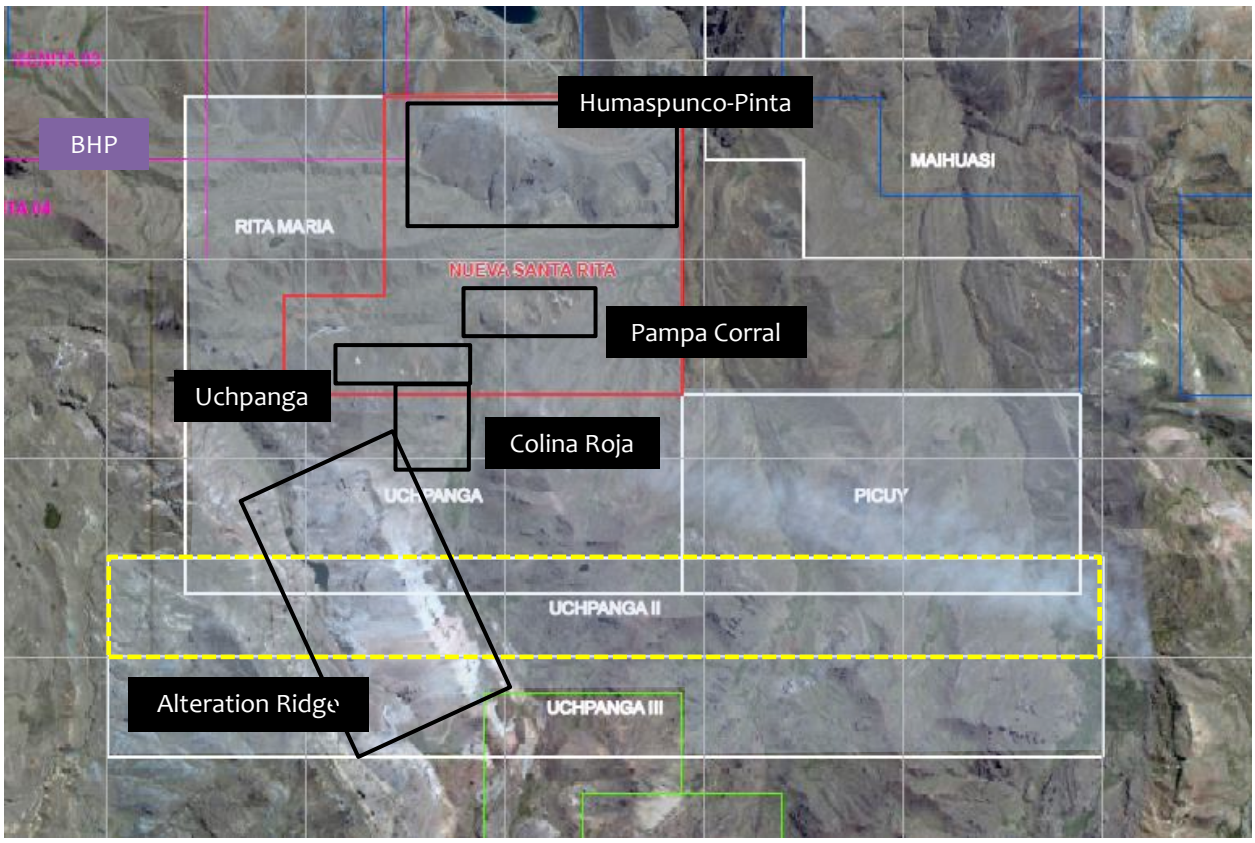

Figure 7: **ABOVE** Concession plan showing all granted concessions (white shading) and approximate locations of the prospects (black boxes). The concession known as Uchpanga II is the latest to be granted (yellow dashed line). The map grid is 2km x 2km.

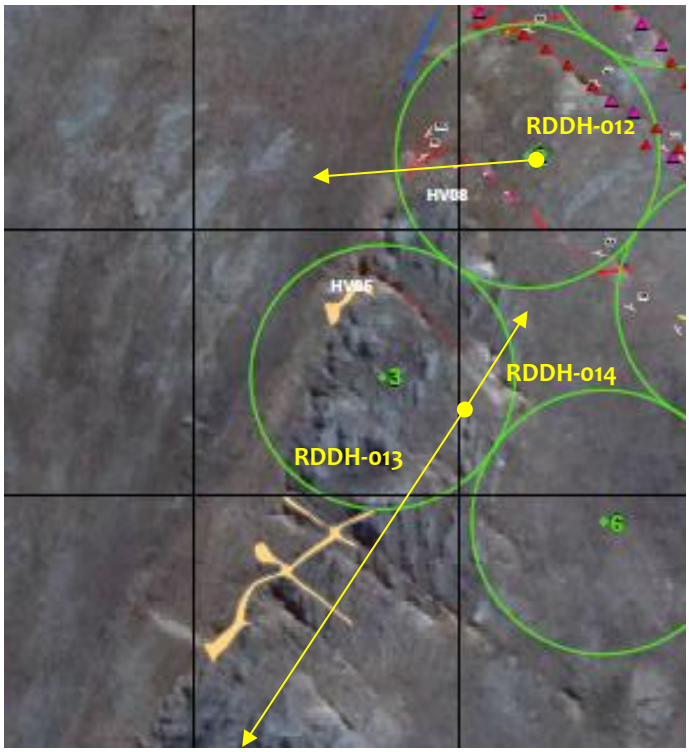

Figure 8: **LEFT** Plan showing location of RDDH-012, 13 and 14, and the large underground working now accessible for detailed mapping and sampling.