



7 September 2017

UNDERGROUND SAMPLING COMMENCES AT HUMASPUNCO

Inca Minerals Limited (**Inca** or the **Company**) (ASX code: ICG) has commenced an underground mapping and sampling program at Humaspunco, Riqueza Project. This is the second such program recently commenced with a similar program underway at the Company's zinc-focussed Cerro Rayas Project (ASX announcement 4 September 2017). Results from both programs are expected in October.

"We have recently improved underground access to the largest mine working at Humaspunco" says Inca's Managing Director, Mr Ross Brown. "For the first time, we are able to map and sample large sections of the drives and stopes, which extend over two hundred metres."

In lead-up work, the Company has discovered a highly mineralised vein inside the workings. It is between two to three metres wide (true width) and trends NS – roughly parallel to the Callancocha Structure. Where it intersects EW vein HV-02 it is highly brecciated and particularly well mineralised with high levels of visible galena (Pb sulphide), sphalerite (Zn sulphide) and gossan (ex-sulphides) (Figure 1).

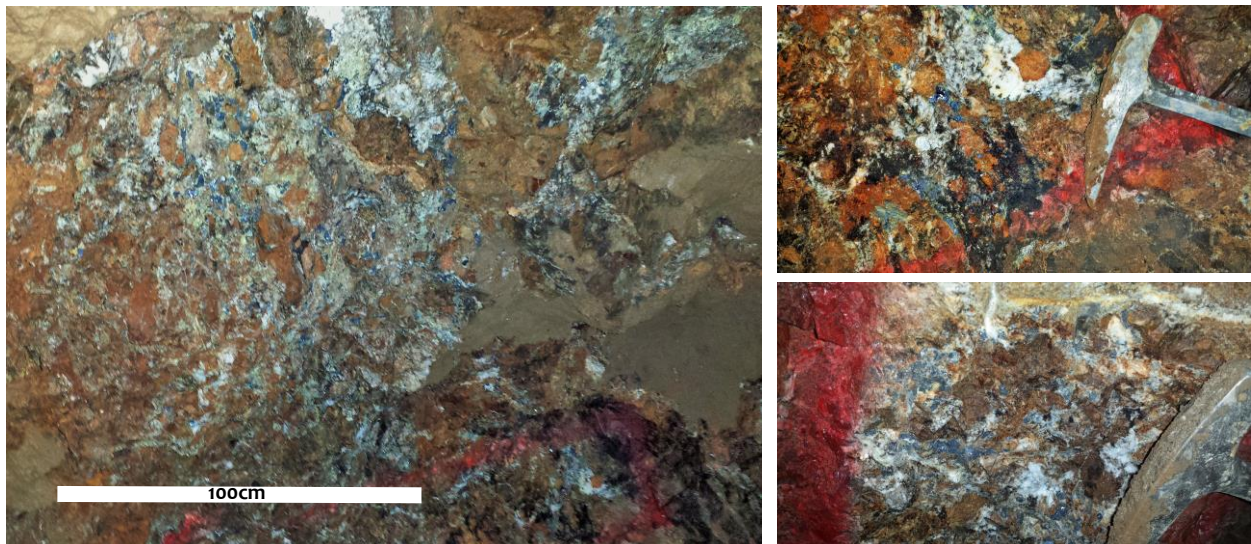


Figure 1: **ABOVE LEFT** Underground photo of one of the main mine faces exposing the newly discovered NS vein. The vein is between 2 and 3 metres wide and contains high levels of visible galena and also sphalerite and smithsonite. It is highly brecciated and gossanous (red-brown colour). The gangue material is barite and calcite (off-white colour). **ABOVE RIGHT** Close-up photos showing the coarse nature of the sulphides.

From the configuration of the mine working (Figure 3) it is clear that this new vein and HV-02 were the main focus of past mining activities. Nevertheless, EW veins HV-01, HV-03 and HV-04 and mantos were also exploited (Figure 2).



Figure 2: **FAR RIGHT** Vein HV-03 showing vein and stockwork. **RIGHT** A manto horizon exposed in a mine wall showing mineralisation parallel to bedding.



The intention of the underground program is to map and sample the new NS vein and the other veins exposed in the workings, HV-02, HV-03 and HV-04. The exposed faces of mineralisation provide a unique opportunity to take a close look at macro-structures not afforded by drill core. The additional knowledge will be important in future drill planning at Riqueza.

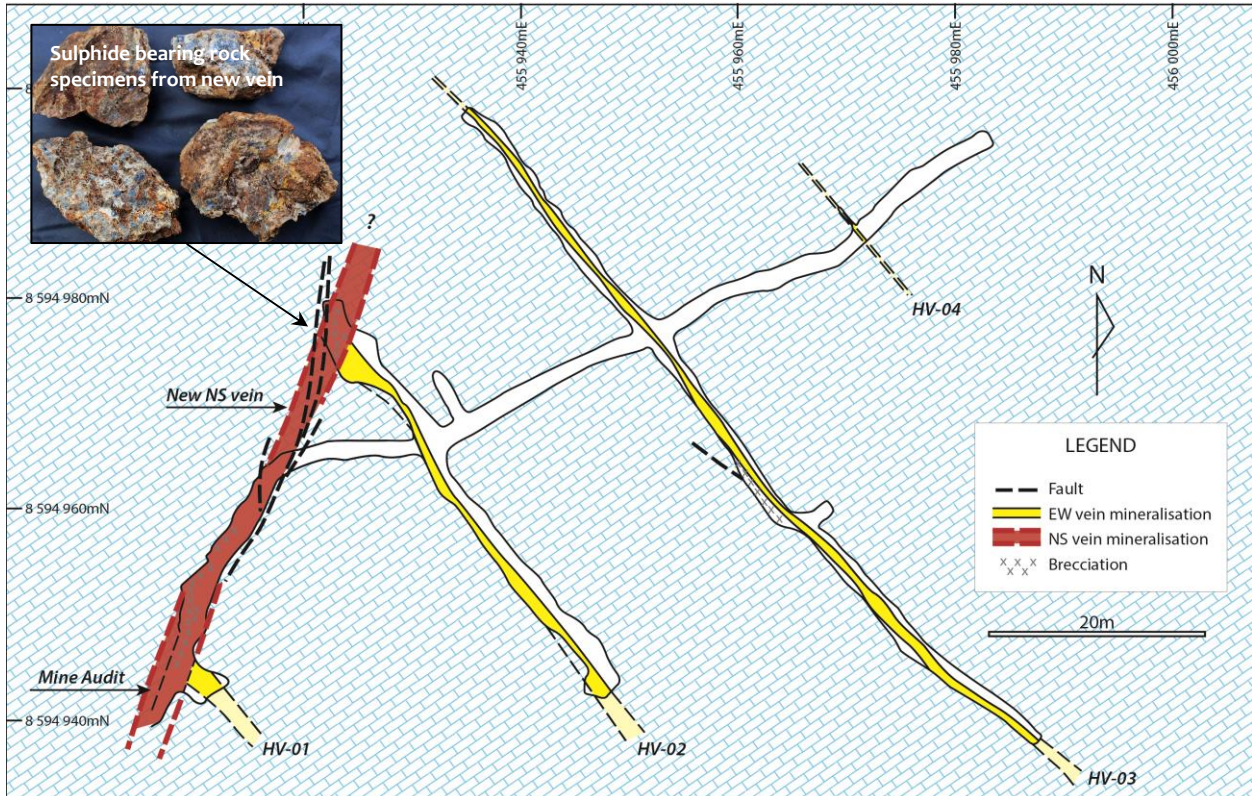
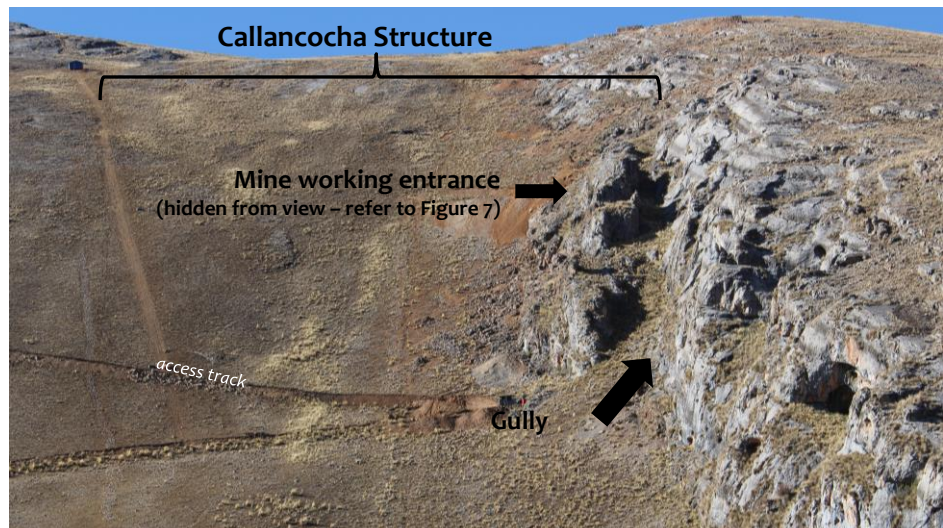


Figure 3: **ABOVE** Plan of the underground development at the largest mine working at Humaspunco, recently opened up by the Company. The mine entrance and first drive follow the new NS vein. Refer also to Figure 7.

A prominent steep-sided gully that extends immediately south of the mine working opening is believed to be a surface expression of this new vein (Figure 4). The gully is aligned with the new vein and is also 2 to 3 metres wide. It is believed preferential weathering of [soft] sulphides and gangue material helped create the gully.

Figure 4: **RIGHT** Landscape photo showing a gully which is believed to be the surface expression of the highly mineralised NS vein. It is seen in relation to the Callancocha Structure, which roughly equates to the distinctive non-outcrop area in the photo.

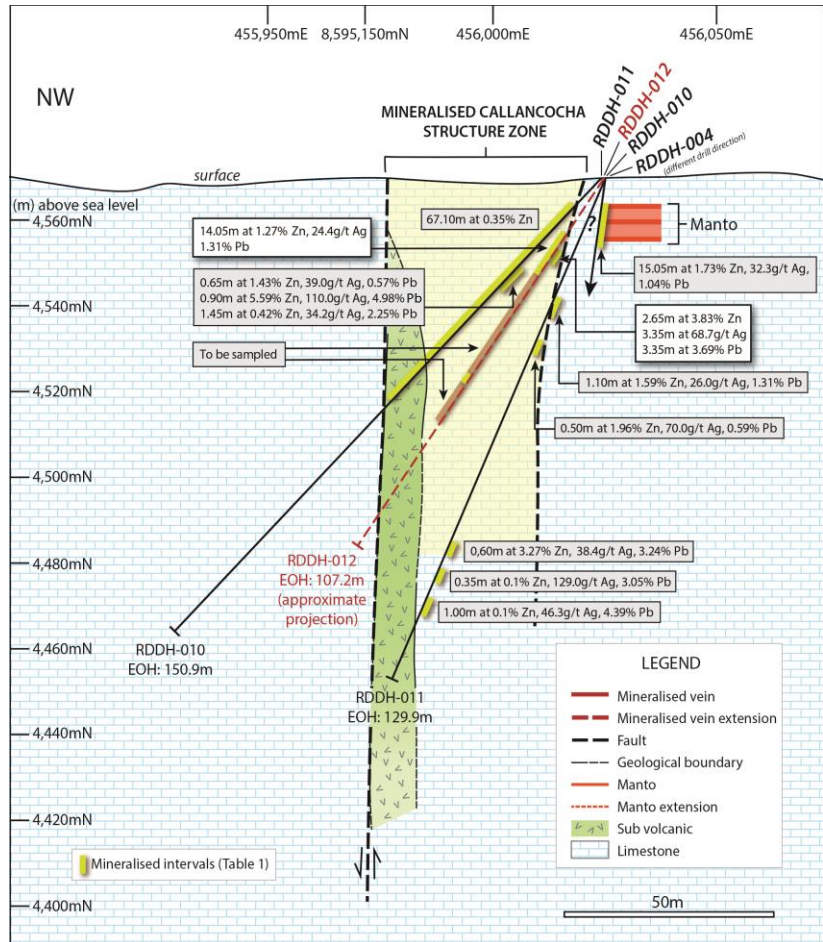




Among other objectives, future Phase 2 drilling at Humaspunco will target the increasingly prospective Callancocha Structure. In a recent ASX announcement (6 September 2017) results confirmed that this large structure hosts high grade mineralisation associated with veins and mantos, as well as lower-grade, pervasive mineralisation, associated with veins and veinlets.

Figure 5: RIGHT Cross section for holes drilled from platform 3 - located approximately 200m north of the mine working. The mineralised Callancocha Structure seen in this section is compared to the landscape photo (Figure 4) of a similar orientation. The non-outcrop area in Figure 4 roughly equates to the structure zone.

This drill section appears as Figure 2 in ASX announcement of 6 September 2017.



Other Underground Investigations



On 4 September 2017, the Company announced the commencement of underground investigations at the Company's second zinc-focused project, Cerro Rayas. "We now have tandem underground mapping and sampling programs in place" says Mr Brown. "Mine workings provide an exceptional opportunity to get close-up to underground mineralisation. The knowledge gained will be applied to fine-tune exploration at both Riqueza and Cerro Rayas.

Figure 6: LEFT The Torrepata mine working is the largest of the three mine workings at Cerro Rayas. This is currently being mapped and sampled.



Figure 7: **LEFT** The mine working subject of discussion of this ASX announcement. The mine initially follows the newly recognised NS vein (**INSERT below**)



The hanging wall of the adit (yellow box) shows highly weathered gossanous material and calcite-barite veins and veinlets.

Competent Person Statements

The information in this report that relates to mineralisation for the greater Riqueza project area and Cerro Rayas projects, 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 and Cerro Rayas projects, 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 rock chip sampling by the Company on one concession known as Nueva Santa Rita 1 (located in Peru).

Section 1 Sampling Techniques and Data

CRITERIA	JORC CODE EXPLANATION	COMMENTARY
Sampling techniques	<i>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.</i>	This announcement does not refer to any new sample results. It refers to underground mapping and sampling activities by way of photographic record only. It also refers to past drilling results by way of inclusion of a section.
	<i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i>	This announcement does not refer to any new sample result.
	<i>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.</i>	This announcement does not refer to any new sample result.
Drilling techniques	<i>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.).</i>	N/A – no new drilling is referred to in this announcement. Previously released drilling data is provided by way of inclusion of a cross section, originally part of an announcement dated 6 September 2017.
Drill sample recovery	<i>Method of recording and assessing core and chip sample recoveries and results assessed.</i>	N/A – no new drilling is referred to in this announcement.
	<i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i>	N/A – no new drilling is referred to in this announcement.
	<i>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.</i>	N/A – no new drilling is referred to in this announcement.
Logging	<i>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.</i>	N/A – no new drilling is referred to in this announcement.
	<i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.</i>	N/A – no new drilling is referred to in this announcement.
	<i>The total length and percentage of the relevant intersections logged.</i>	N/A – no new drilling is referred to in this announcement.
	<i>If core, whether cut or sawn and whether quarter, half or all core taken.</i>	N/A – no new drilling is referred to in this announcement.



CRITERIA	JORC CODE EXPLANATION	COMMENTARY
Sub-sampling techniques and sample preparation	<i>If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.</i>	N/A – no new drilling is referred to in this announcement.
	<i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i>	N/A – No new or previous sample results are referred to in this announcement.
	<i>Quality control procedures adopted for all sub-sampling stages to maximise “representivity” of samples.</i>	N/A – No new or previous sample results are referred to in this announcement.
	<i>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.</i>	N/A – No new or previous sample results are referred to in this announcement.
	<i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i>	N/A – No new or previous sample results are referred to in this announcement.
Quality of assay data and laboratory tests	<i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i>	N/A – No new or previous sample results are referred to in this announcement.
	<i>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.</i>	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.
	<i>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.</i>	N/A – No new or previous sample results are referred to in this announcement.
Verification of sampling and assaying	<i>The verification of significant intersections by either independent or alternative company personnel.</i>	N/A – No new or previous sample results are referred to in this announcement.
	<i>The use of twinned holes.</i>	N/A – no new drilling or drill results are referred to in this announcement.
	<i>Documentation of primary data, data entry procedures, date verification, data storage (physical and electronic) protocols.</i>	N/A – No new or previous sample results are referred to in this announcement.
	<i>Discuss any adjustment to assay data.</i>	N/A – No new or previous sample results are referred to in this announcement.
Location of data points	<i>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.</i>	The location of the mine adit was established using a hand-held GPS. Underground mapping was then carried by measuring tape and compass bearing.
	<i>Specification of the grid system used.</i>	WGS846-18L.
	<i>Quality and adequacy of topographic control.</i>	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.
	<i>Data spacing for reporting of Exploration Results.</i>	Mapping followed existing mine working drives and stopes, by virtue of this, the



CRITERIA	JORC CODE EXPLANATION	COMMENTARY
Data spacing and distribution		orientation of data to mineralisation was along strike and cross strike.
	<i>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.</i>	Please refer immediately above. Note that no Mineral Resource and Ore Reserve estimation has been provided in this announcement. No sample results are referred to in this announcement.
	<i>Whether sample compositing has been applied.</i>	N/A – No new or previous samples were generated in relation to this announcement.
Orientation of data in relation to geological structure	<i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i>	Mapping followed existing mine working drives and stopes, by virtue of this, the orientation of data to mineralisation was along strike and cross strike.
	<i>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.</i>	N/A – no new drilling or drill results are referred to in this announcement. Previously released drilling data is provided by way of inclusion of a cross section, originally part of an announcement dated 6 September 2017.
Sample security	<i>The measures taken to ensure sample security.</i>	N/A – No new or previous samples were generated in relation to this announcement.
Audits or reviews	<i>The results of any audits or reviews of sampling techniques and data.</i>	N/A – No new or previous sample results are referred to in this announcement.

Section 2 Reporting of Exploration Results

CRITERIA	JORC CODE EXPLANATION	COMMENTARY
Mineral tenement and land tenure status	<i>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.</i>	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.
	<i>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.</i>	The Agreement and concession are in good standing at the time of writing.
Exploration done by other parties	<i>Acknowledgement and appraisal of exploration by other parties.</i>	This announcement does not refer to exploration conducted by previous parties.
Geology	<i>Deposit type, geological setting and style of mineralisation.</i>	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.



CRITERIA	JORC CODE EXPLANATION	COMMENTARY
Drill hole information	<p>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:</p> <ul style="list-style-type: none"> • 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. 	<p>N/A – no new drilling or drill results are referred to in this announcement. Previously released drilling data is provided by way of inclusion of a cross section, originally part of an announcement dated 6 September 2017.</p>
	<p>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.</p>	<p>N/A – no new drilling or drill results are referred to in this announcement. Refer also immediately above.</p>
Data aggregation methods	<p>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.</p>	<p>N/A – no weighting averages nor maximum/minimum truncations were applied.</p>
	<p>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.</p>	<p>N/A – no weighting averages nor maximum/minimum truncations were applied.</p>
	<p>The assumptions used for any reporting of metal equivalent values should be clearly stated.</p>	<p>N/A – no equivalents were used in this announcement.</p>
Relationship between mineralisation widths and intercept lengths	<p>These relationships are particularly important in the reporting of Exploration Results.</p> <p>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</p> <p>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’).</p>	<p>N/A – no drilling or drill results are referred to in this announcement. Previously released drilling data is provided by way of inclusion of a cross section, originally part of an announcement dated 6 September 2017.</p>
Diagrams	<p>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.</p>	<p>Plans are provided showing the configuration of the mine working the subject of this announcement.</p>
Balanced reporting	<p>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.</p>	<p>The Company believes the ASX announcement provides a balanced report of its exploration results referred to in this announcement.</p>
Other substantive exploration data	<p>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.</p>	<p>The Company makes reference to two previous ASX announcements: 4 September 2017 and 6 September 2017.</p>



CRITERIA	JORC CODE EXPLANATION	COMMENTARY
Further work	<i>The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).</i>	By nature of early phase exploration, further work is necessary to better understand the mineralisation that is exposed in the mine working.
	<i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i>	N/A: Refer above.
